



Flash Note: CSPC Pharmaceutical Group (01093 HK)

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快讯: 石药集团 (01093 HK)

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1-3Q2019 Shareholders' Profit Up 24.0% YoY, In Line

2019年前3季度股东净利同比增加24.0%，符合预期

- **CSPC Pharma released unaudited 1-3Q2019 results. A summary is presented below:**

Table-1: CSPC Pharma's Unaudited 1-3Q2019 Results Summary

	1-3Q2019 (RMB)	YoY	3Q2019 (RMB)	YoY
Revenue	16,761 mn	27.5%	5,583 mn	27.4%
Shareholders' profit	2,811 mn	24.0%	933 mn	22.3%
Basic EPS	0.4515	24.3%	0.1502	22.9%
Gross Profit Margin	70.9%	5.7ppts	73.0%	5.1ppts
Operating Profit Margin	21.0%	(0.7)ppt	21.2%	(0.8)ppt
Net Profit Margin	16.8%	(0.5)ppt	16.7%	(0.7)ppt

Source: the Company, Guotai Junan International.

Note: Presentation currency for financial statements has changed to RMB from HK\$ since the beginning of 2019.

- **1-3Q2019 revenue/ shareholders' profit surged YoY by 27.5%/ 24.0% to RMB16,761 mn/ RMB2,811 mn, respectively, accounting for 73.8%/ 73.8% of our full-year forecast and basically in line with our expectation.** Innovative drug business continued to be a major growth driver to the Company, with sales increasing by 51.9% YoY to RMB9,525 mn, mainly supported by robust growth of NBP and oncology franchise which delivered YoY sales growth of 35.7% and 170.7%. With changes on sales strategy, common generic drugs merely recorded aggregate sales of RMB3,862 mn, up 6.0% YoY. Despite a fall in price, sales of Vitamin C bulk drug business increased by 15.3% YoY to RMB1,596 mn, mainly attributable to the additions of different specifications which boosted sales volume. Due to uninterrupted sluggish market demand, sales of antibiotics bulk drug decreased YoY by 17.2% to RMB715 mn. Sales of other business delivered stable YoY growth of 8.2% to RMB1,063 mn. Gross profit margin was largely improved YoY by 5.7 ppts to 70.9%, mainly resulted from higher proportion of sales from innovative drugs which have a relatively higher profit. Nevertheless, dragged by increasing S&D expense ratio (38.5%, +4.3 ppts YoY), rising R&D expense ratio (9.0%, +2.0 ppts YoY) and slashed prices of Vitamin C bulk drug, operating profit margin/ net profit margin dropped by 0.7 ppt YoY/ 0.5ppt YoY to 21.0%/ 16.8%, respectively. The Company did not propose an interim dividend for 1-3Q2019.
- 1-3Q2019 results revealed that the Company's operation is quite stable and its growth momentum remains strong, with sound anti-risk ability and R&D capability. Therefore, we still hold to the opinion that the Company is a target for medium-term to long-term investment. Currently, our TP for the Company is HK\$19.00 with investment rating of "Buy". **We will consider raising the TP of CSPC Pharma and maintaining the investment rating of "Buy" in our next Company Report, given faster and stronger-than-expected innovative pipeline layout disclosed previously during the Shanghai R&D Day.**

- 石药集团宣布未经审计的 2019 年前 3 季度业绩，主要摘要如下：

表-1：石药集团未经审计的 2019 年前 3 季度业绩摘要

	2019 年前 3 季度 (人民币)	同比变动	2019 年第 3 季度 (人民币)	同比变动
收入	16,761 百万元	27.5%	5,583 百万元	27.4%
股东净利	2,811 百万元	24.0%	933 百万元	22.3%
每股盈利-基本	0.4515	24.3%	0.1502	22.9%
毛利率	70.9%	5.7 百分点	73.0%	5.1 百分点
经营利润率	21.0%	(0.7)百分点	21.2%	(0.8)百分点
净利率	16.8%	(0.5)百分点	16.7%	(0.7)百分点

资料来源：公司、国泰君安国际。

备注：财务报表的呈列货币已自 2019 年初起从港币换成人民币。

- 2019 年前三季度收入/ 股东净利分别同比上升 27.5%/ 24.0%至人民币 16,761 百万元/ 人民币 2,811 百万元，分别占我们全年预测的 73.8%/ 73.8%，基本符合我们预期。创新药业务仍为公司的主要增长动力，该业务在 2019 年前三季度的收入为人民币 9,525 百万元，同比增长 51.9%；主要受恩必普与抗肿瘤组合的强劲增长推动，该等产品收入分别同比增加 35.7%以及 170.7%。因销售策略调整，普药收入仅实现同比增长 6.0%至人民币 3,862 百万元。尽管价格承压，维生素 C 原料药业务实现同比增长 15.3%至 1,596 百万元，主要得益于销售量因新规格产品的增加而提高。受市场需求持续低迷影响，公司的抗生素原料药业务收入同比下降 17.2%至人民币 715 百万元。其他业务收入则实现稳定同比增长 8.2%至人民币 1,063 百万元。公司毛利率同比上涨 5.7 个百分点至 70.9%，主要是具有较高毛利率的创新药的销售占比进一步提高所致。不过，受不断上升的销售费用率（同比增长 4.3 个百分点至 38.5%）与研发费用率（同比增长 2.0 个百分点至 9.0%）以及维生素 C 原料药价格大幅下跌所拖累，经营利润率/ 净利率分别同比倒退 0.7/ 0.5 个百分点至 21.0%/ 16.8%。公司 2019 年前三季度不宣派中期股息。
- 2019 年前 3 季度业绩揭示公司的营运十分稳健，增速保持强劲，并且抗风险能力以及研发能力优异。因此，我们依然认为公司是中长线投资的一个不错的标的。公司目前目标价为 19.00 港元，投资评级为“买入”。鉴于此前上海研发及产品专题投资者推介揭示公司的研发管线进展快于预期且厚度高于预期，我们考虑在下一份公司报告中提高石药集团的目标价并维持“买入”的投资评级。

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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