

Zoomlion Heavy Industry - H (1157 HK)

Interim dvd. a positive; Gross margin stabilized; Sector top pick

Zoomlion's net profit in 1H20 grew 56% YoY to RMB4bn, which is the midpoint of the earnings range of RMB3.8-4.2bn stated in the profit alert released in Jul. In 2Q20, net profit surged 90% YoY to ~RMB3bn, driven by 49% YoY revenue growth and cost reduction. A surprise comes from the proposed interim dividend of RMB0.21 per share. Besides, in the post-result conference call, management revealed that the gross margin has been stabilized after a short-term contraction in 2Q, which should enhance market confidence. We maintain our bullish stance on Zoomlion, due to the introduction of strategic investors, solid upcycle of concrete machinery and tower crane, as well as the fast-growing excavator and aerial working platform (AWP). We slightly revised up our earnings forecast by 3-6% in 2020E-22E due to lower expense ratios and higher other income assumptions, and lifted our TP to HK\$11.2 based on unchanged 12x 2020E P/E. Zoomlion is now our sector top pick.

- **Strong revenue growth of crane and other machinery in 1H20.** Total revenue in 1H20 grew 30% YoY to RMB28.8bn. Crane machinery grew 39% YoY to RMB15.3bn (revenue mix: truck crane: 60%; tower crane: 40%). Other machinery increased by 34% YoY to RMB3.3bn, driven by fast-growing sales of AWP and excavator. Revenue of agricultural machinery grew 16% YoY with the segment gross margin expanded 2.3ppt YoY to 12.3%. Agricultural machinery achieved breakeven in 1H20, according to the management.
- **Concrete machinery revenue +15% with decent gross margin in 1H20.** Management reveals that the slow growth of concrete machinery was due to (1) delay of the delivery of some concrete pump stations; (2) revenue decline in overseas due to COVID-related lockdown; (3) lower ASP of concrete trucks due to the cost savings from the use of more domestic chassis. Gross margin of concrete machinery expanded 0.3ppt to 27.7% in 1H20, due mainly to cost reduction.
- **Gross margin has been stabilized since Jun.** Blended gross margin in 2Q20 reduced by 1.2ppt YoY to 28.8%, due to (1) a change in product mix; and (2) more discount for orders taken during 1Q20 due to COVID-19 which affected the margin in 2Q. Management revealed that ASP started to stabilize in Jun, with gross margin trending up in Jun and Jul.
- **Excellent operating cost control.** In 2Q20, distribution expense ratio dropped 2.7ppt YoY to 6.1%. Besides, decline in finance expense helped boost the net margin by 3.2ppt YoY to 15.2% in 2Q20.

Earnings Summary

| (YE 31 Dec) | FY18A | FY19A | FY20E | FY21E | FY22E |
|---------------------|--------|--------|--------|--------|----------|
| Revenue (RMB mn) | 28,697 | 43,307 | 58,902 | 69,872 | 79,005 |
| YoY growth (%) | 39.3 | 50.9 | 36.0 | 18.6 | 13.1 |
| Net income (RMB mn) | 2,031 | 4,381 | 7,206 | 8,933 | 10,175 |
| EPS (RMB) | 0.27 | 0.58 | 0.85 | 0.98 | 1.12 |
| YoY growth (%) | 51.5 | 119.2 | 45.4 | 15.5 | 13.9 |
| Consensus EPS (RMB) | n/a | n/a | 0.75 | 0.86 | 0.95 |
| EV/EBITDA (x) | 15.6 | 10.2 | 7.3 | 6.0 | 5.3 |
| P/E (x) | 26.1 | 12.2 | 8.6 | 7.5 | 6.4 |
| P/B (x) | 1.4 | 1.4 | 1.2 | 1.1 | 1.0 |
| Yield (%) | 3.6 | 0.0 | 4.6 | 5.4 | 6.3 |
| ROE (%) | 5.4 | 11.4 | 15.6 | 15.8 | 16.2 |
| Net gearing (%) | 33.6 | 31.3 | 3.7 | 1.3 | Net cash |

Source: Company data, Bloomberg, CMBIS estimates

BUY (Maintain)

Target Price **HK\$11.20**
 (Previous TP **HK\$10.50**)
 Up/Downside **+39%**
 Current Price **HK\$8.05**

China Capital Goods

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Stock Data

| | |
|--------------------------|------------------|
| Mkt Cap (HK\$ mn) | 72,123 |
| Avg 3 mths t/o (HK\$ mn) | 78 |
| 52w High/Low (HK\$) | 8.95/4.55 |
| Total Issued Shares (mn) | 1,388 (H) |
| | 6,411 (A) |

Source: Bloomberg

Shareholding Structure

| | |
|-------------------------|-------|
| SASAC of Hunan Province | 15.9% |
| Management team | 4.9% |
| A share free float | 61.4% |
| H share free float | 17.7% |

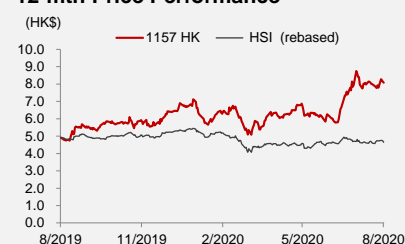
Source: HKEx, Shanghai Stock Exchange

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -4.3% | -4.5% |
| 3-mth | 30.3% | 18.9% |
| 6-mth | 24.6% | 35.5% |

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

1. Zoomlion (1157 HK, BUY) – 2Q20 profit a strong beat; Lift earnings est. & TP – 15 Jul 2020
2. China Construction Machinery & HDT Sector – Raise industry sales forecast in 2020E-21E; Solid upcycle – 30 Jun 2020
3. Zoomlion (1157 HK, BUY) – Dividend cut a surprise; Positive on the recovery story – 31 Mar 2020

- **Resumption of dividend payment.** Zoomlion did not propose dividend payment after the release of 2019 results. This time, the Company proposed interim dividend of RMB0.21 per share, which is scheduled to be distributed in late Oct 2020. To recap, Zoomlion plans to distribute at least RMB0.317 per share dividend (per year) in 2020E-22E, according to the announcement of A-share placement plan released in Jul.
- **A-share placement progress.** Zoomlion is currently in progress to prepare the documentation. The Company plans to submit the materials to CSRC in mid-Sep. The actual date of placement will depend on CSRC's approval progress.

Figure 1: 1H20 results highlights

| (RMB mn) | 1H 19 | 1H 20 | Change (YoY) |
|--------------------------------------|---------------|---------------|---------------------|
| Total revenue | 22,262 | 28,827 | 29.5% |
| Cost of sales | (15,584) | (20,364) | 30.7% |
| Gross profit | 6,678 | 8,463 | 26.7% |
| Other income | 622 | 662 | 6.4% |
| S&D expenses | (1,881) | (1,916) | 19% |
| Administrative expenses | (1,324) | (1,464) | 10.6% |
| R&D expenses | (461) | (1,048) | 127.3% |
| EBIT | 3,634 | 4,697 | 29.3% |
| Net finance income/(cost) | (596) | (37) | -93.8% |
| Finance income | 277 | 267 | -3.7% |
| Finance expenses | (873) | (304) | -65.2% |
| Other gains/(losses) | 0 | 0 | n/a |
| Share of profit of JV and associates | 82 | 66 | -19.5% |
| Pretax profit | 3,120 | 4,726 | 51.5% |
| Income tax | (540) | (668) | 23.7% |
| After tax profit | 2,580 | 4,058 | 57.3% |
| MI | 5 | (33) | -760.0% |
| Net profit | 2,585 | 4,025 | 55.7% |
| D&A | 441 | 449 | 18% |
| EBITDA | 4,075 | 5,146 | 26.3% |
| Key ratios | | | Change (ppt) |
| Gross margin | 30.0% | 29.4% | -0.6 |
| S&D expenses ratio | 8.4% | 6.6% | -1.8 |
| Administrative expense ratio | 5.9% | 5.1% | -0.9 |
| R&D expense ratio | 2.1% | 3.6% | 1.6 |
| Net margin | 11.6% | 14.1% | 2.5 |
| Effective tax rate | 17.3% | 14.1% | -3.2 |

Source: Company data, CMBIS

Figure 2: 1H20 revenue and gross margin breakdown

| (RMB mn) | 1H 19 | 1H 20 | Change (YoY) |
|---|---------------|---------------|---------------------|
| Revenue | | | |
| Construction machinery | 21,017 | 27,352 | 30.1% |
| Concrete machinery | 7,490 | 8,637 | 15.3% |
| Crane machinery | 11,005 | 15,339 | 39.4% |
| Others | 2,522 | 3,376 | 33.9% |
| Agricultural machinery | 911 | 1,056 | 15.9% |
| Financial services | 334 | 419 | 25.4% |
| Revenue (continuous operations) | 22,262 | 28,827 | 29.5% |
| Environmental industry (discontinued) | 0 | 0 | n/a |
| Total revenue | 22,262 | 28,827 | 29.5% |
| Gross margin | | | Change (ppt) |
| Construction machinery | 29.8% | 28.9% | (0.8) |
| Concrete machinery | 27.4% | 27.7% | 0.3 |
| Crane machinery | 32.2% | 31.2% | (0.9) |
| Others | 26.2% | 21.7% | (4.5) |
| Agricultural machinery | 10.0% | 12.3% | 2.3 |
| Financial services | 100.0% | 99.5% | (0.5) |
| Gross margin (continuous operations) | 30.0% | 29.4% | (0.6) |
| Environmental industry (discontinued) | n/a | n/a | n/a |
| Average gross margin | 30.0% | 29.4% | (0.6) |

Source: Company data, CMBIS

Figure 3: Quarterly results highlights

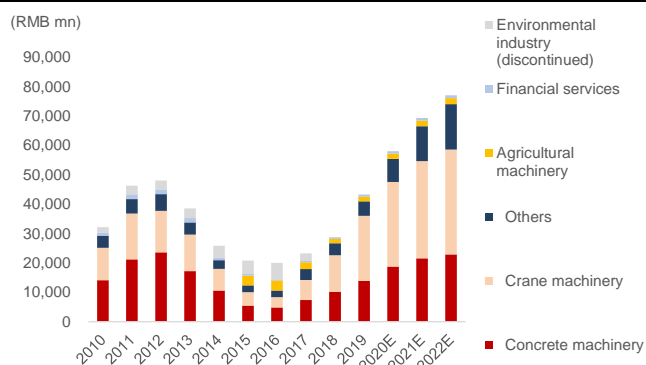
| (RMB mn) | 1Q19 | 1Q20 | Change YoY | 2Q19 | 2Q20 | Change YoY |
|--------------------------------------|--------------|--------------|---------------------|---------------|---------------|---------------------|
| Total revenue | 9,017 | 9,067 | 0.6% | 13,245 | 19,760 | 49.2% |
| Cost of sales | (6,311) | (6,296) | -0.2% | (9,273) | (14,068) | 51.7% |
| Gross profit | 2,706 | 2,770 | 2.4% | 3,972 | 5,693 | 43.3% |
| Other income | 29 | 114 | 289.3% | 593 | 548 | -7.6% |
| S&D expenses | (715) | (704) | -1.5% | (1,166) | (1,212) | 3.9% |
| Administrative expenses | (624) | (488) | -21.7% | (1,045) | (1,782) | 70.5% |
| R&D expenses | (116) | (242) | 108.9% | (345) | (806) | 133.5% |
| EBIT | 1,281 | 1,450 | 13.3% | 2,353 | 3,247 | 38.0% |
| Net finance income/(cost) | (405) | (280) | -30.8% | (191) | 243 | n/a |
| Other gains/(losses) | 234 | 69 | -70.7% | (234) | (69) | -70.7% |
| Share of profit of JV and associates | 34 | 47 | 40.7% | 48 | 19 | -61.2% |
| Pretax profit | 1,144 | 1,286 | 12.5% | 1,976 | 3,440 | 74.1% |
| Income tax | (162) | (236) | 45.3% | (378) | (432) | 14.4% |
| After tax profit | 981 | 1,050 | 7.0% | 1,599 | 3,008 | 88.1% |
| MI | 21 | (24) | n/a | (16) | (9) | n/a |
| Net profit | 1,002 | 1,026 | 2.4% | 1,583 | 2,999 | 89.5% |
| Operating cash flow | 1,867 | 319 | -82.9% | 1,431 | 1,068 | -25.4% |
| Key ratios | | | Change (ppt) | | | Change (ppt) |
| Gross margin | 30.0% | 30.6% | 0.5 | 30.0% | 28.8% | -1.2 |
| S&D expenses ratio | 7.9% | 7.8% | -0.2 | 8.8% | 6.1% | -2.7 |
| Administrative expense ratio | 6.9% | 5.4% | -1.5 | 7.9% | 9.0% | 1.1 |
| R&D expense ratio | 1.3% | 2.7% | 1.4 | 2.6% | 4.1% | 1.5 |
| Net margin | 10.9% | 11.6% | 0.7 | 12.1% | 15.2% | 3.2 |
| Effective tax rate | 14.2% | 18.3% | 4.1 | 19.1% | 12.6% | -6.5 |

Source: Company data, CMBIS

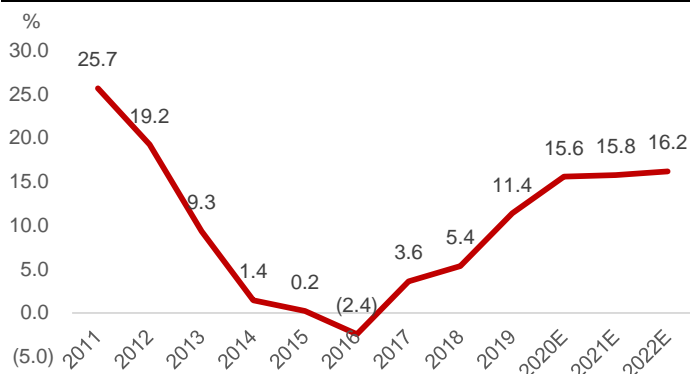
Figure 4: Change in key assumptions

| | Old | | | New | | | Change | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|--------------|--------------|
| | 2020E | 2021E | 2022E | 2020E | 2021E | 2022E | 2020E | 2021E | 2022E |
| (RMB mn) | | | | | | | | | |
| Revenue | | | | | | | | | |
| Construction machinery | 56,573 | 67,827 | 76,982 | 56,223 | 66,924 | 75,810 | -1% | -1% | -2% |
| Concrete machinery | 18,768 | 21,583 | 23,741 | 17,656 | 20,304 | 22,334 | -6% | -6% | -6% |
| Crane machinery | 29,898 | 34,383 | 37,822 | 31,006 | 35,657 | 39,222 | 4% | 4% | 4% |
| Others | 7,907 | 11,861 | 15,419 | 7,561 | 10,964 | 14,253 | -4% | -8% | -8% |
| Agricultural machinery | 1,741 | 1,915 | 2,107 | 1,836 | 2,020 | 2,222 | 5% | 5% | 5% |
| Financial services | 843 | 927 | 974 | 843 | 927 | 974 | 0% | 0% | 0% |
| Total revenue | 59,158 | 70,670 | 80,062 | 58,902 | 69,872 | 79,005 | 0% | -1% | -1% |
| Revenue growth | | | | | | | Change in ppt | | |
| Construction machinery | 38.0% | 19.9% | 13.5% | 37.2% | 19.0% | 13.3% | (0.9) | (0.9) | (0.2) |
| Concrete machinery | 35.0% | 15.0% | 10.0% | 27.0% | 15.0% | 10.0% | (8.0) | 0.0 | 0.0 |
| Crane machinery | 35.0% | 15.0% | 10.0% | 40.0% | 15.0% | 10.0% | 5.0 | 0.0 | 0.0 |
| Others | 60.0% | 50.0% | 30.0% | 53.0% | 45.0% | 30.0% | (7.0) | (5.0) | 0.0 |
| Agricultural machinery | 10.0% | 10.0% | 10.0% | 16.0% | 10.0% | 10.0% | 6.0 | 0.0 | 0.0 |
| Financial services | 15.0% | 10.0% | 5.0% | 15.0% | 10.0% | 5.0% | 0.0 | 0.0 | 0.0 |
| Total revenue growth | 36.6% | 19.5% | 13.3% | 36.0% | 18.6% | 13.1% | (0.6) | (0.8) | (0.2) |
| Gross margin | | | | | | | Change in ppt | | |
| Construction machinery | 30.3% | 30.2% | 30.2% | 29.7% | 30.2% | 30.2% | (0.53) | 0.01 | 0.01 |
| Concrete machinery | 29.0% | 29.0% | 29.0% | 27.8% | 28.5% | 28.5% | (1.20) | (0.50) | (0.50) |
| Crane machinery | 33.0% | 33.0% | 33.0% | 32.5% | 33.0% | 33.0% | (0.50) | 0.00 | 0.00 |
| Others | 23.0% | 24.0% | 25.0% | 23.0% | 24.0% | 25.0% | 0.00 | 0.00 | 0.00 |
| Agricultural machinery | 6.0% | 8.0% | 10.0% | 8.0% | 10.0% | 11.0% | 2.00 | 2.00 | 1.00 |
| Financial services | 100.0% | 100.0% | 100.0% | 99.5% | 100.0% | 100.0% | (0.50) | 0.00 | 0.00 |
| Average gross margin | 30.6% | 30.5% | 30.5% | 30.1% | 30.5% | 30.5% | (0.49) | 0.03 | 0.01 |

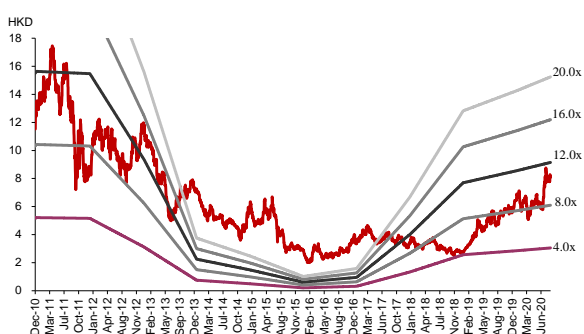
Source: Company data, CMBIS estimates

Figure 5: Zoomlion's revenue trend

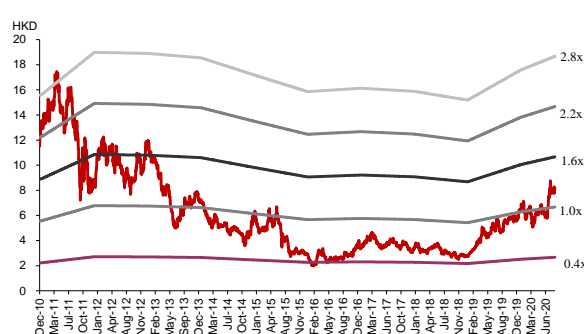
Source: Company data, CMBIS estimates

Figure 6: Zoomlion's ROE trend

Source: Company data, CMBIS estimates

Figure 7: Zoomlion - H 12M forward P/E band

Source: Bloomberg, Company data, CMBIS estimates

Figure 8: Zoomlion - H 12M forward P/B band

Source: Bloomberg, Company data, CMBIS estimates

- **Risk factors:** (1) Unexpected weakness on infrastructure spending; (2) Slow recovery of property construction; (3) Risks of new business expansion.

Financial Summary

Income statement

| YE 31 Dec (RMB mn) | FY18A | FY19A | FY20E | FY21E | FY22E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 28,697 | 43,307 | 58,902 | 69,872 | 79,005 |
| Cost of sales | (20,923) | (30,314) | (41,192) | (48,558) | (54,915) |
| Gross profit | 7,774 | 12,993 | 17,710 | 21,314 | 24,090 |
| Other income | 882 | 1,017 | 1,048 | 978 | 978 |
| S&D expenses | (2,379) | (3,780) | (4,653) | (5,380) | (6,083) |
| Administrative expenses | (2,063) | (2,693) | (3,416) | (4,053) | (4,424) |
| R&D expenses | (581) | (1,516) | (2,120) | (2,306) | (2,607) |
| EBIT | 3,633 | 6,021 | 8,568 | 10,554 | 11,953 |
| Net finance income/(cost) | (1,205) | (1,165) | (329) | (39) | 44 |
| Finance income | 347 | 539 | 766 | 1,032 | 1,008 |
| Finance expenses | (1,552) | (1,704) | (1,094) | (1,071) | (964) |
| Other gains/(losses) | 0 | 0 | 0 | 0 | 0 |
| Profit of JV and associates | 222 | 188 | 254 | 271 | 288 |
| Pretax profit | 2,650 | 5,044 | 8,493 | 10,786 | 12,285 |
| Income tax | (682) | (759) | (1,359) | (1,941) | (2,211) |
| After tax profit | 1,968 | 4,285 | 7,134 | 8,844 | 10,074 |
| MI/discontinued operation | 63 | 96 | 71 | 88 | 101 |
| Net profit | 2,031 | 4,381 | 7,206 | 8,933 | 10,175 |
| D&A | 837 | 817 | 923 | 1,005 | 1,080 |
| EBITDA | 4,470 | 6,838 | 9,490 | 11,559 | 13,033 |

Cash flow summary

| YE 31 Dec (RMB mn) | FY18A | FY19A | FY20E | FY21E | FY22E |
|---------------------------------|----------------|-----------------|----------------|----------------|----------------|
| Pretax profit | 2,650 | 5,044 | 8,493 | 10,786 | 12,285 |
| Finance cost | 1,451 | 1,704 | 1,094 | 1,071 | 964 |
| Interest income | (347) | (539) | (766) | (1,032) | (1,008) |
| Profit or loss of associates | (222) | (188) | (254) | (271) | (288) |
| Disposal of PP&E/business | (152) | 0 | 0 | 0 | 0 |
| Depreciation and amortization | 837 | 817 | 923 | 1,005 | 1,080 |
| Income tax paid | (431) | (773) | (1,359) | (1,941) | (2,211) |
| Change in working capital | 1,152 | 442 | (2,762) | (2,674) | (2,932) |
| Others | (221) | (539) | 0 | 0 | 0 |
| Cash flow from operation | 4,717 | 5,968 | 5,369 | 6,943 | 7,890 |
| Net capex on PP&E | (272) | (1,082) | (2,246) | (2,646) | (2,500) |
| Investment in JV/associates | (4) | (301) | 0 | 0 | 0 |
| Investment in subsidiaries | 0 | (177) | 0 | 0 | 0 |
| Investment in intangible assets | (103) | (128) | (100) | 0 | 0 |
| Dividend received | 4 | 45 | 0 | 0 | 0 |
| Interest received | 347 | 253 | 766 | 1,032 | 1,008 |
| Others | (7,214) | 11,374 | 0 | 0 | 0 |
| Cash flow from investing | (7,242) | 9,984 | (1,580) | (1,614) | (1,492) |
| Equity financing/(repurchase) | 37 | (2,145) | 7,674 | 0 | 0 |
| Net bank borrowings | 6,817 | (14,008) | (1,000) | 100 | (4,100) |
| Dividend paid | (1,308) | (1,801) | 0 | (3,077) | (3,573) |
| Interest paid | (1,428) | (1,707) | (1,094) | (1,071) | (964) |
| Others | (16) | 13 | 0 | 0 | 0 |
| Cash flow from financing | 4,102 | (19,648) | 5,579 | (4,047) | (8,637) |
| Change in cash | 1,577 | (3,696) | 9,368 | 1,282 | (2,239) |
| Cash at beginning of the year | 7,148 | 8,754 | 5,073 | 14,441 | 15,723 |
| Exchange and others | 29 | 15 | 0 | (0) | (0) |
| Cash at the end of the year | 8,754 | 5,073 | 14,441 | 15,723 | 13,483 |

Balance sheet

| YE 31 Dec (RMB mn) | FY18A | FY19A | FY20E | FY21E | FY22E |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Non-current assets | 28,657 | 37,979 | 41,150 | 46,206 | 49,542 |
| PP&E | 6,077 | 6,735 | 8,324 | 10,234 | 11,922 |
| Lease prepayment | 1,943 | 2,433 | 2,383 | 2,333 | 2,283 |
| JV/associates | 3,500 | 3,909 | 4,163 | 4,434 | 4,723 |
| Finance lease receivables | 3,656 | 7,771 | 7,721 | 9,890 | 9,590 |
| Goodwill | 2,046 | 2,017 | 2,017 | 2,017 | 2,017 |
| Trade receivables | 5,498 | 9,072 | 10,616 | 11,590 | 13,518 |
| Intangible assets | 2,153 | 2,043 | 1,927 | 1,708 | 1,489 |
| Financial assets | 2,379 | 2,644 | 2,644 | 2,644 | 2,644 |
| Others | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 1,276 | 1,271 | 1,271 | 1,271 | 1,271 |
| Deposits | 129 | 84 | 84 | 84 | 84 |
| Current assets | 64,762 | 54,052 | 74,865 | 75,786 | 84,332 |
| Inventories | 9,551 | 11,772 | 11,702 | 14,107 | 15,081 |
| Trade & other receivables | 21,554 | 20,839 | 26,605 | 26,995 | 31,447 |
| Finance lease receivables | 8,835 | 9,229 | 14,977 | 11,823 | 17,182 |
| Financial assets at FVPL | 13,787 | 4,311 | 4,311 | 4,311 | 4,311 |
| Others | 1,097 | 1,413 | 1,413 | 1,413 | 1,413 |
| Pledged deposits | 1,184 | 1,415 | 1,415 | 1,415 | 1,415 |
| Cash | 8,754 | 5,073 | 14,441 | 15,723 | 13,483 |
| Current liabilities | 39,623 | 34,569 | 44,545 | 44,755 | 54,336 |
| Trade and other payables | 15,786 | 25,012 | 34,801 | 34,377 | 43,858 |
| Bank borrowings | 22,044 | 7,312 | 7,112 | 7,212 | 7,312 |
| Tax payable | 151 | 186 | 186 | 186 | 186 |
| Contract liabilities | 1,602 | 1,934 | 2,321 | 2,855 | 2,855 |
| Others | 40 | 125 | 125 | 125 | 125 |
| Non-current liabilities | 15,065 | 17,965 | 17,165 | 17,165 | 12,965 |
| Bank borrowings | 13,645 | 14,515 | 13,715 | 13,715 | 9,515 |
| Deferred tax liabilities | 429 | 455 | 455 | 455 | 455 |
| Others | 991 | 2,995 | 2,995 | 2,995 | 2,995 |
| Equity | 38,731 | 39,497 | 54,305 | 60,072 | 66,573 |
| Shareholders' equity | 38,164 | 38,827 | 53,706 | 59,562 | 66,164 |
| MI | 567 | 670 | 599 | 510 | 409 |

Key ratios

| YE 31 Dec | FY18A | FY19A | FY20E | FY21E | FY22E |
|--|-------|-------|-------|-------|----------|
| Sales mix (%) | | | | | |
| Concrete machinery | 35% | 32% | 30% | 29% | 28% |
| Crane machinery | 43% | 51% | 53% | 51% | 50% |
| Others machinery | 14% | 11% | 13% | 16% | 18% |
| Agricultural machinery | 5% | 4% | 3% | 3% | 3% |
| Financial services | 2% | 2% | 1% | 1% | 1% |
| Environmental (discontinued) | 0% | 0% | 0% | 0% | 0% |
| Total | 100% | 100% | 100% | 100% | 100% |
| Profit & loss ratio (%) | | | | | |
| Gross margin | 27.1 | 30.0 | 30.1 | 30.5 | 30.5 |
| EBIT margin | 12.7 | 13.9 | 14.5 | 15.1 | 15.1 |
| Net profit margin | 6.9 | 9.9 | 12.1 | 12.7 | 12.8 |
| Growth (%) | | | | | |
| Revenue | 39.3 | 50.9 | 36.0 | 18.6 | 13.1 |
| Gross profit | 80.6 | 67.1 | 36.3 | 20.4 | 13.0 |
| EBIT | n/a | 65.7 | 42.3 | 23.2 | 13.3 |
| Net profit | 51.3 | 115.7 | 64.5 | 24.0 | 13.9 |
| Balance sheet ratio | | | | | |
| Current ratio (x) | 1.6 | 1.6 | 1.7 | 1.7 | 1.6 |
| Trade receivable turnover days | 342 | 240 | 208 | 198 | 193 |
| Finance lease receivable turnover days | 161 | 124 | 123 | 116 | 112 |
| Inventory turnover days | 161 | 128 | 104 | 97 | 97 |
| Payable turnover days | 268 | 246 | 265 | 260 | 260 |
| Net debt / total equity (%) | 33.6 | 31.3 | 3.7 | 1.3 | Net cash |
| Profitability (%) | | | | | |
| ROA | 2.3 | 4.7 | 6.9 | 7.5 | 8.0 |
| ROE | 5.4 | 11.4 | 15.6 | 15.8 | 16.2 |
| Per share data | | | | | |
| EPS (RMB) | 0.27 | 0.58 | 0.85 | 0.98 | 1.12 |
| BVPS (RMB) | 4.89 | 4.93 | 5.89 | 6.53 | 7.25 |
| DPS (RMB) | 0.25 | 0.00 | 0.34 | 0.39 | 0.45 |

Source: Company data, CMBIS estimates

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| | |
|-----------------------|---|
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