

Vesync (2148 HK)

Sales and cost pressure may persist in 2H22E

We believe this 1H22 net profit miss is massive and we are more worrying about its sales growth and margins in 2H22E. Therefore, we downgrade to HOLD and cut TP to HK\$5.27, based on 13x FY23E P/E (rolled over from 12x FY22E P/E), similar to industry's average of 14x. It is now trading at 12x.

- **Vesync expects net profit to fall by 40%-60% YoY in 1H22.** Vesync issued a profit warning for 1H22 and expect net profit to fall about 40%-60% YoY. It attributed this drop to: 1) surge in costs of sales, esp. at least 70% YoY increases in freight costs, 2) at least 320% YoY increases in foreign exchange losses (due to depreciation of non-US dollars) and 3) jump in staff costs, by at least 70% YoY.
- **It is a sizable miss,** as the 40%-60% decline in 1H22 is far behind BBG est. of ~50% YoY net profit growth in FY22E. We do have certain expectations about a weaker 1H22, but the magnitude is, without doubt, shocking. Noted that Vesync's FY21 net profit was also a miss by 30%-40% back in Mar 2022.
- **We are more cautious on sales growth in 2H22E,** because of: 1) inflation pressure and geopolitically issues, which are still dragging the consumers' purchasing power in the US and EU, 2) based on BBG est., peers' are still under pressure and revising their guidance (sales decline or slow recovery), 3) ASP growth may be limited, as we noticed the ASP of Levoit's product may have declined by about MSD vs the level back in Dec 2021 due to surge in competitions (more new brands like Shark, have entered the market).
- **Cost pressure is still an overhang in 2H22E,** we believe the US dollars may still be strong (vs other currencies) and therefore the FX losses may still be large. Also, we believe the surge in staff costs could still be faster than its sales growth due to Vesync's poor track record of budgeting. Moreover, due to the jump in peers' inventory level, we believe the market is likely to become more promotional in 2H22E, which may lead to a higher retail discounts and a weaker GP margin. For freight rates and raw material prices, we do think they can ease in 2H22E, but due to a lower bargaining power for Vesync as a smaller sized company, the benefits may be limited and delayed.
- **Downgrade to HOLD and cut TP to HK\$ 5.27.** We cut FY22E/ 23E/ 24E net profit by 43%/ 22%/ 22%, to factor in: 1) slower sales growth, 2) lower GP margin (higher freight rate, greater retail discounts, etc.) and 3) higher opex. Our TP is based on 13x FY23E P/E (rolled over from 12x FY22E P/E), vs 3-year average of 15x. It is trading at 12x FY23E P/E, not too attractive.

Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (USD k)	348,922	454,250	533,514	636,058	762,209
YoY growth (%)	103.0	30.2	17.4	19.2	19.8
NP att. (USD k)	54,723	41,588	39,193	61,051	79,159
EPS (USD)	0.049	0.036	0.034	0.052	0.068
YoY growth (%)	511.0	(25.4)	(7.5)	55.8	29.7
Consensus EPS (USD)	n/a	n/a	0.053	0.069	0.091
P/E (x)	13.2	17.8	19.2	12.4	9.5
P/B (x)	2.8	2.4	2.0	1.7	1.5
Yield (%)	2.6	2.5	2.1	3.2	4.2
ROE (%)	21.0	13.2	10.5	14.1	15.4
Net gearing (%)*	Net cash	Net cash	Net cash	Net cash	Net cash

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

HOLD (Down)

Target Price	HK\$5.27
(Previous TP	HK\$5.89)
Up/Downside	+5.3%
Current Price	HK\$5.01

China Home Appliance Sector

Walter Woo

(852) 3761 8776

walterwoo@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	5,826
Avg 3 mths t/o (HK\$ mn)	1.59
52w High/Low (HK\$)	14.23/3.86
Total Issued Shares (mn)	1,162.9
Source: Bloomberg	

Shareholding Structure

Ms. Yang Lin (Settlor & Trustee) & Mr. Ryan Xu (Beneficiary)	36.15%
Mr. Yang Yuzheng	32.74%
Mr. Yang Hai	0.72%
Mr. Jiang Junxiu	1.43%
Share Award Trust	3.04%
Free Float	25.92%
Source: HKEx	

Share Performance

	Absolute	Relative
1-mth	10.8%	12.3%
3-mth	-0.9%	-1.6%
6-mth	-10.0%	9.4%
2-mth	-63.1%	-51.3%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: Ernst & Young

Related Reports

1. Vesync (2148 HK, BUY) – Higher developmental costs but better tariffs – 4 Apr 2022
2. Vesync (2148 HK, BUY) – FY22E guidance maintained but we are prudent – 29 Dec 2021
3. Vesync (2148 HK, BUY) – Leveraging China production and US e-commerce – 29 Nov 2021

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	533,514	636,058	762,209	563,027	682,226	816,283	-5.2%	-6.8%	-6.6%
Gross profit	214,724	258,429	309,047	237,474	268,890	322,400	-9.6%	-3.9%	-4.1%
EBIT	48,291	74,055	95,432	78,020	88,713	115,030	-38.1%	-16.5%	-17.0%
Net profit att.	39,193	61,051	79,159	68,197	78,436	101,810	-42.5%	-22.2%	-22.2%
Diluted EPS (USD)	0.034	0.052	0.068	0.058	0.067	0.087	-42.5%	-22.2%	-22.2%
Gross margin	40.2%	40.6%	40.5%	42.2%	39.4%	39.5%	-1.9ppt	1.2ppt	1.1ppt
EBIT margin	9.1%	11.6%	12.5%	13.9%	13.0%	14.1%	-4.8ppt	-1.4ppt	-1.6ppt
Net profit att. margin	7.3%	9.6%	10.4%	12.1%	11.5%	12.5%	-4.8ppt	-1.9ppt	-2.1ppt

Source: Company data, CMBIGM estimates

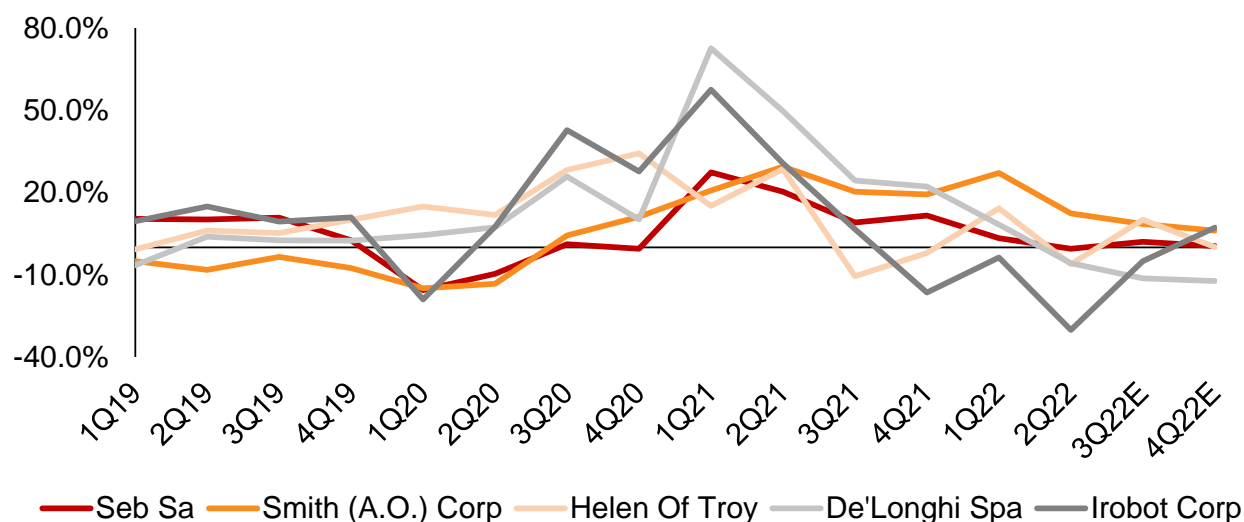
Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	533,514	636,058	762,209	572,667	704,667	832,375	-6.8%	-9.7%	-8.4%
Gross profit	214,724	258,429	309,047	225,794	284,081	340,580	-4.9%	-9.0%	-9.3%
EBIT	48,291	74,055	95,432	72,071	92,543	118,500	-33.0%	-20.0%	-19.5%
Net profit att.	39,193	61,051	79,159	62,244	81,400	92,013	-37.0%	-25.0%	-14.0%
Diluted EPS (USD)	0.034	0.052	0.068	0.053	0.069	0.091	-36.7%	-24.1%	-25.5%
Gross margin	40.2%	40.6%	40.5%	39.4%	40.3%	40.9%	0.8ppt	0.3ppt	-0.4ppt
EBIT margin	9.1%	11.6%	12.5%	12.6%	13.1%	14.2%	-3.5ppt	-1.5ppt	-1.7ppt
Net profit att. margin	7.3%	9.6%	10.4%	10.9%	11.6%	11.1%	-3.5ppt	-2ppt	-0.7ppt

Source: Company data, CMBIGM estimates

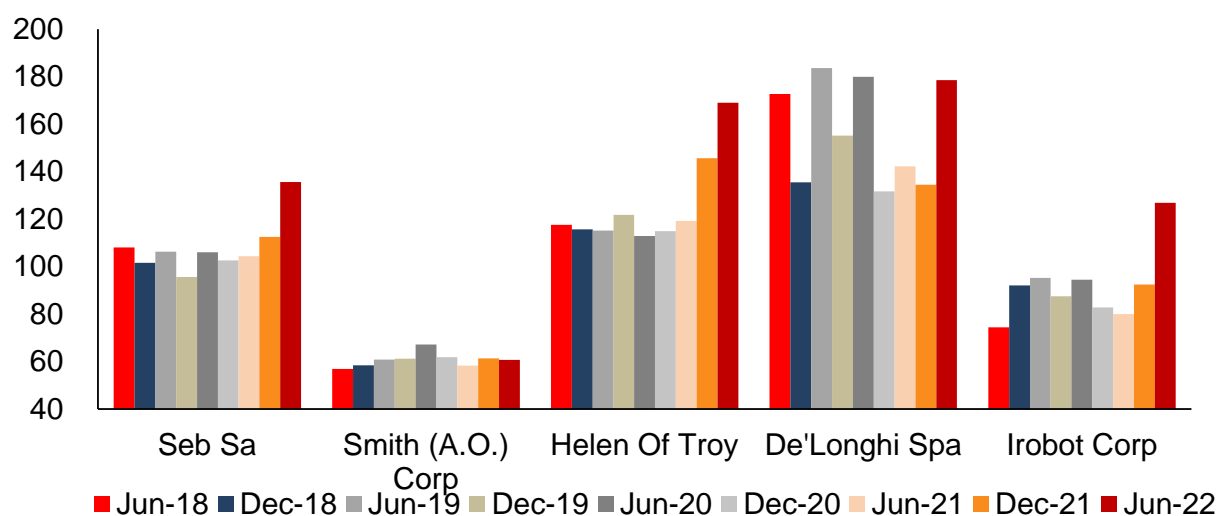
Focus Charts

Figure 3: Sales growth by peers



Source: Company data, CMBIS estimates

Figure 4: Inventory days by peers



Source: Company data, CMBIS estimates

Results preview

Figure 5: Results preview – Half Year

Half yearly / Full yearly (USD k)	1H21	2H21	1H22E	2H22E	1H22 E YoY	2H22E YoY
Revenue	199,290	254,960	224,226	309,287	13%	21%
COGS	(110,720)	(167,423)	(130,311)	(188,479)		
Gross profit	88,570	87,537	93,916	120,808	6%	38%
GP margins	44.4%	34.3%	41.9%	39.1%		
Other income & gains	3,202	-1,825	448	-2,359		
Selling and distribution expenses	(30,311)	(38,522)	(39,240)	(47,152)	29%	22%
Selling and distribution exp / sales	-15.2%	-15.1%	-17.5%	-15.2%		
Administrative expenses	(22,530)	(28,605)	(32,513)	(36,858)	44%	29%
Admin exp / sales	-11.3%	-11.2%	-14.5%	-11.9%		
Other opex	-1,159	-4,413	-1,121	-6,882		
Operating profit (EBIT)	37,772	14,172	21,491	27,557	-43%	94%
OP margins	19.0%	5.6%	9.6%	8.9%		
Other items	(396)	224	(673)	673		
Net finance income	(394)	(369)	(673)	(2,265)		
Net finance income / sales	-0.2%	-0.1%	-0.3%	-0.7%		
Profit after financing costs	36,982	14,027	20,145	25,965		
Associated coms	0	0	0	0		
Jointly controlled coms	0	0	0	0		
Pre-tax profit	36,982	14,027	20,145	25,965	-46%	85%
Tax	(5,001)	(4,420)	(3,425)	(3,492)		
Tax / sales	-2.5%	-1.7%	-1.5%	-1.1%		
Effective tax rate	-13.5%	-31.5%	-17.0%	-13.4%		
Net profit from con. bus.	31,981	9,607	16,721	22,473	-48%	134%
Net profit from discon. bus.	0	0	0	0		
Minority interests	0	0	0	0		
Net profit att.	31,981	9,607	16,721	22,473	-48%	134%
NP margins	16.0%	3.8%	7.5%	7.3%		
Sales by region						
North America	160,228	197,832	173,727	232,468	8%	18%
Europe	33,488	47,553	41,860	63,493	25%	34%
Asia	5,574	9,575	8,640	13,326	55%	39%
Total	199,290	254,960	224,226	309,287	13%	21%

Source: Bloomberg, Company data, CMBIGM estimates

Figure 6: Results preview – Full Year

Half yearly / Full yearly (USD k)	FY21	FY22	FY23E	FY22E YoY	FY23E YoY
Revenue	454,250	533,514	636,058	17%	19%
COGS	(278,143)	(318,790)	(377,629)		
Gross profit	176,107	214,724	258,429	22%	20%
GP margins	38.8%	40.2%	40.6%		
Other income & gains	1,377	-1,911	1,496		
Selling and distribution expenses	(68,833)	(86,392)	(97,948)	26%	13%
Selling and distribution exp / sales	-15.2%	-16.2%	-15.4%		
Administrative expenses	(51,135)	(69,371)	(80,702)	36%	16%
Admin exp / sales	-11.3%	-13.0%	-12.7%		
Other opex	-5,572	-8,003	-6,361		
Operating profit (EBIT)	51,944	49,047	74,915	-6%	53%
OP margins	11.4%	9.2%	11.8%		
Other items	(172)	0	0		
Net finance income	(763)	(2,938)	(3,090)		
Net finance income / sales	-0.2%	-0.6%	-0.5%		
Profit after financing costs	51,009	46,110	71,825		
Associated coms	0	0	0		
Jointly controlled coms	0	0	0		
Pre-tax profit	51,009	46,110	71,825	-10%	56%
Tax	(9,421)	(6,916)	(10,774)		
Tax / sales	-2.1%	-1.3%	-1.7%		
Effective tax rate	-18.5%	-15.0%	-15.0%		
Net profit from con. bus.	41,588	39,193	61,051	-6%	56%
Net profit from discon. bus.	0	0	0		
Minority interests	0	0	0		
Net profit att.	41,588	39,193	61,051	-6%	56%
NP margins	9.2%	7.3%	9.6%		
Sales by region					
North America	358,060	406,195	469,444	13%	16%
Europe	81,041	105,353	136,959	30%	30%
Asia	15,149	21,966	29,654	45%	35%
Total	454,250	533,514	636,058	17%	19%

Source: Bloomberg, Company data, CMBIGM estimates

Valuation

Peers Valuation

Figure 7: 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														
Vesync	2148 HK	HOLD	5.27	5.01	5%	5,826	Dec-21	19.2	12.4	2.0	1.7	14.5	0.8	2.1
Js Global Lifestyle	1691 HK	BUY	11.83	8.60	38%	30,054	Dec-21	8.0	5.2	1.7	1.4	24.2	0.6	4.7
Joyoung	002242 CH	NR	n/a	16.13	n/a	14,292	Dec-21	14.8	12.9	2.8	2.7	16.5	1.3	5.6
Zhejiang Supor	002032 CH	NR	n/a	44.80	n/a	41,851	Dec-21	16.4	14.4	4.2	3.7	25.1	1.4	4.0
Xinbao	002705 CH	NR	n/a	20.86	n/a	19,922	Dec-21	15.9	13.6	2.4	2.2	12.8	0.8	2.5
Bear Electric	002959 CH	NR	n/a	49.87	n/a	8,987	Dec-21	22.0	18.6	3.3	2.9	14.1	1.2	2.0
Ecovacs Robotics	603486 CH	NR	n/a	92.85	n/a	61,539	Dec-21	20.4	15.7	7.5	5.5	46.5	0.8	1.5
Beijing Roborock	688169 CH	NR	n/a	361.33	n/a	39,040	Dec-21	19.1	15.1	3.4	2.8	17.6	0.8	0.6
Kingclean Electric	603355 CH	NR	n/a	35.18	n/a	23,341	Dec-21	23.4	19.7	5.4	4.8	14.7	0.7	1.4
Avg.								17.7	14.2	3.7	3.1	20.7	0.9	2.7
Med.								19.1	14.4	3.3	2.8	16.5	0.8	2.1
A + H Home Appliances														
Midea	000333 CH	BUY	67.79	52.60	29%	425,232	Dec-21	11.5	10.1	2.5	2.2	23.4	1.1	3.6
Gree Electric	000651 CH	NR	n/a	30.86	n/a	200,760	Dec-21	7.1	6.4	1.5	1.4	22.5	0.8	7.9
Haier Smart Home	600690 CH	NR	n/a	23.62	n/a	241,586	Dec-21	14.7	12.7	2.4	2.1	17.0	1.1	2.5
Haier Smart Home	6690 HK	BUY	33.13	23.40	42%	241,589	Dec-21	12.5	10.8	2.1	1.9	17.0	0.9	3.0
Hisense Home	921 HK	NR	n/a	9.56	n/a	19,366	Dec-21	8.4	8.1	1.0	0.9	9.9	0.4	4.7
Hisense Home	000921 CH	NR	n/a	14.35	n/a	19,365	Dec-21	13.9	11.6	1.7	1.5	9.9	0.6	2.1
Whirlpool China	600983 CH	NR	n/a	7.38	n/a	6,534	Dec-21	n/a	n/a	n/a	n/a	(18.0)	n/a	n/a
Hangzhou Robam	002508 CH	NR	n/a	26.50	n/a	29,053	Dec-21	11.5	10.0	2.4	2.1	15.4	0.4	2.7
Vatti	002035 CH	NR	n/a	5.99	n/a	5,866	Dec-21	10.3	9.1	1.4	1.3	6.4	0.2	3.7
Avg.								11.2	9.9	1.9	1.7	11.5	0.7	3.8
Med.								11.5	10.1	1.9	1.7	15.4	0.7	3.3
International Small Home Appliances														
Techtronic	669 HK	NR	n/a	96	n/a	175,579	Dec-21	18.5	16.0	4.1	3.5	24.8	1.3	2.1
Smith (A.O.) Corp	AOS US	NR	n/a	64	n/a	77,614	Dec-21	18.4	17.4	5.5	4.9	28.7	1.9	1.8
Helen Of Troy Ltd	HELE US	NR	n/a	137	n/a	25,772	Feb-22	13.5	12.6	2.2	1.9	15.0	n/a	n/a
De'Longhi Spa	DLG IM	NR	n/a	19	n/a	22,997	Dec-21	16.5	13.5	1.8	1.6	13.6	(1.2)	2.9
Irobot Corp	IRBT US	NR	n/a	60	n/a	12,795	Jan-22	55.1	34.3	2.4	2.5	(6.6)	1.8	0.0
Seb Sa	SK FP	NR	n/a	80	n/a	35,136	Dec-21	12	9.8	1.4	1.3	13.3	(4.6)	2.6
Breville Group	BRG AU	NR	n/a	22	n/a	17,423	Jun-21	29	26.3	5.3	4.6	19.7	2.6	1.3
Koninklijke Philips	PHIA NA	NR	n/a	20	n/a	143,690	Dec-21	15.7	12.7	1.3	1.2	22.2	(0.7)	4.3
Avg.								22.4	17.8	3.0	2.7	16.3	0.2	2.1
Med.								17.4	14.8	2.3	2.2	17.3	1.3	2.1
International Home Appliances														
Whirlpool	WHR US	NR	n/a	170.37	n/a	72,826	Dec-21	7.6	7.4	2.3	2.0	15.8	(1.3)	4.1
Ingersoll-Rand	IR US	NR	n/a	53.50	n/a	169,156	Dec-21	23.2	20.8	2.4	2.3	7.3	0.8	0.1
Electrolux Ab-B	ELUXB SS	NR	n/a	153	n/a	32,768	Dec-21	14.0	9.3	2.2	2.0	14.0	8.5	5.9
Daikin Industries	6367 JP	NR	n/a	25285	n/a	432,222	Mar-22	29.3	26.3	3.4	3.1	10.9	4.4	0.9
Panasonic	6752 JP	NR	n/a	1133.00	n/a	162,152	Mar-22	11.1	9.5	0.8	0.7	7.4	14.1	2.8
Fujitsu General	6755 JP	NR	n/a	2890.00	n/a	18,428	Mar-22	24.2	19.5	2.3	2.0	2.7	0.4	1.1
Lg Electronics	066570 KS	NR	n/a	102000	n/a	99,707	Dec-21	7.7	7.3	0.9	0.8	9.2	0.2	1.2
Samsung	005930 KS	NR	n/a	61000.0	n/a	2,175,232	Dec-21	9.6	9.8	1.2	1.1	13.3	4.1	2.4
Avg.								15.8	13.7	1.9	1.8	10.1	3.9	2.3
Med.								12.5	9.7	2.2	2.0	10.0	2.5	1.8

Source: Bloomberg, CMBIGM estimates

Assumptions

Figure 8: CMBI's assumptions

USD mn	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Sales by region (USD k)						
North America	148,634	302,318	358,060	406,195	469,444	542,646
Europe	21,976	40,718	81,041	105,353	136,959	178,047
Asia	1,309	5,886	15,149	21,966	29,654	41,516
Total	171,919	348,922	454,250	533,514	636,058	762,209
Sales growth by region (%)						
North America	22.9%	103.4%	18.4%	13.4%	15.6%	15.6%
Europe	-1.9%	85.3%	99.0%	30.0%	30.0%	30.0%
Asia	-5.2%	349.7%	157.4%	45.0%	35.0%	40.0%
Total	18.8%	103.0%	30.2%	17.4%	19.2%	19.8%
Sales growth by segment (%)						
Seller Central	-18.7%	23.0%	-27.0%	-15.0%	-5.0%	0.0%
Vendor Central	110.8%	166.7%	45.4%	18.3%	15.1%	14.9%
Others (including offline)	44.0%	860.0%	197.6%	70.0%	65.0%	50.0%
GP margins by region						
North America	39.3%	44.5%	41.3%	41.0%	41.5%	41.5%
Europe	37.8%	38.0%	37.5%	37.5%	38.0%	38.0%
Asia	44.1%	43.0%	38.9%	39.5%	39.0%	39.0%
Total	39.1%	43.7%	40.5%	40.2%	40.6%	40.5%
GP margins by segment						
Seller Central	34.7%	41.0%	33.0%	34.0%	35.0%	35.5%
Vendor Central	43.6%	46.1%	41.1%	42.2%	42.9%	42.9%
Others (including offline)	25.7%	23.0%	30.0%	35.0%	34.5%	35.0%
Opex breakdown						
A & P	-8.5%	-3.5%	-4.7%	-5.9%	-5.5%	-5.5%
Commission to platform	-7.5%	-4.9%	-2.8%	-2.3%	-1.9%	-1.6%
Staff cost - Opex	-5.7%	-5.8%	-7.0%	-9.3%	-9.1%	-8.6%
Warehousing	-2.3%	-1.8%	-3.9%	-3.3%	-3.3%	-3.3%
R & D	-4.8%	-3.0%	-3.8%	-4.3%	-4.3%	-4.3%
Office expenses	-1.0%	-0.8%	-0.9%	-0.8%	-0.7%	-0.6%
D & A - Opex	-0.7%	-0.6%	-0.8%	-0.7%	-0.5%	-0.4%
Selling & distribution costs / sales	-22.0%	-13.5%	-15.2%	-16.2%	-15.4%	-15.0%
Admin expenses / sales	-12.4%	-11.2%	-11.3%	-13.0%	-12.7%	-12.2%
OP margins	4.8%	17.6%	11.4%	9.2%	11.8%	12.6%
Effective tax rate	-8.1%	-8.9%	-18.5%	-15.0%	-15.0%	-15.0%
NP att. margins	3.7%	15.7%	9.2%	7.3%	9.6%	10.4%
NP att. growth (%)	46.1%	758.8%	-24.0%	-5.8%	55.8%	29.7%
Adjusted NP att. growth (%)	46.1%	758.8%	-24.0%	-5.8%	55.8%	29.7%

Source: Company data, CMBIGM estimates

Financial Summary

Income statement

YE 31 Dec (USD k)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	348,922	454,250	533,514	636,058	762,209
North America	302,318	358,060	406,195	469,444	542,646
Europe	40,718	81,041	105,353	136,959	178,047
Asia	5,886	15,149	21,966	29,655	41,516
Cost of goods sold	(196,503)	(278,143)	(318,790)	(377,629)	(453,162)
Gross profit	152,419	176,107	214,724	258,429	309,047
Other income	331	712	(2,668)	636	762
Operating expenses	(91,422)	(125,540)	(163,766)	(185,010)	(214,377)
A & P	(12,270)	(21,165)	(31,477)	(34,983)	(41,921)
Commission to platform	(17,180)	(12,839)	(12,184)	(12,178)	(12,480)
Staff costs	(20,177)	(31,851)	(49,456)	(57,787)	(65,580)
R & D	(10,459)	(17,308)	(22,941)	(27,350)	(32,775)
Other opex	(31,336)	(42,377)	(47,708)	(52,711)	(61,621)
EBIT	61,328	51,279	48,291	74,055	95,432
Finance costs, net	(1,130)	(98)	(2,181)	(2,230)	(2,304)
JVs & associates	-	-	-	-	-
Exceptional	(141)	(172)	-	-	-
Pre-tax profit	60,057	51,009	46,110	71,825	93,128
Income tax	(5,334)	(9,421)	(6,916)	(10,774)	(13,969)
Less: Minority interests	0	0	0	0	0
Net profit	54,723	41,588	39,193	61,051	79,159

Cash flow summary

YE 31 Dec (USD k)	FY20A	FY21A	FY22E	FY23E	FY24E
EBIT	61,328	51,279	48,291	74,055	95,432
D & A	792	1,403	996	905	868
Change in working capital	(56,804)	(113,402)	133,388	(175,868)	121,240
Income tax paid	(1,384)	(7,822)	(6,916)	(10,774)	(13,969)
Others	5,717	21,863	1,155	1,229	1,325
Net cash from operating	9,648	(46,680)	176,913	(110,453)	204,896
Capex & investments	(1,333)	(16,54)	(4,652)	(5,546)	(6,646)
Associated companies	-	-	-	-	-
Interest received	-	225	-	-	-
Others	(4,988)	(30,00)	-	-	-
Net cash from investing	(6,321)	(46,32)	(4,652)	(5,546)	(6,646)
Equity raised	192,60	28,875	-	-	-
Net change in bank loans	(15,46)	684	-	-	-
Dividend paid	(4,224)	(18,56)	18,548	16	24
Others	(1,806)	(4,334)	(2,938)	(3,090)	(3,278)
Net cash from financing	171,10	6,664	15,610	(3,074)	(3,253)
Net change in cash	174,436	(86,338)	187,871	(119,074)	194,996
Beginning cash balance	9,115	183,450	126,659	314,530	195,457
Exchange difference	(101)	29,547	-	-	0
Cash at the end of the year	183,450	126,659	314,530	195,457	390,453

Balance sheet

YE 31 Dec (USD k)	FY20A	FY21A	FY22E	FY23E	FY24E
Non-current assets	30,602	45,138	48,396	52,668	58,095
Fixed asset	1,858	4,477	7,870	12,252	17,788
Intangible assets & goodwill	406	288	153	43	(66)
Prepaid lease payments	11,056	12,398	12,398	12,398	12,398
Interest in joint ventures	-	12,202	12,202	12,202	12,202
Other non-current assets	17,282	15,773	15,773	15,773	15,773
Current assets	339,122	415,669	561,008	572,465	747,965
Inventories	95,598	128,54	128,35	175,96	189,22
Trade and other receivables	35,241	106,01	59,890	137,90	99,120
Prepayments	24,577	21,721	25,511	30,415	36,447
Other current assets	256	32,723	32,723	32,723	32,723
Cash and cash equivalents	183,450	126,659	314,530	195,457	390,453
Current liabilities	97,395	132,816	223,672	178,334	280,078
Bank loans	2,888	34,900	34,900	34,900	34,900
Trade payables	45,617	37,739	122,148	68,470	159,954
Accruals & other payables	27,217	36,945	43,392	51,732	61,992
Tax payables	17,040	17,084	17,084	17,084	17,084
Others	4,633	6,148	6,148	6,148	6,148
Non-current liabilities	12,198	13,353	13,353	13,353	13,353
Bank loans	-	-	-	-	0
Deferred income	-	-	-	-	0
Deferred tax	-	-	-	-	0
Others	12,198	13,353	13,353	13,353	13,353
Minority Interest	0	0	0	0	0
Total net assets	260,131	314,638	372,379	433,446	512,629
Shareholders' equity	260,131	314,638	372,379	433,446	512,629

Key ratios

YE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Sales mix (%)					
North America	87	79	76	74	71
Europe	12	18	20	22	23
Asia	2	3	4	5	5
Total	100	100	100	100	100
P&L ratios (%)					
Gross margin	17.6	11.3	9.1	11.6	12.5
Operating margin	17.2	11.2	8.6	11.3	12.2
Pre-tax margin	15.7	9.2	7.3	9.6	10.4
Net margin	8.9	18.5	15.0	15.0	15.0
Effective tax rate	43.7	38.8	40.2	40.6	40.5
	15.7	9.2	7.3	9.6	10.4
Balance sheet ratios					
Current ratio (x)	3.5	3.1	2.5	3.2	2.7
Quick ratio (x)	2.5	2.2	1.9	2.2	2.0
Cash ratio (x)	1.9	1.0	1.4	1.1	1.4
Inventory turnover days	120	147	147	147	147
Trade receivables days	28	57	57	57	57
Trade payables days	60	55	55	55	55
Total debt / total equity ratio (%)	2	12	10	9	8
Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Returns (%)					
ROE	21.0	13.2	10.5	14.1	15.4
ROA	14.8	9.0	6.4	9.8	9.8
Per share					
EPS (USD)	0.05	0.04	0.03	0.05	0.07
DPS (USD)	0.02	0.02	0.01	0.02	0.03
BVPS (USD)	0.23	0.27	0.32	0.37	0.44

Source: Company data, CMBIGM estimates

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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