

香港

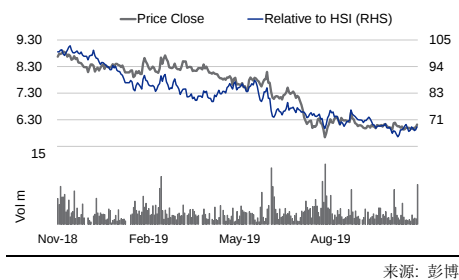
增持 (不变)

市场共识评级*: 买入 6 持有 0 沽出 0

前收盘价:	HK\$6.12
目标价:	HK\$8.79
前目标价:	HK\$10.00
潜在上升/下跌空间:	43.6%
CGI / 市场共识	-13.6%
路透股票代码:	0855.HK
彭博股票代码:	855 HK
市值:	US\$1,254m HK\$9,817m
平均每日成交额:	US\$1.63m HK\$13.39m
目前发行在外股数	1,609m
自由流通量	48.1%
*来源: 彭博	

本报告的主要变动

- 20 财年、21 财年和 22 财年的收入预测分别下调 3.1%、6.2% 和 7.4%
- 20 财年净利润预测上调 3.4%，但 21 财年和 22 财年净利润预测下调 7.4% 和 7.4%



股价表现	1M	3M	12M
绝对表现 (%)	-0.3	5.9	-29.4
相对表现 (%)	-1.4	0.9	-31.8
主要股东	持股百分比		
主席, 段传良	29.4		
欧力士株式会社	18.2		

分析员

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中国水务

20 财年中中期业绩受环保业务拖累

- 中国水务 20 财年中中期业绩低于预期，主要受环保业务拖累。
- 我们相信公司 20 财年和 21 财年的收入增长将慢于 15 财年至 18 财年。
- 我们认为，中国水务将继续实现稳定增长，但短期内没有催化剂。
- 考虑到 20 财年市盈率为 7.3 倍、21 财年市盈率为 21 倍、股息率为 5%，我们认为股份估值不高。我们维持「增持」评级，新目标价为 8.79 港元（低于此前的 10.0 港元），基于 10 倍 20 财年市盈率，接近历史平均。由于收入增长低于预期，我们给予较低的目标市盈率（低于此前的 11 倍 20 财年市盈率）。

19 财年业绩低于预期

中国水务 20 财年中中期净利润同比增长 36.49%，从 19 财年上半年的 6.458 亿港元增至 20 财年上半年的 8.346 亿港元。20 财年上半年净利润同比大增，主要是由于联营公司（特别是康达环保[6136.HK]）的贡献增加。康达 20 财年上半年的贡献为 2.596 亿港元（由投资者分占联营公司可识别资产及负债公平净值超出投资成本 2.148 亿港元之部份及分占康达国际收购后业绩港币 4,480 万港元所组成）。公司 20 财年上半年的收入为 43.547 亿港元，较 19 财年上半年的 41.418 亿港元同比增长 5.1%。收入增长较慢的主因是环保业务收入同比下降。20 财年上半年，城市供水业务和建筑业务的收入为 35.897 亿港元，较 19 财年上半年的 31.668 亿港元同比增长 13.4%。城市供水运营和建筑业务的分部业绩同比增长 16.7%，从 19 财年上半年的 12.427 亿港元增至 20 财年上半年的 14.497 亿港元。环保业务 20 财年上半年的收入为 5.91 亿港元，较 19 财年上半年的 8.346 亿港元同比下降 29.2%。在该分部中，括污水处理及排水经营及建设的收入同比下降 46.3%，从 19 财年上半年的 6.549 亿港元降至 20 财年上半年的 3.518 亿港元；管理层解释指，一些重点项目已经完成。环保业务分部业绩同比下降 34.9%，从 19 财年上半年的 2.95 亿港元下降至 20 财年上半年的 1.919 亿港元。公司宣布就 20 财年上半年派发中期股息每股 0.14 港元，高于 19 财年上半年的每股 0.12 港元。在 20 财年上半年，中国水务从出售非核心资产收回现金约 2 亿港元。

增长前景

我们相信公司将专注于提高康达的业绩，而康达将成为中国水务发展环保业务的平台。因此，我们下调了中国水务环保业务的收入预测。我们认为康达将成为中国水务的增长动力。中国水务管理层对公司前景保持乐观，并预期供水业务收入在未来数年实现强劲增长，主要受助于：a) 城乡一体化；b) 供水和排水网络统一；以及 c) 地域覆盖范围扩张。我们预计公司在 19-21 财年的整体增长将较 15-18 财年放缓。

下调盈利预测

我们下调了 20 财年、21 财年和 22 财年的收入预测，主要是下调了环保业务的收入预测。由于联营公司贡献增加，我们将 20 财年净利润预测上调了 3.4%，但由于下调了收入预测，我们降低了 21 财年和 22 财年的净利润预测。

主要财务指标

	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
收入 (百万港元)	7,580	8,302	9,000	9,825	10,994
经营 EBITDA (百万港元)	2,928	3,161	3,454	3,888	4,364
净利润 (百万港元)	1,141	1,369	1,513	1,595	1,835
每股核心盈利 (港元)	0.72	0.79	0.84	0.99	1.14
每股核心盈利增长	80.7%	9.5%	6.9%	18.1%	15.1%
全面摊薄市盈率 (倍)	8.51	7.77	7.27	6.16	5.35
每股派息 (港元)	0.23	0.28	0.32	0.37	0.43
股息率	3.76%	4.58%	5.29%	6.09%	7.00%
EV/EBITDA (倍)	7.18	7.88	7.59	6.76	6.01
股价/股权自由现金流 (倍)	NA	4.57	6.54	3.17	2.40
净负债权益比	75.0%	84.9%	78.0%	64.6%	51.5%
市净率 (倍)	1.40	1.24	1.09	0.98	0.87
股本回报率	17.9%	16.9%	15.9%	16.7%	17.2%
每股核心盈利预测的变动			(7.37%)	(6.95%)	
每股核心盈利/市场共识每股盈利 (倍)			1.00	0.89	0.90

来源: 中国银河国际证券研究部, 公司, 彭博

Hong Kong

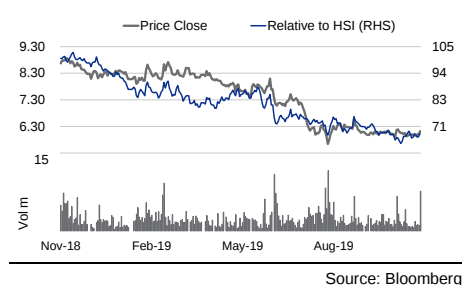
ADD (no change)

Consensus ratings*: Buy 6 Hold 0 Sell 0

Current price:	HK\$6.12
Target price:	HK\$8.79
Previous target:	HK\$10.00
Up/downside:	43.6%
CGI / Consensus:	-13.6%
Reuters:	0855.HK
Bloomberg:	855 HK
Market cap:	US\$1,254m
	HK\$9,817m
Average daily turnover:	US\$1.63m
	HK\$13.39m
Current shares o/s:	1,609m
Free float:	48.1%
*Source: Bloomberg	

Key changes in this note

- FY20F, FY21 and FY22 revenue decreased by 3.1%, 6.2% and 7.4%, respectively.
- FY20F net profit increased by 3.4%, but FY21 and FY22 net profit decreased by 7.4% and 7.4%, respectively.



Price performance	1M	3M	12M
Absolute (%)	-0.3	5.9	-29.4
Relative (%)	-1.4	0.9	-31.8

Major shareholders	% held
Chairman, Mr Duan Chuan-lian	29.4
ORIX Corporation	18.2

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China Water Affairs

1H FY20 results dragged down by the environment protection segment

- China Water Affairs' (CWA) 1HFY20F results were lower than expected, dragged down by the environmental protection segment.
- We believe that CWA will report slower turnover growth in FY20F and FY21F than in FY15–FY18.
- We believe CWA will continue to deliver steady growth, but there are no near-term catalysts.
- At 7.3x FY20F P/E and 6.2x FY21F P/E and over 5% yield, CWA's valuation doesn't look excessive. We maintain our ADD rating, with a new target price of HK\$8.79 (revised down from HK\$10.0), based on 10x FY20F PER, which is in line with its historical average. We use a lower target P/E (revised down from 11x FY20F) because of slower-than-expected top-line growth.

Lower-than-expected FY19 results

CWA's 1H FY20F net profit was up 36.4.9% yoy, from HK\$645.8m in 1H FY19 to HK\$834.6m in 1H FY20. The strong yoy net profit growth in 1H 20F was mainly due to a higher contribution from associates, especially Kangda [6136.HK]. The contribution from Kangda in 1H FY20F amounted to HK\$259.6m (HK\$214.8m from excess of investor's share of net fair value of an associate's identifiable assets and liabilities over the cost of investment, and HK\$44.8m from the share of Kangda's results). CWA reported revenue of HK\$4,354.7m in 1H FY20, up 5.1% yoy from HK\$4,141.8m in 1H FY19. The slower top-line growth was mainly due to a yoy decline in revenue from the environmental protection segment. Revenue from city water supply operations and the construction segment amounted to HK\$3,589.7m in 1H FY20, up 13.4% yoy from HK\$3,166.8m in 1H FY19. Segment results of city water supply operations and construction were up 16.7% yoy, from HK\$1,242.7m in 1H FY19 to HK\$1,449.7m in 1H FY20. The environmental protection segment reported revenue of HK\$591.0m in 1H FY20, down 29.2% yoy from HK\$834.6m in 1H FY19. Within this segment, revenue from sewage treatment and water environment renovation construction services dropped 46.3% yoy, from HK\$654.9m in 1H FY19 to HK\$351.8m in 1H FY20; management explained that some key projects were completed. Segment results of the environmental protection division were down 34.9% yoy, from HK\$295.0m in 1H FY19 to HK\$191.9m in 1H FY20. CWA declared an interim dividend of HK\$0.14 per share in 1H FY20, up from HK\$0.12 per share in 1H FY19. CWA recouped about HK\$200m in cash from the disposal of noncore assets in 1H FY20.

Growth outlook

We believe that CWA will focus on boosting Kangda's performance and that Kangda will be a platform for CWA to develop its environment protection business. Therefore, we revised down our revenue forecasts from CWA's environment protection segment. We believe Kangda will be a growth driver for CWA. CWA management remains positive on the outlook for CWA and expects solid top-line growth for the water supply segment in the coming years, driven by a) the integration of urban and rural area networks, b) unifying the water supply and drainage networks, and c) geographical expansion. We expect CWA's overall growth to slow down in FY19–FY21 vs. FY15–FY18.

Downward revision

We cut our revenue forecasts for FY20F, FY21F and FY22F, mainly owing to a downward revision in the top-line contribution by the environmental protection segment. We raised our FY20F net profit forecasts by 3.4% owing to a higher contribution from associates, but we revised down net profit forecasts for FY21F and FY22F because of lower turnover forecasts.

Financial Summary	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
Revenue (HK\$m)	7,580	8,302	9,000	9,825	10,994
Operating EBITDA (HK\$m)	2,928	3,161	3,454	3,888	4,364
Net Profit (HK\$m)	1,141	1,369	1,513	1,595	1,835
Core EPS (HK\$)	0.72	0.79	0.84	0.99	1.14
Core EPS Growth	80.7%	9.5%	6.9%	18.1%	15.1%
FD Core P/E (x)	8.51	7.77	7.27	6.16	5.35
DPS (HK\$)	0.23	0.28	0.32	0.37	0.43
Dividend Yield	3.76%	4.58%	5.29%	6.09%	7.00%
EV/EBITDA (x)	7.18	7.88	7.59	6.76	6.01
P/FCFE (x)	NA	4.57	6.54	3.17	2.40
Net Gearing	75.0%	84.9%	78.0%	64.6%	51.5%
P/BV (x)	1.40	1.24	1.09	0.98	0.87
ROE	17.9%	16.9%	15.9%	16.7%	17.2%
% Change In Core EPS Estimates			(7.37%)	(6.95%)	
CGI/consensus EPS (x)			1.00	0.89	0.90

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

Maintain ADD with a new target price

At 7.3x FY20F P/E and 6.2x FY21F P/E and over 5% yield, CWA's valuation doesn't look excessive. We maintain our ADD rating, with a new target price of HK\$8.79 (revised down from HK\$10.0), based on 10x FY20F PER, which is in line with its historical average. Using a lower target P/E (revised down from 11x FY20F) is due to slower-than-expected top-line growth. Our target P/E for CWA is higher than the valuation of HK-listed waste and water treatment names, as we believe that CWA's higher exposure to the water supply segment deserves a higher valuation.

Figure 1: Change in assumptions

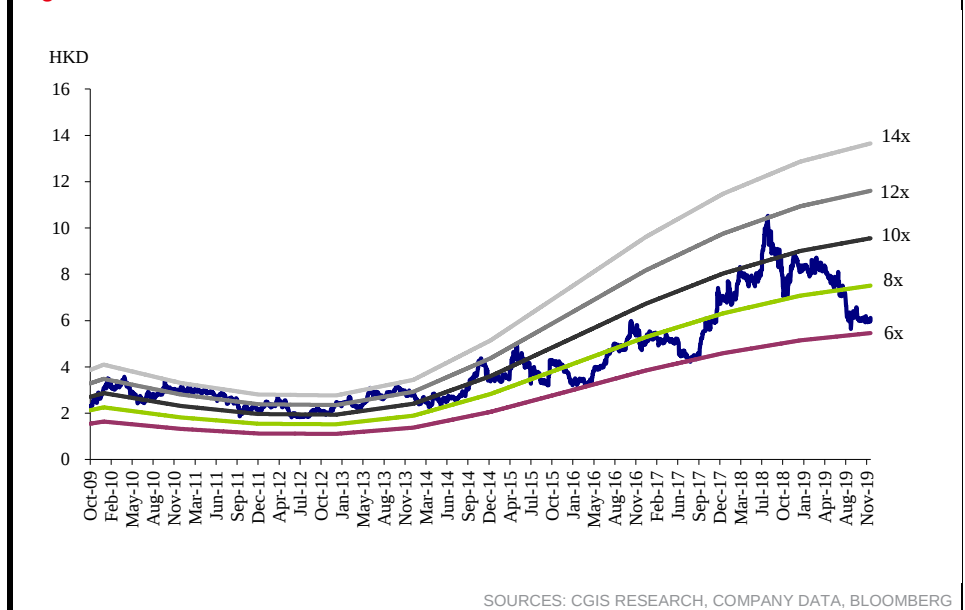
Y/E March 31	FY20F			FY21F			FY22F		
	Old	New	% change	Old	New	% change	Old	New	% change
Turnover (HKDm)									
City water supply operation and construction	6,961.0	7,177.6	3%	7,764.3	7,971.3	3%	8,720.0	8,915.3	2%
Sewage treatment operation and construction	1,648.4	1,175.6	-29%	1,935.6	1,127.4	-42%	2,275.9	1,257.2	-45%
Property development and investment	251.0	251.0	0%	251.0	251.0	0%	251.0	251.0	0%
Others	432.1	396.1	-8%	518.6	475.3	-8%	622.3	570.4	-8%
YoY Change (%)									
City water supply operation and construction	10.7	14.2		11.5	11.1		12.3	11.8	
Sewage treatment operation and construction	17.3	(16.4)		17.4	(4.1)		17.6	11.5	
Property development and investment	0	0		0	0		0	0	
Others	20.0	10.0		20.0	20.0		20.0	20.0	
Gross margin (%)									
			ppt			ppt			ppt
City water supply operation and construction	42.7	42.1	(0.6)	43.7	42.9	(0.8)	43.7	42.8	(0.9)
Sewage treatment operation and construction	43.5	43.8	0.3	44.5	44.8	0.3	44.5	44.8	0.3
Property development and investment	51.5	47.5	(4.0)	52.5	48.5	(4.0)	52.5	48.5	(4.0)
Concrete	18.0	18.0	0.0	18.0	18.0	0	18.0	18.0	0
	13.3	13.3	0.0	13.3	13.3	0	13.3	13.3	0
Net margin (%)									
			ppt			ppt			ppt
City water supply operation and construction	15.7	16.8	1.1	16.4	16.2	(0.2)	16.7	16.7	(0.0)
Cost (HKDm)									
S,G&A	(947.7)	(944.9)	-0.3%	(1,067.7)	(1,002.0)	-6.2%	(1,210.4)	(1,088.2)	(0.1)
Financial Expenses (HKD)	(459.3)	(451.7)	-1.7%	(515.9)	(491.4)	-4.7%	(583.1)	(543.5)	(0.1)
YoY Change (%)									
S,G&A	11.9	11.6		12.7	6.0		13.4	8.6	
Financial Expenses (HKD)	43.9	41.5		12.3	8.8		13.0	10.6	
Water tariff (HKD)									
Volume (m3)	2.6	2.6	0.0%	2.7	2.7	0.0%	2.9	2.9	0.0%
	1,031.8	1,013.8	-1.7%	1,186.5	1,165.9	-1.7%	1,364.5	1,340.8	-1.7%
YoY Change (%)									
Water tariff	5.0	5.0		5.0	5.0		5.0	5.0	
Volume	15.0	13.0		15.0	15.0		15.0	15.0	
Contribution from associates (HKDm)	212.1	426.9	101.3%	254.5	275.7	8.3%	305.4	344.7	12.8%
Net profit (HKDm)	1,463.4	1,513.1	3.4%	1,721.4	1,594.6	-7.4%	1,982.0	1,834.8	-7.4%

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

Figure 2: Assumptions for CWA

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E
Y/E March 31												
Turnover (HKDm)												
City water supply operation and construction	1,088.7	1,587.6	1,734.0	1,875.4	2,244.2	4,000.3	4,960.8	6,096.9	6,285.5	7,177.6	7,971.3	8,915.3
Sewage treatment operation and construction	48.6	46.4	50.9	82.4	169.9	339.0	552.9	786.9	1,405.6	1,175.6	1,127.4	1,257.2
Property development and investment	187.5	18.9	223.6	385.3	114.0	23.3	22.0	445.8	251.0	251.0	251.0	251.0
Others	153.3	244.0	242.2	403.5	330.5	377.3	172.1	250.7	360.1	396.1	475.3	570.4
YoY Change (%)												
City water supply operation and construction		45.8	9.2	8.2	19.7	78.2	24.0	22.9	3.1	14.2	11.1	11.8
Sewage treatment operation and construction		(4.5)	9.7	61.8	106.3	99.5	63.1	42.3	78.6	(16.4)	(4.1)	11.5
Property development and investment		(89.9)	1,080.8	72.3	(70.4)	(79.6)	(5.4)	1,923.3	(43.7)	0	0	0
Others		59.2	(0.8)	66.6	(18.1)	14.2	(54.4)	45.6	43.7	10.0	20.0	20.0
Gross margin (%)												
City water supply operation and construction	42.7	44.0	43.1	41.8	47.3	44.3	43.5	43.1	41.7	42.1	42.9	42.8
Sewage treatment operation and construction	41.3	46.1	46.1	46.1	50.9	45.9	43.4	44.8	42.5	43.8	44.8	44.8
Property development and investment	54.4	58.6	58.6	58.6	60.0	59.0	54.0	53.0	50.5	47.5	48.5	48.5
Concrete	48.0	174.9	50.0	50.0	50.0	50.0	50.0	18.0	18.0	18.0	18.0	18.0
Net margin (%)	13.5	12.3	12.3	12.3	14.3	14.3	14.3	13.3	13.3	13.3	13.3	13.3
Cost (HKDm)												
S,G&A	(344.3)	(397.4)	(446.8)	(535.6)	(587.0)	(695.0)	(764.2)	(808.2)	(846.7)	(944.9)	(1,002.0)	(1,088.2)
Financial Expenses (HKD)	(102.7)	(86.8)	(86.5)	(106.9)	(117.4)	(170.8)	(251.2)	(289.1)	(319.2)	(451.7)	(491.4)	(543.5)
YoY Change (%)												
S,G&A		15.4	12.4	19.9	9.6	18.4	10.0	5.8	4.8	11.6	6.0	8.6
Financial Expenses (HKD)		(15.5)	(0.3)	23.6	9.8	45.5	47.0	15.1	10.4	41.5	8.8	10.6
Water tariff (HKD)												
Volume (m3)	1.8	2.1	2.2	2.2	2.3	2.3	2.3	2.4	2.5	2.6	2.7	2.9
YoY Change (%)												
Water tariff		14.3	5.8	0.5	3.6	1.3	0	5.0	1.3	5.0	5.0	5.0
Volume		10.1	(5.4)	12.7	9.0	14.4	12.1	15.4	11.2	13.0	15.0	15.0

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

Figure 3: CWS P/E band


SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

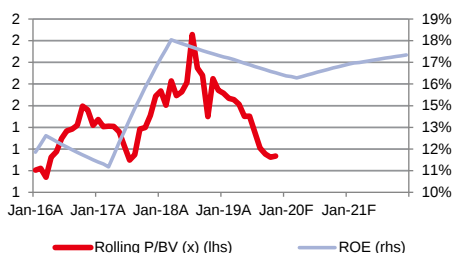
Figure 4: Peer comparison

Ticker	Company	Price	Market Cap	PE			EV/EBITDA			P/B		ROE		ROA		Div yield		Share Price Performance				
				2019F	2020F	2021F	2019F	2020F	2021F	2018	2019F	2018	2019F	2018	2019F	2018	2019F	1M	3M	6M	12M	YTD
		Lcy	US\$m	x	x	x	x	x	x	x	x	%	%	%	%	%	%	%	%	%	%	%
855 HK^	China Water Affairs Group	6.12	1253.9	7.3	6.2	5.4	7.6	6.8	6.0	1.2	1.1	16.9	15.9	6.9	6.7	4.6	5.3	-0.3	5.9	-22.3	-29.4	-27.0
270 HK	Guangdong Investment Ltd	16.5	13746.1	21.1	18.8	17.5	13.8	11.9	11.9	2.7	2.5	15.7	12.2	6.9	7.0	3.3	3.5	-1.7	2.1	7.3	8.6	8.7
257 HK	China Everbright Intl Ltd	5.9	4590.4	6.9	5.7	5.0	7.0	5.9	5.1	1.0	1.0	17.6	14.5	5.1	5.5	4.3	4.4	-3.0	-5.6	-19.2	-13.2	-16.7
1257 HK	China Everbright Greentech L	4.2	1116.4	5.3	4.3	3.6	5.5	4.4	3.7	0.9	0.8	14.7	16.1	7.6	7.9	2.0	4.0	-3.9	-8.6	-16.7	-29.0	-24.1
371 HK	Beijing Enterprises Water Gr	3.8	4902.7	7.1	6.2	5.5	10.9	9.7	8.9	1.3	1.2	19.9	18.6	4.0	4.2	5.0	5.3	-8.2	-0.8	-3.2	-8.3	0.4
1065 HK	Tianjin Capital Environ-H	2.8	1197.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.6	n.a.	10.3	n.a.	2.9	n.a.	0.0	n.a.	-0.4	-1.0	0.0	-7.2	-5.0
967 HK	Sound Global Ltd	3.0	573.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	n.a.	4.8	n.a.	-4.9	n.a.	0.0	n.a.	0.0	0.0	0.0	0.0	0.0
1363 HK	Ci Environmental Group Ltd	0.3	274.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	n.a.	16.9	n.a.	7.9	n.a.	5.6	n.a.	0.0	0.0	0.0	0.0	7.9
6136 HK	Kangda International Environ	0.8	199.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	n.a.	11.0	n.a.	1.9	n.a.	0.0	n.a.	-1.3	-11.5	-17.2	-13.5	18.5
6839 HK	Yunnan Water Investment -H	1.7	259.1	4.1	3.9	3.4	11.6	10.5	9.1	0.4	n.a.	9.6	6.9	1.4	1.4	9.8	8.5	-5.0	-10.5	-21.7	-20.2	-22.4
2281 HK	Luzhou Xinglu Water Group -H	1.3	147.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	n.a.	8.5	n.a.	4.3	n.a.	6.7	n.a.	0.0	-0.7	4.7	4.7	-2.9
000598 CH	Chengdu Xingrong Environme-A	4.5	1920.8	12.3	11.2	9.8	7.8	7.0	5.9	1.2	1.2	9.6	9.7	5.2	5.0	n.a.	2.2	-5.6	-3.2	0.9	6.6	12.2
300070 CH	Beijing Originwater Techno-A	7.6	3418.0	18.2	15.6	13.8	12.5	10.4	9.3	1.3	1.2	14.9	6.6	1.8	2.1	n.a.	0.7	0.7	14.1	0.9	-15.6	-2.7
600461 CH	Jiangxi Hongcheng Waterwor-A	5.9	784.3	11.1	9.6	8.5	5.9	5.1	4.4	1.2	1.2	8.7	10.5	4.4	4.2	n.a.	0.0	-5.6	1.0	-4.7	0.3	6.4
600168 CH	Wuhan Sanzhen Industry Ho-A	6.3	636.1	11.2	11.5	10.7	n.a.	n.a.	n.a.	0.9	n.a.	7.0	6.2	2.3	2.5	n.a.	4.8	-9.6	-4.0	-9.4	6.6	9.6
600008 CH	Beijing Capital Co Ltd-A	3.3	2637.5	22.8	19.1	15.8	16.8	14.6	11.6	1.7	1.3	7.7	5.1	1.2	1.2	n.a.	2.4	-5.0	-3.3	-5.8	-7.6	-5.0
601158 CH	Chongqing Water Group-A	5.6	3811.5	14.8	13.8	13.3	9.0	8.5	n.a.	1.8	1.8	14.9	11.9	7.3	8.6	n.a.	5.9	-3.5	-1.1	-3.8	2.0	0.4
VIE FP	Veolia Environnement	23.2	14501.0	18.1	16.7	15.2	6.8	6.7	6.3	2.3	2.1	5.2	12.4	1.5	1.8	4.3	4.2	0.9	7.7	12.3	22.5	29.3
SEV FP	Suez	13.3	9115.1	23.2	21.0	17.6	7.6	7.4	7.0	1.8	1.4	6.3	6.0	1.3	1.0	n.a.	4.9	-3.1	-1.8	10.7	-0.7	15.6
MWC PM	Manila Water Company	18.1	733.7	7.2	5.7	5.0	7.2	5.9	5.1	0.7	0.7	11.3	9.7	4.9	4.6	n.a.	5.0	-9.5	-19.4	-20.1	-29.3	-36.1
SIIC SP	Siic Environment Holdings Lt	0.3	504.9	5.9	5.2	4.8	10.6	9.8	8.7	0.4	0.4	7.9	7.4	2.1	2.0	0.7	4.1	15.2	26.2	-3.6	0.0	-3.6
CEL SP	Citic Envirotech Ltd	0.5	952.9	17.8	17.8	n.a.	13.1	12.5	n.a.	1.1	1.3	7.5	6.5	0.3	1.6	0.5	n.a.	62.1	81.4	44.6	28.9	40.8
Average				12.9	11.6	10.0	9.7	8.7	7.5	1.1	1.3	11.0	10.0	3.3	3.8	3.2	4.0	0.7	2.9	-2.1	-3.1	1.5

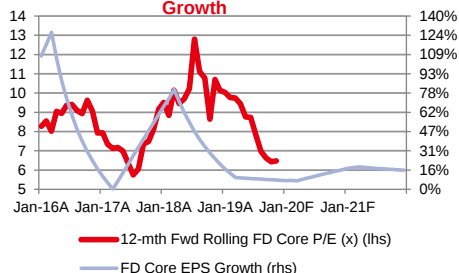
SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(HK\$m)	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
Total Net Revenues	7,580	8,302	9,000	9,825	10,994
Gross Profit	3,737	4,008	4,399	4,890	5,452
Operating EBITDA	2,928	3,161	3,454	3,888	4,364
Depreciation And Amortisation	(466)	(544)	(611)	(677)	(744)
Operating EBIT	2,462	2,617	2,844	3,210	3,620
Financial Income/(Expense)	(161)	(223)	(339)	(325)	(301)
Pretax Income/(Loss) from Assoc.	60	69	212	276	345
Non-Operating Income/(Expense)	108	191	261	204	208
Profit Before Tax (pre-EI)	2,469	2,654	2,978	3,365	3,871
Exceptional Items	(7)	118	215	0	0
Pre-tax Profit	2,462	2,772	3,193	3,365	3,871
Taxation	(701)	(642)	(803)	(846)	(974)
Exceptional Income - post-tax					
Profit After Tax	1,762	2,130	2,390	2,518	2,898
Minority Interests	(621)	(761)	(877)	(924)	(1,063)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	1,141	1,369	1,513	1,595	1,835
Recurring Net Profit	1,145	1,279	1,352	1,595	1,835
Fully Diluted Recurring Net Profit	1,145	1,279	1,352	1,595	1,835

Cash Flow

(HK\$m)	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
EBITDA	2,928	3,161	3,454	3,888	4,364
Cash Flow from Inv. & Assoc.					
Change In Working Capital					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(1,023)	(1,444)	(340)	(604)	(936)
Net Interest (Paid)/Received	(289)	(319)	(452)	(491)	(543)
Tax Paid					
Cashflow From Operations	1,617	1,398	2,663	2,792	2,885
Capex	(2,500)	(2,338)	(2,000)	(2,000)	(2,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	205	(1,128)	(415)	817	1,109
Cash Flow From Investing	(2,295)	(3,466)	(2,415)	(1,183)	(891)
Debt Raised/(repaid)	(1,073)	4,244	1,256	1,483	2,102
Proceeds From Issue Of Shares	412	0	0	0	0
Shares Repurchased					
Dividends Paid	(383)	(434)	(482)	(553)	(636)
Preferred Dividends					
Other Financing Cashflow	(142)	(265)	(340)	(311)	(307)
Cash Flow From Financing	(1,186)	3,544	434	619	1,159
Total Cash Generated	(1,864)	1,476	682	2,228	3,153
Free Cashflow To Equity	(1,751)	2,176	1,504	3,092	4,096
Free Cashflow To Firm	(389)	(1,749)	700	2,100	2,537

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS... cont'd

Balance Sheet

(HK\$m)	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
Total Cash And Equivalents	2,511	3,973	4,635	6,842	9,972
Total Debtors	2,348	2,793	3,027	3,305	3,698
Inventories	348	531	576	628	703
Total Other Current Assets	3,801	4,035	4,189	4,316	4,489
Total Current Assets	9,008	11,332	12,427	15,091	18,862
Fixed Assets	10,367	12,161	13,551	14,874	16,130
Total Investments	1,072	912	989	1,080	1,208
Intangible Assets	817	1,220	1,220	1,220	1,220
Total Other Non-Current Assets	7,325	10,199	11,423	11,507	11,636
Total Non-current Assets	19,581	24,493	27,183	28,681	30,195
Short-term Debt	3,450	3,437	3,727	4,068	4,552
Current Portion of Long-Term Debt					
Total Creditors	3,932	4,389	4,758	5,194	5,812
Other Current Liabilities	1,267	2,192	2,320	2,461	2,615
Total Current Liabilities	8,649	10,019	10,805	11,723	12,980
Total Long-term Debt	7,432	11,494	12,461	13,602	15,221
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	7,432	11,494	12,461	13,602	15,221
Total Provisions	1,354	1,409	1,534	1,671	1,820
Total Liabilities	17,435	22,922	24,800	26,996	30,020
Shareholders' Equity	7,169	7,970	9,002	10,043	11,241
Minority Interests	3,986	4,932	5,809	6,732	7,795
Total Equity	11,154	12,902	14,810	16,775	19,036

Key Ratios

	Mar-18A	Mar-19A	Mar-20F	Mar-21F	Mar-22F
Revenue Growth	32.8%	9.5%	8.4%	9.2%	11.9%
Operating EBITDA Growth	39.2%	7.9%	9.3%	12.5%	12.2%
Operating EBITDA Margin	38.6%	38.1%	38.4%	39.6%	39.7%
Net Cash Per Share (HK\$)	(5.10)	(6.81)	(7.20)	(6.75)	(6.11)
BVPS (HK\$)	4.37	4.95	5.61	6.26	7.01
Gross Interest Cover	8.52	8.20	6.30	6.53	6.66
Effective Tax Rate	28.5%	23.2%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	32.9%	36.0%	40.0%	37.5%	37.5%
Accounts Receivables Days	119.5	113.0	118.3	117.6	116.2
Inventory Days	30.03	37.34	44.01	44.52	43.85
Accounts Payables Days	338.6	353.6	363.8	368.0	362.4
ROIC (%)	15.8%	13.2%	11.7%	11.9%	12.8%
ROCE (%)	12.2%	10.9%	10.0%	10.3%	10.5%
Return On Average Assets	7.12%	6.94%	6.67%	6.82%	6.89%

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

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