

# Great Wall Motor (2333 HK/601633 CH)

## No need to read too much into 1Q25 earnings

**Maintain BUY.** Great Wall's 1Q25 net profit missed our forecast due to higher selling expenses and the postponement of Russia's vehicle recycling fee reimbursement. We expect its 2Q25 earnings to be strong amid the delayed reimbursement and new models. Great Wall appears to be determined to revive sales for the *Xiaolong Max* with redesigned appearance, Hi4 AWD and city NOA (showcased at the Shanghai Auto Show) in order to differentiate from its rival models. We also expect Wey to contribute the largest profit YoY increase among all the brands at Great Wall in FY25E.

■ **1Q25 net profit missed on higher selling expenses and Russia's recycling fee reimbursement postponement.** Great Wall's 1Q25 revenue beat our prior forecast by 4%, as the average selling price was flat YoY despite a 7% YoY drop in sales volume. Its GPM fell 1.5ppts YoY to 17.8%, weaker than our forecast by 0.7ppts. Both combined led to an in-line gross profit in 1Q25. Selling expenses were about RMB950mn higher than our estimates. Management attributed it to additional expenditure of RMB600mn for 80 new direct-sales stores and higher advertising fees for new model launches. Other income was also about RMB600mn lower than our forecast, mainly due to the postponement of Russia's vehicle recycling fees reimbursement. Management estimates that about RUB10bn (RMB860mn at the end-1Q25 FX rate) has been delayed into 2Q25. Accordingly, Great Wall's 1Q25 net profit fell 46% YoY to RMB1.8bn, lower than our prior forecast by about RMB1.2bn.

■ **2Q25 and FY25 outlook.** The net profit miss in 1Q25 may be largely compensated in 2Q25 amid Russia's recycling fee reimbursement and partial delay of VAT refund in 1Q25. New models, including the facelifted *Tank 300*, redesigned *Xiaolong Max* and *Gaoshan* series, could send Great Wall's sales volume higher both QoQ and YoY in 2Q25, based on our estimates. On the other hand, we revise down our FY25E sales volume forecast by 50,000 units to 1.3mn units, as management cuts its export target from 0.58mn units to 0.52mn units. We cut our FY25E GPM forecast by 0.3ppts to 18.9% amid fiercer competition in both domestic and overseas markets. We also raise the selling expense ratio (as % of revenue) from 3.9% to 4.4% given higher expenditure for direct-sale stores. Accordingly, we cut our FY25E net profit forecast by 18% to RMB10.8bn.

■ **Valuation/Key risks.** We maintain our BUY rating for both A and H shares. We cut our H-share target price to HK\$14.00, still based on 10x our revised FY25E EPS. Our A-share target price of RMB27.00 is based on Great Wall's YTD average A/H premium of about 110%. Key risks to our rating and TP include lower sales volume and margins, slower new model launches than we expect, as well as a sector derating.

### Earnings Summary - 2333 HK

| (YE 31 Dec)          | FY23A   | FY24A    | FY25E    | FY26E    | FY27E    |
|----------------------|---------|----------|----------|----------|----------|
| Revenue (RMB mn)     | 173,212 | 202,195  | 214,895  | 229,930  | 237,620  |
| YoY growth (%)       | 26.1    | 16.7     | 6.3      | 7.0      | 3.3      |
| Net profit (RMB mn)  | 7,021.6 | 12,692.2 | 10,810.4 | 11,518.2 | 11,753.2 |
| YoY growth (%)       | (15.1)  | 80.8     | (14.8)   | 6.5      | 2.0      |
| EPS (Reported) (RMB) | 0.82    | 1.49     | 1.26     | 1.34     | 1.36     |
| P/E (x)              | 13.2    | 7.2      | 8.6      | 8.1      | 7.9      |
| P/B (x)              | 1.4     | 1.2      | 1.1      | 1.0      | 0.9      |
| Yield (%)            | 2.8     | 4.2      | 3.5      | 3.7      | 3.8      |
| ROE (%)              | 10.5    | 17.2     | 13.0     | 12.6     | 11.6     |

Source: Company data, Bloomberg, CMBIGM estimates

|               | 2333 HK   | 601633 CH |
|---------------|-----------|-----------|
|               | BUY       | BUY       |
|               | Maintain  | Maintain  |
| TP            | HK\$14.00 | RMB27.00  |
| Prior TP      | HK\$17.00 | RMB32.00  |
| Up/Downside   | 22.0%     | 16.6%     |
| Current Price | HK\$11.5  | RMB23.2   |

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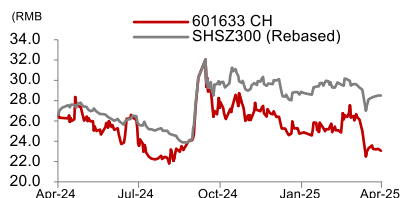
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#### 12-mth Price Performance



Source: FactSet

#### Stock Performance

|       | 2333 HK |        | 601633 CH |        |
|-------|---------|--------|-----------|--------|
|       | Abs.    | Rel.   | Abs.      | Rel.   |
| 1-mth | -21.4%  | -16.5% | -11.1%    | -18.4% |
| 3-mth | -8.6%   | -16.6% | -6.4%     | -7.5%  |
| 6-mth | -20.2%  | -25.2% | -16.8%    | -16.6% |

Source: FactSet

#### Stock Data

| (LC)                | 2333 HK  | 601633 CH |
|---------------------|----------|-----------|
| Mkt Cap (mn)        | 98263.31 | 198238.5  |
| Avg 3 mths t/o (mn) | 502.4    | 537.8     |
| 52w High            | 16.94    | 32.03     |
| 52w Low             | 9.8      | 21.83     |
| Issued Shares (mn)  | 8559.522 | 8559.522  |

Source: FactSet

**Figure 1: Quarterly results**

| RMB mn               | 1Q24    | 2Q24    | 3Q24    | 4Q24    | 1Q25    | YoY       | QoQ      |
|----------------------|---------|---------|---------|---------|---------|-----------|----------|
| Sales volume (units) | 275,333 | 279,523 | 294,144 | 379,479 | 256,807 | -6.7%     | -32.3%   |
| ASP (RMB)            | 155,664 | 173,759 | 172,791 | 157,957 | 155,833 | 0.1%      | -1.3%    |
| Revenue              | 42,859  | 48,570  | 50,825  | 59,941  | 40,019  | -6.6%     | -33.2%   |
| Gross profit         | 8,301   | 10,660  | 10,574  | 9,913   | 7,139   | -14.0%    | -28.0%   |
| R&D expenses         | (1,963) | (2,222) | (2,014) | (3,086) | (1,906) | -2.9%     | -38.2%   |
| SG&A expenses        | (2,427) | (3,378) | (3,437) | (3,345) | (3,234) | 33.2%     | -3.3%    |
| Operating profit     | 3,623   | 4,511   | 3,725   | 2,062   | 1,724   | -52.4%    | -16.4%   |
| Net profit           | 3,219   | 3,859   | 3,350   | 2,264   | 1,751   | -45.6%    | -22.7%   |
| Gross margin         | 19.4%   | 21.9%   | 20.8%   | 16.5%   | 17.8%   | -1.5 ppts | 1.3 ppts |
| Operating margin     | 8.5%    | 9.3%    | 7.3%    | 3.4%    | 4.3%    | -4.1 ppts | 0.9 ppts |
| Net margin           | 7.5%    | 7.9%    | 6.6%    | 3.8%    | 4.4%    | -3.1 ppts | 0.6 ppts |

Source: Company data, CMBIGM

**Figure 2: Earnings revision**

| RMB mn           | New     |         |         | Old     |         |       | Diff (%)  |           |       |
|------------------|---------|---------|---------|---------|---------|-------|-----------|-----------|-------|
|                  | FY25E   | FY26E   | FY27E   | FY25E   | FY26E   | FY27E | FY25E     | FY26E     | FY27E |
| Revenue          | 214,895 | 229,930 | 237,620 | 221,460 | 238,775 | N/A   | -3.0%     | -3.7%     | N/A   |
| Gross profit     | 40,606  | 43,448  | 45,110  | 42,472  | 45,353  | N/A   | -4.4%     | -4.2%     | N/A   |
| Operating profit | 11,748  | 12,617  | 12,760  | 14,342  | 14,244  | N/A   | -18.1%    | -11.4%    | N/A   |
| Net profit       | 10,810  | 11,518  | 11,753  | 13,130  | 12,896  | N/A   | -17.7%    | -10.7%    | N/A   |
| Gross margin     | 18.9%   | 18.9%   | 19.0%   | 19.2%   | 19.0%   | N/A   | -0.3 ppts | -0.1 ppts | N/A   |
| Operating margin | 5.5%    | 5.5%    | 5.4%    | 6.5%    | 6.0%    | N/A   | -1.0 ppts | -0.5 ppts | N/A   |
| Net margin       | 5.0%    | 5.0%    | 4.9%    | 5.9%    | 5.4%    | N/A   | -0.9 ppts | -0.4 ppts | N/A   |

Source: CMBIGM estimates

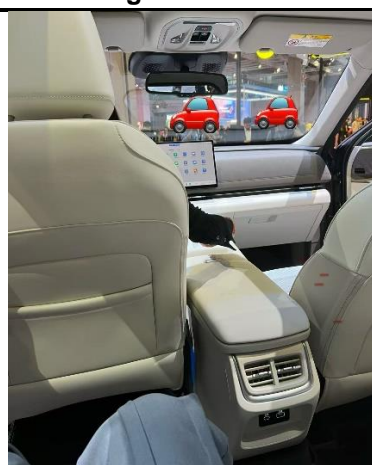
**Figure 3: CMBI estimates vs consensus**

| RMB mn           | CMBIGM  |         |         | Consensus |         |         | Diff (%)  |           |           |
|------------------|---------|---------|---------|-----------|---------|---------|-----------|-----------|-----------|
|                  | FY25E   | FY26E   | FY27E   | FY25E     | FY26E   | FY27E   | FY25E     | FY26E     | FY27E     |
| Revenue          | 214,895 | 229,930 | 237,620 | 238,114   | 265,689 | 289,999 | -9.8%     | -13.5%    | -18.1%    |
| Gross profit     | 40,606  | 43,448  | 45,110  | 48,151    | 54,129  | 58,153  | -15.7%    | -19.7%    | -22.4%    |
| Operating profit | 11,748  | 12,617  | 12,760  | 15,956    | 17,957  | 16,868  | -26.4%    | -29.7%    | -24.4%    |
| Net profit       | 10,810  | 11,518  | 11,753  | 14,605    | 16,148  | 15,686  | -26.0%    | -28.7%    | -25.1%    |
| Gross margin     | 18.9%   | 18.9%   | 19.0%   | 20.2%     | 20.4%   | 20.1%   | -1.3 ppts | -1.5 ppts | -1.1 ppts |
| Operating margin | 5.5%    | 5.5%    | 5.4%    | 6.7%      | 6.8%    | 5.8%    | -1.2 ppts | -1.3 ppts | -0.4 ppts |
| Net margin       | 5.0%    | 5.0%    | 4.9%    | 6.1%      | 6.1%    | 5.4%    | -1.1 ppts | -1.1 ppts | -0.5 ppts |

Source: Bloomberg, CMBIGM estimates

**Figure 4: The redesigned Haval Xiaolong Max**

Source: CMBIGM

**Figure 5: Interior / legroom of the Xiaolong Max**

Source: CMBIGM



**Figure 6: The facelifted Wey Gaoshan**



Source: CMBIGM

**Figure 7: Interior of the Wey Gaoshan**



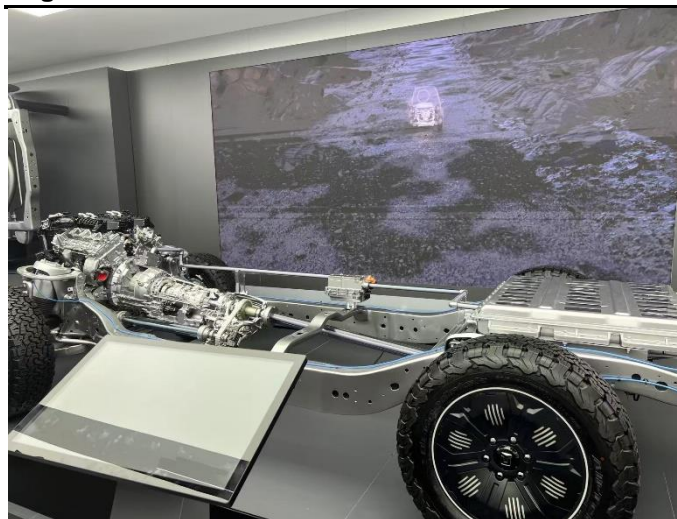
Source: CMBIGM

**Figure 8: Great Wall's Hi4 architecture**



Source: CMBIGM

**Figure 9: Great Wall's Hi4-T architecture**



Source: CMBIGM

## Financial Summary

| INCOME STATEMENT                       | 2022A           | 2023A           | 2024A           | 2025E           | 2026E           | 2027E           |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| YE 31 Dec (RMB mn)                     |                 |                 |                 |                 |                 |                 |
| <b>Revenue</b>                         | <b>137,340</b>  | <b>173,212</b>  | <b>202,195</b>  | <b>214,895</b>  | <b>229,930</b>  | <b>237,620</b>  |
| Cost of goods sold                     | (110,739)       | (141,772)       | (162,747)       | (174,289)       | (186,482)       | (192,510)       |
| <b>Gross profit</b>                    | <b>26,601</b>   | <b>31,440</b>   | <b>39,449</b>   | <b>40,606</b>   | <b>43,448</b>   | <b>45,110</b>   |
| <b>Operating expenses</b>              | <b>(22,335)</b> | <b>(26,062)</b> | <b>(29,281)</b> | <b>(32,813)</b> | <b>(34,696)</b> | <b>(36,811)</b> |
| Selling expense                        | (5,876)         | (7,286)         | (7,830)         | (9,529)         | (9,744)         | (10,134)        |
| Admin expense                          | (4,893)         | (4,735)         | (4,756)         | (4,717)         | (4,988)         | (5,218)         |
| R&D expense                            | (6,445)         | (8,054)         | (9,284)         | (10,402)        | (11,456)        | (12,666)        |
| Others                                 | (5,121)         | (5,986)         | (7,409)         | (8,166)         | (8,507)         | (8,792)         |
| <b>Operating profit</b>                | <b>4,265</b>    | <b>5,378</b>    | <b>10,168</b>   | <b>7,792</b>    | <b>8,752</b>    | <b>8,299</b>    |
| Other income                           | 886             | 744             | 435             | 500             | 500             | 600             |
| Other expense                          | (46)            | (121)           | (72)            | (100)           | (100)           | (150)           |
| Gain/loss on financial assets at FVTPL | 50              | (26)            | 42              | 0               | 0               | 0               |
| Investment gain/loss                   | 671             | 761             | 877             | 966             | 967             | 955             |
| Other gains/(losses)                   | 492             | 962             | 2,924           | 2,028           | 2,004           | 2,323           |
| <b>EBITDA</b>                          | <b>16,132</b>   | <b>16,599</b>   | <b>25,318</b>   | <b>24,241</b>   | <b>26,906</b>   | <b>28,986</b>   |
| Depreciation                           | 4,000           | 4,081           | 4,722           | 5,030           | 5,315           | 5,527           |
| Depreciation of ROU assets             | 427             | 463             | 740             | 1,099           | 1,429           | 1,714           |
| Other amortisation                     | 2,182           | 3,284           | 4,691           | 5,459           | 6,718           | 8,133           |
| <b>EBIT</b>                            | <b>9,523</b>    | <b>8,771</b>    | <b>15,165</b>   | <b>12,653</b>   | <b>13,444</b>   | <b>13,612</b>   |
| Interest income                        | 475             | 249             | 299             | 602             | 934             | 1,222           |
| Interest expense                       | (716)           | (947)           | (882)           | (505)           | (426)           | (402)           |
| <b>Net Interest income/(expense)</b>   | <b>2,488</b>    | <b>126</b>      | <b>(91)</b>     | <b>962</b>      | <b>894</b>      | <b>1,182</b>    |
| Foreign exchange gain/loss             | 2,027           | (127)           | (343)           | 400             | 0               | 0               |
| <b>Pre-tax profit</b>                  | <b>8,807</b>    | <b>7,824</b>    | <b>14,283</b>   | <b>12,148</b>   | <b>13,017</b>   | <b>13,210</b>   |
| Income tax                             | (554)           | (801)           | (1,591)         | (1,336)         | (1,497)         | (1,453)         |
| <b>After tax profit</b>                | <b>8,253</b>    | <b>7,023</b>    | <b>12,692</b>   | <b>10,811</b>   | <b>11,520</b>   | <b>11,757</b>   |
| Minority interest                      | 13              | (1)             | (0)             | (1)             | (2)             | (4)             |
| <b>Net profit</b>                      | <b>8,266</b>    | <b>7,022</b>    | <b>12,692</b>   | <b>10,810</b>   | <b>11,518</b>   | <b>11,753</b>   |
| Gross dividends                        | 2,534           | 2,563           | 3,853           | 3,243           | 3,455           | 3,526           |

| BALANCE SHEET                  | 2022A          | 2023A          | 2024A          | 2025E          | 2026E          | 2027E          |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| YE 31 Dec (RMB mn)             |                |                |                |                |                |                |
| <b>Current assets</b>          | <b>107,681</b> | <b>118,584</b> | <b>133,435</b> | <b>144,018</b> | <b>161,832</b> | <b>175,979</b> |
| Cash & equivalents             | 35,773         | 38,337         | 30,741         | 38,444         | 52,274         | 63,752         |
| Account receivables            | 33,919         | 41,235         | 54,149         | 54,165         | 56,695         | 58,591         |
| Inventories                    | 22,375         | 26,628         | 25,408         | 28,650         | 30,655         | 31,646         |
| Prepayment                     | 2,229          | 3,873          | 1,942          | 1,910          | 1,788          | 1,846          |
| Financial assets at FVTPL      | 495            | 0              | 0              | 0              | 0              | 0              |
| Other current assets           | 12,890         | 8,511          | 21,195         | 20,849         | 20,420         | 20,144         |
| <b>Non-current assets</b>      | <b>77,677</b>  | <b>82,686</b>  | <b>83,831</b>  | <b>84,471</b>  | <b>84,115</b>  | <b>81,822</b>  |
| PP&E                           | 26,949         | 30,235         | 30,014         | 30,993         | 29,698         | 28,391         |
| Right-of-use assets            | 1,093          | 736            | 1,831          | 1,932          | 1,503          | 689            |
| Deferred income tax            | 3,253          | 4,660          | 5,450          | 5,450          | 5,450          | 5,450          |
| Investment in JVs & assos      | 10,286         | 10,751         | 11,551         | 12,204         | 12,862         | 13,512         |
| Intangibles                    | 8,197          | 11,310         | 12,345         | 13,033         | 13,017         | 12,308         |
| Goodwill                       | 28             | 28             | 28             | 28             | 28             | 28             |
| Financial assets at FVTPL      | 1,615          | 2,128          | 1,771          | 1,771          | 1,771          | 1,771          |
| Other non-current assets       | 26,256         | 22,838         | 20,841         | 19,060         | 19,787         | 19,673         |
| <b>Total assets</b>            | <b>185,357</b> | <b>201,270</b> | <b>217,266</b> | <b>228,490</b> | <b>245,947</b> | <b>257,802</b> |
| <b>Current liabilities</b>     | <b>95,802</b>  | <b>110,835</b> | <b>122,229</b> | <b>125,206</b> | <b>133,806</b> | <b>137,444</b> |
| Short-term borrowings          | 10,425         | 12,221         | 9,597          | 6,200          | 6,500          | 7,000          |
| Account payables               | 71,638         | 81,488         | 93,844         | 100,276        | 107,291        | 110,759        |
| Other current liabilities      | 13,337         | 16,771         | 18,048         | 17,875         | 19,126         | 18,796         |
| Lease liabilities              | 402            | 354            | 739            | 854            | 889            | 889            |
| <b>Non-current liabilities</b> | <b>24,339</b>  | <b>21,926</b>  | <b>16,041</b>  | <b>16,448</b>  | <b>15,561</b>  | <b>13,997</b>  |
| Long-term borrowings           | 15,600         | 13,331         | 6,639          | 6,439          | 5,939          | 4,939          |
| Convertible bonds              | 3,317          | 3,418          | 3,517          | 3,481          | 2,761          | 2,041          |
| Deferred income                | 3,585          | 3,198          | 3,455          | 3,883          | 4,151          | 4,306          |
| Other non-current liabilities  | 1,838          | 1,979          | 2,431          | 2,646          | 2,711          | 2,711          |
| <b>Total liabilities</b>       | <b>120,141</b> | <b>132,762</b> | <b>138,270</b> | <b>141,654</b> | <b>149,368</b> | <b>151,441</b> |
| Share capital                  | 8,765          | 8,498          | 8,556          | 8,582          | 8,637          | 8,704          |
| Capital surplus                | 9,150          | 7,731          | 10,915         | 11,348         | 12,404         | 13,491         |

|                                     |                |                |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Retained earnings                   | 49,177         | 52,729         | 61,431         | 68,389         | 76,664         | 84,961         |
| Other reserves                      | (1,890)        | (456)          | (1,914)        | (1,493)        | (1,137)        | (811)          |
| <b>Total shareholders equity</b>    | <b>65,201</b>  | <b>68,501</b>  | <b>78,988</b>  | <b>86,826</b>  | <b>96,568</b>  | <b>106,345</b> |
| Minority interest                   | 15             | 8              | 8              | 9              | 12             | 15             |
| <b>Total equity and liabilities</b> | <b>185,357</b> | <b>201,270</b> | <b>217,266</b> | <b>228,490</b> | <b>245,947</b> | <b>257,802</b> |

| <b>CASH FLOW</b> | <b>2022A</b> | <b>2023A</b> | <b>2024A</b> | <b>2025E</b> | <b>2026E</b> | <b>2027E</b> |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|

YE 31 Dec (RMB mn)

**Operating**

|                                 |               |               |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Profit before taxation</b>   | <b>8,807</b>  | <b>7,824</b>  | <b>14,283</b> | <b>12,148</b> | <b>13,017</b> | <b>13,210</b> |
| Depreciation & amortization     | 6,609         | 7,828         | 10,153        | 11,588        | 13,462        | 15,374        |
| Tax paid                        | (554)         | (801)         | (1,591)       | (1,336)       | (1,497)       | (1,453)       |
| Change in working capital       | (1,909)       | 3,521         | 4,382         | 2,603         | 1,903         | 48            |
| Others                          | (642)         | (618)         | 555           | (1,546)       | 266           | (2,054)       |
| <b>Net cash from operations</b> | <b>12,311</b> | <b>17,754</b> | <b>27,783</b> | <b>23,457</b> | <b>27,152</b> | <b>25,124</b> |

**Investing**

|  |                 |                 |                 |                |                 |                 |
|--|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|
| Capital expenditure                                  | (16,301)        | (16,713)        | (11,737)        | (11,723)       | (12,645)        | (12,537)        |
| Acquisition of subsidiaries/ investments             | (18,945)        | (14,139)        | (75,457)        | 0              | 0               | 0               |
| Net proceeds from disposal of short-term investments | 23,699          | 18,362          | 63,169          | 200            | 200             | 200             |
| Others   | 1,042           | 2,039           | 730             | 2,543          | 1,910           | 1,625           |
| <b>Net cash from investing</b>                       | <b>(10,505)</b> | <b>(10,451)</b> | <b>(23,296)</b> | <b>(8,980)</b> | <b>(10,535)</b> | <b>(10,712)</b> |

**Financing**

|                                |                |              |                 |                |                |                |
|--------------------------------|----------------|--------------|-----------------|----------------|----------------|----------------|
| Dividend paid                  | (647)          | (2,534)      | (2,563)         | (3,853)        | (3,243)        | (3,455)        |
| Net borrowings                 | 8,925          | 526          | (8,686)         | (4,467)        | (1,100)        | (1,400)        |
| Others                         | (11,412)       | 3,060        | (929)           | 1,546          | 1,556          | 1,922          |
| <b>Net cash from financing</b> | <b>(3,133)</b> | <b>1,052</b> | <b>(12,178)</b> | <b>(6,774)</b> | <b>(2,787)</b> | <b>(2,933)</b> |

**Net change in cash**

|                                    |               |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash at the beginning of the year  | 27,908        | 26,899        | 35,272        | 27,210        | 34,912        | 48,743        |
| Exchange difference                | 317           | 18            | (371)         | 0             | 0             | 0             |
| <b>Cash at the end of the year</b> | <b>26,899</b> | <b>35,272</b> | <b>27,210</b> | <b>34,912</b> | <b>48,743</b> | <b>60,221</b> |

| <b>GROWTH</b> | <b>2022A</b> | <b>2023A</b> | <b>2024A</b> | <b>2025E</b> | <b>2026E</b> | <b>2027E</b> |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|

YE 31 Dec

|                  |       |         |       |         |       |        |
|------------------|-------|---------|-------|---------|-------|--------|
| Revenue          | 0.7%  | 26.1%   | 16.7% | 6.3%    | 7.0%  | 3.3%   |
| Gross profit     | 20.7% | 18.2%   | 25.5% | 2.9%    | 7.0%  | 3.8%   |
| Operating profit | 4.6%  | 26.1%   | 89.1% | (23.4%) | 12.3% | (5.2%) |
| EBITDA           | 19.1% | 2.9%    | 52.5% | (4.3%)  | 11.0% | 7.7%   |
| EBIT             | 19.7% | (7.9%)  | 72.9% | (16.6%) | 6.2%  | 1.3%   |
| Net profit       | 22.9% | (15.1%) | 80.8% | (14.8%) | 6.5%  | 2.0%   |

| <b>PROFITABILITY</b> | <b>2022A</b> | <b>2023A</b> | <b>2024A</b> | <b>2025E</b> | <b>2026E</b> | <b>2027E</b> |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|

YE 31 Dec

|                        |       |       |       |       |       |       |
|------------------------|-------|-------|-------|-------|-------|-------|
| Gross profit margin    | 19.4% | 18.2% | 19.5% | 18.9% | 18.9% | 19.0% |
| Operating margin       | 3.1%  | 3.1%  | 5.0%  | 3.6%  | 3.8%  | 3.5%  |
| EBITDA margin          | 11.7% | 9.6%  | 12.5% | 11.3% | 11.7% | 12.2% |
| Return on equity (ROE) | 13.0% | 10.5% | 17.2% | 13.0% | 12.6% | 11.6% |

| <b>GEARING/LIQUIDITY/ACTIVITIES</b> | <b>2022A</b> | <b>2023A</b> | <b>2024A</b> | <b>2025E</b> | <b>2026E</b> | <b>2027E</b> |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|

YE 31 Dec

|                   |     |     |     |     |     |     |
|-------------------|-----|-----|-----|-----|-----|-----|
| Current ratio (x) | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 |
|-------------------|-----|-----|-----|-----|-----|-----|

| <b>VALUATION</b> | <b>2022A</b> | <b>2023A</b> | <b>2024A</b> | <b>2025E</b> | <b>2026E</b> | <b>2027E</b> |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|

YE 31 Dec

|               |      |      |     |     |     |     |
|---------------|------|------|-----|-----|-----|-----|
| P/E           | 11.8 | 13.2 | 7.2 | 8.6 | 8.1 | 7.9 |
| P/B           | 1.5  | 1.4  | 1.2 | 1.1 | 1.0 | 0.9 |
| P/CFPS        | 7.9  | 5.2  | 3.3 | 3.9 | 3.4 | 3.7 |
| Div yield (%) | 2.6  | 2.8  | 4.2 | 3.5 | 3.7 | 3.8 |

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

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