

公司动态

敏华控股 [1999.HK, 6.51港元, 未评级] - 18财年业绩平平, 惟市场忧虑被过度放大

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摘要: 由于大宗商品价格上涨和人民币升值, 敏华相对疲弱的18财年业绩基本上属意料之内。正面因素方面, 期内公司的中国业务表现良好, 料将成为公司最重要的增长动力。尽管美国和欧洲业务19财年的表现可能继续持平, 但只要生产成本没有大增或汇率走势未有十分不利, 中国业务的增长或仍足以让盈利恢复增长。市场也担心3月首席财务官的变动以及潜在中美贸易战的影响, 但我们认为股价对此过度反应。我们预计, 随着分析师下调盈利预测, 敏华或会面临抛售的压力, 但我们相信这为投资者带来重新审视该股的机会, 特别是考虑到其动态市盈率仅不足15倍。

公司背景: 敏华控股成立于1992年, 是沙发、床垫、板式家具和家具配件的生产商。公司在中国国内销售之外, 也出口到北美和欧洲等海外市场的客户。公司董事长黄敏利博士持有公司64%股权。

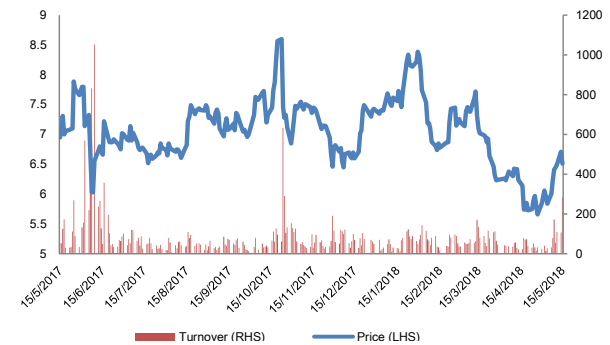
18财年利润率的恶化比预期更严重。 敏华公布的18财年(截至2018年3月31日止年度)业绩相对疲弱, 因净利润同比下降12.4%至15.36亿港元, 延续18财年上半年上的弱势。期内每股盈利为0.40港元, 较市场预期的0.43港元低7%。

业绩较弱的主因是利润率全面恶化。在18财年, 毛利率下降4.55个百分点至37.33%, 而净利润率则下降7.21个百分点。这可能归因于以下因素: (1) 大宗商品价格反弹使原材料成本大幅上涨。例如, 金属和化学品(我们估计占到销售成本的约30%) 在18财年平均单位成本同比增长接近30%; (2) 油价上涨导致运输成本增加, 这对销售成本和行政及管理费用都有影响; (3) 汇兑问题。公司在18财年录得汇兑损失2,200万港元, 而2017财年汇兑收益为1.71亿港元; (4) 由于中国业务的贡献较高, 所以实际税率上升。

收入表现并不差。 虽然业绩疲弱, 但18财年整体收入达到100.27亿港元, 同比增长28.9%, 强于预期。这主要归因于: (1) 中国市场表现强劲, 其收入同比增长43.7%至48.31亿港元; (2) Home Group产生全年贡献(同比增长330%至8.71亿港元)。敏华于2016年12月收购Home Group, 是一家欧洲沙发生产商, 并向宜家等零售商供货。如果撇除Home Group的贡献, 欧洲和美国市场的销售持平, 主要由于竞争激烈。

中国业务快速发展是最重要的驱动力。 由于中国业务已成为公司最大的收入来源, 敏华将通过加盟商继续扩大其中国业务。其目标是在中国开设不少于300家店铺以推动增长。预计2018年房地产市场的紧缩将拖累同店销售额的增长, 但公司认为沙发的替代需求仍然强劲。据欧睿Euromonitor预测, 敏华旗下具有收纳脚椅及转动功能的功能性沙发(公司的主要产品)预计将在中国获得更多的市场份额。

敏华控股 [1999.HK, 未评级]



市值: 31.78亿美元; 自由流通量: 36.0%

港元	FY17	FY18	FY19E	FY20E
收入 (百万元)	7,779	10,027	11,605	13,110
销售成本 (百万元)	(4,521)	(6,284)	(7,068)	(7,945)
毛利润 (百万元)	3,258	3,743	4,537	5,166
毛利率 (%)	42	37	39	39
EBIT (百万元)	1,752	1,536	1,985	2,237
净利润 (百万元)	23	15	17	17
净利润率 (%)	0.46	0.40	0.52	0.59
每股盈利				
	35.94	27.92	30.83	31.34
股本回报率 (%)	4.3	3.84	4.70	5.64
股息收益率 (%)	14.3	16.2	12.5	11.0
市盈率 (倍)	4.9	4.2	3.6	3.4
市净率 (倍)				

来源: 彭博 (截至3月底止年度) **在市场调整盈利预测前

采取措施稳定19财年利润率。 物资和运输成本上涨以及人民币升值拖累了敏华的毛利率。展望未来, 由于国内市场的贡献持续增加, 人民币汇率对敏华的影响或相对下降。公司也正在采取措施来缓解成本上涨的影响, 例如引入利润率较高的新产品, 并略微提高销售成本。在提高平均售价方面, 管理层较为保守, 因为这可能会削减其市场份额。

减低潜在贸易战对公司影响的计划: 在越南扩张。 虽然敏华目前并未受到特朗普政府拟施加的关税所影响, 但公司正考虑投资越南, 以缓解贸易战升温带来的潜在威胁。公司预算为5,000万至8,000万美元, 公司可能会收购现有工厂, 或在那里建立新工厂。当完整建立业务后, 可能足以取代公司70-80%的出口产能。

COMPANY UPDATE

MAN WAH HOLDINGS [1999.HK, HK\$6.51, NOT RATED] – FY18 RESULTS UNEXCITING, BUT WORRIES OVERBLOWN

Analyst: Tony Li, CFA (tonyli@chinastock.com.hk; Tel: (852) 3698 6392)

Summary. Man Wah's relatively weak FY2018 results were somewhat anticipated, given rising commodity prices and RMB appreciation. On the positive side, the China business performed well and will be the most important driver for the Company. Even though the US and Europe segments may continue to remain flat for FY2019E, the growth in China may still be sufficient to help earnings resume growth, as long as there is no drastic increase in production costs or FX movement. The market was also concerned about the CFO change in March and a potential China-US trade war, but we believe the share price correction is overdone. We may see some selling pressure triggered by the downward earnings revision by analysts, but we believe that will offer an opportunity to revisit the stock, as it was trading at <15x forward PER.

The Company. Established in 1992, Man Wah Holdings is a producer of sofas, mattresses, panel furniture and furniture accessories. It distributes domestically in China and exports to customers in overseas markets, such as North America and Europe. Its Chairman, Dr. Wong Man Li, holds a 64% stake in the Company.

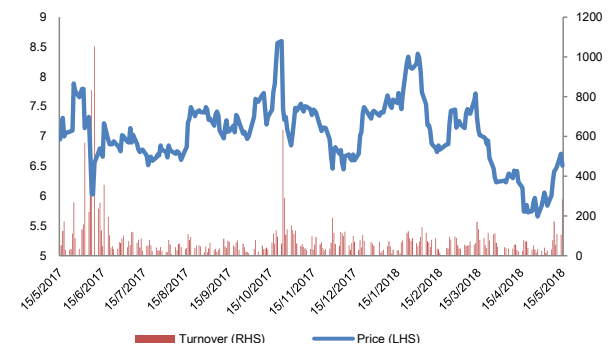
FY18 Margin Deterioration Worse Than Expected. Man Wah reported relatively weak FY2018 results (year ended 31 March 2018), as net profit dropped 12.4% YoY to HK\$1,536m during the period, extending the weakness of 1HFY18. Reported EPS was HK\$0.40, 7% lower than market consensus of HK\$0.43.

The main reason for the weak results was across-the-board margin deterioration. GPM dropped by 4.55 ppt to 37.33%, while NPM dropped by 7.21 ppt in FY2018. This could be attributed to factors such as (1) the significant rise in the cost of raw materials because of the rebound in commodity prices. For example, metals and chemicals, which we estimate to account for ~30% of COGS, had close to a 30% YoY increase in average unit cost in FY18; (2) an increase in transportation costs due to higher oil prices, which affected both COGS and SG&A; (3) FX issues. FY18 recorded an FX loss of HK\$22m versus an FX gain of HK\$171m in FY17; and (4) a higher effective tax rate due to the higher contribution from China.

Top-line Doesn't Look Bad. Although the results were weak, overall revenue in FY18 reached HK\$10,027m, up 28.9% YoY and was stronger than expected. This was attributed mainly to: (1) robust performance in China, as its revenue grew by 43.7% YoY to HK\$4,831m; and (2) a full-year contribution from Home Group (+330% YoY to HK\$871m). Home Group, acquired by Man Wah in Dec 2016, is a European sofa producer and supplier to retailers such as Ikea. If the contribution from Home Group is excluded, sales in the Europe and US markets were flat due to keen competition.

Fast-growing China Business the Most Important Driver. As China has become the largest revenue contributor of the Company, Man Wah will continue to expand its domestic business through franchisees. Its target is to open not less than 300 shops in China to facilitate growth. The tightening of the property market in 2018 is expected to drag down same-store sales growth, but the Company sees replacement demand for sofas remaining rigid. Also, motion recliners, a key product of Man Wah, are expected to gain more market share in China, according to Euromonitor.

MAN WAH HOLDINGS [1999.HK, NOT RATED]



Market Cap: US\$3,178m; Free Float: 36.0%

HKD	FY17	FY18	FY19E	FY20E
Revenue (m)	7,779	10,027	11,605	13,110
COGS (m)	(4,521)	(6,284)	(7,068)	(7,945)
Gross profit (m)	3,258	3,743	4,537	5,166
Gross margin (%)	42	37	39	39
Net profit (m)	1,752	1,536	1,985	2,237
Net margin (%)	23	15	17	17
EPS	0.46	0.40	0.52	0.59
ROE (%)	35.94	27.92	30.83	31.34
Dividend yield (%)	4.3	3.84	4.70	5.64
PER (x)	14.3	16.2	12.5	11.0
PBR (x)	4.9	4.2	3.6	3.4

Source: Bloomberg (Y/E March) **Before earnings revision by the market

Measures Taken to Stabilize Margins in FY19E. Rising material and transportation costs, as well as RMB appreciation, dragged down the GPM of Man Wah. Going forward, the impact of RMB movement may have a relatively lower impact on Man Wah, as the contribution from the domestic market continues to increase. The Company is also taking measures to mitigate the impact of rising costs, such as introducing new products with higher margins and raise the selling cost slightly. Management was more conservative on raising the ASP, as this may trim its market share.

Plans to Mitigate Potential Trade War: Vietnam Expansion. While Man Wah is currently not affected by the proposed tariffs imposed by the Trump administration, the Company is considering investing in Vietnam to mitigate the potential threat from a rising trade conflict. With a budget of US\$50m-80m, it may either acquire existing factories or set up a new factory there. This may be sufficient to replace 70-80% of its export capacity when fully set up.

(continued on next page)

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Analyst: Tony Li, CFA (tonyli@chinastock.com.hk; Tel: (852) 3698 6392)

Valuation and Our Take. Man Wah's share price has retreated 11.4% YTD. In addition to the anticipated weak results, the correction was caused by worries over the CFO change in Mar 2018 and a potential Sino-US trade war. However, we believe these worries have been overdone, as we understand these two factors have had no material impact on the Company's operations.

Before the earnings revision by the street, the Bloomberg consensus' FY2019E net profit is HK\$1,985m. We expect there to be a cut in the earnings estimate, given the weaker-than-expected margins in FY2018. Still, our preliminary FY19E EPS forecast of HK\$0.48 implies 18.8% growth and translates into a valuation of 13.7x 2019E PER, which is not demanding from the angle of PEG ratio. We believe any near-term share price weakness may offer a good entry point. Currently, all of its major A-share peers are trading at >20x forward PER.

Risks: (1) Weaker-than expected growth in mainland China; (2) higher-than-expected rise in raw material and transportation costs; (3) worse-than-expected RMB appreciation; and (4) deterioration in the China-US relationship, leading to further trade disputes.

Figure 1: FY2018 Results Review (Year ended 31 March)

HK\$'000	FY2017	1H 2018	2H 2018	FY2018	YoY FY18 vs FY17
Revenues	7,779,015	4,626,881	5,399,692	10,026,573	28.9%
COGS	(4,520,832)	(2,854,174)	(3,429,459)	(6,283,633)	39.0%
Gross Profit	3,258,183	1,772,707	1,970,233	3,742,940	14.9%
Selling & Distribution Expenses	(1,173,878)	(740,562)	(952,661)	(1,693,223)	44.2%
Administrative Expenses	(365,441)	(206,010)	(236,042)	(442,052)	21.0%
Other Income	159,752	194,186	170,444	364,630	128.2%
Other Gain/loss	184,001	(34,721)	8,553	(26,168)	N/A
Net Finance Expenses	(10,271)	(9,678)	(13,864)	(23,542)	129.2%
Earnings before Taxes	2,052,346	975,922	946,663	1,922,585	-6.3%
Income Tax Expenses	(293,222)	(176,029)	(192,610)	(368,639)	25.7%
Net Profit after Tax	1,759,124	799,893	754,053	1,553,946	-11.7%
Net Income Attributable to Shareholders	1,752,370	793,046	742,862	1,535,908	-12.4%
Minority Interest (Profit)	6,754	6,847	11,191	18,038	167.1%
EPS - Basic (HK\$)	0.46	0.21	0.19	0.40	-11.9%
EPS - Diluted (HK\$)	0.45	0.21	0.19	0.40	-11.9%
<i>GPM</i>	<i>41.88%</i>	<i>38.31%</i>	<i>36.49%</i>	<i>37.33%</i>	<i>-4.55 ppt</i>
<i>OPM</i>	<i>26.52%</i>	<i>21.30%</i>	<i>17.79%</i>	<i>19.41%</i>	<i>-7.11 ppt</i>
<i>EBT Margin</i>	<i>26.38%</i>	<i>21.09%</i>	<i>17.53%</i>	<i>19.17%</i>	<i>-7.21 ppt</i>
<i>NPM</i>	<i>22.53%</i>	<i>17.14%</i>	<i>13.76%</i>	<i>15.32%</i>	<i>-7.21 ppt</i>

Sources: Company, CGIS Research

Figure 2: Revenue Breakdown

HK\$'000	FY2017	FY2018	YoY
By Segment			
Sofa and ancillary products	6,981,725	8,075,623	15.7%
Other products	594,802	925,934	55.7%
Home Group business	202,488	870,956	330.1%
Jiangsu Yulong business	-	154,060	N/A
Total	7,779,015	10,026,573	28.9%
By Geography			
PRC (including Hong Kong)	3,362,407	4,831,080	43.7%
North America	3,498,762	3,590,250	2.6%
Others (including Europe)	917,846	1,605,243	74.9%
Total	7,779,015	10,026,573	28.9%

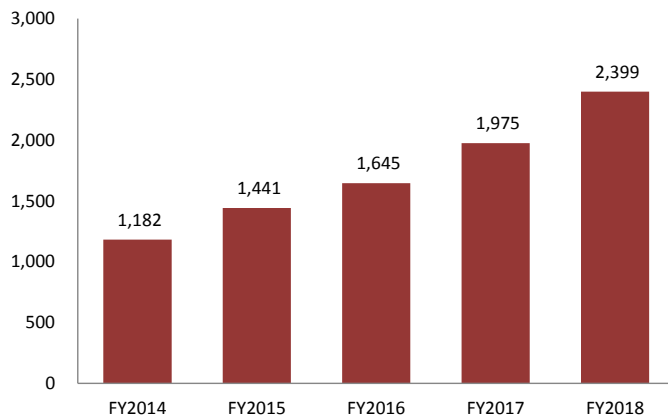
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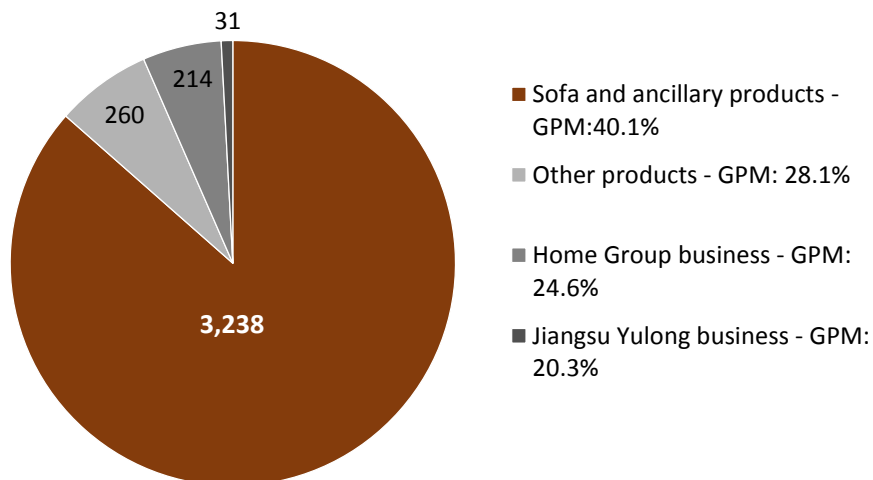
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Figure 3: Branded Retail Stores in China



Sources: Company, CGIS Research

Figure 4: Gross Profit Distribution by Segment and GPM



Sources: Company, CGIS Research estimates

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Figure 5: Peers Comparison

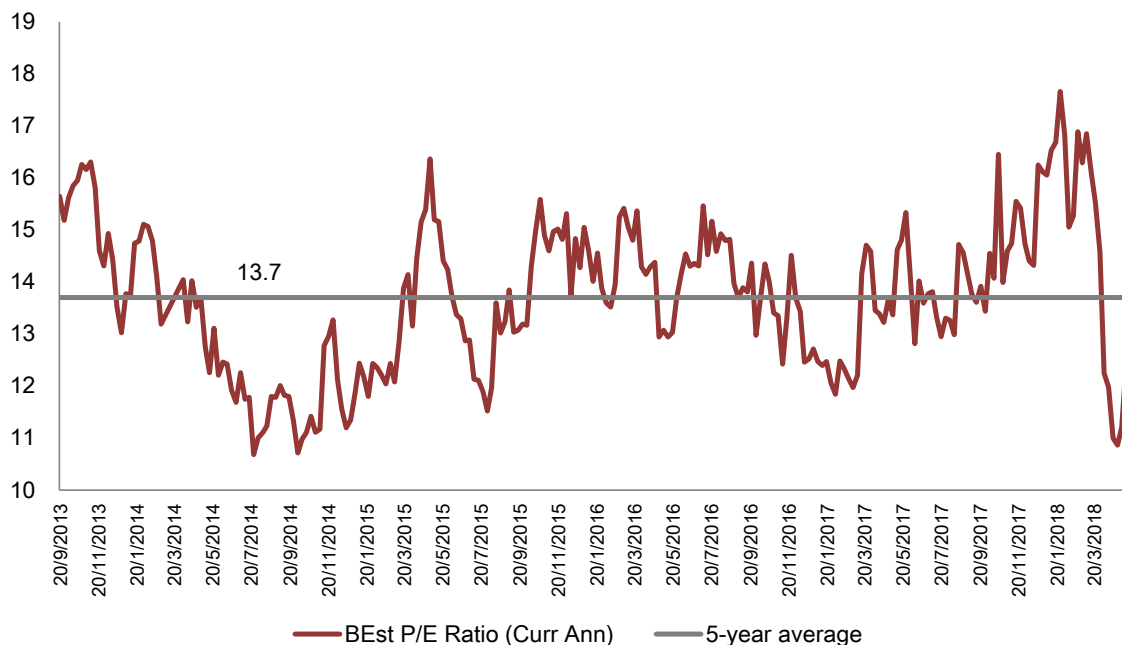
Company	Ticker	Trading Currency	Price	Mkt Cap US\$m	PER(x)			PBR(x)			ROE(%)			Div Yld(%)		
					FY0	FY1	FY2	FY0	FY1	FY2	FY0	FY1	FY2	FY0	FY1	FY2
Peers Listed in Hong Kong																
Man Wah Holdings Ltd	1999 HK	HKD	6.51	3,178	16.19	12.50	10.98	4.65	3.62	3.36	31.80	30.83	31.34	3.84	4.70	5.64
Morris Holdings Ltd	1575 HK	HKD	1.60	204	8.05	-	-	3.39	-	-	59.04	-	-	4.75	-	-
Samson Holding Ltd	531 HK	HKD	0.83	330	3.60	-	-	0.88	-	-	24.12	-	-	8.43	-	-
Simple Average					9.28	12.50	10.98	2.97	3.62	3.36	38.32	30.83	31.34	5.67	4.70	5.64
Peers Listed in A-share																
Suofeiya Home Collection C-A	002572 CH	RMB	36.10	5,241	35.74	27.04	20.06	7.29	6.14	5.03	21.85	23.05	25.56	1.25	1.51	1.97
Jason Furniture Hangzhou C-A	603816 CH	RMB	73.14	4,923	36.75	29.00	21.99	8.78	6.13	5.00	25.75	21.52	22.87	1.31	0.94	1.32
Markor Intl Home Furnishin-A	600337 CH	RMB	5.82	1,653	27.81	21.01	16.97	2.08	1.98	1.82	9.23	10.72	12.17	1.89	2.41	2.75
Yotrio Group Co Ltd-A	002489 CH	RMB	4.35	1,488	-	108.75	-	2.91	-	-	-4.09	-	-	0.23	-	-
Guangzhou Holike Creative -A	603898 CH	RMB	29.75	1,498	25.75	20.91	15.96	4.53	3.88	3.23	21.75	19.03	20.56	1.10	1.22	1.52
Qumei Home Furnishings Grp-A	603818 CH	RMB	13.47	1,025	26.16	20.69	15.83	4.03	3.49	2.95	16.44	17.10	18.74	0.76	0.52	0.56
Simple Average					30.45	37.90	18.16	4.94	4.32	3.61	15.16	18.28	19.98	1.09	1.32	1.62

Sources: Bloomberg, CGIS Research

*Year end for Man Wah is 31 March

**Before earnings revision by the market

Figure 6: Forward PER (before market earnings revision)



Sources: Bloomberg, CGIS Research

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- 买入 : 股价于12个月内将上升 >20%
- 沽出 : 股价于12个月内将下跌 >20%
- 持有 : 没有催化因素，由“买入” 降级直至出现明确“买入” 讯息或再度降级为立刻卖出

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