

Atour Lifestyle (ATAT US)

Remain cautiously optimistic after a solid 2Q23

2Q23 result was a beat and FY23E guidance was raised. With the tracking trend in 3Q23E, we are still optimistic about hospitality sector and expect Atour to outperform, driven by its attractive price range and leading customer satisfaction. However, we should stay cautious about macro risks and investors should exit if it continues to deteriorate.

■ **2Q23 result beats expectation.** In 2Q23, Atour's sales increased by 112% YoY to RMB 1.1bn, 8% above CMBI/ BBG est., and net profit rocketed by 289%, beating CMBI/ BBG est. by 22%/ 19%, mainly due to: 1) stronger-than-expected RevPAR recovery rate and the associated operating leverage and 2) robust retail business sales and its GP margin expansions. The Company also proposed a DPS of about US\$ 0.05 (or about US\$ 21mn as a whole), representing a payout ratio of around 9%.

■ **FY23E guidance raised as RevPAR recovery rate improved to 122% in Jul 2023.** RevPAR in 2Q23 was at RMB 384, consisted of an ADR of RMB 475 and OCC of 77%. The RevPAR recovery rate (vs 2019) was at 115%, declined slightly from 118% in 1Q23, which was supported mostly by ADR (recovery rate at 110%) than the OCC (3ppt higher than the 2Q19 level). By months, RevPAR recovery rate were at 120%/ 108%/ 117% in Apr/ May/ Jun 2023. According to management, it has improved to 122% (ADR reached RMB 500+ and OC surged up to 84%+) and the trend so far in Aug 2023 is still fairly resilient. Moreover, the Company had raised its FY23E RevPAR recovery rate guidance to 113%- 117% (from 110%-115%), which, in our view, is effectively implying a 112%/ 105% for 3Q23E/ 4Q23E. As a result, the Company is now aiming for 72%-76% sales growth in FY23E (from 60%-64%) and we think the case is similar for the profits. Hence, we are now revising up our adj. EBITDA/ adj. net profit estimates to about RMB 1,138mn/ RMB 778mn in FY23E.

■ **Retail business growth was booming with great margins.** For 2Q23, retail business sales was at around RMB 247mn, representing a 222% YoY increase. We believe this was mainly due to: 1) rise in popularity of its pillow and duvet products (newly introduced in Mar 2023) and 2) robust sales on higher GP margin e-commerce channel (GP margin at 50%+/ 30%+ for online/ offline), esp. during the entire 618 festival. Management also raised its guidance for retail business sales to about RMB 650mn-700mn and expecting GP margin to further improve with e-commerce sales mix.

■ **Maintain BUY and raise TP to US\$23.91.** We raised FY23E/ 24E/ 25E net profit by 10%/ 10%/ 6%, in order to factor in the better-than-expected RevPAR growth, operating leverage and retail business. Our new TP is based on 35x FY23E P/E (unchanged), about 13% premium over its peers' average of 31x, well supported by its faster than peers' sales and EBITDA growth. It is trading at 30x FY23E P/E and 16x EV/ EBITDA, not demanding in our view.

Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	2,148	2,263	3,924	5,125	6,503
YoY growth (%)	37.1	5.4	73.4	30.6	26.9
EBITDA (RMB mn)	299	261	971	1,425	1,935
Net profit (RMB mn)	139.7	96.1	617.8	1,002.0	1,395.2
EPS (Reported) (RMB)	0.45	0.77	4.72	7.65	10.66
YoY growth (%)	83.2	71.8	511.7	62.2	39.2
P/E (x)	na	180.4	29.5	18.2	13.1
EV/EBITDA (x)	157.1	63.9	16.4	10.4	6.9
Yield (%)	na	0.0	0.0	0.1	0.1
ROE (%)	24.7	11.0	42.2	45.8	42.7

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price US\$23.91
 (Previous TP US\$21.83)
Up/Downside 18.7%
Current Price US\$20.15

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	7,689.2
Avg 3 mths t/o (US\$ mn)	6.9
52w High/Low (US\$)	NA/NA
Total Issued Shares (mn)	381.6
Source: FactSet	

Shareholding Structure

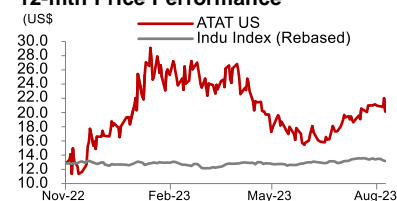
Mr. Haijun Wang	31.0%
Legend Capital	24.7%
Source: Bloomberg	

Share Performance

	Absolute	Relative
1-mth	5.9%	7.3%
3-mth	10.7%	7.6%
6-mth	-15.3%	-17.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Recent reports

[Atour Lifestyle \(ATAT US, Initiation\) – Top-rated & fast-growing with the right strategy](#)
 (27 Jun 23)

- **Hotel opening target unchanged but the potential is growing bigger (esp. for Atour light).** Atour has opened 36/ 66 new hotels in 1Q23/ 2Q23, implying a 24% YoY increase in 1H23, which is on track to achieve the unchanged target of 280 new hotels in FY23E. Atour signed 94/ 180+ new contracts in 1Q23/ 2Q23 and hotels under development surged by 52% YoY to 523 in 1H23. We believe the demand in 2H23E could still be huge. Additionally, the Atour Light 3.0 version was launched in Feb 2023 and was highly successful. Thanks to its highly affordable price range of RMB 300 to 400 and its trendy style and youthful vibe, 3 hotels out of 4 had recorded full booking just one week after their openings. And for the franchisee, the return is attractive enough too, supported by low capex per room (at RMB 105K) and short payback period (around 3 to 4 years). Hence, while management reiterated the mid-target of 250-300 for Atour Light by FY25E, they have become even more optimistic on its potential in the long run (may exceed 1,000 stores by FY30E).

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	3,924	5,125	6,503	3,681	4,736	6,017	6.6%	8.2%	8.1%
Gross profit	1,599	2,180	2,870	1,468	1,949	2,624	8.9%	11.9%	9.4%
EBIT	886	1,334	1,857	804	1,214	1,750	10.2%	9.9%	6.1%
Net profit att.	615	999	1,391	562	910	1,314	9.6%	9.7%	5.9%
Diluted EPS (RMB)	4.718	7.658	10.670	4.307	6.980	10.073	9.6%	9.7%	5.9%
Gross margin	40.8%	42.5%	44.1%	39.9%	41.1%	43.6%	0.9ppt	1.4ppt	0.5ppt
EBIT margin	22.6%	26.0%	28.6%	21.8%	25.6%	29.1%	0.7ppt	0.4ppt	-0.5ppt
Net profit att. margin	15.7%	19.5%	21.4%	15.3%	19.2%	21.8%	0.4ppt	0.3ppt	-0.4ppt

Source: Company data, CMBIGM estimates

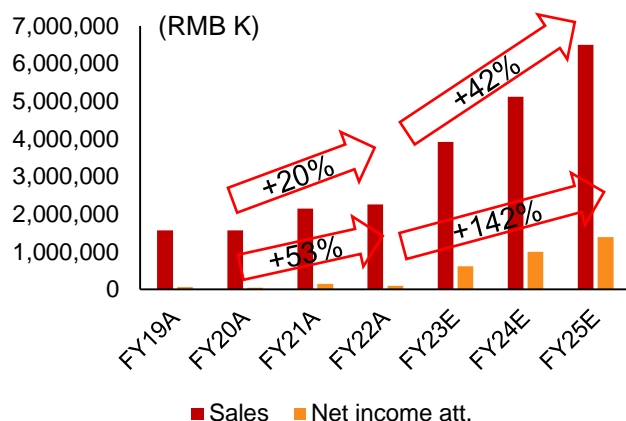
Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	3,924	5,125	6,503	3,839	4,961	6,210	2.2%	3.3%	4.7%
Gross profit	1,599	2,180	2,870	1,561	2,117	2,757	2.4%	3.0%	4.1%
EBIT	886	1,334	1,857	826	1,301	1,665	7.3%	2.5%	11.5%
Net profit att.	615	999	1,391	555	1,009	1,312	11.0%	-1.0%	6.1%
Diluted EPS (RMB)	4.718	7.658	10.670	4.362	6.471	7.883	8.2%	18.3%	35.4%
Gross margin	40.8%	42.5%	44.1%	40.7%	42.7%	44.4%	0.1ppt	-0.1ppt	-0.3ppt
EBIT margin	22.6%	26.0%	28.6%	21.5%	26.2%	26.8%	1.1ppt	-0.2ppt	1.7ppt
Net profit att. margin	15.7%	19.5%	21.4%	14.4%	20.3%	21.1%	1.2ppt	-0.8ppt	0.3ppt

Source: Company data, CMBIGM estimates

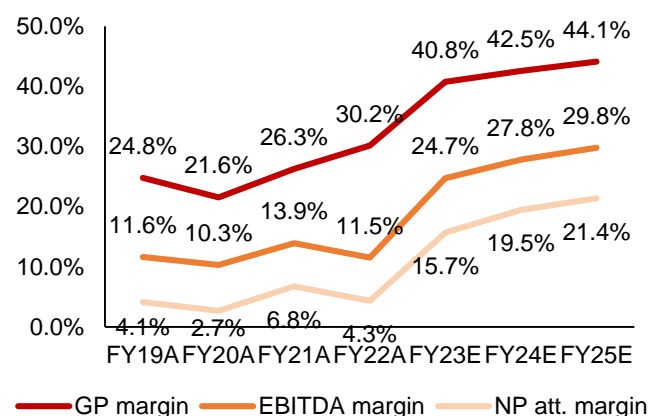
Focus Charts and Tables

Figure 3: Sales and net profit att. (yearly)



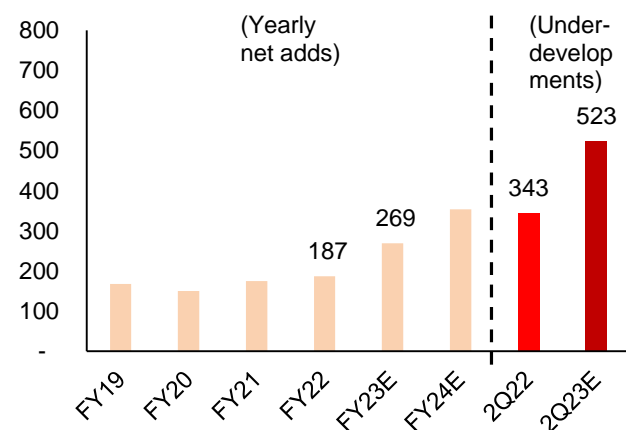
Source: Company data, CMBIGM estimates

Figure 4: GP/ EBITDA/ NP att. margin (yearly)



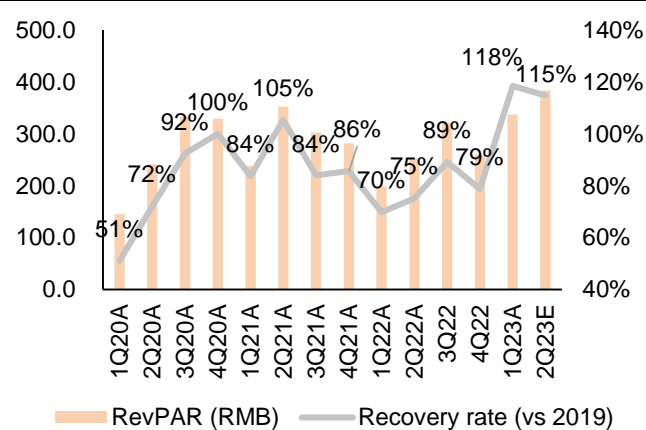
Source: Company data, CMBIGM estimates

Figure 5: Number of new hotels and in the pipeline



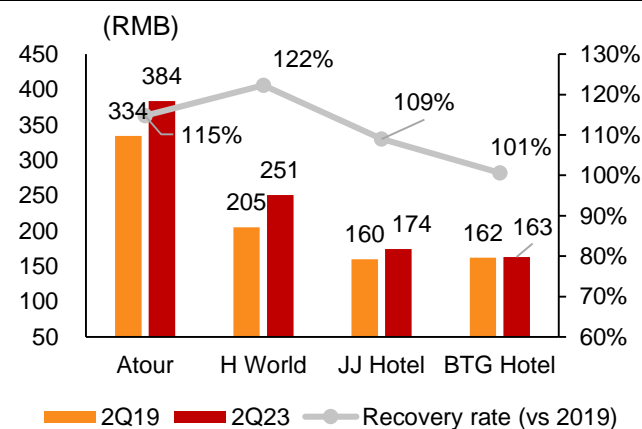
Source: Company data, CMBIGM estimates

Figure 6: RevPAR and recovery rate (vs 2019)



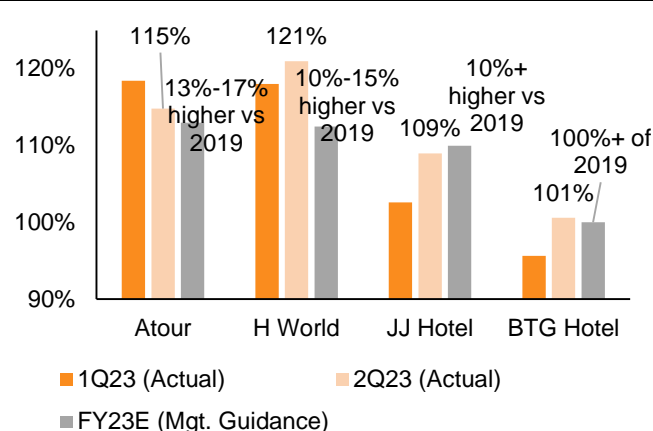
Source: Company data, CMBIGM estimates

Figure 7: Overall RevPAR, by company



Source: Company data, CMBIGM estimates

Figure 8: RevPAR recovery rate, by company



Source: Company data, CMBIGM estimates

Results review

Figure 9: Results review – Quarterly

Quarterly (RMB mn)	3Q22	4Q22	1Q23	2Q23	3Q23E	4Q23E	1Q23 YoY	2Q23 YoY	3Q23 E YoY	4Q23 E YoY	2Q23E CMBI	Actual vs CMBI
Revenue	670	626	774	1,093	1,166	892	71%	112%	74%	42%	1,008	8%
Hotel operating costs	-389	-356	-382	-510	-603	-472					-490	
Other operating costs	-45	-68	-72	-121	-90	-77					-111	
Gross profit	236	202	321	462	473	343	230%	213%	100%	70%	407	14%
GP margins	35.2%	32.3%	41.4%	42.3%	40.6%	38.5%					40.3%	
Other income & gains	0	0	0	0	0	0					0	#DIV/0!
Selling & marketing expenses	-30	-54	-56	-94	-64	-53	136%	197%	111%	-2%	-69	38%
Selling & marketing exp./ sales	-4.5%	-8.6%	-7.2%	-8.6%	-5.5%	-5.9%					-6.8%	
General & admin expenses	-46	-217	-193	-73	-87	-85	324%	75%	92%	-61%	-71	4%
General & admin exp./ sales	-6.8%	-34.7%	-25.0%	-6.7%	-7.5%	-9.5%					-7.0%	
Technology & development expenses	-16	-16	-17	-18	-33	-27	-6%	12%	98%	69%	-25	-29%
Tech & development exp / sales	-2.5%	-2.5%	-2.2%	-1.6%	-2.8%	-3.0%					-2.5%	
Pre-opening & other opex	5	7	7	30	17	11					30	
Operating profit (EBIT)	148	-78	62	307	306	190	375%	274%	106%	-342%	273	13%
OP margins	22.2%	-12.5%	8.0%	28.1%	26.3%	21.3%					27.0%	
Investment gain (loss)	2	4	6	5	-4	-3					2	
Net finance income	2	3	3	6	3	2					4	45%
Net finance income / sales	0.4%	0.5%	0.4%	0.5%	0.3%	0.2%					0.4%	
Profit after financing costs	152	-71	71	318	306	189					279	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	152	-71	71	318	306	189	367%	279%	101%	-366%	279	14%
Tax	-41	-12	-53	-79	-83	-51					-84	
Tax / sales	-6.2%	-1.9%	-6.8%	-7.2%	-7.1%	-5.7%					-8.3%	
Effective tax rate	-27.1%	16.5%	-74.4%	-24.8%	-27.0%	-27.0%					-30.0%	
Minority interests	-0	-0	0	1	1	1					0	139%
Net profit att.	111	-82	18	238	222	137	128%	289%	100%	-266%	195	22%
NP margins	16.6%	-13.1%	2.3%	21.8%	19.1%	15.4%					19.3%	

Source: Company data, CMBIGM estimates

Figure 10: Results review – Yearly

Yearly (US\$ mn)	FY22	FY23E	FY24E	FY22 yoy	FY23 E yoy	FY24 E yoy
Revenue	2,263	3,924	5,125	5%	73%	31%
Hotel operating costs	-1,393	-1,966	-2,373			
Other operating costs	-187	-359	-571			
Gross profit	683	1,599	2,180	21%	134%	36%
GP margins	30.2%	40.8%	42.5%			
Other income & gains	0	0	0			
Selling & marketing expenses	-140	-268	-279	13%	91%	4%
Selling & marketing exp./ sales	-6.2%	-6.8%	-5.4%			
General & admin expenses	-350	-439	-528	78%	25%	20%
General & admin exp./ sales	-15.5%	-11.2%	-10.3%			
Technology & development expenses	-66	-94	-123	27%	42%	31%
Tech & development exp / sales	-2.9%	-2.4%	-2.4%			
Pre-opening & other opex	38	66	51			
Operating profit (EBIT)	165	864	1,301	-16%	424%	51%
OP margins	7.3%	22.0%	25.4%			
Investment gain (loss)	8	4	10			
Net finance income	8	14	25			
Net finance income / sales	0.4%	0.4%	0.5%			
Profit after financing costs	181	883	1,337			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	181	883	1,337	-11%	389%	51%
Tax	-84	-265	-334			
Tax / sales	-3.7%	-6.7%	-6.5%			
Effective tax rate	-46.8%	-30.0%	-25.0%			
Minority interests	-2	3	4			
Net profit att.	98	615	999	-32%	527%	62%
NP margins	4.3%	15.7%	19.5%			

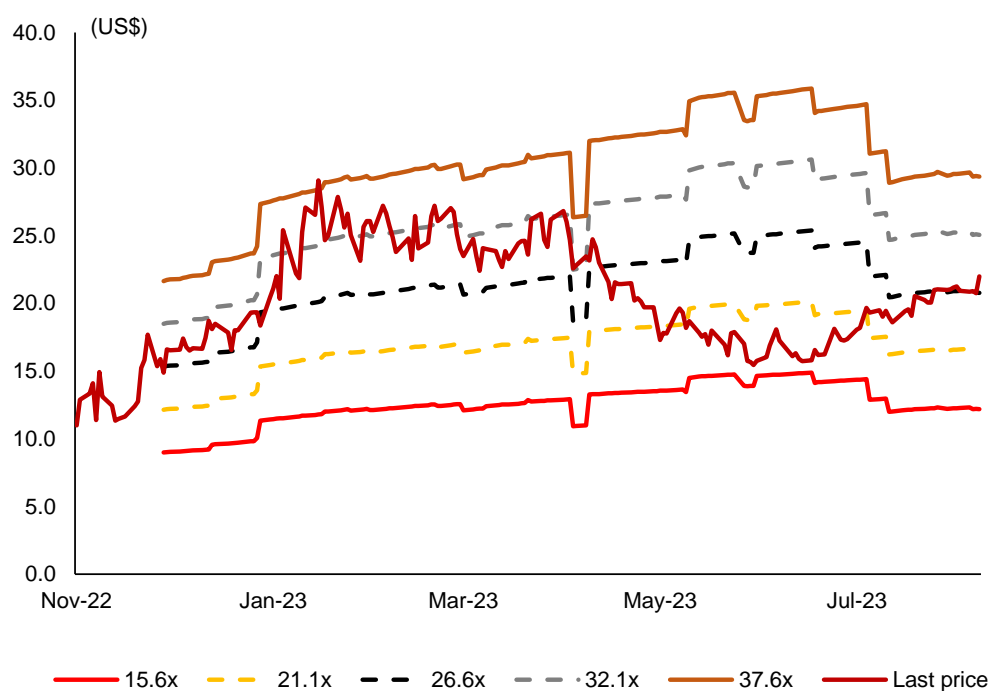
Source: Company data, CMBIGM estimates

Valuation

Figure 11: Peers valuation table

Company	Ticker	Rating	12m TP (LC)	Price (LC)	Up/ Down-side	Mkt. Cap (HK\$mn)	Year End	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf. (%)
								FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Greater China Hotels														
Atour Lifestyle	ATAT US	NR	23.92	20.15	19%	20,690	Dec-22	29.5	18.2	12.5	11.0	0.2	(0.3)	11.8
H World Group	HTHT US	NR	n/a	43.92	n/a	109,613	Dec-22	31.2	26.3	9.7	(1.9)	(0.1)	0.4	3.5
SH Jinjiang Int'l	600754 CH	NR	n/a	45.23	n/a	46,762	Dec-22	33.1	22.4	2.7	2.2	0.2	1.4	(22.5)
Btg Hotels Group	600258 CH	NR	n/a	19.34	n/a	23,273	Dec-22	28.0	19.7	1.9	(2.5)	(0.1)	0.5	(22.0)
Ssaw Hotels	301073 CH	NR	n/a	34.02	n/a	7,115	Dec-22	51.5	33.2	5.7	4.1	0.5	1.0	(27.2)
Greentree	GHG US	NR	n/a	5.72	n/a	4,577	Dec-22	13.4	9.5	2.2	n/a	(0.1)	2.1	54.2
Avg.								31.1	21.5	5.8	2.6	0.1	0.8	(0.4)
Med.								30.3	21.0	4.2	2.2	0.1	0.7	(9.2)
International Hotels														
HK & SH Hotels	45 HK	NR	n/a	6.35	n/a	10,474	Dec-22	n/a	n/a	n/a	(1.4)	n/a	n/a	(21.8)
Shangri-La Asia	69 HK	NR	n/a	5.39	n/a	19,326	Dec-22	26.5	17.2	0.6	(2.9)	(0.1)	0.6	(15.8)
Mandarin Oriental	MAND SP	NR	n/a	1.71	n/a	16,924	Dec-22	n/a	n/a	n/a	(3.1)	n/a	n/a	(10.9)
Banyan Tree	BTH SP	NR	n/a	0.42	n/a	2,079	Dec-22	31.9	23.1	0.7	0.3	0.2	n/a	29.7
Marriott Int'l	MAR US	NR	n/a	202.09	n/a	471,996	Dec-22	23.6	21.4	n/a	n/a	1.7	0.9	35.7
Hilton Worldwide	HLT US	NR	n/a	150.80	n/a	308,833	Dec-22	25.1	22.0	n/a	n/a	1.3	0.4	19.3
Hyatt Hotels	H US	NR	n/a	112.71	n/a	92,533	Dec-22	43.4	32.2	3.3	12.3	15.9	0.4	24.6
Wyndham Hotels	WH US	NR	n/a	74.25	n/a	48,993	Dec-22	18.8	17.3	7.7	29.8	2.9	1.9	4.1
Choice Hotels	CHH US	NR	n/a	131.16	n/a	51,745	Dec-22	22.0	19.7	90.9	125.6	3.9	0.8	16.4
Intercontinental	IHG LN	NR	n/a	5828.00	n/a	97,396	Dec-22	21.0	18.8	n/a	n/a	0.7	2.1	22.8
Accor Sa	AC FP	NR	n/a	32.60	n/a	73,530	Dec-22	18.9	16.7	1.6	12.8	1.4	3.1	41.1
Avg.								25.7	20.9	17.5	21.7	3.1	1.3	13.2
Med.								23.6	19.7	2.5	6.3	1.4	0.9	19.3

Source: Bloomberg, Company data, CMBIGM estimates

Figure 12: Valuation – Forward blended 12 months P/E band

Source: Bloomberg, Company data, CMBIGM estimates

Assumptions

Figure 13: CMBIGM' assumptions

Major assumptions	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E
Sales by segment (RMB mn)						
Manachised hotels	926	1,220	1,361	2,282	3,023	3,969
Leased hotels	496	630	553	929	968	999
Retail and others	144	297	349	713	1,133	1,535
Total	1,567	2,148	2,263	3,924	5,125	6,503
Sales growth by segment (%)						
Manachised hotels	10%	32%	12%	68%	32%	31%
Leased hotels	-19%	27%	-12%	68%	4%	3%
Retail and others	29%	107%	18%	104%	59%	35%
Total	0%	37%	5%	73%	31%	27%
Number of hotels by segment						
Manachised hotels	537	712	899	1,168	1,522	1,971
Leased hotels	33	33	33	33	33	33
Total	570	745	932	1,201	1,555	2,004
Number of hotels growth (%)						
Manachised hotels	37%	33%	26%	30%	30%	30%
Leased hotels	14%	0%	0%	0%	0%	0%
Total	36%	31%	25%	29%	29%	29%
Occupancy (%)						
Manachised hotels	67%	67%	63%	79%	80%	80%
Leased hotels	69%	71%	66%	83%	83%	83%
Total	67%	68%	63%	79%	80%	80%
Room rates (RMB)						
Manachised hotels	382	407	386	448	457	469
Leased hotels	468	517	465	605	629	648
Total	390	415	391	454	462	473
RevPAR (RMB)						
Manachised hotels	269	288	256	373	386	394
Leased hotels	339	388	331	530	552	568
Total	275	295	261	379	390	398
Sales per store growth (%)						
Manachised hotels	-14%	7%	-11%	46%	3%	2%
Leased hotels	-27%	14%	-15%	60%	4%	3%
Total	-17%	7%	-12%	45%	3%	2%
GP margins	21.6%	26.3%	30.2%	40.8%	42.5%	44.1%
Selling & Marketing expenses	-4.5%	-5.8%	-6.2%	-6.8%	-5.4%	-5.3%
G & A expenses	-8.4%	-9.2%	-15.5%	-11.2%	-10.3%	-9.6%
Tec. and dev. expenses	-2.1%	-2.4%	-2.9%	-2.4%	-2.4%	-2.4%
Other expenses	-2.5%	0.2%	1.7%	1.7%	1.0%	1.0%
Effective tax rate	-50%	-31%	-47%	-30%	-25%	-25%
NP att. margin	3%	7%	4%	16%	19%	21%
NP att. growth (%)	-35%	245%	-32%	527%	62%	39%

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	1,567	2,148	2,263	3,924	5,125	6,503
Cost of goods sold	(1,229)	(1,583)	(1,580)	(2,325)	(2,944)	(3,633)
Gross profit	338	565	683	1,599	2,180	2,870
Operating expenses	(298)	(391)	(556)	(801)	(930)	(1,126)
Selling expense	(71)	(124)	(140)	(268)	(279)	(347)
Admin expense	(46)	(103)	(261)	(337)	(415)	(509)
R&D expense	(34)	(52)	(66)	(94)	(123)	(156)
Staff costs	0	0	0	0	0	0
Other rental related expenses	0	0	0	0	0	0
Others	(147)	(112)	(89)	(102)	(113)	(113)
Operating profit	64	203	179	886	1,333	1,855
Other income	23	22	38	66	51	65
Other gains/(losses)	11	1	1	(4)	3	6
EBITDA	161	299	261	971	1,425	1,935
EBIT	75	197	166	861	1,304	1,815
Interest income	1	7	14	22	32	46
Pre-tax profit	75	204	181	883	1,336	1,860
Income tax	(38)	(64)	(84)	(265)	(334)	(465)
After tax profit	42	145	98	615	998	1,390
Minority interest	4	5	2	(3)	(4)	(6)
Net profit	38	140	96	618	1,002	1,395
Adjusted net profit	(11)	130	261	785	998	1,390

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	1,170	1,416	2,125	3,077	4,322	5,922
Cash & equivalents	825	1,039	1,589	2,346	3,436	4,859
Restricted cash	0	0	0	0	0	0
Account receivables	140	100	133	202	263	334
Inventories	30	59	57	85	108	133
Prepayment	126	167	134	232	303	385
Other current assets	49	52	211	211	211	211
Non-current assets	816	829	2,637	2,594	2,553	2,525
PP&E	467	439	360	318	277	249
Right-of-use assets	0	0	1,932	1,932	1,932	1,932
Intangibles	3	4	6	5	5	5
Other non-current assets	345	386	340	340	340	340
Total assets	1,986	2,245	4,762	5,671	6,876	8,448
Current liabilities	898	1,051	1,348	1,660	1,903	2,179
Short-term borrowings	89	65	143	143	143	143
Account payables	464	609	515	827	1,071	1,347
Tax payable	62	46	31	31	31	31
Other current liabilities	283	332	339	339	339	339
Lease liabilities	0	0	320	320	320	320
Non-current liabilities	521	629	2,227	2,230	2,234	2,239
Long-term borrowings	31	44	2	2	2	2
Other non-current liabilities	490	586	2,225	2,228	2,232	2,237
Total liabilities	1,420	1,681	3,575	3,890	4,137	4,419
Retained earnings	0	0	0	554	1,452	2,702
Other reserves	566	565	1,187	1,187	1,187	1,187
Total shareholders equity	566	565	1,187	1,741	2,639	3,890
Minority interest	0	0	0	0	0	0
Total equity and liabilities	1,986	2,245	4,762	5,631	6,776	8,309

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	75	204	181	883	1,336	1,860
Depreciation & amortization	86	95	81	88	89	75
Tax paid	40	(15)	(15)	(265)	(334)	(465)
Change in working capital	(25)	109	(68)	117	88	99
Others	(57)	25	106	22	32	46
Net cash from operations	119	418	284	845	1,210	1,615
Investing						
Capital expenditure	(113)	(64)	(36)	(59)	(72)	(85)
Acquisition of subsidiaries/ investments	23	9	(153)	0	0	0
Others	(16)	13	(3)	0	0	0
Net cash from investing	(106)	(42)	(192)	(59)	(72)	(85)
Financing						
Dividend paid	0	(21)	0	(21)	(41)	(100)
Net borrowings	49	(12)	65	0	0	0
Proceeds from share issues	0	0	400	0	0	0
Share repurchases	0	(111)	(0)	0	0	0
Others	(1)	(17)	(8)	(7)	(7)	(7)
Net cash from financing	48	(161)	456	(28)	(48)	(107)
Net change in cash						
Cash at the beginning of the year	763	825	1,039	1,589	2,346	3,436
Exchange difference	0	(1)	3	0	0	0
Others	61	215	548	757	1,090	1,423
Cash at the end of the year	825	1,039	1,589	2,346	3,436	4,859
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Revenue	(0.0%)	37.1%	5.4%	73.4%	30.6%	26.9%
Gross profit	(13.0%)	67.2%	21.0%	134.2%	36.3%	31.6%
Operating profit	(30.2%)	217.0%	(11.5%)	393.9%	50.5%	39.1%
EBITDA	(11.7%)	85.5%	(12.7%)	271.7%	46.8%	35.8%
EBIT	(30.9%)	163.9%	(15.8%)	418.3%	51.5%	39.1%
Net profit	(37.8%)	269.3%	(31.2%)	543.0%	62.2%	39.2%
Adj. net profit	na	na	101.1%	200.3%	27.2%	39.2%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Gross profit margin	21.6%	26.3%	30.2%	40.8%	42.5%	44.1%
Operating margin	4.1%	9.4%	7.9%	22.6%	26.0%	28.5%
EBITDA margin	10.3%	13.9%	11.5%	24.7%	27.8%	29.8%
Adj. net profit margin	(0.7%)	6.1%	11.5%	20.0%	19.5%	21.4%
Return on equity (ROE)	6.9%	24.7%	11.0%	42.2%	45.8%	42.7%
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Net debt to equity (x)	1.2	1.6	1.2	1.3	1.2	1.2
Current ratio (x)	1.3	1.3	1.6	1.9	2.3	2.7
Receivable turnover days	25.7	20.4	18.8	18.8	18.8	18.8
Inventory turnover days	6.7	10.3	13.4	13.4	13.4	13.4
Payable turnover days	24.8	28.5	40.0	40.0	40.0	40.0
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
P/E	na	na	180.4	29.5	18.2	13.1
P/E (diluted)	na	na	180.4	29.5	18.2	13.1
P/B	na	na	11.9	10.8	7.0	4.8
P/CFPS	na	na	48.5	22.7	15.8	11.9
Div yield (%)	na	na	0.0	0.0	0.1	0.1
EV	24,075.5	22,584.6	47,900.2	18,141.8	18,141.8	18,141.8
EV/Sales	15.4	10.5	21.2	4.6	3.5	2.8
EV/EBIT	322.2	114.5	288.4	21.1	13.9	10.0
EV/EBITDA	135.8	157.1	63.9	16.4	10.4	6.9

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

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