

China Consumer

China Consumer Pulse 1Q26: Momentum amid an uncertain year



Aneesha Sherman
+1 917 344 8457
aneesha.sherman@bernsteinsg.com



Richard J. Clarke, FCA
+44 20 7676 6850
richard.clarke@bernsteinsg.com



Euan McLeish
+81 3 5962 9611
euan.mcleish@bernsteinsg.com



Melinda Hu
+852 2123 2643
melinda.hu@bernsteinsg.com



Luca Solca
+41 582 723 126
luca.solca@bernsteinsg.com



Maria Meita
+44 20 7170 0540
maria.meita@bernsteinsg.com



Eunice Lee, CFA
+852 2123 2606
eunice.lee@bernsteinsg.com



Callum Elliott, CFA, ACA
+44 20 7676 7183
callum.elliott@bernsteinsg.com



Jessica Tian
+1 917 344 8413
jessica.tian@bernsteinsg.com



Jed Hodulik
+1 917 344 8594
jed.hodulik@bernsteinsg.com



Niall Mitchelson
+44 20 7676 7144
niall.mitchelson@bernsteinsg.com



Lasith Siriwardana
+44 20 7550 2191
lasith.siriwardana@bernsteinsg.com

Chinese consumer health showed signs of tentative stabilization into 1Q26 following a weak end to 2025, with premium segments continuing to exhibit relative resilience. In our comprehensive quarterly tracker, we analyze key metrics across consumer sectors including Apparel, Sportswear, Alcohol, Beauty, Travel, Luxury and Autos, spanning both mass and premium categories.

China's economy entered 2026 with modest momentum following a weak end-2025, with GDP growth was 5% YoY in 1Q26, and retail sales growing LSD%. Early 2026 data has shown a modest improvement sequentially vs. a weak Q4, albeit with uneven momentum. Consumer confidence improved early in the quarter, though momentum softened into March, pointing to uneven underlying demand. Premium and Luxury segments are a relative bright spot, with Premium Apparel, Sportswear and Beauty brands outperforming mass-market peers, Luxury Hotels continuing to outperform, and the Luxury Watch market stabilizing. Meanwhile, big ticket goods and autos remained softer.

Outlook still tentative through rest of 2026. With momentum easing into March, the stabilization in consumption appears fragile, particularly given an increasingly challenging 2026 outlook with higher oil prices, slower job creation and slower wage growth. Fixed Asset Investment showed a headline improvement in 1Q26, driven by state-led infrastructure spending and selective manufacturing investment, but underlying conditions remain weak as private sector investment, manufacturing activity, and the property market remain structural drags.

China Apparel and Sportswear accelerated in Q1, with [3P online](#) sales growing 7% (vs. flat in Q4) and offline declines moderating (with [Pou Sheng](#) reporting -1% in Q1 vs. -5% in Q4). Nike continues to see China revenues decline, as the brand cuts back on order volume in China. On the other hand, other Western brands are growing, with Adidas, Lululemon, On and Hoka all outperforming the Sportswear market overall. On 3P online platforms, domestic niche / premium brands have continued to outperform into 2026. While Anta and Li Ning also saw momentum in Jan/Feb, 3P online sales growth decelerated in March, though still outperforming the broader market.

China Hotels: Chinese hotel RevPAR continued its recovery in 1Q26, with demand growth driving strong performance. RevPAR growth was particularly strong at the extremes of the market - Luxury and Economy. Other segments continued to struggle, all failing to grow RevPAR in both January and March. Given the resilience of the performance in inflection, we expect the recovery to continue into Q2 absent of incremental macroeconomic headwinds; demand appears robust, and supply growth continues to trend down. IHG has the most meaningful China exposure of our asset light hotel names under coverage. However, China's 3-year underperformance means the country is now a smaller component of fee revenues, softening the impact of recent strength.

[Continues on next page...]



Kai Zhang
+852 2123 2665
kai.zhang@bernsteinsg.com

[Continued from first page...]

China Premium Beverages: Prestige Baijiu's wholesale prices bottomed out in December and have been recovering since with Moutai's Fetien +10% from the trough, and top end products +15-27%. Beer sell-out value was down 1% in the quarter compared to +1% in Q4, but Restaurant channel value growth improved materially from -5% in Jan +Feb to flattish in March, echoing beer management team comments re modest on-trade improvement.

China home appliance sector: In 1Q26, China's air conditioner (AC) and broader home appliance markets weakened further, with both offline and online sell-through declining entering 2026. The softer data are largely a function of the high base last year, when sales were boosted by domestic subsidy support and pre-tariff front-loading on exports. Offline, AC saw the sharpest drop, with sell-through down 13% YoY, driven roughly equally by lower volumes and softer pricing. Washing machines (WM) fell 10% YoY, primarily dragged by lower ASP. Online, AC again recorded the largest contraction at -23% YoY, mainly volume-led. Refrigerators (RF) and WM also declined online (-14% and -9% YoY, respectively) on weaker volumes, though both enjoyed solid ASP gains (+11% and +18% YoY). Overall, the data suggest online channels are relatively more resilient, but the overall environment remains challenging.

China Luxury Goods: Luxury demand in China continues to recover, albeit slowly and unevenly. Value for money remains the key driver behind performance divergence across brands. The magnitude of the demand response following Chanel's (private, not covered) product refresh and more measured pricing underscores the extent to which value for money had previously constrained consumer engagement. We are seeing similar signs of improvement at Dior stores, with momentum likely to accelerate further as more leather goods and accessories from the latest collections reach stores. **K-shaped demand dynamics persist within Chinese consumer groups**, with brands (e.g., Brunello Cucinelli) and categories (e.g., jewellery) catering to high-end spenders continuing to outperform. FX remains a key consideration for offshore spending, likely benefiting South Korea and Hong Kong, while geopolitical factors have also played a role, weighing on travel flows to Japan.

China Autos: China auto sales came in weak in Q1 26, weighed down by the expiration of trade-in subsidies nationwide, a 5% increase in EV purchase tax, and a high comparison base. China passenger vehicle sales dropped by -17.3% yoy in Q1 26, down from -14.1% in Q4 2025. EV sales (BEV & PHEV) also further decelerated to -23.1% yoy in Q1 26, compared to +0.9% in Q4 25. EV penetration reached 42.9% in Q1 26, vs. 46.1% in Q1 25 and 57.8% in Q4 25. We forecast domestic PV retail to decline by 5-9% yoy in 26, as the reduced subsidies and increased purchase tax are likely to constrain consumer demands. By segment, premium brand autos sales decline significantly to -35.6% yoy in Q1 26, vs. -0.6% yoy in Q4 25, and -13.5% yoy in Q1 25, dragged by imported vehicles. Mercedes, BMW, and Audi's sales volumes were down -27.5%, -8.5%, and -2.2% yoy, respectively. Porsche's sales volume was down -28.7% vs. -19.7% in Q4 25. Mass market volume was also weak at -21.3% yoy in Q1 26, vs. -16.3% yoy in Q4 25. Geely topped PV sales with 455k units (-10.5% yoy) and BYD Group fell to the second with 377k units (-44.8% yoy).

[Continues on next page...]

[Continued from second page...]

China cosmetics: China e-commerce beauty names delivered a volatile performance in 1Q26, despite an encouraging recovery in January. YTD, total GMV for the tracked brands rose 5.5% YoY, with market share up 102 bps, implying even weaker trends among untracked brands. Monthly swings mirror the broader China consumer space: January's strong rebound (+23.1% YoY) was largely driven by the Chinese New Year calendar shift, a sharp pullback in February (-9.5% YoY), before growth normalized to +5.0% YoY in March. Nonetheless, the data suggest that underlying consumer sentiment has not undergone a fundamental improvement entering 2026. Looking ahead, a fragile macro backdrop is likely to remain a key headwind for cosmetics players, while geopolitical uncertainties could add further pressure to margins and overall profitability.

Pop toys: While Pop Mart is not a standalone sector, its share-price and sales trends often act as a proxy for broader toy sentiment. In 1Q26, combined tracked (online + offline) China growth slowed to +75% YoY from +103% in 2H25. Online third-party GMV grew +88% YoY in Q1 (4% MoM), down from +119% in 2H25, while offline tracked retail sales rose +40% YoY vs. +57% in 2H25 (+85% in 4Q). Engagement indicators are weakening: Baidu search is down sharply MoM (both CN and ENG), Red Note interactions have dropped, and WeChat is flat. The resale market is also softening, with prices and volumes lower both MoM and YoY. Overseas, weakness beyond the U.S. remains a concern, with total overseas website traffic declining YoY and U.S.-specific traffic falling even more.

BERNSTEIN TICKER TABLE

Ticker	Rating	22 Apr 2026		Price Target	TTM Rel. Perf.	Adjusted EPS				Adjusted P/E (x)		
		Cur	Closing Price			Cur	2025A	2026E	2027E	2025A	2026E	2027E
600519.CH (Moutai)	O	CNY	1,409.50	1,950.00	(51.6)%	CNY	65.53	71.68	80.43	21.5	19.7	17.5
000858.CH (Wuliangye)	O	CNY	100.64	140.00	(65.0)%	CNY	8.21	6.38	6.50	12.3	15.8	15.5
1876.HK (Bud APAC)	M	HKD	7.57	7.50	(52.4)%	USD	0.04	0.05	0.05	26.1	20.2	17.7
291.HK (CRB)	O	HKD	25.86	46.00	(50.3)%	CNY	1.80	1.98	2.17	12.5	11.4	10.4
168.HK (Tsingtao)	O	HKD	51.25	69.00	(54.8)%	CNY	3.36	3.44	3.52	13.3	13.0	12.7
600600.CH (Tsingtao)	M	CNY	61.86	60.00	(62.3)%	CNY	3.36	3.44	3.52	18.4	18.0	17.6
RMS.FP (Hermes)	O	EUR	1,676.00	2,150.00	(46.2)%	EUR	43.12	44.33	52.47	38.9	37.8	31.9
1913.HK (Prada SpA)	O	HKD	38.76	50.00	(58.7)%	EUR	0.33	0.32	0.36	12.7	13.4	11.8
UHR.SW (Swatch)	O	CHF	185.75	180.00	14.8%	CHF	0.03	4.32	8.16	N/M	43.0	22.8
CFR.SW (Richemont)	O	CHF	155.85	200.00	(9.6)%	EUR	6.39	6.12	6.87	26.5	27.7	24.7
MONC.IM (Moncler)	M	EUR	57.58	57.50	(12.3)%	EUR	2.31	2.44	2.64	24.9	23.6	21.8
KER.FP (Kering)	M	EUR	243.20	220.00	24.1%	EUR	4.35	6.66	10.04	55.9	36.5	24.2
EL.FP (EssilorLuxottica)	M	EUR	206.70	185.00	(38.5)%	EUR	6.79	7.62	8.81	30.4	27.1	23.5
EXPE (Expedia)	M	USD	273.80	253.00	44.0%	USD	15.86	20.82	25.06	17.3	13.2	10.9
TRIP (TripAdvisor)	O	USD	11.23	20.00	(40.5)%	USD	1.27	1.50	2.03	8.9	7.5	5.5
BEI.GR (Beiersdorf)	O	EUR	74.42	95.00	(56.1)%	EUR	4.44	4.29	4.59	8.4	8.7	8.2
OR.FP (L'Oréal)	M	EUR	344.90	405.00	(23.6)%	EUR	12.71	13.77	15.10	18.7	17.1	16.0
ULVR.LN (Unilever)	O	Gbp	4,197.50	5,800.00	(38.3)%	EUR	3.08	3.24	3.46	0.1	0.1	0.1
UNA.NA (Unilever)	O	EUR	48.61	66.90	(38.8)%	EUR	3.08	3.24	3.46	12.9	12.7	11.9
1211.HK (BYD)	O	HKD	107.00	136.00	(60.2)%	CNY	3.58	4.88	6.93	26.1	19.1	13.5
002594.CH (BYD)	O	CNY	101.62	124.00	(60.5)%	CNY	3.58	4.88	6.93	28.4	20.8	14.7
LI (Li Auto)	M	USD	18.65	19.00	(56.6)%	CNY	1.13	(2.33)	6.40	112.6	(54.6)	19.9
2015.HK (Li Auto)	M	HKD	73.45	74.00	(63.3)%	CNY	0.57	(1.17)	3.20	113.2	(54.9)	20.0
XPEV (XPeng)	M	USD	16.97	22.00	(46.0)%	CNY	(1.20)	(2.99)	0.60	(96.8)	(38.7)	194.7
9868.HK (XPeng)	M	HKD	66.35	86.00	(59.2)%	CNY	(0.60)	(1.50)	0.30	(96.6)	(38.6)	194.4
NIO (NIO)	M	USD	6.48	5.50	37.8%	CNY	(6.85)	(2.79)	(1.90)	(6.5)	(15.9)	(23.3)
9866.HK (NIO)	M	HKD	51.35	43.00	32.2%	CNY	(6.85)	(2.79)	(1.90)	(6.5)	(16.0)	(23.6)
175.HK (Geely)	O	HKD	24.90	22.00	11.8%	CNY	1.67	1.67	2.33	13.0	13.0	9.3
2333.HK (Great Wall-H)	M	HKD	13.30	16.50	(29.5)%	CNY	1.51	1.68	1.85	7.7	6.9	6.3
600104.CH (SAIC)	M	CNY	13.83	18.00	(52.7)%	CNY	0.95	1.24	1.36	14.5	11.2	10.2
2238.HK (GAC)	M	HKD	3.16	3.00	(31.6)%	CNY	(0.42)	0.05	0.14	(6.6)	57.9	19.6
NKE (Nike)	O	USD	45.68	80.00	(54.9)%	USD	2.16	1.51	2.23	21.1	30.3	20.4
ADS.GR (adidas)	O	EUR	141.85	255.00	(49.4)%	EUR	7.46	9.71	12.78	19.0	14.6	11.1
ADDYY (adidas)	O	USD	83.33	137.91	(63.9)%	USD	4.18	5.82	7.67	19.9	14.3	10.9
LULU (Lululemon)	M	USD	163.45	180.00	(72.5)%	USD	13.26	12.96	14.85	12.3	12.6	11.0
DECK (Deckers)	U	USD	107.69	90.00	(33.8)%	USD	6.33	6.80	6.91	10.8	10.4	11.0
AC.FP (Accor)	O	EUR	43.32	58.00	(7.8)%	EUR	1.86	2.29	2.83	23.3	18.9	15.3
ONON (On Holding)	O	USD	36.60	70.00	(32.6)%	CHF	0.80	1.45	1.84	35.9	19.8	15.6
BRBY.LN (Burberry)	O	Gbp	1,192.20	1,500.00	57.0%	GBP	(0.15)	0.21	0.47	(80.6)	56.2	25.2
MAR (Marriott)	O	USD	375.45	400.00	35.2%	USD	10.02	11.57	13.31	37.5	32.4	28.2
HLT (Hilton)	M	USD	340.21	322.00	26.5%	USD	8.11	8.86	10.15	42.0	38.4	33.5

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

1211.HK, 002594.CH, LI, 2015.HK, XPEV, 9868.HK, NIO, 9866.HK, 175.HK, 2333.HK, 600104.CH, 2238.HK, NKE, ADS.GR, ADDYY, 1810.HK, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH estimate is Reported EPS; BEI.GR, OR.FP, ULVR.LN, UNA.NA, DECK valuation is EV/EBITDA (x); 1211.HK, 002594.CH, 2015.HK, 9868.HK, 9866.HK, 175.HK, 2333.HK, NKE, ADS.GR, ADDYY, 1810.HK, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH valuation is Reported P/E (x); 000858.CH, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH base year is 2024;

Great Wall, SAIC, and GAC 2025 EPS and P/E are based on Bernstein estimates

Source: Bloomberg, Bernstein estimates and analysis.

Ticker	Rating	22 Apr 2026		Price Target	TTM Rel. Perf.	Adjusted EPS				Adjusted P/E (x)		
		Cur	Closing Price			Cur	2025A	2026E	2027E	2025A	2026E	2027E
IHG.LN (IHG)	M	USD	140.90	141.00	21.0%	USD	5.01	5.68	6.46	28.1	24.8	21.8
1810.HK (Xiaomi)	O	HKD	31.80	46.00	(68.0)%	CNY	1.62	1.08	1.84	17.1	25.6	15.1
MC.FP (LVMH)	O	EUR	486.00	600.00	(20.5)%	EUR	22.73	22.22	26.71	21.4	21.9	18.2
ABNB (Airbnb)	O	USD	142.65	168.00	(10.8)%	USD	4.03	5.36	6.48	35.4	26.6	22.0
BKNG (Booking)	M	USD	190.86	188.00	(31.2)%	USD	9.12	10.49	11.98	20.9	18.2	15.9
H (Hyatt)	O	USD	170.74	186.00	24.3%	USD	2.25	3.48	4.44	75.8	49.1	38.4
9992.HK (Pop Mart)	U	HKD	160.20	181.00	(52.7)%	RMB	2.36	9.88	11.68	67.9	16.2	13.7
4911.JP (Shiseido)	U	JPY	3,120.00	2,494.00	(11.3)%	JPY	(27.06)	(101.83)	96.74	(115.3)	(30.6)	32.3
SSDOY (Shiseido)	U	USD	19.61	17.46	(11.3)%	USD	(0.19)	(0.71)	0.68	(103.5)	(27.5)	29.0
2367.HK (Giant Biogene)	O	HKD	32.02	45.00	(99.6)%	RMB	2.10	2.13	2.49	15.2	15.0	12.9
603605.CH (Proya)	M	CNY	61.17	62.00	(62.4)%	CNY	3.93	3.72	4.20	15.6	16.5	14.6
2020.HK (ANTA Sports)	M	HKD	84.80	89.00	(50.3)%	CNY	5.55	4.91	5.61	13.3	15.1	13.2
AS (Amer Sports)	O	USD	36.24	46.00	27.9%	USD	0.15	0.87	1.09	248.6	41.7	33.4
2331.HK (Li Ning)	U	HKD	20.60	18.00	(5.8)%	CNY	1.17	1.14	1.13	15.4	15.8	15.9
300.HK (Midea Group)	M	HKD	89.75	87.00	(17.8)%	RMB	5.44	5.65	6.22	16.5	15.9	14.4
000333.CH (Midea Group)	M	CNY	79.30	81.00	(32.1)%	CNY	5.44	5.65	6.22	14.6	14.0	12.7
6690.HK (Haier)	M	HKD	21.12	31.00	(48.6)%	CNY	2.02	2.27	2.54	9.1	8.1	7.2
600690.CH (Haier Smart)	M	CNY	20.68	28.00	(59.3)%	CNY	2.02	2.27	2.54	10.2	9.1	8.1
000651.CH (Gree Electric)	M	CNY	36.94	44.00	(60.9)%	CNY	5.80	5.84	5.91	6.4	6.3	6.2
BC.IM (Brunello Cucinelli)	O	EUR	86.58	108.00	(29.1)%	EUR	1.99	2.26	2.65	43.6	38.3	32.7
SFER.IM (Ferragamo)	O	EUR	8.22	7.50	40.8%	EUR	(0.30)	0.04	0.15	(27.9)	212.6	56.0
ASIA			1,835.50									
EDME			1,518.45									
SPX			7,137.90									
JPL			2,431.45									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

1211.HK, 002594.CH, LI, 2015.HK, XPEV, 9868.HK, NIO, 9866.HK, 175.HK, 2333.HK, 600104.CH, 2238.HK, NKE, ADS.GR, ADDYY, 1810.HK, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH estimate is Reported EPS; BEI.GR, OR.FP, ULVR.LN, UNA.NA, DECK valuation is EV/EBITDA (x); 1211.HK, 002594.CH, 2015.HK, 9868.HK, 9866.HK, 175.HK, 2333.HK, NKE, ADS.GR, ADDYY, 1810.HK, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH valuation is Reported P/E (x); 000858.CH, 9992.HK, 4911.JP, SSDOY, 2367.HK, 603605.CH, 2020.HK, AS, 2331.HK, 300.HK, 000333.CH, 6690.HK, 600690.CH, 000651.CH base year is 2024;

Great Wall, SAIC, and GAC 2025 EPS and P/E are based on Bernstein estimates

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

Global Hotels & Leisure

The Chinese hotel market continues to recover in Q1 2026, with demand growth driving improved performance. RevPAR growth was driven by the extremes of the market, with Luxury and Economy particularly strong. Other segments continued to struggle, all failing to grow RevPAR in both January and March. Q1 shown the inflection in China RevPAR growth which began in 25Q4 to be resilient, and we expect continued growth into Q2 absent of additional macroeconomic headwinds, helped by supply growth continuing to trend down. Performance in China ultimately impacts the asset light hotels in our coverage through RevPAR growth/declines or through NUG. RevPAR underperformance over the last two years means that the country is a smaller component of fee revenues, softening the impact of recent strength. However, China represents a significant portion of the pipeline for all our coverage - slowing supply growth in the region is likely to weigh on NUG. **IHG**, the most exposed player, derived just 6.7% of revenue from China in 2025, down from 9% at peak. However, an inflection in performance in the region will still be a tailwind.

None of our OTA coverage have yet managed to crack the China domestic market, but they do have good international businesses. **Booking's** primary exposure is through its Agoda brand, but the focus for Agoda is markets in Asia outside of China,

where it has been competing head on with TCOM. **Airbnb** has exited the Chinese domestic market but is uniquely positioned to benefit from the outbound demand in vacation rental. Cumulatively this means recovery in China demand will likely have a limited impact, but there remains a structural opportunity from the improving Chinese macro outlook through outbound travel.

Global Apparel & Sportswear

LT secular trends in health and wellness, casualization, and government-led initiatives will help grow Sportswear at least a MSD % CAGR in China, but ST the continued softness in mainstream consumer spending should continue to hurt both Western and Chinese brands into 2026. As the **Nike (OP)** reset continues in China, we expect DD% declines to continue for another ~2 quarters before moderating into 2027, while smaller competitors like **Adidas (OP)**, **Lululemon (MP)**, **On (OP)**, **Hoka (DECK, UP)** and other niche Western brands are growing rapidly and each gaining share in China.

China Premium Beverages

We rate **CRBeer** and **Tsingtao H-share Outperform**, and **Tsingtao A-Share** and **Bud APAC Market-Perform**.

We rate **Moutai** and **Wuliangye Outperform**.

China Consumer

Outperform

- **Amer Sports:** Technical brands' strength maintained with demonstrated execution credibility through repeated guidance raises and structural margin expansion opportunity justify a premium valuation.
- **Giant Biogene:** Recombinant collagen platform technology positions for cosmeceutical growth in functional skincare, we are looking forward to more management expertise to translate product credibility into sales momentum. Injectable products are planned to release later this year, which can also bring new room for the business' further growth.

Market-Perform

- **Proya:** Shows promotional spending fails without operational discipline; scale advantages are negated by execution inconsistency; maintaining neutral stance until tangible results materialize.
- **Appliance Manufacturers** (Haier, Midea, Gree): Demand pull-forward effects in both domestic (subsidy-driven) and export (pre-tariff) markets. Weakness on 1Q26 sale through indicates challenging FY26 down cycle.
- **Anta:** benefits from diversified brand portfolio but faces pressure from the flagship brand's low growth, sitting vulnerably in the "masstige middle" as specialists capture incremental growth.

Underperform

- **Li Ning, Shiseido, Pop Mart:** based on company-specific challenges including market share erosion, operational inefficiencies, and product cycle concerns, respectively.

Global Luxury Goods

The trajectory of a recovery in global luxury demand remains uncertain. We will find two sources of volatility at play: a) underlying demand gyrations, as consumers navigate a fragile macro-economic environment and a tenser and tenser geopolitical environment; and b) short-term investors playing the sector long and short, amplifying upswings and downswings beyond natural news flow.

In this context of heightened uncertainty, we would take a more defensive posture with a core exposure to plain vanilla:

1) We would prefer high-quality names “at fair value”... **Richemont** is our top preference due to strong jewellery momentum and leadership, with **Brunello Cucinelli** also favored for their quality and potential mean reversion.

2) ...as well as the self-help stories with more promising trajectories. **LVMH** sits between high quality and self-help. Lingering concerns around the W&S turnaround and the Arnault family's ‘Darwinian’ succession process are counter-balanced by Dior's revival, cost efficiencies, and Louis Vuitton's strength; Turnaround at **Burberry** is well on track. One-year anniversary of the Burberry Forward strategy has paid off, in the form of improved brand momentum and stronger full-price sell-through. With a solid foundation in place, the next leg of turnaround could see focus shifting to driving store productivity, by capitalizing on the extended momentum in other categories from the core outerwear & scarf; **Ferragamo** is at the earlier stage of and trading at the lower end of the trading range. Recent conversation with management suggests a possible turnaround in the making, as a team of “old hands” are tackling key issues around the brand, assortment and retail store network.

European Food and HPC with material Premium China exposure

We rate L'Oréal Market-Perform with a Target Price to EUR 405. We rate Beiersdorf Outperform with a Target Price to EUR 95. We rate Unilever Outperform with a Target Price to £58

China Autos

We maintain a cautious outlook for the sector entering 2026. The reduction in subsidies and a 5% purchase tax hike on EVs are expected to slow market momentum. This follows strong demand pulled forward into 2024-2025 and a high comparison base, while macro headwinds and weak consumer sentiment persist. The industry will likely also face pressure from material cost inflation headwinds. We expect industry wholesale volumes to reach 28-29 mn units, falling 4-8% yoy. We forecast domestic retail demand of 21-22mn units, declining 5-9% yoy. Exports should remain a growth driver, arriving at 6.5-7mn units, growing 10-20% yoy.

The long term secular growth outlook for EVs remains intact and even though EV transition has come to the mass adoption phase in China, we forecast domestic EV sales growth will be c.5-10% for 2026 and drive EV penetration to 61%. We believe competition within the domestic market will remain intense and overseas markets are increasingly important as a strategic growth opportunity. For our EV names, we rate **BYD and Xiaomi Outperform**, and **XPeng, Li Auto, and NIO Market-Perform**. Within our traditional Chinese OEMs coverage, we rate **Geely Outperform** and **Great Wall, GAC, and SAIC Market-Perform**.

DETAILS

SUMMARY

Chinese consumer activity showed tentative stabilization in 1Q26 following a weak close to 2025, though underlying momentum remains uneven and fragile. Retail sales growth improved to 2.4% YoY in 1Q26, up from Q4 2025 lows, supported by Lunar New Year spending, services consumption, and ongoing (but fading) consumer support policies. However, consumption momentum softened into March, with retail sales growth slowing to 1.7% YoY after the holidays, which benefited from timing shifts (later Chinese New Year) and longer Spring Festival.

Category-level and sector data suggest that the recovery remains narrow. Service and online consumption outperformed, but retail sales, especially in big-ticket categories, stayed weak, with autos a key drag as retail volumes declined YoY in Q1. Fixed Asset Investment rebounded modestly in Q1, driven by state-led infrastructure and selective manufacturing investment, but private investment and property-related activity remained weak, limiting positive spillovers to employment, wages, and consumer confidence.

By contrast, premium and luxury segments continued to show relative resilience, highlighting ongoing consumption polarization across income cohorts. Luxury hotels and travel-related services benefited from domestic tourism, while global luxury groups including LVMH and Brunello Cucinelli reported continued strength in Chinese demand in early 2026, building on stabilization seen in 2H25. This mirrors ongoing divergence across consumer categories, with higher-income cohorts maintaining discretionary spend, while mass-market consumption remains constrained.

Looking ahead, risks to Chinese consumer health remain skewed to the downside in 2026. Household balance sheets are turning more defensive, with Chinese households continuing to deleverage and build savings, reflecting weak income growth visibility and ongoing property market stress. With oil prices rising, property investment still contracting, private capex subdued, and labor market pressures lingering, the scope for a broad-based consumption recovery remains limited. Against this backdrop, most forecasts continue to point to sub-2% retail sales growth in 2026, well below pre-pandemic norms and insufficient to offset structural drags from housing and investment.

BROAD CONSUMER KPIS

Modest near-term momentum, but still generally soft macro and consumption backdrop — Exhibit 1. In Q1, GDP grew 5%, and retail sales continued to post LSD% growth. Consumer confidence improved during 1Q26, though momentum softened into March versus the start of the year. Overall, the durability of the current momentum remains uncertain against a backdrop of ongoing deflationary pressures, elevated US-China trade tensions, and external headwinds, including higher global energy prices tied to geopolitical developments in the Middle East. Reflecting these uncertainties, China lowered its annual GDP growth target from “around 5%” to 4.5% in March, the lowest official target since the early 1990s.

On balance, several indicators have weakened sequentially versus 4Q25, including non-manufacturing PMI, the credit impulse, and housing prices, underscoring persistent structural drags. At the same time, there is sequential improvement in headline GDP growth, CPI, retail sales, and total social finance, suggesting partial stabilization in economic activity.

The manufacturing backdrop remains weak. PMI indicators continue to point to sub-threshold conditions, with manufacturing readings clustered around but generally below the 50-pt line. Producer prices turned positive in March for the first time in more than three years, but the move appears driven primarily by low base effects rather than a clear, demand-led inflection. Housing remains in deflationary territory, with 70-city home prices still declining on a YoY basis across most tiers. That said, newly built home prices in Tier 1 cities showed tentative MoM stabilization, suggesting downside pressure may be easing at the margin, though the property sector remains a drag on overall growth and sentiment.

On consumer activity, retail sales growth improved and appears to be stabilizing. Improvement versus late 2025, supported by higher consumer confidence, but the pace decelerated later in the quarter. This pattern suggests consumption may be stabilizing, but not yet re-accelerating meaningfully. Within the “consumption” proxies, momentum in travel and mobility indicators has continued into early 2026, though growth has moderated given the higher base. Auto unit sales are declining YoY, pointing to cooling incremental demand. Taken together, these indicators suggest consumption momentum remains intact but

fragile.

Macro Summary (from our Autonomous China macro analyst Charlene Chu)

- China Q1 strength masks March weakness:** After closing 2025 on a very weak footing, China's economy posted much better performance in Q1. However, this was mainly driven by strength in January-February, while March was visibly weaker as the closure of the Strait of Hormuz took a toll on exports and consumption. Thus far, China's large oil and gas stockpiles have been insulating the country from the energy shortages plaguing many other Asian economies, although it is not immune to the crisis, particularly in the area of petrochemicals.
- Consumption softens with rising prices:** After a short-lived rebound in January-February, growth of retail sales returned to a 1-handle in March (1.7% y/y from 3.7% in 2025) as sales at e-commerce and traditional retailers fell. Sales of items participating in the consumer trade-in program, such as autos, saw the steepest declines. Consumer confidence and income expectations improved in February. However, rising prices and uncertainty over the Iran conflict could renew pressure on sentiment.
- Property still not out of the woods:** All major areas of property activity continued to contract in Q1 but at rates less steep than those seen in 4Q25. Property price declines also showed some improvement, particularly for existing homes. However, we believe the sector remains far from fully bottoming.
- Household credit remains weak:** New household loans turned positive at CNY491bn in March, rebounding from a sharp contraction in the prior month. However, the level was still more than 50% lower y/y. For Q1 as a whole, new household lending fell sharply by -71.6%, underscoring continued household risk aversion amid subdued economic sentiment.

EXHIBIT 1: China Consumer Tracker

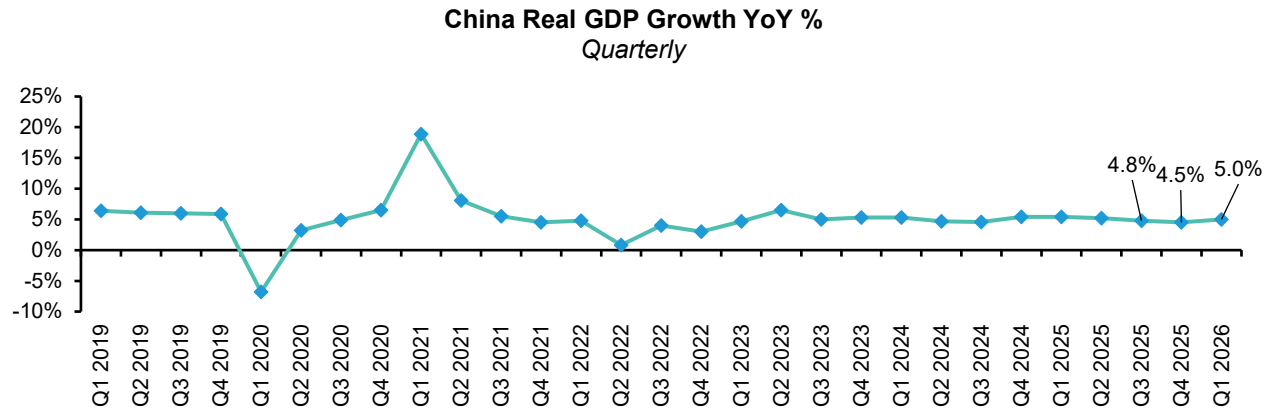
Monthly	2Q2025				3Q2025				4Q2025				1Q2026			Avg.	YoY Indicator		Sequential Indicator	
Reporting Metrics	Units	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Latest 3M	Latest 1M YoY	1Q2026 vs. 1Q2025	Latest 1M vs Latest 3M Avg.	1Q2026 vs 4Q2025		
Macro Metrics																				
Quarterly GDP (YoY%)		5.2%	5.2%	5.2%	4.8%	4.8%	4.8%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	5.0%	●	●		n.a.	●	
Monthly CPI (YoY%)		-0.1%	-0.1%	0.1%	0.0%	-0.4%	-0.3%	0.2%	0.7%	0.8%	0.2%	1.3%	1.0%	0.8%	●	●			●	
Non-Manufacturing PMI	Flat=50	50.4	50.3	50.5	50.1	50.3	50.0	50.1	49.5	50.2	49.4	49.5	50.1	49.7	●	●			●	
Manufacturing PMI	Flat=50	49.9	49.7	49.7	49.7	49.6	49.5	49.5	49.4	49.5	49.5	49.4	49.5	49.5	●	●			●	
Consumer Confidence	2007=100	87.8	88.0	87.9	89.0	89.2	89.6	89.4	90.3	89.5	90.6	91.6	n.a.	91.1	●	●			●	
Total Retail Sales (YoY%)		5.1%	6.4%	4.8%	3.7%	3.4%	3.0%	2.9%	1.3%	0.9%	2.8%	2.8%	1.7%	2.4%	●	●			●	
China Credit Impulse 12 Month Net Change		1.0%	0.7%	1.9%	1.9%	1.6%	1.6%	1.7%	1.9%	1.2%	0.9%	0.5%	-0.7%	0.2%	●	●			●	
China Total Social Finance	RMB tn	424	426	430	431	434	437	438	440	442	449	451	456	452	●	●			●	
China Total Social Finance (YoY%)		8.7%	8.7%	8.9%	9.0%	8.8%	8.7%	8.5%	8.5%	8.3%	8.2%	8.2%	7.9%	8.1%	●	●			●	
Consumption Metrics																				
China Industry Airline Pax (YoY%)																				
International		25.7%	25.7%	19.2%	15.7%	15.5%	14.9%	20.5%	20.5%	8.9%	-1.0%	15.5%	16.9%	10.5%	●	●			●	
Regional		1.3%	2.5%	1.2%	-2.3%	-2.2%	-1.4%	6.3%	3.8%	6.4%	1.2%	26.1%	14.5%	13.9%	●	●			●	
Domestic		7.1%	6.5%	2.8%	2.7%	2.1%	3.5%	4.3%	5.1%	6.1%	-3.1%	10.4%	11.4%	6.3%	●	●			●	
Car Unit Sales	'000	2,222.6	2,351.8	2,535.5	2,287.4	2,540.3	2,858.5	2,961.4	3,037.3	2,847.3	1,987.7	1,535.7	2,411.9	1,978.4	●	●			●	
YoY Growth	%	11.1%	13.3%	14.5%	14.7%	16.5%	13.2%	7.5%	1.2%	-8.7%	-6.8%	-15.4%	-2.3%	-7.5%	●	●			●	
70 Cities Housing Price (YoY%)																				
Newly Constructed Residential Buildings		-4.6%	-4.1%	-3.7%	-3.4%	-3.0%	-2.7%	-2.6%	-2.8%	-3.1%	-3.3%	-3.5%	-3.6%	-3.5%	●	●			●	
Second Hand Residential Buildings		-6.8%	-6.3%	-6.1%	-5.9%	-5.5%	-5.2%	-5.4%	-5.7%	-6.1%	-6.2%	-6.3%	-6.3%	-6.3%	●	●			●	
Tier 1		-2.1%	-1.7%	-1.4%	-1.1%	-0.9%	-0.7%	-0.8%	-1.3%	-1.7%	-2.1%	-2.2%	-2.2%	-2.1%	●	●			●	
Tier 2		-3.9%	-3.4%	-3.0%	-2.7%	-2.3%	-2.0%	-1.9%	-2.2%	-2.6%	-2.9%	-3.1%	-3.3%	-3.1%	●	●			●	
Other		-5.5%	-5.0%	-4.7%	-4.3%	-3.8%	-3.5%	-3.5%	-3.5%	-3.7%	-3.9%	-4.0%	-4.0%	-4.0%	●	●			●	

Red light sign = negative YoY growth

Green light sign = positive YoY growth

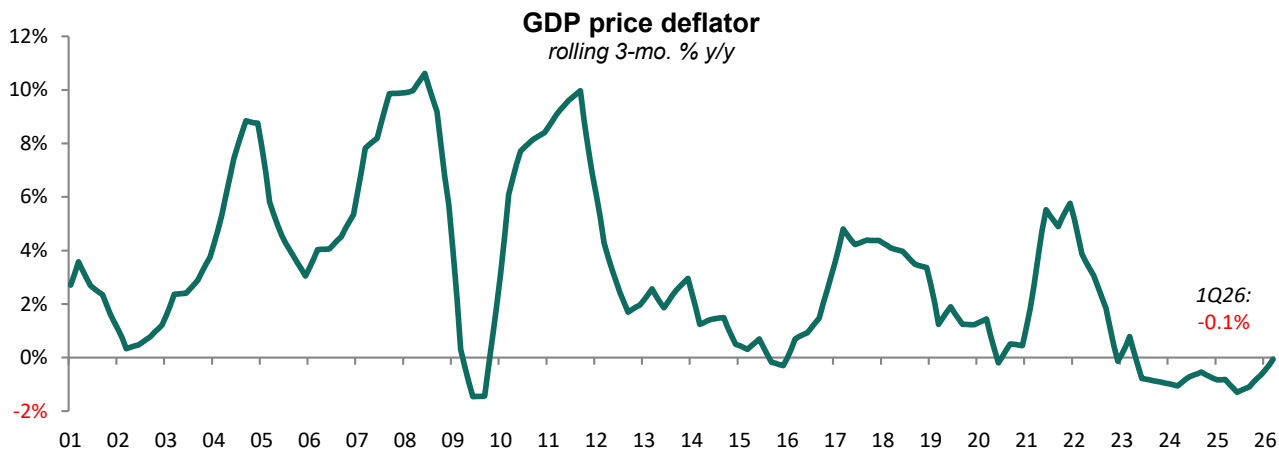
Source: Bloomberg, Wind, Haver Analytics, National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 2: China GDP grew by 5% YoY in Q1



Source: National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 3: The GDP deflator improved from -0.6% in Q4 to -0.1% in Q1



Source: CEIC, Autonomous Research

EXHIBIT 4: **Export growth picked up in Q1**



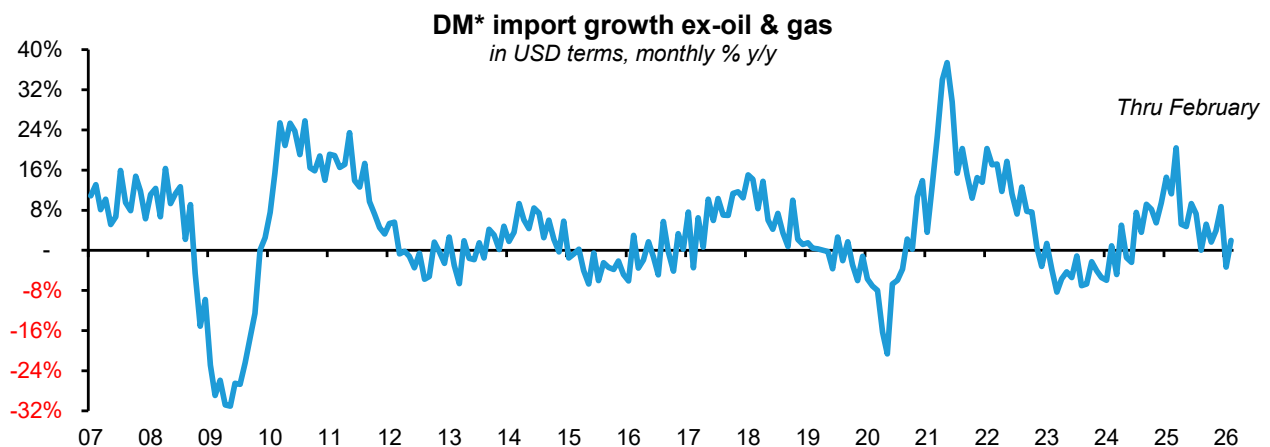
*Based on China Customs data.
Source: CEIC, Autonomous Research

EXHIBIT 5: **Industrial production has been growing MSD%**



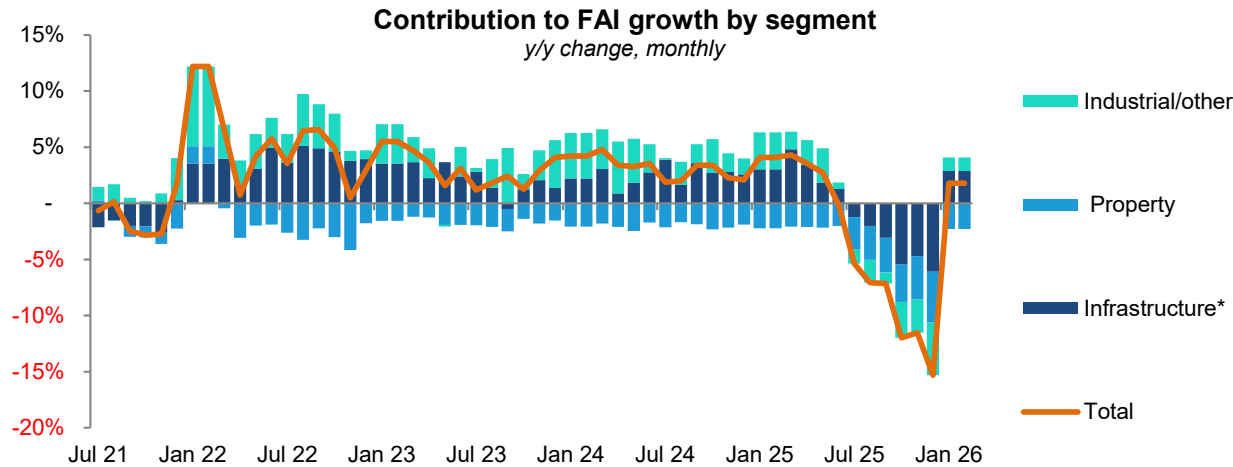
Source: CEIC, Autonomous Research

EXHIBIT 6: **DM import demand remained soft in Q1**



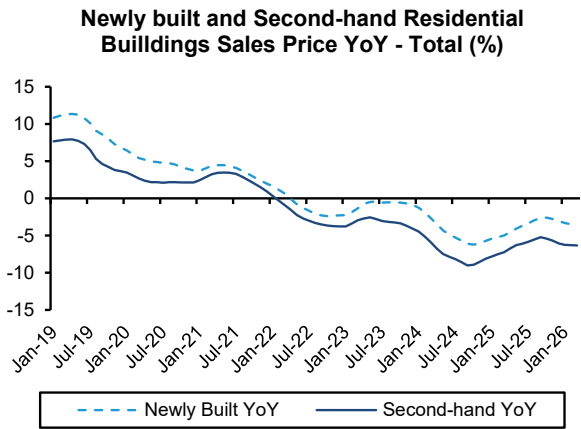
*US, Canada, EU, UK, Japan, S.Korea, Australia.
Source: CEIC, Autonomous Research

EXHIBIT 7: **FAI growth picked up in Q1 to +LSD%**



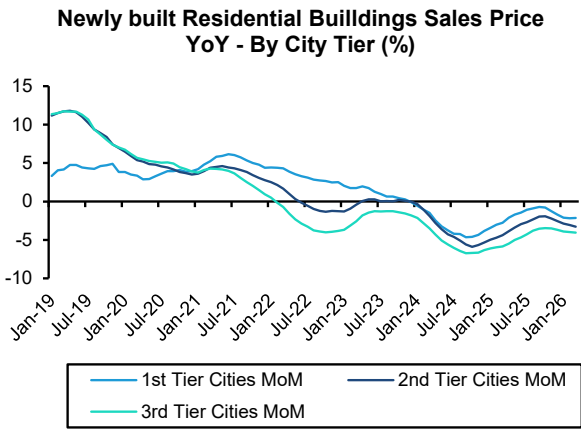
*Includes investment in primary industry, utility, transport/postal/storage, water conservancy, IT, education, health care, culture, and public administration.
Source: CEIC, Autonomous Research

EXHIBIT 8: **The pace of property price declines has moderated**

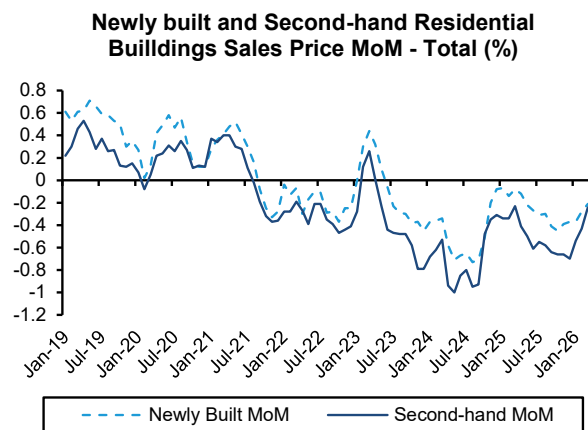


Source: NBS, Bernstein analysis

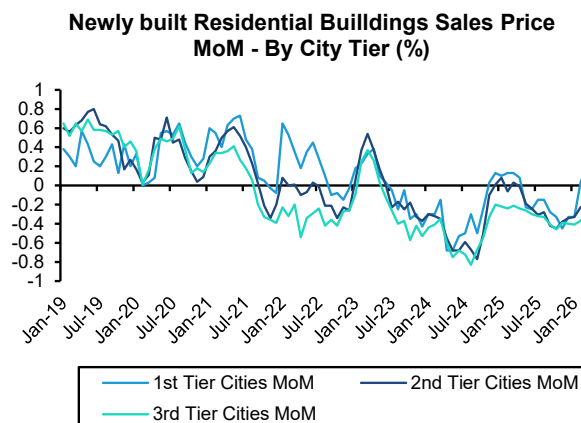
EXHIBIT 9: **Sale prices are falling at a lower rate in T1 cities, versus T2/T3 cities**



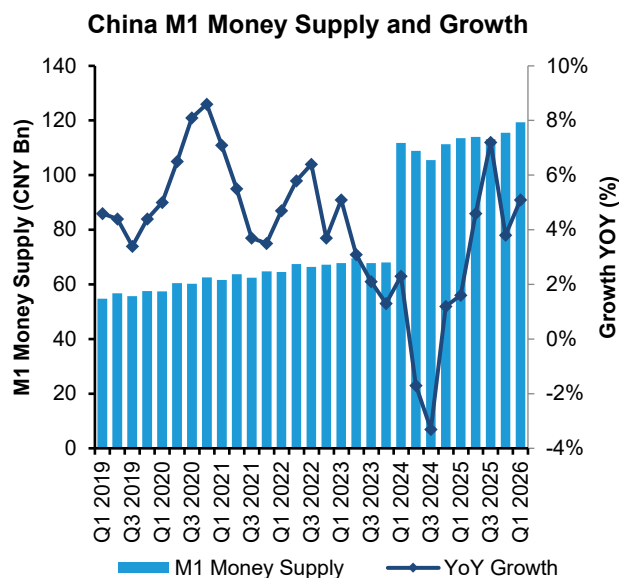
NBS, Bernstein analysis

EXHIBIT 10: **MoM declines showed improvement in Q1**

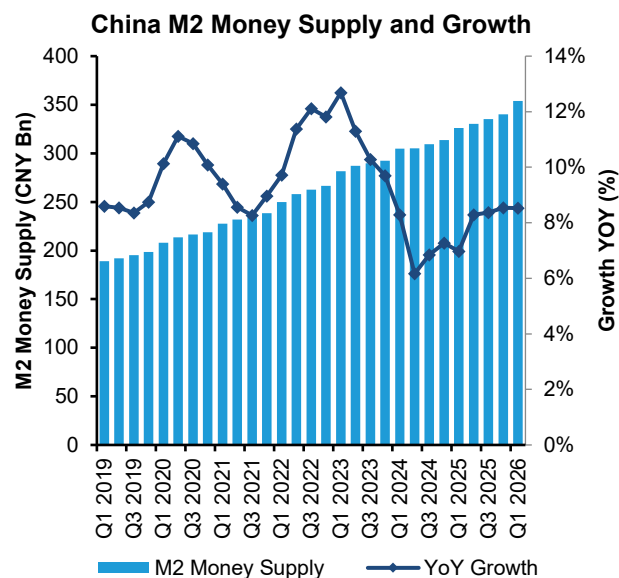
Source: NBS, Bernstein analysis

EXHIBIT 11: **Newly built residential buildings prices in T1 cities saw positive MoM growth in sales price in March**

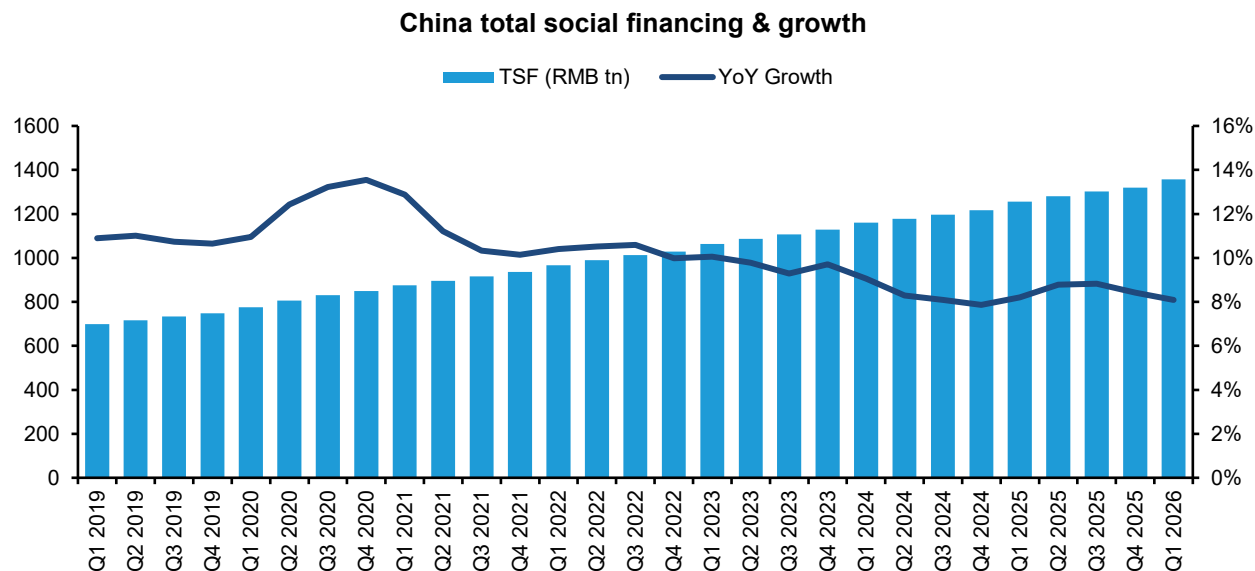
Source: NBS, Bernstein analysis

EXHIBIT 12: **M1 money supply grew ~5% in Q1**

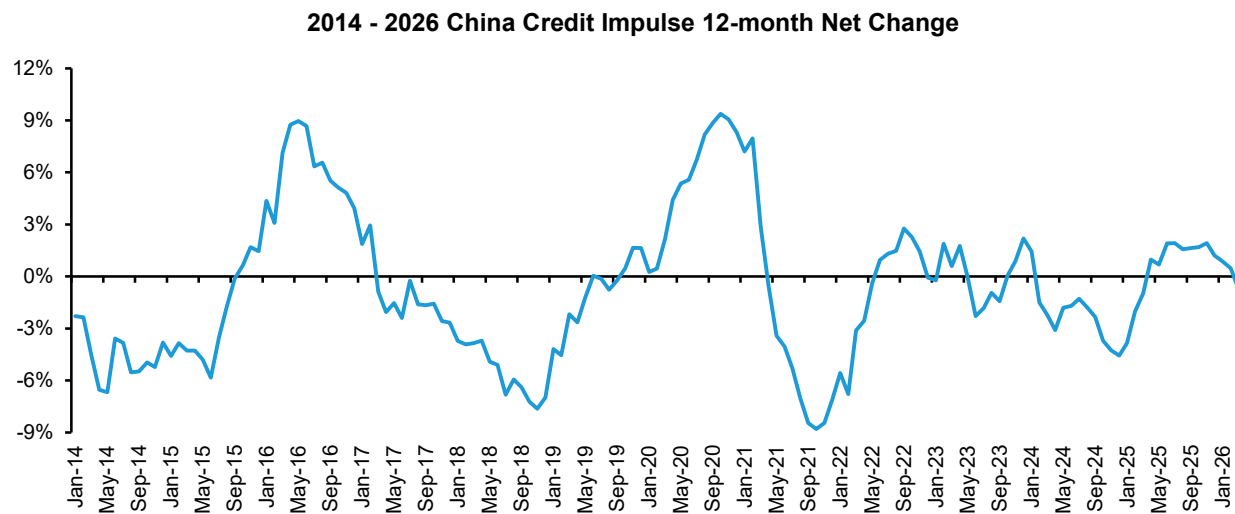
Source: Bloomberg, The People's Bank of China, Bernstein analysis

EXHIBIT 13: **whilst M2 grew by 8.5%**

Source: Bloomberg, The People's Bank of China, Bernstein analysis

EXHIBIT 14: **Social financing levels growth remained around 8-9%**

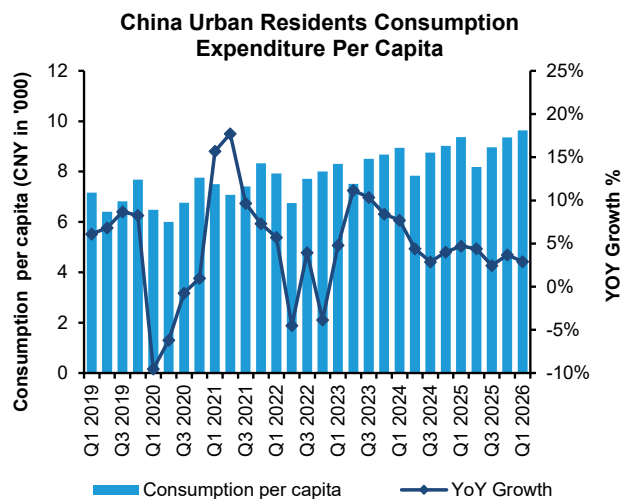
Source: The People's Bank of China, Bernstein analysis

EXHIBIT 15: **Credit growth turned negative in March**

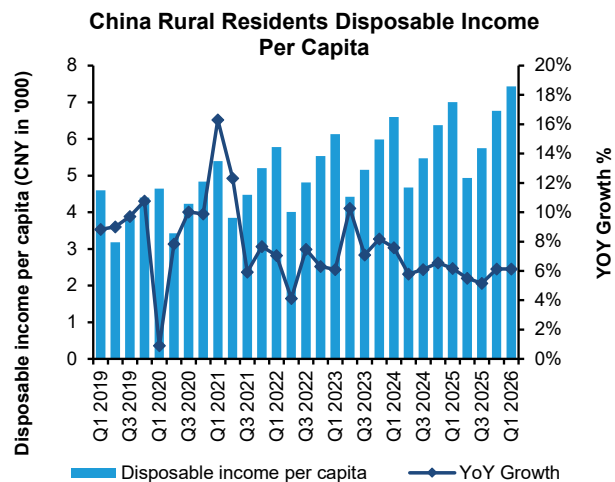
Source: Bloomberg, Bernstein analysis

EXHIBIT 16: Urban per capita disposable income growth was 5% in Q1

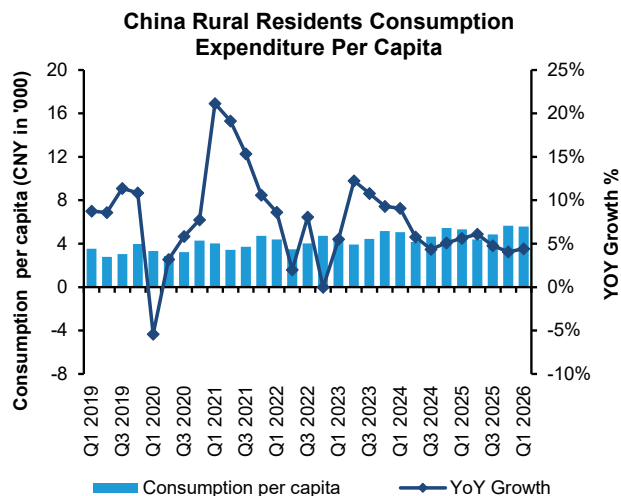
Source: Bloomberg, National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 17: Urban consumption per capita grew 2.9% in Q1

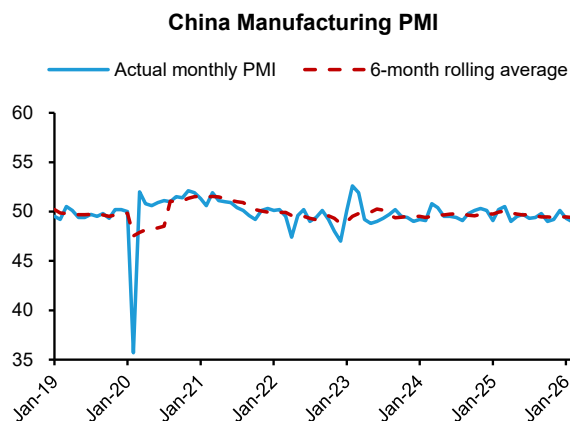
Source: Bloomberg, National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 18: Rural per capita disposable income growth was 6.1% in Q1

Source: Bloomberg, National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 19: Rural consumption per capita grew 4.4% in Q1

Source: Bloomberg, National Bureau of Statistics of China, Bernstein analysis

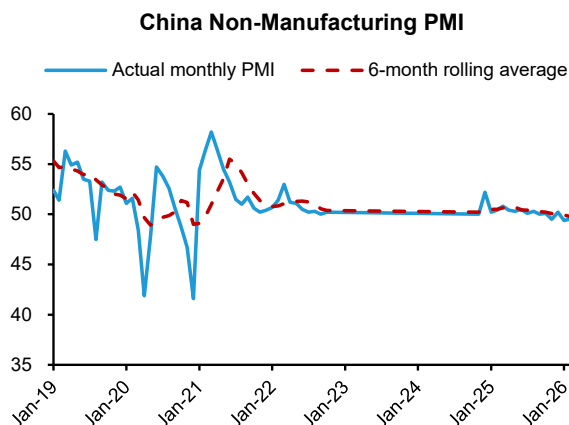
EXHIBIT 20: China's manufacturing PMI improved sequentially in March to 50.4


Source: Bloomberg, China Federation of Logistics and Purchasing, Bernstein analysis

EXHIBIT 22: Consumer confidence in China has remained at a relatively low level since Covid...


Data through to November

Source: National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 21: ... as did China's non-manufacturing PMI to 50.1


Source: Bloomberg, China Federation of Logistics and Purchasing, Bernstein analysis

EXHIBIT 23: ...though has shown signs of improvement into 2026


A reading of above 100 signals a boost in consumer confidence, and vice versa

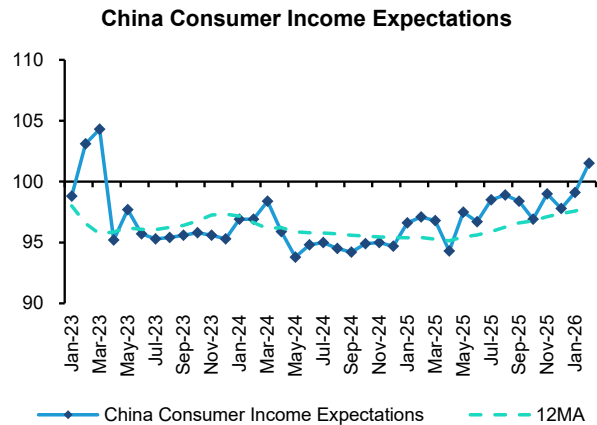
Source: National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 24: **Income expectations have also been depressed since Covid...**



A reading of above 100 signals a boost in consumer confidence or income expectation, and vice versa. Data through to November.
Source: CEIC, Autonomous Research

EXHIBIT 25: **...but continued to show signs of recovery in Q1**



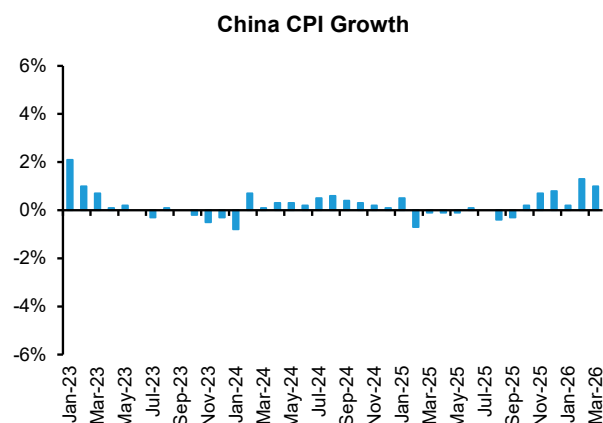
A reading of above 100 signals a boost in consumer confidence or income expectation, and vice versa. Data through to November.
Source: CEIC, Autonomous Research

EXHIBIT 26: **Chinese retail sales (ex catering) grew LSD% in Q1**

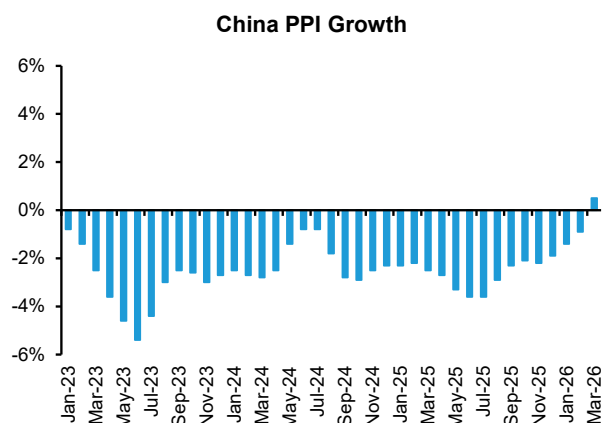


Retail sales for goods only (excludes catering)
Source: Bloomberg, National Bureau of Statistics of China, Autonomous research

EXHIBIT 27: **Online retail sales grew 5.6% in Q1, ahead of total retail sales**

EXHIBIT 29: Monthly CPI recovered to positive growth in Q4 and grew around 1% YoY in February and March

Source: Bloomberg, Bernstein analysis

EXHIBIT 30: PPI growth inflected positive in Q1 after 3 years of declines

Source: Bloomberg, Bernstein analysis

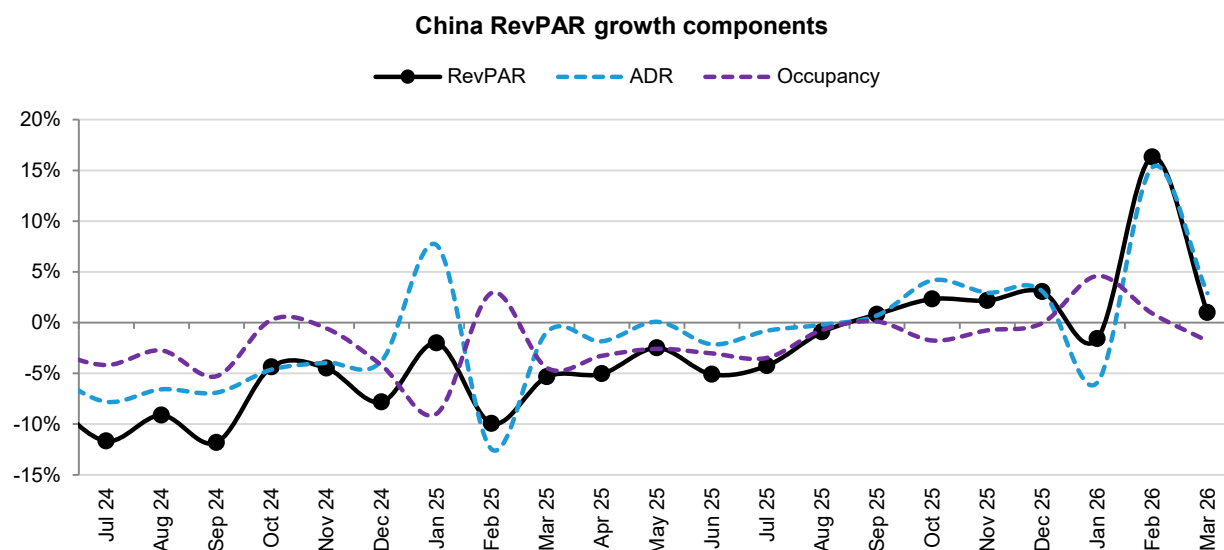
SECTOR TAKEAWAYS**CHINA HOTELS & LEISURE (Exhibit 31 – Exhibit 32)**

From 1H24 to September 2025, China was the worst performing region in the broader context of global RevPAR growth, having experienced y/y RevPAR declines every month since June 2024 before returning to growth in September 2025. Yet we have reached an inflection - performance recovered through Q4 2025 and the strength has continued through Q1 (despite some noise created by the shift in Chinese New Year from January to February). Occupancy is up YTD, after declines through most of 2025, while strong ADR growth has continued.

Top and bottom end outperforming. Unlike in the US, where hotel performance has been driven by a bifurcation in high and high-end demand (the higher end the stronger the RevPAR), in China Luxury and Economy have been the best performing segments, with Economy showing notable resilience through the Chinese New Year shift. The Midscale - Upper Upscale segments instead are struggling, all failing to grow RevPAR in January or March.

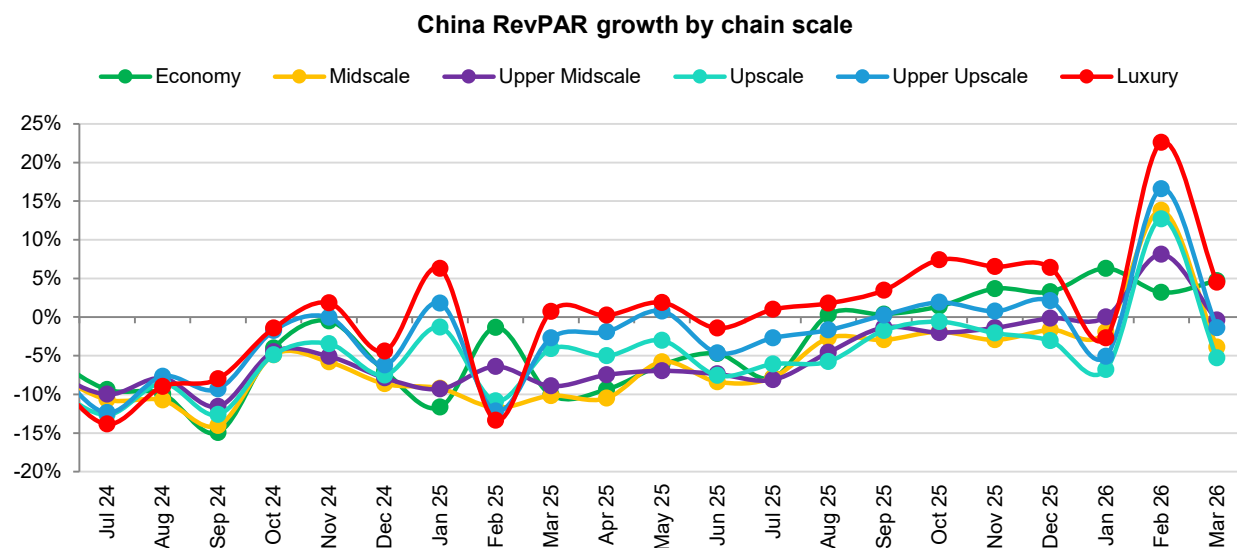
Slowing supply growth a tailwind to RevPAR. Despite a weak RevPAR environment prior to late 2025 China hotel demand had not seen declines, with room nights largely flat. Instead RevPAR declines have been driven by supply outgrowing demand - driving declines in occupancy, resulting in lower pricing. The recovery in hotel RevPAR since H2 2025 seems to have driven both by a recovery in China, but also slowing supply growth, which has consistently trended down over the last two years, providing support to RevPAR (Exhibit 34). If these trends continue, we expect to see the Chinese hotel market continue to improve and with the lapping of easier y/y comps to come.

EXHIBIT 31: The shift in Chinese New Year from January and February was likely responsible for 16.3% RevPAR growth in February, but growth weakened in March as the Chinese macroeconomy stalled



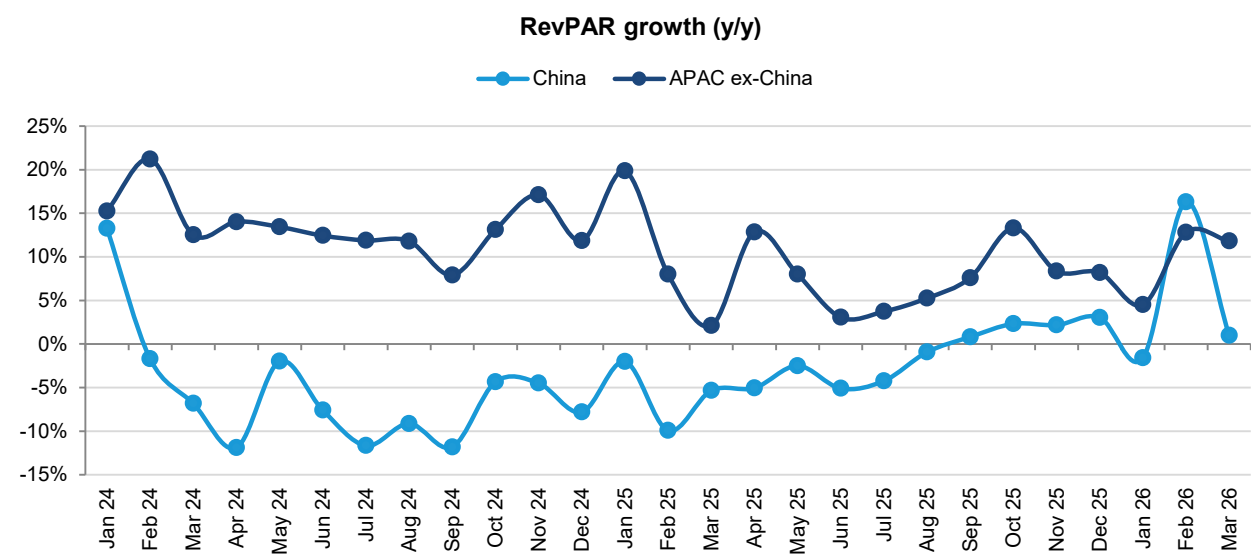
Source: CoStar, Bernstein analysis

EXHIBIT 32: The economy segment was unimpacted by the shift in Chinese New Year, growing RevPAR in the MSDs through the quarter, with Luxury and Economy continuing to outperform the middle of the chain scale.



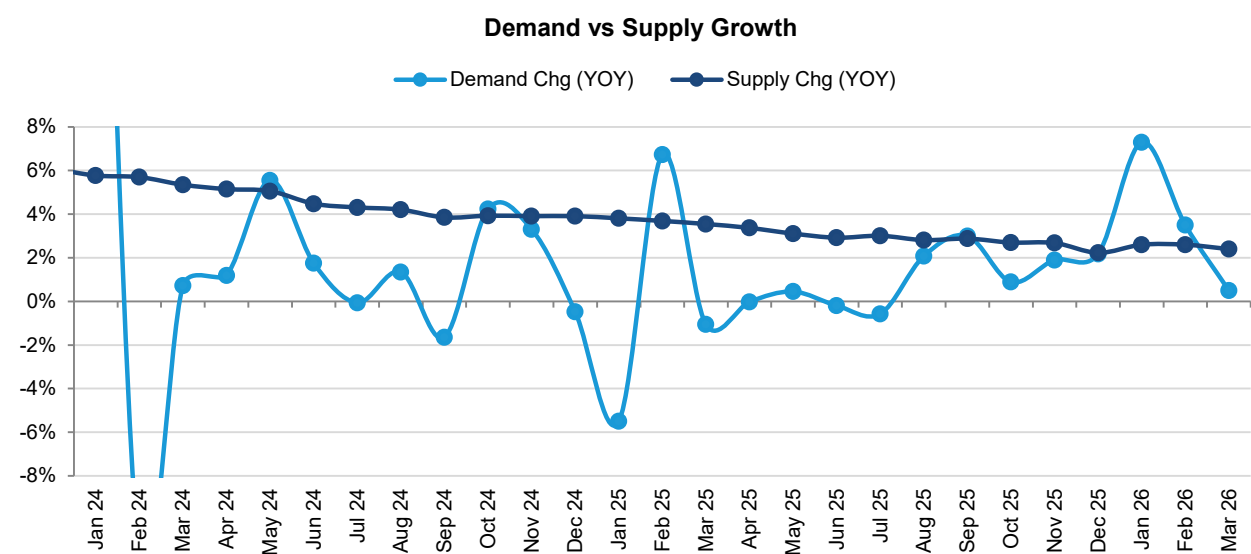
Source: CoStar, Bernstein analysis

EXHIBIT 33: **However, China RevPAR growth continues to lag the broader APAC region which continued to post LDD growth in Q1**



Source: CoStar, Bernstein analysis

EXHIBIT 34: **Hotel supply growth has steadily come down in China over the past two years, likely providing a support to the RevPAR recovery which has been driven by the inflection in demand last August.**



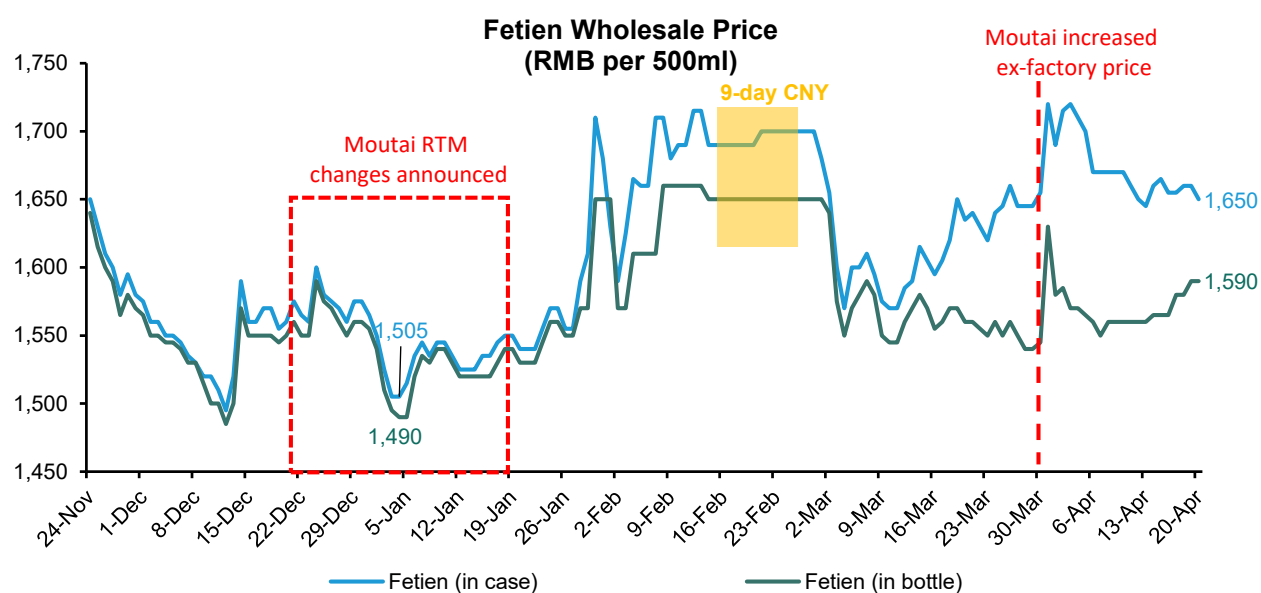
Source: CoStar, Bernstein analysis

CHINA PREMIUM BEVERAGES (EXHIBIT 35 - EXHIBIT 41)

Prestige Baijiu's wholesale prices bottomed out in December and have been recovering since with Moutai's Fetien +10% from the trough, and top end products +15-27%. The Fetien price reflects the company's major route to market strategy change which is focused on pivoting to supplying end consumers where demand still exceeds supply, as opposed to corporate sales where demand remains weak ([link](#)). The strength of end consumer demand is a positive indicator of overall high-end consumer health, but we ascribe improving high-end Fetien wholesale prices mainly to company driven channel inventory correction rather than improving end demand.

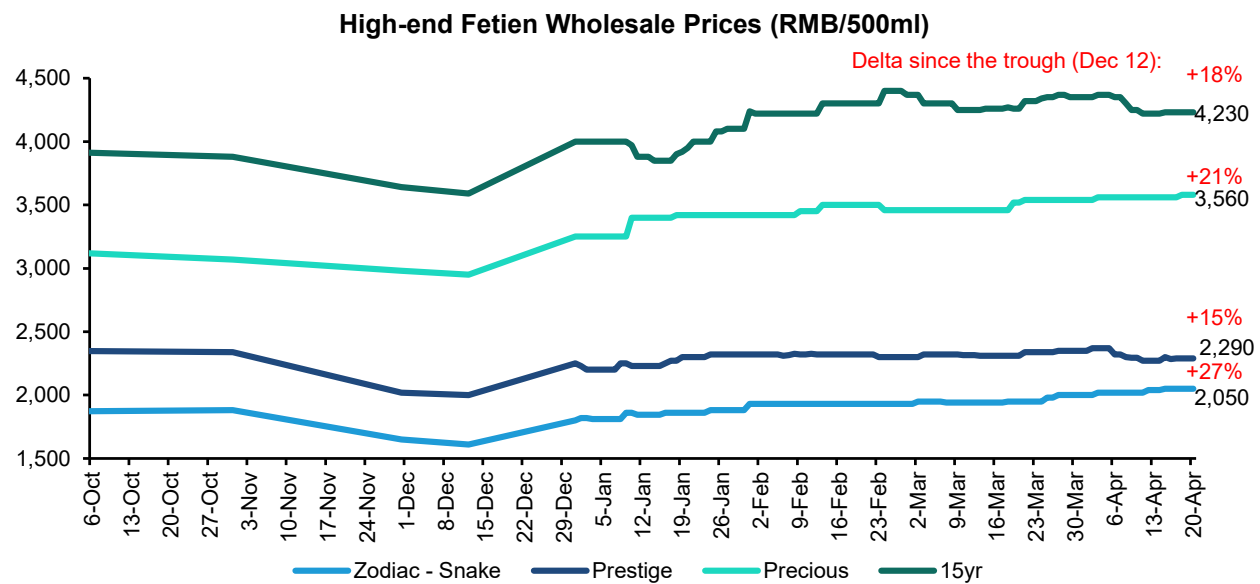
Over in Beer, sell-out value remained lackluster, down 1% in the quarter compared to +1% in Q4 ([link](#)). However, Q1 saw sequential improvement in Restaurant channel growth with value improving materially from -5% in Jan+Feb to flattish in March, echoing beer management team comments re modest on-trade improvement.

EXHIBIT 35: The improving Fetien wholesale price indicates that demand remains resilient



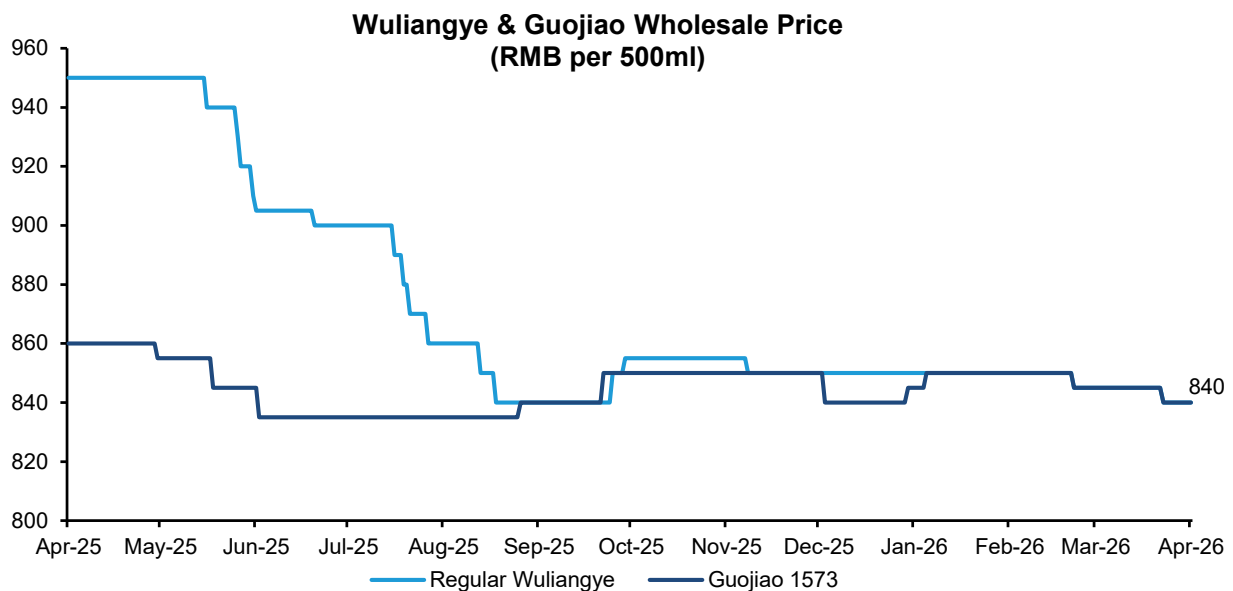
Source: channel checks, Bernstein analysis

EXHIBIT 36: High-end Fetien wholesale prices are up 15-27% from the trough, driven by Moutai's efforts to control channel inventory

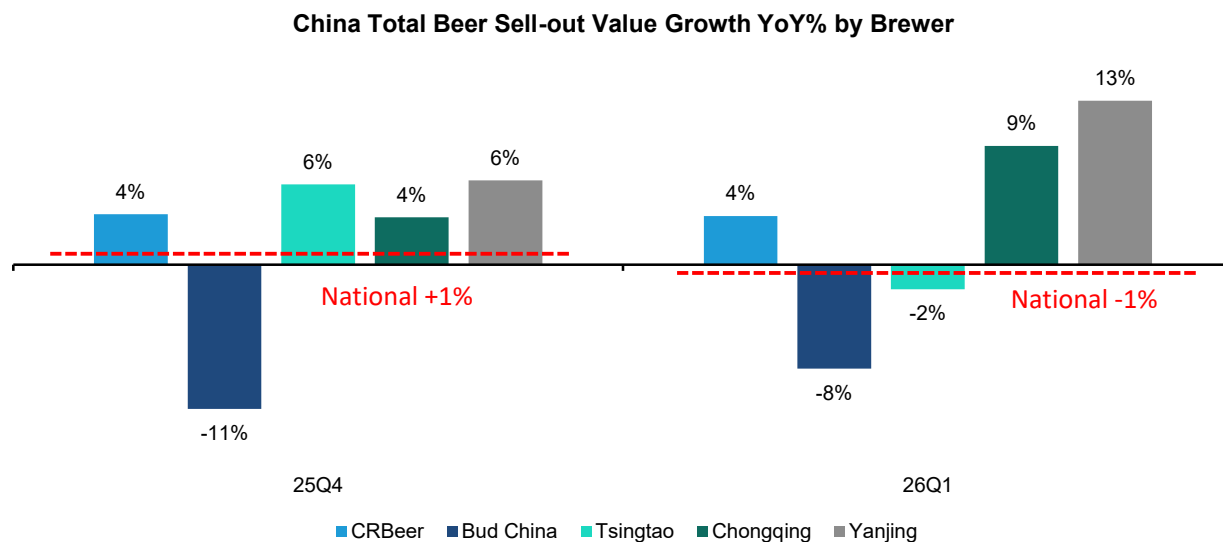


Source: channel checks, Bernstein analysis

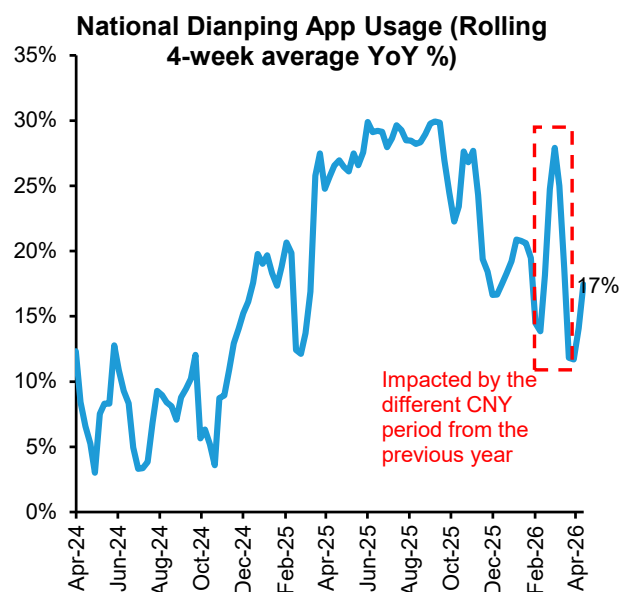
EXHIBIT 37: Excess channel inventories are still weighing on Regular Wuliangye and Guojiao 1573 wholesale prices



Source: channel checks, Bernstein analysis

EXHIBIT 38: **Beer value remains lackluster despite improving Restaurant demand**

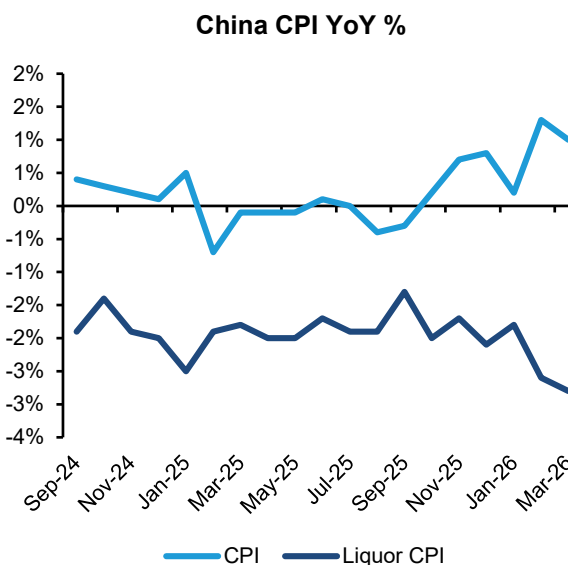
Source: BigOne Lab, Bernstein analysis

EXHIBIT 39: **Restaurant App usage in China continues to improve**

Source: QuestMobile, Bernstein analysis

EXHIBIT 40: Tobacco and Liquor sales benefited disproportionately from the long CNY holiday

Source: Bloomberg, Bernstein analysis

EXHIBIT 41: However, overall Liquor CPI has continues to decline

Source: Bloomberg, Bernstein analysis

CHINA APPAREL & SPORTSWEAR (EXHIBIT 42 TO EXHIBIT 51)

Q1 total retail sales grew 2.4% in Q1, an improvement vs. 1.7% in Q4 (Exhibit 42), boosted by a later Chinese New Year and a longer Spring Festival. Following sequential deceleration through the back half of 2025, the stronger January-February performance marks a tentative reversal in trend. However, consumer momentum softened into March, with retail sales growth slowing back to 1.7% after the holiday period, highlighting pressures on household demand and suggesting the early-year pickup has yet to translate into a sustained recovery. By category, Clothing, Shoes, Hats, and Textiles outperformed total retail sales after underperforming in 2025, posting 9-10% growth in Q1. For Sportswear, our [channel checks](#) suggest that the **overall Chinese Sportswear market is expected to grow MSD-HSD% in 2026 overall, continuing to outperform retail sales and GDP overall.**

Offline sales growth showing signs of improvement. Hong Kong department store sales grew 6% across Jan/Feb, and the 2-yr stack returned to growth after ~14 consecutive months of declines — Exhibit 43. For Sportswear, offline sales growth has generally lagged online (given it's the more promotional channel), but has been showing signs of stabilization. For example, [Pou Sheng](#), a major distributor for Nike/Addas product, reported a 1% YTD decline, after two consecutive years of declines (-7% in 2025, -8% in 2024).

Online sportswear sales across Tmall, Taobao, Douyin grew 7% in Q1, though the trend decelerated in March (-3% YoY) vs. January-February (+13% YoY). By category, apparel (+34%) and yoga (+14%) have been outperforming, while sneakers (+4%) and outdoor (-9%) lagged behind. On a two-year CAGR, online sportswear sales were up +6% in March, though a deceleration against the +20% growth in January-February, suggesting some sportswear purchases may have been pulled forward from March into the holidays, given the boost from a CNY timing shift and longer Spring Festival. As we've heard from our [channel checks](#), Chinese consumers have been holding up, but are being choiceful with their sportswear spend.

Nike continues to see China revenues decline DD%, as the brand cuts back on order volume in China. 3P online sales across Tmall, Taobao, and Douyin continue to decline (-3% in Q1). In March, Jordan sales declined DD% and Nike brand declined 2% as the brand cuts Spring orders to reduce the amount of product in the marketplace. Despite the overall softness, there have been some green shoots, e.g., Running growing DD%. Further, our [channel checks](#) have been incrementally more positive on Nike — there is still some excess inventory that Nike is buying back from retailers, though majority of inventory on retailer books is now clean (~90%), and sell-through is now MSD% (though sell-in still negative as NKE shrinks its assortment to get to healthy levels of markdowns).

Adidas share recapture continues. 3P online sales across Tmall, Taobao, and Douyin grew 40% in Q1. Adidas continues to outperform the market, as the brand recaptures part of the 1000 bps of share lost between 2018-23. Going into 2026, as the Terrace franchise slows, order books are shifting towards Performance (Running, Football) and other Lifestyle products, which are driving 2026 order books up low-to-high teens, per our latest [channel checks](#).

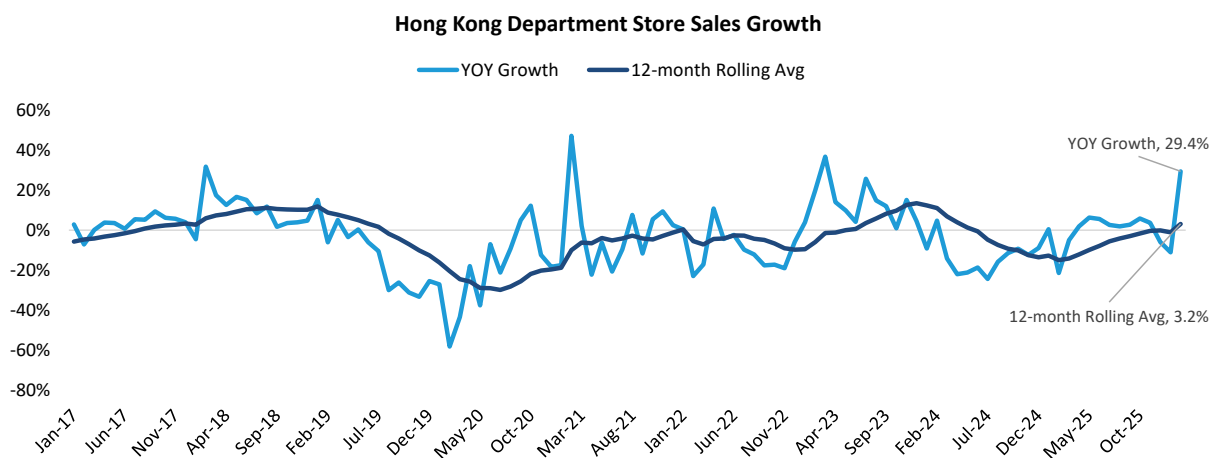
Smaller Western brands continue to see strong growth off a low base (e.g., Lululemon, On, and Hoka). All three brands had strong double- or triple-digit growth in Q1 across 3P online platforms, far ahead of the total market, as they continue to grow awareness and trial in China — Exhibit 47. We expect to continue to see strong growth that is mostly macro-immune as these brands grow off of a small base.

EXHIBIT 42: **Q1 total retail sales grew 2.4%, accelerating vs. 1.7% in Q4**



Source: National Bureau of Statistics of China, Bernstein analysis

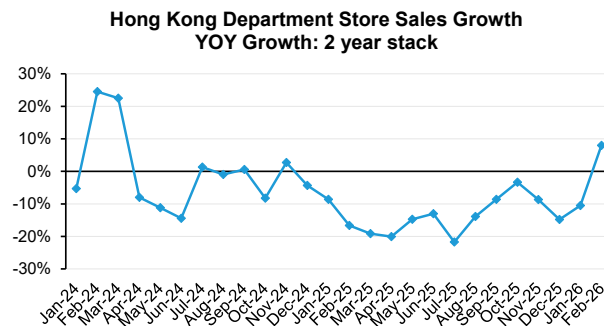
EXHIBIT 43: **HK department store sales have had a strong start to the year, +6% in Jan/Feb**



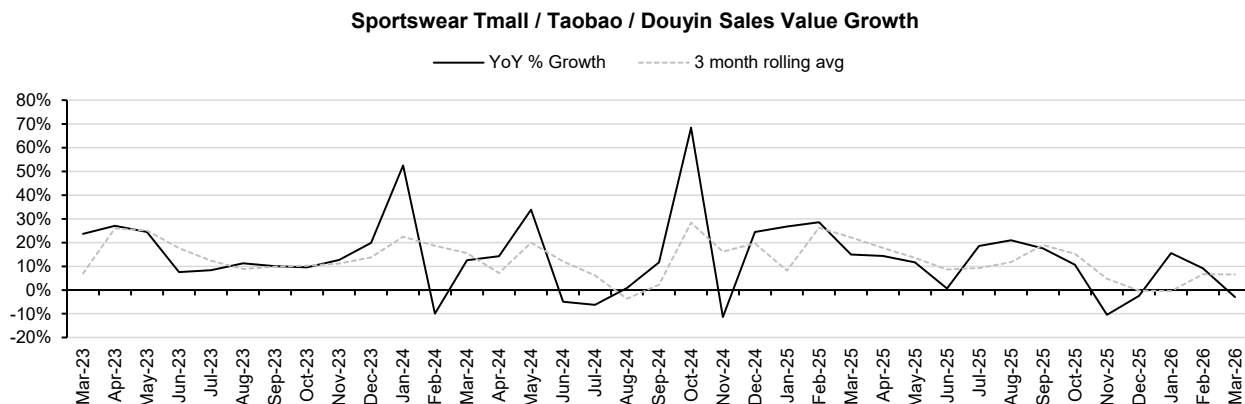
Source: Bloomberg, Census and Statistics Department Hong Kong, Bernstein analysis

Exhibit 44 to Exhibit 45: Two-year stack**EXHIBIT 44: Chinese Retail Sales**

Source: National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 45: HK Department Store Sales

Source: Bloomberg, Census and Statistics Department Hong Kong, Bernstein analysis

Exhibit 46 to Exhibit 51 — Sportswear in China*Sportswear includes sports apparel, sports footwear, yoga/fitness, and outdoor***EXHIBIT 46: Across China's main ecommerce platforms, Tmall + Taobao + Douyin, sportswear sales grew 6.5% in Q1, vs. +10% in 2025**

Source: Moojing, Bernstein analysis

EXHIBIT 47: China online sportswear sales performance (Taobao + Tmall + Douyin)

Company	RMBmn Brand	Total sportswear sales GMV YoY					Total sportswear GMV 2026 (RMBmn)				YoY Market share change			
		Last 1M	Last 2M	Last 3M	Trend Last 1M vs 3M	YTD	Last 1M	Last 2M	Last 3M	YTD	Last 1M	Last 2M	Last 3M	YTD
Nike	Nike	-2%	6%	-1%	▲	-1%	1,300	2,631	4,318	4,318	6bps	20bps	-45bps	-45bps
	Jordan	-11%	-5%	-2%	▼	-2%	139	256	419	419	-5bps	-4bps	-5bps	-5bps
	Converse	-19%	-21%	-23%	▲	-23%	120	189	254	254	-8bps	-12bps	-13bps	-13bps
	Nike total	-4%	3%	-3%	▲	-3%	1,558	3,076	4,991	4,991	-7bps	5bps	-63bps	-63bps
Adidas	Adidas	30%	47%	40%	▼	40%	1,595	2,922	4,438	4,438	147bps	187bps	139bps	139bps
	Anta	8%	14%	13%	▼	13%	766	1,384	2,228	2,228	29bps	32bps	18bps	18bps
	Fila	13%	29%	25%	▼	25%	1,097	2,039	3,402	3,402	57bps	91bps	64bps	64bps
	Fila Fusion	-15%	6%	8%	▼	8%	164	296	461	461	-8bps	2bps	1bps	1bps
Anta	Descente	74%	67%	56%	▲	56%	272	474	760	760	43bps	39bps	32bps	32bps
	Kolon	31%	19%	20%	▲	20%	187	313	487	487	18bps	10bps	7bps	7bps
	Anta total	15%	25%	22%	▼	22%	2,485	4,506	7,338	7,338	138bps	173bps	122bps	122bps
	Wilson	57%	58%	65%	▼	65%	54	89	131	131	8bps	7bps	6bps	6bps
Amer	Salomon	156%	134%	125%	▲	125%	224	389	567	567	50bps	46bps	39bps	39bps
	Arcteryx	301%	232%	284%	▲	284%	861	1,521	2,286	2,286	236bps	221bps	217bps	217bps
	Atomic	127%	71%	54%	▲	54%	4	7	12	12	1bps	1bps	1bps	1bps
	Amer total	238%	193%	221%	▲	221%	1,143	2,005	2,995	2,995	294bps	274bps	263bps	263bps
Li-Ning	Li-Ning	7%	13%	14%	▼	14%	1,211	1,993	3,086	3,086	42bps	40bps	28bps	28bps
	Aigle	-61%	-66%	-66%	▲	-66%	27	41	58	58	-14bps	-17bps	-16bps	-16bps
	DHS	-11%	-18%	-17%	▲	-17%	30	52	80	80	-1bps	-3bps	-3bps	-3bps
	Li-Ning total	3%	7%	9%	▼	9%	1,268	2,087	3,223	3,223	26bps	20bps	8bps	8bps
Skechers	Skechers	-10%	2%	7%	▼	7%	275	474	753	753	-7bps	0bps	0bps	0bps
	Vans	-10%	-19%	-16%	▲	-16%	41	70	105	105	-1bps	-4bps	-4bps	-4bps
	The North Face	27%	8%	-5%	▲	-5%	190	331	553	553	16bps	4bps	-9bps	-9bps
	Timberland	-27%	-22%	-26%	▲	-26%	19	42	75	75	-2bps	-3bps	-4bps	-4bps
VF	Supreme	115%	250%	233%	▼	233%	1	2	3	3	0bps	0bps	0bps	0bps
	VF total	13%	0%	-9%	▲	-9%	250	445	736	736	13bps	-2bps	-16bps	-16bps
Lululemon	Lululemon	34%	42%	69%	▼	69%	633	1,062	1,653	1,653	63bps	63bps	80bps	80bps
	Asics	-6%	1%	6%	▼	6%	268	475	678	678	-3bps	-1bps	-1bps	-1bps
	Onitsuka Tiger	-3%	11%	11%	▼	11%	106	176	215	215	0bps	3bps	1bps	1bps
	Asics total	-6%	4%	7%	▼	7%	374	651	893	893	-3bps	3bps	0bps	0bps
New Balance	New Balance	-3%	2%	-5%	▲	-5%	231	407	615	615	0bps	1bps	-10bps	-10bps
	Groupe Artémis	15%	19%	15%	▲	15%	217	393	606	606	12bps	12bps	6bps	6bps
	Under Armour	10%	27%	20%	▼	20%	177	321	489	489	8bps	13bps	7bps	7bps
	Jack Wolfskin	-23%	-38%	-38%	▲	-38%	18	31	54	54	-2bps	-4bps	-5bps	-5bps
Columbia	Columbia	-38%	-39%	-44%	▲	-44%	54	98	161	161	-11bps	-14bps	-19bps	-19bps
	Kailas	-52%	-48%	-46%	▼	-46%	139	264	403	403	-52bps	-54bps	-52bps	-52bps
	Telent	-30%	-21%	-13%	▼	-13%	46	73	110	110	-6bps	-4bps	-3bps	-3bps
	Camel	-37%	-34%	-43%	▲	-43%	396	716	1,198	1,198	-77bps	-81bps	-138bps	-138bps
Toread	Toread	-45%	-43%	-39%	▼	-39%	52	93	161	161	-15bps	-15bps	-16bps	-16bps
	Xtep	4%	7%	5%	▲	5%	402	615	887	887	10bps	6bps	-1bps	-1bps
	Saucony	-9%	-12%	-6%	▼	-6%	49	75	110	110	-1bps	-2bps	-2bps	-2bps
	Merrell	-23%	-26%	-26%	▲	-26%	12	17	24	24	-1bps	-1bps	-1bps	-1bps
Xtep	K-Swiss	134%	104%	86%	▲	86%	8	14	20	20	2bps	1bps	1bps	1bps
	Palladium	-66%	-71%	-69%	▲	-69%	6	10	16	16	-4bps	-5bps	-5bps	-5bps
	Xtep total	0%	1%	0%	▲	0%	477	732	1,057	1,057	5bps	-2bps	-9bps	-9bps
361 Degrees	361 Degrees	-20%	-31%	-27%	▲	-27%	265	398	583	583	-21bps	-39bps	-35bps	-35bps
	Qiaodan	-35%	-32%	-26%	▼	-26%	73	142	227	227	-13bps	-15bps	-13bps	-13bps
	Peak	7%	-6%	-7%	▲	-7%	83	142	222	222	3bps	-2bps	-4bps	-4bps
	Authentic Brand	-49%	-46%	-51%	▲	-51%	7	14	21	21	-2bps	-3bps	-3bps	-3bps
Erke	Erke	-28%	-20%	-16%	▼	-16%	188	344	553	553	-24bps	-19bps	-20bps	-20bps
	DX Sport	51%	46%	32%	▲	32%	36	64	93	93	5bps	4bps	2bps	2bps
	On	40%	51%	57%	▼	57%	83	146	213	213	9bps	10bps	9bps	9bps
	Hoka	78%	47%	27%	▲	27%	50	88	129	129	8bps	6bps	3bps	3bps
Guirenniao	Guirenniao	-10%	-2%	-12%	▲	-12%	33	57	83	83	-1bps	12bps	-2bps	-2bps
	Tracked brands growth	8.7%	14.0%	10.5%	▲	10.5%	11,299	20,214	31,590	31,590				
	Total sportswear market	-2.9%	1.8%	6.5%	▼	6.5%	27,696	47,785	76,173	76,173				

1. Total sportswear sales include the sales from sneaker, sports apparel, outdoor, yoga and sports equipment.

2. ▲ represents % change >=2%; = represents % change between -2% to 2%; ▼ represents % change < -2%

Source: Moojing, Bernstein analysis

EXHIBIT 48: China online sportswear sales performance (Taobao + Tmall, excl. Douyin)

Company	RMBmn Brand	Total sportswear sales GMV YoY				Total sportswear GMV 2026 (RMBmn)				YoY Market share change			
		Last 1M	Last 2M	Last 3M	YTD	Last 1M	Last 2M	Last 3M	YTD	Last 1M	Last 2M	Last 3M	YTD
Nike	Nike	24%	15%	4%	4%	615	1,167	1,859	1,859	92bps	47bps	-14bps	-14bps
	Jordan	7%	7%	-11%	-11%	53	110	178	178	4bps	2bps	-9bps	-9bps
	Converse	-30%	-34%	-36%	-36%	62	97	132	132	-16bps	-20bps	-21bps	-21bps
Nike total		15%	8%	-1%	-1%	731	1,375	2,169	2,169	79bps	29bps	-44bps	-44bps
Adidas	Adidas	42%	49%	34%	34%	618	1,123	1,659	1,659	134bps	132bps	74bps	74bps
	Anta	6%	11%	11%	11%	430	821	1,340	1,340	26bps	23bps	10bps	10bps
	Fila	38%	43%	30%	30%	556	969	1,518	1,518	113bps	103bps	60bps	60bps
Anta	Fila Fusion	79%	67%	68%	68%	19	35	59	59	6bps	5bps	5bps	5bps
	Descente	44%	51%	41%	41%	136	237	392	392	30bps	29bps	22bps	22bps
	Kolon	188%	139%	123%	123%	156	271	411	411	70bps	58bps	49bps	49bps
Anta total		34%	36%	30%	30%	1,297	2,332	3,720	3,720	246bps	219bps	145bps	145bps
Amer	Wilson	37%	39%	44%	44%	43	72	105	105	9bps	7bps	6bps	6bps
	Salomon	91%	71%	61%	61%	106	191	288	288	35bps	29bps	22bps	22bps
	Arc'teryx	198%	146%	147%	147%	244	457	746	746	112bps	101bps	98bps	98bps
Li-Ning	Atomic	127%	71%	54%	54%	4	7	12	12	1bps	1bps	1bps	1bps
	Li-Ning	7%	7%	7%	7%	592	1,086	1,694	1,694	39bps	19bps	-4bps	-4bps
	Aigle	93%	42%	11%	11%	26	40	57	57	9bps	4bps	0bps	0bps
Li-Ning total		8%	7%	6%	6%	645	1,173	1,822	1,822	46bps	19bps	-9bps	-9bps
Skechers	Skechers	-14%	-8%	-5%	-5%	116	202	314	314	-10bps	-9bps	-9bps	-9bps
	Vans	-11%	-11%	-12%	-12%	21	37	55	55	-1bps	-2bps	-3bps	-3bps
	The North Face	268%	135%	97%	97%	166	288	485	485	83bps	61bps	51bps	51bps
VF	Timberland	29%	20%	9%	9%	19	42	74	74	3bps	2bps	0bps	0bps
	Supreme	29%	91%	248%	248%	0	0	1	1	0bps	0bps	0bps	0bps
VF total		146%	84%	63%	63%	206	368	615	615	85bps	62bps	48bps	48bps
Lululemon	Lululemon	28%	37%	64%	64%	451	748	1,148	1,148	75bps	72bps	91bps	91bps
	Asics	15%	17%	13%	13%	200	349	490	490	22bps	16bps	5bps	5bps
	Onitsuka Tiger	-22%	-6%	-8%	-8%	46	79	100	100	-7bps	-3bps	-4bps	-4bps
Asics total		6%	12%	9%	9%	245	429	590	590	14bps	13bps	2bps	2bps
New Balance	New Balance	10%	12%	2%	2%	169	302	444	444	14bps	10bps	-6bps	-6bps
	Groupe Artemis	11%	9%	6%	6%	136	239	359	359	12bps	5bps	-2bps	-2bps
	Under Armour	60%	74%	42%	42%	55	103	161	161	15bps	16bps	9bps	9bps
Jack Wolfskin	Jack Wolfskin	91%	27%	28%	28%	18	31	54	54	6bps	2bps	2bps	2bps
	Columbia	129%	47%	16%	16%	54	98	160	160	21bps	11bps	3bps	3bps
	Kailas	156%	128%	105%	105%	138	259	394	394	58bps	54bps	43bps	43bps
Telent	Telent	-30%	-21%	-13%	-13%	46	73	110	110	-12bps	-8bps	-6bps	-6bps
	Camel	54%	52%	31%	31%	325	602	989	989	82bps	74bps	41bps	41bps
	Toread	116%	78%	40%	40%	52	92	160	160	20bps	15bps	9bps	9bps
Xtep	Xtep	-3%	-4%	-6%	-6%	192	324	483	483	0bps	-8bps	-17bps	-17bps
	Saucony	26%	22%	18%	18%	29	50	72	72	5bps	3bps	1bps	1bps
	Merrell	108%	67%	43%	43%	12	17	24	24	4bps	2bps	1bps	1bps
K-Swiss	K-Swiss	134%	104%	86%	86%	8	14	20	20	3bps	3bps	2bps	2bps
	Palladium	-22%	-41%	-38%	-38%	6	9	14	14	-1bps	-3bps	-2bps	-2bps
Xtep total		4%	1%	-2%	-2%	246	414	615	615	11bps	-2bps	-14bps	-14bps
361 Degrees	361 Degrees	-32%	-42%	-37%	-37%	148	240	361	361	-43bps	-69bps	-61bps	-61bps
	Qiaodan	-35%	-32%	-26%	-26%	73	142	227	227	-24bps	-27bps	-24bps	-24bps
	Peak	-13%	-20%	-19%	-19%	49	91	141	141	-4bps	-10bps	-11bps	-11bps
Authentic Brands Gr	Reebok	-54%	-60%	-61%	-61%	4	8	13	13	-3bps	-5bps	-5bps	-5bps
	Erke	-34%	-32%	-29%	-29%	84	163	266	266	-26bps	-32bps	-32bps	-32bps
	DX Sport	70%	65%	47%	47%	33	60	87	87	10bps	9bps	5bps	5bps
On	On	40%	63%	59%	59%	52	99	139	139	11bps	14bps	10bps	10bps
	Hoka	143%	81%	44%	44%	39	72	105	105	16bps	12bps	6bps	6bps
	Guirenniao	-30%	-18%	-18%	-18%	9	22	37	37	-2bps	8bps	-3bps	-3bps
Tracked brands growth		25.8%	23.2%	17.2%	17.2%	5,870	10,637	16,548	16,548				
Total sportswear market		-3.3%	2.4%	7.9%	7.9%	14,756	26,458	43,061	43,061				

1. Total sportswear sales include the sales from sneaker, sports apparel, outdoor, yoga and sports equipment.

2. ▲ represents % change >=2%; = represents % change between -2% to 2%; ▼ represents % change < -2%

Source: Moojing, Bernstein analysis

EXHIBIT 49: Adidas continues to gain share in China, while Nike continues to post DD% declines

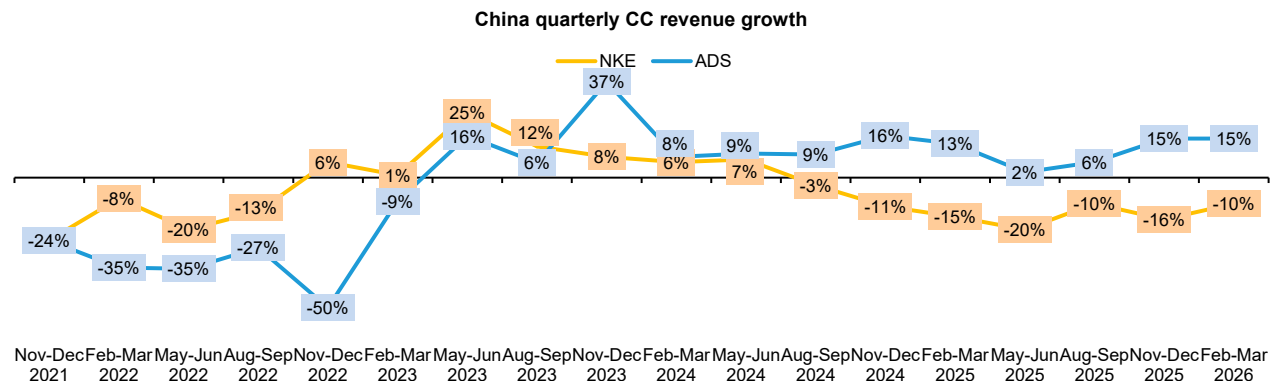
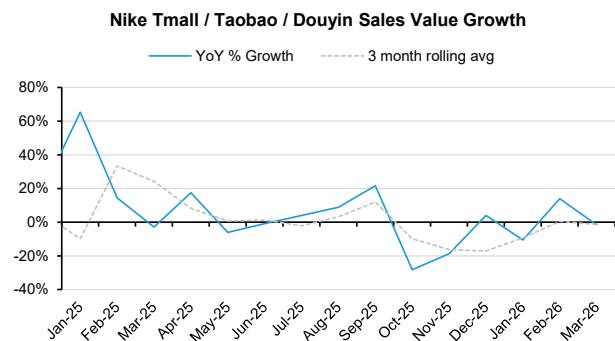
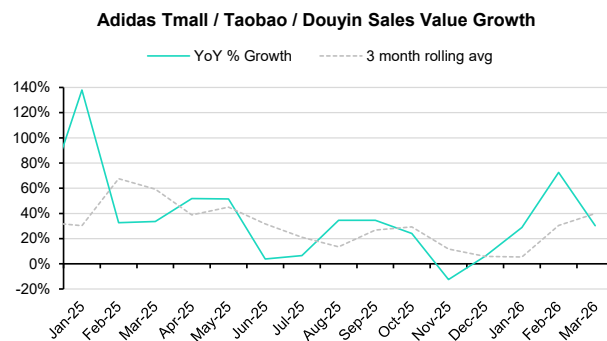


EXHIBIT 50: Nike China Ecomm Sales Trend



Source: Moojing, Bernstein analysis

EXHIBIT 51: Adidas China Ecomm Sales Trend



Source: Moojing, Bernstein analysis

CHINA LUXURY GOODS (Exhibit 52 - Exhibit 55)

Value for money remains a key consideration in the recovery of consumer demand. Following the strong reception of Matthieu Blazy's creative debut, Chanel (private, not covered) has captured much of the industry's attention so far this year. Underpinning Chanel's rising social media momentum, as well as long queues and waitlists in store, is an improving value-for-money proposition: refreshed and appealing newness on the one hand, and more reasonable pricing on the other (e.g., the new Maxi Flapbag is c.\$2,400 cheaper than the classic Flapbag). We see a similar dynamic reflected in Dior's store traffic, where LVMH has highlighted a "markedly improved performance" in 1Q26, while Hermes appears to be experiencing the opposite trend, as they appear to sell more of the same, for now.

Offshore spending continues to be driven primarily by FX considerations. Luxury companies that have reported to date have all cited solid performance in South Korea, likely supported by a growing influx of Chinese tourists amid favourable FX conditions. Hong Kong is another clear beneficiary, given attractive pricing versus Mainland China, favourable FX, and geographic proximity. It is also worth noting that geopolitics are playing a role: despite significantly more favourable FX versus JPY, tourist flows from China to Japan appear to have moderated.

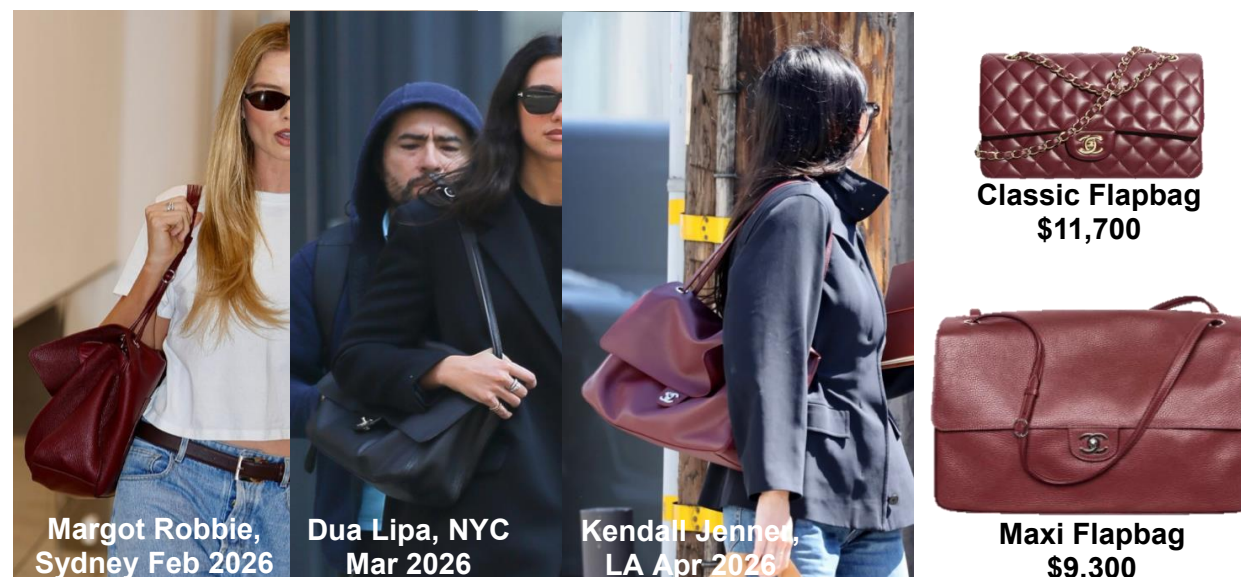
K-shaped consumer demand continues to shape sector dynamics. Brunello Cucinelli, the first in our coverage to report 1Q26 and a pure-play exposure to UHNWIs, delivered +17.8% growth at constant FX in Asia, highlighting its positioning as a beneficiary of this divergence. Notably, demand for high-end SKUs in China continues to grow, with new client acquisition contributing meaningfully to growth. At the category level, we have also observed resilient momentum in jewellery and watches, with HK retail sales YoY growth accelerating further into 2026 to 20-30%. This likely reflects a combination of high-end appeal, improved value propositions, and favourable FX-adjusted pricing in Hong Kong.

Luxury watch demand in China continues to show signs of bottoming. Total Swiss watch exports by value to Mainland China and Hong Kong on a combined basis grew +2% YoY in Mar-26, rebounding from -7% in Feb-26 despite a tougher comparable base. That said, YoY trends are likely to remain volatile in the coming months, as the comparison period will factor in last year's import duty fluctuations (see [Global Luxury Goods: March Swiss watch exports - Recovery in China continues; US tariff gyration causes YoY growth volatility](#)).

EXHIBIT 52: **Luxury Goods Calendar Year 1Q26 results**

Luxury 1Q26 (calendar year) Results							
(in reporting currency millions)	1Q26	1Q25	1Q21	Organic y/y	Reported y/y	Organic y/5y	Reported y/5y
Brunello Cucinelli (EUR)	369	341	165	+14%	+8%	+129%	+124%
Moncler (EUR)	881	829	365	+12%	+6%		
Moncler brand	767	722	365	+12%	+6%	+126%	+110%
- Retail	674	630	279	+14%	+7%	+168%	+142%
- Wholesale	92	91	86	+3%	+1%	+9%	+7%
Stone Island	114	107		+11%	+6%		
Hermès (EUR)	4,070	4,129	2,084	+6%	-1%	+107%	+95%
Leather Goods & Saddlery	1,849	1,813	988	+9%	+2%	+81%	+87%
RTW and Accessories	1,076	1,149	473	+0%	-6%	+78%	+127%
Silk & Textiles	257	256	148	+8%	+0%	+54%	+73%
Other Hermès sectors	540	544	228	+7%	-1%	+94%	+137%
Perfumes & Beauty	127	129	99	+0%	-2%	+13%	+28%
Watches	135	151	78	-4%	-11%	+23%	+73%
LVMH (EUR)	19,121	20,311	13,959	+1%	-6%	+45%	+37%
Fashion & Leather Goods	9,247	10,108	6,738	-2%	-9%	+46%	+37%
Wines & Spirits	1,273	1,305	1,510	+5%	-2%	-12%	-16%
Perfume & Cosmetics	2,038	2,178	1,550	+0%	-6%	+36%	+31%
Watches & Jewelry	2,443	2,482	1,883	+7%	-2%	+39%	+30%
Selective Retailing	4,048	4,189	2,337	+4%	-3%	+81%	+73%
Kering (EUR)	3,568	3,883	3,890	+0%	-8%	-5%	-8%
Fashion & Leather Goods	2,852	3,129		-3%			
of which Gucci	1,347	1,571	2,168	-8%	-14%	-35%	-38%
Kering Jewelry	269	236		+22%			
Kering Eyewear	489	476		+7%			
Corporate & Other	30	33		+10%			

Source: Company reports, Bernstein analysis

EXHIBIT 53: **Matthieu Blazy's maxi flapbag was on the street before it hit the shelves, injecting the heritage-heavy brand with excitement and urgency, while maintain a reasonable price**

Source: Instagram, Company Website

EXHIBIT 54: Brands with refreshed creative directions are attracting more consumer attention

Store traffic data collected during our store visits, covering 10 luxury malls across 4 cities (2 in Hong Kong, 2 in Shanghai, 3 in Beijing, and 3 in Chengdu)

Soft Luxury Brands	Jan-23	Feb-24	Jan-25	Feb-26	YoY change	YoY change %
Dior	213	145	46	110	▲ 64	▲ 139%
Chanel	462	289	81	186	▲ 105	▲ 130%
Burberry	71	37	30	59	▲ 29	▲ 97%
Louis Vuitton	648	336	146	224	▲ 78	▲ 53%
Gucci	264	80	49	75	▲ 26	▲ 53%
Moncler	162	125	42	53	▲ 11	▲ 26%
Miu Miu	15	14	44	51	▲ 7	▲ 16%
Prada	46	26	36	33	▼ -3	▼ -8%
Hermès	203	47	68	51	▼ -17	▼ -25%
Saint Laurent	71	25	22	12	▼ -10	▼ -45%
Zegna	12	1	0	0	0	n.a.
Total traffic	2,800	1,325	757	1,096	▲ 339	▲ 45%

Note that 2024's data does not include data on Chengdu, reducing the comparability of the year's data

Source: Bernstein analysis

EXHIBIT 55: Matthieu's collection drop in store in March 2026 created a frenzy among customers worldwide

Source: Instagram (@thecut, @solskim_concierge, @alwatanpress)

EXHIBIT 56: Chanel has risen up to one of the hottest brand in China with new creative leadership...

Momentum Rankings - China													
	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24*	3Q24	2Q24	1Q24	4Q23	3Q23	1Q23	Delta vs. T-1
Soft Luxury													
Ralph Lauren	1	3	7	1	2	5	5	5	2	4	3	7	+2
Zegna	2	6	23	8	20	15	10	4	1	3	28	28	+4
Chanel	3	8	9	24	14	20	21	22	22	18	5	9	+5
Dolce & Gabbana	4	14	6	6	17	1	4	18	9	25	23	23	+10
Moncler	5	2	20	15	15	19	16	10	4	10	16	4	-3
Prada	6	5	3	17	11	16	23	24	14	7			-1
Burberry	7	4	4	14	8	18	24	8	20	21	11	22	-3
Chloé	8	24	10	18	24	4	12	9	17	17	8	11	+16
Off-White c/o	9	26	15	22	23	22	22	29	25	28	27	28	+17
Alexander McQueen	10	18	28	27	29	28	26	20	23	20	19	19	+8
Dior	11	11	13	13	13	17	7	13	7	13	4	15	-
Tod's	12	7	12	19	3	6	8	6	26	24	7	6	-5
Hermès	13	17	22	21	16	25	20	19	21	9	22	20	+4
Loro Piana	14	9	1	11	9	10	25	27	27	29	1	24	-5
Miu Miu	15	10	16	9	1	2	1	2	8	1	6	14	-5
Montblanc	16	22	21	4	10	3	3	7	10	14	25	16	+6
Marc Jacobs	17	12	19	26	27	8	6	16	16	19	26	26	-5
Celine	18	16	14	16	19	23	28	28	28	26	20	27	-2
Ferragamo	19	1	2	2	4	14	18	14	18	12	9	2	-18
Saint Laurent	20	13	17	20	25	21	13	15	12	22	13	8	-7
Givenchy	21	25	11	23	18	13	14	25	15	27	28	17	+4
Valentino	22	27	8	12	22	27	29	23	11	15	21	10	+5
Versace	23	28	25	29	12	9	2	1	3	2	15	1	+5
Balenciaga	24	15	24	10	21	26	17	3	6	11	10	21	-9
Gucci	25	19	29	25	26	24	19	17	19	16	24	13	-6
Louis Vuitton	26	23	5	3	7	7	15	11	13	5	12	3	-3
Bottega Veneta	27	29	18	5	5	11	9	12	24	23	14	25	+2
Stella McCartney	28	20	27	28	28	29	27	21	29	6	18	18	-8
Fendi	29	21	26	7	6	12	11	26	5	8	17	12	-8
Hard Luxury													
Hublot	1	3	2	6	10	10	10	4	10	12	5	7	+2
Van Cleef & Arpels	2	4	6	10	4	2	3	1	3	7	9	10	+2
Ray-Ban	3	2	3	1	1	1	2	3	6	4	8	4	-1
Tiffany & Co	4	7	7	11	5	7	7	6	8	5	10	12	+3
Longines	5	9	8	2	3	4	4	2	5	1	2	1	+4
Omega	6	5	10	9	12	9	5	8	7	2	3	2	-1
Rolex	7	1	4	8	8	8	6	5	2	3	1	3	-6
Swatch	8	12	1	4	11	3	9	9	11	9	4	8	+4
Bulgari	12	11	9	7	2	6	8	10	1	8	7	6	-1
Cartier	9	8	11	3	9	5	1	12	4	6	6	11	-1
Harry Winston	10	10	5	12	7	12	12	11	9	10	11	9	-
Piaget	11	6	12	5	6	11	11	7	12	11	12	5	-5

* Please note that we have improved / adjusted our scoring methodology over time; 4Q24 rankings include approximations for RED and Weibo data

Source: Baidu, WeChat, Weibo, RED, Douyin and Bernstein analysis

FIGURE 1: ...as well as in the West

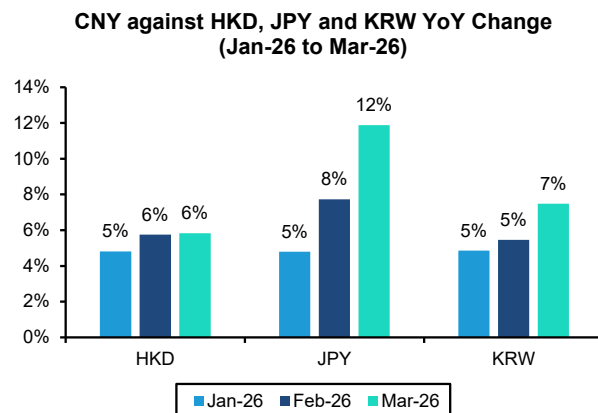
	Momentum rankings - West														Delta vs. T 1
	1H22	3Q22	4Q22	Jan23 to May23	May23 to Aug23	Aug23 to Dec23	Jan24 to May24	May24 to Jul24	Jul24 to Oct24	Oct24 to Dec24	1Q25	2Q25	3Q25	4Q25	1Q26
Soft Luxury															
Zegna								4	15	21	15	2	6	2	1
Chanel	19	10	22	18	3	4	5	17	27	24	21	16	26	13	2
Ferragamo	17	18	13	6	18	18	7	15	8	16	14	8	9	14	3
Loro Piana	1	1	1	1	1	1	2	2	2	6	10	1	1	3	4
Alexander McQueen	21	25	20	26	27	7	15	24	28	28	26	14	6	5	+1
Chloé	15	23	25	24	15	15	16	26	18	9	9	3	11	25	6
Valentino					24	12	14	21	24	20	17	25	23	23	7
Ralph Lauren	26	26	27	26	9	6	12	10	1	3	7	5	7	7	8
Dior	14	13	14	12	7	10	11	6	17	18	26	28	28	26	9
Brunello Cucinelli	2	15	4	2	4	2	1	1	6	11	5	10	5	4	10
Tod's	5	13	5	7	19	19	13	12	11	26	6	7	8	5	11
Miu Miu	11	6	6	8	8	9	6	3	3	2	1	4	3	8	12
Saint Laurent	13	8	11	15	13	13	10	9	7	8	4	6	10	10	13
Bottega Veneta	22	26	24	17	5	3	4	8	4	7	3	12	2	1	14
Balenciaga	4	4	2	3	20	27	8	5	19	19	18	20	13	17	15
Givenchy	24	17	15	11	17	11	20	22	5	5	23	11	27	22	16
Hermès	16	10	10	9	2	5	9	14	13	15	11	17	12	16	17
Moncler	9	8	23	21	23	8	3	7	10	4	20	22	17	9	18
Celine	3	2	3	4	6	17	18	19	22	27	24	23	4	11	19
Stella McCartney	26	19	19	13	12	24	22	18	23	22	16	27	22	24	20
Gucci	25	24	26	25	25	23	27	23	21	12	22	19	25	28	21
Dolce & Gabbana	20	10	21	20	16	21	21	20	20	13	27	24	16	20	22
Louis Vuitton	18	21	12	10	10	14	24	16	12	10	8	14	24	18	23
Versace	7	15	17	19	26	22	25	27	26	25	25	18	20	21	24
Prada	10	7	18	14	11	16	17	13	14	14	13	15	18	12	25
Fendi	23	19	9	23	21	25	19	25	16	17	2	21	15	19	26
Burberry	8	3	7	22	22	26	26	28	9	1	12	9	21	15	27
Marc Jacobs	6	5	8	5	14	20	23	11	25	23	19	13	19	27	28
Hard Luxury															
Swatch	1	1	1	2	10	3	6	11	11	7	1	1	2	7	1
Montblanc	12	8	12	8	9	12	5	2	4	2	9	7	4	2	2
Pandora								6	5	3	5	9	5	3	+2
Rolex	7	5	11	10	8	7	11	9	6	6	8	2	1	1	4
Piaget	8	10	6	7	12	5	1	4	13	5	9	3	9	5	+4
Tiffany & Co	9	13	5	4	4	8	10	12	10	13	14	13	13	14	6
Hublot	3	6	9	12	13	13	13	13	14	14	3	14	6	2	7
Omega	5	2	3	1	7	11	12	3	3	12	12	7	8	8	8
Ray-Ban	13	12	13	13	1	4	4	1	2	4	6	4	4	6	9
Longines	10	4	7	6	6	10	9	7	8	11	7	3	5	3	10
Cartier	6	7	8	5	3	9	7	10	9	10	10	10	12	10	11
Harry Winston	11	10	10	11	5	2	3	8	7	9	11	11	11	11	12
Bulgari	4	9	4	9	11	6	8	14	12	8	13	12	14	13	13
Van Cleef & Arpels	2	3	2	3	2	1	2	5	1	1	4	8	10	12	14

* Please note that we improved our scoring methodology over time.

** YouTube channel has been added from Jan23 onwards

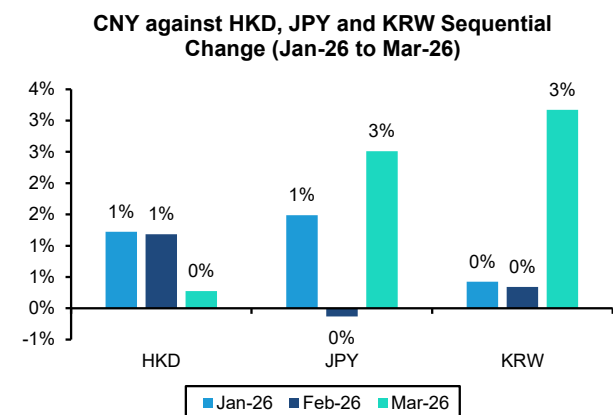
Source: Instagram, YouTube, TikTok, Social Blade, Google trends, Bernstein analysis

EXHIBIT 57: CNY has moved favourably against HKD, KRW and JPY on YoY basis...



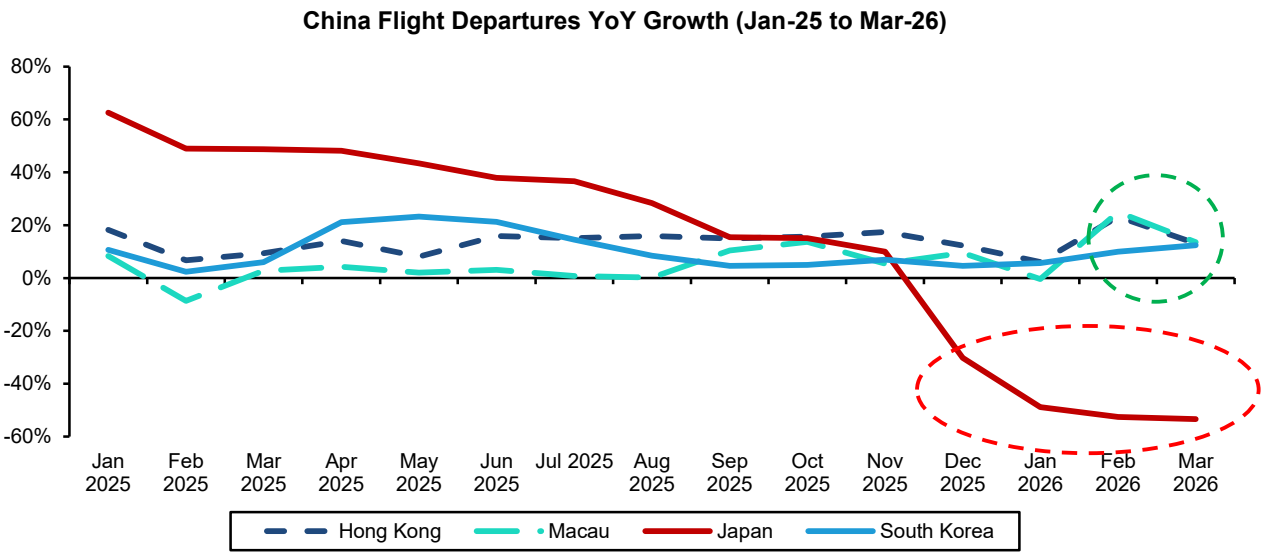
Source: Bloomberg, Bernstein analysis

EXHIBIT 58: ...as well as sequentially



Source: Bloomberg, Bernstein analysis

EXHIBIT 59: **Flight departure from Mainland China to HK, Macau and South Korea has been growing at LDD% in 1Q26, while flight to Japan continued to decline YoY**



Source: SRS, Bernstein analysis

EXHIBIT 60: **The YoY growth of Jewellery and watches retail sales in HK continues to accelerate**

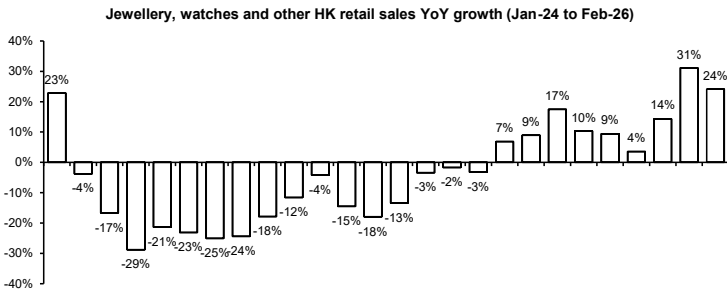
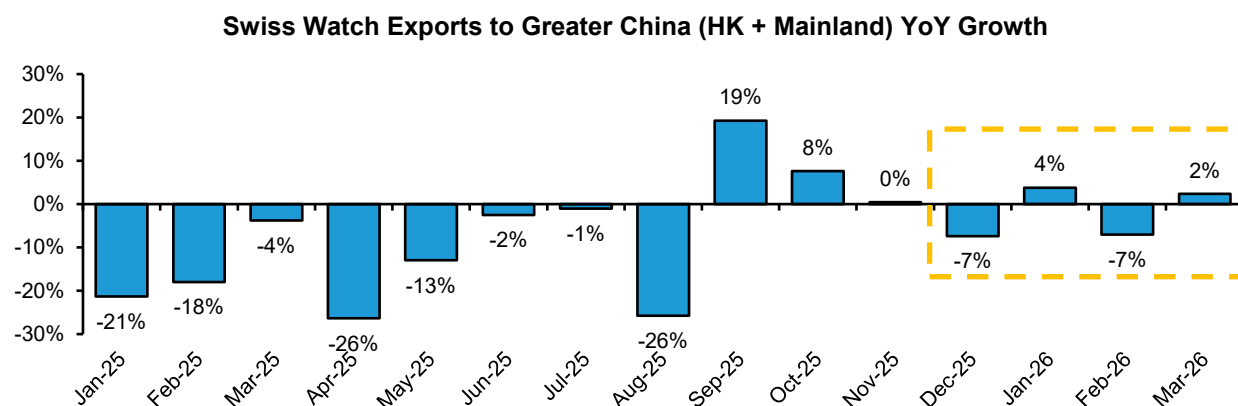


EXHIBIT 61: **Luxury watches demand in China is showing sign of stabilisation**

Source: FHS, Bernstein analysis

CHINA BEAUTY FOR EUROPEAN FOOD & HPC COMPANIES (Exhibit 62 - Exhibit 64)

The Chinese beauty e-commerce market delivered Gross Merchandise Value (GMV) growth in March of +4.1%. Our tracked beauty companies outperformed the market, delivering +5% GMV growth and expanding market share by +117bps, broadly in-line with total Q1 performance at +5.5% for our tracked companies.

China Beauty for European brands: Three of our coverage companies have significant exposure to the premium consumer market in China: L'Oréal, Beiersdorf and Unilever. We track the performance of the companies in the Chinese market by looking at e-commerce data for the Tmall, Taobao and Douyin platforms. This does not capture everything, as it excludes both the Brick & Mortar and Travel Retail sales channels (which includes the important Hainan travel retail destination). However, e-commerce is a hugely important channel for the European brands within China, for L'Oréal e-commerce sales make up 55%-60% of total sales in the country.

Highlighting the three European companies with material exposure to the premium consumer market:

- **L'Oréal** had modest performance in March, delivering +6% growth in GMV alongside significant market share gain of +218bps, slightly behind Q1 growth of 10%. Luxury brands in particular had standout contributions, with Lancôme and YSL driving exceptional momentum, posting GMV growth of +25% and +67%, respectively and YSL observing a +278bps expansion in market share. SkinCeuticals, L'Oréal's Derma brand, also demonstrated remarkable strength, with GMV growth reaching +73% and market share expanding by +309bps. In the mass market segment, L'Oréal Paris showed weak GMV growth of -15%, alongside market share loss of -30bps, with Maybelline also weak at -26% GMV growth.
- **Beiersdorf (consumer)** recorded solid growth of +9% in Q1, with declines for Nivea (-5%) more than offset by very strong growth of La Prairie (+30%) and Eucerin (+33%).
- **Unilever B&PC** experienced a very weak Q1 in China's e-commerce market, with GMV decline of -27%, suggesting broad-based market weakness across many of the mainstream categories in which Unilever operates, albeit a slight improvement from the -39% in Q4. Despite this sharp decline, the company still delivered a modest +63bps market share gain in Q1, supported by stronger performance Dove (+260bps).

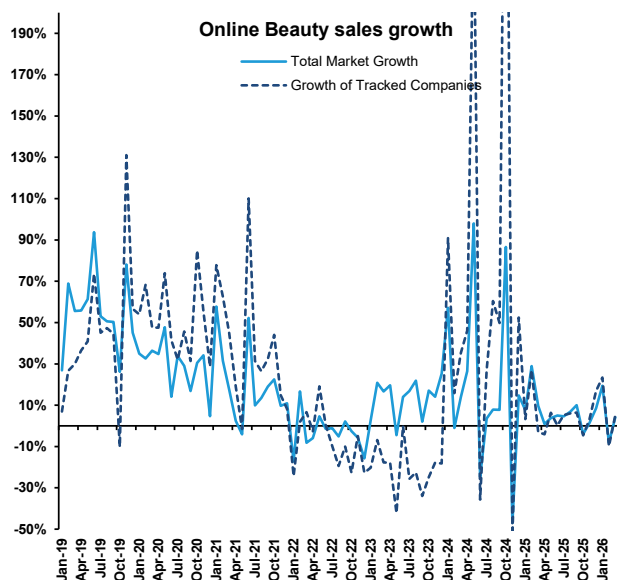
Proya continued to lag competitors in Q1, with sales value down 17% YoY and 58bps market share loss. Main Proya brand fell 33% and color cosmetics TIMAGE plunged 36% in Q1, while smaller brands (Hapsode, UZRO, Correctors, ANYA) performed even worse. Haircare brand Off&Relax was the only bright spot at +93% YoY in Q1, but its smaller scale provided limited offset.

Giant Biogene posted a steep sales decline of 22% YoY in Q1, far behind the brands we are tracking. Both core brands weakened significantly: Kefumei and Collgene dropped 38%-42%. Consumer sentiment in the category remains soft, as noted last month, requiring more aggressive action on promotions, product innovation, and channel expansion to support a

turnaround. These efforts need to intensify before stock performance stabilizes.

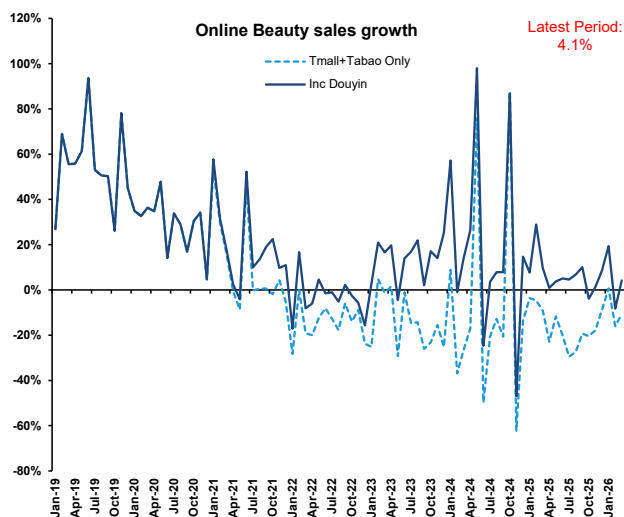
Shiseido's managed to achieve recovery in Q1 with a 9% YoY sales growth and market share gains to +153bps in 2026, but still trailed larger peers like L'Oréal and Estée Lauder, both delivering double-digit YTD growth. The main Shiseido brand remains weak (–11% in Q1) and is a key watch item, near-term performance hinges on stabilization and sustained premium brand momentum of Clé de Peau/NARS. Strength was concentrated in Clé de Peau (+10% in Q1). Smaller brands continue to meaningfully underperform with no visible recovery signals.

EXHIBIT 62: **Beauty market vs tracked company growth**



Source: Moojing, Feigua, Bernstein analysis

EXHIBIT 63: **Beauty market growth including and excluding Douyin**



Source: Moojing, Bernstein analysis

EXHIBIT 64: Value growth, market share change and sale value overview

Company	Sales Value Growth					Market Share Change					Sales Value (RMB millions)			Value Gr.	Mkt Sh. Ch.
	Last 1M	Last 3M	Trend 1M vs 3M	Last 6M	Trend 1M vs 6M	Last 1M	Last 3M	Trend 1M vs 3M	Last 6M	Trend 1M vs 6M	Last 12M	Last 1M	Last 1M/12M	YTD 2026	YTD 2026
L'Oréal	6%	10%	➡	11%	➡	218bps	191bps	➡	258bps	➡	46,399	3,738	8%	10%	191bps
Estée Lauder	41%	33%	➡	24%	➡	378bps	303bps	➡	317bps	➡	20,477	1,788	9%	33%	303bps
Shiseido	16%	9%	➡	3%	➡	168bps	153bps	➡	145bps	➡	11,059	934	8%	9%	153bps
P&G - Beauty Brands	14%	8%	➡	8%	➡	57bps	29bps	➡	66bps	➡	8,507	646	8%	8%	29bps
Proya	-28%	-17%	➡	-13%	➡	-130bps	-58bps	➡	-23bps	➡	11,863	814	7%	-17%	-58bps
LVMH	20%	25%	➡	13%	➡	193bps	163bps	➡	137bps	➡	6,069	517	9%	25%	163bps
Unilever - B&PC	-18%	-20%	➡	-29%	➡	102bps	51bps	➡	41bps	➡	3,443	254	7%	-20%	51bps
Kunming Botanee	12%	5%	➡	-5%	➡	72bps	22bps	➡	34bps	➡	3,612	319	9%	5%	22bps
Bloomage	-69%	-60%	➡	-65%	➡	-76bps	-61bps	➡	-133bps	➡	1,139	56	5%	-60%	-61bps
AmorePacific	-16%	-35%	➡	-41%	➡	-18bps	-69bps	➡	-73bps	➡	1,316	106	8%	-35%	-69bps
Kosé Corporation	1%	-12%	➡	-15%	➡	37bps	7bps	➡	9bps	➡	990	91	9%	-12%	7bps
Clarins	3%	35%	➡	15%	➡	-3bps	75bps	➡	30bps	➡	3,808	316	8%	35%	75bps
LGHH	59%	0%	➡	-14%	➡	65bps	-14bps	➡	-46bps	➡	3,053	292	10%	0%	-14bps
Beiersdorf - Consumer	40%	33%	➡	5%	➡	36bps	29bps	➡	71bps	➡	1,679	159	9%	33%	29bps
Yatsen Holding	7%	7%	➡	11%	➡	-7bps	3bps	➡	12bps	➡	3,704	215	6%	7%	3bps
Shanghai Pehchaolin	23%	16%	➡	52%	➡	37bps	24bps	➡	65bps	➡	3,865	335	9%	16%	24bps
Chicmax	-22%	-23%	➡	-7%	➡	-102bps	-108bps	➡	-66bps	➡	9,156	572	6%	-23%	-108bps
Henkel - Beauty Care	-22%	3%	➡	-24%	➡	56bps	107bps	➡	-46bps	➡	1,328	85	6%	3%	107bps
Shanghai Jahwa	7%	5%	➡	-2%	➡	10bps	12bps	➡	0bps	➡	2,009	183	9%	5%	12bps
Guangdong Marubi	-21%	-15%	➡	-7%	➡	-39bps	-28bps	➡	-25bps	➡	3,126	234	7%	-15%	-28bps
Giant Biogene	-24%	-22%	➡	-27%	➡	27bps	4bps	➡	-74bps	➡	4,164	337	8%	-22%	4bps
Maogeping	80%	35%	➡	30%	➡	159bps	89bps	➡	87bps	➡	3,297	363	11%	35%	89bps
Coty	-10%	2%	➡	12%	➡	-23bps	-86bps	➡	-54bps	➡	990	76	8%	2%	-86bps
L'Occitane	-5%	-6%	➡	-21%	➡	197bps	209bps	➡	97bps	➡	1,322	85	6%	-6%	209bps
Colgate	-56%	-68%	➡	-57%	➡	-20bps	-33bps	➡	-53bps	➡	251	12	5%	-68%	-33bps
Hermes	32%	21%	➡	14%	➡	78bps	79bps	➡	9bps	➡	490	39	8%	21%	79bps
Beauty Tracked Total	5.0%	5.5%	➡	2.8%	➡	117bps	102bps	➡	121bps	➡	157,115	12,566	8.0%	5.5%	102bps

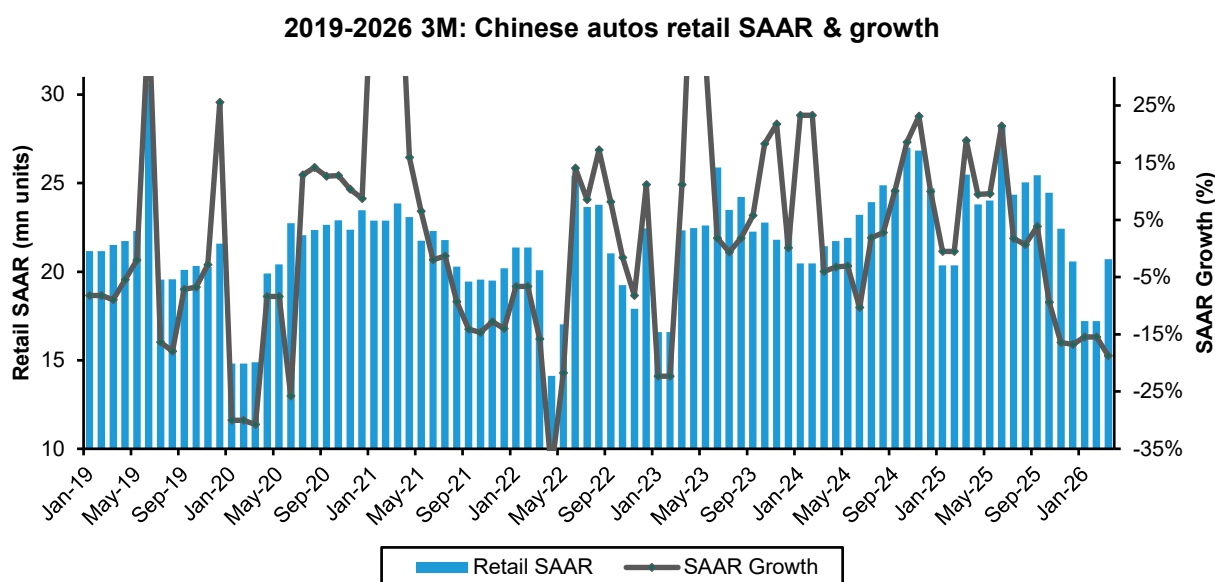
Source: Feigua, Moojing, Bernstein analysis

CHINA AUTOS (Exhibit 65- Exhibit 71)

China's passenger vehicle retail insurance volume registered at 4.2mn units in Q1 2026, down by -17.3% yoy. The sharp yoy decline was mainly pressured by the expiration of trade-in subsidies nationwide, an 5% increase in EV purchase tax, and a high comparison base. EV sales (BEV & PHEV) reached 1.8mn units, down by -23.1% yoy in the quarter. As a result, EV penetration (BEV & PHEV) decreased to 42.9% in Q1 2026, down from 46.1% in Q1 2025 and 57.8% in Q4 2025; BEV and PHEV penetration was 27.9% and 15%, respectively. Premium brand autos sales declined -1.1% yoy in Q1 2026, vs. -0.6% yoy in Q4 2025, and -13.5% yoy in Q1 2025, showing more resilience than mass brands. Premium brand penetration trended to 18.0%, increased from 16.0% in Q4 2025 and 15.0% for the full year of 2025. This is largely due to weakness in the mass-market segment due to its high sensitivity to subsidies. Performance of traditional premium brands diverged: Over Q1, Mercedes, BMW, and Audi's sales volumes were down -27.5%, -8.5%, and -2.2% yoy, respectively. Porsche's sales volume was down -28.7% vs. Q1 2025, and -19.7% vs. Q4 2025. Meanwhile, mass market volume was also weak at -21.3% yoy in Q1 2026, vs. -16.3% yoy in Q4 2025. Geely topped PV sales with 455k units (-10.5% yoy) and BYD Group fell to the second with 377k units (-44.8% yoy).

China PV sales remained under pressure but are showing early signs of recovery. YoY growth weakened to -21.8% in March (vs. c. -14.5% in 2M 2026), largely due to a high subsidy-driven base last year. However, retail SAAR rebounded to 20.7mn units in March from 17.2mn units in January-February, supported by renewed local subsidies and stronger consumer interest following new model launches, as reflected in improving showroom traffic. Looking ahead, the Beijing Auto Show and upcoming launches should provide modest near-term support, though high base effects are expected to persist until Q4. At the brand level, we expect Xiaomi and HIMA (Huawei-backed brands) are well positioned to take further share from incumbent premium brands, leveraging superior technology and product offerings. (For more details, please refer to our [2026 Outlook — Cautious on domestic headwinds, Promising export prospects](#) and our 2025 proprietary survey reports — [Part 1](#) and [Part 2](#)).

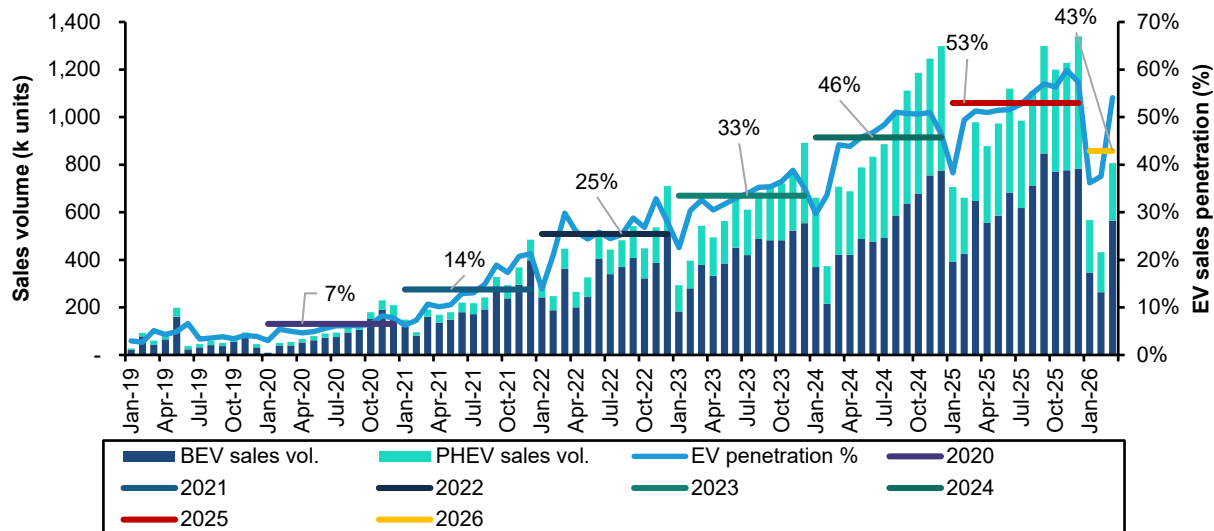
EXHIBIT 65: China's passenger vehicle retail sales reached 4.21mn units, -17.3% yoy, in Q1 2026, vs. -14.1% yoy in Q4 2025



Source: C.A.D. and Bernstein analysis

EXHIBIT 66: **EV sales (BEV & PHEV) declined -23.1% yoy in Q1 2026, vs. +0.9% in Q4; overall EV penetration (BEV & PHEV) reached 42.9% in Q1, and BEV and PHEV penetration were 27.9% and 15.0%, respectively**

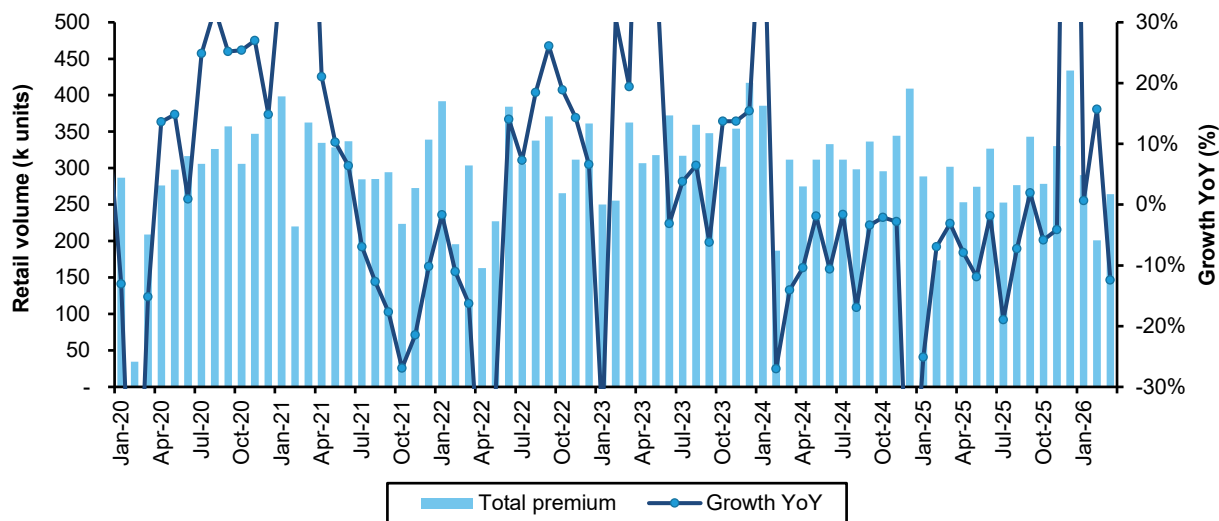
2020-2026 3M: China EV sales volume and penetration



Source: C.A.D. and Bernstein analysis

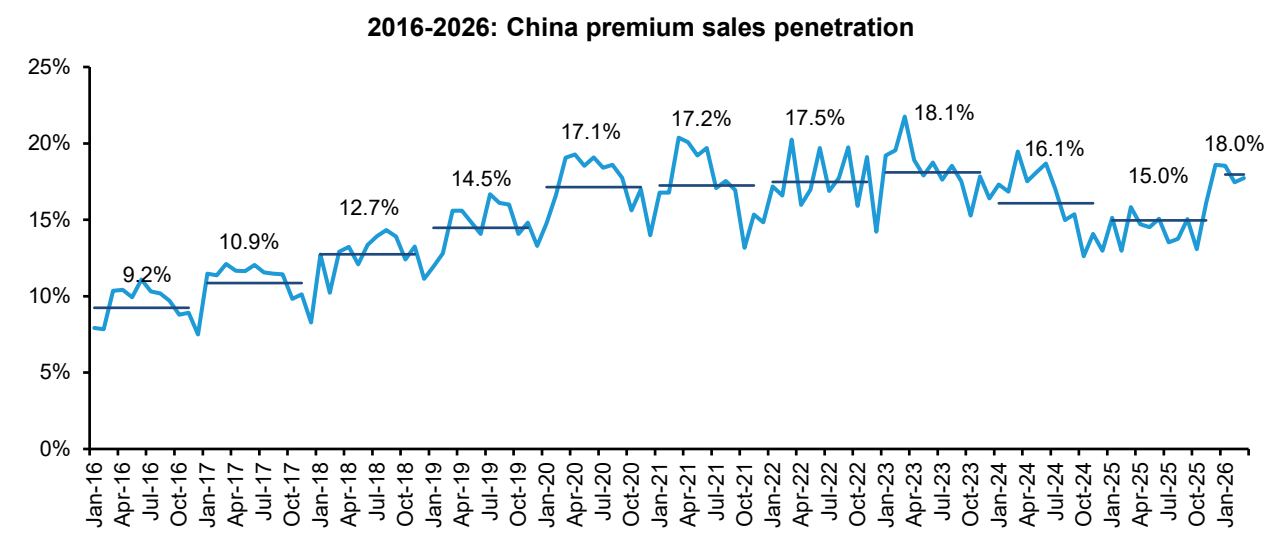
EXHIBIT 67: **Premium brand autos sales decline moderated to -1.1% yoy in Q1 2026, compared to -0.6% yoy in Q4 2025**

2020-2026 3M: China premium brand retail sales volume & growth



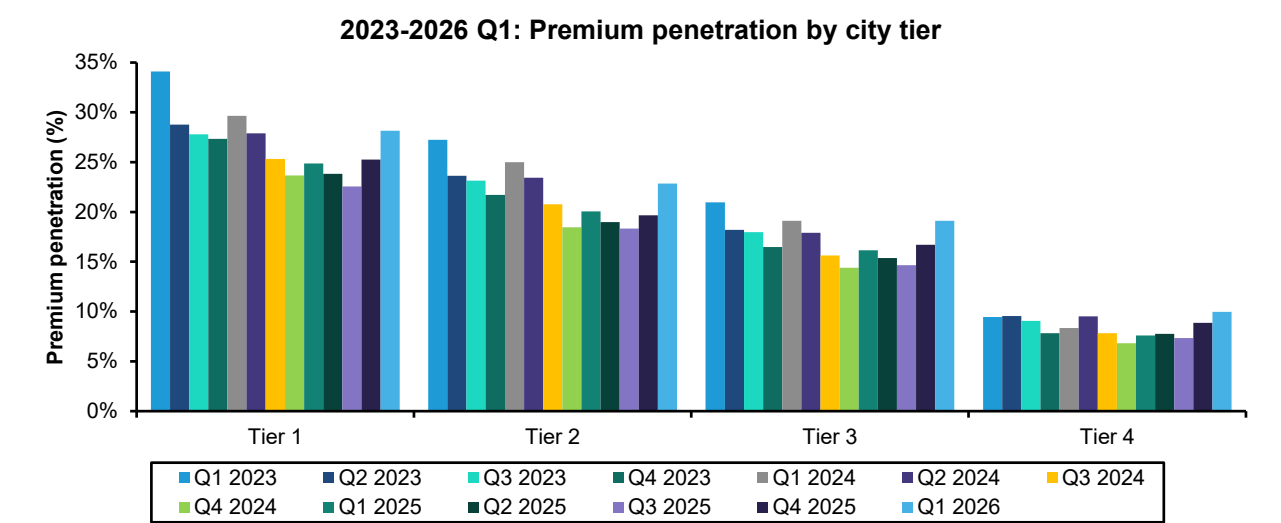
Source: C.A.D. and Bernstein analysis

EXHIBIT 68: **China premium brand auto sales penetration in Q1 2026 trended to 18.0%, improved significantly from 16.0% in Q4 2025 and higher vs. 15.0% for the full year of 2025**



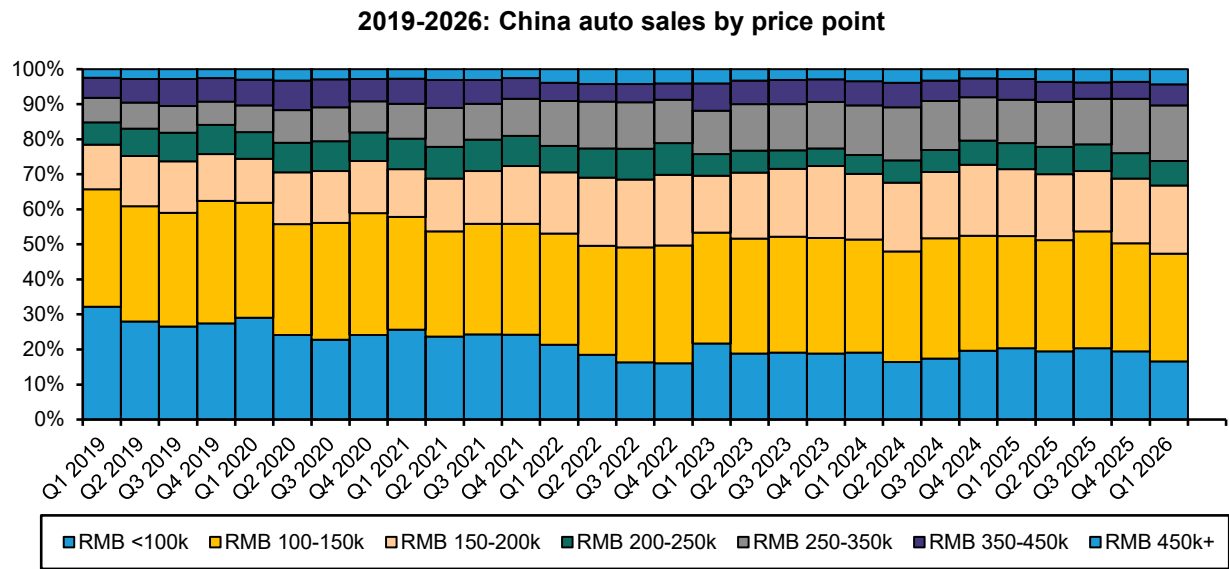
Source: C.A.D. and Bernstein Analysis

EXHIBIT 69: **Premium brand penetration continue to rise across city tiers**



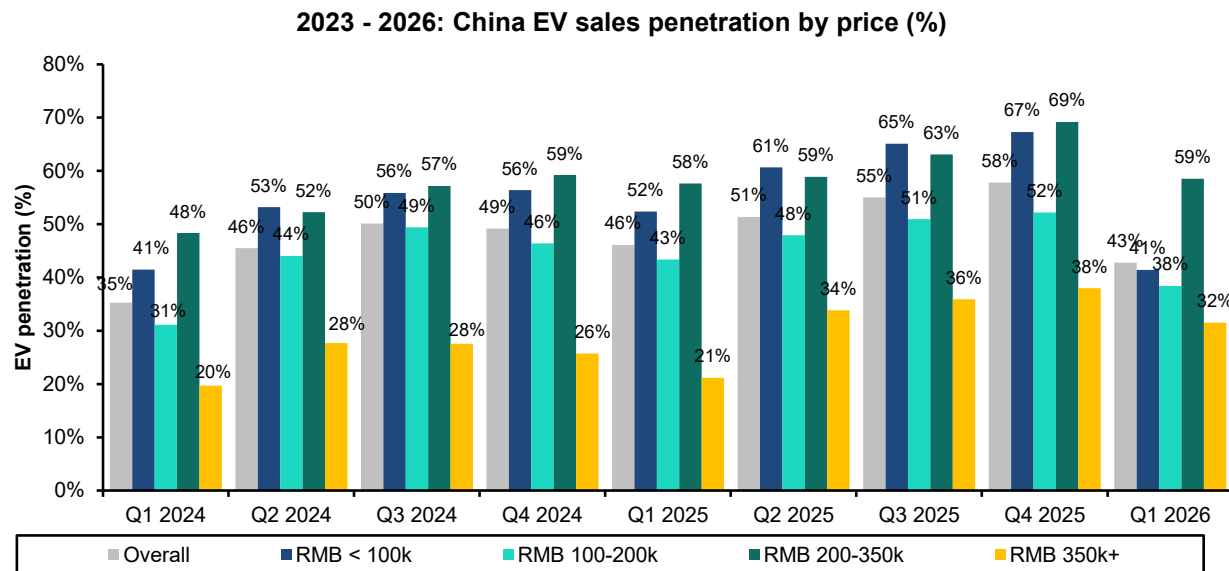
Source: C.A.D. and Bernstein analysis

EXHIBIT 70: **Sales mix of RMB 250k+ autos edged up to 26.2% in Q1 2026, vs. 24.0% in Q4 2025 and 21.1% in Q1 2025**



Source: Company websites, Autohome, C.A.D. and Bernstein analysis

EXHIBIT 71: **The EV penetration in the higher-end price segment continues to trail behind the overall market in Q1 2026**



Source: C.A.D. and Bernstein analysis

CHINA HOME APPLIANCES (Exhibit 72)**Domestic appliance industry sell-through**

Domestic appliance industry sell-through: 1Q26 data point to a continued decline in domestic sell-through, albeit at a slower pace, across both offline and online channels and all AC/RF/WM categories. The key positive is that online ASPs turned positive in 1Q, consistent with our view that any early “stabilization” signal would first surface online, while offline remains the main risk as we exit the quarter.

Offline, AC sell-through stayed weak in 1Q26, with value down 13% YoY and volume down 7% YoY, implying a 7% ASP decline and pressure on both volume and price. WM showed a similar start-of-year softness offline, with value down 10% YoY, volume down 2% YoY, and ASP down 8% YoY. RF data for February and March are not yet available, but we do not expect a material deviation from the broad-based offline demand slump combined with softer pricing.

Online trends tell a similar story, but with weakness concentrated in volumes rather than price. For AC, online value and volume both declined 23% YoY, with flat ASP, in contrast to offline where both volume and price fell. RF and WM online followed the same pattern: RF value -14% YoY / volume -23% YoY (ASP +11%), and WM value -9% YoY / volume -23% YoY (ASP +18%), suggesting ASPs have turned after a period of heavy discounting. A more durable recovery, however, requires volume growth to resume alongside firmer ASPs.

On a blended online + offline basis, 1Q26 extends the downshift that began in 4Q25, with the magnitude of the decline split fairly evenly between channels. AC was down 18% in value and 15% in volume (ASP -10%), RF down 14% in value and 23% in volume (ASP +11%), and WM down 10% in value and 13% in volume (ASP +5%). The consistent pattern across categories is that volume contraction remains the primary drag, while ASP pressure is less of a dominant driver, particularly as online pricing has already started to improve.

EXHIBIT 72: Appliance Industry Sell-through (Domestic)

Industry sell-through (domestic)		FY 2024	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	1Q25	2Q25	3Q25	4Q25	1Q26
Industry offline	AC (value)	10%	30%	9%	-41%	-51%	-52%	-56%	25%	-51%	-11%	22%	22%	-1%	-53%	-13%
	AC (volume)	6%	27%	8%	-36%	-45%	-43%	-50%	39%	-51%	-4%	18%	19%	1%	-46%	-7%
	AC (ASP)	4%	3%	0%	-8%	-11%	-16%	-13%	-10%	0%	-7%	3%	3%	-2%	-13%	-7%
	RF (value)	14%	15%	9%	-36%	-41%	-48%	-48%	5%	-	-	12%	14%	-10%	-45%	-
	RF (volume)	7%	9%	7%	-31%	-36%	-40%	-42%	5%	-	-	8%	10%	-8%	-39%	-
	RF (ASP)	7%	6%	2%	-7%	-8%	-14%	-11%	0%	-	-	4%	4%	-1%	-11%	-
	WM (value)	13%	10%	4%	-38%	-43%	-47%	-49%	4%	-22%	-14%	10%	11%	-14%	-46%	-10%
	WM (volume)	10%	0%	-1%	-33%	-38%	-38%	-40%	8%	-13%	-4%	4%	6%	-15%	-39%	-2%
	WM (ASP)	3%	9%	6%	-7%	-8%	-15%	-15%	-4%	-11%	-10%	6%	4%	1%	-12%	-8%
Industry online	AC (value)	2%	80%	22%	-28%	-7%	4%	-59%	82%	-40%	-18%	79%	61%	31%	-19%	-23%
	AC (volume)	8%	84%	23%	-27%	-5%	4%	-56%	89%	-40%	-21%	73%	54%	34%	-16%	-23%
	AC (ASP)	-6%	-2%	-1%	-1%	-2%	-1%	-7%	-7%	1%	4%	3%	5%	-2%	-3%	0%
	RF (value)	6%	5%	47%	-25%	1%	3%	-39%	-20%	1%	-18%	47%	22%	2%	-10%	-14%
	RF (volume)	4%	17%	47%	-12%	10%	8%	-33%	-28%	-13%	-24%	45%	22%	15%	-3%	-23%
	RF (ASP)	2%	-10%	0%	-15%	-8%	-5%	-9%	11%	16%	8%	1%	1%	-11%	-7%	11%
	WM (value)	5%	82%	53%	-17%	6%	8%	-32%	-16%	2%	-11%	50%	25%	25%	-4%	-9%
	WM (volume)	5%	18%	38%	-16%	4%	5%	-36%	-32%	-13%	-22%	52%	30%	8%	-7%	-23%
	WM (ASP)	5%	54%	11%	-1%	1%	3%	5%	23%	18%	14%	-1%	-4%	15%	3%	18%
Industry online & offline average growth	AC (value)	6%	55%	15%	-34%	-29%	-24%	-58%	53%	-45%	-15%	51%	42%	15%	-36%	-18%
	AC (volume)	7%	56%	16%	-32%	-25%	-19%	-53%	64%	-46%	-12%	46%	36%	18%	-31%	-15%
	AC (ASP)	-1%	0%	0%	-4%	-6%	-8%	-10%	-9%	1%	-2%	3%	13%	0%	-11%	-10%
	RF (value)	10%	10%	28%	-31%	-20%	-23%	-44%	-8%	1%	-18%	29%	18%	-4%	-28%	-14%
	RF (volume)	6%	13%	27%	-21%	-13%	-16%	-37%	-12%	-13%	-24%	26%	16%	3%	-21%	-23%
	RF (ASP)	4%	-2%	1%	-11%	-8%	-10%	-10%	5%	16%	8%	2%	2%	-6%	-9%	11%
	WM (value)	9%	46%	29%	-27%	-19%	-19%	-41%	-6%	-10%	-12%	30%	18%	5%	-25%	-10%
	WM (volume)	8%	9%	19%	-25%	-17%	-16%	-38%	-12%	-13%	-13%	28%	18%	-3%	-23%	-13%
	WM (ASP)	4%	32%	8%	-4%	-3%	-6%	-5%	9%	4%	2%	3%	0%	8%	-4%	5%

Source: Bloomberg, CMM, Bernstein analysis

Pop Mart (Exhibit 73)

Although Pop Mart is not an industry sector, it's an impactful stock and its movement may reflect the overall toy sector sentiment. Data covering both actual transactions (sales, resale activity) and key demand signals (engagement, search interest through March 2026 confirms the transition from deceleration to outright contraction in the U.S., broadening weakness across the full IP portfolio, and a new signal — the erosion of secret SKU premiums — that suggests even scarcity-driven demand is now fading. No fundamental inflection is evident in any monitored indicator.

China demand divergent: online GMV strength vs. with offline and engagement weakness. 1Q26 combined (offline + online) tracked growth implies +75% YoY, a step-down from +103% in 2H25. China online third-party GMV grew +88% YoY in Q1 (4% MoM), decelerating from +119% in 2H25. China offline 1Q tracked retail sales grew +40% YoY, down from +57% in 2H25 (+85% YoY in Q4). We estimate Q1 China online revenue at RMB 1.7bn (+82% YoY) and offline at RMB 2.6bn (+45% YoY). The deceleration is clear and consistent across both channels. Engagement metrics are falling: Baidu search declined -34% MoM (CN) and -18% MoM (ENG); Red Note interactions -64% MoM; and WeChat was flat. The resale market prices down -2% MoM and -35% YoY, and volumes fell a further -5% MoM and -51% YoY.

Overseas broader weakness beyond the U.S. remains a concern. The implied math from total overseas website traffic declining -22% YoY against U.S.-specific traffic at -31% YoY. If the current trajectory of U.S. offline contraction persists beyond Q1, the overseas revenue estimate faces meaningful downside risk. Margin risk compounds as new U.S. stores in premium North American retail face structurally higher rent and labor costs versus China; if these locations were opened to capitalise on LABUBU's viral moment but now face declining traffic, they risk becoming fixed-cost drags generating lower productivity while carrying premium lease obligations.

EXHIBIT 73: Summary of Pop Mart Tracker - March

China Growth Indicators					
Engagement and Social Media Indicators	Mar MoM Growth %	Mar vs. Jun Peak %	Source	Methodology	Last Updated
Red Note Index (CN)	22% ●	-85.0% ●	Qiangua	Period average vs. Period average**	Apr-26
Red Note Index (ENG)	-64% ●	-91.7% ●	Qiangua	Period average vs. Period average**	Apr-26
Baidu Index (CN)	-34% ●	-94.5% ●	Baidu	Period average vs. Period average	Apr-26
Baidu Index (ENG)	-18% ●	-97.7% ●	Baidu	Period average vs. Period average	Apr-26
WeChat Index (CN)	0% ●	-88.5% ●	WeChat	Period average vs. Period average**	Apr-26
Resale Market Indicators	Mar MoM Growth %	Mar YoY Growth % ***	Source	Methodology	Last Updated
Pricing Trends	-2% ●	-35% ●	Qiandao	Period end vs. Period end	Apr-26
Labubu Price Premium (non-secrete)*	-13% ●	-8% ●	Qiandao	N/A	Apr-26
Other Select IPs Premium (non-secret)*	-10% ●	-7% ●	Qiandao	N/A	Apr-26
Volume Trends	-5% ●	-51% ●	Qiandao	Period average vs. Period average	Apr-26
Overseas and Global Indicators					
Site Visitor Data and Engagement	Mar MoM Growth %	Mar YoY Growth % ***	Source	Methodology	Last Updated
Page Visits (www.popmart.com)	-4% ●	-22% ●	Similarweb	Period total vs. Period total	Apr-26
Average Pages per Visit (www.popmart.com)	-2% ●	-32% ●	Similarweb	Period average vs. Period average	Apr-26
Page View (www.popmart.com)	-6% ●	-47% ●	Similarweb	Period total vs. Period total	Apr-26
Engagement and Social Media Indicators	Mar MoM Growth %	Mar vs. Jun Peak %	Source	Methodology	Last Updated
Instagram - New followers	-17% ●	-70% ●	InsTrack	Period average vs. Period average**	Apr-26
Instagram - Average likes	-53% ●	-29% ●	InsTrack	Period average vs. Period average**	Apr-26
Google Trends	-20% ●	-91% ●	Google	Period average vs. Period average	Apr-26
App - Downloads	107% ●	-75% ●	Sensor Tower	Period total vs. Period total	Apr-26
App - DAU	-14% ●	-43% ●	Sensor Tower	Period average vs. Period average	Apr-26
Resale Market Indicators	Mar MoM Growth %	Mar YoY Growth % ***	Source	Methodology	Last Updated
Pricing Trends	-3% ●	-47% ●	StockX	Period end vs. Period end	Apr-26
China Transaction Indicators					
Transaction Data - China	Mar MoM Growth %	Mar YoY Growth % *	Source	Methodology	Last Updated
Online Platform GMV (Tmall/Taobao/Douyin/JD)	4% ●	105% ●	Moojing	Period total vs. Period total	Apr-26
Online Flagship Stores GMV (Tmall/Taobao/Douyin/JD)	18% ●	101% ●	Moojing	Period total vs. Period total	Apr-26
Offline Average Same Store Sales	-17% ●	31% ●	Meritco	Period total vs. Period total	Apr-26
Offline Average Same Store Sales/Square Meter	-22% ●	28% ●	Meritco	Period total vs. Period total	Apr-26

* The resale prices of select series of Labubu and other key IP, including Crybaby and Twinkle Twinkle, are webscrapped and will compared on a monthly basis going forward

** We modified our analysis methodology from comparing period end to period average, taking 10th, 20th, and 30th/31st of each month for monthly comparison

*** For products launched less than 1 year, we calculated growth rate by comparing March level and that in the first month the products launched
Source: Qiangua, Baidu, WeChat, Qiandao, Similarweb, InsTrack, Google, Sensor Tower, StockX, Moojing

DISCLOSURE APPENDIX

I. REQUIRED DISCLOSURES

References to "Bernstein" or the "Firm" in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社) and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

Bernstein is part of a joint venture between Société Générale (SG) and AllianceBernstein, L.P. (AB). Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein's "affiliates" relate to both SG and AB and their respective affiliates.

VALUATION METHODOLOGY

This research publication covers six or more companies. For valuation methodology and other company disclosures:

Please visit: <https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action>.

Or, you can also write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

RISKS

This research publication covers six or more companies. For risks and other company disclosures:

Please visit: <https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action>.

Or, you can also write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION**EQUITY RATINGS DEFINITIONS****Bernstein brand**

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIA) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/- 15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/- 10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

- **Credit Neutral (C-N):** The total return of the Reference Credit Instrument is expected to perform in line with the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- **Credit Underperform (C-UP):** The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	51.1%	16.5%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	36.3%	17.8%
Underperform	SELL	12.6%	14.9%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.

As of March 31, 2026. All figures are updated quarterly.

Prior to April 1, 2024, Sanford C. Bernstein & Co., LLC. issued the ratings and price target information in the graph(s) below for the following companies: Nike Inc, adidas AG and Lululemon Athletica Inc.

PRICE CHARTS/ RATINGS AND PRICE TARGET HISTORY

This research publication covers six or more companies. For price chart and other company disclosures, please visit <https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action> or you can write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

CONFLICTS OF INTEREST

SG and/or its affiliates beneficially own 1% or more of a class of common equity securities of the following companies: Moncler SpA, Great Wall Motor Co Ltd, adidas AG and Burberry Group PLC.

Bernstein Autonomous LLP or BSG France SA, beneficially, has either a net long or short position of 0.5% or more of the total issued share capital of a class of common equity securities of the following MiFID eligible securities: On Holding AG, Burberry Group PLC, Hyatt Hotels Corp and Li Ning Co Ltd.

AB and/or its affiliates beneficially own 1% or more of a class of common equity securities of the following companies: Burberry Group PLC, Hyatt Hotels Corp and Li Ning Co Ltd.

Bernstein and/or affiliates have received compensation for investment banking services in the past twelve months from Kering SA, L'Oréal, Accor SA, Burberry Group PLC, LVMH Moët Hennessy Louis Vuitton SE and Midea Group Co Ltd.

Bernstein has received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Hermes International.

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Swatch Group AG/The, Cie Financiere Richemont SA, Kering SA, EssilorLuxottica SA, Beiersdorf, L'Oréal, Unilever, BYD Co Ltd, Geely Automobile Holdings Ltd, SAIC Motor Corp Ltd, Accor SA, Burberry Group PLC, Hilton Worldwide Holdings Inc and LVMH Moët Hennessy Louis Vuitton SE.

An affiliate of Bernstein has received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Beiersdorf and Li Auto Inc.

Bernstein and/or affiliates expect to receive or intend to seek compensation for investment banking services in the next three months from Kering SA, EssilorLuxottica SA, L'Oréal and Accor SA.

Certain affiliates of Bernstein act as market maker or liquidity provider in the equities securities of: Hermes International, Swatch Group AG/The, Cie Financiere Richemont SA, Moncler SpA, Kering SA, EssilorLuxottica SA, Expedia Group Inc, TripAdvisor Inc, Beiersdorf, L'Oréal, Unilever, Nike Inc, adidas AG, Lululemon Athletica Inc, Accor SA, On Holding AG, Burberry Group PLC, Marriott International Inc, Hilton Worldwide Holdings Inc, InterContinental Hotels Group PLC, LVMH Moët Hennessy Louis Vuitton SE, Airbnb Inc, Booking Holdings Inc, Amer Sports Inc, Brunello Cucinelli and Salvatore Ferragamo SpA.

Certain affiliates of Bernstein act as market maker or liquidity provider in the debt securities of: Cie Financiere Richemont SA, Kering SA, Expedia Group Inc, L'Oréal, Unilever, Geely Automobile Holdings Ltd, adidas AG, Accor SA, LVMH Moët Hennessy Louis Vuitton SE and Booking Holdings Inc.

Bernstein and/or affiliates had an investment banking client relationship during the past twelve months with Kering SA, EssilorLuxottica SA, L'Oréal, Accor SA, Burberry Group PLC, LVMH Moët Hennessy Louis Vuitton SE and Midea Group Co Ltd.

Affiliates of Bernstein managed or co-managed in the past twelve months a public offering of securities of L'Oréal, Accor SA and LVMH Moët Hennessy Louis Vuitton SE.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

- +1 Bernstein Institutional Services LLC; New York, New York, USA
- +44 Bernstein Autonomous LLP; London UK
- +212 Société Générale Africa Technologies & Services; Casablanca, Morocco
- +33 BSG France S.A.; Paris, France
- +34 BSG France S.A.; Madrid, Spain
- +41 Bernstein Autonomous LLP; Geneva, Switzerland
- +49 BSG France S.A.; Frankfurt, Germany
- +91 Sanford C. Bernstein (India) Private Limited; Mumbai, India
- +852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China
- +65 Sanford C. Bernstein (Singapore) Private Limited; Singapore
- +81 Sanford C. Bernstein Japan KK; Tokyo, Japan

Where this report has been prepared by research analyst(s) employed by a non-US affiliate, such analyst(s), is/are (unless otherwise expressly noted below) not registered as associated persons of Bernstein Institutional Services LLC or any other SEC-registered broker-dealer and are not licensed or qualified as research analysts with FINRA. Accordingly, such analyst(s) may not be subject to FINRA's restrictions regarding (among other things) communications by research analysts with a subject company, interactions between research analysts and investment banking personnel, participation by research analysts in solicitation and marketing activities relating to investment banking transactions, public appearances by research analysts, and trading securities held by a research analyst account.

Where this report has been prepared by research analyst(s) employed by Société Générale Africa Technologies & Services (part of the Société Générale group of companies), it has been prepared on behalf of a Bernstein company under a Global Services Agreement in place between Bernstein and Société Générale.

CERTIFICATION

Each research analyst listed in this report, who is primarily responsible for the preparation of the content of this report, certifies that all of the views expressed in this publication accurately reflect that analyst's personal views about any and all of the subject securities or issuers and that no part of that analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this publication.

II. ADDITIONAL GLOBAL CONFLICT DISCLOSURES

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e., the private side) within the Firm, and into other areas, units, groups or affiliates (i.e., public side) of the Firm.

III. OTHER IMPORTANT INFORMATION AND DISCLOSURES

Separate branding is maintained for "Bernstein" and "Autonomous" research products.

- Bernstein produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis under both the "Autonomous" and "Bernstein" brands. Recommendations contained within one type of research product may differ from recommendations contained within other types of research products, whether as a result of differing time horizons, methodologies or otherwise. Furthermore, views or recommendations within a research product issued under one brand may differ from views or recommendations under the same type of research product issued under the other brand. The Research Ratings System for the two brands and other information related to those Rating Systems are included in the previous section.
- Autonomous operates as a separate business unit within the following entities: Bernstein Institutional Services LLC, Bernstein Autonomous LLP, Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 and Sanford C. Bernstein (India) Private Limited. For information relating to "Autonomous" branded products (including certain Sales materials) please visit: www.autonomous.com. For information relating to Bernstein branded products please visit: www.bernsteinresearch.com.

Analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to, generating investment banking revenues.

This report has been produced by an independent analyst as defined in Article 3 (1)(34)(i) of EU 596/2014 Market Abuse Regulation ("MAR") and the same article of MAR as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

To our readers in the United States: Bernstein Institutional Services LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and a member of the U.S. Financial Industry Regulatory Authority, Inc. ("FINRA") is distributing this publication in the United States and accepts responsibility for its contents. Where this material contains an analysis of debt product(s), such material is intended only for institutional investors and is not subject to the US independence and disclosure standards applicable to debt research prepared for retail investors.

Bernstein Institutional Services LLC may act as principal for its own account or as agent for another person (including an affiliate) in sales or purchases of any security which is a subject of this report. This report does not purport to meet the objectives or needs of any specific individuals, entities or accounts.

To our readers in Canada: If this publication pertains to a Canadian domiciled company, it is being distributed in Canada by Sanford C. Bernstein (Canada) Limited, which is licensed and regulated by the Canadian Investment Regulatory Organization. If the publication pertains to a non-Canadian domiciled company, it is being distributed by Bernstein Institutional Services LLC, which is licensed and regulated by both the SEC and FINRA, into Canada under the International Dealers Exemption.

This document may not be passed onto any person in Canada unless that person qualifies as "permitted client" as defined in Section 1.1 of NI 31-103.

To our readers in Brazil: This report has been prepared by Bernstein Institutional Services LLC, and Banco BTG Pactual S.A. ("BTG") is responsible for the distribution of this report in Brazil.

To readers in the United Kingdom: This publication has been issued or approved for issue in the United Kingdom by Bernstein Autonomous LLP, authorised and regulated by the Financial Conduct Authority and located at 60 London Wall, London EC2M 5SH, +44 (0)20-7170-5000. Registered in England & Wales No OC343985.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

To our readers in the member states of the EEA: This publication is being distributed by BSG France SA, which is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Autorité des Marchés Financiers (AMF).

To our readers in Hong Kong: This publication is being distributed in Hong Kong by Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, which is licensed and regulated by the Hong Kong Securities and Futures Commission (Central Entity No. AXC846) to carry out Type 4 (Advising on Securities) regulated activities and subject to the licensing conditions mentioned in the SFC Public Register (<https://www.sfc.hk/publicregWeb/corp/AXC846/details>). This publication is solely for professional investors, as defined in the Securities and Futures Ordinance (Cap. 571). The purpose of this report is solely to provide an analysis of the issuers referred to in this report and is not intended for any purpose contrary to the laws of Hong Kong.

To our readers in Singapore: This publication is being distributed in Singapore by Sanford C. Bernstein (Singapore) Private Limited, only to accredited investors or institutional investors, as defined in the Securities and Futures Act 2001 of Singapore ("SFA"). Recipients in Singapore should contact Sanford C. Bernstein (Singapore) Private Limited in respect of matters arising from, or in connection with, this publication. Sanford C. Bernstein (Singapore) Private Limited is regulated by the Monetary Authority of Singapore and licensed under the SFA as a capital markets services licence holder for dealing in capital markets products that are securities and collective investment schemes and an exempt financial adviser for advising on, issuing and promulgating analyses and reports on securities. Sanford C. Bernstein (Singapore) Private Limited is registered in Singapore with Company Registration No. 20213710W and located at One Raffles Quay, #27-11 South Tower, Singapore 048583, +65-6230-4612.

To our readers in the People's Republic of China: The securities referred to in this document are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, the "PRC") in contravention of any applicable laws of the PRC.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

We do not represent that this document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

To our readers in Japan: This publication is being distributed in Japan by Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社), which is registered in Japan as a Financial Instruments Business Operator with the Kanto Local Finance Bureau (registration number: The Director-General of Kanto Local Finance Bureau (FIBO) No.3387) and regulated by the Financial Services Agency. It is also a member of Japan Investment Advisers Association. This publication is solely for qualified institutional investors in Japan only, as defined in Article 2, paragraph (3), items (i) of the Financial Instruments and Exchange Act.

For the institutional client readers in Japan who have been granted access to the Bernstein website by Daiwa Securities Group Inc. ("Daiwa"), your access to this document should not be construed as meaning that Bernstein is providing you with investment advice for any purposes. Whilst Bernstein has prepared this document, your relationship is, and will remain with, Daiwa, and Bernstein has neither any contractual relationship with you nor any obligations towards you.

To our readers in Australia: Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is responsible for distributing research in Australia. It is regulated by the Securities and Exchange Commission under U.S. laws, by the Financial Conduct Authority under U.K. laws, which differs from Australian laws. Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

To our readers in India: This publication is being distributed in India by Sanford C. Bernstein (India) Private Limited (SCB India) which is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. SCB India is currently engaged in the business of providing research and stock broking services. Please refer to www.bernsteinresearch.in for more information.

- SCB India is a Private limited company incorporated under the Companies Act, 2013, on April 12, 2017 bearing corporate identification number U65999MH2017FTC293762, and registered office at Level 3A, 4th Floor, First International Financial Centre, Plot Nos C-54 and C-55, G Block, Near CBI Office, Bandra Kurla Complex, Bandra (East), Mumbai 400098, Maharashtra, India (Phone No: +91-22-68421401).
- For details of Associates (i.e., affiliates/group companies) of SCB India, kindly email MUM-BERNSTEIN-InCompliance@bernsteinsg.com.
- SCB India does not have any disciplinary history as on the date of this report.
- Except as noted above, SCB India and/or its Associates (i.e., affiliates/group companies), the Research Analysts authoring this report, and their relatives
 - do not have any financial interest in the subject company
 - do not have actual/beneficial ownership of one percent or more in securities of the subject company;
 - is not engaged in any investment banking activities for Indian companies, as such;
 - have not managed or co-managed a public offering in the past twelve months for any Indian companies;
 - have not received any compensation for investment banking services or merchant banking services from the subject company in the past 12 months;
 - have not received compensation for brokerage services from the subject company in the past twelve months;
 - have not received any compensation or other benefits from the subject company or third party related to the specific recommendations or views in this report; and
 - do not currently, but may in the future, act as a market maker in the financial instruments of the companies covered in the report.
 - do not have any conflict of interest in the subject company as of the date of this report.
- Except as noted above, the subject company has not been a client of SCB India during twelve months preceding the date of distribution of this research report. Neither SCB India nor its Associates (i.e., affiliates/group companies) have received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months.

- The principal research analyst(s) who prepared this report, members of the analysts' team, and members of their households are not an officer, director, employee or advisory board member of the companies covered in the report.
- Our Compliance officer / Grievance officer is Ms. Rupal Talati, who can be reached at +91-22-68421451, or MUM-BERNSTEIN-InCompliance@bernsteinsg.com / Scbin-investorgrievance@bernsteinsg.com
- The Research investor charter and Terms & Conditions of SCB India are available on its website and may be accessed at [Sanford C. Bernstein \(India\) Private Limited](https://bernsteinresearch.in/) (<https://bernsteinresearch.in/>) for your reference.
- Disclaimer: Registration granted by SEBI, and certification from NISM, is in no way a guarantee of performance of the intermediary or provide any assurance of returns to investors. Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

To our readers in Switzerland: This document is provided in Switzerland by or through Bernstein Autonomous LLP, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

To our readers in the Middle East: Bernstein Autonomous LLP, DIFC branch has its principal office at Gate Village 06, DIFC, Dubai, UAE. Bernstein Autonomous LLP, DIFC branch is regulated by the Dubai Financial Services Authority (DFSA) with the registration number CL10040 and is provisioned for Arranging Deals in Investments and Advising on Financial Products. All communications and services are directed at Professional Clients and Market Counterparties only (as defined in the DFSA rulebook). Persons other than Professional Clients and Market Counterparties, such as Retail Clients, are not the intended recipients of our communications or services.

LEGAL

All research publications are disseminated to our clients through posting on the firm's password protected websites, bernsteinresearch.com and autonomous.com. Certain, but not all, research publications are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience.

This publication has been published and distributed in accordance with the Firm's policy for management of conflicts of interest in investment research, a copy of which is available from Bernstein Institutional Services LLC, Director of Compliance, 245 Park Avenue, New York, NY 10167. Additional disclosures and information regarding Bernstein's business are available on our website www.bernsteinresearch.com.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any of the entities referenced herein or any of their subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. This publication is based upon public sources we believe to be reliable, but no representation is made by us that the publication is accurate or complete. We do not undertake to advise you of any change in the reported information or in the opinions herein. This publication was prepared and issued by entity referred to herein for distribution to eligible counterparties or professional clients. This publication is not an offer to buy or sell any security, and it does not constitute investment, legal or tax advice. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with their professional advisors in light of their specific circumstances. The value of investments may fluctuate, and investments that are denominated in foreign currencies may fluctuate in value as a result of exposure to exchange rate movements. Information about past performance of an investment is not necessarily a guide to, indicator of, or assurance of, future performance.

This report is directed to and intended only for our clients who are "eligible counterparties", "professional clients", "institutional investors" and/or "professional investors" as defined by the aforementioned regulators, and must not be redistributed to retail clients as defined by the aforementioned regulators. Retail clients who receive this report should note that the services of the entities noted herein are not available to them and should not rely on the material herein to make an investment decision. The result of such act will not hold the entities noted herein liable for any loss thus incurred as the entities noted herein are not registered/ authorised/ licensed to deal with retail clients and will not enter into any contractual agreement/arrangement with retail clients. This report is provided subject to the terms and conditions of any agreement that the clients may have entered into with the entities noted herein. All research reports are disseminated on a simultaneous basis to eligible clients through electronic publication to our client portal.

The information in this report was prepared by Bernstein solely for the internal business use of our clients. Clients may store, display, analyze, reformat and print the information in this report for this limited use only. Clients may not copy, alter, create derivative works, resell, reverse engineer, commercially exploit, share or distribute any part of the information contained herein for any purpose without Bernstein's express written consent. These restrictions include extracting data or using the content to develop indices or other products. Further, you may not use this report, or any portion of this report, to train or finetune any third-party machine learning or artificial intelligence system, or as a prompt or input into any such system. You also may not, without Bernstein's express written consent, do any of the foregoing in connection with your own internal machine learning or artificial intelligence system.

Bernstein may use artificial intelligence tools in the preparation of its materials. Any such materials are reviewed by Bernstein's research analysts prior to publication.

This report has been prepared for information purposes only and is based on current public information that we consider reliable, but the entities noted herein do not warrant or represent (express or implied) as to the sources of information or data contained herein are accurate, complete, not misleading or as to its fitness for the purpose intended even though the entities noted herein rely on reputable or trustworthy data providers, it should not be relied upon as such. Opinions expressed are the author(s)' current opinions as of the date appearing on the material only and we do not undertake to advise you of any change in the reported information or in the opinions herein.

This publication was prepared and issued by the entity referred to herein for distribution to eligible counterparties or professional clients. The information in this report is intended for general circulation and does not constitute an offer to buy or sell any security, investment, legal or tax advice nor a personal recommendation, as defined by any of the aforementioned regulators. It does not take into account the particular investment objectives, financial situations, or needs of individual investors. The report has not been reviewed by any of the aforementioned regulators and does not represent any official recommendation from the aforementioned regulators. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with advice sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any recipient of the recommendation, before the recipient makes a commitment to purchase the investment product.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The information in this report does not constitute, or form part of, any offer to sell or issue, or any offer to purchase or subscribe for shares, or to induce engage in any other investment activity. The value of any securities or financial instruments mentioned in this report may fluctuate subject to market conditions. Information about past performance of an investment is not necessarily a guide to, indicative of, or assurance of future performance. Estimates of future performance mentioned by the research analyst in this report are based on assumptions that may not be realized due to unforeseen factors like market volatility/fluctuation. In relation to securities or financial instruments denominated in a foreign currency other than the clients' home currency, movements in exchange rates will have an effect on the value, either favorable or unfavorable. Before acting on any recommendations in this report, recipients should consider the appropriateness of investing in the subject securities or financial instruments mentioned in this report and, if necessary, seek for independent professional advice.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject the entities noted herein to any regulation or licensing requirement within such jurisdiction.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

No part of this material may be reproduced, distributed or transmitted or otherwise made available without prior consent of the entities noted herein. Copyright Bernstein Institutional Services LLC Bernstein Autonomous LLP, BSG France S.A., Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited and Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社). All rights reserved. The trademarks and service marks contained herein are the property of their respective owners. Any unauthorized use or disclosure is strictly prohibited. The entities noted herein may pursue legal action if the unauthorized use results in any defamation and/or reputational risk to the entities noted herein and research published under the Bernstein and Autonomous brands.