



## Flash Note: Lenovo Group (00992 HK)

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# USD289 Million Net Loss Recorded in 3QFY18, Below Expectation

2018财年第3季度录得2.89亿美元的净亏损，差于预期

- Lenovo announced the following results:

**Table-1: Lenovo – Results**

USD	3QFY18	YoY	1-3QFY18	YoY
<b>Revenue</b>	12.9 Billion	6.3%	34.7 Billion	3.9%
<b>Shareholder's Profit</b>	(289 Million)	n.a.	(175 Million)	n.a.
<b>Basic EPS</b>	(2.53 Cents)	n.a.	(1.99 cents)	n.a.

Source: the Company.

- Lenovo: the Company's results were below expectations with net loss of USD289 million, compared to USD107 million net profit last year due to higher marketing expenses for smartphone promotions. Lenovo recorded 15.7 million PC shipments in 3QFY18, the same as last year, but market share slightly declined by 0.2 ppt yoy to 22.2% due to fierce market competition. Lenovo's PC market share is expected to improve after the acquisition of Fujitsu, but we still expect Lenovo to face headwinds in 2018. HP recorded the highest market share thanks to the supporting policies from the US government and we expect that HP will further seize Lenovo in 2018. Gross margin improved by 0.4 ppt yoy to 13.5%, thanks to better product mix with higher ASP from both of PC and Data Center businesses. Due to higher operating expenses and sluggish product shipments, we will lower the Company's earnings estimations.
- The Company's present investment rating is "Neutral" with TP of HK\$4.80. We will lower the Company's TP.
- 联想公布业绩为以下:

**表-1: 联想 - 业绩**

美元	2018 财年第 3 季度	同比	2018 财年首 3 季度	同比
<b>收入</b>	129 亿	6.3%	347 亿	3.9%
<b>股东纯利</b>	(289 百万)	n.a.	(175 百万)	n.a.
<b>每股纯利</b>	(2.53 分)	n.a.	(1.99 分)	n.a.

数据来源: 公司。

- 联想业绩低于预期，录得 2.89 亿美元净亏损，去年同期则录得 1.07 亿美元净利润，因智能手机促销的营销费用上升。联想 2018 财年第 3 季度的个人电脑出货量为 15.7 百万台，与去年同期相当，但市场竞争激烈，市场份额同比微降 0.2 个百分点至 22.2%。在收购富士通后，联想的电脑市场份额预计将有所提升，但我们预计联想仍将在 2018 年面临逆境。受惠于美国政府的支持政策，惠普获得了最高的市场份额，我们预计惠普将于 2018 年进一步抢占联想的业务出货量。得益于 PC 和数据中心业务更好的产品结构及更高的平均售价，毛利率提升了 0.4 个百分点至 13.5%。基于运营费用的上涨和疲弱的产品出货量，我们将下调公司的盈利预测。
- 公司的投资评级为“中性”及目标价为 4.80 港元。我们将下调公司的目标价。

### Company Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Buy	买入	Relative Performance > 15%; or the fundamental outlook of the company or sector is favorable.
Accumulate	收集	Relative Performance is 5% to 15%; or the fundamental outlook of the company or sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the company or sector is neutral.
Reduce	减持	Relative Performance is -5% to -15%; or the fundamental outlook of the company or sector is unfavorable.
Sell	卖出	Relative Performance < -15%; or the fundamental outlook of the company or sector is unfavorable.

### Sector Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Outperform	跑赢大市	Relative Performance > 5%; or the fundamental outlook of the sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the sector is neutral.
Underperform	跑输大市	Relative Performance < -5%; Or the fundamental outlook of the sector is unfavorable.

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