

Q-Tech (1478 HK)

1H22 in-line with profit warning; positive on Auto/IoT expansion

Q-tech's 1H22 earnings decline of 71% YoY is largely in-line with previous profit warning (50-70% decline), mainly due to sluggish smartphone demand, lower utilization and higher opex. Looking into 2H22E, mgmt. expected CCM shipment to narrow the declining trend in 3Q22E and return to positive YoY growth in Sept, driven by share gain from Samsung/Lenovo/Honor and auto/IoT products. We believe 3Q22 will be trough for Q-tech and remain positive on HCM share gain and IoT/auto CCM expansion in 2023. Maintain BUY with new TP of HK\$5.6.

■ **1H22 weakness in-line on sluggish demand and product mix.** 1H22 revenue was RMB 7.1bn (-24% YoY) and net profit decline of 71% is largely in-line with prior profit warning (down 50-70% YoY). By segment: 1) mobile CCM shipment declined 5% YoY and other CCM grew 53% YoY, while blended ASP was down 19% YoY; 2) FPM shipment declined 24% YoY with 34% ASP decline. Blended GPM came in at 5.3% in 1H22 (vs 7.3% in 2H21), due to sluggish high-end demand and product mix. We expect margin pressure to remain in 3Q but gradually recover in 4Q as high-end CCM and auto/IoT expansion will accelerate in 2H22 (+100% YoY in 2H22).

■ **Lowered 2022 guidance: mobile CCM/FPM revised down but auto/IoT CCM maintained.** Given challenging 3Q end-demand, mgmt. guided not more than 5% YoY decline in mobile CCM shipment (vs. DD YoY growth prior) and not more than 5% YoY in FPM shipment (vs. 20%+ YoY prior). As for IoT/auto CCM, mgmt. maintained 100%+ YoY growth shipment guidance in 2022. Q-tech currently offers wide range of AR/VR products including head tracking (6DoF), Video See Through, Pancake lens (main focus in 2022) and Eye Tracking, and industry leaders such as Pico, HTC, OPPO and iQiYi are all qualified customers. Mgmt. believes auto CCM will benefit from NEV demand in China, and Q-tech will focus on Tier-1 customer acquisition, automaker qualification and multiple product offerings per vehicle.

■ **Attractive risk-reward; maintain BUY.** We cut FY22-24E EPS by 22-60% to factor in 1H22 weakness and lower margin in early ramp up of Samsung/auto orders. Our new TP of HK\$5.6 is based on rollovered 10x FY23E P/E (20% discount to 5-yr avg). Current valuation at 8.2x FY23E P/E is close to 1-sd below historical average, implying attractive risk/reward. Catalysts include 3Q shipment recovery, Samsung/auto CCM and A-share spin-off.

Earnings Summary

| (YE 31 Dec) | FY20A | FY21A | FY22E | FY23E | FY24E |
|---------------------|----------|----------|----------|----------|----------|
| Revenue (RMB mn) | 17,400.4 | 18,662.6 | 15,206.8 | 15,622.8 | 17,720.2 |
| YoY growth (%) | 32.1% | 7.3% | (18.5%) | 2.7% | 13.4% |
| Net profit (RMB mn) | 840.1 | 862.8 | 273.3 | 552.7 | 943.5 |
| EPS (Reported)(RMB) | 0.72 | 0.73 | 0.23 | 0.47 | 0.80 |
| YoY growth (%) | 51.1% | 1.8% | (68.3%) | 102.2% | 70.7% |
| Consensus EPS (RMB) | n/a | n/a | 0.56 | 0.78 | 0.99 |
| P/E (x) | 12.8 | 15.3 | 16.5 | 8.2 | 4.8 |
| P/B (x) | 2.8 | 2.8 | 0.9 | 0.8 | 0.7 |
| Yield (%) | 5.4% | 0.0% | 1.2% | 2.4% | 4.2% |
| ROE (%) | 22.2% | 18.3% | 5.6% | 10.3% | 15.4% |
| Net gearing (%) | (23.2%) | (0.8%) | (24.6%) | (3.7%) | (30.9%) |

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$5.60**
 (Previous TP HK\$7.0)
Up/Downside **25.8%**
Current Price **HK\$4.45**

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Stock Data

| | |
|--------------------------|------------|
| Mkt Cap (HK\$ mn) | 5,273.3 |
| Avg 3 mths t/o (HK\$ mn) | 5.1 |
| 52w High/Low (HK\$) | 13.82/4.18 |
| Total Issued Shares (mn) | 1185.0 |

Source: FactSet

Shareholding Structure

| | |
|--------------------------------|-------|
| HE Ningning | 63.6% |
| Harvest Fund Management Co Ltd | 2.7% |

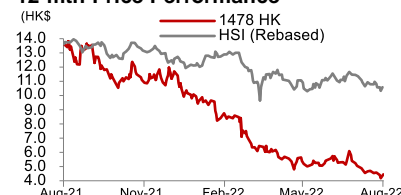
Source: HKEx

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -13.1% | -6.0% |
| 3-mth | -17.9% | -15.5% |
| 6-mth | -49.1% | -38.1% |

Source: FactSet

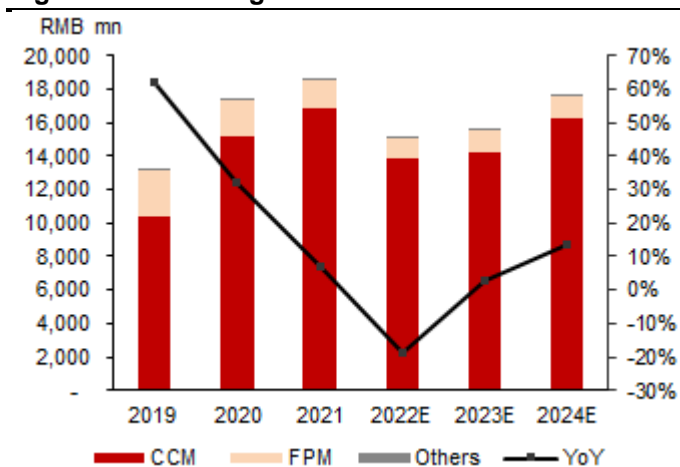
12-month Price Performance



Source: FactSet

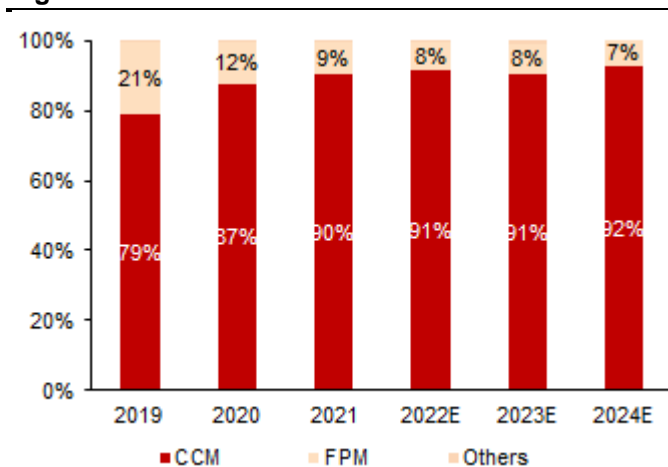
Focus Charts

Figure 1: Revenue growth trend



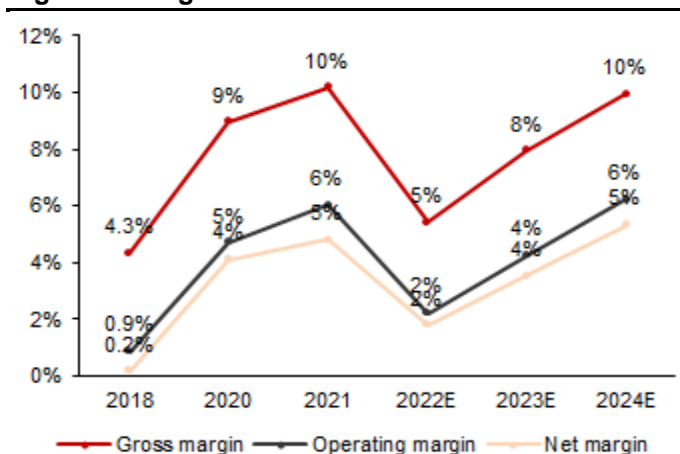
Source: Company data, CMBIGM estimates

Figure 2: Revenue breakdown



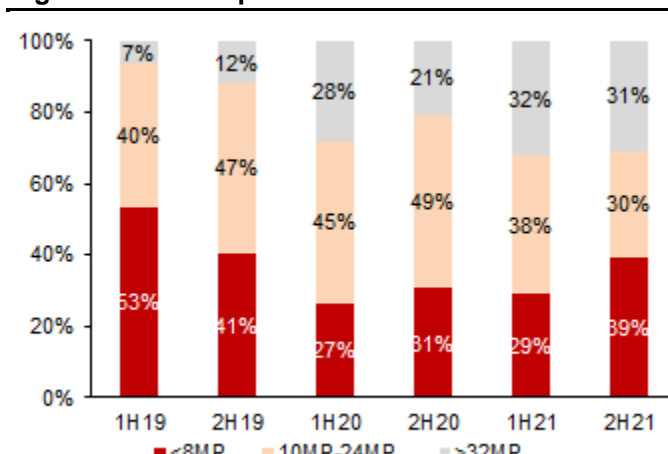
Source: Company data, CMBIGM estimates

Figure 3: Margins trend



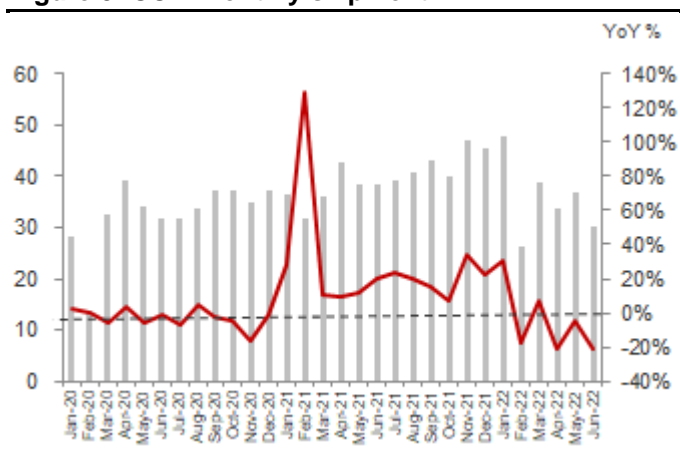
Source: Company data, CMBIGM estimates

Figure 4: CCM shipment mix



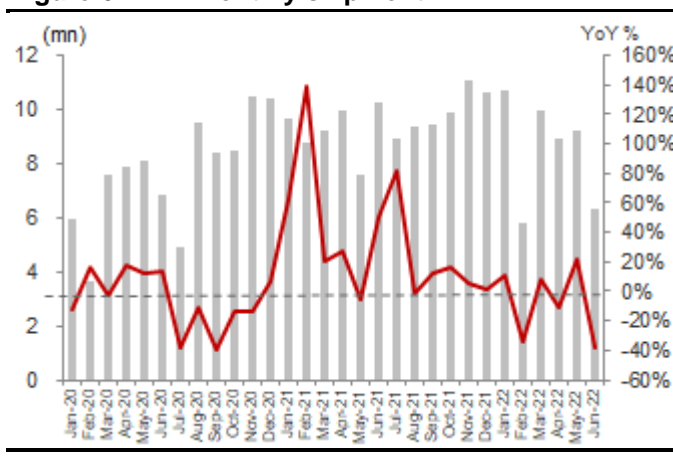
Source: Company data, CMBIGM estimates

Figure 5: CCM monthly shipment



Source: Company data, CMBIGM estimates

Figure 6: FPM monthly shipment



Source: Company data, CMBIGM estimates

Key takeaways from analyst call:

1H22 Review:

- Revenue was RMB7.1bn, down 24% YoY, due to CCM&FPM shipment and ASP decline
- GPM was down 6.3pts YoY to 5.3%, due to: 1) 32M and above high-end smartphone CCM sales volume proportion decreased by 4.4pts to 27.6%; 2) sluggish demand and disruption of logistics caused by the pandemic in China led to drop in utilization rate; 3) rising costs due to pandemic control; 4) procurement costs maintain; 5) labor shortage, higher expense for minimum wage and social security payment in Suzhou in 1Q22; 6) early stage of automotive/IoT business expansion
- Net profit margin was down 3.8pts YoY and 0.8pts QoQ
- EPS was RMB14 cents, down 71.1% YoY and 43.3% QoQ

2022 Guidance:

- Mobile CCM shipment: decline not more than 5% YoY, vs. double digit growth YoY prior (2021 earnings call guidance)
- FPM shipment: decline not more than 5% YoY, vs. 20%+ YoY prior (2021 earnings call guidance)
- Other CCM: shipment to grow 100%+ YoY; maintained previous guidance
- Auto/AR/VR/IoT/smart home CCM: revenue mix to exceed 25% in 2025

Compact Camera module (CCM):

- 1H22 mobile CCM shipment was 211mn units, down 5.1% YoY and 16.7% QoQ
- 1H22 other CCM shipment was 1.66mn units, up 53.2% YoY but down 12.1% QoQ
- 1H22 ASP was RMB 30.5, down 18.7% YoY, vs. RMB 37.5 in 1H21

Fingerprint module (FPM)

- 1H22 mobile FPM shipment reached 50.7mn units, down 24.0% YoY and 23.9% QoQ
- 1H22 ASP was RMB 10.9, down 34.3% YoY, vs. RMB16.6 in 1H21

IoT CCM

- Target markets include Drone, AR/VR, RVC, and smart watch markets.
- AR/VR optics are focus market for 2022: Head Tracking (6 DoF), video see through, depth sensing, and eye tracking

Auto CCM

- Focus on three major trends of auto CCM: DMS/OMS cameras, ADS cameras, main body camera
- Expect China L2+ vehicle penetration to reach 43% in 2025 (vs 27% in 2022)
- Expect auto CCM TTM to reach RMB22.5bn in 2025 (vs RMB13.5bn in 2022)
- Successful projects: Xpeng P5, Xpeng G9, ZEEKR 001, LYNK 09, SMART, VOTYAH H53, SAIC ES33, Changan ES33, LOTUS Lambda

Earnings Revision

Lowered FY22-24E EPS by 22-60% to reflect 2022 weakness and new client early ramp up

We lowered FY22-24E EPS by 22-60% to factor in 2022 weakness and margin impact on new client ramp up from Samsung smartphone and automobile CCM. Our EPS are 19-59% below consensus, but we think recent share price has reflected 1H22 weakness.

Figure 7: Earnings revision

| (RMB mn) | New | | | Old | | | Change (%) | | |
|------------------|--------|--------|--------|--------|--------|--------|------------|----------|----------|
| | FY22E | 2023E | 2024E | FY22E | FY23E | FY24E | FY22E | FY23E | FY24E |
| Revenue | 15,207 | 15,623 | 17,720 | 16,592 | 18,855 | 21,917 | -8% | -17% | -19% |
| Gross profit | 824 | 1,241 | 1,762 | 1,481 | 1,823 | 2,236 | -44% | -32% | -21% |
| Operating profit | 337 | 663 | 1,106 | 857 | 1,116 | 1,415 | -61% | -41% | -22% |
| Net profit | 273 | 553 | 944 | 687 | 944 | 1,206 | -60% | -41% | -22% |
| EPS (RMB) | 23.2 | 46.9 | 80.0 | 58.3 | 80.1 | 102.3 | -60% | -41% | -22% |
| Gross margin | 5.4% | 7.9% | 9.9% | 8.9% | 9.7% | 10.2% | -3.5 ppt | -1.8 ppt | -0.3 ppt |
| Operating margin | 2.2% | 4.2% | 6.2% | 5.2% | 5.9% | 6.5% | -3 ppt | -1.7 ppt | -0.3 ppt |
| Net Margin | 1.8% | 3.5% | 5.3% | 4.1% | 5.0% | 5.5% | -2.3 ppt | -1.5 ppt | -0.2 ppt |

Source: Company data, CMBIGM estimates

Figure 8: CMBI estimates vs consensus

| (RMB mn) | CMBI | | | Consensus | | | Diff (%) | | |
|------------------|--------|--------|--------|-----------|--------|--------|----------|----------|---------|
| | FY22E | 2023E | 2024E | FY22E | FY23E | FY24E | FY22E | FY23E | FY24E |
| Revenue | 15,207 | 15,623 | 17,720 | 18,282 | 20,875 | 24,028 | -17% | -25% | -26% |
| Gross profit | 824 | 1,241 | 1,762 | 1,539 | 1,946 | 2,365 | -46% | -36% | -25% |
| Operating profit | 337 | 663 | 1,106 | 773 | 1,062 | 1,334 | -56% | -38% | -17% |
| Net profit | 273 | 553 | 944 | 653 | 909 | 1,158 | -58% | -39% | -19% |
| EPS (RMB) | 23.2 | 46.9 | 80.0 | 56.4 | 78.2 | 99.0 | -59% | -40% | -19% |
| Gross margin | 5.4% | 7.9% | 9.9% | 8.4% | 9.3% | 9.8% | -3 ppt | -1.4 ppt | 0.1 ppt |
| Operating margin | 2.2% | 4.2% | 6.2% | 4.2% | 5.1% | 5.6% | -2 ppt | -0.8 ppt | 0.7 ppt |
| Net Margin | 1.8% | 3.5% | 5.3% | 3.6% | 4.4% | 4.8% | -1.8 ppt | -0.8 ppt | 0.5 ppt |

Source: Company data, CMBIGM estimates

Figure 9: P&L forecast

| RMB mn | FY19 | FY20 | FY21 | 1H22 | 2H22E | FY22E | FY23E | FY24E |
|-------------------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Revenue | 8,135 | 17,400 | 18,663 | 7,095 | 8,004 | 15,207 | 15,623 | 17,720 |
| ...YoY | 2.5% | 32.1% | 7.3% | -24.0% | -14.2% | -18.5% | 2.7% | 13.4% |
| Cost of sales | (7,782) | (15,630) | (16,901) | (6,719) | (7,556) | (14,275) | (14,382) | (15,958) |
| Gross profit | 353 | 1,771 | 1,762 | 376 | 449 | 824 | 1,241 | 1,762 |
| GPM (%) | 4.3% | 10.2% | 9.4% | 5.3% | 5.6% | 5.4% | 7.9% | 9.9% |
| ...YoY | -60.0% | 50.1% | -0.5% | -65.3% | -34.0% | -53.2% | 50.5% | 42.0% |
| SG&A | (100) | (179) | (184) | (78) | (80) | (158) | (156) | (177) |
| ...% of rev | -1.2% | -1.0% | -1.0% | -1.1% | -1.0% | -1.0% | -1.0% | -1.0% |
| R&D | (266) | (590) | (642) | (261) | (260) | (521) | (516) | (585) |
| ...% of rev | -3.3% | -3.4% | -3.4% | -3.7% | -3.3% | -3.4% | -3.3% | -3.3% |
| Operating profit | 70 | 1,046 | 1,039 | 185 | 152 | 337 | 663 | 1,106 |
| OPM (%) | 0.9% | 6.0% | 5.6% | 2.6% | 1.9% | 2.2% | 4.2% | 6.2% |
| ...YoY | -87.1% | 68.9% | -0.7% | -73.6% | -55.1% | -67.6% | 96.6% | 66.9% |
| Profit of associates. | (25) | (23) | (52) | (18) | (10) | (28) | 20 | 30 |
| Net profit | 14 | 840 | 863 | 166 | 105 | 273 | 553 | 944 |
| NPM (%) | 0.2% | 4.8% | 4.6% | 2.3% | 1.3% | 1.8% | 3.5% | 5.3% |
| ...YoY | -96.7% | 54.9% | 2.7% | -71.5% | -62.8% | -68.3% | 102.2% | 70.7% |

Source: Company data, CMBIGM estimates

Figure 10: Revenue breakdown

| RMB mn | FY19 | FY20 | FY21 | 1H22 | 2H22E | FY22E | FY23E | FY23E |
|--------------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|
| CCM Revenue | 10,360 | 15,202 | 16,875 | 6,502 | 7,277 | 13,887 | 14,164 | 16,315 |
| ...YoY | 65% | 47% | 11% | -23% | -14% | -18% | 2% | 15% |
| Shipment (mn) | 406 | 392 | 479 | 213 | 250 | 463 | 494 | 552 |
| ...YoY | 54% | -3% | 22% | -5% | -2% | -3% | 7% | 12% |
| ASP (RMB) | 25.5 | 38.7 | 35.2 | 30.5 | 29.1 | 30.0 | 28.7 | 29.5 |
| ...YoY | 7% | 52% | -9% | -19% | -12% | -15% | -4% | 3% |
| FPM Revenue | 2,759 | 2,101 | 1,675 | 551 | 635 | 1,186 | 1,325 | 1,272 |
| ...YoY | 51% | -24% | -20% | -40% | -16% | -29% | 12% | -4% |
| Shipment (mn) | 102 | 92 | 115 | 51 | 58 | 109 | 120 | 126 |
| ...YoY | -5% | -10% | 25% | -9% | -2% | -5% | 10% | 5% |
| ASP (RMB) | 27.1 | 22.8 | 14.6 | 10.9 | 10.9 | 10.9 | 11.1 | 10.1 |
| ...YoY | 58% | -16% | -36% | -34% | -14% | -25% | 2% | -9% |
| Others | 51 | 97 | 112 | 42 | 92 | 134 | 134 | 134 |
| ...YoY | 66% | 91% | 16% | 107% | 0% | 19% | 0% | 0% |
| Total | 13,170 | 17,400 | 18,663 | 7,095 | 8,004 | 15,207 | 15,623 | 17,720 |
| ...YoY | 62% | 32% | 7% | -24% | -14% | -19% | 3% | 13% |

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new TP of HK\$5.6 (26% upside)

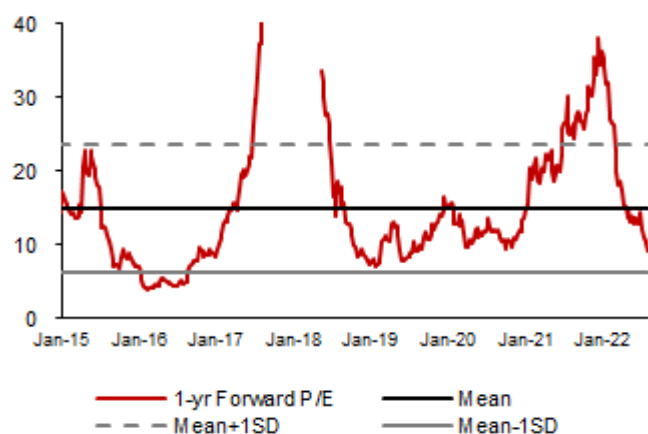
Our new 12m TP of HK\$ 5.6 is based on rollovered 10x FY23E P/E. We believe smartphone recovery in 4Q22, share allocation gain and Newmax integration will drive earnings growth in 2023. Upcoming catalysts include Samsung order ramp and A-share spin-off.

Figure 11: Peers' valuation

| Company | Ticker | Rating | Market Cap US\$(mn) | Price (LC) | TP (LC) | Up/Down -side | P/E (x) | | P/B (x) | | ROE (%) | | |
|---------------|---------|--------|---------------------|------------|---------|---------------|---------|-------|---------|-------|---------|-------|------|
| | | | | | | | FY22E | FY23E | FY22E | FY23E | FY22E | FY23E | |
| Q tech | 1478 HK | BUY | 664 | 4.40 | 5.60 | 26% | 16.5 | 8.2 | 0.9 | 0.8 | 5.6 | 10.3 | |
| FIT Hon Teng | 6088 HK | BUY | 1,231 | 1.33 | 1.78 | 34% | 7.5 | 6.6 | 0.5 | 0.5 | 6.0 | 5.9 | |
| AAC Tech | 2018 HK | HOLD | 2,334 | 15.16 | 14.00 | -8% | 17.9 | 12.5 | 0.7 | 0.7 | 4.0 | 5.6 | |
| Sunny Optical | 2382 HK | HOLD | 16,180 | 115.80 | 108.60 | -6% | 32.5 | 26.8 | 4.8 | 4.2 | 14.7 | 15.6 | |
| Tongda | 698 HK | BUY | 154 | 0.12 | 0.22 | 77% | 3.1 | 2.1 | 0.1 | 0.1 | 3.1 | 4.5 | |
| BYDE | 285 HK | HOLD | 6,430 | 22.40 | 12.45 | -44% | 25.4 | 15.1 | 1.8 | 1.6 | 6.9 | 10.6 | |
| TK Group | 2283 HK | BUY | 187 | 1.76 | 3.38 | 92% | 4.3 | 3.4 | 0.8 | 0.7 | 18.6 | 20.7 | |
| FIH | 2038 HK | NR | 1,055 | 1.04 | NA | NA | - | 22.1 | 0.6 | 0.6 | 2.7 | 2.8 | |
| Truly | 732 HK | NR | 697 | 1.67 | NA | NA | 4.2 | 3.4 | 0.5 | 0.4 | 10.6 | 12.4 | |
| SMIC | 981 HK | NR | 25,671 | 17.54 | NA | NA | 10.5 | 11.7 | 0.9 | 0.8 | 9.6 | 7.9 | |
| YOFC | 6869 HK | NR | 2,679 | 14.24 | NA | NA | 9.9 | 9.0 | 0.9 | 0.8 | 9.1 | 9.7 | |
| Ju Teng | 3336 HK | NR | 219 | 1.43 | NA | NA | 7.2 | 4.9 | 0.2 | 0.2 | 3.5 | 5.0 | |
| Cowell | 1415 HK | NR | 1,723 | 16.18 | NA | NA | 23.2 | 17.2 | 4.1 | 3.4 | 20.3 | 23.2 | |
| Average | | | | | | | | 13.6 | 11.0 | 1.3 | 1.1 | 8.8 | 10.3 |

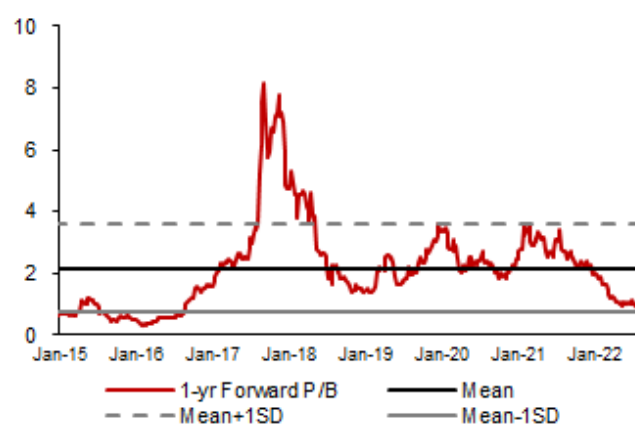
Source: Bloomberg, CMBIGM, * TP under review

Figure 12: 12M forward P/E band



Source: Company data, CMBIGM

Figure 13: 12M forward P/B band



Source: Company data, CMBIGM

Financial Summary

| INCOME STATEMENT | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| YE 31 Dec (RMB mn) | | | | | | |
| Revenue | 13,170 | 17,400 | 18,663 | 15,207 | 15,623 | 17,720 |
| Cost of goods sold | (11,990) | (15,630) | (16,901) | (14,275) | (14,382) | (15,958) |
| Gross profit | 1,180 | 1,771 | 1,762 | 824 | 1,241 | 1,762 |
| Operating expenses | (560) | (724) | (723) | (487) | (578) | (656) |
| Selling expense | (15) | (26) | (23) | (21) | (23) | (27) |
| Admin expense | (128) | (153) | (161) | (137) | (133) | (151) |
| R&D expense | (396) | (590) | (642) | (521) | (516) | (585) |
| Others | (21) | 44 | 104 | 191 | 94 | 106 |
| Operating profit | 620 | 1,046 | 1,039 | 337 | 663 | 1,106 |
| Share of (losses)/profits of associates | 40 | (23) | (52) | (28) | 20 | 30 |
| Others | (53) | (54) | (30) | (44) | (48) | (52) |
| Pre-tax profit | 607 | 970 | 957 | 265 | 635 | 1,084 |
| Income tax | (65) | (130) | (94) | 8 | (83) | (141) |
| Net profit | 542 | 840 | 863 | 273 | 553 | 944 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit to shareholders | 542 | 840 | 863 | 273 | 553 | 944 |
| BALANCE SHEET | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec (RMB mn) | | | | | | |
| Current assets | 7,363 | 7,882 | 9,315 | 7,734 | 10,445 | 10,260 |
| Cash & equivalents | 412 | 1,984 | 1,743 | 3,475 | 2,668 | 4,706 |
| Account receivables | 4,919 | 3,589 | 4,446 | 2,101 | 4,625 | 3,004 |
| Inventories | 1,913 | 1,943 | 2,258 | 1,290 | 2,285 | 1,682 |
| ST bank deposits | 93 | 267 | 811 | 811 | 811 | 811 |
| Other current assets | 26 | 100 | 57 | 57 | 57 | 57 |
| Non-current assets | 3,272 | 3,521 | 3,733 | 3,937 | 4,102 | 4,304 |
| PP&E | 2,704 | 2,960 | 3,144 | 3,349 | 3,514 | 3,715 |
| Intangibles | 5 | 4 | 20 | 20 | 20 | 20 |
| Other non-current assets | 563 | 557 | 569 | 569 | 569 | 569 |
| Total assets | 10,635 | 11,403 | 13,048 | 11,672 | 14,548 | 14,564 |
| Current liabilities | 7,543 | 7,276 | 8,079 | 6,484 | 8,918 | 8,179 |
| Short-term borrowings | 1,270 | 1,104 | 1,708 | 2,265 | 2,468 | 2,816 |
| Account payables | 5,935 | 6,013 | 6,259 | 4,107 | 6,337 | 5,251 |
| Tax payable | 49 | 77 | 49 | 49 | 49 | 49 |
| Other current liabilities | 290 | 82 | 64 | 64 | 64 | 64 |
| Non-current liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred income | 130 | 138 | 200 | 200 | 200 | 200 |
| Other non-current liabilities | 5 | 25 | 0 | 0 | 0 | 0 |
| Total liabilities | 7,768 | 7,617 | 8,343 | 6,748 | 9,182 | 8,443 |
| Share capital | 9 | 9 | 9 | 9 | 9 | 9 |
| Other reserves | 2,858 | 3,776 | 4,690 | 4,909 | 5,351 | 6,106 |
| Total shareholders equity | 2,867 | 3,786 | 4,705 | 4,924 | 5,366 | 6,121 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Total equity and liabilities | 10,635 | 11,403 | 13,048 | 11,672 | 14,548 | 14,564 |
| CASH FLOW | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec (RMB mn) | | | | | | |
| Operating | | | | | | |
| Profit before taxation | 607 | 970 | 957 | 265 | 635 | 1,084 |
| Depreciation & amortization | 302 | 413 | 498 | 556 | 616 | 684 |
| Change in working capital | 1,497 | 2,177 | (1,017) | 1,160 | (1,288) | 1,138 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|-------------------------------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Net cash from operations | 2,400 | 3,604 | 1,596 | 2,034 | (72) | 2,818 |
| Investing | | | | | | |
| Capital expenditure | (1,133) | (523) | (1,558) | (760) | (781) | (886) |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Net cash from investing | (1,271) | (696) | (880) | (760) | (781) | (886) |
| Financing | | | | | | |
| Dividend paid | 0 | (107) | 0 | (55) | (111) | (189) |
| Net borrowings | (1,086) | (1,015) | 604 | 557 | 203 | 347 |
| Others | 270 | (193) | (1,546) | (44) | (48) | (52) |
| Net cash from financing | (817) | (1,315) | (942) | 459 | 45 | 107 |
| Net change in cash | | | | | | |
| Cash at the beginning of the year | 100 | 412 | 1,984 | 1,743 | 3,475 | 2,668 |
| Exchange difference | 0 | (21) | (14) | 0 | 0 | 0 |
| Cash at the end of the year | 412 | 1,984 | 1,743 | 3,475 | 2,668 | 4,706 |
| GROWTH | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec | | | | | | |
| Revenue | 61.9% | 32.1% | 7.3% | (18.5%) | 2.7% | 13.4% |
| Gross profit | 234.1% | 50.1% | (0.5%) | (53.2%) | 50.5% | 42.0% |
| Operating profit | 784.8% | 68.9% | (0.7%) | (67.6%) | 96.6% | 66.9% |
| Net profit | 3,666.7% | 54.9% | 2.7% | (68.3%) | 102.2% | 70.7% |
| PROFITABILITY | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec | | | | | | |
| Gross profit margin | 9.0% | 10.2% | 9.4% | 5.4% | 7.9% | 9.9% |
| Operating margin | 4.7% | 6.0% | 5.6% | 2.2% | 4.2% | 6.2% |
| Net profit margin | 4.1% | 4.8% | 4.6% | 1.8% | 3.5% | 5.3% |
| Return on assets (ROA) | 5.1% | 7.4% | 6.6% | 2.3% | 3.8% | 6.5% |
| Return on equity (ROE) | 18.9% | 22.2% | 18.3% | 5.6% | 10.3% | 15.4% |
| GEARING/LIQUIDITY/ACTIVITIES | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec | | | | | | |
| Net debt to equity (x) | 0.3 | (0.2) | (0.0) | (0.2) | (0.0) | (0.3) |
| Current ratio (x) | 1.0 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 |
| Receivable turnover days | 110.2 | 89.2 | 78.6 | 78.6 | 78.6 | 78.6 |
| Inventory turnover days | 39.8 | 45.0 | 45.4 | 45.4 | 45.4 | 45.4 |
| Payable turnover days | 136.9 | 139.5 | 132.5 | 132.5 | 132.5 | 132.5 |
| VALUATION | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
| YE 31 Dec | | | | | | |
| P/E | 14.7 | 12.8 | 15.3 | 16.5 | 8.2 | 4.8 |
| P/B | 2.8 | 2.8 | 2.8 | 0.9 | 0.8 | 0.7 |
| Div yield (%) | 1.3% | 5.4% | 0.0% | 1.2% | 2.4% | 4.2% |
| EV | 2,867.0 | 3,785.8 | 4,705.2 | 4,923.9 | 5,366.0 | 6,120.8 |
| EV/Sales | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |

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

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