

Alibaba (BABA US)

Solid cloud rev growth with improved earnings growth outlook for e-commerce business

Alibaba reported 3QFY25 (March year-end) results: total revenue was RMB280.2bn, up 7.6% YoY, 1% better than Bloomberg consensus; adjusted EBITA/non-GAAP net income for the quarter was RMB54.9bn/51.3bn, up 3.8%/6.5% YoY, 2%/11% better than consensus, driven by a 4/11% beat in adjusted EBITA of Taobao & Tmall (T&T) Group and Cloud Intelligence Group (CIG). Post the results, we are becoming more constructive on Alibaba's EBITA growth outlook in FY26E aided by increasing merchant adoption of Quanzhantui, sooner-than-expected loss reduction from Alibaba International Digital Commerce Group (AIDC), and more rapid-than-expected cloud revenue growth aided by the increase in AI inference demand across industries. We lift SOTP-based TP to US\$157.7 (was US\$132.2), translating into 15x FY26E PE. Maintain BUY.

- **EBITA of T&T Group returned to growth track.** Alibaba generated revenue of RMB100.8bn from its CMR in 3QFY25, up 9.4% YoY, and 4.3% better than consensus, aided by more rapid-than-expected improvement of the take rate YoY supported by increasing adoption of Quanzhantui. Although investment to improve user experience and acquire new users sustained in 3Q, adj. EBITA for T&T Group returned to 1.9% YoY growth (2QFY25: -5%) and was 4% ahead of consensus. The increase in adoption of Quanzhantui among SMEs, as well as the incremental technological services fee charges should drive sustainable take rate expansion YoY in the coming quarters, in our view, and should shape a better earnings growth outlook for T&T Group.
- **Cloud revenue growth stronger than market expectation and likely to sustain.** For Cloud Intelligence Group (CIG), segment revenue came in at RMB31.7bn in 3QFY25, up 13% YoY and 3% ahead of consensus, driven by more rapid-than-expected increase in inference-related GPU cloud demand. The adjusted EBITA margin of 9.9% was 0.7ppt ahead of consensus, which demonstrated a better-than-expected scale effect. Having noted the rapid increase in inference-related cloud demand, management highlighted that its planned investment in cloud and AI infrastructure over the next three years will exceed what it has spent over the past decade. The expansion in business scale should provide buffer for margin impact from capex investment, in our view.
- **AIDC: profitability likely to come sooner than our expectation.** For AIDC, revenue came in at RMB37.8bn, up 32% YoY, and 4% better than consensus. The adjusted EBITA loss of AIDC widened to RMB5.0bn in 3QFY25 (2QFY25: RMB2.9bn), due to increased investment during overseas shopping festivals. However, management guided that it will continue driving operating efficiency improvement for AIDC, and targeted to achieve the first quarter of profitability in FY26, which was better than our previous expectation of FY28.
- **Change in forecast.** We lift our FY25-27E revenue forecast by 1-3%, and non-GAAP net profit by 5-9%, mainly driven by better-than-expected CMR and cloud revenue growth, and likely narrower-than-expected adjusted EBITA loss generated from AIDC.

BUY (Maintain)

Target Price **US\$157.70**
 (Previous TP) **US\$132.20**
Up/Downside **25.4%**
Current Price **US\$125.79**

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Stock Data

Mkt Cap (US\$ mn)	301,896.0
Avg 3 mths t/o (US\$ mn)	1,974.2
52w High/Low (US\$)	126.90/68.82
Total Issued Shares (mn)	2400.0

Source: FactSet

Shareholding Structure

SoftBank	12.0%
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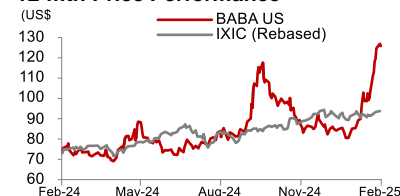
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	47.8%	44.6%
3-mth	45.0%	37.1%
6-mth	55.2%	37.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

Earnings Summary

(YE 31 Mar)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	868,687	941,168	1,001,644	1,095,506	1,179,027
YoY growth (%)	1.8	8.3	6.4	9.4	7.6
Net profit (RMB mn)	72,509.0	79,741.0	137,824.8	151,311.3	172,640.2
Adjusted net profit (RMB mn)	143,991.0	158,359.0	159,945.1	177,055.7	199,757.8
YoY growth (%)	0.3	10.0	1.0	10.7	12.8
EPS (Adjusted) (RMB)	54.91	62.77	65.36	74.59	85.87
Consensus EPS (RMB)	na	na	63.22	71.06	79.92
P/E (x)	33.1	29.0	16.3	14.4	12.3
ROE (%)	7.4	8.0	11.8	10.6	10.7

Source: Company data, Bloomberg, CMBIGM estimates

Key business segments update

Taobao and Tmall Group (44.0% of 3QFY25 revenue)

In 3QFY25, revenue generated from T&T Group was RMB136.1bn, up 5.4% YoY, among which revenue generated from CMR came in at RMB100.8bn, up 9.4% YoY, driven by: 1) growth in online GMV; and 2) improvement of take rate YoY. The increase in take rate was driven by the full-quarter impact of the software service fee and increasing adoption of Quanzhantui, and we believe the trend should sustain in the coming quarters, driven by the increasing adoption of Quanzhantui.

Adjusted EBITA for the segment was RMB61.1bn in 3QFY25, up 1.9% YoY, mainly driven by the increase in revenue from customer management service, while partly offset by the increase in investment in user experience. The implied adjusted EBITA margin of 44.9% for T&T Group was 0.5ppts ahead of consensus.

Cainiao (9.1% of 3QFY25 revenue)

Revenue from Cainiao came in at RMB28.2bn in 3QFY25, down 1% YoY, owing to the ongoing restructurings with the businesses taking on certain logistics platform role. Cainiao increased its investment in cross-border fulfillment solutions, which led to a YoY decline of adjusted EBITA to RMB235mn in 3QFY25 from RMB961mn in 3QFY24.

AIDC (12.2% of 3QFY25 revenue)

In 3QFY25, revenue generated from Alibaba International Digital Commerce Group (AIDC) was RMB37.8bn, up 32% YoY, among which international commerce retail revenue was up 36% YoY and international commerce wholesale was up 18% YoY.

Adjusted EBITA loss for AIDC was RMB5.0bn in 3QFY25, widened from RMB3.1bn in 3QFY24, driven by the increase in investments in Trendyol's cross-border businesses and AliExpress, while partly offset by Lazada's significant reduction in operating losses due to improvement in monetization and operating efficiency, as well as improvements in profitability of Trendyol's domestic businesses.

CIG (10.3% of 3QFY25 revenue)

Revenue of CIG came in at RMB31.7bn in 3QFY25, up 13% YoY, driven by double-digit revenue growth of public cloud products including AI-related products.

Adjusted EBITA margin for CIG reached 9.9% in 3QFY25, expanding 1.5ppt YoY, thanks to the product mix shift toward high-margin public cloud products and improving operating efficiency, while partly offset by the increasing investments in customer growth and technology.

LSG (5.5% of 3QFY25 revenue)

Revenue from Local Services Group (LSG) was RMB17.0bn in 3QFY25, up 12% YoY, thanks to order growth of both Amap and Ele.me, as well as revenue growth from marketing services. LSG's adjusted EBITA loss narrowed to RMB596mn in 3QFY25 (3QFY24: loss of RMB2.1bn), thanks to the improvement in unit economics driven by operating efficiency improvement as the scale increased.

Update on shareholder return initiatives

Management guided that it will consider enhance shareholder return through a holistic approach, by using a combination of dividend payout and share buybacks, as well as investing in long-term strategic areas that can create value for shareholders.

During 3QFY25, Alibaba repurchased 19mn ADSs (2QFY25: 52mn) for a total of US\$1.3bn (2QFY25: US\$4.1bn), and the net decrease in ordinary shares implies a 0.6% net reduction in outstanding shares as of 30 Sep 2024. Remaining amount of Board authorization for Alibaba's share repurchase program (effective through March 2027) was US\$20.7bn as of Dec 31 2024.

During 3QFY25, Alibaba entered into agreements to dispose all of its interests in Sun Art for up to a maximum of HK\$12.3bn and Intime for c. RMB7.4bn. The moves, in our view, reflect Alibaba's strategic shift to streamline operations and focus on core businesses.

Figure 1: Alibaba: summary of quarterly results

(RMBbn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	3QFY25 Consensus	Diff%
Taobao and Tmall Group	115.0	97.7	129.1	93.2	113.4	99.0	136.1	131.7	3.3%
YoY %	12.1%	4.2%	1.6%	3.7%	-1.4%	1.4%	5.4%		
- CMR	79.7	68.7	92.1	63.6	80.1	70.4	100.8	96.6	4.3%
YoY %	10.0%	2.7%	0.5%	5.0%	0.6%	2.5%	9.4%		
- Direct sales and others	30.2	23.9	31.6	24.7	27.3	22.6	28.7	29.9	-4.0%
YoY %	20.7%	5.9%	2.0%	-2.1%	-9.5%	-5.3%	-9.2%		
Alibaba International Digital Commerce Group	22.1	24.5	28.5	27.4	29.3	31.7	37.8	36.2	4.4%
YoY %	40.7%	52.8%	43.8%	45.1%	32.4%	29.2%	32.4%		
Local Services Group	14.5	15.6	15.2	14.6	16.2	17.7	17.0	17.2	-1.2%
YoY %	29.8%	16.3%	13.2%	18.5%	12.3%	13.9%	12.1%		
Cainiao Smart Logistics Network Limited	23.2	22.8	28.5	24.6	26.8	24.6	28.2	31.4	-9.9%
YoY %	34.0%	24.8%	23.7%	29.8%	15.7%	8.0%	-0.8%		
Cloud Intelligence Group	25.1	27.6	28.1	25.6	26.5	29.6	31.7	30.8	3.1%
YoY %	3.9%	2.3%	2.6%	3.4%	5.9%	7.1%	13.1%		
Digital Media and Entertainment Group	5.4	5.8	5.0	4.9	5.6	5.7	5.4	5.4	1.1%
YoY %	35.7%	10.5%	18.3%	-0.9%	3.7%	-1.5%	7.9%		
All others	45.8	48.1	47.0	51.5	47.0	52.2	53.1	49.6	7.1%
YoY %	1.4%	-0.2%	-6.6%	-3.5%	2.6%	8.6%	12.9%		
Consolidated revenue	234.2	224.8	260.3	221.9	243.2	236.5	280.2	277.4	1.0%
YoY %	13.9%	8.5%	5.1%	6.6%	3.9%	5.2%	7.6%		
Gross profit	91.8	85.1	104.1	73.8	97.1	92.5	117.6	111.8	5.3%
Operating profit	42.5	33.6	22.5	14.8	36.0	35.2	41.2	44.2	-6.8%
Net profit	34.3	27.7	14.4	3.3	24.3	43.9	48.9	37.5	30.4%
Adjusted net profit	44.7	40.1	48.2	25.3	40.3	36.5	51.3	46.1	11.3%
YoY %	42.7%	16.8%	-4.3%	-9.4%	-10.0%	-9.0%	6.5%		
Gross profit margin (%)	39.2%	37.9%	40.0%	33.3%	39.9%	39.1%	42.0%	40.3%	1.7 ppt
G&A expense ratio (%)	3.1%	4.2%	4.3%	6.3%	5.5%	4.1%	3.9%	4.2%	-0.4 ppt
R&D expense ratio (%)	4.5%	6.3%	5.2%	6.3%	5.5%	6.0%	5.2%	5.3%	-0.1 ppt
S&M expense ratio (%)	11.6%	11.3%	13.0%	13.0%	13.4%	13.7%	15.2%	13.4%	1.8 ppt
Operating margin (%)	18.1%	14.9%	8.6%	6.7%	14.8%	14.9%	14.7%	15.9%	-1.2 ppt
NPM (%)	14.7%	12.3%	5.5%	1.5%	10.0%	18.6%	17.5%	13.5%	3.9 ppt

Non-IFRS NPM (%)	19.1%	17.8%	18.5%	11.4%	16.6%	15.4%	18.3%	16.6%	1.7 ppt
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Source: Bloomberg, Company data, CMBIGM

Figure 2: Alibaba: adjusted EBITA and margin summary

Adjusted EBITA (RMBmn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	3QFY25 Consensus	Diff%
Taobao and Tmall Group	49,319	47,077	59,930	38,501	48,810	44,590	61,083	58,497	4.4%
Alibaba International Digital Commerce Group	-420	-384	-3,146	-4,085	-3,706	-2,905	-4,952	-3,301	50.0%
Local Services Group	-1,982	-2,564	-2,068	-3,198	-386	-391	-596	-523	13.9%
Cainiao Smart Logistics Network Limited	877	906	961	-1,342	618	55	235	370	36.4%
Cloud Intelligence Group	916	1,409	2,364	1,432	2,337	2,661	3,138	2,831	10.8%
Digital Media and Entertainment Group	63	-201	-517	-884	-103	-178	-309	-188	64.4%
All others	-1,733	-1,437	-3,172	-2,818	-1,263	-1,582	-3,156	-1,764	78.9%
Consolidated EBITA	45,371	42,845	52,843	23,969	45,035	40,561	54,853	53,571	2.4%
Adjusted EBITA margin (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	3QFY25 Consensus	Diff%
Taobao and Tmall Group	42.9%	48.2%	46.4%	41.3%	43.1%	45.0%	44.9%	44.4%	0.5 ppt
Alibaba International Digital Commerce Group	-1.9%	-1.6%	-11.0%	-14.9%	-12.7%	-9.2%	-13.1%	-9.1%	-4.0 ppt
Local Services Group	-13.7%	-16.5%	-13.6%	-21.9%	-2.4%	-2.2%	-3.5%	-3.0%	-0.5 ppt
Cainiao Smart Logistics Network Limited	3.8%	4.0%	3.4%	-5.5%	2.3%	0.2%	0.8%	1.2%	-0.3 ppt
Cloud Intelligence Group	3.7%	5.1%	8.4%	5.6%	8.8%	9.0%	9.9%	9.2%	0.7 ppt
Digital Media and Entertainment Group	1.2%	-3.5%	-10.3%	-17.9%	-1.8%	-3.1%	-5.7%	-3.5%	-2.2 ppt
All others	-3.8%	-3.0%	-6.7%	-5.5%	-2.7%	-3.0%	-5.9%	-3.6%	-2.4 ppt
Consolidated EBITA margin	19.4%	19.1%	20.3%	10.8%	18.5%	17.2%	19.6%	19.3%	0.3 ppt

Source: Bloomberg, Company data, CMBIGM

Revision of forecast and valuation

We lift our FY25-27E revenue forecast by 1-3%, and non-GAAP net profit by 5-9%, mainly driven by: 1) better-than-expected CMR aided by more rapid-than-expected increase in monetization rate; 2) better-than-expected cloud revenue growth aided by more rapid-than-expected increase in AI GPU cloud demand; and 3) likely narrower-than-expected adjusted EBITA loss generated from AIDC aided by operating efficiency improvement.

Figure 3: Alibaba: forecast revision

RMB bn	Current			Previous			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	1,001.6	1,095.5	1,179.0	989.3	1,069.4	1,140.3	1.3%	2.4%	3.4%
Gross Profit	393.6	427.2	456.3	381.9	412.8	440.1	3.1%	3.5%	3.7%
Non-GAAP net profit	159.9	177.1	199.8	152.4	170.5	182.7	5.0%	3.9%	9.3%
Gross Margin	39.3%	39.0%	38.7%	38.6%	38.6%	38.6%	0.7 ppt	0.4 ppt	0.1 ppt
Non-GAAP net margin	16.0%	16.2%	16.9%	15.4%	15.9%	16.0%	0.6 ppt	0.2 ppt	0.9 ppt

Source: CMBIGM estimates

Valuation: target price of US\$157.7 per ADS

Our new SOTP-based target price of US\$157.7 (was US\$132.2) translates into 17.0x/14.9x FY25E/FY26E PE (non-GAAP). Our new target price comprises:

- 1) US\$80.7 per ADS (was US\$61.7) for Taobao and Tmall Group, based on 9.0x EV/adjusted EBITA (was 7.0x); the lift in target multiple is due to industry wide valuation rerating;
- 2) US\$11.7 per ADS for AIDC (was US\$11.6), based on an unchanged 1.5x FY25E EV/revenue multiple;
- 3) US\$6.0 per ADS for Local Services Group (was US\$5.9), based on an unchanged 1.5x FY25E EV/revenue multiple;
- 4) US\$2.7 per ADS for Cainiao (unchanged), based on the latest valuation given by Alibaba to repurchase Cainiao shares from minority shareholders, and Alibaba's current 63.7% shareholding on a fully diluted basis;
- 5) US\$33.2 per ADS for the Cloud Intelligence Group (was US\$25.6), based on an unchanged 4.0x EV/revenue multiple on FY26E revenue (was 3.9x EV/revenue on FY25E revenue);
- 6) US\$0.9 per ADS for Digital Media and Entertainment Group based on a 0.7x FY25E EV/revenue multiple (was US\$1.3 based on 1x FY25E PS);
- 7) US\$11.5 per ADS for All Others (was US\$11.0), based on an unchanged 1.0x FY25E EV/revenue multiple;
- 8) US\$10.9 per ADS (was US\$12.4) for strategic investments with a 30% holding discount.

Figure 4: Alibaba: SOTP valuation

#	Segment (USDmn)	Valuation method	Rev (USDmn)	Adj. EBITA post tax	P/E (x)	EV/S (x)	Val. Rmb mn	Val. US\$m	\$/share	Value split
1	Taobao and Tmall Group	9.0x FY25E P/E; 20% tax rate on adjusted EBITA	62,305	21,533	9.0		1,395,313	193,794	80.7	51%
2	International Digital Commerce Group	1.5x FY25E EV/S	18,745			1.5	202,451	28,118	11.7	7%
3	Local Services Group	1.5x FY25E EV/S	9,352			1.5	103,699	14,403	6.0	4%
4	Cainiao Smart Logistics Network Limited	Last round transaction value; 63.7% shareholding	14,468				47,380	6,581	2.7	2%
5	Cloud Intelligence Group	4.0x FY26E EV/S on revenue before intersegment elimination	19,897			4.0	573,028	79,587	33.2	21%
6	Digital Media and Entertainment Group	0.7x FY25E EV/S, inline with iQIYI trading EV/S	2,996			0.7	15,098	2,097	0.9	1%
7	All others	1.0x FY25E EV/S	29,117			1.0	199,159	27,661	11.5	7%
Total Alibaba business							2,536,128	352,240	146.8	
INVESTMENTS										
1	Ant Group	Last round share buy back valuation; 33% share holding					187,143	25,992	10.8	
2	Others	Market valuation					81,896	11,375	4.7	
Total investment (with 30% holding discount)									10.9	7%
Total (US\$m)									157.7	
#s of diluted ADS (mn)									2,400	

Source: CMBIGM estimates

Risks

- 1) Investments for driving business growth pose a more severe impact on margin than we expect;
- 2) Consumption recovery takes longer than we expect.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Revenue	853,062	868,687	941,168	1,001,644	1,095,506	1,179,027
Cost of goods sold	(539,450)	(549,695)	(586,323)	(607,998)	(668,259)	(722,743)
Gross profit	313,612	318,992	354,845	393,646	427,247	456,283
Operating expenses	(243,974)	(218,641)	(241,495)	(256,236)	(249,775)	(247,596)
SG&A expense	(151,721)	(145,679)	(157,126)	(186,306)	(181,854)	(176,854)
R&D expense	(55,465)	(56,744)	(52,256)	(57,094)	(60,253)	(62,488)
Others	(36,788)	(16,218)	(32,113)	(12,836)	(7,669)	(8,253)
Operating profit	69,638	100,351	113,350	137,410	177,472	208,688
Interest income	(15,702)	(11,071)	(9,964)	30,049	4,382	4,480
Interest expense	(4,909)	(5,918)	(7,947)	(9,616)	(10,517)	(10,729)
Other income/expense	10,523	5,823	6,157	4,007	6,025	5,895
Pre-tax profit	59,550	89,185	101,596	161,850	177,362	208,334
Income tax	(26,815)	(15,549)	(22,529)	(33,179)	(35,472)	(45,833)
Others	14,344	(8,063)	(7,735)	6,010	5,478	5,895
After tax profit	47,079	65,573	71,332	134,681	147,367	168,396
Minority interest	15,170	7,210	8,677	3,606	3,944	4,244
Others	(290)	(274)	(268)	(462)	0	0
Net profit	61,959	72,509	79,741	137,825	151,311	172,640
Adjusted net profit	143,515	143,991	158,359	159,945	177,056	199,758
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Current assets	638,535	697,966	752,864	889,279	946,526	1,024,550
Cash & equivalents	189,898	193,086	248,125	376,828	420,998	487,672
Restricted cash	37,455	36,424	38,299	38,299	38,299	38,299
Prepayment	145,995	137,072	143,536	151,248	164,326	175,675
Financial assets at FVTPL	265,187	331,384	322,904	322,904	322,904	322,904
Non-current assets	1,057,018	1,055,078	1,011,965	1,205,487	1,359,625	1,516,351
PP&E	171,806	176,031	185,161	344,028	470,011	599,704
Investment in JVs & assos	219,642	207,380	203,131	204,892	206,120	207,767
Intangibles	59,231	46,913	26,950	115,847	139,333	162,234
Goodwill	269,581	268,091	259,679	259,679	259,679	259,679
Financial assets at FVTPL	223,611	245,737	220,942	220,942	220,942	220,942
Other non-current assets	113,147	110,926	116,102	60,099	63,539	66,026
Total assets	1,695,553	1,753,044	1,764,829	2,094,765	2,306,151	2,540,901
Current liabilities	383,784	385,351	421,507	405,593	442,393	481,617
Short-term borrowings	8,841	7,466	12,749	13,220	14,531	15,715
Tax payable	21,753	12,543	9,068	28,202	29,087	36,208
Other current liabilities	81,730	89,392	101,807	88,718	97,511	105,461
Accrued expenses	271,460	275,950	297,883	275,452	301,264	324,232
Non-current liabilities	229,576	244,772	230,723	233,174	242,316	250,581
Long-term borrowings	38,244	52,023	55,686	54,849	54,849	54,849
Deferred income	3,490	3,560	4,069	4,219	4,638	5,016
Other non-current liabilities	187,842	189,189	170,968	174,106	182,829	190,717
Total liabilities	613,360	630,123	652,230	638,766	684,709	732,198
Share capital	1	1	1	1	1	1
Capital surplus	410,506	416,880	397,999	525,040	543,116	561,981
Retained earnings	563,557	599,028	597,897	817,324	968,635	1,141,275
Other reserves	(15,930)	(16,394)	1,375	2,511	2,511	2,511
Total shareholders equity	958,134	999,515	997,272	1,344,876	1,514,263	1,705,768
Minority interest	124,059	123,406	115,327	111,123	107,179	102,935
Total equity and liabilities	1,695,553	1,753,044	1,764,829	2,094,765	2,306,151	2,540,901

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Operating						
Profit before taxation	59,550	89,185	101,596	161,850	177,362	208,334
Depreciation & amortization	48,065	46,938	44,504	7,512	7,669	8,253
Tax paid	(26,815)	(15,549)	(22,529)	(33,179)	(35,472)	(45,833)
Change in working capital	(18,150)	13,482	(13,749)	50,268	24,838	29,509
Others	80,109	65,696	72,771	24,377	21,351	21,826
Net cash from operations	142,759	199,752	182,593	210,828	195,748	222,088
Investing						
Capital expenditure	(53,309)	(34,330)	(32,087)	(93,153)	(125,983)	(129,693)
Acquisition of subsidiaries/ investments	(15)	(22)	(842)	(31,154)	(31,154)	(31,154)
Net proceeds from disposal of short-term investments	(106,984)	(61,086)	71,426	0	0	0
Others	(38,284)	(40,068)	(60,321)	4,249	4,249	4,249
Net cash from investing	(198,592)	(135,506)	(21,824)	(120,058)	(152,888)	(156,598)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	109	11	843	0	0	0
Share repurchases	(61,225)	(74,746)	(88,745)	0	0	0
Others	(3,333)	9,116	(20,342)	(366)	1,310	1,185
Net cash from financing	(64,449)	(65,619)	(108,244)	(366)	1,310	1,185
Net change in cash						
Cash at the beginning of the year	356,469	227,353	229,510	286,424	376,828	420,998
Exchange difference	(8,834)	3,530	4,389	0	0	0
Cash at the end of the year	227,353	229,510	286,424	376,828	420,998	487,672
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Revenue	18.9%	1.8%	8.3%	6.4%	9.4%	7.6%
Gross profit	5.9%	1.7%	11.2%	10.9%	8.5%	6.8%
Operating profit	(22.3%)	44.1%	13.0%	21.2%	29.2%	17.6%
Net profit	(58.8%)	17.0%	10.0%	72.8%	9.8%	14.1%
Adj. net profit	(19.8%)	0.3%	10.0%	1.0%	10.7%	12.8%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Gross profit margin	36.8%	36.7%	37.7%	39.3%	39.0%	38.7%
Operating margin	8.2%	11.6%	12.0%	13.7%	16.2%	17.7%
Adj. net profit margin	16.8%	16.6%	16.8%	16.0%	16.2%	16.9%
Return on equity (ROE)	6.5%	7.4%	8.0%	11.8%	10.6%	10.7%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Net debt to equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Current ratio (x)	1.7	1.8	1.8	2.2	2.1	2.1
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
P/E	39.9	33.1	29.0	16.3	14.4	12.3
P/E (diluted)	40.3	33.4	29.2	16.0	14.1	12.1
P/B	2.6	2.4	2.3	1.6	1.4	1.2
P/CFPS	27.9	14.6	15.5	18.7	30.6	22.6

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

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