

# Haidilao (6862 HK)

## Potential store and margin expansion ahead

FY24 results were a small beat, mainly from the robust GP margin expansion. Going into FY25E, though the SSSG may be only be stable, we are confident on a mild turnaround, driven by potential store expansion acceleration and margin expansion (better input costs, more efficient supply chain and greater adoption of multi-store management, etc.). Maintain BUY and raise TP to HK\$ 20.20, based on 18x FY25E P/E (up from 16x, due to faster expansion and sector re-rating). Also, we see limited downside given 6% FY25E dividend yield.

■ **Store expansion in FY25E may accelerate.** Haidilao opened 59 self-owned stores and 3 franchise stores in FY24; however, due to the closures of 70 stores at the same time, it recorded a net decrease of 19 stores, slightly greater than we had expected. However, we believe the trend will likely improve in FY25E. While management maintained the soft store opening guideline (MSD increase in store count, around 60-70), the number of closures may be smaller (CMBI est. around 20), and therefore the net increase in FY25E may be at 40, equivalent to about 3% YoY growth. And what's more important, in our view, is the "Red Guava" project, which aims to encourage the current Haidilao store managers to open more new restaurants under another brand. As at FY24, there were already 74 stores under 11 new brands, and 3 to 4 more new brands may be introduced in 1H25E, according to management. We believe the foundation (setting up the appropriate incentive system, the supply chain and the site selection ability, etc.) was successfully built in FY24, and it is possible for the new brands to speed up their store expansion. Out of those brands, the Yan Qing BBQ restaurant has outperformed, where the monthly sales per store can reach over RMB 800K and most of the 40 stores have managed to achieve breakeven already.

■ **A brighter future can be expected in FY25E, but mostly thanks to margin expansion.** While we think store expansion may accelerate, we also believe SSSG may stay mildly positive (even though SSS dropped by LSD in Jan-Feb 2025), supported by a turnaround in ASP (prices of certain items have been raised since 4Q24; discounts and product mix should also improve) and a stable improvement in table turnover to around 4.1x to 4.2x (aided by a decent rebound in table turnover for the newly opened stores). Margin-wise, we expect the GP margin to be at least stable (aided by further improvement in supply chain capability and more lockup in input prices) and the OP margin to improve, due to various improvements in staff costs, such as the adoption of more multi-store management (121 store managers are managing more than 1 store and the grades of those stores continued to improve in FY24) and the greater use of digitalization and AI (to have better staff scheduling or productivity, etc.). All in all, we are now forecasting a 4% sales growth and a 10% net profit growth in FY25E.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	41,453	42,755	44,607	47,286	49,753
YoY growth (%)	33.6	3.1	4.3	6.0	5.2
Operating profit (RMB mn)	5,584.3	6,111.9	6,674.7	7,206.7	8,133.5
Net profit (RMB mn)	4,495.4	4,700.3	5,212.7	5,857.8	6,809.3
EPS (Reported) (RMB)	0.81	0.84	0.93	1.05	1.22
YoY growth (%)	174.6	4.6	10.3	12.4	16.2
P/E (x)	20.4	19.5	17.7	15.7	13.5
P/B (x)	8.0	4.5	3.1	2.3	1.7
Yield (%)	4.4	4.9	5.1	5.7	6.7
ROE (%)	47.4	29.5	20.7	16.6	14.7

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

**Target Price** **HK\$20.20**  
 (Previous TP) HK\$15.94  
**Up/Downside** **14.6%**  
**Current Price** **HK\$17.62**

### China Consumer Discretionary

**Walter WOO**  
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 walterwoo@cmbi.com.hk

### Stock Data

Mkt Cap (HK\$ mn)	98,213.9
Avg 3 mths t/o (HK\$ mn)	384.0
52w High/Low (HK\$)	20.40/11.80
Total Issued Shares (mn)	5574.0

Source: FactSet

### Shareholding Structure

Mr. Zhang Yong	60.4%
Mr. Shi Sean	9.4%

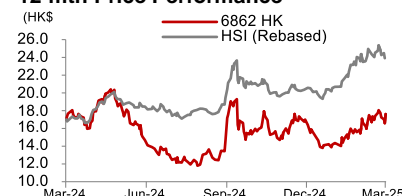
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	10.1%	11.6%
3-mth	3.6%	-11.3%
6-mth	2.6%	-13.0%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Recent reports:

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 (18 Oct 24)

- **Maintain BUY and raise TP to HK\$ 20.20.** We cut our FY25E/ 26E net profit forecast by 10%/ 14%, in order to factor in the greater-than-expected store closures and a more conservative SSSG, but much better-than-expected GP margin. While the stock is undemanding (16x FY25E P/E) and protected by the 6% FY25E yield, we believe Haidilao may experience a speed-up in store expansion (sales and net profit growth may follow) and a potential re-rating is possible. Hence we maintain BUY with TP of HK\$ 20.20, based on 18x FY25E P/E.
- **FY24 results were a slight beat, driven by GP margin expansion.** In FY24, Haidilao's sales increased by 3% YoY to RMB 42.8bn, missing BBG/ CMBI est. by 4%/ 10%, mainly because of the greater-than-expected store closures (esp. in the higher-tier cities). However, net profit climbed by 5% YoY to RMB 4.7bn, beating BBG/ CMBI est. by 4%/ 2%, thanks to the stronger-than-expected GP margin expansion, to 62% (vs CMBI est. of 60%), a result of refined input costs, and further standardization and efficiency gains in the supply chain. Dividend is another bright spot, where the payout ratio was as high as 95% in FY24. Therefore, the current yield is at about 5 %, and the downside is protected to some extent, in our view.

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	44,607	47,286	49,753	50,404	52,399	n/a	-11.5%	-9.8%	n/a
Gross profit	27,694	29,357	30,888	30,303	31,502	n/a	-8.6%	-6.8%	n/a
EBIT	7,358	8,220	9,492	8,033	9,470	n/a	-8.4%	-13.2%	n/a
Net profit att.	5,192	5,834	6,782	5,735	6,820	n/a	-9.5%	-14.5%	n/a
Diluted EPS (RMB)	0.931	1.047	1.217	1.029	1.224	n/a	-9.5%	-14.5%	n/a
Gross margin	62.1%	62.1%	62.1%	60.1%	60.1%	n/a	2ppt	2ppt	n/a
EBIT margin	16.5%	17.4%	19.1%	15.9%	18.1%	n/a	0.6ppt	-0.7ppt	n/a
Net profit att. margin	11.6%	12.3%	13.6%	11.4%	13.0%	n/a	0.3ppt	-0.7ppt	n/a

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY24E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	44,607	47,286	49,753	47,517	50,822	53,610	-6.1%	-7.0%	-7.2%
Gross profit	27,694	29,357	30,888	28,837	30,878	32,675	-4.0%	-4.9%	-5.5%
EBIT	7,358	8,220	9,492	7,065	7,820	8,617	4.2%	5.1%	10.2%
Net profit att.	5,192	5,834	6,782	5,222	5,774	6,323	-0.6%	1.0%	7.3%
Diluted EPS (RMB)	0.931	1.047	1.217	0.948	1.048	1.149	-1.8%	-0.1%	5.9%
Gross margin	62.1%	62.1%	62.1%	60.7%	60.8%	60.9%	1.4ppt	1.3ppt	1.1ppt
EBIT margin	16.5%	17.4%	19.1%	14.9%	15.4%	16.1%	1.6ppt	2ppt	3ppt
Net profit att. margin	11.6%	12.3%	13.6%	11.0%	11.4%	11.8%	0.6ppt	1ppt	1.8ppt

Source: Bloomberg, CMBIGM estimates

## Results Summary

Figure 3: Results review – half year

Half yearly / Full yearly (RMB mn)	1H23	2H23	1H24	2H24E	1H24 YoY	2H24E YoY	2H24E CMBI GM	Actual vs CMBI GM
Revenue	18,886	22,567	21,491	21,264	14%	-6%	25,818	-18%
COGS	-7,685	-9,261	-8,387	-7,824			-	
Gross profit	11,201	13,306	13,104	13,440	17%	1%	10,480	-12%
<b>GP margins</b>	<b>59.3%</b>	<b>59.0%</b>	<b>61.0%</b>	<b>63.2%</b>			<b>59.4%</b>	
Other income & gains	397	544	370	266			613	-57%
Staff costs	-5,769	-7,271	-7,156	-6,958	24%	-4%	-8,730	-20%
<b>Staff costs / sales</b>	<b>-30.5%</b>	<b>-32.2%</b>	<b>-33.3%</b>	<b>-32.7%</b>			<b>-33.8%</b>	
Dep. of right-of-use assets expenses	-362	-368	-364	-362	1%	-2%	-360	0%
<b>Dep. of right-of-use assets expenses / sales</b>	<b>-1.9%</b>	<b>-1.6%</b>	<b>-1.7%</b>	<b>-1.7%</b>			<b>-1.4%</b>	
Other rentals expenses	-200	-162	-211	-215	5%	33%	-202	6%
<b>Other rentals expenses/ sales</b>	<b>-1.1%</b>	<b>-0.7%</b>	<b>-1.0%</b>	<b>-1.0%</b>			<b>-0.8%</b>	
Amort. of other intangible assets	-19	-18	-13	-11	-32%	-38%	-11	-4%
<b>Amort. of other intangible assets / sales</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>			<b>0.0%</b>	
Depre. of PPE	-1,125	-1,053	-962	-846	-15%	-20%	-1,157	-27%
<b>Depre. of PPE / sales</b>	<b>-6.0%</b>	<b>-4.7%</b>	<b>-4.5%</b>	<b>-4.0%</b>			<b>-4.5%</b>	
Utilities exp.	-605	-769	-722	-744	19%	-3%	-847	-12%
<b>Utilities exp. / sales</b>	<b>-3.2%</b>	<b>-3.4%</b>	<b>-3.4%</b>	<b>-3.5%</b>			<b>-3.3%</b>	
Travelling & related exp.	-79	-126	-95	-163	20%	29%	-189	-14%
<b>Travelling &amp; related exp. / sales</b>	<b>-0.4%</b>	<b>-0.6%</b>	<b>-0.4%</b>	<b>-0.8%</b>			<b>-0.7%</b>	
Other opex	-684	-927	-881	-983	29%	6%	-910	8%
<b>Other exp. / sales</b>	<b>-6.1%</b>	<b>-7.0%</b>	<b>-6.7%</b>	<b>-7.3%</b>			<b>-5.9%</b>	
Operating profit (EBIT)	2,754	3,157	3,070	3,424	11%	8%	3,544	-3%
<b>OP margins</b>	<b>14.6%</b>	<b>14.0%</b>	<b>14.3%</b>	<b>16.1%</b>			<b>13.7%</b>	
Other items	227	0	-67	419			34	
Net finance income	-183	-168	-141	-134			-198	-32%
<b>Net finance income / sales</b>	<b>-1.0%</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>-0.6%</b>			<b>-0.8%</b>	
Profit after financing costs	2,798	2,989	2,863	3,709			3,380	
Associated coms	16	30	25	27			-15	
Jointly controlled coms	0	0	0	0			0	
Pre-tax profit	2,814	3,019	2,888	3,736	3%	24%	3,365	11%
Tax	-555	-783	-855	-1,069			-771	
<b>Tax / sales</b>	<b>-2.9%</b>	<b>-3.5%</b>	<b>-4.0%</b>	<b>-5.0%</b>			<b>-3.0%</b>	
<b>Effective tax rate</b>	<b>-19.7%</b>	<b>-25.9%</b>	<b>-29.6%</b>	<b>-28.6%</b>			<b>-22.9%</b>	
Minority interests	1	-5	-5	-3			24	
Net profit att.	2,258	2,241	2,038	2,670	-10%	19%	2,570	4%
<b>NP margins</b>	<b>12.0%</b>	<b>9.9%</b>	<b>9.5%</b>	<b>12.6%</b>			<b>10.0%</b>	

Source: Company data, CMBIGM estimates

Figure 4: Results review – full year

Full yearly (RMB mn)	FY22	FY24	FY25E	FY24 YoY	FY25E YoY
Revenue	41,453	42,755	44,607	3%	4%
COGS	-16,946	-16,211	-16,913		
Gross profit	24,507	26,544	27,694	8%	4%
<b>GP margins</b>	<b>59.1%</b>	<b>62.1%</b>	<b>62.1%</b>		
Other income & gains	941	636	845		
Staff costs	-13,040	-14,113	-14,311	8%	1%
<b>Staff costs / sales</b>	<b>-31.5%</b>	<b>-33.0%</b>	<b>-32.1%</b>		
Dep. of right-of-use assets expenses	-731	-727	-761	-1%	5%
<b>Dep. of right-of-use assets expenses / sales</b>	<b>-1.8%</b>	<b>-1.7%</b>	<b>-1.7%</b>		
Other rentals expenses	-362	-426	-444	18%	4%
<b>Other rentals expenses / sales</b>	<b>-0.9%</b>	<b>-1.0%</b>	<b>-1.0%</b>		
Amort. of other intangible assets	-37	-24	-16	-35%	-35%
<b>Amort. of other intangible assets / sales</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>		
Depre. of PPE	-2,178	-1,808	-1,884	-17%	4%
<b>Depre. of PPE / sales</b>	<b>-5.3%</b>	<b>-4.2%</b>	<b>-4.2%</b>		
Utilities exp.	-1,374	-1,466	-1,529	7%	4%
<b>Utilities exp. / sales</b>	<b>-3.3%</b>	<b>-3.4%</b>	<b>-3.4%</b>		
Travelling & related exp.	-204	-257	-312	26%	21%
<b>Travelling &amp; related exp. / sales</b>	<b>-0.5%</b>	<b>-0.6%</b>	<b>-0.7%</b>		
Other opex	-1,611	-1,864	-1,923	16%	3%
<b>Other exp. / sales</b>	<b>-6.6%</b>	<b>-7.0%</b>	<b>-6.9%</b>		
Operating profit (EBIT)	5,911	6,495	7,358	10%	13%
<b>OP margins</b>	<b>14.3%</b>	<b>15.2%</b>	<b>16.5%</b>		
Other items	227	352	-31		
Net finance income	-351	-275	-292		
<b>Net finance income / sales</b>	<b>-0.8%</b>	<b>-0.6%</b>	<b>-0.7%</b>		
Profit after financing costs	5,787	6,572	7,035		
Associated coms	0	0	0		
Jointly controlled coms	46	52	9		
Pre-tax profit	5,833	6,624	7,044	14%	6%
Tax	-1,338	-1,924	-1,831		
<b>Tax / sales</b>	<b>-3.2%</b>	<b>-4.5%</b>	<b>-4.1%</b>		
<b>Effective tax rate</b>	<b>-22.9%</b>	<b>-29.0%</b>	<b>-26.0%</b>		
Minority interests	-4	-8	21		
<b>Net profit att.</b>	<b>4,499</b>	<b>4,708</b>	<b>5,192</b>	<b>5%</b>	<b>10%</b>
<b>NP margins</b>	<b>10.9%</b>	<b>11.0%</b>	<b>11.6%</b>		

Source: Company data, CMBIGM estimates

## Assumptions

Figure 5: Major assumptions

Major assumptions	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Number of restaurants</b>					
China T1 cities	232	220	225	230	235
China T2 cities	538	531	546	561	571
China T3 and below	581	581	601	621	636
Outside PRC	23	23	23	23	23
Total	1,374	1,355	1,395	1,435	1,465
<b>Number of restaurants growth (YoY %)</b>					
China T1 cities	-0.9%	-5.2%	2.3%	2.2%	2.2%
China T2 cities	0.0%	-1.3%	2.8%	2.7%	1.8%
China T3 and below	0.7%	0.0%	3.4%	3.3%	2.4%
Outside PRC	4.5%	0.0%	0.0%	0.0%	0.0%
Total	0.2%	-1.4%	3.0%	2.9%	2.1%
<b>Sales per restaurants (RMB mn)</b>					
China T1 cities	31	33	33	34	35
China T2 cities	29	30	30	31	31
China T3 and below	26	28	29	30	31
Outside PRC	60	63	65	67	70
Total	29	30	31	31	32
<b>Table turnover rate (times/ day)</b>					
China T1 cities	3.8	4.0	4.1	4.2	4
China T2 cities	3.9	4.1	4.2	4.3	4
China T3 and below	3.6	4.0	4.1	4.2	4
Outside PRC	3.8	4.0	4.1	4.2	4
Total	3.8	4.0	4.1	4.2	4
<b>Average spending per guest (RMB)</b>					
China T1 cities	105.7	104.0	105.0	107.1	109.3
China T2 cities	98.3	96.9	97.9	99.8	101.8
China T3 and below	92.8	91.4	92.3	94.2	96.0
Outside PRC	202.8	199.7	201.7	205.7	209.8
Overall	99.1	97.5	103.3	105.4	107.6
<b>Average spending per guest growth (YoY %)</b>					
China T1 cities	-7.4%	-1.6%	1.0%	2.0%	2.0%
China T2 cities	-5.8%	-1.4%	1.0%	2.0%	2.0%
China T3 and below	-5.2%	-1.5%	1.0%	2.0%	2.0%
Outside PRC	2.7%	-1.5%	1.0%	2.0%	2.0%
Overall	-5.5%	-1.6%	6.0%	2.0%	2.0%
<b>GP margins</b>					
Staff costs/ sales	59.1%	62.1%	62.1%	62.1%	62.1%
Rental expenses/ sales	-31.5%	-33.0%	-32.1%	-32.9%	-33.6%
Utilities expenses/ sales	-0.9%	-1.0%	-1.0%	-1.0%	-1.0%
Depreciation and amortization/ sales	-3.3%	-3.4%	-3.4%	-3.4%	-3.4%
Depreciation of right-of-use assets/ sales	-5.3%	-4.3%	-4.3%	-3.0%	-1.3%
Travelling fees/ sales	-1.8%	-1.7%	-1.7%	-1.7%	-1.7%
Other opex/ sales	-0.5%	-0.6%	-0.7%	-0.8%	-0.8%
Effective tax rate	-3.9%	-4.4%	-4.3%	-4.4%	-4.4%
	-22.9%	-29.0%	-26.0%	-26.0%	-26.0%
<b>NP att. margin</b>	<b>10.9%</b>	<b>11.0%</b>	<b>11.6%</b>	<b>12.3%</b>	<b>13.6%</b>
<b>NP att. growth (%)</b>	<b>174.6%</b>	<b>4.6%</b>	<b>10.3%</b>	<b>12.4%</b>	<b>16.2%</b>

Source: Company data, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	31,039	41,453	42,755	44,607	47,286	49,753
Cost of goods sold	(12,906)	(16,946)	(16,211)	(16,913)	(17,929)	(18,865)
Gross profit	18,132	24,507	26,544	27,694	29,357	30,888
Operating expenses	(16,389)	(19,537)	(20,684)	(21,180)	(22,321)	(22,934)
Staff costs	(10,240)	(13,040)	(14,113)	(14,311)	(15,564)	(16,693)
Other rental related expenses	(274)	(362)	(426)	(444)	(471)	(495)
Others	(2,554)	(3,190)	(3,587)	(3,764)	(4,080)	(4,268)
Operating profit	2,123	5,584	6,112	6,675	7,207	8,134
Other income	380	614	253	161	171	179
Share of (losses)/profits of associates/JV	65	46	52	9	9	10
EBITDA	5,445	8,530	8,670	9,335	9,413	9,611
Depreciation	(2,560)	(2,215)	(1,832)	(1,899)	(1,404)	(647)
Depreciation of ROU assets	(761)	(731)	(727)	(761)	(802)	(831)
Interest income	116	327	383	684	1,013	1,358
Interest expense	(474)	(351)	(275)	(292)	(280)	(265)
Other income/expense	287	227	352	(31)	(33)	(35)
Pre-tax profit	2,118	5,833	6,624	7,044	7,916	9,202
Income tax	(480)	(1,338)	(1,924)	(1,831)	(2,058)	(2,392)
Minority interest	1	4	8	(21)	(24)	(28)
Net profit	1,637	4,495	4,700	5,213	5,858	6,809

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	10,507	14,907	24,576	36,028	47,889	60,487
Cash & equivalents	6,301	6,476	16,150	27,468	39,134	51,553
Account receivables	307	412	371	387	410	431
Inventories	1,142	1,075	1,060	1,106	1,173	1,234
Prepayment	1,650	1,617	1,667	1,740	1,844	1,940
ST bank deposits	421	2,045	2,045	2,045	2,045	2,045
Other current assets	686	3,283	3,283	3,283	3,283	3,283
Non-current assets	10,933	9,770	8,239	6,661	5,597	5,308
PP&E	5,645	3,921	2,363	791	(272)	(566)
Deferred income tax	601	617	617	617	617	617
Investment in JVs & assos	257	304	355	364	374	384
Intangibles	105	74	49	34	23	20
Other non-current assets	4,325	4,855	4,855	4,855	4,855	4,855
Total assets	21,439	24,677	32,815	42,689	53,486	65,795
Current liabilities	7,232	7,242	6,971	7,132	7,365	7,580
Short-term borrowings	2,341	619	619	619	619	619
Account payables	1,321	1,859	1,521	1,587	1,682	1,770
Tax payable	58	379	379	379	379	379
Other current liabilities	3,512	4,384	4,451	4,547	4,685	4,812
Non-current liabilities	6,764	5,909	5,549	5,601	5,658	5,720
Long-term borrowings	215	0	0	0	0	0
Other non-current liabilities	6,548	5,909	5,549	5,601	5,658	5,720
Total liabilities	13,996	13,150	12,519	12,733	13,023	13,300
Share capital	0	0	0	0	0	0
Retained earnings	0	0	13,238	23,102	34,187	47,072
Other reserves	7,443	11,526	7,058	6,854	6,276	5,423
Total shareholders equity	7,443	11,527	20,296	29,956	40,463	52,495
Minority interest	0	0	0	0	0	0
Total equity and liabilities	21,439	24,677	32,815	42,689	53,486	65,795

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	2,118	5,833	6,624	7,044	7,916	9,202
Depreciation & amortization	2,560	2,215	1,832	1,899	1,404	647
Tax paid	(353)	(980)	(1,924)	(1,831)	(2,058)	(2,392)
Change in working capital	556	1,379	(266)	27	39	36
Others	1,272	553	8,300	9,251	9,649	10,791
<b>Net cash from operations</b>	<b>6,152</b>	<b>9,000</b>	<b>14,566</b>	<b>16,390</b>	<b>16,950</b>	<b>18,284</b>
<b>Investing</b>						
Capital expenditure	(825)	(452)	(556)	(312)	(331)	(348)
Acquisition of subsidiaries/ investments	720	(1,702)	0	0	0	0
Others	(652)	(3,156)	0	0	0	0
<b>Net cash from investing</b>	<b>(757)</b>	<b>(5,311)</b>	<b>(556)</b>	<b>(312)</b>	<b>(331)</b>	<b>(348)</b>
<b>Financing</b>						
Dividend paid	0	(554)	(4,061)	(4,469)	(4,672)	(5,251)
Net borrowings	(1,243)	(1,951)	0	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	0	0	0	0	0	0
Others	(3,745)	(997)	(275)	(292)	(280)	(265)
<b>Net cash from financing</b>	<b>(4,988)</b>	<b>(3,502)</b>	<b>(4,336)</b>	<b>(4,760)</b>	<b>(4,953)</b>	<b>(5,516)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	5,767	6,301	6,476	16,150	27,468	39,134
Exchange difference	126	(13)	0	0	0	0
Others	408	188	9,674	11,318	11,666	12,419
<b>Cash at the end of the year</b>	<b>6,301</b>	<b>6,476</b>	<b>16,150</b>	<b>27,468</b>	<b>39,134</b>	<b>51,553</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	(20.6%)	33.6%	3.1%	4.3%	6.0%	5.2%
Gross profit	(17.0%)	35.2%	8.3%	4.3%	6.0%	5.2%
Operating profit	232.6%	163.0%	9.4%	9.2%	8.0%	12.9%
EBITDA	15.0%	56.7%	1.6%	7.7%	0.8%	2.1%
Net profit	na	174.6%	4.6%	10.9%	12.4%	16.2%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	58.4%	59.1%	62.1%	62.1%	62.1%	62.1%
Operating margin	6.8%	13.5%	14.3%	15.0%	15.2%	16.3%
EBITDA margin	17.5%	20.6%	20.3%	20.9%	19.9%	19.3%
Return on equity (ROE)	21.3%	47.4%	29.5%	20.7%	16.6%	14.7%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Current ratio (x)	1.5	2.1	3.5	5.1	6.5	8.0
Receivable turnover days	4.0	3.2	3.2	3.2	3.2	3.2
Inventory turnover days	36.7	23.9	23.9	23.9	23.9	23.9
Payable turnover days	46.2	34.3	34.3	34.3	34.3	34.3
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	56.0	20.4	19.5	17.7	15.7	13.5
P/E (diluted)	56.0	20.4	19.5	17.7	15.7	13.5
P/B	12.3	8.0	4.5	3.1	2.3	1.7
P/CFPS	14.9	10.2	6.3	5.6	5.4	5.0
Div yield (%)	0.6	4.4	4.9	5.1	5.7	6.7

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



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