

# BYDE (285 HK)

## Expect 2026 growth drivers from Apple Fold, auto business and AI server ramp-up

BYDE's FY25 earnings decline of 18% YoY was mainly dragged by lower GPM and weaker sales from major smartphone clients in 2H25, while revenue growth (+1% YoY) was largely in-line. Looking into FY26E, mgmt. guided stable revenue with major growth drivers from smartphone components (high-end/fold), automobile rising content value, and robust AI server biz (liquid cooling). Overall, we lowered our FY26-27E EPS forecasts by 9-16% to factor in FY25 results, OEM biz weakness and lower GPM. Our new SOTP-based TP of HK\$35.80 implies 16.1x FY26E P/E. Maintain BUY. Upcoming catalysts include iPhone Fold, AI server products' client wins and earnings recovery.

■ **4Q25 dragged by iPhone spec change, Android weakness and auto competition.** FY25 revenue (+1.2% YoY) was largely in line, while FY25 earnings (-18% YoY) was well below our/consensus by 18%/25%, mainly due to 4Q25 earnings decline of 69% YoY and GPM miss (4.0% in 4Q, vs 6.9%/7.4% in 3Q/2Q). We attributed the earnings miss to sluggish Android demand, iPhone spec change and auto market competition. For FY25, by segment: 1) Assembly: revenue +2% YoY with Apple share gains offsetting Android weakness; 2) Component: revenue -18% YoY on iPhone spec change; 3) NEV: revenue +28% YoY thanks to ramp-up of intelligent driving/suspension/intelligent cockpit/thermal products; 4) AI computing: revenue +32% YoY driven by server shipment growth and client win.

■ **2026 outlook: Apple Fold, AI server liquid cooling and rising NEV content value.** Mgmt. guided stable FY26E revenue with growth drivers from: 1) Smart terminal: steady Apple biz, high-end Android growth and expansion into gaming/smart home/industrial robots; 2) Auto: shipment growth with parentco volume growth and penetration of intelligent cockpit/ADAS/smart suspension/thermal management; 3) AI computing: target revenue of several billion RMB driven by AI server, liquid cooling (cold plate in 2Q/3Q MP), and high-voltage power/interconnect/UQD in FY27E.

■ **Valuation/Key risks.** We revised down our FY26-27E EPS forecasts by 9-16% to factor in FY25 results and smartphone/auto industry headwinds in 2026-27. Our new SOTP-based TP of HK\$35.80 implies 16.1x FY26E P/E. Maintain BUY. Upcoming catalysts include iPhone Fold, AI server products' client wins and earnings recovery.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	129,957	177,306	179,477	179,091	188,530
YoY growth (%)	21.2	36.4	1.2	(0.2)	5.3
Net profit (RMB mn)	4,041.4	4,265.6	3,514.6	4,540.1	5,075.4
YoY growth (%)	117.6	5.5	(17.6)	29.2	11.8
EPS (Reported) (RMB)	1.79	1.89	1.56	2.02	2.26
Consensus EPS (RMB)	na	na	2.07	2.64	3.26
P/E (x)	14.3	13.6	16.4	12.7	11.4
P/B (x)	2.0	1.8	1.7	1.5	1.4
Yield (%)	2.1	2.2	1.8	2.4	2.6
ROE (%)	14.7	13.8	10.5	12.5	12.7
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** **HK\$35.80**  
 (Previous TP) HK\$39.69  
**Up/Downside** **22.9%**  
**Current Price** **HK\$29.12**

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### Stock Data

Mkt Cap (HK\$ mn)	65,613.3
Avg 3 mths t/o (HK\$ mn)	313.8
52w High/Low (HK\$)	44.10/28.65
Total Issued Shares (mn)	2253.2

Source: FactSet

### Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

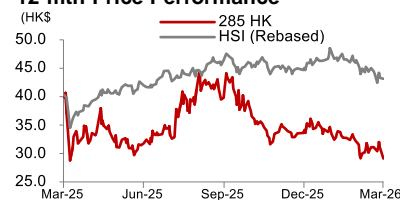
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-9.7%	-2.9%
3-mth	-14.7%	-10.9%
6-mth	-29.6%	-23.6%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

## 2H25 results review

Figure 1: 2H25 results review

RMB mn	1H24	2H24	1H25	2H25	YoY	CMBI		Consensus	
						2H25E	Diff (%)	2H25E	Diff (%)
Revenue	78,581	98,725	80,606	98,872	0%	96,291	3%	104,472	-5%
Gross profit	5,379	6,922	5,543	5,214	-25%	6,256	-17%	7,578	-31%
Operating profit	1,208	2,719	1,382	1,382	-49%	2,404	-42%	2,962	-53%
Net profit	1,518	2,748	1,730	1,785	-35%	2,530	-29%	2,967	-40%
EPS (RMB)	0.67	1.22	0.77	0.79	-35%	1.12	-29%	1.30	-39%
Gross margin	6.8%	7.0%	6.9%	5.3%	-1.7ppt	6.5%	-1.2ppt	7.3%	-2ppt
Operating margin	1.5%	2.8%	1.7%	1.4%	-1.4ppt	2.5%	-1.1ppt	2.8%	-1.4ppt
Net margin	1.9%	2.8%	2.1%	1.8%	-1ppt	2.6%	-0.8ppt	2.8%	-1ppt

Source: Company data, CMBIGM

Figure 2: 4Q25 results review

RMB mn	4Q24	1Q25	2Q25	3Q25	4Q25	YoY	QoQ
Revenue	55,179	36,880	43,725	42,680	56,192	2%	32%
Gross profit	3,239	2,325	3,218	2,946	2,267	-30%	-23%
Net profit	1,202	622	1,108	1,407	378	-69%	-73%
EPS (RMB)	0.53	0.28	0.49	0.62	0.17	-67%	-72%
Gross margin	5.9%	6.3%	7.4%	6.9%	4.0%	-1.8 ppt	-2.9 ppt
Net margin	2.2%	1.7%	2.5%	3.3%	0.7%	-1.5 ppt	-2.6 ppt
Revenue (YoY)	45.9%	1.1%	3.9%	-2.0%	1.8%		
Gross profit (YoY)	27.9%	-7.4%	12.1%	-20.0%	-30.0%		
Net profit (YoY)	20.5%	1.9%	22.1%	-9.0%	-68.6%		

Source: Company data, CMBIGM

## Earnings revision

Figure 3: Earnings revision

(RMB mn)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	179,091	188,530	192,940	205,630	-7.2%	-8.3%
Gross profit	12,130	13,167	13,591	15,427	-10.8%	-14.6%
Operating profit	4,127	4,742	4,793	5,988	-13.9%	-20.8%
Net profit	4,540	5,075	5,014	6,054	-9.4%	-16.2%
EPS (RMB)	2.02	2.26	2.23	2.69	-9.2%	-16.0%
Gross margin	6.8%	7.0%	7.0%	7.5%	-0.3 ppt	-0.5 ppt
Operating margin	2.3%	2.5%	2.5%	2.9%	-0.2 ppt	-0.4 ppt
Net margin	2.5%	2.7%	2.6%	2.9%	-0.1 ppt	-0.3 ppt

Source: Company data, CMBIGM estimates

Figure 4: CMBI estimates vs consensus

(RMB mn)	CMBIGM		Consensus		Diff (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	179,091	188,530	202,995	222,231	-11.8%	-15.2%
Gross profit	12,130	13,167	15,466	18,008	-21.6%	-26.9%
Operating profit	4,127	4,742	5,825	7,410	-29.2%	-36.0%
Net profit	4,540	5,075	5,882	7,474	-22.8%	-32.1%
EPS (RMB)	2.02	2.26	2.64	3.26	-23.4%	-30.8%
Gross margin	6.8%	7.0%	7.6%	8.1%	-0.8 ppt	-1.1 ppt
Operating margin	2.3%	2.5%	2.9%	3.3%	-0.6 ppt	-0.8 ppt
Net margin	2.5%	2.7%	2.9%	3.4%	-0.4 ppt	-0.7 ppt

Source: Bloomberg, CMBIGM estimates

**Figure 5: P&L forecast**

(RMB mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Revenue</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>179,477</b>	<b>179,091</b>	<b>188,530</b>
...YoY	20.4%	21.2%	36.4%	1.2%	-0.2%	5.3%
Cost of sales	(100,836)	(119,523)	(165,004)	(168,721)	(166,961)	(175,362)
<b>Gross profit</b>	<b>6,350</b>	<b>10,434</b>	<b>12,301</b>	<b>10,757</b>	<b>12,130</b>	<b>13,167</b>
GPM (%)	5.9%	8.0%	6.9%	6.0%	6.8%	7.0%
...YoY	5.3%	64.3%	17.9%	-12.6%	12.8%	8.6%
SG&A	(1,770)	(2,007)	(3,485)	(3,528)	(3,616)	(3,806)
...% of rev	2%	2%	2%	2%	2%	2%
R&D	(3,969)	(4,722)	(4,889)	(4,465)	(4,388)	(4,619)
...% of rev	4%	4%	3%	2%	2%	2%
<b>Operating profit</b>	<b>611</b>	<b>3,705</b>	<b>3,927</b>	<b>2,764</b>	<b>4,127</b>	<b>4,742</b>
OPM (%)	1%	3%	2%	2%	2%	3%
...YoY	-57%	506%	6%	-30%	49%	15%
<b>Net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>3,515</b>	<b>4,540</b>	<b>5,075</b>
NPM (%)	1.7%	3.1%	2.4%	2.0%	2.5%	2.7%
...YoY	-20%	118%	6%	-18%	29%	12%

Source: Company data, CMBIGM estimates

**Figure 6: Revenue breakdown**

(RMB mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Assembly</b>	<b>68,054</b>	<b>83,783</b>	<b>119,766</b>	<b>122,176</b>	<b>117,977</b>	<b>119,981</b>
...YoY	22%	23%	43%	2%	-3%	2%
<b>Component (metal/glass/plastic)</b>	<b>14,155</b>	<b>13,637</b>	<b>35,658</b>	<b>29,331</b>	<b>28,554</b>	<b>29,761</b>
...YoY	-10%	-4%	161%	-18%	-3%	4%
Metal	7,304	6,208	5,563	5,563	4,339	4,122
Plastic	3,221	2,803	3,175	3,232	2,858	2,429
Glass/ceramic	5,130	5,143	8,023	8,110	7,348	6,613
Jabil component	-	-	19,170	14,786	15,389	16,596
<b>AI computing infrastructure</b>	-	-	<b>711</b>	<b>943</b>	<b>2,830</b>	<b>6,085</b>
...YoY	-	-	-	32%	200%	115%
<b>Auto intelligent</b>	<b>9,263</b>	<b>14,096</b>	<b>21,170</b>	<b>27,027</b>	<b>29,730</b>	<b>32,703</b>
...YoY	146%	52%	50%	28%	10%	10%
<b>Total</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>179,477</b>	<b>179,091</b>	<b>188,530</b>
...YoY	20%	21%	36%	1%	0%	5%

Source: Company data, CMBIGM estimates

## Valuation

### Maintain BUY with new SOTP-based TP of HK\$35.80

We remain positive on BYDE's outlook in FY26/27E and expect growth drivers will mainly come from stabilised smart terminal business, AI server ramp-up and automotive product penetration. We maintain BUY and our TP is based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

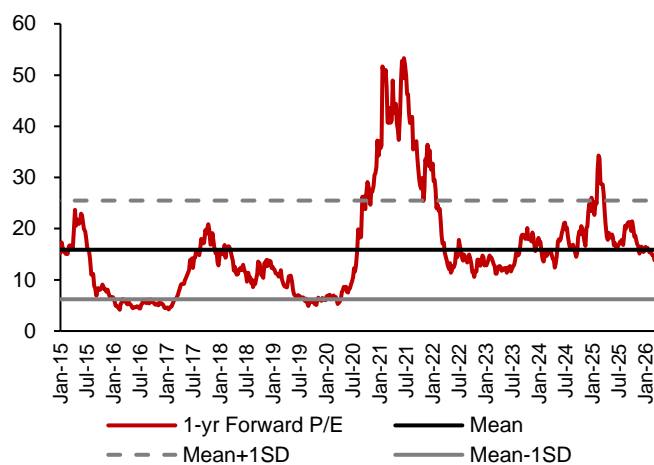
Our new SOTP-based TP of HK\$35.80 implies 16.1x FY26E P/E. We assign same set of P/E multiples: 15x P/E to its assembly EMS business, 15x for iPhone casing, 15x P/E for component business and 18x for NEV segment. BYDE started to disclose AI computing infrastructure revenue in 2025, and we assign target multiple to 20x for AI computing infrastructure to reflect their growth potential and higher earnings visibility.

**Figure 7: BYDE – SOTP valuation**

Business segment	% of FY26E Profit	FY26E EPS (RMB)	Target P/E
Assembly	37%	0.75	15x
Components	12%	0.24	15x
Jabil Components	14%	0.29	15x
AI Computing	2%	0.04	20x
Auto intelligent	35%	0.70	18x
Others	0%	-	-
Total (RMB) /Implied P/E		<b>2.02</b>	<b>16.1x</b>
TP (HK\$)			<b>35.80</b>

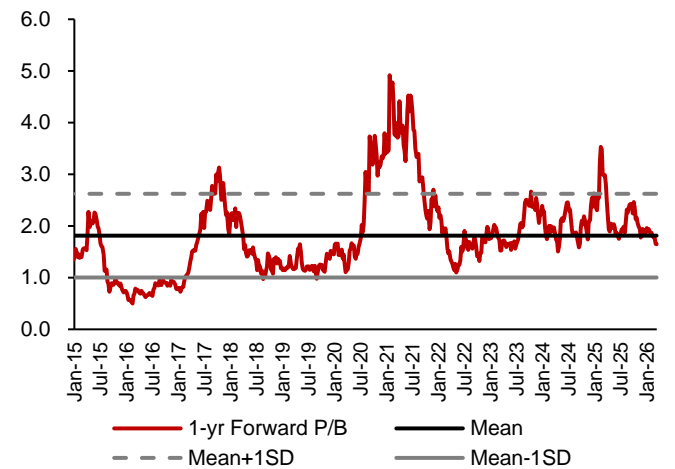
Source: Company data, CMBIGM estimates

**Figure 8: 12M forward P/E band**



Source: Bloomberg, CMBIGM estimates

**Figure 9: 12M forward P/B band**



Source: Bloomberg, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Revenue</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>179,477</b>	<b>179,091</b>	<b>188,530</b>
Cost of goods sold	(100,836)	(119,523)	(165,004)	(168,721)	(166,961)	(175,362)
<b>Gross profit</b>	<b>6,350</b>	<b>10,434</b>	<b>12,301</b>	<b>10,757</b>	<b>12,130</b>	<b>13,167</b>
Selling expense	(535)	(720)	(1,888)	(1,878)	(1,970)	(2,074)
Admin expense	(1,235)	(1,288)	(1,597)	(1,649)	(1,646)	(1,732)
SG&A expense	(535)	(720)	(1,888)	(1,878)	(1,970)	(2,074)
R&D expense	(3,969)	(4,722)	(4,889)	(4,465)	(4,388)	(4,619)
<b>Operating profit</b>	<b>611</b>	<b>3,705</b>	<b>3,927</b>	<b>2,764</b>	<b>4,127</b>	<b>4,742</b>
Other income/expense	1,509	1,284	1,348	1,202	1,202	1,202
<b>Pre-tax profit</b>	<b>1,939</b>	<b>4,681</b>	<b>4,740</b>	<b>3,921</b>	<b>5,218</b>	<b>5,834</b>
Income tax	(81)	(640)	(475)	(407)	(678)	(758)
Minority interest	0	0	0	0	0	0
<b>Net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>3,515</b>	<b>4,540</b>	<b>5,075</b>
<b>Adjusted net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>3,515</b>	<b>4,540</b>	<b>5,075</b>
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>40,488</b>	<b>54,607</b>	<b>60,416</b>	<b>56,917</b>	<b>60,241</b>	<b>62,490</b>
Cash & equivalents	6,244	10,537	7,052	7,024	7,398	7,583
Account receivables	10,471	23,011	32,306	27,520	32,177	30,666
Inventories	17,046	18,541	18,089	19,405	17,697	21,272
ST bank deposits	21	9	0	0	0	0
Other current assets	6,706	2,508	2,969	2,969	2,969	2,969
<b>Non-current assets</b>	<b>16,506</b>	<b>32,612</b>	<b>29,932</b>	<b>32,716</b>	<b>35,041</b>	<b>37,235</b>
PP&E	12,941	19,709	17,113	19,898	22,222	24,417
Deferred income tax	481	620	803	803	803	803
Other non-current assets	3,084	12,282	12,015	12,015	12,015	12,015
<b>Total assets</b>	<b>56,994</b>	<b>87,219</b>	<b>90,347</b>	<b>89,634</b>	<b>95,282</b>	<b>99,726</b>
<b>Current liabilities</b>	<b>30,143</b>	<b>54,751</b>	<b>50,823</b>	<b>47,649</b>	<b>50,119</b>	<b>51,010</b>
Short-term borrowings	2,004	14,613	6,505	6,505	6,505	6,505
Account payables	22,002	29,939	35,331	32,157	34,627	35,518
Tax payable	363	607	943	943	943	943
Other current liabilities	5,773	9,591	8,044	8,044	8,044	8,044
<b>Non-current liabilities</b>	<b>1,216</b>	<b>3,138</b>	<b>7,122</b>	<b>7,122</b>	<b>7,122</b>	<b>7,122</b>
Deferred income	231	290	240	240	240	240
Other non-current liabilities	986	2,847	6,882	6,882	6,882	6,882
<b>Total liabilities</b>	<b>31,359</b>	<b>57,888</b>	<b>57,946</b>	<b>54,771</b>	<b>57,241</b>	<b>58,132</b>
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	21,583	25,278	28,349	30,810	33,988	37,541
<b>Total shareholders equity</b>	<b>25,635</b>	<b>29,330</b>	<b>32,402</b>	<b>34,862</b>	<b>38,040</b>	<b>41,593</b>
Minority interest	0	0	0	0	0	0
<b>Total equity and liabilities</b>	<b>56,994</b>	<b>87,219</b>	<b>90,347</b>	<b>89,634</b>	<b>95,282</b>	<b>99,726</b>

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	1,939	4,681	4,740	3,921	5,218	5,834
Depreciation & amortization	2,563	2,788	3,230	3,677	4,123	4,592
Change in working capital	2,568	(6,098)	(3,450)	296	(480)	(1,173)
Others	(182)	(534)	(322)	(407)	(678)	(758)
<b>Net cash from operations</b>	<b>5,961</b>	<b>10,243</b>	<b>4,719</b>	<b>7,857</b>	<b>8,553</b>	<b>8,865</b>
<b>Investing</b>						
Capital expenditure	(4,469)	(3,998)	(6,383)	(6,461)	(6,447)	(6,787)
Others	(4,272)	(17,731)	(6,377)	(6,455)	(6,441)	(6,780)
<b>Net cash from investing</b>	<b>(4,276)</b>	<b>(17,735)</b>	<b>(6,383)</b>	<b>(6,461)</b>	<b>(6,447)</b>	<b>(6,787)</b>
<b>Financing</b>						
Dividend paid	(372)	(1,212)	(1,280)	(1,054)	(1,362)	(1,522)
Others	2,133	13,035	(8,629)	(370)	(370)	(370)
<b>Net cash from financing</b>	<b>1,761</b>	<b>11,823</b>	<b>(9,908)</b>	<b>(1,425)</b>	<b>(1,732)</b>	<b>(1,893)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	2,825	6,244	10,537	7,052	7,024	7,398
Exchange difference	(27)	(37)	8,087	0	0	0
<b>Cash at the end of the year</b>	<b>6,244</b>	<b>10,537</b>	<b>7,052</b>	<b>7,024</b>	<b>7,398</b>	<b>7,583</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	20.4%	21.2%	36.4%	1.2%	(0.2%)	5.3%
Gross profit	5.3%	64.3%	17.9%	(12.6%)	12.8%	8.6%
Operating profit	(56.5%)	506.5%	6.0%	(29.6%)	49.3%	14.9%
Net profit	(19.6%)	117.6%	5.5%	(17.6%)	29.2%	11.8%
Adj. net profit	(19.6%)	117.6%	5.5%	(17.6%)	29.2%	11.8%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	5.9%	8.0%	6.9%	6.0%	6.8%	7.0%
Operating margin	0.6%	2.9%	2.2%	1.5%	2.3%	2.5%
Adj. net profit margin	1.7%	3.1%	2.4%	2.0%	2.5%	2.7%
Return on equity (ROE)	7.5%	14.7%	13.8%	10.5%	12.5%	12.7%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio (x)	1.3	1.0	1.2	1.2	1.2	1.2
Receivable turnover days	33.6	47.0	36.5	36.5	36.5	36.5
Inventory turnover days	50.0	54.3	45.6	45.6	45.6	45.6
Payable turnover days	61.0	79.3	56.2	56.2	56.2	56.2
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	31.2	14.3	13.6	16.4	12.7	11.4
P/B	2.3	2.0	1.8	1.7	1.5	1.4
Div yield (%)	0.6	2.1	2.2	1.8	2.4	2.6
EV	25,635.1	29,330.4	32,401.7	34,862.0	38,040.3	41,593.3
EV/Sales	0.2	0.2	0.2	0.2	0.2	0.2

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

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