

2017 年 12 月 15 日

买入
维持

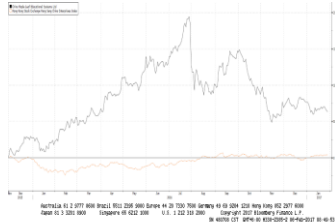
一线城市扩张发力

中国枫叶教育集团 (1317:HK)

Market Data: 27 Nov, 2017

Closing Price (HK\$)	8.27
Price Target (HK\$)	11.41
HSCEI	11,531
HSCCI	4,300
52-week High/Low (HK\$)	9.40/4.24
Market Cap (USD Mn)	1,448
Market Cap (HK\$ Mn)	11,245
Shares Outstanding (Mn)	1,360
Exchange Rate (RMB-HK\$)	1.12

Price Performance Chart:



Source: Bloomberg

Analyst

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Related Reports

"China Maple Leaf Educational Systems (1317:HK) –Structure optimization" 28 Nov 2017

"China Maple Leaf Educational Systems (1317:HK) –Extended achievement" 30 Oct 2017

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Financial summary and valuation

	FY16	FY17	FY18E	FY19E	FY20
Revenue (RMB M)	829.77	1,083.18	1,387.91	1,727.55	2,112.49
YOY (%)	27.07	30.54	28.13	24.47	22.28
Net income (RMB M)	307.56	413.72	502.66	659.25	872.09
YOY (%)	49.63	34.52	21.50	31.15	32.29
EPS (RMB)	0.23	0.31	0.37	0.48	0.63
Diluted EPS (RMB)	0.23	0.31	0.36	0.47	0.62
ROE (%)	15.21	16.54	18.42	21.13	23.96
Debt/asset (%)	37.34	43.37	43.93	45.32	45.88
Dividend Yield (%)	1.24	1.51	1.81	2.34	3.09
P/E (x)	31.78	23.82	19.89	15.39	11.63
P/B (x)	4.83	3.94	3.66	3.25	2.79
EV/EBITDA	33.12	24.63	15.39	13.71	10.65

Note: Diluted EPS is calculated as if all outstanding convertible securities, such as convertible preferred shares, convertible debentures, stock options and warrants, were exercised.

枫叶教育公告以 8,900 万人民币（相当于 1.049 亿港币）收购伊思顿国际教育投资（深圳）有限公司 55% 的股权。该目标公司运营深圳市伊思顿龙岗书院（下文简称深圳学校）。我们维持 2018 财年摊薄每股盈利预测 0.36 元不变（同比增长 16.1%），2019 财年每股盈利预测由 0.46 元上调至 0.47 元（同比增长 30.6%），2020 财年每股盈利预测由 0.57 元上调至 0.62 元（同比增长 31.9%）。目标价由 10.70 港币上调至 11.41 港币，代表 27.4 倍 18 年 PE。现价距离目标价存在 38% 的上升空间，维持买入评级。

继续在一线城市扩张。自成立上海枫叶国际学校以来，公司一直积极在一线城市寻求新的学校。深圳学校 2016 年开始运营，可容纳 1500 名学生，截至今年 9 月份，入学人数共计 110 人。该学校是 K-12 寄宿学校，每学年人均学费达 16.5 万元，高于枫叶教育目前的每学年人均学费 3.9 万元。收购深圳学校也显示了公司强大的执行力。我们预计未来几年公司将在一线城市收购更多的学校。

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维持买入评级。考虑到深圳学校被纳入公司的学校网络，以及公司在未来 2 至 3 年会进行更多的收购，我们上调枫叶教育的入学人数预测如下：2018 财年由 3.11 万人上调至 3.12 万人（同比增长 20%），2019 财年由 3.58 万人上调至 3.86 万人（同比增长 22%），2020 财年由 4.08 万人上调至 4.48 万人（同比增长 18%）。我们维持 2018 财年摊薄每股盈利预测 0.36 元不变（同比增长 16.1%），2019 财年每股盈利预测由 0.46 元上调至 0.47 元（同比增长 30.6%），2020 财年每股盈利预测由 0.57 元上调至 0.62 元（同比增长 31.9%）。目标价由 10.70 港币上调至 11.41 港币，对应 27.4 倍 18 年 PE。现价距离目标价存在 38% 的上升空间，维持买入评级。

Maple Leaf announced acquisition of 55% equity interest of Yisidun International Education Investment (Shenzhen) Co., Ltd who operates Shenzhen Yisidun Longgang School (Shenzhen school) with total consideration of Rmb89m or HK\$104.9m. We maintain our diluted EPS forecasts at Rmb0.36 (+16.1% YoY) in FY18E, but raise EPS forecasts from Rmb0.46 to Rmb0.47 in FY18E (+30.6% YoY) and from Rmb0.57 to Rmb0.62 in FY19E (+31.9% YoY). We lift our target price from HK\$10.70 to HK\$11.41, representing 27.4x FY18E PE. With 38% upside, we maintain BUY.

Expansion in top tier city continued. After establishing Shanghai Maple Leaf school the company is proactively seeking new school in top tier cities. Shenzhen school just started operation in 2016 with seats capacity of 1500. Student enrolment was 110 by this September. The school provides k12 education service with relative high tuition at average of Rmb165k per student per school year, significant higher than Maple Leaf's average tuition of Rmb39k per student per school year. Shenzhen school acquisition was another example of strong execution. We expect more acquisition in top tier cities in following years.

Easy transformation. Since the school has only two grades of students Maple leaf could easily adjust the course settings while not affecting much of current students study progress. Maple Leaf would add more Chinese classes to k9 grades making the course setting meeting the local education authority's requirements. Also students would be exposed to more English classes for preparing study abroad. High school student were learning AP (Advanced Placement) courses currently. Maple leaf would gradually apply BC (British Columbia) curriculum to new enrolments for high school. We believe the transformation would be smooth, given the company's solid track record for operating international schools.

Maintain buy. Factor in the consolidation of Shenzhen school and our expectation for more acquisition in coming 2 to 3 years, we revise up our enrolments forecasts from 31.1k to 31.2k in FY18E (20% YoY), from 35.8k to 38.6k in FY19E (22% YoY) and from 40.8k to 44.8k in FY20E (18% YoY). We maintain our diluted EPS forecasts at Rmb0.36 (+16.1% YoY) in FY18E, but raise EPS forecasts from Rmb0.46 to Rmb0.47 in FY18E (+30.6% YoY) and from Rmb0.57 to Rmb0.62 in FY19E (+31.9% YoY). We lift our target price from HK\$10.70 to HK\$11.41, representing 27.4x FY18E PE. With 38% upside, we maintain BUY.

Appendix

Forecast income statement							
Rmbm	FY16A	FY17A	FY18E	FY19E	FY20E		
Revenue	830	1,083	1,388	1,728	2,112		
Cost of Sales	-428	-543	-649	-790	-929		
Gross Profit	402	540	739	938	1,184		
Other Income	73	94	35	46	73		
Sales expenses	-26	-30	-38	-43	-49		
Administrative expenses	-122	-155	-186	-227	-267		
EBITDA	376	508	621	786	1,022		
EBIT	327	449	549	713	940		
Finance Costs	0	-8	-14	-11	-11		
Profit before tax	326	441	535	702	929		
Income tax expense	-18	-27	-33	-43	-57		
Minority interests	1	0	0	0	0		
Profit for the year	308	414	503	659	872		

Source: SWS Research

Forecast cash flow statement							
Rmbm	FY16A	FY17A	FY18E	FY19E	FY20E		
Profit before taxation	326	441	535	702	929		
Plus: Depr. and amortisation	49	59	72	73	82		
Finance cost	17	24	30	35	46		
Losses from investments	0	0	0	0	0		
Change in working capital	179	212	423	423	470		
Others	17	24	30	35	46		
CF from operating activities	554	708	1,027	1,189	1,470		
CAPEX	-196	-349	-352	-319	-263		
Other CF from investing activities	-52	-93	-94	-85	-70		
CF from investing activities	-248	-443	-446	-405	-333		
Equity financing	0	0	0	0	0		
Net change in liabilities	0	0	0	0	0		
Dividend and interest paid	-129	-136	-168	-204	-267		
Other CF from financing activities	0	0	0	0	0		
CF from financing activities	-129	-136	-168	-204	-267		
Net cash flow	176	129	413	581	870		
FCFF	292	250	570	775	1,131		
FCFE	109	277	456	656	991		

Source: SWS Research

Forecast balance sheet						
Rmbm	FY16A	FY17A	FY18E	FY19E	FY20E	
Current Assets	1,285	1,744	1,807	2,405	3,295	
Bank Balances And Cash	1,238	1,649	1,741	2,322	3,192	
Trade And Other Receivables	0	0	0	0	0	
Inventories	0	0	0	0	0	
Other Current Assets	47	95	66	84	103	
Long Term Investment	12	338	316	201	47	
PPE	1,506	1,814	2,294	2,647	2,925	
Intangible And Other Assets	424	520	450	454	458	
Total Assets	3,226	4,417	4,866	5,707	6,725	
Current Liabilities	1,184	1,566	1,804	2,243	2,733	
Borrowings	0	117	0	0	0	
Trade And Other Payables	381	441	514	620	740	
Other Current Liabilities	803	1,008	1,290	1,623	1,993	
Long Term Liabilities	21	349	334	343	353	
Total Liabilities	1,205	1,915	2,138	2,586	3,086	
Minority Interests	2	3	4	5	6	
Shareholder Equity	2,021	2,501	2,728	3,121	3,640	
Share Capital	8	8	8	8	8	
Reserves	2,013	2,421	2,720	3,112	3,631	
Equity Attributable	0	0	0	1	2	
Total Liabilities And Equity	3,226	4,417	4,866	5,707	6,725	

Source: SWS Research

Key performance indicators					
	FY16A	FY17A	FY18E	FY19E	FY20E
Ratios per share (Rmb)					
Earnings per share	0.23	0.31	0.37	0.48	0.63
Operating CF Per Share	0.42	0.53	0.76	0.86	1.07
Dividend Per Share	0.10	0.13	0.15	0.19	0.26
Key Operating Ratios (%)					
Net Assets Per Share	1.52	1.87	2.01	2.26	2.64
ROIC	46.9	49.8	67.3	95.6	169.6
ROE	15.2	16.5	18.4	21.1	24.0
Gross Margin	48.4	49.8	53.2	54.3	56.0
Ebitda Margin	27.1	30.5	28.1	24.5	22.3
Ebit Margin	49.6	34.5	21.5	31.2	32.3
Debt To Asset Ratio	37.3	43.4	43.9	45.3	45.9
Turnover Rate Of Net Assets	41.0	43.3	50.9	55.4	58.0
Turnover Rate Of Total Assets	25.7	24.5	28.5	30.3	31.4
Effective tax rate (%)	5.6	6.1	6.1	6.1	6.1
Dividend Yield	1.2	1.5	1.8	2.3	3.1
Valuation Ratios (X)					
PE	31.8	23.8	19.9	15.4	11.6
PB	4.8	3.9	3.7	3.3	2.8
EV/Sales	12.0	9.2	6.3	5.8	4.7
EV/Ebitda	33.1	24.6	15.4	13.7	10.7

Source: SWS Research

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Trading BUY: Share price performance is expected to generate more than 20% upside over a 6-month period.

BUY: Share price performance is expected to generate more than 20% upside over a 12-month period.

Outperform: Share price performance is expected to generate between 10-20% upside over a 12-month period.

Hold: Share price performance is expected to generate between 10% downside to 10% upside over a 12-month period.

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