26 Aug 2026

CMB International Global Markets | Equity Research | Company Update

Naura Technology (002371 CH)

Platform strength drives solid growth; Maintain BUY

BUY (Maintain)

NAURA reported 1H26 revenue of RMB20.16bn (+24.9% YoY) and net profit of RMB3.37bn (+5.1%). In 2Q26, revenue reached RMB9.84bn (+24.0% YoY, -4.7% QoQ) and net profit was RMB1.74bn (+6.6% YoY, +6.2% QoQ), both below Bloomberg consensus. Earnings growth lagged revenue due to higher R&D and selling expenses and GPM pressure. In 2Q26, GPM fell 1.4ppts QoQ to 39.3%, and mgmt. attributed the pressure to higher component iteration and upgrade costs during new-product validation and discounts to selected customers. Positively, OCF reached RMB3.77bn in 1H26, supported by stronger collections. As China's largest platform-based semiconductor equipment provider, NAURA remains well positioned for domestic substitution, while China's WFE sector remains our top thematic pick. Correspondingly, we revise down our FY26/27E sales forecasts by -2.5%/-2.3% and GPM by -0.4/-1.1ppts. **Maintain BUY with TP adjusted to RMB814, based on 52x 2027E P/E, 1-SD above its historical average.**

- **Equipment growth remained broad-based, but segment margins declined in 1H26.** Electronic process equipment revenue, including semiconductor and vacuum/new-energy equipment, rose 25.9% YoY to RMB19.20bn, accounting for 95.3% of total revenue; GPM fell 2.0ppts to 39.8%. The growth was driven by market share gains in etching, thin-film deposition, thermal processing and wet cleaning, volume shipments of ion implantation and track systems, and batch deliveries of bonding equipment. Kingsemi's consolidation further broadened product coverage. Component revenue rose 5.5% YoY to RMB915mn, while GPM declined 4.2ppts to 46.2% amid stronger competition and downstream pricing pressure. NAURA is targeting higher-value applications, including AI computing, data centers and high-end industrial markets, to support its product-mix upgrade.
- **Higher spending supports product penetration but delays operating leverage.** In 1H26, R&D expenses increased 28.9% YoY to RMB2.68bn, and selling expenses rose 63.5% YoY to RMB761mn due to larger sales and service teams and Kingsemi's consolidation. These investments support qualification across additional process steps. New ICP etching, ion-beam etching, hybrid-bonding and high-end TSV electroplating systems expand NAURA's exposure to advanced logic, memory and advanced packaging. Meanwhile, the improvement in OCF in 1H26 strengthened cash conversion.
- **Order indicators support revenue visibility while margin recovery remains the key earnings variable.** In 1H26, inventory and contract liabilities reached RMB30.5bn and RMB5.3bn, up 6.7% and 26.6% QoQ, respectively, indicating a solid production pipeline and stronger customer prepayments. **Key risks** include slower product validation, intensifying price competition, persistent GPM pressure, weaker semiconductor capex, etc.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	30,075	39,353	50,677	64,217	80,124
YoY growth (%)	36.2	30.9	28.8	26.7	24.8
Gross margin (%)	42.9	40.1	39.8	41.7	43.1
Net profit (RMB mn)	5,621.8	5,522.0	7,500.4	11,353.9	15,926.3
YoY growth (%)	44.2	(1.8)	35.8	51.4	40.3
EPS (Reported) (RMB)	7.83	7.64	10.34	15.65	21.95
P/E (x)	89.4	91.6	67.8	44.8	31.9

Source: Company data, Bloomberg, CMBIGM estimates

Target Price	**RMB814.00**
(Previous TP	RMB540.00)
Up/Downside	**16.2%**
Current Price	**RMB700.40**

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Stock Data

Mkt Cap (RMB mn)	508,280.3
Avg 3 mths t/o (RMB mn)	9,029.9
52w High/Low (RMB)	935.36/350.95
Total Issued Shares (mn)	725.7

Source: FactSet

Shareholding Structure

Beijing Sevenstar Huadian Technology Gro	33.2%
Beijing Electronics Holding	7.3%

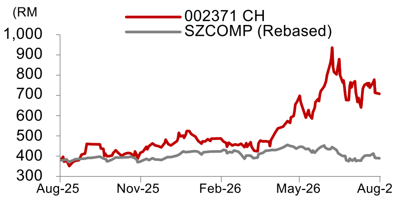
Source: Bloomberg

Share Performance

	Absolute	Relative
1-mth	-7.5%	-10.7%
3-mth	0.3%	14.6%
6-mth	41.2%	54.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Earnings revision

	New			Old			Diff (%)		
RMBmn	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Revenue	50,677	64,217	80,124	51,977	65,752	81,559	-2.5%	-2.3%	-1.8%
Gross profit	20,155	26,751	34,573	20,895	28,142	33,521	-3.5%	-4.9%	3.1%
Net profit	7,500	11,354	15,926	7,739	11,049	15,595	-3.1%	2.8%	2.1%
EPS (RMB)	10.34	15.65	21.95	10.71	15.30	21.59	-3.5%	2.3%	1.6%
Gross margin	39.8%	41.7%	43.1%	40.2%	42.8%	41.1%	-0.4 ppt	-1.1 ppt	2 ppt
Net margin	14.8%	17.7%	19.9%	14.9%	16.8%	19.1%	-0.1 ppt	0.9 ppt	0.8 ppt

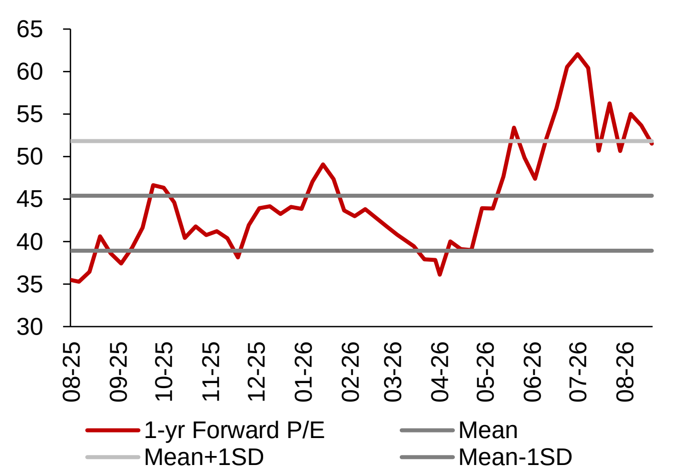
Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs. BBG consensus

	CMBI estimates			Consensus			Diff (%)		
RMBmn	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Revenue	50,677	64,217	80,124	50,726	65,528	81,968	-0.1%	-2.0%	-2.2%
Gross profit	20,155	26,751	34,573	20,594	26,806	33,884	-2.1%	-0.2%	2.0%
Net profit	7,500	11,354	15,926	7,673	11,361	15,129	-2.2%	-0.1%	5.3%
EPS (RMB)	10.34	15.65	21.95	10.60	15.41	21.22	-2.5%	1.5%	3.4%
Gross margin	39.8%	41.7%	43.1%	40.6%	40.9%	41.3%	-0.8 ppt	0.7 ppt	1.8 ppt
Net margin	14.8%	17.7%	19.9%	15.1%	17.3%	18.5%	-0.3 ppt	0.3 ppt	1.4 ppt

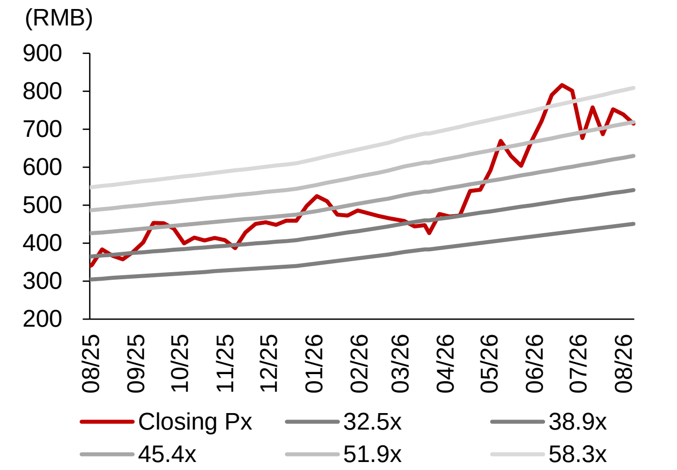
Source: Bloomberg consensus, CMBIGM estimates

Figure 3: P/E chart



Source: Company data, CMBIGM estimates

Figure 4: P/E band



Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**22,079**	**30,075**	**39,353**	**50,677**	**64,217**	**80,124**
Cost of goods sold	(13,005)	(17,162)	(23,571)	(30,522)	(37,466)	(45,551)
Gross profit	**9,075**	**12,913**	**15,782**	**20,155**	**26,751**	**34,573**
Operating expenses	**(4,627)**	**(6,366)**	**(9,980)**	**(12,080)**	**(14,522)**	**(17,419)**
Selling expense	(167)	(179)	(237)	(280)	(322)	(362)
SG&A expense	(2,836)	(3,265)	(5,069)	(5,777)	(6,679)	(7,692)
R&D expense	(2,475)	(3,699)	(5,435)	(6,993)	(8,862)	(11,057)
Others	852	777	762	971	1,341	1,693
Operating profit	**4,448**	**6,546**	**5,802**	**8,075**	**12,229**	**17,154**
Other income	22	22	51	0	0	0
Other expense	(4)	(35)	(8)	0	0	0
Pre-tax profit	**4,466**	**6,533**	**5,845**	**8,075**	**12,229**	**17,154**
Income tax	(433)	(819)	(436)	(807)	(1,223)	(1,715)
Others	0	0	0	0	0	0
After tax profit	**4,033**	**5,714**	**5,409**	**7,267**	**11,006**	**15,438**
Minority interest	134	92	(113)	(233)	(348)	(488)
Net profit	**3,899**	**5,622**	**5,522**	**7,500**	**11,354**	**15,926**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**38,226**	**46,669**	**59,321**	**68,037**	**80,466**	**101,223**
Cash & equivalents	12,451	12,396	17,337	16,794	20,984	28,038
Account receivables	3,767	6,236	8,217	11,221	13,410	19,517
Inventories	16,992	23,635	28,627	34,926	38,979	45,883
Prepayment	1,480	909	863	985	1,154	1,415
Other current assets	3,535	3,494	4,277	4,111	5,938	6,368
Non-current assets	**15,399**	**19,696**	**30,480**	**34,492**	**39,623**	**46,016**
PP&E	3,352	6,314	7,568	7,770	8,067	8,457
Right-of-use assets	215	241	268	219	202	197
Deferred income tax	450	712	1,239	1,414	1,657	2,031
Intangibles	2,547	4,710	10,520	12,933	15,777	19,144
Goodwill	27	38	2,386	2,386	2,386	2,386
Other non-current assets	8,808	7,681	8,498	9,769	11,534	13,801
Total assets	**53,625**	**66,366**	**89,801**	**102,530**	**120,090**	**147,239**
Current liabilities	**19,083**	**23,805**	**26,180**	**33,347**	**37,121**	**42,236**
Short-term borrowings	23	94	319	648	816	605
Account payables	6,117	10,276	11,803	18,301	18,652	21,284
Tax payable	209	384	586	669	783	960
Other current liabilities	3,418	5,577	7,491	6,902	8,872	9,581
Contract liabilities	8,317	6,220	4,291	4,899	5,738	7,036
Accrued expenses	999	1,253	1,690	1,930	2,260	2,771
Non-current liabilities	**9,717**	**10,021**	**19,693**	**18,556**	**22,135**	**29,915**
Long-term borrowings	5,835	3,946	12,973	10,998	13,420	19,412
Bond payables	0	0	0	0	0	0
Deferred income	4	1	487	487	487	487
Other non-current liabilities	3,877	6,074	6,233	7,072	8,228	10,017
Total liabilities	**28,800**	**33,826**	**45,873**	**51,904**	**59,256**	**72,151**
Share capital	530	534	725	725	725	725
Retained earnings	8,776	13,895	18,802	25,701	36,257	50,999
Other reserves	15,061	16,653	18,200	18,231	18,231	18,231
Total shareholders equity	**24,367**	**31,082**	**37,726**	**44,657**	**55,212**	**69,954**
Minority interest	458	1,458	6,202	5,969	5,621	5,133
Total equity and liabilities	**53,625**	**66,366**	**89,801**	**102,530**	**120,090**	**147,239**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**4,466**	**6,533**	**5,845**	**8,075**	**12,229**	**17,154**
Depreciation & amortization	730	1,071	1,567	2,447	3,058	3,804
Tax paid	(433)	(819)	(436)	(807)	(1,223)	(1,715)
Change in working capital	(3,409)	(6,364)	(6,766)	(3,277)	(5,810)	(10,062)
Others	1,012	1,152	1,923	(1,364)	(1,653)	(1,565)
Net cash from operations	**2,365**	**1,572**	**2,133**	**5,074**	**6,600**	**7,616**
Investing						
Capital expenditure	(1,980)	(2,082)	(2,262)	(4,272)	(5,221)	(6,274)
Acquisition of subsidiaries/ investments	(81)	(173)	(2,792)	0	0	0
Net proceeds from disposal of short-term investments	3	0	275	0	0	0
Others	0	8	850	1,241	1,400	1,608
Net cash from investing	**(2,058)**	**(2,248)**	**(3,929)**	**(3,031)**	**(3,821)**	**(4,665)**
Financing						
Dividend paid	(388)	(617)	(908)	(927)	(1,138)	(1,635)
Net borrowings	1,888	133	7,156	(1,646)	2,591	5,780
Proceeds from share issues	212	1,280	485	0	0	0
Others	(66)	(66)	(126)	(17)	(48)	(48)
Net cash from financing	**1,647**	**729**	**6,607**	**(2,591)**	**1,405**	**4,097**
Net change in cash						
Cash at the beginning of the year	10,261	12,347	12,385	17,183	16,641	20,830
Exchange difference	14	5	(14)	5	6	7
Others	1,954	33	4,812	(547)	4,184	7,047
Cash at the end of the year	**12,229**	**12,385**	**17,183**	**16,641**	**20,830**	**27,884**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	50.3%	36.2%	30.9%	28.8%	26.7%	24.8%
Gross profit	40.9%	42.3%	22.2%	27.7%	32.7%	29.2%
Operating profit	55.1%	47.2%	(11.4%)	39.2%	51.4%	40.3%
Net profit	65.7%	44.2%	(1.8%)	35.8%	51.4%	40.3%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	41.1%	42.9%	40.1%	39.8%	41.7%	43.1%
Operating margin	20.1%	21.8%	14.7%	15.9%	19.0%	21.4%
Return on equity (ROE)	17.7%	20.3%	16.1%	18.2%	22.7%	25.4%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	2.0	2.0	2.3	2.0	2.2	2.4

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	128.4	89.4	91.6	67.8	44.8	31.9

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

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