

JNBY Design (3306 HK)

Speedy recovery and ambitious long-term goal

Maintain BUY and raise TP to HK\$ 15.32, based on 13x FY6/22E (rolled over from 10x FY6/21E P/E) after revising up FY21-22E EPS by 13-17% for faster sales growth with operating leverage. With an ambitious new growth target (RMB 10bn retail sales by FY23E-24E), JNBY's valuation is undemanding at 11x FY6/22E P/E (vs its 3 years average of 10x) and 8% FY22E dividend yield. We think its risk-reward is fascinating.

- 1H21E net profit beat by 24%.** 1H21E sales/ net profit grew by 8%/ 8% YoY, beating BBG est. by 2%/ 24%. We attributed this beat to: 1) robust SSSG of 12.6% (vs HSD negative in 2H20) and its subsequent operating leverage and 2) rigid cost control (admin costs fell by 3% YoY) despite 0.9ppt YoY reduction in GP margin to 61.6% (stable for JNBY but falling for other younger and emerging brands). Both inventory days (172 in 1H21 vs 201 in 1H20) and operating cash flow (+70% YoY) had strongly improved.
- An upbeat FY21E guidance.** Management expects a HSD sales growth (vs FY19) and a similar net profit level (vs FY19), which is far ahead of their previous target (HSD sales and 20%+ net profit growth vs FY20). We are confident that they can achieve it, because of: 1) favorable weather in Jan-Feb 2020 and the low base, 2) image upgrades for 200-300 stores (70 stores were done in 1H21E and the boost in productivity was encouraging), 3) all channel strategy (more digital sales thru Wechat mini-program, more digital marketing on Bilibili, Xiaohongshu, Tik Tok, etc.) and 4) better CRM, a new department was set up to boost overall customer experience and promote better interactions with members and fans. Organizing events in its new headquarters (Tian Mu Li/天目里) in the future is also possible.
- An ambitious game plan for next 3-4 years.** The Company introduced a stunning long-term retail sales target to reach RMB 10bn in 3-4 years by FY23E-24E, doubling the figure in FY20 and implying an 18% CAGR (vs our est. of RMB 8.6bn, 14% CAGR). In order to achieve that, management expects to increase investments in branding. Therefore, A&P expenses may be raised to 7% of annual sales onwards (vs 4.6% in FY20) and more talents in design, display, marketing and innovations will also be acquired.
- Maintain BUY and raise TP to HK\$ 15.32.** We maintain BUY and raised TP to HK\$ 15.32, based on 13x FY6/22E P/E (rolled over from 10x FY21E P/E). We revised up FY21E/ 22E EPS by 13%/ 17%, to factor in: 1) robust SSSG, 2) faster store openings and 3) ambitious long-term guidance. Highly attractive given a 11x FY6/22E P/E and 8% FY6/22E yield.

Earnings Summary

(YE 30 Jun)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	3,358	3,099	3,620	4,175	4,768
YoY growth (%)	17.3	(7.7)	16.8	15.3	14.2
Net income (RMB mn)	485	347	479	557	661
EPS (RMB)	0.939	0.675	0.928	1.074	1.267
YoY growth (%)	19.4	(28.2)	37.5	15.7	17.9
Consensus EPS (RMB)	n/a	n/a	0.805	0.926	1.060
P/E (x)	12.6	17.6	12.8	11.1	9.4
P/B (x)	3.8	3.8	3.2	2.9	2.6
Yield (%)	6.5	3.9	6.4	7.4	8.8
ROE (%)	34.4	23.3	27.5	28.7	30.3
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price	HK\$15.32
(Previous TP)	HK\$9.57)
Up/Downside	+28.9%
Current Price	HK\$11.88

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	6,163
Avg 3 mths t/o (HK\$ mn)	6.12
52w High/Low (HK\$)	12.56/6.00
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%

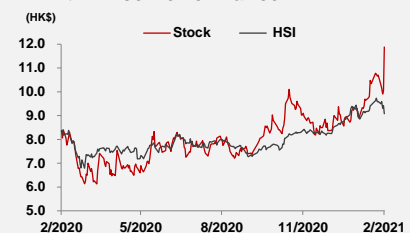
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	8.3%	8.6%
3-mth	11.3%	-1.3%
6-mth	25.5%	6.4%
12-mth	16.6%	4.3%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

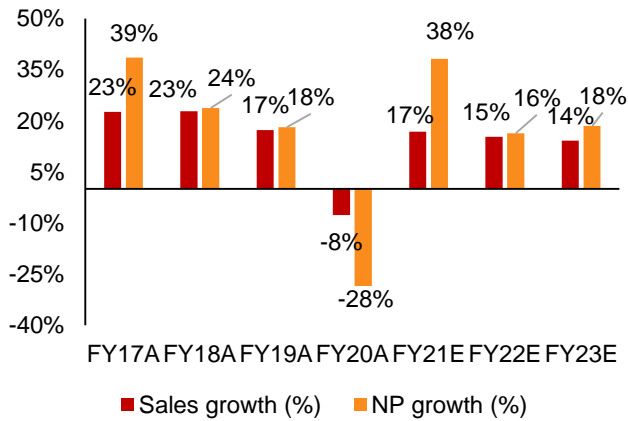
Auditor: PricewaterhouseCoopers

Related Reports

- JNBY Design (3306 HK, BUY) – The worst is over and better visibility ahead - 7 Aug 2020
- JNBY Design (3306 HK, BUY) – Unfinalized virus impact and lack of catalysts - 27 Feb 2020
- JNBY Design (3306 HK, BUY) – Tough industry and conservative guidance - 28 Aug 2019

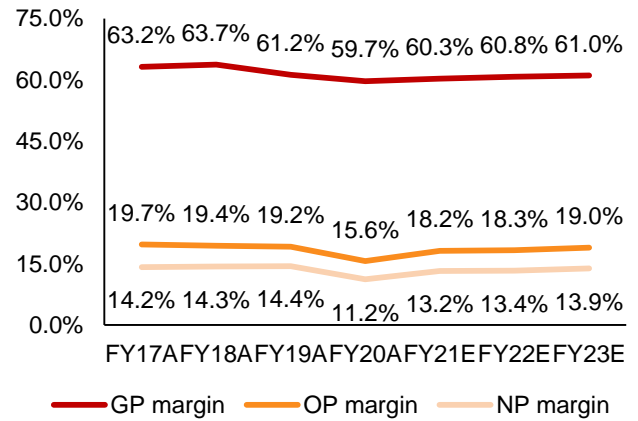
Focus Charts

Figure 1: Sales/ net profit growth



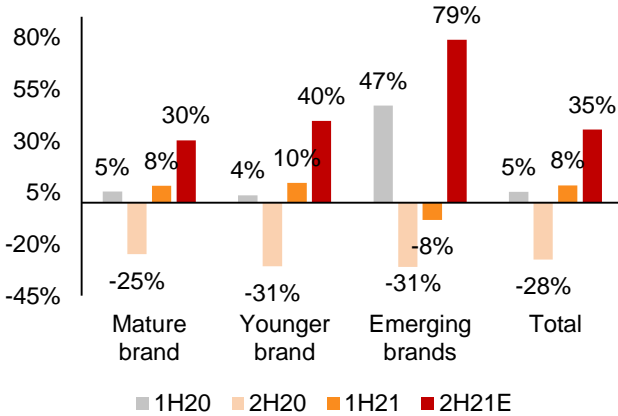
Source: NBS, CMBIS estimates

Figure 2: GP/ OP/ NP margin



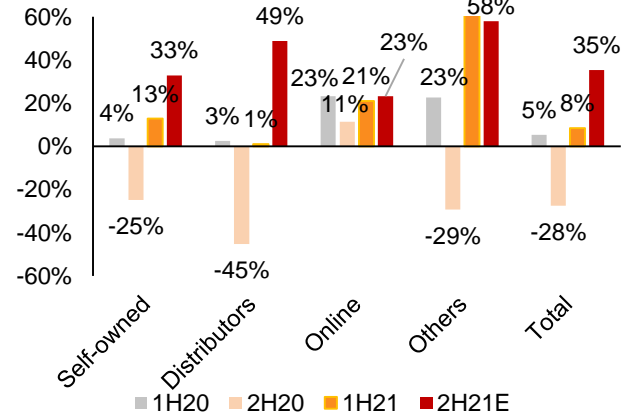
Source: Company data, CMBIS estimates

Figure 3: Sales growth by brand segment



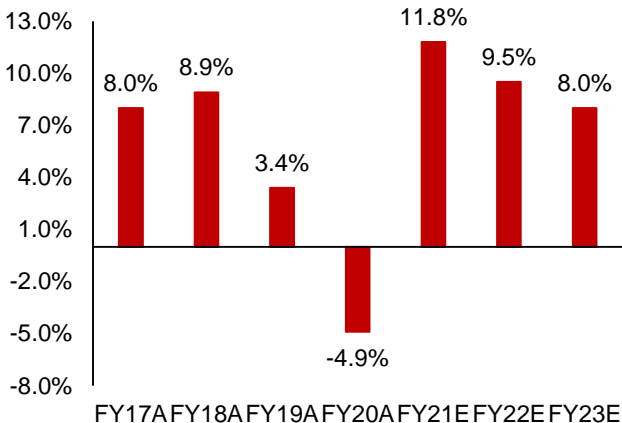
Source: Company data, CMBIS estimates

Figure 4: Sales growth by channel



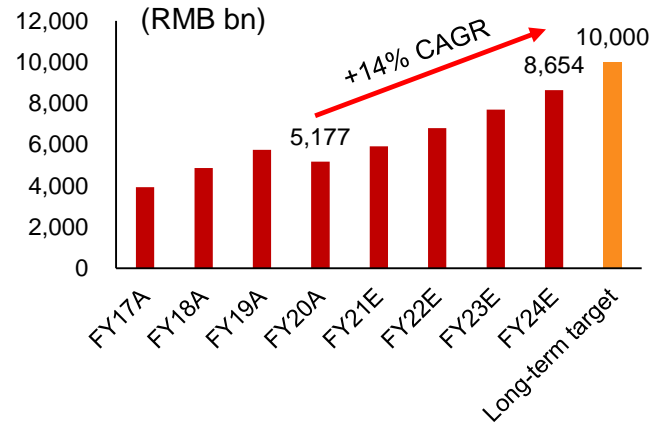
Source: Company data, CMBIS estimates

Figure 5: Same store sales growth



Source: Company data, Bloomberg, CMBIS estimates

Figure 6: Retail sales and long-term target



Source: Company data, CMBIS estimates

Results summary

Figure 7: Results summary – Half Year

Half yearly (RMB mn)	1H20	2H20	1H21	2H21E	1H20 YoY	2H20 YoY	1H21 YoY	2H21E YoY
Revenue	2,135	964	2,315	1,305	5%	-28%	8%	35%
COGS	(801)	(449)	(890)	(546)				
Gross profit	1,335	515	1,425	759	7%	-37%	7%	47%
GP margins	62.5%	53.4%	61.6%	58.2%				
Other income & gains	51	5	28	22				
S & D expenses	(642)	(503)	(671)	(608)	6%	-11%	5%	21%
<i>S & D exp / sales</i>	-30.1%	-52.2%	-29.0%	-46.6%				
Admin expenses	(144)	(131)	(140)	(156)	-9%	-8%	-3%	19%
<i>Admin exp / sales</i>	-6.8%	-13.6%	-6.0%	-12.0%				
Other opex	0	0	0	0				
Operating profit (EBIT)	599	-114	642	17	14%	-195%	7%	-115%
<i>OP margins</i>	28.1%	-11.9%	27.7%	1.3%				
Other items	0	0	0	0				
Net finance income	0	1	1	6				
Net finance income / sales	0.0%	0.1%	0.0%	0.4%				
Profit after financing costs	599	-113	643	23				
Associated coms	0	0	0	0				
Jointly controlled coms	0	0	0	0				
Pre-tax profit	599	-113	643	23	12%	-188%	7%	-120%
Tax	(169)	30	(179)	(7)				
Tax / sales	-7.9%	3.1%	-7.7%	-0.6%				
Effective tax rate	-28.3%	-26.4%	-27.9%	-31.8%				
Minority interests	0	0	0	0				
Net profit att.	430	(83)	464	16	13%	-180%	8%	-119%
NP margins	20.1%	-8.6%	20.0%	1.2%				

Source: Company data, CMBIS estimates

Figure 8: Results summary - Full Year

Full yearly (RMB mn)	FY19	FY20	FY21E	FY22E	FY20 YoY	FY21E YoY	FY22E YoY
Revenue	3,358	3,099	3,620	4,175	-8%	17%	15%
COGS	(1,302)	(1,250)	(1,436)	(1,638)			
Gross profit	2,056	1,850	2,184	2,537	-10%	18%	16%
GP margins	61.2%	59.7%	60.3%	60.8%			
Other income & gains	61	56	50	53			
S & D expenses	(1,170)	(1,145)	(1,279)	(1,494)	-2%	12%	17%
S & D exp / sales	-34.8%	-36.9%	-35.3%	-35.8%			
Admin expenses	(302)	(276)	(296)	(332)			
Admin exp / sales	-9.0%	-8.9%	-8.2%	-8.0%			
Other opex	0	0	0	0			
Operating profit (EBIT)	645	485	659	764	-25%	36%	16%
OP margins	19.2%	15.6%	18.2%	18.3%			
Other items	0	0	0	0			
Net finance income	18	1	6	10			
Net finance income / sales	0.5%	0.0%	0.2%	0.2%			
Profit after financing costs	663	486	666	774			
Associated coms	0	0	0	0			
Jointly controlled coms	0	0	0	0			
Pre-tax profit	663	486	666	774	-27%	37%	16%
Tax	(179)	(140)	(186)	(217)			
Tax / sales	-5.3%	-4.5%	-5.1%	-5.2%			
Effective tax rate	-26.9%	-28.7%	-28.0%	-28.0%			
Minority interests	0	0	0	0			
Net profit att.	485	347	479	557	-28%	38%	16%
NP margins	14.4%	11.2%	13.2%	13.4%			

Source: Company data, CMBIS estimates

Earnings revision

Figure 9: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	3,620	4,175	4,768	3,203	3,549	n/a	13.0%	17.6%	n/a
Gross profit	2,184	2,537	2,911	1,956	2,165	n/a	11.7%	17.2%	n/a
EBIT	659	764	904	595	658	n/a	10.8%	16.0%	n/a
Net profit att.	479	557	661	425	478	n/a	12.9%	16.7%	n/a
Diluted EPS (RMB)	0.928	1.074	1.267	0.823	0.921	n/a	12.8%	16.6%	n/a
Gross margin	60.3%	60.8%	61.0%	61.1%	61.0%	n/a	-0.7ppt	-0.2ppt	n/a
EBIT margin	18.2%	18.3%	19.0%	18.6%	18.5%	n/a	-0.4ppt	-0.2ppt	n/a
Net profit att. margin	13.2%	13.4%	13.9%	13.3%	13.5%	n/a	0ppt	-0.1ppt	n/a

Source: Company data, CMBIS estimates

Figure 10: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenue	3,620	4,175	4,768	3,398	3,769	4,165	6.5%	10.8%	14.5%
Gross profit	2,184	2,537	2,911	2,036	2,307	2,531	7.3%	10.0%	15.0%
EBIT	659	764	904	579	680	771	13.9%	12.3%	17.2%
Net profit att.	479	557	661	403	474	540	18.9%	17.7%	22.4%
Diluted EPS (RMB)	0.928	1.074	1.267	0.805	0.926	1.060	15.3%	16.0%	19.5%
Gross margin	60.3%	60.8%	61.0%	59.9%	61.2%	60.8%	0.4ppt	-0.5ppt	0.3ppt
EBIT margin	18.2%	18.3%	19.0%	17.0%	18.1%	18.5%	1.2ppt	0.2ppt	0.4ppt
Net profit att. margin	13.2%	13.4%	13.9%	11.9%	12.6%	13.0%	1.4ppt	0.8ppt	0.9ppt

Source: Company data, CMBIS estimates

Valuation

Figure 11: 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	15.32	11.88	29%	6,163	Jun-20	17.6	12.8	3.1	3.0	23.9	3.8	3.9
Bosideng Int'l	3998 HK	BUY	4.23	3.27	29%	35,308	Mar-20	17.8	15.3	2.7	2.5	13.6	0.7	4.1
China Lilang	1234 HK	BUY	5.89	5.54	6%	6,634	Dec-19	8.8	6.7	1.4	1.3	19.8	1.4	7.8
Cosmo Lady	2298 HK	NR	n/a	1.18	n/a	2,654	Dec-19	57.9	14.0	0.9	0.8	(46.7)	(0.4)	0.0
Giordano	709 HK	NR	n/a	1.55	n/a	2,445	Dec-19	n/a	17.2	1.1	1.0	(4.2)	0.0	2.6
Korador	3709 HK	NR	n/a	10.50	n/a	7,193	Dec-19	15.6	11.2	1.8	1.6	17.0	1.4	3.2
I.T Ltd	999 HK	NR	n/a	2.80	n/a	3,348	Feb-20	n/a	n/a	n/a	n/a	(39.5)	0.0	n/a
Esprit Holdings	330 HK	NR	n/a	0.92	n/a	1,736	Dec-20	n/a	n/a	n/a	n/a	n/a	0.0	n/a
La Chapelle	6116 HK	NR	n/a	0.59	n/a	758	Dec-19	n/a	n/a	n/a	n/a	(136.3)	0.0	n/a
Bauhaus Intl	483 HK	NR	n/a	0.60	n/a	220	Mar-20	n/a	n/a	n/a	n/a	(23.1)	0.0	n/a
							Avg.	23.5	12.9	1.8	1.7	(19.5)	0.7	3.6
							Med.	17.6	13.4	1.6	1.4	(4.2)	0.0	3.6
A-shares Apparel														
Ningbo Peacebird	603877 CH	NR	n/a	35.20	n/a	20,134	Dec-19	23.6	18.9	4.4	3.9	19.7	0.9	2.5
Joeone Co Ltd	601566 CH	NR	n/a	10.11	n/a	6,971	Dec-19	9.5	n/a	n/a	n/a	6.3	0.0	n/a
Fujian Septwolves	002029 CH	NR	n/a	5.37	n/a	4,869	Dec-19	23.3	13.8	0.7	0.6	3.6	0.0	0.9
Hla Corp Ltd	600398 CH	NR	n/a	6.68	n/a	34,621	Dec-19	13.7	9.6	2.0	1.7	14.3	2.3	3.2
Jiangsu Hongdou	600400 CH	NR	n/a	3.09	n/a	9,392	Dec-19	44.1	36.4	1.8	1.8	3.9	3.3	n/a
Lancy Co Ltd	002612 CH	NR	n/a	29.68	n/a	15,756	Dec-19	n/a	n/a	n/a	n/a	(1.6)	0.0	n/a
Shenzhen Huijie	002763 CH	NR	n/a	6.98	n/a	3,444	Dec-19	n/a	n/a	n/a	n/a	7.1	0.0	n/a
Ellassay Fashion	603808 CH	NR	n/a	14.38	n/a	5,737	Dec-19	11.0	13.8	2.1	1.9	18.9	2.3	n/a
Bobaloon Co	002776 CH	NR	n/a	3.74	n/a	2,414	Dec-19	n/a	n/a	n/a	n/a	7.4	0.0	n/a
							Avg.	20.9	18.5	2.2	2.0	8.8	1.0	2.2
							Med.	18.5	13.8	2.0	1.8	7.1	0.0	2.5
International Apparel														
Hugo Boss	BOSS GR	NR	n/a	31.38	n/a	20,760	Dec-19	n/a	26.1	2.6	2.4	(16.4)	0.0	0.5
Ted Baker	TED LN	NR	n/a	109.70	n/a	2,189	Jan-20	n/a	n/a	1.2	1.3	(64.5)	0.0	0.0
Next	NXT LN	NR	n/a	7560.00	n/a	108,639	Jan-20	34.5	17.9	15.4	10.2	106.9	8.8	0.5
Hennes & Mauritz	HMB SS	NR	n/a	200.10	n/a	306,778	Nov-20	31.9	23.9	5.3	5.0	2.2	0.2	3.1
Industria De Diseno	ITX SM	NR	n/a	27.50	n/a	805,426	Jan-20	60.0	27.0	5.9	5.5	11.3	19.2	2.2
Ovs Spa	OVS IM	NR	n/a	1.12	n/a	2,385	Jan-20	n/a	12.0	0.4	0.4	(29.0)	0.0	0.0
Pvh Corp	PVH US	NR	n/a	99.92	n/a	55,098	Feb-20	n/a	15.5	1.5	1.4	(21.5)	0.0	0.0
Vf Corp	VFC US	NR	n/a	80.07	n/a	243,248	Mar-21	61.2	26.8	15.9	13.7	(4.3)	2.3	2.4
Marks & Spencer	MKS LN	NR	n/a	142.60	n/a	30,155	Mar-20	49.2	11.7	0.8	0.8	(5.4)	0.4	0.0
							Avg.	47.3	20.1	5.4	4.5	(2.3)	3.4	1.0
							Med.	49.2	20.9	2.6	2.4	(5.4)	0.2	0.5

Source: Bloomberg, CMBIS estimates

Assumptions

Figure 12: Major assumptions

Major assumptions	FY19A	FY20A	FY21E	FY22E	FY23E
Sales by brand (RMB mn)					
JNBY	1,879	1,762	2,026	2,309	2,610
CROQUIS	645	557	607	699	789
jnby by JNBY	476	444	555	644	741
less	287	261	339	400	464
Other brands	71	75	92	122	164
Total	3,358	3,099	3,620	4,175	4,768
Sales by brand growth (%)					
JNBY	15.9%	-6.3%	15.0%	14.0%	13.0%
CROQUIS	14.1%	-13.5%	9.0%	15.0%	13.0%
jnby by JNBY	20.8%	-6.7%	25.0%	16.0%	15.0%
less	20.6%	-9.1%	30.0%	18.0%	16.0%
Other brands	57.8%	5.6%	21.9%	33.0%	34.0%
Total	17.3%	-7.7%	16.8%	15.3%	14.2%
Sales by channel growth (%)					
Self-owned	6.3%	-9.1%	20.3%	15.1%	13.6%
Distributors	22.8%	-13.2%	11.0%	14.0%	12.0%
Online	47.9%	18.0%	22.0%	19.0%	21.0%
Sales network by segment					
JNBY	884	881	916	936	956
CROQUIS	338	315	340	360	380
jnby by JNBY	514	436	466	476	491
less	186	186	193	208	223
Other brands	96	37	40	52	65
Total	2,018	1,855	1,955	2,032	2,115
GP margins by Channel					
JNBY	61.9%	61.1%	62.3%	62.5%	62.6%
CROQUIS	64.1%	61.8%	61.0%	62.2%	63.5%
jnby by JNBY	54.4%	56.7%	54.0%	54.7%	55.0%
less	66.3%	62.0%	63.0%	63.5%	64.0%
Other brands	40.8%	19.3%	42.2%	43.3%	44.0%
Total	61.2%	59.7%	60.3%	60.8%	61.0%
Opex breakdown					
Outsourcing charges/ sales	8.9%	9.6%	8.5%	8.4%	8.4%
Rental expenses/ sales	14.3%	14.5%	12.1%	11.7%	11.3%
Staff costs/ sales	7.1%	8.7%	7.6%	7.4%	7.3%
A&P expenses/ sales	4.4%	4.6%	6.5%	7.5%	7.6%
Provisions for inventory/ sales	3.5%	5.7%	3.5%	3.0%	2.9%
D&A/ sales	1.4%	2.0%	1.5%	1.4%	1.4%
Selling & distribution costs / sales	34.8%	36.9%	35.3%	35.8%	35.5%
Admin expenses / sales	9.0%	8.9%	8.2%	8.0%	7.7%
OP margins	19.2%	15.6%	18.2%	18.3%	19.0%
Effective tax rate	26.9%	28.7%	28.0%	28.0%	28.0%
Net profit margins	14.4%	11.2%	13.2%	13.4%	13.9%
Net profit att. growth (%)	18.1%	-28.5%	38.2%	16.3%	18.5%

Source: Company data, CMBIS estimates

Financial Summary

Income statement

YE 30 Jun (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	3,358	3,099	3,620	4,175	4,768
Self-owned	1,489	1,354	1,629	1,874	2,129
Distributors	1,470	1,276	1,417	1,615	1,809
Online	393	464	566	674	815
Others	5	5	8	11	15
Cost of goods sold	(1,302)	(1,250)	(1,436)	(1,638)	(1,857)
Gross profit	2,056	1,850	2,184	2,537	2,911
Other income	61	56	50	53	56
Operating expenses	(1,472)	(1,421)	(1,575)	(1,827)	(2,063)
D & A	(7)	(10)	(13)	(16)	(19)
Staff costs	(200)	(246)	(238)	(262)	(289)
S & D costs (ex-staff, D&A)	(1,075)	(1,037)	(1,176)	(1,380)	(1,566)
Admin exp. (ex-staff, D&A)	(191)	(129)	(148)	(168)	(188)
Other operating expenses	-	-	-	-	-
EBIT	645	485	659	764	904
Finance costs, net	18	1	6	10	13
JVs & associates	-	-	-	-	-
Exceptional	-	-	-	-	-
Pre-tax profit	663	486	666	774	917
Income tax	(179)	(140)	(186)	(217)	(257)
Less: Minority interests	0	0	0	0	0
Net profit	485	347	479	557	661

Cash flow summary

YE 30 Jun (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBIT	645	485	659	764	904
D & A	48	52	72	93	115
Change in working capital	(281)	(73)	(39)	(44)	(50)
Income tax paid	(202)	(205)	(193)	(227)	(268)
Others	126	410	38	58	68
Net cash from operating	336	669	538	644	769
Capex & investments	(160)	(117)	(137)	(158)	(180)
Associated companies	-	-	-	-	-
Interest received	21	17	-	-	-
Others	71	(157)	-	-	-
Net cash from investing	(67)	(257)	(137)	(158)	(180)
Equity raised	(48)	(94)	-	-	-
Net change in bank loans	-	20	-	-	-
Dividend paid	(342)	(220)	(220)	(376)	(442)
Others	0	-	(14)	(14)	(14)
Net cash from financing	(390)	(294)	(234)	(390)	(456)
Net change in cash	(122)	118	167	96	133
Beginning cash balance	333	216	337	501	594
Exchange difference	5	3	-	-	-
Cash at the end of the year	216	337	504	597	727
	645	485	659	764	904

Balance sheet

YE 30 Jun (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Non-current assets	456	728	792	857	923
Fixed asset	279	324	391	459	527
Intangible assets & goodwill	12	14	11	9	7
Prepaid lease payments	10	8	8	8	8
Interest in joint ventures	-	-	-	-	-
Other non-current assets	154	382	381	381	380
Current assets	1,829	2,106	2,455	2,749	3,099
Cash & cash equivalents	216	337	492	578	701
Inventories	860	904	1,039	1,185	1,344
Trade and other receivables	115	97	114	131	150
Prepayments	288	253	296	341	389
Other current assets	350	515	515	515	515
Current liabilities	861	1,257	1,411	1,575	1,752
Bank loans	-	188	188	188	188
Trade payables	202	182	209	238	270
Accruals & other payables	645	756	882	1,018	1,162
Tax payables	-	-	-	-	-
Others	14	132	132	132	132
Non-current liabilities	13	92	92	92	92
Bank loans	-	-	-	-	-
Deferred income	-	4	4	4	4
Deferred tax	13	15	15	15	15
Others	-	73	73	73	73
Minority interest	-	-	-	-	-
Total net assets	1,411	1,486	1,745	1,940	2,178
Shareholders' equity	1,411	1,486	1,745	1,940	2,178

Key ratios

YE 30 Jun	FY19A	FY20A	FY21E	FY22E	FY23E
Sales mix (%)					
Self-owned	44.4	43.7	45.0	44.9	44.7
Distributors	43.8	41.2	39.1	38.7	37.9
Online	11.7	15.0	15.6	16.1	17.1
Others	0.2	0.2	0.2	0.3	0.3
Total	100.0	100.0	100.0	100.0	100.0
P&L ratios (%)					
Gross margin	61.2	59.7	60.3	60.8	61.0
Operating margin	19.2	15.6	18.2	18.3	19.0
Pre-tax margin	19.8	15.7	18.4	18.5	19.2
Net margin	14.4	11.2	13.2	13.4	13.9
Effective tax rate	26.9	28.7	28.0	28.0	28.0
Balance sheet ratios					
Current ratio (x)	2.1	1.7	1.7	1.7	1.8
Quick ratio (x)	1.1	1.0	1.0	1.0	1.0
Cash ratio (x)	0.3	0.3	0.3	0.4	0.4
Inventory turnover days	241	264	264	264	264
Trade receivables days	13	11	11	11	11
Trade payables days	57	53	53	53	53
Total debt / total equity	0.6	13.5	11.5	10.3	9.2
Net debt / equity ratio (%)	Net	Net	Net	Net	Net
Returns (%)					
ROE	34.4	23.3	27.5	28.7	30.3
ROA	21.2	12.2	14.8	15.5	16.4
Per share					
EPS (RMB)	0.94	0.67	0.93	1.07	1.27
DPS (RMB)	0.66	0.42	0.70	0.81	0.95
BVPS (RMB)	2.72	2.86	3.35	3.70	4.14

Source: Company data, CMBIS estimates

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