3S INDUSTRY 605305.SH

RECENT PRICE	P/E RATIO	P/FCF* RATIO	FY25 DIV. YLD*	BV/ SH.
27.56	11.0x	23.0x	2.7%	13.83

NIANBAO QIYU

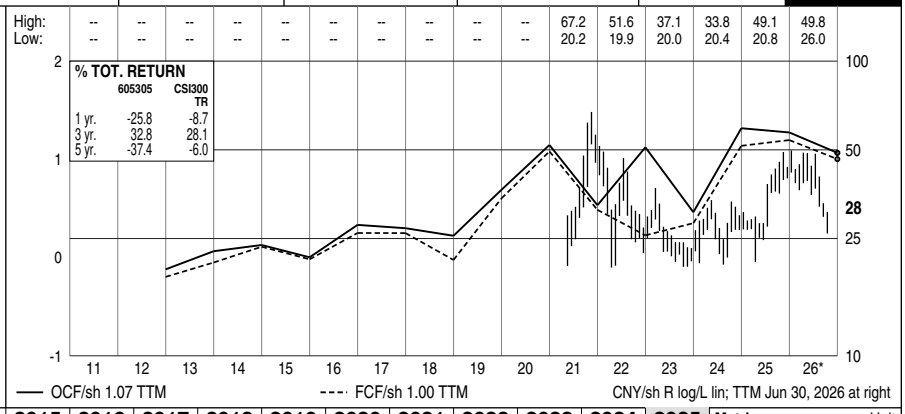
HOW IT EARNS CASH | BUSINESS CHAIN

Wind towers need safe access. Lifts: 30,909 sets (+21.6%); mixed sales/set 39.51K (+13.0%).
98.9% of main sales are direct. Delivery/acceptance -> receivables -> collection, less cash costs and tax.
OCF 270.73M - cash capex 16.49M = FCF 254.25M.
Services: 3.7% of main sales; recurrence unproven.

BUSINESS MIX | FY25

Revenue	M	Mix	YoY	3Y CAGR
Safety lifts	1221.16	65.0%	37.4%	30.9%
Protection	575.91	30.7%	62.3%	43.9%
Services	69.69	3.7%	51.5%	7.2%
Other	11.72	0.6%	26.6%	26.8%
Domestic*	895.56	47.7%	39.1%	23.0%
Overseas*	971.20	51.7%	50.4%	45.9%
Total	**1878.48**	**100.0%**	**44.6%**	**32.9%**

Watch: unit value, overseas GM and cash collection.



VALUE CREATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Metric	Unit
DEMAND & ENTRY Wind turbine units x equipment per tower. Higher towers require safer access.	--	--	57.44	81.21	119.68	167.77	225.03	289.38	355.67	539.08	681.01	882.84	799.40	1104.5	1298.7	1878.5	**Revenue**	M
	--	--	--	41.4%	47.4%	40.2%	34.1%	28.6%	22.9%	51.6%	26.3%	29.6%	-9.5%	38.2%	17.6%	44.6%	**Rev. YoY**	%
	--	--	53.8%	56.2%	56.0%	57.3%	54.3%	54.7%	54.9%	55.8%	50.3%	47.7%	43.7%	46.1%	45.5%	47.3%	**Gross Margin**	%
	--	--	14.93	25.60	34.10	49.13	57.85	84.25	109.72	164.36	211.62	264.29	171.18	233.40	348.88	605.55	**Op. Income**	M
	--	--	26.0%	31.5%	28.5%	29.3%	25.7%	29.1%	30.8%	30.5%	31.1%	29.9%	21.4%	21.1%	26.9%	32.2%	**Op. Margin**	%
	--	--	12.71	21.72	30.39	45.97	58.87	71.69	93.33	141.78	185.12	231.71	155.13	206.84	314.80	530.34	**Net Income**	M
↓ **REVENUE PATHS**	--	--	22.1%	26.7%	25.4%	27.4%	26.2%	24.8%	26.2%	26.3%	27.2%	26.2%	19.4%	18.7%	24.2%	28.2%	**Net Margin**	%
SAFETY LIFTS 30,909 sets; mixed sales/set 39.51K.*	--	--	-13.89	7.50	14.83	.37	45.01	47.64	35.40	110.00	182.69	113.33	238.55	98.24	279.84	270.73	**OCF**	M
	--	--	-24.2%	9.2%	12.4%	.2%	20.0%	16.5%	10.0%	20.4%	26.8%	12.8%	29.8%	8.9%	21.5%	14.4%	**OCF Margin**	%
	--	--	-1.1x	.3x	.5x	.01x	.8x	.7x	.4x	.8x	1.0x	.5x	1.5x	.5x	.9x	.5x	**OCF / Net Inc.**	x
PROTECTION 575.91M sales; +62.3%.	--	--	8.88	13.32	2.04	2.77	11.16	7.92	39.25	13.95	10.42	10.05	190.43	23.77	38.04	16.49	**Cash Capex***	M
	--	--	-63.9%	177.8%	13.8%	745.0%	24.8%	16.6%	110.9%	12.7%	5.7%	8.9%	79.8%	24.2%	13.6%	6.1%	**Capex / OCF**	%
	--	--	-22.77	-5.83	12.79	-2.40	33.84	39.72	-3.85	96.06	172.27	103.28	48.11	74.47	241.80	254.25	**Reported FCF***	M
SERVICES 69.69M; 3.7% of main sales. Recurrence unproven.	--	--	-39.6%	-7.2%	10.7%	-1.4%	15.0%	13.7%	-1.1%	17.8%	25.3%	11.7%	6.0%	6.7%	18.6%	13.5%	**FCF Margin**	%
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**Acq. + Intangibles**	M
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**Acq.+Intang. / OCF**	%
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**SBC Expense**	M
↓ **CASH CONVERSION** NI 530.34M -> OCF 270.73M. Receivables absorb 290.29M.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**SBC / OCF**	%
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**Repurchases**	M
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	**Repurchases / OCF**	%
	--	--	--	.63	--	3.21	4.62	14.00	21.53	27.97	42.57	55.55	69.52	66.79	42.50	174.27	**Dividends**	M
	--	--	--	8.3%	--	863.8%	10.3%	29.4%	60.8%	25.4%	23.3%	49.0%	29.1%	68.0%	15.2%	64.4%	**Dividends / OCF**	%
↓ **REINVEST & FCF** R&D 79.31M expensed; cash capex 16.49M; FCF 254.25M.	--	--	45.5%	37.7%	37.2%	38.4%	34.3%	41.5%	39.2%	45.8%	54.0%	56.2%	28.1%	32.3%	44.6%	62.5%	**Base ROIC***	%
	--	--	35.0%	32.1%	32.6%	23.9%	19.4%	15.7%	15.0%	19.7%	21.9%	15.6%	7.3%	9.3%	12.9%	19.2%	**ROE**	%
	--	--	--	24.2%	25.5%	19.6%	15.8%	13.1%	12.4%	15.4%	16.5%	12.9%	6.4%	7.8%	10.3%	14.9%	**ROA**	%
	--	--	115.92	115.92	115.92	135.24	135.24	159.39	159.39	159.39	159.39	212.52	212.52	212.52	212.52	212.52	**Shares Out.**	M sh
RETURN CONDITION Collect cash, then earn returns on products, OEM access and global service, or return it. Cash-like 2.07B is not all distributable.	--	--	.50	.70	1.03	1.24	1.66	1.82	2.23	3.38	4.27	4.15	3.76	5.20	6.11	8.84	**Revenue / Sh.**	CNY/sh
	--	--	.13	.19	.24	.36	.43	.51	.58	.89	1.16	1.16	.73	.97	1.48	2.50	**Diluted EPS***	CNY/sh
	--	--	-.12	.06	.13	<.01	.33	.30	.22	.69	1.15	.53	1.12	.46	1.32	1.27	**OCF / Sh.**	CNY/sh
	--	--	.08	.11	.02	.02	.08	.05	.25	.09	.07	.05	.90	.11	.18	.08	**Capex / Sh.***	CNY/sh
	--	--	-.20	-.05	.11	-.02	.25	.25	-.02	.60	1.08	.49	.23	.35	1.14	1.20	**FCF / Sh.**	CNY/sh
	--	--	--	--	.03	.03	.10	.14	.18	.27	--	.59	.22	.29	.45	.75	**Dividend / Sh.**	CNY/sh
	--	--	--	--	--	--	--	--	--	--	--	33.4x	44.9x	26.0x	18.0x	13.3x	**Avg. P/E**	x
	--	--	--	--	--	--	--	--	--	--	--	1.0%	.9%	1.5%	4.0%	2.9%	**FCF Yield**	%
	--	--	--	--	--	--	--	--	--	--	--	1.2%	.9%	1.3%	1.6%	1.8%	**Dividend Yield**	%

CORE KPI TRACKER | FY21-25

Metric	FY21	FY22	FY23	FY24	FY25
Lifts sold	31,653	22,410	24,578	25,412	**30,909**
Sales/set K*	20.18	24.27	31.06	34.96	**39.51**
Overseas mix*	17.0%	39.4%	49.5%	50.1%	**52.0%**
Overseas GM*	56.5%	55.7%	60.0%	56.2%	**58.9%**
Protection mix*	24.3%	24.3%	26.2%	27.5%	**30.9%**
Stock/sold*	37.9%	42.5%	50.7%	89.1%	**70.5%**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	13Y
Revenue	44.6%	32.9%	22.5%	27.3%	30.8%
Op. income	73.6%	52.4%	23.4%	28.6%	33.0%
Net income	68.5%	50.6%	23.4%	27.7%	33.2%
OCF	-3.3%	4.3%	8.2%	93.3%	--
FCF	5.1%	74.2%	8.1%	--	--
EPS	68.9%	50.7%	16.6%	21.5%	25.2%
FCF / sh	5.1%	74.2%	2.1%	--	--

FINANCIAL POSITION | M

	FY21	FY22	FY23	FY24	FY25
Tot. assets	2376.1	2504.0	2820.9	3319.8	3786.9
Tot. liabilities	315.74	340.83	513.44	731.60	845.59
Net assets	2060.3	2163.2	2307.4	2588.2	2941.3
Mkt cap*	10592	5373.7	4904.7	6020.7	5857.1
Cash-like*	1587.6	1535.2	1651.8	1864.8	2065.1
Liab./assets	13.3%	13.6%	18.2%	22.0%	22.3%

CAPITAL RETURNS: FY12-25 OCF 1.43B - cash capex 0.39B = **FCF 1.04B.** Buybacks 0; paid dividends **0.52B (50.2% of FCF).** Residual 0.52B precedes M&A, investments and debt repayment; it is not idle cash. Pre-IPO flows are included.

NET SHARES: FY12-25 common-basis economic shares **115.92M -> 212.52M (+83.3%).** Placements/IPO increased ownership units; FY25 shares flat, no cash buyback. FY25 paid dividends **174.27M** / **FCF 68.5%.** Attributed FY25 DPS 0.75 implies 159.39M; debt 67.42M excludes leases. No debt-to-payout claim.

NEEQ to A shares. NEEQ 831344: listed 2014, suspended 2019, delisted Jan 2021; A IPO May 6, 2021. Public pre-IPO accounts cover FY12-20. Avg. P/E, FCF Yield and Dividend Yield span FY21-25; A prices start May 2021. No NEEQ price splice.

Volume and unit value. Lifts: +21.6% sets vs +37.4% sales. Mixed sales/set 39.51K (+13.0%) includes product and geography, not pure price. Wind: 97.85% of main sales.

Reliability earns access. Certification and OEM approval support repeat orders. Safety failures can destroy access. Service is 3.7% of main sales; recurring cash remains unproven.

Cash is the weak link. FY25 operating receivables absorbed 290.29M. OCF/NI: 51.0%; H126: 24.5%. Receivables are real capital, not automatic FCF add-backs.

Test exports and margins. FY25 overseas GM 58.9% vs domestic 34.0%. H126 overseas sales -2.5%, GM 57.1%; finance expense +51.75M. Margin retention and export growth are separate tests.

Demand returns on capital. Base ROIC 62.5% nets cash/WMPs, not incremental project return. Cash-like 2.07B is not all excess. July 2026 transformer deal widens scope; require new capital to earn cash.

CNY M/B/K=million/billion/thousand yuan. FCF*=OCF-gross long-lived-asset cash purchases. Cash/sh=end shares; DPS FY-attributed.
CAGR is not meaningful when the starting value is zero or negative. 13Y=FY12-25; FY10/11 missing; -=zero/unavailable.
KPI mix/main; stock/sold=lift sets, not turnover; sales/set not ASP. Table mix/group; regions overlap. FY23 GM original; FY24 warranty reclass +13.52M.
Cap*: FY21-24 FYE; FY25 Oct23,2026 price x FY25 shares. Chart VAL=share-only; TR reinvests gross cash. 2024:86 rebuilt days.
ROIC*: NOPAT/avg(parent equity + debt - free CCE/WMP); no leases; group proxy. Cash-like*: free CCE + qualifying WMP; not all distributable.
Trial ratings: fixed historical rules, not forecasts or Value Line ratings; 1=least, 5=most variable.

Financial Strength	**B**
Price Volatility (5Y)	**4**
Earnings Stability	**3**
Cash Generation Stability	**4**

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