26 Aug 2026

CMB International Global Markets | Equity Research | Company Update

Kanzhun Limited (BZ US)

2Q26 results: Revenue acceleration on solid ARPPU and user growth

Boss Zhipin announced 2Q26 results: total revenue increased by 14% YoY to RMB2.40bn, and non-GAAP net income grew by 9% YoY to RMB941mn, both in line with Visible Alpha (VA) consensus. For 3Q26E, management guided total revenue to grow by 11-16% YoY to RMB2.41-2.50bn, also largely in line with VA consensus (RMB2.47bn). Looking ahead, the company will increase monetization effort in first-tier cities and some second-tier cities, given its currently low pricing. We expect the initiative to increase paying ratio and ARPPU, driving sustainable revenue growth in the long term. We lift our FY26-28 non-GAAP operating profit forecast by 3-4% in view of the strong operating leverage. We raise our target price to US$23.0 on 18x FY26E non-GAAP PE (previous: US$22.5 on 18x FY26E PE). We are constructive on the company's sustainable earnings growth and attractive shareholder return. Maintain BUY.

- **Revenue growth accelerated on solid ARPPU and paid user growth.** Total revenue growth accelerated to +14% YoY in 2Q26 (1Q26: +8% YoY), with both key accounts and SME accounts showing healthy momentum. Total paid enterprise customers grew by 11% YoY to 7.2mn in 12 months ended Jun 2026, with paying ratio improving for the fourth consecutive quarter. Overall ARPPU also increased by 7% YoY in 2Q26, mainly driven by enhanced service quality and monetization effort. Looking ahead, management will adopt different strategies in different cities: 1) in lower-tier cities, the company will continue to drive user growth and penetration; 2) in higher-tier cities, the company will focus more on increasing ARPPU and paying ratio while also improving user experience.
- **AI as a business accelerator.** AI drove business growth on multiple fronts: 1) the large-scale AI applications improved overall recommendation efficiency of the platform; 2) key account customers gave positive feedback on the AI solutions like AI interviews and AI resume screening; the daily average number of AI interviews surpassed 10k on the platform in 2Q26; 3) AI continued to drive actual recruitment conversion, with revenue from AI-facilitated closed-loop recruitment services growing rapidly QoQ to c.RMB80mn in 2Q26 (vs. c.RMB50mn in 1Q26). The company will continue to invest in AI in a prudent way, and also leverage AI to improve operational efficiency.
- **Improving margin and shareholder return.** Adjusted OPM improved by 1.9ppt YoY to 43.8% in 2Q26, thanks to the enhanced efficiency and operating leverage. Looking ahead, despite increased expenses related to the World Cup and AI model training, management still expects 3Q26 margin to remain steady QoQ. We forecast FY26E adjusted OPM to increase by 2ppt YoY to 43%. The company continues to increase shareholder return and announced dividends of US$230mn; this, together with the over US$300mn of share buybacks completed YTD, accounts for c.7% of current market cap.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	7,356	8,268	9,357	10,317	11,235
YoY growth (%)	23.6	12.4	13.2	10.3	8.9
Adjusted net profit (RMB mn)	2,710.7	3,602.5	3,959.3	4,374.1	4,698.6
EPS (Adjusted) (RMB)	5.96	7.77	8.63	9.73	10.67
P/S (x)	6.8	6.1	5.4	4.9	4.5
P/E (x)	32.5	19.0	10.6	13.3	11.7

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**US$23.00**
(Previous TP	US$22.50)
Up/Downside	**41.2%**
Current Price	**US$16.29**

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Stock Data

Mkt Cap (US$ mn)	7,472.5
Avg 3 mths t/o (US$ mn)	16.2
52w High/Low (US$)	24.91/12.65
Total Issued Shares (mn)	458.7

Source: FactSet

Shareholding Structure

Zhao Peng	13.5%
Tencent	7.7%

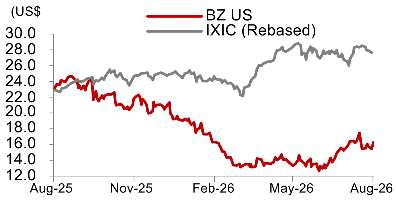
Source: Company data

Share Performance

	Absolute	Relative
1-mth	5.6%	0.9%
3-mth	22.4%	24.8%
6-mth	-0.2%	-12.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Boss Zhipin: forecast revision

	Current			Previous			Change (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	9,357	10,317	11,235	9,360	10,283	11,201	0.0%	0.3%	0.3%
Gross profit	8,074	8,947	9,731	8,001	8,759	9,531	0.9%	2.1%	2.1%
Adj. operating profit	4,018	4,526	5,039	3,919	4,347	4,847	2.5%	4.1%	4.0%
Adjusted net profit	3,959	4,374	4,699	4,023	4,411	4,758	-1.6%	-0.8%	-1.2%
Gross margin	86.3%	86.7%	86.6%	85.5%	85.2%	85.1%	0.8 ppt	1.5 ppt	1.5 ppt
Adj. operating margin	42.9%	43.9%	44.9%	41.9%	42.3%	43.3%	1.1 ppt	1.6 ppt	1.6 ppt
Adjusted net margin	42.3%	42.4%	41.8%	43.0%	42.9%	42.5%	-0.7 ppt	-0.5 ppt	-0.7 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	9,357	10,317	11,235	9,310	10,472	11,767	0.5%	-1.5%	-4.5%
Gross Profit	8,074	8,947	9,731	8,001	9,000	10,135	0.9%	-0.6%	-4.0%
Operating profit (GAAP)	4,018	4,526	5,039	3,936	4,549	5,258	2.1%	-0.5%	-4.2%
Adjusted net profit	3,959	4,374	4,699	4,184	4,525	5,131	-5.4%	-3.3%	-8.4%
Gross Margin	86.3%	86.7%	86.6%	85.9%	85.9%	86.1%	0.4 ppt	0.8 ppt	0.5 ppt
Operating Margin	42.9%	43.9%	44.9%	42.3%	43.4%	44.7%	0.7 ppt	0.4 ppt	0.2 ppt
Adjusted net margin	42.3%	42.4%	41.8%	44.9%	43.2%	43.6%	-2.6 ppt	-0.8 ppt	-1.8 ppt

Source: Visible Alpha, CMBIGM estimates

Valuation

We value Boss Zhipin at US$10.6bn (US$23.0 per ADS) based on 18x 2026E non-GAAP PE. Our target PE multiple is at a premium to its peers (16x PE), given Boss Zhipin’s strong leadership in China’s online recruitment market and earnings visibility.

Figure 3: Boss Zhipin: target valuation

P/E Valuation (US$mn)	FY26E
Non-GAAP earnings	588
Target 2026E PE (x)	18.0
Target equity valuation	10,558
Valuation per ADS (USD)	23.0

Source: Company data, CMBIGM estimates
Note: CNY/USD = 6.75

Figure 4: Global peers: valuation comparison

Companies	Ticker	Price	EPS growth		Current PE (x)		EPS CAGR
		(Local)	2026E	2027E	2026E	2027E	25-27E
Career International	300662 CH	19.5	15%	17%	10.6	9.0	16%
Liepin	6100 HK	2.3	19%	19%	6.1	5.2	19%
Recruit	6098 JP	16,515.0	55%	20%	30.2	25.1	36%
Average					**15.6**	**13.1**	

Source: Bloomberg, CMBIGM
Note: data are as of 24 Aug 2026

Risks

Macro uncertainty impacts recruit demand; intensifying competition; AI disrupts the online recruitment sector.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**5,952**	**7,356**	**8,268**	**9,357**	**10,317**	**11,235**
Cost of goods sold	(1,060)	(1,240)	(1,235)	(1,282)	(1,370)	(1,504)
Gross profit	**4,892**	**6,116**	**7,032**	**8,074**	**8,947**	**9,731**
Operating expenses	**(4,311)**	**(4,943)**	**(4,568)**	**(4,825)**	**(5,091)**	**(5,254)**
Selling expense	(1,991)	(2,073)	(1,693)	(2,100)	(2,038)	(2,075)
Admin expense	(812)	(1,094)	(1,199)	(950)	(1,117)	(1,146)
R&D expense	(1,544)	(1,816)	(1,654)	(1,783)	(1,945)	(2,040)
Others	35	40	(22)	8	8	8
Operating profit	**581**	**1,173**	**2,464**	**3,249**	**3,855**	**4,478**
Investment gain/loss	1	0	(1)	0	0	0
Interest income	310	625	706	2,754	606	553
Foreign exchange gain/loss	296	(0)	11	1	0	0
Other income/expense	33	35	20	16	0	0
Pre-tax profit	**1,189**	**1,798**	**3,181**	**6,005**	**4,462**	**5,031**
Income tax	(123)	(266)	(510)	(1,270)	(758)	(894)
After tax profit	**1,066**	**1,533**	**2,671**	**4,735**	**3,703**	**4,137**
Net profit	**1,066**	**1,533**	**2,671**	**4,735**	**3,703**	**4,137**
Adjusted net profit	**2,156**	**2,711**	**3,602**	**3,959**	**4,374**	**4,699**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**13,373**	**15,100**	**20,355**	**22,397**	**24,592**	**27,084**
Cash & equivalents	2,473	2,553	4,105	6,094	8,243	10,691
Account receivables	17	41	33	38	41	45
Prepayment	443	368	365	413	456	496
Other current assets	10,441	12,138	15,852	15,852	15,852	15,852
Non-current assets	**4,567**	**4,210**	**4,213**	**4,270**	**4,317**	**4,347**
PP&E	1,793	1,734	1,245	1,294	1,334	1,359
Right-of-use assets	283	303	161	170	177	182
Intangibles	8	253	101	101	101	101
Other non-current assets	2,483	1,921	2,705	2,705	2,705	2,705
Total assets	**17,940**	**19,311**	**24,568**	**26,667**	**28,910**	**31,431**
Current liabilities	**4,357**	**4,192**	**4,371**	**4,897**	**5,363**	**5,784**
Account payables	629	111	120	122	130	143
Other current liabilities	779	816	921	1,022	1,104	1,178
Lease liabilities	155	181	94	99	103	106
Contract liabilities	2,794	3,085	3,236	3,655	4,026	4,357
Non-current liabilities	**154**	**156**	**116**	**119**	**122**	**124**
Other non-current liabilities	154	156	116	119	122	124
Total liabilities	**4,511**	**4,348**	**4,487**	**5,016**	**5,485**	**5,908**
Share capital	1	1	1	1	1	1
Capital surplus	15,502	14,989	17,416	15,785	14,856	13,817
Retained earnings	(2,492)	(925)	1,765	4,966	7,670	10,807
Other reserves	419	899	899	899	899	899
Total shareholders equity	**13,429**	**14,963**	**20,081**	**21,651**	**23,425**	**25,523**
Total equity and liabilities	**17,940**	**19,311**	**24,568**	**26,667**	**28,910**	**31,431**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**1,189**	**1,798**	**3,181**	**6,005**	**4,462**	**5,031**
Depreciation & amortization	259	468	518	395	450	509
Tax paid	(123)	(266)	(510)	(1,270)	(758)	(894)
Change in working capital	738	145	162	473	420	376
Others	984	1,396	1,201	962	851	744
Net cash from operations	**3,047**	**3,542**	**4,552**	**6,565**	**5,425**	**5,767**
Investing						
Capital expenditure	(956)	(856)	(119)	(626)	(675)	(719)
Others	(8,983)	(1,161)	(4,489)	0	0	0
Net cash from investing	**(9,939)**	**(2,017)**	**(4,608)**	**(626)**	**(675)**	**(719)**
Financing						
Dividend paid	(563)	0	(553)	(1,550)	(1,000)	(1,000)
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	218	191	2,350	0	0	0
Share repurchases	(72)	(1,652)	(143)	(2,400)	(1,600)	(1,600)
Others	0	0	0	0	0	0
Net cash from financing	**(417)**	**(1,461)**	**1,655**	**(3,950)**	**(2,600)**	**(2,600)**
Net change in cash						
Cash at the beginning of the year	9,752	2,473	2,553	4,105	6,094	8,243
Exchange difference	30	15	(47)	0	0	0
Cash at the end of the year	**2,473**	**2,553**	**4,105**	**6,094**	**8,243**	**10,691**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	31.9%	23.6%	12.4%	13.2%	10.3%	8.9%
Gross profit	30.2%	25.0%	15.0%	14.8%	10.8%	8.8%
Operating profit	na	101.9%	110.1%	31.9%	18.6%	16.1%
Net profit	1,012.5%	43.7%	74.3%	77.3%	(21.8%)	11.7%
Adj. net profit	169.7%	25.7%	32.9%	9.9%	10.5%	7.4%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	82.2%	83.1%	85.1%	86.3%	86.7%	86.6%
Operating margin	9.8%	15.9%	29.8%	34.7%	37.4%	39.9%
Adj. net profit margin	36.2%	36.9%	43.6%	42.3%	42.4%	41.8%
Return on equity (ROE)	8.5%	10.8%	15.2%	22.7%	16.4%	16.9%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)
Current ratio (x)	3.1	3.6	4.7	4.6	4.6	4.7
Receivable turnover days	1.0	2.0	1.5	1.5	1.5	1.5
Payable turnover days	216.7	32.6	35.5	34.7	34.7	34.7

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	46.4	32.5	19.0	10.6	13.3	11.7
P/E (diluted)	46.4	32.5	19.0	10.6	13.3	11.7
P/B	3.7	3.3	2.5	2.3	2.1	1.9

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

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