

Lenovo Group Limited

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The image shows the word "lenovo" in a bold, blue, lowercase sans-serif font. The letters are slightly blurred, giving it a sense of motion or a soft focus. The background is white with a light blue wave-like graphic at the top.

Lenovo Group Limited is a Chinese company that produces personal computers and other electronics. It is the largest computer manufacturer in the world with a market share of more than 20%, and also ranks fifth in the production of mobile phones. The headquarters of Lenovo is located in Beijing, a registered company in Hong Kong.



Lenovo

- A type - Public company
- Base – 1984
- Founders- Liu Chuanzhi
- Industry- Electronics
- Production- Smartphones, personal computers, servers, laptops, tablet computers, netbooks, peripherals, printers, TVs, scanners, computer memory
- Equity ▲ \$ 4,095 billion (2017)
- Turnover ▼ \$ 43.035 billion (2017)
- Operating profit ▲ \$ 672.3 million (2017)
- Net profit ▲ \$ 530.4 million (2017)
- Assets ▲ \$ 27.186 billion (2017)
- Affiliated companies Lenovo Mobile Communication
Technology Ltd, Motorola Mobility



Major Lenovo shareholders are controlled by the Chinese Academy of Sciences Legend Holdings Ltd (31.47%), US private equity funds Texas Pacific Group, General Atlantic LLC and Newbridge Capital LLC (2.8%), 55.1% are traded on stock exchanges. Market capitalization of the company on July 12, 2010 - \$ 5.6 billion

The company has more than 5,500 patents worldwide. In addition, Lenovo hit the top 30 innovative companies by the magazine BusinessWeek in 2010 and the top 10 most environmentally friendly companies by the Forbes magazine in 2011. Lenovo was recognized as one of the world's leaders in reputation according to a global survey conducted by the RepTrak 100 Reputation Institute in 2011, and also entered the top 50 most wanted employers in the world from the perspective of students, according to a study by the Universum rating agency in 2011

CONSOLIDATED BALANCE SHEET

● Non-current assets	2017 US\$'000	2016 US\$'000
Property, plant and equipment	1,236,250	1,391,494
Prepaid lease payments	473,090	337,929
Construction-in-progress	413,160	231,110
Intangible assets	8,349,145	8,661,087
Interests in associates and joint ventures	32,567	40,439
Deferred income tax assets	1,435,256	1,000,572
Available-for-sale financial assets	255,898	139,572
Other non-current assets	122,221	164,410
	12,317,587	11,966,613

CONSOLIDATED BALANCE SHEET

Current assets		
Inventories	2,794,035	2,637,317
Trade receivables	4,468,392	4,403,507
Notes receivable	68,333	130,718
Derivative financial assets	53,808	27,021
Deposits, prepayments and other receivables	4,333,351	3,548,760
Income tax recoverable	199,149	140,237
Bank deposits	196,720	152,336
Cash and cash equivalents	2,754,599	1,926,880
	14,868,387	12,966,776
Total assets	27,185,974	24,933,389

Share capital	2,689,882	2,689,882
Reserves	533,719	310,318
Equity attributable to owners of the Company	3,223,601	3,000,200
Perpetual securities	843,677	—
Other non-controlling interests	240,844	238,949
Put option written on non-controlling interest	(212,900)	(212,900)
Total equity	4,095,222	3,026,249
Non-current liabilities		
Borrowings	2,966,692	2,505,112
Warranty provision	280,421	290,857
Deferred revenue	537,428	532,780
Retirement benefit obligations	36 370,207	442,874
Deferred income tax liabilities	20 221,601	222,679
Other non-current liabilities	380,557	2,152,578
	4,756,906	6,146,880
Current liabilities		
Trade payables	5,649,925	4,266,687
Notes payable	835,613	234,661
Derivative financial liabilities	67,285	150,864
Other payables and accruals	10,004,614	8,305,844
Provisions	873,405	1,157,257
Deferred revenue	586,536	710,164
Income tax payable	246,465	188,968
Borrowings	70,003	745,815
	18,333,846	15,760,260
Total liabilities	23,090,752	21,907,140
Total equity and liabilities	27,185,974	24,933,389

$$WC_{\text{narrow}} = E - NCA$$

$$WC_{\text{narrow}} = 4,095 - 12,317 = - 8,222$$

$$WC_{\text{traditional}} = (E + LTD) - NCA$$

$$WC_{\text{traditional}} = (4,095 + 4,756) - 12,317 = - 3,466$$

$$WC_{\text{broad}} = (E + LTD + STD) - NCA$$

$$WC_{\text{broad}} = (4,095 + 4,756 + 18,333) - 12,317 = 14,867$$

Financial performance in billions of US dollars

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Turnover	13,98	16,35	14,90	16,60	21,59	29,57	33,87	38,71	46,30	44,91	43,03
Net profit	0,161	0,485	-0,226	0,129	0,273	0,475	0,632	0,817	0,837	-0,145	0,530
Assets	5,450	7,539	6,622	8,956	10,71	15,86	16,88	18,38	27,40	24,93	27,19
Equity	1,134	1,613	1,311	1,606	1,835	2,448	2,680	3,025	4,106	3,026	4,095

Revenue by Business Group (%)

PCSD (70%)	Mobile (18 %)	Data Center (9 %)	Others (3 %)
PC AND SMART DEVICE BUSINESS GROUP	MOBILE BUSINESS GROUP (MBG)	DATA CENTER BUSINESS GROUP (DCG)	
69%	19%	10%	2%

PC & Smart Device Business Group (PCSD)

US\$ Million	2017/18	2016/17
● Revenue	7,005	6,992
● Pre-tax Income	291	370
● Pre-tax Income Margin (%)	4.2%	5.3%

Mobile Business Group (MBG)

US\$ Million		2017/18	2016/17
Revenue		1,746	1,706
Pre-tax Loss	Operational	(129)	(163)
	<i>Reported*</i>	<i>(173)</i>	<i>(206)</i>
Pre-tax Income Margin (%)	Operational	(7.4)%	(9.6)%
.	<i>Reported*</i>	<i>(9.9)%</i>	<i>(12.1)%</i>

Data Center Business Group (DCG)

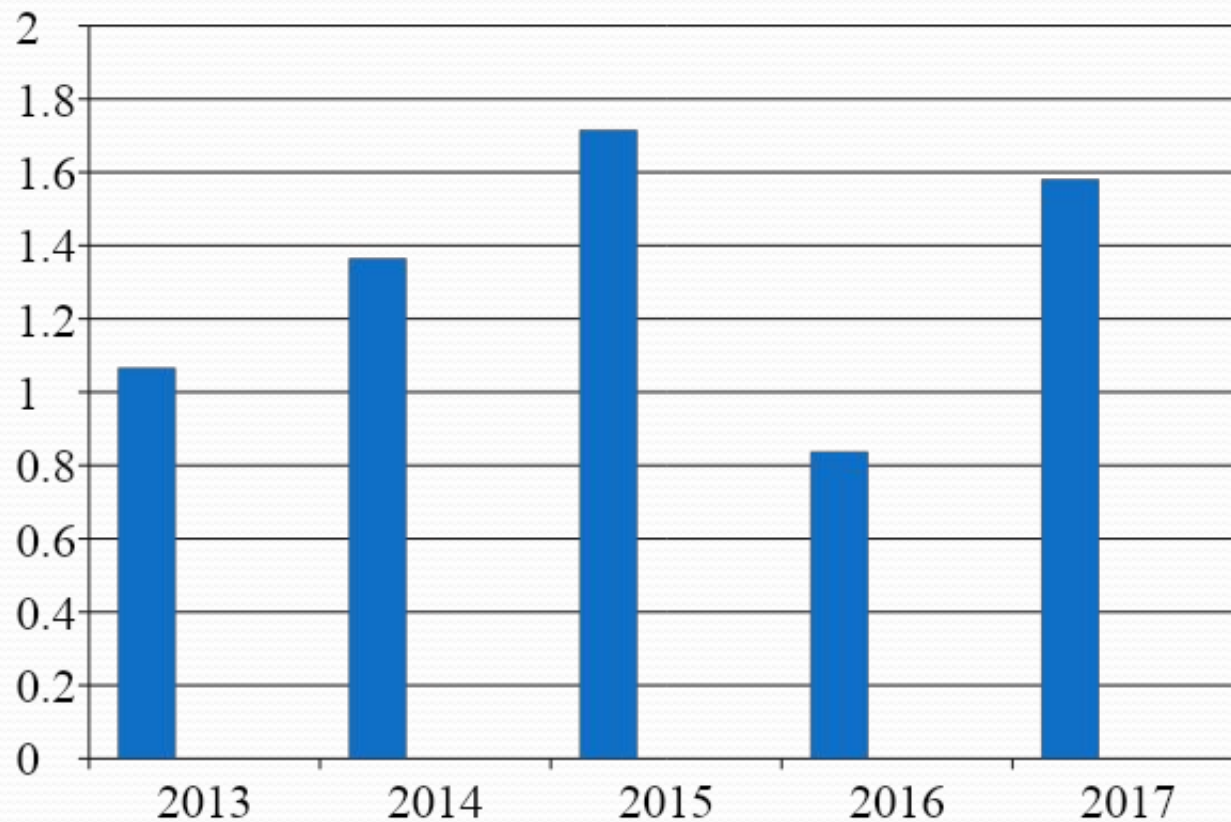
US\$ Million		2017/18	2016/17
Revenue		971	1,087
Pre-tax Loss	Operational	(114)	(31)
	Reported*	(144)	(64)
Pre-tax Income Margin (%)	Operational	(11.7)%	(2.9)%
Reported*			
		(14.9)%	(5.9)%

Financial report

	2017 US\$'000	2016 US\$'000
Revenue	43,034,731	44,912,097
Gross profit	6,105,516	6,623,937
Gross profit margin	14.2%	14.8%
Operating expenses	(5,433,168)	(6,685,758)
Operating profit/(loss)	672,348	(61,821)
Other non-operating expenses – net	(182,421)	(215,030)
Profit/(loss) before taxation	489,927	(276,851)
Profit/(loss) for the year	530,441	(144,575)
Profit/(loss) attributable to equity holders of the Company	535,084	(128,146)


● EBITDA

for the year ended March 31 (US\$ million)



Cash and Working Capital

US\$ Million	2017/18	2016/17
Bank deposits and cash	1,541	2,064
Total Borrowings	2,843	3,231
Net (Debt)/Cash Reserves	(1,302)	(1,167)
Net cash (used in)/generated from operating activities	(577)	8


$$WC_{\text{narrow}} = E - NCA$$

Thank

you

