

# Tencent (700 HK)

## Stepping up AI investment to unleash growth opportunities

Tencent announced 4Q24 financial results: total revenue grew by 11% YoY to RMB172.4bn, 3/2% ahead of our/Bloomberg consensus estimates, mainly due to better-than-expected growth of games & marketing revenue. During the period, non-IFRS net income was up by 30% YoY to RMB55.3bn, in line with our estimate; but net margin is slightly below our estimate, due to the increased R&D expenses including staff costs and depreciation expenses related to AI investment. Tencent plans to further step up AI investment in FY25 (RMB80-100bn capex with more R&D and marketing support to AI), which may drag the pace of margin expansion but unlock long-term growth opportunities of AI cloud, marketing and games businesses in our view. We lift our FY25-26E total revenue forecast by 1%, and raise our SOTP-derived TP to HK\$625.0 (previous: HK\$525.0) given the rerating of several business lines. Maintain BUY.

- **Games and marketing businesses delivered better-than-expected growth.** Games revenue was up by 20% YoY to RMB49.2bn in 4Q24 (4% ahead of consensus estimate). Domestic games revenue grew by 23% YoY to RMB33.2bn in 4Q24, driven by both evergreen games and new games such as *DnF Mobile* and *Delta Force*. Gross receipts of Honor of Kings grew by a double-digit % YoY in 4Q24; and total gross receipts of Delta Force surpassed RMB1bn in 4Q24. International games revenue grew by 15% YoY to RMB16.0bn in 4Q24, primarily attributable to robust growth of *PUBG Mobile* and *Brawl Stars*. Marketing services revenue grew by 17.5% YoY to RMB35.0bn in 4Q24 (3% ahead of consensus). Key growth drivers such as Video Accounts and Weixin Search recorded over 60% and over 100% YoY growth of marketing revenue respectively in 4Q24. AI continues to enhance use engagement and click-through rates.
- **Increasing capex to unlock growth opportunities.** Fintech and Business Services (FBS) revenue grew by 3% YoY to RMB56.1bn in 4Q24. Fintech revenue resumed low single-digit % YoY growth in 4Q24 driven by wealth management and consumer loan services. Business services grew modestly but was slower than peers, as the increasing internal usage of GPUs limited its GPUs offering to external customers. As a result, Tencent stepped up GPUs procurement from 4Q24 onward, with capex up by 386% YoY to RMB36.6bn in 4Q24. And management expects capex to reach low teen % of total revenue in FY25 (c.RMB80-100bn, +5-30% YoY), which will accelerate cloud service revenue growth.
- **Major AI updates.** Tencent adopts a multi-model strategy to provide best AI experience and services to enterprises and consumers: 1) consumer-facing app: Yuanbao DAU grew by over 20-fold from Feb to Mar; 2) enterprise services: AI cloud revenue nearly doubled YoY in FY24 and MAUs of Tencent Meeting AI function also doubled YoY to 15mn; 3) empowering existing businesses: marketing services revenue grew by 20% YoY in 2024 thanks to AI targeting and Gen-AI created ads; enhancing games production efficiency and improving games experience through integrating LLM capabilities into legacy or new games.
- **Expect margin expansion to slow down.** Overall GPM was up by 2.6ppts YoY to 52.6% in 4Q24, primarily due to increased revenue contribution from high-margin business. We expect the pace of margin expansion to slow down in FY25E, as increased AI investment weighs on margin. Tencent continued to maintain decent shareholder return, planning to increase annual dividend by 32% to HK\$41bn and repurchase at least HK\$80bn shares in FY25 (c.2% of market cap).

**BUY (Maintain)**

**Target Price** HK\$625.00  
 (Previous TP) HK\$525.00  
**Up/Downside** 15.7%  
**Current Price** HK\$540.00

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### Stock Data

Mkt Cap (HK\$ mn)	5,050,080.0
Avg 3 mths t/o (HK\$ mn)	17,190.6
52w High/Low (HK\$)	544.00/288.60
Total Issued Shares (mn)	9352.0

Source: FactSet

### Shareholding Structure

MIH TC	24.0%
Advance Data Services Limited	8.4%

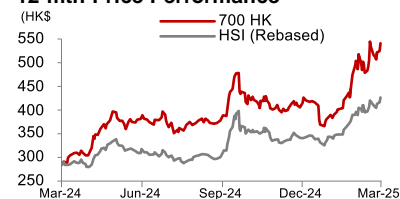
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	8.5%	0.5%
3-mth	30.1%	3.7%
6-mth	38.9%	1.0%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

## Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	609,015	660,257	714,601	766,035	811,581
Gross margin (%)	48.1	52.9	53.8	54.2	54.2
Adjusted net profit (RMB mn)	157,688.0	222,703.0	242,393.3	258,045.3	274,638.5
YoY growth (%)	36.4	41.2	8.8	6.5	6.4
EPS (Adjusted) (RMB)	16.66	23.81	26.11	28.22	30.49
Consensus EPS (RMB)	16.66	23.81	24.91	27.54	32.13
P/E (x)	44.2	27.0	23.6	23.8	22.3

Source: Company data, Bloomberg, CMBIGM estimates

## Business forecasts update and valuation

Figure 1: Tencent: forecast revision

(RMB bn)	Current			Previous			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	714.6	766.0	811.6	706.8	755.8	NA	1.1%	1.4%	NA
Gross profit	384.8	415.3	440.2	380.6	411.2	NA	1.1%	1.0%	NA
Operating profit	228.0	252.2	270.4	233.1	254.7	NA	-2.2%	-1.0%	NA
Adjusted net profit	242.4	258.0	274.6	242.0	257.6	NA	0.2%	0.2%	NA
Adjusted EPS (RMB)	26.1	28.2	30.5	25.0	26.6	NA	4.4%	6.1%	NA
Gross margin	53.8%	54.2%	54.2%	53.9%	54.4%	NA	-0.1 ppt	-0.2 ppt	NA
Operating margin	31.9%	32.9%	33.3%	33.0%	33.7%	NA	-1.1 ppt	-0.8 ppt	NA
Adjusted net margin	33.9%	33.7%	33.8%	34.2%	34.1%	NA	-0.3 ppt	-0.4 ppt	NA

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

(RMB bn)	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	714.6	766.0	811.6	715.0	773.9	847.9	-0.1%	-1.0%	-4.3%
Gross profit	384.8	415.3	440.2	388.7	427.2	468.9	-1.0%	-2.8%	-6.1%
Operating profit	228.0	252.2	270.4	239.5	266.5	291.2	-4.8%	-5.4%	-7.1%
Adjusted net profit	242.4	258.0	274.6	238.6	266.1	279.4	1.6%	-3.0%	-1.7%
Adjusted EPS (RMB)	26.1	28.2	30.5	24.9	27.5	32.1	4.8%	2.5%	-5.1%
Gross margin	53.8%	54.2%	54.2%	54.4%	55.2%	55.3%	-0.5 ppt	-1.0 ppt	-1.1 ppt
Operating margin	31.9%	32.9%	33.3%	33.5%	34.4%	34.3%	-1.6 ppt	-1.5 ppt	-1.0 ppt
Adjusted net margin	33.9%	33.7%	33.8%	33.4%	34.4%	33.0%	0.6 ppt	-0.7 ppt	0.9 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Tencent: quarterly financials

(RMB bn)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	Cons.	Diff%	CMBI	Diff%
SNS revenue	31.0	29.7	29.7	28.2	30.5	30.3	30.9	29.8	29.6	0.7%	29.2	2.1%
YoY %	6.3%	1.6%	-0.4%	-1.5%	-1.4%	2.2%	3.9%	5.8%				
QoQ %	8.2%	-4.2%	0.3%	-5.3%	8.3%	-0.7%	1.9%	-3.5%				
Games revenue	48.4	44.5	46.0	40.9	48.1	48.5	51.8	49.2	47.2	4.2%	47.7	3.2%
YoY %	10.9%	4.8%	7.4%	-2.2%	-0.5%	8.9%	12.6%	20.3%				
QoQ %	15.7%	-7.9%	3.3%	-11.1%	17.6%	0.8%	6.8%	-5.0%				
Marketing services	21.0	25.0	25.7	29.8	26.5	29.9	30.0	35.0	33.9	3.2%	33.3	5.0%
YoY %	16.5%	34.2%	20.0%	20.8%	26.4%	19.5%	16.6%	17.5%				
QoQ %	-15.0%	19.3%	2.9%	15.8%	-11.0%	12.7%	0.4%	16.7%				
FBS revenue	48.7	48.6	52.0	54.4	52.3	50.4	53.1	56.1	55.9	0.5%	55.3	1.5%
YoY %	13.9%	15.2%	16.1%	15.1%	7.4%	3.7%	2.0%	3.2%				
QoQ %	3.1%	-0.1%	7.0%	4.5%	-3.8%	-3.6%	5.3%	5.7%				
Total revenue	150.0	149.2	154.6	155.2	159.5	161.1	167.2	172.4	168.7	2.2%	167.6	2.9%
YoY %	10.7%	11.3%	10.4%	7.1%	6.3%	8.0%	8.1%	11.1%				
QoQ %	3.5%	-0.5%	3.6%	0.4%	2.8%	1.0%	3.8%	3.1%				
Overall GPM	45.5%	47.5%	49.5%	50.0%	52.6%	53.3%	53.1%	52.6%	53.4%	-0.8 ppt	53.5%	-0.9 ppt
G&A%	16.4%	17.0%	17.0%	17.5%	15.6%	17.1%	17.4%	18.2%				
S&M%	4.7%	5.6%	5.1%	7.1%	4.7%	5.7%	5.6%	6.0%				
Non-IFRS net margin	21.7%	25.2%	29.1%	27.5%	31.5%	35.6%	35.8%	32.1%				
Non-IFRS net profit	32.5	37.5	44.9	42.7	50.3	57.3	59.8	55.3	54.4	1.7%	55.2	0.1%
YoY %	44.9%	29.9%	30.0%	43.7%	54.5%	52.6%	33.2%	29.6%				

Source: Company data, CMBIGM estimates

Our SOTP-derived target price of HK\$625.0 comprises, per share:

- 1) HK\$261.1 for the online games business, based on a 22x 2025E PE, which is on par with the average PE for its global gaming peers.
- 2) HK\$45.1 for the SNS business, including the market cap of Tencent's stake in its subsidiaries, the valuation of Tencent Video (based on a 3.5x 2025E PS, at a premium to the 1.9x average PS of its peers given its content and user traffic leadership), and the valuation of other membership services (based on a 3.5x 2025E PS).
- 3) HK\$119.7 for the marketing services business, based on an 22x 2025E PE, which is at a premium to the industry average (17x) and on par with Meta. This reflects Tencent's more resilient ad revenue growth outlook, supported by the solid performance of Weixin Video Account and Mini Program.
- 4) HK\$90.9 for the fintech business, based on a 4.5x 2025E PS, at a premium to the peer average (1.7x). This mainly reflects Tencent's strong leadership in China's digital payment market and its potential to capture other fintech business opportunities.
- 5) HK\$25.2 for the cloud business, based on a 4.5x 2025E PS, at a discount to the industry average (5.6x) as Tencent's current offerings mainly involve the lower-margin IaaS business.
- 6) HK\$75.3 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\$7.6 for net cash.

**Figure 4. Tencent: SOTP valuation**

	2025E net profit (RMBmn)	2025E revenue (RMBmn)	2025E PE (x)	2025E PS (x)	Market cap (RMBmn)	Valuation to Tencent (RMBmn)	As % of total valuation	Per share valuation (HK\$)
Online games	102,582		22x			2,256,814	41.8	261.1
Social network services (SNS)		125,215				389,637	7.2	45.1
Tencent Music (TME)					185,757	102,352	1.9	11.8
China Literature					25,539	15,114	0.3	1.7
Huya					5,994	2,841	0.1	0.3
Online video – subscription		20,700		3.5x		72,450	1.3	8.4
Others		56,251		3.5x		196,880	3.6	22.8
Marketing services	47,048		22x			1,035,047	19.2	119.7
Fintech		174,640		4.5x		785,880	14.5	90.9
Cloud (business services)		48,408		4.5x		217,837	4.0	25.2
Net cash						65,650	1.2	7.6
<b>Valuation of core business</b>						<b>4,750,953</b>		
RMB/HK\$						0.93		
<b>Valuation of core business (HK\$mn)</b>						<b>5,108,552</b>		
Valuation per share – core business (HK\$)						<b>549.6</b>		
Valuation per share – investments (HK\$)						75.3	12.0	
<b>Valuation per share – Tencent (HK\$)</b>						<b>625.0</b>		

Source: Company data, CMBIGM estimates

**Figure 4: Peer comparison: online games and advertising sector**

Companies	Ticker	Price (LC)	EPS growth (YoY %)		PE (x)	
			FY25E	FY26E	FY25E	FY26E
Online games						
NetEase	NTES US	100.5	10	9	13	12
Electronic Arts	EA US	141.9	(8)	14	22	19
Take Two Interactive	TTWO US	204.3	11	196	NA	27
Nexon	3659 JP	2,089.5	(12)	13	18	16
Bandai Namco	7832 JP	5,058.0	66	(1)	25	25
Perfect World	002624 CH	11.6	(188)	51	30	20
Average PE					22	20
Marketing services						
Focus Media	002027 CH	7.0	9	8	18	16
Baidu	BIDU US	102.5	4	7	10	9
Meta	Meta US	582.4	10	15	22	19
Google	GOOG US	162.7	11	15	18	15
Average PE					17	15

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 18 Mar

**Figure 5: Peer comparison: online video, fintech, and cloud sectors**

		Price	Revenue growth (YoY %)		PS (x)	
Companies	Ticker	(LC)	FY25E	FY26E	FY25E	FY26E
Online video						
iQiyi	IQ US	2.5	0.5	4.0	0.6	0.6
Mango Excellent Media	300413 CH	27.5	10.7	8.6	3.1	2.9
Average PS					1.9	1.7
Cloud						
Microsoft	MSFT US	383.5	13.7	14.6	9.1	7.9
Google	GOOG US	162.7	16.6	7.0	5.7	5.3
Salesforce	CRM US	278.7	7.6	0.0	6.6	6.6
Kingsoft Cloud	KC US	18.1	16.0	15.9	3.7	3.2
Amazon	AMZN US	192.8	9.6	10.3	2.9	2.6
Average PS					5.6	5.1
Fintech						
PayPal	PYPL US	68.9	4.2	6.5	2.1	1.9
Square	SQ US	59.7	8.7	11.1	1.4	1.3
Average PS					1.7	1.6

Source: Bloomberg, CMBIGM estimates

Note: data as of market close on 18 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 6: Tencent: valuation of strategic investments**

Name	Ticker	Tencent's stake %	Mkt cap (US\$m)	Value to Tencent (HK\$m)
PDD Holdings Inc	PDD US	14.1	176,082	193,655
Sea Ltd	SE US	18.2	71,617	101,667
Spotify Technology SA	SPOT US	8.4	116,085	76,059
Kuaishou Technology	1024 HK	15.7	36,413	44,592
NU Holdings Ltd/Cayman Islands	NU US	8.1	55,415	35,011
Futu Holdings Ltd	FUTU US	22.4	16,131	28,184
KE Holdings Inc	BEKE US	11.4	28,103	24,990
Snap Inc	SNAP US	16.7	14,809	19,291
Meituan	3690 HK	1.7	136,884	18,364
JD.com Inc	9618 HK	2.7	73,684	15,288
Krafton Inc	259960 KS	13.5	11,438	12,035
Bilibili Inc	9626 HK	13.0	9,221	9,350
Tongcheng Travel Holdings Ltd	780 HK	20.5	5,775	9,225
Vipshop Holdings Ltd	VIPS US	11.8	8,896	8,187
Warner Music Group Corp	WMG US	4.9	17,016	6,530
Kanzhun Ltd	BZ US	8.3	9,316	6,031
Yixin Group Ltd	2858 HK	53.9	1,417	5,957
XtalPi Holdings Ltd	2228 HK	12.9	3,533	3,558
J&T Global Express Ltd	1519 HK	6.1	6,969	3,300
Netmarble Corp	251270 KS	17.5	2,389	3,265
Tuhu Car Inc	9690 HK	21.4	1,892	3,158
Tuya Inc	2391 HK	11.7	2,256	2,055
DHC Software Co Ltd	002065 CH	4.9	5,268	2,013
Kadokawa Corp	9468 JP	6.9	3,475	1,859
ZhongAn Online P&C Insurance C	6060 HK	7.8	2,591	1,581
Paradox Interactive AB	PDX SS	9.1	1,975	1,403
Maoyan Entertainment	1896 HK	13.7	1,175	1,259
Waterdrop Inc	WDH US	26.5	531	1,097
Other listed entities as a whole			57,275	18,372
<b>Listed investments (current value)</b>				<b>657,338</b>
<b>Unlisted investments (book value)</b>				<b>360,860</b>
<b>Total investment value</b>				<b>1,018,198</b>
Holdco discount				30%
<b>Valuation of strategic investments</b>				<b>712,739</b>
<b>Valuation of strategic investments per share</b>				<b>75.3</b>

Source: Bloomberg, company data, CMBIGM estimates

Note: data as of the market close on 18 Mar

**Risks**

Slower-than-expected GPM expansion; decline in revenue of legacy games; macro headwinds weighing on ads and FBS revenue growth.

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	554,552	609,015	660,257	714,601	766,035	811,581
Cost of goods sold	(315,806)	(315,906)	(311,011)	(329,791)	(350,762)	(371,390)
Gross profit	238,746	293,109	349,246	384,809	415,273	440,191
Operating expenses	(127,919)	(133,035)	(141,147)	(156,831)	(163,103)	(169,804)
Selling expense	(29,229)	(34,211)	(36,388)	(40,018)	(41,366)	(43,825)
Admin expense	(106,696)	(103,525)	(112,761)	(125,055)	(130,226)	(134,722)
Others	8,006	4,701	8,002	8,242	8,489	8,744
Operating profit	110,827	160,074	208,099	227,979	252,171	270,387
Share of (losses)/profits of associates/JV	(16,129)	5,800	25,176	27,694	6,923	6,923
Interest income	8,592	13,808	16,004	13,811	2,724	2,469
Interest expense	(9,352)	(12,268)	(11,981)	(2,688)	(2,960)	(3,359)
Pre-tax profit	85,346	153,606	221,294	252,984	256,134	273,952
Income tax	(21,516)	(43,276)	(45,018)	(52,203)	(58,991)	(62,824)
After tax profit	63,830	110,330	176,276	200,781	197,143	211,127
Minority interest	(466)	(2,832)	(2,394)	(2,544)	(2,704)	(2,880)
Net profit	63,364	107,498	173,882	198,236	194,439	208,247
Adjusted net profit	115,649	157,688	222,703	242,393	258,045	274,638
Gross dividends	20,256	28,485	27,965	42,033	37,814	0

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	565,989	518,446	496,180	475,826	586,497	785,413
Cash & equivalents	156,739	172,320	132,519	102,455	196,899	387,066
Account receivables	45,467	46,606	48,203	49,767	51,749	53,181
Inventories	2,333	456	440	991	1,041	1,081
Prepayment	76,685	88,411	101,044	99,448	107,368	105,172
ST bank deposits	104,776	185,983	192,977	200,089	207,315	214,653
Financial assets at FVTPL	27,963	14,903	12,913	13,559	14,237	14,948
Other current assets	152,026	9,767	8,084	9,518	7,888	9,313
Non-current assets	1,012,142	1,058,800	1,284,815	1,394,482	1,454,548	1,486,889
PP&E	53,978	53,232	80,185	149,028	154,112	134,254
Deferred income tax	29,882	29,017	28,325	30,313	32,546	34,051
Investment in JVs & assos	252,715	261,665	297,415	310,388	323,743	337,470
Intangibles	161,802	177,727	196,127	229,712	260,259	287,624
Financial assets at FVTPL	206,085	211,145	204,999	204,999	204,999	204,999
Other non-current assets	307,680	326,014	477,764	470,042	478,889	488,491
Total assets	1,578,131	1,577,246	1,780,995	1,870,308	2,041,044	2,272,302
Current liabilities	434,204	352,157	396,909	370,992	397,638	414,755
Short-term borrowings	22,026	55,698	61,508	57,561	60,919	64,188
Account payables	92,381	100,948	118,712	98,905	109,274	111,148
Tax payable	13,488	17,664	16,586	17,710	18,460	19,154
Other current liabilities	299,955	171,693	194,503	191,216	203,385	214,666
Lease liabilities	6,354	6,154	5,600	5,600	5,600	5,600
Non-current liabilities	361,067	351,408	330,190	343,422	350,531	357,998
Long-term borrowings	163,668	155,819	146,521	146,593	146,614	146,621
Bond payables	148,669	137,101	130,586	131,810	132,428	132,738
Deferred income	3,503	3,435	6,236	13,192	14,030	14,856
Other non-current liabilities	45,227	55,053	46,847	51,827	57,458	63,783
Total liabilities	795,271	703,565	727,099	714,414	748,169	772,753
Retained earnings	705,981	813,911	892,030	1,065,884	1,244,801	1,448,594
Other reserves	15,410	(5,320)	81,518	7,118	(37,522)	(37,522)
Total shareholders equity	721,391	808,591	973,548	1,073,002	1,207,279	1,411,072
Minority interest	61,469	65,090	80,348	82,892	85,597	88,476
Total equity and liabilities	1,578,131	1,577,246	1,780,995	1,870,308	2,041,044	2,272,302



<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	85,346	153,606	221,294	252,984	256,134	273,952
Depreciation & amortization	60,230	55,298	58,620	63,281	90,651	98,285
Tax paid	(21,516)	(43,276)	(45,018)	(52,203)	(58,991)	(62,824)
Change in working capital	(28,405)	16,661	24,582	(23,613)	12,587	13,879
Others	50,437	39,673	(957)	5,102	22,430	23,336
<b>Net cash from operations</b>	<b>146,091</b>	<b>221,962</b>	<b>258,521</b>	<b>245,550</b>	<b>322,811</b>	<b>346,627</b>
<b>Investing</b>						
Capital expenditure	(5,651)	(23,893)	(76,798)	(92,898)	(49,792)	(26,376)
Acquisition of subsidiaries/ investments	59,711	(105,332)	(183,983)	(16,431)	(30,709)	(34,308)
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	(158,931)	4,064	138,594	(72,810)	(76,490)	(79,417)
<b>Net cash from investing</b>	<b>(104,871)</b>	<b>(125,161)</b>	<b>(122,187)</b>	<b>(182,139)</b>	<b>(156,991)</b>	<b>(140,101)</b>
<b>Financing</b>						
Net borrowings	31,982	30,834	(14,938)	3,453	10,378	10,605
Proceeds from share issues	0	0	0	0	0	0
Others	(91,935)	(113,407)	(161,556)	(96,928)	(81,753)	(26,965)
<b>Net cash from financing</b>	<b>(59,953)</b>	<b>(82,573)</b>	<b>(176,494)</b>	<b>(93,475)</b>	<b>(71,376)</b>	<b>(16,360)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	167,966	156,739	172,320	132,519	102,455	196,899
Exchange difference	7,506	1,353	359	0	0	0
<b>Cash at the end of the year</b>	<b>156,739</b>	<b>172,320</b>	<b>132,519</b>	<b>102,455</b>	<b>196,899</b>	<b>387,066</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	(1.0%)	9.8%	8.4%	8.2%	7.2%	5.9%
Gross profit	(2.9%)	22.8%	19.2%	10.2%	7.9%	6.0%
Operating profit	(58.2%)	44.4%	30.0%	9.6%	10.6%	7.2%
Net profit	(71.0%)	69.7%	61.8%	14.0%	(1.9%)	7.1%
Adj. net profit	(6.6%)	36.4%	41.2%	8.8%	6.5%	6.4%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	43.1%	48.1%	52.9%	53.8%	54.2%	54.2%
Operating margin	20.0%	26.3%	31.5%	31.9%	32.9%	33.3%
Adj. net profit margin	20.9%	25.9%	33.7%	33.9%	33.7%	33.8%
Return on equity (ROE)	8.3%	14.1%	19.5%	19.4%	17.1%	15.9%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.2	0.2	0.2	0.2	0.1	(0.0)
Current ratio (x)	1.3	1.5	1.3	1.3	1.5	1.9
Receivable turnover days	29.9	27.9	26.6	25.4	24.7	23.9
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	75.6	44.2	27.0	23.6	23.8	22.3
P/E (diluted)	76.7	44.9	27.4	23.9	24.2	22.7
P/B	6.6	5.9	4.8	4.4	3.8	3.3

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



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