

# Vesync (2148 HK)

## Higher development costs but better tariffs

Following the disappointing 2H21 (slowdown in sell-in growth, higher than expected investment on A&P and R&D etc.), we have cut our forecasts. But due to tariff refunds and exemptions and the undemanding valuation, we maintain BUY but cut TP to HK\$5.89, based on 12x FY22E P/E (down from 20x for sector de-rating), much lower than 3 years average of 15x.

- FY21 result missed.** Vesync's sales increased by 30% YoY to RMB 454mn, missed CMBI/ BBG est. by 4%/ 8%, mainly due to the weaker than expected sales in US, esp. in 4Q21. Net profit fell by 24% YoY to RMB 42mn, missed CMBI/ BBG est. by 33%/ 41%, because of: 1) weaker than expected GP margin (at 38.8%, vs CMBI est. of 40.6%) and 2) higher than expected A&P expenses (at 4.7% of sales, vs CMBI est. of 2.9%).
- A more conservative view on FY22E.** After the slowdown in sales growth to just 16% YoY in 2H21, we are now more conservative but still expecting a 24% in FY22E (cut from 31%), as a result of: 1) 40%-50% increases in sell-out revenue during Jan-Mar 2022, 2) more new product launches (many were delayed from last year), 3) expansions into more categories.
- Better GP margin, due to tariffs benefit.** We expect GP margin to jump to 42.2% in FY22E (from 38.8% in FY21), thanks to tariff refunds (CMBI est. of ~USD 3-5mn) and exemption (CMBI est. of ~ USD20mn). Also, costs inflation can be offset by: 1) rollout of more high-end products, 2) product redesign and 3) better terms with suppliers and 4) more FX hedging. Moreover, the terms with amazon was renewed in FY22E (wholesale price increased slightly more than retail price, and with some underperforming SKUs were removed), which should not bring much negatives on the Vendor Central GP margin.
- Higher opex ratio, but OP margin could still be improving.** We do expect A&P expenses and staff costs (as % of sales) to further increase in FY22E, due to more marketing activities on different channels (e.g. Amazon or social media like twitter), more new product launches and after the hiring of senior management in R&D, marketing and supply chain department. However, Vesync will prioritize the efficiency (more KPIs on profits per employees) and better inventory management (lower warehousing costs substantially), we believe OP margin can still improve to 14.0% in FY22E (vs 11.4% in FY21E).
- Maintain BUY but cut TP to HK\$ 5.89.** We cut FY22E/ 23E net profit by 20%/ 31%, to factor in: 1) less sell-in sales, 2) higher A&P expenses but 3) tariff refunds and exemption. Our TP is based on 13x FY22E P/E (down from 20x), vs 3 years average of 15x. It is trading at 10x FY22E P/E, undemanding after price retreat, assuming no further deterioration of costs inflation.

### Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (USD k)	348,922	454,250	563,027	682,226	816,283
YoY growth (%)	103.0	30.2	23.9	21.2	19.6
NP att. (USD k)	54,723	41,588	68,197	78,436	101,810
EPS (USD)	0.049	0.036	0.058	0.067	0.087
YoY growth (%)	511.0	(25.4)	61.0	15.0	29.8
Consensus EPS (USD)	n/a	n/a	0.080	0.107	0.110
P/E (x)	12.2	16.5	10.2	8.9	6.8
P/B (x)	2.6	2.2	1.7	1.4	1.2
Yield (%)	2.8	2.7	3.9	4.5	5.8
ROE (%)	21.0	13.0	16.7	16.2	17.3
Net gearing (%)*	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, CMBIGM estimates, \*net debt (cash) / equity

### BUY (Maintain)

Target Price	HK\$5.89
(Previous TP)	HK\$11.30)
Up/Downside	+27.2%
Current Price	HK\$4.63

### China Home Appliance Sector

#### Walter Woo

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#### Stock Data

Mkt Cap (HK\$ mn)	5,394
Avg 3 mths t/o (HK\$ mn)	9.73
52w High/Low (HK\$)	15.38/3.90
Total Issued Shares (mn)	1,165.1

Source: Bloomberg

#### Shareholding Structure

Ms. Yang Lin (Settlor & Trustee) & Mr. Ryan Xu (Beneficiary)	36.15%
Mr. Yang Yuzheng	32.74%
Mr. Yang Hai	0.72%
Mr. Jiang Junxiu	1.43%
Share Award Trust	3.04%
Free Float	25.92%

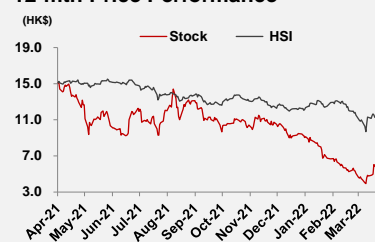
Source: HKEx

#### Share Performance

	Absolute	Relative
1-mth	-13.9%	-12.8%
3-mth	-51.1%	-48.1%
6-mth	-58.4%	-53.6%
2-mth	-68.2%	-58.3%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

#### Auditor: Ernst & Young

#### Related Reports

- Vesync (2148 HK, BUY) – FY22E guidance maintained but we are prudent – 29 Dec 2021
- Vesync (2148 HK, BUY) – Leveraging China production and US e-commerce – 29 Nov 2021

## Earnings revision

Figure 1: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	563,027	682,226	816,283	614,959	755,203	n/a	-8.4%	-9.7%	n/a
Gross profit	237,474	268,890	322,400	252,625	314,292	n/a	-6.0%	-14.4%	n/a
EBIT	78,020	88,713	115,030	97,774	129,504	n/a	-20.2%	-31.5%	n/a
Net profit att.	68,197	78,436	101,810	85,019	114,009	n/a	-19.8%	-31.2%	n/a
Diluted EPS (USD)	0.058	0.067	0.087	0.073	0.098	n/a	-19.8%	-31.2%	n/a
Gross margin	42.2%	39.4%	39.5%	41.1%	41.6%	n/a	1.1ppt	-2.2ppt	n/a
EBIT margin	13.9%	13.0%	14.1%	15.9%	17.1%	n/a	-2ppt	-4.1ppt	n/a
Net profit att. margin	12.1%	11.5%	12.5%	13.8%	15.1%	n/a	-1.7ppt	-3.6ppt	n/a

Source: Company data, CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	563,027	682,226	816,283	660,500	855,300	894,000	-14.8%	-20.2%	-8.7%
Gross profit	237,474	268,890	322,400	280,258	367,672	368,775	-15.3%	-26.9%	-12.6%
EBIT	78,020	88,713	115,030	100,538	132,588	146,000	-22.4%	-33.1%	-21.2%
Net profit att.	68,197	78,436	101,810	91,120	122,110	128,000	-25.2%	-35.8%	-20.5%
Diluted EPS (USD)	0.058	0.067	0.087	0.080	0.107	0.110	-26.9%	-37.0%	-20.6%
Gross margin	42.2%	39.4%	39.5%	42.4%	43.0%	41.3%	-0.3ppt	-3.6ppt	-1.8ppt
EBIT margin	13.9%	13.0%	14.1%	15.2%	15.5%	16.3%	-1.4ppt	-2.5ppt	-2.2ppt
Net profit att. margin	12.1%	11.5%	12.5%	13.8%	14.3%	14.3%	-1.7ppt	-2.8ppt	-1.8ppt

Source: Company data, CMBIGM estimates

## Results Summary

Figure 3: Results review – Half Year

Half yearly / Full yearly (USD k)	1H20	2H20	1H21	2H21	1H21 YoY	2H21 YoY	2H21E CMBIGM	Actual vs CMBIGM
<b>Revenue</b>	<b>129,254</b>	<b>219,668</b>	<b>199,290</b>	<b>254,960</b>	<b>54%</b>	<b>16%</b>	<b>271,531</b>	<b>-6%</b>
COGS	-67,486	-129,017	-110,720	-167,423			-168,885	
Gross profit	61,768	90,651	88,570	87,537	43%	-3%	102,646	-15%
<b>GP margins</b>	<b>47.8%</b>	<b>41.3%</b>	<b>44.4%</b>	<b>34.3%</b>			<b>37.8%</b>	
Other income & gains	185	156	3,202	-1,825			113	-1716 %
Selling and distribution expenses	-19,525	-27,716	-30,311	-38,522	55%	39%	-34,961	10%
<b>Selling and distribution exp / sales</b>	<b>-15.1%</b>	<b>-12.6%</b>	<b>-15.2%</b>	<b>-15.1%</b>			<b>-12.9%</b>	
Administrative expenses	-13,139	-25,781	-22,530	-28,605	71%	11%	-29,961	-5%
<b>Admin exp / sales</b>	<b>-10.2%</b>	<b>-11.7%</b>	<b>-11.3%</b>	<b>-11.2%</b>			<b>-11.0%</b>	
Other opex	-1,291	-3,970	-1,159	-4,413			-2,137	
Operating profit (EBIT)	27,998	33,340	37,772	14,172	35%	-57%	35,700	-60%
<b>OP margins</b>	<b>21.7%</b>	<b>15.2%</b>	<b>19.0%</b>	<b>5.6%</b>			<b>13.1%</b>	
Other items	-227	86	-396	224			-75	
Net finance income	-643	-497	-394	-369			-436	-15%
<b>Net finance income / sales</b>	<b>-0.5%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.1%</b>			<b>-0.2%</b>	
Profit after financing costs	27,128	32,929	36,982	14,027			35,190	
Associated coms	0	0	0	0			0	
Jointly controlled coms	0	0	0	0			0	
Pre-tax profit	27,128	32,929	36,982	14,027	36%	-57%	35,190	-60%
Tax	-4,647	-687	-5,001	-4,420			-4,742	-7%
<b>Tax / sales</b>	<b>-3.6%</b>	<b>-0.3%</b>	<b>-2.5%</b>	<b>-1.7%</b>			<b>-1.7%</b>	
<b>Effective tax rate</b>	<b>-17.1%</b>	<b>-2.1%</b>	<b>-13.5%</b>	<b>-31.5%</b>			<b>-13.5%</b>	
<b>Net profit from con. bus.</b>	<b>22,481</b>	<b>32,242</b>	<b>31,981</b>	<b>9,607</b>	<b>42%</b>	<b>-70%</b>	<b>30,448</b>	
Net profit from discon. bus.	0	0	0	0			0	n/a
Minority interests	0	0	0	0			0	n/a
<b>Net profit att.</b>	<b>22,481</b>	<b>32,242</b>	<b>31,981</b>	<b>9,607</b>	<b>42%</b>	<b>-70%</b>	<b>30,448</b>	<b>-68%</b>
<b>NP margins</b>	<b>17.4%</b>	<b>14.7%</b>	<b>16.0%</b>	<b>3.8%</b>			<b>11.2%</b>	
<b>Sales by region</b>								
North America	109,661	192,657	160,228	197,832	46%	3%	230,672	-14%
Europe	17,125	23,593	33,488	47,553	96%	102%	35,390	34%
Asia	2,468	3,418	5,574	9,575	126%	180%	5,469	75%
Total	129,254	219,668	199,290	254,960	54%	16%	271,531	-6%

Source: Bloomberg, Company data, CMBIGM estimates

Figure 4: Results review – Full Year

Half yearly / Full yearly (USD k)	FY20	FY21	FY22E	FY21 YoY	FY22E YoY	FY21E CMBIGM	Actual vs CMBIGM
<b>Revenue</b>	<b>348,922</b>	<b>454,250</b>	<b>563,027</b>	<b>30%</b>	<b>24%</b>	<b>470,821</b>	<b>-4%</b>
COGS	(196,503)	(278,143)	(325,553)			(279,605)	
Gross profit	152,419	176,107	237,474	<b>16%</b>	<b>35%</b>	191,216	-8%
<b>GP margins</b>	<b>43.7%</b>	<b>38.8%</b>	<b>42.2%</b>			<b>40.6%</b>	
Other income & gains	341	1,377	1,179			3,315	-58%
Selling and distribution expenses	(47,241)	(68,833)	(83,893)	<b>46%</b>	<b>22%</b>	(65,272)	5%
<b>Selling and distribution exp / sales</b>	<b>-13.5%</b>	<b>-15.2%</b>	<b>-14.9%</b>			<b>-13.9%</b>	
Administrative expenses	(38,920)	(51,135)	(67,678)	<b>31%</b>	<b>32%</b>	(52,491)	-3%
<b>Admin exp / sales</b>	<b>-11.2%</b>	<b>-11.3%</b>	<b>-12.0%</b>			<b>-11.1%</b>	
Other opex	-5,261	-5,572	-8,445			-3,296	
Operating profit (EBIT)	61,338	51,944	78,637	-15%	51%	73,472	-29%
<b>OP margins</b>	<b>17.6%</b>	<b>11.4%</b>	<b>14.0%</b>			<b>15.6%</b>	
Other items	(141)	(172)	0			(471)	
Net finance income	(1,140)	(763)	(1,140)			(830)	-8%
<b>Net finance income / sales</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.2%</b>			<b>-0.2%</b>	
Profit after financing costs	60,057	51,009	77,496			72,172	
Associated coms	0	0	0			0	
Jointly controlled coms	0	0	0			0	
Pre-tax profit	60,057	51,009	77,496	<b>-15%</b>	<b>52%</b>	72,172	-29%
Tax	(5,334)	(9,421)	(9,300)			(9,743)	-3%
<b>Tax / sales</b>	<b>-1.5%</b>	<b>-2.1%</b>	<b>-1.7%</b>			<b>-2.1%</b>	
<b>Effective tax rate</b>	<b>-8.9%</b>	<b>-18.5%</b>	<b>-12.0%</b>			<b>-13.5%</b>	
<b>Net profit from con. bus.</b>	<b>54,723</b>	<b>41,588</b>	<b>68,197</b>	<b>-24%</b>	<b>64%</b>	<b>62,429</b>	<b>-33%</b>
Net profit from discon. bus.	0	0	0			0	#DIV/0!
Minority interests	0	0	0			0	#DIV/0!
<b>Net profit att.</b>	<b>54,723</b>	<b>41,588</b>	<b>68,197</b>	<b>-24%</b>	<b>64%</b>	<b>62,429</b>	<b>-33%</b>
<b>NP margins</b>	<b>15.7%</b>	<b>9.2%</b>	<b>12.1%</b>			<b>13.3%</b>	
<b>Sales by region</b>							
North America	302,318	358,060	431,655	<b>18%</b>	<b>21%</b>	390,900	-8%
Europe	40,718	81,041	109,405	<b>99%</b>	<b>35%</b>	68,878	18%
Asia	5,886	15,149	21,966	<b>157%</b>	<b>45%</b>	11,043	37%
Total	348,922	454,250	563,027	<b>30%</b>	<b>24%</b>	470,821	-4%

Source: Bloomberg, Company data, CMBIGM estimates

## Valuation

### Peers Valuation

Figure 5: Peers' valuation

Company	Ticker	Rating	12m TP (LC)	Price (LC)	Up/Down-side	Mkt. Cap (HK\$ mn)	Year End	P/E (x)		P/B (x)		ROE (%)	3yrs PEG (x)	Yield (%)	
								FY1E	FY2E	FY1E	FY2E	FY1E	FY1E	FY1E	
<b>A+ H shares Small Home Appliances</b>															
Vesync	2148 HK	BUY	5.89	4.63	27%	5,394	Dec-21	10.2	8.9	1.7	1.4	14.3	0.3	3.9	
Js Global Lifestyle	1691 HK	BUY	11.54	9.58	20%	33,478	Dec-21	8.4	7.2	1.8	1.5	24.2	0.5	4.6	
Joyoung	002242 CH	NR	n/a	16.42	n/a	15,507	Dec-21	14.6	12.7	2.7	2.5	17.4	1.0	5.7	
Zhejiang Supor	002032 CH	NR	n/a	53.40	n/a	53,170	Dec-21	18.7	16.6	4.7	4.1	26.2	1.2	3.2	
Xinbao	002705 CH	NR	n/a	16.80	n/a	17,101	Dec-20	17.3	13.2	2.1	1.9	14.8	3.0	2.2	
Bear Electric	002959 CH	NR	n/a	45.95	n/a	8,851	Dec-20	22.9	17.2	3.3	3.0	15.4	2.5	2.0	
Ecovacs Robotics	603486 CH	NR	n/a	109.05	n/a	77,060	Dec-20	30.7	22.8	12.7	8.9	49.7	0.4	1.1	
Beijing Roborock	688169 CH	NR	n/a	566.55	n/a	46,602	Dec-20	26.1	20.1	4.5	3.8	20.2	1.1	0.5	
Kingclean Electric	603355 CH	NR	n/a	21.07	n/a	14,909	Dec-20	18.2	12.2	2.9	2.5	11.6	0.3	0.7	
								<b>Avg.</b>	<b>18.6</b>	<b>14.5</b>	<b>4.1</b>	<b>3.3</b>	<b>21.5</b>	<b>1.1</b>	<b>2.7</b>
								<b>Med.</b>	<b>18.2</b>	<b>13.2</b>	<b>2.9</b>	<b>2.5</b>	<b>17.4</b>	<b>1.0</b>	<b>2.2</b>
<b>A + H Home Appliances</b>															
Midea	000333 CH	BUY	95.24	58.60	63%	504,720	Dec-20	14.3	12.4	3.0	2.7	24.8	1.0	3.1	
Gree Electric	000651 CH	NR	n/a	33.02	n/a	240,460	Dec-20	8.5	7.5	1.6	1.5	23.3	0.6	6.8	
Haier Smart Home	600690 CH	NR	n/a	23.75	n/a	261,452	Dec-21	14.5	12.7	2.5	2.2	17.8	4.3	2.6	
Haier Smart Home	6690 HK	BUY	30.66	25.80	19%	261,438	Dec-21	12.7	11.2	2.2	2.0	17.8	4.7	3.0	
Hisense Home	921 HK	NR	n/a	7.36	n/a	15,592	Dec-21	6.2	4.5	0.7	0.6	15.5	0.2	5.3	
Hisense Home	000921 CH	NR	n/a	10.98	n/a	15,592	Dec-21	10.1	8.5	1.3	1.2	15.5	0.4	3.6	
Whirlpool China	600983 CH	NR	n/a	8.16	n/a	7,700	Dec-20	n/a	n/a	n/a	n/a	(7.6)	n/a	n/a	
Hangzhou Robam	002508 CH	NR	n/a	30.50	n/a	35,639	Dec-20	18.3	12.9	3.2	2.7	23.2	0.9	1.9	
Vatti	002035 CH	NR	n/a	5.50	n/a	5,740	Dec-20	11.3	9.2	1.3	1.2	13.1	0.7	2.9	
								<b>Avg.</b>	<b>12.0</b>	<b>9.9</b>	<b>2.0</b>	<b>1.7</b>	<b>15.9</b>	<b>1.6</b>	<b>3.6</b>
								<b>Med.</b>	<b>12.0</b>	<b>10.2</b>	<b>1.9</b>	<b>1.7</b>	<b>17.8</b>	<b>0.8</b>	<b>3.1</b>
<b>International Small Home Appliances</b>															
Techtronic	669 HK	NR	n/a	124	n/a	228,026	Dec-21	22.2	18.3	5.2	4.4	25.5	1.1	1.8	
Smith (A.O.) Corp	AOS US	NR	n/a	66	n/a	81,044	Dec-21	18.6	17.3	5.6	4.9	26.5	1.7	1.7	
Helen Of Troy Ltd	HELE US	NR	n/a	200	n/a	37,773	Feb-21	17.0	15.6	3.6	2.9	16.1	1.5	n/a	
De'Longhi Spa	DLG IM	NR	n/a	25	n/a	32,158	Dec-21	14.8	13.1	2.2	2.0	21.9	(8.6)	2.9	
Irobot Corp	IRBT US	NR	n/a	63	n/a	13,483	Jan-22	32.3	16.1	2.4	2.2	4.0	0.4	0.0	
Seb Sa	SK FP	NR	n/a	126	n/a	60,403	Dec-21	14	12.7	2.1	1.9	16.6	6.4	2.1	
Breville Group	BRG AU	NR	n/a	27	n/a	21,907	Jun-21	35	30.3	6.4	5.6	19.7	2.3	1.1	
Koninklijke Philips	PHIA NA	NR	n/a	28	n/a	214,480	Dec-21	16.7	14.1	1.7	1.6	25.2	(1.0)	3.1	
								<b>Avg.</b>	<b>21.3</b>	<b>17.2</b>	<b>3.7</b>	<b>3.2</b>	<b>19.4</b>	<b>0.5</b>	<b>1.8</b>
								<b>Med.</b>	<b>17.8</b>	<b>15.9</b>	<b>3.0</b>	<b>2.6</b>	<b>20.8</b>	<b>1.3</b>	<b>1.8</b>
<b>International Home Appliances</b>															
Whirlpool	WHR US	NR	n/a	172.44	n/a	78,981	Dec-21	6.5	6.2	2.0	1.8	40.8	(4.1)	3.9	
Ingersoll-Rand	IR US	NR	n/a	50.25	n/a	160,608	Dec-21	21.6	19.1	2.8	2.3	6.2	0.7	0.1	
Electrolux Ab-B	ELUXB SS	NR	n/a	143	n/a	37,257	Dec-21	8.3	7.1	2.1	1.9	25.1	1.1	6.7	
Daikin Industries	6367 JP	NR	n/a	22365	n/a	419,013	Mar-21	29.9	26.4	3.6	3.2	12.1	1.9	0.9	
Panasonic	6752 JP	NR	n/a	1179.50	n/a	184,999	Mar-21	11.3	10.8	1.0	0.9	9.0	0.7	2.6	
Fujitsu General	6755 JP	NR	n/a	2408.00	n/a	16,823	Mar-21	25.7	17.8	2.0	1.8	7.7	4.3	1.3	
Lg Electronics	066570 KS	NR	n/a	117500.	n/a	123,477	Dec-21	7.0	6.0	1.0	0.9	5.7	0.2	1.0	
Samsung	005930 KS	NR	n/a	69100.	n/a	2,648,960	Dec-21	9.8	8.6	1.4	1.2	12.2	0.7	2.1	
								<b>Avg.</b>	<b>15.0</b>	<b>12.8</b>	<b>2.0</b>	<b>1.8</b>	<b>14.9</b>	<b>0.7</b>	<b>2.3</b>
								<b>Med.</b>	<b>10.5</b>	<b>9.7</b>	<b>2.0</b>	<b>1.8</b>	<b>10.6</b>	<b>0.7</b>	<b>1.7</b>

Source: Bloomberg, CMBIGM estimates

## Assumptions

Figure 6: CMBI's assumptions

USD mn	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Sales by region (USD k)</b>						
North America	148,634	302,318	358,060	431,655	510,345	589,872
Europe	21,976	40,718	81,041	109,405	142,227	184,895
Asia	1,309	5,886	15,149	21,966	29,654	41,516
Total	171,919	348,922	454,250	563,027	682,226	816,283
<b>Sales growth by region (%)</b>						
North America	22.9%	103.4%	18.4%	20.6%	18.2%	15.6%
Europe	-1.9%	85.3%	99.0%	35.0%	30.0%	30.0%
Asia	-5.2%	349.7%	157.4%	45.0%	35.0%	40.0%
Total	18.8%	103.0%	30.2%	23.9%	21.2%	19.6%
<b>Sales growth by segment (%)</b>						
Seller Central	-18.7%	23.0%	-27.0%	-10.0%	-5.0%	0.0%
Vendor Central	110.8%	166.7%	45.4%	24.7%	17.7%	14.7%
Others (including offline)	44.0%	860.0%	197.6%	80.0%	65.0%	50.0%
<b>GP margins by region</b>						
North America	39.3%	44.5%	41.3%	43.5%	40.0%	40.0%
Europe	37.8%	38.0%	37.5%	37.5%	37.5%	38.0%
Asia	44.1%	43.0%	38.9%	39.5%	38.5%	39.0%
Total	39.1%	43.7%	40.5%	42.2%	39.4%	39.5%
<b>GP margins by segment</b>						
Seller Central	34.7%	41.0%	33.0%	36.0%	35.0%	35.5%
Vendor Central	43.6%	46.1%	41.1%	44.4%	41.2%	41.4%
Others (including offline)	25.7%	23.0%	30.0%	35.0%	34.5%	35.0%
<b>Opex breakdown</b>						
A & P	-8.5%	-3.5%	-4.7%	-5.7%	-5.3%	-5.3%
Commission to platform	-7.5%	-4.9%	-2.8%	-2.2%	-1.7%	-1.5%
Staff cost - Opex	-5.7%	-5.8%	-7.0%	-8.4%	-8.0%	-7.5%
Warehousing	-2.3%	-1.8%	-3.9%	-2.7%	-2.7%	-2.7%
R & D	-4.8%	-3.0%	-3.8%	-4.0%	-4.0%	-4.0%
Office expenses	-1.0%	-0.8%	-0.9%	-0.8%	-0.7%	-0.6%
D & A - Opex	-0.7%	-0.6%	-0.8%	-0.6%	-0.5%	-0.4%
Selling & distribution costs / sales	-22.0%	-13.5%	-15.2%	-14.9%	-13.9%	-13.4%
Admin expenses / sales	-12.4%	-11.2%	-11.3%	-12.0%	-11.6%	-11.1%
<b>OP margins</b>						
Effective tax rate	-8.1%	-8.9%	-18.5%	-12.0%	-11.0%	-11.0%
<b>NP att. margins</b>						
	<b>3.7%</b>	<b>15.7%</b>	<b>9.2%</b>	<b>12.1%</b>	<b>11.5%</b>	<b>12.5%</b>
<b>NP att. growth (%)</b>						
	<b>46.1%</b>	<b>758.8%</b>	<b>-24.0%</b>	<b>64.0%</b>	<b>15.0%</b>	<b>29.8%</b>
<b>Adjusted NP att. growth (%)</b>						
	<b>46.1%</b>	<b>758.8%</b>	<b>-24.0%</b>	<b>64.0%</b>	<b>15.0%</b>	<b>29.8%</b>

Source: Company data, CMBIGM estimates



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