



China | Consumer

22 January 2026

Sa Sa Intl (178 HK)

Re-acceleration in the peak season

Sales up 12.5% YoY in 3QFY26

Sa International announced its 3Q (Oct to Dec) sales figures for March-end FY26. Total turnover rose 12.5% YoY to HK\$1,158.8m; offline +12.0% to HK\$952.1m (82.2% of sales) and online +14.9% to HK\$206.7m (17.8%). Store count reached 159 as of 31 Dec 2025 (84 in Hong Kong & Macau; 75 in Southeast Asia), +4 YoY. Same-store sales in Hong Kong & Macau grew 14.7% YoY with average sales per transaction up 9.4% and transactions up 2.9%. These are the strongest directional indicators since mid-FY2024/25, underpinned by better tourist traffic and event-driven promotions. Hong Kong retail sales value in November 2025 rose 6.5% YoY, with Medicines & Cosmetics up 9.2% YoY—supportive for Sa Sa's core categories into late 3Q. This macro tape aligns with the company's double-digit growth in both channels.

Tourism tailwinds are real, but spend per capita is mixed

Hong Kong saw 49.9m visitor arrivals in 2025 (+12% YoY; 4.65m in December, +9% YoY), with mainland China accounting for ~76% of visitors. Macau also set new holiday visitation highs in October and a strong Christmas period. This validates Sa Sa's commentary on improving tourist sales in traditional districts (Causeway Bay, Mong Kok, Tsim Sha Tsui), but the structural shift toward shorter, budget-conscious "special forces" trips suggests value-led assortments remain crucial.

Offline strength in Hong Kong & Macau is broad-based and quality-led

Mainland China contributed 47.5% of group online sales in 3Q; Hong Kong & Macau 33.6%; Southeast Asia and others 18.9%. The improved supply chain on online platforms and an emphasis on "no-fake products / excellent service" strengthened membership and profitability of online operations—consistent with the strategic pivot away from Mainland offline stores revealed last year. As for offline sales in HK/Macau, SSSG grew 14.7% while average ticket rose 9.4%, outpacing transaction growth (+2.9%), pointing to mix/price optimization rather than pure traffic. The company cites curated trending beauty/personal-care SKUs, improved displays, and targeted promotions across key events. This indicates regained pricing power in tourist corridors and healthy local conversion despite continued "northbound" outbound travel by residents.

SE Asia market is expanding with offline sales up 14% YoY

The SEA market continues to be a bright spot, with offline sales growing at 14% YoY. Management stated they will "continue to monitor the performance in Southeast Asia and believe there is still significant room for optimization and enhancement in the local business". This region represents a long-term growth driver beyond the core HK/Macau market. According to Bloomberg, Sa Sa is currently trading at 14x FY26PE. Average target price by analysts is HK\$0.85, with highest TP reaching HK\$1.02

NON-RATED

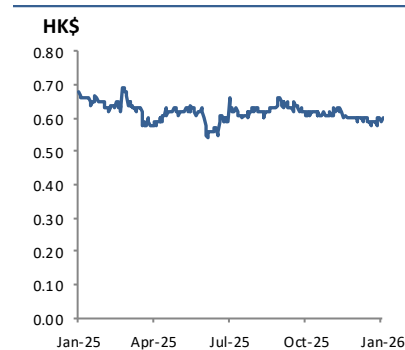
Last Price (HK\$)*	0.60
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	26,558.28
*Prices as of mid-day close 22-Jan-26	

Key Data

Ticker	178 HK
Market Cap (HK\$m)	1,862
3M avg daily T/O (HK\$m)	1.7
52-week High (HK\$)	0.75
52-week Low (HK\$)	0.51
Free Float (%)	49.9%
Shares O/S (m)	3,103.2

Performance	Absolute	Relative
1 month	0.0%	-2.8%
3 months	-1.6%	-4.5%
6 months	-9.1%	-14.0%

Price Chart



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Summary financials

Yr ended 31 Mar	FY 2023	FY 2024	FY 2025
Income Statement (HKD'm)			
Revenue	3,501	4,367	3,942
YoY%	2.6	24.8	(9.7)
Gross profit	1,401	1,783	1,571
YoY%	11.2	27.3	(11.9)
EBITDA	347	666	503
YoY%	1,295	92.1	(24.5)
Net profit	58	219	77
YoY%	N/A	275.8	(64.8)
EPS (Fully diluted)	0.019	0.071	0.025
YoY%	N/A	273.7	(64.8)
DPS	0.000	0.050	0.025
YoY%	N/A	N/A	(51.0)
Balance Sheets (HKD'm)			
Cash & Cash Equiv	303	458	301
ST Investments	0	0	0
AR	66	73	65
Inventories	669	705	670
Other current assets	170	149	197
Total Current Assets	1,209	1,384	1,233
PP&E	715	846	824
LT Investments	0	0	0
Other Non-curr assets	290	274	269
Total Non-Current Assets	1,005	1,120	1,093
Payables & Accruals	542	517	456
ST Debts	262	298	312
Othe current Liabilities	0	0	0
Total Current Liabilities	804	815	768
LT Debts	334	394	347
Othe LT Liabilities	35	43	53
Total Long-Term Liabilities	368	437	400
Shareholders' Equity	1,041	1,252	1,158
Minority interests	0	0	0
Total Equity	1,041	1,252	1,158
Total Debts	596	692	659
Net cash / (debts)	(292)	(234)	(358)

Yr ended 31 Mar	FY 2023	FY 2024	FY 2025
Cash Flow Statement (HKD'm)			
Net Income	58	219	77
Dep & Amort.	339	377	399
Working capital changes	175	(84)	9
Other adjustments	(428)	(253)	(336)
Cash From Operations (CFO)	144	259	149
YoY%	N/A	79.3	(42.5)
Capex	(59)	(69)	(59)
Other investments	0	0	(70)
Cash From Investing Activities	(59)	(68)	(129)
Free Cash Flow (CFO - Capex)	85	190	90
YoY%	N/A	123.8	(52.9)
Net change in debts	22	97	(33)
Shares issue & buyback (net)	0	0	0
Dividends	0	0	(178)
Others	(100)	(133)	35
Cash from Financing Activities	(79)	(36)	(176)
Opening cash	296	303	458
Net Changes in Cash	7	155	(157)
Closing cash	303	458	301
Ratios			
Gross margin	40.0%	40.8%	39.8%
Ebitda margin	9.9%	15.2%	12.8%
Net margin	1.7%	5.0%	2.0%
Payout	0.0%	70.9%	98.8%
Effective tax	N/A	17.9%	16.3%
Ebit margin (%)	0.1	6.7	3.1
Interest burden (x)	-3.03	0.91	0.76
Tax burden (x)	-4.06	0.82	0.84
Asset turnover (x)	1.63	1.85	1.63
Leverage (x)	2.12	2.06	2.00
ROE	5.8%	19.1%	6.4%
ROIC	5.3%	14.6%	5.0%
Total debts / Total Capital	36.4%	35.6%	36.3%
Net debts / SH Equity	28.1%	18.7%	30.9%

Source: Bloomberg, Crosby Securities



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Buy (B): The stock's potential total return is expected to be over 10%/15% for Large Caps/Small&Mid Caps, respectively.

Neutral (N): The stock's potential total return is expected to be ranging from -10% to 10%/15% for Large Caps/Small&Mid Caps, respectively.

Sell (S): The stock's potential total return is expected to be less than -10% over the next 12 months.

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