

YesAsia Holdings (2209 HK)

1H26: Robust Revenue Growth With Gross Margin Expansion

Highlights

- YesAsia's 1H26 revenue grew 23.2% yoy on robust B2C and B2B offline growth, partially offset by a revenue decline in B2B online business on US tariff impact. Net profit grew 30.0% yoy on gross margin expansion, partially offset by higher staff costs from restructuring.
- We expect B2C to remain a key growth driver with a steady growth pace in 2H26. For B2B business, we expect ABW offline business to remain strong, and the ABW online business to gradually recover in 2H26.
- Maintain BUY with a higher target price of HK\$4.94 from HK\$4.85 based on 8.5x 2026F PE.

1H26 Results

Year to 31 Dec (US\$m)	1H26	yoy	hoh	1H25	2H25	2025
Revenue	302	23.2%	17.4%	245	257	502
Business-to-consumer (B2C)	216	30.3%	17.6%	166	184	349
YesStyle Platforms	215	30.5%	17.8%	165	183	347
YesAsia Platforms	1	-3.0%	-9.9%	1	1	2
Business-to-business (B2B)	83	6.2%	16.6%	78	71	149
ABW Online	49	-13.4%	14.2%	56	43	99
ABW Offline	34	57.1%	20.4%	22	28	50
Marketing services	3	272.7%	21.6%	1	2	3
Logistic services	0	-36.9%	-11.1%	0	0	0
Gross profit	94	28.2%	25.0%	73	75	149
Operating profit	24	33.1%	89.9%	18	13	31
Net profit	18	30.0%	101.8%	14	9	23
Margins (%)						
Gross margin	31.2	1.2ppt	1.9ppt	30.0	29.3	29.6
Operating margin	8.1	0.6ppt	3.1ppt	7.5	5.0	6.2
Net margin	6.1	0.3ppt	2.5ppt	5.8	3.5	4.6

Source: YesAsia Holdings, UOB Kay Hian

Analysis

- Robust 1H26 results.** Revenue increased 23% to US\$302m, representing 45% of our full-year estimate, primarily driven by 30%/57% yoy growth in its B2C/B2B offline businesses, partially offset by a 13% decrease in the B2B online business. Gross margin improved 1.2ppt yoy to 31.2%, supported by growing revenue contribution from higher margins in the B2C business and improved margin on the B2B business. Net profit increased 30% to US\$18m, representing 61% of our full-year estimate, while net margin improved 0.3ppt yoy to 6.1% on robust revenue growth and improved gross margin, partially offset by higher staff costs from organisation restructuring. No interim dividend was declared (1H25: nil).

Key Financials

Year to 31 Dec (US\$m)	2024	2025	2026F	2027F	2028F
Net turnover	346	502	642	842	1,074
EBITDA	32	42	54	68	82
Operating profit	25	31	40	54	68
Net profit (rep./act.)	19	23	31	42	53
Net profit (adj.)	19	23	31	42	53
EPS (cents)	4.7	5.6	7.4	10.2	12.9
P/E (x)	8.6	7.3	5.5	4.0	3.2
P/B (x)	3.1	2.1	1.6	1.2	0.9
EV/EBITDA (x)	6.0	4.5	3.5	2.8	2.3
Dividend yield (%)	2.4	3.1	3.6	5.0	6.3
Net margin (%)	5.5	4.6	4.8	5.0	5.0
Net debt to equity (%)	13.7	13.9	(1.9)	(7.0)	(9.1)
Interest cover (x)	19.1	17.1	22.1	29.7	37.5
ROE (%)	43.3	34.8	32.7	33.1	31.7
Consensus net profit	-	-	30	41	51
UOBKH/Consensus (x)	-	-	1.03	1.02	1.04

Source: YesAsia Holdings, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK\$3.19
Target Price	HK\$4.94
Upside	54.8%
Previous TP	HK\$4.85

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	2209 HK
Shares issued (m)	419
Market cap (HK\$m)	1,336
Market cap (US\$m)	171
3-mth avg daily t'over (US\$m)	0.3

Price Performance (%)

52-week high/low			HK\$7.45/HK\$2.25	
1mth	3mth	6mth	1yr	YTD
(2.1)	14.3	(1.8)	(54.4)	(18.4)

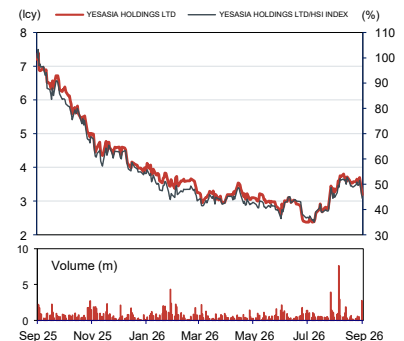
Major Shareholders (%)

Lau Kwok Chu	37.0
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Balance Sheet Metrics

FY26 NAV/Share (US\$)	0.49
FY26 Net Debt/Share (US\$)	(0.00)

Price Chart



Source: Bloomberg

Company Description

YesAsia Holdings operates as an online retailer that procures and sells third-party branded and unbranded Asian fashion & lifestyle, beauty and entertainment products to customers around the world.

- **B2C business as the core growth driver.** B2C business revenue grew 30% yoy to US\$216m, supported by robust growth in Latin America, ongoing marketing efforts to promote K-beauty products and scaled influencer ecosystem. Notably, it has implemented an online-to-offline strategy with the debut of its first physical concept store in the US, featuring more than 60 Asian beauty brands. We remain positive on B2C business growth and expect B2C to remain a key growth driver with a steady growth pace in 2H26.
- **Diverged performance in B2B business with meaningful gross margin expansion in ABW offline.** ABW revenue growth grew modestly at 6% yoy (2025: +92% yoy) to US\$83m, accounting for 27.4% of total revenue (1H25: 31.9%), as a 57% yoy increase in the ABW offline business (11.3% of revenue, up 2.4ppt yoy) was largely offset by a 13% yoy decline in the ABW online business (16.1% of revenue, down 6.9ppt yoy) from US tariff impact on small-to-medium size B2B customers. However, ABW offline gross margin expanded 8.1ppt yoy to 22.8% on rising contribution from higher-margin brands, which drove a 3.5ppt yoy gross margin expansion to 22.1% in the B2B business. While ABW offline has become a key sales channel for YesAsia's B2B business (with 60 leading large-scale retailers globally), the company is positive on reviving its ABW online business as the US market has absorbed the tariff-related challenges.
- **Accelerating market diversification.** Non-core market revenue (excluding the US, UK, Australia and Canada) grew 45.9% yoy to US\$209m, representing 69.2% of total revenue. Notably, Latin America surged 178.4% yoy to US\$41m while Europe/Middle East grew 22.1%/33.4% yoy to US\$115m/US\$24m. Core market revenue declined 8.6% yoy to US\$93m due to a 22.1% decrease in the US market from tariff impact. Its US market has absorbed tariff-related challenges and recovered progressively in 1H26, and management continues to see the US market as one of its core markets.
- **Enhanced shareholder returns through share repurchase plan.** In addition to regular dividend payment (23%/20% payout in 2025/24), the company has proposed a share buyback plan on 24 Jul 26 to repurchase up to US\$1m of total capital in aggregate during the period from 24 Jul 26 to 31 Mar 27.

Earnings Revision

- We lower our revenue forecast by 5%/5%/6% in 2026-28 to reflect a slowdown in the B2B online business but raise net profit forecast by 2%/3%/4% on higher gross margin from greater sales mix towards higher-margin brands. We expect B2C and B2B offline to remain strong, and the B2B online business to gradually recover in 2H26.

Valuation/Recommendation

- **Maintain BUY and target price of HK\$4.94**, based on 8.5x 2026F PE, pegged to peers' average. The current share price implies 5.5x 2026F PE and 4.0x 2027F PE, with a dividend yield of 3.6%/5.0%/6.3% in 2026-28.

Profit & loss

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Net turnover	502	642	842	1,074
Operating costs	(470)	(601)	(788)	(1,006)
Operating profit	31	40	54	68
Net interest income/(expense)	(2)	(2)	(2)	(2)
Exception items	-	-	-	-
Associate contributions	-	-	-	-
Total other non-operating income	-	(0)	(0)	(0)
Pre-tax profit	29	38	52	67
Tax	(6)	(8)	(10)	(13)
Minorities	(0)	-	-	-
Net profit	23	31	42	53
Net profit (adj.)	23	31	42	53

Cash flow

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Operating	13	28	27	29
Pre-tax profit	29	38	52	67
Tax	(6)	(8)	(10)	(13)
Deprec. & amort.	11	13	14	14
Working capital changes	(26)	(16)	(30)	(39)
Other operating cashflows	4	-	-	-
Investing	(10)	(2)	(2)	(2)
Capex (growth)	(7)	(2)	(2)	(2)
Others	(4)	-	-	-
Financing	(2)	(13)	(16)	(19)
Dividend payments	(4)	(5)	(6)	(8)
Issue of shares	4	3	1	1
Proceeds from borrowings	8	-	-	-
Loan repayment	-	-	-	-
Others/interest paid	(9)	(11)	(12)	(12)
Net cash inflow (outflow)	0	13	8	7
Beginning cash & cash equiv.	15	16	29	37
Changes due to forex impact	0	-	-	-
Ending cash & cash equiv.	16	29	37	44

Balance Sheet

Year to 31 Dec (US\$m)	2025	2026F	2027F	2028F
Cash/Near cash equiv.	16	29	37	44
Account receivable/debtors	20	27	36	48
Inventories	69	94	131	179
Other current assets	18	18	18	18
Current assets	124	168	224	289
Fixed asset	1	1	1	1
Intangible asset	0	0	0	1
Other non-current tangible assets	39	38	38	36
Total non-current assets	40	39	39	38
Total assets	164	208	262	328
Accounts payable/creditors	26	38	50	64
Short-term debt/borrowings	-	-	-	-
Other current liabilities	36	40	46	52
Current liabilities	63	78	95	116
Long-term debt/ borrowings	19	19	19	19
Deferred tax liability	0	0	0	0
Other LT liability	2	2	2	2
Total non-current liabilities	21	21	21	21
Total liabilities	84	99	117	137
Minority interest - accumulated	(0)	(0)	(0)	(0)
Shareholder's equity	80	108	146	191
Liabilities and shareholders' funds	164	208	262	328

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	29.6	30.1	30.1	29.8
Pre-tax margin	5.8	6.0	6.2	6.2
Net margin	4.6	4.8	5.0	5.0
ROE	34.8	32.7	33.1	31.7
ROA	16.3	16.6	17.9	18.1
Growth (% yoy)				
Turnover	45.0	27.9	31.2	27.6
EBITDA	32.6	27.0	27.4	20.3
Pre-tax profit	24.8	31.2	36.4	26.9
Net profit	21.5	33.0	36.4	26.9
Net profit (adj.)	21.5	33.0	36.4	26.9
EPS	19.6	32.6	36.4	26.9
Leverage				
Debt to total capital	16.5	13.0	10.3	8.3
Debt to equity	33.8	25.0	18.6	14.2
Net debt/(cash) to equity	13.9	(1.9)	(7.0)	(9.1)
Interest cover (x)	17.1	22.1	29.7	37.5

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