China Hongqiao (1378 HK)

Core net profit +10% YoY in 1H26

China Hongqiao's net profit on a reported basis grew 39% YoY to RMB17.2bn in 1H26, which is in line with the previously announced profit alert. Excluding the fair value change of CB (+RMB862mn in 1H26 vs -RMB2.6bn in 1H25), core net profit grew 10% YoY to RMB16.3bn. The ASP-driven expansion of gross margin was partially offset by higher-than-expected expense and decline in JV profit. We revise down our 2026E-28E net profit forecasts by 6-7% due to lower assumptions on alumina margin and higher expense. While we see increasing concerns over the rising industry aluminum supply in 2027E, the current valuation of 5.8x/6.4x 2026E/27E P/E will offer certain buffer for potential ASP decline, in our view. Our TP is revised down to RMB39 (from HK$45), based on a target 2026E P/E of 10x (previously 11x), a multiple ceiling over the past decade.

- **Aluminum alloy products (68% of revenue in 1H26):** The segment revenue increased 15% YoY in 1H26 to RMB59.6bn (sales volume -3% YoY to 2.8mn tonnes; ASP +19% to RMB21.2k/t). This, together with a 2.4% YoY decrease in unit cost, boosted the unit gross profit by 81% YoY to ~RMB8.2k/t.
- **Alumina segment (18% of revenue):** The segment revenue decreased 22% YoY in 1H26 to RMB16n (sales volume +9% YoY to 6.9mn tonnes; ASP -28% to RMB2.33k/t). Despite the 6% YoY fall in segment unit cost, the unit gross profit still declined 84% YoY to RMB146/t.
- **Aluminum fabrication products (13% of revenue):** The segment revenue surged 41% YoY to RMB16.7bn (including RMB10.4bn from deep processed products sales). The segment gross margin expanded 8.9ppts YoY to 32.2%.
- **Key risks**: (1) unexpected removal of capacity cap in China; (2) faster-than-expected overseas capacity ramp-up; (3) slowdown of global economy; (4) sharp increases in input costs such as bauxite and coal.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	156,169	162,354	171,381	165,591	162,033
YoY growth (%)	16.9	4.0	5.6	(3.4)	(2.1)
Adjusted net profit (RMB mn)	24,564.8	26,418.2	33,670.6	31,046.8	28,742.6
EPS (Adjusted) (RMB)	2.59	2.78	3.39	3.13	2.90
Consensus EPS (RMB)	na	na	3.36	3.33	3.46
P/E (x)	8.4	8.3	5.9	6.4	6.9
P/B (x)	1.7	1.5	1.3	1.2	1.1
Yield (%)	7.5	7.6	10.2	9.4	8.7
Net gearing (%)	25.7	9.3	(4.0)	(9.7)	(16.1)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**HK$39.00**
(Previous TP	HK$45.00)
Up/Downside	**68.2%**
Current Price	**HK$23.18**

China Materials

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Stock Data

Mkt Cap (HK$ mn)	230,047.1
Avg 3 mths t/o (HK$ mn)	1,233.0
52w High/Low (HK$)	40.22/20.00
Total Issued Shares (mn)	9924.4

Source: FactSet

Shareholding Structure

Shipping Trust Company (Zhang's family)	61.5%
CITIC Group	5.7%

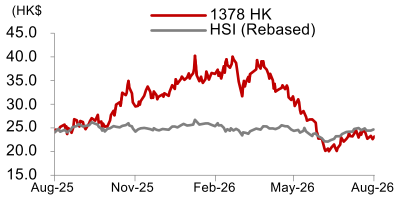
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	2.3%	-1.2%
3-mth	-24.9%	-26.7%
6-mth	-36.3%	-35.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

Aluminium – Upside to our supply forecast following the resumption of EGA production – 13 Aug 2026 (link)

Aluminium – Concerns largely priced in; Attractive valuation – 23 Jun 2026 (link)

A prolonged supply deficit even assuming the end of Iran war – 12 May 2026 (link)

China Hongqiao (1378 HK) – Major subsidiary's 1Q26 profit +38% YoY; in line with expectations – 27 Apr 2026 (link)

1H26 earnings review

Figure 1: 1H26 results highlights

(RMB mn)	1H25	1H26	Change (YoY)
Total revenue	**81,039**	**87,506**	***8.0%***
Cost of sales	-60,234	-59,980	*-0.4%*
Gross profit	**20,805**	**27,526**	***32.3%***
Other income	1,347	1,034	*-23.2%*
S&D expenses	-354	-363	*2.5%*
Administrative expenses	-2,322	-2,991	*28.8%*
Other expenses	-274	-1,113	*305.5%*
EBIT	**19,202**	**24,093**	***25.5%***
Net finance income/(cost)	-1,139	-957	*-16.0%*
Finance income	145	153	*5.5%*
Finance expenses	-1,284	-1,110	*-13.6%*
Other gains/(losses)	-2,105	953	*n/a*
Share of profit of JV and associates	1,807	1,064	*-41.1%*
Pretax profit	**17,764**	**25,153**	***41.6%***
Income tax	-4,213	-6,043	*43.5%*
After tax profit	**13,551**	**19,110**	***41.0%***
MI	-1,190	-1,900	*59.6%*
Net profit	**12,361**	**17,210**	***39.2%***
Recurring net profit	**14,923**	**16,348**	***9.6%***
Key ratios			***Change (ppt)***
Gross margin	*25.7%*	*31.5%*	*5.8*
S&D expenses ratio	*0.4%*	*0.4%*	*-0.0*
Administrative expense ratio	*2.9%*	*3.4%*	*0.6*
Other expense ratio	*0.3%*	*1.3%*	*0.9*
Net margin	*16.7%*	*21.8%*	*5.1*
Effective tax rate	*23.7%*	*24.0%*	*0.3*

Source: Company data, CMBIGM

Figure 2: Revenue and gross profit breakdown in 1H26

(RMB mn)	1H25	1H26	Change (YoY)
Revenue			
Aluminum alloy products	51,878	59,575	*14.8%*
Alumina	20,655	16,094	*-22.1%*
Aluminum fabrication products	8,074	11,366	*40.8%*
Steam	431	471	*9.1%*
Total	**81,039**	**87,506**	***8.0%***
Gross profit			
Aluminum alloy products	13,092	22,944	*75.2%*
Alumina	5,945	1,007	*-83.1%*
Aluminum fabrication products	1,881	3,659	*94.6%*
Steam	-113	-84	*-25.9%*
Total	**20,805**	**27,526**	***32.3%***
Gross margin			***Change (ppt)***
Aluminum alloy products	*25.2%*	*38.5%*	*13.3*
Alumina	*28.8%*	*6.3%*	*(22.5)*
Aluminum fabrication products	*23.3%*	*32.2%*	*8.9*
Steam	*-26.2%*	*-17.8%*	*8.4*
Blended gross margin	***25.7%***	***31.5%***	***5.8***

Source: Company data, CMBIGM

Operating assumptions

Figure 3: Change in key operating assumptions

	Old			New			Change		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
(RMB mn)									
Revenue									
Aluminum alloy products	123,015	119,324	116,087	123,379	119,678	116,087	0%	0%	0%
Alumina	29,281	27,817	27,793	27,340	25,220	25,220	-7%	-9%	-9%
Aluminum fabrication products	14,795	14,789	14,774	19,895	19,887	19,879	34%	34%	35%
Steam	768	806	846	768	806	846	0%	0%	0%
Total	**167,859**	**162,737**	**159,500**	**171,381**	**165,591**	**162,033**	**2%**	**2%**	**2%**
Revenue growth								*Change in ppt*	
Aluminum alloy products	*15.0%*	*-3.0%*	*-3.0%*	*16.3%*	*-3.0%*	*-3.0%*	*1.3*	*0.0*	*0.0*
Alumina	*-18.0%*	*-5.0%*	*0.0%*	*-29.6%*	*-7.8%*	*0.0%*	*(11.6)*	*(2.8)*	*0.0*
Aluminum fabrication products	*12.2%*	*0.0%*	*0.0%*	*19.2%*	*0.0%*	*0.0%*	*7.0*	*0.0*	*0.0*
Steam	*5.0%*	*5.0%*	*5.0%*	*4.2%*	*5.0%*	*5.0%*	*(0.8)*	*0.0*	*0.0*
Average	***7.2%***	***-3.1%***	***-2.2%***	***5.6%***	***-3.4%***	***-2.1%***	***(1.6)***	***(0.3)***	***0.0***
Gross profit									
Aluminum alloy products	47,682	44,007	40,693	49,602	45,024	41,347	4%	2%	2%
Alumina	5,500	4,036	4,011	1,560	951	951	-72%	-76%	-76%
Aluminum fabrication products	3,403	3,402	3,398	4,576	4,574	4,572	34%	34%	35%
Steam	-115	-81	-85	-115	-81	-85	n/a	n/a	n/a
Total	**56,469**	**51,364**	**48,018**	**55,622**	**50,469**	**46,786**	**-2%**	**-2%**	**-3%**
Gross margin								*Change in ppt*	
Aluminum alloy products	*38.8%*	*36.9%*	*35.1%*	*40.2%*	*37.6%*	*35.6%*	*1.44*	*0.74*	*0.56*
Alumina	*18.8%*	*14.5%*	*14.4%*	*5.7%*	*3.8%*	*3.8%*	*-13.08*	*-10.74*	*-10.66*
Aluminum fabrication products	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*0.00*	*0.00*	*0.00*
Steam	*-15.0%*	*-10.0%*	*-10.0%*	*-15.0%*	*-10.0%*	*-10.0%*	*0.00*	*0.00*	*0.00*
Blended gross margin	***33.6%***	***31.6%***	***30.1%***	***32.5%***	***30.5%***	***28.9%***	***-1.19***	***-1.08***	***-1.23***
Net finance expense	-2,974	-2,829	-2,919	-3,189	-3,062	-2,962	7%	8%	1%
S&D expense ratio	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.0*	*0.0*	*0.0*
Administrative expense ratio	*3.0%*	*3.0%*	*3.0%*	*3.3%*	*3.2%*	*3.2%*	*0.3*	*0.2*	*0.2*
Other expense ratio	*0.5%*	*0.5%*	*0.5%*	*1.0%*	*0.5%*	*0.5%*	*0.5*	*0.0*	*0.0*
Profit from JV/Associates (RMB mn)	1,478	1,806	1,919	1,736	1,790	1,948	18%	-1%	2%
Recurring net profit (RMB mn)	**36,049**	**32,879**	**30,599**	**33,671**	**31,047**	**28,743**	**-7%**	**-6%**	**-6%**

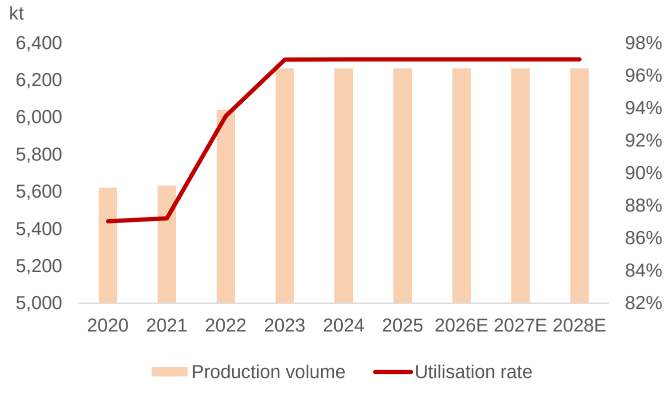
Source: Company data, CMBIGM estimates

Figure 4: Key operating assumptions

	2023	2024	2025	2026E	2027E	2028E
Sales volume (000 tonnes)						
Aluminum alloy products	5,748	5,837	5,824	5,889	5,889	5,889
Alumina	10,374	10,921	13,397	12,576	11,601	11,601
Aluminum fabrication products	580	766	798	865	882	900
Change YoY						
Aluminum alloy products	5.0%	1.5%	-0.2%	1.1%	0.0%	0.0%
Alumina	25.0%	5.3%	22.7%	-6.1%	-7.8%	0.0%
Aluminum fabrication products	-4.8%	32.1%	4.2%	8.4%	2.0%	2.0%
ASP (RMB/t) ex-VAT						
Aluminum alloy products	16,465	17,549	18,217	20,950	20,321	19,712
Alumina	2,560	3,420	2,899	2,174	2,174	2,174
Aluminum fabrication products	19,835	20,328	20,911	23,002	22,542	22,091
Change YoY						
Aluminum alloy products	-6.4%	6.6%	3.8%	15.0%	-3.0%	-3.0%
Alumina	-0.8%	33.6%	-15.2%	-25.0%	0.0%	0.0%
Aluminum fabrication products	-9.2%	2.5%	2.9%	10.0%	-2.0%	-2.0%
Unit cost (RMB/t)						
Aluminum alloy products	-13,602	-13,232	-13,034	-12,527	-12,676	-12,691
Alumina	-2,275	-2,208	-2,256	-2,050	-2,092	-2,092
Aluminum fabrication products	-17,016	-15,369	-17,118	-17,711	-17,357	-17,010
Change YoY						
Aluminum alloy products	-10.6%	-2.7%	-1.5%	-3.9%	1.2%	0.1%
Alumina	4.1%	-2.9%	2.2%	-9.1%	2.0%	0.0%
Aluminum fabrication products	-5.1%	-9.7%	11.4%	3.5%	-2.0%	-2.0%
Unit gross profit (RMB/t)						
Aluminum alloy products	2,863	4,317	5,183	8,422	7,645	7,021
Alumina	285	1,212	643	124	82	82
Aluminum fabrication products	2,819	4,959	3,793	5,290	5,185	5,081
Change YoY						
Aluminum alloy products	20.8%	50.8%	20.1%	62.5%	-9.2%	-8.2%
Alumina	-27.6%	324.9%	-46.9%	-80.7%	-33.9%	0.0%
Aluminum fabrication products	-28.0%	75.9%	-23.5%	39.5%	-2.0%	-2.0%

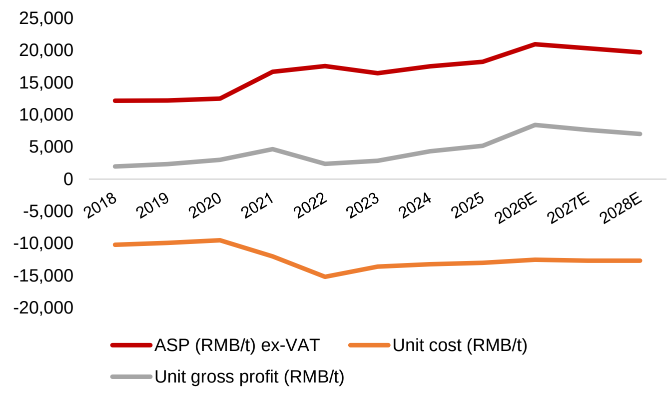
Source: Company data, CMBIGM estimates

Figure 5: Aluminum production volume, utilisation rates



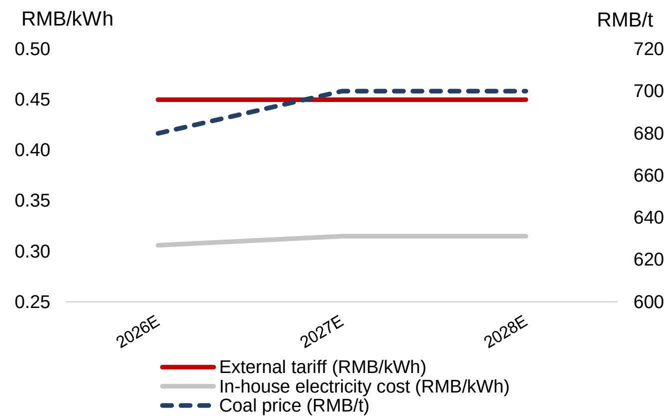
Source: Company data, CMBIGM estimates

Figure 6: Aluminum ASP, unit cost & margin



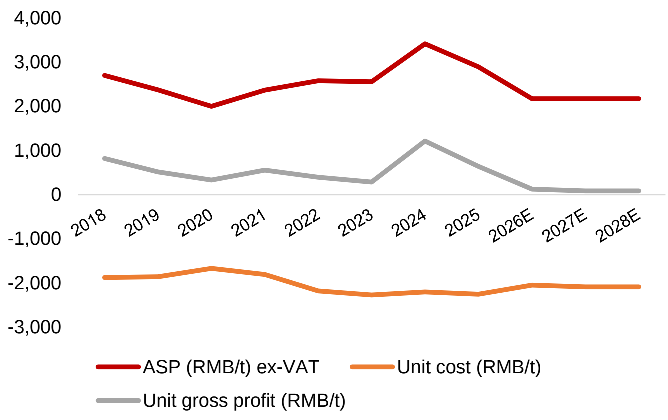
Source: Company data, CMBIGM estimates

Figure 7: Electricity and coal costs forecast



Source: Company data, CMBIGM estimates

Figure 8: Alumina ASP, unit cost & margin



Source: Company data, CMBIGM estimates

Earnings sensitivity

Figure 9: Earnings sensitivity (annualized) to 5% change in aluminum ASP & coal cost

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		18,855	19,902	**20,950**	21,997	23,045
	612	26,475	30,616	34,757	38,898	43,039
	646	25,932	30,073	34,214	38,355	42,496
Coal cost	**680**	25,389	29,530	**33,671**	37,812	41,953
RMB/t	714	24,845	28,986	33,127	37,268	41,409
	748	24,302	28,443	32,584	36,725	40,866

Source: CMBIGM estimates

Figure 10: Earnings sensitivity (annualized) to 5% change in aluminum ASP & external tariff

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		18,855	19,902	**20,950**	21,997	23,045
	0.41	26,653	30,794	34,935	39,076	43,217
	0.43	26,021	30,162	34,303	38,444	42,585
External tariff	**0.45**	25,389	29,530	**33,671**	37,812	41,953
RMB/kWh	0.47	24,756	28,897	33,038	37,179	41,320
	0.50	24,124	28,265	32,406	36,547	40,688

Source: CMBIGM estimates

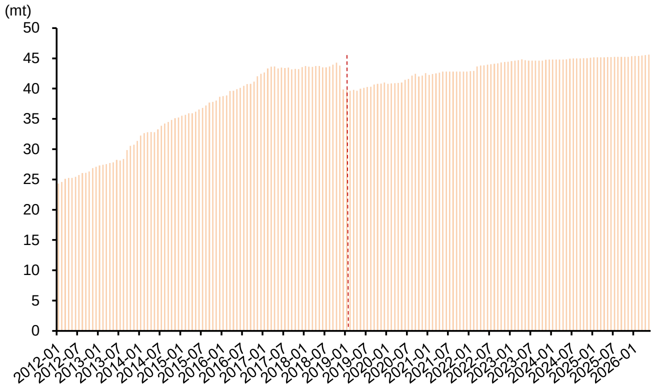
Figure 11: Earnings sensitivity (annualized) to 5% change in alumina ASP & bauxite cost

2026E net profit (RMB mn)		Alumina ASP (RMB/t)				
		1,957	2,065	**2,174**	2,283	2,391
	450	34,001	34,583	35,165	35,747	36,329
	475	33,254	33,836	34,418	35,000	35,582
Bauxite	**500**	32,507	33,089	**33,671**	34,252	34,834
RMB/t	525	31,760	32,342	32,923	33,505	34,087
	550	31,012	31,594	32,176	32,758	33,340

Source: CMBIGM estimates

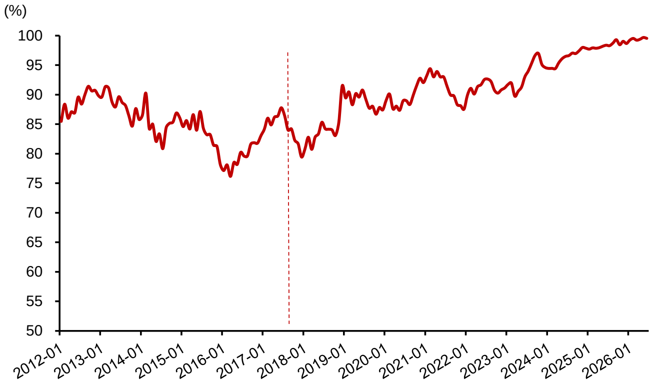
Industry trend

Figure 12: China aluminum annual capacity



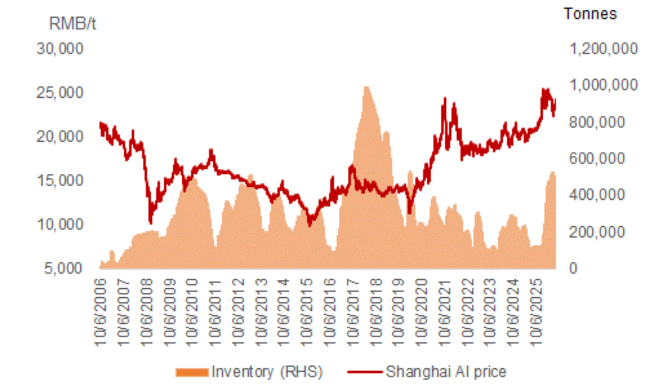
Source: Wind, CMBIGM

Figure 13: China aluminum capacity utilisation rate



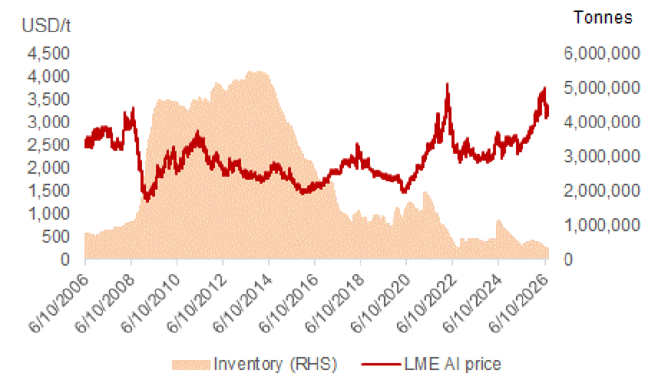
Source: Wind, CMBIGM

Figure 14: Shanghai aluminum price and inventory



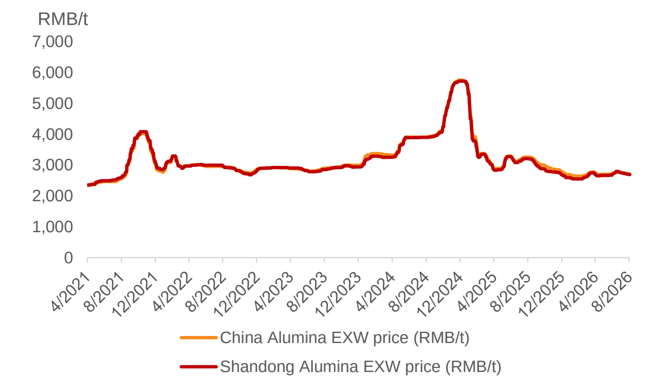
Source: Bloomberg, CMBIGM

Figure 15: LME aluminum price and inventory



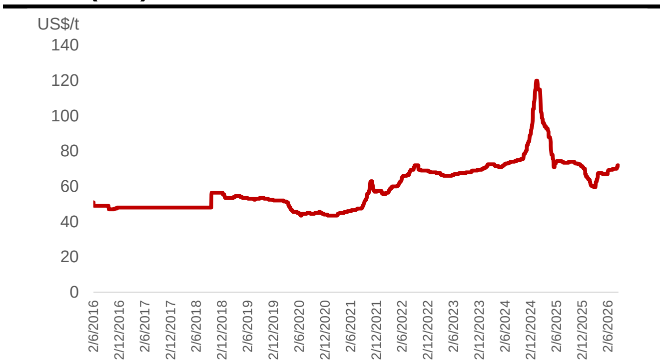
Source: Bloomberg, CMBIGM

Figure 16: Alumina EXW price in China



Source: Wind, CMBIGM

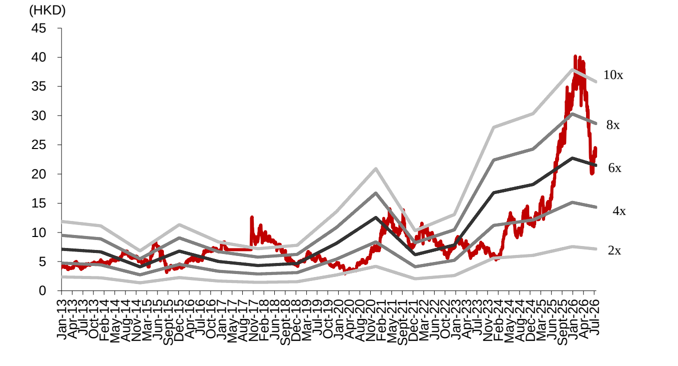
Figure 17: Import price of bauxite from Guinea to China (CIF)



Source: Bloomberg, CMBIGM

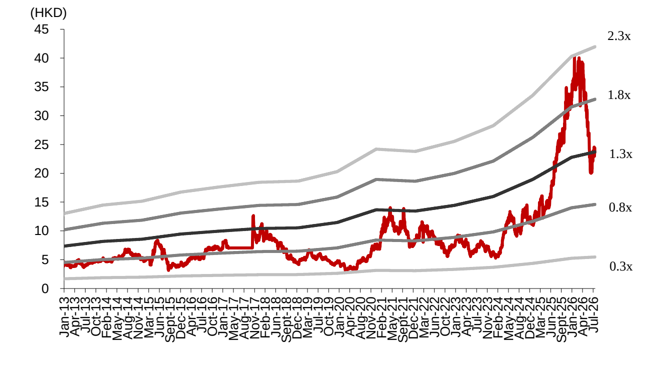
Valuation

Figure 18: Hongqiao's 12M forward P/E band



Source: Bloomberg, company data, CMBIGM estimates

Figure 19: Hongqiao's 12M forward P/B band



Source: Bloomberg, company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**133,624**	**156,169**	**162,354**	**171,381**	**165,591**	**162,033**
Cost of goods sold	(112,669)	(114,006)	(120,848)	(115,759)	(115,122)	(115,247)
Gross profit	**20,955**	**42,163**	**41,505**	**55,622**	**50,469**	**46,786**
Selling expense	(755)	(661)	(743)	(686)	(662)	(648)
Admin expense	(4,953)	(4,993)	(4,275)	(5,656)	(5,299)	(5,185)
R&D expense	(945)	(2,899)	(1,221)	(1,714)	(828)	(810)
Other income	3,405	2,632	2,058	2,571	2,484	2,430
Other gains/(losses)	(49)	(2,192)	(3,782)	0	0	0
Share of (losses)/profits of associates/JV	1,193	1,758	2,629	1,736	1,790	1,948
EBITDA	**24,619**	**42,479**	**43,791**	**56,883**	**53,110**	**49,721**
Depreciation	6,912	6,237	6,468	6,745	6,947	7,148
EBIT	**17,707**	**36,242**	**37,324**	**50,138**	**46,163**	**42,573**
Interest income	308	353	359	760	878	968
Interest expense	(3,268)	(3,363)	(3,483)	(3,949)	(3,939)	(3,930)
Net Interest income/(expense)	**(2,960)**	**(3,011)**	**(3,124)**	**(3,189)**	**(3,062)**	**(2,962)**
Pre-tax profit	**15,890**	**32,797**	**33,046**	**48,685**	**44,891**	**41,560**
Income tax	(3,393)	(8,252)	(8,893)	(11,684)	(10,774)	(9,974)
Minority interest	(1,037)	(2,173)	(1,518)	(3,330)	(3,071)	(2,843)
Adjusted net profit	**11,461**	**24,565**	**26,418**	**33,671**	**31,047**	**28,743**
Gross dividends	5,411	14,094	15,035	20,202	18,628	17,246

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**87,395**	**109,825**	**114,567**	**136,224**	**142,033**	**157,052**
Cash & equivalents	31,721	44,770	51,187	69,418	78,881	90,635
Account receivables	5,489	9,774	8,894	5,192	9,326	4,880
Inventories	33,958	37,344	36,636	36,943	36,230	37,022
ST bank deposits	1,827	2,797	6,328	6,328	6,328	6,328
Other current assets	14,400	15,139	11,522	18,343	11,268	18,187
Non-current assets	**112,925**	**119,340**	**130,812**	**135,818**	**138,676**	**141,492**
PP&E	70,200	75,393	78,986	82,208	83,230	84,053
Deferred income tax	2,990	2,622	2,934	2,934	2,934	2,934
Investment in JVs & assos	11,034	13,222	18,423	20,159	21,949	23,897
Intangibles	43	45	58	62	65	65
Goodwill	278	278	198	198	198	198
Financial assets at FVTPL	13,127	12,233	12,593	12,593	12,593	12,593
Other non-current assets	15,253	15,546	17,620	17,664	17,708	17,752
Total assets	**200,320**	**229,165**	**245,379**	**272,042**	**280,709**	**298,543**
Current liabilities	**74,029**	**76,983**	**54,089**	**58,786**	**53,539**	**58,416**
Short-term borrowings	49,118	45,104	26,893	26,693	26,493	26,293
Account payables	11,648	14,931	11,189	16,086	11,039	16,115
Tax payable	2,586	3,674	2,251	2,251	2,251	2,251
Other current liabilities	10,677	13,274	13,757	13,757	13,757	13,757
Non-current liabilities	**20,035**	**33,569**	**49,579**	**49,579**	**49,579**	**49,579**
Long-term borrowings	13,792	25,781	44,381	44,381	44,381	44,381
Bond payables	na	4,202	3,305	3,305	3,305	3,305
Other non-current liabilities	6,243	3,585	1,893	1,893	1,893	1,893
Total liabilities	**94,064**	**110,552**	**103,669**	**108,366**	**103,118**	**107,995**
Total shareholders equity	**92,245**	**107,800**	**132,593**	**151,228**	**162,073**	**172,187**
Minority interest	14,012	10,814	9,117	12,448	15,518	18,361
Total equity and liabilities	**200,320**	**229,165**	**245,379**	**272,042**	**280,709**	**298,543**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**15,890**	**32,797**	**33,046**	**48,685**	**44,891**	**41,560**
Depreciation & amortization	6,912	6,237	6,468	6,745	6,947	7,148
Tax paid	(1,686)	(6,367)	(8,893)	(11,684)	(10,774)	(9,974)
Change in working capital	(983)	(4,459)	4,103	1,471	(1,394)	1,812
Others	2,269	5,775	4,271	1,453	1,272	1,014
Net cash from operations	**22,402**	**33,983**	**38,995**	**46,670**	**40,942**	**41,559**
Investing						
Capital expenditure	(5,662)	(12,311)	(10,121)	(10,000)	(8,000)	(8,000)
Acquisition of subsidiaries/ investments	(3,700)	(2,884)	(2,572)	0	0	0
Others	(8,526)	2,638	(9,802)	745	863	953
Net cash from investing	**(17,889)**	**(12,557)**	**(22,494)**	**(9,255)**	**(7,137)**	**(7,047)**
Financing						
Dividend paid	(3,786)	(7,659)	(8,933)	(15,035)	(20,202)	(18,628)
Net borrowings	3,240	7,975	389	(200)	(200)	(200)
Proceeds from share issues	0	0	4,867	0	0	0
Others	347	(8,747)	(6,460)	(3,949)	(3,939)	(3,930)
Net cash from financing	**(200)**	**(8,431)**	**(10,136)**	**(19,184)**	**(24,342)**	**(22,758)**
Net change in cash						
Cash at the beginning of the year	27,385	31,721	44,770	51,187	69,418	78,881
Exchange difference	22	54	52	(0)	(0)	0
Cash at the end of the year	**31,721**	**44,770**	**51,187**	**69,418**	**78,881**	**90,635**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	1.5%	16.9%	4.0%	5.6%	(3.4%)	(2.1%)
Gross profit	14.9%	101.2%	(1.6%)	34.0%	(9.3%)	(7.3%)
EBITDA	12.7%	72.5%	3.1%	29.9%	(6.6%)	(6.4%)
EBIT	17.1%	104.7%	3.0%	34.3%	(7.9%)	(7.8%)
Adj. net profit	31.7%	114.3%	7.5%	27.5%	(7.8%)	(7.4%)

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	15.7%	27.0%	25.6%	32.5%	30.5%	28.9%
EBITDA margin	18.4%	27.2%	27.0%	33.2%	32.1%	30.7%
Adj. net profit margin	8.6%	15.7%	16.3%	19.6%	18.7%	17.7%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	0.3	0.3	0.1	(0.0)	(0.1)	(0.2)
Current ratio (x)	1.2	1.4	2.1	2.3	2.7	2.7
Receivable turnover days	13.8	17.8	21.0	15.0	16.0	16.0
Inventory turnover days	115.4	114.1	111.7	116.0	116.0	116.0
Payable turnover days	43.0	42.5	39.4	43.0	43.0	43.0

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	16.4	8.4	8.3	5.9	6.4	6.9
P/B	2.0	1.7	1.5	1.3	1.2	1.1
Div yield (%)	2.9	7.5	7.6	10.2	9.4	8.7

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

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