Goldman Sachs 高盛

18 July 2024 | 5:15PM CST

China Industrial Tech

Updating earnings estimates

We are updating earnings estimates for China Industrial Tech sector coverage on:

- **Updated Solar capex forecast of 46%/34% yoy decline in 2024E/2025E, driven by an industry-wide reset following a 1-2X capacity expansion in 2023-early 2024:** We cut 12mTPs and 2024-2025E EPS for companies with meaningful solar end-market exposure such as Yiheda/HCFA by 6%-10%.
- **1H end-market data points and coverage order trend:** Our coverage order trend in June (report link) and May (report link) indicated sequential deterioration. Aside from the drag related to solar capex, there was downside from slow consumer electronics capex recovery, and intensifying pricing competition in Factory Automation. Separately, our global auto team lowered our global BEV sales forecast for 2024 to 11.3mn units (-5% vs. previous GSe) with +15% yoy growth after factoring in a slowing penetration trend in the US/EU market and poor visibility on the political environment. All in, we cut TPs for consumer electronic/EV-related names (OPT/LeaderDrive/Luster/Sanhua/Best) and small FA players (e.g. Moons' Electric).
- **1H24 pre-announcement from 8 companies so far and their cross-reads:** Other than Envicool and Times Electric, CTI, Estun, Kstar, Shuanghuan, Sanhua and Han's Laser have released mostly misses or inline pre-announcements.
- Other minor TPs and EPS changes are due to softening overseas laser equipment demand (Bochu/Raycus), weak chemicals FAI (Supcon), sequential HVAC demand headwind (Cubic), lingering medical anti-corruption impact (Pony Testing), improving data center demand (Baosight/AVIC Jonhon) and 1H MUs tendering flowing into 2H delivery (CRRC/Times Electric).

Research | Equity

Jacqueline Du
+86(21)2401-8948 |
jacqueline.du@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Zhou Li
+86(21)2401-8648 |
zhou.li@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Hao Chen
+86(21)2401-8812 |
hao.z.chen@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Zhihan Ye
+86(21)2411-8029 |
zhihan.ye@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Goldman Sachs 高盛

Table of Contents

Exhibit 1: China Industrial Tech TP/EPS changes

			Rating		Target Price				EPS chg (%)						
									2024 H1E	2024 H2E					
	Ticker	Company name	New	Old	New	Old	% chg	TP +/-	2024 Q2E	2024 Q3E	2024 Q4E	2024E	2025E	2026E	2027E
1	300580.SZ	BEST	B	B	24.5	26.29	-7%	79%	-4%	-8%	-7%	-6%	-7%	-7%	-7%
2	002050.SZ	Sanhua	B	B	32.7	36.00	-9%	73%	-6%	-12%	-10%	-10%	-10%	-10%	-9%
3	002335.SZ	Kehua	B	B	32.1	34.10	-6%	66%	-11%	-2%	-6%	-11%	-6%	-3%	-3%
4	688777.SS	Supcon	B	B	58.1	64.30	-10%	61%	-19%	-7%	0%	-4%	-10%	-9%	-11%
5	301029.SZ	Yiheda	B	B	27.6	29.40	-6%	56%	-4%	-1%	-14%	-6%	-6%	-6%	-6%
6	688686.SS	OPT Machine Vision	B	B	91.5	103.80	-12%	52%	-31%	6%	8%	-11%	-12%	-14%	-16%
7	1882.HK	Haitian International	B	B	31.5	31.50	-	47%	-	-	-	-	-	-	-
8	300124.SZ	Inovance	B	B	70.6	70.60	-	44%	-	-	-	-	-	-	-
9	688188.SS	Bochu	N	N	227.8	239.67	-5%	44%	-7%	-6%	-5%	-5%	-5%	-5%	-5%
10	002484.SZ	Jianghai	B	B	15.6	16.40	-4%	44%	-7%	-15%	-5%	-6%	-4%	-3%	-4%
11	300450.SZ	Lead Intelligent	N	N	23.3	24.30	-4%	41%	-6%	-15%	n.m.	0%	-4%	-3%	-4%
12	002472.SZ	Shuanghuan	B	B	29.8	29.90	0%	37%	-1%	1%	-2%	-1%	0%	0%	0%
13	3898.HK	Times Electric (H)	B	B	38.6	37.60	3%	37%	14%	6%	6%	7%	3%	3%	3%
14	600885.SS	Hongfa	B	B	37.1	36.00	3%	36%	-	0%	8%	2%	3%	3%	4%
15	002837.SZ	Envicool	B	B	32.6	32.62	0%	36%	-	-	-	-	-	-	-
16	600183.SS	Fastronic	B	B	115.5	115.16	0%	36%	-	-	2%	1%	0%	0%	0%
17	688005.SS	Cubic	N	N	34.0	37.83	-10%	34%	-7%	-7%	-10%	-7%	-10%	-11%	-12%
18	002518.SZ	Kstar	N	N	22.7	24.90	-9%	34%	-34%	-41%	-6%	-21%	-9%	-9%	-7%
19	600845.SS	Baosight	B	B	41.3	41.00	1%	34%	0%	0%	3%	1%	1%	1%	1%
20	300012.SZ	Centre Testing	N	N	14.5	14.50	-	31%	-	-	-	-	-	-	-
21	688017.SS	LeaderDrive	N	N	93.6	107.60	-13%	30%	-4%	-6%	-4%	-4%	-9%	-11%	-13%
22	688002.SS	Raytron	N	N	34.0	35.30	-4%	27%	0%	0%	-10%	-4%	-4%	-3%	-3%
23	0669.HK	Techtronic	B	B	122.2	122.80	0%	22%	-	-	0%	0%	0%	0%	0%
24	688006.SS	Hangke	N	N	20.3	20.30	0%	20%	7%	1%	-10%	0%	-1%	-1%	-2%
25	002179.SZ	AVIC Jonhon	B	B	42.5	42.20	1%	18%	0%	0%	3%	1%	1%	0%	1%
26	603728.SS	Moons' Electric	N	N	42.4	48.20	-12%	16%	-6%	-32%	-14%	-17%	-17%	-17%	-12%
27	300747.SZ	Raycus	N	N	19.3	21.30	-9%	14%	-7%	-16%	-14%	-10%	-10%	-10%	-11%
28	688187.SS	Times Electric (A)	N	N	52.5	51.60	2%	6%	14%	6%	6%	7%	3%	2%	2%
29	002747.SZ	Estun	N	N	12.4	12.40	-	6%	-	-	-	-	-	-	-
30	002008.SZ	Hans Laser	N	N	21.6	21.60	-	-4%	72%	33%	-30%	-	-	-	-
31	688400.SS	Luster	S	S	13.3	14.90	-11%	-8%	-20%	-19%	38%	-10%	-15%	-9%	-11%
32	300887.SZ	Pony Testing	S	S	6.4	7.28	-11%	-10%	-20%	-28%	-15%	-41%	-15%	-9%	-7%
33	688320.SS	HCFA	S	S	17.3	19.20	-10%	-22%	n.m.	n.m.	-84%	n.m.	-10%	-10%	-10%
34	1766.HK	CRRC (H)	S	S	3.5	3.40	3%	-26%	7%	-3%	16%	8%	3%	3%	3%
35	601766.SS	CRRC (A)	S	S	5.2	5.00	4%	-32%	7%	-3%	16%	8%	3%	3%	3%

			EPS old							EPS new						
			2024 H1E		2024 H2E					2024 H1E		2024 H2E				
	Ticker	Company name	2024 Q2E	2024 Q3E	2024 Q4E	2024E	2025E	2026E	2027E	2024 Q2E	2024 Q3E	2024 Q4E	2024E	2025E	2026E	2027E
1	300580.SZ	BEST	0.17	0.18	0.14	0.63	0.79	0.95	1.15	0.16	0.17	0.13	0.60	0.73	0.89	1.06
2	002050.SZ	Sanhua	0.24	0.25	0.29	0.99	1.22	1.49	1.73	0.22	0.22	0.24	0.89	1.10	1.33	1.57
3	002335.SZ	Kehua	0.39	0.40	0.43	1.38	1.70	2.26	2.65	0.27	0.39	0.41	1.23	1.61	2.18	2.56
4	688777.SS	Supcon	0.41	0.38	0.69	1.62	2.14	2.58	3.03	0.33	0.35	0.68	1.55	1.94	2.34	2.71
5	301029.SZ	Yiheda	0.19	0.19	0.32	0.86	0.98	1.16	1.39	0.19	0.19	0.27	0.81	0.92	1.09	1.30
6	688686.SS	OPT Machine Vision	0.94	0.55	0.18	2.16	2.96	3.88	5.09	0.66	0.61	0.21	1.94	2.61	3.34	4.26
7	1882.HK	Haitian International	0.52		0.99	1.91	2.29	2.45	2.75	0.52	n.a	0.99	1.91	2.29	2.45	2.75
8	300124.SZ	Inovance	0.55	0.50	0.63	1.96	2.25	2.72	3.12	0.55	0.50	0.63	1.96	2.25	2.72	3.12
9	688188.SS	Bochu	1.58	1.42	1.26	5.18	6.84	8.49	10.58	1.46	1.33	1.18	4.92	6.33	8.03	9.86
10	002484.SZ	Jianghai	0.20	0.21	0.26	0.85	0.97	1.12	1.25	0.18	0.18	0.24	0.77	0.93	1.09	1.20
11	300450.SZ	Lead Intelligent	0.44	0.50	-0.03	1.46	1.62	1.90	2.53	0.42	0.51	0.07	1.45	1.46	1.83	2.52
12	002472.SZ	Shuanghuan	0.29	0.30	0.31	1.16	1.43	1.69	1.97	0.28	0.31	0.30	1.15	1.42	1.68	1.97
13	3898.HK	Times Electric (H)	0.68	0.78	0.85	2.57	3.09	3.67	3.91	0.66	0.78	0.90	2.74	3.16	3.75	4.00
14	600885.SS	Hongfa	0.41	0.42	0.39	1.56	1.80	2.05	2.25	0.41	0.42	0.42	1.59	1.86	2.11	2.33
15	002837.SZ	Envicool	0.12	0.19	0.39	0.79	1.09	1.44	1.69	0.12	0.19	0.39	0.79	1.09	1.44	1.69
16	600183.SS	Fastronic	1.06	1.04	1.35	4.42	5.25	6.44	7.27	1.06	1.04	1.41	4.45	5.26	6.41	7.27
17	688005.SS	Cubic	0.39	0.43	0.63	1.60	1.89	2.16	2.40	0.36	0.40	0.57	1.52	1.70	1.92	2.15
18	002518.SZ	Kstar	0.33	0.37	0.38	1.28	1.39	1.49	1.63	0.20	0.22	0.36	1.01	1.26	1.36	1.51
19	600845.SS	Baosight	0.30	0.31	0.29	1.10	1.37	1.73	2.08	0.30	0.31	0.29	1.10	1.38	1.75	2.10
20	300012.SZ	Centre Testing	0.15	0.21	0.12	0.58	0.71	0.82	0.95	0.15	0.21	0.12	0.58	0.71	0.82	0.95
21	688017.SS	LeaderDrive	0.19	0.30	0.36	0.86	1.39	2.00	2.67	0.18	0.19	0.34	0.82	1.27	1.79	2.31
22	688002.SS	Raytron	0.44	0.35	0.37	1.49	2.09	2.44	2.87	0.44	0.35	0.31	1.44	2.00	2.36	2.78
23	0669.HK	Techtronic	0.20		0.23	0.63	0.79	0.89	1.00	0.20	n.a	0.23	0.63	0.79	0.89	1.00
24	688006.SS	Hangke	0.32	0.38	0.27	1.26	1.27	1.98	2.34	0.34	0.38	0.24	1.26	1.26	1.97	2.30
25	002179.SZ	AVIC Jonhon	0.41	0.55	0.33	1.64	2.01	2.42	2.88	0.41	0.55	0.34	1.65	2.02	2.43	2.89
26	603728.SS	Moons' Electric	0.07	0.15	0.31	0.51	0.73	1.13	1.45	0.06	0.08	0.26	0.42	0.61	0.94	1.27
27	300747.SZ	Raycus	0.21	0.20	0.19	0.62	0.85	1.06	1.26	0.19	0.17	0.09	0.56	0.77	0.95	1.12
28	688187.SS	Times Electric (A)	0.68	0.74	0.85	2.57	3.09	3.67	3.91	0.66	0.78	0.90	2.74	3.16	3.75	4.00
29	002747.SZ	Estun	-0.08	-0.05	0.14	0.01	0.41	0.59	0.74	-0.09	-0.05	0.14	0.01	0.41	0.59	0.74
30	002008.SZ	Hans Laser	0.16	0.15	0.41	1.64	1.00	1.27	1.49	0.23	0.20	0.20	1.64	1.00	1.27	1.49
31	688400.SS	Luster	0.20	0.16	0.18	0.43	0.63	0.87	0.79	0.14	0.12	0.14	0.38	0.47	0.61	0.70
32	300887.SZ	Pony Testing	0.12	0.14	0.17	0.26	0.35	0.53	0.71	0.08	0.10	0.14	0.14	0.32	0.49	0.66
33	688320.SS	HCFA	0.01	0.07	0.41	0.39	0.64	0.82	1.06	-0.05	-0.01	0.06	-0.10	0.58	0.74	0.95
34	1766.HK	CRRC (H)	0.11	0.10	0.18	0.42	0.46	0.47	0.49	0.12	0.10	0.21	0.45	0.47	0.49	0.51
35	601766.SS	CRRC (A)	0.11	0.10	0.18	0.42	0.46	0.47	0.49	0.12	0.10	0.21	0.45	0.47	0.49	0.51

Source: Company data, Goldman Sachs Global Investment Research