

# GDS (9698 HK)

## Lockdowns add uncertainty to move-in schedule

GDS reported in-line FY1Q22 results with revenue/ adj. EBITDA growth of +32%/+29% YoY respectively. The company maintained its FY22E guidance and reiterated its +90k organic net adds target although move-in schedule has been delayed because of lockdown. We cut FY22E adj. EBITDA by 3% on lower utilized area while largely maintaining our FY23-24E forecast. Maintain BUY.

- FY1Q22 in-line.** GDS reported in-line 1Q22 results with revenue of RMB2,244mn (+32% YoY) and adj. EBITDA of RMB1,051mn (+29% YoY). Net loss widened to RMB574mn. GPM declined QoQ to 21.7% (-0.6 pct pts QoQ) on higher utility price (+10% QoQ). On a per kwh basis, GDS is paying around 15% more compared to couple of quarters ago. Company expects 2Q tariff to stabilize at current level. Adj. EBITDA margin was at 46.9% (-0.1 pct pts QoQ).
- Unchanged FY22E guidance although move-in schedule being disturbed by lockdown in 1H.** Lockdown has resulted in move-in schedule adjustment although the operations of existing data centers are not being interrupted. GDS maintained its FY22E revenue/ adj. EBITDA growth guidance of +22%/+18% YoY, assuming progressive relaxation of lockdowns over the next 1-2 months and that capacity move-in will be skewed towards 2H (~80%).
- Customer mix change to continue as internet customers are turning cautious in cloud spending.** GDS maintained its full year target of +90k sqm organic net adds in committed area. In 1Q22, GDS achieved 20% of full year target (+18.1k sqm). However, growth rate of total area committed by top two customers, Alibaba and Tencent in our view, continued to slow down to +31%/-5% YoY (vs. +44%/ -5% YoY in 4Q21) respectively. These two customers contributed 45% of revenue in 1Q22. We expect large enterprise/ FSI revenue contribution to increase gradually. These customers accounted for 45% of 1Q22 bookings.
- Maintain BUY.** We trimmed FY22E adj. EBITDA by -3% while largely maintaining our FY23-24E forecast to reflect a capacity move-in delay by internet customers in FY22E. Maintain BUY with a target price of HK\$44.55 based on lowered 18x (prior 20x) FY22E EV/EBITDA due to macro/ pandemic uncertainty. Catalysts include easing lockdown restrictions, new M&A and customer win.

### Earnings Summary

(YE 31 Dec)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue (RMB mn)	5,739	7,819	9,129	10,921	13,197
YoY growth (%)	39%	36%	17%	20%	21%
Adj. EBITDA (RMB mn)	2,681	3,703	4,192	5,041	6,148
YoY growth (%)	47%	38%	13%	20%	22%
Consensus EBITDA (RMB)	2,681	3,703	4,304	5,400	6,538
Net income (RMB mn)	(669)	(1,191)	(1,638)	(1,832)	(899)
EPS (RMB)	-0.59	-0.90	-1.47	-1.57	-0.91
YoY growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBITDA	20.4	20.0	20.6	18.7	16.3
Yield (%)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

Target Price	HK\$44.55
(Previous TP)	HK\$50.63)
Up/Downside	+62.0%
Current Price	HK\$27.50

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#### Stock Data

Mkt Cap (US\$ mn)	41,922
Avg 3 mths t/o (mn)	103.14
52w High/Low (US\$)	78.60/ 18.90
Total Issued Shares (mn)	1,457

Source: Bloomberg

#### Shareholding Structure

STT GDC	31.8%
William Huang - Chairman	5.6%
Ping An	2.2%

Source: Company data

#### Share Performance

	Absolute	Relative
1-mth	-20.4%	-17.0%
3-mth	-30.8%	-18.5%
6-mth	-50.0%	-38.6%

Source: Bloomberg

#### 12-mth Price Performance



Source: Bloomberg

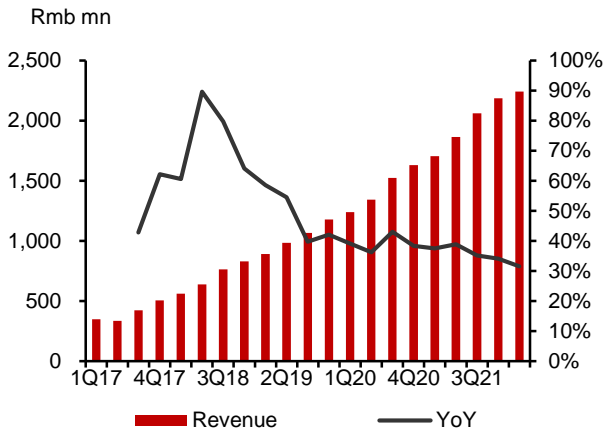
#### Auditor: KPMG

#### Related Reports

- GDS (9698 HK) – Remains committed in tier-one cities resources – 23 Mar 2022 ([link](#))

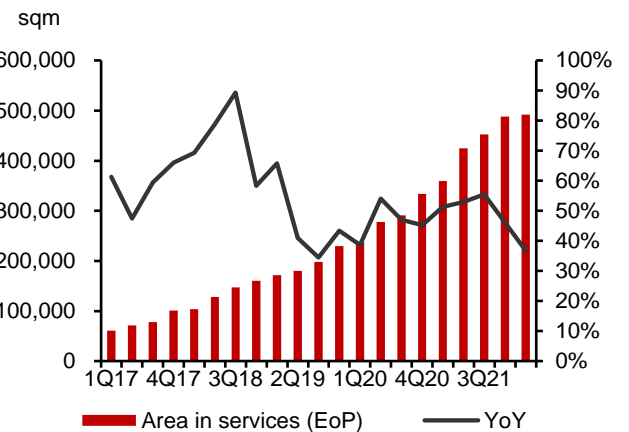
**Focus charts**

**Figure 1: Revenue and YoY growth**



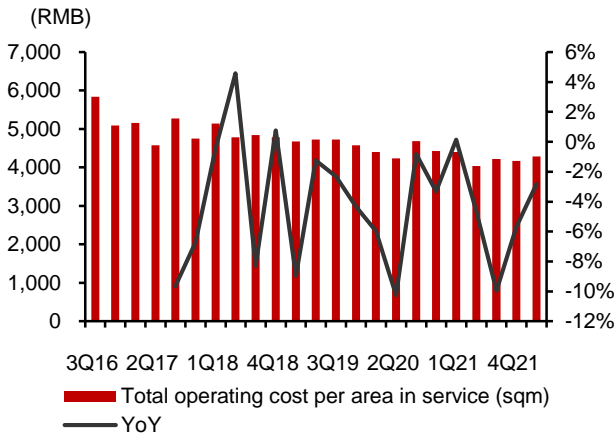
Source: Company data, CMBIGM estimates

**Figure 2: Area in services and YoY**



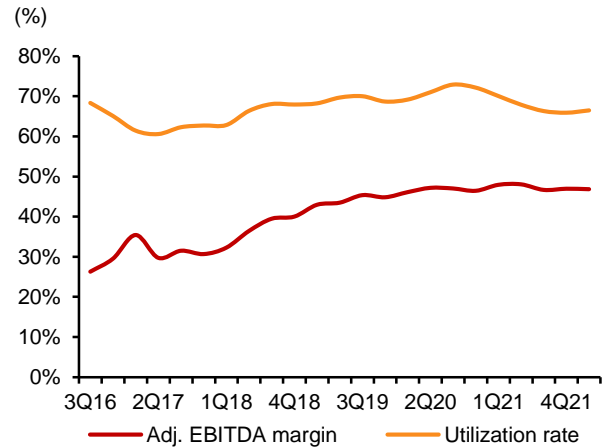
Source: Company data, CMBIGM estimates

**Figure 3: Total operating cost per area in service**



Source: Company data, CMBIGM estimates

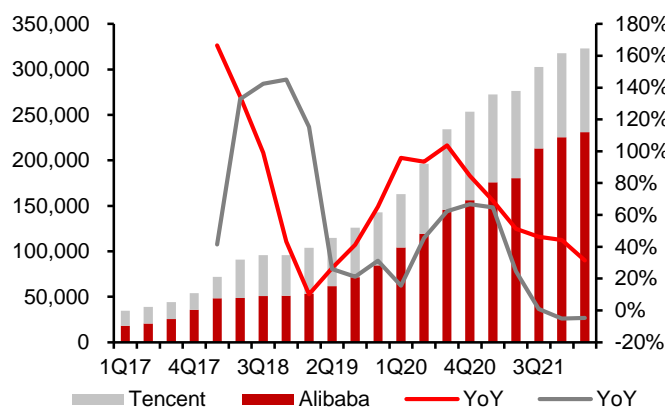
**Figure 4: EBITDA margin vs. utilization**



Source: Company data, CMBIGM estimates

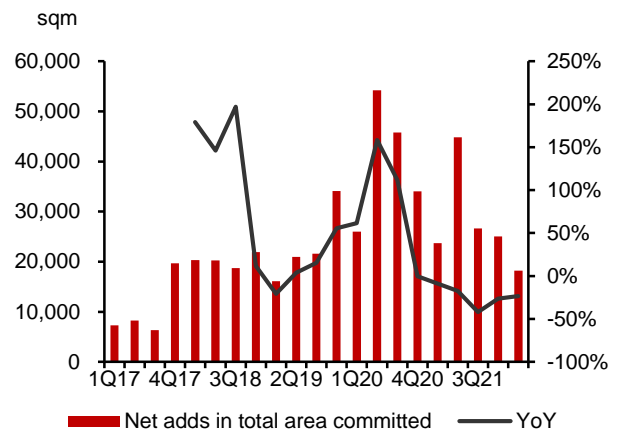
**Figure 5: Top two customers total area committed**

(Total area committed, sqm)



Source: Company data, CMBIGM estimates

**Figure 6: Net adds in total area committed**



Source: Company data, CMBIGM estimates

## 1Q22 earnings review

### 1Q22 results review

- **Revenue** was at RMB2,244mn (+32% YoY, +3% QoQ), in-line with our estimate but below consensus by 2%.
- **Gross profit** was at RMB486mn (+23% YoY, +0% QoQ), above our estimate by 3% but below consensus by 8%.
- **Gross margin** was at 21.7% (-1.6 pct pts YoY, -0.6 pct pts QoQ), above our estimate by 0.7 pct pts but below consensus by 1.4 pct pts.
- **Adj. EBITDA** was at RMB1,051mn (+29% YoY, +2% QoQ), -2% below our and -1% below consensus estimates.
- **Adj. EBITDA margin** was at 46.9% (-1.1 pct pts YoY, -0.1 pct pts QoQ), below our estimates by 0.9 pct pts but above consensus by 0.6 pct pts.
- **Net loss** was widened to RMB574mn, missed both our and consensus estimates.

### Maintain FY22E guidance

- **Revenue** will be in the range of RMB9,320-9,680mn (implying +19.2% to +23.8% YoY).
- **Adj. EBITDA** will be in the range of RMB4,285-4,450mn (implying +15.7% to +20.2% YoY).
- **Capex** will be at RMB12,000mn (-12.4% YoY).

Figure 7: 1Q22 results review

	Mar-21	Dec-21	Mar-22			Mar-22		Mar-22	
	1Q21	4Q21	1Q22			1Q22	versus	1Q22	versus
RMB mn	actual	actual	actual	YoY	QoQ	CMBI	CMBI	consensus	consensus
Revenue	1,706	2,187	2,244	32%	3%	2,255	0%	2,289	-2%
Gross profit	397	487	486	23%	0%	474	3%	528	-8%
Gross margin	23.3%	22.3%	21.7%	-1.6 pct pts	-0.6 pct pts	21.0%	0.7 pct pts	23.0%	-1.4 pct pts
Operating profit	121	152	135	12%	-11%	165	-18%	127	6%
Operating margin	7.1%	6.9%	6.0%	-1 pct pts	-0.9 pct pts	7.3%	-1.3 pct pts	5.6%	0.5 pct pts
Adj. EBITDA	818	1,027	1,051	29%	2%	1,077	-2%	1,059	-1%
Adj. EBITDA margin	47.9%	47.0%	46.9%	-1.1 pct pts	-0.1 pct pts	47.8%	-0.9 pct pts	46.3%	0.6 pct pts
Net non-op	-340	-403	-437			-471		-434	
PBT	-219	-251	-301	-37%	-20%	-306	1%	-307	2%
Net income	-301	-351	-574	-91%	-64%	-417	-38%	-399	-44%
Net margin	-17.7%	-16.0%	-25.6%	-7.9 pct pts	-9.6 pct pts	-18.5%	-7.1 pct pts	-17.4%	-8.2 pct pts
EPS (RMB)	-0.21	-0.24	-0.39	-89%	-64%	-0.29	-38%	-0.25	-59%

Source: Company data, CMBIGM

## Earnings revision

Figure 8: Earnings revision

RMB mn	2022E			2023E			2024E		
	New	Old	%Diff	New	Old	%Diff	New	Old	%Diff
Sales	9,129	9,432	-3%	10,921	11,076	-1%	13,197	13,273	-1%
Gross profit	2,064	1,883	10%	2,654	2,403	10%	3,956	3,663	8%
OP profit	683	534	28%	1,081	783	38%	2,069	1,729	20%
Adj. EBITDA	4,192	4,316	-3%	5,041	5,110	-1%	6,148	6,213	-1%
PBT	-1,324	-1,635	-19%	-1,484	-1,768	-16%	-734	-923	-21%
Net profit	-2,101	-2,197	-4%	-2,243	-2,378	-6%	-1,305	-1,308	-0%
EPS	-1.47	-1.54	-4%	-1.57	-1.67	-6%	-0.91	-0.92	-0%
<b>Margins</b>									
GM	22.6%	20.0%	264 bps	24.3%	21.7%	261 bps	30.0%	27.6%	238 bps
OPM	7.5%	5.7%	182 bps	9.9%	7.1%	283 bps	15.7%	13.0%	265 bps
Adj. EBITDA margin	45.9%	45.8%	16 bps	46.2%	46.1%	2 bps	46.6%	46.8%	-22 bps
PBT margin	-14.5%	-17.3%	283 bps	-13.6%	-16.0%	238 bps	-5.6%	-7.0%	139 bps
Net margin	-23.0%	-23.3%	28 bps	-20.5%	-21.5%	94 bps	-9.9%	-9.9%	-4 bps
<b>Key assumptions</b>									
Total area in service	575,702	585,460	-2%	702,356	690,842	2%	828,781	801,377	3%
Total area utilized	376,565	387,828	-3%	465,678	475,221	-2%	557,186	568,233	-2%
Avg. utilization rate	67%	67%	-55 bps	66%	69%	-211 bps	67%	70%	-319 bps
Average MSR	2,159	2,169	-0%	2,126	2,118	0%	2,133	2,121	1%
Depreciation	3,111	3,480	-11%	3,695	4,151	-11%	4,188	4,608	-9%

Source: Company data, CMBIGM

Figure 9: CMBI estimates vs. consensus

RMB mn	2022			2023			2024		
	CMBI	Street	Diff	CMBI	Street	Diff	CMBI	Street	Diff
Sales	9,129	9,470	-4%	10,921	11,650	-6%	13,197	13,957	-5%
Gross profit	2,064	2,143	-4%	2,654	2,857	-7%	3,956	3,848	3%
Operating profit	683	710	-4%	1,081	1,153	-6%	2,069	1,723	20%
Adj. EBITDA	4,192	4,304	-3%	5,041	5,400	-7%	6,148	6,538	-6%
Net profit	-2,101	-1,661	26%	-2,243	-1,483	51%	-1,305	-870	50%
EPS (RMB)	-1.47	-3.86	-62%	-1.57	-3.89	-60%	-0.91	-2.02	-55%
<b>Margins</b>									
GM	22.6%	22.6%	-2 bps	24.3%	24.5%	-22 bps	30.0%	27.6%	241 bps
OPM	7.5%	7.5%	-1 bps	9.9%	9.9%	0 bps	15.7%	12.3%	334 bps
Adj. EBITDA margin	45.9%	45.4%	47 bps	46.2%	46.4%	-20 bps	46.6%	46.8%	-26 bps
Net margin	-23.0%	-17.5%	-548 bps	-20.5%	-12.7%	-781 bps	-9.9%	-6.2%	-366 bps

Source: Company data, CMBIGM

**Figure 10: Operating model**

RMB mn	2020	2021	2022E	2023E	2024E
<b>Revenues</b>	<b>5,739</b>	<b>7,819</b>	<b>9,129</b>	<b>10,921</b>	<b>13,197</b>
Service revenue	5,717	7,814	9,123	10,916	13,192
Equipment revenue	22	4	6	5	6
Cost of sales	-4,189	-6,039	-7,065	-8,267	-9,241
<b>Gross profit</b>	<b>1,550</b>	<b>1,779</b>	<b>2,064</b>	<b>2,654</b>	<b>3,956</b>
<i>Gross margin</i>	<i>27.0%</i>	<i>22.8%</i>	<i>22.6%</i>	<i>24.3%</i>	<i>30.0%</i>
R&D	-40	-69	-60	-81	-99
SG&A	-837	-1,141	-1,321	-1,492	-1,788
Operating income	673	570	683	1,081	2,069
<b>Adj. EBITDA</b>	<b>2,681</b>	<b>3,703</b>	<b>4,192</b>	<b>5,041</b>	<b>6,148</b>
<i>Adj. EBITDA margin</i>	<i>46.7%</i>	<i>47.4%</i>	<i>45.9%</i>	<i>46.2%</i>	<i>46.6%</i>
Interest expense	-1,287	-1,604	-2,074	-2,632	-2,870
Net other income (exp)	66	86	67	67	67
Profit Before income taxes	-548	-949	-1,324	-1,484	-734
Income tax expense	-121	-242	-314	-348	-166
<b>Net profit (loss)</b>	<b>-738</b>	<b>-1,315</b>	<b>-2,101</b>	<b>-2,243</b>	<b>-1,305</b>
<i>Net margin</i>	<i>-11.7%</i>	<i>-15.2%</i>	<i>-17.9%</i>	<i>-16.8%</i>	<i>-6.8%</i>
EPS (RMB)	-0.59	-0.90	-1.47	-1.57	-0.91
<b>Key assumptions</b>					
Total area in service (EoP)	333,853	487,883	575,702	702,356	828,781
Total area utilized (EoP)	234,731	319,475	376,565	465,678	557,186
Utilization rate (area utilized/ area in service)	72%	67%	67%	66%	67%
Average MSR (RMB / Sqm / month)	2,333	2,260	2,159	2,126	2,133
Depreciation	1,638	2,617	3,111	3,695	3,695
<b>Growth (YoY)</b>					
Revenues	39%	36%	17%	20%	21%
Gross profit	49%	15%	16%	29%	49%
Adj. EBITDA	47%	38%	13%	20%	22%
Net profit (loss)	51%	78%	38%	12%	-51%

Source: Company data, CMBIGM

**Figure 11: Quarterly model**

RMB mn	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22E	4Q22E	1Q23E
Revenues	1,864	2,061	2,187	2,244	2,209	2,282	2,393	2,645
Gross profit	440	455	487	486	501	517	559	649
Adj. EBITDA	896	962	1,027	1,051	1,018	1,038	1,084	1,210
Net profit (loss)	-325	-337	-351	-574	-464	-498	-565	-537
EPS (RMB)	-0.22	-0.23	-0.24	-0.39	-0.32	-0.34	-0.39	-0.37
<b>Key assumptions</b>								
Total area in service (EoP)	425,019	452,830	487,883	492,344	502,797	543,396	575,702	600,660
Total area utilized (EoP)	281,650	300,328	319,475	332,019	339,388	360,604	376,565	400,559
Utilization rate (area utilized/ area in service)	66%	66%	65%	67%	68%	66%	65%	67%
Average MSR (RMB / Sqm / Month)	2,331	2,361	2,351	2,296	2,192	2,172	2,163	2,268
Depreciation	620	698	739	782	747	778	805	850
<b>Margins</b>								
Gross margin	24%	22%	22%	22%	23%	23%	23%	25%
Adj. EBITDA margin	48%	47%	47%	47%	46%	45%	45%	46%
Net margin	-17%	-16%	-16%	-26%	-21%	-22%	-24%	-20%
<b>Growth (QoQ)</b>								
Revenues	9%	11%	6%	3%	-2%	3%	5%	11%
Gross profit	11%	4%	7%	0%	3%	3%	8%	16%
Adj. EBITDA	10%	7%	7%	2%	-3%	2%	4%	12%
Net profit (loss)	8%	4%	4%	64%	-19%	7%	14%	-5%
<b>Growth (YoY)</b>								
Revenues	40%	35%	34%	32%	18%	11%	9%	18%
Gross profit	22%	11%	13%	23%	14%	14%	15%	33%
Adj. EBITDA	41%	34%	36%	29%	14%	8%	6%	15%
Net profit (loss)	-195%	-47%	-15%	-34%	-30%	-36%	-49%	-13%

Source: Company data, CMBIGM

## Valuation

### Maintain BUY with target price of HK\$44.55

We maintain our BUY recommendation on GDS with a new target price of HK\$44.55 (prior HK\$50.63), based on lowered 18x (prior 20x) FY22E adj. EV/EBITDA, 1-SD below its 3-year mean to reflect macro uncertainty although the long term trend that China is increasing cloud investment remains unchanged.

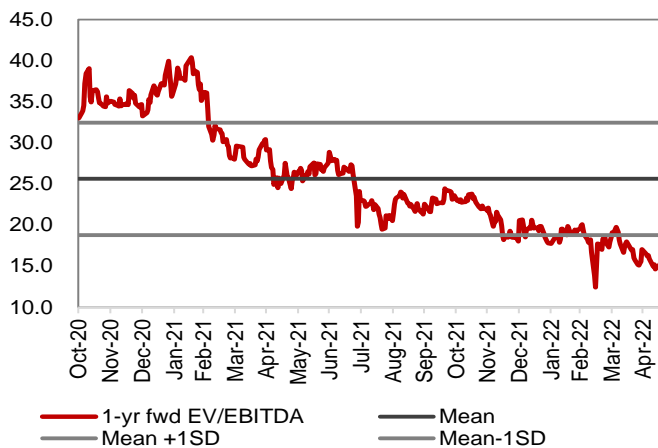
We use EV/EBITDA as the valuation methodology as it better reflects IDC operating profitability than P/E given high depreciation expense during ramp-up stage and large interest expense gap between peers if capital structure is different.

Figure 12: Peers' valuation

Company	Ticker	Rating	Market Cap (US\$ mn)	Price (LC)	TP (LC)	EV/EBITDA (x)		EBITDA margin (%)		Revenue FY21-24E CAGR
						FY22E	FY23E	FY22E	FY23E	
GDS	9698 HK	BUY	5,342	27.50	44.55	20.6	18.7	46%	46%	19%
21Vianet	VNET US	NR	866	5.85	N/A	4.3	3.7	27%	27%	15%
Sinnet	300383 CH	NR	2,568	9.66	N/A	9.4	8.3	23%	24%	13%
Baosight	600845 CH	NR	9,621	48.61	N/A	20.8	15.7	20%	21%	30%
AtHub	603881 CH	NR	1,213	24.93	N/A	11.2	8.9	70%	70%	23%
ChinData	CD US	NR	2,322	6.33	N/A	8.3	6.2	50%	50%	37%
Equinix	EQIX US	NR	58,021	637.44	N/A	20.9	18.8	46%	47%	11%
Digital Realty Trust	DLR US	NR	36,410	125.29	N/A	20.6	18.8	53%	53%	8%
					<b>Mean</b>	<b>13.9</b>	<b>11.6</b>	<b>42%</b>	<b>42%</b>	<b>20%</b>
					<b>Median</b>	<b>13.4</b>	<b>10.7</b>	<b>46%</b>	<b>47%</b>	<b>19%</b>

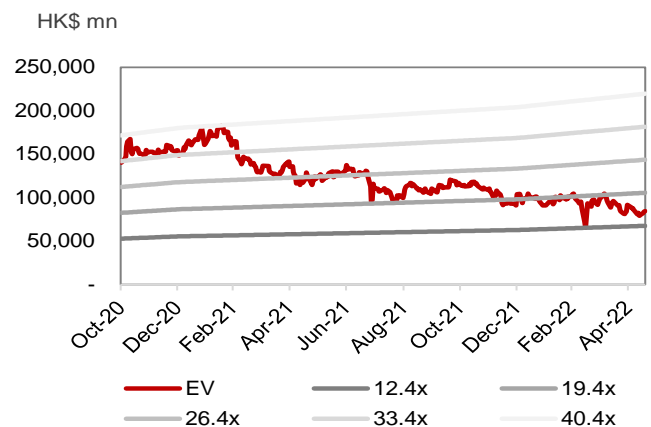
Source: Bloomberg, CMBIGM

Figure 13: 12M forward EV/EBITDA chart



Source: Company data, CMBIGM

Figure 14: 12M forward EV/EBITDA band



Source: Company data, CMBIGM

## Financial Summary

### Income statement

YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Revenues</b>					
Service Revenue	5,717	7,814	9,123	10,916	13,192
Equipment Revenue	22	4	6	5	6
<b>Total Revenue</b>	<b>5,739</b>	<b>7,819</b>	<b>9,129</b>	<b>10,921</b>	<b>13,197</b>
Cost of sales	(4,189)	(6,039)	(7,065)	(8,267)	(9,241)
<b>Gross Profit</b>	<b>1,550</b>	<b>1,779</b>	<b>2,064</b>	<b>2,654</b>	<b>3,956</b>
R&D Expenditures	(40)	(69)	(60)	(81)	(99)
Sales/Marketing/Ad Exp.	(135)	(119)	(167)	(184)	(212)
G&A Expenses	(703)	(1,022)	(1,154)	(1,309)	(1,576)
<b>Operating Income</b>	<b>673</b>	<b>570</b>	<b>683</b>	<b>1,081</b>	<b>2,069</b>
<b>Adj. EBITDA</b>	<b>2,681</b>	<b>3,703</b>	<b>4,192</b>	<b>5,041</b>	<b>6,148</b>
Interest Expense	(1,287)	(1,604)	(2,074)	(2,632)	(2,870)
Other non-oper. income	66	86	67	67	67
<b>Profit Before Income Taxes</b>	<b>(548)</b>	<b>(949)</b>	<b>(1,324)</b>	<b>(1,484)</b>	<b>(734)</b>
Income Tax Expense	(121)	(242)	(314)	(348)	(166)
<b>Net Profit (loss)</b>	<b>(669)</b>	<b>(1,191)</b>	<b>(1,638)</b>	<b>(1,832)</b>	<b>(899)</b>
Non-controlling interests	(69)	(123)	(463)	(411)	(406)
<b>Net Profit (loss) to shr holders</b>	<b>(738)</b>	<b>(1,315)</b>	<b>(2,101)</b>	<b>(2,243)</b>	<b>(1,305)</b>

### Cash flow summary

YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Net Income</b>	<b>(669)</b>	<b>(1,191)</b>	<b>(1,638)</b>	<b>(1,832)</b>	<b>(899)</b>
Depreciation & Amortization	1,638	2,617	3,111	3,695	3,695
Net change in WC	(1,023)	(810)	(1,340)	615	(175)
Others	375	593	138	0	0
<b>Net cash from operating</b>	<b>321</b>	<b>1,208</b>	<b>271</b>	<b>2,478</b>	<b>2,620</b>
Capital Expenditures	(8,021)	(9,699)	(8,307)	(6,880)	(6,880)
Acquisition of Business	(1,357)	(4,013)	(3,560)	(764)	(764)
Other Investing Activities	0	21	(2,614)	(3,136)	(3,136)
<b>Net cash from investing</b>	<b>(9,378)</b>	<b>(13,692)</b>	<b>(14,481)</b>	<b>(10,781)</b>	<b>(10,781)</b>
Equity raised	12,724	0	0	0	0
Change of debts	790	11,512	12,342	4,547	6,678
Dividend paid	0	0	0	0	0
Others	6,630	(3,393)	3,368	705	0
<b>Net cash from financing</b>	<b>20,144</b>	<b>8,119</b>	<b>15,710</b>	<b>5,251</b>	<b>6,678</b>
<b>Net change in cash</b>	<b>11,087</b>	<b>(4,364)</b>	<b>1,499</b>	<b>(3,052)</b>	<b>(1,484)</b>
Cash at beg. of the year	5,811	16,259	9,968	11,462	8,409
Ex. difference and others	(638)	(1,927)	(6)	0	0
<b>Cash at the end of the year</b>	<b>16,259</b>	<b>9,968</b>	<b>11,462</b>	<b>8,409</b>	<b>6,925</b>

### Balance sheet

YE 31 Dec (RMB mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Non-current assets</b>	<b>38,940</b>	<b>57,169</b>	<b>68,374</b>	<b>75,461</b>	<b>82,547</b>
PPE - Net	29,596	40,624	49,443	55,765	62,087
Other Intangible Assets	3,382	8,359	9,090	9,855	10,619
Other noncurrent assets	5,962	8,186	9,841	9,841	9,841
<b>Current assets</b>	<b>18,319</b>	<b>14,464</b>	<b>17,557</b>	<b>15,170</b>	<b>14,219</b>
Cash and Equivalents	16,259	9,968	13,386	10,334	8,850
A/R - Trade	1,480	1,733	2,130	2,614	3,092
Other current assets	579	2,763	2,041	2,222	2,277
<b>Current liabilities</b>	<b>7,644</b>	<b>13,465</b>	<b>16,247</b>	<b>18,626</b>	<b>20,597</b>
Borrowings	2,153	5,948	8,837	9,935	11,549
AP - Trade	3,657	3,902	4,132	4,917	5,144
Accrued Expenses	1,493	2,771	2,542	2,993	3,123
Other non-current liab.	341	845	736	781	781
<b>Non-current liabilities</b>	<b>22,947</b>	<b>32,271</b>	<b>45,953</b>	<b>50,106</b>	<b>55,170</b>
Borrowings	10,567	18,285	27,738	31,186	36,250
Convertible bonds	1,928	1,896	5,805	5,805	5,805
Others	10,452	12,091	12,411	13,115	13,115
<b>Total mezzanine equity</b>	<b>1,102</b>	<b>1,363</b>	<b>954</b>	<b>954</b>	<b>954</b>
Share capital	1	1	1	1	1
Capital surplus	28,729	28,983	28,878	28,878	28,878
Retained earnings	-2,724	-3,911	-5,548	-7,380	-8,280
Other reserves	-440	-599	-613	-613	-613
<b>Total equity</b>	<b>25,566</b>	<b>24,533</b>	<b>22,776</b>	<b>20,944</b>	<b>20,045</b>

### Key ratios

YE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key operating ratios</b>					
Total area in service ('000 sqm)	334	488	576	702	829
Avg. UTR	72%	67%	67%	66%	67%
Avg. MSR (RMB/ sqm/ Month)	2,333	2,260	2,159	2,126	2,133
<b>Growth (YoY)</b>					
Revenue	39.2%	36.2%	16.8%	19.6%	20.8%
Gross profit	48.7%	14.8%	16.0%	28.6%	49.1%
EBITDA	47.0%	38.2%	13.2%	20.3%	22.0%
Net profit	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Margins</b>					
Gross margin	27.0%	22.8%	22.6%	24.3%	30.0%
Operating margin	11.7%	7.3%	7.5%	9.9%	15.7%
EBITDA margin	46.7%	47.4%	45.9%	46.2%	46.6%
<b>Balance sheet ratio</b>					
Net debt / equity ratio (%)	net	0.7	1.3	1.7	2.2
Current ratio	2.4	1.1	1.1	0.8	0.7
<b>Returns (%)</b>					
ROE	n.a.	n.a.	n.a.	n.a.	n.a.
ROA	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Per share</b>					
EPS (RMB)	-0.59	-0.90	-1.47	-1.57	-0.91
BVPS (RMB)	20.4	16.9	15.7	14.4	13.8

Source: Company data, CMBIGM estimates



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