

Xiaomi Corporation

Impressive smartphone sales, HW margin expanding, and upbeat outlook on overseas market, PT to HK\$35.0

Strong results with margin expanding, reiterate Buy with PT lifted to HK\$35.0

Xiaomi reported strong Q3 results. Total revenue reached a record high of RMB72.2bn, up 34.8% QoQ/34.5% YoY, driven by impressive smartphone sales and HW strength in the overseas market, where revenue accounted for 55.2% of the total. Smartphone and IoT gross margin increased 1.2ppts and 2.8ppts sequentially to 8.4% and 14.2% in Q3, thanks to improving manufacturing efficiency and revenue mix shift to overseas market. Opex ratio declined to 9.4% in Q3 compared to 11.2% in Q2 and 10.1% in Q3 last year. Non-IFRS net profit came in at RMB4.1bn, up 22.4% QoQ/18.9% YoY. We reiterate Buy on Xiaomi with upside from: 1) well positioned in 5G cycle with proved successful dual brand strategy; 2) upbeat outlook on overseas smartphone and IoT markets; 3) launch of new fintech business with cross-sector synergies. We raise our EPS forecasts to RMB0.49/sh and RMB0.66/sh in FY20E and FY21E (vs. prev. RMB0.44/sh and RMB0.61/sh), respectively. By applying its historical high of 45x P/E on FY21E, our new PT is HK\$35.0 (vs. prev. HK\$30.5).

Smartphone: successful dual brand strategy paved the way for 5G cycle

Xiaomi smartphone shipment regained top 3 globally in Q3, with a total shipment growing by 42.2% YoY to 46.6mn units. The revenue grew by 50.5% QoQ/47.5% YoY to RMB47.6bn. The strength was driven by: 1) Indian market – Xiaomi led the market with 13.5mn units in shipments with a market share of 25% (online market share of 35%); 2) Western Europe – shipment increased by 107.3% YoY, achieving a market share of 13.3%. Xiaomi's dual brand strategy played out well as its premium brand – Mi and mass-market brand – Redmi are respectively one of the most popular smartphones in each market segment. In view of continuous investment in technologies, such as camera and charger, and online/offline channels expansion, we have an upbeat outlook on Xiaomi's shipment next year, in particular, in the overseas market. Meanwhile, the successful mass production of smart manufacturing will further enhance cost and product competitiveness of Xiaomi's smartphone when the sector is entering 5G cycle.

IoT & lifestyle: gaining steam and returned to a growth trajectory

This sector reported revenue of RMB18.1bn, up 18.8% QoQ/16.1% YoY. After experiencing weak demand and supply chain disruption caused by COVID-19, the sector was gaining steam and returned to a growth trajectory. Smart TV shipments reached 3.1mn in Q3, maintaining the leadership in mainland China and top 5 globally. No. of AIoT platform devices continued to grow strongly by 35.8% YoY to 289.5mn units as of Q3. As Xiaomi has entered the premium market and benefited from the strong demand of overseas developed markets, the sector margin was expanding.

Internet services: launched new fintech business with cross-sector synergy

Internet services revenue grew by 8.7% YoY to RMB5.8bn in Q3. Advertising/online game revenue was up 13.3% YoY/3.1% YoY, respectively. MIUI MAU increased by 26.3% YoY to 368.2mn. In particular, Xiaomi rebranded its fintech business this quarter by introducing Supply Chain Financing, Financial Technology, etc., which will achieve more cross-sector synergies, 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\$)	35.0
Previous price target (HK\$)	30.5
Current price (HK\$, 24 Nov 2020)	27.2
Upside/downside %	29%
Market cap (HK\$ m)	655,241
Market cap (US\$ m)	84,532
Avg daily turnover (HK\$ m)	3,128

Source: Bloomberg, AMTD Research

Key forecasts

(Rmb m)	2019	2020e	2021e
Non-IFRS net profit	11,532	11,811	16,549
yoy %	35%	2%	39%
Revenue	205,839	248,732	327,572
yoy %	18%	21%	32%
Smartphone shipment (m)	125	150	190
yoy %	5%	20%	27%
Gross margin	13.9%	14.3%	14.5%
Non-IFRS net margin	5.6%	4.7%	5.0%
EPS (RMB/sh)	0.47	0.49	0.66

Source: Company data, AMTD Research estimates

Valuation

	2019	2020e	2021e
P/E (adjusted)	52.5	50.4	37.4
P/S	2.9	2.4	1.8
ROE	15.1%	13.4%	16.0%
ROA	7.0%	6.3%	7.4%

Source: Bloomberg, AMTD Research estimates

Share price performance



Source: Bloomberg

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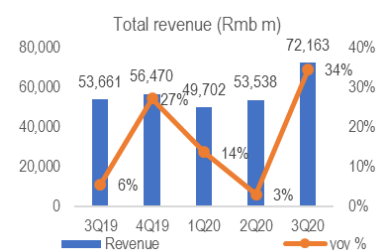
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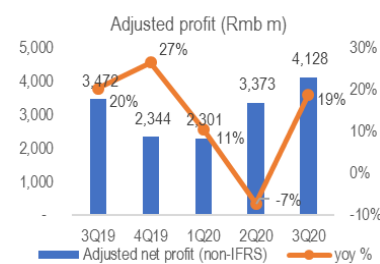
Focus charts

Figure 1: Revenue grew strongly by 34% YoY in 3Q20



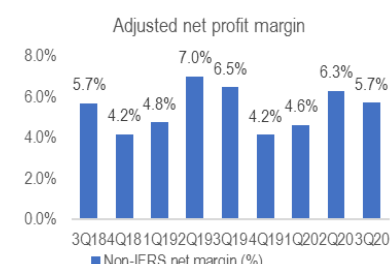
Source: Company data

Figure 2: Xiaomi non-IFRS net profit increased by 19% YoY



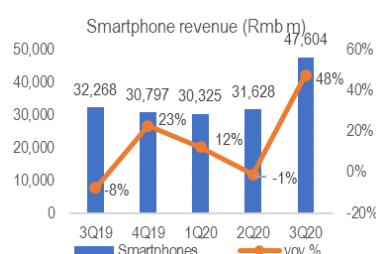
Source: Company data

Figure 3: Xiaomi non-IFRS net margin slightly declined to 5.7% in 3Q20



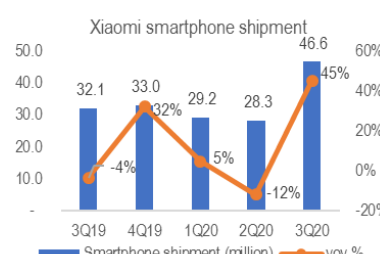
Source: Company data

Figure 4: Smartphone revenue experienced a strong growth in 3Q20



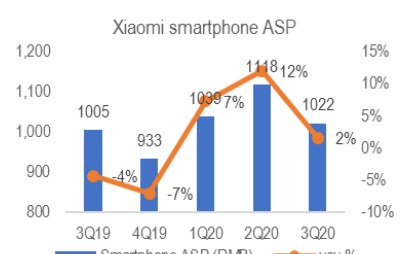
Source: Company data

Figure 5: Smartphone shipment ranked top 3 position globally



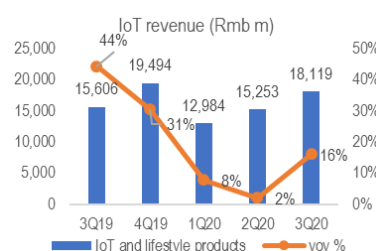
Source: Company data

Figure 6: Xiaomi smartphone ASP kept flat in 3Q20



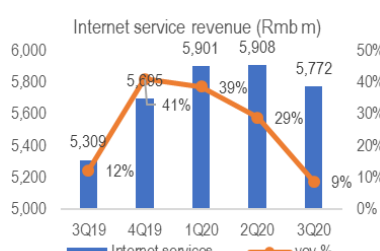
Source: Company data

Figure 7: IoT and life style revenue grew steadily



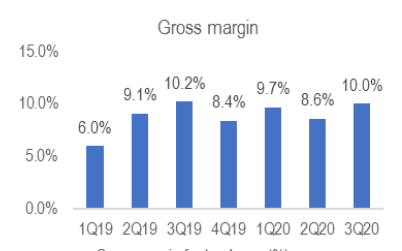
Source: Company data

Figure 8: Internet service revenue grew by 9% YoY



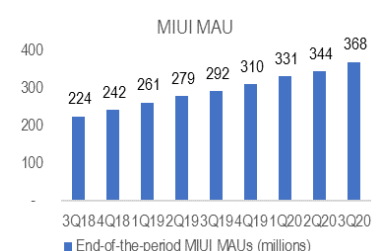
Source: Company data

Figure 9: Overall hardware gross margin expanded strongly to 10.0%



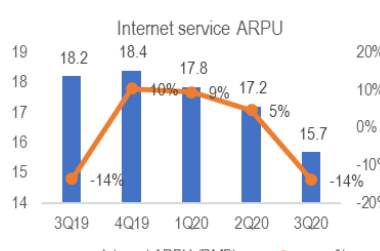
Source: Company data

Figure 10: MIUI MAU continued to expand



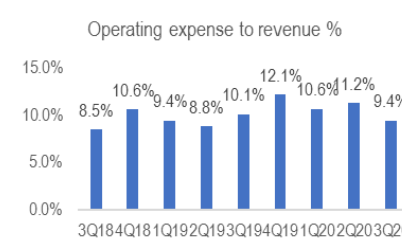
Source: Company data

Figure 11: Xiaomi internet service ARPU was RMB 15.7 in 3Q20



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	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Profit & loss									
Revenue	50,846	44,421	43,757	51,951	53,661	56,470	49,702	53,538	72,163
Smartphones	34,983	25,077	27,009	32,021	32,268	30,797	30,325	31,628	47,604
IoT and lifestyle products	10,805	14,937	12,043	14,945	15,606	19,494	12,984	15,253	18,119
Internet services	4,729	4,037	4,257	4,580	5,309	5,695	5,901	5,908	5,772
Advertising	3,200	2,526	2,283	2,485	2,912	2,976	2,661	3,062	3,300
IVAS	1,529	1,509	1,975	2,095	2,397	2,719	3,239	2,846	2,472
Others	330	370	448	405	477	484	493	750	668
Cost of sales	(44,269)	(38,760)	38,541)	(44,692)	(45,425)	(48,626)	(42,144)	(45,836)	(61,997)
Gross profit	6,578	5,661	5,216	7,258	8,236	7,844	7,559	7,701	10,166
Gross margin	12.9%	12.7%	11.9%	14.0%	15.3%	13.9%	15.2%	14.4%	14.1%
Operating expenses	(4,305)	(4,696)	(4,127)	(4,575)	(5,414)	(6,859)	(5,277)	(6,018)	(6,775)
Selling and marketing expenses	(2,187)	(2,328)	(1,845)	(2,295)	(2,537)	(3,701)	(2,625)	(3,224)	(3,601)
Administrative expenses	(583)	(594)	(632)	(724)	(844)	(905)	(782)	(836)	(853)
R&D expenses	(1,534)	(1,775)	(1,651)	(1,556)	(2,033)	(2,253)	(1,871)	(1,958)	(2,321)
EBIT	2,273	965	1,088	2,684	2,823	985	2,281	1,683	3,391
Fair value changes on investments	65	2,075	2,633	(671)	33	1,819	348	2,366	3,418
Share of losses of investments	(184)	(318)	(145)	(12)	(241)	(274)	131	893	(11)
Other income	259	220	60	406	448	351	74	183	139
Other (losses)/gains, net	(202)	271	(22)	(71)	50	(183)	(510)	288	(241)
PBT	2,364	3,344	3,717	2,434	3,295	2,717	2,454	4,868	5,451
Income tax expenses	117	48	(525)	(479)	(775)	(280)	(294)	(374)	(586)
(Loss)/profit for the year	2,481	3,392	3,192	1,955	2,519	2,436	2,160	4,493	4,864
Minority interest	(18)	(17)	66	4	(6)	(5)	(4)	(5)	(16)
Attributable profit	2,499	3,409	3,126	1,952	2,525	2,441	2,163	4,498	4,881
Adjusted net profit (non-IFRS)	2,885	1,853	2,081	3,635	3,472	2,344	2,301	3,373	4,128
YoY growth %									
Total revenue				15%	6%	27%	14%	3%	34%
Smartphones				5%	-8%	23%	12%	-1%	48%
IoT and lifestyle products				44%	44%	31%	8%	2%	16%
Internet services				16%	12%	41%	39%	29%	9%
Advertising				-1%	-9%	18%	17%	23%	13%
IVAS				44%	57%	80%	64%	36%	3%
Others				2%	45%	31%	10%	85%	40%
Gross profit				28%	25%	39%	45%	6%	23%
Adjusted net profit (non-IFRS)				72%	20%	27%	11%	-7%	19%

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	248,732	327,572
Smartphones	48,764	80,564	113,800	122,095	152,600	207,268
IoT and lifestyle products	12,415	23,448	43,817	62,088	69,564	85,307
Internet services	6,538	9,896	15,956	19,842	24,155	32,464
Advertising	3,838	5,614	10,100	10,655	12,363	17,926
IVAS	2,699	4,282	5,853	9,186	11,792	14,538
Others	717	717	1,343	1,814	2,413	2,534
Cost of sales	(61,185)	(99,471)	(152,723)	(177,285)	(213,099)	(280,213)
Gross profit	7,249	15,154	22,192	28,554	35,634	47,360
Gross margin	10.6%	13.2%	12.7%	13.9%	14.3%	14.5%
Operating expenses	(6,053)	(9,599)	(25,869)	(20,975)	(25,371)	(31,119)
Selling and marketing expenses	(3,022)	(5,232)	(7,993)	(10,378)	(12,188)	(15,068)
Administrative expenses	(927)	(1,216)	(12,099)	(3,104)	(3,234)	(4,586)
R&D expenses	(2,104)	(3,151)	(5,777)	(7,493)	(9,949)	(11,465)
EBIT	1,196	5,555	(3,677)	7,580	10,263	16,241
Fair value changes on investments	2,727	6,371	4,430	3,813	2,700	2,000
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)	0	0
PBT	1,176	(41,829)	13,927	12,163	13,415	18,847
Income tax expenses	(684)	(2,060)	(449)	(2,060)	(1,568)	(2,201)
(Loss)/profit for the year	492	(43,889)	13,478	10,103	11,848	16,646
Minority interest	(62)	(63)	(76)	59	65	71
Attributable profit	553	(43,826)	13,554	10,044	11,783	16,575
Adjusted net profit (non-IFRS)	1,896	5,362	8,555	11,532	11,811	16,459
Yoy growth %						
Total revenue	2%	67%	53%	18%	21%	32%
Smartphones	-9%	65%	41%	7%	25%	36%
IoT and lifestyle products	43%	89%	87%	42%	12%	23%
Internet services	102%	51%	61%	24%	22%	34%
Advertising	111%	46%	80%	5%	16%	45%
IVAS	90%	59%	37%	57%	28%	23%
Others	-39%	0%	87%	35%	33%	5%
Gross profit	169%	109%	46%	29%	25%	33%
(Loss)/profit for the year (reported)	na	na	na	-25%	17%	40%
Adjusted net profit (non-IFRS)	na	183%	60%	35%	2%	39%

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%	61.4%	63.3%
IoT and lifestyle products	18.1%	20.5%	25.1%	30.2%	28.0%	26.0%
Internet services	9.6%	8.6%	9.1%	9.6%	9.7%	9.9%
Advertising	5.6%	4.9%	5.8%	5.2%	5.0%	5.5%
IVAS	3.9%	3.7%	3.3%	4.5%	4.7%	4.4%
Others	1.0%	0.6%	0.8%	0.9%	1.0%	0.8%
Smartphone shipment (million)	55	91	119	125	150	190
yoy %	-17%	65%	30%	5%	20%	27%
Smartphone ASP (Rmb)	880	881	959	980	1,020	1,093
yoy %	9.0%	0.2%	8.8%	2.2%	4.1%	7.2%
IoT and lifestyle product sales per smartphone	224	257	308	486	465	450
yoy %	71.5%	14.5%	20.0%	58.0%	-4.4%	-3.2%
IoT and lifestyle product sales per MIUI MAU	92	137	181	196	181	182
yoy %	18.9%	49.1%	31.8%	8%	-8%	0%
End-of-the-period MIUI MAUs (millions)	135	171	242	310	385	470
yoy %	20%	27%	42%	28%	24%	22%
Internet ARPU (Rmb)	49	58	66	64	63	69
yoy %	68%	19%	14%	-3%	-2%	10%
Gross margin for hardware (%)	4.40%	8.70%	7.33%	8.5%	9.6%	9.3%
Gross margin for internet services segment (%)	64%	60%	64%	65%	59%	60%
Advertising	86%	82%	82%	82%	81%	81%
IVAS	34%	32%	30%	30%	35%	35%
Non-IFRS net margin (%)	2.8%	4.7%	4.9%	5.6%	4.7%	5.0%
Operating margin (reported)	5.5%	10.7%	0.7%	5.7%	5.3%	5.6%
Cash conversion cycle (days)	-35	-38	-36	-34	-35	-35
Operating expense to revenue %	8.8%	8.4%	14.8%	10.2%	10.2%	9.5%
Net cash/ (net debt)	9,663	8,986	28,794	47,821	35,682	41,871

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.	24-Nov		2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e	2021e
China smartphones & home appliances																			
992 HK equity	Lenovo	HKD	5.7	8,696	14.5	13.7	9.8	168.7	13.0	30.7	0.2	0.2	0.2	5.8	5.1	4.2	9.9	7.8	6.2
000333 CH equity	Midea	CNY	90.7	96,078	26.1	25.0	21.4	16.9	0.2	16.8	2.3	2.2	2.0	21.4	20.3	17.6	25.6	24.4	20.7
000651 CH equity	Gree	CNY	66.8	61,677	15.7	20.5	16.0	(5.7)	(19.9)	28.3	2.0	2.3	2.0	10.1	13.3	10.5	10.8	15.4	11.7
600690 CH equity	Haier	CNY	29.0	27,489	21.0	23.9	19.9	6.3	(7.6)	20.2	0.9	0.9	0.8	14.1	13.8	11.3	18.6	19.0	15.1
1169 HK equity	Haier Electronics	HKD	38.4	14,173	18.7	24.4	20.6	80.1	(44.5)	18.6	1.2	1.2	1.1	15.0	17.0	14.0	17.0	19.3	15.9
000921 CH equity	Hisense Kelon	CNY	16.3	2,992	14.4	16.2	13.3	n.a.	(19.0)	21.4	0.6	0.4	0.4	22.4	8.8	7.5	13.0	13.1	10.9
000521 CH equity	Meiling	CNY	3.4	501	34.2	68.4	38.0	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					20.7	27.4	19.9	52.0	(12.2)	30.9	1.0	1.1	0.9	14.8	13.0	10.8	15.8	16.5	13.4
China kitchen & small appliance																			
002508 CH equity	Robam	CNY	42.7	6,038	25.0	23.2	20.3	8.4	7.7	14.0	5.1	4.9	4.3	20.8	19.2	16.8	22.9	20.4	18.1
002035 CH equity	Vatti	CNY	9.9	1,298	11.2	13.9	11.5	9.9	(17.1)	21.1	1.5	1.7	1.5	8.7	11.2	7.1	9.3	10.8	9.3
002242 CH equity	Joyoung	CNY	33.7	3,818	30.6	27.6	23.4	8.1	11.2	17.8	2.7	2.4	2.1	25.8	23.3	19.6	27.7	25.2	21.2
002032 CH equity	Supor	CNY	72.4	8,833	30.1	31.6	26.6	14.9	(4.3)	18.7	2.9	3.0	2.6	24.3	25.1	21.9	26.0	28.6	23.7
603868 CH equity	Flyco	CNY	53.7	3,506	29.8	33.7	30.3	(19.1)	0.1	11.3	5.9	6.2	5.8	21.8	24.1	22.2	24.6	25.5	23.9
603355 CH equity	Kingclean	CNY	35.0	2,183	28.2	25.8	22.5	19.0	8.4	15.0	2.4	2.5	2.2	18.1	21.4	18.8	23.0	24.4	22.1
Average					25.8	26.0	22.4	6.9	1.0	16.3	3.4	3.4	3.1	19.9	20.7	17.7	22.3	22.5	19.7
China TV																			
751 HK equity	Skyworth Digital	HKD	2.2	764	10.0	6.0	6.1	55.8	31.5	(1.1)	0.1	0.1	0.1	4.3	3.4	3.3	n.a.	n.a.	n.a.
1070 HK equity	TCL Multimidea	HKD	6.4	1,951	9.3	11.3	9.2	127.9	(34.0)	22.5	0.3	0.3	0.3	7.3	7.9	6.8	6.7	10.1	9.2
600060 CH equity	Hisense	CNY	11.3	2,253	40.0	18.7	15.7	41.7	42.6	19.5	0.4	0.4	0.4	9.9	7.7	6.8	n.a.	n.a.	n.a.
Average					19.7	12.0	10.3	75.1	13.4	13.6	0.3	0.3	0.3	7.1	6.3	5.6	6.7	10.1	9.2
Global automation																			
6954 JP equity	Faunc	JPY	25,440.0	50,505	34.1	70.9	70.2	(15.3)	(52.0)	(2.4)	8.4	10.3	10.6	24.1	35.7	36.0	30.6	54.9	57.3
6506 JP equity	Yaskawa Electric	JPY	4,890.0	12,846	30.1	85.3	75.2	4.4	n.a.	n.a.	2.8	3.3	3.6	20.6	38.0	33.9	26.3	64.7	53.7
KU2 GR equity	KUKA	EUR	37.1	1,752	53.0	n.a.	n.a.	(19.7)	(647.6)	61.5	0.5	0.5	0.5	9.4	27.2	13.6	41.8	n.a.	n.a.
ABB US equity	ABB	USD	26.8	58,171	25.6	33.7	22.5	n.a.	n.a.	50.1	2.1	2.3	2.1	21.7	19.2	14.0	18.9	31.9	18.7
300024 CH equity	Siasun Robotics	CNY	13.8	3,288	50.1	69.8	57.4	(34.7)	5.9	21.6	6.9	7.8	6.8	39.8	54.9	46.3	49.9	110.9	85.9
Average					38.6	64.9	56.3	(16.3)	(231.3)	32.7	4.1	4.8	4.7	23.1	35.0	28.8	33.5	65.6	53.9
Global smartphones & home appliances																			
AAPL US equity	Apple	USD	115.2	1,958,098	39.4	35.5	29.2	0.1	10.2	20.3	7.6	7.2	6.2	24.9	24.1	20.6	30.9	28.8	23.9
005930 KS equity	Samsung Electronics	KRW	67,700.0	361,597	20.8	16.3	12.6	(56.9)	30.0	29.6	1.7	1.7	1.5	5.7	4.7	4.0	11.5	8.5	6.5
066570 KS equity	LG Electronics	KRW	88,600.0	12,991	18.1	8.3	7.6	(97.5)	5,471.6	8.7	0.2	0.2	0.2	4.3	3.8	3.5	8.2	7.0	6.1
6758 JP equity	Sony	JPY	9,490.0	118,091	15.0	20.8	17.6	86.3	(34.8)	18.1	1.4	1.5	1.5	8.0	8.0	9.0	11.9	11.9	13.8
6752 JP equity	Panasonic	JPY	1,097.0	26,475	10.8	13.6	25.1	20.4	(20.6)	(53.5)	0.3	0.4	0.4	5.0	5.4	7.7	8.6	10.9	21.0
WHR US equity	Whirlpool	USD	200.2	12,523	13.0	11.2	10.9	5.5	11.5	3.5	0.6	0.7	0.6	8.7	8.0	7.7	12.4	10.9	10.2
ELUXB SS equity	Electrolux	SEK	204.4	7,368	14.6	16.3	13.9	(20.5)	(6.0)	16.9	0.5	0.6	0.6	5.9	6.4	5.8	10.6	12.3	10.3
AOS US equity	AO Smith	USD	58.0	9,359	25.7	29.3	24.5	(14.9)	(11.0)	19.7	3.1	3.3	3.1	16.0	18.1	15.7	n.a.	21.7	17.7
SK FP equity	SEB	EUR	146.1	8,726	17.4	25.0	17.6	(1.7)	(32.9)	42.4	1.0	1.1	1.0	10.5	12.4	10.5	13.8	21.2	16.7
5947 JP equity	Rinnai	JPY	12,220.0	6,157	32.5	30.7	27.6	(2.9)	5.3	7.9	1.8	1.9	2.0	11.6	11.3	10.8	n.a.	n.a.	n.a.
Average					20.7	20.7	18.7	(8.2)	542.3	11.4	1.8	1.8	1.7	10.1	10.2	9.5	13.5	14.8	14.0

Priced as of 24 Nov 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.	24-Nov		2019	2020e	2021e		2019-2021e	2019	2020e	2021e	2019	2020e	2021e	2019	2020e
China Internet																	
BABA US equity	Alibaba	USD	280.0	757,470	50.3	37.3	28.5	33.0%	2.3	1.7	1.3	13.3	9.9	7.2	38.7	30.4	22.4
700 HK equity	Tencent	HKD	584.0	714,088	49.7	38.0	30.7	27.2%	2.0	1.5	1.2	12.5	9.8	7.9	35.2	27.0	22.3
BIDU US equity	Baidu	USD	134.4	45,827	20.5	15.1	13.9	21.4%	0.2	0.1	0.1	2.8	2.8	2.5	15.2	9.3	8.1
JD US equity	JD.com	USD	89.8	140,559	83.4	54.7	38.7	46.7%	2.0	1.3	0.9	1.6	1.3	1.0	59.1	39.2	27.1
NTES US equity	Netease	USD	97.5	67,389	28.5	26.7	23.0	11.4%	8.1	7.6	6.5	7.0	6.1	5.2	23.1	21.3	18.3
TCOM US equity	Ctrip	USD	33.8	20,069	24	n.a.	28	-7.0%	1.9	n.a.	2.2	4	7	4	26	1,006	27
WB US equity	Weibo	USD	44.5	10,066	16.3	22.1	17.8	-4.4%	6.0	8.2	6.6	5.7	6.1	5.4	14.1	19.1	15.0
ATHM US equity	Autohome	USD	100.8	11,997	24.4	23.0	19.9	10.6%	1.4	1.3	1.1	9.4	9.1	8.1	19.6	17.6	15.2
SINA US equity	Sina	USD	43.3	2,587	14.9	20.2	18.8	-10.8%	n.a.	n.a.	n.a.	1.2	1.2	1.1	5.7	7.5	6.2
YY US equity	YY	USD	88.7	7,186	21.2	21.9	17.1	11.3%	n.a.	n.a.	n.a.	1.9	1.9	1.6	16.7	11.6	10.0
VIPS US equity	Vipshop	USD	25.8	17,475	25.9	20.1	16.4	25.4%	2.4	1.8	1.5	1.3	1.1	1.0	18.0	14.5	11.6
2858 HK equity	Yixin	HKD	1.9	1,571	16.4	n.a.	21.4	-12.4%	n.a.	n.a.	n.a.	n.a.	3.1	2.3	n.a.	n.a.	128.6
MOMO US equity	Momo	USD	15.2	3,164	5.2	8.6	6.7	-11.6%	n.a.	n.a.	n.a.	1.2	1.4	1.2	3.4	4.6	4.0
FANG US equity	Fang	USD	47.1	7,447	7.4	16.4	13.1	-24.8%	0.4	0.9	0.7	1.9	2.6	2.3	4.8	6.8	6.5
BZUN US equity	Baozun	USD	37.5	3,076	39.1	29.0	21.0	36.6%	103.0	76.3	55.2	2.8	2.3	1.7	36.8	24.1	16.8
Average					28.5	25.6	21.0	10.2%	11.8	10.1	7.0	4.7	4.4	3.5	22.6	88.5	22.6
Average ex-Tencent					27.0	24.6	20.3	9.0%	12.7	11.0	7.6	4.1	4.0	3.2	21.6	93.2	22.6
Leading global Internet																	
FB US equity	Facebook	USD	276.9	788,749	30.4	28.7	24.9	13.8%	1.2	1.2	1.2	11.2	9.4	7.5	18.6	17.2	14.4
GOOGL US equity	Google	USD	1,763.9	1,194,905	29.3	31.5	25.6	14.2%	1.6	1.6	1.6	9.0	8.1	6.7	18.3	17.2	14.0
AMZN US equity	Amazon	USD	3,118.1	1,564,490	95.9	65.9	53.5	35.2%	2.5	2.5	2.5	5.6	4.1	3.5	37.5	29.0	22.9
Average					51.9	42.0	34.7	21.1%	1.8	1.8	1.8	8.6	7.2	5.9	24.8	21.1	17.1

Priced as of 24 Nov 2020; Source: Bloomberg, company data, AMTD research

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