Tencent (700 HK)

3Q25 results: solid growth across business lines; upbeat on long-term AI opportunities

Tencent reported 3Q25 results: total revenue grew by 15% YoY to RMB192.9bn, 2/4% ahead of Bloomberg consensus/our estimate, mainly thanks to the solid games revenue growth (+23% YoY); non-IFRS operating income increased by 18% YoY to RMB72.6bn, largely in line with consensus/our estimate, despite the high-than-expected opex growth. The company lowered FY25 capex guidance due to supply chain constraints, but remains committed to accelerating AI applications in areas such as ads, games, e-commerce and agentic AI within Weixin. We remain constructive on Tencent's long-term opportunities in AI, given its diversified use cases and massive user base. We lift our FY25-27E total revenue forecast by 3-5%, mainly to factor in the stronger-than-expected games revenue growth. We roll forward our valuation window to FY26E and raise our SOTP-derived target price to HK$760.0 (previous: HK$705.0). Maintain BUY.

- **Better-than-expected games revenue growth supported by the strong international business.** Games revenue was up by 23% YoY to RMB63.6bn in 3Q25, within which: 1) domestic games revenue grew by 15% YoY to RMB42.8bn, primarily due to solid growth of evergreen titles and incremental contribution from *Delta Force*, which ranked among the top 3 games by gross receipts in 3Q25; 2) international games revenue was up by 43% YoY to RMB20.8bn, mainly driven by growth of Supercell's games, contributions from newly acquired game studios, and the launch of *Dying Light: The Beast.* Looking ahead to 4Q25E, management expects international games revenue to decelerate in the absence of highly-anticipated games launch.
- **Marketing business maintained solid growth trend.** Marketing services revenue increased by 21% YoY to RMB36.2bn in 3Q25, driven by both higher ad impressions and eCPMs. Ad impressions delivered a solid growth in 3Q25 thanks to the increased user engagement and ad load across Video Accounts and Mini Programs. Tencent continued to leverage AI to improve its ad targeting, which led to higher eCPM YoY. The company launched AIM+, an automated ad campaign solution, further improving ads ROI.
- **Accelerating FBS revenue growth.** Fintech and Business Services (FBS) revenue was up by 10% YoY to RMB58.2bn in 3Q25: 1) fintech revenue maintained high-single-digit % YoY growth, primarily fuelled by the accelerating commercial payment volume growth and higher revenue from consumer loan services. 2) Business services revenue grew at a teens% YoY, supported by the growth of AI cloud and e-commerce services.
- **Lower FY25 capex guidance.** Non-IFRS OPM rose by 1ppt YoY to 37.6% in 3Q25 thanks to the operating leverage. S&M/R&D expenses were up by 22%/28% YoY in 3Q25, mainly due to increased promotional and R&D efforts to support its AI initiatives. Total capex was down by 24% YoY to RMB13.0bn in 3Q25, mainly due to the high base and supply chain constraints. Management expects FY25 total capex to be lower than the previous guidance (low teens% of total revenue), but higher than the FY24 capex.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	609,015	660,257	751,126	816,768	872,160
Adjusted net profit (RMB mn)	157,688.0	222,703.0	258,251.5	285,556.5	306,627.9
EPS (Adjusted) (RMB)	16.66	23.96	27.82	31.23	34.05
Consensus EPS (RMB)	16.66	23.96	27.02	30.35	33.72
P/E (x)	52.9	32.1	26.4	24.8	22.4

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**HK$760.00**
(Previous TP	HK$705.00)
Up/Downside	**15.9%**
Current Price	**HK$656.00**

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Stock Data

Mkt Cap (HK$ mn)	5,956,413.6
Avg 3 mths t/o (HK$ mn)	10,974.1
52w High/Low (HK$)	677.50/366.00
Total Issued Shares (mn)	9079.9

Source: FactSet

Shareholding Structure

MIH TC	23.1%
Advance Data Services Limited	7.7%

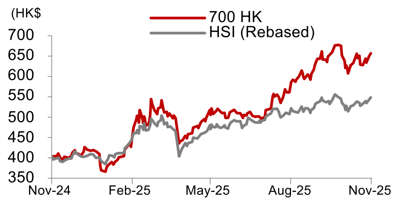
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	2.7%	-1.8%
3-mth	11.9%	5.9%
6-mth	29.6%	10.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Tencent: forecast revision

	Current			Previous			Change (%)		
(RMB bn)	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	751.1	816.8	872.2	726.5	783.5	831.4	3.4%	4.2%	4.9%
Gross profit	424.2	466.0	499.0	400.2	435.9	466.1	6.0%	6.9%	7.1%
Operating profit	241.4	274.9	299.3	238.6	266.1	290.7	1.2%	3.3%	3.0%
Adjusted net profit	258.3	285.6	306.6	250.8	271.0	292.6	3.0%	5.4%	4.8%
Adjusted EPS (RMB)	27.8	31.2	34.0	27.0	29.6	32.5	3.0%	5.4%	4.8%
Gross margin	56.5%	57.1%	57.2%	55.1%	55.6%	56.1%	1.4 ppt	1.4 ppt	1.2 ppt
Operating margin	32.1%	33.7%	34.3%	32.8%	34.0%	35.0%	-0.7 ppt	-0.3 ppt	-0.6 ppt
Adjusted net margin	34.4%	35.0%	35.2%	34.5%	34.6%	35.2%	-0.1 ppt	0.4 ppt	0.0 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
(RMB bn)	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	751.1	816.8	872.2	731.7	798.0	868.2	2.6%	2.3%	0.5%
Gross profit	424.2	466.0	499.0	403.8	445.3	489.9	5.0%	4.7%	1.9%
Operating profit	241.4	274.9	299.3	238.0	270.1	301.6	1.4%	1.8%	-0.8%
Adjusted net profit	258.3	285.6	306.6	251.9	278.9	309.1	2.5%	2.4%	-0.8%
Adjusted EPS (RMB)	27.8	31.2	34.0	27.0	30.4	33.7	3.0%	2.9%	1.0%
Gross margin	56.5%	57.1%	57.2%	55.2%	55.8%	56.4%	1.3 ppt	1.3 ppt	0.8 ppt
Operating margin	32.1%	33.7%	34.3%	32.5%	33.8%	34.7%	-0.4 ppt	-0.2 ppt	-0.4 ppt
Adjusted net margin	34.4%	35.0%	35.2%	34.4%	35.0%	35.6%	0.0 ppt	0.0 ppt	-0.4 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Tencent: quarterly financials

(RMB bn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Cons.	Diff%
SNS revenue	30.5	30.3	30.9	29.8	32.6	32.2	32.3	32.8	-1.6%
YoY%	*-1.4%*	*2.2%*	*3.9%*	*5.8%*	*2.5%*	*6.9%*	*6.1%*		
QoQ%	*8.3%*	*-0.7%*	*1.9%*	*-3.5%*	*9.4%*	*-1.4%*	*0.3%*		
Games revenue	48.1	48.5	51.8	49.2	59.5	59.2	63.6	60.4	5.2%
YoY%	*-0.5%*	*8.9%*	*12.6%*	*20.3%*	*23.7%*	*22.1%*	*22.8%*		
QoQ%	*17.6%*	*0.8%*	*6.8%*	*-5.0%*	*20.9%*	*-0.5%*	*7.4%*		
Marketing revenue	26.5	29.9	30.0	35.0	31.9	35.8	36.2	35.6	1.8%
YoY%	*26.4%*	*19.5%*	*16.6%*	*17.5%*	*20.2%*	*19.7%*	*20.8%*		
QoQ%	*-11.0%*	*12.7%*	*0.4%*	*16.7%*	*-9.0%*	*12.3%*	*1.3%*		
FBS revenue	52.3	50.4	53.1	56.1	54.9	55.5	58.2	58.1	0.1%
YoY%	*7.4%*	*3.7%*	*2.0%*	*3.2%*	*5.0%*	*10.1%*	*9.6%*		
QoQ%	*-3.8%*	*-3.6%*	*5.3%*	*5.7%*	*-2.2%*	*1.1%*	*4.8%*		
Total revenue	**159.5**	**161.1**	**167.2**	**172.4**	**180.0**	**184.5**	**192.9**	**188.8**	**2.2%**
YoY%	*6.3%*	*8.0%*	*8.1%*	*11.1%*	*12.9%*	*14.5%*	*15.4%*		
QoQ%	*2.8%*	*1.0%*	*3.8%*	*3.1%*	*4.4%*	*2.5%*	*4.5%*		
Gross Profit	**83.9**	**85.9**	**88.8**	**90.7**	**100.5**	**105.0**	**108.8**	**106.4**	**2.3%**
YoY%	*23.0%*	*21.3%*	*16.1%*	*16.9%*	*19.8%*	*22.3%*	*22.5%*		
Gross profit margin (%)	*52.6%*	*53.3%*	*53.1%*	*52.6%*	*55.8%*	*56.9%*	*56.4%*		
Non-IFRS net profit	**50.3**	**57.3**	**59.8**	**55.3**	**61.3**	**63.1**	**70.6**	**66.0**	**6.9%**
YoY%	*54.5%*	*52.6%*	*33.2%*	*29.6%*	*22.0%*	*10.0%*	*18.0%*		
Non-IFRS NPM (%)	*31.5%*	*35.6%*	*35.8%*	*32.1%*	*34.1%*	*34.2%*	*36.6%*		

Source: Company data, Bloomberg, CMBIGM

Our SOTP-derived target price of HK$760.0 comprises, per share:

1) HK$335.3 for the games business, based on a 24x 2026E PE, which is at a premium to the average PE for its global gaming peers (20x), mainly due to Tencent's strong leadership in China's games industry and diversified games portfolio.

2) HK$38.6 for the SNS business, including the market cap of Tencent's stake in its subsidiaries, the valuation of Tencent Video (based on a 3.5x 2026E PS, at a premium to the 2.0x average PS of its peers given its content and user traffic leadership), and the valuation of other membership services (based on a 3.5x 2026E PS).

3) HK$150.4 for the marketing services business, based on a 22x 2026E PE, which is at a premium to the industry average (19x). This reflects Tencent's more resilient ad revenue growth outlook, supported by the solid performance of Weixin Video Account and Mini Program.

4) HK$103.4 for the fintech business, based on a 4.5x 2026E PS, at a premium to the peer average (1.6x). This mainly reflects Tencent's strong leadership in China's digital payment market and its potential to capture other fintech business opportunities.

5) HK$30.9 for the cloud business, based on a 4.5x 2026E PS, at a discount to the industry average (6.0x) as Tencent's current offerings mainly involve the lower-margin IaaS business.

6) HK$82.2 for strategic investments, based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.

7) HK$19.1 for net cash.

Figure 4: Tencent: SOTP valuation

	2026E net profit (RMBmn)	2026E revenue (RMBmn)	2026E PE (x)	2026E PS (x)	Market cap (RMBmn)	Valuation to Tencent (RMBmn)	As % of total valuation	Per share valuation (HK$)
Games	115,452		24x			2,770,852	44.1	335.3
Social network services (SNS)		133,390				319,209	5.1	38.6
Tencent Music (TME)					208,565	114,920	1.8	13.9
China Literature					37,127	21,972	0.3	2.7
Huya					4,221	2,001	0.0	0.2
Online video – subscription		20,700		3.5x		72,450	1.2	8.8
Others		30,819		3.5x		107,867	1.7	13.1
Marketing services	56,489		22x			1,242,762	19.8	150.4
Fintech		189,927		4.5x		854,673	13.6	103.4
Cloud (business services)		56,664		4.5x		254,986	4.1	30.9
Net cash						157,724	2.5	19.1
Valuation of core business						**5,600,207**		
RMB/HK$						0.91		
Valuation of core business (HK$mn)						**6,154,074**		
Valuation per share – core business (HK$)						**677.8**		
Valuation per share – investments (HK$)						82.2	10.8	
Valuation per share – Tencent (HK$)						**760.0**		

Source: Company data, CMBIGM estimates

Figure 5: Peer comparison: online games and advertising sector

Companies	Ticker	Price (Local)	EPS growth (YoY %) FY25E	FY26E	PE (x) FY25E	FY26E
Online games						
NetEase	NTES US	142.4	27	6	17	16
Electronic Arts	EA US	202.0	(8)	30	31	24
Nexon	3659 JP	3,738.0	(5)	14	30	26
Bandai Namco	7832 JP	4,597.0	68	(3)	22	23
Perfect World	002624 CH	15.4	NA	109	38	18
37 Interactive	002555 CH	21.4	19	7	15	14
Average PE					**25**	**20**
Marketing services						
Focus Media	002027 CH	7.7	5	12	20	18
Baidu	BIDU US	128.9	(26)	12	18	16
Meta	Meta US	609.0	19	16	21	18
Google	GOOG US	287.4	32	8	26	24
Average PE					**21**	**19**

Source: Bloomberg, CMBIGM
Note: data as of market close on 12 Nov 2025

Figure 6: Peer comparison: online video, fintech, and cloud sectors

Companies	Ticker	Price (Local)	Revenue growth (YoY %) FY25E	FY26E	PS (x) FY25E	FY26E
Online video						
iQiyi	IQ US	2.2	(5.3)	3.1	0.5	0.5
Mango Excellent Media	300413 CH	26.9	(9.1)	8.6	3.8	3.5
Average PS					**2.2**	**2.0**
Cloud						
Microsoft	MSFT US	511.1	16.9	14.9	11.6	10.1
Google	GOOG US	287.4	15.6	14.5	10.0	8.8
Salesforce	CRM US	246.0	8.7	0.0	5.7	5.7
Kingsoft Cloud	KC US	11.6	25.1	17.2	2.6	2.2
Amazon	AMZN US	244.2	11.9	11.2	3.7	3.3
Average PS					**6.7**	**6.0**
Fintech						
PayPal	PYPL US	67.2	5.1	6.1	1.9	1.8
Block	SQ US	65.8	0.2	9.9	1.6	1.5
Average PS					**1.8**	**1.6**

Source: Bloomberg, CMBIGM estimates
Note: data as of market close on 12 Nov 2025

Our calculation of the valuation of Tencent's strategic investments is based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.

Figure 7: Tencent: valuation of strategic investments

Name	Ticker	Tencent's stake %	Mkt cap (US$mn)	Value to Tencent (HK$mn)
PDD Holdings Inc	PDD US	13.8	193,129	207,884
Sea Ltd	SE US	18.2	84,866	120,476
Spotify Technology SA	SPOT US	8.4	135,071	88,499
NU Holdings Ltd/Cayman Islands	NU US	8.1	78,187	49,399
Kuaishou Technology	1024 HK	15.8	38,279	47,145
Futu Holdings Ltd	FUTU US	14.9	25,923	30,127
Reddit Inc	RDDT US	6.7	38,434	20,205
Snap Inc	SNAP US	14.5	15,629	17,676
KE Holdings Inc	BEKE US	11.4	19,730	17,544
Zhejiang Century Huatong Group	002602 CH	10.0	19,671	15,390
Tongcheng Travel Holdings Ltd	780 HK	20.5	6,820	10,895
Meituan	3690 HK	1.7	79,048	10,605
Bilibili Inc	9626 HK	10.5	11,439	9,368
Krafton Inc	259960 KS	13.5	8,866	9,328
Vipshop Holdings Ltd	VIPS US	11.8	10,117	9,312
Yixin Group Ltd	2858 HK	53.9	1,878	7,893
Kanzhun Ltd	BZ US	8.3	10,274	6,651
XtalPi Holdings Ltd	2228 HK	12.9	6,374	6,418
Warner Music Group Corp	WMG US	4.9	16,024	6,149
J&T Global Express Ltd	1519 HK	6.1	11,436	5,414
Netmarble Corp	251270 KS	17.5	3,309	4,522
Tuhu Car Inc	9690 HK	21.4	1,846	3,081
ZhongAn Online P&C Insurance C	6060 HK	7.8	3,619	2,207
Other listed entities as a whole			113,127	28,266
Listed investments (current value)				**734,455**
Unlisted investments (book value)				**377,689**
Total investment value				**1,112,144**
Holdco discount				30%
Valuation of strategic investments				**778,501**
Valuation of strategic investments per share				**82.2**

Source: Bloomberg, company data, CMBIGM
Note: data as of the market close on 12 Nov 2025.

Risks

Slower-than-expected GPM expansion; decline in revenue of legacy games; macro headwinds weighing on ads and FBS revenue growth.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	**554,552**	**609,015**	**660,257**	**751,126**	**816,768**	**872,160**
Cost of goods sold	(315,806)	(315,906)	(311,011)	(326,952)	(350,727)	(373,129)
Gross profit	**238,746**	**293,109**	**349,246**	**424,174**	**466,041**	**499,031**
Operating expenses	**(127,919)**	**(133,035)**	**(141,147)**	**(182,758)**	**(191,124)**	**(199,725)**
Selling expense	(29,229)	(34,211)	(36,388)	(40,561)	(43,289)	(44,480)
Admin expense	(106,696)	(103,525)	(112,761)	(136,705)	(147,835)	(155,244)
Others	8,006	4,701	8,002	(5,492)	0	0
Operating profit	**110,827**	**160,074**	**208,099**	**241,416**	**274,917**	**299,306**
Share of (losses)/profits of associates/JV	(16,129)	5,800	25,176	22,799	5,700	5,700
Interest income	8,592	13,808	16,004	15,784	4,128	4,539
Interest expense	(9,352)	(12,268)	(11,981)	(3,860)	(3,941)	(3,756)
Pre-tax profit	**85,346**	**153,606**	**221,294**	**260,355**	**276,676**	**301,250**
Income tax	(21,516)	(43,276)	(45,018)	(49,384)	(54,775)	(59,566)
After tax profit	**63,830**	**110,330**	**176,276**	**210,971**	**221,902**	**241,684**
Minority interest	(466)	(2,832)	(2,394)	(4,499)	(4,991)	(5,427)
Net profit	**63,364**	**107,498**	**173,882**	**206,471**	**216,911**	**236,257**
Adjusted net profit	**115,649**	**157,688**	**222,703**	**258,251**	**285,557**	**306,628**
Gross dividends	20,256	28,485	27,965	44,928	42,183	0

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	**565,989**	**518,446**	**496,180**	**564,959**	**662,271**	**840,724**
Cash & equivalents	156,739	172,320	132,519	183,330	260,355	430,362
Account receivables	45,467	46,606	48,203	52,311	55,176	57,150
Inventories	2,333	456	440	1,041	1,110	1,161
Prepayment	76,685	88,411	101,044	104,532	115,982	112,422
ST bank deposits	104,776	185,983	192,977	200,089	207,315	214,653
Financial assets at FVTPL	27,963	14,903	12,913	13,559	14,237	14,948
Other current assets	152,026	9,767	8,084	10,098	8,097	10,027
Non-current assets	**1,012,142**	**1,058,800**	**1,284,815**	**1,390,684**	**1,500,698**	**1,589,900**
PP&E	53,978	53,232	80,185	138,753	191,056	220,955
Deferred income tax	29,882	29,017	28,325	33,311	33,711	37,856
Investment in JVs & assos	252,715	261,665	297,415	310,388	323,743	337,470
Intangibles	161,802	177,727	196,127	233,433	268,302	299,987
Financial assets at FVTPL	206,085	211,145	204,999	204,999	204,999	204,999
Other non-current assets	307,680	326,014	477,764	469,799	478,886	488,634
Total assets	**1,578,131**	**1,577,246**	**1,780,995**	**1,955,643**	**2,162,969**	**2,430,624**
Current liabilities	**434,204**	**352,157**	**396,909**	**373,972**	**405,630**	**424,341**
Short-term borrowings	22,026	55,698	61,508	57,065	60,913	64,489
Account payables	92,381	100,948	118,712	98,054	110,105	111,349
Tax payable	13,488	17,664	16,586	17,558	18,458	19,244
Other current liabilities	299,955	171,693	194,503	195,695	210,554	223,659
Lease liabilities	6,354	6,154	5,600	5,600	5,600	5,600
Non-current liabilities	**361,067**	**351,408**	**330,190**	**409,171**	**422,744**	**432,245**
Long-term borrowings	163,668	155,819	146,521	212,455	218,829	220,799
Bond payables	148,669	137,101	130,586	131,810	132,428	132,738
Deferred income	3,503	3,435	6,236	13,078	14,029	14,925
Other non-current liabilities	45,227	55,053	46,847	51,827	57,458	63,783
Total liabilities	**795,271**	**703,565**	**727,099**	**783,143**	**828,374**	**856,586**
Retained earnings	705,981	813,911	892,030	1,080,535	1,282,279	1,516,295
Other reserves	15,410	(5,320)	81,518	7,118	(37,522)	(37,522)
Total shareholders equity	**721,391**	**808,591**	**973,548**	**1,087,653**	**1,244,757**	**1,478,773**
Minority interest	61,469	65,090	80,348	84,847	89,838	95,265
Total equity and liabilities	**1,578,131**	**1,577,246**	**1,780,995**	**1,955,643**	**2,162,969**	**2,430,624**

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**85,346**	**153,606**	**221,294**	**260,355**	**276,676**	**301,250**
Depreciation & amortization	61,216	59,008	56,213	63,281	88,313	110,977
Tax paid	(21,516)	(43,276)	(45,018)	(49,384)	(54,775)	(59,566)
Change in working capital	(18,472)	19,233	21,881	(27,663)	12,527	15,882
Others	39,517	33,391	4,151	14,002	27,627	29,671
Net cash from operations	**146,091**	**221,962**	**258,521**	**260,591**	**350,368**	**398,214**
Investing						
Capital expenditure	(5,651)	(23,893)	(76,760)	(82,624)	(93,928)	(87,216)
Acquisition of subsidiaries/ investments	59,711	(105,332)	(183,983)	(19,765)	(28,747)	(37,598)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(158,931)	4,064	138,556	(76,532)	(81,556)	(85,345)
Net cash from investing	**(104,871)**	**(125,161)**	**(122,187)**	**(178,921)**	**(204,231)**	**(210,159)**
Financing						
Net borrowings	6,407	19,445	(107)	68,668	17,370	12,967
Proceeds from share issues	995	1,070	1,932	0	0	0
Others	(67,355)	(103,088)	(178,319)	(99,527)	(86,483)	(31,015)
Net cash from financing	**(59,953)**	**(82,573)**	**(176,494)**	**(30,859)**	**(69,113)**	**(18,048)**
Net change in cash						
Cash at the beginning of the year	167,966	156,739	172,320	132,519	183,330	260,355
Exchange difference	7,506	1,353	359	0	0	0
Cash at the end of the year	**156,739**	**172,320**	**132,519**	**183,330**	**260,355**	**430,362**
GROWTH	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
YE 31 Dec						
Revenue	(1.0%)	9.8%	8.4%	13.8%	8.7%	6.8%
Gross profit	(2.9%)	22.8%	19.2%	21.5%	9.9%	7.1%
Operating profit	(58.2%)	44.4%	30.0%	16.0%	13.9%	8.9%
Net profit	(71.0%)	69.7%	61.8%	18.7%	5.1%	8.9%
Adj. net profit	(6.6%)	36.4%	41.2%	16.0%	10.6%	7.4%
PROFITABILITY	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
YE 31 Dec						
Gross profit margin	43.1%	48.1%	52.9%	56.5%	57.1%	57.2%
Operating margin	20.0%	26.3%	31.5%	32.1%	33.7%	34.3%
Adj. net profit margin	20.9%	25.9%	33.7%	34.4%	35.0%	35.2%
Return on equity (ROE)	8.3%	14.1%	19.5%	20.0%	18.6%	17.3%
GEARING/LIQUIDITY/ACTIVITIES	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.2	0.2	0.1	(0.0)
Current ratio (x)	1.3	1.5	1.3	1.5	1.6	2.0
Receivable turnover days	29.9	27.9	26.6	25.4	24.7	23.9
VALUATION	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
YE 31 Dec						
P/E	90.4	52.9	32.1	26.4	24.8	22.4
P/E (diluted)	91.8	53.8	32.6	26.9	25.2	22.8
P/B	7.9	7.0	5.7	5.0	4.3	3.6

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

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