

# GDS (9698 HK)

## Growing fast despite near term regulation impact

GDS reported another strong quarter with adj. EBITDA growth of +43% YoY and maintained FY21E +40% adj. EBITDA growth target. We think recent regulation headwinds could affect data center demand in the near term but the secular trend of rising cloud investment in China remains intact. Maintain BUY with new target price of HK\$99.45 on lower multiple given increasing interest rate hike risk.

- **FY1Q21 largely in-line, FY21E +40% adj. EBITDA growth guidance unchanged.** GDS reported another strong quarter with revenue growth of +38% YoY to RMB1,706mn as area utilized rose by 48% to 242k sq m (73% utilization) despite 5.6% decline in MSR. Adj. EBITDA was at RMB818mn (+43% YoY), slightly missed on higher G&A expense due to professional fees related to acquisition and net loss widened to RMB301mn.
- **Tightened regulations affected China cloud demand.** We observed that several cloud service providers experienced slower growth in 1Q as end internet customers are facing tightened regulations. In 1Q21, Alibaba reported cloud revenue growth of +37% YoY (down from +50% YoY in 4Q20) and Kingsoft Cloud reported public cloud revenue growth of +15% YoY (down from +44% YoY in CY4Q20). GDS maintained FY21E +40% adj. EBITDA growth guidance but if regulation headwinds continue, end customers may become more cautious in cloud spending and hence affecting IDC demand.
- **Chance is low to acquire data center platform peers, in our view.** [Bloomberg](#) reported that GDS is considering to acquire GLP's data center business for US\$8-10bn but we think the chance is low. GLP is operating approx. [30k cabinets capacity](#) in China while GDS is operating approx. 130k cabinets and market cap is at US\$15bn. We think GDS will maintain its prudent, single-data center M&A strategy instead of acquiring data center platform with its RMB15bn cash on hand. GDS maintained RMB12bn FY21E capex guidance.
- **Increasing interest rate risk could weigh on growth stock valuation.** We trimmed FY21-23E adj. EBITDA by 1-4% to reflect slower revenue growth (+33% FY20-23E revenue CAGR vs. prior forecast at +35%). Maintain BUY with target price of HK\$99.45, based on lowered 30x FY22E EV/EBITDA as interest rate hike risk is increasing and will affect unprofitable growth stock valuation. Catalysts include new M&A and customer win.

### Earnings Summary

(YE 31 Dec)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue (RMB mn)	4,122	5,739	7,829	10,358	13,512
YoY growth (%)	48%	39%	36%	32%	30%
Adj. EBITDA (RMB mn)	1,824	2,681	3,696	4,933	6,481
YoY growth (%)	74%	47%	38%	33%	31%
Consensus EBITDA (RMB)	1,824	2,681	3,674	5,022	6,612
Net income (RMB mn)	(442)	(669)	(840)	(500)	260
EPS (RMB)	-0.45	-0.59	-0.71	-0.44	0.17
YoY growth (%)	n.a.	n.a.	n.a.	n.a.	-138%
EV/EBITDA	52.7	34.5	28.5	23.3	18.8
Yield (%)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	n.a.	n.a.	0.0

Source: Company data, Bloomberg, CMBIS estimates

### BUY (Maintain)

Target Price	HK\$99.45
(Previous TP	HK\$119.43)
Up/Downside	+39.2%
Current Price	HK\$71.45

### China software & IT services

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#### Stock Data

Mkt Cap (HK\$ mn)	106,831
Avg 3 mths t/o (mn)	141.93
52w High/Low (HK\$)	118.70/ 66.30
Total Issued Shares (mn)	1,428

Source: Bloomberg

#### Shareholding Structure

STT GDC	32.1%
William Huang - Chairman	5.4%
Ping An	2.3%

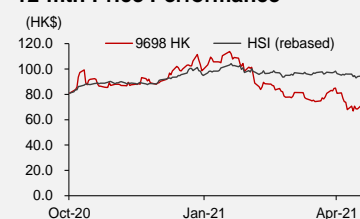
Source: Bloomberg

#### Share Performance

	Absolute	Relative
1-mth	2.2%	4.0%
3-mth	-29.9%	-24.9%
6-mth	-11.5%	-18.4%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

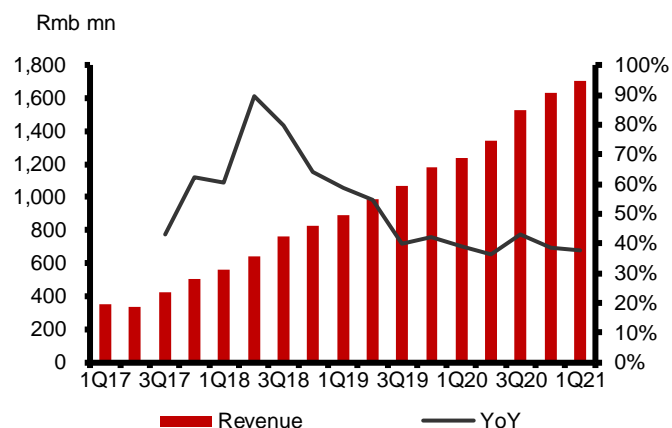
#### Auditor: KPMG

#### Related Report:

"Growth momentum to remain strong" – 12 Mar 2021

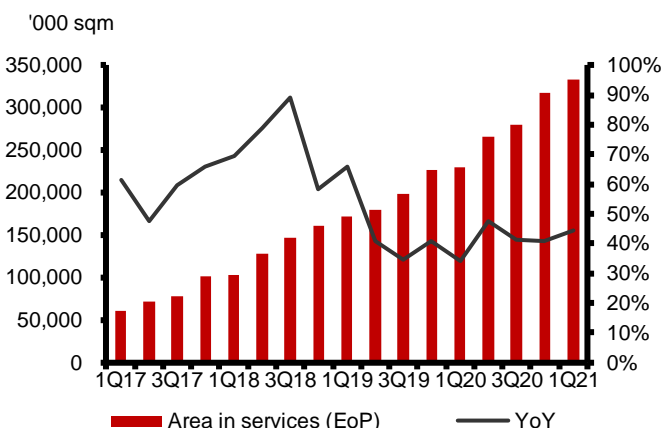
## Focus charts

**Figure 1: Revenue and YoY growth**



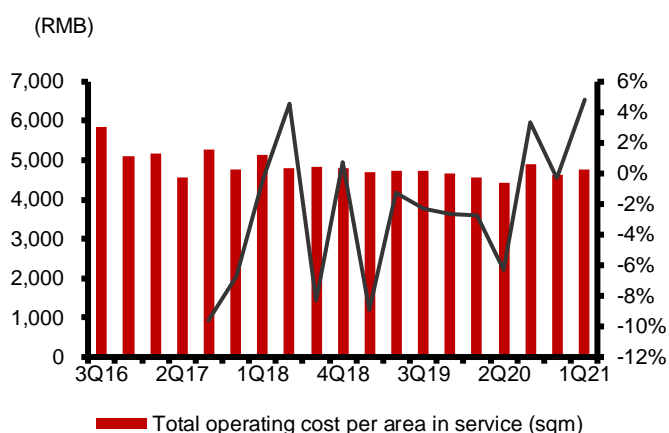
Source: Company data, CMBIS estimates

**Figure 2: Area in services and YoY**



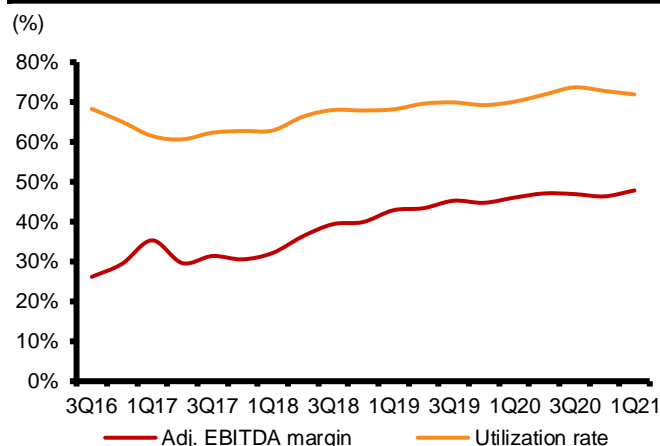
Source: Company data, CMBIS estimates

**Figure 3: Total operating cost per area in service**



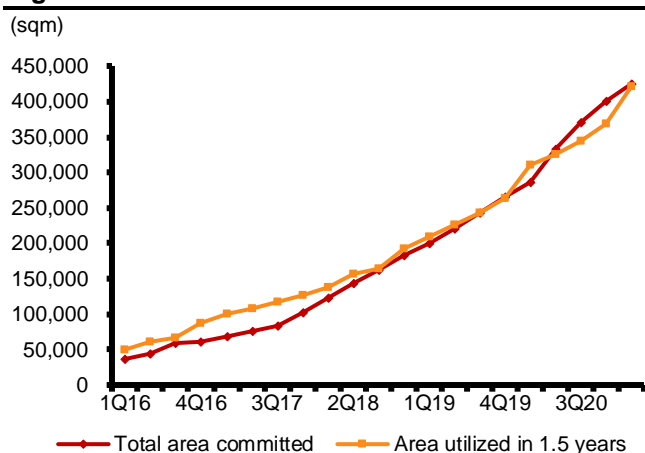
Source: Company data, CMBIS estimates

**Figure 4: EBITDA margin vs. utilization**



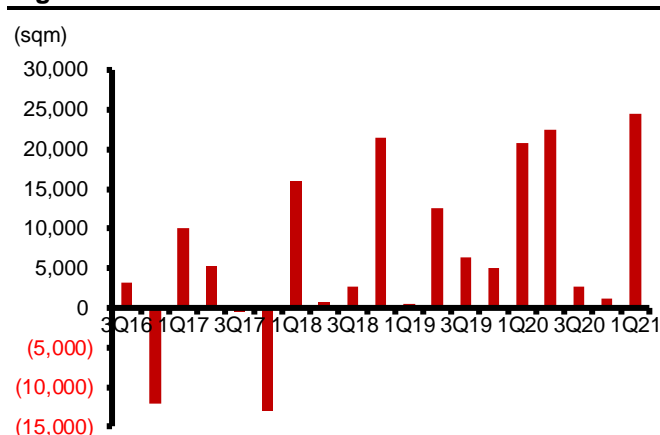
Source: Company data, CMBIS estimates

**Figure 5: Total area committed vs. fwd area utilized**



Source: Company data, CMBIS estimates

**Figure 6: Net adds in area under construction**



Source: Company data, CMBIS estimates

## 1Q21 earnings review

### 1Q21 results review

- **Revenue** was at RMB1,706mn (+38% YoY, +5% QoQ), **in-line** with our estimate but **2% below** consensus.
- **Gross profit** was at RMB397mn (+13% YoY, -8% QoQ), below both our and consensus estimate.
  - This miss was due to 1) higher power consumption as a result of higher area utilized and 2) higher D&A (+67.5% YoY) as a result of 9 new data centers coming into service in 4Q20.
- **Gross margin** was at 23.3% (-5 pct pts YoY, -3.1 pct pts QoQ), below our and consensus estimates.
  - **Adj. gross margin** was at 54.4% in 1Q21 (+0.8 pct pts YoY, +0.9 pct pts QoQ) on improved power efficiency.
- **Adj. EBITDA** was at RMB818mn (+43% YoY, +8% QoQ), **3% below** our and **1% below** consensus estimates.
- **Adj. EBITDA margin** was at 47.9% (+1.8 pct pts YoY, +1.5 pct pts QoQ), **below** our estimates by 1.5 pct pts but **above** consensus by 0.5 pct pts.
- **Net loss** was widened at RMB301mn, missed both our and consensus estimates.

### FY21E guidance unchanged

- **Revenue** will be in the range of RMB7,700-8,000mn (implying +34.2% to +39.4% YoY).
- **Adj. EBITDA** will be in the range of RMB3,660-3,800mn (implying +36.5% to +41.8% YoY).
- **Capex** will be at RMB12,000mn (+28% YoY).

Figure 7: 1Q21 results review

	Mar-20 1Q20	Dec-20 4Q20	Mar-21 1Q21			Mar-21 1Q21	versus CMBI	Mar-21 1Q21	versus consensus
RMB mn	actual	actual	actual	YoY	QoQ	CMBI		consensus	consensus
Revenue	1,240	1,632	1,706	38%	5%	1,713	0%	1,736	-2%
Gross profit	350	430	397	13%	-8%	498	-20%	584	-32%
Gross margin	28.2%	26.4%	23.3%	-5 pct pts	-3.1 pct pts	29.1%	-5.8 pct pts	33.6%	-10.4 pct pts
Operating profit	194	155	121	-38%	-22%	296	-59%	250	-52%
Operating margin	15.7%	9.5%	7.1%	-8.6 pct pts	-2.4 pct pts	17.3%	-10.2 pct pts	14.4%	-7.3 pct pts
Adj. EBITDA	572	758	818	43%	8%	848	-3%	823	-1%
Adj. EBITDA margin	46.1%	46.5%	47.9%	1.8 pct pts	1.5 pct pts	49.5%	-1.5 pct pts	47.4%	0.5 pct pts
Net non-op	-271	-383	-340			-514		-402	
PBT	-76	-228	-219	-187%	4%	-217	-1%	-152	-44%
Net income	-105	-294	-301	-186%	-2%	-275	-10%	-178	-70%
Net margin	-8.5%	-18.0%	-17.7%	-9.2 pct pts	0.4 pct pts	-16.1%	-1.6 pct pts	-10.2%	-7.4 pct pts
EPS RMB	-0.09	-0.21	-0.21	-134%	2%	-0.20	-5%	-0.14	-54%

Source: Company data, CMBIS

## Earnings revision

Figure 8: Earnings revision

RMB mn	2021E			2022E			2023E		
	New	Old	%Diff	New	Old	%Diff	New	Old	%Diff
Sales	7,829	7,934	-1%	10,358	10,521	-2%	13,512	13,989	-3%
Gross profit	2,008	2,313	-13%	2,993	3,279	-9%	4,378	4,960	-12%
OP Profit	838	1,170	-28%	1,549	1,851	-16%	2,505	3,045	-18%
Adj. EBITDA	3,696	3,796	-3%	4,933	5,126	-4%	6,481	6,964	-7%
PBT	-717	-821	-13%	-417	-302	38%	220	561	-61%
Net profit	-891	-985	-9%	-551	-409	35%	209	602	-65%
EPS	-0.71	-0.79	-9%	-0.44	-0.33	35%	0.17	0.48	-65%
<b>Margins</b>									
GM	25.7%	29.2%	-350 bps	28.9%	31.2%	-228 bps	32.4%	35.5%	-306 bps
OPM	10.7%	14.7%	-404 bps	15.0%	17.6%	-265 bps	18.5%	21.8%	-323 bps
Adj. EBITDA margin	47.2%	47.8%	-63 bps	47.6%	48.7%	-109 bps	48.0%	49.8%	-182 bps
PBT margin	-9.2%	-10.3%	118 bps	-4.0%	-2.9%	-115 bps	1.6%	4.0%	-238 bps
Net margin	-11.4%	-12.4%	102 bps	-5.3%	-3.9%	-143 bps	1.5%	4.3%	n/a
<b>Key assumptions</b>									
Total area in service	464,509	455,141	2%	641,023	628,094	2%	881,327	857,797	3%
Total area utilized	325,396	325,690	-0%	455,815	448,992	2%	626,796	623,756	0%
Avg. utilization rate	71%	71%	-68 bps	71%	72%	-32 bps	71%	73%	-147 bps
Average MSR	2,281	2,315	-1%	2,165	2,222	-3%	2,052	2,125	-3%
Depreciation	2,292	2,297	-0%	2,942	2,956	-0%	3,479	3,507	-1%

Source: Company data, CMBIS estimates

Figure 9: CMBI estimates vs. consensus

RMB mn	2021E			2022E			2023E		
	CMBI	Street	Diff	CMBI	Street	Diff	CMBI	Street	Diff
Sales	7,829	7,948	-1%	10,358	10,566	-2%	13,512	13,418	1%
Gross profit	2,008	2,170	-7%	2,993	3,225	-7%	4,378	4,170	5%
Operating profit	838	1,098	-24%	1,549	1,716	-10%	2,505	2,525	-1%
Adj. EBITDA	3,696	3,674	1%	4,933	5,022	-2%	6,481	6,612	-2%
Net profit	-891	-438	103%	-551	-99	458%	209	496	-58%
EPS	-0.71	-1.85	-62%	-0.44	-0.78	-44%	0.17	0.58	-71%
<b>Margins</b>									
GM	25.7%	27.3%	-166 bps	28.9%	30.5%	-163 bps	32.4%	31.1%	132 bps
OPM	10.7%	13.8%	-311 bps	15.0%	16.2%	-128 bps	18.5%	18.8%	-28 bps
Adj. EBITDA margin	47.2%	46.2%	97 bps	47.6%	47.5%	10 bps	48.0%	49.3%	-131 bps
Net margin	-11.4%	-5.5%	-587 bps	-5.3%	-0.9%	-439 bps	1.5%	3.7%	-215 bps

Source: Company data, CMBIS estimates

**Figure 10: Operating model**

RMB mn	2019	2020	2021E	2022E	2023E
<b>Revenues</b>	<b>4,122</b>	<b>5,739</b>	<b>7,829</b>	<b>10,358</b>	<b>13,512</b>
Service Revenue	4,095	5,717	7,807	10,337	13,490
Equipment Revenue	28	22	22	21	23
Cost of sales	-3,080	-4,189	-5,821	-7,365	-9,135
<b>Gross Profit</b>	<b>1,043</b>	<b>1,550</b>	<b>2,008</b>	<b>2,993</b>	<b>4,378</b>
<i>Gross margin</i>	<i>25.3%</i>	<i>27.0%</i>	<i>25.7%</i>	<i>28.9%</i>	<i>32.4%</i>
R&D	-22	-40	-50	-66	-85
SG&A	-541	-837	-1,120	-1,378	-1,789
Operating Income	480	673	838	1,549	2,505
<b>Adj. EBITDA</b>	<b>1,824</b>	<b>2,681</b>	<b>3,696</b>	<b>4,933</b>	<b>6,481</b>
<i>Adj. EBITDA margin</i>	<i>44.2%</i>	<i>46.7%</i>	<i>47.2%</i>	<i>47.6%</i>	<i>48.0%</i>
Interest Expense	-969	-1,287	-1,625	-2,036	-2,355
Net other income (exp)	62	66	70	70	70
Profit Before Income Taxes	-426	-548	-717	-417	220
Income Tax Expense	-16	-121	-123	-83	40
<b>Net profit (loss)</b>	<b>-500</b>	<b>-738</b>	<b>-891</b>	<b>-551</b>	<b>209</b>
<i>Net margin</i>	<i>-10.7%</i>	<i>-11.7%</i>	<i>-10.7%</i>	<i>-4.8%</i>	<i>1.9%</i>
EPS (RMB)	-0.45	-0.59	-0.71	-0.44	0.17
<b>Key assumptions</b>					
Total area in service (EoP)	225,963	318,272	464,509	641,023	881,327
Total area utilized (EoP)	156,020	226,212	325,396	455,815	626,796
Utilization rate (area utilized/ area in service)	69%	72%	71%	71%	71%
Average MSR (RMB / Sq m / Month)	2,532	2,403	2,281	2,165	2,052
Depreciation	1,142	1,638	2,346	2,942	3,479
<b>Growth (YoY)</b>					
Revenues	48%	39%	36%	32%	30%
Gross Profit	68%	49%	30%	49%	46%
Adj. EBITDA	74%	47%	38%	33%	31%
Net profit (loss)	3%	51%	26%	-40%	-152%

Source: Company data, CMBIS estimates

**Figure 11: Quarterly model**

RMB mn	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21E	3Q21E	4Q21E
Revenues	1,240	1,342	1,525	1,632	1,706	1,826	2,042	2,255
Gross Profit	350	361	409	430	397	466	528	617
Adj. EBITDA	572	633	717	758	818	872	958	1,048
Net profit (loss)	-105	-114	-224	-294	-301	-218	-202	-211
EPS (RMB)	-0.09	-0.10	-0.18	-0.21	-0.21	-0.15	-0.14	-0.15
<b>Key assumptions</b>								
Total area in service (EoP)	229,986	266,260	279,618	318,272	332,534	375,541	442,706	464,509
Total area utilized (EoP)	163,835	193,163	209,751	226,212	242,364	263,058	309,891	325,396
Utilization rate (area utilized/ area in service)	71%	73%	75%	71%	73%	70%	70%	70%
Average MSR (Rmb / Sqm / Month)	2,569	2,492	2,519	2,489	2,425	2,400	2,368	2,359
Depreciation	319	390	451	478	560	543	596	647
<b>Margins</b>								
Gross margin	28%	27%	27%	26%	23%	26%	26%	27%
Adj. EBITDA margin	46%	47%	47%	46%	48%	48%	47%	46%
Net margin	-8%	-9%	-15%	-18%	-18%	-12%	-10%	-9%
<b>Growth (QoQ)</b>								
Revenues	5%	8%	14%	7%	5%	7%	12%	10%
Gross Profit	19%	3%	13%	5%	-8%	18%	13%	17%
Adj. EBITDA	8%	11%	13%	6%	8%	7%	10%	9%
Net profit (loss)	-10%	9%	95%	31%	2%	-28%	-7%	4%
<b>Growth (YoY)</b>								
Revenues	38%	35%	44%	40%	38%	36%	34%	38%
Gross Profit	65%	38%	49%	46%	13%	29%	29%	43%
Adj. EBITDA	49%	48%	48%	43%	43%	38%	34%	38%
Net profit (loss)	33%	-8%	-88%	-162%	-203%	-93%	13%	31%

Source: Company data, CMBIS

## Valuation

### Maintain BUY with new target price of HK\$99.45 (39% upside)

We maintain our BUY recommendation on GDS with new target price of HK\$99.45, based on lowered 30x FY22E adj. EV/EBITDA (prior 32x), 1-SD above its 3-year mean as growth is likely to remain strong with adj. EBITDA margin improvement on higher utilization. We use a lower target multiple to reflect higher interest rate hike risk that could weigh on unprofitable growth stock valuation.

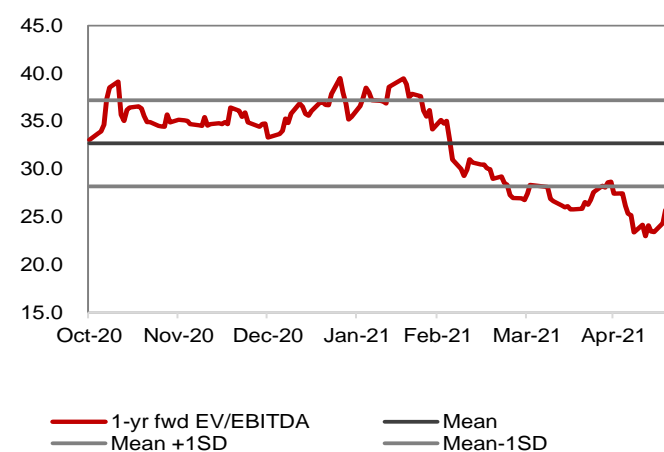
We use EV/EBITDA as the valuation methodology as it better reflects IDC operating profitability than P/E given high depreciation expense during ramp-up stage and large interest expense gap between peers if capital structure is different.

Figure 12: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	EV/EBITDA (x)		EBITDA margin (%)		Revenue FY20-23E CAGR
						FY21E	FY22E	FY21E	FY22E	
GDS	9698 HK	BUY	13,761	71.45	99.45	28.5	23.3	47%	48%	33%
21Vianet	VNET US	NR	3,429	24.87	N/A	14.0	9.8	27%	30%	26%
Sinnet	300383 CH	NR	3,496	14.58	N/A	13.0	11.1	21%	22%	13%
Baosight	600845 CH	NR	9,376	62.10	N/A	27.3	20.6	18%	18%	29%
AtHub	603881 CH	NR	1,660	32.48	N/A	18.6	13.0	57%	59%	35%
ChinData	CD US	NR	5,212	14.27	N/A	26.5	16.7	42%	46%	79%
Equinix	EQIX US	NR	64,082	715.36	N/A	24.1	21.8	47%	48%	12%
Digital Realty Trust	DLR US	NR	43,402	150.01	N/A	24.5	22.8	54%	54%	17%
Mean						22.1	17.1	39%	41%	31%
Median						24.3	18.6	44%	47%	28%

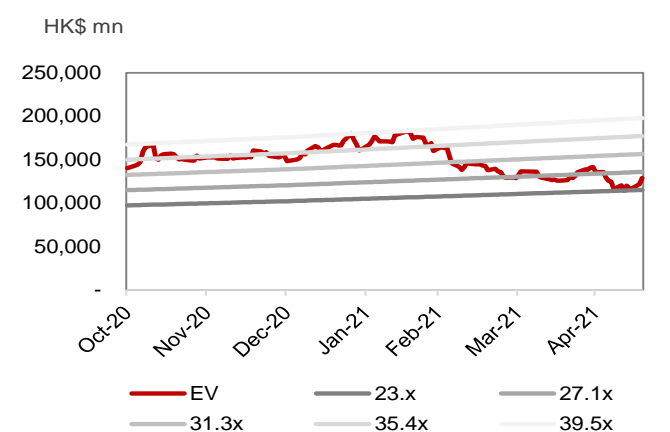
Source: Bloomberg, CMBIS estimates

Figure 13: 12M forward EV/EBITDA chart



Source: Company data, CMBIS

Figure 14: 12M forward EV/EBITDA band



Source: Company data, CMBIS



## Financial Summary

### Income statement

YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Revenues</b>					
Service Revenue	4,095	5,717	7,807	10,337	13,490
Equipment Revenue	28	22	22	21	23
<b>Total Revenue</b>	<b>4,122</b>	<b>5,739</b>	<b>7,829</b>	<b>10,358</b>	<b>13,512</b>
Cost of sales	(3,080)	(4,189)	(5,821)	(7,365)	(9,135)
<b>Gross Profit</b>	<b>1,043</b>	<b>1,550</b>	<b>2,008</b>	<b>2,993</b>	<b>4,378</b>
R&D Expenditures	(22)	(40)	(50)	(66)	(85)
Sales/Marketing/Ad Exp.	(130)	(135)	(164)	(195)	(271)
G&A Expenses	(411)	(703)	(956)	(1,183)	(1,518)
<b>Operating Income</b>	<b>480</b>	<b>673</b>	<b>838</b>	<b>1,549</b>	<b>2,505</b>
<b>Adj. EBITDA</b>	<b>1,824</b>	<b>2,681</b>	<b>3,696</b>	<b>4,933</b>	<b>6,481</b>
Interest Expense	(969)	(1,287)	(1,625)	(2,036)	(2,355)
Other non-oper. income	62	66	70	70	70
<b>Profit Before Income Taxes</b>	<b>(426)</b>	<b>(548)</b>	<b>(717)</b>	<b>(417)</b>	<b>220</b>
Income Tax Expense	(16)	(121)	(123)	(83)	40
<b>Net Profit (loss)</b>	<b>(442)</b>	<b>(669)</b>	<b>(840)</b>	<b>(500)</b>	<b>260</b>
Non-controlling interests	(58)	(69)	(51)	(51)	(51)
<b>Net Profit (loss) to shr holders</b>	<b>(500)</b>	<b>(738)</b>	<b>(891)</b>	<b>(551)</b>	<b>209</b>

### Cash flow summary

YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Net Income</b>	<b>(442)</b>	<b>(669)</b>	<b>(840)</b>	<b>(500)</b>	<b>260</b>
Depreciation & Amortization	1,142	1,638	2,346	2,942	3,479
Net change in WC	(653)	(1,023)	98	761	749
Others	247	375	131	0	0
<b>Net cash from operating</b>	<b>293</b>	<b>321</b>	<b>1,735</b>	<b>3,203</b>	<b>4,489</b>
Capital Expenditures	(4,553)	(8,021)	(9,761)	(7,924)	(6,891)
Acquisition of Business	(579)	(1,357)	(1,354)	(1,398)	(1,216)
Other Investing Activities	0	0	(2,904)	(3,485)	(3,136)
<b>Net cash from investing</b>	<b>(5,131)</b>	<b>(9,378)</b>	<b>(14,019)</b>	<b>(12,807)</b>	<b>(11,244)</b>
Equity raised	4,934	12,724	0	0	0
Change of debts	3,730	790	5,085	7,074	4,212
Dividend paid	(25)	0	0	0	0
Others	(277)	6,630	333	0	114
<b>Net cash from financing</b>	<b>8,362</b>	<b>20,144</b>	<b>5,418</b>	<b>7,074</b>	<b>4,326</b>
<b>Net change in cash</b>	<b>3,524</b>	<b>11,087</b>	<b>(6,867)</b>	<b>(2,531)</b>	<b>(2,429)</b>
Cash at beg. of the year	2,162	5,811	16,259	9,441	6,910
Ex. difference and others	125	(638)	48	0	0
<b>Cash at the end of the year</b>	<b>5,811</b>	<b>16,259</b>	<b>9,441</b>	<b>6,910</b>	<b>4,481</b>

### Balance sheet

YE 31 Dec (RMB mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Non-current assets</b>	<b>24,408</b>	<b>38,940</b>	<b>50,890</b>	<b>60,756</b>	<b>68,520</b>
PPE - Net	19,185	29,596	39,831	48,298	54,847
Other Intangible Assets	2,300	3,382	4,674	6,072	7,289
Other noncurrent assets	2,923	5,962	6,385	6,385	6,385
<b>Current assets</b>	<b>7,085</b>	<b>18,319</b>	<b>12,598</b>	<b>10,875</b>	<b>9,464</b>
Cash and Equivalents	5,811	16,259	9,441	6,910	4,481
A/R - Trade	880	1,480	2,157	2,824	3,686
Other current assets	394	579	1,000	1,141	1,297
<b>Current liabilities</b>	<b>4,000</b>	<b>7,644</b>	<b>9,551</b>	<b>12,273</b>	<b>14,728</b>
Borrowings	1,138	2,153	2,903	4,056	4,743
AP - Trade	1,676	3,657	4,381	5,456	6,688
Accrued Expenses	818	1,493	1,831	2,324	2,856
Other non-current liab.	368	341	437	437	441
<b>Non-current liabilities</b>	<b>16,137</b>	<b>22,947</b>	<b>27,919</b>	<b>33,839</b>	<b>37,479</b>
Borrowings	8,028	10,567	14,902	20,822	24,347
Convertible bonds	2,050	1,928	1,945	1,945	1,945
Others	6,059	10,452	11,072	11,072	11,186
<b>Total mezzanine equity</b>	<b>1,062</b>	<b>1,102</b>	<b>1,175</b>	<b>1,175</b>	<b>1,175</b>
Share capital	0	1	1	1	1
Capital surplus	12,403	28,729	28,817	28,817	28,817
Retained earnings	-2,057	-2,724	-3,562	-4,062	-3,802
Other reserves	-53	-440	-414	-414	-414
<b>Total equity</b>	<b>10,294</b>	<b>25,566</b>	<b>24,842</b>	<b>24,342</b>	<b>24,602</b>

### Key ratios

YE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Key operating ratios</b>					
Total area in service ('000 sq m)	226	318	465	641	881
Avg. UTR	69%	72%	71%	71%	71%
Avg. MSR (RMB/ sq m/ Month)	2,532	2,403	2,281	2,165	2,052
<b>Growth (YoY)</b>					
Revenue	48%	39%	36%	32%	30%
Gross profit	68%	49%	30%	49%	46%
EBITDA	74%	47%	38%	33%	31%
Net profit	n.a.	n.a.	n.a.	n.a.	-138%
<b>Margins</b>					
Gross margin	25%	27%	26%	29%	32%
Operating margin	12%	12%	11%	15%	19%
EBITDA margin	44%	47%	47%	48%	48%
<b>Balance sheet ratio</b>					
Net debt / equity ratio (%)	0.5	net	0.4	0.8	1.1
Current ratio	1.8	2.4	1.3	0.9	0.6
<b>Returns (%)</b>					
ROE	n.a.	n.a.	n.a.	n.a.	0.01
ROA	n.a.	n.a.	n.a.	n.a.	0.00
<b>Per share</b>					
EPS (RMB)	-0.45	-0.59	-0.71	-0.44	0.17
BVPS (RMB)	9.3	20.4	19.8	19.4	19.6

Source: Company data, CMBIS estimates



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