

2022 Interim Results Presentation

August 2022



股份代號: 1691

JS 环球生活有限公司
JS GLOBAL LIFESTYLE COMPANY LIMITED

(於開曼群島註冊成立的有限公司)



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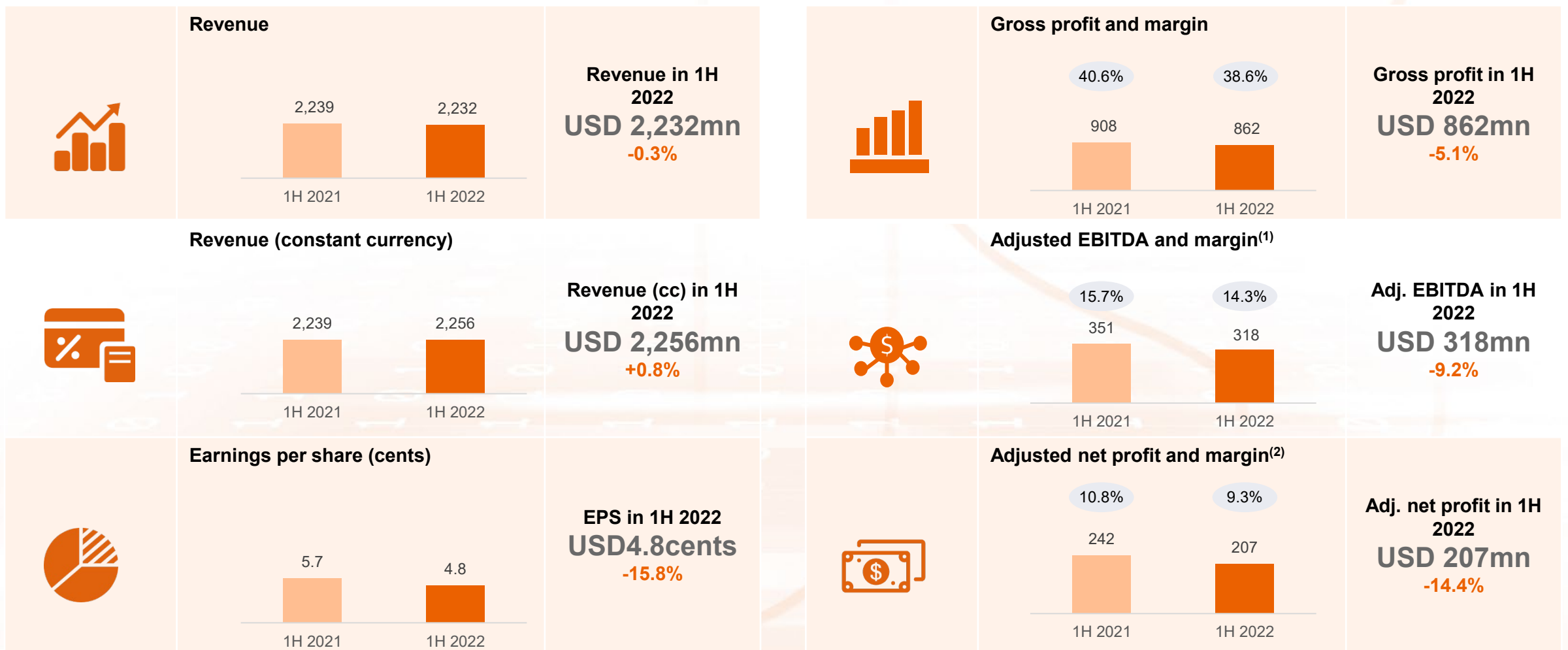
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1. 1H 2022 Financials Update



1H 2022 Key financial metrics

Unit: USD mn



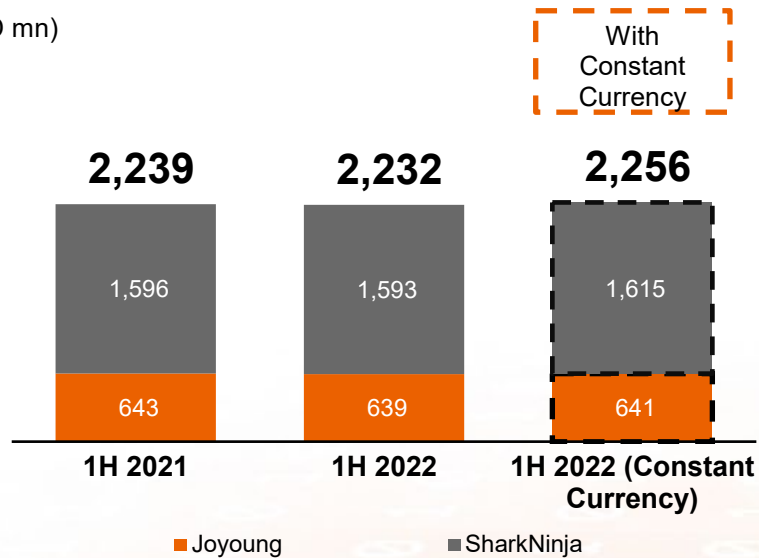
(1) Adjustments for EBITDA included stock-based compensation and tariff refunds in Q4 2021. The adjusted EBITDA was non-audited number.

(2) Adjustments for net income included amortization of intangible assets arising from acquisition of SN, stock-based compensation and tariff refunds in Q4 2021. The adjusted net income was non-audited number.

Revenue stable despite challenging YoY comps and macro environment

By segment

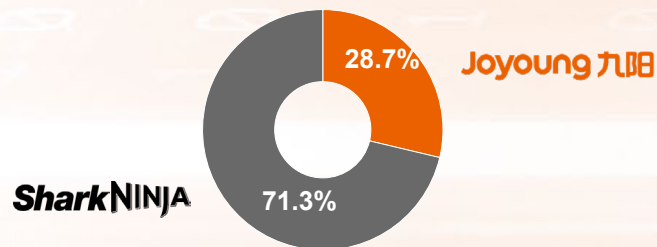
(USD mn)



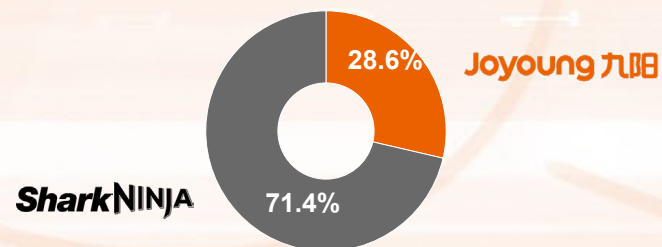
	YoY	YoY (cc)
Total:	-0.3%	+0.8%
SharkNinja:	-0.2%	+1.2%
Joyoung:	-0.6%	-0.3%

- The SharkNinja segment achieved growth of 1.2% to \$1.615 billion on a constant currency basis in the first half of 2022. While SharkNinja has already achieved extraordinary performance in 1H 2021, its market share kept increasing in 1H 2022, which was attributable to its development strategy to keep exploring new opportunities in both existing and new markets along with the successful launch of products into new categories.
- Revenue from the Joyoung segment fell slightly by 0.6% year-on-year, mainly due to the slowdown of China's economic growth in Q2 2022 and the slow recovery of consumer demand. However, after the launch of new products with cutting-edge technology and healthy concept in Q2 2022, Joyoung achieved superior market performance compared with peers in the air fryer, rice cooker, high speed blender and other sectors.

1H2021 Revenue by segment



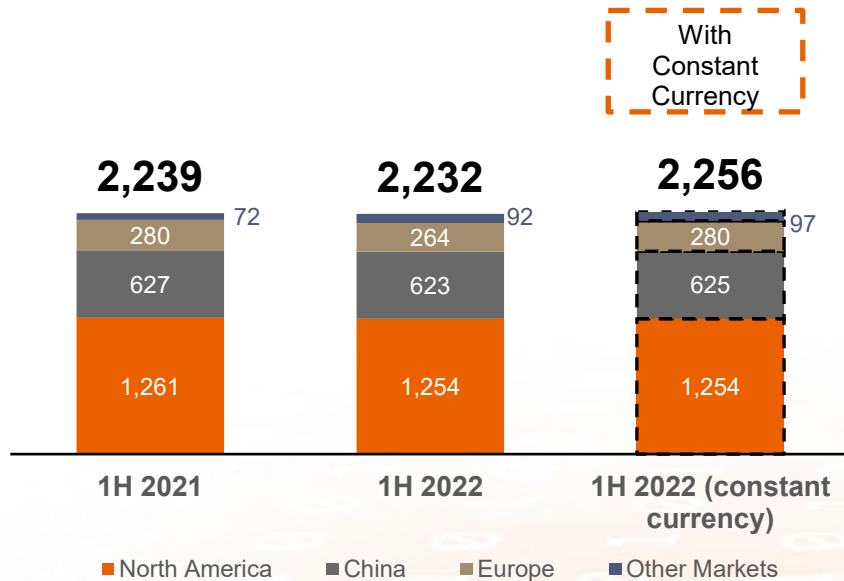
1H2022 Revenue by segment



Revenue contribution by segment remains stable

Continued market share gains across different markets

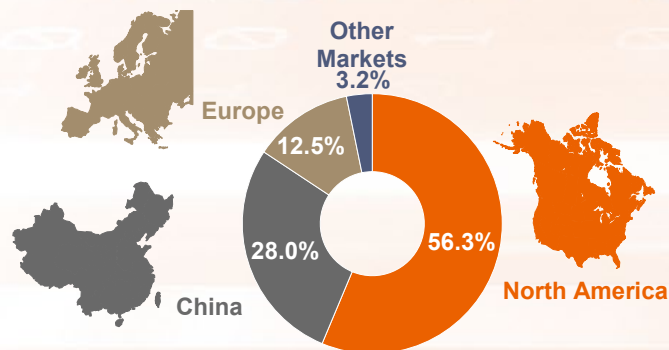
By region (USD mn)



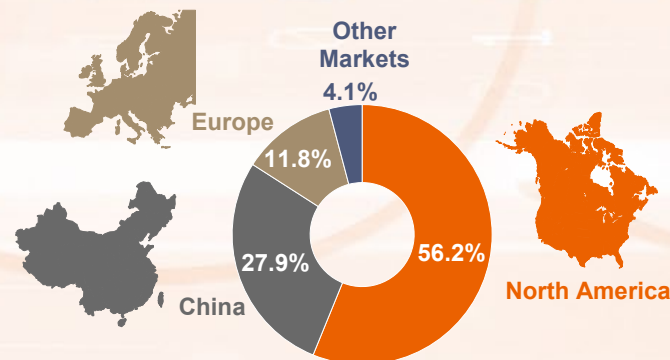
	YoY	YoY (cc)
Total:	-0.3%	+0.8%
Other Markets⁽¹⁾:	+28.5%	+36.1%
Europe⁽²⁾:	-5.8%	0.1%
China:	-0.6%	-0.3%
North America:	-0.6%	-0.6%

- Regionally, although the North American market is facing a historically high level of inflation, we have continuously executed effective business strategies and launched new products that are popular among consumers, which helped us to achieve a continuous increase in market share. Revenue from the North American market declined slightly by 0.6% in 1H 2022.
- The European market was mainly affected by the uncertain geopolitical situation and the unfavorable exchange rate factors such as the depreciation of the British pound and the euro against the U.S. dollar. Revenue in the European region kept stable year-on-year on a constant currency basis.
- Total revenue generated from China saw a slight year-on-year drop of approximately 0.6%. Total revenue generated from other markets achieved an extraordinary year-on-year growth of 36.1% under constant currency.

1H 2021 Revenue by region



1H 2022 Revenue by region

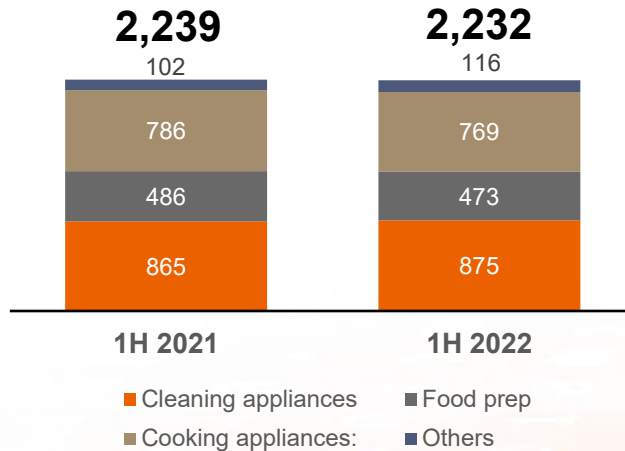


(1) Other markets including Japan, Australia, etc.
 (2) Europe including UK, Germany, France, Italy, etc.

Cleaning and other categories saw revenue growth

By product category

(USD mn)

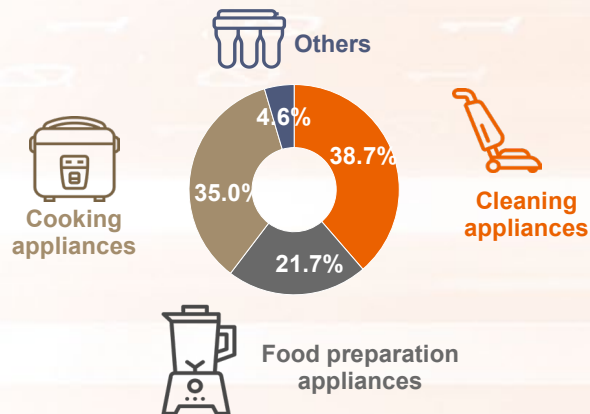


YoY

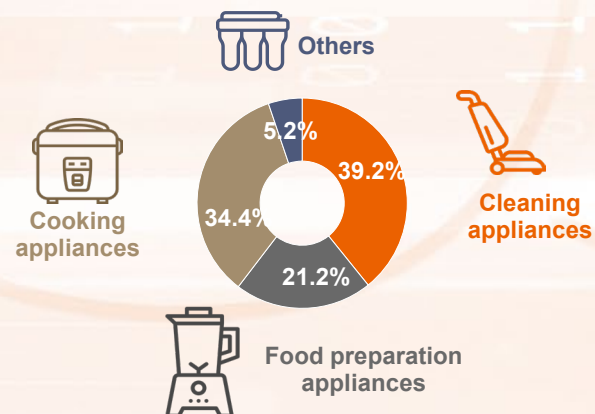
Total:	-0.3%
Others:	+13.4%
Cooking appliances:	-2.2%
Food prep:	-2.7%
Cleaning appliances:	+1.1%

- Stable revenue was achieved across Cooking, Cleaning, and Food Preparation category in 1H 2022, especially driven by market share gains in kitchenware, coffee machine, cordless vacuum, and high-performance blender as well as air fryer sector.
- The revenue from others category achieved year-on-year growth of 13.4%, mainly driven by newly-launched products including air purifiers, hair dryers, and water purification products.

1H 2021 Revenue by product category



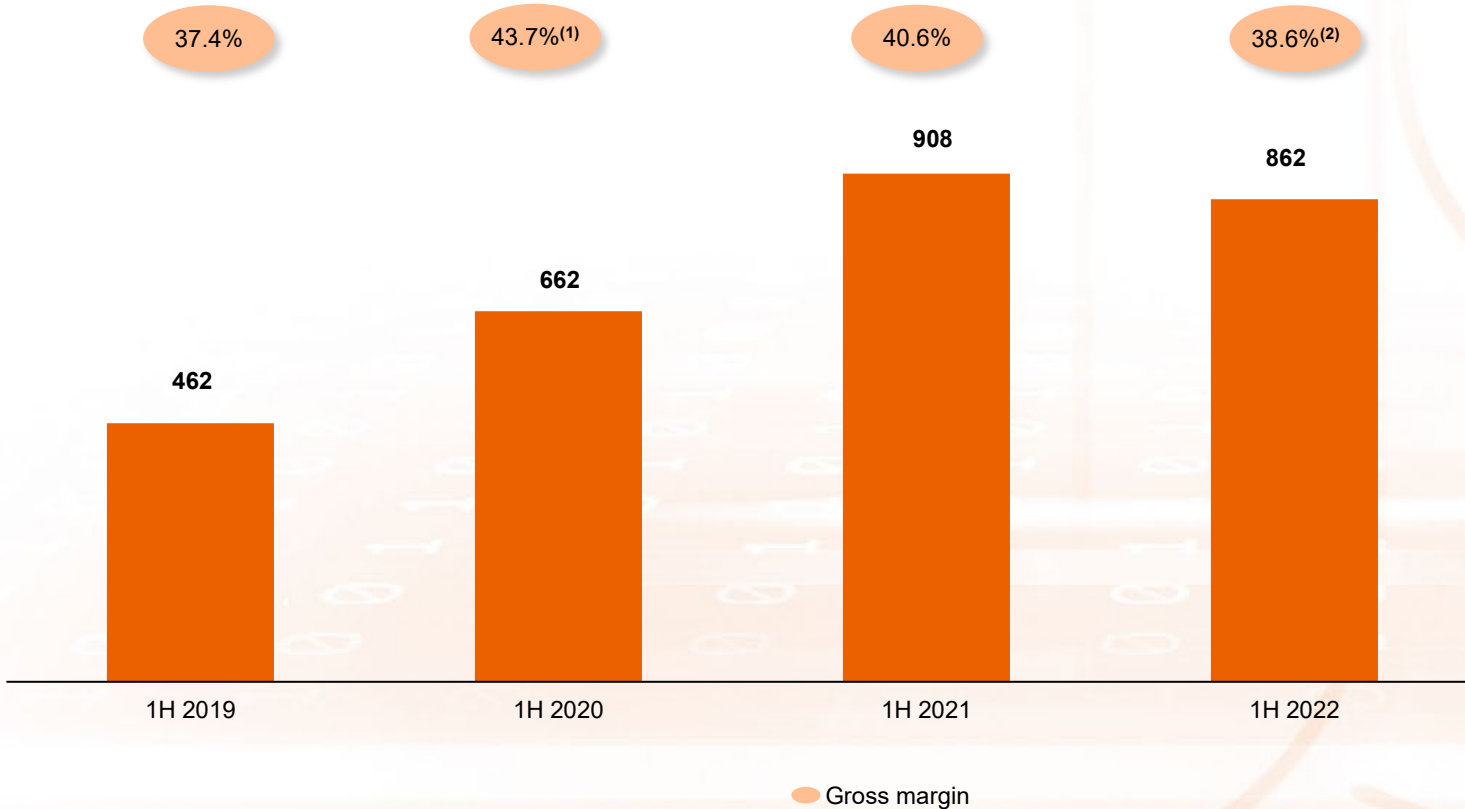
1H 2022 Revenue by product category



Gross margin declined mainly due to freight cost reclassification

Evolution of gross profit and margin

(USD mn)



(1) The gross margin of 1H 2020 included tariff refund of \$38.1m which was related to 2019. If not for such refund, the gross margin would be 41.2% in 1H 2020.

(2) The gross margin of 1H 2022 included tariff refund of \$19.0m which was related to 2021. If not for such refund, the gross margin would be 37.8% in 1H 2022.

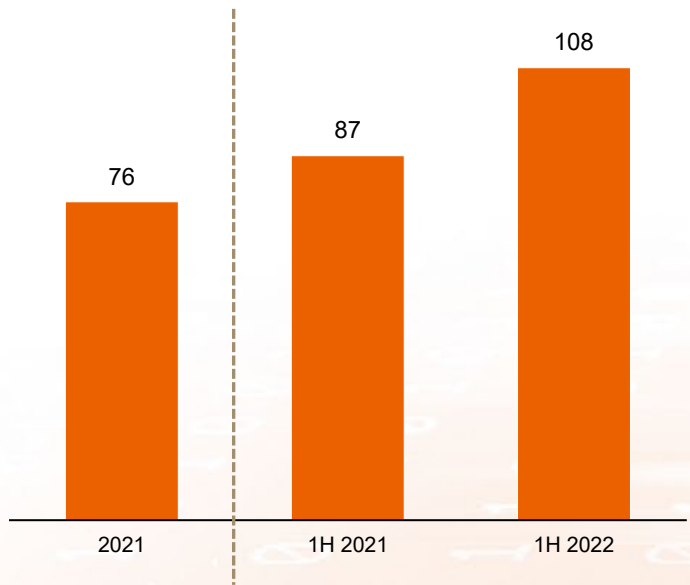
- The gross margin for 1H2022 is 38.6% with a decrease of 2.0 percentages year-on-year.
- The decrease of 0.4 percentage point in gross profit margin was mainly resulted from higher commodity cost and unfavorable foreign currency impact, partially offset by tariff exclusions on certain goods imported from China to the U.S. which were announced on 23 Mar 2022.
- The remaining decrease of 1.6 percentage point in gross profit margin was mainly due to the recognition of some freight expenses into COGS. Therefore, the gross profit margin post operating adjustments in 1H 2022 was basically flat with 1H 2021.

Sufficient working capital and healthy cash flow

Working capital management

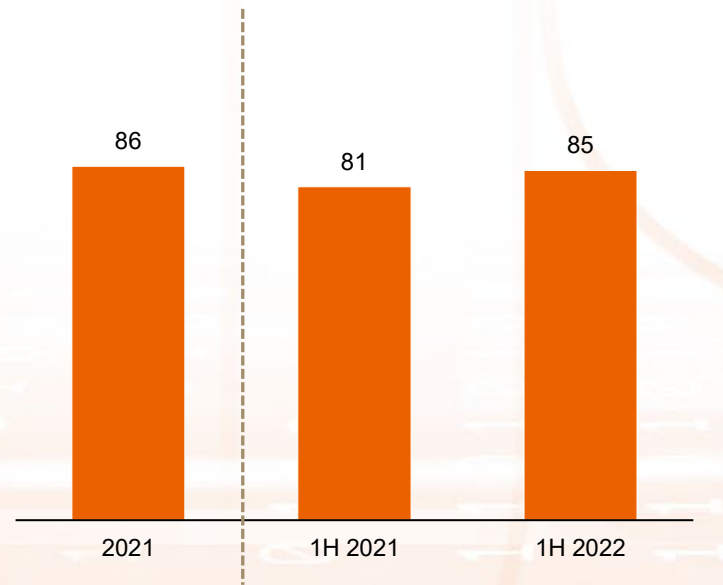
Inventory turnover days⁽¹⁾

(Days)



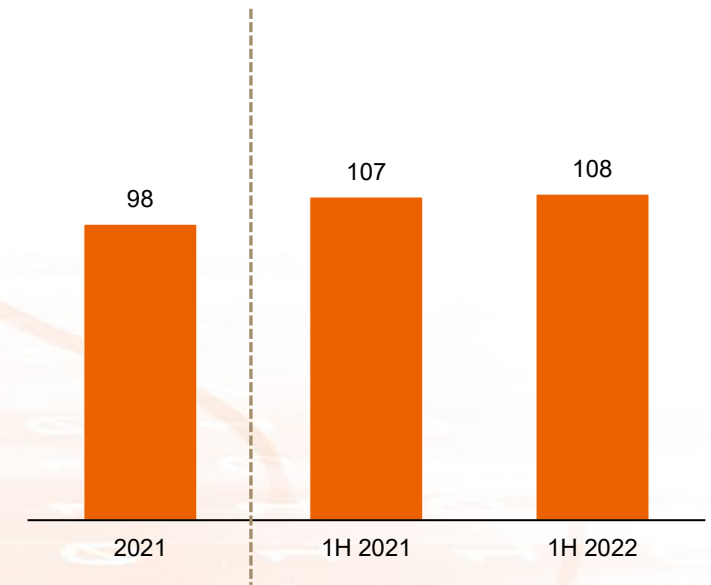
Trade and bill receivables turnover days⁽²⁾

(Days)



Trade and bill payables turnover days⁽³⁾

(Days)



■ JS Global

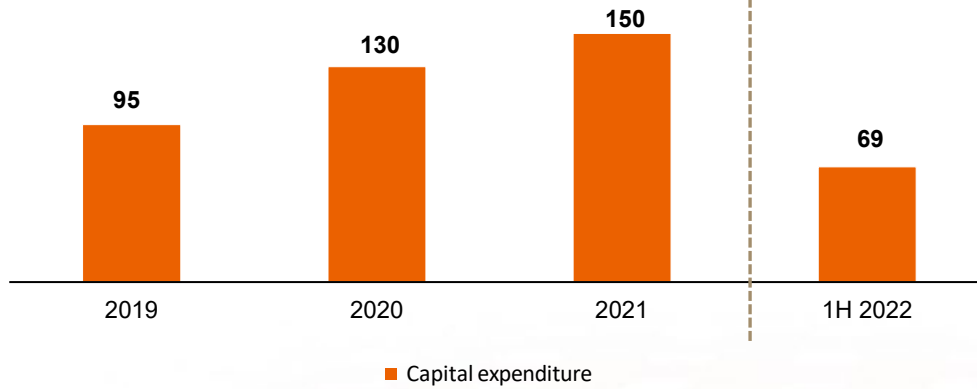
Increase in inventory turnover days compared with Dec 2021 is primarily due to seasonality since the second half year sales are typically higher than the first half year, leading to higher inventory balance at the end of June. Accounts receivable days and accounts payable days in 1H 2022 remained generally stable compared to the full year of 2021 and the first half of 2021. The existing working capital is sufficient and the cash flow position is healthy. The company will continue to optimize and actively manage working capital.

- (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.

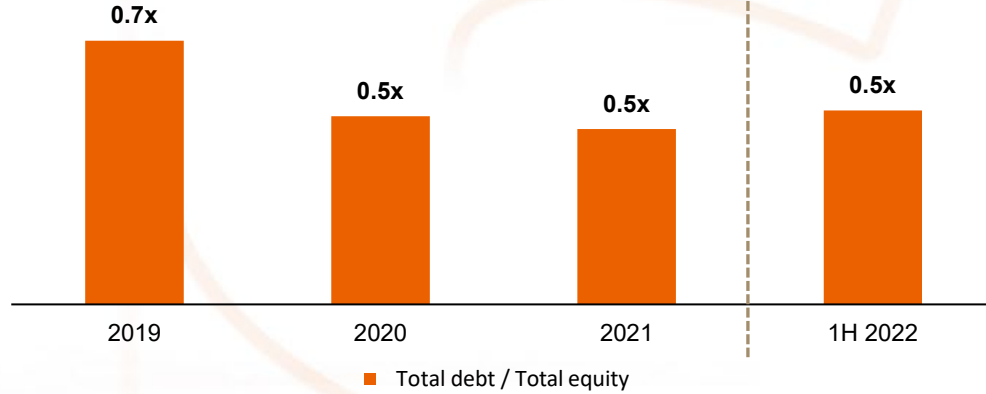
Balanced capital structure

Capital expenditure

(USD mn)

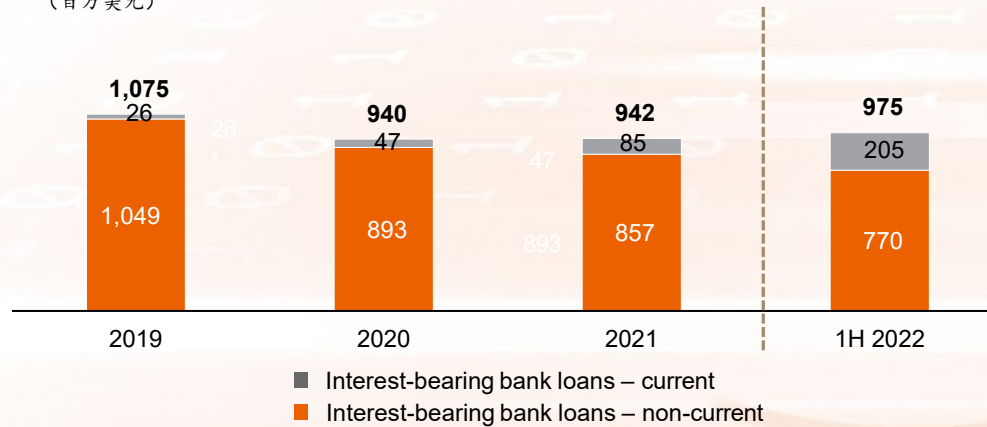


Total debt / Total equity

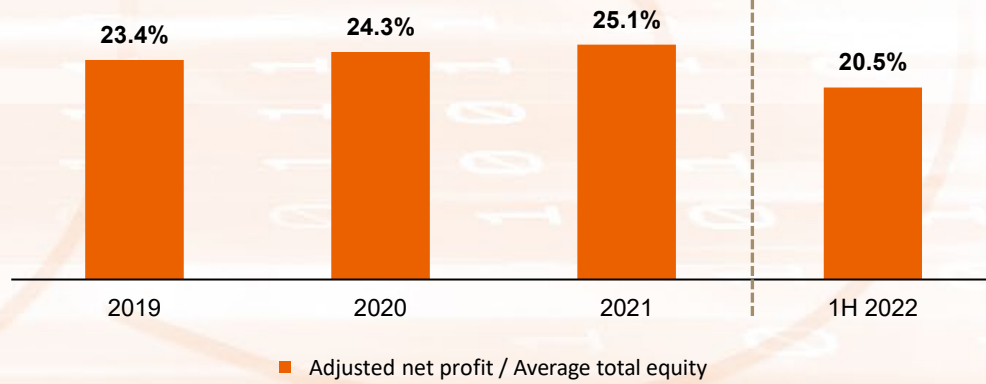


Debt profile and maturities

(百万美元)



ROE



- Relatively low financing cost with interest rate of 1.56+LIBOR and 1.80+LIBOR on two tranches of bank loans.

2. 2022 Business Update



Remains on track to long-term growth objectives

- 1 Our business is resilient, **growing**, and **diversified**
- 2 We continue to **grow market share in existing categories**, across our major markets
- 3 **New Category Entry** – 2021 launches driving 1H22 topline growth, while major 2022 launches start shipping in Q3
- 4 **International expansion** outside our core markets continues to grow via Shark & Ninja brands
- 5 The **strength of our growth strategy** and skill to navigate the current macro environment will deliver another solid year

*What sets us apart is our **high quality, rapid product innovation**, that **consistently delivers extraordinary value** to our consumers, across **multiple categories and geographies***

Industry leading organic top and bottom-line growth over last 3 years → +81% sales, +208% adj. net profit

1st Half Performance

v. 1H 2021

v. 1H 2020

v. 1H 2019

Net Sales

Flat

+47%

+81%

Adj Net Profit

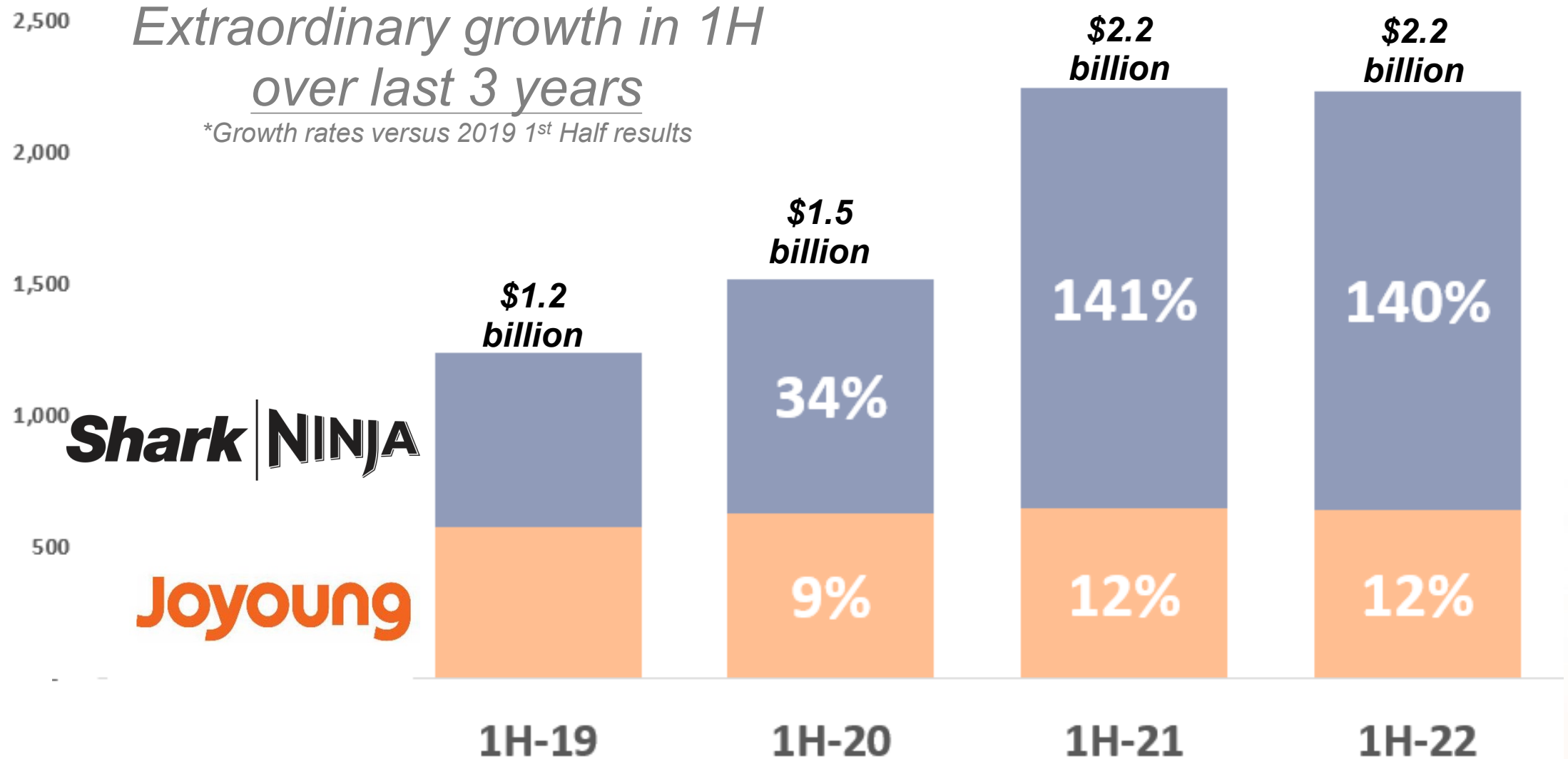
-14%

+54%

+208%

Our brands are strong, and increasingly diversified

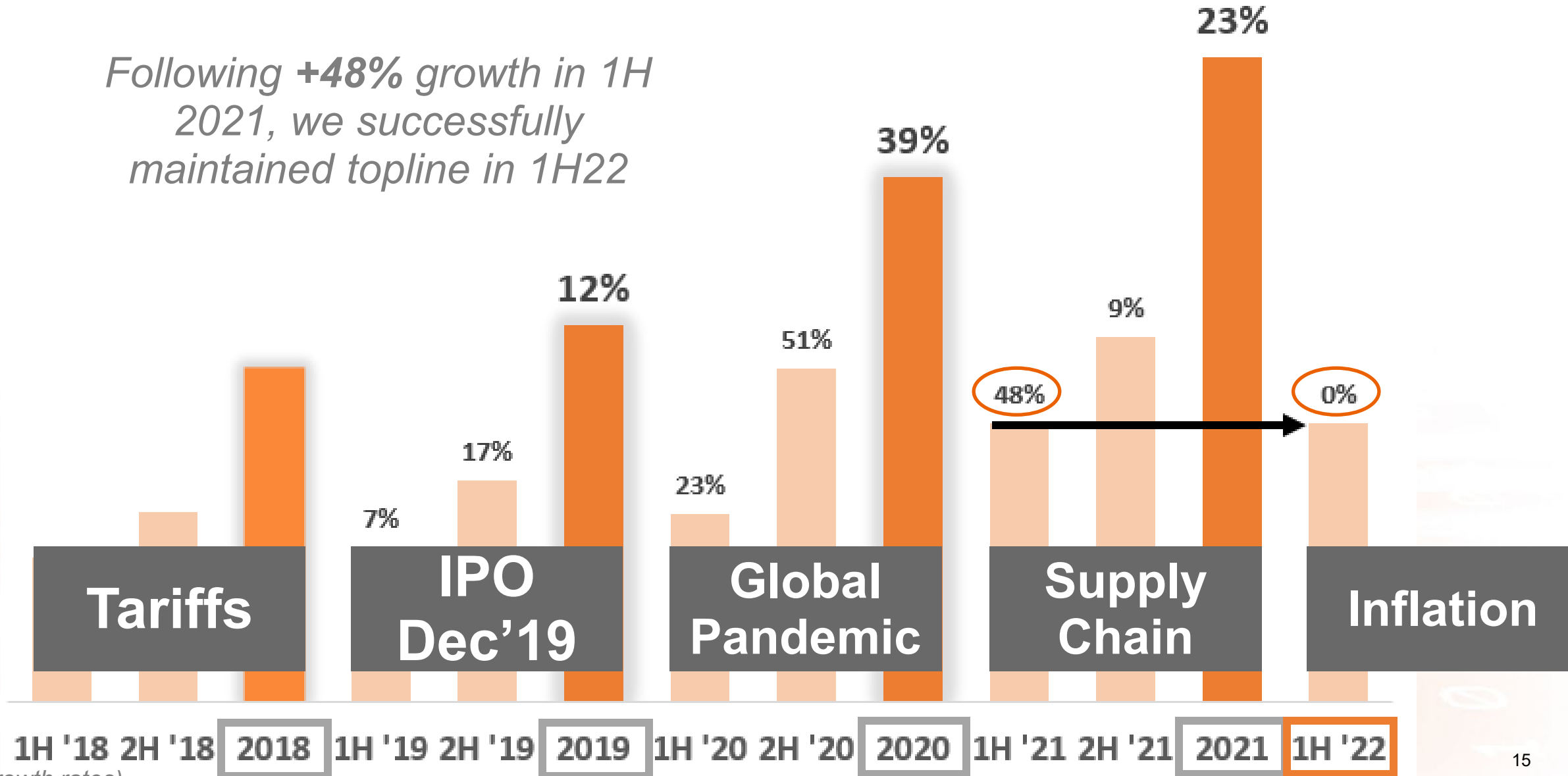
1H Net Sales (USD mn)



#1. Our business is resilient, and growing top-line

Revenue Growth by half

Following +48% growth in 1H 2021, we successfully maintained topline in 1H22

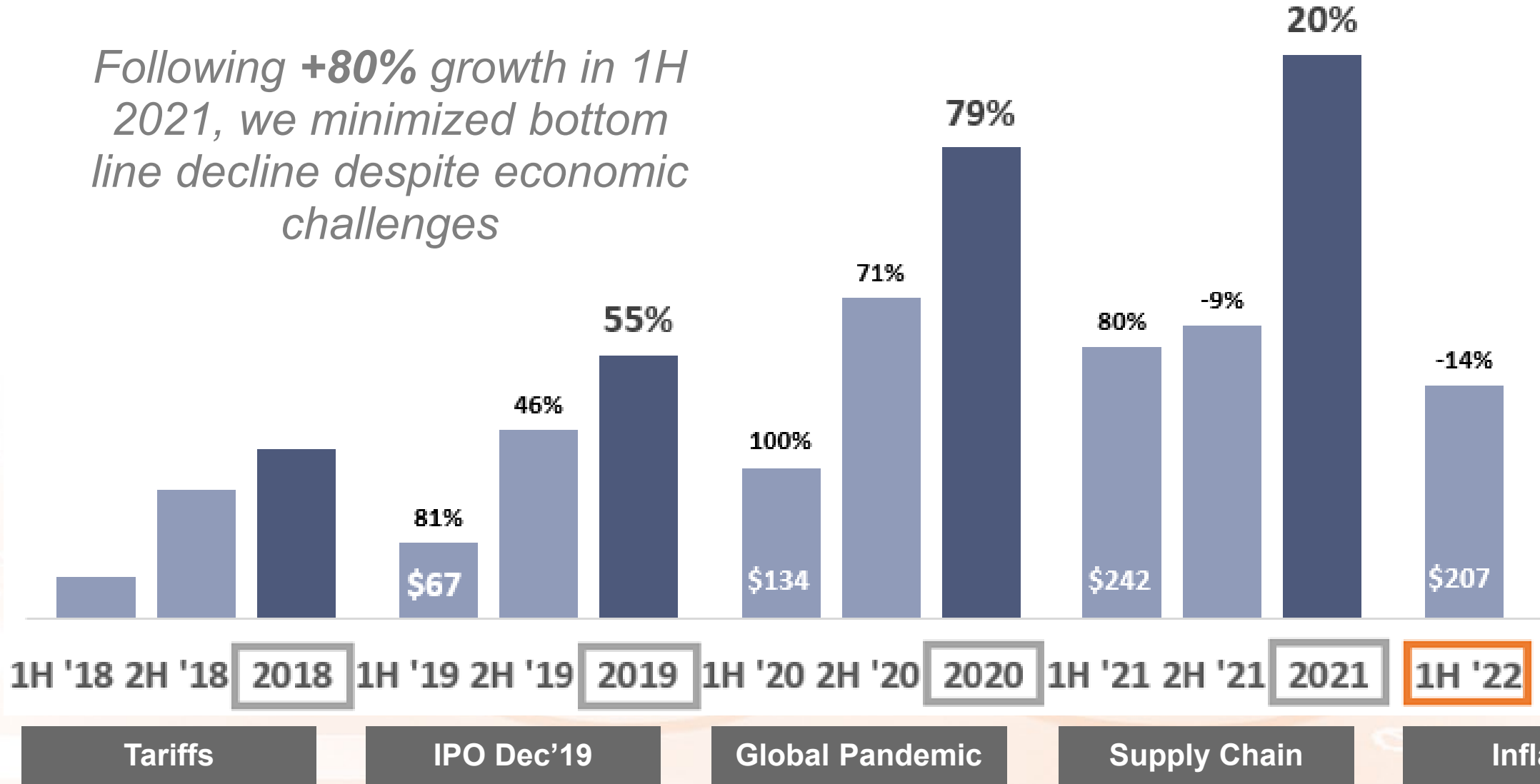


(YoY growth rates)

#1. Our business is resilient, while maintaining bottom-line

Adj. Net Profit Growth by half

Following +80% growth in 1H 2021, we minimized bottom line decline despite economic challenges



(YoY growth rates)

#2. Market share leader in US and UK



As a small household appliance market leader across core markets, JS Global achieved significant market share expansion YoY in our existing categories

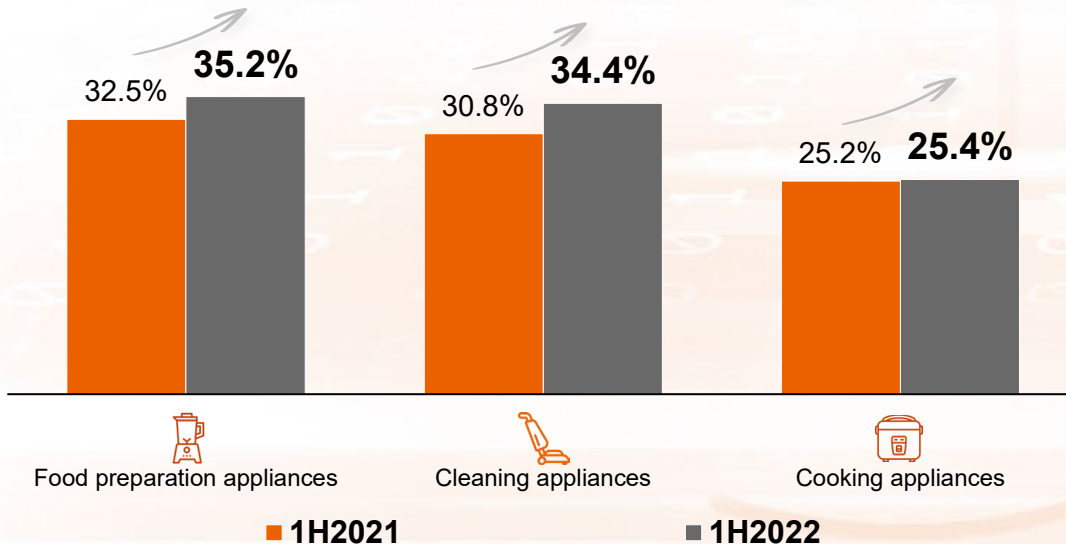
June 30, 2022, v. June 30, 2021

US market

#1 vacuum brand

#1 small kitchen appliance brand

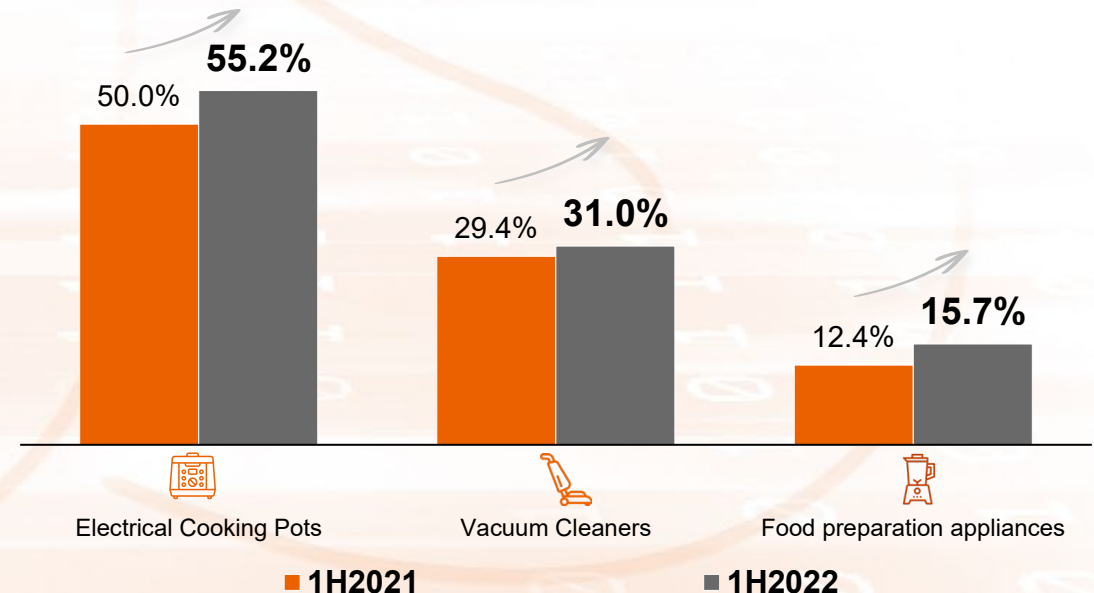
JS Global's market share evolution in each category in the US in 1H2022⁽²⁾



UK market ⁽¹⁾

Continued improvement in market share across all categories

JS Global's market share evolution in each category in the Great Britain in 1H2022⁽³⁾

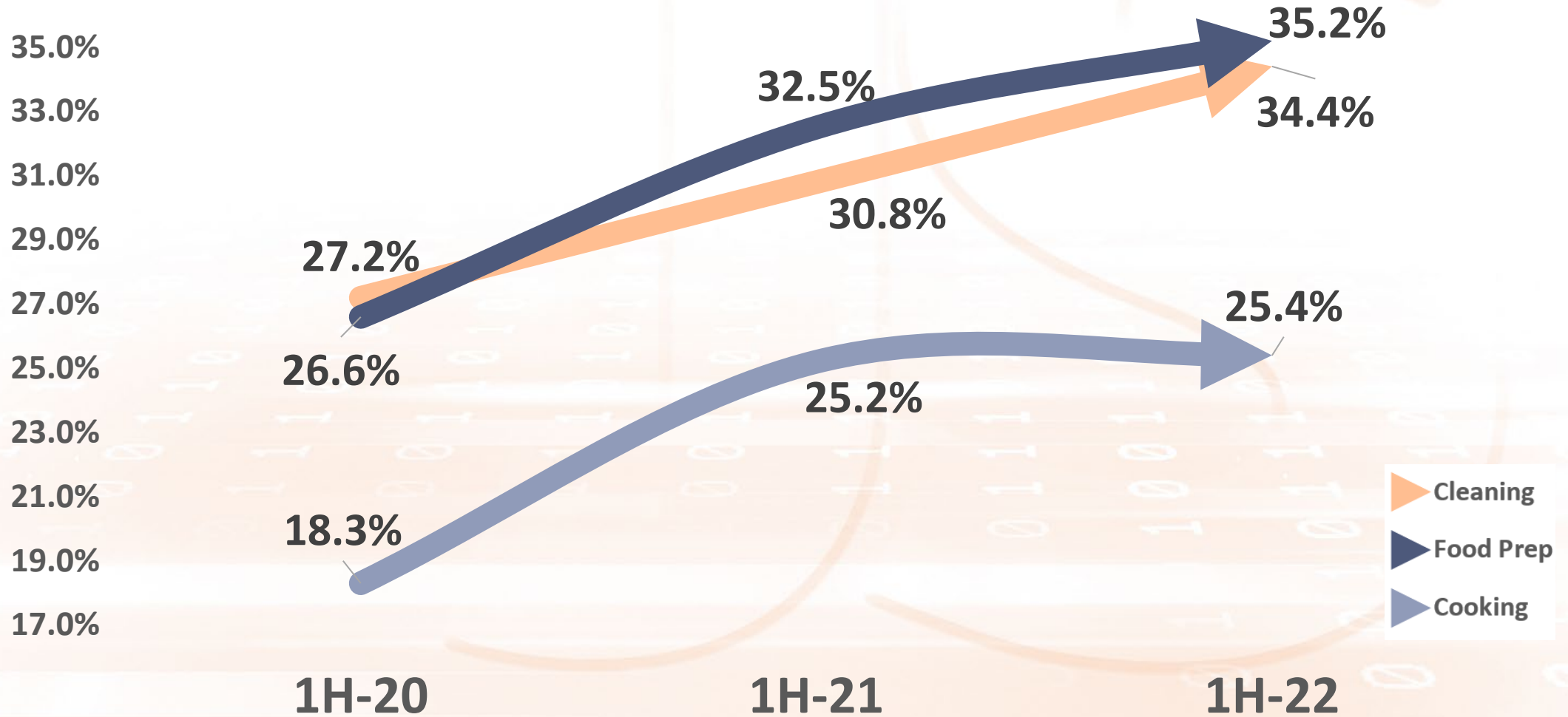


Notes:

- (1) Excludes Northern Ireland.
- (2) US Market share data source: The NPD Group / Retail Tracking Service, U.S. dollar sales, Jan-Jun 2021, 2022.
- (3) UK Market share data source: GfK; Market Intelligence; Value Sales, GB; Jan-Jun 2021, 2022.

Market share trajectory: United States

Consistent, YoY market share gains in existing categories, in our largest geographic market



Market share trajectory: NEW categories, in US

SharkNinja's new categories quickly gaining share in US market

June 30th, 2021

1 year later....

June 30th, 2022

Kitchenware
(Cookware & Cutlery)

1.8%

~\$3.5 billion ⁽¹⁾
US Market FY

3.6%

Air Purifiers

0.1%

~\$1.0 billion ⁽²⁾
US Market FY

5.1%

Hair Dryers

0.0%

~\$500 million ⁽²⁾
US Market FY

3.1%

Ice Cream

0.0%

~\$100 million ⁽²⁾
US Market FY

50.8%

Existing category growth – update on 1H 2022 launches (SharkNinja)

In the 1st half of 2022, we continue to launch new, innovative products in existing categories in order to grow market share globally



Ninja Programmable XL 14-Cup Coffee Maker

With a freshness timer, delay brew, brew pause and clean cycle functionality coupled with 2 brew styles



Ninja Foodi Possible Pot

Features NeverStick technology that never sticks, chips or flakes. Dishwasher, oven and metal utensil safe, and features nesting designed to protect cooking surfaces during storage



Shark Stratos

With Odor Neutralizer Technology which guards against bad odors inside the vacuum



Ninja Foodi Possible Pan



Ninja TWISTi Blender

Delivering the smoothest purees and finest blends of any Ninja pitcher with its built-in Twist Tamper, Hybrid-Edge™ high-speed blades, and a powerful motor.



Shark Air Purifier MAX with HEPA

Uses Pure Air Microforce to deliver fast, powerful, and quiet purification. Clean Sense IQ senses air quality & auto-adjusts to improve air quality and report results in real time



Ninja Professional XL Food Processor

With an XL feed chute with a 3-part pusher for any size ingredient and 4 Auto-iQ programs combine unique pulsing patterns

Existing category growth – update on 1H 2022 launches (Joyoung)



**High-speed cell-wall
breaking blender
P557**



**0-coating
rice cooker
N1**



**Air fryer
VF736**



**Water purifier
RF660s**



**Xiaomowang frying
pan
CJ599**



**0-coating
rice cooker
N7**



**Air fryer
VF739**



**Water purifier
RF960**



**Damowang frying
pan
CJ895**

Existing category growth – key 2H 2022 launches (Joyoung)

In the 2nd half of 2022, we continue to bring new products to market across existing categories



**Visible Air fryer
KL45-VF127**



**Hand-wash-free
blender
Y751**



**Soy milk
maker
D4120**



**Pressure
cooker
Y-60C56**



**Floor
scrubber
Q5**



**0-Coating
Rice Cooker
30N6**

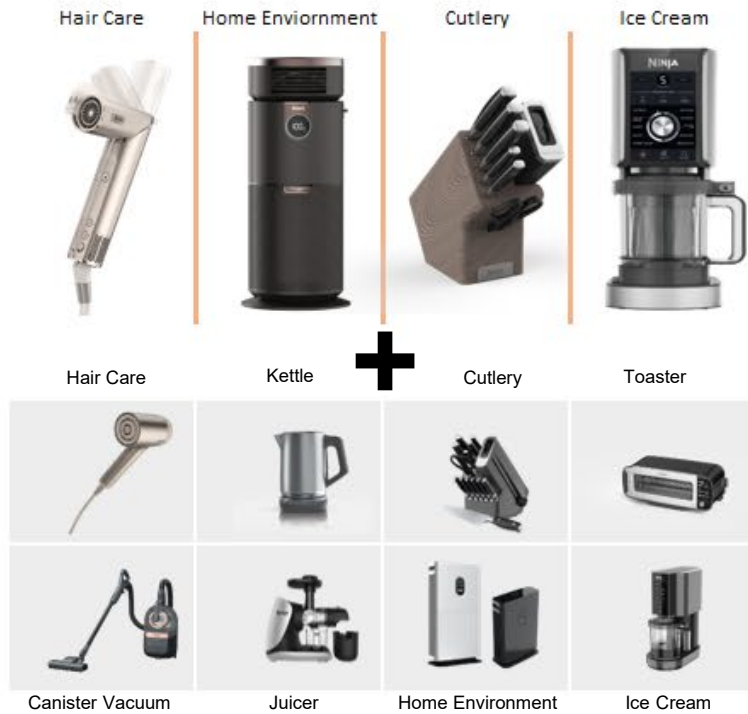
#3. New category update

A winning, compounding, growth strategy that is building for the future

New Category Growth 2021 Launches



New Category Expansion 2022 Launches



New Category Entry 2022 Launches



New category growth – update on 2021 launches

In 2021, we launched EIGHT new categories, most in Q4



Cannister Vacuum



Kettle



Cutlery



Hair Dryer



Juicer



Toaster



Air Purifier



Ice Cream

The product that launched a brand → Foodi

Launched in 2018

The (Original) Ninja Foodi TenderCrisp Pressure Cooker



Ninja Heated Cooking Portfolio Today



Air Fryer Max XL



Foodi SMART XL Pressure Cooker Steam Fryer



Smart XL 6-1 Indoor Grill & Air Fryer

6-1 XL 2-Basket Air Fryer with DualZone



2-in-1 Flip Toaster



10-1 XL Pro Air Fry Oven



13-1 Dual Heat Air Fry Oven



Smart Indoor Grill & Air Fryer



Speedi Rapid Cooker & Air Fryer

We now have **25%+** market share in the US, and **55%+** in UK

The product that opened the door to a category

Launched in 2020

The (Original) Ninja Foodi NeverStick Premium Cookware



In under 2 years, we gained 3.6% market share in the US, a \$3.5 billion market, and are just getting started

Ninja Kitchenware Portfolio Today



NeverStick Premium Set Possible Pan



NeverStick Premium Anti-Scratch Nest System



NeverDull Woodblock Set



NeverStick Vivid



NeverStick Stainless 10-Piece Set



NeverDull Premium 17-Piece Knife Block Set



NeverStick Premium Set Possible Pot



NeverStick Premium Bakeware

New category expansion – key 2H 2022 launches

In the 2nd half of 2022, we continue to bring new products to market across new and existing categories



Cutlery – Wood Block



Air Purifier with Combi Heat



Creami Deluxe



Flexstyle
Hair Dryer / Styler

New category entry – key 2H 2022 launches

In the 2nd half of 2022, SharkNinja continued to bring new products to market across new and existing categories



Ninja Woodfire Grill



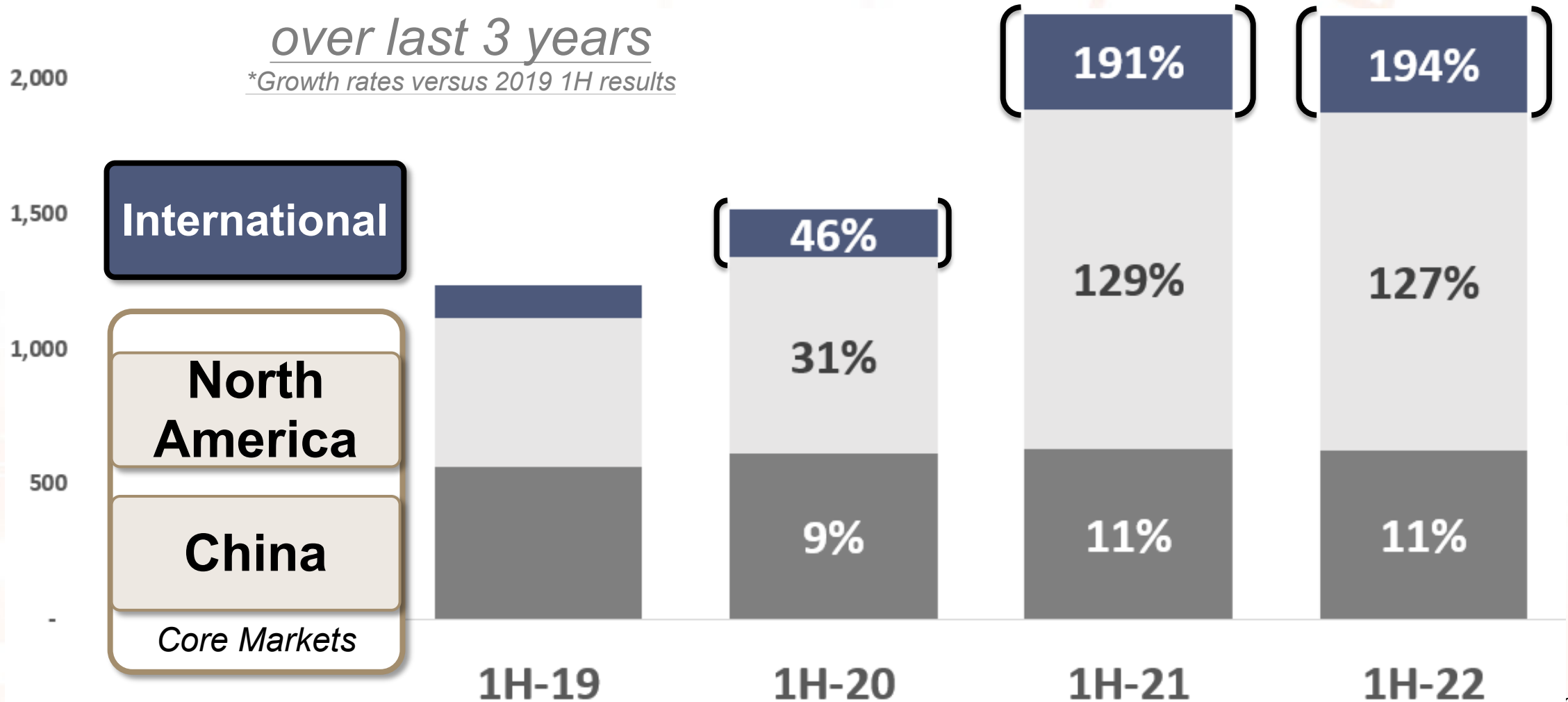
Shark 2-in-1 Wet Dry Vacuum - Hydrovac

#4. International expansion outside core Markets (1H)

*Extraordinary growth
outside our core markets
over last 3 years*

**Growth rates versus 2019 1H results*

1H Net Sales (USD mn)








*Constant Currency

#5. Mitigating measures for global macro environment changes

Macro Factor

Status / Mitigation

 Ocean Freight
 Inflation - FX, Commodities
 Supply Chain Stabilization
 Inventory Health
 Consumer Demand
 Economic Uncertainty

- Ocean freight costs have **started to decrease from 2H-21 / 1H-22 highs, but remain elevated**
- Prioritize and manage shipments to maximize the volume of containers shipped under our negotiated contract rates
- Commodity & component costs **expected to come off peaks from 21-1H22**
- Continue to achieve economies of scale by aggregating SharkNinja and Joyoung volume, enhancing bargaining power with suppliers
- Chip **supply remains secure by leveraging JSG buying power**
- Continue to assess & execute on multiple mitigation strategies; design optimization, new factory partnership, subcomponent localization, spot buys
- Efforts to continue optimizing our diversified supply chain persist
- **Proactive steps taken in 1H to right size inventory at retail and our warehouse network**
- Resulting in healthy retailer inventory levels of both Shark and Ninja products, well positioned for new product shipments and holiday sales
- *Amazon Prime Daya* huge success in the US market
 - **showcasing brand strength of Shark and Ninja**
- Strategic media investments in 2H to support launch of new categories, and international expansion
- **Proven track record of effective P&L management through uncertain times, leveraging our global expense base**
- **Continue to invest in R&D and Advertising**
- **Cost Optimization initiatives remain a major focus**

Optimizing supply chain to handle US tariffs

Tariff updates in 1H2022

On March 23, 2022, the Office of the United States Trade Representative announced tariff exclusions on most of Shark Ninja's products that had been subject to 25% tariffs.

Exclusions on the majority of products have been reinstated through December 31, 2022 and retroactive to October 12, 2021

While it is possible current tariff exclusions could be made permanent or extended beyond 2022, this is by no means certain, so we are continuing to focus heavily on further expanding our sourcing capacity outside of China

Further tariff mitigation strategies



Continuing to expand the capacity in Vietnam and Thailand



Working with suppliers to improve supply chain efficiency and reduce their costs to be closer to the cost paid for products produced in China moving forward

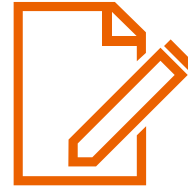


Focusing on a diversified supply chain by balancing production inside and outside China

3. ESG



Well-recognized ESG performance



HKQAA-Hang Seng Sustainability Rating

JS Global Lifestyle was awarded **A-**, outperforming the average level of the industry

FTSE Russell ESG Ratings

JS Global Lifestyle scored

2.8 in 2021

while the average score for the industry was

2.2

S&P Global Dow Jones Corporate Sustainability Assessment (CSA)

JS Global Lifestyle scored

45 in 2021 while the average score for the industry was

24

Globally renowned financial magazine *Institutional Investor*

JS Global Lifestyle rank

#3 in the industry for

Best ESG⁽¹⁾

Hang Seng Corporate Sustainability Benchmark Index

JS Global Lifestyle was

selected as **a constituent stock** in 2022

(1) Source: ranking by *Institutional Investor Journal* released on 23 June 2022

Establishing a complete ESG system

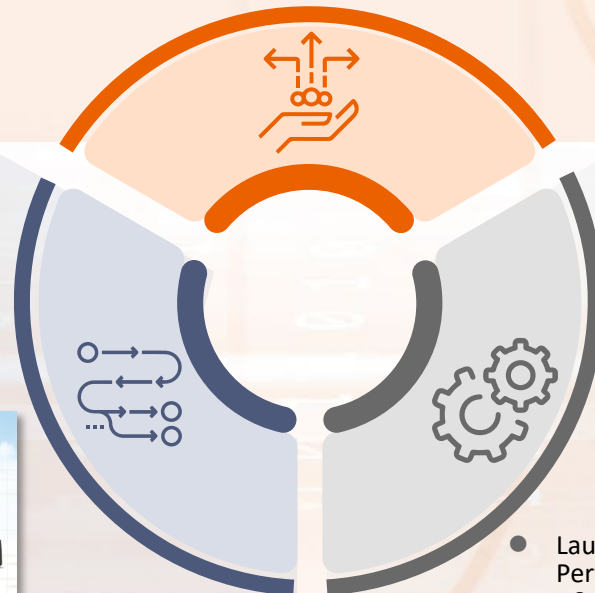
Sustainability management

- Established an effective **ESG framework**
- No violations of laws and regulations was recorded in 2021
- **Responded to the CDP climate questionnaire for the first time**
- Revised and disclosed **5 sustainability policies**: Employee Rights Policy, Code of Business Conduct, Supplier Code of Conduct, Environmental Management Policy, Board Diversity Policy



Supply chain management

- Conducted **ESG-related assessments** when selecting and working with suppliers. SharkNinja conducted annual internal audits on key tier-1 suppliers to ensure compliance, while Joyoung conducted auditing of 22 suppliers and kept monitoring their ESG practice
- Established a long-term and routine communication mechanism and an empowerment strategy with suppliers. SharkNinja conducted at least one training for its tier 1 suppliers every year, while Joyoung organized 41 supplier trainings, covering 146 suppliers
- Required suppliers to abide by **the Supplier Code of Conduct**, which was formulated to ensure a **reliable and responsible supply chain**. An aggregate of 23 SharkNinja tier 1 suppliers received audits under the BSCI or SMETA standards in 2021



Products and services

- **Invested USD219mn+ in R&D** in 2021 and owned **10,129 patents** as of 31 Dec 2021
- Formulated the Product Recall Management System, under which **products and services were highly satisfied by customers. No product recall due to product quality issues in 2021**
- Actively participated in the development of various standards, including engaging or **participating in the formulation of 33 standards** from 2018 to 2021
- Launched a series of new products, and won seven Home Industry Performance Awards issued by NPD Group in terms of innovative R&D and product quality
- Established a comprehensive information security management system, under which no information leakage incident occurred in 2021. Meanwhile, engaged a third-party professional firm to conduct a comprehensive information security assessment. Joyoung passed the ISO/ IEC 27001: 2013 information security management system certification, while SharkNinja had a cyber security policy



Becoming the industry benchmark for ESG practice

Environmental protection & management

- SharkNinja provided **recycling points** for consumers, provided **battery recycling bins** in offices in the U.K. and North America, and supported the "Blue Box" Program to meet its **stewardship obligations** in Canada
- **Refurbished 818,899 products**, generating a **revenue of USD13,832,973** via waste recycling and reduction
- Joyoung afforested an area of **27,845 square meters**
- **Developed environmental goals and action plans**, focusing its efforts on its five major environmental impacts: greenhouse gas emissions, energy consumption, materials consumption, water consumption and waste production, and continued to carry out follow-up plans
- Identified JS Global's climate change risks and financial impacts based on the TCFD Framework
- Environmental protection investment reached **RMB2.156mn**

- SharkNinja followed the international standard for carbon emission accounting - **ISO 14064:2018**, completing **company-wide carbon emissions assessment** under the scope 1, scope 2 and part of scope 3. It also purchased VCS carbon credits to offset the carbon footprint generated
- SharkNinja European headquarters has **achieved the dynamic goal of carbon neutrality**

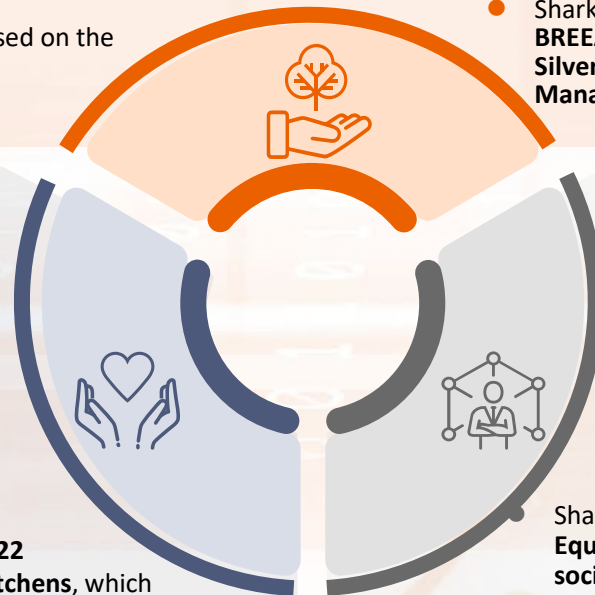


- Total photovoltaic power generated by Joyoung was **3,163,198 kWh**, representing a **self-consumption rate of 86%**
- SharkNinja's warehousing and logistics partner in U.K. received **three BREEAM certifications**, and SharkNinja's headquarters received **LEED Silver certification**; Joyoung passed **ISO 14001:2015 Environmental Management System certification**

Social welfare



- Spent **USD2.66mn** on charity activities, with **697 volunteers** contributing **7,727 hours** of volunteer services
- The projects under "Joyoung Charity Kitchen" have spanned over **222 counties of 27 provinces and cities** across China, and built **1,217 kitchens**, which benefited **2.6+ million students**
- Joyoung and its founding team pledged to donate RMB110mn+ to the "Joyoung Charity Kitchen" project in the next ten years, and planned to pick 100 schools in rural areas across China each year and offer RMB80,000 to RMB100,000 to each of them



Employee management

- SharkNinja and Joyoung invested **USD1.4mn** and **RMB5mn** in employee training respectively. Xiaoyang School, a training platform for employees in Joyoung, trained **55,000 employees** totally, with the average training hours per trainee being **60 hours**
- SharkNinja was named one of America's Best Places to Work in early 2022 and was one of the 100 Best Large Enterprises to Work For in the U.S.



SharkNinja established a strategy and target known as **Diversity Equity & Inclusion**, aiming to hire **20%+ new employees from socially disadvantaged groups** by 2022; Joyoung guaranteed the employment opportunities of the disabled by employing **46 persons with disabilities**



- Joyoung renewed its stock option plan, covering **107 employees**, to whom it has granted **15.6 million stock options**
- Joyoung opened **22 employee interest clubs**, providing **free summer parent-child training sessions**

4. Strategy and Outlook



Five key growth strategies



A strategy to ensure lasting growth

How we *DELIVER* → Focus on the Consumer



Develop and commercialize innovative products, combining powerful technology with appealing designs



Drive sustainable long-term growth through sales network and product category expansion

How we *GROW*

Existing Categories

Dominant market share
Continued innovation
Expansion within recently launched categories

New Categories

Entry into new and adjacent product categories

Internationalization

Growth in Europe
Expansion in France, Germany, Spain, Italy
Expansion of Shark & Ninja brands in APAC

Our Outlook

Superior navigation of global macro economic challenges

Continue to exceed overall market performance

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



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