

# China Construction Machinery / HDT

## Earnings highlights for Zoomlion, SANY Heavy & Weichai

Three major companies released 2020 results last night. Zoomlion's results is in line with expectation while the positive profit alert in 1Q21E is a positive surprise. SANY Heavy's results is slightly below estimates due to lower-than-expected gross margin. Weichai's results is a miss but the recovery of earnings growth in 1Q21E should ease market concern. We maintain our **BUY** rating for the three names.

- **Zoomlion (1157 HK, TP: HK\$16.0 / 000157 CH, TP: RMB17.8, BUY) - Net profit in 2020 surged 67% YoY to RMB7.3bn, the mid-point of the range stated in Jan's profit alert and in line with expectations.** Revenue grew 50% YoY to RMB65bn. Operating cash flow in 2020 increased by 19% YoY to RMB7.4bn, similar to the net profit. In 4Q20, net profit surged 80% YoY to RMB1.6bn. Zoomlion proposed a final dividend of RMB0.32 per share. This, together with the interim dividend of RMB0.21, implies a payout ratio of ~58%. Meanwhile, **Zoomlion released a positive profit alert for 1Q21E expecting net profit to reach RMB2.2-2.6bn, up 114-153% YoY.** This will account for 24-28% of our full year estimates. Reiterate **BUY**.
- **SANY Heavy (600031 CH, BUY, TP: RMB49.5) - Net profit in 2020 grew 36% YoY to RMB15.4bn, 1%/2% below our / consensus estimates.** Revenue grew 31%YoY to RMB99bn (in line with expectation), but gross margin narrowed 2.9ppt YoY to 29.8% which is below our estimates. That said, operating expense was under good control with both S&D and administrative expense ratio better than our forecast. Operating cash inflow remained healthy at RMB13.3bn in 2020. Proposed dividend of RMB0.6 per share implies 32.8% payout ratio. **Looking into 2021, SANY targets to achieve revenue of RMB120bn (up ~20% YoY),** which is higher than our expectation.
- **Weichai Power (2338 HK, 000338 CH, BUY, TP: Under review) - Net profit in 2020 only increased 1% YoY to RMB9.2bn, 8%/6% below our / consensus estimates.** Revenue in 2020 grew 13% YoY to RMB197bn (in line with expectation). The major discrepancy came from the lower-than-expected gross margin in 4Q20, which dropped 2.3ppt YoY to 18.8%. We believe the weakness came from the weak segment margin of truck sales. Weichai does not propose final dividend but we believe it's expected given that the A-share placement plan is underway. On the positive side, **Weichai released a positive profit alert for 1Q21E, stating that the net profit is expected to surge 40-60% YoY to RMB2.89-3.3bn.** This will account for 25-28% of our full year estimate of RMB11.7bn. We stay positive on Weichai and we will provide more updates after the analyst briefing.

**OUTPERFORM**  
(Maintain)

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### Related Reports

1. Zoomlion (1157 HK, BUY) – More drivers; More sustainable; Higher earnings est. & TP – 25 Jan 2021
2. SANY Heavy (600031 CH, BUY) – Earnings upside + multiple expansion – 11 Jan 2021
3. Weichai Power (2338 HK, BUY) – 3Q20 profit +37% with improved margin & KION's operation; Upbeat guidance – 2 Nov 2020

**Figure 1: Zoomlion's 2020 results**

YE Dec 31 (RMB mn)	2019	2020	Change (YoY)	2020E	A vs E
<b>Total revenue</b>	<b>43,307</b>	<b>65,109</b>	<b>50.3%</b>	<b>66,646</b>	<b>-2.3%</b>
Cost of sales	(30,314)	(46,492)	53.4%	(47,448)	-2.0%
<b>Gross profit</b>	<b>12,993</b>	<b>18,617</b>	<b>43.3%</b>	<b>19,198</b>	<b>-3.0%</b>
Other income	1,017	1,462	43.8%	1,048	39.5%
S&D expenses	(3,780)	(4,046)	7.0%	(4,799)	-15.7%
Administrative expenses	(2,693)	(4,048)	50.3%	(3,799)	6.6%
R&D expenses	(1516)	(3,345)	120.6%	(2,999)	115%
<b>EBIT</b>	<b>6,021</b>	<b>8,640</b>	<b>43.5%</b>	<b>8,649</b>	<b>-0.1%</b>
Net finance income/(cost)	(1,165)	(154)	-86.8%	(503)	-69.4%
Finance income	539	596	10.6%	591	0.8%
Finance expenses	(1,704)	(750)	-56.0%	(1,094)	-31.5%
Other gains/(losses)	0	0	n/a	0	n/a
Share of profit of JV and associates	188	182	-3.2%	254	-28.4%
<b>Pretax profit</b>	<b>5,044</b>	<b>8,668</b>	<b>71.8%</b>	<b>8,401</b>	<b>3.2%</b>
Income tax	(759)	(1,297)	70.9%	(1,176)	10.3%
<b>After tax profit</b>	<b>4,285</b>	<b>7,371</b>	<b>72.0%</b>	<b>7,224</b>	<b>2.0%</b>
MI & discontinued operation	96	(75)	-178.1%	72	-203.8%
<b>Net profit</b>	<b>4,381</b>	<b>7,296</b>	<b>66.5%</b>	<b>7,297</b>	<b>0.0%</b>
D&A	867	823	-5.1%	923	-10.8%
<b>EBITDA</b>	<b>6,888</b>	<b>9,463</b>	<b>37.4%</b>	<b>9,572</b>	<b>-1.1%</b>

Source: Company data, CMBIS estimates

**Figure 2: Zoomlion's 4Q20 results**

(RMB mn)	1Q19	1Q20	Change YoY	2Q19	2Q20	Change YoY	3Q19	3Q20	Change YoY	4Q19	4Q20	Change YoY
<b>Total revenue</b>	<b>9,017</b>	<b>9,067</b>	<b>0.6%</b>	<b>13,245</b>	<b>19,760</b>	<b>49.2%</b>	<b>9,493</b>	<b>16,417</b>	<b>72.9%</b>	<b>11,552</b>	<b>19,865</b>	<b>72.0%</b>
Cost of sales	(6,311)	(6,296)	-0.2%	(9,273)	(14,068)	51.7%	(6,702)	(11,979)	78.7%	(8,028)	(14,149)	76.2%
<b>Gross profit</b>	<b>2,706</b>	<b>2,770</b>	<b>2.4%</b>	<b>3,972</b>	<b>5,693</b>	<b>43.3%</b>	<b>2,791</b>	<b>4,438</b>	<b>59.0%</b>	<b>3,524</b>	<b>5,716</b>	<b>62.2%</b>
Other income	29	114	289.3%	593	548	-7.6%	200	7	-96.6%	195	793	306.3%
S&D expenses	(715)	(704)	-1.5%	(1,166)	(1,212)	3.9%	(890)	(1,223)	37.5%	(1,009)	(907)	-10.1%
Administrative expenses	(624)	(488)	-21.7%	(1,045)	(1,782)	70.5%	(535)	(1,000)	86.8%	(834)	(1,584)	90.0%
R&D expenses	(116)	(242)	108.9%	(345)	(806)	133.5%	(270)	(662)	145.3%	(785)	(1,635)	108.3%
<b>EBIT</b>	<b>1,281</b>	<b>1,450</b>	<b>13.3%</b>	<b>2,353</b>	<b>3,247</b>	<b>38.0%</b>	<b>1,295</b>	<b>1,559</b>	<b>20.3%</b>	<b>1,092</b>	<b>2,384</b>	<b>118.4%</b>
Net finance income/(cost)	(405)	(280)	-30.8%	(191)	243	n/a	(301)	20	n/a	(268)	(137)	-49.0%
Other gains/(losses)	234	69	-70.7%	(234)	(69)	-70.7%	99	242	143.8%	(99)	(242)	143.8%
Share of profit of JV and associates	34	47	40.7%	48	19	-61.2%	40	42	4.9%	66	74	12.2%
<b>Pretax profit</b>	<b>1,144</b>	<b>1,286</b>	<b>12.5%</b>	<b>1,976</b>	<b>3,440</b>	<b>74.1%</b>	<b>1,134</b>	<b>1,863</b>	<b>64.3%</b>	<b>790</b>	<b>2,079</b>	<b>163.2%</b>
Income tax	(162)	(236)	45.3%	(378)	(432)	14.4%	(245)	(178)	-27.2%	26	(451)	n/a
<b>After tax profit</b>	<b>981</b>	<b>1,050</b>	<b>7.0%</b>	<b>1,599</b>	<b>3,008</b>	<b>88.1%</b>	<b>889</b>	<b>1,685</b>	<b>89.4%</b>	<b>816</b>	<b>1,628</b>	<b>99.6%</b>
MI	21	(24)	n/a	(16)	(9)	n/a	14	(17)	n/a	77	(25)	n/a
<b>Net profit</b>	<b>1,002</b>	<b>1,026</b>	<b>2.4%</b>	<b>1,583</b>	<b>2,999</b>	<b>89.5%</b>	<b>904</b>	<b>1,668</b>	<b>84.6%</b>	<b>892</b>	<b>1,603</b>	<b>79.6%</b>
<b>Key ratios</b>	<b>Change (ppt)</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>		
Gross margin	30.0%	30.6%	0.5	30.0%	28.8%	-1.2	29.4%	27.0%	-2.4	30.5%	28.8%	-1.7
S&D expenses ratio	7.9%	7.8%	-0.2	8.8%	6.1%	-2.7	9.4%	7.5%	-1.9	8.7%	4.6%	-4.2
Administrative expense ratio	6.9%	5.4%	-1.5	7.9%	9.0%	1.1	5.6%	6.1%	0.5	7.2%	8.0%	0.8
R&D expense ratio	1.3%	2.7%	1.4	2.6%	4.1%	1.5	2.8%	4.0%	1.2	6.8%	8.2%	1.4
Net margin	10.9%	11.6%	0.7	12.1%	15.2%	3.2	9.4%	10.3%	0.9	7.1%	8.2%	1.1
Effective tax rate	14.2%	18.3%	4.1	19.1%	12.6%	-6.5	21.6%	9.6%	-12.0	-3.3%	21.7%	25.0

Source: Company data, CMBIS estimates

**Figure 3: Zoomlion's financial summary**

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Revenue (RMB mn)</b>	<b>28,697</b>	<b>43,307</b>	<b>65,109</b>	<b>79,334</b>	<b>88,511</b>
<b>YoY growth (%)</b>	<b>39.3</b>	<b>50.9</b>	<b>50.3</b>	<b>21.8</b>	<b>11.6</b>
<b>Net income (RMB mn)</b>	<b>2,031</b>	<b>4,381</b>	<b>7,296</b>	<b>9,318</b>	<b>10,622</b>
<b>EPS (RMB)</b>	<b>0.27</b>	<b>0.58</b>	<b>0.97</b>	<b>1.12</b>	<b>1.25</b>
<b>YoY growth (%)</b>	<b>51.5</b>	<b>119.2</b>	<b>65.9</b>	<b>15.3</b>	<b>11.9</b>
<b>Consensus EPS (RMB)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>1.06</b>	<b>1.16</b>
<b>EV/EBITDA (x)</b>	<b>21.2</b>	<b>13.8</b>	<b>10.0</b>	<b>8.1</b>	<b>7.3</b>
<b>P/E (x)</b>	<b>37.8</b>	<b>17.7</b>	<b>10.5</b>	<b>8.7</b>	<b>7.8</b>
<b>P/B (x)</b>	<b>2.1</b>	<b>2.1</b>	<b>1.7</b>	<b>1.4</b>	<b>1.3</b>
<b>Yield (%)</b>	<b>2.5</b>	<b>0.0</b>	<b>5.3</b>	<b>4.5</b>	<b>5.1</b>
<b>ROE (%)</b>	<b>5.4</b>	<b>11.4</b>	<b>17.1</b>	<b>17.8</b>	<b>17.3</b>
<b>Net gearing (%)</b>	<b>33.6</b>	<b>31.3</b>	<b>9.9</b>	<b>6.7</b>	<b>Net cash</b>

Source: Company data, CMBIS estimates

Figure 4: SANY Heavy's 2020 results

YE Dec 31(RMB mn)	2019	2020	Change (YoY)	2020E	A vs E
<b>Total revenue</b>	<b>75,666</b>	<b>99,342</b>	31.3%	<b>97,663</b>	1.7%
Cost of sales	(50,932)	(69,720)	36.9%	(66,290)	5.2%
<b>Gross profit</b>	<b>24,733</b>	<b>29,622</b>	19.8%	<b>31,373</b>	-5.6%
Surcharge	(373)	(408)	9.2%	(391)	4.3%
S&D expenses	(5,488)	(5,332)	-2.8%	(6,055)	-11.9%
Administrative expenses	(5,717)	(7,193)	25.8%	(7,129)	0.9%
Fair value change	290	436	50.6%	300	45.4%
Asset impairment	(1,363)	(681)	-50.0%	(1,367)	-50.2%
<b>EBIT</b>	<b>12,082</b>	<b>16,445</b>	36.1%	<b>16,731</b>	-1.7%
Net finance income/(cost)	46	(282)	n/a	327	n/a
Finance income	489	515	5.3%	887	-42.0%
Finance expenses	(442)	(797)	80.0%	(561)	42.1%
Other gains/(losses)	1,353	2,339	72.9%	1,380	69.5%
Share of profit of JV and associates	140	29	-79.2%	123	-76.3%
<b>Pretax profit</b>	<b>13,621</b>	<b>18,531</b>	36.0%	<b>18,560</b>	-0.2%
Income tax	(2,001)	(2,671)	33.5%	(2,636)	1.3%
<b>After tax profit</b>	<b>11,620</b>	<b>15,861</b>	36.5%	<b>15,924</b>	-0.4%
MI	(295)	(429)	45.6%	(318)	34.8%
<b>Net profit</b>	<b>11,325</b>	<b>15,431</b>	36.3%	<b>15,606</b>	-1.1%
D&A	2,020	1,904	-5.7%	2,085	-8.7%
<b>EBITDA</b>	<b>14,103</b>	<b>18,350</b>	30.1%	<b>18,816</b>	-2.5%

Source: Company data, CMBIS estimates

Figure 5: SANY Heavy's revenue breakdown

(RMB mn)	2019	2020	Change (YoY)	2020E	A vs E
<b>Revenue</b>					
Concrete machinery	23,200	27,052	36.8%	27,064	0.0%
Excavator	27,624	37,528	43.5%	40,653	-7.7%
Crane machinery	13,979	19,409	49.6%	16,711	16.1%
Piling machinery	4,810	6,825	2.5%	6,107	11.8%
Earth moving machinery	2,148	2,804	0.7%	2,594	8.1%
Other machinery	2,166	3,206	10.7%	2,707	18.4%
<b>Revenue (construction machinery)</b>	<b>73,926</b>	<b>96,825</b>	<b>36.1%</b>	<b>95,837</b>	1.0%
Other business	1,740	2,517	17.2%	1,827	37.8%
<b>Total revenue</b>	<b>75,666</b>	<b>99,342</b>	<b>35.5%</b>	<b>97,663</b>	1.7%
<b>Gross margin</b>			<b>Change (ppt)</b>		<b>ppt</b>
Concrete machinery	29.8%	27.3%	(2.5)	29.3%	-2.0
Excavator	38.6%	34.7%	(4.0)	37.8%	-3.1
Crane machinery	24.3%	21.7%	(2.6)	20.5%	1.2
Piling machinery	45.4%	45.0%	(0.5)	45.5%	-0.5
Earth moving machinery	36.9%	31.1%	(5.8)	34.5%	-3.4
Other machinery	29.0%	24.7%	(4.4)	28.0%	-3.3
<b>Gross margin (construction machinery)</b>	<b>33.3%</b>	<b>30.3%</b>	<b>(3.0)</b>	<b>32.5%</b>	-2.2
Other business	8.4%	11.5%	3.1	12.0%	-0.5
<b>Blended gross margin</b>	<b>32.7%</b>	<b>29.8%</b>	<b>(2.9)</b>	<b>32.1%</b>	-2.3

Source: Company data, CMBIS estimates

Figure 6: SANY Heavy's financial summary

(YE 31 Dec)	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Revenue (RMB mn)</b>	55,822	75,666	99,342	112,662	121,386
<b>YoY growth (%)</b>	46	36	31	13	8
<b>Net income (RMB mn)</b>	6,116	11,325	15,431	18,521	20,413
<b>EPS (RMB)</b>	0.79	1.37	1.82	2.19	2.41
<b>YoY growth (%)</b>	189.6	73.2	33.2	20.0	10.2
<b>Consensus EPS (RMB)</b>	N/A	N/A	N/A	2.33	2.48
<b>EV / EBITDA (x)</b>	34.8	22.2	17.0	13.7	12.6
<b>P/E (x)</b>	46.8	27.0	20.3	16.9	15.4
<b>P/B (x)</b>	9.2	7.0	5.5	4.5	3.7
<b>Yield (%)</b>	0.8	1.1	1.6	1.9	2.1
<b>ROE (%)</b>	21.5	29.8	30.6	29.3	26.5
<b>Net gearing (%)</b>	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, CMBIS estimates

Figure 7: Weichai's 2020 results

(RMB mn)	2019	2020	Change (YoY)	2020E	A vs E
<b>Revenue</b>					
Diesel engines	49,976	62,720	26%	61,661	1.7%
Automobiles and major components	71,475	85,907	20%	84,700	1.4%
Forklift trucks & supply chain solution	67,177	65,110	-3%	64,490	1.0%
Intersegment sales	-14,267	-16,246	14%	-16,868	-3.7%
<b>Total revenue</b>	<b>174,361</b>	<b>197,491</b>	<b>13%</b>	<b>193,983</b>	<b>1.8%</b>
<b>Segment profit</b>					
Diesel engines	7,573	8,524	13%	9,249	-7.8%
Automobiles and major components	2,176	1,668	-23%	2,710	-38.4%
Forklift trucks & supply chain solution	3,992	1,789	-55%	2,064	-13.3%
Intersegment sales	-131	-127	-3%	-169	-24.6%
<b>Total segment profit</b>	<b>13,610</b>	<b>11,854</b>	<b>-13%</b>	<b>13,855</b>	<b>-14.4%</b>
<b>Segment margin</b>					
			<b>Change (ppt)</b>		<b>Diff (ppt)</b>
Diesel engines	15.2%	13.6%	-1.56	15.0%	-1.41
Automobiles and major components	3.0%	1.9%	-1.10	3.2%	-1.26
Forklift trucks & supply chain solution	5.9%	2.7%	-3.19	3.2%	-0.45
<b>Average</b>	<b>7.8%</b>	<b>6.0%</b>	<b>-1.80</b>	<b>7.1%</b>	<b>-1.14</b>
Interest income	1,067	1,278	20%	1,275	0.2%
Dividend income and unallocated income	1,056	1,248	18%	950	31.4%
Corporate and unallocated expenses	-94	-142	51%	-205	-30.6%
Finance expenses	-1,288	-1,557	21%	-1,285	21.2%
<b>Pretax profit</b>	<b>14,352</b>	<b>12,682</b>	<b>-12%</b>	<b>14,687</b>	<b>-13.7%</b>
Income tax	(2,445)	(1,407)	-42%	-2,277	-38.2%
<b>After tax profit</b>	<b>11,907</b>	<b>11,275</b>	<b>-5%</b>	<b>12,411</b>	<b>-9.2%</b>
MI	(2,802)	(2,068)	-26%	-2,358	-12.3%
<b>Net profit</b>	<b>9,105</b>	<b>9,207</b>	<b>1%</b>	<b>10,053</b>	<b>-8.4%</b>

Source:

Company data, CMBIS estimates

Figure 8: Weichai's 4Q20 results

(RMB mn)	1Q19	1Q20	Change (YoY)	2Q19	2Q20	Change (YoY)	3Q19	3Q20	Change (YoY)	4Q19	4Q20	Change (YoY)
<b>Revenue</b>	<b>45,212</b>	<b>38,999</b>	<b>-14%</b>	<b>45,651</b>	<b>55,495</b>	<b>22%</b>	<b>35,846</b>	<b>52,889</b>	<b>48%</b>	<b>47,653</b>	<b>50,107</b>	<b>5%</b>
Cost of sales	(35,420)	(30,247)	-15%	(35,681)	(45,743)	28%	(27,653)	(42,667)	54%	(37,599)	(40,696)	8%
<b>Gross profit</b>	<b>9,792</b>	<b>8,752</b>	<b>-11%</b>	<b>9,969</b>	<b>9,752</b>	<b>-2%</b>	<b>8,193</b>	<b>10,222</b>	<b>25%</b>	<b>10,053</b>	<b>9,412</b>	<b>-6%</b>
Other income	128	97	-24%	211	169	-20%	99	250	151%	330	853	158%
Other gains and losses	113	164	44%	60	120	100%	225	(163)	n/a	30	(135)	n/a
S&D expenses	(2,736)	(2,718)	-1%	(2,634)	(2,595)	-2%	(2,575)	(2,845)	10%	(3,309)	(2,705)	-18%
Administrative and R&D expenses	(2,560)	(2,840)	11%	(3,119)	(3,139)	1%	(2,800)	(3,401)	21%	(3,649)	(4,342)	19%
Taxes and surcharges	(189)	(165)	-13%	(186)	(267)	44%	(95)	(169)	78%	(194)	(229)	18%
Impairment loss of assets	(226)	(237)	5%	(226)	(320)	42%	(77)	(120)	54%	(207)	(550)	165%
<b>EBIT</b>	<b>4,323</b>	<b>3,052</b>	<b>-29%</b>	<b>4,075</b>	<b>3,720</b>	<b>-9%</b>	<b>2,970</b>	<b>3,775</b>	<b>27%</b>	<b>3,053</b>	<b>2,303</b>	<b>-25%</b>
Other expenses	(43)	(40)	-8%	13	(6)	n/a	(22)	(35)	60%	(42)	(61)	46%
Net finance cost	(108)	14	n/a	(33)	(181)	n/a	0	(70)	n/a	(79)	(43)	-46%
Share of profit of JV and associates	11	22	88%	112	123	10%	19	28	48%	102	81	-21%
<b>Pretax profit</b>	<b>4,183</b>	<b>3,049</b>	<b>-27%</b>	<b>4,167</b>	<b>3,656</b>	<b>-12%</b>	<b>2,967</b>	<b>3,697</b>	<b>25%</b>	<b>3,034</b>	<b>2,280</b>	<b>-25%</b>
Income tax	(811)	(457)	-44%	(647)	(546)	-16%	(531)	(698)	31%	(456)	294	-164%
<b>After tax profit</b>	<b>3,373</b>	<b>2,592</b>	<b>-23%</b>	<b>3,520</b>	<b>3,110</b>	<b>-12%</b>	<b>2,436</b>	<b>3,000</b>	<b>23%</b>	<b>2,578</b>	<b>2,573</b>	<b>0%</b>
MI	(781)	(527)	-32%	(824)	(494)	-40%	(666)	(574)	-14%	(531)	(472)	-11%
<b>Net profit</b>	<b>2,591</b>	<b>2,064</b>	<b>-20%</b>	<b>2,696</b>	<b>2,616</b>	<b>-3%</b>	<b>1,771</b>	<b>2,426</b>	<b>37%</b>	<b>2,047</b>	<b>2,101</b>	<b>3%</b>
<b>Key ratios</b>												
			<b>Change (ppt)</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>
Gross margin	21.7%	22.4%	0.8	21.8%	17.6%	-4.3	22.9%	19.3%	-3.5	21.1%	18.8%	-2.3
S&D expense ratio	6.1%	7.0%	0.9	5.8%	4.7%	-1.1	7.2%	5.4%	-1.8	6.9%	5.4%	-1.5
Administrative and R&D expense ratio	5.7%	7.3%	1.6	6.8%	5.7%	-1.2	7.8%	6.4%	-1.4	7.7%	8.7%	1.0
Effective tax rate	19.4%	15.0%	-4.4	15.5%	14.9%	-0.6	17.9%	18.9%	1.0	15.0%	-12.9%	-27.9

Source: Company data, CMBIS estimates

Figure 9: Weichai-H's financial summary

(YE 31 Dec)	FY18A	FY19A	FY20A	FY21E	FY22E
<b>Revenue (RMB mn)</b>	159,256	174,361	197,491	197,701	205,950
<b>YoY growth (%)</b>	5.1	9.5	13.3	0.1	4.2
<b>Net income (RMB mn)</b>	8,658	9,105	9,207	11,883	12,611
<b>EPS (RMB)</b>	1.08	1.15	1.16	1.50	1.59
<b>YoY growth (%)</b>	27.2	6.0	1.1	29.1	6.1
<b>Consensus EPS (RMB)</b>	n/a	n/a	n/a	1.44	1.59
<b>P/E (x)</b>	16.7	16.2	15.7	12.0	11.3
<b>EV / EBITDA (x)</b>	7.3	6.9	7.2	5.7	5.4
<b>P/B (x)</b>	3.7	3.3	2.8	2.3	2.0
<b>Yield (%)</b>	2.5	1.5	0.8	3.3	3.5
<b>ROE (%)</b>	23.2	21.5	19.1	20.8	18.9
<b>Net gearing (%)</b>	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, CMBIS estimates

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