

# Netflix (NFLX US)

## Bullish on margin expansion and subs upside

We turn more positive on Netflix's enhanced monetization, expansion of TAM (with AVOD and paid sharing) and margin improvement. Netflix delivered an eye-catching 4Q23 with upbeat subs and OPM, with ad-supported subs +70% QoQ. We expect its strong momentum to continue, backed by: 1) deeper AVOD penetration, with the basic plan to be eliminated in Canada and the UK in 2Q24E; 2) paid sharing to tap into a larger household base; and 3) content to pick up. Mgmt raised its FY24E OPM to 24% from 22%-23%, on efficient content spending and stronger rev. We raise our FY24-25E earnings by 10%, with higher DCF-based TP at US\$613.3 (35.6x/28.9x FY24/25E P/E).

- **Eye-catching 4Q23 with upbeat subs.** Netflix reported eye-catching 4Q23 results, with revenue +12.5% YoY (2%/1% ahead of our estimates/consensus) and OPM at 16.9% (3.6ppts/3.1ppts above our estimates/consensus). Solid topline was driven by stronger-than-expected subs with 13.1mn net adds (vs. our estimates of 9.3mn, the highest Q4 ever). ARM grew 1% YoY (in line with our estimate) due to limited price climbs and price reductions in some countries, partially offset by price increases in the US, UK and France in 4Q23. OPM was 16.9%, attributable to disciplined content cost, while EPS was US\$2.11 lower than consensus for F/X adjustments. In 4Q23, Netflix repurchased 5.5mn shares with US\$2.5bn and had US\$8.4bn remaining under the current program.
- **AVOD and paid sharing in good progress.** Mgmt guided 1Q24E rev at US\$9.24bn (+13% YoY, or 16% ex-FX), OP at US\$2.4bn (+41% YoY, 4% above consensus) and NP at US\$2.0bn (+51% YoY). 1Q24E net adds would be down sequentially for seasonality but up versus 1Q23. Netflix's AVOD penetration continues to bear fruit, with ad-supported subs +70% QoQ in 4Q23 (accounting for 40% of sign-ups, vs 30% in Sep 2023). It will retire the basic plan in Canada and the UK in 2Q24E, further boosting AVOD expansion. Paid sharing initiatives performed well, and could enlarge the TAM by 25% (500mn households), based on our estimates. In the long run, scaling ads and game monetization (at early stage) should bring more earnings upside. After 2023 strikes, we expect content to gradually pick up, especially considering Netflix's rich pipeline in FY24E: Diplomat S2, Bridgerton S3, Squid Game S2 and Empress S2, etc.
- **Guiding up margin expansion in FY24E.** Mgmt raised its FY24E OPM to 24% from 22%-23%, with FCF at US\$6bn and content cost at US\$17bn. We turn more positive on its margin outlook, backed by efficient content spending, a higher mix of non-English content, enhanced monetization, and a pullback of competition.
- **Maintain BUY.** To reflect a stronger 4Q23 and margin guidance, we lift FY24-25E earnings forecast by 10%, with higher TP at US\$613.3. Reiterate BUY.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (US\$ mn)	31,616	33,723	38,302	41,897	45,766
YoY growth (%)	6.5	6.7	13.6	9.4	9.2
Net profit (US\$ mn)	4,491.9	5,408.0	7,536.4	9,178.0	11,050.1
EPS (US\$)	9.9	12.0	17.2	21.3	25.7
YoY growth (%)	(12.5)	21.2	43.5	23.4	21.0
Consensus EPS (US\$)	NA	NA	16.25	20.11	0.00
P/S (x)	6.8	6.4	5.6	5.1	4.7
P/E (x)	28.2	40.9	28.6	23.2	19.1
ROE (%)	24.5	26.1	32.7	31.8	29.1
Net gearing (%)	Net debt	Net debt	Net debt	Net debt	Net debt

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

Target Price	US\$613.30
(Previous TP)	US\$511.7)
Up/Downside	24.6%
Current Price	US\$492.19

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### Stock Data

Mkt Cap (US\$ mn)	215,579.2
Avg 3 mths t/o (US\$ mn)	1,938.5
52w High/Low (US\$)	495.02/292.76
Total Issued Shares (mn)	438.0

Source: FactSet

### Shareholding Structure

Vanguard	8.3%
Capital Group	7.2%

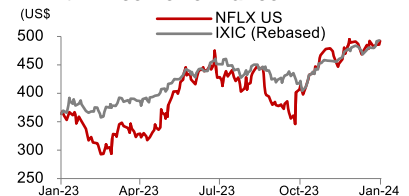
Source: Nasdaq

### Share Performance

	Absolute	Relative
1-mth	1.1%	-1.7%
3-mth	19.0%	1.3%
6-mth	14.9%	4.7%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

Figure 1: 4Q23 financial review

US\$ mn	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	QoQ	YoY	Consensus	Diff %	CMBI	Diff %
Revenue	7,868	7,970	7,926	7,852	8,162	8,187	8,542	8,833	3.4%	12.5%	8,712	1%	8,690	2%
Gross profit	3,583	3,279	3,137	2,448	3,358	3,514	3,611	3,525	-2.4%	44.0%	3,311	6%	3,087	14%
Operating profit	1,972	1,578	1,533	550	1,714	1,827	1,916	1,496	-21.9%	172.1%	1,209	24%	1,160	29%
Net profit	1,597	1,441	1,398	55	1,305	1,488	1,677	938	-44.1%	1596.4%	1,006	-7%	927	1%
EPS (US\$)	3.53	3.20	3.10	0.12	2.88	3.29	3.73	2.11	-43.4%	1624.5%	2.24	-6%	2.08	1%
<b>Margin (%)</b>														
Gross margin	45.5%	41.1%	39.6%	31.2%	41.1%	42.9%	42.3%	39.9%			38.0%		35.5%	
Operating margin	25.1%	19.8%	19.3%	7.0%	21.0%	22.3%	22.4%	16.9%			13.9%		13.3%	
Adj. net margin	20.3%	18.1%	17.6%	0.7%	16.0%	18.2%	19.6%	10.6%			11.5%		10.7%	
<b>Growth (%)</b>														
Revenue (YoY)	9.8%	8.6%	5.9%	1.9%	3.7%	2.7%	7.8%	12.5%			10.9%		10.7%	
Revenue (QoQ)	2.1%	1.3%	-0.6%	-0.9%	3.9%	0.3%	4.3%	3.4%			2.0%		1.7%	
Operating profit	0.6%	-14.6%	-12.7%	-13.0%	-13.1%	15.8%	25.0%	172.1%			119.8%		110.9%	
Net profit	-6.4%	6.5%	-3.5%	-90.9%	-18.3%	3.2%	20.0%	1596.4%			1718.9%		1576.9%	

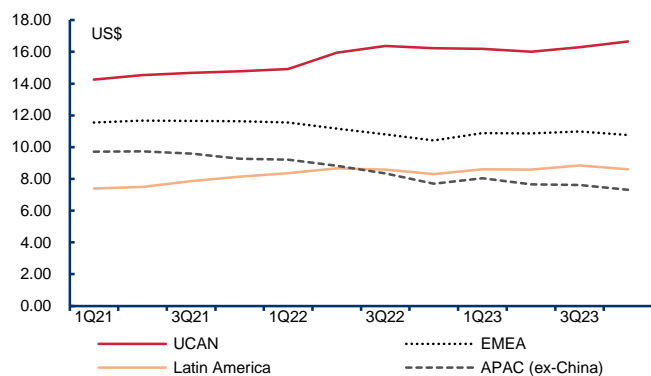
Source: Company data, Bloomberg, CMBIGM estimates

Figure 2: 4Q23 revenue breakdown

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	QoQ	YoY
<b>Revenue (US\$ mn)</b>	<b>7,868</b>	<b>7,970</b>	<b>7,926</b>	<b>7,852</b>	<b>8,162</b>	<b>8,187</b>	<b>8,542</b>	<b>8,833</b>	<b>3.4%</b>	<b>12.5%</b>
<b>Total Streaming Revenues</b>	7,828	7,933	7,890	7,818	8,130	8,158	8,519	8,833	3.7%	13.0%
UCAN	3,350	3,538	3,602	3,595	3,609	3,599	3,735	3,931	5.2%	9.3%
EMEA	2,562	2,457	2,376	2,350	2,518	2,562	2,693	2,784	3.4%	18.4%
LATAM	999	1,030	1,024	1,017	1,070	1,077	1,143	1,156	1.2%	13.7%
APAC (ex-China)	917	908	889	857	934	919	948	963	1.5%	12.4%
<b>DVD</b>	40	37	35	34	32	29	22	0	NA	NA

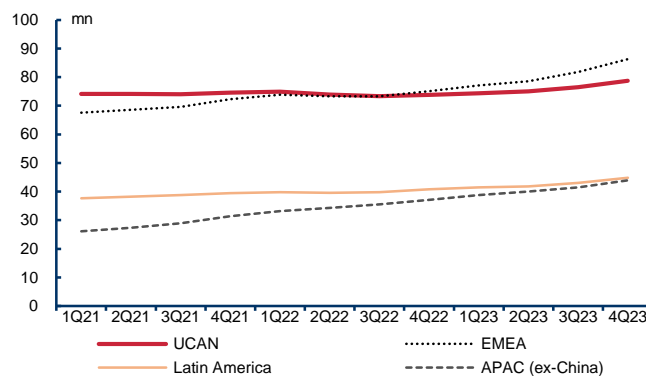
Source: Company data, CMBIGM

Figure 3: Quarterly ARPPU growth by region



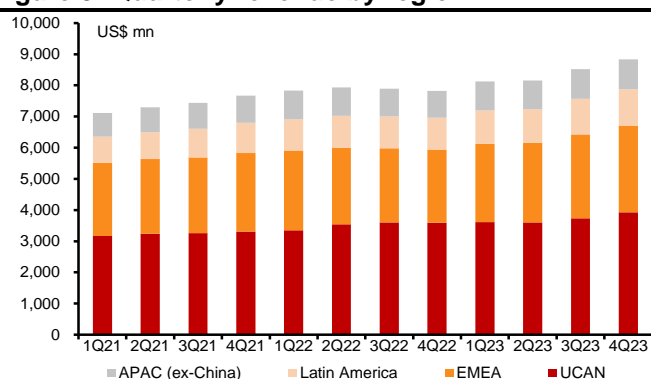
Source: Company data, CMBIGM

Figure 4: Quarterly subs growth by region



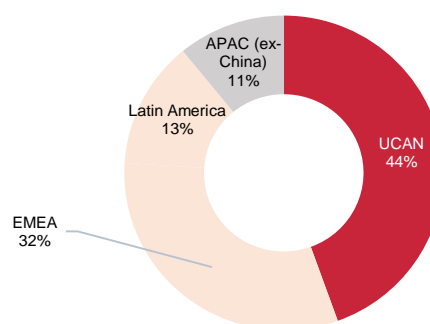
Source: Company data, CMBIGM

Figure 5: Quarterly revenue by region



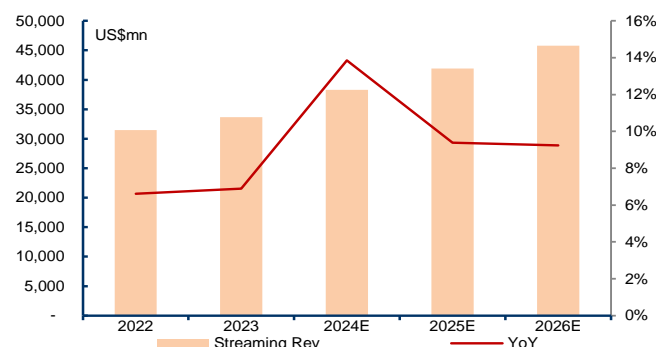
Source: Company data, CMBIGM

Figure 6: 4Q23 rev breakdown



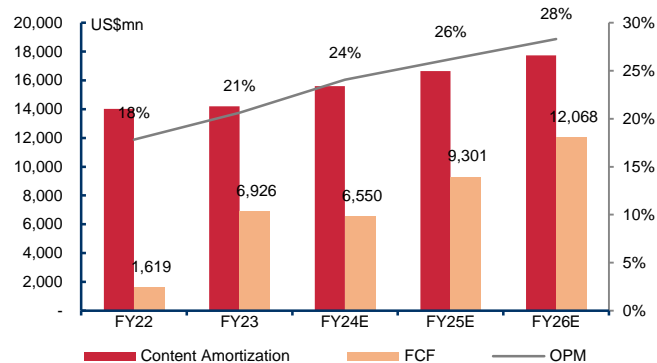
Source: Company data, CMBIGM

Figure 7: Yearly revenue growth estimates



Source: Company data, CMBIGM estimates

Figure 8: Free cash flow projections



Source: Company data, CMBIGM estimates

Figure 9: Key launches in 2024

Type	Language	Key launches in 2024	Detail
Drama	English	The Diplomat S2	
	English	Bridgerton S3	
	Korean	Squid Game S2	
	German	Empress S2	
Unscripted series	French	Tour de France: Unchained S2	
	English	Love is Blind S6	
	English	F1: Drive to Survive S6	
	English	Full Swing S2	
Brand new shows	English	3 Body Problem	Based on the best-selling novel and from the Game of Thrones showrunners
	English	Griselda	Starring Sofia Vergara, which premieres
	English	The Gentlemen	From Guy Ritchie
	English	Eric	Starring Benedict Cumberbatch
	English	Avatar: The Last Airbender	
	Spanish	Cien Años de Soledad	From Colombia based on the novel by Gabriel García Márquez
Film	English	Rebel Moon sequel	
	English	Back in Action	With Cameron Diaz and Jamie Foxx
	English	Carry On	From Steven Spielberg's Amblin Entertainment starring Jason Bateman and Taron Edgerton
	English	Spellbound	From producer John Lasseter, Eddie Murphy reprising his role in Beverly Hills Cop: Axel F
	English	Six Triple Eight	Starring Kerry Washington and directed by Tyler Perry

Source: Company data, CMBIGM

**Figure 10: CMBIGM estimates vs consensus**

US\$ mn, Dec-YE	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	38,302	41,897	45,766	38,273	42,354	45,623	0.1%	-1.1%	0.3%
Gross Profit	16,943	19,079	21,437	16,400	18,817	20,934	3.3%	1.4%	2.4%
Operating Profit	9,215	10,972	12,960	8,749	10,591	12,597	5.3%	3.6%	2.9%
Adj. net profit	7,536	9,178	11,050	7,187	8,765	9,978	4.9%	4.7%	10.7%
Adj. EPS (RMB)	17.23	21.25	25.71	16.25	20.11	23.49	6.0%	5.7%	9.5%
Gross margin	44.2%	45.5%	46.8%	42.8%	44.4%	45.9%	+1.4ppts	+1.1ppts	+1.0ppts
Operating margin	24.1%	26.2%	28.3%	22.9%	25.0%	27.6%	+1.2ppts	+1.2ppts	+0.7ppts
Adj. net margin	19.7%	21.9%	24.1%	18.8%	20.7%	21.9%	+0.9ppts	+1.2ppts	+2.3ppts

Source: Bloomberg, CMBIGM estimates

**Figure 11: Earnings revision**

US\$ mn, Dec-YE	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	38,302	41,897	45,766	37,981	41,488	NA	0.8%	1.0%	NA
Gross Profit	16,943	19,079	21,437	16,123	18,153	NA	5.1%	5.1%	NA
Operating Profit	9,215	10,972	12,960	8,520	10,190	NA	8.2%	7.7%	NA
Adj. net profit	7,536	9,178	11,050	6,825	8,351	NA	10.4%	9.9%	NA
Adj. EPS (RMB)	17.23	21.25	25.71	15.45	19.15	NA	11.5%	11.0%	NA
Gross Margin	44.2%	45.5%	46.8%	42.5%	43.8%	NA	+1.8ppts	+1.8ppts	NA
Operating Margin	24.1%	26.2%	28.3%	22.4%	24.6%	NA	+1.6ppts	+1.6ppts	NA
Adj. net margin	19.7%	21.9%	24.1%	18.0%	20.1%	NA	+1.7ppts	+1.8ppts	NA

Source: Bloomberg, CMBIGM estimates

**Figure 12: DCF-based valuation**

DCF Valuation (US\$ mn)											
	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	9,215	10,972	12,960	15,107	18,280	21,936	26,104	30,541	35,428	40,742	46,446
Tax	(1,166)	(1,420)	(1,710)	(2,040)	(2,096)	(2,515)	(2,993)	(3,502)	(4,063)	(4,672)	(5,326)
D&A	(402)	490	1,607	2,962	3,081	3,204	3,332	3,465	3,604	3,748	3,898
Change in working capital	(637)	(259)	(282)	(255)	(230)	(207)	(186)	(168)	(151)	(136)	(122)
CAPEX	(460)	(483)	(507)	(532)	(559)	(587)	(616)	(647)	(679)	(713)	(749)
FCF	6,550	9,301	12,068	15,243	18,476	21,831	25,640	29,690	34,140	38,970	44,148
FCF Growth	-5%	42%	30%	26%	21%	18%	17%	16%	15%	14%	13%
PV	6,550	8,291	9,590	10,797	11,667	12,289	12,866	13,280	13,613	13,851	166,365
Terminal Value											480,916

**Assumptions**

<b>WACC</b>	<b>12.2%</b>
Tax rate	11.0%
Risk free rate	4.95%
Cost of debt	6.1%
Beta	1.20
Market risk return	10.7%
Cost of equity	12.2%
Debt/Assets	0.0%
<b>Long term growth</b>	<b>3.0%</b>

**Equity Value**

<b>PV</b>	<b>279,158</b>
minus: Net debt (US\$ mn)	7,405
minus: Minority interest (US\$ mn)	0
<b>Equity Value(US\$ mn)</b>	<b>271,753</b>
No. of shares (mn)	443
<b>Target Price (US\$) based on DCF</b>	<b>613.3</b>

Source: CMBIGM estimates

		WACC				
Terminal growth rate	~	10%	11%	12%	13%	14%
	1.5%	755.2	656.4	565.0	513.2	460.0
	2.0%	783.4	676.9	579.5	524.8	469.0
	2.5%	815.5	699.9	595.5	537.5	478.7
	3.0%	852.0	725.7	613.3	551.5	489.3
	3.5%	894.2	754.9	633.1	567.0	501.0
	4.0%	943.5	788.3	655.3	584.1	513.8
	4.5%	1,001.7	826.9	680.5	603.3	527.9

Figure 13: Comps table

Company	Ticker	Mkt cap (USD mn)	Currency	Price	CMBI Rating	CMBI TP	PE			PS			FY23-25 EPS CAGR
							FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	
Netflix	NFLX US	215,422	USD	492	NA	NA	40.9	28.6	23.2	6.4	5.6	5.1	33%
<b>Global TMT Giants</b>													
Meta	META US	989,911	USD	385	NA	NA	26.5	21.2	18.9	7.4	6.5	5.8	16%
Alphabet	GOOGL US	1,850,458	USD	147	NA	NA	23.9	20.9	18.4	7.3	6.5	5.9	17%
Amazon	AMZN US	1,612,315	USD	156	NA	NA	41.7	33.3	25.4	2.8	2.5	2.3	23%
Apple	AAPL US	3,017,853	USD	195	NA	NA	29.8	28.2	25.4	7.6	7.2	6.6	9%
Microsoft	MSFT US	2,964,729	USD	399	NA	NA	35.2	30.7	26.2	12.2	10.8	9.4	17%
NVIDIA	NVDA US	1,478,863	USD	599	NA	NA	48.3	28.8	25.1	25.0	15.8	13.5	39%
Oracle	ORCL US	307,412	USD	112	NA	NA	19.6	17.7	15.6	5.8	5.3	4.8	13%
Salesforce	CRM US	267,913	USD	277	NA	NA	33.2	28.9	24.4	7.7	6.9	6.2	16%
AMD	AMD US	272,082	USD	168	NA	NA	63.2	43.4	33.4	12.0	10.1	8.7	40%
Average							28.0	28.1	23.7	7.8	6.5	5.8	16%
<b>Digital entertainment &amp; content</b>													
Alphabet	GOOGL US	1,850,458	USD	147	NA	NA	23.9	20.9	18.4	7.3	6.5	5.9	17%
Meta	META US	989,911	USD	385	NA	NA	26.5	21.2	18.9	7.4	6.5	5.8	16%
Snap	SNAP US	26,886	USD	16	NA	NA	NA	NA	85.7	5.8	5.1	4.4	90%
Spotify	SPOT US	41,031	USD	207	NA	NA	NA	84.4	47.1	2.8	2.4	2.1	NA
Pinterest	Pins US	24,924	USD	37	NA	NA	34.2	30.8	24.6	8.1	6.9	5.8	21%
Match Group	MTCH US	9,935	USD	37	NA	NA	17.5	15.0	13.1	3.0	2.7	2.5	16%
Average							25.5	22.0	18.8	5.7	5.0	4.4	17%
<b>Digital entertainment &amp; content</b>													
Paramount Global	PARA US	9,139	USD	14	NA	NA	36.6	12.3	9.9	0.3	0.3	0.3	56%
Disney	DIS US	171,629	USD	94	NA	NA	21.7	17.8	15.7	1.9	1.8	1.7	19%
Warner Bros Disc	WBD US	25,702	USD	11	NA	NA	NA	NA	58.2	0.6	0.6	0.6	NA
Fox Corporation	FOXA US	14,667	USD	32	NA	NA	10.0	8.6	9.3	1.0	1.0	1.0	9%
Roku	ROKU US	12,963	USD	91	NA	NA	NA	NA	NA	3.7	3.3	2.9	NA
New York Times	NYT US	8,002	USD	49	NA	NA	33.0	30.1	26.7	3.3	3.1	2.9	10%
Average							25.3	17.2	15.4	1.8	1.7	1.6	25%
<b>China entertainment</b>													
Tencent	700 HK	337,814	HKD	280	BUY	465	15.7	13.3	11.7	4.0	3.6	3.2	15%
Alibaba	BABA US	188,264	USD	74	BUY	148	8.4	8.0	7.2	1.4	1.3	1.2	10%
IQIYI	IQ US	3,529	USD	4	BUY	9	10.9	8.3	6.8	0.8	0.8	0.7	26%
Mango	300413 CH	5,705	CNY	22	NA	NA	18.9	15.9	13.7	2.8	2.5	2.2	17%
Kuaishou	1024 HK	24,321	HKD	44	BUY	97	19.2	11.8	8.1	1.5	1.3	1.2	56%
Bilibili	BILI US	4,234	USD	10	BUY	24	NA	NA	34.6	1.4	1.2	1.1	NA
China Literature	772 HK	3,551	HKD	27	NA	NA	17.1	15.1	13.2	3.3	3.0	2.8	12%
Average							15.0	12.1	10.1	1.9	1.7	1.5	16%
<b>Average</b>							<b>22.5</b>	<b>20.7</b>	<b>18.4</b>	<b>5.1</b>	<b>4.5</b>	<b>4.0</b>	<b>16%</b>

Source: Bloomberg, CMBIGM estimates

Note: Data as of 24 Jan 2024

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Revenue	29,698	31,616	33,723	38,302	41,897	45,766
Cost of goods sold	17,333	19,168	19,715	21,360	22,818	24,330
Gross profit	12,365	12,447	14,008	16,943	19,079	21,437
Operating expenses	6,171	6,814	7,054	7,728	8,107	8,477
Selling expense	2,545	2,531	2,658	2,952	3,081	3,205
Admin expense	1,352	1,573	1,720	1,848	1,937	2,025
R&D expense	2,274	2,711	2,676	2,928	3,088	3,247
Operating profit	6,195	5,633	6,954	9,215	10,972	12,960
Other income	(766)	(706)	(700)	(678)	(615)	(587)
Other expense	411	337	(49)	166	241	387
Pre-tax profit	5,840	5,264	6,205	8,703	10,598	12,760
Income tax	724	772	797	1,166	1,420	1,710
Net profit	5,116	4,492	5,408	7,536	9,178	11,050

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Current assets	8,070	9,266	9,918	13,825	18,637	31,048
Cash & equivalents	6,028	5,147	7,117	10,266	14,760	26,828
ST bank deposits	0	911	21	21	21	21
Other current assets	2,042	3,208	2,780	3,538	3,856	4,200
Non-current assets	36,515	39,328	38,814	41,951	43,378	44,032
PP&E	1,323	1,398	1,491	1,557	1,628	1,704
Intangibles	30,920	32,737	31,658	33,769	34,530	34,465
Other non-current assets	4,272	5,193	5,664	6,625	7,221	7,864
Total assets	44,585	48,595	48,732	55,776	62,015	75,081
Current liabilities	8,489	7,931	8,861	9,601	10,433	11,329
Short-term borrowings	700	0	400	0	0	0
Account payables	837	672	747	781	820	858
Accrued expenses	1,449	1,515	1,804	2,182	2,378	2,590
Non-current liabilities	20,246	19,886	19,283	20,233	19,009	19,639
Long-term borrowings	14,693	14,353	14,143	13,743	11,936	11,936
Other non-current liabilities	14,042	13,464	14,000	16,091	17,506	19,032
Total liabilities	28,735	27,817	28,144	29,834	29,442	30,968
Capital surplus	4,025	4,638	5,145	5,145	5,145	5,145
Retained earnings	12,689	17,181	22,589	30,543	40,174	51,714
Other reserves	(40)	(217)	(224)	(224)	(224)	(224)
Total shareholders equity	15,849	20,777	20,588	25,542	32,173	43,713

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec (US\$ mn)</b>						
<b>Operating</b>						
Profit before taxation	5,840	5,264	6,205	8,703	10,598	12,760
Depreciation & amortization	208	337	357	394	412	431
Tax paid	724	772	797	1,166	1,420	1,710
Change in working capital	(242)	(758)	(116)	(637)	(259)	(282)
Others	(6,138)	(3,588)	31	(2,617)	(2,388)	(2,044)
<b>Net cash from operations</b>	<b>393</b>	<b>2,026</b>	<b>7,274</b>	<b>7,009</b>	<b>9,784</b>	<b>12,574</b>
<b>Investing</b>						
Capital expenditure	(525)	(408)	(349)	(460)	(483)	(507)
Net proceeds from disposal of short-term investments	0	(911)	890	0	0	0
Others	(815)	(757)	0	0	0	0
<b>Net cash from investing</b>	<b>(1,340)</b>	<b>(2,076)</b>	<b>542</b>	<b>(460)</b>	<b>(483)</b>	<b>(507)</b>
<b>Financing</b>						
Net borrowings	(500)	(678)	61	(400)	(1,808)	0
Proceeds from share issues	174	14	0	0	0	0
Share repurchases	(600)	0	(6,045)	(3,000)	(3,000)	0
Others	(224)	0	34	0	0	0
<b>Net cash from financing</b>	<b>(1,150)</b>	<b>(664)</b>	<b>(5,951)</b>	<b>(3,400)</b>	<b>(4,808)</b>	<b>0</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	8,206	6,028	5,147	7,115	10,264	14,758
<b>Cash at the end of the year</b>	<b>6,028</b>	<b>5,147</b>	<b>7,115</b>	<b>10,264</b>	<b>14,758</b>	<b>26,826</b>
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec</b>						
Revenue	18.8%	6.5%	6.7%	13.6%	9.4%	9.2%
Gross profit	27.2%	0.7%	12.5%	21.0%	12.6%	12.4%
Operating profit	35.1%	(9.1%)	23.5%	32.5%	19.1%	18.1%
Net profit	85.3%	(12.2%)	20.4%	39.4%	21.8%	20.4%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec</b>						
Gross profit margin	41.6%	39.4%	41.5%	44.2%	45.5%	46.8%
Operating margin	20.9%	17.8%	20.6%	24.1%	26.2%	28.3%
Return on equity (ROE)	38.0%	24.5%	26.1%	32.7%	31.8%	29.1%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.6	0.4	0.4	0.1	(0.1)	(0.3)
Current ratio (x)	1.0	1.2	1.1	1.4	1.8	2.7
Payable turnover days	17.6	15.7	13.3	13.9	13.5	13.2
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec</b>						
P/E	48.4	28.2	31.9	28.0	22.7	18.8
P/B	16.0	6.2	8.5	8.4	6.6	4.8

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



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