CMB International Global Markets | Equity Research | Company Update

Tongcheng Travel (780 HK)

2Q25 preview: expecting inline results

For 2Q25, we expect Tongcheng Travel (TC) to record revenue of RMB4.6bn, up 9.3% YoY, and ink non-GAAP net profit of RMB738mn, up 12.4% YoY, both are largely unchanged compared to our previous forecasts, and are inline with Bloomberg consensus. For 2Q25, we expect stronger revenue growth in accommodation reservation than we previously anticipated, primarily aided by likely stronger-than-expected expansion of take rate. However, we expect this to be offset by slower-than-expected transportation ticketing services revenue growth owing to milder-than-expected air ticketing volume growth in the near term, as well as likely slower than our previously expected revenue growth recovery for offline Tourism business. As we expect the impact to persist in 2H25, we lower 2025E revenue forecast by 1.7%, but we lift non-GAAP NP forecast by 1.3% to account for likely better-than-expected margin expansion aided by more optimized-than-expected sales and marketing spending. We are now looking for 10%/20% YoY growth (was 12/18%) in group-level revenue/non-GAAP NP in 2025E. Our 2025E non-GAAP net profit forecast is 1.6% ahead of consensus. We keep our DCF-based TP unchanged at HK\$24.0, and maintain BUY rating.

- 2Q25 results preview: expecting inline core OTA business revenue and earnings growth. For 2Q25E, we estimate TC could ink total revenue of RMB4.6bn, up 9.3% YoY, among which we are anticipating 13.1% YoY revenue growth for core OTA business, and 9.5% YoY decline in Tourism business. We are anticipating core OTA non-GAAP operating profit of RMB1.0bn, up 18.5% YoY, and translating into non-GAAP OPM of 25.5% (up 1.2ppts YoY), primarily driven by optimization in sales and marketing spending.
- Change in forecasts. We nudge down 2025-2027E revenue forecasts by 1.7% to reflect likely slower than our previously expected revenue growth recovery for offline Tourism business, as well as likely milder-than-expected air ticketing volume growth in the near term. However, we lift 2025-2027E non-GAAP net profit forecasts by 1.2-1.3% to account for better-than-expected margin expansion aided by more optimized-than-expected sales and marketing spending. We maintain our DCF-based TP unchanged at HK\$24.0 per share (WACC of 13.0%; terminal growth of 1.0%), translating into 15.4x 2025E PE. Key risks: 1) more severe-than-expected macro headwinds weigh on revenue growth; 2) slower-than-expected pace in margin expansion.

Earnings Summary

| (YE 31 Dec) | FY23A | FY24A | FY25E | FY26E | FY27E |
|------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMB mn) | 11,896 | 17,341 | 19,160 | 21,469 | 23,240 |
| YoY growth (%) | 80.7 | 45.8 | 10.5 | 12.0 | 8.2 |
| Adjusted net profit (RMB mn) | 2,192.1 | 2,785.4 | 3,341.3 | 3,829.4 | 4,241.1 |
| Diluted EPS (RMB) | 0.95 | 1.22 | 1.45 | 1.65 | 1.82 |
| Consensus EPS (RMB) | na | na | 1.36 | 1.57 | 1.79 |
| P/E (x) | 28.8 | 22.9 | 17.1 | 14.6 | 13.2 |

Source: Company data, Bloomberg, CMBIGM estimates



BUY (Maintain)

| Target Price | HK\$24.00 |
|---------------|-----------|
| Up/Downside | 10.1% |
| Current Price | HK\$21.80 |

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Stock Data

| Mkt Cap (HK\$ mn) | 50,150.7 |
|--------------------------|-------------|
| Avg 3 mths t/o (HK\$ mn) | 308.9 |
| 52w High/Low (HK\$) | 23.45/12.70 |
| Total Issued Shares (mn) | 2300.5 |
| Source: FactSet | |

Shareholding Structure

| TCH Sapphire Limited | 13.4% |
|--------------------------------|-------|
| C-Travel International Limited | 12.4% |
| Source: HKEx | |

Share Performance

| | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -5.0% | -6.8% |
| 3-mth | -2.7% | -16.4% |
| 6-mth | 20.0% | -4.4% |
| | | |

Source: FactSet

12-mth Price Performance





Figure 1: TC: quarterly results and forecast

| (RMBmn) | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25E |
|--|-------|-------|-------|-------|-------|-------|
| Total revenue | 3,866 | 4,245 | 4,991 | 4,238 | 4,377 | 4,639 |
| YoY growth (%) | 49.5% | 48.1% | 51.3% | 34.8% | 13.2% | 9.3% |
| 1. Core OTA | 3,203 | 3,526 | 4,013 | 3,457 | 3,792 | 3,987 |
| YoY growth (%) | 23.9% | 23.0% | 21.6% | 20.2% | 18.4% | 13.1% |
| 1.1 Transportation ticketing services | 1,737 | 1,743 | 2,027 | 1,723 | 2,000 | 1,886 |
| YoY growth (%) | 25.6% | 16.6% | 20.6% | 17.0% | 15.2% | 8.2% |
| 1.2 Accommodation reservation services | 965 | 1,191 | 1,378 | 1,135 | 1,190 | 1,361 |
| YoY growth (%) | 15.6% | 12.8% | 22.2% | 28.6% | 23.3% | 14.3% |
| 1.3 Others | 502 | 592 | 609 | 599 | 603 | 740 |
| YoY growth (%) | 36.0% | 87.3% | 23.7% | 14.8% | 20.0% | 25.0% |
| 2. Tourism | 663 | 719 | 979 | 780 | 585 | 651 |
| Gross profit | 2,515 | 2,744 | 3,165 | 2,690 | 3,012 | 3,007 |
| Operating profit | 455 | 517 | 977 | 474 | 817 | 686 |
| Adj. net profit | 558 | 657 | 910 | 660 | 788 | 738 |
| YoY (%) | 10.9% | 10.9% | 46.6% | 36.8% | 41.1% | 12.4% |
| Margin (%) | | | | | | |
| GPM | 65.0% | 64.6% | 63.4% | 63.5% | 68.8% | 64.8% |
| ОРМ | 11.8% | 12.2% | 19.6% | 11.2% | 18.7% | 14.8% |
| Adj. NPM | 14.4% | 15.5% | 18.2% | 15.6% | 18.0% | 15.9% |

Source: Company data, CMBIGM estimates

Figure 2: TC: change in financial forecast

| | | Current | | Prev | vious forecast | | | Diff (%) | |
|-------------------------|--------|---------|--------|--------|----------------|--------|---------|----------|---------|
| RMB bn | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Revenue | 19,160 | 21,469 | 23,240 | 19,491 | 21,842 | 23,647 | -1.7% | -1.7% | -1.7% |
| Gross profit | 12,546 | 14,161 | 15,429 | 12,747 | 14,387 | 15,675 | -1.6% | -1.6% | -1.6% |
| Operating profit | 3,221 | 3,765 | 4,198 | 3,161 | 3,701 | 4,129 | 1.9% | 1.7% | 1.7% |
| Non-GAAP net profit | 3,341 | 3,829 | 4,241 | 3,299 | 3,783 | 4,191 | 1.3% | 1.2% | 1.2% |
| Gross Margin | 65.5% | 66.0% | 66.4% | 65.4% | 65.9% | 66.3% | 0.1 ppt | 0.1 ppt | 0.1 ppt |
| Operating profit margin | 16.8% | 17.5% | 18.1% | 16.2% | 16.9% | 17.5% | 0.6 ppt | 0.6 ppt | 0.6 ppt |
| Non-GAAP net margin | 17.4% | 17.8% | 18.2% | 16.9% | 17.3% | 17.7% | 0.5 ppt | 0.5 ppt | 0.5 ppt |

Source: Bloomberg, CMBIGM estimates

Figure 3: TC: DCF valuation (WACC of 13.0%; terminal growth of 1.0%)

| (RMBmn) | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total revenue | 19,160 | 21,469 | 23,240 | 24,501 | 25,400 | 26,079 | 26,607 | 27,027 | 27,372 |
| NPV of FCF | 26,217 | | | | | | | | |
| Discounted | | | | | | | | | |
| terminal value | 16,767 | | | | | | | | |
| Total equity | | | | | | | | | |
| valuation | 51,521 | | | | | | | | |
| No. of shares | | | | | | | | | |
| (diluted, mn) | 2,300 | | | | | | | | |
| Valuation per share | | | | | | | | | |
| (HKD) | 24.0 | | | | | | | | |

Source: Bloomberg, CMBIGM estimates



Financial Summary

| INCOME STATEMENT | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
|----------------------------------|---------|---------|---------|---------|----------|----------|
| YE 31 Dec (RMB mn) | | | | | | |
| Revenue | 6,585 | 11,896 | 17,341 | 19,160 | 21,469 | 23,240 |
| Cost of goods sold | (1,807) | (3,158) | (6,227) | (6,614) | (7,308) | (7,811) |
| Gross profit | 4,778 | 8,738 | 11,113 | 12,546 | 14,161 | 15,429 |
| Operating expenses | (4,802) | (6,869) | (8,690) | (9,325) | (10,396) | (11,230) |
| Selling expense | (2,801) | (4,473) | (5,621) | (6,119) | (6,851) | (7,416) |
| Admin expense | (701) | (711) | (1,206) | (1,186) | (1,279) | (1,362) |
| Other rental related expenses | (1,414) | (1,821) | (2,001) | (2,145) | (2,394) | (2,592) |
| Others | 114 | 136 | 138 | 125 | 129 | 139 |
| Operating profit | (24) | 1,869 | 2,423 | 3,221 | 3,765 | 4,198 |
| Interest income | 58 | 175 | 195 | 217 | 286 | 363 |
| Interest expense | (137) | (157) | (231) | (232) | (232) | (232) |
| Others | (14) | (33) | 11 | 27 | 18 | 19 |
| Pre-tax profit | (117) | 1,854 | 2,398 | 3,232 | 3,837 | 4,347 |
| Income tax | (46) | (288) | (410) | (553) | (694) | (830) |
| After tax profit | (164) | 1,566 | 1,988 | 2,679 | 3,142 | 3,517 |
| Minority interest | (18) | 11 | 14 | 20 | 20 | 20 |
| Net profit | (146) | 1,554 | 1,974 | 2,659 | 3,122 | 3,497 |
| Adjusted net profit | 646 | 2,192 | 2,785 | 3,341 | 3,829 | 4,241 |
| BALANCE SHEET | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| YE 31 Dec (RMB mn) | | | | | | |
| Current assets | 10,384 | 14,900 | 18,241 | 21,208 | 24,926 | 28,802 |
| Cash & equivalents | 3,547 | 5,192 | 8,020 | 10,601 | 13,430 | 16,627 |
| Restricted cash | 88 | 145 | 136 | 151 | 169 | 183 |
| Account receivables | 888 | 1,218 | 1,728 | 1,909 | 2,139 | 2,315 |
| Prepayment | 2,697 | 4,370 | 5,450 | 5,815 | 6,456 | 6,944 |
| Financial assets at FVTPL | 3,163 | 3,974 | 2,907 | 2,733 | 2,733 | 2,733 |
| Non-current assets | 14,651 | 16,817 | 19,537 | 19,139 | 19,025 | 18,917 |
| PP&E | 1,598 | 2,495 | 3,147 | 3,318 | 3,493 | 3,670 |
| Right-of-use assets | 111 | 589 | 909 | 909 | 909 | 909 |
| Intangibles | 8,581 | 9,580 | 10,814 | 10,436 | 10,090 | 9,763 |
| Financial assets at FVTPL | 758 | 1,039 | 957 | 957 | 957 | 957 |
| Other non-current assets | 3,602 | 3,113 | 3,709 | 3,519 | 3,575 | 3,618 |
| Total assets | 25,035 | 31,717 | 37,777 | 40,348 | 43,951 | 47,719 |
| | | | | | | |
| Current liabilities | 6,117 | 11,887 | 11,597 | 11,918 | 12,467 | 12,877 |
| Short-term borrowings | 443 | 2,540 | 1,359 | 1,359 | 1,359 | 1,359 |
| Account payables | 2,522 | 4,131 | 4,467 | 4,630 | 4,969 | 5,155 |
| Tax payable | 3,040 | 4,939 | 5,154 | 5,312 | 5,522 | 5,745 |
| Other current liabilities | 60 | 166 | 342 | 342 | 342 | 342 |
| Contract liabilities | 51 | 111 | 274 | 274 | 274 | 274 |
| Non-current liabilities | 2,928 | 1,283 | 5,218 | 2,523 | 2,649 | 2,746 |
| Long-term borrowings | 1,858 | 11 | 2,794 | 0 | 0 | 0 |
| Obligations under finance leases | 88 | 420 | 680 | 680 | 680 | 680 |
| Other non-current liabilities | 982 | 852 | 1,743 | 1,842 | 1,969 | 2,065 |
| Total liabilities | 9,044 | 13,170 | 16,815 | 14,440 | 15,116 | 15,623 |
| Share capital | 8 | 8 | 8 | 8 | 8 | 8 |
| Capital surplus | 19,877 | 20,116 | 20,762 | 23,161 | 23,161 | 23,161 |
| Other reserves | (4,153) | (2,421) | (768) | 1,758 | 4,665 | 7,907 |
| Total shareholders equity | 15,732 | 17,703 | 20,001 | 24,927 | 27,834 | 31,076 |
| Minority interest | 258 | 844 | 961 | 981 | 1,001 | 1,021 |
| Total equity and liabilities | 25,035 | 31,717 | 37,777 | 40,348 | 43,951 | 47,719 |



| CASH FLOW 2022A 2023A 2024A 2025E 2025E 2027E VE 31 Dec (RMB mn) | | | | | | A within the s | desidiary of child storemans rais |
|---|------------------------------|---------|---------|-------|--------|----------------|-----------------------------------|
| Operating Perform Lector Example Perform Lector Example | CASH FLOW | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| Operating Perform Lector Latanian 840 911 1.083 3.232 3.837 4.947 Deprediction & amonitzation 840 911 1.083 1.074 1.111 Tax paid (100) (111) (488) (1630) (200) (200) Change in working capital (1.001) 911 (888) 3.731 3.777 408 Net cash from operations 302 4.003 2.970 3.928 4.433 4.835 Investing | YE 31 Dec (RMB mn) | | | | | | |
| Depresidant A amoritzation 1 std 1 110 1 1083 1 1074 1 111 Tax paid (60) (92) (455) (553) (664) (830) Change in working capital (1,001) 911 (688) (159) (220) (201) Not cash from operations 302 4,003 2,970 3,223 4,343 4,835 Investing - </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | | | |
| Tax paid (60) (192) (435) (633) (643) (630) Change in working capital (1.001) 911 (683) (253) (263) (263) (263) Not cash from operations 302 4.003 2.970 3.223 4.43 4.835 Investing Investing (371) (403) (446) (474) (496) Capital expenditure (515) (772) (403) (446) (474) (496) Net cash from investing (337) (1,762) (344) (643) (663) Proceeds from share issues 0 0 0 0 0 0 Net cash from financing 1,555 (592) 679 (604) (502) (663) Net cash from financing 1,555 (592) 679 (604) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <t< td=""><td>Profit before taxation</td><td>(117)</td><td>1,854</td><td>2,398</td><td>3,232</td><td>3,837</td><td>4,347</td></t<> | Profit before taxation | (117) | 1,854 | 2,398 | 3,232 | 3,837 | 4,347 |
| Changen working capital (1, 001) 911 (888) (158) (220) (201) Others 630 521 613 371 377 408 Net cash from operations 302 4,003 2,970 3,928 4,343 4,835 Investing Capital expenditure (5/5) (7/72) (403) (446) (474) (466) Others 118 (991) (433) (938) (446) (479) Net cash from investing 0 0 (937) (933) (939) (952) (957) Proceeds from share issues 0 0 0 0 0 0 0 Net change in cash 15.35 (592) 673 15.02 16.01 13.430 Cash at the beginning of the year 2,046 3.547 5.152 8.020 10.601 13.430 Cash at the end of the year 2,547 5.152 8.020 10.61 13.430 Cash at the end of the year <td>Depreciation & amortization</td> <td>840</td> <td>911</td> <td>1,083</td> <td>1,036</td> <td>1,074</td> <td>1,111</td> | Depreciation & amortization | 840 | 911 | 1,083 | 1,036 | 1,074 | 1,111 |
| Others 6:30 5:21 6:13 371 377 4:08 Net cash from operations 302 4,003 2,970 3,928 4,343 4,855 Investing Capital expenditure (615) (772) (403) (346) (474) (466) Others 118 (991) (4131) (368) (446) (477) Net cash from investing (397) (1,762) (683) (643) (922) (975) Financing Net solv from financing 1,535 (590) 684 0 0 0 Net cash from financing 1,535 (592) 679 (500) (592) (663) Net cash from financing 1,535 (592) 679 (500) (592) (663) Net cash from financing 1,535 (592) 679 (500) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | Tax paid | (50) | (192) | (435) | (553) | (694) | (830) |
| Net cash from operations 302 4,003 2,970 3,928 4,433 4,835 Investing Capital expenditure (515) (772) (403) (443) (436) (479) Net cash from investing 118 (091) (431) (308) (448) (479) Net cash from investing 0397 (1,762) (633) (643) (623) (653) Proceeds from share issues 0< | Change in working capital | (1,001) | 911 | (688) | (158) | (250) | (201) |
| Investing Investing <thinvesting< th=""> Investing <th< td=""><td>Others</td><td>630</td><td>521</td><td>613</td><td>371</td><td>377</td><td>408</td></th<></thinvesting<> | Others | 630 | 521 | 613 | 371 | 377 | 408 |
| Capital openditure (515) (772) (403) (444) (474) (465) Others 118 (991) (431) (398) (448) (473) Nat cash fron investing (397) (1,762) (684) (683) (692) (675) Financing 0 0 0 0 0 0 0 0 Proceeds from financing 1,535 (590) 684 0 0 0 0 Net cash from financing 1,535 (590) 684 0 | Net cash from operations | 302 | 4,003 | 2,970 | 3,928 | 4,343 | 4,835 |
| Chers 118 (991) (431) (398) (448) (479) Net cash from investing (397) (1,762) (634) (633) (922) (975) Financing Net borrowings 0 (2) (5) (504) (592) (663) Proceeds from share issues 0 0 0 0 0 0 0 Others | Investing | | | | | | |
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| Financing Not borowings 0 (2) (6) (504) (552) (663) Proceeds from share issues 0 <td>Others</td> <td></td> <td>(991)</td> <td>(431)</td> <td>(398)</td> <td>(448)</td> <td>(479)</td> | Others | | (991) | (431) | (398) | (448) | (479) |
| Net borowings 0 (2) (5) (504) (592) (663) Proceeds from share issues 0 0 0 0 0 0 Net cash from financing 1,535 (592) 679 (504) (592) (663) Net cash from financing 1,535 (592) 679 (504) (592) (663) Net cash from financing 1,535 (592) 679 (504) (592) (663) Schange difference 61 (4) 13 0 | Net cash from investing | (397) | (1,762) | (834) | (843) | (922) | (975) |
| Proceeds from share issues 0 0 0 0 0 0 Others 1,535 (590) 684 0 0 0 Net cash from financing 1,535 (592) 679 (504) (592) (663) Net cash from financing 2,046 3,547 5,192 8,020 10,601 13,430 Cash at the beginning of the year 2,046 3,547 5,192 8,020 10,601 13,430 16,627 GROWTH 2022A 2024A 2024B 2025E 2026E 2027E YE 31 De T 1,5% 82.9% 10,5% 12.9% 9.0% Operating profit (12.6%) 80.7% 45.8% 10.5% 12.9% 9.0% Operating profit (12.6%) 80.7% 45.8% 10.5% 16.9% 11.5% Adj, net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% Operating profit (50.6%) 73.5% 64.1% 65.5% </td <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> | - | | | | | | |
| Others 1,535 (590) 684 0 0 0 Net cash from financing 1,535 (592) (592) (693) Net change in cash Cash at the beginning of the year 2,046 3,547 5,192 8,020 10,601 13,430 Cash at the beginning of the year 3,547 5,192 8,020 10,601 13,430 Others 0 0 0 0 0 0 0 0 Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 GROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De Revenue (12,6%) 82,9% 27,2% 12,9% 9,0% Operating profit na na 27,0% 32,9% 14,6% 10,8% PROFITABILTY 2022A 202A 2025E 2025E 2026E 2027E YE 31 De <t< td=""><td>5</td><td></td><td></td><td></td><td></td><td>, ,</td><td></td></t<> | 5 | | | | | , , | |
| Net cash from financing 1,535 (592) 679 (504) (592) (663) Net change in cash 2.046 3,547 5.192 8.020 10,601 13,430 Cash at the beginning of the year 2.046 3,547 5.192 8.020 10,601 13,430 < | | | | | | | |
| Net change in cash Cash at the beginning of the year 2,046 3,547 5,192 8,020 10,601 13,430 Exchange difference 61 (4) 13 0 0 0 Others 0 0 0 0 0 0 0 Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 GROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De Revenue (12,6%) 80.7% 45,8% 10.5% 12,9% 9,0% Operating profit na na 29,6% 32,9% 16,9% 11,5% Net profit na na 20,6% 32,9% 16,9% 10,8% PGFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De Gross profit margin (0,4%) 15,7% 14,0% 16,8% 17,5% 18,1% Adj. net profit margin 9,8% <t< td=""><td></td><td></td><td>. ,</td><td></td><td></td><td></td><td></td></t<> | | | . , | | | | |
| Cash at the beginning of the year 2,046 3,547 5,192 8,020 10,601 13,430 Exchange difference 61 (4) 13 0 0 0 Others 0 0 0 0 0 0 0 Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 CROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De Revenue (12.6%) 80.7% 45.8% 10.5% 12.9% 8.2% Operating profit na na 29.6% 32.9% 16.9% 11.5% Adj. net profit na na 27.7% 34.7% 17.4% 12.0% Adj. net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De Gross profit margin 0.4% 15.7% 14.0% | Net cash from financing | 1,535 | (592) | 679 | (504) | (592) | (663) |
| Exchange difference 61 (4) 13 0 0 0 Others 0 0 0 0 0 0 0 0 Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 CROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 80.7% 45.8% 10.5% 12.9% 8.2% Gross profit (15.4%) 80.7% 27.2% 12.9% 9.0% Operating profit na na 29.6% 32.9% 11.5% 11.5% Net profit na na 27.9% 34.7% 17.4% 12.0% Adj, net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 De 15.7% 14.0% 16.8% 17.5% 18.2% < | - | | | | | | |
| Others 0 0 0 0 0 0 0 Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 GROWTH 2022A 2023A 2024A 2025E 2026E 2027E VE 31 Dec Revenue (12.6%) 80.7% 45.8% 10.5% 12.0% 8.2% Operating profit na na 22.9% 21.9% 12.9% 9.0% Operating profit na na 27.2% 12.9% 12.9% 9.0% Operating profit na na 27.0% 34.7% 17.4% 12.0% Adj net profit na na 20.26% 20.0% 14.6% 10.8% 10.8% PROFITABILITY 20.22A 2023A 2024A 2025E 2026E 2027E Gross profit margin 72.6% 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin 0.4% 15.7% 14.0% 16.8%< | | | , | , | | | , |
| Cash at the end of the year 3,547 5,192 8,020 10,601 13,430 16,627 GROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 10.5% 12.9% 8.2% Gross profit (16.4%) 80.7% 45.8% 10.5% 12.9% 8.2% Operating profit na na 28.6% 32.9% 16.9% 11.5% Net profit na na na 28.6% 32.9% 16.9% 11.5% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin 72.6% 73.5% 64.1% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% 11.8% 11.9% | | | | | | | |
| GROWTH 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec Revenue (12.6%) 80.7% 45.8% 10.5% 12.0% 8.2% Gross profit (15.4%) 82.9% 27.2% 12.9% 12.9% 9.0% Operating profit na na 29.6% 32.9% 16.9% 11.5% Net profit na na 29.6% 32.9% 16.9% 11.5% Adj. net profit na na 20.0% 34.7% 17.4% 12.0% Adj. net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec Stantargin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 0.4% 15.7% 14.0% 16.8% 17.5% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% < | | | | | | | |
| YE 31 Dec YE 31 Dec YE 31 Dec Revenue (12.6%) 80.7% 45.8% 10.5% 12.0% 8.2% Gross profit (15.4%) 82.9% 27.2% 12.9% 12.9% 9.0% Operating profit na na 29.6% 32.9% 16.9% 11.5% Net profit na na 29.6% 32.9% 16.9% 11.5% Adj. net profit na na 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec Gross profit margin 72.6% 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% 11.8% 11.9% 11.9% 11.9% | Cash at the end of the year | 3,547 | 5,192 | - | 10,601 | 13,430 | 16,627 |
| Revenue (12.6%) 80.7% 45.8% 10.5% 12.0% 8.2% Gross profit (15.4%) 82.9% 27.2% 12.9% 12.9% 9.0% Operating profit na na 29.6% 32.9% 16.9% 11.5% Net profit na na 27.2% 34.7% 17.4% 12.0% Adj. net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec T 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% 11.8% 11.8% 2022E 2026E 2027E YE 31 Dec Nt 6bt to equity (x) (0.1) (0.1) <td>GROWTH</td> <td>2022A</td> <td>2023A</td> <td>2024A</td> <td>2025E</td> <td>2026E</td> <td>2027E</td> | GROWTH | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| Gross profit (15.4%) 82.9% 27.2% 12.9% 12.9% 12.9% Operating profit na na 28.6% 33.9% 16.9% 11.5% Net profit na na 27.0% 34.7% 17.4% 12.9% Net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec T 40.4% 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 72.6% 73.5% 64.1% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% GEARING/LIQUIDITY/ACTIVITIES 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 1.7 1.3 1.6 1.8 | YE 31 Dec | | | | | | |
| Operating profit na na na na 29.6% 32.9% 16.9% 11.5% Net profit na na na 27.0% 34.7% 17.4% 12.0% Adj. net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec | Revenue | (12.6%) | 80.7% | 45.8% | 10.5% | 12.0% | 8.2% |
| Net profit na na 27.0% 34.7% 17.4% 12.0% Adj. net profit (50.6%) 239.3% 27.1% 20.0% 14.6% 10.8% PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec T T 72.6% 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 2024A 2025E 2026E 2027E YE 31 Dec T 1.1.8% 11.8% 11.8% 11.8% 11.8% 11.8% Current ratio (x) 1.7 1.3 1.6 1.8 2.0 2.2 YE 31 Dec Zurent ratio (x) 1.7 1.3 1.6 1.8 2.0 2.2 Ye 31 Dec Zurent ratio (x) 2022A | Gross profit | (15.4%) | 82.9% | 27.2% | 12.9% | 12.9% | 9.0% |
| Adj. net profit(50.6%)239.3%27.1%20.0%14.6%10.8%PROFITABILITY2022A2023A2024A2025E2026E2027EYE 31 DecGross profit margin72.6%73.5%64.1%65.5%66.0%66.4%Operating margin(0.4%)15.7%14.0%16.8%17.5%18.1%Adj. net profit margin9.8%18.4%16.1%17.4%17.8%18.2%Return on equity (ROE)(0.9%)9.3%10.5%11.8%11.8%11.9%GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EYE 31 DecNet debt to equity (x)(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EYE 31 DecFNs28.822.917.114.613.2P/E (dilued)0.52.022.012.022.022.02YE 31 DecF1.034.634.435.0P/E0.222.022.022.022.022.02YE 31 DecF1.034.634.435.0P/ENs2.8.82.0.916 | Operating profit | na | na | 29.6% | 32.9% | 16.9% | 11.5% |
| PROFITABILITY 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec Gross profit margin 72.6% 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% 11.8% 11.8% 11.9% GEARING/LIQUIDITY/ACTIVITIES 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec V 1.7 1.3 1.6 1.8 2.0 2.2 YE 31 Dec V 1.7 1.3 1.6 1.8 2.0 2.2 YE 31 Dec VALUATION 43.2 32.3 31.0 34.6 34.4 35.0 Payable turnover days 43.2 2023A 2024A 2025E 2026E 2027E YE 31 Dec 2022A | Net profit | na | na | 27.0% | 34.7% | 17.4% | 12.0% |
| YE 31 Dec Gross profit margin 72.6% 73.5% 64.1% 65.5% 66.0% 66.4% Operating margin (0.4%) 15.7% 14.0% 16.8% 17.5% 18.1% Adj. net profit margin 9.8% 18.4% 16.1% 17.4% 17.8% 18.2% Return on equity (ROE) (0.9%) 9.3% 10.5% 11.8% 11.8% 11.9% GEARING/LIQUIDITY/ACTIVITIES 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 1.7 1.3 1.6 1.8 2.0 2.2 YE 31 Dec 1.7 1.3 1.6 1.8 2.0 2.2 Receivable turnover days 43.2 32.3 31.0 34.6 34.4 35.0 Payable turnover days 477.6 384.5 252.0 251.0 239.7 236.6 VALUATION 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec 1.7 | Adj. net profit | (50.6%) | 239.3% | 27.1% | 20.0% | 14.6% | 10.8% |
| Gross profit margin72.6%73.5%64.1%65.5%66.0%66.4%Operating margin(0.4%)15.7%14.0%16.8%17.5%18.1%Adj. net profit margin9.8%18.4%16.1%17.4%17.8%18.2%Return on equity (ROE)(0.9%)9.3%10.5%11.8%11.8%11.9%GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EVE 31 DecVE 31 Dec0.0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | PROFITABILITY | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| Operating margin(0.4%)15.7%14.0%16.8%17.5%18.1%Adj. net profit margin9.8%18.4%16.1%17.4%17.8%18.2%Return on equity (ROE)(0.9%)9.3%10.5%11.8%11.8%11.9%GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EYE 31 Dec(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | YE 31 Dec | | | | | | |
| Adj. net profit margin9.8%18.4%16.1%17.4%17.8%18.2%Return on equity (ROE)(0.9%)9.3%10.5%11.8%11.8%11.9%GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EYE 31 DecNet debt to equity (x)(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Gross profit margin | 72.6% | 73.5% | 64.1% | 65.5% | 66.0% | 66.4% |
| Return on equity (ROE)(0.9%)9.3%10.5%11.8%11.8%11.9%GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EYE 31 DecNet debt to equity (x)(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.02036.72036.6VALUATION2022A2023A2024A2025E2026E2027EP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Operating margin | (0.4%) | 15.7% | 14.0% | 16.8% | 17.5% | 18.1% |
| GEARING/LIQUIDITY/ACTIVITIES2022A2023A2024A2025E2026E2027EYE 31 DecNet debt to equity (x)(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EYE 31 DecP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Adj. net profit margin | 9.8% | 18.4% | 16.1% | 17.4% | 17.8% | 18.2% |
| YE 31 DecNet debt to equity (x)(0.1)(0.1)(0.2)(0.4)(0.4)(0.5)Current ratio (x)1.71.31.61.82.02.2Receivable turnover days43.232.331.034.634.435.0Payable turnover days477.6384.5252.0251.0239.7236.6VALUATION2022A2023A2024A2025E2026E2027EYE 31 DecP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Return on equity (ROE) | (0.9%) | 9.3% | 10.5% | 11.8% | 11.8% | 11.9% |
| Net debt to equity (x) (0.1) (0.1) (0.2) (0.4) (0.4) (0.5) Current ratio (x) 1.7 1.3 1.6 1.8 2.0 2.2 Receivable turnover days 43.2 32.3 31.0 34.6 34.4 35.0 Payable turnover days 477.6 384.5 252.0 251.0 2026E 2027E VALUATION 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec P/E ns 28.8 22.9 17.1 14.6 13.2 P/E (diluted) 68.5 20.9 16.4 13.7 12.0 11.0 P/B 2.8 2.6 2.3 1.8 1.7 1.5 | GEARING/LIQUIDITY/ACTIVITIES | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| Current ratio (x) 1.7 1.3 1.6 1.8 2.0 2.2 Receivable turnover days 43.2 32.3 31.0 34.6 34.4 35.0 Payable turnover days 477.6 384.5 252.0 251.0 239.7 236.6 VALUATION 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec P/E ns 28.8 22.9 17.1 14.6 13.2 P/E (diluted) 68.5 20.9 16.4 13.7 12.0 11.0 P/B 2.8 2.6 2.3 1.8 1.7 1.5 | YE 31 Dec | | | | | | |
| Receivable turnover days 43.2 32.3 31.0 34.6 34.4 35.0 Payable turnover days 477.6 384.5 252.0 251.0 239.7 236.6 VALUATION 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec P/E ns 28.8 22.9 17.1 14.6 13.2 P/E (diluted) 68.5 20.9 16.4 13.7 12.0 11.0 P/B 2.8 2.6 2.3 1.8 1.7 1.5 | Net debt to equity (x) | (0.1) | (0.1) | (0.2) | (0.4) | (0.4) | (0.5) |
| Payable turnover days 477.6 384.5 252.0 251.0 239.7 236.6 VALUATION 2022A 2023A 2024A 2025E 2026E 2027E YE 31 Dec P/E ns 28.8 22.9 17.1 14.6 13.2 P/E (diluted) 68.5 20.9 16.4 13.7 12.0 11.0 P/B 2.8 2.6 2.3 1.8 1.7 1.5 | Current ratio (x) | 1.7 | 1.3 | 1.6 | 1.8 | 2.0 | 2.2 |
| VALUATION2022A2023A2024A2025E2026E2027EYE 31 DecP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Receivable turnover days | 43.2 | 32.3 | 31.0 | 34.6 | 34.4 | 35.0 |
| YE 31 DecP/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | Payable turnover days | 477.6 | 384.5 | 252.0 | 251.0 | 239.7 | 236.6 |
| P/Ens28.822.917.114.613.2P/E (diluted)68.520.916.413.712.011.0P/B2.82.62.31.81.71.5 | VALUATION | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E |
| P/E (diluted) 68.5 20.9 16.4 13.7 12.0 11.0 P/B 2.8 2.6 2.3 1.8 1.7 1.5 | YE 31 Dec | | | | | | |
| P/B 2.8 2.6 2.3 1.8 1.7 1.5 | P/E | ns | 28.8 | 22.9 | 17.1 | 14.6 | 13.2 |
| | P/E (diluted) | 68.5 | 20.9 | 16.4 | 13.7 | 12.0 | 11.0 |
| P/CFPS ns 14.2 17.8 13.2 11.9 10.7 | P/B | 2.8 | 2.6 | 2.3 | 1.8 | 1.7 | 1.5 |
| | P/CFPS | ns | 14.2 | 17.8 | 13.2 | 11.9 | 10.7 |

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



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