

# Tencent (700 HK)

## Solid core businesses; upbeat on long-term development of e-commerce and AI

We expect Tencent will continue to deliver solid earnings performance in 4Q24, driven by strong games revenue growth and resilient marketing business. We forecast total revenue to grow by 8% YoY to RMB167.6bn (in line with consensus) and non-IFRS net income to grow by 29% YoY to RMB55.2bn (5% ahead of consensus) in 4Q24. On 17 January, we hosted an NDR with Tencent's management in Beijing and our key takeaway is summarized below. After the NDR, we are more positive on Tencent's long-term growth initiatives like Weixin e-commerce and AI. We maintain our FY24-26E forecasts largely unchanged. Our SOTP-derived TP is unchanged at HK\$525.0. Maintain BUY.

■ **Expect a strong 4Q24E.** Looking into 4Q24, we estimate games revenue to grow by 17% YoY (3Q24/2Q24: +13/9% YoY), with domestic/overseas games revenue up by 19/11% YoY. The further acceleration was primarily driven by new titles like *DnF Mobile* and *Delta Force*, as well as recognition of strong overseas games receipt. We forecast marketing revenue to increase by 12% YoY in 4Q24 and continue to outperform peers amid macro uncertainty, thanks to the ad tech advancement and increasing ad load. For the FBS business, the soft consumption sentiment still weighs on the fintech business and we estimate FBS revenue to grow by 2% YoY in 4Q24. On the margin front, we expect margin expansion to sustain and non-IFRS NPM to improve by 5ppts YoY to 32.9% in 4Q24, fuelled by solid growth of higher-margin games and marketing businesses.

■ **Key takeaway from Tencent NDR.** We hosted Tencent NDR with Beijing investors on 17 Jan, during which Tencent's management addressed key questions on: 1) **Weixin e-commerce** will act as a connector to various parties within the e-commerce ecosystem. Without making heavy investment in logistics and personnel, Weixin will rely on 3<sup>rd</sup> party service providers and technology to offer consumers and merchants with quality products and services. Management is more positive on the e-commerce business as it is now led by Weixin team, which has strong product development capability and efficiency (recent launch of gifting function is a vivid example). Weixin aims to create incremental demand by reducing transaction frictions, instead of taking market share from competitors via subsidy or aggressive pricing; 2) **AI** remains as a key growth driver for the marketing business. While capex investment maintained at high single digit % of total revenue in 2024, Tencent will not invest heavily into user acquisition of AI applications in view of the relatively low ROI and user retention. That said, Tencent remains positive on maintaining leadership in the AI competition given its abundant use cases and large user base; 3) **Inclusion in the US CMC (Chinese Military Companies) list** will not affect the business of Tencent or prohibit investors from transacting in the securities of Tencent. And the recent removal of Tencent from the USTR "Notorious Markets List" is another positive sign.

■ **Maintain BUY.** Tencent currently trades at 14x FY25E non-IFRS PE (12x if excluding strategic investment), which offers attractive value in view of FY24-26E earnings CAGR (18%), in our view. Maintain BUY.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	554,552	609,015	655,437	706,781	755,837
Adjusted net profit (RMB mn)	115,649.0	157,688.0	222,622.2	241,979.6	257,561.1
EPS (Adjusted) (RMB)	12.13	16.66	22.99	24.99	26.60
Consensus EPS (RMB)	12.13	16.66	22.94	25.30	28.02
P/E (x)	55.2	32.3	20.1	17.4	17.4

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** HK\$525.00  
**Up/Downside** 34.7%  
**Current Price** HK\$389.80

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### Stock Data

Mkt Cap (HK\$ mn)	3,617,928.7
Avg 3 mths t/o (HK\$ mn)	9,580.8
52w High/Low (HK\$)	478.40/262.20
Total Issued Shares (mn)	9281.5

Source: FactSet

### Shareholding Structure

MIH TC	24.0%
Advance Data Services Limited	8.4%

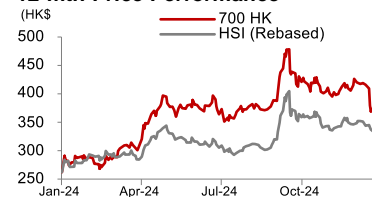
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-8.6%	-9.5%
3-mth	-9.5%	-5.5%
6-mth	7.1%	-6.4%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

## Business forecasts update and valuation

**Figure 1: Tencent: forecast revision**

(RMB bn)	Current			Previous			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	655.4	706.8	755.8	656.0	708.0	757.8	-0.1%	-0.2%	-0.3%
Gross profit	348.2	380.6	411.2	348.8	380.2	411.2	-0.2%	0.1%	0.0%
Operating profit	208.8	233.1	254.7	209.9	232.4	254.2	-0.5%	0.3%	0.2%
Adjusted net profit	222.6	242.0	257.6	224.4	241.9	257.7	-0.8%	0.0%	-0.1%
Adjusted EPS (RMB)	23.0	25.0	26.6	23.2	25.0	26.6	-0.8%	0.0%	-0.1%
Gross margin	53.1%	53.9%	54.4%	53.2%	53.7%	54.3%	0.0 ppt	0.2 ppt	0.1 ppt
Operating margin	31.9%	33.0%	33.7%	32.0%	32.8%	33.5%	-0.1 ppt	0.2 ppt	0.2 ppt
Adjusted net margin	34.0%	34.2%	34.1%	34.2%	34.2%	34.0%	-0.2 ppt	0.1 ppt	0.1 ppt

Source: CMBIGM estimates

**Figure 2: CMBIGM estimates vs consensus**

(RMB bn)	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	655.4	706.8	755.8	657.8	715.1	773.4	-0.4%	-1.2%	-2.3%
Gross profit	348.2	380.6	411.2	349.0	388.4	426.2	-0.2%	-2.0%	-3.5%
Operating profit	208.8	233.1	254.7	211.9	240.2	267.1	-1.5%	-2.9%	-4.6%
Adjusted net profit	222.6	242.0	257.6	218.6	238.8	265.0	1.8%	1.3%	-2.8%
Adjusted EPS (RMB)	23.0	25.0	26.6	22.9	25.3	28.0	0.2%	-1.2%	-5.1%
Gross margin	53.1%	53.9%	54.4%	53.1%	54.3%	55.1%	0.1 ppt	-0.5 ppt	-0.7 ppt
Operating margin	31.9%	33.0%	33.7%	32.2%	33.6%	34.5%	-0.4 ppt	-0.6 ppt	-0.8 ppt
Adjusted net margin	34.0%	34.2%	34.1%	33.2%	33.4%	34.3%	0.7 ppt	0.8 ppt	-0.2 ppt

Source: Bloomberg, CMBIGM estimates

Our SOTP-derived target price of HK\$525.0 comprises, per share:

- 1) HK\$199.9 for the games business, based on an 18x 2025E PE, which is on par with the average PE for its global gaming peers.
- 2) HK\$29.4 for the SNS business, including the market cap of Tencent's stake in its subsidiaries, the valuation of Tencent Video (based on a 2.5x 2025E PS, at a premium to the 1.8x average PS of its peers given its content and user traffic leadership), and the valuation of other membership services (based on a 2.0x 2025E PS).
- 3) HK\$110.3 for the marketing business, based on a 20x 2025E PE, which is at a premium to the industry average (17x). This reflects Tencent's more resilient ad revenue growth outlook, supported by the solid performance of Weixin Video Account and Mini Program.
- 4) HK\$82.5 for the fintech business, based on a 4.0x 2025E PS, at a premium to the peer average (2.4x). This mainly reflects Tencent's strong leadership in China's digital payment market and its potential to capture other fintech business opportunities.
- 5) HK\$22.0 for the cloud business, based on a 4.0x 2025E PS, at a discount to the industry average (6.0x) as Tencent's current offerings mainly involve the lower-margin IaaS business.
- 6) HK\$68.4 for strategic investments, based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.
- 7) HK\$12.7 for net cash.

**Figure 3: Tencent: SOTP valuation**

	2025E net profit (RMBmn)	2025E revenue (RMBmn)	2025E PE (x)	2025E PS (x)	Market cap (RMBmn)	Valuation to Tencent (RMBmn)	As % of total valuation	Per share valuation (HK\$)
Online games	95,859		18x			1,725,460	38.1	199.9
Social network services (SNS)		122,156				253,829	5.6	29.4
Tencent Music (TME)					132,990	73,277	1.6	8.5
China Literature					23,250	13,759	0.3	1.6
Huya					5,358	2,540	0.1	0.3
Online video – subscription		20,700		2.5x		51,750	1.1	6.0
Others		56,251		2.0x		112,503	2.5	13.0
Marketing	47,602		20x			952,035	21.0	110.3
Fintech		178,000		4.0x		712,000	15.7	82.5
Cloud (business services)		47,544		4.0x		190,175	4.2	22.0
Net cash						109,638	2.4	12.7
<b>Valuation of core business</b>						<b>3,943,138</b>		
RMB/HK\$						0.93		
<b>Valuation of core business (HK\$mn)</b>						<b>4,239,934</b>		
Valuation per share – core business (HK\$)						<b>456.8</b>		
Valuation per share – investments (HK\$)						68.4	13.0	
<b>Valuation per share – Tencent (HK\$)</b>						<b>525.0</b>		

Source: Company data, CMBIGM estimates

**Figure 4: Peer comparison: online games and advertising sector**

Companies	Ticker	Price	EPS growth (YoY %)			PE (x)		
		(LC)	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Online games								
NetEase	NTES US	99.8	(3)	11	9	15	14	12
Electronic Arts	EA US	142.0	19	10	10	20	18	17
Take Two Interactive	TTWO US	186.4	(37)	11	216	NA	NA	23
Nexon	3659 JP	2,148.0	0	(1)	8	15	15	14
Bandai Namco	7832 JP	3,456.0	(14)	44	(0)	28	20	20
Perfect World	002624 CH	10.3	NA	NA	26	NA	24	19
Average PE						20	18	18
Online advertising								
Focus Media	002027 CH	6.5	8	9	9	18	16	15
Baidu	BIDU US	82.9	(7)	1	5	8	8	8
Meta	Meta US	612.8	58	12	13	26	23	21
Google	GOOG US	197.6	37	12	16	24	21	19
Average PE						19	17	15

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 17 Jan

**Figure 5: Peer comparison: online video, fintech, and cloud sectors**

Companies	Ticker	Price	Revenue growth (YoY %)			PS (x)		
		(LC)	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Online video								
iQiyi	IQ US	1.9	(9.9)	1.1	4.4	0.5	0.5	0.4
Mango Excellent Media	300413 CH	26.9	1.6	10.3	8.3	3.4	3.1	2.8
Average PS						1.9	1.8	1.6
Cloud								
Microsoft	MSFT US	429.0	13.8	14.1	14.6	11.4	10.0	8.7
Google	GOOG US	197.6	15.7	18.5	11.4	8.2	6.9	6.2
Salesforce	CRM US	324.6	9.1	9.1	0.0	8.2	7.5	7.5

		Price	Revenue growth (YoY %)			PS (x)		
Kingsoft Cloud	KC US	10.0	6.2	13.7	14.8	2.4	2.1	1.9
Amazon	AMZN US	225.9	11.7	10.9	10.7	3.7	3.4	3.0
<b>Average PS</b>						<b>6.8</b>	<b>6.0</b>	<b>5.5</b>
<b>Fintech</b>								
PayPal	PYPL US	91.8	7.0	5.4	6.5	2.9	2.8	2.6
Square	SQ US	87.0	11.5	11.5	11.2	2.2	2.0	1.8
<b>Average PS</b>						<b>2.6</b>	<b>2.4</b>	<b>2.2</b>

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 17 Jan

Our calculation of the valuation of Tencent's strategic investments is based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.

**Figure 6: Tencent: valuation of strategic investments**

Name	Ticker	Tencent's stake %	Mkt cap (US\$m)	Value to Tencent (HK\$m)
PDD Holdings Inc	PDD US	14.1	146,613	161,244
Sea Ltd	SE US	18.2	65,865	93,502
Spotify Technology SA	SPOT US	8.4	97,498	63,881
NU Holdings Ltd/Cayman Islands	NU US	8.1	55,420	35,014
Kuaishou Technology	1024 HK	15.7	23,222	28,438
Snap Inc	SNAP US	16.7	18,215	23,726
Futu Holdings Ltd	FUTU US	22.4	12,335	21,551
KE Holdings Inc	BEKE US	11.4	20,663	18,373
Meituan	3690 HK	1.7	122,434	16,426
JD.com Inc	9618 HK	2.7	65,369	13,563
Krafton Inc	259960 KS	13.5	11,461	12,060
Tongcheng Travel Holdings Ltd	780 HK	20.5	5,688	9,086
Bilibili Inc	9626 HK	13.0	7,486	7,591
Vipshop Holdings Ltd	VIPS US	11.8	7,180	6,609
Warner Music Group Corp	WMG US	4.9	15,692	6,022
Kanzhun Ltd	BZ US	8.3	6,612	4,280
Netmarble Corp	251270 KS	17.5	2,800	3,826
J&T Global Express Ltd	1519 HK	6.1	7,305	3,459
Tuhu Car Inc	9690 HK	21.4	1,864	3,112
Yixin Group Ltd	2858 HK	53.9	695	2,919
XtalPi Holdings Ltd	2228 HK	12.9	2,070	2,085
Kadokawa Corp	9468 JP	6.9	3,044	1,629
DouYu International Holdings L	DOYU US	38.2	509	1,517
Paradox Interactive AB	PDX SS	9.1	1,968	1,398
ZhongAn Online P&C Insurance C	6060 HK	7.8	2,179	1,329
Maoyan Entertainment	1896 HK	13.7	1,185	1,270
DHC Software Co Ltd	002065 CH	4.9	3,098	1,184
Other listed entities as a whole			42,567	10,316
<b>Listed investments (current value)</b>				<b>555,410</b>
<b>Unlisted investments (book value)</b>				<b>351,283</b>
<b>Total investment value</b>				<b>906,693</b>
Holdco discount				30%
<b>Valuation of strategic investments</b>				<b>634,685</b>
<b>Valuation of strategic investments per share</b>				<b>68.4</b>

Source: Bloomberg, company data, CMBIGM estimates

Note: data as of the market close on 17 Jan

## Risks

Slower-than-expected GPM expansion; decline in revenue of legacy games; macro headwinds weigh on ads and FBS revenue growth.

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	560,118	554,552	609,015	655,437	706,781	755,837
Cost of goods sold	(314,174)	(315,806)	(315,906)	(307,205)	(326,161)	(344,640)
<b>Gross profit</b>	<b>245,944</b>	<b>238,746</b>	<b>293,109</b>	<b>348,232</b>	<b>380,620</b>	<b>411,197</b>
Operating expenses	19,026	(127,919)	(133,035)	(139,439)	(147,522)	(156,536)
Selling expense	(40,594)	(29,229)	(34,211)	(35,721)	(38,166)	(40,815)
Admin expense	(89,847)	(106,696)	(103,525)	(110,769)	(116,619)	(123,201)
Others	149,467	8,006	4,701	7,052	7,263	7,481
<b>Operating profit</b>	<b>264,970</b>	<b>110,827</b>	<b>160,074</b>	<b>208,793</b>	<b>233,098</b>	<b>254,661</b>
Share of (losses)/profits of associates/JV	(16,444)	(16,129)	5,800	21,423	21,423	5,356
Interest income	6,650	8,592	13,808	15,933	15,846	3,976
Interest expense	(7,114)	(9,352)	(12,268)	(12,770)	(2,863)	(3,153)
<b>Pre-tax profit</b>	<b>241,412</b>	<b>85,346</b>	<b>153,606</b>	<b>217,446</b>	<b>251,658</b>	<b>256,864</b>
Income tax	(20,252)	(21,516)	(43,276)	(45,391)	(52,259)	(59,009)
<b>After tax profit</b>	<b>221,160</b>	<b>63,830</b>	<b>110,330</b>	<b>172,055</b>	<b>199,399</b>	<b>197,856</b>
Minority interest	(2,988)	(466)	(2,832)	(2,999)	(3,240)	(3,441)
<b>Net profit</b>	<b>218,172</b>	<b>63,364</b>	<b>107,498</b>	<b>169,055</b>	<b>196,159</b>	<b>194,415</b>
<b>Adjusted net profit</b>	<b>123,788</b>	<b>115,649</b>	<b>157,688</b>	<b>222,622</b>	<b>241,980</b>	<b>257,561</b>
Gross dividends	12,704	20,256	28,485	43,817	47,333	50,265
BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>484,812</b>	<b>565,989</b>	<b>518,446</b>	<b>552,611</b>	<b>634,936</b>	<b>812,723</b>
Cash & equivalents	167,966	156,739	172,320	181,066	218,376	353,196
Account receivables	49,331	45,467	46,606	48,059	50,269	52,146
Inventories	1,063	2,333	456	899	950	995
Prepayment	65,390	76,685	88,411	86,175	90,138	96,867
ST bank deposits	83,813	104,776	185,983	213,880	245,321	280,662
Financial assets at FVTPL	10,573	27,963	14,903	15,648	16,431	17,252
Other current assets	106,676	152,026	9,767	6,883	13,452	11,605
<b>Non-current assets</b>	<b>1,127,552</b>	<b>1,012,142</b>	<b>1,058,800</b>	<b>1,117,992</b>	<b>1,195,338</b>	<b>1,254,559</b>
PP&E	61,914	53,978	53,232	73,073	91,807	106,873
Deferred income tax	26,068	29,882	29,017	24,767	33,230	28,792
Investment in JVs & assos	323,188	252,715	261,665	273,109	284,919	297,084
Intangibles	171,376	161,802	177,727	205,883	236,720	264,848
Financial assets at FVTPL	192,184	206,085	211,145	211,145	211,145	211,145
Other non-current assets	352,822	307,680	326,014	330,016	337,517	345,817
<b>Total assets</b>	<b>1,612,364</b>	<b>1,578,131</b>	<b>1,577,246</b>	<b>1,670,603</b>	<b>1,830,274</b>	<b>2,067,282</b>
<b>Current liabilities</b>	<b>403,098</b>	<b>434,204</b>	<b>352,157</b>	<b>345,817</b>	<b>365,921</b>	<b>389,611</b>
Short-term borrowings	19,003	22,026	55,698	53,889	56,927	59,856
Account payables	109,470	92,381	100,948	93,062	97,816	106,730
Tax payable	12,506	13,488	17,664	16,834	17,515	18,137
Other current liabilities	256,673	299,955	171,693	175,879	187,509	198,734
Lease liabilities	5,446	6,354	6,154	6,154	6,154	6,154
<b>Non-current liabilities</b>	<b>332,573</b>	<b>361,067</b>	<b>351,408</b>	<b>370,841</b>	<b>382,401</b>	<b>395,140</b>
Long-term borrowings	136,936	163,668	155,819	156,074	156,150	156,173
Bond payables	145,590	148,669	137,101	139,672	140,981	141,642
Deferred income	4,526	3,503	3,435	12,288	13,046	13,786
Other non-current liabilities	45,521	45,227	55,053	62,807	72,223	83,539
<b>Total liabilities</b>	<b>735,671</b>	<b>795,271</b>	<b>703,565</b>	<b>716,658</b>	<b>748,322</b>	<b>784,751</b>
Retained earnings	669,911	705,981	813,911	983,176	1,167,942	1,365,081
Other reserves	136,388	15,410	(5,320)	(97,320)	(157,320)	(157,320)
<b>Total shareholders equity</b>	<b>806,299</b>	<b>721,391</b>	<b>808,591</b>	<b>885,856</b>	<b>1,010,622</b>	<b>1,207,761</b>
Minority interest	70,394	61,469	65,090	68,089	71,329	74,770
<b>Total equity and liabilities</b>	<b>1,612,364</b>	<b>1,578,131</b>	<b>1,577,246</b>	<b>1,670,603</b>	<b>1,830,274</b>	<b>2,067,282</b>

<b>CASH FLOW</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	241,412	85,346	153,606	217,446	251,658	256,864
Depreciation & amortization	56,818	60,230	55,298	58,620	63,098	74,886
Tax paid	(20,252)	(21,516)	(43,276)	(45,391)	(52,259)	(59,009)
Change in working capital	(2,844)	(28,405)	16,661	(3,360)	10,161	11,488
Others	(99,948)	50,437	39,673	15,933	5,772	21,037
<b>Net cash from operations</b>	<b>175,186</b>	<b>146,091</b>	<b>221,962</b>	<b>243,248</b>	<b>278,430</b>	<b>305,267</b>
<b>Investing</b>						
Capital expenditure	(34,931)	(33,892)	(36,477)	(38,472)	(40,656)	(42,608)
Acquisition of subsidiaries/ investments	(117,642)	59,711	(105,332)	(36,954)	(66,567)	(50,343)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(25,976)	(130,690)	16,648	(68,145)	(72,013)	(75,471)
<b>Net cash from investing</b>	<b>(178,549)</b>	<b>(104,871)</b>	<b>(125,161)</b>	<b>(143,571)</b>	<b>(179,236)</b>	<b>(168,422)</b>
<b>Financing</b>						
Net borrowings	45,239	31,982	30,834	7,940	14,522	15,551
Proceeds from share issues	0	0	0	0	0	0
Others	(23,619)	(91,935)	(113,407)	(98,871)	(76,406)	(17,574)
<b>Net cash from financing</b>	<b>21,620</b>	<b>(59,953)</b>	<b>(82,573)</b>	<b>(90,931)</b>	<b>(61,884)</b>	<b>(2,023)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	152,798	167,966	156,739	172,320	181,066	218,376
Exchange difference	(3,089)	7,506	1,353	0	0	0
<b>Cash at the end of the year</b>	<b>167,966</b>	<b>156,739</b>	<b>172,320</b>	<b>181,066</b>	<b>218,376</b>	<b>353,196</b>
<b>GROWTH</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Revenue	16.2%	(1.0%)	9.8%	7.6%	7.8%	6.9%
Gross profit	11.0%	(2.9%)	22.8%	18.8%	9.3%	8.0%
Operating profit	49.5%	(58.2%)	44.4%	30.4%	11.6%	9.3%
Net profit	42.7%	(71.0%)	69.7%	57.3%	16.0%	(0.9%)
Adj. net profit	0.9%	(6.6%)	36.4%	41.2%	8.7%	6.4%
<b>PROFITABILITY</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Gross profit margin	43.9%	43.1%	48.1%	53.1%	53.9%	54.4%
Operating margin	47.3%	20.0%	26.3%	31.9%	33.0%	33.7%
Adj. net profit margin	22.1%	20.9%	25.9%	34.0%	34.2%	34.1%
Return on equity (ROE)	28.9%	8.3%	14.1%	20.0%	20.7%	17.5%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.2	0.2	0.2	0.2	0.1	0.0
Current ratio (x)	1.2	1.3	1.5	1.6	1.7	2.1
Receivable turnover days	32.1	29.9	27.9	26.8	26.0	25.2
<b>VALUATION</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
P/E	16.0	55.2	32.3	20.1	17.4	17.4
P/E (diluted)	16.3	56.0	32.8	20.4	17.6	17.6
P/B	4.3	4.8	4.3	3.8	3.4	2.8

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



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