

JNBY Design (3306 HK)

The worst is over and better visibility ahead

Upgrade to BUY and raise TP to HK\$ 9.57 (same 10x FY6/21E P/E) after raising FY20-22E EPS by 5-10% for better GP margin and opex control. Given turnaround ahead, an undemanding PE at 8x FY6/21E P/E (~ 1.5 s.d. below 3 years average) and attractive dividend yield (7%/ 9% in FY21E/22E), we think its overall risk-reward is excellent.

- **We expect 11% sales and 29% net profit att. decline in FY6/20E.** Referring to profit warning, we now forecast sales/ net profit to fall by 11%/ 29% YoY in FY6/20E, implying a 35% sales decline and net loss in 2H6/20E, mainly driven by: 1) operating leverage for self-owned stores during the pandemic, 2) lower GP margin by higher retail discounts and 3) cancellation of sales as distributors return more inventories. With an unchanged 70% payout ratio, we expect FY6/20E dividend yield will be as high as 7%.
- **The worst should be over and JNBY is set to take more market share.** According to NBS, apparel retail sales in China already improved a lot from 35% drop in Mar 2020 to close to flattish in May and Jun 2020. JNBY's retail sales also recovered as it only fell 10-20% in May and back to almost flattish in Jun 2020, according to management. Going forward, trade fair orders for 3Q and 4Q20E is likely to record a decline, due to weakened distributors' sentiment. However, JNBY, as a tier 1 brand in China, should be able to benefit from industry consolidation, consumption reshoring (higher domestic demand on limited international travel), and hence will recover sooner than overall industry, evidenced by a robust online growth of 20%+ YoY in 2Q20.
- **Disruptions from COVID-19, in our view, are limited.** Also, values of the returned items (for both 1Q20 and 4Q19 season) is only 10% higher than usual, which we think is not worrying and completely controllable. Those excessive inventories, in our view, can be cleared by utilizing more outlets as well as the regular clearance at quarter ends and should not create much pressure on overall retail discounts at regular stores. Unlike other peers, JNBY only provided a temporarily raise in return rate to 100%, but no greater rebates or lengthened credit period (the policy of cash prepayment for all trade fair orders remained), etc. Therefore, the negative impact on its GP margin and other costs should be less than the industry too.
- **Upgrade to BUY and raise TP to HK\$ 9.57.** We upgrade JNBY to BUY from Hold and lift TP to HK\$ 9.57, based on 10x FY21E P/E (unchanged). We revised up FY20E/ 21E/ 22E EPS by 10%/ 8%/ 5%, to factor in: 1) weaker offline but strong online sales, 2) better GP margin and 3) better cost control. Fairly attractive given an 8x FY6/21E P/E and 7% FY6/20E yield.

Earnings Summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue (RMB mn)	2,864	3,358	3,003	3,203	3,549
YoY growth (%)	22.8	17.3	(10.6)	6.7	10.8
Net income (RMB mn)	410	485	344	425	478
EPS (RMB)	0.932	1.092	0.778	0.957	1.071
YoY growth (%)	15.7	17.2	(28.8)	23.0	12.0
Consensus EPS (RMB)	n/a	n/a	0.877	0.994	1.139
P/E (x)	8.1	6.9	9.7	7.9	7.0
P/B (x)	2.6	2.4	2.3	2.1	1.9
Yield (%)	10.5	10.2	7.2	8.9	9.9
ROE (%)	32.2	35.9	24.0	27.7	28.2
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

BUY (Up)

Target Price	HK\$9.57
(Previous TP)	HK\$8.89)
Up/Downside	+26.8%
Current Price	HK\$7.55

China Apparel Sector

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Stock Data

Mkt Cap (HK\$ mn)	3,917
Avg 3 mths t/o (HK\$ mn)	6.32
52w High/Low (HK\$)	14.16/6.00
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	-3.2%	-2.2%
3-mth	14.8%	9.2%
6-mth	-14.2%	-8.4%
12-mth	-40.9%	-38.4%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: PricewaterhouseCoopers

Related Reports

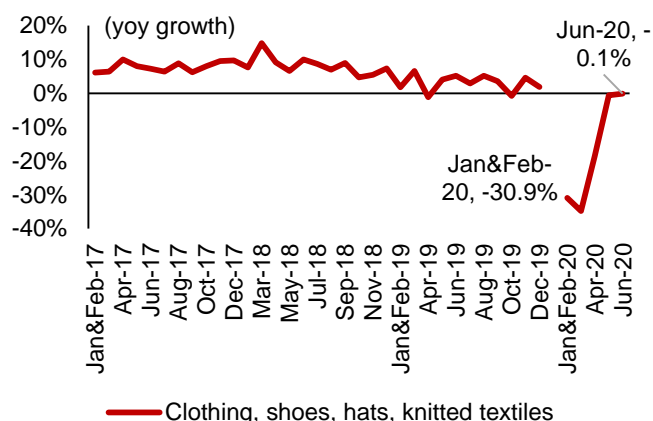
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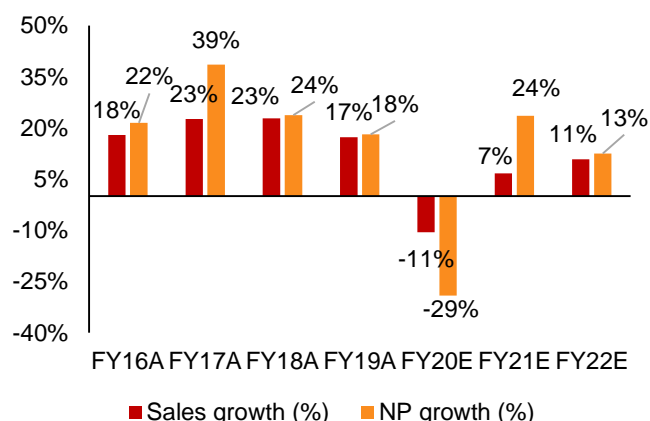
Focus Charts

Figure 1: Footwear and apparel retail sales growth



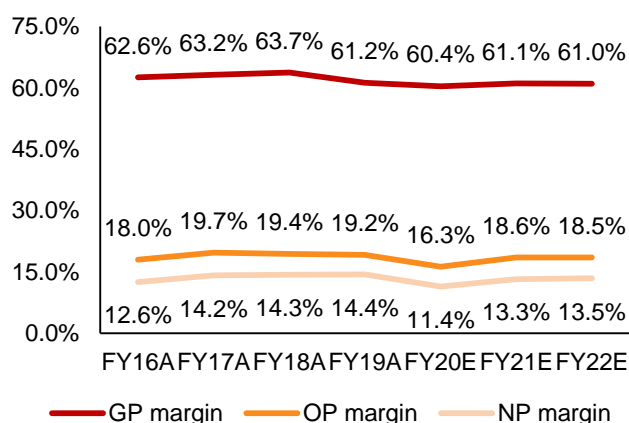
Source: NBS, CMBIS estimates

Figure 2: Sales/ net profit growth



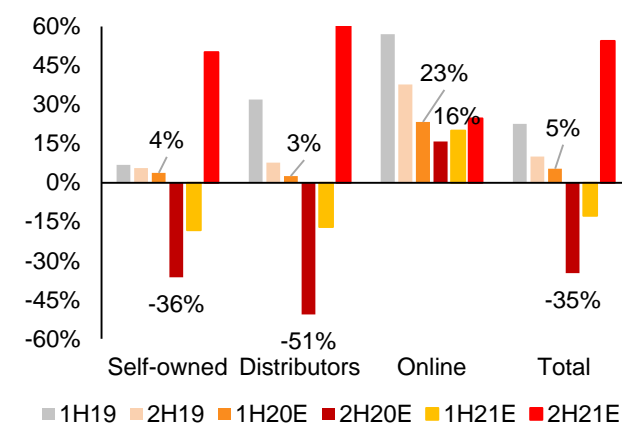
Source: Company data, CMBIS estimates

Figure 3: GP/ OP/ NP margin



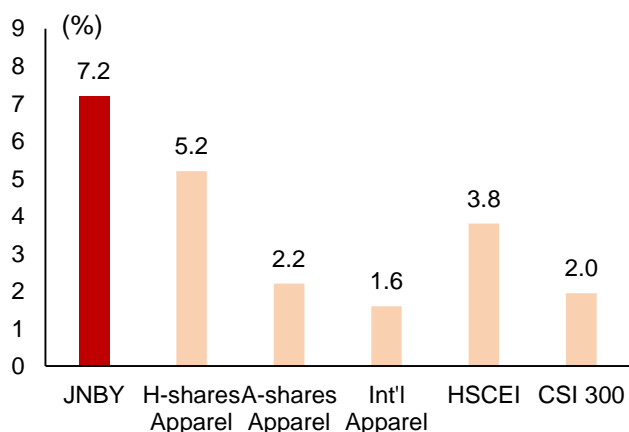
Source: Company data, CMBIS estimates

Figure 4: Sales growth by channel



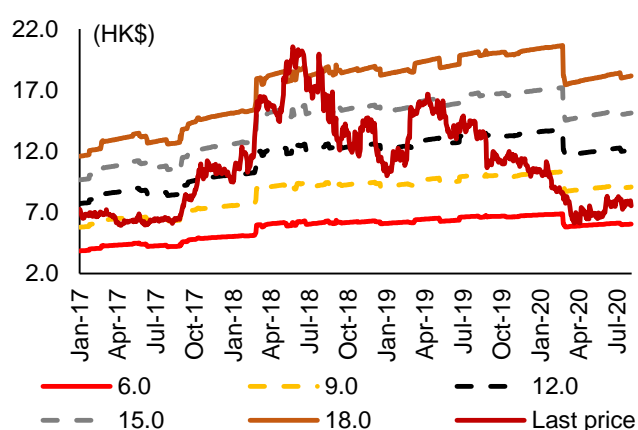
Source: Company data, CMBIS estimates

Figure 5: Forward 1 year dividend yield



Source: Company data, Bloomberg, CMBIS estimates

Figure 6: Forward 2 year PE band



Source: Company data, Bloomberg, CMBIS estimates

Result summary

Figure 7: Result forecasts – Half Year

Half yearly (RMB mn)	1H19	2H19	1H20	2H20E	1H19 YoY	2H19 YoY	1H20 YoY	2H20E YoY
Revenue	2,027	1,331	2,135	868	23%	10%	5%	-35%
COGS	(783)	(519)	(801)	(389)				
Gross profit	1,244	812	1,335	479	20%	3%	7%	-41%
GP margins	61.4%	61.0%	62.5%	55.2%				
Other income & gains	44	16	51	1				
S & D expenses	(605)	(566)	(642)	(463)	16%	9%	6%	-18%
<i>S & D exp / sales</i>	-29.8%	-42.5%	-30.1%	-53.4%				
Admin expenses	(159)	(143)	(144)	(127)	44%	2%	-9%	-11%
<i>Admin exp / sales</i>	-7.8%	-10.7%	-6.8%	-14.6%				
Other opex	0	0	0	0				
Operating profit (EBIT)	525	120	599	-111	23%	-7%	14%	-192%
<i>OP margins</i>	25.9%	9.0%	28.1%	-12.8%				
Other items	0	0	0	0				
Net finance income	9	9	0	2				
Net finance income / sales	0.5%	0.7%	0.0%	0.3%				
Profit after financing costs	534	129	599	-108				
Associated coms	0	0	0	0				
Jointly controlled coms	0	0	0	0				
Pre-tax profit	534	129	599	-108	23%	-5%	12%	-184%
Tax	(154)	(25)	(169)	22				
Tax / sales	-7.6%	-1.9%	-7.9%	2.6%				
Effective tax rate	-28.7%	-19.3%	-28.3%	-20.5%				
Minority interests	0	0	0	0				
Net profit att.	381	104	430	(86)	22%	6%	13%	-183%
NP margins	18.8%	7.8%	20.1%	-9.9%				

Source: Company data, CMBIS estimates

Figure 8: Result forecasts - Full Year

Full yearly (RMB mn)	FY18	FY19	FY20E	FY21E	FY19 YoY	FY20E YoY	FY21E YoY
Revenue	2,864	3,358	3,003	3,203	17%	-11%	7%
COGS	(1,038)	(1,302)	(1,190)	(1,247)			
Gross profit	1,826	2,056	1,813	1,956	13%	-12%	8%
GP margins	63.7%	61.2%	60.4%	61.1%			
Other income & gains	18	61	52	36			
S & D expenses	(1,037)	(1,170)	(1,106)	(1,126)	13%	-6%	2%
S & D exp / sales	-36.2%	-34.8%	-36.8%	-35.2%			
Admin expenses	(251)	(302)	(271)	(271)			
Admin exp / sales	-8.8%	-9.0%	-9.0%	-8.5%			
Other opex	0	0	0	0			
Operating profit (EBIT)	556	645	488	595	16%	-24%	22%
OP margins	19.4%	19.2%	16.3%	18.6%			
Other items	0	0	0	0			
Net finance income	13	18	2	3			
Net finance income / sales	0.5%	0.5%	0.1%	0.1%			
Profit after financing costs	569	663	491	598			
Associated coms	(0)	0	0	0			
Jointly controlled coms	0	0	0	0			
Pre-tax profit	569	663	491	598	17%	-26%	22%
Tax	(159)	(179)	(147)	(173)			
Tax / sales	-5.5%	-5.3%	-4.9%	-5.4%			
Effective tax rate	-27.9%	-26.9%	-30.0%	-29.0%			
Minority interests	0	0	0	0			
Net profit att.	410	485	344	425	18%	-29%	24%
NP margins	14.3%	14.4%	11.4%	13.3%			

Source: Company data, CMBIS estimates

Earnings revision

Figure 9: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,003	3,203	3,549	3,213	3,512	3,927	-6.5%	-8.8%	-9.6%
Gross profit	1,813	1,956	2,165	1,897	2,117	2,359	-4.4%	-7.6%	-8.2%
EBIT	488	595	658	449	560	635	8.8%	6.2%	3.7%
Net profit att.	344	425	478	312	395	455	10.1%	7.6%	5.0%
Diluted EPS (RMB)	0.669	0.823	0.921	0.608	0.765	0.877	10.1%	7.6%	5.0%
Gross margin	60.4%	61.1%	61.0%	59.0%	60.3%	60.1%	1.3ppt	0.8ppt	0.9ppt
EBIT margin	16.3%	18.6%	18.5%	14.0%	16.0%	16.2%	2.3ppt	2.6ppt	2.4ppt
Net profit att. margin	11.4%	13.3%	13.5%	9.7%	11.2%	11.6%	1.7ppt	2ppt	1.9ppt

Source: Company data, CMBIS estimates

Figure 10: CMBIS estimates vs consensus

RMB mn	CMBIS			Consensus			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	3,003	3,203	3,549	3,270	3,726	4,161	-8.1%	-14.0%	-14.7%
Gross profit	1,813	1,956	2,165	2,013	2,307	2,574	-9.9%	-15.2%	-15.9%
EBIT	488	595	658	551	658	742	-11.3%	-9.6%	-11.3%
Net profit att.	344	425	478	431	509	574	-20.2%	-16.5%	-16.7%
Diluted EPS (RMB)	0.669	0.823	0.921	0.877	0.994	1.139	-23.7%	-17.2%	-19.1%
Gross margin	60.4%	61.1%	61.0%	61.6%	61.9%	61.9%	-1.2ppt	-0.9ppt	-0.9ppt
EBIT margin	16.3%	18.6%	18.5%	16.8%	17.7%	17.8%	-0.6ppt	0.9ppt	0.7ppt
Net profit att. margin	11.4%	13.3%	13.5%	10.8%	11.3%	12.2%	0.6ppt	2ppt	1.2ppt

Source: Company data, CMBIS estimates

Figure 11: Peers' valuation

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)		ROE (%)	3yrs PEG (x)	Yield (%)	
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$m)	End	FY1E	FY2E	FY1E	FY2E	FY1E	FY1E	FY1E	
H shares Apparel															
JNBY Design	3306 HK	BUY	9.57	7.55	27%	3,917	Jun-19	9.7	7.9	2.3	2.2	34.8	(15.1)	7.2	
Bosideng Int'l	3998 HK	BUY	3.26	2.24	46%	24,065	Mar-20	14.2	11.7	2.0	1.8	12.0	0.6	4.7	
China Lilang	1234 HK	BUY	5.43	4.23	28%	5,065	Dec-19	6.6	5.3	1.2	1.1	23.2	1.5	10.1	
Cosmo Lady	2298 HK	SELL	1.14	0.49	135%	1,091	Dec-19	10.9	3.6	0.3	0.3	(39.4)	0.0	2.3	
Giordano	709 HK	NR	n/a	1.18	n/a	1,862	Dec-19	n/a	14.2	0.8	0.7	8.5	0.0	n/a	
Koradior	3709 HK	NR	n/a	9.25	n/a	6,337	Dec-19	18.0	10.9	1.7	1.6	18.6	2.8	1.4	
I.T Ltd	999 HK	NR	n/a	0.99	n/a	1,184	Feb-20	n/a	n/a	n/a	n/a	(24.9)	0.0	n/a	
Esprit Holdings	330 HK	NR	n/a	0.92	n/a	1,736	Jun-19	n/a	n/a	0.3	0.4	(10.4)	0.0	n/a	
La Chapelle	6116 HK	NR	n/a	0.65	n/a	1,093	Dec-19	n/a	n/a	n/a	n/a	(114.7)	0.0	n/a	
Bauhaus Intl	483 HK	NR	n/a	0.83	n/a	305	Mar-20	n/a	n/a	n/a	n/a	(27.0)	0.0	n/a	
								Avg.	11.9	8.9	1.2	1.2	(11.9)	(1.0)	5.2
								Med.	10.9	9.4	1.2	1.1	(1.0)	0.0	4.7
A-shares Apparel															
Ningbo Peacebird	603877 CH	NR	n/a	17.05	n/a	9,103	Dec-19	15.7	13.0	2.1	1.9	13.5	2.2	3.1	
Joeone Co Ltd	601566 CH	NR	n/a	9.46	n/a	6,061	Dec-19	21.8	21.4	1.3	1.3	3.6	18.6	2.6	
Fujian Septwolves	002029 CH	NR	n/a	5.66	n/a	4,769	Dec-19	19.2	14.5	0.7	0.7	3.6	(8.4)	1.1	
Hla Corp Ltd	600398 CH	NR	n/a	6.20	n/a	30,554	Dec-19	11.3	8.6	1.8	1.6	16.5	3.2	4.4	
Jiangsu Hongdou	600400 CH	NR	n/a	3.57	n/a	10,083	Dec-19	42.0	42.0	2.2	2.2	4.4	3.2	1.1	
Lancy Co Ltd	002612 CH	NR	n/a	10.17	n/a	5,017	Dec-19	30.8	20.8	1.4	1.4	0.1	0.5	0.7	
Shenzhen Huijie	002763 CH	NR	n/a	7.64	n/a	3,505	Dec-19	n/a	n/a	n/a	n/a	4.5	0.0	n/a	
Ellassay Fashion	603808 CH	NR	n/a	13.87	n/a	5,142	Dec-19	9.9	11.8	2.0	1.9	22.7	2.9	2.4	
Bobalton Co	002776 CH	NR	n/a	9.10	n/a	5,458	Dec-19	22.2	18.2	1.9	1.8	6.4	0.8	n/a	
								Avg.	21.6	18.8	1.7	1.6	8.4	2.6	2.2
								Med.	20.5	16.4	1.9	1.7	4.5	2.2	2.4
International Apparel															
Hugo Boss	BOSS GR	NR	n/a	23.85	n/a	15,418	Dec-19	n/a	14.4	1.8	1.6	(10.5)	0.0	2.4	
Ted Baker	TED LN	NR	n/a	74.00	n/a	1,393	Jan-20	n/a	10.3	0.8	0.7	0.5	0.0	0.0	
Next	NXT LN	NR	n/a	5586.00	n/a	75,764	Jan-20	34.4	15.2	11.5	8.3	151.1	(11.7)	2.0	
Hennes & Mauritz	HMB SS	NR	n/a	138.80	n/a	204,389	Nov-19	485.3	21.7	4.2	4.2	9.8	233.2	4.0	
Industria De Diseno	ITX SM	NR	n/a	22.38	n/a	640,489	Jan-20	39.2	21.5	4.7	4.5	18.0	14.6	2.4	
Ovs Spa	OVS IM	NR	n/a	0.92	n/a	1,923	Jan-20	131.8	5.2	0.3	0.3	(17.6)	(0.8)	0.0	
Pvh Corp	PVH US	NR	n/a	51.18	n/a	28,178	Feb-20	n/a	8.7	0.8	0.7	(14.8)	0.0	0.1	
Vf Corp	VFC US	NR	n/a	61.94	n/a	187,052	Mar-20	57.5	24.3	8.5	8.7	9.8	2.8	3.1	
Marks & Spencer	MKS LN	NR	n/a	101.35	n/a	20,197	Mar-20	14.7	7.8	0.6	0.6	0.8	0.1	0.0	
								Avg.	127.2	14.3	3.7	3.3	16.3	26.5	1.6
								Med.	48.4	14.4	1.8	1.6	0.8	0.0	2.0

Source: Bloomberg, CMBIS estimates

Assumptions

Figure 12: JNBY's key assumptions

Major assumptions	FY18A	FY19A	FY20E	FY21E	FY22E
Sales by brand (RMB mn)					
JNBY	1,622	1,879	1,691	1,810	1,991
CROQUIS	565	645	535	551	606
jnby by JNBY	394	476	452	497	552
less	238	287	255	276	312
Other brands	45	71	70	69	89
Total	2,864	3,358	3,003	3,203	3,549
Sales by brand growth (%)					
JNBY	18.7%	15.9%	-10.0%	7.0%	10.0%
CROQUIS	15.5%	14.1%	-17.0%	3.0%	10.0%
jnby by JNBY	34.3%	20.8%	-5.0%	10.0%	11.0%
less	40.5%	20.6%	-11.0%	8.0%	13.0%
Other brands	206.5%	57.8%	-2.7%	-0.1%	27.9%
Total	22.8%	17.3%	-10.6%	6.7%	10.8%
Sales by channel growth (%)					
Self-owned	22.5%	6.3%	-14.3%	4.6%	7.6%
Distributors	19.5%	22.8%	-15.0%	3.0%	10.0%
Online	42.0%	47.9%	20.0%	22.0%	20.0%
Sales network by segment					
JNBY	832	884	904	934	964
CROQUIS	308	338	318	328	348
jnby by JNBY	461	514	474	494	519
less	150	186	191	211	236
Other brands	80	96	54	56	73
Total	1,831	2,018	1,941	2,023	2,140
GP margins by Channel					
JNBY	63.6%	61.9%	61.3%	62.2%	62.3%
CROQUIS	66.8%	64.1%	63.0%	63.5%	63.5%
jnby by JNBY	58.1%	54.4%	54.0%	54.5%	54.5%
less	69.4%	66.3%	65.0%	65.0%	64.0%
Other brands	51.5%	40.8%	41.8%	43.7%	44.1%
Total	63.7%	61.2%	60.4%	61.1%	61.0%
Opex breakdown					
Outsourcing charges/ sales	9.1%	8.9%	8.8%	8.5%	8.4%
Rental expenses/ sales	15.1%	14.3%	15.1%	14.1%	13.5%
Staff costs/ sales	7.0%	7.1%	6.7%	6.7%	7.0%
A&P expenses/ sales	4.8%	4.4%	4.6%	4.4%	4.5%
Provisions for inventory/ sales	2.8%	3.5%	3.6%	3.0%	3.0%
D&A/ sales	1.3%	1.4%	1.6%	1.5%	1.4%
Selling & distribution costs / sales	36.2%	34.8%	36.8%	35.2%	35.3%
Admin expenses / sales	8.8%	9.0%	9.0%	8.5%	8.2%
OP margins					
Effective tax rate	27.9%	26.9%	30.0%	29.0%	28.0%
Net profit margins					
Net profit margins	14.3%	14.4%	11.4%	13.3%	13.5%
Net profit att. growth (%)					
Net profit att. growth (%)	23.8%	18.1%	-29.1%	23.6%	12.5%

Source: Company data, CMBIS estimates

Financial Summary

Income statement

YE 30 Jun (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue	2,864	3,358	3,003	3,203	3,549
Self-owned	1,401	1,489	1,277	1,335	1,436
Distributors	1,197	1,470	1,250	1,287	1,416
Online	266	393	472	576	691
Others	-	5	5	6	7
Cost of goods sold	(1,038)	(1,302)	(1,190)	(1,247)	(1,385)
Gross profit	1,826	2,056	1,813	1,956	2,165
Other income	18	61	52	36	37
Operating expenses	(1,288)	(1,472)	(1,377)	(1,397)	(1,543)
D & A	(5)	(7)	(10)	(12)	(14)
Staff costs	(167)	(200)	(200)	(194)	(222)
S & D costs (ex-staff, D&A)	(957)	(1,075)	(1,010)	(1,034)	(1,147)
Admin exp. (ex-staff, D&A)	(159)	(191)	(156)	(157)	(160)
Other operating expenses	-	-	-	-	-
EBIT	556	645	488	595	658
Finance costs, net	13	18	2	3	5
JVs & associates	(0)	-	-	-	-
Exceptional	-	-	-	-	-
Pre-tax profit	569	663	491	598	664
Income tax	(159)	(179)	(147)	(173)	(186)
Less: Minority interests	0	0	0	0	0
Net profit	410	485	344	425	478

Cash flow summary

YE 30 Jun (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
EBIT	556	645	488	595	658
D & A	38	48	81	100	118
Change in working capital	(140)	(281)	(31)	(18)	(52)
Income tax paid	(179)	(202)	(147)	(173)	(186)
Others	104	126	16	17	19
Net cash from operating	379	336	408	521	558
Capex & investments	(116)	(160)	(143)	(152)	(169)
Associated companies	-	-	-	-	-
Interest received	11	21	-	-	-
Others	(44)	71	-	-	-
Net cash from investing	(149)	(67)	(143)	(152)	(169)
Equity raised	(31)	(48)	-	-	-
Net change in bank loans	-	-	-	-	-
Dividend paid	(348)	(342)	(301)	(267)	(316)
Others	-	0	(14)	(14)	(14)
Net cash from financing	(379)	(390)	(314)	(281)	(330)
Net change in cash	(149)	(122)	(49)	88	59
Beginning cash balance	494	333	216	167	255
Exchange difference	(12)	5	-	-	-
Cash at the end of the year	333	216	167	255	314

Balance sheet

YE 30 Jun (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Non-current assets	318	456	517	569	620
Fixed asset	142	279	343	398	451
Intangible assets & goodwill	9	12	10	8	6
Prepaid lease payments	9	10	10	10	10
Interest in joint ventures	-	-	-	-	-
Other non-current assets	159	154	154	153	153
Current assets	1,804	1,829	1,726	1,878	2,077
Cash & cash equivalents	333	216	167	255	314
Inventories	764	860	848	889	986
Trade and other receivables	95	115	103	110	122
Prepayments	231	288	257	274	304
Other current assets	382	350	350	350	350
Current liabilities	823	861	775	823	910
Bank loans	-	-	-	-	-
Trade payables	204	202	184	193	215
Accruals & other payables	576	645	577	615	682
Tax payables	-	-	-	-	-
Others	43	14	14	14	14
Non-current liabilities	11	13	13	13	13
Bank loans	-	-	-	-	-
Deferred income	-	-	-	-	-
Deferred tax	11	13	13	13	13
Others	-	-	-	-	-
Minority interest	-	-	-	-	-
Total net assets	1,288	1,411	1,454	1,612	1,774
Shareholders' equity	1,288	1,411	1,454	1,612	1,774

Key ratios

YE 30 Jun	FY18A	FY19A	FY20E	FY21E	FY22E
Sales mix (%)					
Self-owned	48.9	44.4	42.5	41.7	40.4
Distributors	41.8	43.8	41.6	40.2	39.9
Online	9.3	11.7	15.7	18.0	19.5
Others	-	0.2	0.2	0.2	0.2
Total	100.0	100.0	100.0	100.0	100.0
P&L ratios (%)					
Gross margin	63.7	61.2	60.4	61.1	61.0
Operating margin	19.4	19.2	16.3	18.6	18.5
Pre-tax margin	19.9	19.8	16.3	18.7	18.7
Net margin	14.3	14.4	11.4	13.3	13.5
Effective tax rate	27.9	26.9	30.0	29.0	28.0
Balance sheet ratios					
Current ratio (x)	2.2	2.1	2.2	2.3	2.3
Quick ratio (x)	1.3	1.1	1.1	1.2	1.2
Cash ratio (x)	0.4	0.3	0.2	0.3	0.3
Inventory turnover days	268	241	260	260	260
Trade receivables days	12	13	13	13	13
Trade payables days	72	57	57	57	57
Total debt / total equity	0.9	0.6	0.6	0.6	0.5
Net debt / equity ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Returns (%)					
ROE	31.9	34.4	23.6	26.3	26.9
ROA	19.3	21.2	15.3	17.4	17.7
Per share					
EPS (RMB)	0.79	0.94	0.67	0.82	0.92
DPS (RMB)	0.67	0.66	0.47	0.58	0.65
BVPS (RMB)	2.48	2.72	2.80	3.09	3.38

Source: Company data, CMBIS estimates

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