

# Geely Automobile (175 HK)

## Most businesses are trending up

**Maintain BUY.** We are of the view that Geely's FY23 earnings quality was better than FY21-22. We believe most of its businesses are poised to enjoy higher profits in FY24E. Some investors may overlook Geely's recent assets disposal to ease its lingering D&A burden by leveraging its parent's resources.

- **2H23 OP in-line, NP beat.** Geely's 2H23 revenue was largely in line while GPM was about 0.8ppt higher than our forecast, underscoring our prior argument that Geely brand's margins could be more resilient than expected. SG&A expenses were higher than expected, which led to an in-line operating profit in 2H23 (2% lower than our estimates). Net profit in 2H23 beat our estimates by 18% on lower share-based payment, tax expenses and higher interest income. Zeekr's net loss of RMB1.1bn in FY23 was also better than our prior forecast of RMB2bn. Although we estimate the IP licensing and R&D support service still accounted for about 1/3 of Geely's FY23 net profit, we believe its earnings quality has improved compared with FY21-22, especially as Geely expensed R&D of RMB3.3bn in FY23, 71% higher than that in FY22.

- **Profitability of Zeekr and equity-method entities to improve in FY24E.** We are of the view that management's guidance of Zeekr's breakeven under HKFRS in FY24E is feasible. We slightly revise up our FY24E sales volume by 10,000 units to 0.22mn units, given its current order backlog. We project equity income in FY24E to surge 156% YoY to RMB1.5bn, amid Lynk & Co's loss cut, Livan's disposal and Proton's full-year contribution. Although we project lower GPM for the Geely brand (incl. Geometry and Galaxy) in FY24E, we believe the fall could be limited, given higher portion of exports.

- **Assets disposal to cut D&A and focus on core brands.** Apart from Livan's disposal to cut loss, Geely has also planned to sell its stakes in Aurobay in exchange for shares in the JV with its parent and Renault. Such disposal could reduce Geely's depreciation and amortization by more than RMB1bn every year, on our estimates. We revise up our FY24E net profit by 7%.

- **Valuation/Key risks.** We value Zeekr at 1.3x (unchanged) our revised FY24E core revenue (excluding Viridi's battery pack sales and R&D services), which implies HK\$80bn for Zeekr's valuation. We value Geely's all other businesses excluding Zeekr at 13x (unchanged) FY24E P/E (details in Figure 4). We maintain our BUY rating and target price of HK\$14.00. Key risks to our rating and target price include lower sales volume and GPM, especially for NEVs, than we expect and sector de-rating.

### Earnings Summary

| (YE 31 Dec)          | FY21A   | FY22A   | FY23A   | FY24E   | FY25E   |
|----------------------|---------|---------|---------|---------|---------|
| Revenue (RMB mn)     | 101,611 | 147,965 | 179,204 | 210,799 | 226,560 |
| YoY growth (%)       | 10.3    | 45.6    | 21.1    | 17.6    | 7.5     |
| Net profit (RMB mn)  | 4,847.4 | 5,260.4 | 5,308.4 | 6,692.8 | 7,319.0 |
| YoY growth (%)       | (12.4)  | 8.5     | 0.9     | 26.1    | 9.4     |
| EPS (Reported) (RMB) | 0.49    | 0.52    | 0.53    | 0.66    | 0.72    |
| P/E (x)              | 41.3    | 22.7    | 15.4    | 12.3    | 11.3    |
| P/B (x)              | 2.9     | 1.6     | 1.0     | 1.0     | 0.9     |
| Yield (%)            | 0.9     | 1.6     | 2.3     | 2.9     | 3.1     |
| ROE (%)              | 7.3     | 7.3     | 6.8     | 8.0     | 8.2     |
| Net gearing (%)      | (38.1)  | (32.7)  | (37.6)  | (45.0)  | (45.4)  |

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

**Target Price** **HK\$14.00**

(Previous TP) **HK\$14.00**

**Up/Downside** **58.6%**

**Current Price** **HK\$8.83**

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### Stock Data

|                          |            |
|--------------------------|------------|
| Mkt Cap (HK\$ mn)        | 88,859.7   |
| Avg 3 mths t/o (HK\$ mn) | 282.9      |
| 52w High/Low (HK\$)      | 11.26/7.34 |
| Total Issued Shares (mn) | 10063.4    |

Source: FactSet

### Shareholding Structure

|              |       |
|--------------|-------|
| Mr. Li Shufu | 42.1% |
| Others       | 57.9% |

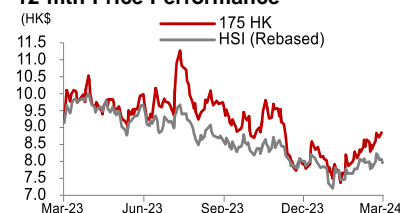
Source: HKEx

### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | 9.1%     | 7.2%     |
| 3-mth | 11.2%    | 11.7%    |
| 6-mth | -6.9%    | 0.7%     |

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related Report

["Geely Automobile \(175 HK\) – Expect 2H23E net profit to double HoH" – 17 Jan 2024](#)

**Figure 1: Interim results**

| RMB mn               | 1H21    | 2H21    | 1H22    | 2H22    | 1H23    | 2H23    | YoY      | HoH     |
|----------------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Sales volume (units) | 630,237 | 697,792 | 613,842 | 819,146 | 694,045 | 992,471 | 21.2%    | 43.0%   |
| ASP (RMB)            | 75,258  | 80,514  | 87,673  | 91,517  | 84,331  | 90,556  | -1.1%    | 7.4%    |
| Total revenue        | 45,032  | 56,579  | 58,184  | 89,781  | 73,182  | 106,022 | 18.1%    | 44.9%   |
| Gross profit         | 7,759   | 9,653   | 8,476   | 12,420  | 10,540  | 16,875  | 35.9%    | 60.1%   |
| Selling exp.         | (2,554) | (3,769) | (3,304) | (4,924) | (4,768) | (7,064) | 43.5%    | 48.2%   |
| Admin exp.           | (3,251) | (4,785) | (4,685) | (5,750) | (4,808) | (7,690) | 33.7%    | 59.9%   |
| Operating profit     | 2,754   | 1,638   | 1,384   | 2,006   | 1,605   | 2,848   | 42.0%    | 77.4%   |
| Net profit           | 2,381   | 2,466   | 1,552   | 3,708   | 1,571   | 3,738   | 0.8%     | 138.0%  |
| Gross margin         | 17.2%   | 17.1%   | 14.6%   | 13.8%   | 14.4%   | 15.9%   | 2.1 ppt  | 1.5 ppt |
| Operating margin     | 6.1%    | 2.9%    | 2.4%    | 2.2%    | 2.2%    | 2.7%    | 0.5 ppt  | 0.5 ppt |
| Net margin           | 5.3%    | 4.4%    | 2.7%    | 4.1%    | 2.1%    | 3.5%    | -0.6 ppt | 1.4 ppt |

Source: Company data, CMBIGM estimates

**Figure 2: Earnings revision**

| RMB mn           | New     |         |         | Old     |         |         | Diff (%) |         |          |
|------------------|---------|---------|---------|---------|---------|---------|----------|---------|----------|
|                  | FY23A   | FY24E   | FY25E   | FY23E   | FY24E   | FY25E   | FY23E    | FY24E   | FY25E    |
| Revenue          | 179,204 | 210,799 | 226,560 | 177,077 | 204,275 | 219,290 | 1.2%     | 3.2%    | 3.3%     |
| Gross profit     | 27,415  | 31,273  | 33,863  | 26,230  | 29,715  | 32,416  | 4.5%     | 5.2%    | 4.5%     |
| Operating profit | 4,453   | 5,789   | 6,053   | 4,516   | 5,251   | 5,429   | -1.4%    | 10.2%   | 11.5%    |
| Net profit       | 5,308   | 6,693   | 7,319   | 4,738   | 6,238   | 6,976   | 12.0%    | 7.3%    | 4.9%     |
| Gross margin     | 15.3%   | 14.8%   | 14.9%   | 14.0%   | 13.4%   | 14.0%   | 1.3 ppt  | 1.4 ppt | 0.9 ppt  |
| Operating margin | 2.5%    | 2.7%    | 2.7%    | 2.1%    | 2.0%    | 2.5%    | 0.4 ppt  | 0.8 ppt | 0.1 ppt  |
| Net margin       | 3.0%    | 3.2%    | 3.2%    | 2.3%    | 2.9%    | 3.4%    | 0.6 ppt  | 0.3 ppt | -0.2 ppt |

Source: Company data, CMBIGM estimates

**Figure 3: CMBI estimates vs consensus**

| RMB mn           | CMBIGM  |         |         | Consensus |         |         | Diff (%) |          |          |
|------------------|---------|---------|---------|-----------|---------|---------|----------|----------|----------|
|                  | FY23A   | FY24E   | FY25E   | FY23E     | FY24E   | FY25E   | FY23E    | FY24E    | FY25E    |
| Revenue          | 179,204 | 210,799 | 226,560 | 174,098   | 210,205 | 239,080 | 2.9%     | 0.3%     | -5.2%    |
| Gross profit     | 27,415  | 31,273  | 33,863  | 25,425    | 31,777  | 37,091  | 7.8%     | -1.6%    | -8.7%    |
| Operating profit | 4,453   | 5,789   | 6,053   | 3,622     | 5,499   | 7,495   | 23.0%    | 5.3%     | -19.2%   |
| Net profit       | 5,308   | 6,693   | 7,319   | 4,903     | 6,998   | 8,878   | 8.3%     | -4.4%    | -17.6%   |
| Gross margin     | 15.3%   | 14.8%   | 14.9%   | 14.6%     | 15.1%   | 15.5%   | 0.7 ppt  | -0.3 ppt | -0.6 ppt |
| Operating margin | 2.5%    | 2.7%    | 2.7%    | 2.1%      | 2.6%    | 3.1%    | 0.4 ppt  | 0.1 ppt  | -0.5 ppt |
| Net margin       | 3.0%    | 3.2%    | 3.2%    | 2.8%      | 3.3%    | 3.7%    | 0.1 ppt  | -0.2 ppt | -0.5 ppt |

Source: Bloomberg, CMBIGM estimates

**Figure 4: Geely's SOTP valuation table**

|   | FY24E<br>(RMB bn) | Target P/E<br>Multiple | Target P/S<br>Multiple | Geely's<br>Stake | Target Market<br>Cap (HK\$ bn) | Target Price<br>(HK\$) |
|---|-------------------|------------------------|------------------------|------------------|--------------------------------|------------------------|
| Estimated core revenue of Zeekr                       | 57                | -                      | 1.3x                   | 54%              | 44                             | 4.50                   |
| Estimated net profit for Geely's all other businesses | 6.7               | 13.0x                  | -                      | -                | 96                             | 9.50                   |
| <b>SOTP</b>   |                   |                        |                        |                  | <b>140</b>                     | <b>14.00</b>           |

Source: CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                           | 2020A          | 2021A           | 2022A           | 2023A           | 2024E           | 2025E           |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>YE 31 Dec (RMB mn)</b>                  |                |                 |                 |                 |                 |                 |
| <b>Revenue</b>                             | <b>92,114</b>  | <b>101,611</b>  | <b>147,965</b>  | <b>179,204</b>  | <b>210,799</b>  | <b>226,560</b>  |
| Cost of goods sold                         | (77,377)       | (84,199)        | (127,069)       | (151,789)       | (179,526)       | (192,697)       |
| <b>Gross profit</b>                        | <b>14,737</b>  | <b>17,412</b>   | <b>20,896</b>   | <b>27,415</b>   | <b>31,273</b>   | <b>33,863</b>   |
| <b>Operating expenses</b>                  | <b>(9,768)</b> | <b>(13,020)</b> | <b>(17,506)</b> | <b>(22,962)</b> | <b>(25,484)</b> | <b>(27,810)</b> |
| Selling expense                            | (5,053)        | (6,323)         | (8,228)         | (11,832)        | (12,573)        | (13,231)        |
| Admin expense                              | (5,754)        | (8,036)         | (10,435)        | (12,497)        | (14,311)        | (15,879)        |
| Others                                     | 1,039          | 1,339           | 1,157           | 1,367           | 1,400           | 1,300           |
| <b>Operating profit</b>                    | <b>4,969</b>   | <b>4,393</b>    | <b>3,389</b>    | <b>4,453</b>    | <b>5,789</b>    | <b>6,053</b>    |
| Other expense                              | (4)            | (1,213)         | (1,489)         | (646)           | (750)           | (450)           |
| Other gains/(losses)                       | 392            | 0               | 1,750           | 0               | 0               | 0               |
| Share of (losses)/profits of associates/JV | 875            | 1,205           | 651             | 599             | 1,536           | 1,925           |
| <b>EBITDA</b>                              | <b>12,099</b>  | <b>11,823</b>   | <b>13,551</b>   | <b>13,570</b>   | <b>16,092</b>   | <b>18,420</b>   |
| Depreciation                               | 5,491          | 6,893           | 8,318           | 8,203           | 8,403           | 9,628           |
| <b>EBIT</b>                                | <b>6,608</b>   | <b>4,930</b>    | <b>5,233</b>    | <b>5,367</b>    | <b>7,689</b>    | <b>8,791</b>    |
| Interest income                            | 375            | 545             | 931             | 961             | 1,114           | 1,263           |
| Interest expense                           | (167)          | (265)           | (551)           | (417)           | (590)           | (620)           |
| <b>Net Interest income/(expense)</b>       | <b>208</b>     | <b>280</b>      | <b>380</b>      | <b>544</b>      | <b>524</b>      | <b>643</b>      |
| Foreign exchange gain/loss                 | 63             | (68)            | 219             | 231             | 0               | 0               |
| <b>Pre-tax profit</b>                      | <b>6,441</b>   | <b>4,665</b>    | <b>4,682</b>    | <b>4,950</b>    | <b>7,099</b>    | <b>8,171</b>    |
| Income tax                                 | (866)          | (312)           | (32)            | (15)            | (334)           | (625)           |
| <b>After tax profit</b>                    | <b>5,575</b>   | <b>4,353</b>    | <b>4,650</b>    | <b>4,935</b>    | <b>6,765</b>    | <b>7,546</b>    |
| Minority interest                          | (41)           | 494             | 611             | 373             | (72)            | (227)           |
| <b>Net profit</b>                          | <b>5,534</b>   | <b>4,847</b>    | <b>5,260</b>    | <b>5,308</b>    | <b>6,693</b>    | <b>7,319</b>    |
| Gross dividends                            | 1,611          | 1,788           | 1,867           | 1,858           | 2,342           | 2,562           |
| <b>BALANCE SHEET</b>                       |                |                 |                 |                 |                 |                 |
| <b>YE 31 Dec (RMB mn)</b>                  |                |                 |                 |                 |                 |                 |
| <b>Current assets</b>                      | <b>50,935</b>  | <b>65,296</b>   | <b>79,064</b>   | <b>113,635</b>  | <b>132,489</b>  | <b>140,313</b>  |
| Cash & equivalents                         | 18,977         | 28,014          | 33,341          | 35,746          | 48,079          | 51,090          |
| Restricted cash                            | 174            | 4               | 387             | 943             | 943             | 943             |
| Account receivables                        | 27,868         | 31,549          | 34,392          | 42,711          | 49,899          | 53,630          |
| Inventories                                | 3,691          | 5,522           | 10,822          | 15,422          | 14,756          | 15,838          |
| Prepayment                                 | 0              | 0               | 0               | 0               | 0               | 0               |
| Other current assets                       | 225            | 207             | 121             | 18,813          | 18,813          | 18,813          |
| <b>Non-current assets</b>                  | <b>59,881</b>  | <b>69,046</b>   | <b>78,762</b>   | <b>78,963</b>   | <b>86,088</b>   | <b>92,089</b>   |
| PP&E                                       | 26,574         | 30,859          | 32,201          | 27,351          | 27,339          | 26,680          |
| Right-of-use assets                        | 3,043          | 3,436           | 3,402           | 3,600           | 3,551           | 3,512           |
| Deferred income tax                        | 970            | 2,435           | 4,573           | 6,342           | 6,342           | 6,342           |
| Investment in JVs & assos                  | 9,689          | 10,205          | 14,235          | 15,703          | 17,116          | 18,705          |
| Intangibles                                | 18,610         | 20,901          | 22,548          | 23,920          | 29,510          | 34,463          |
| Goodwill                                   | 43             | 58              | 61              | 34              | 34              | 34              |
| Financial assets at FVTPL                  | 0              | 352             | 0               | 0               | 0               | 0               |
| Other non-current assets                   | 952            | 801             | 1,742           | 2,013           | 2,197           | 2,352           |
| <b>Total assets</b>                        | <b>110,816</b> | <b>134,341</b>  | <b>157,826</b>  | <b>192,598</b>  | <b>218,577</b>  | <b>232,402</b>  |
| <b>Current liabilities</b>                 | <b>41,887</b>  | <b>60,351</b>   | <b>68,953</b>   | <b>96,824</b>   | <b>110,569</b>  | <b>118,270</b>  |
| Short-term borrowings                      | 0              | 1,907           | 0               | 0               | 0               | 0               |
| Account payables                           | 41,516         | 57,393          | 65,481          | 87,398          | 104,961         | 112,662         |
| Tax payable                                | 340            | 853             | 773             | 774             | 774             | 774             |
| Other current liabilities                  | 0              | 0               | 2,143           | 7,898           | 4,080           | 4,080           |
| Lease liabilities                          | 30             | 198             | 557             | 754             | 754             | 754             |
| <b>Non-current liabilities</b>             | <b>4,716</b>   | <b>3,770</b>    | <b>12,677</b>   | <b>10,622</b>   | <b>14,965</b>   | <b>15,203</b>   |
| Long-term borrowings                       | 1,960          | 0               | 2,758           | 2,840           | 3,258           | 3,258           |
| Bond payables                              | 1,950          | 1,901           | 6,000           | 2,600           | 6,000           | 6,000           |
| Convertible bonds                          | 0              | 0               | 0               | 0               | 0               | 0               |
| Other non-current liabilities              | 806            | 1,869           | 3,919           | 5,182           | 5,707           | 5,945           |
| <b>Total liabilities</b>                   | <b>46,602</b>  | <b>64,120</b>   | <b>81,631</b>   | <b>107,446</b>  | <b>125,534</b>  | <b>133,473</b>  |
| Share capital                              | 180            | 183             | 184             | 184             | 185             | 186             |
| Other reserves                             | 63,451         | 68,423          | 74,947          | 80,325          | 86,173          | 91,862          |
| <b>Total shareholders equity</b>           | <b>63,631</b>  | <b>68,606</b>   | <b>75,130</b>   | <b>80,509</b>   | <b>86,358</b>   | <b>92,048</b>   |
| Minority interest                          | 582            | 1,615           | 1,065           | 4,643           | 6,685           | 6,882           |
| <b>Total equity and liabilities</b>        | <b>110,816</b> | <b>134,341</b>  | <b>157,826</b>  | <b>192,598</b>  | <b>218,577</b>  | <b>232,402</b>  |

| <b>CASH FLOW</b>                                     | <b>2020A</b>   | <b>2021A</b>   | <b>2022A</b>    | <b>2023A</b>    | <b>2024E</b>    | <b>2025E</b>    |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>YE 31 Dec (RMB mn)</b>                            |                |                |                 |                 |                 |                 |
| <b>Operating</b>                                     |                |                |                 |                 |                 |                 |
| <b>Profit before taxation</b>                        | <b>6,441</b>   | <b>4,665</b>   | <b>4,682</b>    | <b>4,950</b>    | <b>7,099</b>    | <b>8,171</b>    |
| Depreciation & amortization                          | 5,491          | 6,893          | 8,318           | 8,203           | 8,403           | 9,628           |
| Tax paid   | (1,371)        | (1,197)        | (2,082)         | (2,307)         | (334)           | (625)           |
| Change in working capital                            | (7,576)        | 5,161          | 5,672           | 11,238          | 11,383          | 2,970           |
| Others   | (1,389)        | (174)          | (571)           | 259             | (1,088)         | (1,881)         |
| <b>Net cash from operations</b>                      | <b>1,597</b>   | <b>15,348</b>  | <b>16,018</b>   | <b>22,342</b>   | <b>25,463</b>   | <b>18,264</b>   |
| <b>Investing</b>                                     |                |                |                 |                 |                 |                 |
| Capital expenditure                                  | (7,042)        | (6,100)        | (10,337)        | (15,322)        | (14,274)        | (14,242)        |
| Acquisition of subsidiaries/ investments             | (49)           | (2,609)        | (2,831)         | (1,570)         | (500)           | (500)           |
| Net proceeds from disposal of short-term investments | 0              | (323)          | 0               | 0               | 0               | 0               |
| Others   | 1,662          | 1,873          | 1,037           | 748             | 1,858           | 2,219           |
| <b>Net cash from investing</b>                       | <b>(5,430)</b> | <b>(7,159)</b> | <b>(12,130)</b> | <b>(16,145)</b> | <b>(12,916)</b> | <b>(12,523)</b> |
| <b>Financing</b>                                     |                |                |                 |                 |                 |                 |
| Dividend paid  | (2,121)        | (1,611)        | (1,788)         | (1,916)         | (1,858)         | (2,342)         |
| Net borrowings                                       | 0              | 0              | 4,603           | (6,306)         | 0               | 0               |
| Proceeds from share issues                           | 5,937          | 0              | 0               | 0               | 0               | 0               |
| Others   | (55)           | 2,527          | (1,490)         | 5,458           | 1,644           | (387)           |
| <b>Net cash from financing</b>                       | <b>3,761</b>   | <b>916</b>     | <b>1,325</b>    | <b>(2,764)</b>  | <b>(214)</b>    | <b>(2,729)</b>  |
| <b>Net change in cash</b>                            |                |                |                 |                 |                 |                 |
| Cash at the beginning of the year                    | 19,281         | 18,977         | 28,014          | 33,341          | 35,746          | 48,079          |
| Exchange difference                                  | (232)          | (68)           | 114             | (1,029)         | 0               | 0               |
| <b>Cash at the end of the year</b>                   | <b>18,977</b>  | <b>28,014</b>  | <b>33,341</b>   | <b>35,746</b>   | <b>48,079</b>   | <b>51,090</b>   |
| <b>GROWTH</b>  | <b>2020A</b>   | <b>2021A</b>   | <b>2022A</b>    | <b>2023A</b>    | <b>2024E</b>    | <b>2025E</b>    |
| <b>YE 31 Dec</b>                                     |                |                |                 |                 |                 |                 |
| Revenue  | (5.4%)         | 10.3%          | 45.6%           | 21.1%           | 17.6%           | 7.5%            |
| Gross profit   | (12.9%)        | 18.2%          | 20.0%           | 31.2%           | 14.1%           | 8.3%            |
| Operating profit                                     | (42.8%)        | (11.6%)        | (22.8%)         | 31.4%           | 30.0%           | 4.6%            |
| EBITDA   | (10.4%)        | (2.3%)         | 14.6%           | 0.1%            | 18.6%           | 14.5%           |
| EBIT   | (32.3%)        | (25.4%)        | 6.1%            | 2.6%            | 43.3%           | 14.3%           |
| Net profit   | (32.4%)        | (12.4%)        | 8.5%            | 0.9%            | 26.1%           | 9.4%            |
| <b>PROFITABILITY</b>                                 | <b>2020A</b>   | <b>2021A</b>   | <b>2022A</b>    | <b>2023A</b>    | <b>2024E</b>    | <b>2025E</b>    |
| <b>YE 31 Dec</b>                                     |                |                |                 |                 |                 |                 |
| Gross profit margin                                  | 16.0%          | 17.1%          | 14.1%           | 15.3%           | 14.8%           | 14.9%           |
| Operating margin                                     | 5.4%           | 4.3%           | 2.3%            | 2.5%            | 2.7%            | 2.7%            |
| EBITDA margin  | 13.1%          | 11.6%          | 9.2%            | 7.6%            | 7.6%            | 8.1%            |
| Return on equity (ROE)                               | 9.4%           | 7.3%           | 7.3%            | 6.8%            | 8.0%            | 8.2%            |
| <b>GEARING/LIQUIDITY/ACTIVITIES</b>                  | <b>2020A</b>   | <b>2021A</b>   | <b>2022A</b>    | <b>2023A</b>    | <b>2024E</b>    | <b>2025E</b>    |
| <b>YE 31 Dec</b>                                     |                |                |                 |                 |                 |                 |
| Net debt to equity (x)                               | (0.2)          | (0.4)          | (0.3)           | (0.4)           | (0.4)           | (0.5)           |
| Current ratio (x)                                    | 1.2            | 1.1            | 1.1             | 1.2             | 1.2             | 1.2             |
| Receivable turnover days                             | 114.5          | 116.5          | 88.7            | 91.1            | 90.0            | 90.0            |
| Inventory turnover days                              | 17.5           | 24.0           | 31.2            | 37.2            | 30.0            | 30.0            |
| Payable turnover days                                | 198.2          | 253.7          | 193.2           | 217.3           | 220.0           | 220.0           |
| <b>VALUATION</b>                                     | <b>2020A</b>   | <b>2021A</b>   | <b>2022A</b>    | <b>2023A</b>    | <b>2024E</b>    | <b>2025E</b>    |
| <b>YE 31 Dec</b>                                     |                |                |                 |                 |                 |                 |
| P/E  | 23.7           | 41.3           | 22.7            | 15.4            | 12.3            | 11.3            |
| P/E (diluted)  | 23.7           | 41.6           | 23.0            | 15.5            | 12.5            | 11.5            |
| P/B  | 2.1            | 2.9            | 1.6             | 1.0             | 1.0             | 0.9             |
| P/CFPS   | 82.1           | 13.1           | 7.5             | 3.7             | 3.2             | 4.5             |
| Div yield (%)  | 1.2            | 0.9            | 1.6             | 2.3             | 2.9             | 3.1             |

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

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