CMB International Global Markets | Equity Research | Company Update

Shengyi Tech (600183 CH)

Embracing AI and moving on to a new growth trajectory

Shengyi Tech released its preliminary FY24 earnings. The company expects its NP to rise by 46.0-54.6% YoY to RMB1.7bn-1.8bn. Mid-point NP of RMB1.75bn (+50.3% YoY) is lower than Bloomberg consensus/our estimate by 6.1%/3.3%. Our forecast of RMB1.8bn is at the high-end of the range. We are optimistic about Shengyi Tech, as the company benefits from growing Al-related demand, particularly through its ultra-low-loss CCL products used in Al supply chain. Maintain BUY with TP adjusted to RMB34.5, corresponding to 30.6x 2025E P/E (prev. TP: RMB28.75) as we think the sector is 1) embarking upon an upcycle, and 2) the company's CCL products are expected to be used in Nvidia's upcoming Al accelerators in 2025.

- Shengyi Tech has climbed out of the trough with revenue improvement (from both CCL and PCB, with higher growth from PCB) and net margin expansion (up +1.8ppts) in 2024. By segment, in the preliminary results, 1) CCL/Pregreg's NP is estimated to be RMB1,421mn, up 19.5% YoY, driven by higher production and sales volume, favourable product mix, as well as better GPM. 2) PCB's (~20% rev. contribution) NP is estimated to be RMB329mn (mid-point of Shengyi Electronics' revenue estimate), vs. net loss of RMB25mn in 2023. The turnaround in bottom-line is driven by increasing demand for multilayer PCB.
- Despite sequential net profit decline in 4Q24, we think Shengyi Tech is well-positioned to enjoy the significant upside as dollar value of PCB used in upgraded datacenter (new GPUs, cooling tech, high-density interconnect, etc) has increased substantially. Mid-point 4Q24 NP is estimated to be RMB378mn, up 43% YoY and down 14% QoQ. NPM is estimated to be ~7.4% vs. 8.6%/6.3% in 3Q24/4Q23. By segment, 1) CCL/Pregreg's NP is estimated to be ~RMB235mn, down 14% YoY and down 33% QoQ. We believe it is likely due to weaker-than-expected demand in non-AI market (e.g., consumer electronics), which has suppressed ASP recovery. Meanwhile, copper price remained at its highs (avg. price in 3Q24: ~US\$9.9k/t). 2) PCB's NP is estimated to be RMB142mn, up 57% QoQ (vs. 4Q23 was net loss of RMB7mn). We think it is a continuation of 9M24 growth momentum driven by rising contribution (20.9% YoY in 9M24) from server revenue (42.5% of PCB sales). (report)
- Maintain BUY. We like Shengyi Tech given 1) products adopted in Al market (Ultra Low-loss and Extreme Low-loss CCL products), 2) leading market position (No.2 with 12% market share of the global CCL market in 2023 per Prismark). We maintain our NP growth forecast for 2025 at 51% YoY. We believe the sector is on the way of an upcycle plus Al theme. New TP is RMB34.5, based on 1SD above 5-year hist. avg, corresponding to 30.6x 2025E P/E. Potential risks include US-China tariff escalation, rising US interest rates, exchange rates fluctuation, etc.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	18,014	16,586	19,839	22,928	25,080
YoY growth (%)	(11.1)	(7.9)	19.6	15.6	9.4
Gross margin (%)	22.0	19.2	22.1	23.6	24.9
Net profit (RMB mn)	1,530.8	1,164.0	1,808.6	2,738.8	3,533.9
YoY growth (%)	(45.9)	(24.0)	55.4	51.4	29.0
EPS (Reported) (RMB)	0.66	0.50	0.74	1.13	1.45
YoY growth (%)	(46.3)	(24.2)	48.9	51.4	29.0
P/E (x)	45.4	59.9	40.2	26.6	20.6

Source: Company data, Bloomberg, CMBIGM estimates



BUY (Maintain)

Target Price	RMB34.50
(Previous TP	RMB28.75)
Up/Downside	15.2%
Current Price	RMB29.96

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Stock Data

Mkt Cap (RMB mn)	70,400.0
Avg 3 mths t/o (RMB mn)	830.5
52w High/Low (RMB)	30.80/13.75
Total Issued Shares (mn)	2349.8
Source: FactSet	

Shareholding Structure

Guangdong Guangxin	24.4%
Holdings Group	
Dongguan Guohong	13.3%
Investment	
Source: HKEx	

Share Performance

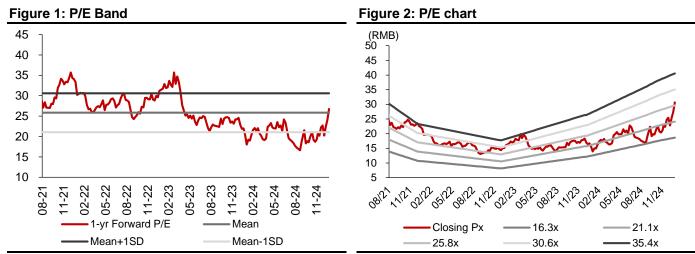
	Absolute	Relative
1-mth	24.3%	29.0%
3-mth	49.9%	53.2%
6-mth	38.1%	24.6%
Source: FactSet		

12-mth Price Performance









Source: Company data, CMBIGM estimates

Source: Company data, CMBIGM estimates



Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	20,274	18,014	16,586	19,839	22,928	25,080
Cost of goods sold	(14,837)	(14,045)	(13,395)	(15,463)	(17,513)	(18,829)
Gross profit	5,437	3,969	3,191	4,376	5,415	6,251
Operating expenses	(2,254)	(2,105)	(1,821)	(2,299)	(2,276)	(2,285)
Selling expense	(351)	(341)	(358)	(467)	(469)	(456)
Admin expense	(910)	(797)	(701)	(819)	(809)	(810)
R&D expense	(964)	(943)	(841)	(1,125)	(1,116)	(1,133)
Others	(28)	(24)	79	112	119	114
Operating profit	3,316	1,785	1,273	2,117	3,139	4,009
Other income	6	2	2	2	3	3
Other expense	(11)	(14)	(3)	(4)	(4)	(5)
Gain/loss on financial assets at FVTPL	50	(23)	(3)	20	11	12
Other gains/(losses)	47	(82)	(131)	(29)	(61)	(20)
EBIT	3,310	1,773	1,271	2,115	3,137	4,007
Interest income	46	56	49	29	36	40
Interest expense	(139)	(171)	(162)	(115)	(112)	(114)
Pre-tax profit	3,310	1,773	1,271	2,115	3,137	4,007
Income tax	(385)	(141)	(123)	(212)	(314)	(401)
After tax profit	2,925	1,632	1,149	1,904	2,824	3,606
Minority interest	95	101	(15)	95	85	72
Net profit	2,830	1,531	1,164	1,809	2,739	3,534
BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	14,720	14,232	13,999	15,545	17,339	18,159

YE 31 Dec (RMB mn)						
Current assets	14,720	14,232	13,999	15,545	17,339	18,159
Cash & equivalents	2,105	3,095	2,756	3,071	4,095	5,870
Restricted cash	181	11	19	6	6	6
Account receivables	7,628	6,809	6,669	7,865	8,107	7,770
Inventories	4,520	4,084	4,271	4,371	4,841	4,238
Prepayment	24	24	33	40	43	49
Other current assets	260	210	251	192	247	226
Non-current assets	9,711	10,963	10,958	10,748	10,668	10,542
PP&E	7,071	7,866	9,064	8,511	7,937	7,430
Right-of-use assets	73	44	22	37	56	75
Deferred income tax	158	220	269	265	292	294
Investment in JVs & assos	622	671	783	798	815	815
Intangibles	1,431	2,128	666	1,048	1,432	1,801
Goodwill	19	0	0	0	0	0
Financial assets at FVTPL	0	25	30	25	32	39
Other non-current assets	337	10	124	64	104	88
Total assets	24,431	25,196	24,957	26,293	28,006	28,701
Current liabilities	7,253	7,377	7,297	8,343	8,843	8,365
Short-term borrowings	1,693	1,558	1,465	1,583	1,828	1,642
Account payables	4,292	3,984	4,152	4,830	5,093	4,738
Tax payable	173	50	82	121	111	123
Other current liabilities	334	1,237	1,072	1,201	1,199	1,200
Contract liabilities	28	20	92	144	122	158
Accrued expenses	733	529	435	464	491	505
Non-current liabilities	2,312	2,522	1,959	1,348	1,383	1,443
Long-term borrowings	1,590	1,175	806	603	620	646
Bond payables	300	800	500	0	0	0
Obligations under finance leases	66	39	21	34	29	33
Deferred income	321	108	118	116	128	129
Other non-current liabilities	35	400	515	595	606	635
Total liabilities	9,565	9,899	9,256	9,691	10,227	9,809
Share capital	2,312	2,327	2,355	2,429	2,429	2,429
Retained earnings	5,370	5,366	5,357	6,113	7,205	8,246
Other reserves	5,415	5,805	6,272	6,248	6,248	6,248
Total shareholders equity	13,096	13,498	13,983	14,790	15,883	16,924
Minority interest	1,770	1,798	1,717	1,812	1,897	1,969
Total equity and liabilities	24,431	25,196	24,957	26,293	28,006	28,701



YE 31 Doc (RMB m) Operating Operating Profit biors (axation 2.925 1,632 1,149 1,904 2,024 3,606 Depreciation & amonization 673 726 835 853 921 930 Tarpaid (1,89) 104 404 (72) (830) 1,03 Tarpaid (1,89) 104 404 (72) (830) 1,03 Others (1,787) (1,534) (1,109) (771) (850) (894) Copial expanditure (1,787) (1,534) (1,109) (771) (850) (895) Net proceeds from disposal of short-term investing (134) (36) (116) (15) 150 135 Starbin of adjopsal of short-term investing (1,161) (1,182) (1,175) (1,758) (2,667) (712) (759) Financing Itage (161) (1,619) (1,287) (1,175) (1,558) (2,667) (2,758) Robitor wings 2,254 192 318 <th< th=""><th>CASH FLOW</th><th>2021A</th><th>2022A</th><th>2023A</th><th>2024E</th><th>2025E</th><th>2026E</th></th<>	CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
Profit barrs taxation 2.925 1.432 1.439 1.449 1.924 2.824 3.8065 Deprecisiton & amotization (37) 4 (34) 84 (16) 2.77 Change in working capital (1.998) 10.4 4494 (72) (820) 1.103 Others 1.13 354 300 (231) 3.23 (589) Net cash from operations 1.776 2.820 2.743 2.538 3.22 5.277 Change in working capital (1.787) (1.534) (1.109) (777) (850) (894) Acquisition of subsidiarise investments 45 3.77 64 115 150 155 Others (1.480) (160) (160) 5 5 (17) (17) Net cash from investing (1.880) (1.162) (1.175) (1.758) (2.607) Net cash from investing (1.880) (1.640) 2.88 0 0 0 Proceeds from share issues 2.254 <	YE 31 Dec (RMB mn)						
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Change in vorking capital (1.899) 104 494 (72) (120) 1,033 Net cash from operations 1,776 2,820 2,743 2,538 3,232 5,297 Investing 7,776 2,820 2,743 2,538 3,232 5,297 Investing 7,64 11,5 150 135 Nat proceeds from disposal of short-term (1,147) (34) (36) (116) (16) 5 5 Others (1,1480) (1,163) (1,12,27) (1,175) (712) (755) Financing (1,161) (1,161) (1,12,27) (1,175) (1,758) (2,607) Net borrowings 404 800 (935) (460) 262 (161) Proceeds from share issues 2,254 192 318 58 0 0 Others (98) (21) (1,55) 22 0 0 Net cansh from financing 1,398 (648)	Depreciation & amortization	673	726	835	853	921	930
Others 113 354 300 (231) 323 (369) Net cash from operations 1,776 2,820 2,743 2,538 3,232 5,297 Investing Capital expenditure 2,743 2,538 3,232 5,297 Capital expenditure (1,787) (1,534) (1,109) (771) (850) (894) Acquisition of subsidiaries/investments 45 377 64 115 150 135 Investing (1,180) (1,193) (1,162) (667) (71) (1) Net cash from investing (1,161) (1,199) (1,287) (1,175) (1,758) (2,607) Net cash from investing (1,161) (1,619) (1,287) (1,175) (1,758) (2,607) Net cash from investing (198) (21) (15) 22 0 0 Net cash from investing 1,388 (2,051) (409) 2,055 3,071 4,095 5,870 Net cash from financing 1,388 <	Tax paid	(37)	4	(34)	84	(16)	27
Net cash from operations 1,776 2,820 2,743 2,538 3,232 5,297 Investing Capital expenditure (1,177) (1,109) (171) (1850) (1850) Acquisition of subsidiaries/ investments 45 377 64 1115 150 135 Net cash from disposal of short-term (134) (36) (116) (16) 5 5 Others (4) (0) (2) 5 (17) (1) Net cash from investing (1,880) (1,159) (1,287) (1,175) (1,690) (2,607) Net cash from financing (1,890) (1,193) (1,165) (2,607) (10) 0 0 Net cash from financing (1,890) (1,517) (1,755) (2,607) 0 0 Net cash from financing 1,398 (648) (1,919) (1,555) (1,690) 0 0 Cash at the beginning of the year 2,105 3,0095 2,756 3,071 4,005 5,870	с с.	,			• •	. ,	,
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Acquisition of subsidiaries/ investments 45 377 64 115 150 135 Net proceeds from disposal of short-term investments (134) (36) (116) (16) 5 5 Others (4) (0) (2) 5 (17) (1) Net cash from investing (1,800) (1,193) (1,162) (667) (712) (755) Financing 1 (1,611) (1,619) (1,175) (1,175) (2,067) Net borrwings 404 800 (935) (460) 262 (161) Proceeds from share issues 2,254 192 318 58 0 0 Others (99) (21) (15 22 0 0 0 Net cash from financing 1,393 (649) (1,319) (1,555) (1,496) (2,766 3,071 4,095 5,870 Gravert Lee beginning of the year 2,105 3,095 2,756 3,071 4,095 5,870	Investing						
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Financing Instruction Instruction <thinstruction< th=""> <thinstruction< th=""> <</thinstruction<></thinstruction<>	Others	(4)	(0)	(2)	5	(17)	(1)
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Net borrowings 404 800 (935) (460) 262 (161) Proceeds from share issues 2,254 192 318 58 0 0 Net cash from financing 1,398 (648) (1,919) (1,555) (1,496) (2,768) Net cash from financing 1,398 (648) (1,919) (1,555) (1,496) (2,768) Net change in cash 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 3,797 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 88.0% (11,1%) (7.9%) 37.1% 23.7% 15.6% Operating profit 58.6% (24.0%) (28.3%)	Financing						
Proceeds from share issues 2,254 192 318 58 0 0 Others (99) (21) (15) 22 0 0 Net cash from financing 1,398 (648) (1,919) (1,555) (1,496) (2,768) Net cash at the beginning of the year 818 2,105 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 De Revenue 38.0% (11.1%) (7.9%) 19.6% 48.3% 27.7% BIT 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 202	Dividend paid	(1,161)	(1,619)	(1,287)	(1,175)	(1,758)	(2,607)
Others (99) (21) (15) 22 0 0 Net cash from financing 1,398 (648) (1,919) (1,555) (1,496) (2,768) Net cash at the beginning of the year 818 2,105 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 De Revenue 38.0% (11.1%) (7.9%) 19.6% 15.6% 9.4% Operating profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 38.2% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4	Net borrowings	404	800	(935)	(460)	262	(161)
Net cash from financing 1,395 (649) (1,919) (1,555) (1,496) (2,768) Net change in cash Cash at the beginning of the year 818 2,105 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 CROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Revenue 38.0% (11.1%) (7.9%) 19.6% 35.1% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A	Proceeds from share issues	2,254	192	318	58	0	0
Net change in cash Still 2,105 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,755 3,071 4,095 5,870 Cash at the end of the year 2,012 2022A 2023A 2024E 2025E 2026E YE 31 Dec 7.9% 19.6% 37.1% 23.7% 15.4% Operating profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 88.4% (46.2%) (28.3%) 66.4% 48.3% 27.7% BIT 58.6% (46.4%) (28.3%) 66.4% 48.3% 27.7% PROFITABILITY 2021A 2022A 2023A 2024E 2025E<	Others	(99)	(21)	(15)	22	0	0
Cash at the beginning of the year 818 2,105 3,095 2,756 3,071 4,095 Exchange difference (6) 11 (1) 0 0 0 Others 1,293 379 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 Cash at the end of the year 2,021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T 88.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 38.2% (27.0%) (28.7%) 66.4% 48.3% 27.7% BT 58.6% (46.4%) (28.3%) 66.4% 48.3% 27.7% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T 11.5% 8.5%	Net cash from financing	1,398	(648)	(1,919)	(1,555)	(1,496)	(2,768)
Exchange difference (6) 11 (1) 0 0 0 Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 7,9% 19.6% 15.6% 9.4% Gross profit 38.0% (11.1%) (7.9%) 19.6% 15.6% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec	Net change in cash						
Others 1,293 979 (338) 316 1,024 1,774 Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 CROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 7 7 15.6% 9.4% 9.4% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.2%) (28.3%) 66.4% 48.3% 27.7% BIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 7.7% 10.7% 13.7% 16.0% 24.6% 11.	Cash at the beginning of the year	818	2,105	3,095	2,756	3,071	4,095
Cash at the end of the year 2,105 3,095 2,756 3,071 4,095 5,870 GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec	Exchange difference	(6)	11	(1)	0	0	0
GROWTH 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Revenue 38.0% (11.1%) (7.9%) 19.6% 15.6% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% EBIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T 56.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A	Others	1,293	979	(338)	316	1,024	1,774
YE 31 Dec Revenue 38.0% (11.1%) (7.9%) 19.6% 15.6% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% BIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T T 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T 11.5% 8.5% 12.6% 17.9% 21.5% Gearning/LiQUIDITY/ACTIVITIES 20.0 1.9 1.9 1.9 2.0 2.2 YE 31 Dec	Cash at the end of the year		3,095	2,756	3,071	4,095	5,870
Revenue 38.0% (11.1%) (7.9%) 19.6% 15.6% 9.4% Gross profit 38.2% (27.0%) (19.6%) 37.1% 23.7% 15.4% Operating profit 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% EBIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T T 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Operating margin 26.6% 22.0% 19.2% 20.24E 2025E 2026E Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec	GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
Gross profit38.2%(27.0%)(19.6%)37.1%23.7%15.4%Operating profit58.6%(46.2%)(28.7%)66.4%48.3%27.7%EBIT58.9%(46.4%)(28.3%)66.4%48.3%27.7%Net profit68.4%(45.9%)(24.0%)55.4%51.4%29.0%PROFITABILITY2021A2022A2023A2024E2025E2026EYE 31 Dec26.8%22.0%19.2%22.1%23.6%24.9%Operating margin16.4%9.9%7.7%10.7%13.7%16.0%Return on equity (ROE)24.6%11.5%8.5%12.6%17.9%21.5%GEARING/LIQUIDITY/ACTIVITIES2021A2022A2023A2024E2025E2026EYE 31 Dec1.91.91.92.02.2VALUATION2.01.91.91.92.02.2YE 31 Dec2021A2022A2023A2024E2025E2026EYE 31 Dec1.91.91.92.02.2VALUATION2021A2022A2023A2024E2025E2026EYE 31 Dec2021A2022A2023A2024E2025E2026EYE 31 Dec20242023A2024E2025E2026EYE 31 Dec59.940.226.620.6	YE 31 Dec						
Operating profit 58.6% (46.2%) (28.7%) 66.4% 48.3% 27.7% EBIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 19.2% 22.1% 23.6% 24.9% Operating margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E	Revenue	38.0%	(11.1%)	(7.9%)	19.6%	15.6%	9.4%
EBIT 58.9% (46.4%) (28.3%) 66.4% 48.3% 27.7% Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec T T 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Geness profit margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Net debt to equity (x) (0.6) (0.5) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 2.2 Y	Gross profit	38.2%	(27.0%)	(19.6%)	37.1%	23.7%	15.4%
Net profit 68.4% (45.9%) (24.0%) 55.4% 51.4% 29.0% PROFITABILITY 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 31 Dec 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec V 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6			(46.2%)	(28.7%)	66.4%		
PROFITABILITY2021A2022A2023A2024E2025E2026EYE 31 DecGross profit margin26.8%22.0%19.2%22.1%23.6%24.9%Operating margin16.4%9.9%7.7%10.7%13.7%16.0%Return on equity (ROE)24.6%11.5%8.5%12.6%17.9%21.5%GEARING/LIQUIDITY/ACTIVITIES2021A2022A2023A2024E2025E2026EYE 31 DecNet debt to equity (x)(0.6)(0.5)(0.5)(0.4)(0.4)(0.2)Current ratio (x)2.01.91.91.92.02.2VALUATION2021A2022A2023A2024E2025E2026EYE 31 Dec2021A2022A2023A2024E2025E2026EYE 31 Dec2.01.91.91.92.02.2VALUATION2021A2022A2023A2024E2025E2026EYE 31 DecP/E24.445.459.940.226.620.6							
YE 31 Dec Gross profit margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Net debt to equity (x) (0.6) (0.5) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6	Net profit	68.4%	(45.9%)	(24.0%)	55.4%	51.4%	29.0%
Gross profit margin 26.8% 22.0% 19.2% 22.1% 23.6% 24.9% Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 40.6% (0.5) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec E E F 24.4 45.4 59.9 40.2 26.6 20.6	PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
Operating margin 16.4% 9.9% 7.7% 10.7% 13.7% 16.0% Return on equity (ROE) 24.6% 11.5% 8.5% 12.6% 17.9% 21.5% GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Net debt to equity (x) (0.6) (0.5) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6							
Return on equity (ROE)24.6%11.5%8.5%12.6%17.9%21.5%GEARING/LIQUIDITY/ACTIVITIES2021A2022A2023A2024E2025E2026EYE 31 DecNet debt to equity (x)(0.6)(0.5)(0.5)(0.4)(0.4)(0.2)Current ratio (x)2.01.91.92.02.2VALUATION2021A2022A2023A2024E2025E2026EYE 31 DecP/E24.445.459.940.226.620.6							
GEARING/LIQUIDITY/ACTIVITIES 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec Net debt to equity (x) (0.6) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6							
YE 31 Dec Net debt to equity (x) (0.6) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6		24.6%	11.5%	8.5%	12.6%	17.9%	21.5%
Net debt to equity (x) (0.6) (0.5) (0.4) (0.4) (0.2) Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6	GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
Current ratio (x) 2.0 1.9 1.9 1.9 2.0 2.2 VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6	YE 31 Dec						
VALUATION 2021A 2022A 2023A 2024E 2025E 2026E YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6		. ,	(0.5)	(0.5)	(0.4)	(0.4)	. ,
YE 31 Dec P/E 24.4 45.4 59.9 40.2 26.6 20.6	Current ratio (x)	2.0	1.9	1.9	1.9	2.0	2.2
P/E 24.4 45.4 59.9 40.2 26.6 20.6	VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
	YE 31 Dec						
P/E (diluted) 24.8 46.1 61.1 40.2 26.6 20.6	P/E	24.4	45.4	59.9	40.2	26.6	20.6
	P/E (diluted)	24.8	46.1	61.1	40.2	26.6	20.6

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



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