

## Morning Meeting Summary

**PDD/ Meituan/ Weibo/ NetEase/ Zhihu/ NVIDIA/ Lenovo; 湖南黄金 首次覆盖; 策略 - 市场调整的性质和进程**

29 May 2023

	Last	1D (%)	YTD (%)
MSCI China	59.4	-2.10	-7.05
Hang Seng	18,747	-1.93	-5.23
Shanghai	3,213	0.24	3.99
Topix	2,146	-0.30	13.43
Nikkei 225	30,916	0.76	18.48
Kospi	2,561	-0.26	14.50
BSE Sensex	62,238	0.53	2.30
MSCI India	761.2	0.20	-1.26
Taiwan TaieX	16,505	2.14	16.75
S&P/ASX 200	7,151	-0.87	1.33
Dow Jones	33,093	0.89	-0.16
S&P 500	4,205	2.19	9.53
Nasdaq	12,976	3.94	23.97
SOX index	3,546	13.49	40.03
Bit Coin	21,205	-19.72	28.36

Source: Wind

## Analyst Marketing

Date	Analyst	Region
29 May-1 Jun	海通国际李明将于5月29日-6月01日在香港线下进行北京人工智能探索之旅的反馈一对一路演	Hong Kong
29-31 May	海通家电首席陈子仪将于5月29-31日在香港进行线下路演	Hong Kong

## Corporate Access

Date	Title	Location
29-31 May	HTI Japan Technology Field Trip	Tokyo
30-31 May	Midea Group (000333 CH)	Hong Kong
31 May	Haitong International Seminar - 神经网络的技术分享, 从单个神经元到ChatGPT	Hong Kong

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## China Overseas

### **Natalie Wu: Pinduoduo (PDD US): A clean beat driven by resilient GMV recovery amid conservative linear extrapolation expectation post last quarter— Maintain OP**

1Q23 review: Total rev beat by 16.5%, adj. NP rose 141%YoY and beat by 68.8%; online marketing services and others rev grew robust, +49.7%YoY, beating street expectation. Worth noting: 1) OMS should be even higher than 50%yoy growth as reported due to a slower growth for merchandise sales; 2) GPM weighed due to TEMU related fulfillment cost, while still managed a YoY upward trend thanks to domestic platform scale economy.

Transaction commission revenue + 86%YoY to Rmb10.4bn, outpacing domestic platform GMV growth thanks to TEMU contribution and Maicai take rate raise. We expect the high double digit growth to continue throughout the whole year, before decelerating into 28%YoY in 24E when base effect kicks in.

OMS formulates a concrete and solid beat, reaccelerates from last quarter's 38%YoY (which led to a plunge back then), to 50%YoY to Rmb27.2bn, behind which we estimate the major driver being GMV growth, and take rate enjoys some YoY comp benefit as it rose sharply since 2Q last year. Also, the market expectation on PDD falls into the linear extrapolation for take rate development. The expectation also constitutes a good part of this time's beat as well, as we mentioned last time in our 4Q22 review note.

Domestic EC platform OPM holds well despite an increased S&M spending. We estimate the platform OPM to be 1.5% in 1Q23, despite lowered from 2% in 2Q22~4Q22, still a clear YoY improvement compared with 1.1% in 1Q22. With abundant bullet to be reserved with a fast growing high-margin revenue line, we expect PDD's domestic EC margin to be quite safely held around 2% in 2023E, and a \$10bn profit as intact.

Valuation and recommendation: Maintain OP rating and top-pick unchanged, TP also unchanged at \$104, based on 15x domestic EC platform 23E profit. No valuation contribution from Macai or TEMU due to conservative consideration.

Risks: Sino-US relationship becoming intensified.

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### **Natalie Wu: Meituan (3690 HK): Riding with offline recovery, in-store actively fighting back with margin pressure less than feared— Maintain OP**

1Q23 numbers beat: revenue beat by 2.0% and adj. Net profit beat consensus with a wide margin by 182%; Core rev and OP both beat guidance; New initiatives further narrowed its quarterly loss. Specifically, In-store GTV and revenue growths of accelerated month by month during 1Q, which is stronger than its peer.

In-store saw robust growth in 1Q under competition, with long term growth and margin target unchanged. Both GTV and revenue growth have been growing steadily for in-store, where total GTV grew at +52%YoY, and March GTV +102%YoY, riding on offline merchants back to be in business operation and offline activities rebound swiftly post Covid control. Going into 2Q, April and May has maintained the solid growth, and especially with hotel business, both room nights and ADR achieved record high during Labour Day holiday, reflecting satisfying momentum and resilience of the business even under competition from Douyin. With margin,

which is the most concerned issue from market, company claimed they have been actively fighting back the challenge from Douyin, under measures including granting user subsidies, lowering criteria for ads products, i.e. Shang Hutong, etc. However, since these moves were conducted by 1Q end, 1Q in-store margin maintained at high level, of 48%. Considering more investments would be made in the upcoming 2Q and 3Q, in-store margin may experience some cut for the two quarters, but long term growth and margin target remain unchanged. We are now modeling 30%/33% OPM for 2Q/23E, respectively.

Food delivery leading position intact: generated decent recovery during in Q1, that rev increased by 22%YoY that both active merchants and users grow rapidly and delivery order grew 20%YoY in March. Per mgmt., the order rebounding trend persist into Q2 with 35%YoY growth for order volume in April and May. Supply-side, SME started to rebound in April, following the rally from high quality and chain merchants since year-beginning. We expect 29.5%YoY increase in order volume and a similar trend for FD revenue, considering the offset between high proportion of low-AOV merchants and improving ads take rate. Mgmt. will increase subsidies facing fierce competition. However, backed by high-profitable ads increase and declining rider cost, Meituan is still able to maintain a flat YoY OP/order in Q2, per our estimation.

Other businesses on track: 1) Insta-shopping maintained strong order growth in 1Q, and UE close to breakeven, with all non-food categories including pharmacy, flower, supermarket all achieve solid order growth. 2) New initiatives further narrowed loss to Rmb5bn, in which Meituan Select loss at Rmb4.5bn.

Valuation & recommendation: Although pressure may continue in mid to long term amid Douyin competition, while share price has plunged a lot and recent momentum has erased some concern over competition this year. We maintain OP and with TP at HKD205 unchanged - Food delivery HKD120 (20x 25E OP, on Rmb1.2 UE), in-store HKD60 (15x 25E OP, on 35% OPM), insta-shopping HKD25 (20x PE on Rmb2 normalized UE), implying 63% upside to current price.

Risks: competition becomes more severe.

**Natalie Wu: Weibo (WB US): Profitability intact; to reward investor via dividend onwards—Maintain OP & Cut TP by 2%**

1Q23 review: Total rev, down 15%YoY\8%QoQ to US\$413.8mn, in line with consensus with online ads revenue basically in line. Non-GAAP NP (a margin of 27%, flat YoY), beat BBG consensus by 8% (margin: 2ppt higher than consensus). MAU peaked at 593mn, despite a narrowed S&M expense, primarily thanks to the rally of entertainment contents during Q1.

Valuation & recommendation: We continue to value WB with 10x 23E PE based on N-GAAP OP of US\$627mn, deriving a TP of US\$26.5, down 2% from previous valuation due to a lower topline forecast. We reiterate our rating of OP for WB, despite a slower-than-expected recovery pace. We like WB's unique position in social media sector and mgmt.'s outstanding expense management ability amid tough times. Mgmt announced an US\$0.85/shr special cash dividend this quarter, corresponding to 5.3% div yield. Together with the share repurchased during 2022 (US\$57.7mn), mgmt. has returned US\$257mn to shareholder, 6.8% of current mkt cap. They also hinted to normalize the dividend payout in the future to reward

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shareholders. We expect this can attract investors who prefer stable cash inflows going forward.

Risks: Macro recovery slower than expectation.

**Natalie Wu: NetEase (NTES US): Solid Q1 on Robust Mobile Game Performance—Maintain OP & Raise TP by 3%**

1Q23 NP beat by a wide margin: revenue beat by 1% (Rmb25.0bn, +6% YoY/-1% QoQ) on strong mobile games; GPM beat by 4 ppts (59.5%, +5ppts YoY/+7ppts QoQ), thanks to higher-than-expected low margin Blizzard titles contribution and music margin improvement from reduced revenue sharing ratio. Accordingly, Adj.NI beat by a wide margin of 33% (Rmb7.6bn, with 30.2% margin, +8ppts YoY/+11ppts QoQ), with Adj. NPM beat by 7 ppts.

Valuation & recommendation: Our new TP for NTES stands at \$96 per ADS (\$62bn based on 16x FY23 core business EPS of \$6.0, without assigning any value to Youdao, Music, Yanxuan or cash), up slightly from previous TP of \$93 based on SOTP. We maintain OP rating on this name.

Risks: game performance fails expectation; sector-wise regulation risks.

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**Natalie Wu: Zhihu Inc. (ZH US): Achieved positive operating cash flow first time since listing—Maintain OP & Cut TP by 5%**

1Q23 beat with OCF turning positive: Total revenue reaccelerated to 34% YoY to Rmb994.2mn, beat consensus by 4%. Adj. operating loss continued to improve by Rmb16.4mn QoQ to Rmb157mn, beat the Street's expectation of Rmb365mn. Operating cash flow turned positive to Rmb59.9mn, marking the first positive OCF quarter since Zhihu listing. MAU increased YoY\ QoQ to 102.4mn, with over 110mn in March

Valuation & recommendation: We continue to apply a 2x 23E PSR for Zhihu, slightly cut our 23E topline forecast to 4.6bn, deriving a TP of US\$2.1, indicating an OP rating.

Risks: weak macro and fierce competition.

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**Natalie Wu: Weekly Market Watch #55: fundamentals still matter despite weak ADR sentiment**

Kweb/ Nasdaq/ HSTECH/ HSI/ S&P 500/ Dow Jones/ CSI 300/ SSEC closed at -2.0%/2.5%/-3.4%/-3.6%/0.3%/-1.0%/-2.4%/-2.2% last week. Year-to-date, Kweb/ Nasdaq/ HSTECH/ HSI/ S&P 500/ Dow Jones/CSI 300/ SSEC rose by -14%/ 24%/ -11%/ -5%/ 10%/ 0%/ -1%/ 4%, respectively.

Despite a wide divergence between KWEB and NASDAQ performance, at least last week has well demonstrated that fundamental still matters despite weakness for ADR sentiment, share prices almost moved towards the similar direction for those results release that can change full year forecasts, see NTES, PDD for the positive examples and BZ, WB for the contrary. We expect momentum for PDD to last for a while, at least towards mid-August, if not November, that could shadow the sentiment for other big EC players however, with the pairing acts and market share speculations. While for BZ and WB, we want to emphasize that they are also recovering, but with a pace affected by macro factors, but as long as no

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competition evolved, the recovery will naturally lead to a solid number that originally expected, so buy-into-dip may be a good choice at current stage.

**Anson Tong: NVIDIA Corporation (NVDA US): A Strong Beat on Datacenter—Maintain OP & Raise TP by 45%**

Raise TP to US\$515: We have been more positive than the street on Nvidia's datacenter demand and expected a guidance beat in our earnings preview note (Link). Nevertheless, Nvidia's revenue outlook beat our (much higher than street) forecasts, thanks to robust datacenter demand. Meanwhile, gaming also had a strong quarter, thanks to the RTX 40 series and a better than feared inventory correction progress. As such, we believe Nvidia is poised to achieve higher growth, underpinned by datacenter and gaming demand, and raise our earnings estimate by 24%/31% for FY24/25E. Accordingly, we raise TP to US\$515, based on 50x FY25E PE, which is one s.d. above the historical average to reflect the vast unique growth opportunity for Nvidia's GPU offerings.

Results & Guidance Strong Beat on datacenter: FY1Q24 revenue of USD7.2bn (+18% QoQ/-14% YoY) beat consensus/HTIe by 11%/11%, driven by robust datacenter demand, as well as gaming/professional visualization business recovery from inventory correction. Meanwhile, GM of 66.8% (+1.2pp QoQ/+0pp YoY) improved on better product mix, leading to EPS of US\$1.09 (+26% QoQ/ -21% YoY), which is higher than consensus/HTIe by 19%/22%. Looking ahead, Nvidia guides FY2Q revenue to reach US\$11.0bn, a record high, mainly driven by datacenter, thanks to AI demand.

Datacenter (A/H100) continues robust growth: In our view, CoWoS volume is still the best tracker for A100/H100 volume, as CoWoS capacity remain tight throughout 2023-24. After the order increment described in our previous note, our recent check suggests Nvidia has another round of small order addition. Based on the CoWoS volume and our proprietary model, Nvidia's datacenter revenue could reach USD29.9bn in FY24, 41% higher than the street's upwardly revised consensus. After factoring in the stronger than expected AI demand, we raise our 2025E global GPU TAM forecast to USD35.4bn.

Gaming business better than feared: Gaming business recorded a strong quarter, thanks to RTX 40 series launched in 4Q22 and an improved inventory level. While Nvidia plans to launch more mid to low end RTX 40 series products during 2Q23-3Q23, we expect the new gaming products to kickstart a replacement cycle, leading to HoH growth in FY2H24. As such, we expect gaming revenue of US\$11.0bn in FY2024, +22% YoY, off a low base.

Risks: 1) Worse than expected demand; 2) supply constrain; 3) peer competition

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**Anson Tong: Lenovo Group (992 HK): PC Bottoming, ISG/SSG Lead the Growth—Maintain OP & Cut TP by 4%**

Maintain Outperform with TP of HK\$8.6: Despite lingering PC demand softness, mgmt. is confident that channel inventory correction will end in Jun-quarter, followed by a moderate YoY growth in 2H23. Meanwhile, we remain positive on ISG's share gain in AI server, as well as benefits from the "China digital plan". Coupled with SSG's resilient growth, we expect Lenovo's non-PC revenue mix to gradually rise. After factoring in FY4Q23 results, we trim our FY24E earnings estimates by -22%, due to near-term PC demand softness. Having said that, we



remain positive on ISG/SSG's growth trajectory and lift our FY24E PE to 9.5x, as we expect PC business grow after mid-2023, leading to TP of HK\$8.6. We transfer coverage from Shelly Chou to Anson Tong.

FY4Q23 results missed on one-off cost: Revenue of US\$12.6bn (-24% YoY, -17% QoQ), impacted by PC weakness and unfavorable FX, was in line with consensus, with IDG/ISG/SSG sales YoY of -33%/+56%/+18% and OPM of 6.7%/0.3%/19.7% respectively. Meanwhile, OPM was 2.3% (-1.2ppt YoY/-2.6ppt QoQ), as Lenovo intensifies R&D investment. Couple with a one-off restructuring cost of US\$249mn, net profit of US\$114mn was lower than consensus/HTIe by 42%/64%. Notably, non-HKFRS net profit, excluding the one-off cost, beats consensus by 26%.

IDG back to YoY growth in 2H23: While 2Q23 PC shipment is still under pressure due to inventory correction, mgmt. expects PC channel inventory digestion to end in mid-year, underpinned by a higher activation vs shipment number. In 2H23, Lenovo expects shipment to trend more consistently with activation rate, leading to a YoY growth in 2H23. As such, we expect a mild PC revenue growth of 1% YoY in 2H23 vs 2H22, followed by 8% YoY revenue growth in 2024, driven by the replacement cycle for PC that shipped in 2021. Overall, we expect IDG revenue to see YoY of -8%/+4% in FY24/25E.

Higher non-PC revenue mix driven by ISG/SSG: Non-PC revenue mix rose to 43%, +12 ppt YoY in FY4Q24, thanks to ISG and SSG's combine growth of 37% YoY during the quarter. Looking ahead, we expect the two business to see continuous growth, driven by AI server share gain and rising as-a-Service adoption respectively. Meanwhile, SSG's higher margin will be the key driver for Lenovo's profitability. Overall, we expect ISG/SSG FY2024 revenue to grow 18%/21% YoY respectively.

Risks: 1) weaker than expected PC and smartphone demand; 2) slower than expected margin expansion.

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**Barney Yao: 小鹏汽车-W (9868 HK): 一季报点评: 业绩短期持续承压, G6 交付+智驾升级有望带来销量拐点—维持优于大市; 下调目标价 6%**

Q1 营收不及预期, 业绩短期持续承压。小鹏汽车 1Q23 实现营收 40.3 亿元, 同比-45.9%, 环比-21.5%, 营收不及预期 (HTI 预测: 41.7 亿元); 毛利 0.7 亿元, 毛利率环比降 7ppts 至 1.7%。其中汽车营收 35.1 亿元, 同比-49.8%, 环比-24.6%; 汽车毛利-0.9 亿元, 毛利率环比降 8.2ppts 至-2.5%, 主要由于销售促销的增加及新能源汽车补贴届满所致。公司 1Q23 交付量达 18,230 辆, 同比-47.3%, 环比-17.9%。分车型看, G3/P7/P5/G9 占比为 12%/35%/30%/23%, ASP 为 19.3 万元, 环比-8.3%。

G6 交付表现将成为小鹏下半年扭转颓势之关键。2Q23 受电池供应链影响, P7i 产能无法满足超过预期的订单需求, 公司预计 2Q23 交付量为 21,000-22,000 辆, 同比减少 36.1%-39.0%, 环比增加 15.2%-20.7%。预计 2Q23 总收入为 45-47 亿元, 同比减少 36.8%-39.5%, 环比增加 11.7%-16.6%。新车型 G6 将于 6 月上市、7 月交付, 公司表示 G6 供应链准备充足, 有望实现快速爬坡上量。G6 自上海车展亮相以来一直备受市场关注, 在空间、续航、智能化、补能速度等方面较 Model Y、问界 M5 等竞品具备竞争优势, 无明显短板, 拥有成为爆款的潜质, 定价将成为销量的决定因素。公司表示, G6 将采用规模优先的平衡定价策略。我们认为, G6 有望成小鹏扭转销量颓势的关键, 公司或采取激进的定价策略以占领市场份额, 下半年月均交付有望稳步回升至 1 万辆以上。

科技创新与平台模块化双向降本，Q3“无图”XNGP 大规模落地有望助力销量增长。成本控制方面，公司坚持平台化与技术创新双向降本策略。公司介绍，最新一代 SEPA2.0 技术架构有望缩短 20% 新车型研发周期，零部件通用化率达 80%，大幅降低开发成本。电池成本方面，公司将聚焦于用更少的电池达到更长的真实续航里程，同时大幅度增加磷酸铁锂的使用比例。另外公司表示在 2023 年内在产品定义、动力整车等领域的相关降本措施会在部分车型上实现并上车。智能驾驶方面，公司宣布不依赖高精地图的 XNGP 将于 Q3 落地，无须政策审批可快速在全国数十个城市推送。我们认为，XNGP 的大规模落地将强化小鹏智能化领先地位，提振 Max 版车型销量，助力公司 ASP 持续提升。

盈利预测与投资评级。考虑到公司新车型和技术迭代的效果将于下半年体现，我们维持全年交付预测 14.8 万辆，预测公司 2023-2025 年营收总额为 329.9/568.4/705.8 亿元（下调 3%/6%/9%）。参考国内外造车新势力企业，给予公司 2023 年 1.8 倍 PS，对应目标价 38.22 港元（对应 2023 年 EV/Sales 为 1.4 倍，处于合理水平；HK\$1 = Rmb0.8998；原目标价：40.60 港元，基于 2023 年 1.8 倍 PS，HK\$1 = Rmb0.8771；下调 6%）。维持“优于大市”评级。

风险提示。原材料价格扰动，新车型产能爬坡速度低于预期，新技术市场表现低于预期，宏观经济下行。

#### Barney Yao: 蔚来 (9866 HK): 全新 ES6 降价增配显诚意，发布即交付有望修复销量

##### 事件

5 月 24 日，蔚来召开全新 NIO ES6 发布会，整车起售价为 36.8 万元（搭载 75kWh 电池包）和 42.6 万元（搭载 100kWh 电池包）；电池租用方案 Baas 起售价为 29.8 万元。上市当日同步开启试驾，全新蔚来 ES6 更换了 NT 2.0 平台，在外观、动力、智能化等方面均有升级，较老款竞争力大幅提升。

##### 点评

全新一代 ES6 座舱布局优化，外观尺寸全面升级。相比起初代 ES6，全新 ES6 延续了瞭望塔式的传感器布局，车顶前方布置 1 颗激光雷达和 2 个前向 800 万像素摄像头。同时，在车身尺寸上有所调整，车高降低了 55mm，宽度提升了 30mm，座舱布置得到整体的优化，由于采用全新基地材质的顶棚，厚度降低 3mm，前排头部空间提升 14mm，后排头部空间提升 75mm，前后排头部空间均超过 1272mm，后排横向空间 1538 毫米为同级最宽。后备箱可三层储物，容积达 668L，后排座椅放倒后最大容积达 1430L。在外观上，全新 ES6 还将充电口移到左后的位置，提升了充电时的便捷度。

二代电驱平台动力提升，预计 7 月上线 150kWh 电池可提供近千公里续航。全新 ES6 标配双电机四驱前 150kW 感应电机，后 210kW 永磁电机，日常驾驶采用后驱模式可以提供更好的驾驶体验，最大功率 360 千瓦，最大扭矩 700 牛米，百公里加速从一代的 4.7 秒提升至 4.5 秒。全新 ES6 还搭载了蔚来自研的智能底盘域控制器 ICC 以及动态悬架阻尼控制系统 CDC，拥有 50:50 车身前后轴荷比，更配备 9 种驾驶模式，满足不同驾驶需求。在电池及补能方面，蔚来 150 度电池包预计将于 7 月推出，搭载 150 度电池包的全新 ES6 拥有高达 930 公里 CLTC 续航里程，远超同价位纯电竞品。在补能方面，第三代换电站已实现全自动换电，蔚来预计今年将新增 1000 座换电站，数量累计达 2300 座，可以覆盖全国大部分一二线城市和高速公路。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77095>

座舱+智驾配置升级，自研座椅大幅提高舒适性。全新 ES6 搭载蔚来自研的座椅，主副驾可支持八点式指压按摩，20 向调节，悬浮式四向可调头枕，座椅舒适性大幅提升。新车配备全功能舒适二排，拥有 510mm 超长坐垫，环绕式全包覆软包，可实现 23-31° 范围内电动调节。在智能化方面，全新 ES6 标配 33 个传感器，拥有 1016Tops 的高算力，搭载 NOP+ 增强领航辅助功能，可以根据导航路线辅助驾驶，覆盖日常驾驶的典型场景和需求。新车标配 ISS 智能舒适刹停功能，可有效抑制刹车导致的“点头”现象。此外在智能座舱方面，车载语音控制系统 NOMI 将新增智能语音记事提醒功能，新车可选装 N-Box 增强娱乐主机，支持多人 AR 大屏观影，沉浸享受 201 英寸大屏。

降价增配诚意满满，发布即交付有望修复蔚来销量。全新 ES6 在动力系统、座舱布局、智能化、座椅舒适性等多方面进行了全面升级，产品力较老款大幅提升，起售价也从老款的 38.6 万元降低至 36.8 万元，降价增配可谓诚意满满。对比理想 L7、小鹏 G9、问界 M7 等同价位竞品，全新 ES6 在动力性能、辅助驾驶硬件、内外饰设计、售后服务方面都有较大优势。我们认为，随着今年蔚来换电网络的快速扩张及 150 度电池的下线，蔚来车型较竞品“可充、可换、可升级”的优势将持续扩大，全新 ES6 作为主销车型将助力蔚来提升高端市场份额，扭转蔚来近期的销量颓势。

风险

新车型爬产不及预期，原材料价格扰动，新技术落地进度不及预期，行业竞争加剧。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77098>

**Bin Yang: 4 月份风电装机同比增长 126%，产业链从 23Q2 开始进入利润兑现阶段**

装机高增推动产业链产能利用率同比大幅回升，风机产能充足，塔筒、海缆等环节基本处于满产状态。5 月 19 日国家能源局公布 1-4 月份电力工业运行数据，1-4 月份风电新增装机 14.2GW，同比增长 48%，风电利用小时数 866 小时，同比增长 79 小时，4 月份单月新增装机 3.8GW，同比增长 126%，3 月和 4 月份连续 2 个月同比增速超过 100%，能源部数据不断验证我们对 2023 年风电新增装机 75GW，同比增长 100% 的观点，超过年初大部分机构 60GW 新增装机的预期。从排产情况来看，风机版块不会出现产能瓶颈，当前风机企业合计产能超过 180GW，排产节奏与出货量较匹配，某头部风机企业预计 23 年出货量翻倍，某头部海缆企业 23 年满产，某塔筒管桩公司 Q2 出货 10-15 万吨，环比至少增长 59%，某风电叶片企业订单排到了年底。

塔筒订单交付先于风机、海缆，看好 Q2 单桩加速出口替代。23Q2 头部塔筒企业海外单桩订单不断，大金重工 5 月份先后获得欧洲莱茵集团 1.65GW 海上单桩订单和欧洲某能源开发集团合计 7.43 亿欧元订单，2022 年至今海外订单超过 40 万吨。欧洲塔筒企业规模较小，主要有 SIF、EEW、SNG、Bladt Industries A/S 等，除了 SIF 均为非上市企业。根据 SIF 披露，上述企业几乎占据欧洲 100% 单桩市场份额，年产单桩为 575 根，按照单桩重量为 2000 吨测算，每年总供给在 115 万吨左右，欧洲 9 国计划 2030 年累计海风装机 130GW 的目标，2022 年底欧洲海风累计装机为 30GW，2022-2023 年新增海上风电装机 100GW，根据 GWEC 数据，“十五五”期间，欧洲海风每年平均装机高达 17GW，假设每 GW 的单桩用量为 15 万吨，每年至少需要 255 万吨，供应缺口巨大，中国塔筒桩基企业有望加速导入欧洲市场。



海缆价值量继续抗通缩，行业竞争格局依然稳固，出口景气度不断提升。根据最新的海缆开标情况，东方电缆中标的广西防城港海上风电示范项目 A 厂址 220kV 海缆、陆缆项目金额为 4.6 亿元，换算成每 GW 价值量为 6.57 亿元/GW，2022 年华润苍南 1 号、国家电投揭阳神泉二、国电象山 1 号海上风电（二期）220kV 近海海缆项目的平均价值量为 5.8 亿元/GW，海缆的抗通缩属性不断得到验证。海外拓展方面，2023 年初至今头部海缆企业海外订单不断，中天科技先后中标缅甸 66kV 海缆总包，沙特 230kV 高压海缆及配套附件，丹麦 Baltica 2 海上风电 275kV 高压交流海缆等等，累计订单超过 60 亿元。东方电缆在 23Q1 签署英国 Inch Cape 海上风电项目（1.08GW）送出海缆前期工程协议，5 月份中标丹麦 Baltica 2 海上风电 66kV 海等等，海缆企业“两海战略”加速推进。

铸锻件先于风机交付，营收较其他环节提前到 23Q1 开始兑现。风机主轴等铸锻件交付先于风机，利润兑现较早，金雷股份 23Q1 归母增速达 117.4%，日月股份归母增速达 120.8%，广大特材归母增速 247.5%，按照交付节奏，风机一般在 Q4 达到交付高峰，因此我们预计铸锻件企业的景气度将持续到年底。原材料方面，钢材的价格处于下降通道当中，5 月份螺纹钢、废钢现货价格较年初分别下降 9.93% 和 4.91%，对毛利率带来边际正向改善，量利齐升。

陆风价格已经企稳，大型化趋势不变，预计毛利率从 Q3 开始边际改善。Q1 是传统风机交付的淡季，占全年交付比例为 10% 左右，从 Q2 开始将进入交付放量阶段，风机企业的风机销售额与装机节奏强相关，价格方面根据我们的观察，从价格来看，陆上风机的均价已经出现了企稳，不含塔筒均价在 1700 元/kW-1800 元/kW 波动，海上风机含塔筒均价下探到 3375 元/kW，风机价格虽然企稳，但 Q1 均价是下跌的，从业绩兑现角度

看，23 年全年交付量包含 23Q1 以及 22Q2-Q4 中标的订单，虽然当前风机价格企稳，但是全年风机交付均价依然是下滑。从交付量来看，由于 22 年陆风海风招标量超过 100GW，而装机量仅为 37.63GW，23 年装机高增是确定的，头部风机企业交付量也将翻翻增长，我们看好风机企业以量补价，特别是进入 Q3 季度，国家能源局单月装机数据将会成为催化因素，推动风机行情。

总结：当前风电产业链各个环节排产较满，塔筒排产环比大幅提升，铸锻件、头部海缆企业满产，今年风电装机翻倍增长确定无疑，并不断被各个环节验证。我们首先关推荐塔筒环节，主要逻辑是出货高增+欧洲出口替代逻辑；其次是受益于海风装机高增及出口加速渗透的海缆版块；持续关注铸锻件企业的业绩放量，同时布局高性价比，成本控制能力较强及一体化程度较高的头部风机企业。

投资建议：建议关注头部运营商【龙源电力】、【华润电力】、【中国电力】；头部海缆公司【东方电缆】、【中天科技】、【亨通光电】；塔筒生产商【大金重工】、【泰胜风能】等等。

风险：政策和需求不及预期，装机不及预期。

**Bin Yang: 海通国际电新&公用&ESG 观点更新：新能源装机保持高增，产业链高景气度可持续**

宏观篇

光伏：23 年全球组件需求上修至 500GW，未来五年装机有望保持 20-30% 的增速

Full note:

<https://equities.htisec.com/app/research/report-view?id=77117>

风电：到 2025 中国新增风电装机将达到 95GW，23-25CAGR 为 12.5%，全球新增装机 156GW，23-25CAGR 为 14%

天然气：天然气价格中枢将继续下滑，到 2025 年中国天然气供应能力将达到 5000 亿方

电新篇

储能&锂电：储能黄金赛道开启，关注价值量最大、弹性最大的储能电池，新能源车增速放缓，动力电池加速出清

光伏：上游原料端与下游招标端同时处在价格下行区间，产业链短期承压，当前看好一体化组件环节的韧性

风电&电网：关注风电设备 23Q2-Q4 季度出货量和业绩大幅修复，特高压线路招标及开工带来催化行情

公用篇

风光运营商：风光运营商 IRR 普遍超过 8%，装机及经济性较好

火电：电价维持顶格 20%，动力煤价格进入下降通道，火电企业盈利具备高弹性

抽水蓄能：电价补贴机制理顺，抽水蓄能建设迎来高峰，景气度将维持到“十五五”

城市燃气：天然气价降量升，毛差有望改善

ESG 篇

中国 ESG：公开征集办法学，CCER 重启渐行渐近

欧洲 ESG：欧盟碳关税靴子落地，“双碳”步伐进一步加快

风险：1.该政策弱于预期；2.原材料增加导致成本上升，利润下降；3.价格竞争导致利润下降。

**Yali Luo：中通快递（开曼）(ZTO US)：成本管控优异，市占率提升，核心竞争力进一步增强—维持优于大市；上调目标价 7%**

23Q1 公司实现营业收入 89.8 亿元/+13.7%，调整后净利润 19.2 亿元/+82.1%，市场份额同比提升 1.8 个百分点至 23.4%。

盈利预测与投资建议：我们预计 2023 年全年调整后归母净利润同比增长 33.1%至 90.88 亿元。我们认为公司的长期投资价值保持不变，给予公司 20X 2023E PE 不变，得出合理每股价值为 32.98 美元（原目标价为 30.91 美元，上调 7%），维持“优于大市”评级。

风险提示：宏观经济增长低于预期，行业恶性价格战卷土重来，公司业务量增速不及预期，车辆及设备利用率降低，人力成本大幅提升。

**Amber Zhou：SB Inflow HK\$6.6bn, TENCENT +HK\$2.2bn; NB Outflow Rmb17.9bn, Materials -Rmb4.3bn**

• Over the past week, capital inflows to the Hong Kong market fell to HK\$6.6bn, and outflows from the Shanghai and Shenzhen markets accelerated to Rmb17.9bn.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77144>

Full note:

<https://equities.htisec.com/app/research/report-view?id=77146>

- Southbound: Capital flowed into the Communication Services and Energy sectors and flowed out of the ETF sector. TENCENT(700 HK) and CHINA MOBILE(941 HK) topped net buying, while TRACKER FUND(2800 HK) topped net selling.

- Northbound: Through the Shanghai Connect, capital flowed into the Utilities sector and flowed out of the Financials, Materials, and Consumer Discretionary sectors. Through the Shenzhen Connect, capital flowed into the Communication Services sector and flowed out of the Materials, Consumer Staples, Information Technology, and Financials sectors. HITHINK ROYALF(300033 CH) topped net buying, while LONGI GREEN EN(601012 CH), WULIANGYE YIBI(000858 CH), and CHINA MERCH BK(600036 CH) topped net selling.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77082>

**Ting Sun: 富途控股 (FUTU US): 2023 年一季报点评: 受益于佣金率及基准利率提升, 一季度收益同比大幅增长—维持优于大市**

富途控股 2023 年一季度实现营业总收入 25 亿港元, 同比+52%; 调整后净利润 12.68 亿港元, 同比+104%; EPADS 8.54 港元, ROE 5.54%。公司一季度业务大幅提升主要是混合佣金率提升及银行存款和证券借贷业务的利息收入增加所致。

我们估算公司 2023E/24E/25E 实现归母净利润为 36/46/54 亿港元, 同比 +24%/+26%/+18%, 对应 EPADS 分别为 28.5/37.6/44.5 港元。使用可比公司估值法进行估值, 给予公司 18x 2023E PE, 对应每股目标价格为 66.15 美元 (维持)。维持“优于大市”评级。

风险提示: 公司用户数增速可能不达预期、互联网金融规范政策可能抑制行业发展、公司两融规模增速放缓。

## China A-share

Full note:

<https://equities.htisec.com/app/research/report-view?id=77137>

**Yugen Xun: 市场调整的性质和进程**

(1) 近期市场调整背后的核心因素是经济复苏不稳固、有反复, 是底部第一波上涨后的休整。

(2) 历史上第一波上涨后, 通常回吐前期涨幅的 0.5-0.7, 对比而言, 这次万得全 A 和沪深 300 调整已较显著。

(3) 经济修复仍需政策支持, 届时市场望重拾升势。关注数字经济中基本面望好转的领域, 如数字基建、信创、半导体等。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77101>

**Yugen Xun: 守势**

估值整体合理, 双轮驱动或没有结束。

预期转弱制约市场, 存量下的结构性行情延续。

经济修复速度放缓、结构分化延续。

供需双弱影响预期。

美联储加息预期放缓, 银行风险尚未完全消除。

期指短期压力分化。

商品方面, 大宗商品受需求不足影响。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77131>**Zhonghua Liang: 美元维持强势——全球大类资产周报（5/19-5/26）**

上周美联储降息预期继续减弱，美元指数、美债利率上行，美国经济数据依然偏强，通胀维持高位，通胀仍是核心矛盾。我们仍然判断美联储下半年降息预期较低，加息预期甚至依然存在，短期内美元或继续维持强势，美债利率或继续上行，对黄金、新兴资产构成压制。

国内经济仍然面临下行压力，政策保持定力，不过利率已经不再下行。后续市场或暂时维持稳定。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77124>**Zhonghua Liang: 利润承压，等待政策——4月工业企业利润数据点评**

如果剔除掉去年同期的低基数影响，工业企业利润仍在边际走弱，其中价格和利润率仍是主要拖累。当前的实体经济高频数据显示，外需边际走弱，国内需求回升仍不明显，下一阶段需求端要回升，或仍需要政策加码支持。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77111>**Barney Yao: AIGC 迭代迅速，OpenAI 建议规范 AI 监管**

事件

5月16日，美国国会召开主题为“AI 监管：人工智能规则的听证会”，首次对 OpenAI 创始人 Sam Altman 质询，ChatGPT 和其他生成式 AI 工具的不断出现引发了美国立法者对 AI 安全的担忧，参议院表示该场听证会开启了对人工智能先进算法和强大技术的监督和阐释工作。

点评

AI 技术监管意义重大，Altman 建议引进监管机制。在听证会上，Altman 表示 AI 技术的迅速发展无疑将会增加潜在风险和滥用，可能对世界造成的重大伤害，他认为加强 AI 技术监管，并引入政府监管在确保 AI 技术负责任的发展方面是十分重要的。此外，在监管措施方面，Altman 还提出了一个成体系的有准备的方案：1) 成立一个新的政府机构，负责 LLM 的授权，同时也有权撤销不符合标准公司的许可证；2) 为 AI 模型建立一套安全标准，对其危险性进行评估；3) 需要独立专家对模型的各个指标进行独立评估。我们认为 Altman 对技术的担忧是合理的，只有制定相关监管措施，才能确保 AI 的安全和道德的发展。

AI 集中度提高有利有弊，OpenAI 或将涉足广告业务。在听证会中，议员对于企业在 AI 领域的高度和垄断表示担忧，但是 Altman 指出，目前只有少数的供应商能制造生成式 AI 大模型，但是在 AI 领域的竞争是足够的。集中度的提高有利有弊，虽然增加了垄断风险但是因为真正需要密切关注的目标较少，所以反而易于监管。我们认为，AI 领域具备很强的潜在多样性和创新性，因此如果使用不当破坏性也是巨大，将风险控制在少数公司上或许有利于 AI 技术的发展。此外，Altman 还提到，OpenAI 有可能涉足广告业务，虽然他个人喜欢订阅模式，且广告模式不适用于 AI 系统，但存在潜在客户只接受广告模式的情况。他认为 AI 不会重蹈社交网络和算法推荐的覆辙，OpenAI 在探索商业模式时将更注重用户订阅和价值交换，而非依赖广告收入。

推动 AI 技术全球合作，加强监管和规范化。面对议员提出的 AI 是否会像社交媒体一样成为新的数字殖民工具，Altman 提到 OpenAI 关注并致力于推动 AI 技术的全球化和包容性发展，最新版本的 ChatGPT 在支持多种语言方面已经取得了很大进展，OpenAI 愿意与合作伙伴合作，将更多小语种纳入模型。此外，Altman 认为美国 1996 通过的针对社交媒体的条款已经不适用于人工智



能，他主张建立类似国际原子能机构的组织，旨在为 AI 制定全球规则，以确保其安全和可持续性发展。

风险

人工智能发展不及预期；政策风险等。

Full note:

<https://equities.htsec.com/app/research/report-view?id=77118>

**Weimin Yu: 紫光国微 (002049 CH): 业绩快速增长, 回购彰显发展信心—维持优于大市; 下调目标价 17%**

事件：紫光国微发布 2022 年报和 23 年一季报，22 年实现营收 71.20 亿元（+33.28%）；归母净利润 26.32 亿元（+34.71%）；毛利率 63.80%（+4.32PCT）。22Q4 收入 21.84 亿元（+40.65%），归母净利润 5.91 亿元（+19.08%），毛利率 59.43%（+0.91PCT）；23Q1 收入 15.41 亿元（+14.87%），归母净利润 5.84 亿元（+10.03%），毛利率 66.65%（+2.76PCT）。

特种集成电路业务持续发力，境外收入大幅提升。按产品划分，22 年公司特种集成电路收入 47.25 亿元（+40.42%），毛利率 73.92%（-3.28PCT）；智能安全芯片收入 20.80 亿元（+24.99%），毛利率 46.49%（+15.32PCT）；晶体元器件收入 2.87 亿元（+6.12%），毛利率 27.28%（+6.46PCT）。按地区划分，22 年公司境内业务收入 64.83 亿元（+29.46%），毛利率 65.57%（+3.54PCT）；境外业务收入 6.37 亿元（+90.35%），毛利率 47.97%（+20.19PCT）。

深圳国微稳步增长，紫光同创增速亮眼。2022 年，深圳国微收入 47.25 亿元（+40.40%），净利润 24.93 亿元（+36.17%）；紫光同创收入 17.12 亿元（+23.92%），净利润 0.60 亿元（+3.04%）；紫光同创收入增速超 80%。紫光同创专业从事可编程系统芯片的研发与销售，22 年大规模 FPGA 顺利实现量产发货，中小规模 FPGA 产品型号谱系进一步完善，在视频图像和工业控制市场领域取得了发货量和营收的全面快速增长。

研发投入快速提升，回购彰显发展信心。22 年公司销售费用 2.72 亿元（+11.56%），管理费用 2.40 亿元（+7.66%），财务费用-354.28 万元（-118.30%），主要系利息收入和汇兑收益增加，研发费用 12.11 亿元（+91.52%），主要系研发投入的人工成本增加以及本期研发项目中费用化项目的比例增加。2023 年 4 月 25 日，公司进行首次股份回购，回购数量 8.41 万股，占公司总股本的 0.01%，成交金额为 871.88 万元，回购的股份将用于公司未来实施股权激励或员工持股计划。我们认为，股份回购彰显了公司对未来持续稳定发展的信心，并有利于进一步激活公司创新动能。

盈利预测。我们预计，公司 2023~2025 年收入分别为 92.94 亿元、120.30 亿元、151.65 亿元（2023-24 年原预测 40.97 亿元、50.65 亿元）；归母净利润分别为 34.97 亿元、46.04 亿元、57.75 亿元；EPS 分别为 4.12 元、5.42 元、6.80 元（2023-24 年原预测 6.75 元、8.35 元）。我们认为紫光国微作为特种行业芯片龙头，长期增长可期。参考可比公司估值，给予公司 2023 年动态 PE 33X，对应目标价 135.96 元（原目标价 228.15 元，2022 年动态 PE 45x，拆股后相当于 162.96，-17%），维持“优于大市”评级。

风险提示。客户拓展低于预期，产能释放低于预期。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77081>**Weimin Yu: 中际旭创 (300308 CH): 高速率产品起量, 盈利能力持续优化—维持优于大市; 上调目标价 124%**

投资要点:

事件: 中际旭创发布 2022 年年报及 2023 年 Q1 季报, 公司 2022 全年收入 96.42 亿元 (同比+25.29%), 归母净利润 12.24 亿元 (同比+39.57%), 扣非归母净利润 10.37 亿元 (同比+42.54%), 毛利率 29.31% (同比+3.74PCT)。Q4 单季收入 27.77 亿元 (同比+17.00%), 归母净利润 3.71 亿元 (同比+17.23%), 扣非归母净利润 2.58 亿元 (同比+19.19%), 毛利率 32.76% (同比+4.65PCT)。公司 2023Q1 收入 18.37 亿元 (同比-12.04%), 归母净利润 2.50 亿元 (同比+14.95%), 扣非归母净利润 2.33 亿元 (同比+18.58%), 毛利率 29.55% (同比+3.27PCT)。Q1 净利逆势增长一方面出于出货结构变化, 22 年一季度主要产品为 200G 和 400G, 23 年一季度增加了 800G 新产品, 因此带来毛利率的大幅提升; 另一方面公司也在持续提升产品的良率和生产效率, 200G、400G 产品的毛利均得以进一步优化。

产品结构向高速光模块转移, 毛利率稳定提升。按业务拆分, 2022 年高速光模块收入 87.46 亿元 (同比+37.44%), 业务占比 90.71%, 毛利率 30.75% (同比+2.78PCT); 中低速光模块收入 6.66 亿元 (同比-25.71%), 业务占比 6.91%, 毛利率 17.30% (同比+3.16PCT)。按地区拆分, 2022 年境外收入 83.77 亿元 (同比+44.99%), 业务占比 86.88%, 毛利率 31.79% (同比+1.15PCT); 境内收入 12.65 亿元 (同比-34.05%), 业务占比 13.12%, 毛利率 12.92% (同比+2.60PCT)。

研发&产能布局充分, 行业龙头地位稳固。公司持续加大对新方向、新产品的研发布局, 800G 和相干系列产品等已实现批量出货, 1.6T 光模块和 800G 硅光模块已开发成功并进入送测阶段, CPO (光电共封) 技术和 3D 封装技术也在持续研发进程中。海外业务方面, 公司 22 年收获了新的海外重点客户, 在数据中心光模块的行业地位和市场份额得到了进一步巩固和增强; 同时公司的泰国工厂已完成设备调试、试生产和客户验厂等工作, 做好了量产前的各项准备工作, 并将按计划从泰国厂量产出货 400G 和 800G 等产品。

盈利预测。我们预计公司 23-25 年归母净利润 14.82 亿元、19.99 亿元和 24.96 亿元, EPS 为 1.85 元、2.50 元和 3.12 元。参考可比公司估值以及公司行业龙头地位, 考虑公司是光模块行业向 800G 升级的直接受益者, 给予公司 23 年 PE 52x, 对应目标价 96.20 元, 维持“优于大市”评级。

风险提示。大客户需求调整, 市场竞争风险, 激光雷达业务发展不及预期。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77119>**Jingbo Zhao: 捷佳伟创 (300724 CH): TOPCon 设备快速放量, 中标头部客户量产型 HJT 整线订单**

事件: 捷佳伟创公告 2022 年年报及 2023 年一季报。2022 年实现营收 60.05 亿元, 同比+18.98%; 归母净利润 10.47 亿元, 同比+45.93%。2023 年 Q1 实现营收 19.31 亿元, 同比+41.73%; 归母净利润 3.36 亿元, 同比+23.16%。

从盈利能力看, 2022 年公司毛利率为 25.44%, 同比+0.84pct; 净利率为 17.43%, 同比+3.29pct。2023 年 Q1 公司毛利率为 22.78%, 同比-4.35pct; 净利率为 17.42%, 同比-2.57pct。

公司合同负债、存货维持高位印证了公司在手订单相对饱满, 奠定了未来业绩增长基础。截至 2023Q1 末, 公司存货为 87.84 亿元, 同比+111.43%, 合同负债为 77.86 亿元, 同比+132.08%。

多技术路线布局拓展，TOPCon、HJT、钙钛矿、半导体设备领域多点开花。

盈利预测与估值：我们预计公司 2023/2024/2025 年实现归母净利润 15.25/24.29/ 31.33 亿元，对应 EPS 分别为 4.38/6.98/9.00 元/股。参考可比公司估值，给予公司 2023 年 40 倍 PE，目标价为 175.20 元/股。首次覆盖给予“优于大市”评级。

风险：TOPCon 扩产不及预期、电池技术降本提效不及预期、下游需求增长不及预期等。

**Jingbo Zhao: 浙江鼎力 (603338 CH): 盈利能力有所改善，海外业务持续发力**

事件：浙江鼎力公布 2022 年年报及 2023 年一季报，（1）2022 年公司实现营收 54.5 亿元，同比增长 10.24%;实现净利润 12.6 亿元，同比增长 42.15%;(2) 2023Q1 公司实现营收 13 亿元，同比增长 3.88%;净利润 3.19 亿元，同比增长 63.24%。

盈利能力较快提升，期间费用控制良好。从盈利能力看，2022 年公司毛利率为 31.04%，同比+1.71pct;净利率为 23.09%，同比+5.18pct;2023Q1 公司毛利率为 37.59%，同比+8.38pct;净利率为 24.54%，同比+8.92pct。

盈利能力快速提升的主要原因是：1) 公司积极加大海外渠道建设，高毛利率的海外业务占比不断提高;2) 原材料成本的下降和海运成本的持续下降;3) 2022 年，公司推出多车型、多系列新产品，产品竞争力不断提升;4) 汇率波动导致汇兑收益增加。

合同负债同比高增长，印证了公司手头的订单相对充足。截至 2023Q1 末，公司存货为 18.9 亿元，同比增长 27.21%;合同负债为 7000 万元，同比增长 148.70%。盈利预测及估值：我们预计公司 2023/2024/2025 年实现归母净利润 15.87/17.40/20.62 亿元，对应 EPS 分别为 3.13/3.44/4.07 元/股，参考可比公司估值和公司历史估值情况后，给予公司 2023 年 22 倍 PE 估值，目标价为 68.86 元/股，首次覆盖给予“优于大市”评级。

风险：“双反”调查风险、运费及原材料价格波动风险、疫情反复冲击风险等。

**Huaichao Zhuang: 隆华新材 (301149 CH): 优质聚醚龙头拓展聚醚胺和尼龙 66 等新材料，未来成长可期**

公司主要生产软泡用聚醚及 CASE 用聚醚。公司主要从事聚醚系列产品的研发、生产与销售，产品分为两部分：软泡用聚醚及 CASE 用聚醚，其中软泡用聚醚为主要产品，包括 POP 及通用软泡聚醚系列产品。公司软泡用聚醚产品用于生产软质聚氨酯泡沫塑料。CASE 用聚醚主要用于制备聚氨酯涂料、胶粘剂、密封剂、弹性体等。

公司生产 POP 占据优势，加快聚醚产能扩张。1) 公司生产 POP、聚醚占据优势，自主研发并掌握了高固含量（可达 50%固含量）且低粘度、遇水不凝胶、超低 VOC、高白度等 POP 核心技术，形成了自主创新技术体系，极大的提升了公司产品的技术指标。公司聚醚产品结构以中高端聚醚产品（包括普通 POP、高活性 POP、高活性软泡聚醚、特殊软泡聚醚以及 CASE 用聚醚）为主。2) 2022 年 POP 消费量为 65.7 万吨，同比减少 3.24%，主要受应用端软体家居行业需求量减少，汽车产量增加影响。高回弹聚醚需求量为 44 万吨，同比增长 5.26%，弹性体聚醚需求量为 41.7 万吨，同比减少 5.66%。虽然国内

Full note:

<https://equities.htisec.com/app/research/report-view?id=77120>

Full note:

<https://equities.htisec.com/app/research/report-view?id=77086>



弹性体聚醚需求量有所下降，但聚醚行业出口量为 127.55 万吨，同比增长 15.07%。3) 公司 2022 年如期建成年产 36 万吨高性能聚醚多元醇扩建项目，聚醚总产能达 72 万吨/年。公司拟对一车间聚醚多元醇 31 万吨/年生产装置进行改扩建及节能提升改造，项目投入约 2000 万元，公司预计于 2024 年 12 月竣工，建成后聚醚多元醇总产能将达到 93 万吨/年。

公司向聚醚产品下游延伸，在聚氨酯领域一体化布局。1) 端氨基聚醚项目是公司向聚醚产品下游延伸，在聚氨酯领域多元化、一体化发展的布局。公司实施 8 万吨/年端氨基聚醚项目，项目投资约 6 亿元，预计于 2023 年 10 月竣工。据公司预测，项目建成投产后年均可实现营业收入约 22.32 亿元，年均利润总额 4.12 亿元。2) 在聚氨酯领域，特别是在高性能弹性体系中，聚醚或聚酯多元醇将会越来越多地被端氨基聚醚所替代。从全球及中国市场销量来看，中国市场需求增速快于全球。随着可再生能源稳步复苏，海上风电的推行，风电行业逐步好转，端氨基聚醚市场需求总体上稳中有升，有着良好的发展前景。

公司向尼龙 66 行业布局，在新材料领域多元化发展。公司投资设立山东隆华高分子材料有限公司进行 108 万吨/年 PA66 项目，投资约 73 亿元，计划于 2028 年 6 月竣工，公司预计项目全部建成投产后，年均可实现营业收入约 248.4 亿元，年均利润总额 22.51 亿元。项目分三期建设，一期建设 16 万吨/年生产装置、办公楼、研发中心、后勤服务中心、展厅、控制室、公辅工程及配套设施；二期建设 32 万吨/年生产装置及配套设施；三期建设 60 万吨/年生产装置及配套设施。

风险提示：宏观经济环境变化的风险；下游市场需求不及预期的风险；在建产能投产进度不及预期的风险。

#### **Huaichao Zhuang: 华峰化学 (002064 CH): 2023Q1 业绩回升, 新增产能投放带动业绩增长—维持优于大市; 下调目标价 48%**

受益于经济复苏，公司 2023Q1 业绩环比显著提升。公司 2022 年营业收入 258.84 亿元，同比下降 8.75%，归母净利润 28.44 亿元，同比下降 64.17%，扣非净利润 26.77 亿元，同比下降 65.93%。公司业绩下降主要由于受原材料价格波动、供给冲击、需求疲软等因素影响，公司盈利承压，其中氨纶产品毛利率同比下降 36.76pct。2023 年一季度公司营业收入 61.92 亿元，同比下降 15.10%，环比增长 4.18%；归母净利润 6.31 亿元，同比下降 53.65%，环比增长 47.49%；扣非后净利润 6.10 亿元，同比下降 54.58%，环比增长 80.97%。受益于经济恢复与下游需求复苏，公司业绩环比情况有所改善。

主要产品价格环比增长。公司主要产品包括氨纶、己二酸、聚酯多元醇等。根据中纤网，截至 2023 年 5 月 24 日，氨纶（40D）最新价格 31500 元/吨，2023Q1 均价 35189 元/吨，同比下降 36.63%，环比增长 2.61%；根据卓创资讯，截至 2023 年 5 月 24 日，己二酸最新价格 9683.33 元/吨，2023 年 Q1 均价 10166.39 元/吨，同比下降 25.50%，环比增长 3.06%。

新增产能陆续投产，带动业绩增长。在氨纶产品上，公司“年产 10 万吨差别化氨纶扩建项目”已完工，非公开发行股票募集资金新建“年产 30 万吨差别化氨纶扩建项目”，目前 10 万吨产能已经投产，剩余 20 万吨预计 2025 年 2 月建设完成。在己二酸产品上，公司在建产能 40 万吨，目前正在建设中，公司争取年内实现投产。同时，公司在建聚酯多元醇产能 5 万吨。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77087>



行业头部效应逐渐显现，未来市场份额有望提高。氨纶行业短期存在产能集中释放、环保政策倒逼、行业优胜劣汰趋势加剧等压力，但行业集中度逐年提升，行业头部效应明显，根据 2022 年年报，公司目前氨纶产能全球第二，中国第一。同时，公司孙公司重庆化工是国内最大的己二酸生产企业，国内市场份额达到 40% 以上，未来随着己二腈技术突破，尼龙 66 将成为新一轮增长点，同时 PBAT 仍有大量产能投入，将带动公司己二酸产品未来需求增长。盈利预测与投资评级。由于产品价格低于预期，我们下调对公司盈利预测。我们预计公司 2023-2025 年归母净利润 28.79 亿元、31.08 亿元和 33.38 亿元，对应 EPS 分别为 0.58 元（-52.85%）、0.63 元（新增）和 0.67 元（新增）。参考同行业可比公司估值，给予公司 2023 年 14 倍 PE，对应目标价为 8.12 元（上期目标价 15.47 元，基于 2021 年 17 倍 PE，-47.51%），维持优于大市评级。

风险提示：扩产项目投产不及预期；下游需求不及预期风险；原材料价格上涨的风险。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77121>

### Ting Sun: 保险行业 4 月月报：寿险保费增速继续向好，车险业务亦提速

4 月单月产寿险保费均表现较好，人身险公司原保费收入同比+15%，健康险同比+6%，较 3 月增速有所提升；产险同比+10%，我们依然看好龙头险企的长期发展。负债端持续改善中，估值低位，安全边际高。

4 月单月人身险公司保费同比+15%，较 3 月增速有所提升。1) 2023 年 1-4 月人身险原保费 18375 亿元，同比+9.6%，规模保费 21621 亿元，同比+7.8%；可比口径下，人身险公司原保费收入同比+9.6%。4 月单月人身险公司原保费规模达 2344 亿元，同比+14.7%，较 3 月增速提升 2.3pct，较 2022 年同期增速提升 14pct。2) 1-4 月保户投资新增交费（万能险为主）同比增长 1%，投连险同比-49%。4 月单月保户投资新增交费同比+3%，较 3 月增速由负转正；投连险同比-48%，较 3 月降幅扩大 7pct。3) 我们判断，4 月保费增速有所提升，主要原因为：①由于近期部分银行下调存款利率，保险储蓄类产品相对吸引力有所提升；②受人身险产品预定利率下调预期影响，增额终身寿险等产品短期销售升温。我们预计，伴随宏观经济逐步改善，保障型产品消费需求也将逐步复苏。

4 月单月健康险保费同比+6.2%，较 3 月增速+3.7pct。1) 2023 年 1-4 月健康险保费同比+5.1%，2022 年同期增速为+2.9%。4 月单月健康险保费同比+6.2%，较 3 月增速提升 3.7pct，2022 年同期增速仅为+0.4%。4 月末健康险占比为 22%，较 3 月末提升 1.3pct。2) 我们认为，伴随险企代理人规模企稳、保障型产品消费需求复苏，健康险仍然具有长期增长空间，通过打通保险、体检、康复、养老、药品、医院等产业链条，建立“健康管理+医疗服务+保险”的一站式健康生态系统，能够有效提高客户粘性，为保险业务增长赋能。

4 月产险公司保费同比+9.8%，车险保费增速提升，非车险保持稳定。1) 2023 年 1-4 月产险公司保费达 5899 亿元，按可比口径同比+10.3%。4 月单月产险公司保费达 1232 亿元，同比+9.8%，较 3 月增速微增 0.1pct，其中车险保费增速提升，非车险保持稳定。2) 车险保费增速有所提升，主要受低基数影响。4 月车险保费同比+6.2%，较 3 月增速提升 0.8pct，我们认为与上年同期基数较低有关。根据汽车工业协会微信公众号数据，4 月汽车产销量由于基数原因分别同比增长 76.8% 和 82.7%，而新能源车产销同比均增长 1.1 倍。我们认

为，由于新能源车单均保费较传统燃油车更高，伴随新能源汽车渗透率的提升，亦将增强车险保费增长动力。3) 非车险保费增速较为稳定，大部分险种仍较快增长。农险/责任险/健康险/意外险 4 月保费分别同比+21%、+21%、+11%、-16%，分别较 3 月增速-2pct、+2pct、+1pct、+2pct。4) 我们认为，以人保财险为代表的头部险企保费整体维持较快增长并且业务质地较好，车险业务中低赔付率的家自车占比较高、渠道费率可控，因此我们认为行业龙头盈利空间远超中小险企，其竞争优势在改革下半场将愈发凸显。

2023 年 4 月末行业投资资产规模达 26.11 万亿元，较年初+4.2%。银行存款/债券/股票和基金/其他（非标等）分别占比 10.3%/42.6%/12.9%/34.2%。股票和基金 4 月末占比较年初+0.2pct，债券+1.7pct，银行存款-1.0pct，其他（非标等）-0.9pct。

负债端持续改善，安全边际较高，攻守兼备。1) 2023 年 2 月以来，新单保费持续高增长，我们预计在宏观经济改善趋势下，保险产品消费需求将逐步复苏。2023 年全年 NBV 有望持续正增长，净利润预计仍将同比大幅增长。2) 十年期国债收益率回落至 2.71%左右，未来伴随国内稳增长政策持续落地，长端利率或有望上行，保险公司新增固收类投资收益率压力将有所缓解。3) 2023 年 5 月 25 日保险板块估值 0.42-0.82 倍 2023E P/EV，处于历史低位。

风险提示：长端利率趋势性下行；股市持续低迷；新单保费增长不及预期。

#### Ting Sun: 非银周报：短期调整不改向上趋势

5 月日均股基交易额维持高位，两融余额持续提升。全面注册制制度规则发布实施，资本市场各项改革持续推进，头部券商优势显著。保险行业 2023 年负债端值得期待，中长期看好康养产业发展；十年期国债收益率降至 2.7%左右，如果后续经济预期改善、长端利率上行，保险公司投资端压力将显著缓解。建议关注：中国平安、新华保险、中国人寿、中国太保、中信证券、东方证券、兴业证券、同花顺等。

非银行金融子行业近期表现：最近 5 个交易日（2023 年 5 月 22 日-5 月 26 日）证券行业、多元金融行业、保险行业均跑输沪深 300 指数。证券行业下跌 2.65%，多元金融行业下跌 3.09%，保险行业下跌 6.06%，非银金融整体下跌 3.74%，沪深 300 指数下跌 2.37%。

证券：2023 年 5 月交易量维持高位，非银 ETF 规模快速增长。1) 2023 年 5 月交易量维持高位。截止至 2023 年 5 月 26 日，5 月日均股基交易额为 10061 亿元，同比上涨 11.27%，环比下跌 16.95%。两融余额 16106 亿元，同比上涨 5.5%，环比下跌 1.18%。2) 非银 ETF 规模快速增长，得到市场认可。非银金融行业 ETF 从 2018 年的 5 只增加到目前的 18 只，资产总规模从 2018 年的 51.5 亿元增加到 2022 年的 729 亿元，复合增长率 94%。进入 2023 年，非银 ETF 规模继续增长，截止至 5 月 26 日，总规模增长至 790 亿元，较年初增长 8.3%。从单只基金的规模来看，国泰中证全指证券公司 ETF、华宝中证全指证券 ETF 规模显著大于其他 ETF，在大基数下华宝中证全指证券 ETF 仍在高速增长，市场认可度高。3) 2023 年 5 月 26 日券商行业平均估值 1.4x 2023E P/B，建议关注低估值优质龙头和财富管理转型领先标的，如中信证券、东方证券、兴业证券、同花顺等。

保险：负债端持续显著改善。1) 国家金融监督管理总局召开偿付能力监管委员会工作会议。2023 年第一季度末，财产险公司、人身险公司的平均综合偿

Full note:

<https://equities.htisec.com/app/research/report-view?id=77134>

付能力充足率分别为 227.1%、180.9%，平均核心偿付能力充足率分别为 196.6%、109.7%。53 家保险公司风险综合评级被评为 A 类，105 家被评为 B 类，16 家被评为 C 类，11 家被评为 D 类，风险综合评级保持稳定。2) 国家金融监督管理总局披露保险行业 4 月经营情况。4 月单月产寿险保费均表现较好，人身险公司原保费收入同比+15%，健康险同比+6%，较 3 月增速有所提升；产险同比+10%，我们依然看好龙头险企的长期发展。2023 年 4 月末行业投资资产规模达 26.11 万亿元，较年初+4.2%；银行存款/债券/股票和基金/其他（非标等）分别占比 10.3%/42.6%/12.9%/34.2%。3) 保险业经营具有显著顺周期特性，随着经济复苏，资产端和负债端基本面改善已在进行中。我们认为，2023 年全年 NBV 有望持续正增长，净利润预计仍将同比大幅增长。2023 年 5 月 26 日保险板块估值 0.42- 0.82 倍 2023E P/EV，仍处于历史低位。

多元金融：1) 信托：银保监会规范信托公司信托业务分类，促进信托业务回归本源。2022 年末信托资产规模为 21 万亿元，同比+2.9%；利润总额 362 亿元，同比-40%。2022Q4 单季经营收入环比-17.4%，单季亏损 20.6 亿元。2) 期货：证监会就《期货从业人员管理办法（征求意见稿）》公开征求意见，强化期货从业人员的事中事后监管。2023 年 4 月全国期货交易市场成交量为 6.72 亿手，成交额为 44 万亿元，同比分别+43.26%、+8.09%。2023 年 3 月全国期货公司净利润 11.03 亿元，同比减少 10.25%。

行业排序及建议关注重点公司：行业排序为保险>证券>其他多元金融，建议关注中国平安、新华保险、中国人寿、中国太保、中信证券、东方证券、兴业证券、同花顺等。

风险提示：市场低迷导致业绩和估值双重下滑。

### **Yijie Wu: 湖南黄金 (002155 CH): 首次覆盖: 直属国企实力雄厚, 锑业务高景气推动业务增长**

直属国企，具有雄厚优势资源。公司为全国十大产金企业之一，全球锑矿开发龙头企业，国内重要钨矿企业。公司主要从事黄金及锑、钨等有色金属矿山的开采、选矿，金锑钨等有色金属的冶炼及加工，黄金、精锑的深加工及有色金属矿产品的进出口业务等。公司拥有集矿山勘探、开采、选矿、冶炼、精炼、深加工及销售于一体的完整产业链。公司直属湖南黄金集团有限责任公司，属于省直属大型国有企业。

锑业务高景气，持续推动业务增长。公司锑自产量位居全国第一，锑价格自 2021 年以来保持稳中有升。公司未来将加强现有产锑矿山的稳产增效，同时也积极寻求机会进行产业并购。可以预见，湖南黄金锑业务的高景气将推动公司业绩持续上涨。

多重因素推动金价保持高位。地缘政治危机、世界经济放缓、美联储降息预期使得金价处于历史较高水平。“去美元化”浪潮已开启。已有较多国家开始抛售美债，并同步增加外汇储备中非美资产的配置。相较于其他资产配置，黄金的优势较为突出，目前全球央行对黄金有旺盛的需求。

盈利预测与评级。我们预计公司 2023-2025 年 EPS 分别为 0.66 元、0.86 元、1.11 元。基于湖南黄金 2023 年 EPS，参考可比公司估值水平，给予 2023 年 29 倍 PE 估值，目标价 19.14 元，首次覆盖给予“优于大市”评级。

风险提示。项目扩产进度不及预期，行业政策变动，全球环保安全问题，地缘政治摩擦，资源储量有限。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77116>



Full note:

<https://equities.htisec.com/app/research/report-view?id=77122>**Yijie Wu: Presentation: 4 月中国电网基本建设投资额为 538 亿元, 同比上升 49.86%**

2023 年 3 月智利铜矿产量为 440389 吨, 同比下降 3.78%, 环比上升 14.55%。

2023 年 4 月全球原铝产量为 562.8 万吨, 同比上升 0.34%, 环比下降 2.49%。

2023 年 4 月中美欧电动车总计销量为 859763 辆, 同比上升 58.20%, 环比下降 21.19%。

2023 年 4 月中国电网基本建设投资额为 538 亿元, 同比上升 49.86%, 环比下降 8.50%。

2023 年 4 月中国社会融资规模为 12171 亿元, 同比上升 30.49%, 环比下降 77.40%。

2023 年 4 月中国新屋开工面积为 1810 万平方米, 同比上升 0.72%, 环比下降 14.58%。

2023 年 4 月美国新屋已开工 140 万套, 同比下降 22.30%, 环比上升 2.19%。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77142>**Qinglong Guo: 顾家家居 (603816 CH): 床类产品&定制业务不断发力, 利润率持续修复—维持优于大市**

2022 年, 公司实现营业收入 180.1 亿元, 同比下降 1.8%; 实现归母净利润 18.1 亿元, 同比增长 8.9%。

2023 年第一季度, 公司实现营业收入 39.5 亿元, 同比下降 12.9%; 实现归母净利润 4.0 亿元, 同比下降 9.7%。

床类产品业务量价齐升, 定制业务增速高企。2022 年, 公司定制业务实现营业收入 7.6 亿元, 同比增长 15.4%。

我们预计公司 23-25 年净利润分别为 21.28、24.90、28.32 亿元, 同比增长 17.4%、17.0%、13.7%。公司作为软体家具龙头企业, 参考可比公司给予公司 2023 年 21 倍 PE 估值, 对应目标价 54.37 元, 维持“优于大市”评级。

风险提示: 原材料价格波动, 市场竞争加剧, 国际贸易摩擦。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77143>**Qinglong Guo: 尚品宅配 (300616 CH): 持续强化科技赋能, 加大多渠道业务拓展—维持优于大市; 下调目标价 6%**

公司 22 年实现营业收入 53.1 亿元, 同减 27.3%; 归母净利润 0.5 亿元, 同减 48.4%。

22 年综合毛利率为 34.6%, 同增 1.4pct。期间费用率为 33.9%, 同增 1.8pct。

考虑到行业竞争加剧, 我们将 23、24 年归母净利润从 2.5/3.3 亿元下调至 2.2/3.2 亿元, 同比增长 371.65%/44.77%。我们给予 23 年 24 倍 PE 估值, 对应目标价 26.38 元, 维持“优于大市”评级。

风险提示: 原材料涨价超预期, 渠道扩张不及预期, 疫情影响终端需求。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77123>**Jiarui Feng: 机构调研跟踪 (2023.05.15-2023.05.19)**

A 股市场调研情况回顾。根据 Wind 统计, 上周 (2023.05.15-2023.05.19, 下同), A 股机构调研活动场数总计 390 次, 环比上升 7 次; 被调研的公司数量为 307 家, 环比上升 2 家; 上周累计调研机构家数为 4786 家 (具体见指标定义), 环比下降 1063 家; 平均每场调研活动参与的机构数量为 12 家, 环比



下降 3 家。其中，特定对象调研活动场数占比 80.00%，现场会议活动场数占比 80.26%。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77125>

### Jiarui Feng: 量化选股周报（2023.05.19-2023.05.26）

多因子组合表现。上周（2023 年 5 月 19 日至 2023 年 5 月 26 日，下同），进取组合、平衡组合的周收益率分别为 0.16%、0.84%；同期，主要宽基指数上证 50 指数、沪深 300 指数、中证 500 指数、中证 1000 指数的周收益率分别为 -2.80%、-2.37%、-1.34%、-0.85%。上周，进取组合、平衡组合相对中证 500 指数超额收益为 1.50%、2.18%。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77126>

### Jiarui Feng: 如何优雅地抄基金经理作业（七）——偏股基金指数（885001）增强必须还原持仓吗？

885001，是万得编制的偏股混合型基金指数，可以反映偏股混合型基金的平均收益水平。以此为基准进行增强，可以获得较好的长期持有体验。获取基金指数之上超额收益的方式有很多，如基金选择、择时、行业轮动等，本文则主要从个股选择角度出发，梳理了三种 885001 增强方案。

885001 业绩表现。2013.01-2023.04，885001 指数累计上涨 189.3%，年化收益 10.8%，优于同期的沪深 300 指数（年化 4.6%）和中证 500 指数（年化 6.4%）。长期来看，持续跑赢该指数的基金并不多。截至 2023/4/28，连续 5 年（2019-2023）、连续 8 年（2016-2023）跑赢指数的基金数占比仅分别为 2.5%、0.5%。从分年度的业绩来看，与传统宽基相比，该指数具有自己相对独特的特征，19-20 年表现显著优于传统宽基。

方案一：传统宽基指数增强框架。基于传统宽基指数增强模型，可以对 885001 进行一定增强，跟踪误差小，但年化超额相对较为薄弱。2016.04-2023.04，仓位调整后，风格行业中性组合相对于 885001 年化超额 2.9%，年化跟踪误差 5.7%；将风格行业敞口小幅放开后，年化超额提升至 4.4%，跟踪误差 5.8%。更精确、及时地还原持仓，可能是提升传统宽基增强框架下 885001 增强组合业绩表现的一种有效方法。例如，我们简单地以重仓股调整半年报持股，则相应的风格行业中性组合年化超额可提升至 3.5%，风格行业小幅偏离组合年化超额提升至 4.6%。

方案二：基于净值确定风格暴露。基于净值确定风格的 885001 增强组合，虽然全区间收益略高于基于持仓的结果，但对指数的跟踪远没有基于持仓的那样紧密和准确，个别年份显著跑输 885001。

方案三：基金相应风格的 Smart beta 组合。市值、估值风格接近，时间序列上业绩相关性通常也较高。而且由于基金整体行为的风格特征很少短期来回剧烈波动，因此这种方式对于捕捉基金调仓及时性和准确度的要求相对较低。实际上，我们从基金整体的市值、估值特征出发，构造相应风格 Smart beta 组合的增强方案，也能在较为紧密跟踪 885001 的基础上，获取收益增厚。

基金风格 Smart beta 组合业绩表现。2016.04-2023.04，全市场选股的 Smart beta 组合与 885001 日收益相关系数 87.6%；前者相对于后者年化超额 15.6%，超额年化波动率 10.0%，最大相对回撤 14.4%，月胜率 69.4%。分年度来看，每年都可获得正超额，在同类中的排名均处于市场前 40%。进行流动性约束后，风格 Smart beta 组合与 885001 日收益相关系数 88.8%；相对于指数年化超额 12.5%，超额年化波动率 9.6%，最大相对回撤 11.9%。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77083>**Jiarui Feng: 路遥知马力, 看红利投资演绎“慢即是快”**

红利策略的投资逻辑。红利策略又称狗股策略, 由美国基金经理迈克尔·奥希金斯于 1991 年在《Beating the Dow》书中最早提出。狗股策略 (Dogs of the Dow) 选股的核心指标为股息率, 从海外经验来看, 狗股策略奏效的原因主要有两点: 1) “狗股”具备高分红的特点, 这意味着公司通常有较为充沛的现金流或较好的盈利能力。但是, 公司虚假分红也会对该策略产生负面影响。2) 道琼斯工业指数的成分股是美国最具代表的蓝筹股, 分红稳定性较高, 通常不会受到经济周期的影响。因此, 当这些成分股股息率升高的时候, 一般都对应估值较低的状态, 即具备较好的安全边际。

政策层面鼓励上市企业分红。我们认为, 国企改革对国企现金流提出了更高要求, 有望提高国企分红能力; 同时, 国资委对 ROE 的要求及诸多鼓励分红的政策, 也将提升国企分红意愿。二者叠加推动国企分红比例提升, 优化股东回报, 并向市场传递企业价值向好的信号。我们预计, 在当前一系列政策的鼓励和推动下, A 股上市企业的分红行为将进一步改善, 相关公司有望持续受益, 投资价值进一步得到提升。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77128>**Peishan Jiang: 短期偏防守**

债市利率要持续突破去年 10 月末 2.6-2.7% 的低点或比较难。去年 10 月十年国债利率从 2.76% 下行至 2.64%, 当时的背景是经济基本面偏弱且预期较差, 疫情频发影响加剧, 资金面宽松, 债市情绪较高, 社融信贷疲弱, 同时资产荒行情也在上演。相比之下, 当前经济基本面要强于去年 10 月, 资金面宽松程度和债市情绪又不及去年。此外, 当前利空因素还有: CPI 底部或在 4 月, 5 月起 CPI 或抬升, 资金面临跨月, 债市利率偏低、曲线偏平, 机构交易拥挤度逐渐提升, 市场情绪偏谨慎。

但债市大幅调整的风险或不大。当前债市利多因素有: 1) 中观高频经济数据显示产需两端修复不均衡, 至 5 月 EPMI 环比已连续 3 个月下滑, 1-4 月工业企业利润下降 20.6%。2) 货币政策维持稳健宽松。3) 5 月社融增速或小幅放缓。4) 短期看信用债资产荒仍在延续。5) 海外美联储加息或接近尾声。

如下因素变化, 可能催化债市利率继续下行: OMO 和 MLF 降息, 新一轮存款利率下调 (或已被部分定价), 资金跨月不收紧、宽松超预期, 债市配置力量大幅增强, 疫情再度扰动经济等。

如下因素变化, 可能催化债市利率明显上行: 防止资金空转, 市场风险偏好快速提升 (股债跷跷板, 理财赎回等), 出台稳增长强刺激政策等

债市方向尚不明朗。债市利率点位偏低+谨慎情绪延续的背景下, 我们认为短期以防守为主, 从拉久期波段策略转为控久期票息策略。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77130>**Peishan Jiang: 山东省各地市经济财政债务表现如何?**

山东省 16 个地级市发展水平存在差距, 整体来看胶东经济圈发展水平较高, 省会经济圈除济南外的地市和鲁南地区整体实力稍弱。1) 济南和青岛无论在经济规模、财政实力还是发展程度均在省内居前二。2) 烟台、潍坊、临沂、济宁在经济与财政能力上属第二梯队。3) 产业结构上看, 济南、青岛是唯一二第三产业占比超 60% 的城市, 将分别引领省会圈和胶东圈进行新旧动能转换。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77127>

山东省存量城投债规模超 1 万亿元，地级市中债券存量规模排名靠前的为青岛、济南、潍坊，其中青岛占比达全省三分之一。债券到期分布来看，大部分地级市偿债压力集中在未来 1-3 年；德州、威海、济宁，其一年内到期存量债券占比均超 40%；泰安市 20.86% 存量债券为 5 年以上到期，与其他地级市相比平均偿还期限偏长。

### Junjun Zhu: 石化周报: “一带一路”下的石化合作

核心观点: 我国积极推进“一带一路”经贸合作，在 2022 年 12 月中国-海湾阿拉伯国家合作委员会峰会，以及 2023 年 5 月中国-中亚峰会上，均提到加强能源领域合作。我们认为我国与“一带一路”沿线国家在传统能源领域的合作主要包括: (1) 油气合作，包括油气勘探开发、油服、管道等基础设施建设等; (2) 炼化合作等。

积极推进“一带一路”经贸合作。从 2013 年我国提出共建“一带一路”重大合作倡议以来，十年来我国扎实推进“一带一路”经贸合作，取得丰硕成果。根据外交部网站援引的驻卡拉奇代总领事章浩在《金融日报》《云雀新闻》发表的署名文章《共建“一带一路”倡议提出十周年》，2013-2022 年，我国与“一带一路”沿线国家货物贸易额从 1.04 万亿美元扩大到 2.07 万亿美元，年均增长 8%; 与沿线国家双向投资累计超过 2700 亿美元; 在沿线国家承包工程新签合同额、完成营业额累计分别超过 1.2 万亿美元和 8000 亿美元，占对外承包工程总额的比重超过了一半。

加强“一带一路”沿线能源合作。在 2022 年 12 月中国-海湾阿拉伯国家合作委员会峰会，以及 2023 年 5 月中国-中亚峰会上，均提到加强能源领域合作，包括传统能源以及绿色低碳能源等。

投资建议: 中国加强“一带一路”国家能源合作，建议关注: (1) 石化央企中国石化、中国石油、中国海油等; (2) 油服工程企业海油工程、中海油服、中油工程等; (3) 炼化企业荣盛石化、桐昆股份、新凤鸣、华锦股份等; (4) 炼化设备企业卓然股份等。

风险提示: 油气价格大幅波动; 项目进展不及预期等。

### Japan

Full note:

<https://equities.htisec.com/app/research/report-view?id=77136>

### Hiroyuki Terada: Benefit One (2412 JP): Lack of Catalysts Near Term—Maintain NEUTRAL & Cut TP by 20%

We had a web meeting with Benefit One (BO) management on 25 May to discuss FY3/23 results and the business outlook. We maintain our Neutral rating with a new target price of ¥1,600 (previously ¥2,000).

FY3/23 OP was ¥10.4bn (down 17.9% YoY), lower than company guidance of ¥10.8bn. The OP shortfall was mainly as Specific health guidance related business was lower than the company expected in Q4.

New OP guidance for FY3/24 is ¥10.8bn (up 3.3% YoY). BO assumes vaccination related OP decreases by about ¥1.5bn YoY (¥1.7bn decline in H1, and ¥0.2bn increase in 2H).

In FY3/23 there was temporarily two platforms (Benefit Station for BO & Elavel-club for JTB Benefit) after BO acquired JTB Benefit (unlisted), and the parallel

Full note:

<https://equities.htisec.com/app/research/report-view?id=77107>

operating costs of about ¥1.5bn for FY3/23 should disappear in FY3/24. However, due to the increase of system and labor cost, OP increase for FY3/24 is small.

In Q1 FY3/23 revenue from healthcare business was ¥2.24bn (up 23.5% YoY) driven by Covid vaccination related business. Therefore, YoY comparison is tough for Q1 FY3/24.

**Hiroyuki Terada: Sanrio (8136 JP): Movie Release Likely After Kitty's 50th Anniversary—Maintain OP & Raise TP by 1%**

We had a web meeting with Sanrio on 24 May to discuss the business outlook. We maintain our Outperform rating and raise our target price to ¥7,000 (Previously ¥6,900).

New guidance for FY3/24 is for revenue up 2.2% YoY to ¥74.2bn and OP at ¥11.2bn (down 15.5% YoY). According to Sanrio, it has set new guidance for FY2/24 conservatively especially for its overseas businesses due to a potential slowdown in the economy. However, Sanrio says there is no sign of slowdown of its overseas businesses so far.

Sanrio plans to implement a promotion for Kitty's 50th anniversary in FY3/25. Sanrio has agreed to release a Sanrio Hollywood movie featuring its characters through Warner Bros (TWX.US). We expect Warner Bros to release Sanrio Hollywood movie in Q4 FY3/25, after Hello Kitty's 50th anniversary. We think movies based on Sanrio characters would boost demand for Sanrio merchandise well in advance of movie release as retailers are likely to allocate more shelf space to Sanrio characters in anticipation. We also expect Sanrio to make contracts with more licensees globally in advance of movie release.

We fine-tune our EPS estimates by lowering 0.6% and 2.3% for FY3/24-25, respectively. We introduce our earnings estimate for FY3/26 with EPS growth of 38% driven by the Sanrio Hollywood movie.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77109>

**Hiroyuki Terada: Japan Elevator Service Holdings (6544 JP): Service Renewals Continue to Accelerate—Maintain OP & Raise TP by 15%**

Japan Elevator Service Holdings (JES) held a result meeting on 17 May, and we had a web meeting with the company on 24 May to discuss the business outlook.

New company guidance for sales in FY3/24 is ¥39bn, up 11.7% YoY, and OP is ¥5.7bn, up 13.8% YoY. JES is aiming for about 10,000 new contracts and about 1,800 service renewals in FY3/24. According to management, the company has set new guidance for FY3/24 conservatively. Our OP estimate for FY3/24 is ¥6.1bn.

JES plans to launch a new technical center, Kansai JIC (JES Innovation Center) in the Osaka area in March 2024. With Kansai JIC, JES expect capacity for service renewal to increase to double compared to the current level. JES says it already completed hiring employees in the western part of Japan for this expansion, and it plans to depreciate JIC's buildings in 50 years. Therefore, increase of the annual fixed cost from Kansai JIC is likely to be small.

We fine-tune our EPS estimates by lowering 1% and 4% for FY3/24-25, respectively. We introduce our earnings estimate for FY3/26 with EPS growth of 18%. We maintain our Outperform rating and raise our target price to ¥2,300 (Previously ¥2,000), based on our discounted cash flow model for FY3/24-28. The implied PER



for FY3/24 at our target price is 49.6x, roughly in line with the average of 53.1x for the past two years.

### Yushi Kawamoto: Rakuten (4755 JP): More Asset Sales to Proceed

What's new

Due to the recent capital raisings of Rakuten, we think its chances for avoiding the sale of crown jewel, Rakuten Card (unlisted), have edged higher as if it can deliver a) positive EBITDA from mobile subsidiary by Q2 FY24, b) further capital raises from Rakuten Securities (unlisted), Rakuten Symphony (unlisted) and c) sales of venture capital assets and other listed equity investments, re-financing of bonds due in FY24 could be seen as a realistic option. While Rakuten has said, it plans to proceed b) and c) over the next 12 months, we expect the growth in net mobile subscribers to be the most critical share price driver of Rakuten shares in the near-term.

Comments

As Rakuten's mobile subsidiary has now secured cash from parent company to fund CAPEX (¥200bn) and OPEX needed for FY23, it now aims to deliver positive EBITDA by Q2 FY24. Since we project ¥164bn in EBITDA at a consolidated level in FY23 and further improvement in FY24, we expect the cash needs of mobile business can be met internally in FY24 and beyond. On the other hand, the parent company's net debt has improve to ¥1.07trn from ¥1.19trn in Q4 FY22 as a result of the recent capital raisings but we expect further sales of assets (i.e. b and c from above paragraph) in the size of around ¥265bn over the next 12 months in order to prepare for the possible bond redemption risks.

### Wei Liu: 日本光刻胶年报/一季报综述: 业绩短期承压, 各企业正积极布局相关业务

光刻胶企业业绩短期承压。(1) 东京应化光刻胶所属的电子性能材料业务板块一季度营业收入 204 亿日元, 同比下降 4.1%。(2) JSR 上一财年全年半导体材料业务营业收入 1264 亿日元, 同比增加 15%; 四季度营业收入 252 亿日元, 同比下降 11%。(3) 富士胶片全年电子材料业务营业收入 1806 亿日元, 同比增加 23.1%; 四季度营业收入 411 亿日元, 同比增加 3.6%。(4) 信越化学全年电子材料业务营业收入 8756 亿日元, 同比增加 23.5%; 营业利润 3014 亿日元, 同比增加 23.1%; 四季度板块营业收入 2031 亿日元, 同比增加 5.7%; 营业利润 581 亿日元, 同比下降 4.6%。(5) 住友化学全年信息电子化学业务营业收入 4312 亿日元, 同比减少 9.0%; 营业利润 476 亿日元, 同比减少 17.7%; 四季度板块营业收入 926 亿日元, 同比减少 23.8%; 营业利润 581 亿日元, 同比下降 67.3%。

企业预期年内业绩将回暖。(1) 东京应化预期其业绩将自今年 2 季度回暖, 预期全年营业收入为 1875 亿日元, 同比增加 6.9%。(2) JSR 预期其相关业务业绩将于本财年下半年反弹, 预计全年半导体材料营收 1260 亿日元, 同比略微下降; 数字解决方案板块整体营业利润 270 亿日元, 同比下降 3%。

各企业正积极布局相关业务。(1) 东京应化和 JSR 正积极扩大自身先进光刻胶的市场份额, JSR 金属光刻胶业务目前进展顺利。(2) 富士胶片近期在电子材料领域进行了一系列并购及投资活动, 致力于成为半导体材料的一揽子供应商。(3) 信越化学计划未来加强同客户的沟通工作, 紧密跟随客户的需求。

Full note:

<https://equities.htisec.com/app/research/report-view?id=77093>

Full note:

<https://equities.htisec.com/app/research/report-view?id=77104>

求来调节产能。(4)住友化学拟进一步增强其光刻胶的研发及生产能力,分别于2023年及2024年完成于日本大阪及韩国的扩产计划。

风险提示。半导体周期下行长于预期;先进光刻胶需求不及预期。

## Korea

## India

### Saras Singh: Ferrous Weekly: Spreads Contract on Lower Steel Prices

#### India Steel Update

Steel Prices: Domestic HRC price corrected by Rs550 per ton WoW to Rs56,800 per ton. Despite the correction, prices still command a premium to imported HRC from China and Japan.

Raw Materials: Domestic raw material costs saw 2% decline WoW.

Steel Spreads: Domestic steel spreads contracted marginally by \$4 per ton over last week driven by a steeper decline in steel prices as compared to the correction in input costs.

View: Domestic steel demand remains robust with positive underlying demand trends across key steel consuming sectors like real estate, infrastructure and automobile.

#### China Steel Update

China HRC steel prices was down by USD 10 per ton to USD 540 while raw materials costs were broadly stable WoW compressing the steel spreads by USD 5 per ton. Steel production in China continued to decline WoW.

### Anish RANKAWAT: Mahindra & Mahindra (MM IN): Improvement across the board — Maintain OP & Raise TP by 1%

Q4FY23: beat on better Automotive performance: M&M's Standalone revenue for Q4FY23 came at Rs 225.7bn was up 4.2% QoQ and 3.1% ahead of BBG consensus est. EBITDA margin came at 12.4%, down 60bps QoQ and 30bps below consensus. This is mainly on change in mix towards the lower margin Automotive segment. Farm Equipment Segment (FES; Tractor) revenue share is 16 quarter low to under 25%, in the quarter. Gross margins for Q4FY23 improved 100bps to 25%. Margin improvement was driven by volume growth, timely pricing actions, easing commodity inflation and stringent control over the fixed cost. Adj. PAT at Rs 20.6bn was down 4.5%QoQ while it was up 25% when compared to the consensus estimates.

Automotive EBIT margin inches closer to FY19 levels, SUV orderbook expands: For Automotive segment, revenue grew 11% QoQ to Rs 164bn on 7.5% volume growth and 3.2% ASP growth. EBIT margin is 9 quarter high at 7.3% and up 60bps QoQ. M&M was No.1 in SUV Revenue Market Share in Q4FY23 (5th consecutive quarter), open bookings are at 292k+(117k Scorpio-N, 78k XUV700, 58k Thar, 29k XUV300/XUV400 and 8.2K Bolero) in SUVs which is up from 266k+ in Q3. Current production capacity is at 39K units of which ~90% is utilized, the rest is lost due to semi shortage. Company will try to reach at 49K by Jan-Feb'24. For EV company

Full note:

<https://equities.htisec.com/app/research/report-view?id=77092>

Full note:

<https://equities.htisec.com/app/research/report-view?id=77129>

will have additional capacity which will account 20-30% of the total portfolio. It is on track to meet the EV launch timelines.

Plans to launch new Tractor platforms to drive FES growth: For FES segment, revenue degrew 11% QoQ to Rs 55.8bn as volume declined 15.2% QoQ on cyclical nature however ASP grew 5% QoQ. EBIT margin improved 10bps QoQ to 16.7%. There is some negative impact of farm machinery (FM) sales on margin, ex of which the margins would be 18.3% up from 17.5% QoQ. FM revenue was Rs6.5bn in FY23 up 38% YoY and company expects it to grow 40%+ YoY in FY24. Company will launch new tractor on a light weight platform (total market size 50-60K per year) in 25Hp and 29HP on 2nd June'23. It will also launch OJA, a new tractor platform for global market on 15th Aug'23. It is confident to gain market share with these new products as these products will be placed in the segment where company is not strong at present.

Maintain OP: We expect M&M to continue its improvement on the SUV portfolio and high orderbook. Its product interventions in FES and CV segments are expected to drive further market share improvement. We have tweaked our estimates for FY24 and roll forward valuation base from sept'24 to FY25. We continue to value M&M on SoTP – we assign 20x to its core earnings (20% premium to its 10yr avg. on improving Auto segment performance), add the current market value of investments in listed group entities with 25% hold co discount; and cash. Our revised TP is Rs 1,597 (from Rs1,575 earlier). Maintain OP.

Risks: Lower agricultural output, semiconductor supply constraints.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77132>

### **Rahul Gajare: Bharat Heavy Electricals (BHEL IN): Subdued Performance— Maintain UP & Cut TP by 7%**

Bharat Heavy Electricals (BHEL) reported subdued overall performance as revenue saw a mere 2% growth, led by Power segment, which grew 4% YoY to Rs61.6 bn while Industrial segment declined 1% YoY to Rs16.5 bn. EBITDA margin dropped 230bps to 12% despite sharp improvement in gross margin (up 470bps). The company reported PAT of Rs6 bn, witnessing a decline of 34% YoY during the quarter. The company is banking on growth from various long term opportunities in sectors like Power, Nuclear, Coal Gasification, Hydrogen, Defence and Railways. Building on the weak FY23 performance, we cut our earnings by 12% and 7% for FY24 and FY25. On the back of decent order book of Rs913 bn and ordering prospects, we expect BHEL to report revenue and earnings CAGR of 15% and 63%, respectively over FY23-25. We value the company based on 15x (unchanged) Mar-25 EPS of Rs3.4 to arrive at our revised target of Rs51 (previously Rs55). Given subdued financials, we maintain Underperform rating on the stock.

#### **Result Highlights**

Revenue at Rs82.3 bn grew 2% YoY, led by Power segment (up 4% YoY to Rs61.7 bn) while Industrial segment was down 1% YoY to Rs16.5 bn during Q4FY23. The company reported EBITDA margin decline of 230bps to 12.0% even as gross margin improved 470bps to 31.1%. EBIT margin of Power segment declined 910bps YoY to 17.7%, whereas Industrial segment margin expanded 1,410bps to 20.7%. BHEL reported PAT of Rs6 bn, a decline of 34% YoY. For FY23, revenue grew 10% YoY with EBITDA margin at 3.1%, a decline of 40bps YoY with 20bps drop in gross margin. Thus, PAT grew 9% YoY to Rs4.5 bn. During FY23, BHEL reported order intake of Rs235 bn, decline of 38% YoY. The overall backlog thus stood at Rs913 bn,

Full note:

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down 11% YoY which includes Rs719 bn from Power, Rs148 bn from Industrial and Rs46 bn from International.

#### **Anish RANKAWAT: Auto – Weekly Update and China read across**

1. Royal Enfield to soon bring 'uniquely differentiated electric bikes', commits 10bn for the current fiscal
2. EV buyers to get smaller batteries, less features as Centre cuts subsidy
3. Ashok Leyland readying to launch electric LCVs early next year, working on integrating battery swapping says MD Shenu Agarwal
4. Tata Altroz CNG version launched at starting price of Rs 755K
5. Maruti Suzuki ties up with Chola for dealer inventory financing
6. JLR partners with TCS to launch its open innovation programme in Israel
7. Tata Motors to supply 50 Magna 13.5-metre buses to Vijayanand Travels
8. Amara raja to buy 100% equity share capital of Amara raja power systems ltd
9. Maruti estimates a fourth of its sales to be SUVs this fiscal
10. Ashok Leyland to invest up to Rs.12bn in Switch Mobility
11. Maruti Suzuki Jimny crosses 30,000 bookings
12. M&M to sell the balance 3.2% stake in Mahindra CIE automotive
13. Second round of probe finds four more firms in FAME-II scheme violations
14. Royal Enfield starts delivery of E20 compatible Hunter bikes
15. Every third car sold to be either CNG or electric: Tata Motors
16. Made-in-India Harley Davidson x440 officially unveiled, launching in July this year
17. Domestic passenger vehicles sales expected to stay strong this fiscal, says Tata Motors' Shailesh Chandra

Full note:

<https://equities.htisec.com/app/research/report-view?id=77135>

#### **Darpin Shah: Sundaram Finance Limited (SUF IN): Lower disbursements and LLPs—Maintain OP & Raise TP by 4%**

Disbursement dips QoQ: SUF disbursement dipped ~7% QoQ to Rs 52.6bn (+40.2% YoY) vs 47.1/10.0% YoY/QoQ in Q3. This was led by decline in growth across segments i.e. CV (-6.8% QoQ), Cars (-16.0% QoQ), Const equip. (-7.8% QoQ), Tractors (-10.5% QoQ); whereas other segments saw sharp rise of 41.2% QoQ. We note that the other vehicle financiers peers have reported strong sequential growth in disbursements. With marginal rise in repayment rate (12.7%, +30bps QoQ), the standalone AUM growth was marginally slower at 17/3% YoY/QoQ (vs. ~5% QoQ) to Rs 345.5bn. Segmentwise, CV, CE, and Tractors reported growth of 4.1/2.0/3.0% QoQ respectively where-as Cars segment de-grew ~2.1% QoQ. As per the management, prospects for growth in CE, Tractor & Farm Equipment as well as Commercial Lending continues to remain bright and demand for PVs remains strong.

LLPs lower; Higher other income led to rise profitability: After improvement of 5.7% QoQ in NII in Q3, it decline -2.0% QoQ to Rs 4.3bn (+5.1% YoY) with some pressure on NIMs. However, the sharp bounce in other income (+61.3% QoQ) and dip in opex (-2.1% QoQ; driven by lower staff costs -10.2% QoQ) led to sharp 18%



QoQ rise in PPOP to Rs 4.2bn. Provisions dipped sharply by 55% QoQ to Rs 168mn (-159% YoY) leading to PAT increase of ~30% QoQ to Rs 3.2bn.

Asset Quality improves: As per new RBI norms, SUF (standalone) GNPA and NNPA improved to 3.0%/2.1% vs 3.97%/2.78% QoQ (vs 2.42%/1.26% in Q4FY22 as per old norms) respectively. With focus on collection efficiencies (back to pre-covid levels), GS III improved to 1.66% (-77bps QoQ). Further, NS III dipped to 0.86% (-49bps QoQ) driven by higher PCR at 48.2% (+375bps QoQ). During Q4 FY23, as a matter of prudence, the ECL model was tweaked to provide higher provisions of Rs 290mn for Stage 1 & 2 assets. As of Mar'23, Restructured book further declined to Rs 6.28bn (1.8% of standalone AUM) vs Rs 7.65bn (2.3%) in Q3 vs Rs 9.3bn (~3%) in Q2 vs Rs 12.3bn (~4%) in Q1.

#### Subsidiaries performance

General Insurance Business: Royal Sundaram General insurance (unlisted) reported 14.5/0.4% YoY/QoQ vs 28.5/10.3% YoY/QoQ in Q3 in overall GDPI; While PAT saw ~7.6x QoQ rise to Rs 380mn. However, in FY23, reported PAT at Rs 440mn (vs Rs 1.72bn in FY22) is lower due to Mark to Market loss of Rs. 780mn (net of tax) on equity investments compared to (a) Mark to Market gain Rs. 330mn (net of tax) and (b) impairment reversal on certain bonds of Rs. 370mn (net of tax) in the previous year.

AMC Business: Sundaram AMC reported decline of -0.2/-3.5% (vs 22.5/8.0% YoY/QoQ in Q3) in AUMs with decline of -0.7/-4.7% in Equity AUM (~84% of total AUM). The company reported net profit of Rs 190mn vs Rs 200mn in Q3FY23 vs loss of Rs 10mn in Q4FY22 respectively.

Housing Finance Business: For Housing finance subsidiary, disbursements grew ~51.6/25.3% YoY/QoQ. The momentum was driven by an increasing demand for home loans in Tier II and III towns in the southern markets. During Q4FY23, AUM increased ~17.8/5.8% on YoY/ QoQ basis to Rs 111.8bn. GS III assets was at 2.3% vs 2.9% QoQ and NS III at ~1.1% vs 1.6% QoQ.

Valuation & recommendation: We use SOTP method to arrive at TP of Rs 2,749 (vs Rs 2,637 earlier) implying 3.3x Mar-25 core BV + subs value at Rs 621/- after taking 20% holdco discount and maintain our Outperform rating. The main risk to our rating is slower than expected pickup in auto sales especially in CVs/PV.

#### **Tarun Shetty: Sun Pharmaceutical Industries (SUNP IN): Solid Quarter; aided by gRevlimid and Specialty —Maintain OP & Cut TP by 3%**

SUNP reported a solid Q4FY23 result, with revenue, EBITDA, and APAT increasing by 16%, 30%, and 107%, respectively. The specialty biz. (up ~28% YoY ex milestone payment of US\$ 6.8mn) continues to drive SUNP's overall performance, owing to strong traction in Ilumya, Cequa and Winlevi. The strong growth in specialty biz. and the launch of gRevlimid aided the US biz. (up 11% YoY in CC) offset the regulatory issue with the Halol facility and price erosion in the US. India and EM/RoW business grew ~9% and 18% YoY, resp. SUNP also saw G.M. expansion of 630/440bps YoY/QoQ, aided by increased contribution from specialty sales and the launch of gRevlimid, in our view. This, offset by normalization of R&D costs and other expenses, resulted in an EBITDA margin of 25.9%, up 280bps YoY. Overall, SUNP's revenue, EBITDA, and APAT grew ~14%, 15%, and 21% YoY in FY23, with an EBITDA margin of 26.8%, up 30bps YoY.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77139>

The anticipated headwinds in SUNP's US generic biz as a result of fewer new launches due to an import alert in the Halol facility and near term issues in the Mohali facility have resulted in 6% and 2% cut to our FY24/25E EPS, resp. We expect SUNP to report a topline CAGR of ~10% over FY23-25E, driven by 1) ~23% CAGR in the specialty portfolio, largely driven by further rampup in Ilumya and Winlevi, as well as the launch of deuruxolitinib in FY25, 2) a 10% CAGR in the domestic business, driven by revival in the Anti-diabetic and Gastro portfolio, new launches, and increased productivity from the recently added MR's 3) Relaunch of products from the Mohali facility, 4) additional contribution from gRevlimid. The increased contribution from specialty products will help offset the rise in R&D costs, resulting in an EBITDA margin of ~27% in FY25. SUNP is currently trading ~23x our FY25E EPS, premium of ~10% to the large formulation peer average, which we believe is justified given the higher contribution of specialty products, strong balance sheet (expected FCF - ~Rs 90bn), and improving return ratios expected over FY23-25E. Maintain Outperform with a revised TP of 1140 (28x FY25E EPS).

Full note:

<https://equities.htisec.com/app/research/report-view?id=77140>

### **Tarun Shetty: Healthcare Weekly Wrap: ANDA approvals, Facility update, Q4FY23 concall KTA and News**

ANDA approvals (20th May – 26th May):

In the last week, Indian Pharma cos. received 5 ANDA approval

Facility Update:

Shilpa Medicare's Analytics division completes USFDA inspection with a VAI

Q4FY23 Earnings call KTA & Management Interviews:

Q4FY23 Concall Highlights: GNP, INDR, ZIMLAB, THYROCAR, STR, JBCP, SUVENPHA, SUNP

Debt reduction strategy, Biocon Biologics stake sales, New launches, FY24 guidance – Kiran Mazumdar Shaw, MD Biocon

Mid-single digit US growth, 19-20% EBITDA margin FY24, Net Debt free by 2026, Glenmark Healthcare – VS Mani, ED & Global CFO Glenmark Pharma

Important Healthcare companies related news:

Lupin announces Health Canada approval of Tiotropium Bromide inhalation powder for treatment of COPD

Lupin diagnostics launches satellite laboratory in Vijayawada

Race for Glenmark Life Sciences: Blackstone, KKR, BPEA EQT, PAG and Nirma Group likely suitors

Sanofi reinvigorates India business, with eye on higher growth

IT security incident at Granules

SC seeks response for Delhi marketing on plea by Zydus Wellness against HC order

Molbio Diagnostics collaborates with ShanMukha innovations to diagnose sickle cell disease

Cipla vows to crack diabetes segment with licensed branded

US based StemCures to set up India's largest stem cell manufacturing lab in Hyderabad

Wockhardt, its directors settle case with SEBI

J Cadila Pharma awarded for innovative product for its Rabies Vaccine

Takeda India partners with Bal Raksha Bharat to strengthen maternal and child health

Key Sector related news:

Amid FTA talks, top pharma firms urge govt not to amend patents law, warn of impact on cheap meds

Is dual drug filing the right tactic for pharma companies now?

Clinical trials in India grow 10-fold post pandemic

Pharma results to be announced next week

CLPL, KRSNAA, ARBP, TARSONS (27TH May'23), VIJAYA, IPCA, JUBILANT, NTCPH, CF (29th May'23), APHS, TRP, ASTR (30th May'23)

Full note:

<https://equities.htisec.com/app/research/report-view?id=77141>

**Darpan Shah: City Union Bank (CUBK IN): A weak quarter—Maintain OP & Cut TP by 8%**

CUBK's Q4 print was much weaker than expected with loan growth of a mere ~7% (half the industry growth rate), NIMs further dipped ~23bps to 3.65% which led to ~7.5% QoQ decline in NII (10% below estimates) and flattish Net earnings (8% below estimates). Further with lower non interest income, the PPOP too dipped ~16% QoQ (14% below estimates). The silver lining for the quarter was the lower slippages (3.3%; even after incl. std stress exposures) and higher recoveries and upgrades. The overall stress reduced QoQ with stable NNPA's (2.4%) and restructured book dipped to 2.9% (and majority of the book is paying regularly) and SMA II at 1.8% (historic lows). Additionally, the bank carries 100%+ provisions on the airline exposure (currently std.) and on SRs as well. The Bank remains well capitalised with CRAR/Tier I at ~22.3/21.3% - one of the best in the industry.

We have reduced our net earnings by avg. ~6% to factor lower growth (~14.7% vs 16% earlier), lower NIMs (avg of 3.7% vs. 3.9% earlier), higher slippages (2.4% vs. 2.2% earlier) and LLPs (1.2% vs 1% earlier). With this we expect CUBK to report RoAAs of 1.5% over FY23-25E. Even as we have reduced our estimates, the recent underperformance and valuations at 1.2x drives our Outperformance rating. We use RI method to arrive at our revised TP of Rs 194 (earlier Rs 210) implying 1.7x (1.8x earlier) Mar-25E ABV. Downside risks: (i) Higher than expected stress, and (ii) lower than expected growth.

Slippages dips QoQ: Post rise of 7% in GNPA in Q3, CUBK GNPA's dipped ~3.4% QoQ led by sharp decline in slippages at Rs 3.6bn (-18.4% QoQ) i.e. 3.3% annu. vs 4.1% QoQ and higher recoveries and upgrades (+67.3% QoQ) and write off at Rs 1.4bn. With higher PCR (+200bps QoQ), NNPA's dip ~9.5% QoQ to Rs 10.2bn (2.4%). As per mgmt., few accounts of Rs 750-800mn, showed signs of weakness and didn't cross 90+ DPD. The Bank prudentially recognized them as NPAs and started providing on same. Further, the airline exposure now stands at a mere Rs 250mn (100% provisions) and the last instalment is due in June'23. CUBK's restructured book dipped to Rs 12.6bn i.e. 2.9%. Overall SMA II stood at 1.82% vs 2.19% QoQ while overall SMA were historically low at <4%. On SR front, during Q4, the Bank sold a/c's to the tune of Rs 860mn to ARC and received Rs 530mn (w/w Rs 330mn is yet to be recorded in SR books). Further, in FY24 the mgmt., expects lower slippages and higher recoveries and expects NNPA to reach pre-covid level in next 4-5 quarters. We have factored in slippages of 2.4% over FY24-25E.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77145>

Margins dipped QoQ: CUBK NIM further dipped 23bps QoQ to 3.7% led by sharp rise in CoD at 5.1% (+45bps QoQ) vs yields at 9.3% (+15bps QoQ). As per mgmt., NIMs were impacted led by 5-6bps (not recognized Rs 250mn in Q4) due to non-recovery of interest from agri subvention schemes. Further, the Bank has repriced 90% of loans and ~40-50% of deposits during FY23. The mgmt. guides for NIMs to sustain current level i.e. 3.65% (+/-10bps) in FY24. We expect NIMs of ~3.7% over FY24-25E.

### **Gaurang Kakkad: Prataap Snacks (DIAMOND IN): Mixed Bag; Several One-Offs Impact Performance—Maintain OP**

Margin Recovery On Track; Demand Momentum Is A Key Monitorable

Prataap Snacks Q4 result were a mixed bag with revenue/EBITDA in-line with our estimates while PAT was a miss driven by reversal of PLI benefits. Consol revenues grew by 10.1% YoY (vs 16.8%/+9.9% in Q4FY22/Q3FY23). On 3 year CAGR basis, company revenue grew by 6.7%. Consolidated revenue grew by ~30% on normalised base of Q4FY19. Gross Margins expanded by 912bps YoY (up 499bps QoQ) to 33.4% (highest in the last 20 quarters) due to softening of key raw materials like palm oil, laminates. Higher other expenses (+205bps YoY as % of sale) and higher employee expenses (+85bps as % of sale) resulted in EBITDA Margins expanding by 622bps to 7.6%. The company reversed PLI Scheme benefit to the tune of Rs.112.9mn during the quarter as the company failed to meet the threshold revenue required to qualify for the PLI benefits. The company swung from loss of Rs30mn in base quarter to Rs23mn Adj. PAT in the current quarter. The reported PAT stood at Rs216mn largely due to tax adjustment pertaining to merger of 'Avadh' and 'Red Rotopack' with the company. In FY23, revenue grew by 18.7% YoY while EBITDA grew by 7.0% YoY. Gross margins for FY23 expanded by 213bps YoY to 27.9% while EBITDA Margins contracted by 40bps YoY to 3.8%.

RM Correction Provides Margin Relief

Key highlights of Q4FY23 result are (i) revenue growth in Q4 was impacted by softer consumer demand due to sustained inflation and sluggish rural resulting in company failing to meet its threshold revenue requirement for PLI benefit thereby reversing all incentives recognized in 9M, (ii) strong Gross/ EBITDA Margin expansion on account of correction of key Raw materials like Palm Oil (-23% YoY) and laminated (-10% YoY), (iii) compressed distribution structure, cost optimization measures and cooling off input prices have resulted in improved margin performance and management expects similar trend of improved margin performance to continue in FY24. The company aims to drive topline growth by (i) expanding presence in namkeen segment where it is under-indexed vs industry, (ii) increase volumes of larger packs through value and visibility initiatives, (iii) drive SKU expansion in core categories and (iv) distribution expansion. With the recovery in rural, we expect the revenue momentum to improve for the company and the softening of RM prices to result in improved margin performance.

Valuation & Recommendation

We cut our EPS estimates for FY24-25 by 11-14% on account for the weak topline momentum. We roll forward our EPS estimates to Mar'25 EPS of Rs38.3 resulting in target price of Rs1,150 (unchanged). We maintain our target P/E multiple at 30x).



Full note:

<https://equities.htisec.com/app/research/report-view?id=77147>

## **Gaurang Kakkad: India Consumer Weekly Round-Up**

Consumer Sector Update

Metro Brands Ltd (METROBRA IN): Store Addition Momentum Remains Strong & Margin Guidance Intact

Emami (HMN IN): Unseasonal Rain Impacts Summer Portfolio; Margins See Pick-Up

Bata India (BATA IN): Beat On Profitability; EBITDA Margins Continue To Trends Below Pre-COVID Levels

United Spirits (NOT RATED) Q4FY23 Results: Premiumisation Drives P&A Revenue Growth; RM Pressures Continue to Impact Popular Segment

India Consumer News

FMCG companies see double-digit growth on e-commerce in FY23

Price pinch: Buyers shift to small FMCG packs

FSSAI assessing WHO red flag on sugar substitutes, labelling may dent sales of diet and no-sugar foods & drinks

Packaged food takes a big bite of Q4 sales

Milk procurement price slashed 10% by dairies, retail rates unchanged

India's dry fruit industry poised for substantial growth

Retailers hit pause as small towns slow down

India's organised jewellery retailers to continue to outpace industry in FY24, ICRA says

As vaping ban violations rise, Health Ministry seeks stricter implementation of e-cigarette ban

Ban on wheat exports, curbs on rice shipments to stay

Marico will never compromise volume growth, market share for margins, says MD & CEO Saugata Gupta

India one of fastest-growing markets for Nescafe, offers opportunity for innovation: Nestle

Tanishq to use exchange programme to grow jewellery business

Tata Consumer to focus on 5 key levers; to take inorganic route whenever necessary

Reliance Retail to bring Chinese fashion giant Shein back to India

Reliance completes acquisition of Lotus Chocolate

Bikano launches range of frozen products in international market

Food delivery average order values may remain flat over next year: Zomato CFO

United Spirits in talks with Haryana government to permit spirits in workplaces

Som Distilleries inks pact with Carlsberg India for Odisha plant; to produce Carlsberg India products

Management Interview

Not worried about short term pressures; we expect to bounce back soon: Sameer Khetrpal, Jubilant FoodWorks

Bikaji Foods to grow at a faster pace, cash flow to turn positive this year: Management

Full note:

<https://equities.htisec.com/app/research/report-view?id=77096>

Nykaa's size, scale & presence is too large for that to immediately get eroded:  
Falguni Nayar

**Chintan Modi: Dhanuka Agritech (DAGRI IN): Bucked the trend in 4QFY23; FY24 to see recovery—Maintain OP & Raise TP by 4%**

Revenue inline; EBITDA & PAT beat estimates

In 4QFY23, revenue grew by 17% YoY to Rs3,712mn (est Rs3,601mn) led by volume growth of 16.5%. The growth rate outperformed most of the peer companies which struggled due to high channel inventory and pricing pressure. EBITDA margins grew by 110bps YoY to 21.0% and absolute EBITDA grew by 23% YoY to Rs779mn (est Rs681mn). Gross margins decreased by 230bps YoY to 38.2%, however, other expenses as % of sales were lower by 250bps YoY to 9.5%. Adj. PAT grew by 25% YoY at Rs653mn (est Rs519mn). In FY23, Revenue grew by 15% YoY Rs17,002mn. EBITDA grew by 6% YoY to Rs2,787mn as EBITDA margins declined by 140bps YoY to 16.4% due to price erosion and high inventory cost in 1HFY23. Adj PAT grew by 12% YoY to Rs2,335mn.

Dahej plant to commission in July 2023

The new plant in dahej will be commissioned in July 2023 and the company is expecting revenue of Rs500mn in the first year. It will start manufacturing bifenthrin active ingredient initially. Here, the company is likely to make gross margins of 20% while EBITDA may not be positive in first year of operations. It will gradually improve as scale improves and as new molecules are received from Japanese players. Bifenthrin will be used capitvely and sold outside (export and domestic) both.

Other key highlights

On ground demand from farmers is likely to be good and management expects double digit volume growth. Focus will be on Maize, sugarcane, paddy crops.

Management expects 50-100bps improvement in EBITDA margins irrespective of Dahej commissioning higher opex.

Dhanuka plans to introduce 5 new molecules in FY24 (two 9(4) already launched) out of which two would be 9(3) molecules and three would be 9(4) molecules.

Valuation & recommendation

We maintain our PAT estimates for FY24 and introduce estimates for FY25. We expect revenue and PAT CAGR of 14% and 12%, respectively over FY23-25E and RoE of 20% in FY25E. The stock is currently trading at PE of 13x/11x on FY24E/FY25E EPS. In our view, company will be moving from a pure play asset light branded formulation player to adding a capital intensive active ingredient manufacturing. The scale up of plant and selection of molecules will be critical, as there is risk of RoE dilution. We thus cut our PE multiple to 14x (earlier 16x) on FY25E EPS of Rs64/- and arrive at a target price of Rs894/- (vs earlier Rs856/-). We maintain OUTPERFORM rating on the stock.

Risks: 1) Inability of the company to pass RM cost increase may dent margins, 2) Inability to secure raw material can impact revenue growth.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77099>**Gaurang Kakkad: Emami (HMN IN): Unseasonal Rain Impacts Summer Portfolio; Margins See Pick-Up—Maintain OP & Raise TP by 5%**

Domestic/International Business Report 5%/19% YoY Growth in Q4

Emami Q4 results were a beat to ours as well as consensus estimates. Consolidated revenue grew by 8.5% YoY. Domestic/International business grew by 5%/19% YoY respectively. On LTL basis, excluding impact of 'Dermicool' and 'Helios Lifestyle', the consolidated revenue contracted by 2.3% YoY. Volume growth for the domestic business stood at 2% however, on organic basis, volumes in domestic business were negative. In the domestic business, growth was seen in Male grooming (+29%) and Kesh King (+1%) while while Boro Plus Range (-25% YoY), Navratna range (-3% YoY), Healthcare range (-13% YoY) and Pain management range (-9% YoY) witnessed contraction. Gross margin expanded after eight consecutive quarters of decline by 76bps YoY to 63.1% due to moderation in RM prices. Lower ad expenses (-389 bps YoY as % of sales) aided in EBITDA Margin expansion of 262bps to 23.9%. Reported PAT declined by 60% YoY while adj. PAT grew by 28.2% YoY due to recognition of MAT credit entitlement in the base quarter. In FY23, the company reported revenue/EBITDA/ Adj. PAT growth of 6.8%/-9.4%/-2.5% YoY, respectively with gross/EBITDA margins contracting by 154bps/452bps to 64.7%/25.3%.

**Organic Revenue/ Volume Growth Sees Decline**

The key highlights of Q4 result were 1) on LFL basis (excluding Helio's and 'Dermicool'), the company reported revenue decline of 2.3% YoY basis, implying 4 year CAGR of 4.9%, 2) unseasonal rain impacted demand of summer portfolio – 'Navratna' and 'Dermicool', 3) strong growth in new age channels like ecommerce and Modern Trade accounted for ~18.6% of revenue, 4) management expects 200-250 bps gross margin expansion, part of which will be utilized towards increasing ad spends and strategic investments, and 5) healthy growth in international business (19% in Q4) despite various challenges (currency depreciation, macro-challenges and political issues). The management is targeting to drive 8-10% revenue growth in domestic business and 15-20% growth in international business with EBITDA Margins of 27%.

**Valuation & Recommendation**

We maintain our EPS estimates for FY24-25E. We roll forward our EPS estimates to Mar'25 to Rs18.8 resulting in target price of Rs525 (earlier Rs500). We value the stock at target P/E multiple of 28x. We maintain our OUTPERFORM rating.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77110>**Utkarsh Nopany: Prince Pipes & Fittings (PRINCE IN): Mixed Q4FY23; Maintain Neutral on Tepid Earning Growth Profile —Maintain NEUTRAL & Raise TP by 8%**

Mixed Q4FY23: Volume Miss; Margin Beat on MTM gain

PRINCE sales volume came in slightly lower than our expectations (-2.1% YoY vs our expectation of flat YoY volume) for Q4FY23, but it reported sharp beat at EBITDA (+5.6% YoY to Rs1.5 bn vs Rs1 bn HTIe) due to better-than-expected pipe EBITDA per unit (+7.9% YoY to Rs33.5/kg due to better product mix and MTM inventory gain of Rs0.25 bn). On a relative basis, PRINCE was the only exception in our universe reporting negative volume growth (PRINCE: -2.1%; FNX: +3.6%; ASTRA:15.3%; SI: +16.4%) in Q4FY23, despite providing extended credit period to

its distributors (debtor period up 6 days YoY to 49 days) whereas collection period for most of its peers has been trending down. PRINCEPI's net cash position has remained stable on QoQ basis at Rs1.58 bn in Mar'23. The company has not announced any dividend for FY23 (vs dividend payout of 15.5% in FY22). Overall, PRINCEPI revenue fell by 15.2% YoY, but EBITDA/APAT grew by 5.6%/6.7% YoY in Q4FY23.

Outlook: The management expects pipe volume to grow at 12-15% in FY24 (except Q1FY24 – which got impacted due to upgradation of IT system). EBITDA margin is expected to be in the range of 13%-15% on a sustainable basis. The company plans to launch its bathware product range by end of Jun'23 and burn initial start-up cost of Rs0.15 bn in FY24. The company has announced to set up a 35,000 MTPA greenfield plastic pipe plant in Bihar for a cost of Rs1.5 bn by Q4FY25.

Maintain NEUTRAL; Raise TP by 8% to Rs650 per share

We maintain our 'NEUTRAL' rating on the stock as we expect a) PRINCEPI EBITDA to grow at a nominal 2.0% CAGR over FY22-FY25 even after considering reasonable assumptions (volume to grow at 12.0% CAGR over FY22-FY25 versus 5-year CAGR of 7.7% and average EBITDA per unit projected at Rs22.7/kg for FY24-FY25 vs historical average of Rs15.6/kg); b) ROE to decline from 21.8% in FY22 to 16.1% in FY25; and c) the stock currently trades at 28.3x on 1-year forward P/E, which is in-line with its historical average multiple since its IPO. We have revised down our EPS estimate (-1.6%/-2.2% for FY24/FY25) based on weak volume in Q4FY23 and recent decline in PVC resin prices, but we have revised up our TP to Rs650 per share (earlier Rs600) due to roll forward of our valuation from Sep'24 to Mar'25. Our target P/E multiple remains unchanged at 27x on Mar'25 estimate. Increase in exposure to group companies, loss of market shares and sharp decline in PVC resin prices are the key downside risks. Any sharp uptick in real estate activity would be an upside risk.

### Rahul Gajare: Weekly Update: Industrials, Cons. Durables and Electricals

#### Management Interview

- Honeywell Automation MD - Mr. Ashish Gaikwad
- Amber Enterprises MD - Mr. Jasbir Singh
- Siemens MD & CEO - Mr. Sunil Mathur

#### Industrial News

- Moody's sees mfg & infra driving India growth; flags reforms, policy barriers
- Securing supply: 2nd steel PLI in the works
- India Inc pays less for imported inputs, machinery imports keeps pace
- L&T wins' large orders for its Power T&D business

#### Consumer Durables & Electricals News

- Phone retailers cash in on note withdrawal as sales show uptick
- Voltas accelerates its leadership expansion drive by laying ground to build its new manufacturing facility in Tamil Nadu

Full note:

<https://equities.htisec.com/app/research/report-view?id=77113>



- We just need one big cluster to become an electronics hub: Mint
- LG India expects 10% growth: MD
- Expansion mode: Tata's may go for bigger play in Electronics, Semicon
- Dixon Technologies fortunes hinge on scale up of mobile biz
- Some money may flow into gold, realty and high value white goods due to withdrawal of Rs 2,000 notes from circulation
- Wistron exits Apple India biz after tripping over scale, work culture

#### Global News

- Abb launches the new CC7500 rectifier
- Cummins to acquire parts of Faurecia's commercial vehicle exhaust business
- Cummins announces engine production milestones for its Rocky Mount and Jamestown engine plants while planning for the future
- Elgi announces energy saving dryer at the 2023 AICD conference

Full note:

<https://equities.htisec.com/app/research/report-view?id=77115>

#### **Deepak Sonawane: General Insurance Corp. of India (GICRE IN): Much Improved Combined Ratio and Profitability—Maintain OP & Raise TP by 28%**

Growth remains subdued: GICRE reported overall GWP YoY de-growth of 28% in Q4FY23 mainly on account of conscious management calls to improve underwriting quality. The company reported domestic GWP (69% of overall FY23 GWP) de-growth of 9% YoY in FY23, while international business GWP reported de-growth of 26% YoY in FY23 (31% of overall FY23 GWP). On Segmental basis:

(i) Fire segment reported 2% YoY growth in FY23; (ii) In Agri book, GWP declined 36% YoY since GICRE has been selective in choosing insurance partners & geographies and treaty construct; (iii) Motor book reported YoY de-growth of 39% in FY23 on account of regulatory cut down in domestic obligatory cession to 4% from 5% recently and GICRE coming out of several foreign Motor treaties; and (iv) Health (incl. PA) reported 8% YoY growth in FY23 mainly on account of higher domestic health direct insurance industry growth.

Combined Ratio improving: GICRE reported much improved combined ratio to 89% in Q4FY23 compared to 114% in 9MFY23. For FY23, the company reported a combined ratio of 109% compared to 112% in FY22. This was mainly on account of improved claims ratio to 91% in FY23 vs 93% in FY22. Domestic book reported improved combined ratio of 95% in FY23 vs 103% in FY22. However the International book continued to report higher combined ratio at 138% in FY23 vs 127% in FY22.

Domestic combined ratio has improved primarily on account of sharp improvement in Health&PA segment at 100% for FY23 vs 118% in FY22. The deterioration in International business combined ratio is mainly due to higher combined ratio in International Motor segment at 148% in FY23 vs 119% in FY22.

Segmental combined ratio: (i) Fire portfolio reported higher combined ratio of 136%/88% in international/domestic business in FY23 vs 136%/78% in FY22 respectively, (ii) Motor domestic combined ratio was at 100% in FY23 vs 96% in

FY22 as against general insurance industry which reported elevated motor combined ratios; whereas motor international continues to report elevated combined ratio which was at 148% in FY23 as compared to 119% in FY22 (iii) Health & PA reported improved domestic combined ratio to 100% in FY23 vs 118% in FY22 in-line with general insurance industry, and (iv) Agri portfolio reported steady domestic combined ratio of 103% in FY23 vs 105% in FY22 as company is selective on offering capacities in agri reinsurance and company has taken some release of claims reserves.

Profitability getting better: GICRE reported net profit of Rs25.6bn/63.1bn in Q4FY23/FY23 vs NP of Rs17.9bn in Q4FY22 and a profit of Rs20.0bn reported in FY22 on account of improved combined ratio and higher investment income.

Valuation & Risks: We continue to maintain Outperform rating and we increase our TP to Rs230 per share from Rs180 earlier on account of revision in our growth, Underwriting ratios investment income estimates for FY24/FY25. We continue to value GICRE using our DCF model on reported NP (excluding gain on sale of equity investments) and then add 75% of fair value change account to arrive at our target price. We expect GICRE to report improved performance here on, thus we believe that it is trading at a comfortable FY25E PE of ~4.8x. The main downside risk to TP is further catastrophic events that materially raise claims ratio for international book in particular and higher combined ratio in motor book going ahead.

#### **Darpin Shah: HDFC Bank (HDFCB IN): Set to become larger and larger— Maintain OP**

At the HDFCB's Analyst day (link to the PPT), the mgmt., indicated its intent to maintain higher credit growth momentum (not at the cost of quality and margins) even on a higher base (merged entity), continue investments i.e. expand network (add 1500 branches p.a. in under-penetrated markets), and IT and digital capabilities. Despite the aggressive investment plans and merger, the mgmt. guides for maintaining RoAAs in the range of 1.9-2.1% from the first day of the merger. On the merged entity, as the NIMs dip, lower opex and LLPs will provide some cushion. However, given the lower leverage, RoEs are expected to moderate in the near term and normalise over the period of three years (post-merger). With the improvement in productivity (as the full impact of branch expansion will be visible), the bank expects C/I to dip <30% (from current levels of 40-41%) led better income growth over the next 8-10yrs.

On the deposits front, with faster branch expansion in under-penetrated markets, ~60-70% of HDFC Ltd. customers not having liability a/c with the bank, a mere 14% penetration in the TD segment (within own customers), along with the continued focus on customer engagement and a 60% of the branches with <10yr vintage, the mgmt. expects the deposits growth momentum to sustain here-on as well.

On merger, the mgmt. expects to complete the merger in the next 4-5 weeks with lots of background work already completed. The power of home loan product will change how customer engagement happens and it will be a game changer, as the long tenor mortgage customers makes the customer sticky and makes the cross sell easy, as per the Mgmt. While the bank will continue with the open architecture in the life insurance distribution, HDFC Life's business is expected to see a bump up. Further, there's huge under-penetration in the other subs customer base as-

Full note:

<https://equities.htisec.com/app/research/report-view?id=77076>

well, which offers opportunities for sustained and higher growth. On HDB, the communication from RBI is still pending for the road map for the same.

The bank has added 3x NTB customers in FY23 vs FY18 and ~55% of the customers have >3yr vintage with the bank (where-in the bank cross sold avg 3 products per customer). Along with merger, it offers huge scope for cross sell of products.

View and Valuation: We believe HDFCB is well placed to report a sustained growth momentum and report healthy return ratios. Here-on, the growth momentum, traction in deposits and NIM trajectory will be the key. We have not yet factored merger yet in our estimates. We have maintained our OUTPERFORM rating with a SOTP of Rs 1,978 (unchanged), valuing the bank at 3.0x Mar-25E ABV (unchanged).

Risks: (i) No improvement in NIMs, (ii) slower than expected credit and deposits growth, (iii) attrition at the Sr. management level.

**Gaurang Kakkad: Metro Brands Ltd (METROBRA IN): Store Addition Momentum Remains Strong & Margin Guidance Intact—Maintain OP & Raise TP by 3%**

LTL Growth of 29.8% YoY Driven By Store Expansion of 18.4% YoY

METROBRA IN results were a mixed bag with revenue ahead of our estimates while margins were a miss to our estimates. Consolidated revenue grew by 35.0% YoY (on LTL basis ex-Cravatex revenue grew by 29.8% YoY) driven by strong network expansion (+18.4% YoY). Gross margins contracted by 143bps YoY to 55.9%. while EBITDA Margins contracted by 582bps YoY to 26.4% (well below its guided range of 30-35%) driven by higher employee expenses (+88bps YoY as % of sale) and other expenses (+352bps YoY as % of sales). Ex-FILA acquisition, Gross/ EBITDA Margins stood at 57.2% (flat YoY)/ 29.7% (-275bps YoY). PBT grew by 0.7% YoY while PAT declined by 1.1% YoY due to higher tax rate of 28.2% (vs. 26.6% in base quarter). In Q4, the Company added 19 stores (net) during the quarter taking the total store count to 739. The company added 9 stores each for Mochi & Metro and 2 stores of 'FitFlop'. In FY23, revenue/ EBITDA/ Adj. PAT grew by 58.4%/65.9%/70.6% YoY respectively while gross/ EBITDA Margins expanded by 21/144bps to 58.1%/31.9%. The company announced final dividend of Rs1.5/share taking the total dividend for the year to Rs4.0/share implying dividend pay-out ratio of ~29%.

Management Aims To Drive 18% Revenue CAGR

The key takeaways from Q4 results were 1) strong store addition trajectory continues in Q4 with network increasing by 18.4% YoY and 2.6% QoQ, 2) target to open 200 stores across formats over the next two financial years, 3) maintaining guidance of 55-57% gross margin/ 30-33% EBITDA Margins and 15-17% PAT margins, 4) e-commerce channel growth momentum remaining robust, 5) Cravatex restructuring on-going (liquidation of excess inventory, rationalization of distribution) and will continue in H1FY24 and 6) management highlighted growth to moderate as pent-up demand and wardrobe refresh by consumers subside, however it will maintain its 18% CAGR growth momentum. Out of our footwear coverage universe, METROBRA is our top pick driven by (i) opportunities to expand its store network in existing as well as new cities across formats, (ii) filling portfolio gaps through acquisitions and third party brands to ensure no white spaces and (iii) strong brand positioning aiding the company in driving robust growth in higher price points (Rs3000+ price points) and (iv) ability to scale business by maintaining margins in a bandwidth.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77077>

## Valuation &amp; Recommendation

We cut our FY24E EPS estimates by 1.5% to account for longer than expected turn around time Cravatex business and increase FY25E EPS by 3.4% as margins are expected to recover. Our revised TP stands at Rs1,075 (earlier Rs1,040) based on our Mar25 EPS of Rs19.5. Our target P/E multiple is 55x. We maintain our OUTPERFORM rating on the stock.

**Anish RANKAWAT: Amara Raja Batteries (AMRJ IN): Entering the Li-ion capex cycle — Maintain OP & Cut TP by 7%**

Q4FY23 earnings: AMRJ reported revenue of Rs 24,292mn which declined 8%QoQ and down by 7% versus consensus est. EBITDA margin for Q4FY23 came in at 13.9%, down 110bps QoQ and in line with consensus estimates. Gross margin declined 40bps QoQ to 33%. Company has recognized a loss of Rs.4.9bn on account of damage caused to its PPE and inventories due to fire at its Chittoor plant in Andhra Pradesh. Hence, adjusted PAT at Rs.1,856mn was down 17%QoQ and 9% below consensus. For FY23, revenue came in at Rs.103.8bn up 19%YoY. EBITDA margin came at 13% vs 11.8% in FY22. PAT at Rs.6.9bn was up 36%YoY.

All segments grew barring Tubular which was impacted by the fire incident: In FY23, volumes improved YoY across segment except Tubular as there was fire damage at the plant. 4W aftermarket volumes grew 9-10% while OEM growth was 15%. 2W volumes grew 20% in both OEM and aftermarket on a low base. Tubular segment sales were flat post the fire incident. Exports were strong with 13-15% growth. Volumes in Q4 were up 6-7% for both OEM and aftermarket 4Ws while 2W growth came at 20% YoY. Industrial segment was up 7% in the quarter and Tubular volumes de-grew. Going forward, the outlook for replacement and OEM demand is positive as per the management. The Company is working to reinstating the Tubular plant and till then it can use its traded channel for deliveries.

New energy business with Rs13bn investment plans: The New Energy Business revenue for FY23 grew 3.5x YoY to Rs2.5bn with EBITDA margin of 3-4%. Currently the operations include sales of battery packs and chargers to telecom and 3W segment. Management expects to grow 3x in FY24 to Rs.7.5bn with a growth in the current applications and some order wins in the 2W OEMs segment. Construction of the cell plant at Telangana is expected to be completed within 18-24 months and another 6m to ramp up production to 2GWh of NMC chemistry. Technology development for li-ion cells will be in 3 steps, first will be commercial qualification by extending the in-house R&D facilities along with other partners. This will include developing pilot products and customer approvals. The plant will be capable of manufacturing LFP cells as well. By FY32, it will be at 16Gwh capacity.

Maintain OP while factoring in de-rating on increasing competition: With higher RM costs we have lowered out margin expectation for FY24/25 by 60bps each. Our earnings is lower by 5%/6% respectively. FY23 earnings grew 45% YoY to Rs 7.4bn. On this high base we expect FY23-24E earnings growth of 9% CAGR. We lower our target multiple from 15x to 14x on slower growth and roll over earnings base from sept'24 to FY25. Our revised TP is Rs721 (Rs775 earlier). It is currently trading at 12x FY25 eps. Maintain outperform. A lower target PER incorporates the de-rating on electrification and since the battery industry is moving from a duopoly to more competitive structure as giants like Reliance, OLA are entering into the Li-ion cell

Full note:

<https://equities.htisec.com/app/research/report-view?id=77078>



Full note:

<https://equities.htisec.com/app/research/report-view?id=77090>

manufacturing. Slower transition in 4Ws and relevance of Lead Acid for low voltage usage in cars are favoring AMRJ.

Risks: Industry slowdown, Lead prices, rapid electrification.

**Rahul Gajare: Cummins India (KIC IN): Good Show—Maintain OP & Raise TP by 7%**

Cummins India (CIL) reported solid performance during Q4FY23, beating our estimates on all parameters. Revenue grew 29% YoY aided by both domestic and overseas business. The company reported strong EBITDA margin at 16.9% (up 310bps), aided by gross margin (up 70bps) and cost saving measures, which saw its PAT surge 68% YoY during the quarter. CIL is geared up for the changes in emission effective July'23 with improved and efficient product lineup. We like the company on the back of (1) strong demand drivers across sectors, (2) strong technology support from Cummins Inc., and (3) strong aftermarket business. The company over the years has gained market share across product categories on the back of new products and technology along with an unparalleled distribution & service network. Having revised up our earnings by 5-7% over FY24-25, we now expect 19% earnings CAGR over FY23-25 and are positive on the long-term prospects of CIL. We value the company based on 32x (unchanged) our revised Mar-25 EPS of Rs58.8 to arrive at our revised target price of Rs1,880 (Rs1,750 earlier). Maintain Outperform.

**Results Highlights**

At Rs19.3 bn, the revenue grew 29% YoY, indicating steady pickup in demand both from domestic (up 33% to Rs14 bn) as well as exports (up 17% to Rs4.9 bn). With 70bps gross margin improvement and prudent cost management, CIL reported a significant 310bps jump in EBITDA margin to 16.9%. Thus, EBITDA at Rs3.3 bn jumped 58% YoY during the quarter. Consequently, PAT surged 68% YoY to Rs3.2 bn, driven by strong operating performance and other income. For FY23, revenue grew 26% YoY to Rs77.4 bn with 160bps expansion in EBITDA margin to 16.0%. PAT grew 50% YoY to Rs11.3 bn. Continued government spending on infrastructure along with new CPCB 4 norms from Jul'23 is likely to continue to drive growth along with pre-buying in powergen. While exports held up well, inflation could hurt near term consumption.

Full note:

<https://equities.htisec.com/app/research/report-view?id=77091>

**Hitesh Gulati: Life Insurance Corporation of India (LICI IN): Steady Quarter—Maintain OP & Cut TP by 5%**

Result highlights: LIC reported total APE and Individual APE growth for FY23 of 12% and 9% YoY respectively. However, overall APE was down in Q4FY23 by 8% YoY mainly on account of 38% YoY de-growth in group APE while Individual APE reported 4% YoY growth. We expect LIC's overall APE to grow at 6% CAGR over FY23-25. LIC reported improved VNB Margin (Post Deduction) of 16.2% in FY23 (19.4% in Q4FY23) compared to 15.1% reported in FY22. The improvement in VNB margin in FY23 from FY22 can be explained by (a) negative impact of 90bps due to change in certain product benefits (increased Annuity rates, increased sum assured, guaranteed rates etc.), (b) positive impact of 180bps due to a change in assumptions mainly in risk free rates amidst rising interest rate regime, and (c) 20bps positive impact on account of operating assumption changes. We expect LIC's VNB margin to reach ~20% by FY25 from 16% in FY23. In the Individual

business, on an APE basis, the share of Non Par Business (including ULIP) was at 8.9% for FY23 compared to 7.1% for FY22.

Significant increase in accounting Net profit: Accounting NP for FY23 was Rs364bn significantly higher than Rs.40.4n for FY22. This is due to transfer of an amount of Rs227bn (net of tax), pertaining to the accretions on the available solvency margin, from non-par to shareholders account.

Low Impact of change in taxation announced during Budget 2023: According to LIC, only 3.4% of overall APE belongs to the high ticket size category where annual premium is greater than Rs0.5mn and most of this is in the par category. Thus impact of the new tax regulations announced during Budget 2023 will be minimal going forward.

Segmental Margins:

For LIC, individual Par business VNB margins (pre deductions) have improved from 13.6% in FY22 to 14.6% in FY23.

Individual Non Par business (including ULIP) reported decline in VNB margins (pre deductions) to 70.4% in FY23 from 104% reported in FY22, mainly on account of (a) revision in annuity rates (effected from Oct'22) to remain competitive, (b) higher guaranteed returns being offered by in Non-Par savings product that were recently launched, and (c) higher growth reported in lower margin ULIP segment.

Group business (60% of group GWP is fund based and majority of remaining 40% is group Annuity) for LIC reported improved VNB margins (pre deductions) of 22.1% in FY23 vs 19% in FY22 mainly on account of higher growth in group annuity.

EV Summary: For FY23, LIC reported EV of Rs5.82trn (YoY growth of 8%) mainly led by (i) expansion in VNB margins as explained above, (ii) higher unwinding rate of 7.7% in FY23 vs 4.8% reported in FY22. In addition, LIC reported positive persistency variance of Rs45.8bn, positive Mortality variance of Rs38.3bn and positive miscellaneous variance of Rs21.4bn, while opex variance was negative at Rs10.1bn in FY23 on account of increase in employee expenses provision for wage revision done in FY23. LIC also reported a positive operating assumption change of Rs20.6bn vs negative Rs52.4bn taken in FY22. As a result, EVOP for LIC reported growth of 6% YoY to Rs589bn in FY23 resulting in ROEV of ~11%.

Valuation: We maintain Outperform rating but reduce our TP to Rs740 per share from Rs780 per share as we marginally cut our EVOP growth CAGR estimate to 9% over the period FY23-25 from 10% earlier on. Our valuation is based on a two-stage Gordon Growth model which computes a target 6.8x FY25 P/EVOP which we apply to our EVOP estimate implying 0.6x FY25 P/EV. Our target multiple for LIC is at a significant discount to current trading multiple for all 4 listed peers and thus we feel our multiple is reasonable. The main risks to our rating (a) changes in LICs Policyholder's surplus policy may reduce the attractiveness of its par products; and (b) EV might show cyclicity given Investment variance is a significant contributor.

## APPENDIX

### IMPORTANT DISCLOSURES

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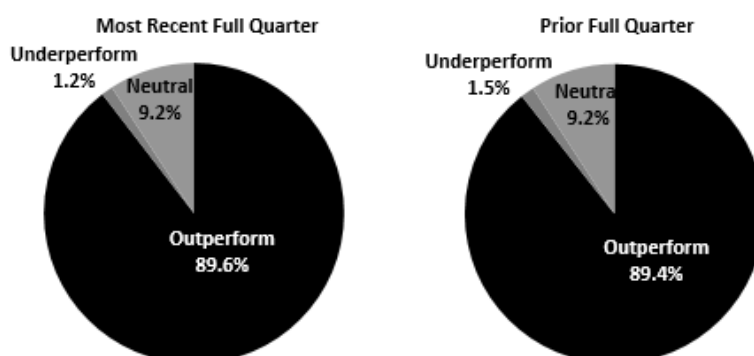
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