

What’s Hot Today:

► Pop Mart (9992 HK, HK\$316.00, HK\$424bn) strong 1H25, robust outlook

Pop Mart reported a set of impressive 1H25 results, with both revenue and net profit exceeding earnings alert previously issued by 4 ppts and 6 ppts, respectively. Revenue tripled YoY to RMB13.9bn, driven by robust sell-through of core IPs including the Labubu 3.0 series and Molly, as well as sustained international expansion. A key positive was the notable margin improvement. GPM expanded by 6ppts YoY to 70.3%, supported by operating leverage and higher contribution from overseas sales. Net profit reached RMB4.6bn, up 4x YoY, while NPM increased by 13ppts YoY to 34%.

Fig 1: Pop mart’s 1H25 results

	1H24		1H25		Results comments
	RMB mn	% of Rev	RMB mn	% of Rev YoY chg	
Revenue	4,558		13,876	204%	Labubu+6.7x, Molly+74%, SP+112%, Crybaby+2.5x
Cost of sales	1,639		4,115	151%	
Gross profit	2,919	64%	9,761	70%	
Other revenue	(34)		179	-626%	higher proportion of oversea market
Selling and distribution expenses	(1,353)	-30%	(3,193)	-23%	136%
Administrative expenses	(434)	-10%	(770)	-6%	77%
Operating profit	1,126	25%	6,044	44%	437%
Finance costs	84		66	-22%	
Profit before income taxes	1,228		6,157	401%	
Income tax expense	(264)		(1,475)	458%	
Net profit	964	21%	4,682	34%	386%
					Scale effect and strict cost control

Source: Company Data, Sunwah Kingsway Research

Rapid global expansion. During the period, revenue from Greater China increased by 1.4x YoY to RMB8.3bn. In Mainland China, it added a total of 8 stores HoH to 409. The Mgt expects that the number of shops in Mainland China will likely stay at the current level. Average revenue of retail stores reached RMB8.9mn in 1H25, up 1x YoY, driven by stronger traffic and ASP. The company is shifting its focus towards operational quality by prioritizing premium locations and larger store formats to drive higher traffic and improve brand presence.

Overseas revenue grew significantly by 4.4x YoY to RMB5.6bn, accounting for 40% of total revenue, driven by a strong 11x YoY growth in America, alongside robust growth in Europe and Asia Pacific, which increased by 7.3x and 2.6x YoY, respectively. The overseas store network expanded by 28 in 1H25, bringing the total to 128. The full-year target of over 200 overseas stores implies an even faster overseas expansion in 2H. Looking forward, Pop Mart plans to enter new markets including the Middle East, Central Europe, and South America.

China & HK Indices	CLOSE	1D	YTD
HSI	25,165	0.2%	25.5%
HSCEI	9,013	0.1%	23.6%
HSCCI	4,345	-0.3%	14.9%
CSI300	4,271	1.1%	8.6%
Shanghai A	3,948	1.0%	0.8%
Shanghai B	269	0.2%	0.8%
Shenzhen A	2,471	0.8%	20.7%
Shenzhen B	1,344	0.7%	10.8%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	44,938	0.0%	5.6%
S&P 500	6,395	-0.2%	8.7%
Nasdaq	21,172	-0.7%	9.6%
Nikkei Index	42,787	-0.2%	7.3%
FTSE Index	9,288	1.1%	13.6%
CAC Index	7,973	-0.1%	8.0%
DA.X Index	24,276	-0.6%	21.9%

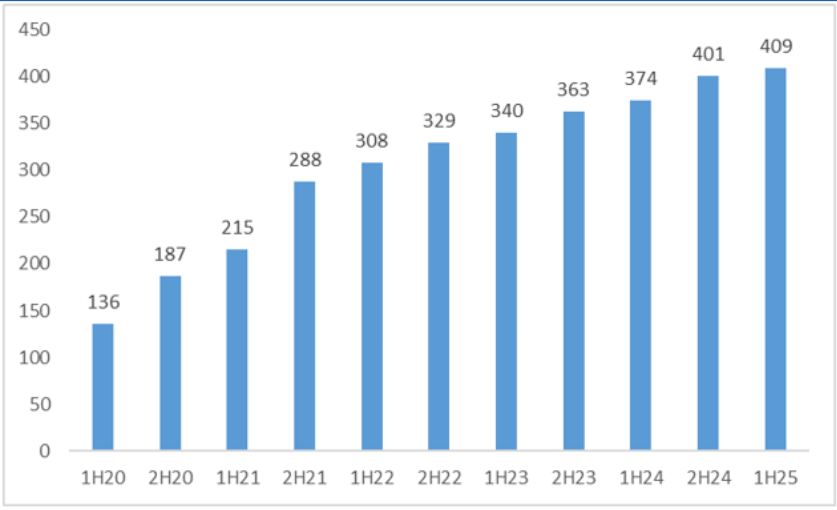
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,348	1.0%	27.4%
STEEL (US\$/oz.)	2,062	-1.2%	15.5%
SILVER (US\$/oz.)	37	1.4%	31.1%
CRUDE OIL (US\$/bbl)	62	0.6%	-12.4%
COPPER (US\$/oz.)	9,720	-0.1%	10.9%
ALUMINIUM (US\$/oz.)	2,576	-0.5%	1.0%
PLATINUM (US\$/oz)	1,340	1.9%	47.4%
ZINC (US\$/oz.)	2,787	0.4%	-6.4%
WHEAT (US\$/bu)	505	1.4%	-8.1%
CORN (US\$/bu)	404	0.2%	-8.9%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,036	0.2%	1.3%
PVC (US\$/t.)	N/A	N/A	-10.1%
CRB	296	-0.0%	3.0%
BDI			97.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.812	0.858	147.330	0.804	7.176
HKD	0.128		0.110	18.859	10.293	0.919
EUR	1.165	9.103		171.670	1.067	8.364
JPY	0.007	5.302	0.583		0.546	0.049
CHF	1.244	9.715	1.067	183.236		8.926
RMB	0.139	1.089	0.120	20.523	0.112	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	15	8.3%

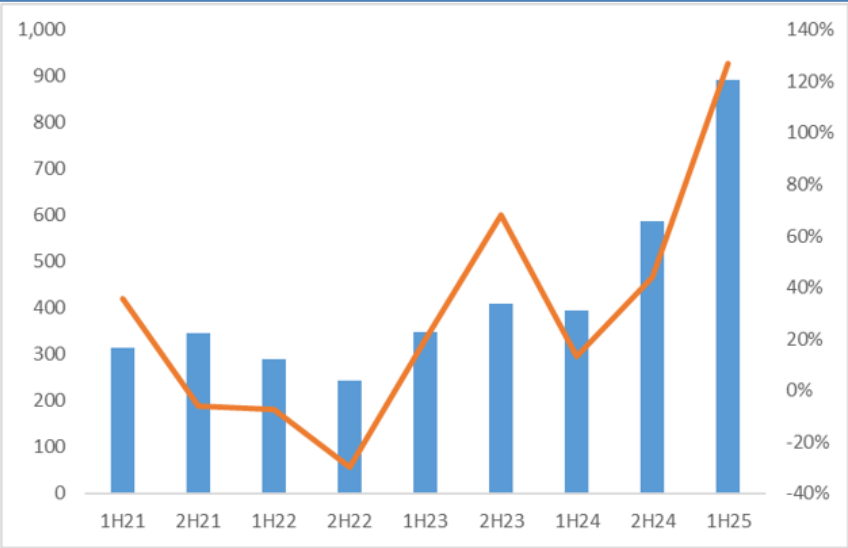
Source: Bloomberg

Fig 2: POS in mainland China



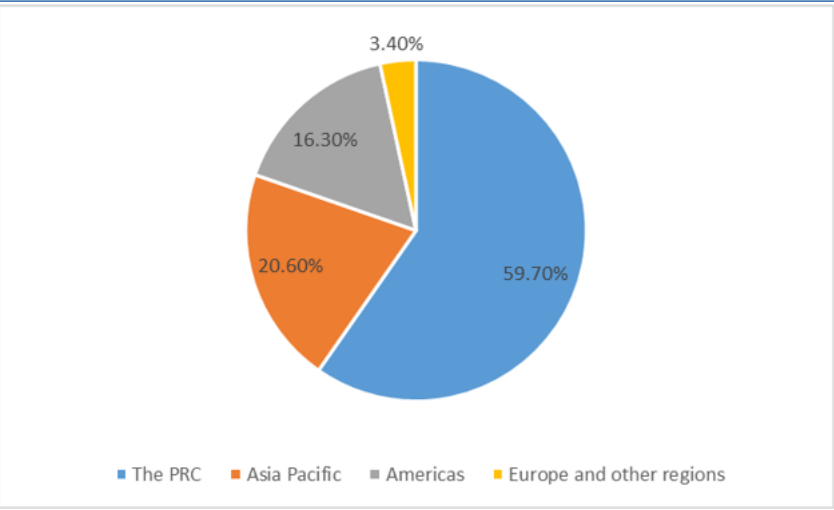
Source: Company Data, Sunwah Kingsway Research

Fig 3: Average revenue of each POS in mainland China



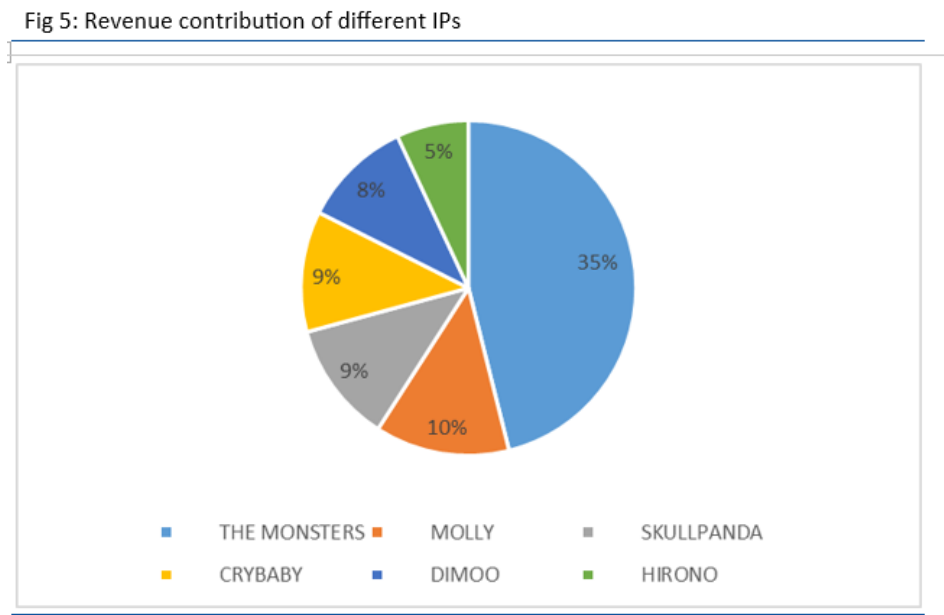
Source: Company Data, Sunwah Kingsway Research

Fig 4: Revenue contribution of different regions



Source: Company Data, Sunwah Kingsway Research

Maintains a well-diversified IP portfolio. The Monsters (Labubu) contributed around 35% of total sales, a healthy level that remains moderately below market expectations of approximately 40%. Other flagship IPs, including Molly, Skullpanda, Crybaby, Dimoo, and Hirono, also sustained strong performance, contributing 10%, 9%, 9%, 8%, and 5% of total revenue, respectively. Meanwhile, Twinkle Twinkle emerged as the fastest-growing IP series, representing 3% of revenue. In addition, a miniature version of Labubu will be launched next week, featuring a smaller size and enhanced portability.



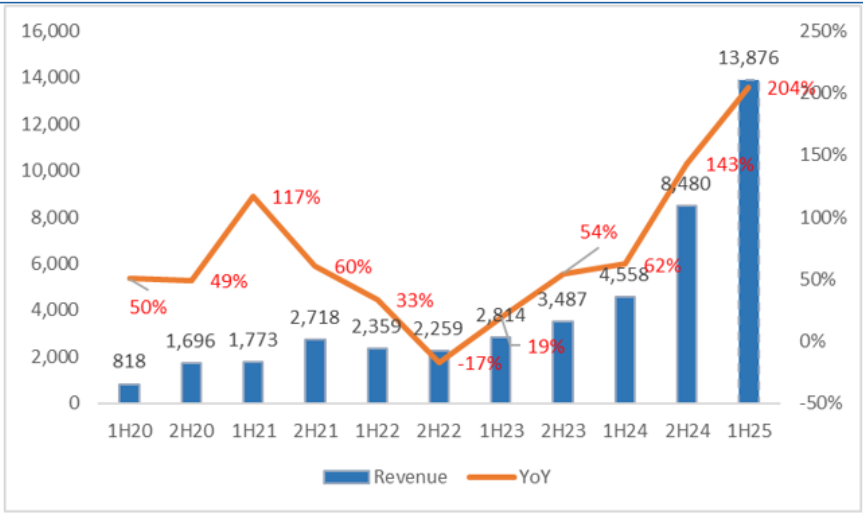
Source: Company Data, Sunwah Kingsway Research

Strong online sales. The online sales contribution exceeded 35% across all regions, with the Americas region surpassing 55%. Pop Mart has developed official websites in 37 countries, with a self-developed app rolled out in 34 markets. The company aggressively expands its footprint on major third-party e-commerce platforms such as Tmall, JD, Amazon, Shopee, and Lazada to enhance channel diversification. Meanwhile, Pop Mart has established a strong presence on live-streaming channels such as TikTok, enabling it to engage consumers and penetrate markets.

Our view: Benefiting from the strong performance of its superstar IP Labubu and a well-diversified IP portfolio, we believe Pop Mart could maintain robust growth momentum in the near term. The production capacity for Labubu has more than doubled in recent months compared to Q1 levels, which is expected to further support its sales demand in 2H. Meanwhile, the company has demonstrated solid execution in incubating new IPs, such as Twinkle Twinkle and Crybaby, underscoring its sustainable pipeline and marketing.

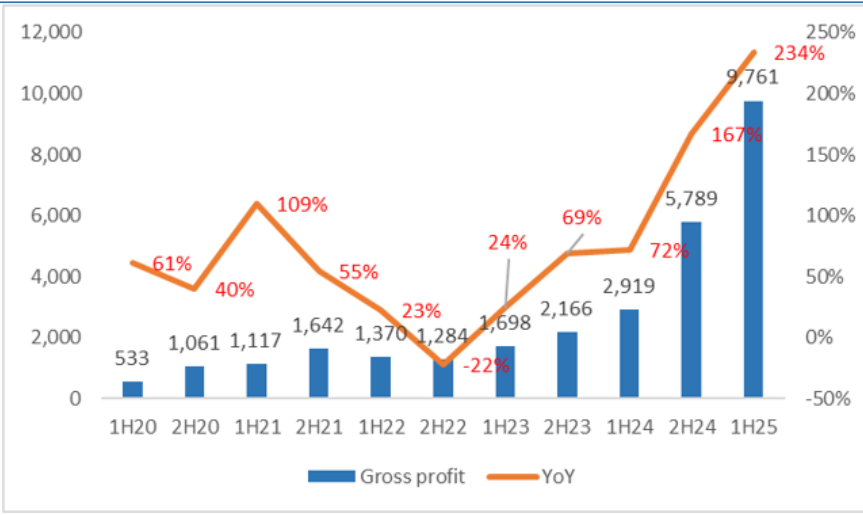
In terms of profitability, the Mgt expects overseas markets to contribute over 50% of total revenue in FY25, which should continue to drive GPM expansion due to higher pricing power and operating efficiency in these regions. The stock is currently trading at 45x FY25E P/E based on a consensus earnings estimate of RMB8.56bn. The consensus is expecting at some RMB12bn and RMB15bn of net profit for FY26E and FY27E, respectively.

Fig 6: Revenue (RMB'mn) and YoY



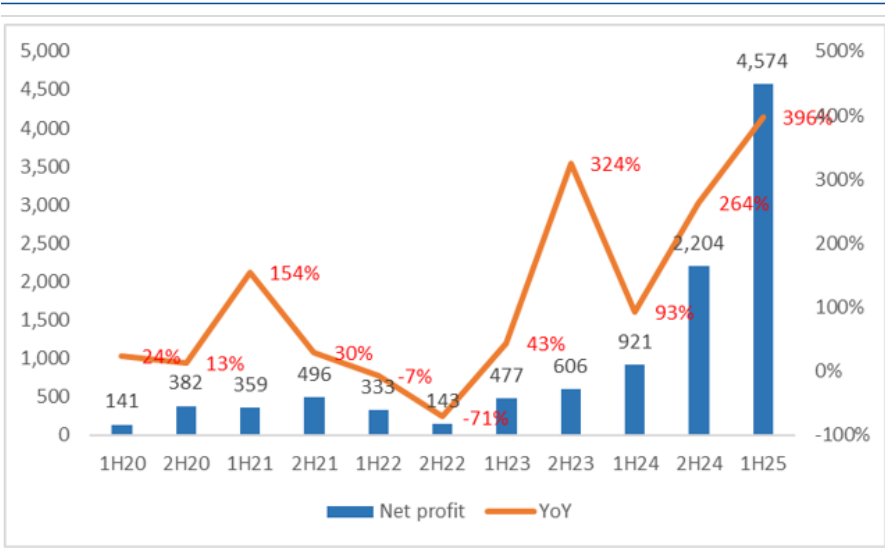
Source: Company Data, Sunwah Kingsway Research

Fig 7: Gross profit (RMB'mn) and YoY



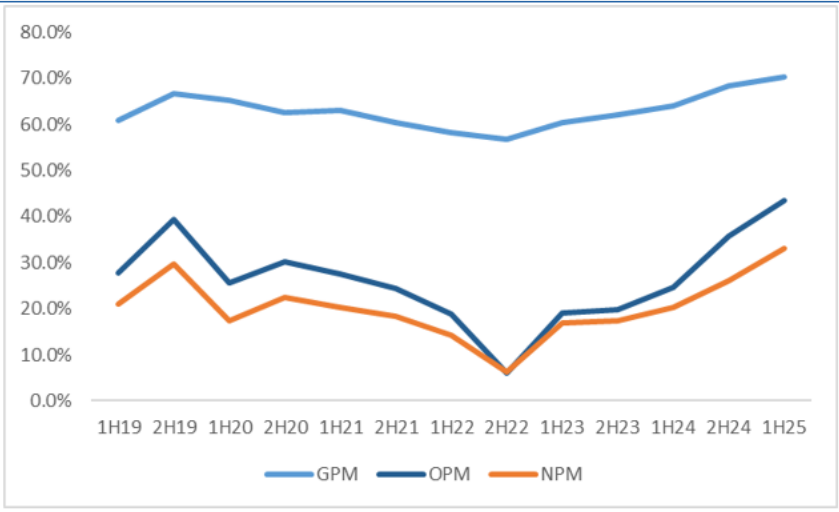
Source: Company Data, Sunwah Kingsway Research

Fig 8: Net profit (RMB'mn) and YoY



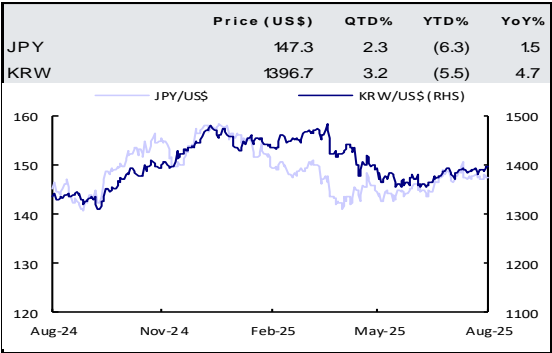
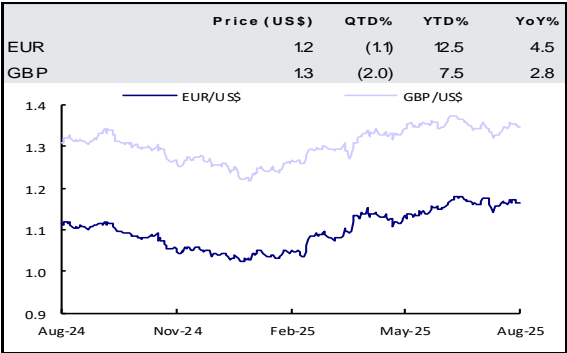
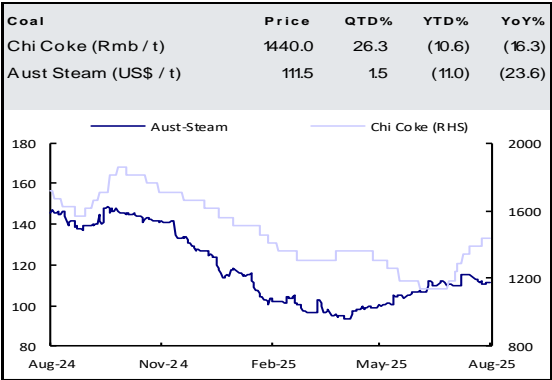
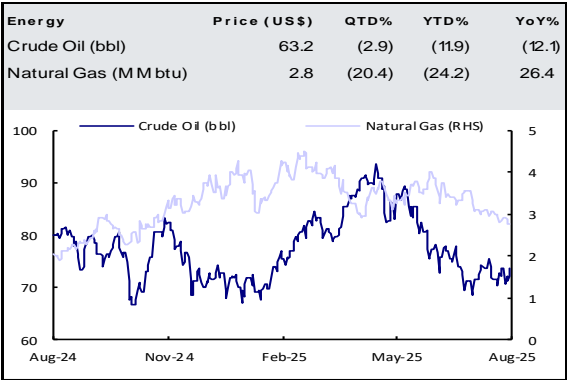
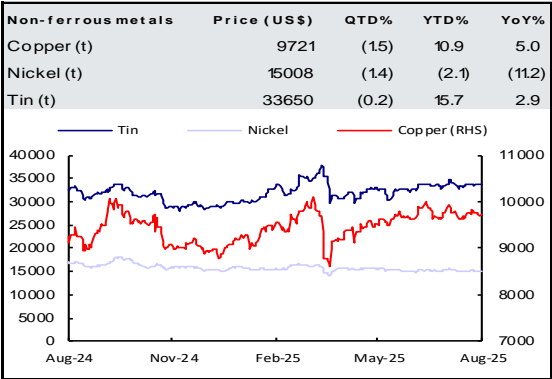
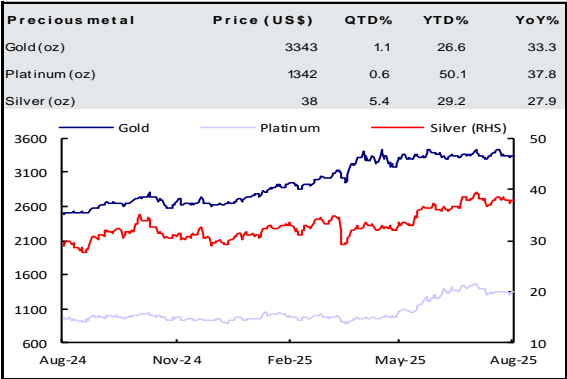
Source: Company Data, Sunwah Kingsway Research

Fig 9: Margins



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		21-Aug-25
Existing Home Sales	MoM		21-Aug-25
New home Sales	MoM		25-Aug-25
Durable Goods Orders	MoM		26-Aug-25
Consumer Confidence	MoM		26-Aug-25
GDP	QoQ		28-Aug-25
Wholesale Inventories	MoM		29-Aug-25
Personal Income & Spending	MoM		29-Aug-25
ISM Manufacturing PMI	MoM		2-Sep-25
Factory Orders	MoM		3-Sep-25
Trade Balance	MoM		4-Sep-25
Employment Report	MoM		5-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		11-Sep-25
Business Inventories	MoM		16-Sep-25
Retail Sales	MoM		16-Sep-25
Industrial Production	MoM		16-Sep-25
Housing Starts / Building Permits	MoM		17-Sep-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Aug-25
Foreign Exchange Reserves	QoQ		7-Sep-25
Trade Balance	MoM		8-Sep-25
Money Supply - M2	MoM		9-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		10-Sep-25
Retail Sales	MoM		15-Sep-25
Industrial Production	MoM		15-Sep-25
GDP	YoY		20-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		21-Aug-25
Trade Balance	MoM		26-Aug-25
Money Supply - M2	MoM		29-Aug-25
Retail Sales	MoM		1-Sep-25
PMI	MoM		3-Sep-25
Foreign Currency Reserve	MoM		5-Sep-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Unemployment Rate	MoM		16-Sep-25
GDP	QoQ		31-Oct-25
Composite Interest Rate	MoM		

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