

# Ausnutria Dairy (1717 HK)

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## Company Update

### BUY

UNCHANGED

Close price: HK\$13.42

Target Price: HK\$19.20 (+43%)

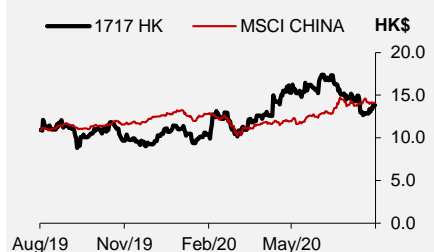
Prior TP: HK\$19.20

### Key Data

HKEx code	1717 HK
12 Months High (HK\$)	17.78
12 Month Low (HK\$)	8.57
3M Avg Dail Vol. (mn)	7.68
Issue Share (mn)	1,615.42
Market Cap (HK\$mn)	21,678.94
Fiscal Year	12/2019
Major shareholder (s)	CITIC Agri Fund (23.53%)

Source: Company data, Bloomberg, OP Research  
Closing price are as of 17/08/2020

### Price Chart



	1mth	3mth	6mth
Absolute %	-9.2	-15.6	23.7
Rel. MSCI CHINA %	-11.2	-30.3	14.0

### PE



### Company profile

Ausnutria Dairy Corporation Ltd is a pediatric milk formula company. It markets and sells dairy products to the People's Republic of China, Europe, North America, the Middle East, and other overseas countries.

## 2Q20 fluctuations to be under control by 4Q20

- Ausnutria recorded 23%/32% rev/adj. net earnings growth in 1H20 to RMB 3,859 mn/575 mn. Fluctuations in 2Q20 due to commodities fleeing are expected to be under control by 4Q20.
- Overhangs on goat IMF are easing in August and we maintain our outlook for whole year rev/net earnings growth of 25%/29% for FY20E.
- Reiterate BUY with TP unchanged at HK\$19.20, on same 18x FY21E P/E. The stock is trading at 33% discount to Feihe and Yashili.

**2Q20 fluctuations in goat IMF expect to be under control by 4Q20.** The Company registered 18% revenue growth in 2Q20, with goat IMF/cow IMF up 13%/17% respectively, slowing down from 37%/36% in 1Q20. While cow IMF deceleration was more an issue of frontloading in 1Q20, the disappointing goat IMF growth was caused by 1) amplified commodities fleeing caused by hiked consumer popularity and relatively less POS, 2) new client development was disrupted by lack of small pack products, e.g. limited Netherland production line during pandemic). With new shipment from July to be coated with classification code, the company believes stock fleeing will be under control by 4Q20. **Both overhangs on goat IMF are easing in August** as channel inventories see returning to normal levels (~2 mths). 1H20 recorded 23%/32% rev/adj. net earnings growth to RMB 3,859 mn/575 mn, in line with profit alert and consensus. **Whole year outlook thus remained unchanged**, as the company guided 25%/40%-50%/30%/flat growth in Kabrita/Hydroca/Puredo/Allnutria for FY20E.

**Multiple drivers for this fast growing premium IMF brand as distribution network scale up.** Upon brand restructuring of Puredo and Allnutria, we expect decent growth from 2H20E onwards, in addition to current pillars of Kabrita and Hydroca. Nutrients are also expected to take off with the launch of Aunulife that is est. to grow by 30%+ from FY21E. With still small distribution network (POS: Kabrita 28k, Hydroca 10k, vs 100k of Feihe), we believe Ausnutria has ample upside as one of the few premium Chinese IMF brand. We fine-tuned FY20E /FY21E forecasts and remain robust yoy adj. earnings growth outlook of 20%/49% on 25%/23% rev growth and blended GPM expansion. **We reiterate BUY rating on Ausnutria with TP unchanged at HK\$19.20** on 23x/18x FY20E/21E P/E. The stock is currently trading at 33% discount to Feihe and Yashili

**Risks:** (1) channel inventory build-up; (2) slower than expected recovery in goat IMF products growth; (3) fiercer than expected premium market competition

### Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	5,389.6	6,736.2	8,423.6	10,372.0	12,264.4
Growth (%)	37.3	25.0	25.1	23.1	18.2
Adjusted net profit	581.5	942.0	1,219.2	1,568.5	1,876.3
Growth (%)	88.7	62.0	29.4	28.7	19.6
Adj. diluted EPS (HK\$)	0.512	0.670	0.830	1.068	1.281
Growth (%)	75.2	30.8	23.8	28.7	20.0
Change to previous EPS (%)			(3.3)	0.0	
Consensus EPS (HK\$)			0.800	1.030	
ROE (%)	25.4	24.2	24.0	29.5	28.6
P/E (x)	26.2	20.0	16.2	12.6	10.5
P/B (x)	5.4	4.7	4.1	3.3	2.7
Yield (%)	1.1	1.6	2.2	2.8	3.3
DPS (HK\$)	0.150	0.220	0.290	0.374	0.448

Source: Bloomberg, OP Research

## Exhibit 2: Earnings revision

(RMB mn)	FY20E			FY21E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Revenue</b>	<b>8,424</b>	<b>8,451</b>	<b>(0.3)</b>	<b>10,372</b>	<b>10,133</b>	<b>2.4</b>	
Gross profit	4,503	4,533	(0.7)	5,579	5,449	2.4	
Gross margin	53.5%	53.6%	(0.2)	53.8%	53.8%	0.0	
Opex	(3,175)	(2,988)	6.2	(3,597)	(3,534)	1.8	Factor in FV changes in financial derivatives
EBIT	1,359	1,576	(13.8)	2,013	1,946	3.4	
Adjusted Net Profit	1,219	1,261	(3.3)	1,568	1,568	0.0	
Diluted EPS (HK\$)	0.830	0.858	(3.3)	1.068	1.067	0.0	

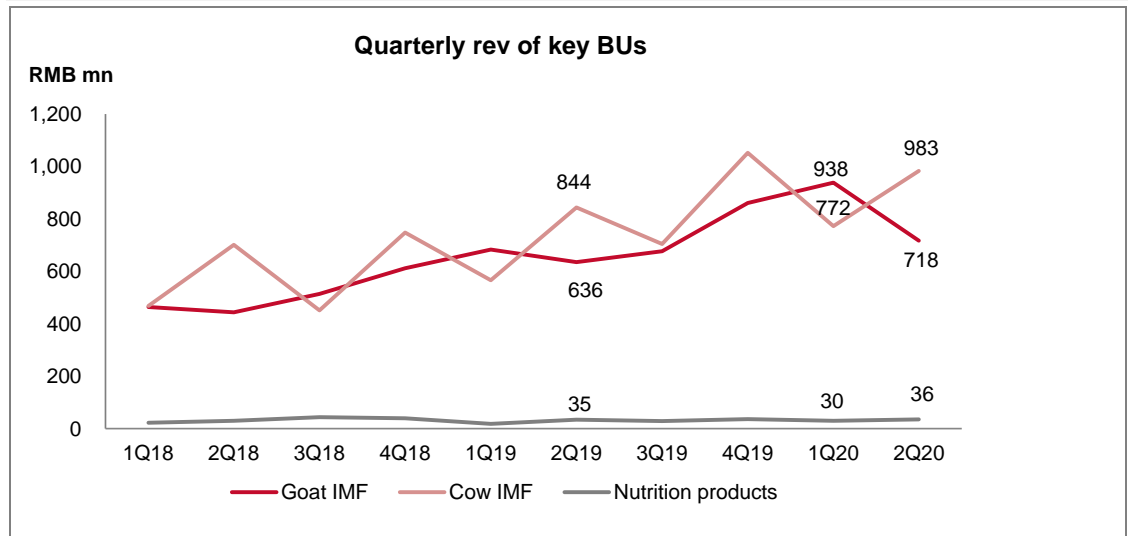
Source: OP Research

**Exhibit 3: 1H20 result summary**

(RMB mn)	1H19	2H19	1H20A	1H20E	Act./Est.	2H20E	OP Comments	FY20E
<b>Revenue</b>	<b>3,148</b>	<b>3,589</b>	<b>3,859</b>	<b>3,825</b>	<b>0.9%</b>	<b>4,564</b>		<b>8,424</b>
COGS	(1,508)	(1,694)	(1,837)	(1,913)	-4.0%	(2,084)		(3,921)
<b>Gross profit</b>	<b>1,639</b>	<b>1,894</b>	<b>2,022</b>	<b>1,913</b>	<b>5.7%</b>	<b>2,481</b>		<b>4,503</b>
Other income & gains	39	3	30	15	94.7%	1		31
Selling exp	(863)	(909)	(985)	(995)	-0.9%	(1,254)		(2,239)
Admin exp	(246)	(313)	(321)	(306)	5.1%	(361)		(682)
Other opex	(198)	59	(214)	(80)	167.0%	(39)	Incl. FV loss financial derivative of RMB 165.9 mn	(253)
<b>Operating profit (EBIT)</b>	<b>371</b>	<b>735</b>	<b>532</b>	<b>547</b>	<b>-2.8%</b>	<b>827</b>		<b>1,359</b>
Provisions or other items	0	0	0	0	n.a.	0		0
Interest income	0	27	17	18	-5.1%	19		36
Finance costs	(12)	(21)	(15)	(18)	-17.5%	(21)		(35)
Profit after financing costs	359	741	534	547	-2.4%	825		1,360
Associated cos	2	5	15	3	345.8%	(8)		7
Jointly controlled cos	0	0	0	0	n.a.	0		0
Pre-tax profit	361	746	549	551	-0.2%	817		1,366
Tax	(107)	(122)	(130)	(113)	14.9%	(183)		(313)
Minority interests	6	(6)	(11)	(0)	n.a.	11		(0)
<b>Net profit</b>	<b>260</b>	<b>618</b>	<b>409</b>	<b>438</b>	<b>-6.6%</b>	<b>645</b>		<b>1,053</b>
<b>One-off items</b>	<b>(174)</b>	<b>111</b>	<b>(166)</b>	<b>(166)</b>	<b>0.0%</b>		FV changes of financial derivative that will no longer exist from 2H20	<b>(166)</b>
<b>Adjusted net profit</b>	<b>435</b>	<b>507</b>	<b>575</b>	<b>604</b>	<b>-4.8%</b>	<b>645</b>		<b>1,219</b>
<b>HoH%</b>								
Revenue	12%	14%	8%					
Gross profit	12%	16%	7%					
Adjusted net profit	-15%	137%	13%					
<b>YoY%</b>								
Revenue	22%	28%	23%					25.1%
Gross profit	37%	29%	23%					27.4%
Adjusted net profit	64%	60%	32%					29.4%
<b>Key ratios</b>								
					(in ppts)			
GPM	52.1%	52.8%	52.4%	50.0%	2.40	50.0%		53.5%
Selling exp	27.4%	25.3%	25.5%	26.0%	(0.47)	27.0%		26.6%
Admin exp	7.8%	8.7%	8.3%	8.0%	0.33	8.0%		8.1%
EIT	29.5%	16.3%	23.6%	20.5%	3.10	20.5%		23.0%
Adjusted Net margin	13.8%	14.1%	14.9%	15.8%	(0.89)	14.1%		14.5%

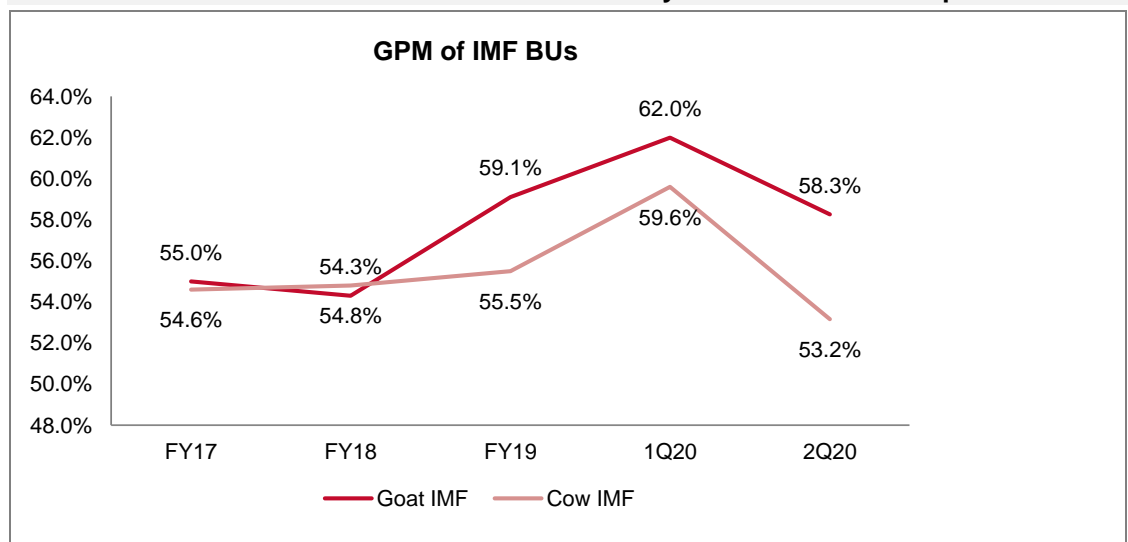
Source: Company, OP Research

**Exhibit 4: Quarterly segment revenue trend**



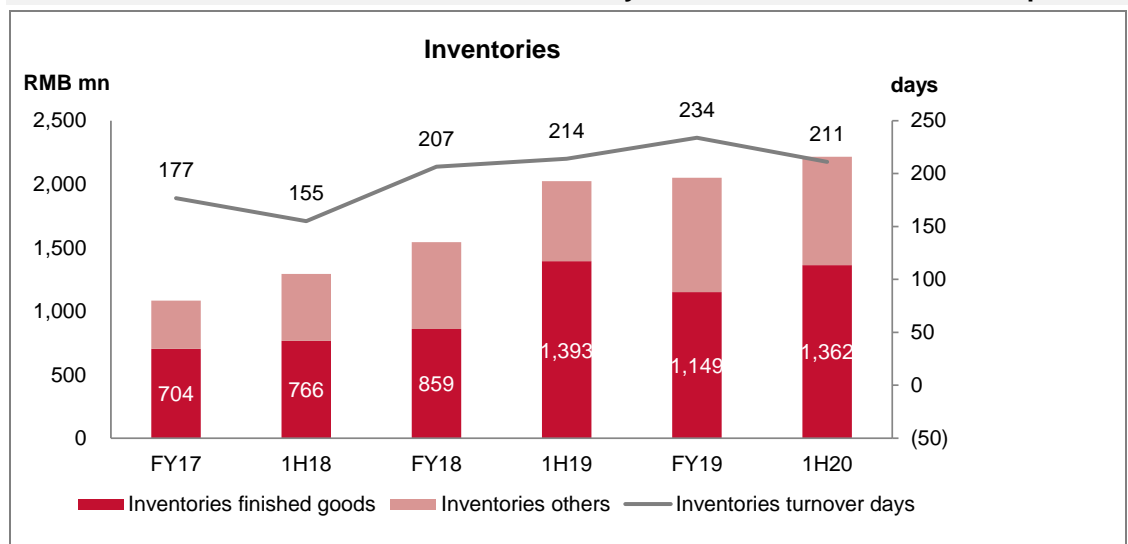
Source: Company, OP Research

**Exhibit 5: GPM fluctuate due to short term inventory clearance of certain products**



Source: Company, OP Research

**Exhibit 6: Inventories can be down to 180-190days in 1H20 without COVID-19 impact**



Source: Company, OP Research

# Financial Summary

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E	Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
<b>Income Statement (RMB mn)</b>						<b>Ratios</b>					
Own branded formulas	4,401	6,023	7,647	9,533	11,328	Gross margin (%)	49.4	52.5	53.5	53.8	53.6
Private label	338	202	182	163	163	Operating margin (%)	14.5	16.4	16.1	19.4	19.5
Nutrition products	136	119	154	201	261	Net margin (%)	11.8	13.0	12.5	15.1	15.3
Others	514	392	440	475	512	Selling & dist'n exp/Sales (%)	26.8	26.3	26.6	26.2	26.3
<b>Turnover</b>	<b>5,390</b>	<b>6,736</b>	<b>8,424</b>	<b>10,372</b>	<b>12,264</b>	Admin exp/Sales (%)	8.6	8.3	8.1	7.5	7.0
YoY%	37	25	25	23	18	Payout ratio (%)	32.7	36.1	35.0	35.0	35.0
COGS	(2,729)	(3,203)	(3,921)	(4,793)	(5,688)	Effective tax (%)	18.9	20.7	23.0	23.0	23.0
<b>Gross profit</b>	<b>2,661</b>	<b>3,533</b>	<b>4,503</b>	<b>5,579</b>	<b>6,576</b>	Total debt/equity (%)	33.1	30.0	25.3	20.4	16.7
Gross margin	49.4%	52.5%	53.5%	53.8%	53.6%	Net debt/equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Other income	88	42	31	31	31	Current ratio (x)	1.6	1.7	1.7	1.8	1.9
Selling & distribution	(1,444)	(1,772)	(2,239)	(2,718)	(3,225)	Quick ratio (x)	1.0	1.0	1.1	1.2	1.3
Admin	(462)	(558)	(682)	(776)	(863)	Inventory T/O (days)	207	234	200	190	190
Other opex	(60)	(139)	(253)	(104)	(123)	AR T/O (days)	24	23	23	23	23
<b>Total opex</b>	<b>(1,966)</b>	<b>(2,469)</b>	<b>(3,175)</b>	<b>(3,597)</b>	<b>(4,211)</b>	AP T/O (days)	38	39	39	39	39
<b>Operating profit (EBIT)</b>	<b>783</b>	<b>1,106</b>	<b>1,359</b>	<b>2,013</b>	<b>2,396</b>	Cash conversion cycle (days)	193	218	184	174	174
Operating margin	14.5%	16.4%	16.1%	19.4%	19.5%	Asset turnover (x)	0.9	0.9	0.9	1.0	1.0
Provisions	0	0	0	0	0	Financial leverage (x)	2.5	2.1	2.1	2.0	1.9
Interest Income	26	27	36	51	68	EBIT margin (%)	14.5	16.4	16.1	19.4	19.5
Finance costs	(30)	(33)	(35)	(35)	(35)	Interest burden (x)	1.0	1.0	1.0	1.0	1.0
Profit after financing costs	779	1,100	1,360	2,029	2,429	Tax burden (x)	0.8	0.8	0.8	0.8	0.8
Associated companies & JVs	13	7	7	7	7	<b>Return on equity (%)</b>	<b>25.4</b>	<b>24.2</b>	<b>24.0</b>	<b>29.5</b>	<b>28.6</b>
Pre-tax profit	792	1,107	1,366	2,036	2,436	<b>ROIC (%)</b>	<b>25.7</b>	<b>30.1</b>	<b>33.9</b>	<b>53.5</b>	<b>62.9</b>
Tax	(147)	(228)	(313)	(467)	(559)						
Minority interests	(9)	(1)	(0)	(1)	(1)	<b>Year to Dec</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20E</b>	<b>FY21E</b>	<b>FY22E</b>
<b>Net profit</b>	<b>635</b>	<b>878</b>	<b>1,053</b>	<b>1,568</b>	<b>1,876</b>	<b>Balance Sheet (RMB mn)</b>					
YoY%	106	38	20	49	20	Fixed assets	1,868	1,761	1,935	2,149	2,392
<b>Adjusted net profit</b>	<b>582</b>	<b>942</b>	<b>1,219</b>	<b>1,568</b>	<b>1,876</b>	Right of use assets	0	349	349	349	349
Adjusted net margin	10.8%	14.0%	14.5%	15.1%	15.3%	Intangible assets & goodwill	408	398	317	246	205
<b>EBITDA</b>	<b>934</b>	<b>1,314</b>	<b>1,603</b>	<b>2,285</b>	<b>2,685</b>	Associated companies & JVs	262	272	486	492	499
EBITDA margin	17.3%	19.5%	19.0%	22.0%	21.9%	Long-term investments	0	366	159	159	159
<b>EPS (RMB)</b>	<b>0.427</b>	<b>0.583</b>	<b>0.754</b>	<b>0.970</b>	<b>1.165</b>	Other non-current assets	153	223	223	223	223
YoY%	75	31	24	29	20	<b>Non-current assets</b>	<b>2,690</b>	<b>3,369</b>	<b>3,469</b>	<b>3,618</b>	<b>3,827</b>
DPS (HK\$)	0.150	0.220	0.290	0.374	0.448	Inventories	1,544	2,051	2,148	2,495	2,961
						AR	353	420	525	647	765
<b>Year to Dec</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20E</b>	<b>FY21E</b>	<b>FY22E</b>	Prepayments & deposits	364	432	541	666	787
<b>Cash Flow (RMB mn)</b>						Pledge deposits	428	396	396	396	396
EBITDA	934	1,314	1,603	2,285	2,685	Other current assets	0	0	0	0	0
Chg in working cap	(261)	(264)	276	89	(38)	Cash	1,450	1,675	2,684	3,921	5,096
Others	7	107	0	0	0	<b>Current assets</b>	<b>4,139</b>	<b>4,974</b>	<b>6,294</b>	<b>8,124</b>	<b>10,004</b>
<b>Operating cash</b>	<b>679</b>	<b>1,158</b>	<b>1,879</b>	<b>2,374</b>	<b>2,647</b>	AP	284	338	414	506	600
Interest received	30	29	36	51	68	Tax	137	216	313	467	559
Tax	(147)	(202)	(216)	(313)	(467)	Accruals & other payables	1,571	2,038	2,549	3,139	3,711
<b>Net cash from operations</b>	<b>562</b>	<b>985</b>	<b>1,699</b>	<b>2,112</b>	<b>2,248</b>	Bank loans & leases	659	420	420	420	420
Capex	(307)	(208)	(337)	(415)	(491)	CB & other debts	0	0	0	0	0
Investments	(40)	(261)	0	0	0	Other current liabilities	2	1	1	1	1
Dividends received	0	0	0	0	0	<b>Current liabilities</b>	<b>2,653</b>	<b>3,013</b>	<b>3,696</b>	<b>4,532</b>	<b>5,291</b>
Sales of assets	0	0	0	0	0	Bank loans & leases	416	784	784	784	784
Interests paid	(30)	(14)	(35)	(35)	(35)	CB & other debts	0	0	0	0	0
Others	575	24	0	0	0	Deferred tax & others	365	482	482	482	482
<b>Investing cash</b>	<b>198</b>	<b>(459)</b>	<b>(372)</b>	<b>(450)</b>	<b>(526)</b>	MI	141	48	49	49	50
<b>FCF</b>	<b>759</b>	<b>526</b>	<b>1,327</b>	<b>1,662</b>	<b>1,722</b>	<b>Non-current liabilities</b>	<b>922</b>	<b>1,315</b>	<b>1,315</b>	<b>1,316</b>	<b>1,317</b>
Issue of shares	1,173	36	0	0	0	<b>Total net assets</b>	<b>3,254</b>	<b>4,016</b>	<b>4,752</b>	<b>5,895</b>	<b>7,224</b>
Buy-back	0	(25)	0	0	0	<b>Shareholder's equity</b>	<b>3,254</b>	<b>4,016</b>	<b>4,752</b>	<b>5,895</b>	<b>7,224</b>
Minority interests	(39)	(37)	0	0	0	Share capital	137	140	140	140	140
Dividends paid	(173)	(209)	(317)	(425)	(547)	Reserves	3,116	3,876	4,612	5,755	7,084
Net change in bank loans	(854)	76	0	0	0	<b>BVPS (HK\$)</b>	<b>2.47</b>	<b>2.87</b>	<b>3.24</b>	<b>4.03</b>	<b>4.93</b>
Others	(1)	(96)	0	0	0	Total debts	1,075	1,204	1,204	1,204	1,204
<b>Financing cash</b>	<b>105</b>	<b>(254)</b>	<b>(317)</b>	<b>(425)</b>	<b>(547)</b>						
<b>Net change in cash</b>	<b>864</b>	<b>271</b>	<b>1,009</b>	<b>1,237</b>	<b>1,175</b>						
Exchange rate or other Adj	(50)	(46)	0	0	0						
Opening cash	636	1,450	1,675	2,684	3,921						
<b>Closing cash</b>	<b>1,450</b>	<b>1,675</b>	<b>2,684</b>	<b>3,921</b>	<b>5,096</b>						
<b>CFPS (HK\$)</b>	<b>0.495</b>	<b>0.701</b>	<b>1.156</b>	<b>1.438</b>	<b>1.535</b>						

Source: Company, OP Research

## Exhibit 7: Peers Comparison

Company	Ticker	Price	3-mth		PER	PER	PER	EPS		3-Yr EPS	PEG	Div yld	Div yld	P/B	P/B FY1	EV/		Net	Gross	Net	ROE	ROE	Sh px	
			Mkt cap	avg t/o				FY1	FY2							Ebitda	Ebitda						1-mth	3-mth
			(US\$m)	(US\$m)	Hist (x)	FY1 (x)	FY2 (x)	YoY%	YoY%	Cagr (%)	(x)	Hist (%)	FY1 (%)	Hist (x)	(x)	Hist	Cur Yr	Hist (%)	Hist (%)	Hist (%)	Hist (%)	FY1 (%)	%	%
Ausnutria	1717 HK	13.42	2,797.17	15.02	20.02	16.17	12.57	29.43	28.65	22.04	0.73	1.64	2.16	4.68	4.14	15.79	12.32	Net cash	52.45	13.04	24.17	24.03	(9.20)	(12.19)
HSI		25,347.34			12.07	11.92	10.09	1.24	18.15	10.49	1.14	3.66	3.28	1.05	0.99						8.66	8.31	1.03	6.51
HSCEI		10,385.90			8.67	8.97	7.99	(3.27)	12.22	6.62	1.35	3.88	3.77	1.09	1.01						12.55	11.28	1.79	7.35
CSI300		4,815.23			18.34	15.87	13.62	15.50	16.52			1.80	1.93	2.16	2.01						11.80	12.66	5.95	23.06
Greater China Peers																								
Adjusted sector avg*					26.29	30.84	23.43	(1.16)	28.29	16.03	2.17	1.71	1.31	5.18	4.39	15.41	14.63	20.17	48.70	3.74	10.33	15.95	9.25	30.81
Beingmate Co L-A	002570 CH	8.49	1250.3	35.5	N/A	169.80	56.60	N/A	200.00	(235.72)	N/A	N/A	N/A	4.90	N/A	116.70	N/A	66.61	50.09	(3.70)	(5.58)	N/A	26.53	33.07
Bright Dairy-A	600597 CH	19.36	3414.3	68.5	47.22	44.40	37.02	6.34	19.95	14.78	3.00	0.67	0.71	4.27	3.89	14.27	12.33	6.24	31.28	2.21	7.83	8.80	28.81	45.24
Inner Mong Yil-A	600887 CH	35.35	30972.0	352.0	30.74	35.42	26.94	(13.22)	31.46	9.98	3.55	2.29	2.03	7.78	7.48	21.88	22.36	0.00	37.50	7.69	21.82	22.25	2.91	24.12
Yashili Int'L	1230 HK	0.58	355.1	0.2	21.65	27.35	19.24	(20.83)	42.11	15.52	1.76	N/A	0.00	0.43	0.43	5.69	3.96	0.00	37.13	3.29	2.00	1.70	5.45	30.34
Health And Happi	1112 HK	31.50	2618.2	4.3	17.97	15.46	12.90	16.24	19.84	17.96	0.86	2.70	3.15	3.57	2.96	10.38	9.44	68.31	66.16	9.20	20.77	19.89	(8.16)	(10.38)
China Feihe Ltd	6186 HK	16.54	19064.7	93.8	30.87	24.95	19.47	23.75	28.11	24.76	1.01	1.17	1.41	10.16	7.65	22.54	17.45	0.00	70.03	28.67	41.82	32.51	8.82	21.26
Mengniu Dairy	2319 HK	35.40	18020.7	49.3	30.23	37.44	24.99	(19.26)	49.82	13.16	2.85	0.56	0.57	4.28	3.91	17.71	22.26	0.00	37.55	5.19	15.11	10.53	0.43	26.36
Global Peers																								
Adjusted sector avg*					36.81	32.36	28.19	27.14	14.50	16.05	3.52	1.94	1.32	6.56	7.31	26.29	22.97	32.84	54.34	15.73	26.06	70.70	0.50	7.99
Nestle Sa-Reg	NESN SW	108.82	345,238	575.7	25.31	25.67	23.99	(1.42)	7.03	4.33	5.93	2.48	2.51	7.34	6.53	17.56	18.57	50.89	49.77	13.58	28.67	155.40	0.07	4.76
Abbott Labs	ABT US	99.99	177,035	521.3	48.30	31.02	25.67	55.70	20.85	27.77	1.12	1.40	1.45	5.79	4.21	24.41	23.09	47.64	58.53	11.56	9.99	17.72	0.75	11.24
A2 Milk Co Ltd	A2M AU	19.52	10,359	81.3	N/A	40.39	34.93	N/A	15.63	N/A	N/A	N/A	0.00	N/A	11.20	36.89	27.24	0.00	54.72	22.06	39.54	38.98	0.67	7.96

\* Outliners and "N/A" entries are in excl. from the calculation of averages

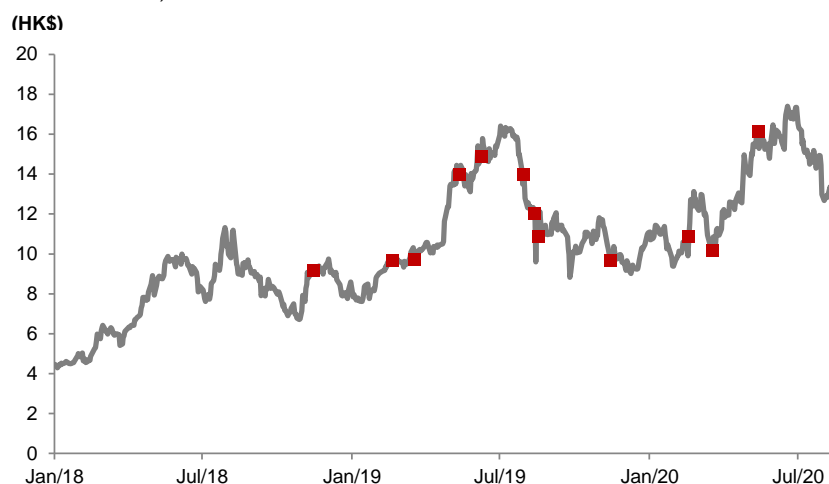
Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
17/08/2020	Li-Ning	2331	Well positioned to capture consumption recovery	BUY	Megan Jin
12/08/2020	China Youzan	8083	Robust momentum kept up	BUY	Megan Jin
30/07/2020	Viva Biotech	1873	Biotech PE model to reap more long term return	NR	Kevin Tam
21/07/2020	361 Degrees Intl	1361	Slow recovery in 2Q20 retail sales	BUY	Megan Jin
16/07/2020	Anta Sports	2020	More visible outlook of full revival	BUY	Megan Jin
10/07/2020	Digital China	861	Thrive on data servicing capabilities	NR	Kevin Tam
02/07/2020	S-Enjoy Service	1755	New share incentives with strong commitment	BUY	Megan Jin
02/07/2020	TCL Electronics	1070	Inject smartphone business at start of 5G replacement cycle	BUY	Dallas Cai
30/06/2020	Yeahka	9923	From payment to Fintech	BUY	Kevin Tam
19/06/2020	Powerlong CM	9909	Moving into the fast lane	NR	Dallas Cai
11/06/2020	Xtep Intl	1368	More promising prospect from FY21E	BUY	Megan Jin
08/06/2020	Edvantage Group	382	Campus capacity enlarged further	BUY	Megan Jin
04/06/2020	S-Enjoy Service	1755	Robust expansion continues	BUY	Megan Jin
04/06/2020	Greentown Services	2869	Placing for new growth initiatives - city services most likely	HOLD	Dallas Cai
28/05/2020	A-Living	3319	Positive read-across from April property sales	BUY	Dallas Cai
25/05/2020	HKBN	1310	Challenging to becoming BN leader	NR	Kevin Tam
18/05/2020	Skyworth	751	The sky getting clear	NR	Kevin Tam
14/05/2020	Ausnutria Dairy	1717	Premium products brought up GPM in 1Q20	BUY	Megan Jin/Dallas Cai
14/05/2020	China Youzan	8083	1Q loss narrowed as economies of scale kicking in	BUY	Dallas Cai
05/05/2020	HKTv	1137	HK based ecommerce on the rise	BUY	Kevin Tam/Megan Jin
23/04/2020	Edvantage Group	382	License fee saving may come earlier	BUY	Megan Jin/Dallas Cai
22/04/2020	361 Degrees Intl	1361	1Q20 retail sales in line	BUY	Megan Jin
21/04/2020	Xtep Intl	1368	1Q20 sales performance better than feared	BUY	Megan Jin/Dallas Cai
20/04/2020	Li-Ning	2331	1Q20 delivered satisfactory retail sales	BUY	Megan Jin/Dallas Cai
16/04/2020	Anta Sports	2020	Robust online FILA sales to drive 1Q20 sales beat	BUY	Dallas Cai/Megan Jin
15/04/2020	China Youzan	8083	FY19 GMV saw growth acceleration	BUY	Dallas Cai
02/04/2020	Greentown Services	2869	FY19 results largely in line	HOLD	Dallas Cai

## Historical recommendations and target price: Ausnutria Dairy (1717 HK)

(as of 17/08/2020)



Date	Rating	TP (HK\$)	Close (HK\$)	Date	Rating	TP (HK\$)	Close (HK\$)
1 20 Mar 2019	BUY	12.50	9.97	6 19 Aug 2019	BUY	14.40	9.92
2 14 May 2019	BUY	16.00	14.34	7 15 Nov 2019	BUY	14.40	9.95
3 11 Jun 2019	BUY	16.00	15.06	8 20 Feb 2020	BUY	15.60	11.00
4 31 Jul 2019	BUY	16.00	14.20	9 19 Mar 2020	BUY	15.50	10.78
5 15 Aug 2019	BUY	14.40	14.20	10 14 May 2020	BUY	19.20	16.14



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