

Atour Lifestyle (ATAT US)

Guidance raised and we stay positive in LT

3Q23 results were a beat and FY23E guidance was raised (mostly about retail). While we are conservative about the Hotel sector in 4Q23E and 1Q24E, we still think Atour could outperform, thanks to its excellent price to quality. Moreover, in the long run, we are fairly excited by its product expansions (e.g. Atour Light 3.0 and Atour 4.0, which are able to capture more new customers outside of their previous price range) and room for growth and consolidation in China.

- **3Q23 results beat consensus, but expectations were high.** Atour sales/net profit increased by 93%/ 134% YoY in 3Q23 and beat BBG est. by 17%/ 6% and CMBI est. by 11%/ 17%. We believe the beat was due to: 1) better-than-expected RevPAR recovery and 2) robust sales growth in retail business segment. RevPAR recovery rate in 3Q23 (vs 3Q19) increased to 118% (Jul/ Aug/ Sep were at 122%/ 116%/ 115%), far ahead of CMBI est. of 106%, but the capital market should have certain expectations after H World's strong 3Q23 results. However, Atour is still clearly leading the industry (H World/ JJ/ BTG hotel's 3Q23 RevPAR recovery rates were at 129%/ 113%/ 106%). ADR/ OCC were roughly at RMB495/ 82.4% in 3Q23, about 11%/ 7% above 3Q19's level, very healthy vs industry average (peers' OCC are often below 2019's level but ADR are 20%-30% higher).
- **4Q23E may be bumpy and FY23E RevPAR guidance was maintained.** Management has maintained FY23E RevPAR guidance of 113%-117% after the 3Q23 results. Even though the RevPAR trended down a bit in Nov 2023, we do think that is normal due to seasonality. And thanks to the robust performance during the 10-1 Holidays (recovery rate was at 123% and ADR/ OCC have recovered to about 115%/107%), we do think Atour can achieve its FY23E target at ease.
- **But the group level guidance was raised, supported by the booming retail sales business.** While RevPAR guidance was kept, group-level guidance was raised (FY23E sales growth target has been lifted to 90%+, from 72%-76%). The company is now forecasting the retail business to generate RMB900mn sales (up from RMB650-700mn) and help boosting the overall GP margin (retail business GP margin was at 51%+ in 3Q23, as its e-commerce sales mix jumped to 80%+ (e-commerce GP margin is higher at 50%+)). Note that the sales of pillow and duvet products were excellent during the double 11 Festival, which grew by 600%+ and GMV reached RMB 250mn+.
- **Maintain BUY and fine-tune TP to US\$23.93.** We raise FY23E/ 24E/ 25E net profit by 17%/ 8%/ 6%, in order to factor in the better-than-expected RevPAR and retail business. Our new TP is based on 30x FY23E P/E (lowered from 35x to reflect the worsening macro environment), vs peers' average of 33x. Given the faster-than-peers' sales and EBITDA growth, and valuation of 24x FY23E P/E and 12x EV/ EBITDA, we find it fairly attractive.

Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	2,148	2,263	4,345	5,555	7,020
YoY growth (%)	37.1	5.4	92.0	27.9	26.4
EBITDA (RMB mn)	299	261	1,119	1,532	2,044
Net profit (RMB mn)	139.7	96.1	721.3	1,082.7	1,476.0
EPS (Reported) (RMB)	0.45	0.77	5.51	8.27	11.27
YoY growth (%)	83.2	71.8	614.1	50.1	36.3
P/E (x)	na	171.2	24.0	16.0	11.7
EV/EBITDA (x)	148.9	60.4	13.3	9.0	6.0
Yield (%)	na	0.0	0.4	0.6	0.9
ROE (%)	24.7	11.0	47.8	46.7	42.6

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	US\$23.93
(Previous TP)	US\$23.91
Up/Downside	25.2%
Current Price	US\$19.12

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	7,296.2
Avg 3 mths t/o (US\$ mn)	2.8
52w High/Low (US\$)	29.08/11.35
Total Issued Shares (mn)	381.6

Source: FactSet

Shareholding Structure

Mr. Haijun Wang	31.0%
Legend Capital	24.7%

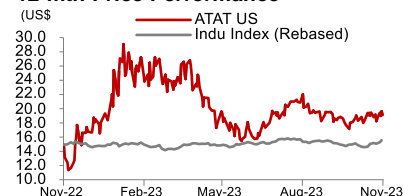
Source: Bloomberg

Share Performance

	Absolute	Relative
1-mth	0.3%	-2.6%
3-mth	-13.1%	-14.4%
6-mth	-1.1%	-5.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Recent reports

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(27 Jun 23)

■ **Hotel opening target also remains unchanged but the room for growth could be further opened up by new products (e.g. Atour Light 3.0 and newly released Atour 4.0).** Number of hotels was at 1,112 and 78/ 180 new hotels were added in 3Q23/ 9M23, still on track to finish the FY23E target of 280. Hotels in the pipeline was at 577 in 3Q23, up 54 from last quarter, we believe the demand could still be robust, esp. when the newer Hotel versions all have a shorter payback period.

- Atour light 3.0 continued to be successful in 3Q23 after its launches in Feb 2023, signed about 25 new contracts to a total of 71. And not only the ramp-up was quick, with OCC already reaching 78.8% in the 4th week of opening (it would usually take about 4 months for a typical Atour hotel), but also the ADR was fairly high at RMB340+ (ADR for a topical Atour hotel in the ramp-up stage should be at about RMB360).

- The company has introduced its flagship product "Atour 4.0" in Nov 2023 and we believe it will be exceptional in terms of capturing more demand (gaining market shares from) the slightly more high-end travelers (those used to stay at the 5-star hotels). The Atour 4.0 is a product in the upper midscale segment and all its software and hardware will have a comprehensive upgrade. For examples, more breakfast options will be available (esp. for those keen on a healthy diet), and it will partner with 2 personal care brands (Byredo and Grown Alchemist) to provide a more comfortable and luxurious hospitality, further upgrade the equipment in the gym room and introduce more unique deep-sleep-inspired amenities. Similarly, for a typical hotel of 140 rooms, the RevPAR is expected to be at around RMB400 and the capex payback period will also be shortened to 3.5 years (from about 4 years), with a capex per room at only RMB145K.

- We think these could help Atour to expand its price range and attract more new customers, as well as franchisees.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	4,345	5,555	7,020	3,924	5,125	6,503	10.7%	8.4%	8.0%
Gross profit	1,831	2,415	3,149	1,599	2,180	2,870	14.5%	10.8%	9.7%
EBIT	1,016	1,440	1,961	886	1,333	1,855	14.7%	8.0%	5.8%
Net profit att.	718	1,078	1,470	615	998	1,390	16.8%	8.0%	5.8%
Diluted EPS (RMB)	5.508	8.269	11.273	4.717	7.653	10.656	16.8%	8.0%	5.8%
Gross margin	42.1%	43.5%	44.8%	40.8%	42.5%	44.1%	1.4ppt	0.9ppt	0.7ppt
EBIT margin	23.4%	25.9%	27.9%	22.6%	26.0%	28.5%	0.8ppt	-0.1ppt	-0.6ppt
Net profit att. margin	16.5%	19.4%	20.9%	15.7%	19.5%	21.4%	0.9ppt	-0.1ppt	-0.4ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	4,345	5,555	7,020	3,986	5,080	6,334	9.0%	9.4%	10.8%
Gross profit	1,831	2,415	3,149	1,655	2,195	2,846	10.6%	10.0%	10.6%
EBIT	1,016	1,440	1,961	914	1,367	1,848	11.2%	5.4%	6.2%
Net profit att.	718	1,078	1,470	749	1,057	1,396	-4.0%	2.0%	5.3%
Diluted EPS (RMB)	5.508	8.269	11.273	3.734	6.486	8.308	47.5%	27.5%	35.7%
Gross margin	42.1%	43.5%	44.8%	41.5%	43.2%	44.9%	0.6ppt	0.3ppt	-0.1ppt
EBIT margin	23.4%	25.9%	27.9%	22.9%	26.9%	29.2%	0.5ppt	-1ppt	-1.2ppt
Net profit att. margin	16.5%	19.4%	20.9%	18.8%	20.8%	22.0%	-2.2ppt	-1.4ppt	-1.1ppt

Source: Company data, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Quarterly (RMB mn)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	1Q23 YoY	2Q23 YoY	3Q23 YoY	4Q23 E YoY	3Q23E CMBI	Actual vs CMBI
Revenue	670	626	774	1,093	1,294	1,184	71%	112%	93%	89%	1,166	11%
Hotel operating costs	-389	-356	-382	-510	-617	-502					-603	
Other operating costs	-45	-68	-72	-121	-131	-181					-90	
Gross profit	236	202	321	462	547	501	230%	213%	132%	148%	473	16%
GP margins	35.2%	32.3%	41.4%	42.3%	42.3%	42.3%					40.6%	
Other income & gains	0	0	0	0	0	0					0	#DIV/0!
Selling & marketing expenses	-30	-54	-56	-94	-112	-105	136%	197%	269%	94%	-64	75%
Selling & marketing exp./ sales	-4.5%	-8.6%	-7.2%	-8.6%	-8.7%	-8.9%					-5.5%	
General & admin expenses	-46	-217	-193	-73	-79	-110	324%	75%	74%	-50%	-87	-9%
General & admin exp./ sales	-6.8%	-34.7%	-25.0%	-6.7%	-6.1%	-9.3%					-7.5%	
Technology & development expenses	-16	-16	-17	-18	-20	-32	-6%	12%	24%	100%	-33	-38%
Tech & development exp./ sales	-2.5%	-2.5%	-2.2%	-1.6%	-1.6%	-2.7%					-2.8%	
Pre-opening & other opex	5	7	7	30	6	29					17	
Operating profit (EBIT)	148	-78	62	307	341	284	375%	274%	130%	-462%	306	11%
OP margins	22.2%	-12.5%	8.0%	28.1%	26.4%	24.0%					26.3%	
Investment gain (loss)	2	4	6	5	7	3					-4	
Net finance income	2	3	3	6	8	-2					3	121%
Net finance income / sales	0.4%	0.5%	0.4%	0.5%	0.6%	-0.1%					0.3%	
Profit after financing costs	152	-71	71	318	356	285					306	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	152	-71	71	318	356	285	367%	279%	134%	-503%	306	17%
Tax	-41	-12	-53	-79	-94	-83					-83	
Tax / sales	-6.2%	-1.9%	-6.8%	-7.2%	-7.3%	-7.0%					-7.1%	
Effective tax rate	-27.1%	16.5%	-74.4%	-24.8%	-26.5%	-29.2%					-27.0%	
Minority interests	-0	-0	0	1	1	1					1	29%
Net profit att.	111	-82	18	238	261	201	128%	289%	134%	-344%	222	17%
NP margins	16.6%	-13.1%	2.3%	21.8%	20.2%	17.0%					19.1%	

Source: Company data, CMBIGM estimates

Figure 4: Results review – Yearly

Yearly (US\$ mn)	FY22	FY23E	FY24E	FY22 yoy	FY23 E yoy	FY24 E yoy
Revenue	2,263	4,345	5,555	5%	92%	28%
Hotel operating costs	-1,393	-2,010	-2,446			
Other operating costs	-187	-504	-694			
Gross profit	683	1,831	2,415	21%	168%	32%
GP margins	30.2%	42.1%	43.5%			
Other income & gains	0	0	0			
Selling & marketing expenses	-140	-368	-413	13%	163%	12%
Selling & marketing exp./ sales	-6.2%	-8.5%	-7.4%			
General & admin expenses	-350	-456	-540	78%	30%	19%
General & admin exp./ sales	-15.5%	-10.5%	-9.7%			
Technology & development expenses	-66	-87	-111	27%	31%	28%
Tech & development exp / sales	-2.9%	-2.0%	-2.0%			
Pre-opening & other opex	38	73	56			
Operating profit (EBIT)	165	994	1,406	-16%	502%	42%
OP margins	7.3%	22.9%	25.3%			
Investment gain (loss)	8	22	11			
Net finance income	8	15	26			
Net finance income / sales	0.4%	0.3%	0.5%			
Profit after financing costs	181	1,030	1,444			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	181	1,030	1,444	-11%	471%	40%
Tax	-84	-309	-361			
Tax / sales	-3.7%	-7.1%	-6.5%			
Effective tax rate	-46.8%	-30.0%	-25.0%			
Minority interests	-2	3	4			
Net profit att.	98	718	1,078	-32%	632%	50%
NP margins	4.3%	16.5%	19.4%			

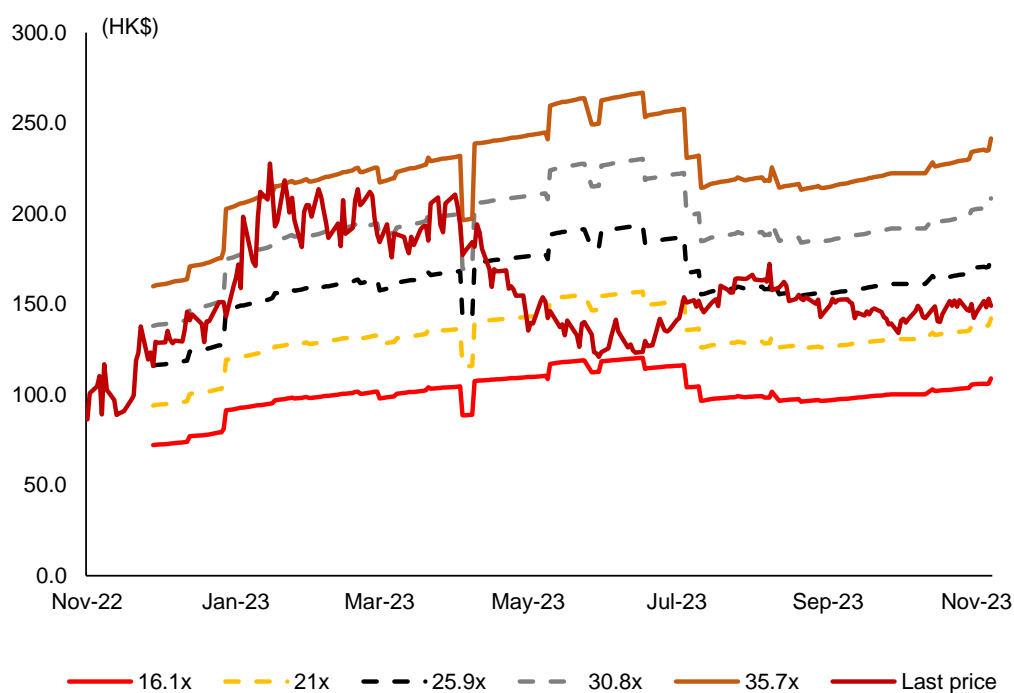
Source: Company data, CMBIGM estimates

Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf. (%)
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$m)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Greater China Hotels														
Atour Lifestyle	ATAT US	NR	23.93	19.12	25%	19,545	Dec-22	24.0	16.0	10.3	11.0	0.2	0.4	6.1
H World Group	HTHT US	NR	n/a	35.96	n/a	89,369	Dec-22	23.3	20.8	7.6	10.4	(0.1)	0.5	(15.2)
SH Jinjiang Int'l	600754 CH	NR	n/a	31.42	n/a	32,649	Dec-22	27.4	19.3	1.9	6.3	0.2	1.7	(46.2)
Btg Hotels Group	600258 CH	NR	n/a	16.12	n/a	19,373	Dec-22	23.4	17.9	1.6	4.0	(0.1)	0.9	(35.0)
Ssaw Hotels	301073 CH	NR	n/a	24.65	n/a	5,159	Dec-22	89.3	34.6	4.3	4.1	1.1	1.0	(47.3)
Greentree	GHG US	NR	n/a	4.38	n/a	3,489	Dec-22	9.5	9.0	n/a	n/a	(0.0)	2.4	18.1
Avg.								32.8	19.6	5.1	7.2	0.2	1.1	(19.9)
Med.								23.7	18.6	4.3	6.3	0.1	0.9	(25.1)
International Hotels														
HK & SH Hotels	45 HK	NR	n/a	5.96	n/a	9,831	Dec-22	n/a	n/a	n/a	(1.4)	n/a	n/a	(26.6)
Shangri-La Asia	69 HK	NR	n/a	5.10	n/a	18,286	Dec-22	9.9	9.2	0.6	2.5	(0.0)	0.8	(20.3)
Mandarin Oriental	MAND SP	NR	n/a	1.61	n/a	15,863	Dec-22	322.0	n/a	0.6	(3.1)	n/a	0.2	(16.1)
Banyan Tree	BTH SP	NR	n/a	0.38	n/a	1,906	Dec-22	n/a	n/a	n/a	0.3	n/a	n/a	18.8
Marriott Int'l	MAR US	NR	n/a	203.68	n/a	466,361	Dec-22	23.7	21.3	n/a	n/a	1.7	1.0	36.8
Hilton Worldwide	HLT US	NR	n/a	167.17	n/a	334,216	Dec-22	27.4	24.0	n/a	n/a	1.3	0.4	32.3
Hyatt Hotels	H US	NR	n/a	113.64	n/a	91,377	Dec-22	49.7	34.1	3.4	13.9	114.7	0.4	25.6
Wyndham Hotels	WH US	NR	n/a	76.57	n/a	49,525	Dec-22	19.4	17.9	8.4	31.0	3.1	1.8	7.4
Choice Hotels	CHH US	NR	n/a	113.11	n/a	43,914	Dec-22	18.7	16.8	63.4	159.7	3.7	0.9	0.4
Intercontinental	IHG LN	NR	n/a	5976.00	n/a	95,295	Dec-22	20.3	18.2	n/a	n/a	0.7	2.3	26.0
Accor Sa	AC FP	NR	n/a	31.03	n/a	69,564	Dec-22	16.5	14.8	1.5	12.8	1.0	3.4	34.3
Avg.								56.4	19.5	13.0	26.9	15.8	1.2	10.8
Med.								20.3	18.1	2.4	7.6	1.5	0.9	18.8

Source: Bloomberg, company data, CMBIGM estimates

Figure 3: Valuation – Forward blended 12 months P/E band

Source: Bloomberg, Company data, CMBIGM estimates

Assumptions

Figure 4: CMBIGM' assumptions

Major assumptions	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E
Sales by segment (RMB mn)						
Manachised hotels	926	1,220	1,361	2,389	3,172	4,164
Leased hotels	496	630	553	921	956	987
Retail and others	144	297	349	1,035	1,427	1,870
Total	1,567	2,148	2,263	4,345	5,555	7,020
Sales growth by segment (%)						
Manachised hotels	10%	32%	12%	76%	33%	31%
Leased hotels	-19%	27%	-12%	67%	4%	3%
Retail and others	29%	107%	18%	196%	38%	31%
Total	0%	37%	5%	92%	28%	26%
Number of hotels by segment						
Manachised hotels	537	712	899	1,178	1,542	2,001
Leased hotels	33	33	33	33	33	33
Total	570	745	932	1,211	1,575	2,034
Number of hotels growth (%)						
Manachised hotels	37%	33%	26%	31%	31%	30%
Leased hotels	14%	0%	0%	0%	0%	0%
Total	36%	31%	25%	30%	30%	29%
Occupancy (%)						
Manachised hotels	67%	67%	63%	79%	80%	79%
Leased hotels	69%	71%	66%	83%	83%	83%
Total	67%	68%	63%	79%	80%	79%
Room rates (RMB)						
Manachised hotels	382	407	386	460	469	478
Leased hotels	468	517	465	605	629	648
Total	390	415	391	465	473	482
RevPAR (RMB)						
Manachised hotels	269	288	256	382	392	398
Leased hotels	339	388	331	527	548	565
Total	275	295	261	387	396	402
Sales per store growth (%)						
Manachised hotels	-14%	7%	-11%	49%	3%	2%
Leased hotels	-27%	14%	-15%	59%	4%	3%
Total	-17%	7%	-12%	48%	2%	1%
GP margins	21.6%	26.3%	30.2%	42.1%	43.5%	44.8%
Selling & Marketing expenses	-4.5%	-5.8%	-6.2%	-8.5%	-7.4%	-7.5%
G & A expenses	-8.4%	-9.2%	-15.5%	-10.5%	-9.7%	-9.1%
Tec. and dev. expenses	-2.1%	-2.4%	-2.9%	-2.0%	-2.0%	-2.0%
Other expenses	-2.5%	0.2%	1.7%	1.7%	1.0%	1.0%
Effective tax rate	-50%	-31%	-47%	-30%	-25%	-25%
NP att. margin	3%	7%	4%	17%	19%	21%
NP att. growth (%)	-35%	245%	-32%	632%	50%	36%

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	1,567	2,148	2,263	4,345	5,555	7,020
Cost of goods sold	(1,229)	(1,583)	(1,580)	(2,514)	(3,141)	(3,872)
Gross profit	338	565	683	1,831	2,415	3,149
Operating expenses	(298)	(391)	(556)	(910)	(1,064)	(1,306)
Selling expense	(71)	(124)	(140)	(368)	(413)	(528)
Admin expense	(46)	(103)	(261)	(353)	(425)	(520)
R&D expense	(34)	(52)	(66)	(87)	(111)	(140)
Staff costs	0	0	0	0	0	0
Other rental related expenses	0	0	0	0	0	0
Others	(147)	(112)	(89)	(103)	(115)	(117)
Operating profit	64	203	179	1,016	1,440	1,961
Other income	23	22	38	73	56	70
Other gains/(losses)	11	1	1	14	4	7
EBITDA	161	299	261	1,119	1,532	2,044
EBIT	75	197	166	1,008	1,410	1,920
Interest income	1	7	14	22	34	48
Pre-tax profit	75	204	181	1,030	1,444	1,968
Income tax	(38)	(64)	(84)	(309)	(361)	(492)
After tax profit	42	145	98	718	1,078	1,470
Minority interest	4	5	2	(3)	(4)	(6)
Net profit	38	140	96	721	1,083	1,476
Adjusted net profit	(11)	130	261	888	1,078	1,470

BALANCE SHEET	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Current assets	1,170	1,416	2,125	3,257	4,571	6,257
Cash & equivalents	825	1,039	1,589	2,473	3,629	5,127
Restricted cash	0	0	0	0	0	0
Account receivables	140	100	133	223	286	361
Inventories	30	59	57	92	115	142
Prepayment	126	167	134	257	329	415
Other current assets	49	52	211	211	211	211
Non-current assets	816	829	2,637	2,600	2,563	2,539
PP&E	467	439	360	323	287	262
Right-of-use assets	0	0	1,932	1,932	1,932	1,932
Intangibles	3	4	6	5	5	5
Other non-current assets	345	386	340	340	340	340
Total assets	1,986	2,245	4,762	5,857	7,134	8,796
Current liabilities	898	1,051	1,348	1,742	1,987	2,281
Short-term borrowings	89	65	143	143	143	143
Account payables	464	609	515	910	1,155	1,449
Tax payable	62	46	31	31	31	31
Other current liabilities	283	332	339	339	339	339
Lease liabilities	0	0	320	320	320	320
Non-current liabilities	521	629	2,227	2,230	2,234	2,240
Long-term borrowings	31	44	2	2	2	2
Other non-current liabilities	490	586	2,225	2,228	2,232	2,238
Total liabilities	1,420	1,681	3,575	3,972	4,222	4,522
Retained earnings	0	0	0	646	1,617	2,940
Other reserves	566	565	1,187	1,187	1,187	1,187
Total shareholders equity	566	565	1,187	1,834	2,804	4,127
Minority interest	0	0	0	0	0	0
Total equity and liabilities	1,986	2,245	4,762	5,806	7,026	8,649

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	75	204	181	1,030	1,444	1,968
Depreciation & amortization	86	95	81	88	89	76
Tax paid	40	(15)	(15)	(309)	(361)	(492)
Change in working capital	(25)	109	(68)	146	88	105
Others	(57)	25	106	22	34	48
Net cash from operations	119	418	284	977	1,294	1,705
Investing						
Capital expenditure	(113)	(64)	(36)	(66)	(78)	(92)
Acquisition of subsidiaries/ investments	23	9	(153)	0	0	0
Others	(16)	13	(3)	0	0	0
Net cash from investing	(106)	(42)	(192)	(66)	(78)	(92)
Financing						
Dividend paid	0	(21)	0	(21)	(51)	(108)
Net borrowings	49	(12)	65	0	0	0
Proceeds from share issues	0	0	400	0	0	0
Share repurchases	0	(111)	(0)	0	0	0
Others	(1)	(17)	(8)	(7)	(7)	(7)
Net cash from financing	48	(161)	456	(28)	(58)	(115)
Net change in cash						
Cash at the beginning of the year	763	825	1,039	1,589	2,473	3,629
Exchange difference	0	(1)	3	0	0	0
Others	61	215	548	883	1,157	1,498
Cash at the end of the year	825	1,039	1,589	2,473	3,629	5,127
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Revenue	(0.0%)	37.1%	5.4%	92.0%	27.9%	26.4%
Gross profit	(13.0%)	67.2%	21.0%	168.1%	31.9%	30.4%
Operating profit	(30.2%)	217.0%	(11.5%)	466.4%	41.7%	36.2%
EBITDA	(11.7%)	85.5%	(12.7%)	328.3%	37.0%	33.4%
EBIT	(30.9%)	163.9%	(15.8%)	506.9%	39.9%	36.2%
Net profit	(37.8%)	269.3%	(31.2%)	650.7%	50.1%	36.3%
Adj. net profit	na	na	101.1%	239.8%	21.5%	36.3%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Gross profit margin	21.6%	26.3%	30.2%	42.1%	43.5%	44.8%
Operating margin	4.1%	9.4%	7.9%	23.4%	25.9%	27.9%
EBITDA margin	10.3%	13.9%	11.5%	25.7%	27.6%	29.1%
Adj. net profit margin	(0.7%)	6.1%	11.5%	20.4%	19.4%	20.9%
Return on equity (ROE)	6.9%	24.7%	11.0%	47.8%	46.7%	42.6%
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Net debt to equity (x)	1.2	1.6	1.2	1.3	1.2	1.2
Current ratio (x)	1.3	1.3	1.6	1.9	2.3	2.7
Receivable turnover days	25.7	20.4	18.8	18.8	18.8	18.8
Inventory turnover days	6.7	10.3	13.4	13.4	13.4	13.4
Payable turnover days	24.8	28.5	40.0	40.0	40.0	40.0
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
P/E	na	na	171.2	24.0	16.0	11.7
P/E (diluted)	na	na	171.2	24.0	16.0	11.7
P/B	na	na	11.9	9.6	6.2	4.2
P/CFPS	na	na	48.5	18.5	14.0	10.6
Div yield (%)	na	na	0.0	0.4	0.6	0.9
EV	22,844.9	21,430.2	45,451.7	17,214.5	17,214.5	17,214.5
EV/Sales	14.6	10.0	20.1	4.0	3.1	2.5
EV/EBIT	305.8	108.7	273.6	17.1	12.2	9.0
EV/EBITDA	128.7	148.9	60.4	13.3	9.0	6.0

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

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