

# Alltop (3526.TW/3526 TT)

## 1Q24 EPS a beat on strong margins; EV & server drive EPS growth

### Outperform · Maintained

Price as of May 7 (NT\$)	228.0
12M target price (NT\$)	290.0
Previous target price (NT\$)	260.0
Revised up (%)	11.5
Upside (%)	27.2

#### Key message

- 1Q24 EPS of NT\$3.06 beat on strong gross and operating margins.
- 2Q24F sales to grow 15-20% QoQ and YoY thanks to EV and server product sales growth, which will boost margins.
- AI server trend driving demand for Alltop's high-power connector, benefiting ASP and gross margin; coupled with growing EV demand, we see 2024-25F gross margin and EPS uptrend as intact.

#### Trading data

Mkt cap (NT\$/bn/US\$mn)	13.52 / 418.4
Outstanding shares (mn)	59.32
Foreign ownership (mn)	11.12
3M avg. daily trading (mn)	0.44
52-week trading range (NT\$)	132.0 –237.0

Performance	3M	6M	12M
Absolute (%)	19.1	25.3	68.9
Relative (%)	5	1.5	36.7

#### Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2022	2.64A	2.03A	3.06A	1.69A
2023	1.35A	3.40A	3.55A	3.39A
2024	3.06A	3.67F	4.51F	4.28F

#### Share price chart



Source: TEJ

#### Event

1Q24 EPS was NT\$3.06, down 10% QoQ but up 127% YoY, beating our forecast on stronger-than-expected gross and operating margins. Server and EV are 2024F growth drivers for sales, margins and EPS.

#### Impact

**1Q24 EPS beat our forecast on margins.** 1Q24 EPS arrived at NT\$3.06, beating our forecast on stronger-than-expected gross margin of 53.2%, up further from 52.6% in 4Q23 to a record high. Operating margin was 30.4%, also beating our expectation. Alltop attributes the higher gross margin to rising server and auto connector sales contribution, with server accounting for 49-50% of sales in 1Q24, EV 40% and NB 12%, vs. 45-50%, 38-40% and 15% in 4Q23. Coupled with forex gains of NT\$13.6mn, 1Q24 EPS beat our forecast by 9%.

**EV & server products to drive 2024F EPS growth.** Alltop is positive on 2024F outlook, and guides 2Q24F sales to grow by double digits QoQ and YoY; we estimate 17% QoQ and 16% YoY growth. We believe server and auto product sales will outgrow the company average in 2Q24F, implying a continued uptrend of gross margin QoQ, bolstered also by a strong US dollar. Given stronger-than-expected 1H24F sales and margins, we revise up 2024F sales growth to 21% YoY, and EPS to NT\$15.53, up 33% YoY, with gross and operating margins estimated to rise to 53.7% and 34.4%, vs. 51.3% and 30.7% in 2023. This reflects a better sales mix, with EV and server driving. With 1H24F auto-related sales growth topping 50% YoY, and server-related sales growth of over 20% YoY, we revise up 2024F auto sales growth to 38% YoY on solid BYD (CN) EV sales, and raise server sales growth to 19% as increased AI server demand will push up the shipments weighting of Alltop's high-power connector, in turn boosting ASP and gross margin in 2024F. While NB product sales will decline pending AI NB debuts, we see a limited impact on sales and margins. We are also positive on the 2025F business outlook thanks to AI server and EV demand growth, and expect higher sales and margins for these two segments to boost EPS further. Our 2025F EPS is raised to NT\$18.82 (up 21% YoY), with operating margin to expand to 36.2%.

#### Valuation & Action

With EV and server-related sales growth boosting margins and EPS, for a 2023-25F EPS CAGR of 27%, we raise our target price from NT\$260 to NT\$290, on 20x average 2024-25F fully-diluted EPS of NT\$14.51. With decent earnings growth and a cash yield of around 5%, we maintain our Outperform rating.

#### Risks

Prolonged copper price increase; weak server and EV demand.

#### Key financials and valuations

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Revenue (NT\$mn)	2,620	2,310	2,395	2,889	3,455
Gross profit (NT\$mn)	1,224	1,072	1,229	1,552	1,847
Operating profit (NT\$mn)	713	577	734	994	1,251
Net profit (NT\$mn)	643	554	690	918	1,113
EPS (NT\$)	11.19	9.41	11.68	15.53	18.82
Cash DPS (NT\$)	11.16	9.40	11.60	15.37	18.63
EPS growth (%)	54.2	(15.9)	24.2	32.9	21.2
PE (x)	20.4	24.2	19.5	14.7	12.1
PB (x)	5.3	5.3	5.2	5.1	5.1
EV/EBITDA (x)	10.9	10.5	13.3	8.5	6.9
Net debt to equity (%)	22.1	12.4	0.5	Net cash	Net cash
Dividend yield (%)	4.9	4.1	5.1	6.7	8.2
Return on average equity (%)	27.0	22.1	26.9	35.1	42.4

Source: Company data, KGI Research estimates

**Figure 1: Breakdown of 1Q24 results & 2Q24 forecast revisions**

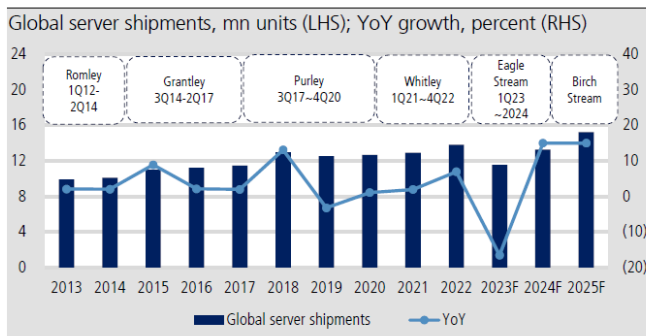
NT\$m	1Q24					2Q24F				
	Actual	KGI forecast	Diff (%)	QoQ (%)	YoY (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)
Sales	588	584	0.8	(14.3)	36.8	688	671	2.5	17.0	15.5
Gross profits	313	298	5.0	(13.5)	55.1	368	349	5.5	17.8	21.4
Operating income	179	175	2.3	(21.7)	76.1	231	215	7.3	28.8	33.6
Pretax income	216	197	9.7	(7.4)	117.1	259	237	9.2	19.7	12.9
Net income	181	166	9.4	(9.4)	127.3	217	199	9.2	20.0	8.3
EPS (NT\$)	3.06	2.80	9.4	(9.6)	126.8	3.67	3.36	9.2	20.0	8.1
Gross margin (%)	53.2	51.0	2.2 ppts	0.5 ppts	6.3 ppts	53.5	52.0	1.5 ppts	0.3 ppts	2.6 ppts
OP margin (%)	30.4	30.0	0.4 ppts	(2.9)ppts	6.8 ppts	33.5	32.0	1.5 ppts	3.1 ppts	4.5 ppts
Net margin (%)	30.8	28.4	2.4 ppts	1.7 ppts	12.3 ppts	31.6	29.6	1.9 ppts	0.8 ppts	(2.1)ppts

Source: KGI Research, Bloomberg consensus

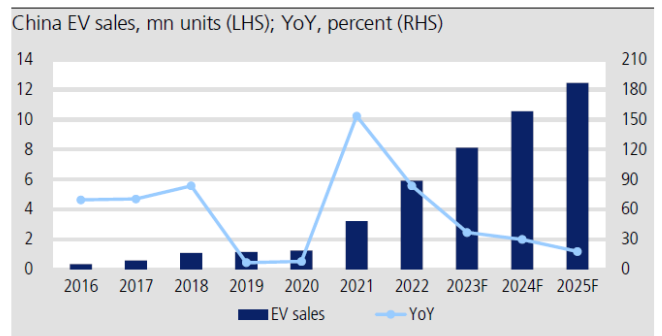
**Figure 2: Breakdown of 2024-25 forecast revisions**

NT\$m	2024F				2025F			
	Revision	Previous	Chg. (%)	YoY (%)	Revision	Previous	Chg. (%)	YoY (%)
Sales	2,889	2,806	2.9	20.6	3,455	3,260	6.0	19.6
Gross profit	1,552	1,461	6.2	26.3	1,847	1,706	8.2	19.0
Operating income	994	917	8.4	35.4	1,251	1,098	13.9	25.8
Pretax income	1,106	1,005	10.1	36.7	1,341	1,181	13.5	21.2
Net income	918	834	10.1	33.2	1,113	986	12.9	21.2
EPS (NT\$)	15.53	14.10	10.1	32.9	18.82	16.67	12.9	21.2
Gross margin (%)	53.7	52.1	1.6 ppts	2.4 ppts	53.5	52.3	1.1 ppts	(0.3)ppts
OP margin (%)	34.4	32.7	1.7 ppts	3.8 ppts	36.2	33.7	2.5 ppts	1.8 ppts
Net margin (%)	31.8	29.7	2.1 ppts	3.0 ppts	32.2	30.3	2.0 ppts	0.4 ppts

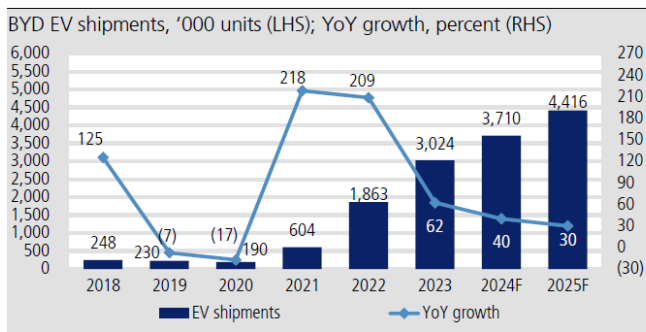
Source: KGI Research, Bloomberg consensus

**Figure 3: Server demand fell in 2023F, to resume growth in 2024-25F**


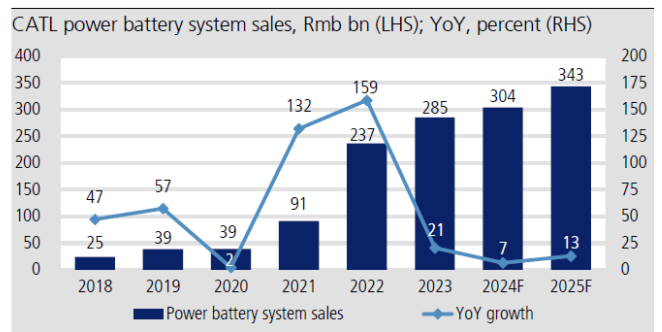
Source: Gartner, KGI Research estimate

**Figure 4: We project China EV sales will grow 30% YoY in 2024F**


Source: EV-Volumes, KGI Research estimate

**Figure 5: BYD's EV shipments growth outpacing industry in 2024F**


Source: Bloomberg, KGI Research

**Figure 6: CATL power battery shows solid sales growth in 2023-25F**


Source: Bloomberg, KGI Research

**Figure 7: Sales weighting of auto segment keeps rising**

<b>Sales weighting (%)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>
Server	49	51	51	51	48	48	45
NB	41	38	32	24	16	11	10
Auto	9	9	14	25	36	41	45
Others	1	2	3	1	0	0	0
Total	100	100	100	100	100	100	100
<b>Sales (NT\$mn)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>
Server	970	1,096	1,334	1,166	1,153	1,376	1,555
NB	812	822	838	561	378	321	339
Auto	178	186	376	571	863	1,191	1,561
Others	20	37	71	12	0	-	-
Total	1,980	2,142	2,620	2,310	2,395	2,889	3,455
<b>Sales YoY (%)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024F</b>	<b>2025F</b>
Server	24	13	22	(13)	(1)	19	13
NB	(17)	1	2	(33)	(33)	(15)	5
Auto	14	5	102	52	51	38	31
Others	(49)	88	91	(84)	(96)	N.M.	N.M.
Total	1	8	22	(12)	4	21	20

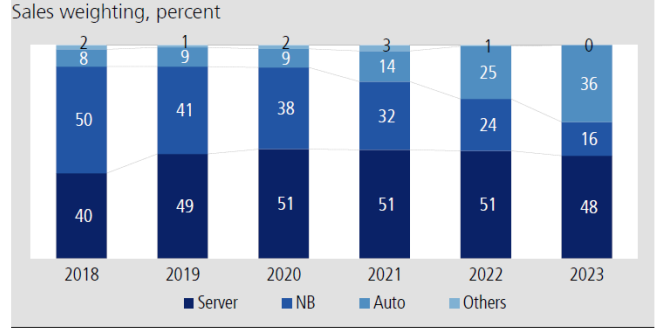
Source: Company data; KGI Research estimates

**Figure 8: Company profile**

Founded in 1998, Alltop is a leader in the notebook & server connector and cable markets. In 2023, it derived 48% of sales from servers, 16% from notebooks, and 36% from automotive. It aims to expand non-NB connector sales weightings, including server, EV, IPC, and network connectors. It also plans to expand its high-end server sales weighting, such as high-power, high-speed connectors, and F-cable. The company now supplies BMS connectors to CATL and BYD in China.

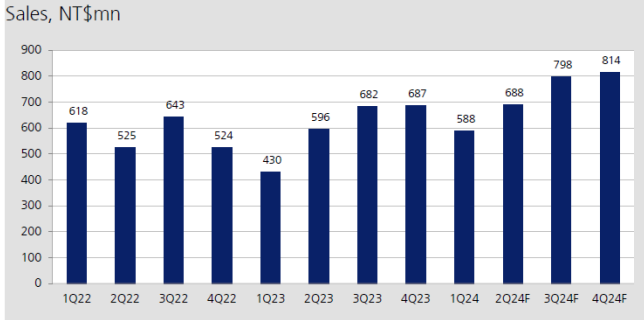
Source: KGI Research

**Figure 9: Server & automotive are key sales contributors**



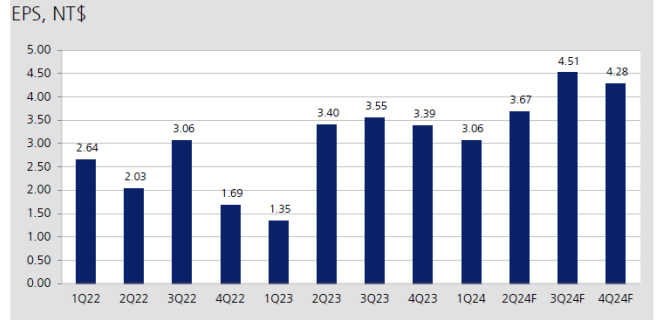
Source: Company data; KGI Research

**Figure 10: Sales**



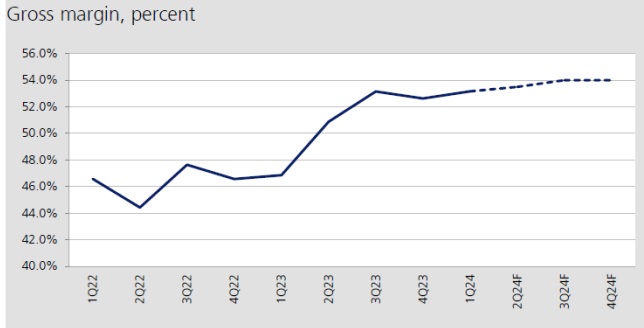
Source: KGI Research

**Figure 11: EPS**



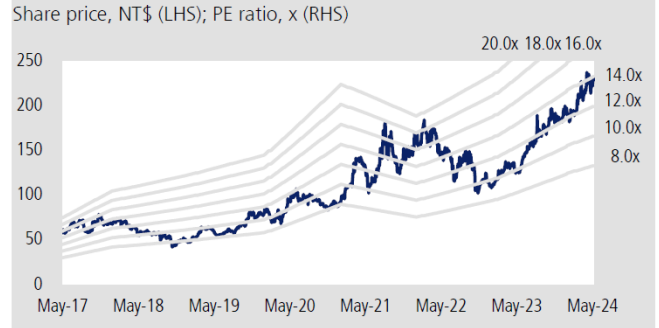
Source: KGI Research

**Figure 12: Gross Margin**



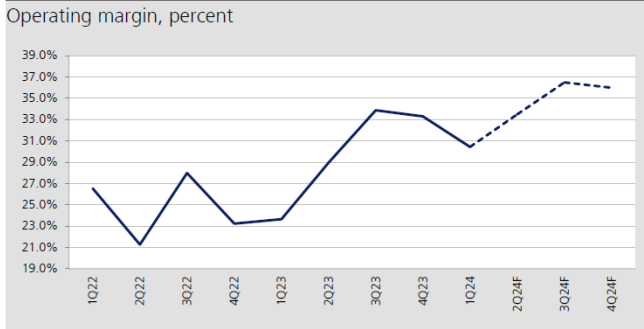
Source: KGI Research

**Figure 13: 12M forward PE band**



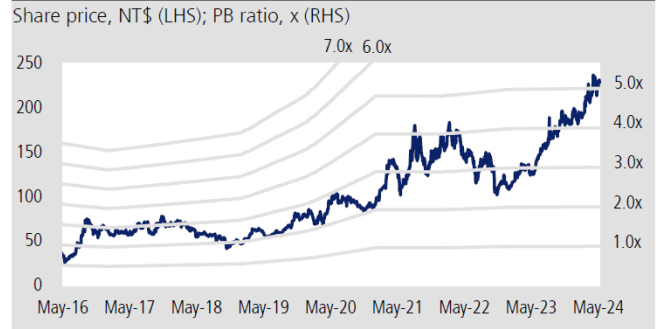
Source: TEJ; KGI Research estimates

**Figure 14: Operating Margin**



Source: KGI Research

**Figure 15: 12M forward PB band**



Source: TEJ; KGI Research estimates

**Income statement**

	Quarterly								Annually		
	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24F	Sep-24F	Dec-24F	Dec-23A	Dec-24F	Dec-25F
<b>Income statement (NT\$m)</b>											
<b>Revenue</b>	<b>430</b>	<b>596</b>	<b>682</b>	<b>687</b>	<b>588</b>	<b>688</b>	<b>798</b>	<b>814</b>	<b>2,395</b>	<b>2,889</b>	<b>3,455</b>
Cost of goods sold	(228)	(293)	(320)	(325)	(275)	(320)	(367)	(375)	(1,166)	(1,337)	(1,608)
<b>Gross profit</b>	<b>202</b>	<b>303</b>	<b>363</b>	<b>361</b>	<b>313</b>	<b>368</b>	<b>431</b>	<b>440</b>	<b>1,229</b>	<b>1,552</b>	<b>1,847</b>
Operating expenses	(100)	(131)	(131)	(133)	(134)	(138)	(140)	(147)	(495)	(557)	(596)
<b>Operating profit</b>	<b>102</b>	<b>173</b>	<b>231</b>	<b>229</b>	<b>179</b>	<b>231</b>	<b>291</b>	<b>293</b>	<b>734</b>	<b>994</b>	<b>1,251</b>
Depreciation of fixed assets	(39)	(36)	(37)	(35)	(36)	(85)	(85)	(134)	(146)	(340)	(359)
Amortisation of intangible assets	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(4)	(5)	(5)
<b>EBITDA</b>	<b>141</b>	<b>210</b>	<b>269</b>	<b>265</b>	<b>216</b>	<b>317</b>	<b>377</b>	<b>428</b>	<b>885</b>	<b>1,339</b>	<b>1,615</b>
Interest income	17	19	18	20	24	23	23	22	74	93	74
Investment income	-	-	-	0	0	1	1	1	0	2	2
Other non-op income	2	40	5	7	19	12	10	6	55	47	40
<b>Non-operating income</b>	<b>20</b>	<b>59</b>	<b>23</b>	<b>27</b>	<b>43</b>	<b>35</b>	<b>34</b>	<b>29</b>	<b>129</b>	<b>142</b>	<b>116</b>
Interest expense	(3)	(3)	(3)	(4)	(6)	(5)	(5)	(3)	(13)	(19)	(16)
Investment loss	(0)	-	(0)	-	-	-	-	-	(0)	-	-
Other non-op expenses	(19)	-	(3)	(19)	0	(3)	(3)	(5)	(41)	(10)	(10)
<b>Non-operating expenses</b>	<b>(22)</b>	<b>(3)</b>	<b>(7)</b>	<b>(22)</b>	<b>(6)</b>	<b>(7)</b>	<b>(7)</b>	<b>(8)</b>	<b>(54)</b>	<b>(29)</b>	<b>(26)</b>
<b>Pre-tax profit</b>	<b>100</b>	<b>229</b>	<b>247</b>	<b>233</b>	<b>216</b>	<b>259</b>	<b>318</b>	<b>314</b>	<b>809</b>	<b>1,106</b>	<b>1,341</b>
Current taxation	(20)	(28)	(38)	(33)	(35)	(41)	(51)	(61)	(120)	(188)	(228)
Minorities	-	-	-	-	-	-	-	-	-	-	-
<b>Normalised net profit</b>	<b>80</b>	<b>201</b>	<b>209</b>	<b>200</b>	<b>181</b>	<b>217</b>	<b>267</b>	<b>253</b>	<b>690</b>	<b>918</b>	<b>1,113</b>
Extraordinary items	(0)	0	0	0	0	-	-	(0)	-	-	-
<b>Net profit</b>	<b>80</b>	<b>201</b>	<b>209</b>	<b>200</b>	<b>181</b>	<b>217</b>	<b>267</b>	<b>253</b>	<b>690</b>	<b>918</b>	<b>1,113</b>
EPS (NT\$)	1.35	3.40	3.55	3.39	3.06	3.67	4.51	4.28	11.68	15.53	18.82
<b>Margins (%)</b>											
Gross profit margin	46.9	50.9	53.2	52.6	53.2	53.5	54.0	54.0	51.3	53.7	53.5
Operating margin	23.7	29.0	33.9	33.3	30.4	33.5	36.5	36.0	30.7	34.4	36.2
EBITDA margin	32.9	35.2	39.4	38.6	36.7	46.0	47.3	52.6	36.9	46.3	46.7
Pretax profit margin	23.2	38.4	36.3	34.0	36.7	37.6	39.8	38.6	33.8	38.3	38.8
Net profit margin	18.5	33.7	30.7	29.1	30.8	31.6	33.4	31.1	28.8	31.8	32.2
<b>Sequential growth (%)</b>											
Revenue growth	(18.0)	38.6	14.5	0.6	(14.3)	17.0	16.0	2.0			
Gross profit growth	(17.5)	50.5	19.6	(0.4)	(13.5)	17.8	17.1	2.0			
Operating profit growth	(16.5)	69.7	33.9	(1.1)	(21.7)	28.8	26.4	0.6			
EBITDA growth	(13.8)	48.4	28.2	(1.5)	(18.4)	46.6	19.2	13.5			
Pretax profit growth	(14.7)	130.1	8.0	(5.6)	(7.4)	19.7	22.8	(1.2)			
Net profit growth	(19.8)	151.9	4.4	(4.6)	(9.4)	20.0	22.8	(5.1)			
<b>YoY growth (%)</b>											
Revenue growth	(30.5)	13.6	6.2	31.0	36.8	15.5	17.0	18.6	3.7	20.6	19.6
Gross profit growth	(30.1)	30.1	18.5	48.0	55.1	21.4	18.8	21.7	14.7	26.3	19.0
Operating profit growth	(38.0)	54.7	28.5	87.7	76.1	33.6	26.0	28.1	27.2	35.4	25.8
EBITDA growth	(31.8)	35.4	21.0	61.6	52.9	51.0	40.4	61.7	18.3	51.3	20.6
Pretax profit growth	(46.9)	62.6	11.4	100.0	117.1	12.9	28.4	34.5	21.3	36.7	21.2
Net profit growth	(48.5)	67.8	16.0	101.4	127.3	8.3	27.4	26.6	24.5	33.2	21.2

Source: Company data, KGI Research estimates

### Balance sheet

NT\$mn	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
<b>Total assets</b>	<b>4,081</b>	<b>4,096</b>	<b>4,391</b>	<b>5,217</b>	<b>5,715</b>
<b>Current assets</b>	<b>2,298</b>	<b>2,054</b>	<b>3,140</b>	<b>4,194</b>	<b>4,936</b>
Cash & ST securities	971	993	1,893	2,725	3,194
Inventory	222	159	162	185	223
Accounts receivable	1,066	837	980	1,179	1,413
Other current assets	40	65	106	106	106
<b>Non-current assets</b>	<b>1,783</b>	<b>2,042</b>	<b>1,251</b>	<b>1,023</b>	<b>779</b>
LT investments	769	1,100	323	325	327
Net fixed assets	928	862	803	572	327
Other assets	87	80	126	126	126
<b>Total liabilities</b>	<b>1,583</b>	<b>1,580</b>	<b>1,781</b>	<b>2,598</b>	<b>3,085</b>
<b>Current liabilities</b>	<b>1,545</b>	<b>777</b>	<b>962</b>	<b>1,477</b>	<b>1,863</b>
Accounts payable	420	314	393	449	541
Interest bearing ST liabilities	798	162	285	387	488
Other current liabilities	326	301	284	641	833
<b>Non-current liabilities</b>	<b>39</b>	<b>802</b>	<b>820</b>	<b>1,121</b>	<b>1,222</b>
Long-term debt	-	764	772	1,074	1,175
Other L-T liabilities	39	38	38	38	38
<b>Total equity</b>	<b>2,498</b>	<b>2,516</b>	<b>2,610</b>	<b>2,619</b>	<b>2,630</b>
Share capital	585	590	591	591	591
Retained earnings reserve	742	699	920	930	941
Minority interests	-	-	-	-	-
Preferred shareholders funds	-	-	-	-	-

### Key ratios

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
<b>Growth</b>					
Revenue growth	22.3%	(11.8%)	3.7%	20.6%	19.6%
Operating profit growth	17.8%	(19.0%)	27.2%	35.4%	25.8%
EBITDA growth	14.3%	(15.2%)	18.3%	51.3%	20.6%
Net profit growth	23.8%	(13.9%)	24.5%	33.2%	21.2%
EPS growth	54.2%	(15.9%)	24.2%	32.9%	21.2%
<b>Profitability</b>					
Gross profit margin	46.7%	46.4%	51.3%	53.7%	53.5%
Operating margin	27.2%	25.0%	30.7%	34.4%	36.2%
EBITDA margin	33.7%	32.4%	36.9%	46.3%	46.7%
Net profit margin	24.6%	24.0%	28.8%	31.8%	32.2%
Return on average assets	16.9%	13.6%	16.3%	19.1%	20.4%
Return on average equity	27.0%	22.1%	26.9%	35.1%	42.4%
<b>Stability</b>					
Gross debt to equity	32.0%	36.8%	40.5%	55.8%	63.2%
Net debt to equity	22.1%	12.4%	0.5%	Net cash	Net cash
Interest coverage (x)	96.9	60.6	65.3	58.7	86.0
Interest & ST debt coverage (x)	0.5	0.8	0.7	0.7	0.7
Cash flow interest coverage(x)	72.9	75.5	53.6	57.2	82.1
Cash flow/int. & ST debt (x)	0.7	4.9	2.3	2.7	2.6
Current ratio (x)	1.5	2.6	3.3	2.8	2.7
Quick ratio (x)	1.3	2.4	3.1	2.7	2.5
Net debt (NT\$mn)	553	311	14	(415)	(682)
<b>Per share data</b>					
EPS (NT\$)	11.19	9.41	11.68	15.53	18.82
CFPS (NT\$)	10.18	14.36	11.43	18.52	21.89
BVPS (NT\$)	42.69	42.65	44.13	44.29	44.48
Adj BVPS (NT\$)	43.44	42.73	44.21	44.29	44.48
SPS (NT\$)	45.57	39.23	40.57	48.85	58.42
EBITDA/share (NT\$)	15.34	12.70	14.99	22.63	27.30
Cash DPS (NT\$)	11.16	9.40	11.60	15.37	18.63
<b>Activity</b>					
Sales / avg assets	0.69	0.56	0.56	0.60	0.63
Days receivable	148.5	132.2	149.3	149.3	149.3
Days inventory	58.0	46.8	50.6	50.6	50.6
Days payable	109.8	92.6	122.9	122.9	122.9
Cash cycle	96.7	86.4	77.0	77.0	77.0

Source: Company data, KGI Research estimates

### Profit & loss

NT\$mn	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
<b>Revenue</b>	<b>2,620</b>	<b>2,310</b>	<b>2,395</b>	<b>2,889</b>	<b>3,455</b>
Cost of goods sold	(1,396)	(1,238)	(1,166)	(1,337)	(1,608)
<b>Gross profit</b>	<b>1,224</b>	<b>1,072</b>	<b>1,229</b>	<b>1,552</b>	<b>1,847</b>
Operating expenses	(511)	(494)	(495)	(557)	(596)
<b>Operating profit</b>	<b>713</b>	<b>577</b>	<b>734</b>	<b>994</b>	<b>1,251</b>
<b>Non-operating income</b>	<b>74</b>	<b>123</b>	<b>129</b>	<b>142</b>	<b>116</b>
Interest income	39	52	74	93	74
Investment income	3	1	0	2	2
Other non-op income	32	70	55	47	40
<b>Non-operating expenses</b>	<b>(17)</b>	<b>(33)</b>	<b>(54)</b>	<b>(29)</b>	<b>(26)</b>
Interest expense	(8)	(11)	(13)	(19)	(16)
Investment loss	-	(0)	(0)	-	-
Other non-op expenses	(9)	(21)	(41)	(10)	(10)
<b>Pre-tax profit</b>	<b>770</b>	<b>667</b>	<b>809</b>	<b>1,106</b>	<b>1,341</b>
Current taxation	(127)	(113)	(120)	(188)	(228)
Minorities	-	-	-	-	-
Extraordinary items	-	(0)	0	-	-
<b>Net profit</b>	<b>643</b>	<b>554</b>	<b>690</b>	<b>918</b>	<b>1,113</b>
<b>EBITDA</b>	<b>882</b>	<b>748</b>	<b>885</b>	<b>1,339</b>	<b>1,615</b>
EPS (NT\$)	11.19	9.41	11.68	15.53	18.82

### Cash flow

NT\$mn	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
<b>Operations cash flow</b>	<b>585</b>	<b>846</b>	<b>675</b>	<b>1,095</b>	<b>1,295</b>
Net profit	643	554	690	918	1,113
Depreciation & amortisation	169	171	150	344	364
Decrease in working capital	(318)	142	(133)	(166)	(180)
Other operating cash flow	92	(21)	(32)	(2)	(2)
<b>Investing cash flow</b>	<b>(1,404)</b>	<b>(45)</b>	<b>197</b>	<b>(114)</b>	<b>(118)</b>
Sale of ST investment	(1,222)	41	285	-	-
New investments	1	-	-	-	-
Capital expenditure	(203)	(101)	(118)	(109)	(114)
Others investing cashflow	20	14	29	(5)	(5)
<b>Free cash flow</b>	<b>239</b>	<b>688</b>	<b>521</b>	<b>890</b>	<b>1,103</b>
<b>Financing cash flow</b>	<b>(128)</b>	<b>(451)</b>	<b>(427)</b>	<b>(149)</b>	<b>(707)</b>
Increase in short term debt	580	(600)	130	-	-
Increase in long term loans	-	808	-	404	202
New ordinary shares issued	(182)	-	-	-	-
Ordinary dividends paid	(525)	(653)	(555)	(553)	(909)
Other financing cashflow	(1)	(6)	(3)	-	-
<b>Forex effects</b>	<b>(9)</b>	<b>20</b>	<b>(16)</b>		
<b>Total cash generated</b>	<b>(955)</b>	<b>369</b>	<b>429</b>	<b>832</b>	<b>469</b>

### ROIC

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
1 - COGS/revenue					
- Operating exp./revenue	19.5%	21.4%	20.7%	19.3%	17.2%
<b>= Operating margin</b>	<b>27.2%</b>	<b>25.0%</b>	<b>30.7%</b>	<b>34.4%</b>	<b>36.2%</b>
1 / (Working capital/revenue	0.2	0.2	0.2	0.1	0.1
+ Net PPE/revenue	0.4	0.4	0.3	0.2	0.1
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
<b>= Capital turnover</b>	<b>1.7</b>	<b>1.8</b>	<b>1.7</b>	<b>3.0</b>	<b>4.8</b>
Operating margin	27.2%	25.0%	30.7%	34.4%	36.2%
x Capital turnover	1.7	1.8	1.7	3.0	4.8
x (1 - tax rate)	83.5%	83.0%	85.2%	83.0%	83.0%
<b>= After-tax ROIC</b>	<b>39.1%</b>	<b>36.4%</b>	<b>44.7%</b>	<b>84.4%</b>	<b>144.3%</b>

Source: Company data, KGI Research estimates

**Alltop – Recommendation & target price history**


Date	Rating	Target	Price
2024-03-06	Outperform	260.0	216.5
2023-11-06	Outperform	215.0	182.0
2023-08-08	Outperform	220.0	189.0
2023-05-05	Outperform	155.0	135.0
2022-11-16	Outperform	148.0	122.0
2022-10-26	Outperform	148.0	108.0
2022-08-09	Outperform	190.0	147.0
2022-06-28	Outperform	203.0	145.5
2022-05-05	Outperform	220.0	169.0
2022-03-07	Outperform	226.0	184.0

Source: TEJ, KGI Research

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