

30 Jun, 2025

Nameson | 01982.HK

Outlook improves, but the macro issues remain uncertain

STOCK RATING

NR

TARGET PRICE

HK\$ -

Nameson (01982.HK) experienced a modest a YoY revenue decline of 0.6% in FY 2024/25, with a slight improvement in gross margin to 18.0%. While the absence of impairment losses from the Myanmar factory provided some offset, declines in FX gains and the disposal of PPE, along with rising staff expenses, contributed to a 6.6% decrease in net profit. The Group declared a dividend of HKD 0.015/share for the 2H, reflecting a payout ratio of approximately 75% for the fiscal year.

Slight retreat in the knitwear products: Sales volumes for knitwear products and wholegarment sweaters fell to 22.0mn and 4.7mn pieces, respectively, resulting in a 4.2% decrease in sales revenue. The decline was more pronounced in the 2H due to an unusually warm winter, which led to a normalization of fast orders. However, the growth in cashmere products partially mitigated the overall decline. The current order levels remain stable, and it is expected that the sales for the current fiscal year will remain flat.

New capacity of cashmere yarn is expected to be available in 2026: The Group achieved a slight YoY growth of 0.4% in external cashmere yarn sales to HKD 575.6mn. The M.oro brand has gained significant market acceptance, and approximately 70% of the cashmere yarn produced was allocated for external sales. The Hebei factory was operating at full capacity, and new production capacity, about 300 to 400 tonnes/year, will be available by 2026, which should bolster revenue growth.

A break-even in the fabric business may be achieved soon: The fabric segment has shown promising progress, and the net loss incurred has reduced notably. The Group is optimistic about achieving break-even in this segment next year, supported by improved utilization rates and anticipated growth.

Outlook improves, but the macro issues remain uncertain: Solid order flow in knitwear, combined with growth potential in the fabric and cashmere yarn segments, positions the Group favourably for future performance. Although inventory levels increased, this was primarily due to shipment and raw material procurement related to cashmere yarn production. However, macroeconomic uncertainties persist, particularly concerning international tariffs, which could adversely affect sales and profit margins. The Group remains hopeful that reasonable solutions will emerge following the implementation of any new tariffs. In light of the current performance and future potential, we maintain a cautiously optimistic outlook on Nameson (01982.HK).

COMPANY NOTE

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Nameson (01982.HK)

Stock Rating **NR**
Target Price **HK\$ -**

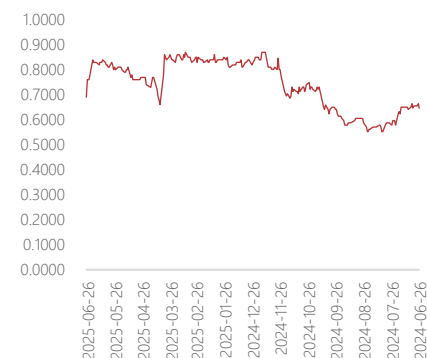
 Current Price **HK\$ 0.760**

 52-Week Range **HK\$ 0.512 – 0.880**

 Market cap. (HKD, bn) **HK\$ 1.7**

HKD, mn	2021/ 22 (A)	2022/ 23 (A)	2023/ 24 (A)	2024/ 25 (A)
Revenue	4,040.5	4,602.3	4,378.9	4,378.9
Gross Profit	706.1	745.5	774.2	774.2
Gross Margin	17.5%	16.2%	17.7%	17.7%
Net Profit	275.6	158.3	380.7	380.7
ROE	11.0%	6.2%	15.0%	15.0%

Performance	1 mth	3 mth	6 mth	1 year
Absolute	-14.8%	-19.8%	-15.9%	3.9%
Relative to HSI	-18.7%	-22.8%	-36.7%	-33.1%



Peers comparison

		Mkt. Cap.	P/E	Fw. P/E	P/B	P/S	Revenue	GM	ROE
		(HKD, mn)	(x)	(x)	(x)	(x)	(HKD, mn)	(%)	(%)
00420.HK	Fountain Set	784.0	54.6	-	0.2	0.2	4,426.6	12.0	0.4
02232.HK	Crystal Intl	13,065.9	8.3	7.3	1.1	0.7	19,270.1	19.7	13.5
02313.HK	Shenzhou Intl	84,105.3	12.3	11.8	2.1	2.7	31,064.2	28.1	18.2
02368.HK	Eagle Nice	2,095.8	9.3	-	1.2	0.4	4,807.9	16.1	13.0
	<i>Average</i>	<i>25,012.7</i>	<i>21.1</i>	<i>9.5</i>	<i>1.2</i>	<i>1.0</i>	<i>14,892.2</i>	<i>19.0</i>	<i>11.3</i>
01982.HK	Nameson	1,777.9	5.2	3.9	0.7	0.4	4,352.1	18.0	14.4

Source: Bloomberg, West Bull Securities

Risk factors

- Break-even cannot be achieved in the fabric business as expected
- International conflicts escalate and result in a sharp increase in tariffs
- New production capacity of cashmere yarn cannot be absorbed

Financial Statement

PnL					Balance Sheet				
(HKD, mn)	2021/22 (A)	2022/23 (A)	2023/24 (A)	2024/25 (A)	(HKD, mn)	2021/22 (A)	2022/23 (A)	2023/24 (A)	2024/25 (A)
Revenue	4,040.5	4,602.3	4,378.9	4,352.1	PPE	2,131.1	1,780.4	1,785.1	1,873.5
YoY growth	5.0%	13.9%	-4.9%	-0.6%	Others	640.0	601.8	614.1	677.2
COGS	(3,334.4)	(3,856.8)	(3,604.6)	(3,570.3)	Non-current assets	2,771.2	2,382.3	2,399.2	2,550.8
Gross profit	706.1	745.5	774.2	781.8					
Other income	19.5	125.4	91.5	61.7	Inventories	1,161.2	1,032.0	910.6	1,207.9
Operating expenses	(386.2)	(629.2)	(398.2)	(393.6)	Trade receivables	146.2	132.7	167.1	153.1
Operating profit	339.4	241.7	467.5	449.9	Cash & cash equivalents	610.7	717.0	717.4	430.8
Finance expenses, net	(21.2)	(33.0)	(35.2)	(43.5)	Others	124.9	165.1	253.8	436.0
JV & Ass.	0.8	0.7	1.6	1.5	Current assets	2,043.1	2,046.8	2,048.9	2,227.8
Profit before tax	319.0	209.4	433.9	407.9					
Tax	(43.4)	(51.1)	(53.2)	(52.5)	Total assets	4,814.3	4,429.1	4,448.1	4,778.6
Net profit	275.6	158.3	380.7	355.4					
YoY growth	-7.6%	-42.6%	140.5%	-6.6%	LT borrowings	935.6	530.9	454.8	563.5
					Others	54.1	88.1	133.3	164.2
					Non-current liabilities	989.7	619.0	588.1	727.7
					Trade payables	415.9	363.4	335.5	400.7
					ST borrowings	254.5	405.8	353.1	309.3
					Others	551.2	563.2	572.5	703.2
					Current liabilities	1,221.6	1,332.4	1,261.1	1,413.2
					Total liabilities	2,211.4	1,951.4	1,849.1	2,140.9
					Non-controlling interests	194.5	202.6	215.9	266.2
					Controlling interests	2,408.4	2,275.1	2,383.1	2,371.6
					Total equities	2,602.9	2,477.7	2,599.0	2,637.7

Cash Flow

(HKD, mn)	2021/22 (A)	2022/23 (A)	2023/24 (A)	2024/25 (E)	Financial Ratio	2021/22 (A)	2022/23 (A)	2023/24 (A)	2024/25 (A)
Profit before tax	319.0	209.4	433.9	407.9	Gross margin	17.5%	16.2%	17.7%	18.0%
Finance expenses	23.9	43.2	64.8	51.3	Operating margin	8.4%	5.3%	10.7%	10.3%
Finance income	(2.7)	(10.1)	(29.6)	(7.8)	Net profit margin	6.8%	3.4%	8.7%	8.2%
D&A	146.4	196.9	193.5	199.9	Adj. EBITDA profit margin	12.0%	13.4%	14.0%	13.4%
Others	35.3	140.6	(91.6)	(127.7)	Return on Equity	11.0%	6.2%	15.0%	13.6%
Change in working capital	(277.9)	13.3	11.9	(300.8)	Return on Asset	5.8%	3.4%	8.6%	7.7%
CFO	244.0	593.2	582.9	222.9	Current ratio	167.2%	153.6%	162.5%	157.6%
					Quick ratio	72.2%	76.2%	90.3%	72.2%
CAPEX	(97.3)	(10.1)	(174.7)	(241.0)	Cash ratio	50.0%	53.8%	56.9%	30.5%
Others	6.9	10.1	29.6	2.7	Debt-to-Equity ratio	45.7%	37.8%	31.1%	33.1%
CFI	(90.4)	0.0	(145.1)	(238.3)	Net Debt-to-Equity ratio	22.3%	8.9%	3.5%	16.8%
					Inventory turnover days	103.1	103.8	98.3	108.3
Shares issuance	-	-	-	-	Receivable turnover days	13.1	11.1	12.5	13.4
Net borrowings	(34.2)	(253.4)	(203.4)	5.9	Payable turnover days	40.0	36.9	35.4	37.6
Interest expenses	-	-	-	-					
Dividend paid	(123.1)	(150.4)	(230.2)	(303.2)					
Others	(180.4)	(80.0)	(2.3)	25.1					
CFF	(337.7)	(483.8)	(435.9)	(272.2)					
FCFE	112.5	329.8	279.5	(12.2)					
FCFF	167.2	614.6	465.8	26.6					

Source: Company data, West Bull Securities

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