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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 2023

This announcement is made by Goodbaby International Holdings Limited (the “Company”), together with its subsidiaries, the “Group”) on a voluntary basis.

Based on the unaudited consolidated management accounts of the Company, the revenue for the nine months ended 30 September 2023 (the “Period”) was approximately HK\$5,806.2 million, representing a decrease of 9.9% from approximately HK\$6,442.8 million for the corresponding period in 2022. Foreign exchange rate fluctuated between the Period and the corresponding period in 2022, particularly exchange rate between RMB and HKD, and between EUR and HKD. Such fluctuation leads to the difference between the Group’s overall revenue growth in the original currencies and the growth in the Group’s reporting currency in HKD after currency translation. On a constant currency basis¹, the Group’s revenue for the Period recorded a 7.8% decrease as compared with the corresponding period of 2022.

(HK\$ million)	Nine months ended 30 September 2023		2022		Change (%)	Change on a constant currency basis (%)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
Total Revenue	\$5,806.2		\$6,442.8		-9.9%	-7.8%
	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
Strategic Brands	5,283.2	91.0%	5,458.1	84.7%	-3.2%	-1.1%
– CYBEX	2,733.3	47.1%	2,443.5	37.9%	11.9%	12.7%
– gb	896.4	15.4%	1,143.1	17.7%	-21.6%	-16.3%
– Evenflo	1,653.5	28.5%	1,871.5	29.1%	-11.6%	-9.8%
Blue Chip and other business	523.0	9.0%	984.7	15.3%	-46.9%	-44.7%

¹ The constant currency basis is the weighted growth rate on each original currency revenue.

Overview

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

- **CYBEX** brand achieved very positive revenue growth momentum during the Period with a growth rate of 11.9% (a 12.7% increase on a constant currency basis) compared to the corresponding period of 2022. Despite a challenging market environment and conservative consumer confidence due to intensified global geopolitical conflicts, reduced economic momentum and inflation, CYBEX continued its very positive revenue growth into the third quarter after achieving record first half revenue. The sustained positive performance was primarily a result of its strong and continuously enhanced brand position, product portfolio and new launches, strong global omni-channel distribution and fortified global operations. As a result, CYBEX continued to outperform competition in its core markets and hence gained market share.
- **gb** brand revenue declined by 21.6% (a 16.3% decrease on a constant currency basis) during the Period from the corresponding period of 2022. The revenue decline was primarily a result of the brand's continued rightsizing of its commercial operations to adapt to the post-pandemic era and birth rate decline in China. gb continues to invest to enrich its consumer-centric retail strategy through enhanced product portfolio.
- **Evenflo** brand revenue declined by 11.6% (a 9.8% decrease on a constant currency basis) during the Period from the corresponding period of 2022. The revenue decline was a combined result of continued inventory destocking by major retailers in its key market of the United States starting from the fourth quarter of 2022 into the Period, lost business due to the bankruptcy of a major retailer and reduced sales of low-margin products. Nevertheless, Evenflo continued to outpace the market in the North America, gaining market share due to its positive growth in digital channels, as well as strong consumer acceptance of its innovative products, elevated product portfolio and brand image.

During the Period, revenue from our Blue Chip and other business was approximately HK\$523.0 million as compared to approximately HK\$984.7 million in the corresponding period of 2022, representing a decrease of 46.9% (a 44.7% decrease on a constant currency basis). The revenue decrease was primarily due to a slowdown in orders resulting from continued destocking by customers and retailers starting from the fourth quarter of 2022 into the Period and the Group's continued planned portfolio rationalization in other business. The Group's relationship with its Blue Chip customers remained stable.

Despite the overall revenue decline, the Group achieved positive gross margin and cashflow momentum during the Period. The Group continued its cost control and efficiency improvement initiatives to focus on profitability improvement and cashflow management. We will continue to implement the Group's set strategy, while remaining vigilant concerning challenges in the macro environment, including intensified geopolitical conflicts, slowing economic growth and uncertainties in foreign exchange rate fluctuations, each of which could negatively impact the Group's business.

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, 10 November 2023

As at the date of this announcement, the Executive Directors of the Company are Mr. SONG Zhenghuan, Mr. LIU Tongyou, Mr. Martin POS, Mr. XIA Xinyue 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 Ms. CHIANG Yun, Mr. SHI Xiaoguang, Mr. JIN Peng and Mr. So Tak Young.