



2024 ANNUAL RESULTS

LI NING COMPANY LIMITED

李寧有限公司

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
STOCK CODES: 2331 (HKD counter) and 82331 (RMB counter)





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超级
石炭

碳板韧性
+48%

超级
弓弓

镂空体积
+129%

超级
弹

回弹能量
+38%



——以 我 为 名——
引领未来
绝影3

数据源自李宁运动科学实验室

RESULTS HIGHLIGHTS

FUTURE
RUNNING



SHADU.W



LI NING 2024 ANNUAL RESULTS

2024 annual results highlights: strong foundations, steady growth



Financial highlights (in RMB)

Revenue

28,676
million ↑ **3.9%**

Gross margin

49.4% Improved by 1.0 p.p. YoY

Net profit¹

3,013
million Net profit margin: **10.5%**

Net operating cash inflow

5,268
million ↑ **12.4%**

The percentage of gross average working capital to revenue

7.4% The cash conversion cycle: 35days, flat YoY

Annual dividend²

58.48
cents/ordinary share Payout ratio: **50%**



Operational highlights

Omni-channel retail sell-through³

Flat YoY

Offline channel new product sell-through

Accounted for 85% maintaining at a healthy level

Channel inventory

Inventory level: ↑ high-single-digit
Inventory turnover and aging structure remained at healthy levels

1: Refer to net profit attributable to equity holders of the Company

2: The Board has recommended the payment of a final dividend of RMB 20.73 cents per ordinary share for the year ended 31 December 2024, together with payments of interim dividend of RMB 37.75 cents per ordinary share, representing a full year dividend of RMB 58.48 cents per ordinary share. The proposed final dividend payment is subject to approval by the shareholders of the Company at the forthcoming annual general meeting

3: Including online and offline





竞 速 训 练 跑 鞋

赤兔 7PRO

全能跑将 冬训助燃
(轻盈) (回弹) (稳定) (抓地) (助力)

防护升级

防风梭织鞋面结合半内靴设计
保证足部温度适宜

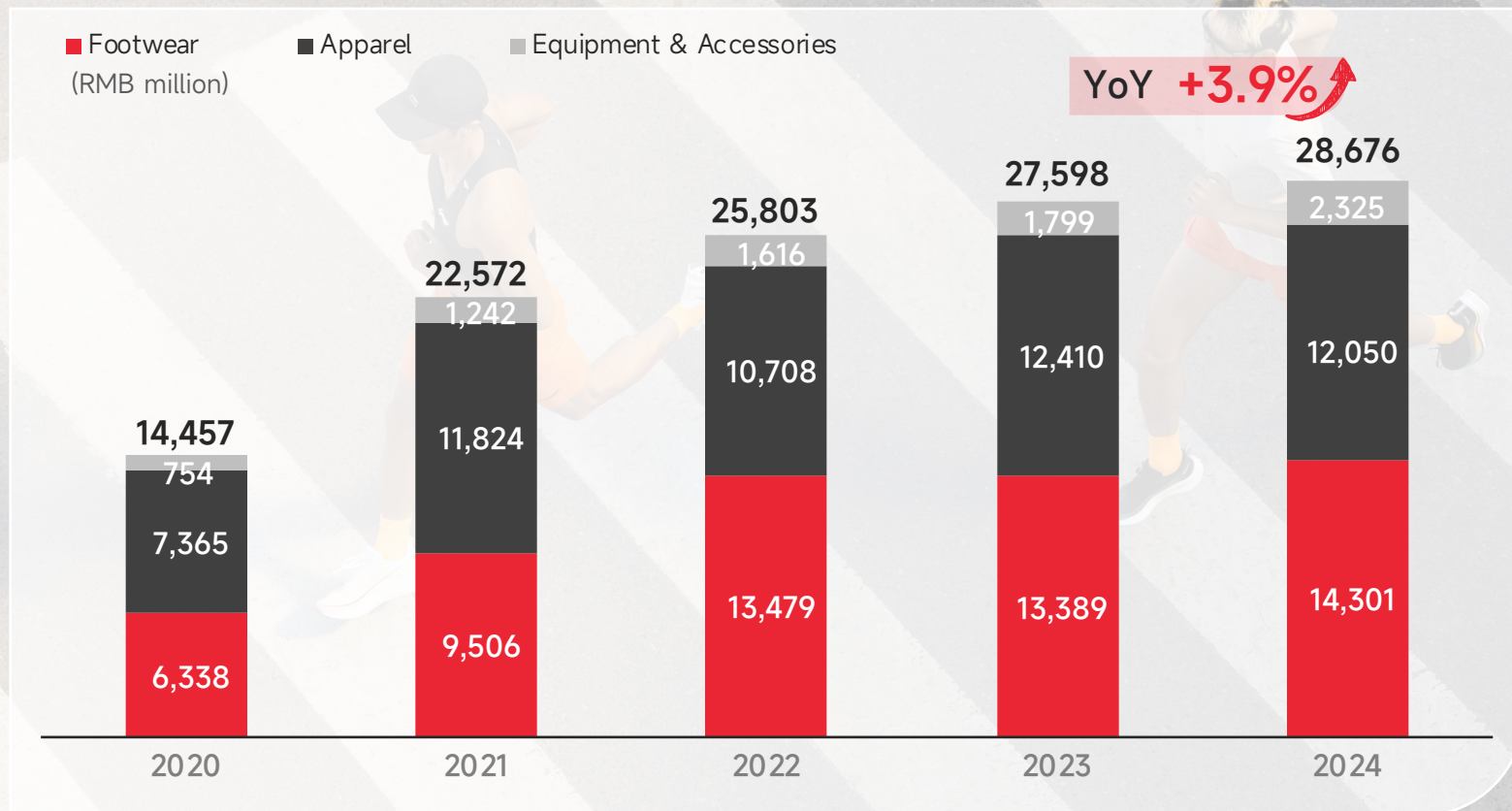


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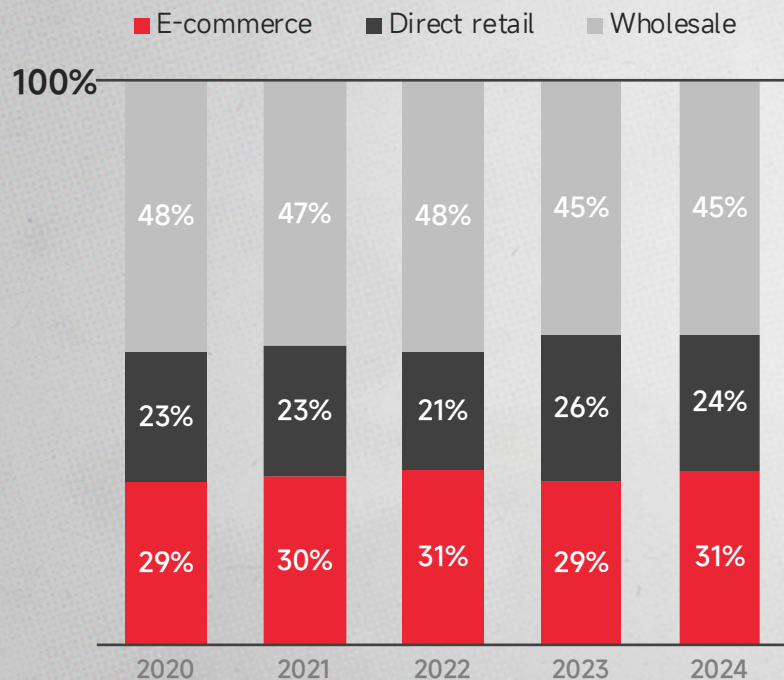
FINANCIAL REVIEW

Revenue: product expertise driving business growth

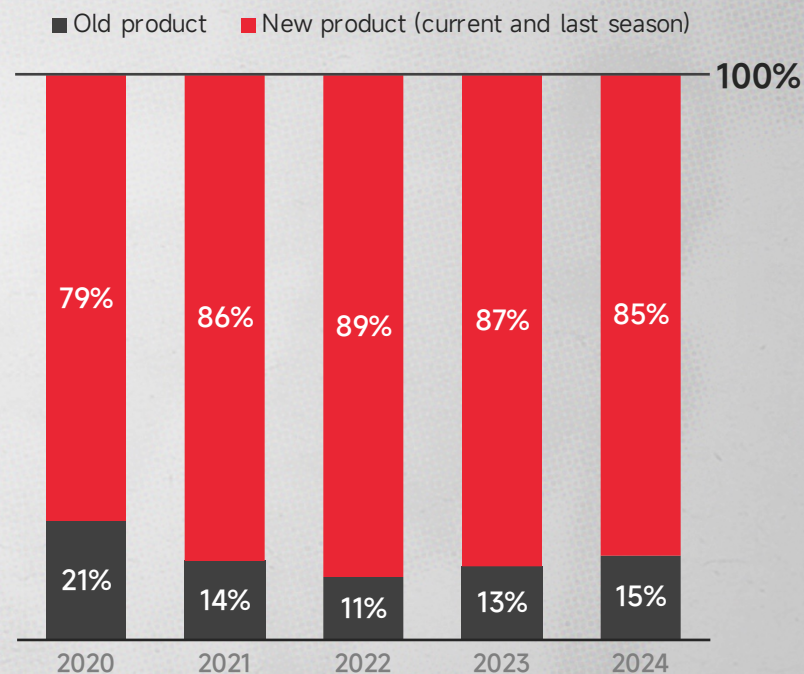


Revenue and sell-through mix: balanced channel revenue and healthy new product mix to mitigate risk

Channel revenue mix

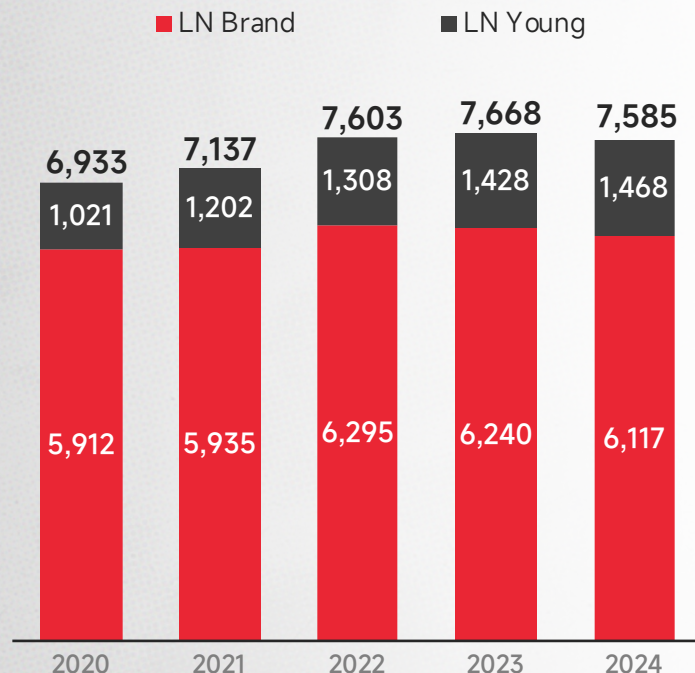


Sell-through mix (incl. direct retail and wholesale)

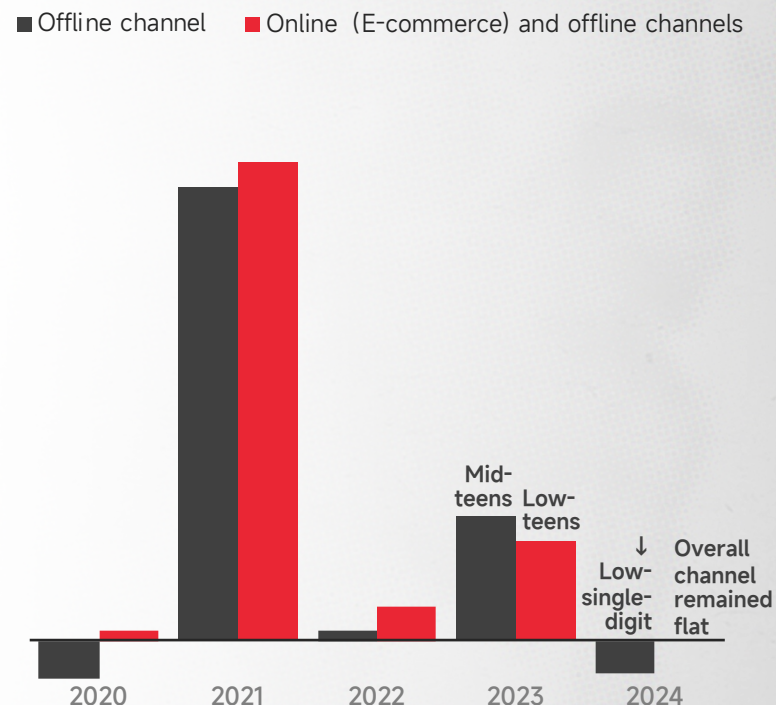


Online and offline: optimizing store strategy to stabilize sales

No. of POS (year end)



Sell-through growth, YoY% (excl. LN YOUNG)

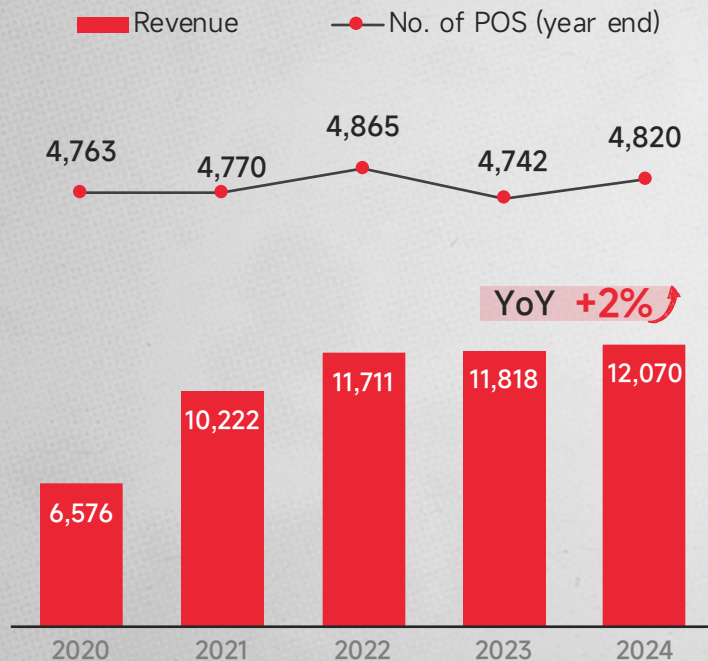


Sell-through growth: LN brand (including China LI-NING and LI-NING 1990), excl. international markets and LN YOUNG

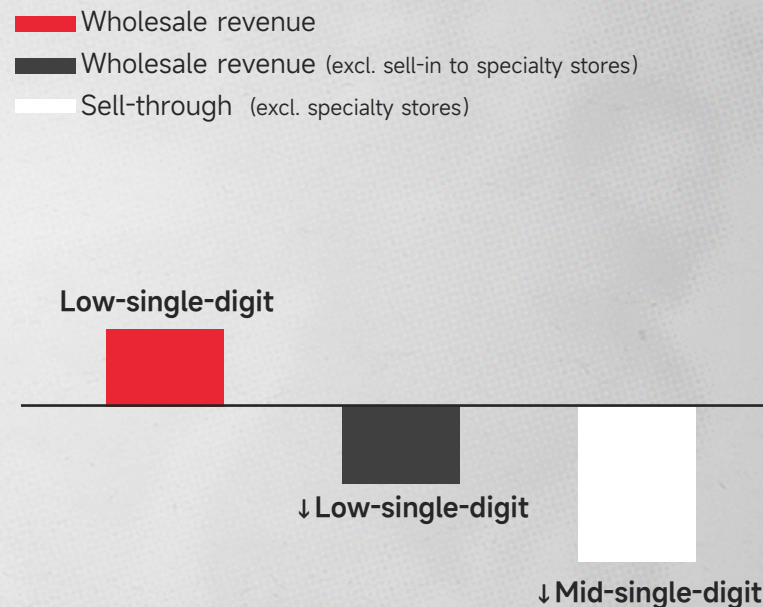


Wholesale business: rationally planning shipment flows for healthy channel growth

Wholesale performance (RMB million)



Sell-through and revenue, YoY%

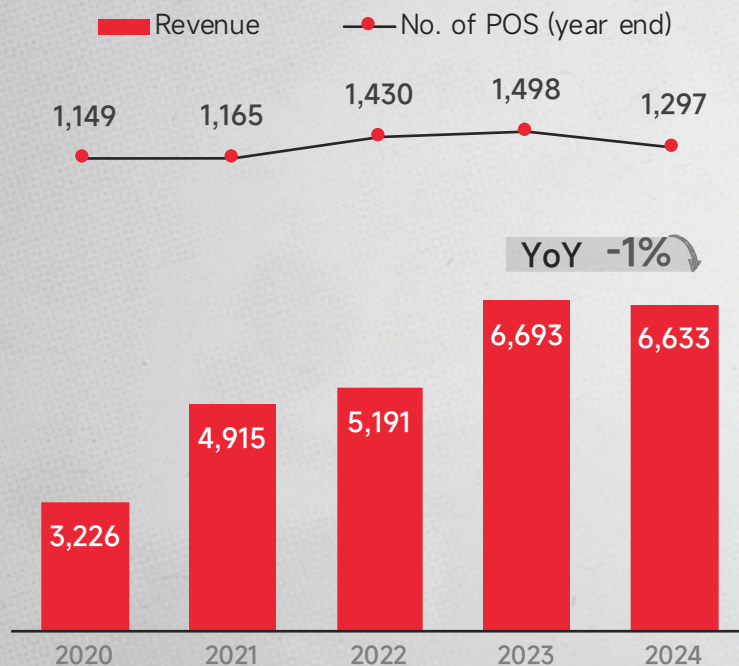


Wholesale business: LN brand (including China LI-NING, product sales of badminton and table tennis categories from specialty-stores), excl. international markets and LN YOUNG

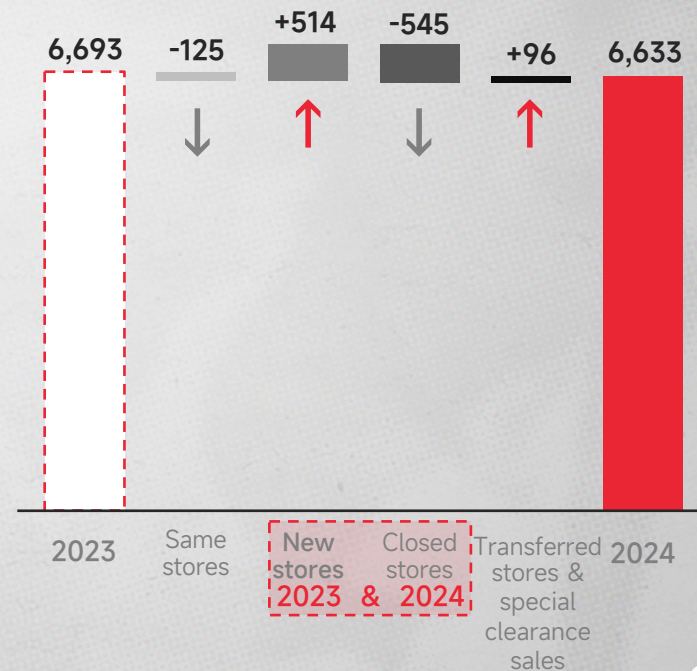


Direct retail business: optimizing store structure to improve channel efficiency

Direct retail performance (RMB million)



Revenue change analysis



Direct retail business: refers to direct retail operation, LN brand (including China LI-NING and LI-NING 1990), excl. LN YOUNG

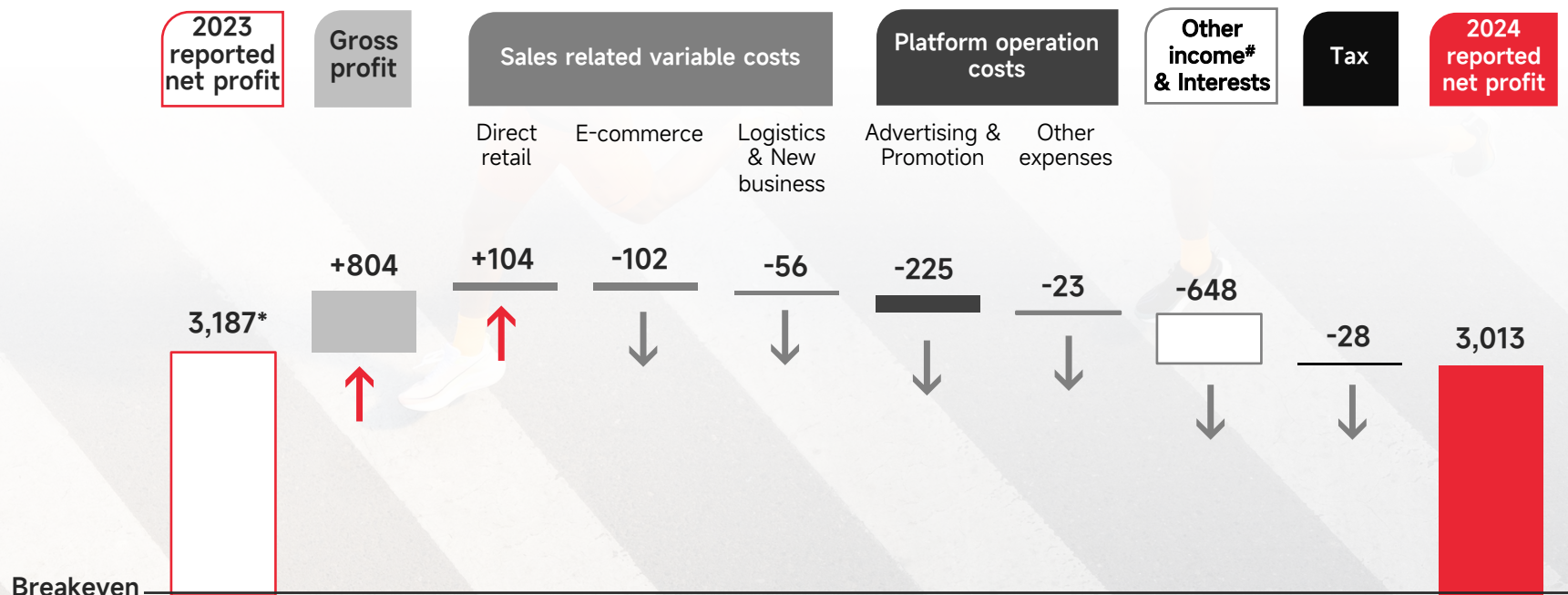


GP margin analysis: gross margin improved through enhanced discount and channel mix optimization



Profitability analysis: strategic expense management, enhanced risk management

(RMB million)

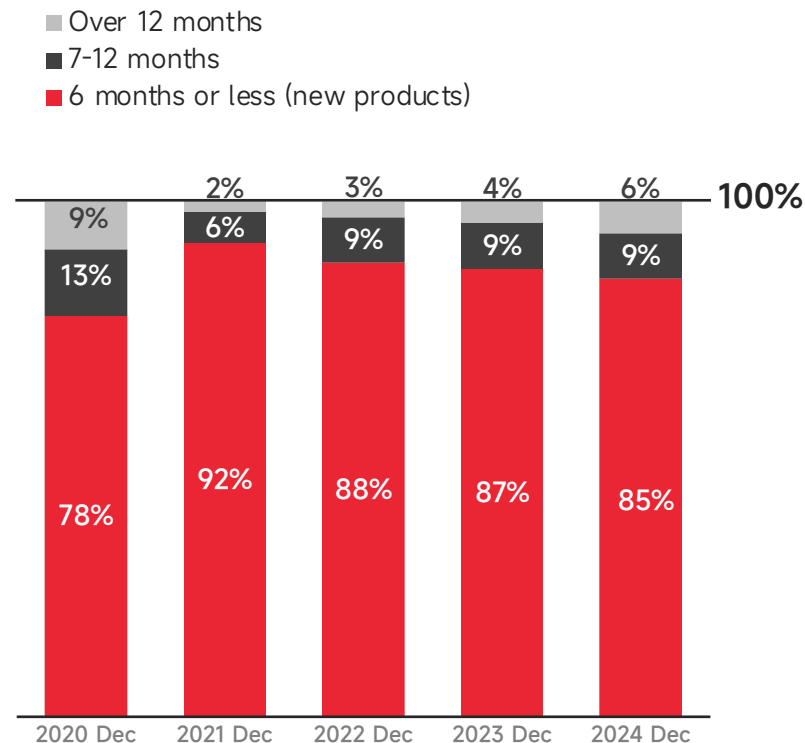
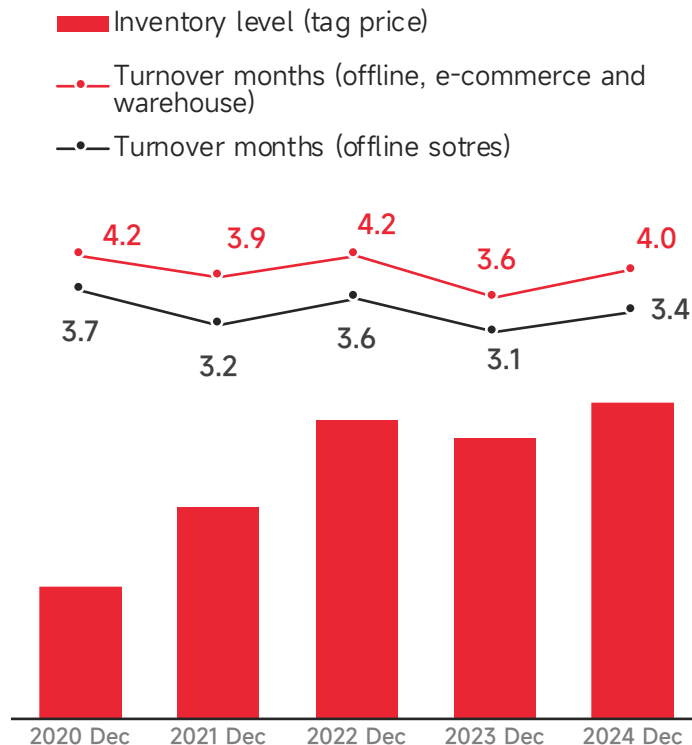


Other income includes (i) other income and other gains (net), (ii) share profit from associates and joint venture

* Including one-off gains not related to operation



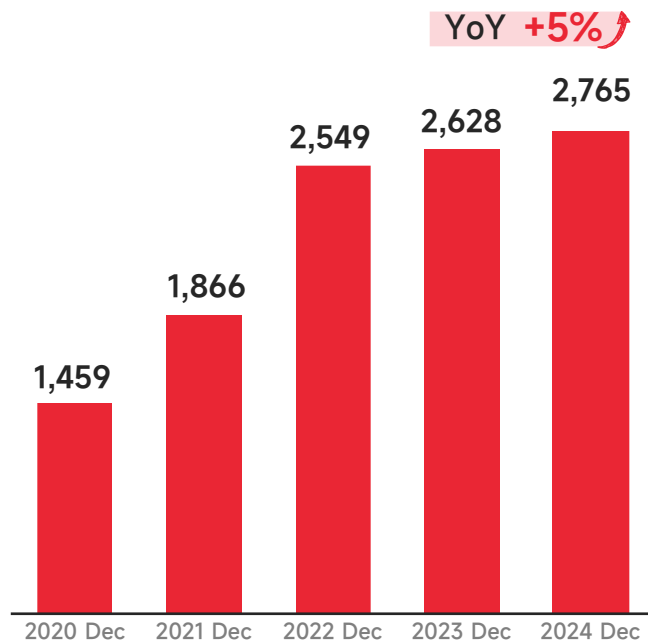
Channel inventory: inventory turnover and aging structure remained healthy



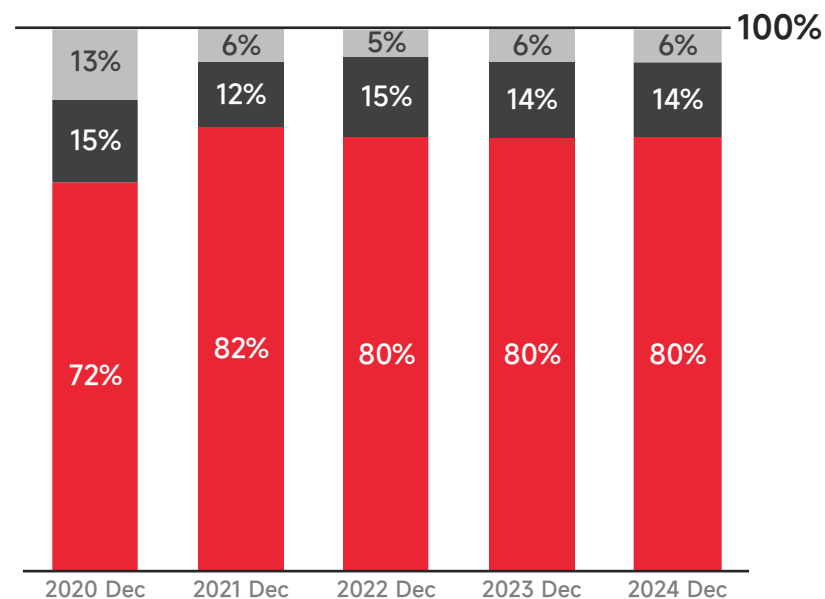
Company inventory: healthy inventory level and aging structure

At cost, before provision

(RMB million)



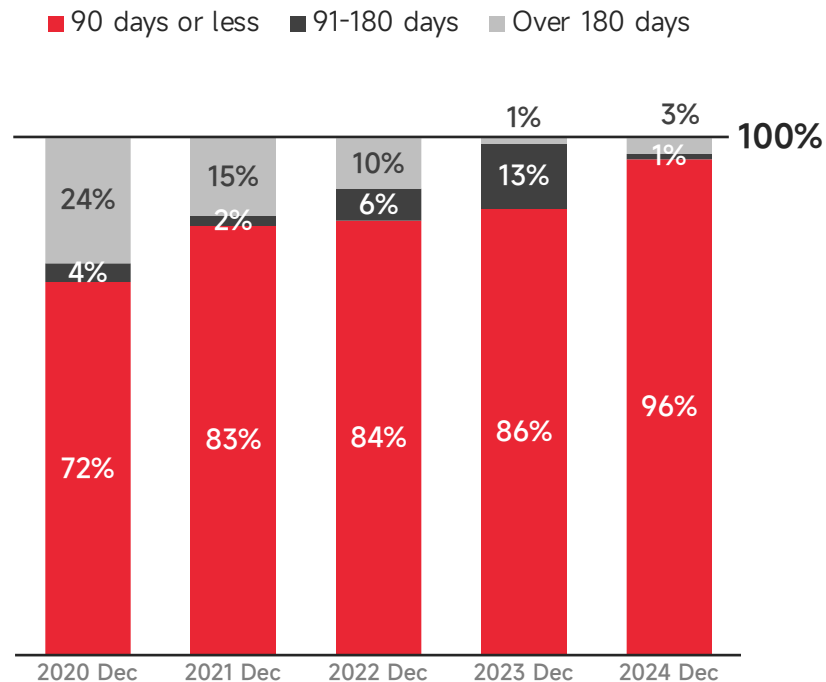
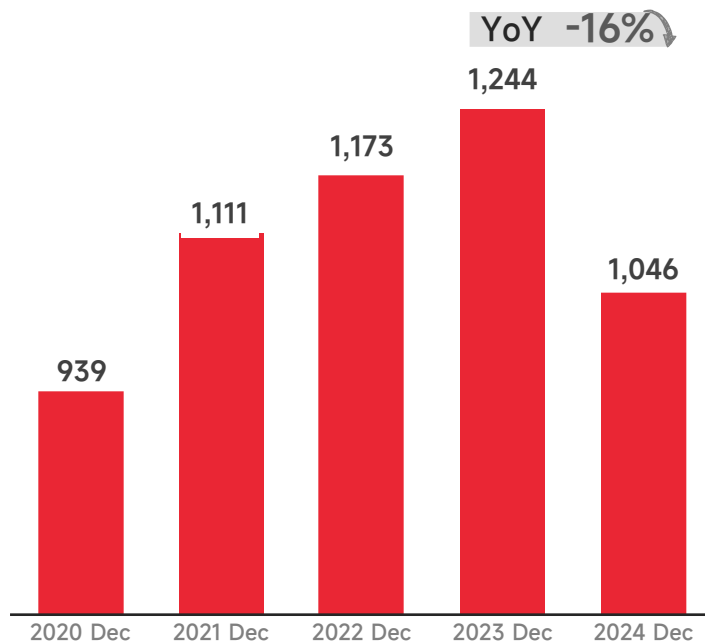
Over 12 months
7-12 months
6 months or less (new products)



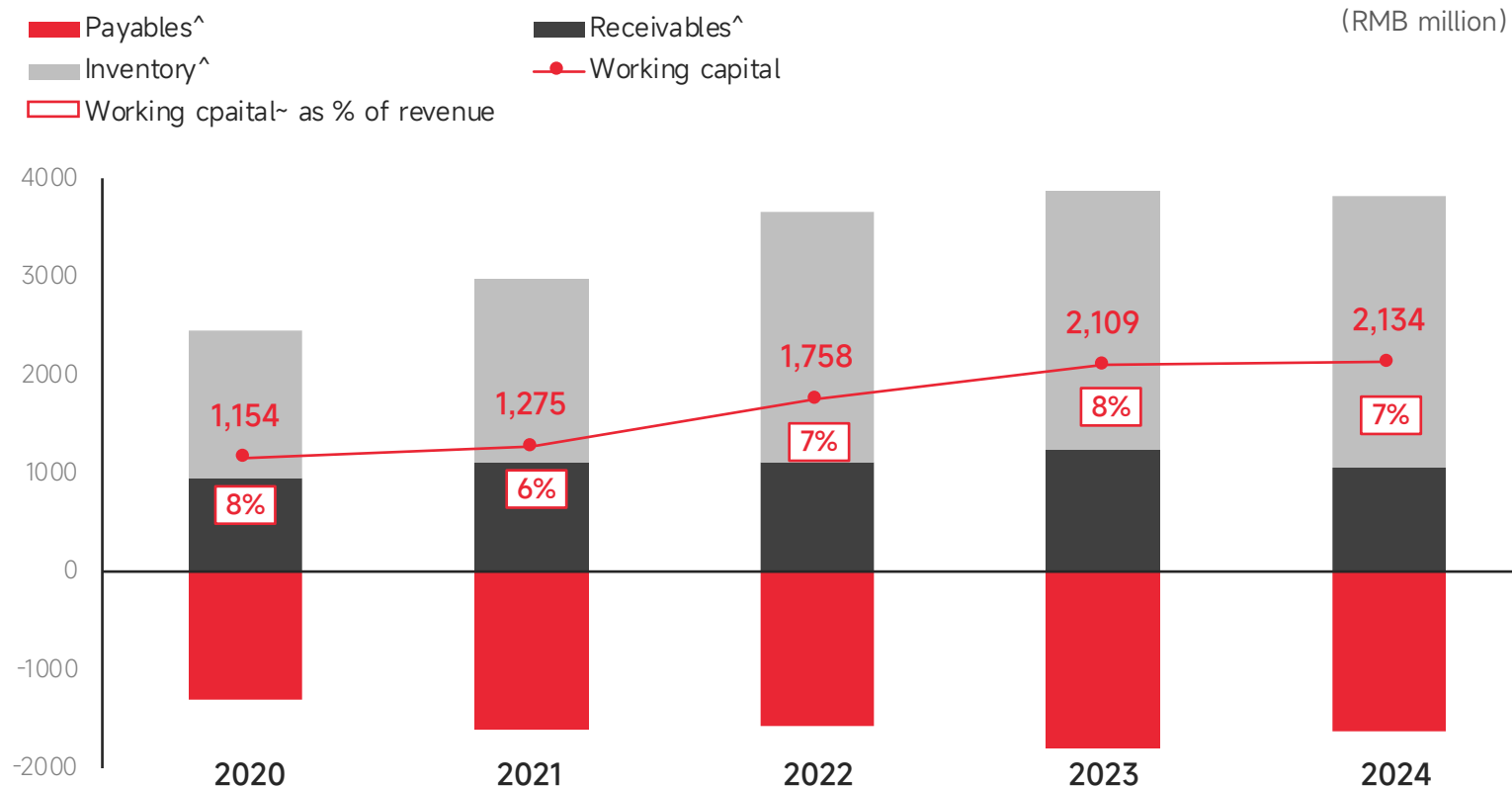
Trade receivables: at a reasonably healthy level

At gross amount, before provision

(RMB million)



Working capital efficiency: healthy operational capital efficiency drives long-term sustainable growth



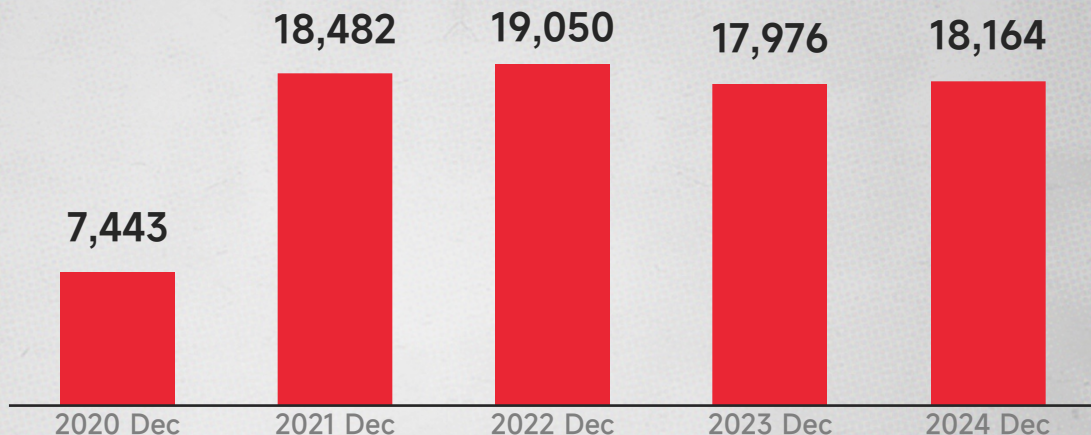
~ Simple average of the beginning and end of the period

^ Gross amounts of inventory, trade payables, trade receivables without netting off provisions



Balance sheet summary: healthy operating cash flow

Net cash position[^]
(RMB million)



Cash conversion cycle (days)	20	20	30	35	35
Net operating cash inflow	2,763	6,525	3,914	4,688	5,268
Dividends*	510	1,203	1,219	1,434	1,506

[^] Net cash = cash and cash equivalents + restricted bank deposits + term bank deposits - borrowings

* Including interim dividends paid and final dividends proposed (upon shareholders approval)





李宁轻量科技
提供回弹爆发力

TUFF RB耐磨橡胶
提供全掌抓地耐磨性能

李宁品牌签约球员
徐杰



音速12 V2
专为跑动型球员打造
滚动脚感 助跑全场

李宁品牌签约球员
曾凡博



升级后掌双层鞋
带来更强澎湃动力

升级全掌GCU
抓地耐磨更加出色

闪击11
专为突破型球员打造
澎湃双翼 豹破启动

李宁品牌签约球员
陈国豪



首次采用厚统芯
厚统芯助力系统
更为极致的冲击型中底调校

李宁轻量科技
带来强劲速度与助力

空袭11
专为冲击型球员打造
核芯聚能 制霸领空



升级后掌双层鞋
带来更强澎湃动力

升级全掌GCU
抓地耐磨更加出色

STRATEGIC DIRECTION

Leveraging partnership with the Chinese Olympic Committee (“COC”) to fully elevate LI-NING’s experience value

The national policies to build a strong sports nation and deepen reforms present major opportunities for sports products

Focus on core categories and drive continuous innovation to deliver a more professional sports experience for consumers

In partnership with the COC, leverage sports marketing for value creation and achieve comprehensive breakthroughs



Deepening execution of “single brand, multi-categories, diversified channels” strategy



Focusing on core categories and enhance technology to strengthen market share

Retail sell-through* - YoY change (2024)



Total value **Flat**



Running **25%** ↑



Basketball **21%** ↷

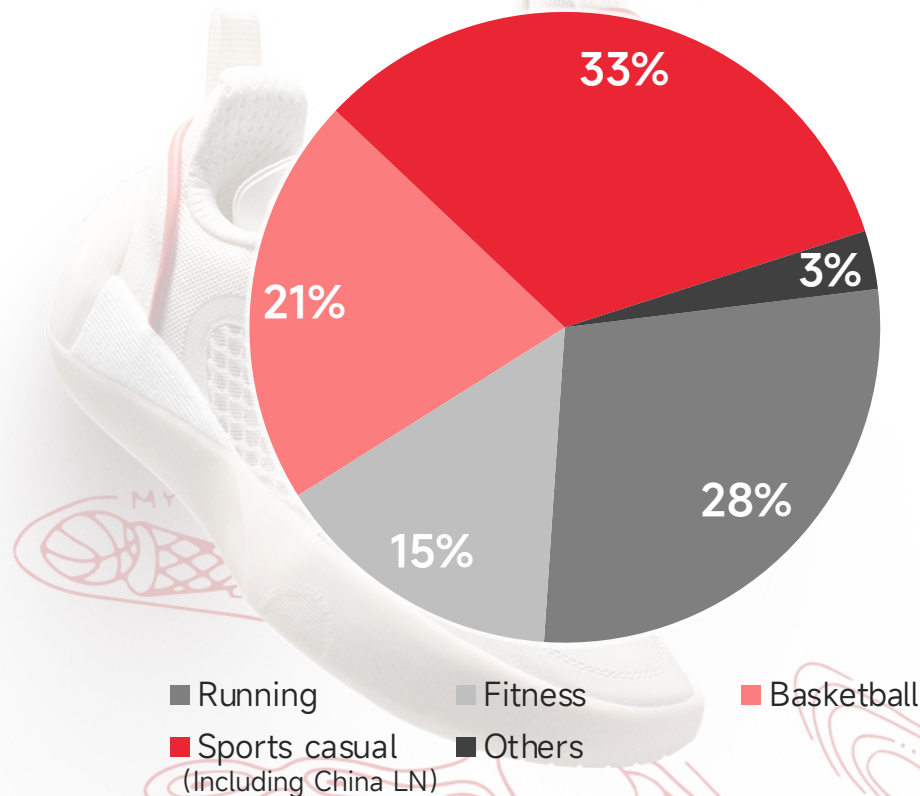


Fitness **6%** ↑



Sports casual **6%** ↷

Retail sell-through mix



*Including online and offline

Running - tech-driven innovation, redefining limits, sustaining BOOM momentum



Breakthrough in midsole technology innovation

- ◆ Introducing the new 'Super BOOM' midsole technology: lighter and more elastic, with an ultra-low density of **0.07g/cm³** and an energy return rate* of up to **89%**, setting a new benchmark for lightweight, high-rebound foaming materials.
- ◆ At the end of the year, the Feidian 5 series, featuring 'Super BOOM' technology, launched with professional upgrades, delivering excellence to meet the diverse needs of competitive runners.

* Calculated from the hysteresis loop obtained through dynamic loading and unloading of the material

Continuous growth in professionalism

- ◆ In 2024, the three core series - Super Light, Rouge Rabbit, and Feidian - achieved total sales of over **10.6 million** pairs, reinforcing Li-Ning's technical leadership in professional footwear.
- ◆ During the year, Li-Ning's running shoes empowered sponsored athletes to achieve **66** championship victories and **128** podium finishes across road and trail running events, while propelling Wuxi Marathon into global **top 5** and China's **top 1** event in 2024 for the highest number of participants finishing under three hours in a single race.



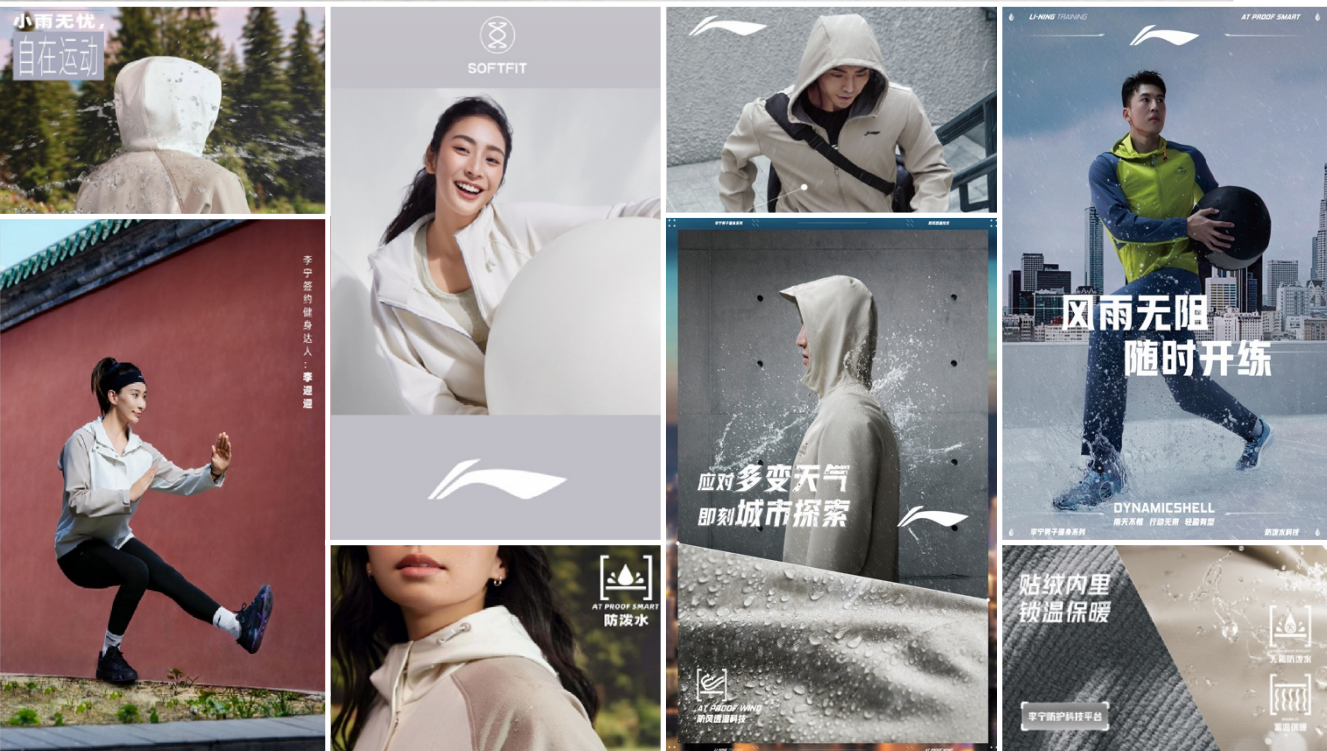
Basketball - driving professionalism and innovation to lead the industry

- ◆ Enhanced our professional product lineup with cutting-edge technologies such as **Carbon Core** and **GCU**. This lineup includes **Yushuai ULTRA**, **Gamma**, and **Jimmy Butler 3**.
- ◆ Widely recognized by fans, Li-Ning's basketball shoes have secured top spots in annual rankings by leading sneaker bloggers, with the **Gamma** frequently ranked as the **No. 1** basketball shoe of the year.



- ◆ Leveraging the “Wade Bronze Statue Unveiling” marketing campaign, the Group launched a special “**Bronze Statue**” colour for the **Way of Wade 11** series, becoming a hot topic among fans.
- ◆ Launched **ULTRALIGHT 2025** basketball shoes with Ultra-Boom technology for a lightweight, responsive feel, and achieved over **85%** sell-through rate in 60 days.

Fitness - focusing on functionality, expanding applications, and enhancing identity



- ◆ With functional protection technology as the core, the brand delivered multi-scenario fitness solutions, meeting diverse athlete needs and enhancing the competitiveness of the functional products
- ◆ Women's fitness products were developed to better suit female preferences in fit, fabric, and functionality, while embracing feminine aesthetics. In addition to enhancing functionality and technological appeal, we continuously refined women-specific cuts and color palettes to create differentiated and unique products for women.



Sports casual - combining sporting essence with cultural inspiration to drive innovation



Build the core IP — comfortable SOFT series

Focusing on comfort, wearability, and versatility, the series successfully expanded its consumer base and range of applications, achieving annual sales of over **2.5 million** pairs.

Continuously strengthening women's product

With a focus on building brand IPs, women's casual shoes such as Cat Paw, Honey, and multiple fashion collaborations were successfully launched, enhancing product vitality and generating buzz.



Focus on product cultural value — LI-NING x The Palace Museum collaboration

By integrating the cultural heritage of The Palace Museum with the spirit of Chinese sports, the products were infused with deeper national and cultural significance.

Outdoor - navigating between urban life and the wilderness to craft a fashionable outdoor lifestyle

- ◆ In the first half of the year, we partnered with the Chinese Academy of Sciences to develop 'dual-vent nanotechnology for rainstorm protection,' applied to Li-Ning outdoor gear, strengthening the foundation for innovation.
- ◆ In the second half of the year, we hosted the 'Reshaping Chinese Aesthetics' fashion show in Jingdezhen, Jiangxi, where we unveiled trendy outdoor products that seamlessly combine functionality with Eastern aesthetic design, embodying the essence of Eastern outdoor living.

Leveraging outdoor tech to establish category positioning and leadership



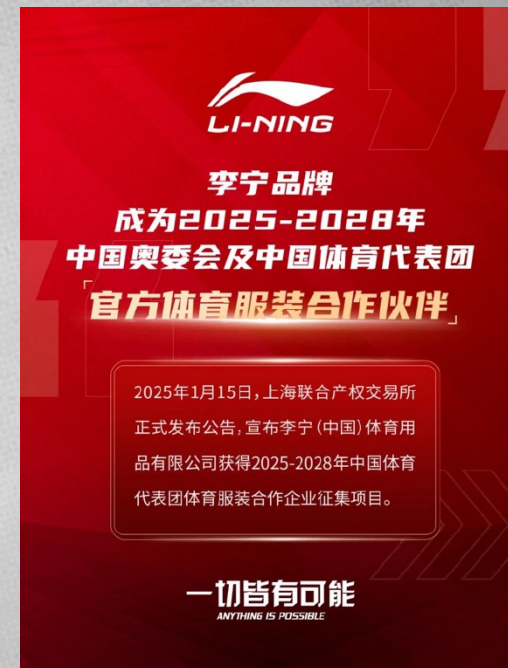
Building the core IP to showcase the outdoor fashion lifestyle

- ◆ Focusing on moving between urban life and the wilderness, the offerings cater to individuals seeking a stylish outdoor lifestyle by combining advanced functionality with modern aesthetics.
- ◆ The **Wanlongjia BREATH** windbreaker features "dual-vent nanotechnology for rainstorm protection," combining storm-proofing with active breathability to address the challenge of balancing waterproofing and ventilation.
- ◆ The **Counter Flow** hiking shoes feature a cabin-style midsole structure and Boom Technology cushioning, delivering all-around protection to meet the demands of outdoor hiking while redefining the outdoor experience.

Brand marketing - infusing brand DNA with the sports spirit, to support the development of Chinese sports



A diversified approach to integrating professional event resources and athlete resources



LI-NING is the official sportswear partner of the Chinese Olympic Committee and the Chinese Sports Delegation for 2025 - 2028



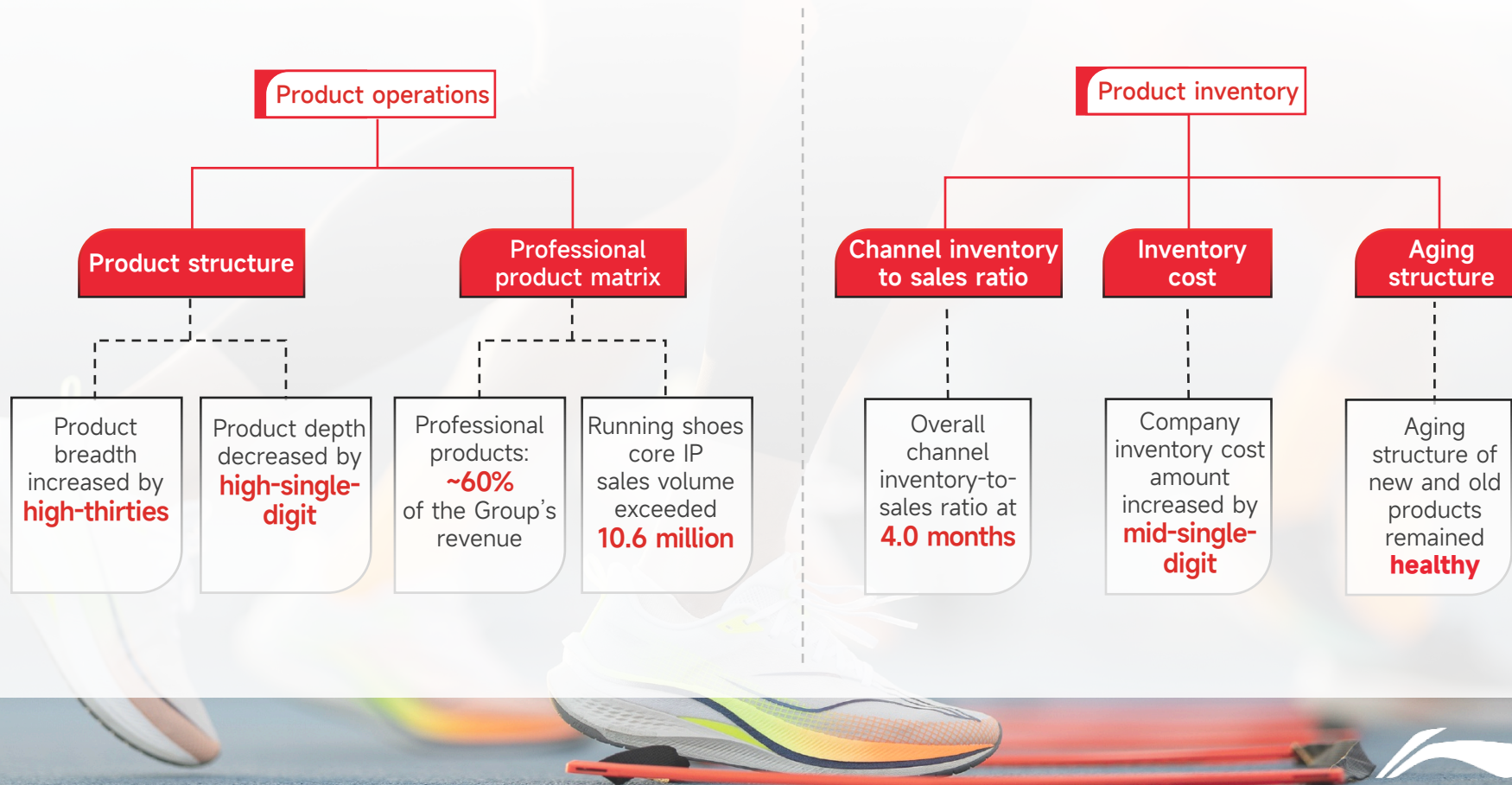


OPERATIONAL PROGRESS

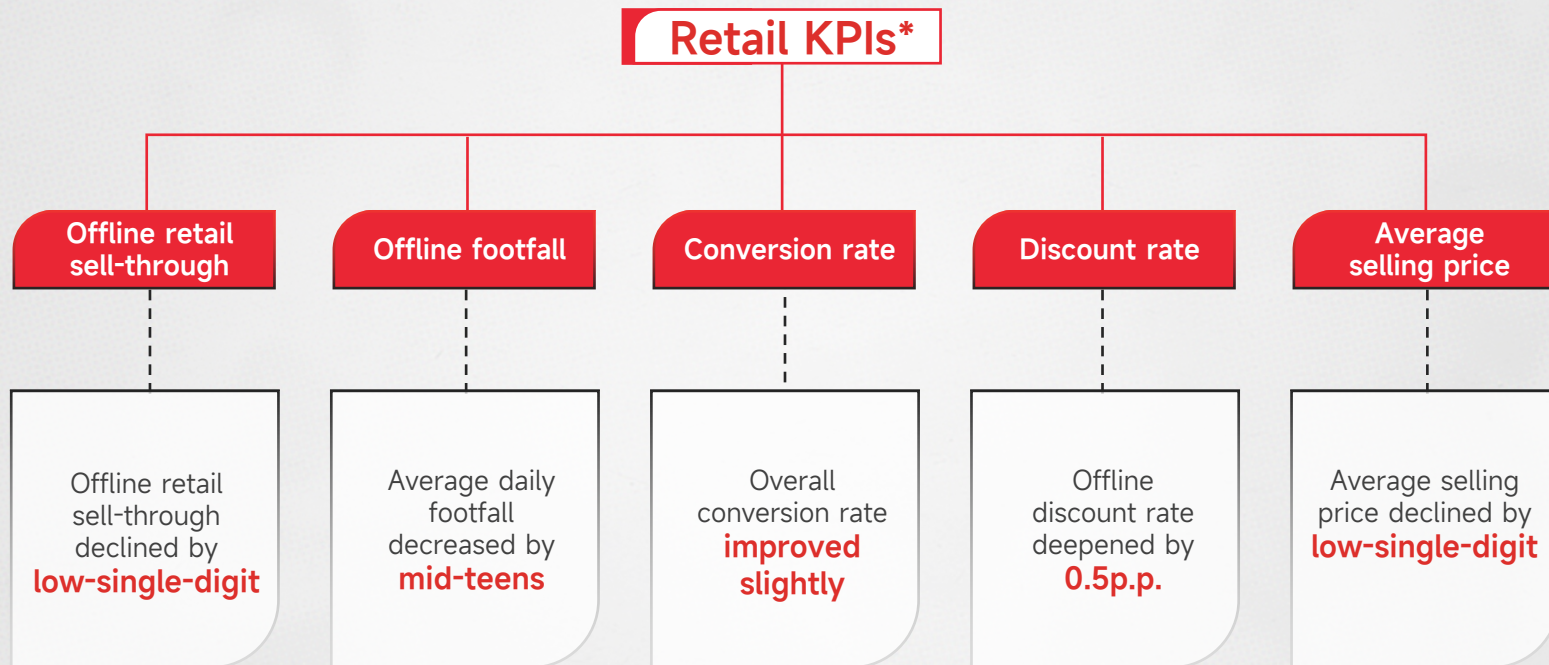
Stable business performance with the results in line with expectation



Product operations: sustained footwear performance, healthy inventory management, efficient turnover



Retail operations: offline operations faced challenges



*Excluding online channel



Channels: structural optimization & accelerated expansion in emerging markets

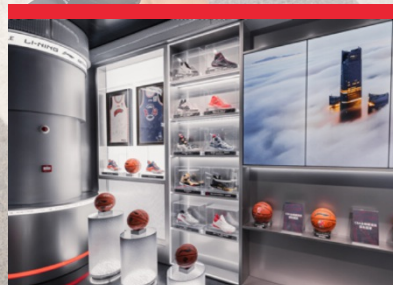


Store performance

Total selling square footage **unchanged**

Average single-store selling square footage at **243** sq.m.

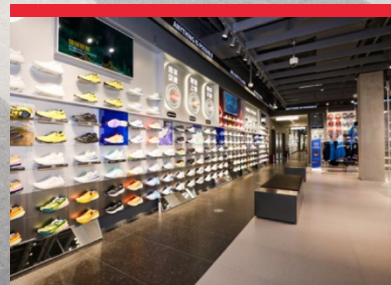
Average monthly store productivity at **RMB 300,000**



Sell-through structure

Core commercial occupancy rate at **~90%**

Sell-through contribution of high-tier market# remained **stable**



Big store* penetration

Number of big stores **1,568**

Average single-store selling square footage **~411** sq.m.



9th generation stores upgrade

The number of 9th generation stores exceeded **1,026**

Average monthly store productivity **~RMB 360,000**



E-commerce: Improved business environment with all key metrics meeting expectations



Kidswear business: overall operating indicators remained stable

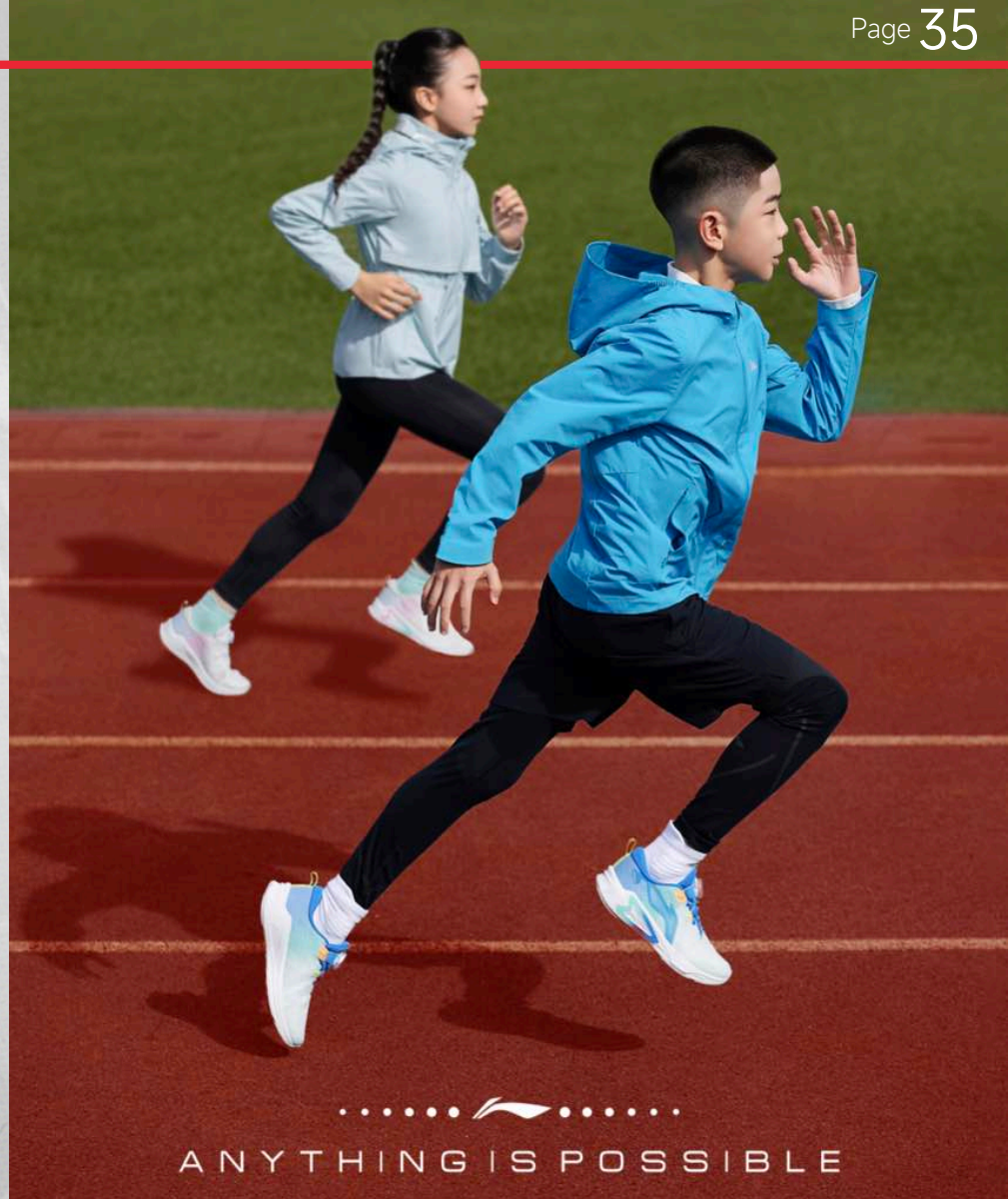
Retail efficiency

- ◆ Retail sell-through* increased by **low-single-digit**
- ◆ Unit per transaction remained **flat**
- ◆ Average selling price increased by **low-single-digit**

Channel efficiency

- ◆ No. of stores totalled **1,468**
- ◆ Average monthly store productivity at **RMB 140,000**

* Including online and offline



ANYTHING IS POSSIBLE



APPENDIX

Appendix 1 — summary of income statement and balance sheet

(RMB million)	2024	2023	Better/ (Worse)
	Year ended 31 December		
Revenue	28,676	27,598	3.9%
Gross Profit	14,156	13,352	6.0%
Distribution costs	(9,199)	(9,080)	(1.3%)
Administrative expenses	(1,428)	(1,256)	(13.7%)
Other income and other gains-net	154	524	(70.6%)
Operating Profit	3,678	3,559	3.3%
EBITDA	6,379	6,157	3.6%
Profit Attributable to Equity Holders	3,013	3,187 [#]	(5.5%)
Basic Earnings per share (RMB cents)	117.0	123.2	(5.1%)

(RMB million)	2024	2023	Better/ (Worse)
	Year ended 31 December		
Cash and Cash Equivalents	7,499	5,444	37.7%
Borrowings	0	0	N/A
Net Cash*	18,164	17,976	1.0%
Current Liabilities	7,586	7,268	(4.4%)
Current Ratio (times)	2.71	1.88	0.83
Total Liabilities to Total Asset Ratio	26.9%	28.7%	1.8p.p.

#Include the one-off gains not related to operation

* Net Cash = Cash and Cash Equivalents + Restricted Bank Deposits + Term Bank Deposits – Borrowings



Appendix 2 — profit margins and key operating indicators

	2024	2023	Better/ (Worse)
	Year ended 31 December		
Gross Profit Margin	49.4%	48.4%	1.0p.p
Operating Profit Margin	12.8%	12.9%	(0.1p.p)
EBITDA Margin	22.2%	22.3%	(0.1p.p)
Margin of Profit Attributable to Equity Holders	10.5%	11.5%	(1.0p.p)
R&D Expenses (as % of revenue)	2.4%	2.2%	(0.2p.p)
A&P Expenses (as % of revenue)	9.5%	9.0%	(0.5p.p)
Staff Costs (as % of revenue)	8.6%	8.7%	0.1p.p

	2024	2023	Better/ (Worse)
	Year ended 31 December		
Inventory Turnover (Days)	64	63	(1)
Trade Receivables Turnover (Days)	14	15	1
Trade Payables Turnover (Days)	43	43	—
Cash Conversion Cycle (Days)	35	35	—
Return on Equity (ROE)	11.9%	13.1%	(1.2p.p)
Return on Asset (ROA)	8.6%	9.4%	(0.8p.p)
CAPEX (RMB million)	3,359	2,024	(66.0%)

