

Anta Sports (2020 HK)

Factoring in a negative outlook for 2Q22E

Maintain BUY but cut our TP to HK\$ 110.53, based on unchanged 30x FY22E P/E. Even though we are factoring in a negative outlook for 2Q22E, we think the sentiment could bottom out, driven by more government stimulus or turnaround in covid-19 outbreaks. Current valuation of 25x FY22E P/E is not demanding, vs 5 year-average of 25x and int'l peers' average of 22x.

- 1Q22 retail sales missed slightly, but understandable due to pandemic in Mar 2022.** Anta's retail sales grew by high-teens (20%+ in Jan-Feb/ -5% in Mar) in 1Q22, below CMBI est. of 23%, but understandable given the pandemic. FILA retail sales grew by MSD YoY (high-teens in Jan-Feb/ -20% in Mar) in 1Q22, below CMBI est. of 17%, not that bad given the high base (75%-80% growth back in 1Q21), and far better than Pou Sheng's YoY sales decline of 43%. Other brands' retail sales growth were, in fact, quite impressive, at 40%-45% (60%+ in Jan-Feb/ negative growth in Mar), accelerated from 30%-35% in 4Q21. On the other hand, Anta/ FILA brands' retail discounts were both very healthy, at 27%/ 25% off in 1Q22, similar to 26%/ 24% off in 4Q21, while the inventory to sales were still controllable, at 5 months/ 6-7 months for Anta/ FILA in 1Q22, staying the same vs 4Q21.
- Factoring in the negative outlook for 2Q22E.** Due to worse than expected pandemic in Shanghai and Northeast China, retail sales could decline more in the first 2 weeks in Apr 2022 vs Mar 2022. Hence, management has now turned negative on 2Q22E and believe overall retail sales may achieve only 50%/ 70%/ 80% of its original target in Apr/ May/ Jun 2022 (assuming the outbreak could peak out from now on). As a result, we now forecast 27%/ 29% retail sales drop for Anta/ FILA in 2Q22E and 19%/ 5% listed co sales growth for Anta/ FILA in FY22E. Noted that no additional supports (e.g. no cancelled orders or refund) is needed for Anta's distributors for now.
- Guidance for FILA sales and its OP margin will likely be revised down.** FILA is under more pressure than Anta in FY22E, given its higher exposure to Tier 1 cities and its heavier inventory level. Also, retail discounts is likely to be higher in 2Q22E and 3Q22E to de-stock, plus the operating leverage (~50% of opex are fixed, so as many long-term investments on new products and brand equity), FILA's OP margin may decline to 21% in FY22E.
- Maintain BUY and revised down our TP to HK\$ 110.53.** We maintain BUY but revised down TP to HK\$ 110.53, based on 30x FY22E P/E (unchanged). We cut our FY22E/ 23E/ 24E NP forecasts by 9%/ 6%/ 5%, to factor in: 1) slower sales growth and 2) lower OP margins. Current valuation is not too demanding at 25x FY22E P/E, vs 5 year-average of 25x P/E.

Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	35,512	49,328	56,356	66,744	75,595
YoY growth (%)	4.7	38.9	14.2	18.4	13.3
Net income (RMB mn)	5,162	7,720	8,529	10,748	12,559
EPS (RMB)	1.86	2.77	3.06	3.85	4.50
YoY growth (%)	(3.2)	49.2	10.5	26.0	16.8
Consensus EPS (RMB)	n/a	n/a	3.40	4.25	5.04
P/E (x)	42.2	27.9	25.3	20.1	17.2
P/B (x)	8.8	7.2	6.1	5.0	4.1
Yield (%)	0.7	1.7	1.2	1.7	2.3
ROE (%)	21.5	26.7	24.9	25.5	24.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$110.53**
 (Previous TP **HK\$121.33**)
 Up/Downside **+18.7%**
 Current Price **HK\$93.10**

China Sportswear Sector

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Stock Data

Mkt Cap (HK\$ mn)	252,638
Avg 3 mths t/o (HK\$ mn)	1021.29
52w High/Low (HK\$)	191.37/79.35
Total Issued Shares (mn)	2,713.6

Source: Bloomberg

Shareholding Structure

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

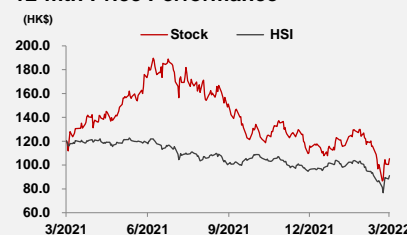
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.7%	-12.2%
3-mth	-22.9%	-11.9%
6-mth	-27.3%	-15.1%
12-mth	-34.3%	-12.4%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

- Anta Sports (2020 HK, BUY) – A mixed guidance but long-term growth intact – 23 Mar 2022
- Anta Sports (2020 HK, BUY) – 4Q21 inline but we are prudent about FY22E – 20 Jan 2022
- Anta Sports (2020 HK, BUY) – Reset expectations and long-term target remains intact – 19 Oct 2021

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	56,356	66,744	75,595	60,601	71,663	81,036	-7.0%	-6.9%	-6.7%
Gross profit	34,744	41,352	46,873	37,457	44,505	50,361	-7.2%	-7.1%	-6.9%
EBIT	11,657	14,389	16,630	12,953	15,340	17,439	-10.0%	-6.2%	-4.6%
Net profit att.	8,529	10,748	12,559	9,362	11,385	13,168	-8.9%	-5.6%	-4.6%
Diluted EPS (RMB)	3.058	3.854	4.503	3.357	4.082	4.722	-8.9%	-5.6%	-4.6%
Gross margin	61.7%	62.0%	62.0%	61.8%	62.1%	62.1%	-0.2ppt	-0.1ppt	-0.1ppt
EBIT margin	20.7%	21.6%	22.0%	21.4%	21.4%	21.5%	-0.7ppt	0.2ppt	0.5ppt
Net profit att. margin	15.1%	16.1%	16.6%	15.4%	15.9%	16.2%	-0.3ppt	0.2ppt	0.4ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	56,356	66,744	75,595	58,830	70,365	82,579	-4.2%	-5.1%	-8.5%
Gross profit	34,744	41,352	46,873	36,124	43,414	51,130	-3.8%	-4.7%	-8.3%
EBIT	11,657	14,389	16,630	13,288	16,532	19,387	-12.3%	-13.0%	-14.2%
Net profit att.	8,529	10,748	12,559	9,250	11,578	13,748	-7.8%	-7.2%	-8.7%
Diluted EPS (RMB)	3.058	3.854	4.503	3.404	4.246	5.035	-10.2%	-9.2%	-10.6%
Gross margin	61.7%	62.0%	62.0%	61.4%	61.7%	61.9%	0.2ppt	0.3ppt	0.1ppt
EBIT margin	20.7%	21.6%	22.0%	22.6%	23.5%	23.5%	-1.9ppt	-1.9ppt	-1.5ppt
Net profit att. margin	15.1%	16.1%	16.6%	15.7%	16.5%	16.6%	-0.6ppt	-0.4ppt	0ppt

Source: Bloomberg, CMBIGM estimates

Operating numbers

Figure 3: Sportswear brands sales growth trend

Operating numbers	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22E	2Q22E	3Q22E	4Q22E
Nike China sales	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	16.0%	14.0%	11.0%	15.0%	-58.0%	0.0%	-5.0%	7.0%	156.0%	-16.0%	-15.0%	-24.0%				
Anta brand's SSSG																
Anta brand's retail sales	+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	+ve High-teens	-26.5%	20.0%	25.0%
Core brand	+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	+ve Mid-teens			
Kids	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	20%-25%			
Online	+ve Mid-teens	25%	35%	Over 40%	+ve MSD	Over 40%	Over 50%	Over 25%	Over 60%	Over 45%	25%-30%	30%-35%	Over 30%			
Non-Anta brands (FILA/ 65%-70% 55%-60%)																
FILA brand's retail sales			50%-55%	50%-55%	-ve MSD	+ve Low-teens	20%-25%	25%-30%	75%-80%	30%-35%	+ve MSD	+ve HSD	+ve MSD	-28.5%	15.0%	15.0%
Classic/ Core brand				Over 40%	-ve 20%-25%	+ve MSD	+ve MSD	+ve MSD	80%	Over 20%	Flat	Flat	-ve MSD			
Kids				Over 70%	-ve LSD	Over 30%	Over 30%	Over 20%	100%	Over 40%	+ve Mid-teens	+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	Over 20%			
Online				Over 70%	160%	Over 80%	Over 90%	70%-80%	Over 40%	Over 40%	20%-25%	25%-30%	Over 20%			
Other brands																
			30%-35%	25%-30%	-ve HSD	25%-30%	50%-55%	55%-60%	115%-120%	70%-75%	35%-40%	30%-35%	40%-45%			
Descente	Over 100%	Over 90%	50%	50%	+ve Mid-teens	Over 60%	90%	Over 80%	150%	100%	50%	40%-45%	40%-45%			
Kolon		15%	20%	20%	-ve High-teens	+ve LSD	20%-25%	30%-40%	Over 75%	40%	30%	-ve High-teens	40%-45%			
Li Ning group's SSSG																
Li Ning group's retail sales	+ve Mid-teens	+ve Mid-teens	+ve High-teens	+ve Low-twenties	n/a	-ve MSD	+ve LSD	+ve Low-teens	n/a	+ve Low 80%	+ve High 20%	+ve Low 20%				
Direct retail	+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 Mid 30%	+ve Mid 20%				
Wholesales	+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%	+ve High-teens				
E- Commerce	+ve High 30%	+ve Mid 30%	+ve Mid 30%	+ve Low 40%	+ve Low-teens	+ve Mid 20%	+ve High 30%	+ve Low 30%	n/a	+ve High 80%	+ve Mid 30%	+ve High 20%				
Li Ning group's retail sales	+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%	+ve Low 30%	28.0%	0.0%	20.0%	20.0%
Direct retail	+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%	+ve High 20%				
Wholesales	+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%	+ve High 20%				
E- Commerce	+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%	+ve Low 40%				
Xtep's SSSG																
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%	30%-35%	10.0%	20.0%	20.0%
361 Degrees' SSSG																
361 Degree's retail sales	+ve LSD	+ve LSD	+ve LSD	+ve LSD	-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	8.4%	4.2%	6.0%	1.9%	-32.5%	-17.8%										
Pou Sheng's sales	19.9%	18.9%	21.9%	19.1%	-25.1%	0.3%	-0.3%	1.0%	47.8%	-15.0%	-25.1%	-26.7%	-25.0%	-10.0%	10.0%	15.0%
Dong Xiang's SSSG																
Dong Xiang's retail sales	-ve LSD	+ve MSD	+ve Mid to High SD	+ve High 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	-ve Mid to 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	-ve Mid-teens				
Direct retail	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, CMBIGM estimates, *Nike's year end is in May (e.g. 4Q18 calendar year = 2Q19 fiscal year = Sep-Nov 2018)

Valuation

Figure 4: 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	110.53	93.10	19%	252,638	Dec-21	25.3	20.1	5.7	4.7	29.2	1.4	1.7	
Li Ning Co	2331 HK	BUY	81.04	63.95	27%	167,347	Dec-21	28.0	22.5	5.8	4.8	26.9	1.3	1.1	
Xtep Intl	1368 HK	BUY	16.21	11.30	43%	29,723	Dec-21	20.3	16.2	2.8	2.5	12.0	0.8	2.9	
361 Degrees Intl	1361 HK	NR	n/a	4.12	n/a	8,519	Dec-21	10.3	9.1	0.9	0.8	8.8	1.0	3.3	
Topsports Intl	6110 HK	NR	n/a	6.40	n/a	39,688	Feb-21	11.5	9.6	2.9	2.5	26.5	0.7	4.4	
Pou Sheng Intl	3813 HK	NR	n/a	0.97	n/a	5,166	Dec-21	5.6	3.9	0.5	0.4	4.5	0.1	2.9	
China DX	3818 HK	NR	n/a	0.47	n/a	2,767	Mar-21	n/a	3.5	0.2	0.2	(0.5)	0.0	n/a	
								Avg.	16.8	12.1	2.7	2.3	15.3	0.8	2.7
								Med.	15.9	9.6	2.8	2.5	12.0	0.8	2.9
International Sportswear															
Nike	NKE US	NR	n/a	133.46	n/a	1,647,578	May-21	35.9	28.8	14.4	12.5	45.7	2.4	0.9	
Adidas	ADS GY	NR	n/a	201.00	n/a	327,297	Dec-21	20.8	17.2	5.2	4.7	30.3	3.8	1.9	
Puma	PUM GY	NR	n/a	75.36	n/a	96,346	Dec-21	27.6	21.7	4.7	4.1	15.7	1.2	1.2	
Under Armour	UAA US	NR	n/a	16.06	n/a	57,505	Mar-23	22.1	20.4	n/a	2.6	19.1	2.5	n/a	
Lululemon	LULU US	NR	n/a	390.78	n/a	392,105	Jan-22	41.5	35.2	14.6	11.1	36.8	2.1	0.0	
Skechers	SKX US	NR	n/a	39.77	n/a	49,840	Dec-21	13.6	11.0	1.6	1.4	25.8	(6.5)	0.0	
Vf Corp	VFC US	NR	n/a	56.20	n/a	171,447	Apr-21	17.5	15.5	6.4	6.0	41.1	0.3	3.5	
Columbia	COLM US	NR	n/a	88.33	n/a	44,700	Dec-21	15.4	13.7	2.7	2.5	18.5	1.4	1.3	
Wolverine	WWW US	NR	n/a	22.12	n/a	14,122	Jan-22	8.6	7.5	2.4	2.0	11.3	0.1	2.6	
Mizuno Corp	8022 JP	NR	n/a	2078.00	n/a	3,428	Mar-21	17.5	12.7	0.5	0.5	7.6	1.7	2.4	
Asics Corp	7936 JP	NR	n/a	2077.00	n/a	24,476	Dec-21	23.8	18.3	2.5	2.3	6.9	0.7	1.5	
								Avg.	22.2	18.4	5.5	4.5	23.5	0.9	1.5
								Med.	20.8	17.2	3.7	2.6	19.1	1.4	1.4

Source: Bloomberg, CMBIGM estimates

Assumptions

Figure 5: Major assumptions

Major assumptions	FY20A	FY21A	FY22E	FY23E	FY24E
Sales by segment growth (%)					
Shoes	11.3%	50.7%	10.0%	17.0%	12.5%
Apparels	1.3%	32.1%	17.4%	19.7%	13.8%
Accessories	1.8%	36.5%	8.0%	12.0%	12.0%
Total	4.7%	38.9%	14.2%	18.4%	13.3%
Sales by brand growth (%)					
Anta	-10.9%	67.5%	18.0%	17.0%	13.0%
Anta Kids	-37.0%	50.0%	19.0%	18.0%	15.0%
FILA	18.1%	25.1%	5.0%	16.0%	10.0%
Descente & Others	35.4%	51.1%	35.0%	30.0%	25.0%
E-commerce	13.8%	20.2%	25.0%	23.0%	15.0%
Total	4.7%	38.9%	14.2%	18.4%	13.3%
Sales network					
Anta	6,851	6,422	6,472	6,502	6,522
Anta Kids	3,071	2,981	3,051	3,121	3,171
FILA	2,006	2,054	2,154	2,254	2,354
Descente & Others	457	459	574	699	909
Total	12,385	11,916	12,251	12,576	12,956
GP margins					
Anta	44.7%	52.2%	54.3%	54.9%	55.2%
FILA	69.3%	70.5%	70.0%	70.0%	70.0%
Others	65.9%	71.0%	66.0%	66.0%	66.0%
Total	58.2%	61.6%	61.7%	62.0%	62.0%
Opex breakdown					
A&P Expenses / sales	10.0%	12.4%	12.4%	11.8%	11.5%
Labour costs / sales	12.5%	13.5%	14.3%	14.4%	14.5%
R & D expenses / sales	5.9%	5.9%	6.0%	6.0%	6.0%
Rental expenses/ sales	10.4%	11.6%	11.8%	11.7%	11.6%
Selling & distribution costs / sales	30.3%	36.0%	36.1%	35.6%	35.3%
Admin expenses / sales	6.0%	5.9%	6.9%	6.8%	6.7%
OP margin					
Anta	28.3%	20.6%	21.0%	21.8%	21.7%
FILA	25.8%	24.7%	21.0%	22.0%	23.0%
Others	8.4%	18.4%	21.2%	22.0%	23.0%
Total	25.8%	22.3%	21.0%	21.9%	22.3%
Effective tax rate	31.2%	26.9%	26.0%	26.0%	26.0%
NP att. margin	14.5%	15.7%	15.1%	16.1%	16.6%
NP att. growth	-3.4%	49.6%	10.5%	26.0%	16.8%

Source: Company data, CMBIGM estimates

Financial Summary

Income statement						Cash flow summary					
YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	35,512	49,328	56,356	66,744	75,595	EBIT	8,826	11,372	11,657	14,389	16,630
Footwear	12,700	19,139	21,053	24,632	27,711	D & A	490	572	744	573	555
Apparel	21,671	28,632	33,622	40,229	45,775	Change in working capital	(3,461)	(282)	1,763	(677)	(440)
Accessories	1,141	1,557	1,682	1,883	2,109	Income tax paid	(2,181)	(2,677)	(3,171)	(3,996)	(4,669)
Cost of goods sold	(14,861)	(18,924)	(21,613)	(25,392)	(28,722)	Others	3,783	2,876	849	1,070	1,299
Gross profit	20,651	30,404	34,744	41,352	46,873	Net cash from operating	7,458	11,861	11,842	11,359	13,374
Other income	1,063	1,649	1,118	1,324	1,500	Capex & investments	(785)	(2,585)	(789)	(801)	(907)
Operating expenses	(12,888)	(20,681)	(24,205)	(28,287)	(31,743)	Associated companies	-	-	-	-	-
S & D costs	(10,766)	(17,753)	(20,662)	(24,242)	(27,204)	Interest received	-	-	-	-	-
Admin exp. (ex-R&D)	(1,251)	(1,812)	(2,210)	(2,459)	(2,732)	Others	(1,138)	(2,084)	-	-	-
R & D exp.	(871)	(1,116)	(1,332)	(1,587)	(1,807)	Net cash from investing	(1,923)	(4,669)	(789)	(801)	(907)
Other operating exp.	-	-	-	-	-	Equity raised	21	-	-	-	-
EBIT	8,826	11,372	11,657	14,389	16,630	Net change in bank loans	(3,343)	(196)	-	-	-
Finance costs, net	(136)	(51)	426	647	876	Dividend paid	(1,404)	(2,456)	(3,166)	(2,904)	(4,011)
JVs & associates	(601)	(81)	113	334	454	Others	5,955	(2,295)	(423)	(423)	(423)
Exceptional	-	-	-	-	-	Net cash from financing	1,229	(4,947)	(3,589)	(3,328)	(4,434)
Pre-tax profit	8,089	11,240	12,196	15,370	17,959	Net change in cash	6,764	2,245	7,464	7,230	8,033
Income tax	(2,520)	(3,021)	(3,171)	(3,996)	(4,669)	Beginning cash balance	8,221	15,323	17,592	25,056	32,286
Less: Minority interests	407	499	496	626	731	Exchange difference	338	24	-	-	-
Net profit	5,162	7,720	8,529	10,748	12,559	Cash at the end of the year	15,323	17,592	25,056	32,286	40,319

Balance sheet						Key ratios					
YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Non-current assets	19,150	22,766	22,924	23,486	24,292	Sales mix (%)					
Fixed asset	2,184	2,853	3,167	3,635	4,221	Footwear	35.8	38.8	37.4	36.9	36.7
Intangible assets & goodwill	1,579	1,531	1,263	1,023	789	Apparel	61.0	58.0	59.7	60.3	60.6
Prepaid lease payments	46	43	43	43	43	Accessories	3.2	3.2	3.0	2.8	2.8
Interest in joint ventures	9,658	9,027	9,140	9,473	9,927	Total	100.0	100.0	100.0	100.0	100.0
Other non-current assets	5,683	9,312	9,312	9,312	9,312	P&L ratios (%)					
Current assets	32,717	39,902	47,043	57,045	67,322	Gross margin	58.2	61.6	61.7	62.0	62.0
Cash and cash equivalents	15,323	17,592	25,056	32,286	40,319	Operating margin	24.9	23.1	20.7	21.6	22.0
Inventories	5,486	7,644	6,336	7,652	8,656	Pre-tax margin	22.8	22.8	21.6	23.0	23.8
Trade and other receivables	6,614	6,914	7,899	9,355	10,596	Net margin	14.5	15.7	15.1	16.1	16.6
Prepayments	-	-	-	-	-	Effective tax rate	29.0	26.7	26.0	26.0	26.0
Other current assets	5,294	7,752	7,752	7,752	7,752	Balance sheet ratios					
Current liabilities	11,715	15,943	17,383	19,479	21,283	Current ratio (x)	2.8	2.5	2.7	2.9	3.2
Bank loans	1,968	1,748	1,748	1,748	1,748	Quick ratio (x)	2.3	2.0	2.3	2.5	2.8
Trade payables	2,376	3,146	3,593	4,221	4,775	Cash ratio (x)	131	110	144	166	189
Accruals & other payables	4,572	6,969	7,962	9,430	10,680	Inventory turnover days	135	147	107	110	110
Tax payables	1,507	1,816	1,816	1,816	1,816	Trade receivables days	68	51	51	51	51
Others	1,292	2,264	2,264	2,264	2,264	Trade payables days	58	61	61	61	61
Non-current liabilities	14,328	15,062	15,062	15,062	15,062	Total debt / total equity ratio (%)	60	46	39	31	26
Bank loans	12,456	11,425	11,425	11,425	11,425	Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Deferred income	99	74	74	74	74	Returns (%)					
Deferred tax	527	655	655	655	655	ROE	21.5	26.7	24.9	25.5	24.8
Others	1,246	2,908	2,908	2,908	2,908	ROA	10.0	12.3	12.2	13.3	13.7
Minority Interest	1,811	2,740	3,236	3,862	4,593	Per share					
Total net assets	24,013	28,923	34,285	42,129	50,677	EPS (RMB)	1.86	2.77	3.06	3.85	4.50
Shareholders' equity	24,013	28,923	34,285	42,129	50,677	DPS (RMB)	0.58	1.32	0.92	1.33	1.74
						BVPS (RMB)	8.88	10.70	12.68	15.58	18.75

Source: Company data, CMBIS estimates

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