

Xiabu Xiabu (520 HK)

More time is needed to reform and recover

YTD 2023 performance of XBBX and Cou Cou were far below expectation, evidenced by weak SSS recovery rate and margins. Just because of its cheap valuation, we maintain BUY and cut TP to HK\$ 4.89, based on 15x FY24E P/E.

■ **1H23 results inline, but demand is still weak.** Group sales increased by 32% YoY to RMB 2.8bn and registered a profit of RMB 2mn (from losses of RMB 277mn last year) in 1H23, implying a 0.1% NP margin, both are inline with CMBI est. and the positive profit alert. GP margin slightly improved to 62.6%, which is a mixture of better input costs (e.g. lamb and beef tripe) and fall in ASP (for all brands). But the operating leverage generated from rental (+1%) and D&A (-13%) expenses were more than offset by a jump in staff costs (+24%). Even though sales for both brands had missed the original guidance mentioned back in Mar 2023, XBBX's performance in 1H23 was still relatively better, as the 29% sales increase was a result of 29% SSSG and 4% store count growth, while its seat turnover also jumped to 2.4x, from 1.9x last year. We do believe its reform was effective, because new stores' seat turnover is higher (at 2.7x) vs old stores (at 2.2x). On the other hand, Cou Cou was disappointing, perhaps due to consumption trade down and not so successful new products. Its 32% sales growth was driven by just 9% SSSG and 26% store count growth, the seat turnover was just at 2.1x, vs 1.9x last year. A dividend of RMB 0.028 per share was proposed in 1H23, same as last year, implying a about 2% yield if we assume a similar amount in 2H23E.

■ **FY23E guidance was revised down.** Management had delayed its target of 5% pre-tax margin from FY23E to FY24E and we do concur with their view, because: 1) Cou Cou brand was hit hard under the consumption trade down (evidenced by the negative SSSG and just 70%+ SSS recovery rate during Jun - Jul 2023), it would still take time for the new team to develop more successful new products, 2) XBBX might be relatively more resilient, but its operating leverage could still be lower-than-expected, as its SSS recovery rate (also at 70%+) was still low among its peers, 3) ASP may drop further, in order to attractive more traffic, (together with the menu upgrade in Sep 2023 and greater advertising and promotion to boost paid memberships) and that could become a drag to GP margin. All in all, we are now forecasting a 2.5x/ 2.2x seat turnover for XBBX/ Cou Cou and an about 2% NP margin in FY23E.

■ **Maintain BUY with TP of HK\$ 4.89.** The new TP is based on 15x FY24E P/E (unchanged). We revised down FY23E/ 24E/ 25E net profit forecasts by 50%/ 36%/ 27% to factor in: 1) slower-than-expected recovery and reforms and 2) less-than-expected store expansion. It is trading at 33x FY23E P/E and 12x FY24E P/E.

Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	6,147	4,725	6,244	8,148	10,032
YoY growth (%)	12.7	(23.1)	32.2	30.5	23.1
Operating profit (RMB mn)	(18)	(376)	119	448	662
Net profit (RMB mn)	(293.2)	(353.1)	116.4	316.4	456.7
EPS (Reported) (RMB cents)	(33.48)	(37.43)	12.00	32.61	47.07
YoY growth (%)	na	na	na	171.7	44.3
P/E (x)	na	na	32.8	12.1	8.4
P/B (x)	1.8	2.6	2.5	2.2	1.9
Yield (%)	0.8	1.5	1.7	3.6	5.8
ROE (%)	(13.7)	(20.6)	7.8	19.5	24.3
Net gearing (%)	42.9	16.6	16.1	20.9	28.1

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$4.89**
 (Previous TP) HK\$7.65)
Up/Downside **24.2%**
Current Price **HK\$3.94**

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Stock Data

Mkt Cap (HK\$ mn)	4,279.5
Avg 3 mths t/o (HK\$ mn)	45.5
52w High/Low (HK\$)	9.88/3.39
Total Issued Shares (mn)	1086.2
Source: FactSet	

Shareholding Structure

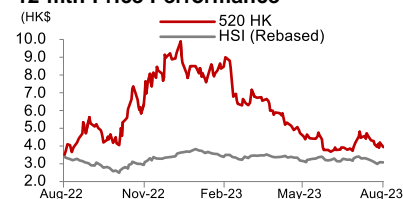
Ho Kuang-Chi	41.8%
CICC	13.7%
Source: HKEx	

Share Performance

	Absolute	Relative
1-mth	-6.9%	2.3%
3-mth	-16.7%	-14.8%
6-mth	-52.9%	-48.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **FY23E store opening target was trimmed, XBBB could outperform Cou Cou, relatively speaking.** Management had revised up gross opening target for XBBB to 140 (from 120) but also cut that for Cou Cou/ Shao Hot to 45 (from 70)/ 10 (from 20). Note that we do tend to be more conservative and now forecast a higher gross closure of stores in FY23E. On the other hand, overseas expansion shall continue, but management did highlight that the pace in Singapore could be slower, hence FY23E store opening target on overseas would be cut from 26 to 22.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	6,244	8,148	10,032	6,502	8,318	9,975	-4.0%	-2.0%	0.6%
Gross profit	3,885	5,095	6,273	4,046	5,201	6,237	-4.0%	-2.0%	0.6%
EBIT	227	564	787	367	815	1,043	-38.1%	-30.9%	-24.5%
Net profit att.	116	316	457	229	495	629	-49.2%	-36.0%	-27.3%
Diluted EPS (RMB)	0.107	0.291	0.420	0.211	0.455	0.578	-49.2%	-36.0%	-27.3%
Gross margin	62.2%	62.5%	62.5%	62.2%	62.5%	62.5%	0ppt	0ppt	0ppt
EBIT margin	3.6%	6.9%	7.8%	5.6%	9.8%	10.5%	-2ppt	-2.9ppt	-2.6ppt
Net profit att. margin	1.9%	3.9%	4.6%	3.5%	5.9%	6.3%	-1.7ppt	-2.1ppt	-1.7ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	6,244	8,148	10,032	7,485	9,308	11,500	-16.6%	-12.5%	-12.8%
Gross profit	3,885	5,095	6,273	4,616	5,745	7,360	-15.8%	-11.3%	-14.8%
EBIT	227	564	787	469	723	1,384	-51.7%	-22.0%	-43.1%
Net profit att.	116	316	457	292	486	665	-60.1%	-34.9%	-31.3%
Diluted EPS (RMB)	0.107	0.291	0.420	0.272	0.438	0.610	-60.5%	-33.5%	-31.1%
Gross margin	62.2%	62.5%	62.5%	61.7%	61.7%	64.0%	0.6ppt	0.8ppt	-1.5ppt
EBIT margin	3.6%	6.9%	7.8%	6.3%	7.8%	12.0%	-2.6ppt	-0.8ppt	-4.2ppt
Net profit att. margin	1.9%	3.9%	4.6%	3.9%	5.2%	5.8%	-2ppt	-1.3ppt	-1.2ppt

Source: Company data, CMBIGM estimates

Results Summary

Figure 3: Results review – half year

Half yearly / Full yearly (RMB mn)	1H22	2H22	1H23	2H23E	1H23 YoY	2H23E YoY	1H23E CMBIG M	Actual vs CMBIG M
Revenue	2,156	2,568	2,846	3,398	32%	32%	2,868	-1%
COGS	-811	-987	-1,065	-1,294			-1,067	
Gross profit	1,345	1,581	1,781	2,104	32%	33%	1,801	-1%
GP margins	62.4%	61.6%	62.6%	61.9%			62.8%	
Other income & gains	43	77	86	22			23	274%
Staff costs	-751	-802	-930	-929	24%	16%	-817	14%
Staff costs / sales	-34.8%	-31.2%	-32.7%	-27.3%			-28.5%	
Dep. of right-of-use assets expenses	-273	-289	-271	-301	-1%	4%	-258	5%
Dep. of ROU assets exp / sales	-12.6%	-11.2%	-9.5%	-8.8%			-9.0%	
Other rentals expenses	-134	-118	-139	-155	4%	31%	-161	-14%
Other rentals exp / sales	-6.2%	-4.6%	-4.9%	-4.6%			-5.6%	
D & A of other assets	-201	-201	-175	-219	-13%	9%	-192	-9%
D & A of other assets exp / sales	-9.3%	-7.8%	-6.1%	-6.4%			-6.7%	
Utilities expenses	-75	-102	-99	-132	31%	30%	-100	-2%
Utilities exp / sales	-3.5%	-4.0%	-3.5%	-3.9%			-3.5%	
Other opex	-172	-184	-195	-224	13%	22%	-201	-3%
Other opex / sales	-8.0%	-7.2%	-6.8%	-6.6%			-7.0%	
Operating profit (EBIT)	-218	-38	59	167	-127%	-538%	95	-37%
OP margins	-10.1%	-1.5%	2.1%	4.9%			3.3%	
Other items	-38	21	-9	-22			-23	
Net finance income	-44	-34	-44	-39			-43	1%
Net finance income / sales	-2.1%	-1.3%	-1.5%	-1.2%			-1.5%	
Profit after financing costs	-300	-51	7	106			29	
Associated coms	0	0	0	0			0	
Jointly controlled coms	0	0	0	0			0	
Pre-tax profit	-300	-51	7	106	-102%	-307%	29	-75%
Tax	25	-5	-5	16			-3	71%
Tax / sales	1.2%	-0.2%	-0.2%	0.5%			-0.1%	
Effective tax rate	-8.3%	9.9%	-69.9%	15.3%			-10.0%	
Minority interests	1	20	-0	8			3	-108%
Net profit att.	-277	-77	2	114	-101%	-249%	22	-89%
NP margins	-12.8%	-3.0%	0.1%	3.4%			0.8%	

Source: Bloomberg, Company data, CMBIGM estimates

Figure 4: Results review – full year

Half yearly / Full yearly (RMB mn)	FY22	FY23E	FY24E	FY23E YoY	FY24E YoY
Revenue	4,725	6,244	8,148	32%	31%
COGS	-1,799	-2,358	-3,053		
Gross profit	2,926	3,885	5,095	33%	31%
GP margins	61.9%	62.2%	62.5%		
Other income & gains	121	108	115		
Staff costs	-1,554	-1,859	-2,372	20%	28%
Staff costs / sales	-32.9%	-29.8%	-29.1%		
Dep. of right-of-use assets expenses	-561	-571	-649	2%	14%
Dep. of ROU assets exp / sales	-11.9%	-9.2%	-8.0%		
Other rentals expenses	-252	-293	-367	17%	25%
Other rentals exp / sales	-5.3%	-4.7%	-4.5%		
D & A of other assets	-402	-394	-428	-2%	9%
D & A of other assets exp / sales	-8.5%	-6.3%	-5.3%		
Utilities expenses	-177	-231	-301	30%	31%
Utilities exp / sales	-3.8%	-3.7%	-3.7%		
Other opex	-356	-418	-530	18%	27%
Other opex / sales	-7.5%	-6.7%	-6.5%		
Operating profit (EBIT)	-256	227	564	-189%	149%
OP margins	-5.4%	3.6%	6.9%		
Other items	-16	-31	-41		
Net finance income	-79	-83	-100		
Net finance income / sales	-1.7%	-1.3%	-1.2%		
Profit after financing costs	-351	113	424		
Associated coms	0	0	0		
Jointly controlled coms	0	0	0		
Pre-tax profit	-351	113	424	-132%	276%
Tax	20	11	-97		
Tax / sales	0.4%	0.2%	-1.2%		
Effective tax rate	-5.6%	10.0%	-23.0%		
Minority interests	22	7	10		
Net profit att.	-353	116	316	-133%	172%
NP margins	-7.5%	1.9%	3.9%		

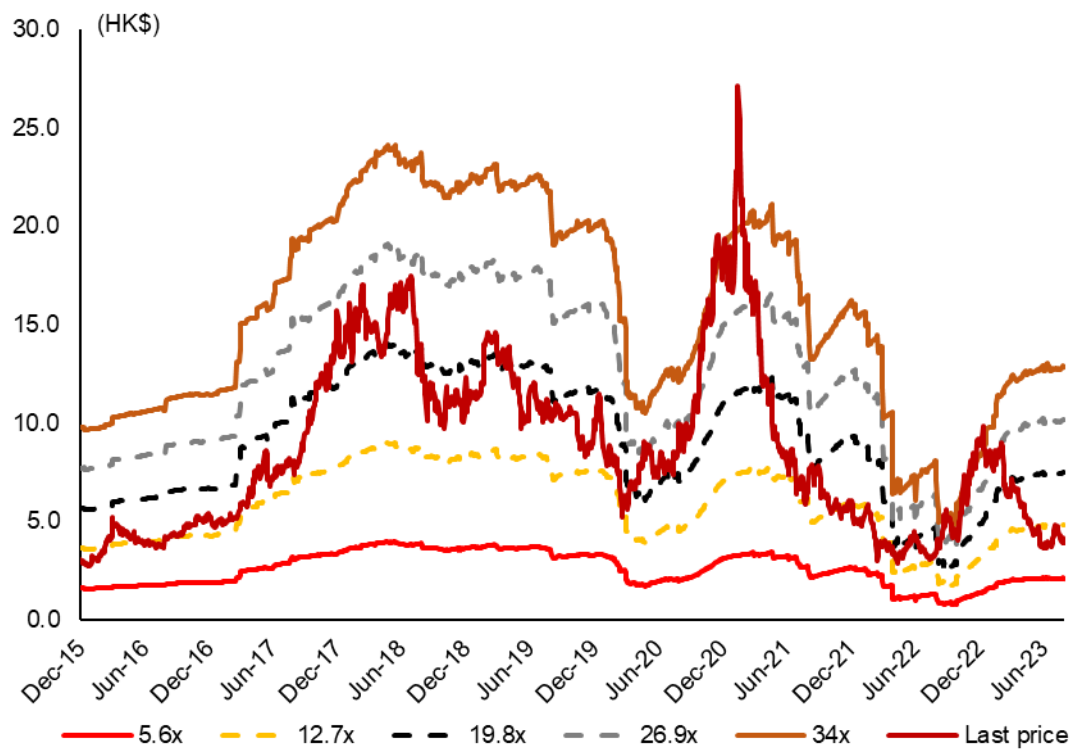
Source: Bloomberg, Company data, CMBIGM estimates

Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD per.(%)
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY1E	FY2E	FY2E	FY2E	FY1E	FY1E	FY1E
Leading Greater China Catering														
Xiabuxiabu	520 HK	BUY	4.89	3.94	24%	4,280	Dec-22	32.8	12.1	2.5	n/a	(0.2)	1.6	(55.3)
Jiumaojiu	9922 HK	BUY	15.46	13.22	17%	19,229	Dec-22	32.6	20.1	4.8	6.6	0.2	0.7	(36.6)
Haidilao	6862 HK	BUY	23.96	21.40	12%	119,284	Dec-22	29.2	23.9	10.2	17.9	0.5	0.9	(4.5)
Helens	9869 HK	NR	n/a	8.12	n/a	10,287	Dec-22	25.3	16.1	4.3	(68.1)	(0.1)	0.3	(45.2)
Cafe De Coral	341 HK	BUY	12.32	9.43	31%	5,523	Mar-23	17.7	13.0	1.9	3.9	0.3	5.4	(36.7)
Tam Jai	2217 HK	NR	n/a	1.53	n/a	2,052	Mar-23	13.9	9.6	1.4	9.1	0.6	2.2	(41.8)
Yihai	1579 HK	NR	n/a	16.36	n/a	16,960	Dec-22	17.5	15.2	3.1	18.3	1.4	1.7	(40.1)
Yum China	9987 HK	BUY	576.90	418.80	38%	174,074	Dec-22	24.8	20.6	3.1	11.4	0.6	1.0	(4.6)
Gourmet Master	2723 TT	NR	n/a	111.50	n/a	4,933	Dec-22	19.0	14.6	1.6	7.6	0.4	3.6	(26.4)
Avg.								23.8	15.7	3.4	(0.3)	0.4	1.8	(33.0)
Med.								25.0	14.9	2.8	7.6	0.3	1.3	(37.8)
International Catering														
Yum! Brands	YUM US	NR	n/a	130	n/a	285,213	Dec-22	24.7	21.9	n/a	n/a	1.9	1.9	1.3
McDonald's	MCD US	NR	n/a	285	n/a	1,627,049	Dec-22	24.7	22.9	n/a	n/a	1.4	2.2	8.0
Starbucks	SBUX US	NR	n/a	95	n/a	857,984	Oct-22	27.7	23.5	n/a	n/a	1.5	2.2	(3.7)
Rest. Brands	QSR US	NR	n/a	68	n/a	242,452	Dec-22	21.0	19.6	7.5	40.2	3.7	3.3	5.0
Chipotle Mexican	CMG US	NR	n/a	1877	n/a	406,197	Dec-22	43.3	35.7	17.2	45.3	1.7	0.0	35.3
Darden Rest.	DRI US	NR	n/a	156	n/a	147,923	May-23	17.9	16.1	8.0	44.6	1.8	3.3	12.8
Domino's	DPZ US	NR	n/a	381	n/a	104,822	Jan-23	27.8	24.2	n/a	n/a	2.4	1.3	9.9
Wendy's	WEN US	NR	n/a	20	n/a	33,134	Jan-23	20.5	18.0	12.9	47.0	1.4	5.0	(10.8)
Shake Shack	SHAK US	NR	n/a	70	n/a	23,202	Dec-22	257.1	170.5	7.1	(1.8)	(1.2)	n/a	68.4
Wingstop	WING US	NR	n/a	162	n/a	38,170	Dec-22	75	64.2	n/a	n/a	3.8	0.5	17.9
Jollibee Foods	JFC PM	NR	n/a	240	n/a	37,082	Dec-22	33.3	26.4	3.6	9.3	2.0	1.2	4.3
Avg.								52.1	40.3	9.4	30.8	1.9	2.1	13.5
Med.								27.7	23.5	7.7	42.4	1.8	2.0	8.0
H-shares Consumer Staples														
UPC	220 HK	NR	n/a	5.83	n/a	25,182	Dec-22	14.6	13.0	1.7	11.8	0.9	7.2	(25.4)
Tingyi	322 HK	NR	n/a	11.86	n/a	66,823	Dec-22	17.7	14.7	4.7	21.7	0.9	5.7	(12.0)
Want Want*	151 HK	NR	n/a	5.18	n/a	61,535	Mar-23	14.2	13.1	3.5	21.6	1.5	5.4	(0.8)
China Mengniu*	2319 HK	BUY	40.00	24.95	60%	98,302	Dec-22	14.7	12.7	2.0	13.8	1.1	2.0	(28.5)
Vitasoy	345 HK	NR	n/a	10.14	n/a	10,878	Mar-23	59.6	29.2	3.5	1.5	0.6	1.1	(36.9)
Nongfu Spring*	9633 HK	NR	n/a	42.70	n/a	480,224	Dec-22	45.8	39.3	16.2	37.9	3.7	1.6	(3.2)
Budweiser*	1876 HK	HOLD	18.60	16.76	11%	221,959	Dec-22	27.0	18.3	2.5	8.3	1.1	1.6	(31.7)
Tsingtao*	168 HK	BUY	92.90	66.90	39%	115,886	Dec-22	19.3	16.7	3.0	16.7	1.6	2.8	(12.6)
CR Beer*	291 HK	BUY	73.10	46.25	58%	150,043	Dec-22	26.0	21.4	4.5	17.9	1.4	1.5	(15.2)
Dali Foods	3799 HK	NR	n/a	3.73	n/a	51,079	Dec-22	14.8	13.5	2.3	15.8	3.1	3.9	6.6
Avg.								25.4	19.2	4.4	16.7	1.6	3.3	(16.0)
Med.								18.5	15.7	3.3	16.3	1.3	2.4	(13.9)

Source: Bloomberg, Company data, CMBIGM estimates, *covered by another analyst – Joseph Wong

Figure 6: Forward blended 12 months P/E band

Source: Bloomberg, CMBIGM estimates

Assumptions

Figure 7: CMBIGM assumptions

Major assumptions	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E
Sales by brand (RMB mn)						
XBXB	3,502	3,525	2,286	3,054	3,943	4,693
Cou Cou	1,689	2,354	2,206	2,945	3,949	5,069
Total	5,191	5,878	4,492	5,999	7,891	9,762
Sales growth by brand (%)						
XBXB	-25%	1%	-35%	34%	29%	19%
Cou Cou	41%	39%	-6%	34%	34%	28%
Total	-12%	13%	-24%	34%	32%	24%
Number of restaurants						
XBXB	1,061	841	801	867	977	1,082
Cou Cou	140	183	224	266	333	395
Total	1,201	1,024	1,025	1,133	1,310	1,477
Number of restaurants growth (%)						
XBXB	4%	-21%	-5%	8%	13%	11%
Cou Cou	37%	31%	22%	19%	25%	19%
Total	7%	-15%	0%	11%	16%	13%
Seat turnover (x)						
XBXB	2.3	2.0	2.5	2.6	2.7	2.7
Cou Cou	2.5	2.5	1.9	2.2	2.4	2.5
ASP (RMB)						
XBXB	62	63	64	60	61	62
Cou Cou	137	141	151	146	147	150
Sales per store (RMB mn)						
XBXB	3.3	4.2	2.8	3.5	4.0	4.3
Cou Cou	12.1	12.9	10.1	11.1	11.8	12.8
Sales per store growth (%)						
XBXB	-29%	28%	-32%	24%	15%	8%
Cou Cou	2%	7%	-22%	10%	7%	8%
GP margins	61.9%	61.9%	62.2%	62.5%	62.5%	62.5%
Staff costs	-29.8%	-32.9%	-29.8%	-29.1%	-28.8%	-28.1%
Rental and related expenses	-4.8%	-5.3%	-4.7%	-4.5%	-4.5%	-4.5%
Depreciation of ROU assets	-9.5%	-11.9%	-9.2%	-8.0%	-7.7%	-7.3%
D & A of other assets	-7.6%	-8.5%	-6.3%	-5.3%	-4.8%	-4.5%
Utilities expenses	-3.3%	-3.8%	-3.7%	-3.7%	-3.7%	-3.7%
Other expenses	-7.2%	-7.5%	-6.7%	-6.5%	-6.5%	-6.5%
Effective tax rate	33%	-6%	10%	-23%	-25%	-25%
NP att. margin	-5%	-7%	2%	4%	5%	6%
NP att. growth (%)	-16061%	20%	-133%	172%	44%	47%

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	5,455	6,147	4,725	6,244	8,148	10,032
Cost of goods sold	(2,130)	(2,341)	(1,799)	(2,358)	(3,053)	(3,759)
Gross profit	3,325	3,806	2,926	3,885	5,095	6,273
Operating expenses	(3,277)	(3,824)	(3,302)	(3,767)	(4,646)	(5,610)
Staff costs	(1,478)	(1,830)	(1,554)	(1,859)	(2,372)	(2,888)
Other rental related expenses	(817)	(884)	(813)	(865)	(1,015)	(1,220)
Others	(982)	(1,110)	(936)	(1,043)	(1,259)	(1,503)
Operating profit	48	(18)	(376)	119	448	662
Other income	160	93	111	97	103	106
EBITDA	617	541	136	610	979	1,248
Depreciation	0	0	0	0	0	0
Depreciation of ROU assets	(597)	(586)	(561)	(571)	(649)	(768)
Goodwill amortisation	0	0	0	0	0	0
Other amortisation	(409)	(467)	(402)	(394)	(428)	(479)
EBIT	219	86	(256)	227	564	787
Interest income	11	11	10	11	13	18
Net Interest income/(expense)	11	11	10	11	13	18
Others	(152)	(299)	(95)	(114)	(140)	(162)
Pre-tax profit	67	(214)	(351)	113	424	625
Income tax	(56)	(69)	20	11	(97)	(156)
After tax profit	11	(283)	(331)	124	326	469
Minority interest	(10)	(10)	(22)	(7)	(10)	(12)
Net profit	2	(293)	(353)	116	316	457

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	2,218	1,996	1,532	1,885	2,373	2,949
Cash & equivalents	1,097	921	301	302	422	629
Restricted cash	0	0	0	0	0	0
Account receivables	392	395	265	436	569	700
Inventories	691	599	614	795	1,030	1,268
Other current assets	38	82	352	352	352	352
Non-current assets	3,562	2,955	2,778	2,744	2,803	2,844
PP&E	1,297	1,053	961	928	987	1,028
Right-of-use assets	1,972	1,638	1,417	1,417	1,417	1,417
Intangibles	2	2	2	2	1	1
Other non-current assets	292	262	398	398	398	398
Total assets	5,780	4,951	4,310	4,629	5,176	5,792
Current liabilities	1,979	1,768	1,775	2,030	2,344	2,657
Short-term borrowings	20	76	59	59	59	59
Account payables	1,045	855	786	1,041	1,355	1,668
Tax payable	0	0	0	0	0	0
Other current liabilities	914	838	930	930	930	930
Non-current liabilities	1,482	1,214	1,078	1,085	1,095	1,107
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	1,482	1,214	1,078	1,085	1,095	1,107
Total liabilities	3,461	2,982	2,852	3,115	3,439	3,764
Share capital	0	0	0	0	0	0
Retained earnings	0	0	0	26	216	467
Other reserves	2,319	1,969	1,458	1,488	1,521	1,560
Total shareholders equity	2,319	1,970	1,458	1,514	1,737	2,028
Minority interest	0	0	0	0	0	0
Total equity and liabilities	5,780	4,951	4,310	4,629	5,176	5,792

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	219	86	(256)	227	564	787
Depreciation & amortization	398	456	392	383	415	461
Tax paid	(113)	(58)	9	11	(97)	(156)
Change in working capital	28	12	(40)	(97)	(53)	(56)
Others	738	553	777	(2)	(21)	(44)
Net cash from operations	1,270	1,049	882	523	807	992
Investing						
Capital expenditure	(405)	(439)	(401)	(375)	(489)	(502)
Acquisition of subsidiaries/ investments	89	21	(363)	(4)	(5)	(6)
Others	(58)	(122)	(10)	0	0	0
Net cash from investing	(374)	(539)	(774)	(378)	(494)	(508)
Financing						
Dividend paid	(80)	(60)	(60)	(60)	(93)	(166)
Net borrowings	20	56	(17)	0	0	0
Proceeds from share issues	0	(12)	(90)	0	0	0
Share repurchases	8	6	1	0	0	0
Others	(515)	(673)	(566)	(83)	(100)	(112)
Net cash from financing	(566)	(683)	(732)	(143)	(193)	(278)
Net change in cash						
Cash at the beginning of the year	785	1,097	921	301	302	422
Exchange difference	(18)	(3)	4	0	0	0
Others	330	(174)	(624)	1	120	206
Cash at the end of the year	1,097	921	301	302	422	629
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Revenue	(9.5%)	12.7%	(23.1%)	32.2%	30.5%	23.1%
Gross profit	(12.6%)	14.5%	(23.1%)	32.8%	31.1%	23.1%
Operating profit	(91.2%)	na	na	na	277.4%	47.7%
EBITDA	(32.8%)	(12.3%)	(74.8%)	347.5%	60.6%	27.5%
EBIT	(63.7%)	(60.9%)	na	na	148.6%	39.6%
Net profit	(99.4%)	na	na	na	171.8%	44.3%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Gross profit margin	61.0%	61.9%	61.9%	62.2%	62.5%	62.5%
Operating margin	0.9%	(0.3%)	(8.0%)	1.9%	5.5%	6.6%
EBITDA margin	11.3%	8.8%	2.9%	9.8%	12.0%	12.4%
Return on equity (ROE)	0.1%	(13.7%)	(20.6%)	7.8%	19.5%	24.3%
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Net debt to equity (x)	0.5	0.4	0.2	0.2	0.2	0.3
Current ratio (x)	1.1	1.1	0.9	0.9	1.0	1.1
Receivable turnover days	27.8	23.3	25.5	25.5	25.5	25.5
Inventory turnover days	120.2	100.5	123.1	123.1	123.1	123.1
Payable turnover days	59.2	46.1	50.1	50.1	50.1	50.1
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
P/E	1,945.3	(11.8)	(10.5)	32.8	12.1	8.4
P/E (diluted)	1,945.3	(11.8)	(10.5)	32.8	12.1	8.4
P/B	1.6	1.8	2.6	2.5	2.2	1.9
P/CFPS	6.2	7.4	4.3	6.8	4.4	3.6
Div yield (%)	1.0	0.8	1.5	1.7	3.6	5.8
EV	3,199.4	3,434.1	4,037.5	4,036.8	3,917.0	3,711.5
EV/Sales	0.6	0.6	0.9	0.6	0.5	0.4
EV/EBIT	14.6	40.1	(15.8)	17.8	6.9	4.7
EV/EBITDA	5.2	6.3	29.6	6.6	4.0	3.0

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

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