

Yum China (YUMC US)

Improving outlook and decent cash returns

We believe Yum China SSSG might still be negative in 4Q24E (despite a positive foot traffic growth), but thanks to its soft raw material inflation and efficiency gains across store and headquarters levels, we do expect net profit growth to be decent in 4Q24E. Moreover, supported by the slightly more optimistic FY25E outlook, generous cash return programme and attractive valuation, we maintain BUY.

- **Sales trend may still be mildly under pressure in 4Q24E.** We expect Yum China's SSSG in 4Q24E to be at around -3%, similar to that in 3Q24. Breaking down into brands, we now expect KFC/ Pizza Hut's SSSG to be at -2%/ -5% in 4Q24E, similar to the -2%/ -6% in 3Q24. In terms of ASP, we still think that would be declining, due to promotions and increasingly rational consumption by customers, but the foot traffic growth should still be positive in 4Q24E. Based on our estimates, SSSG could be flattish in Oct 2024, but slightly weakened in Nov and Dec 2024. However, we believe this performance is already leading in the overall catering industry.
- **But profitability is more important, which should still be under control in 4Q24E.** Firstly, we believe the GP margin may be at around 70%, stable vs 3Q24 and better than 3Q23, supported by the declining chicken prices in China. Secondly, China's CPI continue to outpace the PPI in recent years, which shall help drive down the overall raw material inflation pressure. Thirdly, we also think the opex is in a very good shape, as management is still confident on improving its SG&A mix (as % of sales) to below 5% in FY24E and the A&P expenses are still under refinement (boosting the ROI with no material increase in overall budget). Therefore, we are forecasting a 4% sales growth and 17% net profit growth in 4Q24E.
- **We believe store expansion should still be fast in 4Q24E, due to seasonality.** We forecast Yum China to open around 500 new stores in 4Q24E (vs 438 in 3Q24E), hence the overall new stores in FY24E could be at about 1,715 (close to high end of the FY24E guidance of 1,500-1,700), because of seasonality (more stores will be opened in 4Q) and the early CNY in 2025 (many stores are likely to be opened right before the big festival). Moreover, while the number of PizzaHut WOW stores has already met the target of 200 in FY24E, the number of K-Coffee has exceeded the target of 600 in FY24E (reached 700 already, based on our channel check); these are all rather positive in driving SSSG in FY25E, in our view.
- **Maintain BUY and fine-tune TP to US\$ 58.12.** Our new TP is based on 22x FY25E P/E (up from 15x, thanks to turnaround in net profit growth). We fine-tune FY24E/ 25E/ 26E net profit forecasts by +1%/ +1%/ -2% to reflect a weaker SSSG but faster store openings. The stock is now trading at 17x 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	11,304	12,300	13,171
YoY growth (%)	(2.9)	14.7	3.0	8.8	7.1
Operating profit (US\$ mn)	629.0	1,106.0	1,189.4	1,317.1	1,383.2
Net profit (US\$ mn)	442.0	827.0	909.9	990.8	1,053.4
EPS (Reported) (US\$)	1.04	1.97	2.22	2.64	2.95
YoY growth (%)	(54.4)	89.3	12.9	18.8	11.9
P/E (x)	42.9	22.7	20.1	16.9	15.1
P/B (x)	2.5	2.7	2.2	1.9	1.6
Yield (%)	1.1	1.2	1.4	1.6	1.8
ROE (%)	5.9	11.6	12.1	12.0	11.6

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **US\$58.12**
(Previous TP US\$38.07)
Up/Downside **30.3%**
Current Price **US\$44.61**

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	16,976.3
Avg 3 mths t/o (US\$ mn)	94.7
52w High/Low (US\$)	51.46/29.24
Total Issued Shares (mn)	380.6

Source: FactSet

Shareholding Structure

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

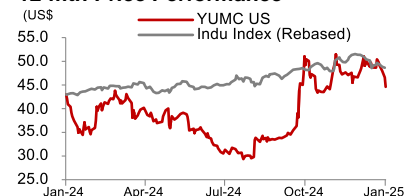
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-5.3%	-1.0%
3-mth	-9.4%	-10.9%
6-mth	42.4%	31.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **The cash return programme and the current valuation are rather attractive.**
Yum China has already purchased shares worth around US\$ 1,236mn in FY24, at an average price of roughly US\$ 39.6, plus the likely dividend of US\$ 250mn, it is on track to meet its US\$ 1.5bn annual cash return target in FY24E. For FY25E, the Company is still committed to returning a similar amount of US\$ 1.5bn to shareholders, which is about 9% of the current market cap. Therefore, we still think the risk-reward of the Company, at this current valuation of 17x FY25E P/E, is fairly attractive.
- **Our initiate thoughts about FY25E.** We are cautiously optimistic about Yum China's outlook in FY25E, because of: 1) macro factors such as the potential reduction in competition, as more and more independent restaurants go out of business, 2) better SSSG (we estimate around 1% SSSG in FY25E, likely turning positive since 3Q25E), driven by around 2% ASP hike by KFC (we do not expect that to result in a drag in foot traffic given its highly value-for-money nature) and ASP cut by Pizza Hut (we do expect the foot traffic to improve after the 30% price cut for around 30 items at Pizza Hut stores), opening of more K-Coffee and WOW stores, rollout of new and innovative products and different marketing campaigns, and 3) continual improvements in operating efficiency, thanks to the Project Red Eye and Project Fresh Eye.

Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	11,304	12,300	13,171	11,193	12,082	12,977	1.0%	1.8%	1.5%
Gross profit	7,917	8,661	9,279	7,834	8,507	9,139	1.1%	1.8%	1.5%
EBIT	1,189	1,317	1,383	1,157	1,288	1,387	2.8%	2.2%	-0.2%
Net profit att.	910	991	1,053	898	984	1,072	1.3%	0.7%	-1.7%
Diluted EPS (USD)	2.223	2.642	2.955	2.177	2.647	3.200	2.1%	-0.2%	-7.6%
Gross margin	70.0%	70.4%	70.4%	70.0%	70.4%	70.4%	0ppt	0ppt	0ppt
EBIT margin	10.5%	10.7%	10.5%	10.3%	10.7%	10.7%	0.2ppt	0ppt	-0.2ppt
Net profit att. margin	8.0%	8.1%	8.0%	8.0%	8.1%	8.3%	0ppt	-0.1ppt	-0.3ppt

Source: Company data, CMBIGM estimates

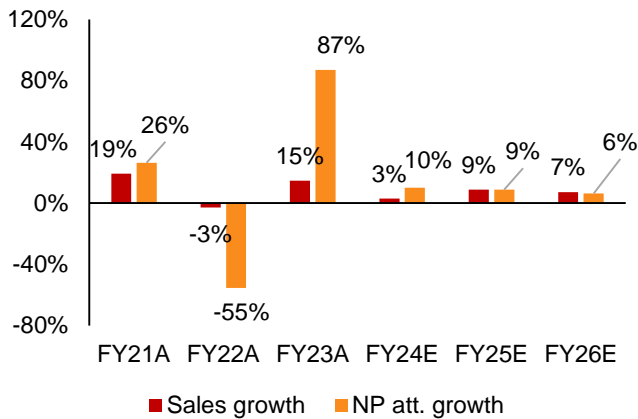
Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	11,304	12,300	13,171	11,337	12,237	13,228	-0.3%	0.5%	-0.4%
Gross profit	7,917	8,661	9,279	7,335	7,454	7,633	7.9%	16.2%	21.6%
EBIT	1,189	1,317	1,383	1,162	1,310	1,457	2.4%	0.5%	-5.1%
Net profit att.	910	991	1,053	916	978	1,083	-0.6%	1.3%	-2.8%
Diluted EPS (USD)	2.223	2.642	2.955	2.327	2.584	2.949	-4.5%	2.2%	0.2%
Gross margin	70.0%	70.4%	70.4%	64.7%	60.9%	57.7%	5.3ppt	9.5ppt	12.7ppt
EBIT margin	10.5%	10.7%	10.5%	10.2%	10.7%	11.0%	0.3ppt	0ppt	-0.5ppt
Net profit att. margin	8.0%	8.1%	8.0%	8.1%	8.0%	8.2%	0ppt	0.1ppt	-0.2ppt

Source: Bloomberg, CMBIGM estimates

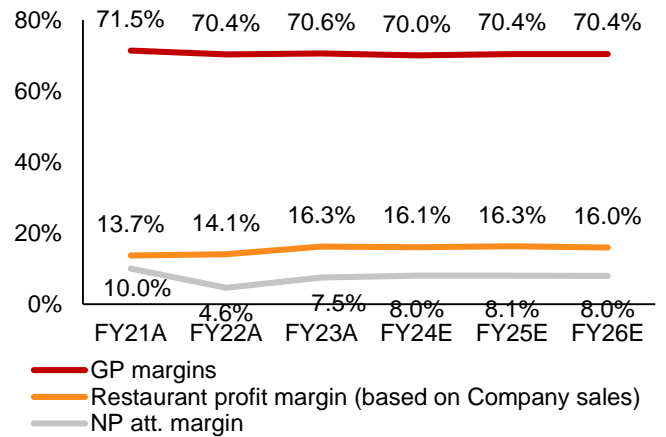
Focus Charts

Figure 3: Sales growth and net profit growth



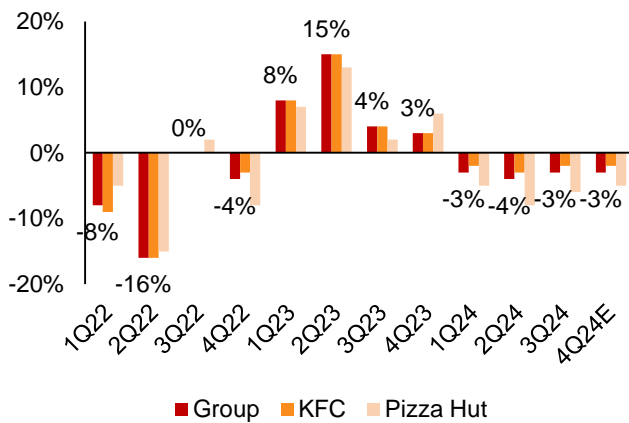
Source: Company data, CMBIGM estimates

Figure 4: GP, rest. OP and NP att. margin



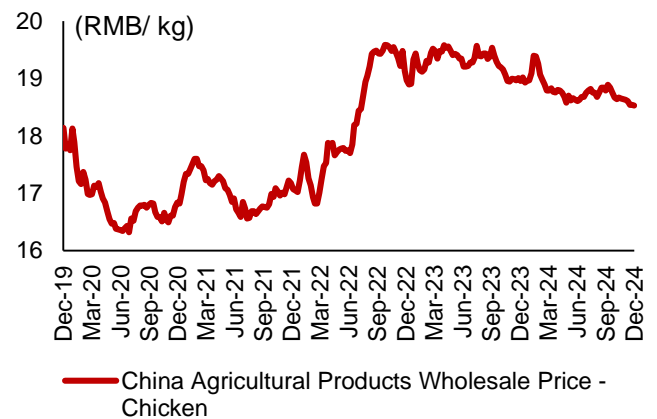
Source: Company data, CMBIGM estimates

Figure 5: SSSG, by group and brand



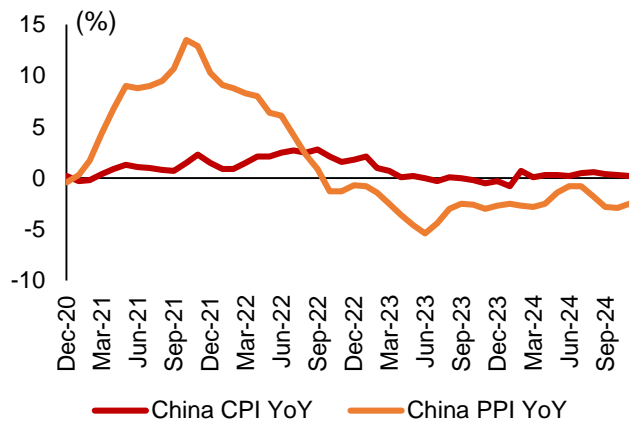
Source: Company data, CMBIGM estimates

Figure 6: Chicken prices in China



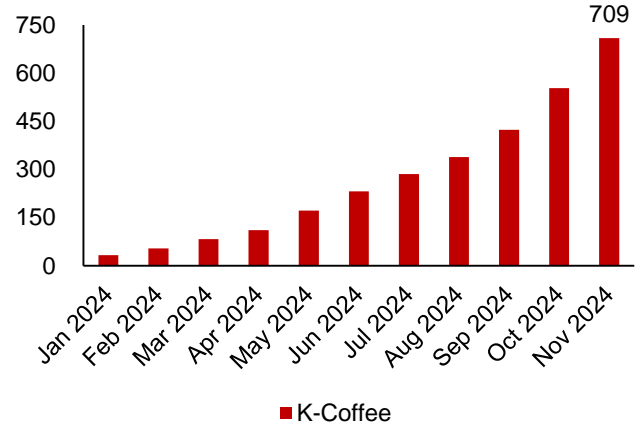
Source: Wind, CMBIGM

Figure 7: China CPI and PPI



Source: NBS, CMBIGM

Figure 8: Number of K-Coffee stores



Source: <https://www.canyin88.com>, CMBIGM estimates

Results Preview

Figure 9: Results preview – Quarterly

Half yearly (RMB mn)	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	1Q24 YoY	2Q24 YoY	3Q24 YoY	4Q24 E YoY
Revenue	2,914	2,493	2,958	2,679	3,071	2,596	1%	1%	5%	4%
Food and paper	-858	-758	-896	-797	-918	-776				
Gross profit	2,056	1,735	2,062	1,882	2,153	1,820	-1%	0%	5%	5%
GP margins	70.6%	69.6%	69.7%	70.3%	70.1%	70.1%				
Other income & gains	0	1	1	0	0	-1				
Payroll & benefits	-699	-678	-708	-666	-728	-697	4%	0%	4%	3%
Payroll & benefits/ sales	-24.0%	-27.2%	-23.9%	-24.9%	-23.7%	-26.8%				
Rent & other opex	-732	-654	-697	-674	-755	-668	1%	0%	3%	2%
Rent & other opex/ sales	-25.1%	-26.2%	-23.6%	-25.2%	-24.6%	-25.7%				
Admin expenses	-273	-247	-254	-234	-259	-218	-4%	-5%	-5%	-12%
Admin exp / sales	-9.4%	-9.9%	-8.6%	-8.7%	-8.4%	-8.4%				
Other opex	-29	-47	-30	-42	-40	-58				
Operating profit (EBIT)	323	110	374	266	371	178	-10%	4%	15%	62%
OP margins	11.1%	4.4%	12.6%	9.9%	12.1%	6.9%				
Investment gain (loss)	-2	-18	8	8	36	-18				
Net finance income	46	45	38	31	31	5				
Net finance income / sales	1.6%	1.8%	1.3%	1.2%	1.0%	0.2%				
Profit after financing costs	367	137	420	305	438	165				
Associated coms	0	0	0	0	0	0				
Jointly controlled coms	0	0	0	0	0	0				
Pre-tax profit	367	137	420	305	438	165	-4%	7%	19%	21%
Tax	-100	-30	-113	-77	-119	-43				
Tax / sales	-3.4%	-1.2%	-3.8%	-2.9%	-3.9%	-1.7%				
Effective tax rate	-27.2%	-21.9%	-26.9%	-25.2%	-27.2%	-26.0%				
Minority interests	23	10	20	16	22	8				
Net profit att.	244	97	287	212	297	114	-1%	8%	22%	17%
NP margins	8.4%	3.9%	9.7%	7.9%	9.7%	4.4%				

Source: Company data, CMBIGM estimates

Assumptions

Figure 10: CMBIGM's assumptions

Major assumptions	FY22A	FY23A	FY24E	FY25E	FY26E
Sales by segment (US\$ mn)					
KFC - dine in sales	4,457	5,278	5,275	5,735	6,153
KFC - delivery sales	2,762	2,962	3,229	3,455	3,662
PH - dine in sales	1,125	1,412	1,363	1,535	1,689
PH- delivery sales	835	834	918	991	1,061
Others	390	492	520	584	607
Total	9,569	10,978	11,304	12,300	13,171
Sales by segment growth (%)					
KFC - dine in sales	-7.5%	18.4%	-0.1%	8.7%	7.3%
KFC - delivery sales	26.4%	7.2%	9.0%	7.0%	6.0%
PH - dine in sales	-16.1%	25.5%	-3.4%	12.6%	10.0%
PH- delivery sales	8.6%	-0.1%	10.0%	8.0%	7.0%
Others	-47.4%	26.2%	5.7%	12.2%	4.1%
Total	-2.9%	14.7%	3.0%	8.8%	7.1%
Sales network by brand					
KFC	9,094	10,296	11,596	12,946	14,346
Pizza Hut	2,903	3,312	3,802	4,292	4,782
Others	950	1,036	961	966	1,001
Total	12,947	14,644	16,359	18,204	20,129
Restaurant profit margin by brand					
KFC	15.5%	17.5%	17.4%	17.6%	17.1%
Pizza hut	9.1%	11.7%	10.6%	10.8%	10.9%
Others	-4.6%	-2.6%	0.4%	0.5%	0.6%
Total	14.1%	16.3%	16.1%	16.3%	16.0%
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%	24.6%	24.9%
Rental and other operating expenses/ sales	27.2%	25.1%	24.7%	24.6%	24.6%
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%	8.0%
NP att. growth (%)	-55.4%	87.1%	10.0%	8.9%	6.3%

Source: Company data, CMBIGM estimates

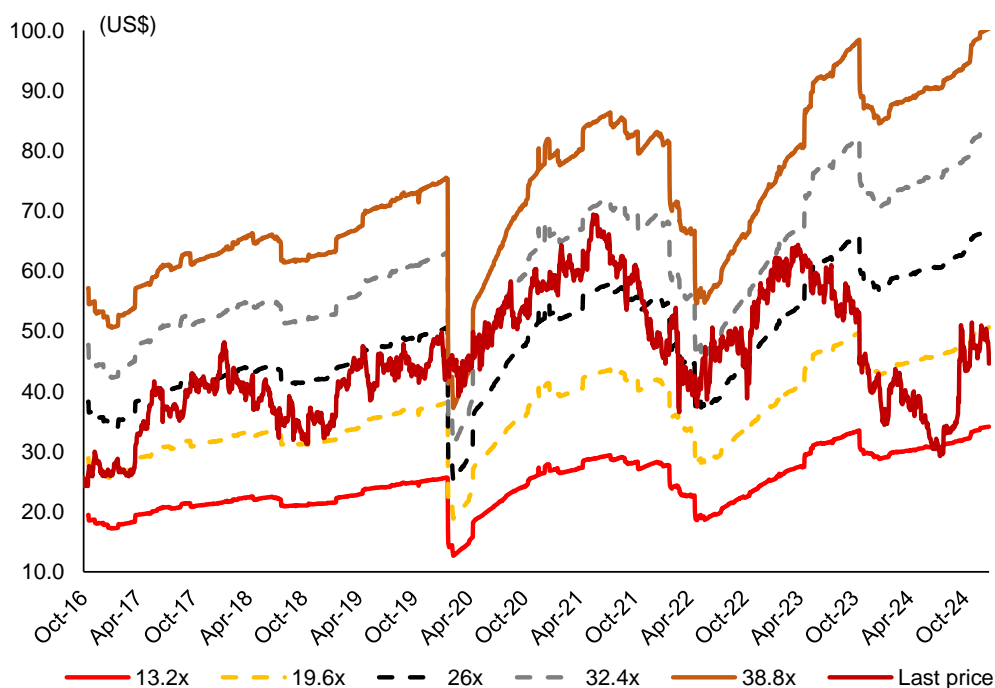
Valuation

Figure 11: 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	YUMC US	BUY	58.12	44.61	30%	131,432	Dec-23	20.6	17.3	2.2	11.6	1.4	1.4	(7.4)
Jiumaojiu	9922 HK	HOLD	2.64	3.11	-15%	4,347	Dec-23	19.3	11.6	1.2	9.1	(7.2)	2.2	(9.3)
Haidilao	6862 HK	BUY	15.94	14.94	7%	83,276	Dec-23	17.0	15.0	5.8	45.4	2.8	4.7	(6.0)
DPC Dash	1405 HK	BUY	81.20	72.65	12%	9,485	Dec-23	135.5	60.8	4.2	(1.9)	(0.4)	0.1	(6.9)
Nayuki	2150 HK	BUY	3.43	1.30	164%	2,217	Dec-23	n/a	n/a	0.5	0.3	n/a	0.0	(4.4)
Luckin Coffee	LKNCY US	BUY	33.80	26.50	28%	69,276	Dec-23	166.0	120.6	4.9	26.0	(4.1)	n/a	3.2
Helens	9869 HK	NR	n/a	2.25	n/a	2,847	Dec-23	13.0	10.0	1.6	9.9	0.8	11.3	(11.4)
Tam Jai	2217 HK	NR	n/a	0.77	n/a	1,037	Mar-24	n/a	n/a	0.6	7.8	n/a	n/a	(1.3)
Cafe De Coral	341 HK	BUY	9.30	7.66	21%	4,443	Mar-24	15.2	13.8	1.5	9.8	4.5	7.3	(1.9)
Xiabuxiabu	520 HK	BUY	4.89	0.97	404%	1,054	Dec-23	n/a	n/a	1.1	(40.7)	n/a	3.7	(3.0)
Yihai	1579 HK	NR	n/a	13.38	n/a	13,871	Dec-23	15.1	13.5	2.4	18.4	3.3	5.8	(11.3)
Gourmet Master	2723 TT	NR	n/a	98.40	n/a	4,189	Dec-23	25.6	17.6	1.6	3.6	1.7	3.3	1.7
Avg.								47.5	31.1	2.3	8.3	0.3	4.0	(4.8)
Med.								19.3	15.0	1.6	9.5	1.4	3.5	(5.2)
International Catering														
Yum! Brands	YUM US	NR	n/a	133.44	n/a	289,484	Dec-23	24.4	22.0	n/a	n/a	4.4	2.0	(0.5)
Mcdonald's	MCD US	NR	n/a	294.78	n/a	1,642,135	Dec-23	25.1	23.4	n/a	n/a	4.8	2.3	1.7
Starbucks Corp	SBUX US	NR	n/a	92.58	n/a	815,973	Sep-24	29.7	24.9	n/a	n/a	3.0	2.6	1.5
Rest' Brands	QSR US	NR	n/a	64.94	n/a	229,586	Dec-23	19.5	17.1	6.0	41.3	7.3	3.6	(0.4)
Chipotle	CMG US	NR	n/a	59.7	n/a	632,358	Dec-23	53.4	45.3	22.2	45.7	2.6	0.0	(1.0)
Darden	DRI US	NR	n/a	187.72	n/a	170,948	May-24	19.8	17.6	10.1	50.8	1.9	2.9	0.6
Domino's Pizza	DPZ US	NR	n/a	438.08	n/a	117,597	Dec-23	26.3	24.8	n/a	n/a	2.8	1.4	4.4
Wendy's Co	WEN US	NR	n/a	16.17	n/a	25,623	Dec-23	16.2	15.4	12.9	64.3	2.6	6.2	(0.8)
Shake Shack	SHAK US	NR	n/a	133.38	n/a	44,406	Dec-23	164.7	117.3	11.7	2.0	3.6	n/a	2.8
Wingstop Inc	WING US	NR	n/a	298.01	n/a	67,673	Dec-23	81.2	65.9	n/a	n/a	2.4	0.3	4.9
Jollibee Foods	JFC PM	NR	n/a	261.00	n/a	39,118	Dec-23	27.8	23.4	3.4	12.4	1.5	1.2	(3.0)
Avg.								44.4	36.1	11.1	36.1	3.4	2.2	0.9
Med.								26.3	23.4	10.9	43.5	2.8	2.1	0.6

Source: Bloomberg, Company data, CMBIGM estimates

Note: Data as of 3 Jan 2025

Figure 12: 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	11,304	12,300	13,171
Cost of goods sold	(2,812)	(2,836)	(3,224)	(3,387)	(3,639)	(3,893)
Gross profit	7,041	6,733	7,754	7,917	8,661	9,279
Operating expenses	(6,298)	(6,010)	(6,648)	(6,728)	(7,344)	(7,896)
Selling expense	0	0	0	0	0	0
Admin expense	(663)	(704)	(779)	(735)	(812)	(869)
Staff costs	(2,258)	(2,389)	(2,725)	(2,799)	(3,029)	(3,282)
Other rental related expenses	(959)	(884)	(935)	(942)	(997)	(1,041)
Others	(1,902)	(1,431)	(1,756)	(1,631)	(1,839)	(1,984)
Operating profit	1,386	629	1,106	1,189	1,317	1,383
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	1,811	1,985	2,103
Depreciation	(505)	(582)	(423)	(561)	(624)	(703)
Other amortisation	(11)	(20)	(30)	(61)	(44)	(17)
Interest income	60	84	169	105	131	157
Interest expense	0	0	0	0	0	0
Net Interest income/(expense)	60	84	169	105	131	157
Other income/expense	(54)	(26)	(49)	34	(12)	(13)
Pre-tax profit	1,392	687	1,226	1,328	1,436	1,527
Income tax	(369)	(209)	(325)	(352)	(373)	(397)
After tax profit	1,023	478	901	976	1,063	1,130
Minority interest	(33)	(36)	(74)	(66)	(72)	(76)
Net profit	990	442	827	910	991	1,053

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Current assets	4,716	3,940	3,431	4,257	5,023	5,849
Cash & equivalents	1,136	1,130	1,128	1,927	2,623	3,384
Restricted cash	2,860	2,022	1,472	1,472	1,472	1,472
Account receivables	67	64	68	68	74	79
Inventories	432	417	424	442	475	508
Prepayment	221	307	339	349	380	407
Other current assets	0	0	0	0	0	0
Non-current assets	8,507	7,886	8,600	8,546	8,703	8,840
PP&E	2,251	2,118	2,310	2,484	2,659	2,812
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	12,803	13,727	14,689
Current liabilities	2,383	2,166	2,422	2,448	2,559	2,664
Short-term borrowings	0	0	0	0	0	0
Account payables	830	727	786	795	854	913
Tax payable	51	68	90	90	90	90
Other current liabilities	1,502	1,371	1,546	1,563	1,615	1,661
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	4,938	5,049	5,154
Share capital	4,967	4,291	4,095	4,095	4,095	4,095
Retained earnings	2,892	2,191	2,310	2,739	3,457	4,221
Other reserves	63	678	714	1,031	1,125	1,218
Total shareholders equity	7,922	7,160	7,119	7,865	8,677	9,534
Minority interest	0	0	0	0	0	0
Total equity and liabilities	13,223	11,826	12,031	12,803	13,727	14,689

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	1,392	687	1,226	1,328	1,436	1,527
Depreciation & amortization	516	602	453	622	668	720
Tax paid	160	(20)	(10)	(352)	(373)	(397)
Change in working capital	53	0	49	(2)	42	40
Others	(990)	144	(245)	167	(26)	0
Net cash from operations	1,131	1,413	1,473	1,763	1,746	1,889
Investing						
Capital expenditure	(689)	(679)	(710)	(735)	(800)	(856)
Acquisition of subsidiaries/ investments	(115)	(23)	(20)	0	0	0
Others	(51)	180	(13)	0	0	0
Net cash from investing	(855)	(522)	(743)	(735)	(800)	(856)
Financing						
Dividend paid	(203)	(202)	(216)	(230)	(251)	(273)
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)	(251)	(273)
Net change in cash						
Cash at the beginning of the year	1,158	1,136	1,130	1,128	1,927	2,623
Exchange difference	15	(53)	(16)	0	0	0
Others	(37)	47	14	799	696	761
Cash at the end of the year	1,136	1,130	1,128	1,927	2,623	3,384
GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	19.2%	(2.9%)	14.7%	3.0%	8.8%	7.1%
Gross profit	18.9%	(4.4%)	15.2%	2.1%	9.4%	7.1%
Operating profit	44.2%	(54.6%)	75.8%	7.5%	10.7%	5.0%
EBITDA	34.8%	(35.3%)	26.6%	16.2%	9.6%	6.0%
Net profit	26.3%	(55.4%)	87.1%	10.0%	8.9%	6.3%
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%	10.5%	10.7%	10.5%
EBITDA margin	19.3%	12.9%	14.2%	16.0%	16.1%	16.0%
Return on equity (ROE)	13.8%	5.9%	11.6%	12.1%	12.0%	11.6%
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	19.6	42.9	22.7	20.1	16.9	15.1
P/E (diluted)	19.6	42.9	22.7	20.1	16.9	15.1
P/B	2.5	2.5	2.7	2.2	1.9	1.6
P/CFPS	17.1	13.4	12.7	10.4	9.6	8.4
Div yield (%)	1.0	1.1	1.2	1.4	1.6	1.8

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

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