

# Naura Technology (002371 CH)

## Solid FY24 earnings amid accelerated semi supply chain domestication

Naura announced key financials regarding its FY24/1Q25 earnings. FY24 revenue went up by 35.1% YoY to RMB29.8bn (3.3% below our estimate/in-line with consensus). The strong revenue growth was driven by technology breakthroughs in core product lines that enabled broader product coverage and supported continued market share gains. In FY24, net profit went up by 44.2% YoY to RMB5.6bn (3.2%/1.6 below our /consensus). During the period, NPM improved to 18.8% (vs. 17.7% in FY23) on better operating efficiency. For 1Q25, the company expects the mid-point revenue to increase by 39.3% YoY to RMB8.2bn (beating consensus by 5.5%), and mid-point net profit to grow 40.3% YoY to RMB1.6bn (beating BBG consensus by 12.5%). 1Q25 mid-point NPM would be 19.4% (vs. 19.2% in 1Q24). **Reiterate BUY with TP revised up to RMB512, based on 36x FY25E P/E (vs. prev. 30x), in-line with industry peers' average P/E of 36x.**

- **Backed by ongoing innovation and technology breakthroughs in core product lines, the company sustained steady market share gains.** Mgmt. attributed the strong revenue growth to the successful commercialization and volume shipment of several new products, including CCP etchers, PECVD, ALD vertical furnaces, etc., which significantly enhanced the company's product coverage and competitiveness in the domestic SME segment. We project the company's revenue to grow by 30.8% YoY in 2025E on continuous market share gains and new product launches.
- **Reiterate BUY with TP revised up to RMB512.** We maintain our forecasts for 2025/26E. The new TP is based on 36x FY25E P/E (peers avg.) vs. previous 30x. We expect semi-industry consolidation in China to accelerate in 2025, which is one of the key themes in our [2025 outlook report](#). China's leading semi cap players are well-positioned to benefit from domestic self-sufficiency initiatives and M&A momentum. Meanwhile, we believe the recently announced US reciprocal tariffs on China (effective 2 April) are going to pose a minimal impact on the company in the near term, as it generates all revenue domestically with no exposure to foreign markets. In the long term, the tariff serves as a catalyst for faster supply chain localization efforts, a clear tailwind for leading domestic players like Naura.
- **Key risks:** lower-than-expected domestic foundry capex plan, slower-than-expected R&D progress, higher raw material costs, etc.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	14,688	22,079	30,856	39,030	48,443
YoY growth (%)	51.7	50.3	39.7	26.5	24.1
Gross margin (%)	43.8	41.1	43.7	44.3	45.3
Net profit (RMB mn)	2,352.7	3,899.1	5,806.1	7,546.5	9,872.6
YoY growth (%)	118.4	65.7	48.9	30.0	30.8
EPS (Reported) (RMB)	4.46	7.36	10.93	14.21	18.59
P/E (x)	96.6	58.5	39.4	30.3	23.2
ROE (%)	12.8	17.7	21.3	22.5	23.8

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** RMB512.00

(Previous TP RMB426.00)

**Up/Downside** 18.8%

**Current Price** RMB431.01

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### Stock Data

Mkt Cap (RMB mn)	228,550.1
Avg 3 mths t/o (RMB mn)	2,674.3
52w High/Low (RMB)	486.69/283.86
Total Issued Shares (mn)	530.3

Source: FactSet

### Shareholding Structure

Beijing Sevenstar Huadian	33.6%
Technology Gro	
Beijing Electronics Holding	9.4%

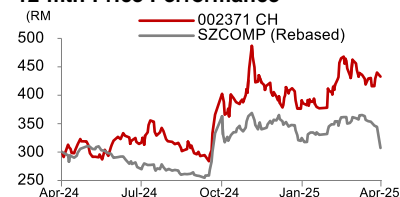
Source: Bloomberg

### Share Performance

	Absolute	Relative
1-mth	-7.3%	7.6%
3-mth	11.6%	17.0%
6-mth	7.1%	25.4%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

Figure 1: Comps table

Figure 11: Comparison table

Company	Ticker	Market cap (US\$mn)	Last price (LC)	P/E (x)		EPS(US\$)	
				FY25E	FY26E	FY25E	FY26E
Domestic SMEs							
AMEC	688012 CH	14,946	176.0	43.9	32.3	0.6	0.7
Piotech	688072 CH	5,977	154.0	44.6	32.6	0.5	0.7
Hwatsing	688120 CH	5,023	156.5	27.3	21.7	0.8	1.0
ACMR	688082 CH	5,627	92.6	26.0	20.6	0.5	0.6
Huafeng T&C	688200 CH	2,461	135.0	38.8	30.8	0.5	0.6
Avg.				36.1	27.6	0.58	0.72

Source: Company data, Bloomberg consensus as of 8 April

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	9,683	14,688	22,079	30,856	39,030	48,443
Cost of goods sold	(5,867)	(8,250)	(13,005)	(17,381)	(21,734)	(26,487)
Gross profit	3,817	6,438	9,075	13,475	17,296	21,956
Operating expenses	(2,580)	(3,571)	(4,627)	(6,674)	(8,453)	(10,383)
Selling expense	(84)	(135)	(167)	(203)	(237)	(270)
SG&A expense	(1,705)	(2,224)	(2,836)	(3,532)	(4,312)	(5,158)
R&D expense	(1,297)	(1,845)	(2,475)	(3,703)	(4,606)	(5,619)
Others	507	633	852	763	701	664
Operating profit	1,236	2,867	4,448	6,801	8,843	11,573
Other income	18	14	22	20	22	24
Other expense	(2)	(27)	(4)	0	0	0
Pre-tax profit	1,253	2,854	4,466	6,821	8,865	11,597
Income tax	(59)	(313)	(433)	(1,023)	(1,330)	(1,740)
After tax profit	1,193	2,541	4,033	5,797	7,535	9,858
Minority interest	116	188	134	(9)	(11)	(15)
Net profit	1,077	2,353	3,899	5,806	7,547	9,873

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	22,323	31,117	38,226	44,723	50,314	59,110
Cash & equivalents	9,068	10,435	12,451	10,866	11,125	12,852
Account receivables	1,899	2,995	3,767	6,377	7,524	8,933
Inventories	8,035	13,041	16,992	23,009	25,818	31,509
Prepayment	658	1,551	1,480	1,446	1,439	1,543
Other current assets	2,663	3,096	3,535	3,025	4,409	4,272
Non-current assets	8,732	11,434	15,399	19,153	22,927	26,921
PP&E	2,423	2,484	3,352	5,735	6,755	7,870
Right-of-use assets	68	147	215	266	306	326
Deferred income tax	473	363	450	493	566	665
Intangibles	2,063	2,003	2,547	5,536	8,037	10,208
Goodwill	17	18	27	27	27	27
Other non-current assets	3,689	6,419	8,808	7,095	7,235	7,825
Total assets	31,054	42,551	53,625	63,876	73,241	86,030
Current liabilities	11,268	15,770	19,083	24,041	26,119	29,133
Short-term borrowings	0	227	23	23	49	81
Account payables	3,499	5,592	6,117	11,026	12,553	15,022
Tax payable	110	130	209	107	122	144
Other current liabilities	2,096	1,841	3,418	3,075	3,430	4,296
Contract liabilities	5,046	7,198	8,317	8,962	8,991	8,448
Accrued expenses	517	782	999	848	972	1,142
Non-current liabilities	2,588	6,797	9,717	9,327	9,696	10,415
Long-term borrowings	0	3,740	5,835	5,297	5,103	5,053
Bond payables	0	0	0	0	0	0
Deferred income	0	2	4	4	4	4
Other non-current liabilities	2,587	3,055	3,877	4,026	4,589	5,358
Total liabilities	13,856	22,567	28,800	33,368	35,814	39,548
Share capital	526	529	530	531	531	531
Retained earnings	2,924	5,159	8,776	14,168	21,098	30,169
Other reserves	13,448	14,058	15,061	15,360	15,360	15,360
Total shareholders equity	16,898	19,746	24,367	30,059	36,989	46,060
Minority interest	301	238	458	449	438	423
Total equity and liabilities	31,054	42,551	53,625	63,876	73,241	86,030

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
<b>Operating</b>						
Profit before taxation	1,253	2,854	4,466	6,821	8,865	11,597
Depreciation & amortization	460	552	730	946	1,594	2,197
Tax paid	(59)	(313)	(433)	(1,023)	(1,330)	(1,740)
Change in working capital	(3,133)	(4,424)	(3,409)	(3,613)	(3,316)	(3,592)
Others	703	603	1,012	(2,325)	(2,798)	(3,510)
<b>Net cash from operations</b>	<b>(777)</b>	<b>(728)</b>	<b>2,365</b>	<b>805</b>	<b>3,014</b>	<b>4,953</b>
<b>Investing</b>						
Capital expenditure	(447)	(1,409)	(1,980)	(1,792)	(2,160)	(2,761)
Acquisition of subsidiaries/ investments	0	(15)	(81)	0	0	0
Net proceeds from disposal of short-term investments	0	0	3	0	0	0
Others	0	1	0	221	341	504
<b>Net cash from investing</b>	<b>(447)</b>	<b>(1,423)</b>	<b>(2,058)</b>	<b>(1,571)</b>	<b>(1,819)</b>	<b>(2,258)</b>
<b>Financing</b>						
Dividend paid	(114)	(241)	(388)	(589)	(781)	(963)
Net borrowings	(602)	3,453	1,888	(523)	(168)	(17)
Proceeds from share issues	8,497	157	212	299	0	0
Others	(101)	(24)	(66)	1	0	0
<b>Net cash from financing</b>	<b>7,680</b>	<b>3,345</b>	<b>1,647</b>	<b>(812)</b>	<b>(949)</b>	<b>(980)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	2,578	9,031	10,261	12,229	10,665	10,923
Exchange difference	(4)	37	14	11	12	12
Others	6,457	1,194	1,954	(1,575)	247	1,715
<b>Cash at the end of the year</b>	<b>9,031</b>	<b>10,261</b>	<b>12,229</b>	<b>10,665</b>	<b>10,923</b>	<b>12,651</b>
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	59.9%	51.7%	50.3%	39.7%	26.5%	24.1%
Gross profit	71.8%	68.7%	40.9%	48.5%	28.4%	26.9%
Operating profit	84.8%	131.9%	55.1%	52.9%	30.0%	30.9%
Net profit	100.7%	118.4%	65.7%	48.9%	30.0%	30.8%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	39.4%	43.8%	41.1%	43.7%	44.3%	45.3%
Operating margin	12.8%	19.5%	20.1%	22.0%	22.7%	23.9%
Return on equity (ROE)	9.1%	12.8%	17.7%	21.3%	22.5%	23.8%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Current ratio (x)	2.0	2.0	2.0	1.9	1.9	2.0
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	200.7	96.6	58.5	39.4	30.3	23.2
P/E (diluted)	200.7	96.9	58.8	39.4	30.3	23.2

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

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