

Singapore

June 27, 2018 - 6:04 PM

ADD (no change)

Consensus ratings*: Buy 3 Hold 1 Sell 0

Current price: S\$0.45

Target price: S\$0.62

Previous target: S\$0.62

Up/downside: 39.3%

CGS-CIMB / Consensus: -14.2%

Reuters: YVEN.SI

Bloomberg: YVEN SP

Market cap: US\$66.98m

S\$91.22m

Average daily turnover: US\$0.22m

S\$0.28m

Current shares o/s 205.0m

Free float: 16.9%

*Source: Bloomberg

Key financial forecasts

	Dec-18F	Dec-19F	Dec-20F
Net Profit (US\$m)	1.48	3.16	3.54
Core EPS (US\$)	0.009	0.015	0.017
Core EPS Growth	1484%	63%	12%
FD Core P/E (x)	34.42	21.16	18.93
Recurring ROE	26.7%	33.5%	29.4%
P/BV (x)	8.12	6.29	4.99
DPS (US\$)	0.001	0.004	0.004
Dividend Yield	0.46%	1.14%	1.14%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-7.3	-16.8	
Relative (%)	-0.7	-12.2	

Major shareholders	% held
Low Yik Jin	34.7
Low Yik Sen	34.7
Prism Investment Ventures	11.1

Y Ventures Group Ltd

Iron Man action figures coming to YVEN's web stores

- YVEN has inked a 3-year distribution agreement with Beast Kingdom Co., Ltd as its exclusive online distributor for Disney merchandise in Southeast Asia.
- YVEN will retail official Disney, Marvel, Star Wars and Pixar merchandise across online marketplaces in the region.
- Maintain Add with TP of S\$0.62, based on 30x CY19F P/E.

Online distributor for Disney merchandise in Southeast Asia

- YVEN has entered into a 3-year distribution agreement with Beast Kingdom Co., Ltd, a licensee for official Disney products in Asia.
- Apart from Beast Kingdom's own online platforms, Beast Kingdom's products will be exclusively available on YVEN's online web stores and across online marketplaces in Southeast Asia.
- Beast Kingdom's products include official Disney, Marvel, Star Wars and Pixar merchandise across various categories that include figurines, novelties and stationery.
- YVEN aims to become the largest online retailer of official Disney products in the region.

Tie-up proves YVEN's analytic capabilities appeal to major brands

- This will add a line of official Disney merchandise to YVEN's online product range, extending it beyond academic textbooks and private label products.
- YVEN will also provide data analytics to augment product selection, optimise online marketing and ensure end-to-end delivery and after-sales support.
- The tie-up with a major Disney licensee is a testament to the fact that YVEN's data analytic capabilities can appeal to global consumer brands, and its ability to partner with them to expand sales of their merchandise across online marketplaces.

Positive impact on earnings with expanded product range

- Management does not expect any significant deviation from FY17 gross margin of c.41.6% from the future sales of Disney merchandise across online marketplaces in Southeast Asia.
- We estimate 40% gross margin for the group in our forecast period.

Maintain Add with unchanged TP of S\$0.62

- YVEN is currently trading at FY19F P/E of 21.2x, c.57% discount to global peers' average of 49.1x.
- Re-rating catalysts could include the formation of more brand partnerships. Key risks include overstocking of inventories.
- We have an Add call on YVEN with a TP of S\$0.62, based on 30x CY19F P/E, representing a 39% discount to global peers' average.

Figure 1: Some of the Disney merchandise from Beast Kingdom



SOURCES: CGS-CIMB RESEARCH, BEAST-KINGDOM.COM.TW

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Figure 2: Global peers comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x) CY18F	P/E (x) CY19F	3-year EPS CAGR (%)	P/BV (x) CY18F	Recurring ROE (%) CY18F	EV/EBITDA (x) CY18F	EV/EBITDA (x) CY19F	Dividend Yield (%) CY18F
Y Ventures Group Ltd	YVEN SP	ADD	0.45	0.62	67	34.4	21.2	209.0%	8.12	26.7%	28.2	16.7	0.5%
E-commerce-related peers													
ASOS PLC	ASC LN	Not rated	6,210	na	6,847	59.6	48.1	5.8%	12.91	23.5%	28.8	22.3	0.0%
Alibaba Group Holding Lt	BABA US	Not rated	191.4	na	490,256	50.5	23.5	42.4%	7.28	19.7%	24.4	17.7	0.0%
Amazon.com Inc	AMZN US	Not rated	1,691	na	820,562	80.9	59.0	87.3%	21.10	16.3%	28.6	21.8	0.0%
boohoo.com plc	BOO LN	Not rated	203.4	na	3,085	73.2	43.5	29.3%	9.86	19.9%	30.0	22.5	0.0%
eBay Inc	EBAY US	Not rated	37.07	na	36,847	16.3	14.1	na	5.83	28.2%	11.2	10.4	0.0%
Etsy Inc	ETSY US	Not rated	41.98	na	5,016	72.4	53.9	18.8%	11.38	17.3%	36.1	27.1	0.0%
Groupon Inc	GRPN US	Not rated	4.37	na	2,467	19.3	16.7	122.2%	5.83	41.1%	6.9	6.2	0.0%
JD.com Inc	JD US	Hold	39.47	40.00	56,612	117.6	73.7	46.4%	12.66	11.4%	5106.5	2230.8	0.0%
MercadoLibre Inc	MELI US	Not rated	298.4	na	13,174	594.3	134.4	154.2%	43.06	6.8%	194.5	68.0	0.1%
Shopify Inc	SHOP US	Not rated	155.0	na	16,341	922.7	267.3	na	10.82	0.5%	451.0	166.3	0.0%
Vipshop Holdings Ltd	VIPS US	Not rated	10.97	na	7,229	15.3	11.3	37.8%	2.87	16.6%	10.1	7.5	0.0%
Zalando SE	ZAL GR	Not rated	47.55	na	13,728	81.1	61.5	34.5%	7.23	8.5%	32.8	26.4	0.0%
Simple average (excl Shopify)						107.3	49.1	57.9%	12.73	19.0%	500.9	223.7	0.0%

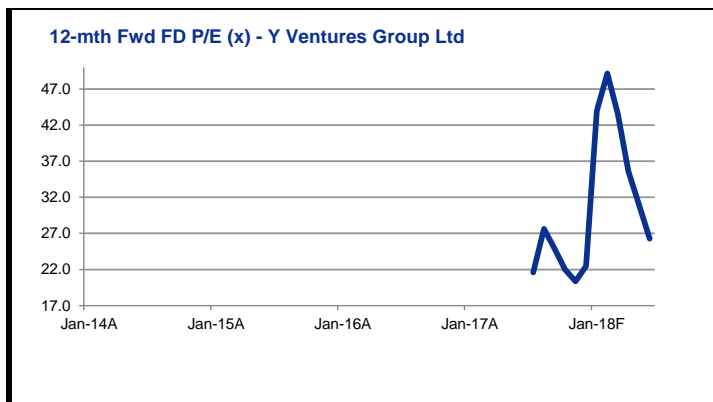
NOTE: AS OF 27 JUN 2018

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

BY THE NUMBERS

Profit & Loss				
(US\$m)	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Net Revenues	14.12	25.87	34.40	37.80
Gross Profit	5.87	10.35	13.76	15.12
Operating EBITDA	0.17	2.35	3.74	4.16
Depreciation And Amortisation	(0.12)	(0.17)	(0.17)	(0.16)
Operating EBIT	0.04	2.18	3.58	4.00
Financial Income/(Expense)	(0.02)	(0.02)	(0.02)	(0.02)
Pretax Income/(Loss) from Assoc.	0.00	0.00	0.00	0.00
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00
Profit Before Tax (pre-EI)	0.02	2.16	3.56	3.97
Exceptional Items	(0.91)	(0.50)	0.00	0.00
Pre-tax Profit	(0.89)	1.66	3.56	3.97
Taxation	(0.02)	(0.18)	(0.39)	(0.44)
Exceptional Income - post-tax				
Profit After Tax	(0.91)	1.48	3.16	3.54
Minority Interests	0.12	0.00	0.00	0.00
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Net Profit	(0.79)	1.48	3.16	3.54
Recurring Net Profit	0.12	1.92	3.16	3.54
Fully Diluted Recurring Net Profit	0.12	1.92	3.16	3.54

Cash Flow				
(US\$m)	Dec-17A	Dec-18F	Dec-19F	Dec-20F
EBITDA	0.17	2.35	3.74	4.16
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(3.58)	(0.96)	1.39	(0.49)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense	0.23	0.00	0.00	0.00
Other Operating Cashflow	0.02	0.02	0.02	0.02
Net Interest (Paid)/Received	(0.02)	(0.02)	(0.02)	(0.02)
Tax Paid	(0.02)	(0.18)	(0.39)	(0.44)
Cashflow From Operations	(3.20)	1.20	4.74	3.23
Capex	0.00	0.00	0.00	0.00
Disposals Of FAs/subsidiaries				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow	(0.25)	0.00	0.00	0.00
Cash Flow From Investing	(0.25)	0.00	0.00	0.00
Debt Raised/(repaid)	(0.04)	0.00	0.00	0.00
Proceeds From Issue Of Shares	5.18	0.91	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00
Dividends Paid	0.00	(0.31)	(0.77)	(0.77)
Preferred Dividends				
Other Financing Cashflow				
Cash Flow From Financing	5.14	0.60	(0.77)	(0.77)
Total Cash Generated	1.70	1.80	3.97	2.46
Free Cashflow To Equity	(3.48)	1.20	4.74	3.23
Free Cashflow To Firm	(3.43)	1.22	4.76	3.25



Balance Sheet				
(US\$m)	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Cash And Equivalents	0.88	2.07	5.92	8.26
Total Debtors	1.30	3.19	3.30	3.62
Inventories	6.06	6.81	5.94	6.52
Total Other Current Assets	0.00	0.00	0.00	0.00
Total Current Assets	8.25	12.06	15.15	18.41
Fixed Assets	1.34	1.35	1.36	1.36
Total Investments	0.00	0.00	0.00	0.00
Intangible Assets	0.21	0.14	0.07	0.00
Total Other Non-Current Assets	0.00	0.00	0.00	0.00
Total Non-current Assets	1.56	1.49	1.42	1.36
Short-term Debt	0.04	0.04	0.04	0.04
Current Portion of Long-Term Debt				
Total Creditors	1.95	3.62	4.24	4.66
Other Current Liabilities	0.40	0.40	0.40	0.40
Total Current Liabilities	2.38	4.05	4.68	5.10
Total Long-term Debt	0.94	0.94	0.94	0.94
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	0.00	0.00	0.00	0.00
Total Non-current Liabilities	0.94	0.94	0.94	0.94
Total Provisions	0.03	0.03	0.03	0.03
Total Liabilities	3.36	5.03	5.65	6.07
Shareholders' Equity	6.17	8.25	10.65	13.42
Minority Interests	0.27	0.27	0.27	0.27
Total Equity	6.45	8.53	10.92	13.70

Key Ratios				
	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue Growth	16.7%	83.2%	32.9%	9.9%
Operating EBITDA Growth	(92%)	1320%	60%	11%
Operating EBITDA Margin	1.2%	9.1%	10.9%	11.0%
Net Cash Per Share (US\$)	(0.000)	0.005	0.024	0.036
BVPS (US\$)	0.031	0.040	0.052	0.065
Gross Interest Cover	2.0	107.3	176.0	196.6
Effective Tax Rate	0.0%	11.0%	11.0%	11.0%
Net Dividend Payout Ratio	NA	15.5%	24.2%	21.6%
Accounts Receivables Days	27.45	31.70	34.43	33.51
Inventory Days	192.3	151.2	112.7	100.5
Accounts Payables Days	78.69	65.39	69.47	71.82
ROIC (%)	1.5%	33.2%	47.9%	66.4%
ROCE (%)	0.7%	25.7%	33.3%	30.0%
Return On Average Assets	0.2%	17.1%	21.1%	19.6%

Key Drivers				
	Dec-17A	Dec-18F	Dec-19F	Dec-20F
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	17.6%	85.9%	33.7%	10.1%
No. of POS (main prod./serv)	N/A	N/A	N/A	N/A
SSS grth (% , main prod./serv)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% ,2ndary prod./serv)	13.1%	-9.1%	0.0%	0.0%
No. of POS (2ndary prod./serv)	N/A	N/A	N/A	N/A
SSS grth (% , 2ndary prrod./serv)	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

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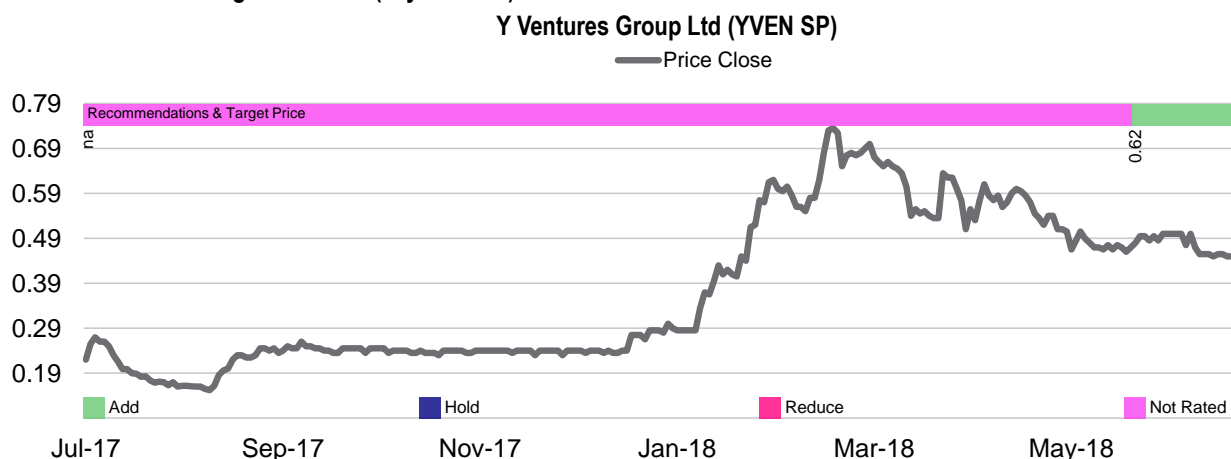
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2018		
1275 companies under coverage for quarter ended on 31 March 2018		
	Rating Distribution (%)	Investment Banking clients (%)
Add	61.1%	5.5%
Hold	29.7%	2.0%
Reduce	8.9%	0.4%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017

AAV – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

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- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.