

# Kanzhun Limited (BZ US)

## Hiring demand remains resilient; full-year earnings target unchanged

Boss Zhipin reported 1Q25 results: total revenue increased by 13% YoY to RMB1.92bn, in line with consensus estimate; non-GAAP net income grew by 44% YoY to RMB764mn, 11% ahead of the consensus estimate, thanks to the strong operating leverage and effective opex control despite macro uncertainty. For 2Q25E, management guided total revenue to increase by 6.9%-8.5% YoY to RMB2.05-2.08bn, which is in line with consensus estimate (RMB2.07bn). Despite macro uncertainty and tariff war, management noted that the hiring demand continued to recover YoY in April, and remained upbeat on achieving its full-year non-GAAP operating profit target of RMB3bn. We maintain our FY25-27 earnings forecast largely unchanged. We fine-tune our target price to US\$21.0 based on 21x FY25E non-GAAP PE (previous: US\$19.5 based on 20x FY25E PE), which is on par with the sector average. Maintain BUY.

- **Hiring demand remains resilient amid macro uncertainty.** Total paid enterprise customers reached 6.4mn in 12 months ended Mar 2025, up 12% YoY. Management noted that the tariff war has no material impact on the hiring demand, which has continued to recover since Chinese New Year. Average new job postings grew by 17% YoY in 4M25, with improving enterprise paying ratio sequentially. By sectors, the new job postings for manufacturing sector maintained YoY growth in April despite the impact of tariff war. Hiring demand for white-collar sectors, such as advertising, professional services and internet finance, also stabilized in April. On the job seeker front, the company added over 15mn verified users from January to April, and the average MAUs grew by 24% YoY to 57.6mn in 1Q25. Blue-collar recruitment continued to be a key growth driver, accounting for over 45% of the newly-added users and over 39% of the total revenue in 1Q25.
- **Steady progress on the AI front.** Regarding the AI strategy, the company will continue to enhance its AI capabilities, but it will remain prudent on large-scale AI deployment which may partially replace human recruiters. During the testing, recruiters who used the company's AI function improved its hiring efficiency by 25%, and job seekers responded by the AI communication assistant saw 15% improvement in its success rate. The company also leverages AI to improve its internal efficiency, which we expect to provide further room for margin expansion.
- **Maintain FY25 OP target.** Non-GAAP OPM improved by 13ppts YoY to 36.0% in 1Q25, primarily due to operating leverage and opex control. S&M/R&D expenses declined by 18%/8% YoY to RMB417/335mn in 1Q25. Looking ahead, the company will continue to focus on improving efficiency and controlling expenses. Management noted that 1Q25 tends to be the lowest quarter in terms of margin, and remained upbeat on achieving the full-year non-GAAP operating profit target of RMB3bn in FY25E.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	5,952	7,356	8,098	8,979	9,698
Gross margin (%)	82.2	83.1	84.0	84.6	84.9
Adjusted net profit (RMB mn)	2,156.2	2,710.7	3,207.5	3,533.1	3,762.6
YoY growth (%)	169.7	25.7	18.3	10.2	6.5
EPS (Adjusted) (RMB)	4.78	5.96	7.22	8.03	8.47
P/S (x)	9.6	7.8	7.1	6.4	5.9
P/E (x)	54.6	38.3	26.0	20.5	17.5

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** US\$21.00  
(Previous TP) US\$19.50  
**Up/Downside** 17.3%  
**Current Price** US\$17.90

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### Stock Data

Mkt Cap (US\$ mn)	7,955.6
Avg 3 mths t/o (US\$ mn)	55.9
52w High/Low (US\$)	21.93/10.95
Total Issued Shares (mn)	444.4

Source: FactSet

### Shareholding Structure

Zhao Peng	15.9%
Tencent	8.5%

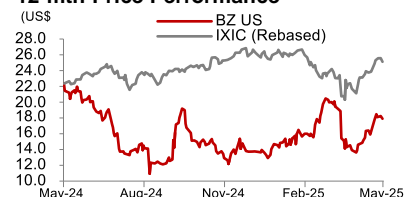
Source: Company data

### Share Performance

	Absolute	Relative
1-mth	29.0%	11.4%
3-mth	11.9%	15.7%
6-mth	40.3%	41.3%

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	8,098	8,979	9,698	8,155	8,959	9,698	-0.7%	0.2%	0.0%
Gross profit	6,802	7,598	8,233	6,870	7,586	8,247	-1.0%	0.2%	-0.2%
Operating profit	2,051	2,876	3,567	1,997	2,726	3,709	2.7%	5.5%	-3.8%
Adjusted net profit	3,207	3,533	3,763	3,203	3,513	3,744	0.1%	0.6%	0.5%
Gross margin	84.0%	84.6%	84.9%	84.2%	84.7%	85.0%	-0.2 ppt	0.0 ppt	-0.2 ppt
Operating margin	25.3%	32.0%	36.8%	24.5%	30.4%	38.2%	0.8 ppt	1.6 ppt	-1.5 ppt
Adjusted net margin	39.6%	39.4%	38.8%	39.3%	39.2%	38.6%	0.3 ppt	0.1 ppt	0.2 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	8,098	8,979	9,698	8,259	9,345	10,492	-2.0%	-3.9%	-7.6%
Gross profit	6,802	7,598	8,233	6,920	7,875	8,842	-1.7%	-3.5%	-6.9%
Operating profit	2,051	2,876	3,567	1,971	2,692	3,407	4.1%	6.9%	4.7%
Adjusted net profit	3,207	3,533	3,763	3,238	3,623	4,192	-0.9%	-2.5%	-10.3%
Gross margin	84.0%	84.6%	84.9%	83.8%	84.3%	84.3%	0.2 ppt	0.4 ppt	0.6 ppt
Operating margin	25.3%	32.0%	36.8%	23.9%	28.8%	32.5%	1.5 ppt	3.2 ppt	4.3 ppt
Adjusted net margin	39.6%	39.4%	38.8%	39.2%	38.8%	40.0%	0.4 ppt	0.6 ppt	-1.2 ppt

Source: Bloomberg, CMBIGM estimates

## Valuation

We value Boss Zhipin at US\$9.4bn (US\$21.0 per share) based on 21x 2025E PE. Our target PE multiple is on par with the average of global peers.

Figure 3: Boss Zhipin: target valuation

P/E Valuation (US\$mn)	FY25E
Non-GAAP earnings	445
Target 2025E PE (x)	21.0
Target equity valuation	9,355
Valuation per share (USD)	21.0

Source: Company data, CMBIGM estimates

Figure 4: Global peers: valuation comparison

Companies	Ticker	Price (LC)	EPS growth (YoY%)		Current PE (x)		EPS CAGR 24-26E
			2025E	2026E	2025E	2026E	
ZipRecruiter	ZIP US	5.4	NA	NA	NA	NA	NA
Career International	300662 CH	31.3	37	22	22	18	29.2
Liepin	6100 HK	3.5	65	17	8	7	38.6
Recruit	6098 JP	8,446.0	20	12	31	28	15.9
<b>Average</b>					<b>21</b>	<b>18</b>	

Source: Bloomberg, CMBIGM

Note: data as of 21 May 2025

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	4,511	5,952	7,356	8,098	8,979	9,698
Cost of goods sold	(755)	(1,060)	(1,240)	(1,295)	(1,381)	(1,465)
Gross profit	3,756	4,892	6,116	6,802	7,598	8,233
Operating expenses	(3,886)	(4,311)	(4,943)	(4,751)	(4,722)	(4,666)
Selling expense	(2,001)	(1,991)	(2,073)	(1,981)	(2,003)	(2,025)
Admin expense	(720)	(812)	(1,094)	(1,057)	(1,022)	(973)
R&D expense	(1,183)	(1,544)	(1,816)	(1,722)	(1,705)	(1,676)
Others	18	35	40	8	8	8
Operating profit	(130)	581	1,173	2,051	2,876	3,567
Investment gain/loss	65	1	0	0	0	0
Interest income	161	310	625	504	345	165
Foreign exchange gain/loss	9	296	(0)	(1)	0	0
Other income/expense	11	33	35	(1)	0	0
Pre-tax profit	106	1,189	1,798	2,554	3,221	3,732
Income tax	(10)	(123)	(266)	(351)	(451)	(455)
After tax profit	96	1,066	1,533	2,203	2,770	3,278
Net profit	96	1,066	1,533	2,203	2,770	3,278
Adjusted net profit	799	2,156	2,711	3,207	3,533	3,763
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	13,826	13,373	15,100	18,752	22,741	26,890
Cash & equivalents	9,752	2,473	2,553	6,208	10,154	14,267
Account receivables	10	17	41	32	35	38
Prepayment	601	443	368	374	414	448
Other current assets	3,464	10,441	12,138	12,138	12,138	12,138
Non-current assets	1,001	4,567	4,210	4,242	4,246	4,232
PP&E	691	1,793	1,734	1,758	1,759	1,744
Right-of-use assets	290	283	303	310	313	314
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	22,994	26,987	31,122
Current liabilities	3,031	4,357	4,192	4,665	5,124	5,496
Account payables	185	629	111	165	172	183
Other current liabilities	633	779	816	880	956	1,012
Lease liabilities	151	155	181	185	187	187
Contract liabilities	2,061	2,794	3,085	3,435	3,808	4,114
Non-current liabilities	155	154	156	159	160	160
Other non-current liabilities	155	154	156	159	160	160
Total liabilities	3,186	4,511	4,348	4,823	5,284	5,656
Share capital	1	1	1	1	1	1
Capital surplus	15,450	15,502	14,989	15,994	16,757	17,242
Retained earnings	(3,586)	(2,492)	(925)	1,277	4,047	7,325
Other reserves	(224)	419	899	899	899	899
Total shareholders equity	11,641	13,429	14,963	18,170	21,703	25,466
Total equity and liabilities	14,827	17,940	19,311	22,994	26,987	31,122

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	106	1,189	1,798	2,554	3,221	3,732
Depreciation & amortization	140	259	300	340	383	429
Tax paid	(10)	(123)	(266)	(351)	(451)	(455)
Change in working capital	(41)	738	(118)	476	415	336
Others	808	984	1,828	1,163	920	639
<b>Net cash from operations</b>	<b>1,003</b>	<b>3,047</b>	<b>3,542</b>	<b>4,183</b>	<b>4,488</b>	<b>4,682</b>
<b>Investing</b>						
Capital expenditure	(340)	(956)	(564)	(527)	(543)	(569)
Others	(2,476)	(8,983)	(1,453)	na	na	na
<b>Net cash from investing</b>	<b>(2,817)</b>	<b>(9,939)</b>	<b>(2,017)</b>	<b>(527)</b>	<b>(543)</b>	<b>(569)</b>
<b>Financing</b>						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	250	218	0	0	0	0
Others	(919)	(635)	(1,461)	0	0	0
<b>Net cash from financing</b>	<b>(669)</b>	<b>(417)</b>	<b>(1,461)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	11,342	9,752	2,473	2,553	6,208	10,154
Exchange difference	893	30	15	0	0	0
<b>Cash at the end of the year</b>	<b>9,752</b>	<b>2,473</b>	<b>2,553</b>	<b>6,208</b>	<b>10,154</b>	<b>14,267</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	5.9%	31.9%	23.6%	10.1%	10.9%	8.0%
Gross profit	1.4%	30.2%	25.0%	11.2%	11.7%	8.4%
Operating profit	na	na	101.9%	74.9%	40.2%	24.0%
Net profit	na	1,012.5%	43.7%	43.7%	25.7%	18.3%
Adj. net profit	(6.2%)	169.7%	25.7%	18.3%	10.2%	6.5%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	83.3%	82.2%	83.1%	84.0%	84.6%	84.9%
Operating margin	(2.9%)	9.8%	15.9%	25.3%	32.0%	36.8%
Adj. net profit margin	17.7%	36.2%	36.9%	39.6%	39.4%	38.8%
Return on equity (ROE)	0.9%	8.5%	10.8%	13.3%	13.9%	13.9%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	(0.8)	(0.2)	(0.2)	(0.3)	(0.5)	(0.6)
Current ratio (x)	4.6	3.1	3.6	4.0	4.4	4.9
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
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	608.3	54.6	38.3	26.0	20.5	17.5
P/E (diluted)	608.3	54.6	38.3	26.0	20.5	17.5
P/B	5.0	4.3	3.9	3.2	2.6	2.3

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

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