

Xiaomi Corporation

The launch of Mi9 and 5G Mix 3 marks the start of a new era

Reiterate Buy rating; Mi9 and 5G Mix 3 mark the start of a new era that focusing on high-performance premium smartphones

Xiaomi recently launched two flagship smartphones: the Mi9 and 5G Mix 3. We believe these two new smartphone models and the independent operation of Red Mi brand reflect Xiaomi's strategy to strengthen its market share in high-performance premium smartphone segment. It is of vital importance that Xiaomi gains market share in the premium smartphone segment to capture the replacement demand in 5G era. Having said that, Xiaomi products have maintained its competitive price given similar performance which is achieved through high efficiency. We find Xiaomi's commitment to R&D encouraging and believe the increase in premium smartphone sales is key to Xiaomi's monetization potential.

Mi9 - the No.1 Android smartphone with the highest performance score with very attractive price

We recently attended Mi9's launch ceremony in Beijing. Xiaomi Mi9 is the world first smartphone embedded with Snapdragon 855. Its performance score of over 380,000 on Antutu.com marks it the highest performance Android smartphone so far (Figure 12). Xiaomi has setup its US research centre in 2017 to actively participate in the design and optimization of Snapdragon 855. The triple camera setup consists of a 48MP IMX 586 main sensor, a 16MP 117° ultra-wide camera and a 12MP telephoto camera with 2x optical zoom. The price set at Rmb 2,999 for 6GB/128GB model is very attractive.

Middle/high-end smartphone sales key to 5G strategy and monetization; IoT products network may bring further upside

As of Sep-18, Xiaomi had approximately 224 million MAUs on its MIUI. As Xiaomi gradually moves to middle/high-end segment, its monetization potential can be further explored - we forecast internet service segment's contribution in revenue to increase to 12.3% in 2020e from 8.6% in 2017. Xiaomi has also built the world's largest IoT platform with 115 million connected devices which enables the collection of a vast amount of real-time data, which in turn furthers the development of various consumer applications and consumption scenes.

2018 earnings preview: smartphone ASP, IoT product sales and internet revenue key things to watch

Given the challenging macro headwind, we have adjusted our 2018 forecast to reflect a soft global smartphone market in Q418. We forecast a FY18 revenue of Rmb 172bn (+50% yoy) and non-IFRS net profit of Rmb 8.0bn (+49% yoy).

2018e-2020e non-IFRS net profit to grow at a CAGR of 40%

We forecast revenue to grow at a CAGR of 24% during 2018-2020e. We forecast non-IFRS net margin to expand from 4.6% in 2018e to 5.9% in 2020e. Sustainable growth shall be driven by a continued innovation in hardware shipment, ASP and internet services to further boost user engagement. Expansion in new markets shall also contribute to a strong sales growth.

Price target: HK\$22.0 (81% upside)

We derive our Dec-19 price target of HK\$22.0 per share using a discounted cash flow model, assuming 13.4% cost of equity, 3% long-term growth rate.

Stock code: 1810.HK

Rating: Buy

Price target (HK\$)	22.0
Current price (HK\$, 27 Feb 2019)	12.1
Upside/downside %	81%
Market cap (HK\$ m)	290,069
Market cap (US\$ m)	36,953
Avg daily turnover (HK\$ m)	985

Source: Bloomberg, AMTD Research

Key forecasts

(Rmb m)	2017	2018e	2019e
Non-IFRS net profit	5,362	8,008	10,822
yoy %	183%	49%	35%
Revenue	114,625	172,472	212,415
yoy %	67%	50%	23%
Smartphone shipment (m)	91	122	137
yoy %	65%	33%	13%
Gross margin	13.2%	12.6%	13.8%
Non-IFRS net margin	4.7%	4.6%	5.1%
EPS	5.49	0.36	0.48

Source: Company data, AMTD Research

Valuation

	2017	2018e	2019e
P/E (adjusted)	48.1	32.2	23.9
P/S	2.3	1.5	1.2
ROE	na	na	17.5%
ROA	na	7.6%	8.2%

Source: Bloomberg, AMTD Research

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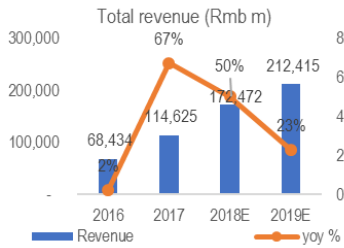
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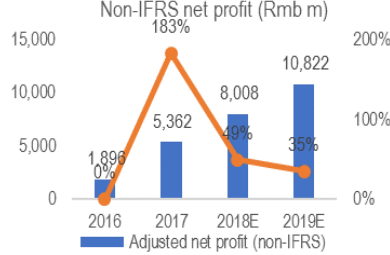
Focus charts

Figure 1: Xiaomi revenue forecast



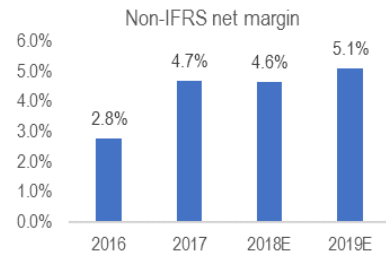
Source: Company data, AMTD estimates

Figure 2: Xiaomi non-IFRS net profit forecast



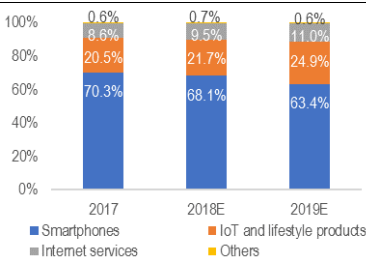
Source: Company data, AMTD estimates

Figure 3: Xiaomi non-IFRS net margin forecast



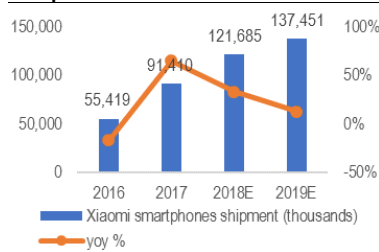
Source: Company data, AMTD estimates

Figure 4: Xiaomi revenue mix forecast



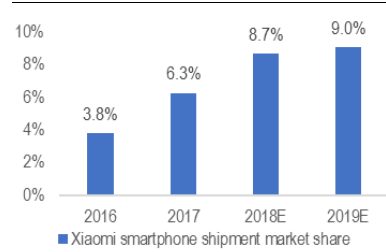
Source: Company data, AMTD estimates

Figure 5: Xiaomi smartphone shipment forecast



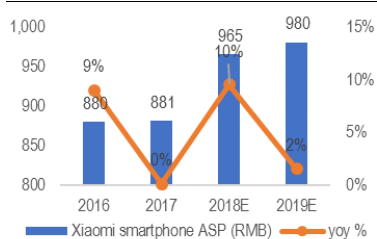
Source: Company data, AMTD estimates

Figure 6: Xiaomi global smartphone market share forecast



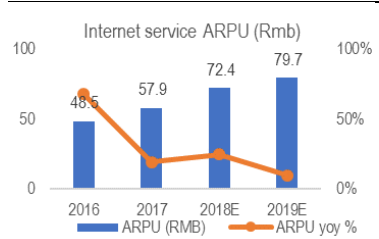
Source: Company data, AMTD estimates

Figure 7: Xiaomi smartphone ASP forecast



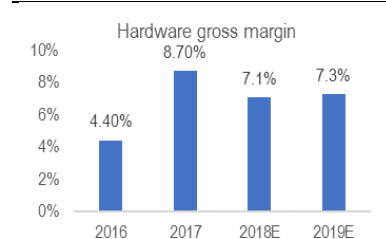
Source: Company data, AMTD estimates

Figure 8: Xiaomi internet service ARPU forecast



Source: Company data, AMTD estimates

Figure 9: Xiaomi hardware gross margin forecast



Source: Company data, AMTD estimates

Figure 10: Xiaomi Mi9 specs

全曲面全息彩虹机身

- 全息彩虹外观
- 全曲面流线型机身
- 全息彩虹天使眼相机环
- 173g 轻盈机身
- 4.5mm 极薄视觉厚度

6.39" 水滴全面屏 三星 AMOLED 屏幕

- 90.7% 超高屏占比
- 19.5:9 绝佳屏身比例
- 103.8% NTSC 色域, 500nit 高亮模式
- > 60000:1 高对比度
- 康宁第6代大猩猩玻璃
- 低亮度色域优化
- 屏下IRGB光线传感器
- 支持新一代彩色AOD息屏显示
- 支持无级色温调节
- 不伤护眼模式
- 支持阳光屏2.0, 夜光屏
- 德国电气工程师协会VDE低蓝光护眼认证

第五代屏幕指纹解锁

- 解锁速度提升25%
- 优化干手、强光、低温解锁成功率

超级能打 全球首批量产骁龙855

- 7nm L工艺制程全新 Kryo485 二丛架构
- 最高主频 2.84GHz, CPU单核性能提升45%
- 全新Adreno 640 GPU, 性能提升20%
- 第四代AI引擎, 3倍 AI性能
- 全球首批 12GB+256GB 巅峰配置
- 标配 LPDDR4x 内存, UFS 2.1 闪存
- 18个月老化模拟卡顿降低35%
- 全新 Game Turbo 游戏优化

全球首款20W 无线快充 90分钟充满, 堪比有线快充

- 创新 20W 无线充电架构
- 27W 有线快充
- 全系标配 27W 有线充电器
- 3300mAh 电池
- Dark Mode 深色模式
- 德国莱茵 TUV 安全认证 2.0

配件:

- 小米首款 20W 无线充电器
- 小米首款无线充电宝
- 小米首款 20W 无线车充

索尼48MP超广角微距三摄

- 索尼IMX586 旗舰主摄镜头, 48MP超清画质
- 四合一 1.6 μm 大像素, 4倍感光
- 三星12MP 旗舰人像镜头, 2倍光学变焦
- 索尼16MP 超广角镜头, 117° 超广角
- 首次支持 4CM 微距拍摄, 细节纤毫毕现
- 采用激光混合对焦, 对焦更快更准
- 小米9 透明尊享版采用 7P 镜头, f/1.47 大光圈
- 20MP 前置美颜相机, 四合一 1.8 μm 大像素
- 前后 AI 场景相机, 新增月亮模式
- 超广角正畸模式, 超级夜景、960帧慢动作拍摄
- 自定义水印、智能瘦身、超广角合影矫正
- 3D 微整形美颜、动态光斑、影棚光效、AI 短视频
- 抖音独家功能内置, 相机直接拍抖音超便捷
- 特别优化抖音APP, 支持15°硬解/多帧降噪/超广角

全能贴心体验 日常使用超便捷

- 独家最新 NFC 芯片 SNI101
- 合作一卡出行 160 城公交、京津冀互联互通卡一年免费开卡
- 免费移卡陆续支持, 卡内金额即时转
- Mi Pay 支持百余款应用内支付、银联碰一碰
- 音质提升专项计划, 音量提升 100%
- “小爱同学” AI 智能助理 独立 AI 按键, 新增小爱捷径
- 双频 GPS 新增 L5 独立天线, 导航超精准
- 支持红外遥控
- 支持智能天线切换
- 支持 4 x 4 MIMO / NR-LTE 弱信号增强技术

小米9

小米社区

Source: Company disclosure

Figure 11: Xiaomi Mix 3 5G

Mi MIX 3 5G

Slide ahead in 5G

Supports 5G network
Snapdragon X50 5G modem, 2Gbps+ downlink speed

Snapdragon 855
7nm mobile platform

Hybrid cooling system
Sustained peak performance

6.39" AMOLED full screen display
93.4% screen-to-body ratio

Magnetic slider
Slide to start, all-new interaction

Elegant ceramic body
4-sided curved ceramic

12MP + 12MP dual rear camera
960fps slow motion, AI scene detection

Steady handheld night photography
Clear and crisp shots at night

24MP + 2MP dual front camera
AI live selfie video bokeh, AI catchlight

3800mAh (typ) large battery
Supports Quick Charge 4+

Dedicated Google Assistant Button
Press or hold to use Google Assistant

Source: Company disclosure

Figure 12: Antutu's testing of existing Android phones before the launch of Mi9



Source: Company disclosure

Figure 13: Xiaomi's P&L forecast

Rmb m	2015	2016	2017	2018e	2019e	2020e
Profit & loss						
Revenue	66,811	68,434	114,625	172,472	212,415	264,472
Smartphones	53,715	48,764	80,564	117,462	134,745	162,868
IoT and lifestyle products	8,691	12,415	23,448	37,455	52,884	68,064
Internet services	3,239	6,538	9,896	16,336	23,445	32,132
Advertising	1,821	3,838	5,614	10,667	16,534	24,802
IVAS	1,419	2,699	4,282	5,669	6,911	7,331
Others	1,166	717	717	1,219	1,341	1,408
Cost of sales	(64,111)	(61,185)	(99,471)	(150,678)	(183,204)	(224,417)
Gross profit	2,700	7,249	15,154	21,794	29,212	40,055
Gross margin	4.0%	10.6%	13.2%	12.6%	13.8%	15.1%
Operating expenses	(4,191)	(6,053)	(9,599)	(25,181)	(19,967)	(25,918)
Selling and marketing expenses	(1,913)	(3,022)	(5,232)	(7,934)	(10,196)	(13,224)
Administrative expenses	(766)	(927)	(1,216)	(11,728)	(2,549)	(3,438)
R&D expenses	(1,512)	(2,104)	(3,151)	(5,519)	(7,222)	(9,257)
EBIT	(1,491)	1,196	5,555	(3,387)	9,245	14,137
Fair value changes on investments	2,813	2,727	6,371	2,200	1,000	1,000
Share of losses of investments	(93)	(150)	(231)	(450)	(200)	(200)
Other income	522	540	449	850	300	300
Other (losses)/gains, net	(379)	(528)	72	(58)	-	-
Operating profit (reported)	1,373	3,785	12,215	(845)	10,345	15,237
Finance (expense)/income, net	(86)	(86)	27	163	262	352
Fair value changes of convertible redeemable preferred shares	(8,759)	(2,523)	(54,072)	12,461	-	-
PBT	(7,473)	1,176	(41,829)	11,780	10,606	15,589
Income tax expenses	(155)	(684)	(2,060)	(500)	(1,759)	(2,590)
(Loss)/profit for the year	(7,627)	492	(43,889)	11,280	8,848	12,999
Minority interest	(46)	(62)	(63)	(69)	(76)	(84)
Attributable profit	(7,581)	553	(43,826)	11,211	8,771	12,915
Adjustment	7,323	1,404	49,251	(3,272)	1,974	2,703
Adjusted net profit (non-IFRS)	(304)	1,896	5,362	8,008	10,822	15,702
Yoy growth %						
Total revenue		2%	67%	50%	23%	25%
Smartphones		-9%	65%	46%	15%	21%
IoT and lifestyle products		43%	89%	60%	41%	29%
Internet services		102%	51%	65%	44%	37%
Advertising		111%	46%	90%	55%	50%
IVAS		90%	59%	32%	22%	6%
Others		-39%	0%	70%	10%	5%
Gross profit		169%	109%	44%	34%	37%
(Loss)/profit for the year (reported)		na	na	na	-22%	47%
Adjusted net profit (non-IFRS)		na	183%	49%	35%	45%
Per share						
Basic EPS (IFRS)	(7.88)	0.51	(44.98)	0.50	0.39	0.58
Diluted EPS (IFRS)	(8)	1	(45)	0.50	0.39	0.57
Basic EPS (non-IFRS)	(0.31)	1.96	5.49	0.36	0.48	0.70
Diluted EPS (non-IFRS)	(0.31)	1.95	5.49	0.35	0.48	0.69

Source: Company data; AMTD estimates

Figure 14: Xiaomi key operating matrix

Operating matrix	2015	2016	2017	2018e	2019e	2020e
Revenue mix						
Smartphones	80.4%	71.3%	70.3%	68.1%	63.4%	61.6%
IoT and lifestyle products	13.0%	18.1%	20.5%	21.7%	24.9%	25.7%
Internet services	4.8%	9.6%	8.6%	9.5%	11.0%	12.1%
Advertising	2.7%	5.6%	4.9%	6.2%	7.8%	9.4%
IVAS	2.1%	3.9%	3.7%	3.3%	3.3%	2.8%
Others	1.7%	1.0%	0.6%	0.7%	0.6%	0.5%
Smartphone shipment (million)	67	55	91	122	137	161
yoy %		-17%	65%	33%	13%	17%
Smartphone ASP (Rmb)	807	880	881	965	980	1,013
yoy %		9.0%	0.2%	9.5%	1.6%	3.3%
IoT and lifestyle product sales per smartphone	131	224	257	308	385	423
yoy %		71.5%	14.5%	20.0%	25.0%	10.0%
IoT and lifestyle product sales per MIUI MAU	77	92	137	166	180	186
yoy %		18.9%	49.1%	21%	8%	3%
End-of-the-period MIUI MAUs (millions)	112	135	171	226	294	367
yoy %		20%	27%	32%	30%	25%
Internet ARPU (Rmb)	29	49	58	72	80	88
yoy %		68%	19%	25%	10%	10%
Gross margin for hardware (%)	-0.20%	4.40%	8.70%	7.1%	7.3%	7.7%
Gross margin for internet services segment (%)	64%	64%	60%	64%	65%	69%
Advertising	91%	86%	82%	82%	80%	80%
IVAS	30%	34%	32%	30%	30%	30%
Non-IFRS net margin (%)	-0.5%	2.8%	4.7%	4.6%	5.1%	5.9%
Operating margin (reported)	2.1%	5.5%	10.7%	-0.5%	4.9%	5.8%
Cash conversion cycle (days)	-20	-35	-38	-35	-35	-35

Source: Company data; AMTD estimates

Figure 15: Valuation comparison table (1) – Global smartphones and home appliance companies

Code	Company	Price		Mkt Cap (US\$ m)	PE (x)			EPS g (%)			P/S (x)		EV/EBITDA		EV/EBIT	
		Curr.	26-Feb		2018e	2019e	2020e	2018e	2019e	2020e	2019e	2020e	2018e	2019e	2018e	2019e
China smartphones & home appliances																
992 HK equity	Lenovo	HKD	7.1	11,036	na	19.1	15.3	(141.8)	387.4	25.0	0.2	0.2	12.7	6.9	32.8	11.1
000333 CH equity	Midea	CNY	47.4	46,910	15.3	13.7	12.0	17.1	11.9	13.9	1.1	1.0	11.8	10.6	14.3	12.9
000651 CH equity	Gree	CNY	44.9	40,351	9.9	9.5	8.6	22.2	4.1	10.5	1.4	1.2	5.8	6.1	6.3	6.9
600690 CH equity	Haier	CNY	16.5	15,540	13.6	12.3	10.8	8.5	10.3	13.3	0.5	0.5	9.0	8.0	11.8	10.4
000418 CH equity	Little Swan	CNY	56.0	4,939	20.2	17.3	14.6	16.4	16.6	18.2	1.3	1.1	16.7	14.1	18.2	15.5
1169 HK equity	Haier Electronics	HKD	23.2	8,160	14.3	11.2	11.1	12.8	27.4	1.2	0.6	0.5	8.1	7.2	9.1	8.3
000921 CH equity	Hisense Kelon	CNY	9.5	1,782	9.5	8.4	7.4	(32.4)	13.1	13.2	0.3	0.3	3.5	3.3	3.7	3.3
000521 CH equity	Mellling	CNY	3.7	556	20.4	17.6	27.0	496.8	16.2	(34.9)	0.2	0.2	na	na	na	na
Average					14.7	13.6	13.4	50.0	60.9	7.6	0.7	0.6	9.7	8.0	13.7	9.8
China kitchen & small appliance																
002508 CH equity	Robam	CNY	25.4	3,610	15.7	14.3	12.7	4.9	10.1	12.3	3.0	2.7	13.2	12.2	14.1	13.1
002035 CH equity	Vatti	CNY	10.8	1,432	14.0	11.7	9.7	32.3	19.7	20.3	1.3	1.2	9.8	9.3	10.6	9.7
002242 CH equity	Joyoung	CNY	17.7	2,055	18.2	16.3	14.1	9.2	11.9	15.8	1.5	1.3	15.6	13.1	15.8	13.2
002032 CH equity	Supor	CNY	59.6	7,488	30.5	25.4	21.4	24.8	20.2	18.5	2.4	2.1	24.1	20.2	26.1	21.9
603868 CH equity	Flyco	CNY	41.9	2,741	20.5	18.1	16.0	6.8	13.7	12.9	4.0	3.6	15.2	13.7	na	na
603355 CH equity	Kingclean	CNY	24.4	1,446	19.9	15.8	13.0	33.0	26.3	21.6	1.4	1.3	13.3	9.9	13.6	10.8
Average					19.3	16.6	15.9	82.2	22.4	9.3	1.8	1.6	14.4	12.4	15.6	13.1
China TV																
751 HK equity	Skyworth Digital	HKD	2.6	998	15.8	7.1	5.3	(59.9)	100.9	33.3	0.2	0.1	8.1	4.7	16.2	7.1
1070 HK equity	TCL Multimidea	HKD	3.9	1,161	9.5	8.1	7.3	(13.6)	17.1	10.8	0.2	0.2	2.7	2.4	3.3	2.8
600060 CH equity	Hisense	CNY	9.6	1,900	12.4	10.0	9.3	8.3	24.7	6.9	0.3	0.3	13.8	8.7	11.4	8.8
Average					18.3	14.7	12.8	11.4	29.6	16.1	1.5	1.3	13.4	10.7	14.6	11.1
Global automation																
6954 JP equity	Faunc	JPY	19,080.0	34,816	19.9	24.8	31.0	42.5	(18.8)	(20.2)	6.1	6.4	12.1	16.0	14.0	20.4
6506 JP equity	Yaskawa Electric	JPY	3,350.0	7,910	21.6	19.5	22.2	95.0	12.9	(12.2)	1.8	1.8	12.8	12.9	15.7	16.5
KU2 GR equity	KUKA	EUR	61.4	2,779	42.3	24.2	19.2	(34.8)	75.2	26.2	0.7	0.7	8.2	na	na	na
ABB US equity	ABB	USD	20.5	44,404	19.4	16.0	14.8	na	21.1	8.4	1.3	1.3	12.5	10.4	18.1	14.2
300024 CH equity	Siasun Robotics	CNY	16.6	3,861	48.7	40.6	33.6	22.7	20.0	20.8	7.2	5.9	43.0	35.8	57.6	52.0
Average					24.0	19.7	18.8	18.8	22.7	7.1	2.4	2.2	14.8	13.8	19.2	18.0
Global smartphones & home appliances																
AAPL US equity	Apple	USD	174.3	822,015	14.8	15.2	13.5	28.9	(3.2)	12.6	3.2	3.1	8.5	9.2	10.3	10.9
005930 KS equity	Samsung Electronics	KRW	46,750.0	250,526	7.0	10.1	8.6	14.8	(36.6)	17.0	1.2	1.1	2.4	3.2	3.4	5.3
066570 KS equity	LG Electronics	KRW	70,500.0	10,572	8.2	9.4	7.5	(28.1)	1.6	24.9	0.2	0.2	4.2	4.4	6.8	8.0
6758 JP equity	Sony	JPY	5,331.0	62,020	14.0	8.8	11.9	568.7	58.4	(26.1)	0.8	0.8	5.7	5.0	8.3	7.1
6752 JP equity	Panasonic	JPY	1,037.0	23,113	11.9	9.8	10.0	57.3	5.1	(2.5)	0.3	0.3	4.8	4.3	8.5	7.4
WHR US equity	Whirlpool	USD	143.3	9,108	9.8	9.8	8.7	10.3	(3.7)	13.1	0.4	0.4	7.3	7.3	10.9	10.6
ELUXB SS equity	Electrolux	SEK	242.1	8,055	15.2	14.6	12.3	(16.2)	(1.0)	18.4	0.6	0.6	7.2	6.9	11.7	11.4
AOS US equity	AO Smith	USD	52.8	8,862	20.5	19.5	17.8	20.3	3.9	9.7	2.7	2.6	13.1	12.7	14.9	14.1
SK FP equity	SEB	EUR	139.8	7,980	16.8	14.8	13.3	3.3	13.2	11.3	1.0	0.9	10.8	9.9	13.8	12.7
5947 JP equity	Rinnai	JPY	7,450.0	3,468	16.9	18.8	17.4	(4.4)	(3.7)	8.2	1.1	1.1	5.8	6.0	7.6	7.6
Average					13.4	12.8	11.9	69.6	4.1	8.2	0.9	0.9	6.8	6.6	9.5	9.4

Priced as of 26 Feb 2019; Source: Bloomberg, company data, AMTD estimates

Figure 16: Valuation comparison table (2) – Global internet companies

Code	Company	Price		Mkt Cap (US\$ m)	Non-GAAP					P/S (x)		EV/EBITDA	
		Curr.	1/3/2019		PE (x)		EPS 3yr%	PE/G (x)		2019e	2020e	2018e	2019e
					2018e	2019e		2018e-2020e	2018e				
China Internet													
BABA US equity	Alibaba	USD	183.5	475,769	36.7	34.2	26.4%	1.8	1.7	8.5	6.2	29.1	26.0
700 HK equity	Tencent	HKD	343.0	414,330	34.7	29.5	29.4%	2.2	1.9	6.9	5.5	24.0	20.9
BIDU US equity	Baidu	USD	162.0	56,460	16.7	17.4	17.5%	1.0	1.0	3.2	2.7	12.6	13.8
JD US equity	JD.com	USD	26.6	38,470	112.0	53.8	48.9%	1.7	0.8	0.5	0.4	65.9	37.1
NTES US equity	Netease	USD	224.8	29,527	23.2	20.8	21.0%	na	na	2.4	2.0	18.7	14.9
CTRP US equity	Ctrip	USD	34.2	18,641	30.6	30.1	35.7%	0.9	0.9	3.4	2.9	34.8	28.4
WB US equity	Weibo	USD	74.3	16,569	28.0	24.5	39.2%	0.9	0.8	8.0	6.6	24.6	20.8
WUBA US equity	58.com	USD	73.3	10,857	27.1	23.1	31.7%	0.7	0.6	4.6	3.9	24.0	19.1
ATHM US equity	Autohome	USD	90.3	10,606	24.7	20.8	22.3%	na	na	8.2	6.8	20.8	17.0
SINA US equity	Sina	USD	68.8	4,919	22.9	19.5	45.3%	na	na	2.0	1.6	8.0	6.5
YY US equity	YY	USD	70.6	4,482	10.0	9.2	18.4%	0.5	0.4	1.6	1.4	6.1	5.0
VIPS US equity	Vipshop	USD	7.2	4,771	12.0	11.2	28.7%	na	na	0.4	0.3	7.4	6.3
2858 HK equity	Yixin	HKD	2.2	1,802	38.6	14.6	122.6%	na	na	1.9	1.5	76.8	29.1
MOMO US equity	Momo	USD	34.6	7,138	14.9	12.5	24.4%	0.5	0.4	3.0	2.5	11.9	9.6
BITA US equity	Bitauto	USD	18.5	1,344	13.8	11.8	29.3%	na	na	0.7	0.6	29.7	21.3
FANG US equity	Fang	USD	105.5	17,344	16.1	14.4	46.9%	1.0	0.9	4.2	3.1	13.8	7.0
BZUN US equity	Baozun	USD	38.5	2,199	40.8	25.3	48.2%	97.1	60.2	2.0	1.6	30.7	19.1
Average					29.6	21.9	37.4%	9.8	6.3	3.6	2.9	25.8	17.7
Average ex-Tencent					29.3	21.5	37.9%	10.5	6.7	3.4	2.8	25.9	17.6
Leading global Internet													
FB US equity	Facebook	USD	164.1	468,425	19.3	18.6	13.8%	0.9	0.8	6.8	5.6	13.0	11.8
GOOGL US equity	Google	USD	1,122.0	777,443	20.7	20.6	14.2%	1.4	1.4	5.9	5.0	13.3	11.4
AMZN US equity	Amazon	USD	1,636.4	803,804	56.8	44.9	35.2%	1.5	1.2	2.9	2.5	24.5	19.3
Average					32.3	28.0	21.1%	1.3	1.1	5.2	4.4	16.9	14.2

Priced as of 26 Feb 2019; Source: Bloomberg, company data, AMTD estimates

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