

# Anta Sports (2020 HK)

## 4Q21 inline but we are prudent about FY22E

Maintain BUY but cut our TP to HK\$ 132.66, based on 32x FY22E P/E (down from 35x). Anta's performance in 4Q21 was roughly inline with our cautious view and we are prudent about the margins in FY22E. Current valuation of 27x FY22E P/E is not demanding, vs 5 years average of 20x and int'l peers' average of 23x.

- **Anta 4Q21 retail sales was in-line.** Anta's retail sales grew by mid-teens YoY in 4Q21, in-line with CMBI est., faster than low-teens in 3Q21, despite weakening macro and COVID-19 environment. Inventory to sales ratio was at 5 months and retail discounts was at 26% off in 4Q21, similar to 3Q21.
- **FILA 4Q21 retail sales missed slightly.** FILA's retail sales grew by HSD YoY in 4Q21, faster than MSD in 3Q21 but slower than CMBI est. of 12%. Inventory to sales ratio was at 6-7 months with 24% off retail discounts, similar to 3Q21.
- **Positive profit alert and expect NP (including the Amer JV) to grow by 45%+ in FY21E.** Anta attributed this growth to: 1) rapid sales growth of 35%+, partly supported by DTC transformation (50%+ Anta brand sales growth), 2) higher finance income and less loss from the Amer JV. Compared to CMBI est., FY21E sales was 4% higher but NP was 6% lower, due to more low margin DTC sales and greater than expected FILA operating deleverage.
- **FY22E guidance is likely to stay but we are cautious about margins.** Management cited a decent Jan-TD growth but it is still too early to judge given the early CNY in FY22E. **We forecast a 20%+ Anta brand retail sales growth in FY22E**, driven by: 1) more ASP hike thru more high-end product launches, 2) ramp up of larger sized stores, 3) category expansion (e.g. women, kids and online) and 4) greater investments in A&P (e.g. Winter Olympics, national team, re-branding). **We expect only a 15%+ growth for FILA**, which has not been benefited much from domestic fashion mania in FY21E. All in all, FY22E could be an investment year and brand momentum may take a while to pick up, hence the short-term margins may still be dragged.
- **Amer sports expansion is still on track.** Amer's losses narrowed to ~RMB 300m in FY21E despite the supply chain disruption in 2H21E. We are optimistic about its growth (Arc'teryx continued to expand rapidly in China and will open flagship stores in US, while Wilson has become the official game basketball brand) and expect it to break even in FY22E.
- **Maintain BUY and revised down our TP to HK\$ 132.66.** We maintain BUY but revised down TP to HK\$ 132.66, based on 32x FY22E P/E (cut from 35x due to sector de-rating). We cut our FY21E/ 22E/ 23E NP forecasts by 6%/ 7%/ 5%, to factor in: 1) slower FILA growth and 2) a lower OP margin. Current valuation is not too demanding at 27x FY22E P/E, given a 32% NP CAGR during FY20-23E and vs 5 years average of 20x P/E.

### Earnings Summary

| (YE 31 Dec)         | FY19A    | FY20A    | FY21E    | FY22E    | FY23E    |
|---------------------|----------|----------|----------|----------|----------|
| Revenue (RMB mn)    | 33,928   | 35,512   | 48,698   | 58,522   | 69,178   |
| YoY growth (%)      | 40.8     | 4.7      | 37.1     | 20.2     | 18.2     |
| Net income (RMB mn) | 5,344    | 5,162    | 7,441    | 9,598    | 11,829   |
| EPS (RMB)           | 1.917    | 1.850    | 2.667    | 3.441    | 4.240    |
| YoY growth (%)      | 25.7     | (3.5)    | 44.1     | 29.0     | 23.2     |
| Consensus EPS (RMB) | n/a      | n/a      | 2.843    | 3.619    | 4.524    |
| P/E (x)             | 51.7     | 51.2     | 35.1     | 27.2     | 22.1     |
| P/B (x)             | 13.3     | 10.7     | 8.5      | 7.0      | 6.0      |
| Yield (%)           | 0.6      | 0.6      | 0.7      | 2.2      | 2.7      |
| ROE (%)             | 26.6     | 21.5     | 25.0     | 26.4     | 28.0     |
| Net gearing (%)     | Net cash | Net cash | Net cash | Net cash | Net cash |

Source: Company data, Bloomberg, CMBIS estimates

### BUY (Maintain)

|               |             |
|---------------|-------------|
| Target Price  | HK\$132.66  |
| (Previous TP) | HK\$156.06) |
| Up/Downside   | +17.7%      |
| Current Price | HK\$112.70  |

### China Sportswear Sector

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#### Stock Data

|                          |               |
|--------------------------|---------------|
| Mkt Cap (HK\$ mn)        | 304,665       |
| Avg 3 mths t/o (HK\$ mn) | 1,006.70      |
| 52w High/Low (HK\$)      | 191.37/105.51 |
| 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% |

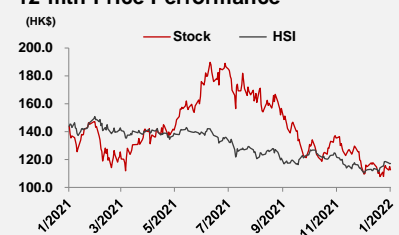
Source: HKEx

#### Share Performance

|        | Absolute | Relative |
|--------|----------|----------|
| 1-mth  | 0.3%     | -3.6%    |
| 3-mth  | -9.3%    | -4.4%    |
| 6-mth  | -38.3%   | -28.4%   |
| 12-mth | -12.5%   | 4.7%     |

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

#### Auditor: KPMG

#### Related Reports

1. Anta Sports (2020 HK, BUY) – Reset expectations and long-term target remains intact – 19 Oct 2021
2. Anta Sports (2020 HK, BUY) - Guidance maintained but be cautious on opex – 25 Aug 2021
3. Anta Sports (2020 HK, BUY) - An astonishing 5-year target for Anta brand – 9 Jul 2021

## Results preview

Figure 1: Results preview – Half Year

| Half yearly<br>(RMB mn)        | 1H20          | 2H20          | 1H21          | 2H21E         | 1H20<br>YoY | 2H20<br>YoY | 1H21<br>YoY | 2H21<br>E YoY |
|--------------------------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|---------------|
| Revenue                        | 14,669        | 20,843        | 22,812        | 25,886        | -1%         | 9%          | 56%         | 24%           |
| COGS                           | (6,330)       | (8,531)       | (8,404)       | (10,425)      |             |             |             |               |
| Gross profit                   | 8,339         | 12,312        | 14,408        | 15,461        | 0%          | 19%         | 73%         | 26%           |
| <b>GP margins</b>              | <b>56.8%</b>  | <b>59.1%</b>  | <b>63.2%</b>  | <b>59.7%</b>  |             |             |             |               |
| Other income & gains           | 710           | 679           | 339           | 1,317         |             |             |             |               |
| S & D expenses                 | (4,395)       | (6,371)       | (7,556)       | (9,440)       | 7%          | 14%         | 72%         | 48%           |
| <b>S &amp; D exp / sales</b>   | <b>-30.0%</b> | <b>-30.6%</b> | <b>-33.1%</b> | <b>-36.5%</b> |             |             |             |               |
| Admin expenses                 | (1,050)       | (1,072)       | (1,286)       | (1,951)       | 128%        | 26%         | 22%         | 82%           |
| <b>Admin exp / sales</b>       | <b>-7.2%</b>  | <b>-5.1%</b>  | <b>-5.6%</b>  | <b>-7.5%</b>  |             |             |             |               |
| Other opex                     | 0             | 0             | 0             | 0             |             |             |             |               |
| Operating profit (EBIT)        | 3,604         | 5,548         | 5,905         | 5,387         | -15%        | 25%         | 64%         | -3%           |
| <b>OP margins</b>              | <b>24.6%</b>  | <b>26.6%</b>  | <b>25.9%</b>  | <b>20.8%</b>  |             |             |             |               |
| Other items                    | 0             | 0             | 0             | 0             |             |             |             |               |
| Net finance income             | (65)          | (397)         | 231           | (166)         |             |             |             |               |
| <b>Net fin. income / sales</b> | <b>-0.4%</b>  | <b>-1.9%</b>  | <b>1.0%</b>   | <b>-0.6%</b>  |             |             |             |               |
| Profit after financing costs   | 3,539         | 5,151         | 6,136         | 5,221         |             |             |             |               |
| Associated coms                | 0             | 0             | 0             | 0             |             |             |             |               |
| Jointly controlled coms        | (719)         | 118           | (346)         | 54            |             |             |             |               |
| Pre-tax profit                 | 2,820         | 5,269         | 5,790         | 5,275         | -21%        | 18%         | 105%        | 0%            |
| Tax                            | (1,040)       | (1,480)       | (1,658)       | (1,330)       |             |             |             |               |
| <b>Tax / sales</b>             | <b>-7.1%</b>  | <b>-7.1%</b>  | <b>-7.3%</b>  | <b>-5.1%</b>  |             |             |             |               |
| <b>Effective tax rate</b>      | <b>-36.9%</b> | <b>-28.1%</b> | <b>-28.6%</b> | <b>-25.2%</b> |             |             |             |               |
| Minority interests             | 122           | 285           | 292           | 345           |             |             |             |               |
| <b>Net profit att.</b>         | <b>1,658</b>  | <b>3,504</b>  | <b>3,840</b>  | <b>3,601</b>  | <b>-27%</b> | <b>13%</b>  | <b>132%</b> | <b>3%</b>     |
| <b>NP margins</b>              | <b>11.3%</b>  | <b>16.8%</b>  | <b>16.8%</b>  | <b>13.9%</b>  |             |             |             |               |
| <b>Sales</b>                   |               |               |               |               |             |             |             |               |
| Anta                           | 6,777         | 8,972         | 10,578        | 12,607        | -11%        | -9%         | 56%         | 41%           |
| FILA & others                  | 7,892         | 11,871        | 12,234        | 13,279        | 9%          | 28%         | 55%         | 12%           |
| <b>GP margins</b>              |               |               |               |               |             |             |             |               |
| Anta                           | 41.6%         | 46.9%         | 52.8%         | 52.1%         |             |             |             |               |
| FILA & others                  | 70.5%         | 68.5%         | 72.3%         | 67.7%         |             |             |             |               |
| <b>OP margins</b>              |               |               |               |               |             |             |             |               |
| Anta                           | 26.8%         | 29.5%         | 23.3%         | 17.4%         |             |             |             |               |
| FILA & others                  | 24.7%         | 26.5%         | 29.0%         | 23.0%         |             |             |             |               |

Source: Company data, CMBIS estimates

Figure 2: Results preview - Full Year

| Full yearly (RMB mn)           | FY20          | FY21E         | FY22E         | FY21E<br>YoY | FY22E<br>YoY |
|--------------------------------|---------------|---------------|---------------|--------------|--------------|
| <b>Revenue</b>                 | <b>35,512</b> | <b>48,698</b> | <b>58,522</b> | <b>37%</b>   | <b>20%</b>   |
| COGS                           | (14,861)      | (18,829)      | (22,395)      |              |              |
| Gross profit                   | 20,651        | 29,869        | 36,128        | <b>45%</b>   | <b>21%</b>   |
| <b>GP margins</b>              | <b>58.2%</b>  | <b>61.3%</b>  | <b>61.7%</b>  |              |              |
| Other income & gains           | 1,389         | 1,656         | 1,931         |              |              |
| S & D expenses                 | (10,766)      | (16,996)      | (20,032)      | <b>58%</b>   | <b>18%</b>   |
| <b>S &amp; D exp / sales</b>   | <b>-30.3%</b> | <b>-34.9%</b> | <b>-34.2%</b> |              |              |
| Admin expenses                 | (2,122)       | (3,237)       | (3,816)       | <b>53%</b>   | <b>18%</b>   |
| <b>Admin exp / sales</b>       | <b>-6.0%</b>  | <b>-6.6%</b>  | <b>-6.5%</b>  |              |              |
| Other opex                     | 0             | 0             | 0             |              |              |
| Operating profit (EBIT)        | 9,152         | 11,292        | 14,211        | 23%          | 26%          |
| <b>OP margins</b>              | <b>25.8%</b>  | <b>23.2%</b>  | <b>24.3%</b>  |              |              |
| Other items                    | 0             | 0             | 0             |              |              |
| Net finance income             | (462)         | 65            | (13)          |              |              |
| <b>Net fin. income / sales</b> | <b>-1.3%</b>  | <b>0.1%</b>   | <b>0.0%</b>   |              |              |
| Profit after financing costs   | 8,690         | 11,357        | 14,198        |              |              |
| Associated coms                | 0             | 0             | 0             |              |              |
| Jointly controlled coms        | (601)         | (292)         | (117)         |              |              |
| Pre-tax profit                 | 8,089         | 11,065        | 14,081        | <b>37%</b>   | <b>27%</b>   |
| Tax                            | (2,520)       | (2,988)       | (3,661)       |              |              |
| <b>Tax / sales</b>             | <b>-7.1%</b>  | <b>-6.1%</b>  | <b>-6.3%</b>  |              |              |
| <b>Effective tax rate</b>      | <b>-31.2%</b> | <b>-27.0%</b> | <b>-26.0%</b> |              |              |
| Minority interests             | 407           | 637           | 822           |              |              |
| <b>Net profit att.</b>         | <b>5,162</b>  | <b>7,441</b>  | <b>9,598</b>  | <b>44%</b>   | <b>29%</b>   |
| <b>NP margins</b>              | <b>14.5%</b>  | <b>15.3%</b>  | <b>16.4%</b>  |              |              |
| <b>Sales</b>                   |               |               |               |              |              |
| Anta                           | 15,749        | 23,185        | 28,257        | <b>47%</b>   | <b>22%</b>   |
| FILA & others                  | 19,763        | 25,513        | 30,265        | <b>29%</b>   | <b>19%</b>   |
| <b>GP margins</b>              |               |               |               |              |              |
| Anta                           | 44.7%         | 52.4%         | 53.6%         |              |              |
| FILA & others                  | 69.3%         | 70.0%         | 70.0%         |              |              |
| <b>OP margins</b>              |               |               |               |              |              |
| Anta                           | 28.3%         | 20.1%         | 21.0%         |              |              |
| FILA & others                  | 25.8%         | 26.0%         | 27.2%         |              |              |

Source: Company data, CMBIS estimates

## Operating numbers

Figure 3: Sportswear brands sales growth trend

| Operating numbers              | 1Q18               | 2Q18               | 3Q18          | 4Q18           | 1Q19            | 2Q19            | 3Q19               | 4Q19               | 1Q20              | 2Q20           | 3Q20              | 4Q20          | 1Q21                 | 2Q21                  | 3Q21           | 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%                | 9.0%                  | 1.0%           | -24.0%         |
| 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%               | -16.0%                | -15.0%         |                |
| <b>Anta brand's SSSG</b>       |                    |                    |               |                |                 |                 |                    |                    |                   |                |                   |               |                      |                       |                |                |
| 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%              | 35%-40%               | +ve Low-teens  | +ve Mid-teens  |
| 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%              | 35%-40%               | +ve HSD        | +ve MSD        |
| 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%              | Over 20%              | +ve MSD        | +ve Mid-teens  |
| 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%             | Over 45%              | 25%-30%        | 30%-35%        |
| <b>Non-Anta brands (FILA/)</b> |                    |                    |               |                |                 |                 |                    |                    |                   |                |                   |               |                      |                       |                |                |
| 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%              | 30%-35%               | +ve MSD        | +ve HSD        |
| Classic/ Core brand            |                    |                    |               |                |                 |                 |                    | Over 40%           | -ve 20%-25%       | +ve MSD        | +ve MSD           | +ve MSD       | 80%                  | Over 20%              | Flat           | Flat           |
| Kids                           |                    |                    |               |                |                 |                 |                    | Over 70%           | -ve LSD           | Over 30%       | Over 30%          | Over 20%      | 100%                 | Over 40%              | +ve Mid-teens  | +ve Mid-teens  |
| Fusion                         |                    |                    |               |                |                 |                 |                    | Over 100%          | +ve MSD           | Over 70%       | Over 50%          | Over 50%      | 150%                 | Over 80%              | +ve Mid-teens  | +ve Low-teens  |
| Online                         |                    |                    |               |                |                 |                 |                    | Over 70%           | 160%              | Over 80%       | Over 90%          | 70%-80%       | Over 40%             | Over 40%              | 20%-25%        | 25%-30%        |
| <b>Other brands</b>            |                    |                    |               |                |                 |                 |                    |                    |                   |                |                   |               |                      |                       |                |                |
| Descente                       |                    |                    |               | Over 100%      | Over 100%       | Over 90%        | 50%                | 50%                | +ve Mid-teens     | Over 60%       | 90%               | Over 80%      | 150%                 | 100%                  | 50%            | 40%-45%        |
| Kolon                          |                    |                    |               |                |                 | 15%             | 20%                | 20%                | -ve High-teens    | +ve LSD        | 20%-25%           | 30%-40%       | Over 75%             | 40%                   | 30%            | -ve High-teens |
| Li Ning group's SSSG           | +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 | n/a                  | +ve Low 80%           | +ve High 20%   |                |
| 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       | n/a                  | +ve Low 90%           | +ve Low 30%    |                |
| 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       | n/a                  | +ve Low 70%           | +ve Mid 20%    |                |
| E- Commerce                    | +ve High 30%       | +ve Mid-30%        | +ve High 30%  | +ve Mid 50%    | +ve High 30%    | +ve Mid 50%     | +ve Mid 50%        | +ve Low 40%        | +ve Low-teens     | +ve Mid 20%    | +ve High 30%      | +ve Low 30%   | n/a                  | +ve High 80%          | +ve Mid 30%    |                |
| Li Ning group's retail sa      | +ve Mid-teens      | +ve Low-teens      | +ve Mid-teens | +ve High-teens | +ve Low 20%-25% | +ve Low 20%-25% | +ve Low 30%-35%    | +ve Mid 30%-40%    | -ve High-teens    | -ve MSD        | +ve MSD           | +ve Mid-teens | +ve High 80%         | +ve Low 90%           | +ve Low 40%    | 29.0%          |
| 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       | +ve Low 90%          | +ve High 80%          | +ve Mid 30%    |                |
| Wholesales                     | +ve MSD            | +ve MSD            | +ve Low-teens | +ve Low-teens  | +ve Low 20%-25% | +ve Mid 20%     | +ve Mid 30%        | +ve Low 40%        | -ve High-teens    | -ve HSD        | -ve LSD           | +ve Low-teens | +ve Low 80%          | +ve Low 90%           | +ve High 30%   |                |
| 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%                 | +ve High 90%          | +ve Mid 50%    |                |
| Xtep's SSSG                    | +ve Low-teens      | +ve Mid-teens      | +ve Mid-teens | +ve Mid-teens  | +ve Low-teens   | +ve Low-teens   | 10%                | +ve Low-teens      |                   |                |                   |               |                      |                       |                |                |
| Xtep's retail sales            |                    |                    |               | Over 20%       | Over 20%        | 20%             | Over 20%           | -ve 20%-25%        | -ve LSD           | +ve MSD        | +ve HSD           | Mid 50%-60%   | 30%-35%              | +ve Mid-teens         | 20%-25%        |                |
| 361 Degrees' SSSG              | +ve HSD            | +ve HSD            | +ve MSD       | Flat           | +ve LSD         | +ve LSD         | +ve LSD            | +ve LSD            |                   |                |                   |               |                      |                       |                |                |
| 361 Degree's retail sales      |                    |                    |               |                |                 |                 |                    |                    | -ve 20%-25%       | -ve Low-teens  | -ve HSD           | +ve LSD       | +ve High-teens       | 15%-20%               | +ve Low-teens  | +ve High-teens |
| 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%                | -15.0%                | -25.1%         | -26.7%         |
| Dong Xiang's SSSG              | +ve Mid to High SD | -ve Mid to High SD | +ve MSD       | +ve LSD        | -ve LSD         | +ve MSD         | +ve Mid to High SD | +ve Mid to High SD | -ve Low to Mid SD | -ve MSD        | +ve Low to Mid SD | +ve MSD       | +ve HSD              | +ve Mid to High SD    | -ve High-teens |                |
| Dong Xiang's retail sales      |                    |                    |               | +ve MSD        | +ve MSD         | +ve Mid-teens   | +ve Low-teens      | -ve 25%-30%        | -ve Low-Mid SD    | +ve MSD        | +ve Low-teens     | 60%-70%       | +ve Low to Mid-teens | -ve Mid to High-teens |                |                |
| Direct retail                  | +ve HSD            | Flat               | +ve Low-teens | +ve HSD        | Flat            | +ve LSD         | +ve HSD            | +ve MSD            | -ve 30%-35%       | -ve Low-teens  | Flat              | +ve MSD       | 70%-75%              |                       |                |                |
| 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%       | 35%-40%       |                      |                       |                |                |

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 4: Earnings revision

| RMB mn                 | New    |        |        | Old    |        |        | Diff (%) |         |         |
|------------------------|--------|--------|--------|--------|--------|--------|----------|---------|---------|
|                        | FY21E  | FY22E  | FY23E  | FY21E  | FY22E  | FY23E  | FY21E    | FY22E   | FY23E   |
| Revenue                | 48,698 | 58,522 | 69,178 | 47,018 | 57,140 | 67,517 | 3.6%     | 2.4%    | 2.5%    |
| Gross profit           | 29,869 | 36,128 | 42,928 | 29,210 | 35,881 | 42,799 | 2.3%     | 0.7%    | 0.3%    |
| EBIT                   | 11,338 | 14,032 | 16,752 | 12,154 | 15,069 | 18,163 | -6.7%    | -6.9%   | -7.8%   |
| Net profit att.        | 7,484  | 9,640  | 12,026 | 7,961  | 10,324 | 12,642 | -6.0%    | -6.6%   | -4.9%   |
| Diluted EPS (RMB)      | 2.683  | 3.456  | 4.311  | 2.854  | 3.701  | 4.532  | -6.0%    | -6.6%   | -4.9%   |
| Gross margin           | 61.3%  | 61.7%  | 62.1%  | 62.1%  | 62.8%  | 63.4%  | -0.8ppt  | -1.1ppt | -1.3ppt |
| EBIT margin            | 23.3%  | 24.0%  | 24.2%  | 25.9%  | 26.4%  | 26.9%  | -2.6ppt  | -2.4ppt | -2.7ppt |
| Net profit att. margin | 15.4%  | 16.5%  | 17.4%  | 16.9%  | 18.1%  | 18.7%  | -1.6ppt  | -1.6ppt | -1.3ppt |

Source: Company data, CMBIS estimates

Figure 5: CMBIS estimates vs consensus

| RMB mn                 | CMBIS  |        |        | Consensus |        |        | Diff (%) |         |         |
|------------------------|--------|--------|--------|-----------|--------|--------|----------|---------|---------|
|                        | FY21E  | FY22E  | FY23E  | FY21E     | FY22E  | FY23E  | FY21E    | FY22E   | FY23E   |
| Revenue                | 48,698 | 58,522 | 69,178 | 47,341    | 57,887 | 70,036 | 2.9%     | 1.1%    | -1.2%   |
| Gross profit           | 29,869 | 36,128 | 42,928 | 28,917    | 35,598 | 43,341 | 3.3%     | 1.5%    | -1.0%   |
| EBIT                   | 11,338 | 14,032 | 16,752 | 11,605    | 14,411 | 17,910 | -2.3%    | -2.6%   | -6.5%   |
| Net profit att.        | 7,484  | 9,640  | 12,026 | 7,756     | 9,876  | 12,418 | -3.5%    | -2.4%   | -3.2%   |
| Diluted EPS (RMB)      | 2.683  | 3.456  | 4.311  | 2.843     | 3.619  | 4.524  | -5.6%    | -4.5%   | -4.7%   |
| Gross margin           | 61.3%  | 61.7%  | 62.1%  | 61.1%     | 61.5%  | 61.9%  | 0.3ppt   | 0.2ppt  | 0.2ppt  |
| EBIT margin            | 23.3%  | 24.0%  | 24.2%  | 24.5%     | 24.9%  | 25.6%  | -1.2ppt  | -0.9ppt | -1.4ppt |
| Net profit att. margin | 15.4%  | 16.5%  | 17.4%  | 16.4%     | 17.1%  | 17.7%  | -1ppt    | -0.6ppt | -0.3ppt |

Source: Bloomberg, CMBIS estimates

## Assumptions

Figure 6: Major assumptions

| Major assumptions                    | FY19A        | FY20A        | FY21E        | FY22E        | FY23E        |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Sales by segment growth (%)</b>   |              |              |              |              |              |
| Shoes                                | 32.2%        | 11.3%        | 42.0%        | 17.0%        | 15.0%        |
| Apparels                             | 45.5%        | 1.3%         | 35.9%        | 22.5%        | 20.3%        |
| Accessories                          | 47.5%        | 1.8%         | 6.0%         | 12.0%        | 12.0%        |
| Total                                | 40.8%        | 4.7%         | 37.1%        | 20.2%        | 18.2%        |
| <b>Sales by brand growth (%)</b>     |              |              |              |              |              |
| Anta                                 | 9.2%         | -41.6%       | 50.0%        | 20.0%        | 17.0%        |
| Anta Kids                            | 27.0%        | -37.0%       | 50.0%        | 22.0%        | 19.0%        |
| FILA                                 | 73.8%        | 18.1%        | 25.0%        | 15.0%        | 15.0%        |
| Descente & Others                    | 33.3%        | 35.4%        | 60.0%        | 40.0%        | 30.0%        |
| E-commerce                           | 45.0%        | 53.0%        | 45.0%        | 23.0%        | 20.0%        |
| Total                                | 40.8%        | 4.7%         | 37.1%        | 20.2%        | 18.2%        |
| <b>Sales network</b>                 |              |              |              |              |              |
| Anta                                 | 7,341        | 6,851        | 6,801        | 6,851        | 6,881        |
| Anta Kids                            | 3,175        | 3,071        | 3,051        | 3,121        | 3,191        |
| 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       | 12,792       | 13,117       |
| <b>GP margins</b>                    |              |              |              |              |              |
| Anta                                 | 41.3%        | 44.7%        | 52.4%        | 53.6%        | 54.4%        |
| FILA                                 | 70.4%        | 69.3%        | 70.0%        | 70.0%        | 70.0%        |
| Total                                | 55.0%        | 58.2%        | 62.2%        | 62.8%        | 63.4%        |
| <b>Opex breakdown</b>                |              |              |              |              |              |
| A&P Expenses / sales                 | 10.6%        | 10.0%        | 12.7%        | 12.2%        | 12.1%        |
| Labour costs / sales                 | 11.7%        | 12.5%        | 14.2%        | 14.5%        | 14.8%        |
| R & D expenses / sales               | 5.2%         | 5.9%         | 6.0%         | 6.0%         | 6.0%         |
| Rental expenses/ sales               | 8.8%         | 10.4%        | 11.3%        | 10.8%        | 10.5%        |
| Selling & distribution costs / sales | 28.7%        | 30.3%        | 34.9%        | 34.2%        | 34.2%        |
| Admin expenses / sales               | 3.9%         | 6.0%         | 6.6%         | 6.5%         | 6.5%         |
| <b>OP margin</b>                     |              |              |              |              |              |
| Anta                                 | 27.1%        | 28.3%        | 20.1%        | 21.0%        | 21.1%        |
| FILA                                 | 27.2%        | 25.8%        | 26.0%        | 27.2%        | 27.5%        |
| Total                                | 25.6%        | 25.8%        | 23.2%        | 24.3%        | 24.5%        |
| Effective tax rate                   | 29.8%        | 31.2%        | 27.0%        | 26.0%        | 26.0%        |
| <b>NP att. margin</b>                | <b>15.8%</b> | <b>14.5%</b> | <b>15.3%</b> | <b>16.4%</b> | <b>17.1%</b> |
| <b>NP att. growth</b>                | <b>30.3%</b> | <b>-3.4%</b> | <b>44.1%</b> | <b>29.0%</b> | <b>23.2%</b> |

Source: Company data, CMBIS estimates

## Valuation

Figure 7: Peers valuation table

| Company                         | Ticker  | Rating | 12m TP (LC) | Price (LC) | Up/Down-side | Mkt. Cap (HK\$mn) | Year End | P/E (x)     |             | P/B (x)     |            | ROE (%)    | 3yrs PEG (x) | Yield (%)  |            |
|---------------------------------|---------|--------|-------------|------------|--------------|-------------------|----------|-------------|-------------|-------------|------------|------------|--------------|------------|------------|
|                                 |         |        |             |            |              |                   |          | FY1E        | FY2E        | FY1E        | FY2E       | FY1E       | FY1E         | FY1E       |            |
| <b>H shares Sportswear</b>      |         |        |             |            |              |                   |          |             |             |             |            |            |              |            |            |
| Anta Sports                     | 2020 HK | BUY    | 132.66      | 112.70     | 18%          | 304,665           | Dec-20   | 35.1        | 27.2        | 8.2         | 6.7        | 30.5       | 1.1          | 1.1        |            |
| Li Ning Co                      | 2331 HK | BUY    | 102.84      | 75.10      | 37%          | 196,503           | Dec-20   | 42.2        | 33.6        | 12.3        | 9.5        | 33.2       | 0.8          | 0.7        |            |
| Xtep Intl                       | 1368 HK | BUY    | 16.43       | 13.46      | 22%          | 35,404            | Dec-20   | 32.0        | 24.6        | 3.6         | 3.3        | 9.5        | 0.8          | 1.9        |            |
| 361 Degrees Intl                | 1361 HK | NR     | n/a         | 3.91       | n/a          | 8,084             | Dec-20   | 11.8        | 10.5        | 0.9         | 0.8        | 7.7        | 0.6          | 1.2        |            |
| Topsports Intl                  | 6110 HK | NR     | n/a         | 7.63       | n/a          | 47,315            | Feb-21   | 13.4        | 11.2        | 3.5         | 3.0        | 26.5       | 0.8          | 3.9        |            |
| Pou Sheng Intl                  | 3813 HK | NR     | n/a         | 1.25       | n/a          | 6,658             | Dec-20   | 7.1         | 4.6         | 0.6         | 0.6        | 11.6       | 0.1          | 1.6        |            |
| China DX                        | 3818 HK | NR     | n/a         | 0.70       | n/a          | 4,121             | Mar-21   | n/a         | 5.2         | 0.3         | 0.3        | (0.5)      | 0.0          | n/a        |            |
|                                 |         |        |             |            |              |                   |          | <b>Avg.</b> | <b>23.6</b> | <b>16.7</b> | <b>4.2</b> | <b>3.5</b> | <b>16.9</b>  | <b>0.6</b> | <b>1.7</b> |
|                                 |         |        |             |            |              |                   |          | <b>Med.</b> | <b>22.7</b> | <b>11.2</b> | <b>3.5</b> | <b>3.0</b> | <b>11.6</b>  | <b>0.8</b> | <b>1.4</b> |
| <b>International Sportswear</b> |         |        |             |            |              |                   |          |             |             |             |            |            |              |            |            |
| Nike                            | NKE US  | NR     | n/a         | 146.95     | n/a          | 1,810,452         | May-21   | 39.7        | 30.6        | 16.5        | 15.0       | 48.3       | 2.5          | 0.8        |            |
| Adidas                          | ADS GY  | NR     | n/a         | 257.20     | n/a          | 436,878           | Dec-20   | 34.9        | 26.7        | 6.7         | 6.2        | 29.0       | 0.5          | 1.3        |            |
| Puma                            | PUM GY  | NR     | n/a         | 95.38      | n/a          | 127,201           | Dec-20   | 47.7        | 33.2        | 7.4         | 6.5        | 16.3       | 0.5          | 0.6        |            |
| Under Armour                    | UAA US  | NR     | n/a         | 18.81      | n/a          | 64,175            | Dec-20   | 24.5        | 24.8        | 4.4         | 3.7        | 25.2       | (0.1)        | 0.0        |            |
| Lululemon                       | LULU US | NR     | n/a         | 332.53     | n/a          | 334,976           | Jan-21   | 43.2        | 36.2        | 14.5        | 11.4       | 36.1       | 1.3          | 0.0        |            |
| Skechers                        | SKX US  | NR     | n/a         | 43.71      | n/a          | 53,072            | Dec-20   | 17.4        | 14.6        | 2.2         | 1.9        | 15.0       | 0.2          | 0.0        |            |
| Vf Corp                         | VFC US  | NR     | n/a         | 71.11      | n/a          | 217,614           | Apr-21   | 22.3        | 19.3        | 7.4         | 6.8        | 37.4       | 0.4          | 2.8        |            |
| Columbia                        | COLM US | NR     | n/a         | 91.53      | n/a          | 46,508            | Dec-20   | 19.2        | 16.7        | 3.1         | 2.7        | 16.3       | 0.3          | 1.2        |            |
| Wolverine                       | WWW US  | NR     | n/a         | 25.95      | n/a          | 16,654            | Jan-21   | 12.3        | 9.9         | 3.2         | 2.7        | (12.9)     | (0.1)        | 1.6        |            |
| Mizuno Corp                     | 8022 JP | NR     | n/a         | 2157.00    | n/a          | 3,903             | Mar-21   | 16.1        | 12.1        | 0.5         | 0.5        | 7.7        | 1.2          | 2.3        |            |
| Asics Corp                      | 7936 JP | NR     | n/a         | 2189.00    | n/a          | 28,299            | Dec-20   | 72.1        | 27.5        | 3.0         | 2.8        | 4.3        | (0.3)        | 1.1        |            |
|                                 |         |        |             |            |              |                   |          | <b>Avg.</b> | <b>31.8</b> | <b>22.9</b> | <b>6.3</b> | <b>5.5</b> | <b>20.2</b>  | <b>0.6</b> | <b>1.1</b> |
|                                 |         |        |             |            |              |                   |          | <b>Med.</b> | <b>24.5</b> | <b>24.8</b> | <b>4.4</b> | <b>3.7</b> | <b>16.3</b>  | <b>0.4</b> | <b>1.1</b> |

Source: Bloomberg, CMBIS estimates



## Financial Summary

### Income statement

| YE 31 Dec (RMB mn)          | FY19A           | FY20A           | FY21E           | FY22E           | FY23E           |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Revenue</b>              | <b>33,928</b>   | <b>35,512</b>   | <b>48,698</b>   | <b>58,522</b>   | <b>69,178</b>   |
| Footwear                    | 11,410          | 12,700          | 18,034          | 21,100          | 24,265          |
| Apparel                     | 21,398          | 21,671          | 29,455          | 36,068          | 43,396          |
| Accessories                 | 1,120           | 1,141           | 1,209           | 1,355           | 1,517           |
| <b>Cost of goods sold</b>   | <b>(15,269)</b> | <b>(14,861)</b> | <b>(18,829)</b> | <b>(22,395)</b> | <b>(26,250)</b> |
| <b>Gross profit</b>         | <b>18,659</b>   | <b>20,651</b>   | <b>29,869</b>   | <b>36,128</b>   | <b>42,928</b>   |
| <b>Other income</b>         | <b>1,127</b>    | <b>1,063</b>    | <b>1,702</b>    | <b>1,752</b>    | <b>2,002</b>    |
| <b>Operating expenses</b>   | <b>(11,034)</b> | <b>(12,888)</b> | <b>(20,233)</b> | <b>(23,848)</b> | <b>(28,178)</b> |
| D & A                       | (210)           | (261)           | (454)           | (441)           | (362)           |
| Staff costs                 | (1,859)         | (2,085)         | (3,361)         | (4,648)         | (5,608)         |
| S & D costs (ex-staff, D&A) | (8,443)         | (9,307)         | (14,628)        | (16,713)        | (19,948)        |
| Admin exp. (ex-staff, D&A)  | (247)           | (940)           | (1,386)         | (1,561)         | (1,686)         |
| Other operating expenses    | (275)           | (294)           | (404)           | (485)           | (573)           |
| <b>EBIT</b>                 | <b>8,752</b>    | <b>8,826</b>    | <b>11,338</b>   | <b>14,032</b>   | <b>16,752</b>   |
| Finance costs, net          | (110)           | (136)           | 19              | 166             | 295             |
| JVs & associates            | (633)           | (601)           | (292)           | (117)           | 307             |
| Exceptional                 | -               | -               | -               | -               | -               |
| <b>Pre-tax profit</b>       | <b>8,008</b>    | <b>8,089</b>    | <b>11,065</b>   | <b>14,081</b>   | <b>17,354</b>   |
| Income tax                  | (2,384)         | (2,520)         | (2,988)         | (3,661)         | (4,512)         |
| Less: Minority interests    | 280             | 407             | 637             | 822             | 1,013           |
| <b>Net profit</b>           | <b>5,344</b>    | <b>5,162</b>    | <b>7,441</b>    | <b>9,598</b>    | <b>11,829</b>   |

### Cash flow summary

| YE 31 Dec (RMB mn)                 | FY19A          | FY20A          | FY21E          | FY22E          | FY23E          |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>EBIT</b>                        | <b>8,752</b>   | <b>8,826</b>   | <b>11,338</b>  | <b>14,032</b>  | <b>16,752</b>  |
| D & A                              | 448            | 509            | 710            | 723            | 569            |
| Change in working capital          | 1,178          | (3,461)        | (54)           | (1,143)        | (1,342)        |
| Income tax paid                    | (2,133)        | (2,181)        | (2,988)        | (3,661)        | (4,512)        |
| Others                             | (759)          | 3,765          | 543            | 689            | 818            |
| <b>Net cash from operating</b>     | <b>7,485</b>   | <b>7,458</b>   | <b>9,549</b>   | <b>10,640</b>  | <b>12,285</b>  |
| Capex & investments                | (11,28)        | (785)          | (877)          | (819)          | (830)          |
| Associated companies               | -              | -              | -              | -              | -              |
| Interest received                  | -              | -              | -              | -              | -              |
| Others                             | (1,783)        | (1,138)        | -              | -              | -              |
| <b>Net cash from investing</b>     | <b>(13,06)</b> | <b>(1,923)</b> | <b>(877)</b>   | <b>(819)</b>   | <b>(830)</b>   |
| Equity raised                      | 709            | 21             | -              | -              | -              |
| Net change in bank loans           | 7,733          | (3,343)        | -              | -              | -              |
| Dividend paid                      | (1,417)        | (1,404)        | (1,656)        | (3,046)        | (5,990)        |
| Others                             | (2,356)        | 5,955          | (523)          | (523)          | (523)          |
| <b>Net cash from financing</b>     | <b>4,670</b>   | <b>1,229</b>   | <b>(2,179)</b> | <b>(3,569)</b> | <b>(6,513)</b> |
| <b>Net change in cash</b>          | <b>(910)</b>   | <b>6,764</b>   | <b>6,493</b>   | <b>6,251</b>   | <b>4,942</b>   |
| Beginning cash balance             | 9,284          | 8,221          | 15,323         | 21,816         | 28,068         |
| Exchange difference                | (153)          | 338            | -              | -              | -              |
| <b>Cash at the end of the year</b> | <b>8,221</b>   | <b>15,323</b>  | <b>21,816</b>  | <b>28,068</b>  | <b>33,009</b>  |

### Balance sheet

| YE 31 Dec (RMB mn)             | FY19A         | FY20A         | FY21E         | FY22E         | FY23E         |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Non-current assets</b>      | <b>17,898</b> | <b>19,150</b> | <b>19,024</b> | <b>19,003</b> | <b>19,571</b> |
| Fixed asset                    | 2,148         | 2,184         | 2,633         | 2,981         | 3,466         |
| Intangible assets & goodwill   | 678           | 1,579         | 1,296         | 1,044         | 821           |
| Prepaid lease payments         | 53            | 46            | 46            | 46            | 46            |
| Interest in joint ventures     | 10,551        | 9,658         | 9,366         | 9,249         | 9,555         |
| Other non-current assets       | 4,468         | 5,683         | 5,683         | 5,683         | 5,683         |
| <b>Current assets</b>          | <b>23,321</b> | <b>32,717</b> | <b>41,597</b> | <b>50,826</b> | <b>59,099</b> |
| Cash and cash equivalents      | 8,221         | 15,323        | 21,816        | 28,068        | 33,009        |
| Inventories                    | 4,405         | 5,486         | 5,417         | 6,565         | 7,911         |
| Trade and other receivables    | 6,309         | 6,614         | 9,070         | 10,900        | 12,884        |
| Prepayments                    | -             | -             | -             | -             | -             |
| Other current assets           | 4,386         | 5,294         | 5,294         | 5,294         | 5,294         |
| <b>Current liabilities</b>     | <b>12,412</b> | <b>11,715</b> | <b>14,047</b> | <b>15,882</b> | <b>17,870</b> |
| Bank loans                     | 1,359         | 1,968         | 1,968         | 1,968         | 1,968         |
| Trade payables                 | 2,963         | 2,376         | 3,010         | 3,581         | 4,197         |
| Accruals & other payables      | 5,821         | 4,572         | 6,270         | 7,534         | 8,906         |
| Tax payables                   | 1,225         | 1,507         | 1,507         | 1,507         | 1,507         |
| Others                         | 1,044         | 1,292         | 1,292         | 1,292         | 1,292         |
| <b>Non-current liabilities</b> | <b>7,746</b>  | <b>14,328</b> | <b>14,328</b> | <b>14,328</b> | <b>14,328</b> |
| Bank loans                     | 6,644         | 12,456        | 12,456        | 12,456        | 12,456        |
| Deferred income                | -             | 99            | 99            | 99            | 99            |
| Deferred tax                   | 256           | 527           | 527           | 527           | 527           |
| Others                         | 846           | 1,246         | 1,246         | 1,246         | 1,246         |
| <b>Minority Interest</b>       | <b>979</b>    | <b>1,811</b>  | <b>2,448</b>  | <b>3,269</b>  | <b>4,282</b>  |
| <b>Total net assets</b>        | <b>20,082</b> | <b>24,013</b> | <b>29,798</b> | <b>36,350</b> | <b>42,189</b> |
| <b>Shareholders' equity</b>    | <b>20,082</b> | <b>24,013</b> | <b>29,798</b> | <b>36,350</b> | <b>42,189</b> |

### Key ratios

| YE 31 Dec                           | FY19A        | FY20A        | FY21E        | FY22E        | FY23E        |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Sales mix (%)</b>                |              |              |              |              |              |
| Footwear                            | 33.6         | 35.8         | 37.0         | 36.1         | 35.1         |
| Apparel                             | 63.1         | 61.0         | 60.5         | 61.6         | 62.7         |
| Accessories                         | 3.3          | 3.2          | 2.5          | 2.3          | 2.2          |
| <b>Total</b>                        | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |
| <b>P&amp;L ratios (%)</b>           |              |              |              |              |              |
| Gross margin                        | 55.0         | 58.2         | 61.3         | 61.7         | 62.1         |
| Operating margin                    | 25.8         | 24.9         | 23.3         | 24.0         | 24.2         |
| Pre-tax margin                      | 23.6         | 22.8         | 22.7         | 24.1         | 25.1         |
| Net margin                          | 15.8         | 14.5         | 15.6         | 16.8         | 17.1         |
| Effective tax rate                  | 27.6         | 29.0         | 27.0         | 26.0         | 26.0         |
| <b>Balance sheet ratios</b>         |              |              |              |              |              |
| Current ratio (x)                   | 1.9          | 2.8          | 3.0          | 3.2          | 3.3          |
| Quick ratio (x)                     | 1.5          | 2.3          | 2.6          | 2.8          | 2.9          |
| Cash ratio (x)                      | 66           | 131          | 155          | 177          | 185          |
| Inventory turnover days             | 105          | 135          | 105          | 107          | 110          |
| Trade receivables days              | 68           | 68           | 68           | 68           | 68           |
| Trade payables days                 | 71           | 58           | 58           | 58           | 58           |
| Total debt / total equity ratio (%) | 40           | 60           | 48           | 40           | 34           |
| Net debt / equity ratio (%)         | Net cash     | Net cash     | Net cash     | Net cash     | Net cash     |
| <b>Returns (%)</b>                  |              |              |              |              |              |
| ROE                                 | 26.6         | 21.5         | 25.0         | 26.4         | 28.0         |
| ROA                                 | 13.0         | 10.0         | 12.3         | 13.7         | 15.0         |
| <b>Per share</b>                    |              |              |              |              |              |
| EPS (RMB)                           | 1.92         | 1.85         | 2.67         | 3.44         | 4.24         |
| DPS (RMB)                           | 0.61         | 0.58         | 0.69         | 2.06         | 2.54         |
| BVPS (RMB)                          | 7.43         | 8.88         | 11.02        | 13.45        | 15.61        |

Source: Company data, CMBIS estimates



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