

Alibaba (BABA US)

Driving for monetization improvement while maintaining stabilizing market share

Alibaba reported 1QFY25 (March year-end) results: total revenue was RMB243.2bn, up 3.9% YoY, 2.6% shy of Bloomberg consensus due to reduction of certain direct sales business and softer-than-expected customer management revenue (CMR) growth, while adjusted EBITA/non-GAAP net income for the quarter was RMB45.0bn/40.3bn, both of which were 6% better than consensus, driven by better-than-expected operating efficiency improvement across nearly all major segments. The results demonstrated Alibaba's capability in driving for operating efficiency improvement across business segment, in our view, and management has illustrated a clear path to drive for monetization improvement of Taobao & Tmall (T&T) Group in the coming quarters. Key strategic growth areas such as Cloud Intelligence Group (CIG) and Alibaba International Digital Commerce Group (AIDC) are on track to support Alibaba's long-term revenue and earnings growth, and the potential dual primary listing in Hong Kong and inclusion into Stock Connect could drive rerating for valuation, in our view. Our SOTP based target price was lifted by 1.5% to US\$126.9 driven by potentially better monetization outlook from CMR business. Maintain BUY.

- **Management remains upbeat on potential of monetization improvement for T&T Group.** Alibaba generated revenue of RMB80.1bn from its CMR in 1QFY25, up 0.6% YoY, primarily due to high-single-digit YoY growth in online GMV, while partly offset by a decline in take rate which management attributed to the increase in proportion of GMV generated from new models that currently have lower monetization. However, management is upbeat on the potential to drive back CMR growth inline with GMV growth in the coming quarters, aided by: 1) incremental technical services charged on merchants; 2) potential increase in monetization from the new models; 3) the increase in adoption of Quanzhantui, which features automated bidding, optimized targeting and performance dashboard visualization, and is expected to align the interest among merchants, e-commerce platforms and consumers, as it could enhance consumer experience and merchants ROI at the same time, and can help expand the potential traffic pool for monetization.
- **Adjusted EBITA margin of cloud business has potential to expand further.** Revenue of CIG came in at RMB26.5bn in 1QFY25, up 5.9% YoY, driven by double-digit public cloud growth and increasing adoption of AI-related products, while adjusted EBITA margin for CIG reached 8.8% in 1QFY25, expanding 5.1ppt YoY, thanks to improving product mix through management's focus on public cloud adoption and operating efficiency. Management believes that there is still room for margin expansion although incremental capex investments will be made to fulfil the mounting industry demand for AI cloud.
- **Remains committed to enhance shareholder return.** During 1QFY25, Alibaba repurchased 77mn ADS for a total of US\$5.8bn, and the net decrease in ordinary shares implies a 2.3% net reduction in outstanding shares as of 31 Mar 2024.

BUY (Maintain)

Target Price **US\$126.90**
 (Previous TP) US\$124.90
Up/Downside **59.7%**
Current Price **US\$79.47**

China Internet

Saiyi HE, CFA
 (852) 3916 1739
 hesaiyi@cmbi.com.hk

Ye TAO
 franktao@cmbi.com.hk

Wentao LU, CFA
 luwentao@cmbi.com.hk

Stock Data

Mkt Cap (US\$ mn)	202,241.2
Avg 3 mths t/o (US\$ mn)	341.0
52w High/Low (US\$)	95.01/68.05
Total Issued Shares (mn)	2544.9

Source: FactSet

Shareholding Structure

SoftBank	13.9%
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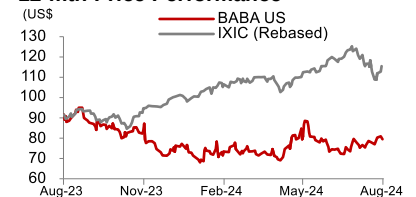
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	1.9%	9.5%
3-mth	-1.9%	-4.4%
6-mth	7.7%	-0.4%

Source: FactSet

12-mth Price Performance



Source: FactSet

Earnings Summary

(YE 31 Mar)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	868,687	941,168	1,028,217	1,115,664	1,189,396
YoY growth (%)	1.8	8.3	9.2	8.5	6.6
Net profit (RMB mn)	72,509.0	79,741.0	121,329.6	143,742.1	153,643.8
Adjusted net profit (RMB mn)	143,991.0	158,359.0	147,035.0	171,075.9	182,189.3
YoY growth (%)	0.3	10.0	(7.2)	16.4	6.5
EPS (Adjusted) (RMB)	54.91	62.77	60.09	72.07	78.32
Consensus EPS (RMB)	na	62.23	61.77	69.27	77.30
P/E (x)	20.5	18.0	11.5	9.4	8.6
ROE (%)	7.4	8.0	10.4	10.2	9.7

Source: Company data, Bloomberg, CMBIGM estimates

Key business segment update

Taobao and Tmall Group (42.8% of 1QFY25 revenue)

In 1QFY25, revenue generated from T&T Group was RMB113.4bn, down 1% YoY, among which revenue generated from CMR came in at RMB80.1bn, up 0.6% YoY, thanks to high-single-digit YoY growth in online GMV, partly offset by a decline in take rate. Management attributed the decline in take rate to increasing proportion of GMV generated from new models that currently have lower monetization rate, but it expects CMR growth to catch up with GMV growth in the coming quarters with the ramp-up in monetization of the new models.

Adjusted EBITA for the segment was RMB48.8bn in 1QFY25, down 1.0% YoY, due to the increase in investments in user experience and technology infrastructure.

AIDC (11.1% of 1QFY25 revenue)

In 1QFY25, revenue generated from Alibaba International Digital Commerce Group (AIDC) was RMB29.3bn, up 32.4% YoY, among which international commerce retail revenue was up 38.2% YoY and international commerce wholesale was up 12.4% YoY.

Adjusted EBITA loss for AIDC expanded from RMB420mn in 1QFY24 to RMB3.7bn in 1QFY25, due to the increase in investments in AliExpress and Trendyol's cross-border businesses, but the loss has narrowed from RMB4.1bn in 4QFY24, which is better than our expectation at RMB4.1bn, and in our view demonstrated better-than-expected operating efficiency improvement amidst business expansion.

Local Services Group (6.1% of 1QFY25 revenue)

Revenue from Local Services Group (LSG) was RMB16.2bn in 1QFY25, up 12% YoY, thanks to order growth in both Ele.me and Amap businesses. LSG's adjusted EBITA loss narrowed to RMB386mn in 1QFY25 (1QFY24: loss of RMB2.0bn), and was significantly better than consensus at RMB2.0bn, thanks to improving operating efficiency and increasing scale.

Cainiao (10.1% of 1QFY25 revenue)

Revenue from Cainiao came in at RMB26.8bn in 1QFY25, up 15.7% YoY, thanks to the increase in revenue from cross-border fulfilment solutions. Adjusted EBITA margin for Cainiao was 2.3% in 1QFY25 (1QFY24: 3.8%), primarily due to increased investments in cross-border fulfilment solutions, partly offset by improved operating efficiency.

Figure 1: Alibaba: summary of quarterly results

(RMBbn)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	1QFY25E Consensus	Diff%
Taobao and Tmall Group	102.5	93.7	127.1	89.9	115.0	97.7	129.1	93.2	113.4	117.6	-3.6%
YoY %					12.1%	4.2%	1.6%	3.7%	-1.4%		
- CMR	72.4	66.9	91.7	60.5	79.7	68.7	92.1	63.6	80.1	81.8	-2.1%
YoY %					10.0%	2.7%	0.5%	5.0%	0.6%		
- Direct sales and others	25.0	22.6	31.0	25.2	30.2	23.9	31.6	24.7	27.3	29.7	-7.9%
YoY %					20.7%	5.9%	2.0%	-2.1%	-9.5%		
Alibaba International Digital Commerce Group	15.7	16.0	19.8	18.9	22.1	24.5	28.5	27.4	29.3	29.5	-0.7%
YoY %					40.7%	52.8%	43.8%	45.1%	32.4%		
Local Services Group	11.1	13.4	13.4	12.3	14.5	15.6	15.2	14.6	16.2	16.2	0.3%
YoY %					29.8%	16.3%	13.2%	18.5%	12.3%		
Cainiao Smart Logistics Network Limited	17.3	18.3	23.0	18.9	23.2	22.8	28.5	24.6	26.8	28.5	-5.9%
YoY %					34.0%	24.8%	23.7%	29.8%	15.7%		
Cloud Intelligence Group	24.1	27.0	27.4	24.7	25.1	27.6	28.1	25.6	26.5	26.3	1.1%
YoY %					3.9%	2.3%	2.6%	3.4%	5.9%		
Digital Media and Entertainment Group	4.0	5.2	4.3	5.0	5.4	5.8	5.0	4.9	5.6	5.5	0.7%
YoY %					35.7%	10.5%	18.3%	-0.9%	3.7%		
All others	45.2	48.1	50.3	53.3	45.8	48.1	47.0	51.5	47.0	45.1	4.2%
YoY %					1.4%	-0.2%	-6.6%	-3.5%	2.6%		
Consolidated revenue	205.6	207.2	247.8	208.2	234.2	224.8	260.3	221.9	243.2	249.8	-2.6%
YoY %	-0.1%	3.2%	2.1%	2.0%	13.9%	8.5%	5.1%	6.6%	3.9%		
Gross profit	75.9	76.0	97.8	69.4	91.8	85.1	104.1	73.8	97.1	93.7	3.6%
Operating profit	24.9	25.1	35.0	15.2	42.5	33.6	22.5	14.8	36.0	32.9	9.4%
Net profit	22.7	-20.6	46.8	23.5	34.3	27.7	14.4	3.3	24.3	21.4	13.5%
Adjusted net profit	31.4	34.3	50.3	28.0	44.7	40.1	48.2	25.3	40.3	38.1	5.6%
YoY %	-31.5%	12.6%	9.9%	30.3%	42.7%	16.8%	-4.3%	-9.4%	-10.0%		
Gross profit margin (%)	36.9%	36.7%	39.5%	33.3%	39.2%	37.9%	40.0%	33.3%	39.9%	37.5%	2.4 ppt
G&A expense ratio (%)	4.1%	5.1%	4.2%	6.2%	3.1%	4.2%	4.3%	6.3%	5.5%	4.9%	0.6 ppt
R&D expense ratio (%)	6.9%	7.3%	5.5%	6.7%	4.5%	6.3%	5.2%	6.3%	5.5%	5.7%	-0.2 ppt
S&M expense ratio (%)	12.4%	10.8%	12.4%	12.0%	11.6%	11.3%	13.0%	13.0%	13.4%	12.8%	0.6 ppt
Operating margin (%)	12.1%	12.1%	14.1%	7.3%	18.1%	14.9%	8.6%	6.7%	14.8%	13.2%	1.6 ppt
NPM (%)	11.1%	-9.9%	18.9%	11.3%	14.7%	12.3%	5.5%	1.5%	10.0%	8.6%	1.4 ppt
Non-IFRS NPM (%)	15.3%	16.6%	20.3%	13.4%	19.1%	17.8%	18.5%	11.4%	16.6%	15.3%	1.3 ppt

Source: Bloomberg, Company data, CMBIGM

Figure 2: Alibaba: adjusted EBITA and margin summary

Adjusted EBITA (RMBmn)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	4QFY25	1QFY25E Consensus	Diff%
Taobao and Tmall Group	45,219	45,635	59,245	39,041	49,319	47,077	59,930	38,501	48,810	48,671	0.3%
Alibaba International											
Digital Commerce Group	-1,380	-748	-645	-2,171	-420	-384	-3,146	-4,085	-3,706	-3,864	
Local Services Group	-2,834	-3,328	-2,923	-4,063	-1,982	-2,564	-2,068	-3,198	-386	-2,026	
Cainiao Smart Logistics Network Limited	-185	125	-12	-319	877	906	961	-1,342	618	-246	
Cloud Intelligence Group	188	981	1,269	987	916	1,409	2,364	1,432	2,337	1,438	
Digital Media and Entertainment Group	-907	-362	-391	-1,129	63	-201	-517	-884	-103	-407	
All others	-2,275	-2,884	-1,698	-1,855	-1,733	-1,437	-3,172	-2,818	-1,263	-1,602	
Consolidated EBITA	34,419	36,164	52,048	25,280	45,371	42,845	52,843	23,969	45,035	42,517	5.9%
Adjusted EBITA margin											
(%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	4QFY25	1QFY25E Consensus	Diff%
Taobao and Tmall Group	44.1%	48.7%	46.6%	43.4%	42.9%	48.2%	46.4%	41.3%	43.1%	41.4%	1.7 ppt
Alibaba International											0.4 ppt
Digital Commerce Group	-8.8%	-4.7%	-3.3%	-11.5%	-1.9%	-1.6%	-11.0%	-14.9%	-12.7%	-13.1%	10.1 ppt
Local Services Group	-25.5%	-24.9%	-21.8%	-32.9%	-13.7%	-16.5%	-13.6%	-21.9%	-2.4%	-12.5%	3.2 ppt
Cainiao Smart Logistics Network Limited	-1.1%	0.7%	-0.1%	-1.7%	3.8%	4.0%	3.4%	-5.5%	2.3%	-0.9%	3.3 ppt
Cloud Intelligence Group	0.8%	3.6%	4.6%	4.0%	3.7%	5.1%	8.4%	5.6%	8.8%	5.5%	5.5 ppt
Digital Media and Entertainment Group	-22.9%	-6.9%	-9.2%	-22.6%	1.2%	-3.5%	-10.3%	-17.9%	-1.8%	-7.3%	0.9 ppt
All others	-5.0%	-6.0%	-3.4%	-3.5%	-3.8%	-3.0%	-6.7%	-5.5%	-2.7%	-3.6%	1.5 ppt
Consolidated EBITA margin	16.7%	17.5%	21.0%	12.1%	19.4%	19.1%	20.3%	10.8%	18.5%	17.0%	

Source: Bloomberg, Company data, CMBIGM

Revision of forecast and valuation

Figure 3: Alibaba: forecast revision

RMB bn	Current			Previous			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	1,028.2	1,115.7	1,189.4	1017.4	1101.7	1173.5	1.1%	1.3%	1.4%
Gross profit	393.3	426.7	454.9	378.5	407.6	436.5	3.9%	4.7%	4.2%
Non-GAAP net profit	147.0	171.1	182.2	153.3	168.4	180.2	-4.1%	1.6%	1.1%
Gross margin	38.3%	38.3%	38.3%	37.2%	37.0%	37.2%	1.1 ppt	1.3 ppt	1.1 ppt
Non-GAAP net margin	14.3%	15.3%	15.3%	15.1%	15.3%	15.4%	-0.8 ppt	0.0 ppt	0.0 ppt

Source: CMBIGM estimates

Valuation: target price of US\$126.9 per ADS

Our new SOTP-based target price of US\$126.9 (was US\$124.9) translates into 15.4/12.8x FY25E/FY26E PE (non-GAAP). Our new target price comprises:

- 1) US\$60.7 per ADS (was US\$58.5) for Taobao and Tmall Group, based on unchanged 7.0x EV/adjusted EBITA;
- 2) US\$11.1 per ADS for AIDC (was US\$11.3), based on a 1.5x FY25E EV/revenue multiple. Currently, we are assuming a 10% net profit margin and 15x PE for the business at steady state;
- 3) US\$5.6 per ADS for Local Services Group (was US\$5.7), based on an unchanged 1.5x FY25E EV/revenue multiple;
- 4) US\$2.6 per ADS for Cainiao (was US\$2.6), based on the latest valuation given by Alibaba to repurchase Cainiao shares from minority shareholders, and Alibaba's current 63.7% shareholding on a fully diluted basis;
- 5) US\$24.3 per ADS for the Cloud Intelligence Group (was US\$24.3), based on a 3.9x FY25E EV/revenue multiple;
- 6) US\$1.2 per ADS for Digital Media and Entertainment Group (was US\$1.3), based on a 1.0x FY25E EV/revenue multiple;
- 7) US\$10.1 per ADS for All Others (was US\$9.7), based on an unchanged 1.0x FY25E EV/revenue multiple;
- 8) US\$11.3 per ADS (was US\$11.6) for strategic investments with a 30% holding discount.

Figure 4: Alibaba: SOTP valuation

#	Segment (USDmn)	Valuation method	FY25E Rev (USDmn)	Adj. EBITA post tax	P/E (x)	EV/S (x)	Val. Rmb mn	Val. US\$m	\$/share	Value split
1	Taobao and Tmall Group	7.0x FY25E P/E; 20% tax rate on adjusted EBITA	62,100	22,058	7.0		1,116,347	154,405	60.7	48%
2	International Digital Commerce Group	1.5x FY25E EV/S	18,830			1.5	204,210	28,245	11.1	9%
3	Local Services Group	1.5x FY25E EV/S	9,289			1.5	103,423	14,305	5.6	4%
4	Cainiao Smart Logistics Network Limited	Last round transaction value; 63.7% shareholding	15,846				47,578	6,581	2.6	2%
5	Cloud Intelligence Group	3.9x FY25E EV/S on revenue before intersegment elimination	16,037			3.9	446,398	61,743	24.3	19%
6	Digital Media and Entertainment Group	1.0x FY25E EV/S, inline with iQIYI trading EV/S	3,033			1.0	22,804	3,154	1.2	1%
7	All others	1.0x FY25E EV/S	27,134			1.0	186,369	25,777	10.1	8%
Total Alibaba business							2,127,128	294,209	115.6	
INVESTMENTS										
1	Ant Group	Last round share buyback valuation; 33% share holding					187,143	25,884	10.2	
2	Others	Market valuation					110,747	15,318	6.0	
Total investment (with 30% holding discount)									11.3	9%
Total (US\$m)									126.9	
#s of diluted ADS (mn)									2,545	

Source: CMBIGM estimates

Risks

- 1) Investments for driving business growth pose a more severe impact on margin than we expect;
- 2) Consumption recovery takes longer than we expect.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Revenue	853,062	868,687	941,168	1,028,217	1,115,664	1,189,396
Cost of goods sold	(539,450)	(549,695)	(586,323)	(634,924)	(688,922)	(734,452)
Gross profit	313,612	318,992	354,845	393,293	426,741	454,944
Operating expenses	(243,974)	(218,641)	(241,495)	(241,631)	(257,718)	(271,182)
SG&A expense	(151,721)	(145,679)	(157,126)	(177,882)	(189,663)	(199,819)
R&D expense	(55,465)	(56,744)	(52,256)	(56,552)	(60,246)	(63,038)
Others	(36,788)	(16,218)	(32,113)	(7,198)	(7,810)	(8,326)
Operating profit	69,638	100,351	113,350	151,662	169,023	183,762
Interest income	(15,702)	(11,071)	(9,964)	(6,169)	(6,917)	(7,612)
Interest expense	(4,909)	(5,918)	(7,947)	(8,740)	(9,483)	(9,515)
Other income/expense	10,523	5,823	6,157	2,056	6,136	5,947
Pre-tax profit	59,550	89,185	101,596	138,809	158,759	172,581
Income tax	(26,815)	(15,549)	(22,529)	(27,762)	(31,752)	(37,968)
Others	14,344	(8,063)	(7,735)	6,169	7,810	9,515
After tax profit	47,079	65,573	71,332	117,217	134,817	144,129
Minority interest	15,170	7,210	8,677	4,113	8,925	9,515
Others	(290)	(274)	(268)	0	0	0
Net profit	61,959	72,509	79,741	121,330	143,742	153,644
Adjusted net profit	143,515	143,991	158,359	147,035	171,076	182,189
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Current assets	638,535	697,966	752,864	922,212	1,041,275	1,163,262
Cash & equivalents	189,898	193,086	248,125	405,748	512,722	624,839
Restricted cash	37,455	36,424	38,299	38,299	38,299	38,299
Prepayment	145,995	137,072	143,536	155,261	167,350	177,220
Financial assets at FVTPL	265,187	331,384	322,904	322,904	322,904	322,904
Non-current assets	1,057,018	1,055,078	1,011,965	1,167,871	1,246,881	1,328,017
PP&E	171,806	176,031	185,161	298,173	347,262	398,407
Investment in JVs & assos	219,642	207,380	203,131	205,051	208,612	213,878
Intangibles	59,231	46,913	26,950	122,333	145,677	168,506
Goodwill	269,581	268,091	259,679	259,679	259,679	259,679
Financial assets at FVTPL	223,611	245,737	220,942	220,942	220,942	220,942
Other non-current assets	113,147	110,926	116,102	61,693	64,709	66,606
Total assets	1,695,553	1,753,044	1,764,829	2,090,083	2,288,156	2,491,280
Current liabilities	383,784	385,351	421,507	412,810	448,350	480,218
Short-term borrowings	8,841	7,466	12,749	13,806	14,980	15,970
Tax payable	21,753	12,543	9,068	23,598	26,036	29,995
Other current liabilities	81,730	89,392	101,807	92,647	100,526	107,170
Accrued expenses	271,460	275,950	297,883	282,760	306,808	327,084
Non-current liabilities	229,576	244,772	230,723	237,258	245,450	252,357
Long-term borrowings	38,244	52,023	55,686	54,849	54,849	54,849
Deferred income	3,490	3,560	4,069	4,406	4,781	5,097
Other non-current liabilities	187,842	189,189	170,968	178,004	185,821	192,412
Total liabilities	613,360	630,123	652,230	650,068	693,800	732,575
Share capital	1	1	1	1	1	1
Capital surplus	410,506	416,880	397,999	526,520	546,044	566,264
Retained earnings	563,557	599,028	597,897	800,367	944,109	1,097,753
Other reserves	(15,930)	(16,394)	1,375	2,511	2,511	2,511
Total shareholders equity	958,134	999,515	997,272	1,329,399	1,492,665	1,666,529
Minority interest	124,059	123,406	115,327	110,616	101,691	92,176
Total equity and liabilities	1,695,553	1,753,044	1,764,829	2,090,083	2,288,156	2,491,280

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar (RMB mn)						
Operating						
Profit before taxation	59,550	89,185	101,596	138,809	158,759	172,581
Depreciation & amortization	48,065	46,938	44,504	7,198	7,810	8,326
Tax paid	(26,815)	(15,549)	(22,529)	(27,762)	(31,752)	(37,968)
Change in working capital	(18,150)	13,482	(13,749)	53,914	24,519	23,542
Others	80,109	65,696	72,771	21,149	22,459	22,694
Net cash from operations	142,759	199,752	182,593	193,308	181,795	189,176
Investing						
Capital expenditure	(53,309)	(34,330)	(32,087)	(47,298)	(49,089)	(51,144)
Acquisition of subsidiaries/ investments	(15)	(22)	(842)	(31,154)	(31,154)	(31,154)
Net proceeds from disposal of short-term investments	(106,984)	(61,086)	71,426	0	0	0
Others	(38,284)	(40,068)	(60,321)	4,249	4,249	4,249
Net cash from investing	(198,592)	(135,506)	(21,824)	(74,203)	(75,994)	(78,049)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	109	11	843	0	0	0
Share repurchases	(61,225)	(74,746)	(88,745)	0	0	0
Others	(3,333)	9,116	(20,342)	219	1,174	990
Net cash from financing	(64,449)	(65,619)	(108,244)	219	1,174	990
Net change in cash						
Cash at the beginning of the year	356,469	227,353	229,510	286,424	405,748	512,722
Exchange difference	(8,834)	3,530	4,389	0	0	0
Cash at the end of the year	227,353	229,510	286,424	405,748	512,722	624,839
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Revenue	18.9%	1.8%	8.3%	9.2%	8.5%	6.6%
Gross profit	5.9%	1.7%	11.2%	10.8%	8.5%	6.6%
Operating profit	(22.3%)	44.1%	13.0%	33.8%	11.4%	8.7%
Net profit	(58.8%)	17.0%	10.0%	52.2%	18.5%	6.9%
Adj. net profit	(19.8%)	0.3%	10.0%	(7.2%)	16.4%	6.5%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Gross profit margin	36.8%	36.7%	37.7%	38.3%	38.3%	38.3%
Operating margin	8.2%	11.6%	12.0%	14.8%	15.2%	15.5%
Adj. net profit margin	16.8%	16.6%	16.8%	14.3%	15.3%	15.3%
Return on equity (ROE)	6.5%	7.4%	8.0%	10.4%	10.2%	9.7%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
Net debt to equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Current ratio (x)	1.7	1.8	1.8	2.2	2.3	2.4
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Mar						
P/E	24.7	20.5	18.0	11.5	9.4	8.6
P/E (diluted)	25.0	20.7	18.1	11.6	9.5	8.7
P/B	1.6	1.5	1.4	1.1	0.9	0.8
P/CFPS	17.3	9.1	9.6	9.6	10.3	9.7

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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