

# BYDE (285 HK)

## 1Q25 earnings flat YoY; 2025 positive outlook backed by auto/AI and limited tariff impact

BYDE's share price declined 8% yesterday (28 Apr) due to flattish 1Q25 earnings dragged by weaker high-end smartphone demand and potential tariff impact on Apple assembly business. 1Q25 GPM recovered 0.4ppts QoQ to 6.3% but down 0.6ppts YoY. 1Q25 earnings reached 10%/11% of our/consensus FY25E estimates, largely in-line with 14%/11% in 1Q24/1Q23. Looking ahead, mgmt. maintained positive guidance for 2025: 1) Apple assembly growth and better profitability of component, 2) stable Android biz, 3) strong automotive demand and 4) server/robots ramp-up in FY25-26E. As for tariff, mgmt. expected limited impact (15% US sales exposure) given overseas production capacity (Vietnam, India, Malaysia) and new tariff to be paid by clients. We trim FY25/26E EPS forecasts by 5-8% to reflect 1Q25 results. Our new SOTP-based TP of HK\$43.22 implies 16.2x FY25E P/E. Upcoming catalysts include auto product expansion, AI server ramp-up and GPM improvement.

■ **1Q25 flattish earnings dragged by high-end smartphone demand.** BYDE reported 1Q25 revenue/NP growth of 1%/2% YoY, driven by slight assembly growth and automotive double sales, partly offset by weaker smartphone components and new intelligent products softness. GPM improved 0.4ppts QoQ to 6.3% but dropped 0.6ppts YoY due to weaker revenue mix on lower Apple/Android high-end smartphone demand. Overall, 1Q25 net profit increased 1.9% YoY thanks to better operating efficiency and lower interest expense.

■ **2Q/2025 Outlook: improving casing profitability, robust auto biz and server/robotics ramp-up.** During earnings call, mgmt. guided positive 2Q25/2025 outlook: 1) Consumer electronics: 2Q25 QoQ growth and flattish YoY with improving profitability in Chengdu plant; 2) Automotive: rapid growth driven by Parentco orders and new products ramp-up (suspension/ADAS); 3) Server: liquid cooling products (UQD, cold plate, manifold) passed Nvidia qualifications and overseas client expansion; revenue guidance of RMB 3-5bn maintained; 4) Robotics: extensive adoption of robotic arms in assembly lines in 2H25E; 5) Profitability: stable GPM across all segments and improving cost control on operating efficiency and lower interest expenses.

■ **Limited impact from the US tariff; maintain BUY.** Mgmt. expected limited impact from the US tariff (15% US sales exposure) given: 1) Android: 100% domestic sales; 2) Apple: 30% of assembly sales export to the US but new tariff to be paid by customers; 3) Auto: 100% domestic sales; 4) Intelligent products: 90% domestic sales; 5) Global production capacity (15% of sales): Vietnam, India and Malaysia. Maintain BUY with new SOTP-based TP of HK\$43.22 (16.2x FY25E P/E).

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	129,957	177,306	199,303	226,426	246,790
YoY growth (%)	21.2	36.4	12.4	13.6	9.0
Net profit (RMB mn)	4,041.4	4,265.6	5,458.0	6,777.7	8,609.7
YoY growth (%)	117.6	5.5	28.0	24.2	27.0
EPS (Reported) (RMB)	1.79	1.89	2.42	3.01	3.82
Consensus EPS (RMB)	1.98	1.89	2.43	3.10	3.76
P/E (x)	16.7	15.8	12.4	9.9	7.8
P/B (x)	2.3	2.1	1.9	1.6	1.4
Yield (%)	1.8	1.9	2.4	3.0	3.8
ROE (%)	14.7	13.8	15.9	17.6	19.6
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

**Target Price** **HK\$43.22**  
(Previous TP **HK\$47.10**)  
**Up/Downside** **35.9%**  
**Current Price** **HK\$31.80**

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### Stock Data

Mkt Cap (HK\$ mn)	71,651.9
Avg 3 mths t/o (HK\$ mn)	1,278.9
52w High/Low (HK\$)	60.60/25.35
Total Issued Shares (mn)	2253.2

Source: FactSet

### Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

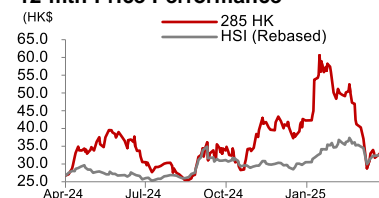
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-23.5%	-18.4%
3-mth	-24.8%	-30.8%
6-mth	-5.9%	-11.8%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related reports:

- 4Q24 earnings dragged by one-off expenses; auto/AI/Apple ramp to drive growth in 2025 - 26 Mar 2025 ([link](#))
- 2H24 first take: NP miss on weak GPM; Positive on auto/AI server/Apple in 2025 - 25 Mar 2025 ([link](#))
- Intelligence driving: Implications of BYD's "vehicle intelligence strategy" event - 11 Feb 2025 ([link](#))
- FY24E Preview: Riding on leading customers' growth momentum; Reiterate BUY - 27 Jan 2025 ([link](#))

## 1Q25 Results review

Figure 1: 1Q25 results review

RMB mn	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	YoY	QoQ
Revenue	26,375	29,805	35,964	37,813	36,480	42,100	43,546	55,179	36,880	1%	-33%
Gross profit	2,030	2,379	3,494	2,532	2,509	2,870	3,683	3,239	2,325	-7%	-28%
Net profit	459	1057	1528	998	610	907	1546	1202	622	2%	-48%
EPS (RMB)	0.20	0.47	0.68	0.44	0.27	0.40	0.69	0.53	0.28	4%	-47%
Gross margin	7.7%	8.0%	9.7%	6.7%	6.9%	6.8%	8.5%	5.9%	6.3%	-0.6 ppt	0.4 ppt
Net margin	1.7%	3.5%	4.2%	2.6%	1.7%	2.2%	3.5%	2.2%	1.7%	0 ppt	-0.5 ppt
Revenue (YoY)	26.0%	30.9%	31.0%	4.9%	38.3%	41.3%	21.1%	45.9%	1.1%		
Gross profit (YoY)	77.4%	101.0%	94.5%	13.7%	23.6%	20.7%	5.4%	27.9%	-7.4%		
Net profit (YoY)	154.9%	132.9%	153.4%	60.7%	33.0%	-14.1%	1.1%	20.5%	1.9%		

Source: Company data, Bloomberg, CMBIGM estimates

## Earnings revision

Figure 2: Earnings revision

(RMB mn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	199,303	226,426	246,790	201,788	229,804	251,251	-1.2%	-1.5%	-1.8%
Gross profit	14,929	17,748	20,831	15,606	18,587	21,606	-4.3%	-4.5%	-3.6%
Operating profit	5,362	6,879	8,985	5,921	7,556	9,546	-9.4%	-9.0%	-5.9%
Net profit	5,458	6,778	8,610	5,944	7,367	9,098	-8.2%	-8.0%	-5.4%
EPS (RMB)	2.42	3.01	3.82	2.64	3.27	4.04	-8.2%	-8.0%	-5.4%
Gross margin	7.5%	7.8%	8.4%	7.7%	8.1%	8.6%	-0.2 ppt	-0.2 ppt	-0.2 ppt
Operating margin	2.7%	3.0%	3.6%	2.9%	3.3%	3.8%	-0.2 ppt	-0.2 ppt	-0.2 ppt
Net Margin	2.7%	3.0%	3.5%	2.9%	3.2%	3.6%	-0.2 ppt	-0.2 ppt	-0.1 ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs consensus

(RMB mn)	CMBI			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	199,303	226,426	246,790	197,687	219,664	241,898	0.8%	3.1%	2.0%
Gross profit	14,929	17,748	20,831	15,223	17,814	20,434	-1.9%	-0.4%	1.9%
Operating profit	5,362	6,879	8,985	5,773	7,358	9,335	-7.1%	-6.5%	-3.8%
Net profit	5,458	6,778	8,610	5,438	6,910	8,444	0.4%	-1.9%	2.0%
EPS (RMB)	2.42	3.01	3.82	2.43	3.10	3.76	-0.2%	-2.9%	1.5%
Gross margin	7.5%	7.8%	8.4%	7.7%	8.1%	8.4%	-0.2 ppt	-0.3 ppt	0 ppt
Operating margin	2.7%	3.0%	3.6%	2.9%	3.3%	3.9%	-0.2 ppt	-0.3 ppt	-0.2 ppt
Net Margin	2.7%	3.0%	3.5%	2.8%	3.1%	3.5%	0 ppt	-0.2 ppt	0 ppt

Source: Bloomberg, CMBIGM estimates

**Figure 4: P&L forecast**

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Revenue</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>199,303</b>	<b>226,426</b>	<b>246,790</b>
...YoY	20.4%	21.2%	36.4%	12.4%	13.6%	9.0%
Cost of sales	(100,836)	(119,523)	(165,004)	(184,375)	(208,678)	(225,959)
<b>Gross profit</b>	<b>6,350</b>	<b>10,434</b>	<b>12,301</b>	<b>14,929</b>	<b>17,748</b>	<b>20,831</b>
GPM (%)	5.9%	8.0%	6.9%	7.5%	7.8%	8.4%
...YoY	5.3%	64.3%	17.9%	21.4%	18.9%	17.4%
SG&A	(1,770)	(2,007)	(3,485)	(3,986)	(4,529)	(4,936)
...% of rev	2%	2%	2%	2%	2%	2%
R&D	(3,969)	(4,722)	(4,889)	(5,580)	(6,340)	(6,910)
...% of rev	4%	4%	3%	3%	3%	3%
<b>Operating profit</b>	<b>611</b>	<b>3,705</b>	<b>3,927</b>	<b>5,362</b>	<b>6,879</b>	<b>8,985</b>
OPM (%)	1%	3%	2%	3%	3%	4%
...YoY	-57%	506%	6%	37%	28%	31%
<b>Net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>5,458</b>	<b>6,778</b>	<b>8,610</b>
NPM (%)	1.7%	3.1%	2.4%	2.7%	3.0%	3.5%
...YoY	-20%	118%	6%	28%	24%	27%

Source: Company data, CMBIGM estimates

**Figure 5: Revenue breakdown**

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Assembly</b>	<b>68,054</b>	<b>83,783</b>	<b>105,575</b>	<b>109,820</b>	<b>117,406</b>	<b>117,772</b>
...YoY	22%	23%	26%	4%	7%	0%
<b>Component (metal/glass/plastic)</b>	<b>14,155</b>	<b>13,637</b>	<b>35,658</b>	<b>36,930</b>	<b>40,891</b>	<b>43,307</b>
...YoY	-10%	-4%	161%	4%	11%	6%
Metal	7,304	6,208	5,401	5,563	5,285	5,391
Plastic	3,221	2,803	2,887	3,232	3,329	3,429
Glass/ceramic	5,130	5,143	5,349	8,110	8,921	9,813
Jabil component		-	19,170	19,395	22,259	23,679
<b>New intelligent</b>	<b>15,207</b>	<b>18,441</b>	<b>15,560</b>	<b>21,784</b>	<b>25,052</b>	<b>27,557</b>
...YoY	22%	21%	-16%	40%	15%	10%
AI server		-	800	5,000	10,000	15,000
E-cigarette	1,540	2,062	2,165	2,273	2,273	2,273
Household energy storage	1,500	2,115	1,325	1,457	1,603	1,683
Other new intelligent products		14,264	11,270	13,054	11,176	8,601
<b>Auto intelligent</b>	<b>9,263</b>	<b>14,096</b>	<b>20,513</b>	<b>30,770</b>	<b>43,077</b>	<b>58,154</b>
...YoY	146%	52%	46%	50%	40%	35%
<b>Total</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>199,303</b>	<b>226,426</b>	<b>246,790</b>
...YoY	20%	21%	36%	12%	14%	9%

Source: Company data, CMBIGM estimates

## Valuation

### Maintain BUY with SOTP-based TP of HK\$43.22

We maintain our positive view on BYDE's outlook in FY25E and expect improving revenue mix will continue to drive GPM recovery in FY25/26E. We maintain BUY and our TP is based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

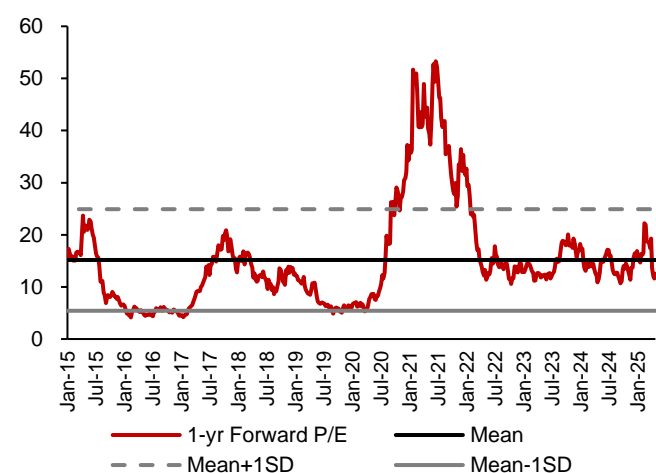
Our SOTP-based TP of HK\$43.22 implies 16.2x FY25E P/E. We assign 15x P/E to its assembly EMS business, 15x for Jabil iPhone casing and 15x P/E for component business, given Android's business margin recovery and Apple's business expansion. We adjust target multiple to 18x for new intelligent and NEV segments to reflect their growth potential and higher earnings visibility.

**Figure 6: BYDE – SOTP valuation**

Business segment	% of FY25E Profit	FY25E EPS (RMB)	Target P/E
Assembly	17%	0.42	15x
Components	14%	0.34	15x
Jabil Components	15%	0.37	15x
New Intelligent	18%	0.45	16x
Auto intelligent	35%	0.85	18x
Others	0%	0	-
Total (RMB) /Implied P/E		2.62	16.2x
TP (HK\$)			43.22

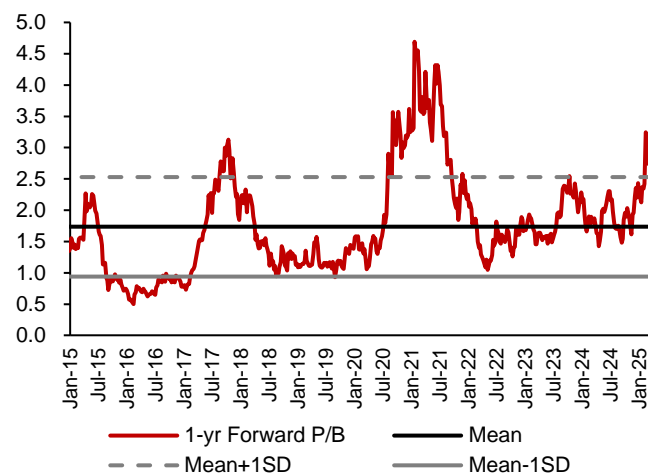
Source: Company data, CMBIGM estimates

**Figure 7: 12M forward P/E band**



Source: Bloomberg, CMBIGM estimates

**Figure 8: 12M forward P/B band**



Source: Bloomberg, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Revenue</b>	<b>107,186</b>	<b>129,957</b>	<b>177,306</b>	<b>199,303</b>	<b>226,426</b>	<b>246,790</b>
Cost of goods sold	(100,836)	(119,523)	(165,004)	(184,375)	(208,678)	(225,959)
<b>Gross profit</b>	<b>6,350</b>	<b>10,434</b>	<b>12,301</b>	<b>14,929</b>	<b>17,748</b>	<b>20,831</b>
Selling expense	(535)	(720)	(1,888)	(2,192)	(2,491)	(2,715)
Admin expense	(1,235)	(1,288)	(1,597)	(1,794)	(2,038)	(2,221)
SG&A expense	(535)	(720)	(1,888)	(2,192)	(2,491)	(2,715)
R&D expense	(3,969)	(4,722)	(4,889)	(5,580)	(6,340)	(6,910)
<b>Operating profit</b>	<b>611</b>	<b>3,705</b>	<b>3,927</b>	<b>5,362</b>	<b>6,879</b>	<b>8,985</b>
Other income/expense	1,509	1,284	1,348	1,348	1,348	1,348
<b>Pre-tax profit</b>	<b>1,939</b>	<b>4,681</b>	<b>4,740</b>	<b>6,274</b>	<b>7,790</b>	<b>9,896</b>
Income tax	(81)	(640)	(475)	(816)	(1,013)	(1,287)
Minority interest	0	0	0	0	0	0
<b>Net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>5,458</b>	<b>6,778</b>	<b>8,610</b>
<b>Adjusted net profit</b>	<b>1,858</b>	<b>4,041</b>	<b>4,266</b>	<b>5,458</b>	<b>6,778</b>	<b>8,610</b>

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>40,488</b>	<b>54,607</b>	<b>60,416</b>	<b>63,875</b>	<b>71,392</b>	<b>73,718</b>
Cash & equivalents	6,244	10,537	7,052	3,894	3,587	3,109
Account receivables	10,471	23,011	32,306	34,128	41,347	40,916
Inventories	17,046	18,541	18,089	22,883	23,489	26,724
ST bank deposits	21	9	0	0	0	0
Other current assets	6,706	2,508	2,969	2,969	2,969	2,969
<b>Non-current assets</b>	<b>16,506</b>	<b>32,612</b>	<b>29,932</b>	<b>33,381</b>	<b>37,242</b>	<b>41,221</b>
PP&E	12,941	19,709	17,113	20,562	24,423	28,403
Deferred income tax	481	620	803	803	803	803
Other non-current assets	3,084	12,282	12,015	12,015	12,015	12,015
<b>Total assets</b>	<b>56,994</b>	<b>87,219</b>	<b>90,347</b>	<b>97,256</b>	<b>108,634</b>	<b>114,940</b>
<b>Current liabilities</b>	<b>30,143</b>	<b>54,751</b>	<b>50,823</b>	<b>53,911</b>	<b>60,545</b>	<b>60,823</b>
Short-term borrowings	2,004	14,613	6,505	6,505	6,505	6,505
Account payables	22,002	29,939	35,331	38,419	45,053	45,331
Tax payable	363	607	943	943	943	943
Other current liabilities	5,773	9,591	8,044	8,044	8,044	8,044
<b>Non-current liabilities</b>	<b>1,216</b>	<b>3,138</b>	<b>7,122</b>	<b>7,122</b>	<b>7,122</b>	<b>7,122</b>
Deferred income	231	290	240	240	240	240
Other non-current liabilities	986	2,847	6,882	6,882	6,882	6,882
<b>Total liabilities</b>	<b>31,359</b>	<b>57,888</b>	<b>57,946</b>	<b>61,033</b>	<b>67,667</b>	<b>67,945</b>
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	21,583	25,278	28,349	32,170	36,915	42,942
<b>Total shareholders equity</b>	<b>25,635</b>	<b>29,330</b>	<b>32,402</b>	<b>36,223</b>	<b>40,967</b>	<b>46,994</b>
Minority interest	0	0	0	0	0	0
<b>Total equity and liabilities</b>	<b>56,994</b>	<b>87,219</b>	<b>90,347</b>	<b>97,256</b>	<b>108,634</b>	<b>114,940</b>

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	1,939	4,681	4,740	6,274	7,790	9,896
Depreciation & amortization	2,563	2,788	3,230	3,726	4,290	4,905
Change in working capital	2,568	(6,098)	(3,450)	(3,530)	(1,190)	(2,526)
Others	(182)	(534)	(322)	(816)	(1,013)	(1,287)
<b>Net cash from operations</b>	<b>5,961</b>	<b>10,243</b>	<b>4,719</b>	<b>6,077</b>	<b>10,301</b>	<b>11,412</b>
<b>Investing</b>						
Capital expenditure	(4,469)	(3,998)	(6,383)	(7,175)	(8,151)	(8,884)
Others	(4,272)	(17,731)	(6,377)	(7,168)	(8,143)	(8,876)
<b>Net cash from investing</b>	<b>(4,276)</b>	<b>(17,735)</b>	<b>(6,383)</b>	<b>(7,175)</b>	<b>(8,151)</b>	<b>(8,884)</b>
<b>Financing</b>						
Dividend paid	(372)	(1,212)	(1,280)	(1,637)	(2,033)	(2,582)
Others	2,133	13,035	(8,629)	(423)	(423)	(423)
<b>Net cash from financing</b>	<b>1,761</b>	<b>11,823</b>	<b>(9,908)</b>	<b>(2,060)</b>	<b>(2,456)</b>	<b>(3,006)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	2,825	6,244	10,537	7,052	3,894	3,587
Exchange difference	(27)	(37)	8,087	0	0	0
<b>Cash at the end of the year</b>	<b>6,244</b>	<b>10,537</b>	<b>7,052</b>	<b>3,894</b>	<b>3,587</b>	<b>3,109</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	20.4%	21.2%	36.4%	12.4%	13.6%	9.0%
Gross profit	5.3%	64.3%	17.9%	21.4%	18.9%	17.4%
Operating profit	(56.5%)	506.5%	6.0%	36.6%	28.3%	30.6%
Net profit	(19.6%)	117.6%	5.5%	28.0%	24.2%	27.0%
Adj. net profit	(19.6%)	117.6%	5.5%	28.0%	24.2%	27.0%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	5.9%	8.0%	6.9%	7.5%	7.8%	8.4%
Operating margin	0.6%	2.9%	2.2%	2.7%	3.0%	3.6%
Adj. net profit margin	1.7%	3.1%	2.4%	2.7%	3.0%	3.5%
Return on equity (ROE)	7.5%	14.7%	13.8%	15.9%	17.6%	19.6%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio (x)	1.3	1.0	1.2	1.2	1.2	1.2
Receivable turnover days	33.6	47.0	36.5	36.5	36.5	36.5
Inventory turnover days	50.0	54.3	45.6	45.6	45.6	45.6
Payable turnover days	61.0	79.3	56.2	56.2	56.2	56.2
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	36.3	16.7	15.8	12.4	9.9	7.8
P/B	2.6	2.3	2.1	1.9	1.6	1.4
Div yield (%)	0.6	1.8	1.9	2.4	3.0	3.8
EV	25,635.1	29,330.4	32,401.7	36,222.5	40,967.3	46,994.4
EV/Sales	0.2	0.2	0.2	0.2	0.2	0.2

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

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