

## Hong Kong

### ADD (no change)

Consensus ratings\*: Buy 37 Hold 14 Sell 1

Current price:	HK\$140.8
Target price:	HK\$219.0
Previous target:	HK\$261.4
Up/downside:	55.5%
CGS-CIMB / Consensus:	-1.2%
Reuters:	2382.HK
Bloomberg:	2382 HK
Market cap:	US\$19,731m
	HK\$154,436m
Average daily turnover:	US\$129.4m
	HK\$1,021m
Current shares o/s:	1,097m
Free float:	52.1%

\*Source: Bloomberg

### Key changes in this note

- FY22F/23F revenue decreased by 9%/12%.
- FY22F/23F GPM decreased by 2.0%/1.3% pts.
- FY22F/23F EPS decreased by 18%/16%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-26.6	-43.6	-21.2
Relative (%)	-20.2	-39.1	1.1

Major shareholders	% held
Wang Wenjian	47.9

### Analyst



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# Sunny Optical Technology

## Vehicle lens to lead FY22-23F EPS growth

- FY21 net profit grew 2% but was 10%/6% below our/consensus forecasts, due to lower shipments of HLS/VLS in 2H21 and a lower HLS GPM.
- HCM GPM should stay stable with 15% shipment growth in FY22F; VLS shipment could grow 30% yoy while HLS GPM could remain under pressure.
- Reiterate Add with a lower TP of HK\$219.0, based on 26x FY22F P/E.

### Margin pressure in optical components dragged 2H21 net profit

Sunny Optical Technology's (Sunny) 2H21 net profit fell 27% yoy to Rmb2.28bn (1H21 grew 54% yoy to Rmb2.69bn), mainly dragged down by a sharp GPM decline in the optical component segment. The company also saw keener competition in handset lens sets (HLS) segment and reported lower shipments for HLS and vehicle lens sets due to the persistent chip shortage. FY21 net profit rose 2% yoy to Rmb5.0bn, mainly driven by 0.4% GPM improvement and 2% revenue decline.

### HCM shipments to grow 15% yoy in FY22F with a stable GPM

Handset camera module (HCM) segment remained resilient in FY21, with 14% shipment growth, due to an increase in Xiaomi orders. HCM revenue decreased by 6% due to a c.16% ASP decline from the lack of Huawei's high-specification orders. GPM expanded by 110bp yoy to 13.7% in FY21, thanks to improving efficiency and rising demand from Xiaomi's premium models. We retain our HCM shipment growth forecast of 15% yoy for FY22F, underpinned by rising shipments of high-end products to Samsung and given the stable demand for sophisticated products from Xiaomi and Oppo. We expect HCM GPM to stay healthy at c.13% in FY22F (13.7% in FY21), supported by a better product mix (higher contribution from dual OIS, large image size, periscope camera modules) and an increase in automation.

### HLS continues to face challenges; VLS delivers robust growth

We lower our FY22F HLS shipment growth forecast from 15% to 8% yoy due to keener competition, although Sunny could see fast shipment growth for Apple's devices. We also expect HLS GPM to stay below 40% in FY22F due to a weaker product mix and more intense competition. We maintain our bullish VLS shipment growth forecast of 30% yoy in FY22F due to strong market demand, thanks to rapid ADAS development and fast shipment growth for Chinese EV makers. Sunny will start shipments of LiDAR products and 3MP/8MP vehicle camera modules in FY22F. We also believe AR products will deliver strong growth in FY22F, due to new product launches by customers (c.3.6% of FY21 revenue).

### Reiterate Add: lower target price to HK\$219.0

Retain Add as we believe Sunny will continue to benefit from the fast growth in automotive cameras and market share gains in Apple supply chain. We cut our FY22F/23F EPS by c.18%/16% to reflect our lower assumptions for VLS shipments and HLS GPM; this lowers our TP to HK\$219.0, still based on 26x FY23F P/E, +0.5 s.d. from 5-year average to reflect its leading market share in HCM, HLS and VLS. Catalysts include sustained order growth from Apple and strong growth in VLS shipments. Downside risks: fierce competition in HLS and slower-than-expected handset camera specification upgrades.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rmbm)	38,002	37,497	47,670	59,246	74,978
Net Profit (Rmbm)	4,871	4,969	6,010	7,688	10,145
Normalised EPS (Rmb)	4.46	4.55	5.48	7.01	9.25
Normalised EPS Growth	18.5%	2.1%	20.3%	27.9%	32.0%
FD Normalised P/E (x)	25.71	25.17	20.92	16.35	12.39
Price To Sales (x)	3.29	3.34	2.63	2.12	1.67
DPS (Rmb)	0.89	0.91	1.10	1.40	1.85
Dividend Yield	0.78%	0.80%	0.96%	1.23%	1.62%
EV/EBITDA (x)	17.61	16.01	12.11	9.55	7.15
P/FCFE (x)	58.50	32.48	22.37	17.37	13.30
Net Gearing	(33.6%)	(46.3%)	(56.4%)	(63.0%)	(68.6%)
P/BV (x)	7.25	5.85	4.96	3.94	3.10
ROE	33.4%	26.8%	26.8%	28.1%	29.2%
% Change In Normalised EPS Estimates			(17.6%)	(16.3%)	
Normalised EPS/consensus EPS (x)			0.90	0.93	1.10

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Vehicle lens to lead FY22-23F EPS growth

### FY22F company guidance ➤

- Handset camera module (HCM): shipment growth of 10-15% yoy, driven by strong Samsung orders and stable customer demand for high-end products.
- Handset lens sets (HLS): shipment growth of 5-10% yoy, mainly driven by Apple orders.
- Vehicle lens sets (VLS): shipment growth of 20-30% yoy, driven by improving chip supply and strong growth in the demand of sensing and high-resolution products. The company has won over 20 LiDAR projects with domestic and overseas customers.
- GPM margins could remain under pressure in FY22F due to smartphone specification downgrade trend and keener competition in the handset lens segment. Sunny will focus on functionality features such as OIS and large image size products, and increase automation to protect its profit margins.
- Capex will be approximately Rmb3.0bn (Rmb2.60bn in FY21): c.Rmb1bn for AR/VR/Auto camera/LiDAR development, Rmb700m for handset lens capacity expansion (mainly for Apple), Rmb500m for increasing handset lens manufacturing automation, Rmb300m for vehicle lens capacity expansion, and Rmb500m for Vietnam/India/China plant expansion.

### CGS-CIMB shipment estimates ➤

We estimate HCM/HLS/VLS shipments to grow 15%/8%/30% yoy, respectively, in FY22F, as we expect strong HLS shipments for Apple and HCM shipments for Samsung and Oppo's high-end/flagship models.

Figure 1: Results comparison

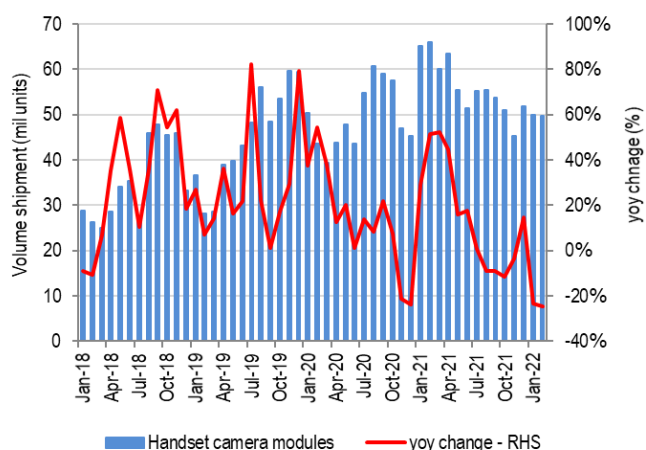
FYE 31 Dec (Rmb m)	2HFY21	2HFY20	yoy % chg	hoh % chg	2HFY21 Cum	2HFY20 Cum	yoy % chg	Prev. FY21F	Comments
Revenue	17,663	19,138	(7.7)	(10.9)	37,497	38,002	(1.3)	41,641	2H21 revenue fell 8% yoy, driven by handset camera module (-12% yoy) and optical components (handset lens and vehicle lens, -16% yoy).
Operating costs	(14,094)	(14,786)	(4.7)	(10.9)	(29,908)	(30,788)	(2.9)	(32,982)	
EBITDA	3,570	4,352	(18.0)	(11.2)	7,589	7,214	5.2	8,658	
EBITDA margin (%)	20.2	22.7			20.2	19.0		20.8	2H21 GPM likely declined 4.8% pts yoy (-3.5% pts hoh) to 21.5%
Depn & amort.	(1,299)	(873)	48.8	52.7	(2,150)	(1,628)	32.0	(2,150)	
EBIT	2,271	3,479	(34.7)	(28.3)	5,439	5,585	(2.6)	6,509	
Interest expense	(114)	(111)	2.4	(2.2)	(230)	(234)	(1.5)	(239)	
Interest & invt inc	235	167	41.0	33.1	412	279	47.8	360	
Associates' contrib	-	0	nm	nm	0	0	-	0	
Exceptionals	(7)	(1)	nm	nm	(7)	(1)	-	-	
Pretax profit	2,386	3,534	(32.5)	(26.1)	5,615	5,630	(0.3)	6,630	
Tax	(57)	(355)	(84.1)	(89.2)	(579)	(703)	(17.6)	(1,028)	
Tax rate (%)	2.4	10.1	-	-	10.3	12.5		15.5	
Minority interests	(49)	(41)		nm	(68)	(68)	nm	(42)	
Net profit	2,280	3,138	(27.3)	(15.2)	4,968	4,859	2.2	5,560	2H21 net profit dropped 27% yoy to Rmb2.28bn.
Core net profit	2,286	3,138	(27.1)	(14.9)	4,974	4,859	2.4	5,560	FY21 net profit grew 2% yoy to Rmb4.97bn and formed 90% of our FY21 forecasts, mainly due to weaker-than-expected GPM in optical components.
EPS (Rmb cts)	208	287	(27.5)	(15.5)	453	445	1.9	507	
Core EPS (Rmb cts)	208	287	(27.3)	(15.2)	453	445	2.0	507	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Key products' monthly shipments**

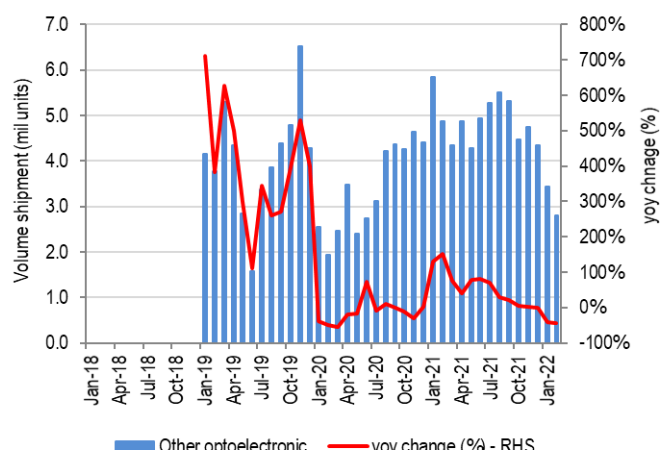
Monthly shipment	2M21	2M22	Sunny's guidance FY22F	CGS- CIMB forecast FY22F	% of full- year forecast FY22F	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22
Volume shipment ('000 units)																	
Handset camera modules	131,095	99,711		774,784	13%	59,995	63,410	55,385	51,359	55,319	55,329	53,692	50,991	45,258	51,892	49,995	49,716
Other optoelectronic	10,720	6,236		n.a.	N/M	4,343	4,874	4,277	4,935	5,267	5,500	5,319	4,468	4,747	4,350	3,433	2,803
Handset lens sets	277,430	240,525		1,554,709	15%	130,689	123,736	99,410	85,816	104,772	125,391	132,607	115,092	123,641	120,961	131,508	109,017
Vehicle lens sets	13,144	13,198		88,374	15%	6,491	6,123	6,614	4,945	5,125	5,461	5,006	5,198	5,025	4,848	7,527	5,671
Volume shipment (yoy %)																	
Handset camera modules		-24%	+10-15%	+15%	N/M	52%	45%	16%	18%	1%	-9%	-9%	-11%	-3%	15%	-23%	-25%
Other optoelectronic		-42%		n.a.	N/M	76%	40%	78%	80%	69%	30%	22%	5%	2%	-1%	-41%	-42%
Handset lens sets		-13%	+5-10%	+8%	N/M	15%	11%	2%	-27%	-23%	-23%	-21%	-28%	-4%	-7%	-11%	-16%
Vehicle lens sets		0%	+20-30%	+30%	N/M	50%	192%	160%	35%	8%	1%	-21%	-23%	-25%	-15%	2%	-2%
Volume shipment (mom %)																	
Handset camera modules						6%	-13%	-7%	8%	0%	-3%	-5%	-11%	15%	-4%	-1%	
Other optoelectronic						12%	-12%	15%	7%	4%	-3%	-16%	6%	-8%	-21%	-18%	
Handset lens sets						-5%	-20%	-14%	22%	20%	6%	-13%	7%	-2%	9%	-17%	
Vehicle lens sets						-6%	8%	-25%	4%	7%	-8%	4%	-3%	-4%	55%	-25%	
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS																	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

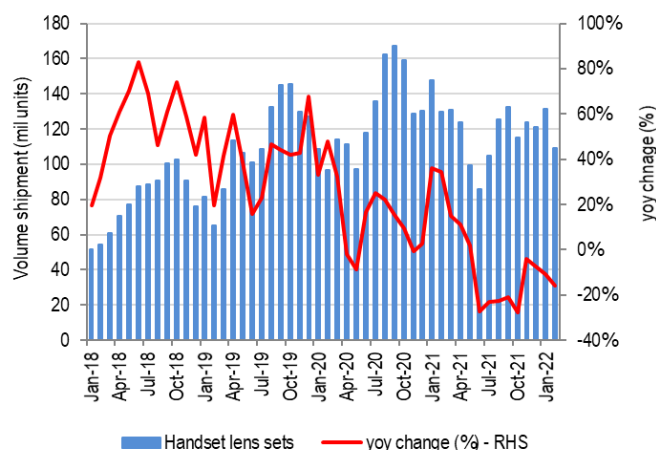
**Figure 3: Handset camera modules' monthly shipments (Jan 18 to Feb 22)**


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SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

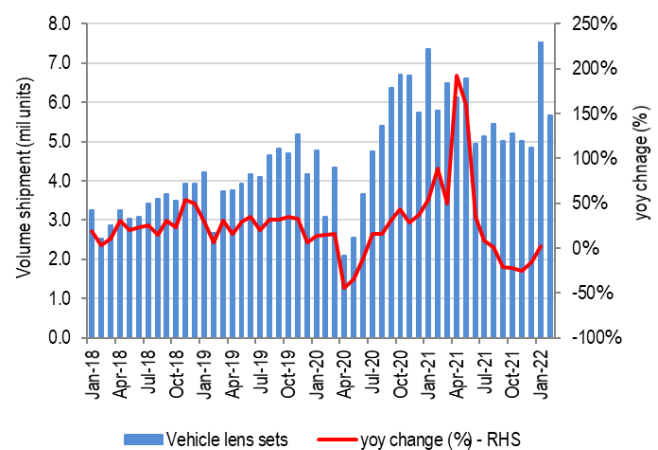
**Figure 4: Other optoelectronics' monthly shipments (Jan 18 to Feb 22)**


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Handset lens sets' monthly shipments (Jan 18 to Feb 22)**


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SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: Vehicle lens sets' monthly shipments (Jan 18 to Feb 22)**


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 7: Earnings revisions**


	Dec-21A	Dec-22F			Dec-23F			Dec-24F		
FYE Dec (Rmb m)		Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	37,497	52,495	47,670	-9.2%	67,122	59,246	-11.7%	n.a.	74,978	n.a.
Gross profit	8,736	13,019	10,852	-16.6%	16,311	13,628	-16.4%	n.a.	17,571	n.a.
Gross profit margin	23.3%	24.8%	22.8%	-2.0% pts	24.3%	23.0%	-1.3% pts	n.a.	23.4%	n.a.
EBITDA	7,589	10,806	9,430	-12.7%	13,064	11,360	-13.0%	n.a.	14,071	n.a.
Net profit	4,968	7,257	6,010	-17.2%	9,130	7,688	-15.8%	n.a.	10,145	n.a.
EPS (Rmb)	4.55	6.65	5.48	-17.6%	8.37	7.01	-16.3%	n.a.	9.25	n.a.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: Peers comparison**

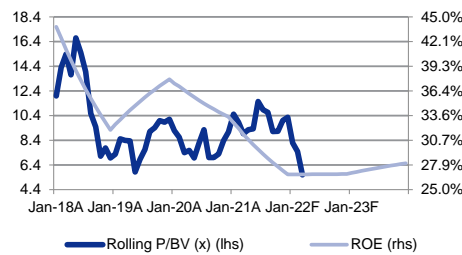
	Bloomberg		Price	Target Price	Market Cap	Core P/E (x)			P/BV (x)		Recurring ROE(%)		EV/EBITDA (x)		Dividend Yield (%)	
Company	Ticker	Recom.	(local curr)	(local curr)	(US\$ m)	CY2021	CY2022	CY2023	CY2021	CY2022	CY2021	CY2022	CY2021	CY2022	CY2021	CY2022
Handset component makers - optical																
Cowell e Holdings	1415 HK	Add	8.02	14.17	855	15.8	10.1	7.4	2.6	2.1	18.7%	23.1%	8.2	6.1	1.0%	1.5%
Largan Precision	3008 TT	Not Rated	2,000	N/A	9,420	17.9	14.2	12.9	2.3	1.7	13.2%	12.7%	N/A	5.9	2.9%	3.5%
Q Tech	1478 HK	Add	6.04	10.56	912	6.6	6.5	5.6	1.2	1.1	20.5%	17.6%	3.4	2.7	0.0%	0.0%
SEMCO	009150 KS	Add	166,000	195,000	10,178	11.6	10.6	9.7	1.9	1.6	17.7%	16.6%	6.3	5.2	0.8%	0.8%
Sunny Optical	2382 HK	Add	140.80	219.00	19,731	25.1	20.9	16.3	5.8	5.0	26.3%	26.8%	16.3	12.1	0.8%	1.0%
Average						15.4	12.5	10.4	2.8	2.3	19.3%	19.4%	8.5	6.4	1.1%	1.4%
Handset component makers - others																
AAC Technologies	2018 HK	Reduce	18.46	26.41	2,850	13.9	11.6	9.8	0.9	0.9	6.3%	7.7%	5.1	4.5	1.4%	1.7%
Luxshare Precision	002475 CH	Not Rated	35.19	N/A	39,064	N/A	23.8	18.5	N/A	5.5	N/A	25.2%	N/A	16.1	N/A	0.5%
Pegatron	4938 TT	Not Rated	73.00	N/A	6,841	9.1	10.7	10.0	1.1	1.1	12.5%	10.3%	7.1	5.4	7.2%	6.5%
Tongda Group	698 HK	Hold	0.17	0.28	216	3.3	3.3	2.7	0.1	0.1	5.6%	6.5%	2.5	1.9	4.6%	4.5%
TPK Holding Co	3673 TT	Not Rated	38.10	N/A	544	N/A	17.3	13.6	N/A	0.4	N/A	2.4%	N/A	1.9	N/A	2.3%
Zhen Ding Technology	4958 TT	Not Rated	109.50	N/A	3,641	10.5	9.6	8.4	1.1	1.1	11.9%	11.3%	4.9	4.1	5.0%	5.0%
Average						9.2	12.7	10.5	0.8	1.5	9.1%	10.5%	4.9	5.6	4.5%	3.4%
SOURCES: CGS-CIMB RESEARCH, BLOOMBERG (PRICE AS AT 23 MAR 2022)																

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG (PRICE AS AT 23 MAR 2022)

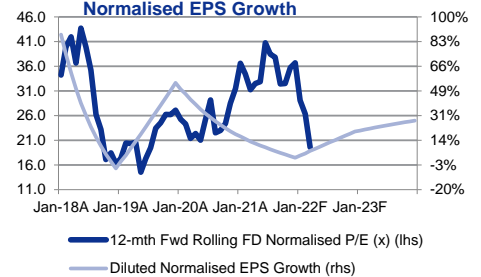
<div> <div>ESG in a nutshell</div> <div>DBL-Click to DEL Table</div> </div> <div>  <div> <div>Refinitiv ESG Scores</div> <div> <div>A- ESG Score</div> <div>A+ ESG Controversies Score</div> <div>A- ESG Combined Score</div> <div>B+ ESG Environment Pillar Score</div> <div>B+ ESG Social Pillar Score</div> <div>A- ESG Government Pillar Score</div> </div> </div> </div>	
<p>Sunny's ESG efforts continue to be strengthened via the use of more clean energy, prioritising green and healthy attributes in the production stages, reviewing environmental qualifications through the third-party testing agencies, and actively participating in education, charity, and other public welfare undertakings to contribute to the economic and social development of local communities. Sunny was included in the "Hang Seng Corporate Sustainability Benchmark Index", and its MSCI ESG rating was raised from "BB" to "BBB" in 2020.</p> <p>In our view, Sunny has not been involved in any environmentally detrimental industry practices and makes an effort to minimise the environmental impact of its operations.</p>	
<b>Keep your eye on</b> <p>Sunny adheres to the core value of "Create Together" to build a sustainable development management system with wider capacity.</p>	<b>Implications</b> <p>Sunny has established an ESG management and promotion team that comprises members from 10 different departments and is led by the Board to promote sustainable, healthy, and steady development of the company.</p>
<b>ESG highlights</b> <p>Sunny re-launched a substantive assessment to benchmark ESG-related standards to meet the expectations and requests of stakeholders.</p>	<b>Implications</b> <p>Sunny's new substantive assessment invites internal and external stakeholders to interview and complete the questionnaire. Three specific steps are used in the assessment: Identifying material, Assessing materiality, and Determination of assessment results.</p>
<b>Trends</b> <p>In FY20, the company's energy, water consumption, greenhouse gas emissions, and hazardous waste produced increased; while its non-hazardous waste produced decreased.</p>	<b>Implications</b> <p>Sunny's total energy consumption (direct and indirect) rose 11% yoy to 468,619.8 MWh in FY20. Energy consumption density (MWh/ RMB million output value) increased from 11.2 in FY19 to 12.7 in FY20.</p> <p>Total water consumption rose 41% yoy to 2,127,012.6 tonnes in FY20. Water consumption density (tonnes/RMB million output value) increased from 39.9 in FY19 to 57.6 in FY20.</p> <p>Total greenhouse gas (GHG) emissions increased 11% yoy to 329,145.5 tCO<sub>2</sub>e in FY20. GHG emissions density (tCO<sub>2</sub>e/ RMB million output value) increased from 7.8 in FY19 to 8.9 in FY20.</p> <p>Total hazardous waste produced increased 83% yoy to 17.5 tonnes in FY20. Hazardous waste density (kg/RMB million output value) increased from 0.3 in FY19 to 0.5 to FY20.</p> <p>Total non-hazardous waste produced decreased 21% yoy to 10,301.3 tonnes in FY20. Non-hazardous waste density (kg/RMB million output value) decreased from 345.2 in FY19 to 279.1 to FY20.</p> <p>SOURCES: CGS-CIMB RESEARCH, REFINITIV</p>

## BY THE NUMBERS

**P/BV vs ROE**



**12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth**



### Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>38,002</b>	<b>37,497</b>	<b>47,670</b>	<b>59,246</b>	<b>74,978</b>
<b>Gross Profit</b>	<b>8,698</b>	<b>8,736</b>	<b>10,852</b>	<b>13,628</b>	<b>17,571</b>
<b>Operating EBITDA</b>	<b>6,795</b>	<b>7,212</b>	<b>9,234</b>	<b>11,119</b>	<b>13,811</b>
Depreciation And Amortisation	(1,628)	(2,150)	(2,734)	(2,819)	(2,877)
<b>Operating EBIT</b>	<b>5,167</b>	<b>5,062</b>	<b>6,500</b>	<b>8,300</b>	<b>10,934</b>
Financial Income/(Expense)	45	182	182	293	443
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	432	378	196	240	260
<b>Profit Before Tax (pre-EI)</b>	<b>5,643</b>	<b>5,622</b>	<b>6,877</b>	<b>8,833</b>	<b>11,637</b>
Exceptional Items	(1)	(7)	0	0	0
<b>Pre-tax Profit</b>	<b>5,643</b>	<b>5,616</b>	<b>6,877</b>	<b>8,833</b>	<b>11,637</b>
Taxation	(703)	(579)	(791)	(1,060)	(1,396)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>4,940</b>	<b>5,037</b>	<b>6,086</b>	<b>7,773</b>	<b>10,240</b>
Minority Interests	(68)	(68)	(76)	(85)	(95)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
<b>Net Profit</b>	<b>4,871</b>	<b>4,969</b>	<b>6,010</b>	<b>7,688</b>	<b>10,145</b>
Normalised Net Profit	4,941	5,043	6,086	7,773	10,240
<b>Fully Diluted Normalised Profit</b>	<b>4,872</b>	<b>4,976</b>	<b>6,010</b>	<b>7,688</b>	<b>10,145</b>

### Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>6,795</b>	<b>7,212</b>	<b>9,234</b>	<b>11,119</b>	<b>13,811</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	115	200	(792)	(957)	(1,327)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	797	753	578	631	660
Net Interest (Paid)/Received	45	182	182	293	443
Tax Paid	(313)	(579)	(791)	(1,060)	(1,396)
<b>Cashflow From Operations</b>	<b>7,439</b>	<b>7,768</b>	<b>8,411</b>	<b>10,027</b>	<b>12,191</b>
Capex	(2,454)	(2,800)	(3,000)	(3,000)	(3,000)
Disposals Of FAs/subsidiaries	(344)	(500)	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	(3,516)	0	0	0	0
<b>Cash Flow From Investing</b>	<b>(6,314)</b>	<b>(3,300)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>
Debt Raised/(repaid)	1,017	(612)	209	212	260
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(796)	(969)	(998)	(1,203)	(1,539)
Preferred Dividends					
Other Financing Cashflow	(378)	(165)	(165)	(174)	(184)
<b>Cash Flow From Financing</b>	<b>(157)</b>	<b>(1,746)</b>	<b>(955)</b>	<b>(1,165)</b>	<b>(1,462)</b>
Total Cash Generated	967	2,721	4,456	5,861	7,729
<b>Free Cashflow To Equity</b>	<b>2,141</b>	<b>3,856</b>	<b>5,619</b>	<b>7,239</b>	<b>9,451</b>
<b>Free Cashflow To Firm</b>	<b>1,358</b>	<b>4,698</b>	<b>5,641</b>	<b>7,266</b>	<b>9,439</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## BY THE NUMBERS... cont'd

### Balance Sheet

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	11,613	15,032	19,423	25,219	32,883
Total Debtors	8,212	7,448	9,469	11,769	14,894
Inventories	5,783	5,482	7,018	8,695	10,942
Total Other Current Assets	21	28	0	0	0
<b>Total Current Assets</b>	<b>25,630</b>	<b>27,989</b>	<b>35,909</b>	<b>45,683</b>	<b>58,719</b>
Fixed Assets	7,993	8,808	7,807	7,988	8,110
Total Investments	2	202	202	202	202
Intangible Assets	363	307	307	307	307
Total Other Non-Current Assets	1,450	1,468	1,468	1,468	1,468
<b>Total Non-current Assets</b>	<b>9,809</b>	<b>10,785</b>	<b>9,784</b>	<b>9,964</b>	<b>10,087</b>
Short-term Debt	2,071	1,539	1,748	1,960	2,220
Current Portion of Long-Term Debt					
Total Creditors	10,733	9,869	12,633	15,653	19,698
Other Current Liabilities	607	466	433	489	562
<b>Total Current Liabilities</b>	<b>13,411</b>	<b>11,873</b>	<b>14,814</b>	<b>18,102</b>	<b>22,480</b>
Total Long-term Debt	3,896	3,816	3,816	3,816	3,816
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	416	1,174	1,492	1,854	2,347
<b>Total Non-current Liabilities</b>	<b>4,312</b>	<b>4,989</b>	<b>5,308</b>	<b>5,670</b>	<b>6,162</b>
Total Provisions	889	1,016	1,016	1,016	1,016
<b>Total Liabilities</b>	<b>18,612</b>	<b>17,879</b>	<b>21,137</b>	<b>24,788</b>	<b>29,658</b>
Shareholders' Equity	16,597	20,588	24,248	30,552	38,841
Minority Interests	229	307	307	307	307
<b>Total Equity</b>	<b>16,826</b>	<b>20,895</b>	<b>24,556</b>	<b>30,859</b>	<b>39,148</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	0.4%	(1.3%)	27.1%	24.3%	26.6%
Operating EBITDA Growth	16.5%	6.1%	28.0%	20.4%	24.2%
Operating EBITDA Margin	17.9%	19.2%	19.4%	18.8%	18.4%
Net Cash Per Share (Rmb)	5.37	9.20	13.18	18.49	25.53
BVPS (Rmb)	15.78	19.58	23.06	29.05	36.93
Gross Interest Cover	22.10	21.99	28.23	34.69	44.03
Effective Tax Rate	12.5%	10.3%	11.5%	12.0%	12.0%
Net Dividend Payout Ratio	19.9%	20.1%	20.0%	20.0%	20.0%
Accounts Receivables Days	85.92	76.22	64.77	65.42	65.08
Inventory Days	68.25	71.48	61.96	62.86	62.60
Accounts Payables Days	137.7	130.7	111.5	113.2	112.7
ROIC (%)	33.5%	30.4%	36.9%	47.9%	58.2%
ROCE (%)	25.7%	21.5%	23.7%	25.7%	27.7%
Return On Average Assets	14.8%	13.2%	14.1%	14.9%	15.9%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Handset lens sets revenue (yoy % growth)	2.8%	-23.0%	2.6%	10.0%	15.5%
Vehicle lens sets revenue (yoy % growth)	17.5%	25.7%	37.8%	36.5%	36.5%
Handset camera module revenue (yoy % growth)	-3.1%	-4.2%	28.0%	21.1%	22.1%
Handset lens sets GPM (%)	43.3%	36.0%	38.0%	38.0%	38.0%
Vehicle lens sets GPM (%)	41.0%	41.0%	43.0%	42.0%	41.0%
Handset camera module GPM (%)	12.6%	13.7%	13.1%	13.1%	13.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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#### **Corporate Governance Report:**

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.



<b>Score Range:</b>	90 - 100	80 - 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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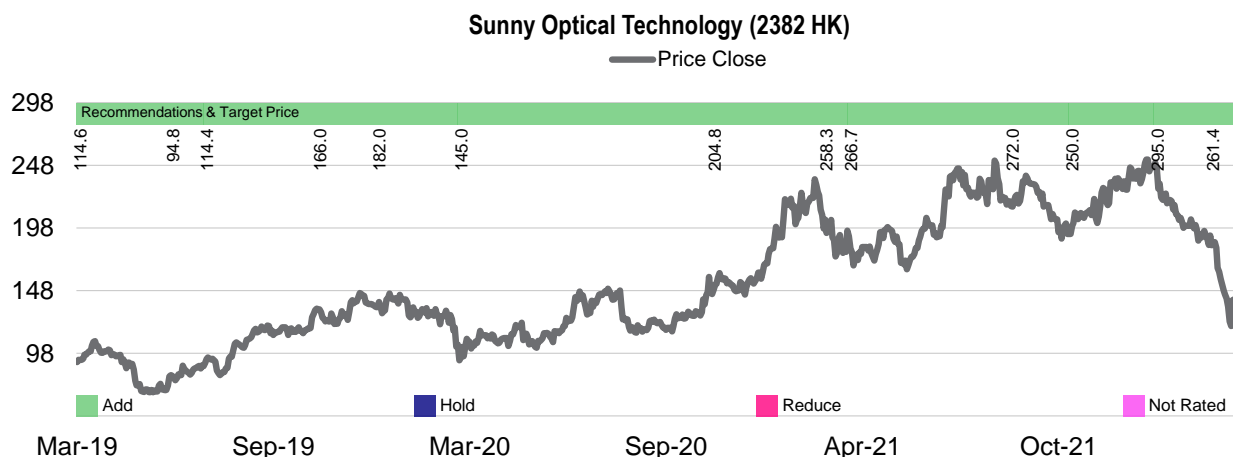
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GCG** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

