

Yum China (YUMC US)

Constructive FY25E outlook and guidance

4Q24 results were largely inline with CMBI/ BBG est., but recent trends are very constructive (positive SSSG during CNY, no negative impact on traffic post price hikes for KFC, and decent traffic after launch of new menu, with amazing value in Pizza Hut). Plus the decent cash returns, we maintain BUY and raise TP.

■ **Management has shared the guidance for FY25E**, namely: 1) MSD system sales growth, 2) commodity price to stay favourable, 3) LSD to MSD wage inflation (including the higher rider costs and delivery fees), and 4) flattish or slight improvement in Core OP margin.

■ **And we think the trend is constructive, supported by various growth drivers.** Since management is targeting a faster system sales growth in FY25E (at MSD vs just 4% in FY24) and slightly slower store expansion plan (at 11% implied vs 12% in FY24), to achieve that, we do think a positive SSSG in FY25E is likely needed (inline with the estimates in our model). For KFC, we think the growth drivers are: 1) ramp up of K-Coffee (number of stores will reach 1,300 by FY25E and may create a single-digit boost to overall sales), 2) ASP hikes since Dec 2024 (first time in almost 2 years and no negative impact on traffic so far), 3) delivery sales growth could still be fast (reduced delivery fees and an increased number of small-size orders), 4) product innovations (e.g., introducing the spicy original recipe chicken), and 5) more effective marketing (keeping the same amount of advertising budget but spending that in a more innovative way to boost the ROI, possibly with the help of AI). For Pizza Hut, the growth drivers are: 1) further ramp up of the Pizza Hut WOW stores (highly value-for-money products plus busy traffic locations are very effective), which is able to capture more types of consumer groups like students, families or other more price-sensitive customers, 2) introduction of the fairly aggressive new menu (40 delicious new and value-for-money products with solid profit margin), which may bring in a massive amount of traffic (this strategy should be proven, as sales of Pizza priced under RMB 50 increased by 50% YoY in FY24), and 3) product category expansion (e.g. products like the Pizza Burger). Margin wise, we are also positive, because we can still see room for improvement in GP margin (aided by raw material price deflation and the Project Redeye) and OP margin (supported by different ways like simplification, automation, centralization and digitalization to further boost efficiency).

■ **Maintain BUY and raise TP to US\$ 62.06. The new TP is based on 22x FY25E P/E (unchanged), still below 5-year average P/E of 25x.** We fine-tune the FY25E/ 26E net profit forecasts by -1%/ +2% to reflect weaker sales per store but a better operating leverage. The stock is now trading at 17x FY25E P/E, not only undemanding, but also rather attractive, given the very generous cash return programme.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	10,978	11,303	12,144	12,930	14,072
YoY growth (%)	14.7	3.0	7.4	6.5	8.8
Operating profit (US\$ mn)	1,106.0	1,162.0	1,322.4	1,424.7	1,623.8
Net profit (US\$ mn)	827.0	911.0	981.6	1,078.7	1,251.1
EPS (Reported) (US\$)	1.97	2.34	2.82	3.08	3.57
YoY growth (%)	89.3	18.6	20.8	9.3	16.0
P/E (x)	24.6	20.7	17.2	15.7	13.6
P/B (x)	2.9	2.6	2.3	2.1	1.8
Yield (%)	1.1	1.5	1.6	1.7	2.0
ROE (%)	11.6	13.5	14.4	14.0	14.5

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **US\$62.06**

(Previous TP) US\$58.12)

Up/Downside **28.1%**

Current Price **US\$48.44**

China Consumer Discretionary

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Stock Data

Mkt Cap (US\$ mn)	16,760.2
Avg 3 mths t/o (US\$ mn)	103.7
52w High/Low (US\$)	51.46/29.24
Total Issued Shares (mn)	346.0

Source: FactSet

Shareholding Structure

JPMorgan Chase & Co.	11.2%
BlackRock	4.9%

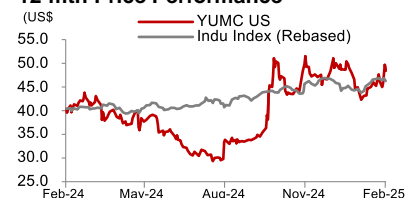
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	8.1%	3.8%
3-mth	-5.9%	-7.1%
6-mth	43.1%	25.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **Performance during the CNY is positive but we should stay prudent.** Management did mention a positive SSSG during this 2025 CNY holidays, driven by excellent food offerings with incredible value and marketing campaigns featuring Olympic Champion and popular IPs, and we are impressed given the weak SSS recovery rate in 4Q24. However, we remain prudent, because the macro environment is still uncertain and consumers may still be very cost-cautious and reluctant to spend much post holidays, and this pattern has happened very often in the past 2 years.
- **Store opening in FY24 was ahead of schedule and pace in FY25E may still be fast.** Yum China has opened 1,751 net new stores in FY24, beating its guidance of 1,500 to 1,700. Franchised stores were at about 30%/ 10% of the total for KFC/ Pizza Hut. The growth rate actually slowed down to 12% vs 13% in FY23, and this was due to the increased number of closures. However, we still see this as a positive, because it was a strategic move by management, where many old stores can be moved to a better location with an even lower rent. The Company now targets to open 1,600 to 1,800 net new stores in FY25E, with a capex of about RMB 700mn to RMB800mn. The portion of franchised stores among the new stores will also increase to 40%+/- 20%+ for KFC/ Pizza Hut.
- **4Q24 results inline while the underlying is encouraging. In FY24, Yum China's sales and net profit increased by 4% and 10%, both inline with CMBI/ BBG est.** In 4Q24, Yum China's sales and net profit growth was at 4% and 19%, also roughly inline with CMBI/ BBG est.. Growth was mostly driven by delivery (+14%) vs dine-in or takeaways (-2%). And the margin expansion was due to GP margin improvements (e.g. softer raw material prices) and efficiency gains (from all aspects like staff costs, rental, A&P and D&A). On top of that, SSSG only dropped by 1% in 4Q24, improving from a 3% decline in 3Q24, which was mostly boosted by the traffic increases (+3%/ +12% for KFC/ Pizza Hut), partly at the expense of cuts in ASP (-4%/ -10% for KFC/ Pizza Hut). We are also delighted to see further improvements in restaurant-level OP margin, which expanded by 1.3ppt/ 2.0ppt YoY to 13.3%/ 9.3% for KFC/ Pizza Hut in 4Q24.

Earnings revision

Figure 1: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	12,144	12,930	14,072	12,300	13,171	n/a	-1.3%	-1.8%	n/a
Gross profit	8,539	9,098	9,911	8,661	9,279	n/a	-1.4%	-1.9%	n/a
EBIT	1,322	1,425	1,624	1,317	1,383	n/a	0.4%	3.0%	n/a
Net profit att.	982	1,079	1,251	991	1,053	n/a	-0.9%	2.4%	n/a
Diluted EPS (USD)	2.821	3.082	3.574	2.642	2.955	n/a	6.8%	4.3%	n/a
Gross margin	70.3%	70.4%	70.4%	70.4%	70.4%	n/a	-0.1ppt	-0.1ppt	n/a
EBIT margin	10.9%	11.0%	11.5%	10.7%	10.5%	n/a	0.2ppt	0.5ppt	n/a
Net profit att. margin	8.1%	8.3%	8.9%	8.1%	8.0%	n/a	0ppt	0.3ppt	n/a

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	12,144	12,930	14,072	12,199	13,146	14,318	-0.5%	-1.6%	-1.7%
Gross profit	8,539	9,098	9,911	8,498	8,451	8,605	0.5%	7.7%	15.2%
EBIT	1,322	1,425	1,624	1,298	1,438	1,650	1.9%	-1.0%	-1.6%
Net profit att.	982	1,079	1,251	974	1,075	1,205	0.8%	0.4%	3.9%
Diluted EPS (USD)	2.821	3.082	3.574	2.572	2.923	3.355	9.7%	5.4%	6.5%
Gross margin	70.3%	70.4%	70.4%	69.7%	64.3%	60.1%	0.6ppt	6.1ppt	10.3ppt
EBIT margin	10.9%	11.0%	11.5%	10.6%	10.9%	11.5%	0.3ppt	0.1ppt	0ppt
Net profit att. margin	8.1%	8.3%	8.9%	8.0%	8.2%	8.4%	0.1ppt	0.2ppt	0.5ppt

Source: Bloomberg, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Quarterly (RMB mn)	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q24 YoY	2Q24 YoY	3Q24 YoY	4Q24 YoY	4Q24E CMBI	Actual vs CMBI
Revenue	2,914	2,493	2,958	2,679	3,071	2,595	1%	1%	5%	4%	2,596	0%
Food and paper	-858	-758	-896	-797	-918	-776					-776	
Gross profit	2,056	1,735	2,062	1,882	2,153	1,819	-1%	0%	5%	5%	1,820	0%
GP margins	70.6%	69.6%	69.7%	70.3%	70.1%	70.1%					70.1%	
Other income & gains	0	1	1	0	0	0					-1	-100%
Payroll & benefits	-699	-678	-708	-666	-728	-685	4%	0%	4%	1%	-697	-2%
Payroll & benefits/ sales	-24.0%	-27.2%	-23.9%	-24.9%	-23.7%	-26.4%					-26.8%	
Rent & other opex	-732	-654	-697	-674	-755	-672	1%	0%	3%	3%	-668	1%
Rent & other opex/ sales	-25.1%	-26.2%	-23.6%	-25.2%	-24.6%	-25.9%					-25.7%	
Admin expenses	-273	-247	-254	-234	-259	-262	-4%	-5%	-5%	6%	-218	20%
Admin exp / sales	-9.4%	-9.9%	-8.6%	-8.7%	-8.4%	-10.1%					-8.4%	
Other opex	-29	-47	-30	-42	-40	-49					-58	
Operating profit (EBIT)	323	110	374	266	371	151	-10%	4%	15%	37%	178	-15%
OP margins	11.1%	4.4%	12.6%	9.9%	12.1%	5.8%					6.9%	
Investment gain (loss)	-2	-18	8	8	36	-12					-18	
Net finance income	46	45	38	31	31	29					5	483%
Net finance income / sales	1.6%	1.8%	1.3%	1.2%	1.0%	1.1%					0.2%	
Profit after financing costs	367	137	420	305	438	168					165	
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	168	-4%	7%	19%	23%	165	2%
Tax	-100	-30	-113	-77	-119	-42					-43	
Tax / sales	-3.4%	-1.2%	-3.8%	-2.9%	-3.9%	-1.6%					-1.7%	
Effective tax rate	-27.2%	-21.9%	-26.9%	-25.2%	-27.2%	-25.0%					-26.0%	
Minority interests	23	10	20	16	22	11					8	31%
Net profit att.	244	97	287	212	297	115	-1%	8%	22%	19%	114	1%
NP margins	8.4%	3.9%	9.7%	7.9%	9.7%	4.4%					4.4%	

Source: Company data, CMBIGM estimates

Figure 4: Broadening addressable market by widening price range and enhancing menu

Entry-Price Pizzas



36.9
意式肉酱披萨
Italian Bolognese

49
薯角培根披萨
Potato wedges & bacon

39
德克萨斯风味烤肉披萨
Texas barbecue chicken

Pizza Dough Burgers



Sales of pizzas priced under RMB50 +50% year-over-year

17mn burgers sold since launch!

Source: Company data, CMBIGM

Figure 5: Pizza Hut's new menu: exciting new products and amazing value

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Delicious new products

- Lower prices on iconic products while protecting margins
- More straight-forward value-for-money communication



现拍现烤·披萨专家

 9元 金枕榴莲皇冠芝士挞	 9.9元 多士布丁烧	 12元 武夷岩茶大红袍梅梅茶	 36.9元 意式肉酱披萨	 39元 德克萨斯风味烤肉披萨
 9.9元 醇香七喜茉莉茶饮	 9.9元 武夷大红袍茶饮	 19元 勃艮第红酒焗蜗牛	 39元 奶香芝士多多披萨	 49元 薯角培根披萨
 9.9元 纽约客式脆薯格	 9.9元 芝士焗黄金甜玉米粒	 19.9元 招牌秘制鸡腿堡	 59元 咸蛋黄嫩鸡披萨	 59元 金枕榴莲菠萝披萨

Source: Company data, CMBIGM

Assumptions

Figure 6: CMBIGM's assumptions

Major assumptions	FY23A	FY24A	FY25E	FY26E	FY27E
Sales by segment (US\$ mn)					
KFC - dine in sales	5,278	5,129	5,365	5,537	5,982
KFC - delivery sales	2,962	3,380	3,789	4,210	4,636
PH - dine in sales	1,412	1,381	1,523	1,673	1,897
PH- delivery sales	834	879	909	931	944
Others	492	534	557	578	613
Total	10,978	11,303	12,144	12,930	14,072
Sales by segment growth (%)					
KFC - dine in sales	18.4%	-2.8%	4.6%	3.2%	8.0%
KFC - delivery sales	7.2%	14.1%	12.1%	11.1%	10.1%
PH - dine in sales	25.5%	-2.2%	10.3%	9.9%	13.4%
PH- delivery sales	-0.1%	5.4%	3.4%	2.4%	1.4%
Others	26.2%	8.5%	4.3%	3.7%	6.1%
Total	14.7%	3.0%	7.4%	6.5%	8.8%
Sales network by brand					
KFC	10,296	11,648	13,050	14,502	16,054
Pizza Hut	3,312	3,724	4,136	4,548	4,960
Others	1,036	1,023	1,028	1,063	1,098
Total	14,644	16,395	18,214	20,113	22,112
Restaurant profit margin by brand					
KFC	17.5%	16.6%	17.0%	16.9%	17.4%
Pizza hut	11.7%	11.9%	12.2%	12.3%	12.3%
Others	-2.6%	-0.6%	0.5%	0.6%	0.8%
Total	16.3%	15.8%	16.2%	16.2%	16.7%
Costs breakdown					
Food and paper/ sales	29.4%	30.0%	29.7%	29.6%	29.6%
Payroll and employee benefits/ sales	24.8%	24.7%	24.7%	24.8%	24.5%
Rental and other operating expenses/ sales	25.1%	24.8%	24.6%	24.4%	24.1%
G & A expenses/ sales	5.8%	5.0%	4.9%	4.9%	4.9%
Franchisees expenses/ sales	3.2%	3.6%	3.5%	3.5%	3.5%
Effective tax rate	26.5%	26.4%	26.0%	26.0%	26.0%
NP att. margin	7.5%	8.1%	8.1%	8.3%	8.9%
NP att. growth (%)	87.1%	10.2%	7.8%	9.9%	16.0%

Source: Company data, CMBIGM estimates

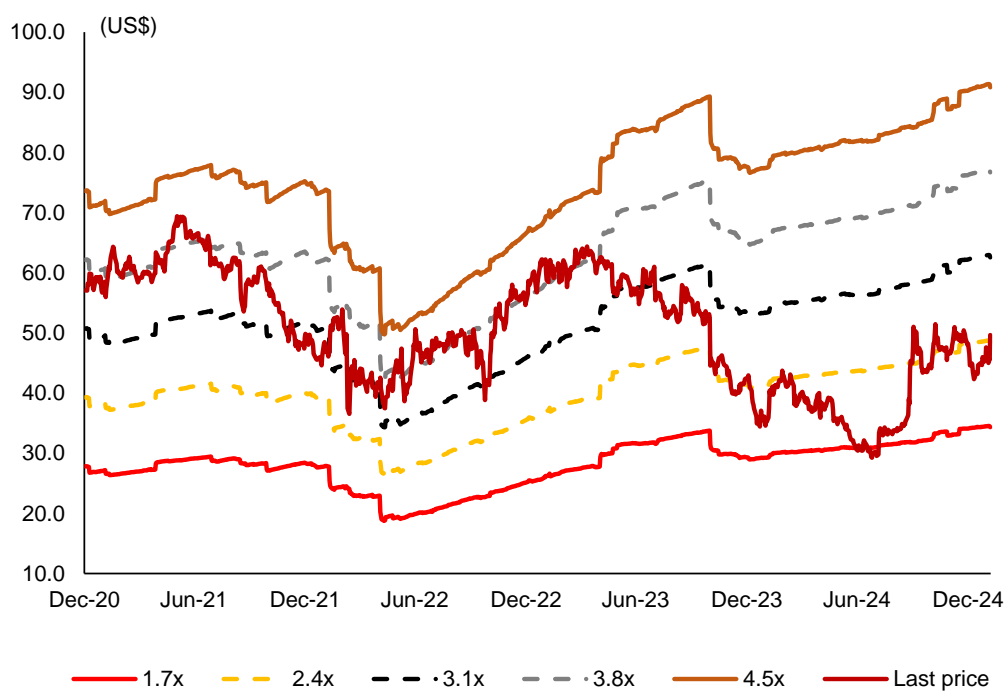
Valuation

Figure 7: 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\$m)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Leading Greater China Catering														
Yum China	YUMC US	BUY	62.06	49.65	25%	145,742	Dec-24	21.3	17.6	2.7	11.6	1.3	1.4	3.1
Jiumaojiu	9922 HK	HOLD	2.64	2.83	-7%	3,955	Dec-23	21.4	11.5	1.1	9.1	(2.8)	1.9	(17.5)
Haidilao	6862 HK	BUY	15.94	14.90	7%	83,053	Dec-23	17.0	15.0	5.8	45.4	4.6	4.9	(6.3)
DPC Dash	1405 HK	BUY	81.20	80.50	1%	10,513	Dec-23	149.1	66.9	4.6	(1.9)	(0.5)	0.0	3.2
Nayuki	2150 HK	BUY	3.43	1.29	166%	2,199	Dec-23	n/a	n/a	0.5	0.3	n/a	0.0	(5.1)
Luckin Coffee	LKNCY US	BUY	33.80	29.50	15%	64,533	Dec-23	184.8	77.2	5.5	26.0	(6.5)	0.0	14.9
Helens	9869 HK	NR	n/a	2.13	n/a	2,695	Dec-23	15.1	9.5	1.5	9.9	1.0	12.0	(16.1)
Tam Jai	2217 HK	NR	n/a	0.90	n/a	1,212	Mar-24	n/a	n/a	0.8	7.8	n/a	n/a	15.4
Cafe De Coral	341 HK	BUY	9.30	7.50	24%	4,350	Mar-24	14.9	13.5	1.5	9.8	4.4	7.5	(4.0)
Xiabuxiabu	520 HK	BUY	4.89	0.89	449%	967	Dec-23	n/a	n/a	1.1	(40.7)	n/a	4.2	(11.0)
Yihai	1579 HK	NR	n/a	13.20	n/a	13,684	Dec-23	15.2	13.4	2.4	18.4	3.2	5.7	(12.5)
Gourmet Master	2723 TT	NR	n/a	103.50	n/a	4,429	Dec-23	27.0	18.6	1.6	3.6	1.8	3.1	6.9
Avg.								51.8	27.0	2.4	8.3	0.7	3.7	(2.4)
Med.								21.3	15.0	1.6	9.5	1.3	3.1	(4.6)
International Catering														
Yum! Brands	YUM US	NR	n/a	144.01	n/a	313,065	Dec-24	24.0	21.7	n/a	n/a	1.9	1.9	7.3
Mcdonald's	MCD US	NR	n/a	294.36	n/a	1,643,213	Dec-23	25.1	23.6	n/a	n/a	5.3	2.3	1.5
Starbucks Corp	SBUX US	NR	n/a	111.70	n/a	988,370	Sep-24	37.8	30.5	n/a	n/a	3.9	2.2	22.4
Rest' Brands	QSR US	NR	n/a	64.09	n/a	225,325	Dec-23	19.3	17.1	5.9	41.3	8.8	3.6	(1.7)
Chipotle	CMG US	NR	n/a	57.3	n/a	605,173	Dec-24	44.3	37.3	18.0	45.7	2.5	0.0	(4.9)
Darden	DRI US	NR	n/a	200.43	n/a	182,902	May-24	21.1	18.8	10.8	50.8	2.1	2.7	7.4
Domino's Pizza	DPZ US	NR	n/a	470.56	n/a	126,579	Dec-23	28.2	26.7	n/a	n/a	3.0	1.3	12.1
Wendy's Co	WEN US	NR	n/a	14.93	n/a	23,708	Dec-23	15.0	14.4	16.9	64.3	2.6	6.8	(8.4)
Shake Shack	SHAK US	NR	n/a	115.16	n/a	38,420	Dec-23	133.4	92.4	10.2	2.0	2.9	n/a	(11.3)
Wingstop Inc	WING US	NR	n/a	308.15	n/a	70,121	Dec-23	84.1	70.2	n/a	n/a	2.6	0.3	8.4
Jollibee Foods	JFC PM	NR	n/a	236.20	n/a	35,501	Dec-23	25.1	21.3	3.1	12.4	1.4	1.3	(12.2)
Avg.								41.6	34.0	10.8	36.1	3.4	2.2	1.9
Med.								25.1	23.6	10.5	43.5	2.6	2.1	1.5

Source: Bloomberg, Company data, CMBIGM estimates

Note: Data as of 6 Feb 2025

Figure 8: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Revenue	9,569	10,978	11,303	12,144	12,930	14,072
Cost of goods sold	(2,836)	(3,224)	(3,387)	(3,605)	(3,831)	(4,161)
Gross profit	6,733	7,754	7,916	8,539	9,098	9,911
Operating expenses	(6,010)	(6,648)	(6,755)	(7,217)	(7,675)	(8,288)
Selling expense	0	0	0	0	0	0
Admin expense	(704)	(779)	(729)	(763)	(812)	(884)
Staff costs	(2,389)	(2,725)	(2,787)	(2,996)	(3,205)	(3,454)
Other rental related expenses	(884)	(935)	(937)	(984)	(1,022)	(1,083)
Others	(1,431)	(1,756)	(1,683)	(1,812)	(1,923)	(2,088)
Operating profit	629	1,106	1,162	1,322	1,425	1,624
Other income	(94)	0	1	1	1	1
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
EBITDA	1,231	1,559	1,781	1,985	2,138	2,403
Depreciation	(582)	(423)	(558)	(619)	(696)	(773)
Other amortisation	(20)	(30)	(61)	(44)	(17)	(6)
Interest income	84	169	129	116	156	208
Interest expense	0	0	0	0	0	0
Net interest income/(expense)	84	169	129	116	156	208
Other income/expense	(26)	(49)	40	(12)	(13)	(14)
Pre-tax profit	687	1,226	1,331	1,426	1,568	1,818
Income tax	(209)	(325)	(351)	(371)	(408)	(473)
After tax profit	478	901	980	1,056	1,160	1,345
Minority interest	(36)	(74)	(69)	(74)	(81)	(94)
Net profit	442	827	911	982	1,079	1,251

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Current assets	3,940	3,431	2,694	3,452	4,311	5,575
Cash & equivalents	1,130	1,128	723	1,418	2,218	3,397
Restricted cash	2,022	1,472	1,121	1,121	1,121	1,121
Account receivables	64	68	79	79	84	92
Inventories	417	424	405	441	469	509
Prepayment	307	339	366	393	419	456
Other current assets	0	0	0	0	0	0
Non-current assets	7,886	8,600	8,427	8,579	8,707	8,631
PP&E	2,118	2,310	2,407	2,577	2,722	2,653
Right-of-use assets	2,219	2,217	2,146	2,146	2,146	2,146
Investment in JVs & assos	266	332	368	368	368	368
Intangibles	159	150	144	100	84	77
Goodwill	1,988	1,932	1,880	1,906	1,906	1,906
Other non-current assets	1,136	1,659	1,482	1,482	1,482	1,482
Total assets	11,826	12,031	11,121	12,031	13,018	14,206
Current liabilities	2,166	2,422	2,283	2,386	2,478	2,611
Short-term borrowings	0	0	0	0	0	0
Account payables	727	786	766	826	878	953
Tax payable	68	90	76	76	76	76
Other current liabilities	1,371	1,546	1,441	1,484	1,524	1,582
Non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Total liabilities	4,666	4,912	4,694	4,797	4,889	5,022
Share capital	4,291	4,095	3,639	3,639	3,639	3,639
Retained earnings	2,191	2,310	2,089	2,557	3,345	4,260
Other reserves	678	714	699	1,039	1,145	1,285
Total shareholders equity	7,160	7,119	6,427	7,235	8,129	9,184
Minority interest	0	0	0	0	0	0
Total equity and liabilities	11,826	12,031	11,121	12,031	13,018	14,206

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	687	1,226	1,331	1,426	1,568	1,818
Depreciation & amortization	602	453	619	663	713	779
Tax paid	(20)	(10)	(7)	(371)	(408)	(473)
Change in working capital	0	49	(43)	39	34	49
Others	144	(245)	(481)	(26)	0	0
Net cash from operations	1,413	1,473	1,419	1,732	1,906	2,173
Investing						
Capital expenditure	(679)	(710)	(705)	(789)	(840)	(704)
Acquisition of subsidiaries/ investments	(23)	(20)	0	0	0	0
Others	180	(13)	527	0	0	0
Net cash from investing	(522)	(743)	(178)	(789)	(840)	(704)
Financing						
Dividend paid	(202)	(216)	(248)	(248)	(266)	(290)
Net borrowings	2	164	(39)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(466)	(613)	(1,249)	0	0	0
Others	(178)	(51)	(100)	0	0	0
Net cash from financing	(844)	(716)	(1,636)	(248)	(266)	(290)
Net change in cash						
Cash at the beginning of the year	1,136	1,130	1,128	723	1,418	2,218
Exchange difference	(53)	(16)	(10)	0	0	0
Others	47	14	(395)	695	800	1,179
Cash at the end of the year	1,130	1,128	723	1,418	2,218	3,397
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(2.9%)	14.7%	3.0%	7.4%	6.5%	8.8%
Gross profit	(4.4%)	15.2%	2.1%	7.9%	6.6%	8.9%
Operating profit	(54.6%)	75.8%	5.1%	13.8%	7.7%	14.0%
EBITDA	(35.3%)	26.6%	14.2%	11.5%	7.7%	12.4%
Net profit	(55.4%)	87.1%	10.2%	7.8%	9.9%	16.0%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	70.4%	70.6%	70.0%	70.3%	70.4%	70.4%
Operating margin	6.6%	10.1%	10.3%	10.9%	11.0%	11.5%
EBITDA margin	12.9%	14.2%	15.8%	16.3%	16.5%	17.1%
Return on equity (ROE)	5.9%	11.6%	13.5%	14.4%	14.0%	14.5%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	1.8	1.4	1.2	1.4	1.7	2.1
Receivable turnover days	2.5	2.2	2.4	2.4	2.4	2.4
Inventory turnover days	54.6	47.6	44.7	44.7	44.7	44.7
Payable turnover days	100.2	85.6	83.6	83.6	83.6	83.6
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	46.6	24.6	20.7	17.2	15.7	13.6
P/E (diluted)	46.6	24.6	20.7	17.2	15.7	13.6
P/B	2.7	2.9	2.6	2.3	2.1	1.8
P/CFPS	14.6	13.8	13.3	9.7	8.9	7.8
Div yield (%)	1.0	1.1	1.5	1.6	1.7	2.0

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

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