

Han's Laser (002008 CH)

3Q26: Strong Beat In IT Business

Highlights

- Han's Laser's 3Q26 revenue grew 58% yoy to Rmb8b, and adjusted net profit surged 190% yoy to Rmb893m. These came in 5%/6% above consensus estimates respectively, driven by strong growth in the IT and PCB equipment businesses.
- AI-related orders remained strong, with the IT business expected to deliver a strong beat in 2026. Han's had also achieved a major order win with 3DP from an IT client, which should start contribution from 4Q26 to 2027.
- Maintain BUY; trim target price to Rmb106.90 as we lower the target multiple.

3Q26 Results

Year to 31 Dec (Rmbm)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)
Revenue	5,100	8,278	8,061	58.1	(2.6)
Gross profit	1,784	2,940	2,940	64.8	0.0
OP income	492	1,399	1,255	155.3	(10.3)
Net profit	375	934	889	137.0	(4.8)
Core net profit	307	1,000	893	190.4	(10.8)
Margins (%)					
GPM	35.0	35.5	36.5	1.5	1.0
OPM	9.6	16.9	15.6	5.9	(1.3)
Core NPM	6.0	12.1	11.1	5.0	(1.0)

Source: Han's Laser, UOB Kay Hian

Analysis

- Margin expansion drove earnings beat.** Revenue rose 58.1% yoy but declined 2.6% qoq to Rmb8,061m, beating consensus by 4.5%. Gross margin expanded 1.5ppt yoy and 1.0ppt qoq to 36.5%, in line with consensus. Operating profit surged 155.3% yoy to Rmb1,255m, beating consensus by 16.5%. Adjusted net profit surged 190.4% yoy but moderated 10.8% qoq to Rmb893m following a strong 2Q26, beating consensus by 6.0%.
- Order intake nearly doubled.** 9M26 new orders surged 90% yoy to Rmb24.3b, with Rmb5.3b added during August and September. The strong orders (and the strong growth) were primarily driven by the IT and PCB equipment businesses.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	14,771	18,759	29,520	34,832	39,946
EBITDA	945	1,795	5,112	6,359	7,615
Operating profit	435	1,212	4,388	5,598	6,808
Net profit (rep./act.)	1,694	1,190	2,848	4,048	4,919
Net profit (adj.)	445	810	2,998	3,788	4,659
EPS (Fen)	161.0	115.5	276.6	393.1	477.8
PE (x)	37.6	52.4	21.9	15.4	12.7
P/B (x)	3.9	3.6	3.1	2.7	2.3
EV/EBITDA (x)	67.8	34.6	13.0	9.4	8.1
Dividend yield (%)	0.6	0.3	0.9	1.3	1.6
Net margin (%)	3.0	4.3	10.2	10.9	11.7
Net debt/(cash) to equity (%)	(4.5)	1.5	27.6	(11.2)	1.4
Interest cover (x)	(2.6)	122.4	40.5	58.5	288.3
ROE (%)	2.9	4.8	16.1	17.5	18.3
Consensus net profit	-	-	2,727	4,174	4,918
UOBKH/Consensus (x)	-	-	1.04	0.97	1.00

Source: Han's Laser, Bloomberg, UOB Kay Hian

Analyst(s)

Johnny Yum

johnny.yum@uobkh.com
+852 2235 6760

Murphy Li

murphy.li@uobkh.com
+852 2826 4867

BUY (Maintained)

Share Price	Rmb60.54
Target Price	Rmb106.90
Upside	+76.6%
Previous TP	Rmb153.20

Stock Data

Sector	Industrial Equipment
Bloomberg ticker	002008 CH
Shares issued (m)	1,030
Market cap (Rmbm)	62,332
Market cap (US\$m)	9,276
3-mth avg daily t'over (US\$m)	572.6

Price Performance (%)

52-week high/low			Rmb168.08 / Rmb34.87	
1mth	3mth	6mth	1yr	YTD
(35.8)	(42.3)	(35.7)	64.8	47.0

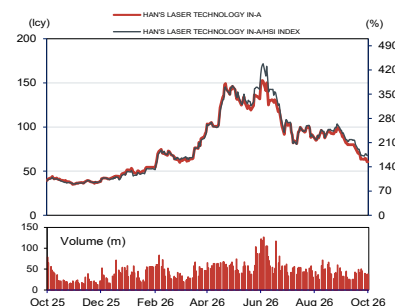
Major Shareholders (%)

Han's Holding Group Co., Ltd.	14.18
Gao Yunfeng	9.36

Balance Sheet Metrics

FY26 NTAV/Share (Rmb)	17.07
FY26 Net Debt/Share (Rmb)	4.56

Price Chart



Source: Bloomberg

Company Description

Han's Laser Industry Group develops, manufactures and markets laser-based products used for cutting, welding, marking and drilling a wide range of industrial materials.

- **IT business delivered a significant beat.** Management stated that the IT business' revenue surged 120% yoy to Rmb4.2b-4.3b in 9M26, implying 3Q26 revenue of ~Rmb2b, and already surpassing its previous full-year 2026 guidance of Rmb3.5b-4.0b. Given that the robust growth was driven more by design change, management expects this growth to sustain into 2027 as the IT client introduces even more design changes across its product line-up.
- **3DP offering robust opportunities going forward.** Management estimates that 3D printing equipment (3DP) orders related to the IT client are around 100 units so far, which implies that Han's Laser is now the single largest 3DP equipment supplier for the client. That said, the timing of revenue recognition remains unclear as the delivery could be pushed to 2027. Other than the IT-related business, Han's Laser is also going through the verification process with leading AI players (such as NVIDIA) on the V-groove and optical module cooling component applications, which could potentially become a growth driver going forward.
- **AI PCB upgrades drive strong growth.** Han's Laser's subsidiary, Han's CNC, reported 3Q26 revenue of Rmb2,856m, up 87.8% yoy, as AI servers and high-speed switches drove demand for high-end PCBs. Strong sales of higher-value products, including high-precision back-drilling, advanced high-density interconnect (HDI), and modified semi-additive process (mSAP) drilling solutions lifted gross margin 5.3ppt yoy to 39.3%. PCB solutions accounted for around 35% of Han's Laser's 3Q26 revenue.
- **Zhangjiagang optical fibre plant expected to begin ramping up production in Jul 27.** This should provide around 800 tonnes of preform capacity once fully ramped up, alongside specialty fibre and hollow-core fibre products' production line. In addition, the 160-tonne capacity Shangdong plant had completed construction in 3Q26 and began ramping up production in Sep 26.
- **Guidance on other segments.** In 9M26, pan-semiconductor revenue grew 14% yoy to Rmb1.6b, high-power laser revenue grew 17% yoy to Rmb2.2b, and Li-ion battery revenue grew 71% yoy to Rmb2.3b. Management guided for full-year revenue of Rmb29.5b-30b, which implies Rmb7.9b-8.0b of revenue in 4Q26, flat qoq.

Valuation/Recommendation

- **Maintain BUY and cut target price to Rmb106.90**, now based on a lower 27.2x 2027F PE, pegged to 10-year average historical mean. While we remain positive on Han's Laser's business development, we believe the macro environment and market conditions have changed in the past few months, leading us to use a less aggressive multiple target.

Earnings Revision/Risk

- **We fine-tuned our 2026-28 adjusted net profit estimates by +2.4%/+0.0%/-1.7% to Rmb2,998m/ Rmb3,788m/Rmb4,659m respectively.** We factored in: a) non-core operating losses in 2026; and b) a higher non-controlling interest, which are mostly offset by a much stronger control on operating expenses.

Changes To 2026-28 Estimates

Year to 31 Dec	Old estimates			New estimates			Differences (%)		
(Rmbm)	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	28,270	33,841	39,659	29,520	34,832	39,946	4.4	2.9	0.7
Gross profit	10,327	12,600	14,977	10,617	12,774	14,837	2.8	1.4	(0.9)
Operating profit	3,655	4,783	5,975	4,388	5,598	6,808	20.1	17.1	13.9
Reported NP	3,187	4,047	4,997	2,848	4,048	4,919	(10.6)	0.0	(1.6)
Core NP	2,927	3,787	4,737	2,998	3,788	4,659	2.4	0.0	(1.7)
GPM (%)	36.5	37.2	37.8	36.0	36.7	37.1	(0.6)	(0.6)	(0.6)
OPM (%)	12.9	14.1	15.1	14.9	16.1	17.0	1.9	1.9	2.0
Core NPM (%)	10.4	11.2	11.9	10.2	10.9	11.7	(0.2)	(0.3)	(0.3)

Source: Han's Laser, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	18,759	29,520	34,832	39,946
EBITDA	1,795	5,112	6,359	7,615
Deprec. & amort.	584	723	761	807
EBIT	1,212	4,388	5,598	6,808
Total other non-operating income	2	-	-	-
Associate contributions	(56)	-	-	-
Net interest income/(expense)	(10)	(108)	(96)	(24)
Pre-tax profit	1,553	4,189	5,953	7,234
Tax	(236)	(628)	(893)	(1,085)
Minorities	(128)	(712)	(1,012)	(1,230)
Net profit	1,190	2,848	4,048	4,919
Net profit (adj.)	810	2,998	3,788	4,659

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	1,469	(2,070)	9,382	583
Pre-tax profit	1,212	4,388	5,598	6,808
Tax	(889)	(628)	(893)	(1,085)
Deprec. & amort.	584	723	761	807
Associates	56	-	-	-
Working capital changes	(526)	(6,519)	3,466	(6,396)
Non-cash items	1,032	(35)	450	450
Other operating cashflows	-	-	-	-
Investing	511	(1,061)	(1,000)	(1,000)
Capex (growth)	(639)	(1,061)	(1,000)	(1,000)
Investments	(477)	-	-	-
Proceeds from sale of assets	-	-	-	-
Others	1,628	-	-	-
Financing	(985)	(314)	(665)	(833)
Dividend payments	(506)	(206)	(570)	(810)
Issue of shares	-	-	-	-
Proceeds from borrowings	4,611	3,000	3,000	3,000
Loan repayment	(5,111)	(3,000)	(3,000)	(3,000)
Others/interest paid	-	-	-	-
Net cash inflow (outflow)	996	(3,446)	7,717	(1,250)
Beginning cash & cash equivalent	5,858	6,838	3,392	11,109
Ending cash & cash equivalent	6,838	3,392	11,109	9,859

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	6,311	6,236	6,139	6,019
Other LT assets	6,365	6,779	7,115	7,427
Cash/ST investment	6,838	3,392	11,109	9,859
Other current assets	18,735	32,038	26,283	39,316
Total assets	38,248	48,444	50,645	62,621
ST debt	911	911	911	911
Other current liabilities	15,279	22,063	19,774	26,411
LT debt	2,635	2,635	2,635	2,635
Other LT liabilities	498	498	498	498
Shareholders' equity	17,283	19,925	23,404	27,513
Minority interest	1,643	2,355	3,367	4,597
Total liabilities & equity	38,248	48,387	50,588	62,564

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	9.6	17.3	18.3	19.1
Pre-tax margin	7.7	13.1	15.8	17.0
Net margin	4.3	10.2	10.9	11.7
ROA	2.2	6.9	7.6	8.2
ROE	4.8	16.1	17.5	18.3
Growth				
Turnover	27.0	57.4	18.0	14.7
EBITDA	89.9	184.7	24.4	19.7
Pre-tax profit	(15.4)	169.7	42.1	21.5
Net profit	(29.8)	139.4	42.1	21.5
Net profit (adj.)	82.3	269.9	26.3	23.0
EPS	(28.2)	139.4	42.1	21.5
Leverage				
Debt to total capital	21.6	20.8	19.1	18.2
Debt to equity	47.9	50.5	41.3	41.5
Net debt/(cash) to equity	1.5	27.6	(11.2)	1.4
Interest cover (x)	122.4	40.5	58.5	288.3

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