12 May 2026

CMB International Global Markets | Equity Research | Initiation

Hongqiao Holdings (002379 CH)

High earnings sensitivity to aluminium price, high dividend payout; initiate with BUY

Our latest industry analysis suggests that the global aluminium supply deficit will widen in 2026E and will remain in place in 2027E (see our sector note published today). We believe Hongqiao Holdings, which carries the majority of operating assets of **China Hongqiao (1378 HK, BUY)**, will benefit from the elevated aluminium price**.** We like Hongqiao Holdings' high earnings sensitivity (~3.3% for 1% change in aluminium price) and high potential dividend payout ratio (75% in our model assumption). Initiate with **BUY** with TP of RMB29, based on 13.2x 2026E P/E, equivalent to 20% premium to our target multiple (11x) for China Hongqiao. Our premium is in line with the current A/H premium of **Chalco (2600 HK/601600 CH, NR)**.

- **Comparison with China Hongqiao.** After the completion of backdoor listing in Dec 2025, China Hongqiao currently owns 89% interest in Hongqiao Holdings. Hongqiao Holdings differs from China Hongqiao in several key aspects: (1) It has no equity interest in bauxite business; (2) Its alumina capacity is 2mt less than China Hongqiao as the Indonesia alumina is not included; (3) It does not own captive power plants.
- **Key assumptions.** For the duplicated business lines, our key operating assumptions are the same as that for China Hongqiao. For 2026E, we forecast 15% YoY increase in aluminium price and 13% YoY decline in alumina price. For 2027E, we forecast aluminium / alumina price to only slightly drop 3%/5% YoY.
- **More sensitive to aluminium price.** We estimate every 1% increase in aluminium price will boost Hongqiao Holdings' 2026E earnings by ~3.3% (other factors being constant). This is more sensitive than China Hongqiao's 2.3%, based on our calculation.
- **High dividend payout ratio to support China Hongqiao.** China Hongqiao's dividend payout ratio was >66% in 2025. Assuming that China Hongqiao is to maintain such ratio going forward, Hongqiao Holdings will have to maintain a high payout ratio.
- **Key risks:** (1) unexpected removal of capacity cap in China; (2) faster-than-expected overseas capacity ramp-up for the industry as a whole; (3) slowdown of the global economy; (4) sharp increases in costs of input such as bauxite and coal.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	150,336	156,721	173,916	171,911	174,824
YoY growth (%)	na	4.2	11.0	(1.2)	1.7
Adjusted net profit (RMB mn)	17,227.9	17,863.5	28,208.3	26,240.1	24,516.8
EPS (Adjusted) (RMB)	na	1.37	2.16	2.01	1.88
Consensus EPS (RMB)	na	na	2.46	2.68	2.91
P/E (x)	na	16.9	10.7	11.5	12.3
P/B (x)	na	6.6	4.3	4.0	3.8
Yield (%)	na	1.1	7.0	6.5	6.1
Net gearing (%)	27.4	10.7	(23.7)	(29.8)	(29.0)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Initiate)

Target Price	**RMB29.00**
Up/Downside	**25.2%**
Current Price	**RMB23.16**

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Stock Data

Mkt Cap (RMB mn)	301,800.7
Avg 3 mths t/o (RMB mn)	703.3
52w High/Low (RMB)	32.53/10.14
Total Issued Shares (mn)	13031.1

Source: FactSet

Shareholding Structure

China Hongqiao	89.0%

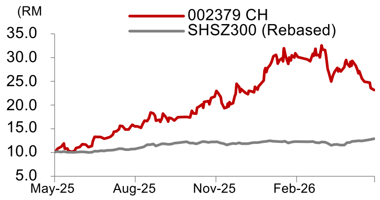
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-19.5%	-23.4%
3-mth	-26.0%	-28.4%
6-mth	5.9%	1.1%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

China Hongqiao (1378 HK) – Major subsidiary's 1Q26 profit +38% YoY; in line with expectations – 27 Apr 2026 (link)

China Hongqiao (1378 HK) – 2025 core profit in-line; Supply disruption to drive ASP in 2026E – 22 Mar 2026 (link)

Company Overview

Background of the backdoor listing

On 31 Dec 2025, Hongqiao Holdings (formerly known as Shandong Hontron) acquired 100% of Hongtuo Industrial (a platform that held the core operating assets of **China Hongqiao (1378 HK)**). Before the acquisition, Hongtuo Industrial was owned by Weiqiao Aluminum and Power (“Weiqiao”), an indirect wholly owned subsidiary of China Hongqiao, and eight other shareholders. Weiqiao held 95.295% of Hongtuo, with the remaining shares held by the other eight shareholders.

The total transaction value was ~RMB63.5bn. Hongqiao Holdings issued ~11.9bn new shares (RMB5.34 per share) as consideration.

Following the acquisition, Hongqiao Holdings’ business scope and shareholders structure changed significantly:

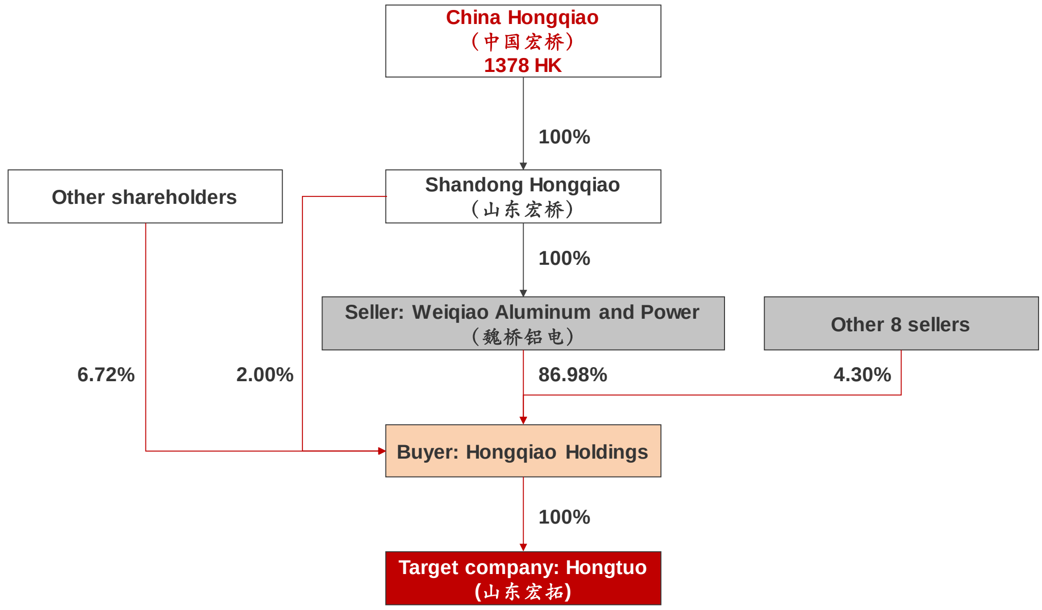
- **Change in business scope:** Hongqiao Holdings expanded its business from only aluminium deep processing to a fully integrated operation covering alumina production, primary aluminium smelting, and aluminium product processing.

- **Change in shareholding:** Prior to the transaction, China Hongqiao held a 22.98% stake in Hongqiao Holdings. Following the acquisition, China Hongqiao’s stake increased to 88.99%.

Figure 1: Shareholder structure before transaction

Source: Hongqiao Holdings, CMBIGM

Figure 2: Post-transaction shareholder structure



Source: Hongqiao Holdings, CMBIGM

Figure 3: Shareholder structure of Hongqiao Holdings

Shareholder(s)	Pre-transaction		Post-transaction	
	O/S shares (mn)	Percentage	O/SShares (mn)	Percentage
Shandong Hongqiao (a 100% subsidiary of China Hongqiao)	261.1	22.98%	261.1	2.00%
Other shareholders of Hongqiao Holdings	875.3	77.02%	875.3	6.72%
Subtotal	**1,136.4**	**100%**	**1,136.4**	**8.72%**
Hongtuo seller: Weiqiao (a 100% subsidiary of Shandong Hongqiao)	-	-	11,335.1	86.98%
Hongtuo seller: other 8 sellers	-	-	559.7	4.30%
Total	**1,136.4**	**100%**	**13,031.1**	**100%**

Source: Hongqiao Holdings, CMBIGM

Comparison with China Hongqiao

Hongqiao Holdings differs from China Hongqiao in several key aspects: (1) It has no equity interest in bauxite business; (2) Its alumina capacity is 2mt less than China Hongqiao; (3) It has a slightly higher tariff due to no ownership of captive power plants.

- **Bauxite exposure:** China Hongqiao holds stakes in the bauxite operation in Guinea through JVs, giving it direct exposure to bauxite mining. In contrast, Hongqiao Holdings has no bauxite operation ownership and instead procures a portion of its bauxite from the JVs.

- **Capacity:** Hongqiao Holdings and China Hongqiao share the same primary aluminium smelting assets, with an annual capacity of 6.46mt. The two companies differ in alumina and processing capacities: Hongqiao Holdings has 2mt less alumina capacity (the capacity in Indonesia) and 0.2mt more aluminium processing capacity than China Hongqiao.

- **In-house power plants and electricity costs:** Hongqiao Holdings does not own any captive power plants, whereas China Hongqiao has ~10GW of power capacity that historically supplied ~55% of its electricity needs. As a result, Hongqiao Holdings has a slightly higher average electricity tariff than China Hongqiao.

Figure 4: Comparison with China Hongqiao

Aspect	Hongqiao Holdings	China Hongqiao
Alumina production	Total capacity: 19mt	Total capacity: 21mt (China: 19mt/ Indonesia: 2mt)
Aluminium smelting	Capacity: 6.46mt	
Aluminium processing	Capacity: 1.52mt	Capacity: 1.32mt
In-house power supply & electricity cost	Slightly higher electricity tariff (without in-house power supply)	Captive power capacity: 10GW
Share of associates	Shandong Suotong Innovation Carbon New Material Co., Ltd. (“Innovation Carbon New Material”): trading of carbon (ownership: 15.21%) Weihai Xingheng New Material Technology Co. Ltd. (ownership is not disclosed)	Société à Responsabilité Limitée Unipersonnelle (“SMB”): mineral exploration (ownership: 22.5%) Winning Alliance Ports SA (“WAP”): port operation (ownership: 22.5%) Africa Bauxite Mining Company Ltd. (“ABM”): trading of bauxite (ownership: 25%) GTS Global Trading Pte. Ltd. (“GTS”): trading of bauxite (ownership: 25%) Zouping Binneng Energy Technology Co., Ltd. (“Binneng Energy”): trading of electricity (ownership: 37.5%) Lightweight (Shandong) Investment Partnership (Limited Partnership) * (“Lightweight Partnership”): investment holding (ownership: 49.5%)

Source: Hongqiao Holdings, China Hongqiao, CMBIGM

Key business segments

Alumina refinery

The annual capacity is ~19mt, located in Shandong province. In theory, this is sufficient to meet its smelting needs (assuming an alumina-to-aluminium production ratio of ~2x). In practice, the company procures some alumina externally for Yunnan’s smelters, while selling the excess alumina from Shandong to external customers.

Primary aluminium smelting

The annual capacity is ~6.46mt, located in Shandong and Yunnan provinces. The principal equipment includes 400kA and 600kA smelting pots, holding furnaces, casting machines and continuous casting and rolling lines.

Hongqiao Holdings is relocating capacity from Shandong to Yunnan in order to gain access to green energy (hydropower). By end-2025, the Company had ~2.18mt of capacity in Yunnan, and the planned capacity is expected to reach 3mt by end-2027.

Aluminium product processing

The annual capacity is 1.72mt, including newly added 0.55mt in Yunnan in 2025. Hongqiao Holdings produces aluminium products by procuring liquid aluminium, aluminium ingots and magnesium ingots through rough rolling, intermediate rolling and finish rolling.

Gradual reduction of electricity cost

Hongqiao Holdings does not own captive power plants. Instead, it procures electricity from China Southern Power Grid and related-parties' power plants.

- In Shandong, Hongqiao Holdings sources electricity from related-party power plants (particularly Binneng Energy, an associate of China Hongqiao). The tariff is determined by a formula based on the national grid tariff (with a discount factor of 90%) and is subject to monthly adjustments linked to coal prices.

  We forecast the Company's average tariff to drop RMB0.01–0.02/kWh YoY in 2026, even assuming the coal price to remain unchanged. Furthermore, the company expects that the discount factor in pricing formula to reach 85–90% from 2027 onward.

- In Yunnan, Hongqiao Holdings mainly sources electricity from China Southern Power Grid based on market rates. The average tariff fell by RMB0.01–0.02/kWh YoY in 2025.

Given that the tariff in Yunnan is currently ~RMB0.10/kWh lower than in Shandong, the blended tariff is expected to decline further going forward when the company continues to shift capacity from Shandong to Yunnan.

Operating assumptions

Figure 5: Key operating assumptions

	2025	2026E	2027E	2028E
Sales volume (000 tonnes)				
Aluminum alloy products	5,871	6,071	6,071	6,071
Alumina	11,141	10,124	10,124	10,124
Aluminum fabrication products	717	789	929	1,238
Change YoY				
Aluminum alloy products	0.2%	3.4%	0.0%	0.0%
Alumina	27.9%	-9.1%	0.0%	0.0%
Aluminum fabrication products	1.1%	10.2%	17.6%	33.3%
ASP (RMB/t) ex-VAT				
Aluminum alloy products	18,217	20,950	20,322	19,712
Alumina	2,696	2,345	2,228	2,228
Aluminum fabrication products	20,875	22,753	22,298	21,852
Change YoY				
Aluminum alloy products	4.0%	15.0%	-3.0%	-3.0%
Alumina	-16.5%	-13.0%	-5.0%	0.0%
Aluminum fabrication products	3.1%	9.0%	-2.0%	-2.0%
Unit cost (RMB/t)				
Aluminum alloy products	-14,206	-14,905	-14,830	-15,204
Alumina	-2,368	-2,118	-2,118	-2,118
Aluminum fabrication products	-18,165	-19,800	-19,177	-18,575
Change YoY				
Aluminum alloy products	-1.0%	4.9%	-0.5%	2.5%
Alumina	1.1%	-10.6%	0.0%	0.0%
Aluminum fabrication products	3.8%	9.0%	-3.1%	-3.1%
Unit gross profit (RMB/t)				
Aluminum alloy products	4,012	6,045	5,491	4,507
Alumina	327	227	110	110
Aluminum fabrication products	2,710	2,954	3,122	3,278
Change YoY				
Aluminum alloy products	26.7%	50.7%	-9.2%	-17.9%
Alumina	-63.0%	-30.7%	-51.6%	0.0%
Aluminum fabrication products	-1.0%	9.0%	5.7%	5.0%

Source: Company data, CMBIGM estimates

Figure 6: Revenue and gross profit breakdown

(RMB mn)	2025	2026E	2027E	2028E
Revenue				
Aluminum (alloy products + molten aluminum)	106,954	127,197	123,381	119,680
Alumina	30,032	23,743	22,556	22,556
Aluminum fabrication products	14,961	17,963	20,711	27,062
Recycled aluminum	709	744	781	820
Aluminum hydroxide	1,523	1,599	1,679	1,763
Others	2,542	2,669	2,803	2,943
Total	**156,721**	**173,916**	**171,911**	**174,824**
Gross profit				
Aluminum (alloy products + molten aluminum)	23,554	36,703	33,339	27,367
Alumina	3,648	2,299	1,111	1,111
Aluminum fabrication products	1,942	2,332	2,900	4,059
Recycled aluminum	153	161	169	177
Aluminum hydroxide	19	20	21	22
Others	1,012	1,063	1,116	1,172
Total	**30,328**	**41,494**	**37,519**	**32,715**
Gross margin				
Aluminum (alloy products + molten aluminum)	*22.0%*	*28.9%*	*27.0%*	*22.9%*
Alumina	*12.1%*	*9.7%*	*4.9%*	*4.9%*
Aluminum fabrication products	*13.0%*	*13.0%*	*14.0%*	*15.0%*
Recycled aluminum	*21.6%*	*21.6%*	*21.6%*	*21.6%*
Aluminum hydroxide	*1.2%*	*1.2%*	*1.2%*	*1.2%*
Others	*39.8%*	*39.8%*	*39.8%*	*39.8%*
Blended gross margin	***19.4%***	***23.9%***	***21.8%***	***18.7%***

Source: Company data, CMBIGM estimates

Earnings sensitivity

Figure 7: Earnings sensitivity (annualized) to 5% change in aluminium ASP & coal cost

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		18,855	19,903	**20,950**	21,998	23,045
	612	17,094	21,566	26,038	30,510	34,982
	646	17,094	21,566	26,038	30,510	34,982
Coal cost	**680**	17,094	21,566	**26,038**	30,510	34,982
RMB/t	714	17,094	21,566	26,038	30,510	34,982
	748	17,094	21,566	26,038	30,510	34,982

Source: CMBIGM estimates

Figure 8: Earnings sensitivity (annualized) to 5% change in aluminium ASP & external tariff

2026E net profit (RMB mn)		Al ASP (RMB/t)				
		18,855	19,903	**20,950**	21,998	23,045
	0.42	20,667	25,139	29,611	34,083	38,555
	0.45	18,880	23,352	27,824	32,296	36,768
External tariff	**0.47**	17,094	21,566	**26,038**	30,510	34,982
RMB/kWh	0.49	15,307	19,779	24,251	28,723	33,195
	0.52	13,521	17,993	22,465	26,937	31,409

Source: CMBIGM estimates

Figure 9: Earnings sensitivity (annualized) to 5% change in alumina ASP & bauxite cost

2026E net profit (RMB mn)		Alumina ASP (RMB/t)				
		2,111	2,228	**2,345**	2,462	2,580
	450	26,691	27,222	27,753	28,284	28,814
	475	25,834	26,365	26,895	27,426	27,957
Bauxite	**500**	24,976	25,507	**26,038**	26,569	27,099
RMB/t	525	24,119	24,650	25,180	25,711	26,242
	550	23,261	23,792	24,323	24,854	25,384

Source: CMBIGM estimates

Valuation

Initiate with BUY. Our TP of RMB29 is based on 13.2x 2026E P/E, equivalent to 20% premium to our target multiple (11x) for China Hongqiao. Our premium is in line with the current A/H premium of **Chalco (2600 HK/601600 CH, NR)**.

Figure 10: Peer valuation table

Ticker	Company	Price (local currency)	Market cap (US$ mn)	PE (x) 2026E	PE (x) 2027E	PB (x) 2026E	PB (x) 2027E	Yield (%) 2026E
A share								
601600 CH Equity	CHALCO-A	11.78	28,269	9.1	8.8	1.9	1.6	4.5
002379 CH Equity	HONGQIAO-A	23.16	44,024	10.7	11.5	4.3	4.0	7.0
000807 CH Equity	YUNNAN ALUM-A	31.28	15,824	10.1	8.6	2.3	1.9	4.1
002532 CH Equity	TIANSHAN ALUM-A	16.49	11,134	9.4	8.1	1.9	1.7	6.5
600219 CH Equity	SHANDONG NANSHAN-A	5.53	9,263	10.6	8.8	1.0	1.0	4.6
000933 CH Equity	HENAN SHENHUO-A	31.12	10,209	8.1	7.7	2.0	1.7	5.6
	Average			**9.7**	**8.9**	**2.2**	**2.0**	**5.4**
Hong Kong listed								
2600 HK Equity	CHALCO-H	11.15	28,538	7.6	7.5	1.8	1.5	5.5
1378 HK Equity	CHINA HONGQIAO	33.18	42,036	8.1	8.9	1.9	1.8	7.4
2788 HK Equity	CHUANGXIN IND	22.40	5,941	9.1	8.5	3.3	2.4	1.1
486 HK Equity	RUSAL	4.20	8,156	4.9	4.1	0.5	0.5	4.7
2610 HK Equity	NANSHAN ALUMINIUM INT	37.30	2,958	7.3	6.4	1.2	1.1	2.7
	Average			**7.4**	**7.1**	**1.7**	**1.5**	**4.3**
Overseas								
HNDL IN Equity	HINDALCO	1,023.50	25,289	14.3	11.6	1.5	1.3	0.5
VEDL IN Equity	VEDANTA	298.40	12,830	4.4	4.4	1.7	1.4	9.9
NACL IN Equity	NATIONAL ALUMINUM	393.05	7,937	11.3	11.0	2.4	2.0	2.9
AA US Equity	ALCOA CORP	65.34	17,243	9.5	9.9	1.8	1.5	0.6
CENX US Equity	CENTURY ALUMINUM	60.18	5,956	6.1	5.7	n/a	n/a	n/a
Rio AU Equity	RIO TINTO	185.34	182,279	16.3	16.0	3.9	3.6	3.6
S32 AU Equity	SOUTH32	4.32	13,795	14.5	11.4	1.7	1.6	2.7
NHY NO Equity	NORSK HYDRO	105.05	21,855	11.7	11.2	1.6	1.5	5.0
PMAH MK Equity	PRESS METAL	8.80	18,648	27.5	25.4	5.6	4.6	1.2
ALBH BI Equity	ALUMINIUM BAHRAIN	0.76	2,862	2.2	2.5	n/a	n/a	15.8
QAMC QD Equity	QATAR ALUMINUM	1.73	2,651	15.0	12.8	1.2	1.1	5.5
	Average			**12.1**	**11.1**	**2.4**	**2.1**	**4.8**

Source: Bloomberg, company data, CMBIGM
Note1: Data as of 11 May 2026
Note2: Year-end June for South32

Risk factors

(1) Unexpected removal of capacity cap in China;
(2) Faster-than-expected overseas capacity ramp-up for the industry as a whole;
(3) Slowdown of the global economy;
(4) Sharp increases in costs of input such as bauxite and coal.

Financial Summary

INCOME STATEMENT	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)					
Revenue	**150,336**	**156,721**	**173,916**	**171,911**	**174,824**
Cost of goods sold	(120,165)	(126,392)	(129,464)	(130,425)	(135,704)
Gross profit	**30,171**	**30,328**	**44,453**	**41,486**	**39,120**
Selling expense	(56)	(47)	(52)	(51)	(52)
Admin expense	(2,594)	(2,667)	(2,960)	(2,925)	(2,975)
R&D expense	(2,176)	(1,500)	(1,664)	(1,645)	(1,673)
Other income	164	422	468	516	524
Other gains/(losses)	24	(43)	0	0	0
Share of (losses)/profits of associates/JV	15	25	24	26	28
EBITDA	**29,351**	**30,787**	**44,674**	**41,984**	**39,699**
Depreciation	3,842	4,250	4,429	4,604	4,754
EBIT	**25,509**	**26,537**	**40,245**	**37,380**	**34,944**
Interest income	(184)	(98)	275	390	416
Interest expense	(1,613)	(1,563)	(1,291)	(1,281)	(1,272)
Net Interest income/(expense)	**(1,797)**	**(1,661)**	**(1,016)**	**(892)**	**(856)**
Pre-tax profit	**23,751**	**24,858**	**39,253**	**36,514**	**34,116**
Income tax	(5,678)	(6,102)	(9,636)	(8,964)	(8,375)
Minority interest	(845)	(892)	(1,409)	(1,311)	(1,224)
Adjusted net profit	**17,228**	**17,864**	**28,208**	**26,240**	**24,517**
Gross dividends	0	3,258	21,156	19,680	18,388

BALANCE SHEET	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)					
Current assets	**56,192**	**59,325**	**83,946**	**86,773**	**92,997**
Cash & equivalents	15,221	18,473	39,851	45,515	46,058
Account receivables	3,506	2,839	4,203	2,758	4,321
Inventories	32,588	32,411	34,168	32,905	36,883
ST bank deposits	0	0	0	0	0
Other current assets	4,876	5,603	5,725	5,596	5,735
Non-current assets	**51,834**	**51,963**	**54,584**	**56,998**	**58,299**
PP&E	29,662	37,162	39,926	42,515	43,954
Deferred income tax	2,680	2,857	2,857	2,857	2,857
Investment in JVs & assos	257	296	314	334	356
Intangibles	6,423	6,547	6,369	6,191	6,013
Goodwill	80	0	0	0	0
Financial assets at FVTPL	0	0	0	0	0
Other non-current assets	12,731	5,101	5,117	5,099	5,118
Total assets	**108,026**	**111,288**	**138,530**	**143,771**	**151,296**
Current liabilities	**49,497**	**48,997**	**49,880**	**48,726**	**50,189**
Short-term borrowings	19,878	8,831	8,631	8,431	8,231
Account payables	8,831	8,161	9,244	8,290	9,953
Tax payable	3,807	3,189	3,189	3,189	3,189
Other current liabilities	16,981	28,816	28,816	28,816	28,816
Non-current liabilities	**13,830**	**16,727**	**16,727**	**16,727**	**16,727**
Long-term borrowings	7,048	14,531	14,531	14,531	14,531
Other non-current liabilities	6,782	2,196	2,196	2,196	2,196
Total liabilities	**63,327**	**65,724**	**66,607**	**65,453**	**66,917**
Total shareholders equity	**42,690**	**45,571**	**70,522**	**75,605**	**80,442**
Minority interest	2,010	(8)	1,401	2,712	3,936
Total equity and liabilities	**108,026**	**111,288**	**138,530**	**143,771**	**151,296**

CASH FLOW	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)					
Operating					
Profit before taxation	**23,751**	**24,858**	**39,253**	**36,514**	**34,116**
Depreciation & amortization	3,842	4,250	4,429	4,604	4,754
Tax paid	(5,678)	(6,102)	(9,636)	(8,964)	(8,375)
Change in working capital	(402)	(1,503)	(2,176)	1,900	(4,036)
Others	3,769	2,492	992	866	828
Net cash from operations	**25,282**	**23,995**	**32,862**	**34,921**	**27,288**
Investing					
Capital expenditure	(9,091)	(5,345)	(7,000)	(7,000)	(6,000)
Acquisition of subsidiaries/ investments	0	(20)	0	0	0
Others	448	(912)	265	381	408
Net cash from investing	**(8,642)**	**(6,277)**	**(6,735)**	**(6,619)**	**(5,592)**
Financing					
Dividend paid	0	0	(3,258)	(21,156)	(19,680)
Net borrowings	0	(3,563)	(200)	(200)	(200)
Proceeds from share issues	0	0	0	0	0
Others	(11,027)	(11,519)	(1,291)	(1,281)	(1,272)
Net cash from financing	**(11,027)**	**(15,083)**	**(4,749)**	**(22,638)**	**(21,152)**
Net change in cash					
Cash at the beginning of the year	na	15,221	18,473	39,851	45,515
Exchange difference	na	616	0	0	0
Cash at the end of the year	**15,221**	**18,473**	**39,851**	**45,515**	**46,058**

GROWTH	2024A	2025A	2026E	2027E	2028E
YE 31 Dec					
Revenue	na	4.2%	11.0%	(1.2%)	1.7%
Gross profit	na	0.5%	46.6%	(6.7%)	(5.7%)
EBITDA	na	4.9%	45.1%	(6.0%)	(5.4%)
EBIT	na	4.0%	51.7%	(7.1%)	(6.5%)
Adj. net profit	na	3.7%	57.9%	(7.0%)	(6.6%)

PROFITABILITY	2024A	2025A	2026E	2027E	2028E
YE 31 Dec					
Gross profit margin	20.1%	19.4%	25.6%	24.1%	22.4%
EBITDA margin	19.5%	19.6%	25.7%	24.4%	22.7%
Adj. net profit margin	11.5%	11.4%	16.2%	15.3%	14.0%

GEARING/LIQUIDITY/ACTIVITIES	2024A	2025A	2026E	2027E	2028E
YE 31 Dec					
Net debt to equity (x)	0.3	0.1	(0.2)	(0.3)	(0.3)
Current ratio (x)	1.1	1.2	1.7	1.8	1.9
Receivable turnover days	na	7.4	7.4	7.4	7.4
Inventory turnover days	na	93.9	93.9	93.9	93.9
Payable turnover days	na	24.5	24.5	24.5	24.5

VALUATION	2024A	2025A	2026E	2027E	2028E
YE 31 Dec					
P/E	na	16.9	10.7	11.5	12.3
P/B	na	6.6	4.3	4.0	3.8
Div yield (%)	na	1.1	7.0	6.5	6.1

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

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