

SANY International (631 HK)

Multiple growth drivers ahead

SANYI's after-tax profit (including MI) came in at RMB1.78bn, which is within the pre-announced profit range of RMB1.60-1.85bn. Adjusted for the one-off impairment loss, the adjusted attributable net profit was flat YoY at RMB1.85bn. In the post-results call, management mentioned that large mining trucks, micro grids and lithium power are the key growth areas over the coming years. We fine-tune our 2026 earnings forecast by -6%, but largely due to lower road header sales (domestically coal related). We continue to like SANYI's growth through continuous business diversification. Maintain **BUY** with new TP of HK\$19.5 (previously HK\$20.6), based on unchanged 20x 2026E P/E (equivalent to the peak level since 2017, to reflect the rising earnings visibility driven by the commodity upcycle).

Takeaways from post-results conference call on key growth segments:

- Mining trucks:** SANYI believes that large mining trucks and articulated trucks are high value products with good potential for global penetration. SANYI mentioned that its large mining trucks offer 15% lower maintenance cost than peers, and therefore much lower TCO for customers. SANYI currently has RMB3bn backlog for overseas large mining trucks, with more focus on high-end customers. Non-coal applications (such as copper, gold and manganese) account for close to 50% of the backlog.
- Micro grid:** SANYI's micro grid solution targets mainly mining sites. SANYI focuses on three major business models: (1) Self-owned (mainly in Africa): Investment return is generated through the collection of tariffs, with payback period of ~5 years. (2) EPC (mainly in Asia Pacific and Latin America): SANYI provides customers with solutions. Gross margin is ~25%. (3) BOT (in Europe): The investment return includes EPC margin and gains from project disposal. Currently, SANYI has four micro grid projects in operation, and 20 EPC projects on hand.
- Lithium power:** At present, SANYI lithium battery products are mainly sold to SANY Group. SANYI is planning to expand its capacity to 22GWh/33GWh in 2027/28. Given that SANYI Group's lithium battery demand is expected to reach 30GWh/45GWh in 2027/28 according to management, orders for SANYI's products are therefore almost secured. In terms of downstream applications, SANYI plans to gradually expand from commercial vehicles (mainly concrete mixers and tractors) to wheel loaders.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	21,910	24,334	30,043	35,426	41,619
YoY growth (%)	8.0	11.1	23.5	17.9	17.5
Adjusted net profit (RMB mn)	1,849.9	1,850.9	2,813.0	3,694.5	4,421.9
YoY growth (%)	(4.1)	0.1	52.0	31.3	19.7
EPS (Adjusted) (RMB)	0.58	0.57	0.87	1.14	1.36
Consensus EPS (RMB)	na	0.74	0.93	1.15	0.00
P/E (x)	30.0	18.7	11.9	9.1	7.6
P/B (x)	2.7	2.5	2.2	2.0	1.7
Yield (%)	2.6	3.1	4.6	5.5	6.6
ROE (%)	9.3	14.0	20.0	23.0	24.0
Net gearing (%)	17.4	13.0	8.1	7.9	5.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$19.50
(Previous TP)	HK\$20.60
Up/Downside	66.2%
Current Price	HK\$11.73

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Stock Data

Mkt Cap (HK\$ mn)	37,916.3
Avg 3 mths t/o (HK\$ mn)	160.2
52w High/Low (HK\$)	15.97/4.42
Total Issued Shares (mn)	3232.4

Source: FactSet

Shareholding Structure

Sany Heavy Equipment Investments Company	64.9%
Free float	33.9%

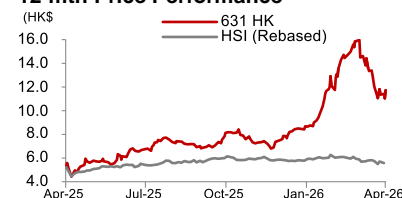
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-25.5%	-21.6%
3-mth	35.5%	37.3%
6-mth	44.3%	53.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

SANYI (BUY) – Profit in 2025 a negative surprise; Looking for improvement in 2026 – 22 Mar 2026 ([link](#))

SANYI (BUY) - Mining truck gaining traction; Higher earnings forecast and TP – 20 Feb 2026 ([link](#))

Capital Goods – Key themes in 2026; Focus on Mining equipment + Power for data centres + Replacement cycle – 1 Dec 2025 ([link](#))

Figure 1: SANYI's 4Q25 results

RMB mn	1Q24	1Q25	Chg (YoY)	2Q24	2Q25	Chg (YoY)	3Q24	3Q25	Chg (YoY)	4Q24	4Q25	Chg (YoY)
Revenue	5,130	5,876	15%	5,626	6,360	13%	5,154	5,910	15%	6,000	6,187	3%
Cost of sales	-3,852	-4,448	15%	-4,278	-4,890	14%	-3,865	-4,478	16%	-5,001	-5,094	2%
Gross profit	1,278	1,428	12%	1,348	1,470	9%	1,289	1,432	11%	999	1,093	9%
Gross margin	24.9%	24.3%		24.0%	23.1%		25.0%	24.2%		16.7%	17.7%	
Pretax profit	558	821	47%	594	890	50%	541	502	-7%	-272	-34	-87%
Pretax profit margin	10.9%	14.0%		10.6%	14.0%		10.5%	8.5%		-4.5%	-0.6%	
Net profit	516	635	23%	517	663	28%	357	414	16%	-288	67	n/a
Net margin	10.1%	10.8%		9.2%	10.4%		6.9%	7.0%		-4.8%	1.1%	
Adjusted net profit	516	635	23%	517	663	28%	357	414	16%	-288	67	n/a
Adjusted net margin	10.1%	10.8%		9.2%	10.4%		6.9%	7.0%		-4.8%	1.1%	

Source: Company data, CMBIGM

Figure 2: SANYI's segment breakdown in 2H25

(RMB mn)	1H24	1H25	Change (YoY)	2H24	2H25	Change (YoY)
Revenue						
<u>Mining equipment</u>	6,100	4,960	-18.7%	5,119	4,444	-13.2%
Sales	5,938	4,637	-21.9%	4,964	4,357	-12.2%
Others	161	323	100.4%	155	86	-44.3%
<u>Logistics equipment</u>	3,377	3,762	11.4%	4,731	5,200	9.9%
Sales	3,282	3,680	12.1%	4,625	5,088	10.0%
Others	95	82	-13.2%	106	112	6.1%
<u>Oil & Gas equipment</u>	862	1,342	55.6%	1,057	1,454	37.5%
Sales	846	1,325	56.6%	1,021	1,426	39.6%
Others	16	17	2.6%	36	28	-22.1%
<u>Emerging industry equipment</u>	702	2,619	273.1%	1,319	2,231	69.1%
Sales	690	2,594	276.2%	1,288	2,192	70.1%
Others	12	25	99.1%	31	40	28.8%
Total sales	10,756	12,237	13.8%	11,899	13,063	9.8%
Segment EBIT						
Mining equipment	903	769	-14.9%	731	443	-39.4%
Logistics machinery	568	739	30.1%	272	513	88.5%
Oil & Gas equipment	-36	115	n/a	-563	-77	-86.2%
Emerging industry equipment	-255	57	n/a	-177	-428	141.8%
Total segment results	1,180	1,680	42.3%	1,003	956	-4.7%
Segment margin			ppt			ppt
Mining equipment	15.2%	16.6%	1.4	14.7%	10.2%	-4.6
Logistics machinery	17.3%	20.1%	2.8	5.9%	10.1%	4.2
Oil & Gas equipment	-4.3%	8.7%	13.0	-55.2%	-5.4%	49.7
Emerging industry equipment	-36.9%	2.2%	39.1	-13.7%	-19.5%	-5.8
Average	11.0%	13.7%	2.8	8.4%	7.3%	-1.1

Source: Company data, CMBIGM

Figure 3: SANYI's results in 2025

YE Dec 31 (RMB mn)	1H24	1H25	Change (YoY)	2H24	2H25	Change (YoY)
Total sales	10,756	12,237	13.8%	11,154	12,097	8.5%
Cost of sales	-8,130	-9,338	14.9%	-8,866	-9,572	8.0%
Gross profit	2,626	2,899	10.4%	2,288	2,525	10.4%
Other income	309	475	53.7%	197	95	-52.0%
Other gains and losses	-54	-94	73.3%	29	-53	n/a
S&D expenses	-563	-576	2.4%	-723	-782	8.1%
Administrative expenses	-1,109	-986	-11.1%	-1,054	-1,188	12.7%
Other expenses	-3	-4	66.3%	-499	-167	-66.5%
EBIT	1,207	1,714	42.1%	238	430	80.8%
Net finance income/(cost)	-54	-3	-93.7%	29	43	47.1%
Finance income	59	119	100.3%	145	174	20.3%
Finance expenses	-113	-122	7.7%	-115	-131	13.5%
Share of profit of JV and associates	0	0	n/a	2	-5	n/a
Pretax profit	1,153	1,711	48.4%	269	468	74.0%
Income tax	-166	-413	149.5%	-188	-17	-90.7%
After tax profit	987	1,298	31.5%	81	450	455.9%
MI	46	0	-99.5%	-12	31	n/a
Net profit	1,033	1,298	25.7%	69	481	598.5%
Adjusted net profit	1,033	1,298	25.7%	817	553	-32.3%
D&A	327	436	33.3%	476	708	48.9%
EBITDA	1,534	2,150	40.2%	713	1,138	59.6%

Source: Company data, CMBIGM

Figure 4: Change in key assumptions for SANYI

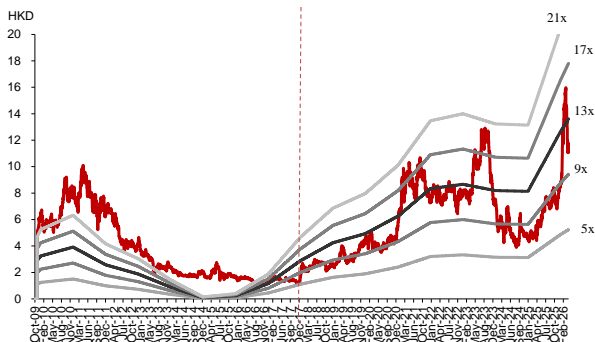
	Old			New			Change		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
(RMB mn)									
Revenue									
Road header	1,969	2,048	-	1,491	1,551	1,614	-24.3%	-24.3%	-
Combined coal mining units (CCMU)	1,310	1,362	-	1,372	1,427	1,484	4.8%	4.8%	-
Small-size logistics machinery	5,857	6,695	-	5,528	6,314	7,272	-5.6%	-5.7%	-
Large-size port machinery	3,998	5,198	-	4,154	5,400	7,020	3.9%	3.9%	-
Mining trucks	4,893	5,899	-	5,136	6,106	7,191	5.0%	3.5%	-
After sales service	2,649	3,231	-	2,650	3,233	3,944	0.0%	0.0%	-
Lithium battery	3,555	4,266	-	4,005	4,806	5,767	12.7%	12.7%	-
Oil and gas equipment	2,850	2,993	-	3,161	3,477	3,650	10.9%	16.2%	-
Solar power	2,542	2,923	-	2,311	2,773	3,189	-9.1%	-5.1%	-
Hydrogen	68	105	-	174	269	417	155.4%	155.4%	-
Total	29,752	34,792	-	30,043	35,426	41,619	1.0%	1.8%	-
Gross margin									
Road header	44.0%	44.0%	-	44.0%	44.0%	44.0%	0.0	0.0	-
Combined coal mining units (CCMU)	16.2%	16.2%	-	11.0%	13.0%	14.0%	(5.2)	(3.2)	-
Small-size logistics machinery	32.7%	32.4%	-	32.7%	32.3%	31.6%	(0.0)	(0.1)	-
Large-size port machinery	20.0%	22.0%	-	20.0%	22.0%	22.0%	0.0	0.0	-
Mining trucks	22.5%	24.2%	-	23.5%	25.1%	25.9%	1.0	0.9	-
After sales service	37.2%	38.0%	-	37.2%	38.0%	38.0%	0.0	0.0	-
Lithium battery	20.0%	21.0%	-	17.0%	20.0%	21.0%	(3.0)	(1.0)	-
Oil and gas equipment	21.2%	21.5%	-	21.2%	21.5%	21.5%	0.0	0.0	-
Solar power	10.0%	10.0%	-	8.0%	10.0%	10.0%	(2.0)	0.0	-
Hydrogen	15.0%	15.0%	-	15.0%	15.0%	15.0%	0.0	0.0	-
Blended gross margin	25.1%	25.7%	-	24.0%	25.1%	25.2%	(1.1)	(0.6)	-
							Change (ppt)		
S&D expense ratio	5.3%	5.3%	-	5.5%	5.3%	5.3%	0.2	0.0	-
Admin expense ratio	8.3%	8.3%	-	8.3%	8.3%	8.3%	0.0	0.0	-
Net finance expense (RMB mn)	-48	-21	-	-48	-21	-21	0.0%	0.0%	-
Net profit	2,990	3,686	-	2,813	3,694	4,422	-5.9%	0.2%	-

Source: Company data, CMBIGM estimates

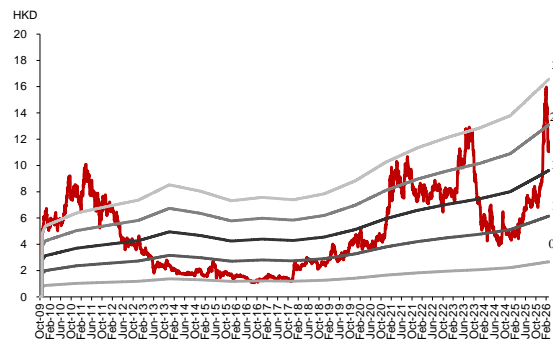
Figure 5: Operating assumptions for SANYI

(RMB mn)	2022	2023	2024	2025	2026E	2027E	2028E
Revenue							
Road header	2,970	2,554	1,803	1,513	1,491	1,551	1,614
Combined coal mining units (CCMU)	2,968	3,621	3,434	1,492	1,372	1,427	1,484
Small-size logistics machinery	3,217	4,179	5,035	4,786	5,528	6,314	7,272
Small-size port machinery	-	3,423	3,789	3,691	4,060	4,385	4,736
Telescopic forklift	-	756	1,179	1,065	1,438	1,898	2,505
Property rental income	-	-	67	30	30	31	32
Large-size port machinery	1,377	1,238	1,904	2,865	4,154	5,400	7,020
Mining trucks	2,923	4,027	3,804	4,209	5,136	6,106	7,191
Large-size mining trucks	-	-	-	954	1,532	2,191	2,958
Wide-body trucks	-	-	-	2,900	3,178	3,404	3,646
Articulated trucks	-	-	-	354	425	510	587
After sales service	1,018	1,433	1,947	2,120	2,650	3,233	3,944
Robot	1,060	800	-	-	-	-	-
Lithium battery	-	302	479	2,670	4,005	4,806	5,767
Oil and gas equipment	-	1,500	1,867	2,748	3,161	3,477	3,650
Solar power	-	-	1,348	1,777	2,311	2,773	3,189
Hydrogen	-	-	-	102	174	269	417
Total	15,537	20,278	21,910	24,334	30,043	35,426	41,619
Growth (YoY)							
Road header	61.9%	-14.0%	-29.4%	-16.1%	-1.5%	4.0%	4.0%
Combined coal mining units (CCMU)	71.3%	22.0%	-5.2%	-56.6%	-8.0%	4.0%	4.0%
Small-size logistics machinery	30.8%	29.9%	20.5%	-4.9%	15.5%	14.2%	15.2%
Small-size port machinery	-	-	-	-2.6%	10.0%	8.0%	8.0%
Telescopic forklift	-	-	-	-9.7%	35.0%	32.0%	32.0%
Property rental income	-	-	-	-55.5%	2.0%	2.0%	2.0%
Large-size port machinery	63.9%	-10.1%	53.8%	50.5%	45.0%	30.0%	30.0%
Mining trucks	93.3%	37.8%	-5.5%	10.7%	22.0%	18.9%	17.8%
Large-size mining trucks	-	-	-	-	60.6%	43.0%	35.0%
Wide-body trucks	-	-	-	-	9.6%	7.1%	7.1%
Articulated trucks	-	-	-	-	20.0%	20.0%	15.0%
After sales service	44.2%	40.8%	35.9%	8.8%	25.0%	22.0%	22.0%
Robot	-7.8%	-24.5%	-100.0%	-	-	-	-
Lithium battery	-	-	58.7%	457.1%	50.0%	20.0%	20.0%
Oil and gas equipment	-	-	24.5%	47.2%	15.0%	10.0%	5.0%
Solar power	-	-	-	31.8%	30.0%	20.0%	15.0%
Hydrogen	-	-	-	161.7%	70.0%	55.0%	55.0%
Average	52.4%	30.5%	8.0%	11.1%	23.5%	17.9%	17.5%
Blended gross margin	23.4%	26.9%	22.4%	22.3%	24.0%	25.1%	25.2%

Source: Company data, CMBIGM estimates

Figure 6: SANYI's P/E band

Source: Bloomberg, company data, CMBIGM estimates

Figure 7: SANYI's P/B band

Source: Bloomberg, company data, CMBIGM estimates

Risks: (1) further weakness of coal mining activities in China; (2) the implementation of reduction of coal output quota in Indonesia; (3) slowdown of emerging business; (4) cost inflation due to elevated commodity prices.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	20,278	21,910	24,334	30,043	35,426	41,619
Cost of goods sold	(14,831)	(16,996)	(18,910)	(22,846)	(26,540)	(31,123)
Gross profit	5,447	4,913	5,424	7,197	8,885	10,496
Selling expense	(1,262)	(1,286)	(1,358)	(1,652)	(1,878)	(2,206)
Admin expense	(2,213)	(2,163)	(2,174)	(2,494)	(2,940)	(3,454)
Other income	441	507	570	661	779	916
Other expense	(42)	(502)	(171)	(90)	(106)	(83)
Other gains/(losses)	(144)	(25)	(147)	(60)	(71)	(83)
Share of (losses)/profits of associates/JV	0	2	(5)	4	4	4
EBITDA	2,751	2,249	3,283	4,579	5,814	6,871
Depreciation	525	803	1,144	1,014	1,141	1,282
EBIT	2,226	1,446	2,139	3,566	4,674	5,589
Interest income	193	204	293	312	319	322
Interest expense	(158)	(229)	(253)	(325)	(326)	(326)
Net interest income/(expense)	35	(25)	40	(13)	(7)	(4)
Pre-tax profit	2,260	1,421	2,179	3,553	4,667	5,585
Income tax	(422)	(353)	(431)	(782)	(1,027)	(1,229)
After tax profit	1,839	1,068	1,748	2,771	3,640	4,357
Minority interest	90	34	31	42	55	65
Net profit	1,929	1,102	1,779	2,813	3,694	4,422
Adjusted net profit	1,929	1,850	1,851	2,813	3,694	4,422
Gross dividends	556	863	1,047	1,547	1,847	2,211
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	20,778	26,227	29,645	32,630	36,435	41,000
Cash & equivalents	3,241	5,340	6,064	6,659	6,515	6,888
Account receivables	8,356	10,010	10,870	13,000	15,147	17,921
Inventories	3,432	5,048	5,845	5,422	7,376	7,802
Prepayment	1,261	1,598	1,682	1,682	1,682	1,682
ST bank deposits	43	71	227	227	227	227
Financial assets at FVTPL	2,160	2,394	3,060	3,060	3,060	3,060
Other current assets	2,284	1,767	1,897	2,581	2,427	3,420
Non-current assets	14,185	14,701	15,276	15,776	16,449	17,182
PP&E	7,276	7,990	8,442	9,199	10,129	11,119
Deferred income tax	336	423	407	407	407	407
Goodwill	2,537	2,067	1,995	1,995	1,995	1,995
Other non-current assets	4,036	4,221	4,432	4,176	3,918	3,660
Total assets	34,963	40,928	44,921	48,406	52,884	58,182
Current liabilities	16,173	21,210	23,119	24,879	27,264	30,052
Short-term borrowings	2,653	4,250	4,269	4,369	4,369	4,369
Account payables	8,098	11,213	12,126	13,786	16,171	18,960
Tax payable	237	162	63	63	63	63
Other current liabilities	5,184	5,584	6,661	6,661	6,661	6,661
Non-current liabilities	7,252	7,543	8,633	8,633	8,633	8,633
Long-term borrowings	5,249	5,684	6,792	6,792	6,792	6,792
Other non-current liabilities	2,003	1,858	1,841	1,841	1,841	1,841
Total liabilities	23,425	28,752	31,752	33,512	35,897	38,686
Total shareholders equity	11,589	12,221	13,192	14,959	17,106	19,681
Minority interest	(51)	(46)	(23)	(65)	(119)	(185)
Total equity and liabilities	34,963	40,928	44,921	48,406	52,884	58,182

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	2,260	1,421	2,179	3,553	4,667	5,585
Depreciation & amortization	525	803	1,144	1,014	1,141	1,282
Tax paid	(431)	(516)	(431)	(782)	(1,027)	(1,229)
Change in working capital	476	(446)	347	(731)	(1,563)	(1,404)
Others	(307)	890	(782)	9	3	(1)
Net cash from operations	2,524	2,152	2,457	3,063	3,220	4,233
Investing						
Capital expenditure	(2,294)	(725)	(1,281)	(1,500)	(1,800)	(2,000)
Acquisition of subsidiaries/ investments	(2,509)	(7)	0	0	0	0
Others	(162)	(242)	(346)	303	309	313
Net cash from investing	(4,965)	(973)	(1,627)	(1,197)	(1,491)	(1,687)
Financing						
Dividend paid	(729)	(634)	(863)	(1,047)	(1,547)	(1,847)
Net borrowings	(126)	(221)	(255)	(325)	(326)	(326)
Proceeds from share issues	104	4	0	0	0	0
Others	3,712	1,746	835	100	0	0
Net cash from financing	2,961	895	(283)	(1,271)	(1,873)	(2,173)
Net change in cash						
Cash at the beginning of the year	2,690	3,241	5,340	6,064	6,659	6,515
Exchange difference	32	25	177	0	0	0
Cash at the end of the year	3,241	5,340	6,064	6,659	6,515	6,888
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	30.5%	8.0%	11.1%	23.5%	17.9%	17.5%
Gross profit	50.1%	(9.8%)	10.4%	32.7%	23.5%	18.1%
EBITDA	20.3%	(18.3%)	46.0%	39.5%	27.0%	18.2%
EBIT	11.6%	(35.0%)	47.9%	66.7%	31.1%	19.6%
Net profit	15.9%	(42.9%)	61.5%	58.1%	31.3%	19.7%
Adj. net profit	15.9%	(4.1%)	0.1%	52.0%	31.3%	19.7%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	26.9%	22.4%	22.3%	24.0%	25.1%	25.2%
EBITDA margin	13.6%	10.3%	13.5%	15.2%	16.4%	16.5%
Adj. net profit margin	9.5%	8.4%	7.6%	9.4%	10.4%	10.6%
Return on equity (ROE)	17.8%	9.3%	14.0%	20.0%	23.0%	24.0%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.1	0.1	0.1	0.1
Current ratio (x)	1.3	1.2	1.3	1.3	1.3	1.4
Receivable turnover days	132.9	153.0	156.6	145.0	145.0	145.0
Inventory turnover days	82.6	91.1	105.1	90.0	88.0	89.0
Payable turnover days	181.4	207.4	225.3	207.0	206.0	206.0
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	17.0	30.0	18.7	11.9	9.1	7.6
P/B	2.8	2.7	2.5	2.2	2.0	1.7
Div yield (%)	1.7	2.6	3.1	4.6	5.5	6.6

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

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