

# Prada (1913 HK)

## Returned to profit with strong sales in Jun

**Upgrade to BUY and raised TP to HK\$ 32.82**, based on 41x FY21E P/E, ~2 s.d. above 5 years avg. of 28x (from 25x FY21E P/E). We believe Prada's impressive turnaround in Jun - Jul 2020 is the result of series of successful reforms and should deserve a re-rating. Therefore, its valuation at 35x FY21E P/E, at ~1 s.d. above 5 years avg. of 28x, in our view, is still attractive (vs peers' average of 29x).

- **1H20 results slightly missed.** 1H20 sales fell by 40% YoY to EUR 0.94bn, below BBG est. by 7%, and net losses of EUR 180mn was recorded, also below BBG est. of EUR 129mn. This miss, in our view, was mainly due to lower-than-expected GP margin at 70.4%, where a drag of ~3.3pt came from high industrial fixed costs in the supply chain during pandemic.
- **However, 2Q20 recovery was impressive and happened not only in mainland China.** Prada's momentum was strong since 2H19, with high-teens retail sales growth in Jan 2020, indicating gains in brand traction following successful product launches and marketing campaign. Therefore, even with COVID-19 disruption, we are not surprised to see a strong comeback from them. In fact, retail sales growth already returned to single digit decline in Jul 2020 vs ~20% drop in Jun 2020, despite ~30 stores are yet to re-open, lack of tourists flow and various travel restrictions. Note that momentum in Jul was not only superb in mainland China (~66% jump), but also in Asia Pacific (~20% growth) and Middle East (strong double digit), while US (slight negative), Japan (low double digit negative) and EU (double digit negative) are also recovering meaningfully from 2Q20. **More importantly, the group already went back into profit in Jun and Jul 2020.**
- **The Company is cautiously targeting a EBIT breakeven in FY20E.** According to management, a EBIT breakeven in FY20E is still possible as long as retail sales growth in 2H20E stay flattish. We believe that is achievable as long as strong sales trend in Jul 2020 sustains into 2H20E.
- **We are more optimistic on FY21E, thanks to: 1) better pricing and margins, 2) ramp up of e-commerce and 3) opex savings (e.g. rental and other variables).** We are becoming more positive on FY21E, as: 1) management guided for a strong 75% GP margin, with the aid of ASP increases (a sign of better popularity), 2) higher margin e-commerce sales growth to stay fast (online sales grew by 150% in 1H20) and 3) pressure from opex to be eased with many rental contracts being renegotiated.
- **Upgrade to BUY and raised TP to HK\$ 32.82.** We revised down FY20E/21E/22E EPS estimates by 129%/11%/7%, to factor in the pandemic related losses. As we believe Prada is in a much better position to gain market shares in near future, we upgrade Prada to BUY and lifted TP to HK\$ 32.82, based on a 41x FY21E P/E, ~2 s.d. above 5 years average of 28x (from 25x FY21E P/E, given strong turnaround).

### Earnings Summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue (EUR mn)	3,142	3,226	2,537	3,024	3,146
YoY growth (%)	2.8	2.7	(21.4)	19.2	4.0
Net profit (EUR mn)	205	256	(45)	225	252
EPS (EUR)	0.080	0.100	(0.018)	0.088	0.099
Adj. NP (EUR mn)	205	179	(45)	225	252
YoY growth (%)	(17.5)	(13.0)	n/a	n/a	12.4
Consensus EPS (EUR)	n/a	n/a	0.003	0.061	0.088
P/E (x)	39.3	32.4	n/a	35.4	31.5
P/B (x)	2.8	2.8	2.7	2.5	2.4
Yield (%)	1.9	0.6	0.0	1.7	2.5
ROE (%)	7.2	8.8	(1.5)	7.4	7.9
Net gearing (%)	10.7	14.3	8.4	Net cash	Net cash

Source: Company data, Bloomberg, CMBIS estimates

### BUY (Up)

Target Price	HK\$32.82
(Previous TP)	HK\$22.08)
Up/Downside	16.0%
Current Price	HK\$28.30

### Global Luxury Goods Sector

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#### Stock Data

Mkt Cap (HK\$ mn)	72,415
Avg 3 mths t/o (HK\$ mn)	24.03
52w High/Low (HK\$)	33.20/18.38
Total Issued Shares (mn)	2,558.8
Source: Bloomberg	

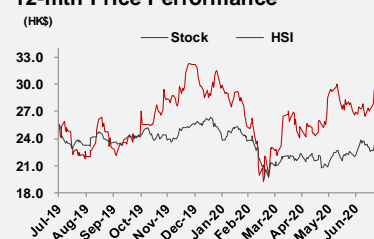
#### Shareholding Structure

Prada Family	79.98%
Invesco Ltd	5.38%
Free Float	14.64%
Source: HKEx	

#### Share Performance

	Absolute	Relative
1-mth	6.4%	3.9%
3-mth	12.7%	11.7%
6-mth	-4.2%	4.5%
12-mth	11.6%	26.1%
Source: Bloomberg		

#### 12-mth Price Performance



Source: Bloomberg

**Auditor: Deloitte & Touche**

#### Related Reports

1. Prada (1913 HK, HOLD) - Self-upgrades cannot resist sector de-rating - 23 Mar 2020
2. Prada (1913 HK, HOLD) - The drags are probably worse than SARS - 3 Mar 2020
3. Prada (1913 HK, BUY) - Retail turnaround may drive further re-rating - 26 Nov 2019

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## Earnings revision

Figure 1: Earnings revision

(EUR mn)	New			Old			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	2,537	3,024	3,146	3,103	3,445	3,584	-18.2%	-12.2%	-12.2%
Gross profit	1,844	2,253	2,350	2,252	2,515	2,616	-18.1%	-10.4%	-10.2%
EBIT	4	379	412	278	412	431	-98.6%	-7.8%	-4.5%
Net profit att.	(45)	225	252	155	252	271	-128.9%	-10.8%	-7.1%
Diluted EPS (EUR)	(0.018)	0.088	0.099	0.061	0.098	0.106	-128.9%	-10.8%	-7.1%
Gross margin	72.7%	74.5%	74.7%	72.6%	73.0%	73.0%	0.1ppt	1.5ppt	1.7ppt
EBIT margin	0.1%	12.5%	13.1%	9.0%	11.9%	12.0%	-8.8ppt	0.6ppt	1.1ppt
Net profit att. margin	-1.8%	7.4%	8.0%	5.0%	7.3%	7.6%	-6.8ppt	0.1ppt	0.4ppt

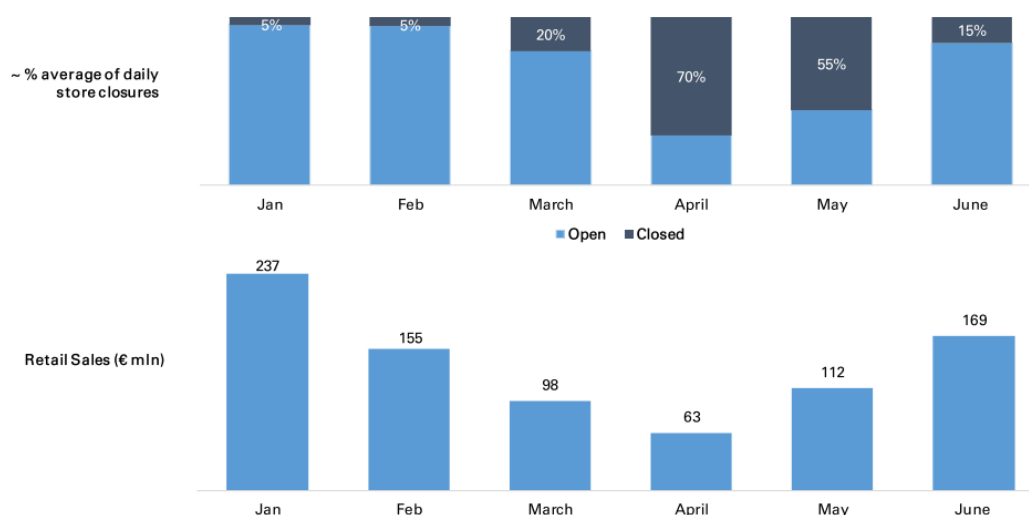
Source: Company data, CMBIS estimates

Figure 2: CMBIS estimates vs consensus

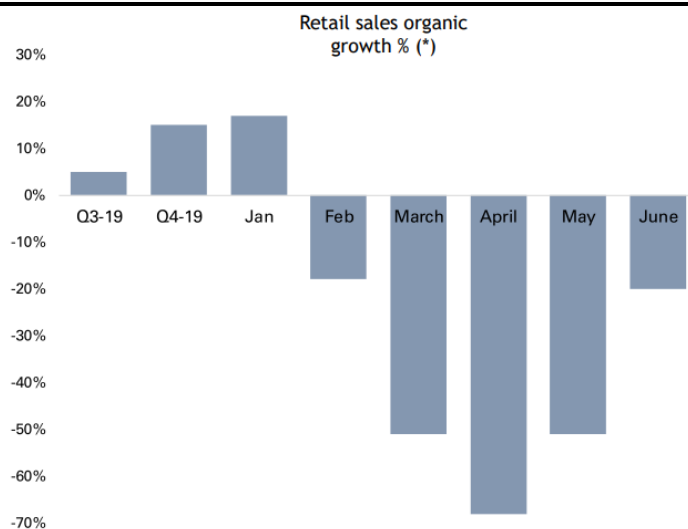
(EUR mn)	CMBIS			Consensus			Diff (%)		
	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Revenue	2,537	3,024	3,146	2,689	3,105	3,336	-5.7%	-2.6%	-5.7%
Gross profit	1,844	2,253	2,350	1,908	2,237	2,417	-3.4%	0.7%	-2.8%
EBIT	4	379	412	47	279	368	-91.9%	36.2%	12.0%
Net profit att.	(45)	225	252	6	161	229	-807.7%	39.1%	10.3%
Diluted EPS (EUR)	(0.018)	0.088	0.099	0.003	0.061	0.088	-793.2%	43.3%	12.2%
Gross margin	72.7%	74.5%	74.7%	72.4%	72.7%	72.7%	0.3ppt	1.8ppt	2ppt
EBIT margin	0.1%	12.5%	13.1%	10.1%	11.7%	12.9%	-10ppt	0.8ppt	0.2ppt
Net profit att. margin	-1.8%	7.4%	8.0%	6.4%	7.7%	8.7%	-8.1ppt	-0.3ppt	-0.7ppt

Source: Bloomberg, CMBIS estimates

Figure 3: Store opened/ closed and monthly retail sales in 1H20

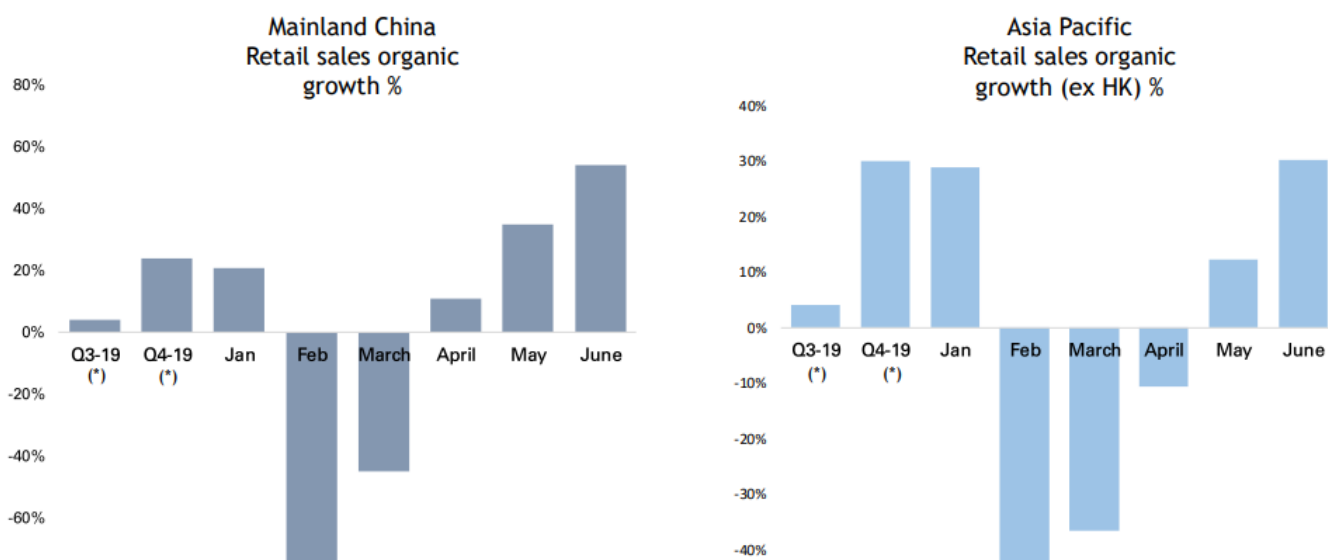


Source: Company data, CMBIS estimates

**Figure 4: Group's retail sales growth trend**

(\*) Q3-19 and Q4-19 refer to full price sales

Source: Company data, CMBIS estimates

**Figure 5: Group's retail sales growth trend in Asia Pacific**

(\*) Q3-19 and Q4-19 refer to full price sales

Source: Company data, CMBIS estimates

## Assumption

Figure 6: Major assumptions

Major assumptions	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Sales by segment (EUR mn)</b>					
<b>Direct sales</b>	<b>2,532</b>	<b>2,636</b>	<b>2,247</b>	<b>2,696</b>	<b>2,806</b>
<i>Prada</i>	2,069	2,167	1,877	2,271	2,369
<i>Miu Miu</i>	400	404	323	375	386
<i>Other</i>	62	65	46	50	51
<b>Franchise sales</b>	<b>566</b>	<b>547</b>	<b>262</b>	<b>301</b>	<b>311</b>
<b>Royalties</b>	<b>44</b>	<b>42</b>	<b>27</b>	<b>28</b>	<b>29</b>
<b>Total</b>	<b>3,142</b>	<b>3,226</b>	<b>2,537</b>	<b>3,024</b>	<b>3,146</b>
<b>Sales growth by segment (%)</b>					
<b>Direct sales</b>	<b>3.6%</b>	<b>4.1%</b>	<b>-14.8%</b>	<b>20.0%</b>	<b>4.1%</b>
<i>Prada</i>	4.0%	4.7%	-13.4%	21.0%	4.3%
<i>Miu Miu</i>	3.0%	1.0%	-20.0%	16.0%	3.0%
<i>Other</i>	-3.1%	4.2%	-28.9%	7.3%	2.7%
<b>Franchise sales</b>	<b>0.3%</b>	<b>-3.3%</b>	<b>-52.1%</b>	<b>14.6%</b>	<b>3.5%</b>
<b>Royalties</b>	<b>-8.5%</b>	<b>-4.1%</b>	<b>-35.0%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Total</b>	<b>2.8%</b>	<b>2.7%</b>	<b>-21.4%</b>	<b>19.2%</b>	<b>4.0%</b>
<b>GP margins</b>	<b>72.0%</b>	<b>71.9%</b>	<b>72.7%</b>	<b>74.5%</b>	<b>74.7%</b>
<b>Opex breakdown by segment</b>					
Design, R & D/ sales	4.0%	3.9%	4.4%	3.9%	3.8%
A & P/ sales	6.6%	7.2%	8.5%	7.2%	7.0%
D & A/ sales	7.2%	7.2%	9.0%	7.8%	7.7%
Labour costs/ sales	19.0%	19.2%	23.6%	20.5%	20.3%
Variable rental/ sales	10.5%	10.3%	11.2%	9.3%	9.7%
Fixed rental/ sales	9.0%	8.7%	10.0%	8.3%	8.2%
Others/ sales	-1.2%	-1.3%	-1.5%	-1.3%	-1.3%
G & A/ sales	6.1%	5.7%	7.1%	6.0%	5.8%
<b>Total</b>	<b>61.2%</b>	<b>60.9%</b>	<b>72.3%</b>	<b>61.7%</b>	<b>61.3%</b>
<b>EBIT margins</b>	<b>10.3%</b>	<b>9.5%</b>	<b>0.4%</b>	<b>12.8%</b>	<b>13.4%</b>
Pre-tax margins	9.6%	7.3%	-2.5%	10.4%	11.2%
<b>Effective tax rate</b>	<b>-31.2%</b>	<b>9.8%</b>	<b>-20.0%</b>	<b>-28.0%</b>	<b>-28.0%</b>
<b>Net profit att. (EUR mn)</b>	<b>205</b>	<b>256</b>	<b>- 45</b>	<b>225</b>	<b>252</b>
Net profit att. margins	6.5%	7.9%	-1.8%	7.4%	8.0%
<b>Net profit att. Growth (%)</b>	<b>-17.5%</b>	<b>24.5%</b>	<b>-117.5%</b>	<b>-601.1%</b>	<b>12.4%</b>
<b>Adjusted NP att. (EUR mn)</b>	<b>205</b>	<b>179</b>	<b>- 45</b>	<b>225</b>	<b>252</b>
<b>Adjusted NP att. Growth (%)</b>	<b>-17.5%</b>	<b>-13.0%</b>	<b>-125.1%</b>	<b>-601.1%</b>	<b>12.4%</b>
<b>Number of stores by brand</b>					
Prada	398	410	408	412	416
Miu Miu	166	160	156	159	162
Others	72	71	71	72	73
Franchises stores	34	25	25	25	25
<b>Sum total</b>	<b>670</b>	<b>666</b>	<b>660</b>	<b>668</b>	<b>676</b>

Source: Company data, CMBIS estimates

Figure 7: Peers' valuation

			12m TP	Price	Up/ Down -	Mkt. Cap	Year	P/E (x)		P/B (x)		ROE (%)	2yrs PEG (x)	Yield (%)	
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY19	FY20E	FY19	FY20E	FY19	FY20	FY19	
H shares Luxury, Jewellery, Watches															
Prada	1913 HK	BUY	32.82	28.30	16%	72,415	Dec-19	(177.2)	35.4	2.7	2.5	8.8	n/a	0.0	
Samsonite	1910 HK	NR	n/a	7.20	n/a	10,323	Dec-19	n/a	19.4	1.2	1.1	(43.8)	0.0	1.8	
Chow Tai Fook	1929 HK	NR	n/a	8.24	n/a	82,400	Mar-20	20.5	16.1	3.0	2.9	10.2	0.8	3.8	
Luk Fook	590 HK	NR	n/a	16.80	n/a	9,863	Mar-20	11.2	8.7	0.9	0.9	8.3	0.8	5.1	
Chow Sang Sang	116 HK	NR	n/a	8.28	n/a	5,609	Dec-19	9.2	6.0	0.5	0.5	6.1	0.6	3.9	
Emperor Watch	887 HK	NR	n/a	0.12	n/a	786	Dec-19	n/a	n/a	n/a	n/a	2.0	0.0	n/a	
Oriental Watch	398 HK	NR	n/a	1.95	n/a	1,112	Mar-20	n/a	n/a	n/a	n/a	4.7	0.0	n/a	
Hengdeli	3389 HK	NR	n/a	0.33	n/a	1,515	Dec-19	n/a	n/a	n/a	n/a	(8.0)	0.0	n/a	
								Avg.	(34.0)	17.1	1.7	1.6	(1.5)	48.7	2.9
								Med.	10.2	16.1	1.2	1.1	5.4	0.3	3.8
A-shares Luxury, Jewellery, Watches															
Lao Feng Xiang	600612 CH	NR	n/a	61.48	n/a	27,006	Dec-19	21.6	18.2	3.9	3.4	20.2	1.8	1.8	
Chow Tai Seng	002867 CH	NR	n/a	28.91	n/a	23,386	Dec-19	19.9	16.5	3.9	3.3	20.0	1.5	1.6	
Leysen Jewelry	603900 CH	NR	n/a	8.82	n/a	3,324	Dec-19	n/a	n/a	n/a	n/a	2.9	0.0	n/a	
Guangdong Chj	002345 CH	NR	n/a	3.91	n/a	3,919	Dec-19	n/a	n/a	n/a	n/a	(0.9)	0.0	n/a	
Fiyta Holdings	000026 CH	NR	n/a	15.28	n/a	6,497	Dec-19	31.2	22.2	2.4	2.2	6.4	1.8	n/a	
Zhejiang Ming	002574 CH	NR	n/a	5.11	n/a	2,986	Dec-19	n/a	n/a	n/a	n/a	0.7	0.0	n/a	
Eastern Gold Jade	600086 CH	NR	n/a	0.99	n/a	1,479	Dec-19	n/a	n/a	n/a	n/a	(148.4)	0.0	n/a	
								Avg.	24.2	19.0	3.4	3.0	(14.2)	0.7	1.7
								Med.	21.6	18.2	3.9	3.3	2.9	0.0	1.7
International Luxury, Jewellery, Watches															
Prada	1913 HK	BUY	32.82	28.30	16%	72,415	Dec-19	(177.2)	35.4	2.7	2.5	8.8	n/a	0.0	
Samsonite	1910 HK	NR	n/a	7.20	n/a	10,323	Dec-19	n/a	19.4	1.2	1.1	2.7	(43.8)	0.0	
LVMH	MC FP	NR	n/a	387.15	n/a	1,786,527	Dec-19	43.8	27.5	5.0	4.7	4.1	12.7	7.4	
Kering	KER FP	NR	n/a	502.40	n/a	579,692	Dec-19	30.4	22.0	5.6	4.9	4.2	20.8	2.2	
Hermes	RMS FP	NR	n/a	736.00	n/a	709,956	Dec-19	61.9	47.6	10.5	8.9	9.5	25.4	8.9	
Richemont	CFR SW	NR	n/a	58.26	n/a	284,027	Mar-20	44.9	24.7	1.8	1.7	2.3	5.5	2.2	
Tiffany & Co	TIF US	NR	n/a	124.90	n/a	117,461	Jan-20	68.4	32.7	4.3	4.2	3.7	11.1	(31.3)	
Moncler	MONC IM	NR	n/a	33.20	n/a	78,373	Dec-19	39.1	26.9	5.6	4.8	6.7	22.4	19.9	
Burberry	BRBY LN	NR	n/a	1306.50	n/a	53,247	Mar-20	26.1	18.6	4.2	3.7	4.7	9.1	0.7	
Ferragamo	SFER IM	NR	n/a	11.64	n/a	17,952	Dec-19	n/a	61.3	2.7	2.7	5.0	5.2	0.0	
Essilorluxottica	EL FP	NR	n/a	117.30	n/a	469,000	Dec-19	49.7	27.7	1.5	1.4	4.1	3.2	2.0	
Swatch	UHR SW	NR	n/a	191.45	n/a	83,268	Dec-19	137.5	20.3	0.9	0.9	1.5	0.2	(124.7)	
Tod'S	TOD IM	NR	n/a	24.34	n/a	7,360	Dec-19	n/a	n/a	0.8	0.9	1.8	4.3	0.0	
Hugo Boss	BOSS GY	NR	n/a	23.80	n/a	15,310	Dec-19	410.3	13.8	1.7	1.5	4.4	14.7	(77.5)	
								Avg.	66.8	29.1	3.5	3.1	4.1	7.1	14.1
								Med.	44.9	26.9	2.7	2.6	4.1	8.9	1.3

Source: Bloomberg, CMBIS estimates

## Financial Summary

Income statement						Cash flow summary					
YE 31 Dec (EUR mn)	FY18A	FY19A	FY20E	FY21E	FY22E	YE 31 Dec (EUR mn)	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Revenue</b>	<b>3,142</b>	<b>3,226</b>	<b>2,537</b>	<b>3,024</b>	<b>3,146</b>	<b>EBIT</b>	<b>307</b>	<b>293</b>	<b>4</b>	<b>379</b>	<b>412</b>
Direct sales	2,532	2,636	2,247	2,696	2,806	D & A	261	322	366	368	341
Franchise sales	566	547	262	301	311	Change in working capital	(123)	(108)	185	(70)	(11)
Royalties	44	42	27	28	29	Income tax paid	(62)	(26)	12	(88)	(99)
						Others	(16)	329	260	405	327
<b>Cost of goods sold</b>	<b>(880)</b>	<b>(906)</b>	<b>(693)</b>	<b>(771)</b>	<b>(796)</b>	<b>Net cash from operating</b>	<b>365</b>	<b>810</b>	<b>827</b>	<b>995</b>	<b>970</b>
<b>Gross profit</b>	<b>2,263</b>	<b>2,320</b>	<b>1,844</b>	<b>2,253</b>	<b>2,350</b>	Capex & investments	(380)	(286)	(132)	(159)	(167)
<b>Other income</b>	<b>(17)</b>	<b>(14)</b>	<b>(8)</b>	<b>(9)</b>	<b>(9)</b>	Associated companies	-	-	-	-	-
						Interest received	-	-	-	-	-
<b>Operating expenses</b>	<b>(1,939)</b>	<b>(2,013)</b>	<b>(1,833)</b>	<b>(1,865)</b>	<b>(1,929)</b>	Others	0	(17)	(18)	(18)	(18)
D & A	(261)	(322)	(366)	(368)	(341)	<b>Net cash from investing</b>	<b>(379)</b>	<b>(302)</b>	<b>(150)</b>	<b>(178)</b>	<b>(185)</b>
Staff costs	(625)	(645)	(619)	(645)	(667)	Equity raised	-	-	-	-	-
S & D costs (ex-staff, D&A)	(796)	(752)	(635)	(613)	(676)	Net change in bank loans	(67)	(19)	400	(200)	(100)
Admin exp. (ex-staff, D&A)	(257)	(293)	(213)	(238)	(245)	Dividend paid	(198)	(155)	(51)	-	(135)
Other operating	-	-	-	-	-	Others	(25)	(519)	(448)	(448)	(448)
<b>Operating profit</b>	<b>307</b>	<b>293</b>	<b>4</b>	<b>379</b>	<b>412</b>	<b>Net cash from financing</b>	<b>(289)</b>	<b>(692)</b>	<b>(99)</b>	<b>(648)</b>	<b>(682)</b>
Finance costs, net	(4)	(10)	(20)	(20)	(15)	<b>Net change in cash</b>	<b>(303)</b>	<b>(185)</b>	<b>578</b>	<b>170</b>	<b>102</b>
JVs & associates	-	-	-	-	-	Beginning cash balance	893	600	421	999	1,169
Exceptional	-	(48.98)	(45.66)	(45.36)	(44.04)	Exchange difference	10	6	-	-	-
<b>Pre-tax profit</b>	<b>303</b>	<b>235</b>	<b>(62)</b>	<b>314</b>	<b>353</b>	<b>Cash at the end of the year</b>	<b>600</b>	<b>421</b>	<b>999</b>	<b>1,169</b>	<b>1,272</b>
Income tax	(94)	23	12	(88)	(99)		<b>307</b>	<b>293</b>	<b>4</b>	<b>379</b>	<b>412</b>
Less: Minority interests	3	2	(5)	2	2						
<b>Net profit</b>	<b>205</b>	<b>256</b>	<b>(45)</b>	<b>225</b>	<b>252</b>						

Balance sheet						Key ratios					
YE 31 Dec (EUR mn)	FY18A	FY19A	FY20E	FY21E	FY22E	YE 31 Dec	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Non-current assets</b>	<b>2,917</b>	<b>5,341</b>	<b>5,201</b>	<b>5,089</b>	<b>5,005</b>	<b>Sales mix (%)</b>					
Fixed asset	1,577	1,642	1,509	1,398	1,315	Direct sales	80.6	81.7	88.6	89.1	89.2
Intangible assets & goodwill	920	844	835	830	826	Franchise sales	18.0	17.0	10.3	9.9	9.9
Prepaid lease payments	0	-	-	-	-	Royalties	1.4	1.3	1.1	0.9	0.9
Interest in joint ventures	100	81	81	81	81		-	-	-	-	-
Other non-current assets	320	2,773	2,776	2,779	2,782	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Current assets</b>	<b>1,762</b>	<b>1,698</b>	<b>2,014</b>	<b>2,281</b>	<b>2,404</b>	<b>P&amp;L ratios (%)</b>					
Cash and cash equivalents	600	421	999	1,169	1,272	Gross margin	72.0	71.9	72.7	74.5	74.7
Inventories	632	713	550	602	611	Operating margin	9.8	9.1	0.1	12.5	13.1
Trade and other	322	318	222	265	276	Pre-tax margin	9.6	7.3	-2.5	10.4	11.2
Prepayments	13	22	17	20	21	Net margin	6.5	7.9	-1.8	7.4	8.0
Other current assets	195	225	225	225	225	Effective tax rate	31.2	-9.8	20.0	28.0	28.0
<b>Current liabilities</b>	<b>987</b>	<b>1,232</b>	<b>1,458</b>	<b>1,387</b>	<b>1,307</b>	<b>Balance sheet ratios</b>					
Bank loans	421	241	641	441	341	Current ratio (x)	1.8	1.4	1.4	1.6	1.9
Trade payables	315	327	250	279	288	Quick ratio (x)	1.8	1.4	1.4	1.6	1.9
Accruals & other payables	-	-	-	-	-	Cash ratio (x)	0.6	0.3	0.7	0.8	1.0
Tax payables	85	84	-12	88	99	Inventory turnover days	262	287	290	285	280
others	165	579	579	579	579	Trade receivables days	37	36	32	32	32
						Trade payables days	131	132	132	132	132
<b>Non-current liabilities</b>	<b>795</b>	<b>2,818</b>	<b>2,818</b>	<b>2,818</b>	<b>2,818</b>	Total debt / total equity	32	29	43	33	29
Bank loans	487	584	584	584	584	Net debt / equity ratio (%)	11	14	8	Net cash	Net cash
Deferred income	-	-	-	-	-						
Deferred tax	30	29	29	29	29	<b>Returns (%)</b>					
Others	277	2,205	2,205	2,205	2,205	ROE	7.1	8.6	-1.5	7.1	7.7
						ROA	4.4	3.6	-0.6	3.0	3.4
<b>Minority Interest</b>	<b>19</b>	<b>21</b>	<b>16</b>	<b>18</b>	<b>19</b>	<b>Per share</b>					
<b>Total net assets</b>	<b>2,878</b>	<b>2,967</b>	<b>2,922</b>	<b>3,147</b>	<b>3,264</b>	EPS (EUR)	0.08	0.10	-0.02	0.09	0.10
<b>Shareholders' equity</b>	<b>2,878</b>	<b>2,967</b>	<b>2,922</b>	<b>3,147</b>	<b>3,264</b>	DPS (EUR)	0.06	0.02	-	0.05	0.08
						BVPS (EUR)	1.12	1.16	1.14	1.23	1.28

Source: Company data, CMBIS estimates



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