

Yum China (9987 HK/YUMC US)

Target kept but cash return may be limited

Both sales and net profit in 2Q25 were roughly inline, but the OP growth was decent and has accelerated vs 1Q25. Going forward in 2H25E, while we are delighted to know that the margin guidance has already priced in the potential drags from delivery war and subsidies, we also recognize that the fairly prudent SSSG in 2H25E and potentially low capital return (e.g. US\$ 1.2bn in FY25E, even though the US\$ 3.0bn for FY25E-26E is still valid), may disappoint some of the investors. However, at the end of the day, we still see limited downside for YUMC (guidance should be conservative enough and difficult to miss, plus the capital return of 8% in FY25E), so we maintain BUY and raise the TP.

■ **FY25E guidance was largely maintained, but a rather prudent SSSG target in 2H25E was also introduced.** The management maintained their FY25E guidance: 1) MSD (about 4%-6%) system sales growth, 2) LSD wage inflation (will try to offset by efficiency gains but will also exclude the potential rider costs surge due to delivery war and subsidies), 3) flattish (or slightly improved) core OP margin (flattish/ increase for KFC/ Pizza Hut). On top of that, the management also introduced a new target: flattish SSSG in 2H25E. But they have also flagged that the micro environment is rather uncertain and consumers are fairly cost conscious. Therefore, the visibility for SSSG is lower than before.

■ **While the guidance is generally inline with our expectation and still seems achievable, we suspect that some investors might be concerned about the prudent target and limited cash returns.** On one hand, we are glad to see that management keeps their flattish (or slightly improved) core OP margin target, because this is showing that the Company is able to deal with the potential costs associated with the delivery war (potential surge in subsidies splits with e-commerce platforms or the rider costs). But on the other hand, we believe some investors might not be too satisfied to see flattish SSSG in 2H25E, esp. when there are still quite a few growth drivers like: 1) potential benefits from the delivery subsidies by various e-commerce platforms, 2) ASP increases due to higher delivery mix (even though ASPs for dine-in/ delivery are still falling) and 3) robust growth from K-Coffee (sales growth was fast at 15% and store target has been raised to 1,700, from 1,500). Moreover, the cash return in FY25E may also disappoint some investors. Yum China has a 3-year capital return programme consisting of buybacks and dividend of US\$ 4.5bn during FY24 to FY26E, of which US\$ 1.5bn has been distributed in FY24, and leaving US\$ 3.0 to be delivered in FY25E and FY26E. But according to management's sharing at the results call, only around US\$ 1.2bn is certain for FY25E (also US\$ 1.5bn may not be sustainable in FY27E and onwards, actual amount will depend on free cash flow), that might have missed some investors' expectations.

Earnings Summary - 9987 HK

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	10,978	11,303	11,598	12,109	12,771
YoY growth (%)	14.7	3.0	2.6	4.4	5.5
Operating profit (US\$ mn)	1,106.0	1,162.0	1,280.0	1,394.1	1,538.4
Net profit (US\$ mn)	827.0	911.0	927.0	992.3	1,081.7
EPS (Reported) (US\$)	1.97	2.34	2.66	2.84	3.09
YoY growth (%)	89.3	18.6	14.0	6.4	9.0
P/E (x)	24.0	20.2	17.7	16.7	15.3
P/B (x)	2.9	2.5	2.7	2.9	3.0
Yield (%)	1.1	1.5	2.0	2.1	2.3
ROE (%)	11.6	13.5	14.8	16.8	19.4

Source: Company data, Bloomberg, CMBIGM estimates

9987 HK	YUMC US
BUY	BUY
Maintain	Maintain

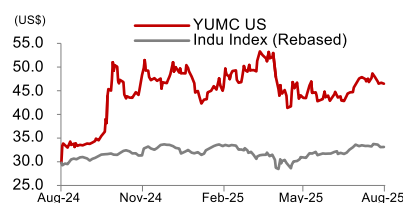
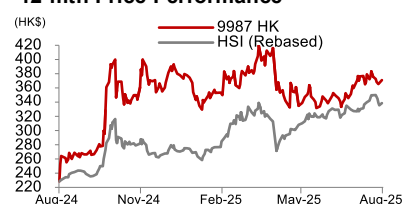
TP	HK\$437.04	US\$55.94
Prior TP	HK\$418.25	US\$53.53
Up/Downside	17.9%	20.3%
Current Price	HK\$370.8	US\$46.5

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12-mth Price Performance



Source: FactSet

Stock Performance

	9987 HK		YUMC US	
	Abs.	Rel.	Abs.	Rel.
1-mth	3.3%	-0.8%	1.6%	4.8%
3-mth	10.8%	0.1%	6.9%	3.3%
6-mth	6.0%	-12.3%	2.1%	7.7%

Source: FactSet

Stock Data

(LC)	9987 HK	YUMC US
Mkt Cap (mn)	128296.8	16082.08
Avg 3 mths t/o (mn)	183.5	34.52
52w High	419.2	53.69
52w Low	252.8	32.99
Issued Shares (mn)	346	346

Source: FactSet

- **Maintain BUY but slightly lift TP to HK\$ 437.04, based on 21x FY25E P/E (up from 20x, due to improvement in industry growth) vs 5-year of 25x.** We fine-tune the FY25E/ 26E/ 27E net profit forecasts by -0.5%/ +0.3%/ +0.1% to factor in slower SSSG but a better GP margin. The stock is trading at 18x FY25E P/E, not particularly attractive compared with its sales growth. But we still maintain BUY because of the limited downside, as we think the management guidance is conservative enough which is difficult to miss, plus the capital return programme (about 7% of current market cap).
- **Store opening plan reiterated while capex plan was cut.** Yum China has maintained its new store expansion target of 1,600 to 1,800 in FY25E but downsizing its FY25E capex to about US\$ 600mn to 700mn (from US\$ 700 to 800mn), thanks to improved store opening efficiency and costs, as well as the higher franchised stores mix.
- **2Q25 results were roughly inline.** In 2Q25, sales have increased by 4% YoY to US\$ 2.79bn, inline with both BBG/ CMBI estimates while net profit has only increased by 1% YoY to US\$ 215mn, 2% above BBG estimates but 6% below CMBI estimates. Such a result was actually a mixture of: 1) better-than-expected GP margin (at 70.9%, 0.3ppts higher than BBG estimates), 2) stronger-than-expected OP margin (at 10.9%, 0.6ppts higher than BBG estimates) as efficiency gains had more than offset the drags from higher rider costs and delivery related fees, 3) worse-than-expected investment losses and tax rate. However, the underlying has, in fact, improved slightly in 2Q25, evidenced by the accelerated sales growth and operating profit growth (by 14% YoY, vs just 7% in 1Q25). And the restaurant level OP margin was at 16.2% in 2Q25, stilling improving YoY, vs 15.5% in 2Q24.

Earnings revision

Figure 1: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	11,598	12,109	12,771	11,623	12,160	12,851	-0.2%	-0.4%	-0.6%
Gross profit	8,187	8,573	9,065	8,193	8,598	9,110	-0.1%	-0.3%	-0.5%
EBIT	1,280	1,394	1,538	1,279	1,387	1,535	0.0%	0.5%	0.2%
Net profit att.	927	992	1,082	931	989	1,080	-0.5%	0.3%	0.1%
Diluted EPS (USD)	2.664	2.835	3.091	2.677	2.827	3.086	-0.5%	0.3%	0.1%
Gross margin	70.6%	70.8%	71.0%	70.5%	70.7%	70.9%	0.1ppt	0.1ppt	0.1ppt
EBIT margin	11.0%	11.5%	12.0%	11.0%	11.4%	11.9%	0ppt	0.1ppt	0.1ppt
Net profit att. margin	8.0%	8.2%	8.5%	8.0%	8.1%	8.4%	0ppt	0.1ppt	0.1ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	11,598	12,109	12,771	11,751	12,469	13,246	-1.3%	-2.9%	-3.6%
Gross profit	8,187	8,573	9,065	8,240	8,767	9,341	-0.6%	-2.2%	-3.0%
EBIT	1,280	1,394	1,538	1,289	1,419	1,550	-0.7%	-1.7%	-0.7%
Net profit att.	927	992	1,082	942	1,020	1,110	-1.6%	-2.7%	-2.5%
Diluted EPS (USD)	2.664	2.835	3.091	2.528	2.878	3.247	5.4%	-1.5%	-4.8%
Gross margin	70.6%	70.8%	71.0%	70.1%	70.3%	70.5%	0.5ppt	0.5ppt	0.5ppt
EBIT margin	11.0%	11.5%	12.0%	11.0%	11.4%	11.7%	0.1ppt	0.1ppt	0.3ppt
Net profit att. margin	8.0%	8.2%	8.5%	8.0%	8.2%	8.4%	0ppt	0ppt	0.1ppt

Source: Bloomberg, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Half yearly (RMB mn)	3Q24	4Q24	1Q25	2Q25E	3Q25E	4Q25E	1Q25E YoY	2Q25E YoY	3Q25 E YoY	4Q25 E YoY	1Q25E CMBI	Actual vs CMBI
Revenue	3,071	2,595	2,981	2,787	3,162	2,668	1%	4%	3%	3%	2,795	0%
Food and paper	-918	-776	-874	-810	-936	-791					-816	
Gross profit	2,153	1,819	2,107	1,977	2,226	1,877	2%	5%	3%	3%	1,979	0%
GP margins	70.1%	70.1%	70.7%	70.9%	70.4%	70.3%					70.8%	
Other income & gains	0	0	0	1	0	0					0	
Payroll & benefits	-728	-685	-719	-712	-768	-718	2%	7%	6%	5%	-699	2%
Payroll & benefits/ sales	-23.7%	-26.4%	-24.1%	-25.5%	-24.3%	-26.9%					-25.0%	
Rent & other opex	-755	-672	-688	-669	-771	-688	-1%	-1%	2%	2%	-702	-5%
Rent & other opex/ sales	-24.6%	-25.9%	-23.1%	-24.0%	-24.4%	-25.8%					-25.1%	
Admin expenses	-259	-262	-266	-251	-247	-251	5%	7%	-5%	-4%	-235	7%
Admin exp / sales	-8.4%	-10.1%	-8.9%	-9.0%	-7.8%	-9.4%					-8.4%	
Other opex	-40	-49	-35	-42	-41	-42					-39	
Operating profit (EBIT)	371	151	399	304	398	179	7%	14%	7%	18%	305	0%
OP margins	12.1%	5.8%	13.4%	10.9%	12.6%	6.7%					10.9%	
Investment gain (loss)	36	-12	7	-16	0	-3					-6	186%
Net finance income	31	29	26	25	22	15					28	-11%
Net finance income / sales	1.0%	1.1%	0.9%	0.9%	0.7%	0.6%					1.0%	
Profit after financing costs	438	168	432	313	420	191					327	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	438	168	432	313	420	191	3%	3%	-4%	14%	327	-4%
Tax	-119	-42	-119	-80	-114	-47					-82	-2%
Tax / sales	-3.9%	-1.6%	-4.0%	-2.9%	-3.6%	-1.8%					-2.9%	
Effective tax rate	-27.2%	-25.0%	-27.5%	-25.6%	-27.0%	-24.6%					-25.0%	
Minority interests	22	11	21	18	20	11					17	4%
Net profit att.	297	115	292	215	287	133	2%	1%	-3%	16%	228	-6%
NP margins	9.7%	4.4%	9.8%	7.7%	9.1%	5.0%					8.2%	

Source: Company data, CMBIGM estimates

Assumptions

Figure 4: CMBIGM's assumptions

Major assumptions	FY23A	FY24A	FY25E	FY26E	FY27E
Sales by segment (US\$ mn)					
KFC - dine in sales	5,278	5,129	4,902	4,853	4,954
KFC - delivery sales	2,962	3,380	3,820	4,201	4,580
PH - dine in sales	1,412	1,381	1,334	1,369	1,414
PH- delivery sales	834	879	985	1,074	1,159
Others	492	534	558	612	664
Total	10,978	11,303	11,598	12,109	12,771
Sales by segment growth (%)					
KFC - dine in sales	18.4%	-2.8%	-4.4%	-1.0%	2.1%
KFC - delivery sales	7.2%	14.1%	13.0%	10.0%	9.0%
PH - dine in sales	25.5%	-2.2%	-3.4%	2.6%	3.3%
PH- delivery sales	-0.1%	5.4%	12.0%	9.0%	8.0%
Others	26.2%	8.5%	4.5%	9.8%	8.4%
Total	14.7%	3.0%	2.6%	4.4%	5.5%
Sales network by brand					
KFC	10,296	11,648	13,048	14,498	16,048
Pizza Hut	3,312	3,724	4,124	4,524	4,924
Others	1,036	1,023	898	898	898
Total	14,644	16,395	18,070	19,920	21,870
Restaurant profit margin by brand					
KFC	17.5%	16.6%	16.8%	17.1%	17.5%
Pizza hut	11.7%	11.9%	12.3%	12.3%	12.4%
Others	-2.6%	-0.6%	0.5%	0.6%	0.8%
Total	16.3%	15.8%	16.1%	16.4%	16.9%
Costs breakdown					
Food and paper/ sales	29.4%	30.0%	29.4%	29.2%	29.0%
Payroll and employee benefits/ sales	24.8%	24.7%	25.2%	25.1%	24.9%
Rental and other operating expenses/ sales	25.1%	24.8%	24.3%	23.7%	23.2%
G & A expenses/ sales	5.8%	5.0%	4.7%	4.7%	4.7%
Franchisees expenses/ sales	3.2%	3.6%	3.6%	4.0%	4.2%
Effective tax rate	26.5%	26.4%	26.5%	26.5%	26.5%
NP att. margin	7.5%	8.1%	8.0%	8.2%	8.5%
NP att. growth (%)	87.1%	10.2%	1.8%	7.1%	9.0%

Source: Company data, CMBIGM estimates

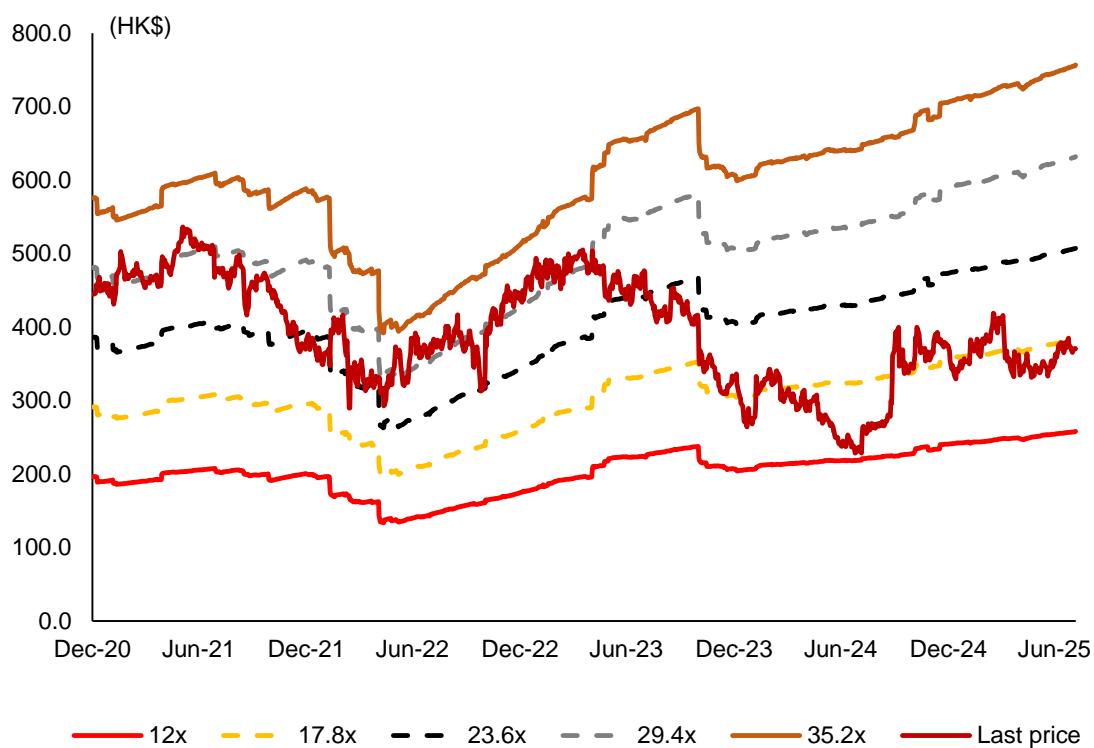
Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf. (%)
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$m)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Leading Greater China Catering														
Yum China	9987 HK	BUY	437.04	370.80	18%	137,052	Dec-24	17.8	16.7	2.9	13.5	1.8	2.0	(0.9)
Jiumaojiu	9922 HK	HOLD	2.99	2.91	3%	4,067	Dec-24	22.8	15.1	1.1	1.7	0.3	2.4	(14.5)
Haidilao	6862 HK	BUY	20.20	14.02	44%	78,147	Dec-24	14.1	12.9	4.4	42.9	1.8	6.0	(11.8)
DPC Dash	1405 HK	BUY	118.57	86.35	37%	11,306	Dec-24	73.1	43.0	4.0	2.5	0.9	0.5	10.7
Green Tea	6831 HK	BUY	10.54	7.95	33%	5,354	Dec-24	10.3	8.3	2.6	59.1	n/a	3.5	n/a
Nayuki	2150 HK	BUY	3.43	1.48	132%	2,523	Dec-24	n/a	n/a	0.6	(21.0)	n/a	0.0	8.8
Luckin Coffee	LKNCY US	BUY	44.95	38.14	18%	84,805	Dec-24	38.9	21.1	5.5	26.5	3.3	0.0	48.6
Mixue Group	2097 HK	NR	n/a	472.40	n/a	179,332	Dec-24	30.8	26.0	5.9	34.8	1.8	0.7	n/a
Guming	1364 HK	NR	n/a	24.18	n/a	57,505	Dec-24	26.2	21.7	9.5	111.6	1.4	4.0	n/a
Baicha Baidao	2555 HK	NR	n/a	9.73	n/a	14,377	Dec-24	n/a	15.6	2.7	n/a	n/a	4.8	(10.6)
Helens	9869 HK	NR	n/a	1.29	n/a	1,632	Dec-24	5.6	8.7	2.0	(5.3)	(0.0)	15.2	(45.3)
Tam Jai	2217 HK	NR	n/a	1.57	n/a	2,114	Mar-25	n/a	n/a	n/a	5.4	n/a	n/a	101.3
Cafe De Coral	341 HK	HOLD	6.52	7.18	-9%	4,164	Mar-25	18.0	15.7	1.4	8.3	1.6	5.6	(8.1)
Xiabuxiabu	520 HK	BUY	4.89	0.77	535%	836	Dec-24	n/a	n/a	0.9	(40.6)	n/a	4.3	(23.0)
Yihai	1579 HK	NR	n/a	13.39	n/a	13,881	Dec-24	14.7	13.2	2.4	15.8	1.4	6.0	(11.2)
Gourmet Master	2723 TT	NR	n/a	81.10	n/a	3,829	Dec-24	17.8	13.6	1.2	5.6	0.5	4.8	(16.2)
Avg.								24.2	17.8	3.1	17.4	1.3	4.0	2.1
Med.								17.9	15.6	2.6	8.3	1.4	4.0	(10.6)
International Catering														
Yum! Brands	YUM US	NR	n/a	139.94	n/a	305,337	Dec-24	23.1	20.8	n/a	n/a	1.8	2.0	4.3
Mcdonald's	MCD US	NR	n/a	301.08	n/a	1,689,914	Dec-24	24.5	22.7	n/a	n/a	2.9	2.4	3.9
Starbucks Corp	SBUX US	NR	n/a	90.28	n/a	805,567	Sep-24	39.9	32.8	n/a	n/a	35.1	2.7	(1.1)
Rest' Brands	QSR US	NR	n/a	68.52	n/a	244,559	Dec-24	18.6	17.0	5.8	31.2	1.7	3.6	5.1
Chipotle	CMG US	NR	n/a	42.8	n/a	450,031	Dec-24	35.2	30.1	12.9	42.6	2.4	0.0	(29.1)
Darden	DRI US	NR	n/a	204.08	n/a	186,781	May-25	19.1	17.8	9.2	46.1	1.6	2.9	9.3
Domino's Pizza	DPZ US	NR	n/a	452.47	n/a	120,580	Dec-24	25.7	23.2	n/a	n/a	3.0	1.5	7.8
Wendy's Co	WEN US	NR	n/a	9.99	n/a	15,059	Dec-24	10.6	9.6	28.1	90.4	1.7	6.9	(38.7)
Shake Shack	SHAK US	NR	n/a	116.20	n/a	38,936	Dec-24	84.3	66.6	7.6	4.2	0.8	n/a	(10.5)
Wingstop Inc	WING US	NR	n/a	341.64	n/a	74,887	Dec-24	85.5	66.6	n/a	n/a	3.9	0.3	20.2
Jollibee Foods	JFC PM	NR	n/a	219.00	n/a	33,497	Dec-24	22.3	18.6	2.8	13.8	1.4	1.6	(18.6)
Avg.								35.3	29.6	11.1	38.0	5.1	2.4	(4.3)
Med.								24.5	22.7	8.4	36.9	1.8	2.2	3.9

Source: Bloomberg, Company data, CMBIGM estimates

Note: Data as of 5 Aug 2025

Figure 6: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Revenue	9,569	10,978	11,303	11,598	12,109	12,771
Cost of goods sold	(2,836)	(3,224)	(3,387)	(3,411)	(3,536)	(3,706)
Gross profit	6,733	7,754	7,916	8,187	8,573	9,065
Operating expenses	(6,010)	(6,648)	(6,755)	(6,908)	(7,180)	(7,528)
Selling expense	0	0	0	0	0	0
Admin expense	(704)	(779)	(729)	(705)	(736)	(776)
Staff costs	(2,389)	(2,725)	(2,787)	(2,917)	(3,038)	(3,177)
Other rental related expenses	(884)	(935)	(937)	(926)	(926)	(935)
Others	(1,431)	(1,756)	(1,683)	(1,707)	(1,801)	(1,911)
Operating profit	629	1,106	1,162	1,280	1,394	1,538
Other income	(94)	0	1	1	1	1
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
EBITDA	1,231	1,559	1,781	1,932	2,073	2,266
Depreciation	(582)	(423)	(558)	(608)	(662)	(721)
Other amortisation	(20)	(30)	(61)	(44)	(17)	(6)
Interest income	84	169	129	88	71	58
Interest expense	0	0	0	0	0	0
Net Interest income/(expense)	84	169	129	88	71	58
Other income/expense	(26)	(49)	40	(12)	(12)	(13)
Pre-tax profit	687	1,226	1,331	1,357	1,453	1,583
Income tax	(209)	(325)	(351)	(360)	(385)	(420)
After tax profit	478	901	980	997	1,068	1,164
Minority interest	(36)	(74)	(69)	(70)	(75)	(82)
Net profit	442	827	911	927	992	1,082

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Current assets	3,940	3,431	2,694	2,362	2,075	1,957
Cash & equivalents	1,130	1,128	723	373	50	(114)
Restricted cash	2,022	1,472	1,121	1,121	1,121	1,121
Account receivables	64	68	79	75	79	83
Inventories	417	424	405	417	433	454
Prepayment	307	339	366	376	392	414
Other current assets	0	0	0	0	0	0
Non-current assets	7,886	8,600	8,427	8,439	8,426	8,337
PP&E	2,118	2,310	2,407	2,437	2,441	2,358
Right-of-use assets	2,219	2,217	2,146	2,146	2,146	2,146
Investment in JVs & assos	266	332	368	368	368	368
Intangibles	159	150	144	100	84	77
Goodwill	1,988	1,932	1,880	1,906	1,906	1,906
Other non-current assets	1,136	1,659	1,482	1,482	1,482	1,482
Total assets	11,826	12,031	11,121	10,801	10,500	10,294
Current liabilities	2,166	2,422	2,283	2,314	2,368	2,441
Short-term borrowings	0	0	0	0	0	0
Account payables	727	786	766	782	810	849
Tax payable	68	90	76	76	76	76
Other current liabilities	1,371	1,546	1,441	1,456	1,482	1,516
Non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Total liabilities	4,666	4,912	4,694	4,725	4,779	4,852
Share capital	4,291	4,095	3,639	3,639	3,639	3,639
Retained earnings	2,191	2,310	2,089	2,445	3,094	3,802
Other reserves	678	714	699	(8)	(1,012)	(1,999)
Total shareholders equity	7,160	7,119	6,427	6,076	5,721	5,442
Minority interest	0	0	0	0	0	0
Total equity and liabilities	11,826	12,031	11,121	10,801	10,501	10,294

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	687	1,226	1,331	1,357	1,453	1,583
Depreciation & amortization	602	453	619	652	679	728
Tax paid	(20)	(10)	(7)	(360)	(385)	(420)
Change in working capital	0	49	(43)	12	19	26
Others	144	(245)	(481)	(26)	(0)	(0)
Net cash from operations	1,413	1,473	1,419	1,636	1,766	1,918
Investing						
Capital expenditure	(679)	(710)	(705)	(638)	(666)	(639)
Acquisition of subsidiaries/ investments	(23)	(20)	0	0	0	0
Others	180	(13)	527	0	0	0
Net cash from investing	(522)	(743)	(178)	(638)	(666)	(639)
Financing						
Dividend paid	(202)	(216)	(248)	(248)	(323)	(343)
Net borrowings	2	164	(39)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(466)	(613)	(1,249)	(1,100)	(1,100)	(1,100)
Others	(178)	(51)	(100)	0	0	0
Net cash from financing	(844)	(716)	(1,636)	(1,348)	(1,423)	(1,443)
Net change in cash						
Cash at the beginning of the year	1,136	1,130	1,128	723	373	50
Exchange difference	(53)	(16)	(10)	0	0	0
Others	47	14	(395)	(350)	(323)	(164)
Cash at the end of the year	1,130	1,128	723	373	50	(114)
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(2.9%)	14.7%	3.0%	2.6%	4.4%	5.5%
Gross profit	(4.4%)	15.2%	2.1%	3.4%	4.7%	5.7%
Operating profit	(54.6%)	75.8%	5.1%	10.2%	8.9%	10.4%
EBITDA	(35.3%)	26.6%	14.2%	8.5%	7.3%	9.3%
Net profit	(55.4%)	87.1%	10.2%	1.8%	7.1%	9.0%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	70.4%	70.6%	70.0%	70.6%	70.8%	71.0%
Operating margin	6.6%	10.1%	10.3%	11.0%	11.5%	12.0%
EBITDA margin	12.9%	14.2%	15.8%	16.7%	17.1%	17.7%
Return on equity (ROE)	5.9%	11.6%	13.5%	14.8%	16.8%	19.4%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	1.8	1.4	1.2	1.0	0.9	0.8
Receivable turnover days	2.5	2.2	2.4	2.4	2.4	2.4
Inventory turnover days	54.6	47.6	44.7	44.7	44.7	44.7
Payable turnover days	100.2	85.6	83.6	83.6	83.6	83.6
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	45.4	24.0	20.2	17.7	16.7	15.3
P/E (diluted)	45.4	24.0	20.2	17.7	16.7	15.3
P/B	2.7	2.9	2.5	2.7	2.9	3.0
P/CFPS	14.2	13.5	13.0	10.0	9.4	8.6
Div yield (%)	1.1	1.1	1.5	2.0	2.1	2.3

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

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