

Xiaomi Corporation

GM expansion, strong momentum on smartphone, entering FY21 with multiple growth drivers, reiterate Buy

GM expansion, entering FY21 on multiple growth drivers, reiterate Buy

Xiaomi reported solid Q4 results. Total revenue came in at RMB70.5bn, up 24.8% YoY, but slightly down 2.4% QoQ, mainly due to supply constraints in the smartphone business. Gross margin increased 2.0ppts sequentially to 16.1%, thanks to the improvement in smartphone (10.5% in Q4 vs 8.4% in Q3) and internet services (68.4% in Q4 vs 60.4% in Q3). Non-IFRS net profit grew 36.7% YoY to RMB3.2bn. We see Xiaomi entering FY21 on multiple growth drivers: 1) strong momentum in smartphone and continuously gaining market share in the high-end segment; 2) new acquisition and new product launches in IoT markets; 3) MIUI MAU growth accelerating with an upside in ARPU, boosted by growing high-end installed base. For the next quarter, we expect revenue will grow by 45% YoY to RMB72.0bn with smartphone shipment of 45mn~47mn units. Hence, we reiterate Buy with a PT of HK\$35.0, implying a 45x P/E on our FY21E.

Smartphone: strengthening position in high-end segment

Despite supply constraints, Xiaomi smartphone shipments reached 42.3mn units in Q4, up 29.7% YoY and maintaining top 3 globally. In Q4, Xiaomi continued to lead in India market with a shipment of 12mn units and a market share of 27%; in China market, the shipment increased by 51.9% YoY and market share climbed to 14.6%. The gross margin has improved substantially to 10.5% this quarter, thanks to revenue mix shift to high-end models. We believe that Xiaomi will maintain this gross margin throughout FY21, because its favorable revenue mix can offset the rising cost pressure caused by supply constraints. Given the strong momentum in the smartphone sector driven by 5G and Xiaomi's leading position in 5G cycle, including 1) strengthening product competitiveness (high quality camera, fast-charging, etc.) in high-end model; 2) 5G variety offered in low-end models; 3) online/offline sales channels expansion; 4) successful dual-brand strategy, we expect Xiaomi's global shipment will grow strongly by 55%~60% YoY to 45mn~47mn units in the first quarter of 2021.

IoT & lifestyle: new acquisition and new product launches

This sector reported revenue of RMB21.0bn, up 16.2% QoQ/8.0% YoY. Smart TV shipments reached 3.4mn in Q4, maintaining the leadership in mainland China for 8th consecutive quarter and top 5 globally. No. of AIoT platform devices grew strongly by 38% YoY to 324.8mn units as of Q4. Xiaomi announced to acquire all remaining 50.9% stake in Zimi, which will further help Xiaomi to build up its "Smartphone x AIoT" ecosystem, in our view. In addition, we expect big white smart appliances will be another new growth driver.

Internet services: MIUI MAU growth accelerating with an upside in ARPU

Internet services revenue grew by 7.7% QoQ/ 8.4% YoY to RMB6.2bn in Q4. Gross margin rose to 68.4% in Q4 from 60.4% last quarter, thanks to favorable revenue mix. Advertising revenue grew by 23.1% YoY to record high of RMB3.7bn. MIUI MAU growth accelerated to 28.0% YoY with a total amount reaching 396.3mn as of Q4. With growing installed base, in particular, more premium smartphones sold, we see an upside in ARPU upside in a long run.

Risks

Key risks to our PT include: 1) prolonged COVID-19 pandemic; 2) worse-than-expected chip supply constraints; 3) weaker-than-expected internet user acquisitions.

Stock code: 1810.HK

Rating: Buy

Price target (HK\$)	35.0
Current price (HK\$, 25 Mar 2020)	23.9
Upside/downside %	46%
Market cap (HK\$ m)	602,312
Market cap (US\$ m)	77,530
Avg daily turnover (HK\$ m)	4,864

Source: Bloomberg, AMTD Research

Key forecasts

(Rmb m)	2020	2021e	2022e
Non-IFRS net profit	13,006	16,796	22,007
yoy %	13%	29%	31%
Revenue	245,866	321,453	383,647
yoy %	19%	31%	19%
Smartphone shipment (m)	146	185	217
yoy %	17%	26%	18%
Gross margin	14.9%	15.0%	15.4%
Non-IFRS net margin	5.3%	5.3%	5.7%
EPS (RMB/sh)	0.53	0.65	0.84

Source: Company data, AMTD Research estimates

Valuation

	2020	2021e	2022e
P/E (adjusted)	41.2	33.7	25.8
P/S	2.2	2.4	1.4
ROE	13.7%	14.4%	16.1%
ROA	6.8%	7.1%	8.0%

Source: Bloomberg, AMTD Research estimates

Share price performance



Source: Bloomberg

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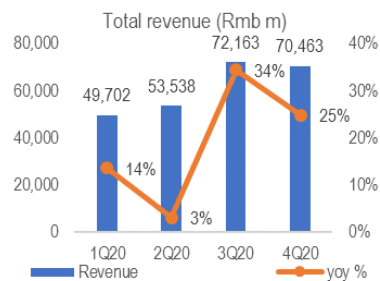
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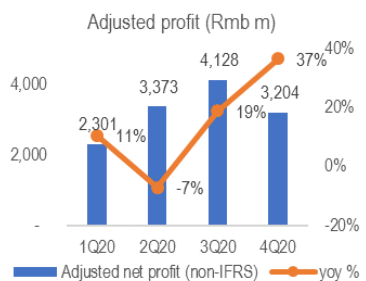
Focus charts

Figure 1: Revenue grew by 25% YoY to RMB70,463mn in 4Q20



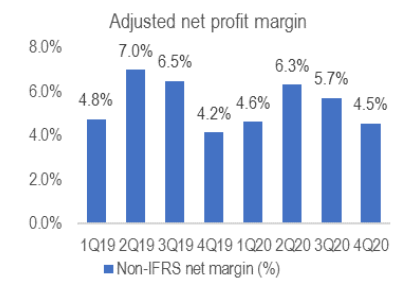
Source: Company data

Figure 2: Xiaomi non-IFRS net profit experienced a strong growth in 4Q20



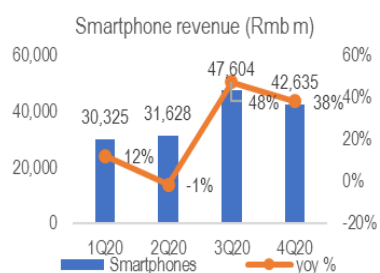
Source: Company data

Figure 3: Xiaomi non-IFRS net profit margin slightly declined to 4.5% in 4Q20



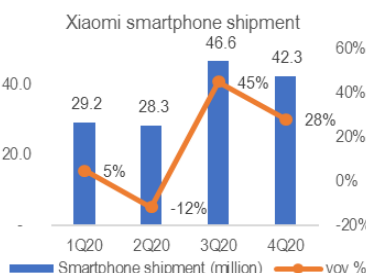
Source: Company data

Figure 4: Smartphone revenue grew by 38% YoY in 4Q20



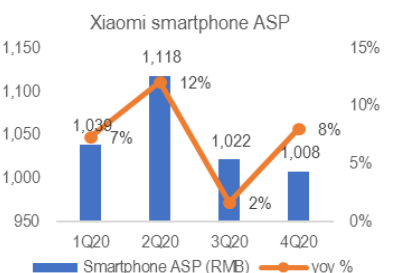
Source: Company data

Figure 5: Xiaomi shipped 42.3mn units smartphones in 4Q20, ranking top 3 globally



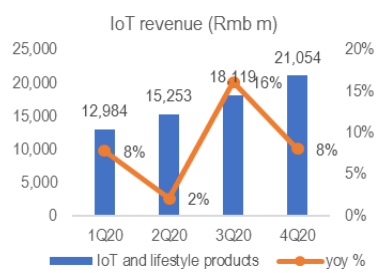
Source: Company data

Figure 6: Xiaomi smartphone ASP reached RMB1,008 in 4Q20



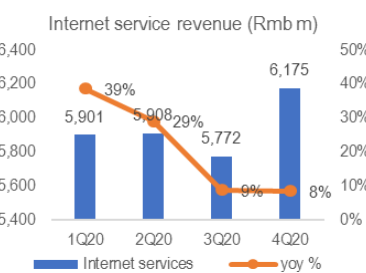
Source: Company data

Figure 7: IoT and life style revenue continued to expand



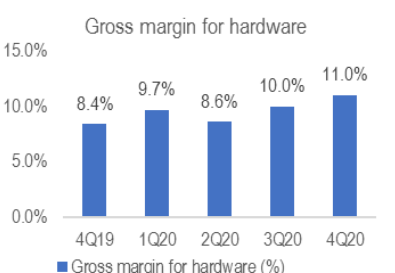
Source: Company data

Figure 8: Internet service revenue slightly increased by 8% YoY in 4Q20



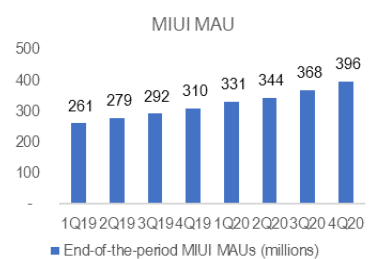
Source: Company data

Figure 9: Overall hardware gross margin reached 11.0% in 4Q20



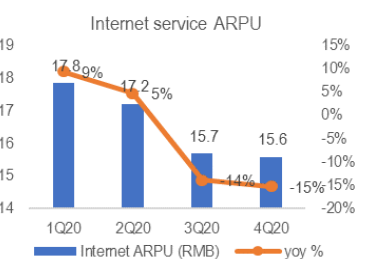
Source: Company data

Figure 10: MIUI MAU grew steadily



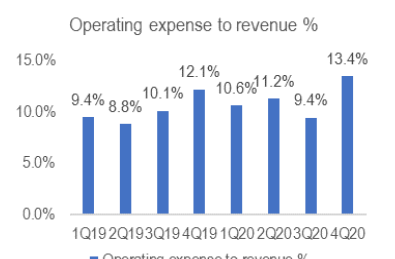
Source: Company data

Figure 11: Xiaomi internet service ARPU kept flat



Source: Company data

Figure 12: Operating efficiency was still at a high level



Source: Company data

Figure 13: Xiaomi's FY20 results

Rmb m	2020A	2020E	Actual vs AMTD's forecast %
Profit & loss			
Revenue	245,866	248,732	-1.2%
Smartphones	152,190	152,600	-0.3%
IoT and lifestyle products	67,411	69,564	-3.1%
Internet services	23,755	24,155	-1.7%
Advertising	12,700	12,363	2.7%
IVAS	11,055	11,792	-6.3%
Others	2,509	2,413	4.0%
Cost of sales	(209,114)	(213,099)	-1.9%
Gross profit	36,752	35,634	3.1%
Gross margin	14.9%	14.3%	+60bps
Operating expenses	(27,542)	(25,371)	8.6%
Selling and marketing expenses	(14,539)	(12,188)	19.3%
Administrative expenses	(3,746)	(3,234)	15.9%
R&D expenses	(9,256)	(9,949)	-7.0%
EBIT	9,210	10,263	-10.3%
Finance (expense)/income, net	(2,401)	352	-781.6%
PBT	21,633	13,415	61.3%
Income tax expenses	(1,321)	(1,568)	-15.7%
(Loss)/profit for the year	20,313	11,848	71.4%
Minority interest	(43)	65	-166.2%
Attributable profit	20,356	11,783	72.8%
Adjusted net profit (non-IFRS)	13,006	11,811	10.1%

Source: Company data; AMTD estimates

Figure 14: Xiaomi's quarterly P&L

Rmb m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Profit & loss								
Revenue	43,757	51,951	53,661	56,470	49,702	53,538	72,163	70,463
Smartphones	27,009	32,021	32,268	30,797	30,325	31,628	47,604	42,635
IoT and lifestyle products	12,043	14,945	15,606	19,494	12,984	15,253	18,119	21,054
Internet services	4,257	4,580	5,309	5,695	5,901	5,908	5,772	6,175
Advertising	2,283	2,485	2,912	2,976	2,661	3,062	3,300	3,677
IVAS	1,975	2,095	2,397	2,719	3,239	2,846	2,472	2,498
Others	448	405	477	484	493	750	668	599
Cost of sales	38,541	(44,692)	(45,425)	(48,626)	(42,144)	(45,836)	(61,997)	(59,137)
Gross profit	5,216	7,258	8,236	7,844	7,559	7,701	10,166	11,325
Gross margin	11.9%	14.0%	15.3%	13.9%	15.2%	14.4%	14.1%	16.1%
Operating expenses	(4,127)	(4,575)	(5,414)	(6,859)	(5,277)	(6,018)	(6,775)	(9,472)
Selling and marketing expenses	(1,845)	(2,295)	(2,537)	(3,701)	(2,625)	(3,224)	(3,601)	(5,090)
Administrative expenses	(632)	(724)	(844)	(905)	(782)	(836)	(853)	(1,276)
R&D expenses	(1,651)	(1,556)	(2,033)	(2,253)	(1,871)	(1,958)	(2,321)	(3,106)
EBIT	1,088	2,684	2,823	985	2,281	1,683	3,391	1,854
Fair value changes on investments	2,633	(671)	33	1,819	348	2,366	3,418	7,042
Share of losses of investments	(145)	(12)	(241)	(274)	131	893	(11)	368
Other income	60	406	448	351	74	183	139	247
Other (losses)/gains, net	(22)	(71)	50	(183)	(510)	288	(241)	91
PBT	3,717	2,434	3,295	2,717	2,454	4,868	5,451	8,861
Income tax expenses	(525)	(479)	(775)	(280)	(294)	(374)	(586)	(66)
(Loss)/profit for the year	3,192	1,955	2,519	2,436	2,160	4,493	4,864	8,795
Minority interest	66	4	(6)	(5)	(4)	(5)	(16)	(18)
Attributable profit	3,126	1,952	2,525	2,441	2,163	4,498	4,881	8,813
Adjusted net profit (non-IFRS)	2,081	3,635	3,472	2,344	2,301	3,373	4,128	3,204
YoY growth %								
Total revenue		15%	6%	27%	14%	3%	34%	25%
Smartphones		5%	-8%	23%	12%	-1%	48%	38%
IoT and lifestyle products		44%	44%	31%	8%	2%	16%	8%
Internet services		16%	12%	41%	39%	29%	9%	8%
Advertising		-1%	-9%	18%	17%	23%	13%	24%
IVAS		44%	57%	80%	64%	36%	3%	-8%
Others		2%	45%	31%	10%	85%	40%	24%
Gross profit		28%	25%	39%	45%	6%	23%	44%
Adjusted net profit (non-IFRS)		72%	20%	27%	11%	-7%	19%	37%

Source: Company data, AMTD research

Figure 15: Xiaomi's P&L forecast

Rmb m	2017	2018	2019	2020	2021E	2022E
Profit & loss						
Revenue	114,625	174,915	205,839	245,866	321,453	383,647
Smartphones	80,564	113,800	122,095	152,190	203,244	242,218
IoT and lifestyle products	23,448	43,817	62,088	67,411	83,252	95,672
Internet services	9,896	15,956	19,842	23,755	32,322	42,990
Advertising	5,614	10,100	10,655	12,700	18,415	25,781
IVAS	4,282	5,853	9,186	11,055	13,907	17,209
Others	717	1,343	1,814	2,509	2,634	2,766
Cost of sales	(99,471)	(152,723)	(177,285)	(209,114)	(273,276)	(324,542)
Gross profit	15,154	22,192	28,554	36,752	48,177	59,104
Gross margin	13.2%	12.7%	13.9%	14.9%	15.0%	15.4%
Operating expenses	(9,599)	(25,869)	(20,975)	(27,542)	(30,538)	(36,830)
Selling and marketing expenses	(5,232)	(7,993)	(10,378)	(14,539)	(14,787)	(17,264)
Administrative expenses	(1,216)	(12,099)	(3,104)	(3,746)	(4,500)	(5,755)
R&D expenses	(3,151)	(5,777)	(7,493)	(9,256)	(11,251)	(13,811)
EBIT	5,555	(3,677)	7,580	9,210	17,639	22,274
Fair value changes on investments	6,371	4,430	3,813	13,173	2,000	2,000
Share of losses of investments	(231)	(615)	(672)	1,381	(200)	(200)
Other income	449	845	1,266	643	300	300
Other (losses)/gains, net	72	213	(226)	(372)	0	0
PBT	(41,829)	13,927	12,163	21,633	20,245	25,119
Income tax expenses	(2,060)	(449)	(2,060)	(1,321)	(2,369)	(2,925)
(Loss)/profit for the year	(43,889)	13,478	10,103	20,313	17,877	22,194
Minority interest	(63)	(76)	59	(43)	(47)	(52)
Attributable profit	(43,826)	13,554	10,044	20,356	17,924	22,246
Adjusted net profit (non-IFRS)	5,362	8,555	11,532	13,006	16,796	22,007
Yoy growth %						
Total revenue	67%	53%	18%	19%	31%	19%
Smartphones	65%	41%	7%	25%	34%	19%
IoT and lifestyle products	89%	87%	42%	9%	24%	15%
Internet services	51%	61%	24%	20%	36%	33%
Advertising	46%	80%	5%	19%	45%	40%
IVAS	59%	37%	57%	20%	26%	24%
Others	0%	87%	35%	38%	5%	5%
Gross profit	109%	46%	29%	29%	31%	23%
(Loss)/profit for the year (reported)	na	na	-25%	101%	-12%	24%
Adjusted net profit (non-IFRS)	183%	60%	35%	13%	29%	31%

Source: Company data; AMTD Research estimates

Figure 16: Xiaomi key operating matrix

Operating matrix	2017	2018	2019	2020	2021E	2022E
Revenue mix						
Smartphones	70.3%	65.1%	59.3%	61.9%	63.2%	63.1%
IoT and lifestyle products	20.5%	25.1%	30.2%	27.4%	25.9%	24.9%
Internet services	8.6%	9.1%	9.6%	9.7%	10.1%	11.2%
Advertising	4.9%	5.8%	5.2%	5.2%	5.7%	6.7%
IVAS	3.7%	3.3%	4.5%	4.5%	4.3%	4.5%
Others	0.6%	0.8%	0.9%	1.0%	0.8%	0.7%
Smartphone shipment (million)	91	119	125	146	185	217
yoy %	65%	30%	5%	17%	26%	18%
Smartphone ASP (Rmb)	881	959	980	1,026	1,099	1,114
yoy %	0.2%	8.8%	2.2%	4.7%	7.0%	1.4%
IoT and lifestyle product sales per smartphone	257	308	486	465	450	440
yoy %	14.5%	20.0%	58.0%	-4.4%	-3.2%	-2.2%
IoT and lifestyle product sales per MIUI MAU	137	181	196	177	178	169
yoy %	49.1%	31.8%	8%	-10%	1%	-5%
End-of-the-period MIUI MAUs (millions)	171	242	310	385	468	566
yoy %	27%	42%	28%	24%	22%	21%
Internet ARPU (Rmb)	58	66	64	63	69	76
yoy %	19%	14%	-3%	-2%	10%	10%
Gross margin for hardware (%)	8.70%	7.33%	8.5%	9.9%	9.7%	9.3%
Gross margin for internet services segment (%)	60%	64%	65%	62%	62%	63%
Advertising	82%	82%	82%	82%	82%	82%
IVAS	32%	30%	30%	30%	35%	35%
Non-IFRS net margin (%)	4.7%	4.9%	5.6%	5.3%	5.2%	5.7%
Operating margin (reported)	10.7%	0.7%	5.7%	9.8%	6.1%	6.4%
Cash conversion cycle (days)	-38	-36	-34	-35	-35	-35
Operating expense to revenue %	8.4%	14.8%	10.2%	11.2%	9.5%	9.6%
Net cash/ (net debt)	8,986	28,794	47,821	50,644	58,428	70,832

Source: Company data; AMTD Research estimates

Figure 17: 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.	25-Mar	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e
China smartphones & home appliances																			
992 HK equity	Lenovo	HKD	9.7	15,283	23.9	13.5	11.8	13.1	65.9	14.9	0.3	0.3	0.2	7.4	5.4	5.2	11.3	7.9	7.1
000333 CH equity	Midea	CNY	80.7	86,341	21.9	19.1	16.8	1.8	14.6	13.9	2.0	1.8	1.6	18.1	15.7	13.9	21.8	18.3	16.0
000651 CH equity	Gree	CNY	61.4	56,323	19.0	14.6	12.8	(21.7)	30.2	14.2	2.1	1.8	1.6	11.9	9.2	8.1	13.3	9.9	8.6
600690 CH equity	Haier	CNY	28.9	38,556	25.7	21.1	17.1	(13.4)	21.9	23.3	1.2	1.1	1.0	18.7	15.2	13.0	27.4	20.5	16.9
6690 HK equity	Haier Electronics	HKD	29.2	38,582	23.2	19.0	15.4	(17.1)	22.3	23.3	1.2	1.1	1.0	18.5	15.2	12.8	25.0	19.8	16.2
000921 CH equity	Hisense Kelon	CNY	16.1	2,979	15.5	12.9	11.2	(16.2)	19.8	14.9	0.4	0.4	0.4	7.0	6.4	5.5	n.a.	n.a.	n.a.
Average					21.6	16.7	14.2	(8.9)	29.1	17.4	1.2	1.1	1.0	13.6	11.2	9.7	19.8	15.3	13.0
China kitchen & small appliance																			
002508 CH equity	Robam	CNY	35.8	5,204	19.9	17.5	15.7	7.4	13.5	11.5	4.2	3.7	3.3	16.3	14.4	12.9	17.4	15.4	13.9
002035 CH equity	Vatti	CNY	7.7	1,026	12.7	10.2	9.5	(28.6)	25.2	7.1	1.4	1.2	1.1	11.1	8.4	7.3	9.0	7.8	6.8
002242 CH equity	Joyoung	CNY	30.0	3,533	25.0	22.4	19.5	12.6	11.9	14.9	2.1	1.8	1.6	21.7	19.3	16.6	23.6	20.3	17.5
002032 CH equity	Supor	CNY	68.9	8,651	30.9	26.4	23.3	(4.9)	16.9	13.6	3.0	2.6	2.4	24.8	22.1	19.5	28.7	23.7	20.9
603868 CH equity	Flyco	CNY	45.4	3,032	29.6	26.8	24.6	(1.9)	10.6	8.8	5.4	5.0	4.7	20.9	19.3	17.5	21.8	20.4	19.1
603355 CH equity	Kingclean	CNY	31.5	1,937	23.2	20.2	19.1	6.4	14.7	5.8	2.1	1.9	1.7	14.3	12.7	11.6	n.a.	n.a.	n.a.
Average					23.6	20.6	18.6	(1.5)	15.5	10.3	3.0	2.7	2.5	18.2	16.0	14.2	20.1	17.5	15.6
China TV																			
751 HK equity	Skyworth Digital	HKD	2.7	879	5.4	5.8	4.9	(4.4)	64.9	19.3	0.1	0.1	0.1	2.9	3.3	3.0	n.a.	n.a.	n.a.
1070 HK equity	TCL Multimedia	HKD	6.1	1,901	11.2	9.3	7.6	51.6	(48.6)	22.5	0.3	0.3	0.2	7.6	6.2	5.1	7.9	7.3	n.a.
600060 CH equity	Hisense	CNY	11.1	2,249	16.1	13.9	11.6	64.2	16.3	20.0	0.4	0.3	0.3	6.0	5.5	4.9	n.a.	n.a.	n.a.
Average					10.9	9.6	8.0	37.1	10.9	20.6	0.3	0.2	0.2	5.5	5.0	4.3	7.9	7.3	n.a.
Global automation																			
6954 JP equity	Faunc	JPY	26,205.0	48,653	71.3	58.3	37.2	(52.0)	18.1	56.9	10.4	10.1	8.3	35.9	32.0	22.1	55.2	48.2	30.3
6506 JP equity	Yaskawa Electric	JPY	5,360.0	13,221	91.5	73.2	45.8	n.a.	n.a.	59.8	3.5	3.8	3.4	40.6	33.8	24.0	69.1	54.0	34.4
KU2 GR equity	KUKA	EUR	37.7	1,766	n.a.	n.a.	36.6	(1,089.9)	78.7	287.3	0.5	0.5	n.a.	27.4	13.7	n.a.	n.a.	n.a.	n.a.
ABB US equity	ABB	USD	31.1	67,386	42.1	24.1	20.3	n.a.	n.a.	18.6	2.6	2.4	2.3	22.5	16.0	14.0	44.0	21.5	18.0
300024 CH equity	Siasun Robotics	CNY	11.9	2,810	77.6	59.0	47.9	(19.1)	31.6	23.0	7.3	6.2	5.4	69.7	56.2	47.1	123.2	81.7	66.5
Average					70.6	53.6	37.6	(387.0)	42.8	89.1	4.9	4.6	4.9	39.2	30.3	26.8	72.9	51.3	37.3
Global smartphones & home appliances																			
AAPL US equity	Apple	USD	120.6	2,024,476	37.2	27.2	26.0	10.2	35.2	4.8	7.4	6.1	5.8	24.9	19.4	18.9	29.6	22.1	21.1
005930 KS equity	Samsung Electronics	KRW	81,200.0	427,337	20.0	15.1	11.6	21.3	40.1	30.7	2.0	1.8	1.7	5.9	4.9	4.0	10.7	8.0	5.9
066570 KS equity	LG Electronics	KRW	148,000.0	20,533	12.2	10.9	9.7	6,188.5	9.2	11.6	0.4	0.3	0.3	5.2	4.9	4.5	9.4	8.2	7.3
6758 JP equity	Sony	JPY	11,215.0	132,716	24.4	13.5	20.4	(34.8)	81.0	(34.1)	1.7	1.6	1.6	9.5	8.9	8.6	14.0	12.8	12.5
6752 JP equity	Panasonic	JPY	1,403.5	31,892	17.0	22.4	15.1	(20.6)	(34.5)	48.0	0.5	0.5	0.5	6.3	7.5	6.4	12.7	17.6	12.2
WHR US equity	Whirlpool	USD	216.1	13,566	12.0	10.8	10.8	15.9	7.5	0.5	0.7	0.7	0.7	7.6	6.9	7.0	10.8	9.5	9.6
ELUXB SS equity	Electrolux	SEK	261.3	9,339	21.2	17.9	15.1	3.9	5.6	17.9	0.7	0.7	0.7	7.7	7.3	6.6	14.3	12.6	10.9
AOS US equity	AO Smith	USD	66.7	10,790	33.2	26.4	24.0	(2.7)	17.2	10.0	3.8	3.4	3.3	20.0	16.8	15.8	23.6	19.2	17.7
SK FP equity	SEB	EUR	147.9	9,637	23.5	19.5	17.5	(19.4)	18.9	11.7	1.2	1.1	1.1	12.4	10.9	10.1	18.2	15.3	13.7
5947 JP equity	Rinnai	JPY	12,370.0	5,955	31.0	25.7	24.3	5.3	16.6	5.8	1.9	1.9	1.8	11.4	10.1	9.5	n.a.	n.a.	n.a.
Average					23.2	18.9	17.4	616.8	19.7	10.7	2.0	1.8	1.7	11.1	9.8	9.2	15.9	13.9	12.3

Priced as of 25 Mar 2021; Source: Bloomberg, company data

Figure 18: Valuation comparison table (2) – Global internet companies

Code	Company	Price		Mkt Cap (US\$ m)	Non-GAAP						P/S (x)			EV/EBITDA			
		Curr.	25-Mar		PE (x)			EPS 3yr%	PE/G (x)			2020	2021e	2022e	2020	2021e	2022e
					2020	2021e	2022e	2020-22e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
China Internet																	
BABA US equity	Alibaba	USD	222.7	603,820	29.5	21.7	18.9	25.0%	1.5	1.1	1.0	7.9	5.6	4.3	23.1	17.2	13.9
700 HK equity	Tencent	HKD	617.0	761,382	40.1	32.8	26.7	22.5%	2.0	1.7	1.4	10.4	8.4	7.0	27.8	23.0	19.0
BIDU US equity	Baidu	USD	204.6	71,089	21.5	19.8	16.5	14.3%	1.7	1.6	1.3	4.3	3.7	3.2	14.6	12.9	10.6
JD US equity	JD.com	USD	78.7	123,173	48.7	38.8	28.8	30.1%	1.2	0.9	0.7	1.1	0.9	0.7	33.5	27.6	18.8
NTES US equity	Netease	USD	101.6	70,173	29.7	24.8	21.0	18.9%	2.7	2.3	1.9	6.3	5.1	4.4	22.7	20.1	17.3
TCOM US equity	Ctrip	USD	37.9	22,781	n.a.	87	23	n.a.	n.a.	47.1	12.4	8	6	4	130	74	22
WB US equity	Weibo	USD	51.2	11,590	23.5	20.7	17.3	16.5%	9.3	8.2	6.9	6.9	5.7	5.1	19.9	16.7	13.9
ATHM US equity	Autohome	USD	94.4	11,919	20.8	18.7	16.0	14.1%	n.a.	n.a.	n.a.	9.0	7.6	6.8	15.5	15.6	13.6
YY US equity	YY	USD	105.0	8,502	25.6	20.8	15.3	29.2%	n.a.	n.a.	n.a.	2.2	2.0	1.7	15.0	13.2	9.2
VIPS US equity	Vipshop	USD	32.0	21,683	24.7	19.2	16.0	24.4%	2.2	1.7	1.5	1.4	1.2	1.0	17.1	13.0	10.5
2858 HK equity	Yixin	HKD	2.6	2,159	n.a.	29.2	21.3	n.a.	n.a.	n.a.	n.a.	4.3	3.2	2.5	n.a.	125.5	46.8
MOMO US equity	Momo	USD	14.0	2,911	7.7	7.5	6.3	10.5%	n.a.	n.a.	n.a.	1.3	1.2	1.1	4.4	4.7	4.1
FANG US equity	Fang	USD	73.8	13,345	24.6	9.8	7.7	78.4%	1.2	0.5	0.4	4.6	2.8	2.5	9.4	6.0	5.0
BZUN US equity	Baozun	USD	34.2	2,665	27.7	23.8	16.7	28.7%	72.8	62.7	43.9	2.0	1.4	1.1	19.9	15.3	11.4
Average					27.0	26.8	18.0	26.0%	10.5	12.8	7.1	5.0	3.9	3.3	27.2	27.5	15.4
Average ex-Tencent					25.8	26.3	17.3	26.4%	11.6	14.0	7.8	4.6	3.6	3.0	27.1	27.8	15.2
Leading global Internet																	
FB US equity	Facebook	USD	278.7	793,760	26.8	23.1	19.7	16.5%	1.3	1.3	0.8	9.4	7.4	6.2	16.6	13.4	11.3
GOOGL US equity	Google	USD	2,032.5	1,374,326	35.5	26.0	22.1	26.6%	1.8	1.8	1.2	9.3	7.4	6.3	19.6	15.1	12.7
AMZN US equity	Amazon	USD	3,046.3	1,533,989	63.1	50.5	38.2	28.4%	4.5	4.5	1.8	4.0	3.2	2.8	27.8	21.2	17.1
Average					41.8	33.2	26.7	23.9%	2.5	2.5	1.3	7.6	6.0	5.1	21.3	16.6	13.7

Priced as of 25 Mar 2021; Source: Bloomberg, company data, AMTD research

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