1.HK 長和 2024年中期業績簡評 (2024-10-14)

New

14 October

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長和屬於綜合企業,直接持有的上市公司包括:

1)1038.HK長江基建75.67%股權

2)215.HK和記電訊66.09%股權

3)775.HK長江生命科技45.32%股權

4)2383.HKTOM集團36.11%

長和持有非上市公司屈臣氏75.05%股權.

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2024年上半年長和總收入(包括併表以及非併表按比例所佔聯營公司與合資企業)2326.44億港元,增長4%.

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長和的收入結構:

**1)零售業務**:2024年上半年零售業務收入914.69億港元,增長3%,收入佔比39%,是公司最重要的業務.

零售部門由屈臣氏集團旗下公司組成,是全球最大國際保健和美容產品零售商,擁有164,000,000忠誠會員.

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屈臣氏集團於2024年6月30日經營12個零售品牌,於全球28個市場開設16,548家店舖,增加2%.其中,中國店舖數目3775家,亞洲(中國以外)店舖數目4032家,西歐店舖數目5777家.東歐店舖數目2573家.其他零售(包括百佳,百佳永輝,豐澤,屈臣氏酒窖)店舖數目391家.

零售部門88%的收入來自保健及美容產品,上半年同店銷售增長5%.其中,歐洲保健及美容產品業務表現持續錄得顯著增長,東盟地區銷售也穩定增長.但中國保健及美容產品業務同店銷售下降19%,表現疲弱.

**2)CK Hutchison Group Telecom**:上半年收入429.34億港元,增長3%,收入佔比19%.

當中,歐洲3集團貢獻收入399.35億港元,增長3%,主要由於客戶總人數增加,以及因歐洲客戶旅遊活動增加而帶來更高的漫遊收入.歐洲3集團之活躍客戶總人數4,050萬名,較去年同期增加1%.ARPU持平在12.76 歐元.

**3)基建**:上半年基建收入270.98億港元,下跌2%.收入佔比12%.

基建業務主要靠公司持有75.67%權益的長江基建,以及長和與長江基建共同擁有六項基建投資之權益,包括Northumbrian Water,Park’N Fly,Australian Gas Networks,Dutch Enviro Energy, Wales & West Utilities及UK Rails.

長江基建上半年的業績我之前已經分析過了,會員有興趣可以去看.

**4)港口及相關服務**:上半年港口部門收入215.94億港元,增長9%,收入佔比9%.上半年收入表現亮麗主要由吞吐量上升, 以及因進口滿載貨櫃增加導致港口擠塞,令主要來自墨西哥之倉儲收入增加4%所帶動.

港口部門於2024年上半年經營293個泊位,處理共4,230萬個二十呎標準貨櫃,較去年同期增長7%.各地貨運量增加主要由當地內消強勁,因預期消費需求上升導致之庫存補充,以及貿易緊張及地緣政治風險有增無減,促使供應鏈遷移所推動,令亞洲及拉丁美洲港口尤其受惠. 不過,表現較差是荷蘭鹿特丹之吞吐量減少及香港貨物轉運量亦持續下降.

**5)財務及投資與其他:**這是一堆業務,包括長和所持現金與可變現投資之回報,和記黃埔(中國),上市聯營公司TOM集團,Marionnaud業務,上市聯營公司長江生命科技集團,和記電訊亞洲,以及於越南及斯里蘭卡之業務,上市聯營公司Cenovus Energy,持有澳洲上市公司TPG Telecom Limited 25.05%權益之上市附屬公司 Hutchison Telecommunications (Australia) Limited.

這堆業務就不花時間研究了.

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**2024年上半年公司整體EBITDA** 634.22億港元,增長4%,增幅與收入相若. 增長主要貢獻來自(1)港口及相關服務的EBITDA增長19%.(2)CK Hutchison Group Telecom 的EBITDA增長13%.

從EBITDA的業務結構來看,基建佔比28%,電訊佔比22%,港口佔比15%,零售佔比14%,業務多元而且尚算均衡.

從EBITDA的區域結構來看,歐洲的EBITDA佔比51%,其中,英國佔比21%,澳洲+亞洲(中港以外)+其他(巴拿馬,墨西哥和中東)佔比20%,加拿大佔比2%.內地和香港佔比都是3%.

由於歐洲是長和的主要市場,歐元和英鎊匯率對長和影響顯著.根據2024年上半年之業績,英鎊貶值10%將會導致EBITDA減少11億港元.歐元貶值10%將會導致EBITDA 減少11億港元.

**上半年股東淨利潤**102.05億港元,下跌9%.每股盈利2.66港元,下跌9%.中期股息每股0.688港元,下跌9%.

EBITDA 增長4%, 但股東淨利潤下跌9%.主要原因是稅項支出大增54.8%,主要由於2023年同期實際稅率比較低,而且有出售Cenovus Energy股份認購權證所產生之收益.

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**自由現金流方面**:2024年上半年自由現金流較去年同期增加17%,主要由營運現金流增長及減少資本開支所帶動.債務淨額相比2023年底增加4.5%,主要由於派付股息,贖回永久資本證券,資本開支與投資支出.債務淨額對總資本淨額比率從2023年底的16.1%上升到17.0%.

**總結和展望:**

長和上半年業績顯示業務和區域多元化的韌性.其中,歐洲電訊業務表現出色,大部份地區的EBITDA都有增長,尤其是英國的EBITDA增長31%,丹麥的EBITDA增長21%.管理階層預期歐洲電訊業務的業績向好趨勢持續.

此外,上半年港口業務的EBITDA大增19%,表現優秀.管理層表示第三季的需求前景仍然樂觀,但預計第四季將逐漸放 緩,因為航運公司已提前補充因應假期旺季的貨櫃訂單.預期2024年全年整體貨運量將錄得溫和增長,其中,亞洲,歐洲及拉丁美洲地區的增幅相對較高.

至於零售方面,管理層預期下半年歐洲及東盟亞洲各國的業務可維持增長動力.

**估值:**

長和現價43.05元,每股帳面資產淨值140.8元,預期2024年每股盈利6.31元,每股派息2.575元. 現價PB 0.31. 預期2024年PE 6.8倍,股息率5.98%.

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CK Hutchison is a conglomerate, and the directly held listed companies include:

1. 1038.HK CK Infrastructure Holdings (75.67% equity)
2. 215.HK Hutchison Telecommunications International (66.09% equity)
3. 775.HK CK Life Sciences (45.32% equity)
4. 2383.HK TOM Group (36.11% equity)  
   CK Hutchison holds 75.05% equity in the non-listed company, Watsons Group.

In the first half of 2024, CK Hutchison's total revenue (including consolidated and proportionate share of associates and joint ventures) was HKD 232.64 billion, representing a 4% increase.

CK Hutchison's revenue structure:

1. Retail: In the first half of 2024, retail revenue was HKD 91.47 billion, growing by 3%, accounting for 39% of the company's total revenue, making it the most important business segment. The retail department is composed of companies under the Watsons Group, the world's largest international health and beauty products retailer, with 164 million loyal members.

As of June 30, 2024, the Watsons Group operates 12 retail brands with 16,548 stores across 28 markets globally, an increase of 2%. This includes 3,775 stores in China, 4,032 stores in Asia (excluding China), 5,777 stores in Western Europe, 2,573 stores in Eastern Europe, and 391 stores in other retail segments (including ParknShop, ParknShop Yonghui, Fortress, and Watsons Wine).

88% of the retail department's revenue comes from health and beauty products, with a 5% same-store sales growth in the first half of the year. The European health and beauty products business continued to show significant growth, and sales in the ASEAN region also grew steadily. However, the health and beauty products business in China saw a 19% decline in same-store sales, indicating weak performance.  
2) CK Hutchison Group Telecom: Revenue in the first half of 2024 was HKD 42.93 billion, growing by 3%, accounting for 19% of total revenue.  
Among this, the European 3 Group contributed HKD 39.94 billion, growing by 3%, mainly due to an increase in the total number of customers and higher roaming revenue from increased travel activities among European customers. The European 3 Group has 40.5 million active customers, a 1% increase from the same period last year. ARPU remained at EUR 12.76.  
3) Infrastructure: Revenue in the first half of 2024 was HKD 27.10 billion, down by 2%, accounting for 12% of total revenue.  
The infrastructure business primarily relies on CK Infrastructure Holdings, in which CK Hutchison holds a 75.67% stake, and six infrastructure investments jointly owned by CK Hutchison and CK Infrastructure Holdings, including Northumbrian Water, Park’N Fly, Australian Gas Networks, Dutch Enviro Energy, Wales & West Utilities, and UK Rails.  
I have previously analyzed the performance of CK Infrastructure Holdings in the first half of 2024, and members interested can refer to that analysis.  
4) Ports and Related Services: Revenue in the first half of 2024 was HKD 21.59 billion, growing by 9%, accounting for 9% of total revenue. The strong performance was mainly driven by increased throughput and a 4% increase in warehousing revenue from Mexico due to port congestion caused by an increase in full import containers.  
In the first half of 2024, the ports department operated 293 berths, handling 42.3 million twenty-foot equivalent units (TEUs), a 7% increase from the same period last year. The increase in cargo volumes in various regions was mainly driven by strong local consumption, inventory replenishment due to anticipated consumer demand, and supply chain shifts due to ongoing trade tensions and geopolitical risks, particularly benefiting ports in Asia and Latin America. However, the performance was weaker in terms of reduced throughput at the port of Rotterdam in the Netherlands and a continued decline in cargo transshipment in Hong Kong.  
5) Financial and Investment and Others: This segment includes a variety of businesses, such as the returns on cash and liquid investments held by CK Hutchison, Hutchison Whampoa (China), listed associate TOM Group, Marionnaud business, listed associate CK Life Sciences, Hutchison Telecommunications Asia, and operations in Vietnam and Sri Lanka, as well as the listed associate Cenovus Energy and the listed subsidiary Hutchison Telecommunications (Australia) Limited, which holds a 25.05% stake in the listed Australian company TPG Telecom Limited.  
This segment does not require extensive research.

In the first half of 2024, the company's overall EBITDA was HKD 63.42 billion, growing by 4%, in line with the revenue growth. The main contributors to the growth were:

1. A 19% increase in EBITDA from the ports and related services segment.
2. A 13% increase in EBITDA from CK Hutchison Group Telecom.

From the EBITDA business structure, infrastructure accounts for 28%, telecommunications for 22%, ports for 15%, and retail for 14%, indicating a diverse and relatively balanced business portfolio.  
From the EBITDA regional structure, Europe accounts for 51%, with the UK contributing 21%, Australia + Asia (excluding China and Hong Kong) + other regions (Panama, Mexico, and the Middle East) contributing 20%, and Canada contributing 2%. Mainland China and Hong Kong each contribute 3%.

Since Europe is CK Hutchison's primary market, the exchange rates of the euro and the pound sterling significantly impact CK Hutchison. According to the first half of 2024 performance, a 10% depreciation in the pound sterling would result in a HKD 1.1 billion decrease in EBITDA, and a 10% depreciation in the euro would also result in a HKD 1.1 billion decrease in EBITDA.

In the first half of 2024, net profit attributable to shareholders was HKD 10.205 billion, down by 9%. Earnings per share (EPS) were HKD 2.66, down by 9%. The interim dividend was HKD 0.688 per share, down by 9%.  
EBITDA grew by 4%, but net profit attributable to shareholders fell by 9%. The main reason was a 54.8% increase in tax expenses, primarily due to a lower effective tax rate in the same period of 2023 and gains from the sale of Cenovus Energy share warrants.

In terms of free cash flow: In the first half of 2024, free cash flow increased by 17% year-over-year, mainly driven by growth in operating cash flow and reduced capital expenditures. Net debt increased by 4.5% compared to the end of 2023, mainly due to dividend payments, redemption of perpetual capital securities, capital expenditures, and investment spending. The net debt to total capital ratio increased from 16.1% at the end of 2023 to 17.0%.

Summary and Outlook:  
CK Hutchison's first-half performance demonstrates the resilience of its diversified business and regional presence. The European telecommunications business performed exceptionally well, with EBITDA growth in most regions, particularly a 31% increase in the UK and a 21% increase in Denmark. Management expects the positive trend in the European telecommunications business to continue.

Additionally, the EBITDA from the ports business increased by 19% in the first half, showing excellent performance. Management remains optimistic about the demand outlook for the third quarter but expects a gradual slowdown in the fourth quarter due to shipping companies' early replenishment of container orders for the holiday season. Management anticipates that overall cargo volumes will grow moderately in 2024, with higher growth in Asia, Europe, and Latin America.

Regarding retail, management expects the business in Europe and ASEAN countries to maintain growth momentum in the second half of the year.

Valuation:  
CK Hutchison's current price is HKD 43.05, with a book value per share of HKD 140.80, an expected EPS of HKD 6.31 for 2024, and a dividend per share of HKD 2.575. The current price-to-book (PB) ratio is 0.31, the expected price-to-earnings (PE) ratio for 2024 is 6.8 times, and the dividend yield is 5.98%.