

Js Global Lifestyle (1691 HK)

Massive buyback with decent mid-term outlook

BUY (Maintain)

The results preview of both Joyoung and JS Global in FY24E were under pressure. However, since situation for Joyoung is stabilizing and it is still gaining market share, while SharkNinja APAC's outlook is rather decent after some early success, plus the active buyback by its major shareholder, we trim our net profit to reflect profit warning but maintain BUY given the long-term positive.

■ **We are conservative about Joyoung's outlook in FY25E.** On one hand, we have turned slightly positive on small appliance industry sales trend in FY25E, because of: 1) improved numbers in 4Q24 (online sales growth of kitchen appliances and kitchenware in 4Q24E was at 5%, improved from 3% in 3Q24 and 4% in 2Q24, based on Moojing's numbers), possibly aided by mildly improved consumer sentiment, after the launch of "old for new" home appliances subsidies and 2) extension of this subsidy programme into FY25E and the expansion of product category (small appliances are newly included in some provinces). But on the other hand, many overhangs (e.g. weak macro demand, price war, lack of innovations, further drags on the overseas demand due to increase in trade tariffs) are still here and no easy solutions are available. Therefore, even though Joyoung is still gaining market share (in rice cooker, pressure cooker, soymilk maker, blender, air fryer), by rolling out more innovative products (e.g. the zero coating non-stick rice cooker 40N9U Pro, all round food blender Y8), tapping into a wider range of consumers through selling more entry priced items and more high-end premium products and doubling down on new category like the water purifier (e.g. Hot cleaner R5 Pro), we are still cautious about Joyoung's outlook in FY25E (forecasting a sales turnaround but a fairly conservative margin improvement). Moreover, the ODM business for SharkNinja Group would be dragged as well (revenue cap in FY25E was cut by 50% vs previous cap, due to shift in supply chain under the new tariffs environment).

■ **However, we are positive about SharkNinja's outlook in FY25E and in the long run.** The SharkNinja business in APAC could still be loss-making in FY25E, because of the increase in various investments in R&D, marketing, distribution capability and sales team. However, we have already witnessed many meaningful success stories in different regions (like Australia, New Zealand, Singapore, and Japan). For example, the Shark PowerDetect Clean & Empty system, the Ninja Creami/ Wood fired oven/ outdoor grill are very hot selling in Australia and New Zealand. The Ninja Foodi SmartLid Multi-Cooker/ Creami was well received in Singapore. The Shark Evopower system and CleanSense IQ cordless vacuum and Ninja Blast portable / Twist blender are very popular in Japan. Therefore, by leveraging on Joyoung/ SharkNinja's talent and leadership in innovations (product pipeline is still very strong in FY25E), SharkNinja's excellent brand building techniques and Joyoung's supply chain capability, we are fairly confident on SharkNinja APAC's long-term outlook, where mid-term sales target is at US\$ 400mn-700mn in 3 to 5 years, by FY25E-27E.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (US\$ mn)	1,476	1,429	1,561	1,690	1,860
YoY growth (%)	(71.4)	(3.2)	9.2	8.3	10.1
Operating profit (US\$ mn)	146.5	102.6	10.9	68.5	109.4
Net profit (US\$ mn)	111.5	70.3	10.6	60.4	94.7
EPS (Reported) (US\$ cents)	2.50	1.51	(0.01)	1.39	2.34
YoY growth (%)	(79.6)	(39.5)	na	na	68.3
P/E (x)	10.4	17.2	ns	18.7	11.1
P/B (x)	0.4	1.3	1.3	1.2	1.0
Yield (%)	0.0	1.9	ns	1.8	3.0
ROE (%)	5.4	5.1	1.5	8.1	11.4

Source: Company data, Bloomberg, CMBIGM estimates

Target Price	HK\$2.44
(Previous)	HK\$1.84)
Up/Downside	20.4%
Current Price	HK\$2.03

China Consumer Discretionary

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Stock Data

Mkt Cap (HK\$ mn)	7,094.1
Avg 3 mths t/o (HK\$ mn)	89.3
52w High/Low (HK\$)	2.03/1.23
Total Issued Shares (mn)	3494.6

Source: FactSet

Shareholding Structure

Mr. Wang Xuning & concert party	70.9%
CDH Fund	4.7%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	31.0%	28.0%
3-mth	26.9%	28.7%
6-mth	36.2%	14.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

Recent Reports

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Noted that the potential is huge as the market size of small home appliances in APAC (ex-China) is massive (accounted for 40% of world's population and 870mn household, with a retail sales of roughly US\$ 7bn per year).

- **Joyoung expects its net profit to drop by 65%-77% YoY in FY24E.** Joyoung announced its FY24E results preview and expects its net profit to fall by around 65%-77% YoY to RMB 90mn-RMB 135mn, due to: 1) increased investments into the R&D, marketing for brand building, etc. and 2) decline in the exports/ overseas sales profit margin. In our view, the weak macro environment, increasing convenient food delivery services, the lack of revolutionary innovations (e.g. air fryer, high-performance blender or robot vacuum in the past) as well as suppressed offline customer traffics, have all weighed on the demand of small appliances industry and the overall GP margin (as a result of increased promotions) and OP margin (e.g. operating deleverage).
- **JS global also issued a profit warning and foresees its net profit to drop by no more than 89% in FY24E.** JS global also announced a profit warning, and forecast its FY24E net profit (from con. business) to drop by no more than 89% to no less than US\$ 8.1mn, mainly driven by: 1) increased investment for R&D and brand building in China mentioned above and 2) surge in sales and admin expenses for SharkNinja's business expansion in the APAC market (including strengthening the brand image and consumer awareness, promotion of core products and capabilities of the channel distribution, sales and admin team, etc.). On the other hand, we believe the changes in fair values of the share awards, other gains or losses on disposal of subsidiaries and drop in sourcing services income for the SharkNinja Group may also drag on the overall net profit.
- **Last but not the least, JS Global's larger shareholder has been actively buying back its shares.** Mr. Wang and his connected party have been actively buying back its own shares in the open market during the late 2024 and early 2025, with a total capital spent over HK\$ 700mn (repurchased over 457mn shares at an average price of around HK\$ 1.547). This amount of shares (around 13% of total shares issues) is fairly sizeable. Hence, in our view, this is effectively reflecting their confidence in the Company's long-term fundamentals and may also serve as a preparatory step towards a potential take-private transaction (huge net cash position, accounted for about 40% of its market cap, deep valuation deeps vs Joyoung (002242 CH, NR) and SharkNinja ex APAC (SN US, NR), etc.).
- **Maintain BUY and raise TP to HK\$ 2.44.** We have revised down our FY24E/ 25E adj. net profit att. by 99%/ 57% to reflect the profit warning, weak demand and operating deleverage in China and higher investment in R&D, marketing, sales and admin team in APAC, also introduced our FY26E forecasts. Our new TP is based on 13x FY26E P/E, 36% discount to average of Joyoung (002242 CH)'s 20.4x and SharkNinja (SN US, NR) ex-APAC's 20.0x. It is also 16% below 15.4x, which is the average of Joyoung, SharkNinja ex-APAC, Supor, Midea and SEB. And given its 9% sales CAGR and 16% net profit CAGR (3 years, from FY23 to FY26E), we do think 13x is justifiable. The stock is currently trading at 11x FY26E P/E.

Earnings revision

Figure 1: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	1,561	1,690	1,860	1,765	1,942	n/a	-11.6%	-13.0%	n/a
Gross profit	527	579	651	645	713	n/a	-18.3%	-18.8%	n/a
EBIT	11	68	109	158	174	n/a	-93.1%	-60.7%	n/a
Adjusted NP att.	1	51	84	104	116	n/a	-98.6%	-56.6%	n/a
Adjusted EPS (US\$)	0.000	0.014	0.024	0.029	0.033	n/a	-98.5%	-56.1%	n/a
Gross margin	33.8%	34.3%	35.0%	36.6%	36.7%	n/a	-2.8ppt	-2.4ppt	n/a
EBIT margin	0.7%	4.1%	5.9%	9.0%	9.0%	n/a	-8.3ppt	-4.9ppt	n/a
Net profit att. margin	0.1%	3.0%	4.5%	5.9%	6.0%	n/a	-5.8ppt	-3ppt	n/a

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ mn	New			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	1,561	1,690	1,860	1,582	1,719	1,848	-1.4%	-1.7%	0.7%
Gross profit	527	579	651	538	594	647	-2.1%	-2.5%	0.6%
EBIT	11	68	109	75	92	111	-85.6%	-25.4%	-1.8%
Adjusted NP att.	1	51	84	59	71	95	-97.5%	-28.8%	-11.3%
Adjusted EPS (US\$)	0.000	0.014	0.024	0.017	0.020	0.027	-97.5%	-27.6%	-10.9%
Gross margin	33.8%	34.3%	35.0%	34.0%	34.5%	35.0%	-0.3ppt	-0.3ppt	0ppt
EBIT margin	0.7%	4.1%	5.9%	4.8%	5.3%	6.0%	-4.1ppt	-1.3ppt	-0.1ppt
Net profit att. margin	0.1%	3.0%	4.5%	3.7%	4.1%	5.1%	-3.6ppt	-1.1ppt	-0.6ppt

Source: Company data, CMBIGM estimates

Focus Charts

Figure 3: The Shark Evopower system



Source: Company data, CMBIGM

Figure 4: The Ninja Creami



Source: Company data, CMBIGM

Figure 5: The Ninja Blast blender



Source: Company data, CMBIGM

Figure 6: The Ninja SmartLid Multi-Cooker



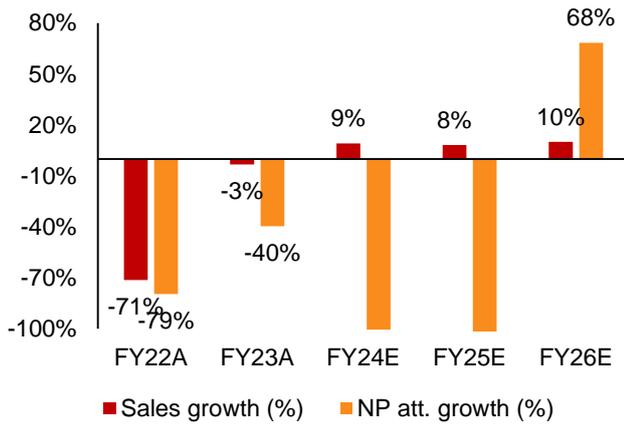
Source: Company data, CMBIGM

Figure 7: Recent shares buyback by JS global's substantial shareholder

Name of substantial shareholder	Date	Number of shares repurchased	Price (HK\$)	Capital spent (HK\$)	As % of total shares issued
Wang Xuning	23-Jan-25	140,000,000	1.5900	222,600,000	4.03%
Wang Xuning	15-Jan-25	265,859,805	1.5185	403,708,114	7.65%
Wang Xuning	13-Jan-25	10,000,000	1.4871	14,871,000	0.29%
Han Run	13-Jan-25	10,000,000	1.4871	14,871,000	0.29%
Wang Xuning	2-Jan-25	336,000	1.3900	467,040	0.01%
Han Run	2-Jan-25	336,000	1.3900	467,040	0.01%
Yang Ningning	2-Jan-25	336,000	1.3900	467,040	0.01%
Huang Shuling	2-Jan-25	336,000	1.3900	467,040	0.01%
L&W Everlasting Holdings Limited	30-Dec-24	30,000,000	1.6500	49,500,000	0.86%
Total value invested		457,203,805	1.5473	707,418,274	13.16%
Total number of shares issued		3,474,571,777			

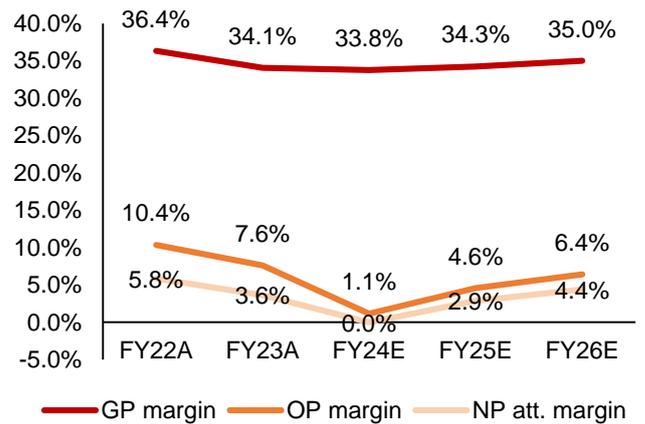
Source: HKEX, CMBIGM estimates

Figure 8: Sales and net profit att. growth



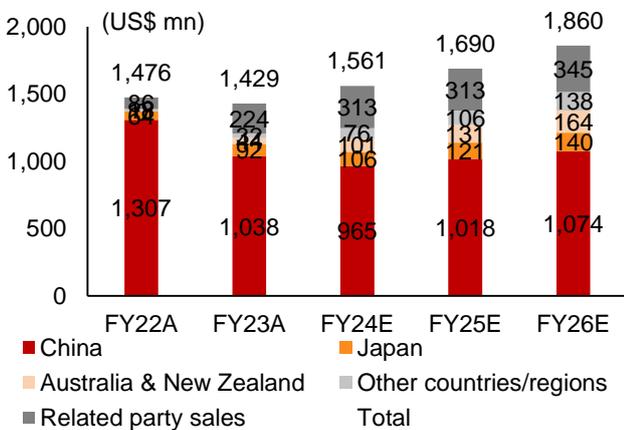
Source: Company data, CMBIGM estimates

Figure 9: GP, OP and NP att. margin



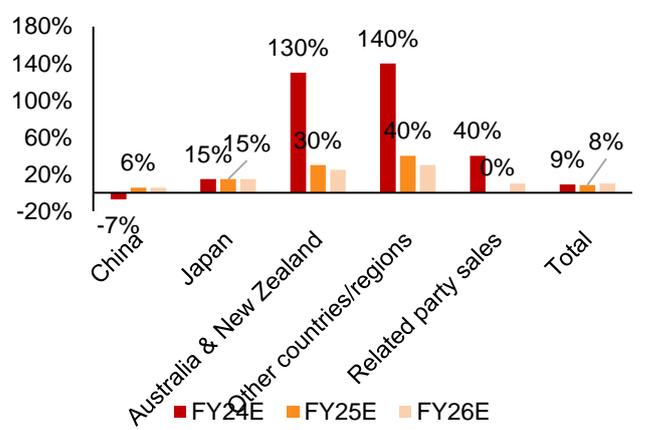
Source: Company data, CMBIGM estimates

Figure 10: Sales, by region



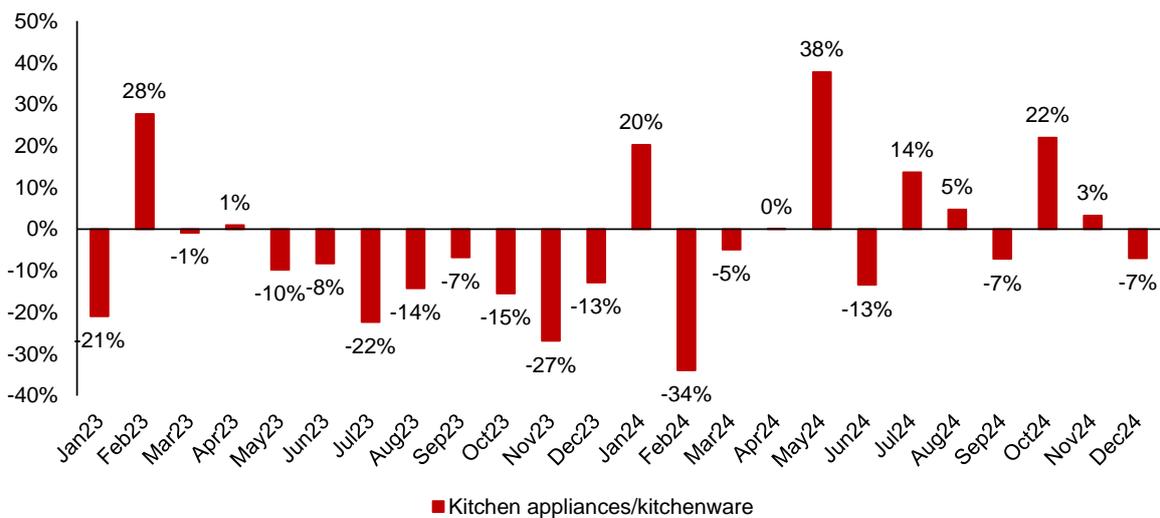
Source: Company data, CMBIGM estimates

Figure 11: Sales growth, by region



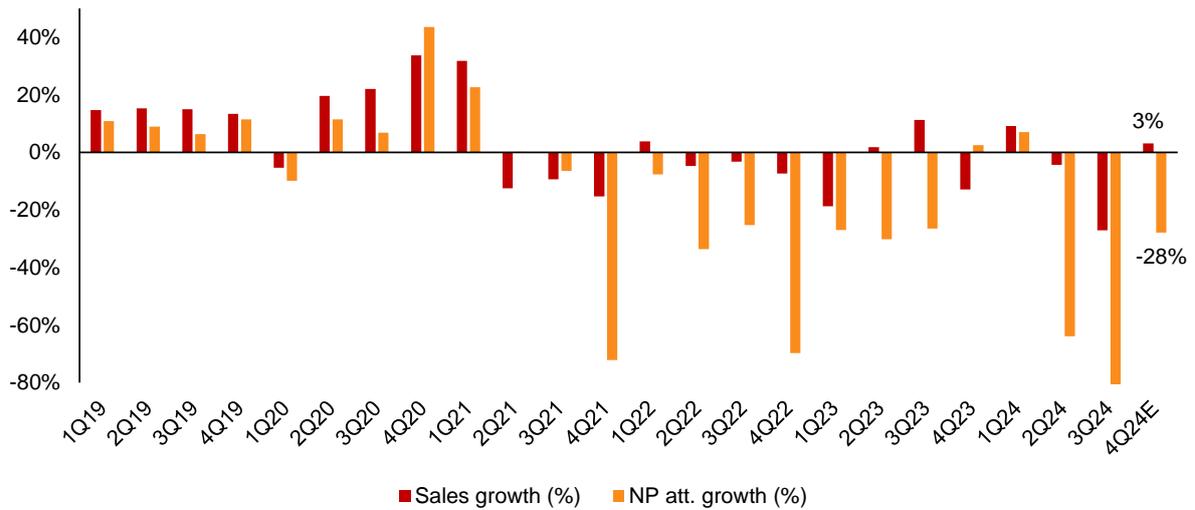
Source: Company data, CMBIGM estimates

Figure 12: Monthly online sales growth of Kitchen appliances/ kitchenware in China



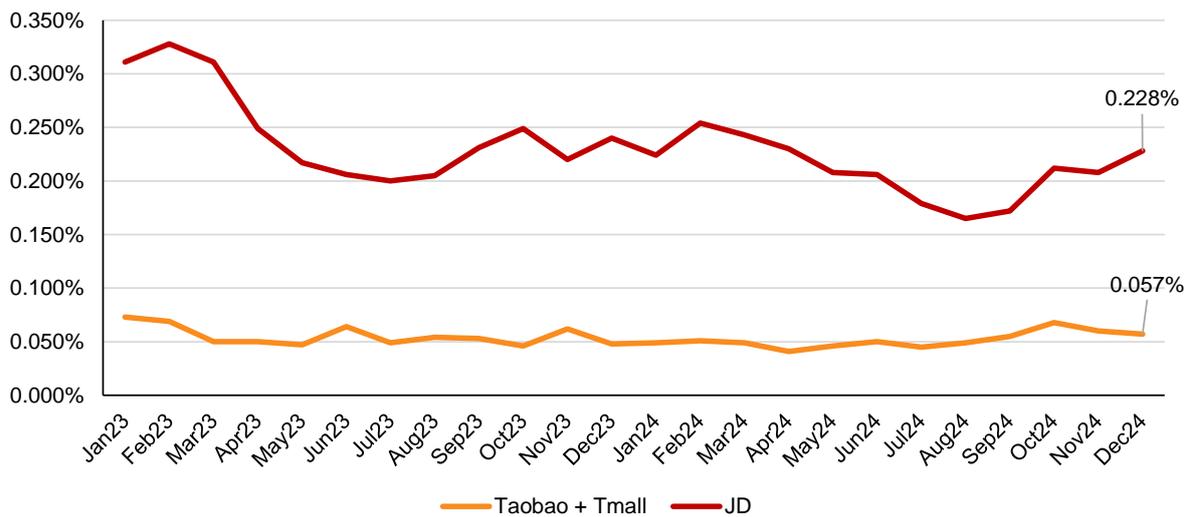
Source: Moojing, CMBIGM estimates

Figure 13: Joyoung's quarterly sales and net profit growth



Source: Company data, CMBIGM estimates

Figure 14: Joyoung's online sales market shares in Taobao+Tmall/ JD in China



Source: Company data, CMBIGM estimates

Assumptions

Figure 15: CMBIGM assumptions

US\$ mn	FY22A	FY23A	FY24E	FY25E	FY26E
Sales by region growth (%)					
China	1,307	1,038	965	1,018	1,074
Japan	64	92	106	121	140
Australia and New Zealand	0	44	101	131	164
Other countries/regions	18	32	76	106	138
Related party sales	86	224	313	313	345
Total	1,476	1,429	1,561	1,690	1,860
Sales by region growth (%)					
China	-6.5%	-20.6%	-7.0%	5.5%	5.5%
Japan	-	43.0%	15.0%	15.0%	15.0%
Australia and New Zealand	-	-	130.0%	30.0%	25.0%
Other countries/regions	-	74.6%	140.0%	40.0%	30.0%
Related party sales	-	160.4%	40.0%	0.0%	10.0%
Total	-71.4%	-3.2%	9.2%	8.3%	10.1%
Sales growth by brand segment (%)					
Joyoung segment - 3rd parties	-	-20.5%	-7.0%	5.5%	5.5%
SharkNinja APAC segment - 3rd parties	-	137.4%	76.5%	28.2%	23.9%
Related party sales	-	159.4%	40.0%	0.0%	10.0%
Total	-	-3.2%	9.2%	8.3%	10.1%
GP margins by brand segment					
Joyoung segment - 3rd parties	32.1%	31.1%	31.5%	31.0%	31.0%
SharkNinja APAC segment - 3rd parties	39.6%	42.2%	46.5%	47.5%	48.5%
Related party sales	100.0%	42.3%	30.0%	30.5%	31.0%
Total	36.4%	34.1%	33.8%	34.3%	35.0%
Opex breakdown					
A&P expenses	-2.6%	-3.8%	-4.2%	-3.9%	-3.8%
Staff costs	-10.2%	-13.2%	-13.8%	-12.4%	-12.0%
R&D expenses	-3.9%	-3.9%	-3.9%	-3.9%	-3.9%
D&A expenses	-1.2%	-1.1%	-1.9%	-1.9%	-1.8%
Warehousing & trans. expenses	-0.8%	-1.1%	-1.1%	-1.1%	-1.0%
Trade marketing expenses	-9.2%	-7.7%	-9.5%	-8.7%	-8.5%
Other opex	0.5%	-2.1%	-1.4%	-1.3%	-1.2%
Selling & distribution costs / sales	-17.9%	-17.9%	-20.1%	-18.8%	-18.4%
Admin expenses / sales	-9.6%	-15.1%	-15.6%	-14.3%	-13.7%
Total	-27.4%	-33.1%	-35.7%	-33.2%	-32.1%
OP margins					
Effective tax rate	19.2%	17.8%	21.0%	17.0%	17.0%
NP att. margins	5.8%	3.6%	8.2%	8.6%	8.9%
NP att. growth (%)	-79.5%	-39.6%	-100.6%	-14694.6%	68.3%

Source: Company data, CMBIGM estimates

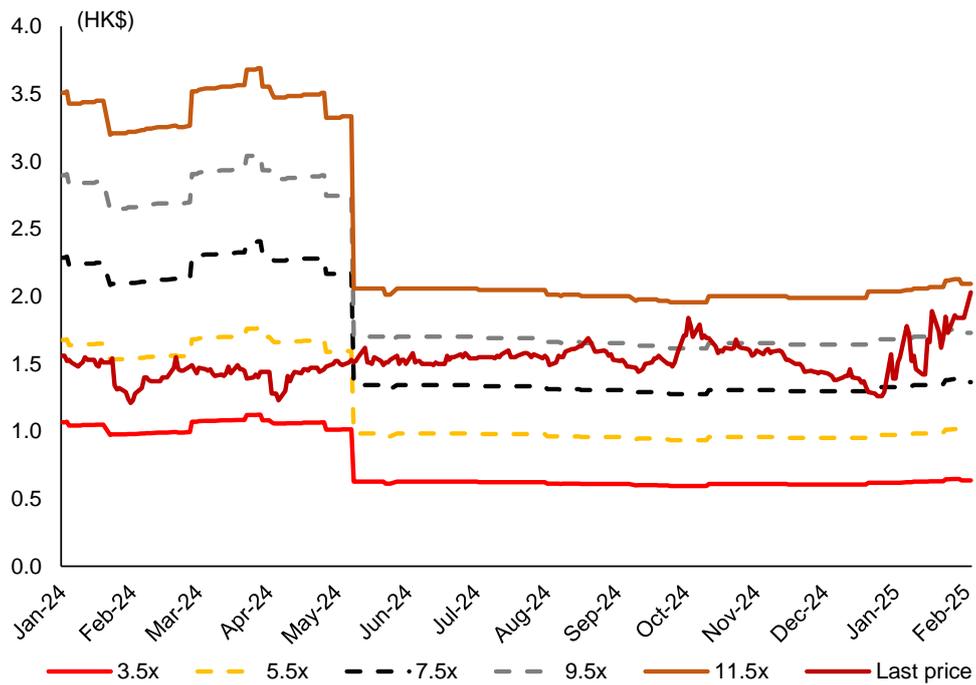
Valuation

Figure 16: 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 (%)	YTD perf. FY1E	
A+ H shares Small Home Appliances															
JS Global	1691 HK	BUY	2.44	2.03	20%	7,053	Dec-23	604.7	17.9	1.2	(0.0)	17.1	(0.0)	46.0	
Joyoung	002242 CH	NR	n/a	9.80	n/a	8,085	Dec-23	37.8	23.0	1.9	5.8	(10.7)	1.9	(5.4)	
Vesync	2148 HK	BUY	6.40	5.24	22%	5,971	Dec-23	8.4	7.2	1.5	24.0	0.5	4.5	(0.9)	
Zhejiang Supor	002032 CH	NR	n/a	53.13	n/a	45,795	Dec-23	18.8	17.3	5.8	34.1	3.3	4.7	(0.2)	
Carote Ltd	2549 HK	BUY	8.97	6.00	50%	3,330	Dec-23	7.8	6.8	2.0	40.0	n/a	3.0	20.0	
GD Xinbao	002705 CH	NR	n/a	15.65	n/a	13,666	Dec-23	11.9	10.5	1.4	13.0	1.1	3.1	4.3	
Bear Electric	002959 CH	NR	n/a	42.26	n/a	7,139	Dec-23	21.5	18.3	2.1	10.6	(3.3)	2.5	(11.8)	
Ecovacs Robotics	603486 CH	NR	n/a	42.71	n/a	26,428	Dec-23	21.4	16.8	2.9	15.7	0.6	1.5	(9.1)	
Beijing Roborock	688169 CH	NR	n/a	228.79	n/a	45,458	Dec-23	19.5	17.0	2.8	17.3	1.7	1.5	4.3	
Kingclean Electric	603355 CH	NR	n/a	23.19	n/a	14,305	Dec-23	11.8	10.5	2.0	21.6	1.3	n/a	2.4	
								Avg.	76.4	14.5	2.4	18.2	1.3	2.5	5.0
								Med.	19.1	16.9	2.0	16.5	1.1	2.5	1.1
A + H Home Appliances															
Midea Group	000333 CH	BUY	67.79	73.88	-8%	605,144	Dec-23	14.5	13.1	2.7	20.9	2.2	4.1	(1.8)	
Gree Electric	000651 CH	NR	n/a	44.89	n/a	270,457	Dec-23	8.0	7.6	1.6	23.9	1.4	5.8	(1.2)	
Haier Smart Home	600690 CH	NR	n/a	27.77	n/a	262,826	Dec-23	13.6	12.1	2.0	16.9	1.2	3.5	(2.5)	
Haier Electronics	6690 HK	BUY	36.41	25.20	44%	262,678	Dec-23	11.5	10.2	1.7	17.1	1.0	4.1	(8.4)	
Hisense Home	921 HK	NR	n/a	26.05	n/a	43,582	Dec-23	10.0	8.8	1.9	22.7	0.8	4.5	6.1	
Hisense Home - A	000921 CH	NR	n/a	31.74	n/a	43,607	Dec-23	13.1	11.5	2.4	21.3	1.0	3.6	9.8	
Whirlpool China	600983 CH	NR	n/a	9.11	n/a	7,510	Dec-23	n/a	n/a	n/a	n/a	n/a	n/a	(1.4)	
Hangzhou Robam	002508 CH	NR	n/a	20.89	n/a	21,214	Dec-23	11.7	10.9	1.6	14.9	6.5	4.5	(2.5)	
Vatti Corporation	002035 CH	NR	n/a	6.99	n/a	6,373	Dec-23	10.6	9.3	1.3	14.1	0.7	5.4	(4.8)	
								Avg.	11.6	10.4	1.9	19.0	1.8	4.4	(0.7)
								Med.	11.6	10.6	1.8	19.0	1.1	4.3	(1.8)
International Small Home Appliances															
Techtronic	669 HK	NR	n/a	100	n/a	182,589	Dec-23	20.8	17.6	3.2	18.4	1.3	2.1	(2.8)	
Sharkninja Inc	SN US	NR	n/a	112	n/a	121,922	Dec-23	26.3	23.1	6.1	35.2	0.4	n/a	14.8	
Smith (A.O.) Corp	AOS US	NR	n/a	67	n/a	76,040	Dec-24	17.9	16.0	4.7	29.2	2.3	2.0	(1.3)	
Helen Of Troy	HELE US	NR	n/a	62	n/a	11,003	Feb-24	8.5	7.8	0.8	10.2	1.1	n/a	3.3	
De'Longhi Spa	DLG IM	NR	n/a	33	n/a	40,120	Dec-23	16.1	14.9	2.2	15.6	1.5	2.4	10.3	
Irobot Corp	IRBT US	NR	n/a	8	n/a	1,831	Dec-23	n/a	n/a	3.2	(0.7)	n/a	n/a	(0.8)	
Seb Sa	SK FP	NR	n/a	90	n/a	39,646	Dec-23	10.9	9.7	1.3	13.6	0.9	3.2	2.6	
Koninklijke Philips	PHIA NA	NR	n/a	26	n/a	196,056	Dec-23	18.4	16.2	2.1	5.6	(0.1)	3.3	7.1	
								Avg.	17.0	15.0	3.0	15.9	1.1	2.6	4.1
								Med.	17.9	16.0	2.7	14.6	1.1	2.4	2.9
International Home Appliances															
Whirlpool Corp	WHR US	NR	n/a	105.01	n/a	45,120	Dec-24	10.1	8.7	2.0	17.5	(0.0)	6.7	(8.3)	
Ingersoll-Rand	IR US	NR	n/a	93.80	n/a	294,573	Dec-23	28.4	27.2	3.4	13.3	1.1	0.1	3.7	
Electrolux Ab	ELUXB SS	NR	n/a	97	n/a	19,064	Dec-24	11.2	7.8	1.8	19.7	(0.0)	3.7	5.2	
Daikin Industries	6367 JP	NR	n/a	17775.0	n/a	261,694	Mar-24	19.5	17.6	1.7	9.9	3.8	1.8	(4.7)	
Panasonic Corp	6752 JP	NR	n/a	1528	n/a	188,375	Mar-24	11.2	8.9	0.7	7.0	(5.0)	2.6	(7.0)	
Fujitsu General	6755 JP	NR	n/a	2756.00	n/a	15,145	Mar-24	n/a	31.4	2.0	(5.2)	n/a	1.4	18.4	
Lg Electronics Inc	066570 KS	NR	n/a	78200.0	n/a	68,060	Dec-24	8.0	6.4	0.5	7.8	0.1	2.2	(6.3)	
Samsung	005930 KS	NR	n/a	51000.0	n/a	1,619,209	Dec-24	10.7	7.8	0.8	7.9	1.7	2.8	(4.1)	
								Avg.	14.2	14.5	1.6	9.7	0.2	2.7	(0.4)
								Med.	11.2	8.8	1.8	8.9	0.1	2.4	(4.4)

Source: Bloomberg, CMBIGM estimates

Figure 17: Forward 12M P/E valuation band



Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Revenue	5,151	1,476	1,429	1,561	1,690	1,860
Cost of goods sold	(3,226)	(939)	(942)	(1,034)	(1,111)	(1,209)
Gross profit	1,924	536	487	527	579	651
Operating expenses	(1,346)	(405)	(472)	(558)	(560)	(597)
Selling expense	(809)	(264)	(256)	(314)	(318)	(342)
Admin expense	(538)	(141)	(216)	(244)	(242)	(255)
R&D expense	0	0	0	0	0	0
Others	0	0	0	0	0	0
Operating profit	611	147	103	11	68	109
Other income	33	15	88	41	50	55
Share of (losses)/profits of associates/JV	1	5	3	2	2	2
EBITDA	724	274	256	41	101	142
Depreciation	(66)	(72)	(51)	(23)	(23)	(23)
Other amortisation	(48)	(56)	(103)	(7)	(9)	(9)
Interest income	8	6	6	7	9	10
Interest expense	(28)	(19)	(20)	(0)	(0)	(0)
Other income/expense	(17)	(2)	(7)	(6)	(7)	(7)
Pre-tax profit	575	137	85	13	72	114
Income tax	(114)	(25)	(15)	(2)	(12)	(19)
Minority interest	(40)	(25)	(18)	(11)	(12)	(13)
Net profit	461	111	70	11	60	95
BALANCE SHEET						
YE 31 Dec (US\$ mn)						
Current assets	2,779	2,582	1,022	1,192	1,274	1,419
Cash & equivalents	555	504	320	600	644	737
Account receivables	1,246	1,198	396	257	278	306
Inventories	782	646	120	142	152	166
Prepayment	85	159	79	87	94	103
ST bank deposits	29	35	56	56	56	56
Other current assets	82	40	51	51	51	51
Non-current assets	2,030	2,054	381	429	481	540
PP&E	206	219	91	144	203	270
Investment in JVs & assos	27	30	20	22	23	25
Intangibles	588	609	4	0	(7)	(14)
Other non-current assets	1,208	1,195	266	263	261	258
Total assets	4,809	4,636	1,403	1,621	1,755	1,959
Current liabilities	1,623	1,595	695	878	945	1,031
Short-term borrowings	85	135	0	0	0	0
Account payables	879	688	472	636	684	744
Tax payable	21	5	6	6	6	6
Other current liabilities	638	767	217	236	256	281
Non-current liabilities	1,097	976	10	21	33	46
Long-term borrowings	857	722	0	0	0	0
Other non-current liabilities	240	254	10	21	33	46
Total liabilities	2,720	2,571	705	900	979	1,078
Share capital	1,034	971	325	325	325	325
Retained earnings	0	0	0	17	82	191
Other reserves	1,055	1,093	373	379	370	366
Total shareholders equity	2,089	2,065	698	721	777	882
Minority interest	0	0	0	0	0	0
Total equity and liabilities	4,809	4,636	1,403	1,621	1,755	1,959

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	575	137	85	13	72	114
Depreciation & amortization	113	128	154	30	33	33
Tax paid	(133)	(135)	(96)	(2)	(12)	(19)
Change in working capital	(299)	(19)	71	294	28	35
Others	73	391	98	5	5	6
Net cash from operations	330	501	312	339	126	168
Investing						
Capital expenditure	(64)	(96)	(70)	(76)	(82)	(91)
Acquisition of subsidiaries/ investments	(51)	(54)	(25)	0	0	0
Others	(26)	37	(243)	0	0	0
Net cash from investing	(141)	(113)	(338)	(76)	(82)	(91)
Financing						
Dividend paid	(155)	(235)	(28)	17	(0)	16
Net borrowings	(17)	(93)	(59)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(3)	(78)	(35)	0	0	0
Others	(27)	33	(78)	(0)	(0)	(0)
Net cash from financing	(202)	(373)	(200)	17	(0)	16
Net change in cash						
Cash at the beginning of the year	571	555	504	320	600	644
Exchange difference	(2)	(66)	41	0	0	0
Others	(13)	14	(226)	280	44	94
Cash at the end of the year	555	504	320	600	644	737
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	22.8%	(71.4%)	(3.2%)	9.2%	8.3%	10.1%
Gross profit	10.4%	(72.1%)	(9.3%)	8.3%	9.9%	12.5%
Operating profit	(1.4%)	(76.0%)	(30.0%)	(89.4%)	530.8%	59.8%
EBITDA	0.2%	(62.1%)	(6.7%)	(84.2%)	149.5%	40.8%
Net profit	14.5%	(75.8%)	(37.0%)	(84.9%)	470.0%	56.9%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	37.4%	36.4%	34.1%	33.8%	34.3%	35.0%
Operating margin	11.9%	9.9%	7.2%	0.7%	4.1%	5.9%
EBITDA margin	14.1%	18.6%	17.9%	2.6%	6.0%	7.6%
Return on equity (ROE)	23.0%	5.4%	5.1%	1.5%	8.1%	11.4%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Current ratio (x)	1.7	1.6	1.5	1.4	1.3	1.4
Receivable turnover days	86.8	302.3	203.6	60.0	60.0	60.0
Inventory turnover days	76.8	277.6	148.5	50.0	50.0	50.0
Payable turnover days	99.8	304.4	224.7	224.7	224.7	224.7
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	2.1	10.4	17.2	ns	18.7	11.1
P/E (diluted)	2.1	10.4	17.2	ns	18.7	11.1
P/B	0.4	0.4	1.3	1.3	1.2	1.0
P/CFPS	1.8	2.9	2.7	7.2	5.4	4.3
Div yield (%)	20.2	0.0	1.9	ns	1.8	3.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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