# Weichai Power (2338 HK/000338 CH)

## AIDC gen-sets growth on track; Attractive valuation after pullback

| | 2338 HK | 000338 CH |
|---|---|---|
| | BUY | BUY |
| | Maintain | Maintain |
| TP | HK$44.70 | RMB38.90 |
| Prior TP | HK$44.70 | RMB38.90 |
| Up/Downside | 84.4% | 89.8% |
| Current Price | HK$24.2 | RMB20.5 |

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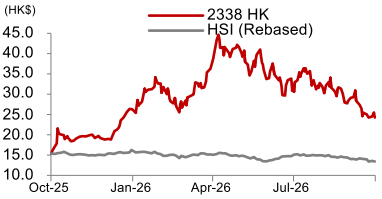
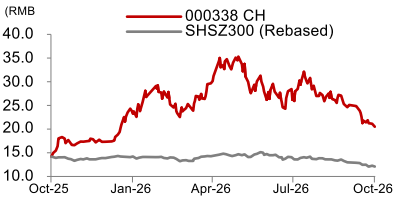
**12-mth Price Performance**




Source: FactSet

**Stock Performance**

| | 2338 HK | | 000338 CH | |
|---|---|---|---|---|
| | Abs. | Rel. | Abs. | Rel. |
| 1-mth | -14.5% | -8.7% | -18.0% | -9.1% |
| 3-mth | -24.5% | -15.2% | -24.9% | -15.0% |
| 6-mth | -32.9% | -23.7% | -32.0% | -21.0% |

Source: FactSet

**Stock Data**

| (LC) | 2338 HK | 000338 CH |
|---|---|---|
| Mkt Cap (mn) | 46880.16 | 138867 |
| Avg 3 mths t/o (mn) | 545.43 | 2302.91 |
| 52w High | 44.66 | 35.34 |
| 52w Low | 15.36 | 14.44 |
| Issued Shares (mn) | 1934 | 6774 |

Source: FactSet

In the post-results call, Weichai revealed that AIDC gen-sets delivery is on a good track and is confident of maintaining a resilient ASP due to the shortage over the coming 2-3 years. Power business (including non-AIDC) accounted for 30% of total profit in 3Q26, up from 25% in 9M26, which has served as a key earnings growth driver. For HDT engines, by leveraging the partnership with Sinotruk (3808 HK, BUY), FAW (000800 CH, NR) and Foton (600166 CH, NR), Weichai is confident of enjoying the growth of HDT export going forward. We continue to like Weichai given the solid outlook of AIDC gen-sets. Besides, trading at only 5x 2026E EV/EBITDA which is below the historical average of 6x, Weichai's current valuation has yet to reflect AIDC gen-sets growth potential. Maintain **BUY** with unchanged SOTP-based TP of HK$44.7/RMB38.9 for Weichai H/A. Weichai remains a key pick in the Capital Goods sector.

- **3Q26 results highlights:** Weichai's revenue grew 1% YoY to RMB58bn in 3Q26. Gross margin expanded 1.5ppts YoY to 22.9%. Affected by FX loss and fair value change, EBIT increased only 2% YoY to RMB5.1bn. Net profit dropped 9% YoY to RMB2.96bn, due to higher effective tax rate.
- **AIDC gen-sets:** Weichai revealed that sales volume of AIDC diesel gen-sets in 3Q26 reached 1.3k units, up from 500/800 units in 1Q/2Q26. For natural gas gen-sets, the delivery is expected to be only 200 units this year as Weichai has allocated the capacity for diesel gen-sets. Looking into 2027E, Weichai expects the ramp-up of gas gen-sets will be similar to that of diesel gen-sets in 2026. We maintain our gas gen-sets sales forecast of 2k units in 2027E, as we see the deal between Generac (GNRC, NR) and Amazon (AMZN US, BUY, covered by our internet team) offers good demand visibility.
- **SOFC**: Weichai maintained the target of 30MW capacity (phase one) to be completed by end-2026. Production is expected to be 15-20MW in 2027E, as time is needed for ramp-up. Weichai expects 200MW capacity (phase two) to be completed by end-2027E.

### Earnings Summary - 2338 HK

| (YE 31 Dec) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Revenue (RMB mn) | 215,691 | 231,809 | 253,844 | 276,314 | 299,971 |
| YoY growth (%) | 0.8 | 7.5 | 9.5 | 8.9 | 8.6 |
| Adjusted net profit (RMB mn) | 11,403.3 | 10,930.8 | 14,849.5 | 17,408.9 | 20,636.5 |
| EPS (Reported) (RMB) | 1.31 | 1.25 | 1.70 | 2.00 | 2.37 |
| YoY growth (%) | 25.4 | (4.1) | 35.8 | 17.2 | 18.5 |
| Consensus EPS (RMB) | na | na | 1.69 | 2.22 | 2.67 |
| P/E (x) | 15.7 | 16.4 | 12.1 | 10.3 | 8.7 |
| P/B (x) | 2.1 | 1.9 | 1.8 | 1.6 | 1.5 |
| Yield (%) | 3.5 | 0.0 | 4.8 | 5.6 | 6.7 |
| Net gearing (%) | (38.8) | (37.1) | (43.9) | (57.2) | (73.5) |

Source: Company data, Bloomberg, CMBIGM estimates

**Related reports:**

Weichai Power - Generac & Amazon deal positive to Weichai – 17 Sep 2026 (link)

Weichai Power - High visibility of AIDC gensets; SOFC to offer upside potential – 31 Aug 2026 (link)

Weichai Power – Net profit in 2Q26 +57% YoY helped by other income and expense control; Rising AIDC power contribution – 28 Aug 2026 (link)

Ceres Power – Key takeaways from London visit – 13 Jul 2026 (link)

## Figure 1: Weichai 3Q26 financials

| (RMB mn) | 1Q25 | 1Q26 | Chg (YoY) | 2Q25 | 2Q26 | Chg (YoY) | 3Q25 | 3Q26 | Chg (YoY) |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **57,464** | **62,563** | ***9%*** | **55,688** | **60,600** | ***9%*** | **57,419** | **58,008** | ***1%*** |
| Cost of sales | -44,691 | -49,155 | *10%* | -43,364 | -47,572 | *10%* | -45,145 | -44,733 | *-1%* |
| **Gross profit** | **12,773** | **13,408** | ***5%*** | **12,324** | **13,028** | ***6%*** | **12,274** | **13,275** | ***8%*** |
| Other income | 362 | 283 | *-22%* | 739 | 1,522 | *106%* | 260 | 169 | *-35%* |
| Other gains and losses | -38 | 180 | *n/a* | -83 | 350 | *n/a* | 147 | -228 | *n/a* |
| S&D expenses | -3,237 | -3,012 | *-7%* | -3,390 | -3,016 | *-11%* | -3,300 | -2,823 | *-14%* |
| Administrative expenses | -4,091 | -2,875 | *-30%* | -2,690 | -2,621 | *-3%* | -2,435 | -2,683 | *10%* |
| R&D expenses | -2,040 | -2,010 | *-1%* | -2,096 | -1,969 | *-6%* | -2,040 | -2,024 | *-1%* |
| Taxes and surcharges | -190 | -238 | *25%* | -211 | -239 | *13%* | -155 | -217 | *40%* |
| Impairment loss of assets | -570 | -479 | *-16%* | -535 | -327 | *-39%* | 253 | -388 | *n/a* |
| **EBIT** | **2,971** | **5,257** | ***77%*** | **4,058** | **6,728** | ***66%*** | **5,004** | **5,080** | ***2%*** |
| Other expenses | -32 | -19 | *-40%* | -33 | -57 | *69%* | -21 | -13 | *-38%* |
| Net finance cost | 208 | -364 | *n/a* | 261 | -283 | *n/a* | 124 | -243 | *n/a* |
| Share of profit of JV and associates | -17 | 4 | *n/a* | -25 | 109 | *n/a* | 89 | 104 | *17%* |
| **Pretax profit** | **3,129** | **4,878** | ***56%*** | **4,261** | **6,497** | ***52%*** | **5,196** | **4,929** | ***-5%*** |
| Income tax | -308 | -895 | *191%* | -519 | -940 | *81%* | -907 | -1,007 | *11%* |
| **After tax profit** | **2,822** | **3,983** | ***41%*** | **3,742** | **5,557** | ***49%*** | **4,288** | **3,922** | ***-9%*** |
| MI | -111 | -897 | *708%* | -809 | -941 | *16%* | -1,054 | -965 | *-8%* |
| **Net profit** | **2,711** | **3,086** | ***14%*** | **2,933** | **4,616** | ***57%*** | **3,234** | **2,957** | ***-9%*** |
| | | | | | | | | | |
| **Key ratios** | | | ***Chg (ppt)*** | | | ***Chg (ppt)*** | | | ***Chg (ppt)*** |
| *Gross margin* | *22.2%* | *21.4%* | *-0.8* | *22.1%* | *21.5%* | *-0.6* | *21.4%* | *22.9%* | *1.5* |
| *S&D expense ratio* | *5.6%* | *4.8%* | *-0.8* | *6.1%* | *5.0%* | *-1.1* | *5.7%* | *4.9%* | *-0.9* |
| *Administrative expense ratio* | *7.1%* | *4.6%* | *-2.5* | *4.8%* | *4.3%* | *-0.5* | *4.2%* | *4.6%* | *0.4* |
| *R&D expense ratio* | *3.5%* | *3.2%* | *-0.3* | *3.8%* | *3.2%* | *-0.5* | *3.6%* | *3.5%* | *-0.1* |
| *Effective tax rate* | *9.8%* | *18.3%* | *8.5* | *12.2%* | *14.5%* | *2.3* | *17.5%* | *20.4%* | *3.0* |

Source: Company data, CMBIGM estimates

## Figure 2: Key assumptions for Weichai

| | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| (RMB mn) | | | | | |
| **Revenue** | | | | | |
| HDT and machinery engine | - | - | 59,917 | 63,606 | 67,545 |
| Power related engine | - | - | 18,027 | 32,620 | 47,354 |
| Large bore engine | - | - | 10,540 | 23,636 | 37,023 |
| AIDC (diesel gen set) | - | - | 8,008 | 13,453 | 18,322 |
| AIDC (gas gen set) | - | - | 804 | 8,040 | 16,080 |
| Non-AIDC | - | - | 1,728 | 2,143 | 2,621 |
| Non-large bore power related engines | - | - | 7,487 | 8,984 | 10,330 |
| Diesel engines | 59,409 | 64,025 | 77,944 | 96,226 | 114,899 |
| Automobiles and major components | 61,838 | 70,803 | 73,688 | 76,685 | 79,098 |
| Forklift trucks & supply chain solution | 88,777 | 91,131 | 95,688 | 98,558 | 101,515 |
| Agricultural machinery | 18,546 | 19,169 | 20,127 | 21,133 | 22,190 |
| Intersegment sales | -12,879 | -13,318 | -13,603 | -16,288 | -17,731 |
| **Total revenue** | **215,691** | **231,809** | **253,844** | **276,314** | **299,971** |
| | | | | | |
| ***Growth (YoY)*** | | | | | |
| *Diesel engines* | *-2.2%* | *7.8%* | *21.7%* | *23.5%* | *19.4%* |
| *Automobiles and major components* | *-5.0%* | *14.5%* | *4.1%* | *4.1%* | *3.1%* |
| *Forklift trucks & supply chain solution* | *1.4%* | *2.7%* | *5.0%* | *3.0%* | *3.0%* |
| *Agricultural machinery* | *14.5%* | *3.4%* | *5.0%* | *5.0%* | *5.0%* |
| *Intersegment sales* | *-17.6%* | *3.4%* | *2.1%* | *19.7%* | *8.9%* |
| ***Average*** | ***0.8%*** | ***7.5%*** | ***9.5%*** | ***8.9%*** | ***8.6%*** |
| | | | | | |
| **Segment profit** | | | | | |
| Diesel engines | 10,395 | 10,608 | 11,769 | 16,840 | 21,256 |
| Automobiles and major components | 563 | 1,420 | 2,284 | 2,301 | 2,215 |
| Forklift trucks & supply chain solution | 5,971 | 3,869 | 6,028 | 6,111 | 6,294 |
| Agricultural machinery | 796 | 801 | 966 | 1,014 | 1,065 |
| Intersegment sales | -611 | -1,302 | -1,292 | -1,303 | -1,507 |
| **Total segment profit** | **17,115** | **15,396** | **19,756** | **24,962** | **29,323** |
| | | | | | |
| ***Growth (YoY)*** | | | | | |
| *Diesel engines* | *34.7%* | *2.1%* | *10.9%* | *43.1%* | *26.2%* |
| *Automobiles and major components* | *-5.2%* | *152.2%* | *60.9%* | *0.7%* | *-3.7%* |
| *Forklift trucks & supply chain solution* | *21.4%* | *-35.2%* | *55.8%* | *1.4%* | *3.0%* |
| *Agricultural machinery* | *18.7%* | *0.7%* | *20.6%* | *5.0%* | *5.0%* |
| *Intersegment sales* | *-25.7%* | *113.3%* | *-0.8%* | *0.8%* | *15.7%* |
| ***Average*** | ***30.8%*** | ***-10.0%*** | ***28.3%*** | ***26.4%*** | ***17.5%*** |
| | | | | | |
| ***Segment margin*** | | | | | |
| *Diesel engines* | *17.5%* | *16.6%* | *15.1%* | *17.5%* | *18.5%* |
| *Automobiles and major components* | *0.9%* | *2.0%* | *3.1%* | *3.0%* | *2.8%* |
| *Forklift trucks & supply chain solution* | *6.7%* | *4.2%* | *6.3%* | *6.2%* | *6.2%* |
| *Agricultural machinery* | *4.3%* | *4.2%* | *4.8%* | *4.8%* | *4.8%* |
| ***Average*** | ***7.9%*** | ***6.6%*** | ***7.8%*** | ***9.0%*** | ***9.8%*** |

Source: Company data, CMBIGM estimates

## Figure 3: KION's guidance for 2026E

| (EUR mn) | 2024 | 2025 | 2026E guidance (Oct) Low-end | 2026E guidance (Oct) High-end | 2026E guidance (Jul) Low-end | 2026E guidance (Jul) High-end |
|---|---|---|---|---|---|---|
| **Order intake** | **10,321** | **11,705** | **-** | **-** | **-** | **-** |
| *Growth (YoY)* | *-5%* | *13%* | *-* | *-* | *-* | *-* |
| **Revenue** | **11,503** | **11,297** | **11,450** | **11,750** | **11,525** | **12,025** |
| *Growth (YoY)* | *1%* | *-2%* | *1%* | *4%* | *2%* | *6%* |
| **Adjusted EBIT** | **917** | **789** | **815** | **875** | **880** | **980** |
| *Growth (YoY)* | *16%* | *-14%* | *3%* | *11%* | *12%* | *24%* |
| *Adjusted EBIT margin* | *8.0%* | *7.0%* | *7.1%* | *7.4%* | *7.6%* | *8.1%* |
| **Net income** | **370** | **240** | **-** | **-** | **-** | **-** |
| *Growth (YoY)* | *18%* | *-35%* | *-* | *-* | *-* | *-* |

Source: Company data, CMBIGM

## Figure 4: KION's quarterly financials

| (EUR mn) | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 |
|---|---|---|---|---|---|
| **Order intake** | **2,676** | **2,823** | **2,985** | **2,809** | **2,651** |
| *Growth (YoY)* | *10%* | *0%* | *10%* | *-20%* | *-1%* |
| **Revenue** | **2,704** | **3,097** | **2,771** | **2,916** | **2,835** |
| *Growth (YoY)* | *0%* | *1%* | *-1%* | *8%* | *5%* |
| **Adjusted EBIT** | **190** | **213** | **205** | **224** | **203** |
| *Growth (YoY)* | *-14%* | *-15%* | *5%* | *19%* | *7%* |
| *Adjusted EBIT margin* | *7.0%* | *6.9%* | *7.4%* | *7.7%* | *7.2%* |
| **Net income** | **119** | **73** | **92** | **115** | **102** |
| *Growth (YoY)* | *61%* | *-36%* | *n/a* | *22%* | *-15%* |

Source: Company data, CMBIGM

## Figure 5: SOTP valuation

| SOTP valuation | Valuation methodology | Target multiple (x) | EBITDA 2026E (RMB mn) | Estimated EV (RMB mn) | Net cash / (Net debt) | Equity value (RMB mn) | Equity value breakdown |
|---|---|---|---|---|---|---|---|
| Weichai traditional business | EV/EBITDA | 10.0 | 14,844 | 148,435 | 39,100 | 187,535 | 55.2% |
| Weichai power engines | EV/EBITDA | 35.0 | 4,326 | 151,423 | - | 151,423 | 44.6% |
| KION Group | Proportionate market value | - | - | - | - | 21,408 | 6.3% |
| Ballard Power Systems | Proportionate market value | - | - | - | - | 905 | 0.3% |
| Ceres Power | Proportionate market value | - | - | - | - | 1,627 | 0.5% |
| Share of JV/associates | P/B | 2.8 | - | - | - | 15,482 | 4.6% |
| Minority interest in core business | | | | | | -38,843 | -11.4% |
| **Total NAV** | | | | | | **339,538** | 100.0% |
| **NAV per share (RMB)** | | | | | | **38.9** | |
| H discount to A | | | | | | 0% | |
| **NAV per share (HK$)** | | | | | | **44.7** | |

Source: Company data, CMBIGM estimates
Note 1: Weichai owns 46.5% interest in KION, 20% interest in Ballard Power and ~17.8% interest in Ceres Power.
Note 2: Share of JV/associates excludes Ballard Power and Ceres Power

**Key risks:** 1) lower-than-expected AIDC capex; 2) unexpected slowdown in HDT engine demand; 3) increase in raw material costs.

# Financial Summary

| INCOME STATEMENT | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Revenue** | **213,958** | **215,691** | **231,809** | **253,844** | **276,314** | **299,971** |
| Cost of goods sold | (168,842) | (167,305) | (182,027) | (199,267) | (215,525) | (232,478) |
| **Gross profit** | **45,116** | **48,386** | **49,782** | **54,576** | **60,789** | **67,494** |
| **Operating expenses** | **(31,238)** | **(30,368)** | **(33,681)** | **(32,840)** | **(35,050)** | **(37,398)** |
| **Operating profit** | **13,878** | **18,018** | **16,101** | **21,737** | **25,739** | **30,096** |
| Share of (losses)/profits of associates/JV | (13) | (45) | (51) | 219 | 223 | 227 |
| **EBITDA** | **25,867** | **30,744** | **29,699** | **35,708** | **41,697** | **46,141** |
| Depreciation | 11,989 | 12,726 | 13,598 | 13,971 | 15,958 | 16,045 |
| Interest income | 2,818 | 3,781 | 3,561 | 2,953 | 2,825 | 3,537 |
| Interest expense | (3,378) | (4,011) | (3,107) | (1,289) | (1,292) | (1,296) |
| **Net Interest income/(expense)** | **(560)** | **(231)** | **454** | **1,664** | **1,533** | **2,242** |
| Other income/expense | (154) | (421) | (291) | (254) | (276) | (300) |
| **Pre-tax profit** | **13,151** | **17,322** | **16,214** | **23,367** | **27,218** | **32,265** |
| Income tax | (1,940) | (3,044) | (2,534) | (4,206) | (4,899) | (5,808) |
| Minority interest | (2,198) | (2,874) | (2,750) | (4,311) | (4,910) | (5,821) |
| **Adjusted net profit** | **9,014** | **11,403** | **10,931** | **14,849** | **17,409** | **20,636** |

| BALANCE SHEET | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Current assets** | **197,925** | **184,750** | **186,524** | **193,328** | **232,767** | **243,624** |
| Cash & equivalents | 92,857 | 72,067 | 68,713 | 78,941 | 97,613 | 123,470 |
| Account receivables | 23,754 | 30,877 | 34,355 | 18,500 | 45,090 | 17,370 |
| Inventories | 37,930 | 35,675 | 35,236 | 47,747 | 42,006 | 54,807 |
| Prepayment | 1,691 | 1,368 | 1,412 | 1,331 | 1,250 | 1,169 |
| Other current assets | 41,693 | 44,762 | 46,808 | 46,808 | 46,808 | 46,808 |
| **Non-current assets** | **136,322** | **159,130** | **180,952** | **176,556** | **171,675** | **167,208** |
| PP&E | 44,073 | 47,301 | 53,667 | 50,447 | 46,828 | 43,708 |
| Investment in JVs & assos | 5,175 | 4,915 | 5,435 | 5,529 | 5,625 | 5,723 |
| Intangibles | 23,071 | 22,205 | 22,063 | 20,793 | 19,436 | 17,991 |
| Goodwill | 24,858 | 24,561 | 25,269 | 25,269 | 25,269 | 25,269 |
| Other non-current assets | 39,145 | 60,148 | 74,517 | 74,517 | 74,517 | 74,517 |
| **Total assets** | **334,247** | **343,879** | **367,475** | **369,883** | **404,442** | **410,832** |
| | | | | | | |
| **Current liabilities** | **146,215** | **154,839** | **161,534** | **151,126** | **171,978** | **162,009** |
| Short-term borrowings | 16,949 | 22,772 | 15,915 | 16,015 | 16,115 | 16,215 |
| Account payables | 60,127 | 58,033 | 68,037 | 57,529 | 78,281 | 68,212 |
| Other current liabilities | 69,139 | 74,034 | 77,583 | 77,583 | 77,583 | 77,583 |
| **Non-current liabilities** | **75,346** | **67,081** | **74,879** | **74,879** | **74,879** | **74,879** |
| Long-term borrowings | 26,745 | 15,633 | 18,248 | 18,248 | 18,248 | 18,248 |
| Other non-current liabilities | 48,601 | 51,448 | 56,632 | 56,632 | 56,632 | 56,632 |
| **Total liabilities** | **221,561** | **221,921** | **236,413** | **226,006** | **246,858** | **236,888** |
| | | | | | | |
| **Total shareholders equity** | **79,335** | **86,696** | **93,190** | **101,695** | **110,491** | **121,030** |
| Minority interest | 33,351 | 35,262 | 37,872 | 42,183 | 47,093 | 52,914 |
| **Total equity and liabilities** | **334,247** | **343,879** | **367,475** | **369,883** | **404,442** | **410,832** |

| CASH FLOW | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Operating** | | | | | | |
| **Profit before taxation** | **13,151** | **17,322** | **16,214** | **23,367** | **27,218** | **32,265** |
| Depreciation & amortization | 11,909 | 12,668 | 13,438 | 13,890 | 15,877 | 15,964 |
| Tax paid | (1,940) | (3,044) | (2,534) | (4,206) | (4,899) | (5,808) |
| Change in working capital | 6,089 | (6,811) | 6,764 | (7,164) | (97) | 4,850 |
| Others | (1,738) | 5,959 | (5,201) | 1,150 | 1,150 | 1,150 |
| **Net cash from operations** | **27,471** | **26,094** | **28,682** | **27,037** | **39,249** | **48,421** |
| **Investing** | | | | | | |
| Capital expenditure | (4,633) | (6,600) | (6,670) | (9,400) | (10,900) | (11,400) |
| Acquisition of subsidiaries/ investments | (156) | (584) | (855) | 0 | 0 | 0 |
| Others | (947) | (21,727) | (9,103) | 125 | 127 | 129 |
| **Net cash from investing** | **(5,737)** | **(28,911)** | **(16,628)** | **(9,275)** | **(10,773)** | **(11,271)** |
| **Financing** | | | | | | |
| Dividend paid | (4,175) | (7,769) | (9,373) | (6,345) | (8,613) | (10,097) |
| Net borrowings | (969) | (5,289) | (4,244) | 100 | 100 | 100 |
| Proceeds from share issues | 92 | 0 | 0 | 0 | 0 | 0 |
| Others | (7,977) | (780) | (4,704) | (1,289) | (1,292) | (1,296) |
| **Net cash from financing** | **(13,029)** | **(13,838)** | **(18,320)** | **(7,534)** | **(9,805)** | **(11,293)** |
| **Net change in cash** | | | | | | |
| Cash at the beginning of the year | 70,842 | 92,857 | 72,067 | 68,713 | 78,941 | 97,613 |
| Exchange difference | 13,310 | (4,135) | 2,913 | 0 | 0 | 0 |
| **Cash at the end of the year** | **92,857** | **72,067** | **68,713** | **78,941** | **97,613** | **123,470** |

| GROWTH | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Revenue | 22.2% | 0.8% | 7.5% | 9.5% | 8.9% | 8.6% |
| Gross profit | 44.8% | 7.2% | 2.9% | 9.6% | 11.4% | 11.0% |
| Operating profit | 153.1% | 29.8% | (10.6%) | 35.0% | 18.4% | 16.9% |
| EBITDA | 55.5% | 18.9% | (3.4%) | 20.2% | 16.8% | 10.7% |
| Adj. net profit | 83.8% | 26.5% | (4.1%) | 35.8% | 17.2% | 18.5% |

| PROFITABILITY | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Gross profit margin | 21.1% | 22.4% | 21.5% | 21.5% | 22.0% | 22.5% |
| Operating margin | 6.5% | 8.4% | 6.9% | 8.6% | 9.3% | 10.0% |
| EBITDA margin | 12.1% | 14.3% | 12.8% | 14.1% | 15.1% | 15.4% |
| Adj. net profit margin | 4.2% | 5.3% | 4.7% | 5.8% | 6.3% | 6.9% |

| GEARING/LIQUIDITY/ACTIVITIES | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Net debt to equity (x) | (0.6) | (0.4) | (0.4) | (0.4) | (0.6) | (0.7) |
| Current ratio (x) | 1.4 | 1.2 | 1.2 | 1.3 | 1.4 | 1.5 |
| Receivable turnover days | 38.5 | 46.2 | 51.4 | 38.0 | 42.0 | 38.0 |
| Inventory turnover days | 77.1 | 80.3 | 71.1 | 76.0 | 76.0 | 76.0 |
| Payable turnover days | 114.2 | 128.9 | 126.4 | 115.0 | 115.0 | 115.0 |

| VALUATION | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| P/E | 19.7 | 15.7 | 16.4 | 12.1 | 10.3 | 8.7 |
| P/B | 2.3 | 2.1 | 1.9 | 1.8 | 1.6 | 1.5 |
| Div yield (%) | 2.5 | 3.5 | 0.0 | 4.8 | 5.6 | 6.7 |

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

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|---|---|
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| | |
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