

## 2021 Interim results presentation

Confidential  
August 2021



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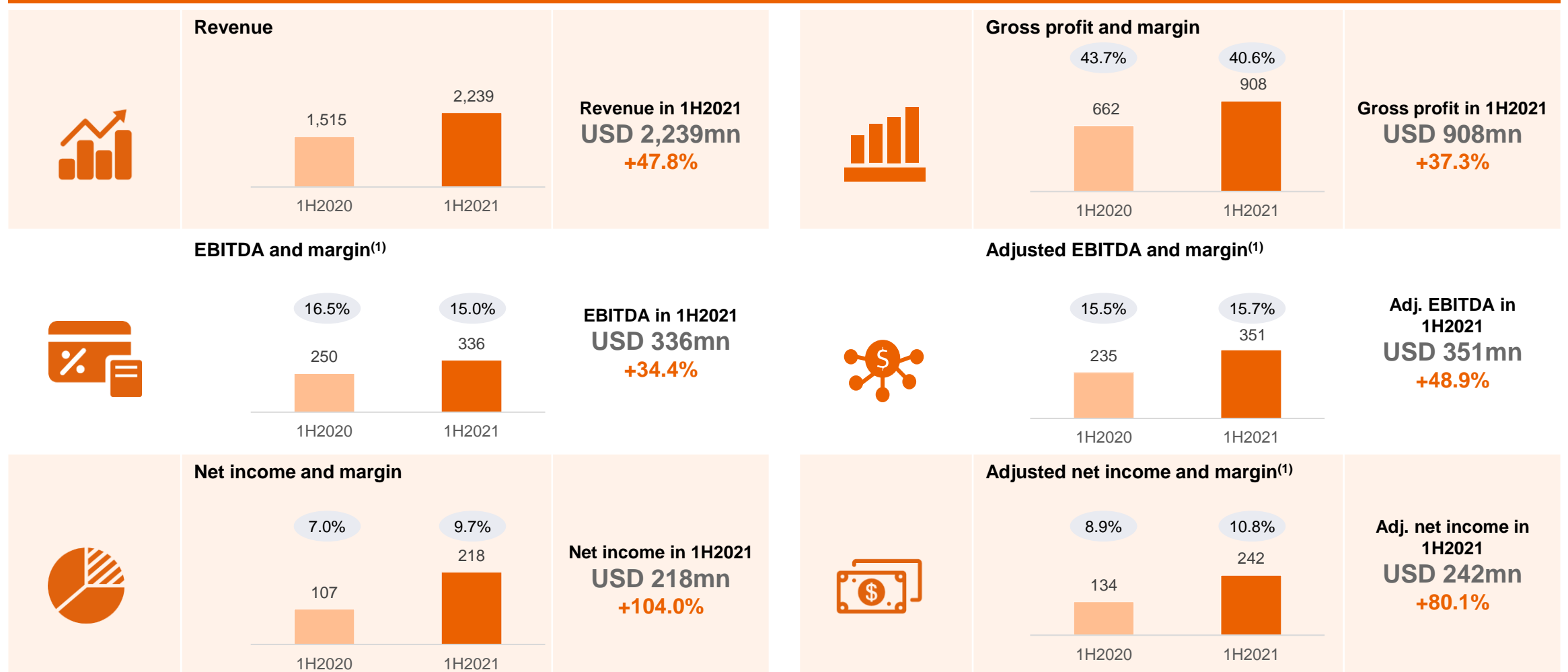


## 1. 1H2021 Financials update



# 1H2021 key financial metrics

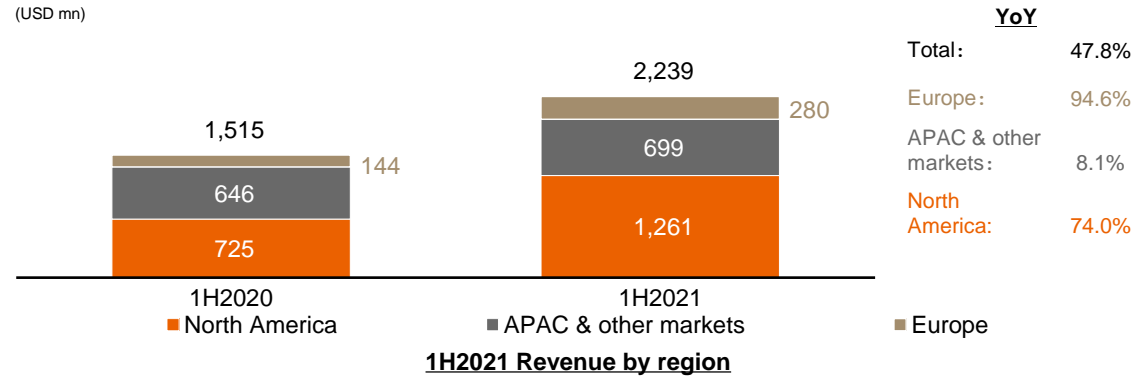
Currency unit: USD mn



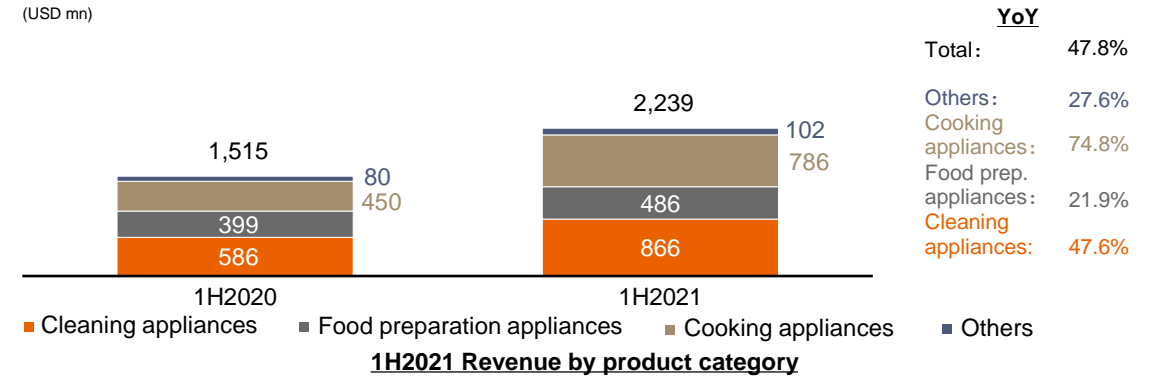
(1) EBITDA, adjustments for net income and EBITDA were non-audited numbers

# Revenue breakdown and drivers

## By region



## By product category



### Commentary:

- Continued growth in North America was primarily due to robust performance across all categories, growing market share in all existing categories, and successfully launching into new categories, enabled by our strong relationships with retailers and successful media strategies
- Growth in APAC and other markets was primarily attributable to new product launches and market share increase
- Strong growth in Europe was primarily driven by the substantial growth and further market penetration in the UK market, the successful entry into the Germany and France markets, and, like North America, leveraging our omni-channel distribution strategy as sales shifted from offline to online, enabling consumers to find our products wherever they choose to shop

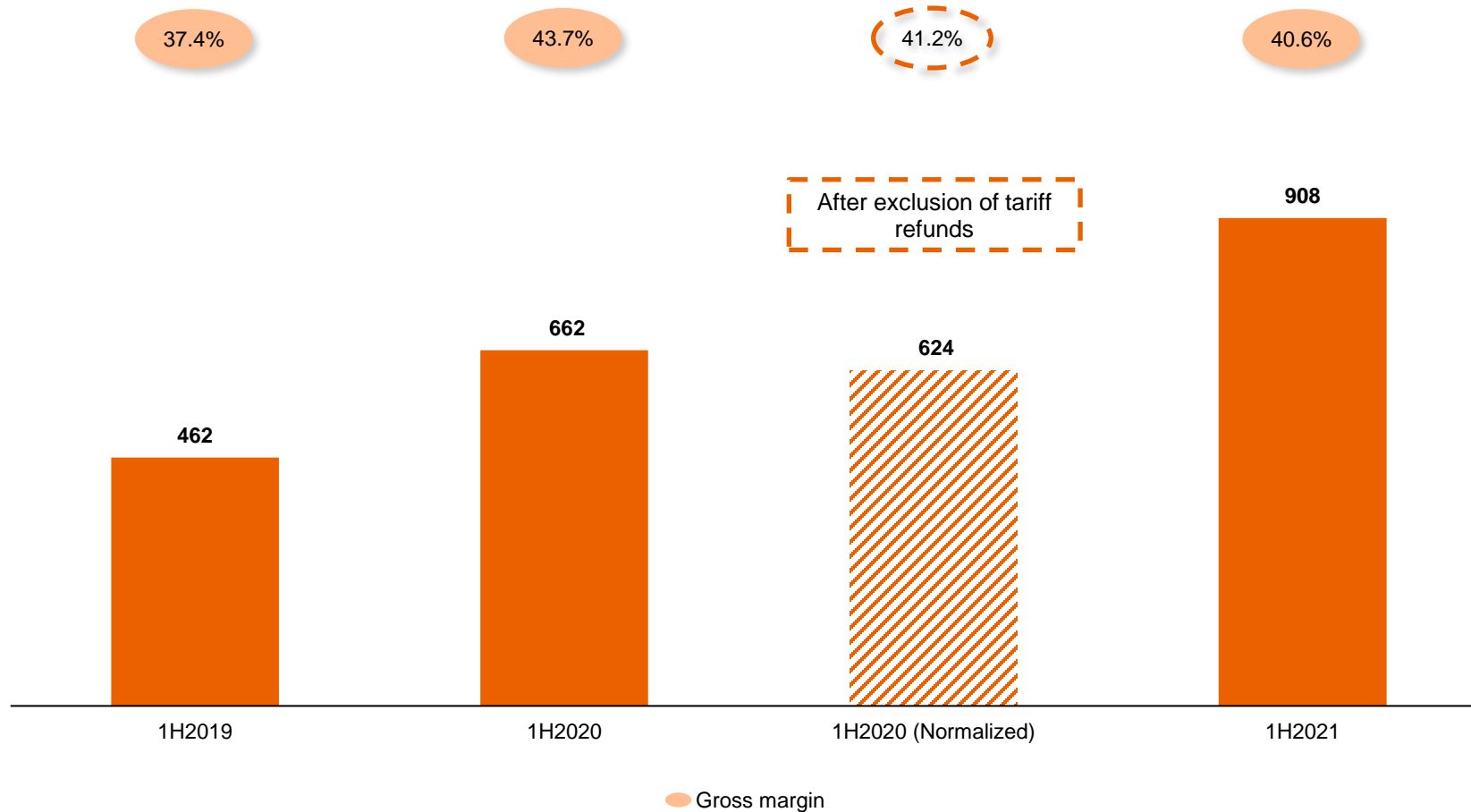
### Commentary:

- Cleaning appliances growth was primarily attributable to the Shark brand and its market share growth within existing product categories in North America and the UK, along with expansion into new product categories in 2020 and 2021, which were further aided by significant year-on-year overall category growth
- Strong growth in cooking appliances was primarily driven by the continued success of SharkNinja's Foodi family of products which include the Ninja Foodi Grill, Digital Air Fry Oven and Deluxe Pressure Cooker & Air Fryer. This is supported by market share growth, international expansion, and new product launches in 2020 and 2021
- Growth in food preparation appliances was primarily attributable to strong demand for existing and newly-launched products including Ninja's motorized blender, as well as the application of creative products and technologies to the lower end

# Gross profit and margin

## Evolution of gross profit and margin

(USD mn)



Gross margin for 1H2021 was 40.6%, representing a decrease of 3.1 percentage points from 43.7% for 1H2020.

The decrease in gross margin was mainly due to tariff refunds of \$38.1 million which were recorded in 1H2020 that related to tariffs paid for and recognized during 2019<sup>(1)</sup>. If not for those refunds, our gross margin would have been 41.2% in 1H2020, resulting in a 0.6% decrease in gross margin during 1H2021 as compared to 1H2020

Compared to the same period in 2019, gross margin rate increased by 3.2% in the first half of 2021

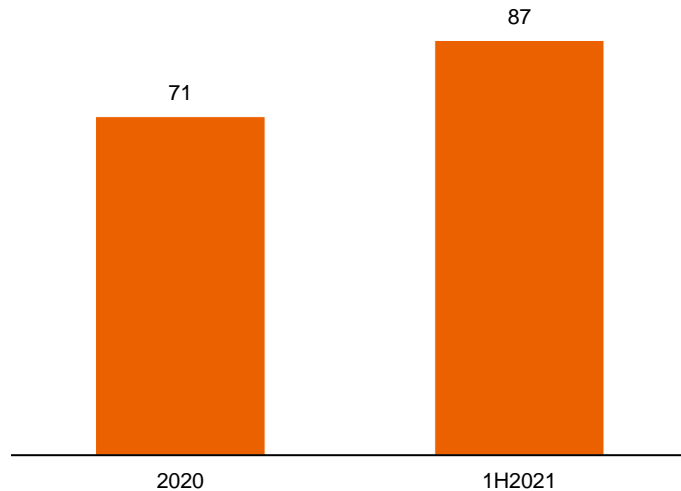
(1) Some of the company's vacuums and air fryer products are exempted from tariffs, and tariff refunds of USD38.1mn was confirmed in 1H 2020

# Working capital management

## Working capital management

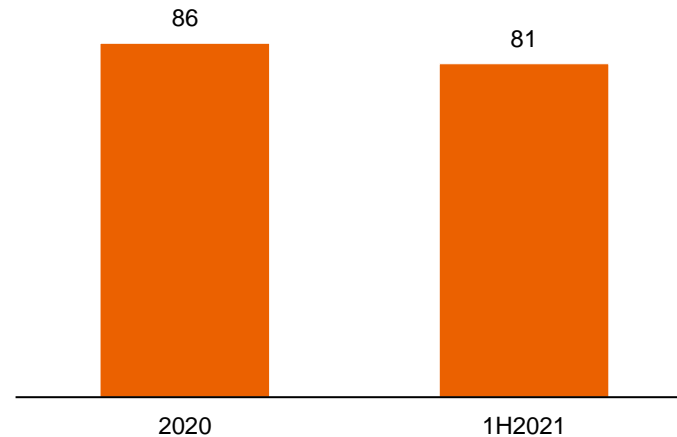
### Inventory turnover days<sup>(1)</sup>

(Days)



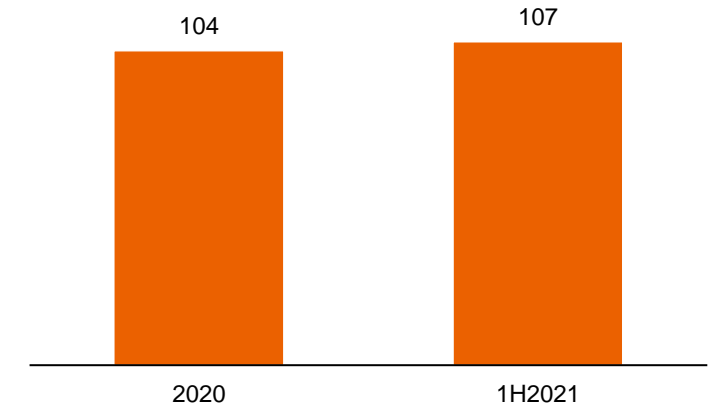
### Trade and bill receivables turnover days<sup>(2)</sup>

(Days)



### Trade and bill payables turnover days<sup>(3)</sup>

(Days)



■ JS Global

**Increase in inventory turnover days is primarily attributable to exceptionally low inventory levels in 2020 and the seasonality of our business given that the second half normally outperforms the first half in most markets**

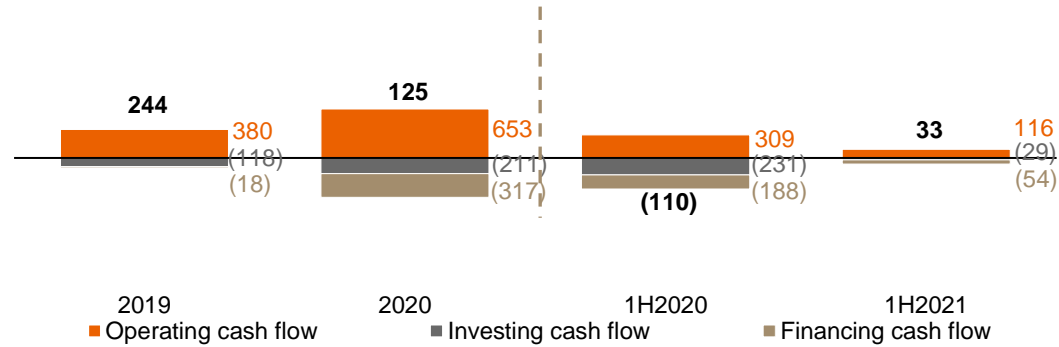
- (1) Turnover days of average inventories equals average inventories divided by cost of sales and multiplied by the number of days in the period. Average inventories equal inventories at the beginning of the period plus inventories at the end of the period, divided by two
- (2) Turnover days of average trade and bill receivables equals average trade and bill receivables divided by revenue and then multiplied by the number of days in the period. Average trade and bill receivables equal trade and bill receivables (net of impairment) at the beginning of the period plus trade and bill receivables at the end of the period, divided by two
- (3) Turnover of average trade and bill payables equals average trade and bill payables divided by cost of sales and then multiplied by the number of days in the period. Average trade and bill payables equals trade and bill payables (net of impairment) at the beginning of the period plus trade and bill payables at the end of the period, divided by two



# Cash flow and capital structure

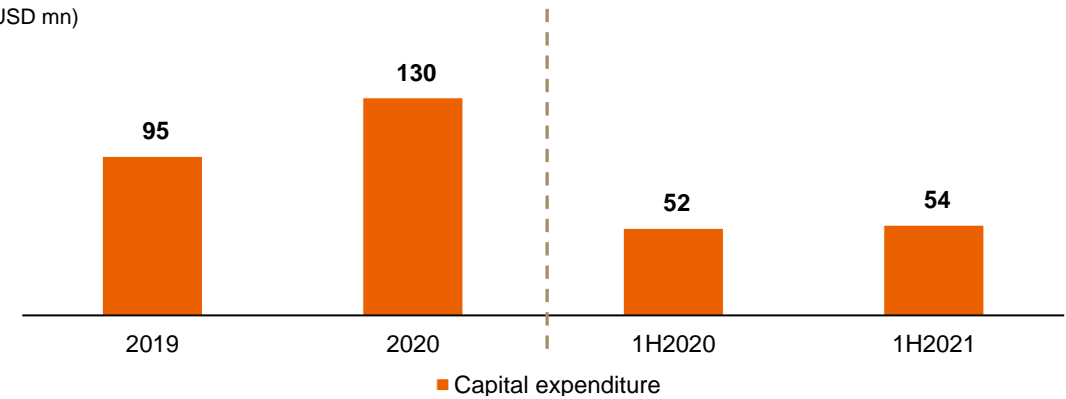
## Cash flow

(USD mn)



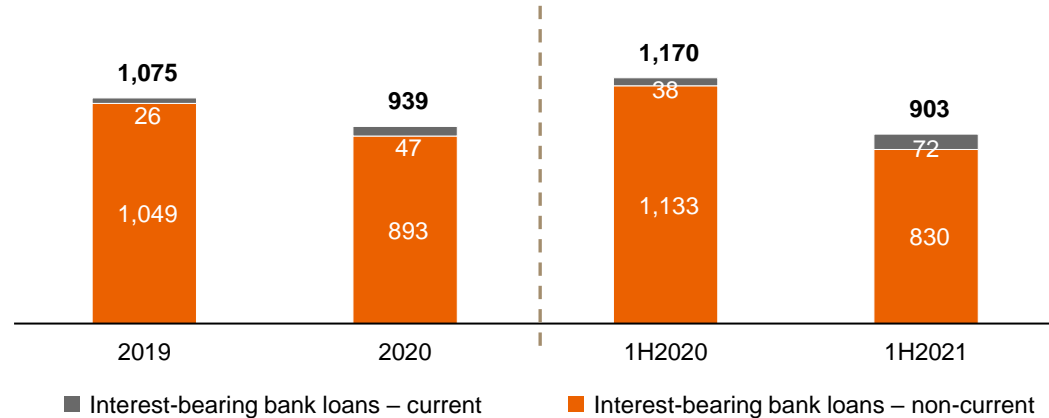
## Capital expenditure

(USD mn)

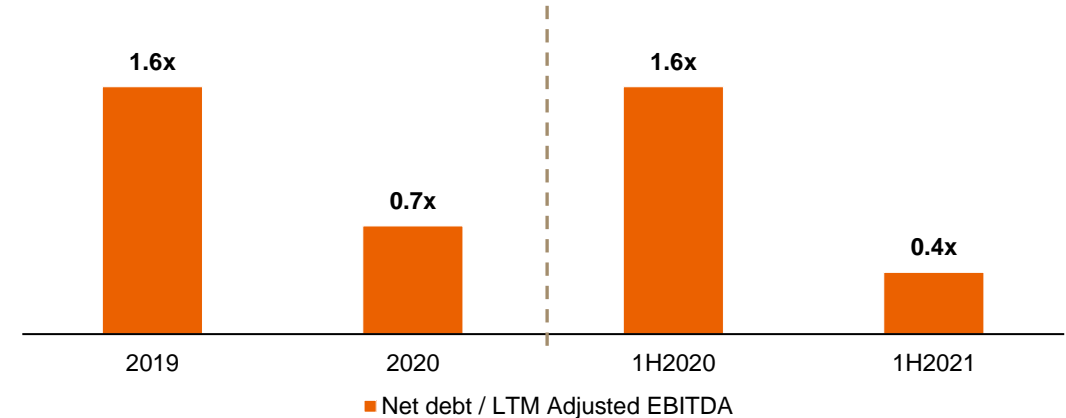


## Debt profile and maturities

(USD mn)



## Leverage ratio<sup>(1)</sup>



(1) Adjusted EBITDA figures were non-audited numbers; net debt is calculated as the sum of interest-bearing bank loans and lease liabilities, less cash and cash equivalents and pledged deposits used to secure bank loans and bills payables



## 2. 1H2021 Business update



# JS Global is a leading global brand focusing on small household appliances with expanding market share



As a small household appliance market leader across core markets, JS Global achieved significant market share expansion in 1H2021



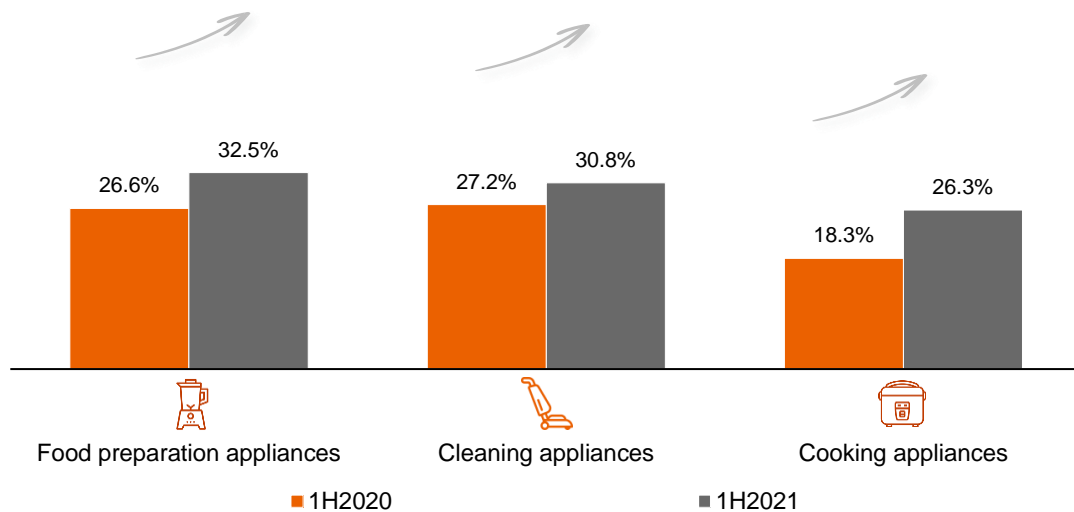
As of Dec 31 2020, JS Global ranked **No.3**<sup>(1)</sup> among the small household appliance focused companies

## US market

#1 vacuum brand

#1 small kitchen appliance brand

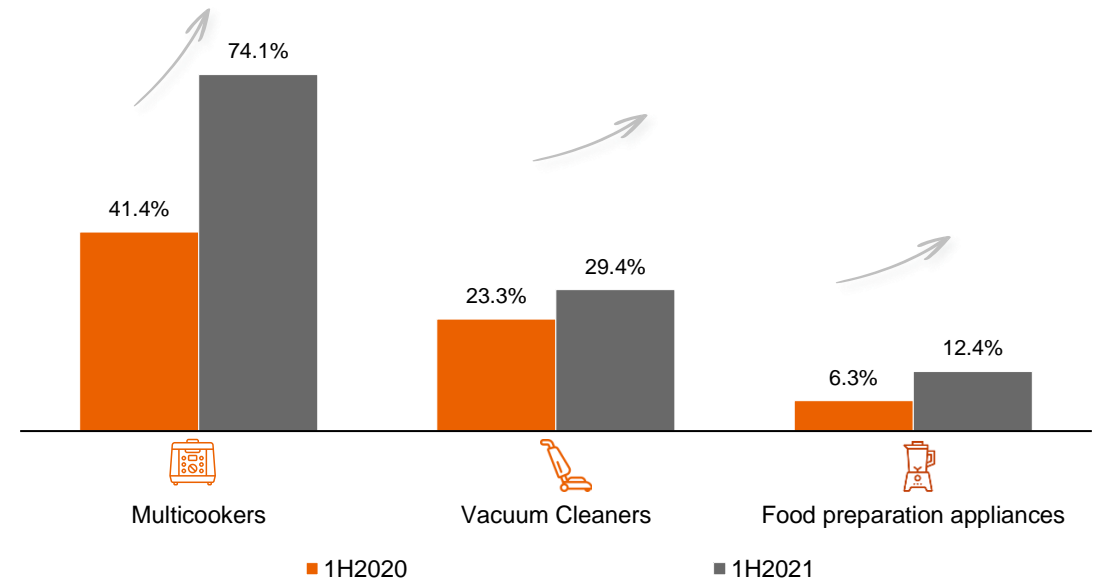
JS Global's market share evolution in each category in the US in 1H2021<sup>(3)</sup>



## UK market<sup>(2)</sup>

Continued improvement in market share across all categories

JS Global's market share evolution in each category in the Great Britain in 1H2021<sup>(4)</sup>



Notes:

- (1) Market ranking data based on Frost & Sullivan
- (2) Excludes Northern Ireland
- (3) US Market share data source: The NPD Group / Retail Tracking Service, U.S. dollar sales, Jan-Jun 2021, 2020
- (4) UK Market share data source: GfK; Market Intelligence; Value Sales, GB; Jan-Jun 2021, 2020

# 1H2021 business review highlights

## Strong sales in North American market

- Strong growth in North American market was primarily due to the robust performance in existing product categories and launch of new products under the Shark and Ninja brands during 2020 and 2021 in both existing and new product categories. Newly-launched products include Shark VacMop, Shark AI VacMop robot vacuum, Ninja Foodi Power Blender and Processor, Ninja Foodi Smart XL 6-in-1 Indoor Grill, Ninja Foodi 10-in-1 XL Pro Air Fry Oven and a new series of Ninja Foodi NeverStick cookware
- Meanwhile, we have captured the opportunities brought by the “stay-at-home” economy that we believe is here to stay, and consumers’ shift towards online channels amid COVID-19, enabling consumers to find our products wherever they choose to shop



## Successful expansion in international markets

- 1H2021 Revenue in Europe achieved a high growth rate of 94.6% vs. 1H2020, primarily due to the strong growth in the UK as a result of continuing market share expansion. Meanwhile, the penetration rate of the e-commerce business in the European market continued to increase, and the Group remains on track with regards to its expansion plan into Germany and France. Despite challenging conditions throughout the pandemic, we have been successful in launching direct sales business in both Germany in France and have secured product placements at key retailers in both countries
- Revenue in other international markets (excluding North America, China and Europe) grew by 115.7% YoY, mainly driven by sales growth in Japan and Israel



## Strong performance from new products

- The newly-launched products in 2020 and 1H2021 were well received by consumers and gained consistent, positive customer feedback, including the expanded Ninja Foodi series, the expanded Shark AI Robot series, Ninja NeverStick Cookware, and the Shark VacMop launched in 2020, Ninja CREAMi ice cream maker and Shark Air Purifier launched in 2021, along with Joyoung’s “wash-free” series products, carbon steel rice cooker and nonstick pans



## Growth in e-commerce channels underpinned by omni-channel distribution capabilities

- Leveraged strong omni-channel distribution capabilities to seize the opportunities brought by consumers’ shift towards online channels during COVID-19, with some now starting to shift closer to pre-pandemic offline channels, as well as leveraged strong relationships with retailers to get increased product placement and achieve continued sales growth. Meanwhile, we continued to promote digitalization and new retail operations, integrate online and offline channels, cultivate new users and attract new fans to achieve further sales growth across all channels



## Synergies

- Supply chain: extensive global sourcing network enabled us to enlarge our supplier base, and reduce costs as a result from the supply chain synergies generated by the combined purchases of SharkNinja and Joyoung
- Product: Based on the successful experience in co-developing the Foodi products, ShakNinja and Joyoung continued to deepen collaboration on heating appliances, and launched Ninja Cold Press Juicer Pro which makes nutrient filled juices and healthy beverage at home in 1H 2021
- Market: The Group will maximize channel synergies in global markets, further optimize channel cooperation in Asia Pacific and deepen channel penetration



# 2H2020 and 1H2021 new product overview

## New Product Overview in 1H2021 and 2H2020

### NINJA



CREAMi  
Ice Cream  
Maker



Cold Press  
Juicer Pro



NeverDull  
Premium  
Knives (2021Q3)



Foodi with  
SmartLid  
(2021Q3)



Foodi Smart  
XL Grill



Foodi  
NeverStick  
Premium

### Shark



Wandvac  
Power



Steam & Scrub



Vacmop Wet/  
Dry cleaning with  
disposable pads



AI Robot Series  
AutoEmpty &  
Wet/Dry



Air Purifier

*More to launch in the 2nd half including personal care, extensions in cookware, corded and cordless vacuums, and more!*

### Joyoung 九阳



Wash-free high-  
performance blender

Continued launching “wash-free” series including “**Hong Meng wash-free**” high-performance blender **Y521**



Smart carbon steel  
rice cooker

Focused on mainstream categories with rigid demand and launched **smart carbon steel rice cooker F921**



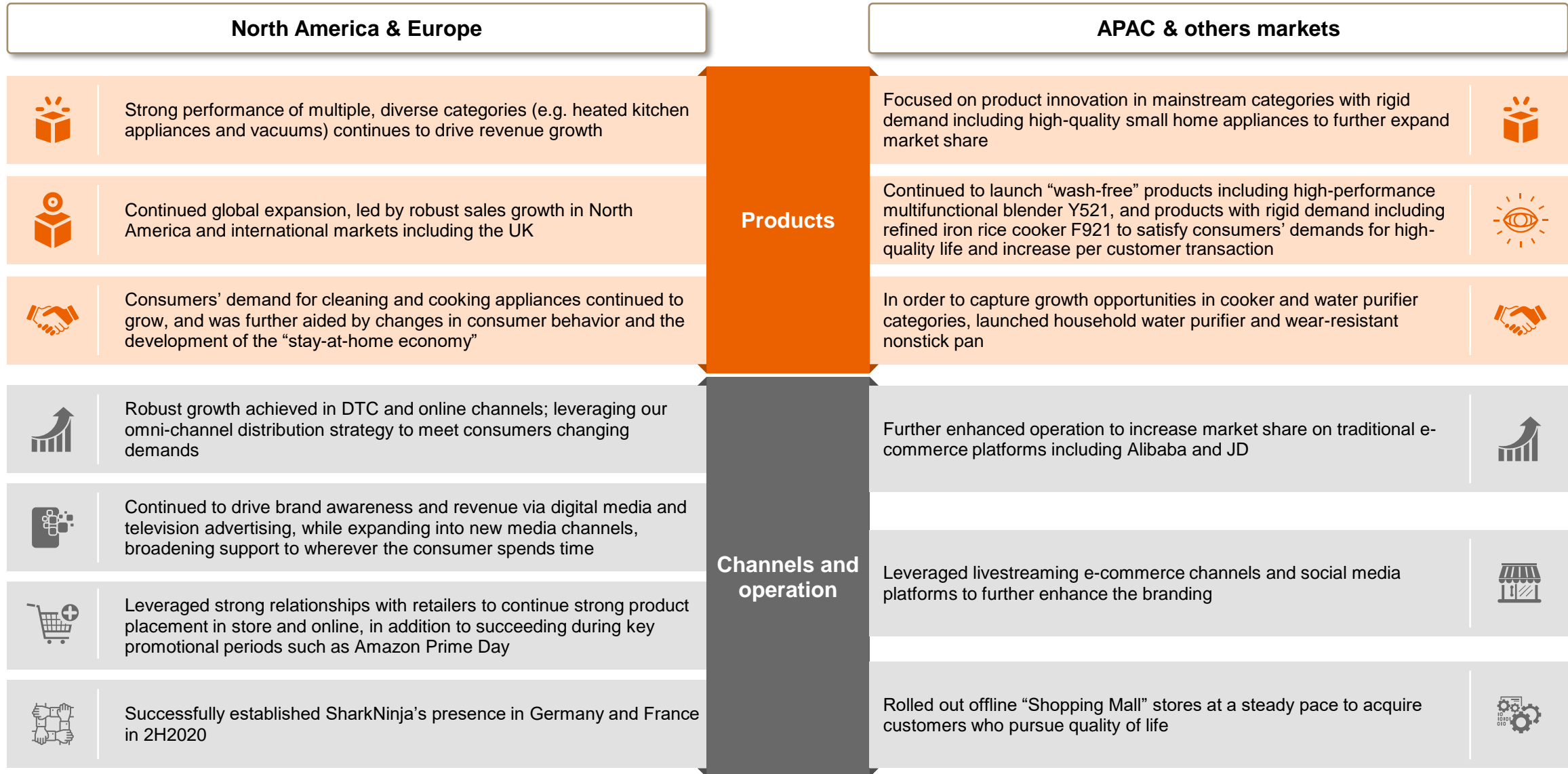
Water purifier



Wear-resistant  
nonstick pan

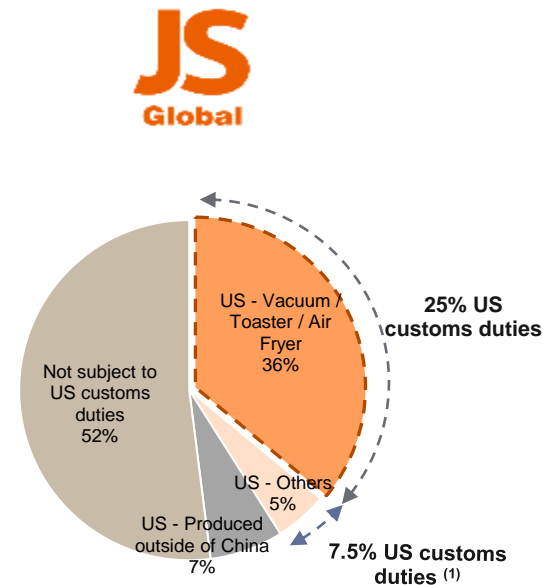
Launched “**Re Xiao Jing**” water purifier and wear-resistant nonstick pan

# Products, channel and operation update



## Business impacted by US customs duties

- In 1H2021, the tariff exclusions previously granted expired and JS Global has been paying 25% tariffs on all vacuums and air fryers imported into the US from China since Dec 31<sup>st</sup> 2020
- In 1H2021, **26%** of JS Global revenue was impacted from the expiration of exclusions granted on certain 25% US customs duties impacted products
- While we continue to watch proposed government action regarding potential tariff exclusions in 2021 and believe there is a possibility for those exclusions to be reinstated, we are continuing our tariff mitigation plans of moving production outside of China



## 2021 Customs duties mitigation strategy



We have continued to expand the capacity in Vietnam, Thailand, and Hong Kong in 1H2021



Working with suppliers in Vietnam and Thailand to improve supply chain efficiency in order to reduce costs moving forward



Updating retailer assortments in order to increase the percentage of our products that qualify for exclusions

(1) According to USTR, effective February 14, 2020, the rate of additional customs duties for List 4a will be reduced from 15% to 7.5%

# Supply chain challenges faced by North America & Europe business and corresponding mitigants

## Supply chain challenges



Increasing global ocean freight costs will continue to impact the SharkNinja segment's gross margin in 2H2021



Shortage of containers needed to ship our goods from China and other countries to abroad



Rising commodities and component prices will result in the increase in COGS



Increased global demand for electrical components, impacting numerous industries



Increased supply chain complexity and movement of goods, driven by outside China production to mitigate tariffs

## Mitigants

- Aggressively control and leverage costs through synergies between Joyoung and SharkNinja segments
- Prioritize and manage shipments to maximize the volume of containers shipped under our negotiated contractual rates with ocean freight providers, rather than using the spot market

- Expand supplier base outside of China
- Work with suppliers in Vietnam and Thailand to improve supply chain efficiency
- Increase inventory prioritization activities to ensure most needed inventory is shipped first
- Deprioritize lower margin promotions and events with retailers

- Continue to achieve economies of scale by aggregating commonly purchased parts of SharkNinja and Joyoung and enhancing bargaining power against suppliers

- Continue to assess and execute on multiple mitigation strategies including but not limited to design optimizations, new supplier qualifications and spot buys

- Efforts to continue optimizing our diversified supply chain persist including factory partnership, subcomponent localization

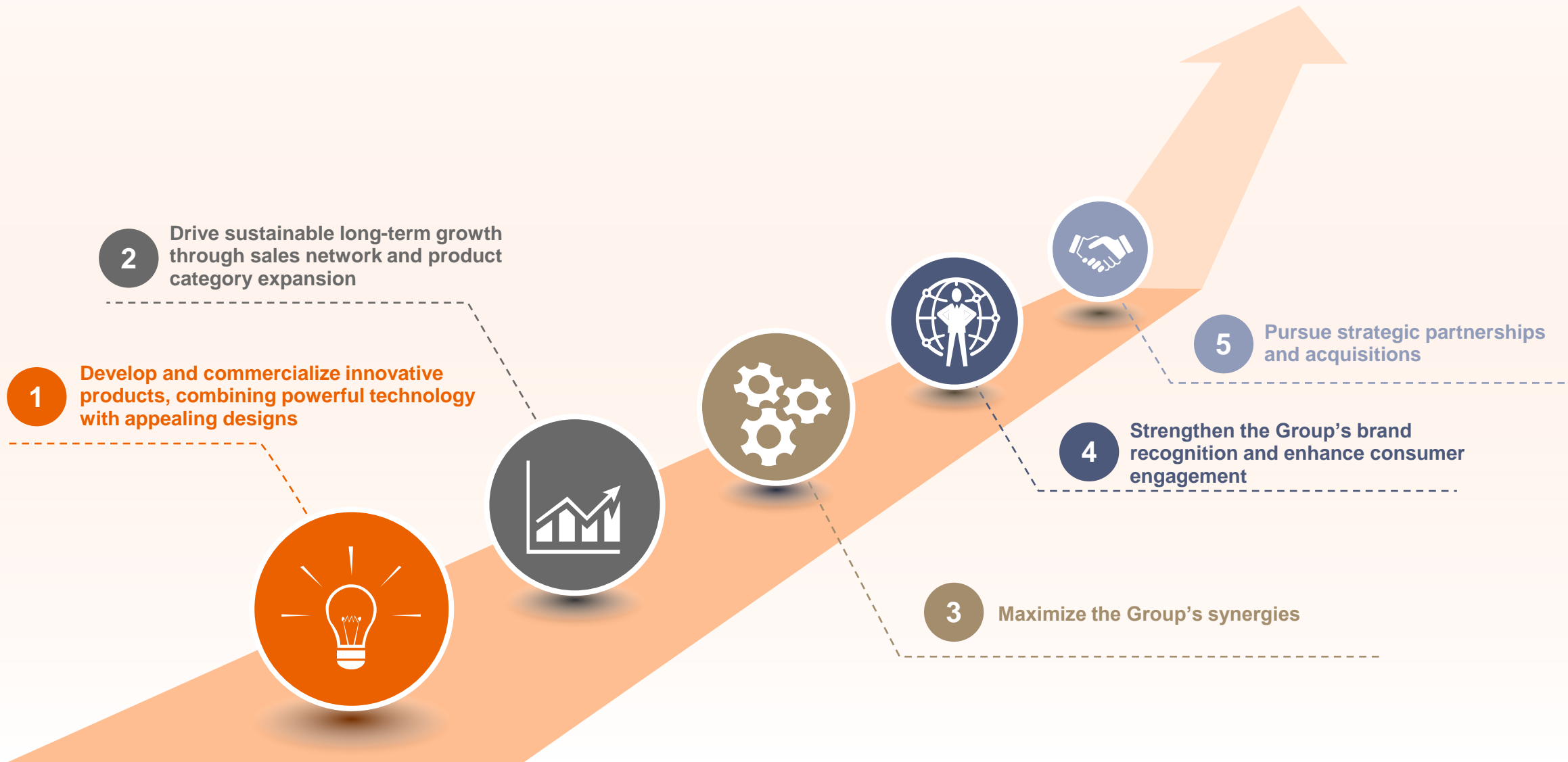




### 3. Strategy and outlook



# Key growth strategies



## North America & Europe



- In terms of products, we successfully executed on our new product roadmap despite the challenges we saw in 2020 and 2021 including an inability to travel and, with our offices closed, associates working from home for much of the year. The resiliency of our team allowed us to launch products into several new categories during 2021 thus far, despite the challenge posed by COVID-19



- In terms of demand, consumers tended to cook at home more often rather than eating out and remain focused more on sanitation and cleaning of the home. In this regard, SharkNinja remains well positioned to seize the growth opportunities brought by the “stay-at-home economy”, as many employers in North America and Europe continue to offer hybrid work from home / in office programs



- In terms of sales, we leveraged our omni-channel distribution capabilities including our well-established relationship with US retailers (e.g. Walmart, Amazon and Target) to promptly adjust our retail strategy, capture the trend of consumer shifts towards online channels, and continue to improve market penetration



- In terms of supply chain, we continue to see disruptions in ocean and inland freight driven by COVID-19 protocols and labor availability at the ports globally and within the greater transportation industry. Nevertheless, effective measures are underway to help mitigate impact of transportation pressure

## APAC & others markets



- In terms of sales, the overall revenue in 1H2021 was relatively stable. Compared with 2020, in contrast to North America and Europe, the benefit from “stay-at-home economy” under COVID-19 has largely faded in APAC markets

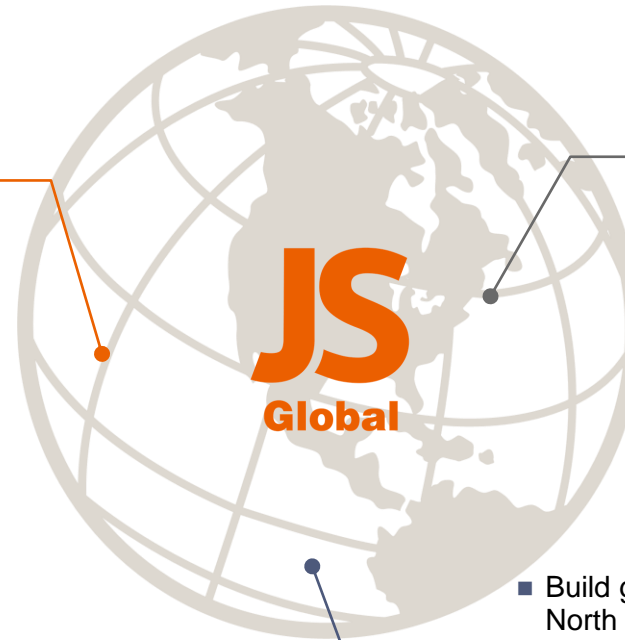


- In terms of supply chain, the supply chain capacity was relatively stable in 1H2021. The increase in raw material price had an impact on the gross profit margin. However, through technology innovation, negotiations with suppliers, and product mix adjustments, the gross profit was stabilized in 1H2021

# Global business platform



- Take advantage of the global supply chain to effectively save costs and further increase profitability



- Leverage the Group's global omni-channel distribution capabilities and the strong marketing team to continue to expand global market share

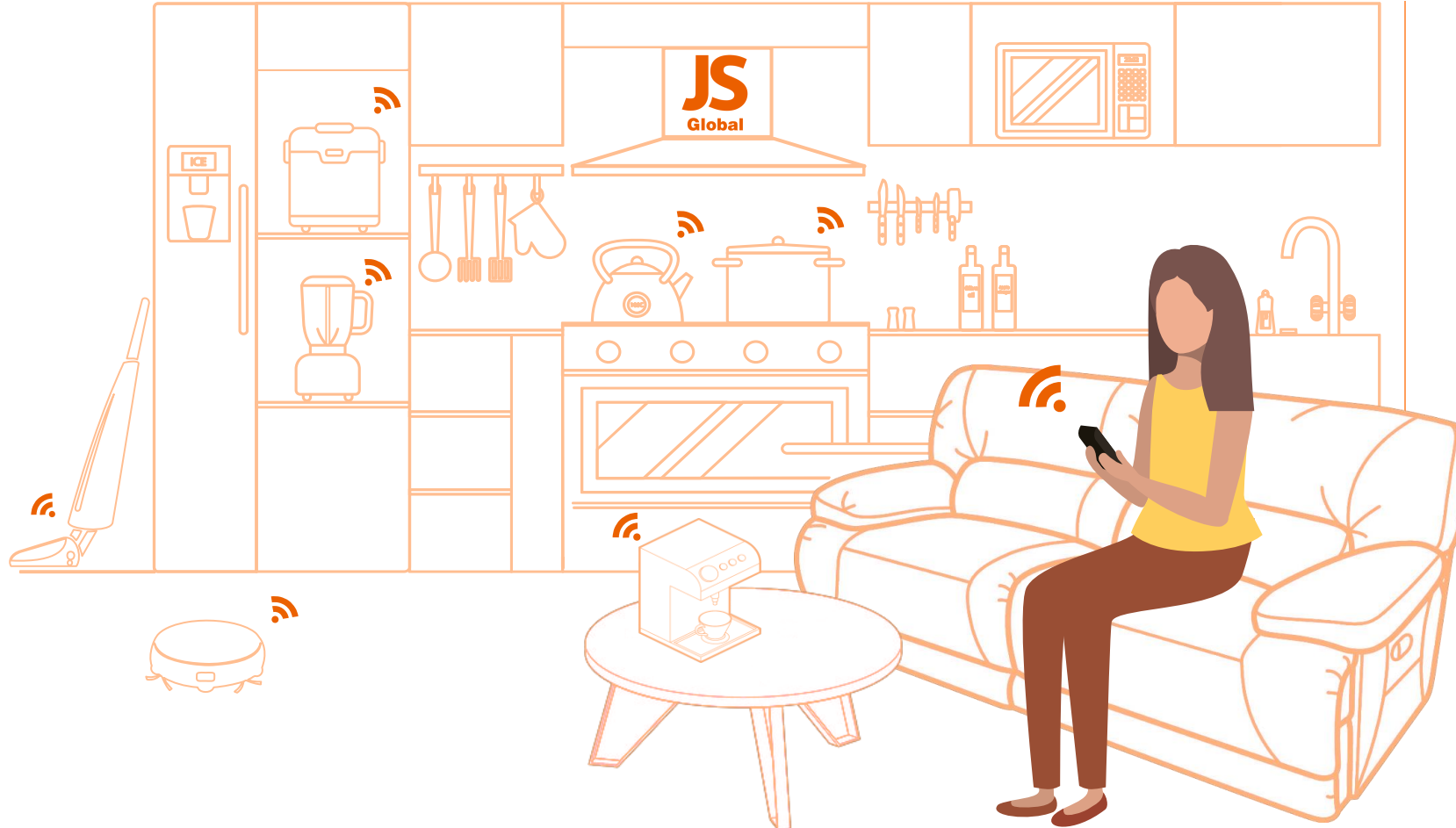


- Build global R&D platforms across North America, Europe and Asia to continuously explore and upgrade original innovative products as well as expand into new categories





**Positively impact people's lives around the world every day through transformational, innovative and design-driven smart home products**



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