

**HYPEBEAST**

**FY 21/22**

**Annual Results**

June 2022

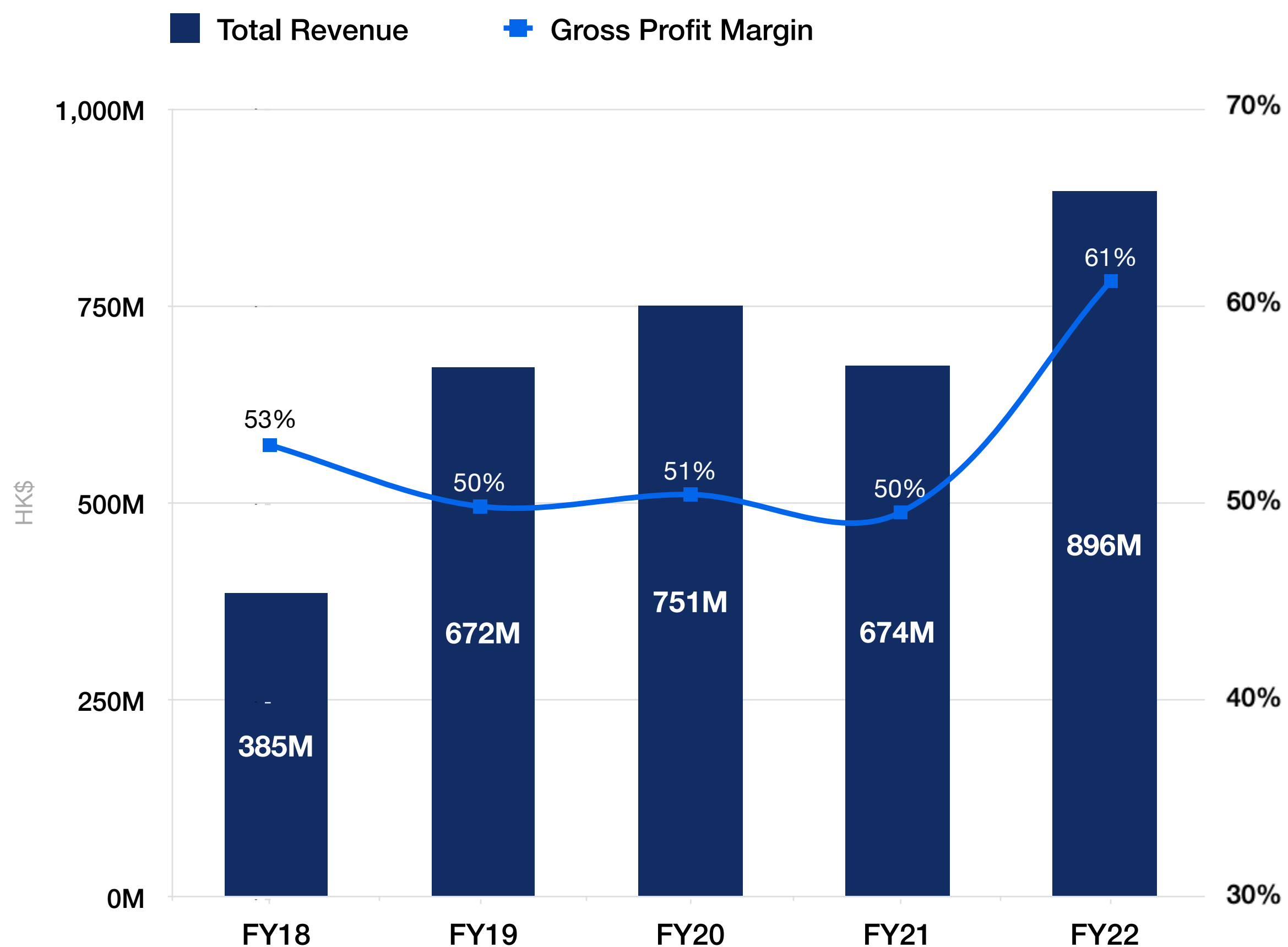
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# Financial Snapshot



	HK\$'000	FY2022	FY2021	% Change
Revenues		895,632	674,212	33%
Gross Profit		549,313	334,127	64%
<i>Gross Profit Margin</i>		61%	50%	
S&M Expense		160,391	112,791	42%
<i>(as % of Revenues)</i>		18%	17%	
A&O Expense		202,650	125,005	62%
<i>(as % of Revenues)</i>		23%	19%	
EBITDA <sup>1</sup>		174,252	122,596	42%
<i>EBITDA Margin</i>		19%	18%	
One-Off Merger Expense <sup>2</sup>		30,185	-	NA
Adjusted EBITDA <sup>3</sup>		204,437	122,596	67%
<i>Adjusted EBITDA Margin</i>		23%	18%	

1. EBITDA calculated as Profit Before Tax + Interest Expenses + Depreciation and Amortization Expenses.

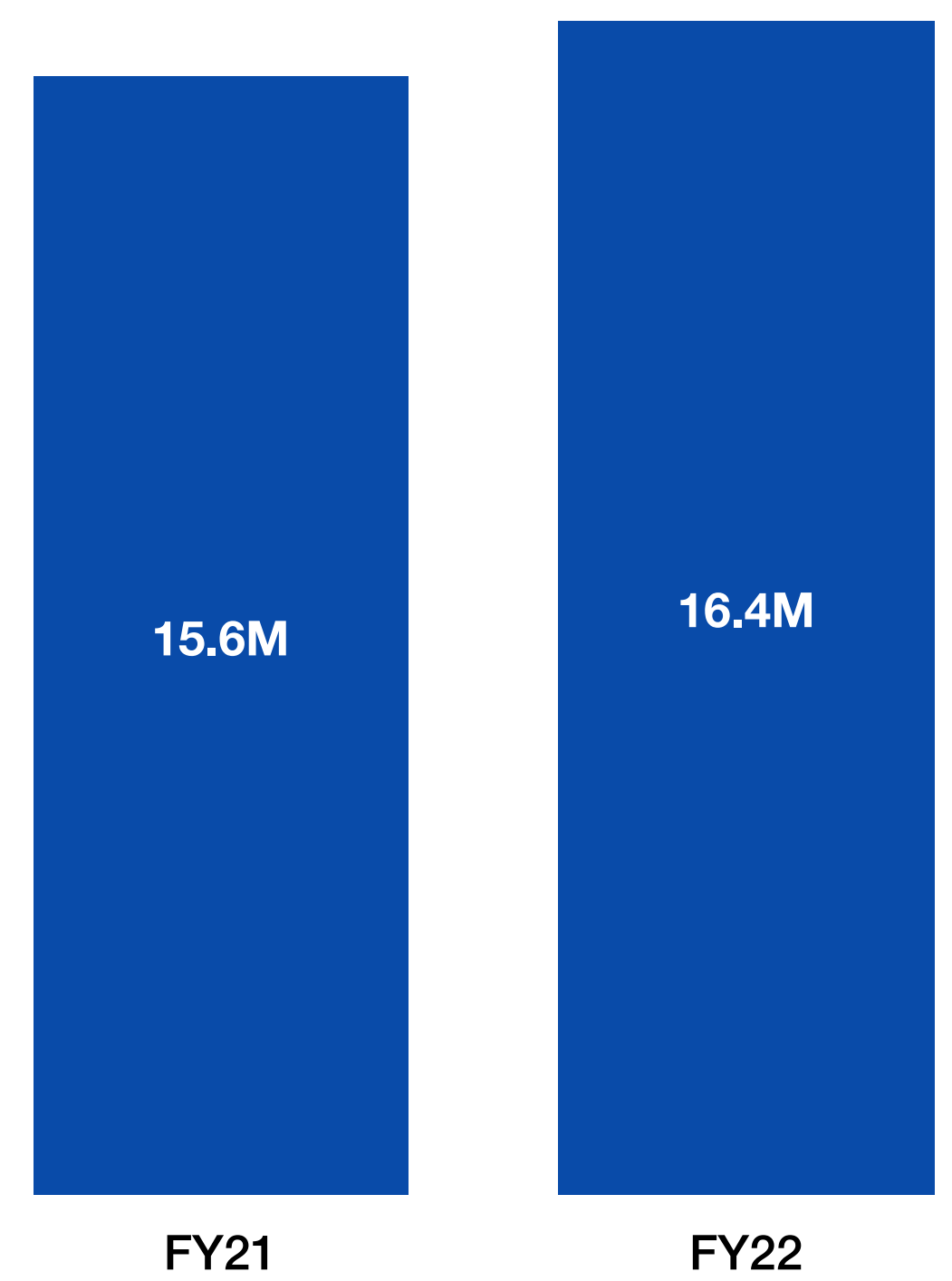
2. One-Off Merger Expense relates to one-time legal and professional fees paid for the merger recorded for FY2022 while no such cost was recognized in FY2021.

3. Adjusted EBITDA is defined as EBITDA excluding one-off merger expenses.

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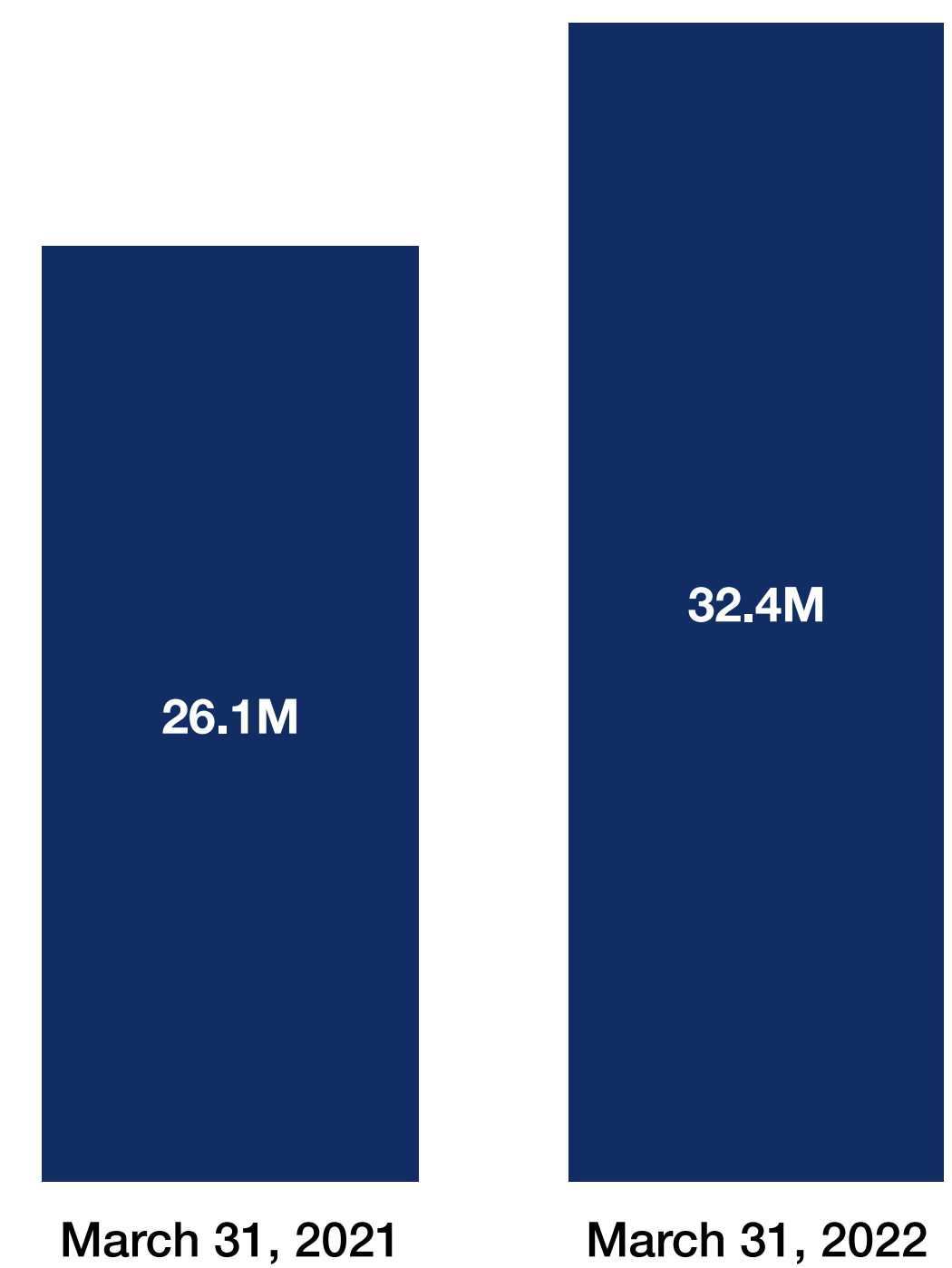
# Growing Social Media Following & Website Traffic

## Monthly Unique Visitors



■ Average Monthly Unique Visitors<sup>1</sup>

## Social Media Followers



■ Social Media Followers<sup>2</sup>

1. Average Monthly Unique Visitors refer to the number of user who requests webpages across the Hypebeast, Hypebae and Popbee platforms in a month during the years ended March 31.  
2. Social media followers refer to the total number of followers on all third-party social media platforms (including Facebook, Instagram, Twitter, etc.). Figures as of March 31.



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# 41 Division North American Headquarters



*The New York Times*

## Hypebeast Makes a 7-Story Bet on Its Future

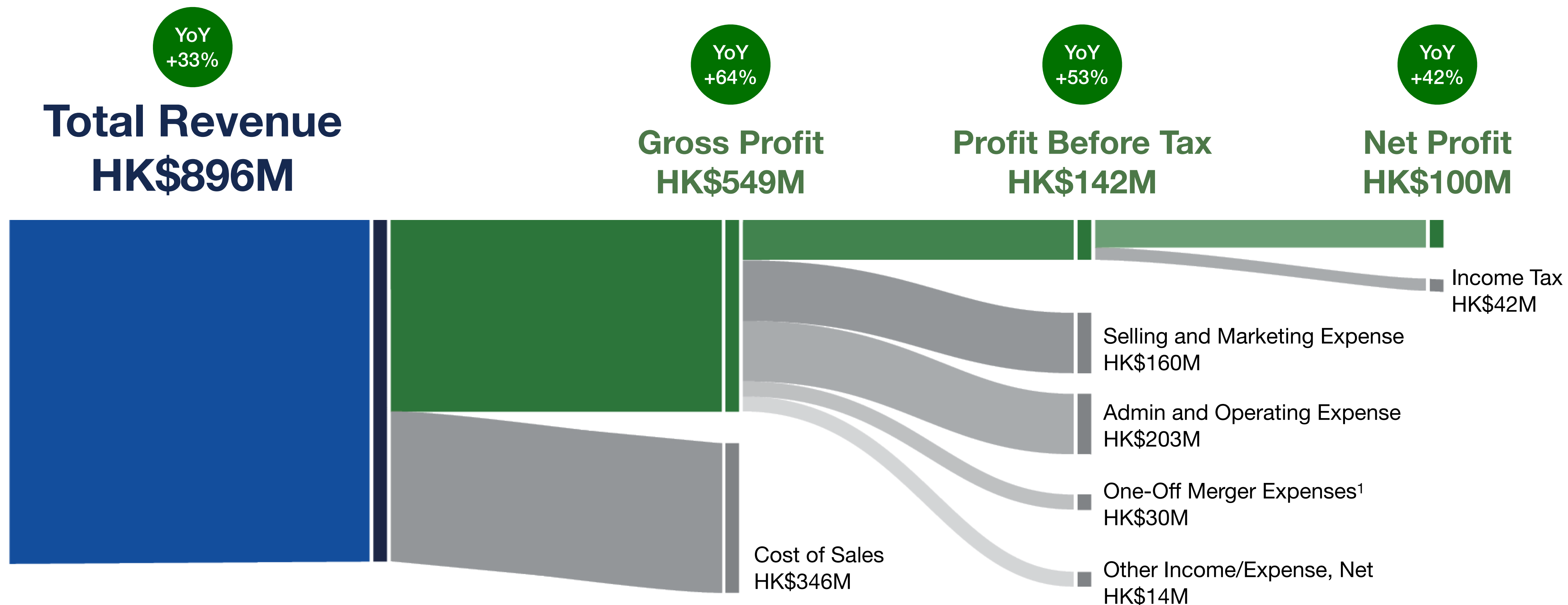
Ahead of an expected I.P.O., the streetwear giant is opening a new store and headquarters in Lower Manhattan. To Hypebeast's founder, the move is more than just a flex for the market.





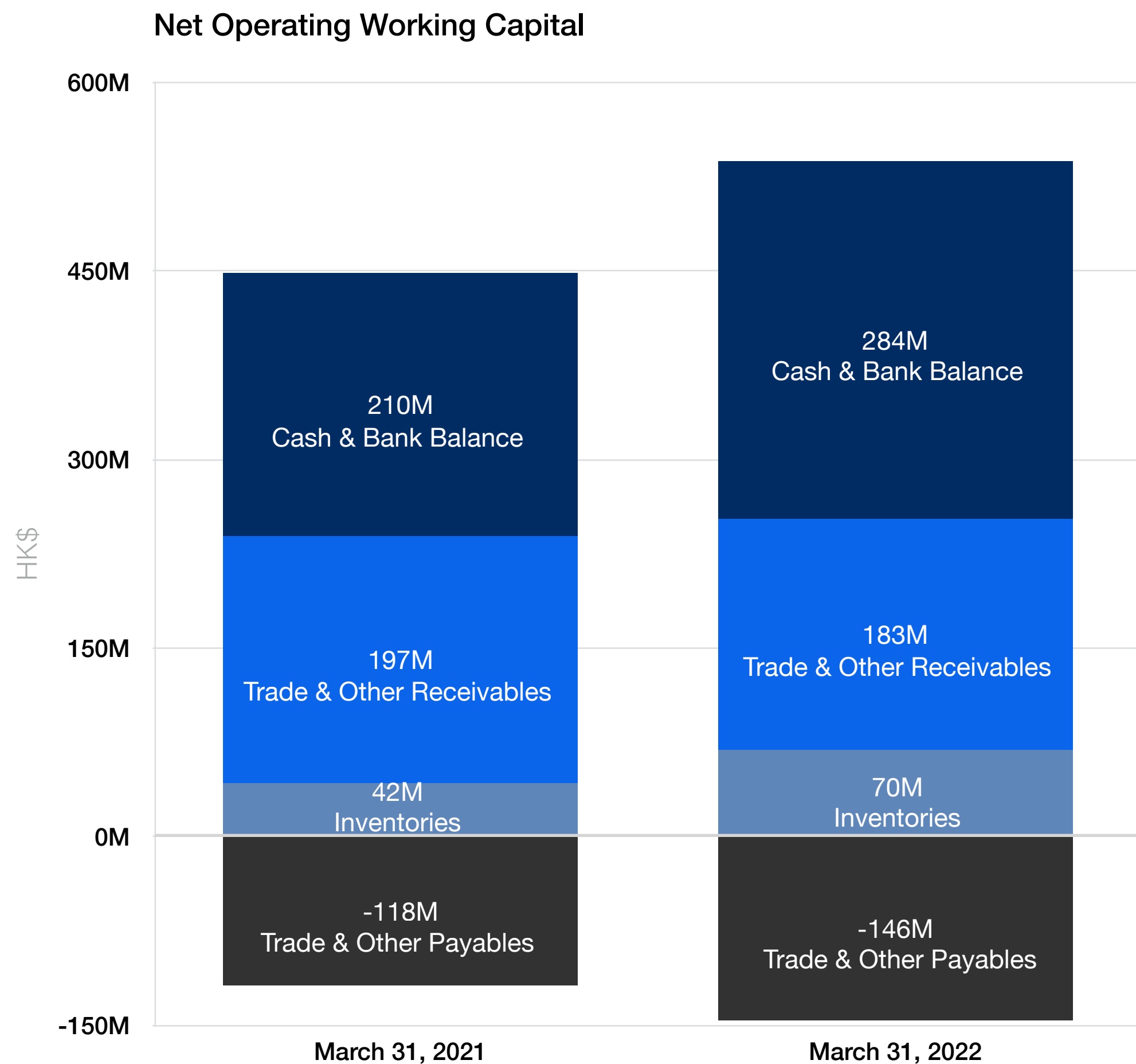
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# Record Revenue and Profitability



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# Healthy Balance Sheet to Support Organic Growth



## Improved liquidity and treasury position

- Net operating working capital continues to improve
- Increased cash position to HK\$284M (as at March 31, 2021: HK\$210M)<sup>1</sup>

## CAPEX and Free Cash Flow

- CAPEX amounted to HK\$37M (FY2021: HK\$17M)<sup>2</sup>
- FCF amounted to HK\$122M (FY2021: HK\$179M)<sup>3</sup>

## Working Capital Cycle

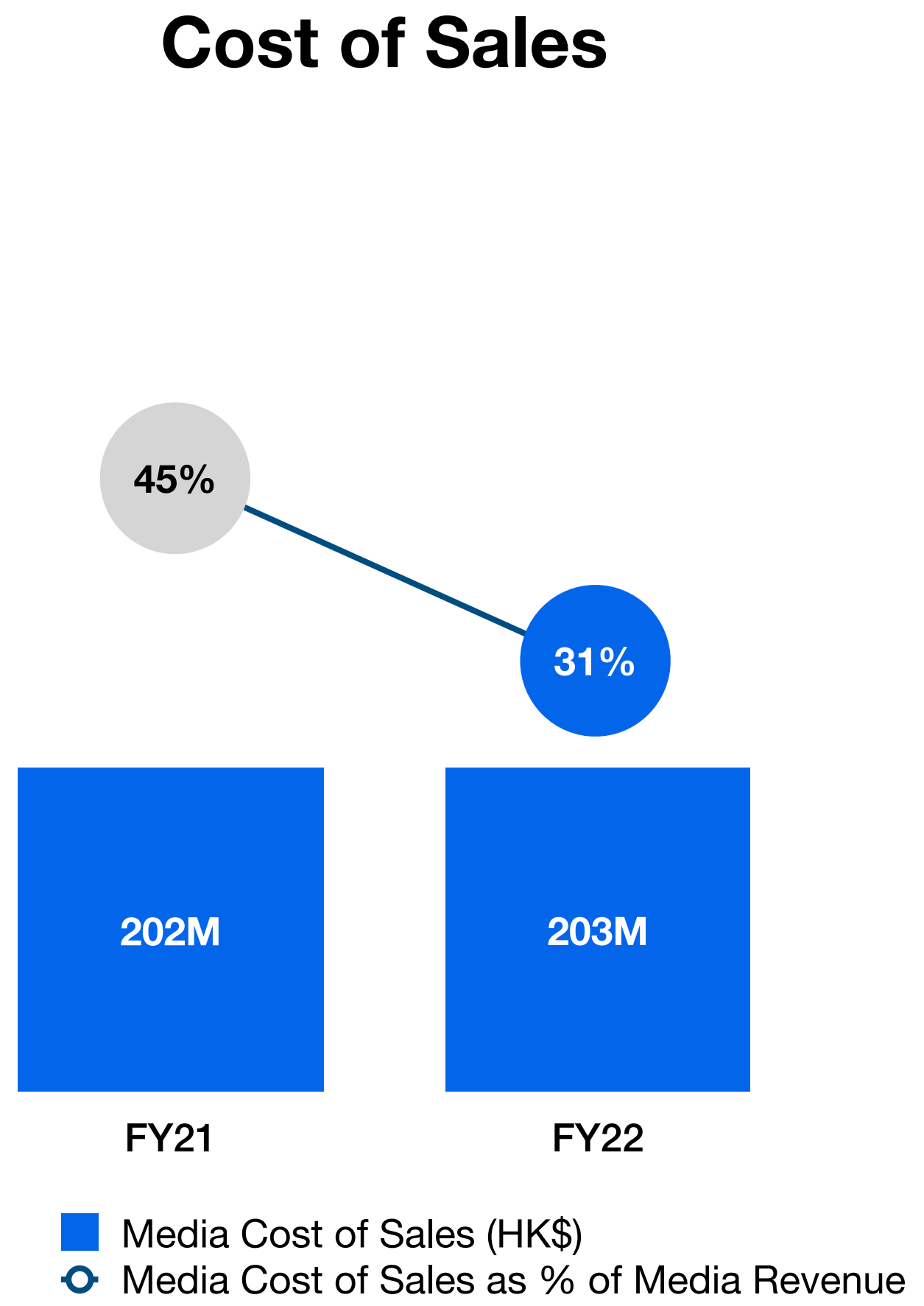
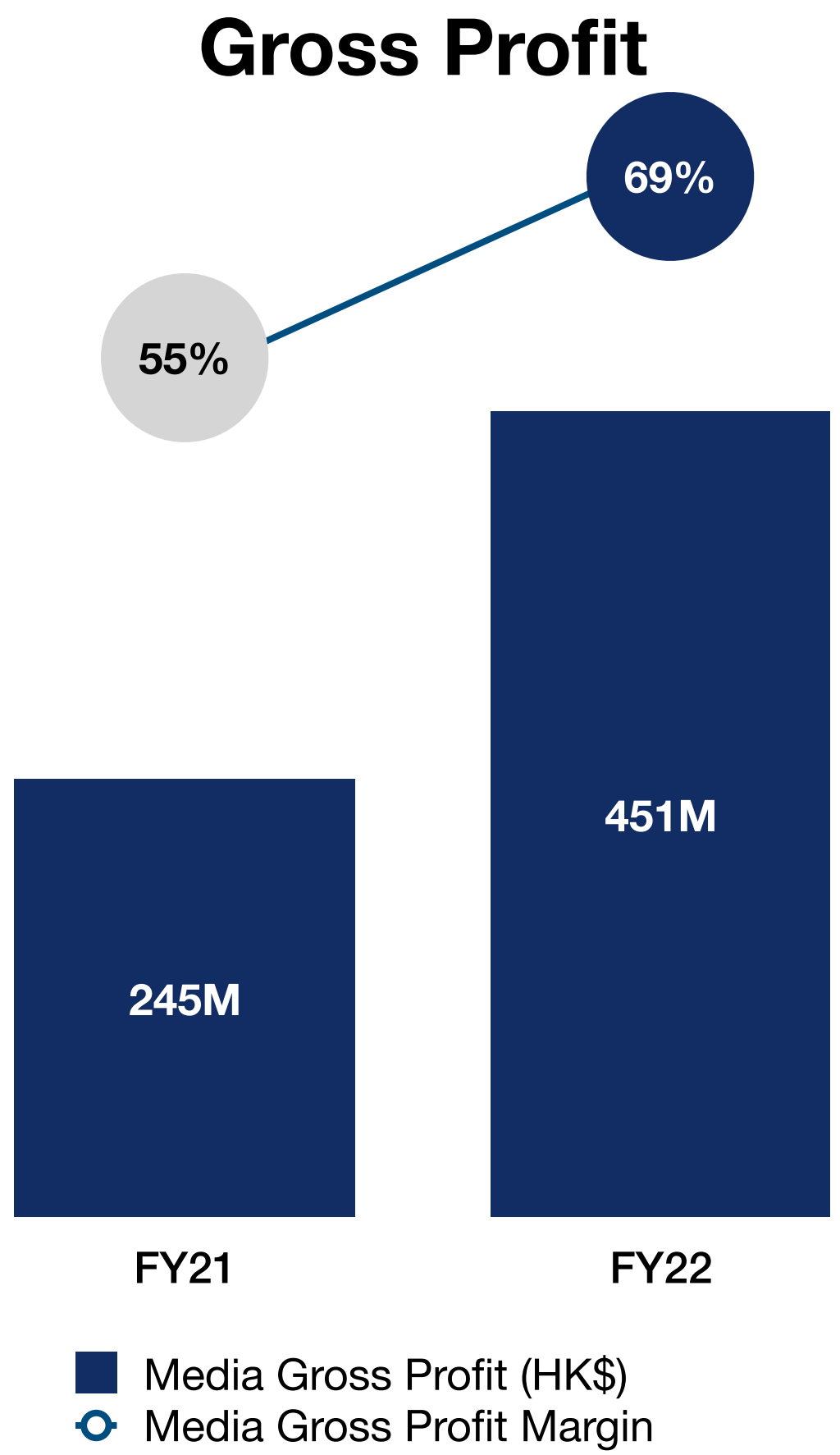
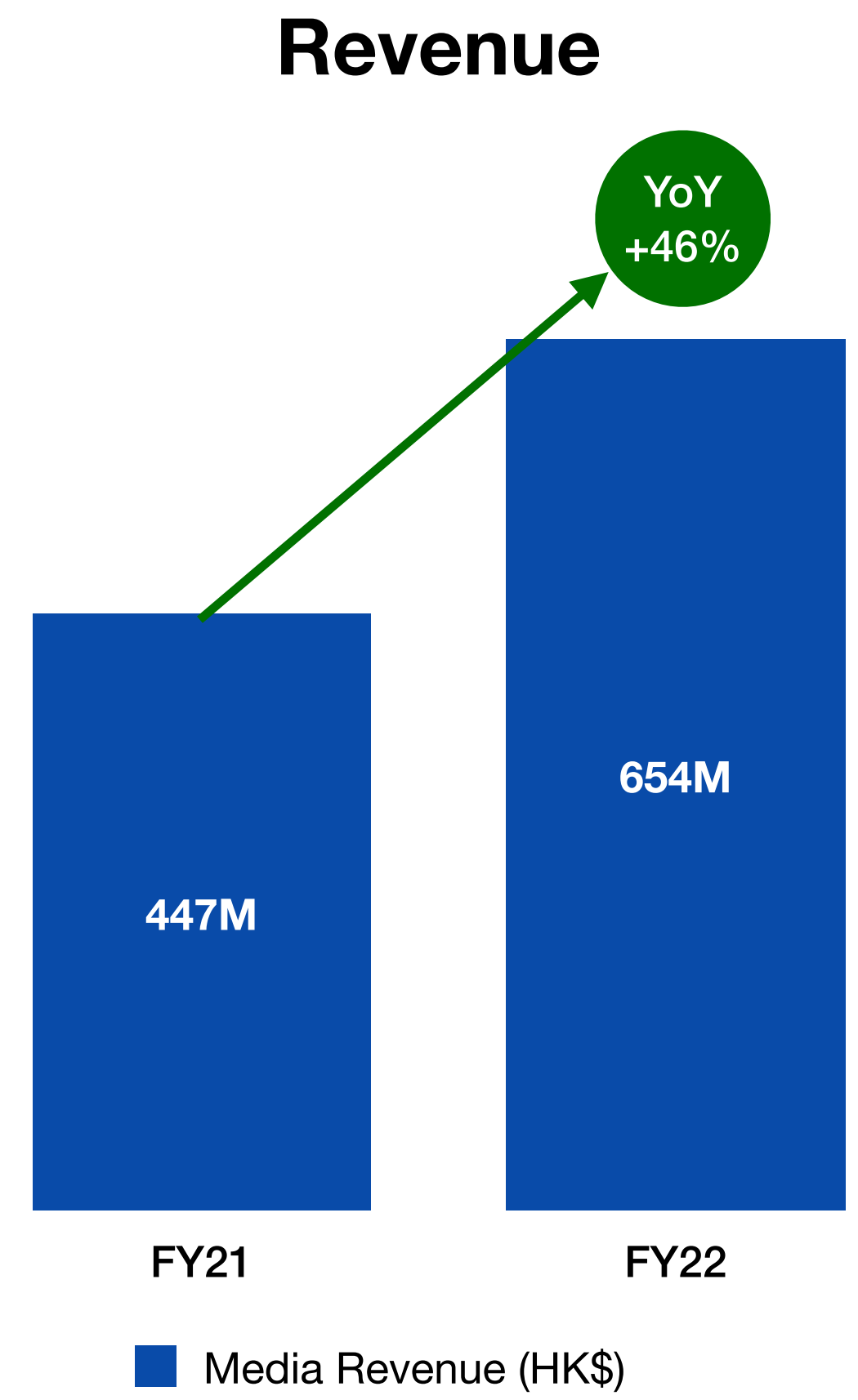
- Account receivables turnover days: 59 days (as at March 31, 2021: 111 days)<sup>1</sup>
- Inventory turnover days: 158 days (as at March 31, 2021: 160 days)<sup>1</sup>

# Media & Agency



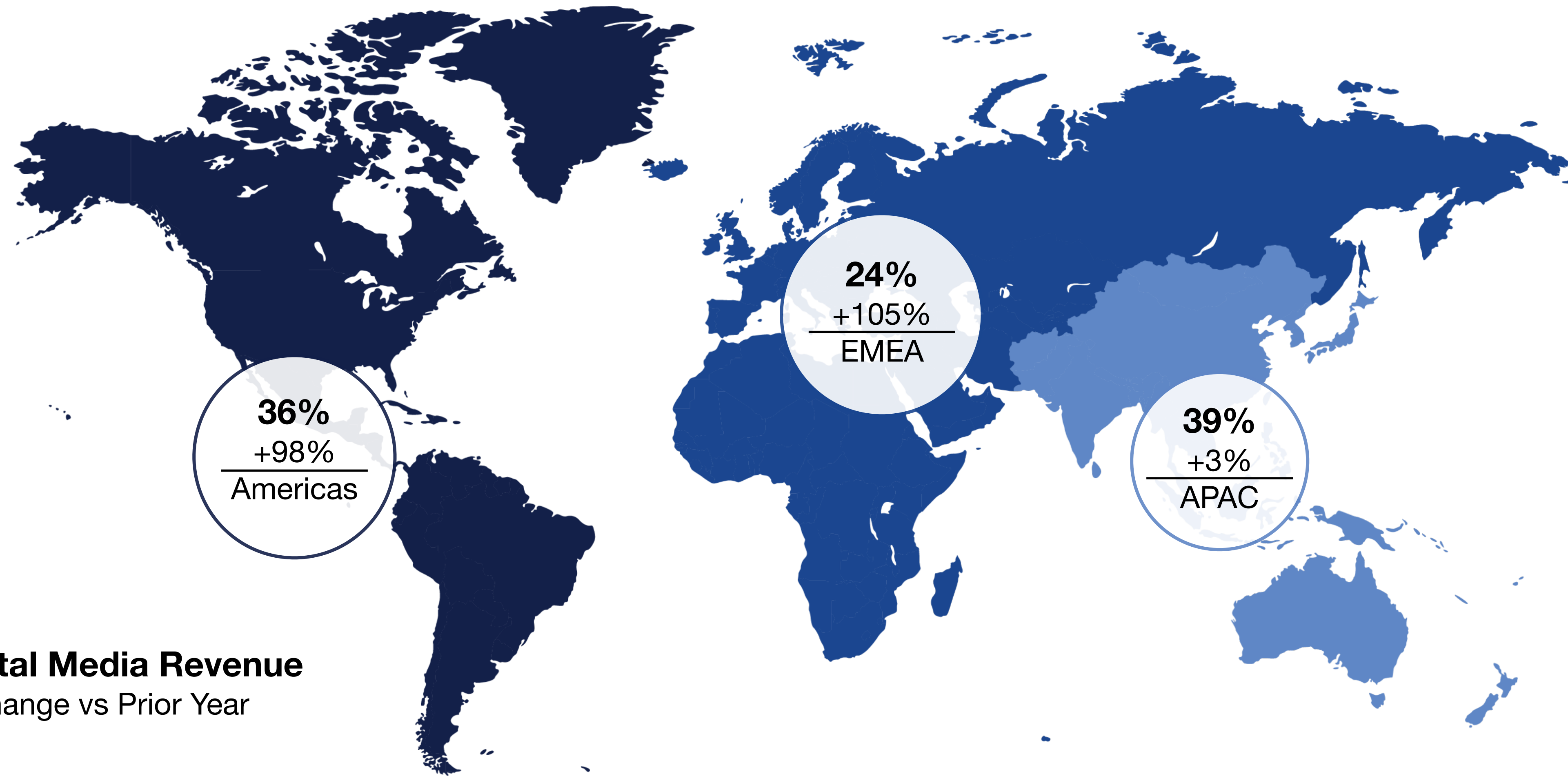
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# Media Segment - Increased Profitability & Contract Values



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# Media Growth from North America and EMEA



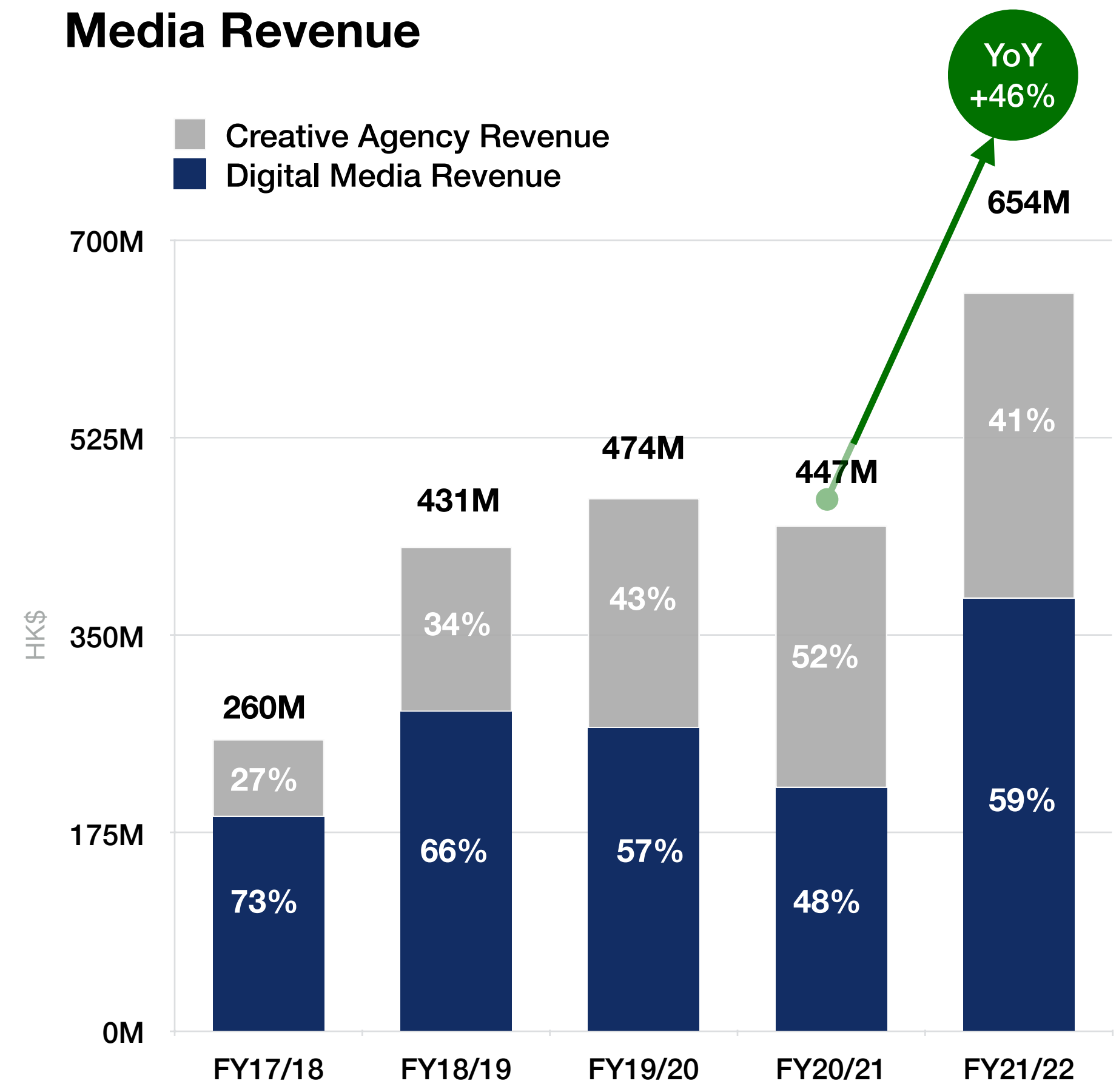
**% of Total Media Revenue**  
% Change vs Prior Year



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# Branching Out To New Segments with Successful Results

## Media Revenue



## FY22 Brand Clients



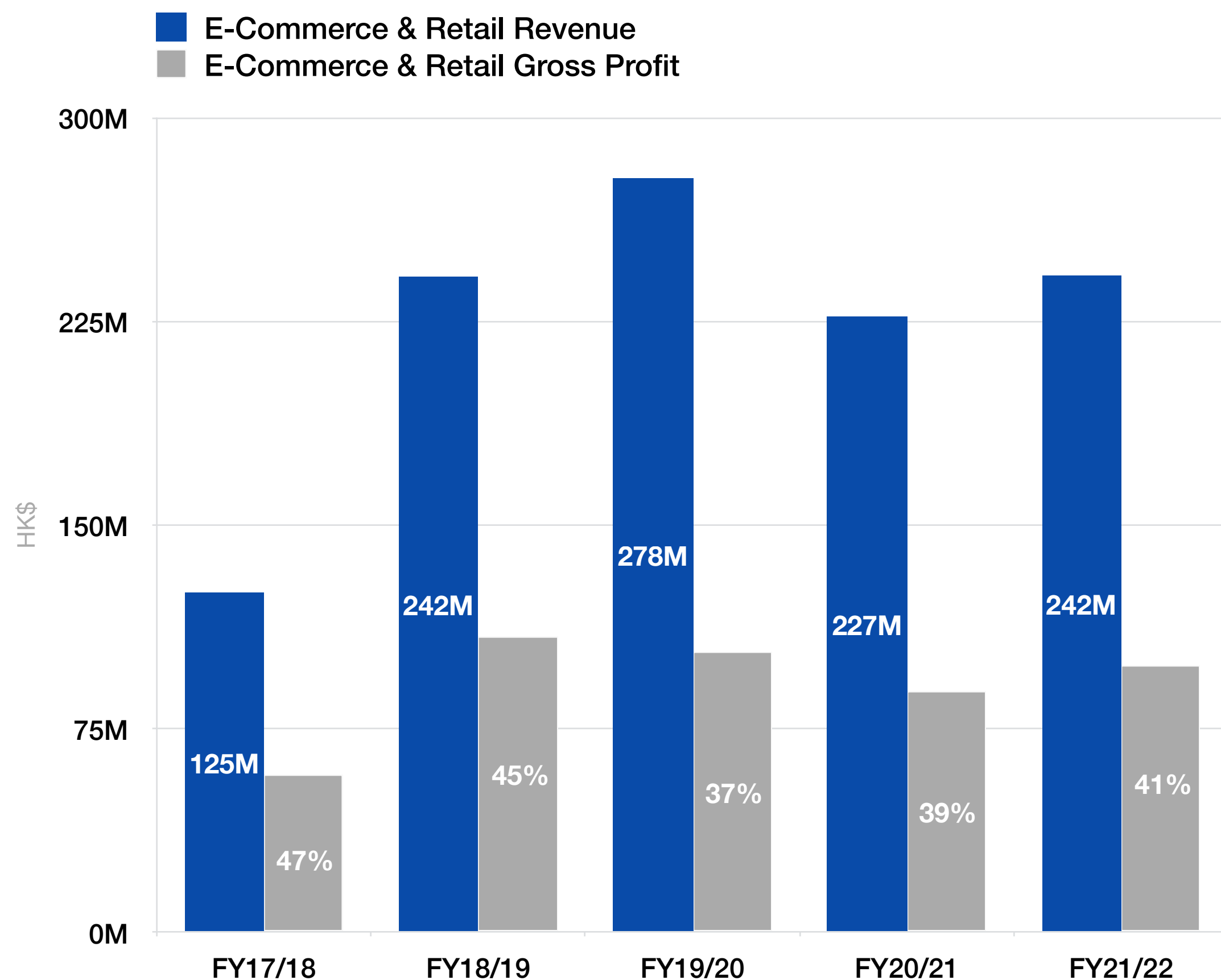
# ┌ E-Commerce & Retail



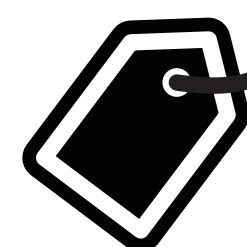
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# Streamlining E-Commerce Operations

## E-Commerce & Retail Revenue and Gross Profit



**HK\$1,995** **YoY +3%**  
(~US\$256)  
Average Order Value<sup>1</sup>



**HK\$1,081** **YoY +3%**  
(~US\$139)  
Average Unit Value<sup>2</sup>



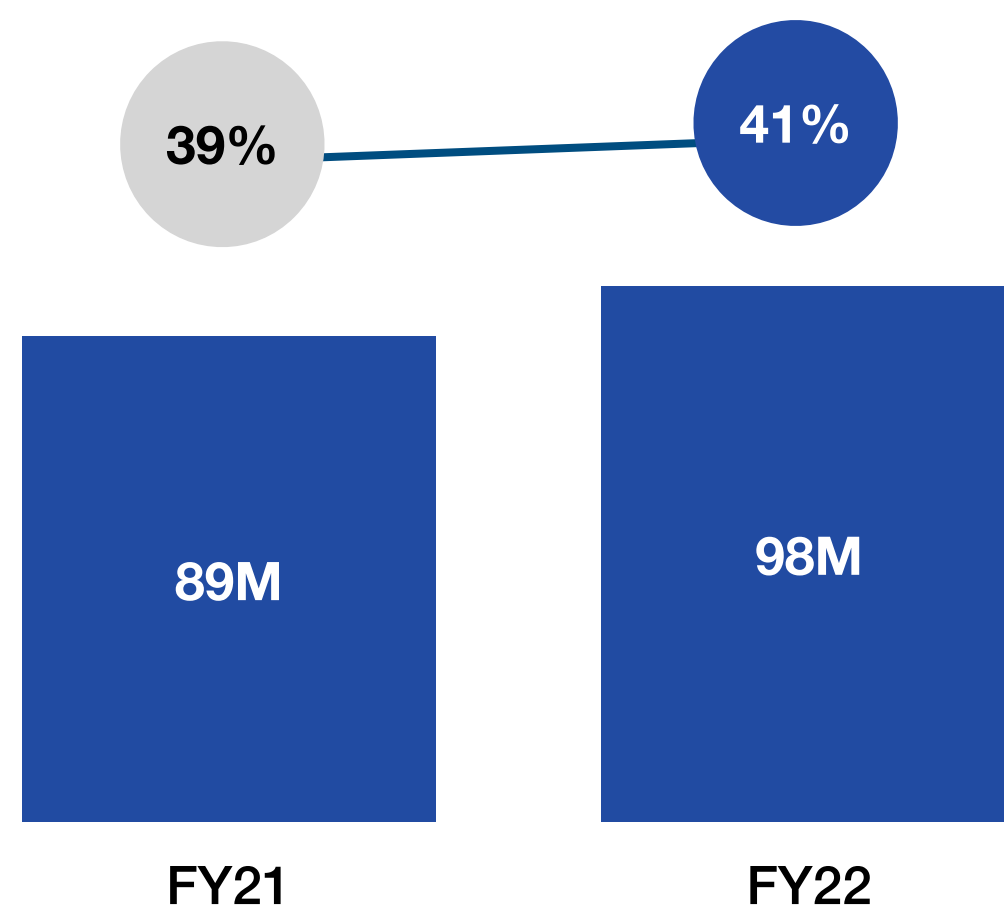
**1.04%**  
Order Conversion Rate<sup>3</sup>

1. Average order value is calculated by total sales divided by the number of orders during FY2022. 1.00 USD : 7.785 HKD  
 2. Average unit value is calculated by total retail price of products sold / number of sold products during FY2022. 1.00 USD : 7.785 HKD  
 3. Order conversion rate is calculated by average monthly unique visitors of HBX website divided by average orders per month during FY2022.

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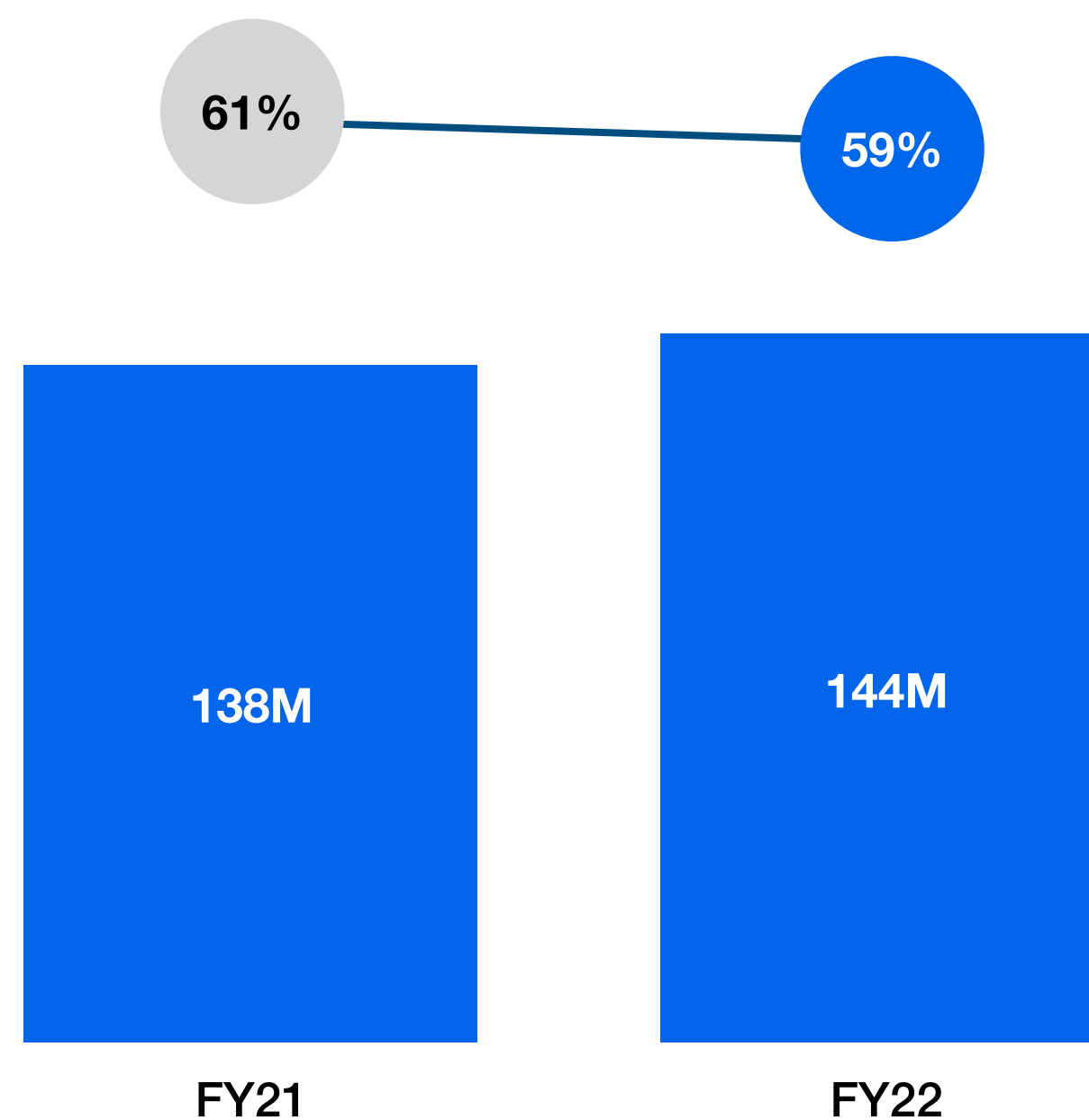
# Boosting Full Price Sell-through to Achieve Profitability

## Gross Profit



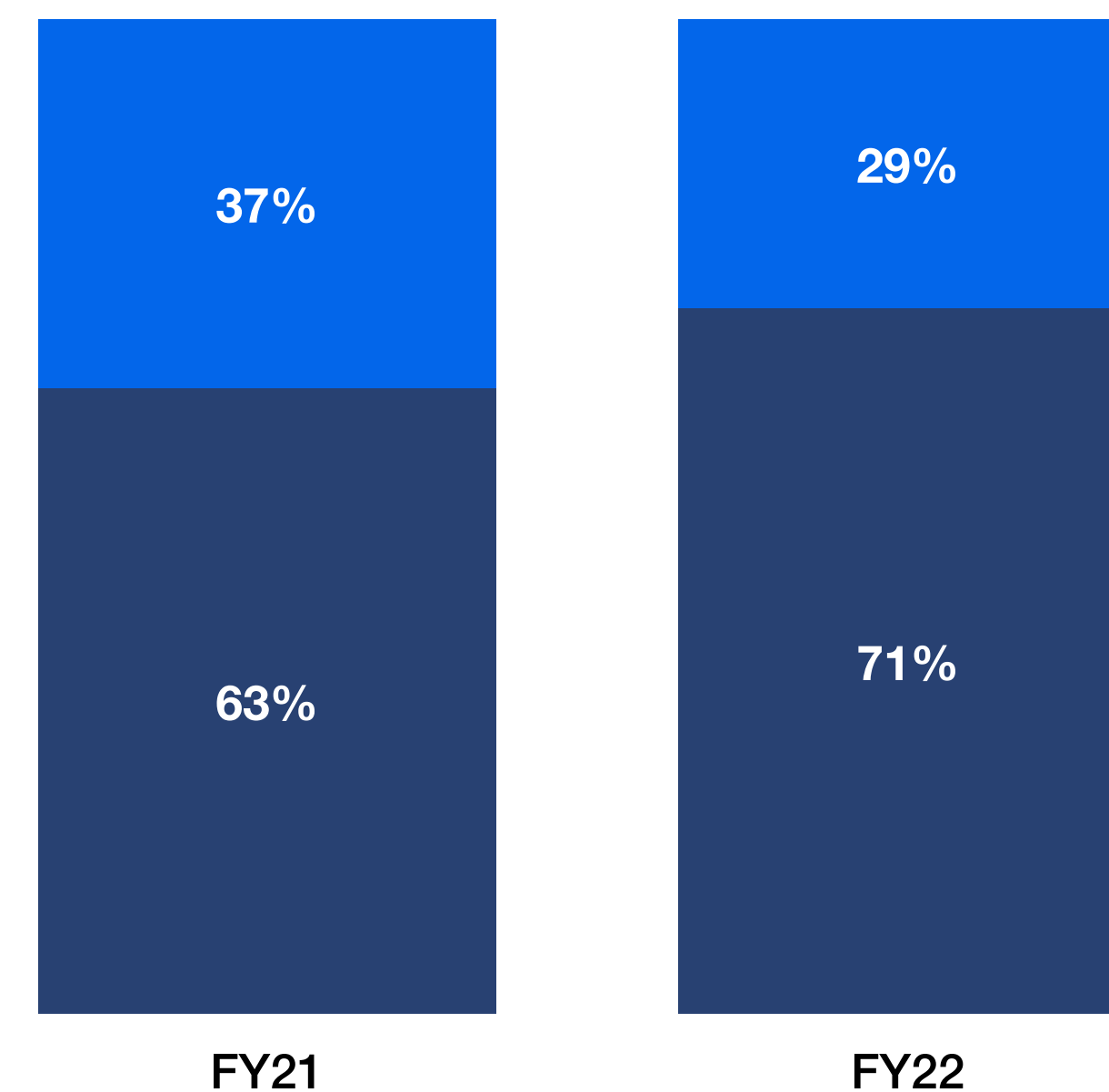
■ E-Commerce and Retail Gross Profit (HK\$)  
 ○ E-Commerce and Retail Gross Profit Margin

## Cost of Inventory



■ Cost of Inventory (HK\$)  
 ○ Cost of Inventory as % of E-Commerce revenue

## Percentage of Full Price Sales



■ Mark Down as % of E-Commerce and Retail Revenue  
 ■ Full Price as % of E-Commerce and Retail Revenue

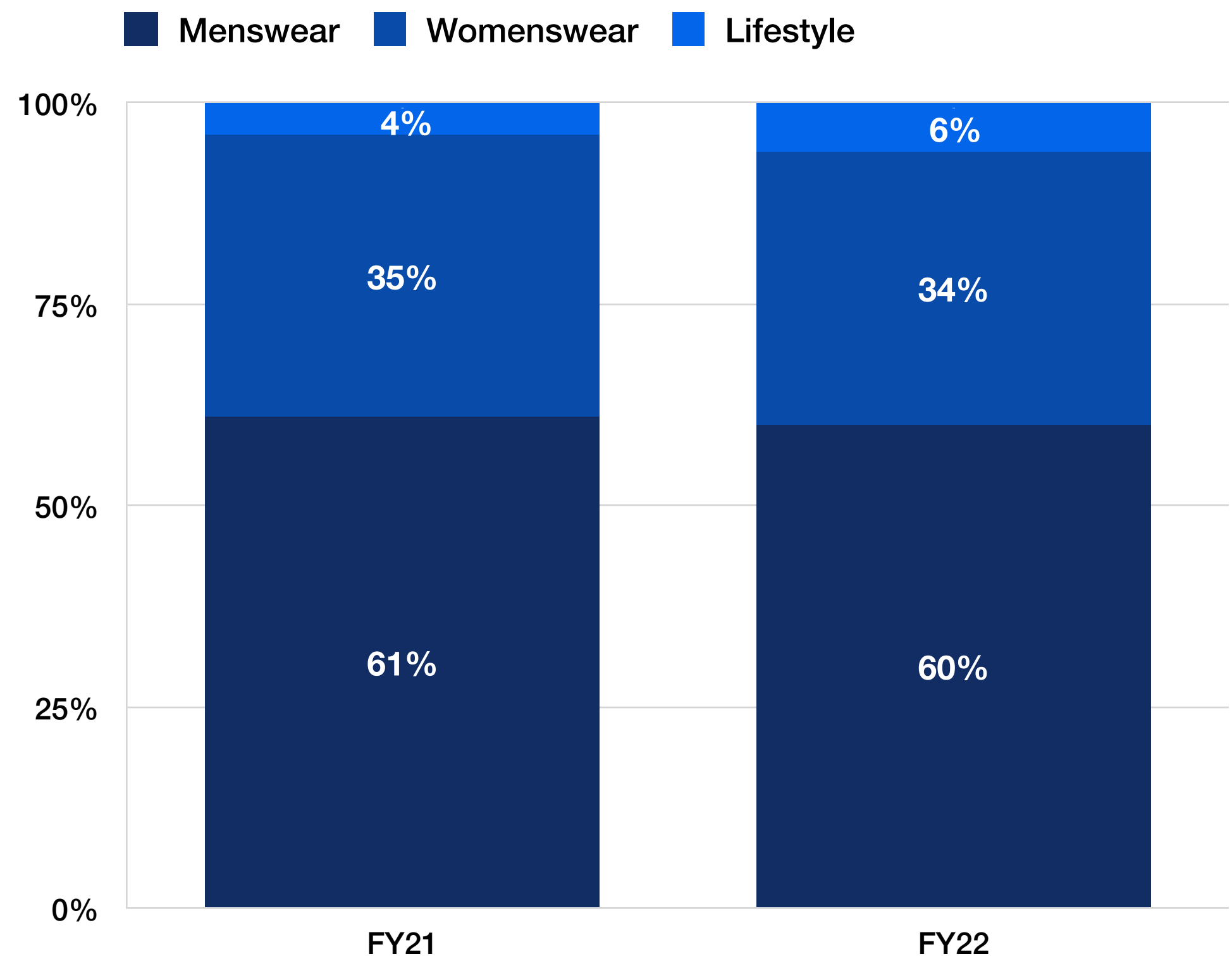


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# Product Diversification Driving High Value Purchases

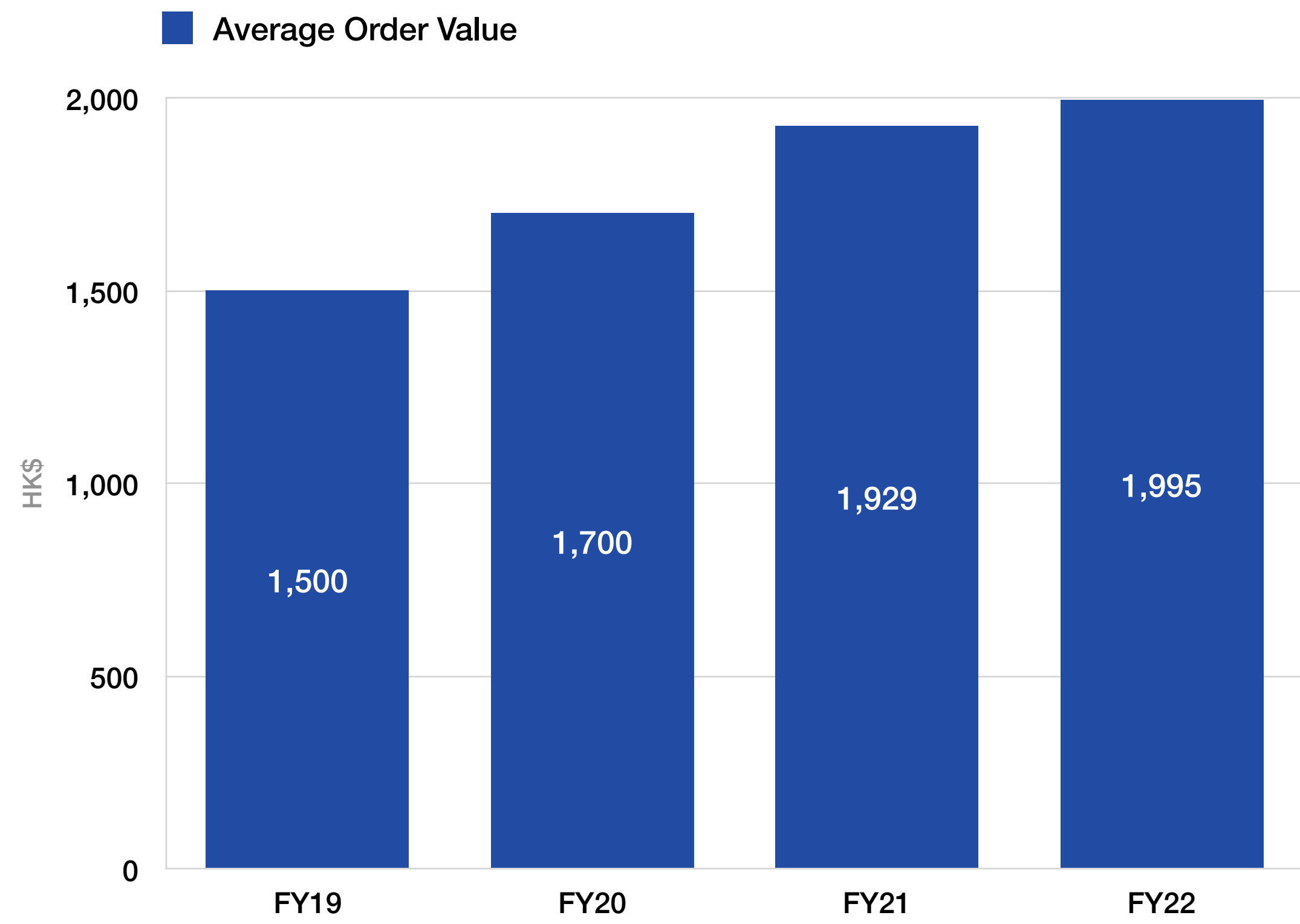
## HBX Sales By Category

**Menswear** encompasses highest SOV, while **Lifestyle** division has enjoyed growth in **collectibles** and interest in expanded categories including **home décor** and **fragrances**.



## HBX Average Order Value

Customer basket uplifts observed from **Lifestyle** division and lower entry-point upsells and cross sells



**Q&A**

**Thank you.**

**HYPEBEAST**



# Appendix

# Financial Information & Ratio Summary

	FY20/21		FY21/22		% Change
	HK\$'000	US\$'000 <sup>1</sup>	HK\$'000	US\$'000 <sup>1</sup>	
<b>Profit &amp; Loss</b>					
Revenues	674,212	86,604	895,632	115,046	33%
Gross Profit	334,127	42,919	549,313	70,560	64%
<i>Gross Profit Margin</i>	50%	50%	61%	61%	
Selling & Marketing Expense	112,791	14,488	160,391	20,603	42%
<i>(as % of Revenues)</i>	17%	17%	18%	18%	7%
Admin & Operating Expense	125,005	16,057	202,650	26,031	62%
<i>(as % of Revenues)</i>	19%	19%	23%	23%	
EBITDA	122,596	15,748	174,252	22,383	42%
<i>EBITDA Margin</i>	18%	18%	19%	19%	
Net Profit	70,584	9,067	100,167	12,867	42%
<i>Net profit Margin</i>	10%	10%	11%	11%	
EPS (HKD/USD Cent)	3.47	0.446	4.88	0.627	41%
EPS Diluted (HKD/USD Cent)	3.45	0.443	4.87	0.626	41%
<b>Balance Sheet</b>					
Non-Current Assets	121,195	15,568	167,383	21,501	38%
Inventories	42,389	5,445	69,702	8,953	64%
Trade and Other Receivables	196,942	25,298	183,018	23,509	(7%)
– Trade Receivables	83,793	10,763	128,898	16,557	54%
Cash and Bank Balances	209,575	26,920	284,269	36,515	36%
Trade and Other Payables	117,886	15,143	145,708	18,717	24%
Bank Borrowings	5,996	770	7,363	946	23%
Net Operating Working Capital <sup>2</sup>	331,020	42,520	391,281	50,261	18%
CAPEX <sup>3</sup>	(16,932)	(2,175)	(36,987)	(4,751)	118%
FCF <sup>4</sup>	178,783	22,965	121,581	15,617	(32%)
<b>Cashflow Statement</b>					
Net Cash From Operating Activities	195,715	25,140	158,568	20,368	(19%)
Net Cash Used In Investing Activities	(12,264)	(1,575)	(70,110)	(9,006)	472%
Net Cash Used In Financing Activities	(43,027)	(5,527)	(15,746)	(2,023)	(63%)
Net Increase in Cash and Cash Equivalents	140,424	18,038	72,712	9,340	(48%)
Cash and Cash Equivalents at the Beginning of Year	67,251	8,639	209,575	26,920	212%
Effect of Exchange Rate Changes	1,900	244	1,982	255	4%
Cash and Cash Equivalents at the End of Year	209,575	26,920	284,269	36,515	36%

1. USD equivalents are used as illustration purposes only. 1.00 USD : 7.785 HKD

2. Net Operating Working Capital is calculated as (Cash + Trade and Other Receivables + Inventories) - (Trade and Other Payables)

3. CAPEX refers to Property, Plant, and Equipment line of Cash Flow Statement

4. FCF is calculated as Net Cash (Used In)/Generated from Operating Activities - CAPEX

# Websites, Links & Contact

## Media

### **HYPEBEAST**

<http://www.hypebeast.com>

### **hypebae**

<http://www.hypebae.com>

### **POPBEE**

<https://popbee.com>

## Agency

### **HYPEMAKER**

<https://hypemaker.co>

## Commerce

### **HBX**

<https://hbx.com>

## Corporate

 <http://hypebeast.ltd>

## Investor Relations Contact

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