

# JS Global Lifestyle (1691 HK)

## Upbeat SharkNinja growth is likely in 2H20E

**Maintain BUY and lifted TP to HK\$ 22.64**, based on 30x FY21E P/E (vs. prev. 28x FY21E P/E), because we are confident on SharkNinja's stellar growth in 2H20E and the size of recent placement by its cornerstone investor was too small to be meaningful. The stock is trading at 25x/ 21x FY21E/ 22E P/E, which is still attractive (vs China/ Int'l peers' avg. of 35x/ 26x FY21E P/E) in our view.

- **Placement by cornerstone investor shouldn't be a concern.** According to Bloomberg, one of JS Global's cornerstone investors - CM Kinder (owned by Citic Private Equity) had done a secondary placement of 22.6mn shares at HK\$ 18.85 with 3.7% discount to its last price, reducing its stakes from 7.09% to 6.45%. We are not concerned about this because: 1) JS Global's fundamental is still intact given an improving SharkNinja and a resilient Joyoung performance in 2H20E and 2) profit taking is reasonable as its share price had achieved 277% return after its IPO.
- **SharkNinja's business should be upbeat.** We are highly confident that SharkNinja's sales growth could accelerate in 4Q20E (vs 3Q20E), due to: 1) successful ramp up of new products launched in late 2019 (e.g. Ninja Foodi Indoor grills and Shark IQ Robot Self-Empty), 2) effective digital marketing on various social media (number of followers for Ninja is even higher than Shark on some platforms) and 3) robust China home appliance export growth (40%/ 62%/ 56% YoY in Oct/ Nov/ Dec), where the performance of small appliances is likely similar. We now forecast sales growth of 31%/ 20%/ 15% YoY in 2H20E/ FY21E/ FY22E, driven by: 1) new and more innovative products, 2) category expansion (e.g. Ninja cookware) and 3) regional expansion (e.g. France, Germany, Japan, Australia).
- **Joyoung should remain resilient.** According to All View Cloud, China small and large home appliances sales growth improved in 4Q20 (vs 3Q20) for both online and offline channel. We expect Joyoung to outperform and gain more market shares, indicated by its outstanding growth during the 2020 double 11 (Joyoung +71%/ Supor +67%/ Midea +59% YoY). We expect sales growth of 20%/ 13%/ 9% YoY in 2H20E/ FY21E/ FY22E.
- **Maintain BUY and raised TP to HK\$ 22.64.** We revised up FY20E/ 21E/ 22E EPS estimates by 6%/ 9%/ 12%, to factor in a much faster SharkNinja's growth with higher GP margin and a lower Joyoung GP margin. We maintain BUY and lifted TP to HK\$ 22.64, based on 30x FY21E P/E (raised from 28x). Valuation is still attractive at 25x/ 21x FY21E/ 22E P/E, compared to its China/ Int'l peers' average of 35x/ 26x FY21E P/E.

### Earnings Summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue (USD mn)	2,682	3,016	3,771	4,413	4,970
YoY growth (%)	71.5	12.5	25.0	17.0	12.6
Adj. NP att. (USD mn)	60	145	298	347	415
Adj. EPS (USD)	0.018	0.042	0.084	0.097	0.116
YoY growth (%)	12.277	136.6	100.6	16.3	19.5
Consensus EPS (USD)	n/a	n/a	0.081	0.102	0.131
Adj. P/E (x)	137.5	58.4	29.3	25.2	21.1
P/B (x)	17.9	5.4	4.0	3.4	2.8
Yield (%)	1.0	3.0	0.9	1.3	2.0
ROE (%)	7.5	2.7	9.9	11.2	12.3
Net gearing (%)*	213.6	39.1	1.7	Net cash	Net cash

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

### BUY (Maintain)

Target Price	HK\$22.64
(Previous TP	HK\$19.57)
Up/Downside	+19.2%
Current Price	HK\$19.00

### China Home Appliance Sector

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#### Stock Data

Mkt Cap (HK\$ mn)	66,293
Avg 3 mths t/o (HK\$ mn)	70.95
52w High/Low (HK\$)	20.70/3.60
Total Issued Shares (mn)	3,489.1

Source: Bloomberg

#### Shareholding Structure

Mr. Wang Xuning (Chairman) & concert party	56.52%
CDH Fund	9.42%
Mr. Mark Rosenzweig	7.87%
RSU Holding entity	4.88%
Mr. Mark Adam Barrocas	2.09%
Free Float	19.22%

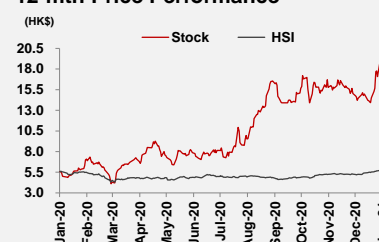
Source: HKEx

#### Share Performance

	Absolute	Relative
1-mth	30.2%	15.1%
3-mth	25.0%	2.5%
6-mth	140.2%	100.9%
12-mth	246.5%	233.1%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

#### Auditor: Ernst & Young

#### Related Reports

1. JS Global (1691 HK, BUY) - A robust growth momentum but a mild margin drag - 27 Oct 2020
2. JS Global (1691 HK, BUY) - Top notch products to drive promising outlook for 2H20 - 28 Aug 2020
3. JS Global (1691 HK, BUY) - Industry leading performance to drive re-rating - 4 May 2020

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,771	4,413	4,970	3,759	4,334	4,840	0.3%	1.8%	2.7%
Gross profit	1,565	1,813	2,060	1,536	1,754	1,972	1.9%	3.4%	4.5%
EBIT	441	506	610	414	463	549	6.4%	9.3%	11.1%
Adjusted NP att.	298	347	415	283	318	371	5.6%	9.1%	11.8%
Adjusted EPS (RMB)	0.084	0.097	0.116	0.079	0.089	0.104	5.6%	9.1%	11.8%
Gross margin	41.5%	41.1%	41.4%	40.8%	40.5%	40.7%	0.6ppt	0.6ppt	0.7ppt
EBIT margin	11.7%	11.5%	12.3%	11.0%	10.7%	11.3%	0.7ppt	0.8ppt	0.9ppt
Net profit att. margin	7.9%	7.9%	8.3%	7.5%	7.3%	7.7%	0.4ppt	0.5ppt	0.7ppt

Source: Company data, CMBIS estimates

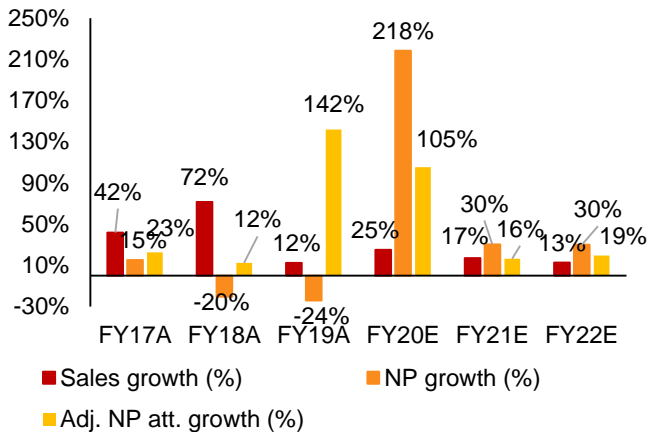
Figure 2: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,771	4,413	4,970	3,781	4,473	5,244	-0.3%	-1.3%	-5.2%
Gross profit	1,565	1,813	2,060	1,611	1,901	2,266	-2.8%	-4.6%	-9.1%
EBIT	441	506	610	406	487	614	8.7%	4.0%	-0.8%
Adjusted NP att.	298	347	415	283	358	451	5.3%	-2.9%	-7.9%
Adjusted EPS (RMB)	0.084	0.097	0.116	0.081	0.102	0.131	3.4%	-4.7%	-11.4%
Gross margin	41.5%	41.1%	41.4%	42.6%	42.5%	43.2%	-1.1ppt	-1.4ppt	-1.8ppt
EBIT margin	11.7%	11.5%	12.3%	10.7%	10.9%	11.7%	1ppt	0.6ppt	0.6ppt
Net profit att. margin	7.9%	7.9%	8.3%	7.5%	8.0%	8.6%	0.4ppt	-0.1ppt	-0.2ppt

Source: Company data, CMBIS estimates

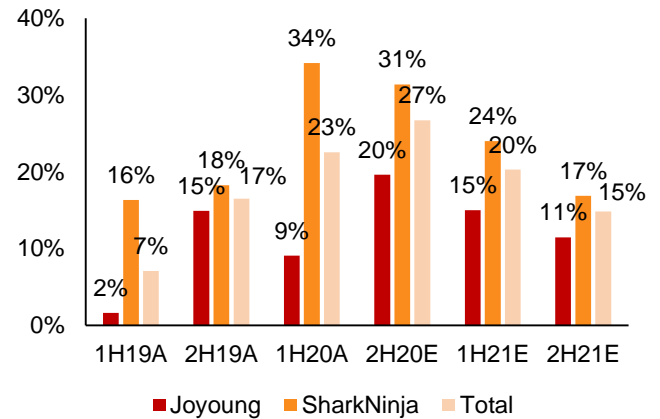
## Focus Charts

**Figure 3: JS Global sales/ adj. NP att. growth**



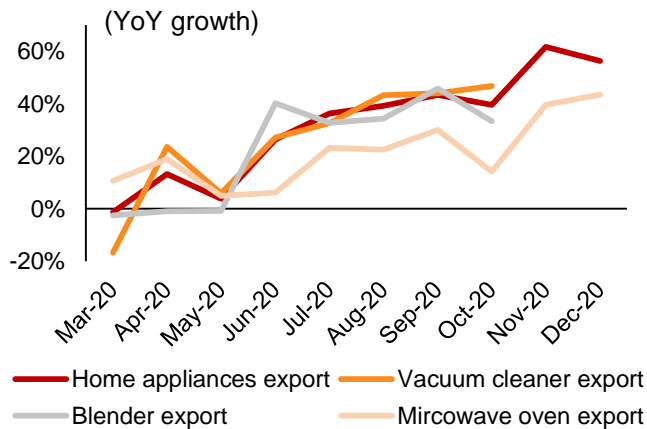
Source: Company data, CMBIS estimates

**Figure 4: Sales growth by brand segment**



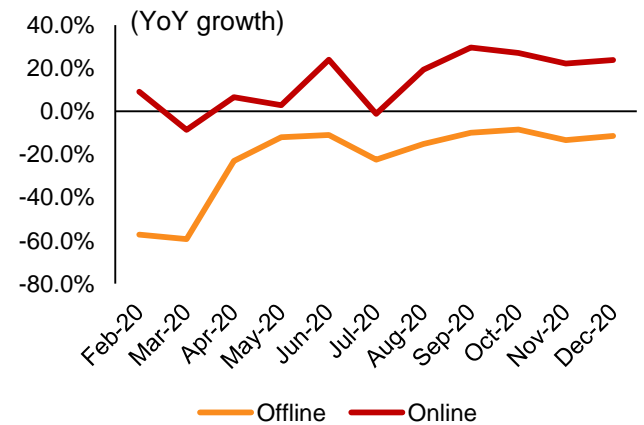
Source: Company data, CMBIS estimates

**Figure 5: China appliances export sales growth**



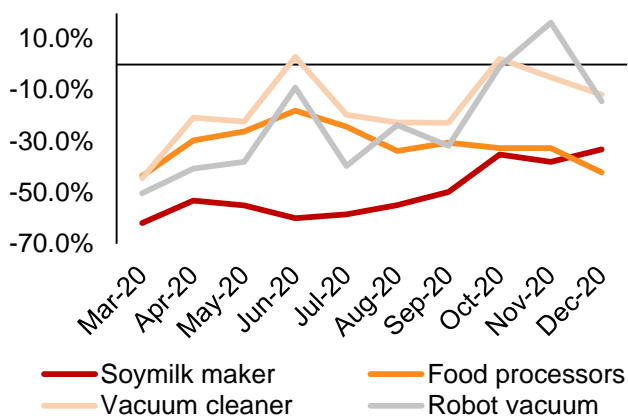
Source: China Customs, China IOL, CMBIS estimates

**Figure 6: China appliances sales growth**



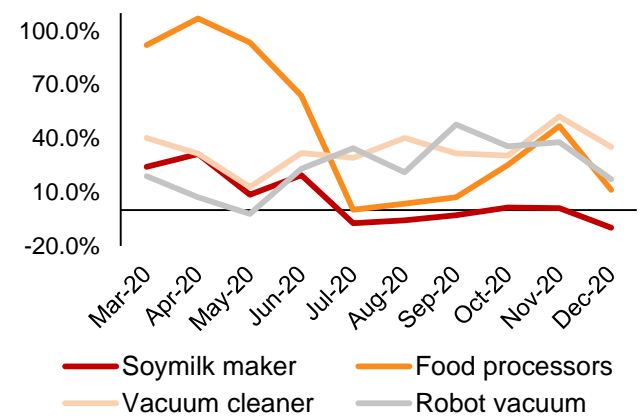
Source: All View Cloud, CMBIS estimates

**Figure 7: Offline small appliances sales growth**



Source: All View Cloud, CMBIS estimates

**Figure 8: Online small appliances sales growth**



Source: All View Cloud, CMBIS estimates

## Assumptions

Figure 9: CMBIS' assumptions

USD mn	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Sales by brand (USD mn)</b>						
Joyoung	1,054	1,179	1,280	1,471	1,662	1,817
SharkNinja	477	1,477	1,736	2,300	2,751	3,153
Others	33	25	-	-	-	-
Total	1,563	2,682	3,016	3,771	4,413	4,970
<b>Sales growth by brand (%)</b>						
Joyoung	-2.5%	11.9%	8.6%	14.9%	13.0%	9.3%
SharkNinja		210.0%	17.5%	32.5%	19.6%	14.6%
Others	46.7%	-23.5%	-100.0%	-	-	-
Total	41.7%	71.5%	12.5%	25.0%	17.0%	12.6%
<b>Sales by segment growth (%)</b>						
Cleaning		233.2%	5.6%	28.4%	17.5%	13.3%
Food preparation	27.3%	35.2%	3.2%	18.6%	13.7%	9.8%
Cooking	-1.6%	25.6%	37.4%	30.2%	21.0%	15.0%
Others	23.4%	22.3%	-2.7%	0.9%	1.9%	2.6%
<b>Sales by region growth (%)</b>						
China	-1.4%	11.6%	6.8%	13.4%	12.2%	10.3%
North America	5880.5%	192.9%	11.2%	32.0%	17.0%	11.0%
Europe	651.9%	263.2%	67.8%	48.0%	38.0%	28.0%
Other markets	42.7%	258.6%	33.5%	17.0%	20.0%	17.0%
<b>GP margins by segment</b>						
Joyoung	32.2%	32.1%	33.3%	31.8%	32.3%	32.5%
SharkNinja	37.0%	42.2%	41.1%	48.4%	46.7%	46.8%
Others	32.2%	39.4%	38.7%	45.5%	44.3%	44.5%
Total	33.2%	37.3%	37.4%	41.5%	41.1%	41.4%
<b>Opex breakdown</b>						
D & A	-0.8%	-1.7%	-1.7%	-1.2%	-1.0%	-0.9%
Admin exp. (ex D & A)	-7.9%	-10.2%	-12.1%	-12.1%	-11.9%	-11.7%
A & P	-6.2%	-7.7%	-6.3%	-7.5%	-7.6%	-7.4%
S & D costs (ex. A & P)	-10.6%	-10.1%	-10.5%	-9.6%	-9.5%	-9.6%
Selling & distribution costs / sales	-16.9%	-17.8%	-16.8%	-17.1%	-17.1%	-17.0%
Admin expenses / sales	-8.7%	-11.8%	-13.8%	-13.2%	-12.9%	-12.6%
<b>OP margins</b>						
Effective tax rate	-39.6%	21.0%	29.0%	23.0%	20.0%	18.0%
<b>NP att. margins</b>						
NP att. growth (%)	-7.0%	-27.7%	20.9%	406.4%	34.1%	32.7%
Adjusted NP growth (%)	36.9%	8.9%	34.9%	73.8%	16.3%	19.3%
Adjusted NP att. growth (%)	22.5%	12.3%	141.8%	105.3%	16.3%	19.5%

Source: Company data, CMBIS estimates

## Valuation

### Peers Valuation

Figure 10: 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
<b>A+ H shares Small Home Appliances</b>														
JS Global	1691 HK	BUY	22.64	19.00	19%	66,293	Dec-19	29.3	25.2	4.0	3.4	9.9	0.9	0.9
Joyoung	002242 CH	NR	n/a	32.70	n/a	30,086	Dec-19	27.6	23.4	6.3	5.8	22.6	1.7	2.5
Vesync	2148 HK	NR	n/a	14.86	n/a	17,316	Dec-19	n/a	n/a	n/a	n/a	51.5	n/a	n/a
Zhejiang Supor	002032 CH	NR	n/a	80.30	n/a	79,074	Dec-19	36.1	30.4	8.7	7.5	27.1	3.4	1.5
GD Xinbao	002705 CH	NR	n/a	57.15	n/a	56,664	Dec-19	41.4	34.2	8.5	7.2	23.9	1.1	1.0
Bear Electric	002959 CH	NR	n/a	127.80	n/a	23,910	Dec-19	42.1	33.7	9.1	7.5	25.2	1.2	1.2
Ecovacs Robotics	603486 CH	NR	n/a	113.50	n/a	76,822	Dec-19	126.1	74.0	21.7	17.6	10.4	1.1	0.1
Kingclean Electric	603355 CH	NR	n/a	30.38	n/a	14,977	Dec-19	22.8	19.9	3.5	3.1	16.3	2.1	1.0
								<b>Avg.</b>	<b>46.5</b>	<b>34.4</b>	<b>8.8</b>	<b>7.4</b>	<b>23.4</b>	<b>1.7</b>
								<b>Med.</b>	<b>36.1</b>	<b>30.4</b>	<b>8.5</b>	<b>7.2</b>	<b>23.3</b>	<b>1.2</b>
<b>A + H Home Appliances</b>														
Midea Group	000333 CH	BUY	95.24	100.10	-5%	843,967	Dec-19	27.4	23.6	6.0	5.2	23.6	2.2	1.7
Gree Electric	000651 CH	NR	n/a	61.36	n/a	442,693	Dec-19	19.0	14.6	3.1	2.8	15.1	2.8	2.8
Haier Smart Home	600690 CH	NR	n/a	34.00	n/a	349,664	Dec-19	30.2	24.5	4.5	4.1	14.1	2.3	1.2
Haier Electronics	1169 HK	NR	n/a	36.65	n/a	103,243	Dec-19	22.2	18.7	2.7	2.4	25.6	(2.1)	1.2
Hisense Home	921 HK	NR	n/a	15.86	n/a	25,204	Dec-19	12.9	10.5	1.8	1.6	16.6	8.6	2.0
Hisense Home - A	000921 CH	NR	n/a	16.54	n/a	25,204	Dec-19	16.1	13.1	2.3	2.1	16.6	3.6	2.1
Whirlpool China	600983 CH	NR	n/a	6.28	n/a	5,773	Dec-19	n/a	n/a	n/a	n/a	(9.7)	n/a	n/a
Hangzhou Robam	002508 CH	NR	n/a	42.99	n/a	48,930	Dec-19	23.8	20.9	5.0	4.4	23.4	1.8	1.8
Vatti Corporation	002035 CH	NR	n/a	8.23	n/a	8,580	Dec-19	12.1	9.9	2.1	1.9	17.5	4.2	3.0
								<b>Avg.</b>	<b>20.4</b>	<b>17.0</b>	<b>3.5</b>	<b>3.0</b>	<b>15.9</b>	<b>2.9</b>
								<b>Med.</b>	<b>20.6</b>	<b>16.7</b>	<b>2.9</b>	<b>2.6</b>	<b>16.6</b>	<b>2.6</b>
<b>International Small Home Appliances</b>														
Techtronic	669 HK	NR	n/a	121	n/a	221,381	Dec-19	38.9	31.8	7.3	6.3	19.5	1.9	1.0
Smith (A.O.) Corp	AOS US	NR	n/a	58	n/a	72,395	Dec-19	28.8	24.2	5.3	5.2	18.6	6.4	1.7
Helen Of Troy	HELE US	NR	n/a	230	n/a	43,501	Feb-20	19.7	19.2	4.7	3.8	19.3	0.7	n/a
De'Longhi Spa	DLG IM	NR	n/a	28	n/a	39,432	Dec-19	21.4	18.6	3.2	3.0	16.3	1.3	2.3
Irobot Corp	IRBT US	NR	n/a	94	n/a	20,535	Dec-19	26.7	44.4	3.4	3.3	21.9	5.8	0.0
Seb Sa	SK FP	NR	n/a	157	n/a	74,166	Dec-19	26.4	18.8	3.0	2.7	12.9	2.9	0.9
Koninklijke Philips	PHIA NA	NR	n/a	45	n/a	387,642	Dec-19	23.3	21.8	3.1	2.9	8.8	0.9	1.9
								<b>Avg.</b>	<b>26.5</b>	<b>25.5</b>	<b>4.3</b>	<b>3.9</b>	<b>16.8</b>	<b>2.8</b>
								<b>Med.</b>	<b>26.4</b>	<b>21.8</b>	<b>3.4</b>	<b>3.3</b>	<b>18.6</b>	<b>1.9</b>
<b>International Home Appliances</b>														
Whirlpool Corp	WHR US	NR	n/a	195.71	n/a	94,889	Dec-19	10.8	10.3	3.4	2.8	27.3	4.8	2.5
Ingersoll-Rand	IR US	NR	n/a	45.99	n/a	148,895	Dec-19	33.1	26.4	2.7	2.6	(3.0)	0.9	0.2
Electrolux Ab	ELUXB SS	NR	n/a	202	n/a	58,164	Dec-19	16.1	14.5	2.5	2.3	25.6	0.5	3.8
Daikin Industries	6367 JP	NR	n/a	23105.0	n/a	507,419	Mar-20	44.7	33.3	4.4	4.0	9.2	3.4	0.7
Panasonic Corp	6752 JP	NR	n/a	1404	n/a	258,101	Mar-20	28.7	17.6	1.5	1.5	8.6	59.3	1.8
Fujitsu General Ltd	6755 JP	NR	n/a	2606.00	n/a	21,337	Mar-20	21.6	19.2	2.3	2.1	7.4	0.5	1.2
Lg Electronics Inc	066570 KS	NR	n/a	185000.	n/a	213,337	Dec-20	14.7	13.0	1.8	1.6	4.9	0.0	0.4
Samsung	005930 KS	NR	n/a	88100.0	n/a	3,706,115	Dec-20	16.3	12.5	2.0	1.8	8.4	0.4	2.0
								<b>Avg.</b>	<b>23.2</b>	<b>18.3</b>	<b>2.6</b>	<b>2.3</b>	<b>11.0</b>	<b>8.7</b>
								<b>Med.</b>	<b>18.9</b>	<b>16.0</b>	<b>2.4</b>	<b>2.2</b>	<b>8.5</b>	<b>0.7</b>

Source: Bloomberg, CMBIS estimates

## Financial Summary

### Income statement

YE 31 Dec (USD mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Revenue</b>	<b>1,563</b>	<b>2,682</b>	<b>3,016</b>	<b>3,771</b>	<b>4,413</b>	<b>4,970</b>
Joyoung	1,054	1,179	1,280	1,471	1,662	1,817
SharkNinja	477	1,477	1,736	2,300	2,751	3,153
Others	33	25	-	-	-	-
<b>Cost of goods sold</b>	<b>(1,044)</b>	<b>(1,683)</b>	<b>(1,890)</b>	<b>(2,206)</b>	<b>(2,600)</b>	<b>(2,910)</b>
<b>Gross profit</b>	<b>519</b>	<b>999</b>	<b>1,127</b>	<b>1,565</b>	<b>1,813</b>	<b>2,060</b>
<b>Other income</b>	<b>21</b>	<b>42</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>20</b>
<b>Operating expenses</b>	<b>(400)</b>	<b>(795)</b>	<b>(922)</b>	<b>(1,145)</b>	<b>(1,325)</b>	<b>(1,470)</b>
A & P	(98)	(208)	(189)	(283)	(335)	(368)
S & D costs (ex. A & P)	(166)	(270)	(318)	(363)	(420)	(478)
D & A	(13)	(45)	(51)	(44)	(45)	(44)
Admin exp. (ex D & A)	(123)	(273)	(365)	(455)	(524)	(580)
Other opex	-	-	-	-	-	-
<b>EBIT</b>	<b>141</b>	<b>246</b>	<b>227</b>	<b>441</b>	<b>506</b>	<b>610</b>
Finance costs, net	(17)	(76)	(78)	(63)	(34)	(15)
JVs & associates	3	6	2	-	-	-
Exceptional	(26)	(35)	(32)	(26)	(31)	(34)
<b>Pre-tax profit</b>	<b>102</b>	<b>140</b>	<b>119</b>	<b>352</b>	<b>441</b>	<b>560</b>
Income tax	39	(28)	(34)	(81)	(88)	(101)
Less: Minority interests	93	77	43	58	67	79
<b>Net profit att.</b>	<b>48</b>	<b>35</b>	<b>42</b>	<b>213</b>	<b>286</b>	<b>380</b>
<b>Adj. Net profit att.</b>	<b>54</b>	<b>60</b>	<b>145</b>	<b>298</b>	<b>347</b>	<b>415</b>

### Cash flow summary

YE 31 Dec (USD mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
<b>EBIT</b>	<b>141</b>	<b>246</b>	<b>227</b>	<b>441</b>	<b>506</b>	<b>610</b>
D & A	29	87	89	88	88	87
Change in working capital	(83)	(48)	49	(122)	(75)	(67)
Income tax paid	(9)	(16)	(41)	(81)	(88)	(101)
Others	(27)	(36)	55	10	13	19
<b>Net cash from operating</b>	<b>52</b>	<b>234</b>	<b>380</b>	<b>336</b>	<b>445</b>	<b>548</b>
Capex & investments	(21)	(67)	(74)	(87)	(93)	(104)
Associated companies	(1,309)	29	(7)	-	-	-
Interest received	7	7	8	-	-	-
Others	109	21	(45)	-	-	-
<b>Net cash from investing</b>	<b>(1,213)</b>	<b>(10)</b>	<b>(118)</b>	<b>(87)</b>	<b>(93)</b>	<b>(104)</b>
Equity raised	-	-	375	138	-	-
Net change in bank loans	1,176	(59)	(205)	(350)	(200)	-
Dividend paid	(39)	(83)	(95)	250	73	112
Others	113	(119)	(93)	(73)	(48)	(35)
<b>Net cash from financing</b>	<b>1,25</b>	<b>(261)</b>	<b>(18)</b>	<b>(35)</b>	<b>(174)</b>	<b>77</b>
<b>Net change in cash</b>	<b>89</b>	<b>(37)</b>	<b>244</b>	<b>214</b>	<b>177</b>	<b>521</b>
Beginning cash balance	127	211	181	421	635	813
Exchange difference	(5)	7	(4)	-	-	-
<b>Cash at end of the year</b>	<b>211</b>	<b>181</b>	<b>421</b>	<b>635</b>	<b>813</b>	<b>1,334</b>

### Balance sheet

YE 31 Dec (USD mn)	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Non-current assets</b>	<b>1,896</b>	<b>1,889</b>	<b>1,999</b>	<b>1,998</b>	<b>2,003</b>	<b>2,021</b>
Fixed asset	180	191	207	247	294	354
Intangible assets & goodwill	1,405	1,398	1,389	1,348	1,308	1,267
Prepaid lease payments	22	16	16	16	16	16
Interest in joint ventures	37	36	36	36	36	36
Other non-current assets	252	247	353	351	350	348
<b>Current assets</b>	<b>1,389</b>	<b>1,411</b>	<b>1,775</b>	<b>2,228</b>	<b>2,666</b>	<b>3,406</b>
Cash & cash equivalents	211	181	421	635	813	1,334
Inventories	272	350	393	434	511	572
Trade and other receivables	628	773	804	986	1,154	1,299
Prepayments	220	66	68	85	99	112
Other current assets	58	42	89	89	89	89
<b>Current liabilities</b>	<b>661</b>	<b>1,281</b>	<b>990</b>	<b>1,107</b>	<b>1,292</b>	<b>1,444</b>
Bank loans	10	486	26	26	26	26
Trade payables	262	409	530	544	641	718
Accruals & other payables	371	364	411	514	601	677
Tax payables	7	11	14	14	14	14
others	10	11	9	9	9	9
<b>Non-current liabilities</b>	<b>2,026</b>	<b>1,557</b>	<b>1,251</b>	<b>901</b>	<b>701</b>	<b>701</b>
Bank loans	1,194	700	1,049	699	499	499
Deferred income	57	53	53	53	53	53
Deferred tax	132	134	134	134	134	134
Others	643	671	15	15	15	15
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>125</b>	<b>204</b>
<b>Total net assets</b>	<b>598</b>	<b>463</b>	<b>1,533</b>	<b>2,161</b>	<b>2,551</b>	<b>3,078</b>
<b>Shareholders' equity</b>	<b>598</b>	<b>463</b>	<b>1,533</b>	<b>2,161</b>	<b>2,551</b>	<b>3,078</b>

### Key ratios

YE 31 Dec	FY17A	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Sales mix (%)</b>						
Joyoung	67.4	44.0	42.4	39.0	37.7	36.6
SharkNinja	30.5	55.1	57.6	61.0	62.3	63.4
Others	2.1	1.0	-	-	-	-
<b>Total</b>	<b>100.</b>	<b>100.</b>	<b>100.</b>	<b>100.</b>	<b>100.</b>	<b>100.</b>
<b>P&amp;L ratios (%)</b>						
Gross margin	33.2	37.3	37.4	41.5	41.1	41.4
Operating margin	9.0	9.2	7.5	11.7	11.5	12.3
Pre-tax margin	6.5	5.2	3.9	9.3	10.0	11.3
Net margin	3.1	1.3	1.4	5.7	6.5	7.6
Effective tax rate	-39.6	21.0	29.0	23.0	20.0	18.0
<b>Balance sheet ratios</b>						
Current ratio (x)	2.1	1.1	1.8	2.0	2.1	2.4
Quick ratio (x)	1.7	0.8	1.4	1.6	1.7	2.0
Cash ratio (x)	0.3	0.1	0.4	0.6	0.6	0.9
Inventory turnover days	58	67	72	72	72	72
Trade receivables days	99	95	95	95	95	95
Trade payables days	77	73	91	90	90	90
Total debt / total equity ratio (%)	203	258	71	34	21	17
Net debt / equity ratio	167	214	39	2	Net cash	Net cash
<b>Returns (%)</b>						
ROE	8.1	7.5	2.7	9.9	11.2	12.3
ROA	1.5	1.1	1.1	5.1	6.1	7.0
<b>Per share</b>						
Adj. EPS (USD)	0.02	0.02	0.04	0.08	0.10	0.12
DPS (USD)	0.01	0.02	0.07	0.02	0.03	0.05
BVPS (USD)	0.18	0.14	0.45	0.62	0.73	0.88

Source: Company data, CMBIS estimates



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