

# Luckin Coffee (LKNKY US)

## There are still multiple growth drivers in FY26E

3Q25 results were a miss, but that was mostly due to higher delivery costs. Even though this is negative on profit in the short run, the impact could be positive in the long run, as Luckin Coffee's customer retention is much higher than its peers (Cotti's SSSG in 3Q25 has slowed down massively based on our channel check, while that for Luckin Coffee is not only fast but stable). Moreover, we do understand the high base could kick in since 4Q25E and into FY26E, but Luckin Coffee is equipped with many company-specific growth drivers so that its SSSG should still be positive in our view. All in all, given its undemanding valuation (18x FY26E P/E), we maintain our BUY rating and raise TP to US\$ 54.68.

■ **For 4Q25E, we expect sales growth to stay relatively fast and the drag from delivery costs to gradually improve.** On one hand, even though the SSSG in Oct 2025 was faster than Sep 2025, based on our channel check, we are conservative on SSSG in 4Q25E (forecasting only a HSD), because of the possibility of a scale-back in delivery subsidies as well as the increasingly high base. On the other hand, store expansion has started to accelerate since 3Q25 (partnership stores are even faster), and therefore we are still expecting an about 40% sales growth in 4Q25E. Margin-wise, while we do expect some delivery-related costs to stay, the magnitude could be less vs 3Q25. Therefore, we are forecasting an about 15% net profit growth in 4Q25E.

■ **For FY26E, despite the high base, we are cautiously optimistic.** We agree that the high base in FY25E (induced by the delivery subsidies) could be an issue for the tea drink and coffee sector in general in FY26E (for both SSSG and valuation of various listed companies). However, we do think company like Luckin Coffee is much more well-prepared than the others. For example, on SSSG, while we are conservatively forecasting a 2% in FY26E, we actually see quite many growth drivers, namely: 1) category expansion (Luckin Coffee could launch more non-coffee products like snacks, breakfast or even different types of food), 2) greater push on the star products (number of new SKUs did increase to 30 in 3Q25 vs just 17 in 3Q24, while their popularity is not as high as the star products in the past, we do see room for improvement, perhaps in FY26E), 3) marketing expenses as % of sales decreased in 3Q25, but Luckin Coffee could ramp that up if needed, and lastly, 4) further boosting the sales and purchasing frequency of each customer (Luckin Coffee has acquired about 34.5mn new transacting customers in 9M25, representing a 40%+ YoY growth). On the margin side, we are actually quite comfortable: 1) GP margin should still be able to improve (as we expect Luckin Coffee's efficiency and economies of scale improvement to more than offset any overseas coffee bean price inflation), 2) delivery cost is likely to decrease YoY (from delivery platforms and major brands' point of view, we do think massive subsidies are only a short-term measure, with marginally low value to sustain); 3) headquarters cost as a % of total sales, will continue to improve.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	24,903	34,475	49,975	61,053	69,426
YoY growth (%)	87.3	38.4	45.0	22.2	13.7
EBITDA (RMB mn)	3,630.2	4,728.1	6,808.6	8,674.4	10,202.1
Net profit (RMB mn)	2,847.9	2,931.7	4,021.7	5,113.8	6,032.3
EPS (Reported) (RMB)	1.12	1.15	1.57	1.99	2.33
YoY growth (%)	479.6	2.3	36.5	26.5	17.4
P/E (x)	31.6	30.9	22.6	17.9	15.2
EV/EBITDA (x)	3.4	2.6	1.8	1.3	1.1
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	34.9	25.8	26.7	26.0	23.9

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

Target Price	US\$54.68
(Previous TP)	US\$44.95)
Up/Downside	36.7%
Current Price	US\$40.00

### China Consumer Discretionary

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#### Stock Data

Mkt Cap (US\$ mn)	12,740.0
Avg 3 mths t/o (US\$ mn)	38.2
52w High/Low (US\$)	43.03/21.71
Total Issued Shares (mn)	2548.0

Source: FactSet

#### Shareholding Structure

Centurium Capital	32.4%
Joy Capital	4.7%

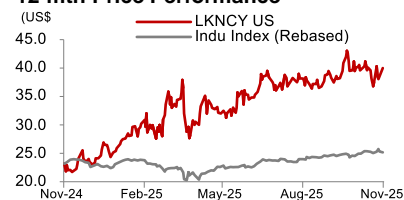
Source: Bloomberg

#### Share Performance

	Absolute	Relative
1-mth	-0.2%	-2.3%
3-mth	4.8%	-0.1%
6-mth	25.0%	13.1%

Source: FactSet

#### 12-mth Price Performance



Source: FactSet

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- **Store expansion was much faster than expected, and we expect the pace to stay fast in 4Q25E.** The Company has opened 3,008 new stores in 3Q25, representing a 37% YoY growth (much faster than the 31% in 2Q25) and the total store count has now reached 29,214 as of 3Q25. As a result, we would not be surprised to see Luckin Coffee to raise its new openings target further to about 8,000 for FY25E (vs initial target of 4,000 in the beginning of the year), and the total store count should exceed 30,000 by the end of FY25E.
- **3Q25 results have missed our and market's expectation, but mostly due to delivery-related costs, the underlying is still very healthy and encouraging.** For 3Q25, Luckin Coffee sales increased by 50% YoY to RMB 15.3bn, better than CMBI/BBG est. by 6%/ 9%, and we believe that is because of: 1) acceleration in SSSG (to 14.4% in 3Q25, from 13.4% in 2Q25), 2) highly robust delivery sales growth, 3) relatively faster sales growth from partnership stores (not only due to faster store expansion but also better sales per store growth) and 4) faster-than-expected store expansion. During the same period, net profit dropped by 2% YoY to RMB 1.28bn, missing CMBI/BBG est. by 14%/ 15%, mainly caused by: 1) a surge in delivery expenses (accounted for 19% of total sales vs CMBI est. of 13.5%) and 2) higher-than-expected effective tax rate (at 30.5% vs CMBI est. of 27%). As a result, the store-level OP margin (for self-operated stores) dropped to 17.5% in 3Q25, vs 23.3% in 3Q24. However, we can tell that other elements of the underlying fundamentals are still quite encouraging. For example, GP margin was better-than-expected (at 63.8% vs CMBI est. of 62.5%), aided by a better product mix and economies of scale, even under the headwind of coffee bean price inflation. Moreover, other opex including rental, D&A, marketing and G&A expenses, all improved YoY, in terms of % of total sales.
- **Maintain BUY and raise TP to US\$54.68.** The new TP is based on 25x FY26E P/E (rolled over from 25x FY25E P/E), supported by 26% sales CAGR and 27% net profit CAGR during FY24-27E. We have revised down FY25E/ 26E/ 27E net profit forecasts by 4%/ 3%/ 3%, due to faster SSSG and store expansion but much higher-than-expected delivery costs and tax rate. As we are still fairly positive about Luckin Coffee's long-term growth, given the undemanding valuation of 18x FY26E P/E, we maintain BUY and raise its TP to US\$54.68.

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	49,975	61,053	69,426	48,641	58,960	67,220	2.7%	3.6%	3.3%
Gross profit	30,985	38,036	43,461	29,914	36,437	41,744	3.6%	4.4%	4.1%
EBIT	5,359	6,807	7,996	5,429	6,781	7,974	-1.3%	0.4%	0.3%
Net profit att.	4,022	5,114	6,032	4,199	5,255	6,205	-4.2%	-2.7%	-2.8%
Diluted EPS (RMB)	1.571	1.987	2.332	1.633	2.034	2.390	-3.9%	-2.3%	-2.4%
Gross margin	62.0%	62.3%	62.6%	61.5%	61.8%	62.1%	0.5ppt	0.5ppt	0.5ppt
EBIT margin	10.7%	11.1%	11.5%	11.2%	11.5%	11.9%	-0.4ppt	-0.4ppt	-0.3ppt
Net profit att. margin	8.0%	8.4%	8.7%	8.6%	8.9%	9.2%	-0.6ppt	-0.5ppt	-0.5ppt

Source: Company data, CMBIGM estimates

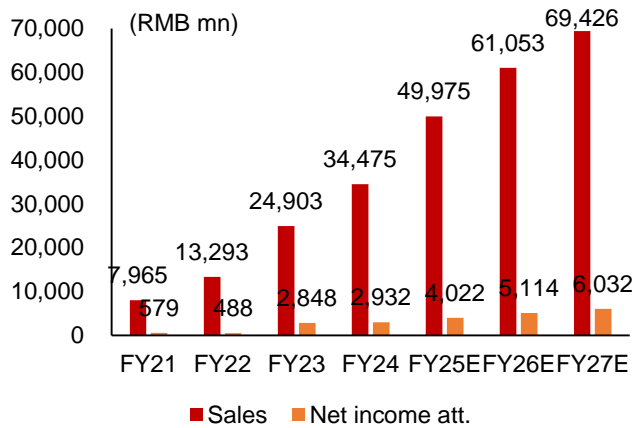
Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	49,975	61,053	69,426	47,755	57,021	64,451	4.6%	7.1%	7.7%
Gross profit	30,985	38,036	43,461	28,960	34,624	39,296	7.0%	9.9%	10.6%
EBIT	5,359	6,807	7,996	5,396	6,863	8,463	-0.7%	-0.8%	-5.5%
Net profit att.	4,022	5,114	6,032	4,081	5,212	6,282	-1.4%	-1.9%	-4.0%
Diluted EPS (RMB)	1.571	1.987	2.332	1.609	2.130	2.514	-2.4%	-6.7%	-7.2%
Gross margin	62.0%	62.3%	62.6%	60.6%	60.7%	61.0%	1.4ppt	1.6ppt	1.6ppt
EBIT margin	10.7%	11.1%	11.5%	11.3%	12.0%	13.1%	-0.6ppt	-0.9ppt	-1.6ppt
Net profit att. margin	8.0%	8.4%	8.7%	8.5%	9.1%	9.7%	-0.5ppt	-0.8ppt	-1.1ppt

Source: Bloomberg, CMBIGM estimates

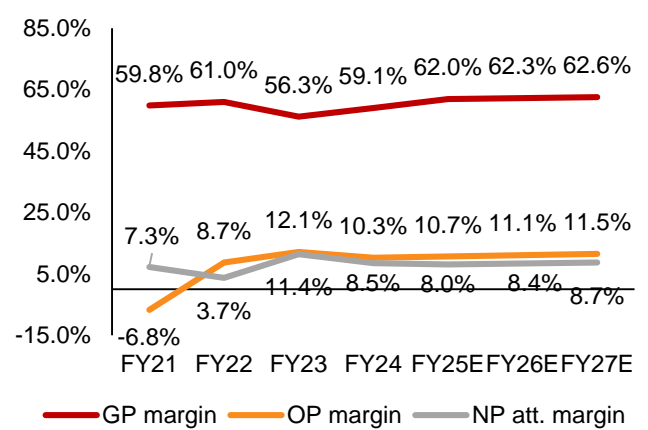
## Focus Charts

**Figure 3: Sales and net profit**



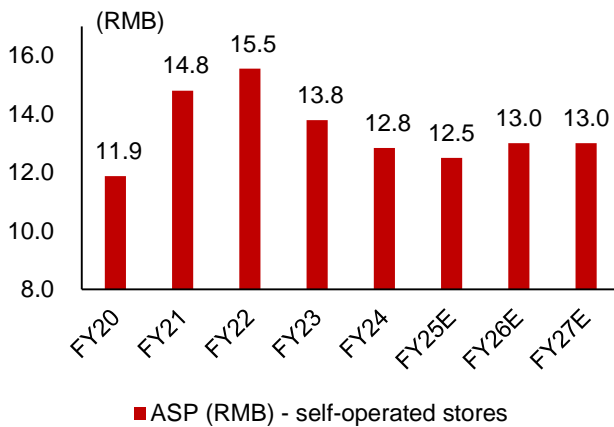
Source: Company data, CMBIGM estimates

**Figure 4: GP, OP and NP att. margin**



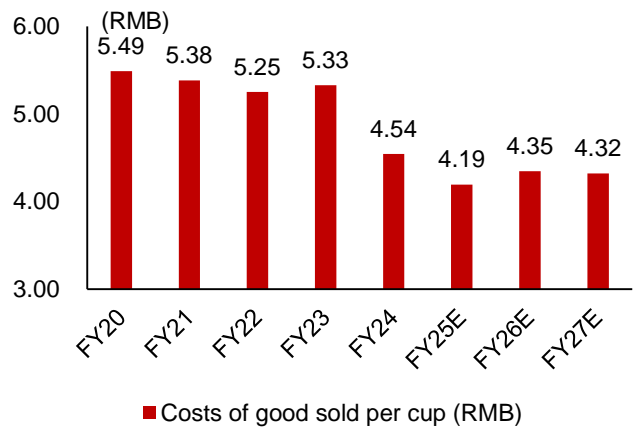
Source: Company data, CMBIGM estimates

**Figure 5: ASP (self-operated stores)**



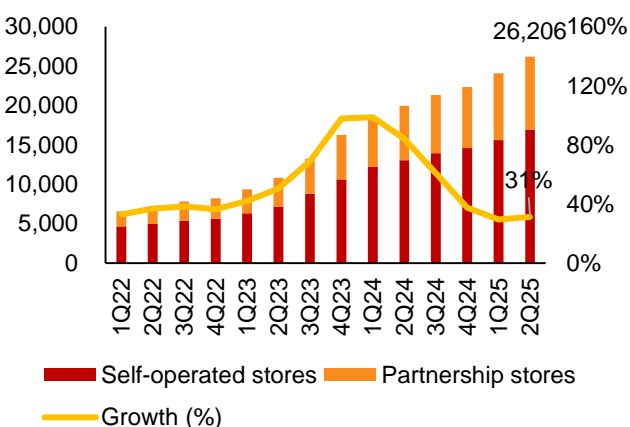
Source: Company data, CMBIGM estimates

**Figure 6: Luckin Coffee's cost per cup**



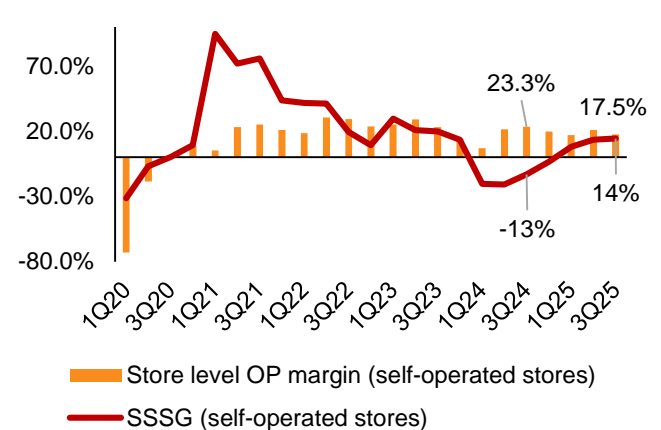
Source: Company data, CMBIGM estimates

**Figure 7: Number of stores by channel and growth**

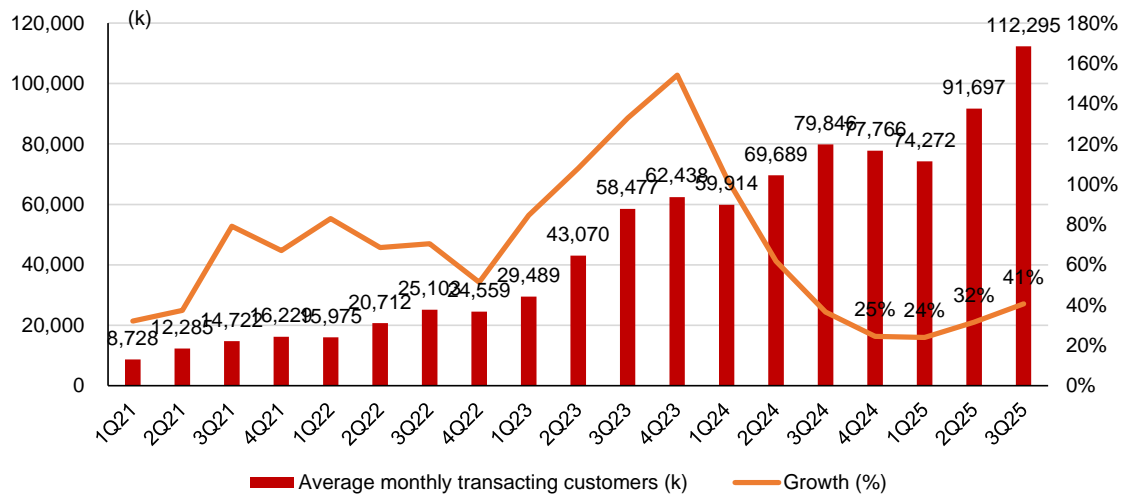


Source: Company data, CMBIGM

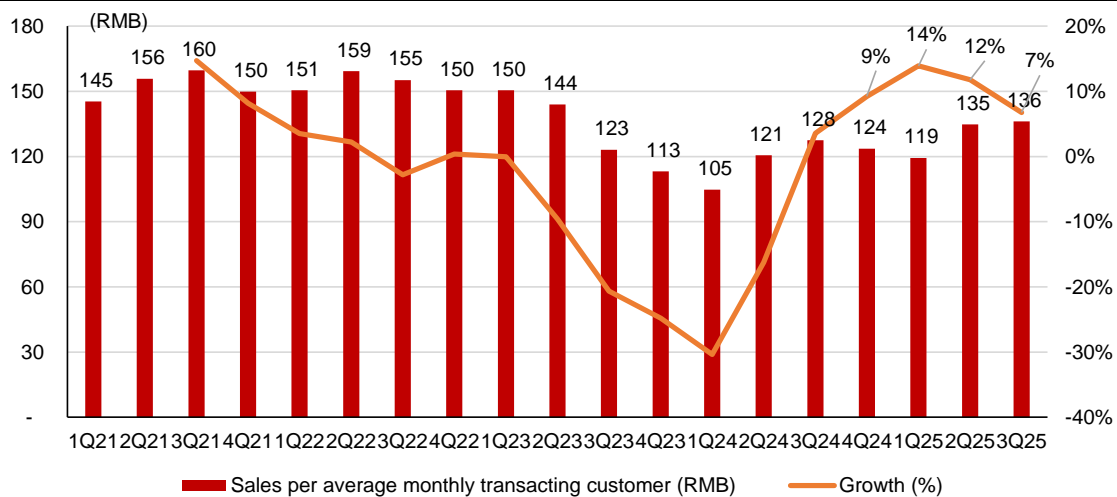
**Figure 8: SSSG vs store-level OP margin (for self-operated stores)**



Source: Company data, CMBIGM

**Figure 9: Average monthly transacting customers (k) and growth**

Source: Company data, CMBIGM

**Figure 10: Sales per average monthly transacting customer (RMB) and growth**

Source: Company data, CMBIGM

## Results review

Figure 11: Results review – quarterly

Half yearly (RMB mn)	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q25 YoY	2Q25 YoY	3Q25 E YoY	4Q25 E YoY	3Q25E CMBI	Actual vs CMBI
<b>Revenue</b>	<b>10,181</b>	<b>9,613</b>	<b>8,865</b>	<b>12,359</b>	<b>15,287</b>	<b>13,464</b>	<b>41%</b>	<b>47%</b>	<b>50%</b>	<b>40%</b>	<b>14,466</b>	<b>6%</b>
Food and paper	-3,955	-3,847	-3,573	-4,600	-5,540	-5,277					-5,425	
Gross profit	6,225	5,766	5,292	7,758	9,747	8,187	59%	54%	57%	42%	9,042	8%
<b>GP margins</b>	<b>61.1%</b>	<b>60.0%</b>	<b>59.7%</b>	<b>62.8%</b>	<b>63.8%</b>	<b>60.8%</b>					<b>62.5%</b>	
Other income & gains	0	0	0	0	0	0					0	
Rental & other opex	-2,285	-2,372	-2,329	-2,665	-3,097	-3,174	27%	30%	36%	34%	-3,110	0%
<b>Store rental &amp; other opex/ sales</b>	<b>-22.4%</b>	<b>-24.7%</b>	<b>-26.3%</b>	<b>-21.6%</b>	<b>-20.3%</b>	<b>-23.6%</b>					<b>-0</b>	
D & A expenses	-310	-332	-338	-375	-410	-326	30%	30%	32%	-2%	-362	13%
<b>D &amp; A exp/ sales</b>	<b>-5.0%</b>	<b>-5.8%</b>	<b>-6.4%</b>	<b>-4.8%</b>	<b>-4.2%</b>	<b>-4.0%</b>					<b>-0</b>	
Delivery expenses	-928	-839	-689	-1,670	-2,889	-1,990	54%	175%	211%	137%	-1,953	48%
<b>Delivery expenses/ sales</b>	<b>-9.1%</b>	<b>-8.7%</b>	<b>-7.8%</b>	<b>-13.5%</b>	<b>-18.9%</b>	<b>-14.8%</b>					<b>-13.5%</b>	
Sales & marketing expenses	-589	-573	-496	-592	-751	-844	52%	37%	28%	47%	-868	-13%
<b>Sales &amp; marketing exp/ sales</b>	<b>-5.8%</b>	<b>-6.0%</b>	<b>-5.6%</b>	<b>-4.8%</b>	<b>-4.9%</b>	<b>-6.3%</b>					<b>-6.0%</b>	
Admin expenses	-637	-638	-681	-736	-793	-728	22%	25%	25%	14%	-752	5%
<b>Admin exp/ sales</b>	<b>-6.3%</b>	<b>-6.6%</b>	<b>-7.7%</b>	<b>-6.0%</b>	<b>-5.2%</b>	<b>-5.4%</b>					<b>-5.2%</b>	
Store preopening & other expenses	-13	-14	-14	-18	-27	-40	-49%	28%	104%	196%	-58	-53%
<b>Store preopening &amp; other exp/ sales</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.5%</b>					<b>-0.6%</b>	
Other opex	94	-4	-7	-1	-2	61					14	
Operating profit (EBIT)	1,557	995	737	1,700	1,777	1,146	-1232%	62%	14%	15%	1,953	-9%
<b>OP margins</b>	<b>15.3%</b>	<b>10.4%</b>	<b>8.3%</b>	<b>13.8%</b>	<b>11.6%</b>	<b>8.5%</b>					<b>13.5%</b>	
Investment gain (loss)	75	-42	1	38	8	53					29	
Net finance income	23	33	36	43	54	-7					43	25%
<b>Net finance income / sales</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>-0.1%</b>					<b>0.3%</b>	
Profit after financing costs	1,655	986	775	1,780	1,838	1,192					2,025	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	1,655	986	775	1,780	1,838	1,192	-1619%	61%	11%	21%	2,025	-9%
Tax	-353	-145	-250	-530	-560	-224					-547	
<b>Tax / sales</b>	<b>-3.5%</b>	<b>-1.5%</b>	<b>-2.8%</b>	<b>-4.3%</b>	<b>-3.7%</b>	<b>-1.7%</b>					<b>-3.8%</b>	
<b>Effective tax rate</b>	<b>-21.3%</b>	<b>-14.7%</b>	<b>-32.3%</b>	<b>-29.8%</b>	<b>-30.5%</b>	<b>-18.8%</b>					<b>-27.0%</b>	
Minority interests	0	0	0	0	0	0					0	
<b>NP att. (GAAP)</b>	<b>1,303</b>	<b>841</b>	<b>525</b>	<b>1,251</b>	<b>1,278</b>	<b>968</b>	<b>-731%</b>	<b>44%</b>	<b>-2%</b>	<b>15%</b>	<b>1,478</b>	<b>-14%</b>
<b>NP att. margins</b>	<b>12.8%</b>	<b>8.7%</b>	<b>5.9%</b>	<b>10.1%</b>	<b>8.4%</b>	<b>7.2%</b>					<b>10.2%</b>	
<b>NP att. (non-GAAP)</b>	<b>1,401</b>	<b>928</b>	<b>649</b>	<b>1,399</b>	<b>1,421</b>	<b>1,103</b>	<b>-5066%</b>	<b>44%</b>	<b>1%</b>	<b>19%</b>	<b>1,606</b>	
<b>NP att. margins</b>	<b>13.8%</b>	<b>9.7%</b>	<b>7.3%</b>	<b>11.3%</b>	<b>9.3%</b>	<b>8.2%</b>					<b>11.1%</b>	

Source: Company data, CMBIGM estimates

## Assumptions

Figure 12: Major assumptions

Major assumptions	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Sales by channel (RMB mn)</b>						
Self-operated stores sales	10,224	18,677	26,730	38,198	46,326	53,023
Partnership stores sales	3,069	6,226	7,745	11,777	14,728	16,403
Total	13,293	24,903	34,475	49,975	61,053	69,426
<b>Store network by channel</b>						
Self-operated stores	5,652	10,628	14,591	19,091	22,591	26,091
Partnership stores	2,562	5,620	7,749	11,249	12,749	14,249
Total	8,214	16,248	22,340	30,340	35,340	40,340
<b>Sales per avg. store by channel (RMB mn)</b>						
Self-operated stores	2.0	2.3	2.1	2.3	2.2	2.2
Partnership stores	1.5	1.5	1.2	1.2	1.2	1.2
Total	1.9	2.0	1.8	1.9	1.9	1.8
<b>Sales per avg. store growth by channel</b>						
Self-operated stores	27%	13%	-8%	7%	-2%	-2%
Partnership stores	40%	4%	-24%	7%	-1%	-1%
Total	27%	9%	-12%	6%	-2%	-1%
<b>Number of cups per day by channel</b>						
Self-operated stores	359	456	452	497	468	459
Partnership stores	430	461	420	425	396	392
Total	380	458	441	471	442	435
<b>ASP (RMB)</b>						
Self-operated stores	15.5	13.8	12.8	12.5	13.0	13.0
Partnership stores	9.3	9.0	7.6	8.0	8.5	8.5
Total	13.5	12.2	11.1	11.0	11.5	11.6
SSSG (self-operated stores)	20.6%	21.0%	-16.7%	11.0%	2.0%	2.0%
Store-level OP margin (self-operated stores)	26.0%	22.2%	18.9%	19.0%	19.2%	19.4%
<b>GP margins</b>	<b>61.0%</b>	<b>56.3%</b>	<b>59.1%</b>	<b>62.0%</b>	<b>62.3%</b>	<b>62.6%</b>
<b>Opex breakdown</b>						
Store rental/ sales	21.3%	20.8%	24.8%	22.5%	23.0%	23.4%
D&A expenses/ sales	2.9%	2.4%	3.5%	2.9%	3.1%	3.2%
Delivery expenses/ sales	10.3%	8.1%	8.2%	14.5%	14.3%	14.1%
Sales and marketing expenses/ sales	4.3%	5.2%	5.6%	5.4%	5.2%	5.0%
G&A expenses/ sales	11.0%	7.3%	7.0%	5.9%	5.4%	5.2%
Store preopening & other expenses/ sales	0.3%	0.4%	0.2%	0.2%	0.3%	0.3%
<b>OP margins</b>	<b>8.7%</b>	<b>12.1%</b>	<b>10.3%</b>	<b>10.7%</b>	<b>11.1%</b>	<b>11.5%</b>
Effective tax rate	-56.7%	-8.3%	-20.6%	-28.0%	-28.0%	-28.0%
<b>NP margins</b>	<b>3.7%</b>	<b>11.4%</b>	<b>8.5%</b>	<b>8.0%</b>	<b>8.4%</b>	<b>8.7%</b>
<b>NP growth (%)</b>	<b>-15.6%</b>	<b>483.3%</b>	<b>2.9%</b>	<b>37.2%</b>	<b>27.2%</b>	<b>18.0%</b>

Source: Company data, CMBIGM estimates



## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	13,293	24,903	34,475	49,975	61,053	69,426
Cost of goods sold	(5,179)	(10,892)	(14,115)	(18,991)	(23,017)	(25,965)
Gross profit	8,114	14,011	20,360	30,985	38,036	43,461
Operating expenses	(6,958)	(10,985)	(16,821)	(25,625)	(31,230)	(35,465)
Selling expense	(2,335)	(3,902)	(5,931)	(11,371)	(13,745)	(15,435)
Admin expense	(1,460)	(1,830)	(2,420)	(2,939)	(3,312)	(3,628)
Staff costs	(1,586)	(3,036)	(4,903)	(6,534)	(8,178)	(9,411)
Other rental related expenses	(900)	(1,482)	(2,541)	(3,292)	(4,114)	(4,853)
Others	(676)	(736)	(1,025)	(1,489)	(1,880)	(2,138)
Operating profit	1,241	3,134	3,627	5,486	6,980	8,239
Other income	0	0	0	0	0	0
Other gains/(losses)	(114)	(27)	67	100	122	139
EBITDA	1,548	3,630	4,728	6,809	8,674	10,202
EBIT	1,042	2,999	3,605	5,459	6,929	8,135
Interest income	85	109	89	126	174	244
Pre-tax profit	1,127	3,107	3,694	5,586	7,103	8,378
Income tax	(639)	(259)	(763)	(1,564)	(1,989)	(2,346)
After tax profit	488	2,848	2,932	4,022	5,114	6,032
Minority interest	(0)	0	0	0	0	0
Net profit	488	2,848	2,932	4,022	5,114	6,032
Adjusted net profit	488	2,848	2,932	4,022	5,114	6,032

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	6,037	7,600	10,705	13,995	18,508	23,478
Cash & equivalents	3,542	2,992	4,366	6,049	9,137	13,046
Restricted cash	0	464	1,128	1,128	1,128	1,128
Account receivables	211	295	550	612	748	850
Inventories	1,206	2,204	2,473	3,146	3,814	4,302
Prepayment	1,078	1,545	1,938	2,809	3,432	3,903
Other current assets	0	100	250	250	250	250
Non-current assets	4,443	10,692	12,394	14,793	16,589	18,548
PP&E	1,867	4,169	5,066	7,465	9,260	11,219
Right-of-use assets	2,004	5,187	5,937	5,937	5,937	5,937
Deferred income tax	208	350	272	272	272	272
Investment in JVs & assos	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0
Financial assets at FVTPL	0	0	0	0	0	0
Other non-current assets	363	986	1,120	1,120	1,120	1,120
Total assets	10,480	18,292	23,099	28,788	35,096	42,026
Current liabilities	2,829	5,463	6,682	8,350	9,544	10,442
Short-term borrowings	0	0	300	300	300	300
Account payables	1,817	3,372	3,766	5,434	6,628	7,526
Tax payable	0	0	0	0	0	0
Other current liabilities	131	240	273	273	273	273
Lease liabilities	881	1,851	2,343	2,343	2,343	2,343
Non-current liabilities	1,024	3,115	3,364	3,364	3,364	3,364
Long-term borrowings	0	0	34	34	34	34
Convertible bonds	0	0	0	0	0	0
Other non-current liabilities	1,024	3,115	3,331	3,331	3,331	3,331
Total liabilities	3,853	8,578	10,047	11,714	12,908	13,806
Share capital	17,615	17,855	18,220	18,220	18,220	18,220
Retained earnings	(11,024)	(8,309)	(5,533)	(1,512)	3,602	9,635
Other reserves	36	168	366	366	366	366
Total shareholders equity	6,627	9,714	13,053	17,074	22,188	28,220
Minority interest	0	0	0	0	0	0
Total equity and liabilities	10,480	18,292	23,099	28,788	35,096	42,026

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	1,127	3,107	3,694	5,586	7,103	8,378
Depreciation & amortization	421	523	1,034	1,223	1,572	1,824
Tax paid	494	(142)	(763)	(1,564)	(1,989)	(2,346)
Change in working capital	0	0	(640)	61	(231)	(164)
Others	(2,023)	(588)	904	226	296	382
<b>Net cash from operations</b>	<b>20</b>	<b>2,900</b>	<b>4,229</b>	<b>5,531</b>	<b>6,750</b>	<b>8,074</b>
<b>Investing</b>						
Capital expenditure	(782)	(2,750)	(3,210)	(3,848)	(3,663)	(4,166)
Acquisition of subsidiaries/ investments	0	(100)	0	0	0	0
Net proceeds from disposal of short-term investments	3	2	0	0	0	0
Others	(19)	(599)	0	0	0	0
<b>Net cash from investing</b>	<b>(798)</b>	<b>(3,447)</b>	<b>(3,210)</b>	<b>(3,848)</b>	<b>(3,663)</b>	<b>(4,166)</b>
<b>Financing</b>						
Dividend paid	0	0	0	0	0	0
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	63	0	0	0	0	0
Share repurchases	0	0	0	0	0	0
Others	(2,340)	0	334	0	0	0
<b>Net cash from financing</b>	<b>(2,276)</b>	<b>0</b>	<b>334</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	6,536	3,542	2,992	4,366	6,049	9,137
Exchange difference	77	7	15	0	0	0
Others	(3,071)	(558)	1,359	1,683	3,087	3,909
<b>Cash at the end of the year</b>	<b>3,542</b>	<b>2,992</b>	<b>4,366</b>	<b>6,049</b>	<b>9,137</b>	<b>13,046</b>
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
<b>YE 31 Dec</b>						
Revenue	66.9%	87.3%	38.4%	45.0%	22.2%	13.7%
Gross profit	70.2%	72.7%	45.3%	52.2%	22.8%	14.3%
Operating profit	na	152.5%	15.7%	51.2%	27.2%	18.0%
EBITDA	na	134.5%	30.2%	44.0%	27.4%	17.6%
EBIT	152.5%	187.8%	20.2%	51.4%	26.9%	17.4%
Net profit	(15.6%)	483.3%	2.9%	37.2%	27.2%	18.0%
Adj. net profit	(15.6%)	483.3%	2.9%	37.2%	27.2%	18.0%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
<b>YE 31 Dec</b>						
Gross profit margin	61.0%	56.3%	59.1%	62.0%	62.3%	62.6%
Operating margin	9.3%	12.6%	10.5%	11.0%	11.4%	11.9%
EBITDA margin	11.6%	14.6%	13.7%	13.6%	14.2%	14.7%
Adj. net profit margin	3.7%	11.4%	8.5%	8.0%	8.4%	8.7%
Return on equity (ROE)	8.3%	34.9%	25.8%	26.7%	26.0%	23.9%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.5	0.4	0.4	0.4	0.4	0.5
Current ratio (x)	2.1	1.4	1.6	1.7	1.9	2.2
Receivable turnover days	5.8	3.7	4.5	4.5	4.5	4.5
Inventory turnover days	63.4	57.1	60.5	60.5	60.5	60.5
Payable turnover days	25.9	21.0	20.1	20.1	20.1	20.1
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
<b>YE 31 Dec</b>						
P/E	183.1	31.6	30.9	22.6	17.9	15.2
P/E (diluted)	183.1	31.6	30.9	22.6	17.9	15.2
P/B	13.6	9.3	7.0	5.4	4.1	3.3
P/CFPS	4,510.7	31.0	21.4	16.4	13.5	11.4
Div yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV	12,148.3	12,242.0	12,114.4	11,946.9	11,586.6	11,113.6
EV/Sales	0.9	0.5	0.4	0.2	0.2	0.2
EV/EBIT	11.7	4.1	3.4	2.2	1.7	1.4
EV/EBITDA	7.8	3.4	2.6	1.8	1.3	1.1

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



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