

# Weichai Power (2338 HK/000338 CH)

## 2025 earnings below expectations, but structural transition story still intact

Weichai's net profit in 2025 surprisingly dropped 4% YoY to RMB10.9bn, which is 12% below our and Bloomberg consensus estimates. The results imply 32% YoY decline in 4Q25 profit (to RMB2bn). The profit decline in 4Q25 was due to a 3.9ppt gross margin contraction, which was largely related to the engine segment. Despite the weak results, we remain positive on Weichai's structural transition to a power play (14% of engines sold were related to power in 2025, up from 12% in 2024). We revise up our 2027E earnings forecast by 3.5%, due to higher assumptions on engines sales volume and HDT margin. We revise up our SOTP-based TP for Weichai H/A to HK\$30.5/RMB28.7, as we now apply 11x EV/EBITDA (peak cycle valuation; previously 7x) for the core business in order to reflect the strong growth of large-bore engines (including AIDC backup power engine which is on track to penetrate into the US market). Maintain **BUY**. We see any share price pullback as buying opportunities.

- **Total engine sales were largely stable but large-bore engines were strong in 2025.** Weichai's total engine sales slightly increased 1% YoY to 743k units in 2025 (+14% YoY in 2H25). Exports of 75k units, which grew 9% YoY, accounted for 10% of total engines sales in 2025. Large-bore engines grew 32% YoY to 11k units, of which engines for data centres surged 2.6x YoY (to 1.4k units based on our estimates). Power related engine sales volume grew 15% YoY to 104k units, which accounted for 14% of total engine sales.
- **Engine EBIT dropped 8% YoY in 2H25.** The segment revenue in 2H25 grew 17% YoY at RMB31.6bn. However, the segment margin contracted 3.7ppt YoY to RMB5bn in 2H25. This is a key reason for the earnings miss, in our view.
- **Strong HDT segment EBIT.** Weichai delivered 153k units of HDTs in 2025, up 30% YoY (+45% YoY in 2H25). Sales in China surged 59% YoY to 94k units, while exports were stable YoY at 59k units. The segment EBIT surged 1.5x YoY to RMB1.4bn, with segment margin sharply expanding 1.1ppt YoY to 2% in 2025.
- **Forklifts & supply chain solution (KION Group) EBIT on track to recover.** The segment EBIT in 2H25 dropped only 6% YoY, a sharp improvement from -67% YoY in 1H25, as the high expenses related to KION's "efficiency program" were largely recognized in 1H25. KION guided that the adjusted EBIT in 2026E will increase by 8-32%.
- **Dividend:** Weichai proposed a final dividend of RMB0.374/shr. This, together with an interim dividend of RMB0.358/shr, implies a full-year payout ratio of 58%, up from 55% in 2024.

### Earnings Summary - 2338 HK

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	215,691	231,809	248,689	259,355	271,204
YoY growth (%)	0.8	7.5	7.3	4.3	4.6
Adjusted net profit (RMB mn)	11,403.3	10,930.8	14,108.9	15,447.6	16,890.0
EPS (Reported) (RMB)	1.31	1.25	1.62	1.77	1.94
YoY growth (%)	25.4	(4.1)	29.1	9.5	9.3
Consensus EPS (RMB)	na	na	1.65	1.86	0.00
P/E (x)	18.0	18.8	14.6	13.3	12.2
P/B (x)	2.4	2.2	2.0	1.9	1.8
Yield (%)	3.0	3.1	3.8	4.1	4.5
Net gearing (%)	(38.8)	(37.1)	(42.5)	(58.2)	(74.4)

Source: Company data, Bloomberg, CMBIGM estimates

2338 HK 000338 CH

BUY BUY

Maintain Maintain

TP	HK\$30.50	RMB28.70
Prior TP	HK\$21.90	RMB22.30
Up/Downside	14.1%	20.7%
Current Price	HK\$26.7	RMB23.8

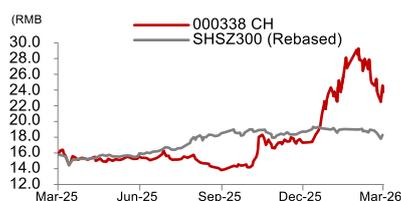
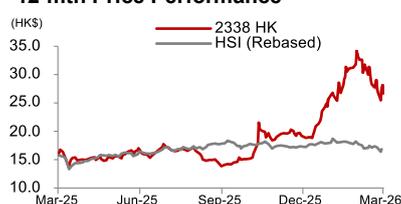
### China Capital Goods

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### 12-mth Price Performance



Source: FactSet

### Stock Performance

	2338 HK		000338 CH	
	Abs.	Rel.	Abs.	Rel.
1-mth	-19.9%	-14.9%	-18.6%	-16.5%
3-mth	39.2%	44.6%	35.5%	42.8%
6-mth	93.6%	103.5%	72.7%	94.2%

Source: FactSet

### Stock Data

(LC)	2338 HK	000338 CH
Mkt Cap (mn)	51676.48	161085.7
Avg 3 mths t/o (mn)	593.76	3294.69
52w High	34.14	29.22
52w Low	13.6	13.77
Issued Shares (mn)	1934	6774

Source: FactSet

### Related reports:

Capital Goods - HDT sales +39% YoY in Jan on low base – 3 Feb 2026 ([link](#))

Weichai - Expect HDT engines growth to slow in 2026E; Eyes on backup power for data centres – 1 Dec 2025 ([link](#))

Capital Goods – Key themes in 2026; Focus on Mining equipment + Power for data centres + Replacement cycle – 1 Dec 2025 ([link](#))

**Figure 1: Weichai 4Q25 results**

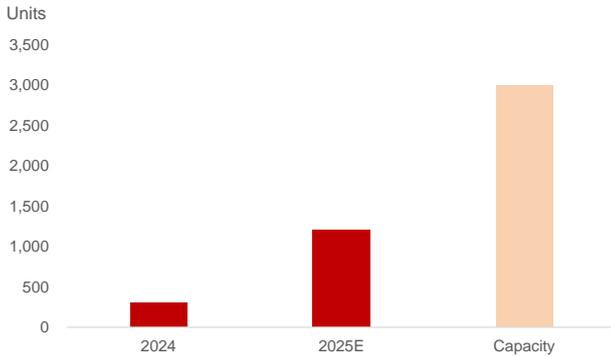
(RMB mn)	1Q24	1Q25	Chg (YoY)	2Q24	2Q25	Chg (YoY)	3Q24	3Q25	Chg (YoY)	4Q24	4Q25	Chg (YoY)
<b>Revenue</b>	<b>56,380</b>	<b>57,464</b>	<b>2%</b>	<b>56,110</b>	<b>55,688</b>	<b>-1%</b>	<b>49,464</b>	<b>57,419</b>	<b>16%</b>	<b>53,737</b>	<b>61,239</b>	<b>14%</b>
Cost of sales	(43,914)	(44,691)	2%	(44,109)	(43,364)	-2%	(38,523)	(45,145)	17%	(40,758)	(48,827)	20%
<b>Gross profit</b>	<b>12,466</b>	<b>12,773</b>	<b>2%</b>	<b>12,000</b>	<b>12,324</b>	<b>3%</b>	<b>10,941</b>	<b>12,274</b>	<b>12%</b>	<b>12,979</b>	<b>12,412</b>	<b>-4%</b>
Other income	323	362	12%	540	739	37%	617	260	-58%	888	562	-37%
Other gains and losses	211	(38)	n/a	188	(83)	n/a	139	147	5%	53	298	466%
S&D expenses	(3,272)	(3,237)	-1%	(2,856)	(3,390)	19%	(3,005)	(3,300)	10%	(3,353)	(3,695)	10%
Administrative expenses	(2,612)	(4,091)	57%	(2,483)	(2,690)	8%	(2,444)	(2,435)	0%	(2,720)	(2,785)	2%
R&D expenses	(2,091)	(2,040)	-2%	(2,211)	(2,096)	-5%	(1,904)	(2,040)	7%	(2,094)	(2,109)	1%
Taxes and surcharges	(229)	(190)	-17%	(144)	(211)	47%	(119)	(155)	30%	(215)	(286)	33%
Impairment loss of assets	(454)	(570)	26%	(293)	(535)	82%	(121)	253	n/a	(708)	(328)	-54%
<b>EBIT</b>	<b>4,343</b>	<b>2,971</b>	<b>-32%</b>	<b>4,742</b>	<b>4,058</b>	<b>-14%</b>	<b>4,104</b>	<b>5,004</b>	<b>22%</b>	<b>4,829</b>	<b>4,069</b>	<b>-16%</b>
Other expenses	(42)	(32)	-24%	(141)	(33)	-76%	(72)	(21)	-71%	(166)	(205)	23%
Net finance cost	(106)	208	n/a	75	261	248%	(357)	124	n/a	157	(139)	n/a
Share of profit of JV and associates	(18)	(17)	-4%	63	(25)	n/a	(32)	89	n/a	(58)	(97)	67%
<b>Pretax profit</b>	<b>4,177</b>	<b>3,129</b>	<b>-25%</b>	<b>4,739</b>	<b>4,261</b>	<b>-10%</b>	<b>3,643</b>	<b>5,196</b>	<b>43%</b>	<b>4,762</b>	<b>3,628</b>	<b>-24%</b>
Income tax	(832)	(308)	-63%	(710)	(519)	-27%	(675)	(907)	34%	(827)	(799)	-3%
<b>After tax profit</b>	<b>3,345</b>	<b>2,822</b>	<b>-16%</b>	<b>4,029</b>	<b>3,742</b>	<b>-7%</b>	<b>2,968</b>	<b>4,288</b>	<b>44%</b>	<b>3,936</b>	<b>2,829</b>	<b>-28%</b>
MI	(745)	(111)	-85%	(725)	(809)	12%	(470)	(1,054)	124%	(934)	(776)	-17%
<b>Net profit</b>	<b>2,600</b>	<b>2,711</b>	<b>4%</b>	<b>3,304</b>	<b>2,933</b>	<b>-11%</b>	<b>2,498</b>	<b>3,234</b>	<b>29%</b>	<b>3,002</b>	<b>2,053</b>	<b>-32%</b>
<b>Key ratios</b>			<b>Chg (ppt)</b>									
Gross margin	22.1%	22.2%	0.1	21.4%	22.1%	0.7	22.1%	21.4%	-0.7	24.2%	20.3%	-3.9
S&D expense ratio	5.8%	5.6%	-0.2	5.1%	6.1%	1.0	6.1%	5.7%	-0.3	6.2%	6.0%	-0.2
Administrative expense ratio	4.6%	7.1%	2.5	4.4%	4.8%	0.4	4.9%	4.2%	-0.7	5.1%	4.5%	-0.5
R&D expense ratio	3.7%	3.5%	-0.2	3.9%	3.8%	-0.2	3.8%	3.6%	-0.3	3.9%	3.4%	-0.5
Effective tax rate	19.9%	9.8%	-10.1	15.0%	12.2%	-2.8	18.5%	17.5%	-1.1	17.4%	22.0%	4.7

Source: Company data, CMBIGM estimates

**Figure 2: Changes in key assumptions for Weichai**

	2026E			2027E			2028E		
	Old	New	Change	Old	New	Change	Old	New	Change
<b>Sales volume (unit)</b>									
Engine total	819,793	<b>816,812</b>	-0.4%	843,211	<b>871,741</b>	3.4%	-	<b>939,293</b>	-
HDT (Shaanxi Heavy-duty Motor)	151,158	<b>160,650</b>	6.3%	158,716	<b>168,683</b>	6.3%	-	<b>175,430</b>	-
Gear box (Shaanxi Fast Gear Company)	918,041	<b>947,440</b>	3.2%	927,222	<b>975,863</b>	5.2%	-	<b>1,005,139</b>	-
(RMB mn)									
<b>Revenue</b>									
Diesel engines	74,601	<b>74,330</b>	-0.4%	76,732	<b>79,328</b>	3.4%	-	<b>85,476</b>	-
Automobiles and major components	70,567	<b>73,134</b>	3.6%	71,672	<b>75,540</b>	5.4%	-	<b>77,918</b>	-
Forklift trucks & supply chain solution	90,526	<b>95,688</b>	5.7%	93,242	<b>98,558</b>	5.7%	-	<b>101,515</b>	-
Agricultural machinery	20,642	<b>20,127</b>	-2.5%	21,674	<b>21,133</b>	-2.5%	-	<b>22,190</b>	-
Intersegment sales	(15,320)	<b>(14,589)</b>	-4.8%	(15,707)	<b>(15,206)</b>	-3.2%	-	<b>(15,895)</b>	-
<b>Total revenue</b>	<b>241,016</b>	<b>248,689</b>	3.2%	<b>247,613</b>	<b>259,355</b>	4.7%	-	<b>271,204</b>	-
<b>Segment profit</b>									
Diesel engines	13,577	<b>13,008</b>	-4.2%	13,965	<b>14,279</b>	2.2%	-	<b>15,557</b>	-
Automobiles and major components	565	<b>1,097</b>	94.3%	573	<b>1,133</b>	97.6%	-	<b>1,169</b>	-
Forklift trucks & supply chain solution	5,432	<b>5,741</b>	5.7%	5,595	<b>5,914</b>	5.7%	-	<b>6,091</b>	-
Agricultural machinery	929	<b>865</b>	-6.8%	975	<b>909</b>	-6.8%	-	<b>954</b>	-
Intersegment sales	(735)	<b>(700)</b>	-4.8%	(754)	<b>(730)</b>	-3.2%	-	<b>(763)</b>	-
<b>Total segment profit</b>	<b>19,767</b>	<b>20,011</b>	1.2%	<b>20,355</b>	<b>21,505</b>	5.7%	-	<b>23,007</b>	-
<b>Segment margin</b>			<b>Chg (ppt)</b>			<b>Chg (ppt)</b>			
Diesel engines	18.2%	<b>17.5%</b>	-0.7	18.2%	<b>18.0%</b>	-0.2	-	<b>18.2%</b>	-
Automobiles and major components	0.8%	<b>1.5%</b>	0.7	0.8%	<b>1.5%</b>	0.7	-	<b>1.5%</b>	-
Forklift trucks & supply chain solution	6.0%	<b>6.0%</b>	0.0	6.0%	<b>6.0%</b>	0.0	-	<b>6.0%</b>	-
Agricultural machinery	4.5%	<b>4.3%</b>	-0.2	4.5%	<b>4.3%</b>	-0.2	-	<b>4.3%</b>	-
<b>Average</b>	<b>8.2%</b>	<b>8.0%</b>	-0.2	<b>8.2%</b>	<b>8.3%</b>	0.1	-	<b>8.5%</b>	-
<b>Net profit</b>	<b>14,094</b>	<b>14,109</b>	0.1%	<b>14,927</b>	<b>15,448</b>	3.5%	-	<b>16,890</b>	-

Source: Company data, CMBIGM estimates

**Figure 3: Weichai's backup power engine sales and capacity for data centres**

Source: Company data, CMBIGM estimates

**Figure 4: KION's guidance for 2026E**

(EUR mn)	2024	2025	2026E guidance	
			Low-end	High-end
<b>Order intake</b>	<b>10,321</b>	<b>11,705</b>	-	-
<i>Growth (YoY)</i>	-5%	13%	-	-
<b>Revenue</b>	<b>11,503</b>	<b>11,297</b>	<b>11,400</b>	<b>12,300</b>
<i>Growth (YoY)</i>	1%	-2%	1%	9%
<b>Adjusted EBIT</b>	<b>917</b>	<b>789</b>	<b>850</b>	<b>1,040</b>
<i>Growth (YoY)</i>	16%	-14%	8%	32%
<i>Adjusted EBIT margin</i>	8.0%	7.0%	7.5%	8.5%
<b>Net income</b>	<b>370</b>	<b>240</b>	-	-
<i>Growth (YoY)</i>	18%	-35%	-	-

Source: Company data, CMBIGM

**Figure 5: KION's quarterly financials**

(EUR mn)	1Q25	2Q25	3Q25	4Q25
<b>Order intake</b>	<b>2,706</b>	<b>3,500</b>	<b>2,676</b>	<b>2,823</b>
<i>Growth (YoY)</i>	11%	33%	10%	0%
<b>Revenue</b>	<b>2,788</b>	<b>2,708</b>	<b>2,704</b>	<b>3,097</b>
<i>Growth (YoY)</i>	-2%	-6%	0%	1%
<b>Adjusted EBIT</b>	<b>196</b>	<b>189</b>	<b>190</b>	<b>213</b>
<i>Growth (YoY)</i>	-14%	-14%	-14%	-15%
<i>Adjusted EBIT margin</i>	7.0%	7.0%	7.0%	6.9%
<b>Net income</b>	<b>-47</b>	<b>95</b>	<b>119</b>	<b>73</b>
<i>Growth (YoY)</i>	-142%	34%	61%	-36%

Source: Company data, CMBIGM

**Figure 6: SOTP valuation**

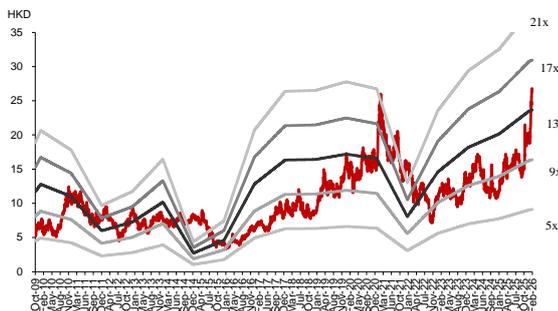
SOTP valuation	Valuation methodology	Target multiple (x)	EBITDA	Estimated EV	Net cash / (Net debt)	Equity value	Equity value breakdown
			2026E (RMB mn)	(RMB mn)		(RMB mn)	
Weichai core business	EV/EBITDA	11.0	19,120	210,322	39,205	249,527	99.6%
KION Group	Proportionate market value	-	-	-	-	21,792	8.7%
Ballard Power Systems	Proportionate market value	-	-	-	-	1,105	0.4%
Ceres Power	Proportionate market value	-	-	-	-	1,220	0.5%
Share of JV/associates	P/B	1.5	-	-	-	8,153	3.3%
Minority interest in core business						(31,317)	-12.5%
<b>Total NAV</b>						<b>250,479</b>	<b>100.0%</b>
<b>NAV per share (RMB)</b>						<b>28.7</b>	
H discount to A						5%	
<b>NAV per share (HK\$)</b>						<b>30.5</b>	

Source: Company data, CMBIGM estimates

Note 1: Weichai owns 46.5% interest in KION, 20% interest in Ballard Power and 20% interest in Ceres Power.

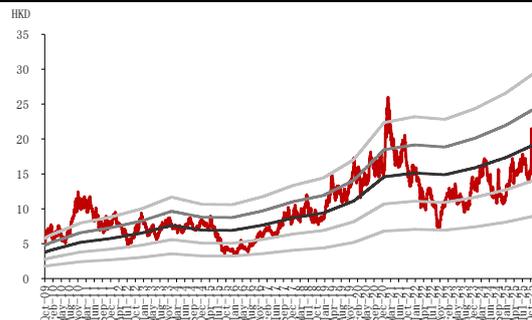
Note 2: Share of JV/associates excludes Ballard Power and Ceres Power

**Figure 7: Weichai Power-H P/E band**



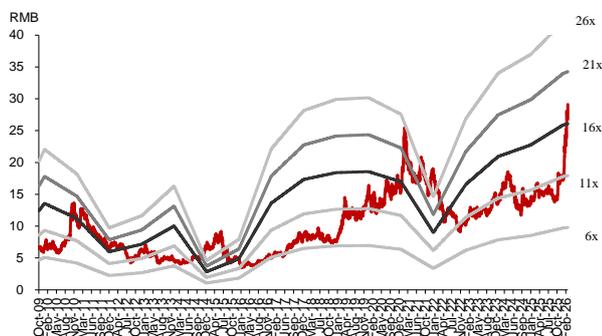
Source: Bloomberg, company data, CMBIGM estimates

**Figure 8: Weichai Power-H P/B band**



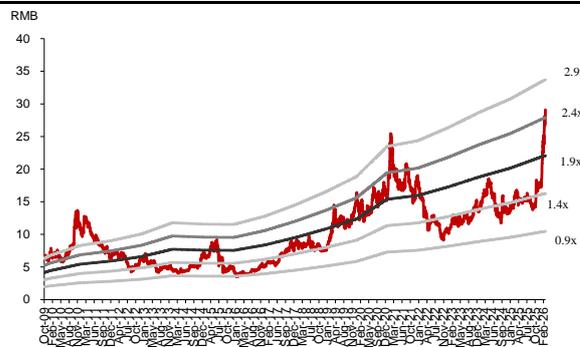
Source: Bloomberg, company data, CMBIGM estimates

**Figure 9: Weichai Power-A P/E band**



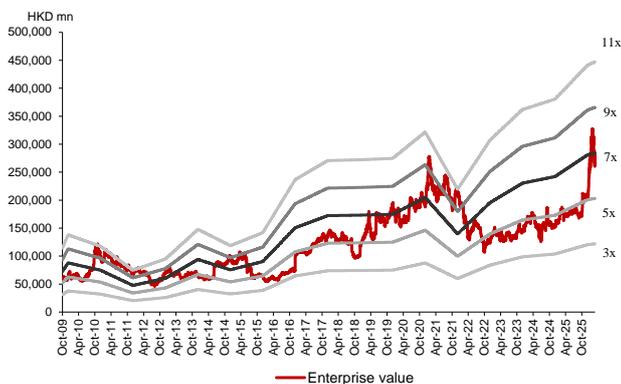
Source: Bloomberg, company data, CMBIGM estimates

**Figure 10: Weichai Power-A P/B band**



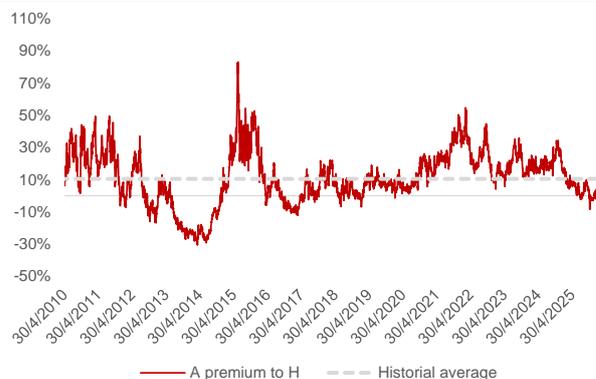
Source: Bloomberg, company data, CMBIGM estimates

**Figure 11: Weichai Power EV/EBITDA band**



Source: Bloomberg, company data, CMBIGM estimates

**Figure 12: Weichai Power-A premium to H**



Source: Bloomberg, company data, CMBIGM estimates

**Key risks:** 1) High base of industry HDT sales in 2025; 2) weak diesel and gas engine demand due to high oil & gas prices; 3) lower-than-expected data centre backup power engine sales.

## Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	213,958	215,691	231,809	248,689	259,355	271,204
Cost of goods sold	(168,842)	(167,305)	(182,027)	(192,734)	(201,000)	(210,183)
<b>Gross profit</b>	<b>45,116</b>	<b>48,386</b>	<b>49,782</b>	<b>55,955</b>	<b>58,355</b>	<b>61,021</b>
Operating expenses	(31,238)	(30,368)	(33,681)	(35,353)	(36,160)	(37,324)
<b>Operating profit</b>	<b>13,878</b>	<b>18,018</b>	<b>16,101</b>	<b>20,602</b>	<b>22,194</b>	<b>23,696</b>
Share of (losses)/profits of associates/JV	(13)	(45)	(51)	109	110	111
<b>EBITDA</b>	<b>25,867</b>	<b>30,744</b>	<b>29,699</b>	<b>34,573</b>	<b>37,553</b>	<b>39,141</b>
Depreciation	11,989	12,726	13,598	13,971	15,358	15,445
Interest income	2,818	3,781	3,561	2,334	2,795	3,506
Interest expense	(3,378)	(4,011)	(3,107)	(1,289)	(1,292)	(1,296)
<b>Net Interest income/(expense)</b>	<b>(560)</b>	<b>(231)</b>	<b>454</b>	<b>1,045</b>	<b>1,503</b>	<b>2,211</b>
Other income/expense	(154)	(421)	(291)	(249)	(259)	(271)
<b>Pre-tax profit</b>	<b>13,151</b>	<b>17,322</b>	<b>16,214</b>	<b>21,508</b>	<b>23,548</b>	<b>25,747</b>
Income tax	(1,940)	(3,044)	(2,534)	(3,871)	(4,239)	(4,634)
Minority interest	(2,198)	(2,874)	(2,750)	(3,527)	(3,862)	(4,222)
<b>Adjusted net profit</b>	<b>9,014</b>	<b>11,403</b>	<b>10,931</b>	<b>14,109</b>	<b>15,448</b>	<b>16,890</b>

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>197,925</b>	<b>184,750</b>	<b>186,524</b>	<b>187,734</b>	<b>226,546</b>	<b>232,632</b>
Cash & equivalents	92,857	72,067	68,713	77,141	97,549	121,595
Account receivables	23,754	30,877	34,355	17,427	42,260	14,210
Inventories	37,930	35,675	35,236	45,026	38,678	48,851
Prepayment	1,691	1,368	1,412	1,331	1,250	1,169
Other current assets	41,693	44,762	46,808	46,808	46,808	46,808
<b>Non-current assets</b>	<b>136,322</b>	<b>159,130</b>	<b>180,952</b>	<b>176,508</b>	<b>169,179</b>	<b>161,762</b>
PP&E	44,073	47,301	53,667	50,447	44,428	38,408
Investment in JVs & assos	5,175	4,915	5,435	5,482	5,529	5,577
Intangibles	23,071	22,205	22,063	20,793	19,436	17,991
Goodwill	24,858	24,561	25,269	25,269	25,269	25,269
Other non-current assets	39,145	60,148	74,517	74,517	74,517	74,517
<b>Total assets</b>	<b>334,247</b>	<b>343,879</b>	<b>367,475</b>	<b>364,242</b>	<b>395,724</b>	<b>394,395</b>
<b>Current liabilities</b>	<b>146,215</b>	<b>154,839</b>	<b>161,534</b>	<b>147,010</b>	<b>166,942</b>	<b>152,996</b>
Short-term borrowings	16,949	22,772	15,915	16,015	16,115	16,215
Account payables	60,127	58,033	68,037	53,412	73,245	59,199
Other current liabilities	69,139	74,034	77,583	77,583	77,583	77,583
<b>Non-current liabilities</b>	<b>75,346</b>	<b>67,081</b>	<b>74,879</b>	<b>74,879</b>	<b>74,879</b>	<b>74,879</b>
Long-term borrowings	26,745	15,633	18,248	18,248	18,248	18,248
Other non-current liabilities	48,601	51,448	56,632	56,632	56,632	56,632
<b>Total liabilities</b>	<b>221,561</b>	<b>221,921</b>	<b>236,413</b>	<b>221,889</b>	<b>241,822</b>	<b>227,876</b>
<b>Total shareholders equity</b>	<b>79,335</b>	<b>86,696</b>	<b>93,190</b>	<b>100,954</b>	<b>108,642</b>	<b>117,036</b>
Minority interest	33,351	35,262	37,872	41,399	45,261	49,483
<b>Total equity and liabilities</b>	<b>334,247</b>	<b>343,879</b>	<b>367,475</b>	<b>364,242</b>	<b>395,724</b>	<b>394,395</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>						
<b>Profit before taxation</b>	<b>13,151</b>	<b>17,322</b>	<b>16,214</b>	<b>21,508</b>	<b>23,548</b>	<b>25,747</b>
Depreciation & amortization	11,909	12,668	13,438	13,890	15,277	15,364
Tax paid	(1,940)	(3,044)	(2,534)	(3,871)	(4,239)	(4,634)
Change in working capital	6,089	(6,811)	6,764	(7,487)	1,348	3,832
Others	(1,738)	5,959	(5,201)	1,260	1,263	1,266
<b>Net cash from operations</b>	<b>27,471</b>	<b>26,094</b>	<b>28,682</b>	<b>25,300</b>	<b>37,197</b>	<b>41,574</b>
<b>Investing</b>						
Capital expenditure	(4,633)	(6,600)	(6,670)	(9,400)	(7,900)	(7,900)
Acquisition of subsidiaries/ investments	(156)	(584)	(855)	0	0	0
Others	(947)	(21,727)	(9,103)	62	63	63
<b>Net cash from investing</b>	<b>(5,737)</b>	<b>(28,911)</b>	<b>(16,628)</b>	<b>(9,338)</b>	<b>(7,837)</b>	<b>(7,837)</b>
<b>Financing</b>						
Dividend paid	(4,175)	(7,769)	(9,373)	(6,345)	(7,760)	(8,496)
Net borrowings	(969)	(5,289)	(4,244)	100	100	100
Proceeds from share issues	92	0	0	0	0	0
Others	(7,977)	(780)	(4,704)	(1,289)	(1,292)	(1,296)
<b>Net cash from financing</b>	<b>(13,029)</b>	<b>(13,838)</b>	<b>(18,320)</b>	<b>(7,534)</b>	<b>(8,952)</b>	<b>(9,692)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	70,842	92,857	72,067	68,713	77,141	97,549
Exchange difference	13,310	(4,135)	2,913	0	0	0
<b>Cash at the end of the year</b>	<b>92,857</b>	<b>72,067</b>	<b>68,713</b>	<b>77,141</b>	<b>97,549</b>	<b>121,595</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	22.2%	0.8%	7.5%	7.3%	4.3%	4.6%
Gross profit	44.8%	7.2%	2.9%	12.4%	4.3%	4.6%
Operating profit	153.1%	29.8%	(10.6%)	28.0%	7.7%	6.8%
EBITDA	55.5%	18.9%	(3.4%)	16.4%	8.6%	4.2%
Adj. net profit	83.8%	26.5%	(4.1%)	29.1%	9.5%	9.3%
<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	21.1%	22.4%	21.5%	22.5%	22.5%	22.5%
Operating margin	6.5%	8.4%	6.9%	8.3%	8.6%	8.7%
EBITDA margin	12.1%	14.3%	12.8%	13.9%	14.5%	14.4%
Adj. net profit margin	4.2%	5.3%	4.7%	5.7%	6.0%	6.2%
<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)	(0.6)	(0.4)	(0.4)	(0.4)	(0.6)	(0.7)
Current ratio (x)	1.4	1.2	1.2	1.3	1.4	1.5
Receivable turnover days	38.5	46.2	51.4	38.0	42.0	38.0
Inventory turnover days	77.1	80.3	71.1	76.0	76.0	76.0
Payable turnover days	114.2	128.9	126.4	115.0	115.0	115.0
<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	22.6	18.0	18.8	14.6	13.3	12.2
P/B	2.6	2.4	2.2	2.0	1.9	1.8
Div yield (%)	2.2	3.0	3.1	3.8	4.1	4.5

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

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