

ZTO Express (ZTO US/2057 HK)

Lower volume guidance but likely ASP surprise

We believe ZTO's lower parcel volume growth guidance for the full year (14-18%, vs. 20-24% previously) is a response to the government's anti-involution campaign. While weak 2Q25 profit (-26% YoY) and lower guidance look unattractive, we see chances of an ASP surprise over the coming 6-12 months which will likely serve as a major share price catalyst. We only slightly fine-tune our 2025E-27E earnings forecast by 1-2%. We roll over our valuation base to 2026, and accordingly revise up our TP for ZTO US/2057 HK to US\$23.9/HK\$187 (previously US\$22.2/HK\$174) based on an unchanged target multiple of 15x 2026E P/E (1SD below historical average). Maintain **BUY**.

Key highlights in 2Q25 results:

- **Core net profit declined 26% YoY to RMB2bn in 2Q25**, attributable to 10% revenue growth but offset by unit gross profit contraction of 30% YoY (to RMB0.3/parcel). In 1H25, the core net profit dropped 13% YoY to RMB3.98bn which accounted for 46% of our full-year estimate (run rate in 1H24: 48%).
- **Parcel volume grew 16.5% YoY to 9.8bn units**. Market share in 2Q25 was 19.5% (-0.1ppts YoY and +0.6ppts QoQ). ZTO remained the largest player in term of express delivery parcel volume in 2Q, followed by YTO (16%) and Yunda (13.2%).
- **ASP dropped 4.7% YoY**. ASP in 2Q25 dropped RMB0.06/parcel (or 4.7%) YoY to RMB1.18/unit (breakdown: KA +RMB0.17, parcel weight -RMB0.05, volume incentives -RMB0.18).
- **Unit cost increased 9% YoY to RMB0.89/parcel**. Unit cost of transportation decreased RMB0.06 (or 14%) YoY to RMB0.33/parcel, helped by economies of scale, improved load rate and decrease in diesel prices. Unit cost of sorting hubs dropped RMB0.01 (or 7%) YoY to RMB0.25/parcel, helped by scale and the increase in automation level. Other unit cost unexpectedly surged RMB0.15/unit (or 102%) YoY to RMB0.29/unit, due to an increase in KA cost based on our understanding.

Earnings Summary - ZTO US

| (YE 31 Dec) | FY23A | FY24A | FY25E | FY26E | FY27E |
|------------------------------|---------|---------|---------|---------|----------|
| Revenue (RMB mn) | 38,419 | 44,281 | 48,197 | 53,809 | 59,580 |
| YoY growth (%) | 8.6 | 15.3 | 8.8 | 11.6 | 10.7 |
| Adjusted net profit (RMB mn) | 8,579.0 | 9,555.8 | 8,745.2 | 9,439.1 | 10,339.8 |
| EPS (Adjusted) (RMB) | 10.62 | 11.45 | 10.79 | 11.65 | 12.76 |
| Consensus EPS (RMB) | na | na | 11.52 | 12.83 | 14.21 |
| P/E (x) | 13.1 | 13.4 | 13.1 | 12.2 | 11.1 |
| P/B (x) | 1.9 | 1.8 | 1.7 | 1.6 | 1.5 |
| Yield (%) | 3.1 | 3.4 | 3.4 | 3.7 | 4.1 |
| ROE (%) | 15.4 | 14.6 | 13.7 | 13.7 | 13.8 |
| Net gearing (%) | (41.6) | (40.0) | (41.3) | (42.7) | (46.3) |

Source: Company data, Bloomberg, CMBIGM estimates

| ZTO US | 2057 HK |
|----------|----------|
| BUY | BUY |
| Maintain | Maintain |

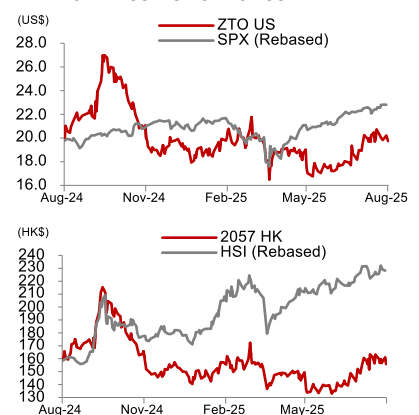
| | | |
|---------------|-----------|------------|
| TP | US\$23.90 | HK\$187.00 |
| Prior TP | US\$22.20 | HK\$174.00 |
| Up/Downside | 21.1% | 20.0% |
| Current Price | US\$19.7 | HK\$155.8 |

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12-mth Price Performance



Source: FactSet

Stock Performance

| | ZTO US | | 2057 HK | |
|-------|--------|-------|---------|--------|
| | Abs. | Rel. | Abs. | Rel. |
| 1-mth | 4.0% | 2.1% | 2.4% | 2.8% |
| 3-mth | 12.8% | 4.5% | 7.9% | 6.3% |
| 6-mth | -4.1% | -8.5% | 0.3% | -13.8% |

Source: FactSet

Stock Data

| (LC) | ZTO US | 2057 HK |
|---------------------|----------|----------|
| Mkt Cap (mn) | 15996.1 | 126250.8 |
| Avg 3 mths t/o (mn) | 14.56 | 413.2 |
| 52w High | 26.99 | 215.4 |
| 52w Low | 16.51 | 132.9 |
| Issued Shares (mn) | 810.3392 | 810.3392 |

Source: FactSet

Related reports:

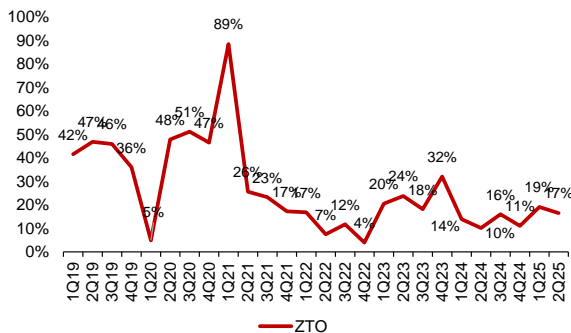
1. Express delivery – Price floor in Guangdong likely set an example for other regions; Staying +ve on the sector – 8 Aug 2025 ([link](#))
2. Express delivery - Strong policy momentum to curb price war; a similar price hike story like 2022 – 4 Aug 2025 ([link](#))
3. ZTO Express - 1Q25 earnings below expectation; further pricing pressure on parcel ahead – 21 May 2025 ([link](#))

Figure 1: ZTO's 2Q25 results

| (RMB mn) | 1Q24 | 1Q25 | Change YoY | 2Q24 | 2Q25 | Change YoY | 3Q23 | 3Q24 | Change YoY | 4Q23 | 4Q24 | Change YoY |
|--|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|--------------|
| Total revenue | 9,960 | 10,891 | 9.4% | 10,726 | 11,832 | 10.3% | 9,076 | 10,675 | 17.6% | 10,619 | 12,920 | 21.7% |
| Cost of sales | -6,958 | -8,202 | 17.9% | -7,105 | -8,887 | 25.1% | -6,369 | -7,340 | 15.2% | -7,491 | -9,160 | 22.3% |
| Gross profit | 3,002 | 2,689 | -10.4% | 3,620 | 2,944 | -18.7% | 2,706 | 3,335 | 23.2% | 3,128 | 3,760 | 20.2% |
| Other income | 161 | 454 | 181.3% | 188 | 154 | -17.8% | 151 | 52 | -65.8% | 327 | 349 | 6.7% |
| SG&A expenses | -897 | -738 | -17.7% | -593 | -624 | 5.2% | -434 | -545 | 25.6% | -700 | -656 | -6.4% |
| EBIT | 2,267 | 2,405 | 6.1% | 3,215 | 2,475 | -23.0% | 2,424 | 2,842 | 17.3% | 2,755 | 3,453 | 25.3% |
| D&A | 786 | 827 | 5.2% | 755 | 809 | 7.1% | 745 | 731 | -1.8% | 739 | 751 | 1.6% |
| EBITDA | 3,053 | 3,232 | 5.9% | 3,970 | 3,284 | -17.3% | 3,168 | 3,573 | 12.8% | 3,494 | 4,204 | 20.3% |
| Net finance income/(expense) | 161 | 130 | -19.6% | 172 | 111 | -35.8% | 163 | 172 | 5.9% | 140 | 150 | 7.6% |
| Finance income | 245 | 198 | -19.0% | 288 | 209 | -27.5% | 246 | 239 | -3.2% | 201 | 222 | 10.2% |
| Finance expenses | -84 | -69 | -17.9% | -116 | -98 | -15.3% | -84 | -66 | -20.8% | -62 | -72 | 16.1% |
| Gain/(loss) on disposal of subsidiaries | 0 | 0 | n/a | 12 | -1 | n/a | 11 | -1 | n/a | -5 | -21 | 362.2% |
| Impairment of investment in equity investees | -478 | 0 | n/a | -194 | -84 | n/a | 0 | 0 | n/a | 0 | -259 | n/a |
| Fair value changes of financial instruments | 43 | 37 | -14.3% | 55 | -4 | n/a | 9 | -63 | n/a | -51 | 168 | n/a |
| FX gain/(loss) | 5 | -4 | n/a | 15 | 16 | 8.2% | 5 | -38 | n/a | 18 | -0 | n/a |
| Share of profit of JV and associates | 16 | 3 | -80.4% | 4 | 27 | 519.4% | 11 | 22 | 107.5% | -10 | 15 | n/a |
| Pretax profit | 2,014 | 2,571 | 27.6% | 3,279 | 2,540 | -22.5% | 2,621 | 2,934 | 11.9% | 2,846 | 3,506 | 23.2% |
| Income tax | -566 | -532 | -6.1% | -665 | -576 | -13.5% | -271 | -555 | 104.5% | -637 | -1,059 | 66.4% |
| After tax profit | 1,448 | 2,039 | 40.8% | 2,614 | 1,965 | -24.8% | 2,350 | 2,379 | 1.3% | 2,210 | 2,447 | 10.7% |
| MI | -22 | -46 | 111.7% | -2 | -26 | 1094.9% | -4 | 17 | n/a | -18 | -64 | 266.2% |
| Net profit | 1,426 | 1,993 | 39.8% | 2,612 | 1,938 | -25.8% | 2,345 | 2,396 | 2.2% | 2,192 | 2,383 | 8.7% |
| Core net profit | 1,862 | 1,956 | 5.1% | 2,740 | 2,027 | -26.0% | 2,326 | 2,460 | 5.8% | 2,248 | 2,494 | 11.0% |
| Ratios: | | | <i>ppt</i> | | | <i>ppt</i> | | | <i>ppt</i> | | | <i>ppt</i> |
| Gross margin | 30.1% | 24.7% | -5.5 | 33.8% | 24.9% | -8.9 | 29.8% | 31.2% | 1.4 | 29.5% | 29.1% | -0.4 |
| EBIT margin | 22.8% | 22.1% | -0.7 | 30.0% | 20.9% | -9.1 | 26.7% | 26.6% | -0.1 | 25.9% | 26.7% | 0.8 |
| After tax profit margin | 14.5% | 18.7% | 4.2 | 24.4% | 16.6% | -7.8 | 25.9% | 22.3% | -3.6 | 20.8% | 18.9% | -1.9 |
| Effective tax rate | 28.1% | 20.7% | -7.4 | 20.3% | 22.7% | 2.4 | 10.4% | 18.9% | 8.6 | 22.4% | 30.2% | 7.8 |

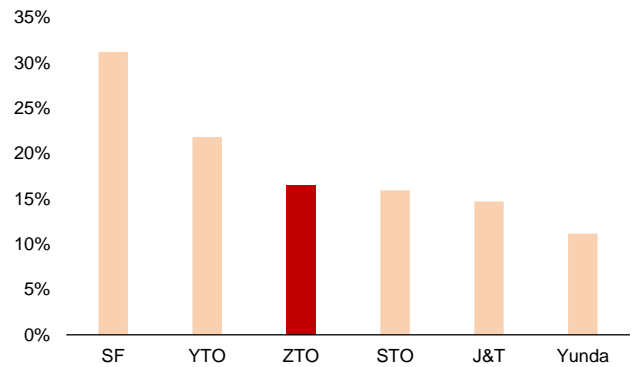
Source: Company data, CMBIGM

Figure 2: ZTO's quarterly parcel volume growth (YoY)

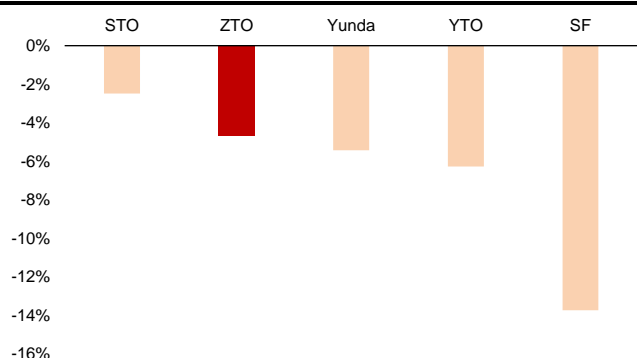


Source: Company data, CMBIGM

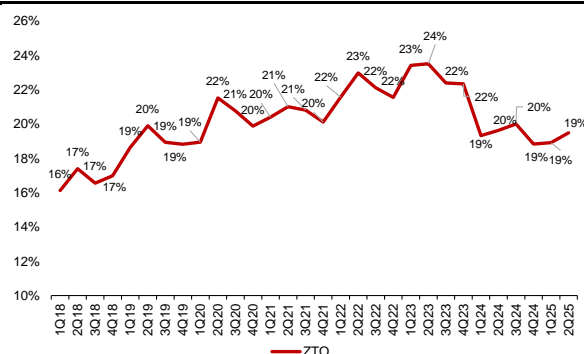
Figure 3: Major players' parcel volume growth in 2Q25



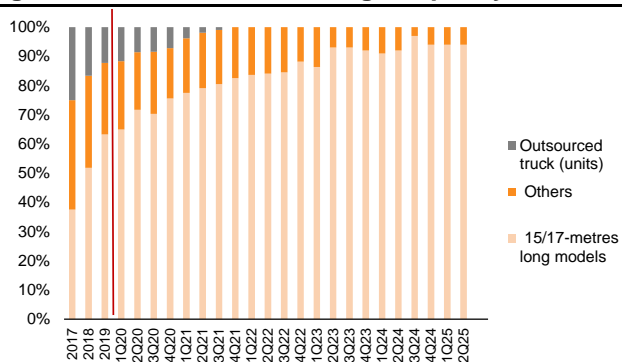
Source: Company data, CMBIGM

Figure 4: Major players' ASP change (YoY) in 2Q25

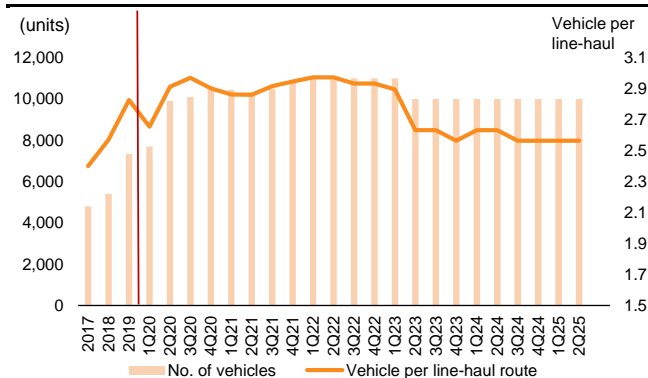
Source: Company data, the State Post Bureau, CMBIGM

Figure 5: ZTO's market share in China in terms of parcel volume

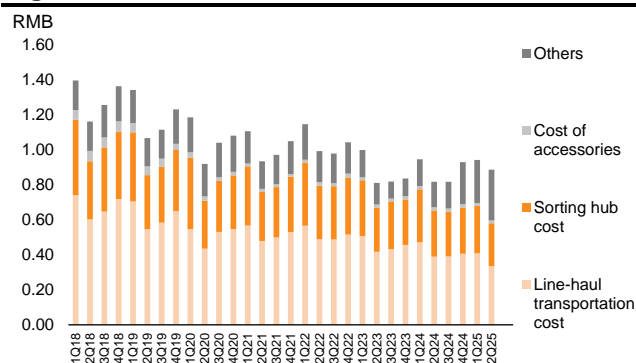
Source: Company data, CMBIGM

Figure 6: ZTO's self-owned high-capacity truck ratio

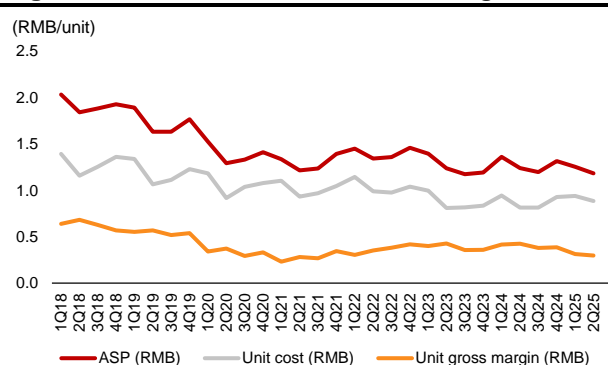
Source: Company data, CMBIGM

Figure 7: ZTO's number of vehicles per line-haul route

Source: Company data, CMBIGM

Figure 8: ZTO's unit cost breakdown

Source: Company data, CMBIGM

Figure 9: ZTO's ASP, unit cost & unit gross margin

Source: Company data, CMBIGM

Figure 10: Changes in key operating assumptions

| | Old | | | New | | | Change | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Shipment volume (mn units of parcel) | | | | | | | | | |
| Unit of parcel | 41,493 | 47,717 | 53,921 | 39,113 | 44,197 | 49,501 | -5.7% | -7.4% | -8.2% |
| ASP (RMB/unit) | | | | | | | | | |
| Per unit of parcel | 1.20 | 1.18 | 1.16 | 1.21 | 1.20 | 1.19 | 1.1% | 2.1% | 2.1% |
| Unit cost (RMB) | | | | | | | | | |
| Line-haul transportation cost | -0.37 | -0.36 | -0.35 | -0.37 | -0.36 | -0.35 | -1.1% | -1.1% | -1.1% |
| Sorting hub cost | -0.25 | -0.24 | -0.23 | -0.25 | -0.24 | -0.23 | 0.0% | 0.0% | 0.0% |
| Others | -0.25 | -0.26 | -0.27 | -0.25 | -0.27 | -0.28 | 3.6% | 3.6% | 3.6% |
| Total | -0.88 | -0.88 | -0.87 | -0.89 | -0.88 | -0.88 | 0.5% | 0.6% | 0.6% |
| Unit gross margin (RMB) | 0.32 | 0.30 | 0.29 | 0.33 | 0.32 | 0.31 | 2.6% | 6.6% | 6.5% |
| (RMB mn) | | | | | | | | | |
| Revenue | | | | | | | | | |
| Express delivery, accessories & others | 49,766 | 56,086 | 62,743 | 47,409 | 53,037 | 58,807 | -4.7% | -5.4% | -6.3% |
| Freight forwarding services | 868 | 859 | 859 | 788 | 772 | 772 | -9.2% | -10.1% | -10.1% |
| Total | 50,633 | 56,945 | 63,602 | 48,197 | 53,809 | 59,580 | -4.8% | -5.5% | -6.3% |
| Revenue growth | | | | | | | | ppt | |
| Express delivery, accessories & others | 15% | 13% | 12% | 9% | 12% | 11% | (5.4) | (0.8) | (1.0) |
| Freight forwarding services | -2% | -1% | 0% | -11% | -2% | 0% | (9.0) | (1.0) | 0.0 |
| Revenue | 14% | 12% | 12% | 9% | 12% | 11% | (5.5) | (0.8) | (1.0) |
| SG&A expense ratio | -6.0% | -6.0% | -6.0% | -6.0% | -6.0% | -6.0% | 0.0 | 0.0 | 0.0 |
| Net profit | 8,794 | 9,527 | 10,540 | 8,745 | 9,439 | 10,340 | -0.6% | -0.9% | -1.9% |
| Core net profit | 8,794 | 9,527 | 10,540 | 8,745 | 9,439 | 10,340 | -0.6% | -0.9% | -1.9% |

Source: Company data, CMBIGM estimates

Figure 11: Earnings sensitivity to ASP and unit line-haul transportation cost

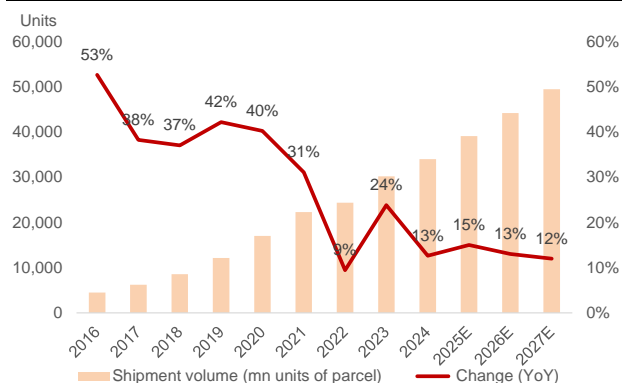
| 2025E Net profit (RMB mn) | | ASP (RMB/unit) | | | | |
|---|---------------|----------------|-------|--------------|--------|--------|
| | | 1.15 | 1.19 | 1.21 | 1.24 | 1.27 |
| | -0.388 | 6,427 | 7,483 | 8,187 | 8,890 | 9,946 |
| | -0.377 | 6,763 | 7,818 | 8,522 | 9,225 | 10,281 |
| Unit line-haul transportation cost (RMB) | -0.370 | 6,986 | 8,042 | 8,745 | 9,449 | 10,504 |
| | -0.362 | 7,210 | 8,265 | 8,969 | 9,672 | 10,728 |
| | -0.351 | 7,545 | 8,600 | 9,304 | 10,008 | 11,063 |

Source: Company data, CMBIGM estimates

Figure 12: Earnings sensitivity to ASP and unit sorting hub cost

| 2025E Net profit (RMB mn) | | ASP (RMB/unit) | | | | |
|------------------------------------|---------------|----------------|-------|--------------|-------|--------|
| | | 1.15 | 1.19 | 1.21 | 1.24 | 1.27 |
| | -0.257 | 6,615 | 7,671 | 8,375 | 9,078 | 10,134 |
| | -0.250 | 6,838 | 7,893 | 8,597 | 9,301 | 10,356 |
| Unit sorting hub cost (RMB) | -0.245 | 6,986 | 8,042 | 8,745 | 9,449 | 10,504 |
| | -0.240 | 7,134 | 8,190 | 8,893 | 9,597 | 10,653 |
| | -0.233 | 7,357 | 8,412 | 9,116 | 9,820 | 10,875 |

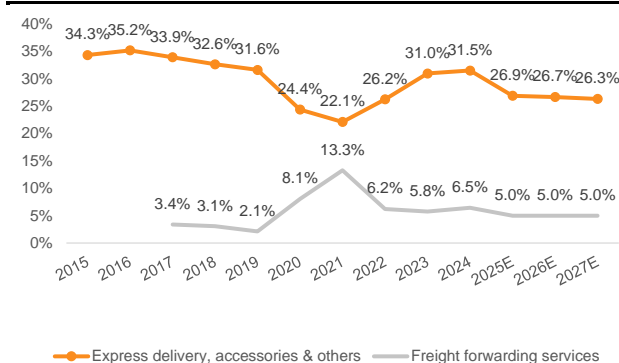
Source: Company data, CMBIGM estimates

Figure 13: ZTO's parcel shipment volume forecast

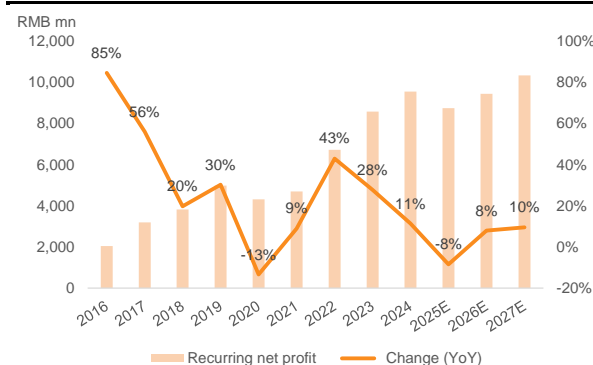
Source: Company data, CMBIGM estimates

Figure 14: China's diesel price

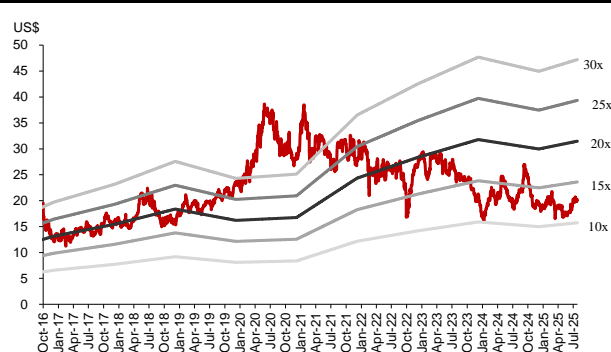
Source: Wind, CMBIGM

Figure 15: ZTO's gross margin trend

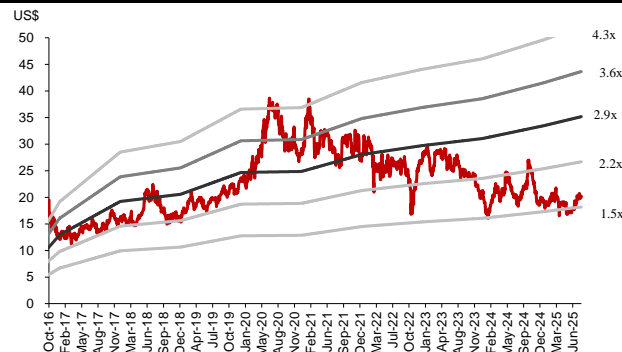
Source: Company data, CMBIGM estimates

Figure 16: ZTO's net profit forecast

Source: Company data, CMBIGM estimates

Figure 17: ZTO US's P/E band

Source: Bloomberg, company data, CMBIGM estimates

Figure 18: ZTO US's P/B band

Source: Bloomberg, company data, CMBIGM estimates

Major risk factors include: (1) a prolonged price war, and (2) further slowdown of overall consumption.

Financial Summary

| INCOME STATEMENT | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|--|---------------|---------------|---------------|---------------|----------------|----------------|
| YE 31 Dec (RMB mn) | | | | | | |
| Revenue | 35,377 | 38,419 | 44,281 | 48,197 | 53,809 | 59,580 |
| Cost of goods sold | (26,338) | (26,756) | (30,564) | (35,411) | (39,632) | (44,065) |
| Gross profit | 9,039 | 11,663 | 13,717 | 12,787 | 14,177 | 15,514 |
| SG&A expense | (2,077) | (2,425) | (2,690) | (2,892) | (3,229) | (3,575) |
| Others | 775 | 771 | 750 | 964 | 1,076 | 1,192 |
| Operating profit | 7,736 | 10,008 | 11,777 | 10,859 | 12,025 | 13,131 |
| Investment gain/loss | 90 | 170 | (739) | 0 | 0 | 0 |
| Share of (losses)/profits of associates/JV | 6 | 4 | 57 | 60 | 45 | 50 |
| Interest income | 504 | 707 | 994 | 901 | 988 | 1,087 |
| Interest expense | (191) | (290) | (338) | (371) | (371) | (371) |
| Net Interest income/(expense) | 313 | 417 | 656 | 530 | 617 | 716 |
| Foreign exchange gain/loss | 147 | 94 | (18) | 0 | 0 | 0 |
| Pre-tax profit | 8,292 | 10,693 | 11,733 | 11,449 | 12,687 | 13,898 |
| Income tax | (1,633) | (1,939) | (2,845) | (2,633) | (3,172) | (3,474) |
| Minority interest | 150 | (5) | (71) | (71) | (76) | (83) |
| Net profit | 6,659 | 8,754 | 8,888 | 8,816 | 9,515 | 10,423 |
| Adjusted net profit | 6,720 | 8,579 | 9,556 | 8,745 | 9,439 | 10,340 |
| Gross dividends | 2,063 | 3,592 | 4,056 | 3,935 | 4,248 | 4,653 |
| BALANCE SHEET | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec (RMB mn) | | | | | | |
| Current assets | 24,475 | 26,954 | 30,354 | 31,908 | 36,889 | 41,153 |
| Cash & equivalents | 11,693 | 12,334 | 13,465 | 16,192 | 19,444 | 24,919 |
| Account receivables | 819 | 573 | 1,504 | 160 | 1,756 | 366 |
| Inventories | 41 | 28 | 39 | 58 | 50 | 71 |
| Prepayment | 862 | 822 | 784 | 784 | 784 | 784 |
| Other current assets | 11,061 | 13,197 | 14,562 | 14,714 | 14,855 | 15,014 |
| Non-current assets | 54,049 | 61,512 | 61,987 | 65,698 | 66,656 | 68,913 |
| PP&E | 28,813 | 32,181 | 33,915 | 36,039 | 36,962 | 37,485 |
| Deferred income tax | 750 | 880 | 985 | 985 | 985 | 985 |
| Investment in JVs & assos | 3,951 | 3,455 | 1,871 | 2,131 | 2,376 | 2,626 |
| Intangibles | 29 | 23 | 17 | 11 | 5 | 2 |
| Goodwill | 4,242 | 4,242 | 4,242 | 4,242 | 4,242 | 4,242 |
| Other non-current assets | 16,264 | 20,731 | 20,957 | 22,291 | 22,087 | 23,574 |
| Total assets | 78,524 | 88,465 | 92,340 | 97,606 | 103,545 | 110,066 |
| Current liabilities | 16,405 | 20,061 | 28,273 | 28,779 | 29,138 | 29,484 |
| Short-term borrowings | 5,394 | 7,766 | 9,514 | 9,514 | 9,514 | 9,514 |
| Account payables | 2,203 | 2,557 | 2,463 | 2,969 | 3,328 | 3,674 |
| Tax payable | 228 | 333 | 489 | 489 | 489 | 489 |
| Other current liabilities | 8,580 | 9,405 | 15,807 | 15,807 | 15,807 | 15,807 |
| Non-current liabilities | 7,646 | 8,124 | 1,392 | 1,392 | 1,392 | 1,392 |
| Long-term borrowings | 0 | 0 | 0 | 0 | 0 | 0 |
| Obligations under finance leases | 510 | 456 | 378 | 378 | 378 | 378 |
| Other non-current liabilities | 7,135 | 7,668 | 1,015 | 1,015 | 1,015 | 1,015 |
| Total liabilities | 24,051 | 28,185 | 29,665 | 30,172 | 30,530 | 30,876 |
| Total shareholders equity | 54,029 | 59,802 | 62,062 | 66,752 | 72,256 | 78,348 |
| Minority interest | 444 | 479 | 612 | 683 | 759 | 842 |
| Total equity and liabilities | 78,524 | 88,465 | 92,340 | 97,606 | 103,545 | 110,066 |

| CASH FLOW | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|
| YE 31 Dec (RMB mn) | | | | | | |
| Operating | | | | | | |
| Profit before taxation | 8,292 | 10,693 | 11,733 | 11,449 | 12,687 | 13,898 |
| Depreciation & amortization | 2,671 | 2,881 | 3,030 | 3,826 | 4,236 | 4,643 |
| Tax paid | (1,633) | (1,939) | (2,845) | (2,633) | (3,172) | (3,474) |
| Change in working capital | 1,498 | 700 | (1,035) | 700 | (819) | 406 |
| Others | 148 | 318 | (446) | (590) | (662) | (766) |
| Net cash from operations | 10,976 | 12,654 | 10,436 | 12,752 | 12,270 | 14,706 |
| Investing | | | | | | |
| Capital expenditure | (6,837) | (6,529) | (5,900) | (5,800) | (5,000) | (5,000) |
| Acquisition of subsidiaries/ investments | 136 | 63 | 0 | (200) | (200) | (200) |
| Others | (9,845) | (6,494) | (1,074) | 401 | 488 | 587 |
| Net cash from investing | (16,546) | (12,960) | (6,974) | (5,599) | (4,712) | (4,613) |
| Financing | | | | | | |
| Dividend paid | (1,353) | (2,063) | (3,592) | (4,056) | (3,935) | (4,248) |
| Net borrowings | 1,936 | 2,372 | 1,748 | 0 | 0 | 0 |
| Proceeds from share issues | (85) | (1,006) | 0 | 0 | 0 | 0 |
| Others | 6,560 | (72) | (3,151) | (371) | (371) | (371) |
| Net cash from financing | 7,058 | (770) | (4,995) | (4,427) | (4,306) | (4,619) |
| Net change in cash | | | | | | |
| Cash at the beginning of the year | 9,721 | 11,693 | 12,334 | 13,465 | 16,192 | 19,444 |
| Exchange difference | 483 | 1,716 | 2,665 | 0 | 0 | 0 |
| Cash at the end of the year | 11,693 | 12,334 | 13,465 | 16,192 | 19,444 | 24,919 |
| GROWTH | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Revenue | 16.3% | 8.6% | 15.3% | 8.8% | 11.6% | 10.7% |
| Gross profit | 37.2% | 29.0% | 17.6% | (6.8%) | 10.9% | 9.4% |
| Operating profit | 40.6% | 29.4% | 17.7% | (7.8%) | 10.7% | 9.2% |
| Net profit | 41.6% | 31.5% | 1.5% | (0.8%) | 7.9% | 9.5% |
| Adj. net profit | 43.0% | 27.7% | 11.4% | (8.5%) | 7.9% | 9.5% |
| PROFITABILITY | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Gross profit margin | 25.6% | 30.4% | 31.0% | 26.5% | 26.3% | 26.0% |
| Operating margin | 21.9% | 26.0% | 26.6% | 22.5% | 22.3% | 22.0% |
| Adj. net profit margin | 19.0% | 22.3% | 21.6% | 18.1% | 17.5% | 17.4% |
| Return on equity (ROE) | 13.0% | 15.4% | 14.6% | 13.7% | 13.7% | 13.8% |
| GEARING/LIQUIDITY/ACTIVITIES | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| Net debt to equity (x) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.5) |
| Current ratio (x) | 1.5 | 1.3 | 1.1 | 1.1 | 1.3 | 1.4 |
| Receivable turnover days | 23.0 | 17.3 | 16.1 | 16.3 | 16.5 | 17.0 |
| Inventory turnover days | 0.9 | 0.5 | 0.4 | 0.5 | 0.5 | 0.5 |
| Payable turnover days | 28.8 | 32.5 | 30.0 | 28.0 | 29.0 | 29.0 |
| VALUATION | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec | | | | | | |
| P/E | 16.9 | 13.1 | 13.4 | 13.1 | 12.2 | 11.1 |
| P/B | 2.1 | 1.9 | 1.8 | 1.7 | 1.6 | 1.5 |
| Div yield (%) | 1.8 | 3.1 | 3.4 | 3.4 | 3.7 | 4.1 |

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

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