

Main business stable, industrial investment paying off

Huatai Research

8 May 2022 China (Mainland)

Quarterly Results Review

Park & Zone Development

Rating (Maintain): **BUY**

Target price (RMB): **12.27**

Main business stable, industrial investment paying off

CSSD released its 1Q22 results on 27 April, reporting revenue of RMB1.49bn

Fig.1: CSSD PE-Bands



Source: Wind, Huatai Research

Fig.2: CSSD PB-Bands



Source: Wind, Huatai Research

Full financials

Balance sheet

YE 31 Dec (RMBmn)	2020	2021	2022E	2023E	2024E
Current assets	14,398	15,756	20,991	27,429	36,302
Cash & equivalents	3,917	3,119	7,153	11,941	20,120
Account receivables	982.40				

Income statement

YE 31 Dec (RMBmn)	2020	2021	2022E	2023E	2024E
Revenue	3,414	3,917	4,410	5,127	6,046
Operating costs	1,223	1,572	1,745	2,077	2,531

Disclaimers

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The investment rating system is based on total return potential including all paid or anticipated dividends relative to that of the benchmark over the next 6-12 months after the release of the report.

The benchmark: CSI-300 Index for A share market. Hang Seng index for Hong Kong market. S&P 500 index for US market.

Industry Rating Definitions

OVERWEIGHT: The industry index is expected to outperform the benchmark

NEUTRAL: Performance of the industry index is expected to be in line with the benchmark

UNDERWEIGHT: The industry index is expected to significantly underperform the benchmark

Stock Rating Definitions

BUY: The stock price is expected to outperform the benchmark by more than 15%

OVERWEIGHT: The stock price is expected to outperform the benchmark by 5%~15%

HOLD: The performance of the stock relative to that of the benchmark is expected to be within -15%~5%

SELL: The stock price is expected to underperform the benchmark by more than 15%

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