2 Nov 2026

CMB International Global Markets | Equity Research | Company Update

SANY International (631 HK)

Post-results pullback overreacted; solid growth outlook of overseas mining trucks

SANYI's share price dropped 16% last Fri (30 Oct) after the release of 3Q26 results**.** We think that the market was concerned about the contraction of margin and slowdown of mining truck sales (+48% YoY vs +1.6x YoY in 2Q). However, we believe the pullback was overreacted, as (1) the margin contraction was largely due to a change in revenue mix rather than a weakness of pricing power; (2) overseas mining truck sales growth outlook remains solid with sales target (VAT-included) of RMB10bn in 2027E (RMB8bn in 2026E). While we revise down our 2026E-28E earnings forecasts by 4-8% due to lower profit forecasts on road headers, lithium, oil & gas equipment, we are staying positive on SANYI's structural penetration of large mining trucks overseas and the solid growth of port machinery. We roll over our valuation base to 2027E, with new target price of HK$15.8 based on 14x P/E (historical average + 1SD to reflect the upcycle of mining equipment sector, vs our previous multiple of 20x based on peak valuation).

- **3Q26 earnings highlight.** Revenue grew 26% YoY to RMB7.4bn in 3Q26, driven by strong growth of mining truck, CCMU and port machinery, which more than offset the decline in road header sales. Blended gross margin dropped 3.3ppts YoY to 20.9%, due largely to a change in revenue mix (lower contribution of higher margin road header). Net profit grew 8% YoY to RMB446mn.
- **Clear target of mining truck sales.** SANYI targets to achieve overseas mining truck sales of RMB10bn in 2027E (including after-market revenue). At present, orders come mainly from Asia Pacific, Latin America and Africa. In particular, the high gold and copper prices have boosted mining capex in Latin America. Besides, SANYI has signed initial agreement with major miners in Australia to promote 200T electric mining trucks. Breakthrough in Australia is expected over the coming 2-3 years.
- **Key risks:** (1) further weakness of coal mining activities in China; (2) higher-than-expected operating loss of emerging business; (3) cost inflation due to elevated commodity prices.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	21,910	24,334	30,138	35,271	41,011
YoY growth (%)	8.0	11.1	23.9	17.0	16.3
Adjusted net profit (RMB mn)	1,849.9	1,850.9	2,302.9	3,172.0	3,917.2
YoY growth (%)	(4.1)	0.1	24.4	37.7	23.5
EPS (Adjusted) (RMB)	0.58	0.57	0.71	0.98	1.21
Consensus EPS (RMB)	na	0.00	0.69	0.96	1.30
P/E (x)	16.1	10.0	7.8	5.7	4.6
P/B (x)	1.5	1.4	1.2	1.1	1.0
Yield (%)	4.9	5.9	7.1	8.8	10.9
ROE (%)	9.3	14.0	16.7	20.6	22.4
Net gearing (%)	17.4	13.0	3.8	(2.3)	(6.3)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**HK$15.80**
(Previous TP	HK$17.10)
Up/Downside	**142.0%**
Current Price	**HK$6.53**

China Capital Goods

Wayne FUNG, CFA
(852) 3900 0826
waynefung@cmbi.com.hk

Stock Data

Mkt Cap (HK$ mn)	21,107.7
Avg 3 mths t/o (HK$ mn)	91.0
52w High/Low (HK$)	15.97/6.53
Total Issued Shares (mn)	3232.4

Source: FactSet

Shareholding Structure

Sany Heavy Equipment Investments Company	64.9%
Free float	33.9%

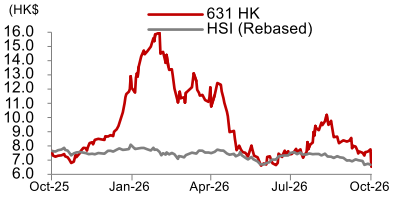
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-22.7%	-18.3%
3-mth	-11.2%	-1.4%
6-mth	-39.5%	-33.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related report:
SANYI – Net profit in 2Q26 +7% YoY, beating expectation – 27 Aug 2026 (link)

Figure 1: SANYI's 3Q26 results

RMB mn	1Q25	1Q26	Chg (YoY)	2Q25	2Q26	Chg (YoY)	3Q25	3Q26	Chg (YoY)
Revenue	5,876	6,651	*13%*	6,360	8,099	*27%*	5,910	7,421	*26%*
Cost of sales	-4,448	-5,272	*19%*	-4,890	-6,218	*27%*	-4,478	-5,872	*31%*
Gross profit	1,428	1,379	*-3%*	1,470	1,881	*28%*	1,432	1,549	*8%*
Gross margin	***24.3%***	***20.7%***		***23.1%***	***23.2%***		***24.2%***	***20.9%***	
Pretax profit	821	627	*-24%*	886	932	*5%*	502	505	*0%*
Pretax profit margin	*14.0%*	*9.4%*		*13.9%*	*11.5%*		*8.5%*	*6.8%*	
Net profit	635	509	*-20%*	659	708	*7%*	414	446	*8%*
Net margin	*10.8%*	*7.7%*		*10.4%*	*8.7%*		*7.0%*	*6.0%*	
Adjusted net profit	**635**	**509**	*-20%*	**659**	**708**	*7%*	**414**	**446**	*8%*
Adjusted net margin	*10.8%*	*7.7%*		*10.4%*	*8.7%*		*7.0%*	*6.0%*	

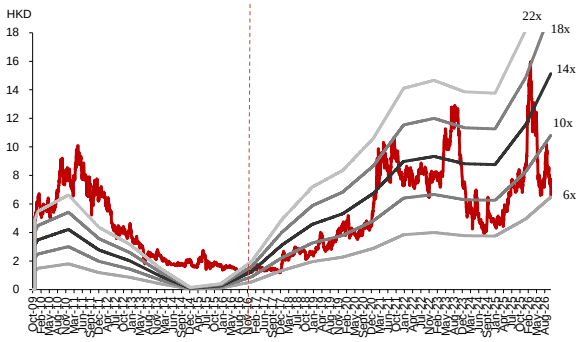
Source: Company data, CMBIGM

Figure 2: Change in key operating assumptions for SANYI

	Old			New			Change		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
(RMB mn)									
Revenue									
Road header	1,293	1,345	1,400	1,171	1,219	1,268	*-9.4%*	*-9.4%*	*-9.4%*
Combined coal mining units (CCMU)	1,328	1,367	1,408	1,477	1,521	1,567	*11.2%*	*11.2%*	*11.2%*
Small-size logisitics machinery	5,420	5,997	6,659	5,604	6,215	6,745	*3.4%*	*3.6%*	*1.3%*
Large-size port machinery	4,240	5,511	7,165	4,727	6,144	7,988	*11.5%*	*11.5%*	*11.5%*
Mining trucks	6,995	8,583	10,380	6,995	8,583	10,380	*0.0%*	*0.0%*	*0.0%*
After sales service	2,650	3,233	3,944	2,332	2,681	3,084	*-12.0%*	*-17.0%*	*-21.8%*
Lithium battery	4,005	4,806	5,767	4,005	4,726	5,435	*0.0%*	*-1.7%*	*-5.8%*
Oil and gas equipment	3,161	3,477	3,650	2,611	2,820	3,045	*-17.4%*	*-18.9%*	*-16.6%*
Solar power	2,311	2,773	3,189	1,155	1,271	1,398	*-50.0%*	*-54.2%*	*-56.2%*
Hydrogen	158	245	380	31	40	52	*-80.6%*	*-83.8%*	*-86.4%*
Total	**31,621**	37,409	44,013	**30,138**	**35,271**	**41,011**	***-4.7%***	***-5.7%***	***-6.8%***
Gross margin									
Road header	*42.0%*	*43.0%*	*44.0%*	*39.0%*	*40.0%*	*40.5%*	*(3.0)*	*(3.0)*	*(3.5)*
Combined coal mining units (CCMU)	*10.0%*	*11.0%*	*12.0%*	*13.0%*	*13.0%*	*13.0%*	*3.0*	*2.0*	*1.0*
Small-size logisitics machinery	*32.0%*	*32.6%*	*32.6%*	*34.4%*	*34.8%*	*35.0%*	*2.4*	*2.1*	*2.4*
Large-size port machinery	*19.0%*	*22.0%*	*22.0%*	*19.0%*	*22.0%*	*22.0%*	*0.0*	*0.0*	*0.0*
Mining trucks	*24.0%*	*25.4%*	*26.4%*	*24.0%*	*25.4%*	*26.4%*	*0.0*	*0.0*	*0.0*
After sales service	*35.5%*	*36.5%*	*37.0%*	*35.5%*	*36.5%*	*37.0%*	*0.0*	*0.0*	*0.0*
Lithium battery	*17.0%*	*20.0%*	*21.0%*	*3.5%*	*8.0%*	*10.0%*	*(13.5)*	*(12.0)*	*(11.0)*
Oil and gas equipment	*21.2%*	*21.5%*	*21.5%*	*19.5%*	*19.0%*	*19.0%*	*(1.7)*	*(2.5)*	*(2.5)*
Solar power	*-17.0%*	*-11.0%*	*-8.0%*	*-10.0%*	*-8.0%*	*-8.0%*	*7.0*	*3.0*	*0.0*
Hydrogen	*15.0%*	*15.0%*	*15.0%*	*10.0%*	*10.0%*	*11.0%*	*(5.0)*	*(5.0)*	*(4.0)*
Blended gross margin	***21.6%***	*23.2%*	*23.9%*	***21.6%***	***23.2%***	***23.7%***	***0.1***	***(0.1)***	***(0.2)***
								Change (ppt)	
S&D expense ratio	*5.5%*	*5.3%*	*5.3%*	*5.5%*	*5.3%*	*5.3%*	*0.0*	*0.0*	*0.0*
Admin expense ratio	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*0.0*	*0.0*	*0.0*
Net finance expense (RMB mn)	(48)	(21)	(21)	(48)	(21)	(21)	*0.0%*	*0.0%*	*0.0%*
Net profit	**2,393**	**3,368**	**4,243**	**2,303**	**3,172**	**3,917**	***-3.8%***	***-5.8%***	***-7.7%***

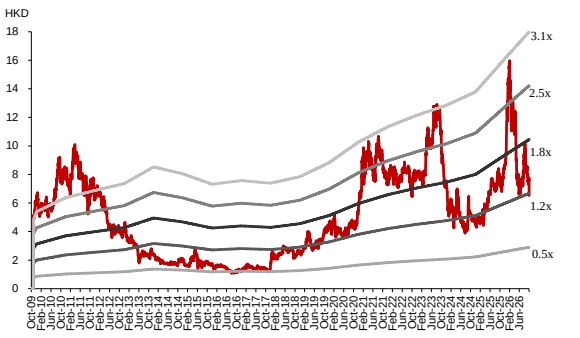
Source: Company data, CMBIGM estimates

Figure 3: SANYI's P/E band



Source: Bloomberg, company data, CMBIGM estimates

Figure 4: SANYI's P/B band



Source: Bloomberg, company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**20,278**	**21,910**	**24,334**	**30,138**	**35,271**	**41,011**
Cost of goods sold	(14,831)	(16,996)	(18,910)	(23,620)	(27,100)	(31,283)
Gross profit	**5,447**	**4,913**	**5,424**	**6,517**	**8,171**	**9,728**
Selling expense	(1,262)	(1,286)	(1,358)	(1,658)	(1,869)	(2,174)
Admin expense	(2,213)	(2,163)	(2,174)	(2,501)	(2,927)	(3,404)
Other income	441	507	570	663	776	902
Other expense	(42)	(502)	(171)	(90)	(106)	(82)
Other gains/(losses)	(144)	(25)	(147)	(60)	(71)	(82)
Share of (losses)/profits of associates/JV	0	2	(5)	4	4	4
EBITDA	**2,751**	**2,249**	**3,283**	**3,860**	**5,034**	**6,020**
Depreciation	525	803	1,144	986	1,057	1,128
EBIT	**2,226**	**1,446**	**2,139**	**2,874**	**3,978**	**4,893**
Interest income	193	204	293	322	355	381
Interest expense	(158)	(229)	(253)	(325)	(326)	(326)
Net Interest income/(expense)	**35**	**(25)**	**40**	**(2)**	**29**	**55**
Pre-tax profit	**2,260**	**1,421**	**2,179**	**2,872**	**4,007**	**4,948**
Income tax	(422)	(353)	(431)	(603)	(881)	(1,089)
After tax profit	**1,839**	**1,068**	**1,748**	**2,269**	**3,125**	**3,859**
Minority interest	90	34	31	34	47	58
Net profit	**1,929**	**1,102**	**1,779**	**2,303**	**3,172**	**3,917**
Adjusted net profit	**1,929**	**1,850**	**1,851**	**2,303**	**3,172**	**3,917**
Gross dividends	556	863	1,047	1,267	1,586	1,959

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**20,778**	**26,227**	**29,645**	**33,767**	**36,744**	**42,869**
Cash & equivalents	3,241	5,340	6,064	7,328	8,245	9,059
Account receivables	8,356	10,010	10,870	13,075	14,948	17,636
Inventories	3,432	5,048	5,845	5,804	6,373	7,855
Prepayment	1,261	1,598	1,682	1,682	1,682	1,682
ST bank deposits	43	71	227	227	227	227
Financial assets at FVTPL	2,160	2,394	3,060	3,060	3,060	3,060
Other current assets	2,284	1,767	1,897	2,590	2,210	3,350
Non-current assets	**14,185**	**14,701**	**15,276**	**15,404**	**15,361**	**15,248**
PP&E	7,276	7,990	8,442	8,827	9,041	9,185
Deferred income tax	336	423	407	407	407	407
Goodwill	2,537	2,067	1,995	1,995	1,995	1,995
Other non-current assets	4,036	4,221	4,432	4,176	3,918	3,660
Total assets	**34,963**	**40,928**	**44,921**	**49,171**	**52,106**	**58,116**
Current liabilities	**16,173**	**21,210**	**23,119**	**26,146**	**27,222**	**30,960**
Short-term borrowings	2,653	4,250	4,269	4,369	4,369	4,369
Account payables	8,098	11,213	12,126	15,053	16,130	19,867
Tax payable	237	162	63	63	63	63
Other current liabilities	5,184	5,584	6,661	6,661	6,661	6,661
Non-current liabilities	**7,252**	**7,543**	**8,633**	**8,633**	**8,633**	**8,633**
Long-term borrowings	5,249	5,684	6,792	6,792	6,792	6,792
Other non-current liabilities	2,003	1,858	1,841	1,841	1,841	1,841
Total liabilities	**23,425**	**28,752**	**31,752**	**34,779**	**35,856**	**39,593**
Total shareholders equity	**11,589**	**12,221**	**13,192**	**14,449**	**16,354**	**18,685**
Minority interest	(51)	(46)	(23)	(57)	(104)	(162)
Total equity and liabilities	**34,963**	**40,928**	**44,921**	**49,171**	**52,106**	**58,116**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**2,260**	**1,421**	**2,179**	**2,872**	**4,007**	**4,948**
Depreciation & amortization	525	803	1,144	986	1,057	1,128
Tax paid	(431)	(516)	(431)	(603)	(881)	(1,089)
Change in working capital	476	(446)	347	70	(985)	(1,573)
Others	(307)	890	(782)	(1)	(33)	(59)
Net cash from operations	**2,524**	**2,152**	**2,457**	**3,323**	**3,164**	**3,355**
Investing						
Capital expenditure	(2,294)	(725)	(1,281)	(1,100)	(1,000)	(1,000)
Acquisition of subsidiaries/ investments	(2,509)	(7)	0	0	0	0
Others	(162)	(242)	(346)	313	345	371
Net cash from investing	**(4,965)**	**(973)**	**(1,627)**	**(787)**	**(655)**	**(629)**
Financing						
Dividend paid	(729)	(634)	(863)	(1,047)	(1,267)	(1,586)
Net borrowings	(126)	(221)	(255)	(325)	(326)	(326)
Proceeds from share issues	104	4	0	0	0	0
Others	3,712	1,746	835	100	0	0
Net cash from financing	**2,961**	**895**	**(283)**	**(1,271)**	**(1,593)**	**(1,912)**
Net change in cash						
Cash at the beginning of the year	2,690	3,241	5,340	6,064	7,328	8,245
Exchange difference	32	25	177	0	0	(0)
Cash at the end of the year	**3,241**	**5,340**	**6,064**	**7,328**	**8,245**	**9,059**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	30.5%	8.0%	11.1%	23.9%	17.0%	16.3%
Gross profit	50.1%	(9.8%)	10.4%	20.2%	25.4%	19.1%
EBITDA	20.3%	(18.3%)	46.0%	17.6%	30.4%	19.6%
EBIT	11.6%	(35.0%)	47.9%	34.4%	38.4%	23.0%
Net profit	15.9%	(42.9%)	61.5%	29.5%	37.7%	23.5%
Adj. net profit	15.9%	(4.1%)	0.1%	24.4%	37.7%	23.5%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	26.9%	22.4%	22.3%	21.6%	23.2%	23.7%
EBITDA margin	13.6%	10.3%	13.5%	12.8%	14.3%	14.7%
Adj. net profit margin	9.5%	8.4%	7.6%	7.6%	9.0%	9.6%
Return on equity (ROE)	17.8%	9.3%	14.0%	16.7%	20.6%	22.4%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.1	0.0	(0.0)	(0.1)
Current ratio (x)	1.3	1.2	1.3	1.3	1.3	1.4
Receivable turnover days	132.9	153.0	156.6	145.0	145.0	145.0
Inventory turnover days	82.6	91.1	105.1	90.0	82.0	83.0
Payable turnover days	181.4	207.4	225.3	210.0	210.0	210.0

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	9.1	16.1	10.0	7.8	5.7	4.6
P/B	1.5	1.5	1.4	1.2	1.1	1.0
Div yield (%)	3.2	4.9	5.9	7.1	8.8	10.9

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

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CMB International Global Markets Limited

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

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