

Kanzhun Limited (BZ US)

2Q25 earnings beat; improving recruitment demand

Boss Zhipin announced 2Q25 results: total revenue grew by 10% YoY to RMB2.1bn, in line with Bloomberg consensus estimate; non-GAAP net income was up by 31% YoY to RMB941mn, 15% ahead of the consensus estimate, mainly thanks to the operating leverage and effective control in S&M expenses (-23% YoY). Looking ahead, management guided total revenue to grow by 11.4-13.0% YoY to RMB2.13-2.16bn in 3Q25E, reaccelerating thanks to the improved supply-demand dynamics. We raise our FY25-27 earnings forecast by 5-9% to reflect the better-than-expected operating leverage and opex control. We lift our target price to US\$25.5 based on 24x FY25E non-GAAP PE (previous: US\$21.0 based on 21x FY25E PE), in view of the enhanced earnings visibility and sector valuation rerating. Maintain BUY.

- Improved dynamics of job supply and demand.** Total paid enterprise customers grew by 10% YoY to 6.5mn in 12 months ended Jun 2025. The number of newly posted jobs grew by c.20% YoY in July, driven by growth of both the number of recruiters and average number of jobs posted per recruiter. Average MAUs were up by 16% YoY to 63.6mn in 2Q25. By sector: 1) manufacturing sector experienced a slowdown in Apr due to the tariff war, but resumed YoY growth from May onwards and outpaced other sectors; 2) service sector recorded an accelerated YoY growth in 2Q25; 3) internet sector saw a meaningful recovery, with the number of active job postings in 2Q25 reaching a new high since 2021. Management also noted the solid momentum of SMB customers, outpacing other customer cohorts in 2Q25.
- Solid AI progress.** The company continued to make progress on AI front: 1) monetization: the company leverages AI to understand the recruiters' intent, in order to offer them value-added services that are tailored to their needs, which drove repeat purchases; 2) efficiency: the company also uses AI in its R&D process. A new R&D department of the company used AI to generate 70% of its codes. Overall non-GAAP OPM was up by 7ppt YoY and 6ppt QoQ to 42% in 2Q25. We expect the OPM to further improve in the long term, supported by both operating leverage and AI empowerment.
- Initiatives to enhance shareholder return and share liquidity.** The company adopted an annual dividend policy, determined this year's dividend of c.US\$80mn and announced a 12-month share repurchase plan of US\$250mn. These initiatives together account for c.3% of total market cap, further improving shareholder return. It completed a share offering on 4 Jul 2025 on HKEX, which boosted its daily average trading volume in HK from HK\$1.2mn (1 Jan-3 Jul) to HK\$42.0mn (4 Jul-19 Aug), as per Wind. With improved share liquidity, we expect the company to be included in Southbound Stock Connect in the future, attracting additional fund inflows.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	5,952	7,356	8,252	9,152	9,882
Gross margin (%)	82.2	83.1	84.4	84.7	84.9
Adjusted net profit (RMB mn)	2,156.2	2,710.7	3,377.5	3,760.8	4,117.2
YoY growth (%)	169.7	25.7	24.6	11.3	9.5
EPS (Adjusted) (RMB)	4.78	5.96	7.60	8.55	9.45
P/S (x)	11.8	9.6	8.5	7.7	7.1
P/E (x)	67.1	47.0	29.0	23.4	19.6

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	US\$25.50
(Previous TP)	US\$21.00)
Up/Downside	15.5%
Current Price	US\$22.08

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Stock Data

Mkt Cap (US\$ mn)	9,813.4
Avg 3 mths t/o (US\$ mn)	28.2
52w High/Low (US\$)	22.44/10.95
Total Issued Shares (mn)	444.4

Source: FactSet

Shareholding Structure

Zhao Peng	15.9%
Tencent	8.5%

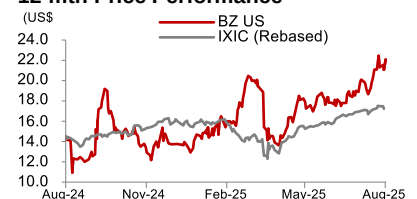
Source: Company data

Share Performance

	Absolute	Relative
1-mth	16.9%	15.9%
3-mth	23.4%	10.0%
6-mth	38.0%	27.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Boss Zhipin: forecast revision

RMB mn	Current			Previous			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	8,252	9,152	9,882	8,098	8,979	9,698	1.9%	1.9%	1.9%
Gross Profit	6,967	7,748	8,388	6,802	7,598	8,233	2.4%	2.0%	1.9%
Operating profit	2,259	3,038	3,726	2,051	2,876	3,567	10.2%	5.6%	4.5%
Adjusted net profit	3,377	3,761	4,117	3,207	3,533	3,763	5.3%	6.4%	9.4%
Gross Margin	84.4%	84.7%	84.9%	84.0%	84.6%	84.9%	0.4 ppt	0.0 ppt	0.0 ppt
Operating Margin	27.4%	33.2%	37.7%	25.3%	32.0%	36.8%	2.1 ppt	1.2 ppt	0.9 ppt
Adjusted net margin	40.9%	41.1%	41.7%	39.6%	39.4%	38.8%	1.3 ppt	1.7 ppt	2.9 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	8,252	9,152	9,882	8,226	9,329	10,463	0.3%	-1.9%	-5.5%
Gross profit	6,967	7,748	8,388	6,907	7,876	8,871	0.9%	-1.6%	-5.4%
Operating profit	2,259	3,038	3,726	2,042	2,788	3,387	10.7%	9.0%	10.0%
Adjusted net profit	3,377	3,761	4,117	3,288	3,700	4,203	2.7%	1.6%	-2.0%
Gross Margin	84.4%	84.7%	84.9%	84.0%	84.4%	84.8%	0.5 ppt	0.2 ppt	0.1 ppt
Operating Margin	27.4%	33.2%	37.7%	24.8%	29.9%	32.4%	2.6 ppt	3.3 ppt	5.3 ppt
Adjusted net margin	40.9%	41.1%	41.7%	40.0%	39.7%	40.2%	1.0 ppt	1.4 ppt	1.5 ppt

Source: Bloomberg, CMBIGM estimates

Valuation

We value Boss Zhipin at US\$11.4bn (US\$25.5 per ADS) based on 24x 2025E PE. Our target PE multiple is at a premium to its peers, given Boss Zhipin's strong leadership in China's online recruitment market and earnings visibility.

Figure 3: Boss Zhipin: target valuation

P/E Valuation (US\$mn)	FY25E
Non-GAAP earnings	473
Target 2025E PE (x)	24.0
Target equity valuation	11,352
Valuation per ADS (USD)	25.5

Source: Company data, CMBIGM estimates

Figure 4: Global peers: valuation comparison

Companies	Ticker	Price (Local)	EPS growth (yoy%)		Current PE (x)		EPS CAGR 24-26E
			2025E	2026E	2025E	2026E	
Career International	300662 CH	32.3	38	22	23	19	29.8
Liepin	6100 HK	4.2	68	16	10	9	39.7
Recruit	6098 JP	9,149.0	20	13	34	30	16.2
Average					22	19	

Source: Bloomberg, CMBIGM

Note: data are as of 19 Aug 2025

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	4,511	5,952	7,356	8,252	9,152	9,882
Cost of goods sold	(755)	(1,060)	(1,240)	(1,285)	(1,404)	(1,495)
Gross profit	3,756	4,892	6,116	6,967	7,748	8,388
Operating expenses	(3,886)	(4,311)	(4,943)	(4,708)	(4,711)	(4,662)
Selling expense	(2,001)	(1,991)	(2,073)	(1,913)	(1,917)	(1,887)
Admin expense	(720)	(812)	(1,094)	(1,144)	(1,119)	(1,089)
R&D expense	(1,183)	(1,544)	(1,816)	(1,662)	(1,685)	(1,696)
Others	18	35	40	11	11	11
Operating profit	(130)	581	1,173	2,259	3,038	3,726
Investment gain/loss	65	1	0	(1)	0	0
Interest income	161	310	625	542	431	276
Foreign exchange gain/loss	9	296	(0)	0	0	0
Other income/expense	11	33	35	(1)	0	0
Pre-tax profit	106	1,189	1,798	2,801	3,468	4,001
Income tax	(10)	(123)	(266)	(370)	(486)	(477)
After tax profit	96	1,066	1,533	2,432	2,983	3,524
Net profit	96	1,066	1,533	2,432	2,983	3,524
Adjusted net profit	799	2,156	2,711	3,377	3,761	4,117

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	13,826	13,373	15,100	20,787	24,988	29,472
Cash & equivalents	9,752	2,473	2,553	8,236	12,391	16,839
Account receivables	10	17	41	32	36	38
Prepayment	601	443	368	381	422	456
Other current assets	3,464	10,441	12,138	12,138	12,138	12,138
Non-current assets	1,001	4,567	4,210	4,249	4,260	4,252
PP&E	691	1,793	1,734	1,764	1,771	1,761
Right-of-use assets	290	283	303	311	316	317
Intangibles	10	8	253	253	253	253
Other non-current assets	10	2,483	1,921	1,921	1,921	1,921
Total assets	14,827	17,940	19,311	25,036	29,247	33,724
Current liabilities	3,031	4,357	4,192	4,517	4,966	5,324
Account payables	185	629	111	163	175	186
Other current liabilities	633	779	816	897	975	1,032
Lease liabilities	151	155	181	186	188	189
Contract liabilities	2,061	2,794	3,085	3,271	3,628	3,917
Non-current liabilities	155	154	156	159	161	161
Other non-current liabilities	155	154	156	159	161	161
Total liabilities	3,186	4,511	4,348	4,676	5,127	5,486
Share capital	1	1	1	1	1	1
Capital surplus	15,450	15,502	14,989	17,955	18,733	19,325
Retained earnings	(3,586)	(2,492)	(925)	1,506	4,489	8,013
Other reserves	(224)	419	899	899	899	899
Total shareholders equity	11,641	13,429	14,963	20,360	24,121	28,238
Total equity and liabilities	14,827	17,940	19,311	25,036	29,247	33,724

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	106	1,189	1,798	2,801	3,468	4,001
Depreciation & amortization	140	259	300	341	385	432
Tax paid	(10)	(123)	(266)	(370)	(486)	(477)
Change in working capital	(41)	738	(118)	321	404	322
Others	808	984	1,828	1,105	936	749
Net cash from operations	1,003	3,047	3,542	4,199	4,707	5,027
Investing						
Capital expenditure	(340)	(956)	(564)	(536)	(552)	(579)
Others	(2,476)	(8,983)	(1,453)	na	na	na
Net cash from investing	(2,817)	(9,939)	(2,017)	(536)	(552)	(579)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	250	218	0	2,020	0	0
Others	(919)	(635)	(1,461)	0	0	0
Net cash from financing	(669)	(417)	(1,461)	2,020	0	0
Net change in cash						
Cash at the beginning of the year	11,342	9,752	2,473	2,553	8,236	12,391
Exchange difference	893	30	15	0	0	0
Cash at the end of the year	9,752	2,473	2,553	8,236	12,391	16,839
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	5.9%	31.9%	23.6%	12.2%	10.9%	8.0%
Gross profit	1.4%	30.2%	25.0%	13.9%	11.2%	8.3%
Operating profit	na	na	101.9%	92.6%	34.4%	22.7%
Net profit	na	1,012.5%	43.7%	58.7%	22.7%	18.1%
Adj. net profit	(6.2%)	169.7%	25.7%	24.6%	11.3%	9.5%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	83.3%	82.2%	83.1%	84.4%	84.7%	84.9%
Operating margin	(2.9%)	9.8%	15.9%	27.4%	33.2%	37.7%
Adj. net profit margin	17.7%	36.2%	36.9%	40.9%	41.1%	41.7%
Return on equity (ROE)	0.9%	8.5%	10.8%	13.8%	13.4%	13.5%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	(0.8)	(0.2)	(0.2)	(0.4)	(0.5)	(0.6)
Current ratio (x)	4.6	3.1	3.6	4.6	5.0	5.5
Receivable turnover days	0.8	1.0	2.0	1.4	1.4	1.4
Payable turnover days	89.6	216.7	32.6	46.4	45.5	45.5
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	747.5	67.1	47.0	29.0	23.4	19.6
P/E (diluted)	747.5	67.1	47.0	29.0	23.4	19.6
P/B	6.2	5.3	4.8	3.5	2.9	2.4

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

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