

Green Tea Group (6831 HK)

Solid SSSG and margin trend will likely sustain

1H25 results were inline with profit alert, but the underlying factors like GP margin and economies of scale are impressive. Hence with a likely better and positive SSSG, plus the continued margin improvements in 2H25E, we remain confident about Green Tea's future development. We maintain BUY and raise TP to HK\$ 10.74, based on a 13x FY25E adj. P/E (unchanged).

■ **SSSG remained positive in Jul to MTD in Aug 2025, even though the ASP was still falling.** ASP dropped by around 4.5% YoY to RMB 55.5 in 1H25, and we believe it is still falling in Jul to MTD in Aug 2025, because: 1) more stores were being opened in the lower-tier cities and 2) sales mix from delivery/ one-person meals has kept on increasing (to about 23%/40%). However, despite the ASP downtrend, the SSSG has managed to turn positive since Apr 2025 and remained so in Jul to MTD in Aug 2025, which is still on track to meet our assumption of positive SSSG in FY25E.

■ **We are still confident about sales growth and margin improvement in 2H25E.** Growth drivers for sales in 2H25E include: 1) robust delivery sales orders, 2) more new and innovative product launches, 3) continued benefits from the profit sharing incentive schemes started back in 2023, 4) faster overseas expansion (number of oversea stores will reach 15 by FY25E, vs original plan of 7; sales per store in Hong Kong could be as high as HK\$ 2mn, more than doubling that in mainland China), and 5) launch of more new brands in mainland China and overseas. We are even more positive about the margin improvements in 2H25E, aided by: 1) decent GP margin expansion (drag from the delivery sales was minimal), 2) continued improvements in rental expenses (as some new stores can secure a rent to sales ratio of 6%, vs 8% to 9% historical average), 3) D&A expenses contraction (thanks to less and more efficient use of capex per store), 4) economies of scale (from warehousing expenses to headquarter costs), and 5) higher sales mix from smaller-sized stores (which tend to have a higher OP margin). Hence, we are now forecasting a 0.2ppt improvement in NP margin in 2H25E, to about 9.1% (vs 8.9% in 2H24).

■ **Maintain BUY and raise TP to HK\$ 10.74, based on 13x FY25E adj. P/E (unchanged).** We are revising up FY25E/ 26E/ 27E net profit forecasts by 2%/ 3%/ 3%, in order to factor in: 1) better-than-expected GP margin, 2) greater-than-expected economies of scale. Hence our new TP is at HK\$ 10.74, based on 13x FY25E adj. P/E (unchanged). The stock is currently trading at 10x FY25E P/E, still far below peers' average of 18x and its 3-year sales CAGR of 25% during FY24-27E.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	3,589	3,838	4,748	5,919	7,411
YoY growth (%)	51.1	6.9	23.7	24.7	25.2
Operating profit (RMB mn)	425.5	452.9	587.5	754.9	993.9
Net profit (RMB mn)	295.5	350.2	458.2	596.1	793.9
Adjusted net profit (RMB mn)	303.3	360.9	477.1	607.9	793.9
EPS (Reported) (RMB)	0.53	0.63	0.75	0.89	1.18
YoY growth (%)	1,682.6	18.5	18.3	18.7	33.2
P/E (x)	14.2	12.0	10.2	8.6	6.4
P/B (x)	10.1	5.5	4.9	3.7	2.7
Yield (%)	8.3	4.3	4.9	5.8	7.8
ROE (%)	67.0	59.1	50.4	48.8	48.4
Net gearing (%)	79.9	32.1	47.5	55.3	60.1

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$10.74
(Previous TP)	HK\$10.54)
Up/Downside	29.9%
Current Price	HK\$8.27

China Consumer Discretionary

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Stock Data

Mkt Cap (HK\$ mn)	5,569.5
Avg 3 mths t/o (HK\$ mn)	18.4
52w High/Low (HK\$)	NA/NA
Total Issued Shares (mn)	673.5

Source: FactSet

Shareholding Structure

Mr. Wang & Ms. Lu	54.3%
Partners Gourmet	15.8%

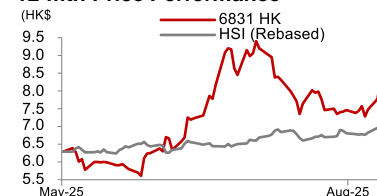
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-0.5%	-1.0%
3-mth	37.8%	25.7%
6-mth	NM	NM

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **1H25 results roughly inline but the underlying is good.** In 1H25, Green Tea's sales increased by 23% YoY to RMB 2.3bn and net profit rocketed by 34% YoY to RMB 234mn, both inline with the previously announced positive profit alert. In terms of segment, dine-in sales growth was relatively slow, at 13% YoY, while the delivery sales growth was extremely robust, at 74% YoY in 1H25. In terms of opex, the greater-than-expected staff cost was offset by the better-than-expected rental and D&A expenses. Overall speaking, in 1H25, we were impressed by: 1) the better-than-expected GP margin, which surged to about 69.7% (vs CMBI est. 69%), due to stronger-than-expected economies of scale and purchasing power, as well as a better product mix (higher-margin items like shrimps and ribs contributed more sales) and the stunning improvements in NP margin (up 0.8ppt to 10.2%) esp. when the SSS still fell by about 1%.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	4,748	5,919	7,411	4,752	5,924	7,422	-0.1%	-0.1%	-0.1%
Gross profit	3,300	4,125	5,173	3,288	4,111	5,158	0.3%	0.3%	0.3%
EBIT	596	770	1,016	587	750	987	1.6%	2.6%	2.9%
Net profit att.	458	596	794	449	578	768	2.0%	3.1%	3.4%
Diluted EPS (RMB)	0.746	0.885	1.179	0.731	0.859	1.140	2.0%	3.1%	3.4%
Gross margin	69.5%	69.7%	69.8%	69.2%	69.4%	69.5%	0.3ppt	0.3ppt	0.3ppt
EBIT margin	12.6%	13.0%	13.7%	12.4%	12.7%	13.3%	0.2ppt	0.3ppt	0.4ppt
Net profit att. margin	9.7%	10.1%	10.7%	9.5%	9.8%	10.3%	0.2ppt	0.3ppt	0.4ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	4,748	5,919	7,411	4,673	5,745	7,085	1.6%	3.0%	4.6%
Gross profit	3,300	4,125	5,173	3,254	4,007	4,947	1.4%	2.9%	4.6%
EBIT	596	770	1,016	590	739	932	1.1%	4.1%	9.0%
Net profit att.	458	596	794	470	592	748	-2.4%	0.7%	6.2%
Diluted EPS (RMB)	0.746	0.885	1.179	0.713	0.880	1.110	4.6%	0.6%	6.2%
Gross margin	69.5%	69.7%	69.8%	69.6%	69.8%	69.8%	-0.1ppt	-0.1ppt	0ppt
EBIT margin	12.6%	13.0%	13.7%	12.6%	12.9%	13.2%	-0.1ppt	0.1ppt	0.6ppt
Net profit att. margin	9.7%	10.1%	10.7%	10.0%	10.3%	10.6%	-0.4ppt	-0.2ppt	0.2ppt

Source: Bloomberg, CMBIGM estimates

Results Summary

Figure 3: Results review – half year

Half yearly / Full yearly (RMB mn)	1H24	2H24	1H25	2H25E	1H25 YoY	2H25E YoY	1H25E CMBIGM	Actual vs CMBI
Revenue	1,860	1,978	2,290	2,457	23%	24%	2,288	0%
COGS	-589	-604	-693	-755			-709	
Gross profit	1,270	1,375	1,597	1,702	26%	24%	1,579	1%
GP margins	68.3%	69.5%	69.7%	69.3%			69.0%	
Other income & gains	16	16	13	24			18	-29%
Staff costs	-480	-509	-591	-631	23%	24%	-583	1%
Staff costs / sales	-25.8%	-25.7%	-25.8%	-25.7%			-25.5%	
Dep. of right-of-use assets expenses	-98	-105	-110	-124	12%	18%	-119	-8%
Dep. of ROU assets exp / sales	-5.3%	-5.3%	-4.8%	-5.0%			-5.2%	
Other rentals expenses	-35	-41	-48	-49	39%	18%	-43	10%
Other rentals exp / sales	-1.9%	-2.1%	-2.1%	-2.0%			-1.9%	
D&A of other assets	-107	-110	-113	-145	5%	31%	-121	-7%
D&A of other assets exp / sales	-5.8%	-5.6%	-4.9%	-5.9%			-5.3%	
Delivery service fees	-67	-54	-80	-96	19%	77%	-103	
Delivery service fees / sales	-3.6%	-2.7%	-3.5%	-3.9%			-4.5%	
Utilities expenses	-50	-91	-88	-87	76%	-5%	-59	47%
Utilities exp / sales	-2.7%	-4.6%	-3.8%	-3.5%			-2.6%	
Other opex	-216	-252	-274	-306	27%	22%	-270	1%
Other opex / sales	-17.0%	-18.3%	-17.1%	-18.0%			-17.1%	
Operating profit (EBIT)	233	228	308	289	32%	26%	297	3%
OP margins	12.5%	11.5%	13.4%	11.7%			13.0%	
Other items	4	-2	-2	2			0	
Net finance income	-22	-23	-28	-17			-25	11%
Net finance income / sales	-1.2%	-1.2%	-1.2%	-0.7%			-1.1%	
Profit after financing costs	216	203	278	274			273	
Associated coms	0	0	0	0			0	
Jointly controlled coms	0	0	0	0			0	
Pre-tax profit	216	203	278	274	29%	35%	273	2%
Tax	-41	-27	-44	-50			-49	
Tax / sales	-2.2%	-1.4%	-1.9%	-2.0%			-2.1%	
Effective tax rate	-19.1%	-13.4%	-15.8%	-18.2%			-18.0%	
Minority interests	0	0	0	0			0	
Net profit att.	174	176	234	224	34%	28%	224	5%
NP margins	9.4%	8.9%	10.2%	9.1%			9.8%	

Source: Bloomberg, Company data, CMBIGM estimates

Figure 4: Results review – full year

Half yearly / Full yearly (RMB mn)	FY24	FY25E	FY26E	FY25E YoY	FY26E YoY
Revenue	3,838	4,748	5,919	24%	25%
COGS	-1,193	-1,448	-1,793		
Gross profit	2,645	3,300	4,125	25%	25%
GP margins	68.9%	69.5%	69.7%		
Other income & gains	32	37	39		
Staff costs	-989	-1,222	-1,539	24%	26%
Staff costs / sales	-25.8%	-25.7%	-26.0%		
Dep. of right-of-use assets expenses	-203	-233	-289	15%	24%
Dep. of ROU assets exp / sales	-5.3%	-4.9%	-4.9%		
Other rentals expenses	-76	-97	-116	28%	19%
Other rentals exp / sales	-2.0%	-2.0%	-2.0%		
D&A of other assets	-218	-258	-293	18%	14%
D&A of other assets exp / sales	-5.7%	-5.4%	-5.0%		
Delivery service fees	-121	-176	-228		
Delivery service fees / sales	-3.2%	-3.7%	-3.9%		
Utilities expenses	-141	-175	-218	24%	25%
Utilities exp / sales	-3.7%	-3.7%	-3.7%		
Other opex	-467	-580	-711	24%	23%
Other opex / sales	-17.7%	-17.6%	-17.2%		
Operating profit (EBIT)	462	596	770	29%	29%
OP margins	12.0%	12.6%	13.0%		
Other items	2	0	0		
Net finance income	-45	-44	-52		
Net finance income / sales	-1.2%	-0.9%	-0.9%		
Profit after financing costs	419	552	718		
Associated coms	0	0	0		
Jointly controlled coms	0	0	0		
Pre-tax profit	419	552	718	32%	30%
Tax	-68	-94	-122		
Tax / sales	-1.8%	-2.0%	-2.1%		
Effective tax rate	-16.4%	-17.0%	-17.0%		
Minority interests	0	0	0		
Net profit att.	350	458	596	31%	30%
NP margins	9.1%	9.7%	10.1%		

Source: Bloomberg, Company data, CMBIGM estimates

Assumptions

Figure 5: Major assumptions

Major assumptions	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
Sales by segment (RMB mn)						
Restaurant operation	1,977	3,060	3,099	3,537	4,349	5,421
Delivery service	397	517	723	1,193	1,551	1,970
Others	2	12	16	18	19	20
Total	2,375	3,589	3,838	4,748	5,919	7,411
Sales by region (RMB mn)						
Eastern China	710	1,108	1,264	1,519	1,898	2,231
Guangdong province	622	815	762	793	830	876
Northern China	517	708	627	724	756	917
Other regions and other sales	526	958	1,185	1,712	2,435	3,387
Total	2,375	3,589	3,838	4,748	5,919	7,411
Sales growth by region						
Eastern China	14.9%	56.0%	14.2%	20.1%	25.0%	17.6%
Guangdong province	-4.1%	31.0%	-6.5%	4.1%	4.6%	5.5%
Northern China	-14.7%	37.0%	-11.5%	15.5%	4.4%	21.3%
Other regions and other sales	25.1%	82.1%	23.6%	44.5%	42.3%	39.1%
Total	3.6%	51.1%	6.9%	23.7%	24.7%	25.2%
Store network						
Eastern China	84	115	155	193	246	308
Guangdong province	63	72	83	96	109	119
Northern China	55	56	58	76	89	108
Other regions and other sales	74	117	167	235	346	455
Total	276	360	465	615	815	1,028
Sales per store* (RMB mn)						
Eastern China	8.5	9.6	8.2	7.9	7.7	7.2
Guangdong province	9.9	11.3	9.2	8.3	7.6	7.4
Northern China	9.4	12.7	10.8	9.5	8.5	8.5
Other	7.1	8.1	7.0	6.6	6.1	6.1
Total	8.6	9.9	8.2	7.7	7.2	7.2
Sales per store* growth						
Eastern China	-1.5%	13.9%	-15.3%	-3.5%	-2.0%	-6.1%
Guangdong province	-13.2%	14.6%	-18.9%	-10.0%	-7.9%	-3.3%
Northern China	-19.3%	34.6%	-14.6%	-11.9%	-10.8%	-0.1%
Other	-7.1%	14.1%	-14.0%	-5.2%	-7.9%	0.7%
Total	-11.4%	15.5%	-17.3%	-6.4%	-5.9%	-0.7%

Source: Company data, CMBIGM estimates. *Sales per store = full year sales/ number of stores at year end

Figure 5: Major assumptions (continued)

Major assumptions	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
Daily sales per store (RMB k) - delivery						
Eastern China	3.7	4.8	5.3	5.9	5.7	5.6
Guangdong province	5.7	5.4	5.3	5.8	5.6	5.5
Northern China	7.0	6.1	6.9	7.5	7.2	7.0
Other	3.0	3.4	4.2	4.9	4.7	4.7
Total	4.7	4.7	5.1	5.7	5.5	5.5
Daily sales per store (RMB k) - dine in						
Eastern China	23.9	27.2	21.9	19.5	17.7	16.4
Guangdong province	24.5	28.6	20.8	18.5	16.8	15.5
Northern China	21.7	28.9	25.1	22.3	20.2	18.7
Other	22.4	25.0	21.0	18.7	17.0	15.7
Total	23.2	27.2	21.9	19.9	18.3	17.2
Average spending per guest (RMB)						
Eastern China	62.6	63.0	57.5	56.4	55.2	54.7
Guangdong province	63.5	61.8	53.1	52.0	51.0	50.5
Northern China	62.7	61.8	57.3	56.2	55.0	54.5
Other	62.8	60.4	56.2	55.1	54.0	53.4
Total	62.9	61.8	56.2	56.2	56.1	56.6
Table turnover rate (times/day) - dine in						
Eastern China	2.7	3.1	2.8	2.7	2.7	2.6
Guangdong province	3.1	3.4	2.9	2.8	2.8	2.7
Northern China	2.8	3.5	3.4	3.2	3.2	3.1
Other	2.7	3.3	3.0	2.9	2.9	2.8
Total	2.8	3.3	3.0	2.9	2.8	2.8
GP margins	63.7%	66.4%	68.9%	69.5%	69.7%	69.8%
Opex breakdown						
Staff costs	-26.4%	-25.4%	-25.8%	-25.7%	-26.0%	-26.4%
Depreciation of right-of-use assets	-6.8%	-4.9%	-5.3%	-4.9%	-4.9%	-4.8%
Other rentals & related expenses	-2.4%	-2.2%	-2.0%	-2.0%	-2.0%	-1.9%
D & A of other assets	-6.9%	-5.4%	-5.7%	-5.4%	-5.0%	-4.4%
Delivery service fees	-2.6%	-2.3%	-3.2%	-3.7%	-3.9%	-3.9%
Utilities expenses	-3.8%	-3.4%	-3.7%	-3.7%	-3.7%	-3.7%
Other expenses	-13.0%	-11.7%	-12.2%	-12.2%	-12.0%	-11.8%
Total	-61.8%	-55.4%	-57.7%	-57.7%	-57.3%	-56.8%
EBIT margins	3.2%	12.1%	12.0%	12.6%	13.0%	13.7%
Effective tax rate*	61.6%	23.8%	16.4%	17.0%	17.0%	17.0%
NP att. margins	0.7%	8.2%	9.1%	9.7%	10.1%	10.7%
NP att. growth (%)	-85.4%	1682.6%	18.5%	30.8%	30.1%	33.2%
Adj. NP margins	1.1%	8.5%	9.4%	10.1%	10.3%	10.7%
Adj. NP growth (%)	-81.8%	1102.8%	19.0%	32.2%	27.4%	30.6%

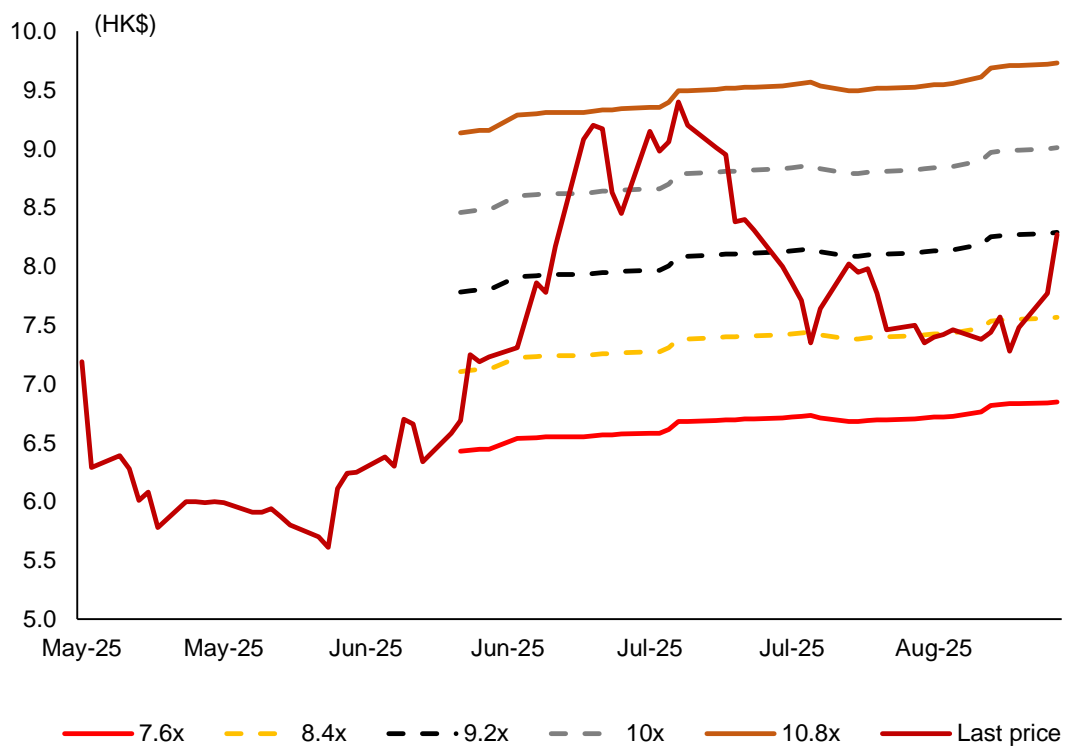
Source: Company data, CMBIGM estimates

Valuation

Figure 6: Peers valuation

Company	Ticker	Rating	12M TP	Price	Up/do	Mkt cap	Year	PER (x)		PBR	ROE	3yrs	Yield	YTD
			HK\$/LC	HK\$/LC	wn-side			(%)	FY1	FY2	(x)	(%)	PEG(x)	(%)
Greater China Catering														
Green Tea	6831 HK	BUY	10.74	8.27	30%	5,569	Dec-24	10.4	8.8	3.8	59.1	0.4	4.8	n/a
Mixue	2097 HK	NR	n/a	486.00	n/a	184,495	Dec-24	31.7	26.9	6.1	34.8	1.9	1.0	n/a
Guming	1364 HK	NR	n/a	23.48	n/a	55,840	Dec-24	25.4	21.1	9.0	111.6	1.3	4.1	n/a
Sichuan Baicha Baidao	2555 HK	NR	n/a	9.11	n/a	13,461	Dec-24	n/a	14.7	2.5	n/a	n/a	5.1	(16.3)
Nayuki	2150 HK	BUY	3.43	1.59	116%	2,711	Dec-24	n/a	n/a	0.7	(21.0)	n/a	0.0	16.9
Haidilao	6862 HK	BUY	20.20	14.47	40%	80,656	Dec-24	15.8	14.2	4.9	46.3	2.6	5.5	(9.0)
Super Hi	9658 HK	NR	n/a	16.08	n/a	10,457	Dec-24	29.5	24.8	2.9	n/a	0.8	0.0	(26.9)
Xiabuxiabu	520 HK	BUY	4.89	0.82	496%	891	Dec-24	n/a	n/a	1.0	(40.6)	n/a	4.0	(18.0)
Dpc Dash	1405 HK	BUY	118.57	88.50	34%	11,588	Dec-24	78.2	43.5	4.1	2.5	0.9	0.0	13.5
Xiaocaiyuan	999 HK	NR	n/a	11.26	n/a	13,248	Dec-24	16.1	13.1	3.7	38.9	0.8	3.8	23.3
Jiumaojiu	9922 HK	BUY	3.18	2.61	22%	3,648	Dec-24	23.3	14.3	1.0	1.4	0.3	2.5	(23.3)
Helens	9869 HK	NR	n/a	1.34	n/a	1,696	Dec-24	6.9	9.1	2.1	(5.3)	(0.0)	14.6	(43.1)
Cafe De Coral	341 HK	HOLD	6.52	7.13	-9%	4,135	Mar-25	14.0	12.1	1.4	8.3	1.2	5.6	(8.7)
Gourmet Master	2723 TT	NR	n/a	79.30	n/a	3,643	Dec-24	17.9	13.6	1.2	6.4	0.6	4.8	(18.1)
Yum China - H	9987 HK	BUY	437.04	368.60	19%	135,827	Dec-24	18.7	16.5	2.9	15.8	1.7	1.9	(1.5)
Yum China - ADR	YUMC US	BUY	55.94	47.03	19%	135,178	Dec-24	18.6	16.4	2.9	15.8	1.7	1.9	(2.4)
Avg.							Avg.	23.6	17.8	3.1	19.6	1.1	3.7	(8.7)
Med.							Med.	18.6	14.5	2.9	12.1	0.9	3.9	(9.0)
International Catering														
Yum! Brands	YUM US	NR	n/a	147	n/a	317,988	Dec-24	24.4	22.1	n/a	n/a	2.0	1.9	9.5
Mcdonald'S Corp	MCD US	NR	n/a	313	n/a	1,744,665	Dec-24	25.4	23.4	n/a	n/a	3.0	2.3	8.1
Starbucks Corp	SBUX US	NR	n/a	86	n/a	760,824	Sep-24	39.0	32.0	n/a	n/a	147.6	2.8	(6.0)
Restaurant Brands	QSR US	NR	n/a	63	n/a	222,987	Dec-24	17.1	15.6	5.2	26.9	1.6	3.9	(3.8)
Wingstop Inc	WING US	NR	n/a	320	n/a	69,714	Dec-24	80.0	62.2	n/a	n/a	3.7	0.4	12.6
Shake Shack	SHAK US	NR	n/a	104	n/a	34,782	Dec-24	75.8	60.3	6.8	4.2	0.7	n/a	(19.5)
Chipotle Mexican Grill	CMG US	NR	n/a	43	n/a	447,124	Dec-24	35.2	30.1	12.9	42.6	2.5	0.0	(29.1)
Darden Restaurants	DRI US	NR	n/a	205	n/a	186,656	May-25	19.2	17.9	9.3	46.1	1.6	2.9	9.9
Domino'S Pizza	DPZ US	NR	n/a	461	n/a	121,985	Dec-24	26.2	23.6	n/a	n/a	3.1	1.5	9.7
Dutch Bros	BROS US	NR	n/a	70	n/a	89,366	Dec-24	104.9	77.8	11.6	10.0	2.1	n/a	33.0
Wendy'S	WEN US	NR	n/a	11	n/a	15,637	Dec-24	12.0	11.0	40.6	99.3	2.7	6.6	(35.5)
Avg.							Avg.	41.7	34.2	14.4	38.2	15.5	2.5	(1.0)
Med.							Med.	26.2	23.6	10.4	34.8	2.5	2.3	8.1

Source: Bloomberg, Company data, CMBIGM estimates. Data as of 26 Aug 2025

Figure 7: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	2,375	3,589	3,838	4,748	5,919	7,411
Cost of goods sold	(862)	(1,205)	(1,193)	(1,448)	(1,793)	(2,238)
Gross profit	1,513	2,384	2,645	3,300	4,125	5,173
Operating expenses	(1,468)	(1,989)	(2,215)	(2,741)	(3,394)	(4,208)
Staff costs	(626)	(911)	(989)	(1,222)	(1,539)	(1,953)
Other rental related expenses	(57)	(80)	(76)	(97)	(116)	(138)
Others	(460)	(627)	(730)	(930)	(1,157)	(1,438)
Operating profit	70	425	453	588	755	994
Other income	25	30	23	28	24	30
EBITDA	395	795	874	1,079	1,337	1,673
Depreciation	(164)	(193)	(218)	(258)	(293)	(324)
Depreciation of ROU assets	(161)	(177)	(203)	(233)	(289)	(355)
Interest income	6	9	9	9	15	22
Interest expense	(42)	(43)	(45)	(44)	(52)	(60)
Other income/expense	8	(4)	2	0	0	0
Pre-tax profit	43	388	419	552	718	956
Income tax	(27)	(92)	(68)	(94)	(122)	(163)
Minority interest	0	0	0	0	0	0
Net profit	17	296	350	458	596	794
Adjusted net profit	25	303	361	477	608	794

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	474	877	673	1,021	1,416	1,935
Cash & equivalents	134	356	247	498	771	1,134
Account receivables	18	36	23	36	45	57
Inventories	56	60	67	77	95	119
Prepayment	222	278	310	383	478	598
ST bank deposits	0	25	0	0	0	0
Other current assets	43	122	26	26	26	26
Non-current assets	1,340	1,544	1,791	1,842	1,933	2,091
PP&E	519	649	725	776	867	1,025
Investment in JVs & assos	0	0	0	0	0	0
Intangibles	2	2	3	3	3	3
Other non-current assets	819	893	1,063	1,063	1,063	1,063
Total assets	1,814	2,421	2,464	2,863	3,349	4,026
Current liabilities	562	1,178	738	859	1,000	1,182
Short-term borrowings	31	50	0	0	0	0
Account payables	193	248	221	285	353	441
Tax payable	6	8	0	0	0	0
Other current liabilities	332	872	517	574	647	741
Non-current liabilities	783	829	955	955	955	955
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	783	829	955	955	955	955
Total liabilities	1,346	2,006	1,693	1,814	1,956	2,137
Share capital	0	0	0	0	0	0
Retained earnings	0	0	0	27	325	722
Other reserves	468	414	771	1,022	1,068	1,167
Total shareholders equity	468	415	771	1,048	1,393	1,889
Minority interest	0	0	0	0	0	0
Total equity and liabilities	1,814	2,421	2,464	2,863	3,349	4,026

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	43	388	419	552	718	956
Depreciation & amortization	164	193	218	258	293	324
Tax paid	(17)	(60)	(105)	(94)	(122)	(163)
Change in working capital	(33)	56	(42)	24	20	26
Others	190	216	244	44	52	60
Net cash from operations	348	793	734	784	961	1,203
Investing						
Capital expenditure	(220)	(306)	(336)	(309)	(385)	(482)
Acquisition of subsidiaries/ investments	0	(1)	(2)	0	0	0
Others	4	(73)	90	0	0	0
Net cash from investing	(216)	(380)	(248)	(309)	(385)	(482)
Financing						
Dividend paid	0	0	(350)	(180)	(251)	(298)
Net borrowings	31	(6)	(25)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	0	0	0	0	0	0
Others	(158)	(185)	(220)	(44)	(52)	(60)
Net cash from financing	(128)	(191)	(595)	(225)	(303)	(358)
Net change in cash						
Cash at the beginning of the year	131	134	356	247	498	771
Exchange difference	(1)	(0)	0	0	0	0
Others	4	222	(109)	251	273	363
Cash at the end of the year	134	356	247	498	771	1,134
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	3.6%	51.1%	6.9%	23.7%	24.7%	25.2%
Gross profit	4.6%	57.6%	11.0%	24.7%	25.0%	25.4%
Operating profit	(59.4%)	505.1%	6.4%	29.7%	28.5%	31.7%
EBITDA	(10.7%)	101.4%	9.8%	23.5%	24.0%	25.1%
Net profit	(85.4%)	1,682.6%	18.5%	30.8%	30.1%	33.2%
Adj. net profit	(81.8%)	1,102.8%	19.0%	32.2%	27.4%	30.6%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	63.7%	66.4%	68.9%	69.5%	69.7%	69.8%
Operating margin	3.0%	11.9%	11.8%	12.4%	12.8%	13.4%
EBITDA margin	16.6%	22.2%	22.8%	22.7%	22.6%	22.6%
Adj. net profit margin	1.1%	8.5%	9.4%	10.1%	10.3%	10.7%
Return on equity (ROE)	3.6%	67.0%	59.1%	50.4%	48.8%	48.4%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	0.2	0.8	0.3	0.5	0.6	0.6
Current ratio (x)	0.8	0.7	0.9	1.2	1.4	1.6
Receivable turnover days	2.6	2.8	2.8	2.8	2.8	2.8
Inventory turnover days	21.9	17.6	19.4	19.4	19.4	19.4
Payable turnover days	85.4	66.9	71.9	71.9	71.9	71.9
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	253.8	14.2	12.0	10.2	8.6	6.4
P/E (diluted)	253.8	14.2	12.0	10.2	8.6	6.4
P/B	9.0	10.1	5.5	4.9	3.7	2.7
P/CFPS	12.1	5.3	5.7	5.9	5.3	4.2
Div yield (%)	0.0	8.3	4.3	4.9	5.8	7.8
EV	4,491.4	4,263.6	4,347.7	5,071.6	4,798.5	4,435.1
EV/Sales	1.9	1.2	1.1	1.1	0.8	0.6
EV/EBITDA	11.4	5.4	5.0	4.7	3.6	2.7

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

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