

Anta Sports (2020 HK)

Guidance raised with decent momentum

Maintain BUY and revised up our TP to HK\$ 198.84, based on 43x FY22E P/E (up from 34x due to re-rating for domestic brands). On top of the rising domestic fashion, we continue to be confident on Anta group's mid-term potential (Anta brand reform, FILA's momentum, Descente to yield profits, Amer's big brands, China and DTC initiatives). We believe the current valuation of 36x FY22E P/E is still attractive, vs Li Ning/ Xtep/ Nike/ Adidas/ Lulu's 51x/ 31x/ 32x/ 29x/ 41x.

- 1H21 positive profit alert issued.** Anta expects its operating profit/ net profit to grow by 55%+/ 110%+ in 1H21E, which are slightly better than BBG est. due to: 1) robust sales growth of 50%+, 2) meaningful improvements in retail discounts, 3) faster sales growth of FILA and other brands, 4) greater operating leverage and 5) reduced losses for Amer JV.
- Excellent performance in 2Q21E so far.** Management highlighted rapid retail sales growth (both offline and online for all major brands) during Apr-May 2021 vs 1Q21, despite a higher base. Growth in Jun 2021 slowed down slightly and was partially affected by the mini outbreaks of COVID-19 in Guangdong province. In terms of retail discounts, Anta had recovered to its historical best (20%-25% off) while FILA had returned to a fairly healthy level. Moreover, management also observed that sales trend for many foreign brands in China remained subdued during the same period.
- FY21E guidance raised only for Anta but we stayed optimistic on all other brands given the decent momentum.** Management raised FY21E retail sales growth guidance for Anta to 20%+ (from mid-teens) while maintained that for FILA at 30%+ (but we are fairly optimistic about its final numbers in 2Q21E). Anta brand sales was boosted by: 1) Xinjiang cotton incident and 2) introduction of new brand ambassador (Wang Yi Bo/ 王一博). The new premium line "national flag" had done very well as the Wang Yi Bo associated products were sold out in very short period of time, even with a higher price tag (e.g. Sneakers/ T-shirts priced at ~RMB 500/ ~RMB 300). The new game plan for Anta brand in next 2-3 years will be unfolded later in an investor day in Jul 2021. Descente sales was robust too, driven by: 1) more new and upgraded products, 2) a greater women focus and 3) upgrades in CRM system. Amer also did better than expected (likely less losses vs 1H20), thanks to smooth development of those core brands and expansions in China.
- Maintain BUY and raised our TP to HK\$ 198.84.** We maintain BUY and raised TP to HK\$ 198.84, based on 43x FY22E P/E (from 34x for re-rating of domestic brands). We revised up our FY21E/ 22E/ 23E NP forecasts by 5%/ 4%/ 4%, to factor in: 1) faster growth for all brands, 2) better retail discounts and 3) greater operating leverage. Current valuation is not demanding at 36x FY22E P/E, given a 35% NP CAGR during FY20-23E.

Earnings Summary

(YE 31 Dec)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	33,928	35,512	47,824	57,094	65,872
YoY growth (%)	40.8	4.7	34.7	19.4	15.4
Net income (RMB mn)	5,344	5,162	8,315	10,707	12,614
EPS (RMB)	1.917	1.850	2.981	3.838	4.522
YoY growth (%)	25.7	(3.5)	61.1	28.8	17.8
Consensus EPS (RMB)	n/a	n/a	2.905	3.744	4.580
P/E (x)	75.9	75.2	46.1	35.8	30.4
P/B (x)	19.6	15.7	12.1	9.8	8.5
Yield (%)	0.4	0.4	0.6	1.7	2.0
ROE (%)	26.6	21.5	27.2	28.3	28.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price **HK\$198.84**
(Previous TP **HK\$150.66**)
Up/Downside **+20.2%**
Current Price **HK\$165.40**

China Sportswear Sector

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Stock Data

Mkt Cap (HK\$ mn)	447,131
Avg 3 mths t/o (HK\$ mn)	1,273.83
52w High/Low (HK\$)	167.20/66.75
Total Issued Shares (mn)	2,703.3

Source: Bloomberg

Shareholding Structure

Mr. Ding Shizhong (CEO), Mr. Ding Shijia (V-Chairman), Mr. Lai Shixian (CFO) & Family	57.78%
Free Float	42.22%

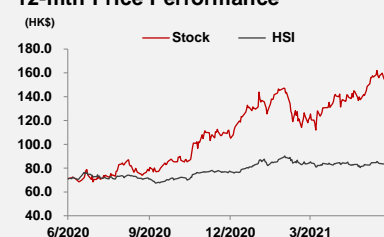
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	16.6%	15.2%
3-mth	35.8%	38.1%
6-mth	54.6%	44.4%
12-mth	137.6%	103.7%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

- Anta Sports (2020 HK, BUY) - Multiple short and long-term growth drivers – 26 Mar 2021
- Anta Sports (2020 HK, BUY) - Look beyond the volatility and focus on FY21E – 14 Jan 2021

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Operating numbers

Figure 1: Sportswear brands sales growth trend

Operating numbers	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21E	3Q21E	4Q21E	
Nike China sales	19.0%	25.0%	20.0%	31.0%	24.0%	22.0%	27.0%	23.0%	-4.0%	1.0%	8.0%	19.0%	42.0%				
Adidas China sales	26.0%	27.0%	26.0%	23.0%	16.0%	14.0%	11.0%	15.0%	-58.0%	0.0%	-5.0%	7.0%	156.0%				
Anta brand's SSSG																	
Anta brand's retail sales	20%-25%	+ve Low-teens	+ve Mid-teens	+ve Mid-teens	+ve Low-teens	+ve Mid-teens	+ve Mid-teens	+ve High-teens	-ve 20%-25%	-ve LSD	+ve LSD	+ve LSD	40%-45%	38.0%	8.0%	6.0%	
Core brand	+ve Mid-teens	+ve HSD	+ve Low-teens	+ve HSD	+ve HSD	+ve Low-teens	+ve Low-teens	+ve HSD	-ve 20%-25%	-ve LSD	-ve MSD	-ve MSD	35%-40%				
Kids	over 40%	over 25%	Over 25%	Over 25%	Over 20%	30%	Over 25%	25%	-ve 20%-25%	+ve MSD	+ve Low-teens	-ve Low-teens	45%-50%				
Online	over 40%	over 25%	Over 20%	Over 25%	+ve Mid-teens	25%	35%	Over 40%	+ve MSD	Over 40%	Over 50%	Over 25%	Over 60%				
Non-Anta brands (FILA/)																	
FILA brand's retail sales	80%-85%	90%-95%	90%-95%	80%-85%	65%-70%	55%-60%	50%-55%	50%-55%	-ve MSD	+ve Low-teens	20%-25%	25%-30%	75%-80%	48.0%	18.0%	15.0%	
Classic/ Core brand								Over 40%	-ve 20%-25%	+ve MSD	+ve MSD	+ve MSD	80%				
Kids								Over 70%	-ve LSD	Over 30%	Over 30%	Over 20%	100%				
Fusion								Over 100%	+ve MSD	Over 70%	Over 50%	Over 50%	150%				
Online								Over 70%	160%	Over 80%	Over 90%	70%-80%	Over 40%				
Other brands																	
Descente				Over 100%	Over 100%	Over 90%	50%	50%	+ve Mid-teens	Over 60%	90%	Over 80%	150%				
Kolon					15%	20%	20%	-ve High-teens	+ve LSD	20%-25%	30%-40%	Over 75%	115%-120%				
Li Ning group's SSSG																	
Li Ning group's retail sales	+ve Low-teens	+ve HSD	+ve Low-teens	+ve Mid-teens	+ve Mid-teens	+ve Mid-teens	+ve High-teens	+ve Low-teens	n/a	-ve MSD	+ve LSD	+ve Low-teens					
Direct retail	+ve Low-teens	+ve HSD	+ve HSD	+ve MSD	+ve HSD	+ve Low-teens	+ve Low-teens	+ve High-teens	n/a	-ve High-teens	-ve MSD	+ve HSD					
Wholesales	+ve MSD	+ve LSD	+ve HSD	+ve MSD	+ve Low-teens	+ve Low-teens	+ve Low-teens	+ve Mid-teens	n/a	-ve Low-teens	-ve MSD	+ve MSD					
E- Commerce	+ve High 30%	+ve Mid-30%	+ve High 30%	+ve Mid 50%	+ve High 30%	+ve Mid 30%	+ve Mid 50%	+ve Low 40%	+ve Low-teens	+ve Mid 30%	+ve High 30%	+ve Low 30%					
Li Ning group's retail sales																	
Li Ning group's retail sales	+ve Mid-teens	+ve Low-teens	+ve Mid-teens	+ve High-teens	+ve Low-teens	+ve Low-teens	+ve Low-teens	+ve Mid-teens	-ve High-teens	-ve MSD	+ve MSD	+ve Mid-teens	High 80%-90%	58.0%	15.0%	10.0%	
Direct retail	Low 20%-30%	+ve Mid-teens	+ve Mid-teens	+ve HSD	+ve Low-teens	+ve HSD	+ve Mid-teens	+ve High-teens	-ve Mid 30%	-ve Low-teens	Flat	+ve MSD	Low-90%				
Wholesales	+ve MSD	+ve MSD	+ve Low-teens	+ve Low-teens	20%-25%	+ve Low 20%	+ve Mid-30%	+ve Low 40%	-ve High-teens	-ve HSD	-ve LSD	+ve Low-teens	Low-80%				
E- Commerce	+ve High 30%	+ve High 30%	+ve Low 30%	+ve Mid 50%	+ve Low 40%	+ve High 20%	+ve Low 50%	+ve Low 40%	+ve Low-teens	+ve High 20%	+ve Low 40%	+ve Mid 30%	100%				
Xtep's SSSG																	
Xtep's retail sales	+ve Low-teens	+ve Mid-teens	+ve Mid-teens	+ve Mid-teens	+ve Low-teens	+ve Low-teens	10%	+ve Low-teens		-ve 20%-25%	-ve LSD	+ve MSD	+ve HSD	Mid 50%-60%	43.0%	8.0%	6.0%
361 Degrees' SSSG																	
361 Degrees' retail sales	+ve HSD	+ve HSD	+ve MSD	Flat	+ve LSD	+ve LSD	+ve LSD	+ve LSD		-ve 20%-25%	-ve Low-teens	-ve HSD	+ve LSD	+ve High-teens			
Pou Sheng's SSSG																	
Pou Sheng's SSSG	10.1%	2.2%	8.9%	8.7%	8.4%	4.2%	6.0%	1.9%	-32.5%	-17.8%							
Pou Sheng's sales	17.7%	17.7%	24.4%	22.0%	19.9%	18.9%	21.9%	19.1%	-25.1%	0.3%	-0.3%	1.0%	47.8%	-14.0%	-5.0%	-1.0%	
Dong Xiang's SSSG																	
Dong Xiang's SSSG	+ve Mid to High	-ve Mid to High	+ve MSD	+ve LSD	-ve LSD	+ve MSD	+ve Mid to High	+ve Mid to High	-ve Low-Mid SD	-ve MSD	+ve Low-Mid SD	+ve MSD	+ve HSD				
Direct retail	+ve HSD	Flat	+ve Low-teens	+ve HSD	Flat	+ve LSD	+ve HSD	+ve Low-teens	-ve LSD	-ve Low to Mid-teens	-ve Low-Mid SD	-ve LSD	-ve MSD				
E- Commerce					+ve 35%-45%	+ve 30%-35%	+ve 55%-60%	+ve 40%-45%	-ve Low-teens	+ve 30%-35%	+ve 30%-35%	+ve 20%-30%	+ve High 30%				

Source: Company data, CMBIS estimates, *Nike's year end is in May (e.g. 4Q18 calendar year = 2Q19 fiscal year = Sep-Nov 2018)

Earnings revision

Figure 2: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	47,824	57,094	65,872	46,308	55,242	63,705	3.3%	3.4%	3.4%
Gross profit	28,737	34,842	40,574	27,497	33,443	38,946	4.5%	4.2%	4.2%
EBIT	12,683	15,625	18,122	12,070	14,979	17,379	5.1%	4.3%	4.3%
Net profit att.	8,315	10,707	12,614	7,905	10,260	12,094	5.2%	4.4%	4.3%
Diluted EPS (RMB)	2.981	3.838	4.522	2.834	3.678	4.335	5.2%	4.4%	4.3%
Gross margin	60.1%	61.0%	61.6%	59.4%	60.5%	61.1%	0.7ppt	0.5ppt	0.5ppt
EBIT margin	26.5%	27.4%	27.5%	26.1%	27.1%	27.3%	0.5ppt	0.3ppt	0.2ppt
Net profit att. margin	17.4%	18.8%	19.1%	17.1%	18.6%	19.0%	0.3ppt	0.2ppt	0.2ppt

Source: Company data, CMBIS estimates

Figure 3: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	47,824	57,094	65,872	47,084	57,149	67,805	1.6%	-0.1%	-2.9%
Gross profit	28,737	34,842	40,574	27,985	34,517	41,328	2.7%	0.9%	-1.8%
EBIT	12,683	15,625	18,122	12,102	15,327	18,330	4.8%	1.9%	-1.1%
Net profit att.	8,315	10,707	12,614	7,973	10,278	12,537	4.3%	4.2%	0.6%
Diluted EPS (RMB)	2.981	3.838	4.522	2.905	3.744	4.580	2.6%	2.5%	-1.3%
Gross margin	60.1%	61.0%	61.6%	59.4%	60.4%	61.0%	0.7ppt	0.6ppt	0.6ppt
EBIT margin	26.5%	27.4%	27.5%	25.7%	26.8%	27.0%	0.8ppt	0.5ppt	0.5ppt
Net profit att. margin	17.4%	18.8%	19.1%	16.9%	18.0%	18.5%	0.5ppt	0.8ppt	0.7ppt

Source: Bloomberg, CMBIS estimates

Assumptions

Figure 4: Major assumptions

Major assumptions	FY19A	FY20A	FY21E	FY22E	FY23E
Sales by segment growth (%)					
Shoes	32.2%	11.3%	30.0%	17.0%	14.0%
Apparels	45.5%	1.3%	38.9%	21.0%	16.2%
Accessories	47.5%	1.8%	6.0%	12.0%	12.0%
Total	40.8%	4.7%	34.7%	19.4%	15.4%
Sales by brand growth (%)					
Anta	9.2%	-41.6%	25.0%	12.0%	10.0%
Anta Kids	27.0%	-37.0%	25.0%	15.0%	12.0%
FILA	73.8%	18.1%	37.0%	20.0%	15.0%
Descente & Others	33.3%	35.4%	45.0%	30.0%	30.0%
E-commerce	45.0%	53.0%	35.0%	20.0%	15.0%
Total	40.8%	4.7%	34.7%	19.4%	15.4%
Sales network					
Anta	7,341	6,851	6,801	6,851	6,881
Anta Kids	3,175	3,071	3,051	3,201	3,351
FILA	1,951	2,006	2,100	2,200	2,300
Descente & Others	476	457	505	620	745
Total	12,943	12,385	12,457	12,872	13,277
GP margins					
Anta	41.3%	44.7%	46.9%	47.7%	48.5%
FILA	70.4%	69.3%	70.6%	71.4%	71.6%
Total	55.0%	58.2%	60.1%	61.0%	61.6%
Opex breakdown					
A&P Expenses / sales	10.6%	10.0%	11.8%	11.7%	11.7%
Labour costs / sales	11.7%	12.5%	12.7%	12.9%	13.2%
R & D expenses / sales	5.2%	5.9%	6.0%	5.9%	5.8%
Rental expenses/ sales	8.8%	10.4%	10.1%	10.1%	10.2%
Selling & distribution costs / sales	28.7%	30.3%	31.1%	31.0%	31.3%
Admin expenses / sales	3.9%	6.0%	5.9%	5.9%	6.0%
OP margin					
Anta	27.1%	28.3%	28.6%	29.1%	29.3%
FILA	27.2%	25.8%	27.8%	29.2%	29.5%
Total	25.6%	25.8%	26.8%	27.7%	27.8%
Effective tax rate	29.8%	31.2%	27.0%	26.0%	26.0%
NP att. margin	15.8%	14.5%	17.4%	18.8%	19.1%
NP att. growth (%)	30.3%	-3.4%	61.1%	28.8%	17.8%

Source: Company data, CMBIS estimates

Valuation

Figure 5: Peers valuation table

Company	Ticker	Rating	12m TP (LC)	Price (LC)	Up/Down-side	Mkt. Cap (HK\$m)	Year End	P/E (x)		P/B (x)		ROE (%)	3yrs PEG (x)	Yield (%)	
								FY1E	FY2E	FY1E	FY2E	FY1E	FY1E	FY1E	
H shares Sportswear															
Anta Sports	2020 HK	BUY	198.84	165.40	20%	447,131	Dec-20	46.1	35.8	12.5	10.1	23.4	1.3	0.8	
Li Ning Co	2331 HK	BUY	68.62	78.50	-13%	195,767	Dec-20	66.1	50.8	15.1	12.2	21.5	1.8	0.5	
Xtep Intl	1368 HK	BUY	5.84	12.46	-53%	32,670	Dec-20	37.9	31.2	3.4	3.2	7.3	1.3	1.6	
361 Degrees Intl	1361 HK	NR	n/a	3.88	n/a	8,022	Dec-20	14.8	13.3	0.9	0.8	6.4	1.4	1.4	
Topsports Intl	6110 HK	NR	n/a	12.68	n/a	78,631	Feb-21	20.0	16.7	5.7	4.8	27.4	1.0	2.5	
Pou Sheng Intl	3813 HK	NR	n/a	1.79	n/a	9,589	Dec-20	6.7	5.4	0.9	0.7	3.9	0.1	1.2	
China DX	3818 HK	NR	n/a	1.15	n/a	6,769	Mar-20	6.6	6.2	0.5	0.5	11.8	0.3	8.4	
								Avg.	28.3	22.7	5.6	4.6	14.5	1.0	2.3
								Med.	20.0	16.7	3.4	3.2	11.8	1.3	1.4
International Sportswear															
Nike	NKE US	NR	n/a	127.97	n/a	1,569,709	May-20	40.8	32.4	18.8	16.8	32.7	1.0	0.8	
Adidas	ADS GY	NR	n/a	291.10	n/a	540,330	Dec-20	38.3	29.1	7.8	6.9	13.8	0.5	1.1	
Puma	PUM GY	NR	n/a	95.28	n/a	133,094	Dec-20	50.9	35.1	7.3	6.5	7.8	0.6	0.6	
Under Armour	UAA US	NR	n/a	20.38	n/a	67,239	Dec-20	61.6	42.5	5.1	4.6	7.1	(0.3)	0.0	
Lululemon	LULU US	NR	n/a	339.28	n/a	342,847	Jan-21	49.8	40.9	14.4	11.4	31.5	1.7	0.0	
Skechers	SKX US	NR	n/a	47.61	n/a	57,339	Dec-20	22.4	17.7	2.5	2.2	6.0	0.3	0.0	
Vf Corp	VFC US	NR	n/a	79.43	n/a	241,954	Mar-21	25.9	21.7	9.2	8.4	12.7	0.4	2.5	
Columbia	COLM US	NR	n/a	98.13	n/a	50,630	Dec-20	22.2	19.0	3.2	2.8	9.2	0.4	1.1	
Wolverine	WWW US	NR	n/a	34.62	n/a	22,263	Jan-21	16.3	14.2	3.9	3.3	(16.9)	(0.1)	1.2	
Mizuno Corp	8022 JP	NR	n/a	2288.00	n/a	4,277	Mar-21	17.5	12.3	0.6	0.6	3.7	0.0	2.2	
Asics Corp	7936 JP	NR	n/a	2611.00	n/a	34,870	Dec-20	82.7	38.8	3.7	3.6	(3.7)	(0.4)	0.9	
								Avg.	38.9	27.6	7.0	6.1	9.4	0.4	0.9
								Med.	38.3	29.1	5.1	4.6	7.8	0.4	0.9

Source: Bloomberg, CMBIS estimates

Financial Summary

Income statement						Cash flow summary					
YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	33,928	35,512	47,824	57,094	65,872	EBIT	8,752	8,826	12,683	15,625	18,122
Footwear	11,410	12,700	16,510	19,317	22,021	D & A	448	509	710	720	566
Apparel	21,398	21,671	30,105	36,423	42,334	Change in working capital	1,178	(3,461)	(37)	(1,059)	(1,119)
Accessories	1,120	1,141	1,209	1,355	1,517	Income tax paid	(2,133)	(2,181)	(3,339)	(4,084)	(4,811)
Cost of goods sold	(15,269)	(14,861)	(19,087)	(22,252)	(25,298)	Others	(759)	3,765	395	512	614
Gross profit	18,659	20,651	28,737	34,842	40,574	Net cash from operating	7,485	7,458	10,411	11,714	13,372
Other income	1,127	1,063	1,623	1,881	2,104	Capex & investments	(11,28)	(785)	(861)	(799)	(790)
Operating expenses	(11,034)	(12,888)	(17,678)	(21,098)	(24,555)	Associated companies	-	-	-	-	-
D & A	(210)	(261)	(454)	(440)	(361)	Interest received	-	-	-	-	-
Staff costs	(1,859)	(2,085)	(2,940)	(4,034)	(4,763)	Others	(1,783)	(1,138)	-	-	-
S & D costs (ex-staff, D&A)	(8,443)	(9,307)	(12,519)	(14,618)	(17,265)	Net cash from investing	(13,065)	(1,923)	(861)	(799)	(790)
Admin exp. (ex-staff, D&A)	(247)	(940)	(1,369)	(1,532)	(1,621)	Equity raised	709	21	-	-	-
Other operating expenses	(275)	(294)	(396)	(473)	(546)	Net change in bank loans	7,733	(3,343)	-	-	-
EBIT	8,752	8,826	12,683	15,625	18,122	Dividend paid	(1,417)	(1,404)	(1,739)	(3,427)	(6,581)
Finance costs, net	(110)	(136)	(129)	(11)	91	Others	(2,356)	5,955	(523)	(523)	(523)
JVs & associates	(633)	(601)	(189)	93	292	Net cash from financing	4,670	1,229	(2,262)	(3,950)	(7,104)
Exceptional	-	-	-	-	-	Net change in cash	(910)	6,764	7,288	6,965	5,478
Pre-tax profit	8,008	8,089	12,365	15,707	18,505	Beginning cash balance	9,284	8,221	15,323	22,611	29,576
Income tax	(2,384)	(2,520)	(3,339)	(4,084)	(4,811)	Exchange difference	(153)	338	-	-	-
Less: Minority interests	280	407	712	916	1,080	Cash at the end of the year	8,221	15,323	22,611	29,576	35,054
Net profit	5,344	5,162	8,315	10,707	12,614						

Balance sheet						Key ratios					
YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E	YE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Non-current assets	17,898	19,150	19,112	19,284	19,801	Sales mix (%)					
Fixed asset	2,148	2,184	2,618	2,949	3,397	Footwear	33.6	35.8	34.5	33.8	33.4
Intangible assets & goodwill	678	1,579	1,296	1,044	821	Apparel	63.1	61.0	62.9	63.8	64.3
Prepaid lease payments	53	46	46	46	46	Accessories	3.3	3.2	2.5	2.4	2.3
Interest in joint ventures	10,551	9,658	9,469	9,562	9,854	Total	100.0	100.0	100.0	100.0	100.0
Other non-current assets	4,468	5,683	5,683	5,683	5,683	P&L ratios (%)					
Current assets	23,321	32,717	42,303	52,027	60,240	Gross margin	55.0	58.2	60.1	61.0	61.6
Cash and cash equivalents	8,221	15,323	22,611	29,576	35,054	Operating margin	25.8	24.9	26.5	27.4	27.5
Inventories	4,405	5,486	5,491	6,523	7,624	Pre-tax margin	23.6	22.8	25.9	27.5	28.1
Trade and other receivables	6,309	6,614	8,907	10,634	12,268	Net margin	15.8	14.5	17.4	18.8	19.1
Prepayments	-	-	-	-	-	Effective tax rate	27.6	29.0	27.0	26.0	26.0
Other current assets	4,386	5,294	5,294	5,294	5,294	Balance sheet ratios					
Current liabilities	12,412	11,715	13,976	15,675	17,292	Current ratio (x)	1.9	2.8	3.0	3.3	3.5
Bank loans	1,359	1,968	1,968	1,968	1,968	Quick ratio (x)	1.5	2.3	2.6	2.9	3.0
Trade payables	2,963	2,376	3,052	3,558	4,045	Cash ratio (x)	66	131	162	189	203
Accruals & other payables	5,821	4,572	6,157	7,351	8,481	Inventory turnover days	105	135	105	107	110
Tax payables	1,225	1,507	1,507	1,507	1,507	Trade receivables days	68	68	68	68	68
Others	1,044	1,292	1,292	1,292	1,292	Trade payables days	71	58	58	58	58
Non-current liabilities	7,746	14,328	14,328	14,328	14,328	Total debt / total equity ratio (%)	40	60	47	38	33
Bank loans	6,644	12,456	12,456	12,456	12,456	Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Deferred income	-	99	99	99	99	Returns (%)					
Deferred tax	256	527	527	527	527	ROE	26.6	21.5	27.2	28.3	28.7
Others	846	1,246	1,246	1,246	1,246	ROA	13.0	10.0	13.5	15.0	15.8
Minority Interest	979	1,811	2,523	3,439	4,519	Per share					
Total net assets	20,082	24,013	30,589	37,868	43,902	EPS (RMB)	1.92	1.85	2.98	3.84	4.52
Shareholders' equity	20,082	24,013	30,589	37,868	43,902	DPS (RMB)	0.61	0.58	0.77	2.30	2.71
						BVPS (RMB)	7.43	8.88	11.3	14.0	16.2

Source: Company data, CMBIS estimates

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