

# Yancoal Australia (3668 HK)

## Higher coal price assumptions after the fire incident at Grosvenor coal mine

We believe the suspension of Grosvenor metallurgical coal mine (owned by Anglo American [AAL LN, NR]) in Queensland, Australia, following the underground fire in late Jun, would last for several months. We estimate the suspension will result in ~0.8% reduction of global metallurgical coal export volume, which will likely translate into higher met coal price and serve as a positive catalyst for Yancoal (YAL). We expect higher spot prices will boost YAL's ASP in both 2H24E and 1H25E when some contracts are to be repriced over the coming months. We revise up our 2024E/25E earnings forecast by 7%/9% after revising up our ASP forecast. Our NPV-based TP is revised up to HK\$45 from HK\$40. Trading at 6.5x 2024E P/E and 7.7% yield, we believe the stock is attractive for investors who seek margin of safety and high dividend. Maintain **BUY**.

- Incident.** A fire broke out underground at Grosvenor met coal mine as a result of methane gas ignition on 29 Jun. Given a serious damage made, it's likely to take several months before the mine operation can be resumed. Grosvenor mine has an annual capacity of 5mt. The mine produced 2.8mt of met coal in 2023, which was equivalent to 0.8% of the global met coal export in 2023 (349mt).
- Coal price stabilising.** The benchmark semi-soft coking coal price (SSCC) price dropped ~28%/~9% YoY to US\$152/US\$140 per tonne in 1Q/2Q24. We expect the pricing to stabilize following the incident. We revise up our 2024E/25E met coal price assumptions by 11%/8% for Yancoal (pricing impact generally lags behind by a couple of months).
- Key risks:** (1) further decline in coal price; (2) rebound of unit cost; (3) unfavourable weather that affects production

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (AUD mn)	10,548	7,778	7,133	6,890	6,876
YoY growth (%)	95.2	(26.3)	(8.3)	(3.4)	(0.2)
Net profit (AUD mn)	3,587.0	1,818.7	1,477.1	1,323.6	1,331.4
EPS (Reported) (AUD)	2.72	1.38	1.12	1.00	1.01
YoY growth (%)	355.0	(49.3)	(18.8)	(10.4)	0.6
Consensus EPS (AUD)	na	na	1.14	1.14	1.16
P/E (x)	2.7	5.3	6.5	7.3	7.2
P/B (x)	1.2	1.1	1.1	1.0	0.9
Yield (%)	16.8	9.5	7.7	6.9	6.9
ROE (%)	50.6	22.1	16.8	14.0	13.2
Net gearing (%)	(25.2)	(14.8)	(25.5)	(31.7)	(39.9)

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** **HK\$45.00**

(Previous TP) **HK\$40**

**Up/Downside** **17.3%**

**Current Price** **HK\$38.35**

**China Energy**

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#### Stock Data

Mkt Cap (HK\$ mn)	50,638.9
Avg 3 mths t/o (HK\$ mn)	69.9
52w High/Low (HK\$)	38.35/23.50
Total Issued Shares (mn)	1320.4

Source: FactSet

#### Shareholding Structure

Yankuang Energy	62.3%
China Cinda AM	7.7%

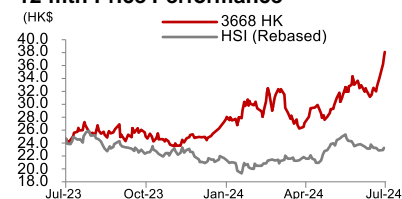
Source: HKEx

#### Share Performance

	Absolute	Relative
1-mth	18.0%	22.1%
3-mth	42.8%	34.2%
6-mth	36.7%	27.0%

Source: FactSet

#### 12-mth Price Performance



Source: FactSet

**Auditor: ShineWing Australia**

#### Related Reports

- Yancoal Australia (3668 HK) – Decline in 2023 net profit largely expected; Valuation to be supported by attractive yield – 26 Feb 2024
- Yancoal Australia (3668 HK) – 1H23E preview: Expect profit decline on weak coal price – 14 Jul 2023

Figure 1: Changes in key operating assumptions and earnings forecast

	Old			New			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Marketable coal production (mn tonnes)</b> (100 % equity basis)									
Consolidated mines									
HVO	13.0	14.0	15.0	13.0	14.0	15.0	0.0%	0.0%	0.0%
Mount Thorley Warkworth (MTW)	13.0	13.5	13.8	13.0	13.5	13.8	0.0%	0.0%	0.0%
Moolarben	18.5	19.0	19.5	18.5	19.0	19.5	0.0%	0.0%	0.0%
Stratford Duralie	0.0	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a
Yarrabee	2.0	2.0	2.0	2.0	2.0	2.0	0.0%	0.0%	0.0%
Middlemount	2.7	3.0	3.3	2.7	3.0	3.3	0.0%	0.0%	0.0%
Ashton	0.3	0.3	0.3	0.3	0.3	0.3	0.0%	0.0%	0.0%
<b>Total</b>	<b>49.5</b>	<b>51.8</b>	<b>53.9</b>	<b>49.5</b>	<b>51.8</b>	<b>53.9</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Sales volume (mn tonnes)</b>									
Thermal	32.1	33.3	33.9	32.1	33.3	33.9	0.0%	0.0%	0.0%
Metallurgical	5.2	5.4	6.0	5.2	5.4	6.0	0.0%	0.0%	0.0%
<b>Total</b>	<b>37.3</b>	<b>38.7</b>	<b>39.9</b>	<b>37.3</b>	<b>38.7</b>	<b>39.9</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>ASP (A\$/t)</b>									
Thermal	170	155	150	170	157	152	0.0%	1.3%	1.3%
Metallurgical	270	260	260	300	280	260	11.1%	7.7%	0.0%
<b>Blended</b>	<b>184</b>	<b>170</b>	<b>167</b>	<b>188</b>	<b>174</b>	<b>168</b>	<b>2.3%</b>	<b>2.7%</b>	<b>1.0%</b>
<b>Cash operating cost breakdown (A\$/tonne)</b>									
Unit cash operating cost	-106	-103	-101	-107	-104	-101	0.3%	0.4%	0.2%
Unit cash operating cost (excluding government royalties)	-90	-88	-86	-90	-88	-86	0.0%	0.0%	0.0%
Unit cash margin (excluding government royalties)	94	82	80	99	86	82	4.5%	5.5%	2.1%
<b>Net profit (A\$ mn)</b>	<b>1,381</b>	<b>1,215</b>	<b>1,287</b>	<b>1,477</b>	<b>1,324</b>	<b>1,331</b>	<b>6.9%</b>	<b>8.9%</b>	<b>3.4%</b>

Source: Company data, CMBIGM estimates

Figure 2: YAL's quarterly operating statistics

	1Q23	1Q24	Chg (YoY)	2Q22	2Q23	Chg (YoY)	3Q22	3Q23	Chg (YoY)	4Q22	4Q23	Chg (YoY)
<b>Marketable coal production (mn tonnes)</b> (100 % equity basis)												
<b>Mines</b>												
HVO	1.8	2.8	56%	2.9	2.4	-17%	2.4	3.0	25%	1.6	3.3	106%
Mount Thorley Warkworth (MTW)	2.0	2.2	10%	1.7	2.6	53%	2.1	3.3	57%	2.3	3.4	48%
Moolarben	2.6	5.0	92%	4.1	4.8	17%	3.4	4.5	32%	3.1	4.8	55%
Stratford Duralie	0.1	0.1	0%	0.1	0.1	0%	0.2	0.2	0%	0.2	0.2	0%
Yarrabee	0.4	0.4	0%	0.5	0.5	0%	0.5	0.5	0%	0.6	0.5	-17%
Middlemount	0.5	0.5	0%	0.6	0.5	-17%	0.7	0.6	-14%	0.5	0.6	20%
Ashton	0.3	0.3	0%	0.2	0	-100%	0.3	0.0	-100%	0.2	0.1	-50%
<b>Total</b>	<b>7.7</b>	<b>11.3</b>	<b>47%</b>	<b>10.1</b>	<b>10.9</b>	<b>8%</b>	<b>9.6</b>	<b>12.1</b>	<b>26%</b>	<b>8.5</b>	<b>12.9</b>	<b>52%</b>
<b>Marketable coal production (mn tonnes)</b> (Attributable basis)												
<b>Total</b>	<b>5.9</b>	<b>8.8</b>	<b>49%</b>	<b>7.4</b>	<b>8.5</b>	<b>15%</b>	<b>7.3</b>	<b>9.3</b>	<b>27%</b>	<b>6.6</b>	<b>9.7</b>	<b>47%</b>
<b>Attributable sales volume (mn tonnes)</b>												
Thermal	4.7	7.3	55%	6.6	7.3	11%	5.8	7.7	33%	5.5	8.7	58%
Metallurgical	1.2	1.0	-17%	1.3	1.2	-8%	0.9	0.9	0%	1.4	1.4	-2%
<b>Total</b>	<b>5.9</b>	<b>8.3</b>	<b>41%</b>	<b>7.9</b>	<b>8.5</b>	<b>8%</b>	<b>6.7</b>	<b>8.6</b>	<b>28%</b>	<b>6.9</b>	<b>10.1</b>	<b>46%</b>
<b>ASP (A\$/tonne)</b>												
Thermal	338	159	-53%	353	197	-44%	489	178	-64%	430	180	-58%
Metallurgical	383	334	-13%	446	403	-10%	434	360	-17%	389	292	-25%
<b>Blended</b>	<b>347</b>	<b>180</b>	<b>-48%</b>	<b>368</b>	<b>226</b>	<b>-39%</b>	<b>481</b>	<b>197</b>	<b>-59%</b>	<b>422</b>	<b>196</b>	<b>-54%</b>
<b>Revenue (A\$ mn)</b>												
Thermal	1,589	1,161	-27%	2,330	1,438	-38%	2,836	1,371	-52%	2,369	1,566	-34%
Metallurgical	460	334	-27%	580	484	-17%	391	324	-17%	556	409	-27%
<b>Total ex-mine coal revenue</b>	<b>2,048</b>	<b>1,495</b>	<b>-27%</b>	<b>2,910</b>	<b>1,922</b>	<b>-34%</b>	<b>3,227</b>	<b>1,695</b>	<b>-47%</b>	<b>2,926</b>	<b>1,975</b>	<b>-32%</b>

Source: Company data, CMBIGM estimates

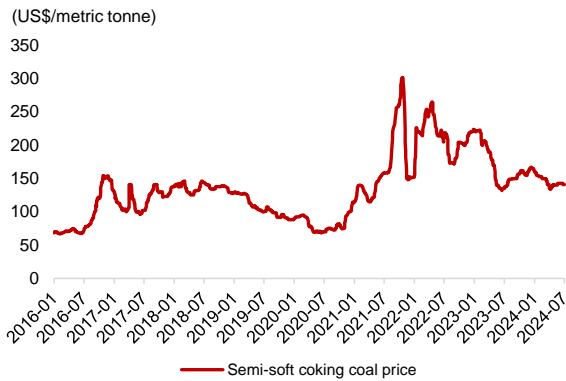
**Figure 3: Key operating assumptions**

	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Marketable coal production (mn tonnes)</b>									
(100 % equity basis)									
<b>Mines</b>									
HVO	13.3	13.7	12.0	10.6	9.6	10.5	13.0	14.0	15.0
Mount Thorley Warkworth (MTW)	12.1	12.1	11.9	11.2	8.1	11.3	13.0	13.5	13.8
Moolarben	16.5	17.8	19.7	18.4	14.9	16.7	18.5	19.0	19.5
Stratford Duralie	0.5	0.8	0.5	0.8	0.7	0.6	0.0	0.0	0.0
Yarrabee	2.6	2.8	3.0	2.6	2.1	1.9	2.0	2.0	2.0
Middlemount	3.8	2.7	2.9	3.7	2.6	2.2	2.7	3.0	3.3
Ashton	1.1	2.2	1.8	1.2	0.9	0.4	0.3	0.3	0.3
<b>Total</b>	<b>49.9</b>	<b>52.1</b>	<b>51.8</b>	<b>48.5</b>	<b>38.9</b>	<b>43.6</b>	<b>49.5</b>	<b>51.8</b>	<b>53.9</b>
<b>Attributable sales volume (mn tonnes)</b>									
Thermal	28.4	30.1	33.2	31.7	24.6	28.4	32.1	33.3	33.9
Metallurgical	5.1	5.5	4.2	5.8	4.7	4.7	5.2	5.4	6.0
<b>Total</b>	<b>33.5</b>	<b>35.6</b>	<b>37.4</b>	<b>37.5</b>	<b>29.3</b>	<b>33.1</b>	<b>37.3</b>	<b>38.7</b>	<b>39.9</b>
<b>Growth (YoY)</b>									
Thermal	83.2%	6.0%	10.3%	-4.5%	-22.4%	15.4%	12.9%	3.8%	2.0%
Metallurgical	34.2%	7.8%	-23.6%	38.1%	-19.0%	0.0%	11.1%	3.8%	10.6%
<b>Average</b>	<b>73.6%</b>	<b>6.3%</b>	<b>5.1%</b>	<b>0.3%</b>	<b>-21.9%</b>	<b>13.0%</b>	<b>12.6%</b>	<b>3.8%</b>	<b>3.2%</b>
<b>ASP (A\$/tonne)</b>									
Thermal	123	100	76	134	372	211	170	157	152
Metallurgical	183	167	123	180	405	356	300	280	260
<b>Blended</b>	<b>132</b>	<b>110</b>	<b>82</b>	<b>141</b>	<b>377</b>	<b>232</b>	<b>188</b>	<b>174</b>	<b>168</b>
<b>ASP growth (YoY)</b>									
Thermal	20.0%	-18.3%	-23.8%	75.4%	177.4%	-43.3%	-19.3%	-7.6%	-3.2%
Metallurgical	12.2%	-8.8%	-26.3%	46.5%	125.0%	-12.1%	-15.7%	-6.7%	-7.1%
<b>Blended</b>	<b>15.4%</b>	<b>-16.2%</b>	<b>-26.1%</b>	<b>72.9%</b>	<b>167.3%</b>	<b>-38.5%</b>	<b>-18.8%</b>	<b>-7.4%</b>	<b>-3.5%</b>
<b>Cash operating cost breakdown (A\$/tonne)</b>									
<b>Unit cash operating cost</b>	<b>-73</b>	<b>-73</b>	<b>-67</b>	<b>-77</b>	<b>-131</b>	<b>-121</b>	<b>-107</b>	<b>-104</b>	<b>-101</b>
Change (YoY)	2.6%	-0.9%	-8.2%	16.2%	69.6%	-8.0%	-11.7%	-2.8%	-2.2%
<b>Unit cash operating cost (excluding government royalties)</b>	<b>-63</b>	<b>-64</b>	<b>-60</b>	<b>-66</b>	<b>-98</b>	<b>-100</b>	<b>-90</b>	<b>-88</b>	<b>-86</b>
Change (YoY)	0.7%	1.6%	-5.4%	9.5%	48.5%	1.9%	-10.3%	-2.0%	-2.0%

Source: Company data, CMBIGM estimates

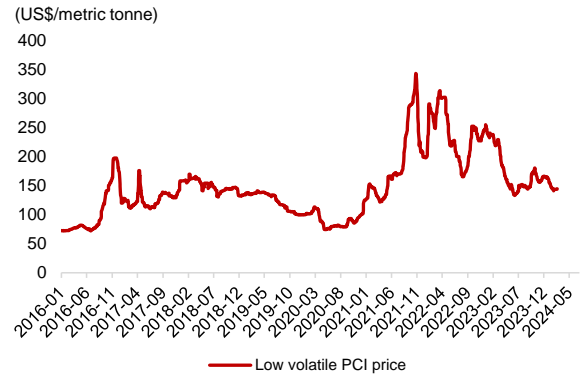
Note: Our unit cost figures are slightly different from the company's due to the difference in transportation cost calculation

**Figure 4: Seaborne semi-soft coking coal (SSCC) price**



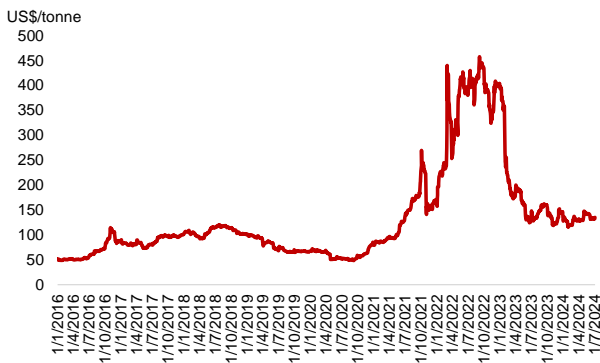
Source: Wind, CMBIGM

**Figure 5: Seaborne pulverised coal injection (PCI) price**



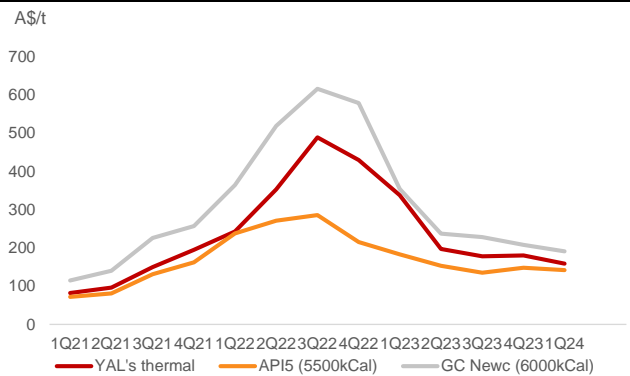
Source: Wind, CMBIGM

**Figure 6: GC Newc (6000/kCal) pricing**



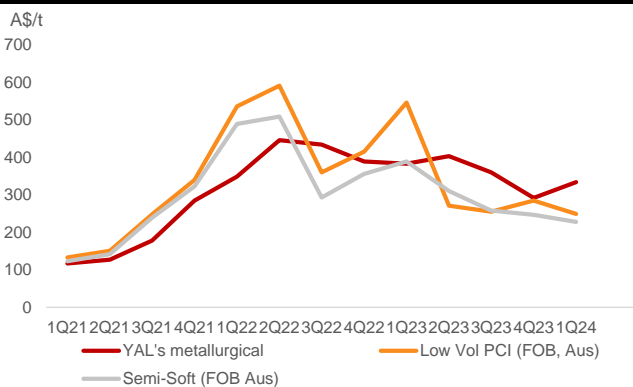
Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

**Figure 7: YAL's thermal ASP vs benchmarks**



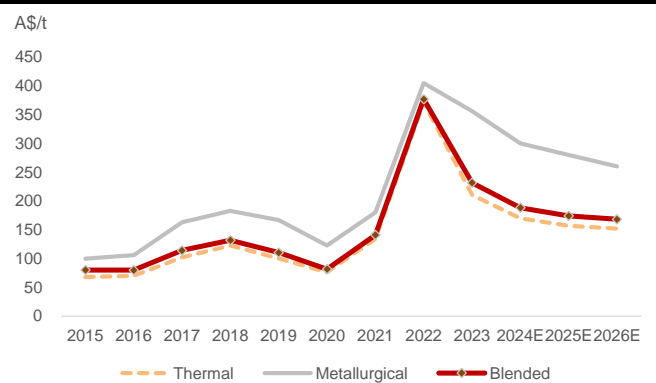
Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

**Figure 8: YAL's metallurgical ASP vs benchmarks**



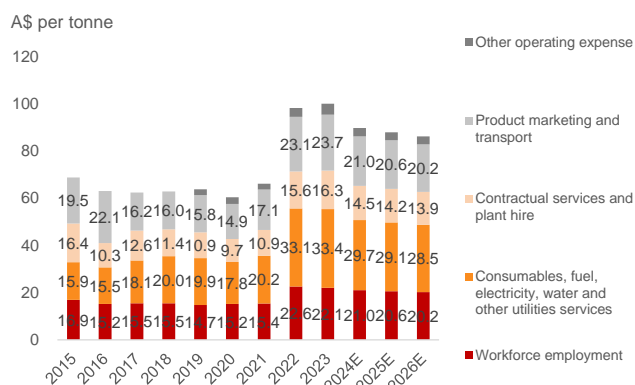
Source: Company data, Argus/McCloskey, GlobalCOAL, CMBIGM

**Figure 9: YAL's ASP assumptions**



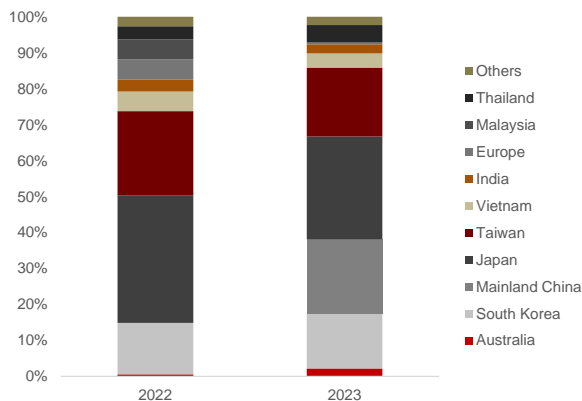
Source: Company data, CMBIGM estimates

Figure 10: YAL's unit cash cost breakdown



Source: Company data, CMBIGM estimates  
Note: Excluding government royalties

Figure 11: YAL's revenue breakdown



Source: Company data, CMBIGM

## Valuation

Maintain BUY with a new TP of HK\$45 (previous HK\$40). We value YAL by net present value (NPV), calculated by the future cash flow of all the reserves based on their effective mine life.

Our key assumptions include:

- Long-term thermal and metallurgical coal price (starting 2027E) of A\$130/t and A\$200/t respectively;
- Long-term unit cash cost inflation of 1% p.a.;
- WACC of 6.9%, based on risk-free rate of 4.2% (10-year Australian government bond yield), risk premium of 6%, 0.5x beta, and 10% debt/capital ratio;
- AUD/HKD rate of HK\$5.27.

Figure 12: TP sensitivity to coal price

WACC	LT coal thermal coal price (A\$/t)				
	90	110	130	150	170
4.9%	25	38	51	64	78
5.9%	24	36	48	59	71
<b>6.9%</b>	24	34	<b>45</b>	55	65
7.9%	23	33	42	51	60
8.9%	23	31	40	48	56

Note: Assuming LT thermal coal price = A\$130/t

WACC	LT metallurgical coal price (A\$/t)				
	160	180	200	220	240
4.9%	46	49	51	54	56
5.9%	43	45	48	50	52
<b>6.9%</b>	41	43	<b>45</b>	46	48
7.9%	39	40	42	44	45
8.9%	37	38	40	41	43

Note: Assuming LT metallurgical coal price = A\$200/t

Source: Company data, CMBIGM estimates

Figure 13: Peers comp

Ticker	Company	Price (local currency)	Market cap (US\$ m)	PE (x)		PB (x)		EV/EBITDA (x)		Div yield (%) FY24E
				FY24E	FY25E	FY24E	FY25E	FY24E	FY25E	
<b>Overseas listed</b>										
YAL AU Equity	YANCOAL AUSTRALIA	7.33	6,532	6.5	7.3	1.0	1.0	2.9	3.2	7.7
WHC AU Equity	WHITEHAVEN COAL	8.97	5,065	9.0	5.4	1.3	1.1	4.0	2.2	2.0
NHC AU Equity	NEW HOPE CORPORATION	5.02	2,864	8.0	7.6	1.6	1.5	4.6	4.4	7.6
BTU US Equity	PEABODY ENERGY	23.29	2,930	9.7	9.5	n/a	n/a	3.0	3.0	1.8
GLEN LN Equity	GLENCORE PLC	483.05	75,526	14.4	11.3	1.7	1.6	6.1	5.5	2.5
BHP AU Equity	BHP BILLITON	44.39	151,937	11.1	11.2	3.4	3.0	5.9	5.7	4.9
AAL LN Equity	ANGLO AMERICAN	2,444.00	38,376	15.0	12.6	1.4	1.4	5.6	5.3	2.7
BANPU TB Equity	BANPU PUBLIC	5.20	1,424	12.7	7.7	0.4	0.4	7.2	6.9	7.0
ADRO IJ Equity	ADARO ENERGY TBK	2,910.00	5,718	5.0	5.8	0.8	0.7	2.5	2.8	8.9
	<b>Average</b>			<b>10.2</b>	<b>8.7</b>	<b>1.5</b>	<b>1.3</b>	<b>4.6</b>	<b>4.3</b>	<b>5.0</b>
<b>Hong Kong listed</b>										
3668 HK Equity	YANCOAL AUSTRALIA	38.35	6,482	6.5	7.3	1.0	1.0	2.9	3.2	7.7
1088 HK Equity	CHINA SHENHUA-H	37.35	118,478	11.5	12.0	1.7	1.5	7.4	7.7	6.5
1171 HK Equity	YANKUANG ENERGY-H	11.42	20,672	6.0	5.9	1.3	1.1	6.4	6.5	9.5
1898 HK Equity	CHINA COAL ENE-H	8.88	20,572	5.7	5.7	0.8	0.6	4.0	4.0	5.4
639 HK Equity	SHOUGANG FUSHAN	3.28	2,068	8.6	8.6	0.9	0.9	3.2	3.1	8.0
	<b>Average</b>			<b>7.7</b>	<b>7.9</b>	<b>1.1</b>	<b>1.0</b>	<b>4.8</b>	<b>4.9</b>	<b>7.4</b>
	<b>Average (total)</b>			<b>9.3</b>	<b>8.4</b>	<b>1.3</b>	<b>1.2</b>	<b>4.7</b>	<b>4.5</b>	<b>5.9</b>

Source: Bloomberg, company data, CMBIGM estimates (for Yancoal)

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (AUD mn)						
<b>Revenue</b>	<b>5,403</b>	<b>10,548</b>	<b>7,778</b>	<b>7,133</b>	<b>6,890</b>	<b>6,876</b>
Royalties and other related payments	(421)	(967)	(685)	(628)	(607)	(606)
Staff costs	(578)	(662)	(730)	(783)	(796)	(805)
Others	(2,232)	(2,548)	(2,901)	(2,819)	(2,856)	(2,864)
Other income	(36)	(132)	26	36	34	34
<b>EBITDA</b>	<b>2,136</b>	<b>6,239</b>	<b>3,488</b>	<b>2,938</b>	<b>2,665</b>	<b>2,635</b>
Depreciation	(831)	(834)	(881)	(859)	(800)	(750)
<b>EBIT</b>	<b>1,305</b>	<b>5,405</b>	<b>2,607</b>	<b>2,079</b>	<b>1,865</b>	<b>1,885</b>
Interest expense	(259)	(459)	(53)	(8)	(8)	(8)
Others	57	146	29	26	22	14
<b>Pre-tax profit</b>	<b>1,103</b>	<b>5,092</b>	<b>2,583</b>	<b>2,098</b>	<b>1,880</b>	<b>1,891</b>
Income tax	(312)	(1,505)	(764)	(620)	(556)	(559)
<b>After tax profit</b>	<b>791</b>	<b>3,587</b>	<b>1,819</b>	<b>1,477</b>	<b>1,324</b>	<b>1,331</b>
Minority interest	0	0	0	0	0	0
<b>Net profit</b>	<b>791</b>	<b>3,587</b>	<b>1,819</b>	<b>1,477</b>	<b>1,324</b>	<b>1,331</b>

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (AUD mn)						
<b>Current assets</b>	<b>2,531</b>	<b>3,810</b>	<b>2,533</b>	<b>3,492</b>	<b>4,328</b>	<b>5,329</b>
Cash & equivalents	1,495	2,699	1,397	2,484	3,245	4,316
Account receivables	707	736	662	647	598	645
Inventories	264	330	416	307	427	315
Other current assets	65	45	58	53	57	53
<b>Non-current assets</b>	<b>9,269</b>	<b>8,991</b>	<b>8,721</b>	<b>8,575</b>	<b>8,287</b>	<b>8,043</b>
PP&E	3,232	3,486	3,582	3,774	3,761	3,744
Right-of-use assets	5,149	4,642	4,278	3,930	3,646	3,416
Deferred income tax	0	0	0	0	0	0
Investment in JVs & assos	303	413	431	444	455	462
Intangibles	138	133	131	128	125	122
Other non-current assets	447	317	299	299	299	299
<b>Total assets</b>	<b>11,800</b>	<b>12,801</b>	<b>11,254</b>	<b>12,067</b>	<b>12,614</b>	<b>13,372</b>
<b>Current liabilities</b>	<b>826</b>	<b>2,532</b>	<b>1,048</b>	<b>1,145</b>	<b>1,073</b>	<b>1,163</b>
Short-term borrowings	66	48	44	44	44	44
Account payables	743	863	734	831	759	849
Other current liabilities	17	1,621	270	270	270	270
<b>Non-current liabilities</b>	<b>4,828</b>	<b>2,239</b>	<b>1,764</b>	<b>1,764</b>	<b>1,764</b>	<b>1,764</b>
Long-term borrowings	3,369	625	102	102	102	102
Other non-current liabilities	1,459	1,614	1,662	1,662	1,662	1,662
<b>Total liabilities</b>	<b>5,654</b>	<b>4,771</b>	<b>2,812</b>	<b>2,909</b>	<b>2,837</b>	<b>2,927</b>
<b>Total shareholders equity</b>	<b>6,144</b>	<b>8,028</b>	<b>8,440</b>	<b>9,156</b>	<b>9,775</b>	<b>10,443</b>
Minority interest	2	2	2	2	2	2
<b>Total equity and liabilities</b>	<b>11,800</b>	<b>12,801</b>	<b>11,254</b>	<b>12,067</b>	<b>12,614</b>	<b>13,372</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 (AUD mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>1,103</b>	<b>5,092</b>	<b>2,583</b>	<b>2,098</b>	<b>1,880</b>	<b>1,891</b>
Depreciation & amortization	831	834	881	859	800	750
Tax paid	0	0	(2,123)	(620)	(556)	(559)
Change in working capital	(193)	80	(129)	226	(147)	159
Others	332	759	(10)	(102)	(131)	(133)
<b>Net cash from operations</b>	<b>2,073</b>	<b>6,765</b>	<b>1,202</b>	<b>2,460</b>	<b>1,846</b>	<b>2,108</b>
<b>Investing</b>						
Capital expenditure	(268)	(544)	(611)	(700)	(500)	(500)
Acquisition of subsidiaries/ investments	(100)	0	0	0	0	0
Others	69	287	97	96	128	134
<b>Net cash from investing</b>	<b>(299)</b>	<b>(257)</b>	<b>(514)</b>	<b>(604)</b>	<b>(372)</b>	<b>(366)</b>
<b>Financing</b>						
Dividend paid	0	(1,626)	(1,413)	(761)	(704)	(664)
Net borrowings	(494)	(1,320)	(496)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	(447)	(2,465)	(95)	(8)	(8)	(8)
<b>Net cash from financing</b>	<b>(941)</b>	<b>(5,411)</b>	<b>(2,004)</b>	<b>(769)</b>	<b>(712)</b>	<b>(671)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	637	1,495	2,699	1,397	2,484	3,245
Exchange difference	25	107	14	0	0	0
<b>Cash at the end of the year</b>	<b>1,495</b>	<b>2,699</b>	<b>1,397</b>	<b>2,484</b>	<b>3,245</b>	<b>4,316</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	55.6%	95.2%	(26.3%)	(8.3%)	(3.4%)	(0.2%)
EBITDA	na	192.1%	(44.1%)	(15.8%)	(9.3%)	(1.1%)
EBIT	na	314.3%	(51.8%)	(20.2%)	(10.3%)	1.1%
Net profit	na	353.7%	(49.3%)	(18.8%)	(10.4%)	0.6%
<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>						
EBITDA margin	39.5%	59.1%	44.8%	41.2%	38.7%	38.3%
Return on equity (ROE)	13.9%	50.6%	22.1%	16.8%	14.0%	13.2%
<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)	0.3	(0.3)	(0.1)	(0.3)	(0.3)	(0.4)
Current ratio (x)	3.1	1.5	2.4	3.0	4.0	4.6
Receivable turnover days	35.5	25.0	32.8	33.5	33.0	33.0
Inventory turnover days	53.3	47.4	52.2	52.0	52.0	52.0
Payable turnover days	100.8	99.4	87.3	86.0	86.0	86.0
<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	12.2	2.7	5.3	6.5	7.3	7.2
P/B	1.6	1.2	1.1	1.1	1.0	0.9
Div yield (%)	9.6	16.8	9.5	7.7	6.9	6.9

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



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