19 Mar 2026

CMB International Global Markets | Equity Research | Company Update

Tencent (700 HK)

Inline 4Q25 results; increasing AI investment to solidify competitive moat

Tencent announced in-line 4Q25 results: total revenue increased by 13% YoY to RMB194.4bn, and non-IFRS operating income was up by 17% YoY to RMB69.5bn, both in line with Bloomberg consensus estimates. FY25 total revenue/non-IFRS operating income grew by 14%/18% YoY. FY26 will be a key investment year for Tencent AI, and management expected to more than double the investment in new AI products in FY26 (>RMB36bn). Though the AI investment may drag short-term earnings growth, we expect this to strengthen Tencent's core businesses, capture new opportunities like agentic AI, and ease investors' concern that Tencent may lag in the AI competition due to underinvestment. Given the step-up in investment, we lower our FY26-27E earnings forecast by 2-3%, and fine-tune our SOTP-derived target price to HK$750.0 (previous: HK$760.0). That said, we remain upbeat on the resilience of Tencent's core businesses and emerging AI opportunities. Maintain BUY.

- **Core existing businesses maintained solid performance.** By segment, in 4Q25: 1) Games revenue grew by 21% YoY to RMB59.3bn (31% of total revenue), driven by solid growth of both domestic games/international games revenue (+15%/+32% YoY). Looking ahead, highly-anticipated titles *Roco Kingdom: World* and *HoK: World are* lined for launch in 1H26, which shall support the solid games revenue growth in FY26E, in our view. 2) Marketing services revenue grew by 17% YoY to RMB41.1bn (21% of total revenue), mainly attributable to the AI-enhanced ad performance and pricing. Ad impressions grew slightly due to higher user engagement and ad load rate. 3) Fintech and Business Services (FBS) revenue increased by 8% YoY to RMB60.8bn (31% of total revenue). Business services revenue growth accelerated to +22% YoY in 4Q25 (vs. teens% growth in 9M25), thanks to the strong demand for AI-related services and higher e-commerce tech service fees. Tencent Cloud achieved positive adjusted operating profit of RMB5bn in FY25, due to increased AI demand and higher revenue contribution from high-margin SaaS & PaaS products.
- **Capture emerging AI opportunities.** We expect several catalysts on the AI front in FY26: 1) foundation models: HY 3.0, the first flagship foundation model after the restructuring of Tencent AI team, is now under internal testing and will be available externally starting from April; 2) Weixin AI: Tencent is building the next-gen agentic services in Weixin, which will boost ecosystem activities and may generate revenue itself; 3) productivity AI: the company is introducing a range of autonomous AI agents like WorkBuddy and Qclaw to its social platforms, creating new monetization opportunities.
- **Double investment in new AI products in FY26E.** Total costs and expenses for the new AI products were RMB18bn in FY25, and Tencent expects to more than double this investment in FY26E (>RMB36bn, c.4% of FY26E total revenue). That said, management expected increased profits from existing businesses to more than offset the incremental investments. We expect non-IFRS OPM to decline by 1ppt YoY to 36% in FY26E, due to AI investment. We forecast sustainable total revenue growth of 10%/7%/5% over FY26-28E; and expect non-IFRS OP growth to decelerate to +6% YoY in FY26E, but then reaccelerate to 10%/8% in FY27/28E.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	660,257	751,766	823,452	883,100	927,138
Adjusted net profit (RMB mn)	222,703.0	259,626.0	276,246.7	300,101.6	322,790.4
EPS (Adjusted) (RMB)	23.96	28.55	30.33	33.45	36.53
Consensus EPS (RMB)	23.96	28.55	31.70	35.15	40.06

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**HK$750.00**
(Previous TP	HK$760.00)
Up/Downside	**36.2%**
Current Price	**HK$550.50**

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Stock Data

Mkt Cap (HK$ mn)	5,005,283.6
Avg 3 mths t/o (HK$ mn)	14,718.5
52w High/Low (HK$)	677.50/435.40
Total Issued Shares (mn)	9092.3

Source: FactSet

Shareholding Structure

MIH TC	23.1%
Advance Data Services Limited	7.7%

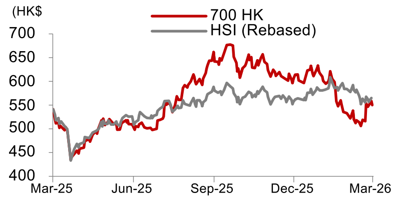
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	3.3%	6.0%
3-mth	-9.0%	-10.9%
6-mth	-14.3%	-12.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Tencent: forecast revision

	Current			Previous			Change (%)		
(RMB bn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	823.5	883.1	927.1	816.8	872.2	NA	0.8%	1.3%	NA
Gross profit	468.0	506.7	536.6	466.0	499.0	NA	0.4%	1.5%	NA
Operating profit	258.0	286.8	311.3	274.9	299.3	NA	-6.2%	-4.2%	NA
Adjusted net profit	276.2	300.1	322.8	285.6	306.6	NA	-3.3%	-2.1%	NA
Adjusted EPS (RMB)	30.3	33.5	36.5	31.2	34.0	NA	-2.9%	-1.7%	NA
Gross margin	56.8%	57.4%	57.9%	57.1%	57.2%	NA	-0.2 ppt	0.2 ppt	NA
Operating margin	31.3%	32.5%	33.6%	33.7%	34.3%	NA	-2.3 ppt	-1.8 ppt	NA
Adjusted net margin	33.5%	34.0%	34.8%	35.0%	35.2%	NA	-1.4 ppt	-1.2 ppt	NA

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
(RMB bn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	823.5	883.1	927.1	831.1	909.9	987.7	-0.9%	-2.9%	-6.1%
Gross profit	468.0	506.7	536.6	473.7	524.9	572.4	-1.2%	-3.5%	-6.2%
Operating profit	258.0	286.8	311.3	282.1	316.8	346.3	-8.5%	-9.5%	-10.1%
Adjusted net profit	276.2	300.1	322.8	291.0	323.7	352.4	-5.1%	-7.3%	-8.4%
Adjusted EPS (RMB)	30.3	33.5	36.5	31.7	35.1	40.1	-4.3%	-4.8%	-8.8%
Gross margin	56.8%	57.4%	57.9%	57.0%	57.7%	58.0%	-0.2 ppt	-0.3 ppt	-0.1 ppt
Operating margin	31.3%	32.5%	33.6%	33.9%	34.8%	35.1%	-2.6 ppt	-2.3 ppt	-1.5 ppt
Adjusted net margin	33.5%	34.0%	34.8%	35.0%	35.6%	35.7%	-1.5 ppt	-1.6 ppt	-0.9 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Tencent: quarterly financials

(RMB bn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Cons.	Diff%
SNS revenue	30.5	30.3	30.9	29.8	32.6	32.2	32.3	30.6	31.4	-2.5%
YoY%	*-1.4%*	*2.2%*	*3.9%*	*5.8%*	*2.5%*	*6.9%*	*6.1%*	*4.4%*		
QoQ%	*8.3%*	*-0.7%*	*1.9%*	*-3.5%*	*9.4%*	*-1.4%*	*0.3%*	*-5.1%*		
Games revenue	48.1	48.5	51.8	49.2	59.5	59.2	63.6	59.3	56.9	4.2%
YoY%	*-0.5%*	*8.9%*	*12.6%*	*20.3%*	*23.7%*	*22.1%*	*22.8%*	*20.5%*		
QoQ%	*17.6%*	*0.8%*	*6.8%*	*-5.0%*	*20.9%*	*-0.5%*	*7.4%*	*-6.8%*		
Marketing revenue	26.5	29.9	30.0	35.0	31.9	35.8	36.2	41.1	41.6	-1.2%
YoY%	*26.4%*	*19.5%*	*16.6%*	*17.5%*	*20.2%*	*19.7%*	*20.8%*	*17.5%*		
QoQ%	*-11.0%*	*12.7%*	*0.4%*	*16.7%*	*-9.0%*	*12.3%*	*1.3%*	*13.4%*		
FBS revenue	52.3	50.4	53.1	56.1	54.9	55.5	58.2	60.8	61.2	-0.6%
YoY%	*7.4%*	*3.7%*	*2.0%*	*3.2%*	*5.0%*	*10.1%*	*9.6%*	*8.4%*		
QoQ%	*-3.8%*	*-3.6%*	*5.3%*	*5.7%*	*-2.2%*	*1.1%*	*4.8%*	*4.5%*		
Total revenue	**159.5**	**161.1**	**167.2**	**172.4**	**180.0**	**184.5**	**192.9**	**194.4**	**194.1**	**0.2%**
YoY%	*6.3%*	*8.0%*	*8.1%*	*11.1%*	*12.9%*	*14.5%*	*15.4%*	*12.7%*		
QoQ%	*2.8%*	*1.0%*	*3.8%*	*3.1%*	*4.4%*	*2.5%*	*4.5%*	*0.8%*		
Gross Profit	**83.9**	**85.9**	**88.8**	**90.7**	**100.5**	**105.0**	**108.8**	**108.3**	**108.2**	**0.1%**
YoY%	*23.0%*	*21.3%*	*16.1%*	*16.9%*	*19.8%*	*22.3%*	*22.5%*	*19.5%*		
Gross profit margin (%)	*52.6%*	*53.3%*	*53.1%*	*52.6%*	*55.8%*	*56.9%*	*56.4%*	*55.7%*		
Non-IFRS net profit	**50.3**	**57.3**	**59.8**	**55.3**	**61.3**	**63.1**	**70.6**	**64.7**	**64.9**	**-0.4%**
YoY%	*54.5%*	*52.6%*	*33.2%*	*29.6%*	*22.0%*	*10.0%*	*18.0%*	*17.0%*		
Non-IFRS NPM (%)	*31.5%*	*35.6%*	*35.8%*	*32.1%*	*34.1%*	*34.2%*	*36.6%*	*33.3%*		

Source: Company data, Bloomberg, CMBIGM

Our SOTP-derived target price of HK$750.0 comprises, per share:

1) HK$347.4 for the games business, based on 24x 2026E PE, which is at a premium to the average PE for its global gaming peers (19x), mainly due to Tencent's strong leadership in China's games industry and diversified games portfolio.

2) HK$33.2 for the SNS business, including the market cap of Tencent's stake in its subsidiaries, the valuation of Tencent Video (based on 3.5x 2026E PS, at a premium to the 1.6x average PS of its peers given its content and user traffic leadership), and the valuation of other membership services (based on a 3.5x 2026E PS).

3) HK$148.5 for the marketing services business, based on 22x 2026E PE, which is at a premium to the industry average (20x). This reflects Tencent's more resilient ad revenue growth outlook, supported by the solid performance of Weixin Video Account and Mini Program.

4) HK$105.8 for the fintech business, based on 4.5x 2026E PS, at a premium to the peer average (1.3x). This mainly reflects Tencent's strong leadership in China's digital payment market and its potential to capture other fintech business opportunities.

5) HK$33.4 for the cloud business, based on 4.5x 2026E PS, at a discount to the industry average (5.3x) as Tencent's current offerings mainly involve the lower-margin IaaS business.

6) HK$72.7 for strategic investments, based on the current market value of Tencent's listed investments and the book value of its unlisted investments. We apply a 30% holding company discount to the fair value of Tencent's equity investments.

7) HK$8.7 for net cash.

Figure 4: Tencent: SOTP valuation

	2026E net profit (RMBmn)	2026E revenue (RMBmn)	2026E PE (x)	2026E PS (x)	Market cap (RMBmn)	Valuation to Tencent (RMBmn)	As % of total valuation	Per share valuation (HK$)
Games	115,819		24x			2,779,655	46.3	347.4
Social network services (SNS)		132,788				265,677	4.4	33.2
Tencent Music (TME)					121,448	66,918	1.1	8.4
China Literature					27,277	16,143	0.3	2.0
Huya					4,853	2,300	0.0	0.3
Online video – subscription		20,700		3.5x		72,450	1.2	9.1
Others		30,819		3.5x		107,867	1.8	13.5
Marketing services	54,021		22x			1,188,469	19.8	148.5
Fintech		188,036		4.5x		846,162	14.1	105.8
Cloud (business services)		59,417		4.5x		267,375	4.5	33.4
Net cash						69,247	1.2	8.7
Valuation of core business						**5,416,585**		
RMB/HK$						0.88		
Valuation of core business (HK$mn)						**6,155,210**		
Valuation per share – core business (HK$)						**677.0**		
Valuation per share – investments (HK$)						72.7	9.7	
Valuation per share – Tencent (HK$)						**750.0**		

Source: Company data, CMBIGM estimates

Figure 5: Peer comparison: online games and advertising sectors

Companies	Ticker	Price (Local)	EPS growth (YoY %) FY26E	EPS growth (YoY %) FY27E	PE (x) FY26E	PE (x) FY27E
Online games						
NetEase	NTES US	118.9	3	11	13	12
Electronic Arts	EA US	200.1	31	8	23	22
Nexon	3659 JP	2,933.5	16	5	18	17
Bandai Namco	7832 JP	4,194.0	0	7	20	19
Perfect World	002624 CH	19.0	112	16	23	20
37 Interactive	002555 CH	23.5	7	11	16	14
Average PE					**19**	**17**
Marketing services						
Focus Media	002027 CH	6.9	29	6	16	16
Meta	Meta US	622.7	5	17	20	17
Google	GOOG US	309.4	13	15	25	22
Average PE					**20**	**18**

Source: Bloomberg, CMBIGM estimates
Note: data as of market close on 17 Mar

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

Companies	Ticker	Price (Local)	Revenue growth (YoY %) FY26E	Revenue growth (YoY %) FY27E	PS (x) FY26E	PS (x) FY27E
Online video						
iQiyi	IQ US	1.3	(1.6)	3.7	0.3	0.3
Mango Excellent Media	300413 CH	22.1	9.8	7.2	2.9	2.7
Average PS					**1.6**	**1.5**
Cloud						
Microsoft	MSFT US	399.4	15.5	16.6	7.8	6.7
Google	GOOG US	309.4	18.9	16.6	9.3	7.9
Salesforce	CRM US	195.3	0.0	11.2	4.3	3.9
Kingsoft Cloud	KC US	13.1	19.5	18.6	2.4	2.0
Amazon	AMZN US	215.2	12.7	11.7	2.9	2.6
Average PS					**5.3**	**4.6**
Fintech						
PayPal	PYPL US	46.1	2.4	4.2	1.2	1.2
Block	SQ US	59.8	9.1	9.4	1.4	1.2
Average PS					**1.3**	**1.2**

Source: Bloomberg, CMBIGM estimates
Note: data as of market close on 17 Mar

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

Figure 7: Tencent: valuation of strategic investments

Name	Ticker	Tencent's stake %	Mkt cap (US$mn)	Value to Tencent (HK$mn)
PDD Holdings Inc	PDD US	13.8	148,169	159,489
Sea Ltd	SE US	17.6	51,855	71,227
Spotify Technology SA	SPOT US	8.1	108,109	68,135
Kuaishou Technology	1024 HK	15.8	32,820	40,422
Futu Holdings Ltd	FUTU US	14.9	20,503	23,828
KE Holdings Inc	BEKE US	9.3	20,052	17,830
Reddit Inc	RDDT US	6.7	27,572	14,495
Zhejiang Century Huatong Group	002602 CH	10.0	18,135	14,188
Tongcheng Travel Holdings Ltd	780 HK	20.5	5,839	9,327
Bilibili Inc	9626 HK	10.5	11,367	9,309
Snap Inc	SNAP US	14.5	7,854	8,882
Yixin Group Ltd	2858 HK	53.9	2,061	8,661
Meituan	3690 HK	1.7	62,941	8,444
Vipshop Holdings Ltd	VIPS US	11.8	8,853	8,148
JD.com Inc	9618 HK	2.5	41,570	8,106
Krafton Inc	259960 KS	13.5	7,506	7,898
XtalPi Holdings Ltd	2228 HK	12.9	5,457	5,496
Warner Music Group Corp	WMG US	4.9	13,832	5,308
J&T Global Express Ltd	1519 HK	6.1	10,848	5,136
Kanzhun Ltd	BZ US	8.3	7,005	4,535
Netmarble Corp	251270 KS	17.5	2,943	4,021
Tuhu Car Inc	9690 HK	21.4	1,455	2,429
Other listed entities as a whole			65,147	18,432
Listed investments (current value)				**523,747**
Unlisted investments (book value)				**406,687**
Total investment value				**930,434**
Holdco discount				30%
Valuation of strategic investments				**651,304**
Valuation of strategic investments per share				**72.7**

Source: Bloomberg, company data, CMBIGM
Note: data as of market close on 17 Mar

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**609,015**	**660,257**	**751,766**	**823,452**	**883,100**	**927,138**
Cost of goods sold	(315,906)	(311,011)	(329,173)	(355,485)	(376,385)	(390,504)
Gross profit	**293,109**	**349,246**	**422,593**	**467,966**	**506,714**	**536,634**
Operating expenses	**(133,035)**	**(141,147)**	**(181,031)**	**(209,980)**	**(219,892)**	**(225,294)**
Selling expense	(34,211)	(36,388)	(41,727)	(49,407)	(52,103)	(53,774)
Admin expense	(103,525)	(112,761)	(136,127)	(160,573)	(167,789)	(171,520)
Others	4,701	8,002	(3,177)	0	0	0
Operating profit	**160,074**	**208,099**	**241,562**	**257,986**	**286,823**	**311,339**
Share of (losses)/profits of associates/JV	5,800	25,176	23,740	6,529	6,529	6,529
Interest income	13,808	16,004	16,909	4,329	4,329	4,329
Interest expense	(12,268)	(11,981)	(3,860)	(3,941)	(3,756)	(3,573)
Pre-tax profit	**153,606**	**221,294**	**261,442**	**260,574**	**289,595**	**314,295**
Income tax	(43,276)	(45,018)	(47,448)	(52,897)	(57,472)	(62,036)
After tax profit	**110,330**	**176,276**	**213,994**	**207,677**	**232,123**	**252,259**
Minority interest	(2,832)	(2,394)	(4,959)	(4,819)	(5,236)	(5,652)
Net profit	**107,498**	**173,882**	**209,035**	**202,858**	**226,887**	**246,606**
Adjusted net profit	**157,688**	**222,703**	**259,626**	**276,247**	**300,102**	**322,790**
Gross dividends	28,485	27,965	42,645	48,884	53,112	57,330

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**518,446**	**496,180**	**595,460**	**615,282**	**833,120**	**1,005,446**
Cash & equivalents	172,320	132,519	141,041	91,234	220,933	284,654
Account receivables	46,606	48,203	49,930	52,133	54,232	55,228
Inventories	456	440	530	1,299	1,366	1,405
Prepayment	88,411	101,044	111,270	114,313	120,353	118,624
ST bank deposits	185,983	192,977	236,801	289,502	352,642	428,016
Financial assets at FVTPL	14,903	12,913	44,710	46,946	49,293	51,757
Other current assets	9,767	8,084	11,178	19,856	34,301	65,761
Non-current assets	**1,058,800**	**1,284,815**	**1,443,526**	**1,575,099**	**1,657,109**	**1,726,872**
PP&E	53,232	80,185	149,905	203,748	230,933	235,824
Deferred income tax	29,017	28,325	28,618	38,952	33,513	42,566
Investment in JVs & assos	261,665	297,415	348,712	363,834	379,369	395,307
Intangibles	177,727	196,127	205,999	247,022	284,033	316,137
Financial assets at FVTPL	211,145	204,999	207,157	207,157	207,157	207,157
Other non-current assets	326,014	477,764	503,135	514,385	522,104	529,881
Total assets	**1,577,246**	**1,780,995**	**2,038,986**	**2,190,381**	**2,490,229**	**2,732,318**
Current liabilities	**352,157**	**396,909**	**412,751**	**385,915**	**446,953**	**423,615**
Short-term borrowings	55,698	61,508	53,160	61,739	65,051	67,169
Account payables	100,948	118,712	121,127	89,856	133,531	98,235
Tax payable	17,664	16,586	18,558	18,708	19,412	19,737
Other current liabilities	171,693	194,503	214,520	210,226	223,572	233,088
Lease liabilities	6,154	5,600	5,386	5,386	5,386	5,386
Non-current liabilities	**351,408**	**330,190**	**385,170**	**408,394**	**416,177**	**422,536**
Long-term borrowings	155,819	146,521	208,369	214,620	216,552	217,136
Bond payables	137,101	130,586	126,204	126,796	127,093	127,242
Deferred income	3,435	6,236	2,210	14,219	15,055	15,620
Other non-current liabilities	55,053	46,847	48,387	52,759	57,477	62,537
Total liabilities	**703,565**	**727,099**	**797,921**	**794,309**	**863,130**	**846,151**
Retained earnings	813,911	892,030	1,010,436	1,205,263	1,431,054	1,684,470
Other reserves	(5,320)	81,518	143,716	99,076	99,076	99,076
Total shareholders equity	**808,591**	**973,548**	**1,154,152**	**1,304,339**	**1,530,130**	**1,783,546**
Minority interest	65,090	80,348	86,913	91,732	96,969	102,621
Total equity and liabilities	**1,577,246**	**1,780,995**	**2,038,986**	**2,190,381**	**2,490,229**	**2,732,318**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**153,606**	**221,294**	**261,442**	**260,574**	**289,595**	**314,295**
Depreciation & amortization	59,008	56,213	63,281	86,171	110,529	126,087
Tax paid	(43,276)	(45,018)	(47,448)	(52,897)	(57,472)	(62,036)
Change in working capital	19,233	21,881	12,733	(41,580)	48,816	(25,087)
Others	33,391	4,151	13,044	33,296	29,694	30,351
Net cash from operations	**221,962**	**258,521**	**303,052**	**285,565**	**421,162**	**383,609**
Investing						
Capital expenditure	(23,893)	(76,760)	(79,198)	(98,814)	(88,310)	(74,171)
Acquisition of subsidiaries/ investments	(105,332)	(183,983)	(157,834)	(100,321)	(97,747)	(142,067)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	4,064	138,556	31,300	(82,223)	(86,415)	(88,910)
Net cash from investing	**(125,161)**	**(122,187)**	**(205,732)**	**(281,358)**	**(272,472)**	**(305,148)**
Financing						
Net borrowings	19,445	(107)	50,903	19,944	10,963	8,236
Proceeds from share issues	1,070	1,932	0	0	0	0
Others	(103,088)	(178,319)	(138,058)	(73,957)	(29,954)	(22,977)
Net cash from financing	**(82,573)**	**(176,494)**	**(87,155)**	**(54,013)**	**(18,991)**	**(14,740)**
Net change in cash						
Cash at the beginning of the year	156,739	172,320	132,519	141,041	91,234	220,933
Exchange difference	1,353	359	(1,643)	0	0	0
Cash at the end of the year	**172,320**	**132,519**	**141,041**	**91,234**	**220,933**	**284,654**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	9.8%	8.4%	13.9%	9.5%	7.2%	5.0%
Gross profit	22.8%	19.2%	21.0%	10.7%	8.3%	5.9%
Operating profit	44.4%	30.0%	16.1%	6.8%	11.2%	8.5%
Net profit	69.7%	61.8%	20.2%	(3.0%)	11.8%	8.7%
Adj. net profit	36.4%	41.2%	16.6%	6.4%	8.6%	7.6%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	48.1%	52.9%	56.2%	56.8%	57.4%	57.9%
Operating margin	26.3%	31.5%	32.1%	31.3%	32.5%	33.6%
Adj. net profit margin	25.9%	33.7%	34.5%	33.5%	34.0%	34.8%
Return on equity (ROE)	14.1%	19.5%	19.6%	16.5%	16.0%	14.9%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	0.2	0.2	0.2	0.2	0.1	0.1
Current ratio (x)	1.5	1.3	1.4	1.6	1.9	2.4
Receivable turnover days	27.9	26.6	24.2	23.1	22.4	21.7

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	42.6	25.9	21.0	21.4	18.8	17.8
P/E (diluted)	43.3	26.2	21.4	21.7	19.1	18.1
P/B	5.7	4.6	3.8	3.3	2.8	2.5

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

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