

Yum China (9987 HK)

A more cautious FY25E after 1Q25 sales miss

1Q25 net profit was roughly inline but sales miss was still notable. We are certainly impressed by the market share gains as well as the successful reforms carried out by Pizza Hut. However, the higher-than-expected franchised store opening mix and store closures will still affect the net profit growth forecast in FY25E meaningfully. Hence, we trim our TP but maintain BUY due to the massive capital return program.

- **2Q25E outlook should be better than 1Q25, but we have become more cautious.** Management mentioned that numbers in Apr 2025 were inline with their targets, but also flagged the risk of high base in Jun 2024. On one hand, some negative factors (drop in calendar day and temporary store closures) in 1Q25 will not carry forward, but others (more-than-expected store closures and franchised store openings mix) will still exist in 2Q25E. Therefore, all in all, we do expect the system sales growth in 2Q25E to accelerate but the speed would be limited (to around 5%, from 1% in 1Q25).
- **FY25E guidance maintained.** The Company still targets for: 1) MSD (definition: 4% to 6%) system sales growth, 2) commodity price to be favorable (food costs/ sales to be at around 31% to 32%), 3) a LSD to MSD wage inflation (e.g. higher rider costs and delivery fees) and 4) flattish (or slightly improved) core OP margin (flattish/ increase for KFC/ Pizza Hut).
- **Yum China is still gaining market share with loads of growth drivers, but there are still some drags that we have underestimated.** Evidenced by Yum China's ability to gain market share (through rapid volume growth and delivery sales growth) in 1Q25, we still find various growth drivers impressive. For KFC, these include: 1) ramp-up of K-coffee, 2) delivery sales growth (reduced delivery fees and an increased number of small-size orders as price range expand) and 3) product innovations (e.g., introduced the spicy original recipe chicken). For Pizza Hut, these include: 1) ramp-up of the WOW stores (capex is now 50% lower vs a regular store), 2) new menu (more value-for-money products with solid profit margin, this strategy is well-proven, as sales of Pizza priced under RMB 50 continued to surge), and 3) product category expansion (e.g. products like burger, pasta and rice). However, we have also underestimated some negative factors like higher franchised store openings mix, higher small sized store mix and more store closures, and hence we have cut our FY25E-27E net profit forecasts by 5% to 14%.
- **Maintain BUY but trim TP to HK\$ 418.25, based on 20x FY25E P/E (cut from 22x), vs 5-year average of 25x.** We cut FY25E/ 26E/ 27E net profit forecasts by 5%/ 8%/ 14% to factor in slower sales growth and less interest income (despite a higher GP margin). The stock is trading at 17.5x FY25E P/E, not particularly attractive, but we still maintain BUY, just because of the massive capital return program (around 9% of market cap).

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	10,978	11,303	11,623	12,160	12,851
YoY growth (%)	14.7	3.0	2.8	4.6	5.7
Operating profit (US\$ mn)	1,106.0	1,162.0	1,279.5	1,387.4	1,534.8
Net profit (US\$ mn)	827.0	911.0	931.5	989.4	1,080.1
EPS (Reported) (US\$)	1.97	2.34	2.68	2.83	3.09
YoY growth (%)	89.3	18.6	14.6	5.6	9.2
P/E (x)	23.7	20.0	17.5	16.5	15.2
P/B (x)	2.8	2.5	2.7	2.8	3.0
Yield (%)	1.1	1.5	2.0	2.1	2.3
ROE (%)	11.6	13.5	14.9	16.8	19.4

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price **HK\$418.25**

(Previous TP) **HK\$484.83**

Up/Downside **15.3%**

Current Price **HK\$362.60**

China Consumer Discretionary

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Stock Data

Mkt Cap (HK\$ mn)	125,459.6
Avg 3 mths t/o (HK\$ mn)	249.9
52w High/Low (HK\$)	419.20/228.40
Total Issued Shares (mn)	346.0

Source: FactSet

Shareholding Structure

JPMorgan Chase & Co.	11.2%
BlackRock	4.9%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-10.5%	-6.4%
3-mth	2.7%	-6.1%
6-mth	3.7%	-4.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

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- **FY25E new store openings target remain unchanged, but again, we have turned more conservative.** Management is still targeting 1,600 to 1,800 net new stores in FY25E, but we have revised down our numbers in model (from 1,800+ to around 1,700), after the slower opening pace and store closures in 1Q25. Moreover, we have also changed our assumptions for direct-operated/ franchised stores (franchised stores accounted for 41%/ 33% of new stores in 1Q25, vs guidance of 40%+/ 20%+ in FY25E). Management has revised up the total number of K-Coffee stores to 1,500 in FY25E (from 1,300), as the growth is still very impressive (coffee product sales grew by 20%+ and boost to SSSG was at around LSD). Star products like Soda espresso were still very hot-selling and the Company has also rolled out some more premium products (priced at RMB 12.9) and even tea drink products.
- **1Q25 sales missed while net profit was inline.** In 1Q25, sales increased by 1% YoY to US\$ 3.0bn, missing BBG/ CMBI est. by 4%/ 5%, likely due to: 1) 1 calendar day less vs last year, 2) more temporary store closures than last year and 3) higher-than-expected franchised store opened (esp. for Pizza Hut). Noted that the SSSG was flattish and inline with CMBI est.. Net profit increased by 2% YoY to US\$ 292mn in 1Q25, only 2%/ 3% less than BBG/ CMBI est.. Therefore, we can tell the profitability was, in fact, still rather decent. OP margin was at 13.4% (vs CMBI est. of 13.3%) in 1Q25, improved from 12.6% in 1Q24, and this is slightly ahead of company guidance of flattish or a slight increase. Restaurant level OP margin was at 18.6% (21.1%/ 16.0% for KFC/ Pizza Hut), improved by 1ppt, vs 17.6% last year (20.6%/ 13.6% for KFC/ Pizza Hut). This was a result of: 1) better-than-expected GP margin (at 70.7%, ahead of CMBI est. of 70.0%), thanks to the favorable commodity prices, benefits yield from the Project Redeye and the delay in promotion and menu upgrades for Pizza Hut, 2) higher-than-expected labour costs, due to higher rider costs and delivery fees (as dine-in was weak but the delivery sales growth was strong) and 3) higher-than-expected admin costs, perhaps due to higher store closures and the associated impairments.

Earnings revision

Figure 1: Earnings revision

US\$ mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	11,623	12,160	12,851	12,144	12,930	14,072	-4.3%	-6.0%	-8.7%
Gross profit	8,193	8,598	9,110	8,539	9,098	9,911	-4.0%	-5.5%	-8.1%
EBIT	1,279	1,387	1,535	1,322	1,425	1,624	-3.2%	-2.6%	-5.5%
Net profit att.	931	989	1,080	982	1,079	1,251	-5.1%	-8.3%	-13.7%
Diluted EPS (USD)	2.677	2.827	3.086	2.821	3.082	3.574	-5.1%	-8.3%	-13.7%
Gross margin	70.5%	70.7%	70.9%	70.3%	70.4%	70.4%	0.2ppt	0.3ppt	0.5ppt
EBIT margin	11.0%	11.4%	11.9%	10.9%	11.0%	11.5%	0.1ppt	0.4ppt	0.4ppt
Net profit att. margin	8.0%	8.1%	8.4%	8.1%	8.3%	8.9%	-0.1ppt	-0.2ppt	-0.5ppt

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

US\$ mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	11,623	12,160	12,851	11,894	12,673	13,560	-2.3%	-4.0%	-5.2%
Gross profit	8,193	8,598	9,110	8,306	8,627	9,225	-1.4%	-0.3%	-1.2%
EBIT	1,279	1,387	1,535	1,305	1,437	1,583	-2.0%	-3.5%	-3.0%
Net profit att.	931	989	1,080	961	1,034	1,135	-3.1%	-4.4%	-4.9%
Diluted EPS (USD)	2.677	2.827	3.086	2.565	2.906	3.270	4.4%	-2.7%	-5.6%
Gross margin	70.5%	70.7%	70.9%	69.8%	68.1%	68.0%	0.7ppt	2.6ppt	2.9ppt
EBIT margin	11.0%	11.4%	11.9%	11.0%	11.3%	11.7%	0ppt	0.1ppt	0.3ppt
Net profit att. margin	8.0%	8.1%	8.4%	8.1%	8.2%	8.4%	-0.1ppt	0ppt	0ppt

Source: Bloomberg, CMBIGM estimates

Results review

Figure 3: Results review – Quarterly

Half yearly (RMB mn)	3Q24	4Q24	1Q25	2Q25E	3Q25E	4Q25E	1Q25E YoY	2Q25E YoY	3Q25 E YoY	4Q25 E YoY	1Q25E CMBI	Actual vs CMBI
Revenue	3,071	2,595	2,981	2,795	3,162	2,685	1%	4%	3%	3%	3,133	-5%
Food and paper	-918	-776	-874	-816	-939	-800					-940	
Gross profit	2,153	1,819	2,107	1,979	2,223	1,885	2%	5%	3%	4%	2,193	-4%
GP margins	70.1%	70.1%	70.7%	70.8%	70.3%	70.2%					70.0%	
Other income & gains	0	0	0	0	0	1					0	#DIV/0!
Payroll & benefits	-728	-685	-719	-699	-752	-718	2%	5%	3%	5%	-743	-3%
Payroll & benefits/ sales	-23.7%	-26.4%	-24.1%	-25.0%	-23.8%	-26.8%					-23.7%	
Rent & other opex	-755	-672	-688	-702	-771	-690	-1%	4%	2%	3%	-733	-6%
Rent & other opex/ sales	-24.6%	-25.9%	-23.1%	-25.1%	-24.4%	-25.7%					-23.4%	
Admin expenses	-259	-262	-266	-235	-256	-258	5%	0%	-1%	-1%	-260	2%
Admin exp / sales	-8.4%	-10.1%	-8.9%	-8.4%	-8.1%	-9.6%					-8.3%	
Other opex	-40	-49	-35	-39	-41	-45					-41	
Operating profit (EBIT)	371	151	399	305	402	174	7%	15%	8%	15%	417	-4%
OP margins	12.1%	5.8%	13.4%	10.9%	12.7%	6.5%					13.3%	
Investment gain (loss)	36	-12	7	-6	-6	-7					-6	
Net finance income	31	29	26	28	32	0					25	4%
Net finance income / sales	1.0%	1.1%	0.9%	1.0%	1.0%	0.0%					0.8%	
Profit after financing costs	438	168	432	327	427	168					436	
Associated coms	0	0	0	0	0	0					0	
Jointly controlled coms	0	0	0	0	0	0					0	
Pre-tax profit	438	168	432	327	427	168	3%	7%	-3%	0%	436	-1%
Tax	-119	-42	-119	-82	-111	-40					-118	
Tax / sales	-3.9%	-1.6%	-4.0%	-2.9%	-3.5%	-1.5%					-3.8%	
Effective tax rate	-27.2%	-25.0%	-27.5%	-25.0%	-26.0%	-24.0%					-27.0%	
Minority interests	22	11	21	17	20	11					17	21%
Net profit att.	297	115	292	228	295	116	2%	8%	-1%	1%	301	-3%
NP margins	9.7%	4.4%	9.8%	8.2%	9.3%	4.3%					9.6%	

Source: Company data, CMBIGM estimates

Assumptions

Figure 4: CMBIGM's assumptions

Major assumptions	FY23A	FY24A	FY25E	FY26E	FY27E
Sales by segment (US\$ mn)					
KFC - dine in sales	5,278	5,129	4,925	4,901	5,030
KFC - delivery sales	2,962	3,380	3,820	4,201	4,580
PH - dine in sales	1,412	1,381	1,334	1,369	1,414
PH- delivery sales	834	879	985	1,074	1,159
Others	492	534	559	615	668
Total	10,978	11,303	11,623	12,160	12,851
Sales by segment growth (%)					
KFC - dine in sales	18.4%	-2.8%	-4.0%	-0.5%	2.6%
KFC - delivery sales	7.2%	14.1%	13.0%	10.0%	9.0%
PH - dine in sales	25.5%	-2.2%	-3.4%	2.6%	3.3%
PH- delivery sales	-0.1%	5.4%	12.0%	9.0%	8.0%
Others	26.2%	8.5%	4.7%	10.0%	8.6%
Total	14.7%	3.0%	2.8%	4.6%	5.7%
Sales network by brand					
KFC	10,296	11,648	13,048	14,498	16,048
Pizza Hut	3,312	3,724	4,124	4,524	4,924
Others	1,036	1,023	898	898	898
Total	14,644	16,395	18,070	19,920	21,870
Restaurant profit margin by brand					
KFC	17.5%	16.6%	16.8%	17.0%	17.4%
Pizza hut	11.7%	11.9%	12.3%	12.3%	12.4%
Others	-2.6%	-0.6%	0.5%	0.6%	0.8%
Total	16.3%	15.8%	16.0%	16.3%	16.7%
Costs breakdown					
Food and paper/ sales	29.4%	30.0%	29.5%	29.3%	29.1%
Payroll and employee benefits/ sales	24.8%	24.7%	24.9%	24.7%	24.5%
Rental and other operating expenses/ sales	25.1%	24.8%	24.5%	24.0%	23.6%
G & A expenses/ sales	5.8%	5.0%	4.7%	4.7%	4.7%
Franchisees expenses/ sales	3.2%	3.6%	3.6%	4.0%	4.2%
Effective tax rate	26.5%	26.4%	26.0%	26.0%	26.0%
NP att. margin	7.5%	8.1%	8.0%	8.1%	8.4%
NP att. growth (%)	87.1%	10.2%	2.2%	6.2%	9.2%

Source: Company data, CMBIGM estimates

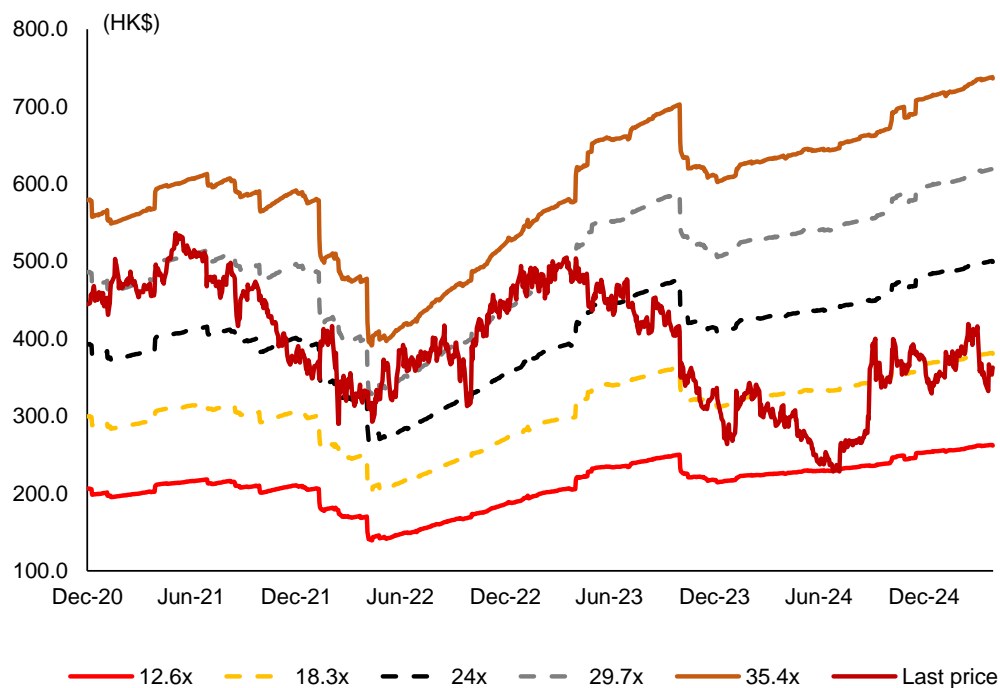
Valuation

Figure 5: Peers valuation table

			12m TP	Price	Up/ Down-	Mkt. Cap	Year	P/E (x)		P/B (x)	ROE (%)	3yrs PEG (x)	Yield (%)	YTD perf. (%)
Company	Ticker	Rating	(LC)	(LC)	side	(HK\$mn)	End	FY1E	FY2E	FY2E	FY0	FY1E	FY1E	FY1E
Leading Greater China Catering														
Yum China	9987 HK	BUY	418.25	362.60	15%	135,630	Dec-24	17.3	16.4	2.8	13.5	1.8	2.0	(3.1)
Jiumaojiu	9922 HK	HOLD	2.56	2.53	1%	3,536	Dec-24	19.4	13.1	1.0	1.7	0.3	2.8	(26.2)
Haidilao	6862 HK	BUY	20.20	17.62	15%	98,214	Dec-24	17.3	15.7	5.4	42.9	1.9	5.0	10.8
DPC Dash	1405 HK	BUY	118.57	98.55	20%	12,896	Dec-24	80.1	46.7	4.7	2.5	0.9	0.0	26.3
Nayuki	2150 HK	BUY	3.43	1.13	204%	1,927	Dec-24	n/a	36.5	0.5	(21.0)	n/a	0.0	(16.9)
Luckin Coffee	LKNCY US	BUY	40.61	33.44	21%	73,476	Dec-24	153.9	59.8	7.0	34.7	(11.0)	0.1	30.3
Mixue Group	2097 HK	NR	n/a	488.00	n/a	185,254	Dec-24	33.2	28.0	6.4	34.8	2.2	0.9	n/a
Guming	1364 HK	NR	n/a	24.50	n/a	58,266	Dec-24	27.7	23.2	9.0	111.6	1.7	4.1	n/a
Baicha Baidao	2555 HK	NR	n/a	8.72	n/a	12,885	Dec-24	17.0	14.3	3.0	20.0	0.7	5.3	(19.9)
Helens	9869 HK	NR	n/a	1.67	n/a	2,113	Dec-24	10.2	9.8	2.7	(5.3)	(0.0)	11.5	(34.3)
Tam Jai	2217 HK	NR	n/a	1.47	n/a	1,980	Mar-24	n/a	n/a	1.2	7.8	n/a	n/a	88.5
Cafe De Coral	341 HK	BUY	9.30	7.13	30%	4,135	Mar-24	15.0	13.5	1.4	9.8	10.4	7.1	(8.7)
Xiabuxiabu	520 HK	BUY	4.89	0.73	570%	793	Dec-24	n/a	n/a	1.7	(40.6)	n/a	4.4	(27.0)
Yihai	1579 HK	NR	n/a	13.40	n/a	13,892	Dec-24	14.8	13.3	2.4	15.8	1.5	5.9	(11.1)
Gourmet Master	2723 TT	NR	n/a	91.90	n/a	4,000	Dec-24	17.3	13.3	1.4	5.3	0.6	4.8	(5.1)
Avg.								35.3	23.4	3.4	15.6	0.9	3.9	0.3
Med.								17.3	15.7	2.7	9.8	1.2	4.3	(8.7)
International Catering														
Yum! Brands	YUM US	NR	n/a	148.06	n/a	319,866	Dec-24	24.6	22.1	n/a	n/a	2.0	1.9	10.4
Mcdonald's	MCD US	NR	n/a	315.66	n/a	1,750,953	Dec-24	25.6	23.7	n/a	n/a	3.0	2.3	8.9
Starbucks Corp	SBUX US	NR	n/a	81.05	n/a	714,479	Sep-24	31.7	25.8	n/a	n/a	8.4	3.0	(11.2)
Rest' Brands	QSR US	NR	n/a	65.22	n/a	229,808	Dec-24	17.5	16.1	5.7	34.2	1.6	3.8	0.1
Chipotle	CMG US	NR	n/a	50.5	n/a	527,710	Dec-24	41.3	34.8	14.6	45.6	2.7	0.0	(16.3)
Darden	DRI US	NR	n/a	199.79	n/a	181,369	May-24	21.0	18.6	9.7	48.1	2.1	2.8	7.0
Domino's Pizza	DPZ US	NR	n/a	485.18	n/a	128,873	Dec-24	27.5	25.2	n/a	n/a	3.5	1.4	15.6
Wendy's Co	WEN US	NR	n/a	12.46	n/a	18,959	Dec-24	12.5	11.1	62.3	68.3	1.4	5.4	(23.6)
Shake Shack	SHAK US	NR	n/a	87.93	n/a	29,101	Dec-24	70.1	56.6	5.9	2.2	0.7	n/a	(32.3)
Wingstop Inc	WING US	NR	n/a	257.97	n/a	55,837	Dec-24	66.6	52.5	n/a	n/a	3.5	0.4	(9.2)
Jollibee Foods	JFC PM	NR	n/a	228.80	n/a	35,553	Dec-24	20.9	18.0	2.7	12.6	1.0	1.5	(14.9)
Avg.								32.7	27.7	16.8	35.2	2.7	2.3	(6.0)
Med.								25.6	23.7	7.8	39.9	2.1	2.1	(9.2)

Source: Bloomberg, Company data, CMBIGM estimates

Note: Data as of 1 May 2025

Figure 6: Forward 12M P/E valuation band

Source: Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Revenue	9,569	10,978	11,303	11,623	12,160	12,851
Cost of goods sold	(2,836)	(3,224)	(3,387)	(3,429)	(3,562)	(3,741)
Gross profit	6,733	7,754	7,916	8,193	8,598	9,110
Operating expenses	(6,010)	(6,648)	(6,755)	(6,915)	(7,212)	(7,576)
Selling expense	0	0	0	0	0	0
Admin expense	(704)	(779)	(729)	(707)	(739)	(781)
Staff costs	(2,389)	(2,725)	(2,787)	(2,888)	(3,008)	(3,146)
Other rental related expenses	(884)	(935)	(937)	(928)	(930)	(941)
Others	(1,431)	(1,756)	(1,683)	(1,731)	(1,830)	(1,945)
Operating profit	629	1,106	1,162	1,279	1,387	1,535
Other income	(94)	0	1	1	1	1
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
EBITDA	1,231	1,559	1,781	1,940	2,092	2,297
Depreciation	(582)	(423)	(558)	(617)	(688)	(756)
Other amortisation	(20)	(30)	(61)	(44)	(17)	(6)
Interest income	84	169	129	86	62	48
Interest expense	0	0	0	0	0	0
Net Interest income/(expense)	84	169	129	86	62	48
Other income/expense	(26)	(49)	40	(12)	(12)	(13)
Pre-tax profit	687	1,226	1,331	1,354	1,438	1,570
Income tax	(209)	(325)	(351)	(352)	(374)	(408)
After tax profit	478	901	980	1,002	1,064	1,162
Minority interest	(36)	(74)	(69)	(70)	(75)	(81)
Net profit	442	827	911	931	989	1,080

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Current assets	3,940	3,431	2,694	2,263	1,874	1,790
Cash & equivalents	1,130	1,128	723	270	(155)	(289)
Restricted cash	2,022	1,472	1,121	1,121	1,121	1,121
Account receivables	64	68	79	76	79	84
Inventories	417	424	405	420	436	458
Prepayment	307	339	366	376	394	416
Other current assets	0	0	0	0	0	0
Non-current assets	7,886	8,600	8,427	8,548	8,634	8,514
PP&E	2,118	2,310	2,407	2,546	2,649	2,535
Right-of-use assets	2,219	2,217	2,146	2,146	2,146	2,146
Investment in JVs & assos	266	332	368	368	368	368
Intangibles	159	150	144	100	84	77
Goodwill	1,988	1,932	1,880	1,906	1,906	1,906
Other non-current assets	1,136	1,659	1,482	1,482	1,482	1,482
Total assets	11,826	12,031	11,121	10,811	10,508	10,304
Current liabilities	2,166	2,422	2,283	2,319	2,377	2,453
Short-term borrowings	0	0	0	0	0	0
Account payables	727	786	766	786	816	857
Tax payable	68	90	76	76	76	76
Other current liabilities	1,371	1,546	1,441	1,457	1,485	1,520
Non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Long-term borrowings	0	0	0	0	0	0
Other non-current liabilities	2,500	2,490	2,411	2,411	2,411	2,411
Total liabilities	4,666	4,912	4,694	4,730	4,788	4,864
Share capital	4,291	4,095	3,639	3,639	3,639	3,639
Retained earnings	2,191	2,310	2,089	2,448	3,095	3,802
Other reserves	678	714	699	(7)	(1,014)	(2,001)
Total shareholders equity	7,160	7,119	6,427	6,081	5,720	5,440
Minority interest	0	0	0	0	0	0
Total equity and liabilities	11,826	12,031	11,121	10,811	10,508	10,304

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	687	1,226	1,331	1,354	1,438	1,570
Depreciation & amortization	602	453	619	660	704	763
Tax paid	(20)	(10)	(7)	(352)	(374)	(408)
Change in working capital	0	49	(43)	14	21	27
Others	144	(245)	(481)	(26)	0	0
Net cash from operations	1,413	1,473	1,419	1,651	1,789	1,952
Investing						
Capital expenditure	(679)	(710)	(705)	(755)	(790)	(643)
Acquisition of subsidiaries/ investments	(23)	(20)	0	0	0	0
Others	180	(13)	527	0	0	0
Net cash from investing	(522)	(743)	(178)	(755)	(790)	(643)
Financing						
Dividend paid	(202)	(216)	(248)	(248)	(324)	(342)
Net borrowings	2	164	(39)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Share repurchases	(466)	(613)	(1,249)	(1,100)	(1,100)	(1,100)
Others	(178)	(51)	(100)	0	0	0
Net cash from financing	(844)	(716)	(1,636)	(1,348)	(1,424)	(1,442)
Net change in cash						
Cash at the beginning of the year	1,136	1,130	1,128	723	270	(155)
Exchange difference	(53)	(16)	(10)	0	0	0
Others	47	14	(395)	(453)	(426)	(133)
Cash at the end of the year	1,130	1,128	723	270	(155)	(289)
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(2.9%)	14.7%	3.0%	2.8%	4.6%	5.7%
Gross profit	(4.4%)	15.2%	2.1%	3.5%	4.9%	5.9%
Operating profit	(54.6%)	75.8%	5.1%	10.1%	8.4%	10.6%
EBITDA	(35.3%)	26.6%	14.2%	8.9%	7.8%	9.8%
Net profit	(55.4%)	87.1%	10.2%	2.2%	6.2%	9.2%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	70.4%	70.6%	70.0%	70.5%	70.7%	70.9%
Operating margin	6.6%	10.1%	10.3%	11.0%	11.4%	11.9%
EBITDA margin	12.9%	14.2%	15.8%	16.7%	17.2%	17.9%
Return on equity (ROE)	5.9%	11.6%	13.5%	14.9%	16.8%	19.4%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	1.8	1.4	1.2	1.0	0.8	0.7
Receivable turnover days	2.5	2.2	2.4	2.4	2.4	2.4
Inventory turnover days	54.6	47.6	44.7	44.7	44.7	44.7
Payable turnover days	100.2	85.6	83.6	83.6	83.6	83.6
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	45.0	23.7	20.0	17.5	16.5	15.2
P/E (diluted)	45.0	23.7	20.0	17.5	16.5	15.2
P/B	2.6	2.8	2.5	2.7	2.8	3.0
P/CFPS	14.1	13.3	12.9	9.9	9.1	8.4
Div yield (%)	1.1	1.1	1.5	2.0	2.1	2.3

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

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