

Kanzhun Limited (BZ US)

Inline 1Q26 results; revenue growth to accelerate on resilient recruitment demand

Boss Zhipin reported 1Q26 results: total revenue was up by 8% YoY to RMB2.07bn, and non-GAAP net income increased by 12% YoY to RMB856mn, both in line with Bloomberg consensus estimates. Looking into 2Q26E, management guided total revenue to increase by 13-15% YoY to RMB2.38-2.42bn, with revenue growth accelerating thanks to the solid recruitment demand post the Chinese New Year (CNY). In the long term, management is constructive on AI as a key driver to improve its recruitment service efficiency and accelerate business growth, and thus will continue to invest in AI. We maintain our FY26-28 earnings forecast largely unchanged, but slightly trim our target price to US\$22.5 based on 18x FY26E non-GAAP PE (previous: US\$24.0 on 20x FY26E PE) amid the decline in sector valuation. We expect the company to maintain solid adj. operating profit growth (+16% YoY) and attractive shareholder return in FY26. Maintain BUY.

- Solid recruitment demand post CNY.** Total paid enterprise customers increased by 11% YoY to 7.1mn in 12 months ended Mar 2026. Average MAUs grew by 6% YoY to 60.9mn in 1Q26. Healthy user growth drove solid revenue growth from blue-collar recruitment, which accounted for over 40% of total revenue in 1Q26 for the first time; white-collar recruitment demand also improved after the CNY, and management has not yet seen signs of AI replacing job positions. By vertical, manufacturing, communications, semiconductor, transportation and service sectors led in terms of revenue growth; by customer cohort, revenue from large enterprises (1k-10k employees) delivered the fastest growth. Looking ahead, management is positive on revenue acceleration for the remainder of FY26E, supported by the solid recruitment demand across verticals.
- Deepening AI integration.** The company has further integrated AI into its platform, with over 10mn MAUs using its AI tools in 1Q26. Revenue from AI-facilitated closed-loop recruitment services reached c.RMB50mn in 1Q26. AI empowers multiple aspects of the company's recruitment business: 1) Recruitment AI agents shorten the time from initial chat to actual recruitment conversion by 60%; 2) AI has also driven the company's user retention rate to a record high since 2020; 3) In a pilot program in 1Q26, the recruitment efficiency increased by 4 times by adopting AI agents, which exceeded the average productivity level of head hunters in the industry.
- Increasing margin and shareholder return.** Adjusted OPM expanded by 3.4ppt YoY to 39.4% in 1Q26, mainly attributable to the GPM expansion (+1.4ppt YoY) and operating leverage. Though the company plans to increase AI investment and marketing expenses related to the World Cup in FY26, we still expect adjusted OPM to rise by 1ppt YoY to 42% in FY26E. The company has also stepped up shareholder return, with 28mn shares repurchased YTD (c.3% of total shares issued).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	7,356	8,268	9,360	10,283	11,201
Adjusted net profit (RMB mn)	2,710.7	3,602.5	4,022.7	4,410.9	4,757.7
EPS (Adjusted) (RMB)	5.96	7.77	8.55	9.37	10.01
P/S (x)	6.1	5.4	4.8	4.4	4.0
P/E (x)	28.4	16.6	12.3	12.0	10.8

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	US\$22.50
(Previous TP)	US\$24.00)
Up/Downside	59.9%
Current Price	US\$14.07

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Stock Data

Mkt Cap (US\$ mn)	6,620.0
Avg 3 mths t/o (US\$ mn)	31.1
52w High/Low (US\$)	24.91/13.05
Total Issued Shares (mn)	470.5

Source: FactSet

Shareholding Structure

Zhao Peng	14.7%
Tencent	8.1%

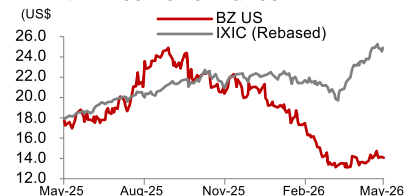
Source: Company data

Share Performance

	Absolute	Relative
1-mth	1.8%	-6.0%
3-mth	-19.5%	-29.9%
6-mth	-31.2%	-41.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Boss Zhipin: forecast revision

RMB mn	Current			Previous			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	9,360	10,283	11,201	9,227	10,233	11,225	1.4%	0.5%	-0.2%
Gross profit	8,001	8,759	9,531	7,845	8,721	9,560	2.0%	0.4%	-0.3%
Adj. operating profit	3,919	4,347	4,847	3,854	4,323	4,859	1.7%	0.6%	-0.3%
Adjusted net profit	4,023	4,411	4,758	4,018	4,389	4,768	0.1%	0.5%	-0.2%
Gross margin	85.5%	85.2%	85.1%	85.0%	85.2%	85.2%	0.5 ppt	0.0 ppt	-0.1 ppt
Adj. Operating Margin	41.9%	42.3%	43.3%	41.8%	42.2%	43.3%	0.1 ppt	0.0 ppt	0.0 ppt
Adjusted net margin	43.0%	42.9%	42.5%	43.5%	42.9%	42.5%	-0.6 ppt	0.0 ppt	0.0 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	9,360	10,283	11,201	9,300	10,453	11,646	0.6%	-1.6%	-3.8%
Gross profit	8,001	8,759	9,531	7,953	8,966	10,009	0.6%	-2.3%	-4.8%
Operating profit (GAAP)	3,108	3,679	4,287	3,090	3,853	4,552	0.6%	-4.5%	-5.8%
Adjusted net profit	4,023	4,411	4,758	4,027	4,566	5,173	-0.1%	-3.4%	-8.0%
Gross margin	85.5%	85.2%	85.1%	85.5%	85.8%	85.9%	0.0 ppt	-0.6 ppt	-0.9 ppt
Operating margin	33.2%	35.8%	38.3%	33.2%	36.9%	39.1%	0.0 ppt	-1.1 ppt	-0.8 ppt
Adjusted net margin	43.0%	42.9%	42.5%	43.3%	43.7%	44.4%	-0.3 ppt	-0.8 ppt	-1.9 ppt

Source: Bloomberg, CMBIGM estimates

Valuation

We value Boss Zhipin at US\$10.6bn (US\$22.5 per ADS) based on 18x 2026E PE. Our target PE multiple is at a premium to the average of its peers, given Boss Zhipin's strong leadership in China's online recruitment market and earnings visibility.

Figure 3: Boss Zhipin: target valuation

P/E Valuation (US\$mn)	FY26E
Non-GAAP earnings	588
Target 2026E PE (x)	18.0
Target equity valuation	10,586
Valuation per ADS (USD)	22.5

Source: Company data, CMBIGM estimates

Note: CNY/USD = 6.8

Figure 4: Global peers: valuation comparison

Companies	Ticker	Price (Local)	EPS growth (yoy%)		Current PE (x)		EPS CAGR 25-27E
			2026E	2027E	2026E	2027E	
Career International	300662 CH	23.8	21	18	13	11	20%
Liepin	6100 HK	2.5	(18)	(1)	7	7	-10%
Recruit	6098 JP	9,846.0	25	24	29	24	24%
Average					16	14	

Source: Bloomberg, CMBIGM

Note: data are as of 19 May 2026

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	5,952	7,356	8,268	9,360	10,283	11,201
Cost of goods sold	(1,060)	(1,240)	(1,235)	(1,358)	(1,523)	(1,671)
Gross profit	4,892	6,116	7,032	8,001	8,759	9,531
Operating expenses	(4,311)	(4,943)	(4,568)	(4,893)	(5,080)	(5,244)
Selling expense	(1,991)	(2,073)	(1,693)	(2,014)	(2,015)	(2,056)
Admin expense	(812)	(1,094)	(1,199)	(997)	(1,124)	(1,152)
R&D expense	(1,544)	(1,816)	(1,654)	(1,883)	(1,942)	(2,037)
Others	35	40	(22)	1	1	1
Operating profit	581	1,173	2,464	3,108	3,679	4,287
Investment gain/loss	1	0	(1)	0	0	0
Interest income	310	625	706	1,292	606	553
Foreign exchange gain/loss	296	(0)	11	1	0	0
Other income/expense	33	35	20	19	0	0
Pre-tax profit	1,189	1,798	3,181	4,402	4,285	4,839
Income tax	(123)	(266)	(510)	(748)	(543)	(642)
After tax profit	1,066	1,533	2,671	3,653	3,743	4,198
Net profit	1,066	1,533	2,671	3,653	3,743	4,198
Adjusted net profit	2,156	2,711	3,602	4,023	4,411	4,758
BALANCE SHEET						
	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	13,373	15,100	20,355	22,708	25,342	28,298
Cash & equivalents	2,473	2,553	4,105	6,405	8,994	11,906
Account receivables	17	41	33	38	41	45
Prepayment	443	368	365	413	454	495
Other current assets	10,441	12,138	15,852	15,852	15,852	15,852
Non-current assets	4,567	4,210	4,213	4,270	4,316	4,344
PP&E	1,793	1,734	1,245	1,294	1,333	1,356
Right-of-use assets	283	303	161	170	176	181
Intangibles	8	253	101	101	101	101
Other non-current assets	2,483	1,921	2,705	2,705	2,705	2,705
Total assets	17,940	19,311	24,568	26,978	29,658	32,641
Current liabilities	4,357	4,192	4,371	4,895	5,361	5,785
Account payables	629	111	120	129	145	159
Other current liabilities	779	816	921	1,022	1,101	1,175
Lease liabilities	155	181	94	99	103	106
Contract liabilities	2,794	3,085	3,236	3,645	4,013	4,346
Non-current liabilities	154	156	116	119	122	124
Other non-current liabilities	154	156	116	119	122	124
Total liabilities	4,511	4,348	4,487	5,014	5,482	5,908
Share capital	1	1	1	1	1	1
Capital surplus	15,502	14,989	17,416	16,227	15,296	14,256
Retained earnings	(2,492)	(925)	1,765	4,838	7,980	11,578
Other reserves	419	899	899	899	899	899
Total shareholders equity	13,429	14,963	20,081	21,964	24,175	26,733
Total equity and liabilities	17,940	19,311	24,568	26,978	29,658	32,641

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,189	1,798	3,181	4,402	4,285	4,839
Depreciation & amortization	259	468	518	395	450	509
Tax paid	(123)	(266)	(510)	(748)	(543)	(642)
Change in working capital	738	145	162	471	421	380
Others	984	1,396	1,201	1,007	849	742
Net cash from operations	3,047	3,542	4,552	5,527	5,462	5,828
Investing						
Capital expenditure	(956)	(856)	(119)	(627)	(673)	(717)
Others	(8,983)	(1,161)	na	na	na	na
Net cash from investing	(9,939)	(2,017)	(4,608)	(627)	(673)	(717)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	218	191	2,350	0	0	0
Share repurchases	(72)	(1,652)	(143)	(2,000)	(1,600)	(1,600)
Others	(563)	0	(553)	(600)	(600)	(600)
Net cash from financing	(417)	(1,461)	1,655	(2,600)	(2,200)	(2,200)
Net change in cash						
Cash at the beginning of the year	9,752	2,473	2,553	4,105	6,405	8,994
Exchange difference	30	15	(47)	0	0	0
Cash at the end of the year	2,473	2,553	4,105	6,405	8,994	11,906
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	31.9%	23.6%	12.4%	13.2%	9.9%	8.9%
Gross profit	30.2%	25.0%	15.0%	13.8%	9.5%	8.8%
Operating profit	na	101.9%	110.1%	26.1%	18.3%	16.5%
Net profit	1,012.5%	43.7%	74.3%	36.8%	2.4%	12.2%
Adj. net profit	169.7%	25.7%	32.9%	11.7%	9.7%	7.9%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	82.2%	83.1%	85.1%	85.5%	85.2%	85.1%
Operating margin	9.8%	15.9%	29.8%	33.2%	35.8%	38.3%
Adj. net profit margin	36.2%	36.9%	43.6%	43.0%	42.9%	42.5%
Return on equity (ROE)	8.5%	10.8%	15.2%	17.4%	16.2%	16.5%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)
Current ratio (x)	3.1	3.6	4.7	4.6	4.7	4.9
Receivable turnover days	1.0	2.0	1.5	1.5	1.5	1.5
Payable turnover days	216.7	32.6	35.5	34.7	34.7	34.7
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	40.5	28.4	16.6	12.3	12.0	10.8
P/E (diluted)	40.5	28.4	16.6	12.3	12.0	10.8
P/B	3.2	2.9	2.2	2.1	1.9	1.7

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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