



China | Machinery

23 March 2026

Sany Heavy Equipment (631 HK)

Overseas sales and reduced impairment costs lifted FY25 earnings

- **Positive profit alert- projecting FY25 NP in the range of Rmb1.6-1.9bn, representing a strong YoY growth of 49.8%-73.2%. Operational discipline, overseas expansion and reduced impairment boosted FY25 results.**
- **The completion of lithium business acquisition provided a new income stream for the company since last year.**

Expecting FY25 NP to surge by 49.5%-73.2% YoY

Sany Heavy has issued a positive profit alert, projecting its FY25 net profit in the range of Rmb1.6–1.9bn, a robust year-on-year increase of 49.8% to 73.2%. This earnings surge is primarily driven by a significant reduction in impairment losses. In FY24, the company recorded goodwill impairments of Rmb470.7 million and property-for-sale impairments of RMB277.9 million. By FY25, impairment charges fell sharply to just Rmb72.1 million, underscoring improved asset quality. Beyond cost improvements, revenue momentum remains strong: large port machinery, power batteries, and overseas mining truck sales all delivered solid growth in FY25. Additionally, the lithium business acquired in July FY24 has begun contributing positively, further diversifying earnings streams and reinforcing long-term growth prospects.

9M25's double-digit growth top and bottom line suggested a good FY25

Sany's 9M25 business update confirmed strong momentum, with revenue rising 14.1% year-on-year to RMB18.1bn and net profit climbing 22.9% to RMB1.7bn. Operational initiatives to enhance quality and efficiency, coupled with disciplined cost management, drove margin improvements across roadheaders, small port machinery, and oil & gas equipment. As a result, the company maintained a stable blended gross profit margin of 24.0% as of 9M25, underscoring resilient profitability despite a dynamic market environment.

Operational discipline and globalization reinforce Sany's long-term growth trajectory

During the review period, Sany Heavy advanced its strategic priorities of globalization, digital transformation, and low-carbon innovation, which fueled revenue growth across large port machinery, oil & gas equipment, emerging industries, and overseas mining truck sales. The acquisition of a lithium business in July FY24 has already begun contributing positively, creating a new revenue stream and strengthening the company's diversified portfolio. Last year, its globalization efforts continued to deliver strong results, with overseas revenue sustaining solid growth. Rapid expansion in emerging segments has successfully established a second growth trajectory, reinforcing Sany Heavy's long-term development outlook. At the same time, the company remained committed to operational excellence, integrating core resources, optimizing its business structure, and proactively capturing opportunities in both domestic and international markets.

The company is set to announce its FY25 results on 31 March. The company is now trading at consensus FY26/FY27 PE of 10.9x/ 8.9x.

Figure 1 Unaudited 9M25 results highlight

Year ended Dec (Rmbm)	9M24	9M25	YoY change (%)
Revenue	15,910.0	18,146.7	14.1
Gross profit	3,914.2	4,331.2	10.7
Profit before tax	1,693.9	2,209.5	30.4
Profit after tax	1,342.7	1,700.2	26.6
Net profit	1,389.9	1,708.5	22.9
	9M24	9M24	YoY change (ppt)
Gross margin (%)	24.6	23.9	(0.7)
Net margin (%)	8.7	9.4	0.7

Source: Company data

NON-RATED

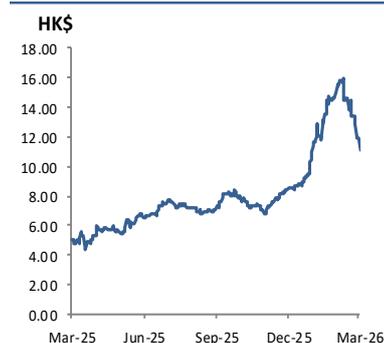
Last Price (HK\$)*	11.07
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	24,382.47
* Prices as of	23-Mar-26

Key Data

Ticker	631 HK
Market Cap (HK\$m)	36,061
3M avg daily T/O (HK\$m)	159.2
52-week High (HK\$)	16.24
52-week Low (HK\$)	4.05
Free Float (%)	35.0%
Shares O/S (m)	3,257.6

Performance	Absolute	Relative
1 month	-29.0%	-21.1%
3 months	30.2%	37.7%
6 months	51.6%	62.7%

Price Chart



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Figure 2 Interim P&L

Year ended Dec (Rmb m)	1H24	1H25	YoY change (%)
Revenue	10,756.1	12,236.6	13.8
Cost of sales	(8,130.5)	(9,337.9)	
Gross profit	2,625.6	2,898.7	10.4
Selling and distribution expenses	(563.0)	(576.3)	
Administrative expenses	(1,108.5)	(985.7)	
Other income and gains	368.6	594.1	
Impairment losses on financial and contract assets (net)	(54.2)	(93.8)	
Other expenses	(2.5)	(4.2)	
Finance costs	(113.3)	(122.0)	
Share of loss of a JV	0.0	(3.4)	
Profit before tax	1,152.5	1,707.2	48.1
Income tax expense	(165.6)	(413.1)	
Non-controlling interests	45.8	0.2	
Net profit	1,032.7	1,294.4	25.3

Source: Company data

Figure 3 Peer comparable

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)		Div Yld (%)		P/B (x)		ROE (%)		ROIC (%)		Share px chg (%)		
					FY1	FY2	FY1	FY2	PEG (x)	FY1	FY2	Hist	FY1	Hist	FY1	Hist	1-mth	3-mth	12-mth
HSI		24,382			12.7	11.1	13.2	0.96	3.2	3.3	1.36	1.32	10.4	10.1			(10.0)	(5.4)	2.9
HSCEI		8,308			11.4	10.2	12.6	0.90	2.9	3.1	1.24	1.22	11.1	10.7			(9.7)	(6.8)	(5.0)
CSI300		4,418			16.6	14.1	15.7	1.06	14,390.5	2.7	1.78	1.76	10.2	10.8			(5.2)	(4.4)	12.9
Sector Average					27.7	21.7	22.9	1.2	N/A	N/A	4.2	1.6	2.7	10.5	1.8	(16.4)	(1.3)	4.9	
Sector Median					18.8	13.8	20.5	0.8	N/A	N/A	1.6	1.3	5.0	6.3	3.9	(16.9)	(4.6)	(4.3)	
Precision Tsugam	1651 HK	32.42	1,556	6.9	9.9	8.3	14.9	0.67	N/A	N/A	3.19	2.64	30.2	25.5	27.9	(24.0)	0.1	24.0	
Haitian Intl	1882 HK	20.92	4,265	6.8	8.1	7.4	8.1	0.99	N/A	N/A	1.28	1.13	15.0	14.6	12.6	(15.4)	(4.9)	(3.1)	
L.K. Technology	558 HK	2.68	467	1.1	10.3	8.9	12.7	0.81	N/A	N/A	1.78	1.63	17.2	16.7	7.9	(23.6)	(18.3)	(19.0)	
Chen Hsong Hldgs	57 HK	1.61	130	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.32	N/A	4.8	N/A	3.9	(5.3)	(0.6)	8.1	
Sany Heavy Equip	631 HK	11.07	4,606	20.3	13.9	10.9	25.3	0.55	N/A	N/A	2.51	2.28	11.1	17.7	6.3	(29.0)	30.2	122.7	
Waihai Huadong-A	002248 CH	11.67	520	48.1	N/A	N/A	N/A	N/A	N/A	N/A	37.68	N/A	26.9	N/A	13.7	(16.8)	6.4	24.1	
Zhejiang Rifa -A	002520 CH	5.44	591	35.4	N/A	N/A	N/A	N/A	N/A	N/A	15.62	N/A	(128.5)	N/A	(58.2)	(19.0)	(7.6)	(31.5)	
Shenyang Mach-A	000410 CH	6.41	2,459	33.6	N/A	N/A	N/A	N/A	N/A	N/A	3.58	N/A	5.1	N/A	4.1	(12.9)	(9.6)	(19.2)	
Qinchuan Machi-A	000837 CH	10.26	1,520	39.6	136.8	108.0	26.5	5.16	N/A	N/A	2.12	1.71	0.9	1.2	0.7	(17.6)	(15.0)	(19.8)	
Ningbo Haitian-A	601882 CH	19.24	1,454	14.8	18.8	16.1	16.5	1.14	N/A	N/A	3.52	3.24	16.8	17.1	13.6	(9.4)	0.4	(16.9)	
Awrea Mech	1530 TT	26.00	77	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.79	N/A	1.9	N/A	(2.1)	(11.6)	(4.4)	(18.8)	
Goodway	1583 TT	43.65	149	0.1	N/A	N/A	N/A	N/A	N/A	N/A	0.87	N/A	4.4	N/A	(2.4)	(12.1)	(4.7)	(29.5)	
Tong-Tai	4526 TT	34.00	270	5.3	N/A	N/A	N/A	N/A	N/A	N/A	1.75	N/A	2.9	N/A	(6.5)	(5.0)	14.5	14.1	
Taiwan Takisawa	6609 TT	33.85	76	0.6	N/A	N/A	N/A	N/A	N/A	N/A	1.02	N/A	(1.5)	N/A	(0.7)	(17.0)	(7.9)	(52.0)	
Tsugami Corp	6101 JP	3,260.00	981	4.7	N/A	N/A	N/A	N/A	N/A	N/A	2.05	N/A	22.0	N/A	N/A	(15.9)	11.8	65.1	
Okuma Corp	6103 JP	3,590.00	1,520	11.8	19.0	13.8	25.1	0.76	N/A	N/A	0.90	0.94	4.5	4.9	4.2	(20.5)	(1.9)	(0.4)	
Shibaura Machine	6104 JP	3,690.00	574	2.2	28.1	21.3	20.5	1.37	N/A	N/A	0.73	0.74	1.9	2.6	N/A	(18.2)	(15.0)	(5.4)	
Amada Co Ltd	6113 JP	2,182.00	4,490	22.4	21.0	17.3	18.3	1.15	N/A	N/A	1.26	1.32	5.8	6.3	N/A	(13.2)	16.6	41.0	
Dmg Mori Co Ltd	6141 JP	2,377.50	2,122	25.5	23.8	14.6	54.2	0.44	N/A	N/A	1.44	1.13	10.1	4.6	2.5	(19.9)	(10.5)	(24.8)	
Jtekt Corp	6473 JP	1,624.00	3,244	13.8	14.9	11.5	30.3	0.49	N/A	N/A	0.66	0.68	3.2	4.6	2.4	(20.6)	(6.0)	38.4	

Source: Bloomberg, Crosby



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