

# CSPC Pharmaceutical (1093 HK)

## Product sales under pressure

- 3Q24 results missed.** In 9M24, CSPC's total revenue decreased by 3.5% YoY to RMB22.69bn and attributable net profit fell by 15.9% YoY to RMB3.78bn, accounting for 71% and 64% of our previous full-year estimates, respectively. In 3Q24, total revenue was RMB6.40bn (-17.8% YoY) and attributable net profit was RMB758mn (-50.4% YoY). GP margin decreased to 67.7% in 3Q24 (vs 70.6% in 2Q24 and 72.3% in 1Q24), mainly due to the price cuts of Jinyouli and Duomeisu as a result of the "3+N" Alliance provincial VBP. Selling expense ratio slightly decreased to 29.2% in 9M24 vs 29.5% in 9M23. R&D expenses reached RMB3.88bn in 9M24 (+5.5% YoY).
- Pressure on sales of legacy products continues.** Sales from finished drugs in 3Q24 was RMB5.21bn, a 18.9% YoY decrease primarily due to the declines in CNS, oncology products, cardiovascular drugs, and respiratory disease products, which fell by 15.8%, 31.2%, 26.8%, and 35.1% YoY to RMB2.00bn, RMB1.13bn, RMB402mn, and RMB185mn, respectively. We think the tightened controls of medical insurance fund expenditures resulted in a significant 21.0% QoQ, or 15.8% YoY decline in CNS drugs (mainly NBP). CSPC is actively promoting NBP Capsules in the self-paid retail pharmacy market to mitigate the decline in hospital sales. Additionally, the anticipated price reduction for NBP in the NRDL renewal is expected to be manageable. In addition, the significant drop in oncology sales was largely due to a 58% price cut for Jinyouli and a 32% reduction for Duomeisu following the implementation of provincial VBP in Mar 2024. Looking ahead, Duomeisu is expected to be included in the national VBP from Mar 2025, which will likely lead to further price reductions and continued sales pressure. The decrease in cardiovascular drug sales can be attributed to Xuanning's exclusion from previous VBP rounds. Overall, the sales outlook of CSPC's legacy products remains challenging.
- New products to partly offset the pressure of legacy products.** Amidst regulatory pressure of medical insurance, mgmt targets to achieve a total of RMB2.0bn sales from new products in 2024E, and forecasts the sales of new products to grow by RMB2.0bn in 2025E, mainly driven by sales of Mingfule (rhTNK-tPA), Duoenyi (irinotecan liposome), Kelingda (Omalizumab), and Glumetinib. With these new products, mgmt anticipates a return to positive overall sales growth in 2025. Furthermore, CSPC has recently out-licensed the global rights for YS2302018, a pre-clinical stage lipoprotein(a) inhibitor, to AstraZeneca for an upfront payment of US\$100mn and potential additional payments up to US\$1.92bn. Mgmt expects to secure around two out-licensing deals annually over the next few years, which could provide additional sources of profit once finalized.
- Maintain BUY.** Given the ongoing pressure of sales performance, in FY24E/25E, we anticipate CSPC's revenue and attributable net profit to decline by 6.3%/2.0% and 17.1%/ 5.8% YoY, respectively. We revised down our DCF-based TP from HK\$6.21 to HK\$5.97 (WACC 11.78%, terminal growth 2.0%).

### Earnings Summary

| (YE 31 Dec)          | FY22A   | FY23A   | FY24E   | FY25E   | FY26E   |
|----------------------|---------|---------|---------|---------|---------|
| Revenue (RMB mn)     | 30,937  | 31,450  | 29,469  | 28,892  | 29,759  |
| YoY growth (%)       | 11.0    | 1.7     | (6.3)   | (2.0)   | 3.0     |
| Net profit (RMB mn)  | 6,232.1 | 6,072.7 | 4,917.6 | 4,631.3 | 4,975.8 |
| YoY growth (%)       | 9.6     | (2.6)   | (19.0)  | (5.8)   | 7.4     |
| EPS (Reported) (RMB) | 0.51    | 0.49    | 0.42    | 0.39    | 0.42    |
| P/E (x)              | 9.3     | 9.6     | 11.4    | 12.2    | 11.3    |
| Net gearing (%)      | (44.1)  | (37.3)  | (41.8)  | (45.9)  | (48.3)  |

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

|                      |                 |
|----------------------|-----------------|
| <b>Target Price</b>  | <b>HK\$5.97</b> |
| (Previous TP)        | HK\$6.21)       |
| <b>Up/Downside</b>   | <b>16.3%</b>    |
| <b>Current Price</b> | <b>HK\$5.13</b> |

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### Stock Data

|                          |           |
|--------------------------|-----------|
| Mkt Cap (HK\$ mn)        | 61,135.3  |
| Avg 3 mths t/o (HK\$ mn) | 705.8     |
| 52w High/Low (HK\$)      | 7.33/4.55 |
| Total Issued Shares (mn) | 11917.2   |

Source: FactSet

### Shareholding Structure

|                         |       |
|-------------------------|-------|
| Massive Giant Group Ltd | 10.2% |
| Cai Dongchen            | 10.0% |

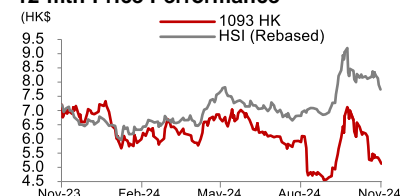
Source: Bloomberg

### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -18.1%   | -14.3%   |
| 3-mth | -12.9%   | -23.3%   |
| 6-mth | -23.8%   | -25.2%   |

Source: FactSet

### 12-mth Price Performance



Source: FactSet

**Figure 1: Risk-adjusted DCF valuation**

| DCF Valuation (in RMB mn)      | 2024E         | 2025E        | 2026E        | 2027E        | 2028E        | 2029E        | 2030E        | 2031E        | 2032E         |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| EBIT                           | 6,258         | 5,896        | 6,191        | 6,469        | 6,728        | 6,997        | 7,242        | 7,459        | 7,646         |
| Tax rate                       | 19.72%        | 19.72%       | 19.72%       | 19.72%       | 19.72%       | 19.72%       | 19.72%       | 19.72%       | 19.72%        |
| EBIT*(1-tax rate)              | 5,023         | 4,733        | 4,970        | 5,193        | 5,401        | 5,617        | 5,814        | 5,988        | 6,138         |
| + D&A                          | 1,114         | 1,114        | 1,170        | 1,223        | 1,271        | 1,322        | 1,369        | 1,410        | 1,445         |
| - Change in working capital    | -19           | 265          | 278          | 291          | 303          | 315          | 326          | 335          | 344           |
| - Capx                         | -1,624        | -1,624       | -1,624       | -1,624       | -1,624       | -1,624       | -1,624       | -1,624       | -1,624        |
| <b>FCFF</b>                    | <b>4,495</b>  | <b>4,489</b> | <b>4,794</b> | <b>5,083</b> | <b>5,351</b> | <b>5,630</b> | <b>5,884</b> | <b>6,110</b> | <b>6,303</b>  |
| Terminal value                 |               |              |              |              |              |              |              |              | <b>65,719</b> |
| <b>Terminal growth rate</b>    | <b>2.00%</b>  |              |              |              |              |              |              |              |               |
| <b>WACC</b>                    | <b>11.78%</b> |              |              |              |              |              |              |              |               |
| Cost of Equity                 | 15.08%        |              |              |              |              |              |              |              |               |
| Cost of Debt                   | 5.00%         |              |              |              |              |              |              |              |               |
| Equity Beta                    | 1.15          |              |              |              |              |              |              |              |               |
| Risk Free Rate                 | 3.00%         |              |              |              |              |              |              |              |               |
| Market Risk Premium            | 10.50%        |              |              |              |              |              |              |              |               |
| Target Debt to Asset ratio     | 30.00%        |              |              |              |              |              |              |              |               |
| Effective Corporate Tax Rate   | 18.00%        |              |              |              |              |              |              |              |               |
| Terminal value (RMB mn)        | 21,575        |              |              |              |              |              |              |              |               |
| Total PV (RMB mn)              | 49,346        |              |              |              |              |              |              |              |               |
| Net debt (RMB mn)              | -15,288       |              |              |              |              |              |              |              |               |
| Minority interests (RMB mn)    | 1,839         |              |              |              |              |              |              |              |               |
| Equity value (RMB mn)          | 62,795        |              |              |              |              |              |              |              |               |
| # of shares (mn)               | 11,696        |              |              |              |              |              |              |              |               |
| <b>DCF per share (in HK\$)</b> | <b>5.97</b>   |              |              |              |              |              |              |              |               |

Source: CMBIGM estimates

**Figure 2: Sensitivity analysis (HK\$)**

|                      |       | WACC   |        |             |        |        |
|----------------------|-------|--------|--------|-------------|--------|--------|
|                      |       | 10.78% | 11.28% | 11.78%      | 12.28% | 12.78% |
| Terminal growth rate | 3.00% | 6.87   | 6.53   | 6.22        | 5.95   | 5.70   |
|                      | 2.50% | 6.69   | 6.37   | 6.09        | 5.83   | 5.60   |
|                      | 2.00% | 6.52   | 6.23   | <b>5.97</b> | 5.73   | 5.51   |
|                      | 1.50% | 6.38   | 6.10   | 5.86        | 5.63   | 5.43   |
|                      | 1.00% | 6.25   | 5.99   | 5.76        | 5.55   | 5.35   |

Source: Company data, CMBIGM estimates

**Figure 3: CMBIGM estimates new vs old**

| RMB mn                  | NEW    |        |        | OLD    |        |        | Diff (%) |          |          |
|-------------------------|--------|--------|--------|--------|--------|--------|----------|----------|----------|
|                         | FY24E  | FY25E  | FY26E  | FY24E  | FY25E  | FY26E  | FY24E    | FY25E    | FY26E    |
| Revenue                 | 29,469 | 28,892 | 29,759 | 31,853 | 32,278 | 33,782 | -7.5%    | -10.5%   | -11.9%   |
| Gross profit            | 20,752 | 20,065 | 20,980 | 22,864 | 23,079 | 24,154 | -9.2%    | -13.1%   | -13.1%   |
| Operating profit        | 6,258  | 5,896  | 6,312  | 7,560  | 7,443  | 7,908  | -17.2%   | -20.8%   | -20.2%   |
| Attributable net profit | 4,868  | 4,584  | 4,925  | 5,903  | 5,814  | 6,194  | -17.5%   | -21.1%   | -20.5%   |
| EPS (RMB)               | 0.42   | 0.39   | 0.42   | 0.50   | 0.49   | 0.52   | -16.4%   | -20.0%   | -19.4%   |
| Gross margin            | 70.42% | 69.45% | 70.50% | 71.78% | 71.50% | 71.50% | -1.36ppt | -2.05ppt | -1ppt    |
| Operating margin        | 21.23% | 20.41% | 21.21% | 23.74% | 23.06% | 23.41% | -2.5ppt  | -2.65ppt | -2.2ppt  |
| Net margin              | 16.52% | 15.87% | 16.55% | 18.53% | 18.01% | 18.33% | -2.01ppt | -2.14ppt | -1.78ppt |

Source: Company data, Bloomberg, CMBIGM estimates

**Figure 4: CMBIGM estimates vs consensus**

| RMB mn                  | CMBI   |        |        | Consensus |        |        | Diff (%) |          |          |
|-------------------------|--------|--------|--------|-----------|--------|--------|----------|----------|----------|
|                         | FY24E  | FY25E  | FY26E  | FY24E     | FY25E  | FY26E  | FY24E    | FY25E    | FY26E    |
| Revenue                 | 29,469 | 28,892 | 29,759 | 31,398    | 32,310 | 34,247 | -6.1%    | -10.6%   | -13.1%   |
| Gross profit            | 20,752 | 20,065 | 20,980 | 22,320    | 22,891 | 24,375 | -7.0%    | -12.3%   | -13.9%   |
| Operating profit        | 6,258  | 5,896  | 6,312  | 7,198     | 7,292  | 7,899  | -13.1%   | -19.1%   | -20.1%   |
| Attributable net profit | 4,868  | 4,584  | 4,925  | 5,714     | 5,849  | 6,347  | -14.8%   | -21.6%   | -22.4%   |
| EPS (RMB)               | 0.42   | 0.39   | 0.42   | 0.48      | 0.49   | 0.53   | -13.5%   | -20.0%   | -20.1%   |
| Gross margin            | 70.42% | 69.45% | 70.50% | 71.09%    | 70.85% | 71.17% | -0.67ppt | -1.4ppt  | -0.67ppt |
| Operating margin        | 21.23% | 20.41% | 21.21% | 22.93%    | 22.57% | 23.06% | -1.69ppt | -2.16ppt | -1.86ppt |
| Net margin              | 16.52% | 15.87% | 16.55% | 18.20%    | 18.10% | 18.53% | -1.68ppt | -2.24ppt | -1.98ppt |

Source: Company data, Bloomberg, CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                           | 2021A         | 2022A         | 2023A         | 2024E         | 2025E         | 2026E         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>YE 31 Dec (RMB mn)</b>                  |               |               |               |               |               |               |
| <b>Revenue</b>                             | <b>27,867</b> | <b>30,937</b> | <b>31,450</b> | <b>29,469</b> | <b>28,892</b> | <b>29,759</b> |
| Cost of goods sold                         | (6,732)       | (8,680)       | (9,273)       | (8,717)       | (8,827)       | (8,779)       |
| <b>Gross profit</b>                        | <b>21,135</b> | <b>22,256</b> | <b>22,177</b> | <b>20,752</b> | <b>20,065</b> | <b>20,980</b> |
| Selling expense                            | (10,443)      | (10,337)      | (9,141)       | (8,614)       | (8,436)       | (8,690)       |
| Admin expense                              | (1,010)       | (1,173)       | (1,190)       | (1,145)       | (1,069)       | (1,086)       |
| R&D expense                                | (3,433)       | (3,987)       | (4,830)       | (5,047)       | (4,969)       | (5,208)       |
| Others                                     | 546           | 815           | 421           | 312           | 306           | 315           |
| <b>Operating profit</b>                    | <b>6,795</b>  | <b>7,574</b>  | <b>7,437</b>  | <b>6,258</b>  | <b>5,896</b>  | <b>6,312</b>  |
| Gain/loss on financial assets at FVTPL     | 0             | 0             | 0             | 0             | 0             | 0             |
| Share of (losses)/profits of associates/JV | 60            | 33            | (21)          | (103)         | (100)         | (100)         |
| <b>Net interest income/(expense)</b>       | <b>(8)</b>    | <b>(25)</b>   | <b>(26)</b>   | <b>(28)</b>   | <b>(27)</b>   | <b>(13)</b>   |
| <b>Pre-tax profit</b>                      | <b>6,847</b>  | <b>7,582</b>  | <b>7,389</b>  | <b>6,126</b>  | <b>5,769</b>  | <b>6,198</b>  |
| Income tax                                 | (1,159)       | (1,350)       | (1,317)       | (1,208)       | (1,138)       | (1,222)       |
| Minority interest                          | 83            | 141           | 199           | 50            | 47            | 51            |
| <b>Net profit</b>                          | <b>5,688</b>  | <b>6,232</b>  | <b>6,073</b>  | <b>4,918</b>  | <b>4,631</b>  | <b>4,976</b>  |
| Gross dividends                            | 1,691         | 2,097         | 2,726         | 1,460         | 1,375         | 1,478         |
| Net dividends                              | 9             | 9             | (4)           | (17)          | (6)           | 7             |
| <b>BALANCE SHEET</b>                       |               |               |               |               |               |               |
| <b>YE 31 Dec (RMB mn)</b>                  |               |               |               |               |               |               |
| <b>Current assets</b>                      | <b>20,337</b> | <b>23,957</b> | <b>26,745</b> | <b>29,106</b> | <b>31,905</b> | <b>34,793</b> |
| Cash & equivalents                         | 9,284         | 10,298        | 12,015        | 14,890        | 17,848        | 20,457        |
| Account receivables                        | 3,890         | 4,631         | 6,542         | 6,459         | 6,332         | 6,522         |
| Inventories                                | 2,480         | 2,555         | 3,139         | 2,950         | 2,988         | 2,971         |
| Prepayment                                 | 0             | 0             | 0             | 0             | 0             | 0             |
| ST bank deposits                           | 1,443         | 3,575         | 1,077         | 1,077         | 1,077         | 1,077         |
| Other current assets                       | 3,240         | 2,898         | 3,972         | 3,730         | 3,660         | 3,765         |
| <b>Non-current assets</b>                  | <b>14,405</b> | <b>17,813</b> | <b>19,537</b> | <b>20,047</b> | <b>20,556</b> | <b>21,066</b> |
| PP&E                                       | 8,529         | 9,582         | 10,417        | 11,173        | 11,929        | 12,686        |
| Deferred income tax                        | 43            | 113           | 187           | 187           | 187           | 187           |
| Intangibles                                | 468           | 1,908         | 2,199         | 2,116         | 2,033         | 1,950         |
| Goodwill                                   | 1,035         | 1,395         | 1,226         | 1,062         | 898           | 734           |
| Financial assets at FVTPL                  | 1,979         | 2,126         | 2,387         | 2,387         | 2,387         | 2,387         |
| Other non-current assets                   | 2,351         | 2,689         | 3,122         | 3,122         | 3,122         | 3,122         |
| <b>Total assets</b>                        | <b>34,742</b> | <b>41,770</b> | <b>46,282</b> | <b>49,153</b> | <b>52,461</b> | <b>55,859</b> |
| <b>Current liabilities</b>                 | <b>7,226</b>  | <b>8,958</b>  | <b>10,183</b> | <b>9,622</b>  | <b>9,700</b>  | <b>9,626</b>  |
| Short-term borrowings                      | 0             | 153           | 450           | 422           | 395           | 367           |
| Account payables                           | 6,162         | 6,864         | 8,404         | 7,900         | 8,000         | 7,956         |
| Tax payable                                | 261           | 262           | 379           | 379           | 379           | 379           |
| Other current liabilities                  | 803           | 1,679         | 948           | 920           | 926           | 923           |
| <b>Non-current liabilities</b>             | <b>687</b>    | <b>1,170</b>  | <b>1,082</b>  | <b>1,082</b>  | <b>1,082</b>  | <b>1,082</b>  |
| Long-term borrowings                       | 0             | 0             | 0             | 0             | 0             | 0             |
| Other non-current liabilities              | 687           | 1,170         | 1,082         | 1,082         | 1,082         | 1,082         |
| <b>Total liabilities</b>                   | <b>7,913</b>  | <b>10,128</b> | <b>11,264</b> | <b>10,704</b> | <b>10,781</b> | <b>10,707</b> |
| Share capital                              | 10,899        | 10,899        | 10,899        | 10,899        | 10,899        | 10,899        |
| Other reserves                             | 15,087        | 19,298        | 22,304        | 25,711        | 28,920        | 32,368        |
| <b>Total shareholders equity</b>           | <b>25,987</b> | <b>30,198</b> | <b>33,203</b> | <b>36,610</b> | <b>39,819</b> | <b>43,267</b> |
| Minority interest                          | 842           | 1,444         | 1,815         | 1,839         | 1,860         | 1,885         |
| <b>Total equity and liabilities</b>        | <b>34,742</b> | <b>41,770</b> | <b>46,282</b> | <b>49,153</b> | <b>52,461</b> | <b>55,859</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>                         |                |                |                |                |                |                |
| <b>Profit before taxation</b>            | <b>6,847</b>   | <b>7,582</b>   | <b>7,389</b>   | <b>6,126</b>   | <b>5,769</b>   | <b>6,198</b>   |
| Depreciation & amortization              | 865            | 1,048          | 1,114          | 1,114          | 1,114          | 1,114          |
| Tax paid                                 | (1,141)        | (1,335)        | (1,309)        | (1,208)        | (1,138)        | (1,222)        |
| Change in working capital                | (1,388)        | 798            | (3,032)        | (19)           | 265            | (326)          |
| Others                                   | (547)          | (467)          | 16             | 0              | 0              | 0              |
| <b>Net cash from operations</b>          | <b>4,637</b>   | <b>7,627</b>   | <b>4,179</b>   | <b>6,013</b>   | <b>6,011</b>   | <b>5,764</b>   |
| <b>Investing</b>                         |                |                |                |                |                |                |
| Capital expenditure                      | (1,410)        | (2,220)        | (1,624)        | (1,624)        | (1,624)        | (1,624)        |
| Acquisition of subsidiaries/ investments | 0              | 0              | 0              | 0              | 0              | 0              |
| Others                                   | 773            | (4,576)        | 2,231          | 0              | 0              | 0              |
| <b>Net cash from investing</b>           | <b>(637)</b>   | <b>(6,796)</b> | <b>607</b>     | <b>(1,624)</b> | <b>(1,624)</b> | <b>(1,624)</b> |
| <b>Financing</b>                         |                |                |                |                |                |                |
| Dividend paid                            | (1,691)        | (2,097)        | (2,726)        | (1,460)        | (1,375)        | (1,478)        |
| Net borrowings                           | 0              | 486            | 0              | 0              | 0              | 0              |
| Proceeds from share issues               | 0              | 0              | 0              | 0              | 0              | 0              |
| Share repurchases                        | (264)          | (14)           | (200)          | 0              | 0              | 0              |
| Others                                   | (242)          | (279)          | 626            | (54)           | (54)           | (54)           |
| <b>Net cash from financing</b>           | <b>(2,197)</b> | <b>(1,904)</b> | <b>(2,301)</b> | <b>(1,514)</b> | <b>(1,429)</b> | <b>(1,531)</b> |
| <b>Net change in cash</b>                |                |                |                |                |                |                |
| Cash at the beginning of the year        | 7,259          | 9,060          | 10,298         | 12,015         | 14,890         | 17,848         |
| Exchange difference                      | (2)            | 14             | 5              | 0              | 0              | 0              |
| Others                                   | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>Cash at the end of the year</b>       | <b>9,060</b>   | <b>8,001</b>   | <b>12,015</b>  | <b>14,890</b>  | <b>17,848</b>  | <b>20,457</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                                  | 11.7%          | 11.0%          | 1.7%           | (6.3%)         | (2.0%)         | 3.0%           |
| Gross profit                             | 13.1%          | 5.3%           | (0.4%)         | (6.4%)         | (3.3%)         | 4.6%           |
| Operating profit                         | 12.2%          | 11.5%          | (1.8%)         | (15.9%)        | (5.8%)         | 7.0%           |
| Net profit                               | 8.8%           | 9.6%           | (2.6%)         | (19.0%)        | (5.8%)         | 7.4%           |
| <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                      | 75.8%          | 71.9%          | 70.5%          | 70.4%          | 69.4%          | 70.5%          |
| Operating margin                         | 24.4%          | 24.5%          | 23.6%          | 21.2%          | 20.4%          | 21.2%          |
| Return on equity (ROE)                   | 23.5%          | 22.2%          | 19.2%          | 14.1%          | 12.1%          | 12.0%          |
| <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)                   | (0.4)          | (0.4)          | (0.4)          | (0.4)          | (0.5)          | (0.5)          |
| Current ratio (x)                        | 2.8            | 2.7            | 2.6            | 3.0            | 3.3            | 3.6            |
| Receivable turnover days                 | 92.9           | 87.7           | 120.5          | 124.6          | 124.6          | 124.6          |
| Inventory turnover days                  | 134.5          | 107.4          | 123.5          | 123.5          | 123.5          | 123.5          |
| Payable turnover days                    | 352.4          | 319.6          | 349.4          | 349.4          | 349.4          | 349.4          |
| <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                                      | 10.2           | 9.3            | 9.6            | 11.4           | 12.2           | 11.3           |
| P/E (diluted)                            | 10.2           | 9.3            | 9.6            | 11.4           | 12.2           | 11.3           |
| P/B                                      | 2.1            | 1.8            | 1.6            | 1.4            | 1.3            | 1.2            |
| P/CFPS                                   | 12.3           | 7.4            | 13.5           | 9.3            | 9.3            | 9.7            |
| Div yield (%)                            | 3.0            | 3.7            | 4.8            | 2.6            | 2.5            | 2.7            |

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

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