

Xtep (1368 HK)

An inline 3Q23 and strong FY24E guidance

- **What is new?** Xtep's retail sales in 3Q23 grew by high-teens YoY, in line with CMBI est. of 18%. In terms of breakdown, offline sales were faster than online and Xtep Kids had a 30%+ growth and running category also delivered a 25%+ sales growth. Retail discount was at 25%-30% off, in line with management's comments in Aug 2023. The inventory to sales ratio was at 4.5 to 5 months, same as the last quarter.
- **Our view: both 3Q23 numbers and 4Q23E guidance were impressive, and outlook for FY24E is positive.**
- **The retail sales trend was strong and 30%+ guidance for 4Q23E should be achievable.** Although the retail sales growth in 3Q23 was similar to that in 2Q23, the base was tougher, so it was great. Management expects 30%+ growth in 4Q23E, which is in line with CMBI est.. We are confident thanks to the low base and decent retail sales trend (around 10%/high-teens/25%-30%/30%+ for Jul/ Aug/ Sep/10-1 holidays).
- **Retail discounts could stay high in 4Q23E but the inventory to sales ratio could normalize to about 4 months.** We are not surprised as the management had reiterated many times their plan to de-stock last winter's products in 2H23E and the short-term impact. These off-season items will be sold mainly online and in the outlets. Discounts for new products will not be affected, and the sell-through rate in 1H23 was fairly strong (80%/ 75% for 1Q23/2Q23).
- **FY24E guidance is better than expected, assuming a normal sell-through rate in 4Q23E.** Management expects both retail sales growth and listco level sales growth to reach 20%+ in FY24E, thanks to robust demand. This is better than our expectations of 15%+. The growth drivers, in our view, should be 10%+ sales per store increase (mainly volume and small ASP increases, 7-8% SSSG, and RMB 300k of sales per store for a 9th-gen store vs RMB 190k for an average store), 3%+ store count growth (around 1,000 openings and around 800 closures) and a 20%+ Kids and E-commerce sales growth.
- **New brands guidance maintained but Saucony continue to do well.** Saucony's sales per store can now reach about RMB 300k with a smaller size, at just 110 sq m (vs Xtep's average of 140 sq m). Number of stores will reach about 100 in FY23E and around 20 will be distributors' stores. In this case, breakeven is likely in FY23E.
- **Maintain BUY and TP of HK\$11.41, based on unchanged 23x FY23E P/E.** Xtep's current valuation is not demanding, at 14x FY23E P/E and 0.6 PEG, esp. when the figures (both sales growth and margins) are likely to bottom out.

Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	10,013	12,930	15,103	17,545	20,012
YoY growth (%)	22.5	29.1	16.8	16.2	14.1
Operating profit (RMB mn)	1,396	1,464	1,806	2,267	2,680
Net profit (RMB mn)	889.4	912.3	1,162.0	1,512.6	1,842.5
EPS (Reported) (RMB)	0.36	0.36	0.44	0.57	0.69
YoY growth (%)	72.1	0.6	22.9	29.8	21.8
P/E (x)	21.0	26.6	15.1	11.6	9.5
P/B (x)	2.4	3.0	2.0	1.8	1.6
Yield (%)	2.9	1.8	3.3	4.3	5.2
ROE (%)	11.6	11.2	13.5	16.2	18.0
Net gearing (%)	17.9	6.8	1.9	(2.1)	(5.0)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$11.41**
(Previous TP) HK\$11.41
Up/Downside **61.2%**
Current Price **HK\$7.08**

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Stock Data

Mkt Cap (HK\$ mn)	18,654.7
Avg 3 mths t/o (HK\$ mn)	37.9
52w High/Low (HK\$)	10.98/6.85
Total Issued Shares (mn)	2634.8

Source: FactSet

Shareholding Structure

Mr Ding Shui Po & Family	49.0%
JP Morgan Chase	4.6%

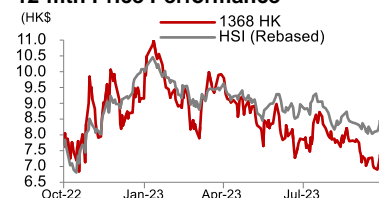
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-9.9%	-7.2%
3-mth	-10.0%	-1.0%
6-mth	-28.6%	-17.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

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Operating numbers

Figure 1: Sportswear brands sales growth trend

Operating numbers	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23E	4Q23E
Nike China sales	-4%	1%	8%	19%	42%	9%	1%	-24%	-8%	-20%	-13%	6%	1%	12%	8%	8%
Adidas China sales	-58%	0%	-5%	7%	156%	-16%	-15%	-24%	-35%	-35%	-27%	-50%	-9%	16%	5%	20%
Anta brand's SSSG																
Anta brand's retail sa	-ve 20%-25%	-ve LSD	+ve LSD	+ve LSD	40%-45%	35%-40%	+ve Low-teens	+ve Mid-teens	+ve High-teens	-ve MSD	+ve MSD	-ve HSD	+ve MSD	+ve HSD	+ve HSD	19%
Core brand	-ve 20%-25%	-ve LSD	-ve MSD	-ve MSD	35%-40%	35%-40%	+ve HSD	+ve MSD	+ve Mid-teens	-ve Low-teens	+ve LSD	-ve Mid-teens	+ve HSD	+ve HSD	+ve HSD	
Kids	-ve 20%-25%	+ve MSD	+ve Low-teens	-ve Low-teens	45%-50%	Over 20%	+ve MSD	+ve Mid-teens	20%-25%	+ve LSD	+ve HSD	-ve High-teens	+ve MSD	+ve HSD	+ve HSD	
Online	+ve MSD	Over 40%	Over 50%	Over 25%	Over 60%	Over 45%	25%-30%	30%-35%	Over 30%	+ve HSD	+ve HSD	+ve MSD	-ve LSD	+ve MSD	+ve LSD	
FILA brand's retail sa																
Classic/ Core brand	-ve 20%-25%	+ve MSD	+ve MSD	+ve MSD	80%	Over 20%	Flat	Flat	-ve MSD	-ve DD	-ve LSD	-ve Mid-teens	+ve LSD	+ve MSD	+ve HSD	
Kids	-ve LSD	Over 30%	Over 30%	Over 20%	100%	Over 40%	+ve Mid-teens	+ve Mid-teens	+ve Mid-teens	+ve HSD	+ve LSD	-ve Low-teens	-ve HSD	+ve LSD	+ve HSD	
Fusion	+ve MSD	Over 70%	Over 50%	Over 50%	150%	Over 80%	+ve Mid-teens	+ve Low-teens	Over 20%	-ve MSD	+ve LSD	+ve HSD	-ve HSD	+ve LSD	+ve HSD	
Online	160%	Over 80%	Over 90%	70%-80%	Over 40%	Over 40%	20%-25%	25%-30%	Over 20%	+ve MSD	Over 65%	Over 40%	Over 40%	60%-65%	-ve Mid-teens	
Other brands																
Descente	+ve Mid-teens	Over 60%	90%	Over 80%	150%	100%	50%	40%-45%	40%-45%	Over 20%	Over 35%	-ve Low-teens	70%-75%	60%-65%	40%-45%	
Kolon	-ve High-teens	+ve LSD	20%-25%	30%-40%	Over 75%	40%	30%	-ve High-teens	40%-45%	Over 20%	Over 55%	-ve High-teens	100%	100%	60%-65%	
Li Ning group's SSSG																
Direct retail	n/a	-ve High-teens	-ve MSD	+ve HSD	n/a	+ve Low 90%	+ve Low 30%	+ve Mid 20%	+ve Mid 20%	-ve High-teens	+ve MSD	-ve High-teens	-ve LSD	+ve HSD		
Wholesales	n/a	-ve Low-teens	-ve MSD	+ve MSD	n/a	+ve Low 70%	+ve Mid 20%	+ve High-teens	+ve Low-teens	-ve High-teens	+ve HSD	-ve Low 20%	-ve LSD	+ve LSD		
E- Commerce	+ve Low-teens	+ve Mid 20%	+ve High 30%	+ve Low 30%	n/a	+ve High 80%	+ve Mid 30%	+ve High 20%	+ve Mid 30%	+ve LSD	+ve Low-teens	-ve LSD	-ve Low 20%	+ve LSD		
Li Ning group's retail																
Direct retail	-ve Mid 30%	-ve Low-teens	Flat	+ve MSD	+ve Low 90%	+ve High 80%	+ve Mid 30%	+ve High 20%	+ve Mid 30%	-ve HSD	+ve Low 20%	-ve Mid-teens	+ve Mid-teens	+ve High 20%		
Wholesales	-ve High-teens	-ve HSD	-ve LSD	+ve Low-teens	+ve Low 80%	+ve Low 90%	+ve High 30%	+ve High 20%	+ve Low 20%	-ve HSD	+ve Low-teens	-ve Low 20%	+ve MSD	+ve Mid-teens		
E- Commerce	+ve Low-teens	+ve High 20%	+ve Low 40%	+ve Mid 30%	100%	+ve High 90%	+ve Mid 50%	+ve Low 40%	+ve Mid 30%	+ve MSD	+ve Mid 20%	+ve MSD	-ve Low-teens	+ve Low-teens		
Xtep brand's SSSG																
Xtep brand's retail sa	-ve 20%-25%	-ve LSD	+ve MSD	+ve HSD	Mid 50%-60%	30%-35%	+ve Mid-teens	20%-25%	30%-35%	+ve Mid-teens	20%-25%	-ve HSD	20%	+ve High-teens	+ve High-teens	30%
361 Degree brand's SSSG																
361 Degree brand's re	-ve 20%-25%	-ve Low-teens	-ve HSD	+ve LSD	+ve High-teens	15%-20%	+ve Low-teens	+ve High-teens	+ve High-teens	+ve Low-teens	+ve Mid-teens	Flat	+ve Low-teens	+ve Low-teens	15.0%	
Kids						20%-25%	30%-35%	15%-20%	25%-30%	20%-25%	20%-25%	20%-25%	+ve LSD	20%-25%	20%-25%	25%-30%
E- Commerce									35%-40%	50%	40%	45%	25%	35%	30%	30%
Pou Sheng's SSSG	-33%	-18%	-13%	-1%	32%	-11%	-25%	-29%	-21%	-25%	-10%	-27%	0%	13%		
Pou Sheng's sales	-25%	0%	0%	1%	48%	-15%	-25%	-27%	-25%	-24%	-8%	-20%	7%	17%	-1%	20%
Topsports' retail sales																
Dong Xiang's SSSG	-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	-ve MSD	-ve Low to Mid-teens	-ve Low to Mid SD	-ve Mid-teens	+ve Low to Mid-teens	+ve Low to Mid-teens		
Dong Xiang's retail sa	-ve 25% to 30%	-ve Low to Mid SD	+ve MSD	+ve Low-teens	60%-70%	+ve Low to Mid-teens	-ve Mid to High-teens	-ve Mid-teens	-ve MSD	-ve Mid to High-teens	+ve LSD	-ve Mid 20% to 30%	+ve Low to Mid-teens	+ve Mid-teens		
Direct retail	-ve 30%-35%	-ve Low-teens	Flat	+ve MSD	70%-75%											
E- Commerce	-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)

Assumptions

Figure 2: Major assumptions

Major assumptions	FY21A	FY22A	FY23E	FY24E	FY25E
Sales by segment (RMB mn)					
Shoes	5,928	7,760	9,162	10,741	12,344
Apparels	3,887	4,897	5,631	6,476	7,318
Accessories	198	273	309	327	350
Total	10,013	12,930	15,103	17,545	20,012
Sales by segment growth (%)					
Shoes	17.5%	30.9%	18.1%	17.2%	14.9%
Apparels	31.2%	26.0%	15.0%	15.0%	13.0%
Accessories	22.5%	38.3%	13.0%	6.0%	7.0%
Total	22.5%	29.1%	16.8%	16.2%	14.1%
Sales by segment (RMB mn)					
Mass market	8,841	11,128	12,680	14,567	16,474
Athleisure	971	1,403	1,711	2,030	2,315
Professional sports	201	400	711	948	1,223
Total	10,013	12,930	15,103	17,545	20,012
Sales by segment growth (YoY)					
Mass market	24.5%	25.9%	13.9%	14.9%	13.1%
Athleisure	-2.8%	44.5%	22.0%	18.6%	14.0%
Professional sports	180.3%	99.0%	77.8%	33.3%	29.0%
Total	22.5%	29.1%	16.8%	16.2%	14.1%
Sales network					
Xtep	4,722	4,493	4,628	4,767	4,910
Xtep kids	1,179	1,520	1,672	1,789	1,878
Oversea stores	250	300	300	300	300
Total	6,151	6,313	6,600	6,856	7,088
GP margins	41.7%	40.9%	41.4%	41.6%	41.9%
Opex breakdown					
A&P / sales	10.2%	11.9%	12.6%	12.1%	12.1%
Staff costs/ sales	11.1%	11.3%	10.9%	10.4%	10.4%
R&D / sales	2.5%	2.3%	2.4%	2.6%	2.6%
D&A / sales	1.7%	1.9%	1.6%	1.5%	1.4%
Provisions (write backs) / sales	-0.2%	0.4%	0.3%	0.2%	0.2%
Rental / sales	0.1%	0.1%	0.4%	0.4%	0.4%
Selling & distribution costs / sales	18.9%	20.8%	20.6%	20.0%	19.9%
Admin expenses / sales	11.9%	11.2%	11.5%	11.0%	10.9%
Total	30.8%	32.0%	32.1%	31.0%	30.8%
OP margins	13.9%	11.3%	12.0%	12.9%	13.4%
Effective tax rate	30.9%	33.0%	32.0%	31.0%	30.0%
Net profit att. margins	9.1%	7.1%	7.7%	8.6%	9.1%
Net profit att. growth (%)	77.1%	1.5%	25.5%	29.8%	21.8%

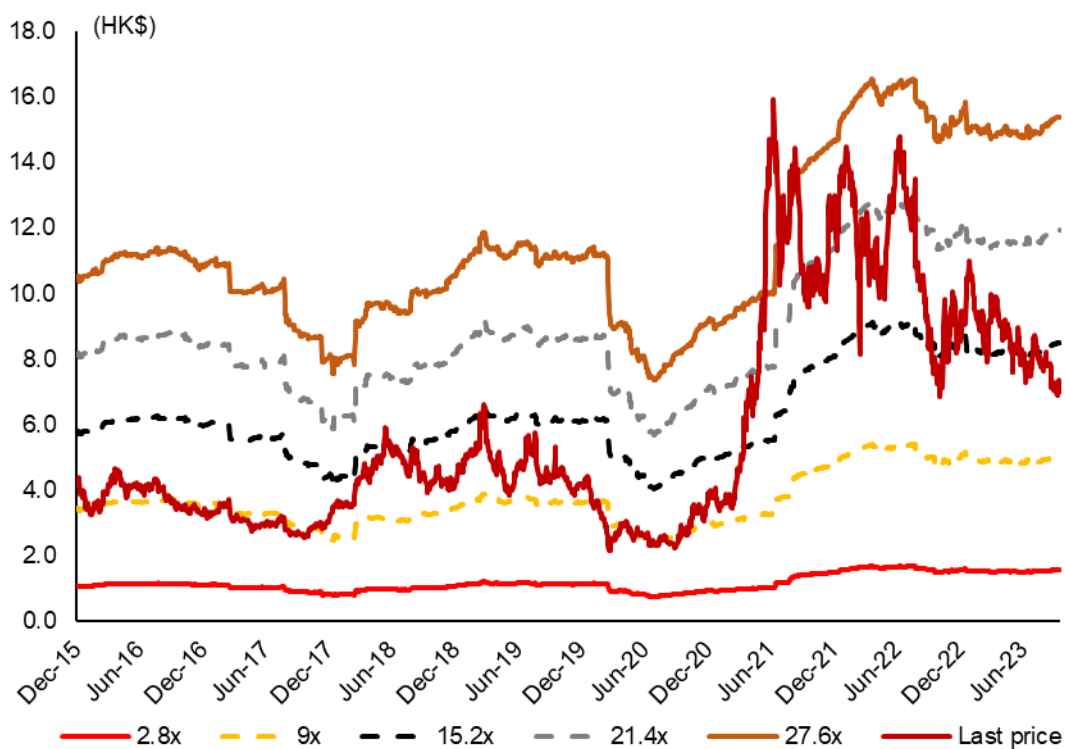
Source: Company data, CMBIGM estimates

Valuation

Figure 3: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf.
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY1E	FY2E	FY2E	FY1E	FY1E	FY1E	FY1E
H shares Sportswear														
Xtep Intl	1368 HK	BUY	11.41	7.75	47%	20,448	Dec-22	15.6	12.0	2.1	11.4	0.6	3.2	(10.8)
Anta Sports	2020 HK	BUY	107.97	85.20	27%	241,340	Dec-22	22.8	19.1	5.1	21.8	1.3	2.0	(16.7)
Li Ning	2331 HK	BUY	52.97	36.45	45%	96,084	Dec-22	19.9	16.5	3.2	16.8	1.5	1.9	(46.2)
361 Degrees	1361 HK	NR	n/a	3.90	n/a	8,064	Dec-22	8.1	6.9	0.8	10.9	0.5	4.4	17.1
Topsports	6110 HK	BUY	9.00	6.72	34%	41,672	Feb-23	15.7	13.2	3.7	18.0	0.8	5.6	11.1
Pou Sheng	3813 HK	NR	n/a	0.68	n/a	3,622	Dec-22	6.7	4.5	0.4	4.6	0.1	3.6	(9.3)
China DX	3818 HK	NR	n/a	0.28	n/a	1,619	Mar-23	5.1	4.3	0.2	1.2	0.0	15.6	(11.3)
Avg.								13.4	10.9	2.2	12.1	0.7	5.2	(9.4)
Med.								15.6	12.0	2.1	11.4	0.6	3.6	(10.8)
International Sportswear														
Nike Inc	NKE US	NR	n/a	101.46	n/a	1,217,104	May-23	27.1	23.1	11.0	34.6	1.7	1.4	(13.3)
Adidas	ADS GY	NR	n/a	174.24	n/a	265,751	Dec-22	n/a	41.0	6.8	(2.2)	0.0	0.4	36.7
Puma	PUM GY	NR	n/a	59.62	n/a	76,194	Dec-22	24.3	18.2	3.3	12.8	1.2	1.4	5.1
Under Armour	UAA US	NR	n/a	7.20	n/a	23,920	Mar-23	14.4	11.6	1.5	20.8	(2.8)	0.0	(29.1)
Lululemon	LULU US	NR	n/a	379.42	n/a	378,004	Jan-23	31.8	27.7	11.2	31.9	1.0	0.0	18.4
Skechers	SKX US	NR	n/a	50.15	n/a	60,850	Dec-22	14.8	12.2	1.8	13.1	0.6	0.0	19.5
Vf Corp	VFC US	NR	n/a	18.96	n/a	57,808	Apr-23	9.3	8.1	2.3	3.9	0.1	6.3	(31.3)
Columbia	COLM US	NR	n/a	73.88	n/a	35,526	Dec-22	16.1	13.8	2.2	16.2	2.4	1.7	(15.6)
Wolverine	WWW US	NR	n/a	8.09	n/a	5,044	Dec-22	17.4	5.3	1.7	(56.5)	(0.1)	5.0	(26.0)
Mizuno Corp	8022 JP	NR	n/a	4695.00	n/a	6,725	Mar-23	12.0	11.0	1.0	9.0	2.8	1.6	66.9
Asics Corp	7936 JP	NR	n/a	4985.00	n/a	51,012	Dec-22	30.8	26.6	5.0	15.8	1.5	1.1	71.1
Avg.								19.8	18.1	4.4	9.0	0.8	1.7	9.3
Med.								16.7	13.8	2.3	13.1	1.0	1.4	5.1

Source: Bloomberg, CMBIGM estimates

Figure 4: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	8,172	10,013	12,930	15,103	17,545	20,012
Cost of goods sold	(4,973)	(5,835)	(7,639)	(8,845)	(10,244)	(11,628)
Gross profit	3,198	4,178	5,292	6,258	7,301	8,384
Operating expenses	(2,588)	(3,081)	(4,144)	(4,844)	(5,437)	(6,164)
Selling expense	(1,537)	(1,891)	(2,690)	(3,110)	(3,501)	(3,988)
Admin expense	(827)	(937)	(1,155)	(1,372)	(1,479)	(1,656)
R&D expense	(223)	(252)	(299)	(362)	(456)	(520)
Others	0	0	0	0	0	0
Operating profit	918	1,396	1,464	1,806	2,267	2,680
Other income	307	299	317	393	404	460
Share of (losses)/profits of associates/JV	(17)	(46)	(12)	(7)	19	49
EBITDA	996	1,480	1,597	1,974	2,450	2,875
Depreciation	(64)	(71)	(107)	(127)	(131)	(133)
Other amortisation	(14)	(13)	(26)	(40)	(52)	(61)
Interest income	4	21	25	26	23	20
Interest expense	(144)	(85)	(117)	(117)	(117)	(117)
Other income/expense	0	0	0	0	0	0
Pre-tax profit	762	1,287	1,361	1,709	2,192	2,632
Income tax	(257)	(397)	(449)	(547)	(680)	(790)
Minority interest	8	19	9	(5)	(11)	(13)
Net profit	505	889	912	1,162	1,513	1,842

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	9,027	10,432	11,484	12,474	13,673	14,926
Cash & equivalents	3,472	3,930	3,071	2,673	2,300	1,973
Account receivables	3,236	3,528	4,556	5,321	6,182	7,051
Inventories	975	1,497	1,960	2,270	2,629	2,984
Prepayment	899	1,443	1,863	2,176	2,528	2,883
ST bank deposits	437	33	33	33	33	33
Other current assets	8	1	1	1	1	1
Non-current assets	3,544	4,183	4,491	4,845	5,295	5,850
PP&E	796	1,119	1,464	1,866	2,349	2,916
Investment in JVs & assos	218	365	352	345	364	413
Intangibles	709	671	642	599	545	482
Other non-current assets	1,820	2,028	2,032	2,035	2,037	2,038
Total assets	12,572	14,615	15,975	17,319	18,968	20,776
Current liabilities	3,334	4,053	5,092	5,810	6,636	7,458
Short-term borrowings	642	405	405	405	405	405
Account payables	1,479	2,352	3,079	3,566	4,130	4,688
Tax payable	86	123	123	123	123	123
Other current liabilities	1,127	1,173	1,485	1,717	1,978	2,242
Non-current liabilities	1,939	2,580	2,580	2,580	2,580	2,580
Long-term borrowings	1,516	1,375	1,375	1,375	1,375	1,375
Other non-current liabilities	423	1,205	1,205	1,205	1,205	1,205
Total liabilities	5,273	6,633	7,672	8,391	9,216	10,038
Share capital	22	23	23	23	23	23
Retained earnings	4,671	5,020	5,185	5,764	6,515	7,429
Other reserves	2,605	2,940	3,104	3,146	3,207	3,266
Total shareholders equity	7,299	7,982	8,313	8,933	9,745	10,718
Minority interest	0	0	(9)	(4)	7	20
Total equity and liabilities	12,572	14,615	15,975	17,319	18,968	20,776

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	762	1,287	1,361	1,709	2,192	2,632
Depreciation & amortization	78	84	132	168	183	195
Tax paid	(325)	(329)	(449)	(547)	(680)	(790)
Change in working capital	(320)	(447)	(872)	(669)	(746)	(758)
Others	125	107	12	7	(19)	(49)
Net cash from operations	320	701	185	668	930	1,230
Investing						
Capital expenditure	(207)	(414)	(453)	(529)	(614)	(700)
Acquisition of subsidiaries/ investments	(4)	(3)	0	0	0	0
Others	784	89	0	0	0	0
Net cash from investing	573	(329)	(453)	(529)	(614)	(700)
Financing						
Dividend paid	(279)	(356)	(591)	(537)	(689)	(856)
Net borrowings	(77)	(312)	0	0	0	0
Proceeds from share issues	37	0	0	0	0	0
Share repurchases	(6)	0	0	0	0	0
Others	(55)	764	0	0	0	0
Net cash from financing	(380)	96	(591)	(537)	(689)	(856)
Net change in cash						
Cash at the beginning of the year	2,970	3,472	3,930	3,071	2,673	2,300
Exchange difference	(11)	(11)	0	0	0	0
Others	513	469	(859)	(398)	(373)	(327)
Cash at the end of the year	3,472	3,930	3,071	2,673	2,300	1,973
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Revenue	(0.1%)	22.5%	29.1%	16.8%	16.2%	14.1%
Gross profit	(9.9%)	30.6%	26.7%	18.3%	16.7%	14.8%
Operating profit	(25.6%)	52.1%	4.9%	23.4%	25.5%	18.2%
EBITDA	(24.6%)	48.6%	7.9%	23.6%	24.1%	17.4%
Net profit	(31.0%)	76.1%	2.6%	27.4%	30.2%	21.8%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Gross profit margin	39.1%	41.7%	40.9%	41.4%	41.6%	41.9%
Operating margin	11.2%	13.9%	11.3%	12.0%	12.9%	13.4%
EBITDA margin	12.2%	14.8%	12.3%	13.1%	14.0%	14.4%
Return on equity (ROE)	7.1%	11.6%	11.2%	13.5%	16.2%	18.0%
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.1	0.0	(0.0)	(0.0)
Current ratio (x)	2.7	2.6	2.3	2.1	2.1	2.0
Receivable turnover days	144.5	128.6	128.6	128.6	128.6	128.6
Inventory turnover days	71.5	93.7	93.7	93.7	93.7	93.7
Payable turnover days	108.5	147.1	147.1	147.1	147.1	147.1
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
P/E	12.5	21.0	26.6	15.1	11.6	9.5
P/E (diluted)	12.5	21.0	26.6	15.1	11.6	9.5
P/B	0.9	2.4	3.0	2.0	1.8	1.6
P/CFPS	20.0	27.2	132.5	26.1	18.7	14.2
Div yield (%)	4.6	2.9	1.8	3.3	4.3	5.2
EV	17,987.6	18,313.6	19,853.6	20,251.5	20,624.6	20,951.2
EV/Sales	2.2	1.8	1.5	1.3	1.2	1.0
EV/EBITDA	18.1	12.4	12.4	10.3	8.4	7.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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