

MINISO Group Announces Positive Profit Alerts

GUANGZHOU, China, Aug. 3, 2022 /PRNewswire/ -- MINISO Group Holding Limited (NYSE: MNSO; HKEx: 9896) ("MINISO", "MINISO Group" or the "Company"), a global retailer offering a variety of design-led lifestyle products, today announced positive profit alerts for June quarter 2022 and full fiscal year 2022.

The Company's Board of Directors (the "Board") wishes to inform the Company's shareholders and potential investors that based on a preliminary review of the unaudited consolidated management accounts, the Company expects to record an adjusted net profit, a non-IFRS measure, which is defined as profit for the period excluding (i) fair value changes of redeemable shares with other preferential rights, and (ii) equity-settled share-based payment expenses, not less than RMB200 million for the quarter ended June 30, 2022 ("June Quarter"), as compared to adjusted net profit of approximately RMB142^[1] million for the same quarter last year, representing a year-over-year increase of not less than approximately 40%. For the full fiscal year ended June 30, 2022, the Company currently expects to record an adjusted net profit not less than RMB700 million, as compared to adjusted net profit of approximately RMB477 million for the fiscal year ended June 30, 2021, representing a year-over-year increase of not less than approximately 46%.

Based on the information currently available, the Board considers that the expected year-over-year increase in the adjusted net profit in the June Quarter was mainly due to (i) a year-over-year increase of gross margin, which resulted from a higher revenue contribution by our international operations and higher gross margins contributed by certain products launched after our strategic upgrade of MINISO brand in China; and (ii) expense control measures taken by the Company to tackle the resurgence of COVID-19 in China.

Mr. Guofu Ye, Founder, Chairman, and Chief Executive Officer of MINISO, commented, "Despite the ongoing challenges of the pandemic in China, especially in April and May, our business has demonstrated its great resilience and flexibility under extreme market environments, and our globalized operation provided us more space and flexibility of future growth compared to peer companies."

"Global retailers are challenged by cost pressures as we enter one of the highest inflation in four decades. History repeatedly reminded us that consumers tend to look for value in a high-inflation environment, and it is a good opportunity for us. We will leverage MINISO's core capabilities to strengthen our value proposition globally." Mr. Ye continued.

The information contained in this announcement is only based on the Company's preliminary assessment of the highest inflationary assessment with reference to the unaudited consolidated management accounts of the Company for the June Quarter and is not based on any financial data or other information that has been audited or reviewed by the Company's independent auditor or the audit committee of the Board. The above data may therefore differ from the figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company. Accordingly, the above figures are strictly for information only and not for any other purposes.

Shareholders and potential investors are advised not to place undue reliance on the information disclosed herein and to exercise caution when dealing in the securities of the Company. Any shareholder or potential investor who is in doubt is advised to seek advice from professional advisers.

^[1] After reviewing its non-IFRS financial measures and the reconciliation items against the corresponding IFRS financial measures, the Company adjusted the calculation of the non-IFRS financial measures and modified the definition of its adjusted net profit as profit for the period excluding (i) fair value changes of redeemable shares with other preferential rights, and (ii) equity-settled share-based payment expenses starting from the fiscal quarter ended March 31, 2022. As a result of such modification, the Company has restated the adjusted net profit in the June quarter of 2021 to be approximately RMB142 million.

About MINISO Group

MINISO is a global retailer offering a variety of design-led lifestyle products. The Company serves consumers primarily through its large network of MINISO stores, and promotes a relaxing, treasure-hunting and engaging shopping experience full of delightful surprises that appeals to all demographics. Aesthetically pleasing design, quality and affordability are at the core of every product in MINISO's wide product portfolio, and the Company continually and frequently rolls out products with these qualities. Since the opening of its first store in China in 2013, the Company has built its flagship brand "MINISO" as a globally recognized retail brand and established a massive store network worldwide. For more information, please visit <https://ir.miniso.com/>.

Non-IFRS Financial Measure

In evaluating the business, MINISO considers and uses adjusted net profit as supplemental measure to review and assess its operating performance. The presentation of the non-IFRS financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. MINISO defines adjusted net profit as profit for the period excluding (i) fair value changes of redeemable shares with other preferential rights and (ii) equity-settled share-based payment expenses.

MINISO presents the non-IFRS financial measure because it is used by the management to evaluate its operating performance and formulate business plans. The non-IFRS financial measure enables the management to assess its operating results without considering the impacts of the aforementioned non-cash and other adjustment items that MINISO does not consider to be indicative of its operating performance in the future. Accordingly, MINISO believes that the use of the non-IFRS financial measure provides useful information to investors and others in understanding and evaluating its operating results in the same manner as the management and board of directors.

The non-IFRS financial measure is not defined under IFRS and is not presented in accordance with IFRS. The non-IFRS financial measure has limitations as analytical tools. One of the key limitations of using the non-IFRS financial measure is that it does not reflect all items of income and expense that affect MINISO's operations. Further, the non-IFRS financial measure may differ from the non-IFRS information used by other companies, including peer companies, and therefore their comparability may be limited.

The non-IFRS financial measure should not be considered in isolation or construed as alternative to profit/(loss), as applicable, or any other measures of performance or as indicator of MINISO's operating performance. Investors are encouraged to review MINISO's historical non-IFRS financial measures in light of the most directly comparable IFRS measures. The non-IFRS financial measure presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measures when analyzing MINISO's data comparatively. MINISO encourages you to review its financial information in its entirety and not rely on a single financial measure.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. MINISO may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about MINISO's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: MINISO's mission, goals and strategies; future business development, financial conditions and results of operations; the expected growth of the retail market and the market of branded variety retail of lifestyle products in China and globally; expectations regarding demand for and market acceptance of MINISO's products; expectations regarding MINISO's relationships with consumers, suppliers, MINISO Retail Partners, local distributors, and other business partners; competition in the industry; proposed use of proceeds; and relevant government policies and regulations relating to MINISO's business and the industry. Further information regarding these and other risks is included in MINISO's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and MINISO undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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