

Mobvista Inc. (1860 HK)

Margin intact with topline acceleration

Mobvista's 3Q23 earnings was largely in-line, with revenue +26% YoY (2% below our estimates) and profit at US\$4.1mn (in line with our estimates). Mintegral's revenue accelerated to 28% YoY in 3Q23 (vs. +14% YoY in 2Q23), in which revenue mix of midcore and hardcore games climbed to 32% in 3Q23 (vs. 31% in 2Q23). For ROAS mode, it might take some time to see meaningful contribution from the in-app purchase feature. We expect margin enhancement to continue in FY24/25E (forecasting adj. NM at 2.6%/2.7%), backed by narrowing loss of Reyun and higher ads efficiency. We keep our earnings forecast in FY24/25E barely changed. Maintain BUY with SOTP-based TP at HK\$6.0 (1.2x/1.0x FY23/24E P/S, or 37x FY24E P/E, with 41% earnings CAGR in FY23-25E).

- **3Q23 earnings largely in-line.** 3Q23 revenue accelerated to +26% YoY (vs. +11% YoY in 1H23), 2% below our estimates. By segment, ad-tech/mar-tech +25.8%/33.1% YoY. Adj. net profit reached US\$4.1mn, largely in line with our estimates. GPM came at 20.6%, relatively stable QoQ. Adj. EBITDA was US\$23.6mn, largely in-line.
- **Higher revenue mix from midcore & hardcore game ahead, despite slower ramp-up of ROAS.** Mintegral's revenue accelerated to 28% YoY in 3Q23 (vs. +14% YoY in 2Q23), in which revenue mix of midcore and hardcore games climbed to 32% in 3Q23 (vs. 31% in 2Q23). For ROAS mode, ROAS intelligent bidding feature received market validation in 3Q23 and algorithm optimization is on track, but it might take some time to see meaningful contribution from its in-app purchase feature. To factor in lower revenue contribution from ROAS and google cooperation, we slightly cut our topline forecast by 5% in FY23-25E.
- **Intact margin ahead.** 3Q23 adj. NM reached 1.5% (vs. 1.7% in 2Q23). Looking ahead, we expect margin enhancement to continue in FY24/25E (forecasting adj. NM at 2.6%/2.7%), backed by narrowing loss of Reyun and higher ads efficiency (with the continued application of cloud-native technologies). ROAS algorithm optimization might affect model training fee, but well managed. After margin adjustment, our earnings forecast in FY24/25E was barely changed.
- **Maintain BUY.** We maintain FY24/25E earnings forecast unchanged, with new TP at HK\$6.0 (by assigning 30x FY23E P/E to ad-tech biz and 3.3x FY23E P/S to mar-tech biz).

Earnings Summary

| (YE 31 Dec) | FY21A | FY22A | FY23E | FY24E | FY25E |
|-------------------------------|----------|----------|----------|----------|----------|
| Revenue (US\$ mn) | 755 | 894 | 1,060 | 1,271 | 1,487 |
| YoY growth (%) | 46.4 | 18.4 | 18.5 | 19.9 | 17.0 |
| Adjusted net profit (US\$ mn) | (4) | 10 | 20 | 33 | 40 |
| Diluted EPS (US\$ cents) | (0.25) | 0.61 | 1.26 | 2.06 | 2.43 |
| YoY growth (%) | na | na | 105.2 | 63.6 | 18.4 |
| Consensus EPS (US\$ cents) | na | na | 1.00 | 2.50 | 2.00 |
| P/E (x) | (160) | 66 | 32 | 20 | 16 |
| P/S (x) | 0.8 | 0.7 | 0.6 | 0.5 | 0.4 |
| ROE (%) | (8.3) | 5.2 | 6.2 | 8.8 | 9.7 |
| Net gearing (%) | Net cash | Net cash | Net cash | Net cash | Net cash |

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

| | |
|---------------|-----------|
| Target Price | HK\$6.00 |
| (Previous TP) | HK\$6.30) |
| Up/Downside | 90.5% |
| Current Price | HK\$3.15 |

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Stock Data

| | |
|--------------------------|-----------|
| Mkt Cap (HK\$ mn) | 315.0 |
| Avg 3 mths t/o (HK\$ mn) | 1.4 |
| 52w High/Low (HK\$) | 4.90/3.09 |
| Total Issued Shares (mn) | 1,615 |
| Source: FactSet | |

Shareholding Structure

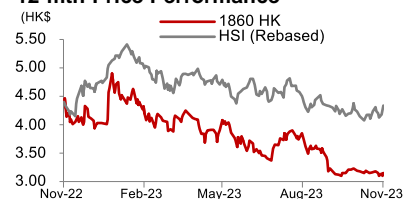
| | |
|---------------------|-------|
| Seamless Technology | 63.7% |
| GIC | 8.1% |
| Source: HKEx | |

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -2.5% | -3.9% |
| 3-mth | -18.0% | -15.7% |
| 6-mth | -22.8% | -14.7% |

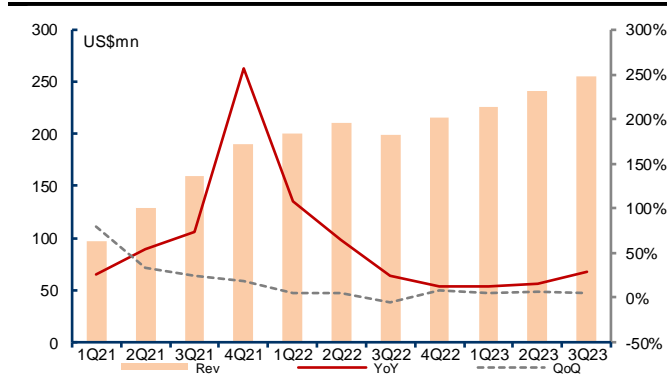
Source: FactSet

12-mth Price Performance



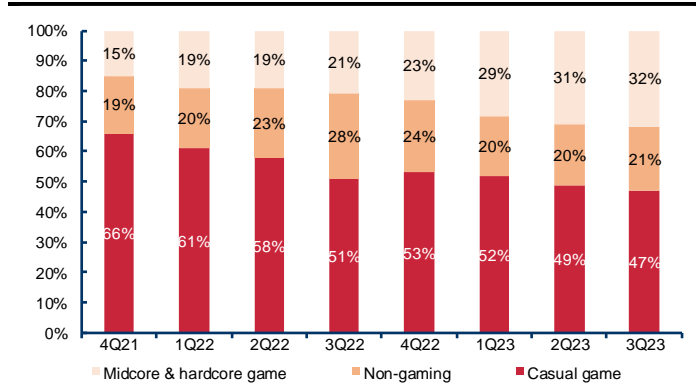
Source: FactSet

Figure 1: Mintegral ad revenue trend



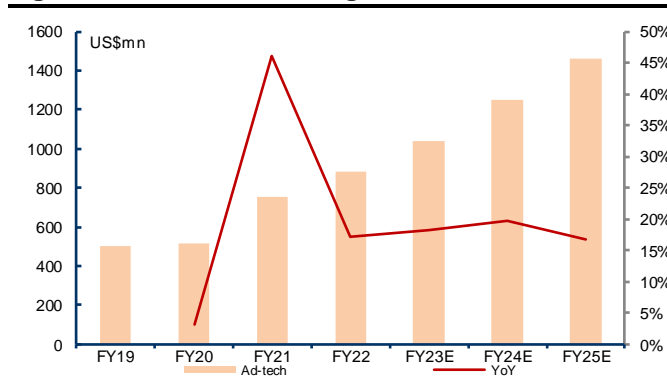
Source: Company data, CMBIGM estimates

Figure 2: Higher revenue mix of non-casual games



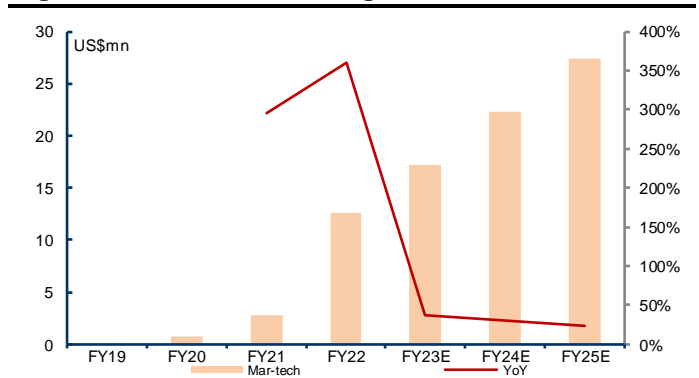
Source: Company data

Figure 3: Ad-tech revenue growth estimates



Source: Company data, CMBIGM estimates

Figure 4: Mar-tech revenue growth estimates



Source: Company data, CMBIGM estimates

Figure 5: Mobvista's 3Q23 review

| US\$'000 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | QoQ | YoY |
|-------------------|---------|----------|----------|---------|---------|---------|---------|--------|-----|
| Revenue | 232,836 | 222,960 | 213,932 | 224,677 | 244,554 | 261,579 | 269,370 | 3.0% | 26% |
| Gross profit | 44,625 | 45,355 | 41,096 | 45,953 | 46,912 | 56,048 | 55,502 | -1.0% | 35% |
| Operating profit | 31,289 | (14,628) | (10,749) | (3,667) | 5,172 | 7,499 | 5,221 | -30.4% | NA |
| Net profit | 30,940 | (9,290) | (13,266) | 1,806 | 3,201 | 5,321 | 3,261 | -38.7% | NA |
| Adj. net profit | 33,446 | (12,377) | (9,335) | (2,035) | 4,510 | 4,431 | 4,065 | -8.3% | NA |
| Margin (%) | | | | | | | | | |
| Gross margin | 19.2% | 20.3% | 22.5% | 23.8% | 19.2% | 21.4% | 20.6% | | |
| Operating margin | 13.4% | -6.6% | -5.0% | -1.6% | 2.1% | 2.9% | 1.9% | | |
| Adj. NPM | 14.4% | -5.6% | -4.4% | -0.9% | 1.8% | 1.7% | 1.5% | | |
| Growth (%) | | | | | | | | | |
| Revenue (YoY) | | | | | 5.0% | 17.3% | 25.9% | | |
| Revenue (QoQ) | | | | | 8.8% | 7.0% | 3.0% | | |
| Operating profit | NA | NA | NA | NA | NA | NA | NA | | |
| Adj. net profit | NA | NA | NA | NA | NA | NA | NA | | |

Source: Company data

Figure 6: Mobvista's 3Q23 rev breakdown

| | 1Q22 | 2Q22 | 3Q22 | 1Q23 | 2Q23 | 3Q23 | QoQ | YoY |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-------------|--------------|
| Revenue (US\$'000) | 232,836 | 222,960 | 213,932 | 244,554 | 261,579 | 269,370 | 3.0% | 25.9% |
| Ad-tech (Mobile advertising solutions) | 229,645 | 219,512 | 210,956 | 240,995 | 257,814 | 265,409 | 2.9% | 25.8% |
| Mintegral platform revenue | 200,105 | 210,595 | 199,302 | 226,057 | 241,769 | 255,417 | 5.6% | 28.2% |
| Nativex platform revenue | 29,540 | 8,917 | 11,654 | 14,938 | 16,045 | 9,992 | -37.7% | -14.3% |
| Mar-tech | 3,191 | 3,448 | 2,976 | 3,559 | 3,765 | 3,961 | 5.2% | 33.1% |

Source: Company data

Figure 7: Mobvista's yearly financials forecast

| US\$ mn, Dec-YE | FY18 | FY19 | FY20 | FY21 | FY22 | FY23E | FY24E | FY25E |
|---|------------|------------|------------|-------------|------------|--------------|--------------|--------------|
| Revenue | 435 | 500 | 516 | 755 | 894 | 1,060 | 1,271 | 1,487 |
| Cost of Sales | (337) | (381) | (434) | (633) | (717) | (848) | (1,016) | (1,187) |
| Gross profit | 98 | 119 | 82 | 122 | 177 | 212 | 256 | 300 |
| Selling and marketing expenses | (8) | (10) | (17) | (47) | (66) | (53) | (61) | (71) |
| Research and development expenses | (29) | (35) | (32) | (69) | (107) | (102) | (120) | (140) |
| General and administrative expenses | (36) | (51) | (44) | (28) | (49) | (48) | (53) | (62) |
| Other net income | 2 | 3 | 6 | 9 | 47 | 8 | 9 | 10 |
| Operating profit | 27 | 25 | (5) | (12) | 2 | 18 | 31 | 37 |
| Finance costs | (1) | (2) | (2) | (4) | (5) | (2) | (3) | (3) |
| Profit before taxation | 26 | 23 | (7) | (31) | 11 | 15 | 28 | 34 |
| Income tax | (4) | (1) | 2 | 6 | (1) | (0) | (5) | (6) |
| Profit for the year | 22 | 22 | (5) | (25) | 10 | 15 | 23 | 28 |
| Profit attributable to owners of the Company | 22 | 22 | (5) | (25) | 15 | 15 | 23 | 28 |
| Non-controlling interests | 0 | 0 | 0 | (0) | 5 | 0 | 0 | 0 |
| Adjusted net profit | 35 | 41 | 9 | (4) | 10 | 20 | 33 | 40 |
| Margin Analysis | | | | | | | | |
| Gross margin | 23% | 24% | 16% | 16.1% | 19.8% | 20.0% | 20.1% | 20.1% |
| Operating margin | 6% | 5% | -1% | -2% | 0% | 2% | 2% | 2% |
| Adj. net margin | 8% | 8% | 2% | -1% | 1% | 2% | 3% | 3% |
| Growth Analysis | | | | | | | | |
| Revenue | 39% | 15% | 3% | 46% | 18% | 19% | 20% | 17% |
| Gross profit | 18% | 21% | -31% | 48% | 45% | 20% | 21% | 17% |
| Operating profit | -12% | -7% | -121% | 137% | NA | NA | NA | NA |
| Adj. net profit | NA | 16% | -78% | -144% | NA | 107% | 65% | 20% |

Source: Company data, CMBIGM estimates

Figure 8: CMBIGM estimates vs consensus

| US\$ mn, Dec-YE | CMBIGM | | | Consensus | | | Diff (%) | | |
|------------------|--------|-------|-------|-----------|-------|-------|----------|----------|----------|
| | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E |
| Revenue | 1,060 | 1,271 | 1,487 | 1,113 | 1,360 | 1,608 | -4.8% | -6.5% | -7.5% |
| Gross Profit | 212 | 256 | 300 | 221 | 271 | 323 | -4.3% | -5.7% | -7.2% |
| Operating Profit | 18 | 31 | 37 | 17 | 40 | 71 | 5.4% | -22.4% | -47.9% |
| Adj. net profit | 20 | 33 | 40 | 21 | 40 | 68 | -5.4% | -16.0% | -41.3% |
| Adj. EPS (RMB) | 0.01 | 0.02 | 0.02 | 0.01 | 0.03 | 0.02 | 25.6% | -17.8% | 21.7% |
| Gross Margin | 20.0% | 20.1% | 20.1% | 19.9% | 19.9% | 20.1% | +0.1ppts | +0.2ppts | +0.1ppts |
| Operating Margin | 1.7% | 2.4% | 2.5% | 1.5% | 2.9% | 4.4% | +0.2ppts | -0.5ppts | -1.9ppts |
| Adj. net margin | 1.9% | 2.6% | 2.7% | 1.9% | 2.9% | 4.2% | -0.0ppts | -0.3ppts | -1.5ppts |

Source: CMBIGM estimates, Bloomberg

Figure 9: CMBIGM estimates revision

| US\$ mn, Dec-YE | New | | | Old | | | Diff (%) | | |
|------------------|-------|-------|-------|-------|-------|-------|----------|----------|----------|
| | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E |
| Revenue | 1,060 | 1,271 | 1,487 | 1,114 | 1,337 | 1,564 | -4.9% | -4.9% | -4.9% |
| Gross Profit | 212 | 256 | 300 | 222 | 268 | 315 | -4.7% | -4.7% | -4.8% |
| Operating Profit | 18 | 31 | 37 | 17 | 30 | 36 | 5.4% | 2.5% | 2.4% |
| Adj. net profit | 20 | 33 | 40 | 23 | 33 | 40 | -12.8% | 0.3% | 0.2% |
| Adj. EPS (RMB) | 0.01 | 0.02 | 0.02 | 0.01 | 0.02 | 0.02 | -12.8% | 0.3% | 0.2% |
| Gross Margin | 20.0% | 20.1% | 20.1% | 19.9% | 20.1% | 20.1% | +0.0ppts | +0.0ppts | +0.0ppts |
| Operating Margin | 1.7% | 2.4% | 2.5% | 1.5% | 2.3% | 2.3% | +0.2ppts | +0.2ppts | +0.2ppts |
| Adj. net margin | 1.9% | 2.6% | 2.7% | 2.1% | 2.5% | 2.5% | -0.2ppts | +0.1ppts | +0.1ppts |

Source: CMBIGM estimates, Bloomberg

Figure 10: SOTP valuation

| SOTP | Methodology | | Metrics | Multiple | Valuation |
|--|-------------|---------------|---------|----------|--------------|
| (US\$mn) | | | | | |
| Ad-tech | P/E | FY23E adj. NP | 35.1 | 30.0 | 1,053 |
| Mar-tech | P/S | FY23E Rev | 17.2 | 3.3 | 57 |
| Total | | | | | 1,110 |
| Net Cash | | | | | 132 |
| Equity Value (US\$mn) | | | | | 1,242 |
| Equity Value (HK\$ mn) | | | | | 9,748 |
| No. of shares (mn) | | | | | 1,651 |
| Target Price (HK\$) based on SOTP | | | | | 6 |

Source: Company data, CMBIGM estimates

Figure 11: Comps table

| Company | Ticker | Mkt cap (USD mn) | Currency | Price | CMBI Rating | CMBI TP | PE | | | PS | | | FY23-25 EPS CAGR |
|---------------------|----------------|---------------------|------------|------------|----------------|------------|-------------|-------------|-------------|------------|------------|------------|---------------------|
| | | | | | | | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E | |
| Mobvista | 1860 HK | 642 | HKD | 3.1 | BUY | 6.0 | 31.9 | 19.5 | 16.5 | 0.6 | 0.5 | 0.4 | 41% |
| Global ads | | | | | | | | | | | | | |
| Trade Desk | TTD US | 33,159 | USD | 68 | NA | NA | 52.1 | 50.8 | 40.0 | 17.2 | 14.3 | 11.9 | 15% |
| Applovin | APP US | 14,372 | USD | 43 | NA | NA | 44.9 | 22.9 | 17.0 | 4.4 | 3.8 | 3.4 | 59% |
| Unity Software | U US | 11,089 | USD | 29 | NA | NA | 42.9 | 27.0 | 20.1 | 5.2 | 4.5 | 3.9 | 21% |
| Meta | META US | 864,271 | USD | 336 | NA | NA | 23.0 | 18.3 | 16.4 | 6.5 | 5.7 | 5.1 | 16% |
| Google | GOOGL US | 1,683,540 | USD | 134 | NA | NA | 21.9 | 18.9 | 16.5 | 6.6 | 5.9 | 5.3 | 19% |
| Snapchat | SNAP US | 20,004 | USD | 12 | NA | NA | NA | 99.7 | 76.0 | 4.3 | 3.8 | 3.3 | 99% |
| Average | | | | | | | 22.5 | 21.8 | 17.5 | 5.4 | 4.8 | 4.2 | 17% |
| Domestic ads | | | | | | | | | | | | | |
| Tencent | 700 HK | 385,005 | HKD | 316 | BUY | 460 | 18.8 | 15.9 | 13.9 | 4.5 | 4.1 | 3.7 | 15% |
| Baidu | BIDU US | 38,295 | USD | 110 | BUY | 199 | 10.6 | 10.5 | 9.4 | 2.1 | 1.9 | 1.7 | 6% |
| Weibo | WB US | 2,731 | USD | 12 | BUY | 25 | 5.4 | 5.1 | 4.7 | 1.5 | 1.5 | 1.4 | 9% |
| XD Inc. | 2400 HK | 861 | HKD | 14 | NA | NA | 30.9 | 16.4 | 11.5 | 1.6 | 1.3 | 1.2 | 65% |
| Weimob | 2013 HK | 1,336 | HKD | 4 | NA | NA | NA | NA | 30.4 | 3.9 | 3.3 | 2.8 | NA |
| Zhihu | ZH US | 632 | USD | 1 | BUY | 2 | NA | NA | 20.7 | 1.1 | 0.9 | 0.8 | NA |
| Focus Media | 002027 CH | 13,339 | CNY | 7 | NA | NA | 19.4 | 15.9 | 14.0 | 7.7 | 6.6 | 5.9 | 18% |
| Blue Focus Group | 300058 CH | 2,706 | CNY | 8 | NA | NA | 42.3 | 29.4 | 23.6 | 0.4 | 0.4 | 0.3 | 31% |
| Average | | | | | | | 17.0 | 15.5 | 13.9 | 2.2 | 1.9 | 1.7 | 16% |
| SaaS | | | | | | | | | | | | | |
| Salesforce | CRM US | 215,208 | USD | 221 | NA | NA | 27.1 | 24.1 | 20.2 | 6.2 | 5.6 | 5.0 | 17% |
| Youzan | 8083 HK | 286 | HKD | 0 | NA | NA | NA | NA | NA | 1.4 | 1.4 | 1.3 | NA |
| Ming Yuan Cloud | 909 HK | 867 | HKD | 4 | HOLD | 6 | NA | NA | 60.8 | 3.8 | 3.5 | 3.1 | NA |
| KE Holdings | BEKE US | 18,758 | USD | 15 | BUY | 25 | 14.5 | 14.2 | 12.4 | 1.8 | 1.6 | 1.4 | -2% |
| Average | | | | | | | 20.8 | 19.1 | 16.3 | 2.3 | 2.1 | 1.9 | 7% |
| Average | | | | | | | 20.6 | 17.2 | 15.4 | 3.3 | 2.9 | 2.6 | 14% |

Source: Company data, BBG, CMBIGM estimates

Financial Summary

| INCOME STATEMENT | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
|----------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| YE 31 Dec (US\$ mn) | | | | | | |
| Revenue | 516 | 755 | 894 | 1,060 | 1,271 | 1,487 |
| Cost of goods sold | (434) | (633) | (717) | (848) | (1,016) | (1,187) |
| Gross profit | 82 | 122 | 177 | 212 | 256 | 300 |
| Operating expenses | (87) | (134) | (175) | (194) | (225) | (263) |
| Selling expense | (17) | (47) | (66) | (53) | (61) | (71) |
| Admin expense | (44) | (28) | (49) | (48) | (53) | (62) |
| R&D expense | (32) | (69) | (107) | (102) | (120) | (140) |
| Others | 6 | 9 | 47 | 8 | 9 | 10 |
| Operating profit | (5) | (12) | 2 | 18 | 31 | 37 |
| Interest expense | (2) | (4) | (5) | (2) | (3) | (3) |
| Pre-tax profit | (7) | (31) | 11 | 15 | 28 | 34 |
| After tax profit | (5) | (25) | 10 | 15 | 23 | 28 |
| Minority interest | 0 | (0) | 5 | 0 | 0 | 0 |
| Net profit | (5) | (25) | 15 | 15 | 23 | 28 |
| Adjusted net profit | 9 | -4 | 10 | 20 | 33 | 40 |

| BALANCE SHEET | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| YE 31 Dec (US\$ mn) | | | | | | |
| Current assets | 396 | 483 | 316 | 433 | 566 | 643 |
| Cash & equivalents | 39 | 160 | 106 | 145 | 272 | 269 |
| Restricted cash | 5 | 6 | 5 | 6 | 5 | 6 |
| Account receivables | 297 | 183 | 173 | 249 | 257 | 335 |
| Financial assets at FVTPL | 54 | 12 | 32 | 32 | 32 | 32 |
| Other current assets | 1 | 121 | 1 | 1 | 1 | 1 |
| Non-current assets | 102 | 264 | 286 | 211 | 185 | 158 |
| PP&E | 11 | 8 | 12 | 5 | 3 | 0 |
| Deferred income tax | 15 | 22 | 20 | 20 | 20 | 20 |
| Intangibles | 43 | 118 | 138 | 69 | 45 | 20 |
| Goodwill | 29 | 115 | 115 | 115 | 115 | 115 |
| Other non-current assets | 4 | 2 | 1 | 1 | 1 | 1 |
| Current liabilities | 221 | 350 | 311 | 325 | 411 | 430 |
| Short-term borrowings | 56 | 59 | 46 | 46 | 46 | 46 |
| Account payables | 150 | 215 | 251 | 267 | 353 | 372 |
| Tax payable | 10 | 8 | 7 | 7 | 7 | 7 |
| Non-current liabilities | 9 | 38 | 43 | 13 | 13 | 13 |
| Long-term borrowings | 0 | 0 | 0 | 0 | 0 | 0 |
| Convertible bonds | 0 | 28 | 30 | 0 | 0 | 0 |
| Total liabilities | 230 | 388 | 354 | 338 | 424 | 443 |
| Share capital | 15 | 17 | 16 | 16 | 16 | 16 |
| Retained earnings | 252 | 320 | 219 | 234 | 257 | 285 |
| Total shareholders equity | 268 | 337 | 235 | 250 | 273 | 301 |
| Minority interest | 0 | 22,554 | 12,636 | 12,636 | 12,636 | 12,636 |
| Total equity and liabilities | 268 | 359 | 248 | 263 | 286 | 314 |

| CASH FLOW | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| YE 31 Dec (US\$ mn) | | | | | | |
| Operating | | | | | | |
| Profit before taxation | (7) | (31) | 11 | 15 | 28 | 34 |
| Depreciation & amortization | 13 | 29 | 30 | 31 | 32 | 32 |
| Tax paid | 1 | (3) | (1) | (0) | (5) | (6) |
| Change in working capital | (7) | 36 | 46 | (59) | 77 | (58) |
| Others | 16 | 12 | 12 | 2 | 3 | 3 |
| Net cash from operations | 16 | 42 | 98 | (12) | 135 | 4 |
| Investing | | | | | | |
| Capital expenditure | (0) | (1) | (1) | (5) | (5) | (5) |
| Acquisition of subsidiaries/ investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Net cash from investing | (30) | 8 | (79) | (4) | (4) | (4) |
| Financing | | | | | | |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 |
| Net borrowings | 0 | 4 | 0 | 0 | 0 | 0 |
| Proceeds from share issues | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | (15) | 57 | (5) | (2) | (3) | (3) |
| Net cash from financing | (14) | 61 | (5) | (2) | (3) | (3) |
| Net change in cash | | | | | | |
| Cash at the beginning of the year | 67 | 39 | 150 | 164 | 145 | 272 |
| Cash at the end of the year | 39 | 150 | 164 | 145 | 272 | 269 |
| GROWTH | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
| YE 31 Dec | | | | | | |
| Revenue | 3.2% | 46.4% | 18.4% | 18.5% | 19.9% | 17.0% |
| Gross profit | (30.8%) | 48.4% | 45.2% | 19.5% | 20.9% | 17.2% |
| Operating profit | na | na | na | 683.8% | 75.9% | 18.6% |
| Net profit | na | na | na | 0.1% | 53.5% | 20.7% |
| Adj. net profit | (60.9%) | 14.5% | 53.6% | 33.6% | 29.4% | 10.5% |
| PROFITABILITY | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
| YE 31 Dec | | | | | | |
| Gross profit margin | 15.9% | 16.1% | 19.8% | 20.0% | 20.1% | 20.1% |
| Operating margin | (1.0%) | (1.6%) | 0.3% | 1.7% | 2.4% | 2.5% |
| Adj. net profit margin | 1.7% | (0.5)% | 1.1% | 1.9% | 2.6% | 2.7% |
| Return on equity (ROE) | (2.0%) | (8.3%) | 5.2% | 6.2% | 8.8% | 9.7% |
| GEARING/LIQUIDITY/ACTIVITIES | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
| YE 31 Dec | | | | | | |
| Net debt to equity (x) | 0.1 | (0.3) | (0.3) | (0.4) | (0.8) | (0.7) |
| Current ratio (x) | 1.8 | 1.4 | 1.0 | 1.3 | 1.4 | 1.5 |
| Receivable turnover days | 217.2 | 115.8 | 72.7 | 72.7 | 72.7 | 72.7 |
| Payable turnover days | 135.7 | 105.1 | 118.6 | 111.5 | 111.5 | 111.5 |
| VALUATION | 2020A | 2021A | 2022A | 2023E | 2024E | 2025E |
| YE 31 Dec | | | | | | |
| P/E (diluted) | 67.3 | na | 65.5 | 32.1 | 19.6 | 16.6 |
| P/B | 3.0 | 4.4 | 4.3 | 2.6 | 2.4 | 2.2 |

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

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