

# TME (TME US)

## Inline 3Q24 results; SVIP evolves as the new growth driver

TME reported 3Q24 results on 12 Nov: total revenue increased by 7% YoY to RMB7.02bn, in line with our/Bloomberg consensus estimate; non-IFRS net income grew by 29% YoY to RMB1.81bn, also in line with our/consensus estimate of RMB1.76/1.79bn. The number of SVIP subscribers achieved the 10mn milestone in Sept 2024, and we expect it to become a key driver of the music ARPPU and revenue growth going forward. Looking ahead, we expect total revenue/non-IFRS net income to grow by 6/26% YoY to RMB7.31/1.98bn in 4Q24E. For FY25E, management expects total revenue growth to accelerate with further margin improvement, driven by the balanced growth of music subscribers and ARPPU. We keep our FY24-26 total revenue forecast largely unchanged, and maintain our DCF-derived TP of US\$16.0. Maintain BUY.

■ **Strong online music business on balanced paid user and ARPPU growth.** Online music revenue was up by 20% YoY to RMB5.48bn in 3Q24, fuelled by the solid growth of both subscription/non-subscription revenues (+20/21% YoY). The number of paid users recorded QoQ net adds of 2.0mn to 119.0mn in 3Q24 (+16% YoY); monthly ARPPU increased by 4% YoY and 1% QoQ to RMB10.8 in 3Q24. Total number of SVIP subscribers surpassed 10mn as of Sep 2024 (c.8% of total paid user base), with ARPPU and user engagement both higher than non-SVIP subscribers. Advertising revenue maintained strong YoY growth in 3Q24, driven by ad-supported mode and interactive ads. Social entertainment and others revenue was down by 24% YoY and 12% QoQ to RMB1.54bn in 3Q24, due to adjustment of certain live streaming functions and intense competition.

■ **Music subscription and ARPPU growth to sustain in FY25E.** Looking ahead to 4Q24E, we expect total revenue to increase by 6% YoY to RMB7.31bn, with online music revenue up by 15% YoY and social entertainment revenue down by 17% YoY respectively. For online music business, we expect c.2mn QoQ net paid user adds and 2% QoQ ARPPU growth in 4Q24E. The company will continue to control its promotion discount for music subscription and drive further SVIP adoption over the coming quarters, which shall support the balanced growth of music subscribers and ARPPU in FY25E in our view.

■ **Expect further margin expansion in FY25E.** TME GPM rose by 6.9ppt YoY and 0.6ppt QoQ to 42.6% in 3Q24, mainly attributable to 1) solid growth of music ARPPU & ad revenue; and 2) an increased proportion of self-produced music content. Non-IFRS net margin expanded by 4.4ppt YoY to 25.9% in 3Q24. For 4Q24E, we forecast GPM/non-IFRS net margin to improve by 5.0/4.2ppt YoY to 43.3/27.0%, underpinned by strong operating leverage and optimized content costs. For FY25E, management expects GPM and NPM to further increase, but at a slower pace compared to FY24.

### Earnings Summary

| (YE 31 Dec)                  | FY22A   | FY23A   | FY24E   | FY25E   | FY26E    |
|------------------------------|---------|---------|---------|---------|----------|
| Revenue (RMB mn)             | 28,339  | 27,752  | 28,254  | 31,193  | 34,364   |
| Gross margin (%)             | 31.0    | 35.3    | 42.3    | 44.5    | 45.5     |
| Adjusted net profit (RMB mn) | 4,745.0 | 5,923.0 | 7,331.9 | 8,785.4 | 10,296.7 |
| EPS (Adjusted) (RMB)         | 2.96    | 3.74    | 4.70    | 5.63    | 6.59     |
| Consensus EPS (RMB)          | 2.96    | 3.74    | 4.78    | 5.58    | 6.36     |
| P/E (x)                      | 34.7    | 24.8    | 18.8    | 16.0    | 13.7     |

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** US\$16.00  
**Up/Downside** 38.5%  
**Current Price** US\$11.55

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### Stock Data

|                          |            |
|--------------------------|------------|
| Mkt Cap (US\$ mn)        | 17,798.5   |
| Avg 3 mths t/o (US\$ mn) | 29.3       |
| 52w High/Low (US\$)      | 15.49/7.43 |
| Total Issued Shares (mn) | 1541.0     |

Source: FactSet

### Shareholding Structure

|         |       |
|---------|-------|
| Tencent | 52.5% |
| Spotify | 8.2%  |

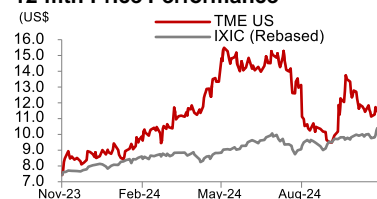
Source: Company data

### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -9.6%    | -14.1%   |
| 3-mth | -12.0%   | -23.5%   |
| 6-mth | -13.4%   | -26.7%   |

Source: FactSet

### 12-mth Price Performance



Source: FactSet

## Business forecasts update and valuation

Figure 1: TME: forecast revision

| RMB mn              | Current |        |        | Previous |        |        | Change (%) |          |          |
|---------------------|---------|--------|--------|----------|--------|--------|------------|----------|----------|
|                     | FY24E   | FY25E  | FY26E  | FY24E    | FY25E  | FY26E  | FY24E      | FY25E    | FY26E    |
| Revenue             | 28,254  | 31,193 | 34,364 | 28,415   | 31,447 | 34,582 | -0.6%      | -0.8%    | -0.6%    |
| Gross profit        | 11,939  | 13,876 | 15,629 | 12,000   | 13,912 | 15,604 | -0.5%      | -0.3%    | 0.2%     |
| Operating profit    | 8,602   | 9,893  | 11,550 | 8,523    | 9,883  | 11,616 | 0.9%       | 0.1%     | -0.6%    |
| Non-IFRS net profit | 7,332   | 8,785  | 10,297 | 7,501    | 8,913  | 10,474 | -2.3%      | -1.4%    | -1.7%    |
| Non-IFRS EPS (RMB)  | 4.7     | 5.6    | 6.6    | 4.8      | 5.7    | 6.7    | -2.3%      | -1.4%    | -1.7%    |
| Gross margin        | 42.3%   | 44.5%  | 45.5%  | 42.2%    | 44.2%  | 45.1%  | 0.0 ppt    | 0.2 ppt  | 0.4 ppt  |
| Operating margin    | 30.4%   | 31.7%  | 33.6%  | 30.0%    | 31.4%  | 33.6%  | 0.5 ppt    | 0.3 ppt  | 0.0 ppt  |
| Non-IFRS net margin | 26.0%   | 28.2%  | 30.0%  | 26.4%    | 28.3%  | 30.3%  | -0.4 ppt   | -0.2 ppt | -0.3 ppt |

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

| RMB mn              | CMBIGM |        |        | Consensus |        |        | Diff (%) |         |         |
|---------------------|--------|--------|--------|-----------|--------|--------|----------|---------|---------|
|                     | FY24E  | FY25E  | FY26E  | FY24E     | FY25E  | FY26E  | FY24E    | FY25E   | FY26E   |
| Revenue             | 28,254 | 31,193 | 34,364 | 28,371    | 31,269 | 34,440 | -0.4%    | -0.2%   | -0.2%   |
| Gross profit        | 11,939 | 13,876 | 15,629 | 11,942    | 13,624 | 15,255 | 0.0%     | 1.8%    | 2.4%    |
| Operating profit    | 8,602  | 9,893  | 11,550 | 8,163     | 9,546  | 10,834 | 5.4%     | 3.6%    | 6.6%    |
| Non-IFRS net profit | 7,332  | 8,785  | 10,297 | 7,372     | 8,599  | 9,795  | -0.5%    | 2.2%    | 5.1%    |
| Non-IFRS EPS (RMB)  | 4.7    | 5.6    | 6.6    | 4.8       | 5.6    | 6.4    | -1.9%    | 0.8%    | 3.7%    |
| Gross margin        | 42.3%  | 44.5%  | 45.5%  | 42.1%     | 43.6%  | 44.3%  | 0.2 ppt  | 0.9 ppt | 1.2 ppt |
| Operating margin    | 30.4%  | 31.7%  | 33.6%  | 28.8%     | 30.5%  | 31.5%  | 1.7 ppt  | 1.2 ppt | 2.2 ppt |
| Non-IFRS net margin | 26.0%  | 28.2%  | 30.0%  | 26.0%     | 27.5%  | 28.4%  | 0.0 ppt  | 0.7 ppt | 1.5 ppt |

Source: Bloomberg, CMBIGM estimates

Figure 3: TME: quarterly financials

| (RMB mn)                   | 3Q22         | 4Q22         | 1Q23         | 2Q23         | 3Q23         | 4Q23         | 1Q24         | 2Q24         | 3Q24         | Cons.        | Diff%       | CMBI         | Diff%        |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
| Online music               | 3,430        | 3,559        | 3,501        | 4,249        | 4,553        | 5,022        | 5,007        | 5,424        | 5,480        |              |             |              |              |
| YoY change (%)             | 18.8%        | 23.6%        | 33.8%        | 47.6%        | 32.7%        | 41.1%        | 43.0%        | 27.7%        | 20.4%        |              |             |              |              |
| Subscription revenue       | 2,249        | 2,352        | 2,599        | 2,890        | 3,193        | 3,417        | 3,618        | 3,740        | 3,842        |              |             |              |              |
| YoY change (%)             | 18.3%        | 20.6%        | 30.4%        | 37.2%        | 42.0%        | 45.3%        | 39.2%        | 29.4%        | 20.3%        |              |             |              |              |
| Other revenue              | 1,181        | 1,207        | 902          | 1,359        | 1,360        | 1,605        | 1,389        | 1,684        | 1,638        |              |             |              |              |
| YoY change (%)             | 19.7%        | 29.8%        | 44.8%        | 76.1%        | 15.1%        | 32.9%        | 54.0%        | 23.9%        | 20.5%        |              |             |              |              |
| Social entertainment       | 3,935        | 3,866        | 3,503        | 3,037        | 2,016        | 1,871        | 1,761        | 1,736        | 1,535        |              |             |              |              |
| YoY change (%)             | -20.0%       | -18.2%       | -13.0%       | -24.6%       | -48.8%       | -51.6%       | -49.7%       | -42.8%       | -23.9%       |              |             |              |              |
| <b>Total revenue</b>       | <b>7,365</b> | <b>7,425</b> | <b>7,004</b> | <b>7,286</b> | <b>6,569</b> | <b>6,893</b> | <b>6,768</b> | <b>7,160</b> | <b>7,015</b> | <b>7,004</b> | <b>0.2%</b> | <b>7,063</b> | <b>-0.7%</b> |
| YoY change (%)             | -5.6%        | -2.4%        | 5.4%         | 5.5%         | -10.8%       | -7.2%        | -3.4%        | -1.7%        | 6.8%         |              |             |              |              |
| GPM (%)                    | 32.6%        | 33.0%        | 33.1%        | 34.3%        | 35.7%        | 38.3%        | 40.9%        | 42.0%        | 42.6%        |              |             |              |              |
| Adjusted NPM (%)           | 18.7%        | 19.4%        | 20.1%        | 21.0%        | 21.4%        | 22.8%        | 25.2%        | 26.2%        | 25.9%        |              |             |              |              |
| <b>Adjusted net profit</b> | <b>1,379</b> | <b>1,438</b> | <b>1,411</b> | <b>1,529</b> | <b>1,408</b> | <b>1,575</b> | <b>1,704</b> | <b>1,873</b> | <b>1,814</b> | <b>1,787</b> | <b>1.5%</b> | <b>1,764</b> | <b>2.9%</b>  |
| YoY change (%)             | 35.9%        | 72.8%        | 57.0%        | 48.6%        | 2.1%         | 9.5%         | 20.8%        | 22.5%        | 28.8%        |              |             |              |              |

Source: Company data, Bloomberg, CMBIGM

## DCF valuation

Our target price of US\$16.00 is based on the DCF valuation methodology (WACC of 11.6% and terminal growth of 2.5%).

**Figure 4: TME: DCF Valuation**

| (RMBmn)                         | FY25E          | FY26E  | FY27E  | FY28E  | FY29E  | FY30E  | FY31E  | FY32E  |
|---------------------------------|----------------|--------|--------|--------|--------|--------|--------|--------|
| Free cash flow                  | 8,981          | 10,771 | 12,273 | 13,799 | 14,444 | 15,122 | 15,846 | 16,640 |
| NPV of free cash flow           | 72,425         |        |        |        |        |        |        |        |
| Discounted terminal value       | 87,232         |        |        |        |        |        |        |        |
| Net cash                        | 17,825         |        |        |        |        |        |        |        |
| Total TME valuation             | <b>177,482</b> |        |        |        |        |        |        |        |
| Number of ADS (diluted, mn)     | 1,541          |        |        |        |        |        |        |        |
| <b>Valuation per ADS (US\$)</b> | <b>16.00</b>   |        |        |        |        |        |        |        |

Source: Company data, CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                           | 2021A         | 2022A         | 2023A         | 2024E         | 2025E         | 2026E          |
|--|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>YE 31 Dec (RMB mn)</b>                  |               |               |               |               |               |                |
| <b>Revenue</b>                             | <b>31,244</b> | <b>28,339</b> | <b>27,752</b> | <b>28,254</b> | <b>31,193</b> | <b>34,364</b>  |
| Cost of goods sold                         | 21,840        | 19,566        | 17,957        | 16,314        | 17,317        | 18,735         |
| <b>Gross profit</b>                        | <b>9,404</b>  | <b>8,773</b>  | <b>9,795</b>  | <b>11,939</b> | <b>13,876</b> | <b>15,629</b>  |
| <b>Operating expenses</b>                  | <b>5,604</b>  | <b>4,330</b>  | <b>3,736</b>  | <b>3,337</b>  | <b>3,982</b>  | <b>4,079</b>   |
| Selling expense                            | 2,678         | 1,144         | 897           | 856           | 899           | 942            |
| Admin expense                              | 4,009         | 4,413         | 4,121         | 3,884         | 4,180         | 4,490          |
| Others                                     | (1,083)       | (1,227)       | (1,282)       | (1,402)       | (1,096)       | (1,353)        |
| <b>Operating profit</b>                    | <b>3,800</b>  | <b>4,443</b>  | <b>6,059</b>  | <b>8,602</b>  | <b>9,893</b>  | <b>11,550</b>  |
| Share of (losses)/profits of associates/JV | (47)          | 38            | 127           | 94            | 0             | 0              |
| Interest expense                           | (121)         | (108)         | (141)         | (250)         | (225)         | (203)          |
| <b>Pre-tax profit</b>                      | <b>3,632</b>  | <b>4,373</b>  | <b>6,045</b>  | <b>8,446</b>  | <b>9,668</b>  | <b>11,347</b>  |
| Income tax                                 | (417)         | (534)         | (825)         | (1,647)       | (1,692)       | (1,986)        |
| <b>After tax profit</b>                    | <b>3,215</b>  | <b>3,839</b>  | <b>5,220</b>  | <b>6,799</b>  | <b>7,976</b>  | <b>9,361</b>   |
| <b>Net profit</b>                          | <b>3,215</b>  | <b>3,839</b>  | <b>5,220</b>  | <b>6,799</b>  | <b>7,976</b>  | <b>9,361</b>   |
| <b>Adjusted net profit</b>                 | <b>4,146</b>  | <b>4,745</b>  | <b>5,923</b>  | <b>7,332</b>  | <b>8,785</b>  | <b>10,297</b>  |
| <b>BALANCE SHEET</b>                       |               |               |               |               |               |                |
| <b>YE 31 Dec (RMB mn)</b>                  | <b>2021A</b>  | <b>2022A</b>  | <b>2023A</b>  | <b>2024E</b>  | <b>2025E</b>  | <b>2026E</b>   |
| <b>Current assets</b>                      | <b>26,791</b> | <b>26,559</b> | <b>29,936</b> | <b>34,589</b> | <b>41,627</b> | <b>50,147</b>  |
| Cash & equivalents                         | 6,591         | 9,589         | 13,598        | 17,931        | 23,461        | 30,267         |
| Account receivables                        | 3,610         | 2,670         | 2,918         | 2,922         | 3,311         | 3,742          |
| Inventories                                | 24            | 14            | 8             | 5             | 3             | 1              |
| Prepayment                                 | 2,731         | 2,958         | 3,438         | 2,760         | 2,783         | 2,861          |
| ST bank deposits                           | 12,769        | 11,291        | 9,937         | 10,931        | 12,024        | 13,226         |
| Other current assets                       | 1,066         | 37            | 37            | 41            | 45            | 49             |
| <b>Non-current assets</b>                  | <b>40,463</b> | <b>40,450</b> | <b>45,600</b> | <b>47,490</b> | <b>49,536</b> | <b>51,757</b>  |
| PP&E                                       | 243           | 323           | 490           | 693           | 889           | 1,079          |
| Right-of-use assets                        | 283           | 398           | 367           | 367           | 367           | 367            |
| Deferred income tax                        | 346           | 347           | 352           | 370           | 388           | 407            |
| Investment in JVs & assos                  | 3,599         | 4,330         | 4,274         | 4,324         | 4,374         | 4,424          |
| Intangibles                                | 2,829         | 2,368         | 2,032         | 1,815         | 1,603         | 1,396          |
| Goodwill                                   | 19,121        | 19,493        | 19,542        | 19,792        | 20,042        | 20,292         |
| Financial assets at FVTPL                  | 7,302         | 3,168         | 6,540         | 7,194         | 7,913         | 8,705          |
| Other non-current assets                   | 6,740         | 10,023        | 12,003        | 12,935        | 13,960        | 15,087         |
| <b>Total assets</b>                        | <b>67,254</b> | <b>67,009</b> | <b>75,536</b> | <b>82,079</b> | <b>91,163</b> | <b>101,903</b> |
| <b>Current liabilities</b>                 | <b>10,450</b> | <b>11,717</b> | <b>12,014</b> | <b>11,751</b> | <b>12,831</b> | <b>14,183</b>  |
| Account payables                           | 4,329         | 4,998         | 5,006         | 4,656         | 5,061         | 5,604          |
| Tax payable                                | 363           | 404           | 567           | 577           | 637           | 702            |
| Other current liabilities                  | 5,666         | 6,192         | 6,326         | 6,399         | 7,011         | 7,751          |
| Lease liabilities                          | 92            | 123           | 115           | 118           | 122           | 126            |
| Long-term borrowings                       | 5,749         | 6,165         | 6,320         | 6,327         | 6,354         | 6,382          |
| Bond payables                              | 5,062         | 5,536         | 5,636         | 5,636         | 5,636         | 5,636          |
| Obligations under finance leases           | 205           | 306           | 297           | 312           | 327           | 344            |
| Other non-current liabilities              | 482           | 323           | 387           | 379           | 390           | 402            |
| <b>Total liabilities</b>                   | <b>16,199</b> | <b>17,882</b> | <b>18,334</b> | <b>18,078</b> | <b>19,185</b> | <b>20,564</b>  |
| Share capital                              | 2             | 2             | 2             | 2             | 2             | 2              |
| Capital surplus                            | 32,395        | 29,905        | 29,278        | 29,278        | 29,278        | 29,278         |
| Retained earnings                          | 14,194        | 12,052        | 16,969        | 23,768        | 31,745        | 41,106         |
| Other reserves                             | 3,726         | 6,140         | 9,658         | 9,658         | 9,658         | 9,658          |
| <b>Total shareholders equity</b>           | <b>50,317</b> | <b>48,099</b> | <b>55,907</b> | <b>62,706</b> | <b>70,683</b> | <b>80,044</b>  |
| Minority interest                          | 738           | 1,028         | 1,295         | 1,295         | 1,295         | 1,295          |
| <b>Total equity and liabilities</b>        | <b>67,254</b> | <b>67,009</b> | <b>75,536</b> | <b>82,079</b> | <b>91,163</b> | <b>101,903</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 (RMB mn)</b>                            |                |                |                |                |                |                |
| <b>Operating</b>                                     |                |                |                |                |                |                |
| Profit before taxation                               | 3,632          | 4,373          | 6,045          | 8,446          | 9,668          | 11,347         |
| Depreciation & amortization                          | 1,001          | 1,160          | 724            | 573            | 628            | 684            |
| Tax paid   | (589)          | (733)          | 0              | 0              | 0              | 0              |
| Change in working capital                            | 579            | 2,211          | (197)          | 335            | 603            | 771            |
| Others   | 616            | 470            | 765            | (1,647)        | (1,692)        | (1,986)        |
| <b>Net cash from operations</b>                      | <b>5,239</b>   | <b>7,481</b>   | <b>7,337</b>   | <b>7,707</b>   | <b>9,208</b>   | <b>10,816</b>  |
| <b>Investing</b>                                     |                |                |                |                |                |                |
| Capital expenditure                                  | (2,758)        | (1,053)        | (555)          | (559)          | (612)          | (667)          |
| Acquisition of subsidiaries/ investments             | (2,078)        | (165)          | (250)          | (250)          | (250)          | (250)          |
| Net proceeds from disposal of short-term investments | (877)          | 1,055          | 0              | 0              | 0              | 0              |
| Others   | (286)          | (1,283)        | (1,058)        | (2,579)        | (2,832)        | (3,110)        |
| <b>Net cash from investing</b>                       | <b>(5,999)</b> | <b>(1,446)</b> | <b>(1,863)</b> | <b>(3,389)</b> | <b>(3,693)</b> | <b>(4,027)</b> |
| <b>Financing</b>                                     |                |                |                |                |                |                |
| Net borrowings                                       | 0              | 0              | 0              | 0              | 0              | 0              |
| Proceeds from share issues                           | 0              | 0              | 0              | 0              | 0              | 0              |
| Others   | (3,710)        | (3,419)        | (1,538)        | 15             | 16             | 16             |
| <b>Net cash from financing</b>                       | <b>(3,710)</b> | <b>(3,419)</b> | <b>(1,538)</b> | <b>15</b>      | <b>16</b>      | <b>16</b>      |
| <b>Net change in cash</b>                            |                |                |                |                |                |                |
| Cash at the beginning of the year                    | 11,128         | 6,591          | 9,589          | 13,598         | 17,931         | 23,461         |
| Exchange difference                                  | (67)           | 382            | 73             | 0              | 0              | 0              |
| <b>Cash at the end of the year</b>                   | <b>6,591</b>   | <b>9,589</b>   | <b>13,598</b>  | <b>17,931</b>  | <b>23,461</b>  | <b>30,267</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  | 7.2%           | (9.3%)         | (2.1%)         | 1.8%           | 10.4%          | 10.2%          |
| Gross profit   | 1.1%           | (6.7%)         | 11.6%          | 21.9%          | 16.2%          | 12.6%          |
| Operating profit                                     | (19.3%)        | 16.9%          | 36.4%          | 42.0%          | 15.0%          | 16.7%          |
| Net profit   | (23.0%)        | 19.4%          | 36.0%          | 30.3%          | 17.3%          | 17.4%          |
| Adj. net profit                                      | (16.2%)        | 14.4%          | 24.8%          | 23.8%          | 19.8%          | 17.2%          |
| <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>                                     |                |                |                |                |                |                |
| Gross profit margin                                  | 30.1%          | 31.0%          | 35.3%          | 42.3%          | 44.5%          | 45.5%          |
| Operating margin                                     | 12.2%          | 15.7%          | 21.8%          | 30.4%          | 31.7%          | 33.6%          |
| Adj. net profit margin                               | 13.3%          | 16.7%          | 21.3%          | 26.0%          | 28.2%          | 30.0%          |
| Return on equity (ROE)                               | 6.3%           | 7.8%           | 10.0%          | 11.5%          | 12.0%          | 12.4%          |
| <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)                               | (0.0)          | (0.1)          | (0.1)          | (0.2)          | (0.2)          | (0.3)          |
| Current ratio (x)                                    | 2.6            | 2.3            | 2.5            | 2.9            | 3.2            | 3.5            |
| Receivable turnover days                             | 37.4           | 40.4           | 36.7           | 37.7           | 36.5           | 37.5           |
| Payable turnover days                                | 66.0           | 87.0           | 101.7          | 108.1          | 102.4          | 103.9          |
| <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  | 42.9           | 34.7           | 24.8           | 18.8           | 16.0           | 13.7           |
| P/E (diluted)  | 43.4           | 35.0           | 25.2           | 19.1           | 16.3           | 13.9           |
| P/B  | 2.7            | 2.8            | 2.3            | 2.0            | 1.8            | 1.6            |

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

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