

Zoomlion (1157 HK/000157 CH)

First take: 2025 earnings +36% in-line; overseas revenue surged 60% in 4Q25

Zoomlion's net profit in 2025 grew 36% YoY to RMB4.8bn, which is 2% above our estimates and in-line with Bloomberg consensus. The result implies net profit growth of >1.2x YoY in 4Q25. Overseas revenue in 4Q25 surged 60% YoY to RMB9.2bn (accelerated from 34% YoY in 3Q25), which accounted for ~62% of total revenue. Zoomlion proposed final dividend of RMB0.2/share. This, together with the interim dividend of RMB0.2/share, implies a full-year payout ratio of 72%. We continue to like Zoomlion's aggressive overseas expansion plan on the back of full range of products. Our TP for Zoomlion A/H are unchanged at RMB12.0/HK\$9.2 (based on 2026E target P/E multiple of 18.6x for A-share and 30% discount for H-share). Maintain **BUY**.

Zoomlion's 2025 results highlights

YE Dec 31 (RMB mn)	2024	2025	Change (YoY)
Total revenue	45,478	52,107	14.6%
Cost of sales	-32,668	-37,497	14.8%
Gross profit	12,810	14,610	14.1%
Other income	1,162	1,690	45.4%
S&D expenses	-3,721	-4,537	21.9%
Administrative expenses	-3,155	-3,055	-3.2%
R&D expenses	-2,769	-2,895	4.6%
EBIT	4,327	5,813	34.3%
Net finance income/(cost)	-28	-133	375.0%
Finance income	653	469	-28.2%
Finance expenses	-681	-602	-11.6%
Other gains/(losses)	0	0	n/a
Share of profit of JV and associates	84	114	35.7%
Pretax profit	4,383	5,794	32.2%
Income tax	-374	-767	105.1%
After tax profit	4,009	5,027	25.4%
MI & discontinued operation	-488	-248	-49.2%
Net profit	3,521	4,779	35.7%

Source: Company data, CMBIGM

Earnings Summary - 1157 HK

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	47,075	45,478	51,347	58,703	66,030
YoY growth (%)	13.1	(3.4)	12.9	14.3	12.5
Adjusted net profit (RMB mn)	3,550.0	3,521.0	4,672.7	5,320.3	5,986.3
EPS (Reported) (RMB)	0.43	0.42	0.57	0.65	0.73
YoY growth (%)	54.9	(1.3)	33.4	13.9	12.5
Consensus EPS (RMB)	na	na	0.57	0.71	0.84
P/E (x)	17.3	17.6	13.2	11.6	10.3
P/B (x)	1.1	1.1	1.1	1.1	1.0
Yield (%)	4.3	4.0	5.1	5.8	6.5
ROE (%)	6.9	7.1	8.5	9.3	10.1
Net gearing (%)	8.1	18.9	22.7	22.5	21.8

Source: Company data, Bloomberg, CMBIGM estimates

Note: Estimated figures for 2025 in this table

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BUY BUY

Maintain Maintain

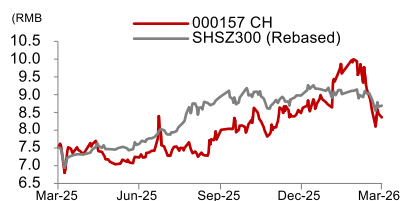
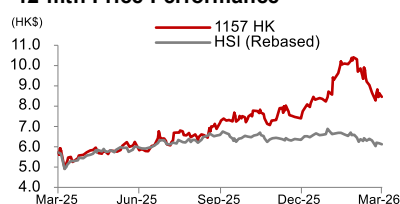
TP	HK\$9.20	RMB12.00
Prior TP	HK\$9.20	RMB12.00
Up/Downside	8.7%	43.5%
Current Price	HK\$8.5	RMB8.4

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12-mth Price Performance



Source: FactSet

Stock Performance

	1157 HK		000157 CH	
	Abs.	Rel.	Abs.	Rel.
1-mth	-19.1%	-13.0%	-16.3%	-15.4%
3-mth	11.6%	16.6%	-2.2%	15.3%
6-mth	16.0%	25.9%	4.4%	19.6%

Source: FactSet

Stock Data

(LC)	1157 HK	000157 CH
Mkt Cap (mn)	13383.42	59322.791
Avg 3 mths t/o (mn)	114.24	835.8
52w High	10.46	10
52w Low	4.94	6.8
Issued Shares (mn)	1581.965	7096.0277

Source: FactSet

Related reports:

Capital Goods - Strong export of earth-moving machinery in Feb – 9 Mar 2026 ([link](#))

Capital Goods - Strong momentum of non-earth-moving machinery sales in Jan – 16 Feb 2026 ([link](#))

Zoomlion – Expect accelerated sales growth in Nov – 5 Dec 2025 ([link](#))

Figure 1: 2025 results highlights

(RMB mn)	2024	2025	Change (YoY)
Revenue			
Construction machinery	40,356	48,118	19.2%
Concrete machinery	8,013	10,057	25.5%
Crane machinery	14,786	16,637	12.5%
Aerial work platform	6,833	5,971	-12.6%
Earth-moving machinery	6,671	9,672	45.0%
Other machinery	4,053	5,782	42.7%
Agricultural machinery	4,650	3,542	-23.8%
Financial services and others	472	447	-5.2%
Total revenue	45,478	52,107	14.6%
Gross margin			Change (ppt)
Construction machinery	29.2%	28.8%	(0.5)
Concrete machinery	22.7%	23.2%	0.5
Crane machinery	32.4%	32.0%	(0.4)
Aerial work platform	29.7%	29.2%	(0.5)
Earth-moving machinery	30.2%	29.6%	(0.5)
Other machinery	28.0%	27.0%	(0.9)
Agricultural machinery	12.3%	9.8%	(2.5)
Financial services	96.4%	95.9%	(0.5)
Blended gross margin	28.2%	28.0%	(0.1)

Source: Company data, CMBIGM estimates

Figure 2: 4Q25 results highlights

(RMB mn)	1Q24	1Q25	Change YoY	2Q24	2Q25	Change YoY	3Q24	3Q25	Change YoY	4Q24	4Q25	Change YoY
Revenue breakdown												
China	6,071	5,549	-9%	6,417	5,490	-14%	4,255	4,803	13%	5,356	5,750	7%
Overseas	5,703	6,568	15%	6,345	7,248	14%	5,596	7,497	34%	5,737	9,202	60%
Total revenue	11,773	12,117	3%	12,762	12,738	0%	9,851	12,301	25%	11,092	14,951	35%
Cost of sales	-8,400	-8,642	3%	-9,189	-9,217	0%	-7,041	-8,856	26%	-8,038	-10,782	34%
Gross profit	3,373	3,474	3%	3,573	3,522	-1%	2,810	3,445	23%	3,054	4,169	37%
Other income	-51	-54	6%	988	970	-2%	164	388	136%	61	386	536%
S&D expenses	-866	-1,014	17%	-1,036	-1,084	5%	-863	-995	15%	-956	-1,444	51%
Administrative expenses	-719	-694	-4%	-998	-863	-14%	-710	-632	-11%	-728	-866	19%
R&D expenses	-665	-730	10%	-641	-682	6%	-551	-633	15%	-912	-850	-7%
EBIT	1,072	982	-8%	1,886	1,862	-1%	850	1,573	85%	519	1,395	169%
Net finance income/(cost)	-54	87	n/a	-65	305	n/a	122	-269	n/a	-31	-256	736%
Other gains/(losses)	119	620	419%	-119	-620	419%	26	48	87%	-26	-48	87%
Share of profit of JV and associates	39	24	-39%	-14	35	n/a	30	36	18%	29	19	-33%
Pretax profit	1,177	1,713	46%	1,687	1,583	-6%	1,028	1,387	35%	491	1,111	126%
Income tax	-156	-197	26%	-166	-199	20%	-77	-182	135%	25	-189	n/a
After tax profit	1,020	1,516	49%	1,522	1,384	-9%	950	1,206	27%	517	922	78%
MI	-105	-106	1%	-149	-29	-80%	-99	-50	-50%	-135	-63	-53%
Net profit	916	1,410	54%	1,372	1,354	-1%	851	1,156	36%	382	858	125%
Key ratios			Change (ppt)			Change (ppt)			Change (ppt)			Change (ppt)
Gross margin	28.7%	28.7%	0.0	28.0%	27.6%	-0.3	28.5%	28.0%	-0.5	27.5%	27.9%	0.4
S&D expenses ratio	7.4%	8.4%	1.0	8.1%	8.5%	0.4	8.8%	8.1%	-0.7	8.6%	9.7%	1.0
Administrative expense ratio	6.1%	5.7%	-0.4	7.8%	6.8%	-1.0	7.2%	5.1%	-2.1	6.6%	5.8%	-0.8
R&D expense ratio	5.7%	6.0%	0.4	5.0%	5.4%	0.3	5.6%	5.2%	-0.4	8.2%	5.7%	-2.5
Net margin	8.7%	12.5%	3.8	11.9%	10.9%	-1.1	9.6%	9.8%	0.2	4.7%	6.2%	1.5
Effective tax rate	13.3%	11.5%	-1.8	9.8%	12.6%	2.7	7.5%	13.1%	5.6	-5.1%	17.0%	22.2

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	41,631	47,075	45,478	51,347	58,703	66,030
Cost of goods sold	(32,543)	(34,109)	(32,668)	(36,749)	(41,865)	(46,978)
Gross profit	9,088	12,966	12,810	14,598	16,837	19,052
Selling expense	(2,635)	(3,557)	(3,721)	(4,210)	(4,814)	(5,414)
Admin expense	(2,846)	(3,068)	(3,155)	(3,132)	(3,522)	(3,962)
R&D expense	(2,507)	(3,441)	(2,769)	(2,824)	(3,170)	(3,500)
Other income	982	935	1,162	1,023	973	923
Other gains/(losses)	0	0	0	0	0	0
Share of (losses)/profits of associates/JV	130	153	84	91	92	94
EBITDA	3,116	4,980	5,401	6,713	7,626	8,465
Depreciation	1,034	1,145	1,074	1,259	1,321	1,366
EBIT	2,082	3,835	4,327	5,454	6,304	7,099
Interest income	989	914	653	771	688	682
Interest expense	(689)	(630)	(681)	(789)	(792)	(795)
Net Interest income/(expense)	300	284	(28)	(18)	(104)	(113)
Pre-tax profit	2,512	4,272	4,383	5,527	6,293	7,080
Income tax	(86)	(457)	(374)	(608)	(692)	(779)
Minority interest	(79)	(265)	(488)	(246)	(280)	(315)
Net profit	2,426	3,815	4,009	4,919	5,600	6,301
Adjusted net profit	2,347	3,550	3,521	4,673	5,320	5,986
Gross dividends	2,694	2,777	2,603	3,271	3,724	4,190
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	73,602	78,006	74,478	85,440	83,849	96,939
Cash & equivalents	13,791	13,606	12,155	9,620	9,381	9,389
Account receivables	33,962	32,033	32,400	39,345	39,462	46,648
Inventories	14,203	22,504	22,564	26,770	26,680	29,951
ST bank deposits	1,708	2,265	1,565	1,565	1,565	1,565
Financial assets at FVTPL	4,011	1,767	1,622	1,622	1,622	1,622
Other current assets	5,927	5,831	4,172	6,519	5,140	7,764
Non-current assets	49,915	52,819	49,234	61,707	55,922	66,520
PP&E	13,903	17,364	20,577	23,730	24,623	24,971
Deferred income tax	1,907	2,303	2,637	2,637	2,637	2,637
Investment in JVs & assos	4,476	4,497	4,484	4,575	4,667	4,761
Intangibles	1,926	1,988	2,019	1,957	1,793	1,629
Goodwill	2,562	2,641	2,580	2,580	2,580	2,580
Financial assets at FVTPL	2,263	2,669	2,017	2,017	2,017	2,017
Other non-current assets	22,878	21,357	14,920	24,211	17,605	27,925
Total assets	123,517	130,825	123,712	147,147	139,771	163,459
Current liabilities	48,393	49,996	42,987	64,106	54,401	75,512
Short-term borrowings	11,018	7,377	10,837	10,937	11,037	11,137
Account payables	35,259	40,513	29,763	50,782	40,977	61,988
Tax payable	107	154	310	310	310	310
Other current liabilities	2,009	1,952	2,077	2,077	2,077	2,077
Non-current liabilities	18,185	21,698	20,923	20,923	20,923	20,923
Long-term borrowings	10,962	14,922	15,412	15,412	15,412	15,412
Other non-current liabilities	7,223	6,776	5,511	5,511	5,511	5,511
Total liabilities	66,578	71,694	63,910	85,029	75,324	96,435
Total shareholders equity	54,705	56,371	57,101	59,171	61,220	63,482
Minority interest	2,234	2,760	2,701	2,947	3,227	3,542
Total equity and liabilities	123,517	130,825	123,712	147,147	139,771	163,459

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	2,512	4,272	4,383	5,527	6,293	7,080
Depreciation & amortization	1,034	1,145	1,074	1,259	1,321	1,366
Tax paid	(436)	(401)	(1,003)	(608)	(692)	(779)
Change in working capital	(2,015)	(2,837)	(3,410)	(1,820)	(1,897)	(2,440)
Others	856	113	430	(73)	12	19
Net cash from operations	1,951	2,292	1,474	4,286	5,036	5,246
Investing						
Capital expenditure	(1,027)	(1,727)	(3,902)	(4,200)	(2,000)	(1,500)
Acquisition of subsidiaries/ investments	(191)	0	0	0	0	0
Others	2,259	1,870	1,648	671	688	682
Net cash from investing	1,041	143	(2,254)	(3,529)	(1,312)	(818)
Financing						
Dividend paid	(2,777)	(2,694)	(2,777)	(2,603)	(3,271)	(3,724)
Net borrowings	2,751	319	3,950	100	100	100
Proceeds from share issues	(1,556)	(1,085)	(54)	0	0	0
Others	(912)	816	(1,798)	(789)	(792)	(795)
Net cash from financing	(2,494)	(2,644)	(679)	(3,292)	(3,963)	(4,419)
Net change in cash						
Cash at the beginning of the year	13,190	13,791	13,606	12,155	9,620	9,381
Exchange difference	103	24	8	0	0	0
Cash at the end of the year	13,791	13,606	12,155	9,620	9,381	9,389
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(38.0%)	13.1%	(3.4%)	12.9%	14.3%	12.5%
Gross profit	(42.7%)	42.7%	(1.2%)	14.0%	15.3%	13.2%
EBITDA	(61.5%)	59.8%	8.5%	24.3%	13.6%	11.0%
EBIT	(71.1%)	84.2%	12.8%	26.0%	15.6%	12.6%
Net profit	(62.2%)	57.3%	5.1%	22.7%	13.9%	12.5%
Adj. net profit	(62.8%)	51.3%	(0.8%)	32.7%	13.9%	12.5%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	21.8%	27.5%	28.2%	28.4%	28.7%	28.9%
EBITDA margin	7.5%	10.6%	11.9%	13.1%	13.0%	12.8%
Adj. net profit margin	5.6%	7.5%	7.7%	9.1%	9.1%	9.1%
Return on equity (ROE)	4.4%	6.9%	7.1%	8.5%	9.3%	10.1%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.0	0.1	0.2	0.2	0.2	0.2
Current ratio (x)	1.5	1.6	1.7	1.3	1.5	1.3
Receivable turnover days	413.2	343.9	329.6	325.0	312.0	305.0
Inventory turnover days	155.4	196.4	251.8	245.0	233.0	220.0
Payable turnover days	403.0	405.4	392.6	400.0	400.0	400.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	26.8	17.3	17.6	13.2	11.6	10.3
P/B	1.2	1.1	1.1	1.1	1.1	1.0
Div yield (%)	4.2	4.3	4.0	5.1	5.8	6.5

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

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