

Xiaomi Corporation

2Q20: weathered through the pandemic, raising FY21E on back of share gain opportunity; PT to HK\$24.4

Weathered through the pandemic, Reiterate Buy and raise PT to HK\$24.4

Xiaomi reported solid 2Q results amid COVID-19. Total revenue was RMB53.5bn, up 7.7% QoQ/3.1% YoY. The recovery of China market offset the impact from lockdowns in other markets, such as India and Europe. S&M expense ratio increased to 6.0% in 2Q vs 5.3% in 1Q, reflecting the marketing efforts for its 5G and premium smartphone models. Non-IFRS net profit came in at RMB3.4bn, up 46.6% QoQ. We reiterate Buy on Xiaomi with NT upside from :1) smartphone market share gain from Huawei ban; 2) momentum gaining from econ recovery; and LT potential from: 1) smartphone x AIoT strategy; 2) diversified monetization in internet services. We raise Xiaomi's revenue/adj. EPS by 3.5%/10.9% to RMB323bn/RMB0.61/sh in FY21E from prev. ets. By applying 36x P/E (~0.9x PEG in FY20/21E), we derive our new PT of HK\$24.4/sh vs. prior HK\$22.0/sh.

Smartphone: raised FY21E shipment FCST on back of share gain opportunity

Xiaomi reported smartphone shipment of 28.3mn units in 2Q, down 11.8% YoY, primarily due to the lockdowns in India where Xiaomi's shipment was down 48.7% YoY. However, according to Canalys, Xiaomi smartphone shipments grew by 64.9% YoY in Europe, achieving a total market share of 16.8%, and ranking top 3. As escalated tension between Huawei and US, we expect Xiaomi could continuously gain market share both in Europe and China markets. Coupled with econ recovery, we raised Xiaomi smartphone shipment forecast to 169mn units in FY21E. On the other hand, as Xiaomi strengthened its position in premium segment, smartphone ASP increased by 12% YoY to RMB1,118 in 2Q. As a result, smartphone revenue came in RMB31.6bn, up 4.3% YoY in 2Q. Meanwhile, with entry level product – Redmi 9A series and more affordable 5G products to be launched in second half, we expect gross margin to remain at current level but opex ratio will climb in FY20E due to the rising R&D expense.

IoT & lifestyle: gradually recovering from the pandemic

This segment reported revenue of RMB15.3bn, recovered sequentially by 17.5%, but YoY growth remained weak at 2.1%. Revenue from smart TVs and laptops decreased by 12.2% YoY to RMB4.8bn in 2Q, mainly due to the lower sales activity caused by the pandemic and the lack of new laptop products. TV shipment was 2.8mn units in 2Q, achieving YoY growth despite a decline in the overall TV market. No. of AIoT platform devices continued to grow strongly by 38.3% YoY to 271mn units as of 2Q. The sector was gradually recovering as we saw demand of certain IoT products, such as robot vacuum cleaners and routers was growing.

Internet services: monetization diversification in progress

Internet services revenue grew by 29.0% YoY to RMB5.9bn in 2Q. Advertising/online game revenue was up 23.2% YoY/54.5% YoY, respectively, thanks to the recovery in China market. MIUI MAU increased by 23.3% YoY to 343.5mn with an ARPU of RMB17.2. Xiaomi continues its effort in monetization diversification. TV internet services revenue grew robustly with MAU of smart TVs and Mi Box reached 32.0mn in Jun, up 41.8% YoY. With the easing of the pandemic in overseas markets and new additions in TV MAU, internet services will gain growth momentum, in our view.

Risks

Key risks to our PT include: 1) prolonged COVID-19 pandemic; 2) longer-than-expected smartphone replacement cycle; 3) weaker-than-expected internet user acquisitions.

Stock code: 1810.HK

Rating: Buy

Price target (HK\$)	24.4
Previous price target (HK\$)	22.0
Current price (HK\$, 26 Aug 2020)	19.2
Upside/downside %	27%
Market cap (HK\$ m)	461,904
Market cap (US\$ m)	59,599
Avg daily turnover (HK\$ m)	2,037

Source: Bloomberg, AMTD Research

Key forecasts

(Rmb m)	2019	2020e	2021e
Non-IFRS net profit	11,532	10,506	15,141
yoy %	35%	-9%	44%
Revenue	205,839	242,769	323,272
yoy %	18%	18%	33%
Smartphone shipment (m)	125	136	169
yoy %	5%	9%	25%
Gross margin	13.9%	14.4%	14.5%
Non-IFRS net margin	5.6%	4.3%	4.7%
EPS	0.47	0.44	0.61

Source: Company data, AMTD Research estimates

Valuation

	2019	2020e	2021e
P/E (adjusted)	37.1	40.1	28.7
P/S	2.0	1.7	1.3
ROE	15.1%	12.0%	15.0%
ROA	7.0%	5.7%	6.9%

Source: Bloomberg, AMTD Research estimates

Share price performance



Source: Bloomberg

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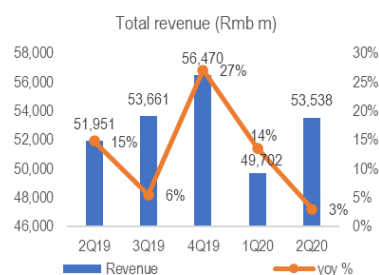
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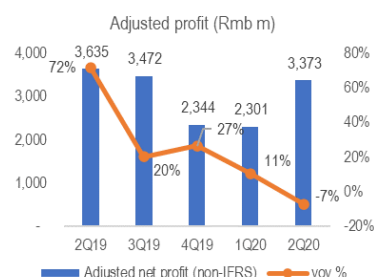
Focus charts

Figure 1: Revenue grew by 3% YoY in 2Q20



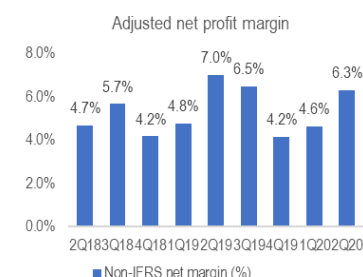
Source: Company data

Figure 2: Xiaomi non-IFRS net profit declined by 7%



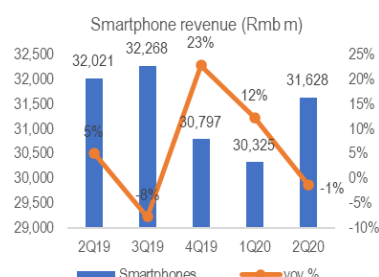
Source: Company data

Figure 3: Xiaomi non-IFRS net margin expanded to 6.3% in 1Q20



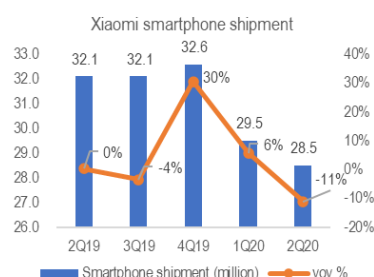
Source: Company data

Figure 4: Smartphone revenue kept flat in 2Q20



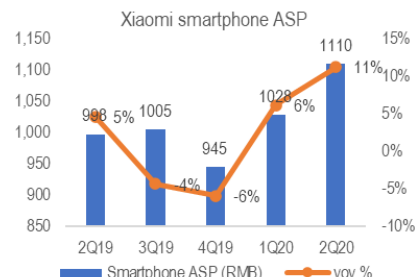
Source: Company data

Figure 5: Smartphone shipment decline due to the lockdowns



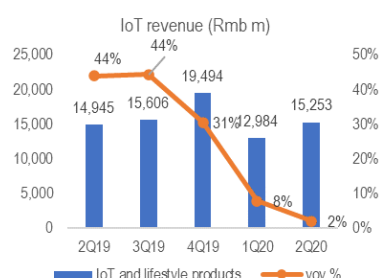
Source: Company data

Figure 6: Xiaomi smartphone ASP increased strongly by 11% YoY



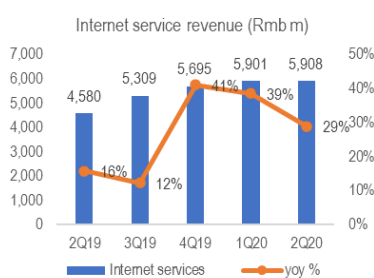
Source: Company data

Figure 7: IoT and life style revenue slightly grew 2% YoY



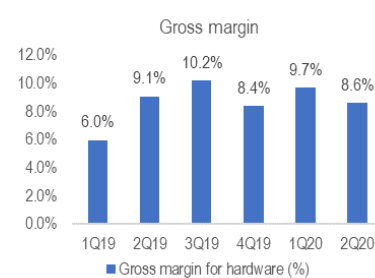
Source: Company data

Figure 8: Internet service revenue kept momentum



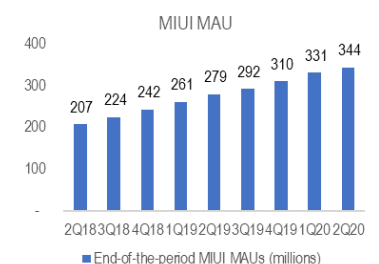
Source: Company data

Figure 9: Overall hardware gross margin expanded strongly



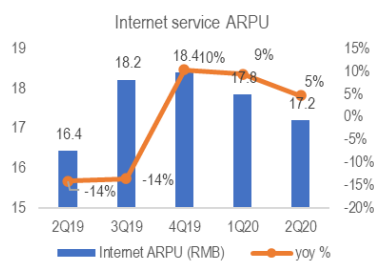
Source: Company data

Figure 10: MIUI MAU continued to expand



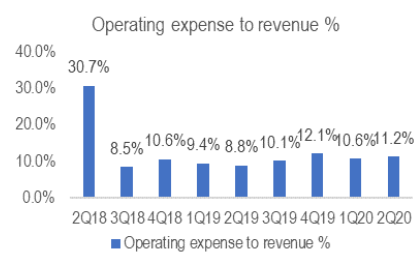
Source: Company data

Figure 11: Xiaomi internet service ARPU was RMB 17.2 in 2Q20



Source: Company data

Figure 12: Operating efficiency was maintained at a high level



Source: Company data

Figure 13: Xiaomi's quarterly P&L

Rmb m	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Profit & loss									
Revenue	45,235	50,846	44,421	43,757	51,951	53,661	56,470	49,702	53,538
Smartphones	30,501	34,983	25,077	27,009	32,021	32,268	30,797	30,325	31,628
IoT and lifestyle products	10,379	10,805	14,937	12,043	14,945	15,606	19,494	12,984	15,253
Internet services	3,958	4,729	4,037	4,257	4,580	5,309	5,695	5,901	5,908
Advertising	2,500	3,200	2,526	2,283	2,485	2,912	2,976	2,661	3,062
IVAS	1,458	1,529	1,509	1,975	2,095	2,397	2,719	3,239	2,846
Others	397	330	370	448	405	477	484	493	750
Cost of sales	(39,584)	(44,269)	(38,760)	38,541)	(44,692)	(45,425)	(48,626)	(42,144)	(45,836)
Gross profit	5,652	6,578	5,661	5,216	7,258	8,236	7,844	7,559	7,701
Gross margin	12.5%	12.9%	12.7%	11.9%	14.0%	15.3%	13.9%	15.2%	14.4%
Operating expenses	(13,896)	(4,305)	(4,696)	(4,127)	(4,575)	(5,414)	(6,859)	(5,277)	(6,018)
Selling and marketing expenses	(2,076)	(2,187)	(2,328)	(1,845)	(2,295)	(2,537)	(3,701)	(2,625)	(3,224)
Administrative expenses	(10,457)	(583)	(594)	(632)	(724)	(844)	(905)	(782)	(836)
R&D expenses	(1,364)	(1,534)	(1,775)	(1,651)	(1,556)	(2,033)	(2,253)	(1,871)	(1,958)
EBIT	(8,244)	2,273	965	1,088	2,684	2,823	985	2,281	1,683
Fair value changes on investments	527	65	2,075	2,633	(671)	33	1,819	348	2,366
Share of losses of investments	(129)	(184)	(318)	(145)	(12)	(241)	(274)	131	893
Other income	207	259	220	60	406	448	351	74	183
Other (losses)/gains, net	47	(202)	271	(22)	(71)	50	(183)	(510)	288
PBT	14,908	2,364	3,344	3,717	2,434	3,295	2,717	2,454	4,868
Income tax expenses	(276)	117	48	(525)	(479)	(775)	(280)	(294)	(374)
(Loss)/profit for the year	14,633	2,481	3,392	3,192	1,955	2,519	2,436	2,160	4,493
Minority interest	(19)	(18)	(17)	66	4	(6)	(5)	(4)	(5)
Attributable profit	14,651	2,499	3,409	3,126	1,952	2,525	2,441	2,163	4,498
Adjusted net profit (non-IFRS)	2,117	2,885	1,853	2,081	3,635	3,472	2,344	2,301	3,373
YoY growth %									
Total revenue					15%	6%	27%	14%	3%
Smartphones					5%	-8%	23%	12%	-1%
IoT and lifestyle products					44%	44%	31%	8%	2%
Internet services					16%	12%	41%	39%	29%
Advertising					-1%	-9%	18%	17%	23%
IVAS					44%	57%	80%	64%	36%
Others					2%	45%	31%	10%	85%
Gross profit					28%	25%	39%	45%	6%
Adjusted net profit (non-IFRS)					72%	20%	27%	11%	-7%

Source: Company data; AMTD research

Figure 14: Xiaomi's P&L forecast

Rmb m	2016	2017	2018	2019	2020E	2021E
Profit & loss						
Revenue	68,434	114,625	174,915	205,839	242,769	323,272
Smartphones	48,764	80,564	113,800	122,095	140,646	187,100
IoT and lifestyle products	12,415	23,448	43,817	62,088	74,606	100,417
Internet services	6,538	9,896	15,956	19,842	25,612	33,755
Advertising	3,838	5,614	10,100	10,655	12,363	17,926
IVAS	2,699	4,282	5,853	9,186	13,249	15,829
Others	717	717	1,343	1,814	1,905	2,000
Cost of sales	(61,185)	(99,471)	(152,723)	(177,285)	(207,846)	(276,548)
Gross profit	7,249	15,154	22,192	28,554	34,922	46,724
Gross margin	10.6%	13.2%	12.7%	13.9%	14.4%	14.5%
Operating expenses	(6,053)	(9,599)	(25,869)	(20,975)	(24,034)	(30,388)
Selling and marketing expenses	(3,022)	(5,232)	(7,993)	(10,378)	(10,925)	(14,547)
Administrative expenses	(927)	(1,216)	(12,099)	(3,104)	(3,156)	(4,526)
R&D expenses	(2,104)	(3,151)	(5,777)	(7,493)	(9,954)	(11,315)
EBIT	1,196	5,555	(3,677)	7,580	10,888	16,336
Fair value changes on investments	2,727	6,371	4,430	3,813	1,000	1,000
Share of losses of investments	(150)	(231)	(615)	(672)	(200)	(200)
Other income	540	449	845	1,266	300	300
Other (losses)/gains, net	(528)	72	213	(226)	-	-
PBT	1,176	(41,829)	13,927	12,163	12,340	17,943
Income tax expenses	(684)	(2,060)	(449)	(2,060)	(1,798)	(2,615)
(Loss)/profit for the year	492	(43,889)	13,478	10,103	10,542	15,327
Minority interest	(62)	(63)	(76)	59	65	71
Attributable profit	553	(43,826)	13,554	10,044	10,478	15,256
Adjusted net profit (non-IFRS)	1,896	5,362	8,555	11,532	10,506	15,141
Yoy growth %						
Total revenue	2%	67%	53%	18%	18%	33%
Smartphones	-9%	65%	41%	7%	15%	33%
IoT and lifestyle products	43%	89%	87%	42%	20%	35%
Internet services	102%	51%	61%	24%	29%	32%
Advertising	111%	46%	80%	5%	16%	45%
IVAS	90%	59%	37%	57%	44%	19%
Others	-39%	0%	87%	35%	5%	5%
Gross profit	169%	109%	46%	29%	22%	34%
(Loss)/profit for the year (reported)	na	na	na	-25%	4%	45%
Adjusted net profit (non-IFRS)	na	183%	60%	35%	-9%	44%

Source: Company data; AMTD Research estimates

Figure 15: Xiaomi key operating matrix

Operating matrix	2016	2017	2018	2019	2020E	2021E
Revenue mix						
Smartphones	71.3%	70.3%	65.1%	59.3%	57.9%	57.9%
IoT and lifestyle products	18.1%	20.5%	25.1%	30.2%	30.7%	31.1%
Internet services	9.6%	8.6%	9.1%	9.6%	10.5%	10.4%
Advertising	5.6%	4.9%	5.8%	5.2%	5.1%	5.5%
IVAS	3.9%	3.7%	3.3%	4.5%	5.5%	4.9%
Others	1.0%	0.6%	0.8%	0.9%	0.8%	0.6%
Smartphone shipment (million)	55	91	119	125	136	169
yoy %	-17%	65%	30%	5%	9%	25%
Smartphone ASP (Rmb)	880	881	959	980	1,036	1,106
yoy %	9.0%	0.2%	8.8%	2.2%	5.7%	6.7%
IoT and lifestyle product sales per smartphone	224	257	308	486	550	594
yoy %	71.5%	14.5%	20.0%	58.0%	13.0%	8.0%
IoT and lifestyle product sales per MIUI MAU	92	137	181	196	194	218
yoy %	18.9%	49.1%	31.8%	8%	-1%	12%
End-of-the-period MIUI MAUs (millions)	135	171	242	310	384	460
yoy %	20%	27%	42%	28%	24%	20%
Internet ARPU (Rmb)	49	58	66	64	67	73
yoy %	68%	19%	14%	-3%	4%	10%
Gross margin for hardware (%)	4.40%	8.70%	7.33%	8.5%	9.4%	9.2%
Gross margin for internet services segment (%)	64%	60%	64%	65%	57%	59%
Advertising	86%	82%	82%	82%	80%	80%
IVAS	34%	32%	30%	30%	35%	35%
Non-IFRS net margin (%)	2.8%	4.7%	4.9%	5.6%	4.3%	4.7%
Operating margin (reported)	5.5%	10.7%	0.7%	5.7%	4.9%	5.4%
Cash conversion cycle (days)	-35	-38	-36	-34	-35	-35
Operating expense to revenue %	8.8%	8.4%	14.8%	10.2%	9.9%	9.4%
Net cash/ (net debt)	9,663	8,986	28,794	47,821	34,112	39,155

Source: Company data; AMTD Research estimates

Figure 16: Valuation comparison table (1) – Global smartphone and home appliance companies

Code	Company	Price		Mkt Cap (US\$ m)	PE (x)			EPS g (%)			P/S (x)			EV/EBITDA			EV/EBIT		
		Curr.	26-Aug		2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e
China smartphones & home appliances																			
992 HK equity	Lenovo	HKD	5.0	7,751	12.9	12.2	9.9	168.7	13.0	14.8	0.2	0.2	0.1	5.2	4.6	4.0	8.9	7.0	6.3
000333 CH equity	Midea	CNY	69.3	70,656	20.0	19.5	16.8	16.9	(1.5)	16.5	1.7	1.8	1.6	15.8	15.5	13.5	18.9	18.7	16.0
000651 CH equity	Gree	CNY	53.4	46,651	12.4	14.9	12.2	(5.7)	(12.7)	22.5	1.6	1.8	1.6	7.8	9.3	7.7	8.3	10.2	8.2
600690 CH equity	Haier	CNY	22.6	21,830	16.7	19.0	16.6	6.3	(7.7)	14.7	0.8	0.8	0.7	13.2	13.7	11.4	17.4	19.3	15.0
1169 HK equity	Haier Electronics	HKD	28.1	10,213	14.1	18.7	15.7	80.1	(45.4)	19.1	0.9	0.9	0.9	10.4	11.6	9.6	11.8	13.5	11.3
000921 CH equity	Hisence Kelon	CNY	14.7	2,578	12.9	14.6	12.1	n.a.	(19.0)	20.0	0.5	0.4	0.4	21.0	8.3	6.9	12.2	11.4	9.5
000521 CH equity	Meiling	CNY	3.3	457	32.6	65.2	36.2	45.9	(7.4)	80.0	0.2	0.2	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average					17.4	23.4	17.1	52.0	(11.5)	26.8	0.8	0.9	0.8	12.2	10.5	8.9	12.9	13.4	11.1
China kitchen & small appliance																			
002508 CH equity	Robam	CNY	40.2	5,540	24.0	22.6	19.9	8.4	6.0	13.7	4.9	4.7	4.1	19.4	18.5	16.1	21.4	19.7	17.2
002035 CH equity	Vatti	CNY	11.2	1,418	12.8	13.2	11.4	9.9	-	15.5	1.7	1.7	1.5	9.7	9.9	8.4	10.3	9.9	9.2
002242 CH equity	Joyoung	CNY	40.7	4,530	37.9	34.1	29.0	8.1	11.6	17.5	3.3	3.0	2.6	32.8	29.7	25.3	35.3	32.0	26.5
002032 CH equity	Supor	CNY	80.9	9,648	34.4	34.5	29.2	14.9	0.0	18.2	3.3	3.4	2.9	27.2	27.3	23.0	29.1	31.3	25.9
603868 CH equity	Flyco	CNY	57.7	3,650	32.4	35.6	31.8	(19.1)	3.3	12.0	6.4	6.7	6.2	24.0	25.4	22.4	27.1	27.6	25.6
603355 CH equity	Kingclean	CNY	28.3	1,650	22.8	22.2	20.0	19.0	2.0	11.0	1.9	2.1	1.9	14.4	14.2	12.8	18.4	19.5	17.7
Average					27.4	27.0	23.5	6.9	3.8	14.6	3.6	3.6	3.2	21.2	20.8	18.0	23.6	23.3	20.4
China TV																			
751 HK equity	Skyworth Digital	HKD	2.7	1,047	11.9	8.5	7.4	55.8	11.0	15.2	0.2	0.2	0.2	5.5	4.8	4.9	n.a.	n.a.	n.a.
1070 HK equity	TCL Multimidea	HKD	5.8	1,789	8.8	12.1	10.1	127.9	(41.9)	19.1	0.3	0.3	0.2	3.5	4.8	4.2	3.2	6.1	5.4
600060 CH equity	Hisence	CNY	14.7	2,790	51.7	26.5	21.6	41.7	30.4	22.7	0.5	0.6	0.5	13.6	13.8	11.7	n.a.	n.a.	n.a.
Average					24.1	15.7	13.1	75.1	(0.2)	19.0	0.3	0.3	0.3	7.5	7.8	6.9	3.2	6.1	5.4
Global automation																			
6954 JP equity	Faunc	JPY	18,830.0	35,838	24.5	51.0	61.7	(15.3)	(52.0)	(20.1)	6.0	7.4	8.1	16.5	24.5	28.2	21.0	37.7	46.9
6506 JP equity	Yaskawa Electric	JPY	3,785.0	9,560	22.7	64.3	62.2	4.4	n.a.	n.a.	2.1	2.5	2.7	15.7	29.0	27.1	20.0	49.3	46.7
KU2 GR equity	KUKA	EUR	37.0	1,741	52.9	n.a.	n.a.	(19.7)	(609.3)	67.7	0.5	0.5	0.5	9.7	28.0	14.0	43.0	n.a.	n.a.
ABB US equity	ABB	USD	26.2	56,740	24.9	28.0	22.7	n.a.	n.a.	23.4	2.0	2.2	2.1	23.9	20.2	16.3	21.0	32.2	21.8
300024 CH equity	Siasun Robotics	CNY	16.1	3,643	58.1	76.6	64.8	(34.7)	11.7	18.1	7.9	8.7	7.6	45.0	61.4	52.8	56.4	101.5	78.4
Average					36.6	55.0	52.9	(16.3)	(216.5)	22.3	3.7	4.3	4.2	22.2	32.6	27.7	32.3	55.2	48.5
Global smartphones & home appliances																			
AAPL US equity	Apple	USD	506.1	2,163,856	43.3	39.3	33.6	0.1	8.5	17.0	8.4	7.9	7.0	27.6	27.0	23.6	34.3	32.2	27.3
005930 KS equity	Samsung Electronics	KRW	56,400.0	281,575	17.3	15.2	10.9	(56.9)	16.2	39.1	1.4	1.4	1.3	4.5	4.0	3.3	9.0	7.6	5.4
066570 KS equity	LG Electronics	KRW	87,900.0	12,165	18.1	10.7	9.0	(97.5)	4,191.2	18.9	0.2	0.2	0.2	4.5	4.3	4.0	8.6	8.8	7.8
6758 JP equity	Sony	JPY	8,571.0	102,065	13.1	18.2	21.5	86.3	(34.8)	(15.4)	1.3	1.3	1.3	7.6	7.5	8.6	11.3	11.3	14.1
6752 JP equity	Panasonic	JPY	963.7	22,337	9.3	11.6	22.5	20.4	(20.6)	(55.7)	0.3	0.3	0.4	4.6	5.0	7.3	8.0	10.1	18.2
WHR US equity	Whirlpool	USD	179.9	11,209	11.7	14.0	11.5	5.5	(19.6)	21.5	0.5	0.6	0.6	8.2	9.4	8.3	12.1	14.4	12.0
ELUXB SS equity	Electrolux	SEK	190.3	6,739	13.6	28.7	14.6	(20.5)	(50.4)	97.3	0.5	0.5	0.5	6.0	8.6	6.3	10.8	24.5	11.8
AOS US equity	AO Smith	USD	49.5	7,987	21.9	27.4	22.0	(14.9)	(18.6)	24.5	2.6	2.9	2.7	13.7	16.3	13.8	n.a.	19.6	15.7
SK FP equity	SEB	EUR	147.8	8,798	17.6	25.2	17.6	(1.7)	(32.5)	43.4	1.0	1.1	1.0	10.6	12.8	10.6	13.9	21.4	16.8
5947 JP equity	Rinnai	JPY	9,790.0	4,767	25.5	24.1	24.8	(2.9)	5.3	(5.7)	1.4	1.5	1.5	8.4	8.1	8.3	n.a.	n.a.	n.a.
Average					19.1	21.4	18.8	(8.2)	404.5	18.5	1.8	1.8	1.7	9.6	10.3	9.4	13.5	16.6	14.3

Priced as of 26 Aug 2020; Source: Bloomberg, company data

Figure 17: Valuation comparison table (2) – Global internet companies

Code	Company	Price		Mkt Cap (US\$ m)	Non-GAAP								P/S (x)			EV/EBITDA		
					PE (x)			EPS 3yr%	PE/G (x)									
		Curr.	26-Aug		2019	2020e	2021e		2019-2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e
China Internet																		
BABA US equity	Alibaba	USD	292.0	789,938	54.8	40.6	32.1	30.7%	3.0	2.2	1.8	14.5	10.8	8.1	42.8	33.7	17.0	
700 HK equity	Tencent	HKD	551.5	681,838	49.6	38.6	31.0	26.5%	2.2	1.7	1.4	12.5	9.8	8.0	35.2	27.1	17.3	
BIDU US equity	Baidu	USD	127.5	43,935	20.3	17.0	14.3	19.0%	0.5	0.5	0.4	2.8	2.9	2.5	14.9	10.7	6.6	
JD US equity	JD.com	USD	80.4	125,002	77.9	51.1	36.1	47.0%	1.8	1.2	0.8	1.5	1.2	1.0	54.8	35.7	14.6	
NTES US equity	Netease	USD	514.0	71,039	31.4	27.2	24.1	14.0%	33.0	28.6	25.4	7.7	6.7	5.8	26.1	21.7	11.6	
CTRP US equity	Ctrip	USD	28.6	16,962	21	n.a.	24	-5.6%	1.5	n.a.	1.6	3	6	4	22	n.a.	13	
WB US equity	Weibo	USD	36.2	8,198	13.3	17.7	14.2	-3.2%	1.6	2.1	1.7	4.6	4.9	4.4	11.3	14.5	9.8	
WJBA US equity	58.com	USD	55.7	8,351	14.6	13.6	13.3	4.6%	n.a.	n.a.	n.a.	3.7	3.6	3.1	14.4	11.5	9.1	
ATHM US equity	Autohome	USD	84.3	10,039	21.3	20.0	17.7	9.8%	1.2	1.1	1.0	8.2	8.0	7.1	16.6	14.8	11.1	
SINA US equity	Sina	USD	41.0	2,681	14.1	17.3	13.4	2.7%	n.a.	n.a.	n.a.	1.3	1.3	1.1	5.8	7.3	4.5	
YY US equity	YY	USD	92.0	7,437	23.0	25.9	17.5	14.7%	n.a.	n.a.	n.a.	2.0	2.1	1.8	21.8	17.2	3.9	
VIPS US equity	Vipshop	USD	17.2	11,600	18.0	14.0	11.7	23.7%	n.a.	n.a.	n.a.	0.9	0.8	0.7	12.0	9.5	7.1	
2858 HK equity	Yixin	HKD	2.0	1,604	17.5	n.a.	33.3	-27.5%	n.a.	n.a.	n.a.	n.a.	2.9	2.5	n.a.	n.a.	92.4	
MOMO US equity	Momo	USD	21.0	4,379	7.5	9.1	7.0	3.8%	0.6	0.7	0.6	1.8	1.8	1.6	4.9	5.2	4.0	
BITA US equity	Bitauto	USD	15.8	1,123	14.9	n.a.	36.1	-35.7%	n.a.	n.a.	n.a.	0.7	0.8	0.7	22.9	n.a.	15.2	
FANG US equity	Fang	USD	39.4	6,217	6.2	16.9	12.7	-30.3%	0.3	0.9	0.7	1.6	2.0	1.9	4.4	6.3	4.6	
BZUN US equity	Baozun	USD	42.2	2,661	46.0	32.2	22.9	41.9%	131.5	92.1	65.3	2.5	2.0	1.6	37.4	24.3	12.9	
Average					26.6	24.4	21.2	8.0%	16.1	13.1	9.2	4.4	4.0	3.3	21.7	17.1	15.0	
Average ex-Tencent					25.2	23.4	20.7	6.9%	17.4	14.3	9.9	3.8	3.6	3.0	20.8	16.4	14.9	
Leading global Internet																		
FB US equity	Facebook	USD	303.9	865,784	33.3	34.2	27.3	13.8%	1.4	1.4	1.4	12.3	10.8	8.7	20.5	20.5	8.6	
GOOGL US equity	Google	USD	1,644.1	1,121,220	27.3	31.9	25.3	14.2%	1.7	1.7	1.7	8.5	7.9	6.6	17.0	17.3	9.2	
AMZN US equity	Amazon	USD	3,441.9	1,723,987	105.9	74.4	58.0	35.2%	3.3	3.3	3.3	6.2	4.7	4.0	41.3	32.1	15.7	
Average					55.5	46.8	36.9	21.1%	2.1	2.1	2.1	9.0	7.8	6.4	26.3	23.3	11.2	

Priced as of 26 Aug 2020; Source: Bloomberg, company data, AMTD research

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