

JS Global Lifestyle (1691 HK)

Rapid growth and stable margin are achievable

Maintain BUY and cut TP to HK\$ 27.54, based on 20x FY22E P/E (down from 30x due to sector de-rating), which is a mix of SharkNinja's superior growth projection and industry slowdown. The stock is trading at 14x FY22E P/E, highly attractive vs China/ Int'l peers' avg. of 17x/ 21x FY22E P/E, in our view.

- 1H21 results inline.** JS Global 1H21 net profit surged by 137% YoY to US\$ 193mn, inline with profit alert, but the 48% YoY sales growth was a beat, given sluggish growth of Joyoung and stellar growth of SharkNinja (at 79%, even faster than 72% in 2H20). GP margin dropped by ~3.1ppt due to absence of tariffs refund and resumption of tariffs, raw material prices and freight rate hike, but NP margin still expanded by ~3.2ppt thanks to significant operating leverage and reductions in finance costs.
- Slowdown in 2H21E is reasonable but SharkNinja should continue to outperform.** Although no specific guidance was provided, management is confident on a reasonably fast growth in 2H21E (CMBI est. 27%/ 49% for Shark/ Ninja vs 48%/ 131% in 1H21), driven mostly by new and innovative products (Shark vacuum and Ninja foodi), new regions (already penetrated into France and Germany, will enter into Spain and Italy) and new categories such as personal care (e.g. hair dryer), cookware (e.g. NeverStick cookware), cleaning (e.g. air purifier) and kitchenware (e.g. cold brew coffee maker). Management also highlighted channel inventory is still healthy and below historical average.
- Margin outlook can still be stable despite several headwinds.** If we exclude the tariff refunds, GP margin was at 41.2% in 1H20 and only fell slightly to 40.6% in 1H21. This was rather impressive, as the enormous pressure on raw material and transportation costs was offset by active and agile management of supply chain, further collaboration with supplier to minimize product costs, as well as ASP increase thru product mix adjustments. While the A&P expenses and staff costs continue to grow proportionally, due to more new products and categories in new regions, management still believes the overall margin level will at least be stable onwards.
- Shark China will launch more vacuums.** On top of the hot selling Cordless Vacuum mop with disposable pads, more new and localized products will be launched in China in 2H21E, such as Vacuum floor cleaner and Robot vacuum.
- Maintain BUY but cut TP to HK\$ 27.54.** We revised up FY21E/ 22E/ 23E NP estimates by 24%/ 20%/ 20%, to factor in faster SharkNinja's growth and operating leverage. New TP is HK\$ 27.54, based on 20x FY22E P/E (down from 30x due to sector de-rating). Valuation is still attractive at 17x/ 14x FY21E/ 22E P/E, vs China/ Int'l peers' average of 17x/ 21x FY22E P/E.

Earnings Summary

(YE 31 Dec)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (USD mn)	3,016	4,196	5,589	6,376	7,081
YoY growth (%)	12.5	39.1	33.2	14.1	11.1
Adj. NP att. (USD mn)	145	378	545	634	739
Adj. EPS (USD)	0.042	0.106	0.153	0.178	0.207
YoY growth (%)	136.573	153.9	44.3	16.2	16.7
Consensus EPS (USD)	n/a	n/a	0.128	0.168	0.205
Adj. P/E (x)	60.0	23.8	16.5	14.2	12.2
P/B (x)	5.6	3.8	3.0	2.3	1.8
Yield (%)	2.9	1.4	2.2	3.0	3.6
ROE (%)	2.7	15.0	16.5	15.9	14.9
Net gearing (%)*	39.1	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates, *net debt (cash) / equity

BUY (Maintain)

Target Price	HK\$27.54
(Previous TP)	HK\$34.38)
Up/Downside	+41.1%
Current Price	HK\$19.52

China Home Appliance Sector

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Stock Data

Mkt Cap (HK\$ mn)	68,215
Avg 3 mths t/o (HK\$ mn)	230.82
52w High/Low (HK\$)	26.50/12.22
Total Issued Shares (mn)	3,494.6

Source: Bloomberg

Shareholding Structure

Mr. Wang Xuning (Chairman) & concert party	56.43%
CDH Fund	10.66%
Mr. Mark Rosenzweig	7.87%
RSU Holding entity	4.88%
Mr. Mark Adam Barrocas	2.09%
Free Float	11.63%

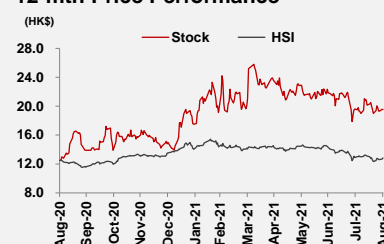
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-0.3%	1.3%
3-mth	-14.4%	-2.4%
6-mth	2.2%	16.0%
12-mth	63.0%	62.3%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: Ernst & Young

Related Reports

- JS Global (1691 HK, BUY) - Market share gains by product innovations – 7 Apr 2021
- JS Global (1691 HK, BUY) - Upbeat SharkNinja growth is likely in 2H20E - 22 Jan 2021
- JS Global (1691 HK, BUY) - A robust growth momentum but a mild margin drag - 27 Oct 2020

Results summary

Figure 1: Results review – Half Year

Half yearly (USD mn)	1H20	2H20	1H21	2H21E	1H20 YoY	2H20 YoY	1H21 YoY	2H21E YoY
Revenue	1,515	2,681	2,239	3,350	23%	51%	48%	25%
COGS	(853)	(1,600)	(1,331)	(2,007)				
Gross profit	662	1,081	908	1,343	43%	63%	37%	24%
GP margins	43.7%	40.3%	40.6%	40.1%				
Other income & gains	16	56	28	13				
S & D expenses	(244)	(452)	(378)	(534)	20%	49%	55%	18%
S & D exp / sales	-16.1%	-16.8%	-16.9%	-15.9%				
Admin expenses	(220)	(267)	(266)	(334)	23%	13%	21%	25%
Admin exp / sales	-14.5%	-10.0%	-11.9%	-10.0%				
Other opex	0	0	0	0				
Operating profit (EBIT)	213	418	292	487	132%	197%	37%	16%
OP margins	14.1%	15.6%	13.0%	14.5%				
Other items	(10)	(13)	(9)	(30)				
Net finance income	(59)	(21)	(14)	(42)				
Net fin. income / sales	-3.9%	-0.8%	-0.6%	-1.3%				
Profit after financing costs	144	383	269	415				
Associated coms	(0)	0	2	(2)				
Jointly controlled coms	0	0	0	0				
Pre-tax profit	144	383	270	413	395%	326%	88%	8%
Tax	(37)	(88)	(53)	(84)				
Tax / sales	-2.4%	-3.3%	-2.4%	-2.5%				
Effective tax rate	-25.7%	-22.9%	-19.5%	-20.3%				
Minority interests	25	33	24	38				
Net profit att.	82	263	193	291	3307%	561%	137%	11%
NP margins	5.4%	9.8%	8.6%	8.7%				
Adjusted EBITDA	235	423	350	499	61%	83%	49%	18%
Adjusted EBITDA margin	15.5%	15.8%	15.6%	14.9%				
Adjusted Net profit	134	285	242	366	100%	107%	80%	28%
Adjusted NP margin	8.9%	10.6%	10.8%	10.9%				
Sales by brand								
Joyoung								
SharkNinja	624	839	643	931	9%	19%	3%	11%
Others	890	1,842	1,596	2,419	34%	72%	79%	31%
Total	1,515	2,681	2,239	3,350	23%	51%	48%	25%
Sales by product category								
Cleaning	586	1,113	866	1,354	27%	66%	48%	22%
Food preparation	399	592	486	667	15%	28%	22%	13%
Cooking	450	868	786	1,211	25%	52%	75%	40%
Others	80	109	102	118	16%	41%	28%	9%
Total	1,515	2,681	2,239	3,350	23%	51%	48%	25%

Source: Company data, CMBIS estimates

Figure 2: Results review - Full Year

Full yearly (USD mn)	FY20	FY21E	FY22E	FY20 YoY	FY21E YoY	FY22E YoY
Revenue	4,196	5,589	6,376	39%	33%	14%
COGS	(2,453)	(3,338)	(3,787)			
Gross profit	1,743	2,251	2,589	55%	29%	15%
GP margins	41.5%	40.3%	40.6%			
Other income & gains	71	41	44			
S & D expenses	(696)	(912)	(1,056)	37%	31%	16%
S & D exp / sales	-16.6%	-16.3%	-16.6%			
Admin expenses	(487)	(601)	(675)	17%	23%	12%
Admin exp / sales	-11.6%	-10.7%	-10.6%			
Other opex	0	0	0			
Operating profit (EBIT)	631	778	902	171%	23%	16%
OP margins	15.0%	13.9%	14.1%			
Other items	(24)	(39)	(45)			
Net finance income	(80)	(56)	(43)			
Net fin. income / sales	-1.9%	-1.0%	-0.7%			
Profit after financing costs	527	683	814			
Associated coms	(0)	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	527	683	814	343%	30%	19%
Tax	(124)	(137)	(146)			
Tax / sales	-3.0%	-2.4%	-2.3%			
Effective tax rate	-23.6%	-20.0%	-18.0%			
Minority interests	58	63	69			
Net profit att.	344	484	599	717%	41%	24%
NP margins	8.2%	8.7%	9.4%			
Adjusted EBITDA	659	850	943	74%	29%	11%
Adjusted EBITDA margin	15.7%	15.2%	14.8%			
Adjusted Net profit	419	608	702	105%	45%	16%
Adjusted NP margin	10.0%	10.9%	11.0%			
Sales by brand						
Joyoung						
SharkNinja	1,463	1,574	1,720	14%	8%	9%
Others	2,733	4,015	4,656	57%	47%	16%
Total	4,196	5,589	6,376	39%	33%	14%
Sales by product category						
Cleaning	1,700	2,219	2,510	50%	31%	13%
Food preparation	990	1,153	1,274	22%	16%	11%
Cooking	1,317	1,997	2,364	42%	52%	18%
Others	189	221	228	29%	17%	3%
Total	4,196	5,589	6,376	39%	33%	14%

Source: Company data, CMBIS estimates

Earnings revision

Figure 3: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	5,589	6,376	7,081	5,053	5,774	6,391	10.6%	10.4%	10.8%
Gross profit	2,251	2,589	2,897	2,009	2,311	2,577	12.1%	12.0%	12.4%
EBIT	766	884	1,026	630	748	864	21.7%	18.3%	18.8%
Adjusted NP att.	545	634	739	439	527	615	24.3%	20.2%	20.1%
Adjusted EPS (RMB)	0.153	0.178	0.207	0.123	0.148	0.173	24.3%	20.2%	20.1%
Gross margin	40.3%	40.6%	40.9%	39.8%	40.0%	40.3%	0.5ppt	0.6ppt	0.6ppt
EBIT margin	13.7%	13.9%	14.5%	12.5%	12.9%	13.5%	1.3ppt	0.9ppt	1ppt
Net profit att. margin	9.8%	9.9%	10.4%	8.7%	9.1%	9.6%	1.1ppt	0.8ppt	0.8ppt

Source: Company data, CMBIS estimates

Figure 4: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	5,589	6,376	7,081	5,271	6,353	7,562	6.0%	0.4%	-6.4%
Gross profit	2,251	2,589	2,897	2,198	2,685	3,229	2.4%	-3.6%	-10.3%
EBIT	766	884	1,026	723	923	1,156	6.0%	-4.2%	-11.3%
Adjusted NP att.	545	634	739	431	564	634	26.6%	12.3%	16.7%
Adjusted EPS (RMB)	0.153	0.178	0.207	0.128	0.168	0.205	19.5%	5.8%	1.1%
Gross margin	40.3%	40.6%	40.9%	41.7%	42.3%	42.7%	-1.4ppt	-1.7ppt	-1.8ppt
EBIT margin	13.7%	13.9%	14.5%	13.7%	14.5%	15.3%	0ppt	-0.7ppt	-0.8ppt
Net profit att. margin	9.8%	9.9%	10.4%	8.2%	8.9%	8.4%	1.6ppt	1.1ppt	2.1ppt

Source: Company data, CMBIS estimates

Assumptions

Figure 5: CMBIS' assumptions

USD mn	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
Sales by brand (USD mn)						
Joyoung	1,179	1,280	1,463	1,574	1,720	1,886
SharkNinja	1,477	1,736	2,733	4,015	4,656	5,195
Others	25	-	-	-	-	-
Total	2,682	3,016	4,196	5,589	6,376	7,081
Sales growth by brand (%)						
Joyoung	11.9%	8.6%	14.3%	7.6%	9.3%	9.6%
SharkNinja	210.0%	17.5%	57.4%	46.9%	15.9%	11.6%
Others	-23.5%	-100.0%	-	-	-	-
Total	71.5%	12.5%	39.1%	33.2%	14.1%	11.1%
Sales by segment growth (%)						
Cleaning	233.2%	5.6%	50.4%	30.6%	13.1%	9.1%
Food preparation	35.2%	3.2%	22.2%	16.4%	10.5%	10.9%
Cooking	25.6%	37.4%	41.6%	51.6%	18.4%	14.1%
Others	22.3%	-2.7%	29.4%	17.0%	3.3%	2.7%
Sales by region growth (%)						
China	11.6%	6.8%	13.2%	2.9%	5.0%	9.8%
North America	192.9%	11.2%	51.6%	45.0%	13.0%	9.0%
Europe	263.2%	67.8%	103.6%	75.0%	35.0%	20.0%
Other markets	258.6%	33.5%	45.1%	20.0%	17.0%	10.0%
GP margins by segment						
Joyoung	32.1%	33.3%	32.7%	32.3%	32.5%	32.7%
SharkNinja	42.2%	41.1%	46.5%	42.9%	43.0%	43.2%
Others	39.4%	38.7%	45.5%	43.3%	43.4%	43.7%
Total	37.3%	37.4%	41.5%	40.3%	40.6%	40.9%
Opex breakdown						
D & A	-1.7%	-1.7%	-1.4%	-0.8%	-0.7%	-0.6%
Admin exp. (ex D & A)	-10.2%	-12.1%	-10.2%	-9.9%	-9.9%	-9.8%
A & P	-7.7%	-6.3%	-6.7%	-6.8%	-6.7%	-6.7%
S & D costs (ex. A & P)	-10.1%	-10.5%	-9.9%	-9.5%	-9.9%	-9.8%
Selling & distribution costs / sales	-17.8%	-16.8%	-16.6%	-16.3%	-16.6%	-16.5%
Admin expenses / sales	-11.8%	-13.8%	-11.6%	-10.7%	-10.6%	-10.4%
OP margins						
Effective tax rate	9.3%	7.7%	15.0%	13.9%	14.1%	14.9%
	21.0%	29.0%	23.6%	20.0%	18.0%	18.0%
NP att. margins						
	1.3%	1.4%	8.2%	8.7%	9.4%	10.1%
NP att. growth (%)						
	-27.7%	20.9%	717.1%	40.6%	23.6%	19.3%
Adjusted NP growth (%)						
	8.9%	34.9%	104.5%	45.0%	15.6%	16.5%
Adjusted NP att. growth (%)						
	12.3%	141.8%	159.9%	44.3%	16.2%	16.7%

Source: Company data, CMBIS estimates

Valuation

Peers Valuation

Figure 6: Peers' valuation

Company	Ticker	Rating	12m TP (LC)	Price (LC)	Up/Down-side	Mkt. Cap (HK\$ mn)	Year End	P/E (x)		P/B (x)		ROE (%)	3yrs PEG (x)	Yield (%)	
								FY1E	FY2E	FY1E	FY2E	FY1E	FY1E	FY1E	
A+ H shares Small Home Appliances															
JS Global	1691 HK	BUY	27.54	19.52	41%	68,215	Dec-20	21.3	18.3	3.9	3.0	16.5	0.9	1.7	
Joyoung	002242 CH	NR	n/a	21.04	n/a	19,428	Dec-20	16.1	14.1	3.5	3.2	22.1	1.1	4.7	
Vesync	2148 HK	NR	n/a	12.92	n/a	15,055	Dec-20	25.6	3.6	5.8	5.0	23.7	1.0	1.4	
Zhejiang Supor	002032 CH	NR	n/a	48.79	n/a	47,979	Dec-20	19.2	16.9	4.7	4.1	25.4	1.2	2.9	
GD Xinbao	002705 CH	NR	n/a	20.68	n/a	20,582	Dec-20	14.9	12.0	2.5	2.2	15.8	1.0	2.8	
Bear Electric	002959 CH	NR	n/a	47.20	n/a	8,890	Dec-20	17.3	13.7	3.3	2.8	18.7	1.0	2.5	
Ecovacs Robotics	603486 CH	NR	n/a	146.69	n/a	101,061	Dec-20	49.3	34.0	18.1	13.0	40.2	0.7	0.7	
Beijing Roborock	688169 CH	NR	n/a	910.00	n/a	73,034	Dec-20	33.6	26.0	6.9	5.6	20.4	1.1	0.4	
Kingclean Electric	603355 CH	NR	n/a	28.68	n/a	19,854	Dec-20	20.8	16.6	4.6	4.5	19.1	0.4	4.7	
								Avg.	24.2	17.2	5.9	4.8	22.4	0.9	2.4
								Med.	20.8	16.6	4.6	4.1	20.4	1.0	2.5
A + H Home Appliances															
Midea Group	000333 CH	BUY	95.24	66.00	44%	554,700	Dec-20	16.0	13.9	3.4	2.9	21.8	1.1	2.7	
Gree Electric	000651 CH	NR	n/a	41.10	n/a	297,651	Dec-20	10.0	8.7	2.0	1.8	19.4	0.6	6.1	
Haier Smart Home	600690 CH	NR	n/a	27.06	n/a	292,393	Dec-20	20.1	16.6	3.3	2.9	16.6	1.4	1.8	
Haier Electronics	6690 HK	BUY	47.26	29.30	61%	292,395	Dec-20	17.8	14.6	2.9	2.5	17.3	1.1	2.0	
Hisense Home	921 HK	NR	n/a	9.13	n/a	18,059	Dec-20	5.7	4.8	0.9	0.8	17.3	0.3	3.8	
Hisense Home - A	000921 CH	NR	n/a	12.75	n/a	18,058	Dec-20	9.7	8.1	1.5	1.3	16.7	0.6	2.3	
Whirlpool China	600983 CH	NR	n/a	7.87	n/a	7,262	Dec-20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Hangzhou Robam	002508 CH	NR	n/a	35.70	n/a	40,787	Dec-20	17.4	15.1	3.6	3.1	20.5	1.0	2.0	
Vatti Corporation	002035 CH	NR	n/a	7.23	n/a	7,566	Dec-20	10.9	9.4	1.7	1.5	15.5	0.5	2.6	
								Avg.	13.5	11.4	2.4	2.1	18.1	0.8	2.9
								Med.	13.5	11.6	2.5	2.2	17.3	0.8	2.4
International Small Home Appliances															
Techtronic	669 HK	NR	n/a	173	n/a	316,359	Dec-20	37.1	31.1	8.8	7.5	25.5	1.4	1.1	
Smith (A.O.) Corp	AOS US	NR	n/a	73	n/a	90,192	Dec-20	26.3	22.6	6.6	6.2	25.1	1.5	1.5	
Helen Of Troy	HELE US	NR	n/a	236	n/a	44,280	Feb-21	21.9	19.4	4.0	3.4	17.3	n/a	n/a	
De'Longhi Spa	DLG IM	NR	n/a	38	n/a	52,973	Dec-20	18.7	18.3	3.7	3.3	22.1	0.9	2.1	
Irobot Corp	IRBT US	NR	n/a	82	n/a	17,893	Jan-21	29.6	19.9	3.2	3.0	10.3	7.8	0.0	
Seb Sa	SK FP	NR	n/a	133	n/a	67,763	Dec-20	16.4	14.7	2.5	2.2	16.7	0.7	1.7	
Koninklijke Philips	PHIA NA	NR	n/a	39	n/a	328,466	Dec-20	20.2	18.4	2.9	2.8	10.9	0.9	2.3	
								Avg.	24.3	20.6	4.5	4.0	18.3	2.2	1.4
								Med.	21.9	19.4	3.7	3.3	17.3	1.2	1.6
International Home Appliances															
Whirlpool Corp	WHR US	NR	n/a	221.60	n/a	108,073	Dec-20	8.4	9.1	2.7	2.3	35.4	0.8	2.5	
Ingersoll-Rand	IR US	NR	n/a	52.95	n/a	173,034	Dec-20	28.3	24.3	2.8	2.8	5.6	(0.1)	0.0	
Electrolux Ab	ELUXB SS	NR	n/a	219	n/a	61,251	Dec-20	11.3	12.0	3.5	3.2	30.6	(4.1)	4.1	
Daikin Industries	6367 JP	NR	n/a	27405.0	n/a	568,080	Mar-21	37.4	32.9	4.4	4.0	12.2	2.0	0.7	
Panasonic Corp	6752 JP	NR	n/a	1312	n/a	227,682	Mar-21	13.2	11.5	1.1	1.1	9.0	0.7	2.3	
Fujitsu General Ltd	6755 JP	NR	n/a	2751.00	n/a	21,265	Mar-21	21.2	17.7	2.2	2.0	10.3	1.9	1.2	
Lg Electronics Inc	066570 KS	NR	n/a	142000.	n/a	156,091	Dec-20	9.8	7.6	1.4	1.2	14.3	0.4	0.9	
Samsung	005930 KS	NR	n/a	76700.0	n/a	3,075,616	Dec-20	12.9	10.7	1.8	1.6	13.9	0.5	1.9	
								Avg.	17.8	15.7	2.5	2.3	16.4	0.3	1.7
								Med.	13.0	11.7	2.5	2.2	13.1	0.6	1.5

Source: Bloomberg, CMBIS estimates

Financial Summary

Income statement

YE 31 Dec (USD mn)	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	2,682	3,016	4,196	5,589	6,376	7,081
Joyoung	1,179	1,280	1,463	1,574	1,720	1,886
SharkNinja	1,477	1,736	2,733	4,015	4,656	5,195
Others	25	-	-	-	-	-
Cost of goods sold	(1,683)	(1,890)	(2,453)	(3,338)	(3,787)	(4,184)
Gross profit	999	1,127	1,743	2,251	2,589	2,897
Other income	42	23	60	29	26	29
Operating expenses	(795)	(922)	(1,183)	(1,513)	(1,731)	(1,900)
A & P	(208)	(189)	(282)	(380)	(427)	(474)
S & D costs (ex. A & P)	(270)	(318)	(414)	(532)	(629)	(692)
D & A	(45)	(51)	(59)	(45)	(44)	(43)
Admin exp. (ex D & A)	(273)	(365)	(428)	(556)	(631)	(691)
Other opex	-	-	-	-	-	-
EBIT	246	227	620	766	884	1,026
Finance costs, net	(76)	(78)	(69)	(44)	(26)	(9)
JVs & associates	6	2	(0)	-	-	-
Exceptional	(35)	(32)	(24)	(39)	(44.6)	(49.5)
Pre-tax profit	140	119	527	683	814	967
Income tax	(28)	(34)	(124)	(137)	(146)	(174)
Less: Minority interests	77	43	58	63	69	79
Net profit att.	35	42	344	484	599	714
Adj. Net profit att.	60	145	378	545	634	739

Cash flow summary

YE 31 Dec (USD mn)	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
EBIT	246	227	620	766	884	1,026
D & A	87	77	88	89	89	86
Change in working capital	(48)	49	(89)	(223)	(91)	(82)
Income tax paid	(16)	(41)	(124)	(137)	(146)	(174)
Others	(36)	67	11	12	17	26
Net cash from operating	234	380	506	508	753	883
Capex & investments	(67)	(74)	(97)	(117)	(134)	(149)
Associated companies	29	(7)	-	-	-	-
Interest received	7	8	-	-	-	-
Others	21	(45)	-	-	-	-
Net cash from investing	(10)	(118)	(97)	(117)	(134)	(149)
Equity raised	-	375	138	-	-	-
Net change in bank loans	(59)	(205)	(150)	(150)	-	-
Dividend paid	(83)	(95)	250	120	190	264
Others	(119)	(93)	(80)	(56)	(43)	(35)
Net cash from financing	(261)	(18)	157	(86)	146	228
Net change in cash	(37)	244	566	305	766	962
Beginning cash balance	211	181	421	988	1,293	2,058
Exchange difference	7	(4)	-	-	-	-
Cash at end of the year	181	421	988	1,293	2,058	3,021

Balance sheet

YE 31 Dec (USD mn)	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
Non-current assets	1,889	1,999	2,008	2,036	2,081	2,144
Fixed asset	191	207	257	327	414	519
Intangible assets & goodwill	1,398	1,389	1,348	1,308	1,267	1,227
Prepaid lease payments	16	16	16	16	16	16
Interest in joint ventures	36	36	35	35	35	35
Other non-current assets	247	353	351	350	348	347
Current assets	1,411	1,775	2,947	3,694	4,780	6,029
Cash & cash equivalents	181	421	988	1,293	2,058	3,021
Inventories	350	393	575	732	830	917
Trade and other receivables	773	804	1,201	1,455	1,659	1,843
Prepayments	66	68	94	126	143	159
Other current assets	42	89	89	89	89	89
Current liabilities	1,281	990	1,507	1,726	1,956	2,161
Bank loans	486	26	26	26	26	26
Trade payables	409	530	885	915	1,037	1,146
Accruals & other payables	364	411	572	762	869	965
Tax payables	11	14	14	14	14	14
others	11	9	9	9	9	9
Non-current liabilities	1,557	1,251	1,101	951	951	951
Bank loans	700	1,049	899	749	749	749
Deferred income	53	53	53	53	53	53
Deferred tax	134	134	134	134	134	134
Others	671	15	15	15	15	15
Minority Interest	-	-	58	120	189	268
Total net assets	463	1,533	2,289	2,933	3,765	4,793
Shareholders' equity	463	1,533	2,289	2,933	3,765	4,793

Source: Company data, CMBIS estimates

Key ratios

YE 31 Dec	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
Sales mix (%)						
Joyoung	44.0	42.4	34.9	28.2	27.0	26.6
SharkNinja	55.1	57.6	65.1	71.8	73.0	73.4
Others	1.0	-	-	-	-	-
Total	100.	100.	100.	100.	100.	100.
P&L ratios (%)						
Gross margin	37.3	37.4	41.5	40.3	40.6	40.9
Operating margin	9.2	7.5	14.8	13.7	13.9	14.5
Pre-tax margin	5.2	3.9	12.6	12.2	12.8	13.7
Net margin	1.3	1.4	8.2	8.7	9.4	10.1
Effective tax rate	21.0	29.0	23.6	20.0	18.0	18.0
Balance sheet ratios						
Current ratio (x)	1.1	1.8	2.0	2.1	2.4	2.8
Quick ratio (x)	0.8	1.4	1.6	1.7	2.0	2.4
Cash ratio (x)	0.1	0.4	0.7	0.7	1.1	1.4
Inventory turnover days	67	72	86	80	80	80
Trade receivables days	95	95	105	95	95	95
Trade payables days	73	91	132	100	100	100
Total debt / total equity ratio (%)	258	71	41	27	21	16
Net debt / equity ratio	214	39	Net cash	Net cash	Net cash	Net cash
Returns (%)						
ROE	7.5	2.7	15.0	16.5	15.9	14.9
ROA	1.1	1.1	7.0	8.5	8.7	8.7
Per share						
Adj. EPS (USD)	0.02	0.04	0.11	0.15	0.18	0.21
DPS (USD)	0.02	0.07	0.03	0.05	0.08	0.09
BVPS (USD)	0.14	0.45	0.66	0.84	1.08	1.37

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