

# Yum China (9987 HK)

## Constructive efforts but still under pressure

1Q22 result was a miss, but we still have to give credits to its efforts and outperformance. However, due to uncertain COVID situation in 2Q22E and costs pressure ahead, we tend to be cautious at the moment. Hence we maintain HOLD and cut TP to HK\$ 287.57, based on 25x FY22E P/E, vs 5 years average of 26x.

- 1Q21 result missed, mostly on the costs side.** For 1Q21, sales grew by 4% YoY to US\$2.67bn, inline with BBG est., while net profit fell by 57% YoY to US\$100mn, missed BBG est. by 23%. Despite the pandemic, its SSS only fell by 8%, far better than Starbucks China's 23% and we think the miss was mostly due to weaker-than-expected margins, given 1) more promotions to draw traffic, 2) greater commodity inflation, 3) higher-than-expected delivery costs (incl. rider and fuel costs) and 4) operating deleverage (esp. on wages and rental expenses). KFC/ Pizza Hut's restaurant level margin was weak at 15%/ 11%, far below pre-COVID level of 20%/ 13%, but better than 13%/ 0% in 1Q20.
- Excellent efforts so far, but 2Q22E outlook is still highly dependent on COVID-19 situation.** YUMC was very agile and implemented many new initiatives, such as: 1) keeping 10-15% stores open and generating 40-50% of pre-lockdown sales in Shanghai, thru a simplified menu and delivery; 2) launching community purchases and new retail, selling ready-to-eat/ heat/ cook packed food (made up 1-2% of sales in FY21 and grew by ~100% in 1Q22). We believe these efforts will become an important driving force when the market recovers. However, we are still cautious about 2Q22E, because 1) SSSG in Apr fell by more than 20% (3,000 stores were affected, vs 1,200 in Mar), 2) many cities are still being affected, like Beijing (dine-in was suspended during 5-1 holidays), Guangzhou, Shenzhen, Suzhou and Tianjin, etc. and 3) business in transportation hubs are still far below water. Management also highlighted, if the outbreak persists, 2Q22E could be loss-making. **Moreover, costs pressure and operating deleverage could linger in FY22E.**
- FY22E new store opening target maintained and a bigger game plan for Taco Bell.** Despite some delays in Mar and Apr 2022, YUMC is still going to open 1,000-1,200 net stores in FY22E (and to spend US\$ 800mn to 1bn capex), as the payback period for KFC/ Pizza Hut are very healthy at 2/ 3 years. However, the number of stores being revamped could be reduced in FY22E. After signing a new and milestone Master License Agreement with YUM! Brand, Taco Bell will speed up its expansion and open 100 stores in FY22E and at least 225 stores by FY25E.
- Maintain HOLD and cut TP to HK\$ 287.57,** based on an unchanged 25x FY22E P/E. We revised down FY22E/ 23E/ 24E net profit by 16%/ 5%/ 5%, to factor in 1) lower SSSG and 2) greater costs pressure. YUMC is trading at 29x FY22E P/E, not too attractive in our view, given 7% EBIT CAGR in FY21-24E.

### Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (USD mn)	8,263	9,853	10,475	12,069	13,379
YoY growth (%)	(5.8)	19.2	6.3	15.2	10.9
Net income (USD mn)	784	990	654	910	1,093
Diluted EPS (USD)	1.89	2.26	1.48	2.06	2.45
YoY growth (%)	4.5	19.6	(34.4)	38.4	19.4
Consensus EPS (USD)	n/a	n/a	1.58	2.15	2.57
P/E (x)	22.6	18.9	28.8	20.8	17.4
P/B (x)	2.8	2.3	2.2	2.0	1.8
Yield (%)	0.5	1.2	0.9	1.2	1.4
ROE (%)	12.1	12.5	7.8	9.9	10.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

### HOLD (Maintain)

Target Price	HK\$287.57
(Previous TP)	HK\$343.43)
Up/Downside	-13.3%
Current Price	HK\$331.60

### China Catering Sector

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#### Stock Data

Mkt Cap (HK\$ mn)	140,497
Avg 3 mths t/o (HK\$ mn)	103.90
52w High/Low (HK\$)	544.00/ 281.00
Total Issued Shares (mn)	424

Source: Bloomberg

#### Shareholding Structure

Primavera Capital	5.7%
BlackRock	7.1%
Invesco	9.0%
Management	0.2%
Free Float	78.0%

Source: HKEx

#### Share Performance

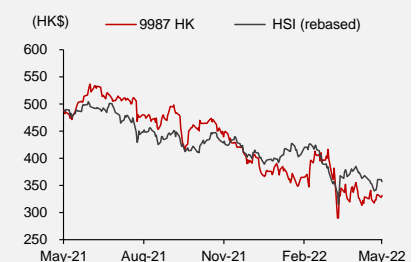
	Absolute	Relative
1-mth	-2.7%	1.6%
3-mth	-10.0%	1.5%
6-mth	-25.3%	-11.5%
12-mth	-33.2%	-10.2%

Source: Bloomberg

#### 12-mth Price Performance

Source: Bloomberg

#### Auditor: KPMG



#### Related Reports

- Yum China (9987 HK, HOLD) – Headwinds likely to stay after a weak 4Q21 – 10 Feb 2022
- Yum China (9987 HK, HOLD) – Headwinds linger despite faster expansion – 29 Oct 2021
- Yum China (9987 HK, BUY) – Guidance was in-line but coffee will accelerate – 24 Sep 2021

## Earnings revision

Figure 1: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	10,475	12,069	13,379	11,269	12,743	14,128	-7.0%	-5.3%	-5.3%
Gross profit	7,346	8,512	9,445	8,004	9,079	10,075	-8.2%	-6.2%	-6.3%
Operating Profit	822	1,158	1,395	996	1,224	1,467	-17.4%	-5.4%	-4.9%
Net profit	654	910	1,093	781	960	1,147	-16.3%	-5.2%	-4.8%
EPS (US\$ cents)	1.485	2.056	2.454	1.773	2.169	2.576	-16.3%	-5.2%	-4.8%
Gross margin	70.1%	70.5%	70.6%	71.0%	71.2%	71.3%	-0.9ppt	-0.7ppt	-0.7ppt
EBIT margin	7.9%	9.6%	10.4%	8.8%	9.6%	10.4%	-1ppt	0ppt	0ppt
Net profit att. margin	6.2%	7.5%	8.2%	6.9%	7.5%	8.1%	-0.7ppt	0ppt	0ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ mn	CMBIGM			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	10,475	12,069	13,379	10,995	12,423	13,718	-4.7%	-2.8%	-2.5%
Gross profit	7,346	8,512	9,445	7,812	8,831	9,756	-6.0%	-3.6%	-3.2%
Operating Profit	822	1,158	1,395	892	1,191	1,365	-7.8%	-2.8%	2.2%
Net profit	654	910	1,093	708	936	1,097	-7.6%	-2.7%	-0.4%
EPS (US\$ cents)	1.485	2.056	2.454	1.575	2.145	2.566	-5.7%	-4.2%	-4.4%
Gross Margin	70.1%	70.5%	70.6%	71.0%	71.1%	71.1%	-0.9ppt	-0.6ppt	-0.5ppt
Operating Margin	7.9%	9.6%	10.4%	8.1%	9.6%	10.0%	-0.3ppt	0ppt	0.5ppt
Net Margin	6.2%	7.5%	8.2%	6.4%	7.5%	8.0%	-0.2ppt	0ppt	0.2ppt

Source: Company data, CMBIGM estimates

## Assumptions

Figure 3: CMBIGM' assumptions

Major assumptions	FY20A	FY21A	FY22E	FY23E	FY24E
KFC - dine in sales	4,152	4,818	4,894	5,303	5,365
KFC - delivery sales	1,623	2,185	2,841	3,636	4,581
PH - dine in sales	1,146	1,340	1,268	1,468	1,629
PH- delivery sales	642	769	961	1,106	1,216
Others	701	741	511	556	588
Total	8,263	9,853	10,475	12,069	13,379
<b>Sales by segment growth (%)</b>					
KFC - dine in sales	-15.5%	16.0%	1.6%	8.4%	1.2%
KFC - delivery sales	43.7%	34.7%	30.0%	28.0%	26.0%
PH - dine in sales	-25.0%	17.0%	-5.4%	15.8%	10.9%
PH- delivery sales	21.7%	19.8%	25.0%	15.0%	10.0%
Others	2.8%	5.7%	-31.0%	8.6%	5.9%
Total	-5.8%	19.2%	6.3%	15.2%	10.9%
<b>Sales network by brand</b>					
KFC	7,166	8,168	9,008	9,848	10,488
Pizza Hut	2,355	2,590	2,830	3,070	3,310
Others	985	1,030	1,110	1,190	1,270
Total	10,506	11,788	12,948	14,108	15,068
<b>Restaurant profit margin by brand</b>					
KFC	15.8%	14.5%	13.7%	15.7%	16.3%
Pizza hut	10.5%	10.6%	8.5%	10.1%	11.1%
Others	-0.4%	-1.3%	-0.2%	-0.2%	0.4%
Total	14.8%	13.7%	11.9%	13.8%	14.5%
<b>Costs breakdown</b>					
Food and paper/ sales	28.3%	28.5%	29.9%	29.5%	29.4%
Payroll and employee benefits/ sales	20.9%	22.9%	24.3%	24.2%	24.0%
Rental and other operating expenses/ sales	26.9%	27.0%	27.8%	27.0%	27.0%
G & A expenses/ sales	5.8%	5.7%	5.2%	5.2%	5.0%
Franchisees expenses/ sales	7.7%	6.6%	3.9%	3.5%	3.2%
Effective tax rate	26.6%	26.5%	25.5%	25.0%	25.0%
<b>NP att. margin</b>	<b>9.5%</b>	<b>10.0%</b>	<b>6.2%</b>	<b>7.5%</b>	<b>8.2%</b>
<b>NP att. growth (%)</b>	<b>10.0%</b>	<b>26.3%</b>	<b>-34.0%</b>	<b>39.2%</b>	<b>20.0%</b>

Source: Company data, CMBIGM estimates

## 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	
<b>Leading Greater China Catering</b>															
Yum China	9987 HK	HOLD	287.57	331.60	-13%	140,497	Dec-21	28.8	20.8	2.2	2.0	13.8	10.5	0.9	
Jiumaojiu	9922 HK	BUY	17.83	16.90	6%	24,563	Dec-21	40.1	24.9	5.6	4.6	11.1	0.8	0.6	
Haidilao	6862 HK	BUY	15.59	14.80	5%	82,495	Dec-21	48.7	24.4	7.5	6.0	(45.9)	(0.2)	0.5	
Nayuki	2150 HK	HOLD	5.69	4.74	20%	8,130	Dec-21	221.7	21.9	1.5	1.4	n/a	(1.5)	0.0	
Helens	9869 HK	NR	n/a	10.60	n/a	13,429	Dec-20	262.5	23.8	4.9	4.1	56.2	n/a	0.1	
Tam Jai	2217 HK	NR	n/a	2.95	n/a	3,954	Mar-21	14.3	10.3	2.1	1.8	62.4	1.2	4.3	
Cafe De Coral	341 HK	BUY	19.05	12.86	48%	7,532	Mar-21	32.6	19.8	2.4	2.3	9.6	2.7	1.7	
Xiabuxiabu	520 HK	NR	n/a	3.18	n/a	3,453	Dec-21	26.2	9.8	1.4	1.3	n/a	(0.1)	1.9	
Yihai	1579 HK	BUY	108.52	21.65	401%	22,665	Dec-21	22.2	18.8	4.0	3.4	21.6	1.7	1.3	
Gourmet Master	2723 TT	NR	n/a	93.80	n/a	4,487	Dec-21	16.2	13.5	1.4	1.4	10.1	1.8	4.7	
								<b>Avg.</b>	<b>71.3</b>	<b>18.8</b>	<b>3.3</b>	<b>2.8</b>	<b>17.4</b>	<b>1.9</b>	<b>1.6</b>
								<b>Med.</b>	<b>30.7</b>	<b>20.3</b>	<b>2.3</b>	<b>2.2</b>	<b>12.5</b>	<b>1.2</b>	<b>1.1</b>
<b>Other Greater China Catering</b>															
Tai Hing	6811 HK	NR	n/a	1.27	n/a	1,275	Dec-21	7.9	6.7	1.1	1.1	9.2	0.2	9.4	
Ajisen China	538 HK	NR	n/a	1.09	n/a	1,190	Dec-21	n/a	n/a	n/a	n/a	0.7	n/a	n/a	
								<b>Avg.</b>	<b>7.9</b>	<b>6.7</b>	<b>n/a</b>	<b>n/a</b>	<b>7.2</b>	<b>n/a</b>	<b>9.4</b>
								<b>Med.</b>	<b>7.9</b>	<b>6.7</b>	<b>n/a</b>	<b>n/a</b>	<b>4.9</b>	<b>n/a</b>	<b>9.4</b>
<b>Greater China Catering</b>															
								<b>Avg.</b>	<b>65.6</b>	<b>17.7</b>	<b>3.1</b>	<b>2.7</b>	<b>14.0</b>	<b>1.7</b>	<b>2.3</b>
								<b>Med.</b>	<b>28.8</b>	<b>19.8</b>	<b>2.2</b>	<b>2.0</b>	<b>10.6</b>	<b>1.0</b>	<b>1.3</b>
<b>International Catering</b>															
Yum! Brands	YUM US	NR	n/a	115.07	n/a	260,294	Dec-21	24.1	20.9	n/a	n/a	n/a	4.2	1.9	
Mcdonald'S	MCD US	NR	n/a	245.87	n/a	1,427,184	Dec-21	25.1	22.7	n/a	n/a	n/a	4.8	2.3	
Starbucks Corp	SBUX US	NR	n/a	74.33	n/a	669,111	Oct-21	24.0	20.4	n/a	n/a	n/a	4.2	2.6	
Rest' Brands	QSR US	NR	n/a	55.16	n/a	196,183	Dec-21	18.6	16.7	9.5	10.0	36.1	1.5	3.9	
Chipotle	CMG US	NR	n/a	1447.5	n/a	317,698	Dec-21	45.3	34.1	15.6	12.8	32.3	1.4	0.0	
Darden	DRI US	NR	n/a	130.65	n/a	127,910	May-21	17.7	15.8	7.3	6.8	42.8	0.7	3.4	
Domino'S Pizza	DPZ US	NR	n/a	343.84	n/a	97,277	Jan-22	26.2	22.3	n/a	n/a	n/a	2.8	1.3	
Wendy'S Co	WEN US	NR	n/a	19.22	n/a	32,493	Jan-22	22.1	18.4	13.6	12.1	40.6	2.0	2.5	
Shake Shack	SHAK US	NR	n/a	58.60	n/a	19,377	Dec-21	n/a	215.4	5.8	5.8	(2.1)	n/a	n/a	
Wingstop Inc	WING US	NR	n/a	89.17	n/a	20,910	Dec-21	57.8	45.6	n/a	n/a	n/a	3.0	0.8	
Jollibee Foods	JFC PM	NR	n/a	222.00	n/a	36,831	Dec-21	41.5	29.4	3.9	3.6	9.0	2.6	1.0	
								<b>Avg.</b>	<b>30.2</b>	<b>42.0</b>	<b>9.3</b>	<b>8.5</b>	<b>26.5</b>	<b>2.7</b>	<b>2.0</b>
								<b>Med.</b>	<b>24.6</b>	<b>22.3</b>	<b>8.4</b>	<b>8.4</b>	<b>34.2</b>	<b>2.7</b>	<b>2.1</b>
<b>H-shares Consumer Staples</b>															
UPC	220 HK	NR	n/a	6.88	n/a	29,717	Dec-21	16.2	14.4	1.8	1.8	10.9	1.8	6.5	
Tingyi	322 HK	NR	n/a	14.54	n/a	81,887	Dec-21	19.2	16.2	4.0	4.0	19.1	2.3	6.3	
Want Want	151 HK	NR	n/a	7.26	n/a	86,391	Mar-21	17.2	15.9	4.5	4.2	29.5	2.0	3.8	
China Mengniu*	2319 HK	BUY	57.0	41.80	n/a	165,247	Dec-21	23.2	19.4	3.3	2.9	14.4	1.3	1.2	
Vitasoy	345 HK	NR	n/a	14.24	n/a	15,237	Mar-21	n/a	46.7	4.6	4.2	(2.6)	n/a	0.2	
Budweiser*	1876 HK	BUY	20.40	19.66	n/a	260,365	Dec-21	29.8	25.3	2.8	2.6	8.8	1.7	1.2	
Tsingtao*	168 HK	BUY	63.05	64.05	n/a	114,658	Dec-21	23.5	20.5	3.0	2.7	14.2	2.8	2.0	
CR Beer*	291 HK	BUY	80.0	45.45	n/a	147,448	Dec-21	30.1	24.2	4.7	4.2	20.1	2.9	1.3	
Dali Foods	3799 HK	NR	n/a	4.06	n/a	55,598	Dec-21	12.3	11.3	2.2	2.0	20.3	1.8	4.1	
								<b>Avg.</b>	<b>21.5</b>	<b>21.5</b>	<b>3.4</b>	<b>3.2</b>	<b>15.0</b>	<b>2.1</b>	<b>3.0</b>
								<b>Med.</b>	<b>21.2</b>	<b>19.4</b>	<b>3.3</b>	<b>2.9</b>	<b>14.4</b>	<b>1.9</b>	<b>2.0</b>

Source: Bloomberg, Company data, CMBIGM estimates, \*covered by Joseph Wong

## Financial Summary

### Income statement

YE 31 Dec (USD mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>8,263</b>	<b>9,853</b>	<b>10,475</b>	<b>12,069</b>	<b>13,379</b>
Company sales	7,396	8,961	9,842	11,400	12,691
Franchise fees and income	148	153	160	176	191
Fran. & uncol. affiliates sales	647	663	401	425	431
Other revenues	72	76	72	67	67
<b>Cost of goods sold</b>	<b>(2,342)</b>	<b>(2,812)</b>	<b>(3,130)</b>	<b>(3,557)</b>	<b>(3,934)</b>
<b>Gross profit</b>	<b>5,921</b>	<b>7,041</b>	<b>7,346</b>	<b>8,512</b>	<b>9,445</b>
<b>Other net income</b>	<b>285</b>	<b>643</b>	<b>73</b>	<b>84</b>	<b>94</b>
<b>Operating expenses</b>	<b>(5,245)</b>	<b>(6,298)</b>	<b>(6,596)</b>	<b>(7,439)</b>	<b>(8,144)</b>
Staff costs	(1,730)	(2,258)	(2,544)	(2,920)	(3,213)
Admin	(591)	(663)	(649)	(748)	(803)
Property rent & related	(814)	(968)	(1,083)	(1,231)	(1,371)
D & A	(404)	(443)	(486)	(535)	(599)
Other operating expenses	(1,706)	(1,967)	(1,835)	(2,004)	(2,159)
<b>EBIT</b>	<b>961</b>	<b>1,386</b>	<b>822</b>	<b>1,158</b>	<b>1,395</b>
Finance costs, net	43	60	63	71	83
JV & associates	-	-	-	-	-
Exceptional	104	(54)	21	24	27
<b>Pre-tax profit</b>	<b>1,108</b>	<b>1,392</b>	<b>906</b>	<b>1,253</b>	<b>1,504</b>
Income tax	(295)	(369)	(231)	(313)	(376)
Less: Minority interests	29	33	21	30	36
<b>Net profit</b>	<b>784</b>	<b>990</b>	<b>654</b>	<b>910</b>	<b>1,093</b>

### Cash flow summary

YE 31 Dec (USD mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Net income</b>	<b>961</b>	<b>1,386</b>	<b>822</b>	<b>1,158</b>	<b>1,395</b>
D&A	386	431	423	480	546
Change in working capital	69	43	23	106	90
Income tax paid	111	160	(231)	(313)	(376)
Others	(413)	(889)	339	247	162
<b>Net cash from operating</b>	<b>1,114</b>	<b>1,131</b>	<b>1,376</b>	<b>1,677</b>	<b>1,817</b>
Capex & investments	(419)	(689)	(786)	(784)	(803)
Associated companies	-	-	-	-	-
Interest received	-	-	-	-	-
Others	(2,690)	(166)	-	-	-
<b>Net cash from investing</b>	<b>(3,109)</b>	<b>(855)</b>	<b>(786)</b>	<b>(784)</b>	<b>(803)</b>
Equity raised	2,187	(75)	-	-	-
Change of Debts	-	-	-	-	-
Dividend paid	(95)	(203)	(208)	(157)	(219)
Others	(34)	(35)	-	-	-
<b>Net cash from financing</b>	<b>2,058</b>	<b>(313)</b>	<b>(208)</b>	<b>(157)</b>	<b>(219)</b>
<b>Net change in cash</b>	<b>63</b>	<b>(37)</b>	<b>382</b>	<b>736</b>	<b>795</b>
Beginning cash balance	1,046	1,158	1,136	1,518	2,254
Exchange difference	49	15	-	-	-
<b>Cash at the end of the year</b>	<b>1,158</b>	<b>1,136</b>	<b>1,518</b>	<b>2,254</b>	<b>3,049</b>

### Balance sheet

YE 31 Dec (USD mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Non-current assets</b>	<b>5,939</b>	<b>8,507</b>	<b>8,615</b>	<b>8,768</b>	<b>8,972</b>
Fixed asset	1,765	2,251	2,614	2,919	3,175
Intangible assets & goodwill	246	272	209	153	101
Prepaid lease payments	-	-	-	-	-
Interest in asso. & JV	85	292	292	292	292
Others	3,843	5,692	5,500	5,404	5,404
<b>Current assets</b>	<b>4,936</b>	<b>4,716</b>	<b>5,164</b>	<b>6,011</b>	<b>6,903</b>
Cash and cash equivalents	1,158	1,136	1,518	2,254	3,049
Inventories	398	432	462	525	581
Trade and other receivables	99	67	88	102	113
Prepayments	176	221	235	271	300
Others	3,105	2,860	2,860	2,860	2,860
<b>Current liabilities</b>	<b>2,067</b>	<b>2,383</b>	<b>2,471</b>	<b>2,690</b>	<b>2,876</b>
Borrowings	-	-	-	-	-
Trade payables	708	782	829	942	1,042
Accruals & other payables	514	650	691	796	883
Tax payables	72	51	51	51	51
Others	773	900	900	900	900
<b>Non-current liabilities</b>	<b>2,337</b>	<b>2,918</b>	<b>2,918</b>	<b>2,918</b>	<b>2,918</b>
Borrowings	-	-	-	-	-
Deferred income	-	-	-	-	-
Deferred tax	-	-	-	-	-
Others	2,337	2,918	2,918	2,918	2,918
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets</b>	<b>6,471</b>	<b>7,922</b>	<b>8,389</b>	<b>9,172</b>	<b>10,081</b>
<b>Shareholders' equity</b>	<b>6,471</b>	<b>7,922</b>	<b>8,389</b>	<b>9,172</b>	<b>10,081</b>

### Key ratios

YE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Sales mix (%)</b>					
Company sales	89.5	90.9	94.0	94.5	94.9
Franchise fees and income	1.8	1.6	1.5	1.5	1.4
Fran. & uncol. affiliates sales	7.8	6.7	3.8	3.5	3.2
Other revenues	0.9	0.8	0.7	0.6	0.5
<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	71.7	71.5	70.1	70.5	70.6
Operating margin	11.6	14.1	7.9	9.6	10.4
Pre-tax margin	13.4	14.1	8.7	10.4	11.2
Net margin	9.5	10.0	6.2	7.5	8.2
Effective tax rate	26.6	26.5	25.5	25.0	25.0
<b>Balance sheet ratios</b>					
Current ratio (x)	2.4	2.0	2.1	2.2	2.4
Quick ratio (x)	2.2	1.8	1.9	2.0	2.2
Cash ratio (x)	0.6	0.5	0.6	0.8	1.1
Inventory turnover days	61	54	54	54	54
Trade receivables days	4	3	3	3	3
Trade payables days	104	97	97	97	97
Total debt / total equity ratio (%)	-	-	-	-	-
Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
<b>Returns (%)</b>					
ROE	12.1	12.5	7.8	9.9	10.8
ROA	7.2	7.5	4.7	6.2	6.9
<b>Per share</b>					
EPS (USD)	1.89	2.26	1.48	2.06	2.45
DPS (USD)	0.23	0.49	0.37	0.51	0.61
BVPS (USD)	15.41	18.75	19.74	21.45	23.43

Source: Company data, CMBIGM estimates

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