

January 31, 2025

TH INTERNATIONAL LIMITED

(NasdaqCM: THCH)

TH International Ltd. (Tims China) is the parent company of the exclusive master franchisee of Tim Hortons coffee shops for Restaurant Brands International Inc. (RBI) in mainland China, Hong Kong, and Macau. THCH offers freshly brewed coffee, tea, and other beverages; freshly baked goods; sandwiches; and sides. The company launched its first coffee shop in China in February 2019 and has grown to more than 1,000 stores. The company utilizes an operating model that includes company-owned stores and franchise-operated locations, of various location size formats.

COMPANY HIGHLIGHTS

- * **Differentiated Product Offering:** We think that Tims China is well positioned to fill the role of a differentiated player in the market by providing strong value for the money compared with premium players, while offering a locally adapted, freshly prepared food menu. We view favorably its expansion of food orders, with more than 50% of transactions containing a food item. We think this milestone supports improving store-level EBITDA margins that reached an all-time high over 13% in 3Q24, despite soft consumer spending and a price war that has contracted market sales growth this year.
- * **Investment Phase Largely Completed:** THCH has completed much of its investment toward building an infrastructure, including a scalable supply chain and technology system that can support the target footprint in an efficient and economically optimized manner. As of January 2025, the company had completed the renovation of 639 stores, allowing guests to see their fresh food being prepared via open kitchens. The company has been able to reduce variable costs across multiple categories, including food and paper, enabling the achievement of corporate-level positive EBITDA in 2Q24, which continued in 3Q24. We also see the recent divestiture of its nascent Popeyes restaurant business, which had been seeing signals of increasing local competition, easing capital investment obligations over the coming years.

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KEY STATISTICS

Key Stock Statistics

Recent price (1/30/25)	\$3.14
Fair Value Estimate	\$7.50
52 week high/low	\$8.30/\$2.78
Shares outstanding (M)	31.6
Market cap (\$)	\$99.2
Dividend	NA
Yield	NA

Sector Overview

Sector	Consumer Discretionary
Sector % of S&P 500	11.3%

Financials (as of 9/30/24, RMB)

Cash & Mkt Securities (M)	203.7
Debt (M)	1,280.4
Working Capital (M)	-1,036.4
Current Ratio	0.3
Total Debt/Equity (%)	NM
Payout ratio	NA
Revenue (M, TTM)	1,452.2
Net Income (M)	NM
Net Margin (%)	NM

Risk

Beta	0.33
Inst. ownership	71%

Valuation

P/E forward EPS	NA
Price/Sales (TTM)	0.5
Price/Book (TTM)	NM

Top Holders

Cartesian Capital Group LLC
Tencent Holdings Limited
Sequoia Capital Operations LLC

Management

CEO	Mr. Yongchen Lu
Chairman	Mr. Peter Yu
CFO	Mr. Dong Li
Company website	https://ir.timschina.com

PRICE CHART



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- * **Poised to Accelerate Net Location Growth:** As of January 2025, there were 1,022 Tims locations across 82 cities in China. Over the past several quarters, the company has been pruning underperforming company-owned stores, consistent with its long-term planning, and recently cited more than 5,000 applications received in its subfranchise pipeline. We expect new store openings to be accompanied by prudent vetting of applicants and potential locations, and expect much of future new store growth to come from the subfranchise model under the “asset light” operating model.
- * **Loyalty Programs Gaining Traction:** As of January 2025, Tims China had more than 24 million registered loyalty club members. Through the third quarter of 2024, membership had increased 23% year-to-date, and more than 35% year-over-year growth. Given that loyalty club members are more likely to be repeat customers, we see this growth having a “multiplier effect” for future revenue growth. In addition, the company recently introduced a “Chibaobao Card,” which allows guests to purchase food and drink combos at a 40% discount for a one-time fee, which we see enhancing near-term revenues and cash flows. In 3Q24, the company sold 120,000 of these cards, providing an incremental \$1 million in revenues in the quarter.
- * **Balance Sheet:** As of September 30, 2024, THCH had RMB203.7 million (\$29.1 million) in cash and deposits and a net debt of approximately RMB1.08 billion (\$148 million). In June 2024, it raised more than \$60 million in operating capital from the sale of its Popeyes restaurant business and the issuance of convertible notes. We think these moves, combined with the elimination of Popeyes-related investments, positive corporate-level EBITDA, modest capital requirements moving forward and the regaining of regulatory listing compliance, put THCH on solid footing to weather near-term challenges to its business and execute on its Tims expansion strategy.
- * **Fair Value:** Based on our enterprise value (EV)/revenue analysis, we see a fair value of \$7.50 per share.

COMPANY/INDUSTRY BACKGROUND

THCH is the parent company of the master franchisee and licensed operator of Tim Hortons coffee shops, one of the largest coffee and tea restaurant chains in the world, in mainland China, Hong Kong, and Macau. The company opened its first coffee shop in February 2019 and had 1,022 total stores as of January 2025, consisting of company-owned/-operated and franchised Tims China stores.

Over the past few quarters, the company has pruned underperforming stores while open more new locations under its franchise model. Through the first three quarters of 2024, the

company had added 44 net locations. As a result, the percentage of company-operated stores had declined to 60% as of September 30, 2024, compared with 69% at the end of 2023.

We expect expansion of the store footprint, which has surpassed 1,000 locations, with most of the new locations coming from sub-franchisees, many being smaller in format and with open kitchens, which should promote an accelerated path to profitability. As of 3Q24, the company has cited more than 5,000 applications received, which we see suggesting robust demand for new store expansion.

We see Tims proceeding with a strict vetting process for potential franchisees and target locations, which we view positively for ultimate location success. We see the introduction to Tims China into new cities helping to leverage the brand’s influence as it expands and view the media attention several launches have garnered positively. We expect the pace of new store openings to accelerate over the coming years. In our view, underpinning the opportunity for THCH is a market that is undergoing a generational shift in consumer preferences to coffee drinking from what was historically only a tea-drinking culture. According to the International Coffee Organization, China’s coffee consumption has grown at a compound annual growth rate of 21% since 2010-11, which compares favorably to the average annual growth rate for the world of 1.8%. In its “China Coffee Industry Report 2024,” the World Federation of Chinese Catering Industry cited coffee consumption in China that has more than doubled (167% growth) over the past decade, with demand outpacing domestic supply, spurring 20% growth in coffee imports in 2023.

Despite this growth, we see the market as still being in its early stages of development and offering white space for future growth. We are encouraged by initiatives of the Chinese government to support this expanding development. In October 2022, coffee cultivation and production were included in the government’s Catalogue of Encouraged Industries for Foreign Investment. Starbucks entered the Chinese market in 1999 and had more than 7,300 locations in China as of mid-2024, mostly in larger formats. Over the past decade, Luckin Coffee has surpassed Starbucks, with more than 20,000 stores as of August 2024. Cotti Coffee recently announced expansion plans to operate 50,000 stores by 2025, up from approximately 10,000 currently.

Over the past several quarters, however, the industry has seen pricing pressures, as the entrenched market players including Luckin and Cotti have sacrificed margin for revenue and unit growth expansion. We expect this pricing trend to be transient in nature, given the impact on corporate profitability but see potential

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PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$ML)	1-yr Price Change (%)	1-yr Rev Growth (%)	1-yr EPS Growth (%)	P/E Ratio	Beta	Yield (%)
TH INTERNATIONAL LTD	NASDAQ: THCH	3.14	8.90	2.78	99	-64	56	NM	NM	0.33	NA
STARBUCKS CORP	NASDAQ: SBUX	109.00	110.08	71.55	123340	16	1	NM	32.9	0.98	2.4
LUCKIN COFFEE INC	OTCPK: LKNCY	28.50	28.82	17.28	9069	21	87	490	23.0	-0.69	NA

for this to accelerate the overall customer expansion of the category. Under this scenario, we see Tims China's product differentiation, driven by a higher level of orders including food items compared with its peers, while some peers have signaled simplifying their menus, to drive customer adoption and market share growth. Despite the pricing challenges in the market, we note that Tims' overall monthly average transacting customers reached 3.3 million in Q324, a 2.4% increase from 3.2 million in the same quarter of 2023.

In our view, the pricing environment for the industry has compounded general weakness in China's macroeconomy, which has been increasingly volatile since the COVID-19 pandemic and has led to a period of deflation amid soft consumer spending and housing market weakness. We are encouraged by recent actions taken by the Chinese government intended to support consumption and boost growth through loosening monetary policy and interest rate cuts and potentially through more active government stimulus investment in 2025. We think such actions could help to normalize coffee market trends and provide a longer-term tailwind to Tims' growth strategy.

In June 2024, Tims China sold its Popeyes restaurant business to RBI, which had licensed the brand in China in early 2023. Since opening its first store in August 2023, THCH had opened 14 locations. Despite our positive long-term demand outlook for the Popeyes brand in China, we see the decision to divest as financially prudent, given signals of increased competition in the local market and the company's prioritization on driving profitability in the core Tims business.

INVESTMENT THESIS

In our view, the company has completed much of its investment toward building an infrastructure that can support the current and future footprint. Over the past few years, it has established the Tims China brand through the opening of a base of primarily large-scale, company-owned stores, as well as by building out a scalable supply chain and technology system that can accommodate additional store growth and brand additions over time. We view positively that THCH's supply chain focuses on sourcing fresh ingredients from suppliers that have a Global Food Safety Initiative certificate, a widely recognized food safety standard.

We see the company executing on a high return on investment strategy building upon investments already made. We are encouraged by its progress in delivering operational efficiency to help offset lower revenues resulting from the pricing pressures, as mentioned earlier. The company has refined its supply chain management and was able to reduce food and packaging costs, one of the more variable cost categories, by 6.1 percent and reduce labor costs and other store operating expenses by 3.0 percentage points and 1.1 percentage points, respectively, as a percentage of revenues from company-owned and -operated stores.

We expect the focus of future store growth to center around densification of established areas, both through subfranchising and smaller format locations. We view this strategy favorably, given the limited capital investment required and the enhanced profitability due to the scalability and higher margin of the franchising model. We see favorable economics for small format stores, with

capital expenditures of approximately RMB450,000-RMB500,000 (around \$70,000) and a payback period between two and three years helping to drive subfranchisee interest.

We note that leading franchise partners include convenience store chain Easy Joy (a subsidiary of oil and gas company China Petroleum & Chemical Corp.) and real estate company Century 21, which are already well established and vetted, thus lowering THCH's execution risks. We expect many new store locations in high-traffic locations, including gas station convenience stores, subway stations, and others that can accommodate smaller formats, all of which will utilize THCH's supply chain, technology systems, and menu boards and benefit from lower labor burdens.

We see THCH benefiting from investments in developing locally relevant and product-tested menus, which we believe have been key for Western brands to achieve success in China. These menus also focus on innovation, as THCH introduced more than 100 new products in 2023, nearly split between food and beverage categories, and has announced a goal of a new beverage or food product every two-to-three weeks.

In 3Q24, Tims introduced new healthy offerings, including low-sugar, high-fiber, and plant-based options, focused on product freshness, retained nutrition, and flavor. It also launched bagel options with fewer than 400 calories, as well as beverage offerings with "Five Zeros" — containing no nondairy creamers, coffee whiteners, hydrogenated vegetable oils, trans fats, or instant tea powders.

Although coffee is the largest revenue driver at Tims China locations, we are encouraged by the growth in food-included orders, which has exceeded 50% of all orders since the fourth quarter of 2023. We think this has also contributed to store-level adjusted EBITDA margins that have been resilient during the challenging market environment and reached an all-time high of 13.3% in the third quarter of 2024.

We note that freshly prepared food on the menu represents another area of differentiation compared with its peers. To that end, we are encouraged by recently completed renovations to nearly 650 of its locations, which enable customers to see their made-to-order, fresh food being prepared in open kitchens. We also see the variety of store formats enabling smaller locations with varied food and seating options, in contrast to chains such as Starbucks, which is largely concentrated in larger store footprints.

We also view THCH's use of mobile and digital technologies as supporting its growth amid China's use of mobile devices in daily routines. Since 2020, digital ordering has increased from 64% to over 80% of all transactions, including delivery and mobile ordering for self-pickup, reaching 86.6% in the third quarter of 2024.

In addition, the Tims app is prominently featured across the digital ecosystem to facilitate this trend for increased digital ordering and marketing on vertical service platforms, including Eleme and Tmall, and social media platforms, including WeChat, Weibo, Weixin, Xiaohongshu, and TikTok. In September 2024, Tims collaborated with a China cultural icon, panda Meng Lan, on a marketing campaign for Tims' Bagel Festival, which generated over 63 million media exposures for the company, including a 160% increase in user-generated content, compared with the prior month.

As on January 2025, Tims' loyalty program featured more than 24 million members. Through the first three quarters of 2022,

it had 22.8 million members, which represented a 23% increase since the beginning of 2024 and a 35% increase year over year. This compares with just 2 million loyalty members at the end of 2020. Given that loyalty club members are more likely to be repeat customers, we see this growth having a future “multiplier effect” for future revenue growth. In addition, the company recently introduced a “Chibaobao Card,” which allows guests to purchase food and drink combos at a 40% discount for a one-time fee, which we see enhancing near-term revenues and cash flows. In 3Q24, the company sold 120,000 of these cards, providing an incremental \$1 million in revenues in the quarter. Thus, we see room for additional growth among its registered customer base as the company continues to scale its operations.

RECENT DEVELOPMENTS

Tims China shares trade on the Nasdaq Capital Market under the symbol THCH. In 2024, the shares declined approximately 60% compared with a 23% increase for the S&P 500 Index. In November 2024, THCH reported third-quarter 2024 results, which saw a 17% decline in total revenues (15.5% system-wide) but an all-time high in store-level EBITDA at 13.3%. The third quarter marked the company’s ninth consecutive quarter of positive adjusted store-level EBITDA. The company’s net loss per share was RMB2.74 (\$0.38), compared with RMB5.21 in the same period in 2023. On an adjusted basis, net loss per share was RMB1.32 (\$0.19) compared with a loss of RMB3.58 in the year-ago period. These results have been adjusted to reflect the revised share count, following the January 2025 reverse share split

In January 2025, THCH announced the opening of its first store in Nanchang, Jiangxi Province, extending its footprint to 27 of China’s 34 province-level geographies.

In January 2025, THCH implemented a one-for-five reverse share split, which resulted in it regaining regulatory listing compliance.

In October 2024, TH International participated in the Fourth ESG Global Leaders Summit in Shanghai, where it was the coffee sponsor of the conference, showcasing its innovations in the sustainable consumer sector in China.

In June 2024, Tims China sold its Popeyes China business to RBI for cash proceeds of \$9 million (equivalent to an enterprise value of \$15 million) and secured \$50 million in financing through the issuance of convertible notes.

On May 31, 2023, THCH announced that it was added to the MSCI China All Shares Small Cap Index.

EARNINGS & GROWTH ANALYSIS

We forecast that THCH will post revenues of approximately RMB1.44 billion for 2024 (approximately \$202 million at current exchange rates) and RMB1.55 billion (\$217 million) for 2025, which would represent an 8% decline and 7% growth, respectively. We expect near-term revenue growth to be challenged by the pricing environment in China’s coffee market and the transition toward a majority of new stores falling under the franchise model.

The company ended the third quarter of 2024 with 946 stores, approximately 60% of which were company owned and operated, down from 69% at the end of 2023. By January 2025, store count had increased to 1,022 locations. Over the next two-to-three years,

we expect most new store openings to be subfranchised and expect that franchised locations will surpass company-owned stores as the company executes its strategic expansion program. As a result, we see company-operated stores contributing 86% of its revenues in 2024, declining to 81% in 2025.

Thus, we see this shift slowing the rate of top-line growth but enabling an accelerated path to profitability, as the company will receive a largely expense-free percentage of gross revenues of franchised units in perpetuity.

While THCH reported 7.6% same-store sales growth in 2023, this trend has turned negative in 2024, which we attribute to macroeconomic pressures in China and pricing dynamics in the coffee market, which we expect will be transient into 2025. We expect future results to reflect improvements in efficiency, as THCH leverages its supply chain and infrastructure, which is largely built out at this stage.

In terms of operating margins, we are encouraged by prospects for THCH to reduce its cost burden as a percentage of revenues moving forward, as costs shift to franchisees, as well as smaller format locations, which can generate favorable growth and profitability from inception. We expect its company-owned-store sales to become more profitable as its fixed costs are spread across a wider corporate footprint.

We are encouraged by signs of operating leverage, as variable costs such as food and paper, general and administrative, and marketing expenses have shown declines as a percentage of total revenues across 2024, helping to contribute to THCH’s highest-ever quarterly company-owned and -operated store contribution margin of 13.3% and consecutively quarterly adjusted corporate EBITDA profitability.

For 2024, we expect operating expenses to comprise 97% of revenues, compared with 105% in 2023. We expect this figure to decline further, to 93% of revenues, in 2025, as THCH continues to focus on optimizing its operational efficiencies and supply chain. We project adjusted EBITDA store-level margin expansion above 10% for 2024, up from 4.9% in 2023, and 14.4% in 2025, boosted by fewer store-opening-related costs. Corporate-wide, we project adjusted EBITDA of -2.6% in 2024, despite a -15.4% margin in 1Q24, and 2.9% in 2025.

We project a diluted net loss per share of RMB10.30 (\$1.44) in 2024 and a net loss per share of RMB5.94 (\$0.83) in 2025, using a recent renminbi-to-dollar exchange rate of 0.14. On an adjusted basis, we forecast a net loss per share of RMB7.09 (\$0.99) in 2024 and RMB4.72 (\$0.66) in 2025.

FINANCIAL STRENGTH & DIVIDENDS

Our financial strength rating for THCH is Low-Medium. As of September 30, 2024, the company had cash and deposits of RMB203.7 million (approximately \$29.1 million), down from RMB220.8 million (\$31.1 million) at the end of 2023.

In June 2024, Tims China secured up to \$65 million in aggregate funding from its founding shareholders, Cartesian Capital Group LLC and RBI, which included \$50 million in three-year convertible notes (\$40 million issued at closing). As part of the transaction, Tims China sold its Popeyes business to RBI for cash consideration of \$9 million, reflecting an enterprise value of \$15

million, and Tims China extinguished the deferred consideration due to former shareholders of Popeyes China via issuance of a \$15 million convertible note. Previously, in March 2024, Tims China entered into new promissory note borrowing agreements for \$20 million with Cartesian Capital. (These notes were tendered in consideration for \$20 million of the new three-year convertible notes mentioned above.)

As of September 30, 2024, THCH had a negative working capital position of RMB1.036 billion (\$145 million), which translates into a current ratio of 0.3. The company had approximately RMB1.280 billion (~\$179 million) in debt, consisting of approximately 65% short-term borrowings and 35% long-term convertible notes. When factoring in its cash and deposits, net debt was RMB1.077 billion (~\$151 million).

With the divestiture of the Popeyes business, which was at an early stage and would have required significant operating capital over the coming years, we expect THCH's balance sheet to improve moving forward. We see the achievement of positive corporate-level EBITDA several quarters ahead of our estimate beginning to reflect the leveraging of Tims China's supply chain across a store base that shifts to new franchised store locations. Such operations carry little investment requirement and expense exposure, while providing a percentage of those restaurants' gross sales to THCH.

Net cash used in operating activities in 2023 was RMB196.1 million (\$27.6 million), which is more than 30% narrower than the net cash used of RMB286.9 million (\$41.6 million) in 2022, as the company continued to expand its corporate store footprint. During the first half of 2024, company operations generated positive RMB5 million in cash, compared with cash used of RMB85.1 million in the same period in 2023.

In 2023, net cash provided by investing activities was RMB60 million (\$8.4 million), compared with net cash used of RMB705.2 million in 2022, which was impacted by a collateral account balance invested in U.S. Treasury bonds through an Equity Support Agreement (ESA) collateral account that holds the underlying assets. In the first half of 2024, net cash used by investing activities totaled RMB28.7 million, compared with cash provided of RMB64.2 million in the year-ago period.

Net cash provided by financing activities in 2023 was RMB80.3 million (\$11.4 million), compared with net cash provided in 2022 of RMB827.2 million, with former-period results driven by net proceeds from ESA investors, private investment in public equity investors, and bank loan drawdowns. For the first half of 2024, financing activities used RMB11.8 million, compared with cash provided of RMB28.6 million in the same period in 2023.

In September 2022, in connection with its IPO, THCH issued 22.9 million warrants, consisting of 17.25 million public warrants (at a strike price of \$11.50) and 5.65 million private placement warrants. In June 2023, the company completed an exchange of all of these public and private warrants for 5.42 million common shares.

THCH does not pay a dividend, and we do not expect the company to initiate such a program in the foreseeable future.

MANAGEMENT

Yongchen Lu has been THCH's chief executive officer since its 2018 inception and a director since September 2022. Mr. Lu served as the chief financial officer of Burger King China from November 2012 to April 2018 and previously was China representative for Cartesian Capital Group, a global private equity firm. Mr. Lu is a certified Six Sigma Black Belt and holds a bachelor's degree in international finance from Shanghai Jiaotong University and an MBA from Tuck School of Business at Dartmouth College.

Peter Yu has been THCH's chairman since its 2018 inception and is a managing partner of Cartesian Capital Group. He was previously the founder, president, and CEO of private equity firm AIG Capital Partners Inc. (AIGCP), which became a leading international private equity firm, with more than \$4.5 billion in committed capital, under his leadership. Prior to founding AIGCP, Mr. Yu served President Bill Clinton as director of the National Economic Council, the White House office responsible for developing and coordinating economic policy. Mr. Yu is a graduate of Harvard Law School and served as president of the *Harvard Law Review* and as a law clerk on the U.S. Supreme Court.

As of June 30, 2024, affiliates of Cartesian Capital Group owned approximately 50% of the outstanding ordinary shares. Other prominent investors include Tencent Holdings Ltd. (12.5%), Sequoia Capital China (8.3%), and RBI.

As of January 2025, THCH's board of directors consisted of nine members.

RISKS

Risks to an investment in THCH include intense competition and the potential for pricing dynamics impacting sales and margins in China's coffee shop and food and beverage industries; sensitivity of inflation rates to the prices of commodity inputs to its products, labor, and transportation; reliance on continued favorable macroeconomic trends toward consumer discretionary spending on the out-of-home coffee and food categories; the need to continually develop new products that are accepted by its customers; and disruptions to its supply chain and technology systems. We also anticipate equity dilution over the coming years as recently issued convertible notes are converted to common shares.

VALUATION

With a recent market capitalization around \$100 million, representing a decline of more than 60% over the past 52 weeks, we do not see THCH's valuation accurately reflecting its long-term growth potential in China's coffee market.

While we expect the near-term valuation to be pressured by the current market dynamics in China, which have resulted in unfavorable same-store-sales trends and declining revenues for THCH amid a price war and soft macroeconomic trends, we see the rapid expansion of its own loyalty program to more than 24 million, the introduction of other loyalty initiatives, including the "Chibaobao Card," and robust franchise interest from more than 5,000 applicants as underappreciated by investors.

Further, we think that robust growth trends, including improving store-level EBITDA growth, differentiation from more

than 50% of orders including food, and most transactions being conducted electronically are likely to improve THCH's financial results and, in turn, investor sentiment over time.

We expect expansion of the store footprint, which has surpassed 1,000 locations, with most of the new locations coming from sub-franchisees, many being smaller in format and with open kitchens, which should promote an accelerated path to profitability.

As such, we expect a growing operational footprint to ease concerns over Tims China's balance sheet and its cost structure over the coming years, with the achievement of positive corporate-wide EBITDA since 2Q24 likely to serve as validation of its model and the profitability potential for the business.

Moving forward, although we see revenue growth challenged over the near term due to unfavorable market dynamics in China, we expect operating margins, operating cash flows, and profitability to all improve, supporting a more sustainable growth trajectory.

We also view THCH's regaining compliance with exchange listing requirements supporting its execution on its growth strategy.

We value THCH in comparison with the leading public coffee companies operating in China. Primary players Starbucks (EV/2025 consensus revenue of 3.6-times) and Luckin Coffee (1.4-times) average 2.5-times as a group. We have removed Yum China Holdings Inc. from our group, given THCH's recent sale of its Popeyes restaurant business.

Since we expect THCH to grow at an attractive rate moving forward as it implements its subfranchise model with a prioritization on profitability, we value the company at a modest discount to this average, given the balance sheet overhang and the still early stage of its footprint expansion efforts.

Shifting our base year to 2025, we apply a discount to peer multiple of 2.3-times our 2025 revenue estimate of RMB1.55 billion. After adjusting for net debt and the fully diluted share count, we arrive at a fair value of \$7.50 per share.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

Growth Analysis (MIL, RMB)	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024E	2024E	Q1 2025E	Q2 2025E	Q3 2025E	Q4 2025E	2025E
Revenue	1011.1	1575.8	346.8	366.8	359.6	371.7	1444.9	355.1	395.5	389.6	410.1	1550.3
Operating Costs	1602.8	2277.0					1727.9					1704.8
Operating Income	-591.7	-701.2					-281.4					-154.5
Other Expense	163.5	171.6					96.1					33.0
Pretax Income	-755.2	-872.8					-377.5					-187.4
Tax Rate (%)	NA	NA					NA					NA
Net Income Attributable to THCH	-753.1	-876.2					-330.1					-193.4
Weighted Diluted Shares	25.6	30.5					32.0					32.5
EPS (RMB)	-28.99	-28.41	-4.50	-1.47	-2.74	-1.59	-10.30	-2.01	-1.55	-1.34	-1.04	-5.94
EPS (USD)	-4.06	-3.98	-0.63	-0.21	-0.38	-0.22	-1.44	-0.28	-0.22	-0.19	-0.15	-0.83
Dividend	NA	NA					NA					NA
Growth Rates (%)												
Revenue	57	56%					-8%					7%
Operating Income	NM	NM					NM					NM
Net Income	NM	NM					NM					NM
EPS	NM	NM					NM					NM
Valuation Analysis												
Price (\$): High	52.75	33.6					NA					NA
Price (\$):Low	12.70	7.15					NA					NA
PE: High	NA	NA					NA					NA
PE: Low	NA	NA					NA					NA
PS: High	NA	NA					NA					NA
PS: Low	NA	NA					NA					NA
Yield: High	NA	NA					NA					NA
Yield: Low	NA	NA					NA					NA
Financial & Risk Analysis (MIL, RMB)												
Cash & Securities	614.9	227.0					NA					NA
Working Capital	-521.5	-937.2					NA					NA
Current Ratio	0.6	0.3					NA					NA
LTDebt/Equity (%)	NA	NA					NA					NA
Total Debt/Equity (%)	NA	NA					NA					NA
Ratio Analysis												
Store Level Adjusted EBITDA	-4.3%	4.9%					10.3%					14.4%
Corporate Adjusted EBITDA	-31.4%	-15.6%					-2.6%					2.9%
Adjusted EPS (RMB)	-17.59	-13.50					-7.09					-4.72
Return on Assets (%)	NM	NM					NM					NM
Return on Equity (%)	NM	NM					NM					NM
Op Inc/Int Exp	NM	NM					NM					NM
Div Payout	NA	NA					NA					NA

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