12 Nov 2025

CMB International Global Markets | Equity Research | Company Update

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China Hongqiao (1378 HK)

Further re-rating is possible

On the back of (1) almost full utilisation rate of aluminium capacity in China along with slow capacity ramp-up in overseas, (2) resilient end-demand such as EV, power and electronics, and (3) relatively stable raw materials costs, Hongqiao is at sweet spot and is set for further re-rating. We revise up our 2025E-27E earnings forecasts by 4-5%, largely due to higher aluminium price fuelled by favourable supply/demand profile. We revise up our TP to HK$39 (from HK$27), based on 12x P/E (previously 8.6x) which is derived from 2SD above the historical average. We expect Hongqiao's capability to generate strong free cash flow will comfortably support its dividend payout ratio of 60%, and bring the balance sheet to close to net cash position by 2026E. Despite the recent share price rally, the current price still offers an attractive yield of ~6%. Maintain **BUY.**

- **Almost full capacity utilisation in China.** China (~60% of global aluminium supply) introduced a cap on the aluminium capacity at ~45mt since the launch of supply-side reform back in 2017. The industry utilisation rate hit a decade-high of 99% in Sep 2025 and stood at 98.6% in Oct. In overseas, given the time needed for new capacity and ramp-up (e.g. Indonesia), we expect the overall supply growth to be limited over the coming 3-6 months.
- **We expect global deficit starting from 2026E.** We forecast the global aluminium demand to grow by 2.1% / 1.7% in 2025E/26E, versus our supply growth projection of 1.7%/1.3%. We expect the global balance to turn from surplus in 2025E to deficit in 2026E.
- **Would the "10x P/E ceiling" be broken this time?** Over the past decade, Hongqiao peaked at 10x forward P/E (except 2017) for several times. While Hongqiao is now trading at ~10x 2026E P/E, we see potential for further upside as: (1) the near-term industry demand/supply is highly favourable that could further boost sentiment; (2) the substantial enhancement of balance sheet (close to net cash by end-2026E from net debt to equity ratio of 24% by end-2024) will serve as a risk-reduction valuation driver.
- **Earnings sensitivity.** We estimate every 1% increase in aluminium price will boost Hongqiao's earnings by 3%, while a 1% decrease in coal price will increase earnings by 0.4%.
- **Key risks:** (1) unexpected removal of capacity cap in China; (2) slowdown of global economy; (3) sharp increase in input costs such as bauxite.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	133,624	156,169	158,579	158,162	160,662
YoY growth (%)	1.5	16.9	1.5	(0.3)	1.6
Adjusted net profit (RMB mn)	11,460.7	24,564.8	28,297.0	28,355.5	29,278.1
EPS (Adjusted) (RMB)	1.21	2.59	2.99	2.99	3.09
Consensus EPS (RMB)	na	na	2.61	2.76	2.89
P/E (x)	24.2	12.4	10.7	9.8	9.5
P/B (x)	3.0	2.6	2.2	2.0	1.8
Yield (%)	2.0	5.1	5.6	6.1	6.3
Net gearing (%)	34.3	24.4	9.3	2.2	(7.5)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**HK$39.00**
(Previous TP	HK$27.00)
Up/Downside	**22.2%**
Current Price	**HK$31.92**

China Materials

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Stock Data

Mkt Cap (HK$ mn)	302,459.2
Avg 3 mths t/o (HK$ mn)	895.1
52w High/Low (HK$)	32.42/10.96
Total Issued Shares (mn)	9475.5

Source: FactSet

Shareholding Structure

Shipping Trust Company (Zhang's family)	64.4%
CITIC Group	6.0%

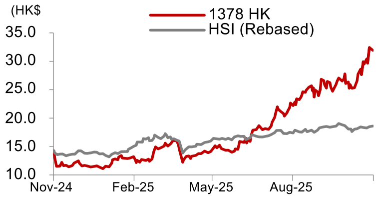
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	22.3%	20.7%
3-mth	40.9%	31.4%
6-mth	126.1%	94.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

China Hongqiao – Lack of Interim dividends but new buyback scheme to boost confidence – 18 Aug 2025 (link)

China Hongqiao - Net profit in 2024 +95% in line; 63% payout ratio implies 11% yield at the current price – 17 Mar 2025 (link)

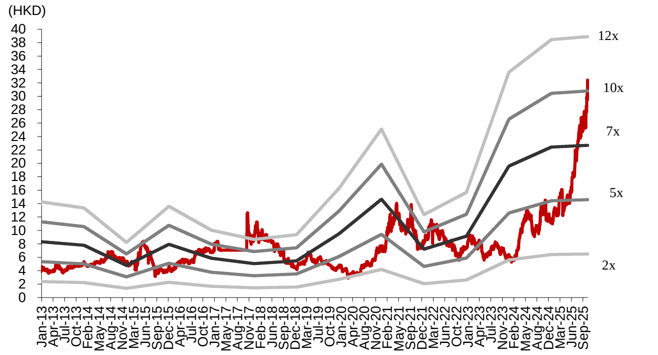
China Hongqiao - Expect higher ASP following China's stimulus – 30 Sep 2024 (link)

China Hongqiao – Net profit in 1H24 +2.7x YoY beat expectations – 19 Aug 2024 (link)

China Hongqiao – A key beneficiary of tight aluminum supply trading at attractive valuation; resume coverage with BUY – 17 Jun 2024 (link)

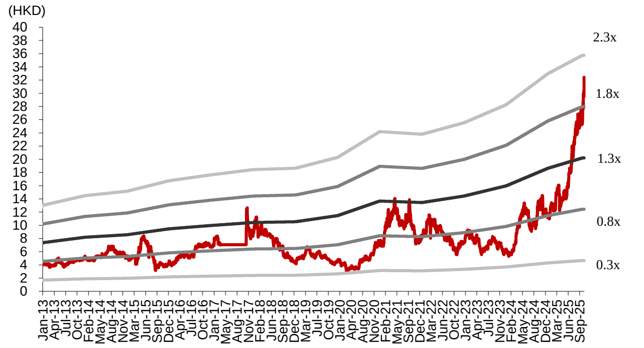
Valuation

Figure 1: Hongqiao's 12M forward P/E band



Source: Bloomberg, company data, CMBIGM estimates

Figure 2: Hongqiao's 12M forward P/B band



Source: Bloomberg, company data, CMBIGM estimates

Figure 3: Peers valuation table

Ticker	Company	Price (local currency)	Market cap (US$ mn)	PE (x) 2025E	PE (x) 2026E	PB (x) 2025E	PB (x) 2026E	Yield (%) 2025E
A share								
601600 CH Equity	CHALCO-A	10.98	25,794	13.3	11.8	2.2	1.9	2.8
000807 CH Equity	YUNNAN ALUM-A	24.93	12,045	13.5	11.5	2.4	2.0	2.3
002532 CH Equity	TIANSHAN ALUM-A	13.67	8,860	13.3	10.7	2.0	1.7	3.1
600219 CH Equity	SHANDONG NANSHAN-A	5.16	8,349	12.1	11.5	1.0	1.0	2.3
000933 CH Equity	HENAN SHENHUO-A	26.65	8,351	11.6	10.1	2.2	1.9	3.8
	Average			**12.8**	**11.1**	**1.9**	**1.7**	**2.9**
Hong Kong listed								
2600 HK Equity	CHALCO-H	11.09	25,741	12.3	11.1	2.2	1.9	3.0
1378 HK Equity	CHINA HONGQIAO	32.40	39,310	10.9	9.9	2.3	2.0	5.5
486 HK Equity	RUSAL	4.38	8,477	5.8	5.1	0.6	0.6	3.5
2610 HK Equity	NANSHAN ALUMINIUM INT	46.08	3,460	9.4	7.0	3.0	2.2	2.2
	Average			**9.6**	**8.3**	**2.0**	**1.7**	**3.6**
Overseas								
HNDL IN Equity	HINDALCO	791.10	20,761	10.9	10.4	1.2	1.0	0.7
VEDL IN Equity	VEDANTA	523.20	23,893	11.6	9.4	4.0	3.4	6.1
NACL IN Equity	NATIONAL ALUMINUM	266.16	5,709	11.0	10.7	2.1	1.8	3.1
AA US Equity	ALCOA CORP	38.79	10,045	10.8	12.6	1.4	1.3	1.0
CENX US Equity	CENTURY ALUMINUM	32.31	3,016	15.1	7.7	n/a	n/a	n/a
Rio AU Equity	RIO TINTO	129.56	119,862	13.4	12.6	3.1	2.9	4.3
S32 AU Equity	SOUTH32	3.19	9,399	14.7	11.1	1.4	1.3	2.8
NHY NO Equity	NORSK HYDRO	71.20	13,992	12.6	11.1	1.2	1.1	4.2
PMAH MK Equity	PRESS METAL	6.38	12,361	26.4	23.8	4.8	4.1	1.3
ALBH BI Equity	ALUMINIUM BAHRAIN	1.13	4,238	5.9	3.6	n/a	n/a	5.6
QAMC QD Equity	QATAR ALUMINUM	1.54	2,363	12.9	11.0	n/a	n/a	5.4
	Average			**13.2**	**11.3**	**2.4**	**2.1**	**3.5**

Source: Bloomberg, company data, CMBIGM

Note 1: Data as at 11 Nov 2025. Note 2: Year-end June for South32.

Operating assumptions

Figure 4: Change in earnings forecast

	Old			New			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
(RMB mn)									
Revenue									
Aluminum alloy products	106,969	108,039	108,039	106,969	109,643	111,836	0%	1%	4%
Alumina	38,090	38,090	38,090	37,693	34,301	34,301	-1%	-10%	-10%
Aluminum fabrication products	13,186	13,450	13,719	13,186	13,450	13,719	0%	0%	0%
Steam	893	983	1,081	731	768	806	-18%	-22%	-25%
Total	**159,139**	**160,561**	**160,929**	**158,579**	**158,162**	**160,662**	**0%**	**-1%**	**0%**
Revenue growth									
Aluminum alloy products	*4.4%*	*1.0%*	*0.0%*	*4.4%*	*2.5%*	*2.0%*	*0.0*	*1.5*	*2.0*
Alumina	*2.0%*	*0.0%*	*0.0%*	*0.9%*	*-9.0%*	*0.0%*	*(1.1)*	*(9.0)*	*0.0*
Aluminum fabrication products	*-15.3%*	*2.0%*	*2.0%*	*-15.3%*	*2.0%*	*2.0%*	*0.0*	*0.0*	*0.0*
Steam	*10.0%*	*10.0%*	*10.0%*	*-10.0%*	*5.0%*	*5.0%*	*(20.0)*	*(5.0)*	*(5.0)*
Average	***1.9%***	***0.9%***	***0.2%***	***1.5%***	***-0.3%***	***1.6%***	***(0.4)***	***(1.2)***	***1.4***
Gross profit									
Aluminum alloy products	28,363	28,576	28,216	29,178	32,296	33,465	3%	13%	19%
Alumina	10,897	10,897	11,628	11,475	8,083	7,839	5%	-26%	-33%
Aluminum fabrication products	2,637	2,690	2,744	3,033	3,094	3,155	15%	15%	15%
Steam	-63	-49	-54	-88	-54	-40	n/a	n/a	n/a
Total	**41,835**	**42,115**	**42,534**	**43,599**	**43,418**	**44,419**	**4%**	**3%**	**4%**
Gross margin								*Change in ppt*	
Aluminum alloy products	*26.5%*	*26.4%*	*26.1%*	*27.3%*	*29.5%*	*29.9%*	*0.76*	*3.01*	*3.81*
Alumina	*28.6%*	*28.6%*	*30.5%*	*30.4%*	*23.6%*	*22.9%*	*1.83*	*-5.05*	*-7.67*
Aluminum fabrication products	*20.0%*	*20.0%*	*20.0%*	*23.0%*	*23.0%*	*23.0%*	*3.00*	*3.00*	*3.00*
Steam	*-7.0%*	*-5.0%*	*-5.0%*	*-12.0%*	*-7.0%*	*-5.0%*	*-5.00*	*-2.00*	*0.00*
Blended gross margin	***26.3%***	***26.2%***	***26.4%***	***27.5%***	***27.5%***	***27.6%***	***1.20***	***1.22***	***1.22***
Net finance expense	-3,086	-2,963	-2,865	-3,279	-2,991	-2,886	6%	1%	1%
S&D expense ratio	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*	*0.0*	*0.0*	*0.0*
Administrative expense ratio	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*0.0*	*0.0*	*0.0*
Other expense ratio	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.0*	*0.0*	*0.0*
Profit from JV/Associates (RMB mn)	1,539	1,718	1,918	2,615	1,844	2,058	70%	7%	7%
Recurring net profit (RMB mn)	**26,897**	**27,299**	**27,815**	**28,297**	**28,355**	**29,278**	**5%**	**4%**	**5%**

Source: Company data, CMBIGM estimates

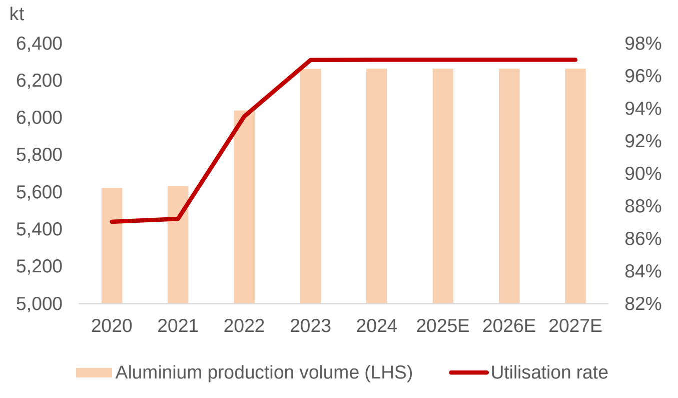
Note: Our recurring net profit excluded impairment loss.

Figure 5: Key operating assumptions

	2021	2022	2023	2024	2025E	2026E	2027E
Sales volume (000 tonnes)							
Aluminum alloy products	5,052	5,473	5,748	5,837	5,889	5,889	5,889
Alumina	7,163	8,298	10,374	10,921	11,601	11,601	11,601
Aluminum fabrication products	657	609	580	766	636	649	662
Change YoY							
Aluminum alloy products	-0.2%	8.3%	5.0%	1.5%	0.9%	0.0%	0.0%
Alumina	6.4%	15.8%	25.0%	5.3%	6.2%	0.0%	0.0%
Aluminum fabrication products	9.3%	-7.3%	-4.8%	32.1%	-17.0%	2.0%	2.0%
ASP (RMB/t) ex-VAT							
Aluminum alloy products	16,689	17,582	16,465	17,549	18,163	18,617	18,990
Alumina	2,369	2,580	2,560	3,420	3,249	2,957	2,957
Aluminum fabrication products	19,062	21,843	19,835	20,328	20,734	20,734	20,734
Change YoY							
Aluminum alloy products	33.5%	5.4%	-6.4%	6.6%	3.5%	2.5%	2.0%
Alumina	18.3%	8.9%	-0.8%	33.6%	-5.0%	-9.0%	0.0%
Aluminum fabrication products	30.5%	14.6%	-9.2%	2.5%	2.0%	0.0%	0.0%
Unit cost (RMB/t)							
Aluminum alloy products	-12,035	-15,212	-13,602	-13,232	-13,209	-13,134	-13,307
Alumina	-1,812	-2,186	-2,275	-2,208	-2,260	-2,260	-2,281
Aluminum fabrication products	-14,160	-17,930	-17,016	-15,369	-15,965	-15,965	-15,965
Change YoY							
Aluminum alloy products	26.7%	26.4%	-10.6%	-2.7%	-0.2%	-0.6%	1.3%
Alumina	8.2%	20.6%	4.1%	-2.9%	2.4%	0.0%	0.9%
Aluminum fabrication products	24.3%	26.6%	-5.1%	-9.7%	3.9%	0.0%	0.0%
Unit gross profit (RMB/t)							
Aluminum alloy products	4,654	2,370	2,863	4,317	4,954	5,484	5,682
Alumina	556	394	285	1,212	989	697	676
Aluminum fabrication products	4,902	3,913	2,819	4,959	4,769	4,769	4,769
Change YoY							
Aluminum alloy products	55.1%	-49.1%	20.8%	50.8%	14.8%	10.7%	3.6%
Alumina	69.6%	-29.2%	-27.6%	324.9%	-18.4%	-29.6%	-3.0%
Aluminum fabrication products	52.3%	-20.2%	-28.0%	75.9%	-3.8%	0.0%	0.0%

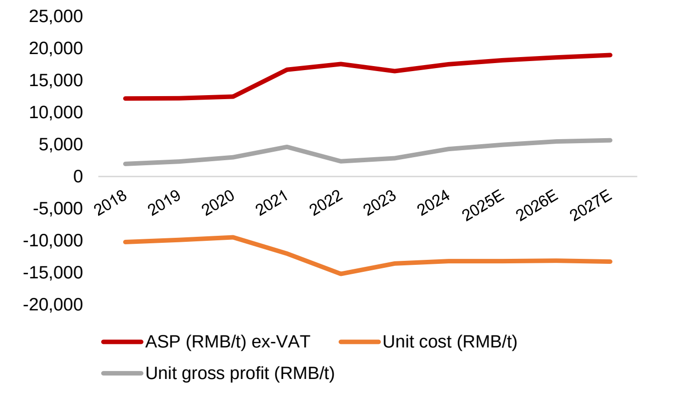
Source: Company data, CMBIGM estimates

Figure 6: Aluminum production volume, utilisation rates



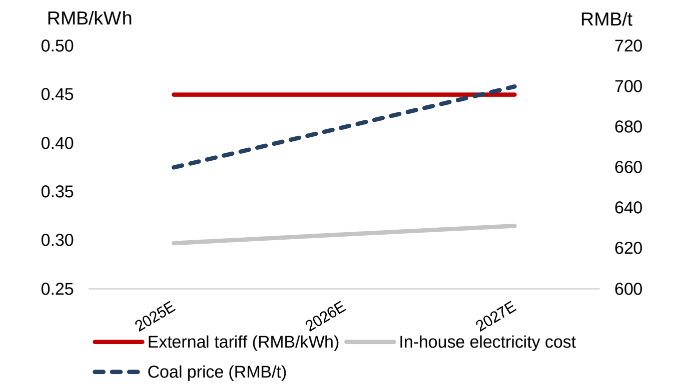
Source: Company data, CMBIGM estimates

Figure 7: Aluminum ASP, unit cost & margin



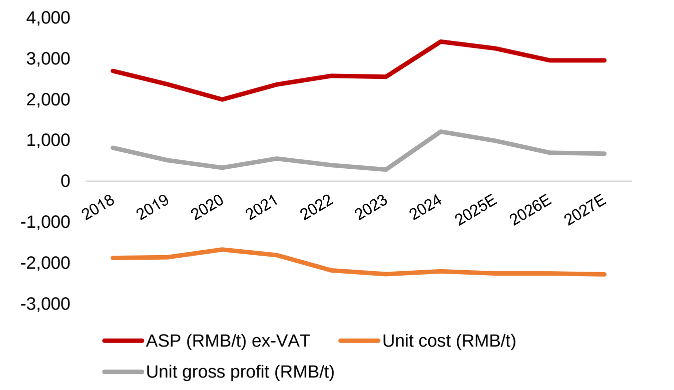
Source: Company data, CMBIGM estimates

Figure 8: Electricity and coal cost



Source: Company data, CMBIGM estimates

Figure 9: Alumina ASP, unit cost & margin



Source: Company data, CMBIGM estimates

Earnings sensitivity

Figure 10: Earnings sensitivity (annualized) to 5% change in aluminium ASP & coal cost

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		16,756	17,686	**18,617**	19,548	20,479
	612	21,663	25,581	29,499	33,417	37,335
	646	21,092	25,009	28,927	32,845	36,763
Coal cost	**680**	20,520	24,438	**28,355**	32,273	36,191
RMB/t	714	19,948	23,866	27,784	31,701	35,619
	748	19,376	23,294	27,212	31,130	35,047

Source: CMBIGM estimates

Figure 11: Earnings sensitivity (annualized) to 5% change in aluminium ASP & external tariff

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		16,756	17,686	**18,617**	19,548	20,479
	0.41	21,851	25,769	29,687	33,605	37,523
	0.43	21,186	25,103	29,021	32,939	36,857
External tariff	**0.45**	20,520	24,438	**28,355**	32,273	36,191
RMB/kWh	0.47	19,854	23,772	27,690	31,608	35,525
	0.50	19,188	23,106	27,024	30,942	34,860

Source: CMBIGM estimates

Figure 12: Earnings sensitivity (annualized) to 5% change in alumina ASP & bauxite cost

2026E net profit (RMB mn)		Alumina ASP (RMB/t)				
		2,661	2,809	**2,957**	3,105	3,252
	540	28,663	29,408	30,153	30,898	31,643
	570	27,764	28,509	29,254	29,999	30,744
Bauxite	**600**	26,865	27,610	**28,355**	29,100	29,845
RMB/t	630	25,967	26,712	27,457	28,202	28,947
	660	25,068	25,813	26,558	27,303	28,048

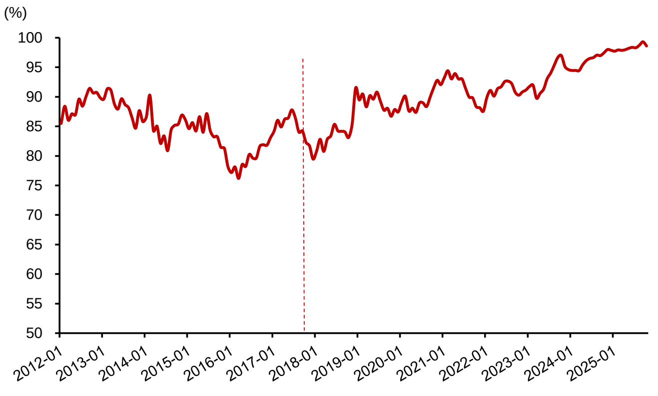
Source: CMBIGM estimates

Industry trend

Figure 13: Global aluminium supply/demand balance

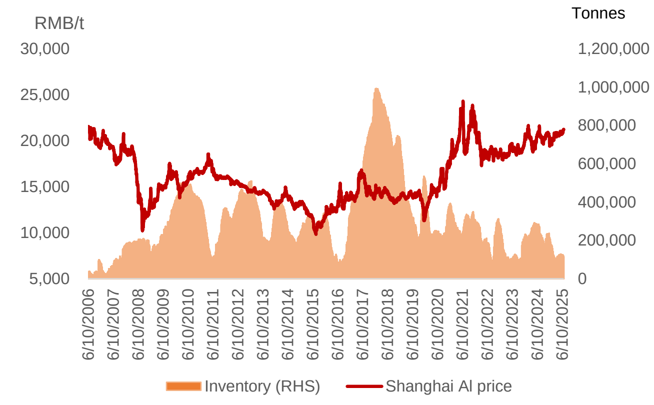
Source: CRU, CMBIGM estimates

Figure 14: China aluminium capacity utilisation rate



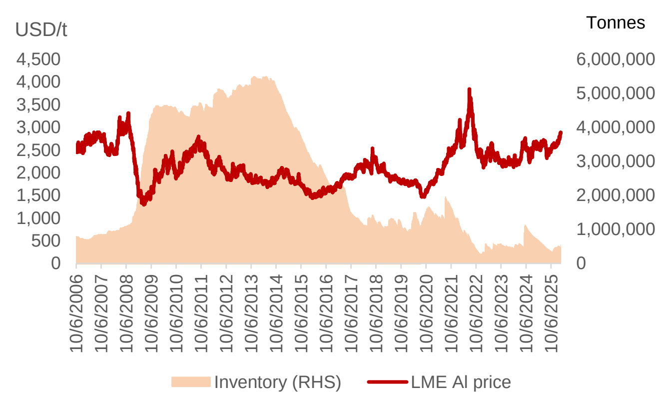
Source: Wind, CMBIGM

Figure 15: Shanghai aluminium price and inventory



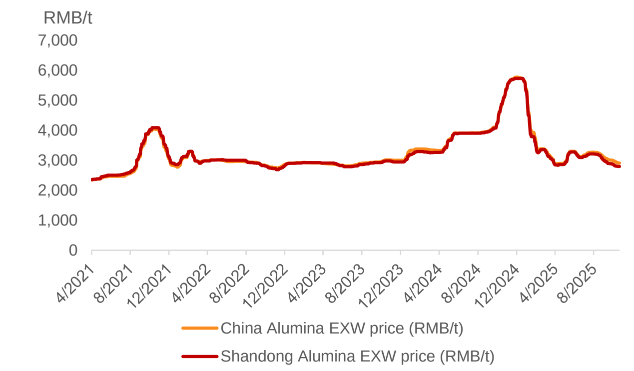
Source: Bloomberg, CMBIGM

Figure 16: LME aluminium price and inventory



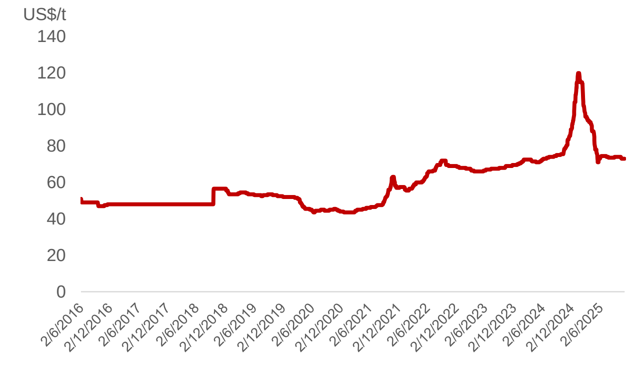
Source: Bloomberg, CMBIGM

Figure 17: Alumina EXW price in China



Source: Wind, CMBIGM

Figure 18: Import price of bauxite from Guinea to China (CIF)



Source: Bloomberg, CMBIGM

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	**131,699**	**133,624**	**156,169**	**158,579**	**158,162**	**160,662**
Cost of goods sold	(113,460)	(112,669)	(114,006)	(114,981)	(114,743)	(116,243)
Gross profit	**18,239**	**20,955**	**42,163**	**43,599**	**43,418**	**44,419**
Selling expense	(598)	(755)	(661)	(634)	(633)	(643)
Admin expense	(5,934)	(4,953)	(4,993)	(4,757)	(4,745)	(4,820)
R&D expense	(329)	(945)	(2,899)	(793)	(791)	(803)
Other income	3,736	3,405	2,632	2,379	2,847	2,892
Other gains/(losses)	(185)	(49)	(2,192)	(2,379)	0	0
Share of (losses)/profits of associates/JV	503	1,193	1,758	2,615	1,844	2,058
EBITDA	**21,836**	**24,619**	**42,479**	**46,382**	**46,888**	**48,038**
Depreciation	6,721	6,912	6,237	6,590	6,791	6,993
EBIT	**15,115**	**17,707**	**36,242**	**39,793**	**40,097**	**41,045**
Interest income	193	308	353	421	693	787
Interest expense	(3,020)	(3,268)	(3,363)	(3,700)	(3,683)	(3,673)
Net Interest income/(expense)	**(2,826)**	**(2,960)**	**(3,011)**	**(3,279)**	**(2,991)**	**(2,886)**
Pre-tax profit	**12,607**	**15,890**	**32,797**	**36,751**	**38,950**	**40,217**
Income tax	(2,798)	(3,393)	(8,252)	(8,269)	(7,790)	(8,043)
Minority interest	(1,107)	(1,037)	(2,173)	(2,563)	(2,804)	(2,896)
Adjusted net profit	**8,702**	**11,461**	**24,565**	**28,297**	**28,355**	**29,278**
Gross dividends	4,386	5,411	14,094	15,551	17,013	17,567

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	**87,568**	**87,395**	**109,825**	**116,063**	**131,119**	**140,638**
Cash & equivalents	27,385	31,721	44,770	59,059	67,389	81,404
Account receivables	4,611	5,489	9,774	4,998	8,002	6,084
Inventories	37,268	33,958	37,344	35,110	37,823	36,063
ST bank deposits	1,720	1,827	2,797	2,797	2,797	2,797
Other current assets	16,585	14,400	15,139	14,099	15,107	14,291
Non-current assets	**98,174**	**112,925**	**119,340**	**129,381**	**132,448**	**135,529**
PP&E	68,061	70,200	75,393	82,768	83,944	84,919
Deferred income tax	2,605	2,990	2,622	2,622	2,622	2,622
Investment in JVs & assos	10,297	11,034	13,222	15,838	17,681	19,740
Intangibles	34	43	45	51	56	59
Goodwill	278	278	278	278	278	278
Financial assets at FVTPL	1,543	13,127	12,233	12,233	12,233	12,233
Other non-current assets	15,356	15,253	15,546	15,590	15,634	15,678
Total assets	**185,742**	**200,320**	**229,165**	**245,444**	**263,567**	**276,167**
Current liabilities	**71,373**	**74,029**	**76,983**	**73,713**	**76,227**	**73,666**
Short-term borrowings	43,434	49,118	45,104	44,604	44,404	44,204
Account payables	14,911	11,648	14,931	12,161	14,875	12,514
Tax payable	618	2,586	3,674	3,674	3,674	3,674
Other current liabilities	12,410	10,677	13,274	13,274	13,274	13,274
Non-current liabilities	**18,063**	**20,035**	**33,569**	**33,569**	**33,569**	**33,569**
Long-term borrowings	16,236	13,792	25,781	25,781	25,781	25,781
Other non-current liabilities	1,827	6,243	7,788	7,788	7,788	7,788
Total liabilities	**89,436**	**94,064**	**110,552**	**107,282**	**109,796**	**107,235**
Total shareholders equity	**84,499**	**92,245**	**107,800**	**124,786**	**137,590**	**149,855**
Minority interest	11,807	14,012	10,814	13,377	16,181	19,077
Total equity and liabilities	**185,742**	**200,320**	**229,165**	**245,444**	**263,567**	**276,167**

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**12,607**	**15,890**	**32,797**	**36,751**	**38,950**	**40,217**
Depreciation & amortization	6,721	6,912	6,237	6,590	6,791	6,993
Tax paid	(6,148)	(1,686)	(6,367)	(8,269)	(7,790)	(8,043)
Change in working capital	(8,660)	(983)	(4,459)	5,281	(4,011)	2,134
Others	20,693	11,647	37,386	33,149	43,960	39,134
Net cash from operations	**7,622**	**22,402**	**33,983**	**41,016**	**35,087**	**42,128**
Investing						
Capital expenditure	(8,798)	(5,662)	(12,311)	(14,000)	(8,000)	(8,000)
Acquisition of subsidiaries/ investments	(3,550)	(3,700)	200	0	0	0
Others	(4,425)	(8,526)	(446)	406	678	772
Net cash from investing	**(16,773)**	**(17,889)**	**(12,557)**	**(13,594)**	**(7,322)**	**(7,228)**
Financing						
Dividend paid	(8,226)	(3,786)	(7,659)	(8,933)	(15,551)	(17,013)
Net borrowings	(681)	3,240	7,975	(500)	(200)	(200)
Proceeds from share issues	0	0	0	0	0	0
Others	(3,884)	347	(8,747)	(3,700)	(3,683)	(3,673)
Net cash from financing	**(12,790)**	**(200)**	**(8,431)**	**(13,132)**	**(19,434)**	**(20,887)**
Net change in cash						
Cash at the beginning of the year	49,227	27,385	31,721	44,770	59,059	67,389
Exchange difference	98	22	54	0	0	0
Cash at the end of the year	**27,385**	**31,721**	**44,770**	**59,059**	**67,389**	**81,404**

GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	15.0%	1.5%	16.9%	1.5%	(0.3%)	1.6%
Gross profit	(40.1%)	14.9%	101.2%	3.4%	(0.4%)	2.3%
EBITDA	(32.8%)	12.7%	72.5%	9.2%	1.1%	2.5%
EBIT	(41.9%)	17.1%	104.7%	9.8%	0.8%	2.4%
Adj. net profit	(45.9%)	31.7%	114.3%	15.2%	0.2%	3.3%

PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	13.8%	15.7%	27.0%	27.5%	27.5%	27.6%
EBITDA margin	16.6%	18.4%	27.2%	29.2%	29.6%	29.9%
Adj. net profit margin	6.6%	8.6%	15.7%	17.8%	17.9%	18.2%

GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.4	0.3	0.2	0.1	0.0	(0.1)
Current ratio (x)	1.2	1.2	1.4	1.6	1.7	1.9
Receivable turnover days	16.5	13.8	17.8	17.0	15.0	16.0
Inventory turnover days	96.5	115.4	114.1	115.0	116.0	116.0
Payable turnover days	54.1	43.0	42.5	43.0	43.0	43.0

VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	31.2	24.2	12.4	10.7	9.8	9.5
P/B	3.3	3.0	2.6	2.2	2.0	1.8
Div yield (%)	1.6	2.0	5.1	5.6	6.1	6.3

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

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