

Poly Services (6049 HK)

1H25 earnings in line; No interim dividend

The company's 1H25 net profit was +5.3% YoY (in-line with market expectation of mid-single-digit growth). Total revenue grew 6.6% YoY, with resilient basic PM growth (+13.1% YoY) driven by third-party projects and commercial/office projects. The company delivered strong third-party expansion growth (annualized contracts +17.2% YoY to RMB 1.4bn), particularly in residential (+32.2% YoY) and commercial/office (+18.7% YoY). Non-owner VAS revenue fell 16.1% YoY, weighed down by developers; community VAS (owner VAS) dropped 3.7% YoY, mainly dragged by the property brokerage business. We maintain BUY rating and raise TP by 2% to HK\$54.91 on 18x 2025E P/E.

- **Basic PM: stable growth with collection rates down.** Segment revenue rose 13.1% YoY in 1H25 (Managed GFA: +10.2% YoY), mainly driven by third-party projects (revenue +19.9% YoY, managed GFA +11.9% YoY) and commercial/office projects (revenue +29.8% YoY, GFA +26.5% YoY). Despite sector challenges, average PM fee increased to RMB 2.47/sq.m/month in 1H25 from RMB2.33 in 1H24, which signalled a softer fee collection rate and this was also reflected in 31.5% YoY growth in broader account receivables from FY24 to 1H25 (third-party receivables surged 40%). Key reasons included local fee caps policy dampening payment willingness and higher vacancy rates in newly delivered projects. The company is to launch targeted initiatives to address the issue.
- **Efficiency gains offset by non-owner VAS's drag on GP margin.** The company delivered notable efficiency gains – SG&A expenses dropped 9.1% YoY (vs revenue growth of 6.6%) driving a 0.9ppt narrowing of the SG&A ratio. However, a 6.8ppt YoY gross margin decline in non-owner VAS dragged down the overall gross margin by 1.1ppt YoY. Ultimately, net profit margin edged down 0.1ppt YoY to 10.6% in 1H25
- **No interim dividend, missing some investors' expectations.** The company maintained its no-interim-dividend policy, falling short of certain investors' expectations. Although the FY24 payout ratio was raised by 10ppt to 50%, it remains at a relatively low level compared to peers.
- **Maintain BUY.** Raise TP by 2% to HK\$54.91 (18x 2025E P/E) to reflect earnings estimate adjustments. Risks: 1) Third-party expansion misses expectations; 2) Greater-than-expected gross margin pressure; 3) Worse-than-anticipated decline in developer-related business.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	15,062	16,342	17,345	18,208	19,107
YoY growth (%)	10.0	8.5	6.1	5.0	4.9
Net profit (RMB mn)	1,380.1	1,473.9	1,553.0	1,622.7	1,690.6
EPS (Reported) (RMB)	2.51	2.68	2.81	2.93	3.05
YoY growth (%)	24.4	7.1	4.6	4.5	4.0
Consensus EPS (RMB)	na	na	2.82	3.03	3.23
P/E (x)	13.7	12.8	12.2	11.7	11.3
P/B (x)	2.2	2.0	2.3	2.1	1.9
Yield (%)	2.9	3.9	4.1	4.3	4.4
ROE (%)	16.8	16.0	17.1	18.2	17.3

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$54.91
(Previous TP	HK\$54.03)
Up/Downside	46.8%
Current Price	HK\$37.40

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Stock Data

Mkt Cap (HK\$ mn)	3,740.0
Avg 3 mths t/o (HK\$ mn)	45.1
52w High/Low (HK\$)	39.85/24.75
Total Issued Shares (mn)	100.0

Source: FactSet

Shareholding Structure

Poly Development	72.3%
Free float	27.7%

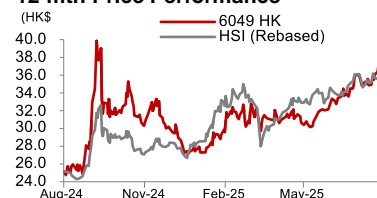
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	3.7%	2.0%
3-mth	22.0%	10.0%
6-mth	26.4%	12.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related Reports

1. [Binjiang Service \(3316 HK\) - 1H25: Robust PM with 5S VAS driver shifting; Targeting HK Connect inclusion by FY26](#)
2. [Onewo \(2602 HK\) - Earnings beat against tough weather; Dividend yield remains attractive](#)

Figure 1: 6049 HK results summary- 1H25

RMB mn	2023	2024	YoY	1H24	2H24	1H25	YoY	HoH
Revenue	15,062	16,342	8.5%	7,871	8,471	8,392	6.6%	-0.9%
- Property management services	10,152	11,674	15.0%	5,593	6,081	6,325	13.1%	4.0%
- VAS to non-owners	2,093	1,960	-6.4%	1,028	932	863	-16.1%	-7.4%
- Community VAS	2,816	2,708	-3.9%	1,250	1,458	1,204	-3.7%	-17.4%
Gross profit	2,953	2,984	1.1%	1,610	1,374	1,627	1.0%	18.4%
SG&A	(1,244)	(1,134)	-8.9%	(493)	(640)	(448)	-9.1%	-30.0%
Net profit	1,380	1,474	6.8%	846	628	891	5.3%	41.8%
EPS (RMB)- Basic	2.51	2.68	7.1%	1.54	1.14	1.62	4.9%	41.7%
EPS (RMB)- Diluted	2.51	2.68	7.1%	1.54	1.14	1.62	5.0%	41.7%
DPS (RMB)	1.00	1.33	33%					
Dividend payout ratio	40%	50%	10 ppt					
GP Margin	19.6%	18.3%	-1.3 ppt	20.5%	16.2%	19.4%	-1.1 ppt	3.2 ppt
- Property management services	14.6%	14.3%	-0.3 ppt	16.8%	12.1%	16.6%	-0.2 ppt	4.5 ppt
- VAS to non-owners	18.7%	16.0%	-2.7 ppt	18.0%	13.8%	11.2%	-6.8 ppt	-2.6 ppt
- Community VAS	38.4%	36.8%	-1.6 ppt	38.8%	35.1%	39.9%	1.1 ppt	4.9 ppt
SG&A ratio	-8.3%	-6.9%	1.3 ppt	-6.3%	-7.6%	-5.3%	0.9 ppt	2.2 ppt
Net Margin	9.2%	9.0%	-0.1 ppt	10.7%	7.4%	10.6%	-0.1 ppt	3.2 ppt
Managed GFA (mn sq m)	720	803	11.7%	757	803	834	10.2%	3.8%
Contracted GFA (mn sq m)	922	988	7.1%	950	988	996	4.9%	0.8%
Trade receivables	3,185	3,714	16.6%	4,485	3,714	4,885	8.9%	31.5%
Cash (incl. deposits)	11,011	11,884	7.9%	10,605	11,884	11,665	10.0%	-1.8%

Source: Company data, CMBIGM

Figure 2: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	17,345	18,208	19,107	17,600	18,914	20,358	-1.5%	-3.7%	-6.1%
Gross profit	3,009	3,123	3,259	3,195	3,401	3,633	-5.8%	-8.2%	-10.3%
Operating profit	2,070	2,163	2,253	2,053	2,182	2,316	0.8%	-0.9%	-2.7%
Net profit	1,553	1,623	1,691	1,564	1,677	1,796	-0.7%	-3.2%	-5.9%
Gross margin	17.3%	17.2%	17.1%	18.2%	18.0%	17.8%	-0.8ppt	-0.8ppt	-0.8ppt
EBIT margin	11.9%	11.9%	11.8%	11.7%	11.5%	11.4%	0.3ppt	0.3ppt	0.4ppt
Net margin	9.0%	8.9%	8.8%	8.9%	8.9%	8.8%	0.1ppt	0ppt	0ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs. Consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	17,345	18,208	19,107	16,508	17,941	19,427	5.1%	1.5%	-1.6%
Gross profit	3,009	3,123	3,259	3,151	3,420	3,708	-4.5%	-8.7%	-12.1%
Operating profit	2,070	2,163	2,253	2,075	2,245	2,433	-0.2%	-3.7%	-7.4%
Net profit	1,553	1,623	1,691	1,528	1,689	1,830	1.6%	-3.9%	-7.6%
Gross margin	17.3%	17.2%	17.1%	19.1%	19.1%	19.1%	-1.7ppt	-1.9ppt	-2ppt
EBIT margin	11.9%	11.9%	11.8%	12.6%	12.5%	12.5%	-0.6ppt	-0.6ppt	-0.7ppt
Net margin	9.0%	8.9%	8.8%	9.3%	9.4%	9.4%	-0.3ppt	-0.5ppt	-0.6ppt

Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: Valuation comps

Company	Ticker	Last Price	Mkt Cap	P/E (x)			Net Profit Growth (%)			Payout ratio	Dividend Yield	
		(LC)		25E	26E	27E	25E	26E	27E		24A	25E
CR MixC	1209.HK	41.94	12,250	20.9 x	18.3 x	16.2 x	15.0	14.1	13.3	134%	5.5%	4.5%
Onewo	2602.HK	26.00	3,886	17.4 x	15.3 x	14.0 x	38.3	13.7	9.0	194%	7.9%	7.1%
Country Garden Services	6098.HK	7.40	3,166	11.1 x	9.4 x	8.5 x	12.6	17.7	10.3	55%	4.4%	5.9%
Poly Services	6049.HK	37.40	2,648	12.3 x	11.7 x	11.3 x	5.4	4.5	4.2	50%	3.9%	4.1%
COPH	2669.HK	5.85	2,458	10.4 x	9.5 x	8.6 x	11.0	10.0	9.7	36%	3.1%	3.5%
China Merchant PO	001914.SZ	13.01	1,939	14.5 x	12.9 x	11.6 x	13.0	12.3	11.2	30%	1.8%	2.2%
Greentown Services	2869.HK	5.23	2,108	17.4 x	15.2 x	13.8 x	11.4	14.4	10.0	75%	3.8%	4.3%
Binjiang Services	3316.HK	25.98	919	10.6 x	9.4 x	8.4 x	13.8	12.7	12.1	70%	5.8%	6.6%
Yuxiu Services	6626.HK	2.82	542	7.6 x	6.6 x	5.8 x	44.4	14.4	13.8	74%	6.5%	7.1%
C&D PM	2156.HK	3.19	575	10.1 x	8.9 x	8.7 x	25.7	13.6	2.0	58%	4.7%	5.5%
Ever Sunshine	1995.HK	2.07	458	6.4 x	5.8 x	5.2 x	5.9	11.1	12.0	62%	8.9%	9.0%
Jinmao Services	0816.HK	3.18	368	6.5 x	6.1 x	5.8 x	8.8	6.3	5.8	40%	5.6%	6.1%
Powerlong Commercial	9909.HK	2.28	188	3.5 x	3.3 x	3.1 x	78.6	5.0	NA	NA	NA	NA
Excellence CM	6989.HK	1.47	230	4.8 x	4.3 x	3.9 x	9.6	10.8	9.8	50%	9.5%	10.4%
New Hope Services	3658.HK	1.93	201	5.6 x	5.0 x	4.5 x	12.9	12.7	11.4	57%	9.0%	9.9%
E-star CM	6668.HK	1.32	171	7.8 x	7.6 x	7.2 x	1.4	2.8	4.7	80%	9.9%	10.1%
Average				15.9 x	14.1 x	12.7 x	16.8	12.9	10.6	101%	5.1%	5.0%
BEKE-W	2423.HK	51.05	23,337	28.5 x	22.1 x	17.9 x	43.5	29.1	23.0	73%	1.8%	1.8%
Greentown Management	9979.HK	2.98	767	6.7 x	6.3 x	5.8 x	2.2	6.3	8.4	59%	8.8%	9.9%
Average				27.8 x	21.6 x	17.5 x	42.2	28.4	22.5	72%	2.0%	2.1%

Source: Company data, Wind, CMBIGM estimates

Note: updated to Aug 25th 2025

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	13,687	15,062	16,342	17,345	18,208	19,107
Cost of goods sold	(11,113)	(12,109)	(13,358)	(14,336)	(15,085)	(15,848)
Gross profit	2,574	2,953	2,984	3,009	3,123	3,259
Operating expenses	(1,215)	(1,246)	(1,136)	(1,068)	(1,103)	(1,154)
SG&A expense	(1,213)	(1,244)	(1,134)	(1,065)	(1,100)	(1,154)
Others	(2)	(2)	(2)	(3)	(4)	0
Operating profit	1,543	1,862	1,984	2,070	2,163	2,253
Other income	184	155	136	129	143	148
Pre-tax profit	1,513	1,841	1,965	2,070	2,163	2,254
Income tax	(380)	(444)	(475)	(501)	(523)	(545)
After tax profit	1,133	1,397	1,489	1,569	1,640	1,708
Minority interest	(20)	(17)	(16)	(16)	(17)	(18)
Net profit	1,113	1,380	1,474	1,553	1,623	1,691
Gross dividends	278	552	737	777	811	845

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	12,133	14,228	13,636	14,941	16,199	17,495
Cash & equivalents	8,956	11,011	9,891	10,966	12,026	13,115
Account receivables	2,263	2,341	2,816	2,989	3,137	3,292
Inventories	40	31	32	34	36	38
Prepayment	873	845	898	953	1,000	1,050
Non-current assets	977	649	3,145	1,000	849	703
PP&E	219	242	240	239	241	245
Deferred income tax	39	57	56	56	56	56
Intangibles	115	104	94	84	74	65
Other non-current assets	604	246	2,755	620	478	337
Total assets	13,110	14,877	16,781	15,941	17,049	18,198
Current liabilities	5,185	5,921	6,841	7,189	7,456	7,728
Account payables	1,575	2,009	2,754	2,667	2,958	3,028
Tax payable	154	160	211	211	211	211
Lease liabilities	38	43	43	43	43	43
Contract liabilities	1,429	1,548	1,824	1,824	1,824	1,824
Accrued expenses	1,989	2,161	2,008	2,444	2,420	2,622
Non-current liabilities	80	79	69	69	69	69
Obligations under finance leases	69	69	63	63	63	63
Other non-current liabilities	11	11	7	7	7	7
Total liabilities	5,265	6,001	6,910	7,259	7,526	7,798
Share capital	553	553	553	553	553	553
Other reserves	7,137	8,167	9,148	7,942	8,766	9,625
Total shareholders equity	7,691	8,720	9,701	8,496	9,319	10,178
Minority interest	154	157	170	187	204	222
Total equity and liabilities	13,110	14,877	16,781	15,941	17,049	18,198

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,513	1,841	1,965	2,070	2,163	2,254
Depreciation & amortization	371	378	377	377	377	377
Tax paid	(382)	(455)	(428)	(501)	(523)	(545)
Change in working capital	(6)	653	411	119	69	66
Net cash from operations	1,474	2,416	2,303	2,001	2,008	2,068
Investing						
Capital expenditure	(74)	(77)	(67)	(96)	(98)	(100)
Acquisition of subsidiaries/ investments	(4)	0	0	0	0	0
Net proceeds from disposal of short-term investments	0	13	0	0	0	0
Others	(24)	133	(2,752)	(69)	(56)	(51)
Net cash from investing	(98)	56	(2,818)	(165)	(154)	(152)
Financing						
Dividend paid	(172)	(296)	(555)	(777)	(811)	(845)
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	95	18	0	0	0	0
Others	(64)	(158)	(52)	16	17	0
Net cash from financing	(138)	(418)	(605)	(760)	(794)	(828)
Net change in cash						
Cash at the beginning of the year	7,691	8,956	11,011	9,891	10,966	12,026
Exchange difference	27	1	(1)	0	0	1
Cash at the end of the year	8,956	11,011	9,891	10,966	12,026	13,115
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	26.9%	10.0%	8.5%	6.1%	5.0%	4.9%
Gross profit	27.8%	14.7%	1.1%	0.8%	3.8%	4.4%
Operating profit	30.3%	20.7%	6.5%	4.3%	4.5%	4.2%
Net profit	31.6%	24.0%	6.8%	5.4%	4.5%	4.2%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	18.8%	19.6%	18.3%	17.3%	17.2%	17.1%
Operating margin	11.3%	12.4%	12.1%	11.9%	11.9%	11.8%
Return on equity (ROE)	15.4%	16.8%	16.0%	17.1%	18.2%	17.3%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	2.3	2.4	2.0	2.1	2.2	2.3
Receivable turnover days	60.4	56.7	62.9	62.9	62.9	62.9
Inventory turnover days	1.3	0.9	0.9	0.9	0.9	0.9
Payable turnover days	51.7	60.6	75.3	67.9	71.6	69.7
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	17.1	13.7	12.8	12.2	11.7	11.3
P/B	2.5	2.2	2.0	2.3	2.1	1.9
Div yield (%)	1.5	2.9	3.9	4.1	4.3	4.4
EV	16,801.1	19,888.0	19,762.0	19,648.2	21,548.9	23,515.3
EV/Sales	1.2	1.3	1.2	1.1	1.2	1.2

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

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HOLD	: Stock with potential return of +15% to -10% over next 12 months
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NOT RATED	: Stock is not rated by CMBIGM

OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
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