

What’s Hot Today:

► New Oriental Education (9901 HK, HK\$44.70, HK\$73bn) -  
2Q26 Results Review

New Oriental Education (9901 HK; EDU US), a leading private educational services provider in China, announced its 2QFY26 results. Net revenue grew by 14.7% YoY to US\$1.19bn, beating the high-end of the previous guidance of 12%. Non-GAAP operating profit grew by 207% YoY to US\$89.1mn, with an OPM of 7.5%, up by 470bps. Net profit stood at US\$45.5mn, up 42.3% YoY. The positive financial result is driven by growth across all business segments. Revenues from overseas test preparation / domestic test preparation business / new educational business increased by approximately 4.1%/12.8%/21.6% YoY, respectively.

Tab 1: Key financial results in 2Q26 vs 2Q25

(in US\$ mn)	2QFY26	2QFY25	% of change
Net revenues	1191	1039	14.7%
Operating profit	66	19	244.4%
Non-GAAP operating profit	89	29	206.9%
Non-GAAP operating profit margin	7.5%	2.8%	470pts
Net income attributable to New Oriental	45	32	42.3%
Net profit margin	3.8%	3.1%	70pts

Source: Company Data, Sunwah Kingsway Research

**Revenue exceeds expectation led by new education initiatives.** The increase in revenue growth and profit margin is primarily attributable to the gain in the new educational business (including non-academic tutoring and learning devices). Segment revenue increased 21.6% YoY, a notable recovery from the 5% growth in 1QFY26. During 2QFY26, non-academic tutoring courses attracted approximately 1.06mn student enrollments, almost double from 530k in 1QFY26. This robust enrollment momentum underscores EDU’s ability to attract and retain students, which is a critical driver of renewal rates and sustainable revenue growth.

The domestic test preparation business maintained solid growth at 12.8% YoY, while the overseas test preparation segment, though facing macroeconomic headwinds and a high comparable base, delivered modest growth of 4.1% YoY in line with expectations.

China & HK Indices	CLOSE	1D	YTD
HSI	27,826	2.6%	8.6%
HSCEI	9,512	2.9%	6.7%
HSCCI	#VALUE!	2.5%	9.4%
CSI300	4,717	0.3%	1.9%
Shanghai A	#N/A Reqt.	0.3%	4.8%
Shanghai B	266	1.1%	4.8%
Shenzhen A	#VALUE!	-0.0%	7.4%
Shenzhen B	1,252	0.7%	-1.0%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	#VALUE!	0.0%	2.0%
S&P 500	#VALUE!	-0.0%	1.9%
Nasdaq	#VALUE!	0.2%	2.6%
Nikkei Index	#VALUE!	0.4%	6.4%
FTSE Index	#VALUE!	-0.5%	2.2%
CAC Index	#VALUE!	-1.1%	-1.0%
DAX Index	#VALUE!	-0.3%	1.4%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,417	4.6%	27.5%
STEEL (US\$/oz.)	2,914	2.1%	14.6%
SILVER (US\$/oz.)	116	4.1%	64.5%
CRUDE OIL (US\$/bbl)	63	1.3%	10.8%
COPPER (US\$/oz.)	13,086	-0.9%	5.3%
ALUMINIUM (US\$/oz.)	3,257	2.1%	8.7%
PLATINUM (US\$/oz)	2,701	1.8%	31.4%
ZINC (US\$/oz.)	3,364	0.6%	7.9%
WHEAT (US\$/bu)	536	2.6%	5.7%
CORN (US\$/bu)	430	0.4%	-2.3%
SUGAR (US\$/lb)	72	0.4%	
SOYBEAN (US\$/bu)	1,075	1.2%	2.6%
PVC (US\$/t.)	4,913	-0.3%	2.5%
CRB	318	1.2%	3.0%
BDI			6.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.801	0.837	153.410	0.768	6.948
HKD	0.128		0.107	19.664	9.849	0.891
EUR	1.195	9.326		183.390	1.089	8.284
JPY	0.007	5.085	0.545		0.501	0.045
CHF	1.302	10.153	1.089	199.688		8.995
RMB	0.144	1.123	0.121	22.138	0.111	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	16	-3.3%

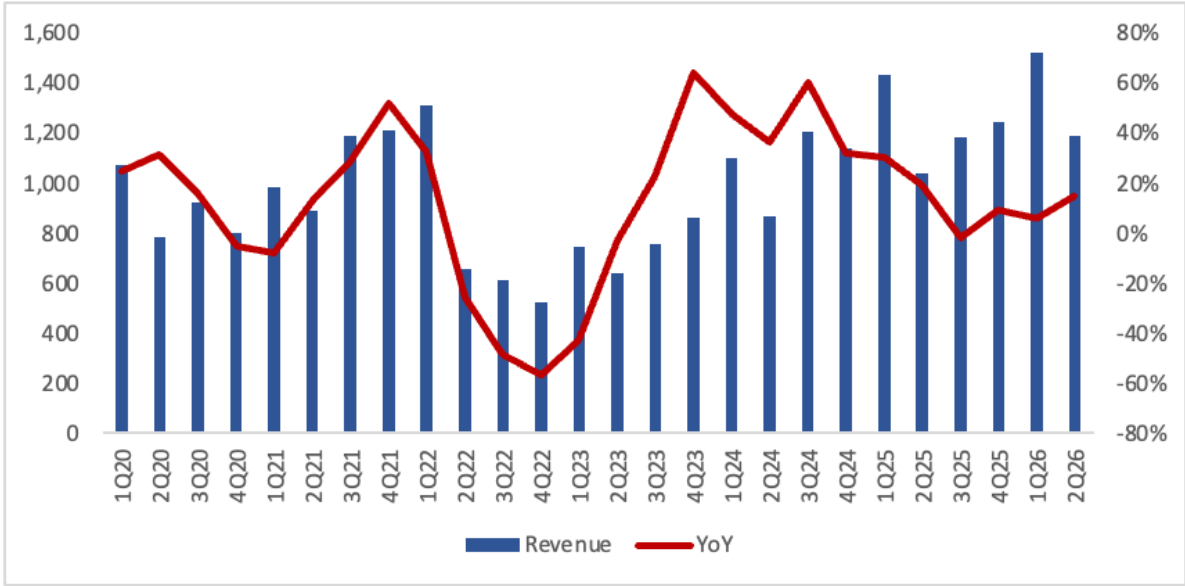
Source: Bloomberg

**Shareholders return program reinforce financial strength.** EDU announced a FY26 shareholder return plan in Oct 2025 totaling US\$490mn, comprising US\$190mn in dividends and US\$300mn in share buybacks. The payout ratio reaches 130% of FY25 net profit. The first installment of dividends has already been paid and approximately US\$86.3mn worth of ADSs have been repurchased. As at the end of Nov 2025, the company had US\$2.1bn cash in hand and about US\$3.9bn of term deposits and investments without debt.

**Upgraded guidance reflects business momentum.** Driven by encouraging growth across various business lines, the company anticipates its net revenues to be in the range of US\$1.31bn to US\$1.35bn, increasing by 11%-14% YoY. It also raises the full year guidance of net revenues in FY26 to be in the range of US\$5.29bn to US\$5.49bn, for a YoY growth of 8% to 12%.

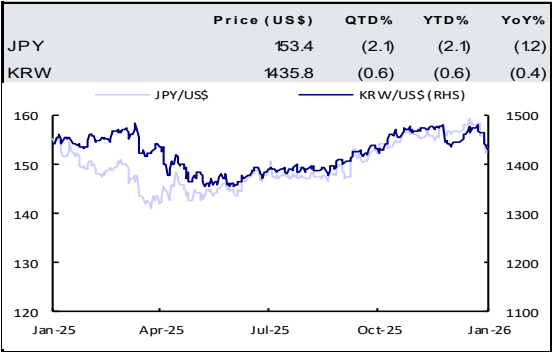
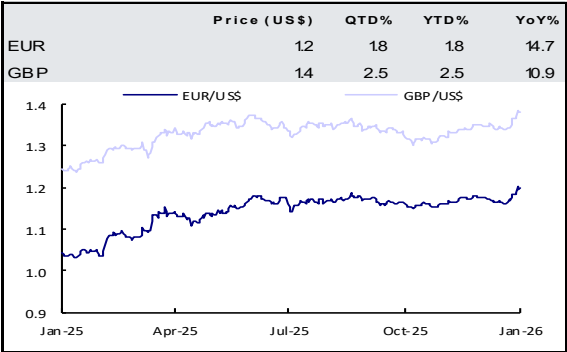
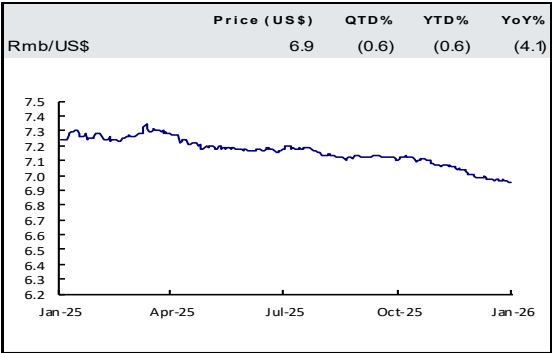
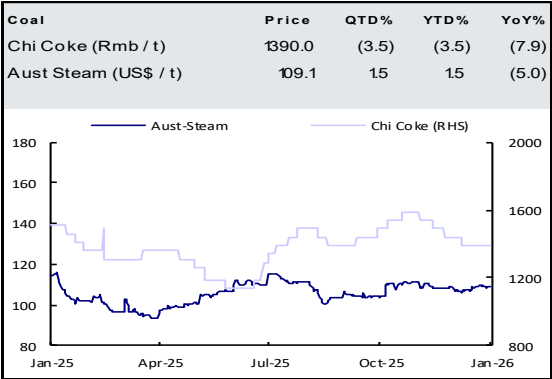
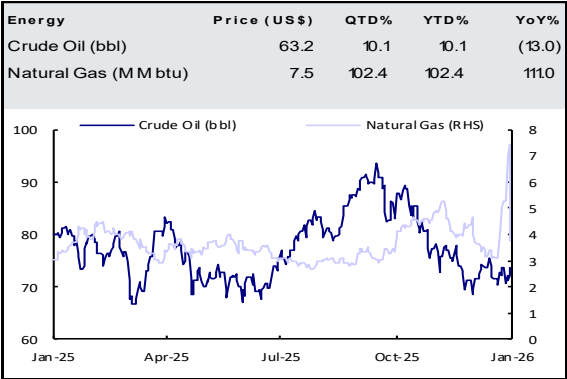
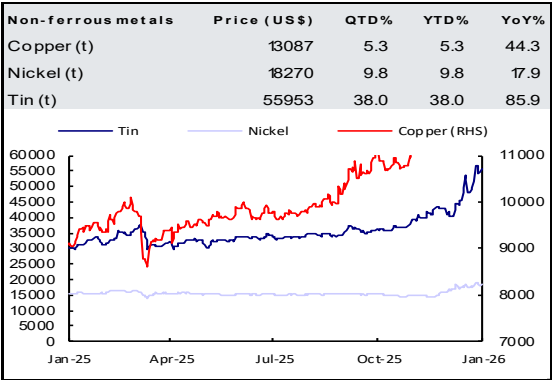
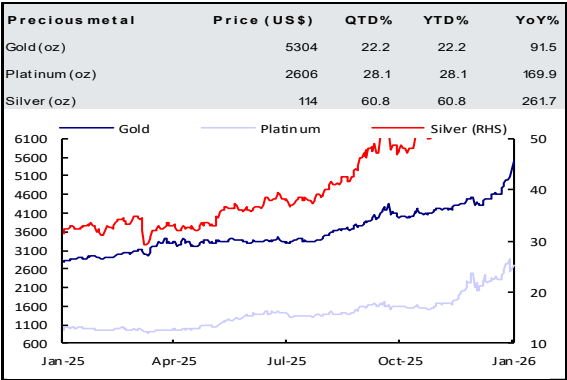
**Our view:** The company has accumulated a strong brand reputation, operational expertise, and ample on-hand funds within the education and training industry. The company’s recent outperformance stems from both the acceleration in its diversified business lines and disciplined cost management. Ongoing investments in teaching quality, product innovation, and AI-enabled technologies are enhancing service delivery and supporting student engagement. While near-term pressures persist in the overseas education segment due to a softer macroeconomic environment, we expect further improvement in overall revenues and net profit margins in FY26. The counter is trading at 21x FY26 P/E with forward yield of 2.06%.  
(Research Department)

Fig 1: Revenue (US\$ mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		29-Jan-26
Trade Balance	MoM		29-Jan-26
PPI	MoM		30-Jan-26
ISM Manufacturing PMI	MoM		2-Feb-26
Employment Report	MoM		6-Feb-26
Retail Sales	MoM		10-Feb-26
Business Inventories	MoM		10-Feb-26
Housing Starts / Building Permits	MoM		18-Feb-26
Personal Income & Spending	MoM		20-Feb-26
New home Sales	MoM		20-Feb-26
Factory Orders	MoM		29-Jan-26
Initial Jobless Claims	WoW		29-Jan-26
Wholesale Inventories	MoM		29-Jan-26
CPI	MoM		11-Feb-26
Existing Home Sales	MoM		12-Feb-26
Industrial Production	MoM		18-Feb-26
GDP	QoQ		20-Feb-26
Consumer Confidence	MoM		24-Feb-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Jan-26
Foreign Exchange Reserves	QoQ		7-Feb-26
Money Supply - M2	MoM		9-Feb-26
PPI	MoM		11-Feb-26
CPI	MoM		11-Feb-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		30-Jan-26
GDP	QoQ		30-Jan-26
Retail Sales	MoM		3-Feb-26
PMI	MoM		4-Feb-26
Foreign Currency Reserve	MoM		6-Feb-26
Unemployment Rate	MoM		20-Feb-26
CPI	MoM		25-Feb-26
Trade Balance	MoM		27-Feb-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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