

Equity Research · Company

Midea doubles down on robotics as cooperation with KUKA strengthens

Midea speeds up consolidation of KUKA. The KUKA Executive Board has decided to merge the China divisions of both its General Industry Business and its subsidiary Swisslog Holding AG—which specializes in integrated automation solutions for hospitals, warehouses and distribution centers—with Midea. KUKA and Midea will each hold a 50% stake in the JV. Meanwhile, a robot park will be built in Midea's headquarters Shunde in the manufacturing heartland of Guangdong Province, eyeing a capacity of 75,000 robots (with a total capacity of 100,000 robot units including existing capacities) by 2024.

Midea better poised to ride the automation wave. As part of the Industry Internet drive, Midea's deepened cooperation with KUKA will accelerate the world's largest home appliance maker's transformation into an industrial automation powerhouse. This follows a tie-up with YASKAWA in 2015 to gatecrash into the robotics field, its acquisition of KUKA in 2016 to extend to robotics hardware manufacturing and the purchase of Servotronics in 2017 to complement KUKA's weakness in the robot control systems area.

The latest move puts Midea in a better position to reap the benefits of the wave of automation sweeping across China, the world's biggest market for industrial robots.

Earnings forecast. We predict Midea to have EPS of RMB2.65/3.23/3.87 for 2017-2019, corresponding to 21x/17x/14x PER. Maintain Buy.

Risk factors: stiffening competition in the home appliance market; volatility in raw material prices and labor supply.

Midea Group (000333:CH)

Rating

Buy

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Share price performance



Earnings forecast
资产负债表 (单位:亿元)

会计年度	2016	2017E	2018E	2019E
流动资产	1206.21	1369.30	1528.95	1810.74
现金	271.69	108.29	588.82	340.11
应收账款	134.55	200.35	206.51	260.61
其它应收款	11.40	26.02	17.34	31.17
预付账款	15.87	31.05	18.76	38.53
存货	156.27	299.57	209.89	367.80
其他	616.43	704.02	487.63	772.52
非流动资产	499.79	645.43	710.32	761.68
长期投资	22.12	22.12	22.12	22.12
固定资产	210.57	399.48	445.35	473.64
无形资产	68.69	90.06	97.87	106.60
其他	198.42	133.77	144.98	159.33
资产总计	1706.01	2014.73	2239.27	2572.43
流动负债	891.84	1122.88	1205.47	1367.07
短期借款	30.24	43.39	37.61	37.08
应付账款	253.57	408.21	367.42	521.11
其他	608.03	671.28	800.43	808.88
非流动负债	124.40	82.42	69.62	57.28
长期借款	70.73	67.23	52.39	35.09
其他	53.67	15.18	17.23	22.19
负债合计	1016.24	1205.30	1275.09	1424.35
少数股东权益	78.50	89.25	104.19	123.11
归属母公司股东权益	611.27	720.18	859.99	1024.97
负债和股东权益	1706.01	2014.73	2239.27	2572.43
现金流量表 (单位:亿元)				
经营活动现金流	204.09	78.30	668.79	-61.25
净利润	158.62	184.26	226.70	272.67
折旧摊销	0.00	48.21	58.45	67.89
财务费用	-10.06	9.55	0.29	1.00
投资损失	-12.86	-26.80	-29.00	-32.30
营运资金变动	59.72	-123.82	408.76	-368.37
投资活动现金流	8.68	-13.10	3.60	-2.12
资本支出	-122.95	-165.94	-95.91	-82.18
其他	39.61	230.35	53.92	36.95
筹资活动现金流	6.77	0.00	0.00	0.00
短期借款	-76.58	64.41	-41.99	-45.23
长期借款	73.51	-75.77	-92.35	-105.29
现金净增加额	-8.97	13.14	-5.77	-0.53

利润表 (单位:亿元)

会计年度	2016	2017E	2018E	2019E
营业收入	1598.42	2455.17	2860.27	3280.73
营业成本	1156.2	1826.6	2125.2	2433.0
营业税金及附加	10.77	15.72	18.78	20.40
营业费用	176.78	269.45	310.21	355.82
管理费用	96.21	153.42	173.61	197.17
财务费用	-10.06	9.55	0.29	1.00
资产减值损失	3.81	5.87	3.24	4.51
公允价值变动收益	1.17	1.30	0.99	3.00
投资净收益	12.86	26.80	29.00	32.30
营业利润	174.36	200.33	256.41	301.25
营业外收入	18.19	25.60	20.29	29.80
营业外支出	3.40	5.72	5.69	4.94
利润总额	189.15	220.21	271.01	326.11
所得税	30.53	35.23	43.36	52.33
净利润	158.6	184.98	227.65	273.78
少数股东损益	11.78	10.80	15.00	19.00
归属母公司净利润	146.8	174.18	212.65	254.78
EPS (摊薄)	2.27	2.65	3.23	3.87
主要财务比率				
会计年度	2016	2017E	2018E	2019E
成长能力				
营业收入增长率	14.88%	53.60%	16.50%	14.70%
营业利润增长率	16.89%	14.40%	27.98%	16.89%
归母净利润增长率	15.56%	18.15%	22.05%	19.83%
营运能力				
总资产周转率	1.06	1.31	1.34	1.36
应收账款周转率	13.35	14.59	13.99	13.98
应付账款周转率	5.40	5.49	5.45	5.45
每股指标 (元)				
每股收益(最新摊薄)	2.27	2.69	3.28	3.93
每股经营现金流(最新摊薄)	3.14	1.21	10.31	-0.94
每股净资产(最新摊薄)	10.68	12.53	14.93	17.78
估值比率				
P/E	25.2	21.23	17.39	14.51
P/B	0.81	5.07	4.24	3.56
EV/EBITDA	2.21	14.00	9.93	8.95

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Company Rating Definition

The Benchmark: Hong Kong Hang Seng Index; Time Horizon: 12 months

Buy	12-month absolute total return: $\geq 10\%$
Hold	12-month absolute total return: $> -10\%$ but $< 10\%$
Sell	12-month absolute total return: $\leq -10\%$

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