

# SenseTime (20 HK)

## Leading in the China large AI model race

SenseTime delivered weaker than expected FY22 results with revenue of RMB3.81bn (-19% YoY), mainly due to Smart City projects delay. However, we are positive to see the ramp up of the recurring AlaaS business as the Company sells its SenseCore capabilities to external entities. Eight key customers took up 7,000 GPUs related to the training of large AI models. We think the breakthrough in AI large models (SenseTime to launch large language model with 100bn parameters in mid-2023) will continue to drive re-rating.

■ **FY22 missed but weakness is largely anticipated.** SenseTime reported revenue of RMB3.81bn (-19% YoY) in FY22, missed our/ consensus estimates by 22%/ 24% respectively. We think the weakness is largely anticipated as Smart City projects were heavily affected by the pandemic. GPM declined to 66.8% (vs. 69.7% in FY21) on increasing hardware (AI sensor) and depreciation (AIDC) expenses. For R&D, SenseTime spent RMB4.01bn in FY22 (+11% YoY). Adjusting for share-based compensation, opex was up +23% YoY. Net loss was at RMB6.05bn.

■ **Continuous business diversification with recurring AlaaS taking shape.** Core revenue Smart City and Smart Business were impacted by the pandemic and revenue contribution dropped to 67% in FY22 (vs. >80% of revenue historically). That said, we are encouraged to see the ramp-up of recurring AlaaS business and the continuous business diversification. In FY22, over 20% of Smart Business came from AlaaS (SenseCore) and that eight key customers took up 7,000 GPUs of SenseCore related to the training of large models. Meanwhile, new business segments Smart Life (driven by AIGC, AI sensors)/ Smart Auto (driven by ADAS products) delivered robust revenue growth of +130%/ +59% YoY respectively.

■ **Leading position in the large AI model race.** We think SenseTime is in the leading position in terms of large AI model capabilities. SenseTime has achieved 5.0 exaFLOPS with more than 27,000 GPUs (supporting up to 4,000 GPU card for single-task training). Also, the Company has developed the world's largest CV foundation model with 32bn parameters. In mid-2023, the Company will launch pre-trained large language model with over 100-bn parameters. The proven large model capabilities will help SenseTime penetrate large internet enterprises through AlaaS.

■ **Maintain BUY.** We revised down FY23-24E revenue by 17-18% to reflect a slow recovery in AI spending post COVID-19. Our new target price of HK\$3.45 (prior HK\$2.10) is based on 18x FY23E EV/sales, in-line with China AI peers. We think the breakthrough in AI large models will continue to drive sector re-rating. We observed that the mkt-cap weighted EV/sales of China AI has risen from 4.4x to 10.0x YTD. Maintain BUY.

### Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	4,700	3,809	4,980	6,355	8,267
YoY growth (%)	36.4	(19.0)	30.8	27.6	30.1
Operating profit (RMB mn)	(3,316)	(3,941)	(4,298)	(3,776)	(3,003)
Net profit (RMB mn)	(17,140.1)	(6,044.8)	(4,295.8)	(3,824.3)	(3,101.5)
Adjusted net profit (RMB mn)	(1,381.4)	(4,688.0)	(3,795.9)	(3,314.5)	(2,570.3)
EPS (Reported) (RMB cents)	(173.64)	(18.93)	(12.84)	(11.43)	(9.27)
Consensus EPS (RMB cents)	(173.64)	(18.93)	(9.10)	(6.80)	na
EV/Sales (x)	11.3	16.4	13.2	10.6	8.3
ROE (%)	(316.7)	(19.9)	(15.6)	(15.8)	(15.0)
Net gearing (%)	(46.2)	(10.5)	(5.4)	2.3	9.9

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

**Target Price** **HK\$3.45**

(Previous TP) HK\$2.10

**Up/Downside** **28.9%**

**Current Price** **HK\$2.68**

### China Software & IT Services

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### Stock Data

Mkt Cap (HK\$ mn)	89,697.7
Avg 3 mths t/o (HK\$ mn)	764.0
52w High/Low (HK\$)	6.23/1.17
Total Issued Shares (mn)	25948.8

Source: FactSet

### Shareholding Structure

ESOP	14.9%
Softbank	14.8%

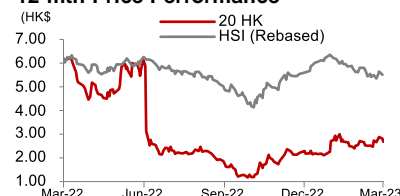
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	6.3%	6.4%
3-mth	17.0%	17.7%
6-mth	54.9%	35.1%

Source: FactSet

### 12-mth Price Performance



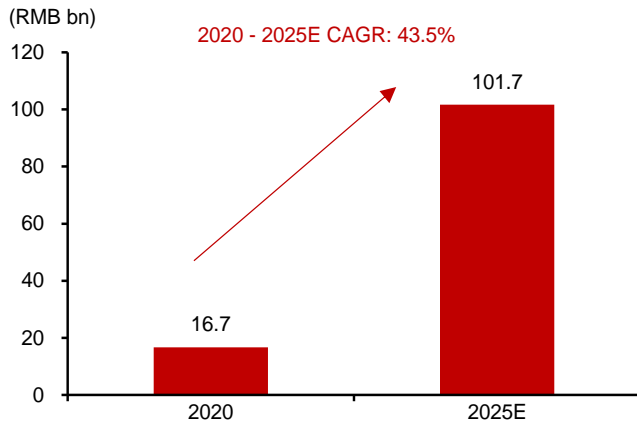
Source: FactSet

### Related Reports:

1. 商汤科技 (20 HK) “投资者交流纪要 - 持续发展人工智能即服务模式” - 5 Dec 2022 ([link](#))
2. China AI – Public security demand remained weak in 3Q22, limited near term impact from new US export rules - 20 Oct 2022 ([link](#))
3. SenseTime (20 HK) “A slower AI adoption pace amid macro uncertainties” - 26 Aug 2022 ([link](#))

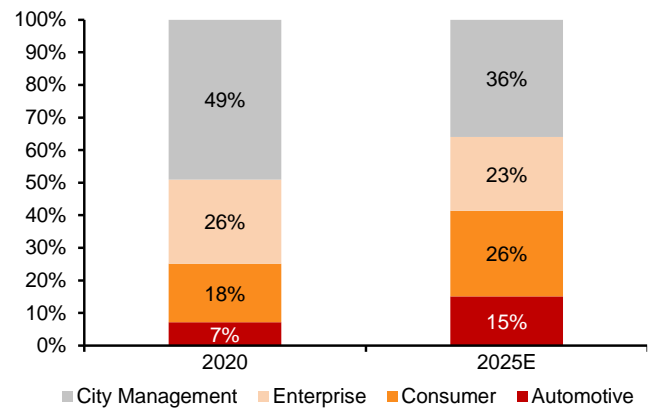
## Focus Charts

**Figure 1: China computer vision market to increase at 43.5% CAGR in FY20-25E**



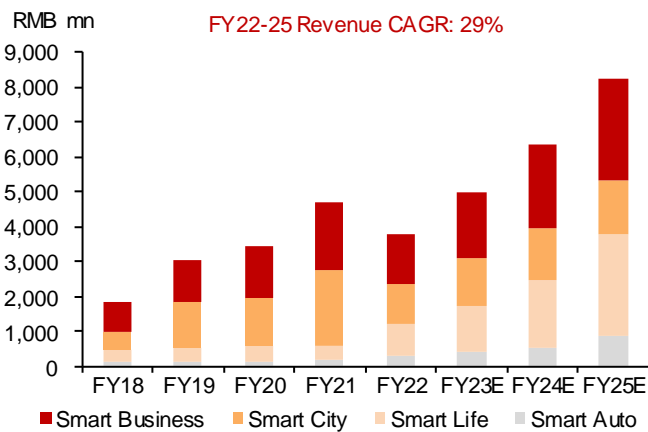
Source: Frost & Sullivan, CMBIGM

**Figure 2: China CV software market mix will change on stronger Consumer and Automotive growth**



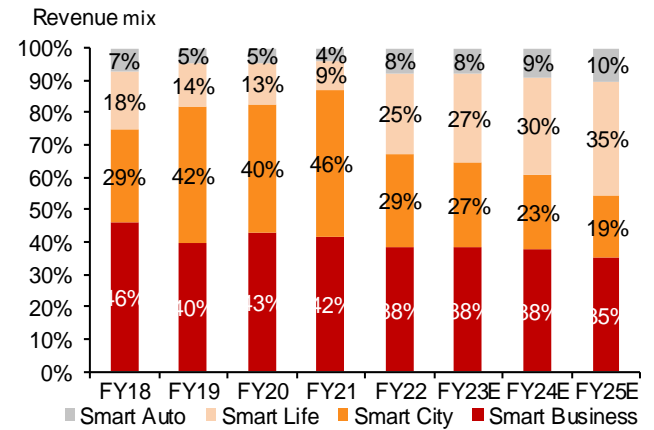
Source: Frost & Sullivan, CMBIGM

**Figure 3: 29% CAGR of revenue in FY22-25E**



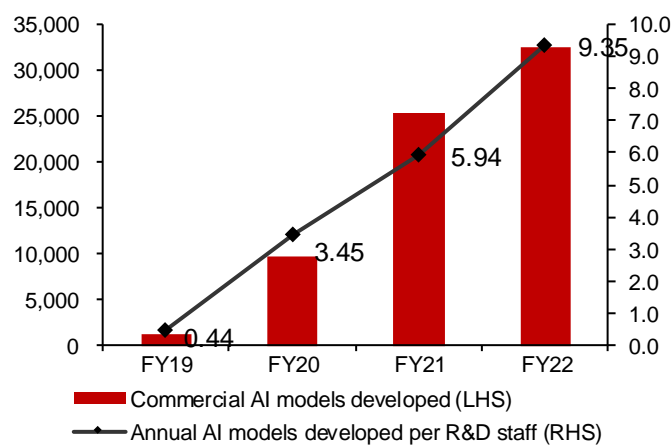
Source: Company data, CMBIGM estimates

**Figure 4: Revenue diversification to accelerate**



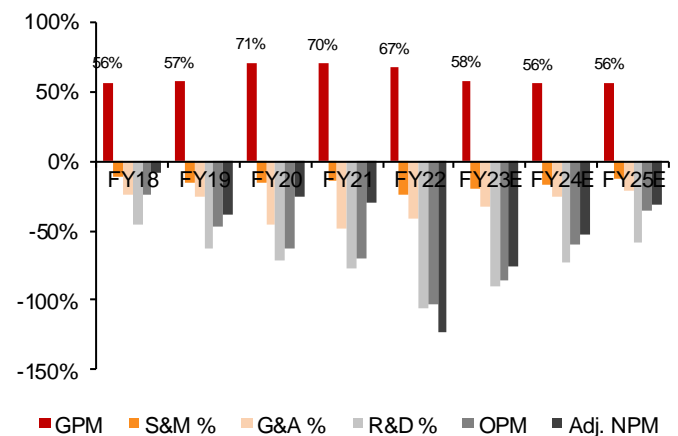
Source: Company data, CMBIGM estimates

**Figure 5: SenseCore enables more efficient AI model development**



Source: Company data, CMBIGM

**Figure 6: SenseTime GPM to gradually decline as AlaaS ramps up**



Source: Company data, CMBIGM

## FY22 results review

- **Revenue** was at RMB3,809mn (-19% YoY), below our/ consensus estimates by 22%/24% respectively.
  - **Smart Business** declined 25% YoY to RMB1,464mn. No. of customers was down 22% YoY to 717. Avg. revenue per customer decreased 4% YoY to RMB2.04mn. SenseCore (AlaaS) contributed over 20% of Smart Business revenue.
  - **Smart City** declined 49% YoY to RMB1,096mn. No. of cities covered increased to 162 (+16% YoY). Avg. revenue from each city decreased 56% YoY to RMB6.77mn.
  - **Smart Life** was up 130% YoY to RMB955mn. No. of customers increased 23% YoY and avg. revenue per customer increased 86% YoY to RMB3.01mn.
  - **Smart Auto** grew 59% YoY to RMB293mn. No. of customers was stable at 34 but avg. revenue per customer increased 59% YoY to RMB8.61mn.
- **Gross margin** was at 66.8% (-3 pct pts YoY), above our estimates by 2.0 pct pts and consensus by 3.5 pct pts.
- **Operating loss** widened to RMB3,941mn, better than our and consensus estimates.
- **Net loss** narrowed to RMB6,045mn.

Figure 7: SenseTime FY22 results review

20 HK RMB mn	FY21 Actual	FY22 Actual	YoY	FY22E CMBI	CMBI	FY22E Consensus	Consensus
Revenue	4,700	3,809	-19%	4,907	-22%	5,031	-24%
Gross profit	3,278	2,542	-22%	3,175	-20%	3,180	-20%
Gross margin	69.7%	66.8%	-3 pct pts	64.7%	2 pct pts	63.2%	3.5 pct pts
Operating profit	-3,316	-3,941	-19%	-4,179	6%	-5,101	23%
Operating margin	-70.6%	-103.5%	-32.9 pct pts	-85.2%	-18.3 pct pts	-101.4%	-2.1 pct pts
Adj. EBITDA	-879	-4,213	-379%	-3,705	-14%	-3,488	-21%
Adj. EBITDA margin	-18.7%	-110.6%	-91.9 pct pts	-75.5%	-35.1 pct pts	-69.3%	-41.3 pct pts
Net non-op	-13,825	-2,392	83%	-819	-192%	442	-641%
PBT	-17,142	-6,333	63%	-4,998	-27%	-4,659	-36%
Net income	-17,140	-6,045	65%	-4,563	-32%	-3,934	-54%
Net margin	-364.7%	-158.7%	205.9 pct pts	-93.0%	-65.7 pct pts	-78.2%	-80.5 pct pts
EPS RMB	-1.74	-0.19	89%	-0.14	-39%	-0.13	-51%
<b>Revenue by segment</b>							
Smart Business	1,958	1,464	-25%	2,089	-30%		
Smart City	2,143	1,096	-49%	1,912	-43%		
Smart Life	415	955	130%	663	44%		
Smart Auto	184	293	59%	242	21%		

Source: Bloomberg, CMBIGM estimates

## Earnings revision

Figure 8: Earnings revision

RMB mn	FY23E			FY24E		
	New	Old	%Diff	New	Old	%Diff
Sales	4,980	6,026	-17%	6,355	7,750	-18%
Gross profit	2,867	3,810	-25%	3,531	4,897	-28%
OP Profit	-4,298	-4,066	6%	-3,776	-3,706	2%
Adj. EBITDA	-3,097	-2,987	4%	-2,425	-2,409	1%
Net profit	-4,296	-4,656	-8%	-3,824	-4,330	-12%
EPS	-0.13	-0.14	-8%	-0	-0.13	-12%
<b>Margins</b>						
GM	57.6%	63.2%	-566 bps	55.6%	63.2%	-763 bps
OPM	-86.3%	-67.5%	-1884 bps	-59.4%	-47.8%	-1160 bps
Adj. EBITDA margin	-62.2%	-49.6%	-1262 bps	-38.2%	-31.1%	-708 bps
Net margin	-86.3%	-77.3%	-899 bps	-60.2%	-55.9%	-430 bps

Source: Company data, CMBIGM estimates

Figure 9: CMBI vs. consensus forecast

RMB mn	CMBI	FY23E		CMBI	FY24E	
		Street	Diff		Street	Diff
Sales	4,980	7,000	-29%	6,355	9,741	-35%
Gross profit	2,867	4,417	-35%	3,531	6,137	-42%
OP Profit	-4,298	-2,304	87%	-3,776	-1,014	273%
Adj. EBITDA	-3,097	-1,958	58%	-2,425	-1,198	102%
Net profit	-4,296	-2,244	91%	-3,824	-1,471	160%
EPS	-0.13	-0.09	41%	-0.11	-0.07	68%
<b>Margins</b>						
GM	57.6%	63.1%	-554 bps	55.6%	63.0%	-745 bps
OPM	-86.3%	-32.9%	-5339 bps	-59.4%	-10.4%	-4902 bps
Adj. EBITDA margin	-62.2%	-28.0%	-3422 bps	-38.2%	-12.3%	-2586 bps
Net margin	-86.3%	-32.1%	-5421 bps	-60.2%	-15.1%	-4507 bps

Source: Company data, CMBIGM estimates

## Operating model

Figure 10: SenseTime income statement

RMB mn	2018	2019	2020	2021	2022	2023E	2024E	2025E
Revenues	1,853	3,027	3,446	4,700	3,809	4,980	6,355	8,267
Cost of sales	(807)	(1,307)	(1,014)	(1,423)	(1,266)	(2,114)	(2,824)	(3,656)
Gross Profit	<b>1,047</b>	<b>1,719</b>	<b>2,432</b>	<b>3,278</b>	<b>2,542</b>	<b>2,867</b>	<b>3,531</b>	<b>4,611</b>
Gross margin	56.5%	56.8%	70.6%	69.7%	66.8%	57.6%	55.6%	55.8%
Selling & marketing expense	(205)	(453)	(537)	(682)	(901)	(1,022)	(1,047)	(1,088)
Administrative expense	(452)	(766)	(1,590)	(2,298)	(1,568)	(1,629)	(1,655)	(1,727)
Research & development expense	(849)	(1,916)	(2,454)	(3,614)	(4,014)	(4,514)	(4,606)	(4,799)
Operating Income	<b>(459)</b>	<b>(1,416)</b>	<b>(2,148)</b>	<b>(3,316)</b>	<b>(3,941)</b>	<b>(4,298)</b>	<b>(3,776)</b>	<b>(3,003)</b>
Operating margin	-24.8%	-46.8%	-62.3%	-70.6%	-103.5%	-86.3%	-59.4%	-36.3%
Non-Operating Income	(2,997)	(3,757)	(10,171)	(13,825)	(2,392)	(202)	(230)	(247)
Profit Before Tax	(3,456)	(5,173)	(12,319)	(17,142)	(6,333)	(4,501)	(4,006)	(3,249)
Income tax (expense) gain	23	205	161	(36)	240	170	152	123
Minorities	(5)	(5)	(0)	(37)	(48)	(34)	(30)	(25)
Net Income to Shareholders	<b>(3,428)</b>	<b>(4,963)</b>	<b>(12,158)</b>	<b>(17,140)</b>	<b>(6,045)</b>	<b>(4,296)</b>	<b>(3,824)</b>	<b>(3,101)</b>
Net margin	-184.9%	-164.0%	-352.8%	-364.7%	-158.7%	-86.3%	-60.2%	-37.5%
<b>Net profit/ (losses)</b>								
+Fair value losses of preferred shares and other financial liabilities	3,182	3,682	10,564	13,526	7	-	-	-
+Share-based compensation expenses	15	131	887	1,584	465	500	510	531
+Share-based compensation to a preferred shareholder	86	-	-	-	-	-	-	-
Adj. net profit	<b>(150)</b>	<b>(1,155)</b>	<b>(878)</b>	<b>(1,418)</b>	<b>(4,736)</b>	<b>(3,830)</b>	<b>(3,345)</b>	<b>(2,595)</b>
Adj. net margin	-8.1%	-38.2%	-25.5%	-30.2%	-124.4%	-76.9%	-52.6%	-31.4%

Source: Company Data, CMBIGM

Figure 11: Revenue and cost of sales breakdown

RMB mn	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue breakdown</b>								
Smart Business	854	1,203	1,485	1,958	1,464	1,901	2,404	2,909
Smart City	530	1,271	1,369	2,143	1,096	1,326	1,462	1,581
Smart Life	330	414	434	415	955	1,351	1,923	2,914
Smart Auto	139	139	158	184	293	402	566	862
<b>Total</b>	<b>1,853</b>	<b>3,027</b>	<b>3,446</b>	<b>4,700</b>	<b>3,809</b>	<b>4,980</b>	<b>6,355</b>	<b>8,267</b>
<b>Revenue mix</b>								
Smart Business	46%	40%	43%	42%	38%	38%	38%	35%
Smart City	29%	42%	40%	46%	29%	27%	23%	19%
Smart Life	18%	14%	13%	9%	25%	27%	30%	35%
Smart Auto	7%	5%	5%	4%	8%	8%	9%	10%
<b>Revenue YoY</b>								
Smart Business		41%	23%	32%	-25%	30%	27%	21%
Smart City		140%	8%	57%	-49%	21%	10%	8%
Smart Life		25%	5%	-4%	130%	41%	42%	52%
Smart Auto		0%	14%	16%	59%	37%	41%	52%
<b>Total</b>		63%	14%	36%	-19%	31%	28%	30%
<b>Cost of sales breakdown</b>								
Hardware costs and subcontracting service fees	767	1,228	910	1,265	1,119	1,902	2,548	3,315
Server operation and cloud-based service fees	10	32	1	2	14	5	8	11
Employee benefit expenses	4	14	57	80	72	94	120	156
Depreciation and amortization	-	-	-	-	39	84	112	127
Other expenses	25	33	46	76	22	29	36	47
<b>Total</b>	<b>807</b>	<b>1,307</b>	<b>1,014</b>	<b>1,423</b>	<b>1,266</b>	<b>2,114</b>	<b>2,824</b>	<b>3,656</b>
<b>Cost of sales mix</b>								
Hardware costs and subcontracting service fees	95%	94%	90%	89%	88%	90%	90%	91%
Server operation and cloud-based service fees	1%	2%	0%	0%	1%	0%	0%	0%
Employee benefit expenses	1%	1%	6%	6%	6%	4%	4%	4%
Depreciation and amortization	0%	0%	0%	0%	3%	4%	4%	3%
Other expenses	3%	3%	5%	5%	2%	1%	1%	1%

Source: Company data, CMBIGM estimates

## Valuation

### Maintain BUY with new target price of HK\$3.45

Maintain BUY with new target price of HK\$3.45 (prior HK\$2.10), based on 18x (prior 9x) FY23E EV/Sales, in-line with China AI peers. We believe the breakthrough in AI large models and supportive policies will continue to drive sector re-rating. We observed that China AI market-cap weighted EV/sales have re-rated from 4.4x to 10.0x YTD.

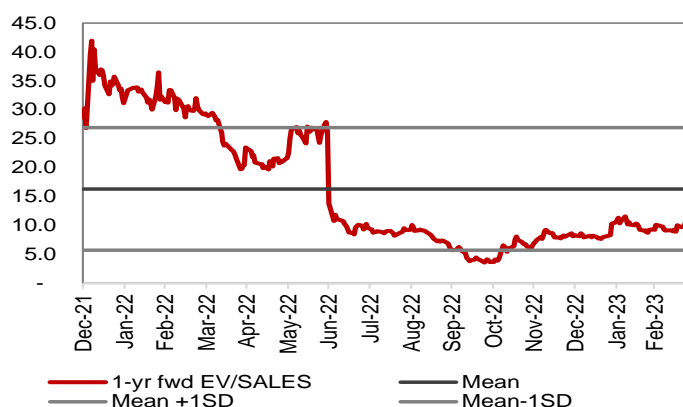
We use EV/sales as valuation methodology as AI deployment is still in an early stage that short term earnings are distorted by high R&D, marketing expense and depreciation related to heavy capex for computing infrastructure.

Figure 12: Peers comparison

			Market Cap	Price	TP	EV/sales (x)		P/S		Sales CAGR	EPS CAGR	FCF margin
Company	Ticker	Rating	(US\$ mn)	(LC)	(LC)	FY23E	FY24E	FY23E	FY24E	FY21-24E	FY21-24E	FY21
China AI companies												
SenseTime	20 HK	BUY	11,426	2.68	3.45	13.2	10.6	19.3	15.1	11%	n.a.	-74%
Ainnovation	2121 HK	NR	1,159	16.26	N/A	2.7	1.7	3.3	2.1	63%	n.a.	-33%
Cambricon	688256 CH	NR	10,012	172.00	N/A	55.6	39.7	57.4	41.0	33%	n.a.	-179%
Arcsoft	688088 CH	NR	2,102	35.65	N/A	17.0	12.6	19.9	14.7	20%	40%	11%
Hikvision	002415 CH	BUY	57,726	42.45	37.44	3.9	3.4	4.1	3.5	11%	5%	11%
Dahua	002236 CH	HOLD	9,356	21.24	11.07	1.9	1.6	1.8	1.6	7%	6%	1%
Mean						15.7	13.4	17.6	13.0	24%	17%	-43%
Median						8.6	7.0	11.7	9.1	16%	6%	-16%
Global AI companies												
Palantir	PLTR US	NR	16,895	8.04	N/A	6.6	5.5	7.7	6.4	20%	n.a.	21%
UiPath	PATH US	NR	8,969	16.09	N/A	7.1	5.8	8.7	7.1	27%	n.a.	4%
C3.ai	AI US	NR	2,855	25.44	N/A	7.9	6.6	10.8	8.9	20%	n.a.	-21%
Nvidia	NVDA US	NR	655,316	265.31	N/A	24.3	21.9	24.3	22.0	21%	36%	28%
Ambarella	AMBA US	NR	2,975	76.76	N/A	8.2	9.7	8.8	10.4	9%	n.a.	13%
Mean						10.1	9.1	11.2	10.0	22%	36%	6%
Median						7.5	6.2	8.8	8.0	21%	36%	9%

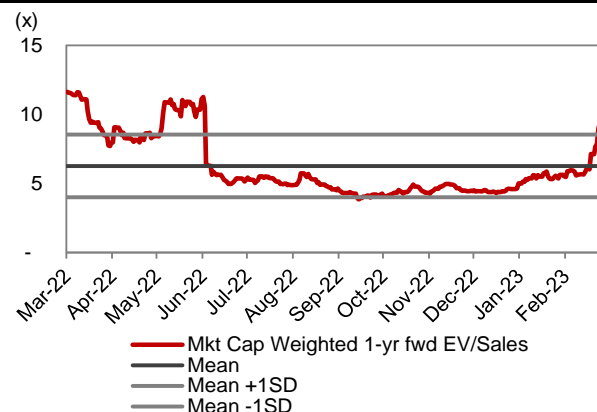
Source: Bloomberg, CMBIGM estimates

Figure 13: SenseTime forward EV/sales



Source: Bloomberg, CMBIGM

Figure 14: China AI mkt-cap weighted fwd EV/sales



Source: Bloomberg, CMBIGM \*companies include SenseTime (20 HK), Ainnovation (2121 HK), Cambricon (688256 CH), Arcsoft (688088 CH), Hikvision (002415 CH) and Dahua (002236 CH)

## Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	3,446	4,700	3,809	4,980	6,355	8,267
Cost of goods sold	(1,014)	(1,423)	(1,266)	(2,114)	(2,824)	(3,656)
Gross profit	2,432	3,278	2,542	2,867	3,531	4,611
Operating expenses	(4,580)	(6,594)	(6,483)	(7,165)	(7,307)	(7,614)
Selling expense	(537)	(682)	(901)	(1,022)	(1,047)	(1,088)
Admin expense	(1,590)	(2,298)	(1,568)	(1,629)	(1,655)	(1,727)
R&D expense	(2,454)	(3,614)	(4,014)	(4,514)	(4,606)	(4,799)
Operating profit	(2,148)	(3,316)	(3,941)	(4,298)	(3,776)	(3,003)
Interest income	175	188	261	197	169	169
Interest expense	(113)	(34)	(55)	(90)	(131)	(191)
Other income/expense	(10,234)	(13,979)	(2,597)	(309)	(268)	(224)
Pre-tax profit	(12,319)	(17,142)	(6,333)	(4,501)	(4,006)	(3,249)
Income tax	161	(36)	240	170	152	123
After tax profit	(12,158)	(17,177)	(6,093)	(4,330)	(3,855)	(3,126)
Minority interest	(0)	(37)	(48)	(34)	(30)	(25)
Net profit	(12,158)	(17,140)	(6,045)	(4,296)	(3,824)	(3,101)
Adjusted net profit	(878)	(1,381)	(4,688)	(3,796)	(3,314)	(2,570)

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	31,726	28,084	21,524	20,049	20,717	21,359
Cash & equivalents	11,428	16,530	7,963	6,628	7,273	7,652
Account receivables	4,584	5,776	6,072	5,622	5,294	5,132
Inventories	716	496	617	927	1,277	1,703
Financial assets at FVTPL	0	273	632	632	632	632
Other current assets	14,977	4,991	6,213	6,213	6,213	6,213
Contract assets	22	19	27	27	27	27
Non-current assets	6,753	8,860	15,903	16,012	15,854	15,612
PP&E	1,906	2,909	6,999	7,073	6,885	6,616
Right-of-use assets	336	432	315	315	315	315
Intangibles	108	225	333	368	398	425
Other non-current assets	4,402	5,294	8,256	8,256	8,256	8,256
Total assets	38,479	36,944	37,427	36,061	36,571	36,971
Current liabilities	9,822	2,795	3,323	4,634	6,691	8,604
Short-term borrowings	594	0	321	391	673	867
Account payables	1,724	2,290	2,473	3,650	5,351	6,965
Other current liabilities	7,744	177	460	529	811	1,006
Contract liabilities	244	172	208	271	346	451
Non-current liabilities	49,589	2,162	5,090	5,347	7,655	9,268
Long-term borrowings	423	340	2,907	4,537	6,818	8,394
Bond payables	66	45	12	12	12	12
Other non-current liabilities	49,100	1,778	2,171	798	825	863
Total liabilities	59,411	4,957	8,413	9,981	14,346	17,872
Share capital	0	0	0	0	0	0
Retained earnings	(21,713)	(40,149)	(46,194)	(50,490)	(54,314)	(57,416)
Other reserves	645	72,042	75,164	76,560	76,560	76,560
Total shareholders equity	(21,068)	31,893	28,970	26,070	22,246	19,144
Minority interest	136	95	44	9	(21)	(46)
Total equity and liabilities	38,479	36,944	37,427	36,061	36,571	36,971



<b>CASH FLOW</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	(12,319)	(17,142)	(6,333)	(4,501)	(4,006)	(3,249)
Depreciation & amortization	570	658	968	1,010	1,110	1,200
Tax paid	(13)	(38)	(11)	170	152	123
Change in working capital	(1,290)	(2,026)	(101)	1,405	1,779	1,492
Others	11,823	16,062	2,393	(106)	(38)	23
<b>Net cash from operations</b>	<b>(1,229)</b>	<b>(2,485)</b>	<b>(3,084)</b>	<b>(2,022)</b>	<b>(1,004)</b>	<b>(412)</b>
<b>Investing</b>						
Capital expenditure	(1,306)	(1,266)	(5,167)	(1,119)	(952)	(957)
Others	(5,765)	(283)	(4,131)	197	169	169
<b>Net cash from investing</b>	<b>(7,070)</b>	<b>(1,548)</b>	<b>(9,298)</b>	<b>(922)</b>	<b>(783)</b>	<b>(789)</b>
<b>Financing</b>						
Dividend paid	0	0	0	0	0	0
Net borrowings	13,327	4,769	3,389	1,699	2,563	1,771
Proceeds from share issues	0	4,643	0	0	0	0
Others	(141)	(34)	(60)	(90)	(131)	(191)
<b>Net cash from financing</b>	<b>13,186</b>	<b>9,378</b>	<b>3,329</b>	<b>1,609</b>	<b>2,432</b>	<b>1,579</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	6,673	11,428	16,530	7,963	6,628	7,273
Exchange difference	(131)	(243)	487	0	0	0
<b>Cash at the end of the year</b>	<b>11,428</b>	<b>16,530</b>	<b>7,963</b>	<b>6,628</b>	<b>7,273</b>	<b>7,652</b>
<b>GROWTH</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Revenue	13.9%	36.4%	(19.0%)	30.8%	27.6%	30.1%
Gross profit	41.5%	34.8%	(22.4%)	12.8%	23.2%	30.6%
<b>PROFITABILITY</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Gross profit margin	70.6%	69.7%	66.8%	57.6%	55.6%	55.8%
Operating margin	(62.3%)	(70.6%)	(103.5%)	(86.3%)	(59.4%)	(36.3%)
Adj. net profit margin	(25.5%)	(29.4%)	(123.1%)	(76.2%)	(52.2%)	(31.1%)
Return on equity (ROE)	na	(316.7%)	(19.9%)	(15.6%)	(15.8%)	(15.0%)
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	na	(0.5)	(0.1)	(0.1)	0.0	0.1
Current ratio (x)	3.2	10.0	6.5	4.3	3.1	2.5
Receivable turnover days	293.5	319.3	493.6	345.5	241.9	169.3
Inventory turnover days	206.2	155.4	160.5	160.0	165.0	170.0
Payable turnover days	227.8	128.9	189.9	175.3	200.9	206.9
<b>VALUATION</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>YE 31 Dec</b>						
P/B	na	4.1	3.8	3.0	3.5	4.1
EV	57,653.4	52,995.0	62,597.3	65,631.4	67,548.9	68,940.6
EV/Sales	16.7	11.3	16.4	13.2	10.6	8.3

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

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