

Technology

4Q24 global smartphone shipments ahead; Xiaomi/Vivo outperformed Apple/Samsung

4Q24 global smartphone shipments grew 2.4% YoY to 332mn units, driven by China sales promotions, new model launches and aggressive trade-ins. By brand, Xiaomi/Vivo outperformed peers with 4.8%/12.7% YoY growth in 4Q24, while Apple/Samsung declined 4.1%/2.7% YoY with share loss. Looking ahead to 2025, we estimate global smartphone shipments to grow 3% YoY boosted by iPhone 17 cycle, AI integration and Chinese subsidy programs. For top picks, we prefer Xiaomi on market share gains and EV upside, BYDE on iPhone/iPad components and Android exposure, and FIT Hon Teng on iPhone cycle and AirPods ramp-up. Other smartphone beneficiaries include AAC Tech, Sunny Optical, Q-Tech, Luxshare and Tongda.

- **4Q24 smartphone shipments slightly beat; Xiaomi and Vivo outperformed Apple and Samsung.** IDC reported 4Q24 global smartphone shipment growth of 2.4% YoY, slightly ahead of market expectations, mainly driven by Chinese brands (Xiaomi/Vivo) on expansion in Europe/Africa and strong demand for low-end and mid-range models. By brand, 1) **Xiaomi** shipments grew 4.8% YoY driven by the premium push, portfolio adjustment and global market expansion; 2) **Vivo** jumped 12.7% YoY thanks to strong performance in India and China; 3) **Samsung** declined 2.7% YoY on competition from Xiaomi/Oppo/Honor but S24 series & A-series demand remained strong; 4) **Apple** declined 4.1% on softer iPhone 16 and lack of Apple Intelligence at launch. Overall, global smartphone shipments grew 6.4% YoY in 2024, slightly ahead of our expectations (+4% YoY), mainly due to more promotions, new models at various price bands, interest-free financing and aggressive trade-ins.
- **2025 outlook: expect 3% YoY shipment growth on iPhone 17, AI integration, China subsidy plans and refresh cycles.** For 2025, despite uncertainties in potential tariffs from the US government, we expect the impact is limited and we forecast smartphone shipment growth of 3% YoY in FY25E boosted by iPhone 17 series (5 new models) and AI integration.
- **Near-term catalysts: Chinese subsidies, AI model launches, iPhone SE4; Prefer Apple/Xiaomi supply chain in 2025.** We expect recent national subsidies in China will boost replacement demand in near term and iPhone SE4 launch in 2Q25 will drive shipment upside. For iPhone, we are positive on Apple SE4 launch in 2Q25E, 4 new iPhones in 2H25E and Apple intelligence upgrade. For Android, we expect accelerated spec upgrade in high-end models. Our top picks are Xiaomi, BYDE and FIT Hon Teng. Other smartphone beneficiaries include AAC Tech, Sunny Optical, Q-Tech, Luxshare and Tongda.

Valuation Table

Name	Ticker	Rating	Mkt Cap (USD mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE
							FY24E	FY25E	FY24E	FY25E	
Xiaomi	1810 HK	Buy	108,996	33.75	32.70	-4%	31.2	26.3	3.6	13.8	
BYDE	285 HK	Buy	11,172	38.60	44.41	15%	17.6	12.9	3.5	16.4	
Sunny Optical	2382 HK	Buy	8,888	63.20	72.52	15%	25.2	21.2	2.4	11.2	
AAC Tech	2018 HK	Buy	5,547	36.15	40.83	13%	21.6	17.1	1.5	8.8	
Luxshare	002475 CH	Buy	39,107	39.61	55.09	39%	21.1	17.2	3.4	2.8	
FIT Hon Teng	6088 HK	Buy	3,137	3.35	4.38	31%	16.7	10.0	1.1	10.6	
Q Tech	1478 HK	Buy	837	5.50	6.43	17%	16.4	11.0	1.0	9.6	

Source: Company data, CMBIGM estimates

OUTPERFORM
(Maintain)

China Technology Sector

Alex NG

(852) 3900 0881

alexng@cmbi.com.hk

Hanqing LI

lihanqing@cmbi.com.hk

Figure 1: 4Q24: global top 5 smartphone brand shipments and growth

Company	4Q24 Shipment	4Q24 Mkt share	3Q24 Shipment	3Q24 Mkt share	4Q24 YoY growth	Comments
Apple	76.9	23.2%	80.2	24.7%	-4.1%	4Q24: YoY decline due to 16 series weakness and lack of availability of Apple Intelligence at launch 2025 outlook: refreshed portfolio, hardware upgrade and broader adoption of Apple Intelligence
Samsung	51.7	15.6%	53.1	16.4%	-2.7%	4Q24: YoY decline due to competition from Xiaomi/Oppo/Honor; while S24 series and A-series products demand remains strong
Xiaomi	42.7	12.9%	40.7	12.6%	4.8%	4Q24: growth driven by increasing presence in home market, premium push and globalization efforts
Transsion	27.2	8.2%	28.2	8.7%	-3.4%	4Q24: recovery of emerging markets in APAC region
Vivo	27.1	8.2%	24.0	7.4%	12.7%	4Q24: YoY growth led by strong performance in India and China
Others	106.1	31.9%	97.7	30.2%	8.6%	4Q24: aggressive competition from Huawei, Honor and Motorola; Oppo decline but stronger momentum in year end
Total	331.7	100.0%	324	100.0%	2.4%	4Q24: promotions, model in multiple price bands and trade-ins 2025 outlook: continuous growth at a slower pace given refresh cycles and solid pent-up demand

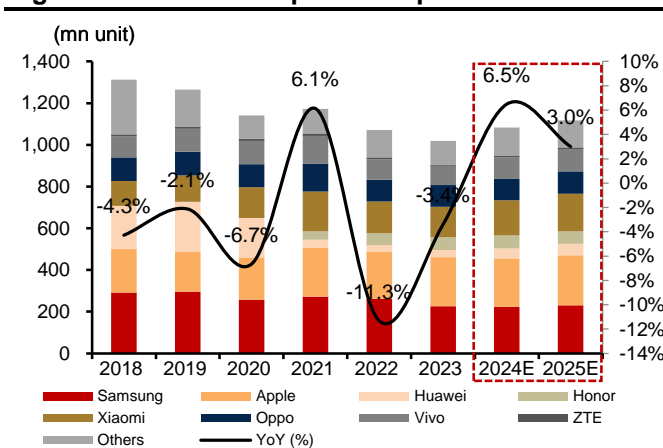
Source: IDC, Counterpoint, CMBIGM estimates

Figure 2: Supplier mapping and sales mix exposure (2024)

Company	Ticker	Apple	Huawei	Samsung	Other brands	Others	Major products
AAC Tech	2018 HK	25%	10%	10%	43%	12%	Acoustics, haptics, optics, casing
FIT Hon Teng	6088 HK	25%	-	-	-	75%	Connectors, AirPods, accessories, EVs, servers
Sunny Optical	2382 HK	5%	5%	15%	60%	15%	Camera modules, lens sets, automotive lenses/modules
BYDE	285 HK	60%	5%	5%	15%	15%	Metal/Glass/Plastic casing, ODM/OEM, automotive
Tongda	698 HK	5%	5%	5%	50%	35%	Metal/plastic casing
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera module/lens, fingerprint module, auto CCM
TK Group	2283 HK	10%	-	-	-	90%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera module, fingerprint, display module
Cowell	1415 HK	90%	-	5%	-	5%	Camera module
Luxshare	002475 CN	60%	10%	3%	-	27%	Wireless, iPhone/AirPods/Watch OEM, Acoustic/haptics

Source: Company data, CMBIGM estimates

Figure 3: Global smartphone shipment forecast



Source: IDC, CMBIGM

Figure 4: Global smartphone shipment (by brand)

(mn units)	2020	2021	2022	2023	2024	2025E
Samsung	257	272	262	227	223	230
Apple	203	236	226	234	232	240
Xiaomi	148	191	153	146	169	180
Huawei	189	38	31	35	48	55
Honor	-	40	57	61	62	61
Oppo	161	211	166	154	155	157
Vivo	112	132	99	88	101	105
Others	212	240	212	220	250	249
Total	1,281	1,360	1,206	1,165	1,238	1,277
YoY	-6.7%	6.1%	-11.3%	-3.4%	6.5%	3.0%

Source: IDC, CMBIGM

Figure 5: Peers valuation

Company	Ticker	Rating	Mkt Cap (US\$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x)		P/B (x)		ROE (%)	
							FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Brand												
Apple	AAPL US	NR	3,524,878	234.40	NA	NA	35.0	31.9	56.6	49.1	156.0	166.6
Xiaomi	1810 HK	Buy	108,996	33.75	32.70*	-4%	31.2	26.3	4.1	3.6	13.1	13.8
Transsion	688036 CH	NR	14,462	92.97	NA	NA	19.7	16.5	5.0	4.1	26.3	26.4
Samsung	005930 KS	NR	220,274	53,900	NA	NA	10.9	10.5	1.0	0.9	8.8	8.6
LG	066570 KS	NR	9,444	84,300	NA	NA	12.1	7.6	0.7	0.6	6.4	10.3
TCL Electronics	1070 HK	NR	1,885	5.82	NA	NA	10.8	9.0	0.8	0.7	7.5	8.4
Average							21.8	18.6	13.5	11.7	42.1	45.1
ODM/EMS												
BYDE	285 HK	Buy	11,172	38.60	44.41	15%	17.6	12.9	4.3	3.5	24.2	26.8
Luxshare	002475 CH	Buy	39,107	39.61	55.09	39%	21.1	17.2	3.4	2.8	16.0	16.4
Hon Hai	2317 TT	NR	73,415	174.50	NA	NA	15.2	11.7	1.4	1.3	9.6	11.5
Average							18.0	13.9	3.0	2.5	16.6	18.2
Optics												
Sunny Optical	2382 HK	Buy	8,888	63.20	72.52	15%	25.2	21.2	2.5	2.4	10.1	11.2
Q Tech	1478 HK	Buy	837	5.50	6.43	17%	16.4	11.0	1.1	1.0	6.9	9.6
Truly	732 HK	NR	491	1.21	NA	NA	-	-	-	-	-	-
Cowell	1415 HK	NR	3,035	27.40	NA	NA	29.1	16.7	5.8	4.3	22.5	28.7
Largan	3008 TT	NR	10,753	2,660	NA	NA	15.0	14.4	2.0	1.8	13.3	13.1
Genius	3406 TT	NR	1,572	460.50	NA	NA	11.5	12.3	2.1	1.9	19.8	16.5
O-Film	002456 CH	NR	5,323	11.79	NA	NA	110.2	43.7	9.4	9.0	6.0	12.2
Lg Innotek	011070 KS	NR	2,636	162,700	NA	NA	6.9	6.3	0.7	0.7	11.3	11.0
Average							30.6	17.9	3.4	3.0	12.8	14.6
Acoustics/Haptics												
AAC Tech	2018 HK	Buy	5,547	36.15	40.83	13%	21.6	17.1	1.6	1.5	7.4	8.8
Luxshare	002475 CH	Buy	39,107	39.61	55.09	39%	21.1	17.2	3.4	2.8	16.0	16.4
Merry	2439 TT	Buy	802	104.50	NA	NA	12.8	11.8	1.7	1.5	14.1	14.0
Knowles	KN US	NR	1,702	19.33	NA	NA	19.7	17.6	-	-	-	-
Nidec	6594 JP	NR	21,661	2,858.00	NA	NA	22.9	18.1	2.2	1.9	10.1	10.6
Average							21.4	17.5	2.3	2.0	11.2	12.0
Connector												
FIT Hon Teng	6088 HK	Buy	3,137	3.35	4.38	31%	16.7	10.0	1.2	1.1	7.0	10.6
Luxshare	002475 CH	Buy	39,107	39.61	55.09	39%	21.1	17.2	3.4	2.8	16.0	16.4
TE	TEL US	NR	42,230	141.16	NA	NA	18.7	17.5	3.4	3.4	19.1	18.9
Amphenol	APH US	NR	82,392	68.34	NA	NA	37.0	31.4	8.6	7.2	24.8	25.3
Average							23.4	19.0	4.1	3.6	16.7	17.8
Casing												
BYDE	285 HK	Buy	11,172	38.60	44.41	15%	17.6	12.9	4.3	3.5	24.2	26.8
Tongda	698 HK	Buy	104	0.08	0.12	47%	27.7	4.2	0.1	0.1	0.4	2.7
TK Group	2283 HK	Buy	215	2.01	2.82	40%	5.9	4.7	0.9	0.8	15.2	17.4
Everwin	300115 CH	NR	3,449	18.65	NA	NA	34.7	28.9	2.2	2.0	10.6	13.1
Lens Tech	300433 CH	NR	18,080	26.60	NA	NA	32.5	24.1	2.7	2.5	8.5	10.7
Catcher	2474 TT	NR	4,101	199.00	NA	NA	10.9	13.0	0.9	0.9	7.7	6.2
Jabil	JBL US	NR	16,760	153.51	NA	NA	18.3	17.6	10.1	12.4	44.5	61.6
Average							21.1	15.0	3.0	3.2	15.9	19.8
Hinge												
AAC Tech	2018 HK	Buy	5,547	36.15	40.83	13%	21.6	17.1	1.6	1.5	7.4	8.8
Jiangsu Gian	300709 CH	NR	1,029	40.55	NA	NA	29.0	23.0	-	-	-	-
KH Vatec	060720 KS	NR	150	9,270	NA	NA	8.4	6.2	0.8	0.8	10.2	12.6
Foseltek	6805 TT	NR	1,395	672.00	NA	NA	36.1	17.7	8.6	6.3	24.7	38.9
Jarlytec	3548 TT	NR	319	159.50	NA	NA	19.1	16.1	1.9	1.8	-	-
NBTM	600114 CH	NR	1,365	16.23	NA	NA	24.2	18.3	3.5	3.1	14.5	17.0
Eontec	300328 CH	NR	794	8.43	NA	NA	-	-	-	-	-	-
Average							23.1	16.4	3.3	2.7	14.2	19.3

Source: Bloomberg, CMBIGM estimates, * TP under review. Data as of 14 Jan 2025.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.