

Sinotruk (Hong Kong) (3808 HK)

Returning to growth territory in 2020E

We expect Sinotruk's earnings to see meaningful recovery in 2020E from a low base in 2019, driven by (1) turnaround of LDT sales; (2) fast recovery of HDT demand since Mar; (3) rising visibility of truck demand on the back of clear stimulus and environmental protection policy; (4) resilient export in 2020E after taking consideration into COVID-19 impact and lower demand from oil producing countries due to low crude price. We lift our earnings forecast in 2020E/21E by 4%/6%, making us 9%/11% above consensus. Our TP is lifted from HK\$19.3 to HK\$20.5, based on 5x EV/EBITDA, multiple unchanged. Net cash (as of end-2019) of RMB17bn accounted for ~50% of the current market cap. Reiterate **BUY**.

- Normalized earnings in 2019 look much better than reported.** Revenue in 2019 was little changed at RMB62.2bn but the reported net profit dropped 23% YoY to RMB3.3bn, due to several reasons: (1) an one-off impairment on receivables of RMB831mn was made (LDT & bus segment); (2) depreciation expense increased 38% YoY to ~RMB1.5bn, due largely to a change in depreciation policy to double declining balance method in 2019. On the positive side, HDT segment profit margin expanded 2ppt to 6.6%, due mainly to effective cost reduction measures. Operating cash inflow surged 116% YoY to RMB8.6bn, much stronger than the reported net profit.
- LDT on track to recover.** Currently, Weichai's engines are installed in all Sinotruk's LDTs. According to management, latest LDT sales has returned to the level before the crackdown of "understated loading for lower toll fee (大吨小标) activities" in May 2019. We forecast 10% YoY increase in LDT this year, with segment profit returning to ~RMB200mn, versus a segment loss of RMB1.1bn in 2019 due to impairment.
- Incorporated the latest acquisition in our estimates.** Sinotruk announced on 31 Mar that it will acquire Sinotruk Ji'nan Power from CNHTC (parent company) for a consideration of RMB1,392mn. Sinotruk Ji'nan Power is a producer of gearbox and gear. Net profit in 2019 was RMB149mn and net asset as at end-2019 was RMB540mn (28% ROE). The acquisition implies 9.4x PE and 2.6x PB, which does not look excessive. We estimate this will enhance Sinotruk's net profit by 3% per year.
- Major risk factors:** (1) Slower-than-expected recovery of construction activities, and (2) failure to contain COVID-19.

Earnings Summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue (RMB mn)	61,785	62,227	65,298	67,960	70,005
YoY growth (%)	11.4	0.7	4.9	4.1	3.0
Core net profit (RMB mn)	4,157	3,134	4,941	5,147	5,338
EPS (RMB)	1.51	1.14	1.79	1.86	1.93
YoY growth (%)	50.0	(24.6)	57.7	4.2	3.7
Consensus EPS (RMB)	N/A	N/A	1.64	1.66	N/A
P/E (x)	7.7	10.7	6.8	6.5	6.3
EV/EBITDA (x)	3.4	3.6	2.9	2.7	2.7
P/B (x)	1.3	1.2	1.1	1.0	0.9
Yield (%)	4.9	3.2	5.2	5.4	5.6
ROE (%)	18.0	12.6	16.9	15.7	14.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price	HK\$20.50
(Previous TP)	HK\$19.30)
Up/Downside	+52%
Current Price	HK\$13.46

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Stock Data

Mkt Cap (HK\$ mn)	37,163
Avg 3 mths t/o (HK\$ mn)	45
52w High/Low (HK\$)	19.240/11.00
Total Issued Shares (mn)	2,761

Source: Bloomberg

Shareholding Structure

CNHTC	51%
MAN SE	25%
Others	24%

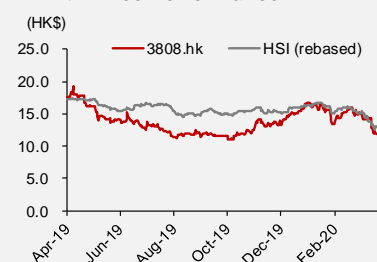
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-9.7%	-11.7%
3-mth	-19.0%	-18.1%
6-mth	15.8%	-11.5%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: PWC

Related Reports

- Sinotruk (3808 HK, BUY) – Incrementally positive on the back of more signs of recovery – 11 Mar 2020
- China Construction Machinery Sector - Scenario analysis on the resumption of factory production – 10 Feb 2020
- China Heavy Duty Truck Sector - HDT sales growth of 12% YoY in Oct reaffirms our bullish view – 4 Nov 2019
- Sinotruk (3808 HK, BUY) – SHIG to officially control Sinotruk after the equity transfer – 30 Sep 2019

Figure 1: Sinotruk's 2019 results

	2018	2019	Change (YoY)	2019E	A vs E	1H18	1H19	Change (YoY)	2H18	2H19	Change (YoY)
Sales volume (unit)											
Truck	302,094	279,900	-7.3%	280,462	-0.2%	162,375	158,576	-2.3%	139,719	121,324	-13.2%
HDT	168,048	169,433	0.8%	169,204	0.1%	93,527	92,668	-0.9%	74,521	76,765	3.0%
China	131,748	129,424	-1.8%	131,089	-1.3%	74,522	72,706	-2.4%	57,226	56,718	-0.9%
Export	36,300	40,009	10.2%	38,115	5.0%	19,005	19,962	5.0%	17,295	20,047	15.9%
LDT	134,046	110,467	-17.6%	111,258	-0.7%	68,848	65,908	-4.3%	65,198	44,559	-31.7%
Total	302,094	279,900	-7.3%	280,462	-0.2%	162,375	158,576	-2.3%	139,719	121,324	-13.2%
Engine	175,889	179,959	2.3%	171,022	5.2%	103,911	97,632	-6.0%	71,978	82,327	14.4%
Internal use	159,531	157,936	-1.0%	157,936	0.0%	93,832	90,700	-3.3%	65,700	67,236	2.3%
External sales	16,358	14,757	-9.8%	13,086	12.8%	10,079	6,932	-31.2%	6,278	7,825	24.6%
% of total											
Internal use	90.7%	87.8%		92.3%		90.3%	92.9%		91.3%	81.7%	
External sales	9.3%	8.2%		7.7%		9.7%	7.1%		8.7%	9.5%	
ASP (RMB/unit)											
Truck	199,405	218,999	9.8%	218,620	0.2%	201,705	214,671	6.4%	196,732	224,656	14.2%
HDT	290,361	301,514	3.8%	301,390	0.0%	287,546	301,390	4.8%	293,893	301,664	2.6%
LDT	85,378	92,438	8.3%	92,741	-0.3%	85,094	92,741	9.0%	85,678	91,990	7.4%
Engines	80,230	81,476	1.6%	77,592	5.0%	78,452	77,592	-1.1%	82,796	86,083	4.0%
(RMB mn)											
Segment revenue											
Truck	60,239	61,298	1.8%	61,315	0.0%	32,752	34,042	3.9%	27,487	27,256	-0.8%
HDT	48,795	51,086	4.7%	50,997	0.2%	26,893	27,929	3.9%	21,901	23,157	5.7%
LDT	11,445	10,211	-10.8%	10,318	-1.0%	5,859	6,112	4.3%	5,586	4,099	-26.6%
Engines	14,111	14,662	3.9%	13,270	10.5%	8,152	7,575	-7.1%	5,959	7,087	18.9%
Finance	1,415	1,587	12.1%	1,557	1.9%	694	781	12.5%	721	805	11.7%
Intersegment sales	-13,981	-15,320	9.6%	-14,086	8.8%	-7,974	-7,907	-0.8%	-6,007	-7,414	23.4%
Total	61,785	62,227	0.7%	62,055	0.3%	33,624	34,492	2.6%	28,161	27,735	-1.5%
Segment operating profit (before unallocated exp)											
Truck	2,646	2,282	-13.7%	2,342	-2.5%	1,317	1,778	35.0%	1,328	504	-62.0%
HDT	2,268	3,394	49.6%	2,703	25.6%	1,095	1,895	73.0%	1,173	1,499	27.8%
LDT	377	-1,112	-394.9%	-361	208.0%	222	-117	n/a	155	-995	n/a
Engines	2,213	1,922	-13.2%	1,990	-3.5%	1,479	1,255	-15.2%	734	667	-9.1%
Finance	851	935	9.8%	895	4.4%	435	458	5.3%	416	477	14.5%
Intersegment sales	-23	-289	1165.3%	-28	924.9%	-99	20	n/a	76	-308	n/a
Total	5,687	4,849	-14.7%	5,199	-6.7%	3,132	3,510	12.1%	2,555	1,340	-47.6%
Segment operating margin			Change (ppt)					Change (ppt)			Change (ppt)
Truck	4.4%	3.7%	-0.67	3.8%		4.0%	5.2%	1.20	4.8%	1.9%	-2.98
HDT	4.6%	6.6%	2.00	5.3%		4.1%	6.8%	2.71	5.4%	6.5%	1.12
LDT	3.3%	-10.9%	-14.19	-3.5%		3.8%	-1.9%	-5.71	2.8%	-24.3%	-27.04
Engines	15.7%	13.1%	-2.58	15.0%		18.1%	16.6%	-1.58	12.3%	9.4%	-2.91
Finance	60.1%	58.9%	-1.23	57.5%		62.6%	58.6%	-4.04	57.7%	59.2%	1.48
Average	9.2%	7.8%	-1.41	8.4%		9.3%	10.2%	0.86	9.1%	4.8%	-4.24
(RMB mn)											
Revenue	61,785	62,227	0.7%	62,055	0.3%	33,624	34,492	2.6%	28,161	27,735	-1.5%
Cost of sales	(50,610.1)	(50,380.1)	-0.5%	(50,451.1)	-0.1%	(27,553)	(27,758.1)	0.7%	(23,057)	(22,622)	-1.9%
Gross profit	11,174.6	11,846.6	6.0%	11,604.4	2.1%	6,071	6,734	10.9%	5,104	5,113	0.2%
Other gains and losses	693.4	630.5	-9.1%	-	-	283.8	169.9	-40.2%	410	461	12.5%
S&D expenses	(3,021.2)	(3,399.7)	12.5%	-	-	(1,715.2)	(1,589.9)	-7.3%	(1,306)	(1,810)	38.6%
Administrative expenses	(2,901.2)	(3,406.5)	17.4%	-	-	(1,340.2)	(1,454.4)	8.5%	(1,561)	(1,952)	25.1%
Net impairment losses of financial assets	(303.5)	(831.8)	174.1%	-	-	(183.3)	(353.9)	93.1%	-	-	-
EBIT	5,642	4,839	-14.2%	5,156	-6.1%	3,116	3,506	12.5%	2,526	1,333	-47.2%
D&A	1,180	1,562	32.3%	1,191	31.1%	610	767	25.8%	571	795	39.2%
EBITDA	6,823	6,401	-6.2%	6,347	0.8%	3,726	4,273	14.7%	3,097	2,127	-31.3%
Net finance cost	-0	-96	n/a	52	-286.1%	2	-59	n/a	-2	-37	n/a
Finance income	89	45	-49.3%	113	-59.9%	44	32	-26.6%	45	13	-71.5%
Finance expenses	-89	-141	58.1%	-61	130.7%	-43	-92	116.0%	-47	-49	5.7%
Share of profit of JV and associates	77	61	-19.8%	86	-28.5%	61	25	-58.4%	16	36	129.5%
Pretax profit	5,719	4,805	-16.0%	5,293	-9.2%	3,179	3,472	9.2%	2,540	1,332	-47.5%
Income tax	-993	-1,029	3.6%	-926	11.1%	-619	-758	22.4%	-374	-271	-27.5%
After tax profit	4,726	3,776	-20.1%	4,367	-13.5%	2,560	2,714	6.1%	2,166	1,061	-51.0%
MI	-381	-442	15.9%	-349	26.5%	-195	-221	13.6%	-186	-221	18.4%
Net profit	4,345	3,334	-23.3%	4,018	-17.0%	2,365	2,493	5.4%	1,980	841	-57.5%
Core net profit	4,157	3,134	-24.6%	4,017.7	-22.0%	2,302	2,493	8.3%	1,855	641	-65.5%

Source: Company data, CMBIS estimates

Figure 2: Change in key operating assumptions

Sales volume (units)	2020			2021		
	Old	New	Diff	Old	New	Diff
Truck	293,708	295,230	0.5%	311,088	312,876	0.6%
HDT	174,662	173,716	-0.5%	180,137	179,211	-0.5%
China	135,022	133,307	-1.3%	137,722	135,973	-1.3%
Export	39,640	40,409	1.9%	42,414	43,238	1.9%
LDT	119,046	121,514	2.1%	130,951	133,665	2.1%
Engine	174,312	175,999	1.0%	177,666	179,370	1.0%
Internal use	161,095	161,095	0.0%	164,317	164,317	0.0%
External sales	13,217	14,904	12.8%	13,349	15,053	12.8%
(RMB mn)						
Segment revenue						
Truck	63,783	63,726	-0.1%	66,540	66,512	0.0%
HDT	52,748	52,462	-0.5%	54,401	54,122	-0.5%
LDT	11,036	11,264	2.1%	12,139	12,391	2.1%
Engine and gearbox	13,596	14,728	8.3%	13,858	15,191	9.6%
Finance	1,635	1,666	1.9%	1,651	1,683	1.9%
Intersegment sales	-14,618	-14,822	1.4%	-15,179	-15,426	1.6%
Total	64,397	65,298	1.4%	66,870	67,960	1.6%
Segment operating margin						
Truck	4.9%	5.5%	0.6	4.9%	5.6%	0.7
HDT	5.6%	6.3%	0.7	5.6%	6.4%	0.8
LDT	1.7%	1.7%	0.0	1.9%	2.0%	0.1
Engine and gearbox	15.2%	13.2%	(2.0)	15.2%	13.2%	(2.0)
Finance	57.0%	57.0%	0.0	55.0%	56.0%	1.0
Average	9.5%	9.7%	0.3	9.4%	9.8%	0.4

Source: Company data, CMBIS estimates

Figure 3: Key operating projection

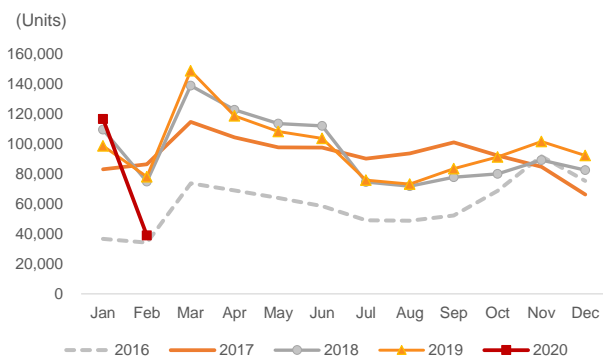
	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales volume (unit)											
Truck	122,590	137,806	155,036	136,865	169,472	263,903	302,094	279,900	295,230	312,876	329,764
HDT	90,346	96,370	102,675	81,959	91,511	156,243	168,048	169,433	173,716	179,211	182,732
China	63,841	71,789	77,674	54,959	66,507	125,627	131,748	129,424	133,307	135,973	137,333
Export	26,505	24,581	25,001	27,000	25,004	30,616	36,300	40,009	40,409	43,238	45,400
LDT	32,244	41,436	52,361	54,906	77,961	107,660	134,046	110,467	121,514	133,665	147,032
Engine	92,017	103,278	109,434	89,590	106,356	184,540	175,889	179,959	175,999	179,370	181,164
Internal use	72,969	86,237	94,113	79,287	97,741	170,700	159,531	157,936	161,095	164,317	165,960
External sales	19,048	17,041	15,321	10,303	8,615	13,841	16,358	14,757	14,904	15,053	15,204
% of total											
Internal use	79%	84%	86%	89%	92%	93%	91%	88%	92%	92%	92%
External sales	21%	17%	14%	12%	8%	8%	9%	8%	8%	8%	8%
Growth (YoY)											
Truck	-19%	12%	13%	-12%	24%	56%	14%	-7%	5%	6%	5%
HDT	-31%	7%	7%	-20%	12%	71%	8%	1%	3%	3%	2%
China	-42%	12%	8%	-29%	21%	89%	5%	-2%	3%	2%	1%
Export	27%	-7%	2%	8%	-7%	22%	19%	10%	1%	7%	5%
LDT	47%	29%	26%	5%	42%	38%	25%	-18%	10%	10%	10%
Total	-19%	13%	12%	-11%	24%	53%	14%	-7%	5%	6%	5%
Engine	-32%	12%	6%	-18%	19%	74%	-5%	2%	-2%	2%	1%
Internal use	-32%	18%	9%	-16%	23%	75%	-7%	-1%	2%	2%	1%
External sales	-33%	-11%	-10%	-33%	-16%	61%	18%	-10%	1%	1%	1%
ASP (RMB/unit)											
Truck	215,521	211,032	205,635	202,457	192,794	206,482	199,405	218,999	215,854	212,584	208,680
HDT	-	271,978	275,394	280,506	275,929	291,630	290,361	301,514	302,000	302,000	302,000
LDT	-	69,285	68,844	85,952	95,211	82,910	85,378	92,438	92,700	92,700	92,700
Engines	68,601	71,342	70,570	72,749	76,420	79,689	80,230	81,476	78,000	78,000	78,000

Source: Company data, CMBIS estimates

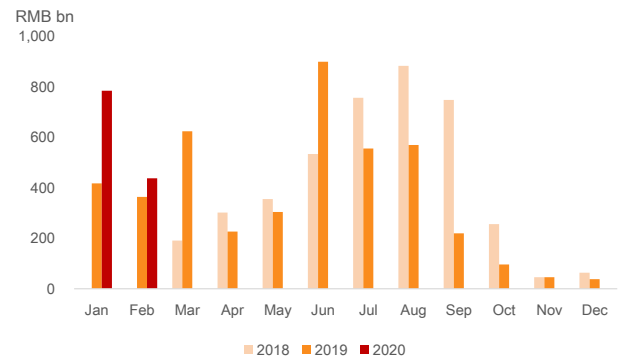
Figure 4: Segment revenue and profit projection

	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
(RMB mn)											
Segment revenue											
Truck	26,421	29,081	31,881	27,709	32,673	54,491	60,239	61,298	63,726	66,512	68,815
HDT	-	26,211	28,276	22,990	25,251	45,565	48,795	51,086	52,462	54,122	55,185
LDT	-	2,871	3,605	4,719	7,423	8,926	11,445	10,211	11,264	12,391	13,630
Engine and gearbox	6,312	7,368	7,723	6,518	8,128	14,706	14,111	14,662	14,728	15,191	15,381
Finance	254	264	382	450	526	1,132	1,415	1,587	1,666	1,683	1,700
Intersegment sales	-5,099	-6,303	-7,176	-6,372	-8,369	-14,871	-13,981	-15,320	-14,822	-15,426	-15,891
Total	27,888	30,410	32,809	28,305	32,959	55,458	61,785	62,227	65,298	67,960	70,005
Segment operating profit											
Truck	248	447	374	376	653	1,739	2,646	2,282	3,497	3,712	3,887
HDT	-	719	626	386	613	1,507	2,268	3,394	3,305	3,464	3,587
LDT	-	-272	-252	-10	40	232	377	-1,112	191	248	300
Engine and gearbox	281	261	434	176	530	2,351	2,213	1,922	1,944	2,005	2,030
Finance	173	188	200	187	208	546	851	935	950	942	952
Intersegment sales	150	117	164	45	-263	-352	-23	-289	-30	-31	-32
Total	852	1,013	1,173	785	1,129	4,285	5,687	4,849	6,361	6,628	6,837
Segment operating margin											
Truck	0.9%	1.5%	1.2%	1.4%	2.0%	3.2%	4.4%	3.7%	5.5%	5.6%	5.6%
HDT	-	2.7%	2.2%	1.7%	2.4%	3.3%	4.6%	6.6%	6.3%	6.4%	6.5%
LDT	-	-9.5%	-7.0%	-0.2%	0.5%	2.6%	3.3%	-10.9%	1.7%	2.0%	2.2%
Engine and gearbox	4.4%	3.5%	5.6%	2.7%	6.5%	16.0%	15.7%	13.1%	13.2%	13.2%	13.2%
Finance	68.0%	71.3%	52.4%	41.6%	39.6%	48.3%	60.1%	58.9%	57.0%	56.0%	56.0%
Average	3.1%	3.3%	3.6%	2.8%	3.4%	7.7%	9.2%	7.8%	9.7%	9.8%	9.8%

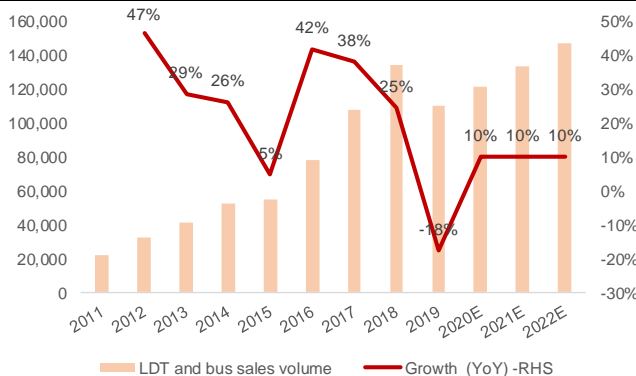
Source: Company data, CMBIS estimates

Figure 5: China HDT monthly sales volume

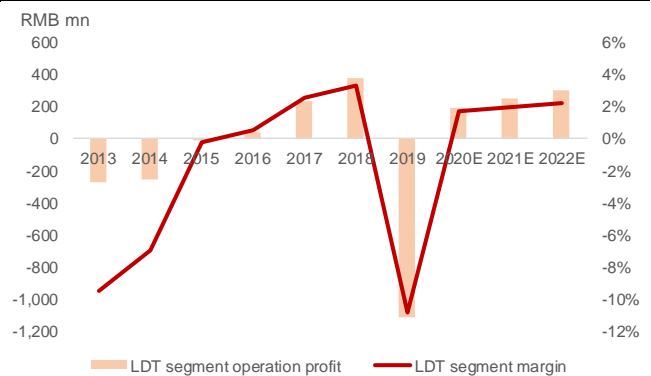
Source: Cvworl, CMBIS

Figure 6: Local government bond issuance

Source: MoF, CMBIS

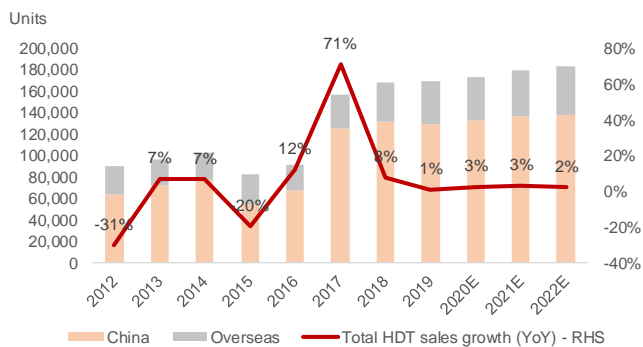
Figure 7: Sinotruk's LDT sales volume projection

Source: Company data, CMBIS estimates

Figure 8: Sinotruk's LDT segment profit projection

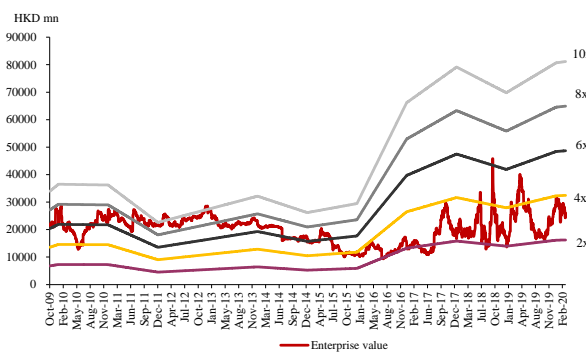
Source: Company data, CMBIS estimates

Figure 9: Sinotruk's HDT sales volume projection



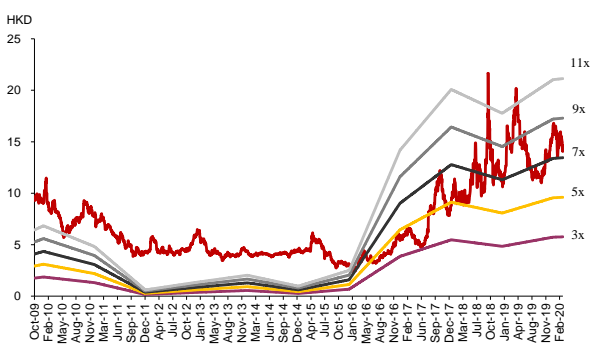
Source: Company data, CMBIS estimates

Figure 10: Sinotruk's EV/EBITDA band



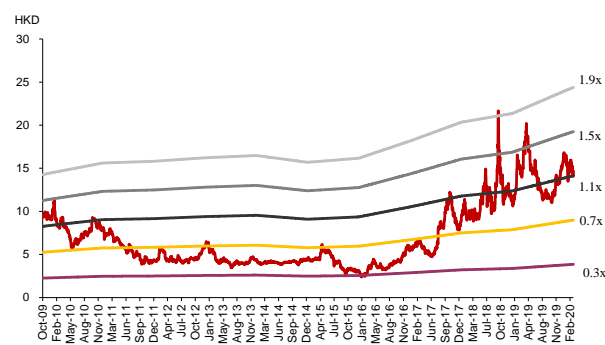
Source: Bloomberg, Company data, CMBIS estimates

Figure 11: Sinotruk P/E band



Source: Bloomberg, Company data, CMBIS estimates

Figure 12: Sinotruk P/B band



Source: Bloomberg, Company data, CMBIS estimates

Financial Summary

Income statement

YE 31 Dec (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue	61,785	62,227	65,298	67,960	70,005
Cost of sales	-50,610	-50,380	-52,892	-55,047	-56,704
Gross profit	11,175	11,847	12,407	12,912	13,301
Operating expenses	-5,532	-7,007	-6,092	-6,332	-6,513
EBIT	5,642	4,839	6,315	6,581	6,788
Net finance cost	-0	-96	115	141	179
Finance income	89	45	133	151	187
Finance expenses	-89	-141	-18	-10	-7
Profit of JV and associates	77	61	80	60	65
Pretax profit	5,719	4,805	6,510	6,781	7,032
Income tax	-993	-1,029	-1,139	-1,187	-1,231
After tax profit	4,726	3,776	5,371	5,595	5,802
MI	-381	-442	-430	-448	-464
Net profit	4,345	3,334	4,941	5,147	5,338
Core net profit	4,157	3,134	4,941	5,147	5,338
D&A	1,180	1,562	1,697	1,822	1,861
EBITDA	6,823	6,401	8,012	8,402	8,649

Cash flow summary

YE 31 Dec (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Pretax profit	5,719	4,805	6,510	6,781	7,032
Finance cost	89	141	18	10	7
Interest income	-89	-45	-133	-151	-187
Share of profit or loss of associates	-77	-61	-80	-60	-65
Depreciation	1,078	1,495	1,622	1,747	1,786
Amortization of intangible assets	102	67	75	75	75
Income tax paid	-1,043	-1,029	-1,139	-1,187	-1,231
Change in working capital	-1,639	1,853	-335	-511	1,604
Others	232	1,551	0	0	0
Cash flow from operation	4,374	8,775	6,537	6,705	9,022
Net capex on PP&E	-1,343	-1,034	-2,000	-1,600	-500
Dividend received	0	6	8	6	7
Interest received	89	45	133	151	187
Others	2,223	1,190	0	0	0
Cash flow from investing	979	-29	-3,251	-1,443	-307
Proceeds from equity financing	0	0	0	0	0
Net bank borrowings	-990	-2,000	-500	-200	0
Dividend paid	-1,615	-1,555	-1,077	-1,729	-1,801
Interest paid	-143	-141	-18	-10	-7
Others	117	-2,153	0	0	0
Cash flow from financing	-2,630	-5,849	-1,595	-1,939	-1,809
Change in cash	2,723	2,897	1,691	3,322	6,906
Cash at beginning of the year	9,840	12,616	17,931	19,622	22,944
Exchange gains/(losses) and others	53	2,418	0	0	0
Cash at end of the year	12,616	17,931	19,622	22,944	29,850

Balance sheet

YE 31 Dec (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Non-current assets	17,373	17,741	19,508	19,340	18,038
PP&E	10,366	9,906	10,824	10,677	9,391
Land use right	1,612	1,629	1,629	1,629	1,629
Investment in JV/associates	534	497	568	622	681
Investment properties	713	797	797	797	797
Long term receivables	2,195	2,907	2,907	2,907	2,907
Intangible assets	324	279	204	129	54
AFS / financial assets	212	0	0	0	0
Others	1,417	1,727	2,579	2,579	2,579
Current assets	44,308	48,210	49,637	55,101	62,233
Inventories	11,594	9,721	11,146	11,476	11,827
Trade and bills receivables	12,589	16,051	14,362	16,173	16,048
AFS / financial assets	4,601	1,715	1,715	1,715	1,715
Others	554	2,532	2,532	2,532	2,532
Restricted cash	2,352	260	260	260	260
Cash	12,616	17,931	19,622	22,944	29,850
Current liabilities	32,986	35,175	34,077	35,507	37,336
Trade and bills payables	28,305	31,455	30,856	32,486	34,316
Bank borrowings	3,000	1,000	500	300	300
Provisions	929	1,219	1,219	1,219	1,219
Others	752	1,501	1,501	1,501	1,501
Non-current liabilities	367	347	347	347	347
Bank borrowings	0	0	0	0	0
Deferred income	316	286	286	286	286
Others	50	62	62	62	62
Equity	28,328	30,428	34,722	38,587	42,587
Shareholders' equity	25,476	27,261	31,125	34,543	38,079
MI	2,852	3,167	3,596	4,044	4,508

Key ratios

YE 31 Dec	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue mix (%)					
HDT	79.0	82.1	80.3	79.6	78.8
LDT & bus	18.5	16.4	17.3	18.2	19.5
Engine & gearbox	22.8	23.6	22.6	22.4	22.0
Finance	2.3	2.5	2.6	2.5	2.4
Intersegment sales	(22.6)	(24.6)	(22.7)	(22.7)	(22.7)
Total	100.0	100.0	100.0	100.0	100.0
Profit & loss ratio (%)					
Gross margin	18.1	19.0	19.0	19.0	19.0
EBIT margin	9.1	7.8	9.7	9.7	9.7
Net profit margin	7.6	6.1	8.2	8.2	8.3
Growth (%)					
Revenue	11.4	0.7	4.9	4.1	3.0
Gross profit	11.4	6.0	4.7	4.1	3.0
EBIT	32.1	-14.2	30.5	4.2	3.2
Net profit	43.7	-23.3	48.2	4.2	3.7
Core net profit	50.0	-24.6	57.7	4.2	3.7
Balance sheet ratio					
Current ratio (x)	1.3	1.4	1.5	1.6	1.7
Receivable turnover days	82	84	85	82	84
Inventory turnover days	90	77	72	75	75
Payable turnover days	205	216	215	210	215
Net debt / total equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Profitability (%)					
ROA	7.7	5.9	8.0	7.8	7.5
ROE	18.0	12.6	16.9	15.7	14.7
Per share data					
EPS (RMB)	1.57	1.21	1.79	1.86	1.93
Core EPS (RMB)	1.51	1.14	1.79	1.86	1.93
BVPS (RMB)	9.23	9.87	11.27	12.51	13.79
DPS (RMB)	0.56	0.39	0.63	0.65	0.68

Source: Company data, CMBIS estimates

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