

# Glodon (002410 CH)

## 1Q22 beat, cash flow fluctuations manageable

Glodon delivered strong sets of FY1Q22 that beat our estimates. Construction Costing SaaS revenue grew at +39% YoY to RMB765mn (68% of FY1Q22 revenue) while Construction Management revenue was up +29% YoY to RMB107mn. We think widened operating cash outflow cannot reflect a deteriorating cash flow management as 1) AR days only slightly increased by 2 days YoY and 2) 1Q only accounts for 15% of full year revenue (most of the cash is received in 4Q). Maintain BUY.

- FY1Q22 solid beat.** Glodon reported FY1Q22 revenue of RMB1,131mn (+33% YoY), beat our/consensus estimates by 12%/8% respectively. Net profit was at RMB109mn (+42% YoY), beat our estimate by 7% as operating leverage from SaaS migration emerging. Opex was up +22% YoY to RMB822mn, although GPM was down to 85.5% (-4.5 pct pts YoY).
- No change in full-year construction costing and construction management growth target.** Glodon's costing SaaS delivered strong revenue growth of +39% YoY to RMB765mn in FY1Q22. All operating metrics suggested SaaS migration is in good shape: 1) SaaS accounted for 68% of total revenue, 2) Newly signed contract was at RMB478mn (+45% YoY), 3) Unearned revenue was at RMB1,759mn (+37% YoY). For construction management segment, despite a soft new starts number in property market (1Q22 real estate GFA newly started -16% YoY), revenue grew at +29% YoY to RMB107mn. Glodon remains confident to achieve full year targets of 1) SaaS newly signed contract reaching RMB4bn and 2) Construction management to deliver +30% YoY revenue growth.
- FY1Q22 operating cash flow fluctuation manageable.** Investors are concerned about the widened operating cash outflow in FY1Q22 and higher account receivables (+57% YoY). This is attributable to 1) a recorded government subsidy of RMB50mn in FY1Q21, 2) +1,300 YoY increase in employees no. and 3) piling up raw materials inventory. We think quarterly cash flow fluctuation is manageable as 1) AR days only increased to 59 (vs. 57 in FY1Q21) and 2) 1Q is a low season (usually 15% of full year revenue).
- Maintain BUY.** We largely keep our FY22-24E earnings forecast. Maintain BUY but lowered target price to RMB72.03 (prior RMB82.75) to reflect higher earnings uncertainty regarding its project-based construction management business if more cities in China face tighter restrictions due to Omicron spread.

### Earnings Summary

(YE 31 Dec)	FY20	FY21	FY22E	FY23E	FY24E
Revenue (RMB mn)	4,005	5,619	6,760	7,964	9,389
YoY growth (%)	13%	40%	20%	18%	18%
Net profit (RMB mn)	330	661	904	1,050	1,261
EPS (RMB)	0.28	0.56	0.76	0.88	1.06
YoY growth (%)	34%	99%	37%	16%	20%
Consensus EPS (RMB)	0.28	0.56	0.83	1.11	1.41
PE (x)	150.2	75.3	55.1	47.5	39.5
EV/sales	11.2	8.1	6.7	5.6	4.6
Dividend Yiled (%)	0.01	0.01	0.00	0.00	0.00
ROE (%)	7%	11%	15%	17%	17%
Net debt to equity	net cash	net cash	net cash	net cash	net cash

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

Target Price	RMB72.03
(Previous TP)	RMB82.75)
Up/Downside	+72.10%
Current Price	RMB41.86

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#### Stock Data

Mkt Cap (RMB mn)	49,830
Avg 3 mths t/o (RMB mn)	263.40
52w High/Low (RMB)	79.30/ 41.81
Total Issued Shares (mn)	1,190

Source: Bloomberg

#### Shareholding Structure

Xi Zhizhong - Chairman	16.0%
Other co-founders	20.3%

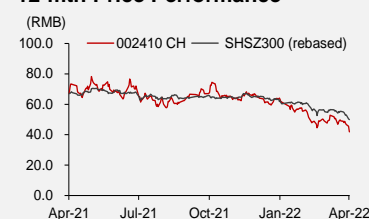
Source: Bloomberg

#### Share Performance

	Absolute	Relative
1-mth	-6.6%	2.2%
3-mth	-28.9%	-12.8%
6-mth	-32.1%	-11.3%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

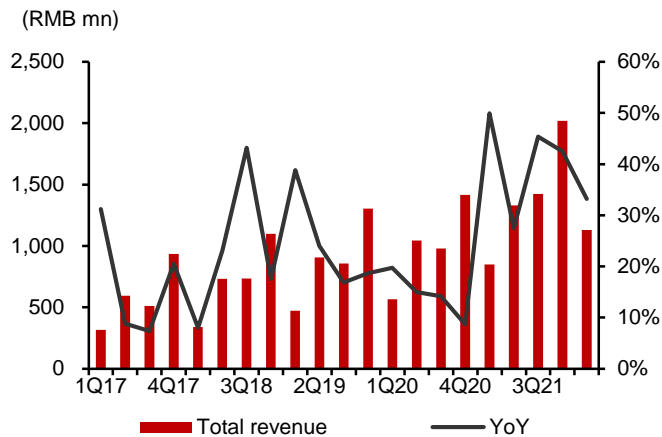
#### Auditor: BDO

#### Related Reports

- "Diverging property SaaS outlook" – 1 Apr 2022 ([link](#))
- Glodon (002410 CH) - "Reset expectation" – 17 Feb 2022 ([link](#))

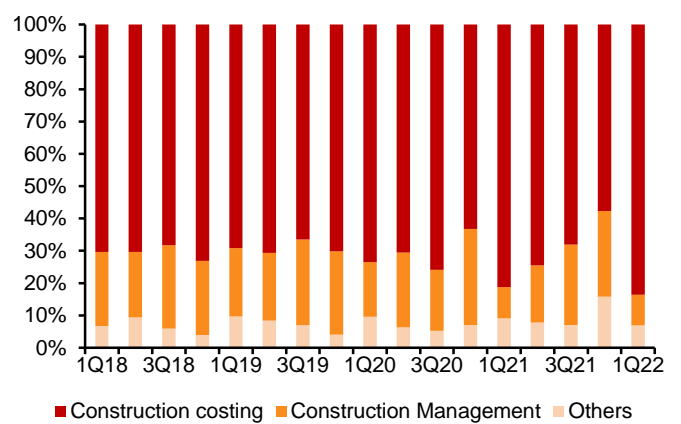
## Focus Charts

**Figure 1: Revenue and growth**



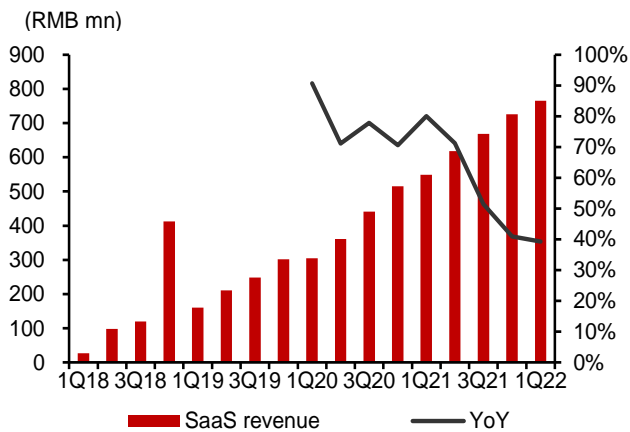
Source: Company data

**Figure 2: Revenue breakdown**



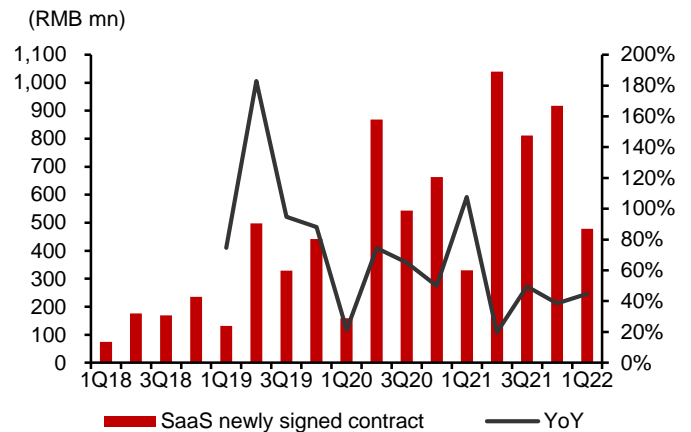
Source: Company data

**Figure 3: SaaS revenue**



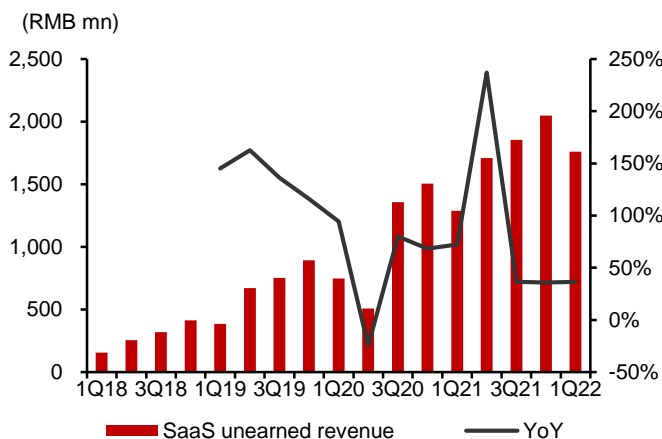
Source: Company data

**Figure 4: SaaS newly signed contract**



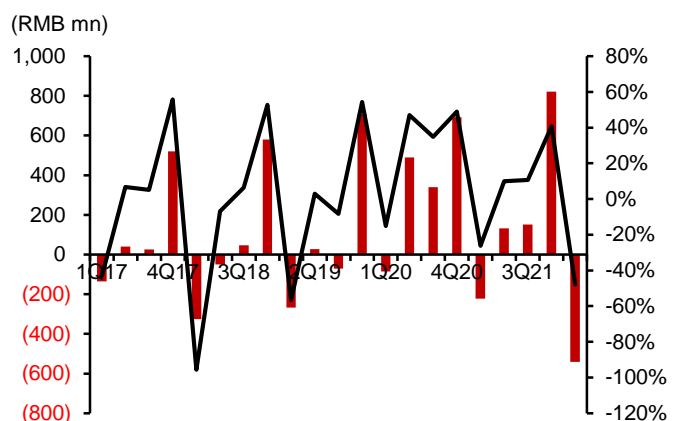
Source: Company data

**Figure 5: SaaS unearned revenue**



Source: Company data

**Figure 6: Free cash flow**



Source: Company data

## FY1Q22 results review

- **Revenue** was at RMB1,131mn (+33% YoY, -44% QoQ), beat our estimate by 12% and consensus by 8%.
- **Gross profit** was at RMB967mn (+27% YoY, -38% QoQ), beat our estimate by 12% and consensus by 6%.
- **Gross margin** was at 85.5%, (-4.5 pct pts YoY, +7.6 pct pts QoQ), above our estimate by 0.5 pct pts but below consensus by 1.9 pct pts.
- **Operating profit** was at RMB145mn (+61% YoY, -35% QoQ), beat our estimates by 7%.
- **Operating margin** was at 12.9% (+2.2 pct pts YoY, +1.8 pct pts QoQ), below our estimates by 0.6 pct pts.
- **Net profit** was at RMB109mn (+42% YoY, -41% QoQ), beat our estimate by 7% but below consensus by 41%.

Figure 7: FY1Q22 results review

	Mar-21 1Q21	Dec-21 4Q21	Mar-22 1Q22			Mar-22 1Q22	versus	Mar-22 1Q22	versus
RMB mn	actual	actual	actual	YoY	QoQ	CMBI	CMBI	consensus	consensus
Revenue	849	2,018	1,131	33%	-44%	1,012	12%	1,043	8%
Gross profit	764	1,572	967	27%	-38%	860	12%	911	6%
Gross margin	90.0%	77.9%	85.5%	-4.5 pct pts	7.6 pct pts	85.0%	0.5 pct pts	87.4%	-1.9 pct pts
Operating profit	90	222	145	61%	-35%	136	7%	n.a.	n.a.
Operating margin	10.6%	11.0%	12.9%	2.2 pct pts	1.8 pct pts	13.5%	-0.6 pct pts	n.a.	n.a.
Net non-op	7	-5	-19	-374%	-281%	-9	-122%	n.a.	n.a.
PBT	97	217	126	30%	-42%	128	-1%	232	-46%
Net income	77	186	109	42%	-41%	101	7%	185	-41%
EPS RMB	0.06	0.16	0.09	41%	-41%	0.09	7%	0.19	-52%

Source: Company data, Bloomberg, CMBIGM

## FY1Q22 revenue breakdown

- **Engineering costing SaaS revenue** was at RMB765mn (+39% YoY, +5% QoQ). SaaS revenue accounted for 68% of total FY1Q22 revenue.
- **Engineering costing non-SaaS revenue** was at RMB180mn (+29% YoY, -59% QoQ).
- **Newly signed SaaS contract** was at RMB478mn, (+45% YoY, -48% QoQ).
- **Unearned SaaS revenue** was at RMB1,759mn (+37% YoY, -14% QoQ).
- **Engineering construction revenue** was at RMB107mn (+29% YoY, -80% QoQ).

Figure 8: FY1Q22 revenue breakdown

RMB mn	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Revenue breakdown</b>									
Construction costing	416	736	743	896	689	990	969	1,165	945
...SaaS	305	361	441	515	549	618	668	726	765
...non-SaaS	111	375	302	381	140	372	301	439	180
Construction Management	96	241	185	421	83	235	354	534	107
Others	54	66	51	100	77	104	100	319	79
<b>Total</b>	<b>566</b>	<b>1,043</b>	<b>979</b>	<b>1,417</b>	<b>849</b>	<b>1,329</b>	<b>1,423</b>	<b>2,018</b>	<b>1,131</b>
<b>Revenue YoY</b>									
Construction costing	27%	15%	30%	-2%	66%	34%	30%	30%	37%
...SaaS	91%	71%	78%	71%	80%	71%	51%	41%	39%
...non-SaaS	-34%	-13%	-6%	-38%	26%	-1%	0%	15%	29%
Construction Management	-4%	27%	-19%	25%	-14%	-2%	91%	27%	29%
Others	18%	-14%	-15%	88%	42%	58%	97%	220%	2%
<b>Total</b>	<b>20%</b>	<b>15%</b>	<b>14%</b>	<b>9%</b>	<b>50%</b>	<b>27%</b>	<b>45%</b>	<b>42%</b>	<b>33%</b>
<b>SaaS metrics</b>									
Newly signed contract	159	869	543	663	330	1,040	812	918	478
YoY	21%	74%	65%	50%	108%	20%	50%	38%	45%
Unearned revenue	748	507	1,357	1,506	1,288	1,708	1,854	2,047	1,759
YoY	94%	-25%	80%	68%	72%	237%	37%	36%	37%

Source: Company data, CMBIGM

## Earnings revision

Figure 9: Earnings revision

RMBm	2022E			2023E			2024E		
	New	Old	%Diff	New	Old	%Diff	New	Old	%Diff
Sales	6,760	6,698	1%	7,964	7,770	2%	9,389	9,060	4%
Gross profit	5,627	5,576	1%	6,497	6,380	2%	7,551	7,339	3%
OP Profit	1,142	1,174	-3%	1,248	1,289	-3%	1,465	1,512	-3%
PBT	1,107	1,141	-3%	1,238	1,263	-2%	1,475	1,494	-1%
Net profit	904	933	-3%	1,050	1,070	-2%	1,261	1,272	-1%
EPS	0.76	0.78	-3%	0.88	0.90	-2%	1.06	1.07	-1%
<b>Margins</b>									
GM	83.3%	83.2%	1 bps	81.6%	82.1%	-52 bps	80.4%	81.0%	-58 bps
OPM	16.9%	17.5%	-63 bps	15.7%	16.6%	-91 bps	15.6%	16.7%	-108 bps
PBT margin	16.4%	17.0%	-65 bps	15.5%	16.3%	-71 bps	15.7%	16.5%	-78 bps
Net margin	13.4%	13.9%	-56 bps	13.2%	13.8%	-60 bps	13.4%	14.0%	-61 bps

Source: Company data

Figure 10: CMBI vs. consensus

RMBm	CMBI	2022E		CMBI	2023E		CMBI	2024E	
		Street	Diff		Street	Diff		Street	Diff
Sales	6,760	6,835	-1%	7,964	8,290	-4%	9,389	10,047	-7%
Gross profit	5,627	5,782	-3%	6,497	6,982	-7%	7,551	8,365	-10%
OP Profit	1,142	1,160	-2%	1,248	1,547	-19%	1,465	1,935	-24%
PBT	1,107	1,131	-2%	1,238	1,500	-17%	1,475	1,870	-21%
Net profit	904	987	-8%	1,050	1,326	-21%	1,261	1,684	-25%
EPS	0.8	0.8	-8%	0.9	1.1	-21%	1.1	1.4	-25%
<b>Margins</b>									
GM	83.3%	84.6%	-134 bps	81.6%	84.2%	-264 bps	80.4%	83.3%	-284 bps
OPM	16.9%	17.0%	-8 bps	15.7%	18.7%	-299 bps	15.6%	19.3%	-365 bps
PBT margin	16.4%	16.5%	-16 bps	15.5%	18.1%	-255 bps	15.7%	18.6%	-291 bps
Net margin	13.4%	14.4%	-106 bps	13.2%	16.0%	-282 bps	13.4%	16.8%	-332 bps

Source: Company data

## Operating model

Figure 11: Operating model

RMB mn	2020	2021	2022E	2023E	2024E
<b>Revenues</b>	<b>4,005</b>	<b>5,619</b>	<b>6,760</b>	<b>7,964</b>	<b>9,389</b>
Cost of sales	-454	-893	-1,132	-1,467	-1,838
<b>Gross Profit</b>	<b>3,550</b>	<b>4,727</b>	<b>5,627</b>	<b>6,497</b>	<b>7,551</b>
<i>Gross margin</i>	<i>88.7%</i>	<i>84.1%</i>	<i>83.3%</i>	<i>81.6%</i>	<i>80.4%</i>
R&D	-1,083	-1,333	-1,508	-1,765	-2,046
SG&A	-2,135	-2,686	-3,038	-3,547	-4,116
Operating Income	408	748	1,142	1,248	1,465
<i>Operating margin</i>	<i>10.2%</i>	<i>13.3%</i>	<i>16.9%</i>	<i>15.7%</i>	<i>15.6%</i>
Interest Expense	17	53	44	54	66
Non-operating income/ (expense)	-15	-52	-79	-64	-56
Profit Before Income Taxes	410	749	1,107	1,238	1,475
Income Tax Expense	-29	-31	-97	-74	-71
<b>Net profit (loss)</b>	<b>330</b>	<b>661</b>	<b>904</b>	<b>1,050</b>	<b>1,261</b>
<i>Net margin</i>	<i>8.3%</i>	<i>11.8%</i>	<i>13.4%</i>	<i>13.2%</i>	<i>13.4%</i>
EPS (RMB)	0.28	0.56	0.76	0.88	1.06
DPS (RMB)	0.25	0.30	0.20	0.20	0.20
<b><u>Revenue breakdown</u></b>					
Engineering costing	2,791	3,813	4,572	5,362	6,214
...recurring revenue	1,622	2,561	3,382	4,232	5,140
...non-recurring revenue	1,169	1,252	1,190	1,130	1,074
Engineering construction	943	1,206	1,471	1,736	2,083
Others	271	601	717	867	1,092
<b><u>Gross margin breakdown</u></b>					
Engineering costing	94.2%	92.3%	93.3%	92.6%	92.8%
Engineering construction	72.1%	65.8%	65.5%	63.0%	63.0%
<b><u>Growth (YoY)</u></b>					
Revenues	13%	40%	20%	18%	18%
Gross Profit	12%	33%	19%	15%	16%
Operating Income	21%	84%	53%	9%	17%
EPS	34%	99%	37%	16%	20%

Source: Company data, CMBIGM

**Figure 12: Quarterly operating model**

RMB mn	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22E	3Q22E	4Q22E
Revenues	566	1,043	979	1,417	849	1,329	1,423	2,018	1,131	1,588	1,690	2,350
Gross Profit	534	924	879	1,213	764	1,171	1,220	1,572	967	1,400	1,431	1,829
Operating income	82	121	121	84	90	244	191	222	145	355	348	294
Net profit	53	77	100	101	77	209	189	186	109	247	301	248
EPS (RMB)	0.05	0.07	0.08	0.08	0.06	0.18	0.16	0.16	0.09	0.21	0.25	0.21
<b>Margins</b>												
Gross margin	94.3%	88.6%	89.8%	85.6%	90.0%	88.1%	85.7%	77.9%	85.5%	88.2%	84.7%	77.8%
Operating margin	14.5%	11.6%	12.4%	5.9%	10.6%	18.4%	13.5%	11.0%	12.9%	22.4%	20.6%	12.5%
Net margin	9.4%	7.4%	10.2%	7.1%	9.0%	15.7%	13.3%	9.2%	9.6%	15.5%	17.8%	10.6%
<b>Growth (QoQ)</b>												
Revenues	-57%	84%	-6%	45%	-40%	57%	7%	42%	-44%	40%	6%	39%
Gross Profit	-53%	73%	-5%	38%	-37%	53%	4%	29%	-38%	45%	2%	28%
Operating income	-26%	47%	1%	-31%	8%	171%	-22%	16%	-35%	145%	-2%	-16%
EPS	-31%	42%	26%	1%	-24%	173%	-10%	-2%	-41%	127%	22%	-17%
<b>Growth (YoY)</b>												
Revenues	20%	15%	14%	9%	50%	27%	45%	42%	33%	19%	19%	16%
Gross Profit	20%	8%	18%	8%	43%	27%	39%	30%	27%	20%	17%	16%
Operating income	9%	113%	28%	-25%	10%	103%	58%	166%	61%	46%	82%	32%
EPS	-5%	119%	37%	26%	38%	165%	89%	84%	41%	17%	58%	33%

Source: Company data, CMBIGM

## Valuation

### Glodon (002410 CH, BUY, TP RMB72.03)

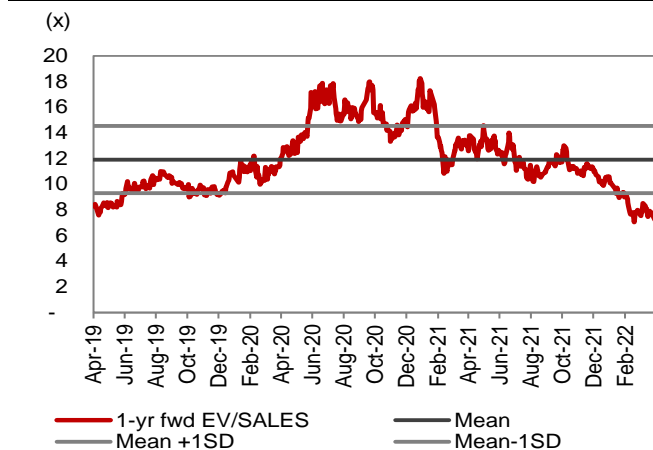
We maintain BUY with new target price of RMB72.03 (prior RMB82.75), based on lowered 12x FY22E EV/Sales (prior 14x) to reflect higher uncertainty regarding construction management business if more cities implement restrictive policies due to Omicron spread.

Figure 13: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	EV/sales (x)		FCF margin (%)		Sales CAGR	EPS CAGR	
						FY21	FY22E	FY21	FY22E	FY20-23E	FY20-23E	
Glodon	002410 CH	BUY	7,616	41.86	72.03	8.1	6.7	16%	16%	26%	47%	
MYC	909 HK	HOLD	2,276	9.07	11.22	4.0	3.4	14%	8%	26%	13%	
Yonyou	600588 CH	NR	8,893	16.94	N/A	6.0	5.4	13%	8%	14%	9%	
Kingsoft Office	688111 CH	NR	11,133	158.00	N/A	19.4	15.0	59%	27%	35%	27%	
Kingdee	268 HK	NR	6,101	13.78	N/A	8.7	7.2	4%	3%	25%	-41%	
Autodesk	ADSK US	NR	41,538	191.15	N/A	11.4	9.8	36%	29%	16%	34%	
CoStar	CSGP US	NR	24,748	62.65	N/A	11.4	10.2	22%	17%	15%	10%	
						<b>Mean</b>	<b>10.9</b>	<b>9.0</b>	<b>0.3</b>	<b>0.2</b>	<b>22%</b>	<b>16%</b>
						<b>Median</b>	<b>10.2</b>	<b>8.5</b>	<b>0.2</b>	<b>0.2</b>	<b>24%</b>	<b>17%</b>

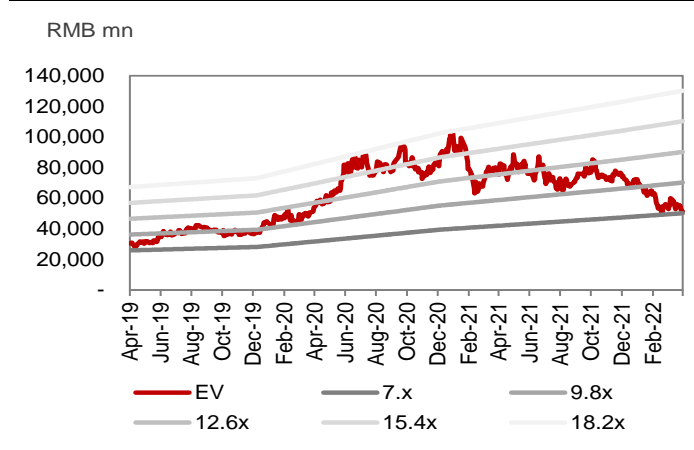
Source: Bloomberg, CMBIGM

Figure 14: 12M forward EV/sales chart



Source: Bloomberg, CMBIGM

Figure 15: 12M forward EV/sales band



Source: Bloomberg, CMBIGM



## Financial Summary

### Income statement

YE 31 Dec (RMB mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>4,005</b>	<b>5,619</b>	<b>6,760</b>	<b>7,964</b>	<b>9,389</b>
Cost of sales	(454)	(893)	(1,132)	(1,467)	(1,838)
<b>Gross profit</b>	<b>3,550</b>	<b>4,727</b>	<b>5,627</b>	<b>6,497</b>	<b>7,551</b>
Selling exp	(1,256)	(1,587)	(1,753)	(2,070)	(2,388)
Admin exp	(879)	(1,099)	(1,285)	(1,477)	(1,728)
R&D exp	(1,083)	(1,333)	(1,508)	(1,765)	(2,046)
Other operating exp.	75	41	60	63	76
<b>Operating profit</b>	<b>408</b>	<b>748</b>	<b>1,142</b>	<b>1,248</b>	<b>1,465</b>
Finance income/ (costs)	17	53	44	54	66
Other non-oper exp.	(15)	(52)	(79)	(64)	(56)
<b>Pre-tax profit</b>	<b>410</b>	<b>749</b>	<b>1,107</b>	<b>1,238</b>	<b>1,475</b>
Income tax expense	(29)	(31)	(97)	(74)	(71)
Minority interests	(51)	(58)	(107)	(114)	(143)
<b>Net profit to shareholders</b>	<b>330</b>	<b>661</b>	<b>904</b>	<b>1,050</b>	<b>1,261</b>

### Cash flow summary

YE 31 Dec (RMB mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Net profit</b>	<b>330</b>	<b>661</b>	<b>904</b>	<b>1,050</b>	<b>1,261</b>
Depreciation/amortization	229	158	286	327	371
Change in working capital	784	525	322	525	612
Others	533	258	197	114	143
<b>Net cash from operating</b>	<b>1,876</b>	<b>1,601</b>	<b>1,709</b>	<b>2,016</b>	<b>2,387</b>
Capex	(439)	(720)	(643)	(718)	(691)
Other	(257)	(821)	155	0	0
<b>Net cash from investing</b>	<b>(697)</b>	<b>(1,541)</b>	<b>(488)</b>	<b>(718)</b>	<b>(691)</b>
Net borrowings	(1,088)	(3)	0	0	0
Dividend paid	(157)	(354)	(357)	(238)	(238)
Other	2,645	(438)	(277)	(114)	(143)
<b>Net cash from financing</b>	<b>1,400</b>	<b>(795)</b>	<b>(634)</b>	<b>(352)</b>	<b>(381)</b>
<b>Net change in cash</b>	<b>2,580</b>	<b>(735)</b>	<b>587</b>	<b>946</b>	<b>1,315</b>
Cash at beginning of the year	2,231	4,797	4,050	4,630	5,576
Exchange difference	(14)	(13)	(6)	0	0
<b>Cash at the end of the year</b>	<b>4,797</b>	<b>4,050</b>	<b>4,630</b>	<b>5,576</b>	<b>6,891</b>

### Balance sheet

YE 31 Dec (RMB mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Current assets</b>	<b>5,420</b>	<b>5,122</b>	<b>5,427</b>	<b>6,344</b>	<b>7,635</b>
Cash & equivalents	4,797	4,050	4,630	5,576	6,891
Account receivables	475	560	651	614	579
Inventory	26	71	52	61	72
Other current assets	121	441	94	94	94
<b>Non-current assets</b>	<b>4,127</b>	<b>4,946</b>	<b>5,194</b>	<b>5,585</b>	<b>5,905</b>
PPE	994	1,219	1,619	2,191	2,692
Intangible assets	1,664	1,979	1,888	1,707	1,526
Other non-current assets	1,470	1,747	1,687	1,687	1,687
<b>Total assets</b>	<b>9,547</b>	<b>10,068</b>	<b>10,621</b>	<b>11,929</b>	<b>13,540</b>
<b>Current liabilities</b>	<b>2,858</b>	<b>3,637</b>	<b>4,018</b>	<b>4,515</b>	<b>5,103</b>
ST borrowings	3	0	0	0	0
Account payables	1,740	2,395	2,789	3,286	3,874
Accrued expense	0	0	0	0	0
Unearned revenue	1,115	1,242	1,229	1,229	1,229
<b>Non-current liabilities</b>	<b>131</b>	<b>158</b>	<b>171</b>	<b>171</b>	<b>171</b>
LT borrowings	0	0	0	0	0
Other non-current liabilities	131	158	171	171	171
<b>Total liabilities</b>	<b>2,989</b>	<b>3,795</b>	<b>4,189</b>	<b>4,686</b>	<b>5,274</b>
Share capital	1,186	1,189	1,190	1,190	1,190
Capital surplus	3,135	3,174	3,062	3,062	3,062
Retained earnings	1,957	2,432	2,979	3,790	4,813
Other reserves	125	(1,007)	(1,277)	(1,277)	(1,277)
Minority interest	156	485	478	478	478
<b>Total equity</b>	<b>6,558</b>	<b>6,273</b>	<b>6,432</b>	<b>7,243</b>	<b>8,266</b>
<b>Total liabilities and equity</b>	<b>9,547</b>	<b>10,068</b>	<b>10,621</b>	<b>11,929</b>	<b>13,540</b>

### Key ratios

YE 31 Dec	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue mix</b>					
Engineering costing	70%	68%	68%	67%	66%
- SaaS	41%	46%	50%	53%	55%
Engineering construction	24%	21%	22%	22%	22%
Overseas	4%	3%	2%	2%	2%
Others	1%	5%	4%	4%	4%
Finance income	1%	1%	0%	0%	0%
<b>Growth (%)</b>					
Revenue	13%	40%	20%	18%	18%
Operating profit	21%	84%	53%	9%	17%
EPS	34%	99%	37%	16%	20%
<b>Profit &amp; loss ratio (%)</b>					
Gross margin	88.7%	84.1%	83.3%	81.6%	80.4%
Operating margin	10.2%	13.3%	16.9%	15.7%	15.6%
Net profit margin	8.3%	11.8%	13.4%	13.2%	13.4%
<b>Balance sheet ratio</b>					
Receivable turnover days	49	34	33	29	23
Unearned revenue days	81	77	67	56	48
Payable turnover days	159	156	151	151	151
Current ratio (x)	1.90	1.41	1.35	1.41	1.50
Net debt to equity	net cash	net cash	net cash	net cash	net cash
<b>Profitability (%)</b>					
ROE	7%	11%	15%	17%	17%
ROIC	18%	34%	48%	62%	82%
<b>Per share data (RMB)</b>					
EPS (RMB)	0.28	0.56	0.76	0.88	1.06
DPS (RMB)	0.25	0.30	0.20	0.20	0.20
BVPS (RMB)	5.40	4.87	5.00	5.68	6.54

Source: Company data, CMBIGM estimates

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