

BYDE (285 HK)

2Q25 upbeat; Multiple growth drivers in foldable iPhone, auto and AI server (liquid cooling, power, 800G/1.6G/CPO)

BYDE posted solid 2Q25 revenue/net profit growth of 4%/22% YoY on rapid growth of higher-margin NEV segment and improving profitability of iPhone casing, despite slower handset casing/OEM and new intelligence segment. During earnings call, mgmt. guided upbeat outlook in 2H25/FY26E, backed by 1) SP: 50% YoY in iPhone casing sales in FY26E on foldable iPhone, 2) Auto: 35-40% YoY sales in FY25E, 3) Liquid cooling: component mass production (MP) in 2H25E, 4) Power-related: GB200/300 product MP in 2H25E, 5) Transceivers: 800G MP in 2H25E (50k/m capacity by FY25E), 1.6T sampling done and CPO target to ship in 2026), 6) Robotics: AMR of 2k units in operations and upgrade in 3rd-gen dexterous hands. Overall, we have adjusted our FY25-27E estimates to reflect 1H25 results, weaker GPM dragged by auto/handset and upbeat AI server outlook. Our new SOTP-based TP of HK\$47.37 implies rollover 16.3x FY26E P/E (vs prior 16.2x FY25E P/E). Upcoming catalysts include iPhone launch /upgrade, AI server products' MP, robotics updates and improving GPM.

- **2Q25 sales/net profit growth of 4%/22% YoY driven by strong NEV and improving margin.** BYDE's 2Q25 sales/NP growth accelerated to 4%/22% YoY (vs 1%/1.9% YoY in 1Q25), thanks to rapid NEV growth on ADAS/suspension/smart cockpit/thermal products for BYD's major models, offsetting weaker CE/smartphone and new intelligent products. 2Q GPM continued to improve to 7.4% (vs 6.3%/5.9% in 1Q25/4Q24) on better NEV mix. For 1H25, higher-margin NEV revenue grew 61% YoY, while CE assembly/component declined 2%/10% YoY and new intelligence segment dropped 4% YoY.
- **Smartphone: foldable iPhone upgrade and stable assembly biz.** For FY25E, BYDE will focus on high-end components and efficiency improvement in Chengdu plant, while mgmt. guided 50% YoY for US client' component revenue in FY26E driven by foldable phone and new model wins.
- **NEV components: conservative 35-40% YoY growth in FY25E.** In view of near-term industry headwinds, mgmt. guided 35-40% YoY revenue growth with stable GPM in FY25E (vs. prior 50% YoY) mainly driven by strong Parentco orders with share gains (50%+ in thermal, major share in ADAS). For overseas, BYDE expected rapid client expansion in Europe in 2026.
- **AI servers: liquid cooling, power/HVDC, 800G/1.6T transceiver/CPO.** BYDE expected AI server ODM revenue of RMB3-5bn in FY25E and targeted mass production of liquid cooling products for one major overseas CSP in 2H25E. Mgmt. also targeted mass production of 800G transceivers in 2H25E and 1.6T in 1H26E, while HVDC products for server rack will start shipment in late 2026 or 2027 given client qualifications were secured earlier.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	129,957	177,306	183,442	216,001	234,001
YoY growth (%)	21.2	36.4	3.5	17.7	8.3
Net profit (RMB mn)	4,041.4	4,265.6	5,013.9	5,952.5	7,665.4
YoY growth (%)	117.6	5.5	17.5	18.7	28.8
EPS (Reported) (RMB)	1.79	1.89	2.23	2.64	3.40
Consensus EPS (RMB)	na	na	2.31	2.98	3.66
P/E (x)	21.0	19.9	16.9	14.3	11.1
P/B (x)	2.9	2.6	2.4	2.1	1.9
Yield (%)	1.4	1.5	1.8	2.1	2.7
ROE (%)	14.7	13.8	14.7	15.7	17.9
Net gearing (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$47.37
(Previous TP	HK\$43.22)
Up/Downside	15.0%
Current Price	HK\$41.18

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Stock Data

Mkt Cap (HK\$ mn)	92,787.0
Avg 3 mths t/o (HK\$ mn)	840.3
52w High/Low (HK\$)	60.60/25.35
Total Issued Shares (mn)	2253.2

Source: FactSet

Shareholding Structure

Golden Link Worldwide Ltd	65.8%
Gold Dragonfly Ltd	5.0%

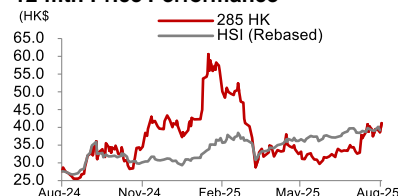
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	18.3%	20.4%
3-mth	24.2%	16.8%
6-mth	-17.8%	-24.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

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1Q25 earnings flat YoY; 2025 positive outlook backed by auto/AI and limited tariff impact - 29 Apr 2025 ([link](#))

4Q24 earnings dragged by one-off expenses; auto/AI/Apple ramp to drive growth in 2025 - 26 Mar 2025 ([link](#))

2H24 first take: NP miss on weak GPM; Positive on auto/AI server/Apple in 2025 - 25 Mar 2025 ([link](#))

2Q25 Results review

Figure 1: 2Q25 results review

RMB mn	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	YoY	QoQ
Revenue	36,480	42,100	43,546	55,179	36,880	43,725	4%	19%
Gross profit	2,509	2,870	3,683	3,239	2,325	3,218	12%	38%
Net profit	610	907	1,546	1,202	622	1,108	22%	78%
EPS (RMB)	0.27	0.40	0.69	0.53	0.28	0.49	21%	74%
Gross margin	6.9%	6.8%	8.5%	5.9%	6.3%	7.4%	0.5 ppt	1.1 ppt
Net margin	1.7%	2.2%	3.5%	2.2%	1.7%	2.5%	0.4 ppt	0.8 ppt
Revenue (YoY)	38.3%	41.3%	21.1%	45.9%	1.1%	3.9%		
Gross profit (YoY)	23.6%	20.7%	5.4%	27.9%	-7.4%	12.1%		
Net profit (YoY)	33.0%	-14.1%	1.1%	20.5%	1.9%	22.1%		

Source: Company data, CMBIGM

Earnings revision

Figure 2: Earnings revision

(RMB mn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	183,442	216,001	234,001	199,303	226,426	246,790	-8.0%	-4.6%	-5.2%
Gross profit	12,964	15,895	18,699	14,929	17,748	20,831	-13.2%	-10.4%	-10.2%
Operating profit	4,638	5,872	7,841	5,362	6,879	8,985	-13.5%	-14.6%	-12.7%
Net profit	5,014	5,953	7,665	5,458	6,778	8,610	-8.1%	-12.2%	-11.0%
EPS (RMB)	2.23	2.64	3.40	2.42	3.01	3.82	-8.1%	-12.2%	-11.0%
Gross margin	7.1%	7.4%	8.0%	7.5%	7.8%	8.4%	-0.4 ppt	-0.5 ppt	-0.4 ppt
Operating margin	2.5%	2.7%	3.4%	2.7%	3.0%	3.6%	-0.2 ppt	-0.3 ppt	-0.3 ppt
Net Margin	2.7%	2.8%	3.3%	2.7%	3.0%	3.5%	0 ppt	-0.2 ppt	-0.2 ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs consensus

(RMB mn)	CMBI			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	183,442	216,001	234,001	195,308	216,084	237,528	-6.1%	0.0%	-1.5%
Gross profit	12,964	15,895	18,699	14,575	17,119	19,628	-11.1%	-7.1%	-4.7%
Operating profit	4,638	5,872	7,841	5,214	6,901	8,530	-11.0%	-14.9%	-8.1%
Net profit	5,014	5,953	7,665	5,194	6,536	7,895	-3.5%	-8.9%	-2.9%
EPS (RMB)	2.23	2.64	3.40	2.31	2.98	3.66	-3.5%	-11.3%	-6.9%
Gross margin	7.1%	7.4%	8.0%	7.5%	7.9%	8.3%	-0.4 ppt	-0.6 ppt	-0.3 ppt
Operating margin	2.5%	2.7%	3.4%	2.7%	3.2%	3.6%	-0.1 ppt	-0.5 ppt	-0.2 ppt
Net Margin	2.7%	2.8%	3.3%	2.7%	3.0%	3.3%	0.1 ppt	-0.3 ppt	0 ppt

Source: Bloomberg, CMBIGM estimates

Figure 4: P&L forecast

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	107,186	129,957	177,306	183,442	216,001	234,001
...YoY	20.4%	21.2%	36.4%	3.5%	17.7%	8.3%
Cost of sales	(100,836)	(119,523)	(165,004)	(170,478)	(200,107)	(215,302)
Gross profit	6,350	10,434	12,301	12,964	15,895	18,699
GPM (%)	5.9%	8.0%	6.9%	7.1%	7.4%	8.0%
...YoY	5.3%	64.3%	17.9%	5.4%	22.6%	17.6%
 SG&A	 (1,770)	 (2,007)	 (3,485)	 (3,833)	 (4,730)	 (5,125)
...% of rev	2%	2%	2%	2%	2%	2%
R&D	(3,969)	(4,722)	(4,889)	(4,493)	(5,292)	(5,733)
...% of rev	4%	4%	3%	2%	2%	2%
Operating profit	611	3,705	3,927	4,638	5,872	7,841
OPM (%)	1%	3%	2%	3%	3%	3%
...YoY	-57%	506%	6%	18%	27%	34%
 Net profit	 1,858	 4,041	 4,266	 5,014	 5,953	 7,665
NPM (%)	1.7%	3.1%	2.4%	2.7%	2.8%	3.3%
...YoY	-20%	118%	6%	18%	19%	29%

Source: Company data, CMBIGM estimates

Figure 5: Revenue breakdown

(RMB mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Assembly	68,054	83,783	105,575	103,733	119,475	120,895
...YoY	22%	23%	26%	-2%	15%	1%
Component (metal/glass/plastic)	14,155	13,637	35,658	34,653	38,968	41,098
...YoY	-10%	-4%	161%	-3%	12%	5%
Metal	7,304	6,208	5,401	5,563	6,120	5,997
Plastic	3,221	2,803	2,887	3,232	3,394	3,326
Glass/ceramic	5,130	5,143	5,349	8,110	8,515	8,345
Jabil component	-	-	19,170	16,624	21,300	23,430
New intelligent	15,207	18,441	15,560	16,338	18,789	21,607
...YoY	22%	21%	-16%	5%	15%	15%
AI server	-	-	800	2,500	5,000	8,000
E-cigarette	1,540	2,062	2,165	2,165	2,165	2,165
Household energy storage	1,500	2,115	1,325	927	881	837
Other new intelligent products	-	14,264	11,270	10,746	10,743	10,605
Auto intelligent	9,263	14,096	20,513	28,718	38,770	50,400
...YoY	146%	52%	46%	40%	35%	30%
Total	107,186	129,957	177,306	183,442	216,001	234,001
...YoY	20%	21%	36%	3%	18%	8%

Source: Company data, CMBIGM estimates

Valuation

Maintain BUY with new SOTP-based TP of HK\$47.37

We maintain our positive view on BYDE's outlook in FY25E and expect improving revenue mix will continue to drive GPM recovery in FY25/26E. We maintain BUY and our TP is based on SOTP valuation to reflect BYDE's business diversification with different growth profiles and visibility.

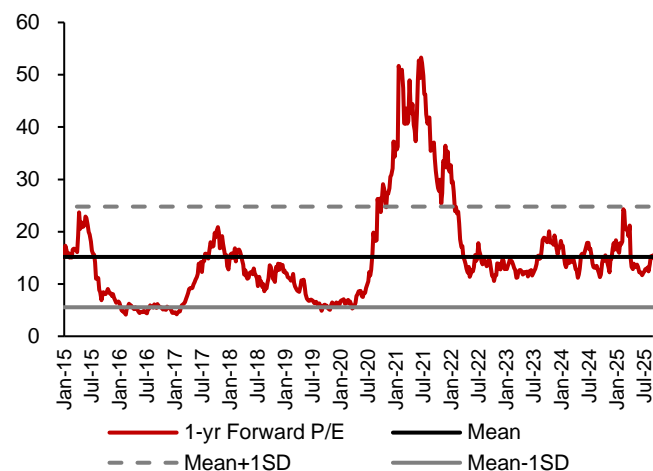
Our new SOTP-based TP of HK\$47.37 implies rollover 16.3x FY26E P/E (vs prior 16.2x FY25E P/E). We assign same set of P/E multiples: 15x P/E to its assembly EMS business, 15x for Jabil iPhone casing and 15x P/E for component business, given Android's business margin recovery and Apple's business expansion. We assign target multiple to 18x for new intelligent and NEV segments to reflect their growth potential and higher earnings visibility.

Figure 6: BYDE – SOTP valuation

Business segment	% of FY26E Profit	FY26E EPS (RMB)	Target P/E
Assembly	18%	0.47	15x
Components	13%	0.34	15x
Jabil Components	16%	0.41	15x
New Intelligent	15%	0.39	16x
Auto intelligent	39%	1.03	18x
Others	0%	0	-
Total (RMB) /Implied P/E		2.64	16.3x
TP (HK\$)			47.37

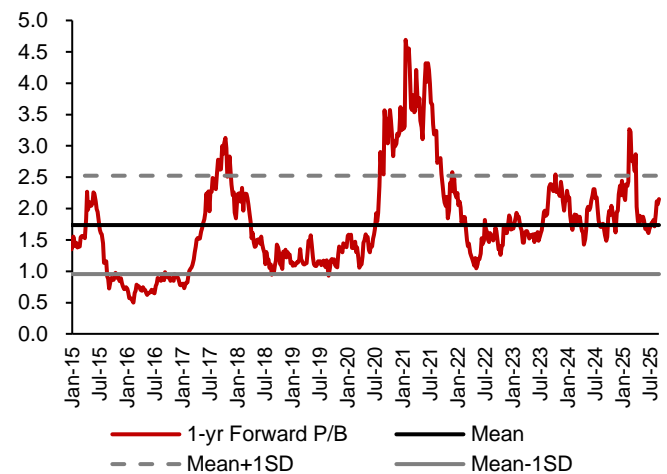
Source: Company data, CMBIGM estimates

Figure 7: 12M forward P/E band



Source: Bloomberg, CMBIGM estimates

Figure 8: 12M forward P/B band



Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	107,186	129,957	177,306	183,442	216,001	234,001
Cost of goods sold	(100,836)	(119,523)	(165,004)	(170,478)	(200,107)	(215,302)
Gross profit	6,350	10,434	12,301	12,964	15,895	18,699
Selling expense	(535)	(720)	(1,888)	(2,071)	(2,570)	(2,785)
Admin expense	(1,235)	(1,288)	(1,597)	(1,762)	(2,160)	(2,340)
SG&A expense	(535)	(720)	(1,888)	(2,071)	(2,570)	(2,785)
R&D expense	(3,969)	(4,722)	(4,889)	(4,493)	(5,292)	(5,733)
Operating profit	611	3,705	3,927	4,638	5,872	7,841
Other income/expense	1,509	1,284	1,348	1,342	1,342	1,342
Pre-tax profit	1,939	4,681	4,740	5,607	6,842	8,811
Income tax	(81)	(640)	(475)	(593)	(889)	(1,145)
Minority interest	0	0	0	0	0	0
Net profit	1,858	4,041	4,266	5,014	5,953	7,665
Adjusted net profit	1,858	4,041	4,266	5,014	5,953	7,665

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	40,488	54,607	60,416	58,537	73,475	66,980
Cash & equivalents	6,244	10,537	7,052	6,931	2,674	5,998
Account receivables	10,471	23,011	32,306	28,841	43,159	34,841
Inventories	17,046	18,541	18,089	19,795	24,673	23,172
ST bank deposits	21	9	0	0	0	0
Other current assets	6,706	2,508	2,969	2,969	2,969	2,969
Non-current assets	16,506	32,612	29,932	32,849	36,401	40,017
PP&E	12,941	19,709	17,113	20,030	23,582	27,198
Deferred income tax	481	620	803	803	803	803
Other non-current assets	3,084	12,282	12,015	12,015	12,015	12,015
Total assets	56,994	87,219	90,347	91,386	109,876	106,997
Current liabilities	30,143	54,751	50,823	48,352	62,675	54,430
Short-term borrowings	2,004	14,613	6,505	6,505	6,505	6,505
Account payables	22,002	29,939	35,331	32,860	47,183	38,938
Tax payable	363	607	943	943	943	943
Other current liabilities	5,773	9,591	8,044	8,044	8,044	8,044
Non-current liabilities	1,216	3,138	7,122	7,122	7,122	7,122
Deferred income	231	290	240	240	240	240
Other non-current liabilities	986	2,847	6,882	6,882	6,882	6,882
Total liabilities	31,359	57,888	57,946	55,474	69,797	61,552
Share capital	4,052	4,052	4,052	4,052	4,052	4,052
Other reserves	21,583	25,278	28,349	31,859	36,026	41,393
Total shareholders equity	25,635	29,330	32,402	35,912	40,079	45,445
Minority interest	0	0	0	0	0	0
Total equity and liabilities	56,994	87,219	90,347	91,386	109,876	106,997

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	1,939	4,681	4,740	5,607	6,842	8,811
Depreciation & amortization	2,563	2,788	3,230	3,687	4,225	4,808
Change in working capital	2,568	(6,098)	(3,450)	(713)	(4,873)	1,574
Others	(182)	(534)	(322)	(593)	(889)	(1,145)
Net cash from operations	5,961	10,243	4,719	8,374	5,691	14,434
Investing						
Capital expenditure	(4,469)	(3,998)	(6,383)	(6,604)	(7,776)	(8,424)
Others	(4,272)	(17,731)	(6,377)	(6,597)	(7,768)	(8,416)
Net cash from investing	(4,276)	(17,735)	(6,383)	(6,604)	(7,776)	(8,424)
Financing						
Dividend paid	(372)	(1,212)	(1,280)	(1,504)	(1,785)	(2,299)
Others	2,133	13,035	(8,629)	(386)	(386)	(386)
Net cash from financing	1,761	11,823	(9,908)	(1,890)	(2,172)	(2,686)
Net change in cash						
Cash at the beginning of the year	2,825	6,244	10,537	7,052	6,931	2,674
Exchange difference	(27)	(37)	8,087	0	0	0
Cash at the end of the year	6,244	10,537	7,052	6,931	2,674	5,998
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	20.4%	21.2%	36.4%	3.5%	17.7%	8.3%
Gross profit	5.3%	64.3%	17.9%	5.4%	22.6%	17.6%
Operating profit	(56.5%)	506.5%	6.0%	18.1%	26.6%	33.5%
Net profit	(19.6%)	117.6%	5.5%	17.5%	18.7%	28.8%
Adj. net profit	(19.6%)	117.6%	5.5%	17.5%	18.7%	28.8%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	5.9%	8.0%	6.9%	7.1%	7.4%	8.0%
Operating margin	0.6%	2.9%	2.2%	2.5%	2.7%	3.4%
Adj. net profit margin	1.7%	3.1%	2.4%	2.7%	2.8%	3.3%
Return on equity (ROE)	7.5%	14.7%	13.8%	14.7%	15.7%	17.9%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio (x)	1.3	1.0	1.2	1.2	1.2	1.2
Receivable turnover days	33.6	47.0	36.5	36.5	36.5	36.5
Inventory turnover days	50.0	54.3	45.6	45.6	45.6	45.6
Payable turnover days	61.0	79.3	56.2	56.2	56.2	56.2
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	45.7	21.0	19.9	16.9	14.3	11.1
P/B	3.3	2.9	2.6	2.4	2.1	1.9
Div yield (%)	0.4	1.4	1.5	1.8	2.1	2.7
EV	25,635.1	29,330.4	32,401.7	35,911.6	40,078.7	45,444.8
EV/Sales	0.2	0.2	0.2	0.2	0.2	0.2

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

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