

Atour Lifestyle (ATAT US)

Guidance raised again plus massive dividends

The hotel sector continues to be under pressure in 3Q24E and we are still cautious about a potential improvement in 4Q24E. However, Atour's retail sales business and better-than-expected sales of hotel supplies can still more than offset the drags from its hotel segment. Moreover, the new dividend payout policy is a big positive surprise and could raise its FY24E yield to around 3% to 4%. Based on the raised guidance for sales growth and new store openings, we maintain BUY and raise TP to US\$ 29.42, based on 23x FY24E P/E (unchanged) vs current valuation of 15x.

- **Hotel segment's 3Q24E outlook is still tough before a potential improvement in 4Q24E.** Due to the high base last year, the hotel industry RevPAR fell by 10%+ in Jul-Aug 2024. But according to management, Atour's RevPAR is better than peers (CMBI is estimating a HSD drop) while the RevPAR trend is even more stable for the mature stage hotels (outperforming the ramp-up stage hotels by LSD). All in all, we are forecasting a HSD/ LSD drop in RevPAR for the hotel segment in 3Q24E/ 4Q24E, and hence the recovery rates (vs 2019) will be at 107%/ 107% respectively.
- **The retail business sales growth continues to be explosive.** GMV growth for retail business was at 160%+ in 2Q24 and the sales mix from e-commerce was at about 90%. Such explosive growth was driven by strong brand equity and the product category expansion (to other bedding products like duvet, etc.). During the 618 Festival, Atour planet's sales was extremely successful, where new products like the Deep Sleep Lightweight Comforter (the Summer Cooling Quilt) has become the no.1 hot selling item on various platforms like Tmall, JD.com as well as Douyin. And we are still confident about 3Q24E, esp. when the Company has rolled out another ground-breaking product in July, the Deep Sleep Thermo-Regulating Comforter PRO. Margin-wise, the retail business GP margin/ OP margin was at 53%+/ 10%+ in 2Q24, where the OP margin was still lower than the hotel segment but has already improved from the HSD in 1Q24.
- **The FY24E guidance has been raised once again.** The Company is now forecasting its sales growth to be at 48% to 52% in FY24E (from the 40% in 1Q24 and 30% in FY23), mostly driven by the overwhelming growth from the retail business, which is now targeting 100% growth in FY24E (from 80% in 1Q24 and 50% in FY23), while the outlook for the hotel segment could remain largely unchanged. In terms of margin, we believe the GP margin could be at 40%+ and NP margin to be at 18%+ in FY24E.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	2,263	4,666	6,893	8,882	11,076
YoY growth (%)	5.4	106.2	47.7	28.9	24.7
EBITDA (RMB mn)	261.2	1,061.0	1,754.8	2,372.1	2,979.7
Net profit (RMB mn)	96.1	739.1	1,259.2	1,732.3	2,203.9
EPS (Reported) (RMB)	0.77	5.33	9.08	12.50	16.26
YoY growth (%)	71.8	591.2	70.4	37.6	30.1
P/E (x)	174.8	25.3	14.8	10.8	8.3
EV/EBITDA (x)	173.1	16.1	10.4	7.7	6.1
Yield (%)	0.0	N/A	0.5	0.7	0.8
ROE (%)	11.0	47.2	48.7	45.8	44.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price US\$29.42
(Previous TP US\$27.72)
Up/Downside 54.7%
Current Price US\$19.02

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	7,715.1
Avg 3 mths t/o (US\$ mn)	5.3
52w High/Low (US\$)	19.79/15.72
Total Issued Shares (mn)	405.6

Source: FactSet

Shareholding Structure

Mr. Haijun Wang	22.1%
Legend Capital	14.9%

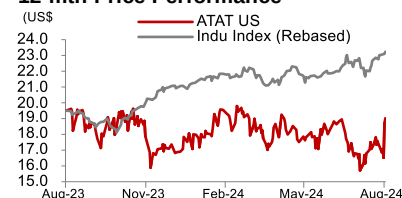
Source: Bloomberg

Share Performance

	Absolute	Relative
1-mth	15.3%	13.1%
3-mth	7.9%	-1.0%
6-mth	-1.9%	-7.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **Store opening continues to accelerate and the FY24E target was raised, while the new store formats (e.g. Atour 4.0 and Atour light 3.0) were well received.** Atour has opened 110 new hotels and total number has reached 1,412 in 2Q24, representing a 37% YoY increase, accelerated from the 35% YoY in 1Q24. Management is now targeting a 400 new hotel openings in FY24E (from 360 new hotels previously), which is consisted of roughly 270 for Atour, 75 for Atour light and 55 Atour S and others. The number of hotels under development was 712 in 2Q24, which is a 36% YoY increase, indicating a stable and healthy demand to become a franchisee, even under a worsening industry environment. We can also see the initial success from the new hotel formats. For those Atour light 3.0 hotels opened for three months or more, the RevPAR can be as high as RMB 310. There were 37 new signings in 2Q24, accounting for around 20% of the total new signings. Moreover, the first Atour 4.0 hotel was finally opened in Xian in Jun 2024, and the RevPAR in its first month of operation has already exceed RMB 710, with a OCC rate of 90%+. There have been already 50 new signings since then in 3Q24E.
- **2Q24 result was a slight beat. But the new dividend policy is a big surprise.** Sales surged by 64% YoY to RMB 1.8bn in 2Q24, beating CMBI est. by 4%, consisted of: 1) robust retail business sales growth, 2) improved sales of hotel supplies and 3) the 7% drop in hotel segment RevPAR (vs 3% drop in 1Q24). And the net profit also increased by 27% YoY to RMB 304mn in 2Q24, beating CMBI est. by 8%, helped by the beat in sales and GP margin, at 42% (vs CMBI est. of 41%). Atour has also announced a new annual dividend policy, where the payout ratio will not be lower than 50% in the next three years. Cash dividend of US\$ 0.15 per share (or US\$ 0.45 per ADS) was also declared, equivalent to about US\$ 62mn.
- **Maintain BUY and raise TP to US\$ 29.42.** We fine-tune FY24E/ 25E/ 26E net profit by 0%/ +3%/ +3%, to factor in the: 1)2Q24 result beat, 2) robust retail business sales growth, 3) operating deleverage from the slightly weaker hotel segment business and 4) faster-than-expected store expansion. Our new TP is based on 23x FY24E P/E (unchanged). Given a 33%/ 35% sales/ net profit CAGR during FY23-26E, current valuation of 15x is not demanding at all, in our view.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	6,893	8,882	11,076	6,419	8,166	10,133	7.4%	8.8%	9.3%
Gross profit	2,832	3,768	4,723	2,715	3,535	4,406	4.3%	6.6%	7.2%
EBIT	1,656	2,297	2,921	1,663	2,241	2,843	-0.4%	2.5%	2.8%
Net profit att.	1,256	1,728	2,198	1,260	1,685	2,138	-0.3%	2.5%	2.8%
Diluted EPS (RMB)	9.083	12.495	16.258	9.110	12.187	15.814	-0.3%	2.5%	2.8%
Gross margin	41.1%	42.4%	42.6%	42.3%	43.3%	43.5%	-1.2ppt	-0.9ppt	-0.8ppt
EBIT margin	24.0%	25.9%	26.4%	25.9%	27.4%	28.1%	-1.9ppt	-1.6ppt	-1.7ppt
Net profit att. margin	18.2%	19.5%	19.8%	19.6%	20.6%	21.1%	-1.4ppt	-1.2ppt	-1.3ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	6,893	8,882	11,076	6,552	8,196	9,778	5.2%	8.4%	13.3%
Gross profit	2,832	3,768	4,723	2,681	3,461	4,258	5.6%	8.9%	10.9%
EBIT	1,656	2,297	2,921	1,434	1,858	2,347	15.5%	23.6%	24.5%
Net profit att.	1,256	1,728	2,198	1,143	1,471	1,857	9.9%	17.5%	18.4%
Diluted EPS (RMB)	9.083	12.495	16.258	7.040	8.951	10.664	29.0%	39.6%	52.5%
Gross margin	41.1%	42.4%	42.6%	40.9%	42.2%	43.5%	0.2ppt	0.2ppt	-0.9ppt
EBIT margin	24.0%	25.9%	26.4%	21.9%	22.7%	24.0%	2.1ppt	3.2ppt	2.4ppt
Net profit att. margin	18.2%	19.5%	19.8%	17.4%	17.9%	19.0%	0.8ppt	1.5ppt	0.9ppt

Source: Company data, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Quarterly (RMB mn)	3Q23	4Q23	1Q24	2Q24	3Q24E	4Q24E	1Q24 YoY	2Q24 YoY	3Q24 E YoY	4Q23 E YoY
Revenue	1,294	1,505	1,468	1,797	1,706	1,921	90%	64%	32%	28%
Hotel operating costs	-617	-733	-662	-776	-731	-740				
Other operating costs	-131	-263	-216	-275	-258	-403				
Gross profit	547	509	590	746	717	779	84%	61%	31%	53%
GP margins	42.3%	33.8%	40.2%	41.5%	42.0%	40.5%				
Other income & gains	0	0	0	0	0	0				
Selling & marketing expenses	-112	-207	-175	-225	-162	-197	212%	138%	44%	-5%
Selling & marketing exp./ sales	-8.7%	-13.7%	-11.9%	-12.5%	-9.5%	-10.3%				
General & admin expenses	-79	-105	-77	-91	-119	-152	-60%	25%	50%	44%
General & admin exp./ sales	-6.1%	-7.0%	-5.2%	-5.1%	-7.0%	-7.9%				
Technology & development expenses	-20	-22	-24	-33	-26	-31	44%	85%	26%	41%
Tech & development exp / sales	-1.6%	-1.5%	-1.6%	-1.8%	-1.5%	-1.6%				
Pre-opening & other opex	6	40	10	-6	26	60				
Operating profit (EBIT)	341	214	325	391	435	458	425%	28%	27%	114%
OP margins	26.4%	14.2%	22.1%	21.8%	25.5%	23.9%				
Investment gain (loss)	7	15	9	11	5	2				
Net finance income	8	8	13	12	10	7				
Net finance income / sales	0.6%	0.5%	0.9%	0.6%	0.6%	0.4%				
Profit after financing costs	356	237	347	414	450	468				
Associated coms	0	0	0	0	0	0				
Jointly controlled coms	0	0	0	0	0	0				
Pre-tax profit	356	237	347	414	450	468	390%	30%	26%	98%
Tax	-94	-17	-89	-110	-113	-108				
Tax / sales	-7.3%	-1.1%	-6.1%	-6.1%	-6.6%	-5.6%				
Effective tax rate	-26.5%	-7.3%	-25.7%	-26.6%	-25.0%	-23.1%				
Minority interests	1	-0	1	0	1	1				
Net profit att.	261	220	257	304	336	359	1339%	27%	29%	63%
NP margins	20.2%	14.6%	17.5%	16.9%	19.7%	18.7%				
Adj. net profit	272	222	261	328	347	354	63%	32%	28%	59%
Adj. NP margins	21.0%	14.8%	17.8%	18.2%	20.3%	18.4%				

Source: Company data, CMBIGM estimates

Figure 4: Results preview – Yearly

Yearly (US\$ mn)	FY23	FY24E	FY25E	FY23 YoY	FY24 E YoY	FY25 E YoY
Revenue	4,666	6,893	8,882	106%	48%	29%
Hotel operating costs	-2,241	-2,909	-3,598			
Other operating costs	-586	-1,152	-1,515			
Gross profit	1,839	2,832	3,768	169%	54%	33%
GP margins	39.4%	41.1%	42.4%			
Other income & gains	0	0	0			
Selling & marketing expenses	-470	-759	-989	236%	62%	30%
Selling & marketing exp./ sales	-10.1%	-11.0%	-11.1%			
General & admin expenses	-451	-439	-517	29%	-3%	18%
General & admin exp./ sales	-9.7%	-6.4%	-5.8%			
Technology & development expenses	-77	-114	-147	17%	48%	29%
Tech & development exp / sales	-1.7%	-1.7%	-1.7%			
Pre-opening & other opex	83	90	115			
Operating profit (EBIT)	924	1,609	2,231	460%	74%	39%
OP margins	19.8%	23.3%	25.1%			
Investment gain (loss)	33	28	18			
Net finance income	25	42	61			
Net finance income / sales	0.5%	0.6%	0.7%			
Profit after financing costs	982	1,679	2,310			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	982	1,679	2,310	444%	71%	38%
Tax	-243	-420	-577			
Tax / sales	-5.2%	-6.1%	-6.5%			
Effective tax rate	-24.7%	-25.0%	-25.0%			
Minority interests	2	3	5			
Net profit att.	737	1,256	1,728	651%	70%	38%
NP margins	15.8%	18.2%	19.5%			
Adj. net profit att.	903	1,289	1,752	248%	43%	36%
Adj. NP margins	19.4%	18.7%	19.7%			

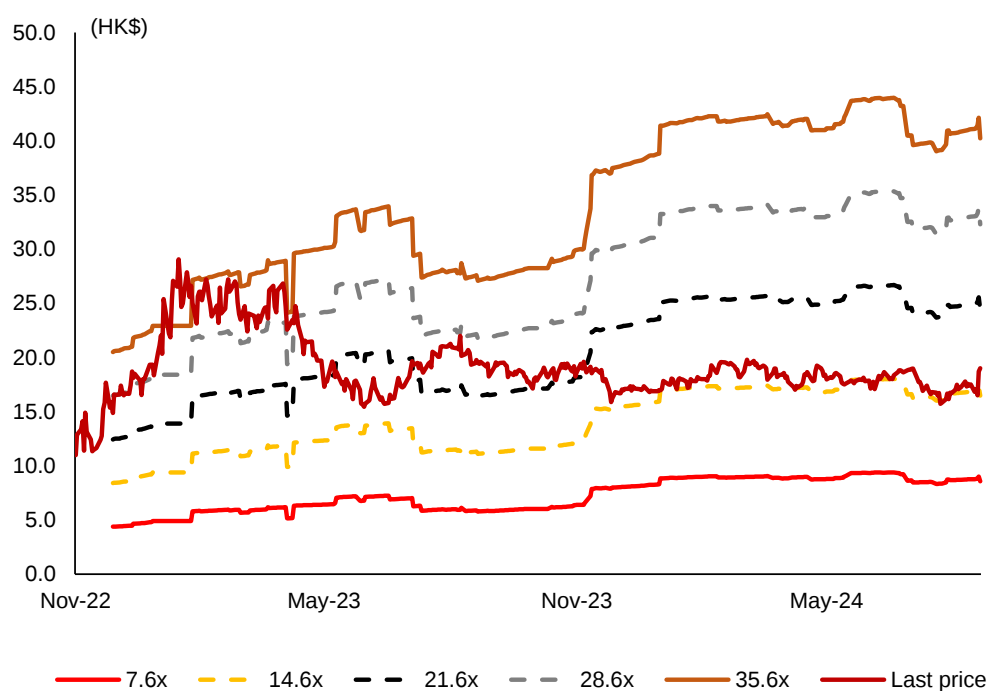
Source: Company data, CMBIGM estimates

Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf. (%)
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Greater China Hotels														
Atour Lifestyle	ATAT US	BUY	29.42	19.02	55%	20,405	Dec-23	14.9	10.8	5.5	52.9	0.3	3.4	9.6
H World Group	HTHT US	NR	N/A	30.44	n/a	75,658	Dec-23	16.9	14.4	4.9	29.8	1.8	3.4	(9.0)
SH Jinjiang Int'l	600754 CH	NR	N/A	24.13	n/a	26,030	Dec-23	17.9	16.6	1.4	7.9	0.9	2.6	(19.3)
Btg Hotels Group	600258 CH	NR	N/A	11.77	n/a	14,448	Dec-23	14.3	12.9	1.0	8.0	1.1	1.8	(24.6)
Ssaw Hotels	301073 CH	NR	N/A	16.78	n/a	3,587	Dec-23	29.6	18.5	2.9	3.2	0.3	0.9	(26.0)
Greentree	GHG US	NR	N/A	2.66	n/a	2,119	Dec-23	6.7	5.3	n/a	n/a	0.4	7.5	(29.3)
Avg.								16.7	13.1	3.1	20.4	0.8	3.3	(16.4)
Med.								15.9	13.7	2.9	8.0	0.6	3.0	(22.0)
International Hotels														
HK & SH Hotels	45 HK	NR	N/A	5.10	N/A	8,501	Dec-23	n/a	n/a	n/a	(1.1)	n/a	n/a	(12.7)
Shangri-La Asia	69 HK	NR	N/A	4.80	N/A	17,211	Dec-23	14.7	11.2	0.6	2.9	0.8	3.7	(10.4)
Mandarin Oriental	MAND SP	NR	N/A	1.59	N/A	15,668	Dec-23	n/a	n/a	n/a	(11.4)	n/a	n/a	1.9
Banyan Tree	BTH SP	NR	N/A	0.33	N/A	1,710	Dec-23	n/a	n/a	n/a	6.4	n/a	n/a	(4.3)
Marriott Int'l	MAR US	NR	N/A	234.69	N/A	515,152	Dec-23	25.1	22.1	n/a	n/a	4.7	1.0	4.1
Hilton Worldwide	HLT US	NR	N/A	219.64	N/A	422,015	Dec-23	31.3	27.1	n/a	n/a	1.1	0.3	20.6
Hyatt Hotels	H US	NR	N/A	151.92	N/A	119,557	Dec-23	35.3	36.7	4.1	25.9	1.0	0.4	16.5
Wyndham Hotels	WH US	NR	N/A	78.70	N/A	48,464	Dec-23	18.4	16.7	9.9	33.9	1.1	1.9	(2.1)
Choice Hotels	CHH US	NR	N/A	127.59	N/A	46,970	Dec-23	19.8	18.9	43.5	n/a	1.7	0.9	12.6
Intercontinental	IHG LN	NR	N/A	7584.00	N/A	123,911	Dec-23	23.2	20.3	n/a	n/a	3.2	1.7	7.0
Accor Sa	AC FP	NR	N/A	38.07	N/A	79,908	Dec-23	17.1	15.2	2.0	13.3	2.7	3.3	10.0
Avg.								23.1	21.0	12.0	10.0	2.1	1.7	3.9
Med.								21.5	19.6	4.1	6.4	1.4	1.4	4.1

Source: Bloomberg, company data, CMBIGM estimates

Figure 6: Valuation – Forward blended 12 months P/E band

Source: Bloomberg, Company data, CMBIGM estimates

Assumptions

Figure 7: CMBIGM's assumptions

Major assumptions	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Sales by segment (RMB mn)						
Manachised hotels	1,220	1,361	2,706	3,725	4,974	6,444
Leased hotels	630	553	840	782	781	806
Retail and others	297	349	1,120	2,386	3,127	3,826
Total	2,148	2,263	4,666	6,893	8,882	11,076
Sales growth by segment (%)						
Manachised hotels	32%	12%	99%	38%	34%	30%
Leased hotels	27%	-12%	52%	-7%	0%	3%
Retail and others	107%	18%	221%	113%	31%	22%
Total	37%	5%	106%	48%	29%	25%
Number of hotels by segment						
Manachised hotels	712	899	1,178	1,577	2,071	2,635
Leased hotels	33	33	32	30	30	30
Total	745	932	1,210	1,607	2,101	2,665
Number of hotels growth (%)						
Manachised hotels	33%	26%	31%	34%	31%	27%
Leased hotels	0%	0%	-3%	-6%	0%	0%
Total	31%	25%	30%	33%	31%	27%
Occupancy (%)						
Manachised hotels	67%	63%	78%	78%	79%	79%
Leased hotels	71%	66%	84%	84%	84%	84%
Total	68%	63%	78%	78%	79%	79%
Room rates (RMB)						
Manachised hotels	407	386	458	444	453	462
Leased hotels	517	465	587	575	593	611
Total	415	391	464	447	456	464
RevPAR (RMB)						
Manachised hotels	288	256	371	361	373	377.9
Leased hotels	388	331	517	511	526	542.1
Total	295	261	377	364	375	380.1
Sales per store growth (%)						
Manachised hotels	7%	-11%	45%	-3%	3%	1%
Leased hotels	14%	-15%	56%	-1%	3%	3%
Total	7%	-12%	45%	-3%	3%	1%
GP margins	26.3%	30.2%	39.4%	41.1%	42.4%	42.6%
Selling & Marketing expenses	-5.8%	-6.2%	-10.1%	-11.0%	-11.1%	-11.3%
G & A expenses	-9.2%	-15.5%	-9.7%	-6.4%	-5.8%	-5.4%
Tec. and dev. expenses	-2.4%	-2.9%	-1.7%	-1.7%	-1.7%	-1.7%
Other expenses	0.2%	1.7%	1.8%	1.3%	1.3%	1.3%
Effective tax rate	-31%	-47%	-25%	-25%	-25%	-25%
NP att. margin	7%	4%	16%	18%	19%	20%
NP att. growth (%)	245%	-32%	651%	70%	38%	28%

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	2,148	2,263	4,666	6,893	8,882	11,076
Cost of goods sold	(1,583)	(1,580)	(2,827)	(4,061)	(5,114)	(6,353)
Gross profit	565	683	1,839	2,832	3,768	4,723
Operating expenses	(391)	(556)	(998)	(1,312)	(1,653)	(2,032)
Selling expense	(124)	(140)	(470)	(759)	(989)	(1,249)
Admin expense	(103)	(261)	(348)	(321)	(394)	(477)
R&D expense	(52)	(66)	(77)	(114)	(147)	(183)
Staff costs	0	0	0	0	0	0
Other rental related expenses	0	0	0	0	0	0
Others	(112)	(89)	(103)	(118)	(124)	(122)
Operating profit	203	179	954	1,656	2,297	2,921
Other income	22	38	83	90	115	144
Other gains/(losses)	1	1	28	23	13	17
EBITDA	299	261	1,061	1,755	2,372	2,980
EBIT	197	166	953	1,632	2,243	2,852
Interest income	7	14	30	47	66	86
Pre-tax profit	204	181	982	1,679	2,310	2,939
Income tax	(64)	(84)	(243)	(420)	(577)	(735)
After tax profit	145	98	737	1,256	1,728	2,198
Minority interest	5	2	(2)	(3)	(5)	(6)
Net profit	140	96	739	1,259	1,732	2,204
Adjusted net profit	140	259	903	1,289	1,752	2,204

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	1,416	2,125	3,393	5,153	6,685	8,488
Cash & equivalents	1,039	1,589	2,562	4,031	5,303	6,819
Restricted cash	0	0	0	0	0	0
Account receivables	100	133	240	354	457	569
Inventories	59	57	104	149	188	233
Prepayment	167	134	276	408	526	655
Other current assets	52	211	211	211	211	211
Non-current assets	829	2,637	2,604	2,584	2,576	2,588
PP&E	439	360	328	307	300	311
Right-of-use assets	0	1,932	1,932	1,932	1,932	1,932
Intangibles	4	6	5	5	5	5
Other non-current assets	386	340	340	340	340	340
Total assets	2,245	4,762	5,998	7,737	9,261	11,076
Current liabilities	1,051	1,348	1,823	2,283	2,689	3,145
Short-term borrowings	65	143	143	143	143	143
Account payables	609	515	991	1,451	1,857	2,313
Tax payable	46	31	31	31	31	31
Other current liabilities	332	339	339	339	339	339
Lease liabilities	0	320	320	320	320	320
Non-current liabilities	629	2,227	2,229	2,232	2,237	2,242
Long-term borrowings	44	2	2	2	2	2
Other non-current liabilities	586	2,225	2,227	2,230	2,235	2,240
Total liabilities	1,681	3,575	4,052	4,516	4,926	5,387
Share capital	0	0	0	0	0	0
Retained earnings	0	0	778	1,420	2,303	3,402
Other reserves	565	1,187	1,167	1,801	2,032	2,286
Total shareholders equity	565	1,187	1,946	3,221	4,335	5,689
Minority interest	0	0	0	0	0	0
Total equity and liabilities	2,245	4,762	5,998	7,737	9,261	11,076

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	204	181	982	1,679	2,310	2,939
Depreciation & amortization	95	81	79	76	62	41
Tax paid	(15)	(15)	(243)	(420)	(577)	(735)
Change in working capital	109	(68)	180	169	147	168
Others	25	106	30	47	66	86
Net cash from operations	418	284	1,027	1,551	2,008	2,499
Investing						
Capital expenditure	(64)	(36)	(70)	(97)	(116)	(134)
Acquisition of subsidiaries/ investments	9	(153)	0	0	0	0
Others	13	(3)	0	0	0	0
Net cash from investing	(42)	(192)	(70)	(97)	(116)	(134)
Financing						
Dividend paid	(21)	0	21	20	(614)	(845)
Net borrowings	(12)	65	0	0	0	0
Proceeds from share issues	0	400	0	0	0	0
Share repurchases	(111)	(0)	0	0	0	0
Others	(17)	(8)	(5)	(5)	(5)	(5)
Net cash from financing	(161)	456	16	15	(619)	(850)
Net change in cash						
Cash at the beginning of the year	825	1,039	1,589	2,562	4,031	5,303
Exchange difference	(1)	3	0	0	0	0
Others	215	548	973	1,469	1,273	1,516
Cash at the end of the year	1,039	1,589	2,562	4,031	5,303	6,819
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	37.1%	5.4%	106.2%	47.7%	28.9%	24.7%
Gross profit	67.2%	21.0%	169.3%	54.0%	33.1%	25.3%
Operating profit	217.0%	(11.5%)	431.5%	73.7%	38.7%	27.2%
EBITDA	85.5%	(12.7%)	306.2%	65.4%	35.2%	25.6%
EBIT	163.9%	(15.8%)	473.5%	71.3%	37.5%	27.1%
Net profit	269.3%	(31.2%)	669.2%	70.4%	37.6%	27.2%
Adj. net profit	269.3%	85.6%	248.3%	42.8%	35.9%	25.8%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	26.3%	30.2%	39.4%	41.1%	42.4%	42.6%
Operating margin	9.4%	7.9%	20.4%	24.0%	25.9%	26.4%
EBITDA margin	13.9%	11.5%	22.7%	25.5%	26.7%	26.9%
Adj. net profit margin	6.5%	11.5%	19.4%	18.7%	19.7%	19.9%
Return on equity (ROE)	24.7%	11.0%	47.2%	48.7%	45.8%	44.0%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	1.6	1.2	1.2	1.2	1.2	1.2
Current ratio (x)	1.3	1.6	1.9	2.3	2.5	2.7
Receivable turnover days	20.4	18.8	18.8	18.8	18.8	18.8
Inventory turnover days	10.3	13.4	13.4	13.4	13.4	13.4
Payable turnover days	28.5	40.0	40.0	40.0	40.0	40.0
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	300.4	174.8	25.3	14.8	10.8	8.3
P/E (diluted)	300.4	174.8	25.3	14.8	10.8	8.3
P/B	89.3	14.8	9.4	5.7	4.2	3.2
P/CFPS	104.3	60.5	18.1	12.0	9.3	7.3
Div yield (%)	0.0	0.0	ns	0.5	0.7	0.8
EV	21,318.1	45,214.0	17,124.4	18,258.9	18,258.9	18,258.9
EV/Sales	9.9	20.0	3.7	2.6	2.1	1.6
EV/EBIT	108.1	272.2	18.0	11.2	8.1	6.4
EV/EBITDA	71.3	173.1	16.1	10.4	7.7	6.1

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

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