

# 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  |
|-----------------------|--------|--------|--------|--------|--------|
| <b>Current assets</b> | 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 |
|-------------------|-------|-------|-------|-------|-------|
| <b>Revenue</b>    | 3,414 | 3,917 | 4,410 | 5,127 | 6,046 |
| Operating costs   | 1,223 | 1,572 | 1,745 | 2,077 | 2,531 |

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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%

**Rating suspended:** The rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies

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