

CHERVON | 2285.HK

CHERVON HOLDINGS LIMITED
2022 INTERIM RESULT

泉峰控股2022年中期业绩

2022 Aug. 25th

AGENDA

FINANCIAL HIGHLIGHTS

BUSINESS REVIEW & OUTLOOK

Q&A

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 **FINANCIAL HIGHLIGHTS**

 **BUSINESS REVIEW & OUTLOOK**

 **Q&A**

FINANCIAL HIGHLIGHTS

In USD million	2021 H1	2022 H1	CHANGE
SALES	869	1,002	+ 15.3%
GP	251	290	+ 15.5%
GP %	28.90%	28.95%	
EBIT	116	87	- 25.2%
EBIT %	13.35%	8.65%	
NET PROFIT (NP)	91	63	- 30.4%
NET PROFIT %	10.50%	6.33%	
ADJUSTED NP	72	74	+2.1%
ADJUSTED NP%	8.30%	7.34%	

FINANCIAL HIGHLIGHTS

NON HKFRS MEASURE- ADJUSTED NET PROFIT

	2021H1	2022 H1	CHANGE
	USD'000	USD'000	
Profit for the year	91,239	63,473	- 30.4%
Add:			
Listing expenses	2,122	-	
Loss on disposal of associates⁽¹⁾	677	-	
(Gain) on disposal of a subsidiary⁽²⁾	(21,969)	-	
Unrealized loss on CB⁽³⁾	-	10,108	
Adjusted net (loss)/profit	72,069	73,581	+ 2.1%

(1) Represents the loss on disposal of our interests in Nanjing Suquan Investment Co., Ltd. (南京苏泉投资管理有限公司) in 2021

(2) Represents the gain on disposal of our interests in Jiu hao Electromechanical (南京玖浩机电有限公司) in 2021.

(3) Represents the net unrealized gains on our investment in the convertible bond issued by Nanjing Chervon Auto Precision Technology Co.lit (泉峰汽车 603982.SH) , including tax impact related

CORE EARNINGS ANALYSIS

	2021H1	2022 H1	CHANGE
	USD'000	USD'000	
Profit for the year	91,239	63,473	- 30.4%
Adjusted net (loss)/profit	72,069	73,581	+ 2.1%
Net realized and unrealized (loss)/gains on derivative financial instruments	+3,686	-9,710	
Gain from associate*	2,801	-745	
Core earnings	65,582	84,036	+ 28.1%

(1) Represents the gain/loss of our associate company Nanjing Chervon Auto Precision Technology Co.It (泉峰汽车 603982. SH)

SALES ANALYSIS – BY SEGMENT

In USD million	2021 H1	2022 H1	CHANGE
SALES	869	1,002	+ 15.3%
=			
PT	451	401	- 11.1%
OPE	414	596	+ 43.9%

SALES ANALYSIS – BY REGION

In USD million	2021 H1	2022 H1	CHANGE IN \$	CHANGE IN LOCAL CURRENCY
SALES	869	1,002	+15.3%	+ 17.2%
=				
NORTH AMERICA	573	696	+ 21.6%	+ 21.6%
EUROPE	208	199	- 4.3%	- 3.4%
CHINA	61	65	+ 6.4%	+ 7.9%
ROW	27	42	+ 54.0%	+56.2%

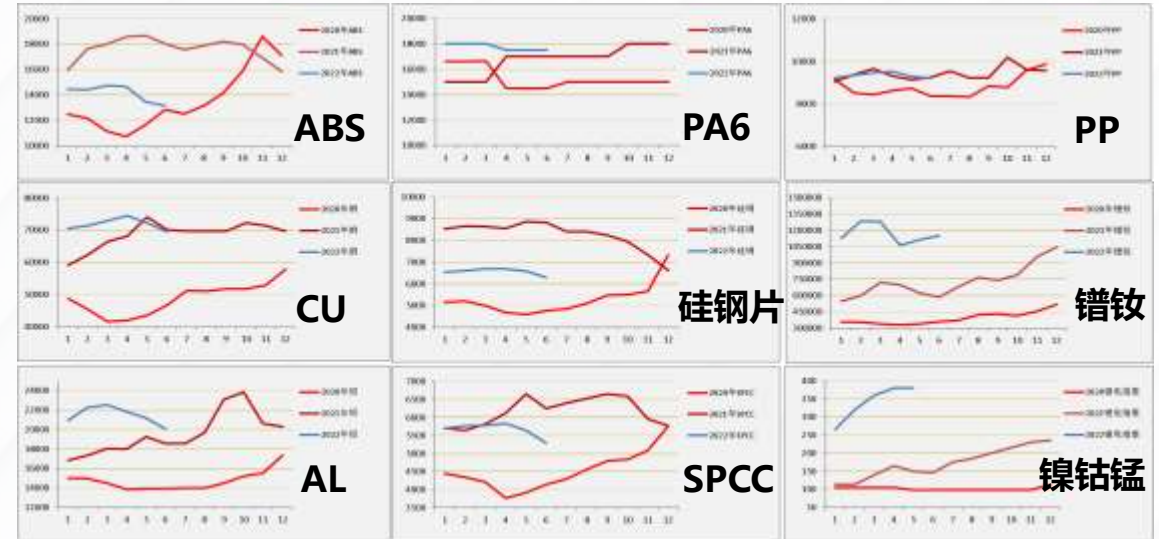
SALES ANALYSIS – BY Business Model

In USD million	2021 H1	2022 H1	CHANGE
SALES	869	1,002	+ 15.3%
=			
OBM	595	714	+ 20.1%
ODM	274	288	+ 5.0%
OBM Share	68.5%	71.3%	+2.8%

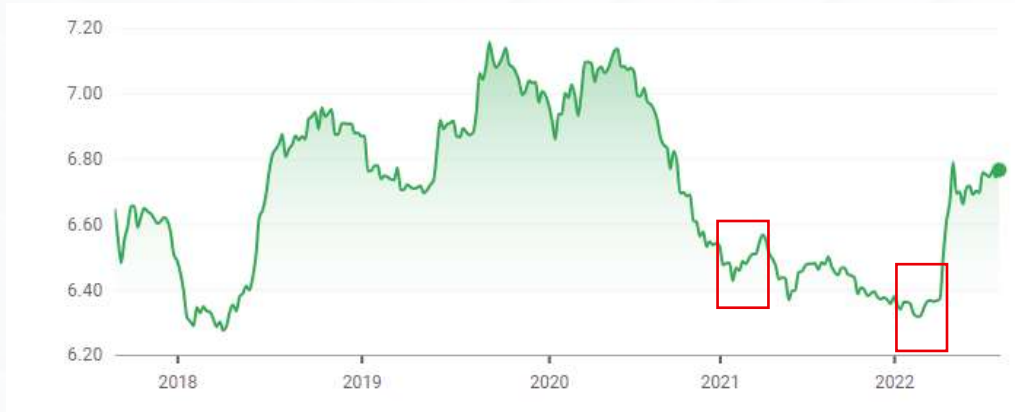
PROFIT ANALYSIS

COST AND EXPENSE BREAK DOWN

Commodity, RMB, Logistic cost did not benefit us much in 2022H1, but most the external factors show good sign for stabilization or downward in H2.



USD/CNY exchange rate record



Source: Google finance

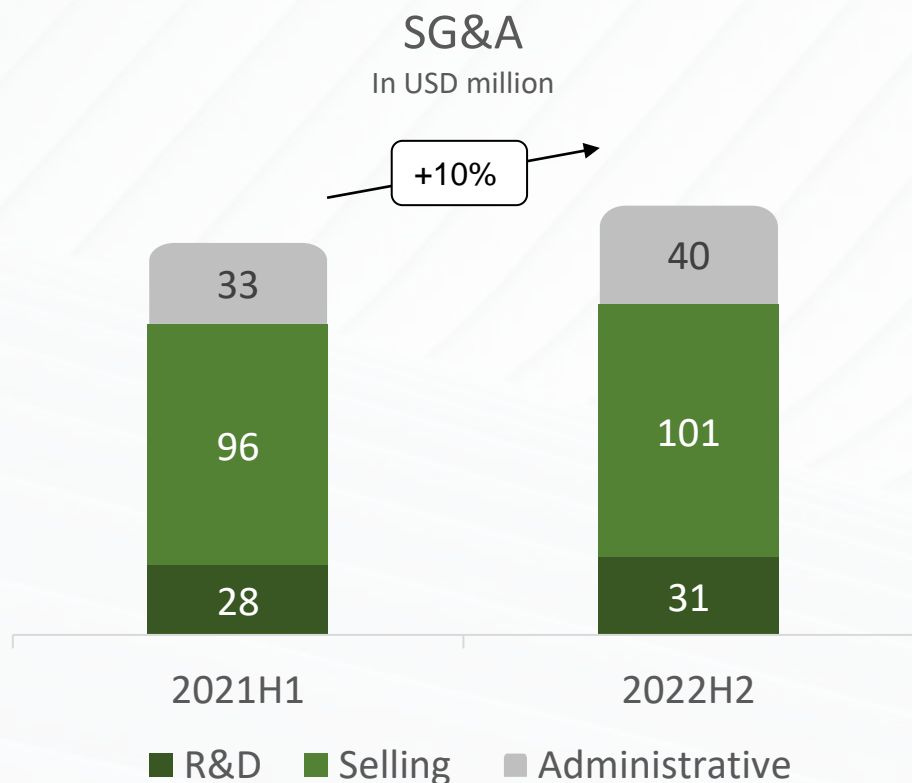
Container freight rates, China to US West Coast, 2021-2022



Source: www.Xeneta.com

PROFIT ANALYSIS

COST AND EXPENSE BREAK DOWN



USD'000	2021H1	2022H2	Change
R&D	27,967	31,403	+ 12.3%
As % of revenue	3.2%	3.1%	
Selling	96,418	101,362	+ 5.1%
As % of revenue	11.1%	10.1%	
Administrative	32,614	40,035	+ 22.8%
As % of revenue	3.75%	4.00%	
Total			
As % of revenue	18.1%	17.2%	

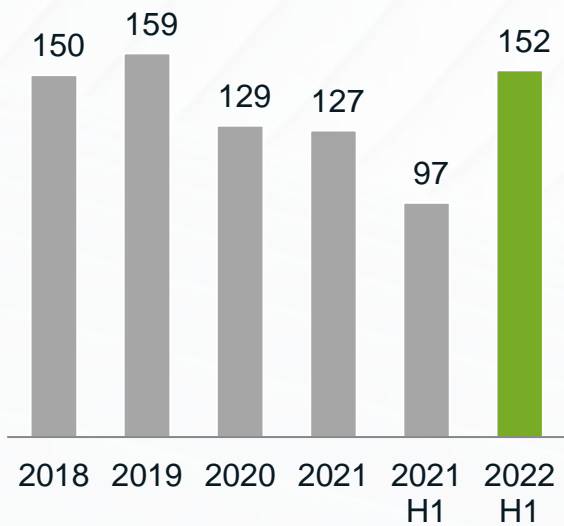
FINANCIAL POSITIONS

USD'000	2021 H1	2022 H1	Change
Non-current assets	355,314	366,342	+ 3%
Current assets	1,700,842	1,526,919	- 11%
Current liabilities	1,182,031	790,417	- 50%
Non-current liabilities	77,108	201,927	+ 62%
EQUITY	797,017	900,413	+ 12%

WORKING CAPITAL

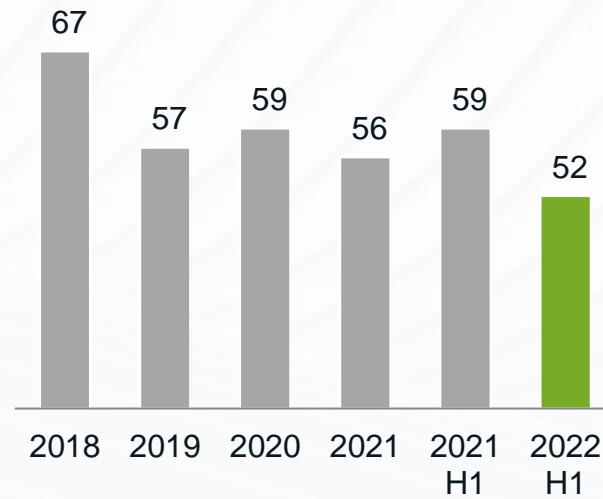
Turnover days of

Inventory



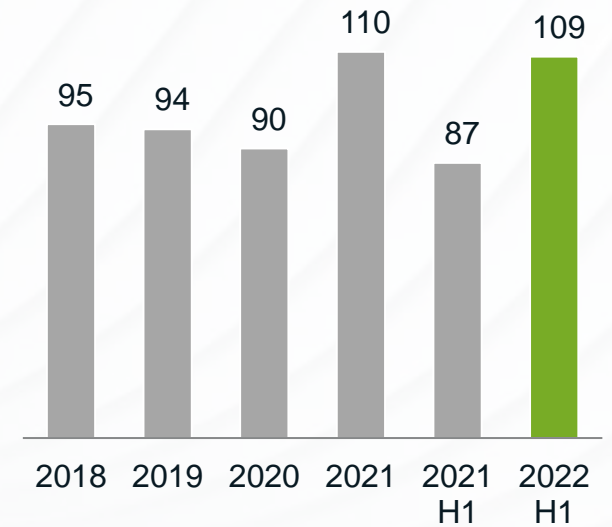
Turnover days of

Trade and bills receivables



Turnover days of

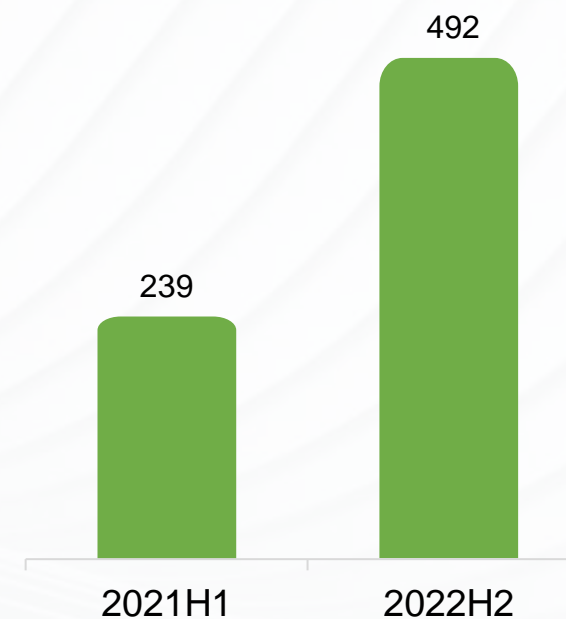
Trade and bills payables



CASH FLOW

USD'000	2021 H1	2022 H1
Cash from operating activities	89,102	(88,981)
Cash from investing activities	687	(73,422)
Cash from financing activities	(19,086)	(9,218)
Cash and cash equivalents at the end of the period	238,582	492,377

Healthy cash flow⁽¹⁾
(in USD million)

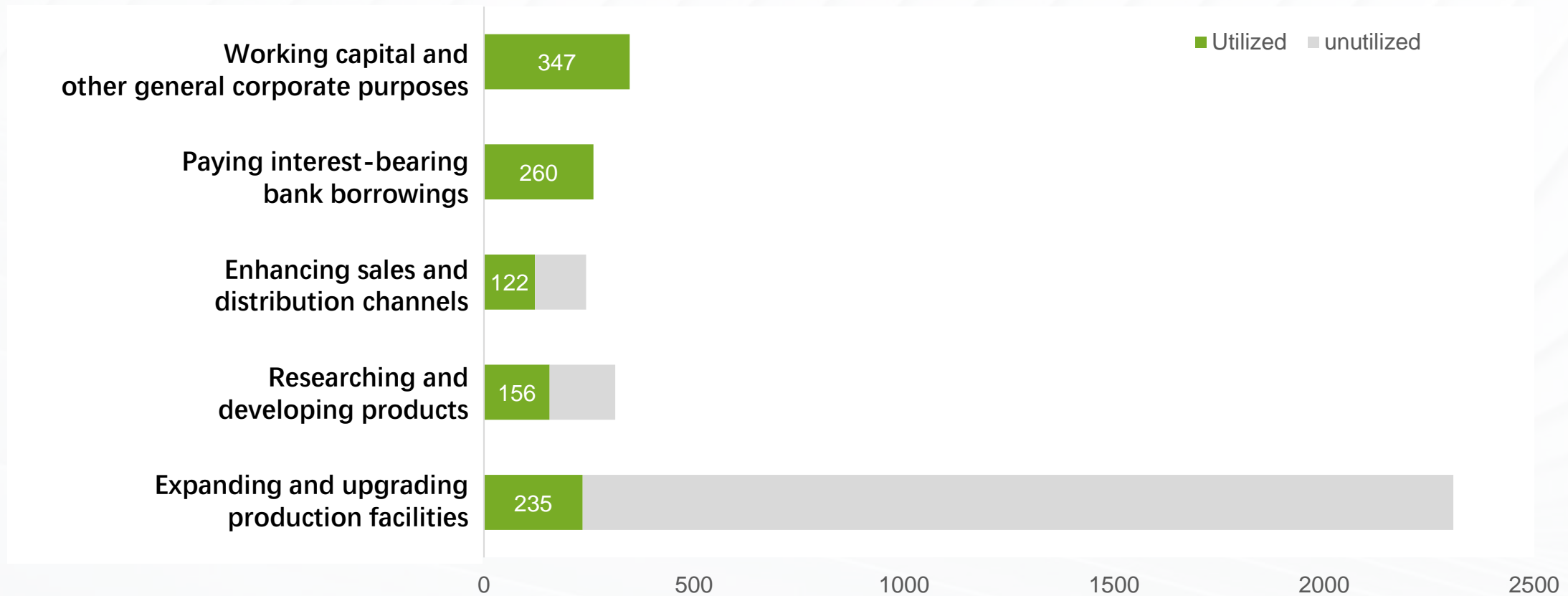


Note: (1) Includes cash and cash equivalents

Use of Proceedings

Total Allocation of Net Proceeds = **HK\$ 3,470 million**

Amount Utilized up to 6/30,2022 = **HK\$ 1,120 million**



AGENDA

 **FINANCIAL HIGHLIGHTS**

 **BUSINESS REVIEW & OUTLOOK**

 **Q&A**

Billion \$

Growth in USD

+ 15.3%

Growth in local currency

+ 17.2%

Comprehensive global coverage of our differentiated brands.

Global

China



EGO



SKIL



FLEX



DEVON



XTRON

OPE

PT

Premium

Mass
Market

DIY

PRO

+ ODM
BUSINESS

Leading the industry – EGO

“

Rather than seeing trade down, in many cases, we are seeing customers trade up, spending more to purchase the latest technology like battery-powered products available in the EGO, Kobalt, Craftsman, and Skill brands. In fact, one of our top-performing products this quarter was an EGO 56-volt self-propelled mower that retailed for over \$700.

This unit dramatically outperformed our sales forecast despite being one of the most expensive battery mowers in our assortment, proven what we have said before that value doesn't have to be low priced.

—— Lowe's 2022 Q2 Earning call

A man in a suit stands on a robotic platform that is tilted upwards. The platform is covered in green grass and is supported by a complex mechanical structure. In the background, a large industrial building with a grid-like facade is visible. The EGO logo is prominently displayed on the wall behind the man. The overall scene is set in a clean, modern, and futuristic industrial environment.

“ EGO takes a unique approach. We stand out in a sea of sameness. ”

ADVANCED HEAT MANAGEMENT SYSTEM



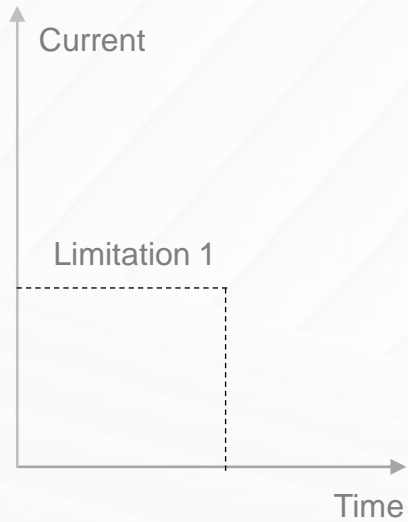
Each battery cell is wrapped with Chervon's patented

PHASE CHANGE MATERIAL



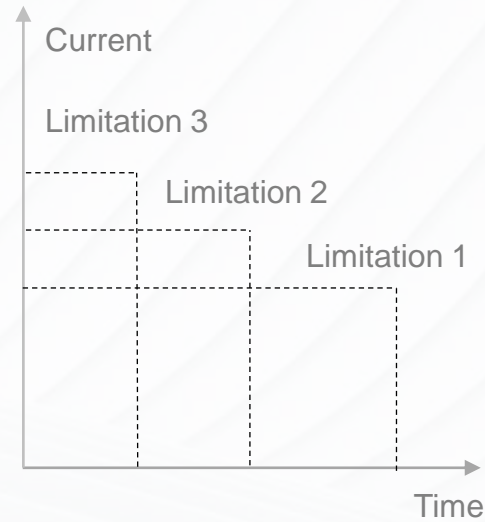
ADVANCED BATTERY MANAGEMENT SYSTEM

Chervon's evolution of electronic management systems to optimize battery power output and life



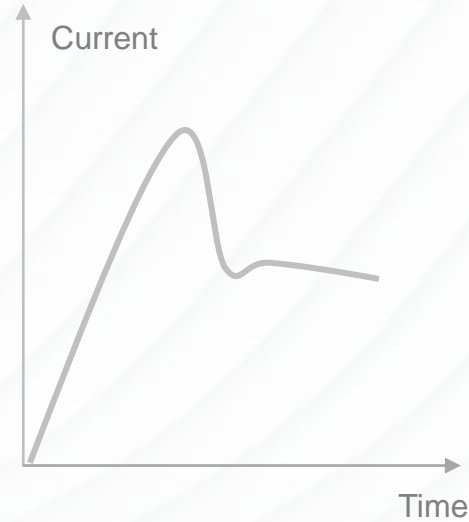
G1

One fixed threshold.
Guaranteed safety.



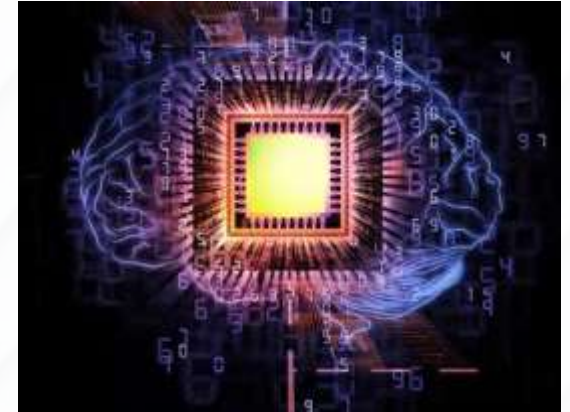
G2

Multiple thresholds
designed for increased
discharge current for short
duration for improved
performance.



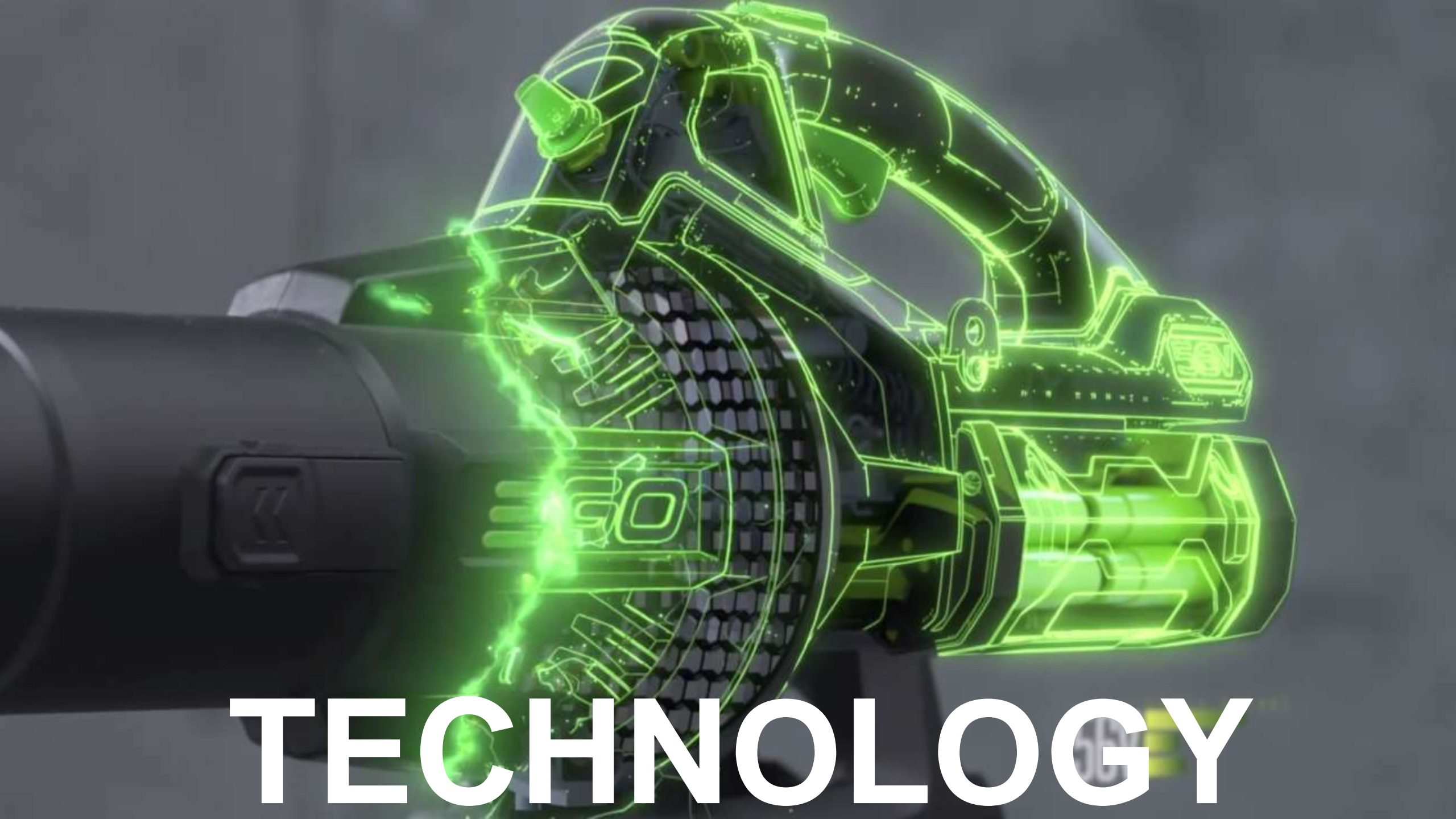
G3

Variable current protection
for different tools,
optimizing performance.



G4

Chervon's proprietary SOP algorithm based
on the SOC & SOH of the battery, to
maximize battery performance during its
entire service life while keeping it safe.



TECHNOLOGY



INNOVATION



POWER



PERFORMANCE

“ 51 Out of 61 ”

**That's the number of times EGO
has been ranked #1 by Consumer
Reports since inception.**

-Consumer Reports, 2014 to Present



The world's most advanced trimmer featuring the world's first LINE IQ™ technology. Auto-sensing technology monitors and feeds the length of the line for a continuous 16" cutting swath delivering non-stop high-performance trimming. No bump needed! Patented POWERLOAD™ technology helps winds your trimmer line automatically with a press of a button.



The EGO POWER+ 52 in. Z6 Zero Turn Riding Mower is a ZTR like nothing else out there. Featuring Peak Power™+ technology, it combines the power of up to 6 EGO 56V ARC Lithium™ Batteries – the same battery technology powering all EGO products, making it the World's First Platform Compatible Rider.

Built with a 52 in. 10-gauge fabricated steel deck and reaching a top speed of 8 MPH, this new ZTR allows you to cover up to 4-acres on a single charge with six included EGO 12.0Ah 56V ARC Lithium™ batteries.



FROM TRADITIONAL PRICE POINT MERCHANDISING TO PLATFORM MERCHANDISING

2021 GARDEN BAYS



NEW – 2022 BRANDED BAYS



PLATFORM SELLING / BRAND BEACONS



SKIL 40V KOBALT 24V

KOBALT 40V

EGO 56V

EGO 56V

EGO 56V

SMART TECH FOR YOUR USE

TOUGH, RELIABLE TOOLS TO GET THE JOB DONE

ADVANCED TECHNOLOGY

EXCEEDS THE POWER OF GAS

#1 RATED BRAND

EXCEEDS THE POWER OF GAS | ADVANCED TECHNOLOGY | COMPATIBLE WITH ALL 56V TOOLS

CLEANING

EGO

ENDCAP EXPOSURE



“UP FRONT DROP ZONE” EXPOSURE



“ZTR” EXPOSURE



“STACKOUT” EXPOSURE



GROWTH
> 40%

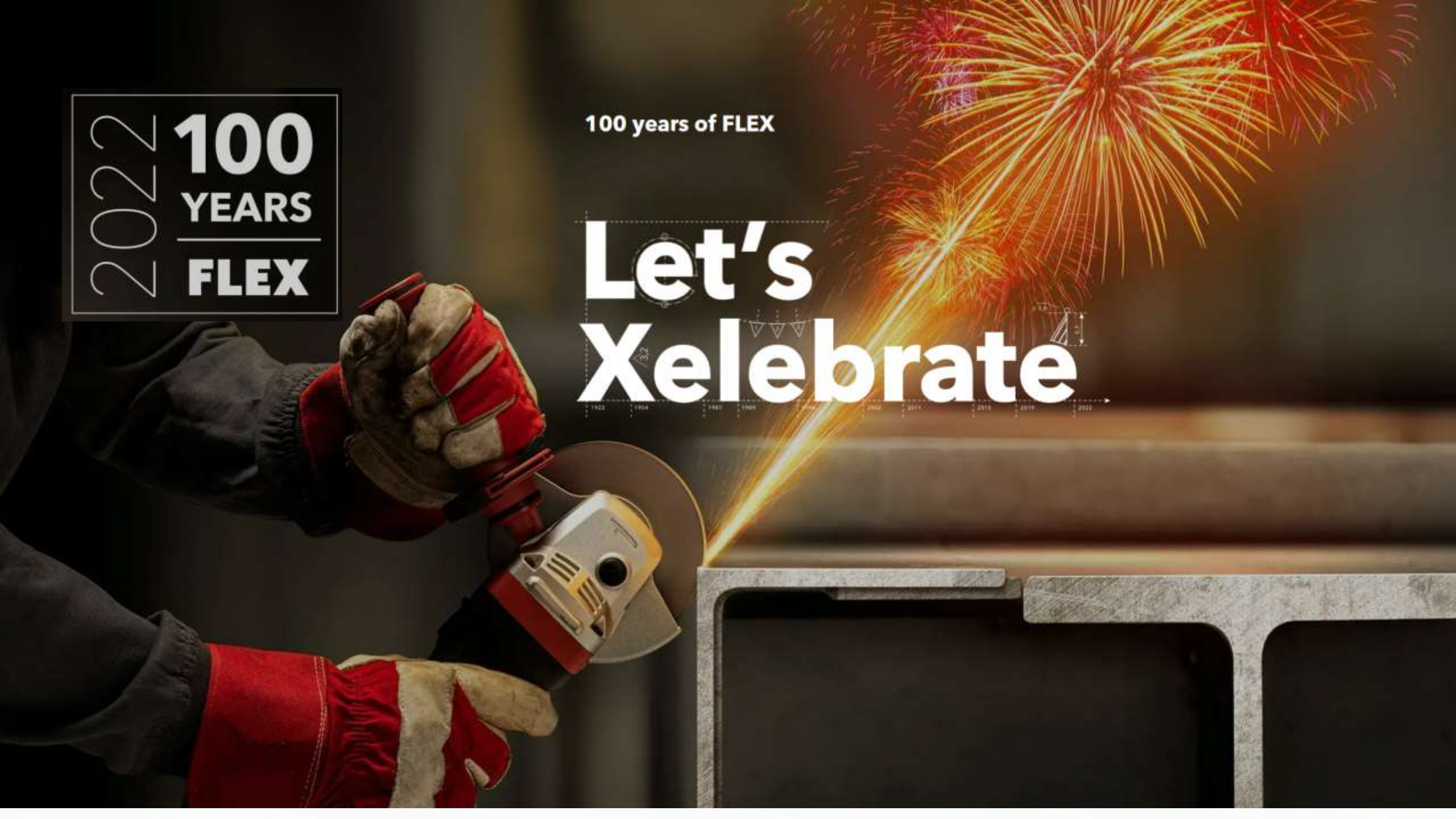


BRAND RELAUNCH – FLEX

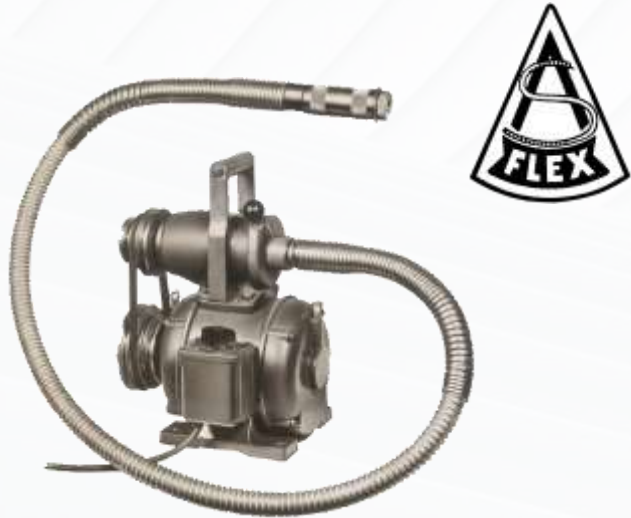
2022
100
YEARS
FLEX

100 years of FLEX

Let's Celebrate

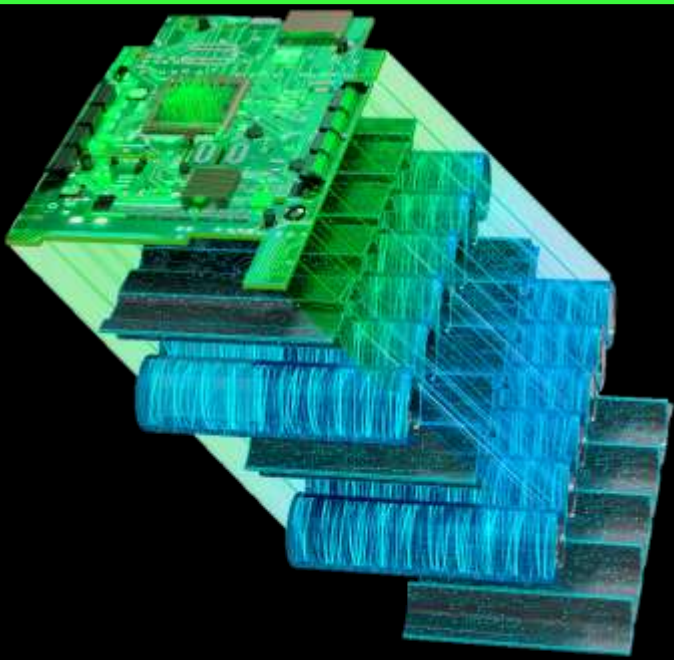


1922 | **FLEX Grinder**



2022 | **FLEX Grinder**





**MORE
POWERFUL
LITHIUM-ION
BATTERIES
THAN ALL PRO
COMPETITORS**

**FASTER
CHARGING
THAN ALL PRO
COMPETITORS**



FLEX
MESSAGING
FOCUS



**PRODUCT
FEATURES THAT
MATCH OR
SURPASS
COMPETITORS**

**END TO END
5 YEAR
SUPERIOR
WARRANTY**

**5 YEAR
WARRANTY**

TOOLS • BATTERIES • CHARGERS

**FLEX FOUNDERS
LIFETIME WARRANTY**

FLEX 24V revolutionary POUCH battery cells outperform traditional Cylindrical ones,

UNLEASHING POWER THAT CHANGES EVERYTHING

FLEX

EXTREME POWER FOR PROFESSIONAL APPLICATIONS





THE FLEX STACKED LITHIUM ADVANTAGE



200%
MORE
POWER

300%
LONGER BATTERY
LIFE

100%
FASTER
CHARGING

100%
COMPATIBLE
WITH ALL FLEX 24V



STACK PACK™ Interlock Storage System built with Quick-connect interlock mechanism , full range compatibility and innovated attachments provides unexpectable ease of use and endless configuration of organization, the IP all-weather protection and extremely durable constructional design secures contractor`s tools all day night from garage, workshop to jobsites.

JOBSITE ATHLETE

DRIVEN TO WIN ON & OFF THE JOBSITE





PROVOCATIVE

DISRUPTIVE

ENGAGING

The Competition VS **FLEX**



FLEX
FLEXPOWERTOOLS.COM



Testing Flex's new P tools- No glitz, no hy



New FLEX TOOLS Release Live Watch Party (HISTORY...



New FLEX Tools All SPECS & PRICES (No FLUFF)



NEW FLEX TOOLS LI 4K VIDEO!



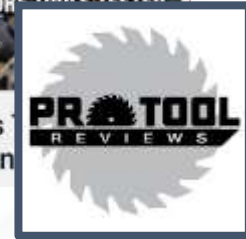
Flex 24V Launch Ev Party!



20M+ EARNED VIEWS



FLEX 24V Brushless Reviewed | Hands-on



SURPRISING POWER 24V Quick Eject Imp



FLEX Preview with the World's FIRST 24V In-Line...



ings you missed in the K Pro Tool...



Watch FLEX pro pov go head-to-head ag



1,000+ REVIEWS

4.8



**“BEST TOOL I’VE
EVER OWNED”
- NERR77**



**“MY NEW FAVORITE
BRAND!”
- MATT1975**





THIS IS JUST THE START

FLEX BRAND BEACON EXPANSION

CURRENT 8' BEACON



NEW 16' BEACON (JUNE 2022)





BRAND TRANSFORMATION – SKIL

RE-ESTABLISHING A LEGEND

Established A New Vision



Established A New Target User



Designed A Modern Logo

SKIL®

Refreshed The VBL



RE-ESTABLISHING A LEGEND

FROM THIS:

SKIL



TO THIS:

SKIL



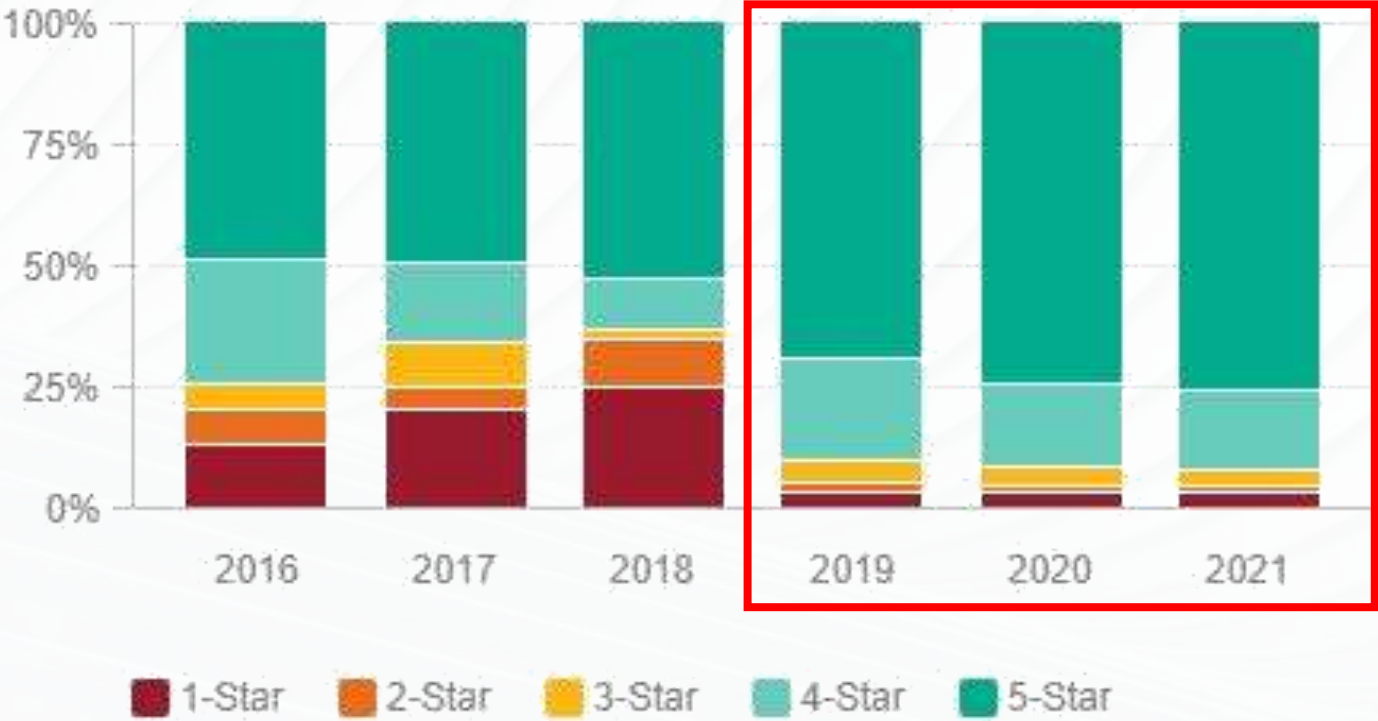
CHERVON

BUILD ON 5-STAR REVIEWS



RATING DISTRIBUTION

Find out how reviewer sentiment is changing year-over-year.





**EXTREME POWER
& PERFORMANCE**



**DELIVERS
40V POWER**

With the patented technology of two PWRCORE 20™ lithium-ion batteries and a digital brushless motor, it'samped up to deliver the power of 40v.



**600 CUTS
PER CHARGE**

Rips through an incredible 600 cuts per charge, rivaling the legendary cutting performance of our corded worm drive saw.

*Based on lab testing, up to 600 cuts made in 2x4 SPF lumber with two 5.0Ah batteries.



**CUTS 3X
IN ONE PASS**

Powers through tough materials in a single pass with a 2-9/16 inch depth of cut you'll get through the job without breaking a sweat.

PWRCORE 20™ XP

EXTREME POWER. EXTREME PERFORMANCE.

Introduce the first cordless rear handle circular saw under PWRCORE 20 XP which means EXTREME POWER and EXTREME PERFORMANCE.

Inheriting the expertise of SKIL circular saw, powered by industry-leading management technology of brushless motor and lithium-ion battery, integrating unique innovative function to be one of the best circular saws on a bar with top brands in the market to serve high level users. Now it's listed in mainstream channels and gets high customer ratings.



PWRCORE 12™



Generation 2 core product line including PWR CORE 12 and PWR CORE 20 with industry-leading management technology of brushless motor and lithium-ion battery, unique innovative function, excellent control and response, outstanding industry design and leading compact size in the class. To be launched in global mainstream channels and to be the most competitive product lines in DIY market soon.



PWRCORE 20™ COMPACT



LEADING BRAND IN CHINA - DEVON



DEVON 大有

2,700,000

LI-ION BATTERIES SOLD



微信公众号



微信视频号



抖音号



B站



直播



300,000

social media fans

40 million

social media views

FUTURE OUTLOOK

Uncertainties?

Challenges?

Opportunities !

「**THANK YOU**」

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