

Kanzhun Limited (BZ US)

Prominent online recruitment platform with strong earnings growth outlook; initiate w/ BUY

Kanzhun is the largest online recruitment platform in China in terms of both revenue and MAUs in 2024, according to CIC and our estimates. The company has developed a strong competitive moat through its innovative direct recruitment model, supported by extensive enterprise and MAU bases, as well as recruitment facilitation technology. We forecast total revenue CAGR of 10% over FY25-27E, driven by increasing online penetration of recruitment services, solid growth of blue-collar recruitment and recovery of white-collar segment. Driven by top-line growth and operating leverage, we estimate adjusted operating income CAGR of 20% over FY25-27E. Our target price is US\$19.5 based on 20x 2025E PE. Initiate at BUY.

- Innovative ways revamping the online recruitment sector.** Kanzhun has revamped the traditional resume-centric and search-based recruitment model, and introduced a communication-oriented and feed-based direct recruitment model. The online direct recruitment model offers SMEs more cost-effective and efficient recruitment solutions. Over the recent years, the company has established leadership among SMEs and job-seekers, and it is well positioned to leverage the rising online recruitment trend among SMEs.
- Online recruitment market to grow at a CAGR of 10% over FY24-26E.** In our view, China's online recruitment market still has ample growth potential, given the relatively low online penetration rate of 11% in 2024, and the highly digitized habitude of the future workforce. Driven by the rising online penetration rate, we expect online recruitment service market size to deliver a CAGR of 10% over FY24-FY26E and reach RMB45.0bn in FY26E. The online penetration rate of blue-collar recruitment is expected to rise from 15.6% in 2021 to 35.5% in 2026E, per CIC. We expect online recruitment market size for blue-collar related workers to deliver a CAGR of 15% over 2024-2026E, and account for 42% of the total online recruitment market in FY26E (FY24: 38%); and we expect online white-collar worker recruitment market size to deliver a steady CAGR of 6% over 2024-2026E.
- Business model and profitability profile better geared to macro recovery.** We forecast Kanzhun's online recruitment service revenue to increase by 11/10/8% YoY in FY25/26/27E. We forecast its adjusted operating margin to improve from 31% in FY24 to 41% in FY27E, mainly supported by the enhanced operating leverage and efficiency. This will drive adjusted operating income CAGR of 20% over FY25-27E, on our estimates. Given the high relevance between recruitment demand and the macro environment, we expect Kanzhun to be one of the major beneficiaries amid macro recovery. And within the online recruitment sector, Kanzhun's ROE and expanding margin profile make it more positively geared towards macro recovery.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	5,952	7,356	8,155	8,959	9,698
Gross margin (%)	82.2	83.1	84.2	84.7	85.0
Adjusted net profit (RMB mn)	2,156.2	2,700.7	3,202.8	3,513.2	3,744.2
YoY growth (%)	169.7	25.3	18.6	9.7	6.6
EPS (Adjusted) (RMB)	4.78	5.94	7.12	7.88	8.32
P/S (x)	7.7	6.3	5.7	5.1	4.8
P/E (x)	42.9	30.1	20.5	16.7	13.2

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Initiate)

Target Price US\$19.50
Up/Downside 40.3%
Current Price US\$13.90

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Stock Data

Mkt Cap (US\$ mn)	6,319.1
Avg 3 mths t/o (US\$ mn)	72.0
52w High/Low (US\$)	22.63/10.95
Total Issued Shares (mn)	454.6

Source: FactSet

Shareholding Structure

Zhao Peng	15.9%
Tencent	8.5%

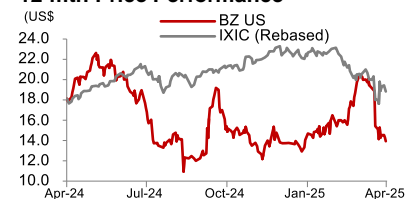
Source: Company data

Share Performance

	Absolute	Relative
1-mth	-32.1%	-25.7%
3-mth	-5.4%	14.0%
6-mth	-6.6%	5.3%

Source: FactSet

12-mth Price Performance



Source: FactSet

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Investment thesis

Largest online recruitment platform with strong competitive moat

Kanzhun is the largest online recruitment platform in China, in terms of both revenue and MAU in 2024, according to China Insights Consultancy (CIC) and our estimate. Kanzhun has developed a strong competitive moat through its innovative direct recruitment model, large enterprise and MAU bases, as well as proprietary recruitment technology. On user front, Boss Zhipin, its online recruitment platform, had MAUs and paid enterprises of 53.0mn and 6.1mn respectively in 2024, ahead of other online recruitment platforms such as 51Job/Liepin/Zhilian Zhaopin. Compared with other platforms, Boss Zhipin focuses more on investment in technology, and its R&D expense ratio reached 24% in 4Q24 (vs Liepin/51Job: 15%/13%). We believe the tech investment should help drive long-term revenue growth and efficiency gains of the company.

Innovative business model revamping online recruitment sector

Unlike traditional recruitment platforms, Kanzhun has revamped the traditional resume-centric and search-based recruitment model, and introduced a communication-oriented and feed-based direct recruitment model. Kanzhun's direct recruitment model facilitates efficient communication, enhance user engagement, enable more accurate job matching and reduce enterprise recruitment costs. The online direct recruitment model offers small and medium enterprises (SMEs) which usually do not have professional recruitment personnel more cost-effective and efficient recruitment solutions. Therefore, we believe Kanzhun is well-positioned to capture the opportunities from SMEs in the online recruitment market, which are the key driver of online recruitment demand. We forecast online recruitment market for SMEs to grow at a CAGR of 19% over FY24-26E, outpacing the overall online recruitment market growth of 10%.

Online recruitment market to grow at a CAGR of 10% over FY24-26E

China's online recruitment market remains at an early development stage, with online penetration rate of 11% in 2024, according to Frost & Sullivan, significantly lower than that of other online services such as online payment, travel and e-commerce. Driven by a rising online penetration rate, we expect online recruitment service market size to deliver a CAGR of 10% over FY24-FY26E and reach RMB45.0bn in FY26E. The blue-collar recruitment will be the key driver of online recruitment market over FY24-26E, given the currently low online recruitment penetration rate as well as the urbanization trend in China. The online recruitment rate of blue-collar workers is expected to rise from 15.6% in 2021 to 35.5% in 2026E, per CIC. This could fuel online blue-collar worker recruitment market expansion at a CAGR of 15% over 2024-2026E, to account for 42% of the total online recruitment market size in FY26E, on our estimates; and we expect online recruitment market size for white-collar workers to deliver a steady CAGR of 6% over 2024-2026E.

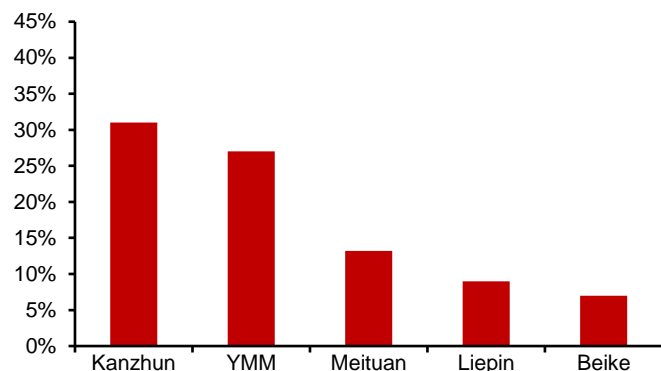
Cyclical business model but still resilient amid macro uncertainty

Given the high relevance between recruitment demand and the macro environment (correlation coefficient between Kanzhun's cash billing and China's GDP YoY growth was 75% during 1Q20-4Q24), even in the case where the macro economy is softer than expectation, we forecast Kanzhun's online recruitment service revenue to increase by 11%/10%/8% YoY to RMB8.1/8.9/9.6bn in FY25/26/27E, driven by the solid growth of blue-collar segment and recovery of white-collar segment. We forecast Kanzhun's adjusted non-GAAP operating margin to rise from 31% in FY24 to 41% in FY27E, mainly supported by the enhanced operating leverage and efficiency. This will drive an adjusted operating income CAGR of 20% over FY25-27E, on our forecasts.

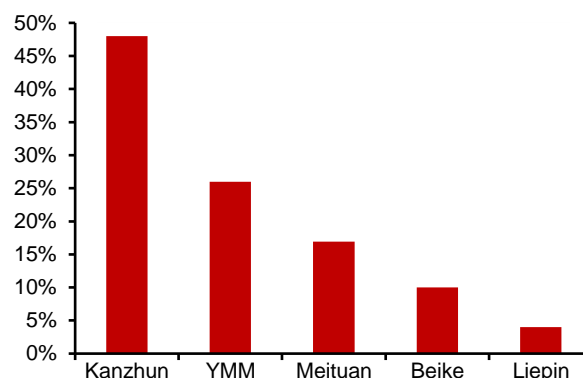
Business model & expanding margin better geared to macro recovery

Due to differences in business model nature, we believe Kanzhun is more resilient compared to its competitors (e.g. 51Job/Liepin) and other cyclical deal-matching platforms (e.g. Full Truck Alliance/Beike). Given its scaling-up margin profile and cash flow generation, Kanzhun has the highest FY24 non-GAAP OPM/OCF margin/ROE (31%/48%/18%) compared to Liepin (9%/4%/6%), Full Truck Alliance (27%/26%/11%), and

Beike (7%/10%/10%). We value Kanzhun at US\$8.8bn (US\$19.5 per share) based on 20x 2025E PE, which is on par with the average of the global online recruitment & O2O platforms. Kanzhun's current valuation of 15x 2025E PE (as of 18 Apr 2025 close) offers attractive value compared to its peers, given its solid earnings growth outlook and strong margin profile that offers a cushion against macro uncertainty.

Figure 1: Non-GAAP OPM comparison (FY24)


Source: Company data, CMBIGM
 Note: YMM – Full Truck Alliance

Figure 2: OCF comparison (FY24)


Source: Company data, CMBIGM

Figure 3: Global peers: valuation comparison

Companies	Ticker	Price (Local)	EPS growth (yoy%)		Current PE (x)		EPS CAGR 24-26E
			2025E	2026E	2025E	2026E	
Boss Zhipin	BZ US	13.9	20	15	14	12	17%
Recruitment platforms							
ZipRecruiter	ZIP US	5.5	NA	NA	NA	NA	NA
Career International	300662 CH	31.1	27	21	23	20	24%
Liepin	6100 HK	3.9	43	34	9	8	38%
Recruit	6098 JP	7,416.0	20	15	27	24	17%
Cyclical/deal-matching platforms							
Beike	BEKE US	19.0	(7)	17	22	19	5%
Full Truck Alliance	YMM US	10.1	39	20	14	12	29%
Average					20	17	

Source: Bloomberg, CMBIGM
 Note: data are as of 18 Apr 2025

Kanzhun: largest online recruitment platform in China

Kanzhun is the leading online recruitment platform in China, in terms of both MAUs and online recruitment service revenue in 2024. The company launched the “Boss Zhipin” app in 2014, on which Kanzhun adopted the industry’s first direct recruitment model allowing employers to communicate directly with job seekers. Compared to traditional recruitment platforms, the direct recruitment model ensures more effective and efficient communication between employers and job seekers. In 2021, the number of verified users surpassed 100mn on Kanzhun’s platform. In 2024, the number of paid enterprise customers and average MAUs reached 6.1mn and 53.0mn respectively, with MAUs being significantly higher than those of other recruitment platforms such as 51Job/Zhilian Zhaopin/Liepin (19/17/7mn). Kanzhun covers a wide range of job seekers (gold-collar/blue-collar/college graduates) and employers (SMEs and large enterprises in various industries).

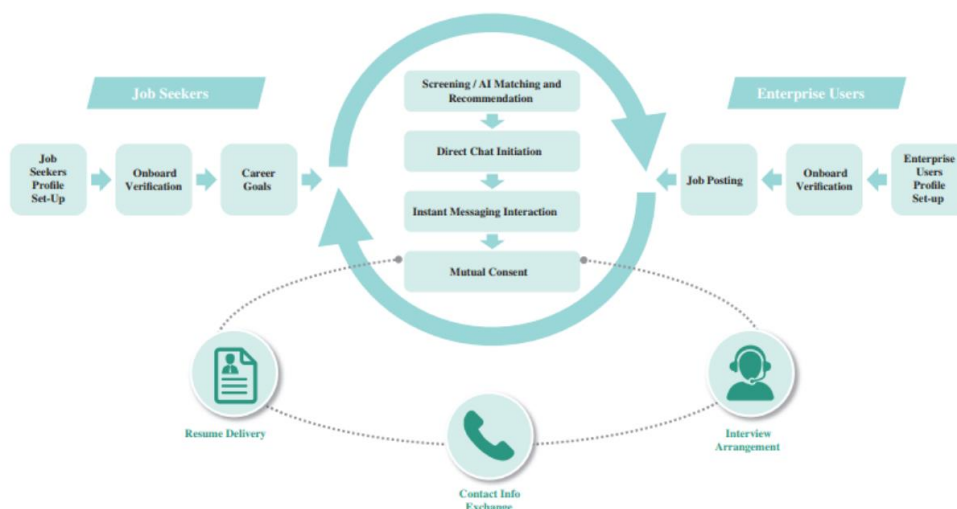
Figure 4: Kanzhun: key milestones

Date	Event
July 2014	Launched the “BOSS Zhipin” app.
April 2016	Launched paid services to enterprise users.
July 2019	MAUs ranked the top among peers for the first time.
June 2021	Listed on Nasdaq under the ticker “BZ”
June 2021	Served 100mn verified users.
December 2022	Listed on HKEX by way of introduction
February 2024	Acquired approximately 77% of equity of W.D Technology for RMB374mn
June 2024	Kanzhun's Conch Selection service revenue surpassed RMB40mn
September 2024	Served 6mn paid enterprise customers

Source: Company data, CMBIGM

Kanzhun offers online recruitment and job-hunting services through Boss Zhipin, connecting job seekers and enterprise users through its direct recruitment model, AI matching capability and other valued-added tools. The platform has developed several core competitive edges that differentiate itself from other platforms, such as direct chat function, proprietary algorithms, and big data insights.

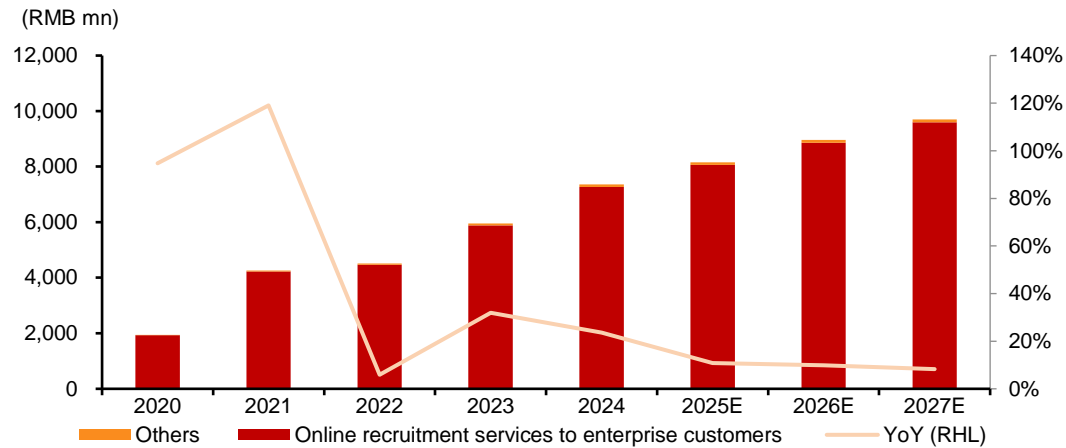
Figure 5: Kanzhun: connecting job seekers and enterprise users



Source: Company data, CMBIGM

Kanzhun total revenue was up by 24% YoY to RMB7.3bn in 2024, with 99% of total revenue coming from online recruitment services offered to enterprise customers. Kanzhun serves enterprise customers across various sizes and industries. Blue-collar/White-collar & others recruitment accounted for 38/62% of total revenue in 2024.

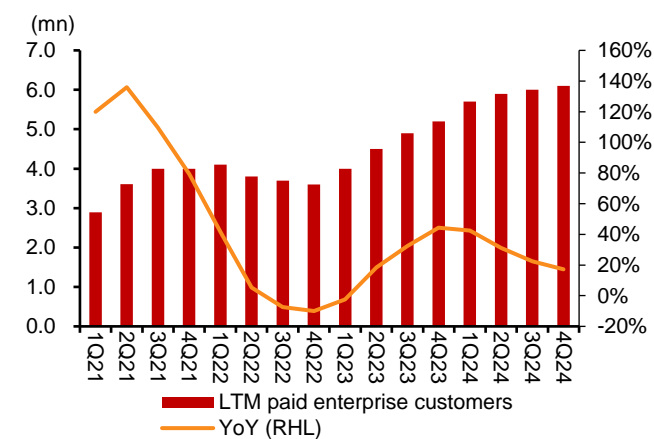
Figure 6: Kanzhun: total revenue trend



Source: Company data, CMBIGM

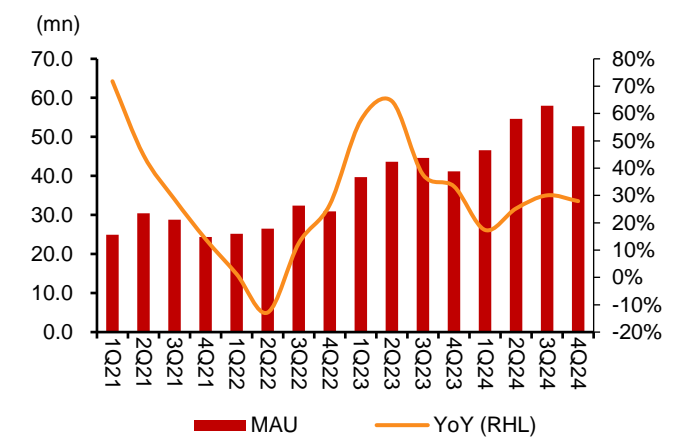
Total paid enterprise customers were up by 17% YoY to 6.1mn in the 12 months ended Dec 2024, mainly driven by the blue-collar recruitment demand in the manufacturing/logistics/automobile industries. Average MAUs delivered a solid growth of 28% YoY to 52.7mn in 4Q24. Job seekers growth continued to outpace recruiter growth amid macro challenges, leading to the mismatch between job seeking demand and recruitment demand, and slower paid user conversion. Nonetheless, the job seeker to enterprise user ratio started to improve from Nov 2024, and this momentum was extended into 1Q25, supported by the macro recovery. We expect this momentum to drive a reacceleration of cash billing in 1Q25E.

Figure 7: Kanzhun: no. of enterprise customers



Source: Company data, CMBIGM

Figure 8: Kanzhun: MAUs

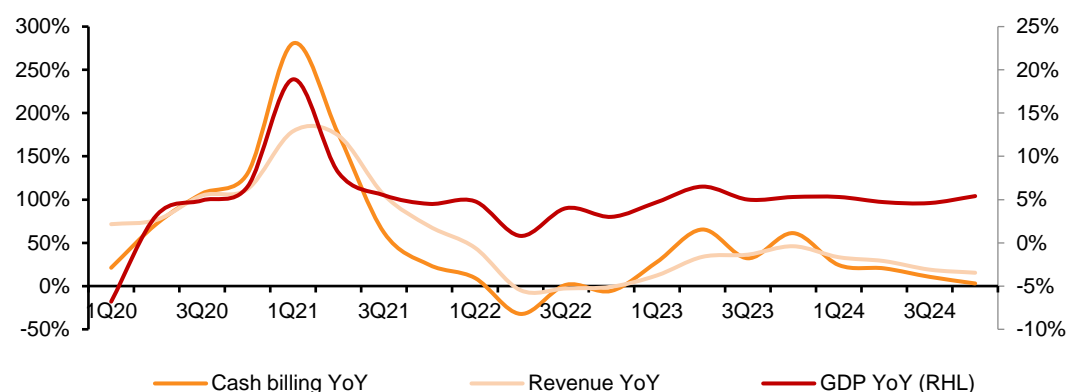


Source: Company data, CMBIGM

Online recruitment business highly correlated with the macro

Kanzhun's revenue growth is highly related to the macro environment. The company's cash billing YoY growth has fluctuated along with China's GDP growth since 1Q20. Based on our calculation, the correlation coefficient between Kanzhun's cash billing YoY and GDP YoY was 75% during 1Q20-4Q24.

Figure 9: China GDP YoY vs Kanzhun revenue growth: correlation

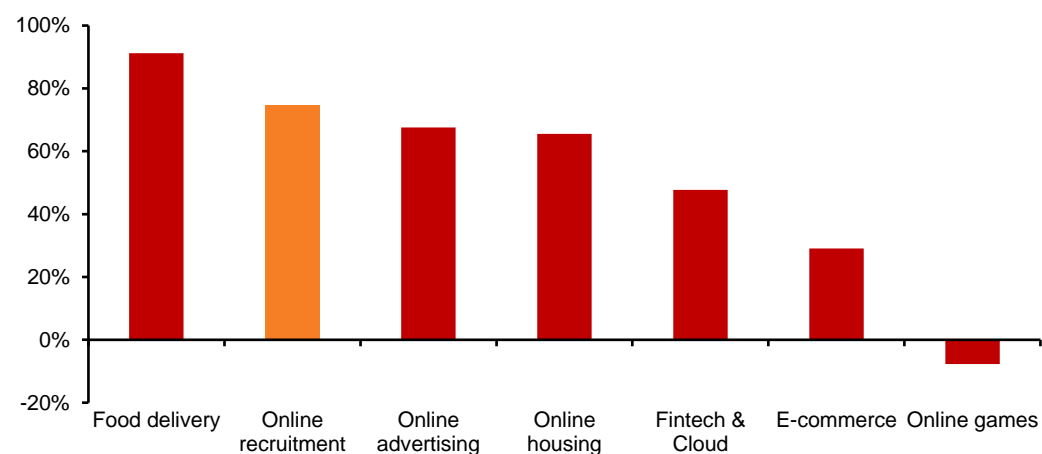


Source: NBS, company data, CMBIGM

Online recruitment business is one of the most cyclical online business models, in our view. As per our calculation of the correlation between various online business revenue growth and GDP growth, online recruitment business has the second highest correlation coefficient with GDP growth, which is only lower than that of food delivery business.

That said, we believe Kanzhun is more resilient amid macro challenges compared to its competitors, as the company can gain more share during a market downturn, through its large user base, strong tech capabilities, and robust profitability which offers a cushion against macro uncertainties and protects it against competition, in our view.

Figure 10: Correlation coefficient: revenue growth vs GDP growth (1Q20-4Q24)



Source: Company data, CMBIGM estimates

Kanzhun: differentiated business & monetization models

Kanzhun generates most revenue from offering paid services to enterprise customers: 1) Job posting: allows enterprise users to present key information of a position in a succinct and easy-to-follow manner; 2) Job seeker recommendation: provides curated job seeker recommendation results to enterprise users; 3) Direct chat: initiate direct conversations with job seekers to communicate; 4) Bulk invite sending: allows enterprise users to send information of a position to multiple job seekers and solicit their interest; 5) Conversation booster: allows enterprise users to browse the mini-resume of and initiate conversation with more job seekers.

Paid job postings/value-added tools accounted for 73/27% of total revenue in 9M22 (per the company's latest disclosure). For paid positions, enterprises need to pay to post the jobs and communicate with job seekers. The price of BOSS's paid job postings ranges from RMB30 to RMB1,000 per job position depending on the supply and demand of jobs. The value-added tools, such as bulk invite sending and advanced filter, are priced at RMB4-1,000.

Most enterprise users tend to purchase subscription packages, which accounted for 71% of total revenue in 9M22 (per the latest disclosure). Annual subscription packages are priced from RMB3,000 to RMB100,000, including paid job posting services and value-added tools.

Figure 11: Kanzhun: paid services offered to enterprise users

Service	Details
Job posting	Job posting function allows enterprise users to present key information of the position, including job title, responsibilities, pay, location, employer background and other pertinent information in a succinct and easy-to-follow manner.
Job seeker recommendation	Provide curated job seeker recommendation results to enterprise users.
Direct chat	Enterprise users can initiate direct conversations with job seekers to communicate about vacancies, company culture, perks and benefits and job seekers' interests in the position, etc.
Resume delivery	Enterprise users can invite job seekers to deliver their resumes
Bulk invite sending	Bulk invite sending allows enterprise users to send information of a position to multiple job seekers and solicit their interest in the position and/or consent to provide their full resume or contact information at one go to assist the employers to accomplish their recruiting goals in a timely manner
Conversation booster	Conversation booster allows enterprise users to browse the mini-resume of and initiate conversations with more job seekers.
Advanced filter	Advanced filter allows enterprise users to filter through the list of job seekers the platform recommend to them through the proprietary matching system, and initiate direct chat with job seekers

Source: Company data, CMBIGM

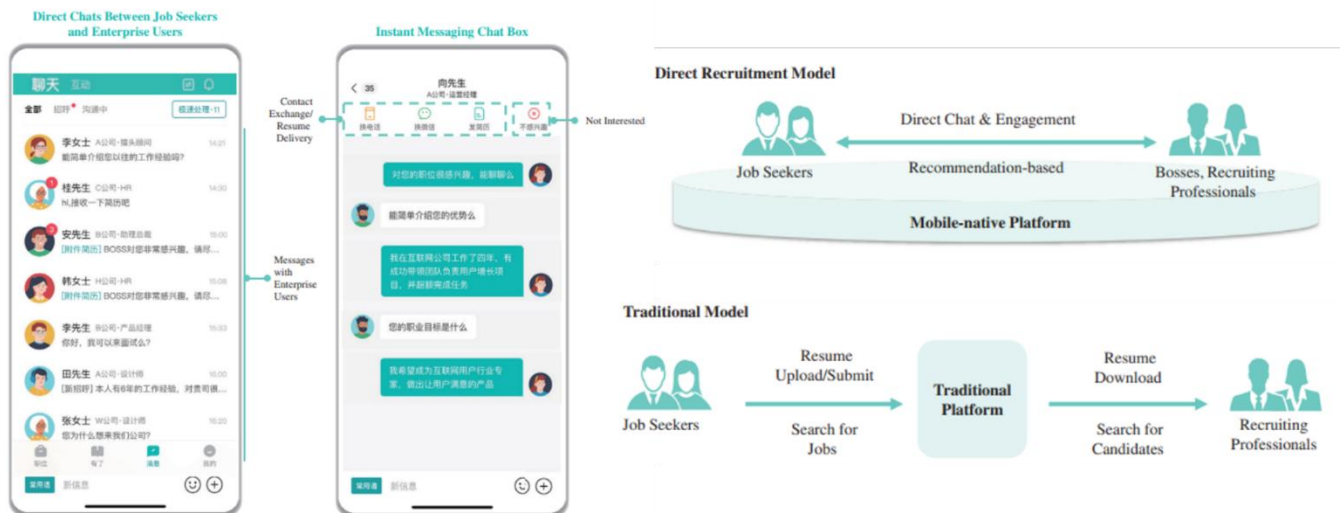
Unlike traditional recruitment platforms, Kanzhun has revamped the traditional resume-centric and search-based recruitment model and introduced a communication-oriented and feed-based recruitment model: 1) Communication-oriented: facilitates direct communication and two-way flow of dialogues that enhance the efficiency of recruitment process; 2) feed-based recommendation: improves user engagement and enables more accurate job matching; 3) wide coverage of job seeker groups: effective job recommendation algorithms support tailored user experience and coverage of different job seeker groups.

Figure 12: Kanzhun: competitive advantages against traditional online recruit platforms

Traditional online recruitment platforms	Kanzhun
Resume centric	Communication-oriented
Traditional models serve the limited role of a directory for job openings and candidate information, which result in a lack of meaningful user data	Direct recruitment model propels two-way flow of information and meaningful dialogues, thereby generating more meaningful data points to power more accurate and tailored recommendation.
Users find it difficult to manage expectations due to the lack of communication between job seekers and enterprise users.	Direct communication helps both job seekers and enterprise users discern the other party's interest quickly, saving time and efforts during the recruitment and job hunting process.
Search-based	Feed-based recommendation
Users' search results are confined by their search term inputs.	Feed-based recommendation factors in a wide array of factors that enable accurate job and candidate matching, including the likelihood of receiving an offer and making a successful hire.
Search results unevenly drive internet traffic towards top candidates and well-known corporations	The recommendation model is specifically designed to drive more traffic to users who are more responsive and have a higher level of interaction with other participants. This stimulates user engagement and ensures adequate exposure for more job seekers and employers with less recruitment budget.
Limited user coverage	Full user coverage
Less accurate recommendation and irrelevant matches make it challenging to support different groups of job seekers	Users are less disturbed by less relevant jobs and candidates; providing tailored and focused user experience; wide coverage of different job seeker groups
Bosses have to rely on recruiting professionals to screen resumes, significantly prolonging the recruiting process	Accurate recommendations reduce the burden to have HRs shortlist resumes and identify candidates. This opens up new scenarios for bosses to conveniently participate in the hiring process early on, improving efficiency

Source: Company data, CMBIGM

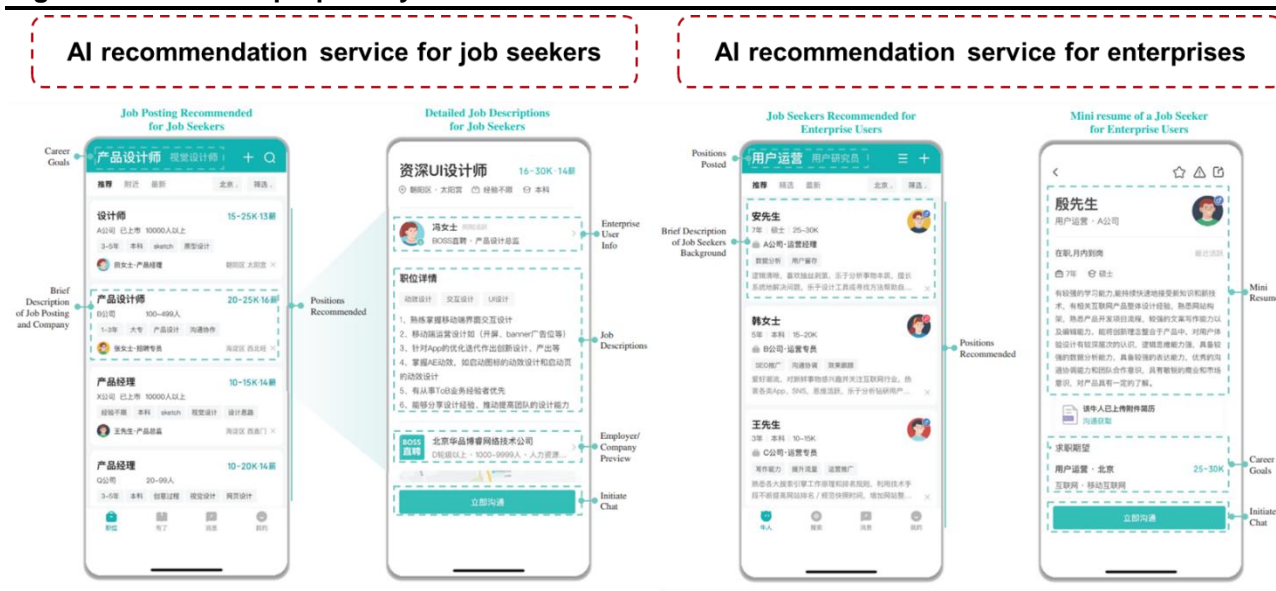
In the traditional recruitment process, it is usually a time-consuming process for job seekers to prepare resume and wait for response from employers. The lengthy process results in low user engagement with the online recruitment platforms. On the other hand, Kanzhun's direct and instant messaging function propels more timely and real-time interactions, which leads to higher user engagement and user stickiness. The direct-recruitment model offers convenient and cost-effective solutions to both job seekers and employers, which is especially beneficial to blue-collar workers who are unable to make enough time commitment.

Figure 13: Kanzhun: direct chat facilitates user engagement

Source: Company data, CMBIGM

Leveraging massive user data points collected from user reviews, messaging, resume delivery and interaction, Kanzhun offers advanced recommendation services to both job seekers and enterprises. Kanzhun's traffic distribution mechanism aspires to promote equality, that is, distributing more traffic to users and enterprises that are more responsive and engaged. This is also friendly to SMEs and blue-collar job seekers who usually have less recruiting budget or less competitive edges in the job market.

Figure 14: Kanzhun: proprietary AI recommendation service



Source: Company data, CMBIGM

AI applications to improve recruitment efficiency

Kanzhun leverages AI capabilities to improve the efficiency of job seeking, recruitment and its own security review: 1) on the job seeking front, Kanzhun has launched AI-powered job search and AI interview coaching functions to help job seekers find suitable jobs at a more efficient way; 2) on the recruitment front, Kanzhun provides enterprise users with AI Agents, which can understand the recruiters' specific requirements, generate a curated list of candidates, and handle communication on behalf of recruiters; and 3) internally, Kanzhun leverages AI to improve its content review efficiency by 30%.

Figure 15: Kanzhun: AI applications

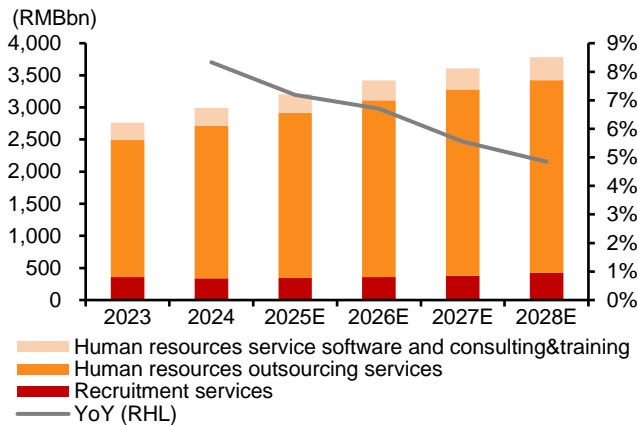
Targeted users	AI functions
Job seekers	1) AI-powered job search: question-based search function powered by Boss Zhipin's proprietary model NanBeiGe and DeepSeek R1.
	2) AI interview coaching: AI bot trained on millions of interviews to help job seekers with interview coaching
Recruiters	1) AI agents to understand the recruiters' specific requirements, generate a curated list of candidates, and offer justification for its recommendations
	2) AI agents to handle subsequent communication on behalf of the recruiter, once the recruiter selects a candidate
Internal use	AI for security review

Source: Company data, CMBIGM

Online recruitment sector: rising online penetration

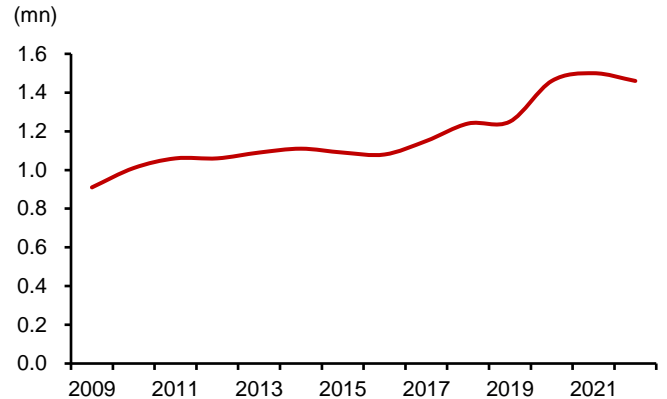
According to Frost & Sullivan, China's human resource service market grew by 8% YoY to RMB3.0tn in 2024, among which recruitment service is the second largest market and accounted for 11% of the total HR service market size. Looking ahead, China's recruitment service market is expected to grow by a CAGR of 6% over 2025-2028E, driven by the imbalanced supply-demand in China's job market. As China's economy growth outpaced the growth in labour supply, the demand-to-supply ratio of job vacancies rose from 1.01 in 2010 to 1.46 in 2022, driving up recruitment costs and difficulties. As a result, enterprises continued to use third-party recruitment platforms to enhance its recruitment efficiency, targeting particularly the highly digitized future labour force.

Figure 16: China: human resource service market



Source: Frost & Sullivan, CMBIGM

Figure 17: China: job vacancies to job seekers ratio

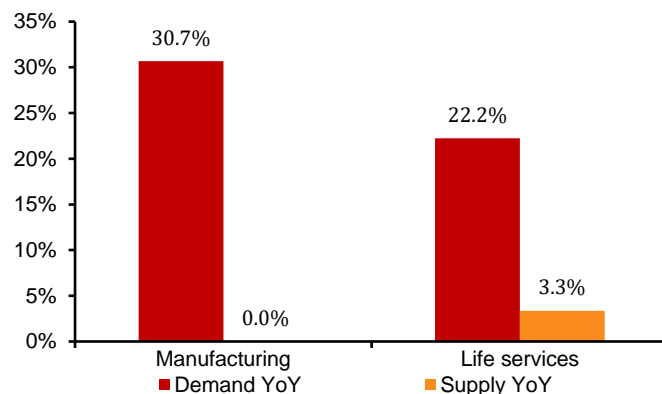


Source: MOHRSS, CMBIGM

Imbalanced blue-collar labour supply may drive more enterprises to use online recruitment platforms

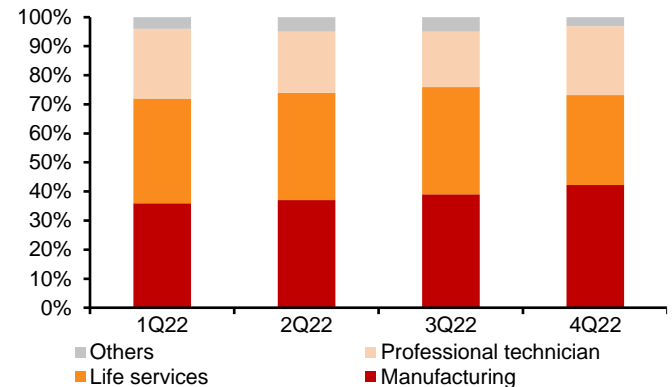
Manufacturing related jobs and ever-evolving life service industries are presenting growing demand, but labour supply is tight in these two blue-collar segments. According to iResearch, emerging jobs in the manufacturing/life service sectors saw labour demand grow by 31/22% YoY in 2021, versus only 0/3% YoY growth of labour supply. Thus, we expect enterprises searching for blue-collar workers will continue to shift to online recruitment platforms, which tend to cover a wider range of job seekers and have better efficiency.

Figure 18: Emerging jobs: labour demand vs. supply growth (2021)



Source: iResearch, CMBIGM

Figure 19: 100 job types that are shortest of labour supply: breakdown by sector



Source: iResearch, CMBIGM

The MOHRSS's published *Notice on Implementing the Initiatives of Innovative Development of Human Resources Service Sector (2023-2025)* in Dec 2022, supports the development of innovative human resources enterprises such as online recruitment platforms. The policy document calls for the development of new business models in the human resources sector, and the expansion of the user/enterprise coverage of online recruitment services.

Figure 20: MOHRSS: Notice on Implementing the Initiatives of Innovative Development of Human Resources Service Sector (2023-2025)

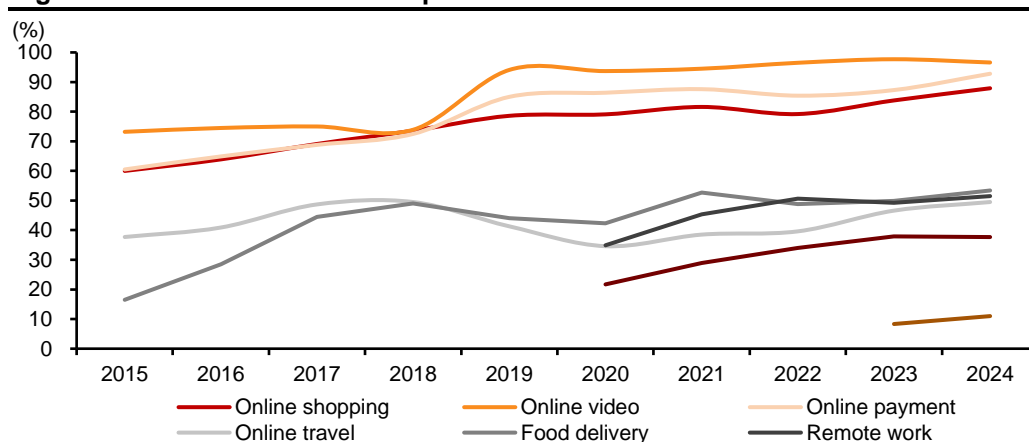
Requirement	Initiative
Cultivate and strengthen market entities	Develop human resource technology enterprises with original innovation capabilities and integrated innovation capabilities in areas such as human resource evaluation, human resource training, online recruitment, human resource management software, and human resource big data analysis applications
Strengthen the role of human resources	Expand market-oriented employment and talent service supply, and strengthen human resource support in the manufacturing industry
Build a strong cluster development platform	Improve the development of industrial parks and developing a professional and industry-oriented talent market
Enhance the driving force of innovation and development	Encourage the development of new formats and models, and expand the coverage of online services such as online recruitment, remote interviews, live streaming, collaborative office work, and online training
Enhance the level of open development	Promote opening-up to the overseas market and support the international trade of human resource services
Strengthen the foundation of industry development	Strengthen the construction of industry talent team, improve statistical monitoring system, and improve credit and standard system
Create a favorable development environment	Increase support and standardize market order

Source: MOHRSS, CMBIGM

Online recruitment TAM: a top-down analysis

We expect the online penetration rate of recruitment services to rise going forward, which remained low at 11% in 2024 compared to that of other online services in China, according to China Internet Network Information Center (CNNIC), Frost & Sullivan and our estimate.

Figure 21: China: online service penetration rate



Source: CNNIC, Frost & Sullivan, CMBIGM

We estimate HR service spending as % of China's nominal GDP to increase from 2.2% in 2024 to 2.3% in 2026E, driven by increasing labour demand. Also, the online penetration rate of recruitment services will rise from 11.0% in 2024 to 12.5% in 2026E on our estimate, supported by the enhanced cost effectiveness and flexibility of the online recruitment model. Based on our estimate, online recruitment service market size will deliver a CAGR of 10% over 2024-2026E and reach RMB45.0bn in FY26E.

Figure 22: Online recruitment TAM estimate

(RMBbn)	2023	2024	2025E	2026E
Nominal GDP	129,427	134,908	140,979	148,028
YoY nominal growth		5.0%	4.5%	5.0%
HR service market size	2,760	2,990	3,205	3,420
HR services as % of GDP	2.1%	2.2%	2.3%	2.3%
Recruitment service market size	360	340	345	360
Recruitment services as % of HR service market	13%	11%	11%	11%
Online recruitment service market size	30.0	37.4	41.4	45.0
Online penetration rate	8.3%	11.0%	12.0%	12.5%
YoY		25%	11%	9%

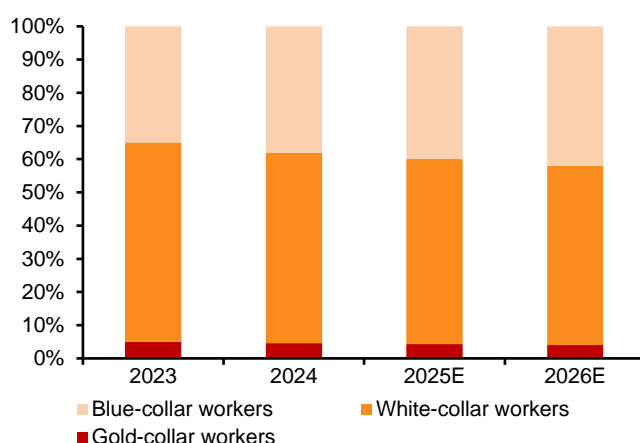
Source: NBS, CIC, Frost & Sullivan, CMBIGM estimates

Assessing blue-collar and SME recruitment market potential

The blue-collar recruitment will be the key driver of online recruitment market over 2024-2026E, given its currently low online recruitment penetration rate as well as the urbanization trend in China. The online recruitment rate of blue-collar workers is expected to rise from 15.6% in 2021 to 35.5% in 2026E, per CIC. This could drive online recruitment market size for blue-collar workers to deliver a CAGR of 15% over 2024-2026E, to account for 42% of the total online recruitment market in FY26E (FY24: 38%).

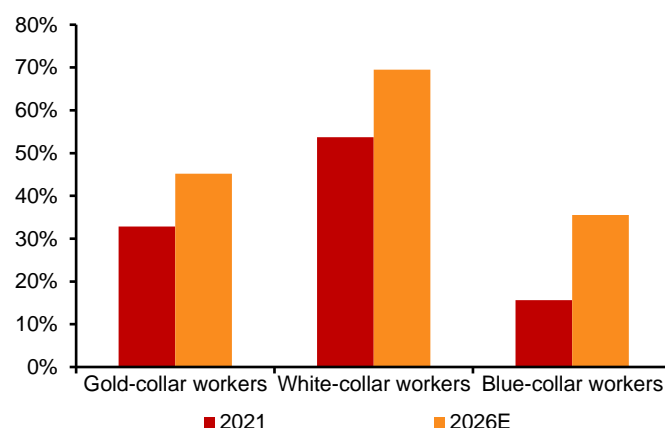
In terms of white-collar recruitment, we expect online recruitment market size for white-collar workers to deliver a steady CAGR of 6% over 2024-2026E and represent 54% of the total online recruitment market in FY26E (FY24: 60%), given its already high online penetration rate.

Figure 23: China: online recruitment market breakdown by type of job seekers



Source: CIC, CMBIGM

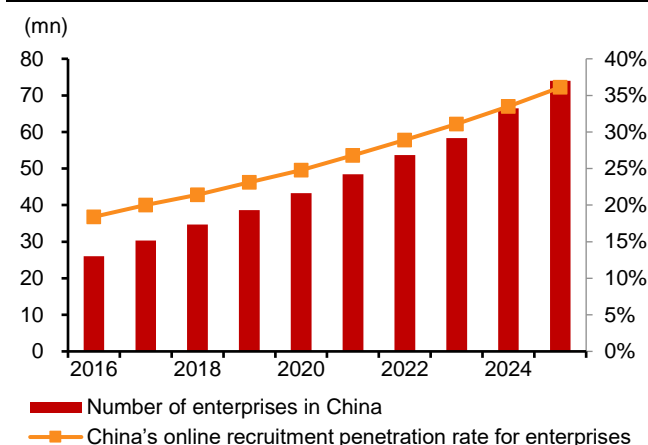
Figure 24: China: online recruitment penetration rate by type of job seekers



Source: CIC, CMBIGM

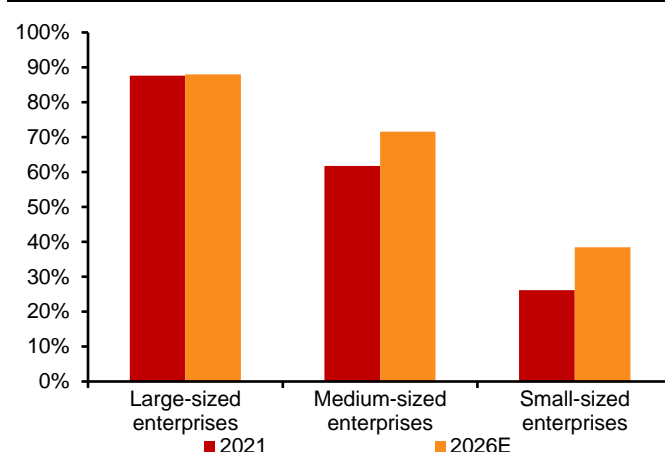
According to CIC and the State Administration for Market Regulation, the number of enterprises reached 66.5mn in FY24 and 34% of the enterprises have adopted online recruitment services. Kanzhun's number of paid enterprises was 6.1mn in FY24, which still has ample growth potential compared to the overall enterprise user base in China. We think 1) the cost advantage of online recruitment services and 2) the digital transformation of enterprises during/post COVID will become key drivers of enterprise adoption of online recruitment services. Per CIC, cost per hire for online recruitment is only one fifth of that for offline recruitment. We expect the increasing adoption by SMEs will become the key growth driver of online recruitment services. The emerging online direct recruitment model offers SMEs (which usually do not have recruitment personnel) more cost-effective and efficient recruitment solutions.

Figure 25: China: online recruitment penetration rate of enterprises



Source: CIC, CMBIGM

Figure 26: China: online recruitment penetration rate by type of enterprise



Source: CIC, CMBIGM

SME recruitment is a key driver for China's online recruitment market in our view, driven by SMEs' growing labour demand and the rising online penetration rate. We forecast online recruitment market for SMEs to grow at a CAGR of 19% over 2024-2026E, outpacing the overall online recruitment market growth of 10%. Kanzhun's number of paid enterprises reached 6.1mn in FY24, among which SME enterprises were the key paying clients.

In terms of large enterprises, we expect online recruitment market for large enterprises to grow at a CAGR of 4% over 2024-2026E

Figure 27: Online recruitment TAM for SME

	2022	2023	2024	2025E	2026E
No. of SMEs (mn)	52.0	58.3	62.3	65.5	67.4
YoY	8%	12%	7%	5%	3%
No. of employees per SME	4.0	4.0	4.0	4.0	4.0
YoY	-1%	0%	0%	0%	0%
No. of SME employees (mn)	205.9	230.7	246.9	259.2	267.0
Churn rate	80%	80%	80%	80%	80%
Labor demand (mn)	165	185	198	207	214
ARPPU per labor demand	206.0	226.6	244.7	261.9	277.6
YoY	3%	10%	8%	7%	6%
Total recruitment market size (RMBbn)	33.9	41.8	48.3	54.3	59.3
YoY	10.5%	23.3%	15.6%	12.4%	9.2%
Online penetration rate	28.5%	31.0%	33.5%	36.0%	38.5%
Online recruitment market size for SMEs (RMBbn)	9.7	13.0	16.2	19.6	22.8
YoY	21.1%	34.1%	24.9%	20.7%	16.8%

Source: NBS, CIC, CMBIGM estimates; no. of employees per SME based on NBS statistics of SMEs and our estimates

Competitive landscape: Boss Zhipin has established strong leadership

China online recruitment sector mainly consists of three major types of platforms: 1) comprehensive recruitment platforms (e.g. Boss Zhipin and 51job), which cover a wide range of job types and job seekers, and offer comprehensive recruitment/job seeking services to enterprises/job seekers; 2) vertical recruitment platforms (e.g. Liepin and MaiMai), which offer recruitment services in a specific industry vertical/user group/geography/job type; and 3) other innovative recruitment platforms (e.g. Kwai Hire and Douyin). We view the comprehensive recruitment platforms as the most competitive, given their one-stop recruitment service capability, ability to cover a large user base and economies of scale.

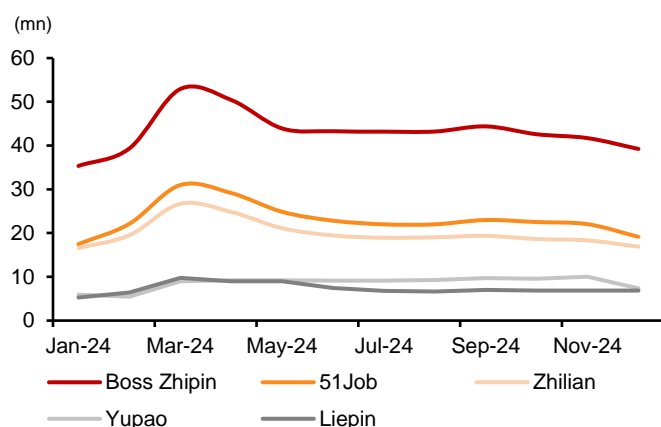
Breaking down the market by job type and enterprise type: 1) In the blue-collar & SME recruitment market, Boss Zhipin has established strong leadership and competitive moat, including its 225mn verified user base, 6mn paid enterprise base and technology infrastructure. Its communication-oriented and feed-based recruitment model also differentiates itself from other platforms such as 51job and Zhilian Zhaopin; 2) In the white-collar & large enterprise recruitment market, within which enterprises may require more customized services, Boss Zhipin may be less competitive compared to platforms focusing on white-collar & gold-collar recruitment like Liepin.

Figure 28: China: online recruitment sector overview

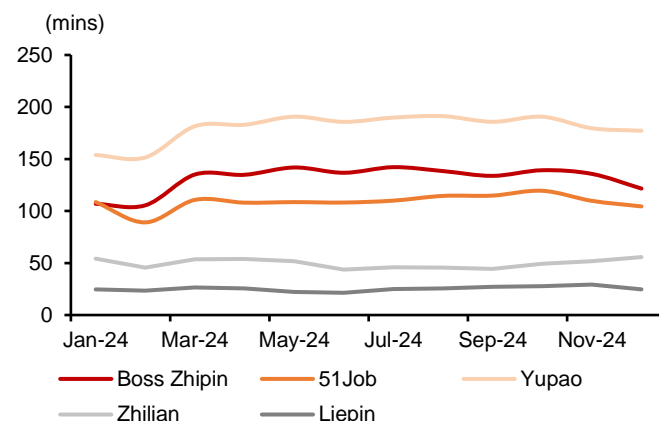


Source: iResearch, CMBIGM

Boss Zhipin leads in terms of MAUs. According to iResearch, monthly active devices of Boss Zhipin were 39mn in Dec 2024, significantly higher than those of other online recruitment platforms. Average monthly user time spent on Boss Zhipin (122 minutes) was also higher than that of 51Job/Zhilian Zhaopin/Liepin (104/56/25 minutes) in Dec 2024.

Figure 29: Online recruitment: no. of active devices

Source: iResearch, CMBIGM

Figure 30: Online recruitment: monthly time spend

Source: iResearch, CMBIGM

Boss Zhipin also has the largest paid enterprise base of 6.1mn in 2024, significantly higher than those of other online recruitment platforms. Compared with other platforms, Boss Zhipin focuses more on investment in technology, and its R&D expense ratio reached 24% in 4Q24 (vs Liepin/51Job: 15/13%). We believe the tech investment should help drive long-term revenue growth and efficient gain of Boss Zhipin.

Figure 31: Online recruitment platforms: operating and financial data comparison

	Boss Zhipin (4Q24)	51Job (FY21)	Liepin (4Q24)	Zhilian Zhaopin (FY17)
Average MAUs (mn)	53	20	17	7
Paid enterprises (mn)	6.1	na	0.07	0.61
Annual ARPU	1,192	na	25,934	na
GPM	83%	62%	72%	88%
S&M %	23%	41%	41%	51%
R&D %	24%	9%	13%	21%
OPM	21%	12%	8%	16%

Note: 51Job & Zhilian Zhaopin data based on FY21 & FY17 annual report data; 51Job and Zhilian Zhaopin were delisted in FY22 and FY18 respectively and no longer disclose financial data; Liepin MAUs based on 1H22 data

Source: Company data, CMBIGM

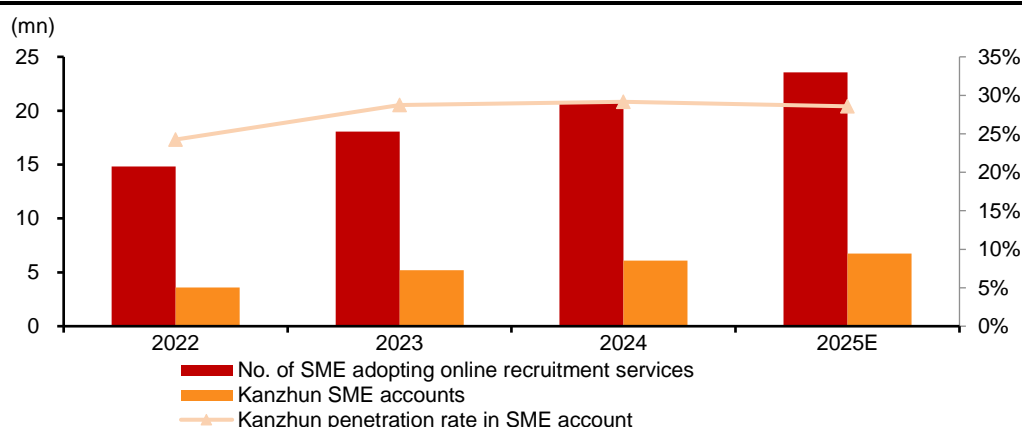
Based on its direct recruitment model, Boss Zhipin covers a wider range of job seekers. With its communication-oriented and feed-based recruitment model, we believe Boss Zhipin is well positioned to capture the massive monetization opportunities in the blue-collar and SME recruitment market. Boss Zhipin recorded the highest user penetration rate of 3.4% in the blue-collar worker group in 2024, among all online recruitment platforms, according to QuestMobile. Boss Zhipin has already established competitive advantages and unique value proposition in the blue-collar worker recruitment market. Amid competition from the short-video platforms like Kuaishou, Boss Zhipin launched Conch Selection program in 2021, to upgrade its services for blue-collar job seekers. Conch Selection is a job authentication program which selects quality blue-collar job positions and protects job seekers through multiple authentication methods. Total contract value of Conch Selection surpassed RMB200mn in 2024.

Figure 32: Online recruitment platforms: business model comparison

	Boss Zhipin	Kwai Hire (Kuaishou)	51Job	Liepin	Zhilian Zhaopin
Job seeker group	Cover a wide range of job seekers inclu. gold/white/blue collar workers	Focus on blue-collar workers	Focus on white-collar workers	Focus on white-collar and gold-collar workers	Focus on students, white-collar and gold-collar workers
ToB services	1) Paid job posting; 2) Value-added tools such as bulk invite sending, conversation booster, advance filter	1) Paid job posting; 2) Job promotion; 3) Paid resume download	1) Paid job posting; 2) Advertising; 3) Paid resume download; 4) human resources management tools	1) Job postings; 2) CV search and recommendation; 3) Headhunter-assisted solutions	1) CV download; 2) Job posting and promotion; 3) headhunter; 4) HR BPO
ToC services	1) Free job seeking service; 2) Value-added tools such as job competitive analysis and increased exposure	1) Free job seeking service; 2) Value-added tools	1) Resume optimization; 2) professional consultation	1) Professional profiles; 2) Job recommendation; 3) Premium membership services; 4) CV advisory	1) Resume optimization; 2) professional consultation

Source: Company data, CMBIGM

We expect Boss Zhipin to take market share in the online recruitment market for SMEs, supported by its innovative business model and unique value proposition to blue-collar workers. Based on our estimates and NBS data, Boss Zhipin's paid SME accounts represented 24% of total SME accounts adopting online recruitment services in 2022, and we expect this proportion will rise to 29% in 2025E.

Figure 33:Kanzhun: penetration rate in SMEs adopting online recruitment services

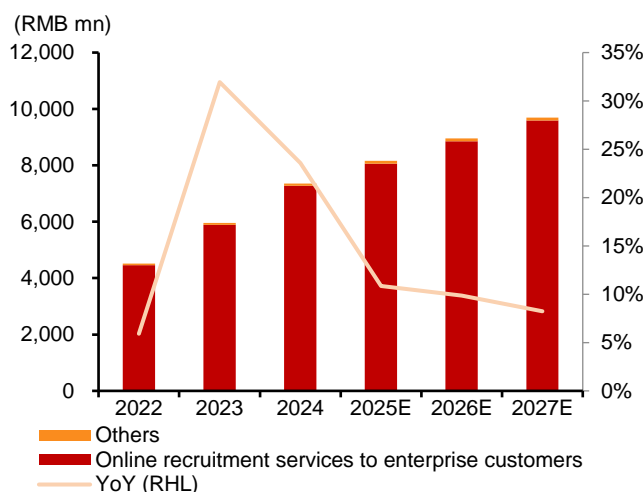
Source: NBS, CIC, CMBIGM estimates

Kanzhun: financial forecast and valuation

Kanzhun total revenue grew by 24% YoY to RMB7.4bn in 2024, mainly driven by the solid growth of blue-collar/SME segments. Total revenue growth decelerated in 2024 compared to 2023, mainly due to macro challenges, which led to a decline in enterprise paying willingness. For 1Q25, management saw broad-based recovery of recruitment demand, and we expect such trend to support FY25 revenue growth. We forecast total revenue to grow by 11/10/8% YoY to RMB8.2/9.0/9.7bn in FY25/26/27E.

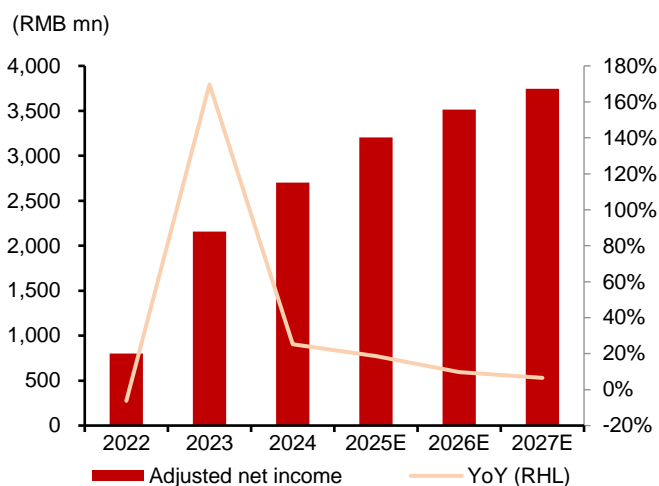
Adjusted net income grew by 25% YoY to RMB2.7bn in 2024, driven by the solid revenue growth and operating leverage. We forecast adjusted net income to increase by 19/10/7% YoY to RMB3.2/3.5/3.7bn in FY25/26/27E.

Figure 34: Kanzhun: revenue trend



Source: Company data, CMBIGM estimates

Figure 35: Kanzhun: adjusted net income



Source: Company data, CMBIGM estimates

Figure 36: Kanzhun: key financial forecast

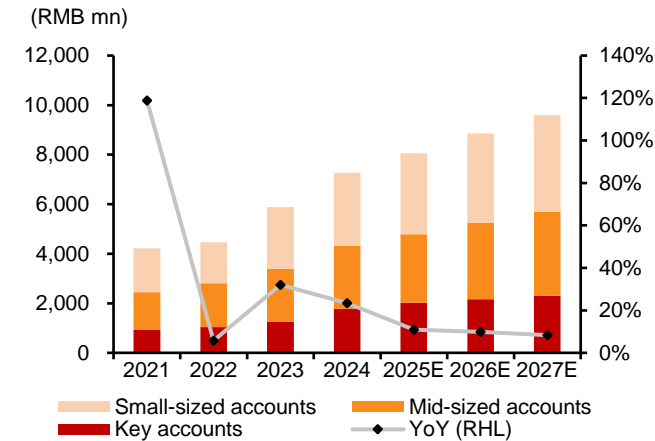
(RMB mn)	2023	2024	2025E	2026E	2027E
Total revenue	5,952	7,356	8,155	8,959	9,698
YoY	31.9%	23.6%	10.9%	9.9%	8.2%
Online recruitment services	5,889	7,270	8,060	8,858	9,592
YoY	32.0%	23.4%	10.9%	9.9%	8.3%
Others	63	86	95	102	106
YoY	26.4%	36.1%	10.9%	7.3%	3.6%
Non-GAAP operating income	1,638	2,317	2,984	3,540	4,002
YoY	191.1%	41.4%	28.8%	18.6%	13.1%
Non-GAAP adjusted net income	2,156	2,701	3,203	3,513	3,744
YoY	169.7%	25.3%	18.6%	9.7%	6.6%
S&M expense ratio	33.5%	28.2%	24.7%	22.6%	20.1%
R&D expense ratio	25.9%	24.7%	21.9%	19.9%	17.2%
G&A expense ratio	13.6%	14.9%	13.2%	11.8%	9.5%
Non-GAAP operating margin	27.5%	31.5%	36.6%	39.5%	41.3%
Non-GAAP net margin	36.2%	36.7%	39.3%	39.2%	38.6%

Source: Company data, CMBIGM estimates

Online recruitment services (99% of FY25E total revenue)

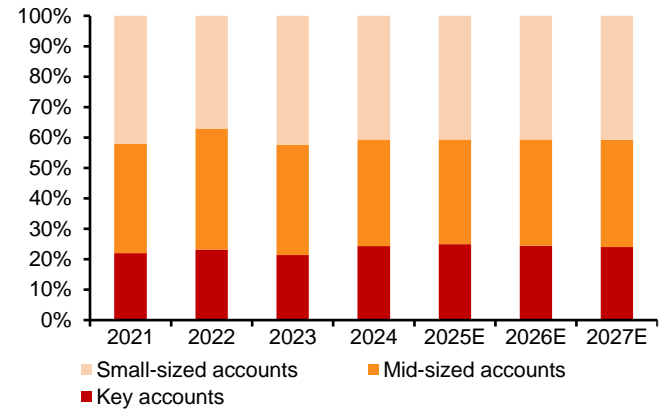
Online recruitment services revenue increased by 23% YoY to RMB7.3bn in FY24. We forecast online recruitment service revenue to increase by 11/10/8% YoY to RMB8.1/8.9/9.6bn in FY25/26/27E, mainly driven by the improving paid conversion amid macro recovery. We forecast key/mid-sized/small-sized account revenue to deliver a CAGR of 9/10/10% over FY25-27E respectively.

Figure 37: Kanzhun: online recruitment revenue



Source: Company data, CMBIGM estimates

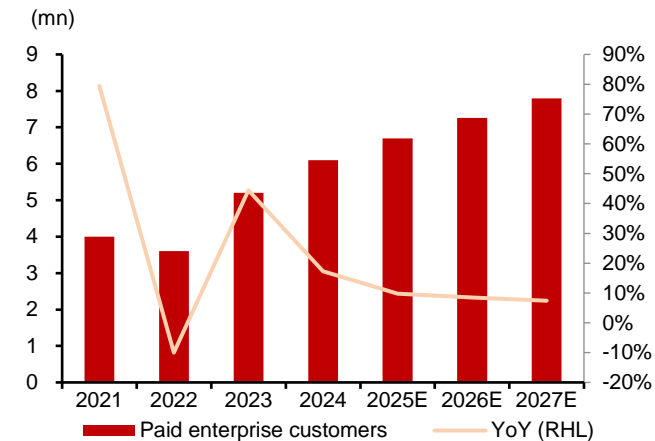
Figure 38: Kanzhun: online recruitment revenue mix



Source: Company data, CMBIGM estimates

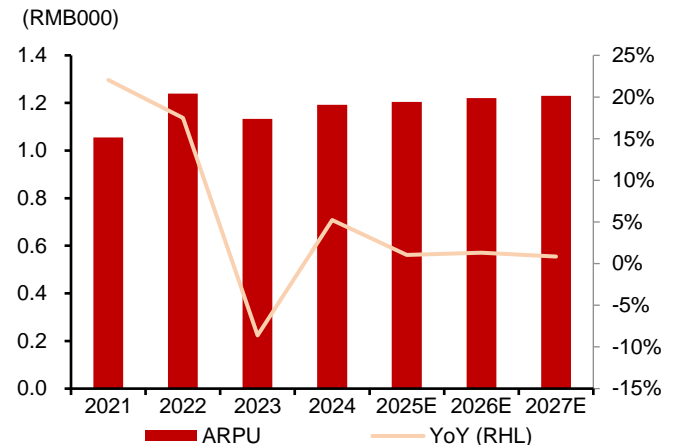
The number of paid enterprise customers grew by 17% YoY to 6.1mn in 2024. We forecast the number of paid enterprises to increase at a CAGR of 9% over FY25-27E and reach 7.8mn in FY27E, with ARPU up from RMB1.19k in FY24 to RMB1.23k in FY27E.

Figure 39: Kanzhun: no. of paid enterprises



Source: Company data, CMBIGM estimates

Figure 40: Kanzhun: ARPU

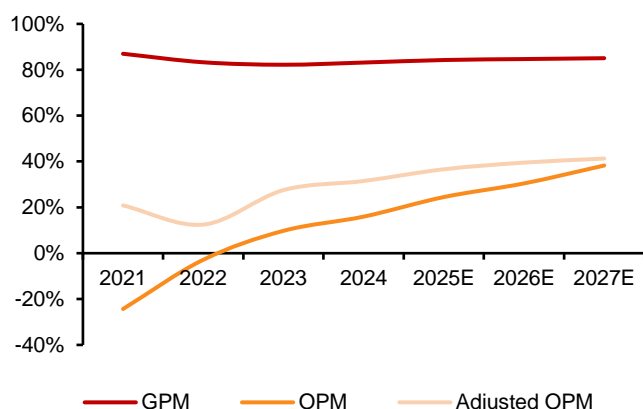


Source: Company data, CMBIGM estimates

Operating efficiency and margin analysis

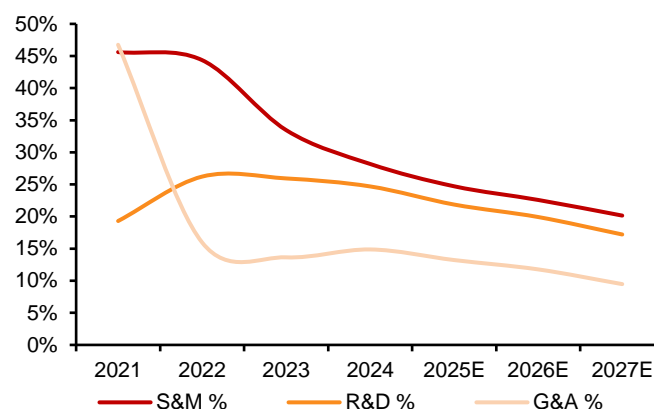
We forecast adjusted OPM to improve from 31% in FY24 to 41% in FY27E, mainly supported by the enhanced operating leverage and S&M efficiency: 1) we expect S&M expense ratio to decline from 28% in 2024 to 20% in 2027E, primarily attributable to drops in traffic acquisition costs; 2) we forecast R&D expense ratio to decrease from 25% in FY24 to 17% in FY27E, mainly thanks to the operating leverage and prudent expense control. Driven by the robust revenue growth and a rising margin, we forecast adjusted operating income CAGR of 20% over FY25-27E.

Figure 41: Kanzhun: margin trend



Source: Company data, CMBIGM estimates

Figure 42: Kanzhun: operating expense ratio



Source: Company data, CMBIGM estimates

Valuation

We value Kanzhun at US\$8.8bn (US\$19.5 per share) based on 20x 2025E PE. Our target PE multiple is on par with the average of global peers.

Figure 43: Kanzhun: target valuation

P/E Valuation (US\$mn)	FY25E
Non-GAAP earnings	439
Target 2025E PE (x)	20.0
Target equity valuation	8,775
Valuation per share (USD)	19.5

Source: Company data, CMBIGM estimates

Figure 44: Global peers: valuation comparison

Companies	Ticker	Price (Local)	EPS growth (yoy%)		Current PE (x)		EPS CAGR 24-26E
			2025E	2026E	2025E	2026E	
Boss Zhipin	BZ US	13.9	20	15	14	12	17%
Recruitment platforms							
ZipRecruiter	ZIP US	5.5	NA	NA	NA	NA	NA
Career International	300662 CH	31.1	27	21	23	20	24%
Liepin	6100 HK	3.9	43	34	9	8	38%
Recruit	6098 JP	7,416.0	20	15	27	24	17%
Cyclical/deal-matching platforms							
Beike	BEKE US	19.0	(7)	17	22	19	5%
Full Truck Alliance	YMM US	10.1	39	20	14	12	29%
Average					20	17	

Source: Bloomberg, CMBIGM

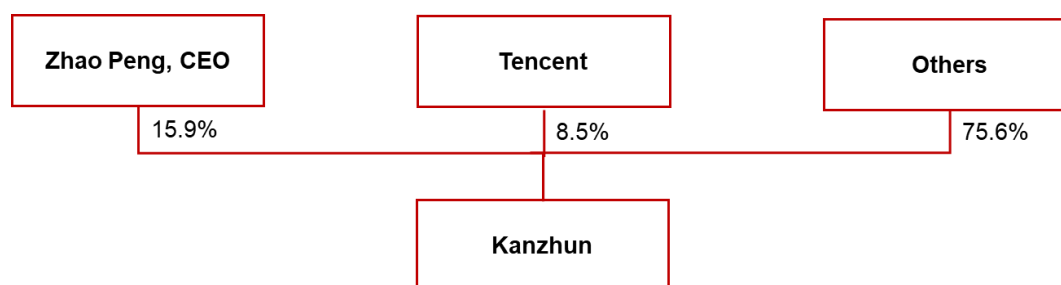
Note: data are as of 18 Apr 2025

Risks

1) Macro uncertainty impacts the recruitment market; 2) intensifying competition; 3) higher-than-expected user acquisition costs.

Appendix

Figure 45: Kanzhun: shareholding structure (Feb 2025)



Source: Company data, CMBIGM

Figure 46: Management profile

Name	Position	Prior experience
Peng Zhao	CEO, Chairman	Has served as the company's chairman of the Board and the Chief Executive Officer since inception and guided development and growth. Mr. Zhao has more than 20 years of experience in the internet industry and more than 26 years of experience in human resources services. From May 2005 to July 2010, Mr. Zhao was at Zhaopin Ltd., a leading online recruitment platform, where he eventually became Chief Executive Officer. Mr. Zhao received his bachelor's degree in law from Peking University in 1994.
Yu Zhang	CFO	Has served as the company CFO since September 2019. He has served as the company Director since May 2021. He is in charge of the accounting, legal and internal control functions and the capital markets activities of the Group. Mr. Zhang has over 19 years of research and investment experience in the technology, media and telecom industry. Prior to joining Kanzhun, Mr. Zhang worked at UBS from April 2010 to August 2019, with his last position being the managing director of asset management division. Mr. Zhang worked at BDA from January 2005 to April 2010, with his last position being a director of the company. Mr. Zhang graduated from Beijing University of Posts and Telecommunications in 2000.
Xu Chen	Chief Marketing Officer	Has served as Chief Marketing Officer since February 2018. He has served as Director since May 2021. He is in charge of the marketing, platform operation and public relations functions of the Group. Mr. Chen has over 24 years of experience in marketing in the Greater China region. Prior to joining Kanzhun, Mr. Chen was the vice president at Jiuxianwang, a China-based e-commerce company, from November 2015 to November 2016. Mr. Chen received his bachelor's degree from Beijing Wuzi University.
Tao Zhang	Chief Technology Officer	Has served as Chief Technology Officer since Kanzhun's inception. He has served as Director since May 2021. He is in charge of the research and development and information technology infrastructure of the Group. Mr. Zhang has over 18 years of experience in the software engineering and internet industry. Prior to joining Kanzhun, Mr. Zhang served in various companies, including group companies of IBM, Renren, and Baidu. Mr. Zhang received his bachelor's degree from Beijing Information Engineering College and master's degree from Beihang University.

Source: Company data, CMBIGM

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	4,511	5,952	7,356	8,155	8,959	9,698
Cost of goods sold	(755)	(1,060)	(1,240)	(1,284)	(1,373)	(1,451)
Gross profit	3,756	4,892	6,116	6,870	7,586	8,247
Operating expenses	(3,886)	(4,311)	(4,943)	(4,873)	(4,860)	(4,538)
Selling expense	(2,001)	(1,991)	(2,073)	(2,015)	(2,023)	(1,954)
Admin expense	(720)	(812)	(1,094)	(1,078)	(1,054)	(918)
R&D expense	(1,183)	(1,544)	(1,816)	(1,783)	(1,784)	(1,668)
Others	18	35	40	2	2	2
Operating profit	(130)	581	1,173	1,997	2,726	3,709
Investment gain/loss	65	1	0	27	27	27
Interest income	161	310	625	593	431	276
Foreign exchange gain/loss	9	296	(0)	0	0	0
Other income/expense	11	33	35	0	0	0
Pre-tax profit	106	1,189	1,798	2,617	3,185	4,011
Income tax	(10)	(123)	(266)	(393)	(478)	(558)
After tax profit	96	1,066	1,533	2,224	2,707	3,453
Net profit	96	1,066	1,533	2,224	2,707	3,453
Adjusted net profit	799	2,156	2,701	3,203	3,513	3,744

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	13,826	13,373	15,097	18,901	23,033	27,200
Cash & equivalents	9,752	2,473	2,553	6,357	10,449	14,579
Account receivables	10	17	41	32	35	38
Prepayment	601	443	368	376	413	448
Other current assets	3,464	10,441	12,135	12,135	12,135	12,135
Non-current assets	1,001	2,094	2,296	2,330	2,333	2,318
PP&E	691	1,793	1,734	1,760	1,760	1,745
Right-of-use assets	290	283	303	311	314	314
Intangibles	10	8	253	253	253	253
Other non-current assets	10	10	7	7	7	7
Total assets	14,827	15,467	17,393	21,231	25,365	29,518
Current liabilities	3,031	4,357	4,192	4,824	5,444	5,852
Account payables	185	629	111	163	171	181
Other current liabilities	633	779	816	886	954	1,012
Lease liabilities	151	155	181	185	187	187
Contract liabilities	2,061	2,794	3,085	3,589	4,131	4,472
Non-current liabilities	144	125	121	124	126	126
Other non-current liabilities	144	125	121	124	126	126
Total liabilities	3,175	4,482	4,313	4,948	5,570	5,978
Share capital	1	1	1	1	1	1
Capital surplus	15,450	15,502	14,989	15,967	16,774	17,065
Retained earnings	(3,586)	(2,492)	(925)	1,299	4,006	7,459
Other reserves	695	899	899	899	899	899
Total shareholders equity	12,560	13,909	14,963	18,166	21,679	25,423
Total equity and liabilities	15,734	18,391	19,276	23,114	27,248	31,401

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	106	1,189	1,798	2,617	3,185	4,011
Depreciation & amortization	140	259	300	341	383	429
Tax paid	(10)	(123)	(266)	(393)	(478)	(558)
Change in working capital	(41)	738	(118)	633	580	371
Others	808	984	1,828	1,137	964	445
Net cash from operations	1,003	3,047	3,542	4,335	4,634	4,699
Investing						
Capital expenditure	(340)	(956)	(564)	(530)	(542)	(569)
Others	(2,476)	(8,983)	(1,453)	na	na	na
Net cash from investing	(2,817)	(9,939)	(2,017)	(530)	(542)	(569)
Financing						
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	250	218	0	0	0	0
Others	(919)	(635)	(1,461)	0	0	0
Net cash from financing	(669)	(417)	(1,461)	0	0	0
Net change in cash						
Cash at the beginning of the year	11,342	9,752	2,473	2,553	6,357	10,449
Exchange difference	893	30	15	0	0	0
Cash at the end of the year	9,752	2,473	2,553	6,357	10,449	14,579

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

Disclosures & Disclaimers

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CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

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