China Artificial Intelligence

AI models are the new workforce - lowering PT for longer wait beyond coding; still bullish, with Z.AI our preferred name

We cut PTs for Z.AI (Zhipu) and MiniMax – AI demand beyond coding is taking longer to arrive than we expected; still, we believe the market is too bearish, and Zhipu remains our preferred name. Zhipu is up ~315% YTD, even after a ~78% fall from its peak (versus HSTECH -32% YTD). We see AI models as the next-generation workforce for enterprises, and model companies as the schools that train them. **Like a student, a model learns continuously, but it earns a new degree only when it is qualified for a new kind of work.** Employers hire by degree, so demand moves in steps. We are now between two steps: coding and broader white-collar work. The market reads this gap as a slowdown, yet labs keep releasing better models every few months. The 'school' whose 'graduates' clear each new bar first should capture most of the value, and we expect fewer schools to keep up. **What has changed is our view on timing,** so we lower target 2030E P/E to 12x from 20x. PTs fall to HK$1,200 from HK$2,000 for Z.AI (OW) and HK$200 from HK$300 for MiniMax (Neutral), implying 23x/9x 2027 P/S.

- **We believe the market is extrapolating a pause between demand steps.** Coding went through the same phase: price wars and slower ARR growth came first; demand took off only once models could code reliably, in late 2025. Labs keep shipping better models every few months, and we expect white-collar demand to take off the same way. China lags the US by at least six months and is still on the coding step. We expect it to follow the US up both.
- **We believe commoditization and pricing power can coexist, and Z.AI proves it**. We see leading labs pulling two levers at once: they charge more for their best models, as Z.AI did by doubling its API price up to GLM-5.3, while cheap tiers such as GLM-5.3-Flash keep price-sensitive users. They also keep cutting their own costs: on the same hardware, Z.AI's unit inference cost fell ~80% this year. This is why we think falling token prices need not squeeze margins. Z.AI's API gross margin rose to 24.6% in 1H26, from -0.4% a year earlier. The US shows the same pattern: on Ramp, the token price has halved since Aug 2025, yet business token spend rose ~15x.
- **We believe value accrues to the few schools that keep turning out the most advanced graduates. That is why we prefer Z.AI.** It ships a new generation every two to three months and has raised both prices and guidance. GLM-5.5/GLM-6, expected in November, is the next catalyst. MiniMax competes mainly on cost. We would turn more constructive if M3 Pro (November) is recognized and priced as a frontier model.

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Equity Ratings and Price Targets

Company	Ticker	Mkt Cap ($ mn)	Price CCY	Price	Rating Cur	Rating Prev	Price Target Cur	Price Target End Date	Price Target Prev	Price Target End Date
Z AI Co Ltd - H	2513 HK	16,109	HKD	480.40	OW	n/c	1,200.00	Dec-27	2,000.00	Dec-26
MiniMax Group Inc - H	100 HK	4,915	HKD	169.00	N	n/c	200.00	Dec-27	300.00	Dec-26

Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates. n/c = no change. All prices as of 02 Nov 26.

See page 22 for analyst certification and important disclosures, including non-US analyst disclosures.

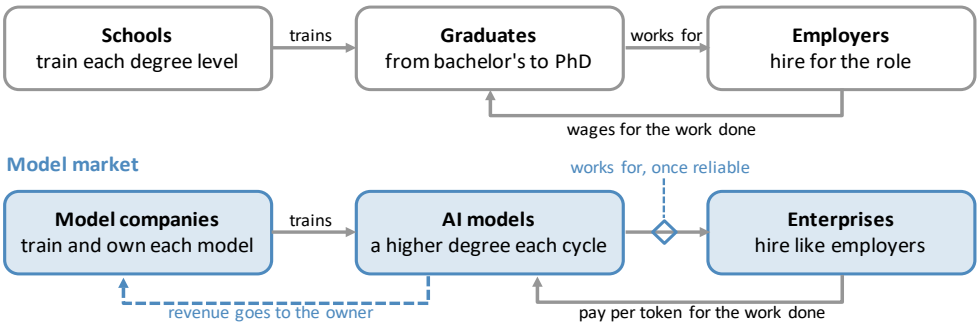
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Key charts

Figure 1: Our framework: AI models are the new workforce, and model companies collect what they earn

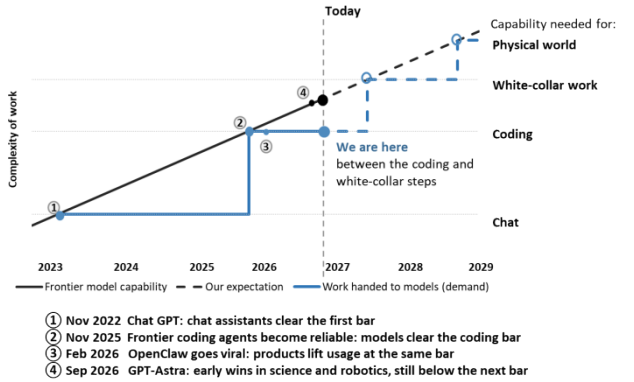
The same three roles, side by side: who does the work, who pays



Key difference: a school does not own its graduates, but a model company owns its models, so it collects what they earn.
Enterprises pay per token but hire like employers: a task is handed over only when a model does it reliably

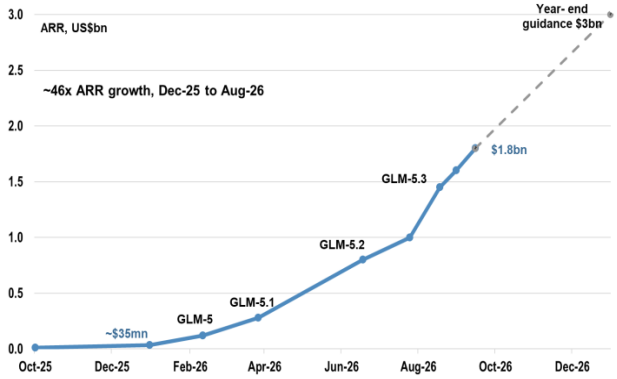
Source: J.P. Morgan.

Figure 2: Capability vs demand: new use cases unlock when models clear a new bar



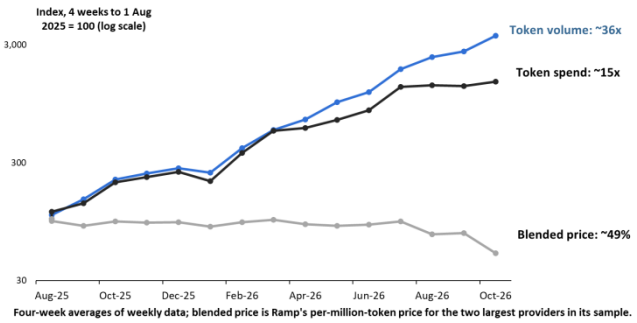
Source: OpenAI (OpenAI), OpenClaw (OpenClaw) (as of Oct 29, 2026). J.P. Morgan estimates,

Figure 3: Z.AI ARR vs GLM releases: each new model generation lifted ARR to a higher level



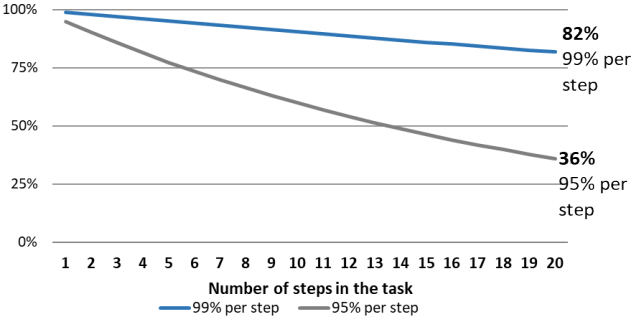
Source: Z.AI company presentation (as of Oct 29, 2026)

Figure 4: US token volume, spend and blended price: spend rose ~15x as volume rose ~36x, while the price per token halved



Source: Ramp AI Index (Ramp AI Index, Oct 2026), J.P. Morgan

Figure 5: Task success vs number of steps: a 4-point gain in per-step accuracy more than doubles success on 20-step tasks



Source: J.P. Morgan estimates

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Three concerns behind the sell-off

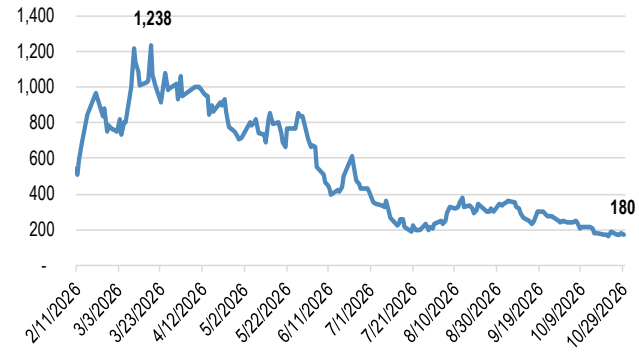
Z.AI and MiniMax have fallen 78% and 85% from their 2026 peaks (but have risen 314% / 1% since being listed in Jan 2026), as three fundamental concerns coincided with a heavier supply calendar. Lock-up expiries, placements and a pipeline of new listings have eroded the scarcity premium, but we view these as technical pressures rather than the core of the debate.

Figure 6: Share price from 2026 peak: Z.AI has lost c.80% of its peak value



Source: Bloomberg Finance L.P. (as of Oct 29, 2026)

Figure 7: Share price from 2026 peak: MiniMax has lost 85% of its peak value

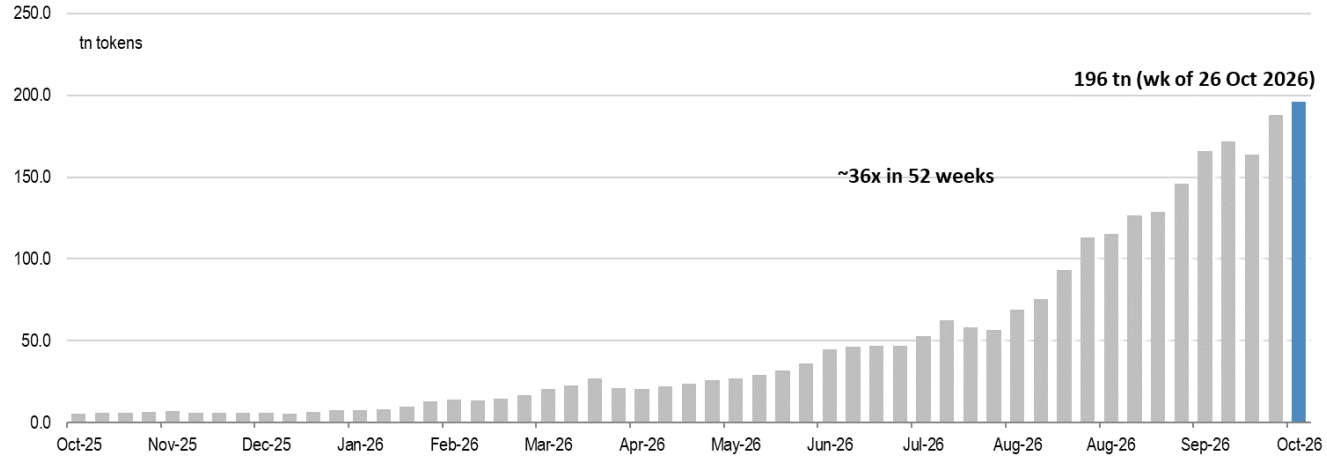


Source: Bloomberg Finance L.P. (as of Oct 29, 2026)

- **Demand signals are mixed: revenue growth at US frontier labs appears to be slowing, while token usage keeps rising on OpenRouter, in Ramp's business card data and on Chinese labs' own platforms.** Business AI spend on Ramp's cards reached a new peak in early October, but only 1.5% above its August level (Ramp AI Index, Oct 2026). In China, demand for leading models still outstrips supply, as labs remain short of compute, and ARR is still ramping up quickly across the leading labs. In the US, Ramp's card data show business token volumes still rising in August and September, even as spend stalled (source: Ramp AI Index, Oct 2026). OpenRouter is only a small sample of the market, as it excludes direct API traffic to the major labs, cloud providers' model-as-a-service (MaaS) platforms and the labs' own apps, but we see it as a useful cross-industry check on the direction of token consumption, which keeps climbing: weekly tokens processed on OpenRouter reached ~196tn in the week of 26 Oct 2026, ~36x the level a year earlier and roughly double that of mid-August (source: OpenRouter).

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Figure 8: Weekly OpenRouter token volume: total token consumption has risen ~34x in a year

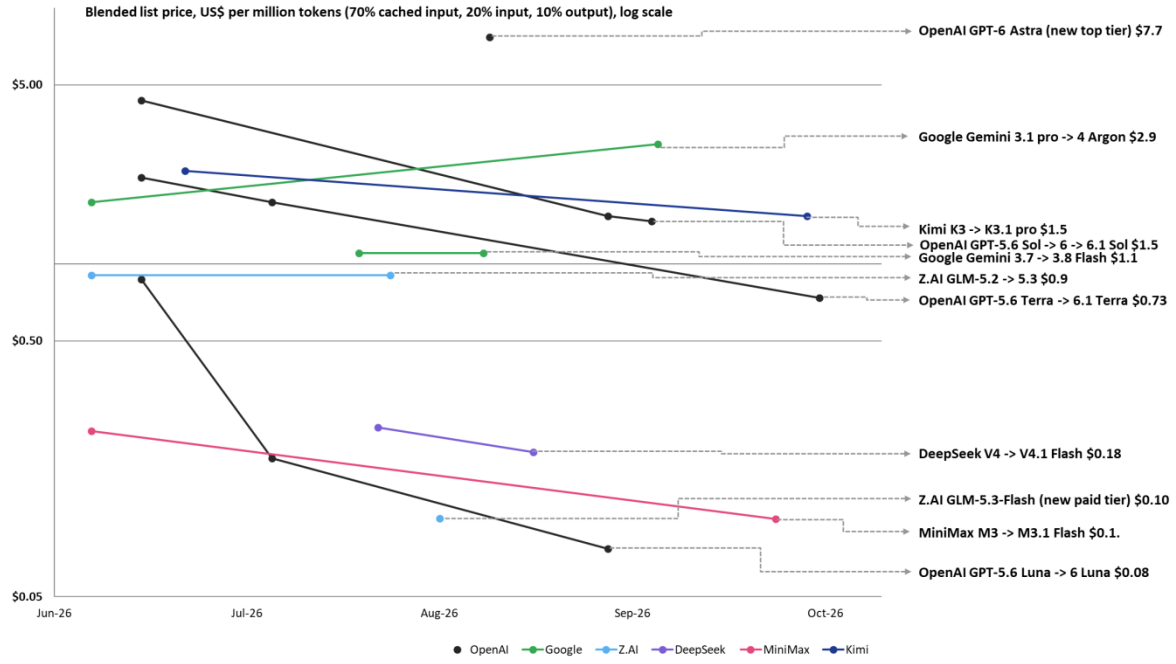


Source: OpenRouter (as of Oct 26, 2026), J.P. Morgan

- **Some enterprise spend may be moving to cheaper models.** In a September survey of 200 enterprises by Enterprise Technology Research, open-weight models made up 34% of enterprise token usage, up from 23% a year earlier, with cost savings the main reason cited (source: Techstrong.ai). Ramp's card data also show business token spend barely grew in August and September even as token volumes rose, which it attributes to falling prices (Ramp AI Index, Oct 2026).
- **Few recent launches have raised mainstream token prices**. Of the 10+ new models released by seven leading US and Chinese labs over the past two months, more than half were priced below the model they replaced (70% cached input, 20% input, 10% output), while Z.AI's GLM-5.3-Flash opened a new low-cost paid tier; only two new top tiers, OpenAI's GPT-6 Astra and Google's Gemini 4 Argon, were priced higher. Investors read this as a sign that labs lack pricing power. Some cuts were deep: OpenAI's GPT-6 Sol and Luna (22 Sep) came in at roughly half the price of their GPT-5.6 versions, GPT-6.1 Terra (26 Oct) at under half the price of GPT-5.6 Terra. Cheaper tiers are also catching up on narrower tasks: OpenAI said GPT-6.1 Sol, at a fifth of Astra's price, nearly matches it on agentic coding, and DeepSeek V4.1-Flash matches leading US flagship models on short coding benchmarks.

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Figure 9: Blended token prices of new models: older tiers keep getting cheaper, while new top tiers are priced



Source: OpenAI (OpenAI), Google (Google), Moonshot AI (Kimi), Z.AI (Z.AI), DeepSeek (DeepSeek), MiniMax (MiniMax) (all as of Oct 29, 2026).

In our view, the data do not yet show whether demand is slowing, and the three concerns are partly one: usage is rising while spend lags because prices are falling. Token volumes keep climbing on OpenRouter and in Ramp's card data, while enterprise spend and frontier revenue grow more slowly, and much of the gap between them is price. **Token price is a useful signal of a model's relative capability and customers' willingness to pay**, Still, we see a token as closer to an hourly wage, while the customer is buying finished work. So revenue also depends **on how large the tasks are and how many of them enterprises hand over**. Therefore, we frame the debate around whether the next step in demand will come, which we believe matters more for valuation than whether demand is slowing today – a question the data cannot yet settle. To answer that, we first set out how we think about the enterprise model market.

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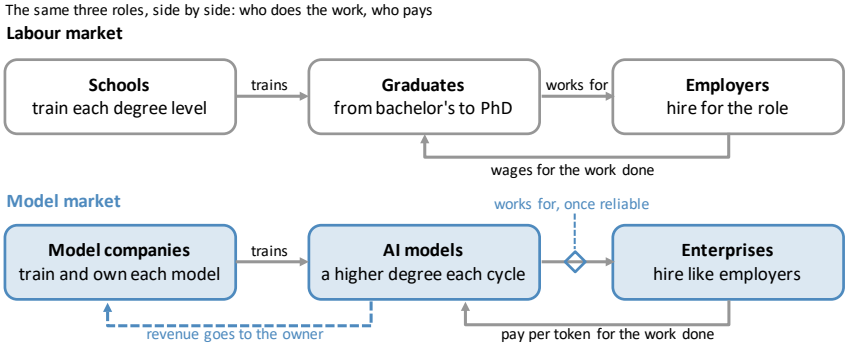
The degree analogy: models learn steadily, but get hired only once they graduate

AI models are the next-generation workforce

We frame the enterprise model market as a labor market with three participants: the models are the workforce, enterprises are the employers. A model keeps learning with each generation, but it earns a new degree only when it can do a new kind of work reliably. We apply this lens to enterprise (B2B) demand, where models replace or extend human work and are paid for the work done. Consumer AI, where value depends more on traffic, product and device entry points, follows different rules and is outside the scope of this report.

Figure 10: Our framework: AI models are the new workforce, and model companies collect what they earn

The same three roles, side by side: who does the work, who pays



Key difference: a school does not own its graduates, but a model company owns its models, so it collects what they earn.
Enterprises pay per token but hire like employers: a task is handed over only when a model does it reliably

Source: J.P. Morgan

Each model generation is another term of study, and a degree marks a new kind of work the model can do reliably. AI labor can be copied without limit, so once a more advanced degree arrives, holders of the older one take a pay cut, which is why the price of a fixed level of capability falls so quickly; at the same time, each new degree qualifies models for more senior work, which is what opens up new roles.

Today's best model looks like a hire with PhD-level knowledge and the independence of a junior employee. METR, an independent evaluator, measures how long a task, in human-expert hours, a model can finish on its own. The best model it has tested finishes a 17-hour task about half the time and a three-hour task about 80% of the time (source: METR, via IQ Metrics). An employer would not hand over work that fails half the time, so we see 3 hours as the model's real working range today. Promotions come quickly, though: the length of task models can complete has doubled about every 105 days for models released since 2024 (source: METR), which is why we believe continued training still pays: a small gain in per-step accuracy produces a large gain in task success, and a model that stops improving falls back among the lower degrees.

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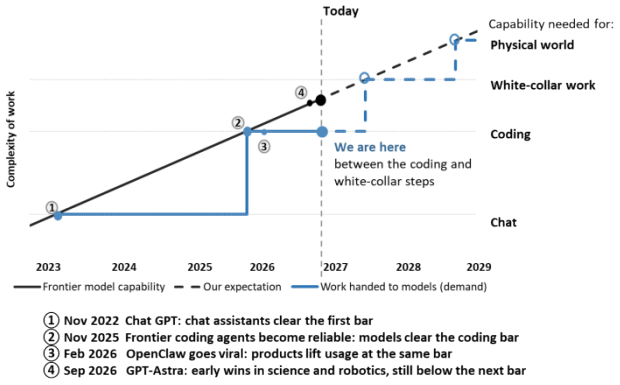
Enterprises pay per token, but in our view they hire like employers. If tokens were a commodity, customers would always pick the cheapest model; **in practice, they match models to tasks the way managers match people to jobs**. Employers also hold back a task, however cheap the model, until it can be done reliably, and we call **the point at which a model is trusted with a new level of work a 'promotion'**, after which the number of tasks handed over can rise sharply.

Model companies bear the training cost upfront and earn it back through the work their graduates do. Like a school that also runs a staffing business, a model company spends heavily to train each new degree level, then bills employers for the hours its graduates work, through API usage or subscriptions. Two features set this business apart: each degree depreciates quickly, so the school has to keep retraining to stay relevant, and its revenue depends less on the hourly rate than on how senior its graduates are and how much work employers hand them. **Therefore, we believe investors should value the school that keeps turning out the most advanced graduates, rather than any single cohort.**

The framework answers the three market debates. On demand, the key question is, therefore, when employers promote models to new work, not only where token prices go. On commoditization and pricing power, older models, like lower degrees, compete on price, while the most advanced command a premium. On value capture, the schools that stay at the frontier across model cycles keep the largest share of the value their graduates create.

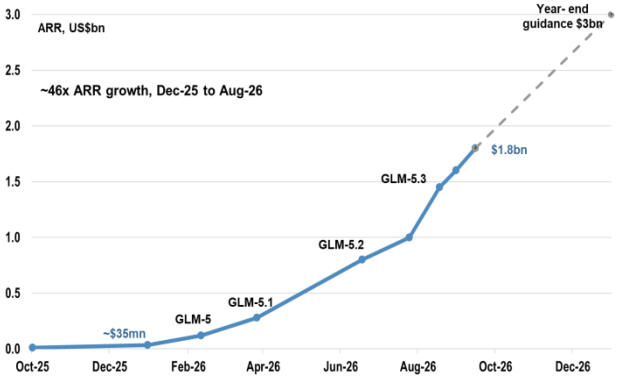
Demand moves in steps, and we expect the next one

Figure 11: Capability vs demand: new use cases unlock when models clear a new bar



Source: OpenAI (OpenAI) OpenClaw (OpenClaw) (both as of Oct 29, 2026). J.P. Morgan estimates

Figure 12: Z.AI ARR vs GLM releases: each new model generation lifted ARR to a higher level



Source: Z.AI company presentation (as of Oct 29, 2026)

Each unlock has lifted demand by a step, and we expect more to come. Capability improves every few months, but demand has moved mainly when a new type of work became reliable enough to hand over: coding agents in late 2025, agent products with OpenClaw, and most recently science and robotics with GPT-6 Astra, which helped prove a new bound on prime gaps (source: OpenAI) and completed 19 of 20 robot-arm trials in a third-party test (source: Ecosistema Startup). Today's models sit above the bar for coding but below the bar for most other white-collar work, and because capability keeps improving, we believe crossing that next bar is a matter of time – not if – with each crossing lifting demand by another step.

Z.AI's ARR shows the same pattern. It took off once GLM-5 made its models reliable enough for coding work in February, and stepped up again with GLM-5.2 in June and GLM-5.3 in August, rising ~46x between December 2025 and August 2026 and from US$100mn to US$1.6bn in about six months. Each step came with a new model generation, which is why we see GLM-5.5/GLM-6 in November as the next test.

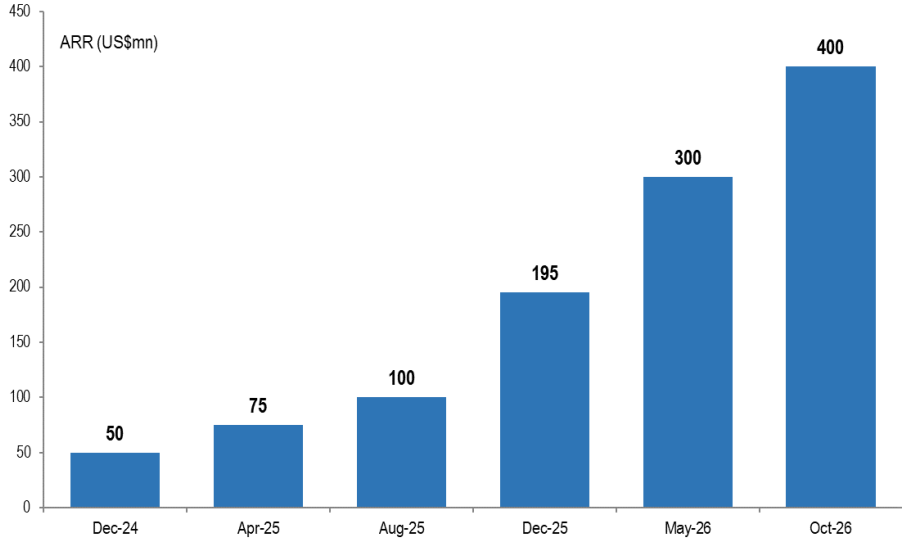
We believe flat pricing and slower ARR growth are what the gap between two promotions looks like, rather than a demand ceiling. An intern, however cheap, is not used widely, but once the intern can own a task the employer hires many interns, which is also why we think continued training matters: promotions come only from capability gains.

We use the US as a read-across for China, as US models and enterprise adoption lead China's by roughly six months, in our view. Today's US is therefore a reasonable guide to China's tomorrow, which is why we draw on US revenue data and use cases throughout this report. The revenue gap, however, is far wider than the capability gap: we estimate the combined ARR of all Chinese model companies will be below US$15bn by end-2026, at least 10x below their US peers, even though we do not think China trails the US by anything close to 10x in model capability, market size or AI penetration. **We believe the main reason is compute: Chinese demand remains severely supply-constrained, so today's ARR understates underlying demand.** As domestic capacity comes online, we expect added compute to convert into revenue faster in China than in the US, on top of the step-ups that each new model generation brings.

No second use case has yet grown like coding, but as models improve, broader white-collar work is approaching its own tipping point, and we think the market is too bearish in linearly extrapolating today's slower revenue growth. Coding itself looked linear for years: AI coding assistants have existed since GitHub Copilot in 2021 and grew steadily rather than explosively, until coding agents became reliable in late 2025 and Cursor's annualized revenue went from US$1bn in November 2025 to over US$4bn by June 2026 (Dealroom) – and we think other white-collar work today looks like coding did in 2024. We are less certain which function will scale next than about the form it will take: multi-step agentic applications embedded in enterprise workflows, spreading across broad-based white-collar work rather than a single vertical. Early signs are already visible in vertical apps such as Harvey in legal, whose ARR is up ~8x in under two years (Figure 13).

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Figure 13: Harvey ARR: legal AI is following coding's path, up ~8x in under two years



Source: Sacra (Sacra), Tech Insider (TechInsider), Entrepreneur Loop (Entrepreneurloop), Ecosistema Startup (Harvey Series F, as of Oct 1, 2026) (all as of Oct 29, 2026) J.P. Morgan.

Rather than argue whether demand is slowing today, we would rather watch four signals that would tell us when the next step is arriving.

- **Frontier ARR growth.** Whether QoQ revenue growth at the leading labs re-accelerates as the latest generation is adopted.
- **Spend versus usage.** Whether enterprise token spend starts to grow with token volume again in Ramp's card data, which would show new work outrunning price cuts.
- **A second use case.** Whether vertical apps beyond coding, such as Harvey in legal, keep compounding ARR.
- **China after new compute.** Whether Chinese labs' ARR steps up as domestic capacity comes online, which would confirm that supply, not demand, is the binding constraint.

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The economics: falling prices, rising spend and better margins

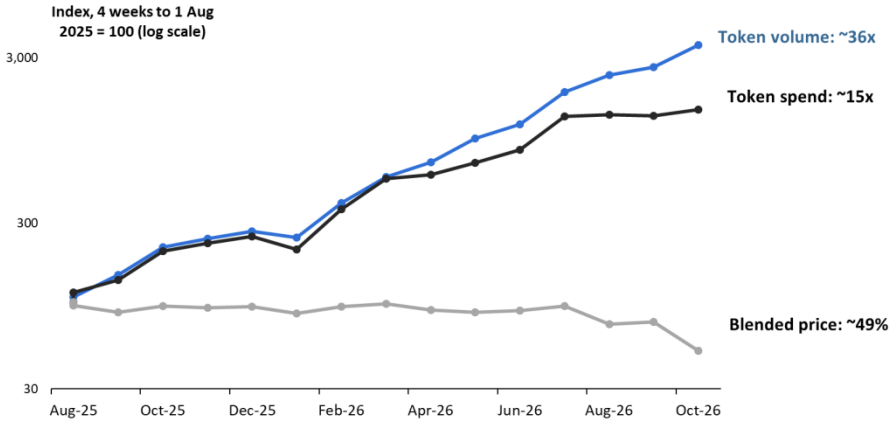
Volume and task size matter more than the token price

We believe the token price is the least important of the three drivers of model revenue. Revenue scales with how large the tasks are and how many of them enterprises hand over, and in our view both step up after a 'promotion'.

> ***Revenue = price per token (hourly wage) × task size (project scope) × number of tasks (headcount)***

Falling token prices have come with rising spend, because volume has grown much faster. Ramp's data show the mechanism in the US: since August 2025, the blended price per million tokens across the largest US model providers in its sample has roughly halved, from ~US$1.09 to ~US$0.56, yet business token spend has risen ~15x because token volume has risen ~36x (Ramp AI Index). The price held at around US$1 for most of that period and fell more sharply from August 2026, so recent cuts are part of a longer downward drift, and volume kept growing through them, up another 37% in the four weeks to 23 October while spend rose 9%. In China, the 2024 price war cut API list prices by 90% or more, and daily token calls have since risen more than 1,000-fold, from ~100bn in early 2024 to over 140tn by March 2026 (Yicai) and over 500tn by June (TechNode).

Figure 14: US token volume, spend and blended price: spend rose ~15x as volume rose ~36x, while the price per token halved



Four-week averages of weekly data; blended price is Ramp's per-million-token price for the two largest providers in its sample.

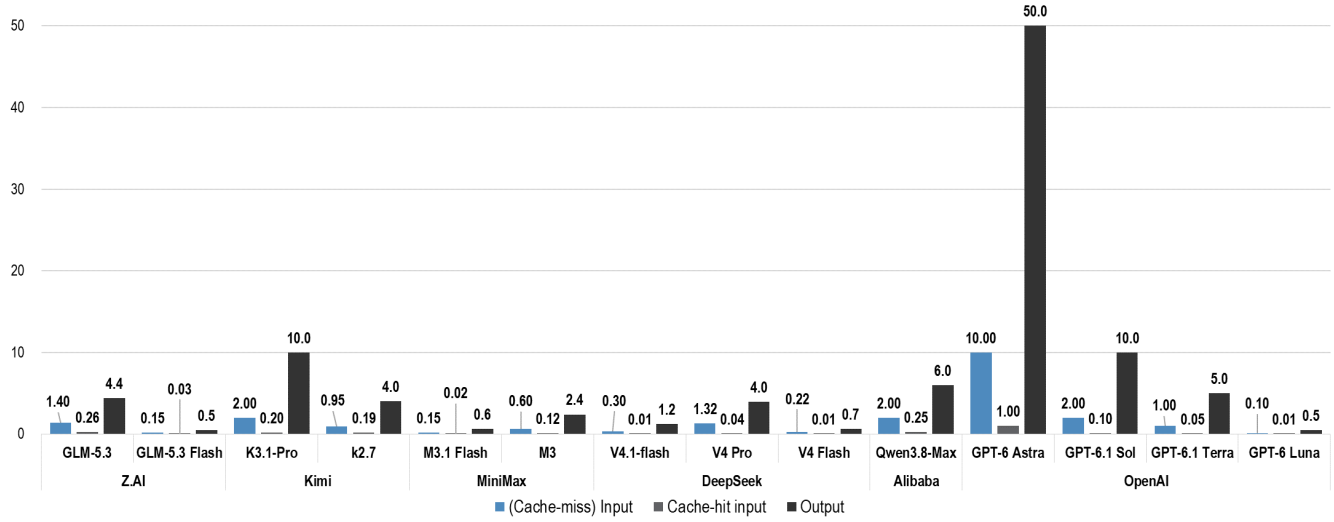
Source: Ramp AI Index (Ramp AI Index, Oct 2026), J.P. Morgan

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Commoditization and pricing power can coexist

We believe price wars are concentrated in older models and simple tasks. The price of reaching a fixed level of capability falls >10x a year at the cheapest price point, which widens usage. We read this as saying that holders of last year's degree take a pay cut as a more advanced one arrives, rather than an industry collapse; meanwhile, mainstream new flagships trade price for volume and launch at flat or lower prices, while a higher grade has appeared at the top; the price gap within one vendor's line-up now spans ~100x on output tokens.

Figure 15: API list prices by model tier

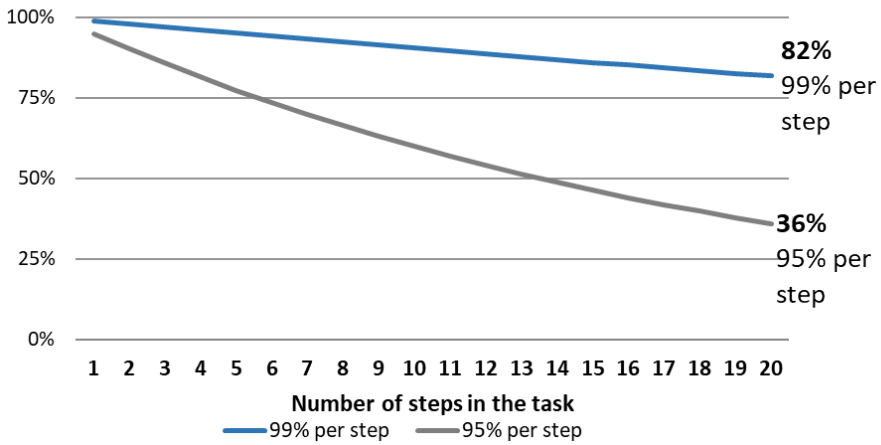


Source: OpenAI (OpenAI), Alibaba (Qwen), Moonshot AI (Kimi), Z.AI (Z.AI), DeepSeek (DeepSeek), MiniMax (MiniMax), (all as of Oct 29, 2026).

In our view, simple tasks already have a good-enough model; complex, multi-step work does not yet. For translation, summaries and simple Q&A, last year's degree is enough and buyers choose on price, but long agent tasks are different: one failed step can spoil the whole result, so quality multiplies rather than adds: at 95% accuracy per step, a 20-step task succeeds 36% of the time, versus 82% at 99%.

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Figure 16: Task success vs number of steps: a 4-point gain in per-step accuracy more than doubles success on 20-step tasks



Source: J.P. Morgan estimates.

We believe pricing power is less about raising the token price and more about crossing the next bar first. The first school to be promoted enjoys a premium window until followers catch up; prices then settle, and the cycle restarts with the next promotion.

When models replace human work, the savings are split between the model company and the customer. We believe that in simple work most of the savings go to the customer and the model company earns a processing fee, while in senior work the model company can keep a larger share because good hires are scarce. Once followers catch up, we expect value to shift back to customers, which is why, in our view, only schools that keep investing and keep being first can hold pricing power over time.

Value accrues to the few schools that keep turning out the most advanced graduates

We expect consolidation to continue, and the schools that stay to gain bargaining power. China LLM's training costs have grown 2-3x a year for the past years, so fewer players can keep up with each new generation, and we think consolidation will come mainly through attrition rather than mergers.

We believe access to capital is itself a barrier to entry. Today's funding rounds help decide who stays at the table, and the choice between open and closed weights signals position: leaders charge for senior work, while followers open-source to win share.

We believe the market is extrapolating prices set during a consolidation phase, and is too bearish on long-term margins as a result. We see today's fierce competition and exits as healthy for the long-run structure, and pricing and open-source strategy remain choices in the players' hands.

- **Today's prices are set during consolidation.** Players trade price for share and funding, and many price to win developers and investors rather than to earn a return on each model, which we do not see as a steady state. As the number of serious players shrinks, we expect prices to track the value of the work done more closely, and pricing to become more rational.
- **Each new generation is a chance to reprice.** A new model is a new product, so a model company does not need to raise prices on an existing model to improve its pricing; it can launch the next generation at a higher price point, or open a new top tier above it.
- **Open today does not mean open tomorrow.** We see open weights as a strategy rather than a commitment: followers open-source to win developers and share, but as a model company moves closer to the frontier, its incentive shifts towards keeping its newest generation closed, or opening it only after a paid exclusive window, so that it can charge for the most valuable work. Therefore, today's open-weight pricing is, in our view, a stage in the cycle rather than a permanent cap on what leaders can charge.
- **Margins are already improving.** Gross margin at Z.AI's open-platform and API business rose to 24.6% in 1H26, from -0.4% a year ago, despite price competition elsewhere. We see further room on several fronts: newer chips that deliver more tokens per unit of compute and power; infrastructure optimization, such as batching, caching and better scheduling, that raises utilization; and closer co-design of models and hardware, from model architecture to software tuned for domestic accelerators. Each lowers the cost of serving the same work, so we think margins can keep rising even as list prices fall.

Key risks

- **Followers get promoted faster, shortening the premium window.** OpenAI's GPT-6.1 Sol nearly matched GPT-6 Astra on agentic coding less than four weeks later at a fifth of the price, and DeepSeek V4.1-Flash matched a leading US flagship model on short coding benchmarks about seven weeks after that model's launch.
- **Platform giants price models as loss leaders.** Companies with cloud businesses may supply models cheaply for years to win cloud customers, delaying rational pricing; we see this as one of the biggest swing factors for the pace of consolidation.
- **The next bar takes longer to cross.** If no new type of work is promoted after coding, demand growth could stay subdued.
- **Compute constraints.** Tight compute supply could slow the training of each new generation.
- **Funding and dilution.** A weaker funding market and repeated placements or convertibles would dilute shareholders.

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Z AI Co Ltd - H

Still at the frontier, with GLM-5.5/6 the next test

We see Z.AI as one of the few Chinese schools still turning out frontier graduates, the position our framework rewards. If demand moves in steps and value accrues to those at the frontier, the companies that can keep training the most advanced models stand to capture most of each step. Z.AI's ARR rose from ~US$0.5bn at end-June to US$1.8bn by mid-September, with management raising its year-end guidance to US$3bn from US$2.4bn. Per the company, its ~US$5bn raise in September, through placements and convertible bonds, will fund the next generations of training and compute.

Z.AI's model progress this year has been on track. It has shipped a new generation every two to three months, from GLM-5 in early 2026 to GLM-5.1 in March, GLM-5.2 in June and GLM-5.3 in August, and each has held or raised prices while ARR kept stepping up. Gross margin at its open-platform and API business rose to 24.6% in 1H26, and we see room for more as chips, infrastructure and model-hardware co-design improve. The next watch point is its larger-parameter GLM-5.5/GLM-6 model, which we expect in November at 2.5-3.5tn parameters. We will watch whether this narrows the gap to the US frontier and whether enterprises trust it with longer, multi-step agentic work, which in our framework is what turns a new generation into the next step in demand.

We lower our 2026E revenue to Rmb5.7bn (from Rmb6.1bn) and raise 2027E to Rmb23.9bn (from Rmb17.8bn), which, in our view, reflects timing rather than weaker demand. We lower our Dec-27 PT to HK$1,200 from HK$2,000, now based on 12x 2030E P/E (previously 20x), the year we expect Z.AI to generate normalized earnings, discounted back at a 15% WACC. The cut comes mainly from the multiple, which removes most of the premium we previously applied over tier-1 Chinese Internet players given uncertainty over the timing of the next use-case inflection. We remain constructive on Z.AI's earnings path, but after the sell-off we prefer to let earnings delivery, rather than the multiple, carry the upside.

Table 1: Estimate change summary on Z.AI (Zhipu)

Estimate changes (Rmb mn)	2026E	2027E	2028E	2029E	2030E
Revenue					
New	5,662	23,886	54,619	130,663	274,011
Old	6,102	17,759	45,589	127,003	220,397
% change	-7%	34%	20%	3%	24%
Operating profit					
New	(5,174)	(2,647)	4,832	29,873	84,579
Old	(3,983)	(2,306)	6,015	37,173	75,249
% change	-30%	-15%	-20%	-20%	12%
Adjusted net profit					
New	(4,938)	(2,397)	4,387	24,710	68,772
Old	(3,547)	(1,968)	6,651	30,512	61,138
% change	-39%	-22%	-34%	-19%	12%

Source: J.P. Morgan estimates.

Overweight

2513.HK,2513 HK
Price (02 Nov 26): HK$480.40

▼ **Price Target (Dec-27): HK$1,200.00**
Prior (Dec-26): HK$2,000.00

Hong Kong
Internet

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Key Changes (FYE Dec)

	Prev	Cur	Δ
Adj. EPS - 26E (Rmb)	(8.02)	(10.44)	-30.1%
Adj. EPS - 27E (Rmb)	(4.27)	(4.53)	-6.1%

Half Yearly Forecasts (FYE Dec)

Adj. EPS (Rmb)	2025A	2026E	2027E
H1	(11.09)	(4.54)A	(1.75)
H2	(9.11)	(5.79)	(2.78)
FY	(19.95)	(10.44)	(4.53)

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	96	99	95	89	
Growth	29	22	100		
Momentum	61	100			
Quality	92	84			
Low Vol	100	99			

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

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Price Performance



— 2513.HK Price (HK$) — MSCI-Cnx (rebased)

	YTD	1m	3m	12m
Abs	-	-23.3%	-51.4%	-
Rel	-	-17.8%	-39.4%	-

Company Data

Shares O/S (mn)	263
52-week range (HK$)	2,980.00-116.10
Market cap ($ mn)	16,109
Exchange rate	7.84
Free float (%)	50.0%
3M ADV (mn)	6.28
3M ADV ($ mn)	683.0
Volatility (90 Day)	151
Index	MXCNX
BBG ANR (Buy | Hold | Sell)	26|5|3

Key Metrics (FYE Dec)

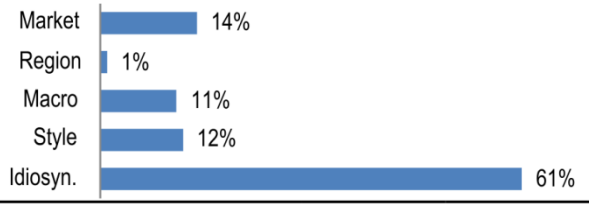
Rmb in millions	FY25A	FY26E	FY27E	FY28E
Financial Estimates				
Revenue	724	5,662	23,886	54,619
Adj. EBIT	(7,015)	(10,103)	(4,841)	10,362
Adj. EBITDA	(3,517)	(4,608)	(1,452)	5,924
Adj. net income	(3,182)	(4,938)	(2,397)	4,387
Adj. EPS	(19.95)	(10.44)	(4.53)	8.29
BBG EPS	(8.58)	(9.98)	(16.09)	(9.26)
Cashflow from operations	(2,246)	(2,642)	7,770	19,762
FCFF	(2,195)	(3,007)	6,777	17,208
Margins and Growth				
Revenue Growth Y/Y (%)	131.9%	681.7%	321.9%	128.7%
EBIT margin	(968.5%)	(178.4%)	(20.3%)	19.0%
EBIT Growth Y/Y (%)	38.8%	44.0%	(52.1%)	(314.1%)
EBITDA margin	(485.5%)	(81.4%)	(6.1%)	10.8%
EBITDA Growth Y/Y (%)	55.0%	31.0%	(68.5%)	(508.0%)
Net margin	(439.3%)	(87.2%)	(10.0%)	8.0%
Adj. EPS growth	29.3%	(47.7%)	(56.6%)	(283.0%)
Ratios				
Adj. tax rate	0.0%	(0.0%)	(0.0%)	20.0%
Interest cover	NM	NM	NM	26.7
Net debt/Equity	0.1	NM	NM	NM
Net debt/EBITDA	0.2	13.6	58.0	NM
ROE	52.8%	(22.5%)	(4.1%)	6.6%
Valuation				
FCFF yield	(3.4%)	(1.6%)	3.1%	8.0%
Dividend yield	-	-	-	-
EV/Revenue	162.9	9.9	1.4	0.3
EV/EBITDA	NM	NM	NM	3.0
Adj. P/E	NM	NM	NM	49.2

Summary Investment Thesis and Valuation

We rate Z AI (Zhipu) Overweight, as the company better fits our framework of repeated state of the art (SOTA) visibility, high-value workflow exposure and pricing power. Z.AI has delivered multiple domestic SOTA releases YTD across the GLM series. The release of GLM5.2/5.3 further enhances its leadership position, in our view. In a market where model cycles are compressing, we believe such a track record matters: Investors are likely to place more weight on repeated frontier delivery than on one-off usage spikes or single-model success, in our view.

Our Dec-27 PT of HK$1,200 is based on a 12x 2030E P/E, when we expect Z.AI to generate normalized earnings, discounted back using a 15% WACC. The 12x multiple is roughly in-line with tier-1 Chinese Internet players, mostly to reflect the company's 100%+ revenue CAGR in 2026-30E.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI Asia Pac ex JP	0.44	0.37
Region: Hong Kong	-0.21	-0.13
Macro:		
JPM Global Equity Sentiment	-0.13	-0.21
US 10 Year Yield	-0.26	-0.21
JPM EM Currency(EMCI) Fixing	-0.17	-0.15
Quant Styles:		
Growth	0.58	0.32
Value	-0.55	-0.32
Momentum	0.57	0.31

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Investment Thesis, Valuation and Risks

Z AI Co Ltd - H *(Overweight; Price Target: HK$1,200.00)*

Investment Thesis

We rate Z AI (Zhipu) Overweight, as the company better fits our framework of repeated state of the art (SOTA) visibility, high-value workflow exposure and pricing power. Z.AI has delivered multiple domestic SOTA releases YTD across the GLM series. The release of GLM5.2/5.3 further enhances its leadership position, in our view. In a market where model cycles are compressing, we believe such a track record matters: Investors are likely to place more weight on repeated frontier delivery than on one-off usage spikes or single-model success, in our view.

Valuation

Our Dec-27 PT of HK$1,200 is based on a 12x 2030E P/E, when we expect Z.AI to generate normalized earnings, discounted back using a 15% WACC. The 12x multiple is roughly in-line with tier-1 Chinese Internet players, mostly to reflect the company's 100%+ revenue CAGR in 2026-30E.

Price target calculation

2030E revenue (Rmb mn)	274,011
2030E adjusted net profit (Rmb mn)	68,772
2030E adjusted EPS (Rmb)	130
Target multiple	12
WACC	15%
Dec-27 PT (HK$)	1,200

Source: J.P. Morgan estimates.

Risks to Rating and Price Target

Downside risks to our rating and price target include export controls, geopolitical risk, and entity list designation; intensified competition; high and ongoing R&D investment, which creates execution risk and pressure on profitability; commercialization and customer adoption, which remain subject to uncertainty; and dependence on computing infrastructure and external suppliers, which exposes Z.AI to cost and availability risks.



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Z AI Co Ltd - H: Summary of Financials

Income Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**312**	**724**	**5,662**	**23,886**	**54,619**
COGS	(137)	(428)	(4,035)	(15,475)	(33,483)
Gross profit	**176**	**297**	**1,627**	**8,411**	**21,136**
SG&A	(521)	(896)	(719)	(849)	(990)
Adj. EBITDA	**(2,268)**	**(3,517)**	**(4,608)**	**(1,452)**	**5,924**
D&A	(270)	(270)	(566)	(1,194)	(1,092)
Adj. EBIT	**(5,053)**	**(7,015)**	**(10,103)**	**(4,841)**	**10,362**
Net Interest	(38)	(74)	(201)	(201)	(222)
Adj. PBT	**(2,958)**	**(4,718)**	**(5,203)**	**(2,848)**	**4,611**
Tax	0	0	(2)	(1)	(922)
Minority Interest	(2)	(20)	(18)	(10)	1
Adj. Net Income	**(2,466)**	**(3,182)**	**(4,938)**	**(2,397)**	**4,387**
Reported EPS	(8.72)	(12.03)	(10.86)	(5.36)	6.97
Adj. EPS	**(15.42)**	**(19.95)**	**(10.44)**	**(4.53)**	**8.29**
DPS	**-**	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-	-
Shares outstanding	160	160	473	529	529

Cash Flow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operating activities	**(2,245)**	**(2,246)**	**(2,642)**	**7,770**	**19,762**
o/w Depreciation & amortization	270	270	566	1,194	1,092
o/w Changes in working capital	72	822	1,638	8,296	14,438
Cash flow from investing activities	**(49)**	**(376)**	**(566)**	**(1,194)**	**(2,731)**
o/w Capital expenditure	(133)	(23)	(566)	(1,194)	(2,731)
as % of sales	*42.5%*	*3.2%*	*10.0%*	*5.0%*	*5.0%*
Cash flow from financing activities	**3,312**	**2,614**	**65,056**	**15,000**	**0**
o/w Dividends paid	0	0	0	0	0
o/w Shares issued/(repurchased)	0	0	65,056	15,000	0
o/w Net debt issued/(repaid)	330	1,211	0	0	0
Net change in cash	**1,020**	**(10)**	**61,848**	**21,576**	**17,031**
Adj. Free cash flow to firm	**(2,225)**	**(2,195)**	**(3,007)**	**6,777**	**17,208**
y/y Growth	*96.8%*	*(1.3%)*	*37.0%*	*(325.4%)*	*153.9%*

Balance Sheet	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	2,269	2,259	64,107	85,683	102,714
Accounts receivable	667	699	7,020	23,690	43,337
Inventories	32	126	966	3,334	6,493
Other current assets	704	826	8,035	27,232	50,304
Current assets	**3,016**	**3,571**	**72,627**	**113,400**	**153,503**
PP&E	866	656	570	92	1,185
LT investments	-	-	-	-	-
Other non current assets	404	536	536	536	536
Total assets	**4,376**	**4,854**	**73,824**	**114,119**	**155,315**
Short term borrowings	269	605	605	605	605
Payables	603	1,329	9,062	32,496	63,161
Other short term liabilities	6,965	10,473	11,585	15,644	22,490
Current liabilities	**7,838**	**12,406**	**21,252**	**48,745**	**86,255**
Long-term debt	458	294	294	294	294
Other long term liabilities	493	559	559	559	559
Total liabilities	**8,331**	**12,965**	**21,811**	**49,303**	**86,814**
Shareholders' equity	(3,957)	(8,093)	52,050	64,861	68,547
Minority interests	1	(18)	(37)	(47)	(47)
Total liabilities & equity	**4,376**	**4,854**	**73,824**	**114,118**	**155,313**
BVPS	**(24.75)**	**(50.73)**	**110.01**	**122.52**	**129.49**
y/y Growth	*280.3%*	*105.0%*	*(316.8%)*	*11.4%*	*5.7%*
Net debt/(cash)	(870)	(815)	(62,663)	(84,239)	(101,270)

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	56.3%	41.0%	28.7%	35.2%	38.7%
EBITDA margin	(726.0%)	(485.5%)	(81.4%)	(6.1%)	10.8%
EBIT margin	(1617.4%)	(968.5%)	(178.4%)	(20.3%)	19.0%
Net profit margin	(789.2%)	(439.3%)	(87.2%)	(10.0%)	8.0%
ROE	99.8%	52.8%	(22.5%)	(4.1%)	6.6%
ROA	(68.1%)	(69.0%)	(12.6%)	(2.6%)	3.3%
ROCE	329.7%	152.4%	(43.2%)	(8.1%)	12.2%
SG&A/Sales	166.8%	123.7%	12.7%	3.6%	1.8%
Net debt/Equity	0.2	0.1	NM	NM	NM
Net debt/EBITDA	0.4	0.2	13.6	58.0	NM
Sales/Assets (x)	0.1	0.2	0.1	0.3	0.4
Assets/Equity (x)	NM	NM	1.8	1.6	2.0
Interest cover (x)	NM	NM	NM	NM	26.7
Operating leverage	202.6%	29.4%	6.5%	(16.2%)	(244.1%)
Tax rate	0.0%	0.0%	(0.0%)	(0.0%)	20.0%
Revenue y/y Growth	150.9%	131.9%	681.7%	321.9%	128.7%
EBITDA y/y Growth	303.6%	55.0%	31.0%	(68.5%)	(508.0%)
EPS y/y Growth	275.0%	29.3%	(47.7%)	(56.6%)	(283.0%)

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
P/E (x)	NM	NM	NM	NM	49.2
P/BV (x)	NM	NM	3.7	3.3	3.1
EV/EBITDA (x)	NM	NM	NM	NM	3.0
Dividend Yield	-	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: Rmb in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

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MiniMax Group Inc - H

Neutral

0100.HK,100 HK
Price (02 Nov 26): HK$169.00

Price Target (Dec-27): HK$200.00
Prior (Dec-26): HK$300.00

Hong Kong
Internet

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Key Changes (FYE Dec)

	Prev	Cur	Δ
Adj. EPS - 26E ($)	(2.31)	(2.38)	-3.1%
Adj. EPS - 27E ($)	(2.46)	(2.52)	-2.3%

Half Yearly Forecasts (FYE Dec)

Adj. EPS ($)

	2025A	2026E	2027E
H1	(1.28)	(0.96)A	(1.19)
H2	(0.37)	(1.38)	(1.39)
FY	(0.80)	(2.38)	(2.52)

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	100	98	91	88	
Growth	21	20	99		
Momentum	97				
Quality	84	88			
Low Vol	98	97			

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

Good value, not yet a top tier

MiniMax has competed mainly on cost-performance this year, offering capable models at low prices rather than competing for the top price tier. Its M3 (Jun) and M3.1 Flash (Oct) offer competitive capability at some of the lowest prices among leading labs, with M3.1 Flash priced at half of M3 on a blended basis. That wins usage and developer share, but it competes with the lower degrees, where the price of a given capability keeps falling, rather than in the top tiers where we see pricing power and value accruing.

Its ARR guidance is unchanged, so the next frontier model needs to show it can move up a tier. Unlike Z.AI, MiniMax has not raised its ARR guidance this year, which we read as a sign that its cost-performance strategy has yet to translate into a step-up in enterprise demand. A large part of its revenue also comes from consumer products, which we assess separately on internet-product logic.

The key watch point is the competitiveness of M3 Pro, which we expect in November. We will watch whether it closes the gap to the leading Chinese and US models on longer, multi-step agentic work, and whether MiniMax can price it as a frontier model rather than on cost-performance, which in our view is what would justify a more constructive stance.

We have fine-tuned 2026-30E earnings estimates to reflect M3.1 flash launch, as well as the stronger training costs, and lower our Dec-27 PT to HK$200 from HK$300, applying the same change as for Z.AI: 12x 2030E P/E (previously 20x), discounted back at a 15% WACC. The PT cut comes mainly from the multiple, which removes most of the premium we previously applied over tier-1 Chinese Internet players given uncertainty over the timing of the next use-case inflection.

Table 2: MiniMax estimate changes summary

Estimate changes (US$mn)	2026E	2027E	2028E	2029E	2030E
Revenue					
New	455	1,113	2,385	4,654	9,848
Old	421	1,020	2,174	4,277	9,201
% change	8%	9%	10%	9%	7%
Operating profit					
New	(846)	(1,258)	(1,306)	(906)	753
Old	(823)	(1,235)	(1,306)	(952)	614
% change	-3%	-2%	0%	5%	23%
Adjusted net profit					
New	(765)	(993)	(960)	(421)	1,265
Old	(743)	(970)	(960)	(466)	1,151
% change	-3%	-2%	0%	-10%	10%
Adjusted EPS					
New	(2.38)	(2.52)	(2.44)	(1.07)	3.21
Old	(2.31)	(2.46)	(2.44)	(1.18)	2.92
% change	-3%	-2%	0%	10%	10%

Source: J.P. Morgan estimates.

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Price Performance



0100.HK Price (HK$) MSCI-Cnx (rebased)

	YTD	1m	3m	12m
Abs	-	-30.4%	-26.7%	-
Rel	-	-24.9%	-14.7%	-

Company Data

Shares O/S (mn)	228
52-week range (HK$)	1,330.00-155.20
Market cap ($ mn)	4,915
Exchange rate	7.84
Free float (%)	32.2%
3M ADV (mn)	12.84
3M ADV ($ mn)	467.0
Volatility (90 Day)	134
Index	MXCNX
BBG ANR (Buy | Hold | Sell)	33|4|1

Key Metrics (FYE Dec)

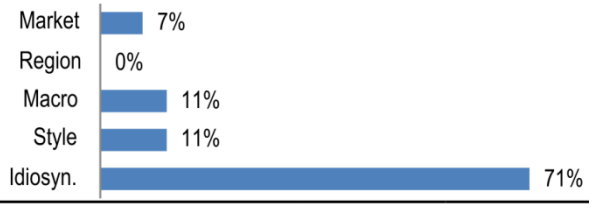
$ in millions	FY25A	FY26E	FY27E	FY28E
Financial Estimates				
Revenue	79	455	1,113	2,385
Adj. EBIT	(257)	(761)	(988)	(955)
Adj. EBITDA	(280)	(839)	(1,241)	(1,271)
Adj. net income	(251)	(765)	(993)	(960)
Adj. EPS	(0.80)	(2.38)	(2.52)	(2.44)
BBG EPS	(1.12)	(2.34)	(2.69)	(2.46)
Cashflow from operations	(280)	(603)	(805)	(454)
FCFF	(280)	(625)	(860)	(572)
Margins and Growth				
Revenue Growth Y/Y (%)	158.9%	475.2%	144.8%	114.3%
EBIT margin	(325.2%)	(167.5%)	(88.8%)	(40.1%)
EBIT Growth Y/Y (%)	5.5%	196.2%	29.7%	(3.3%)
EBITDA margin	(354.6%)	(184.6%)	(111.6%)	(53.3%)
EBITDA Growth Y/Y (%)	12.1%	199.4%	47.9%	2.4%
Net margin	(317.4%)	(168.3%)	(89.2%)	(40.2%)
Adj. EPS growth	(64.4%)	197.4%	5.9%	(3.3%)
Ratios				
Adj. tax rate	0.0%	0.0%	0.0%	0.0%
Interest cover	NM	NM	NM	NM
Net debt/Equity	0.2	1.4	1.3	0.6
Net debt/EBITDA	1.7	2.3	1.6	1.1
ROE	14.6%	38.1%	69.8%	49.1%
Valuation				
FCFF yield	(4.1%)	(9.0%)	(10.1%)	(6.7%)
Dividend yield	-	-	-	-
EV/Revenue	53.3	6.1	2.5	1.4
EV/EBITDA	NM	NM	NM	NM
Adj. P/E	NM	NM	NM	NM

Summary Investment Thesis and Valuation

We are Neutral on MiniMax. MiniMax remains strategically well positioned, in our view, with a differentiated multimodal + LLM portfolio, 2C + 2B product coverage, international expansion and strong cost-performance traction. The company has built a credible model platform across text, audio, image, video and productivity use cases, and its OpenRouter usage shows meaningful developer adoption. This combination gives MiniMax long-term option value, especially if AI demand expands from text-heavy workflows into multimodal content, interactive agents and embodied AI. Our Neutral rating is driven by model leadership, rather than strategic positioning: From a pure model capability perspective, we think MiniMax remains in catch-up mode.

Our Dec-27 PT of HK$200 is derived from a 12x 2030E P/E, when we expect MiniMax to generate normalized earnings, discounted back using a 15% WACC. The 12x multiple is roughly in-line with tier-1 Chinese Internet players, mostly to reflect the company's 100%+ revenue CAGR in 2026-30E.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI Asia Pac ex JP	0.38	0.27
Region: Hong Kong	0.05	0.00
Macro:		
JPM Global Equity Sentiment	-0.11	-0.24
JPM China A-shares Sentiment	-0.18	-0.19
Emerging Central Bank Rate	0.17	0.14
Quant Styles:		
Value	-0.35	-0.19
LowVol	-0.34	-0.19
Quality	-0.34	-0.18

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Investment Thesis, Valuation and Risks

MiniMax Group Inc - H *(Neutral; Price Target: HK$200.00)*

Investment Thesis

We are Neutral on MiniMax. MiniMax remains strategically well positioned with a differentiated multimodal + LLM portfolio, 2C + 2B product coverage, international expansion and strong cost-performance traction. The company has built a credible model platform across text, audio, image, video and productivity use cases, and its OpenRouter usage shows meaningful developer adoption. This combination gives MiniMax long-term option value, especially if AI demand expands from text-heavy workflows into multimodal content, interactive agents and embodied AI. Our Neutral rating is driven by model leadership, rather than strategic positioning: From a pure model capability perspective, we think MiniMax remains in catch-up mode.

Valuation

Our Dec-27 PT of HK$200 is derived from a 12x 2030E P/E, when we expect MiniMax to generate normalized earnings, discounted back using a 15% WACC. The 12x multiple is roughly in-line with tier-1 Chinese Internet players, mostly to reflect the company's 100%+ revenue CAGR in 2026-30E.

Price target calculation

2030E revenue (US$mn)	9,848
2030E adjusted net profit (US$mn)	1,265
2030E adjusted EPS ($/share)	3.2
Target multiple	12
WACC	15%
Dec-27 PT (HK$)	200

Source: J.P. Morgan estimates.

Risks to Rating and Price Target

Upside risks to our rating and price target include better-than-expected new model iteration, clearer monetization from MiniMax's multimodal portfolio, and more durable API economics.

Downside risks include MiniMax's litigation proceedings with US studios; intensified competition; high and ongoing R&D investment, which creates execution risk and pressure on profitability; commercialization and customer adoption, which remain subject to uncertainty; and dependence on computing infrastructure and external suppliers, which exposes MiniMax to cost and availability risks.

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MiniMax Group Inc - H: Summary of Financials

Income Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**31**	**79**	**455**	**1,113**	**2,385**
COGS	(27)	(59)	(373)	(859)	(1,731)
Gross profit	**4**	**20**	**82**	**254**	**654**
SG&A	(101)	(89)	(152)	(198)	(254)
Adj. EBITDA	**(250)**	**(280)**	**(839)**	**(1,241)**	**(1,271)**
D&A	(0)	(1)	(7)	(16)	(35)
Adj. EBIT	**(244)**	**(257)**	**(761)**	**(988)**	**(955)**
Net Interest	(1)	(1)	(1)	(1)	(1)
Adj. PBT	**(465)**	**(1,872)**	**(881)**	**(1,294)**	**(1,342)**
Tax	0	0	0	0	0
Minority Interest	0	0	0	0	0
Adj. Net Income	**(244)**	**(251)**	**(765)**	**(993)**	**(960)**
Reported EPS	(4.28)	(5.97)	(2.74)	(3.28)	(3.41)
Adj. EPS	**(2.25)**	**(0.80)**	**(2.38)**	**(2.52)**	**(2.44)**
DPS	**-**	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-	-
Shares outstanding	109	314	322	394	394

Cash Flow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operating activities	**(258)**	**(280)**	**(603)**	**(805)**	**(454)**
o/w Depreciation & amortization	0	1	7	16	35
o/w Changes in working capital	20	6	147	143	405
Cash flow from investing activities	**(431)**	**72**	**(23)**	**(56)**	**(119)**
o/w Capital expenditure	(1)	(1)	(23)	(56)	(119)
as % of sales	*2.5%*	*1.2%*	*5.0%*	*5.0%*	*5.0%*
Cash flow from financing activities	**771**	**423**	**2,046**	**900**	**0**
o/w Dividends paid	-	-	-	-	-
o/w Shares issued/(repurchased)	-	-	-	-	-
o/w Net debt issued/(repaid)	33	1	2,046	900	0
Net change in cash	**83**	**219**	**1,420**	**39**	**(573)**
Adj. Free cash flow to firm	**(259)**	**(280)**	**(625)**	**(860)**	**(572)**
y/y Growth	*297.5%*	*8.2%*	*123.3%*	*37.5%*	*(33.4%)*

Balance Sheet	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	289	508	1,927	1,967	1,394
Accounts receivable	7	11	85	215	475
Inventories	-	-	-	-	-
Other current assets	517	500	703	1,023	1,622
Current assets	**806**	**1,007**	**2,631**	**2,990**	**3,016**
PP&E	1	2	4	10	22
LT investments	95	70	70	70	70
Other non current assets	104	79	79	79	79
Total assets	**911**	**1,088**	**2,714**	**3,079**	**3,118**
Short term borrowings	19	35	35	35	35
Payables	51	58	383	797	1,708
Other short term liabilities	1,637	3,640	3,666	3,714	3,807
Current liabilities	**1,708**	**3,734**	**4,085**	**4,547**	**5,551**
Long-term debt	-	-	-	-	-
Other long term liabilities	2	3	3	3	3
Total liabilities	**1,710**	**3,737**	**4,088**	**4,550**	**5,554**
Shareholders' equity	(799)	(2,648)	(1,373)	(1,471)	(2,436)
Minority interests	0	0	0	0	0
Total liabilities & equity	**911**	**1,088**	**2,714**	**3,079**	**3,118**
BVPS	**(7.36)**	**(8.44)**	**(4.27)**	**(3.73)**	**(6.18)**
y/y Growth	*126.6%*	*14.8%*	*(49.4%)*	*(12.5%)*	*65.6%*
Net debt/(cash)	(266)	(470)	(1,890)	(1,929)	(1,357)

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	12.2%	25.4%	18.0%	22.8%	27.4%
EBITDA margin	(819.1%)	(354.6%)	(184.6%)	(111.6%)	(53.3%)
EBIT margin	(798.2%)	(325.2%)	(167.5%)	(88.8%)	(40.1%)
Net profit margin	(800.2%)	(317.4%)	(168.3%)	(89.2%)	(40.2%)
ROE	42.8%	14.6%	38.1%	69.8%	49.1%
ROA	(39.6%)	(25.1%)	(40.2%)	(34.3%)	(31.0%)
ROCE	43.7%	15.2%	38.6%	71.3%	49.9%
SG&A/Sales	332.1%	112.2%	33.5%	17.8%	10.6%
Net debt/Equity	0.3	0.2	1.4	1.3	0.6
Net debt/EBITDA	1.1	1.7	2.3	1.6	1.1
Sales/Assets (x)	0.0	0.1	0.2	0.4	0.8
Assets/Equity (x)	NM	NM	NM	NM	NM
Interest cover (x)	NM	NM	NM	NM	NM
Operating leverage	22.2%	3.4%	41.3%	20.5%	(2.9%)
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue y/y Growth	782.2%	158.9%	475.2%	144.8%	114.3%
EBITDA y/y Growth	171.2%	12.1%	199.4%	47.9%	2.4%
EPS y/y Growth	165.8%	(64.4%)	197.4%	5.9%	(3.3%)

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
P/E (x)	NM	NM	NM	NM	NM
P/BV (x)	NM	NM	NM	NM	NM
EV/EBITDA (x)	NM	NM	NM	NM	NM
Dividend Yield	-	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which