

# BYDE (285 HK)

## Reiterate BUY on multiple growth drivers in 2024

Reiterate BUY and raise TP to HK\$46.51 (61% upside) to reflect a strong outlook and multiple growth drivers in 2024: 1) Android high-end demand recovery (e.g. Huawei, Xiaomi); 2) Jabil sales synergy and strong ramp in 2H24; 3) Apple's share gain with sales contribution rising to 48-50%; 4) high-end NEV products ramp-up, and 5) AI server shipments in early Apr. We slightly raise FY24-25E EPS to factor in better-than-expected operating leverage of Jabil acquisition. The stock now trades at 10.8x FY24E P/E, which is attractive in our view. Our new SOTP-based TP of HK\$46.51 implies 17.2x FY24E P/E.

- FY23 in line; stronger GPM on better mix and operating efficiency.** BYDE's FY23 revenue growth of 21.2% YoY is in line with our/consensus estimates, mainly driven by Android demand rebound in 2H23, Apple share gain and rapid growth from NEV/new intelligent products. By segment, assembly/component/new intelligent/NEV biz sales achieved 23%/-4%/21%/52% YoY growth. GPM improved 2.11ppts to 8.03% and NP growth of 118% is also in line with its earlier profit alert thanks to a better product mix and operating efficiency improvement.
- 2024 outlook: Android high-end demand recovery, Apple share gain, Jabil synergy, high-end NEV products ramp-up and AI server shipments.** Looking ahead to 2024, mgmt. expected high-end smartphone recovery will be positive to BYDE's shipment mix, and demand from major clients including Huawei and Xiaomi will drive business growth in FY24E. For Apple biz, mgmt. guided a sales contribution of 48-50% thanks to BYDE's technology leadership and Jabil sales ramp-up in 2H24E. In addition, mgmt. maintained a positive view on AI phone/AI PC trend, and BYDE is cooperating with clients on R&D of AI products. For NEV biz, despite on-going supply chain price pressure, we believe BYDE will continue to benefit from rising NEV penetration, and we expect its high-end products (thermal management, suspension, probe) and parentco orders will be positive to GPM improvement. For AI server biz, mgmt. expected the first batch of AI server products for domestic internet clients will start shipment in April. Overall, we estimate revenue/NP growth of 32%/37% YoY in FY24E.
- Our sector top pick; maintain BUY.** Our FY24-26E EPS are 8-17% above consensus, given our more positive view on Jabil synergies and Android high-end demand. Our new SOTP-based TP of HK\$46.51 implies 17.2x FY24E P/E. Reiterate BUY. Catalysts include Jabil mass production and NEV/AI server product shipments.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	107,186	129,957	171,585	197,422	226,904
YoY growth (%)	20.4	21.2	32.0	15.1	14.9
Net profit (RMB mn)	1,857.6	4,041.4	5,541.7	7,440.7	9,148.0
YoY growth (%)	(19.6)	117.6	37.1	34.3	22.9
EPS (Reported) (RMB)	0.82	1.79	2.46	3.30	4.06
Consensus EPS (RMB)	0.00	1.70	2.26	2.91	3.47
P/E (x)	32.3	14.9	10.8	8.1	6.6
P/B (x)	2.3	2.0	3.1	2.5	2.0
Yield (%)	0.6	2.0	2.8	3.7	4.6
ROE (%)	7.5	14.7	22.9	34.3	33.2
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

<b>Target Price</b>	<b>HK\$46.51</b>
(Previous TP)	HK\$45.86)
<b>Up/Downside</b>	<b>61.2%</b>
<b>Current Price</b>	<b>HK\$28.85</b>

### China Technology

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### Stock Data

Mkt Cap (HK\$ mn)	65,004.9
Avg 3 mths t/o (HK\$ mn)	142.3
52w High/Low (HK\$)	39.95/21.65
Total Issued Shares (mn)	2253.2

Source: FactSet

### Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

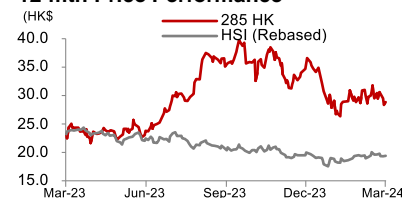
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	0.5%	0.5%
3-mth	-19.1%	-16.6%
6-mth	-18.4%	-14.3%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related Reports:

- FY23 positive profit alert above expectations; Reiterate BUY on strong FY24E outlook – 30 Jan 2024 ([link](#))
- Market concerns overdone; Strong NEV and Jabil mobile synergies ahead – 25 Jan 2024 ([link](#))
- NDR Takeaways: Android upside, NEV ramp-up and Jabil synergies – 2 Nov 2023 ([link](#))
- Strong 3Q23 in-line; Android upside and auto accelerated growth - 1 Nov 2023 ([link](#))

## FY23 Results Review

Figure 1: Results review

(RMB mn)	FY20	FY21	FY22	FY23	YoY	CMBI		Consensus	
						FY23E	Diff%	FY23E	Diff%
Revenue	73,121	89,057	107,186	129,957	21%	130,841	-1%	128,362	1%
Gross profit	9,629	6,029	6,350	10,434	64%	10,488	-1%	10,584	-1%
Operating profit	5,806	1,405	611	3,705	506%	3,151	18%	3,279	13%
Net profit	5,441	2,310	1,858	4,041	118%	3,937	3%	3,873	4%
EPS (RMB)	2.41	1.03	0.82	1.79	118%	1.75	3%	1.70	6%
Gross margin	13.2%	6.8%	5.9%	8.0%	2.1ppt	8.0%	0 ppt	8.2%	-0.2 ppt
Operating margin	7.9%	1.6%	0.6%	2.9%	2.3ppt	2.4%	0.4 ppt	2.6%	0.3 ppt
Net margin	7.4%	2.6%	1.7%	3.1%	1.4ppt	3.0%	0.1 ppt	3.0%	0.1 ppt

Source: Company data, Bloomberg, CMBIGM estimates

## Earnings Revision

Figure 2: Earnings revision

(RMB mn)	FY24E	New		Old			Change (%)		
		FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E
Revenue	171,585	197,422	226,904	182,796	212,744	na	-6.1%	-7.2%	na
Gross profit	15,350	18,762	22,634	16,720	20,891	na	-8.2%	-10.2%	na
Operating profit	6,123	8,299	10,268	5,661	8,020	na	8.2%	3.5%	na
Net profit	5,542	7,441	9,148	5,379	7,443	na	3.0%	0.0%	na
EPS (RMB)	2.46	3.30	4.06	2.39	3.30	na	3.0%	0.0%	na
Gross margin	8.9%	9.5%	10.0%	9.1%	9.8%	na	-0.2 ppt	-0.3 ppt	na
Operating margin	3.6%	4.2%	4.5%	3.1%	3.8%	na	0.5 ppt	0.4 ppt	na
Net margin	3.2%	3.8%	4.0%	2.9%	3.5%	na	0.3 ppt	0.3 ppt	na

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs consensus

(RMB mn)	CMBI			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	171,585	197,422	226,904	168,318	189,715	234,496	1.9%	4.1%	-3.2%
Gross profit	15,350	18,762	22,634	14,872	17,456	21,626	3.2%	7.5%	4.7%
Operating profit	6,123	8,299	10,268	5,548	6,755	7,890	10.4%	22.9%	30.2%
Net profit	5,542	7,441	9,148	5,139	6,627	7,810	7.8%	12.3%	17.1%
EPS (RMB)	2.46	3.30	4.06	2.26	2.91	3.47	8.6%	13.6%	17.0%
Gross margin	8.9%	9.5%	10.0%	8.8%	9.2%	9.2%	0.1 ppt	0.3 ppt	0.8 ppt
Operating margin	3.6%	4.2%	4.5%	3.3%	3.6%	3.4%	0.3 ppt	0.6 ppt	1.2 ppt
Net margin	3.2%	3.8%	4.0%	3.1%	3.5%	3.3%	0.2 ppt	0.3 ppt	0.7 ppt

Source: Company data, Bloomberg, CMBIGM estimates

**Figure 4: Revenue breakdown**

(RMB mn)	FY23	1H24E	2H24E	FY24E	FY25E	FY26E
<b>Assembly</b>	<b>83,783</b>	<b>33,940</b>	<b>52,740</b>	<b>86,680</b>	<b>95,150</b>	<b>101,805</b>
... YoY	23%	-5.9%	10.5%	3%	10%	7%
<b>Component (metal/glass/plastic)</b>	<b>13,637</b>	<b>14,263</b>	<b>30,495</b>	<b>44,758</b>	<b>50,492</b>	<b>57,917</b>
... YoY	-4%	186.1%	252.5%	228%	13%	15%
Metal	6,208	2,706	2,706	5,412	5,502	5,451
Plastic	2,803	1,132	1,755	2,887	3,031	3,334
Glass/ceramic	5,143	1,148	4,190	5,338	6,405	7,687
<b>Jabil component</b>	-			29,820	34,020	39,608
<b>New intelligent</b>	<b>18,441</b>	<b>10,799</b>	<b>11,330</b>	<b>22,129</b>	<b>26,555</b>	<b>31,866</b>
... YoY	21%	20.0%	20.0%	20%	20%	20%
E-cigarette	2,062	495	1,773	2,268	2,495	2,745
... YoY	34%	10.0%	10.0%	10%	10%	10%
Household energy storage	2,775	611	2,442	3,053	3,358	3,694
... YoY	85%			10%	10%	10%
<b>Auto intelligent</b>	<b>14,096</b>	<b>7,666</b>	<b>10,352</b>	<b>18,018</b>	<b>25,225</b>	<b>35,316</b>
... YoY	52%	25%	30%	28%	40%	40%
<b>Total</b>	<b>129,957</b>	<b>66,668</b>	<b>104,918</b>	<b>171,585</b>	<b>197,422</b>	<b>226,904</b>
... YoY	21%	18.7%	42%	32%	15%	15%

Source: Company data, CMBIGM estimates

**Figure 5: P&L forecast**

(RMB mn)	FY23	1H24E	2H24E	FY24E	FY25E	FY26E
<b>Revenue</b>	<b>129,957</b>	<b>66,668</b>	<b>104,918</b>	<b>171,585</b>	<b>197,422</b>	<b>226,904</b>
... YoY	21.2%	18.7%	42.2%	32.0%	15.1%	14.9%
Cost of sales	(119,523)	(60,685)	(95,550)	(156,235)	(178,660)	(204,269)
<b>Gross profit</b>	<b>10,434</b>	<b>5,983</b>	<b>9,367</b>	<b>15,350</b>	<b>18,762</b>	<b>22,634</b>
GPM (%)	8.0%	9.0%	8.9%	8.9%	9.5%	10.0%
... YoY	64.3%	35.7%	55.5%	47.1%	22.2%	20.6%
SG&A	(2,007)	(1,133)	(1,521)	(2,655)	(2,961)	(3,517)
... % of rev	2%	2%	1%	2%	2%	2%
R&D	(4,722)	(2,900)	(3,672)	(6,572)	(7,502)	(8,849)
... % of rev	4%	4%	4%	4%	4%	4%
<b>Operating profit</b>	<b>3,705</b>	<b>1,949</b>	<b>4,174</b>	<b>6,123</b>	<b>8,299</b>	<b>10,268</b>
OPM (%)	3%	3%	4%	4%	4%	5%
... YoY	506%	89%	56%	65%	36%	24%
<b>Net profit</b>	<b>4,041</b>	<b>1,941</b>	<b>3,601</b>	<b>5,542</b>	<b>7,441</b>	<b>9,148</b>
NPM (%)	3.1%	2.9%	3.4%	3.2%	3.8%	4.0%
... YoY	118%	28%	43%	37%	34%	23%

Source: Company data, CMBIGM estimates

## Valuation

### Maintain BUY with new TP of HK\$46.51

We maintain BUY and derive our TP based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

Our TP of HK\$46.51 is based on a weighted-average target P/E multiple of 17.2x FY24E PE. We assign 15x P/E to its assembly EMS business and 15x P/E for component business, in line with TW/HK-listed peers, given Android business margin recovery and Apple business expansion. We assign 20x for new intelligent and NEV segments to reflect its growth potential and higher earnings visibility.

**Figure 6: BYDE – SOTP valuation**

Business segment	% of FY24E Profit	FY24E EPS (RMB)	Target P/E
Assembly	14%	0.35	15x
Components	16%	0.38	15x
Jabil Components	26%	0.64	15x
Masks	0%	0.00	8x
New Intelligent	23%	0.57	20x
Auto intelligent	21%	0.52	20x
Total (RMB) /Implied P/E		<b>2.46</b>	<b>17.2x</b>
TP (HK\$)			<b>46.51</b>

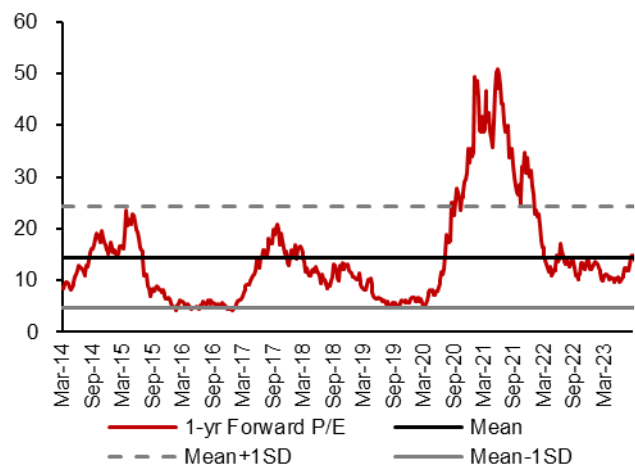
Sources: Company data, CMBIGM estimates

**Figure 7: Peers' valuation**

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE (%)	
							FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
BYDE	285 HK	BUY	8,309	28.85	46.5	61%	14.6	10.8	2.0	3.1	14.7	22.9
Tongda	698 HK	BUY	95	0.08	0.17	124%	4.2	2.6	0.1	0.1	2.3	3.5
AAC Tech	2018 HK	HOLD	4,021	26.25	22.4	-15%	37.4	20.5	1.2	1.2	3.3	5.8
TK Group	2283 HK	BUY	159	1.49	3.1	107%	5.3	3.9	0.7	0.6	13.3	16.3
Ju Teng	3336 HK	NR	163	1.06	NA	NA	-	-	-	-	-	-
Everwin	300115 CH	NR	1,677	10.07	NA	NA	70.4	19.3	2.1	1.9	2.2	9.9
Lens Tech	300433 CH	NR	9,340	13.55	NA	NA	21.8	16.7	1.5	1.4	6.8	8.4
Foxconn	2354 TT	NR	2,878	65.10	NA	NA	15.0	12.0	0.6	0.6	5.8	7.0
Catcher	2474 TT	NR	4,625	217.50	NA	NA	12.3	17.0	0.9	-	7.2	4.8
<b>Average</b>							<b>22.6</b>	<b>12.8</b>	<b>1.1</b>	<b>1.3</b>	<b>6.8</b>	<b>10.6</b>

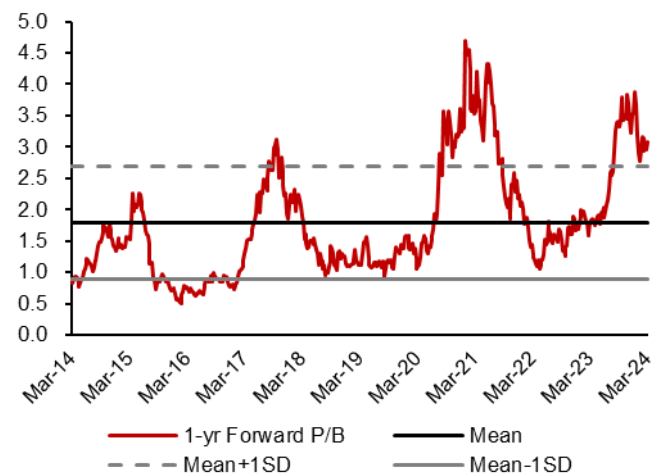
Source: Bloomberg, CMBIGM estimates

Figure 8: 12M forward P/E band



Source: Bloomberg, CMBIGM estimates

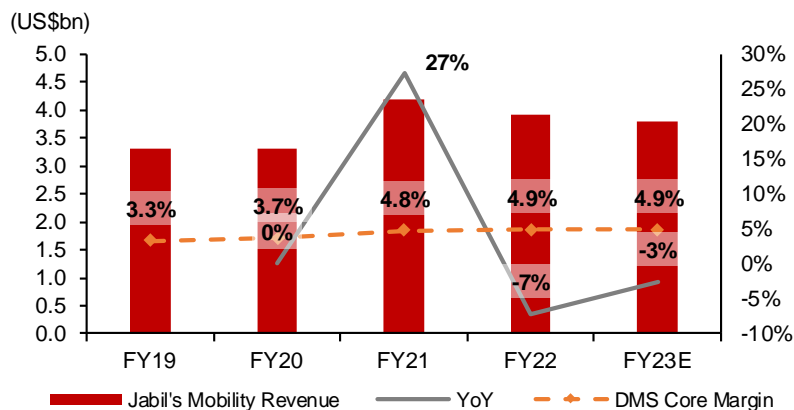
Figure 9: 12M forward P/B band



Source: Bloomberg, CMBIGM estimates

## Overview of Jabil's Mobility business

Figure 10: Jabil's Mobility segment revenue in FY19-23



Source: Jabil's announcement, Bloomberg, CMBIGM

Figure 11: Overview of Jabil's mobility business location in China (Wuxi, Chengdu)

Location	Main business	Overview	Applications	Service offerings	Manufacturing area
Wuxi	EMS	* Offer a full suite of supply chain solutions from design services to seamless customs clearance and after-market services (including non-Jabil made products).	* Hardware automation & manual job digitization * Software automation * Digital highway	* PCB assembly * Box build * Configure-to-order * Automated manufacturing systems	Factory areas: 156,485 sqm  Floor space: 84,263 sqm
	JGP	* Established in Dec 2015. * 1,800+ sets of most advanced CNC machines * One of the most reliable suppliers of the famous mobile phone brand in the world.	* Mobile phone related parts	* Products include series of small metal parts, housing.	693,235 sq.ft.
	Metal	* Provides world-class engineering and manufacturing services to customers in China and overseas.	* Consumer lifestyle * Mobility		1,765,281 sq.ft.
	Plastics	* A world leader in consumer handheld electronics	* Consumer electronics * Mobility	* Esthetic, precise and structural mechanical plastic and metal components * Innovative decorating technologies and optimized mechanical solutions	120,420 sq.ft.
	Stamping	* One of the most reliable suppliers of the famous mobile phone brand in the world	* Electronics	* Production of mobile phone related parts, digital camera related parts, fine punching dies, precision cavity dies and mold standard parts	356,569 sq.ft.
	Tooling	* Diversified mold manufacturing capabilities * Deliver comprehensive design, manufacturing, supply chain and product management services for customers in a broad range of industries.	* Consumer electronics * Healthcare * Packaging * Automotive product	* From standard mold to high precision mold * Implement self-developed Tool Smart Manufacturing System to establish unique Smart Factory in Tooling industry	12,100 sq.ft.
Chengdu	Capacity expansion	* As one of Jabil's largest sites in China, JGP Chengdu offers capacity for future expansion and development.	* Consumer * Mobile	* Layout conducive for strong security system control * Offers 24-hour customer support * The only government-certified site for Worldwide Tech Services (CNC and Anodizing) * Offers capacity for future expansion and development	7,170,000 sq.ft.

Source: Company website, CMBIGM

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec (RMB mn)</b>						
<b>Revenue</b>	<b>89,057</b>	<b>107,186</b>	<b>129,957</b>	<b>171,585</b>	<b>197,422</b>	<b>226,904</b>
Cost of goods sold	(83,028)	(100,836)	(119,523)	(156,235)	(178,660)	(204,269)
<b>Gross profit</b>	<b>6,029</b>	<b>6,350</b>	<b>10,434</b>	<b>15,350</b>	<b>18,762</b>	<b>22,634</b>
Selling expense	(275)	(535)	(720)	(1,082)	(1,185)	(1,475)
Admin expense	(1,041)	(1,235)	(1,288)	(1,573)	(1,777)	(2,042)
R&D expense	(3,308)	(3,969)	(4,722)	(6,572)	(7,502)	(8,849)
<b>Operating profit</b>	<b>1,405</b>	<b>611</b>	<b>3,705</b>	<b>6,123</b>	<b>8,299</b>	<b>10,268</b>
Other income/expense	1,104	1,386	1,165	1,165	1,165	1,165
<b>Pre-tax profit</b>	<b>2,465</b>	<b>1,939</b>	<b>4,681</b>	<b>6,407</b>	<b>8,582</b>	<b>10,551</b>
Income tax	(155)	(81)	(640)	(865)	(1,141)	(1,403)
Minority interest	0	0	0	0	0	0
<b>Net profit</b>	<b>2,310</b>	<b>1,858</b>	<b>4,041</b>	<b>5,542</b>	<b>7,441</b>	<b>9,148</b>
<b>Adjusted net profit</b>	<b>2,310</b>	<b>1,858</b>	<b>4,041</b>	<b>5,542</b>	<b>7,441</b>	<b>9,148</b>

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec (RMB mn)</b>						
<b>Current assets</b>	<b>27,630</b>	<b>40,488</b>	<b>54,607</b>	<b>35,239</b>	<b>55,291</b>	<b>46,517</b>
Cash & equivalents	2,825	6,244	10,537	899	448	(121)
Account receivables	9,240	10,471	23,011	11,306	28,179	17,202
Inventories	10,567	17,046	18,541	20,517	24,148	26,920
ST bank deposits	0	0	0	0	0	0
Other current assets	4,998	6,727	2,517	2,517	2,517	2,517
<b>Non-current assets</b>	<b>12,314</b>	<b>15,006</b>	<b>29,647</b>	<b>41,230</b>	<b>44,742</b>	<b>48,698</b>
PP&E	11,182	12,941	19,709	18,846	22,709	27,061
Deferred income tax	201	481	620	620	620	620
Other non-current assets	931	1,583	9,318	21,764	21,413	21,017
<b>Total assets</b>	<b>41,175</b>	<b>56,994</b>	<b>87,219</b>	<b>80,593</b>	<b>104,507</b>	<b>100,085</b>
<b>Current liabilities</b>	<b>16,220</b>	<b>30,143</b>	<b>54,751</b>	<b>58,345</b>	<b>77,050</b>	<b>66,224</b>
Short-term borrowings	0	0	0	0	0	0
Account payables	11,724	22,002	29,939	18,133	36,839	26,013
Tax payable	184	363	607	607	607	607
Other current liabilities	4,312	7,777	24,204	39,604	39,604	39,604
<b>Non-current liabilities</b>	<b>928</b>	<b>1,216</b>	<b>3,138</b>	<b>3,138</b>	<b>3,138</b>	<b>3,138</b>
Deferred income	150	231	290	290	290	290
Other non-current liabilities	404	395	1,206	1,206	1,206	1,206
<b>Total liabilities</b>	<b>17,148</b>	<b>31,359</b>	<b>57,888</b>	<b>61,482</b>	<b>80,188</b>	<b>69,362</b>
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	19,975	21,583	25,278	15,058	20,267	26,671
<b>Total shareholders equity</b>	<b>24,027</b>	<b>25,635</b>	<b>29,330</b>	<b>19,110</b>	<b>24,319</b>	<b>30,723</b>
Minority interest	0	0	0	0	0	0
<b>Total equity and liabilities</b>	<b>41,175</b>	<b>56,994</b>	<b>87,219</b>	<b>80,593</b>	<b>104,507</b>	<b>100,085</b>

<b>CASH FLOW</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	2,465	1,939	4,681	6,407	8,582	10,551
Depreciation & amortization	1,717	1,987	2,315	2,747	3,245	3,816
Change in working capital	(2,228)	2,568	(6,098)	(2,076)	(1,797)	(2,621)
Others	(187)	(124)	(346)	17	(260)	(522)
<b>Net cash from operations</b>	<b>1,768</b>	<b>6,370</b>	<b>552</b>	<b>7,094</b>	<b>9,770</b>	<b>11,225</b>
<b>Investing</b>						
Capital expenditure	(3,206)	(3,859)	(4,678)	(6,177)	(7,107)	(8,169)
Others	0	0	0	(13,605)	0	0
<b>Net cash from investing</b>	<b>(3,206)</b>	<b>(3,859)</b>	<b>(4,678)</b>	<b>(19,782)</b>	<b>(7,107)</b>	<b>(8,169)</b>
<b>Financing</b>						
Dividend paid	(232)	(372)	(1,212)	(1,662)	(2,232)	(2,744)
Others	(43)	(59)	(189)	14,518	(882)	(882)
<b>Net cash from financing</b>	<b>(275)</b>	<b>(430)</b>	<b>(1,401)</b>	<b>12,856</b>	<b>(3,113)</b>	<b>(3,626)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	3,466	2,825	6,258	731	899	448
Exchange difference	1,072	1,352	0	0	0	0
<b>Cash at the end of the year</b>	<b>2,825</b>	<b>6,258</b>	<b>731</b>	<b>899</b>	<b>448</b>	<b>(121)</b>
<b>GROWTH</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Revenue	21.8%	20.4%	21.2%	32.0%	15.1%	14.9%
Gross profit	(37.4%)	5.3%	64.3%	47.1%	22.2%	20.6%
Operating profit	(75.8%)	(56.5%)	506.5%	65.3%	35.5%	23.7%
Net profit	(57.5%)	(19.6%)	117.6%	37.1%	34.3%	22.9%
Adj. net profit	(57.5%)	(19.6%)	117.6%	37.1%	34.3%	22.9%
<b>PROFITABILITY</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Gross profit margin	6.8%	5.9%	8.0%	8.9%	9.5%	10.0%
Operating margin	1.6%	0.6%	2.9%	3.6%	4.2%	4.5%
Adj. net profit margin	2.6%	1.7%	3.1%	3.2%	3.8%	4.0%
Return on equity (ROE)	10.0%	7.5%	14.7%	22.9%	34.3%	33.2%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</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)	1.7	1.3	1.0	0.6	0.7	0.7
Receivable turnover days	48.4	33.6	33.5	36.5	36.5	36.5
Inventory turnover days	38.4	50.0	50.0	45.6	45.6	45.6
Payable turnover days	43.7	61.0	60.8	56.2	56.2	56.2
<b>VALUATION</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
P/E	26.0	32.3	14.9	10.8	8.1	6.6
P/B	2.5	2.3	2.0	3.1	2.5	2.0
Div yield (%)	0.4	0.6	2.0	2.8	3.7	4.6
EV	24,027.1	25,635.1	29,330.4	19,110.4	24,319.3	30,723.3
EV/Sales	0.3	0.2	0.2	0.1	0.1	0.1

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



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