CMBI Research Focus List

Our best high conviction ideas

20 May 2025

CMBI Focus List – Long and short ideas

Company	Ticker	Sector	Rating	M cap (US$ bn)	3M ADTV (US$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x) FY24A	P/E (x) FY25E	P/B (x) FY24A	ROE (%) FY24A	Yield FY24A	Analyst
Long Ideas														
Geely Automobile	175 HK	Auto	BUY	25.0	200.2	19.4	24.00	24%	10.90	12.10	2.10	19.9	1.7%	Shi Ji/ Wenjing Dou/ Austin Liang
Xpeng Inc.	XPEV US	Auto	BUY	19.7	248.2	20.7	28.00	35%	N/A	N/A	N/A	N/A	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
Zoomlion	1157 HK	Capital Goods	BUY	8.4	11.8	5.6	7.40	32%	13.00	11.00	0.80	6.20	5.4%	Wayne Fung
SANY Heavy	600031 CH	Capital Goods	BUY	22.7	197.8	19.3	22.00	14%	28.30	21.90	2.40	8.5	1.8%	Wayne Fung
Atour	ATAT US	Consumer Discretionary	BUY	4.1	40.0	29.6	33.31	12%	23.60	17.80	N/A	47.5	2.1%	Walter Woo
Luckin Coffee	LKNCY US	Consumer Discretionary	BUY	9.1	97.5	32.0	40.61	27%	25.40	18.10	5.70	25.8	0.0%	Walter Woo
Proya	603605 CH	Consumer Staples	BUY	5.4	67.9	98.1	133.86	37%	27.20	22.80	7.60	30.8	1.7%	Miao Zhang
CR Beverage	2460 HK	Consumer Staples	BUY	4.2	11.7	13.7	18.61	36%	16.70	13.50	2.30	18.0	3.7%	Miao Zhang
BeiGene	ONC US	Healthcare	BUY	26.3	135.8	228.4	359.47	57%	N/A	N/A	N/A	N/A	N/A	Jill Wu/ Andy Wang
Innovent	1801 HK	Healthcare	BUY	11.1	121.4	52.7	61.71	17%	N/A	N/A	N/A	N/A	N/A	Jill Wu/ Andy Wang
AIA	1299 HK	Insurance	BUY	90.1	331.2	65.9	89.00	35%	N/A	N/A	2.26	16.2	2.7%	Nika Ma
PICC P&C	2328 HK	Insurance	BUY	42.7	67.2	15.0	15.80	5%	N/A	N/A	1.19	13.0	3.9%	Nika Ma
Tencent	700 HK	Internet	BUY	604.6	2181.3	514.5	660.00	28%	19.90	17.40	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Alibaba	BABA US	Internet	BUY	294.5	3539.3	123.5	155.50	26%	N/A	16.20	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu
Trip.com	TCOM US	Internet	BUY	42.5	277.5	65.0	70.00	8%	16.00	17.50	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao LU
Greentown Service	2869 HK	Property	BUY	1.7	3.1	4.3	6.13	43%	17.50	14.60	2.10	9.7	0.0	Miao Zhang
Xiaomi	1810 HK	Technology	BUY	172.9	2144.4	52.1	59.99	15%	42.80	30.70	7.30	14.4	N/A	Alex Ng/ Hanqing Li
BYDE	285 HK	Technology	BUY	9.8	134.1	34.2	43.22	27%	16.70	13.00	2.60	13.2	0.0%	Alex Ng/ Hanqing Li
Horizon Robotics	9660 HK	Semi	BUY	12.6	95.9	7.5	8.90	19%	N/A	N/A	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Willsemi	603501 CH	Semi	BUY	21.7	398.2	128.7	176.00	37%	46.20	30.20	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
BaTeLab	2149 HK	Semi	BUY	0.3	0.6	45.2	69.50	54%	15.20	11.70	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Naura	002371 CH	Semi	BUY	32.0	318.7	434.4	512.00	18%	58.30	40.70	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Salesforce	CRM US	Software & IT services	BUY	279.4	1912.3	291.2	388.00	33%	34.60	28.10	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao

Source: Bloomberg, CMBIGM. Data as of 19/5/2025 2:15 p.m.

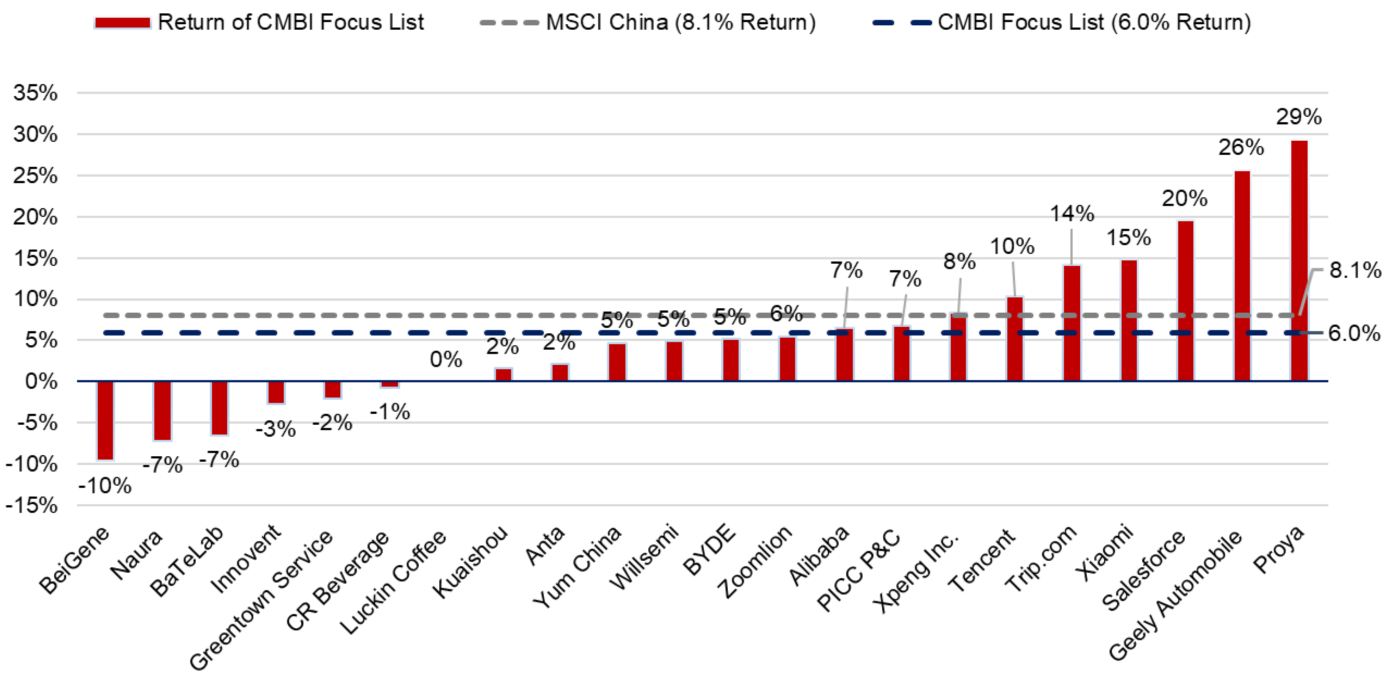
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
SANY Heavy	600031 CH	Capital Goods	BUY	Wayne Fung	We view SANY as the best proxy to play the upcycle of excavators.
Atour	ATAT US	Consumer Discretionary	BUY	Walter Woo	Recent figures are encouraging (Industry RevPAR improved to HSD or above during 5-1 golden week and Atour should outperform, plus accelerated sales growth for retail business), plus drivers like (robust inbound tourism, favourable tax return policy, stabilization in trade war, etc.), we have turned more positive about the 2Q25E and 3Q25E outlook
AIA	1299 HK	Insurance	BUY	Nika Ma	We add AIA as one of our top picks given that the insurer's decent VONB growth is likely to sustain in full year, underpinned by continued strong momentum in agency and diversified value contributions across ex-China markets. Besides, the early completion of the US$1.6bn repurchase program over three months provided a positive catalyst for stock price advancement in the short term. By May 15,2025, we reckon that US$434mn (27.1%) has been used, which implies the acceleration in share buybacks could further proceed till end-July.
Horizon Robotics	9660 HK	Semi	BUY	Lily Yang/ Kevin Zhang	We add Horizon Robotics to our focus list this month as we believe it is well-positioned for growth. It stands to benefit from expanding ADAS/AD adoption, rising ASPs from higher-level autonomy, and continued market share gains. We forecast a 52% revenue CAGR from 2024–2027E, reaching RMB8.4bn in 2027E. Our TP is based on 21.5x 2030E P/E, slightly above peer averages, reflecting Horizon's leading position, stable operations, and broader customer base. Key assumptions include consistent margin performance, strong capacity utilization, and supply chain resilience through 2030E.
Deletions					
Anta	2020 HK	Consumer Discretionary	BUY	Walter Woo	We are still confident about the FY25E guidance and see 2Q25E retail sales growth improved QoQ. However, there may be some pressure on discounts YoY (quite decent last year in 2Q24 and 3Q24) and Nike is still undergoing its destocking (which may affect other brands), and hence we turned slightly cautious about Anta in the near term.
Yum China	9987 HK	Consumer Discretionary	BUY	Walter Woo	We still highly appreciate Yum China's ability to gain market shares (through new, innovative and value products, plus delivery). However, drags like higher franchise store opening mix, higher small-sized store mix and more store closures, may still affect its outlook in 2Q25E.
Kuaishou	1024 HK	Internet	BUY	Saiyi He/ Wentao Lu/ Frank Tao	We remove Kuaishou as the AI catalyst has played out and we expect a muted 1Q25 results.

Source: CMBIGM

Performance of our recommendations

- In our last report dated 22 Apr 2025, we highlighted a list of 22 long ideas.
- The basket (equal weighted) of these 22 stocks underperformed MSCI China index by 2.1ppts, delivering 6.0% return (vs MSCI China 8.1%).
- 6 out of the 22 stocks outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 22 Apr 2025 to 16 May 2025

Long Ideas

Geely Automobile (175 HK) – More synergies to come

Rating: BUY **|** TP: HK$24.00 (24% upside)   Analysts: Shi JI/ Wenjing Dou/Austin Liang

- **1Q25 cost control better than expected**. Geely's 1Q25 net profit of RMB5.7bn was in line with its previous profit alert of RMB5.2-5.8bn, while its SG&A expenses were significantly lower than our prior forecast. Geely's 1Q25 revenue and GPM both were below our prior expectation, probably due to the price reduction in early Mar in order to compete with BYD's facelifted models. Zeekr's GPM in 1Q25 was about 3ppts higher than our forecast, as the *Zeekr 009*'s GPM could be significantly higher than our projection. That also resulted in a better-than-expected net profit for Zeekr.
- **More synergies to come**. It appears to us that Geely's superb cost control in 1Q25 has reflected the initial synergies between Zeekr and Lynk & Co. Total savings in procurement costs, SG&A and R&D expenses combined could be as much as several billion RMB, based on management's guidance, after the full integration of brands, platforms and management. Should Geely's share price continue to rise, more shareholders of Zeekr (ZK US, NR) may convert their shares to Geely's, which could lower Geely's cash burden to privatize Zeekr. We expect a significant profit increase at Zeekr to start from FY26E, which means now could be a good timing for the privatization.
- **Earnings/Valuation**. We raise our FY25E sales volume forecast from 2.74mn units to 2.8mn units. We also revise up FY25E forecast for GPM by 0.7ppts to 16.1%. Accordingly, we revise up our FY25E net profit by 4% to RMB15.2bn. We also raise our FY26E net profit by 4% to RMB16.7bn for two reasons: 1) cost savings from synergies; 2) greater stakes in Zeekr (100% vs. 65.7%) after the proposed privatization. We maintain our BUY rating with a target price of HK$24.00, based on 15x our FY25E P/E. We are of the view that such multiple is justified given that BYD (1211 HK, BUY) is now trading at 21x our FY25E P/E.
- **Link to latest report:** Geely Automobile (175 HK) - More synergies to come

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E
Revenue (RMB mn)	179,204	240,194	341,339	384,555
YoY growth (%)	21.1	34.0	42.1	12.7
Net profit (RMB mn)	5,308.4	16,632.4	15,162.6	16,707.4
YoY growth (%)	0.9	213.3	(8.8)	10.2
EPS (Reported) (RMB)	0.53	1.65	1.50	1.64
P/E (x)	34.3	10.9	12.1	11.0
P/B (x)	2.3	2.1	2.1	1.9
Yield (%)	1.1	1.7	3.3	3.6
ROE (%)	6.8	19.9	17.4	17.8
Net gearing (%)	(38.8)	(45.9)	(49.9)	(57.8)

Source: Company data, Bloomberg, CMBIGM estimates

Xpeng Inc. (XPEV US/9868 HK) – New model cycle + Overseas + AD + Robot

Rating: BUY | **TP:** US$28.00 (35% upside)   Analysts: Shi JI/ Wenjing Dou/Austin Liang

- **Strong model cycle with overseas expansion to lift FY25-26E sales volume and profit.** We are of the view that Xpeng's strong sales volume in 1Q24 could extend into the rest of 2025, as it still has a plethora of new models in the pipeline. We expect its FY25E sales volume to more than double YoY to 440,000 units. We also project its vehicle margin to widen from 10.0% in 4Q24 to 11.3% in FY25E. We estimate a quarterly breakeven sales volume to be 130,000-140,000 units amid the current product mix. Therefore, we expect Xpeng to achieve breakeven in 4Q25E. New models in FY25E would have a full-year contribution in FY26E, which leads our FY26E sales volume forecast to 600,000 units. We project FY26E net profit to be RMB1.2bn, taking possibly higher R&D for robots and other AI projects into consideration.

- **Early mover in robot with AI capabilities to lift valuation**. Most questions during its earnings call and post-earnings NDRs focused on autonomous driving (AD) and robot, both of which are related to AI capabilities. We are of the view that automakers with superb AD technologies are naturally strong competitors in the robot industry. Xpeng's early move in robot could make it even more competitive.

- **Valuation/Key risks.** We maintain our BUY rating and target price of US$28.00 (HK$110), based on 1.8x our revised FY26E P/S. We roll over our valuation multiple, as we believe FY26E could better reflect Xpeng's strong model cycle when new models have full-year contribution. We think a valuation that is slightly higher than peers and previous multiple is justified given its leading AI capabilities and better outlook for humanoid robots than before. Key risks to our rating and target price include lower sales volume and/or GPM than we expect, slower monetization timeline for robot and a sector de-rating.

- **Links to latest reports:** Xpeng Inc. (XPEV US/9868 HK) - New model cycle + Overseas + AD + Robot

- Auto - 1Q25 sales volume, discounts may lead to larger earnings divergence

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E
Revenue (RMB mn)	30,676	40,866	79,177	106,967
YoY growth (%)	14.2	33.2	93.7	35.1
Gross margin (%)	1.5	14.3	15.5	15.6
Operating profit (RMB mn)	(10,889.4)	(6,658.1)	(3,009.6)	(483.2)
Net profit (RMB mn)	(10,375.8)	(5,790.3)	(1,718.1)	1,229.4
EPS (Reported) (RMB cents)	(595.99)	(306.14)	(90.12)	63.98
P/S (x)	5.5	4.1	2.1	1.6
P/B (x)	N/A	N/A	N/A	138.9

Source: Company data, Bloomberg, CMBIGM estimates

Zoomlion (1157 HK) – Positive on the structural overseas growth

Rating: BUY | **TP:** HK$7.4 (32% upside)

Analyst: Wayne Fung

- **Investment Thesis:** We continue to like Zoomlion's global expansion strategy. On the product side, the offering of full range of machinery through an effective direct sales model enables Zoomlion to penetrate different key markets in overseas. On regions, the priorities on emerging economies such as the Middle East, Middle Asia and Southeast Asia over Europe and North America make it subject to less geopolitical and tariff-related risks. We see the H-share buyback as a near-term catalyst.

- **Our View:** Zoomlion's 2024 results were weaker than our expectation, due to a slowdown of overseas revenue growth (14%) in 4Q24, reduction of other income, and increase in inventory turnover days. We remain positive on Zoomlion, as : (1) overseas market expansion will be accelerated; (2) earth-working, mining, and agricultural machinery will continue to be growth drivers; (3) share-based expenses, which surged 2.1x YoY to RMB866mn, is expected to drop >50% in 2025; (4) other operating expenses are expected to be on a downtrend.

- **Why do we differ vs consensus:** Our earnings forecast in 2025E/26E is -12%/-18% versus consensus. That said, we believe the low valuation at present offers some buffer for earnings risks.

- **Catalysts:** (1) resumption of share buyback after 1Q25 results; (2) recovery of overseas sales.

- **Valuation:** Our H-share TP of HK$7.4 is based on 30% discount to our A-share TP (RMB9.9, 19.5x, equivalent to the five-year average historical P/E of 15x plus 1SD).

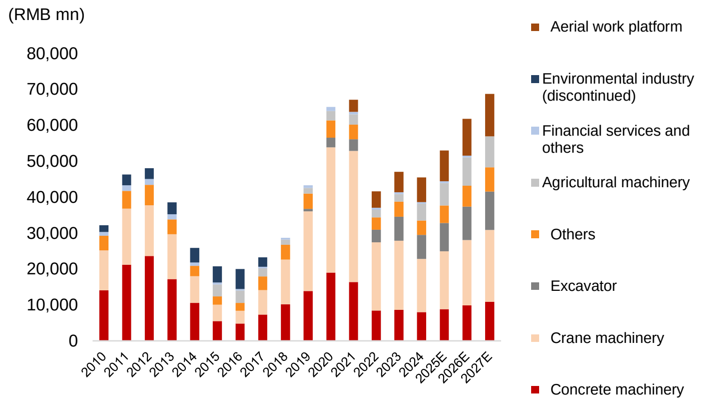
- **Link to latest report:** Zoomlion (1157 HK)- 2024 results below expectation; Still positive on the structural overseas growth trend

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	45,478	52,999	61,848	69,277
YoY growth (%)	(3.4)	16.5	16.7	12.0
Core net income (RMB mn)	3,521	4,177	4,705	5,229
Core EPS (RMB)	0.42	0.51	0.57	0.63
YoY growth (%)	(1.3)	19.2	12.7	11.1
Consensus EPS (RMB)	N/A	0.58	0.70	N/A
EV/EBIDTA (x)	10.9	8.8	7.7	6.9
P/E (x)	13.0	11.0	9.8	8.8
P/B (x)	0.8	0.8	0.8	0.8
Yield (%)	5.4	6.1	6.8	7.6
ROE (%)	6.2	7.2	7.9	8.5
Net gearing (%)	20.7	25.3	28.9	31.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Zoomlion's revenue breakdown



Source: Company data, CMBIGM estimates

SANY Heavy (600031 CH) –Riding on the up-cycle of excavator + overseas expansion

Rating: BUY **| TP:** RMB22 (14% upside)

Analyst: Wayne Fung

- **Investment Thesis:** SANY is the largest excavator manufacturer in China with a market share of ~30% at present. SANY generated 64% revenue from overseas in 2024. SANY plans to further expand the overseas sales network and after-sales service capability. SANY sees potential sales growth of 20% in markets such as the Middle East, Asia Pacific and Africa. South America is another key market with potential sales growth of 25%. In terms of capacity, SANY is considering capacity expansion in Brazil.

- **Our View:** Sales of excavator, in particular domestic sales, have been outperforming other types of machinery, driven by rural and municipal projects. We expect a solid replacement cycle over the coming two years, and we view SANY as the best proxy to play the upcycle. We are also positive on the continuous expansion in the emerging markets.

- **Why do we differ vs consensus:** Our earnings forecast in 2025E/26E is -5%/-13% versus consensus. We are waiting for signs of recovery of non-excavator demand.

- **Catalysts:** (1) strong industry sales data in May; (2) recovery of non-excavator demand.

- **Valuation:** Our TP of RMB22 is based on 24x 2025E P/E, equivalent to 0.5SD above the average of 20x since 2027. Our above-average multiple is to reflect the earnings upcycle.

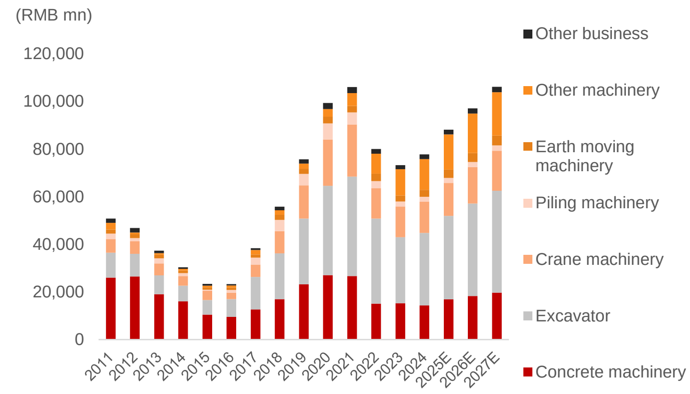
- **Link to latest report:** SANY Heavy (600031 CH) - 2024 earnings inline; Emerging markets remain the key focus

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	78,383	88,843	97,799	106,888
YoY growth (%)	6	13	10	9
Core net income (RMB mn)	5,975	7,717	8,877	9,874
Core EPS (RMB)	0.70	0.91	1.05	1.16
YoY growth (%)	32.0	29.1	15.0	11.2
Consensus EPS (RMB)	N/A	0.95	1.21	N/A
EV/EBIDTA (x)	19.6	15.8	13.9	12.6
P/E (x)	28.3	21.9	19.1	17.1
P/B (x)	2.4	2.2	2.1	1.9
Yield (%)	1.8	2.3	2.6	2.9
ROE (%)	8.5	10.4	11.2	11.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: SANY's revenue breakdown



Source: Company data, CMBIGM estimates

Atour (ATAT US): Cautious outlook but downside is limited

Rating: BUY **| TP:** US$33.31 (12% upside)

Analyst: Walter Woo

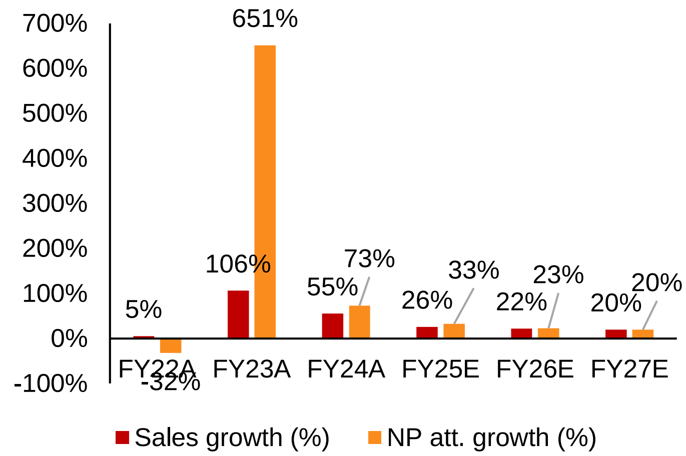
- **Investment Thesis:** We still believe the recent hotel industry trend is constructive, and turnaround is perhaps foreseeable as the demand is gradually improving and the supply is gradually stabilizing. Atour is the largest hotel group in upper midscale hotel group in China. It has seven brands (Saihe/ A.T. House/ Atour S/ Z Hotel/ Atour/ Atour X/ Atour Light), 1,619 hotels with over 180K rooms in FY24.
- **Our View:** Atour is still maintaining its FY25E guidance (25% or above group level sales growth (and 35% or above retail business sales growth)). But since the recent figures are rather encouraging (Industry RevPAR improved to HSD or above during 5-1 golden week Holidays vs LSD decline in Apr 2025 and Atour should outperform, plus an accelerated sales growth for Atour's retail business), plus drivers like (robust inbound tourism, favourable tax return policy, stabilization in trade war, etc.), we have turned even more positive about the 2Q25E and 3Q25E outlook.
- **Why do we differ vs consensus:** For FY25E/ 26E/ 27E, our net profit forecasts are +2%/ +1%/ -1% different than street due to slightly weaker than GP margins but better OP margins.
- **Catalysts:** 1) stronger-than-expected tourism data during summer, 2) better-than-expected peers' result, 3) faster-than-expected new store opening, 4) favourable policies or stimulus and 5) sector re-rating.
- **Valuation:** We derive our 12m TP of US$33.31 based on 20x FY23E P/E. We think that is well justified by its faster than peers sales and EBITDA growth, its higher mix from manachised hotels as well as its leading and rapid growing retail business. Atour is trading at 18x FY25E P/E, which is not demanding at all, in our view.
- **Link to latest report:** Atour Lifestyle (ATAT US) – Cautious outlook but downside is limited

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Sales (RMB mn)	7,248	9,113	11,132	13,321
YoY change (%)	55.3	25.7	22.2	19.7
Net profit (RMB mn)	1,275	1,691	2,072	2,483
EPS - fully diluted (RMB)	9.170	12.159	15.028	18.009
YoY change (%)	67.3	32.6	23.6	19.8
Consensus EPS (RMB)	N/A	12.007	13.436	15.804
P/E (x)	23.6	17.8	14.4	12.0
P/S (x)	8.8	6.7	5.2	4.1
Yield (%)	2.1	2.8	3.5	4.2
ROE (%)	47.5	43.9	41.3	39.0
Net debt/ equity (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth



Source: Company data, CMBIGM estimates

Luckin Coffee (LKNCY US) – Management is prudent but long-term story intact

Rating: BUY **| TP:** US$40.61 (27% upside)

Analyst: Walter Woo

- **Investment Thesis:** Luckin is the largest and fastest-growing coffee brand in China, with 16,248 stores, sales of RMB 24.9bn and net profit of RMB 2.85bn and a market share of 21.7% in FY23. On top of quality coffee, it also emphasizes digital engagement, convenience, and competitive pricing. Growth drivers include: 1) rapid store opening, 2) rise in ASP and new product launches, 3) further adoption of freshly made coffee and 4) higher purchase frequency from the young/ wealthy/ people in lower tier cities.

- **Our View:** According to our channel check, SSSG in Apr - May 2025 is likely at HSD+ (somewhat better than 8.1% in 1Q25, thanks to: 1) better weather, 2) low base last year, 3) JD's pushes in its food delivery business, 4) reductions in competition and 5) product category expansions. For profitability, we expect a stable GP margin, because handle coffee bean price inflation is controllable (more direct purchases, more bulk purchases, leveraging the processing factories or even hedging, better product mix by selling more Americanos). And we are confident on OP margin improvement, supported by: 1) operating leverage and 2) higher labour efficiency (higher production per head and use of part-time staffs, etc.).

- **Why do we differ vs consensus:** For FY25E/ 26E/ 27E, our net profit forecasts are +15%/ +5%/ +4% vs street as we are more confident on sales growth and GP margin.

- **Catalysts:** Better-than-expected new products, store expansion, store efficiency and government stimulus.

- **Valuation:** We derive our 12m TP of US$40.61 based on 23x FY25E P/E. We believe its leadership in costs, brand equity, level of digitalization and its addictive, functional and staple product nature could fuel decent growth onwards. The stock is still cheap, as it is trading at around 18x FY25E P/E.

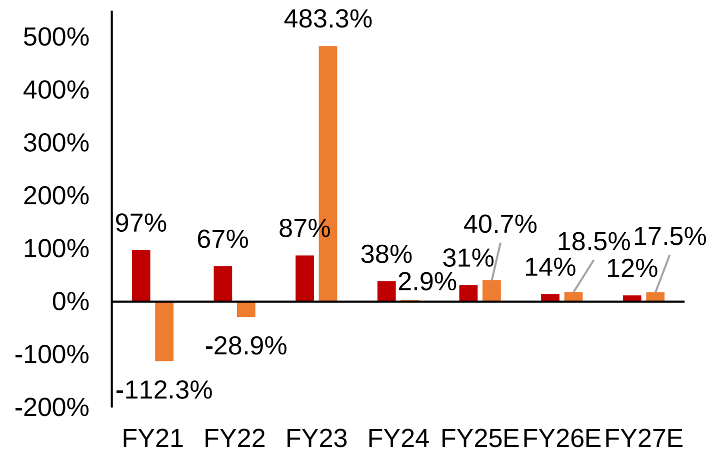
- **Link to latest report:** Luckin Coffee (LKNCY US) - Management is prudent but long-term story intact

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Sales (RMBmn)	34,475	45,263	51,669	57,838
YoY change (%)	38.4	31.3	14.2	11.9
Net profit (RMBmn)	2,932	4,124	4,886	5,740
EPS - Fully diluted (RMB)	1.15	1.604	1.891	2.211
YoY change (%)	1.9	40.0	17.9	16.9
Consensus EPS (RMB)	N/A	1.538	1.975	2.237
P/E (x)	25.4	18.1	15.4	13.2
P/B (x)	5.7	4.4	3.4	2.7
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	25.8	27.3	24.9	23.0
Net debt/ equity (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth



Source: Company data, CMBIGM estimates

Proya (603605 CH) – Best earnings among peers, strong momentum sustained

Rating: BUY **| TP:** RMB133.86 (37% upside)

Analysts: Miao Zhang

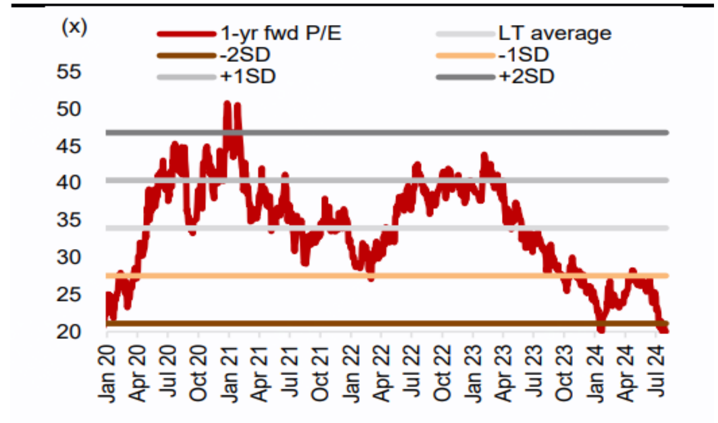
- Proya's 2Q24 results beat consensus with revenue/net profit +41%/37% YoY (1H24 revenue/net profit +37.9/40.5% YoY), mostly contributed by the accelerated sales growth of main brand to 37.7% YoY. The earnings ranked the top among peers. 1H24 GPM dropped by 0.7 ppt. and steadied at 69.8%, accompanied by the 3 ppt increase in selling expense ratio to 47%, due to the prolonged 618 promotion cycle, continuous rise in unit cost of livestreaming marketing, and high e-commerce return rate. Full-year guidance wise, the company aims to maintain GPM at ~70% and maintain the NPM in a slight upward trend.
- **Hero SKUs outperform consistently, benefiting earnings.** Proya has continued to consolidate the "hero product strategy", with 1H24 image promotion fees +50% YoY and selling expense ratio hiking 3 ppt YoY to 46.7%. The hero products have powered up re-purchase rates on both Tmall and Douyin (now at 40%+ and 30%+) and their contribution to revenue further increased to 57%, up from 55% in 1Q23. Considering the high margin of hero products, we see both the top line and bottom line growth to remain intact for 2024. Amid the challenging landscape, the company's priority of achieving steadfast market share in 11.11 may have increased marketing expense ratio in 2H, given Douyin's unfavourable mechanism and the high return rate circumstances have broadened.
- **Visible sustainability of sub-brand growth.** The skincare segment reported +37% YoY revenue growth on a relatively high base, while both make-up and body & hair segments achieved growth exceeding 42% YoY in 2Q24, demonstrating the all three major BUs are now on track of sustainable growth. Meanwhile, management reaffirmed the overseas expansion plans on major sub-brands, especially TIMAGE and Hapsode. Looking forward, we believe that the readied products portfolio targeting wide price ranges and the experienced BU management team should provide solid support to steady growth overseas.
- **Valuation**. Maintain BUY with TP of RMB 133.86, based on 35x 2024E P/E.

Financials and Valuations

(YE 31 Dec)	FY22A	FY23A	FY24A	FY25E
Revenue (RMB mn)	6,385	8,905	11,064	13,381
YoY growth (%)	37.8	39.5	24.3	20.9
Net income (RMB mn)	817.4	1,193.9	1,466.7	1,751.3
EPS (RMB)	41.9	46.1	22.9	19.4
YoY growth (%)	2.06	3.01	3.70	4.41
Consensus EPS (RMB)	N/A	N/A	3.90	4.81
P/E (x)	48.8	33.4	27.2	22.8
P/B (x)	11.3	9.1	7.6	6.4
Div yield (%)	0.6	1.4	1.7	2.0
ROE (%)	25.5	30.3	30.8	31.0
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E



Source: Company data, CMBIGM estimates

CR Beverage (2460 HK) – Pleasant surprises from special dividends and target hike

Rating: BUY **| TP:** HK$ 18.61 (36% upside)

Analysts: Miao Zhang

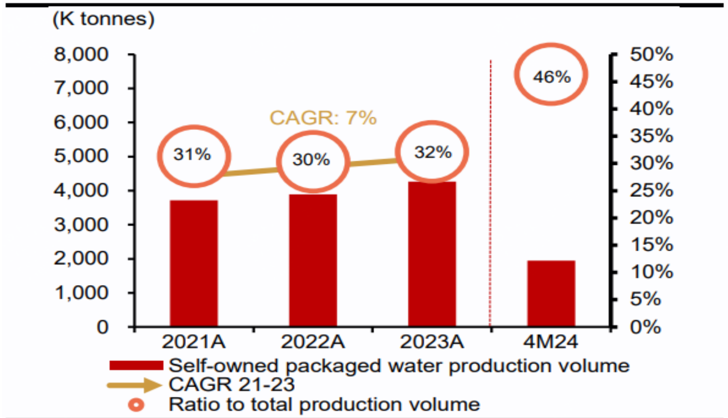
- CR Beverage's FY24 revenue was flat YoY at RMB13.5bn, missing CMBI's forecast by 6% due to stiffer packaged water competition and headwinds from the consumption climate, extreme weather in core areas and capacity limits of beverage products. Net profit rose 23.1% YoY to RMB1.6bn, or 25% excluding listing costs, beating CMBI's estimate by 4%, as gross margin rose 3pct to 47.3% on a higher proportion of self-owned capacity. The company has lifted its 2025 self-owned capacity proportion target to 70% from 60%, which should support sustained high growth in profit in our view. We like the company's solid position in the packaged water market and the growth potential of its beverage business. We project the company's revenue/net profit CAGR in FY25-27E to reach 9%/17%. Maintain BUY with TP of HK$18.61, based on 18x 2025E PE. Catalysts: hero products or M&A in beverage segment. Risks: Consumer sentiment plunges, price war, product quality/safety issues, raw material price hikes etc.
- **Revenue slightly missed, NP in line.** FY24 revenue was flat YoY, dragged by packaged water segment, which booked a 4.5% growth in retail sales, outpacing the industry's 2.5% (mkt share +0.4ppt to 18.8%), but ended up the year with a 3% decline in revenue due to both competitive pressures and network expansion necessitating price concessions to channels and outlets. Beverage revenue rose 31%, shy of the 40% guidance, impacted by weak consumer sentiment and capacity constraints. Net profit rose 23%, or 25% ex-listing costs, as self-owned capacity and lower raw material prices boosted gross margin by 2.7ppt to 47.3%.
- **Lifted self-owned capacity target to 70% by 2025.** The company's self-owned capacity proportion surged from 36% in FY23 to 50% in FY24. It aims to raise this to 70% by the end of the 14th Five-Year Plan period (2021-2025), up from the prior target of 60%. This signals a faster gross margin ramp-up in 2025 and sustained high capital expenditure.
- **Surprise in shareholder returns.** The company offers a 40% dividend payout ratio and has surprised the market with a 20% special dividend, contrary to expectations of prioritizing capital expenditure over dividend payout during the expansion stage. The company stated to maintain a stable dividend payout ratio going forward.

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25A	FY26E
Revenue (RMB mn)	13,515	13,521	14,414	15,538
YoY growth (%)	7.1	0.0	6.6	7.8
Net income (RMB mn)	1,329.3	1,636.7	2,028.7	2,405.8
EPS (RMB)	34.3	23.1	23.9	18.6
YoY growth (%)	0.66	0.79	0.98	1.16
Consensus EPS (RMB)	N/A	N/A	0.82	0.94
P/E (x)	19.8	16.7	13.5	11.4
P/B (x)	3.6	2.3	2.1	1.9
Div yield (%)	0.0	3.7	3.0	3.5
ROE (%)	21.3	18.0	17.2	18.3
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Self-owned water production volume



Source: Company data, CMBIGM estimates

BeiGene (ONC US) – First-ever quarterly GAAP profit marks major milestone

Rating: BUY **| TP:** US$359.47 (57% upside)

Analysts: Jill Wu/ Andy Wang

- **Investment thesis:** Sales of zanubrutinib remained strong. BeiGene reported product revenue of US$1.11bn in 1Q25 (+48% YoY, -1% QoQ), with zanubrutinib (Zanu) contributing US$792mn (+62% YoY, -4% QoQ). Adjusting for the US$30mn positive impact from seasonality and timing of customer order patterns in 4Q24, Zanu's underlying QoQ growth in 1Q25 was approximately +3%, which we consider strong given that the first quarter typically registers moderate sequential growth across the BTKi class. In the US, Zanu remains the class leader in new patient prescriptions for both first-line and R/R CLL, and became the top-selling BTKi by revenue in the US for the first time in 1Q25. Globally, Zanu's BTKi market share expanded to ~30% in 1Q25 (vs ~20% in 1Q24), while in the US it currently captures ~25% of new CLL prescriptions across all lines as of 4Q24, implying substantial upside for further share gains from other BTKis and alternative regimens.
- **Our view:** The first-ever quarterly GAAP profitability in 1Q25 marks a significant milestone. BeiGene reported GAAP operating income of US$11mn and GAAP net income of US$1mn, while non-GAAP operating profit reached US$139mn. This improvement was primarily driven by strong top-line growth and enhanced operating leverage. We remain confident in management's guidance for achieving GAAP operating income breakeven in FY25, underpinned by expected revenue growth to US$4.9–5.3bn (+29–39% YoY) and a moderate increase in operating expenses (+8–16% YoY).
- **Why do we differ**: We expect BeiGene to achieve significant R&D milestones in 2025. BGB-43395 (CDK4 inhibitor) has PoC data scheduled for release at the company's R&D Day on June 26. BeiGene is preparing to initiate Ph3 trials of BGB-43395. In hematology, Ph2 data for Sonrotoclax (Bcl-2i) in R/R MCL (global) and R/R CLL (China) are expected in 2H25. In addition, two Ph3 trials of Sonro in R/R MCL and R/R CLL are being initiated in 1H25. For BGB16673 (BTK CDAC), which is currently in a Ph3 trial in post-BTK/Bcl-2i CLL, BeiGene is also preparing a head-to-head Ph3 study versus pirtobrutinib in 2L CLL in 2H25. Furthermore, multiple assets are expected to reach PoC this year, including CDK4i, PanKRASi, B7H4 ADC, EGFR ADC, etc.
- **Valuation:** We maintain a positive outlook on BeiGene's earnings growth and R&D progress. We derive our target price of US$359.47 based on DCF valuation (WACC: 9.32%, terminal growth rate: 3.0%).

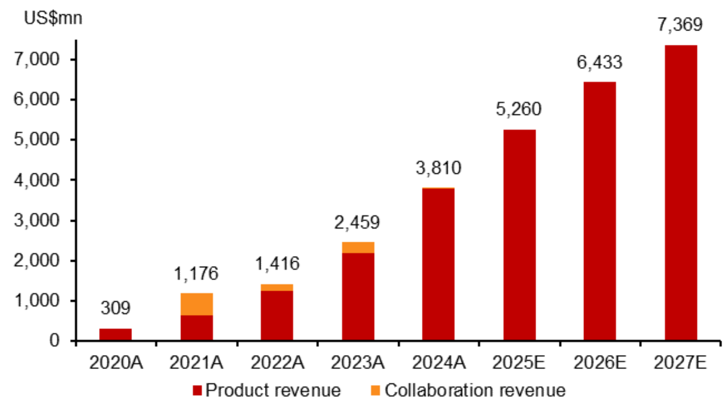
Link to latest report: **BeiGene (ONC US) –** First-ever quarterly GAAP profit marks major milestone

Financials and Valuations

(YE 31 Dec)	FY25E	FY26E	FY27E
Revenue (US$ mn)	5,260	6,433	7,369
YoY growth (%)	38	22	15
Net loss (US$ mn)	211	878	1,218
EPS (US$)	1.90	7.90	10.96
Consensus EPS (US$)	1.19	5.18	9.64
R&D expenses (US$ mn)	(2,104)	(1,994)	(2,137)
Capex (US$ mn)	(200)	(200)	(200)

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

Innovent (1801 HK) – Entering sustainable profitability with a global innovation engine

Rating: BUY **| TP:** HK$61.71 (17% upside)

Analysts: Jill Wu/ Andy Wang

- **Investment thesis:** To achieve sustainable profitability. Innovent recorded strong product sales growth of 44% YoY in FY24 to RMB8.23bn. Innovent achieved profitability ahead of schedule in FY24, realizing full-year non-IFRS net profit of RMB332mn and non-IFRS EBITDA profit of RMB412mn. In 1Q25, Innovent's product sales increased 20% QoQ to RmB2.4bn, achieving a record high quarterly result. Looking ahead to FY25, driven by strong product sales and improved operating efficacy, mgmt projects continued non-IFRS EBITDA profitability, even excluding the US$80mn upfront payment from the DLL3 ADC out-licensing deal with Roche.
- **Our view:** Next-generation IO plus ADC, advancing toward global leadership in oncology. We see significant synergies between the Company's next-generation IO (IBI363) and its expanding ADC portfolio (Claudin18.2 ADC, DLL3 ADC, bispecific ADCs, dual-payload ADCs and APCs). We think IBI363 (PD-1/IL-2) has the potential to become a blockbuster next-generation IO therapy, targeting IO-treated and cold tumors. Data updates are anticipated at ASCO meeting in Jun for NSCLC, CRC, melanoma, especially the PFS results from the 3mg/kg dose in IO-resistant sq-NSCLC - Innovent expects to initiate a Ph3 trial in this treatment setting this year. A Ph2 pivotal trial is underway comparing IBI363 to Keytruda in first-line IO-naïve melanoma. Furthermore, Innovent plans to initiate a Ph3 trial of IBI363 plus bevacizumab in third-line MSS CRC in 2025. Studies in the first-line treatment settings for the above-mentioned tumors are also ongoing. IBI343 (CLDN18.2 ADC) is expected to release updated data in PDAC at ASCO as well.
- **Why do we differ**: Innovent has emerging blockbuster pipeline in CVM and beyond. Key CVM pipelines include IBI3016 (AGT siRNA), IBI3032 (GLP-1 small molecule), IBI3012 (GIP/GLP-1/GCG), and IBI3030 (PCSK9-GLP-1/GCG/GIP). In oncology, IBI3001 (EGFR/B7H3 ADC) has global FIC potential, while IBI3020 (CEACAM5 dual-payload ADC) is expected to file IND in 1H25. Innovent targets five assets to enter Ph3 MRCTs by 2030, laying the foundation for globalization.
- **Valuation:** Driven by the anticipated near-term approval of mazdutide, continued profitability, and strong momentum across its innovative pipeline, we derive our target price of HK$61.71 based on DCF valuation (WACC: 9.32%, terminal growth rate: 3.0%).

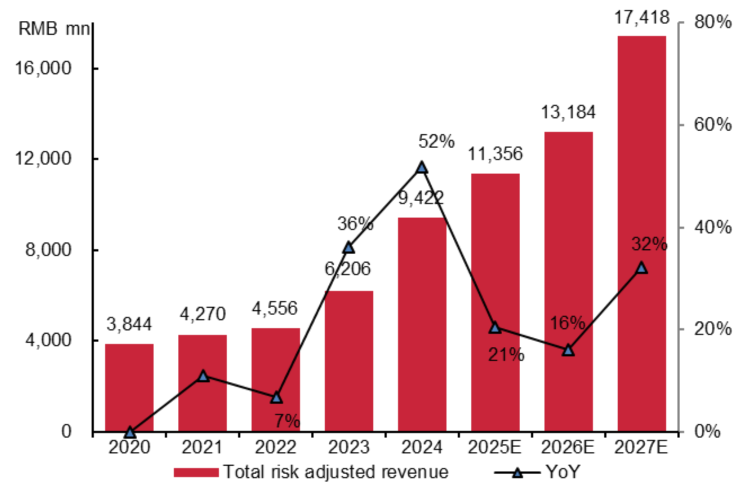
Link to latest report: Innovent Biologics (1801 HK) - Entering sustainable profitability with a global innovation engine

Financials and valuations

(YE 31 Dec)	FY25E	FY26E	FY27E
Revenue (RMB mn)	11,356	13,184	17,418
YoY growth (%)	20.5	16.1	32.1
Net profit (RMB mn)	446	757	2,053
EPS (RMB)	0.27	0.46	1.25
Consensus EPS (RMB)	0.21	0.79	1.55
R&D expenses (RMB mn)	(2,676)	(2,755)	(3,025)
Capex (RMB mn)	(300)	(300)	(300)

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

AIA (1299 HK) - Early completion of US$1.6bn buyback as a short-term catalyst

Rating: BUY **| TP:** HK$89.0 (35% upside)

Analyst: Nika Ma

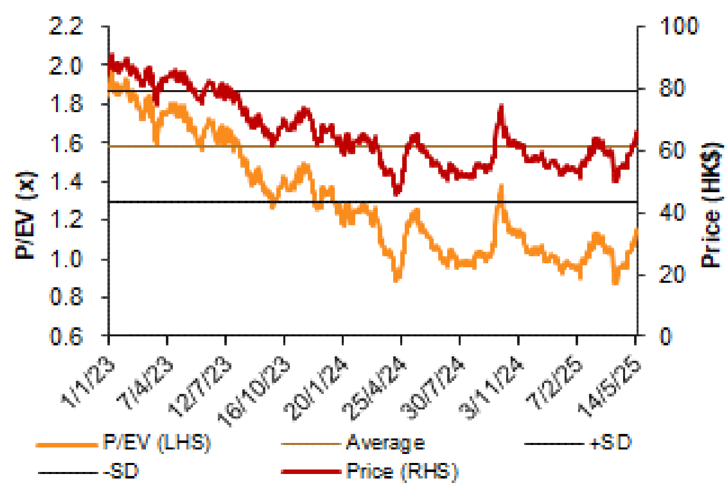
- **Investment Thesis:** We expect AIA to deliver decent VONB growth in 1H on top of a high prior-year base (+21%) underpinned by continued margin expansion for China's product transition to protection and participating-typed long-term savings and robust momentum in agency to contribute diverse VONB growth across ex-China markets. For AIA China/HK, we think the drag due to regulatory tightening and intense competitions in bancassurance and brokerage channels could still cloud value growth of the regions yet with gradually faded effects. Group capital position remained strong to support a total shareholder return at 6.2% in FY25E, with 3.3%/2.9% of dividend/buyback yields, in our view. The early completion of US$1.6bn buybacks by end-July could boost share price as a positive catalyst.
- **1Q25 VONB grew amid diversifications.** Group VONB jumped 13% YoY (CER) to US$1.5bn in 1Q25 thanks to continued margin expansions by 3.0pct to 57.5% and a 7% rise in ANP. Agency VONB rose in sales momentum of traditional and participating products to US$1.22bn (75% mix), up 21% YoY. Partnership VONB growth retreated to up 2% (vs 1Q24: +70%), affected by falling VONB of China bancassurance and HK IFA amid intensified competitions. For CN, VONB grew 8% like-for-like prior to the assumption adjustments, a beat to our expectation, as we concerned on margin pressure and a high base (vs 1Q24: +38%). CN VONB slid 7% YoY on an actual basis. HK VONB lifted 16% YoY with domestic and MCV segments rising on balance. Thailand VONB accelerated in 1Q25 as clients rushed to buy individual medical insurance ahead of the co-payment initiative that took effect from Mar 20. Malaysia VONB grew in bancassurance offset by a slowdown in agency. We expect Group VONB to rise in mid-teens in FY25E.
- **Maintain BUY with TP(unchanged) at HK$89.0.** The stock is now trading at 1.18x FY25E P/EV with 15.7% operating ROE, and 6.2% total shareholder return (TSR). Our TP based on appraisal value approach implies 1.6x FY25E P/EV.
- **Upside risk:** additional share buyback to announce amid interim results; higher-than-expected dividend growth; stronger-than-expected margin expansions, etc.
- **Downside risk:** prolonged interest rate down-cycle across operating markets; heightened FX and equity market volatilities; worse-off operating variances, etc.

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
OPAT (USD mn)	6,605	6,816	7,398	8,053
Operating EPS (USD)	0.60	0.66	0.73	0.81
Consensus EPS (USD)	N/A	0.66	0.72	0.81
P/EV (x)	1.32	1.18	1.08	0.99
P/B (x)	2.26	1.86	1.59	1.33
Dividend yield (%)	2.7	2.9	3.2	3.5
ROE (%)	16.2	15.7	15.0	14.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: AIA (1299 HK): share price and P/EV(x) valuation band



Source: Bloomberg, CMBIGM estimates

招银国际 CMB INTERNATIONAL

PICC P&C (2328 HK) – Optimized CoR props up earnings visibility

Rating: BUY **| TP:** HK$15.80 (5% upside) Analyst: Nika Ma

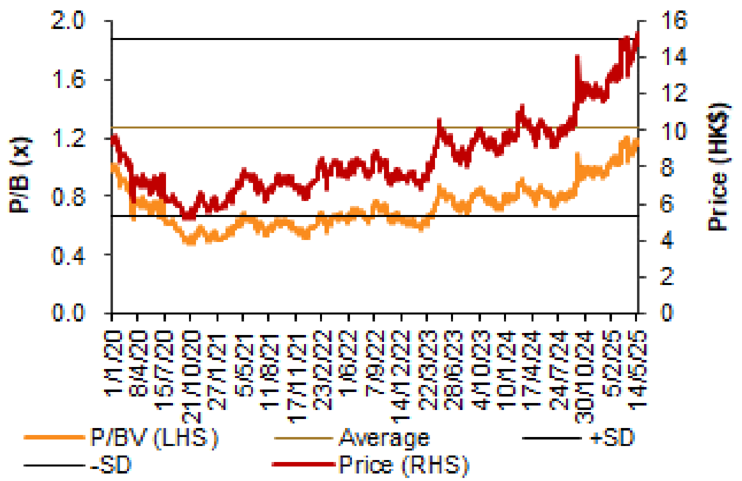
- **Investment Thesis:** PICC P&C reported a strong 1Q25 earnings alert, with net profit expected to surge 80%-100% YoY to RMB10.6bn-11.7bn, implying a QoQ upswing of 95.3%-117% vs 4Q24. 1Q25 net profit implied more than one-third (33%-37%) of last year's total net profit, driven by 1) a largely improved CoR with reduced catastrophic claims in 1Q25; and 2) optimized asset allocation structure shifting from FVTPL to FVOCI which helped smooth the volatilities from fair value movement to reach steady investment income growth amid market fluctuations.
- In FY25E, auto premiums could be driven by the rise of new vehicles sales and a higher penetration of NEVs, with avg. ticket per size to stabilize among peers. We expect full-year auto premium to grow around 5% and auto CoR to be 95.9% thanks to prudent expense mgmt. and higher mix of household vehicles (FY24: 74.3%). Non-auto CoR could trim faster than that of auto as the insurer would re-addresses on expense controls and determines to scale down the loss-making corporate lines as employer's liability insurance and credit insurance. We revise the non-auto CoR to 99.0%, with overall premium growth at ~6% YoY in FY25E.
- **Improved CoR enhances earnings visibility.** The mgmt. delivered strong CoR guidance of 1) auto/NEV CoR to be less than 96%/100%, and 2) non-auto CoR to be less than 99%. We expect FY25E CoR to be 97.1%, -1.7pct YoY, thanks to expense and loss ratio contractions. 1Q25 CoR could drop to below 95%, driven by significantly reduced NAT CAT claims in 1-2M25, as we mentioned in a recent note (*link*). UW profit could make up 34% of pre-tax profit in FY25 as we estimate.
- **Rising FVOCI assets leave a buffer to fair value movement.** The insurer has reallocated investment portfolio to FVOCI assets. In FY24, FVTPL/FVOCI assets comprised 18%/36% of total. Stocks in FVOCI/FVTPL and equity funds were up 40%/20%/stable YoY to make up 5.8%/1.4%/2.2% of total portfolio. Proportion to FVOCI stocks has been rising which leaves a buffer for fair value impact to NAV.
- **Maintain BUY with TP at HK$15.80.** The stock is now trading at FY25E 1.06x P/BV with 13.6% ROE and a yield at 4.9%. Our TP implies FY25E 1.19x P/BV.
- **Downside risks:** deteriorated CoR in 1H25; weaker-than-expected auto vehicle sales; prolonged low interest rate and increased stock market volatilities, etc.

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (RMB mn)	32,173	36,062	39,179	42,484
EPS (RMB)	1.45	1.62	1.76	1.91
Consensus EPS (RMB)	N/A	1.51	1.66	1.84
Combined ratio (%)	98.8	97.1	96.6	96.2
P/B (x)	1.19	1.12	1.05	0.98
Dividend yield (%)	3.9	4.7	5.1	5.5
ROE (%)	13.0	13.4	13.6	13.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P&C(2328 HK): share price and P/B(x) valuation band



Source: Bloomberg, CMBIGM estimates

Tencent (700 HK) – AI accelerates business growth

Rating: BUY | **TP:** HK$660 (28% upside)

Analysts: Saiyi He/Wentao Lu/Frank Tao

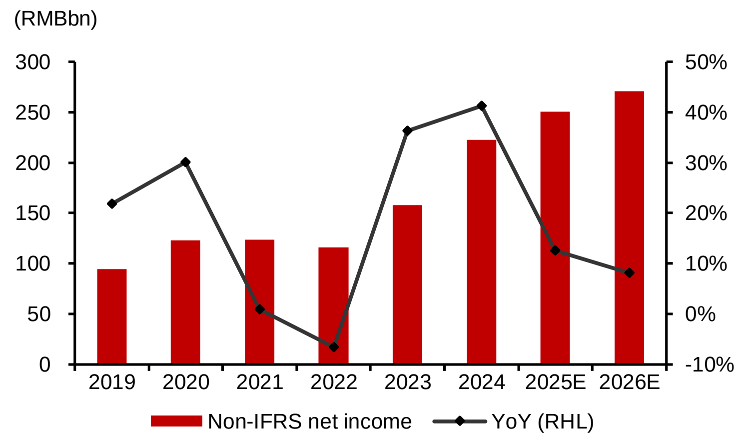
- **Investment Thesis:** Tencent's competitive edges remain solid. We expect Tencent to deliver sustainable earnings growth amid macro uncertainty. We expect: 1) higher-margin businesses like Video Account, Mini Games and e-commerce services will bring incremental monetization opportunities and support GPM expansion; 2) games revenue growth to maintain solid growth in 1H25E, backed by monetization revamp of key legacy titles and incremental contribution of new games; 3) step-up of AI investment will drive marketing and cloud business revenue growth.
- **Our View:** Tencent's 1Q25 total revenue was up by 13% YoY to RMB180.0bn, 3% ahead of Bloomberg consensus estimate thanks to strong growth of games/marketing revenue (+24/20% YoY); non-IFRS net income grew by 22% YoY to RMB61.3bn, 3% ahead of consensus estimate, primarily due to solid top-line performance and better-than-expected GPM expansion (+3.2ppt YoY). We are upbeat on Tencent's AI development, and expect AI will continue to support growth its different business lines.
- **Catalysts:** 1) step-up of AI investment to drive marketing and cloud business revenue growth; 2) enhanced Video Account monetization supports better-than-expected revenue growth and GPM expansion; 3) solid performance of legacy and new titles to drive stronger-than-expected game revenue growth.
- **Valuation:** Our SOTP-derived TP is HK$660.0, comprising HK$286.9/44.8/124.4/93.3/28.1 for games/SNS/ads/Fintech/cloud business and HK$8.2/74.2 for net cash/strategic investments.
- **Link to latest report:** Tencent (700 HK) - 1Q25 results beat; AI accelerates business growth

Financials and Valuations

(YE 31 Dec)	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	609,015	660,257	726,526	783,475
Gross margin (%)	48.1	52.9	55.1	55.6
Adj. net profit (RMB mn)	157,688	222,703	250,786	270,992
EPS (Adjusted) (RMB)	16.66	23.96	27.02	29.64
Consensus EPS (RMB)	16.66	23.96	26.33	29.42
Non-GAAP P/E (x)	28.7	19.9	17.4	15.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

Alibaba (BABA US) – Core earnings a nice beat; Cloud revenue growth has the potential to accelerate further

Rating: BUY **| TP:** US$155.5 (26% upside)

Analysts: Saiyi He/Frank Tao/Wentao Lu

- **Investment Thesis:** 1) Alibaba's fundamental is on improvement track, evidenced by in line with industry average GMV growth for Taobao & Tmall Group, expansion in take rate aided by incremental technological services fee charge and increase in adoption of Quanzhantui; 2) cloud business valuation has been more widely accepted by the market, and the rapid increase in inference demand has provided solid support for future cloud services revenue growth; 3) Alibaba is enhancing shareholder return through a holistic approach (ie, share buyback, dividend payout, support strategically important new business growth to drive long-term shareholder value improvement), which should support valuation rerating combined with the impact from increase in southbound fund flow post stock connect inclusion, in our view.

- **Our View:** We remain constructive on Alibaba's EBITA growth outlook in FY26E aided by increasing merchant adoption of Quanzhantui, and sooner-than-expected loss reduction from Alibaba International Digital Commerce Group (AIDC). For cloud, we are looking for a continuous acceleration in YoY revenue growth sequentially in 1Q, and believe Alibaba's investment to enhance its infrastructures and R&D capabilities should pave way for long-term growth. The stable and predictable shareholder return plan and incremental fund flow from southbound investors post stock connect inclusion both serve as support for valuation.

- **Catalysts:** 1) better-than-expected consumption recovery and better-than-expected monetization improvement and adj. EBITA growth of Taobao & Tmall Group in FY26; 2) better-than-expected cloud revenue growth aided by increase in inference demand post the reset of expectations to reasonable levels after results; and 3) positive update regarding fintech business investees.

- **Valuation:** SOTP-based valuation of US$155.5 translates into 15.7x FY26E PE.

- **Link to latest report**: Alibaba (BABA US) – Core earnings a nice beat; Cloud revenue growth has the potential to accelerate further

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	996,347	1,041,023	1,118,003	1,183,412
Adjusted net profit (RMB mn)	157,940.0	166,821.5	186,537.6	206,895.2
EPS (Adjusted) (RMB)	67.24	73.22	84.40	93.62
Consensus EPS (RMB)	N/A	73.84	82.66	89.79
P/E (x)	16.2	13.9	11.9	10.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Alibaba: SOTP valuation

#	Segment (USDmn)	Valuation method	Rev (USDmn)	Adj. EBITA post tax (USDmn)	P/E (x)	EV/S (x)	Val. Rmb mn	Val. US$m	$/share	Value split
1	Taobao and Tmall Group	8.0x FY26E P/E; 20% tax rate on adjusted EBITA	67,659	23,166	8.0		1,334,385	185,331	79.1	51%
2	International Digital Commerce Group	1.5x FY26E EV/S	21,785			1.5	235,280	32,678	14.0	9%
3	Local Services Group	1.0x FY26E EV/S	10,527			1.0	75,796	10,527	4.5	3%
4	Cainiao Smart Logistics Network Limited	Last round transaction value; 63.7% shareholding	12,800				47,380	6,581	2.8	2%
5	Cloud Intelligence Group	4.0x FY26E EV/S on revenue before intersegment elimination	19,816			4.0	570,693	79,263	33.8	22%
6	Digital Media and Entertainment Group	0.7x FY26E EV/S, inline with iQIYI trading EV/S	3,224			0.7	16,249	2,257	1.0	1%
7	All others	1.0x FY26E EV/S	23,371			1.0	159,856	22,202	9.5	6%
	Total Alibaba business						**2,439,638**	**338,839**	**144.7**	
INVESTMENTS										
1	Ant Group	Last round share buy back valuation; 33% share holding					187,143	25,992	11.1	
2	Others	Market valuation					74,895	10,402	4.4	
	Total investment (with 30% holding discount)								**10.9**	7%
	Total (US$mn)								**155.5**	
	#s of diluted ADS (mn)								2,342	

Source: Company data, CMBIGM estimates

Trip.com (TCOM US) – Entry point could appear post market correction

Rating: BUY **| TP:** US$70.0 (8% upside)

Analysts: Saiyi He/Frank Tao/Wentao LU

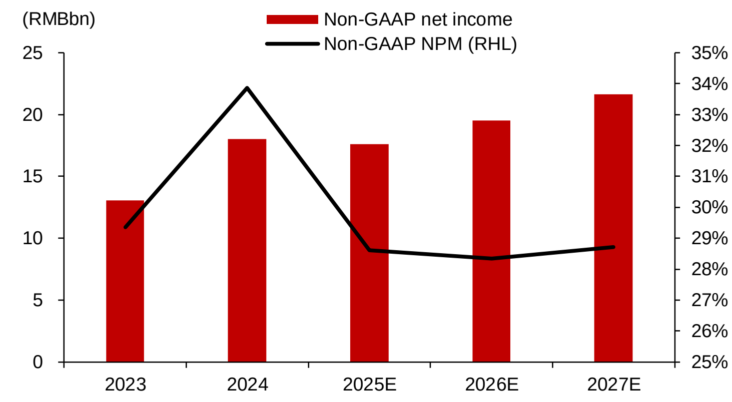
- **Investment Thesis:** 1) both domestic and outbound travel are showing resilient volume growth, and Trip.com could sustain higher than industry average revenue growth driven by its strong customer services and supply chain capability, in our view; 2) we are constructive on Trip.com's global expansion potential, especially in the Asian market, as the current online penetration remains low, and TCOM has established strong supply chain and customer services capabilities to aid business expansion.
- **Our View:** We are positive that TCOM can deliver upbeat financial results in the coming quarters aided by its continuously enhanced supply chain capabilities, as well as operating efficiency gains from domestic and outbound business.
- **Catalysts:** 1) better-than-expected outbound travel revenue growth; 2) better-than-expected earnings growth driven by both better-than-expected operating efficiency gains from domestic and outbound travel business aided by solid revenue growth, as well as driven by narrower-than-expected operating loss generated from pure international business aided by strict ROI target.
- **Valuation:** DCF-based valuation of US$70.0 translates into 20x FY25E PE.
- **Link to latest report**: Trip.com Group (TCOM US) – Entry point could appear post market correction

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	53,377	61,591	68,961	75,402
YoY growth (%)	19.8	15.4	12.0	9.3
Net profit (RMB mn)	17,067.0	15,563.3	17,412.6	19,521.2
Adjusted net profit (RMB mn)	18,041.0	17,595.8	19,515.9	21,632.4
YoY growth (%)	38.0	(2.5)	10.9	10.8
EPS (Adjusted) (RMB)	25.84	24.76	27.46	30.44
P/E (x)	16.0	17.5	15.7	14.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: TCOM: non-GAAP net profit



Source: Company data, CMBIGM estimates

Greentown Service (2869 HK) – Solid earnings against industry headwinds

Rating: BUY **| TP:** HK$6.13 (43% upside)

Analysts: Miao Zhang

- Greentown Service's revenue/core OP went up 11/26% YoY in 1H24, in-line with/beating market expectations buoyed by a stable parentco, robust third-party expansion, and a diversified VAS business. Core OPM expanded 1.2ppts YoY to 9.8%, resulting from a +0.6ppt GP margin hike and a 0.6ppt decrease in SG&A ratio attributable to efficient cost control. Amid intensified competition in third-party expansion, the company delivered steady conversion from parentco projects to mitigate headwinds. Despite a challenging industry environment, it still anticipates core OP growth >20% & cash growth >15% in 2024E. We like Greentown Service for its high independence, stable parentco, diversified VAS business and recovering cash flow.
- **1H24 revenue in-line, earnings beat.** Greentown Service delivered 10.6%/25.8% YoY growth in revenue/core OP in 1H24 (core OP= GP-SG&A), with rev. in line and core operating profit beating market expectation. This performance was driven by 1) steady growth of 14.6% YoY in Basic PM revenue; 2) positive growth in VAS to both owners and non-owners against the negative trends among peers, attributed to its robust parentco and diversified VAS business; 3) efficient cost management leading to a 0.6ppt improvement in GPM and 0.6ppt cut in SG&A ratio, which combined enhanced core OPM by 1.2ppts. Greentown Service lifted the guidance from >15% to >20% for full-year core OP growth. And the share incentive plan requires 60% growth over the next 3 years.
- **Parentco GFA conversion mitigates third-party competition pressure.** The net increase in managed GFA from Greentown Real Estate surged 227% YoY compared to -42% from third parties, leading to Greentown RE's contribution in managed GFA rising to 18.2% in 1H24 from 14.8%/15.7% in 1H23/FY23. Total managed GFA increased 16% YoY with new contracted value up 3%, representing a steady APS hike and solid conversion from reserved GFA.
- **Expect 15% cash growth in FY24E.** Broad cash balance reached RMB 4.3bn, down -12% YoY, due to 1) accounts receivable increasing 24% from end-2023 to RMB 6.3bn, impacted by economic headwinds affecting owners' payment capabilities and property fee collections concentrating at year-end, and 2) active share buybacks consuming funds. The company expects AR growth to decelerate in 2H24 and will continue with proactive share repurchases, anticipating a 15% YoY increase in cash on hand by the end of 2024.
- **Valuation:** Given Greentown Service's high independence, stable parentco, and diversified VAS business, we maintain BUY rating with TP of HK$ 6.13 to reflect a better outlook than peers'. The TP represents 25x 2024E P/E. Risks: AR impairment, intensified competition.

Financials and Valuations

(YE 31 Dec)	FY22A	FY23A	FY24A	FY25E
Revenue (RMB mn)	14,856	17,393	19,364	21,838
YoY growth (%)	18.2	17.1	11.3	12.8
Net income (RMB mn)	547.5	605.4	724.6	867.7
EPS (RMB)	0.17	0.19	0.23	0.27
YoY growth (%)	(35.4)	11.7	19.7	19.7
Consensus EPS (RMB)	N/A	N/A	0.24	0.29
P/E (x)	23.4	20.9	17.5	14.6
P/B (x)	2.2	2.1	2.1	2.0
Yield (%)	2.3	3.4	4.0	4.8
ROE (%)	7.7	8.3	9.7	11.4
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Managed GFA breakdown

Managed GFA breakdown (mn sqm)	2021	2022	2023	1H22	1H23	1H24
Total	**304.1**	**381.4**	**448.4**	**349.3**	**414.5**	**481.7**
from Greentown RE	49.3	56.1	70.4	50.6	61.3	87.7
from third parties	254.8	325.3	378.0	298.7	353.2	394.0
YoY		*25%*	*18%*		*19%*	*16%*
from Greentown RE		*14%*	*26%*		*21%*	*43%*
from third parties		*28%*	*16%*		*18%*	*12%*
Mix %						
from Greentown RE	16%	15%	16%	15%	15%	18%
from third parties	84%	85%	84%	86%	85%	82%
Net increase of managed GFA	**53.6**	**77.3**	**67.0**	**45.2**	**33.6**	**33.3**
from Greentown RE	5.4	6.8	14.3	1.4	5.3	17.3
from third parties	48.2	70.5	52.7	43.8	27.8	16.0
YoY	*41%*	*44%*	*-13%*		*-26%*	*-1%*
from Greentown RE	*25%*	*25%*	*111%*		*281%*	*227%*
from third parties	*43%*	*46%*	*-25%*		*-37%*	*-42%*
Mix %						
from Greentown RE	10.1%	8.8%	21.4%	3.1%	15.7%	51.9%
from third parties	89.9%	91.2%	78.6%	96.9%	84.3%	48.1%

Source: Company data, CMBIGM

Xiaomi (1810 HK) – Expect strong 1Q25 ahead; regained No.1 in China amid Apple weakness

Rating: BUY **| TP:** HK$59.99 (15% upside)

Analysts: Alex Ng/ Hanqing Li

▪**Investment Thesis:** Xiaomi is a global No.3 smartphone brand and smart hardware company connected by an IoT platform at its core. Xiaomi launched its first smart NEV in 2024, and we are positive on Xiaomi's unique "Human-car-home" ecosystem to drive NEV business upside.

▪**Our View:** We are positive on Xiaomi's FY25-26E outlook, 1) Smartphone: solid shipment guidance of 180mn, global share gains and improving mix, backed by its flagship models and expansion in LATAM/EMEA/SEA; 2) IoT: China subsidies, AI smart glasses and overseas expansion; and 3) Smart EV: strong backlog of SU7, launch of SUV YU7 and improving profitability. For Smart EV, we expect annual EV delivery of 360k units. Overall, we expect Xiaomi's adj. net profit to grow 46%/20% YoY in FY25/26E.

▪**Why do we differ vs consensus:** We are more positive on EV business profitability, resilient core business margin and improving operating efficiency.

▪**Catalysts:** Near-term catalysts include SoC chip launch, YU7 SUV launch, AI smart glasses, smartphone/AIoT share gains, overseas expansion and EV order/delivery/profitability updates.

▪**Valuation:** Our SOTP-based TP of HK$59.99 implies 36.1x FY25E P/E, which reflects Xiaomi's business diversification with different growth profiles and visibility.

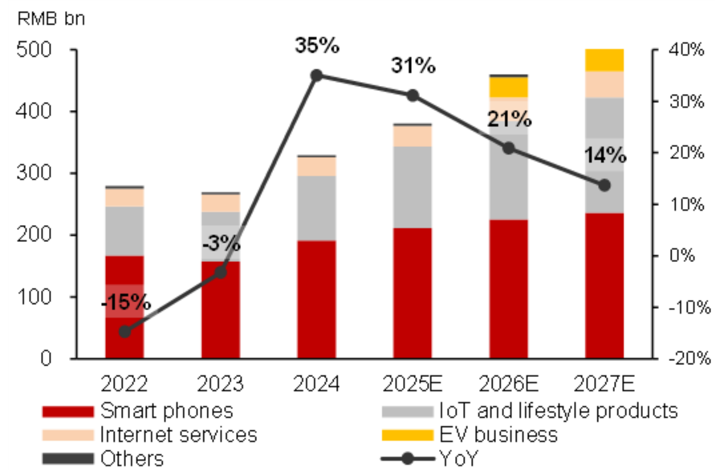
Link to latest report: Xiaomi (1810 HK) - 1Q25 Preview: Expect strong results ahead; regained No.1 in China amid Apple weakness

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	365,903	479,860	580,200	659,673
YoY growth (%)	35.0	31.1	20.9	13.7
Net profit(RMB mn)	27,235	39,881	47,760	57,062
YoY growth (%)	41.7	39.2	22.1	19.5
EPS (RMB)	1.10	1.53	1.86	2.23
Consensus EPS (RMB)	N/A	1.41	1.87	2.37
P/E (x)	42.8	30.7	25.2	21.1
P/B (x)	7.3	5.3	4.5	3.9
Yield (%)	N/A	N/A	N/A	N/A
ROE (%)	14.4	14.9	15.3	15.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Xiaomi's revenue trend



Source: Company data, CMBIGM estimates

BYDE (285 HK) – 1Q25 earnings flat YoY; 2025 positive outlook backed by auto/AI and limited tariff impact

Rating: BUY **| TP:** HK$43.22 (27% upside)

Analysts: Alex Ng/ Hanqing Li

▪**Investment Thesis:** BYDE is a global leader in platform-based high-end manufacturing, focusing on smartphone/NB, new intelligent product, auto intelligent system and medical devices. Its major clients include Apple, Xiaomi, Huawei/Honor, BYD and other OEM brands. We believe BYDE will benefit from iPhone AI cycle, stable Android flagship demand, high-end NEV products and AI server momentum in FY25E.

▪**Our View:** BYDE reported 1Q25 revenue/NP growth of 1%/2% YoY, driven by slight assembly growth and automotive double sales, partly offset by weaker smartphone components and new intelligent products softness. We estimate FY25E revenue/NP growth of 12%/28% YoY. Looking into 2Q25/2025, mgmt. guided positive outlook: 1) Consumer electronics: 2Q25 QoQ growth and flattish YoY with improving profitability in Chengdu plant; 2) Automotive: rapid growth driven by Parentco orders and new products ramp-up (suspension/ADAS); 3) Server: liquid cooling products (UQD, cold plate, manifold) passed Nvidia qualifications and overseas client expansion; revenue guidance of RMB 3-5bn maintained; 4) Robotics: extensive adoption of robotic arms in assembly lines in 2H25E; 5) Profitability: stable GPM across all segments and improving cost control on operating efficiency and lower interest expenses.

▪**Why do we differ vs consensus:** We are more positive on Jabil's acquisition synergies, NEV biz momentum and AI server biz outlook.

▪**Catalysts:** Near-term catalysts include Honor/Huawei/Xiaomi shipment, and NEV/AI server new product mass production.

▪**Valuation:** Our SOTP-based TP of HK$43.22 implies 16.2x FY25E P/E. We reiterate BUY given our positive view on BYDE's outlook in FY25E and improving revenue mix to drive GPM recovery in FY25/26E.

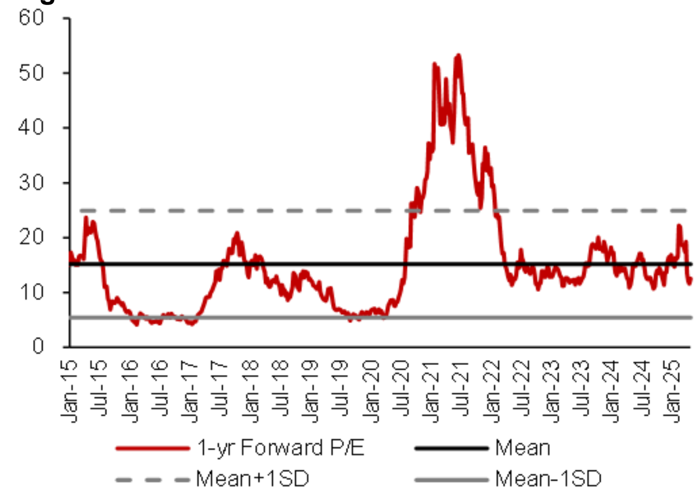
▪**Link to latest report:** BYDE (285 HK) - 1Q25 earnings flat YoY; 2025 positive outlook backed by auto/AI and limited tariff impact

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	177,306	199,303	226,426	246,790
YoY growth (%)	36	12	14	9
Net profit (RMB mn)	4,266	5,458	6,777	8,610
EPS (RMB)	1.89	2.42	3.01	3.82
YoY growth (%)	6	28	24	27
Consensus EPS (RMB)	N/A	1.89	2.43	3.10
P/E (x)	16.7	13.0	10.5	8.3
P/B (x)	2.6	2.4	2.1	1.8
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	13.2	15.1	16.5	18.3
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: BYDE's 12M forward P/E band



Source: Company data, CMBIGM estimates

Horizon Robotics (9660 HK): Leading domestic ADAS/AD solution provider set to gain grounds on "smart driving equality" theme

Rating: BUY | **TP:** HK$ 8.9 (19% upside)

Analysts: Lily Yang/ Kevin Zhang

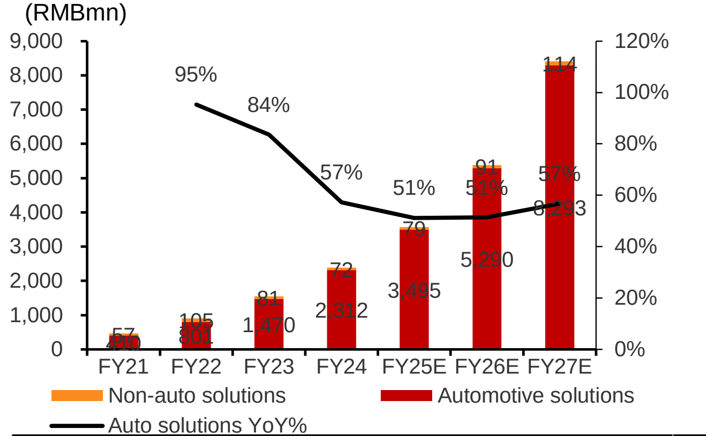
- **Investment thesis:** The auto industry is transitioning from electrification to intelligence, with rapid growth in ADAS/AD adoption. Although most vehicles are still below L2+, conditional automation features like NOA are now widely available. By 2030E, we believe ADAS/AD penetration will reach 98%, up from 56% in 2024. Key growth drivers include: 1) Chinese OEMs' proactive push for "smart driving equality," highlighted by BYD's 2025 "God's Eye" launch; 2) rising consumer acceptance for safety and efficiency benefits; and 3) ongoing product iteration reducing costs and improving commercialization. ADAS/AD market size is expected to grow from RMB33bn in 2024E to RMB101bn in 2028E (32% CAGR), with the advanced AD segment reaching RMB94bn (41% CAGR). Key players include AD specialists like Mobileye, Horizon Robotics, and Black Sesame, as well as general-purpose chipmakers and OEMs. Going forward, competition will focus on better E2E user experience and cost optimization, requiring sustained R&D investment.
- **Our view:** Horizon Robotics holds a 7.2% share of China's ADAS/AD market by value in 2024 and is well-positioned for growth. It stands to benefit from expanding ADAS/AD adoption, rising ASPs from higher-level autonomy, and continued market share gains. We forecast a 52% revenue CAGR from 2024–2027E, reaching RMB8.4bn in 2027E. Our TP is based on 21.5x 2030E P/E, slightly above peer averages, reflecting Horizon's leading position, stable operations, and broader customer base. Key assumptions include consistent margin performance, strong capacity utilization, and supply chain resilience through 2030E.
- **Risks:** Potential risks include 1) unfavorable gov't policies on vehicle autonomy, 2) slower-than-expected R&D, 3) supply chain uncertainties.
- **Valuation:** Rated BUY. Our TP of HK$8.9 is based on 21.5x 2030E P/E.
- **Link to relevant report:** Semiconductors - China's ADAS/AD players are set to gain ground at accelerated pace

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	2,384	3,574	5,381	8,407
YoY growth	53.6	50.0	50.5	56.2
GPM(%)	77.3	65.2	59.6	57.0
Net profit (RMB mn)	2,346.5	(2,216.0)	(1,398.2)	336.0
YoY growth	0.51	(0.17)	(0.11)	0.03
EPS(RMB)	2,384	3,574	5,381	8,407
P/S (x)	N/A	(20.1)	(14.3)	3.5

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue by segment



Source: Company data, CMBIGM estimates

Willsemi (603501 CH) – Robust 2025 start boosted by solid auto momentum

Rating: BUY **| TP:** RMB176 (37% upside)

Analysts: Lily Yang/ Kevin Zhang

- **Investment thesis:** We believe Willsemi is a true beneficiary of 1) AI apps proliferation among edge devices, 2) accelerating penetration of ADAS/AD features on smart vehicles and 3) localization trend of semiconductors. 1Q25 revenue was RMB6.5bn, up 15% YoY and down 5% QoQ on normal seasonality. The growth was largely driven by strong auto CIS demand from the accelerating "smart driving equality" trend. The favourable product mix (higher auto CIS sales) and better supply chain mgmt. improved GPM to 31.0% in 1Q (vs. 29.0%/27.9% in 4Q24/1Q24). NP increased to RMB866mn, up 55% YoY, from a low base in 1Q24, on margin recovery. We expect Willsemi's revenue to grow sequentially in the following quarters.
- **Our forecast:** We slightly revise down FY25 revenue forecast by 1.6%, reflecting lower mobile CIS sales. We lift our GPM projection by 1ppt to 33.1%, on better-than-expected margin recovery and stronger impact from a favourable product mix. NP is unaffected at RMB5.1bn. Our TP is based on the same 41x 2025E P/E, as we believe the company's strategic focus on the auto sector, alongside its strong presence in the mobile CIS space, will ensure long-term success on the global stage.
- **Risks:** Potential risks include 1) worsening China-US trade relations, 2) heightened geopolitical tensions, 3) slower-than-expected R&D
- **Valuation:** Maintain BUY, with TP of RMB176, corresponding to 41x 2025E P/E.
- **Links to relevant reports:**

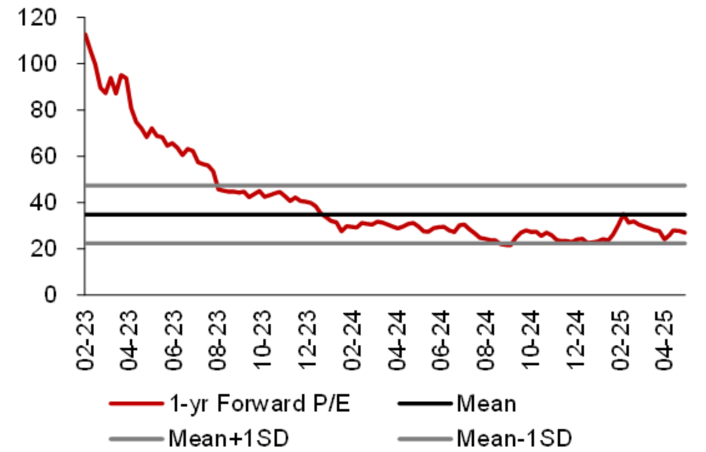
1. Willsemi (603501 CH) - Solid 1Q25 earnings driven by robust auto momentum; Maintain BUY
2. Willsemi (603501 CH) - True beneficiary of accelerating domestic AI innovation & autonomous driving penetration
3. Willsemi (603501 CH) - 3Q results in line with gradual recovery

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	25,731	32,142	40,728	51,020
YoY growth (%)	22.4	24.9	26.7	25.3
Gross margin (%)	29.4	33.1	35.4	36.2
Net profit (RMB mn)	3,323.2	5,094.6	7,308.5	9,425.0
YoY growth (%)	498.1	53.3	43.5	29.0
EPS (RMB)	2.77	4.25	6.09	7.86
P/E (x)	46.2	30.2	21.0	16.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

BaTeLab (2149 HK) – Key beneficiary amid China's analog IC localization

Rating: BUY **| TP:** HK$69.50 (54% upside)

Analysts: Lily Yang/ Kevin Zhang

- **Investment thesis:** BaTeLab is one of our top picks. With escalating uncertainty revolving geopolitical tension amid the tariff standoff between the US and China, we see an accelerated pace amid semi supply chain domestication in China, esp. within the analog IC segment. The analog IC segment has traditionally been dominated by overseas players, e.g., Texas Instruments, Analog Devices, etc., but we see a growing interest in domestic substitution. BaTeLab is one of the leading analog IC patterned wafer providers in China, focusing on the industrial-grade market. The company has developed the only full-stack design platform in China, integrating EDA, IP and design. The impact of latest tariffs on the Company is estimated to be minimal (all of BaTeLab's revenue is derived in mainland China).
- **Our view:** We like BeTeLab given its 1) 30% 2024-27E revenue CAGR, 2) high GPM and NPM, and 3) attractive valuation (currently trading at 11.7x 2025E P/E). **Risks:** 1) volatile economic conditions; 2) change in relationship with its core customers or suppliers; and 3) slower-than-expected introduction of new product categories.
- **Valuation:** Maintain BUY, with TP of HK$69.5, based on 18x rollover 2025E P/E.

Links to relevant reports:

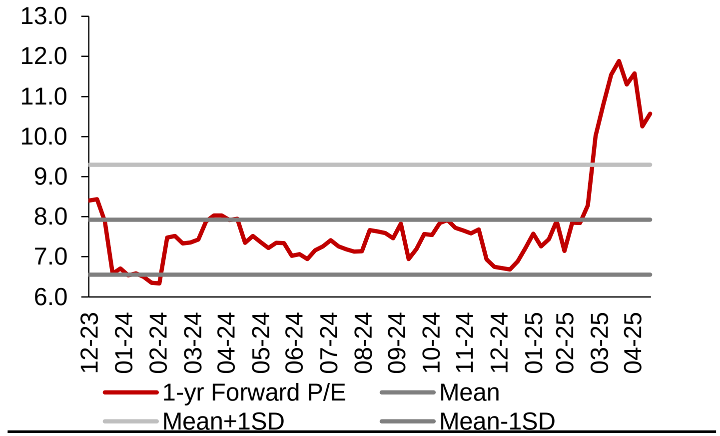
1. BaTeLab (2149 HK) - Record-high FY24 NPM of 28.8% underpins ability to maintain high margins
2. BaTeLab (2149 HK) - NDR takeaways
3. BaTeLab (2149 HK) - Strong 1H24 results signal brighter days ahead
4. BaTeLab (2149 HK) - Key domestic analog patterned wafer player well positioned to have multiple years of growth ahead

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	579	770	1,006	1,284
YoY growth (%)	24.8	33.0	30.8	27.6
Gross margin (%)	53.0	53.8	53.5	53.3
Net profit (RMB mn)	166.6	216.7	285.1	363.3
YoY growth (%)	52.6	30.1	31.5	27.4
EPS (RMB)	2.78	3.61	4.75	6.05
P/E (x)	15.2	11.7	8.9	7.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Naura (002371 CH) – Semi supply chain domestication and industry consolidation trends set to sustain in 2025, boosting overall outlook

Rating: BUY | **TP:** RMB512 (18% upside)

Analysts: Lily Yang/ Kevin Zhang

- **Investment thesis:** Naura announced key financials regarding its FY24/1Q25 earnings. FY24 revenue went up by 35.1% YoY to RMB29.8bn (3.3% below our estimate/in-line with consensus). The strong revenue growth was driven by technology breakthroughs in core product lines that enabled broader product coverage and supported continued market share gains. In FY24, net profit went up by 44.2% YoY to RMB5.6bn (3.2%/1.6 below our/ consensus). During the period, NPM improved to 18.8% (vs. 17.7% in FY23) on better operating efficiency. For 1Q25, the company's revenue increased by 37.9% YoY to RMB8.2bn, while net profit increased by 38.8% YoY to RMB1.6bn. GPM was 42.9%.
- **Our view:** Backed by continuous innovation and new product breakthroughs, we project the company to sustain steady market share gains. Management credited strong revenue growth to the successful commercialization and volume shipments of products such as CCP etchers, PECVD, and ALD vertical furnaces, which have expanded product coverage and competitiveness in China's SME segment. We believe China's semiconductor industry consolidation will accelerate in 2025, benefiting leading domestic players amid growing self-sufficiency efforts.
- **Risks:** 1) Lower-than-expected domestic foundry capex plan; 2) slower-than-expected R&D progress; 3) higher raw material costs, etc.
- **Valuation:** Maintain BUY, with TP of RMB512, based on 36x FY25E P/E

Links to relevant reports:

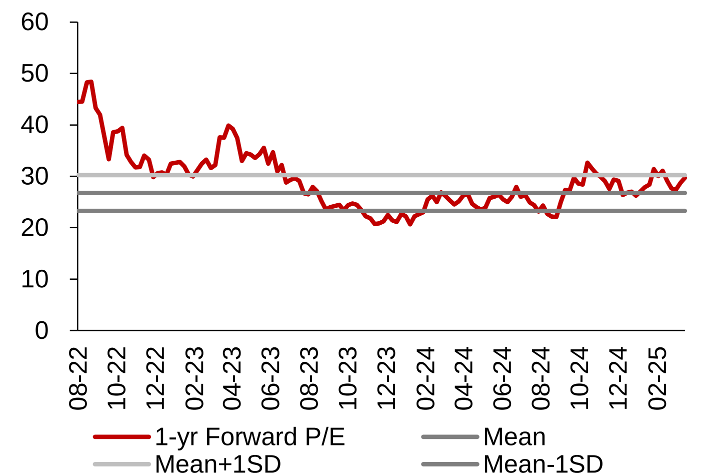
1. Naura Technology (002371 CH) - Solid FY24 earnings amid accelerated semi supply chain domestication
2. Naura Technology (002371 CH) - Solid Q3 earnings signal intact growth trajectory

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E
Revenue (RMB mn)	22,079	29,838	39,030	48,443
YoY growth (%)	50.3	35.1	30.1	24.1
Gross margin (%)	41.1	42.9	44.3	45.3
Net profit (RMB mn)	3,899.1	5,621.2	7,546.5	9,872.6
YoY growth (%)	65.7	44.2	34.3	30.8
EPS (RMB)	7.36	10.57	14.21	18.59
P/E (x)	58.3	40.7	30.2	23.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Salesforce (CRM US) – Strong Data Cloud & AI momentum

Rating: BUY **| TP:** US$388 (33% upside) Analysts: Saiyi He/Wentao Lu/Frank Tao

- **Investment Thesis:** Supported by Agentforce and Einstein, Salesforce is now one of the largest suppliers of enterprise AI in the world, with c.2tn Einstein transactions per week. We expect AI application to remain as the key investment theme in FY25 and Salesforce to be one of the key beneficiaries. The company's current valuation is attractive at 15x FY26E EV/EBITDA versus its peers and solid earnings growth outlook.

- **Our View:** Data Cloud & AI ARR reached US$900mn in 4QFY25, up by 120% YoY. Since its launch in Oct 2024, Agentforce has accumulated over 3,000 paid customers. The AI solution also drives cross-selling of its core and Data Cloud products. c.50% of Fortune 100 companies are both Data Cloud & AI customers of Salesforce, and all of the top 10 deals in 4QFY25 included Data Cloud. Management expected the Data Cloud & AI momentum to sustain in FY26E, but only assumed a modest revenue contribution of Agentforce in FY26E and a more meaningful revenue contribution in FY27E.

- **Catalysts:** 1) Improved monetization of AI solutions and solid sales momentum of Agentforce 2.0; and 2) enhanced margin outlook on efficiency improvement.

- **Valuation:** Our target price is US$388.0 based on 21x FY26E EV/EBITDA. Our target EV/EBITDA is at a discount to the sector average (23x).

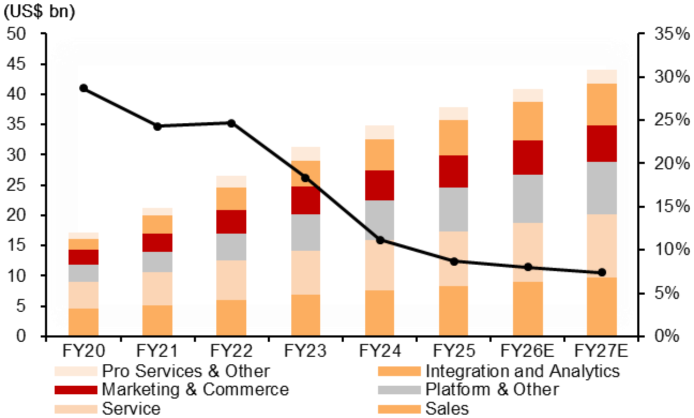
Link to latest report: Salesforce (CRM US) – Conservative guidance weighs on sentiment; strong Data Cloud & AI momentum

Financials and Valuations

(YE 31 Jan)	FY24A	FY25E	FY26E	FY27E
Revenue (US$ mn)	34,857	37,895	40,933	43,970
Adjusted NP (US$ mn)	8,087.0	9,930.0	10,990.8	12,237.5
YoY growth (%)	54.8	22.8	10.7	11.3
EPS (Adjusted) (US$)	8.30	10.32	11.30	12.58
Consensus EPS (US$)	8.30	10.32	11.20	12.75
P/E (x)	34.6	28.1	25.4	22.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Salesforce: revenue and YoY



Source: Company data, CMBIGM estimates

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