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# Goodbaby

International

## Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

### REVENUE PERFORMANCE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

This announcement is made by Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the unaudited consolidated management accounts of the Company, the revenue for the nine months ended 30 September 2020 (the “**Period**”) was approximately HK\$5,952.1 million, representing a decline of 7.7% from approximately HK\$6,450.7 million for the corresponding period in 2019. During the Period, foreign exchange rate fluctuations, especially exchange rate fluctuation between RMB and HKD, and between EUR and HKD, impacted on the overall revenue growth due to translation of the Group’s revenue from the original currency into the Group’s reporting currency in HKD. On a constant currency basis<sup>1</sup>, the Group’s revenue for the Period recorded a 6.7% decrease as compared with the corresponding period in 2019. The Group recorded a strong revenue recovery during the three months ended 30 September 2020 with a 10.8% year-on-year growth (7.3% growth on a constant currency basis) from 16.1% decrease (13.1% on a constant currency basis) in the first half of 2020.

(HK\$ million)	Nine months ended 30 September					Change on a constant currency basis (%)
	2020 (unaudited)		2019 (unaudited)		Change (%)	
Revenue	\$5,952.1		\$6,450.7		-7.7%	-6.7%
	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
<b>Strategic Brands Revenue</b>	4,866.0	81.8%	5,254.6	81.5%	-7.4%	-6.4%
Cybex	1,854.4	31.2%	1,810.4	28.1%	2.4%	2.1%
gb	1,715.3	28.8%	2,066.7	32.0%	-17.0%	-14.9%
Evenflo	1,296.3	21.8%	1,377.5	21.4%	-5.9%	-4.8%

<sup>1</sup>The constant currency basis is the weighted growth rate on each original currency revenue.

## Overview

Each of the Group's core Strategic brands of Cybex, gb and Evenflo recorded positive revenue momentum, respectively, during the three months ended 30 September 2020. Accordingly, this positive momentum is reflected in the Group's improved revenue performance from group strategic brands during the Period resulting in an overall 7.4% decrease in revenue (6.4% decrease on a constant currency basis) from the revenue of the corresponding period in 2019.

During the Period, the Group's core Strategic brands performed as follows:

- **Cybex** brand recorded very significant revenue momentum during the three months ended 30 September 2020, with an impressive year-on-year growth rate of 36.2% (28.5% on a constant currency basis) from 13.2% decrease (10.0% decrease on a constant currency basis) in the first half of 2020, thus returning the revenue performance for the Period to overall positive growth. Such strong revenue recovery across all key markets were driven by Cybex's strong brand position and product portfolio (both car seats and strollers), combined with the gradual reopening of regional economies (primarily in Europe) impacted by the coronavirus disease 2019 ("COVID-19"), fortified global operations and the continuous launch of new products. Cybex continued to gain market share in all key geographic regions during the Period.
- **gb** brand revenue performance during the three months ended 30 September 2020 achieved level results with a year-on-year growth rate of 1.1% (2.1% decrease on a constant currency basis) from 24.0% decrease (19.9% decrease on a constant currency basis) in the first half of 2020, thus improving the revenue performance and narrowing the overall revenue decline during the Period as compared to the corresponding period in 2019. Strong revenue growth continues to be realized from online sales, a direct result from the ongoing rapid business transformation toward a digital, cloud/social media based online platform. While continuing to anticipate the eventual recovery of retail store traffic to pre-COVID levels, gb continues to modernize and enhance its overall brand image and invest resources toward product development and innovation in both durable and non-durable products.
- **Evenflo** brand revenue performance recovered and stabilized during the three months ended 30 September 2020, and achieved level results compared to the corresponding period in 2019 with a decrease of 0.8% (0.6% decrease on a constant currency basis) from 8.5% decrease (6.9% decrease on a constant currency basis) in the first half of 2020, thus improving the revenue performance and narrowing the overall revenue decline during the Period as compared to the corresponding period in 2019. This positive performance trend is primarily driven by continued positive consumer reaction to new product launches amidst an ongoing challenging political and economic market environment and the persistent presence of COVID-19.

Our Blue Chip business has experienced impressive year-on-year revenue growth of 31.0% (28.1% on a constant currency basis) in the three months ended 30 September 2020 from 9.9% decrease (7.4% decrease on a constant currency basis) in the first half of 2020 directly resulting from the resumption of shipments from China as our customers' global markets continue to recover from the COVID-19 impact in earlier months of 2020. Such strong revenue recovery and growth has returned the Blue Chip revenue performance to an overall growth for the Period as compared to the corresponding period in 2019.

During the Period, the Group's revenue from other business, including the Group's tactical brands and retailer's private label business, was approximately HK\$351.4 million as compared to approximately HK\$474.6 million in the corresponding period of 2019. The approximate 26.0% decrease (24.4% decrease on a constant currency basis) in revenue was closely tied to the overall negative business climate caused by COVID-19 and continued portfolio rationalization.

While the spread of COVID-19 and gradual recoveries and recurrences therefrom in different geographic regions have had a direct impact on the Group's performance in the Period, we are very encouraged by our Group's momentum, the performance and strength of our business platform. We continue to remain confident in our overall focused strategy of our core Strategic brands of Cybex, gb and Evenflo and the development of our Blue Chip business. We will remain diligent and continue to implement proactive measures to minimize any remaining impact from COVID-19. Our Group's liquidity remains very strong.

**The above information was prepared based on the unaudited consolidated management accounts of the Group which have neither been reviewed nor audited by the auditors of the Company and may differ from those in the audited or unaudited financial statements of the Group to be published by the Company on yearly and half yearly basis. The operational information for the Period may not reflect the overall performance of the Group for a complete reporting period. Shareholders and potential investors of the Company are advised not to place reliance on the aforesaid information and they are advised to exercise caution in dealing in the securities of the Company.**

By Order of the Board  
**Goodbaby International Holdings Limited**  
**SONG Zhenghuan**  
*Chairman*

Hong Kong, 5 November 2020

*As at the date of this announcement, the Executive Directors of the Company are Mr. SONG Zhenghuan, Mr. Martin POS, Mr. XIA Xinyue, Mr. LIU Tongyou and Mr. Michael Nan QU; the Non-Executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the Independent Non-Executive Directors are Mr. Iain Ferguson BRUCE, Mr. SHI Xiaoguang, Ms. CHIANG Yun and Mr. JIN Peng.*