

# ZTO Express (2057 HK)

## Higher dividend pay-out target and expanded share buyback scale

ZTO Express (ZTO)'s core net profit in 2023 came in at RMB8.5bn (up 28% YoY), in line with our expectation. Looking forward, ZTO targets to achieve 15-18% parcel volume growth in 2024E, versus estimated industry growth of ~10%. More importantly, ZTO set a dividend payout target of 40% starting from 2024E and dividend will be paid on a semi-annual basis. In addition, ZTO expands the share buyback scale by US\$500mn by Jun 2025. This, together with the existing buyback quota of US\$437mn, suggests a total scale of US\$937mn (~5% of the current market cap). We continue to like ZTO's strong execution, stringent cost control, and the capability to generate free cash flow over the coming years. We maintain our 24E/25E earnings forecast. Our TP for ZTO US/2057 HK is slightly revised down to US\$38.50/HK\$303 after rolling over the base year to 2024E. Maintain **BUY**.

### Key highlights in 4Q23 results:

- **Reported net profit in 4Q23 grew ~1% YoY to RMB2.19bn.** Excluding the fair value change of investment, the adjusted net profit grew 8.6% YoY to RMB2.25bn. The growth was driven by (1) 8% YoY growth on core express delivery revenue, (2) 1.4ppt YoY gross margin expansion to 29.5%, and (3) increase in net finance income. All these offset the 25% YoY increase in SG&A expenses.
- **Parcel volume +32% YoY to 8.7bn units, 5ppt above the industry (+27% YoY).** This took the full-year parcel volume to 30.2bn units (+24% YoY). Market share in 4Q23 expanded 0.7ppt YoY (flat QoQ) to 22.3%.
- **ASP -18% YoY, the most among major peers.** Parcel delivery ASP in 4Q23 dropped RMB0.27/unit YoY (-18% YoY; +1.7% QoQ) to RMB1.19/unit, due to the lower avg. parcel weight (-RMB0.05), less contribution from KA volume (-RMB0.09) and volume incentives (-RMB0.13).
- **Unit cost -19% YoY in 4Q23.** Unit cost of transportation decreased RMB0.05 (or -12% YoY) to RMB0.46/unit, helped by optimized line-haul route planning and improved load rate. Unit cost of sorting hub decreased 20% YoY to RMB0.26/unit, due to the continued standardization in operating procedures and an increase in automation level. Unit gross margin decreased 14% YoY (flat QoQ) to RMB0.36/unit (but gross margin expanded due to lower denominator).

**Major risk factors:** (1) transition from price competition to price war; (2) slowdown in online retail sales; and (3) increase in fuel costs.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	35,377	38,419	43,870	50,111	56,055
YoY growth (%)	16.3	8.6	14.2	14.2	11.9
Adjusted net profit (RMB mn)	6,719.5	8,579.0	9,744.3	11,324.5	12,789.4
EPS (Reported) (RMB)	8.16	10.48	11.67	13.56	15.32
YoY growth (%)	43.2	28.5	11.4	16.2	12.9
Consensus EPS (RMB)	0.00	10.81	12.62	14.70	0.00
P/E (x)	21.2	17.3	13.3	11.4	10.1
P/B (x)	2.7	2.5	2.0	1.8	1.6
Yield (%)	1.5	2.5	3.0	3.5	3.9
ROE (%)	13.0	15.4	15.5	16.3	16.5
Net gearing (%)	(37.5)	(41.6)	(40.9)	(43.0)	(47.1)

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** **HK\$303.00**  
 (Previous TP) HK\$309.00  
**Up/Downside** **79.6%**  
**Current Price** **HK\$168.70**

### China Logistics

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### Stock Data

Mkt Cap (HK\$ mn)	144,289.1
Avg 3 mths t/o (HK\$ mn)	82.5
52w High/Low (HK\$)	234.80/126.10
Total Issued Shares (mn)	855.3

Source: FactSet

### Shareholding Structure

Meisong Lai	25.9%
Alibaba	8.9%

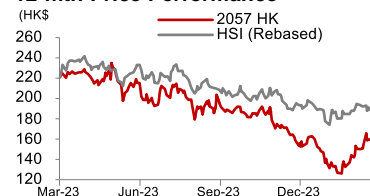
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	18.8%	16.1%
3-mth	8.1%	8.0%
6-mth	-12.9%	-5.2%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related reports:

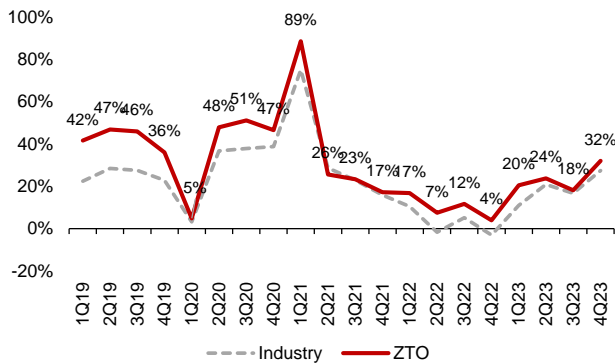
1. Good execution but rising concerns on price competition – 17 Nov 2023 (ZTO US: [link](#)) (2057 HK: [link](#))
2. 2Q23 net profit +41% YoY on excellent cost control; Full-year market share target achievable – 30 Aug 2023 (ZTO US: [link](#)) (2057 HK: [link](#))

Figure 1: ZTO's 4Q23 results

(RMB mn)	1Q22	1Q23	Change YoY	2Q22	2Q23	Change YoY	3Q22	3Q23	Change YoY	4Q22	4Q23	Change YoY
<b>Total revenue</b>	<b>7,904</b>	<b>8,983</b>	<b>13.7%</b>	<b>8,657</b>	<b>9,740</b>	<b>12.5%</b>	<b>8,945</b>	<b>9,076</b>	<b>1.5%</b>	<b>9,871</b>	<b>10,619</b>	<b>7.6%</b>
Cost of sales	-6,285	-6,460	2.8%	-6,454	-6,436	-0.3%	-6,501	-6,369	-2.0%	-7,099	-7,491	5.5%
<b>Gross profit</b>	<b>1,619</b>	<b>2,523</b>	<b>55.8%</b>	<b>2,203</b>	<b>3,304</b>	<b>50.0%</b>	<b>2,444</b>	<b>2,706</b>	<b>10.7%</b>	<b>2,773</b>	<b>3,128</b>	<b>12.8%</b>
Other income	115	214	85.8%	240	79	-67.1%	172	151	-12.2%	248	327	31.9%
SG&A expenses	-618	-787	27.2%	-457	-505	10.4%	-441	-434	-1.8%	-561	-700	24.9%
<b>EBIT</b>	<b>1,116</b>	<b>1,950</b>	<b>74.7%</b>	<b>1,986</b>	<b>2,879</b>	<b>45.0%</b>	<b>2,175</b>	<b>2,424</b>	<b>11.4%</b>	<b>2,460</b>	<b>2,755</b>	<b>12.0%</b>
D&A	633	686	8.5%	672	705	4.9%	665	745	11.9%	701	739	5.5%
<b>EBITDA</b>	<b>1,749</b>	<b>2,637</b>	<b>50.8%</b>	<b>2,658</b>	<b>3,584</b>	<b>34.9%</b>	<b>2,840</b>	<b>3,168</b>	<b>11.6%</b>	<b>3,160</b>	<b>3,494</b>	<b>10.6%</b>
Net finance income/(expense)	51	20	-60.7%	95	95	-0.5%	131	163	24.3%	36	140	291.8%
Finance income	111	92	-17.3%	118	167	41.0%	162	246	51.7%	112	201	80.2%
Finance expenses	-60	-72	20.2%	-23	-72	212.6%	-32	-84	164.9%	-76	-62	-18.8%
Gain/(loss) on disposal of subsidiaries	0	0	n/a	0	-1	n/a	61	11	-82.1%	9	-5	n/a
Impairment of investment in equity investees	0	0	n/a	0	0	n/a	-26	0	n/a	46	165	255.7%
Fair value changes of financial instruments	-1	156	n/a	-14	52	n/a	-23	9	n/a	37	-216	n/a
FX gain/(loss)	-13	-10	-20.6%	120	81	-32.3%	31	5	-85.1%	9	18	98.3%
Share of profit of JV and associates	-23	4	n/a	10	0	-98.7%	-13	11	n/a	33	-10	n/a
<b>Pretax profit</b>	<b>1,131</b>	<b>2,120</b>	<b>87.5%</b>	<b>2,197</b>	<b>3,106</b>	<b>41.4%</b>	<b>2,335</b>	<b>2,621</b>	<b>12.3%</b>	<b>2,630</b>	<b>2,846</b>	<b>8.2%</b>
Income tax	-255	-455	78.3%	-438	-576	31.4%	-439	-271	-38.2%	-501	-637	27.2%
<b>After tax profit</b>	<b>876</b>	<b>1,665</b>	<b>90.2%</b>	<b>1,759</b>	<b>2,530</b>	<b>43.9%</b>	<b>1,895</b>	<b>2,350</b>	<b>24.0%</b>	<b>2,129</b>	<b>2,210</b>	<b>3.8%</b>
MI	31	6	-82.1%	46	11	-76.4%	40	-4	n/a	33	-18	n/a
<b>Net profit</b>	<b>906</b>	<b>1,670</b>	<b>84.3%</b>	<b>1,805</b>	<b>2,541</b>	<b>40.8%</b>	<b>1,935</b>	<b>2,345</b>	<b>21.2%</b>	<b>2,163</b>	<b>2,192</b>	<b>1.4%</b>
<b>Ratios:</b>			<i>ppt</i>			<i>ppt</i>			<i>ppt</i>			<i>ppt</i>
Gross margin	20.5%	28.1%	7.6	25.4%	33.9%	8.5	27.3%	29.8%	2.5	28.1%	29.5%	1.4
EBIT margin	14.1%	21.7%	7.6	22.9%	29.6%	6.6	24.3%	26.7%	2.4	24.9%	25.9%	1.0
After tax profit margin	11.1%	18.5%	7.5	20.3%	26.0%	5.7	21.2%	25.9%	4.7	21.6%	20.8%	-0.8
Effective tax rate	22.6%	21.5%	-1.1	19.9%	18.5%	-1.4	18.8%	10.4%	-8.5	19.0%	22.4%	3.3

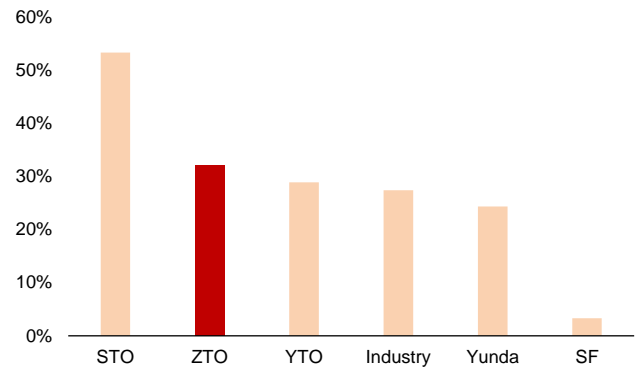
Source: Company data, CMBIGM

Figure 2: ZTO's parcel volume growth has continued to outpace the industry average since 4Q21



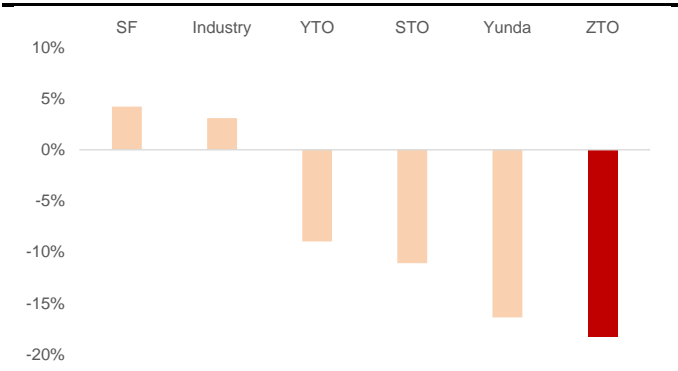
Source: Company data, The State Post Bureau, CMBIGM

Figure 3: ZTO's parcel volume growth in 4Q23



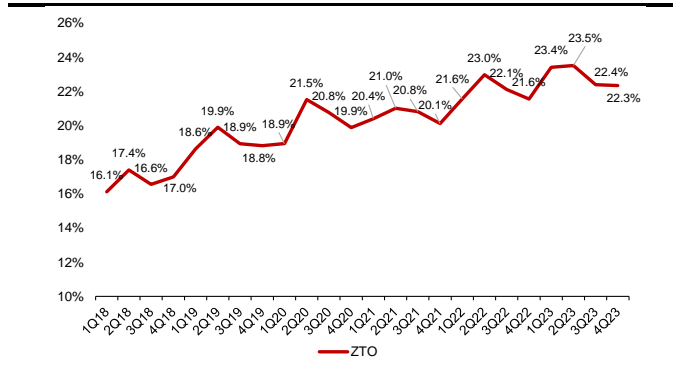
Source: Company data, The State Post Bureau, CMBIGM

**Figure 4: ZTO's ASP change (YoY) in 4Q23**



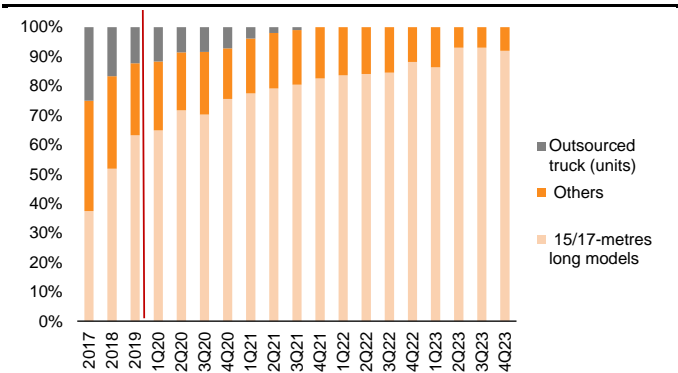
Source: Company data, The State Post Bureau, CMBIGM

**Figure 5: ZTO's market share in China in terms of parcel volume**



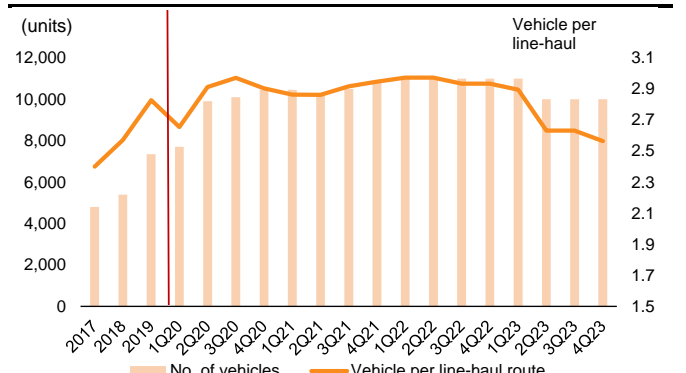
Source: Company data, CMBIGM

**Figure 6: ZTO's self-owned high-capacity truck ratio**



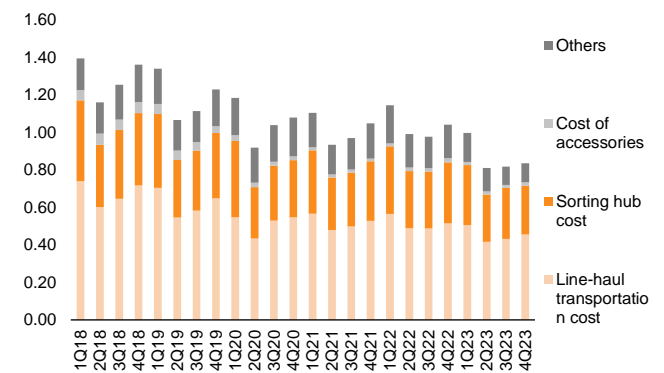
Source: Company data, CMBIGM

**Figure 7: ZTO's number of vehicles per line-haul route**



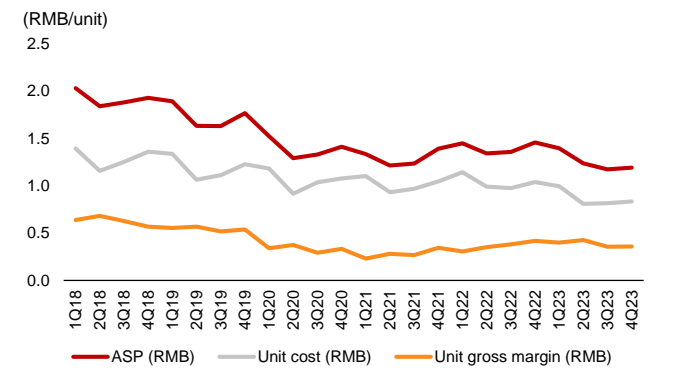
Source: Company data, CMBIGM

**Figure 8: ZTO's unit cost breakdown**



Source: Company data, CMBIGM

**Figure 9: ZTO's ASP, unit cost & unit gross margin**



Source: Company data, CMBIGM

**Figure 10: Change in key operating assumptions**

	Old			New			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Shipment volume (mn units of parcel)</b>									
Unit of parcel	35,112	40,379	-	35,638	40,984	45,902	1.5%	1.5%	-
<b>ASP (RMB/unit)</b>									
Per unit of parcel	1.24	1.23	-	1.20	1.20	1.20	-2.5%	-2.5%	-
<b>Unit cost (RMB)</b>									
Line-haul transportation cost	-0.43	-0.43	-	-0.44	-0.43	-0.43	1.1%	1.1%	-
Sorting hub cost	-0.27	-0.27	-	-0.27	-0.26	-0.26	-1.2%	-1.2%	-
Others	-0.14	-0.14	-	-0.12	-0.12	-0.12	-15.8%	-15.8%	-
<b>Total</b>	<b>-0.86</b>	<b>-0.85</b>	-	<b>-0.83</b>	<b>-0.83</b>	<b>-0.83</b>	<b>-2.5%</b>	<b>-2.6%</b>	-
<b>Unit gross margin (RMB)</b>	<b>0.38</b>	<b>0.38</b>	-	<b>0.37</b>	<b>0.37</b>	<b>0.37</b>	<b>-2.4%</b>	<b>-2.3%</b>	-
<b>(RMB mn)</b>									
<b>Revenue</b>									
Express delivery, accessories & others	43,379	49,637	-	42,936	49,130	55,026	-1.0%	-1.0%	-
Freight forwarding services	874	918	-	934	981	1,030	6.8%	6.8%	-
<b>Total</b>	<b>44,254</b>	<b>50,555</b>	-	<b>43,870</b>	<b>50,111</b>	<b>56,055</b>	<b>-0.9%</b>	<b>-0.9%</b>	-
<b>Revenue growth</b>								ppt	
Express delivery, accessories & others	16%	14%	-	14%	14%	12%	(1.2)	0.0	-
Freight forwarding services	3%	5%	-	3%	5%	5%	0.0	0.0	-
<b>Revenue</b>	<b>15%</b>	<b>14%</b>	-	<b>14%</b>	<b>14%</b>	<b>12%</b>	<b>(1.2)</b>	<b>(0.0)</b>	-
SG&A expense ratio	-5.8%	-5.7%	-	-5.8%	-5.7%	-5.7%	0.0	0.0	-
<b>Net profit</b>	<b>9,738</b>	<b>11,312</b>	-	<b>9,744</b>	<b>11,324</b>	<b>12,789</b>	<b>0.1%</b>	<b>0.1%</b>	-
<b>Core net profit</b>	<b>9,738</b>	<b>11,312</b>	-	<b>9,744</b>	<b>11,324</b>	<b>12,789</b>	<b>0.1%</b>	<b>0.1%</b>	-

Source: Company data, CMBIGM estimates

**Figure 11: Earnings sensitivity to ASP and unit line-haul transportation cost**

2024E Net profit (RMB mn)	ASP (RMB/unit)					
	1.14	1.18	1.20	1.23	1.27	
	-0.458	7,417	8,431	9,108	9,784	10,799
	-0.445	7,799	8,813	9,490	10,166	11,181
<b>Unit line-haul transportation cost (RMB)</b>	<b>-0.437</b>	<b>8,053</b>	<b>9,068</b>	<b>9,744</b>	<b>10,421</b>	<b>11,435</b>
	-0.428	8,308	9,323	9,999	10,675	11,690
	-0.415	8,690	9,704	10,381	11,057	12,072

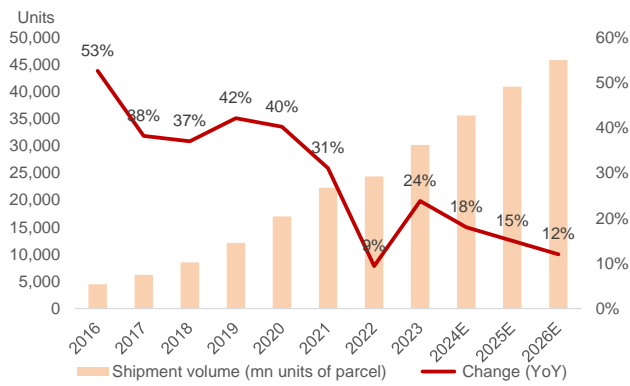
Source: Company data, CMBIGM estimates

**Figure 12: Earnings sensitivity to ASP and unit sorting hub cost**

2024E Net profit (RMB mn)	ASP (RMB/unit)					
	1.14	1.18	1.20	1.23	1.27	
	-0.278	7,667	8,681	9,358	10,034	11,049
	-0.270	7,899	8,913	9,590	10,266	11,281
<b>Unit sorting hub cost (RMB)</b>	<b>-0.265</b>	<b>8,053</b>	<b>9,068</b>	<b>9,744</b>	<b>10,421</b>	<b>11,435</b>
	-0.260	8,208	9,223	9,899	10,575	11,590
	-0.252	8,440	9,454	10,131	10,807	11,822

Source: Company data, CMBIGM estimates

**Figure 13: ZTO's parcel shipment volume forecast**



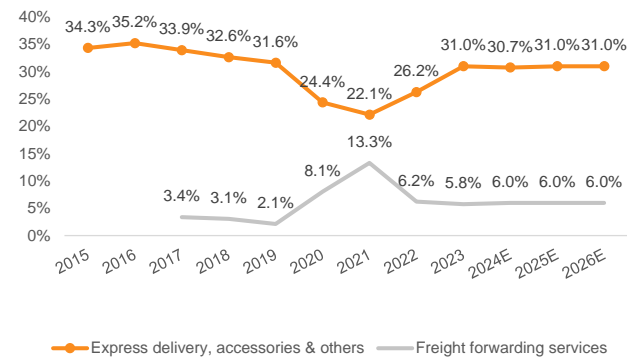
Source: Company data, CMBIGM estimate

**Figure 14: China's diesel price**



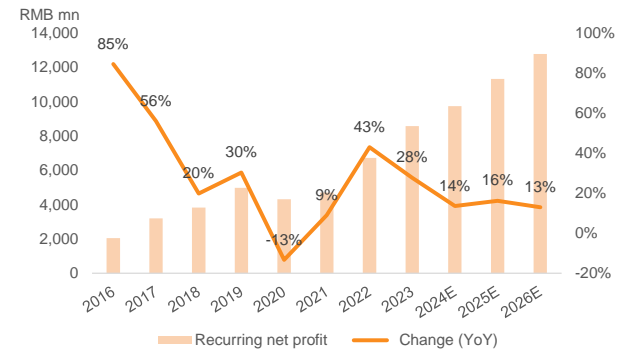
Source: Wind, CMBIGM

**Figure 15: ZTO's gross margin trend**



Source: Company data, CMBIGM estimate

**Figure 16: ZTO's net profit forecast**

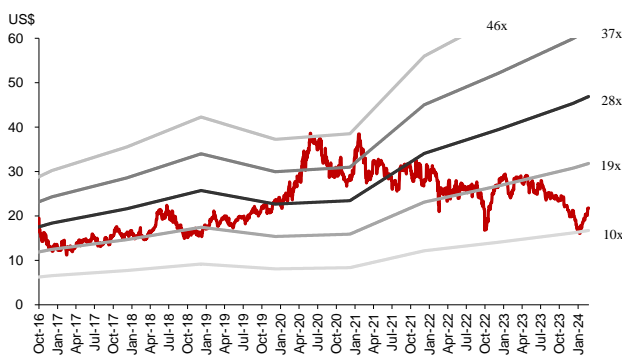


Source: Company data, CMBIGM estimate

## Valuation

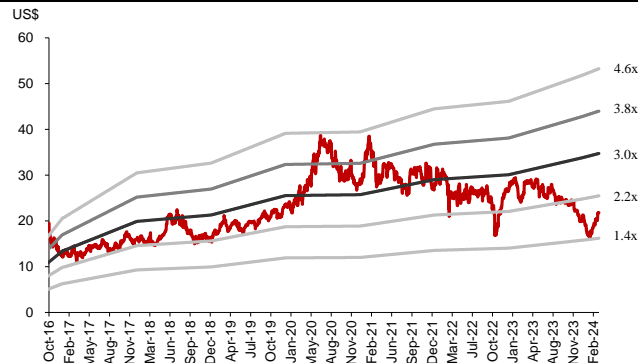
Our TP for ZTO US/2057 HK is slightly revised down to US\$38.5 / HK\$303 from US\$39.4/HK\$309, after rolling over the valuation to 2024E. Our target multiple is 24x, equivalent to the historical average (previously 28x for 2023E earnings, 0.5 SD above the historical average). We removed the valuation premium as we expect ZTO to enter a stable growth stage.

Figure 17: ZTO US's P/E band



Source: Bloomberg, Company data, CMBIGM estimates

Figure 18: ZTO US's P/B band



Source: Bloomberg, Company data, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
<b>YE 31 Dec (RMB mn)</b>						
<b>Revenue</b>	<b>30,406</b>	<b>35,377</b>	<b>38,419</b>	<b>43,870</b>	<b>50,111</b>	<b>56,055</b>
Cost of goods sold	(23,816)	(26,338)	(26,756)	(30,621)	(34,839)	(38,955)
<b>Gross profit</b>	<b>6,589</b>	<b>9,039</b>	<b>11,663</b>	<b>13,249</b>	<b>15,272</b>	<b>17,100</b>
SG&A expense	(1,876)	(2,077)	(2,425)	(2,544)	(2,856)	(3,195)
Others	790	775	771	877	1,002	1,121
<b>Operating profit</b>	<b>5,503</b>	<b>7,736</b>	<b>10,008</b>	<b>11,582</b>	<b>13,418</b>	<b>15,026</b>
Investment gain/loss	55	90	170	0	0	0
Share of (losses)/profits of associates/JV	(32)	6	4	18	19	20
Interest income	364	504	707	753	869	1,070
Interest expense	(127)	(191)	(290)	(311)	(311)	(311)
<b>Net interest income/(expense)</b>	<b>237</b>	<b>313</b>	<b>417</b>	<b>442</b>	<b>558</b>	<b>759</b>
Foreign exchange gain/loss	(56)	147	94	0	0	0
<b>Pre-tax profit</b>	<b>5,707</b>	<b>8,292</b>	<b>10,693</b>	<b>12,042</b>	<b>13,995</b>	<b>15,805</b>
Income tax	(1,005)	(1,633)	(1,939)	(2,288)	(2,659)	(3,003)
Minority interest	54	150	(5)	(10)	(11)	(13)
<b>Net profit</b>	<b>4,701</b>	<b>6,659</b>	<b>8,754</b>	<b>9,754</b>	<b>11,336</b>	<b>12,802</b>
<b>Adjusted net profit</b>	<b>4,700</b>	<b>6,720</b>	<b>8,579</b>	<b>9,744</b>	<b>11,324</b>	<b>12,789</b>
Gross dividends	1,353	2,125	3,722	3,898	4,530	5,116
<b>BALANCE SHEET</b>						
	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Current assets</b>	<b>18,666</b>	<b>24,475</b>	<b>26,954</b>	<b>29,271</b>	<b>34,294</b>	<b>41,328</b>
Cash & equivalents	9,721	11,693	12,334	14,389	18,975	25,859
Account receivables	933	819	573	870	860	1,136
Inventories	83	41	28	52	43	64
Prepayment	668	862	822	822	822	822
Other current assets	7,261	11,061	13,197	13,138	13,594	13,447
<b>Non-current assets</b>	<b>44,106</b>	<b>54,049</b>	<b>61,512</b>	<b>65,650</b>	<b>68,405</b>	<b>70,047</b>
PP&E	24,930	28,813	32,181	35,084	37,007	37,530
Deferred income tax	935	750	880	880	880	880
Investment in JVs & assos	3,730	3,951	3,455	3,673	3,892	4,112
Intangibles	36	29	23	17	11	5
Goodwill	4,242	4,242	4,242	4,242	4,242	4,242
Other non-current assets	10,234	16,264	20,731	21,755	22,373	23,279
<b>Total assets</b>	<b>62,772</b>	<b>78,524</b>	<b>88,465</b>	<b>94,921</b>	<b>102,698</b>	<b>111,375</b>
<b>Current liabilities</b>	<b>12,996</b>	<b>16,405</b>	<b>20,061</b>	<b>20,484</b>	<b>20,824</b>	<b>21,228</b>
Short-term borrowings	3,459	5,394	7,766	7,766	7,766	7,766
Account payables	1,958	2,203	2,557	2,980	3,320	3,724
Tax payable	87	228	333	333	333	333
Other current liabilities	7,493	8,580	9,405	9,405	9,405	9,405
<b>Non-current liabilities</b>	<b>848</b>	<b>7,646</b>	<b>8,124</b>	<b>8,124</b>	<b>8,124</b>	<b>8,124</b>
Long-term borrowings	0	0	0	0	0	0
Obligations under finance leases	556	510	456	456	456	456
Other non-current liabilities	292	7,135	7,668	7,668	7,668	7,668
<b>Total liabilities</b>	<b>13,845</b>	<b>24,051</b>	<b>28,185</b>	<b>28,608</b>	<b>28,947</b>	<b>29,352</b>
<b>Total shareholders equity</b>	<b>48,637</b>	<b>54,029</b>	<b>59,802</b>	<b>65,824</b>	<b>73,251</b>	<b>81,511</b>
Minority interest	290	444	479	488	500	513
<b>Total equity and liabilities</b>	<b>62,772</b>	<b>78,524</b>	<b>88,465</b>	<b>94,921</b>	<b>102,698</b>	<b>111,375</b>

<b>CASH FLOW</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>5,707</b>	<b>8,292</b>	<b>10,693</b>	<b>12,042</b>	<b>13,995</b>	<b>15,805</b>
Depreciation & amortization	2,222	2,671	2,875	3,742	4,236	4,651
Tax paid	(1,005)	(1,633)	(1,939)	(2,288)	(2,659)	(3,003)
Change in working capital	158	1,498	700	(302)	(169)	(120)
Others	(225)	148	364	(460)	(577)	(779)
<b>Net cash from operations</b>	<b>6,856</b>	<b>10,976</b>	<b>12,693</b>	<b>12,734</b>	<b>14,826</b>	<b>16,555</b>
<b>Investing</b>						
Capital expenditure	(8,461)	(6,837)	(6,700)	(6,500)	(6,000)	(5,000)
Acquisition of subsidiaries/ investments	(670)	136	(200)	(200)	(200)	(200)
Others	11	(9,845)	385	53	169	370
<b>Net cash from investing</b>	<b>(9,120)</b>	<b>(16,546)</b>	<b>(6,515)</b>	<b>(6,647)</b>	<b>(6,031)</b>	<b>(4,830)</b>
<b>Financing</b>						
Dividend paid	(1,313)	(1,353)	(2,125)	(3,722)	(3,898)	(4,530)
Net borrowings	2,026	1,936	2,372	0	0	0
Proceeds from share issues	(3,811)	(85)	0	0	0	0
Others	194	6,560	0	(311)	(311)	(311)
<b>Net cash from financing</b>	<b>(2,904)</b>	<b>7,058</b>	<b>246</b>	<b>(4,032)</b>	<b>(4,208)</b>	<b>(4,840)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	14,213	9,721	11,693	12,334	14,389	18,975
Exchange difference	677	483	(5,783)	0	0	0
<b>Cash at the end of the year</b>	<b>9,721</b>	<b>11,693</b>	<b>12,334</b>	<b>14,389</b>	<b>18,975</b>	<b>25,859</b>
<b>GROWTH</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Revenue	20.6%	16.3%	8.6%	14.2%	14.2%	11.9%
Gross profit	12.9%	37.2%	29.0%	13.6%	15.3%	12.0%
Operating profit	15.7%	40.6%	29.4%	15.7%	15.8%	12.0%
Net profit	8.7%	41.6%	31.5%	11.4%	16.2%	12.9%
Adj. net profit	9.0%	43.0%	27.7%	13.6%	16.2%	12.9%
<b>PROFITABILITY</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Gross profit margin	21.7%	25.6%	30.4%	30.2%	30.5%	30.5%
Operating margin	18.1%	21.9%	26.0%	26.4%	26.8%	26.8%
Adj. net profit margin	15.5%	19.0%	22.3%	22.2%	22.6%	22.8%
Return on equity (ROE)	9.6%	13.0%	15.4%	15.5%	16.3%	16.5%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Current ratio (x)	1.4	1.5	1.3	1.4	1.6	1.9
Receivable turnover days	30.4	23.0	17.3	15.7	16.3	16.5
Inventory turnover days	1.0	0.9	0.5	0.5	0.5	0.5
Payable turnover days	27.5	28.8	32.5	33.0	33.0	33.0
<b>VALUATION</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
P/E	34.4	21.2	17.3	13.3	11.4	10.1
P/B	3.4	2.7	2.5	2.0	1.8	1.6
Div yield (%)	0.8	1.5	2.5	3.0	3.5	3.9

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



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