



2025 ANNUAL RESULTS

LI NING COMPANY LIMITED



(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODES: 2331 (HKD counter) and 82331 (RMB counter)

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免責聲明



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01

RESULTS HIGHLIGHTS



2025 annual results highlights:

Deepening expertise, strengthening foundations

»» Financial highlights (in RMB)

Revenue

29,598 ↑ 3.2%
million YoY

Gross margin

49.0% ↓ 0.4 p.p.
YoY

Net profit¹

2,936 Net profit margin
million 9.9%

Net operating cash inflow

4,852 ↓ 7.9%
million YoY

The percentage of gross average working capital to revenue

7.7% The cash conversion cycle: 37 days
Increased 2 days YoY

Annual dividend²

56.95 Payout ratio:
cents/ordinary share 50%

»» Operational highlights

Omni-channel retail sell-through³

Flat YoY

Offline channel new product sell-through

Accounted for **83%** Maintaining at healthy level

Channel inventory

Inventory level: **4 months**
Inventory turnover and ageing 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 23.36 cents per ordinary share for the year ended 31 December 2025, together with payments of interim dividend of RMB 33.59 cents per ordinary share, representing a full year dividend of RMB 56.95 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

02

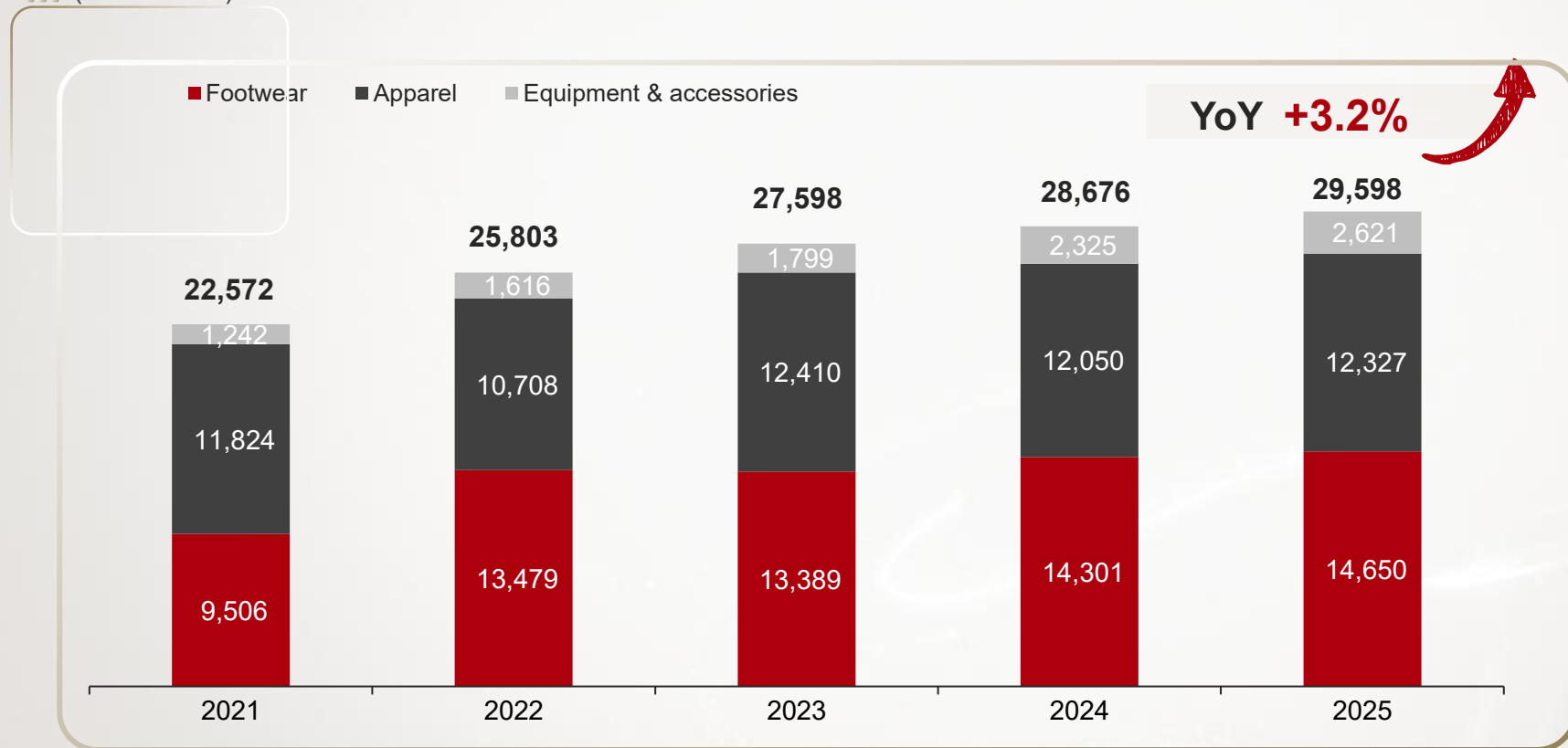
FINANCIAL REVIEW



Revenue:

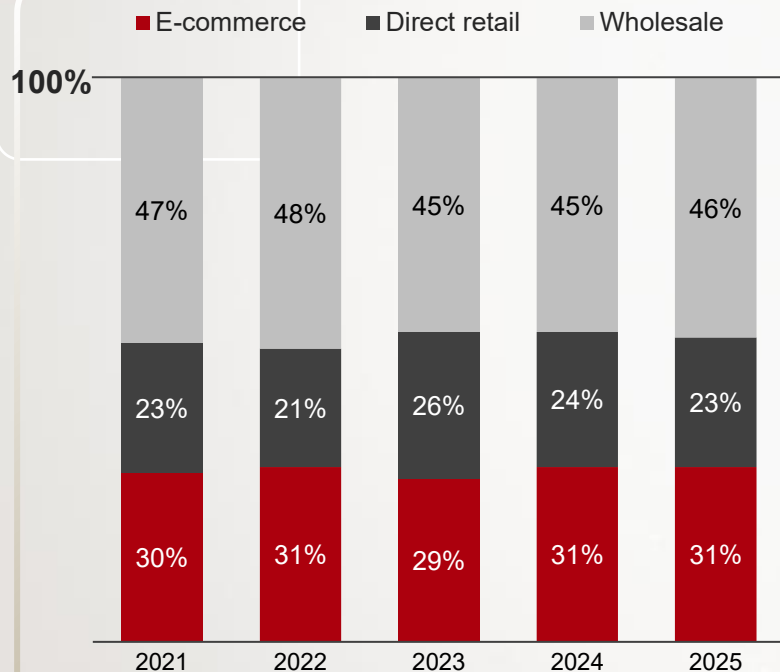
Product expertise driving business growth

»» (RMB million)

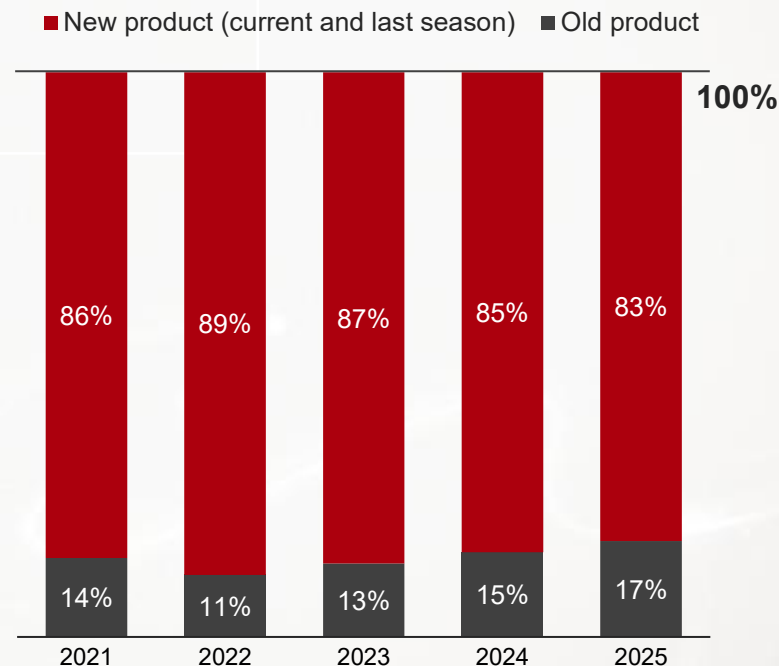


Revenue and sell-through mix: Balanced channel mix and healthy product efficiency

»» Channel revenue mix

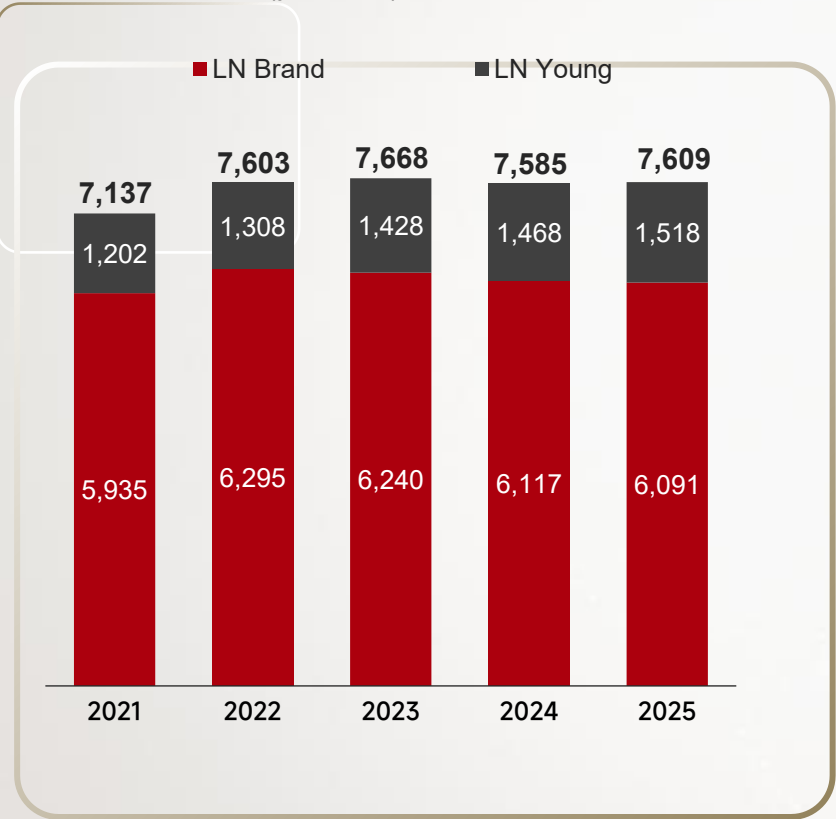


»» Sell-through mix (incl. direct retail and wholesale)

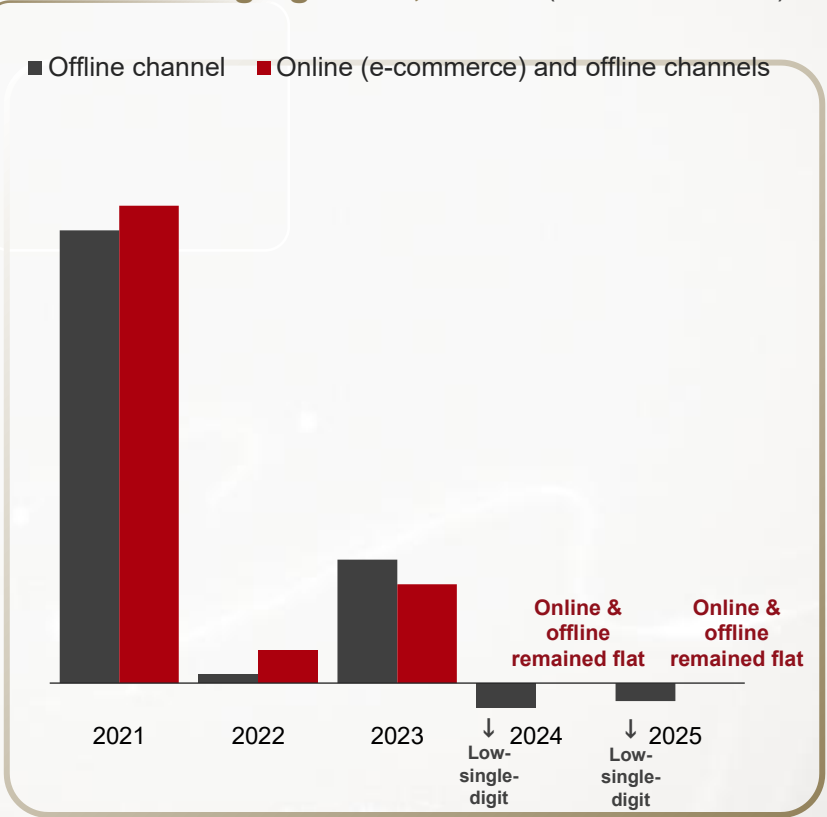


Online and offline: E-commerce slowed and offline faced pressure

»» No. of POS (year end)



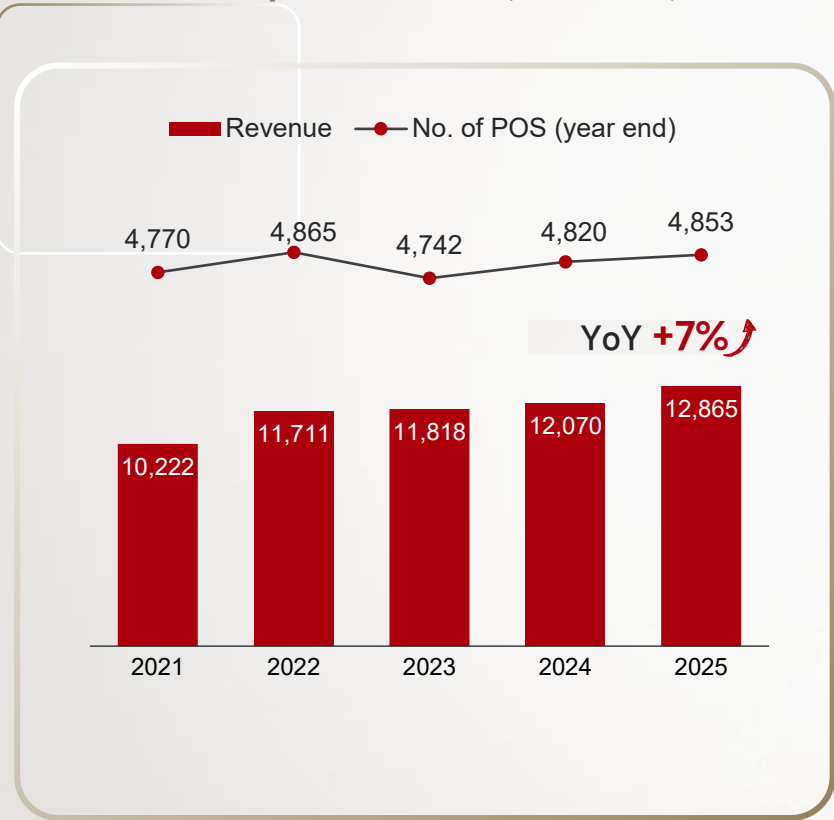
»» Sell-through growth, YoY% (excl. LN YOUNG)



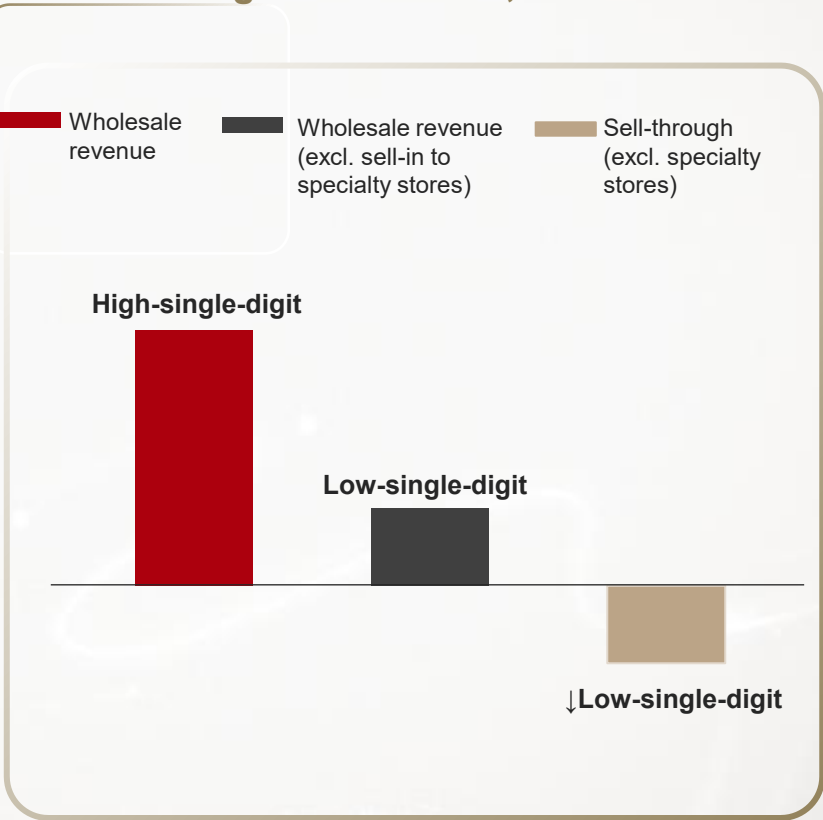
Sell-through growth: LN brand (including China LI-NING and LI-NING 1990), excl. international markets and LN YOUNG

Wholesale business: Specialty stores driving wholesale growth

»» Wholesale performance (RMB million)



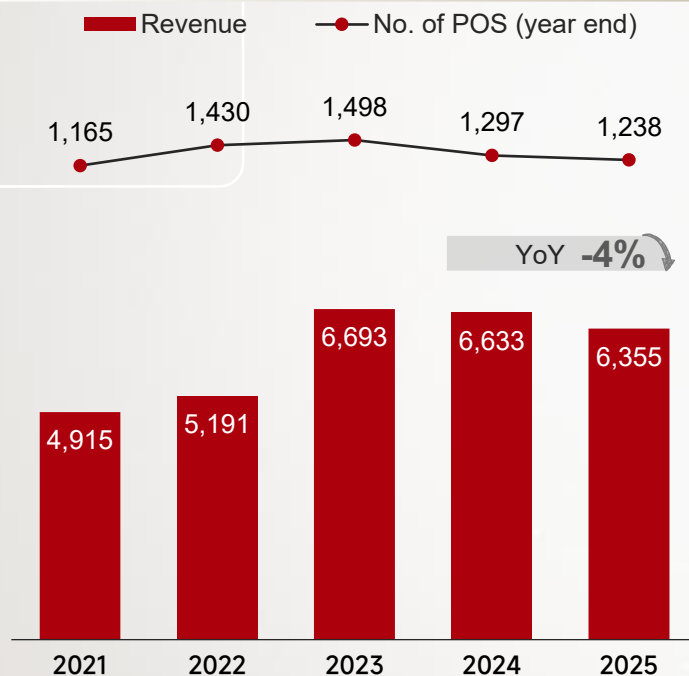
»» Sell-through and revenue, YoY%



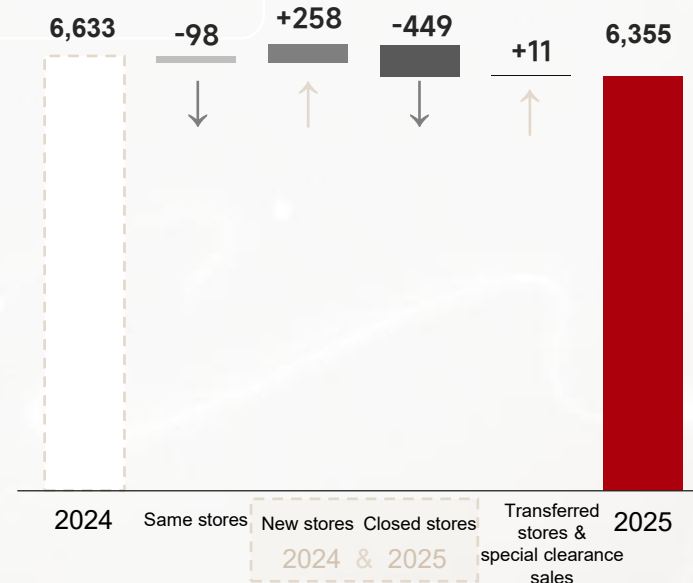
Direct retail business: Ongoing store network optimisation driving channel efficiency gains

»» Direct retail business performance

(RMB million)

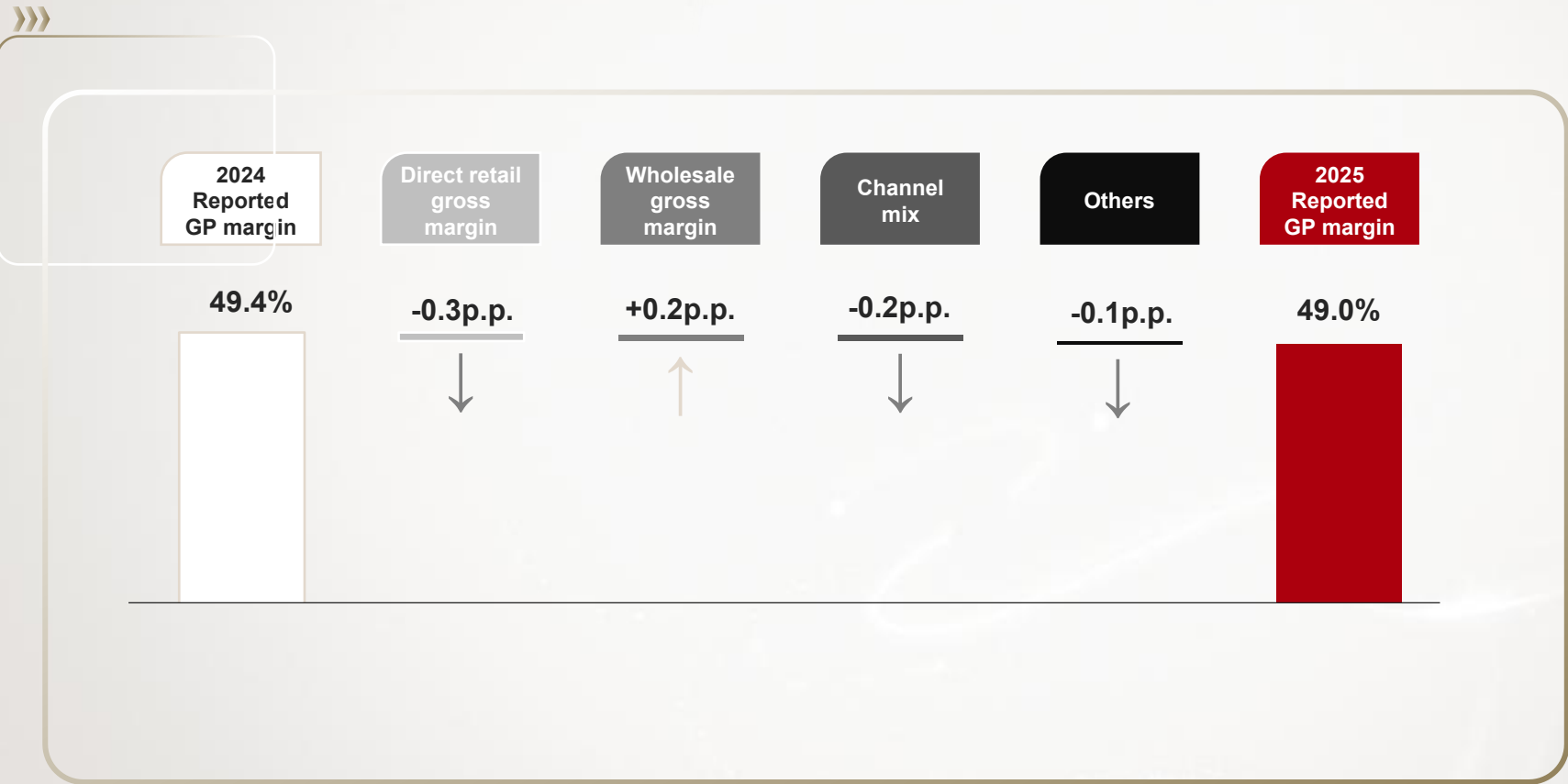


»» Revenue change analysis



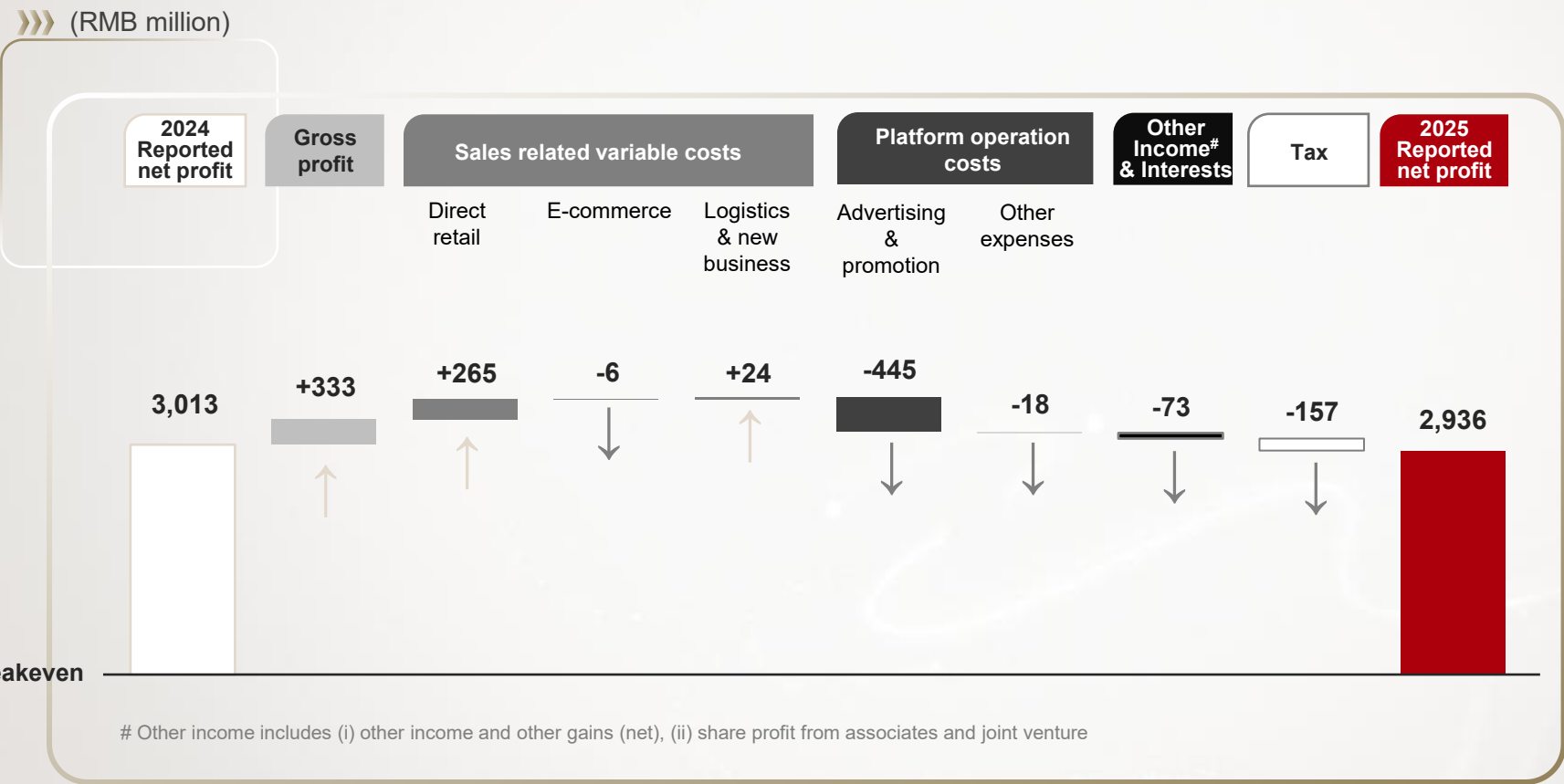
GP margin analysis:

Weak demand and channel mix pressured gross margin

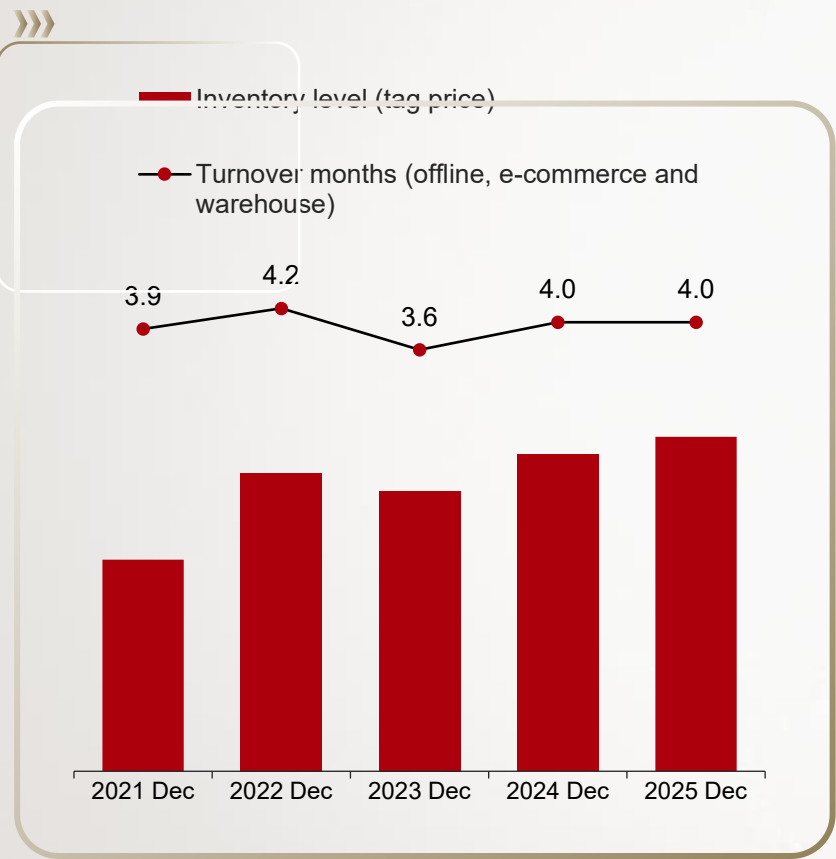


Profitability analysis:

Focused allocation of strategic resources to drive long-term returns

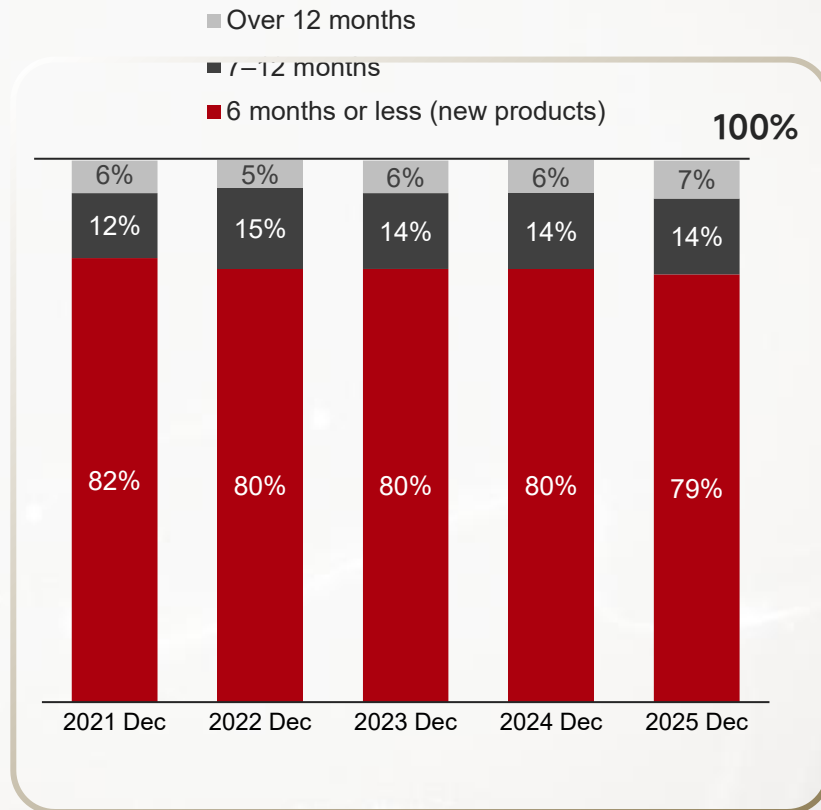
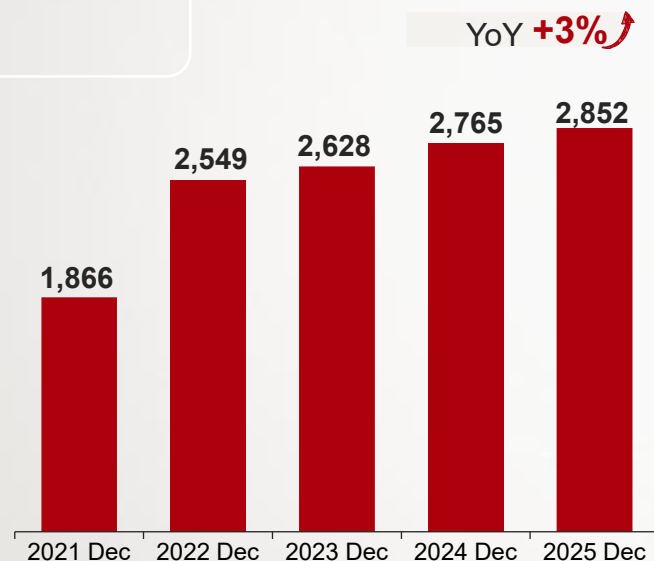


Channel inventory: Healthy inventory turnover and inventory mix



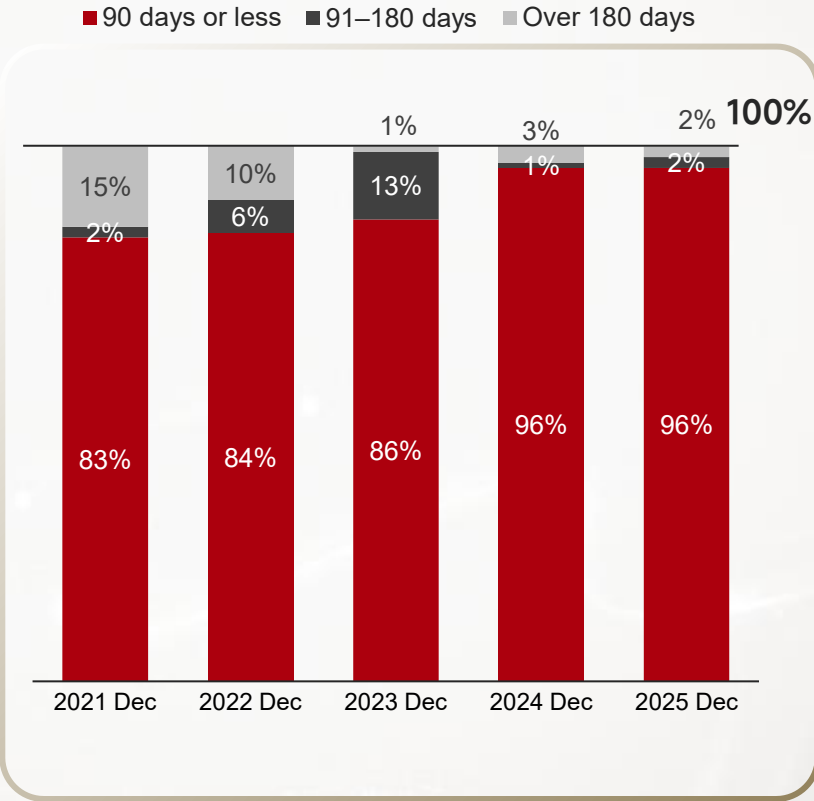
Company inventory: Healthy and well-controlled inventory level and ageing profile

»» At cost, before provision (RMB million)



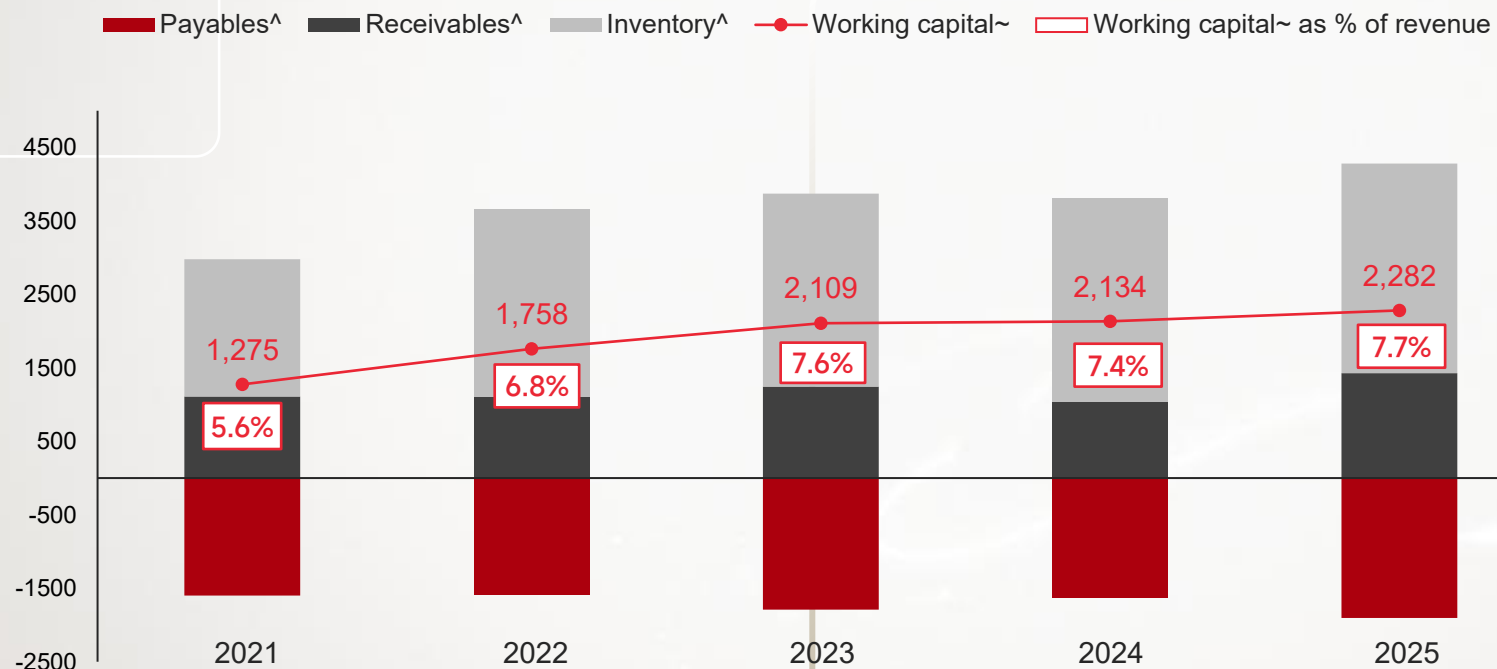
Trade receivables: At a healthy level

»» At gross amount, before provision (RMB million)



Working capital efficiency: Healthy operational capital efficiency drove long-term sustainable growth

》》》 (RMB million)

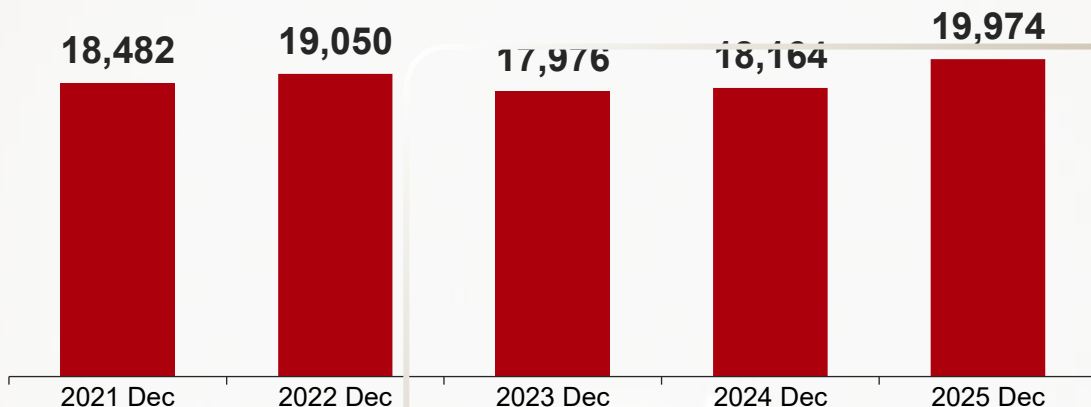


~ Simple average of the beginning and end of the period

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

Balance sheet summary: Strong operating cash flow

»» Net cash position[^] (RMB million)



Cash conversion cycle (days)	20	30	35	35	37
Net operating cash inflow	6,525	3,914	4,688	5,268	4,852
Dividends*	1,203	1,219	1,434	1,506	1,468

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

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

03

STRATEGIC DIRECTION



Elevating LI-NING experience through professional innovation

Shopping
experience

LI-NING's
experiential
value

Sports
experience

Product
experience

**New momentum from
nationwide fitness**

Rising public sports participation and supportive policies usher in a new phase of sports industry development

**New engine of sports
consumption**

Upgraded consumer demand empowers the sports industry, with sportswear retail growth leading consumer categories

**New impact from
Olympic momentum**

As a partner of the Chinese Olympic Committee, actively converting event momentum into brand influence

Advancing “single brand, multi-categories, diversified channels” strategy



Leveraging expertise to expand into sub-segments and drive growth

Retail sell-through mix

Running

31%

Training

16%

Basketball

17%

Sports casual

28%

Others

(including outdoor)

8%

Total value



Retail sell-through* -

Flat

↑ 10%

↑ 5%

↓ 19%

↓ 9%

*Including online and offline

Running: powered by technology, performance beyond limits

Powering ahead with a supercharged engine



Red Hare 9 Ultra Midsole features the new Super Boom Capsule

Response time

as quick as 3ms

Energy return

up to 95%

Innovative structural design
powers turbo-charged energy
return and propulsion

Top Layer
Full-Palm Super Boom
Precise calibration,
softer & bouncier foot
conformity

Bottom Layer
Full-Palm Boom Technology
Supportive design with
excellent ground stability

Total
professional
running shoes
sales exceeded

26
million
pairs

Three core series -
Super Light, Red
Hare, and Feidian -
achieved sales of
over

11
million
pairs

Empowered sponsored athletes
achieved the following results
in international and domestic
competitions

73
championships

145
podium
finishes

Expanded event presence,
supporting major races such
as the Beijing Half Marathon,
Wuxi, Hangzhou, and
Shenzhen Marathons

No.1 Ranked
in wear rate
among sub-90
min finishers
at Beijing Half
Marathon

Feidian ranked
No.1 among
sub-3
finishers at
Shanghai
competition

Basketball: tech-driven, culture-empowered, shaping a comprehensive ecosystem



- The all-new Yushuai 20 accompanied Yang Hansen in his first NBA regular season game, with the Palace collaboration colorway achieving both cultural output and sell-out at first launch
- Leverages the first-ever application of the **G-Boom Technology Platform**, delivering a performance leap with superior foot stability and faster response, empowering athletes to excel on the field



- In 2025, LI-NING's **"BADFIVE" Streetball League** spanned 5 months across **16 provinces and 54 cities**, crafting a unique story of street basketball
- Held the Way of Wade 12 launch event in Macau, where the model debuted its top-tier midsole technology featuring **"dual-layer Super BOOM and a full-length carbon plate"**. Since release, it has received high praise from both professional athletes and the general market, with all colorways selling out quickly upon launch
- Jimmy Butler unveiled his **fourth-generation signature shoes, JB4**, at Nice Kicks in San Francisco. The event generated strong buzz, with a full product lineup display celebrating the legacy of Butler and LI-NING Basketball

Training: empowered by aerospace technology, redefining professional training and urban light exercise



- Co-launched with the China National Space Administration News and Publicity Center via the Aerospace Technology Innovation Application Laboratory, introducing the **Aerospace Dynamic Thermal Technology Platform**
- Technology-empowered new products like the winter training jackets, with **"heat retention at rest, moisture permeable in motion"** features, becoming the preferred choice for both professional athletes and mass consumers.



- Men's training adhered to the product philosophy of **"professional function + sports gene"** to deepen multi-scenario training experiences
- Annual sales of the core IP for men's **functional pants** surpassed 2 million units



- Placed strong focus on female sports consumers, positioning **"urban light exercise"** as the main scenario. Through feminine tailoring and vibrant colour palettes, projecting a dynamic and energetic brand image
- Women's **core jackets** achieved a sell-out rate of over 80% in the Year

Sports casual: rooted in heritage, reimagined for modernization



» Unveiling New Chapter with the Square Seal – Retro Sports Series

Partnering with Chinese table tennis athlete Wang Chuqin, China LI-NING seamlessly integrates traditional table tennis culture with retro sportswear, celebrating the brand's 25-year legacy with the Chinese national table tennis team



» Rich Everyday Series

Fortune favours those who train for it. This New Year, the Rich Everyday Series draws on our sports heritage, spanning table tennis, diving, basketball, and more, to bring the "building a fortunate spirit through sport" concept to life. The collection is inspired by festive spirit and the energy of a fresh start.



» LI-NING Palace Museum co-branded products

In a landmark collaboration, LI-NING and the Palace Museum marked the Museum's centenary by unveiling a collection that celebrates Eastern aesthetics and auspicious symbolism, offering a contemporary expression of Chinese cultural heritage and modern elegance.

Outdoor: four core IPs, powered by tech, adapted for every terrain

Nanlongjia Rainstorm-proof



Featuring exclusive dual-vent nanotechnology for rainstorm protection, the water-repellent, temperature-regulating 3-in-1 jacket delivers flexible, durable, all-weather protection for both city and outdoor environments

Counter series Light-outdoor hiking shoes



Launched all-terrain hiking shoes "Counter Flow" and "Counter Mist" as well as the versatile business-casual commuter styles "Xing Jing" and "Xing Ji"

Longke Light rain protection



Launched for autumn/winter layering, the "Longke Protection" series combines functional design with an innovative layering system, offering wind resistance, light rain protection, and effortless versatility for any occasion

Lin series Urban hiking shoes



Launched "Lin Ying" and "Lin Yun" from the "Lin" series which integrates youth fashion with classic retro-style outdoor aesthetics

Brand marketing: China's Glory, Together with LI-NING



LI-NING and the Chinese Olympic Committee jointly unveiled the award uniforms for the Chinese Sports Delegation at the 2026 Milan Winter Olympics

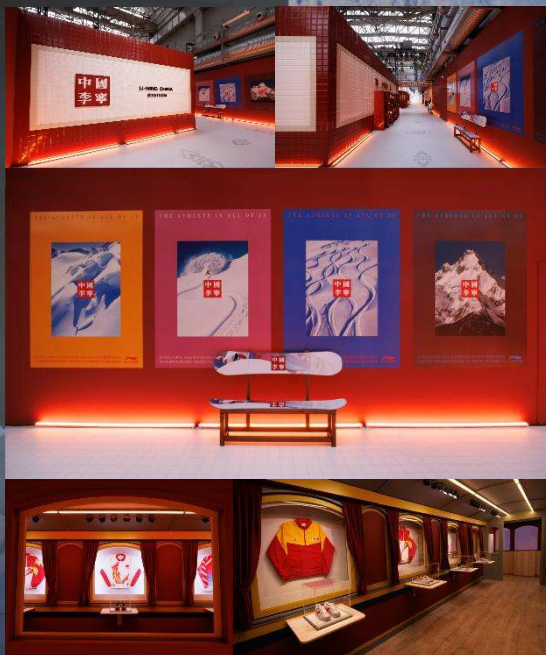


LI-NING opened the world's first "Loong Store" and officially launched the all-new "Glory Gold Label" product series



The Chinese Sports Delegation made a striking appearance at the 2026 Milan Winter Olympics Opening Ceremony in professional sports apparel crafted by LI-NING, the official partner of the Chinese Olympic Committee, capturing global attention

Brand marketing: China LI-NING 2026 A/W Milan fashion week under the theme "THE ATHLETE IN ALL OF US"



LI-NING Brand DNA

Inspired by LI-NING's Olympic golden moment & V-shaped motif, reimagining retro sport silhouettes



▲ Jackie Chan and Ma Long, LI-NING brand ambassador, Olympic table tennis champion, graced the Milan runway to celebrate the fusion of fashion and athletic excellence

Global Sports Event Culture

Deeply merging championship legacy with global sports event culture, redefining the brand's sporting cultural symbol



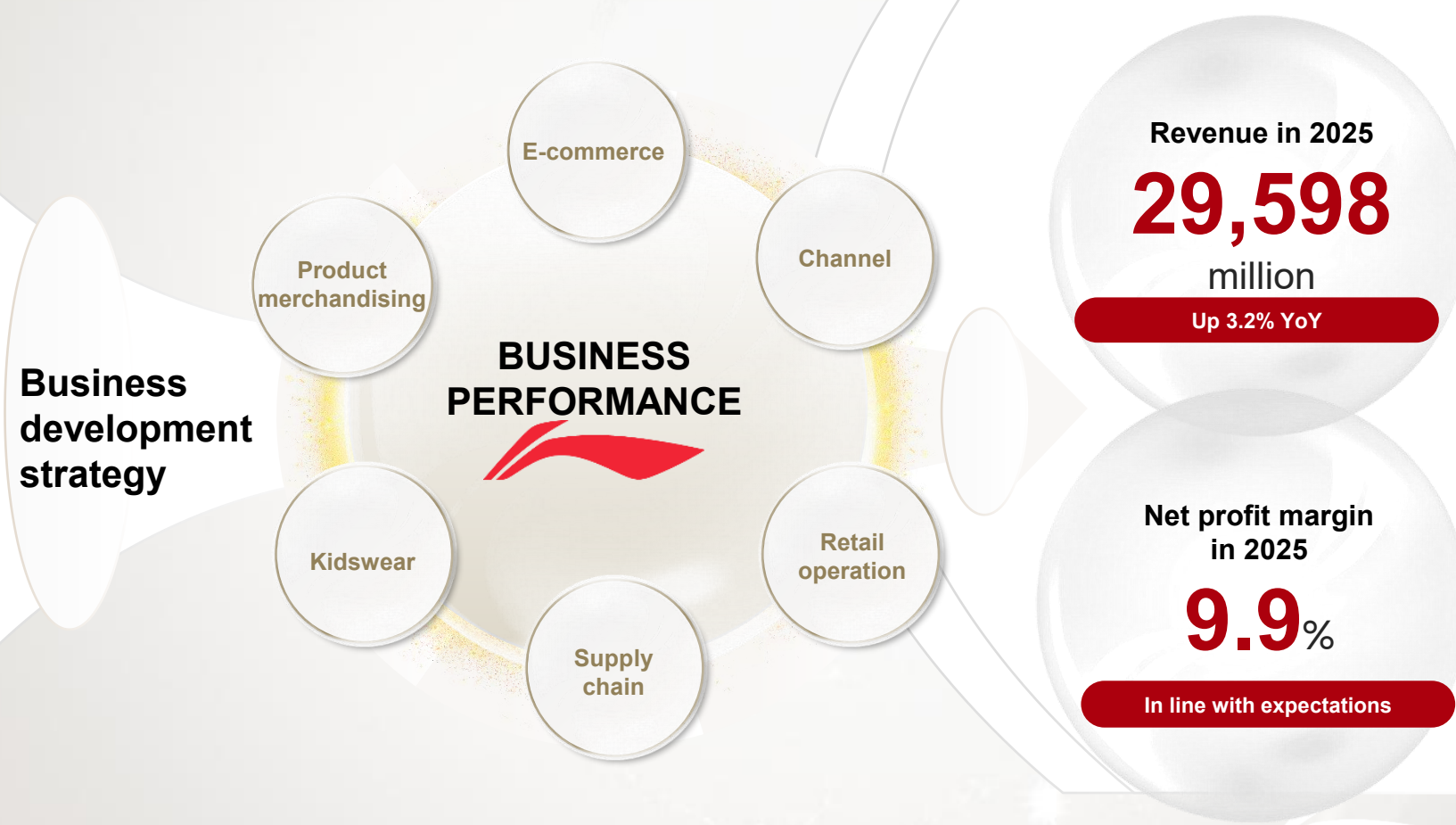
Winter Sports Inspiration

Translating sports functionality and technology into fashion-forward designs, a new line of professional snowboard gear has been launched

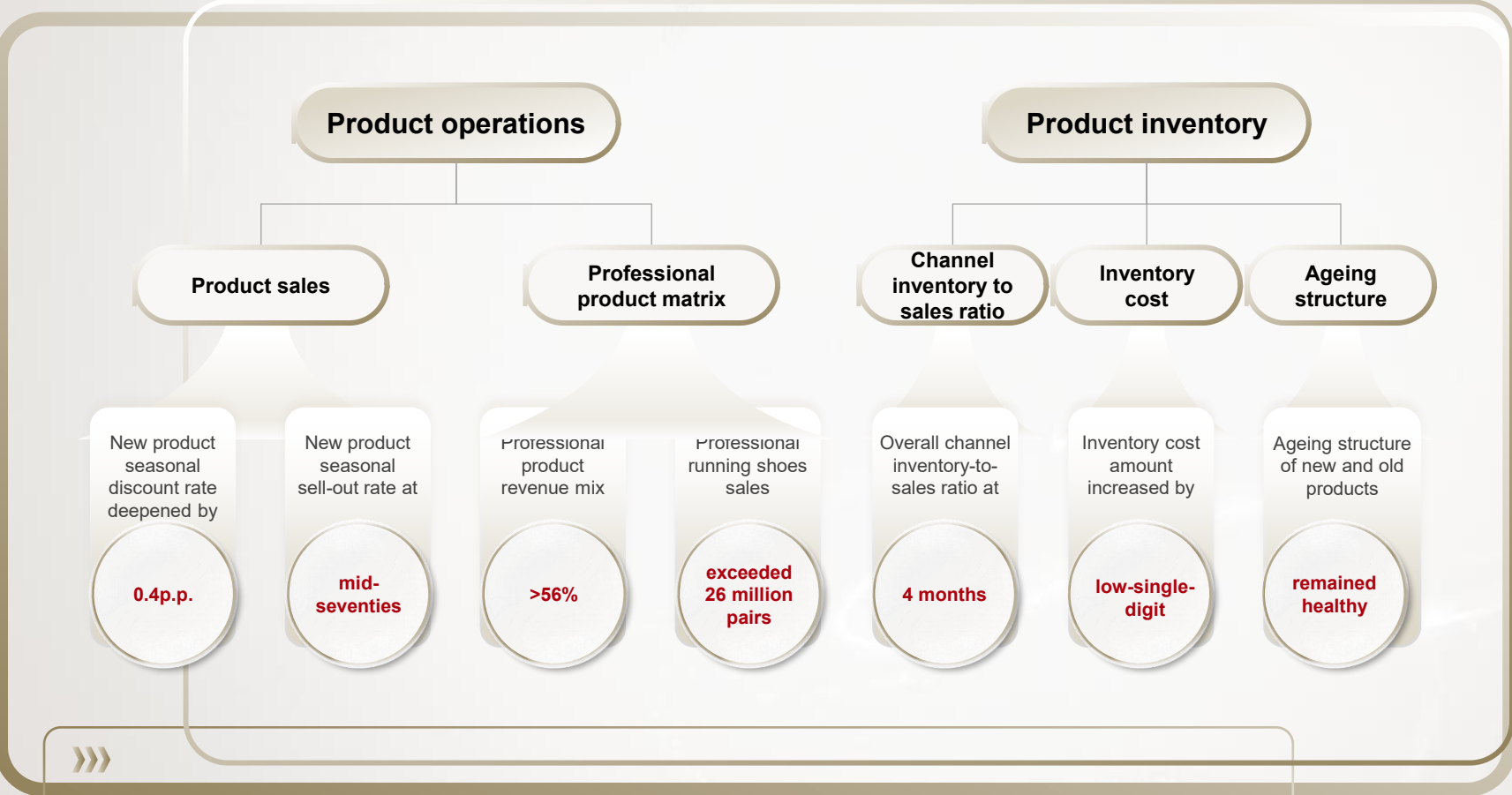
04 OPERATIONAL PROGRESS



Stable business performance with the results in line with expectation



Product operations: professional product lines gaining traction; healthy inventory with solid turnover efficiency



Retail operations: offline operations faced challenges

Retail KPIs*

Offline retail sell-through

Offline retail sell-through
declined by low-single-digit

Offline footfall

Average daily footfall
declined by mid-single-digit

Discount rate

Offline discount rate
deepened by ~1p.p.

Average selling price

Average selling price
declined by low-single-digit



* Excluding online channel

Channels: ongoing channel mix optimization

Store performance

Total selling square
footage

Unchanged

Average single-store
selling square footage at

240 sq.m.

Average monthly store
productivity at

284,000 RMB

Sell-through structure

Sell-through contribution of
high-tier market[#]

Nearly 60%

Core commercial
occupancy rate at

91%

Big store* penetration

Number of big stores

1,455

Average single-store
selling square footage

~404 sq.m.

9th generation stores upgrade

The number of 9th
generation stores

1,834

Average monthly store
productivity

300,000 RMB

* Store selling square footage exceeds 300 square meters

[#] Including stores in metropolises and first tier cities

E-commerce: operating metrics largely in line with expectations

E-commerce

»»» Retail sell-through

Online direct retail sell-through **increased by mid-single-digit**

»»» Online traffic

Online traffic **increased by 2%**

»»» Conversion rate

Conversion rate **remained flat**

»»» Retail discount

Average discount **deepened by ~1p.p.**

»»» Inventory turnover

Inventory turnover days stayed at a **healthy level**



Kidswear business: overall in line with expectations, with stable operating metrics

Retail efficiency

Retail sell-through* increased
by low-teens

Offline discount rate
improved by 0.8p.p.

Average selling price
increased by low-single-digits

Channel efficiency

No. of stores
1,518

Average monthly store
productivity at
140,000 RMB

*Excludes online channels

05

APPENDIX



Appendix 1 — summary of income statement and balance sheet

(RMB million)	2025	2024	Better/ (Worse)
	Year ended 31 December		
Revenue	29,598	28,676	3.2%
Gross Profit	14,489	14,156	2.4%
Distribution costs	(9,190)	(9,199)	0.1%
Administrative expenses	(1,630)	(1,428)	(14.2%)
Other income and other gains-net	228	154	48.1%
Operating Profit	3,898	3,678	6.0%
EBITDA	6,161	6,379	(3.4%)
Profit Attributable to Equity Holders	2,936	3,013	(2.6%)
Basic Earnings per share (RMB cents)	113.9	117.0	(2.6%)

(RMB million)	2025	2024	Better/ (Worse)
	Year ended 31 December		
Cash and Cash Equivalents	16,717	7,499	122.9%
Time Deposits	3,257	10,642	(69.4%)
Borrowings	0	0	N/A
Net Cash*	19,974	18,164	10.0%
Current Liabilities	8,061	7,586	(6.3%)
Current Ratio (times)	2.85	2.71	0.14
Total Liabilities to Total Asset Ratio	26.7%	26.9%	0.2p.p.

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

Appendix 2 — profit margins and key operating indicators

	2025	2024	Better/ (Worse)
	Year ended 31 December		
Gross Profit Margin	49.0%	49.4%	(0.4p.p.)
Operating Profit Margin	13.2%	12.8%	0.4p.p.
EBITDA Margin	20.8%	22.2%	(1.4p.p.)
Margin of Profit Attributable to Equity Holders	9.9%	10.5%	(0.6p.p.)
R&D Expenses (as % of revenue)	2.4%	2.4%	—
A&P Expenses (as % of revenue)	10.7%	9.5%	(1.2p.p.)
Staff Costs (as % of revenue)	8.3%	8.6%	0.3p.p.

	2025	2024	Better/ (Worse)
	Year ended 31 December		
Inventory Turnover (Days)	64	64	—
Trade Receivables Turnover (Days)	15	14	(1)
Trade Payables Turnover (Days)	42	43	(1)
Cash Conversion Cycle (Days)	37	35	(2)
Return on Equity (ROE)	10.9%	11.9%	(1.0p.p.)
Return on Asset (ROA)	8.0%	8.6%	(0.6p.p.)
CAPEX (RMB million)	1,293	3,359	61.5%