

周大福 (1929.HK)

已經夠閃亮; 給予"中性"評級

Bloomberg | Reuters | POEMS

1929.HK | 1929.HK | 1929.HK

行業: 本地零售



Phillip Securities (Hong Kong) Ltd

Phillip Securities Research

10 March 2014

評級: 中性 收市價: HKD14.30, 目標價: HKD14.30

公司簡介

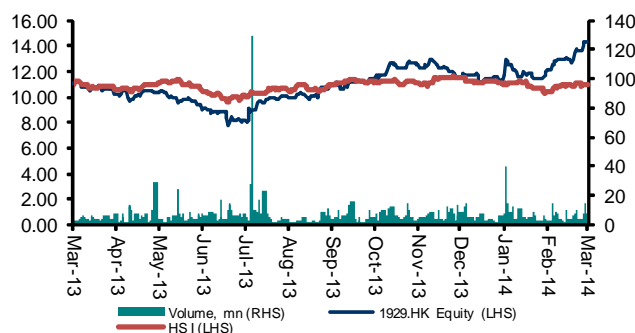
周大福珠寶集團有限公司主要以旗下“周大福”品牌從事珠寶首飾、金器產品, 及鐘錶的設計、生產與銷售。以市值計算, 集團為全球最大的珠寶商, 於香港、澳門, 以及中國內地等逾 400 個城市擁有超過 1,800 個銷售點。

淘金熱後銷售增長維持強勢: 周大福於 2013 年財年只錄得 1.5% 的按年銷售增長, 而同店銷售增長率甚至錄得負增長, 但集團 2014 年財年的銷售增長轉為相當理想。多得去年的淘金熱, 周大福於 2014 年財年上半年 (截至 2013 年 9 月) 錄得 48.5% 的按年銷售增長 (香港、澳門及台灣的增长率達 61.0%; 中國內地的增長率達 38.3%), 而同店銷售增長率亦錄得 33.2% (香港、澳門及台灣的增长率達 47.0%; 中國內地的增長率達 21.5%)。即使兩項增長率於淘金熱後放緩, 我們於 2014 年財年第三季度以及農曆新年 (1 月 17 日至 2 月 3 日) 仍見集團業績走勢正面, 尤其於中國內地市場。2014 年財年第三季度中國內地市場的銷售增長率以及同店銷售增長率分別為 34.0% 及 14.0% (對比 2014 年財年第二季度的數據則分別為 33.0% 及 12.0%)。於 2014 農曆新年, 集團於中國內地市場的銷售增長率及同店銷售增長率分別加速至 34.0% 及 18.0%。我們相信中國市場的消費者信心已大幅改善, 而以特許經營權加盟集團的店舖亦重獲信心補貨, 我們認為此等良好勢頭將於本財年持續, 而我們亦對周大福本年度於中國內地市場的業務保持樂觀。我們預測 2014 年財年於香港及中國內地的同店銷售增長率將分別達 29% 及 14%。我們亦注意到珠寶鑲嵌首飾於 2014 年財年第三季度佔收入的 26% (對比同年第二季度只有 22%, 而同年第一季度則只有 16%), 周大福的產品組合變化將有助改善整體毛利率, 並部份抵消消費者轉向大眾市場黃金產品而拖低利潤率的影響。

積極擴張分店: 周大福於 2014 年財年第三季度增加 94 個銷售點, 令截至 12 月 13 日的銷售點總數達 2,048 個 (對比 2013 年財年末只有 1,836 個銷售點)。周大福已達到於 2014 年財年增加銷售點至 2,000 個的目標。這個增長速度較預期快, 但我們亦注意到於 2014 年財年第三季度新開的 94 個銷售點之中約 50% 屬於以特許經營權加盟集團的店舖, 因此高速擴張帶來的營運風險可被降低。我們預期周大福每年保持增加約 200 個銷售點。

CHOW TAI FOOK JE

Rating	3.00	Neutral
- Previous Rating	N/A	Not Rated
Target Price (HKD)	14.3	
- Previous Target Price (HKD)	N/A	
Closing Price (HKD)	14.30	
Expected Capital Gains (%)	0.0%	
Expected Dividend Yield (%)	2.5%	
Expected Total Return (%)	2.5%	
Market Cap. (HKD mn)	143,000	
Enterprise Value (HKD mn)	146,239	
3M Average Daily T/O (mn)	6.8	
52 w eek range (HKD)	7.44 - 14.48	
Closing Price in 52 w eek range		



Key Financial Summary

FYE MAR	FY12	FY13	FY14E	FY15E
Revenue (HKD mn)	56,571	57,434	76,757	90,534
Net Profit, adj. (HKD mn)	6,341	5,505	6,933	7,945
EPS, adj. (HKD cents)	68.50	55.10	69.30	79.50
P/E (X)	18.0	19.2	20.6	18.0
P/B (X)	3.9	3.1	3.8	3.9
DPS (HKD cents)	10.0	22.0	33.0	36.0
Div Yield (%)	0.8%	2.1%	2.3%	2.5%

Source: Bloomberg, PSR est.

Valuation Method
PE

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胡騰龍

毫無疑問，周大福的盈利增長有賴於同店銷售增長率以及擴張分店，集團的銷售點數量於過去三年（由2010年財年至2013年財年）的複合年增長率達15.9%，但值得提醒投資者的是中國的運動服飾業已展示了於中國市場過度擴張帶來的風險。李寧(2331 HK)的分店數量由2008年的6,245間，上升至2011年的8,255間（期間複合年增長率為9.7%），但李寧的盈利繼2010年創紀錄後，於2011年出現按年倒退65.2%。

估值相比同業享有高溢價：以市盈率計，周大福相比同業享有一個明顯的溢價，無庸置疑，周大福於行內擁有領先地位、較大的市值、較強的盈利能力，以及相對高的利潤率，而我們亦相信憑藉周大福強勁的品牌效應、管理層的執行能力，以及市場份額的擴張，其以盈利增長計的表現將繼續跑贏同業，但我們仍認為現時的估值溢價已足以反映這一切。

估值

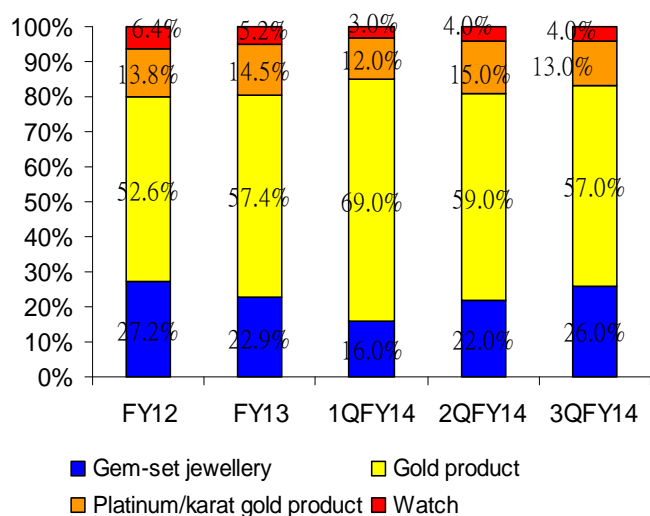
周大福現價相等於2014年財年預測市盈率20.5倍（對比其歷史平均為18.0倍），接近歷史平均值加一個標準差，以反映消費者信心改善及近期強勁的營運數據。但周大福的股價由年初至今已飆升超過20%，我們認為現時股價已反映集團的正面前景。我們預計周大福的2014/2015年財年每股盈利達69.3/79.5港仙，代表兩年的複合年增長率達20.1%。以2015年財年預測市盈率達18.0倍計，我們的12個月目標價為14.30港元，給予"中性"評級，主要下行風險為1.)消費者的消費意慾比預期低；2.)品牌受損；3.)內地訪港旅客人數減少。

Fig.1 Peers comparison

Name	Ticker	Market cap (HKD mn)	P/E (x)	P/E (Y+1) (x)	3-year EPS CAGR (%)	ROE (%)	Div yield (%)	Net gearing (%)
CHOW TAI FOOK	1929 HK	139,800	19.7	17.1	38.9	22.2	2.3	5.8
LUK FOOK HOLD	590 HK	14,845	9.4	8.9	36.2	25.7	4.3	-20.6
CHOW SANG SANG	116 HK	15,095	13.3	10.9	24.0	17.0	2.6	11.3
ORIENTAL WATCH	398 HK	1,193	9.0	16.1	-38.6	6.0	2.8	7.7
EMPEROR WATCH&J	887 HK	4,267	12.3	10.7	6.6	8.2	2.4	-14.3
Average:			12.7	12.7	13.4	15.8	2.9	-2.0

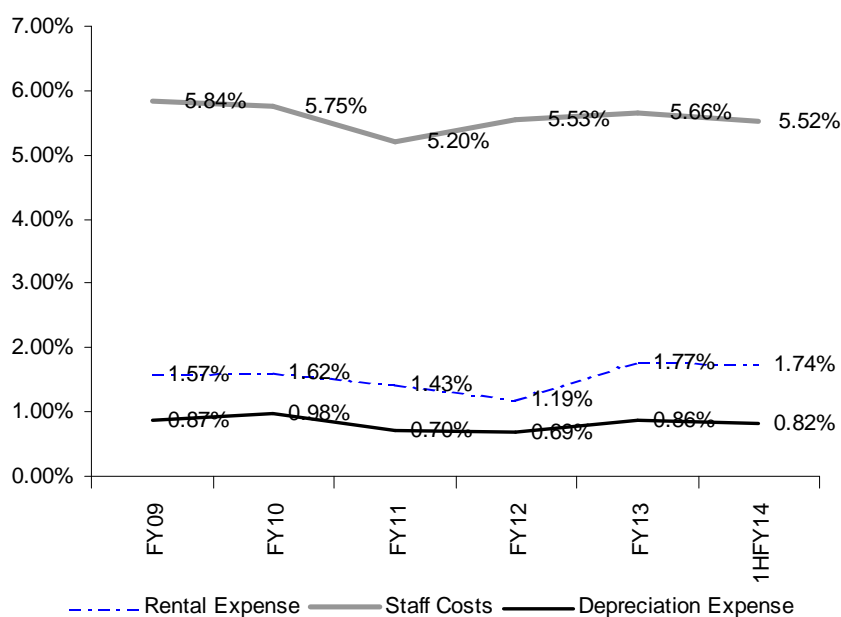
Source: PSR, Bloomberg

Fig.2 Product mix of Chow Tai Fook



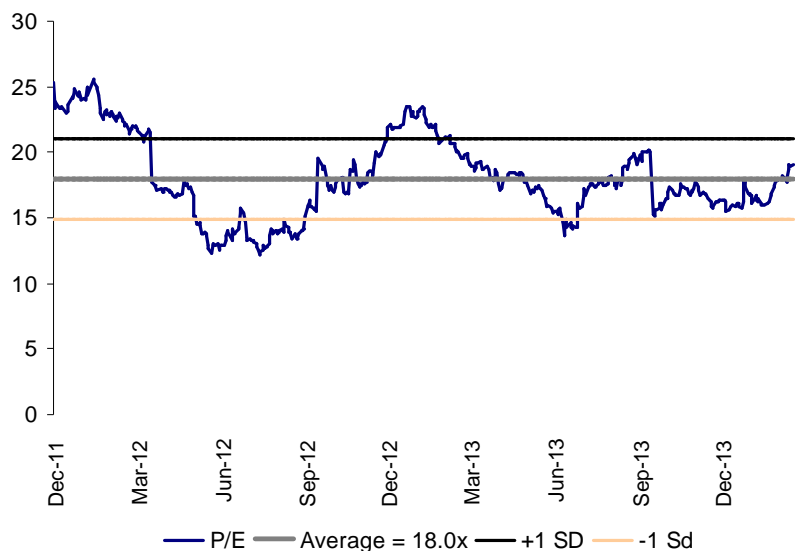
Source: PSR, Company reports

Fig.3 Costs as percentage of sales



Source: PSR, Company reports

Fig.4 Historical P/E band



Source: PSR, Bloomberg

Fig.5 Revenue projections

FYE MAR	FY11	FY12	FY13	FY14E	FY15E
Sales (HKD mn)					
HK, Macau & Taiwan	15,571	24,555	27,126	37,834	45,269
Mainland China	19,472	32,016	30,308	38,924	45,266
Overall	35,043	56,571	57,434	76,757	90,534
Sales YoY growth (%)					
HK, Macau & Taiwan	51.1%	57.7%	10.5%	39.5%	19.7%
Mainland China	54.2%	64.4%	-5.3%	28.4%	16.3%
Overall	52.8%	61.4%	1.5%	33.6%	17.9%
Operating profit (HKD mn)					
HK, Macau & Taiwan	2,376	3,852	3,680	5,297	6,428
Mainland China	2,302	4,605	3,669	4,671	5,522
Overall	4,656	8,440	7,317	9,968	11,951
Operating margin (%)					
HK, Macau & Taiwan	15.3%	15.7%	13.6%	14.0%	14.2%
Mainland China	11.8%	14.4%	12.1%	12.0%	12.2%
Overall	13.3%	14.9%	12.7%	13.0%	13.2%

Source: PSR, Company reports

Fig.6 Key operational figures

FYE MAR	FY11	FY12	FY13	FY14E	FY15E
SSSG (%)					
HK, Macau & Taiwan	32.4%	48.4%	-3.7%	29.0%	12.0%
Mainland China	35.2%	32.0%	-3.0%	14.0%	5.0%
Overall	33.8%	40.3%	-3.3%	22.5%	9.0%
No. of store					
HK, Macau & Taiwan					
- Jewellery POS	81	93	103	113	121
- Watch POS	3	2	2	2	2
<i>sub-total</i>	<i>84</i>	<i>95</i>	<i>105</i>	<i>115</i>	<i>123</i>
Mainland China					
- Jewellery POS	1,206	1,448	1,640	1,828	2,002
- Watch POS	68	84	91	120	138
<i>sub-total</i>	<i>1,274</i>	<i>1,532</i>	<i>1,731</i>	<i>1,948</i>	<i>2,140</i>
Total:	1,358	1,627	1,836	2,063	2,263
Sales per store (HKD mn)					
HK, Macau & Taiwan	185.4	258.5	258.3	329.0	368.0
Mainland China	15.3	20.9	17.5	20.0	21.2
Sales per store YoY growth (%)					
HK, Macau & Taiwan	52.9%	39.4%	-0.1%	27.3%	11.9%
Mainland China	32.4%	36.7%	-16.2%	14.1%	5.9%

Source: PSR, Company reports

主要風險

品牌受損

消費者的消費意慾比預期低

內地訪港旅客人數減少

租金成本大幅上升

財務情況

FYE MAR	FY11	FY12	FY13	FY14E	FY15E
Valuation Ratios					
P/E (X), reported	29.9	18.0	19.2	20.6	18.0
P/E (X), adj.	29.8	18.0	19.3	20.6	18.0
P/B (X)	9.2	3.9	3.1	3.8	3.9
Dividend Yield (%)	0.0%	0.8%	2.1%	2.3%	2.5%
Per share data (HKD cents)					
EPS, reported	39.5	68.5	55.1	69.3	79.5
EPS, adj.	39.6	68.5	55.1	69.3	79.5
DPS	0.0	10.0	22.0	33.0	36.0
BVPS	128.2	318.4	337.9	375.0	370.6
Growth & Margins (%)					
Growth					
Revenue	52.8%	61.4%	1.5%	33.6%	17.9%
EBIT	66.4%	79.7%	-14.4%	28.7%	15.8%
Net profit, adj.	67.2%	78.8%	-13.2%	25.9%	14.6%
Margins					
Gross profit	28.3%	29.1%	28.4%	28.0%	27.8%
EBIT	13.7%	15.3%	12.9%	12.4%	12.2%
Net profit, adj.	10.1%	11.2%	9.6%	9.0%	8.8%
Key Ratios					
ROE (%)	36.0%	31.0%	17.4%	19.5%	21.3%
Total debt/ equity (%)	59.4	50.2	17.3	34.3	36.3
Asset turnover (x)	1.5	1.5	1.2	1.5	1.6
Inventory days	191.7	212.8	252.8	216.3	215.8
Account receivable days	29.5	27.6	29.5	20.2	18.7
Account payable days	18.6	13.5	16.9	11.6	14.6
Income Statement (HKD mn)					
Revenue	35,043	56,571	57,434	76,757	90,534
COGS	(25,115)	(40,123)	(41,151)	(55,265)	(65,366)
Gross profit	9,928	16,448	16,283	21,492	25,168
SG&A	(5,313)	(8,035)	(9,181)	(12,281)	(14,485)
Other income	195	227	296	310	340
EBIT	4,809	8,641	7,398	9,521	11,023
Net finance costs	(102)	(363)	(330)	(310)	(330)
Other items	(82)	(112)	26	0	0
Associates & JVs	5	0	0	0	0
Profit before tax	4,629	8,166	7,095	9,211	10,693
Tax	(947)	(1,595)	(1,417)	(2,026)	(2,459)
Profit after tax	3,682	6,571	5,678	7,184	8,234
Non-controlling interest	(135)	(230)	(173)	(251)	(288)
Net profit, reported	3,547	6,341	5,505	6,933	7,945
Net profit, adj.	3,547	6,341	5,505	6,933	7,945
EBITDA	5,064	9,042	7,905	10,084	11,637

Source: PSR

Balance Sheet (HKD mn)	FY11	FY12	FY13	FY14E	FY15E
PP&E	1,165	1,688	2,155	2,800	3,300
Goodwill	0	0	0	0	0
Associates & JVs	45	10	14	14	14
LT Investments	16	13	23	24	24
Others	319	445	1,250	500	500
Total non-current assets	1,546	2,156	3,442	3,338	3,838
Inventories	17,101	29,694	27,315	38,200	39,100
Accounts Receivables	3,228	5,323	3,973	4,512	4,759
ST investments	135	189	159	160	160
Cash or equivalents	5,771	10,495	9,165	9,611	8,606
Others	1,435	64	26	50	50
Total current assets	27,669	45,766	40,637	52,533	52,675
Total Assets	29,215	47,922	44,079	55,871	56,513
ST loans	6,813	11,381	5,836	12,850	13,456
Accounts Payables	2,050	1,838	1,754	2,456	2,845
Others	8,351	999	823	900	900
Total current liabilities	17,213	14,218	8,413	16,206	17,201
LT loans	0	3,426	0	0	0
Others	163	197	945	976	987
Total non-current liabilities	163	3,623	945	976	987
Minority Interests	366	595	935	1,187	1,264
Shareholder Equity	11,473	29,486	33,786	37,502	37,061
<hr/>					
Cashflow Statements (HKD mn)	FY11	FY12	FY13	FY14E	FY15E
CFO					
PBT	4,629	8,166	7,095	7,184	8,234
Adjustments	1,006	1,020	568	1,024	1,034
Cash from ops before WC changes	5,635	9,186	7,663	8,208	9,268
WC changes	(7,513)	(14,511)	3,787	(6,512)	(7,512)
Cash generated from ops	(1,878)	(5,325)	11,449	1,696	1,756
Taxes paid, net	(730)	(1,353)	(1,464)	(2,045)	(2,487)
Interest paid	43	44	45	45	45
Cashflow from ops	(2,564)	(6,633)	10,030	(304)	(686)
CFI					
CAPEX, net	(769)	(867)	(827)	(945)	(834)
Dividends from associates & JVs	0	37	0	0	0
Dividends/Interest from Investments	70	89	108	124	140
Purchase/sale of investments	(55)	(25)	(247)	0	0
Investments in subs & associates	1	(148)	(6)	0	0
Others	675	1,409	(61)	0	0
Cashflow from investments	(78)	495	(1,033)	(821)	(694)
CFF					
Share issuance	2	15,499	0	0	0
Purchase of treasury shares	0	0	0	0	0
Loans, net of repayments	3,662	7,494	(8,722)	4,871	3,975
Dividends to minority interests	0	0	0	0	0
Dividends to shareholders & capital reduction	(9)	(4,543)	(1,710)	(3,300)	(3,600)
Others	2,557	(7,587)	104	0	0
Cashflow from financing	6,211	10,862	(10,328)	1,571	375
Net change in cash	3,569	4,724	(1,330)	446	(1,005)
Effects of exchange rates	79	63	22	0	0
CCE, end	5,771	10,495	9,165	9,611	8,606

Source: PSR

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within \pm 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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