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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 THREE MONTHS ENDED 31 MARCH 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 three months ended 31 March 2023 (the “**Period**”) was approximately HK\$1,841.8 million, representing a decrease of 17.5% from approximately HK\$2,233.6 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 14.0% decrease as compared with the corresponding period of 2022.

(HK\$ million)	Three months ended 31 March 2023		2022		Change (%)	Change on a constant currency basis (%)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
Total Revenue	\$1,841.8		\$2,233.6		-17.5%	-14.0%
	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
Strategic Brands	1,700.8	92.4%	1,861.7	83.3%	-8.6%	-4.8%
– CYBEX	852.4	46.3%	824.3	36.9%	3.4%	8.2%
– gb	308.7	16.8%	422.9	18.9%	-27.0%	-20.1%
– Evenflo	539.7	29.3%	614.6	27.5%	-12.2%	-11.8%
Blue Chip and other business	141.0	7.6%	371.9	16.7%	-62.1%	-60.1%

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 continued its revenue growth momentum during the Period with a growth rate of 3.4% (an 8.2% increase on a constant currency basis) compared to the corresponding period of 2022. A tempered January revenue performance, caused by the lingering impact of destocking by European retailers experienced in the fourth quarter of 2022 and related timing of orders, was more than offset by a recovery of revenue in February and strong revenue growth in March. This is a result of its strong brand position, product portfolio and new launches, strong global omni-channel distribution and fortified global operations. CYBEX continued to gain market share in its core markets during the Period.
- **gb** brand revenue declined by 27.0% (a 19.9% decrease on a constant currency basis) during the Period from the corresponding period of 2022. The anticipated revenue decline was primarily a result of the brand's continued right-sizing 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 12.2% (an 11.8% decrease on a constant currency basis) during the Period from the corresponding period of 2022. The revenue decline primarily resulted from continued inventory destocking activities initiated by major retailers in the fourth quarter of 2022. Despite the negative revenue impact early in the Period, revenue development has shown positive momentum in February and recorded pre-destocking level revenue in March. Thanks to its successful efforts in upgrading the brand image and product portfolio, Evenflo continued to gain market share in its home market in the North America.

During the Period, revenue from our Blue Chip and other business was approximately HK\$141.0 million as compared to approximately HK\$371.9 million in the corresponding period of 2022, representing a decrease of 62.1% (a 60.1% 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 and the Group's continued planned portfolio rationalization in other business. The Group's relationship with its Blue Chip customers remained stable.

Factors including the stabilization of the global logistics environment, raw material prices and the removal of pandemic restrictions across the globe will have positive impacts on the Group's business and we remain confident about our business development. Notwithstanding these positive developments, we will follow closely the lingering impact of industry destocking, uncertainties in foreign exchange rate fluctuations and the evolution of geopolitical conflicts in Europe. Concurrently, we will continue our cost control and efficiency improvement initiatives and focus on the continuous improvement of profitability and cash flow management.

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, 12 May 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.