

Tencent (700 HK)

Higher consumer internet revenue contribution boosted margin

Tencent announced inline 3Q24 results: total revenue was up by 8% YoY to RMB167.2bn, in line with our/Bloomberg consensus estimate of RMB166.8/167.9bn; non-IFRS operating profit grew by 19% YoY to RMB61.3bn, in line with our estimate of RMB61.4bn. Looking ahead, we remain positive on earnings growth in 4Q24E driven by the acceleration in games revenue growth and resilient marketing business performance. For the longer term, we expect improved ad monetization and e-commerce infrastructure development within the Weixin ecosystem to be the key earnings growth drivers. We slightly lift our FY24-26E non-IFRS operating income forecast by 1-2% to factor in the unleashing of operating leverage. We maintain our SOTP-derived TP at HK\$525.0 and our BUY rating.

- Game revenue growth accelerated in 2H24.** Games revenue increased by 13% YoY to RMB51.8bn in 3Q24 (in line with consensus). Domestic games revenue was up by 14% YoY to RMB37.3bn in 3Q24, mainly driven by the robust performance of *DnF Mobile*. Flagship titles *Honour of Kings* and *Peacekeeper Elite* both recorded positive YoY growth of gross receipts in 3Q24. International games revenue grew by 9% YoY to RMB14.5bn in 3Q24, mainly thanks to solid growth of *PUBG Mobile* and *Brawl Stars*. International games gross receipt growth continued to substantially outpace revenue growth, primarily due to the longer revenue deferral periods of certain titles. Underpinned by the solid growth in games gross receipts and low-base effect, we expect games revenue growth will further accelerate to +17% YoY in 4Q24E.
- Marketing services revenue maintained solid momentum.** Marketing services revenue increased by 17% YoY to RMB30.0bn in 3Q24 (1% ahead of consensus), fuelled by robust ad demand for Video Accounts (VA), Mini Programs and Weixin Search. VA marketing services revenue increased by over 60% YoY in 3Q24. Weixin Search leveraged LLM to improve relevance of search results and continued to grow its commercial queries and click-through rates YoY, with Weixin Search revenue more than doubled YoY in 3Q24. Mini Program GMV grew by a high-teens percentage YoY to over RMB2tn in 3Q24, primarily attributable to wider coverage of use cases.
- FBS business navigates short-term headwinds.** Fintech and Business Services (FBS) revenue grew by 2% YoY to RMB53.1bn in 3Q24 (2Q24/1Q24: +4/7% YoY), further decelerating due to soft consumption sentiment. Fintech revenue was largely flattish YoY, as the growth in wealth management revenues was largely offset by the decline in payment revenue. Business services revenue maintained healthy growth YoY, supported by growth in both cloud and e-commerce revenue.
- Expect solid earnings growth ahead.** Tencent GPM expanded by 3.6ppt YoY to 53.1% in 3Q24, with VAS/marketing/FBS GPM +2.0/0.7/6.9ppt YoY respectively. We expect GPM expansion to continue in 4Q24E (albeit at a slow pace), driven by solid growth of high-margin businesses. Overall, we forecast non-IFRS operating profit to grow by 22% YoY in 4Q24E.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	554,552	609,015	655,999	708,019	757,848
Gross margin (%)	43.1	48.1	53.2	53.7	54.3
Adjusted net profit (RMB mn)	115,649.0	157,688.0	224,393.7	241,928.8	257,732.6
EPS (Adjusted) (RMB)	12.13	16.66	23.17	24.98	26.61
Consensus EPS (RMB)	12.13	16.66	22.41	24.73	27.39
P/S (x)	6.3	5.7	5.3	4.9	4.6
P/E (x)	56.5	33.1	20.4	17.9	17.9

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price HK\$525.00
Up/Downside 30.0%
Current Price HK\$403.80

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Stock Data

Mkt Cap (HK\$ mn)	3,747,869.7
Avg 3 mths t/o (HK\$ mn)	9,284.4
52w High/Low (HK\$)	478.40/262.20
Total Issued Shares (mn)	9281.5

Source: FactSet

Shareholding Structure

MIH TC	25.6%
Advance Data Services Limited	8.4%

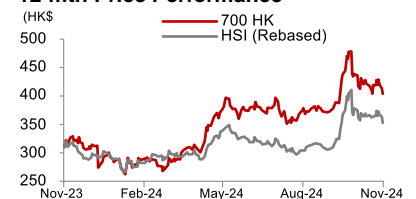
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.0%	-1.3%
3-mth	6.7%	-7.6%
6-mth	6.8%	3.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Tencent: forecast revision

(RMB bn)	Current			Previous			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	656.0	708.0	757.8	654.5	704.9	752.8	0.2%	0.4%	0.7%
Gross profit	348.8	380.2	411.2	348.8	378.2	408.1	0.0%	0.5%	0.8%
Operating profit	209.9	232.4	254.2	206.4	228.2	249.9	1.7%	1.9%	1.7%
Adjusted net profit	224.4	241.9	257.7	213.3	231.3	249.0	5.2%	4.6%	3.5%
Adjusted EPS (RMB)	23.2	25.0	26.6	22.0	23.9	25.7	5.2%	4.6%	3.5%
Gross margin	53.2%	53.7%	54.3%	53.3%	53.7%	54.2%	-0.1 ppt	0.0 ppt	0.0 ppt
Operating margin	32.0%	32.8%	33.5%	31.5%	32.4%	33.2%	0.5 ppt	0.5 ppt	0.4 ppt
Adjusted net margin	34.2%	34.2%	34.0%	32.6%	32.8%	33.1%	1.6 ppt	1.4 ppt	0.9 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

(RMB bn)	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	656.0	708.0	757.8	659.7	707.9	766.7	-0.6%	0.0%	-1.2%
Gross profit	348.8	380.2	411.2	351.6	383.3	419.9	-0.8%	-0.8%	-2.1%
Operating profit	209.9	232.4	254.2	210.4	240.3	262.3	-0.2%	-3.3%	-3.1%
Adjusted net profit	224.4	241.9	257.7	214.0	237.9	262.8	4.9%	1.7%	-1.9%
Adjusted EPS (RMB)	23.2	25.0	26.6	22.4	24.7	27.4	3.4%	1.0%	-2.8%
Gross margin	53.2%	53.7%	54.3%	53.3%	54.1%	54.8%	-0.1 ppt	-0.4 ppt	-0.5 ppt
Operating margin	32.0%	32.8%	33.5%	31.9%	33.9%	34.2%	0.1 ppt	-1.1 ppt	-0.7 ppt
Adjusted net margin	34.2%	34.2%	34.0%	32.4%	33.6%	34.3%	1.8 ppt	0.6 ppt	-0.3 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Tencent: quarterly financials

(RMB bn)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	Cons.	Diff%	CMBI	Diff%
SNS revenue	28.6	31.0	29.7	29.7	28.2	30.5	30.3	30.9	30.9	0.0%	30.3	2.0%
YoY %	-1.7%	6.3%	1.6%	-0.4%	-1.5%	-1.4%	2.2%	3.9%				
QoQ %	-4.2%	8.2%	-4.2%	0.3%	-5.3%	8.3%	-0.7%	1.9%				
Games revenue	41.8	48.4	44.5	46.0	40.9	48.1	48.5	51.8	51.4	0.7%	51.8	-0.1%
YoY %	-2.3%	10.9%	4.8%	7.4%	-2.2%	-0.5%	8.9%	12.6%				
QoQ %	-2.5%	15.7%	-7.9%	3.3%	-11.1%	17.6%	0.8%	6.8%				
Marketing services	24.7	21.0	25.0	25.7	29.8	26.5	29.9	30.0	29.8	0.8%	29.4	1.9%
YoY %	14.6%	16.5%	34.2%	20.0%	20.8%	26.4%	19.5%	16.6%				
QoQ %	15.0%	-15.0%	19.3%	2.9%	15.8%	-11.0%	12.7%	0.4%				
FBS revenue	47.2	48.7	48.6	52.0	54.4	52.3	50.4	53.1	54.1	-1.8%	53.7	-1.1%
YoY %	-1.5%	13.9%	15.2%	16.1%	15.1%	7.4%	3.7%	2.0%				
QoQ %	5.4%	3.1%	-0.1%	7.0%	4.5%	-3.8%	-3.6%	5.3%				
Total revenue	145.0	150.0	149.2	154.6	155.2	159.5	161.1	167.2	167.9	-0.4%	166.8	0.2%
YoY %	0.5%	10.7%	11.3%	10.4%	7.1%	6.3%	8.0%	8.1%				
QoQ %	3.5%	3.5%	-0.5%	3.6%	0.4%	2.8%	1.0%	3.8%				
Overall GPM	42.6%	45.5%	47.5%	49.5%	50.0%	52.6%	53.3%	53.1%	53.4%	-0.3 ppt	53.6%	-0.5 ppt
G&A%	18.8%	16.4%	17.0%	17.0%	17.5%	15.6%	17.1%	17.4%				
S&M%	4.2%	4.7%	5.6%	5.1%	7.1%	4.7%	5.7%	5.6%				
Non-IFRS net margin	20.5%	21.7%	25.2%	29.1%	27.5%	31.5%	35.6%	35.8%				
Non-IFRS net profit	29.7	32.5	37.5	44.9	42.7	50.3	57.3	59.8	54.4	10.0%	55.6	7.6%
YoY %	19.4%	44.9%	29.9%	30.0%	43.7%	54.5%	52.6%	33.2%				

Source: Company data, CMBIGM estimates

Our SOTP-derived target price of HK\$525.0 comprises, per share:

- 1) HK\$202.9 for the online games business, based on an 18x 2025E PE, which is on par with the average PE for its global gaming peers.
- 2) HK\$30.4 for the SNS business, including the market cap of Tencent's stake in its subsidiaries, the valuation of Tencent Video (based on a 2.5x 2025E PS, at a premium to the 1.8x average PS of its peers given its content and user traffic leadership), and the valuation of other membership services (based on a 2.0x 2025E PS).
- 3) HK\$102.6 for the marketing services business, based on an 18x 2025E PE, which is at a premium to the industry average (17x). This reflects Tencent's more resilient ad revenue growth outlook, supported by the solid performance of Weixin Video Account and Mini Program.
- 4) HK\$84.5 for the fintech business, based on a 4.0x 2025E PS, at a premium to the peer average (2.3x). This mainly reflects Tencent's strong leadership in China's digital payment market and its potential to capture other fintech business opportunities.
- 5) HK\$22.6 for the cloud business, based on a 4.0x 2025E PS, at a discount to the industry average (5.6x) as Tencent's current offerings mainly involve the lower-margin IaaS business.
- 6) HK\$68.8 for strategic investments, based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.
- 7) HK\$13.3 for net cash.

Figure 4: Tencent: SOTP valuation

	2025E net profit (RMBmn)	2025E revenue (RMBmn)	2025E PE (x)	2025E PS (x)	Market cap (RMBmn)	Valuation to Tencent (RMBmn)	As % of total valuation	Per share valuation (HK\$)
Online games	95,001		18x			1,710,022	38.7	202.9
Social network services (SNS)		122,156				256,072	5.8	30.4
Tencent Music (TME)					134,788	74,268	1.7	8.8
China Literature					25,714	15,218	0.3	1.8
Huya					4,922	2,333	0.1	0.3
Online video – subscription		20,700		2.5x		51,750	1.2	6.1
Others		56,251		2.0x		112,503	2.5	13.3
Marketing services	48,023		18x			864,418	19.5	102.6
Fintech		178,000		4.0x		712,000	16.1	84.5
Cloud (business services)		47,544		4.0x		190,175	4.3	22.6
Net cash						111,681	2.5	13.3
Valuation of core business						3,844,367		
RMB/HK\$						0.91		
Valuation of core business (HK\$mn)						4,233,884		
Valuation per share – core business (HK\$)						456.2		
Valuation per share – investments (HK\$)						68.8	13.1	
Valuation per share – Tencent (HK\$)						525.0		

Source: Company data, CMBIGM estimates

Figure 5: Peer comparison: online games and advertising sector

Companies	Ticker	Price (Local)	EPS growth (YoY %)			PE (x)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Online games								
NetEase	NTES US	78.5	0	11	10	11	10	9
Electronic Arts	EA US	162.9	19	9	10	23	21	19
Take Two Interactive	TTWO US	180.6	(37)	12	216	NA	NA	22
Nexon	3659 JP	2,105.0	9	4	8	13	13	12
Bandai Namco	7832 JP	3,315.0	(14)	38	1	27	20	20
Perfect World	002624 CH	12.1	(140)	(317)	27	NA	31	24
37 Interactive	002555 CH	17.2	(19)	13	11	15	13	12
Average PE						18	18	17
Marketing services								
Focus Media	002027 CH	7.4	9	9	8	20	18	17
Baidu	BIDU US	84.8	1	1	10	8	8	7
Meta	Meta US	584.8	55	12	13	25	23	20
Google	GOOG US	183.3	35	11	16	22	20	17
Average PE						19	17	15

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 12 Nov

Figure 6: Peer comparison: online video, fintech, and cloud sectors

Companies	Ticker	Price (Local)	Revenue growth (YoY %)			PS (x)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Online video								
iQiyi	IQ US	2.2	(4.6)	4.8	4.6	0.5	0.5	0.5
Mango Excellent Media	300413 CH	28.5	4.8	10.4	8.3	3.5	3.2	3.0
Average PS						2.0	1.8	1.7
Cloud								
Microsoft	MSFT US	423.0	13.7	14.3	14.6	11.3	9.9	8.6
Google	GOOG US	183.3	15.7	17.4	9.4	7.6	6.4	5.9
Salesforce	CRM US	341.2	8.8	9.1	0.0	8.6	7.9	7.9
Kingsoft Cloud	KC US	4.1	7.7	9.2	10.1	1.0	0.9	0.8
Amazon	AMZN US	208.9	11.7	10.9	10.5	3.4	3.1	2.8
Average PS						6.4	5.6	5.2
Fintech								
PayPal	PYPL US	86.4	7.1	5.6	6.9	2.7	2.6	2.4
Square	SQ US	87.3	11.8	11.5	10.3	2.2	2.0	1.8
Average PS						2.5	2.3	2.1

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 12 Nov

Our calculation of the valuation of Tencent's strategic investments is based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.

Figure 7: Tencent: valuation of strategic investments

Name	Ticker	Tencent's stake %	Mkt cap (US\$mn)	Value to Tencent (HK\$mn)
PDD Holdings Inc	PDD US	14.1	158,042	173,815
Sea Ltd	SE US	18.2	61,612	87,465
Spotify Technology SA	SPOT US	8.4	84,217	55,179
NU Holdings Ltd/Cayman Islands	NU US	8.1	75,858	47,927
Kuaishou Technology	1024 HK	15.7	27,530	33,713
Snap Inc	SNAP US	16.7	18,885	24,600
Futu Holdings Ltd	FUTU US	22.4	13,108	22,903
KE Holdings Inc	BEKE US	11.4	24,743	22,002
Meituan	3690 HK	1.7	135,019	18,114
JD.com Inc	9618 HK	2.7	58,234	12,082
Krafton Inc	259960 KS	13.5	9,999	10,521
Bilibili Inc	9626 HK	13.0	8,957	9,082
Tongcheng Travel Holdings Ltd	780 HK	20.5	5,215	8,331
Vipshop Holdings Ltd	VIPS US	11.8	7,394	6,805
Warner Music Group Corp	WMG US	4.9	17,014	6,529
Netmarble Corp	251270 KS	17.5	3,051	4,170
Kanzhun Ltd	BZ US	8.3	6,184	4,003
Tuhu Car Inc	9690 HK	21.4	2,329	3,888
Yixin Group Ltd	2858 HK	53.9	621	2,608
ZhongAn Online P&C Insurance C	6060 HK	7.8	2,573	1,570
DHC Software Co Ltd	002065 CH	4.9	4,073	1,557
Kadokawa Corp	9468 JP	6.9	2,663	1,425
Maoyan Entertainment	1896 HK	13.7	1,200	1,286
Paradox Interactive AB	PDX SS	9.1	1,802	1,280
Other listed entities as a whole			51,757	18,620
Listed investments (current value)				579,475
Unlisted investments (book value)				351,283
Total investment value				930,758
Holdco discount				30%
Valuation of strategic investments				651,531
Valuation of strategic investments per share				68.8

Source: Bloomberg, company data, CMBIGM estimates

Note: data as of the market close on 12 Nov

Risks

Slower-than-expected GPM expansion; decline in revenue of legacy games; macro headwinds weighing on ads and FBS revenue growth.

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	560,118	554,552	609,015	655,999	708,019	757,848
Cost of goods sold	(314,174)	(315,806)	(315,906)	(307,218)	(327,821)	(346,678)
Gross profit	245,944	238,746	293,109	348,781	380,198	411,170
Operating expenses	19,026	(127,919)	(133,035)	(138,908)	(147,793)	(156,972)
Selling expense	(40,594)	(29,229)	(34,211)	(35,752)	(38,233)	(40,924)
Admin expense	(89,847)	(106,696)	(103,525)	(110,208)	(116,823)	(123,529)
Others	149,467	8,006	4,701	7,052	7,263	7,481
Operating profit	264,970	110,827	160,074	209,872	232,405	254,198
Share of (losses)/profits of associates/JV	(16,444)	(16,129)	5,800	21,942	21,942	5,486
Interest income	6,650	8,592	13,808	15,933	15,904	3,996
Interest expense	(7,114)	(9,352)	(12,268)	(12,770)	(2,866)	(3,156)
Pre-tax profit	241,412	85,346	153,606	219,044	251,481	256,527
Income tax	(20,252)	(21,516)	(43,276)	(45,214)	(52,233)	(59,032)
After tax profit	221,160	63,830	110,330	173,830	199,248	197,495
Minority interest	(2,988)	(466)	(2,832)	(3,027)	(3,238)	(3,442)
Net profit	218,172	63,364	107,498	170,803	196,010	194,053
Adjusted net profit	123,788	115,649	157,688	224,394	241,929	257,733
Gross dividends	12,704	20,256	28,485	44,219	47,309	50,285
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	484,812	565,989	518,446	554,189	637,523	815,570
Cash & equivalents	167,966	156,739	172,320	182,522	220,708	355,547
Account receivables	49,331	45,467	46,606	48,100	50,357	52,284
Inventories	1,063	2,333	456	900	951	998
Prepayment	65,390	76,685	88,411	86,249	90,296	97,206
ST bank deposits	83,813	104,776	185,983	213,880	245,321	280,662
Financial assets at FVTPL	10,573	27,963	14,903	15,648	16,431	17,252
Other current assets	106,676	152,026	9,767	6,889	13,460	11,620
Non-current assets	1,127,552	1,012,142	1,058,800	1,118,131	1,195,803	1,255,358
PP&E	61,914	53,978	53,232	73,106	91,901	107,052
Deferred income tax	26,068	29,882	29,017	24,813	33,286	28,901
Investment in JVs & assos	323,188	252,715	261,665	273,109	284,919	297,084
Intangibles	171,376	161,802	177,727	205,942	236,893	265,187
Financial assets at FVTPL	192,184	206,085	211,145	211,145	211,145	211,145
Other non-current assets	352,822	307,680	326,014	330,017	337,659	345,988
Total assets	1,612,364	1,578,131	1,577,246	1,672,320	1,833,326	2,070,928
Current liabilities	403,098	434,204	352,157	345,907	367,376	391,563
Short-term borrowings	19,003	22,026	55,698	53,891	57,217	60,210
Account payables	109,470	92,381	100,948	93,066	98,314	107,441
Tax payable	12,506	13,488	17,664	16,835	17,604	18,245
Other current liabilities	256,673	299,955	171,693	175,961	188,086	199,513
Lease liabilities	5,446	6,354	6,154	6,154	6,154	6,154
Non-current liabilities	332,573	361,067	351,408	370,841	382,467	395,222
Long-term borrowings	136,936	163,668	155,819	156,074	156,150	156,173
Bond payables	145,590	148,669	137,101	139,672	140,981	141,642
Deferred income	4,526	3,503	3,435	12,289	13,113	13,867
Other non-current liabilities	45,521	45,227	55,053	62,807	72,223	83,539
Total liabilities	735,671	795,271	703,565	716,748	749,843	786,784
Retained earnings	669,911	705,981	813,911	984,775	1,169,448	1,366,666
Other reserves	136,388	15,410	(5,320)	(97,320)	(157,320)	(157,320)
Total shareholders equity	806,299	721,391	808,591	887,455	1,012,128	1,209,346
Minority interest	70,394	61,469	65,090	68,117	71,355	74,797
Total equity and liabilities	1,612,364	1,578,131	1,577,246	1,672,320	1,833,326	2,070,928

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	241,412	85,346	153,606	219,044	251,481	256,527
Depreciation & amortization	56,818	60,230	55,298	58,620	63,120	74,949
Tax paid	(20,252)	(21,516)	(43,276)	(45,214)	(52,233)	(59,032)
Change in working capital	(2,844)	(28,405)	16,661	(3,390)	11,018	11,670
Others	(99,948)	50,437	39,673	15,933	5,818	21,486
Net cash from operations	175,186	146,091	221,962	244,994	279,204	305,600
Investing						
Capital expenditure	(34,931)	(33,892)	(36,477)	(38,505)	(40,727)	(42,722)
Acquisition of subsidiaries/ investments	(117,642)	59,711	(105,332)	(37,007)	(66,718)	(50,433)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(25,976)	(130,690)	16,648	(68,203)	(72,140)	(75,672)
Net cash from investing	(178,549)	(104,871)	(125,161)	(143,716)	(179,585)	(168,827)
Financing						
Net borrowings	45,239	31,982	30,834	7,943	14,898	15,633
Proceeds from share issues	0	0	0	0	0	0
Others	(23,619)	(91,935)	(113,407)	(99,019)	(76,331)	(17,567)
Net cash from financing	21,620	(59,953)	(82,573)	(91,076)	(61,434)	(1,933)
Net change in cash						
Cash at the beginning of the year	152,798	167,966	156,739	172,320	182,522	220,708
Exchange difference	(3,089)	7,506	1,353	0	0	0
Cash at the end of the year	167,966	156,739	172,320	182,522	220,708	355,547
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	16.2%	(1.0%)	9.8%	7.7%	7.9%	7.0%
Gross profit	11.0%	(2.9%)	22.8%	19.0%	9.0%	8.1%
Operating profit	49.5%	(58.2%)	44.4%	31.1%	10.7%	9.4%
Net profit	42.7%	(71.0%)	69.7%	58.9%	14.8%	(1.0%)
Adj. net profit	0.9%	(6.6%)	36.4%	42.3%	7.8%	6.5%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	43.9%	43.1%	48.1%	53.2%	53.7%	54.3%
Operating margin	47.3%	20.0%	26.3%	32.0%	32.8%	33.5%
Adj. net profit margin	22.1%	20.9%	25.9%	34.2%	34.2%	34.0%
Return on equity (ROE)	28.9%	8.3%	14.1%	20.1%	20.6%	17.5%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.2	0.2	0.1	0.0
Current ratio (x)	1.2	1.3	1.5	1.6	1.7	2.1
Receivable turnover days	32.1	29.9	27.9	26.8	26.0	25.2
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	16.4	56.5	33.1	20.4	17.9	17.9
P/E (diluted)	16.7	57.4	33.6	20.7	18.1	18.1
P/B	4.4	5.0	4.4	3.9	3.5	2.9

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

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