

Jiumaojiu: Market watchers cautiously optimistic on policy

DIGITAL ENGAGEMENT TEAM

30 NOVEMBER 2022

TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	19.60
Latest Dividend	0.06
Dividend Ex-Date	8/6/2022
Indicated Dividend Yield	0.31%
14 Day RSI	69.17
Analysts 12M Target Price	19.47

REFINITIV STOCKREPORTS+ AVERAGE SCORE
5/10 As of 30 Nov 2022

Refer to page 3 for indicator components

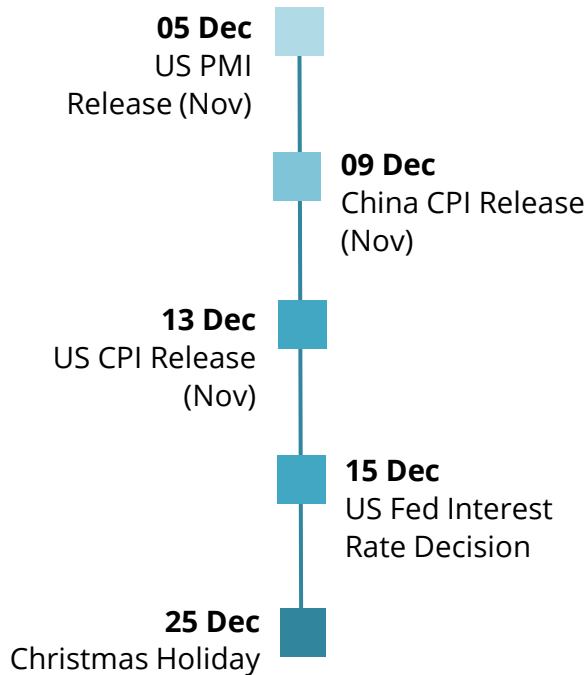
Jiumaojiu International (9987 HK) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 30 Nov 2022 closing

KEY MARKET EVENTS



Hang Seng Index Price Chart



As of 30 Nov 2022 closing

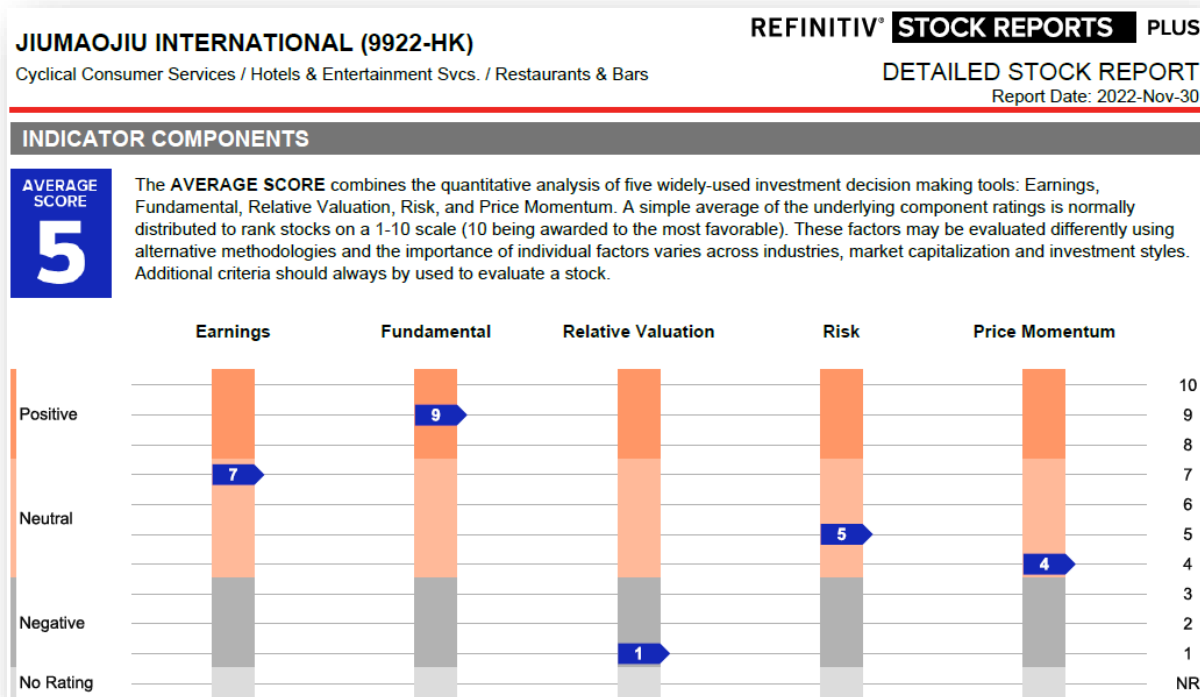
Headline News & Information

- Jiumaojiu International Holdings Limited operate restaurants. The Company provides Chinese cuisine and other food. Jiumaojiu International Holdings serves customers in China (Bloomberg)
- China reopening stocks rally; Street cautiously optimistic (10 Nov 2022, Bloomberg)
 - Shares of Chinese firms tied to reopening rallied after China's top leaders called for a more targeted approach, while reinforced the need to stick with the Covid Zero policy
 - Market watchers are cautiously optimistic that such policy fine-tuning could spur appetite for battered Chinese assets
- Scaling up creates standardization challenges (29 Nov 2022, Bloomberg Intelligence)
 - The expansion of China's restaurant chains could slow in 2023 amid muted traffic under the government's Covid-Zero policy. Unrestrained expansion can trigger sales cannibalization, lowering per-store efficiency
 - Although the long-term growth of China's catering chains remains intact, overly-fast expansion might threaten the profitability of top brands and drag table turnover rates
 - Jiumaojiu's Tai-Er expanded at a rate of 340% from 2019 to 1H21 while maintaining a 13% growth in its unit store revenue. Tai-Er's highly-standardized model stemming from minimal SKUs, a unique dining ambience targeting young diners, and robust supply chain aided its optimization

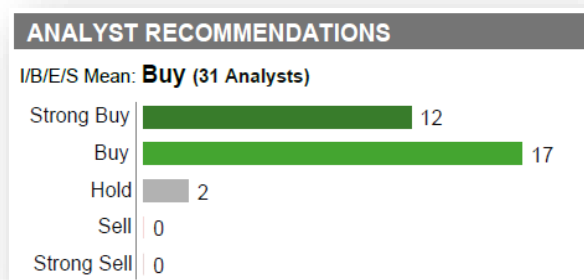
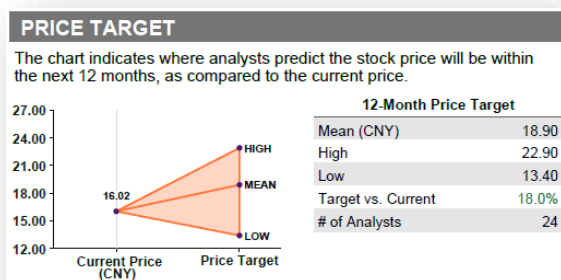
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Shares rose 32% in the past 5 days and are up 59% in the past 30 days	<ul style="list-style-type: none"> • 20.50 (Feb 2022) • 22.50 (Jun 2022) • 27.50 (Sep 2021) 	<ul style="list-style-type: none"> • 16.54 (200 Day MA) • 15.50 (Oct 2022) • 14.00 (Nov 2022)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 30 Nov 2022

HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS														Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS				
		Price (2022-11-29)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts		
9	9987	426.00	35.4%	8.0%	5.6%	169.6B	23.9	48.7	0.88%	8.8%	10.8%	Buy	18		
4	6862	16.56	31.8%	-6.3%	-5.9%	77.1B	--	160.0	--	-11.9%	--	Buy	30		
5	9922	17.46	35.8%	4.1%	6.5%	21.0B	69.7	80.5	0.34%	5.2%	43.0%	Buy	31		
3	9869	12.36	51.3%	-1.1%	-27.3%	12.2B	--	--	--	-27.6%	--	Buy	16		
6	341	11.96	30.0%	7.6%	-15.3%	6.6B	299.0	24.0	2.3%	0.6%	--	Buy	5		
6	520	6.88	65.8%	102.4%	25.1%	6.4B	--	--	0.92%	-9.9%	--	Buy	10		
6	2217	1.78	8.5%	-30.2%	-41.8%	2.3B	10.2	8.3	6.4%	6.3%	--	Strong Buy	3		
7	52	10.28	14.0%	-21.0%	-38.7%	1.3B	8.7	--	5.6%	1.5%	--	--	--		
4	1488	0.85	26.9%	19.7%	-4.5%	1.2B	--	--	--	-114.3%	--	--	--		
NR	226	2.50	-3.8%	-11.0%	2.9%	1.2B	2.5	--	1.6%	54.0%	--	--	--		
3	8096	0.32	0.00%	-16.0%	-92.2%	21M	--	--	--	-42.7%	--	--	--		
5.3	Average	46.09	26.9%	5.1%	-16.9%	27.2B	69.0	64.3	2.6%	-11.8%	26.9%	Buy	16.1		

PEER COMPANIES			
1488	Best Food Holding Co	520	Xiabuxiabu Catering Management
2217	Tam Jai International Co	6862	Haidilao International
226	Lippo	8096	Tasty Concepts Holding
341	Cafe De Coral Holdings	9869	Helens International Holdings
52	Fairwood Holdings	9987	Yum China Holdings Inc

Source: REFINITIV STOCKREPORTS+, extracted 30 Nov 2022

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		5,743	470.98	82.52	82.49	6.65	8.62	1.25
9922 HK	JIUMAOJIU INTERNATIONAL	3,652	19.60	122.99	123.87	8.59	8.52	0.31
SG US	SWEETGREEN INC - CLASS A	1,506	13.59	N/A		2.58		N/A
SHAK US	SHAKE SHACK INC - CLASS A	2,143	50.85	N/A		5.31	6.32	N/A
WING US	WINGSTOP INC	4,636	154.95	105.94	100.60	N/A		0.49
KRUS US	KURA SUSHI USA INC-CLASS A	625	63.81	N/A		6.69	6.00	N/A
CMG US	CHIPOTLE MEXICAN GRILL INC	43,043	1,552.72	51.86	63.58	18.51	19.81	N/A
DMP AU	DOMINO'S PIZZA ENTERPRISES L	3,853	66.38	36.20	47.63	13.62	19.66	2.36
MTY CN	MTY FOOD GROUP	1,079	59.96	N/A		2.08		1.40
341 HK	CAFE DE CORAL HOLDINGS LTD	847	11.28	133.63	128.43	2.39	2.85	2.48
8153 JP	MOS FOOD SERVICES	734	3,180.00	44.53	30.82	1.98	1.97	0.88
520 HK	XIABUXIABU CATERING	1,062	7.63	N/A		4.70	3.81	0.84

Source: Bloomberg, extracted 30 Nov 2022 closing

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