

JNBY Design (3306 HK)

Short-term investment for long-term gain

Maintain BUY but trim TP to HK\$ 14.51, based on 10x FY6/23E (down from 14x to reflect industry de-rating under warm winter). JNBY had revised down its FY22E guidance but maintained the FY24E one. We think negatives are mostly priced in and its current valuation is a bargain at 8x FY6/23E P/E (vs 3 year-average of 10x) and 8% dividend yield, but short-term catalysts are still limited.

- 1H22 results slightly missed but understandable.** JNBY's sales grew by 7% YoY to RMB 2.49bn in 1H22 (ending Dec 2021), 7% below CMBI est. We think that was due to pandemic and warm winter during Oct-Dec 2021. Recurring net profit declined by 4% YoY to RMB 444mn in 1H22, missed CMBI est. by 13%, mainly due to heavy A&P/ D&A expenses (up 102%/ 36% YoY), despite a strong beat in GP margin (up by 1.7ppt). We believe most investors are familiar enough with the macro headwinds and hence this result should be not a big surprise. In fact, since share price had already retreated by around 13% since Oct 2021, negatives should have been priced in. While it is keeping the 75%+ payout ratio, its FY6/22E yield is at 10.1%.
- Revising down FY22E guidance, due to weakened demand and brand building investments.** After a fairly weak 1H22, management is now guiding a MSD to HSD (from 10%+) sales growth and a net profit of ~RMB 550mn to RMB 560mn (vs RMB 627mn to RMB 647mn previously). We believe this cut was a result of: 1) sluggish demand under pandemic (3% SSS decline in 1H22, even with rapid growth of new retail sales and lots of store revamps) and the associating operating deleverage, 2) substantial increase in brand building investments (esp. on marketing and talent acquisitions). **However, the better discounts, ASP increases, plus the decline in inventory provisions in 1H22 are fairly encouraging to us. Based on this rather conservative new guidance, we think the bottom could be near.**
- But the FY24E target is maintained.** While facing this short-term volatility in FY22E, management is still maintaining its FY24E target (listed co sales of RMB 6bn, 65%+ GP margin and net profit of ~RMB0.9bn), as they are fairly confident about the progress of improvements (on brand equity, store images, product design and customer experience in all channels).
- Maintain BUY but cut TP to HK\$ 14.51.** We maintain BUY but reduced TP to HK\$ 14.51, based on 10x FY6/23E P/E (cut from 14x to reflect industry de-rating). We revised down FY21E/ 22E/ 23E EPS by 16%/ 11%/ 4%, to factor in: 1) lower SSSG, 2) higher staff and A&P expenses. Valuation is quite attractive, as it is trading at 8x FY6/23E P/E and 10.1% FY6/23E yield. But short-term catalysts are also limited.

Earnings Summary

(YE 30 Jun)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	3,099	4,126	4,300	4,852	5,427
YoY growth (%)	(7.7)	33.1	4.2	12.8	11.8
Net income (RMB mn)	347	647	552	671	812
EPS (RMB)	0.675	1.289	1.094	1.323	1.594
YoY growth (%)	(28.2)	91.0	(15.1)	20.9	20.5
Consensus EPS (RMB)	n/a	n/a	1.346	1.540	1.812
P/E (x)	16.0	8.4	9.9	8.2	6.8
P/B (x)	3.4	2.9	2.8	2.5	2.2
Yield (%)	4.3	11.2	8.3	10.1	12.1
ROE (%)	23.3	37.0	31.0	33.4	35.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$14.51
(Previous TP)	HK\$22.84)
Up/Downside	+37.1%
Current Price	HK\$10.58

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	5,613
Avg 3 mths t/o (HK\$ mn)	4.96
52w High/Low (HK\$)	20.89/10.20
Total Issued Shares (mn)	518.8
Source: Bloomberg	

Shareholding Structure

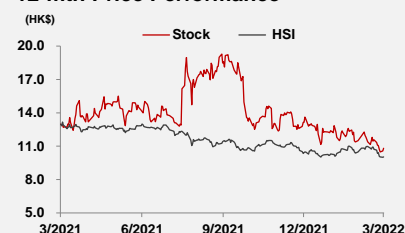
Mr. Wu Jian & Family	59.20%
FIL Ltd.	2.37%
Vanguard Group	1.35%
Franklin Resources	1.31%
Free Float	37.07%
Source: HKEx	

Share Performance

	Absolute	Relative
1-mth	-7.0%	-3.6%
3-mth	-16.3%	-11.3%
6-mth	-44.3%	-37.7%
12-mth	-10.9%	13.6%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: PricewaterhouseCoopers

Related Reports

- JNBY Design (3306 HK, BUY) – Conservative guidance after a strong result – 2 Sep 2021
- JNBY Design (3306 HK, BUY) – Speedy recovery and ambitious long-term goal – 1 Mar 2021
- JNBY Design (3306 HK, BUY) – The worst is over and better visibility ahead - 7 Aug 2020

Results summary

Figure 1: Results summary – Half Year

Half yearly (RMB mn)	1H20	1H20	1H21	2H21	1H22	2H22E	1H21 YoY	2H21 YoY	1H22 YoY	2H22E YoY
Revenue	2,135	964	2,315	1,812	2,485	1,815	8%	88%	7%	0%
COGS	(801)	(449)	(890)	(639)	(911)	(673)				
Gross profit	1,335	515	1,425	1,172	1,574	1,142	7%	128%	10%	-3%
GP margins	62.5%	53.4%	61.6%	64.7%	63.3%	62.9%				
Other income & gains	51	5	28	16	28	27				
S & D expenses	(642)	(503)	(671)	(758)	(798)	(855)	5%	51%	19%	13%
S & D exp / sales	-30.1%	-52.2%	-29.0%	-41.8%	-32.1%	-47.1%				
Admin expenses	(144)	(131)	(140)	(188)	(191)	(177)	-3%	43%	36%	-6%
Admin exp / sales	-6.8%	-13.6%	-6.0%	-10.4%	-7.7%	-9.8%				
Other opex	0	0	0	0	0	0				
Operating profit (EBIT)	599	-114	642	242	614	137	7%	-312%	-4%	-43%
OP margins	28.1%	-11.9%	27.7%	13.4%	24.7%	7.5%				
Other items	0	0	0	0	0	0				
Net finance income	0	1	1	2	1	5				
Net finance income / sales	0.0%	0.1%	0.0%	0.1%	0.0%	0.3%				
Profit after financing costs	599	-113	643	244	615	142				
Associated coms	0	0	0	0	0	0				
Jointly controlled coms	0	0	0	0	0	0				
Pre-tax profit	599	-113	643	244	615	142	7%	-316%	-4%	-42%
Tax	(169)	30	(179)	(60)	(171)	(33)				
Tax / sales	-7.9%	3.1%	-7.7%	-3.3%	-6.9%	-1.8%				
Effective tax rate	-28.3%	-26.4%	-27.9%	-24.7%	-27.8%	-23.6%				
Minority interests	0	0	0	0	0	0				
Net profit att.	430	(83)	464	184	444	108	8%	-321%	-4%	-41%
NP margins	20.1%	-8.6%	20.0%	10.1%	17.9%	6.0%				

Source: Company data, CMBIGM estimates

Figure 2: Results preview - Full Year

Full yearly (RMB mn)	FY20	FY21	FY22E	FY23E	FY21 YoY	FY22E YoY	FY23E YoY
Revenue	3,099	4,126	4,300	4,852	33%	4%	13%
COGS	(1,250)	(1,529)	(1,584)	(1,758)			
Gross profit	1,850	2,597	2,716	3,094	40%	5%	14%
GP margins	59.7%	62.9%	63.2%	63.8%			
Other income & gains	56	44	55	57			
S & D expenses	(1,145)	(1,429)	(1,653)	(1,839)	25%	16%	11%
S & D exp / sales	-36.9%	-34.6%	-38.4%	-37.9%			
Admin expenses	(276)	(328)	(368)	(401)			
Admin exp / sales	-8.9%	-8.0%	-8.6%	-8.3%			
Other opex	0	0	0	0			
Operating profit (EBIT)	485	884	751	911	82%	-15%	21%
OP margins	15.6%	21.4%	17.5%	18.8%			
Other items	0	0	0	0			
Net finance income	1	3	5	8			
Net finance income / sales	0.0%	0.1%	0.1%	0.2%			
Profit after financing costs	486	887	756	919			
Associated coms	0	0	0	0			
Jointly controlled coms	0	0	0	0			
Pre-tax profit	486	887	756	919	82%	-15%	22%
Tax	(140)	(239)	(204)	(248)			
Tax / sales	-4.5%	-5.8%	-4.7%	-5.1%			
Effective tax rate	-28.7%	-27.0%	-27.0%	-27.0%			
Minority interests	0	0	0	0			
Net profit att.	347	647	552	671	87%	-15%	22%
NP margins	11.2%	15.7%	12.8%	13.8%			

Source: Company data, CMBIGM estimates

Earnings revision

Figure 3: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	4,300	4,852	5,427	4,645	5,150	5,659	-7.4%	-5.8%	-4.1%
Gross profit	2,716	3,094	3,496	2,921	3,272	3,621	-7.0%	-5.4%	-3.4%
EBIT	751	911	1,097	893	1,024	1,145	-15.9%	-11.0%	-4.2%
Net profit att.	552	671	812	656	754	848	-15.9%	-11.1%	-4.2%
Diluted EPS (RMB)	1.094	1.323	1.594	1.301	1.488	1.664	-15.9%	-11.1%	-4.2%
Gross margin	63.2%	63.8%	64.4%	62.9%	63.5%	64.0%	0.3ppt	0.2ppt	0.4ppt
EBIT margin	17.5%	18.8%	20.2%	19.2%	19.9%	20.2%	-1.8ppt	-1.1ppt	0ppt
Net profit att. margin	12.8%	13.8%	15.0%	14.1%	14.6%	15.0%	-1.3ppt	-0.8ppt	0ppt

Source: Company data, CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	4,300	4,852	5,427	4,619	5,206	5,907	-6.9%	-6.8%	-8.1%
Gross profit	2,716	3,094	3,496	2,917	3,324	3,804	-6.9%	-6.9%	-8.1%
EBIT	751	911	1,097	889	1,060	1,225	-15.6%	-14.0%	-10.4%
Net profit att.	552	671	812	643	772	903	-14.1%	-13.1%	-10.0%
Diluted EPS (RMB)	1.094	1.323	1.594	1.346	1.540	1.812	-18.7%	-14.1%	-12.1%
Gross margin	63.2%	63.8%	64.4%	63.2%	63.8%	64.4%	0ppt	-0.1ppt	0ppt
EBIT margin	17.5%	18.8%	20.2%	19.3%	20.4%	20.7%	-1.8ppt	-1.6ppt	-0.5ppt
Net profit att. margin	12.8%	13.8%	15.0%	13.9%	14.8%	15.3%	-1.1ppt	-1ppt	-0.3ppt

Source: Company data, CMBIGM estimates

Valuation

Figure 5: Peers' valuation

Company	Ticker	Rating	12m	Price	Up/	Mkt. Cap	Year	P/E (x)		P/B (x)		ROE	3yrs	Yield
			TP	(LC)	Down-			(HK\$mn)	End	FY1E	FY2E	FY1E	FY2E	(%)
H shares Apparel														
Jnby Design	3306 HK	BUY	14.51	10.82	34%	5,613	Jun-21	8.2	9.7	2.5	2.3	37.1	0.3	11.4
Bosideng Int'l	3998 HK	BUY	4.31	4.37	-1%	47,564	Mar-21	16.9	13.9	3.1	2.8	17.5	0.6	4.1
China Lilang	1234 HK	BUY	6.27	4.38	43%	5,245	Dec-20	6.3	5.4	1.1	1.0	15.6	0.3	11.0
Cosmo Lady	2298 HK	NR	n/a	0.46	n/a	1,035	Dec-20	n/a	7.9	0.4	0.4	1.2	0.0	1.6
Giordano Int'l	709 HK	NR	n/a	1.59	n/a	2,511	Dec-20	14.5	11.4	n/a	n/a	5.2	(0.1)	n/a
Eeka Fashion	3709 HK	NR	n/a	12.88	n/a	9,068	Dec-20	11.7	9.4	1.9	1.6	17.2	0.4	4.2
Esprit	330 HK	NR	n/a	0.91	n/a	2,576	Dec-20	n/a	n/a	n/a	n/a	(62.7)	0.0	n/a
Bauhaus Intl	483 HK	NR	n/a	0.62	n/a	228	Mar-21	n/a	n/a	n/a	n/a	53.5	0.0	n/a
							Avg.	11.5	9.6	1.8	1.6	10.6	0.2	6.5
							Med.	11.7	9.5	1.9	1.6	16.4	0.2	4.2
A-shares Apparel														
Dazzle Fashion	603587 CH	NR	n/a	17.39	n/a	10,361	Dec-20	11.5	9.9	2.2	2.0	20.4	0.6	5.5
Anzheng Fashion	603839 CH	NR	n/a	9.63	n/a	4,771	Dec-20	18.2	16.6	n/a	n/a	6.7	1.8	n/a
Ellassay Fashion	603808 CH	NR	n/a	12.42	n/a	5,676	Dec-20	12.6	10.6	1.6	1.4	14.0	2.5	3.3
Jinhong Fashion	603518 CH	NR	n/a	10.67	n/a	3,919	Dec-20	11.4	8.4	1.3	1.1	20.9	(0.1)	n/a
Xin Hee	003016 CH	NR	n/a	9.54	n/a	5,107	Dec-20	11.8	9.6	1.3	1.2	12.1	0.3	n/a
Shenzhen Huijie	002763 CH	NR	n/a	9.26	n/a	4,701	Dec-20	n/a	n/a	n/a	n/a	15.7	0.0	n/a
Peacebird Fashion	603877 CH	NR	n/a	23.49	n/a	13,866	Dec-20	12.3	10.1	2.5	2.2	25.1	0.5	4.3
Fujian Septwolves	002029 CH	NR	n/a	5.64	n/a	5,277	Dec-20	17.1	13.0	0.7	0.7	4.1	0.8	2.1
Baoxiniao	002154 CH	NR	n/a	4.43	n/a	8,004	Dec-20	10.7	8.8	1.5	1.3	15.4	0.3	1.8
Joeone	601566 CH	NR	n/a	12.00	n/a	8,538	Dec-20	29.1	19.1	1.7	1.6	3.6	5.9	3.3
Hla Group	600398 CH	NR	n/a	6.03	n/a	32,251	Dec-20	9.1	7.8	1.7	1.5	18.2	0.3	7.6
Jiangsu Hongdou	600400 CH	NR	n/a	3.37	n/a	9,561	Dec-20	63.6	50.3	2.2	2.2	2.7	4.3	n/a
							Avg.	18.8	14.9	1.7	1.5	13.2	1.4	4.0
							Med.	12.3	10.1	1.6	1.5	14.7	0.5	3.3
International Apparel														
Hugo Boss	BOSS GR	NR	n/a	52.56	n/a	32,319	Dec-20	28.7	20.0	4.1	3.5	6.3	(0.1)	1.5
Ted Baker	TED LN	NR	n/a	102.00	n/a	1,973	Jan-21	n/a	16.7	n/a	n/a	(21.7)	0.0	0.0
Next	NXT LN	NR	n/a	6812.00	n/a	94,429	Jan-21	13.0	12.2	9.2	7.5	88.3	0.3	3.6
Hennes & Mauritz	HMB SS	NR	n/a	155.40	n/a	210,571	Nov-21	17.0	14.8	4.1	3.9	19.2	1.1	5.2
Industria De Diseno	ITX SM	NR	n/a	23.05	n/a	627,460	Jan-21	19.8	17.5	4.5	4.3	20.2	0.3	4.3
Ovs Spa	OVS IM	NR	n/a	2.18	n/a	5,539	Jan-21	11.3	9.2	0.7	0.7	16.9	0.5	0.0
Pvh Corp	PVH US	NR	n/a	97.89	n/a	53,540	Jan-21	10.5	9.7	1.4	1.2	10.2	(0.1)	0.1
Vf Corp	VFC US	NR	n/a	58.02	n/a	176,359	Apr-21	18.1	16.0	6.3	6.1	41.1	0.3	3.4
Marks & Spencer	MKS LN	NR	n/a	173.45	n/a	35,606	Apr-21	8.2	9.2	1.4	1.3	1.1	(0.0)	0.3
							Avg.	15.8	13.9	4.0	3.6	20.2	0.3	2.1
							Med.	15.0	14.8	4.1	3.7	16.9	0.3	1.5

Source: Bloomberg, CMBIGM estimates

Assumptions

Figure 6: Major assumptions

Major assumptions	FY20A	FY21A	FY22E	FY23E	FY24E
Sales by brand (RMB mn)					
JNBY	1,762	2,299	2,414	2,703	3,001
CROQUIS	557	692	692	775	861
jnby by JNBY	444	657	657	749	846
less	261	391	446	513	585
Other brands	75	87	91	112	135
Total	3,099	4,126	4,300	4,852	5,427
Sales by brand growth (%)					
JNBY	-6.3%	30.5%	5.0%	12.0%	11.0%
CROQUIS	-13.5%	24.2%	0.0%	12.0%	11.0%
jnby by JNBY	-6.7%	47.8%	0.0%	14.0%	13.0%
less	-9.1%	50.0%	14.0%	15.0%	14.0%
Other brands	5.6%	15.5%	4.8%	22.7%	20.5%
Total	-7.7%	33.1%	4.2%	12.8%	11.8%
Sales by channel growth (%)					
Self-owned	-9.1%	29.7%	-0.5%	10.3%	9.4%
Distributors	-13.2%	33.9%	6.0%	12.0%	11.0%
Online	18.0%	42.4%	12.0%	21.0%	19.0%
Sales network by segment					
JNBY	881	926	961	976	991
CROQUIS	315	312	322	337	352
jnby by JNBY	436	470	480	490	500
less	184	185	205	215	225
Other brands	39	38	49	57	65
Total	1,855	1,931	2,017	2,075	2,133
GP margins by Channel					
JNBY	61.1%	63.5%	64.1%	64.7%	65.4%
CROQUIS	61.8%	61.9%	62.5%	63.7%	64.4%
jnby by JNBY	56.7%	61.6%	62.2%	62.7%	63.4%
less	62.0%	66.4%	64.0%	64.2%	64.9%
Other brands	19.3%	51.0%	46.4%	46.9%	47.2%
Total	59.7%	62.9%	63.2%	63.8%	64.4%
Opex breakdown					
Outsourcing charges/ sales	9.6%	8.1%	8.4%	8.4%	8.4%
Rental expenses/ sales	14.5%	11.9%	12.8%	12.6%	12.3%
Staff costs/ sales	8.7%	8.7%	9.5%	9.5%	9.6%
A&P expenses/ sales	4.6%	6.9%	8.3%	8.4%	8.4%
Provisions for inventory/ sales	5.7%	2.9%	2.7%	2.4%	2.0%
D&A/ sales	2.0%	1.7%	1.4%	1.4%	1.4%
Selling & distribution costs / sales	36.9%	34.6%	38.4%	37.9%	37.4%
Admin expenses / sales	8.9%	8.0%	8.6%	8.3%	8.0%
OP margins					
Effective tax rate	28.7%	27.0%	27.0%	27.0%	27.0%
Net profit margins					
Net profit margins	11.2%	15.7%	12.8%	13.8%	15.0%
Net profit att. growth (%)					
Net profit att. growth (%)	-28.5%	86.7%	-14.7%	21.5%	21.1%

Source: Company data, CMBIGM estimates

Financial Summary

Income statement

YE 30 Jun (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	3,099	4,126	4,300	4,852	5,427
Self-owned	1,354	1,756	1,748	1,927	2,109
Distributors	1,276	1,710	1,812	2,030	2,253
Online	464	661	740	895	1,066
Others	5	-	-	-	-
Cost of goods sold	(1,250)	(1,529)	(1,584)	(1,758)	(1,931)
Gross profit	1,850	2,597	2,716	3,094	3,496
Other income	56	44	55	57	64
Operating expenses	(1,421)	(1,757)	(2,020)	(2,240)	(2,463)
D & A	(10)	(13)	(16)	(19)	(23)
Staff costs	(246)	(316)	(382)	(429)	(477)
S & D costs (ex-staff, D&A)	(1,037)	(1,286)	(1,478)	(1,641)	(1,805)
Admin exp. (ex-staff, D&A)	(129)	(142)	(144)	(151)	(158)
Other operating expenses	-	-	-	-	-
EBIT	485	884	751	911	1,097
Finance costs, net	1	3	5	8	15
JVs & associates	-	-	-	-	-
Exceptional	-	-	-	-	-
Pre-tax profit	486	887	756	919	1,113
Income tax	(140)	(239)	(204)	(248)	(300)
Less: Minority interests	0	0	0	0	0
Net profit	347	647	552	671	812

Cash flow summary

YE 30 Jun (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBIT	485	884	751	911	1,097
D & A	52	74	96	119	142
Change in working capital	(73)	(27)	(9)	(28)	(25)
Income tax paid	(205)	(239)	(204)	(248)	(300)
Others	410	32	35	37	45
Net cash from operating	669	723	668	791	959
Capex & investments	(117)	(156)	(163)	(183)	(205)
Associated companies	-	-	-	-	-
Interest received	17	-	-	-	-
Others	(157)	-	-	-	-
Net cash from investing	(257)	(156)	(163)	(183)	(205)
Equity raised	(94)	-	-	-	-
Net change in bank loans	20	-	-	-	-
Dividend paid	(220)	(385)	(519)	(445)	(540)
Others	-	(29)	(29)	(29)	(29)
Net cash from financing	(294)	(414)	(548)	(475)	(570)
Net change in cash	118	153	(43)	133	184
Beginning cash balance	216	337	490	447	580
Exchange difference	3	-	-	-	-
Cash at the end of the year	337	490	447	580	764

Balance sheet

YE 30 Jun (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Non-current assets	728	810	877	942	1,005
Fixed asset	324	409	478	546	611
Intangible assets & goodwill	14	11	9	7	6
Prepaid lease payments	8	8	8	8	8
Interest in joint ventures	-	-	-	-	-
Other non-current assets	382	381	381	380	380
Current assets	2,106	2,577	2,594	2,915	3,289
Cash & cash equivalents	337	490	447	580	764
Inventories	904	1,106	1,146	1,272	1,397
Trade and other receivables	97	130	135	153	171
Prepayments	253	337	351	396	443
Other current assets	515	515	515	515	515
Current liabilities	1,257	1,548	1,598	1,758	1,923
Bank loans	188	188	188	188	188
Trade payables	182	222	230	256	281
Accruals & other payables	756	1,006	1,048	1,183	1,323
Tax payables	-	-	-	-	-
Others	132	132	132	132	132
Non-current liabilities	92	92	92	92	92
Bank loans	-	-	-	-	-
Deferred income	4	4	4	4	4
Deferred tax	15	15	15	15	15
Others	73	73	73	73	73
Minority interest	-	-	-	-	-
Total net assets	1,486	1,748	1,782	2,007	2,279
Shareholders' equity	1,486	1,748	1,782	2,007	2,279

Key ratios

YE 30 Jun	FY20A	FY21A	FY22E	FY23E	FY24E
Sales mix (%)					
Self-owned	43.7	42.6	40.6	39.7	38.9
Distributors	41.2	41.4	42.1	41.8	41.5
Online	15.0	16.0	17.2	18.5	19.6
Others	0.2	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0
P&L ratios (%)					
Gross margin	59.7	62.9	63.2	63.8	64.4
Operating margin	15.6	21.4	17.5	18.8	20.2
Pre-tax margin	15.7	21.5	17.6	18.9	20.5
Net margin	11.2	15.7	12.8	13.8	15.0
Effective tax rate	28.7	27.0	27.0	27.0	27.0
Balance sheet ratios					
Current ratio (x)	1.7	1.7	1.6	1.7	1.7
Quick ratio (x)	1.0	1.0	0.9	0.9	1.0
Cash ratio (x)	0.3	0.3	0.3	0.3	0.4
Inventory turnover days	264	264	264	264	264
Trade receivables days	11	11	11	11	11
Trade payables days	53	53	53	53	53
Total debt / total equity	13.5	11.5	11.2	10.0	8.8
Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Returns (%)					
ROE	23.3	37.0	31.0	33.4	35.6
ROA	12.2	19.1	15.9	17.4	18.9
Per share					
EPS (RMB)	0.67	1.29	1.09	1.32	1.59
DPS (RMB)	0.42	1.10	0.82	0.99	1.20
BVPS (RMB)	2.86	3.44	3.49	3.91	4.42

Source: Company data, CMBIGM estimates

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