

Yum China (9987 HK)

A strong beat once again and we are optimistic

3Q24 result was a strong beat, from sales to margin, to capital return program. Going forward in 4Q24E, we remain optimistic and expect SSSG to turn around and margin to further improve, thanks to the excellent execution of various strategies like: 1) widening of customer base, 2) optimizing the delivery growth and 3) rolling out of more stores with new formats like K-coffee and Pizza Hut WOW. Maintain BUY and raise TP to HK\$ 451.11.

- **Upgrading the shareholder return program - A massive positive surprise.** The management has raised its capital return to shareholders by 50%, from US\$ 3bn (US\$1.5bn in FY24E) in FY24E-26E to US\$ 4.5bn. Therefore, compared to previous plan of US\$ 750mn capital return per year in FY25E and FY26E, the numbers were effectively upsized by US\$ 750mn each year, which are equivalent to around 4% of the current market cap.
- **We stay cautiously optimistic about 4Q24E, supported by easier base and effective execution of YUMC's growth strategy.** According to the management, even though SSSG did turn positive during the National Day golden week in 2024, the consumer sentiment and spending have resumed cautious post holidays. However, we tend to be slightly more optimistic and forecast positive SSSG of 2% in 4Q24E. Apart from the easier base in 4Q23 (where the recovery rate was exceptionally low), we are confident on Yum China because of its top-in-class strategies: 1) widening of customer base of target customers (e.g. rolling out more entry price or value for money products to capture more price-conscious consumers and selling more meals with lower ticket size to capture demand from solo diners), 2) increasing its presence in various food delivery platforms and expanding delivery coverage, 3) breakthrough in business and store formats, such as the K-coffee store, which already can typically add single-digit sales growth on the current same store sales (already have 500 stores in 3Q24 and store opening target has now been raised to 600 by FY24E) as well as the WOW store, where the sales growth was significant (vs before revamp), driven by exceptional transaction growth despite lower ticket averages (already have 150 stores in 3Q24 and store opening target has also been lifted to 200 by FY24E). Additionally, thanks to various costs savings and efficiency gain initiatives, we do think the restaurant level OP margin will continue to improve YoY.
- **Maintain BUY and raise TP to HK\$ 451.11.** Our new TP is based on 22x FY25E P/E (up from 15x to factor in top-in-class execution and the potential turnaround). We fine-tuned FY24E/ 25E/ 26E net profit forecasts by +3%/ +4%/ -1% to reflect the 3Q24 result beat. The stock is now trading at 18x FY25E P/E, still not demanding vs 5-year average of 25x.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (US\$ mn)	9,569	10,978	11,193	12,082	12,977
YoY growth (%)	(2.9)	14.7	2.0	7.9	7.4
Operating profit (US\$ mn)	629.0	1,106.0	1,157.4	1,288.3	1,386.6
Net profit (US\$ mn)	442.0	827.0	897.8	983.7	1,071.5
EPS (Reported) (US\$)	1.04	1.97	2.18	2.65	3.20
YoY growth (%)	(54.4)	89.3	10.5	21.6	20.9
P/E (x)	44.6	23.6	21.3	17.5	14.5
P/B (x)	2.6	2.8	2.3	1.9	1.5
Yield (%)	1.1	1.2	1.3	1.6	1.9
ROE (%)	5.9	11.6	12.0	11.9	11.8

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$451.11**
(Previous TP HK\$294.91)
Up/Downside **25.1%**
Current Price **HK\$360.60**

China Consumer Discretionary

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Stock Data

Mkt Cap (HK\$ mn)	139,552.2
Avg 3 mths t/o (HK\$ mn)	199.4
52w High/Low (HK\$)	400.00/228.40
Total Issued Shares (mn)	387.0

Source: FactSet

Shareholding Structure

JPMorgan Chase & Co.	10.5%
Invesco Advisers, Inc.	8.0%

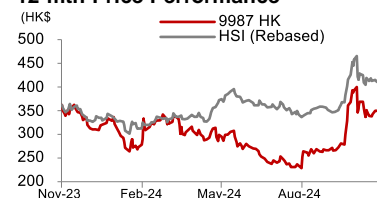
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.3%	1.4%
3-mth	54.9%	27.6%
6-mth	20.6%	8.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **Yum China reported robust 3Q24 results.** Sales increased by 5% YoY to US\$ 3.1bn, 1%/3% above BBG/ CMBI est., thanks to the slightly better-than-expected KFC SSSG. Net profit surged by 22% YoY to US\$ 297mn, beating BBG/ CMBI est. by 14%, mainly due to: 1) beat in GP margin (to 70.1% vs BBG est. of 69.5%), 2) excellent efficiency gains and costs control through its Project Red Eye (target to improve supply chain by spending better, from the customer point of view); and Project Fresh Eye (target to improve efficiency, by simplifying the operation process, from the manager's point of view). SSSG for KFC/ Pizza Hut was at -2%/ -6% in 3Q24, sequentially improving from that of -3%/ -8% in 2Q24. Such a trend is definitely an outperformance vs peers like McDonalds and Jiumaojiu. Moreover, even with negative SSSG, we are encouraged to see Yum China's profitability continued to improve, as the restaurant level OP margins for KFC/ Pizza Hut were at 18.3%/ 12.8% in 3Q24 (vs 18.6%/ 12.7% or vs 18.0%/ 12.2% on a comparable basis, where FX changes and special items were excluded).
- **Stores opening and capex plan remain unchanged. More franchisee stores will be opening afterwards.** Yum China has opened 438 new stores in 3Q24, representing a rise of 12.5% YoY, which slowed a little bit from 13.4% in 2Q24. We attributed the slowdown to the reduction in other brand's stores while expansion of KFC and Pizza Hut brands stores remain both intact and rapid. Therefore the Company is still targeting to open 1500 to 1700 net new stores in FY24E. The capex target of US\$ 700mn to 850mn will also remain unchanged. More importantly, the Company has accelerated the franchisee stores expansion, where mix of new stores opened by franchisee has reached 27%/ 7% for KFC/ Pizza hut, already ahead of the 15% - 20% target announced previously in the FY23 Investor Day. The future target mentioned, will go up to about 40%-50%/ 20%-30% respectively. We believe this move will boost the Company's ROIC, as the profitability could be comparable but less capex will be needed.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	11,193	12,082	12,977	11,129	12,138	13,189	0.6%	-0.5%	-1.6%
Gross profit	7,834	8,507	9,139	7,788	8,540	9,275	0.6%	-0.4%	-1.5%
EBIT	1,157	1,288	1,387	1,132	1,248	1,417	2.3%	3.2%	-2.1%
Net profit att.	898	984	1,072	869	943	1,079	3.3%	4.3%	-0.7%
Diluted EPS (USD)	2.177	2.647	3.200	2.107	2.538	3.221	3.3%	4.3%	-0.7%
Gross margin	70.0%	70.4%	70.4%	70.0%	70.4%	70.3%	0ppt	0.1ppt	0.1ppt
EBIT margin	10.3%	10.7%	10.7%	10.2%	10.3%	10.7%	0.2ppt	0.4ppt	-0.1ppt
Net profit att. margin	8.0%	8.1%	8.3%	7.8%	7.8%	8.2%	0.2ppt	0.4ppt	0.1ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	11,193	12,082	12,977	11,380	12,324	13,363	-1.6%	-2.0%	-2.9%
Gross profit	7,834	8,507	9,139	7,924	8,594	9,322	-1.1%	-1.0%	-2.0%
EBIT	1,157	1,288	1,387	1,151	1,283	1,430	0.5%	0.4%	-3.0%
Net profit att.	898	984	1,072	870	947	1,052	3.2%	3.9%	1.9%
Diluted EPS (USD)	2.177	2.647	3.200	2.221	2.487	2.816	-2.0%	6.4%	13.6%
Gross margin	70.0%	70.4%	70.4%	69.6%	69.7%	69.8%	0.4ppt	0.7ppt	0.7ppt
EBIT margin	10.3%	10.7%	10.7%	10.1%	10.4%	10.7%	0.2ppt	0.3ppt	0ppt
Net profit att. margin	8.0%	8.1%	8.3%	7.6%	7.7%	7.9%	0.4ppt	0.5ppt	0.4ppt

Source: Bloomberg, CMBIGM estimates

Results Review

Figure 3: Results review – Quarterly

Half yearly (RMB mn)	3Q23	4Q23	1Q24	2Q24	3Q24E	4Q24E	1Q24 YoY	2Q24 YoY	3Q24 E YoY	4Q24 E YoY	3Q24E CMBI	Actual vs CMBI
Revenue	2,914	2,493	2,958	2,679	3,071	2,485	1%	1%	5%	0%	2,976	3%
Food and paper	-858	-758	-896	-797	-918	-748					-878	
Gross profit	2,056	1,735	2,062	1,882	2,153	1,737	-1%	0%	5%	0%	2,098	3%
GP margins	70.6%	69.6%	69.7%	70.3%	70.1%	69.9%					70.5%	
Other income & gains	0	1	1	0	0	-1					0	
Payroll & benefits	-699	-678	-708	-666	-728	-679	4%	0%	4%	0%	-747	-3%
Payroll & benefits/ sales	-24.0%	-27.2%	-23.9%	-24.9%	-23.7%	-27.3%					-25.1%	
Rent & other opex	-732	-654	-697	-674	-755	-646	1%	0%	3%	-1%	-729	4%
Rent & other opex/ sales	-25.1%	-26.2%	-23.6%	-25.2%	-24.6%	-26.0%					-24.5%	
Admin expenses	-273	-247	-254	-234	-259	-209	-4%	-5%	-5%	-15%	-241	7%
Admin exp / sales	-9.4%	-9.9%	-8.6%	-8.7%	-8.4%	-8.4%					-8.1%	
Other opex	-29	-47	-30	-42	-40	-56					-33	
Operating profit (EBIT)	323	110	374	266	371	146	-10%	4%	15%	33%	348	7%
OP margins	11.1%	4.4%	12.6%	9.9%	12.1%	5.9%					11.7%	
Investment gain (loss)	-2	-18	8	8	36	-18					-9	
Net finance income	46	45	38	31	31	20					33	-5%
Net finance income / sales	1.6%	1.8%	1.3%	1.2%	1.0%	0.8%					1.1%	
Profit after financing costs	367	137	420	305	438	148					372	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	367	137	420	305	438	148	-4%	7%	19%	8%	372	18%
Tax	-100	-30	-113	-77	-119	-38					-93	
Tax / sales	-3.4%	-1.2%	-3.8%	-2.9%	-3.9%	-1.5%					-3.1%	
Effective tax rate	-27.2%	-21.9%	-26.9%	-25.2%	-27.2%	-26.0%					-25.0%	
Minority interests	23	10	20	16	22	8					19	18%
Net profit att.	244	97	287	212	297	102	-1%	8%	22%	5%	260	14%
NP margins	8.4%	3.9%	9.7%	7.9%	9.7%	4.1%					8.8%	

Source: Company data, CMBIGM estimates

Assumptions

Figure 4: CMBIGM's assumptions

Major assumptions	FY22A	FY23A	FY24E	FY25E	FY26E
Sales by segment (US\$ mn)					
KFC - dine in sales	4,457	5,278	5,165	5,494	5,878
KFC - delivery sales	2,762	2,962	3,229	3,455	3,662
PH - dine in sales	1,125	1,412	1,367	1,570	1,782
PH- delivery sales	835	834	918	991	1,061
Others	390	492	515	572	594
Total	9,569	10,978	11,193	12,082	12,977
Sales by segment growth (%)					
KFC - dine in sales	-7.5%	18.4%	-2.1%	6.4%	7.0%
KFC - delivery sales	26.4%	7.2%	9.0%	7.0%	6.0%
PH - dine in sales	-16.1%	25.5%	-3.2%	14.9%	13.5%
PH- delivery sales	8.6%	-0.1%	10.0%	8.0%	7.0%
Others	-47.4%	26.2%	4.7%	11.0%	3.9%
Total	-2.9%	14.7%	2.0%	7.9%	7.4%
Sales network by brand					
KFC	9,094	10,296	11,446	12,596	13,746
Pizza Hut	2,903	3,312	3,852	4,392	4,932
Others	950	1,036	961	966	1,001
Total	12,947	14,644	16,259	17,954	19,679
Restaurant profit margin by brand					
KFC	15.5%	17.5%	17.2%	17.6%	17.5%
Pizza hut	9.1%	11.7%	10.6%	10.8%	11.0%
Others	-4.6%	-2.6%	0.4%	0.5%	0.6%
Total	14.1%	16.3%	15.9%	16.3%	16.2%
Costs breakdown					
Food and paper/ sales	29.6%	29.4%	30.0%	29.6%	29.6%
Payroll and employee benefits/ sales	25.0%	24.8%	24.8%	24.7%	24.9%
Rental and other operating expenses/ sales	27.2%	25.1%	24.8%	24.6%	24.4%
G & A expenses/ sales	6.2%	5.8%	5.0%	5.0%	5.0%
Franchisees expenses/ sales	2.9%	3.2%	3.2%	3.4%	3.4%
Effective tax rate	30.4%	26.5%	26.5%	26.0%	26.0%
NP att. margin	4.6%	7.5%	8.0%	8.1%	8.3%
NP att. growth (%)	-55.4%	87.1%	8.6%	9.6%	8.9%

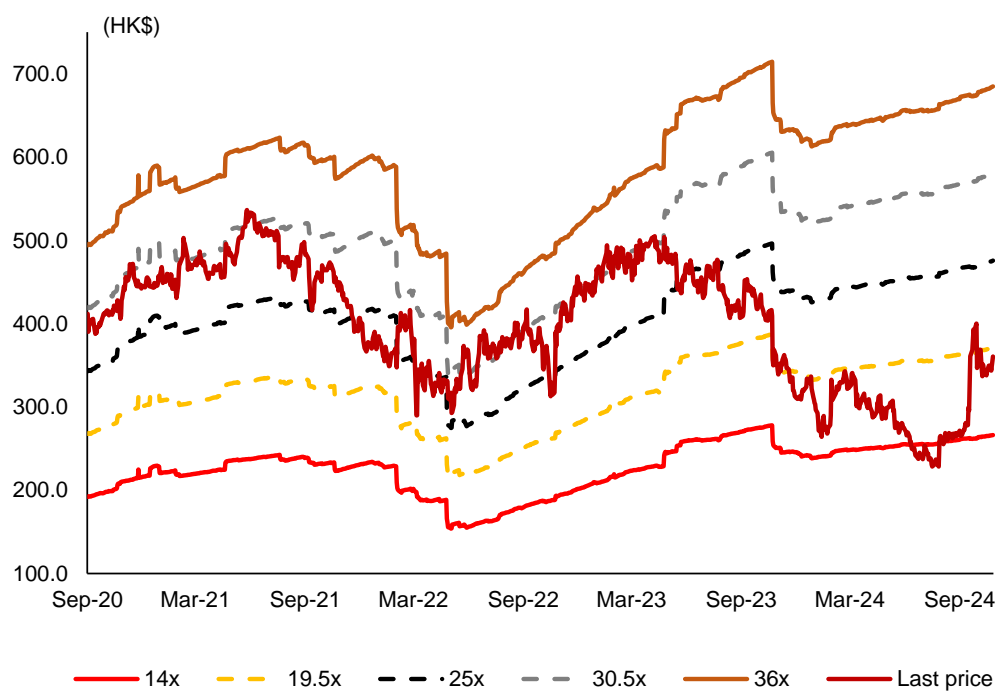
Source: Company data, CMBIGM estimates

Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf.
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Leading Greater China Catering														
Yum China	9987 HK	BUY	451.11	360.60	25%	137,266	Dec-23	21.4	17.6	2.3	11.6	1.2	1.3	8.5
Jiumaojiu	9922 HK	HOLD	2.64	3.47	3%	4,895	Dec-23	20.3	13.8	1.3	9.1	(9.9)	2.1	(43.1)
Haidilao	6862 HK	BUY	15.94	16.10	-1%	89,741	Dec-23	17.7	15.7	6.2	45.4	2.5	4.6	10.7
DPC Dash	1405 HK	BUY	81.20	63.65	28%	8,305	Dec-23	115.6	47.9	3.5	(1.9)	(0.4)	0.1	2.7
Nayuki	2150 HK	BUY	3.43	1.49	130%	2,540	Dec-23	n/a	n/a	0.6	0.3	n/a	0.0	(53.0)
Helens	9869 HK	NR	n/a	2.69	n/a	3,404	Dec-23	18.6	14.7	1.9	9.9	1.2	9.8	(13.5)
Tam Jai	2217 HK	NR	n/a	0.80	n/a	1,077	Mar-24	8.4	7.8	0.7	7.8	0.8	10.9	(36.5)
Cafe De Coral	341 HK	BUY	11.15	8.33	34%	4,831	Mar-24	12.9	11.0	1.6	11.6	0.9	8.3	(7.5)
Xiabuxiabu	520 HK	BUY	4.89	1.04	370%	1,130	Dec-23	n/a	105.6	1.1	(40.7)	n/a	3.6	(57.1)
Yihai	1579 HK	NR	n/a	14.52	n/a	15,053	Dec-23	15.9	14.2	2.6	18.4	2.9	5.5	17.1
Gourmet Master	2723 TT	NR	n/a	90.80	n/a	3,982	Dec-23	25.1	16.7	1.4	4.5	1.7	2.8	(10.5)
Avg.								28.4	26.5	2.1	6.9	0.1	4.5	(16.6)
Med.								18.6	15.2	1.6	9.1	1.2	3.6	(10.5)
International Catering														
Yum! Brands	YUM US	NR	n/a	132.03	n/a	288,540	Dec-23	23.5	21.1	n/a	n/a	3.4	2.0	1.0
Mcdonald's	MCD US	NR	n/a	293.06	n/a	1,633,985	Dec-23	24.9	23.3	n/a	n/a	4.8	2.3	(1.2)
Starbucks Corp	SBUX US	NR	n/a	97.07	n/a	854,995	Sep-24	29.7	25.6	n/a	n/a	2.9	2.5	1.1
Rest' Brands	QSR US	NR	n/a	70.12	n/a	249,256	Dec-23	20.6	18.1	6.5	42.9	5.8	3.3	(10.3)
Chipotle	CMG US	NR	n/a	57.2	n/a	605,595	Dec-23	51.3	43.6	21.3	45.7	2.6	0.0	25.0
Darden	DRI US	NR	n/a	158.74	n/a	144,972	May-24	16.7	15.0	8.2	48.5	1.7	3.4	(3.4)
Domino's Pizza	DPZ US	NR	n/a	426.05	n/a	114,355	Dec-23	25.5	24.1	n/a	n/a	2.7	1.4	3.4
Wendy's Co	WEN US	NR	n/a	19.79	n/a	31,348	Dec-23	19.9	18.8	15.9	64.3	3.1	5.1	1.6
Shake Shack	SHAK US	NR	n/a	122.54	n/a	40,791	Dec-23	153.2	106.6	10.8	2.0	3.3	n/a	65.3
Wingstop Inc	WING US	NR	n/a	296.08	n/a	67,227	Dec-23	80.3	64.1	n/a	n/a	2.4	0.3	15.4
Jollibee Foods	JFC PM	NR	n/a	264.20	n/a	39,456	Dec-23	27.9	23.9	3.3	12.4	1.5	1.2	5.1
Avg.								43.0	34.9	11.0	36.0	3.1	2.2	9.4
Med.								25.5	23.9	9.5	44.3	2.9	2.2	1.6

Source: Bloomberg, Company data, CMBIGM estimates

Figure 6: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Revenue	9,853	9,569	10,978	11,193	12,082	12,977
Cost of goods sold	(2,812)	(2,836)	(3,224)	(3,359)	(3,575)	(3,838)
Gross profit	7,041	6,733	7,754	7,834	8,507	9,139
Operating expenses	(6,298)	(6,010)	(6,648)	(6,677)	(7,219)	(7,752)
Selling expense	0	0	0	0	0	0
Admin expense	(663)	(704)	(779)	(728)	(797)	(856)
Staff costs	(2,258)	(2,389)	(2,725)	(2,781)	(2,983)	(3,228)
Other rental related expenses	(959)	(884)	(935)	(932)	(979)	(1,027)
Others	(1,902)	(1,431)	(1,756)	(1,615)	(1,793)	(1,925)
Operating profit	1,386	629	1,106	1,157	1,288	1,387
Other income	643	(94)	0	0	0	0
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
EBITDA	1,902	1,231	1,559	1,779	1,954	2,102
Depreciation	(505)	(582)	(423)	(561)	(622)	(699)
Other amortisation	(11)	(20)	(30)	(61)	(44)	(17)
Interest income	60	84	169	120	149	179
Interest expense	0	0	0	0	0	0
Net Interest income/(expense)	60	84	169	120	149	179
Other income/expense	(54)	(26)	(49)	34	(12)	(13)
Pre-tax profit	1,392	687	1,226	1,311	1,426	1,553
Income tax	(369)	(209)	(325)	(347)	(371)	(404)
After tax profit	1,023	478	901	963	1,055	1,149
Minority interest	(33)	(36)	(74)	(66)	(71)	(78)
Net profit	990	442	827	898	984	1,072

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Current assets	4,716	3,940	3,431	4,239	4,998	5,858
Cash & equivalents	1,136	1,130	1,128	1,916	2,614	3,407
Restricted cash	2,860	2,022	1,472	1,472	1,472	1,472
Account receivables	67	64	68	67	73	78
Inventories	432	417	424	438	466	501
Prepayment	221	307	339	346	373	401
Other current assets	0	0	0	0	0	0
Non-current assets	8,507	7,886	8,600	8,539	8,684	8,812
PP&E	2,251	2,118	2,310	2,477	2,640	2,785
Right-of-use assets	2,612	2,219	2,217	2,217	2,217	2,217
Investment in JVs & assos	292	266	332	332	332	332
Intangibles	272	159	150	89	46	29
Goodwill	2,142	1,988	1,932	1,765	1,791	1,791
Other non-current assets	938	1,136	1,659	1,659	1,659	1,659
Total assets	13,223	11,826	12,031	12,778	13,683	14,670
Current liabilities	2,383	2,166	2,422	2,435	2,533	2,642
Short-term borrowings	0	0	0	0	0	0
Account payables	830	727	786	788	839	901
Tax payable	51	68	90	90	90	90
Other current liabilities	1,502	1,371	1,546	1,557	1,604	1,651
Non-current liabilities	2,918	2,500	2,490	2,490	2,490	2,490
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	2,918	2,500	2,490	2,490	2,490	2,490
Total liabilities	5,301	4,666	4,912	4,925	5,023	5,132
Share capital	4,967	4,291	4,095	4,095	4,095	4,095
Retained earnings	2,892	2,191	2,310	2,731	3,444	4,221
Other reserves	63	678	714	1,027	1,121	1,223
Total shareholders equity	7,922	7,160	7,119	7,852	8,660	9,539
Minority interest	0	0	0	0	0	0
Total equity and liabilities	13,223	11,826	12,031	12,778	13,683	14,670

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	1,392	687	1,226	1,311	1,426	1,553
Depreciation & amortization	516	602	453	621	666	716
Tax paid	160	(20)	(10)	(347)	(371)	(404)
Change in working capital	53	0	49	(7)	36	41
Others	(990)	144	(245)	167	(26)	0
Net cash from operations	1,131	1,413	1,473	1,745	1,731	1,906
Investing						
Capital expenditure	(689)	(679)	(710)	(728)	(785)	(844)
Acquisition of subsidiaries/ investments	(115)	(23)	(20)	0	0	0
Others	(51)	180	(13)	0	0	0
Net cash from investing	(855)	(522)	(743)	(728)	(785)	(844)
Financing						
Dividend paid	(203)	(202)	(216)	(230)	(247)	(271)
Net borrowings	0	2	164	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(75)	(466)	(613)	0	0	0
Others	(35)	(178)	(51)	0	0	0
Net cash from financing	(313)	(844)	(716)	(230)	(247)	(271)
Net change in cash						
Cash at the beginning of the year	1,158	1,136	1,130	1,128	1,916	2,614
Exchange difference	15	(53)	(16)	0	0	0
Others	(37)	47	14	788	699	792
Cash at the end of the year	1,136	1,130	1,128	1,916	2,614	3,407
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	19.2%	(2.9%)	14.7%	2.0%	7.9%	7.4%
Gross profit	18.9%	(4.4%)	15.2%	1.0%	8.6%	7.4%
Operating profit	44.2%	(54.6%)	75.8%	4.6%	11.3%	7.6%
EBITDA	34.8%	(35.3%)	26.6%	14.1%	9.8%	7.6%
Net profit	26.3%	(55.4%)	87.1%	8.6%	9.6%	8.9%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	71.5%	70.4%	70.6%	70.0%	70.4%	70.4%
Operating margin	14.1%	6.6%	10.1%	10.3%	10.7%	10.7%
EBITDA margin	19.3%	12.9%	14.2%	15.9%	16.2%	16.2%
Return on equity (ROE)	13.8%	5.9%	11.6%	12.0%	11.9%	11.8%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Current ratio (x)	2.0	1.8	1.4	1.7	2.0	2.2
Receivable turnover days	3.1	2.5	2.2	2.2	2.2	2.2
Inventory turnover days	53.9	54.6	47.6	47.6	47.6	47.6
Payable turnover days	99.8	100.2	85.6	85.6	85.6	85.6
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	20.3	44.6	23.6	21.3	17.5	14.5
P/E (diluted)	20.3	44.6	23.6	21.3	17.5	14.5
P/B	2.6	2.6	2.8	2.3	1.9	1.5
P/CFPS	17.8	13.9	13.2	11.0	10.0	8.1
Div yield (%)	1.0	1.1	1.2	1.3	1.6	1.9

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

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