BYDE (285 HK)

NDR takeaways: Apple/AI server/auto to accelerate revenue growth in 2026

BUY (Maintain)

Target Price	**HK$43.54**
Up/Downside	**20.8%**
Current Price	**HK$36.04**

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We hosted post-results NDR for BYDE in Hong Kong last week, to discuss 3Q25 results, 2026 guidance and industry outlook. Overall, investors were interested in 1) BYDE's product roadmap for major US client, 2) AI server product pipeline/ timeline (esp. GB300/Robin), and 3) automotive segment outlook and shipment. For 2026, mgmt. expects revenue growth with margin recovery, driven by major US client's new product cycle (foldable phone/smart home), NEV product ramp-up and AI server client wins in multiple products (liquid cooling, power, HVDC). We are positive on BYDE as a key beneficiary of iPhone form factor changes and growth opportunities in global AI server market. Maintain BUY with SOTP-based TP of HK$43.54, implying 16.2x FY26E P/E**.**

- **2026 outlook:** Mgmt. is positive on 2026 revenue growth with improving GPM, driven by 1) US client's foldable phone spec upgrade (+50% YoY sales), 2) automotive expansion (+20% YoY sales) with rising penetration (smart driving, suspension) and overseas client wins, and 3) AI server biz (RMB5bn sales target) in domestic ODM and GB200/300 components.
- **Consumer electronics (iPhone/iPad/Android):** Mgmt. expects to benefit from spec upgrade and content value increase (RMB1,000+) for US client's foldable phone in 2H26E, driving 50% YoY sales growth. For Android biz, high-end structured components will remain stable in FY26E.
- **Automotive segment:** Mgmt. guided auto revenue of RMB25bn in 2025E, and expects 20%+ YoY sales growth in 2026E, backed by higher penetration of suspension and thermal management products, as well as expansion to external overseas OEM in Europe and Japan.
- **AI server ODM/component pipeline:** Mgmt. targets RMB5bn AI server sales in 2026, and expects to start shipment of GB200/GB300 components (liquid cooling, power, rack) with ASP of RMB1mn in 1Q26E. Rubin projects and HGX liquid cooling component target to start mass production in 2H26E, and 400G/800G optical module capacity (5kk/month) are ready by 2025.
- **Soft 2025 performance but positive 2026 guidance; Reiterate BUY.** We believe 2025 is a transitional year for BYDE, and multiple businesses will start to bear fruit in 2026. Our SOTP-based TP of HK$43.54 implies 16.2x FY26E P/E. Upcoming catalysts include iPhone shipment upside, AI server product ramp-up and GPM improvement.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	129,957	177,306	178,254	208,668	224,812
YoY growth (%)	21.2	36.4	0.5	17.1	7.7
Net profit (RMB mn)	4,041.4	4,265.6	4,301.8	5,503.1	6,920.3
YoY growth (%)	117.6	5.5	0.8	27.9	25.8
EPS (Reported) (RMB)	1.79	1.89	1.91	2.44	3.07
Consensus EPS (RMB)	na	na	2.20	2.85	3.54
P/E (x)	18.4	17.4	17.3	13.5	10.7
P/B (x)	2.5	2.3	2.1	1.9	1.7
Yield (%)	1.6	1.7	1.7	2.2	2.8
ROE (%)	14.7	13.8	12.7	14.7	16.6
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

Stock Data

Mkt Cap (HK$ mn)	81,205.5
Avg 3 mths t/o (HK$ mn)	1,257.8
52w High/Low (HK$)	60.60/28.30
Total Issued Shares (mn)	2253.2

Source: FactSet

Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

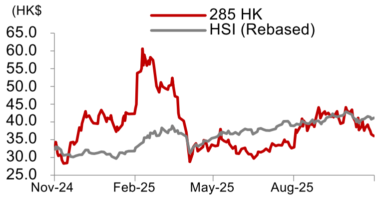
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-16.9%	-13.8%
3-mth	10.6%	3.6%
6-mth	7.3%	-7.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

3Q25 dragged by smartphone components; Positive on foldable/ auto/AI servers in 2026 (link)

2Q25 upbeat; Multiple growth drivers in foldable iPhone, auto and AI server (liquid cooling, power, 800G/1.6G/CPO) (link)

Takeaways from mgmt. visit: Apple order win, auto rapid ramp and AI server biz expansion (link)

1Q25 earnings flat YoY; 2025 positive outlook backed by auto/AI and limited tariff impact - 29 Apr 2025 (link)

Earnings forecasts

Figure 1: P&L forecast

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	**107,186**	**129,957**	**177,306**	**178,254**	**208,668**	**224,812**
…YoY	*20.4%*	*21.2%*	*36.4%*	*0.5%*	*17.1%*	*7.7%*
Cost of sales	(100,836)	(119,523)	(165,004)	(166,353)	(193,797)	(207,508)
Gross profit	**6,350**	**10,434**	**12,301**	**11,900**	**14,871**	**17,304**
GPM (%)	5.9%	8.0%	6.9%	6.7%	7.1%	7.7%
…YoY	*5.3%*	*64.3%*	*17.9%*	*-3.3%*	*25.0%*	*16.4%*
SG&A	(1,770)	(2,007)	(3,485)	(3,688)	(4,403)	(4,811)
…% of rev	2%	2%	2%	2%	2%	2%
R&D	(3,969)	(4,722)	(4,889)	(4,379)	(5,112)	(5,508)
…% of rev	4%	4%	3%	2%	2%	2%
Operating profit	**611**	**3,705**	**3,927**	**3,833**	**5,356**	**6,985**
OPM (%)	1%	3%	2%	2%	3%	3%
…YoY	*-57%*	*506%*	*6%*	*-2%*	*40%*	*30%*
Net profit	**1,858**	**4,041**	**4,266**	**4,302**	**5,503**	**6,920**
NPM (%)	1.7%	3.1%	2.4%	2.4%	2.6%	3.1%
…YoY	*-20%*	*118%*	*6%*	*1%*	*28%*	*26%*

Source: Company data, CMBIGM estimates

Figure 2: Revenue breakdown

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Assembly	**68,054**	**83,783**	**105,575**	**103,733**	**119,475**	**120,895**
...YoY	*22%*	*23%*	*26%*	*-2%*	*15%*	*1%*
Component (metal/glass/plastic)	**14,155**	**13,637**	**35,658**	**33,935**	**38,264**	**40,394**
...YoY	*-10%*	*-4%*	*161%*	*-5%*	*13%*	*6%*
Metal	7,304	6,208	5,401	5,563	5,563	5,452
Plastic	3,221	2,803	2,887	3,232	3,232	3,167
Glass/ceramic	5,130	5,143	5,349	8,110	8,515	8,345
Jabil component		-	19,170	16,624	21,300	23,430
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**	**33,034**	**42,944**
...YoY	*146%*	*52%*	*46%*	*22%*	*32%*	*30%*
Total	**107,186**	**129,957**	**177,306**	**178,254**	**208,668**	**224,812**
...YoY	*20%*	*21%*	*36%*	*1%*	*17%*	*8%*

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with SOTP-based TP of HK$43.54

We maintain our positive view on BYDE's outlook in FY26E, 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.

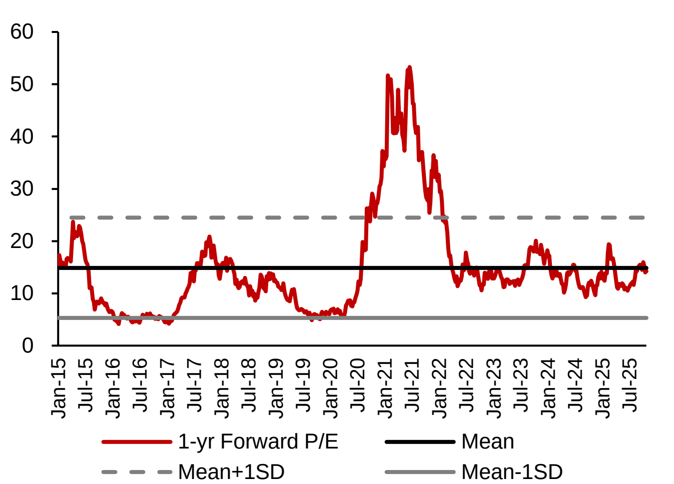
Our SOTP-based TP of HK$43.54 implies 16.2x FY26E P/E. We assign same set of P/E multiples: 15x P/E to its assembly EMS business, 15x for iPhone casing and 15x P/E for component business, given Android's business margin recovery and Apple's business expansion. We assign target multiple to 16x for new intelligent and 18x for NEV segments to reflect their growth potential and higher earnings visibility.

Figure 3: BYDE – SOTP valuation

Business segment	% of FY26E Profit	FY26E EPS (RMB)	Target P/E
Assembly	19%	0.46	15x
Components	13%	0.32	15x
Jabil Components	17%	0.41	15x
New Intelligent	16%	0.38	16x
Auto intelligent	36%	0.87	18x
Others	0%	0	-
Total (RMB) /Implied P/E		**2.44**	**16.2x**
TP (HK$)			**43.54**

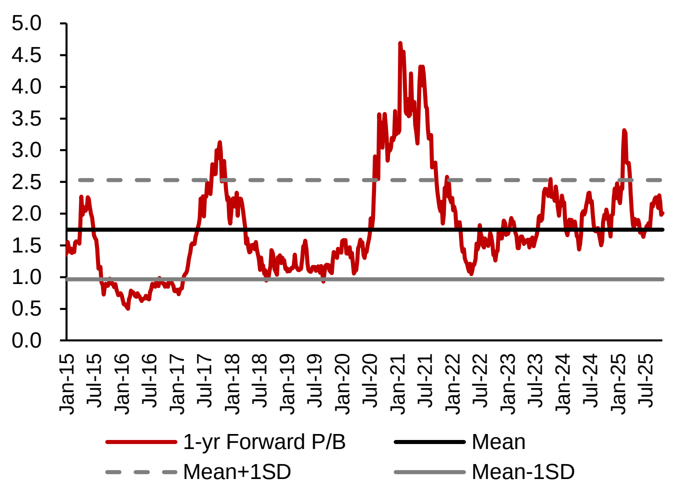
Source: Company data, CMBIGM estimates

Figure 4: 12M forward P/E band



Source: Bloomberg, CMBIGM estimates

Figure 5: 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**	**178,254**	**208,668**	**224,812**
Cost of goods sold	(100,836)	(119,523)	(165,004)	(166,353)	(193,797)	(207,508)
Gross profit	**6,350**	**10,434**	**12,301**	**11,900**	**14,871**	**17,304**
Selling expense	(535)	(720)	(1,888)	(2,019)	(2,421)	(2,608)
Admin expense	(1,235)	(1,288)	(1,597)	(1,669)	(1,982)	(2,203)
SG&A expense	(535)	(720)	(1,888)	(2,019)	(2,421)	(2,608)
R&D expense	(3,969)	(4,722)	(4,889)	(4,379)	(5,112)	(5,508)
Operating profit	**611**	**3,705**	**3,927**	**3,833**	**5,356**	**6,985**
Other income/expense	1,509	1,284	1,348	1,342	1,342	1,342
Pre-tax profit	**1,939**	**4,681**	**4,740**	**4,803**	**6,325**	**7,954**
Income tax	(81)	(640)	(475)	(501)	(822)	(1,034)
Minority interest	0	0	0	0	0	0
Net profit	**1,858**	**4,041**	**4,266**	**4,302**	**5,503**	**6,920**
Adjusted net profit	**1,858**	**4,041**	**4,266**	**4,302**	**5,503**	**6,920**

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	**40,488**	**54,607**	**60,416**	**56,562**	**72,195**	**64,086**
Cash & equivalents	6,244	10,537	7,052	7,603	2,595	6,698
Account receivables	10,471	23,011	32,306	27,112	42,444	32,493
Inventories	17,046	18,541	18,089	18,879	24,187	21,926
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**	**32,675**	**35,994**	**39,334**
PP&E	12,941	19,709	17,113	19,857	23,175	26,515
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**	**89,238**	**108,188**	**103,419**
Current liabilities	**30,143**	**54,751**	**50,823**	**46,702**	**61,801**	**52,187**
Short-term borrowings	2,004	14,613	6,505	6,505	6,505	6,505
Account payables	22,002	29,939	35,331	31,210	46,309	36,695
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**	**53,825**	**68,923**	**59,309**
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	21,583	25,278	28,349	31,361	35,213	40,058
Total shareholders equity	**25,635**	**29,330**	**32,402**	**35,413**	**39,266**	**44,110**
Minority interest	0	0	0	0	0	0
Total equity and liabilities	**56,994**	**87,219**	**90,347**	**89,238**	**108,188**	**103,419**

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**1,939**	**4,681**	**4,740**	**4,803**	**6,325**	**7,954**
Depreciation & amortization	2,563	2,788	3,230	3,674	4,193	4,753
Change in working capital	2,568	(6,098)	(3,450)	283	(5,542)	2,598
Others	(182)	(534)	(322)	(501)	(822)	(1,034)
Net cash from operations	**5,961**	**10,243**	**4,719**	**8,645**	**4,541**	**14,659**
Investing						
Capital expenditure	(4,469)	(3,998)	(6,383)	(6,417)	(7,512)	(8,093)
Others	(4,272)	(17,731)	(6,377)	(6,411)	(7,505)	(8,085)
Net cash from investing	**(4,276)**	**(17,735)**	**(6,383)**	**(6,417)**	**(7,512)**	**(8,093)**
Financing						
Dividend paid	(372)	(1,212)	(1,280)	(1,290)	(1,651)	(2,076)
Others	2,133	13,035	(8,629)	(386)	(386)	(386)
Net cash from financing	**1,761**	**11,823**	**(9,908)**	**(1,677)**	**(2,037)**	**(2,462)**
Net change in cash						
Cash at the beginning of the year	2,825	6,244	10,537	7,052	7,603	2,595
Exchange difference	(27)	(37)	8,087	0	0	0
Cash at the end of the year	**6,244**	**10,537**	**7,052**	**7,603**	**2,595**	**6,698**

GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	20.4%	21.2%	36.4%	0.5%	17.1%	7.7%
Gross profit	5.3%	64.3%	17.9%	(3.3%)	25.0%	16.4%
Operating profit	(56.5%)	506.5%	6.0%	(2.4%)	39.7%	30.4%
Net profit	(19.6%)	117.6%	5.5%	0.8%	27.9%	25.8%
Adj. net profit	(19.6%)	117.6%	5.5%	0.8%	27.9%	25.8%

PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	5.9%	8.0%	6.9%	6.7%	7.1%	7.7%
Operating margin	0.6%	2.9%	2.2%	2.2%	2.6%	3.1%
Adj. net profit margin	1.7%	3.1%	2.4%	2.4%	2.6%	3.1%
Return on equity (ROE)	7.5%	14.7%	13.8%	12.7%	14.7%	16.6%

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	40.0	18.4	17.4	17.3	13.5	10.7
P/B	2.9	2.5	2.3	2.1	1.9	1.7
Div yield (%)	0.5	1.6	1.7	1.7	2.2	2.8
EV	25,635.1	29,330.4	32,401.7	35,413.2	39,265.6	44,110.1
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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