

Ausnutria Dairy (1717 HK)

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Company Update

BUY

UNCHANGED

Close price: HK\$16.14

Target Price: HK\$19.20 (+19%)

Prior TP: HK\$15.50

Key Data

HKEx code	1717 HK
12 Months High (HK\$)	16.80
12 Month Low (HK\$)	8.69
3M Avg Dail Vol. (mn)	5.60
Issue Share (mn)	1,610.96
Market Cap (HK\$mn)	26,000.90
Fiscal Year	12/2019
Major shareholder (s)	CITIC Agri Fund (23.53%)

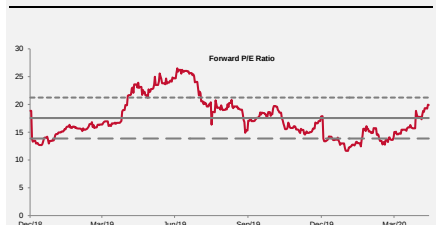
Source: Company data, Bloomberg, OP Research
Closing price are as of 13/05/2020

Price Chart



	1mth	3mth	6mth
Absolute %	26.3	50.3	64.7
Rel. MSCI CHINA %	22.7	56.4	61.1

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.

Premium products brought up GPM in 1Q20

- Ausnutria registered better than expected 54% yoy growth in 1Q20 adj. net earnings, which was at the high end of its profit alert, with GPM greatly improved due to better product mix.
- We revised up our FY20/21E adjusted earnings by 9.7%/10.5% to RMB1,261 mn/RMB1,568 mn respectively.
- Maintain BUY with TP at HK\$19.20, lifted from HK\$15.50, based on 18x FY21E P/E (previously 16x FY21E P/E).

1Q20 results came at the high end of profit alert, beating our expectations. Ausnutria recorded 27% yoy revenue growth to RMB1,933 mn in 1Q20, driven by 37%/36% yoy increase in goat milk IMF/cow milk IMF sales, which were also at the high end of its profit alert. **GPM improved greatly to 53.9%** from 49.2% in 1Q19 thanks to 100%+ yoy growth in super premium products (e.g. Hyproca 1897). This was very impressive esp. following an 86% yoy growth of Hyproca BU in FY19. We believe this was attributed to successful marketing and the robust growth of premium market in China. **We expect margin improvement to continue** as these high-end lines to take on larger shares. With stable opex ratio, adj. net earnings beat our estimates, up by 54% to RMB299 mn, excluding FV changes resulted from contingent consideration of HNC acquisition (such changes shall cease to exist after the early release of share payment as announced in Apr. 2020).

We revised up adj. net earnings for FY20E/21E by 9.7%/10.5% respectively to reflect stronger-than-expected margin enhancement. We fine-tuned revenue growth by 2.2%/2.2% and adjusted up overall GPM by 0.6ppts/0.8ppts to 53.5%/53.8% for FY20E/21E respectively, to reflect better-than-expected margin improvement. We also tailored selling expense ratio slightly as we factored in extra logistics expenses. **We reiterate BUY rating on Ausnutria with TP lifted to HK\$19.20 from HK\$15.50** based on 18x FY21E P/E from 16x FY21E P/E previously, at par with Feihe (6186 HK). We continue to favor Ausnutria as the biggest goat milk player to ride on robust growth of China's premium IMF market.

Risks: (1) channel inventory built-up; (2) slower than expected sales growth in cow IMF products; (3) margin erosion due to keen competition.

Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	5,389.6	6,736.2	8,451.2	10,133.0	11,794.2
Growth (%)	37.3	25.0	25.5	19.9	16.4
Adjusted net profit	581.5	942.0	1,260.7	1,567.9	1,864.3
Growth (%)	88.7	62.0	33.8	24.4	18.9
Adj. diluted EPS (HK\$)	0.512	0.670	0.858	1.067	1.273
Growth (%)	75.2	30.8	28.0	24.4	19.3
Change to previous EPS (%)			9.7	10.5	
Consensus EPS (HK\$)			0.817	1.045	
ROE (%)	25.4	24.2	28.1	28.4	27.6
P/E (x)	31.4	24.0	18.7	15.1	12.6
P/B (x)	6.5	5.6	4.7	3.9	3.2
Yield (%)	0.9	1.4	1.9	2.3	2.8
DPS (HK\$)	0.150	0.220	0.300	0.374	0.446

Source: Bloomberg, OP Research

Exhibit 2: Earnings revision

(RMB mn)	FY20E			FY21E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
Revenue	8,451	8,273	2.2	10,133	9,911	2.2	
Gross profit	4,533	4,390	3.3	5,449	5,252	3.7	
Gross margin	53.6%	53.1%	0.6	53.8%	53.0%	0.8	Due to faster than expected product mix optimization
Opex	(2,988)	(2,982)	0.2	(3,534)	(3,519)	0.4	
EBIT	1,576	1,439	9.5	1,946	1,765	10.3	
Adjusted Net Profit	1,261	1,151	9.5	1,568	1,421	10.3	
Diluted EPS (HK\$)	0.858	0.782	9.7	1.067	0.966	10.5	

Source: OP Research

Exhibit 3: Quarterly result summary

(RMB mn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Revenue	1,178	1,405	1,200	1,607	1,519	1,628	1,540	2,049	1,933
COGS	(633)	(752)	(604)	(741)	(772)	(737)	(740)	(954)	(892)
Gross profit	545	652	596	867	748	892	800	1,094	1,041
Other income & gains	10	95	15	(32)	16	23	3	(0)	26
Selling exp	(327)	(369)	(333)	(414)	(394)	(469)	(392)	(516)	(495)
Admin exp	(90)	(87)	(111)	(174)	(124)	(121)	(126)	(187)	(155)
Other opex	(4)	(13)	(17)	(25)	(58)	(140)	142	(83)	(65)
Operating profit (EBIT)	134	278	150	221	188	184	427	308	352
Provisions or other items	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	26	0	0	0	27	0
Finance costs	(10)	(11)	(6)	(2)	(8)	(4)	(9)	(12)	(7)
Profit after financing costs	124	267	144	245	180	179	418	323	345
Associated cos	3	(1)	3	6	3	(1)	4	1	4
Jointly controlled cos	2	(1)	0	0	0	0	0	0	0
Pre-tax profit	129	265	147	251	183	178	422	324	349
Tax	(19)	(38)	(19)	(71)	(40)	(66)	(58)	(63)	(79)
Minority interests	(6)	(3)	0	(1)	9	(3)	1	(7)	(1)
Net profit	104	223	128	179	152	109	364	253	270
One-off items	0	62	(1)	(7)	43	(217)	137	(26)	(29)
Adjusted net profit	104	162	130	186	195	240	228	279	298.6
YoY%									
Revenue	57%	48%	17%	34%	29%	16%	28%	27%	27%
Gross profit	79%	60%	44%	54%	37%	37%	34%	26%	39%
Adjusted net profit	60%	83%	92%	113%	87%	49%	75%	50%	54%
Key ratios									
GPM	46.3%	46.5%	49.7%	53.9%	49.2%	54.8%	51.9%	53.4%	53.9%
Selling exp	27.8%	26.3%	27.8%	25.8%	25.9%	28.8%	25.5%	25.2%	25.6%
Admin exp	7.6%	6.2%	9.3%	10.9%	8.2%	7.5%	8.2%	9.1%	8.0%
EIT	14.8%	14.4%	13.0%	28.3%	22.0%	37.2%	13.8%	19.6%	22.5%
Adjusted Net margin	8.8%	11.5%	10.8%	11.6%	12.8%	14.8%	14.8%	13.6%	15.4%
Revenue breakdown									
Own-branded formula	932.1	1,144.4	965.4	1,359.5	1,250.0	1,479.5	1,381.1	1,912.8	1,709.9
Goat milk (PRC)	410.1	385.9	455.1	521.4	621.1	576.9	628.6	743.7	887.2
Goat milk (overseas)	54.1	57.7	59.1	90.0	62.3	58.8	48.0	116.8	50.8
Cow milk	467.9	700.8	451.2	748.1	566.6	843.8	704.5	1,052.3	771.9
Others	223.0	38.4	382.3	(129.5)	251.000	(3.2)	247.4	(102.9)	193.1
Nutrition products	22.7	29.8	44.2	39.40	18.20	34.7	28.8	37.0	30.2
yoy%									
Own-branded formula	80%	71%	32%	45%	34%	29%	43%	41%	37%
Goat milk (PRC)	86%	68%	43%	74%	51%	49%	38%	43%	43%
Goat milk (overseas)	35%	12%	18%	27%	15%	2%	-19%	30%	-18%
Cow milk	82%	79%	23%	31%	21%	20%	56%	41%	36%
Others	3%	42%	-23%	-26%	13%	-108%	-35%	-21%	-23%
Nutrition products	30%	97%	32%	333%	-20%	16%	-35%	-6%	66%
Revenue contribution									
Own-branded formula	79%	81%	80%	85%	82%	91%	90%	93%	88%
Goat milk (PRC)	35%	27%	38%	32%	41%	35%	41%	36%	46%
Goat milk (overseas)	5%	4%	5%	6%	4%	4%	3%	6%	3%
Cow milk	40%	50%	38%	47%	37%	52%	46%	51%	40%
Others	19%	3%	32%	-8%	17%	0%	16%	-5%	10%
Nutrition products	2%	2%	4%	2%	1%	2%	2%	2%	2%

Source: Company, OP Research

Exhibit 4: Ausnutria stepped up efforts in adopting high-end products endorsers



(Mar. 27th, 2019, Huang Lei endorsed Kabrita)



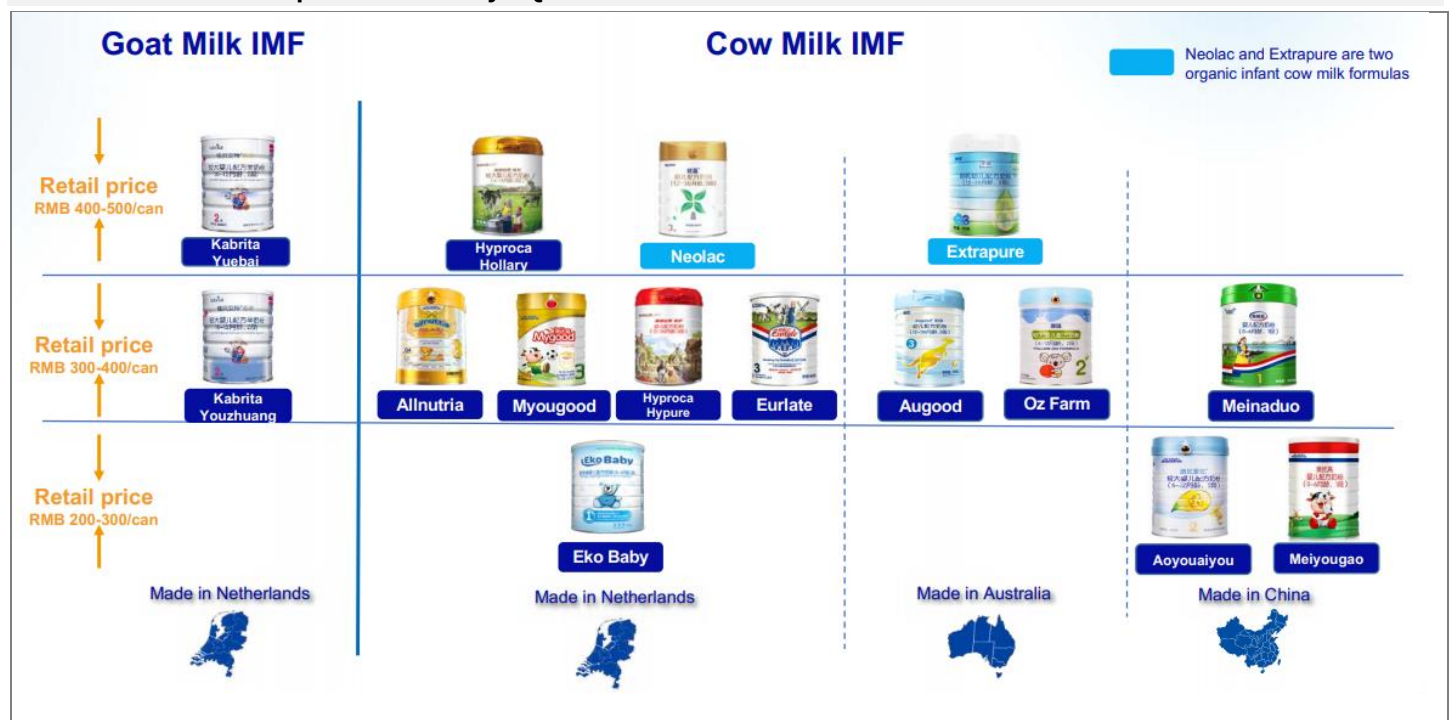
(Apr. 28th, 2019, Lin Zhiying endorsed Neolac)



(Mar. 30th, 2020, Langlang endorsed Hyproca)

Source: OP Research

Exhibit 5: Ausnutria's product lines by 1Q20



Source: Company, OP Research

Financial Summary

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E	Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Income Statement (RMB mn)						Ratios					
Own branded formulas	4,401	6,023	7,701	9,336	10,938	Gross margin (%)	49.4	52.5	53.6	53.8	53.9
Private label	338	202	182	182	182	Operating margin (%)	14.5	16.4	18.6	19.2	19.5
Nutrition products	136	119	128	141	162	Net margin (%)	11.8	13.0	14.9	15.5	15.8
Others	514	392	440	475	512	Selling & dist'n exp/Sales (%)	26.8	26.3	25.8	26.3	26.4
Turnover	5,390	6,736	8,451	10,133	11,794	Admin exp/Sales (%)	8.6	8.3	8.1	7.6	7.2
YoY%	37	25	25	20	16	Payout ratio (%)	32.7	36.1	35.0	35.0	35.0
COGS	(2,729)	(3,203)	(3,918)	(4,684)	(5,439)	Effective tax (%)	18.9	20.7	20.5	20.5	20.5
Gross profit	2,661	3,533	4,533	5,449	6,355	Total debt/equity (%)	33.1	30.0	24.3	19.8	16.3
Gross margin	49.4%	52.5%	53.6%	53.8%	53.9%	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	1.8	1.9	2.0
Selling & distribution	(1,444)	(1,772)	(2,178)	(2,664)	(3,117)	Quick ratio (x)	1.0	1.0	1.2	1.3	1.4
Admin	(462)	(558)	(683)	(769)	(848)	Inventory T/O (days)	207	234	200	190	190
Other opex	(60)	(139)	(127)	(101)	(118)	AR T/O (days)	24	23	23	23	23
Total opex	(1,966)	(2,469)	(2,988)	(3,534)	(4,083)	AP T/O (days)	38	39	39	39	39
Operating profit (EBIT)	783	1,106	1,576	1,946	2,303	Cash conversion cycle (days)	193	218	184	174	174
Operating margin	14.5%	16.4%	18.6%	19.2%	19.5%	Asset turnover (x)	0.9	0.9	0.9	0.9	0.9
Provisions	0	0	0	0	0	Financial leverage (x)	2.5	2.1	2.0	2.0	1.9
Interest Income	26	27	37	54	70	EBIT margin (%)	14.5	16.4	18.6	19.2	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	1,578	1,965	2,338	Tax burden (x)	0.8	0.8	0.8	0.8	0.8
Associated companies & JVs	13	7	7	7	7	Return on equity (%)	25.4	24.2	28.1	28.4	27.6
Pre-tax profit	792	1,107	1,585	1,971	2,344	ROIC (%)	25.7	30.1	40.8	53.0	61.5
Tax	(147)	(228)	(323)	(403)	(479)	Year to Dec					
Minority interests	(9)	(1)	(1)	(1)	(1)	Balance Sheet (RMB mn)					
Net profit	635	878	1,261	1,568	1,864	Fixed assets	1,868	1,761	1,936	2,141	2,367
YoY%	106	38	44	24	19	Right of use assets	0	349	349	349	349
Adjusted net profit	582	942	1,261	1,568	1,864	Intangible assets & goodwill	408	398	317	246	205
Adjusted net margin	10.8%	14.0%	14.9%	15.5%	15.8%	Associated companies & JVs	262	272	486	492	499
EBITDA	934	1,314	1,820	2,218	2,590	Long-term investments	0	366	159	159	159
EBITDA margin	17.3%	19.5%	21.5%	21.9%	22.0%	Other non-current assets	153	223	223	223	223
EPS (RMB)	0.427	0.583	0.780	0.970	1.157	Non-current assets	2,690	3,369	3,470	3,610	3,802
YoY%	75	31	28	24	19	Inventories	1,544	2,051	2,147	2,438	2,831
DPS (HK\$)	0.150	0.220	0.300	0.374	0.446	AR	353	420	527	632	735
Year to Dec						Prepayments & deposits	364	432	542	650	757
Cash Flow (RMB mn)						Pledge deposits	428	396	396	396	396
EBITDA	934	1,314	1,820	2,218	2,590	Other current assets	0	0	0	0	0
Chg in working cap	(261)	(264)	282	86	(21)	Cash	1,450	1,675	2,907	4,061	5,243
Others	7	107	0	0	0	Current assets	4,139	4,974	6,519	8,177	9,962
Operating cash	679	1,158	2,102	2,304	2,569	AP	284	338	413	494	574
Interest received	30	29	37	54	70	Tax	137	216	323	403	479
Tax	(147)	(202)	(216)	(323)	(403)	Accruals & other payables	1,571	2,038	2,558	3,066	3,569
Net cash from operations	562	985	1,923	2,034	2,236	Bank loans & leases	659	420	420	420	420
Capex	(307)	(208)	(338)	(405)	(472)	CB & othe 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	Current liabilities	2,653	3,013	3,715	4,384	5,043
Sales of assets	0	0	0	0	0	Bank loans & leases	416	784	784	784	784
Interests paid	(30)	(14)	(35)	(35)	(35)	CB & othe debts	0	0	0	0	0
Others	575	24	0	0	0	Deferred tax & others	365	482	482	482	482
Investing cash	198	(459)	(373)	(441)	(507)	MI	141	48	49	50	50
FCF	759	526	1,550	1,593	1,729	Non-current liabilities	922	1,315	1,315	1,316	1,317
Issue of shares	1,173	36	0	0	0	Total net assets	3,254	4,016	4,959	6,087	7,405
Buy-back	0	(25)	0	0	0	Shareholder's equity	3,254	4,016	4,959	6,087	7,405
Minority interests	(39)	(37)	0	0	0	Share capital	137	140	140	140	140
Dividends paid	(173)	(209)	(317)	(440)	(547)	Reserves	3,116	3,876	4,819	5,947	7,265
Net change in bank loans	(854)	76	0	0	0	BVPS (HK\$)	2.47	2.87	3.39	4.16	5.06
Others	(1)	(96)	0	0	0	Total debts	1,075	1,204	1,204	1,204	1,204
Financing cash	105	(254)	(317)	(440)	(547)						
Net change in cash	864	271	1,233	1,154	1,182						
Exchange rate or other Adj	(50)	(46)	0	0	0						
Opening cash	636	1,450	1,675	2,907	4,061						
Closing cash	1,450	1,675	2,907	4,061	5,243						
CFPS (HK\$)	0.495	0.701	1.309	1.384	1.527						

Source: Company, OP Research

Exhibit 6: 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	16.14	3,354.70	9.11	24.1	18.8	15.1	33.8	24.4	20.2	0.93	1.4	1.9	5.63	4.77	19.1	13.1	Net cash	52.5	13.0	24.2	28.1	26.29	50.28
HSI		24,180.30			10.05	11.14	9.60	(9.71)	15.97	5.41	2.06	3.87	3.59	1.00	0.97						9.98	8.72	(0.49)	(12.80)
HSCEI		9,835.71			8.09	8.48	7.61	(4.65)	11.36	5.88	1.44	3.83	3.93	1.03	0.96						12.70	11.35	0.25	(9.23)
CSI300		3,968.25			14.85	12.50	10.90	18.80	14.74			2.11	2.48	1.72	1.59						11.57	12.68	5.73	0.21
Greater China Peers																								
Adjusted sector avg*					25.29	25.42	20.73	0.62	21.69	16.23	1.78	1.98	1.36	3.55	3.91	13.12	12.43	20.17	48.70	3.74	10.33	16.13	7.48	12.97
Beingmate Co L-A	002570 CH	6.45	929.5	21.2	N/A	43.00	23.04	N/A	86.67	N/A	N/A	N/A	N/A	3.72	N/A	92.44	N/A	66.61	50.09	(3.70)	(5.58)	N/A	11.79	7.86
Bright Dairy-A	600597 CH	13.67	2359.1	25.5	33.34	31.43	26.75	6.10	17.47	13.72	2.29	0.73	1.01	3.01	2.74	10.54	9.09	6.24	31.28	2.21	7.83	9.16	16.94	21.73
Inner Mong Yil-A	600887 CH	29.48	25202.6	245.8	25.63	29.19	22.35	(12.17)	30.59	9.60	3.04	2.37	2.30	6.49	6.39	18.11	18.99	0.00	37.50	7.69	21.82	22.20	(1.27)	(0.64)
Yashili Int'L	1230 HK	0.46	281.7	0.0	17.55	21.06	18.31	(16.67)	15.00	21.46	0.98	2.46	0.00	0.35	0.35	2.94	2.29	0.00	37.13	3.29	2.00	1.60	(7.07)	(30.30)
Health And Happi	1112 HK	36.20	3008.1	5.6	21.11	17.91	15.10	17.83	18.65	17.69	1.01	2.35	2.61	4.19	3.47	11.84	10.62	68.31	66.16	9.20	20.77	20.11	17.34	7.58
China Feihe Ltd	6186 HK	14.88	17150.7	36.2	28.38	23.33	18.41	21.67	26.71	21.83	1.07	N/A	1.50	9.34	7.18	20.23	15.90	0.00	70.03	28.67	41.82	32.11	10.22	41.44
Mengniu Dairy	2319 HK	29.50	14980.0	41.8	25.74	29.61	21.13	(13.06)	40.13	13.06	2.27	0.70	0.76	3.65	3.32	15.08	17.71	0.00	37.55	5.19	15.11	11.62	4.42	(0.17)
Global Peers																								
Adjusted sector avg*					34.91	31.55	26.69	18.85	18.00	15.60	3.14	2.01	1.37	5.66	6.99	24.67	22.71	32.84	54.34	15.73	24.77	26.13	6.82	8.92
Nestle Sa-Reg	NESN SW	105.40	323,300	1,058.1	24.51	24.31	22.64	0.84	7.38	4.85	5.02	2.56	2.59	5.83	6.20	17.25	17.95	50.89	49.77	13.58	23.05	24.09	3.11	0.67
Abbott Labs	ABT US	93.80	165,918	884.8	45.31	33.11	25.43	36.86	30.18	26.35	1.26	1.45	1.51	5.49	4.05	22.99	25.14	47.64	58.53	11.56	11.71	15.55	9.26	5.77
A2 Milk Co Ltd	A2M AU	18.29	8,770	135.5	N/A	37.25	31.99	N/A	16.45	N/A	N/A	N/A	0.00	N/A	10.72	33.78	25.05	0.00	54.72	22.06	39.54	38.74	8.10	20.33

* 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
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
31/03/2020	TCL Electronics	1070	FY19 results up to expectations	BUY	Dallas Cai
30/03/2020	Li-Ning	2331	A head start in FY20E with resilient operation	BUY	Dallas Cai/Megan Jin
27/03/2020	CH Display OPT	334	Lower order visibility ahead in FY20E	HOLD	Dallas Cai
27/03/2020	ChinaSoft Int'l	354	Cloud business ready to accelerate in FY20E	BUY	Dallas Cai
25/03/2020	Anta Sports	2020	FY20E strive for positive growth	BUY	Dallas Cai/Megan Jin
25/03/2020	China Overseas PPT	2669	FY19 results up to expectations	HOLD	Dallas Cai
23/03/2020	CG Services	6098	FY19 saw solid set of results	BUY	Dallas Cai
20/03/2020	Kingdee Int'l	268	Ambitious cloud target to weigh on FY20E earnings	HOLD	Dallas Cai
20/03/2020	Xtep Intl	1368	FY19 results in line with expectations	BUY	Dallas Cai/Megan Jin
19/03/2020	A-Living	3319	Unfolding a new 3-year plan	BUY	Dallas Cai
19/03/2020	Ausnutria Dairy	1717	Robust growth momentum to keep up in FY20E	BUY	Dallas Cai/Megan Jin
19/03/2020	361 Degrees Intl	1361	FY19 results up to expectations	BUY	Megan Jin
18/03/2020	Sunny Optical	2382	FY19 results clean beat on GPM	BUY	Dallas Cai
10/03/2020	Q Tech	1478	FY19 results beat on better CCM product mix	BUY	Dallas Cai
09/03/2020	Edvantage Group	382	1H20/21E positive profit alert - BUY	BUY	Dallas Cai/Megan Jin
24/02/2020	361 Degrees Intl	1361	COVID-19 impact to be inevitable on 1H20E	BUY	Megan Jin
20/02/2020	Ausnutria Dairy	1717	FY19E cow IMF growth beat expectations	BUY	Dallas Cai/Megan Jin
18/02/2020	Anta Sports	2020	Concrete yet manageable impacts from COVID-19	BUY	Dallas Cai/Megan Jin
13/02/2020	CH Display OPT	334	Better than feared coronavirus impacts, for now	HOLD	Dallas Cai

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

(as of 13/05/2020)



Date	Rating	TP (HK\$)	Close (HK\$)	Date	Rating	TP (HK\$)	Close (HK\$)
1 22 Feb 2019	BUY	12.50	9.90	6 15 Aug 2019	BUY	14.40	14.20
2 20 Mar 2019	BUY	12.50	9.97	7 19 Aug 2019	BUY	14.40	9.92
3 14 May 2019	BUY	16.00	14.34	8 15 Nov 2019	BUY	14.40	9.95
4 11 Jun 2019	BUY	16.00	15.06	9 20 Feb 2020	BUY	15.60	11.00
5 31 Jul 2019	BUY	16.00	14.20	10 19 Mar 2020	BUY	15.50	10.78

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Buy (B)	We expect this stock outperform the relevant benchmark greater than 15% over the next 12 months.
Hold (H)	We expect this stock to perform in line with the relevant benchmark over the next 12 months.
Sell (S)	We expect this stock to underperform the relevant benchmark greater than 15% over the next 12 month.
Relevant Benchmark	Represents the stock closing price as at the date quoted in this report.

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