

Atour Lifestyle (ATAT US)

Prudent RevPAR outlook offset by other initiatives

The hotel sector continues to be under pressure in 4Q24E as weakness is seen during the post-National Day holidays period, and this may have explained management's prudent guidance of hotel RevPAR in FY24E. However, supported by accelerated store expansion, better-than-expected hotel supply chain sales and robust retail business, we are still optimistic about FY25E. Maintain BUY and raise TP to US\$ 32.01, based on 18x FY25E P/E (rolled over from 23x FY24E P/E), vs current valuation of 15x FY25E P/E.

- **The FY24E guidance remained unchanged.** Despite the pressure in the hotel RevPAR (where management is now forecasting a MSD to HSD drop in RevPAR in FY24E), hotel expansion has been faster and retail business sales remain very robust; hence, management has reiterated its group sales growth of 48% to 52% in FY24E. And on top of that, we also believe GP margin of 40%+ and adj. NP margin of 18%+ are both achievable.
- **Our initial thoughts about FY25E.** Because of the prudent view from management about RevPAR in 4Q24E and the potential ramp-up of Atour Light store format (which may be a drag to the overall RevPAR, despite other efforts like renovations and product upgrades to drive the same-store RevPAR), we have revised down our RevPAR assumptions in FY25E, but this may be partially offset by a further speed-up in store expansion plan. Nonetheless, our assumption about the retail sales growth of 35% in FY25E (slightly faster than hotel segment sales growth) is still very prudent and hence we are still confident on the Company's outlook in FY25E.
- **3Q24 results beat expectations despite the drags from hotel RevPAR and leased hotel business.** In 3Q24, sales surged by 46% YoY, beating BBG/ CMBI est. by 5%/11% while net profit also jumped by 45%, better than BBG/ CMBI est. by 12%/ 14%. We believe the positive surprises came from the rapid store openings, rapid supply chain sales growth and robust retail business, while margin improvements were mainly from better-than-expected operating leverage as the GP margin was in fact a small miss.
- **Maintain BUY and raise TP to US\$ 32.01.** We fine-tune FY24E/ 25E/ 26E net profit by -1%/ +1%/ +1%, to factor in: 1) the 3Q24 results beat, 2) rapid supply chain sales growth, 3) faster-than-expected store expansion, but 4) weaker-than-expected hotel RevPAR. Our new TP is based on 18x FY25E P/E (rolled over from 23x FY24E P/E). Given a 33%/ 35% sales/ net profit CAGR during FY23-26E, current valuation of 15x FY25E P/E, vs 3-year average of 18x, is not demanding at all, in our view.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	2,263	4,666	7,074	9,223	11,489
YoY growth (%)	5.4	106.2	51.6	30.4	24.6
EBITDA (RMB mn)	261.2	1,061.0	1,741.7	2,396.6	2,997.1
Net profit (RMB mn)	96.1	739.1	1,249.2	1,750.3	2,216.0
EPS (Reported) (RMB)	0.257	1.777	3.004	4.208	5.449
YoY growth (%)	228.7	34.0	20.1	14.4	11.1
P/E (x)	82.6	20.8	11.8	8.1	5.9
EV/EBITDA (x)	0.0	(0.2)	2.5	3.5	4.5
Yield (%)	11.2	47.1	48.3	46.2	44.0
ROE (%)	0.257	1.777	3.004	4.208	5.449

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price US\$32.01
(Previous TP US\$29.42)
Up/Downside 25.3%
Current Price US\$25.55

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	3,454.6
Avg 3 mths t/o (US\$ mn)	11.7
52w High/Low (US\$)	29.08/15.72
Total Issued Shares (mn)	405.6

Source: FactSet

Shareholding Structure

Mr. Haijun Wang	22.1%
Legend Capital	6.5%

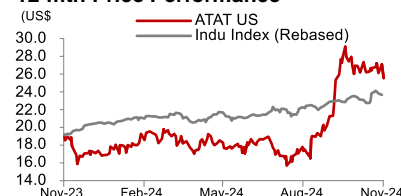
Source: Bloomberg

Share Performance

	Absolute	Relative
1-mth	-5.1%	-5.4%
3-mth	47.3%	38.7%
6-mth	39.8%	28.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **Hotel business in 3Q24 was slightly under pressure.** Atour's RevPAR dropped by about 11% (consisted of 8% decline in ADR and 2.1ppt reduction in OCC) in 3Q24, which worsened from the 7% decline (7% drop in ADR and 1.3ppt improvement in OCC) in 2Q24. We think the high base last summer and unfavourable weather (e.g. typhoons in Sep 2024) were the main reasons behind, on top of the weak macro environment. Noted that the RevPAR recovery rate (vs 2019) in 3Q24 was only at 105%, weaker than CMBI est. of 107% and slowing down from the 107%/ 115% in 2Q24/ 1Q24.
- **Hotel segment's 4Q24E outlook remains subdued.** Even though the RevPAR had a good start during the National Day holidays in 2024, where RevPAR decline narrowed to just 4% (8% drop in ADR and 5% increase in OCC), we believe the sustainability was weak and numbers had retreated sharply during the post-holidays period in Oct 2024. For 4Q24E we are now foreseeing a MSD drop in RevPAR (where recovery rate will just be at 100%), against a backdrop of the Company guidance of a MSD to HSD drop in RevPAR in FY24E.
- **Store openings continue to accelerate and the FY24E target has been revised up once again.** Atour has net opened 121 hotels in 3Q24, representing a 38% YoY growth, vs 37% in 2Q24, and management is now revising up its FY24E target to 450 (from 400 and 360 prior to that). The number of hotels under development was at 732, implying a 27% growth. Moreover, the repeated purchase rate for current franchisees was fairly high at 50% or more in 3Q24. The new store formats were also well received. There were around 6 Atour 4.0 hotels in 3Q24 and it will reach 10 by 4Q24E (over 60 were signed in the pipeline) and there were about 76 Atour Light hotels in 3Q24 and it will reach over 100 by 4Q24E (over 20% of new stores are in this format).
- **Retail business was still rather robust.** Retail business sales went up by 104% in 3Q24, slightly slowing down from 154% in 2Q24, but that was still extremely fast. For 4Q24E, we are still fairly confident, because a 108% growth in GMV was already achieved during the 2024 Double 11 festival. Management has also maintained its target of 100% sales growth in FY24E. The Company has increased the supply of hotel rooms equipped with Atour Planet's products recently, which, in our view, could be a decent support for growth in FY25E.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	7,074	9,223	11,489	6,893	8,882	11,076	2.6%	3.8%	3.7%
Gross profit	2,841	3,836	4,793	2,832	3,768	4,723	0.3%	1.8%	1.5%
EBIT	1,642	2,320	2,937	1,656	2,297	2,921	-0.8%	1.0%	0.5%
Net profit att.	1,246	1,746	2,210	1,256	1,728	2,198	-0.8%	1.0%	0.5%
Diluted EPS (RMB)	9.011	12.625	16.347	9.083	12.495	16.258	-0.8%	1.0%	0.5%
Gross margin	40.2%	41.6%	41.7%	41.1%	42.4%	42.6%	-0.9ppt	-0.8ppt	-0.9ppt
EBIT margin	23.2%	25.2%	25.6%	24.0%	25.9%	26.4%	-0.8ppt	-0.7ppt	-0.8ppt
Net profit att. margin	17.6%	18.9%	19.2%	18.2%	19.5%	19.8%	-0.6ppt	-0.5ppt	-0.6ppt

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	7,074	9,223	11,489	6,987	8,671	10,421	1.2%	6.4%	10.2%
Gross profit	2,841	3,836	4,793	2,844	3,657	4,489	-0.1%	4.9%	6.8%
EBIT	1,642	2,320	2,937	1,551	1,929	2,392	5.9%	20.3%	22.7%
Net profit att.	1,246	1,746	2,210	1,236	1,579	1,944	0.8%	10.5%	13.7%
Diluted EPS (RMB)	9.011	12.625	16.347	6.952	9.013	10.474	29.6%	40.1%	56.1%
Gross margin	40.2%	41.6%	41.7%	40.7%	42.2%	43.1%	-0.5ppt	-0.6ppt	-1.4ppt
EBIT margin	23.2%	25.2%	25.6%	22.2%	22.3%	23.0%	1ppt	2.9ppt	2.6ppt
Net profit att. margin	17.6%	18.9%	19.2%	17.7%	18.2%	18.7%	-0.1ppt	0.7ppt	0.6ppt

Source: Bloomberg, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Quarterly (RMB mn)	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	1Q24 YoY	2Q24 YoY	3Q24 YoY	4Q23E YoY	3Q24E CMBI	Actual vs CMBI
Revenue	1,294	1,505	1,468	1,797	1,899	1,910	90%	64%	47%	27%	1,706	11%
Hotel operating costs	-617	-733	-662	-776	-876	-762					-731	
Other operating costs	-131	-263	-216	-275	-235	-431					-258	
Gross profit	547	509	590	746	788	717	84%	61%	44%	41%	717	10%
GP margin	42.3%	33.8%	40.2%	41.5%	41.5%	37.5%					42.0%	
Other income & gains	0	0	0	0	0	0					0	
Selling & marketing expenses	-112	-207	-175	-225	-218	-156	212%	138%	95%	-24%	-162	35%
Selling & marketing exp./ sales	-8.7%	-13.7%	-11.9%	-12.5%	-11.5%	-8.2%					-9.5%	
General & admin expenses	-79	-105	-77	-91	-82	-196	-60%	25%	3%	86%	-119	-31%
General & admin exp./ sales	-6.1%	-7.0%	-5.2%	-5.1%	-4.3%	-10.3%					-7.0%	
Technology & development expenses	-20	-22	-24	-33	-30	-30	44%	85%	48%	34%	-26	18%
Tech & development exp / sales	-1.6%	-1.5%	-1.6%	-1.8%	-1.6%	-1.6%					-1.5%	
Pre-opening & other opex	6	40	10	-6	35	52					26	
Operating profit (EBIT)	341	214	325	391	492	387	425%	28%	44%	81%	435	13%
OP margin	26.4%	14.2%	22.1%	21.8%	25.9%	20.3%					25.5%	
Investment gain (loss)	7	15	9	11	19	-11					5	
Net finance income	8	8	13	12	12	5					10	19%
Net finance income / sales	0.6%	0.5%	0.9%	0.6%	0.6%	0.3%					0.6%	
Profit after financing costs	356	237	347	414	524	381					450	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	356	237	347	414	524	381	390%	30%	47%	61%	450	16%
Tax	-94	-17	-89	-110	-143	-74					-113	
Tax / sales	-7.3%	-1.1%	-6.1%	-6.1%	-7.5%	-3.9%					-6.6%	
Effective tax rate	-26.5%	-7.3%	-25.7%	-26.6%	-27.3%	-19.5%					-25.0%	
Minority interests	1	-0	1	0	-4	6					1	-372%
Net profit att.	261	220	257	304	384	301	1339%	27%	47%	37%	336	14%
NP margin	20.2%	14.6%	17.5%	16.9%	20.2%	15.7%					19.7%	
Adj. net profit	272	222	261	328	384	307	63%	32%	41%	38%	347	11%
Adj. NP margin	21.0%	14.8%	17.8%	18.2%	20.2%	16.1%					20.3%	

Source: Company data, CMBIGM estimates

Figure 4: Results preview – Yearly

Yearly (US\$ mn)	FY23	FY24E	FY25E	FY23 YoY	FY24E YoY	FY25E YoY
Revenue	4,666	7,074	9,223	106%	52%	30%
Hotel operating costs	-2,241	-3,076	-3,816			
Other operating costs	-586	-1,157	-1,571			
Gross profit	1,839	2,841	3,836	169%	54%	35%
GP margin	39.4%	40.2%	41.6%			
Other income & gains	0	0	0			
Selling & marketing expenses	-470	-774	-1,018	236%	65%	32%
Selling & marketing exp./ sales	-10.1%	-10.9%	-11.0%			
General & admin expenses	-451	-446	-531	29%	-1%	19%
General & admin exp./ sales	-9.7%	-6.3%	-5.8%			
Technology & development expenses	-77	-117	-153	17%	52%	30%
Tech & development exp / sales	-1.7%	-1.7%	-1.7%			
Pre-opening & other opex	83	92	120			
Operating profit (EBIT)	924	1,595	2,253	460%	73%	41%
OP margin	19.8%	22.6%	24.4%			
Investment gain (loss)	33	28	18			
Net finance income	25	42	62			
Net finance income / sales	0.5%	0.6%	0.7%			
Profit after financing costs	982	1,666	2,334			
Associated coms	0	0	0			
Jointly controlled coms	0	0	0			
Pre-tax profit	982	1,666	2,334	444%	70%	40%
Tax	-243	-416	-583			
Tax / sales	-5.2%	-5.9%	-6.3%			
Effective tax rate	-24.7%	-25.0%	-25.0%			
Minority interests	2	3	5			
Net profit att.	737	1,246	1,746	651%	69%	40%
NP margin	15.8%	17.6%	18.9%			
Adj. net profit att.	903	1,279	1,770	248%	42%	38%
Adj. NP margin	19.4%	18.1%	19.2%			

Source: Company data, CMBIGM estimates

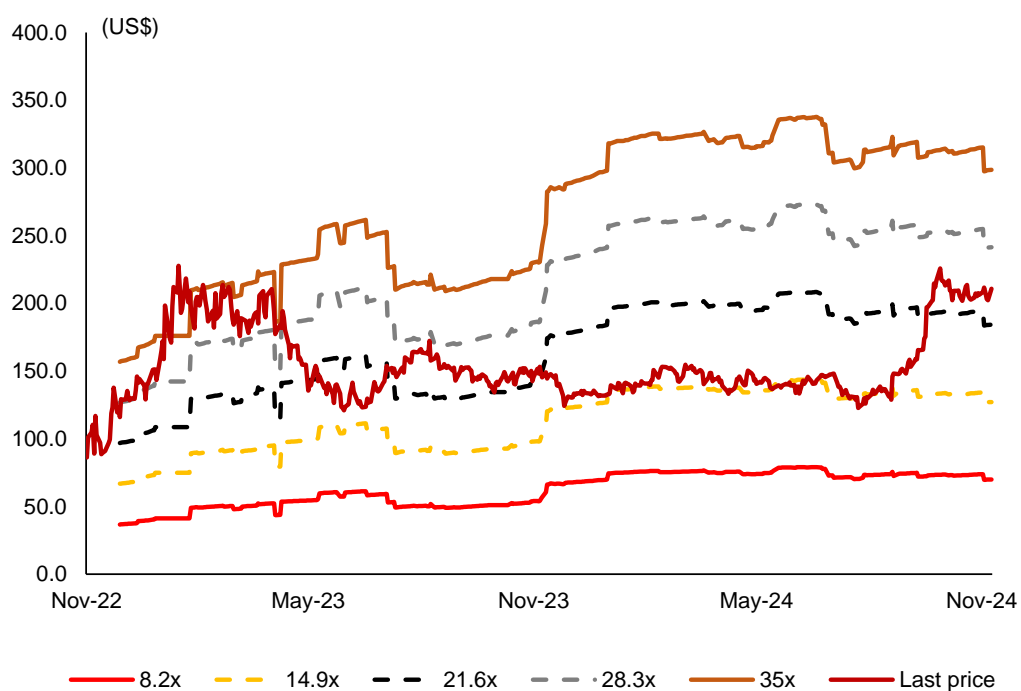
Valuation

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
Greater China Hotels														
Atour Lifestyle	ATAT US	BUY	32.01	27.09	18%	29,014	Dec-23	21.3	15.2	6.9	48.5	0.5	2.3	56.0
H World Group	HTHT US	NR	n/a	36.13	n/a	89,648	Dec-23	20.4	17.5	5.7	29.8	2.3	2.8	8.0
SH Jinjiang Int'l	600754 CH	NR	n/a	26.80	n/a	28,177	Dec-23	23.0	21.8	1.6	6.7	1.5	1.8	(10.4)
Btg Hotels Group	600258 CH	NR	n/a	14.29	n/a	17,156	Dec-23	18.9	16.7	1.3	7.4	1.8	1.4	(8.5)
Ssaw Hotels	301073 CH	NR	n/a	22.53	n/a	4,710	Dec-23	81.0	48.5	4.2	2.6	1.8	1.5	(0.7)
Greentree	GHG US	NR	n/a	2.66	n/a	2,118	Dec-23	6.8	5.4	n/a	14.1	0.4	7.3	(29.2)
Avg.								28.6	20.8	3.9	18.2	1.4	2.9	2.6
Med.								20.9	17.1	4.2	10.7	1.6	2.1	(4.6)
International Hotels														
HK & SH Hotels	45 HK	NR	n/a	5.80	n/a	9,668	Dec-23	n/a	n/a	n/a	(1.1)	n/a	n/a	(0.7)
Shangri-La Asia	69 HK	NR	n/a	5.21	n/a	18,681	Dec-23	13.9	11.0	0.4	2.9	0.9	3.3	(2.8)
Mandarin Oriental	MAND SP	NR	n/a	1.79	n/a	17,609	Dec-23	n/a	n/a	n/a	(11.4)	n/a	n/a	14.7
Banyan Tree	BTH SP	NR	n/a	0.36	n/a	1,790	Dec-23	n/a	n/a	n/a	6.4	n/a	n/a	2.9
Marriott Int'l	MAR US	NR	n/a	281.45	n/a	608,795	Dec-23	30.4	26.5	n/a	n/a	5.7	0.8	24.8
Hilton Worldwide	HLT US	NR	n/a	249.04	n/a	472,562	Dec-23	35.3	31.3	n/a	n/a	1.3	0.2	36.8
Hyatt Hotels	H US	NR	n/a	152.72	n/a	112,213	Dec-23	38.5	39.1	4.4	37.8	1.2	0.4	17.1
Wyndham Hotels	WH US	NR	n/a	95.48	n/a	57,813	Dec-23	22.2	20.1	12.5	35.3	1.4	1.6	18.7
Choice Hotels	CHH US	NR	n/a	145.98	n/a	53,300	Dec-23	21.8	20.8	45.8	n/a	1.6	0.8	28.8
Intercontinental	IHG LN	NR	n/a	9502.00	n/a	148,480	Dec-23	27.9	24.7	n/a	n/a	3.9	1.4	34.0
Accor Sa	AC FP	NR	n/a	43.03	n/a	86,355	Dec-23	19.3	17.2	2.2	13.3	4.1	2.8	24.4
Avg.								26.2	23.8	13.1	11.9	2.5	1.4	18.1
Med.								25.1	22.8	4.4	6.4	1.5	1.1	18.7

Source: Bloomberg, company data, CMBIGM estimates

Note: Data as of 19 Nov close

Figure 6: Valuation – Forward blended 12 months P/E band

Source: Bloomberg, Company data, CMBIGM estimates

Assumptions

Figure 7: CMBIGM's assumptions

Major assumptions	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Sales by segment (RMB mn)						
Manachised hotels	1,220	1,361	2,706	3,938	5,253	6,777
Leased hotels	630	553	840	742	727	743
Retail and others	297	349	1,120	2,394	3,243	3,969
Total	2,148	2,263	4,666	7,074	9,223	11,489
Sales growth by segment (%)						
Manachised hotels	32%	12%	99%	46%	33%	29%
Leased hotels	27%	-12%	52%	-12%	-2%	2%
Retail and others	107%	18%	221%	114%	35%	22%
Total	37%	5%	106%	52%	30%	25%
Number of hotels by segment						
Manachised hotels	712	899	1,178	1,627	2,141	2,725
Leased hotels	33	33	32	30	30	30
Total	745	932	1,210	1,657	2,171	2,755
Number of hotels growth (%)						
Manachised hotels	33%	26%	31%	38%	32%	27%
Leased hotels	0%	0%	-3%	-6%	0%	0%
Total	31%	25%	30%	37%	31%	27%
Occupancy (%)						
Manachised hotels	67%	63%	78%	78%	79%	79%
Leased hotels	71%	66%	84%	84%	84%	84%
Total	68%	63%	78%	78%	79%	79%
Room rates (RMB)						
Manachised hotels	407	386	458	430	430	435
Leased hotels	517	465	587	558	563	575
Total	415	391	464	433	433	437
RevPAR (RMB)						
Manachised hotels	288	256	371	350	354	355.5
Leased hotels	388	331	517	495	500	510.3
Total	295	261	377	353	357	357.5
Sales per store growth (%)						
Manachised hotels	7%	-11%	45%	-6%	1%	0%
Leased hotels	14%	-15%	56%	-4%	1%	2%
Total	7%	-12%	45%	-6%	1%	0%
GP margins	26.3%	30.2%	39.4%	40.2%	41.6%	41.7%
Selling & Marketing expenses	-5.8%	-6.2%	-10.1%	-10.9%	-11.0%	-11.2%
G & A expenses	-9.2%	-15.5%	-9.7%	-6.3%	-5.8%	-5.4%
Tec. and dev. expenses	-2.4%	-2.9%	-1.7%	-1.7%	-1.7%	-1.7%
Other expenses	0.2%	1.7%	1.8%	1.3%	1.3%	1.3%
Effective tax rate	-31%	-47%	-25%	-25%	-25%	-25%
NP att. margin	7%	4%	16%	18%	19%	19%
NP att. growth (%)	245%	-32%	651%	69%	40%	27%

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	2,148	2,263	4,666	7,074	9,223	11,489
Cost of goods sold	(1,583)	(1,580)	(2,827)	(4,233)	(5,388)	(6,696)
Gross profit	565	683	1,839	2,841	3,836	4,793
Operating expenses	(391)	(556)	(998)	(1,337)	(1,702)	(2,093)
Selling expense	(124)	(140)	(470)	(774)	(1,018)	(1,286)
Admin expense	(103)	(261)	(348)	(328)	(406)	(492)
R&D expense	(52)	(66)	(77)	(117)	(153)	(190)
Staff costs	0	0	0	0	0	0
Other rental related expenses	0	0	0	0	0	0
Others	(112)	(89)	(103)	(118)	(125)	(124)
Operating profit	203	179	954	1,642	2,320	2,937
Other income	22	38	83	92	120	149
Other gains/(losses)	1	1	28	23	13	18
EBITDA	299	261	1,061	1,742	2,397	2,997
EBIT	197	166	953	1,619	2,267	2,868
Interest income	7	14	30	47	67	87
Pre-tax profit	204	181	982	1,666	2,334	2,955
Income tax	(64)	(84)	(243)	(416)	(583)	(739)
After tax profit	145	98	737	1,246	1,746	2,210
Minority interest	5	2	(2)	(3)	(5)	(6)
Net profit	140	96	739	1,249	1,750	2,216
Adjusted net profit	140	259	903	1,279	1,770	2,216

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	1,416	2,125	3,393	5,186	6,772	8,593
Cash & equivalents	1,039	1,589	2,562	4,037	5,342	6,866
Restricted cash	0	0	0	0	0	0
Account receivables	100	133	240	364	474	591
Inventories	59	57	104	155	198	246
Prepayment	167	134	276	419	546	680
Other current assets	52	211	211	211	211	211
Non-current assets	829	2,637	2,604	2,586	2,582	2,597
PP&E	439	360	328	309	306	320
Right-of-use assets	0	1,932	1,932	1,932	1,932	1,932
Intangibles	4	6	5	5	5	5
Other non-current assets	386	340	340	340	340	340
Total assets	2,245	4,762	5,998	7,772	9,354	11,190
Current liabilities	1,051	1,348	1,823	2,329	2,769	3,243
Short-term borrowings	65	143	143	143	143	143
Account payables	609	515	991	1,496	1,936	2,410
Tax payable	46	31	31	31	31	31
Other current liabilities	332	339	339	339	339	339
Lease liabilities	0	320	320	320	320	320
Non-current liabilities	629	2,227	2,229	2,232	2,237	2,243
Long-term borrowings	44	2	2	2	2	2
Other non-current liabilities	586	2,225	2,227	2,230	2,235	2,241
Total liabilities	1,681	3,575	4,052	4,561	5,006	5,485
Share capital	0	0	0	0	0	0
Retained earnings	0	0	778	1,415	2,307	3,412
Other reserves	565	1,187	1,167	1,797	2,041	2,293
Total shareholders equity	565	1,187	1,946	3,211	4,348	5,705
Minority interest	0	0	0	0	0	0
Total equity and liabilities	2,245	4,762	5,998	7,772	9,354	11,190

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	204	181	982	1,666	2,334	2,955
Depreciation & amortization	95	81	79	76	63	42
Tax paid	(15)	(15)	(243)	(416)	(583)	(739)
Change in working capital	109	(68)	180	188	160	175
Others	25	106	30	47	67	87
Net cash from operations	418	284	1,027	1,560	2,040	2,521
Investing						
Capital expenditure	(64)	(36)	(70)	(100)	(121)	(139)
Acquisition of subsidiaries/ investments	9	(153)	0	0	0	0
Others	13	(3)	0	0	0	0
Net cash from investing	(42)	(192)	(70)	(100)	(121)	(139)
Financing						
Dividend paid	(21)	0	21	20	(609)	(853)
Net borrowings	(12)	65	0	0	0	0
Proceeds from share issues	0	400	0	0	0	0
Share repurchases	(111)	(0)	0	0	0	0
Others	(17)	(8)	(5)	(5)	(5)	(5)
Net cash from financing	(161)	456	16	15	(614)	(859)
Net change in cash						
Cash at the beginning of the year	825	1,039	1,589	2,562	4,037	5,342
Exchange difference	(1)	3	0	0	0	0
Others	215	548	973	1,475	1,305	1,523
Cash at the end of the year	1,039	1,589	2,562	4,037	5,342	6,866
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	37.1%	5.4%	106.2%	51.6%	30.4%	24.6%
Gross profit	67.2%	21.0%	169.3%	54.5%	35.0%	25.0%
Operating profit	217.0%	(11.5%)	431.5%	72.2%	41.3%	26.6%
EBITDA	85.5%	(12.7%)	306.2%	64.2%	37.6%	25.1%
EBIT	163.9%	(15.8%)	473.5%	69.9%	40.1%	26.5%
Net profit	269.3%	(31.2%)	669.2%	69.0%	40.1%	26.6%
Adj. net profit	269.3%	85.6%	248.3%	41.7%	38.4%	25.2%
PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	26.3%	30.2%	39.4%	40.2%	41.6%	41.7%
Operating margin	9.4%	7.9%	20.4%	23.2%	25.2%	25.6%
EBITDA margin	13.9%	11.5%	22.7%	24.6%	26.0%	26.1%
Adj. net profit margin	6.5%	11.5%	19.4%	18.1%	19.2%	19.3%
Return on equity (ROE)	24.7%	11.0%	47.2%	48.4%	46.3%	44.1%
GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	1.6	1.2	1.2	1.2	1.2	1.2
Current ratio (x)	1.3	1.6	1.9	2.2	2.4	2.7
Receivable turnover days	20.4	18.8	18.8	18.8	18.8	18.8
Inventory turnover days	10.3	13.4	13.4	13.4	13.4	13.4
Payable turnover days	28.5	40.0	40.0	40.0	40.0	40.0
VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	120.6	228.7	34.0	20.1	14.4	11.1
P/E (diluted)	120.6	228.7	34.0	20.1	14.4	11.1
P/B	40.9	6.8	4.3	2.6	1.9	1.5
P/CFPS	41.8	79.1	24.4	16.1	12.3	9.7
Div yield (%)	0.0	0.0	(0.2)	2.5	3.5	4.5
EV	30,363.2	64,397.8	24,390.2	26,006.0	26,006.0	26,006.0
EV/Sales	14.1	28.5	5.2	3.7	2.8	2.3
EV/EBIT	154.0	387.7	25.6	16.1	11.5	9.1
EV/EBITDA	101.5	246.6	23.0	14.9	10.9	8.7

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

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