

# Kingdee (268 HK)

## SaaS and Xinchuang both in good shape

Kingdee reported in-line FY22 results with revenue growth of +17% YoY to RMB4.87bn. Core SaaS product Galaxy growth momentum remained strong with +31.2% YoY growth in subscription ARR. The mild decline (-1.4 pts YoY) in dollar retention despite COVID-19 impacts suggested a high user stickiness. Meanwhile, Xinchuang continues to drive large enterprise revenue growth (+80.8% YoY) although margin was dragged by higher customization. Improving SaaS disclosure (quarterly basis going forward) and recurring revenue contribution will continue to drive re-rating. Maintain BUY.

■ **FY22 results in-line with cloud contributing 76% of revenue.** Kingdee delivered in-line FY22 results with revenue growth of +17% YoY to RMB4.87bn. Cloud revenue grew +34.6% YoY to RMB3.71bn (76.3% of revenue) while license ERP revenue continued to shrink (-18.7% YoY). ARR (+36.3% YoY) and subscription contract liabilities (+38.3% YoY) suggested solid SaaS growth outlook. Net loss widened to RMB389mn (vs. RMB302mn in FY21) mainly due to GPM erosion (-1.5 pts YoY to 61.6%) given increasing implementation costs for large enterprise projects despite better opex control (opex ratio -2.6 pts YoY).

■ **Small and medium-sized enterprises: Galaxy ARR still has upside while OPM to remain stable at 20%+.** Kingdee's core SaaS product Galaxy achieved revenue of RMB1.68bn (+18.4% YoY). Galaxy is a highly standardized SaaS and we are encouraged to see +31.2% YoY in subscription ARR despite COVID-19 impacts in FY4Q22. Also, dollar retention rate recorded only a mild decline to 97.2% (vs. 98.6% in FY21) and it suggested a high user stickiness.

■ **Large enterprises: localization demand is strong, increasing ISV to help implementation.** Kingdee Cosmic & Constellation revenue grew +80.8% YoY to RMB696mn (14.3% of revenue), benefiting from software localization. Kingdee expects large enterprise revenue to grow 50%+ YoY in FY23E and we think it is achievable given a +47% YoY in total contract value to RMB1.03bn in FY22. On the other hand, investors are concerned with the margin drag as large enterprises have higher customization demand. Kingdee targets to optimize the implementation by outsourcing 50% of the related work to third-party ISVs/ partners in the coming three years.

■ **Positive on the improved disclosure and earnings quality.** We largely maintain our FY23-24E revenue forecast. Starting from FY23, Kingdee will provide subscription operating metrics on a quarterly basis. Meanwhile, higher ARR as % of revenue (44.0% in FY22) implies improving cash flow (mgmt. targets 50% CAGR in operating cash flow). Maintain BUY with new target price of HK\$23.28 (prior HK\$23.56), based on unchanged 11x FY23E EV/sales, in-line with its three-year mean.

### Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	4,174	4,866	5,769	6,720	7,962
YoY growth (%)	24.4	16.6	18.6	16.5	18.5
Net profit (RMB mn)	(302.3)	(389.2)	(257.0)	(173.5)	(2.7)
EPS (Reported) (RMB cents)	(9.23)	(11.21)	(7.40)	(4.99)	(0.08)
Consensus EPS (RMB cents)	(9.23)	(11.21)	(7.60)	0.20	0.00
EV/Sales (x)	9.9	8.6	7.2	6.2	5.2
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	(3.9)	(5.2)	(3.6)	(2.5)	(0.0)
Net gearing (%)	(25.9)	(19.4)	(22.6)	(25.2)	(31.6)

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

**Target Price** **HK\$23.28**

(Previous TP) HK\$23.56

**Up/Downside** **55.2%**

**Current Price** **HK\$15.00**

### China Software & IT Services

**Marley NGAN**

(852) 3916 3719

marleyngan@cmbi.com.hk

**Bowen LI**

(852) 3761 8957

libowen@cmbi.com.hk

### Stock Data

Mkt Cap (HK\$ mn)	52,125.0
Avg 3 mths t/o (HK\$ mn)	16.6
52w High/Low (HK\$)	20.00/9.18
Total Issued Shares (mn)	3475.0
Source: FactSet	

### Shareholding Structure

Mr. Xu - Chairman	20.3%
Oriental Tao Limited	11.1%
Source: HKEx	

### Share Performance

	Absolute	Relative
1-mth	-10.9%	-2.7%
3-mth	-0.9%	0.3%
6-mth	16.5%	13.8%

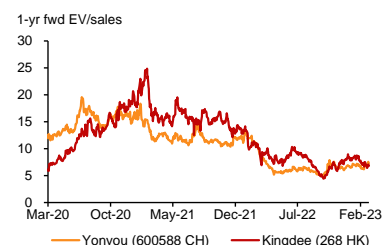
Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Kingdee vs. Yonyou valuation

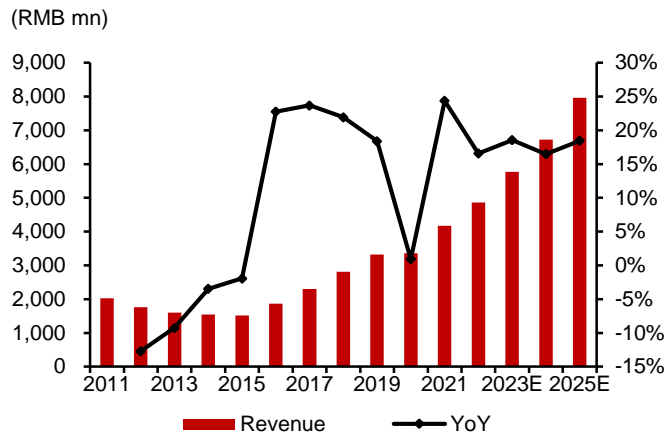


### Related reports

- Kingdee (268 HK) – "Bidding data implied accelerated software substitution" – 14 Feb 2023 ([link](#))
- Kingdee (268 HK) – "Cloud on track with improved earnings quality" – 22 Aug 2022 ([link](#))

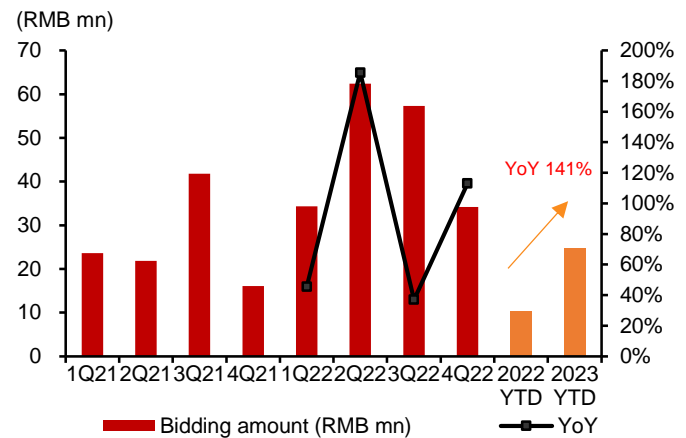
## Focus Charts

**Figure 1: Revenue and growth**



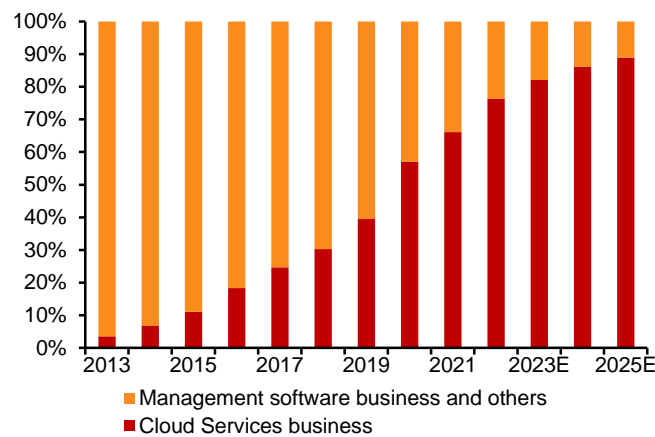
Source: Company data, CMBIGM estimates

**Figure 2: Kingdee bidding won**



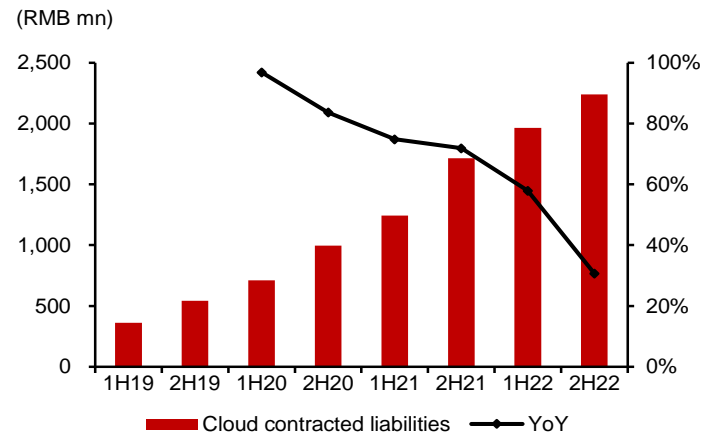
Source: QCC.com, CMBIGM

**Figure 3: Revenue mix**



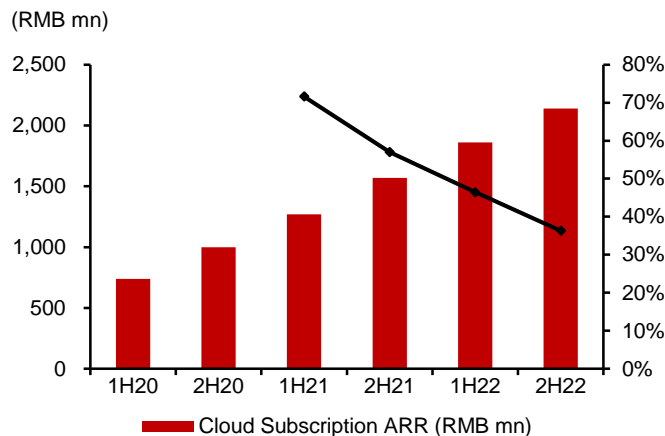
Source: Company data, CMBIGM estimates

**Figure 4: Contracted liabilities**



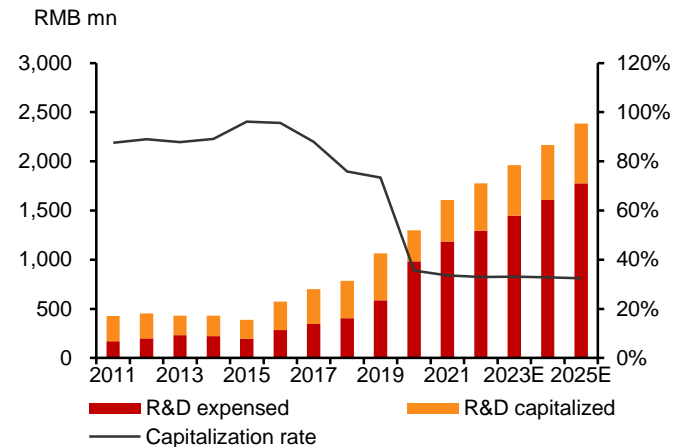
Source: Company data, CMBIGM estimates

**Figure 5: Subscription ARR**



Source: Company data, CMBIGM estimates

**Figure 6: Decreasing R&D capitalization rate**



Source: Company data, CMBIGM estimates

## FY22 results review

- **Revenue** was RMB4,866mn (+17% YoY), in-line with our and consensus estimates. (pre-announced revenue RMB4,800-5,009mn, +15-20% YoY)
  - **Cloud:** Revenue was RMB3,714mn (+35% YoY) (pre-announced cloud revenue was RMB3,586-3,862mn, +30-40% YoY).
    - **ARR** was RMB2,140mn (+36% YoY). (pre-announced ARR growth +35-38% YoY)
    - **Subscription contract liabilities** was RMB1,878mn (+38% YoY)
    - Segment margin: -12.3% (+7.8 pts YoY)
  - **Management software:** Revenue was RMB1,152mn (-19% YoY)
    - Segment margin: -3.8% (-14.2 pts YoY)
- **Gross margin** was 61.6%, (-1.5 pct pts YoY), in-line with our and consensus estimates. The decline is attributable to YoY increase in implementation costs from large enterprise projects.
- **Operating loss** was RMB651mn, in-line with our estimates.
  - **S&M** expense was RMB2,027mn (+16% YoY)
  - **G&A** expense was RMB504mn (+8% YoY)
  - **R&D** expense was RMB1,295mn (+9% YoY)
    - **R&D expenditure** was RMB1,458mn (+16% YoY), and R&D capitalization rate was 33.0% (-0.6 pts YoY).
- **Net loss** was RMB389mn, in-line with our estimate and beat consensus. (pre-announced net loss was RMB363-423mn)

Figure 7: FY22 results review

268 HK	2021	2022		2022	versus	2022	versus
RMB mn	Actual	Actual	YoY	CMBI	CMBI	Consensus	Consensus
Revenue	4,174	4,866	17%	4,788	1.6%	5,009	-2.9%
Gross profit	2,634	2,998	14%	2,990	0%	3,085	-3%
GPM	63.1%	61.6%	-1.5 pct pts	62.5%	-0.9 pct pts	61.6%	0.1 pct pts
Operating profit	(758)	(828)	9%	(839)	-1%	(663)	25%
OPM	-18.2%	-17.0%	1.2 pct pts	-17.5%	0.6 pct pts	-13.2%	-3.8 pct pts
PBT	(382)	(474)	24%	(447)	6%	(501)	-5%
Net income	(302)	(389)	29%	(395)	-1%	(417)	-7%
NPM	-7.2%	-8.0%	-0.8 pct pts	-8.2%	0.3 pct pts	-8.3%	0.4 pct pts
EPS (RMB)	(0.09)	(0.11)	21%	(0.11)	-1%	(0.13)	-10%

Source: Company data, CMBIGM

## Cloud revenue breakdown and key operating metrics

- **Cloud Cosmic and Constellation (Large enterprise segment)**
  - **Revenue** was RMB696mn (+81% YoY)
  - **Dollar retention:** >110% (vs. >120% in FY21 and 100% in FY1H22)
- **Cloud Galaxy (Medium enterprise segment)**
  - **Revenue** was RMB1,679mn (+18% YoY)
  - **Dollar retention:** 97% (vs. 99% in FY21 and 89% in FY1H22)
  - **Subscription ARR growth:** +31% YoY
  - **OPM:** 20%+
- **Cloud Stellar & Jingdou (Small and Micro enterprise)**
  - **Revenue** was RMB861mn (+65% YoY)
  - **Cloud Stellar dollar retention:** 77% (vs. 86% in FY21 and 72% in FY1H22)
  - **Cloud Jingdou dollar retention:** 74% (vs. 84% in FY21 and 69% in FY1H22)

**Figure 8: Revenue breakdown**

RMB mn	1H20	2H20	1H21	2H21	1H22	2H22
<b>Revenue breakdown</b>						
Cloud Services	798	1,114	1,238	1,520	1,677	2,037
Cosmic & Constellation (苍穹&星瀚)	63	127	160	225	284	412
Galaxy (星空)	501	640	680	738	786	893
Others	235	347	398	557	607	732
Management software and others	589	855	634	782	519	633
License	206	241	255	218	175	111
Implementation and maintenance	383	614	379	564	344	522
<b>Revenue YoY</b>						
Cloud Services	45%	46%	55%	36%	35%	34%
Management software and others	-37%	-21%	8%	-9%	-18%	-19%
Blended	-7%	7%	35%	17%	17%	16%
<b>Revenue mix</b>						
Cloud Services	58%	57%	66%	66%	76%	76%
Management software and others	42%	43%	34%	34%	24%	24%

Source: Company data, CMBIGM estimates

**Figure 9: Cloud metrics**

RMB mn	1H20	2H20	1H21	2H21	1H22	2H22
<b>Cloud revenue</b>						
...YoY	45%	46%	55%	36%	35%	34%
<b>Subscription ARR</b>						
...YoY	740	1,000	1,270	1,570	1,860	2,140
			72%	57%	46%	36%
<b>Cloud contract liabilities</b>						
Subscription	712	997	1,244	1,713	1,965	2,239
...YoY	552	825	1,008	1,358	1,572	1,878
	91%	96%	83%	65%	56%	38%
Others	160	172	236	356	393	361

Source: Company data, CMBIGM estimates

## Earnings revision

Figure 10: Earnings revision

RMB mn	2023E			2024E		
	New	Old	%Diff	New	Old	%Diff
Sales	5,769	5,849	-1%	6,720	7,031	-4%
Gross profit	3,485	3,622	-4%	4,054	4,398	-8%
OP Profit	-690	-650	n.a.	-577	-313	n.a.
PBT	-336	-308	n.a.	-227	32	n.a.
Net profit	-257	-263	n.a.	-174	27	n.a.
EPS	-0.07	-0.08	n.a.	-0.05	0.01	n.a.
<b>Margins</b>						
GM	60.4%	61.9%	-151 bps	60.3%	62.5%	-223 bps
OPM	-12.0%	-11.1%	-85 bps	-8.6%	-4.5%	-414 bps
PBT margin	-5.8%	-5.3%	-55 bps	-3.4%	0.5%	-383 bps
Net margin	-4.5%	-4.5%	5 bps	-2.6%	0.4%	-297 bps

Source: Company data, CMBIGM

Figure 11: CMBI estimates vs consensus

RMB mn	2023			2024		
	CMBI	Street	Diff	CMBI	Street	Diff
Sales	5,769	6,265	-8%	6,720	7,792	-14%
Gross profit	3,485	3,969	-12%	4,054	5,019	-19%
Operating profit	-690	-449	n.a.	-577	-137	n.a.
Profit before tax	-336	-302	n.a.	-227	8	n.a.
Core net profit	-257	-230	n.a.	-174	62	n.a.
EPS	-0.07	-0.08	n.a.	-0.05	0.00	n.a.
<b>Margins</b>						
GM	60.4%	63.4%	-294 bps	60.3%	64.4%	-409 bps
OPM	-12.0%	-7.2%	-479 bps	-8.6%	-1.8%	-683 bps
Profit before tax margin	-5.8%	-4.8%	-100 bps	-3.4%	0.1%	-348 bps
Net margin	-4.5%	-3.7%	-79 bps	-2.6%	0.8%	-338 bps

Source: Company data, CMBIGM

## Operating model

Figure 12: Revenue breakdown

RMB mn	2020	2021	2022	2023E	2024E	2025E
<b>Revenue breakdown</b>						
Cloud Services business	1,912	2,758	3,714	4,733	5,787	7,075
Cosmic & Constellation	190	385	696	1,044	1,462	1,900
Galaxy	1,141	1,418	1,679	2,015	2,317	2,665
Others	581	955	1,339	1,674	2,009	2,511
ERP business	1,444	1,416	1,152	1,037	933	886
License	448	472	286	258	232	220
Implementation and maintenance	996	944	865	779	701	666
<b>Revenue YoY</b>						
Cloud Services business	46%	44%	35%	27%	22%	22%
ERP business	-28%	-2%	-19%	-10%	-10%	-5%
Blended	1%	24%	17%	19%	16%	18%
<b>Revenue mix</b>						
Cloud Services business	57%	66%	76%	82%	86%	89%
ERP business	43%	34%	24%	18%	14%	11%

Source: Company data, CMBIGM

Figure 13: Operating model

RMB mn	2020	2021	2022	2023E	2024E	2025E
Revenues	3,356	4,174	4,866	5,769	6,720	7,962
Cost of sales	(1,147)	(1,541)	(1,868)	(2,284)	(2,667)	(3,159)
Gross Profit	2,209	2,634	2,998	3,485	4,054	4,802
<i>Gross margin</i>	<i>65.8%</i>	<i>63.1%</i>	<i>61.6%</i>	<i>60.4%</i>	<i>60.3%</i>	<i>60.3%</i>
R&D	(984)	(1,185)	(1,295)	(1,447)	(1,606)	(1,777)
SG&A	(1,839)	(2,207)	(2,530)	(2,729)	(3,025)	(3,403)
Operating Income	(614)	(758)	(828)	(690)	(577)	(377)
<i>Operating margin</i>	<i>-18.3%</i>	<i>-18.2%</i>	<i>-17.0%</i>	<i>-12.0%</i>	<i>-8.6%</i>	<i>-4.7%</i>
Non-Operating Income	231	376	354	354	350	374
Profit Before Tax	(383)	(382)	(474)	(336)	(227)	(4)
Income tax (expense) gain	41	44	22	34	23	0
Minorities	(6)	(36)	(63)	(45)	(31)	(0)
Net Income to Shareholders	(335)	(302)	(389)	(257)	(174)	(3)
<i>Net margin</i>	<i>-10.0%</i>	<i>-7.2%</i>	<i>-8.0%</i>	<i>-4.5%</i>	<i>-2.6%</i>	<i>0.0%</i>
<i>Adj. net margin*</i>	<i>-19.4%</i>	<i>-17.4%</i>	<i>-17.9%</i>	<i>-13.4%</i>	<i>-10.9%</i>	<i>-7.7%</i>
Core EPS (RMB)	(0.10)	(0.09)	(0.11)	(0.07)	(0.05)	(0.00)

Source: Company data, CMBIGM

**Figure 14: Semi-annual operating model**

RMB mn	1H20	2H20	1H21	2H21	1H22	2H22	1H23E	2H23E
Revenues	1,387	1,969	1,872	2,302	2,197	2,669	2,481	3,288
Gross Profit	890	1,319	1,174	1,459	1,331	1,667	1,473	2,013
Operating profit	(383)	(231)	(546)	(212)	(651)	(177)	(618)	(72)
Net profit (loss)	(224)	(111)	(248)	(54)	(356)	(33)	(320)	63
EPS (RMB)	(0.07)	(0.03)	(0.07)	(0.02)	(0.10)	(0.01)	(0.09)	0.02
<b>Margins</b>								
Gross margin	64.2%	67.0%	62.7%	63.4%	60.6%	62.4%	59.4%	61.2%
Operating margin	-27.6%	-11.7%	-29.2%	-9.2%	-29.6%	-6.6%	-24.9%	-2.2%
Net margin	-16.1%	-5.7%	-13.3%	-2.4%	-16.2%	-1.2%	-12.9%	1.9%
<b>Growth (QoQ)</b>								
Revenues	-25%	42%	-5%	23%	-5%	22%	-7%	33%
Gross Profit	-27%	48%	-11%	24%	-9%	25%	-12%	37%
Operating profit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit (loss)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Growth (YoY)</b>								
Revenues	-7%	7%	35%	17%	17%	16%	13%	23%
Gross Profit	-25%	8%	32%	11%	13%	14%	11%	21%
Operating profit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit (loss)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data, CMBIGM

## Valuation

### Kingdee (268 HK, BUY, TP HK\$23.28)

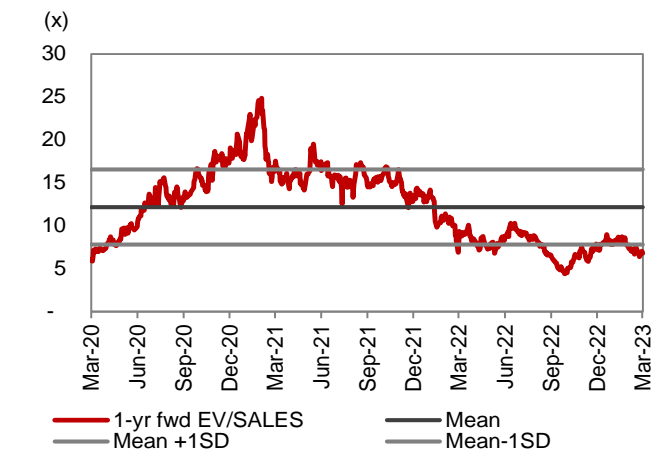
We maintain BUY on Kingdee with new target price of HK\$23.28 (prior HK\$23.56), based on unchanged 11.0x FY23E EV/sales, in-line with its three-year mean.

Figure 15: Kingdee peers valuation comparison

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	EV/sales (x)		FCF margin (%)		Sales CAGR FY21-24E	EPS CAGR FY21-24E
Kingdee	268 HK	BUY	6,641	15.00	23.28	8.6	7.2	1%	7%	17%	n.a.
Yonyou	600588 CH	HOLD	13,463	27.06	22.27	9.2	7.4	4%	6%	17%	n.a.
Kingsoft Office	688111 CH	NR	20,696	309.66	N/A	34.7	26.1	41%	39%	28%	28%
SAP	SAP US	NR	142,015	115.60	N/A	4.6	4.2	16%	16%	9%	n.a.
Intuit	INTU US	NR	113,992	406.32	N/A	9.4	8.4	29%	29%	18%	27%
Xero	XRO AU	NR	8,845	88.44	N/A	13.3	10.3	-7%	1%	25%	86%
Workday	WDAY US	NR	47,749	184.36	N/A	8.7	7.2	26%	20%	19%	n.a.
ServiceNow	NOW US	NR	85,719	422.26	N/A	11.5	9.4	29%	30%	22%	114%
Salesforce	CRM US	NR	182,910	182.91	N/A	7.0	6.0	19%	19%	18%	17%
Mean						11.9	9.6	17%	19%	19%	54%
Median						8.9	7.2	19%	19%	18%	28%

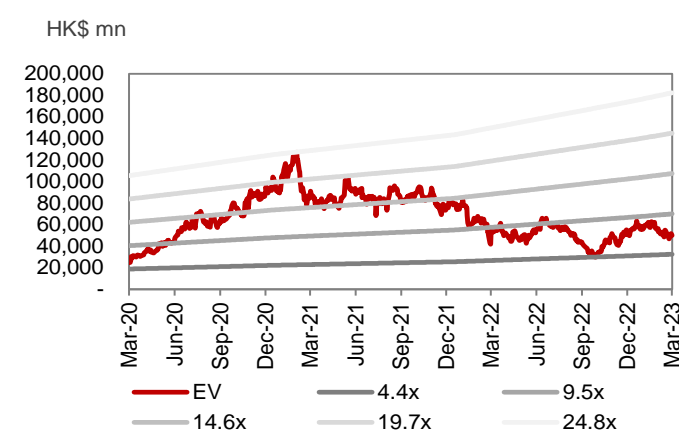
Source: Bloomberg, CMBIGM estimates

Figure 16: Kingdee 12M forward EV/sales chart



Source: Bloomberg, CMBIGM estimates

Figure 17: Kingdee 12M forward EV/sales band



Source: Bloomberg, CMBIGM estimates



## Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	3,356	4,174	4,866	5,769	6,720	7,962
Cost of goods sold	(1,147)	(1,541)	(1,868)	(2,284)	(2,667)	(3,159)
Gross profit	2,209	2,634	2,998	3,485	4,054	4,802
Operating expenses	(2,823)	(3,392)	(3,826)	(4,175)	(4,631)	(5,180)
Selling expense	(1,425)	(1,741)	(2,027)	(2,175)	(2,433)	(2,754)
Admin expense	(414)	(466)	(504)	(554)	(592)	(649)
R&D expense	(984)	(1,185)	(1,295)	(1,447)	(1,606)	(1,777)
Operating profit	(614)	(758)	(828)	(690)	(577)	(377)
Net Interest income/(expense)	36	76	100	92	96	104
Others	195	299	254	262	254	270
Pre-tax profit	(383)	(382)	(474)	(336)	(227)	(4)
Income tax	41	44	22	34	23	0
Minority interest	6	36	63	45	31	0
Net profit	(335)	(302)	(389)	(257)	(174)	(3)

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	6,183	4,471	3,984	3,968	4,206	4,751
Cash & equivalents	2,754	2,047	1,943	1,951	2,079	2,505
Restricted cash	334	392	293	406	473	560
Prepayment	1,236	370	626	626	626	626
Other current assets	1,503	1,339	776	643	691	718
Contract assets	357	323	347	342	337	342
Non-current assets	4,539	6,616	7,747	7,936	8,185	8,522
PP&E	746	1,045	1,377	1,420	1,477	1,553
Intangibles	786	1,037	1,192	1,338	1,530	1,790
Other non-current assets	3,007	4,534	5,178	5,178	5,178	5,178
Current liabilities	2,599	3,084	3,766	4,371	5,074	5,966
Short-term borrowings	120	0	85	51	48	46
Account payables	795	759	899	963	1,068	1,203
Other current liabilities	200	160	150	150	150	150
Contract liabilities	1,484	2,165	2,631	3,206	3,807	4,568
Non-current liabilities	165	200	558	428	416	408
Long-term borrowings	0	0	385	255	243	235
Other non-current liabilities	165	200	173	173	173	173
Total liabilities	2,764	3,284	4,324	4,799	5,490	6,375
Share capital	83	83	84	84	84	84
Capital surplus	5,053	5,149	5,085	5,085	5,085	5,085
Retained earnings	1,922	1,619	1,230	973	800	797
Other reserves	732	744	867	867	867	867
Total shareholders equity	7,790	7,596	7,265	7,008	6,835	6,832
Minority interest	169	207	142	97	66	66
Total equity and liabilities	10,722	11,087	11,731	11,904	12,391	13,273

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	(383)	(382)	(474)	(336)	(227)	(4)
Depreciation & amortization	493	439	0	504	557	619
Tax paid	41	44	22	34	23	0
Change in working capital	364	560	466	663	597	776
Others	(1)	44	382	(72)	(83)	(112)
<b>Net cash from operations</b>	<b>473</b>	<b>661</b>	<b>374</b>	<b>759</b>	<b>844</b>	<b>1,279</b>
<b>Investing</b>						
Capital expenditure	(353)	(772)	(888)	(692)	(806)	(955)
Others	(1,138)	(433)	101	105	106	113
<b>Net cash from investing</b>	<b>(1,491)</b>	<b>(1,205)</b>	<b>(787)</b>	<b>(587)</b>	<b>(701)</b>	<b>(843)</b>
<b>Financing</b>						
Dividend paid	(37)	0	0	0	0	0
Net borrowings	(80)	(120)	473	(164)	(15)	(10)
Proceeds from share issues	2,091	0	0	0	0	0
Others	(9)	(24)	(172)	0	0	0
<b>Net cash from financing</b>	<b>1,966</b>	<b>(144)</b>	<b>301</b>	<b>(164)</b>	<b>(15)</b>	<b>(10)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	1,899	2,754	2,047	1,943	1,951	2,079
Exchange difference	(93)	(19)	8	0	0	0
<b>Cash at the end of the year</b>	<b>2,754</b>	<b>2,047</b>	<b>1,943</b>	<b>1,951</b>	<b>2,079</b>	<b>2,505</b>
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec</b>						
Revenue	0.9%	24.4%	16.6%	18.6%	16.5%	18.5%
Gross profit	(8.1%)	19.2%	13.8%	16.3%	16.3%	18.5%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec</b>						
Gross profit margin	65.8%	63.1%	61.6%	60.4%	60.3%	60.3%
Operating margin	(18.3%)	(18.2%)	(17.0%)	(12.0%)	(8.6%)	(4.7%)
Return on equity (ROE)	(4.9%)	(3.9%)	(5.2%)	(3.6%)	(2.5%)	(0.0%)
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec</b>						
Net debt to equity (x)	(0.3)	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)
Current ratio (x)	2.4	1.4	1.1	0.9	0.8	0.8
Receivable turnover days	34.9	31.7	25.7	25.7	25.7	25.7
Inventory turnover days	1.4	2.2	2.8	2.8	2.8	2.8
Payable turnover days	224.3	184.1	162.0	153.9	146.2	138.9
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
<b>YE 31 Dec</b>						
P/B	6.1	9.3	6.4	6.4	6.6	6.6
Div yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV	40,772.4	41,359.2	41,933.3	41,761.3	41,618.0	41,181.9
EV/Sales	12.1	9.9	8.6	7.2	6.2	5.2

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

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## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong. Tel: (852) 3900 0888 Fax: (852) 3900 0800

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