

**IPO FACT SHEET**
**Lever Style Corporation (1346)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$146.9m – HK\$181.4m
<b>Placement Tranche:</b>	172,800,000 Shares
<b>Price:</b>	HK\$0.85 – HK\$1.05
<b>Board lot:</b>	4,000
<b>Entry fee:</b>	HK\$4,242.32
<b>Historical PE</b>	10.73x – 13.26x
<b>Net tangible asset per share:</b>	HK\$0.36 – HK\$0.41
<b>Market Cap (post-IPO):</b>	HK\$544m – HK\$672m
<b>Open:</b>	31 Oct 2019
<b>Close:</b>	12.00 noon on 6 Nov 2019
<b>Trading:</b>	13 Nov 2019
<b>Sponsor:</b>	Altus Capital Limited

Year ended 31 Dec	(USD'000)	yoy % chg
Revenue		
2017	100,795	0.2%
2018	115,886	15.0%
Profit for the year/period		
2017	4,496	14.8%
2018	6,464	43.8%

**BACKGROUND**

- They provide supply chain solutions in multiple apparel categories for notable brands across the U.S., Europe and APAC.
- Their end-to-end supply chain solutions encompass fashion design, prototype development, technical package (a blueprint consisting of production instructions and specifications to facilitate contract manufacturers to realise design visions) development, fabric and ancillary raw material procurement, production oversight, quality control, as well as delivery and distribution logistics subject to their customers' needs.
- Against the backdrop of consumers' growing appetite for novelty, personalisation and immediate gratification in apparel products, brought about by social media's growing influence, and online apparel retail posting significant growth, their business model has evolved over the years to support their customers by offering versatile holistic supply chain services with a focus on technical design (blueprint development of each garment for bulk production).
- This has imparted them with the ability to serve as a value-adding platform interlinking brands, their multi-jurisdiction contract manufacturer network of 45 in China, 8 in Vietnam and 7 in other parts of APAC as at the Latest Practicable Date and the apparel supply chain.
- During the Track Record Period, they count widely recognised premium brands such as "AllSaints", "Boden", "Theory", "Vince" and "Vineyard Vines", digitally native brands such as "Everlane" as well as private labels of digitally native platforms like "Stitch Fix" amongst their clientele.
- Digitally native customers were their strongest revenue driver during the Track Record Period, with revenue derived therefrom recording a CAGR of over 55.3% from 2016 to 2018 and an increase of approximately 28.1% for the four months ended 30 April 2019 as compared to the same period in 2018.
- In 2016, they disposed of their last self-operated manufacturing facility, marking the completion of their pivot from a traditional self-operated manufacturing business to a versatile multi-product apparel supply solutions provider.

**BUSINESS STRATEGIES**

- Expanding their apparel category portfolio through acquiring businesses possessing strong technical know-how in apparel categories they are less experienced in.
- Enhancing customer penetration amongst their existing clientele and strategically enlarging their customer base amongst digitally native customers and/or conventional premium brands.

- Strengthening and expanding their contract manufacturing and material supply network.

### COMPETITIVE STRENGTHS

- Multifaceted versatility in terms of manufacturing location, order quantity and production lead time.
- Ability to develop and deliver high value-added product development to accurately realise customers' design vision.
- Diversified product portfolio with multiple apparel categories.
- Established and growing reputation and business relationships with their customers and contract manufacturers.

### KEY RISKS

- Their success being dependent on their customers' ability to market and sell their products.
- Having no long-term purchase commitments from their customers, as is customary in their industry, may subject us to uncertainty and revenue volatility from period to period.
- Their reliance on third party contract manufacturers for the manufacturing of apparel products.
- Their customers relying on their ability to respond to changes in end consumers' preferences in a timely manner.

### DIVIDEND POLICY

- No fixed dividend policy.

### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Expansion into the additional apparel categories by acquisition(s).	83.8	68.3%
Capital investment in relation to their B2B online platform.	20.0	16.3%
Capital investment in relation to digitalisation.	7.3	5.9%
Repayment of existing debts.	6.5	5.3%
General working capital.	5.1	4.2%
<b>Total:</b>	<b>122.7</b>	<b>100.0%</b>

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