

BYDE (285 HK)

2H25 preview: expect flattish earnings dragged by smartphone/auto headwinds; Maintain BUY

BYDE is expected to report 2H25E results in late-Mar. We estimate 2H25E revenue/net profit of RMB 96.3bn/2.53bn (-3%/-8% YoY), implying 4Q25 revenue/net profit growth of -3%/-7% YoY (vs -2%/-9% in 3Q25), mainly due to smartphone/auto industry headwinds despite improving GPM YoY. Looking into 2026, we expect stronger revenue growth driven by iPhone Fold, NEV product penetration and AI server order wins (liquid cooling/power/interconnect), partially offset by Android demand weakness due to memory cost hikes. We lower our FY25-27E EPS by 1-13% to factor in smartphone/auto industry headwinds in 2026. We remain positive on BYDE's business outlook in NEV product ramp-up and AI server offerings in FY26-27E. Our new SOTP-based TP of HK\$39.69 implies 16.2x FY26E P/E. Maintain BUY.

- 2H25E preview: expect earnings dragged by Android weakness, iPhone spec changes and auto industry headwinds.** We expect BYDE to post 2H25E revenue/NP decline of 3%/8% YoY to RMB 96.3bn/ 2.53bn, implying 4Q25 revenue/net profit decline of -3%/-7% YoY (vs -2%/-9% in 3Q25), thanks to improving GPM and better product mix. 4Q25 revenue softness was due to weaker Android OEM biz, iPhone casing spec changes, iPhone Air demand and auto industry headwinds.
- 2026 outlook: iPhone Fold, NEV penetration, AI server (liquid cooling).** Looking into 2026, we are positive on BYDE's product ramp-up despite industry headwinds: **1) Smartphone:** iPhone Fold cycle and iPhone 18 spec upgrade, offsetting Android weakness; **2) NEV:** ramp-up of high-end suspension/thermal management products and overseas client expansion; **3) AI servers:** overseas client wins in liquid cooling/power products, HVDC orders delivery, and interconnect products capacity ramp-up. Overall, we expect BYDE's revenue/net profit to grow 9%/18% YoY in 2026E.
- Maintain BUY.** We revised down FY25-27E EPS by 1-13% to factor in smartphone/auto industry headwinds in 2026-27. Our new SOTP-based TP of HK\$39.69 implies 16.2x FY26E P/E. Trading at 12x/9.9x FY26/27E P/E, the stock offers attractive risk/reward in our view. Upcoming catalysts include iPhone Fold, AI server products' client wins and GPM improvement.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	129,957	177,306	176,897	192,940	205,630
YoY growth (%)	21.2	36.4	(0.2)	9.1	6.6
Net profit (RMB mn)	4,041.4	4,265.6	4,260.0	5,013.7	6,053.6
YoY growth (%)	117.6	5.5	(0.1)	17.7	20.7
EPS (Reported) (RMB)	1.79	1.89	1.89	2.23	2.69
Consensus EPS (RMB)	na	na	2.08	2.66	3.34
P/E (x)	14.8	14.1	14.1	12.0	9.9
P/B (x)	2.0	1.9	1.7	1.5	1.4
Yield (%)	2.0	2.1	2.1	2.5	3.0
ROE (%)	14.7	13.8	12.6	13.5	14.8
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$39.69
(Previous TP)	HK\$43.54)
Up/Downside	31.5%
Current Price	HK\$30.18

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Stock Data

Mkt Cap (HK\$ mn)	68,001.7
Avg 3 mths t/o (HK\$ mn)	308.0
52w High/Low (HK\$)	52.35/28.65
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	-7.9%	-3.4%
3-mth	-11.9%	-10.1%
6-mth	-29.1%	-26.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

2H25E results preview

Figure 1: 2H25 results preview

RMB mn	1H24	2H24	1H25	2H25E	YoY	Consensus	
						2H25E	Diff (%)
Revenue	78,581	98,725	80,606	96,291	-2%	104,530	-8%
Gross profit	5,379	6,922	5,543	6,256	-10%	7,582	-17%
Operating profit	1,208	2,719	1,382	2,404	-12%	2,985	-19%
Net profit	1,518	2,748	1,730	2,530	-8%	2,981	-15%
EPS (RMB)	0.67	1.22	0.77	1.12	-8%	1.31	-14%
Gross margin	6.8%	7.0%	6.9%	6.5%	-0.5ppt	7.3%	-0.8ppt
Operating margin	1.5%	2.8%	1.7%	2.5%	-0.3ppt	2.9%	-0.4ppt
Net margin	1.9%	2.8%	2.1%	2.6%	-0.2ppt	2.9%	-0.2ppt

Source: Company data, Bloomberg, CMBIGM

Figure 2: 4Q25 results preview

RMB mn	4Q24	1Q25	2Q25	3Q25	4Q25E	YoY	QoQ
Revenue	55,179	36,880	43,725	42,680	53,612	-3%	26%
Gross profit	3,239	2,325	3,218	2,946	3,310	2%	12%
Net profit	1,202	622	1,108	1,407	1,123	-7%	-20%
EPS (RMB)	0.53	0.28	0.49	0.62	0.50	-6%	-20%
Gross margin	5.9%	6.3%	7.4%	6.9%	6.2%	0.3 ppt	-0.7 ppt
Net margin	2.2%	1.7%	2.5%	3.3%	2.1%	-0.1 ppt	-1.2 ppt
Revenue (YoY)	45.9%	1.1%	3.9%	-2.0%	-2.8%		
Gross profit (YoY)	27.9%	-7.4%	12.1%	-20.0%	2.2%		
Net profit (YoY)	20.5%	1.9%	22.1%	-9.0%	-6.6%		

Source: Company data, CMBIGM estimates

Earnings revision

Figure 3: Earnings revision

(RMB mn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	176,897	192,940	205,630	178,254	208,668	224,812	-0.8%	-7.5%	-8.5%
Gross profit	11,799	13,591	15,427	11,900	14,871	17,304	-0.9%	-8.6%	-10.8%
Operating profit	3,786	4,793	5,988	3,833	5,356	6,985	-1.2%	-10.5%	-14.3%
Net profit	4,260	5,014	6,054	4,302	5,503	6,920	-1.0%	-8.9%	-12.5%
EPS (RMB)	1.89	2.23	2.69	1.91	2.44	3.07	-1.0%	-8.9%	-12.5%
Gross margin	6.7%	7.0%	7.5%	6.7%	7.1%	7.7%	0 ppt	-0.1 ppt	-0.2 ppt
Operating margin	2.1%	2.5%	2.9%	2.2%	2.6%	3.1%	0 ppt	-0.1 ppt	-0.2 ppt
Net Margin	2.4%	2.6%	2.9%	2.4%	2.6%	3.1%	0 ppt	0 ppt	-0.1 ppt

Source: Company data, CMBIGM estimates

Figure 4: CMBI estimates vs consensus

(RMB mn)	CMBI			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	176,897	192,940	205,630	185,136	204,949	225,053	-4.5%	-5.9%	-8.6%
Gross profit	11,799	13,591	15,427	13,125	15,626	18,261	-10.1%	-13.0%	-15.5%
Operating profit	3,786	4,793	5,988	4,367	5,915	7,545	-13.3%	-19.0%	-20.6%
Net profit	4,260	5,014	6,054	4,711	5,939	7,561	-9.6%	-15.6%	-19.9%
EPS (RMB)	1.89	2.23	2.69	2.08	2.66	3.34	-8.9%	-16.4%	-19.4%
Gross margin	6.7%	7.0%	7.5%	7.1%	7.6%	8.1%	-0.4 ppt	-0.6 ppt	-0.6 ppt
Operating margin	2.1%	2.5%	2.9%	2.4%	2.9%	3.4%	-0.2 ppt	-0.4 ppt	-0.4 ppt
Net Margin	2.4%	2.6%	2.9%	2.5%	2.9%	3.4%	-0.1 ppt	-0.3 ppt	-0.4 ppt

Source: Bloomberg, CMBIGM estimates

Figure 5: P&L forecast

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	107,186	129,957	177,306	176,897	192,940	205,630
...YoY	20.4%	21.2%	36.4%	-0.2%	9.1%	6.6%
Cost of sales	(100,836)	(119,523)	(165,004)	(165,098)	(179,349)	(190,203)
Gross profit	6,350	10,434	12,301	11,799	13,591	15,427
GPM (%)	5.9%	8.0%	6.9%	6.7%	7.0%	7.5%
...YoY	5.3%	64.3%	17.9%	-4.1%	15.2%	13.5%
SG&A	(1,770)	(2,007)	(3,485)	(3,664)	(4,071)	(4,400)
...% of rev	2%	2%	2%	2%	2%	2%
R&D	(3,969)	(4,722)	(4,889)	(4,349)	(4,727)	(5,038)
...% of rev	4%	4%	3%	2%	2%	2%
Operating profit	611	3,705	3,927	3,786	4,793	5,988
OPM (%)	1%	3%	2%	2%	2%	3%
...YoY	-57%	506%	6%	-4%	27%	25%
Net profit	1,858	4,041	4,266	4,260	5,014	6,054
NPM (%)	1.7%	3.1%	2.4%	2.4%	2.6%	2.9%
...YoY	-20%	118%	6%	0%	18%	21%

Source: Company data, CMBIGM estimates

Figure 6: Revenue breakdown

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Assembly	68,054	83,783	105,575	103,203	111,197	112,499
...YoY	22%	23%	26%	-2%	8%	1%
Component (metal/glass/plastic)	14,155	13,637	35,658	33,108	33,818	36,516
...YoY	-10%	-4%	161%	-7%	2%	8%
Metal	7,304	6,208	5,401	5,563	5,563	5,118
Plastic	3,221	2,803	2,887	3,232	3,232	2,973
Glass/ceramic	5,130	5,143	5,349	8,110	8,515	7,834
Jabil component		-	19,170	15,798	17,892	20,590
New intelligent	15,207	18,441	15,560	15,560	17,894	20,578
...YoY	22%	21%	-16%	0%	15%	15%
AI server		-	800	2,000	3,000	6,000
E-cigarette	1,540	2,062	2,165	2,165	2,165	2,165
Household energy storage	1,500	2,115	1,325	927	881	837
Other new intelligent products		14,264	11,270	10,468	11,848	11,576
Auto intelligent	9,263	14,096	20,513	25,026	30,031	36,037
...YoY	146%	52%	46%	22%	20%	20%
Total	107,186	129,957	177,306	176,897	192,940	205,630
...YoY	20%	21%	36%	0%	9%	7%

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new SOTP-based TP of HK\$39.69

We maintain our positive view on BYDE's outlook in FY26/27E and expect improving revenue mix will continue to drive GPM recovery in FY26E. We maintain BUY and our TP is based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

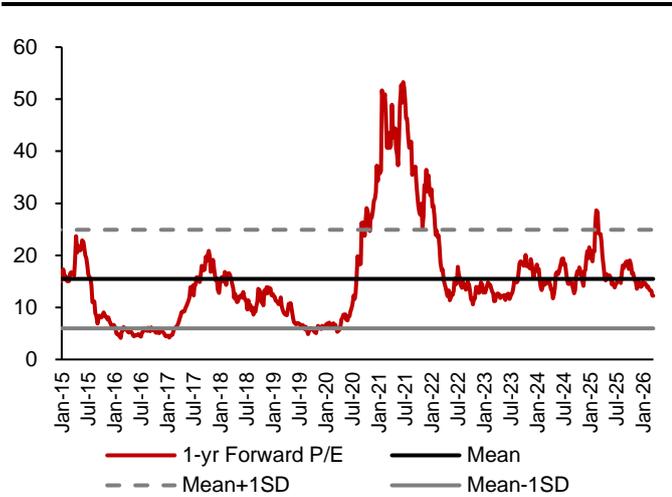
Our new SOTP-based TP of HK\$39.69 implies 16.2x FY26E P/E. We assign the same set of P/E multiples: 15x P/E to its assembly EMS business, 15x for iPhone casing and 15x P/E for component business, given Android's business margin recovery and Apple's business expansion. We assign target multiple of 18x for new intelligent and NEV segments 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	19%	0.42	15x
Components	13%	0.30	15x
Jabil Components	15%	0.34	15x
New Intelligent	17%	0.38	16x
Auto intelligent	35%	0.79	18x
Others	0%	0	-
Total (RMB) /Implied P/E		2.23	16.2x
TP (HK\$)			39.69

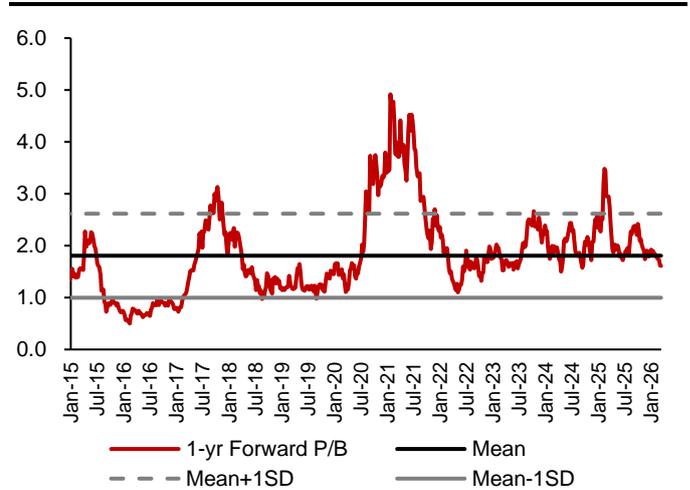
Source: Company data, CMBIGM estimates

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)						
Revenue	107,186	129,957	177,306	176,897	192,940	205,630
Cost of goods sold	(100,836)	(119,523)	(165,004)	(165,098)	(179,349)	(190,203)
Gross profit	6,350	10,434	12,301	11,799	13,591	15,427
Selling expense	(535)	(720)	(1,888)	(2,006)	(2,238)	(2,385)
Admin expense	(1,235)	(1,288)	(1,597)	(1,658)	(1,833)	(2,015)
SG&A expense	(535)	(720)	(1,888)	(2,006)	(2,238)	(2,385)
R&D expense	(3,969)	(4,722)	(4,889)	(4,349)	(4,727)	(5,038)
Operating profit	611	3,705	3,927	3,786	4,793	5,988
Other income/expense	1,509	1,284	1,348	1,342	1,342	1,342
Pre-tax profit	1,939	4,681	4,740	4,755	5,763	6,958
Income tax	(81)	(640)	(475)	(495)	(749)	(905)
Minority interest	0	0	0	0	0	0
Net profit	1,858	4,041	4,266	4,260	5,014	6,054
Adjusted net profit	1,858	4,041	4,266	4,260	5,014	6,054
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	40,488	54,607	60,416	56,077	67,115	62,631
Cash & equivalents	6,244	10,537	7,052	7,848	5,237	7,761
Account receivables	10,471	23,011	32,306	26,660	37,654	30,890
Inventories	17,046	18,541	18,089	18,600	21,255	21,012
ST bank deposits	21	9	0	0	0	0
Other current assets	6,706	2,508	2,969	2,969	2,969	2,969
Non-current assets	16,506	32,612	29,932	32,630	35,425	38,164
PP&E	12,941	19,709	17,113	19,811	22,606	25,346
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
Total assets	56,994	87,219	90,347	88,706	102,539	100,796
Current liabilities	30,143	54,751	50,823	46,200	56,524	50,542
Short-term borrowings	2,004	14,613	6,505	6,505	6,505	6,505
Account payables	22,002	29,939	35,331	30,708	41,031	35,050
Tax payable	363	607	943	943	943	943
Other current liabilities	5,773	9,591	8,044	8,044	8,044	8,044
Non-current liabilities	1,216	3,138	7,122	7,122	7,122	7,122
Deferred income	231	290	240	240	240	240
Other non-current liabilities	986	2,847	6,882	6,882	6,882	6,882
Total liabilities	31,359	57,888	57,946	53,322	63,646	57,664
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	21,583	25,278	28,349	31,332	34,841	39,079
Total shareholders equity	25,635	29,330	32,402	35,384	38,894	43,131
Minority interest	0	0	0	0	0	0
Total equity and liabilities	56,994	87,219	90,347	88,706	102,539	100,796

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,939	4,681	4,740	4,755	5,763	6,958
Depreciation & amortization	2,563	2,788	3,230	3,670	4,151	4,663
Change in working capital	2,568	(6,098)	(3,450)	512	(3,326)	1,026
Others	(182)	(534)	(322)	(495)	(749)	(905)
Net cash from operations	5,961	10,243	4,719	8,829	6,225	12,129
Investing						
Capital expenditure	(4,469)	(3,998)	(6,383)	(6,368)	(6,946)	(7,403)
Others	(4,272)	(17,731)	(6,377)	(6,362)	(6,939)	(7,395)
Net cash from investing	(4,276)	(17,735)	(6,383)	(6,368)	(6,946)	(7,403)
Financing						
Dividend paid	(372)	(1,212)	(1,280)	(1,278)	(1,504)	(1,816)
Others	2,133	13,035	(8,629)	(386)	(386)	(386)
Net cash from financing	1,761	11,823	(9,908)	(1,664)	(1,890)	(2,202)
Net change in cash						
Cash at the beginning of the year	2,825	6,244	10,537	7,052	7,848	5,237
Exchange difference	(27)	(37)	8,087	0	0	0
Cash at the end of the year	6,244	10,537	7,052	7,848	5,237	7,761
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	20.4%	21.2%	36.4%	(0.2%)	9.1%	6.6%
Gross profit	5.3%	64.3%	17.9%	(4.1%)	15.2%	13.5%
Operating profit	(56.5%)	506.5%	6.0%	(3.6%)	26.6%	24.9%
Net profit	(19.6%)	117.6%	5.5%	(0.1%)	17.7%	20.7%
Adj. net profit	(19.6%)	117.6%	5.5%	(0.1%)	17.7%	20.7%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	5.9%	8.0%	6.9%	6.7%	7.0%	7.5%
Operating margin	0.6%	2.9%	2.2%	2.1%	2.5%	2.9%
Adj. net profit margin	1.7%	3.1%	2.4%	2.4%	2.6%	2.9%
Return on equity (ROE)	7.5%	14.7%	13.8%	12.6%	13.5%	14.8%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
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
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	32.3	14.8	14.1	14.1	12.0	9.9
P/B	2.3	2.0	1.9	1.7	1.5	1.4
Div yield (%)	0.6	2.0	2.1	2.1	2.5	3.0
EV	25,635.1	29,330.4	32,401.7	35,383.9	38,893.7	43,131.5
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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