

# Atour Lifestyle (ATAT US)

## Guidance raised, backed by robust retail sales

The hotel sector has been under pressure in 2Q24 QTD (post-holidays leisure demand is weak and business recovery is slow), and therefore, the outlook is still conservative. However, Atour's retail business has performed well to more than offset this drag. Hence with a healthy retail sales growth target upgrade, we maintain BUY and raise TP to US\$27.72, based on 23x FY24E P/E (from 20x), which is still not demanding, given a 29% sales/ 31% adj. net profit CAGR during FY23-26E.

- **2Q24E outlook is still conservative.** Management is still highly cautious about the hotel demand, because of the macro uncertainty (post-holidays and weekend orders have been weak vs last year) and they are still foreseeing a potential YoY drop in RevPAR in 2Q24E. On the other hand, Atour is still working very hard to boost its business demand by ramping up more corporate clients and capturing more leisure demand during the weekends, by encouraging more franchisees to upgrade some of their hotel rooms into family/kids-friendly rooms, etc.
- **FY24E guidance raised, thanks to the booming retail business.** Management has revised up its group-level sales growth guidance in FY24E (from 30% to 40% YoY), mainly due to the upgrades in retail sales growth guidance (from 50% to 80%). However, we also believe their view on adj. NP margin could turn slightly more conservative (from a mild improvement to just being stable now), as the retail business has a lower OP margin vs the hotel segment.
- **Retail business is a real bright spot and the growth potential is ample.** Retail sales increased by 232% YoY to RMB464mn in 1Q24, which is way better than management's guidance of 50% in FY24E; hence they have revised that up to 80%. We believe the beat was driven by the innovative designs of the products, highly effective marketing (e.g. sales from Douyin is greater than Tmall/Taobao and JD) and excellent services (e.g. 90 days' free trial is offered and the after-sales support is comprehensive). Sales are mainly from pillows (about 65%+) while the others are from Duvet (10%+) and bed sheets (10%+). We do think the room for future growth is still huge, as it can come from both new products and more category expansion.
- **Maintain BUY and raise TP to HK\$27.72.** We fine-tune FY24E/ 25E/ 26E net profit by +2%/ +0%/ -3%, to factor in: 1) rapid retail sales growth, 2) a slightly lower GP margin, and 3) less operating leverage due to weak RevPAR growth. Our new TP is based on 23x FY24E P/E (up from 20x, due to extremely fast retail sales growth). Given a 29%/ 31% sales/ adj. net profit CAGR in FY23-26E, current valuation of 15x FY24E P/E is not demanding at all, in our view.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	2,263	4,666	6,310	8,022	9,975
YoY growth (%)	5.4	106.2	35.2	27.1	24.3
EBITDA (RMB mn)	261.2	1,061.0	1,657.8	2,177.6	2,728.2
Net profit (RMB mn)	96.1	739.1	1,186.4	1,589.5	2,025.3
EPS (Reported) (RMB)	0.77	5.33	8.56	11.46	14.94
YoY growth (%)	71.8	591.2	60.5	34.0	30.3
P/E (x)	157.5	23.4	14.6	10.9	8.4
EV/EBITDA (x)	172.8	16.1	11.0	8.4	6.7
Yield (%)	0.0	ns	0.1	0.1	0.1
ROE (%)	11.0	47.2	46.6	40.7	35.9

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

Target Price	US\$27.72
(Previous TP)	US\$23.68
Up/Downside	57.6%
Current Price	US\$17.59

### China Consumer Discretionary

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#### Stock Data

Mkt Cap (US\$ mn)	7,135.0
Avg 3 mths t/o (US\$ mn)	5.6
52w High/Low (US\$)	22.00/15.44
Total Issued Shares (mn)	405.6

Source: FactSet

#### Shareholding Structure

Mr. Haijun Wang	22.1%
Legend Capital	14.9%

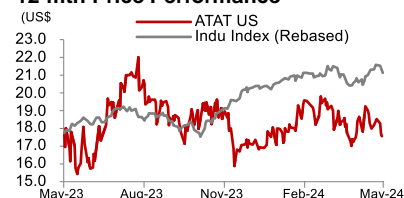
Source: Bloomberg

#### Share Performance

	Absolute	Relative
1-mth	-4.6%	-6.0%
3-mth	-10.2%	-10.0%
6-mth	-7.2%	-16.0%

Source: FactSet

#### 12-mth Price Performance



Source: FactSet

#### Recent reports

[Atour Lifestyle \(ATAT US, BUY\) – Prudent guidance but QoQ recovery is likely](#)  
(5 Apr 24)

[Atour Lifestyle \(ATAT US, BUY\) – Guidance raised and we stay positive in LT](#)  
(20 Nov 23)

[Atour Lifestyle \(ATAT US, BUY\) – Remain cautiously optimistic after a solid 2Q23](#)  
(21 Aug 23)

[Atour Lifestyle \(ATAT US, Initiation\) – Top-rated & fast-growing with the right strategy](#)  
(27 Jun 23)

- **Store opening accelerated but FY24E target remains unchanged.** The company opened 92 new hotels to 1,302 in 1Q24, representing a 35% YoY increase, which we find positive, as it is an acceleration vs 4Q23's 30% YoY and the FY24E target (360 new stores) implied 30% YoY growth. The number of hotels in the pipeline also reached a new high at 674, which is a 63% YoY increase, not much slowing down from 70% in 4Q23 and still way faster than the number of hotel growth.
- **Atour Light 3.0 is popular and successful; hence its expansion is on track.** There were around 30 Atour Light 3.0 hotels operating as at end-1Q24, and their performance are fairly encouraging with RevPAR reached over RMB310 in Mar 2024. The company is still targeting 60 to 80 new Atour Light 3.0 hotels in FY24E, so the number could reach about 100 by FY24E. We are quite confident on the long-term growth of Atour Light 3.0, because: 1) the industry size is huge (there are many franchisees operating economy hotels in the prime area in tier-1&2 cities, aiming to revamp their hotels, possibly by switching to a brand with a more high-end image), 2) its margin and payback period are more superior than H-World's Ji 4.0 as its capex is lower at RMB105k but the RevPAR is slightly higher by RMB10.
- **Atour 1Q24 results beat, mostly thanks to exceptional growth in retail business.** Atour's sales increased by 90% YoY to RMB1.47bn, beating BBG est. by 7%; adj. net profit jumped by 63% YoY to RMB 261mn, better than BBG est. by 8%. The beat was mainly driven by overwhelming growth of retail business while hotel segment growth was just inline. RevPAR dropped by 3% YoY to RMB328, which consisted of a 1.2ppt increase in OCC to 73.3% (from 72.5%) and a 3% decline in ADR to RMB430. The RevPAR recovery rate (vs 2019) was at 115%, in line with CMBI est. of 114% and the company guidance of 113%-117%. Adj. net profit margin actually dropped by 2.8ppt to 17.8% (from 20.6%), due to: 1) a drop in GP margin to 40.2% (leased hotels' revamp, operating deleverage due to a fall in manachised hotels' RevPAR), and 2) a higher sales contribution from retail sales (retail business's OP margin is still lower than hotel's).

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	6,310	8,022	9,975	5,962	7,575	9,442	5.8%	5.9%	5.6%
Gross profit	2,601	3,386	4,232	2,480	3,230	4,096	4.9%	4.8%	3.3%
EBIT	1,562	2,108	2,685	1,547	2,104	2,756	1.0%	0.2%	-2.6%
Net profit att.	1,183	1,585	2,020	1,162	1,581	2,072	1.8%	0.2%	-2.5%
Diluted EPS (RMB)	8.558	11.465	14.940	8.405	11.437	15.326	1.8%	0.2%	-2.5%
Gross margin	41.2%	42.2%	42.4%	41.6%	42.6%	43.4%	-0.4ppt	-0.4ppt	-0.9ppt
EBIT margin	24.8%	26.3%	26.9%	25.9%	27.8%	29.2%	-1.2ppt	-1.5ppt	-2.3ppt
Net profit att. margin	18.8%	19.8%	20.3%	19.5%	20.9%	21.9%	-0.7ppt	-1.1ppt	-1.7ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	6,310	8,022	9,975	6,358	7,921	9,463	-0.8%	1.3%	5.4%
Gross profit	2,601	3,386	4,232	2,589	3,320	4,067	0.5%	2.0%	4.1%
EBIT	1,562	2,108	2,685	1,417	1,841	2,321	10.2%	14.5%	15.7%
Net profit att.	1,183	1,585	2,020	1,135	1,458	1,833	4.3%	8.7%	10.2%
Diluted EPS (RMB)	8.558	11.465	14.940	8.376	9.470	10.765	2.2%	21.1%	38.8%
Gross margin	41.2%	42.2%	42.4%	40.7%	41.9%	43.0%	0.5ppt	0.3ppt	-0.6ppt
EBIT margin	24.8%	26.3%	26.9%	22.3%	23.2%	24.5%	2.5ppt	3ppt	2.4ppt
Net profit att. margin	18.8%	19.8%	20.3%	17.8%	18.4%	19.4%	0.9ppt	1.4ppt	0.9ppt

Source: Bloomberg, CMBIGM estimates

## Results review

Figure 3: Results review – Quarterly

Quarterly (RMB mn)	3Q23	4Q23	1Q24	2Q24E	3Q24E	4Q24E	1Q24 YoY	2Q24E YoY	3Q24 E YoY	4Q23 E YoY
<b>Revenue</b>	<b>1,294</b>	<b>1,505</b>	<b>1,468</b>	<b>1,505</b>	<b>1,624</b>	<b>1,712</b>	<b>90%</b>	<b>38%</b>	<b>25%</b>	<b>14%</b>
Hotel operating costs	-617	-733	-662	-639	-706	-740				
Other operating costs	-131	-263	-216	-227	-220	-300				
Gross profit	547	509	590	640	698	673	84%	38%	28%	32%
<b>GP margin</b>	<b>42.3%</b>	<b>33.8%</b>	<b>40.2%</b>	<b>42.5%</b>	<b>43.0%</b>	<b>39.3%</b>				
Other income & gains	0	0	0	0	0	0				
Selling & marketing expenses	-112	-207	-175	-151	-146	-143	212%	59%	30%	-31%
<b>Selling &amp; marketing exp./ sales</b>	<b>-8.7%</b>	<b>-13.7%</b>	<b>-11.9%</b>	<b>-10.0%</b>	<b>-9.0%</b>	<b>-8.4%</b>				
General & admin expenses	-79	-105	-77	-113	-114	-145	-60%	54%	43%	38%
<b>General &amp; admin exp./ sales</b>	<b>-6.1%</b>	<b>-7.0%</b>	<b>-5.2%</b>	<b>-7.5%</b>	<b>-7.0%</b>	<b>-8.5%</b>				
Technology & development expenses	-20	-22	-24	-30	-32	-18	44%	69%	59%	-20%
<b>Tech &amp; development exp / sales</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>-1.6%</b>	<b>-2.0%</b>	<b>-2.0%</b>	<b>-1.0%</b>				
Pre-opening & other opex	6	40	10	30	0	42				
Operating profit (EBIT)	341	214	325	376	406	409	425%	23%	19%	91%
<b>OP margin</b>	<b>26.4%</b>	<b>14.2%</b>	<b>22.1%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>23.9%</b>				
Investment gain (loss)	7	15	9	5	5	7				
Net finance income	8	8	13	9	10	10				
<b>Net finance income / sales</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.9%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>				
Profit after financing costs	356	237	347	390	421	425				
Associated coms	0	0	0	0	0	0				
Jointly controlled coms	0	0	0	0	0	0				
Pre-tax profit	356	237	347	390	421	425	390%	23%	18%	79%
Tax	-94	-17	-89	-97	-105	-104				
<b>Tax / sales</b>	<b>-7.3%</b>	<b>-1.1%</b>	<b>-6.1%</b>	<b>-6.5%</b>	<b>-6.5%</b>	<b>-6.1%</b>				
<b>Effective tax rate</b>	<b>-26.5%</b>	<b>-7.3%</b>	<b>-25.7%</b>	<b>-25.0%</b>	<b>-25.0%</b>	<b>-24.5%</b>				
Minority interests	1	-0	1	2	2	-1				
<b>Net profit att.</b>	<b>261</b>	<b>220</b>	<b>257</b>	<b>291</b>	<b>314</b>	<b>322</b>	<b>1339%</b>	<b>22%</b>	<b>20%</b>	<b>46%</b>
<b>NP margin</b>	<b>20.2%</b>	<b>14.6%</b>	<b>17.5%</b>	<b>19.3%</b>	<b>19.3%</b>	<b>18.8%</b>				
<b>Adj. net profit</b>	<b>272</b>	<b>222</b>	<b>261</b>	<b>302</b>	<b>324</b>	<b>329</b>	<b>63%</b>	<b>21%</b>	<b>19%</b>	<b>48%</b>
<b>Adj. NP margin</b>	<b>21.0%</b>	<b>14.8%</b>	<b>17.8%</b>	<b>20.1%</b>	<b>20.0%</b>	<b>19.2%</b>				

Source: Company data, CMBIGM estimates

Figure 4: Results preview – Yearly

Yearly (US\$ mn)	FY23	FY24E	FY25E	FY23 YoY	FY24E YoY	FY25E YoY
<b>Revenue</b>	<b>4,666</b>	<b>6,310</b>	<b>8,022</b>	<b>106%</b>	<b>35%</b>	<b>27%</b>
Hotel operating costs	-2,241	-2,746	-3,376			
Other operating costs	-586	-963	-1,260			
Gross profit	1,839	2,601	3,386	169%	41%	30%
<b>GP margin</b>	<b>39.4%</b>	<b>41.2%</b>	<b>42.2%</b>			
Other income & gains	0	0	0			
Selling & marketing expenses	-470	-614	-794	236%	31%	29%
<b>Selling &amp; marketing exp./ sales</b>	<b>-10.1%</b>	<b>-9.7%</b>	<b>-9.9%</b>			
General & admin expenses	-451	-448	-524	29%	-1%	17%
<b>General &amp; admin exp./ sales</b>	<b>-9.7%</b>	<b>-7.1%</b>	<b>-6.5%</b>			
Technology & development expenses	-77	-105	-133	17%	35%	27%
<b>Tech &amp; development exp / sales</b>	<b>-1.7%</b>	<b>-1.7%</b>	<b>-1.7%</b>			
Pre-opening & other opex	83	82	104			
Operating profit (EBIT)	924	1,516	2,041	460%	64%	35%
<b>OP margin</b>	<b>19.8%</b>	<b>24.0%</b>	<b>25.4%</b>			
Investment gain (loss)	33	25	16			
Net finance income	25	41	63			
<b>Net finance income / sales</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.8%</b>			
Profit after financing costs	982	1,582	2,119			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	982	1,582	2,119	444%	61%	34%
Tax	-243	-395	-530			
<b>Tax / sales</b>	<b>-5.2%</b>	<b>-6.3%</b>	<b>-6.6%</b>			
<b>Effective tax rate</b>	<b>-24.7%</b>	<b>-25.0%</b>	<b>-25.0%</b>			
Minority interests	2	3	4			
<b>Net profit att.</b>	<b>737</b>	<b>1,183</b>	<b>1,585</b>	<b>651%</b>	<b>61%</b>	<b>34%</b>
<b>NP margin</b>	<b>15.8%</b>	<b>18.8%</b>	<b>19.8%</b>			
<b>Adj. net profit att.</b>	<b>903</b>	<b>1,216</b>	<b>1,609</b>	<b>248%</b>	<b>35%</b>	<b>32%</b>
<b>Adj. NP margin</b>	<b>19.4%</b>	<b>19.3%</b>	<b>20.1%</b>			

Source: Company data, CMBIGM estimates

## Assumptions

**Figure 5: CMBIGM' assumptions**

Major assumptions	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Sales by segment (RMB mn)</b>						
Manachised hotels	1,220	1,361	2,706	3,528	4,622	5,942
Leased hotels	630	553	840	756	754	779
Retail and others	297	349	1,120	2,027	2,645	3,254
Total	2,148	2,263	4,666	6,310	8,022	9,975
<b>Sales growth by segment (%)</b>						
Manachised hotels	32%	12%	99%	30%	31%	29%
Leased hotels	27%	-12%	52%	-10%	0%	3%
Retail and others	107%	18%	221%	81%	31%	23%
Total	37%	5%	106%	35%	27%	24%
<b>Number of hotels by segment</b>						
Manachised hotels	712	899	1,178	1,537	1,991	2,515
Leased hotels	33	33	32	30	30	30
Total	745	932	1,210	1,567	2,021	2,545
<b>Number of hotels growth (%)</b>						
Manachised hotels	33%	26%	31%	30%	30%	26%
Leased hotels	0%	0%	-3%	-6%	0%	0%
Total	31%	25%	30%	30%	29%	26%
<b>Occupancy (%)</b>						
Manachised hotels	67%	63%	78%	79%	79%	79%
Leased hotels	71%	66%	84%	82%	82%	82%
Total	68%	63%	78%	79%	79%	79%
<b>Room rates (RMB)</b>						
Manachised hotels	407	386	458	449	458	467
Leased hotels	517	465	587	570	587	604
Total	415	391	464	452	460	469
<b>RevPAR (RMB)</b>						
Manachised hotels	288	256	371	369	378	382.7
Leased hotels	388	331	517	494	508	523.7
Total	295	261	377	372	380	384.8
<b>Sales per store growth (%)</b>						
Manachised hotels	7%	-11%	45%	0%	2%	1%
Leased hotels	14%	-15%	56%	-5%	3%	3%
Total	7%	-12%	45%	-1%	2%	1%
GP margin	26.3%	30.2%	39.4%	41.2%	42.2%	42.4%
Selling & Marketing expenses	-5.8%	-6.2%	-10.1%	-9.7%	-9.9%	-10.0%
G&A expenses	-9.2%	-15.5%	-9.7%	-7.1%	-6.5%	-6.1%
Tec. and dev. expenses	-2.4%	-2.9%	-1.7%	-1.7%	-1.7%	-1.7%
Other expenses	0.2%	1.7%	1.8%	1.3%	1.3%	1.3%
Effective tax rate	-31%	-47%	-25%	-25%	-25%	-25%
NP att. margin	7%	4%	16%	19%	20%	20%
NP att. growth (%)	245%	-32%	651%	61%	34%	27%

Source: Company data, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	2,148	2,263	4,666	6,310	8,022	9,975
Cost of goods sold	(1,583)	(1,580)	(2,827)	(3,709)	(4,636)	(5,742)
Gross profit	565	683	1,839	2,601	3,386	4,232
Operating expenses	(391)	(556)	(998)	(1,167)	(1,450)	(1,771)
Selling expense	(124)	(140)	(470)	(614)	(794)	(1,002)
Admin expense	(103)	(261)	(348)	(331)	(403)	(487)
R&D expense	(52)	(66)	(77)	(105)	(133)	(165)
Staff costs	0	0	0	0	0	0
Other rental related expenses	0	0	0	0	0	0
Others	(112)	(89)	(103)	(117)	(121)	(117)
Operating profit	203	179	954	1,562	2,108	2,685
Other income	22	38	83	82	104	130
Other gains/(losses)	1	1	28	20	11	15
EBITDA	299	261	1,061	1,658	2,178	2,728
EBIT	197	166	953	1,536	2,052	2,606
Interest income	7	14	30	46	68	94
Pre-tax profit	204	181	982	1,582	2,119	2,700
Income tax	(64)	(84)	(243)	(395)	(530)	(675)
After tax profit	145	98	737	1,183	1,585	2,020
Minority interest	5	2	(2)	(3)	(4)	(5)
Net profit	140	96	739	1,186	1,589	2,025
Adjusted net profit	140	259	903	1,216	1,609	2,025

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	1,416	2,125	3,393	4,964	6,857	9,199
Cash & equivalents	1,039	1,589	2,562	3,919	5,588	7,673
Restricted cash	0	0	0	0	0	0
Account receivables	100	133	240	324	412	513
Inventories	59	57	104	136	170	211
Prepayment	167	134	276	373	475	590
Other current assets	52	211	211	211	211	211
Non-current assets	829	2,637	2,604	2,576	2,560	2,564
PP&E	439	360	328	300	284	287
Right-of-use assets	0	1,932	1,932	1,932	1,932	1,932
Intangibles	4	6	5	5	5	5
Other non-current assets	386	340	340	340	340	340
Total assets	2,245	4,762	5,998	7,541	9,417	11,762
Current liabilities	1,051	1,348	1,823	2,160	2,511	2,917
Short-term borrowings	65	143	143	143	143	143
Account payables	609	515	991	1,327	1,679	2,085
Tax payable	46	31	31	31	31	31
Other current liabilities	332	339	339	339	339	339
Lease liabilities	0	320	320	320	320	320
Non-current liabilities	629	2,227	2,229	2,232	2,236	2,241
Long-term borrowings	44	2	2	2	2	2
Other non-current liabilities	586	2,225	2,227	2,230	2,234	2,239
Total liabilities	1,681	3,575	4,052	4,392	4,747	5,159
Share capital	0	0	0	0	0	0
Retained earnings	0	0	778	1,897	3,396	5,304
Other reserves	565	1,187	1,167	1,252	1,274	1,300
Total shareholders equity	565	1,187	1,946	3,149	4,670	6,604
Minority interest	0	0	0	0	0	0
Total equity and liabilities	2,245	4,762	5,998	7,541	9,417	11,762

<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	204	181	982	1,582	2,119	2,700
Depreciation & amortization	95	81	79	76	58	28
Tax paid	(15)	(15)	(243)	(395)	(530)	(675)
Change in working capital	109	(68)	180	122	128	150
Others	25	106	30	46	68	94
<b>Net cash from operations</b>	<b>418</b>	<b>284</b>	<b>1,027</b>	<b>1,431</b>	<b>1,844</b>	<b>2,297</b>
<b>Investing</b>						
Capital expenditure	(64)	(36)	(70)	(89)	(105)	(121)
Acquisition of subsidiaries/ investments	9	(153)	0	0	0	0
Others	13	(3)	0	0	0	0
<b>Net cash from investing</b>	<b>(42)</b>	<b>(192)</b>	<b>(70)</b>	<b>(89)</b>	<b>(105)</b>	<b>(121)</b>
<b>Financing</b>						
Dividend paid	(21)	0	21	20	(64)	(86)
Net borrowings	(12)	65	0	0	0	0
Proceeds from share issues	0	400	0	0	0	0
Share repurchases	(111)	(0)	0	0	0	0
Others	(17)	(8)	(5)	(5)	(5)	(5)
<b>Net cash from financing</b>	<b>(161)</b>	<b>456</b>	<b>16</b>	<b>15</b>	<b>(69)</b>	<b>(91)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	825	1,039	1,589	2,562	3,919	5,588
Exchange difference	(1)	3	0	0	0	0
Others	215	548	973	1,357	1,669	2,085
<b>Cash at the end of the year</b>	<b>1,039</b>	<b>1,589</b>	<b>2,562</b>	<b>3,919</b>	<b>5,588</b>	<b>7,673</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	37.1%	5.4%	106.2%	35.2%	27.1%	24.3%
Gross profit	67.2%	21.0%	169.3%	41.4%	30.2%	25.0%
Operating profit	217.0%	(11.5%)	431.5%	63.8%	35.0%	27.4%
EBITDA	85.5%	(12.7%)	306.2%	56.3%	31.4%	25.3%
EBIT	163.9%	(15.8%)	473.5%	61.2%	33.6%	27.0%
Net profit	269.3%	(31.2%)	669.2%	60.5%	34.0%	27.4%
Adj. net profit	269.3%	85.6%	248.3%	34.7%	32.3%	25.8%
<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	26.3%	30.2%	39.4%	41.2%	42.2%	42.4%
Operating margin	9.4%	7.9%	20.4%	24.8%	26.3%	26.9%
EBITDA margin	13.9%	11.5%	22.7%	26.3%	27.1%	27.4%
Adj. net profit margin	6.5%	11.5%	19.4%	19.3%	20.1%	20.3%
Return on equity (ROE)	24.7%	11.0%	47.2%	46.6%	40.7%	35.9%
<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)	1.6	1.2	1.2	1.2	1.2	1.1
Current ratio (x)	1.3	1.6	1.9	2.3	2.7	3.2
Receivable turnover days	20.4	18.8	18.8	18.8	18.8	18.8
Inventory turnover days	10.3	13.4	13.4	13.4	13.4	13.4
Payable turnover days	28.5	40.0	40.0	40.0	40.0	40.0
<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	249.0	157.5	23.4	14.6	10.9	8.4
P/E (diluted)	249.0	157.5	23.4	14.6	10.9	8.4
P/B	84.4	14.0	8.9	5.5	3.7	2.6
P/CFPS	98.6	57.1	17.2	12.3	9.6	7.5
Div yield (%)	0.0	0.0	ns	0.1	0.1	0.1
EV	21,273.3	45,118.9	17,088.4	18,220.5	18,220.5	18,220.5
EV/Sales	9.9	19.9	3.7	2.9	2.3	1.8
EV/EBIT	107.9	271.6	17.9	11.9	8.9	7.0
EV/EBITDA	71.1	172.8	16.1	11.0	8.4	6.7

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



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