

# BYD (1211 HK/002594 CH)

## 4Q24 margins lay foundation for FY25 earnings

**Maintain BUY.** BYD's strong 4Q24 earnings once again underscored the importance of economies of scale. We expect BYD to prioritize sales volume again in FY25E, by leveraging new models, overseas expansion, battery technology upgrades and AD catch-up, which could lead to solid earnings in FY25E again.

- **4Q24 results beat with high quality earnings.** BYD's 4Q24 revenue beat our prior forecast by 6%. In fact, BYD's average selling price (ASP) excluding BYDE rose sequentially for two consecutive quarters, despite the prolonged price war. The accounting standard change by moving after-sales provision from selling expenses to COGS lowered its 4Q24 GPM to 17.0%. 4Q24 GPM by previous accounting standards would have been 21.5%, 0.9pp higher than our forecast. Meanwhile, BYD's 4Q24 R&D expenses were about 16% higher than our estimates (BYD invested RMB54bn in R&D and expensed 98% of it in FY24), leading to a beat of 14% from our estimates at the net profit level.
- **More comprehensive model portfolio, overseas expansion, battery technology upgrade and AD catch-up to fuel FY25 sales growth.** We are of the view that BYD's 4Q24 earnings once again underscored the importance of economies of scale. We project BYD's FY25 sales volume to rise 23% YoY to 5.25mn units, maintaining its current EV market share in China. We expect its overseas sales volume to double YoY to 0.8mn units, following strong momentum in Jan-Feb 2025. We expect a plethora of new models, especially the *Han L*, *Tang L* and *Denza N9*, to lift its ASP and GPM. We project its premium brands (Denza, Fangchengbao and Yangwang) to deliver 0.37mn units in FY25E. We also expect more technological upgrades in FY25 to strengthen its brand value. The recently showcased 1kW fast charging could also aid its energy storage battery sales. We are of the view that BYD could absorb its extra costs from autonomous driving (AD) functions (which we estimate to be RMB3,000-4,000 per vehicle), should it deliver our projected sales volume.
- **Earnings/Valuation.** We revise up our FY25E net profit by 8% to RMB57.5bn, implying net profit of RMB10,900 per vehicle (vs. RMB9,400 in FY24). We maintain our BUY rating and raise target price to HK\$470 for H share and RMB440 for A share, both of which are based on 23x (prior 20x) our FY25E EPS to reflect BYD's leading position and recently improving investor sentiment. Key risks to our rating and target price include lower sales or margins than we expect, and a sector de-rating.

### Earnings Summary - 1211 HK

| (YE 31 Dec)          | FY22A    | FY23A    | FY24A    | FY25E    | FY26E     |
|----------------------|----------|----------|----------|----------|-----------|
| Revenue (RMB mn)     | 424,061  | 602,315  | 777,102  | 984,878  | 1,071,877 |
| YoY growth (%)       | 96.2     | 42.0     | 29.0     | 26.7     | 8.8       |
| Net profit (RMB mn)  | 16,622.4 | 30,040.8 | 40,254.3 | 57,456.6 | 67,910.6  |
| YoY growth (%)       | 445.9    | 80.7     | 34.0     | 42.7     | 18.2      |
| EPS (Reported) (RMB) | 5.72     | 10.34    | 13.83    | 19.08    | 22.33     |
| P/S (x)              | 2.7      | 1.9      | 1.5      | 1.2      | 1.1       |
| P/E (x)              | 65.8     | 36.4     | 27.2     | 19.7     | 16.8      |
| Yield (%)            | 0.3      | 0.8      | 0.7      | 1.0      | 1.2       |
| ROE (%)              | 16.1     | 24.0     | 26.0     | 29.4     | 27.3      |
| Net gearing (%)      | (39.3)   | (69.5)   | (52.1)   | (104.2)  | (123.6)   |

Source: Company data, Bloomberg, CMBIGM estimates

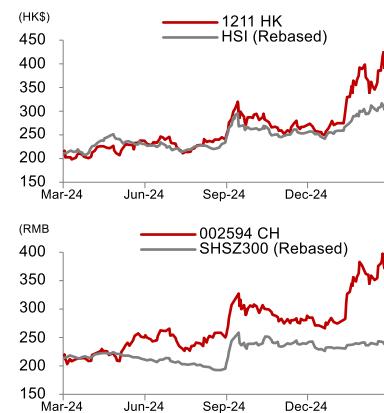
|               | 1211 HK              | 002594 CH |
|---------------|----------------------|-----------|
|               | BUY                  | BUY       |
|               | Maintain             | Maintain  |
| TP            | HK\$470.00 RMB440.00 |           |
| Prior TP      | HK\$350.00 RMB382.00 |           |
| Up/Downside   | 16.5%                | 17.2%     |
| Current Price | HK\$403.4 RMB375.4   |           |

|               |                      |
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|                        |
|------------------------|
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|                         |
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### 12-mth Price Performance



Source: FactSet

### Stock Performance

|       | 1211 HK | 002594 CH |       |       |
|-------|---------|-----------|-------|-------|
|       | Abs.    | Rel.      | Abs.  | Rel.  |
| 1-mth | 3.7%    | 1.3%      | -0.2% | 5.2%  |
| 3-mth | 47.3%   | 23.9%     | 30.1% | 50.0% |
| 6-mth | 62.1%   | 28.9%     | 47.6% | 38.8% |

Source: FactSet

### Stock Data

| (LC)                | 1211 HK  | 002594 CH |
|---------------------|----------|-----------|
| Mkt Cap (mn)        | 1225959  | 1140744   |
| Avg 3 mths t/o (mn) | 4314.63  | 5056.91   |
| 52w High            | 424.2    | 399.99    |
| 52w Low             | 197.5    | 203.06    |
| Issued Shares (mn)  | 3039.066 | 3039.066  |

Source: FactSet

**Figure 1: Quarterly results**

| RMB mn               | 1Q23    | 2Q23    | 3Q23     | 4Q23     | 1Q24     | 2Q24     | 3Q24      | 4Q24      | YoY       | QoQ       |
|----------------------|---------|---------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| Sales volume (units) | 552,076 | 703,561 | 824,001  | 944,779  | 626,263  | 986,720  | 1,134,892 | 1,524,270 | 61.3%     | 34.3%     |
| Revenue              | 120,174 | 139,951 | 162,151  | 180,041  | 124,944  | 176,182  | 201,125   | 274,851   | 52.7%     | 36.7%     |
| Gross profit         | 21,467  | 26,206  | 35,876   | 38,209   | 27,341   | 32,926   | 44,031    | 46,758    | 22.4%     | 6.2%      |
| R&D expenses         | (6,238) | (7,597) | (11,104) | (14,637) | (10,611) | (9,010)  | (13,698)  | (19,876)  | 35.8%     | 45.1%     |
| SG&A expenses        | (8,014) | (9,643) | (9,851)  | (11,166) | (10,572) | (11,440) | (14,318)  | (6,400)   | -42.7%    | -55.3%    |
| Operating profit     | 5,299   | 8,433   | 12,906   | 11,466   | 5,798    | 11,525   | 14,423    | 18,739    | 63.4%     | 29.9%     |
| Net profit           | 4,130   | 6,824   | 10,413   | 8,674    | 4,569    | 9,062    | 11,607    | 15,016    | 73.1%     | 29.4%     |
| Gross margin         | 17.9%   | 18.7%   | 22.1%    | 21.2%    | 21.9%    | 18.7%    | 21.9%     | 17.0%     | -4.2 ppts | -4.9 ppts |
| Operating margin     | 4.4%    | 6.0%    | 8.0%     | 6.4%     | 4.6%     | 6.5%     | 7.2%      | 6.8%      | 0.4 ppts  | -0.4 ppts |
| Net margin           | 3.4%    | 4.9%    | 6.4%     | 4.8%     | 3.7%     | 5.1%     | 5.8%      | 5.5%      | 0.6 ppts  | -0.3 ppts |

Source: Company data, CMBIGM

**Figure 2: Earnings revision**

| RMB mn           | New     |         |           | Old     |         |         | Diff (%)  |           |           |
|------------------|---------|---------|-----------|---------|---------|---------|-----------|-----------|-----------|
|                  | FY24A   | FY25E   | FY26E     | FY24E   | FY25E   | FY26E   | FY24E     | FY25E     | FY26E     |
| Revenue          | 777,102 | 984,878 | 1,071,877 | 762,132 | 898,981 | 980,465 | 2.0%      | 9.6%      | 9.3%      |
| Gross profit     | 151,056 | 192,779 | 214,458   | 157,842 | 184,459 | 199,691 | -4.3%     | 4.5%      | 7.4%      |
| Operating profit | 50,486  | 71,473  | 84,580    | 48,951  | 65,436  | 72,538  | 3.1%      | 9.2%      | 16.6%     |
| Net profit       | 40,254  | 57,457  | 67,911    | 38,398  | 53,176  | 58,602  | 4.8%      | 8.0%      | 15.9%     |
| Gross margin     | 19.4%   | 19.6%   | 20.0%     | 20.7%   | 20.5%   | 20.4%   | -1.3 ppts | -0.9 ppts | -0.4 ppts |
| Operating margin | 6.5%    | 7.3%    | 7.9%      | 6.4%    | 7.3%    | 7.4%    | 0.1 ppts  | 0.0 ppts  | 0.5 ppts  |
| Net margin       | 5.2%    | 5.8%    | 6.3%      | 5.0%    | 5.9%    | 6.0%    | 0.1 ppts  | -0.1 ppts | 0.4 ppts  |

Source: CMBIGM estimates

**Figure 3: CMBI estimates vs consensus**

| RMB mn           | CMBIGM  |         |           | Consensus |         |           | Diff (%)  |           |           |
|------------------|---------|---------|-----------|-----------|---------|-----------|-----------|-----------|-----------|
|                  | FY24A   | FY25E   | FY26E     | FY24E     | FY25E   | FY26E     | FY24E     | FY25E     | FY26E     |
| Revenue          | 777,102 | 984,878 | 1,071,877 | 766,480   | 952,937 | 1,075,912 | 1.4%      | 3.4%      | -0.4%     |
| Gross profit     | 151,056 | 192,779 | 214,458   | 157,558   | 198,802 | 225,597   | -4.1%     | -3.0%     | -4.9%     |
| Operating profit | 50,486  | 71,473  | 84,580    | 47,659    | 62,243  | 74,451    | 5.9%      | 14.8%     | 13.6%     |
| Net profit       | 40,254  | 57,457  | 67,911    | 39,453    | 51,519  | 61,689    | 2.0%      | 11.5%     | 10.1%     |
| Gross margin     | 19.4%   | 19.6%   | 20.0%     | 20.6%     | 20.9%   | 21.0%     | -1.1 ppts | -1.3 ppts | -1.0 ppts |
| Operating margin | 6.5%    | 7.3%    | 7.9%      | 6.2%      | 6.5%    | 6.9%      | 0.3 ppts  | 0.7 ppts  | 1.0 ppts  |
| Net margin       | 5.2%    | 5.8%    | 6.3%      | 5.1%      | 5.4%    | 5.7%      | 0.0 ppts  | 0.4 ppts  | 0.6 ppts  |

Source: Bloomberg, CMBIGM estimates

## Financial Summary

| INCOME STATEMENT                       | 2021A           | 2022A           | 2023A           | 2024A            | 2025E            | 2026E            |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <b>YE 31 Dec (RMB mn)</b>              |                 |                 |                 |                  |                  |                  |
| <b>Revenue</b>                         | <b>216,142</b>  | <b>424,061</b>  | <b>602,315</b>  | <b>777,102</b>   | <b>984,878</b>   | <b>1,071,877</b> |
| Cost of goods sold                     | (187,998)       | (351,816)       | (480,558)       | (626,047)        | (792,098)        | (857,418)        |
| <b>Gross profit</b>                    | <b>28,145</b>   | <b>72,245</b>   | <b>121,757</b>  | <b>151,056</b>   | <b>192,779</b>   | <b>214,458</b>   |
| <b>Operating expenses</b>              | <b>(22,818)</b> | <b>(50,990)</b> | <b>(88,598)</b> | <b>(110,677)</b> | <b>(131,840)</b> | <b>(140,508)</b> |
| Selling expense                        | (6,082)         | (15,061)        | (25,211)        | (24,085)         | (28,384)         | (30,537)         |
| Admin expense                          | (5,710)         | (10,007)        | (13,462)        | (18,645)         | (22,367)         | (22,396)         |
| R&D expense                            | (7,991)         | (18,654)        | (39,575)        | (53,195)         | (62,370)         | (67,320)         |
| Others                                 | (3,035)         | (7,267)         | (10,350)        | (14,752)         | (18,719)         | (20,255)         |
| <b>Operating profit</b>                | <b>5,327</b>    | <b>21,255</b>   | <b>33,159</b>   | <b>40,379</b>    | <b>60,939</b>    | <b>73,950</b>    |
| Other income                           | 2,608           | 2,248           | 5,965           | 15,303           | 13,300           | 11,400           |
| Other expense                          | (452)           | (989)           | (1,546)         | (2,057)          | (2,100)          | (2,200)          |
| Gain/loss on financial assets at FVTPL | 47              | 126             | 258             | 532              | 800              | 950              |
| Investment gain/loss                   | (57)            | (792)           | 1,635           | 2,291            | 2,358            | 2,558            |
| Other gains/(losses)                   | (1,168)         | (2,387)         | (3,677)         | (5,552)          | (6,335)          | (6,493)          |
| <b>EBITDA</b>                          | <b>20,542</b>   | <b>42,766</b>   | <b>82,649</b>   | <b>118,681</b>   | <b>146,581</b>   | <b>168,319</b>   |
| Depreciation                           | 10,880          | 14,605          | 37,718          | 56,922           | 64,459           | 72,372           |
| Depreciation of ROU assets             | 273             | 584             | 1,390           | 2,643            | 3,131            | 3,606            |
| Other amortisation                     | 2,956           | 5,181           | 4,444           | 7,341            | 6,567            | 7,081            |
| <b>EBIT</b>                            | <b>6,433</b>    | <b>22,396</b>   | <b>39,096</b>   | <b>51,774</b>    | <b>72,423</b>    | <b>85,259</b>    |
| Interest income                        | 632             | 1,830           | 2,796           | 2,484            | 3,461            | 5,095            |
| Interest expense                       | (1,915)         | (1,316)         | (1,828)         | (2,094)          | (1,750)          | (1,480)          |
| <b>Net Interest income/(expense)</b>   | <b>(1,787)</b>  | <b>1,618</b>    | <b>1,475</b>    | <b>(1,216)</b>   | <b>1,711</b>     | <b>3,615</b>     |
| Foreign exchange gain/loss             | (533)           | 1,216           | 639             | (1,532)          | 0                | 0                |
| <b>Pre-tax profit</b>                  | <b>4,518</b>    | <b>21,080</b>   | <b>37,269</b>   | <b>49,681</b>    | <b>70,673</b>    | <b>83,780</b>    |
| Income tax                             | (551)           | (3,367)         | (5,925)         | (8,093)          | (11,331)         | (13,389)         |
| <b>After tax profit</b>                | <b>3,967</b>    | <b>17,713</b>   | <b>31,344</b>   | <b>41,588</b>    | <b>59,342</b>    | <b>70,390</b>    |
| Minority interest                      | (922)           | (1,091)         | (1,303)         | (1,334)          | (1,885)          | (2,480)          |
| <b>Net profit</b>                      | <b>3,045</b>    | <b>16,622</b>   | <b>30,041</b>   | <b>40,254</b>    | <b>57,457</b>    | <b>67,911</b>    |
| Gross dividends                        | 306             | 3,325           | 9,012           | 8,051            | 11,491           | 13,582           |
| BALANCE SHEET                          | 2021A           | 2022A           | 2023A           | 2024E            | 2025E            | 2026E            |
| <b>YE 31 Dec (RMB mn)</b>              |                 |                 |                 |                  |                  |                  |
| <b>Current assets</b>                  | <b>166,110</b>  | <b>240,804</b>  | <b>302,121</b>  | <b>405,040</b>   | <b>593,674</b>   | <b>722,158</b>   |
| Cash & equivalents                     | 49,820          | 51,182          | 108,512         | 101,739          | 242,376          | 354,991          |
| Restricted cash                        | 637             | 289             | 583             | 1,000            | 1,000            | 1,000            |
| Account receivables                    | 44,994          | 51,723          | 67,431          | 94,849           | 117,268          | 125,219          |
| Inventories                            | 43,355          | 79,107          | 87,677          | 128,640          | 147,569          | 152,691          |
| Prepayment                             | 2,037           | 8,224           | 2,215           | 6,260            | 7,921            | 8,574            |
| Financial assets at FVTPL              | 5,606           | 20,627          | 9,563           | 40,913           | 41,413           | 42,013           |
| Other current assets                   | 11,168          | 16,099          | 23,481          | 26,955           | 30,407           | 31,563           |
| Contract assets                        | 8,493           | 13,553          | 2,660           | 4,684            | 5,720            | 6,108            |
| <b>Non-current assets</b>              | <b>129,670</b>  | <b>253,057</b>  | <b>377,426</b>  | <b>417,879</b>   | <b>419,126</b>   | <b>413,253</b>   |
| PP&E                                   | 61,221          | 131,880         | 230,904         | 261,984          | 262,527          | 254,657          |
| Right-of-use assets                    | 1,573           | 3,137           | 9,679           | 10,736           | 10,354           | 9,448            |
| Deferred income tax                    | 1,913           | 3,687           | 6,584           | 6,584            | 6,584            | 6,584            |
| Investment in JVs & assos              | 7,905           | 15,485          | 17,647          | 20,297           | 22,597           | 25,097           |
| Intangibles                            | 17,105          | 23,223          | 37,236          | 36,156           | 34,929           | 34,322           |
| Goodwill                               | 66              | 66              | 4,428           | 4,428            | 4,428            | 4,428            |
| Financial assets at FVTPL              | 234             | 2,147           | 2,696           | 2,996            | 3,396            | 3,846            |
| Other non-current assets               | 39,652          | 73,431          | 68,252          | 74,697           | 74,311           | 74,870           |
| <b>Total assets</b>                    | <b>295,780</b>  | <b>493,861</b>  | <b>679,548</b>  | <b>822,918</b>   | <b>1,012,800</b> | <b>1,135,411</b> |
| <b>Current liabilities</b>             | <b>171,304</b>  | <b>333,345</b>  | <b>453,667</b>  | <b>559,356</b>   | <b>695,464</b>   | <b>756,545</b>   |
| Short-term borrowings                  | 10,204          | 5,153           | 18,323          | 9,194            | 0                | 0                |
| Account payables                       | 73,160          | 140,437         | 194,430         | 257,880          | 336,805          | 364,579          |
| Tax payable                            | 1,779           | 4,326           | 7,852           | 10,291           | 13,021           | 14,095           |
| Other current liabilities              | 71,227          | 147,911         | 198,363         | 221,960          | 280,535          | 307,398          |
| Contract liabilities                   | 14,934          | 35,517          | 34,699          | 60,032           | 65,104           | 70,473           |
| <b>Non-current liabilities</b>         | <b>20,232</b>   | <b>39,126</b>   | <b>75,419</b>   | <b>80,125</b>    | <b>82,540</b>    | <b>85,160</b>    |
| Long-term borrowings                   | 8,744           | 7,594           | 11,975          | 11,975           | 10,975           | 9,975            |
| Bond payables                          | 2,046           | 0               | 0               | 1,000            | 2,000            | 3,000            |
| Other non-current liabilities          | 9,442           | 31,533          | 63,444          | 67,149           | 69,565           | 72,185           |
| <b>Total liabilities</b>               | <b>191,536</b>  | <b>372,471</b>  | <b>529,086</b>  | <b>639,480</b>   | <b>778,004</b>   | <b>841,705</b>   |

|  | 2021A           | 2022A            | 2023A            | 2024E            | 2025E            | 2026E            |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|
| <b>Share capital</b>                                 | 2,911           | 2,911            | 2,911            | 2,911            | 3,041            | 3,041            |
| Other reserves                                       | 92,159          | 108,118          | 135,899          | 167,541          | 217,017          | 273,636          |
| <b>Total shareholders equity</b>                     | <b>95,070</b>   | <b>111,029</b>   | <b>138,810</b>   | <b>170,452</b>   | <b>220,058</b>   | <b>276,677</b>   |
| Minority interest                                    | 9,175           | 10,361           | 11,652           | 12,986           | 14,737           | 17,029           |
| <b>Total equity and liabilities</b>                  | <b>295,780</b>  | <b>493,861</b>   | <b>679,548</b>   | <b>822,918</b>   | <b>1,012,800</b> | <b>1,135,411</b> |
| <b>CASH FLOW</b>                                     | <b>2021A</b>    | <b>2022A</b>     | <b>2023A</b>     | <b>2024E</b>     | <b>2025E</b>     | <b>2026E</b>     |
| YE 31 Dec (RMB mn)                                   |                 |                  |                  |                  |                  |                  |
| <b>Operating</b>                                     |                 |                  |                  |                  |                  |                  |
| <b>Profit before taxation</b>                        | <b>4,518</b>    | <b>21,080</b>    | <b>37,269</b>    | <b>49,681</b>    | <b>70,673</b>    | <b>83,780</b>    |
| Depreciation & amortization                          | 14,108          | 20,370           | 43,553           | 66,906           | 74,158           | 83,060           |
| Change in working capital                            | 44,083          | 97,849           | 91,094           | 25,758           | 92,047           | 38,829           |
| Others   | 2,757           | 1,539            | (2,190)          | 417              | (2,695)          | (5,216)          |
| <b>Net cash from operations</b>                      | <b>65,467</b>   | <b>140,838</b>   | <b>169,725</b>   | <b>142,762</b>   | <b>234,182</b>   | <b>200,452</b>   |
| <b>Investing</b>                                     |                 |                  |                  |                  |                  |                  |
| Capital expenditure                                  | (37,344)        | (97,457)         | (122,094)        | (95,566)         | (65,230)         | (66,280)         |
| Acquisition of subsidiaries/ investments             | (3,527)         | (10,573)         | (16,163)         | (32,100)         | (1,100)          | (1,100)          |
| Net proceeds from disposal of short-term investments | 0               | 14               | 0                | 0                | 0                | 0                |
| Others   | (4,534)         | (12,580)         | 12,593           | (2,450)          | (4,400)          | (3,850)          |
| <b>Net cash from investing</b>                       | <b>(45,404)</b> | <b>(120,596)</b> | <b>(125,664)</b> | <b>(130,116)</b> | <b>(70,730)</b>  | <b>(71,230)</b>  |
| <b>Financing</b>                                     |                 |                  |                  |                  |                  |                  |
| Dividend paid  | (423)           | (306)            | (3,325)          | (9,012)          | (8,051)          | (11,491)         |
| Net borrowings                                       | (17,006)        | (16,413)         | 18,073           | (4,376)          | (9,194)          | 0                |
| Proceeds from share issues                           | 37,314          | 0                | 0                | 0                | 0                | 0                |
| Others   | (3,821)         | (2,770)          | (1,931)          | (6,031)          | (5,571)          | (5,115)          |
| <b>Net cash from financing</b>                       | <b>16,063</b>   | <b>(19,489)</b>  | <b>12,817</b>    | <b>(19,419)</b>  | <b>(22,816)</b>  | <b>(16,607)</b>  |
| <b>Net change in cash</b>                            |                 |                  |                  |                  |                  |                  |
| Cash at the beginning of the year                    | 13,738          | 49,820           | 51,182           | 108,512          | 101,739          | 242,376          |
| Exchange difference                                  | (44)            | 610              | 451              | 0                | 0                | 0                |
| <b>Cash at the end of the year</b>                   | <b>49,820</b>   | <b>51,182</b>    | <b>108,512</b>   | <b>101,739</b>   | <b>242,376</b>   | <b>354,991</b>   |
| <b>GROWTH</b>  | <b>2021A</b>    | <b>2022A</b>     | <b>2023A</b>     | <b>2024E</b>     | <b>2025E</b>     | <b>2026E</b>     |
| YE 31 Dec  |                 |                  |                  |                  |                  |                  |
| Revenue  | 38.0%           | 96.2%            | 42.0%            | 29.0%            | 26.7%            | 8.8%             |
| Gross profit   | (7.3%)          | 156.7%           | 68.5%            | 24.1%            | 27.6%            | 11.2%            |
| Operating profit                                     | (53.1%)         | 299.0%           | 56.0%            | 21.8%            | 50.9%            | 21.4%            |
| EBITDA   | (9.0%)          | 108.2%           | 93.3%            | 43.6%            | 23.5%            | 14.8%            |
| EBIT   | (36.0%)         | 248.1%           | 74.6%            | 32.4%            | 39.9%            | 17.7%            |
| Net profit   | (28.1%)         | 445.9%           | 80.7%            | 34.0%            | 42.7%            | 18.2%            |
| <b>PROFITABILITY</b>                                 | <b>2021A</b>    | <b>2022A</b>     | <b>2023A</b>     | <b>2024E</b>     | <b>2025E</b>     | <b>2026E</b>     |
| YE 31 Dec  |                 |                  |                  |                  |                  |                  |
| Gross profit margin                                  | 13.0%           | 17.0%            | 20.2%            | 19.4%            | 19.6%            | 20.0%            |
| Operating margin                                     | 2.5%            | 5.0%             | 5.5%             | 5.2%             | 6.2%             | 6.9%             |
| EBITDA margin  | 9.5%            | 10.1%            | 13.7%            | 15.3%            | 14.9%            | 15.7%            |
| Return on equity (ROE)                               | 4.0%            | 16.1%            | 24.0%            | 26.0%            | 29.4%            | 27.3%            |
| <b>GEARING/LIQUIDITY/ACTIVITIES</b>                  | <b>2021A</b>    | <b>2022A</b>     | <b>2023A</b>     | <b>2024E</b>     | <b>2025E</b>     | <b>2026E</b>     |
| YE 31 Dec  |                 |                  |                  |                  |                  |                  |
| Net debt to equity (x)                               | (0.4)           | (0.4)            | (0.7)            | (0.5)            | (1.0)            | (1.2)            |
| Current ratio (x)                                    | 1.0             | 0.7              | 0.7              | 0.7              | 0.9              | 1.0              |
| Receivable turnover days                             | 94.4            | 58.1             | 52.0             | 55.0             | 53.0             | 52.0             |
| Inventory turnover days                              | 84.2            | 82.1             | 66.6             | 75.0             | 68.0             | 65.0             |
| Payable turnover days                                | 156.3           | 149.2            | 150.8            | 155.0            | 160.0            | 160.0            |
| <b>VALUATION</b>                                     | <b>2021A</b>    | <b>2022A</b>     | <b>2023A</b>     | <b>2024E</b>     | <b>2025E</b>     | <b>2026E</b>     |
| YE 31 Dec  |                 |                  |                  |                  |                  |                  |
| P/E  | 352.6           | 65.8             | 36.4             | 27.2             | 19.7             | 16.8             |
| P/B  | 11.3            | 9.9              | 7.9              | 6.4              | 5.1              | 4.1              |
| P/CFPS   | 16.4            | 7.8              | 6.4              | 7.7              | 4.8              | 5.7              |
| Div yield (%)  | 0.0             | 0.3              | 0.8              | 0.7              | 1.0              | 1.2              |

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

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