

Jinmao Services (816 HK)

New business integration drives new growth engines; Generous dividend pay-out

Jinmao Services' revenue grew 19.6% YoY in 1H25 given the drag from non-owner VAS (rev. -17.3% YoY) offset by new business integration (boost basic PM rev. +31% YoY). During the period, net profit growth narrowed to +3.1% YoY, in-line with market expectations, weighed by: 1) 2ppts gross margin decline to 22.5% (impacted from basic PM and non-owner VAS); 2) increase in accounts receivable impairment driving c.RMB30mn rise in other expenses. Excluding this impact, net profit would have achieved double-digit growth. The company declared a special dividend of 30%, lifting the total dividend payout ratio to 70% which is a surprise. We lower our TP by 4% to HK\$4.65, reflecting downward revisions to earnings forecasts. The TP corresponds to 10x 2025E P/E. Maintain BUY.

- **Basic PM: strong growth boosted by new biz integration.** Revenue surged 31% YoY primarily due to the acquisition of energy operation & maintenance (O&M) business from related parties in 1H25. This business adopts a PM-like charging model with additional fees on top of PM fees, commanding much higher fee rates per sq.m (well above PM fee rates) and delivering better gross margins. It now covers 60 in-management projects (c. 7 million sqm). Excluding this business, we estimate basic PM segment growth at low teens, supported by 1) 11% YoY managed GFA expansion, 2) mild improvement in collection rates, and 3) slight increase in PM fee rates (1H25: RMB 3.8/sq.m/month vs 1H24: RMB 3.7). Looking ahead, we think the new biz may help offset headwinds like slower GFA growth (Figure 2) given more project withdrawals and gross margin pressure on the segment.
- **Owner VAS:** Revenue rose 3.2% YoY with gross margin expanded 4ppts to 46.6% in 1H25 driven by faster growth of higher-margin biz (space operation & interior decoration). This implies that community living services and brokerage biz were pressured by economic conditions.
- **Special dividend declared:** 30% extra pay-out on top of 40% base dividend to celebrate the 3rd listing anniversary, demonstrating the company's focus on strong shareholder returns.
- **Maintain Buy.** We trim TP by 4% to HK\$4.65 (10x 2025E P/E) to reflect earnings revision. Risks: 1) slower-than-expected third-party expansion; 2) greater-than-expected gross margin pressure; and 3) A/R impairment risk etc.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	2,704	2,966	3,578	3,885	4,258
YoY growth (%)	11.0	9.7	20.6	8.6	9.6
Net profit (RMB mn)	337.3	372.5	387.1	408.0	435.7
YoY growth (%)	0.4	10.4	3.9	5.4	6.8
EPS (Reported) (RMB)	0.37	0.41	0.43	0.45	0.48
YoY growth (%)	(1.8)	10.4	3.9	5.4	6.8
Consensus EPS (RMB)	na	na	0.45	0.48	0.50
P/E (x)	8.1	7.4	7.1	6.7	6.3
P/B (x)	1.9	1.6	1.6	1.4	1.2
Yield (%)	5.1	5.4	5.6	6.0	6.4
ROE (%)	23.4	22.9	22.4	21.6	19.9

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$4.65**
 (Previous TP) **HK\$4.87**
Up/Downside **41.0%**
Current Price **HK\$3.30**

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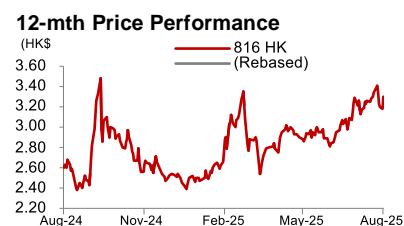
Stock Data
 Mkt Cap (HK\$ mn) 2,983.8
 Avg 3 mths t/o (HK\$ mn) 2.0
 52w High/Low (HK\$) 3.48/2.37
 Total Issued Shares (mn) 904.2
 Source: FactSet

Shareholding Structure
 China Jinmao Hldg. Group 67.3%
 Sinochem HK Group 7.5%
 Source: HKEx

Share Performance

	Absolute	Relative
1-mth	0.6%	NM
3-mth	14.6%	NM
6-mth	14.6%	NM

Source: FactSet



Source: FactSet

Related Reports

1. [Greentown Service \(2869 HK\) - Solid growth driven by notable efficiency gains](#)
2. [Poly Services \(6049 HK\) - 1H25 earnings in line; No interim dividend](#)
3. [Binjiang Service \(3316 HK\) - 1H25: Robust PM with 5S VAS driver shifting; Targeting HK Connect inclusion by FY26](#)
4. [Onewo \(2602 HK\) - Earnings beat against tough weather; Dividend yield remains attractive](#)

Figure 1: 816 HK results summary- 1H25

RMB mn	2023	2024	YoY	1H24	2H24	1H25	1H YoY	HoH
Revenue	2,704	2,966	9.7%	1,491	1,475	1,783	19.6%	20.9%
Property management services	1,575	2,059	30.7%	1,009	1,050	1,322	31.0%	25.9%
VAS to non-property owners	505	325	-35.7%	177	148	146	-17.3%	-0.8%
Community VAS	625	583	-6.7%	305	277	315	3.2%	13.6%
Gross profit	747	706	-5.4%	366	340	402	9.6%	18.1%
SG&A	(310)	(220)	-28.8%	(103)	(117)	(105)	1.6%	-10.2%
Net profit	337	372	10.4%	173	199	179	3.1%	-10.2%
EPS (RMB)	0.37	0.41	10.4%	0.19	0.22	0.20	3.1%	-10.2%
DPS (RMB)	0.15	0.17	7.0%	0.08	0.09	0.14	82.2%	
Dividend payout ratio	41%	40%	n.a.	40%	40%	71%	30.7 ppt	
GP Margin	27.6%	23.8%	-3.8 ppt	24.6%	23.1%	22.5%	-2.1 ppt	-0.5 ppt
Property management services	15.8%	15.1%	-0.7 ppt	18.0%	12.3%	16.0%	-2.0 ppt	3.7 ppt
VAS to non-property owners	44.6%	32.9%	-11.7 ppt	31.3%	34.8%	29.6%	-1.7 ppt	-5.2 ppt
Community VAS	43.7%	49.5%	5.8 ppt	42.3%	57.4%	46.6%	4.3 ppt	-10.8 ppt
SG&A ratio	-11.4%	-7.4%	4.0 ppt	-6.9%	-7.9%	-5.9%	1.0 ppt	2.0 ppt
Net Margin	12.5%	12.6%	0.1 ppt	11.6%	13.5%	10.0%	-1.6 ppt	-3.5 ppt
Managed GFA (mn sq m)	84.2	100.9	19.8%	98.1	100.9	108.5	10.6%	7.5%
Trade receivables	1,717.1	2,222.8	29.5%	2,105.1	2,222.8	2,213.0	5.1%	-0.4%
Cash (incl. deposits)	1,252.0	1,399.5	11.8%	1,285.6	1,399.5	1,656.9	28.9%	18.4%

Source: Company data, CMBIGM

Figure 2: Managed GFA breakdown

Managed GFA (mn sqm)	2023	1H24	2024	1H25
from Jinmao affiliates	45.0	48.6	47.2	52.1
from Third party	39.2	49.5	53.8	56.4
Total	84.2	98.1	100.9	108.5
YoY growth				
from Jinmao affiliates	27%	31%	5%	7%
from Third party	83%	46%	37%	14%
Total	48%	38%	20%	11%

Source: Company data, CMBIGM

Figure 3: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,578	3,885	4,258	3,333	3,608	3,901	7%	8%	9%
Gross profit	795	837	892	777	824	875	2%	2%	2%
Operating profit	517	544	580	550	584	617	-6%	-7%	-6%
Net profit	387	408	436	405	431	456	-4.5%	-5.3%	-4.4%
Gross margin	22.2%	21.5%	20.9%	23.3%	22.8%	22.4%	-1.1 ppt	-1.3 ppt	-1.5 ppt
Operating margin	14.5%	14.0%	13.6%	16.5%	16.2%	15.8%	-2.0 ppt	-2.2 ppt	-2.2 ppt
Net margin	10.8%	10.5%	10.2%	12.2%	11.9%	11.7%	-1.3 ppt	-1.4 ppt	-1.5 ppt

Source: Company data, CMBIGM estimates

Figure 4: CMBI estimates vs. Consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3,578	3,885	4,258	3,333	3,608	3,901	7.3%	7.7%	9%
Gross profit	795	837	892	777	824	875	2.3%	1.5%	2%
Operating profit	517	544	580	550	584	617	-6.0%	-6.8%	-6%
Net profit	387	408	436	405	431	456	-4.4%	-5.3%	-4.4%
Gross margin	22.2%	21.5%	20.9%	23.3%	22.8%	22.4%	-1.1ppt	-1.3ppt	-1.5 ppt
Operating margin	14.5%	14.0%	13.6%	16.5%	16.2%	15.8%	-2.0ppt	-2.2ppt	-2.2 ppt
Net margin	10.8%	10.5%	10.2%	12.2%	11.9%	11.7%	-1.3ppt	-1.4ppt	-1.5 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Figure 5: Valuation comps

Company	Ticker	Last Price	Mkt Cap	P/E (x)			Net Profit Growth (%)			Payout ratio		Dividend Yield	
		(LC)		25E	26E	27E	25E	26E	27E	24A	24A	25E	25E
CR MixC	1209.HK	41.62	12,165	20.8 x	18.2 x	16.1 x	15.0	14.0	13.2	134%	5.5%	4.5%	
Onewo	2602.HK	25.98	3,886	17.4 x	15.3 x	14.0 x	38.3	13.7	9.0	194%	8.0%	7.1%	
Country Garden Services	6098.HK	7.38	3,160	11.0 x	9.4 x	8.5 x	12.6	17.7	10.3	55%	4.4%	6.0%	
Poly Services	6049.HK	37.50	2,657	12.3 x	11.8 x	11.3 x	5.4	4.5	4.2	50%	3.9%	4.1%	
COPH	2669.HK	5.54	2,330	10.0 x	9.1 x	8.4 x	9.8	9.2	9.1	36%	3.1%	3.7%	
China Merchant PO	001914.SZ	12.85	1,914	14.4 x	12.8 x	11.5 x	13.0	12.3	11.2	30%	1.8%	2.2%	
Greentown Services	2869.HK	5.05	2,037	16.8 x	14.7 x	13.4 x	11.4	14.4	10.0	75%	4.0%	4.5%	
Binjiang Services	3316.HK	25.80	913	10.6 x	9.4 x	8.4 x	13.8	12.7	12.1	70%	5.8%	6.6%	
Yuexiu Services	6626.HK	2.83	544	8.0 x	7.0 x	6.3 x	37.4	14.1	11.2	74%	6.5%	7.0%	
C&D PM	2156.HK	3.25	586	10.3 x	9.0 x	8.9 x	25.7	13.6	2.0	58%	4.7%	5.4%	
Ever Sunshine	1995.HK	2.03	449	6.5 x	6.0 x	6.0 x	2.6	9.4	(1.2)	62%	8.9%	9.2%	
Jinmao Services	0816.HK	3.30	382	7.1 x	6.7 x	6.3 x	3.9	5.4	6.8	40%	5.4%	5.6%	
Powerlong Commercial	9909.HK	2.25	185	3.4 x	3.3 x	3.1 x	78.6	5.0	NA	NA	NA	NA	
Excellence CM	6989.HK	1.43	223	4.7 x	4.2 x	3.8 x	9.6	10.8	9.8	50%	9.5%	10.4%	
New Hope Services	3658.HK	1.94	202	5.6 x	5.0 x	4.5 x	12.9	12.7	11.4	57%	9.0%	10.1%	
E-star CM	6668.HK	1.33	173	7.9 x	7.6 x	7.3 x	1.4	2.8	4.7	80%	9.9%	10.1%	
Average				15.8 x	14.0 x	12.6 x	16.6	12.8	10.3	101%	5.2%	5.0%	
BEKE-W	2423.HK	50.55	23,125	25.3 x	19.7 x	16.4 x	(14.9)	27.6	19.7	73%	1.8%	1.9%	
Greentown Management	9979.HK	2.91	749	6.9 x	6.5 x	6.0 x	(3.4)	6.4	8.5	59%	8.8%	10.1%	
Average				24.7 x	19.3 x	16.0 x	(14.5)	27.0	19.3	72%	2.0%	2.1%	

Source: Company data, Wind, CMBIGM estimates

Note: updated to 26 Aug 2025

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	2,436	2,704	2,966	3,578	3,885	4,258
Cost of goods sold	(1,702)	(1,958)	(2,260)	(2,783)	(3,048)	(3,366)
Operating expenses	734	747	706	795	837	892
Selling expense	(54)	(56)	(35)	(40)	(44)	(48)
Admin expense	(240)	(253)	(185)	(190)	(204)	(223)
Others	8	14	18	(47)	(44)	(40)
Operating profit	448	451	504	517	544	580
Net Interest income/(expense)	(2)	(5)	(11)	(14)	(14)	(14)
Pre-tax profit	446	447	493	503	530	566
Income tax	(105)	(104)	(109)	(104)	(110)	(117)
After tax profit	341	343	384	399	421	449
Minority interest	5	6	12	12	13	13
Net profit	336	337	372	387	408	436
Gross dividends	134	140	80	155	163	174

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	2,442	2,998	3,640	4,030	4,513	5,048
Cash & equivalents	1,019	1,252	1,399	1,548	1,910	2,297
Restricted cash	2	2	4	4	4	4
Account receivables	779	900	1,165	1,405	1,526	1,673
Inventories	4	4	5	6	6	7
Prepayment	611	817	1,058	1,058	1,058	1,058
Other current assets	27	23	9	9	9	9
Non-current assets	561	616	942	941	941	941
PP&E	91	96	95	94	94	94
Right-of-use assets	28	28	32	32	32	32
Intangibles	92	102	101	101	102	102
Goodwill	249	249	480	480	480	480
Other non-current assets	102	141	233	233	233	233
Total assets	3,004	3,614	4,582	4,971	5,455	5,989
Current liabilities	1,533	1,909	2,613	2,963	3,139	3,352
Account payables	456	603	833	1,026	1,123	1,240
Tax payable	26	40	37	37	37	37
Lease liabilities	16	22	46	46	46	46
Contract liabilities	370	487	761	918	996	1,092
Accrued expenses	664	756	936	936	936	936
Non-current liabilities	111	137	198	198	198	198
Obligations under finance leases	85	113	177	177	177	177
Other non-current liabilities	26	24	21	21	21	21
Total liabilities	1,643	2,046	2,810	3,160	3,337	3,550
Share capital	840	840	840	840	840	840
Other reserves	504	702	875	902	1,197	1,505
Total shareholders equity	1,343	1,542	1,714	1,742	2,036	2,344
Minority interest	17	26	57	69	82	95
Total equity and liabilities	3,004	3,614	4,582	4,971	5,455	5,989

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	446	447	493	503	530	566
Depreciation & amortization	40	45	57	37	36	36
Tax paid	(100)	(76)	(98)	(94)	(99)	(107)
Change in working capital	(212)	33	86	170	116	127
Others	(21)	3	(5)	1	(2)	(5)
Net cash from operations	154	451	533	617	582	617
Investing						
Capital expenditure	(60)	(32)	(22)	(22)	(22)	(22)
Acquisition of subsidiaries/ investments	(289)	0	(278)	(258)	0	0
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(11)	(23)	136	(14)	(14)	(14)
Net cash from investing	(360)	(55)	(164)	(294)	(36)	(36)
Financing						
Dividend paid	(100)	(159)	(209)	(155)	(163)	(174)
Net borrowings	(9)	(10)	(12)	(12)	(12)	(12)
Proceeds from share issues	773	0	0	0	0	0
Others	1	6	(1)	(8)	(8)	(8)
Net cash from financing	665	(163)	(221)	(175)	(183)	(194)
Net change in cash						
Cash at the beginning of the year	554	1,019	1,252	1,399	1,548	1,910
Exchange difference	6	0	0	0	0	0
Cash at the end of the year	1,019	1,252	1,399	1,548	1,910	2,297
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	60.7%	11.0%	9.7%	20.6%	8.6%	9.6%
Operating profit	58.9%	0.8%	11.7%	2.6%	5.3%	6.6%
Net profit	88.8%	0.4%	10.4%	3.9%	5.4%	6.8%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Operating margin	18.4%	16.7%	17.0%	14.5%	14.0%	13.6%
Return on equity (ROE)	43.7%	23.4%	22.9%	22.4%	21.6%	19.9%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	1.6	1.6	1.4	1.4	1.4	1.5
Receivable turnover days	116.7	121.5	143.4	143.4	143.4	143.4
Inventory turnover days	0.9	0.8	0.8	0.8	0.8	0.8
Payable turnover days	97.8	112.4	134.5	134.5	134.5	134.5
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	8.0	8.1	7.4	7.1	6.7	6.3
P/B	2.1	1.9	1.6	1.6	1.4	1.2
Div yield (%)	5.0	5.1	5.4	5.6	6.0	6.4
EV	3,627.9	4,407.5	5,993.0	6,584.0	6,880.9	7,240.9
EV/Sales	1.5	1.6	2.0	1.8	1.8	1.7

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

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UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

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