

SANY International (631 HK)

Mining truck gaining traction; Higher earnings forecast and TP

SANYI's share price has surged 70% YTD driven by strong market interest in mining equipment, a key theme that we highlighted in our 2026 outlook report in Dec 2025 ([link](#)). We believe SANYI's mining trucks segment (for open pit mines) will continue to gain traction. While we forecast the segment's contribution to the total revenue to maintain at 15-16% in 2026E-27E, we expect the large-size mining trucks that carry high value and high margin will maintain a higher growth trajectory. On the other hand, we see high certainty of revenue growth trend and improving margin for large-size port machinery, on the back of >12 months backlog. We revise up our earnings forecast in 2026E/27E by 3%/9%. We revise up our TP to HK\$20.6, based on 20x 2026E (rolled over from 11x 2025E). Our target multiple, based on the peak level since 2017, is to reflect the rising earnings visibility driven by the commodity upcycle. We do not think our target valuation is too excessive, given that the A-shares and major overseas peers are currently trading at ~18x/19x. Maintain **BUY**.

■ The market focus is on the mining truck segment (open pit mines).

SANYI's mining equipment revenue accounted for ~40% of the total revenue (1H25). Of this 40% mining equipment revenue, road headers & CCMU (largely related to underground coal mining in China which is still on a down-cycle) accounted for 38%, and mining trucks (including large-size truck and wide-body trucks for global open pit mines) accounted for 37%, with the rest including after-sales service and others. At present, mining truck segment is the key market focus due to the rising expectation on miners' capex growth. While overseas coal mining still accounts for the majority of SANYI's mining trucks' application, we see chance for an expansion of applications to copper, gold, manganese and lead in the foreseeable future.

■ Large-size mining truck to grow fast. We forecast the large-size mining truck revenue (driven by both volume and ASP) to grow 30%/38% in 2026E/27E. In particular, large-size trucks generally carry much better gross margin (~10ppt higher) than the wide-body trucks. We believe the opportunities come from the increasing Chinese-owned mines in overseas (more likely to use Chinese brand machinery), as well as the improving product quality that helps gain market share.

■ 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.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	20,278	21,910	24,571	29,752	34,792
YoY growth (%)	30.5	8.0	12.1	21.1	16.9
Adjusted net profit (RMB mn)	1,929.0	1,849.9	2,286.2	2,990.1	3,686.1
YoY growth (%)	15.9	(4.1)	23.6	30.8	23.3
EPS (Adjusted) (RMB)	0.61	0.58	0.71	0.92	1.13
Consensus EPS (RMB)	na	na	0.74	0.93	1.15
P/E (x)	21.4	37.6	18.3	14.0	11.4
P/B (x)	3.6	3.4	3.1	2.7	2.3
Yield (%)	1.3	2.1	2.2	2.8	3.5
ROE (%)	17.8	9.3	17.7	20.4	21.7
Net gearing (%)	21.2	17.4	12.3	6.7	(2.3)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$20.60
(Previous TP)	HK\$8.90
Up/Downside	40.5%
Current Price	HK\$14.66

China Capital Goods

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Stock Data

Mkt Cap (HK\$ mn)	47,370.0
Avg 3 mths t/o (HK\$ mn)	119.4
52w High/Low (HK\$)	14.72/4.42
Total Issued Shares (mn)	3231.2

Source: FactSet

Shareholding Structure

Sany Heavy Equipment	64.9%
Investments Company	
Free float	33.9%

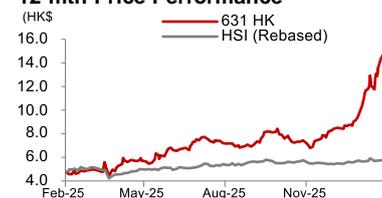
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	53.8%	53.0%
3-mth	101.7%	100.6%
6-mth	104.5%	93.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

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

SANYI (631 HK, BUY) – 2Q25 profit in-line; Raise earnings forecast on new business growth & expense control – 29 Aug 2025 ([link](#))

SANYI (631 HK, BUY) – 2Q25E profit rose 16-35% largely in-line; Solid growth trajectory – 12 Aug 2025 ([link](#))

Figure 1: Change in key assumptions for SANYI

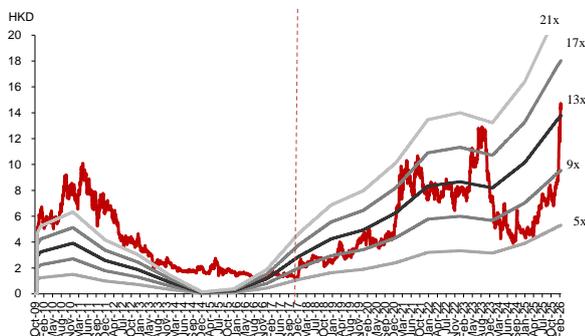
	Old			New			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
(RMB mn)									
Revenue									
Road header	1,944	1,905	1,982	2,009	1,969	2,048	3.4%	3.4%	3.4%
Combined coal mining units (CCMU)	2,250	2,183	2,292	1,350	1,310	1,362	-40.0%	-40.0%	-40.6%
Small-size logistics machinery	5,040	5,947	7,018	5,066	5,857	6,695	0.5%	-1.5%	-4.6%
Large-size port machinery	3,135	4,076	5,094	2,666	3,998	5,198	-15.0%	-1.9%	2.0%
Mining trucks	4,204	4,698	5,085	4,100	4,893	5,899	-2.5%	4.1%	16.0%
After sales service	1,952	2,381	2,905	2,119	2,649	3,231	8.6%	11.2%	11.2%
Lithium battery	2,100	3,150	3,780	2,370	3,555	4,266	12.9%	12.9%	12.9%
Oil and gas equipment	2,591	2,850	2,993	2,591	2,850	2,993	0.0%	0.0%	0.0%
Solar power	2,210	2,542	2,923	2,210	2,542	2,923	0.0%	0.0%	0.0%
Hydrogen	150	240	372	40	68	105	-73.3%	-71.7%	-71.7%
Total	25,576	29,971	34,442	24,571	29,752	34,792	-3.9%	-0.7%	1.0%
Gross margin									
Road header	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	0.0	0.0	0.0
Combined coal mining units (CCMU)	16.0%	16.5%	17.0%	16.0%	16.2%	16.2%	0.0	(0.3)	(0.8)
Small-size logistics machinery	34.0%	34.0%	34.0%	32.7%	32.7%	32.4%	(1.3)	(1.3)	(1.6)
Large-size port machinery	17.0%	18.0%	18.0%	18.0%	20.0%	22.0%	1.0	2.0	4.0
Mining trucks	23.0%	26.0%	26.0%	21.2%	22.5%	24.2%	(1.8)	(3.5)	(1.8)
After sales service	36.0%	37.0%	37.0%	36.0%	37.2%	38.0%	0.0	0.2	1.0
Lithium battery	18.0%	20.0%	20.0%	18.2%	20.0%	21.0%	0.2	0.0	1.0
Oil and gas equipment	16.0%	16.0%	16.0%	21.0%	21.2%	21.5%	5.0	5.2	5.5
Solar power	12.0%	15.0%	15.0%	9.0%	10.0%	10.0%	(3.0)	(5.0)	(5.0)
Hydrogen	0.0%	5.0%	10.0%	15.0%	15.0%	15.0%	15.0	10.0	5.0
Blended gross margin	24.2%	25.1%	25.2%	24.6%	25.1%	25.7%	0.4	(0.1)	0.5
Change (ppt)									
S&D expense ratio	5.6%	5.5%	5.5%	5.5%	5.3%	5.3%	(0.1)	(0.2)	(0.2)
Admin expense ratio	8.6%	8.5%	8.5%	8.6%	8.3%	8.3%	0.0	(0.2)	(0.2)
Net finance expense (RMB mn)	-49	-48	-21	-49	-48	-21	0.0%	0.0%	0.0%
Net profit	2,290	2,910	3,385	2,286	2,990	3,686	-0.2%	2.7%	8.9%

Source: Company data, CMBIGM estimates

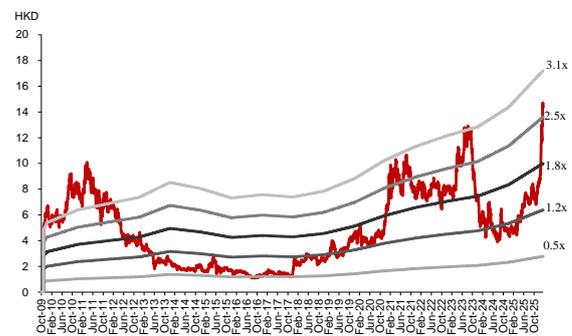
Figure 2: Operating assumptions for SANYI

(RMB mn)	2022	2023	2024	2025E	2026E	2027E
Revenue						
Road header	2,970	2,554	2,299	2,009	1,969	2,048
Combined coal mining units (CCMU)	2,968	3,621	3,000	1,350	1,310	1,362
Small-size logistics machinery	3,217	4,179	4,875	5,066	5,857	6,695
Small-size port machinery	-	3,423	3,739	3,889	4,277	4,620
Telescopic forklift	-	756	1,136	1,147	1,549	2,045
Property rental income	-	-	-	30	31	31
Large-size port machinery	1,377	1,238	1,904	2,666	3,998	5,198
Mining trucks	2,923	4,027	3,732	4,100	4,893	5,899
Large-size mining trucks	-	-	-	1,617	2,096	2,882
Wide-body trucks	-	-	-	2,343	2,629	2,815
Articulated trucks	-	-	-	140	168	202
After sales service	1,018	1,433	1,630	2,119	2,649	3,231
Robot	1,060	800	-	-	-	-
Lithium battery	-	302	790	2,370	3,555	4,266
Oil and gas equipment	-	1,500	1,919	2,591	2,850	2,993
Solar power	-	-	1,350	2,210	2,542	2,923
Hydrogen	-	-	-	40	68	105
Total	15,537	20,278	21,910	24,571	29,752	34,792
Growth (YoY)						
Road header	61.9%	-14.0%	-10.0%	-12.6%	-2.0%	4.0%
Combined coal mining units (CCMU)	71.3%	22.0%	-17.1%	-55.0%	-3.0%	4.0%
Small-size logistics machinery	30.8%	29.9%	16.7%	3.9%	15.6%	14.3%
Small-size port machinery	-	-	-	4.0%	10.0%	8.0%
Telescopic forklift	-	-	-	1.0%	35.0%	32.0%
Property rental income	-	-	-	-40.0%	2.0%	2.0%
Large-size port machinery	63.9%	-10.1%	53.8%	40.0%	50.0%	30.0%
Mining trucks	93.3%	37.8%	-7.3%	9.9%	19.3%	20.6%
Large-size mining trucks	-	-	-	-	29.6%	37.5%
Wide-body trucks	-	-	-	-	12.2%	7.1%
Articulated trucks	-	-	-	-	20.0%	20.0%
After sales service	44.2%	40.8%	13.7%	30.0%	25.0%	22.0%
Robot	-7.8%	-24.5%	-100.0%	-	-	-
Lithium battery	-	-	161.6%	200.0%	50.0%	20.0%
Oil and gas equipment	-	-	27.9%	35.0%	10.0%	5.0%
Solar power	-	-	-	63.7%	15.0%	15.0%
Hydrogen	-	-	-	-	70.0%	55.0%
Average	52.4%	30.5%	8.0%	12.1%	21.1%	16.9%
Blended gross margin	23.4%	26.9%	22.4%	24.6%	25.1%	25.7%

Source: Company data, CMBIGM estimates

Figure 3: SANYI's P/E band

Source: Bloomberg, company data, CMBIGM estimates

Figure 4: SANYI's P/B band

Source: Bloomberg, company data, CMBIGM estimates

Figure 5: Peers comp

Ticker	Company	Rating	Price (local currency)	Market cap (US\$ mn)	PE (x)		PB (x)		Yield (%)
					FY25E	FY26E	FY25E	FY26E	FY25E
Hong Kong									
631 HK Equity	SANY INTERNATIONAL	BUY	14.66	6,093	18.3	14.0	3.1	2.7	2.2
1157 HK Equity	ZOOMLION HEAVY-H	BUY	10.10	11,868	15.7	13.8	1.3	1.2	4.2
6031 HK Equity	SANY HEAVY IND-H	BUY	26.40	30,797	23.8	20.8	2.4	2.2	2.1
2338 HK Equity	WEICHAJ POWER-H	BUY	31.12	33,994	19.3	17.0	2.6	2.4	2.8
3808 HK Equity	SINOTRUK HK LTD	HOLD	41.60	14,697	17.1	16.0	2.3	2.2	3.2
564 HK Equity	ZCZL INDUSTRIAL-H	NR	23.88	6,237	8.8	8.1	1.7	1.4	5.2
	HK listed average				17.2	15.0	2.2	2.0	3.3
A share									
000338 CH Equity	WEICHAJ POWER-A	BUY	26.79	34,010	18.9	16.6	2.5	2.3	2.9
601100 CH Equity	JIANGSU HENGLI-A	BUY	118.54	23,019	52.8	46.3	8.9	7.9	0.7
603338 CH Equity	ZHEJIANG DINGLI -A	HOLD	59.03	4,329	15.6	14.5	2.6	2.3	2.0
600031 CH Equity	SANY HEAVY-A	BUY	23.12	30,811	23.6	20.6	2.4	2.2	2.1
000157 CH Equity	ZOOMLION HEAVY-A	BUY	9.60	11,873	16.9	14.9	1.4	1.3	3.9
000425 CH Equity	XCMG-A	NR	11.79	20,061	18.7	14.4	2.2	2.0	2.0
000528 CH Equity	GUANGXI LIUGONG-A	NR	11.44	3,373	13.6	10.2	1.2	1.1	2.6
603638 CH Equity	YANTAI EDDIE P	NR	25.46	3,064	52.5	44.3	5.7	5.2	0.6
600761 CH Equity	ANHUI HELI CO-A	NR	22.17	2,860	14.0	12.4	1.8	1.6	2.1
603298 CH Equity	HANGCHA GROUP-A	NR	29.91	5,674	17.4	15.4	3.3	2.9	1.9
000951 CH Equity	CNHTC JINAN T-A	NR	20.60	3,505	14.4	12.1	1.5	1.4	3.5
301039 CH Equity	CIMC VEHICLES -A	NR	10.18	2,975	18.1	14.1	1.3	1.2	3.7
601717 CH Equity	ZCZL INDUSTRIAL-A	NR	24.61	6,240	10.2	9.5	2.0	1.6	4.4
600582 CH Equity	TIAN DI -A	NR	5.93	3,554	8.6	8.0	n/a	n/a	n/a
	A-share average				21.1	18.1	2.8	2.5	2.7
Overseas									
CAT US Equity	CATERPILLAR INC	NR	752.0	349,882	33.2	27.5	16.2	14.1	0.8
DE US Equity	DEERE & CO	NR	593.3	160,820	35.9	27.0	7.0	6.6	1.1
CMI US Equity	CUMMINS INC	NR	593.0	81,932	22.5	18.8	5.9	5.0	1.4
6305 JP Equity	HITACHI CONST	NR	6,588.0	9,131	18.0	15.6	1.6	1.5	2.7
6301 JP Equity	KOMATSU LTD	NR	7,645.0	45,828	19.2	17.7	2.1	2.0	2.5
042670 KS Equity	DOOSAN INFRACORE	NR	13,800.0	1,795	14.2	10.3	1.3	1.2	0.8
VOLVB SS Equity	VOLVO AB-B	NR	345.7	77,779	16.4	14.1	3.7	3.5	4.7
	Average				22.8	18.7	5.4	4.8	2.0
Hydraulic components									
PH US Equity	PARKER HANNIFIN	NR	997.5	125,901	32.2	29.5	8.4	7.2	0.7
7012 JP Equity	KAWASAKI HVY IND	NR	17,220.0	18,632	33.7	28.5	3.7	3.4	0.9
7242 JP Equity	KYB CORP	NR	5,210.0	1,694	8.7	10.3	n/a	n/a	2.8
6474 JP Equity	NACHI-FUJIKOSHI	NR	5,160.0	829	17.3	14.5	0.7	0.7	2.0
6268 JP Equity	NABTESCO CORP	NR	4,700.0	3,575	28.4	25.5	2.0	1.9	1.8
	Average				24.0	21.7	3.7	3.3	1.6
Aerial work platform									
TEX US Equity	TEREX CORP	NR	69.1	7,852	14.0	11.8	3.2	2.3	1.0
OSK US Equity	OSHKOSH CORP	NR	171.6	10,732	14.9	11.9	2.2	1.9	1.3
LNR CN Equity	LINAMAR CORP	NR	92.3	4,017	9.2	8.2	0.9	0.8	1.2
PIG FP Equity	HAULOTTE GROUP	NR	2.3	84	n/a	12.2	0.4	0.4	1.7
6345 JP Equity	AICHI CORP	NR	1,413.0	679	14.0	14.0	n/a	n/a	4.2
	Average				13.0	11.6	1.7	1.4	1.9

Source: Company data, Bloomberg, CMBIGM estimates

Note: Data as of 19 Feb 2026.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	15,537	20,278	21,910	24,571	29,752	34,792
Cost of goods sold	(11,908)	(14,831)	(16,996)	(18,523)	(22,292)	(25,852)
Gross profit	3,628	5,447	4,913	6,048	7,460	8,940
Selling expense	(933)	(1,262)	(1,286)	(1,351)	(1,577)	(1,844)
Admin expense	(1,177)	(2,213)	(2,163)	(2,113)	(2,469)	(2,888)
Other income	447	441	507	614	655	765
Other expense	(25)	(42)	(502)	(49)	(60)	(70)
Other gains/(losses)	54	(144)	(25)	(123)	(60)	(70)
Share of (losses)/profits of associates/JV	0	0	2	4	5	5
EBITDA	2,287	2,751	2,249	3,939	4,947	5,918
Depreciation	293	525	803	908	993	1,078
EBIT	1,994	2,226	1,446	3,030	3,954	4,839
Interest income	59	193	204	268	294	327
Interest expense	(132)	(158)	(229)	(298)	(307)	(308)
Net Interest income/(expense)	(73)	35	(25)	(29)	(13)	19
Pre-tax profit	1,921	2,260	1,421	3,001	3,941	4,858
Income tax	(252)	(422)	(353)	(726)	(965)	(1,190)
After tax profit	1,669	1,839	1,068	2,275	2,975	3,668
Minority interest	(4)	90	34	11	15	18
Net profit	1,665	1,929	1,102	2,286	2,990	3,686
Adjusted net profit	1,665	1,929	1,850	2,286	2,990	3,686
Gross dividends	538	556	863	914	1,196	1,474
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	17,191	20,778	26,227	26,467	33,897	34,639
Cash & equivalents	2,690	3,241	5,340	6,340	7,062	8,538
Account receivables	6,416	8,356	10,010	10,051	13,588	14,055
Inventories	3,283	3,432	5,048	4,087	6,907	5,559
Prepayment	700	1,261	1,598	1,598	1,598	1,598
ST bank deposits	50	43	71	71	71	71
Financial assets at FVTPL	2,088	2,160	2,394	2,394	2,394	2,394
Other current assets	1,964	2,284	1,767	1,927	2,278	2,424
Non-current assets	7,763	14,185	14,701	15,106	15,327	15,464
PP&E	4,066	7,276	7,990	8,650	9,126	9,518
Deferred income tax	298	336	423	423	423	423
Goodwill	1,130	2,537	2,067	2,067	2,067	2,067
Other non-current assets	2,269	4,036	4,221	3,966	3,711	3,456
Total assets	24,953	34,963	40,928	41,574	49,225	50,102
Current liabilities	10,836	16,173	21,210	20,144	25,734	24,140
Short-term borrowings	954	2,653	4,250	4,500	4,600	4,600
Account payables	6,646	8,098	11,213	9,897	15,388	13,793
Tax payable	155	237	162	162	162	162
Other current liabilities	3,080	5,184	5,584	5,584	5,584	5,584
Non-current liabilities	4,014	7,252	7,543	7,843	7,843	7,843
Long-term borrowings	2,691	5,249	5,684	5,984	5,984	5,984
Other non-current liabilities	1,323	2,003	1,858	1,858	1,858	1,858
Total liabilities	14,849	23,425	28,752	27,987	33,577	31,983
Total shareholders equity	10,040	11,589	12,221	13,644	15,720	18,210
Minority interest	64	(51)	(46)	(57)	(72)	(91)
Total equity and liabilities	24,953	34,963	40,928	41,574	49,225	50,102

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,921	2,260	1,421	3,001	3,941	4,858
Depreciation & amortization	293	525	803	908	993	1,078
Tax paid	(145)	(431)	(516)	(726)	(965)	(1,190)
Change in working capital	(808)	476	(446)	(556)	(1,218)	(859)
Others	(177)	(307)	890	25	8	(24)
Net cash from operations	1,084	2,524	2,152	2,652	2,759	3,863
Investing						
Capital expenditure	(889)	(2,294)	(725)	(1,300)	(1,200)	(1,200)
Acquisition of subsidiaries/ investments	0	(2,509)	(7)	0	0	0
Others	1,529	(162)	(242)	259	284	317
Net cash from investing	639	(4,965)	(973)	(1,041)	(916)	(883)
Financing						
Dividend paid	(466)	(729)	(634)	(863)	(914)	(1,196)
Net borrowings	(113)	(126)	(221)	(298)	(307)	(308)
Proceeds from share issues	8	104	4	0	0	0
Others	194	3,712	1,746	550	100	0
Net cash from financing	(377)	2,961	895	(611)	(1,121)	(1,504)
Net change in cash						
Cash at the beginning of the year	1,349	2,690	3,241	5,340	6,340	7,062
Exchange difference	(6)	32	25	0	0	0
Cash at the end of the year	2,690	3,241	5,340	6,340	7,062	8,538
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	52.4%	30.5%	8.0%	12.1%	21.1%	16.9%
Gross profit	51.8%	50.1%	(9.8%)	23.1%	23.3%	19.8%
EBITDA	30.2%	20.3%	(18.3%)	75.1%	25.6%	19.6%
EBIT	32.3%	11.6%	(35.0%)	109.5%	30.5%	22.4%
Net profit	32.2%	15.9%	(42.9%)	107.5%	30.8%	23.3%
Adj. net profit	53.2%	15.9%	(4.1%)	23.6%	30.8%	23.3%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	23.4%	26.9%	22.4%	24.6%	25.1%	25.7%
EBITDA margin	14.7%	13.6%	10.3%	16.0%	16.6%	17.0%
Adj. net profit margin	10.7%	9.5%	8.4%	9.3%	10.1%	10.6%
Return on equity (ROE)	17.8%	17.8%	9.3%	17.7%	20.4%	21.7%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	(0.1)	0.2	0.2	0.1	0.1	(0.0)
Current ratio (x)	1.6	1.3	1.2	1.3	1.3	1.4
Receivable turnover days	125.5	132.9	153.0	149.0	145.0	145.0
Inventory turnover days	89.1	82.6	91.1	90.0	90.0	88.0
Payable turnover days	169.6	181.4	207.4	208.0	207.0	206.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	24.5	21.4	37.6	18.3	14.0	11.4
P/B	4.1	3.6	3.4	3.1	2.7	2.3
Div yield (%)	1.3	1.3	2.1	2.2	2.8	3.5

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

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