


**China | Consumer**

14 May 2026

**Xtep (1368 HK)**
**Solid FY25 results; Multi-brand strategy continues to gain traction**
**Xtep FY25 revenue/NP up 4.2%/10.8% YoY**

Xtep delivered solid FY25 results, with revenue up 4.2% YoY to Rmb14,151m and NP up 10.8% YoY to Rmb1,372m. Excluding the disposal impact from K&P in FY24, comparable continuing-operations NP grew c.5.1% YoY. The company declared a final DPS of HK9.5 cents, implying a full-year payout ratio of 50.4% and marking the 18th consecutive year with payout above 50%. That said, 2H25 was softer, with revenue up 1.7% YoY and NP down 5.8% YoY, reflecting a still-promotional retail backdrop and the early impact from the DTC transition.

**Core Xtep / S&M revenue up 1.5%/30.8% YoY**

The core Xtep brand remained resilient in FY25, with revenue up 1.5% YoY to RMB12,515m. E-commerce was the key bright spot, with sales up c.40% YoY and accounting for over one-third of core-brand revenue. By end-FY25, adult/kids store counts stood at 6,357/1,488, down 25/96 YoY as management continued to optimize lower-efficiency stores. Importantly, Xtep maintained leading wear rates across major marathons in China, reinforcing its strong positioning in mass-market running. S&M again outperformed, with revenue up 30.8% YoY to RMB1,636m. Saucony continued to gain traction among runners and further strengthened its premium positioning, while its mainland China store count increased to 175 by end-FY25. Merrell remained primarily online-led, with selective offline expansion likely to start gradually.

**GPM down 0.4ppt YoY on deeper discounts**

Margins were mixed in FY25. Group GPM edged down 0.4ppt YoY to 42.8%, mainly due to deeper discounts/subsidies at the core brand and a higher apparel mix in professional sports. Core-brand GPM declined 0.6ppt to 41.2%, while professional sports GPM fell 1.7ppt to 55.5%; however, professional sports OPM still improved 0.7ppt to 7.0% on better scale. S&D ratio increased 1.5ppt to 22.6% due to higher e-commerce platform fees and logistics costs, while admin ratio declined 0.8ppt to 9.7%. As a result, operating margin slipped 0.2ppt to 14.3%, but net margin still improved 0.6ppt to 9.7%, helped by higher government subsidies and lower below-the-line headwinds. Inventory days increased to 77 from 68 at end-FY24, mainly due to inventory repurchases tied to DTC conversion, though still manageable in our view.

**Maintain our BUY rating, lower TP to HK\$5.6**

Looking ahead, management guided FY26 revenue growth at mid-single digits, with stable growth for the core brand and 20%-30% growth for professional sports, while net margin should remain at a high-single-digit level. Retail growth recorded a LSD YoY growth in 1Q26, with retail discount at 25-30% and inventory turnover at 4.5 months. We expect FY26 to be a transition year as the company accelerates its DTC rollout after converting 100+ stores in FY25 and targeting c.500 additional DTC stores in FY26. This will likely create short-term pressure on opex and working capital, especially alongside a new share incentive plan, but should improve channel control, retail efficiency and consumer engagement over the medium term. Mgmt expect Rmb60-70m addition negative impact on NP this year. We lower our FY26/FY27 NP forecasts by 17.5%/13.1%, and introduce our FY28 forecasts. We lower our TP to HK\$5.6 from HK\$5.8, but still maintain our BUY rating with a 33% upside from current price.

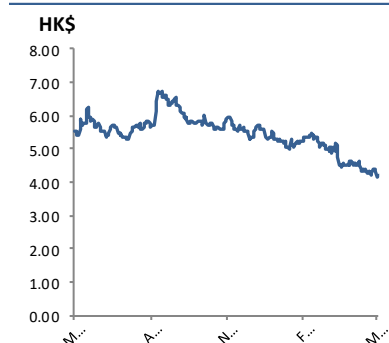
**BUY**

Last Price (HK\$)*	4.21
<b>Target Price (HK\$)</b>	<b>5.60</b>
Upside / (Downside)(%)	33.0%
Previous rating	BUY
Previous TP	5.80
Hang Seng Index*	26,478.99
* Prices as of	14-May-26

**Key Data**

Ticker	1368 HK
Market Cap (HK\$m)	11,814
3M avg daily T/O (HK\$m)	53.1
52-week High (HK\$)	6.83
52-week Low (HK\$)	4.13
Free Float (%)	52.6%
Shares O/S (m)	2,806.1

Performance	Absolute	Relative
1 month	-7.3%	-9.4%
3 months	-21.0%	-20.8%
6 months	-29.0%	-28.8%

**Price Chart**

**Summary financial data**

Year to Dec 31 (Rmb mn)	2024	2025	2026E	2027E	2028E
<b>Revenue</b>	<b>13,577</b>	<b>14,151</b>	<b>14,824</b>	<b>15,737</b>	<b>16,711</b>
Gross profit	5,865	6,063	6,341	6,766	7,210
<b>Net profit</b>	<b>1,238</b>	<b>1,372</b>	<b>1,257</b>	<b>1,444</b>	<b>1,582</b>
YoY Growth	20.2%	10.8%	-8.3%	14.8%	9.5%
EPS (HKD)	0.512	0.567	0.520	0.597	0.654
<b>P/E (x)</b>	<b>8.7</b>	<b>7.5</b>	<b>8.1</b>	<b>7.1</b>	<b>6.5</b>
P/B (x)	1.18	1.00	0.95	0.88	0.82
Dividend Yield (%)	5.9	6.5	6.0	6.9	7.5
<b>ROE (%)</b>	<b>14.9</b>	<b>14.5</b>	<b>12.0</b>	<b>12.9</b>	<b>13.1</b>
Net debt / equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Crosby Securities

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Figure 1 Sportswear operational data (1Q16-1Q26)

	Anta 2020 HK		Li Ning 2331 HK		Xtep 1368 HK		361 Degrees 1361 HK		China Dongxiang 3818 HK	
	ANTA Brand	Other Brands	Sell through	SSSG	Xtep Brand	Saucony	Core	Kid	Kappa	SSSG
1Q 2016	+MSD	-	-	+LSD	-	-	+7.2% <sup>(2)</sup>	+7.5% <sup>(2)</sup>	-	-
2Q 2016	+HSD	-	-	+HSD	-	-	+7.0% <sup>(2)</sup>	+7.3% <sup>(2)</sup>	-	-
3Q 2016	+LSD	+60-70%	-	+HSD	-	-	+7.3% <sup>(2)</sup>	+7.3% <sup>(2)</sup>	-	-
4Q 2016	+high-teens	+50-60%	-	+mid-teens	-	-	+7.5% <sup>(2)</sup>	+7.7% <sup>(2)</sup>	-	-
1Q 2017	+low-teens	+40-50%	+HSD	Flat	-	-	+7.0% <sup>(2)</sup>	+7.4% <sup>(2)</sup>	-	-
2Q 2017	+20-30%	+50-60%	-	+HSD	-	-	+HSD	+HSD	-	-
3Q 2017	+mid-teens	+40-50%	+LSD	-LSD	-	-	+HSD	+HSD	-	-
4Q 2017	+20%-25%	+85-90%	+mid-teens	+low-teens	-	-	+HSD	+HSD	-	-
1Q 2018	+20%-25%	+80-85% <sup>(1)</sup>	+mid-teens	+low-teens	-	-	+HSD	+HSD	-	-
2Q 2018	+low-teens	+90-95%	+low-teens	+HSD	-	-	+HSD	+low-teens	+HSD	+5-9%
3Q 2018	+mid-teens	+90-95%	+mid-teens	+low-teens	-	-	+MSD	+low-teens	Flat	-1-6%
4Q 2018	+mid 10-20%	+80-85%	+high-teens	+mid-teens	-	-	Flat	+low-teens	+low-teens	+MSD
1Q 2019	+low 10-20%	+65-70%	+low-twenties	+mid-teens	+20%+	-	+LSD	+LSD	+HSD	+LSD
2Q 2019	+mid 10-20%	+55-60%	+low-twenties	+mid-teens	+20%+	-	+LSD	+HSD	+MSD	+LSD
3Q 2019	+mid 10-20%	FILA: +50-55% Others: +30-35%	+low-thirties	+high-teens	+20%	-	+LSD	+HSD	+MSD	+LSD
4Q 2019	+high-teens	FILA: +50-55% Others: +25-30%	+mid-thirties	+high-teens	+20%+	-	+LSD	+HSD	+mid-teens	+5-9%
1Q 2020	-20-25%	FILA: -MSD Others: -HSD	+high-teens	-	-20-25%	-	-25-30%	-25-30%	+low-teens	+5-9%
2Q 2020	-LSD	FILA: +low-teens Others: +25-30%	-MSD	-MSD	-LSD	-	-low-teens	-low-teens	-high-twenties	-1-6%
3Q 2020	+LSD	FILA: +20-25% Others: +50-55%	+MSD	+LSD	+MSD	-	-HSD	-HSD	-MSD-LSD	-MSD
4Q 2020	+LSD	FILA: +25-30% Others: +55-60%	+mid-teens	+low-teens	+HSD	-	+LSD	+MSD	+MSD	+LSD - +MSD
1Q 2021	+40-45%	FILA: +75-80% Others: +115-120%	+High 80%	-	+Mid 50%	-	+high-teens	+low-twenties	+low-teens	+MSD
2Q 2021	+35-40%	FILA: +30-35% Others: +70-75%	+low-nineties	+low-eighties	+30-35%	-	+15-20%	+30-35%	+mid-sixties	+HSD
3Q 2021	+low-teens	FILA: +MSD Others: +35-40%	+Low 40%	+high-twenties	+Mid-teens	-	+low-teens	+15-20%	+mid-to-low teens	+M-HSD
4Q 2021	+mid-teens	FILA: +MSD Others: +30-35%	+low-thirties	+low-twenties	+20-25%	-	+high-teens	+25-30%	-mid-to-high-teens	-high-teens
1Q 2022	+high-teens	FILA: +MID Others: +40-45%	+ high-twenties	+low-twenties	+30-35%	-	+high-teens	+20-25%	-mid-teens	-mid-to-high-teens
2Q 2022	-MSD	FILA: -HSD Others: +20-25%	-HSD	-low-teens	+Mid-teens	-	+low-teens	+20-25%	-MSD	-MSD
3Q 2022	+MSD	FILA: +low-teens Others: +40-45%	+mid-teens	+HSD	+20-25%	-	+mid-teens	+20-25%	-mid-to-high-teens	-mid-to-low-teens
4Q 2022	-HSD	FILA: -low-teens Others: +low-teens	-low-teens	-high-teens	-HSD	-	Flat	+LSD	-mid-20-30%	-mid-teens
1Q 2023	+MSD	FILA: +HSD Others: +75-80%	+MSD	-HSD	+~20%	-	+low-teens	+20-25%	+mid-to-low teens	+mid-to-low-teens
2Q 2023	+HSD	FILA: +High-teens Others: +70-75%	+ low-teens	-LSD	+High-teens	-	+low-teens	+20-25%	+mid 10%-20%	+mid- to-low10-20%
3Q 2023	+HSD	FILA: +Low-teens Others: +45-50%	+MSD	-MSD	+High-teens	-	+15%	+25-30%	+mid-to-low single digit	+MSD
4Q 2023	+high-teens	FILA: +25-30% Others: +55-60%	+low-twenties	+low-teens	+>30%	-	+>20%	+~40%	+mid 40%-50%	+high 20%-30%
1Q 2024	+MSD	FILA: +HSD Others: +25-30%	+LSD	-MSD	+HSD	-	+high-teens	+20-25%	-low 10-20%	-HSD
2Q 2024	+HSD	FILA: +MSD Others: +40-50%	-LSD	-	+10%	-	+10%	+mid-teens	-mid LSD	-MSD
3Q 2024	+MSD	FILA: -LSD Others: +45-50%	-MSD	-	+MSD	+>50%	+10%	+10%	-HSD	-low 10-20%
4Q 2024	+HSD	FILA: +HSD Others: +50-55%	+HSD	-	+HSD	+50%	+10%	+10-15%	-MSD	-HSD
1Q 2025	+HSD	FILA: +HSD Others: +65-70%	+LSD	-	+MSD	+>40%	+10-15%	+10-15%	-mid-to-high single digit	-
2Q 2025	+LSD	FILA: +MSD Others: +50-55%	+LSD	-	+LSD	+>20%	+10%	+10%	-	-
3Q 2025	+LSD	FILA: +LSD Others: +45-50%	-MSD	-	+LSD	+>20%	+10%	+10%	-	-
4Q 2025	-LSD	FILA: +MSD Others: +35-40%	-LSD	-	Flat	+>30%	+10%	+10%	-	-
1Q 2026	+HSD	FILA: +Low-teens Others: +40-45%	+MSD	-	+LSD	+>20%	+10%	+10%	-	-

Notes: (1) Other brands sales excluding brands newly joined in the reporting quarter  
 (2) Data represents SSSG

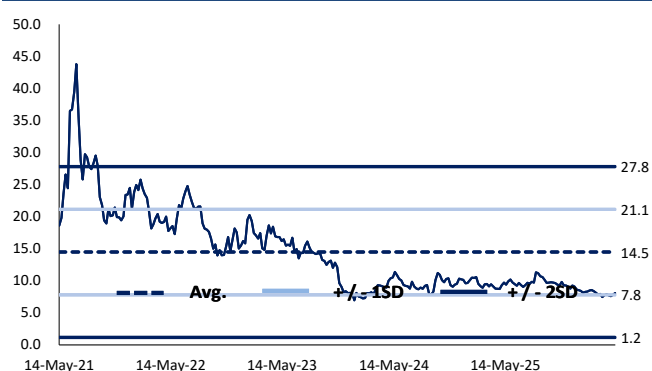
Source: Companies data, Crosby Securities

Figure 2 Peer comparison (closing prices as of 17 Apr 2026)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%)		P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
					FY1	FY2			FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	12-mth
HSI		26,479			11.8	10.5	11.6	1.02	3.2	3.4	1.39	1.27	9.9	10.5	2.3	(0.3)	12.0	
HSCEI		8,890			10.8	9.4	12.6	0.86	3.1	3.3	1.29	1.15	10.5	10.5	2.5	(1.6)	3.5	
CSI300		4,933			15.8	13.7	14.3	1.11	2.4	2.7	1.93	1.80	9.9	11.5	4.9	5.9	25.1	
<b>Sector Average</b>					<b>10.7</b>	<b>9.6</b>	<b>11.3</b>	<b>1.0</b>	<b>6.0</b>	<b>6.9</b>	<b>1.3</b>	<b>1.5</b>	<b>12.6</b>	<b>13.9</b>	<b>9.2</b>	<b>(6.7)</b>	<b>(8.9)</b>	<b>(1.6)</b>
<b>Sector Median</b>					<b>12.3</b>	<b>11.2</b>	<b>12.0</b>	<b>1.0</b>	<b>6.7</b>	<b>8.3</b>	<b>1.0</b>	<b>1.5</b>	<b>13.0</b>	<b>13.4</b>	<b>9.2</b>	<b>(7.3)</b>	<b>(8.2)</b>	<b>(8.0)</b>
Anta Sports	2020 HK	77.30	27,603	89.7	13.0	12.0	9.0	1.45	3.6	4.0	2.85	2.45	21.3	19.8	13.5	(9.0)	(8.2)	(18.3)
Li Ning Co Ltd	2331 HK	19.04	6,284	54.5	13.8	12.2	13.4	1.03	3.6	4.1	1.54	1.45	10.9	10.6	9.2	(13.6)	(11.8)	21.1
Xtep Intl	1368 HK	4.21	1,508	6.8	8.1	7.1	12.2	0.67	6.7	8.5	1.00	0.92	14.5	12.0	10.9	(7.3)	(21.0)	(24.0)
361 Degrees	1361 HK	5.20	1,439	8.3	6.3	5.7	9.8	0.64	7.5	8.3	0.92	0.83	13.5	13.4	11.9	(24.0)	(7.6)	19.3
China Dongxiang	3818 HK	0.43	324	0.2	N/A	N/A	N/A	N/A	N/A	N/A	0.24	N/A	3.0	N/A	2.2	2.4	(1.1)	11.2
Topsports Intern	6110 HK	2.92	2,312	3.9	12.3	11.2	12.0	1.03	8.5	9.4	1.75	1.70	13.0	13.7	8.8	7.4	(0.3)	(8.0)
Eagle Nice Intl	2368 HK	3.02	221	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.88	N/A	12.2	N/A	8.1	(2.6)	(12.5)	(12.7)

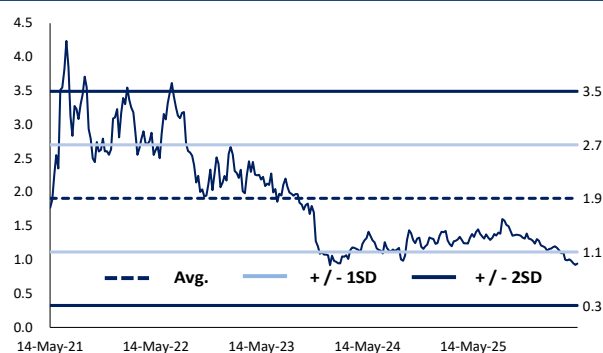
Source: Bloomberg, Crosby Securities

Figure 3 Historical 5-year forward PE range



Source: Bloomberg, Crosby Securities

Figure 4 Historical 5-year forward PB range



Source: Bloomberg, Crosby Securities



## Summary financials

Year ended 31 Dec	2024A	2025A	2026E	2027E	2028E
<b>Profit &amp; Loss (RMBm)</b>					
Mass Market	12,327	12,515	12,803	13,123	13,451
YoY%	3.2	1.5	2.3	2.5	2.5
Athleisure	0	0	0	0	0
YoY%	N/A	N/A	N/A	N/A	N/A
Professional sports	1,250	1,636	2,021	2,614	3,260
YoY%	57.2	30.8	23.6	29.3	24.7
<b>Turnover</b>	<b>13,577</b>	<b>14,151</b>	<b>14,824</b>	<b>15,737</b>	<b>16,711</b>
YoY%	6.5	4.2	4.8	6.2	6.2
COGS	-7,712	-8,088	-8,438	-8,945	-9,468
<b>Gross profit</b>	<b>5,865</b>	<b>6,063</b>	<b>6,386</b>	<b>6,792</b>	<b>7,243</b>
Margin	43.2%	42.8%	43.1%	43.2%	43.3%
Selling & distribution	-2,868	-3,195	-3,261	-3,462	-3,643
Admin	-1,428	-1,367	-1,631	-1,621	-1,705
R&D	0	0	0	0	0
Other opex	0	0	0	0	0
<b>Total opex</b>	<b>-4,295</b>	<b>-4,562</b>	<b>-4,892</b>	<b>-5,083</b>	<b>-5,348</b>
YoY%	8.6	6.2	7.2	3.9	5.2
<b>Operating profit</b>	<b>1,570</b>	<b>1,501</b>	<b>1,494</b>	<b>1,709</b>	<b>1,895</b>
Margin	11.6%	10.6%	10.1%	10.9%	11.3%
Other income / (exp)	396	517	472	452	452
Finance costs	-98	-100	-52	-40	-38
Associates' income	33	54	0	0	0
Pre-tax profit	1,901	1,973	1,914	2,120	2,309
Tax	-596	-602	-584	-647	-704
<b>Profit after tax</b>	<b>1,306</b>	<b>1,372</b>	<b>1,330</b>	<b>1,473</b>	<b>1,605</b>
Margin	9.6%	9.7%	9.0%	9.4%	9.6%
Minority Interest	0	0	0	0	0
<b>Net profit</b>	<b>1,306</b>	<b>1,372</b>	<b>1,330</b>	<b>1,473</b>	<b>1,605</b>
YoY%	4.1	5.1	(3.0)	10.8	8.9
Margin	9.6%	9.7%	9.0%	9.4%	9.6%
Non-core items adj.	-67	0	0	0	0
<b>Adj. net profit</b>	<b>1,238</b>	<b>1,372</b>	<b>1,330</b>	<b>1,473</b>	<b>1,605</b>
YoY%	20.2	10.8	(3.0)	10.8	8.9
Margin	9.1%	9.7%	9.0%	9.4%	9.6%
<b>EBITDA</b>	<b>1,945</b>	<b>1,799</b>	<b>1,647</b>	<b>1,887</b>	<b>2,099</b>
YoY%	15.8	(7.5)	(8.4)	11.2	11.2
Margin	14.3%	12.7%	11.1%	12.0%	12.6%
<b>Fully diluted EPS (RMB)</b>	<b>0.417</b>	<b>0.489</b>	<b>0.474</b>	<b>0.525</b>	<b>0.572</b>
YoY%	45.4	17.1	(3.0)	10.8	8.9
<b>DPS (RMB)</b>	<b>0.215</b>	<b>0.239</b>	<b>0.231</b>	<b>0.256</b>	<b>0.279</b>
YoY%	18.6	10.8	(3.0)	10.8	8.9
<b>Cash Flow (RMBm)</b>					
Operating profit	1,570	1,501	1,494	1,709	1,895
Dep. & Amort.	375	298	153	178	203
Chg in working cap	-439	-805	2,412	-173	-185
Others	191	462	420	411	414
<b>Cash from operations</b>	<b>1,697</b>	<b>1,456</b>	<b>4,479</b>	<b>2,125</b>	<b>2,327</b>
Tax paid	-469	-503	-584	-647	-704
<b>Net cash from operations</b>	<b>1,228</b>	<b>952</b>	<b>3,895</b>	<b>1,478</b>	<b>1,623</b>
YoY%	(2.1)	(22.4)	309.0	(62.0)	9.8
Capex	-317	-264	-500	-500	-500
Investments	85	0	0	0	0
Disposal of assets	781	0	0	0	0
Interest received	0	0	0	0	0
Others	103	245	0	0	0
<b>Net cash from investments</b>	<b>651</b>	<b>-19</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>
Issue/ buyback of shares	0	1	0	0	0
Interest paid	0	0	0	0	0
Dividends paid	-1,444	-610	-669	-649	-719
Net change in debt	-651	-919	0	0	0
Others	-102	1,073	0	0	0
<b>Net cash from financing</b>	<b>-2,197</b>	<b>-455</b>	<b>-669</b>	<b>-649</b>	<b>-719</b>
<b>Net change in cash</b>	<b>-317</b>	<b>478</b>	<b>2,726</b>	<b>329</b>	<b>404</b>
Adjustments	2	-0	0	0	0
Opening cash	3,295	2,979	3,457	6,183	6,512
<b>Closing cash</b>	<b>2,979</b>	<b>3,457</b>	<b>6,183</b>	<b>6,512</b>	<b>6,916</b>
<b>FCF</b>	<b>911</b>	<b>688</b>	<b>3,395</b>	<b>978</b>	<b>1,123</b>
YoY%	12.4	(24.5)	393.3	(71.2)	14.8

Year ended 31 Dec	2024A	2025A	2026E	2027E	2028E
<b>Balance Sheet (RMBm)</b>					
Fixed assets	1,669	1,760	2,111	2,438	2,740
Associates & JCE	0	0	0	0	0
Goodwill & intangibles	17	25	20	15	9
Deferred tax assets	0	0	0	0	0
Others	3,053	2,892	2,892	2,892	2,892
<b>Non-current assets</b>	<b>4,738</b>	<b>4,677</b>	<b>5,023</b>	<b>5,345</b>	<b>5,642</b>
Inventories	1,596	1,829	1,927	2,046	2,172
Trade & bills receivables	5,011	5,155	3,706	3,934	4,178
Prepayments, deposits & others	1,046	1,093	1,093	1,093	1,093
Investments	0	0	0	0	0
Cash	2,979	3,457	6,183	6,512	6,916
Others	597	688	688	688	688
<b>Current assets</b>	<b>11,230</b>	<b>12,222</b>	<b>13,597</b>	<b>14,273</b>	<b>15,047</b>
<b>Total assets</b>	<b>15,968</b>	<b>16,899</b>	<b>18,620</b>	<b>19,618</b>	<b>20,689</b>
Trade & bills payables	2,195	1,756	2,817	2,990	3,175
Accruals & other payables	1,662	1,822	1,822	1,822	1,822
Tax payable	113	126	126	126	126
Bank loans	1,161	841	841	841	841
Bonds, CB & debentures	0	0	0	0	0
Others	150	606	606	606	606
<b>Current liabilities</b>	<b>5,283</b>	<b>5,151</b>	<b>6,212</b>	<b>6,385</b>	<b>6,571</b>
Bank loans	867	256	256	256	256
Bonds, CB & debentures	0	0	0	0	0
Deferred tax liabilities	176	264	264	264	264
Others	941	1,025	1,025	1,025	1,025
<b>Non-current liabilities</b>	<b>1,983</b>	<b>1,545</b>	<b>1,545</b>	<b>1,545</b>	<b>1,545</b>
<b>Total liabilities</b>	<b>7,266</b>	<b>6,696</b>	<b>7,757</b>	<b>7,931</b>	<b>8,116</b>
<b>Total net assets</b>	<b>8,703</b>	<b>10,203</b>	<b>10,863</b>	<b>11,688</b>	<b>12,573</b>
Share capital	24	25	25	25	25
Reserves	8,679	10,178	10,839	11,663	12,548
<b>Shareholder's equity</b>	<b>8,703</b>	<b>10,203</b>	<b>10,863</b>	<b>11,688</b>	<b>12,573</b>
Minority interests	0	0	0	0	0
<b>Total Equity</b>	<b>8,703</b>	<b>10,203</b>	<b>10,863</b>	<b>11,688</b>	<b>12,573</b>
Total debts	2,204	1,361	1,361	1,361	1,361
<b>Net cash/(debts)</b>	<b>776</b>	<b>2,096</b>	<b>4,822</b>	<b>5,151</b>	<b>5,555</b>
<b>BVPS (RMB)</b>	<b>3.101</b>	<b>3.636</b>	<b>3.871</b>	<b>4.165</b>	<b>4.481</b>
<b>Key ratios</b>					
<b>Margins (%)</b>					
Gross margin	43.2	42.8	43.1	43.2	43.3
EBITDA margin	14.3	12.7	11.1	12.0	12.6
EBIT margin	11.6	10.6	10.1	10.9	11.3
Net margin	9.6	9.7	9.0	9.4	9.6
Net margin (Core profit)	9.1	9.7	9.0	9.4	9.6
Effective tax rate (%)	31.9	31.4	30.5	30.5	30.5
Selling exp as % of rev	21.1	22.6	22.0	22.0	21.8
Admin exp as % of rev	10.5	9.7	11.0	10.3	10.2
R&D exp as % of rev	0.0	0.0	0.0	0.0	0.0
Other opex as % of rev	0.0	0.0	0.0	0.0	0.0
Total opex as % of rev	31.6	32.2	33.0	32.3	32.0
Interest coverage (x)	16.1	15.0	29.0	42.2	50.1
Dividend payout (%)	48.8	48.8	48.8	48.8	48.8
<b>Balance sheet ratios</b>					
Inventory days	80	77	81	81	81
Acct. rec. days	134	131	109	89	89
Acct. payable days	112	89	99	118	119
<b>Cash cycle</b>	<b>103</b>	<b>119</b>	<b>91</b>	<b>51</b>	<b>51</b>
<b>Net debt/equity (%)</b>	<b>Net cash</b>	<b>Net cash</b>	<b>Net cash</b>	<b>Net cash</b>	<b>Net cash</b>
Net debt/total cap (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio (x)	2.13	2.37	2.19	2.24	2.29
<b>Returns (%)</b>					
Asset turnover (x)	0.82	0.86	0.83	0.82	0.83
Financial leverage (x)	1.90	1.74	1.69	1.70	1.66
EBIT margin (%)	14.7	14.7	13.3	13.7	14.0
Interest burden (x)	0.95	0.95	0.97	0.98	0.98
Tax burden (x)	0.69	0.70	0.70	0.70	0.70
<b>ROE (%)</b>	<b>14.9</b>	<b>14.5</b>	<b>12.6</b>	<b>13.1</b>	<b>13.2</b>
<b>ROIC (%)</b>	<b>17.5</b>	<b>18.9</b>	<b>20.3</b>	<b>25.1</b>	<b>25.2</b>

Source: Company data, Crosby Securities



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