

# NetEase (NTES US)

## Sturdy game and content developing leader

NetEase delivered sturdy revenue growth of 13.8% YoY in 1H22, driven by resilient performance of its legacy titles and the launch of several key titles in 2H21. We forecast total revenue growth of 7.3/6.3% YoY in 2023/2024E, but the growth could be accelerated by several highly-anticipated titles in the pipeline and enhanced overseas games market expansion strategy. Supported by its game business' steady profit margin and cash flow generation capability, NetEase is well-positioned to invest for long-term quality growth, expanding into international markets, focusing on quality games development, and cultivating tenacious user community. Our SOTP valuation methodology derived target price is US\$114.8. We are transferring coverage with a BUY rating.

- Preparing for next phase of strong product cycle.** We forecast NetEase games revenue to grow 11.7/4.3/3.9% and account for 74.9/72.8/71.2% of total revenue in 2022/2023/2024E, with growth decelerating over 2023-2024E due to high base effect, and the need to prepare for the next phase of strong title pipelines. Although the development process of highly-anticipated titles, *Justice Mobile* and *NARAKA: Bladepoint Mobile*, is well on track, these two titles are yet to obtain license approval. NetEase's leadership in the gaming market remains intact, and the company has stepped up global investment, which will enlarge its long-term games TAM in our view.
- Online music services to evolve into social community model.** We forecast Cloud Music revenue CAGR of 26.0% over 2021-2024E and account for 12.6% of total revenue in 2024E, driven by robust music subs and audio live streaming businesses. Youdao is still exploring new directions including STEAM courses and smart devices. We estimate its revenue will rebound by 19.7/15.4% YoY in 2023/2024E, accounting for 5.7% of total revenue in 2024E.
- Solid cash flows and margins stability.** NetEase stepped up its global R&D investment in 2022, launched two 1P studios in the US and acquired European studio Quantic Dream. We forecast its R&D expenses ratio to remain stable at 15.5% over 2022-2024E (2021: 16.1%), as the company maintains investment in its gaming development capability. We forecast S&M expenses to revenue ratio will moderate from 13.7% in 2022E to 13.5/13.0% in 2023/2024E. Overall, we forecast non-GAAP NPM to rise from 20.9% in 2022E to 21.0/21.6% in 2023/2024E. NetEase's stable margins and cash flow profile are two favorable factors under macro uncertainty. Its current share price implies 14x 2023E P/FCF, and its FCF is forecasted to reach RMB20.6/22.1bn in 2023/2024E.

### Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	73,667	87,606	97,137	104,243	110,776
YoY growth (%)	24.4	18.9	10.9	7.3	6.3
Net income (RMB mn)	12,063	16,857	17,365	18,734	20,601
EPS (RMB)	18.0	25.0	26.3	28.3	31.2
YoY growth (%)	(44.9)	39.0	4.9	7.9	10.0
Consensus EPS (RMB)	18.0	25.0	27.9	32.0	34.4
P/E (x)	26.1	18.8	17.9	16.6	15.1
P/B (x)	3.4	3.2	2.8	2.5	2.2
Yield (%)	1.2	1.6	1.7	1.8	2.0
ROE (%)	12.9	17.0	15.6	15.1	14.9
Net gearing (%)	38.3	37.1	38.9	35.9	32.3

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

Target Price US\$114.8  
 Up/Downside +83.9%  
 Current Price US\$62.4

### China Internet Sector

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### Stock Data

Mkt Cap (USD\$ mn)	41,004
Avg 3 mths t/o (US\$ mn)	126.9
52w High/Low (US\$)	115.55/62.43
Total Issued Shares (mn)	657
Source: Bloomberg	

### Shareholding Structure

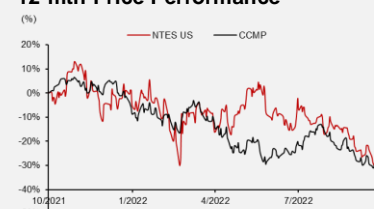
William Lei Ding	44.2%
Source: Bloomberg	

### Share Performance

	Absolute	Relative
1-mth	-25.7%	-20.7%
3-mth	-33.4%	-24.7%
6-mth	-29.3%	-10.0%

Source: Bloomberg

### 12-mth Price Performance



Source: Bloomberg

Auditor: PwC

## Business update and financial forecast

We forecast NetEase's total revenue to grow by 10.9/7.3/6.3% YoY to RMB97.1/104.2/110.8bn in 2022E/2023E/2024E. Due to high base effect, we expect growth momentum of games revenue to moderate, but NetEase is preparing for future games pipelines, as well as accelerating overseas market growth, which will lead to enlarged games market TAM for the long term. In view of its strategy on international markets expansion, development capabilities of quality games, and operating leverage arising from sustaining R&D expenses, we forecast non-GAAP net income to grow 2.6/7.8/9.4% YoY to RMB20.3/21.9/23.9bn in 2022/2023/2024E. Its margin profile and free cash flows generation will remain robust in 2022-2024.

Figure 1: CMBIGM estimates vs consensus

RMB bn	CMBIGM			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	97.1	104.2	110.8	97.8	109.6	120.5	-0.7%	-4.9%	-8.1%
Gross profit	52.7	56.4	60.1	53.5	60.1	66.3	-1.6%	-6.0%	-9.3%
Operating profit	19.7	21.4	23.6	21.6	24.4	27.7	-8.6%	-12.2%	-14.8%
Adjusted net profit	20.3	21.9	23.9	20.7	23.8	26.5	-1.8%	-8.0%	-9.8%
Adjusted EPS (RMB)	30.7	33.1	36.2	31.6	36.2	39.8	-3.0%	-8.7%	-9.1%
Gross margin	54.2%	54.1%	54.3%	54.7%	54.8%	55.0%	-0.5 ppt	-0.7 ppt	-0.7 ppt
Operating margin	20.3%	20.5%	21.3%	22.0%	22.3%	23.0%	-1.8 ppt	-1.7 ppt	-1.7 ppt
Adjusted net margin	20.9%	21.0%	21.6%	21.1%	21.7%	22.0%	-0.2 ppt	-0.7 ppt	-0.4 ppt

Source: Company data, CMBIGM estimates

Based on our forecasts, online games/cloud music/innovative business and others/Youdao will each account for 71.2/12.6/10.4/5.7% of total revenue in 2024E, versus 74.4/8.0/11.5/6.1% of total revenue in 2021. Online games segment will remain the main revenue and profit contributor for the medium term.

Figure 2: NetEase: key financial data forecasts

(RMB mn)	2022E	2023E	2024E	3Q22E	4Q22E
Online games revenue	72,774	75,936	78,875	17,613	18,379
YoY%	11.7%	4.3%	3.9%	10.8%	5.6%
As % of total revenue	74.9%	72.8%	71.2%	72.2%	70.7%
Youdao revenue	4,591	5,496	6,344	1,194	1,241
YoY%	-14.2%	19.7%	15.4%	-13.9%	-7.0%
As % of total revenue	4.7%	5.3%	5.7%	4.9%	4.8%
Cloud Music revenue	9,092	11,595	14,006	2,400	2,433
YoY%	29.9%	27.5%	20.8%	24.7%	28.8%
As % of total revenue	9.4%	11.1%	12.6%	9.8%	9.4%
Revenue from innovative businesses and others	10,680	11,214	11,551	3,204	3,958
YoY%	6.0%	5.0%	3.0%	7.5%	5.5%
As % of total revenue	11.0%	10.8%	10.4%	13.1%	15.2%
<b>Total revenue</b>	<b>97,137</b>	<b>104,243</b>	<b>110,776</b>	<b>24,411</b>	<b>26,012</b>
YoY%	10.9%	7.3%	6.3%	10.0%	6.7%
Gross profit margin (%)	54.2%	54.1%	54.3%	55.1%	51.6%
S&M expenses ratio (%)	13.7%	13.5%	13.0%	14.4%	13.8%
R&D expenses ratio (%)	15.5%	15.5%	15.5%	16.1%	16.0%
Non-GAAP net profit margin (%)	20.9%	21.0%	21.6%	20.5%	18.4%
<b>Non-GAAP net profit</b>	<b>20,279</b>	<b>21,862</b>	<b>23,925</b>	<b>4,993</b>	<b>4,782</b>
YoY%	3.5%	7.8%	9.4%	29.8%	-25.2%

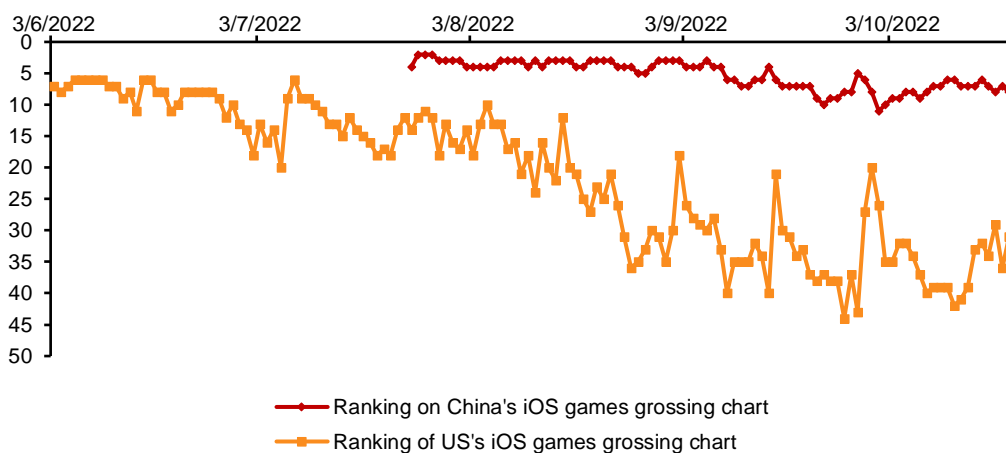
Source: Company data, CMBIGM estimates

## Online games (74.9% of 2022E revenue)

For gaming business, NetEase continues to deliver strong revenue growth in 2022 despite the stringent regulatory environment, driven by the solid performance of its legacy titles and the launch of *Diablo Immortal*. We expect its games revenue growth to face greater challenges in 2023E due to lack of new games planned for launch. We forecast online games revenue to increase 11.7/4.3/3.9% YoY to RMB72.8/75.9/78.9bn in 2022/2023/2024E, equivalent to 74.9/72.8/71.2% of total revenue.

NetEase's highly-anticipated title *Diablo Immortal* achieved initial success in both domestic and overseas market after its launch in June. *Diablo Immortal* has remained in the top 12 of China's iOS games grossing chart and top 50 of the US' iOS games grossing chart since its launch.

**Figure 3: Diablo Immortal: ranking on iOS games grossing chart**



Source: Qimai, CMBIGM

Looking ahead, NetEase has a key game title that obtained approval and is lined up for launch in 2H22, which is the *Ghost World Chronicle*. The development process of other highly-anticipated titles, *Justice Mobile* and *NARAKA: Bladepoint Mobile* is well on track. However, these two titles have not received approval yet.

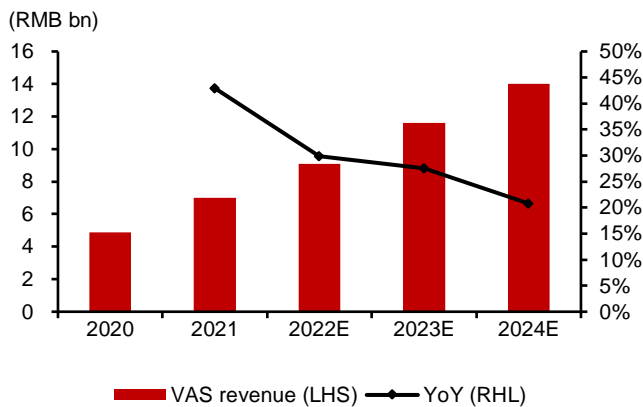
**Figure 4: NetEase: key game pipelines**

Game	Game (Chinese)	Publisher/developer	Genre	License approval?	Launch date
Ghost World Chronicle	隱世錄	Self-developed	RPG	Yes	2022E
Justice Mobile	逆水寒手游	Self-developed	MMORPG	No	TBD
NARAKA: Bladepoint Mobile	永劫无间手游	Self-developed	ACT	No	TBD
Mission Zero	零号任务	Self-developed	ABA	No	TBD
The Untamed	陈情令	Self-developed	Card	No	TBD
Frostpunk	冰汽时代: 最后的家园	Licensed	SLG	No	TBD

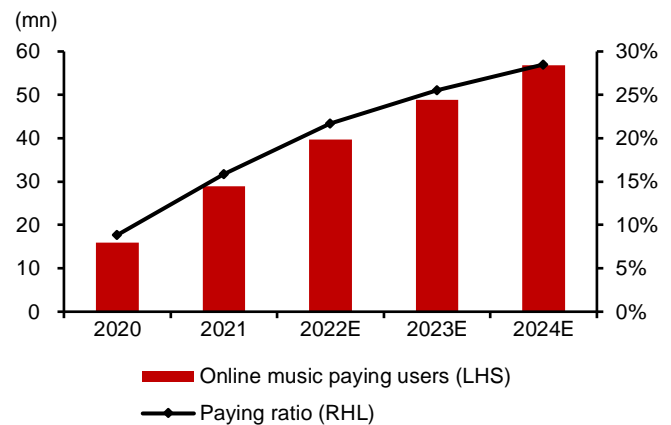
Source: Company data, CMBIGM Note: RPG - role-playing games; MMORPG – massively multiplayer online role-playing games; ACT – action games; ABA -Asymmetry Battle Arena games

## Cloud music (9.4% of 2022E revenue)

Cloud Music business is still under-going user base growth and developing multiple monetization potentials. We forecast its revenue to grow 29.9/27.5/20.8% YoY to RMB9.1/11.6/14.0bn in 2022/2023/2024E and account for 9.4/11.1/12.6% of total revenue, driven by robust growth of music subscription and audio live streaming businesses.

**Figure 5: Cloud music: revenue**

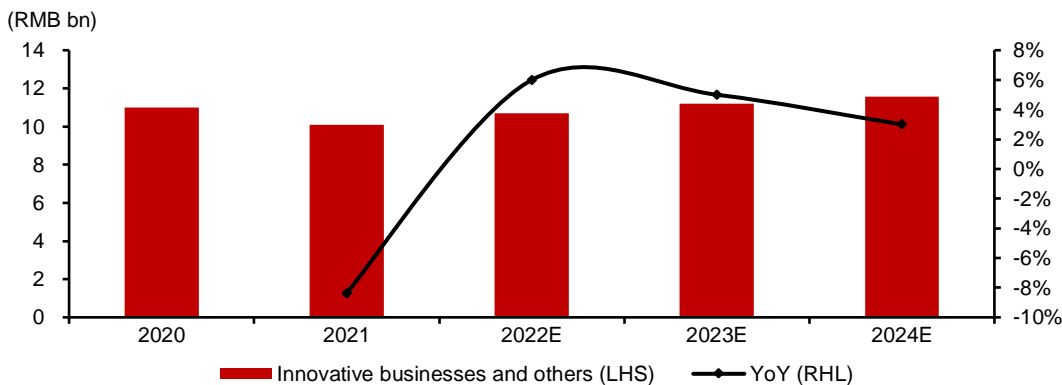
Source: Company data, CMBIGM estimates

**Figure 6: Cloud music: avg. monthly paying users**

Source: Company data, CMBIGM

### Innovative businesses and others (11.0% of 2022E revenue)

Innovative businesses and others have entered a moderate growth track amid weak consumption demand. We forecast its revenue to grow 6/5/3% and represent 11.0/10.8/10.4% of total revenue in 2022/2023/2024E.

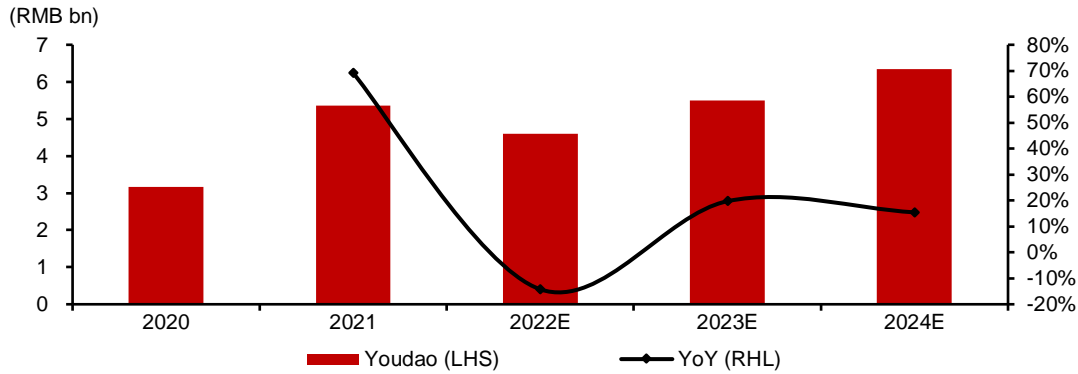
**Figure 7: NetEase: innovative business and others revenue**

Source: Company data, CMBIGM estimates

### Youdao (4.7% of 2022E revenue)

We forecast Youdao revenue to drop by 14.2% YoY to RMB4.6bn in 2022E, mainly due to the cessation of after-school tutoring services on academic subjects at the end of December 2021. Going forward, Youdao will focus on the development of its STEAM course offering and smart devices. We estimate this will drive Youdao's revenue to grow 19.7/15.4% YoY to RMB5.5/6.3bn in 2023/2024E.

**Figure 8: NetEase: Youdao revenue**



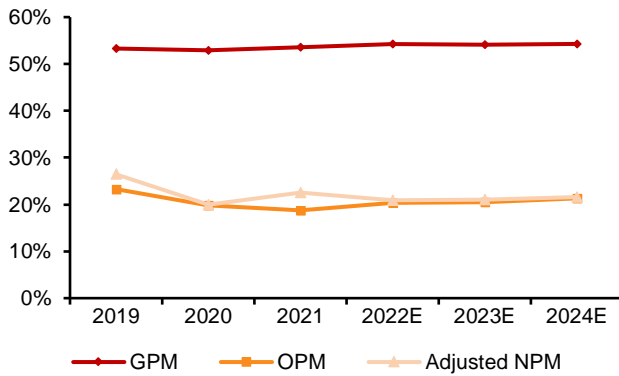
Source: Company data, CMBIGM estimates

**Margins profile and cash flows**

On the opex front, we forecast R&D expenses to revenue ratio will remain stable at 15.5% over 2022-2024E (2021: 16.1%), as we expect the step-up of investments in overseas R&D capability will be partially offset by the control in domestic R&D investments. Due to moderate new game titles planned to launch over 2023-2024E, we estimate S&M expenses to revenue ratio will drop from 13.7% in 2022E to 13.5/13.0% in 2023/2024E. Overall, we forecast non-GAAP NPM will gradually rise from 20.9% in 2022E to 21.0/21.6% in 2023/2024E.

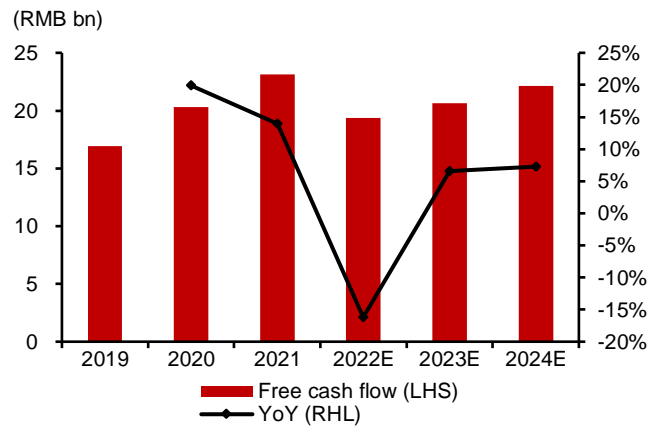
Supported by steady games business performance, NetEase's free cash flows remain robust. Stepping up investments in overseas gaming capabilities will impact future free cash flows, but we forecast free cash flow will continue to grow 6.6/7.3% YoY to RMB20.6/22.1bn in 2023/2024E.

**Figure 9: NetEase: margin trend**



Source: Company data, CMBIGM estimates

**Figure 10: NetEase: free cash flow trend**



Source: Company data, CMBIGM estimates

## Valuation

We use sum-of-the-parts (SOTP) valuation methodology to value NetEase's four main business segments. Our SOTP derived target price is US\$114.8, comprising: 1) US\$105.8 for the online game business (92.1% of total valuation), based on 16x 2023E EV/EBIT which is a premium over the industry average (13x). The premium in our view is justified by NetEase's strong content development capability and solid deployment in the overseas market; 2) US\$0.3 for Youdao (0.2% of total valuation), based on 0.4x 2023E EV/revenue, on a par with the industry average; 3) US\$4.4 (3.8% of total valuation) for the Cloud Music business, based on 3.0x 2023E EV/revenue, at a premium over the industry average due to its relatively strong revenue growth outlook over 2022-2024E; 4) US\$2.7 (2.3% of total valuation) for the innovative businesses and others, based on 1.1x 2023E EV/revenue, on a par with the industry average; and 5) US\$1.7 for net cash.

**Figure 11: NetEase: SOTP Valuation**

(RMBmn)	Valuation basis	Multiple (x)	2023E sales	2023E EBIT	Valuation	Shareholding (%)	Valuation to NetEase	Valuation per ADS (US\$)
Online games	EV/EBIT	16.0	75,936	30,375	485,993	100.0%	485,993	105.8
Youdao	EV/revenue	0.4	5,496		2,199	52.9%	1,163	0.3
Cloud Music	EV/revenue	3.0	11,595		34,786	57.7%	20,071	4.4
Innovative businesses	EV/revenue	1.1	11,214		12,336	100.0%	12,336	2.7
<b>Enterprise value</b>							<b>519,564</b>	
Net cash							7,875	1.7
<b>Equity value</b>							<b>527,439</b>	
RMB/US\$							6.95	
<b>Target valuation (US\$mn)</b>							<b>75,890</b>	
No. of ADSs (mn)							661	
<b>Value per ADS (US\$)</b>							<b>114.8</b>	

Source: Company data, CMBIGM estimates

**Figure 12: Peer comparison: online games**

Companies	Ticker	Price (Local)	EBIT growth (YoY %)		EV/EBIT (x)	
			FY22E	FY23E	FY22E	FY23E
Tencent	700 HK	232.8	(38)	21	15	13
iDreamSky	1119 HK	3.3	(6)	234	na	13
Activision Blizzard	ATVI US	72.7	(25)	34	18	14
Electronic Arts	EA US	125.0	24	1	14	14
Take Two Interactive	TTWO US	125.6	(12)	54	34	22
Nexon	3659 JP	2,505.0	(7)	30	14	11
Nintendo	7974 JP	6,036.0	(18)	(11)	9	10
Bandai Namco	7832 JP	9,698.0	22	9	15	14
Perfect World	002624 CH	12.3	131	16	13	11
37 Interactive Entertainment	002555 CH	14.9	12	15	7	6
Yoozoo	002174 CH	7.8	(34)	29	24	19
<b>Average EV/EBIT</b>					<b>16</b>	<b>13</b>

Source: Bloomberg consensus estimates, CMBIGM

Note: data as of 21 Oct market close

Figure 13: Peer comparison: education, online music, and e-commerce

Companies	Ticker	Price (Local)	Revenue growth (YoY %)		EV/revenue (x)	
			FY22E	FY23E	FY22E	FY23E
<b>Education</b>						
New Oriental	EDU US	22.8	(26)	(20)	0.4	0.5
TAL Education	TAL US	3.9	2	(78)	0.1	0.4
Gaotu	GOTU US	0.9	(60)	7	na	na
<b>Average PS</b>					<b>0.2</b>	<b>0.4</b>
<b>Music community</b>						
TME	TME US	3.8	(19)	6	1.1	1.0
Spotify	SPOT US	88.7	8	16	1.3	1.1
Bilibili	BILI US	11.1	3	28	1.5	1.2
Kuaishou	1024 HK	40.0	7	43	1.6	1.1
<b>Average PS</b>					<b>1.4</b>	<b>1.1</b>
<b>E-commerce</b>						
Alibaba	BABA US	72.2	15	3	1.1	1.1
JD	JD US	42.2	2	16	0.4	0.3
Pinduoduo	PDD US	59.0	13	24	3.5	2.8
Vipshop	VIPS US	7.5	(19)	8	0.2	0.2
<b>Average PS</b>					<b>1.2</b>	<b>1.1</b>

Source: Bloomberg consensus estimates

Note: data as of 21 Oct market close

## Financial Summary

Income statement						Cash flow summary					
YE Dec 31 (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>73,667</b>	<b>87,606</b>	<b>97,137</b>	<b>104,243</b>	<b>110,776</b>	<b>Net income</b>	<b>12,063</b>	<b>16,857</b>	<b>17,365</b>	<b>18,734</b>	<b>20,601</b>
Games	54,609	65,178	72,774	75,936	78,875	D&A	3,458	3,276	2,717	3,241	3,866
Innovative and others	10,995	10,076	10,680	11,214	11,551	Change in working capital	4,771	3,188	2,072	1,800	1,634
Cloud Music	4,896	6,998	9,092	11,595	14,006	Others	4,596	1,606	(172)	(185)	(204)
Youdao	3,168	5,354	4,591	5,496	6,344	<b>Net cash fr. operating act.</b>	<b>24,888</b>	<b>24,927</b>	<b>21,982</b>	<b>23,590</b>	<b>25,897</b>
<b>Cost of revenues</b>	<b>(34,684)</b>	<b>(40,635)</b>	<b>(44,471)</b>	<b>(47,801)</b>	<b>(50,648)</b>	Capex & investments	(3,273)	(1,530)	(3,765)	(4,491)	(5,357)
<b>Operating expenses</b>	<b>(24,445)</b>	<b>(30,554)</b>	<b>(32,963)</b>	<b>(35,028)</b>	<b>(36,559)</b>	Associated companies	-	-	-	-	-
S&M	(10,704)	(12,214)	(13,329)	(14,073)	(14,401)	Others	(25,919)	(5,548)	(16,061)	(12,224)	(12,086)
G&A	(3,372)	(4,264)	(4,575)	(4,795)	(4,985)	<b>Net cash fr. investing act.</b>	<b>(29,192)</b>	<b>(7,078)</b>	<b>(19,826)</b>	<b>(16,715)</b>	<b>(17,443)</b>
R&D	(10,369)	(14,076)	(15,059)	(16,160)	(17,173)	Equity raised	21,912	-	-	-	-
<b>EBIT</b>	<b>14,538</b>	<b>16,417</b>	<b>19,704</b>	<b>21,414</b>	<b>23,569</b>	Change of Debts	4,041	3,992	(3,572)	(1,362)	(1,094)
Finance costs, net	1,599	1,520	1,939	1,773	1,927	Dividend paid	(4,280)	(4,240)	(5,158)	(5,565)	(6,119)
Other net income	2,347	3,658	(919)	0	0	Others	(11,759)	(12,338)	-	-	-
Exceptional	(3,112)	(490)	767	-	-	<b>Net cash fr. financing act.</b>	<b>9,913</b>	<b>(12,586)</b>	<b>(8,730)</b>	<b>(6,926)</b>	<b>(7,214)</b>
<b>Pre-tax profit</b>	<b>15,372</b>	<b>21,104</b>	<b>21,491</b>	<b>23,186</b>	<b>25,497</b>	<b>Net change in cash</b>	<b>5,771</b>	<b>5,208</b>	<b>(6,574)</b>	<b>(51)</b>	<b>1,241</b>
Income tax	(3,042)	(4,128)	(4,298)	(4,637)	(5,099)	Cash at the beginning of the year	6,398	12,169	17,376	10,802	10,751
Less: Minority interests	267	119	-172	-185	-204	Exchange difference	-	-	-	-	-
<b>Net profit</b>	<b>12,063</b>	<b>16,857</b>	<b>17,365</b>	<b>18,734</b>	<b>20,601</b>	<b>Cash at the end of the year</b>	<b>12,169</b>	<b>17,376</b>	<b>10,802</b>	<b>10,751</b>	<b>11,992</b>
						Less: pledged cash	12,063	16,857	17,365	18,734	20,601

Balance sheet						Key ratios					
YE Dec 31 (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E	YE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Non-current assets</b>	<b>34,044</b>	<b>40,524</b>	<b>50,312</b>	<b>55,662</b>	<b>60,267</b>	<b>Sales mix (%)</b>					
Fixed asset	4,555	5,434	6,482	7,732	9,223	Games	74.1	74.4	74.9	72.8	71.2
Prepaid lease payments	-	-	-	-	-	Innovative and others	14.9	11.5	11.0	10.8	10.4
Interest in joint ventures	-	-	-	-	-	Cloud Music	6.6	8.0	9.4	11.1	12.6
Other non-current assets	29,488	35,090	43,830	47,930	51,044	Youdao	4.3	6.1	4.7	5.3	5.7
						<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Current assets</b>	<b>107,831</b>	<b>113,120</b>	<b>115,346</b>	<b>124,461</b>	<b>135,563</b>	<b>P&amp;L ratios (%)</b>					
Cash	12,169	17,375	10,802	10,751	11,992	Operating margin	19.7	18.7	20.3	20.5	21.3
Account receivable	4,576	5,508	5,985	6,294	6,555	Pre-tax margin	20.9	24.1	22.1	22.2	23.0
Prepayments	6,112	6,236	6,776	7,126	7,421	Net margin	16.4	19.2	17.9	18.0	18.6
Other current assets	84,974	84,002	91,782	100,289	109,595	Effective tax rate	19.8	19.6	20.0	20.0	20.0
<b>Current liabilities</b>	<b>46,743</b>	<b>50,501</b>	<b>50,110</b>	<b>51,286</b>	<b>52,450</b>	<b>Balance sheet ratios</b>					
Borrowings	19,505	19,352	15,780	14,419	13,324	Current ratio (x)	2.31	2.24	2.30	2.43	2.58
Obligations under finance leases	-	-	-	-	-	Quick ratio (x)	0.49	0.58	0.47	0.47	0.50
Other payables	22,956	26,612	29,299	31,469	33,388	Cash ratio (x)	0.26	0.34	0.22	0.21	0.23
Tax payables	4,283	4,537	5,031	5,399	5,737	Debtors turnover days	242	239	240	240	241
<b>Non-current liabilities</b>	<b>1,337</b>	<b>3,719</b>	<b>4,089</b>	<b>4,393</b>	<b>4,659</b>	Total debt / total equity ratio (%)	51	55	49	45	41
Borrowings	624	2,373	2,597	2,791	2,958	Net debt / equity ratio (%)	38	37	39	36	33
Obligations under finance leases	-	-	-	-	-	<b>Returns (%)</b>					
Deferred income	-	-	-	-	-	ROE	12.9	17.0	15.6	15.1	14.9
Others	713	1,346	1,492	1,601	1,702	ROA	8.5	11.0	10.5	10.4	10.5
<b>Minority Interest</b>	<b>871</b>	<b>3951</b>	<b>3779</b>	<b>3593</b>	<b>3389</b>	<b>Per share</b>					
<b>Total net assets</b>	<b>93,794</b>	<b>99,424</b>	<b>111,459</b>	<b>124,443</b>	<b>138,721</b>	EPS (RMB)	18.01	25.03	26.27	28.34	31.16
<b>Shareholders' equity</b>	<b>93,794</b>	<b>99,424</b>	<b>111,459</b>	<b>124,443</b>	<b>138,721</b>	DPS (RMB)	5.55	7.51	7.80	8.42	9.26
						BVPS (RMB)	140.0	147.6	168.6	188.2	209.8

Source: Company data, CMBIGM estimates

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