英皇證券 Emperor Securities CROSBY

China |Industrial

9 July 2026

Wasion Holdings (3393 HK)

More overseas orders win

- **More exports sustain overseas growth in FY26**
- **Sizable backlog paints a promising outlook**
- **Buy on dip. Maintain BUY with TP of HK$32.60**

Continuous overseas traction gained aligns with Wasion's global growth strategy

Recently, Wasion announced that it has successfully received the award notification for the annual smart meter tender from the Federal Electricity Commission of Mexico (CFE) in the fiscal year of 2026. Pursuant to the tender terms, Wasion is eligible to receive orders throughout the year with an aggregate maximum contract value of Rmb695.1m. This comprises about Rmb539.5m for single-phrase residential smart meters and Rmb155.7m for three-phase commercial and industrial smart meters.

CFE is wholly owned by the Mexican government and is the sole operator of Mexico's national power grid, serving approximately 50 million customers nationwide. It plays a pivotal role in the country's electricity sector. Given that CFE is the dominant electricity utility in Mexico, this contract award serves as a testament to Wasion's core competitiveness and brand influence in international market.

Prior to this Mexico's tender results, in May this year, Wasion's subsidiary- Wayon Energy also successfully secured new overseas business contracts with total amount exceeding Rmb1.6bn. These contracts primarily cover key infrastructure and related solutions for data centers as well as power distribution products. The company also announced that it has successfully won the bids for smart metering products and supporting services project in Pakistan, with contract value exceeding Rmb115m.

The significant growth in overseas orders underscores Wasion's strong competitive position in the global data center market and validates the success of its expansion strategy in overseas power distribution markets. This achievement is consistent with its global expansion strategy and attests to the strong recognition of its technological capabilities, product reliability, and delivery excellence by international customers.

Weaknesses in share price presents buy-in opportunity. Maintain BUY

We view these successful overseas orders win will further reinforce Wasion's leading position in international market. This overseas order backlog is expected to enhance its revenue base and support its long-term growth trajectory. We continue to like Wasion and remain constructive on the company's outlook. Its growth is well aligned with China's favorable policy and long-term energy transition goals. The company is also capitalizing on the global energy transition and the rise of AI integration to reinforce its technological leadership and enhance overseas operational capabilities.

We noticed the share price of Wasion has been under selling pressure recently and we reckon this was mainly due to the overall weak market sentiment. We believe the company is fundamental solid and strong outlook still remain intact. Thus, the recent weakness in share price opens up buy-in opportunity. Maintain BUY with TP of HK$32.60, tagging to unchanged PE of 17.5x.

Summary financial data

Year to Dec 31 (RMB'm)	2024A	2025A	2026E	2027E	2028E
Revenue	**8,717**	**10,074**	**12,481**	**14,862**	**17,359**
Gross profit	3,035	3,597	4,416	5,217	6,068
Reported net profit	706	1,058	1,478	1,771	2,075
Adj. net profit	**706**	**1,058**	**1,478**	**1,771**	**2,075**
Adj. net profit YoY%	35.4	50.0	39.7	19.8	17.2
Adj. EPS (RMB)	0.713	1.07	1.41	1.69	1.98
Adj. P/E (x)	**25.6**	**17.1**	**12.9**	**10.8**	**9.2**
P/B (x)	3.3	2.9	2.1	1.8	1.6
Dividend yield (%)	1.4	1.9	4.7	5.6	6.6
ROE (%)	**13.3**	**18.1**	**19.3**	**18.2**	**18.8**
Net debt / equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Crosby Securities

BUY

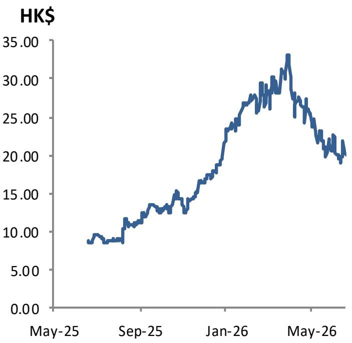
Last Price (HK$)*	20.06
Target Price (HK$)	**32.60**
Upside / (Downside)(%)	62.5%
Previous rating	*BUY*
Previous TP	*32.60*
Hang Seng Index*	24,030.18
** Prices as of*	*9-Jul-26*

Key Data

Ticker	3393 HK
Market Cap (HK$m)	20,961
3M avg daily T/O (HK$m)	212.4
52-week High (HK$)	33.80
52-week Low (HK$)	8.35
Free Float (%)	47.7%
Shares O/S (m)	1,044.9

Performance	Absolute	Relative
1 month	-4.7%	-2.6%
3 months	-36.2%	-31.6%
6 months	7.2%	17.0%

Price Chart



Source: Bloomberg

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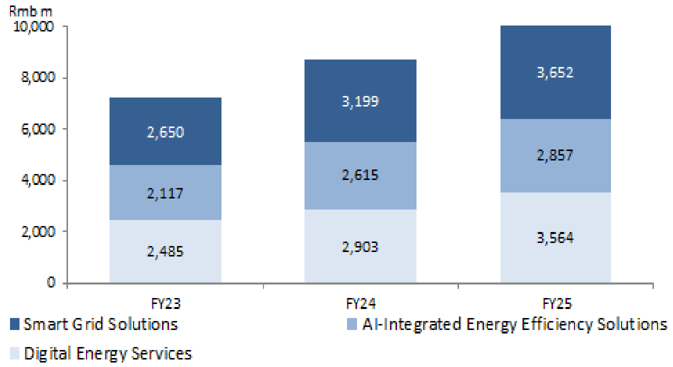
Figure 1 Profit and loss statement

Year ended Dec (RMBm)	2021	2022	2023	2024	2025	FY24 vs FY25 YoY (%)
Turnover	**4,590.8**	**5,855.8**	**7,252.3**	**8,716.5**	**10,073.5**	*15.6*
COGS	(3,092.0)	(3,926.6)	(4,671.5)	(5,681.4)	(6,476.6)	
Gross profit	**1,498.8**	**1,929.2**	**2,580.8**	**3,035.1**	**3,596.9**	*18.5*
Other income	182.4	162.7	142.5	232.9	238.5	
Administrative expenses	(177.4)	(215.7)	(327.4)	(367.8)	(413.2)	
Selling expenses	(437.7)	(512.9)	(649.5)	(737.6)	(788.9)	
R&D costs	(424.5)	(577.4)	(681.4)	(730.4)	(734.2)	
Finance costs	(99.3)	(112.5)	(131.5)	(125.5)	(106.6)	
Share of results of an associates and JV	0.0	3.2	0.8	0.3	0.9	
Impairement losses on financial assets	(69.6)	(94.2)	(73.5)	(99.4)	(48.6)	
Profit before tax	**472.7**	**582.4**	**860.7**	**1,207.6**	**1,744.9**	*44.5*
Tax	(44.8)	(71.3)	(100.1)	(177.4)	(263.8)	
MI	(159.9)	(187.4)	(239.4)	(324.6)	(422.9)	
Net profit	**268.1**	**323.8**	**521.2**	**705.6**	**1,058.2**	*50.0*

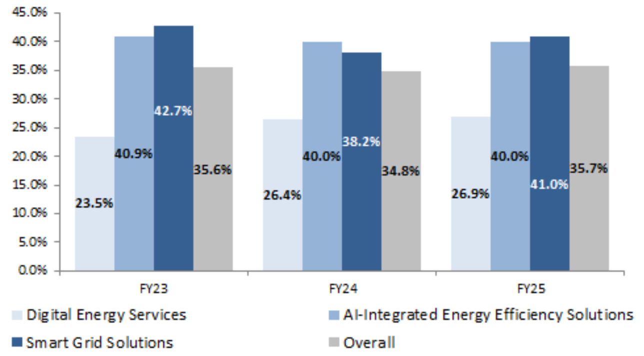
Source: Company data

Figure 2 Revenue breakdown



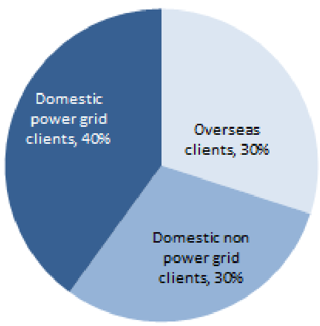
Source: Company data

Figure 3 GPM breakdown by products



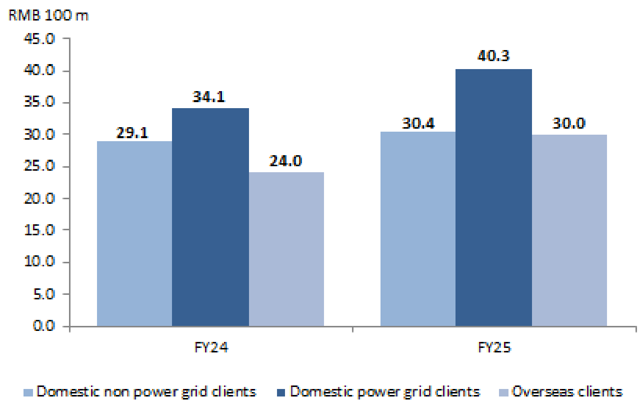
Source: Company data

Figure 4 Customer mix



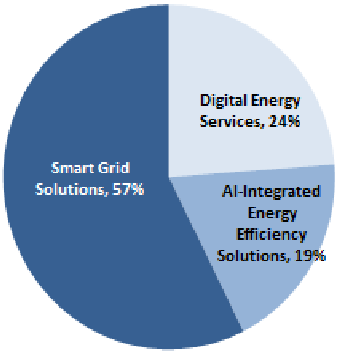
Source: Company data

Figure 5 Customer mix performance



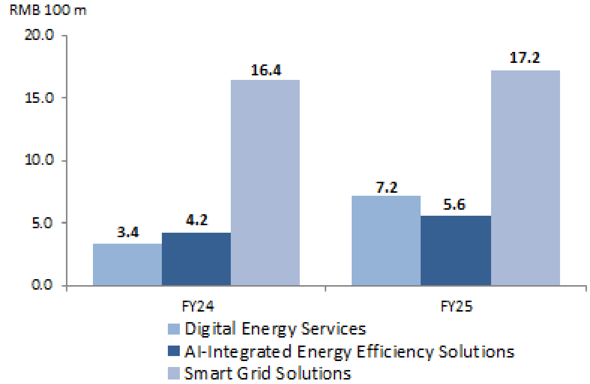
Source: Company data

Figure 6 International market breakdown by business segments



Source: Company data

Figure 7 International performance by business segments



Source: Company data

Summary financials

	2024A	2025A	2026F	2027F	2028F
Profit & Loss (RMBm)					
Smart Grid Solutions	3,199	3,652	4,119	4,533	4,947
YoY%	20.7	14.2	12.8	10.1	9.1
AI-Integrated Energy Efficier	2,615	2,857	3,183	3,567	3,993
YoY%	23.5	9.3	11.4	12.1	11.9
Digital Energy Services	2,903	3,564	5,180	6,762	8,419
YoY%	16.8	22.8	45.3	30.6	24.5
Turnover	**8,717**	**10,074**	**12,481**	**14,862**	**17,359**
YoY%	20.2	15.6	23.9	19.1	16.8
COGS	(5,681)	(6,477)	(8,065)	(9,646)	(11,292)
Gross profit	**3,035**	**3,597**	**4,416**	**5,217**	**6,068**
Margin	34.8%	35.7%	35.4%	35.1%	35.0%
Selling & distribution	(738)	(789)	(997)	(1,211)	(1,443)
Admin	(368)	(413)	(522)	(634)	(756)
R&D	(730)	(734)	(910)	(1,083)	(1,265)
Other opex	0	0	0	0	0
Total opex	**(1,836)**	**(1,936)**	**(2,429)**	**(2,928)**	**(3,464)**
YoY%	10.7	5.5	25.4	20.6	18.3
Operating profit	**1,199**	**1,661**	**1,987**	**2,288**	**2,604**
Margin	13.8%	16.5%	15.9%	15.4%	15.0%
Other income / (exp)	134	190	301	359	419
Finance costs	(126)	(107)	(128)	(154)	(184)
Associates/ JV income	0	1	0	0	0
Pre-tax profit	1,208	1,745	2,160	2,494	2,839
Tax	(177)	(264)	(259)	(299)	(341)
Profit after tax	**1,030**	**1,481**	**1,901**	**2,194**	**2,498**
Margin	11.8%	14.7%	15.2%	14.8%	14.4%
Minority Interest	(325)	(423)	(423)	(423)	(423)
Net profit	**706**	**1,058**	**1,478**	**1,771**	**2,075**
YoY%	35.6	50.0	39.7	19.8	17.2
Margin	8.1%	10.5%	11.8%	11.9%	12.0%
Crosby adjustments	0	0	0	0	0
Adj profit	**706**	**1,058**	**1,478**	**1,771**	**2,075**
YoY%	35.6	50.0	39.7	19.8	17.2
Margin	8.1%	10.5%	11.8%	11.9%	12.0%
EBITDA	**1,500**	**2,003**	**2,293**	**2,621**	**2,967**
YoY%	26.6	33.6	14.5	14.3	13.2
Margin	17.2%	19.9%	18.4%	17.6%	17.1%
Adj EPS (RMB)	**0.713**	**1.067**	**1.414**	**1.694**	**1.984**
YoY%	35.2	49.7	32.5	19.8	17.2
DPS (RMB)	**0.257**	**0.349**	**0.848**	**1.016**	**1.191**
YoY%	23.1	36.1	142.7	19.8	17.2

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Balance Sheet (RMBm)					
Fixed assets	2,168	2,333	2,533	2,733	2,933
Assoicates & JCE	9	10	0	0	0
Goodwill & intangibles	842	850	928	1,017	1,120
Deferred tax assets	0	0	0	0	0
Others	934	1,071	710	710	710
Non-current assets	**3,953**	**4,264**	**4,171**	**4,460**	**4,763**
Inventories	1,264	1,438	1,782	2,121	2,478
Trade & bills receivables	5,821	7,112	8,812	10,493	12,256
Prepayments, deposits & othe	85	0	0	0	0
Investments	0	0	0	0	0
Cash	2,790	3,015	5,012	5,953	7,095
Others	1,814	1,754	1,960	2,006	2,058
Current assets	**11,774**	**13,319**	**17,565**	**20,573**	**23,886**
Total assets	**15,727**	**17,583**	**21,736**	**25,034**	**28,650**
Trade & bills payables	5,082	5,952	7,412	8,865	10,377
Accruals & other payables	0	0	0	0	0
Tax payable	111	137	137	137	137
Bank loans	1,616	1,401	1,681	2,017	2,421
Bonds, CB & debentures	0	0	0	0	0
Others	544	605	0	0	0
Current liabilities	**7,352**	**8,095**	**9,230**	**11,019**	**12,935**
Bank loans	971	1,086	1,303	1,564	1,877
Bonds, CB & debentures	0	0	0	0	0
Deferred tax liabilities	39	46	22	23	24
Others	44	40	0	0	0
Non-current liabilities	**1,054**	**1,172**	**1,325**	**1,587**	**1,901**
Total liabilities	**8,406**	**9,267**	**10,555**	**12,606**	**14,835**
Total net assets	**7,321**	**8,315**	**11,180**	**12,428**	**13,815**
Share capital	10	10	10	10	10
Reserves	5,423	6,226	9,091	10,339	11,725
Shareholder's equity	**5,433**	**6,236**	**9,101**	**10,349**	**11,735**
Minority interests	1,888	2,080	2,080	2,080	2,080
Total Equity	**7,321**	**8,315**	**11,180**	**12,428**	**13,815**
Total debts	2,587	2,487	2,984	3,581	4,297
Net cash/(debts)	**203**	**528**	**2,028**	**2,371**	**2,798**
BVPS (RMB)	**5.487**	**6.284**	**8.702**	**9.895**	**11.220**

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Cash Flow (RMBm)					
Before tax profit	1,208	1,745	2,160	2,494	2,839
Dep. & Amort.	300	343	306	333	363
Chg in working cap	(596)	(575)	(583)	(569)	(607)
Others	216	140	34	60	91
Cash from operations	**1,128**	**1,652**	**1,917**	**2,318**	**2,686**
Tax paid	(201)	(245)	(171)	(206)	(239)
Net cash from operations	**927**	**1,408**	**1,747**	**2,112**	**2,447**
YoY%	(38.0)	51.9	24.1	20.9	15.9
Capex	(372)	(340)	(200)	(200)	(200)
Investments	0	0	0	0	0
Disposal of assets	0	0	0	0	0
Interest received	94	72	92	92	92
Others	107	(160)	(407)	(443)	(483)
Net cash from investments	**(171)**	**(427)**	**(516)**	**(552)**	**(591)**
Issue/ buyback of shares	(6)	0	1,283	0	0
Interest paid	(125)	(105)	(128)	(154)	(184)
Dividends paid	(254)	(347)	(887)	(1,063)	(1,245)
Net change in debt	43	(77)	497	597	716
Others	(191)	(295)	0	0	0
Net cash from financing	**(534)**	**(823)**	**765**	**(620)**	**(713)**
Net change in cash	**222**	**157**	**1,997**	**941**	**1,142**
Adjustments	(77)	68	0	0	0
Opening cash	2,645	2,790	3,015	5,012	5,953
Closing cash	**2,790**	**3,015**	**5,012**	**5,953**	**7,095**
FCF	**555**	**1,068**	**1,547**	**1,912**	**2,247**
YoY%	(47.1)	92.3	44.9	23.6	17.5

Year ended 31 Dec	2024A	2025A	2026F	2027F	2028F
Key ratios					
Margins (%)					
Gross margin	34.8	35.7	35.4	35.1	35.0
EBITDA margin	17.2	19.9	18.4	17.6	17.1
EBIT margin	13.8	16.5	15.9	15.4	15.0
Net margin	8.1	10.5	11.8	11.9	12.0
Net margin (Core profit)	8.1	10.5	11.8	11.9	12.0
Effective tax rate (%)	14.7	15.1	12.0	12.0	12.0
Selling exp as % of rev	8.5	7.8	8.0	8.1	8.3
Admin exp as % of rev	4.2	4.1	4.2	4.3	4.4
R&D exp as % of rev	8.4	7.3	7.3	7.3	7.3
Other opex as % of rev	0.0	0.0	0.0	0.0	0.0
Total opex as % of rev	21.1	19.2	19.5	19.7	20.0
Interest coverage (x)	9.6	15.6	15.5	14.9	14.1
Dividend payout (%)	36.0	32.7	60.0	60.0	60.0
Balance sheet ratios					
Inventory days	79	76	73	74	74
Acct. rec. days	217	234	233	237	239
Acct. payable days	290	311	302	308	311
Cash cycle	**7**	**(0)**	**3**	**3**	**3**
Net debt/equity (%)	**Net cash**	**Net cash**	**Net cash**	**Net cash**	**Net cash**
Net debt/total cap (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio (x)	1.60	1.65	1.90	1.87	1.85
Returns (%)					
Asset turnover (x)	0.59	0.60	0.63	0.64	0.65
Financial leverage (x)	2.79	2.85	2.56	2.40	2.43
EBIT margin (%)	15.3	18.4	18.3	17.8	17.4
Interest burden (x)	0.91	0.94	0.94	0.94	0.94
Tax burden (x)	0.58	0.61	0.68	0.71	0.73
ROE (%)	**13.3**	**18.1**	**19.3**	**18.2**	**18.8**
ROIC (%)	**16.8**	**21.3**	**24.0**	**24.4**	**25.5**

Source: Company data, Crosby

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Buy (B): The stock's potential total return is expected to be over 10%/15% for Large Caps/Small&Mid Caps, respectively.

Neutral (N): The stock's potential total return is expected to be ranging from -10% to 10%/15% for Large Caps/Small&Mid Caps, respectively.

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Tactical Sell/Short (TS / TSH): The stock's potential total return is expected to be less than -20%.

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