

CHERVON | 2285.HK

CHERVON HOLDINGS LIMITED
2023 INTERIM RESULT

泉峰控股2023年中期业绩

2023 Aug. 28th

AGENDA

FINANCIAL HIGHLIGHTS


BUSINESS REVIEW & OUTLOOK

Q&A

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 **FINANCIAL HIGHLIGHTS**

 **BUSINESS REVIEW & OUTLOOK**

 **Q&A**

FINANCIAL HIGHLIGHTS

财务概览

In USD million	2022 H1	2023 H1	CHANGE
SALES	1,002	739	-26.3%
GP	290	237	-18.3%
GP %	28.95%	32.10%	
EBIT	87	68	-21.8%
EBIT %	8.65%	9.20%	
NET PROFIT (NP)	63	49	-22.2%
NET PROFIT %	6.33%	6.63%	
ADJUSTED NP	74	50	-32.4%
ADJUSTED NP%	7.34%	6.77%	

FINANCIAL HIGHLIGHTS 财务概览

NON HKFRS MEASURE- ADJUSTED NET PROFIT 经调整净利润

	2022 H1	2023 H1	CHANGE
	USD'000	USD'000	
Profit for the year	63,473	49,051	-22.2%
Add:			
Realized/Unrealized loss on CB⁽¹⁾	10,108	496	
Adjusted net (loss)/profit	73,581	49,547	-32.7%

(1) 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 指公司投资的泉峰汽车可转债收益

CB is disposed in June 2023, Recorded net profits of US\$2.2 million on such investment
该项投资已于6月处置。该项投资净获益2.2百万美元

CORE EARNINGS ANALYSIS

核心收益分析

	2022 H1	2023 H1	CHANGE
	USD'000	USD'000	
Profit for the year	63,473	49,051	-22.7%
Adjusted net (loss)/profit	73,581	49,547	-32.7%
- Gain from associate⁽¹⁾	-745	-8,224	/
Core earnings	74,326	57,551	-22.3%

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

SALES ANALYSIS – BY SEGMENT

销售分析-分业务版块

In USD million	2022 H1	2023 H1	CHANGE
SALES	1,002	739	-26.3%
=			
PT	401	286	-28.6%
OPE	596	445	-25.3%

SALES ANALYSIS – BY REGION

销售分析-分地区

In USD million	2022 H1	2023 H1	CHANGE IN \$	CHANGE IN LOCAL CURRENCY
SALES	1,002	739	-26.3%	-25.2%
=				
NORTH AMERICA	696	485	-30.3%	
EUROPE	199	175	-12.1%	-9.4%
CHINA	65	54	-17.0%	-10.3%
ROW	42	24	-41.9%	

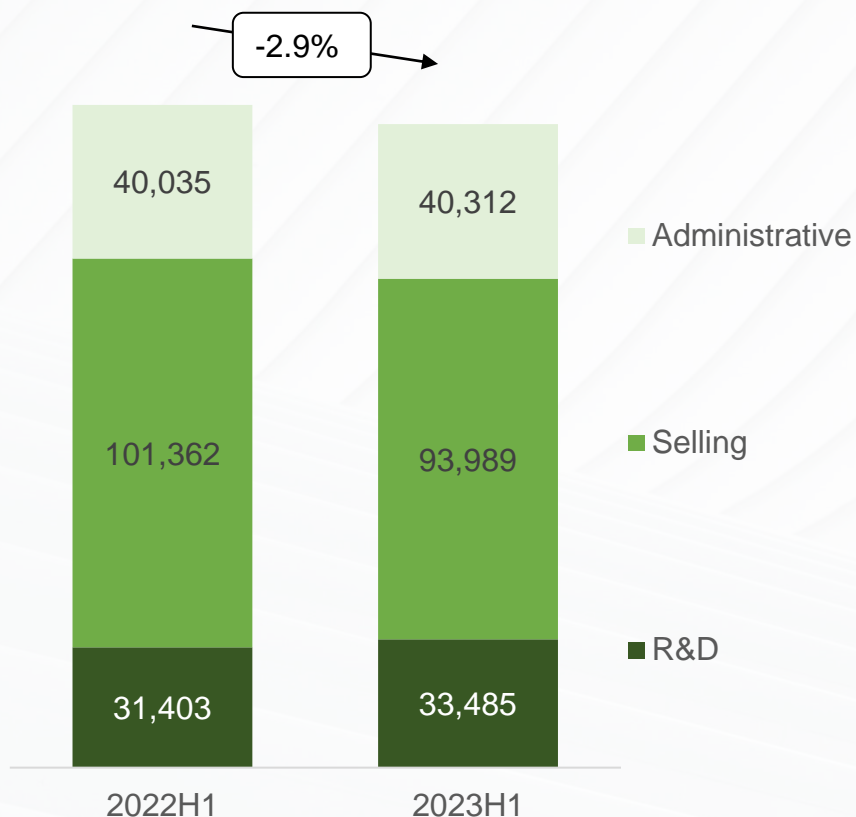
SALES ANALYSIS – BY Business Model

销售分析 – 分业务模式

In USD million	2022 H1	2023 H1	CHANGE
SALES	1,002	739	-26.3%
=			
OBM	714	577	-19.2%
ODM	288	162	-43.8%
OBM Share	71.3%	78.1%	

PROFIT ANALYSIS 利润分析

EXPENSE BREAK DOWN 费用拆解



USD'000	2022H1	2023H1	Change
R&D	31,403	33,485	+6.6%
As % of revenue	3.1%	4.5%	
Selling	101,362	93,989	-7.3%
As % of revenue	10.1%	12.7%	
Administrative	40,035	40,312	+0.7%
As % of revenue	4.00%	5.5%	
Total			
As % of revenue	17.2%	22.7%	-2.9%

FINANCIAL POSITIONS

财务状况

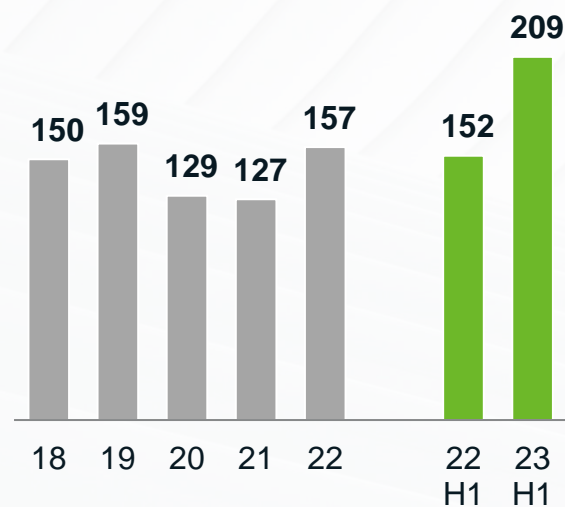
USD'000	2022/12/31	2023/6/30	Change
Non-current assets	428,515	450,891	+5.2%
Current assets	1,433,989	1,353,288	-5.6%
Current liabilities	710,858	680,238	-4.3%
Non-current liabilities	205,547	94,585	-54.0%
EQUITY	946,099	1,029,356	+8.8%

WORKING CAPITAL

运营资本

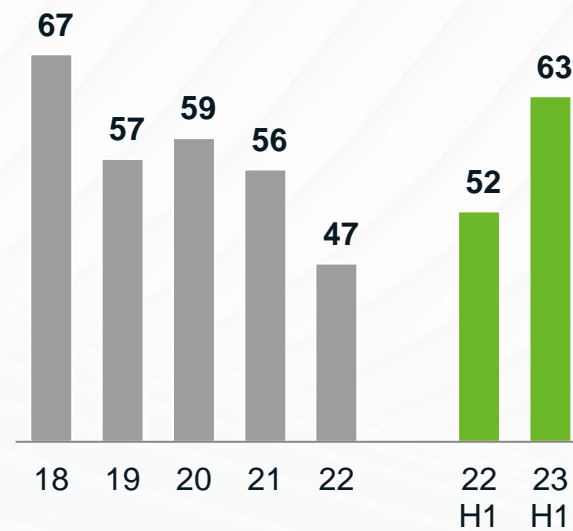
Turnover days of

Inventory



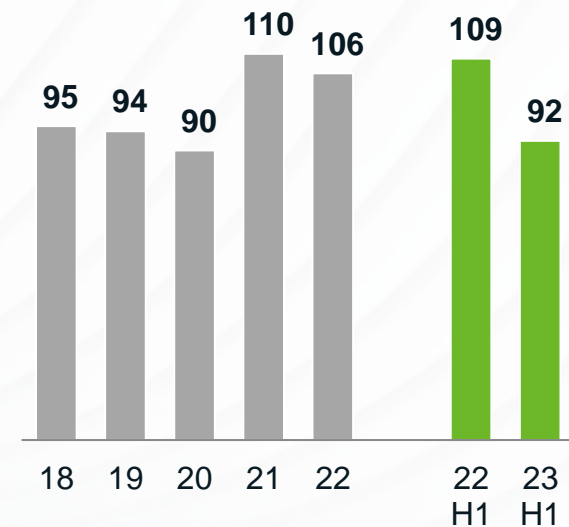
Turnover days of

Trade and bills receivables



Turnover days of

Trade and bills payables



CASH FLOW

现金流

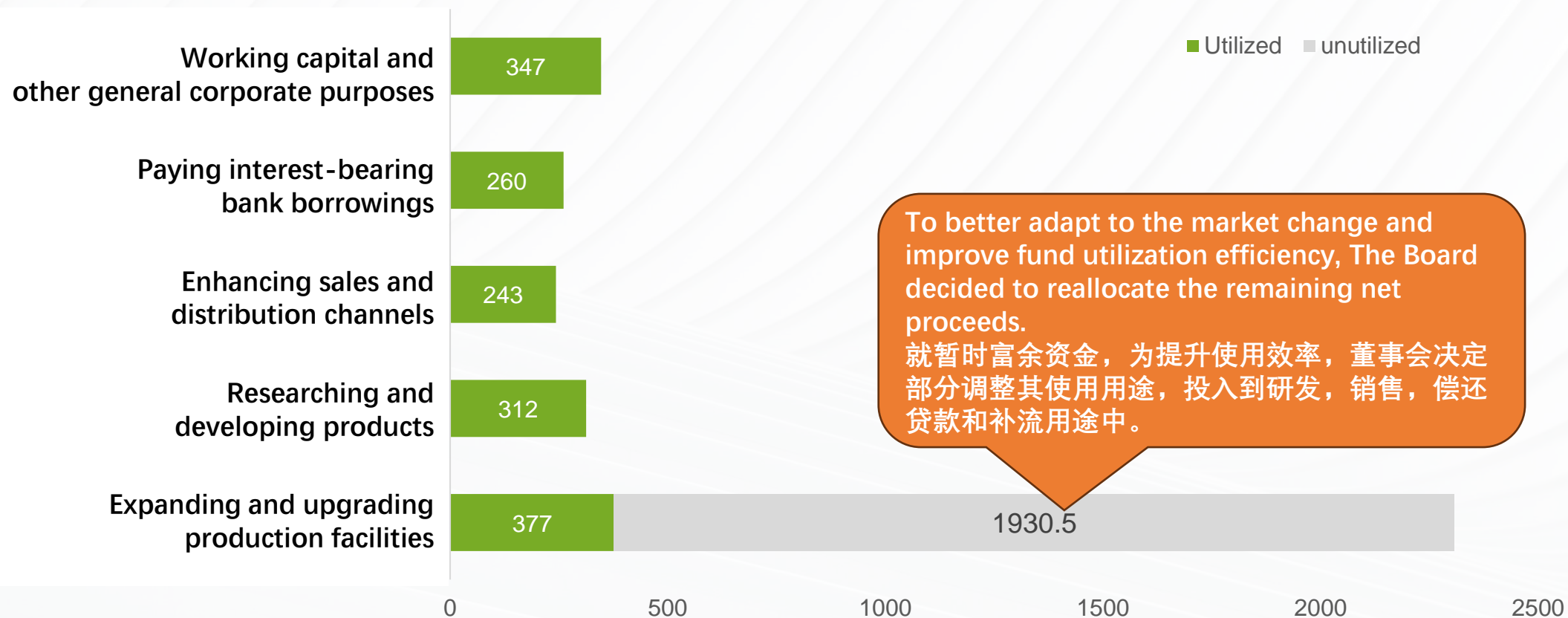
USD'000	2022 6/30	2023 6/30
Cash from operating activities	(88,981)	(86,581)
Cash from investing activities	(73,422)	(19,624)
Cash from financing activities	(2,717)	36,620
Cash and cash equivalents at the end of the period	498,878	396,267

Use of Proceedings 募集资金使用

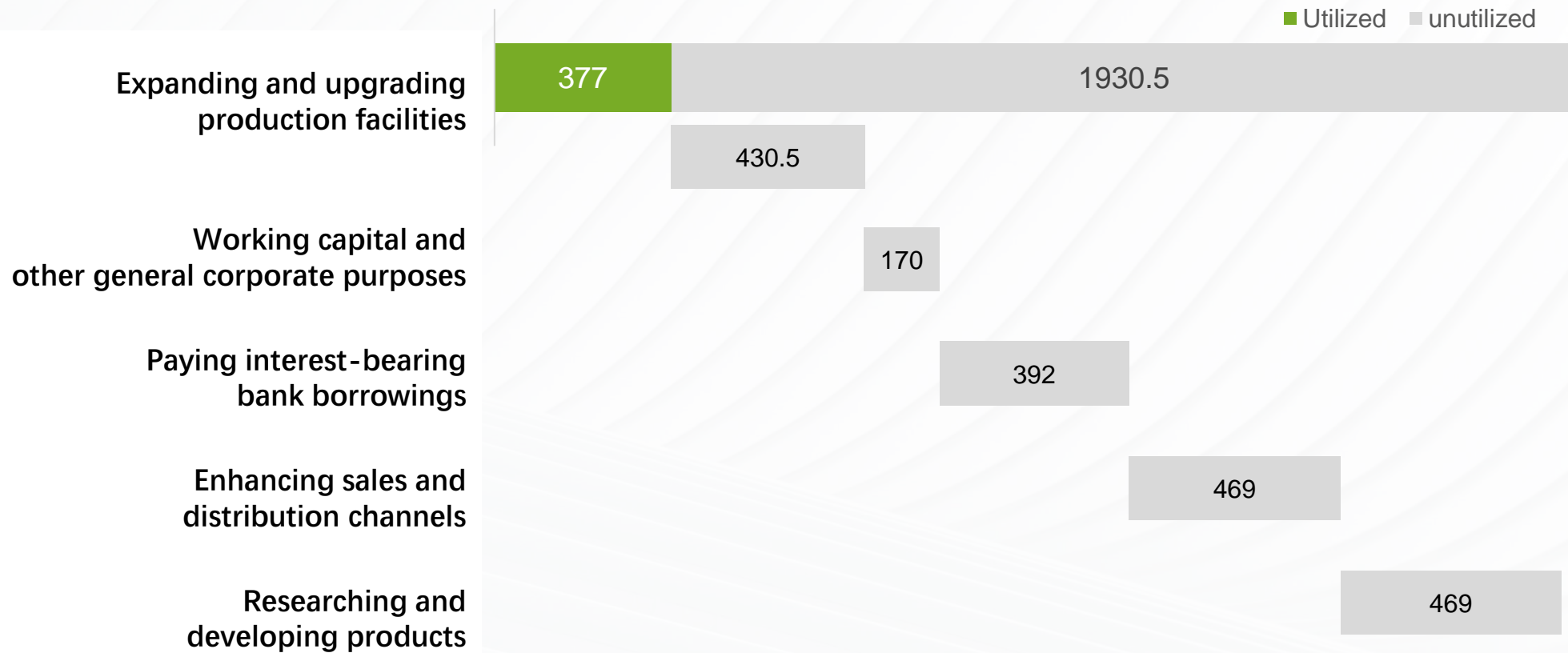
Total Allocation of Net Proceeds = **HK\$ 3,470 million**

Amount Utilized up to 6/30,2023 = **HK\$ 1,540 million**

Balance of Remaining Net Proceeds as of 6/30,2023 = **HK\$ 1,930 million**



Use of Proceedings – updated 募集资金使用调整



AGENDA

 **FINANCIAL HIGHLIGHTS**

 **BUSINESS REVIEW & OUTLOOK**

 **Q&A**

A CHALLENGING YEAR
during the de-inventory circle
去库周期带来的短期挑战

渠道去库的放大影响

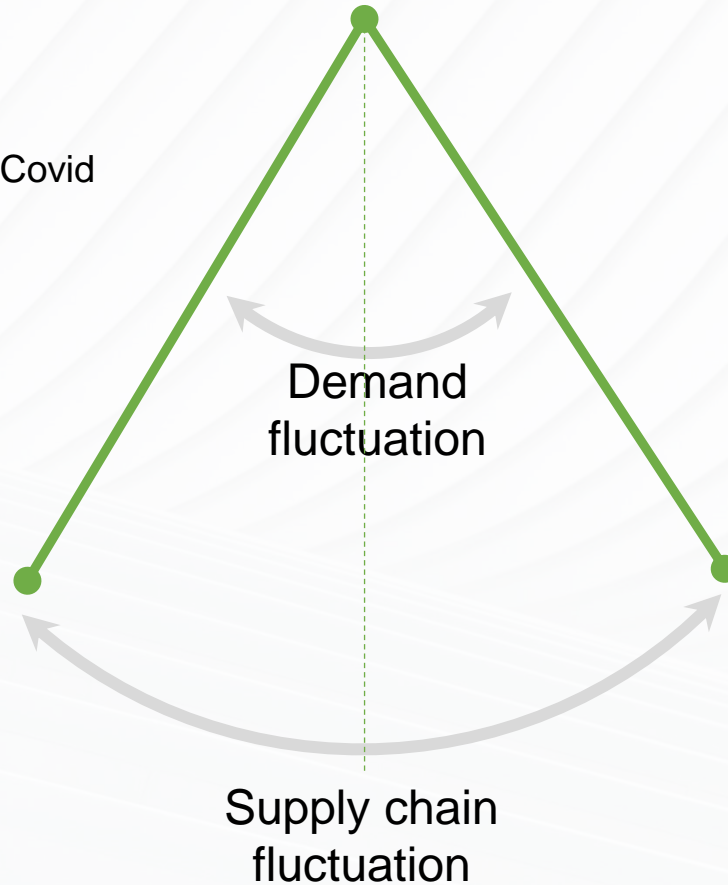
Orders and sales affected mainly due to the inventory strategy change in channel

Demand down-trend

FY22-23

- Over-consumption during Covid
- High inflation
- Unfavorable weather
- Political uncertainty
-

Demand up-trend



STAY COMPETITIVE in the market

品牌仍保持稳固竞争地位并持续获取份额

OUR BRAND MOMENTUM

We have robust growth of end-user consumption in our key markets and channels

POS GROWTH

EGO™

FLEX

SKIL®



STAY RESILIENT AND FOCUSED

Well executing our long term strategy

保持战略定力与韧性，有序推进战略落地

Better Tools. Better World.

造好工具，助世界一臂之力



1

**INNOVATION
&
PRODUCTS**
创新与产品



2

**MULTI-
CHANNELS**
全渠道扩展



3

**STRONG
BRAND**
品牌建设



4

**OPERATION
EFFICIENCY**
运营效率



5

**ORG.
&
TALENTS**
组织和人才



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



EGO

INNOVATION





15 MILLION



BATTERIES IN MARKET





**Both sell in & sell through
>20%**



OPE Market Share *

9.1% vs. 7.1%





4



EGO ANNOUNCES NORTH AMERICAN PARTNERSHIP WITH JOHN DEERE

by Jeff Cagle



On June 28, Chervon North America announced a strategic agreement with John Deere, a global leader in innovative and powerful turf equipment, to provide users with Chervon's EGO branded battery-powered lawn care solutions through John Deere dealers. This collaboration leverages the strengths of both companies and further expands the distribution of EGO's award-winning line of battery-operated OPE through the prestigious and robust John Deere dealer network.

As part of this agreement, EGO's complete range of mowers, blowers, trimmers, edgers, chainsaws, and snow blowers will be available at John Deere dealers in the United States and Canada starting in the fall of 2023. This collaboration will enable customers to access the #1 Rated Brand in battery powered OPE conveniently through John

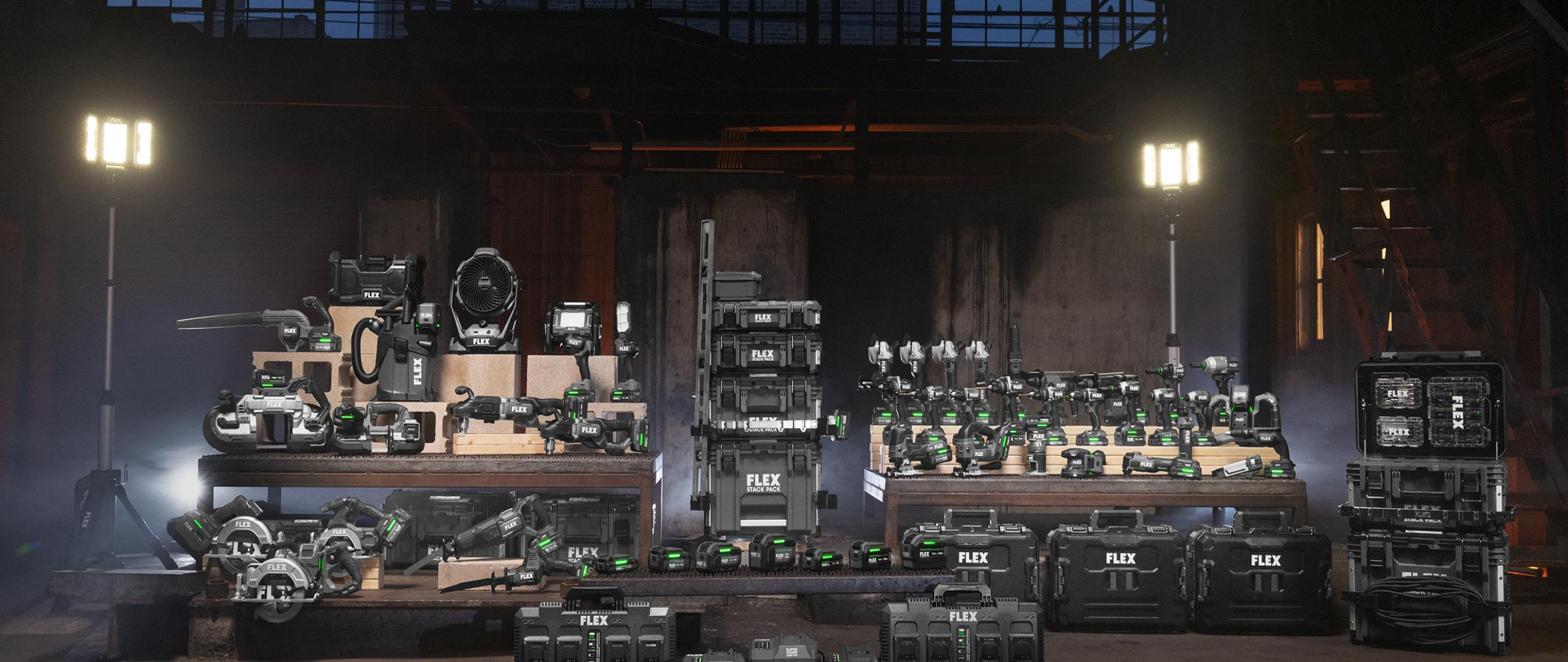
Deere's extensive network, known for its selection of agricultural and outdoor machinery as well as its commitment to excellence and customer service.

"We are thrilled to join forces with John Deere to bring our best-in-class battery platform to even more customers," said Mike Clancy, CEO at Chervon North America. "This partnership represents a significant milestone in our commitment to revolutionize the outdoor power equipment industry and provide sustainable solutions without compromise to consumers all across North America."

"Simplifying the landscape management of properties is what drives us every day," said David Thome, vice president, John Deere turf and compact utility business in a press release. "We seek to provide our customers with a broad range of tools, which will now

include a battery ecosystem that can be extended into a variety of property care solutions. Partnering with a leading electric solutions brand, like EGO, to provide top-quality battery-powered equipment will propel both John Deere and Chervon into a stronger market position to serve our evolving customers."

Deere & Company is a global leader in the delivery of agricultural, turf, construction, and forestry equipment. Deere helps customers push the boundaries of what's possible in ways that are more productive and sustainable to help life leap forward. Their technology-enabled products, including John Deere Autonomous BR Tractor, See & Spray™, and E-Power Backhoe are just some of the ways they help meet the world's increasing need for food, shelter, and infrastructure. Deere & Company also provides financial services through John Deere Financial.



FLEX IT'S WHAT'S NEXT



FLEX
STACK PACK

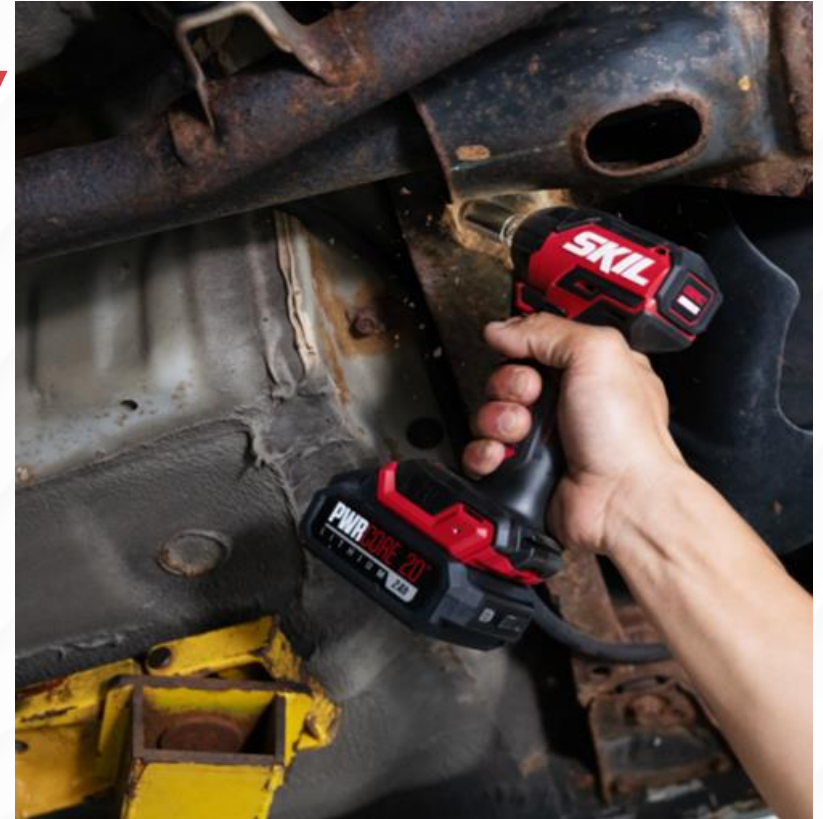
FLEX



INNOVATION

SKIL®





INNOVATION

DEVON®

DEVON®



DEVON® 12V/20V 锂电工具
12V/20V 锂电工具
Fan Jacket

DEVON



INNOVATION

口袋钻



电箱安装

吊顶安装

家电安装

橱柜安装

5208 - Li-12
12V锂电无刷电钻



Green Power Industry Park Phase II
Put into use in May

FUTURE OUTLOOK

Challenges? - Yes

Uncertainties? - Yes





REMAIN PRAGMATIC BUT OPTIMISTIC

WE KEEP INVESTING
FOR THE GROWTH AND ENHANCE THE CORE

THANK YOU



Q & A

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感谢支持，更多问题和意见反馈，敬请联系：

Thanks for your support. Should you have further question or feedback , please contact



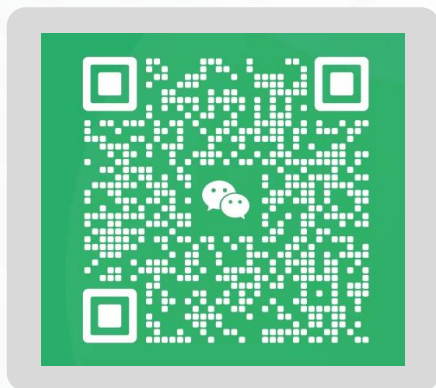
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WeChat



也借此机会获取您作为利益相关方的意见反馈：

Thanks for your feedback on Chervon ESG as a stakeholder:

