

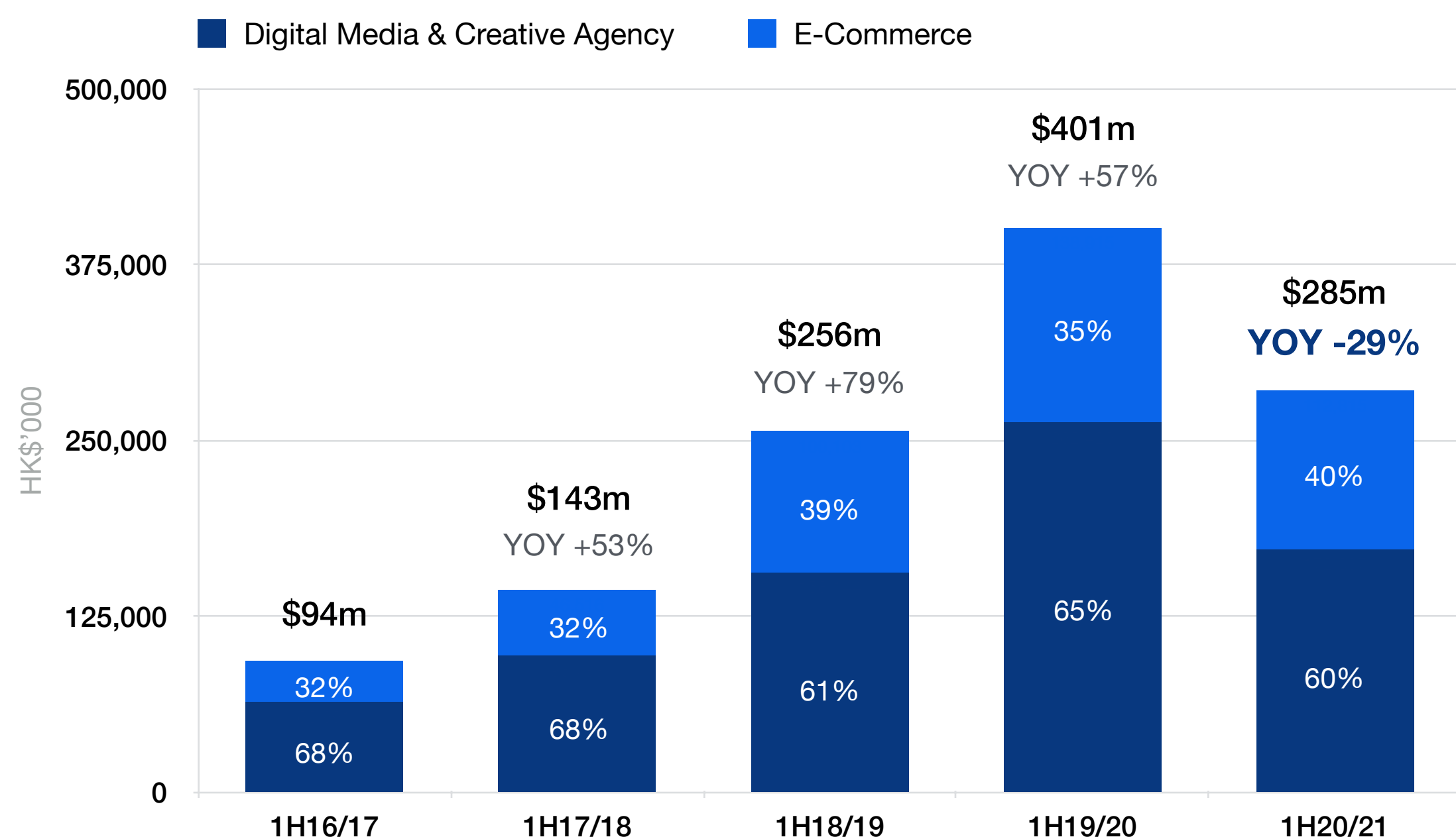
# **HYPEBEAST**

FY20/21 Interim Results

November 2020

# FY20/21 Interim Highlights

- Digital media revenues decreased by 34.2% HOH
- Digital media margins improved to 50.4% HOH (1H20: 47.7%)
- E-com revenues decreased by 18.8% HOH
- E-com margins decreased to 36.3% HOH (1H20: 44.4%)
- Rental agreement for the New York retail store signed in Nov. 2020, expected opening in 2021
- MOU strategic agreement signed with AVEX, JP



KPI	1H20/21	1H19/20
Media monthly website unique users 12 mth avg	15.5m	15.6m
Media aggregate social media followers 12 mth avg	24.4m	23.1m
Number of contracts executed	460	630
Average contract value	HK\$408K	HK\$375K
E-Com average basket value	US\$225+	US\$195+
Earnings per share		
• Basic (HK cent)	1.03	1.37
• Diluted (HK cent)	1.02	1.35


## Continued Diversification into Non-Endemics Client Categories

- Consistent growth of the Non-Endemic categories throughout COVID-19
- Focused in the Alcohol, E-Gaming & Technology sectors

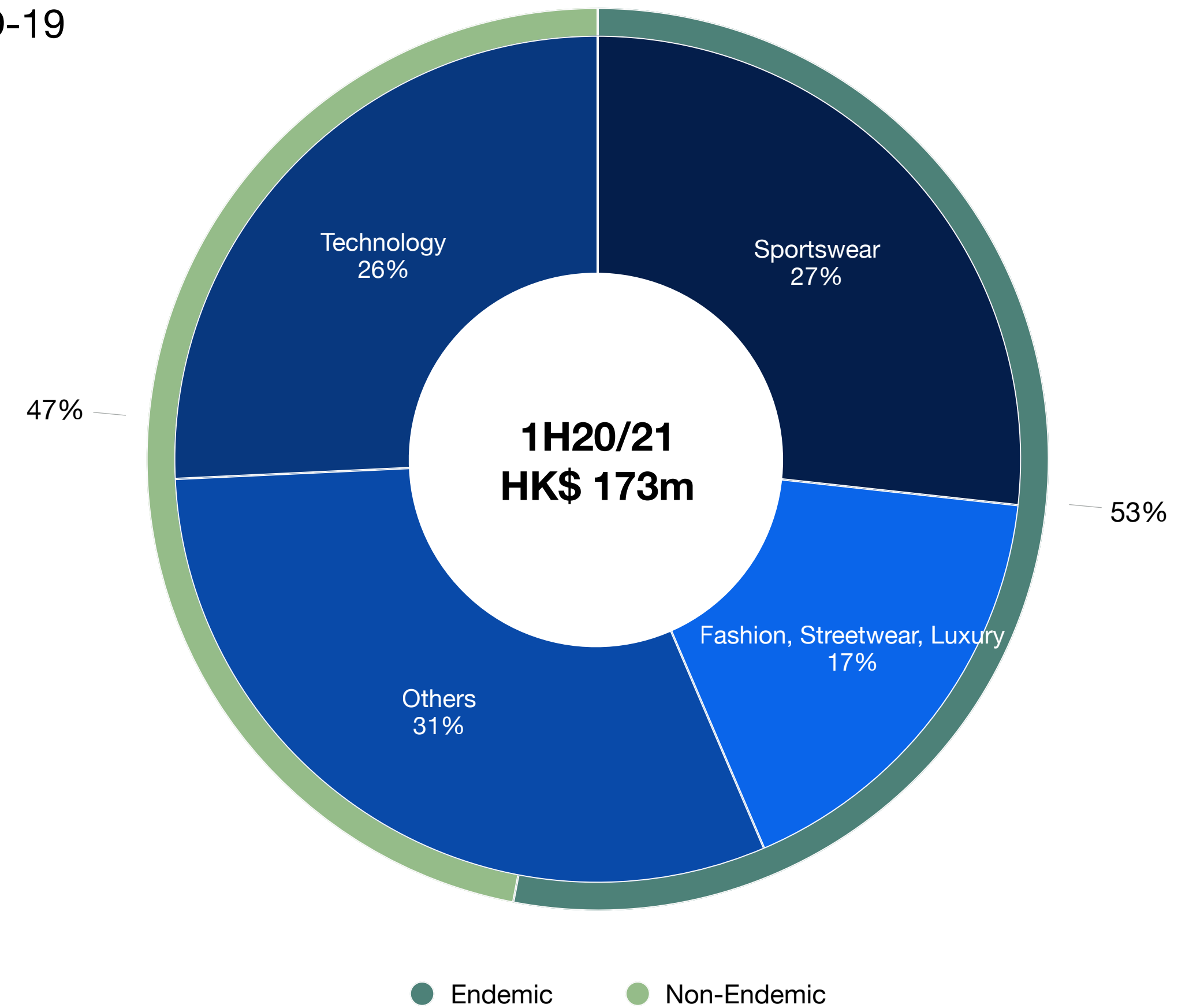
### Non-Endemic

-  Alcohol
-  E-Gaming
-  Technology

### Endemic

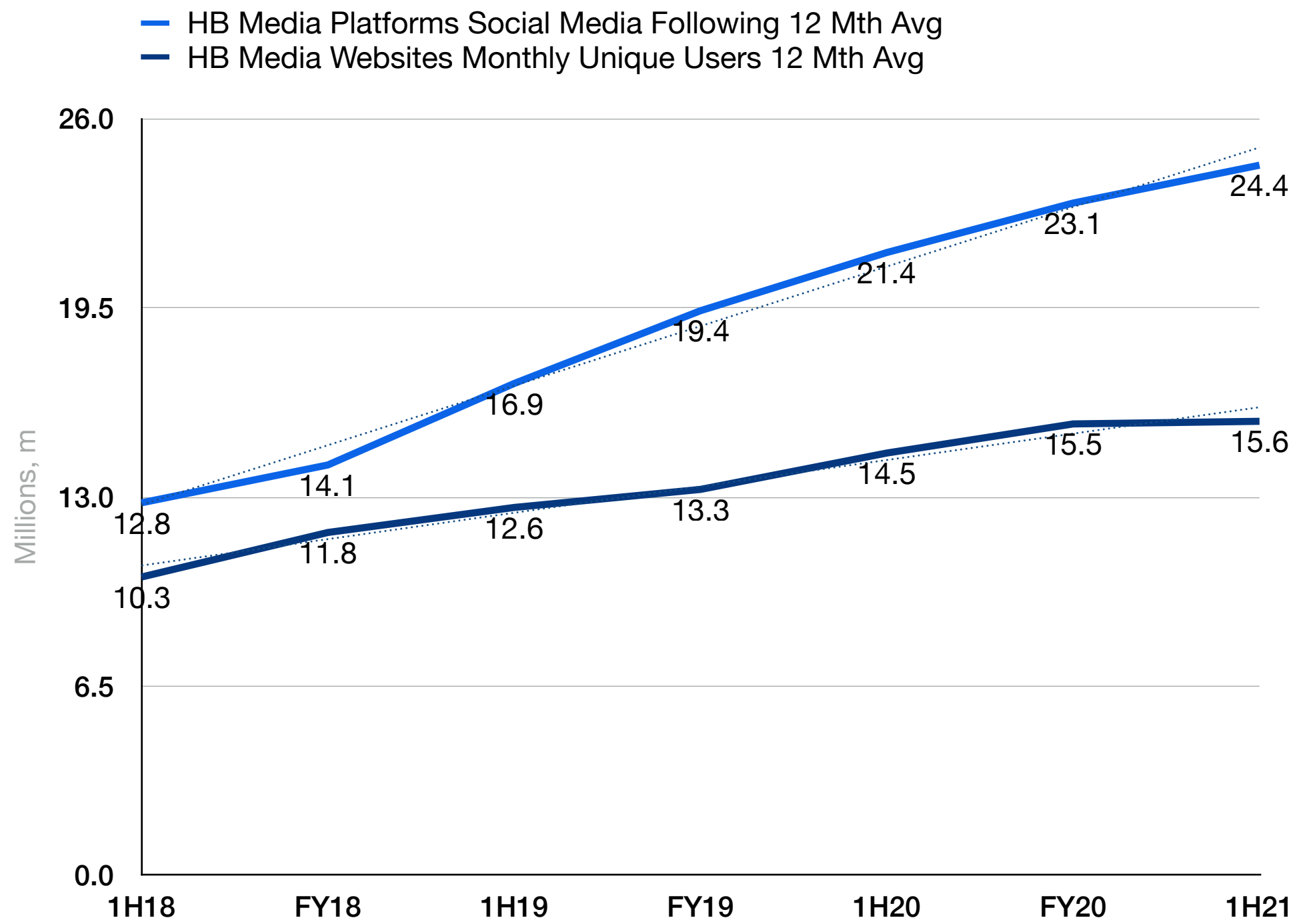
-  Sportswear
-  Luxury
-  Fashion, Retail & Streetwear

Digital Media - Recognised Revenue & Executed Contracts



# Growth in User & Followers

- Consistent 10-20% YOY in website MUV and social media following growth across global platforms
- Spike during COVID-19 stay at home measures boosted viewership in the months of March 2020 onwards globally
- Growing ecosystem of users & Hypebeast enthusiasts



9.4M

Instagram Followers



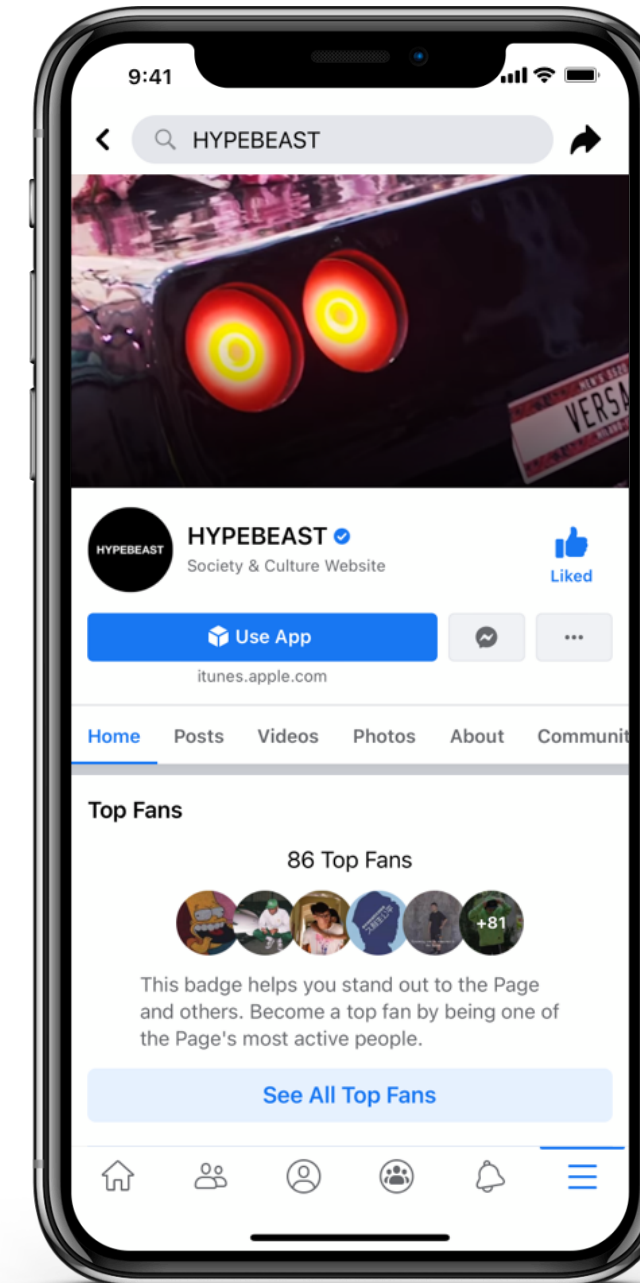
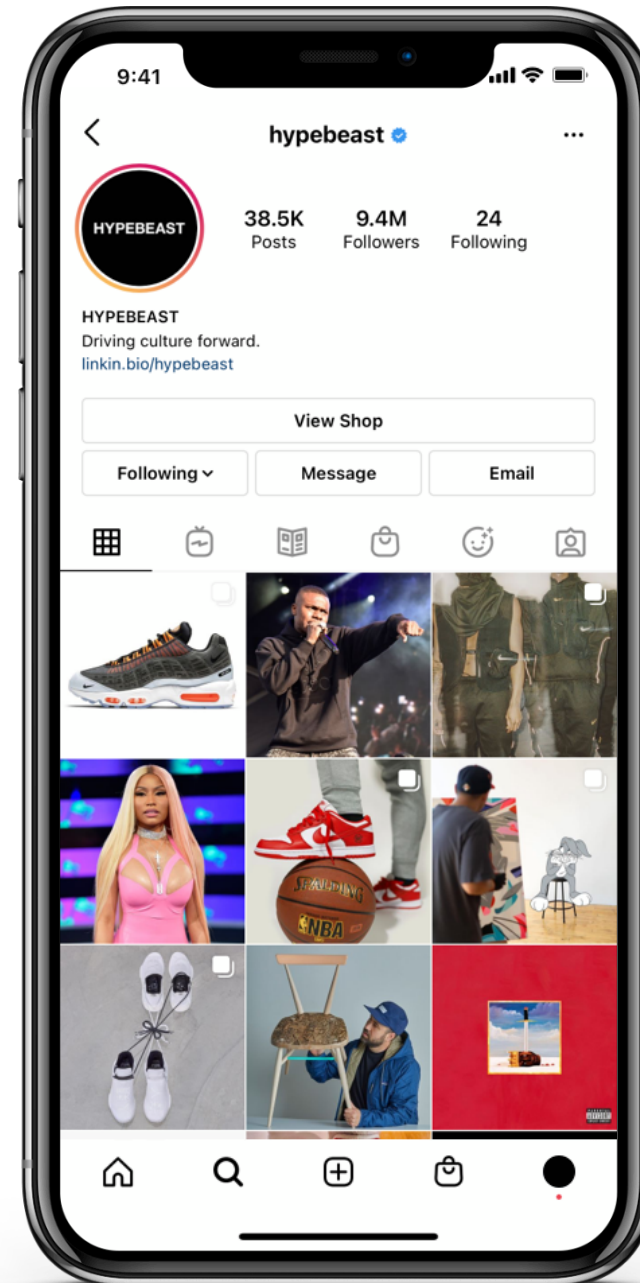
4.4M

Facebook Followers



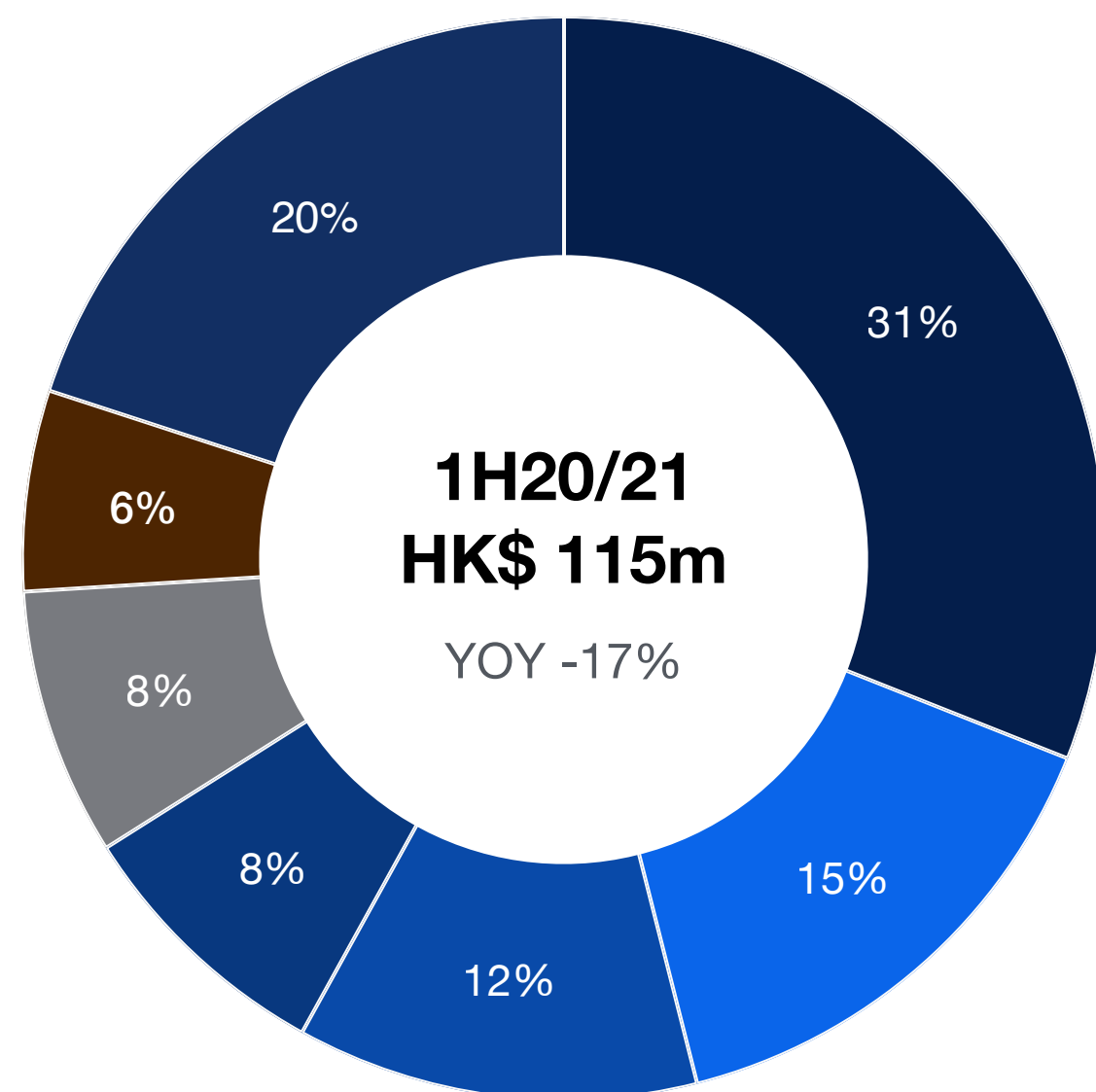
740.1K

Twitter Followers

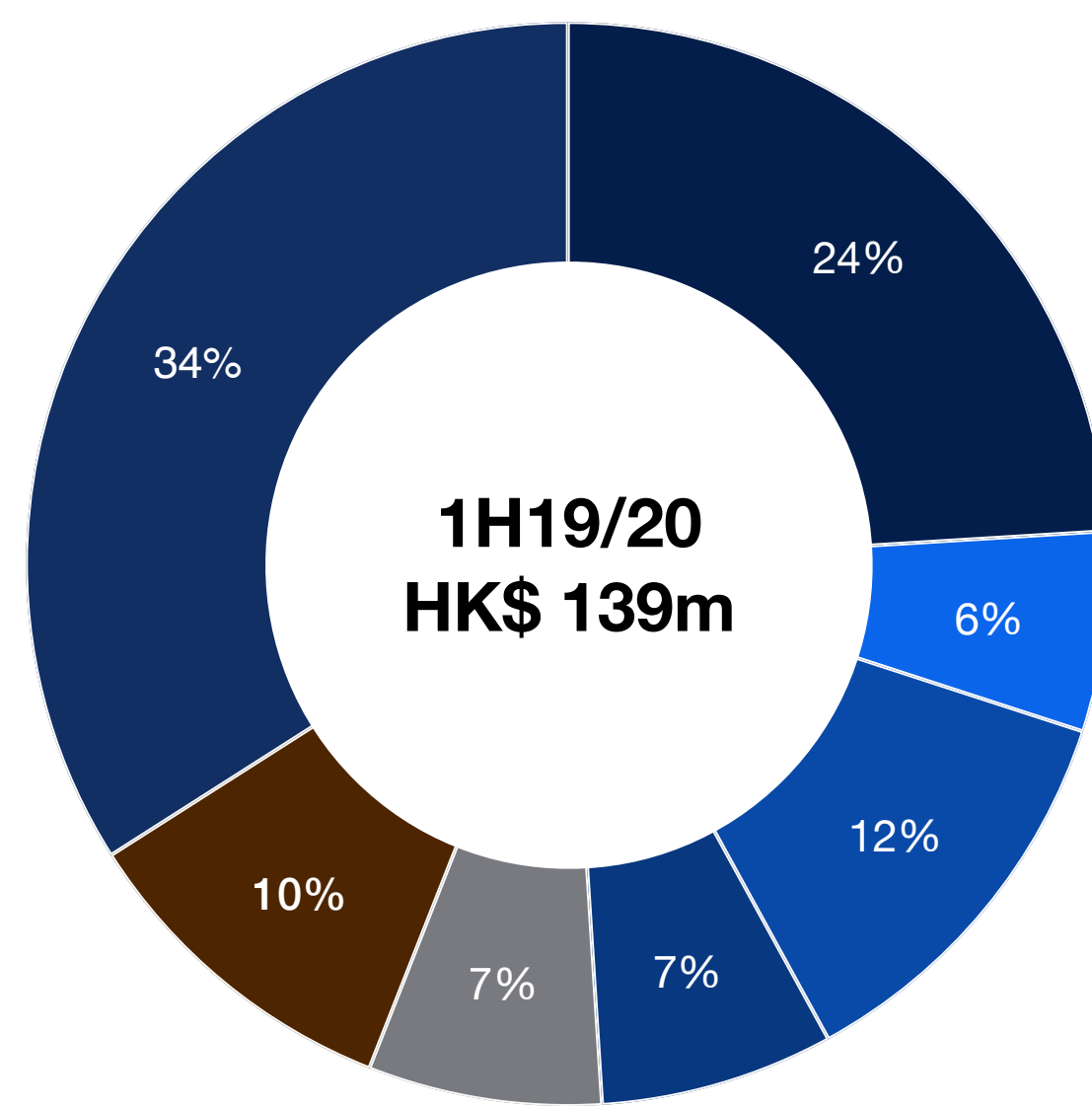


# E-Commerce Strategy

- Focused strategy reflected in the six key regions: United States, Taiwan, Hong Kong, South Korea, Japan, China, making up 80% of E-Commerce sales (1H20: 66%)
- OTB review & adjustments of approximately 20% during 1H due to COVID-19
- HBX JP expected to launch in 2H21



- United States
- Taiwan
- Hong Kong
- South Korea
- Japan
- China
- R.O.W.



- United States
- Taiwan
- Hong Kong
- South Korea
- Japan
- China
- R.O.W.

	1H20/21	%	1H19/20	%	▲ in %
United States	35.7	31%	33.4	24%	7%
Taiwan	17.3	15%	8.3	6%	9%
Hong Kong	13.8	12%	16.7	12%	0%
South Korea	9.2	8%	9.7	7%	1%
Japan	9.2	8%	9.7	7%	1%
China	6.9	6%	13.9	10%	-4%
R.O.W.	23.0	20%	47.3	34%	-14%
<b>Total</b>	<b>115.0</b>		<b>139.0</b>		

# E-Commerce Strategy

- Further improvements to boost Digital Media & E-Commerce cross-selling
- Revamping of VIP Program
- Expansion of product categories offered on HBX

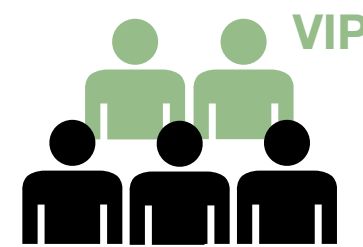
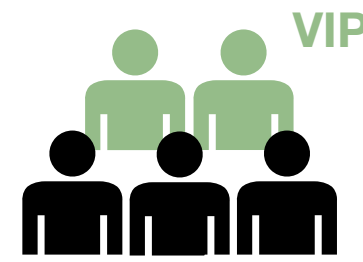
## HYPEBEAST

Digital Content

Offline Events

Access to Exclusives

Lifestyle Interactions



## HBX

Extended Product Categories:

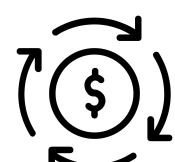


# Balance Sheet Update



## Improved liquidity and treasury position

- Increased cash position to HK\$154m (Mar 20: HK\$82.9M)



## Working capital cycle

- AR turnover days increased to 200 days (Sep 19: 138 days) due to COVID-19 delay in executions
- AR Aging 86% within 61-90 days (Mar 20: 65% within 61-90 days)
- Quick Ratio improvement to 2.5x (Mar 20: 2.1x)
- OTB reduced by around 20% during the period



## Pay down of debt and available facilities

- Pay-down in debt of HK\$26.5M
- Available facilities increased to HK\$70.5M (Mar 20: HK\$69.0M)

## Balance Sheet Summary

Sep 2020  
HK\$'000

Mar 2020  
HK\$'000

### Assets

Cash	154,227	82,854
Trade receivables	156,138	221,400
Inventories	52,477	71,408
Right of use assets	86,794	46,254
PPE	15,231	12,238
Amounts due from related companies	11,867	11,870
Other	29,895	8,141
<b>Total Assets</b>	<b>506,629</b>	<b>454,165</b>

### Liabilities & Equity

Trade payables	99,921	88,895
Bank borrowings	13,550	32,836
Lease liabilities	91,221	46,761
Other	1,623	10,478
<b>Total Liabilities</b>	<b>206,315</b>	<b>178,969</b>
<b>Total Equity</b>	<b>300,314</b>	<b>275,195</b>

# Statement of Profit or Loss

Hypebeast Limited  
For the six months ended 30 September 2020

	2020 HK\$'000	2019 HK\$'000
Revenue	285,452	401,344
Cost of revenue	(157,556)	(214,551)
<b>Gross Profit</b>	<b>127,896</b>	<b>186,793</b>
Other gains and losses	3,597	328
Selling and marketing expenses	(49,695)	(87,072)
Administrative and operating expenses	(53,581)	(62,704)
Professional fee relating to transfer of listing	-	-
Impairment losses under expected credit losses model, net of reversed	(162)	(323)
Finance costs	(921)	(657)
Share of result of a joint venture	-	(1,331)
<b>Profit Before Tax</b>	<b>27,134</b>	<b>35,034</b>
Income tax expense	(6,245)	(7,516)
<b>Profit for the Year</b>	<b>20,889</b>	<b>27,518</b>
Other comprehensive expense		
<i>Item that maybe reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	47	(76)
<b>Total Comprehensive Income for the period</b>	<b>20,936</b>	<b>27,442</b>



# Statement of Financial Position

As at 30 September 2020

	Sep 2020 HK\$'000	Mar 2020 HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	15,231	12,238
Intangible assets	976	988
Right-of-use asset	86,794	46,254
Rental Deposit	6,967	5,298
Amount due from a related company (Non-current)	11,867	11,870
	<b>121,835</b>	<b>76,648</b>
<b>Current assets</b>		
Inventories	52,477	71,408
Trade and other receivable	156,138	221,400
Contract assets	17,542	1,855
Pledged bank deposit (Current)	10,000	15,603
Bank balance and cash	144,227	67,251
Tax recoverable	4,410	-
	<b>384,794</b>	<b>377,517</b>
<b>Current Liabilities</b>		
Trade and other payables	99,921	88,894
Contract liabilities	1,549	4,429
Bank borrowing	13,550	32,836
Lease liabilities	20,357	15,862
Tax payable	-	5,976
	<b>135,377</b>	<b>147,997</b>
<b>Net current assets</b>	<b>249,417</b>	<b>229,520</b>
<b>Total assets less current liabilities</b>	<b>371,252</b>	<b>306,168</b>
<b>Non-current liabilities</b>		
Lease liabilities (Non-current)	70,864	30,899
Deferred tax liabilities	74	74
	<b>70,938</b>	<b>30,973</b>
<b>Net assets</b>	<b>300,314</b>	<b>275,195</b>
<b>Capital and reserves</b>		
Share capital	20,385	20,231
Share premium	34,018	29,579
Share option reserve	8,114	8,524
Translation reserve	5	(42)
Reserves	<b>237,792</b>	<b>216,903</b>
	<b>300,314</b>	<b>275,195</b>

# Statement of Cashflows

For the six months ended 30 September 2020

	2020 HK\$'000	2019 HK\$'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	103,643	910
<b>INVESTING ACTIVITIES</b>		
Placement of pledged bank deposits	-	(7,085)
Purchase of property, plant and equipments	(6,348)	(1,979)
Refund of rental deposits	503	-
Advance to a joint venture	-	(2,777)
Withdrawal of pledged bank deposits	5,603	6,006
Bank interest received	176	44
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(66)	(5,791)
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	7,278	23,589
Repayment of borrowings	(26,564)	(22,318)
Interest paid on bank borrowings	(354)	(466)
Proceeds from the issuance of shares upon exercise of share options	2,647	1,989
Interest element of lease rentals paid	(566)	(191)
Capital element of lease rentals paid	(9,077)	(5,889)
Dividend paid	-	(4,896)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(26,636)	(8,182)
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	76,941	(13,063)
Cash and Cash Equivalents at the Beginning of the Period	b 67,251	55,727
Effect of Foreign Exchange Rate Changes	35	(75)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	144,227	42,589

# HYPEBEAST

Corporate Info

<http://hypebeast.ltd>

Contact

[investors@hypebeast.com](mailto:investors@hypebeast.com)

Digital Media

**HYPEBEAST**

<https://www.hypebeast.com/>

**HYPEBAE**

<http://www.hypebae.com>

**POPBEE**

<https://www.popbee.com>

E-Commerce

**HBX**

<https://hbx.com>

Creative Agency

**HYPEMAKER**

<https://hypemaker.com/>

## Disclaimer

This Presentation contains certain information of Hypebeast Limited, which may include its subsidiaries, affiliates, related entities, employees ("Hypebeast"), and is intended to be used solely for your personal reference. It does not, in any way or manner, constitute an inducement or invitation to invest in Hypebeast. This Presentation does not intend to provide, and you may not rely on this presentation as providing, a complete and/or comprehensive analysis or overview of Hypebeast. All matters, explanations, financials and any information set out in this Presentation is subject to change at anytime without notice and as such, no reliance should be placed on the fairness, accuracy, completeness or correctness of any information and materials contained in this Presentation. None of Hypebeast, nor any of its advisors or representatives, shall have any liability (in negligence or otherwise) whatsoever for any loss or damage howsoever arising from any use or reliance of this Presentation, or its contents or otherwise arising in connection herein. The questions, answers and factual statements hereto will simply provide an outline and cover the basic information of Hypebeast.