

United Energy (467 HK)

Expect volume growth to accelerate in 2024E

We believe the low volume growth in 2023 and the impairment of Iraq assets have been gradually digested by the market. We slash our 2024E/25E earnings forecast by 26%/28% due to lower oil & gas output and higher production cost assumptions. On the positive side, we expect the commencement of major central processing facilities in Iraq Block 9 in late Apr will boost the daily designed output capacity in Iraq's Block 9 to 100k/boed this year (currently ~75k). We estimate this should help UEG's total daily working interest volume growth to accelerate to 10%/11% in 2024E/25E, versus 0.2% in 2023. Given the capex guidance of US\$880-930mn (~HK\$6.9-7.3bn) this year, we still expect UEG to achieve positive free cash. Our TP is revised down to HK\$0.96 from HK\$1.45, as we revise down our target P/E (2024E) to 8x (previously 10x 2023), representing a 40% discount to the historical average to reflect the reduction of reserves. Our Brent price assumption in 2024E-25E is US\$87 per barrel.

- Impairment of Iraq assets affected 2P reserves.** UEG made a total impairment of HK\$5.1bn in 2023 (versus HK\$828mn in 2022). Among this, one-off oil & gas reserves impairment and exploration dry well write-off amounted to ~HK\$4.4bn, mainly due to (1) the decrease in formation pressure in the main Yamama reservoir, and (2) the physical properties and connectivity of the Mishrif reservoir being less optimal than expected. This resulted in a 33% YoY decline in Iraq's 2P reserves (i.e. proven reserves + probable reserves) by end-2023
- Oil & gas output growth to accelerate in 2024E.** UEG targets to achieve average daily working interest output of 101.6-113.5k barrels of oil equivalent per day (boed), implying output growth (1% to 13% YoY) this year (versus only 0.2% growth in 2023).
- Low visibility on petrochemical trading business.** UEG started the petrochemical trading business in 2023, with substantial revenue contribution of HK\$3.2bn (23% of total revenue). The segment was close to breakeven at the EBIT level. We expect the segment will continue to contribute substantial revenue, but with less visibility on earnings.
- Risk factors:** 1) High volatility of intra-day share price on some trading days; 2) low visibility on trading business; 3) decline in crude & gas price; 4) further impairment loss; 5) rising receivables.

Earnings Summary

| (YE 31 Dec) | FY22A | FY23A | FY24E | FY25E | FY26E |
|-------------------------------|---------|-----------|---------|---------|---------|
| Revenue (HK\$ mn) | 10,754 | 13,591 | 15,707 | 17,570 | 18,964 |
| YoY growth (%) | 44.6 | 26.4 | 15.6 | 11.9 | 7.9 |
| Adjusted net profit (HK\$ mn) | 2,601.2 | (1,707.4) | 3,151.0 | 3,463.6 | 3,570.5 |
| EPS (Reported) (HK\$ cents) | 9.94 | (6.53) | 12.05 | 13.24 | 13.65 |
| YoY growth (%) | 30.3 | na | na | 9.9 | 3.1 |
| P/E (x) | 6.4 | ns | 5.3 | 4.8 | 4.7 |
| P/B (x) | 1.1 | 1.3 | 1.0 | 0.9 | 0.8 |
| Yield (%) | 6.3 | 0.0 | 3.8 | 4.1 | 4.3 |
| ROE (%) | 17.3 | (11.9) | 21.7 | 19.6 | 17.3 |
| Net gearing (%) | 1.4 | (4.2) | (11.2) | (17.8) | (25.9) |

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

| | |
|----------------------|-----------------|
| Target Price | HK\$0.96 |
| (Previous TP) | HK\$1.45) |
| Up/Downside | 50.0% |
| Current Price | HK\$0.64 |

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Stock Data

| | |
|--------------------------|-----------|
| Mkt Cap (HK\$ mn) | 16,825.6 |
| Avg 3 mths t/o (HK\$ mn) | 174.4 |
| 52w High/Low (HK\$) | 1.28/0.42 |
| Total Issued Shares (mn) | 26040.5 |

Source: FactSet

Shareholding Structure

| | |
|----------------|-------|
| Zhang Hong Wei | 57.5% |
|----------------|-------|

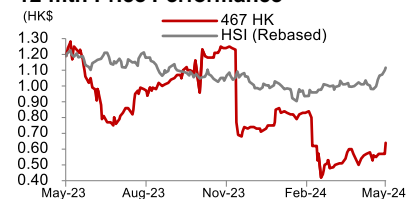
Source: HKEx

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | 28.0% | 15.9% |
| 3-mth | -23.8% | -35.9% |
| 6-mth | -48.8% | -51.0% |

Source: FactSet

12-month Price Performance



Source: FactSet

Related Report:

- UEG – Limited operational risk in the Middle East; Beneficiary of higher crude price -16 Oct 2023
- UEG – A mixed bag; volume growth is still the key – 2 Apr 2023

Key highlights in 2023 results

- **Loss making mainly due to impairment of Iraq assets.** Oil and gas sales value in 2023 dropped 11% YoY to US\$2.2bn (~HK\$17.6bn), due to a 11% YoY decline in realized price (Crude: US\$61.3/bbl, -18% YoY; Natural gas: US\$30.9/boe; +4% YoY). Stripping out the government royalty, windfall levy & government take and trading business, net revenue of exploration & production in 2023 dropped 3% YoY to HK\$10.4bn. UEG started petrochemical trading business in 2023, with revenue contribution of HK\$3.2bn. UEG reported unexpected impairment loss on intangible asset/PP&E of HK\$2.26bn/2.83bn in 2023 (up 2.7x/12x YoY) mainly due to impairment of Iraq assets. **Adjusted for these items, the pre-tax net profit would be ~HK\$3.1bn, -19% YoY.** Reported net loss in 2023 was HK\$1.7bn, versus net profit of HK\$2.6bn in 2022.
- **Average daily working interest production in 2023 +0.2% YoY to 100.4k boed.** Iraq's Block 9/Siba achieved working interest production growth of 10%/23% YoY to 37.9k/7.4k boed in 2023. Pakistan/Egypt assets saw a 9%/4% YoY decrease in daily working interest production in 2023.
- **Overall lifting cost increased more than expectation.** Unit lifting expense in 2023 increased ~9% YoY to US\$4.5/boe (+12% YoY in Pakistan, +8% YoY in the Middle East & North Africa (MENA)). Given that the lifting expense was stable in 1H23, the increase in expense happened mainly in 2H23.
- **Net cash position to support capex.** UEG was in net cash position by end-2023. UEG guided a full-year capex target of US\$880-930mn (~HK\$6.9-7.3bn) in 2024E, up from HK\$6.9bn in 2023.

Figure 1: Change in key assumptions

| | New | | | Old | | | Change | | |
|--|--------------|--------------|--------------|--------------|--------------|-------|---------------|---------------|-------|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| Daily output (000 boed) | | | | | | | | | |
| Pakistan | 40.0 | 37.0 | 36.0 | 43.5 | 43.0 | - | -8.0% | -14.0% | - |
| Iraq - Block 9 | 51.3 | 66.7 | 76.7 | 57.4 | 80.3 | - | -10.6% | -17.0% | - |
| Iraq - Siba | 7.1 | 6.7 | 6.4 | 6.6 | 6.2 | - | 7.4% | 7.4% | - |
| Egypt | 11.7 | 11.5 | 11.3 | 11.7 | 11.1 | - | 0.4% | 3.6% | - |
| Total | 110.1 | 121.9 | 130.3 | 119.2 | 140.7 | - | -7.6% | -13.4% | - |
| Brent price (US\$/bbl) | 87 | 87 | 87 | 87 | 84 | - | 0.0% | 3.6% | - |
| Realized price | | | | | | | | | |
| Crude (US\$/bbl) | 86 | 86 | 86 | 86 | 83 | - | -0.2% | 3.4% | - |
| Natural gas (US\$/boe) | 27 | 28 | 28 | 27 | 28 | - | 0.0% | 0.0% | - |
| DD&A & Non-cash cost (US\$/boe) | 17.6 | 18.5 | 19.2 | 15.5 | 16.2 | | 13.1% | 14.4% | - |
| Pakistan | 12.0 | 12.0 | 12.0 | 9.9 | 9.9 | | 21.4% | 21.4% | - |
| Mena | 20.1 | 20.7 | 21.3 | 18.2 | 18.4 | | 10.3% | 12.5% | - |
| Lifting cost (US\$/boe) | 4.7 | 4.7 | 4.8 | 4.4 | 4.4 | - | 8.1% | 6.9% | - |
| Pakistan | 4.7 | 4.7 | 4.7 | 3.7 | 3.7 | | 25.7% | 26.5% | - |
| Mena | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | | 0.0% | 0.0% | - |
| (HK\$ mn) | | | | | | | | | |
| Revenue | 15,707 | 17,570 | 18,964 | 12,916 | 15,093 | - | 21.6% | 16.4% | - |
| Gross profit | 5,184 | 5,655 | 5,869 | 6,169 | 6,891 | - | -16.0% | -17.9% | - |
| Gross margin | 33.0% | 32.2% | 30.9% | 47.8% | 45.7% | - | -14.8 | -13.5 | - |
| Operating profit | 3,953 | 4,277 | 4,382 | 5,300 | 5,884 | - | -25.4% | -27.3% | - |
| Net profit | 3,151 | 3,464 | 3,571 | 4,286 | 4,819 | - | -26.5% | -28.1% | - |

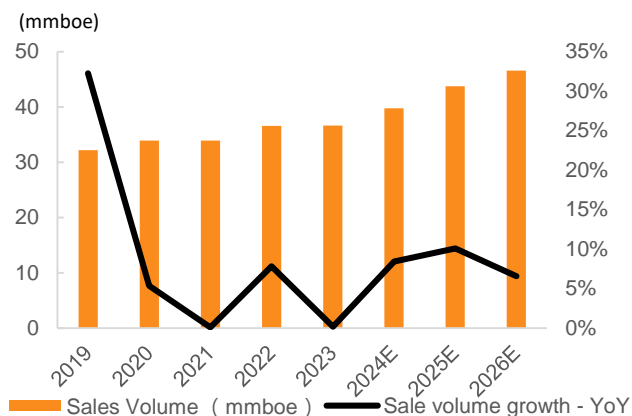
Source: Company data, CMBIGM estimates

Figure 2: Key operating assumptions

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
| Daily output (000 boed) | | | | | | | | |
| Pakistan | 66.6 | 55.9 | 48.3 | 47.0 | 43.0 | 40.0 | 37.0 | 36.0 |
| Iraq - Block 9 | 9.8 | 16.1 | 26.2 | 34.7 | 38.0 | 51.3 | 66.7 | 76.7 |
| Iraq - Siba | 3.5 | 6.6 | 6.0 | 6.1 | 7.4 | 7.1 | 6.7 | 6.4 |
| Egypt | 14.4 | 14.2 | 12.6 | 12.4 | 12.0 | 11.7 | 11.5 | 11.3 |
| Total | 94.3 | 92.8 | 93.1 | 100.2 | 100.4 | 110.1 | 121.9 | 130.3 |
| Change (YoY) | | | | | | | | |
| Pakistan | 0.2% | -16.0% | -13.7% | -2.6% | -8.5% | -7.0% | -7.5% | -2.7% |
| Iraq - Block 9 | - | 64.1% | 62.6% | 32.5% | 9.5% | 35.0% | 30.0% | 15.0% |
| Iraq - Siba | - | 86.4% | -8.9% | 1.6% | 22.5% | -5.0% | -5.0% | -5.0% |
| Egypt | - | -1.8% | -10.9% | -1.6% | -3.8% | -1.8% | -2.0% | -2.0% |
| Average | 42.0% | -1.6% | 0.3% | 7.7% | 0.2% | 9.7% | 10.7% | 6.9% |
| Realized price | | | | | | | | |
| Crude (US\$/bbl) | 62 | 39 | 69 | 96 | 79 | 86 | 86 | 86 |
| Natural gas (US\$/boe) | 27 | 25 | 25 | 30 | 31 | 27 | 28 | 28 |
| Change (YoY) | | | | | | | | |
| Crude (US\$/bbl) | -4.4% | -37.7% | 77.7% | 40.4% | -18.3% | 9.0% | 0.3% | 0.1% |
| Natural gas (US\$/boe) | 5.3% | -8.2% | -0.8% | 20.3% | 3.5% | -12.6% | 3.7% | 0.0% |
| DD&A & Non-cash cost (US\$/boe) | | | | | | | | |
| Total | 10.0 | 10.3 | 10.8 | 14.0 | 16.0 | 17.6 | 18.5 | 19.2 |
| Pakistan | 9.3 | 9.3 | 9.3 | 11.8 | 12.0 | 12.0 | 12.0 | 12.0 |
| Mena | 9.2 | 11.2 | 11.8 | 15.8 | 18.9 | 20.1 | 20.7 | 21.3 |
| Change (YoY) | | | | | | | | |
| Total | 19.2% | 3.4% | 4.9% | 29.4% | 14.0% | 10.0% | 5.4% | 3.9% |
| Pakistan | 11.6% | -0.5% | -0.2% | 27.2% | 2.1% | 0.0% | 0.0% | 0.0% |
| MENA | - | 21.1% | 6.0% | 33.5% | 19.9% | 6.0% | 3.0% | 3.0% |
| Lifting cost (US\$/boe) | | | | | | | | |
| Total | 4.4 | 4.4 | 4.2 | 4.1 | 4.5 | 4.7 | 4.7 | 4.8 |
| Pakistan | 3.5 | 3.1 | 3.9 | 4.1 | 4.6 | 4.7 | 4.7 | 4.7 |
| MENA | 5.7 | 5.9 | 4.3 | 4.2 | 4.5 | 4.6 | 4.6 | 4.6 |
| Change (YoY) | | | | | | | | |
| Total | 17.6% | -1.7% | -3.2% | -2.8% | 9.1% | 5.8% | 0.4% | 0.2% |
| Pakistan | -7.2% | -11.3% | 25.5% | 4.8% | 11.5% | 2.0% | 0.6% | 0.4% |
| MENA | - | 3.9% | -26.6% | -3.9% | 7.7% | 2.9% | 0.0% | 0.0% |
| (HK\$ mn) | | | | | | | | |
| Revenue | 7,104 | 6,204 | 7,437 | 10,754 | 13,591 | 15,707 | 17,570 | 18,964 |
| Gross profit | 3,478 | 2,033 | 3,357 | 5,513 | 4,439 | 5,184 | 5,655 | 5,869 |
| <i>Gross margin</i> | 49.0% | 32.8% | 45.1% | 51.3% | 32.7% | 33.0% | 32.2% | 30.9% |
| Operating profit | 2,733 | 1,309 | 2,759 | 3,596 | (1,731) | 3,953 | 4,277 | 4,382 |
| Net profit | 1,906 | 864 | 2,001 | 2,601 | (1,707) | 3,151 | 3,464 | 3,571 |
| <i>Change (YoY)</i> | 16.4% | -54.7% | 131.5% | 30.0% | n/a | n/a | 9.9% | 3.1% |

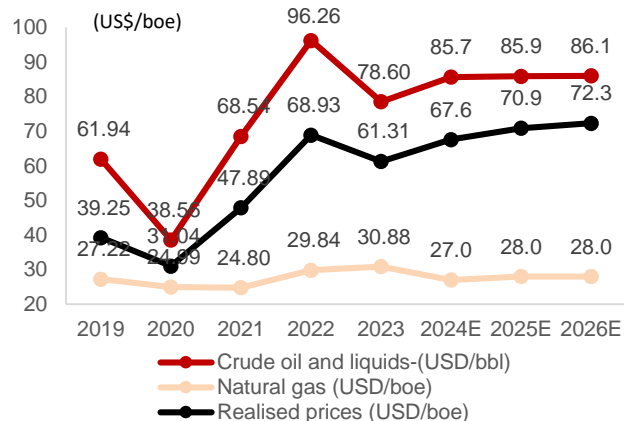
Source: Company data, CMBIGM estimates

Figure 3: UEG's oil & gas sales volume



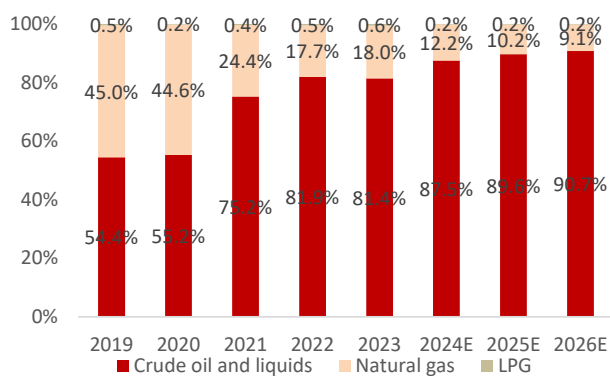
Source: Company data, CMBIGM estimates

Figure 4: UEG's realised oil and gas price



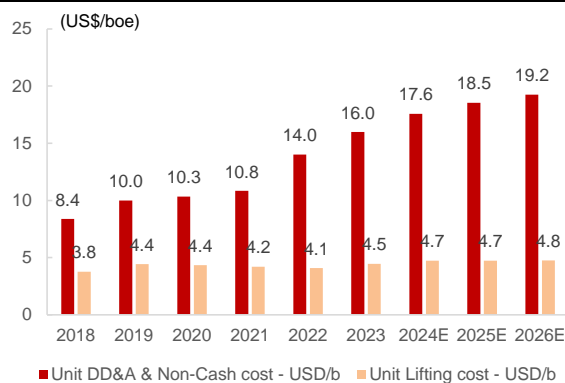
Source: Company data, CMBIGM estimates

Figure 5: Revenue mix



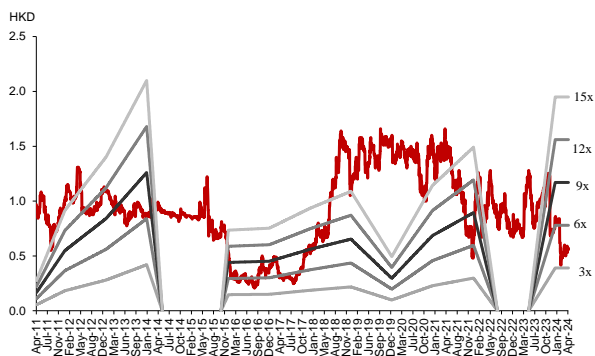
Source: Company data, CMBIGM estimates

Figure 6: UEG's unit operating cost



Source: Company data, CMBIGM estimates

Figure 7: 12M forward P/E band



Source: Company data, Bloomberg, CMBIGM estimates

Figure 8: Brent crude oil price



Source: Bloomberg, CMBIGM

Figure 9: UEG’s earnings sensitivity to crude price and lifting cost (Pakistan)

| | | Crude price (US\$/boe) | | | | |
|--------------|-------------|------------------------|--------------|--------------|--------------|--------------|
| | | 77 | 81 | 86 | 94 | |
| | 5.12 | 2,320 | 2,713 | 3,105 | 3,498 | 3,891 |
| | 4.88 | 2,343 | 2,736 | 3,128 | 3,521 | 3,913 |
| Lifting cost | 4.65 | 2,366 | 2,759 | 3,151 | 3,544 | 3,936 |
| (Pakistan) | 4.42 | 2,389 | 2,781 | 3,174 | 3,566 | 3,959 |
| | 4.19 | 2,412 | 2,804 | 3,197 | 3,589 | 3,982 |

Source: CMBIGM estimates

Note: Net profit in 2024E

Figure 10: UEG’s earnings sensitivity to crude price and lifting cost (MENA)

| | | Crude price (US\$/boe) | | | | |
|--------------|-------------|------------------------|--------------|--------------|--------------|--------------|
| | | 77 | 81 | 86 | 94 | |
| | 5.06 | 2,285 | 2,677 | 3,070 | 3,462 | 3,855 |
| | 4.83 | 2,325 | 2,718 | 3,110 | 3,503 | 3,895 |
| Lifting cost | 4.60 | 2,366 | 2,759 | 3,151 | 3,544 | 3,936 |
| (Mena) | 4.37 | 2,407 | 2,799 | 3,192 | 3,584 | 3,977 |
| | 4.14 | 2,447 | 2,840 | 3,232 | 3,625 | 4,017 |

Source: CMBIGM estimates

Note 1: Net profit in 2024E

Note 2: Mena = Middle East & North Africa

Financial Summary

| INCOME STATEMENT | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|--|---------------|---------------|----------------|---------------|---------------|---------------|
| YE 31 Dec (HK\$ mn) | | | | | | |
| Revenue | 7,437 | 10,754 | 13,591 | 15,707 | 17,570 | 18,964 |
| Cost of goods sold | (4,080) | (5,241) | (9,152) | (10,523) | (11,915) | (13,095) |
| Gross profit | 3,357 | 5,513 | 4,439 | 5,184 | 5,655 | 5,869 |
| Admin expense | (574) | (524) | (676) | (785) | (878) | (948) |
| Others | (25) | (1,393) | (5,494) | (446) | (499) | (539) |
| Operating profit | 2,759 | 3,596 | (1,731) | 3,953 | 4,277 | 4,382 |
| Share of (losses)/profits of associates/JV | (59) | (187) | 4 | (50) | (43) | (42) |
| EBITDA | 5,731 | 7,813 | 3,117 | 9,641 | 10,558 | 11,488 |
| Depreciation | 2,972 | 4,218 | 4,848 | 5,688 | 6,281 | 7,106 |
| Interest expense | (267) | (388) | (294) | (239) | (206) | (189) |
| Pre-tax profit | 2,433 | 3,021 | (2,020) | 3,664 | 4,028 | 4,152 |
| Income tax | (432) | (420) | 313 | (513) | (564) | (581) |
| Minority interest | 0 | 0 | 0 | (0) | (0) | (0) |
| Net profit | 2,001 | 2,601 | (1,707) | 3,151 | 3,464 | 3,571 |
| Adjusted net profit | 2,001 | 2,601 | (1,707) | 3,151 | 3,464 | 3,571 |
| Gross dividends | 1,052 | 1,052 | 0 | 630 | 693 | 714 |
| BALANCE SHEET | | | | | | |
| YE 31 Dec (HK\$ mn) | | | | | | |
| Current assets | 7,669 | 10,005 | 11,659 | 13,981 | 16,531 | 19,903 |
| Cash & equivalents | 3,171 | 3,255 | 3,327 | 4,212 | 5,607 | 7,716 |
| Account receivables | 4,145 | 6,316 | 8,048 | 9,424 | 10,542 | 11,758 |
| Inventories | 287 | 389 | 253 | 314 | 351 | 398 |
| Financial assets at FVTPL | 12 | 9 | 9 | 9 | 9 | 9 |
| Other current assets | 53 | 36 | 22 | 22 | 22 | 22 |
| Non-current assets | 17,364 | 17,415 | 14,170 | 15,830 | 16,937 | 17,175 |
| PP&E | 10,835 | 11,739 | 11,224 | 13,277 | 14,773 | 15,406 |
| Deferred income tax | 1 | 23 | 437 | 437 | 437 | 437 |
| Investment in JVs & assos | 475 | 395 | 280 | 230 | 187 | 145 |
| Intangibles | 5,340 | 4,324 | 1,619 | 1,277 | 930 | 578 |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial assets at FVTPL | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-current assets | 713 | 933 | 610 | 610 | 610 | 610 |
| Total assets | 25,032 | 27,420 | 25,829 | 29,812 | 33,468 | 37,078 |
| Current liabilities | 5,093 | 7,974 | 8,987 | 9,959 | 10,836 | 11,666 |
| Short-term borrowings | 1,761 | 1,886 | 306 | 239 | 219 | 200 |
| Account payables | 2,818 | 4,774 | 6,644 | 7,682 | 8,579 | 9,428 |
| Other current liabilities | 515 | 1,315 | 2,038 | 2,038 | 2,038 | 2,038 |
| Non-current liabilities | 5,699 | 3,638 | 4,006 | 3,672 | 3,492 | 3,313 |
| Long-term borrowings | 2,833 | 1,586 | 2,488 | 2,155 | 1,975 | 1,796 |
| Other non-current liabilities | 2,865 | 2,051 | 1,518 | 1,518 | 1,518 | 1,518 |
| Total liabilities | 10,792 | 11,612 | 12,993 | 13,631 | 14,328 | 14,979 |
| Share capital | 263 | 263 | 260 | 260 | 260 | 260 |
| Retained earnings | 13,971 | 15,539 | 12,570 | 15,915 | 18,874 | 21,837 |
| Total shareholders equity | 14,234 | 15,802 | 12,831 | 16,175 | 19,134 | 22,098 |
| Minority interest | 6 | 6 | 5 | 5 | 5 | 5 |
| Total equity and liabilities | 25,032 | 27,420 | 25,829 | 29,812 | 33,468 | 37,082 |

| CASH FLOW | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| YE 31 Dec (HK\$ mn) | | | | | | |
| Operating | | | | | | |
| Profit before taxation | 2,001 | 2,601 | (1,707) | 3,151 | 3,464 | 3,571 |
| Depreciation & amortization | 2,972 | 4,218 | 4,848 | 5,688 | 6,281 | 7,106 |
| Change in working capital | (1,032) | (587) | 672 | (399) | (258) | (413) |
| Others | 340 | 1,593 | 3,514 | 50 | 43 | 42 |
| Net cash from operations | 4,281 | 7,825 | 7,327 | 8,490 | 9,530 | 10,305 |
| Investing | | | | | | |
| Capital expenditure | (2,729) | (5,392) | (6,670) | (7,205) | (7,305) | (7,305) |
| Acquisition of subsidiaries/ investments | (10) | 108 | (120) | 0 | 0 | 0 |
| Others | 245 | (422) | 246 | 0 | 0 | 0 |
| Net cash from investing | (2,494) | (5,707) | (6,543) | (7,205) | (7,305) | (7,305) |
| Financing | | | | | | |
| Dividend paid | (620) | (1,052) | (1,052) | 0 | (630) | (693) |
| Net borrowings | (642) | (1,122) | (678) | (400) | (200) | (199) |
| Others | (190) | 103 | 1,092 | 0 | 0 | 0 |
| Net cash from financing | (1,452) | (2,070) | (638) | (400) | (830) | (892) |
| Net change in cash | | | | | | |
| Cash at the beginning of the year | 3,093 | 3,171 | 3,255 | 3,327 | 4,212 | 5,607 |
| Exchange difference | (258) | 36 | (73) | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash at the end of the year | 3,171 | 3,255 | 3,327 | 4,212 | 5,607 | 7,716 |
| GROWTH | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
| YE 31 Dec | | | | | | |
| Revenue | 19.9% | 44.6% | 26.4% | 15.6% | 11.9% | 7.9% |
| Gross profit | 65.2% | 64.2% | (19.5%) | 16.8% | 9.1% | 3.8% |
| Operating profit | 110.8% | 30.3% | na | na | 8.2% | 2.5% |
| EBITDA | 38.3% | 36.3% | (60.1%) | 209.3% | 9.5% | 8.8% |
| Net profit | 131.5% | 30.0% | na | na | 9.9% | 3.1% |
| Adj. net profit | 131.5% | 30.0% | na | na | 9.9% | 3.1% |
| PROFITABILITY | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
| YE 31 Dec | | | | | | |
| Gross profit margin | 45.1% | 51.3% | 32.7% | 33.0% | 32.2% | 30.9% |
| Operating margin | 37.1% | 33.4% | (12.7%) | 25.2% | 24.3% | 23.1% |
| EBITDA margin | 77.1% | 72.7% | 22.9% | 61.4% | 60.1% | 60.6% |
| Adj. net profit margin | 26.9% | 24.2% | (12.6%) | 20.1% | 19.7% | 18.8% |
| Return on equity (ROE) | 14.7% | 17.3% | (11.9%) | 21.7% | 19.6% | 17.3% |
| GEARING/LIQUIDITY/ACTIVITIES | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
| YE 31 Dec | | | | | | |
| Net debt to equity (x) | 0.1 | 0.0 | (0.0) | (0.1) | (0.2) | (0.3) |
| Current ratio (x) | 1.5 | 1.3 | 1.3 | 1.4 | 1.5 | 1.7 |
| Receivable turnover days | 203.4 | 214.4 | 216.1 | 219.0 | 219.0 | 226.3 |
| Inventory turnover days | 25.7 | 27.1 | 10.1 | 10.9 | 10.8 | 11.1 |
| Payable turnover days | 252.1 | 332.5 | 265.0 | 265.0 | 265.0 | 260.0 |
| VALUATION | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
| YE 31 Dec | | | | | | |
| P/E | 8.4 | 6.4 | ns | 5.3 | 4.8 | 4.7 |
| P/B | 1.2 | 1.1 | 1.3 | 1.0 | 0.9 | 0.8 |
| Div yield (%) | 6.3 | 6.3 | 0.0 | 3.8 | 4.1 | 4.3 |

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

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