

# China Hongqiao (1378 HK)

## 2025 core profit in-line; Supply disruption to drive ASP in 2026E

Hongqiao's net profit came in at RMB22.6bn in 2025 (+1% YoY), which is 5%/7% below our estimate/Bloomberg consensus. Adjusted for the fair value loss of financial instrument (CB), the core net profit grew 8% YoY to RMB26.4bn (-18% YoY in 2H25 due to decline of alumina segment profit on high base effect), which is in-line with our estimate. Hongqiao proposed final dividends of HK\$1.65/share, representing ~66% payout ratio. We reiterate our view that Hongqiao is a key beneficiary of the tight global supply of aluminium this year (supply disruption in the Middle east + slow progress of new capacity construction in Indonesia). We estimate every 1% increase in aluminium price will boost 2026E earnings by ~2.3% (other factors being constant). Maintain **BUY** with unchanged TP of HK\$45, based on 11x 2026E P/E (equivalent to the historical average plus 2SD to reflect the supply constraint-driven upcycle).

- Aluminum alloy products (65% of revenue in 2025):** The segment revenue increased 3.6% YoY in 2025 to RMB106bn (sales volume -0.2% YoY to 5.82mn tonnes; ASP +3.8% to RMB18.2k/t). This, together with a 1.5% YoY decrease in unit cost, boosted the unit gross profit by 20% YoY to ~RMB5.2k/t.
- Alumina segment (24% of revenue):** The segment revenue increased 4% YoY in 2025 to RMB38.8bn (sales volume +23% YoY to 13.4mn tonnes; ASP -15% to RMB2.9k/t). Given that the segment unit cost increased by 2% YoY, the unit gross profit declined 47% YoY to RMB643/t (high base in 2024).
- Aluminum fabrication products (10% of revenue):** The segment revenue increased 7% YoY to RMB16.7bn (including RMB14.9bn from deep processed products sales and RMB1.7bn from other products). The segment gross margin contracted 6.3ppts YoY to 18%, due to higher sales growth of other products that carried lower margin.
- Continuous improvement of balance sheet.** Helped by strong operating cash inflow (RMB39bn, +15% YoY) and share placement in 2025, Hongqiao's net debt/equity ratio reduced to 11% by end-2025 (vs 22% by end-2024). We estimate the balance sheet will turn to net cash in 2026E, given the ASP-driven earnings growth acceleration.
- Key risks:** (1) unexpected removal of capacity cap in China; (2) faster-than-expected overseas capacity ramp-up; (3) slowdown of global economy; (4) sharp increases in input costs such as bauxite and coal.

### Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	156,169	162,354	168,188	163,056	159,500
YoY growth (%)	16.9	4.0	3.6	(3.1)	(2.2)
Adjusted net profit (RMB mn)	24,564.8	26,418.2	36,122.6	32,942.2	30,598.5
EPS (Adjusted) (RMB)	2.59	2.78	3.64	3.32	3.08
Consensus EPS (RMB)	na	na	3.09	3.14	na
P/E (x)	12.8	12.7	8.3	9.1	9.8
P/B (x)	2.7	2.3	2.0	1.8	1.7
Yield (%)	4.9	5.0	7.2	6.6	6.1
Net gearing (%)	24.4	11.4	(5.5)	(9.9)	(18.0)

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

Target Price	HK\$45.00
Up/Downside	30.4%
Current Price	HK\$34.50

### China Materials

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### Stock Data

Mkt Cap (HK\$ mn)	342,391.1
Avg 3 mths t/o (HK\$ mn)	1,458.2
52w High/Low (HK\$)	40.22/12.22
Total Issued Shares (mn)	9924.4

Source: FactSet

### Shareholding Structure

Shipping Trust Company (Zhang's family)	61.5%
CITIC Group	5.7%

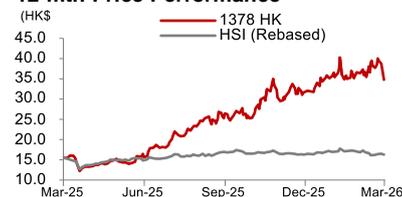
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-5.2%	-1.0%
3-mth	8.8%	10.6%
6-mth	30.4%	36.9%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related reports:

Production cut in Qatar to further increase supply risks; +ve to aluminium price – 4 Mar 2026 ([link](#))

Potential supply disruption in the Middle East will support the aluminium price – 2 Mar 2026 ([link](#))

Aluminium price to be fuelled by tight supply throughout 2026 – 4 Feb 2026 ([link](#))

China Hongqiao (1378 HK) - Raising earnings and TP on higher aluminium price – 4 Feb 2026 ([link](#))

## 2025 earnings review

Figure 1: 2025 results highlights

YE Dec 31 (RMB mn)	2024	2025	Change (YoY)	1H24	1H25	Change (YoY)	2H24	2H25	Change (YoY)
<b>Total revenue</b>	<b>156,169</b>	<b>162,354</b>	<b>4.0%</b>	<b>73,592</b>	<b>81,039</b>	<b>10.1%</b>	<b>82,576</b>	<b>81,315</b>	<b>-1.5%</b>
Cost of sales	-114,006	-120,848	6.0%	-55,790	-60,234	8.0%	-58,216	-60,615	4.1%
<b>Gross profit</b>	<b>42,163</b>	<b>41,505</b>	<b>-1.6%</b>	<b>17,802</b>	<b>20,805</b>	<b>16.9%</b>	<b>24,361</b>	<b>20,700</b>	<b>-15.0%</b>
Other income	2,632	2,058	-21.8%	1,712	1,362	-20.4%	920	696	-24.4%
S&D expenses	-661	-743	12.5%	-366	-354	-3.4%	-295	-389	32.2%
Administrative expenses	-4,993	-4,275	-14.4%	-2,454	-2,322	-5.4%	-2,539	-1,953	-23.1%
Other expenses	-2,899	-1,221	-57.9%	-596	-274	-54.0%	-2,302	-947	-58.9%
<b>EBIT</b>	<b>36,242</b>	<b>37,324</b>	<b>3.0%</b>	<b>16,097</b>	<b>19,217</b>	<b>19.4%</b>	<b>20,145</b>	<b>18,107</b>	<b>-10.1%</b>
Net finance income/(cost)	-3,011	-3,124	3.8%	-1,435	-1,154	-19.6%	-1,576	-1,970	25.0%
Finance income	353	359	1.9%	126	130	3.0%	226	229	1.3%
Finance expenses	-3,363	-3,483	3.6%	-1,561	-1,284	-17.7%	-1,802	-2,199	22.0%
Change in fair values	-2,192	-3,782	72.5%	-1,615	-2,105	30.4%	-578	-1,677	190.3%
Share of profit of JV and associates	1,758	2,629	49.5%	824	1,807	119.3%	935	822	-12.0%
<b>Pretax profit</b>	<b>32,797</b>	<b>33,046</b>	<b>0.8%</b>	<b>13,871</b>	<b>17,764</b>	<b>28.1%</b>	<b>18,926</b>	<b>15,282</b>	<b>-19.3%</b>
Income tax	-8,252	-8,893	7.8%	-3,863	-4,213	9.0%	-4,389	-4,680	6.6%
<b>After tax profit</b>	<b>24,546</b>	<b>24,154</b>	<b>-1.6%</b>	<b>10,008</b>	<b>13,551</b>	<b>35.4%</b>	<b>14,538</b>	<b>10,603</b>	<b>-27.1%</b>
MI & discontinued operation	-2,173	-1,518	-30.2%	-853	-1,190	39.5%	-1,320	-327	-75.2%
<b>Net profit</b>	<b>22,372</b>	<b>22,636</b>	<b>1.2%</b>	<b>9,155</b>	<b>12,361</b>	<b>35.0%</b>	<b>13,217</b>	<b>10,275</b>	<b>-22.3%</b>
<b>Recurring net profit</b>	<b>24,565</b>	<b>26,418</b>	<b>7.5%</b>	<b>10,542</b>	<b>14,923</b>	<b>41.6%</b>	<b>14,023</b>	<b>11,495</b>	<b>-18.0%</b>

Source: Company data, CMBIGM

Figure 2: Revenue and gross profit breakdown in 2025

(RMB mn)	2024	2025	Change (YoY)	1H24	1H25	Change (YoY)	2H24	2H25	Change (YoY)
<b>Revenue</b>									
Aluminum alloy products	102,434	106,096	3.6%	49,312	51,878	5.2%	53,122	54,218	2.1%
Alumina	37,352	38,834	4.0%	16,200	20,655	27.5%	21,152	18,179	-14.1%
Aluminum fabrication products	15,571	16,687	7.2%	7,582	8,074	6.5%	7,989	8,612	7.8%
Steam	812	737	-9.3%	499	431	-13.5%	313	305	-2.5%
<b>Total</b>	<b>156,169</b>	<b>162,354</b>	<b>4.0%</b>	<b>73,592</b>	<b>81,039</b>	<b>10.1%</b>	<b>82,576</b>	<b>81,315</b>	<b>-1.5%</b>
<b>Gross profit</b>									
Aluminum alloy products	25,200	30,188	19.8%	12,142	13,092	7.8%	13,059	17,096	30.9%
Alumina	13,238	8,616	-34.9%	4,120	5,945	44.3%	9,118	2,671	-70.7%
Aluminum fabrication products	3,798	3,027	-20.3%	1,595	1,881	17.9%	2,204	1,146	-48.0%
Steam	-74	-325	338.3%	-55	-113	106.7%	-20	-212	984.5%
<b>Total</b>	<b>42,163</b>	<b>41,505</b>	<b>-1.6%</b>	<b>17,802</b>	<b>20,805</b>	<b>16.9%</b>	<b>24,361</b>	<b>20,700</b>	<b>-15.0%</b>
<b>Gross margin</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>			<b>Change (ppt)</b>
Aluminum alloy products	24.6%	28.5%	3.9	24.6%	25.2%	0.6	24.6%	31.5%	6.9
Alumina	35.4%	22.2%	(13.3)	25.4%	28.8%	3.4	43.1%	14.7%	(28.4)
Aluminum fabrication products	24.4%	18.1%	(6.3)	21.0%	23.3%	2.3	27.6%	13.3%	(14.3)
Steam	-9.1%	-44.1%	(35.0)	-10.9%	-26.2%	(15.2)	-6.3%	-69.6%	(63.3)
<b>Blended gross margin</b>	<b>27.0%</b>	<b>25.6%</b>	<b>(1.4)</b>	<b>24.2%</b>	<b>25.7%</b>	<b>1.5</b>	<b>29.5%</b>	<b>25.5%</b>	<b>(4.0)</b>

Source: Company data, CMBIGM

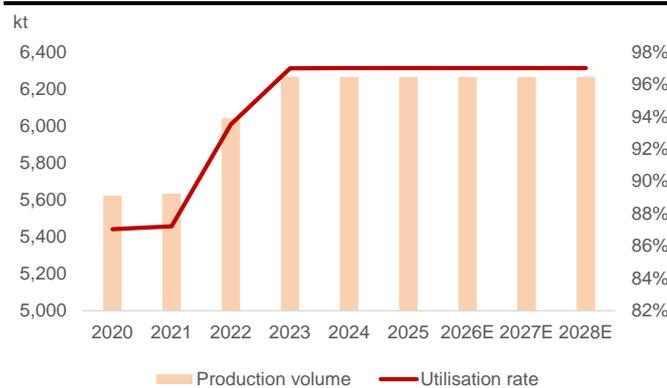
## Operating assumptions

Figure 3: Key operating assumptions

	2023	2024	2025	2026E	2027E	2028E
<b>Sales volume (000 tonnes)</b>						
Aluminum alloy products	5,748	5,837	5,824	5,889	5,889	5,889
Alumina	10,374	10,921	13,397	11,601	11,601	11,601
Aluminum fabrication products	580	766	798	649	662	675
<b>Change YoY</b>						
Aluminum alloy products	5.0%	1.5%	-0.2%	1.1%	0.0%	0.0%
Alumina	25.0%	5.3%	22.7%	-13.4%	0.0%	0.0%
Aluminum fabrication products	-4.8%	32.1%	4.2%	-18.7%	2.0%	2.0%
<b>ASP (RMB/t) ex-VAT</b>						
Aluminum alloy products	16,465	17,549	18,217	20,950	20,321	19,712
Alumina	2,560	3,420	2,899	2,522	2,396	2,396
Aluminum fabrication products	19,835	20,328	20,911	22,793	22,337	21,890
<b>Change YoY</b>						
Aluminum alloy products	-6.4%	6.6%	3.8%	15.0%	-3.0%	-3.0%
Alumina	-0.8%	33.6%	-15.2%	-13.0%	-5.0%	0.0%
Aluminum fabrication products	-9.2%	2.5%	2.9%	9.0%	-2.0%	-2.0%
<b>Unit cost (RMB/t)</b>						
Aluminum alloy products	-13,602	-13,232	-13,034	-12,790	-12,787	-12,802
Alumina	-2,275	-2,208	-2,256	-2,050	-2,050	-2,050
Aluminum fabrication products	-17,016	-15,369	-17,118	-17,550	-17,199	-16,855
<b>Change YoY</b>						
Aluminum alloy products	-10.6%	-2.7%	-1.5%	-1.9%	0.0%	0.1%
Alumina	4.1%	-2.9%	2.2%	-9.1%	0.0%	0.0%
Aluminum fabrication products	-5.1%	-9.7%	11.4%	2.5%	-2.0%	-2.0%
<b>Unit gross profit (RMB/t)</b>						
Aluminum alloy products	2,863	4,317	5,183	8,160	7,534	6,910
Alumina	285	1,212	643	472	346	346
Aluminum fabrication products	2,819	4,959	3,793	5,242	5,137	5,035
<b>Change YoY</b>						
Aluminum alloy products	20.8%	50.8%	20.1%	57.4%	-7.7%	-8.3%
Alumina	-27.6%	324.9%	-46.9%	-26.6%	-26.7%	0.0%
Aluminum fabrication products	-28.0%	75.9%	-23.5%	38.2%	-2.0%	-2.0%

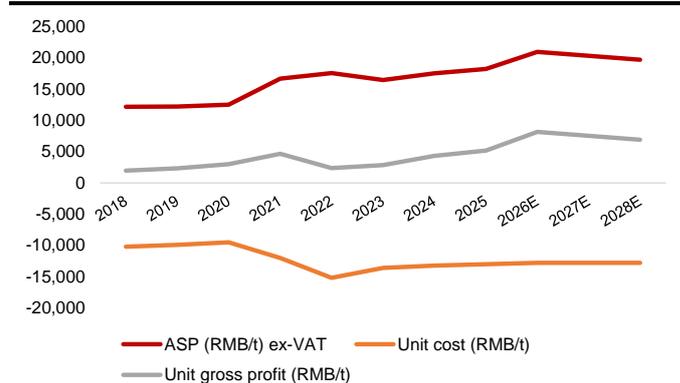
Source: Company data, CMBIGM estimates

Figure 4: Aluminium production volume, utilisation rates



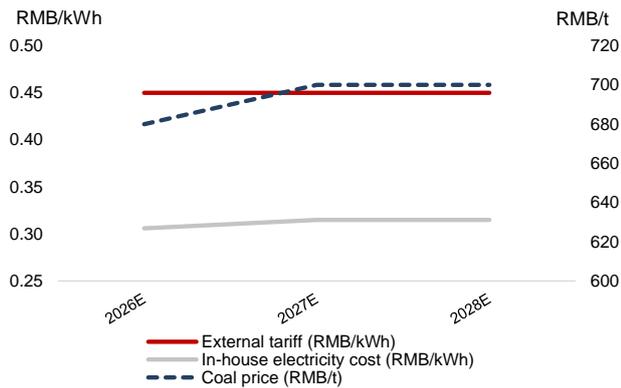
Source: Company data, CMBIGM estimates

Figure 5: Aluminum ASP, unit cost & margin



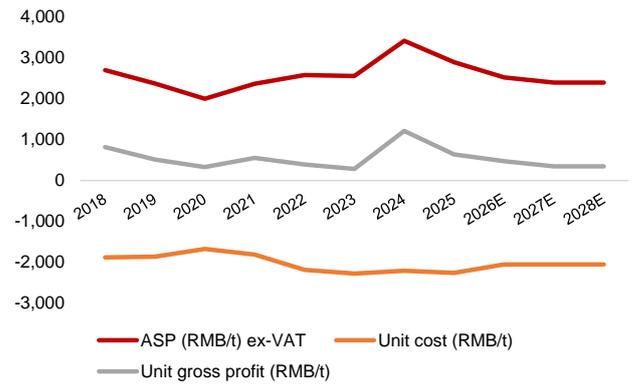
Source: Company data, CMBIGM estimates

Figure 6: Electricity and coal costs forecast



Source: Company data, CMBIGM estimates

Figure 7: Alumina ASP, unit cost &amp; margin



Source: Company data, CMBIGM estimates

## Earnings sensitivity

Figure 8: Earnings sensitivity (annualized) to 5% change in aluminium ASP &amp; coal cost

2026E net profit (RMB mn)		Al ASP (RMB/t)					
		18,855	19,902	<b>20,950</b>	21,997	23,045	
Coal cost	612	28,736	32,980	37,223	41,467	45,710	
	646	28,186	32,430	36,673	40,916	45,160	
	<b>680</b>	27,636	31,879	<b>36,123</b>	40,366	44,609	
	RMB/t	714	27,086	31,329	35,572	39,816	44,059
		748	26,535	30,779	35,022	39,265	43,509

Source: CMBIGM estimates

Figure 9: Earnings sensitivity (annualized) to 5% change in aluminium ASP &amp; external tariff

2026E net profit (RMB mn)		Al ASP (RMB/t)					
		18,855	19,902	<b>20,950</b>	21,997	23,045	
External tariff	0.41	28,917	33,161	37,404	41,647	45,891	
	0.43	28,277	32,520	36,763	41,007	45,250	
	<b>0.45</b>	27,636	31,879	<b>36,123</b>	40,366	44,609	
	RMB/kWh	0.47	26,995	31,238	35,482	39,725	43,969
		0.50	26,354	30,598	34,841	39,084	43,328

Source: CMBIGM estimates

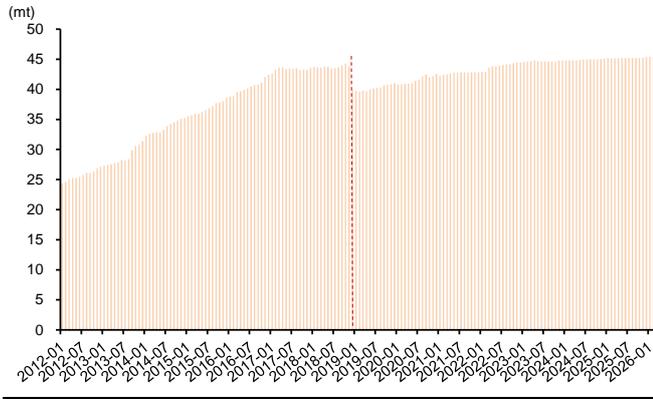
Figure 10: Earnings sensitivity (annualized) to 5% change in alumina ASP &amp; bauxite cost

2026E net profit (RMB mn)		Alumina ASP (RMB/t)					
		2,270	2,396	<b>2,522</b>	2,648	2,774	
Bauxite	450	36,341	36,953	37,564	38,176	38,788	
	475	35,620	36,232	36,844	37,455	38,067	
	<b>500</b>	34,899	35,511	<b>36,123</b>	36,734	37,346	
	RMB/t	525	34,178	34,790	35,402	36,013	36,625
		550	33,457	34,069	34,681	35,292	35,904

Source: CMBIGM estimates

## Industry trend

**Figure 11: China aluminium annual capacity**



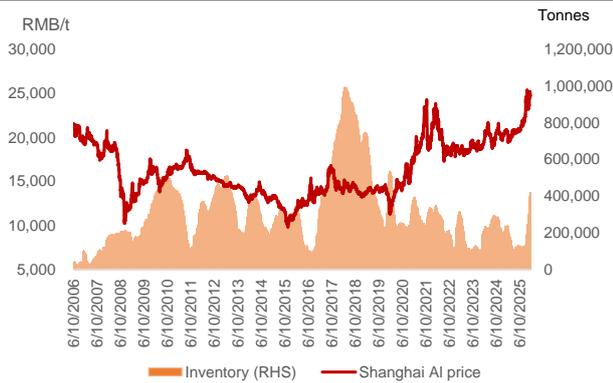
Source: Wind, CMBIGM

**Figure 12: China aluminium capacity utilisation rate**



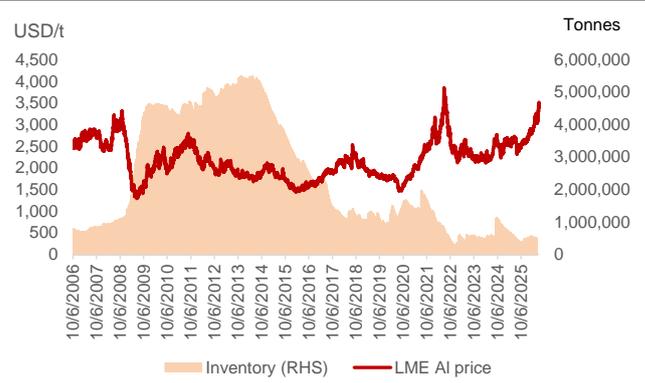
Source: Wind, CMBIGM

**Figure 13: Shanghai aluminum price and inventory**



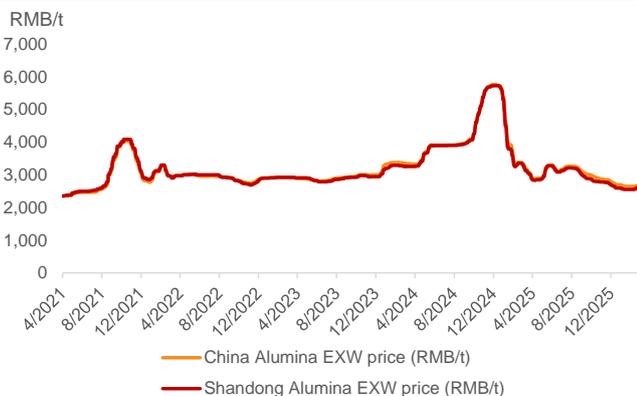
Source: Bloomberg, CMBIGM

**Figure 14: LME aluminum price and inventory**



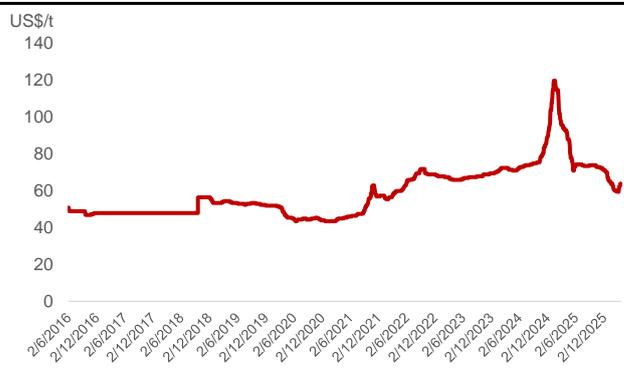
Source: Bloomberg, CMBIGM

**Figure 15: Alumina EXW price in China**



Source: Wind, CMBIGM

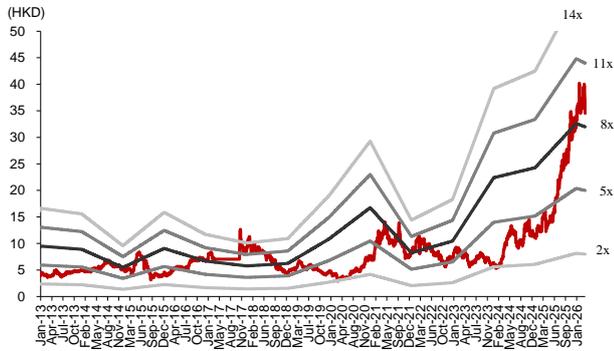
**Figure 16: Import price of bauxite from Guinea to China (CIF)**



Source: Bloomberg, CMBIGM

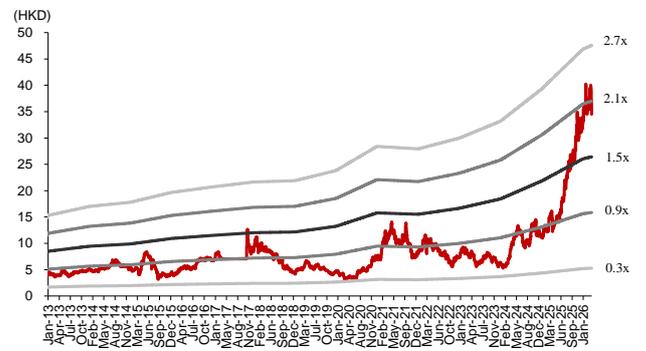
## Valuation

**Figure 17: Hongqiao's 12M forward P/E band**



Source: Bloomberg, company data, CMBIGM estimates

**Figure 18: Hongqiao's 12M forward P/B band**



Source: Bloomberg, company data, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
<b>YE 31 Dec (RMB mn)</b>						
<b>Revenue</b>	<b>133,624</b>	<b>156,169</b>	<b>162,354</b>	<b>168,188</b>	<b>163,056</b>	<b>159,500</b>
Cost of goods sold	(112,669)	(114,006)	(120,848)	(111,372)	(111,356)	(111,482)
<b>Gross profit</b>	<b>20,955</b>	<b>42,163</b>	<b>41,505</b>	<b>56,816</b>	<b>51,700</b>	<b>48,018</b>
Selling expense	(755)	(661)	(743)	(673)	(652)	(638)
Admin expense	(4,953)	(4,993)	(4,275)	(5,046)	(4,892)	(4,785)
R&D expense	(945)	(2,899)	(1,221)	(841)	(815)	(798)
Other income	3,405	2,632	2,058	3,027	2,935	2,871
Other gains/(losses)	(49)	(2,192)	(3,782)	0	0	0
Share of (losses)/profits of associates/JV	1,193	1,758	2,629	1,436	1,763	1,919
<b>EBITDA</b>	<b>24,619</b>	<b>42,479</b>	<b>43,791</b>	<b>60,029</b>	<b>55,223</b>	<b>51,816</b>
Depreciation	6,912	6,237	6,468	6,745	6,947	7,148
<b>EBIT</b>	<b>17,707</b>	<b>36,242</b>	<b>37,324</b>	<b>53,284</b>	<b>48,276</b>	<b>44,668</b>
Interest income	308	353	359	782	914	1,010
Interest expense	(3,268)	(3,363)	(3,483)	(3,949)	(3,939)	(3,930)
<b>Net Interest income/(expense)</b>	<b>(2,960)</b>	<b>(3,011)</b>	<b>(3,124)</b>	<b>(3,167)</b>	<b>(3,026)</b>	<b>(2,919)</b>
<b>Pre-tax profit</b>	<b>15,890</b>	<b>32,797</b>	<b>33,046</b>	<b>51,552</b>	<b>47,013</b>	<b>43,668</b>
Income tax	(3,393)	(8,252)	(8,893)	(11,857)	(10,813)	(10,044)
Minority interest	(1,037)	(2,173)	(1,518)	(3,573)	(3,258)	(3,026)
<b>Adjusted net profit</b>	<b>11,461</b>	<b>24,565</b>	<b>26,418</b>	<b>36,123</b>	<b>32,942</b>	<b>30,599</b>
Gross dividends	5,411	14,094	15,035	21,674	19,765	18,359
<b>BALANCE SHEET</b>						
<b>YE 31 Dec (RMB mn)</b>						
<b>Current assets</b>	<b>87,395</b>	<b>109,825</b>	<b>114,567</b>	<b>138,185</b>	<b>145,813</b>	<b>160,583</b>
Cash & equivalents	31,721	44,770	51,187	74,570	82,197	97,356
Account receivables	5,489	9,774	8,894	4,929	9,366	4,618
Inventories	33,958	37,344	36,636	34,154	36,625	34,235
ST bank deposits	1,827	2,797	6,328	6,328	6,328	6,328
Other current assets	14,400	15,139	11,522	18,203	11,297	18,047
<b>Non-current assets</b>	<b>112,925</b>	<b>119,340</b>	<b>130,812</b>	<b>135,518</b>	<b>138,349</b>	<b>141,135</b>
PP&E	70,200	75,393	78,986	82,208	83,230	84,053
Deferred income tax	2,990	2,622	2,934	2,934	2,934	2,934
Investment in JVs & assos	11,034	13,222	18,423	19,858	21,621	23,541
Intangibles	43	45	58	62	65	65
Goodwill	278	278	198	198	198	198
Financial assets at FVTPL	13,127	12,233	12,593	12,593	12,593	12,593
Other non-current assets	15,253	15,546	17,620	17,664	17,708	17,752
<b>Total assets</b>	<b>200,320</b>	<b>229,165</b>	<b>245,379</b>	<b>273,703</b>	<b>284,162</b>	<b>301,718</b>
<b>Current liabilities</b>	<b>74,029</b>	<b>76,983</b>	<b>54,089</b>	<b>57,753</b>	<b>53,685</b>	<b>57,382</b>
Short-term borrowings	49,118	45,104	26,893	26,693	26,493	26,293
Account payables	11,648	14,931	11,189	15,052	11,185	15,082
Tax payable	2,586	3,674	2,251	2,251	2,251	2,251
Other current liabilities	10,677	13,274	13,757	13,757	13,757	13,757
<b>Non-current liabilities</b>	<b>20,035</b>	<b>33,569</b>	<b>49,579</b>	<b>49,579</b>	<b>49,579</b>	<b>49,579</b>
Long-term borrowings	13,792	25,781	44,381	44,381	44,381	44,381
Other non-current liabilities	6,243	7,788	5,198	5,198	5,198	5,198
<b>Total liabilities</b>	<b>94,064</b>	<b>110,552</b>	<b>103,669</b>	<b>107,332</b>	<b>103,265</b>	<b>106,962</b>
<b>Total shareholders equity</b>	<b>92,245</b>	<b>107,800</b>	<b>132,593</b>	<b>153,681</b>	<b>164,949</b>	<b>175,782</b>
Minority interest	14,012	10,814	9,117	12,690	15,948	18,974
<b>Total equity and liabilities</b>	<b>200,320</b>	<b>229,165</b>	<b>245,379</b>	<b>273,703</b>	<b>284,162</b>	<b>301,718</b>

<b>CASH FLOW</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	15,890	32,797	33,046	51,552	47,013	43,668
Depreciation & amortization	6,912	6,237	6,468	6,745	6,947	7,148
Tax paid	(1,686)	(6,367)	(8,893)	(11,857)	(10,813)	(10,044)
Change in working capital	(983)	(4,459)	4,103	3,629	(3,869)	4,286
Others	11,647	37,386	31,368	53,036	54,749	42,278
<b>Net cash from operations</b>	<b>22,402</b>	<b>33,983</b>	<b>38,995</b>	<b>51,800</b>	<b>40,541</b>	<b>46,059</b>
<b>Investing</b>						
Capital expenditure	(5,662)	(12,311)	(10,121)	(10,000)	(8,000)	(8,000)
Acquisition of subsidiaries/ investments	(3,700)	(2,884)	(2,572)	0	0	0
Others	(8,526)	2,638	(9,802)	767	899	995
<b>Net cash from investing</b>	<b>(17,889)</b>	<b>(12,557)</b>	<b>(22,494)</b>	<b>(9,233)</b>	<b>(7,101)</b>	<b>(7,005)</b>
<b>Financing</b>						
Dividend paid	(3,786)	(7,659)	(8,933)	(15,035)	(21,674)	(19,765)
Net borrowings	3,240	7,975	389	(200)	(200)	(200)
Proceeds from share issues	0	0	4,867	0	0	0
Others	347	(8,747)	(6,460)	(3,949)	(3,939)	(3,930)
<b>Net cash from financing</b>	<b>(200)</b>	<b>(8,431)</b>	<b>(10,136)</b>	<b>(19,184)</b>	<b>(25,813)</b>	<b>(23,895)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	27,385	31,721	44,770	51,187	74,570	82,197
Exchange difference	22	54	52	0	0	0
<b>Cash at the end of the year</b>	<b>31,721</b>	<b>44,770</b>	<b>51,187</b>	<b>74,570</b>	<b>82,197</b>	<b>97,356</b>
<b>GROWTH</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
Revenue	1.5%	16.9%	4.0%	3.6%	(3.1%)	(2.2%)
Gross profit	14.9%	101.2%	(1.6%)	36.9%	(9.0%)	(7.1%)
EBITDA	12.7%	72.5%	3.1%	37.1%	(8.0%)	(6.2%)
EBIT	17.1%	104.7%	3.0%	42.8%	(9.4%)	(7.5%)
Adj. net profit	31.7%	114.3%	7.5%	36.7%	(8.8%)	(7.1%)
<b>PROFITABILITY</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
Gross profit margin	15.7%	27.0%	25.6%	33.8%	31.7%	30.1%
EBITDA margin	18.4%	27.2%	27.0%	35.7%	33.9%	32.5%
Adj. net profit margin	8.6%	15.7%	16.3%	21.5%	20.2%	19.2%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	0.3	0.2	0.1	(0.1)	(0.1)	(0.2)
Current ratio (x)	1.2	1.4	2.1	2.4	2.7	2.8
Receivable turnover days	13.8	17.8	21.0	15.0	16.0	16.0
Inventory turnover days	115.4	114.1	111.7	116.0	116.0	116.0
Payable turnover days	43.0	42.5	39.4	43.0	43.0	43.0
<b>VALUATION</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
P/E	25.1	12.8	12.7	8.3	9.1	9.8
P/B	3.1	2.7	2.3	2.0	1.8	1.7
Div yield (%)	1.9	4.9	5.0	7.2	6.6	6.1

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

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