

Xiaomi Corporation

Earnings Review

FY18: Visionary strategy move on smartphone and growing strength in AIoT and Internet Services

Reiterate Buy rating; Profits beat despite macro headwinds

Xiaomi reported FY18 full-year revenue of Rmb175bn, +53% YoY, with 4Q revenue at Rmb44.4bn, +26.5% YoY/-12.6% QoQ. The sector-wide sluggish smartphone sales and few new models launched (only two mid/high-end models launched in 4Q) weighed on 4Q result. We look to a recovery in smartphone sales in 1Q/2Q19 due to the launch of popular Redmi Note 7 & Mi9 in 1Q while IoT segment will maintain strong growth momentum. FY18 gross profit reached Rmb22.2bn, +46.4% YoY, with 4Q gross margin at Rmb5.7bn, +56% YoY/-14% QoQ. Non-IFRS net profit was Rmb8.6bn, +60% YoY and beating the consensus by 3.7%. Non-IFRS net margin expanded to 4.9% in FY18 from 4.7% in FY17.

Smartphone: a multi-brand strategy to capture the high-end segment

4Q shipment amounted to 25mn units, -15% YoY/-25% QoQ. However, its full-year shipments reached 118.7mn units, +30% YoY. According to IDC, Xiaomi's global smartphone market share grew to 8.7% in 2018 from 6.3% in 2017. 4Q smartphone revenue came in at Rmb25.1bn, +7% YoY/-28% QoQ. Gross margin was flat in 4Q. Smartphone ASP continued to grow, up 17% YoY in mainland China and 10% YoY in the overseas market, respectively. In 1Q2019, Xiaomi has launched 5 new models of smartphone and will introduce another 4 brand-new models in 2Q. In particular, Xiaomi launched its flagship model Mi9 last month. With exquisite design and excellent performance, Mi9 targets high-end segment and will further lift Xiaomi's smartphone ASP going forward.

IoT & lifestyle: open IoT platform with strong commitment in AIoT

In FY18, Xiaomi reported strong segment revenue of Rmb43.8bn, +87% YoY, thanks to smart TV and white goods. Smart TV shipments reached 8.4mn units, making Xiaomi the No.1 smart TV brand in China. On the other hand, Xiaomi has built a leading open IoT platform with totally 150mn IoT devices (excl. mobile and computer) connected, +193% YoY. Some of the devices started to contribute internet service revenue. Sector gross margin reached 10.3%, up from 8.3% in FY17. Xiaomi firmly sticks on Smartphone + AIoT Dual-Engine strategy and showcases its commitment to AIoT. According to Nikkie, Xiaomi has applied for 684 patents in the AI field from 2016 to 2018, ranking 11th among the peers globally. The management said Xiaomi will invest Rmb10bn in AIoT in the next five years.

Internet service: revenue stream becoming more diversified with increasing international monetization efforts

Internet service revenue reached Rmb16bn in FY18, with approximately 242 million MAUs on its MIUI as of Dec-2018. ARPU was at Rmb16.7 in 4Q, down from Rmb21.1 in 3Q. QoQ decline was mainly due to the rapid growth of international MAUs with lower ARPU. Apart from advertising, we saw fast-growing revenue from FinTech and Youpin. In particular, for Youpin, non-Xiaomi hardware users accounted for over 50% of its total users. On the other hand, the overseas market continues to expand, accounting for 6.3% of total internet service revenue and showing further monetization potential.

Price target: HK\$22.0 (89% upside)

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

Stock code: 1810.HK

Rating: Buy

Price target (HK\$)	22.0
Current price (HK\$, 20 Mar 2019)	11.6
Upside/downside %	89%
Market cap (HK\$ m)	278,538
Market cap (US\$ m)	35,483
Avg daily turnover (HK\$ m)	1,040

Source: Bloomberg, AMTD Research

Key forecasts

(Rmb m)	2018	2019e	2020e
Non-IFRS net profit	8,555	10,483	14,839
yoy %	60%	23%	42%
Revenue	174,915	218,806	272,506
yoy %	53%	25%	25%
Smartphone shipment (m)	119	137	161
yoy %	30%	16%	17%
Gross margin	12.7%	13.4%	14.6%
Non-IFRS net margin	4.9%	4.8%	5.4%
EPS	0.53	0.43	0.57

Source: Company data, AMTD Research

Valuation

	2018	2019e	2020e
P/E (adjusted)	29.0	23.6	16.7
P/S	1.4	1.1	0.9
ROE	8.6%	13.6%	16.4%
ROA	7.3%	6.7%	8.0%

Source: Bloomberg, AMTD Research

Share price performance



Source: Bloomberg

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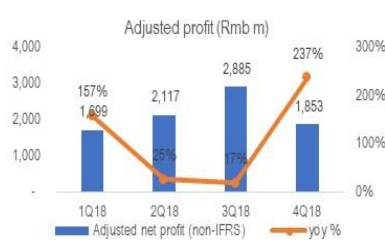
Focus charts

Figure 1: Xiaomi revenue growth maintained a strong momentum in 4Q18



Source: Company data

Figure 2: Xiaomi non-IFRS net profit beat market expectation



Source: Company data

Figure 3: Xiaomi non-IFRS net margin expanded strongly



Source: Company data

Figure 4: Smartphone revenue continued fast growth despite challenging environment



Source: Company data

Figure 5: Xiaomi smartphone shipment



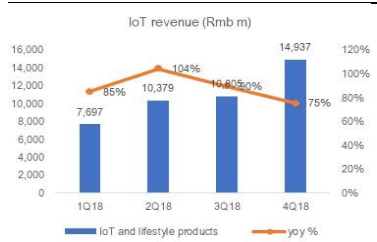
Source: Company data

Figure 6: Xiaomi smartphone ASP grew by 25% yoy



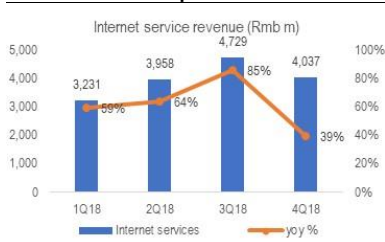
Source: Company data

Figure 7: IoT and life style revenue is fast growing



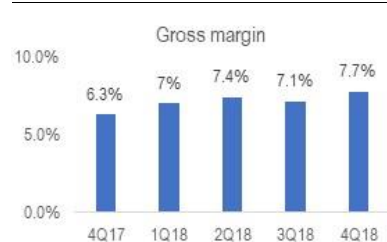
Source: Company data

Figure 8: Internet service revenue supported by strong ad business, FinTech and Youpin



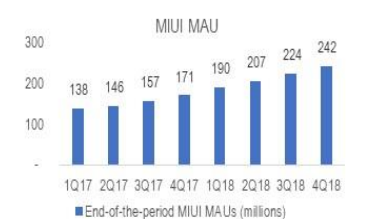
Source: Company data

Figure 9: Overall hardware gross margin held up well despite unfavorable FX movement



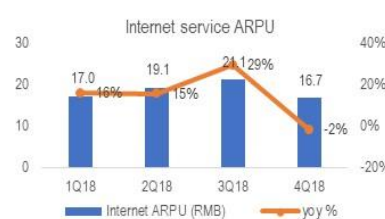
Source: Company data

Figure 10: MIUI MAU continued to expand, paving the way for further monetization



Source: Company data

Figure 11: Xiaomi internet service ARPU trends – 4Q18 drop was due to fast expansion of overseas MAU



Source: Company data

Figure 12: Operating efficiency was maintained at high level



Source: Company data

Figure 13: Xiaomi's FY18 results

Rmb m	2018A	2018E	Actual vs forecast %
Profit & loss			
Revenue	174,915	172,472	1.4%
Smartphones	113,800	117,462	-3.1%
IoT and lifestyle products	43,817	37,455	17.0%
Internet services	15,956	16,336	-2.3%
Advertising	10,100	10,667	-5.3%
IVAS	5,853	5,669	3.3%
Others	1,343	1,219	10.2%
Cost of sales	(152,723)	(150,678)	1.4%
Gross profit	22,192	21,794	1.8%
Gross margin	12.7%	12.6%	0.4%
Operating expenses	(25,869)	(25,181)	2.7%
Selling and marketing expenses	(7,993)	(7,934)	0.7%
Administrative expenses	(12,099)	(11,728)	3.2%
R&D expenses	(5,777)	(5,519)	4.7%
EBIT	(3,677)	(3,387)	8.6%
Fair value changes on investments	4,430	2,200	101.4%
Share of losses of investments	(615)	(450)	36.6%
Other income	845	850	-0.6%
Other (losses)/gains, net	213	(58)	-467.7%
Operating profit (reported)	1,196	(845)	-241.6%
Finance (expense)/income, net	216	163	32.4%
Fair value changes of convertible redeemable preferred shares	12,514	12,461	0.4%
PBT	13,927	11,780	18.2%
Income tax expenses	(449)	(500)	-10.1%
(Loss)/profit for the year	13,478	11,280	19.5%
Minority interest	(76)	(69)	9.7%
Attributable profit	13,554	11,211	20.9%
Adjusted net profit (non-IFRS)	8,555	8,008	6.8%

Source: Company data; AMTD estimates

Figure 14: Xiaomi's quarterly P&L

Rmb m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Profit & loss								
Revenue	18,532	26,879	34,100	35,114	34,412	45,235	50,846	44,421
Smartphones	12,194	19,219	25,711	23,440	23,239	30,501	34,983	25,077
IoT and lifestyle products	4,161	5,081	5,692	8,514	7,697	10,379	10,805	14,937
Internet services	2,030	2,420	2,550	2,898	3,231	3,958	4,729	4,037
Advertising	1,008	1,474	1,525	1,607	1,874	2,500	3,200	2,526
IVAS	1,021	946	1,024	1,291	1,357	1,458	1,529	1,509
Others	148	160	147	262	245	397	330	370
Cost of sales	(16,068)	(23,031)	(28,898)	(31,474)	(30,111)	(39,584)	(44,269)	(38,760)
Gross profit	2,464	3,848	5,202	3,640	4,301	5,652	6,578	5,661
Gross margin	13.3%	14.3%	15.3%	10.4%	12.5%	12.5%	12.9%	12.7%
Operating expenses	(1,572)	(2,080)	(2,548)	(3,399)	(2,972)	(13,896)	(4,305)	(4,696)
Selling and marketing expenses	(727)	(1,144)	(1,447)	(1,914)	(1,403)	(2,076)	(2,187)	(2,328)
Administrative expenses	(240)	(229)	(297)	(450)	(465)	(10,457)	(583)	(594)
R&D expenses	(605)	(707)	(805)	(1,035)	(1,104)	(1,364)	(1,534)	(1,775)
EBIT	892	1,768	2,654	241	1,330	(8,244)	2,273	965
Fair value changes on investments	1,180	1,738		3,453	1,763	527	65	2,075
Share of losses of investments	(66)	(85)	(67)	(14)	16	(129)	(184)	(318)
Other income	24	173	106	146	158	207	259	220
Other (losses)/gains, net	(75)	65	222	(140)	98	47	(202)	271
PBT	(7,522)	(11,340)	(10,264)	(12,703)	(6,689)	14,908	2,364	3,344
Income tax expenses	(345)	(626)	(729)	(360)	(338)	(276)	117	48
(Loss)/profit for the year	(7,867)	(11,967)	(10,993)	(13,063)	(7,027)	14,633	2,481	3,392
Minority interest	(21)	(6)	(3)	(33)	(22)	(19)	(18)	(17)
Attributable profit	(7,846)	(11,961)	(10,990)	(13,030)	(7,005)	14,651	2,499	3,409
Adjusted net profit (non-IFRS)	661	1,691	2,459	550	1,699	2,117	2,885	1,853
Yoy growth %								
Total revenue					86%	68%	49%	27%
Smartphones					91%	59%	36%	7%
IoT and lifestyle products					85%	104%	90%	75%
Internet services					59%	64%	85%	39%
Advertising					86%	70%	110%	57%
IVAS					33%	54%	49%	17%
Others					66%	149%	125%	41%
Gross profit					75%	47%	26%	56%
(Loss)/profit for the year (reported)					na	na	na	-126%
Adjusted net profit (non-IFRS)					157%	25%	17%	237%

Source: Company data, AMTD research

Figure 15: Xiaomi's P&L forecast

Rmb m	2016	2017	2018	2019E	2020E
Profit & loss					
Revenue	68,434	114,625	174,915	218,806	272,506
Smartphones	48,764	80,564	113,800	134,745	162,868
IoT and lifestyle products	12,415	23,448	43,817	61,346	78,954
Internet services	6,538	9,896	15,956	21,238	29,133
Advertising	3,838	5,614	10,100	15,655	23,483
IVAS	2,699	4,282	5,853	5,583	5,650
Others	717	717	1,343	1,477	1,551
Cost of sales	(61,185)	(99,471)	(152,723)	(189,509)	(232,837)
Gross profit	7,249	15,154	22,192	29,296	39,668
Gross margin	10.6%	13.2%	12.7%	13.4%	14.6%
Operating expenses	(6,053)	(9,599)	(25,869)	(20,568)	(26,706)
Selling and marketing expenses	(3,022)	(5,232)	(7,993)	(10,503)	(13,625)
Administrative expenses	(927)	(1,216)	(12,099)	(2,626)	(3,543)
R&D expenses	(2,104)	(3,151)	(5,777)	(7,439)	(9,538)
EBIT	1,196	5,555	(3,677)	8,729	12,963
Fair value changes on investments	2,727	6,371	4,430	1,000	1,000
Share of losses of investments	(150)	(231)	(615)	(200)	(200)
Other income	540	449	845	300	300
Other (losses)/gains, net	(528)	72	213	-	-
PBT	1,176	(41,829)	1,196	10,090	14,415
Income tax expenses	(684)	(2,060)	(449)	(1,671)	(2,391)
(Loss)/profit for the year	492	(43,889)	13,478	8,420	12,024
Minority interest	(62)	(63)	(76)	(84)	(92)
Attributable profit	553	(43,826)	13,554	8,503	12,116
Adjusted net profit (non-IFRS)	1,896	5,362	8,555	10,483	14,839
Yoy growth %					
Total revenue	2%	67%	53%	25%	25%
Smartphones	-9%	65%	41%	18%	21%
IoT and lifestyle products	43%	89%	87%	40%	29%
Internet services	102%	51%	61%	33%	37%
Advertising	111%	46%	80%	55%	50%
IVAS	90%	59%	37%	-5%	1%
Others	-39%	0%	87%	10%	5%
Gross profit	169%	109%	46%	32%	35%
(Loss)/profit for the year (reported)	na	na	na	-38%	43%
Adjusted net profit (non-IFRS)	na	183%	60%	23%	42%

Source: Company data; AMTD estimates

Figure 16: Xiaomi key operating matrix

Operating matrix	2016	2017	2018	2019E	2020E
Revenue mix					
Smartphones	71.3%	70.3%	65.1%	61.6%	59.8%
IoT and lifestyle products	18.1%	20.5%	25.1%	28.0%	29.0%
Internet services	9.6%	8.6%	9.1%	9.7%	10.7%
Advertising	5.6%	4.9%	5.8%	7.2%	8.6%
IVAS	3.9%	3.7%	3.3%	2.6%	2.1%
Others	1.0%	0.6%	0.8%	0.7%	0.6%
Smartphone shipment (million)	55	91	119	137	161
yoy %	-17%	65%	30%	16%	17%
Smartphone ASP (Rmb)	880	881	959	980	1,013
yoy %	9.0%	0.2%	8.8%	2.3%	3.3%
IoT and lifestyle product sales per smartphone	224	257	308	446	491
yoy %	71.5%	14.5%	20.0%	45.0%	10.0%
IoT and lifestyle product sales per MIUI MAU	92	137	181	209	216
yoy %	18.9%	49.1%	32%	16%	3%
End-of-the-period MIUI MAUs (millions)	135	171	242	293	365
yoy %	20%	27%	42%	21%	25%
Internet ARPU (Rmb)	49	58	66	72	80
yoy %	68%	19%	14%	10%	10%
Gross margin for hardware (%)	4.4%	8.7%	7.3%	7.4%	7.8%
Gross margin for internet services segment (%)	64%	60%	64%	68%	70%
Advertising	86%	82%	82%	82%	80%
IVAS	34%	32%	30%	30%	30%
Non-IFRS net margin (%)	2.8%	4.7%	4.9%	4.8%	5.4%
Operating margin (reported)	5.5%	10.7%	0.7%	4.5%	5.2%
Operating expense to revenue %	8.8%	8.4%	14.8%	9.4%	9.8%
Cash conversion cycle (days)	-35	-38	-36	-35	-35
Net cash/ (net debt)	9,663	8,986	28,794	40,164	24,562

Source: Company data; AMTD estimates

Figure 17: Valuation comparison table (1) – Global smartphones and home appliance companies

Code	Company	Price	Mkt Cap	PE (x)			EPS g (%)			P/S (x)		EV/EBITDA		EV/EBIT		
				Curr.	20-Mar	(US\$ m)	2018e	2019e	2020e	2018e	2019e	2020e	2019e	2020e	2018e	2019e
China smartphones & home appliances																
992 HK equity	Lenovo	HKD	7.1	10,699	na	17.8	14.4	(141.8)	399.4	24.0	0.2	0.2	12.3	6.7	31.8	10.7
000333 CH equity	Midea	CNY	47.4	48,079	15.8	14.2	12.5	16.6	10.8	13.7	1.2	1.1	12.2	11.0	14.9	13.5
000651 CH equity	Gree	CNY	44.9	41,841	10.4	10.0	9.2	20.8	3.5	8.5	1.4	1.3	6.2	6.4	6.7	7.4
600690 CH equity	Haier	CNY	16.5	15,529	13.5	12.3	10.9	8.6	10.1	13.3	0.5	0.5	9.1	8.1	11.9	10.4
000418 CH equity	Little Swan	CNY	56.0	5,032	20.5	17.8	15.2	16.3	15.4	17.4	1.3	1.2	17.7	14.7	21.5	18.9
1169 HK equity	Haier Electronics	HKD	23.2	8,696	15.2	12.0	11.7	13.1	26.6	2.3	0.6	0.6	8.7	7.8	9.8	9.0
000921 CH equity	Hisense Kelon	CNY	9.5	2,381	12.6	11.2	9.9	(30.5)	12.5	12.9	0.4	0.4	8.1	7.4	3.7	3.3
000521 CH equity	Meiling	CNY	3.7	594	45.2	37.0	29.1	190.3	22.2	27.3	0.2	0.2	na	na	na	na
Average					19.0	16.5	14.1	11.7	62.6	14.9	0.7	0.7	10.6	8.9	14.3	10.5
China kitchen & small appliance																
002508 CH equity	Robam	CNY	25.4	4,042	17.7	16.2	14.5	4.4	9.6	12.0	3.3	3.0	15.1	14.1	15.9	14.8
002035 CH equity	Vatti	CNY	10.8	1,638	16.1	13.6	11.3	31.8	18.8	20.0	1.6	1.4	11.6	11.0	13.1	13.9
002242 CH equity	Joyoung	CNY	17.7	2,665	23.7	21.2	18.2	9.0	11.8	16.7	2.0	1.7	20.3	17.5	20.6	17.8
002032 CH equity	Supor	CNY	59.6	8,045	32.8	27.2	22.8	25.1	20.6	19.2	2.6	2.2	25.8	21.4	27.8	23.1
603868 CH equity	Flyco	CNY	41.9	2,860	21.5	18.8	16.5	6.8	14.3	13.8	4.2	3.7	15.9	14.0	na	na
603355 CH equity	Kingclean	CNY	24.4	1,539	21.6	17.3	14.3	31.1	24.6	20.6	1.5	1.4	14.4	10.8	na	na
Average					24.7	21.0	17.6	38.8	23.1	18.1	2.0	1.8	16.3	14.0	18.3	16.0
China TV																
751 HK equity	Skyworth Digital	HKD	2.6	1,096	17.3	7.7	5.9	(59.9)	102.6	30.9	0.2	0.2	8.6	5.0	17.1	8.5
1070 HK equity	TCL Multimidea	HKD	3.9	1,337	10.9	9.9	8.6	na	na	14.3	0.2	0.2	3.8	3.6	4.4	4.3
600060 CH equity	Hisense	CNY	9.6	2,126	13.7	10.8	9.9	10.6	26.9	8.6	0.4	0.4	15.5	9.7	11.4	8.8
Average					20.8	16.7	14.2	8.8	32.0	17.8	1.6	1.4	15.1	12.0	16.6	13.1
Global automation																
6954 JP equity	Faunc	JPY	19,080.0	35,247	20.3	25.2	32.2	42.5	(18.6)	(21.7)	6.2	6.6	12.5	16.5	14.4	21.3
6506 JP equity	Yaskawa Electric	JPY	3,350.0	8,172	22.6	20.4	24.2	95.0	12.0	(15.3)	1.9	1.9	13.4	13.5	16.4	17.4
KU2 GR equity	KUKA	EUR	61.4	2,624	40.1	22.9	18.2	(34.8)	75.2	26.2	0.7	0.7	7.8	na	na	na
ABB US equity	ABB	USD	20.5	42,387	18.6	15.9	14.7	na	na	7.5	1.3	1.3	11.7	11.3	16.4	15.7
300024 CH equity	Siasun Robotics	CNY	16.6	4,899	62.4	54.8	45.4	4.0	33.3	20.6	9.0	7.6	55.6	46.9	66.2	64.0
Average					26.2	22.1	20.9	21.0	26.8	7.2	2.7	2.5	16.9	16.2	20.8	20.6
Global smartphones & home appliances																
AAPL US equity	Apple	USD	174.3	879,541	15.8	16.3	14.4	28.9	(3.4)	12.9	3.4	3.3	9.2	10.0	11.2	11.9
005930 KS equity	Samsung Electroni	KRW	46,750.0	232,576	6.5	10.6	8.6	14.8	(43.5)	22.9	1.2	1.1	2.1	2.9	3.0	5.2
066570 KS equity	LG Electronics	KRW	70,500.0	11,202	8.7	10.2	8.1	(28.1)	0.5	25.0	0.2	0.2	4.3	4.5	7.0	8.1
6758 JP equity	Sony	JPY	5,331.0	56,387	12.9	7.6	11.0	568.7	68.4	(31.1)	0.7	0.7	5.2	4.5	7.5	6.4
6752 JP equity	Panasonic	JPY	1,037.0	20,897	10.8	9.0	9.5	57.3	4.6	(5.3)	0.3	0.3	4.4	4.1	7.8	7.0
WHR US equity	Whirlpool	USD	143.3	8,411	9.0	9.0	8.0	10.3	(3.6)	13.1	0.4	0.4	7.0	6.9	10.4	10.1
ELUXB SS equity	Electrolux	SEK	242.1	8,185	15.3	14.2	12.3	(16.2)	2.6	15.0	0.6	0.6	7.3	6.9	11.7	11.2
AOS US equity	AO Smith	USD	52.8	8,751	20.3	19.2	17.5	20.3	3.9	9.7	2.7	2.6	13.0	12.6	14.7	13.9
SK FP equity	SEB	EUR	139.8	8,451	17.8	16.0	14.3	9.6	5.1	12.0	1.0	1.0	10.8	10.0	13.8	12.8
5947 JP equity	Rinnai	JPY	7,450.0	3,538	17.4	19.9	18.3	(4.4)	(6.3)	8.8	1.1	1.1	6.1	6.3	7.9	8.6
Average					13.2	12.9	12.0	70.3	3.5	7.8	0.9	0.9	6.7	6.5	9.3	9.3

Priced as of 20 March 2019; Source: Bloomberg, company data, AMTD estimates

Figure 18: 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)		2019e	2020e	2018e	2019e	
				2018e	2019e		2018e-2020e	2018e					2019e
		Curr. 3/20/2019											
China Internet													
BABA US equity	Alibaba	USD	182.1	472,140	36.5	34.0	26.4%	1.8	1.7	8.4	6.2	29.0	25.8
700 HK equity	Tencent	HKD	370.0	448,731	39.5	32.9	29.4%	2.5	2.1	7.5	5.9	28.6	24.1
BIDU US equity	Baidu	USD	170.7	59,647	17.7	19.5	17.5%	0.6	0.7	3.4	2.9	13.5	15.9
JD US equity	JD.com	USD	28.3	40,958	121.6	50.1	48.9%	1.6	0.7	0.5	0.4	69.2	36.2
NTES US equity	Netease	USD	244.3	32,082	25.3	22.6	21.0%	na	na	2.6	2.2	20.6	16.5
CTRP US equity	Ctrip	USD	41.9	23,214	37.5	33.1	35.7%	1.2	1.1	4.2	3.6	42.8	30.4
WB US equity	Weibo	USD	63.1	14,070	23.8	20.9	39.2%	0.8	0.7	6.9	5.7	20.3	17.1
WUBA US equity	58.com	USD	63.1	9,353	23.3	21.2	31.7%	0.6	0.6	4.0	3.4	20.4	17.3
ATHM US equity	Autohome	USD	92.2	10,830	25.3	20.5	22.3%	na	na	8.3	7.0	21.4	16.8
SINA US equity	Sina	USD	58.5	4,184	19.7	17.5	45.3%	na	na	1.7	1.5	7.2	5.8
YY US equity	YY	USD	85.8	6,958	11.8	12.0	18.4%	0.5	0.5	2.3	2.0	11.7	10.3
VIPS US equity	Vipshop	USD	7.6	5,050	12.7	11.8	28.7%	na	na	0.4	0.4	8.0	6.6
2858 HK equity	Yixin	HKD	2.0	1,656	49.8	18.0	122.6%	na	na	1.8	1.4	120.5	41.1
MOMO US equity	Momo	USD	38.5	7,962	16.6	14.0	24.4%	0.6	0.5	2.7	2.3	13.1	5.7
BITA US equity	Bitauto	USD	17.5	1,276	13.0	13.1	29.3%	na	na	0.7	0.6	29.7	21.5
FANG US equity	Fang	USD	103.2	16,961	15.8	14.1	46.9%	0.7	0.6	4.1	3.0	13.5	6.9
BZUN US equity	Baozun	USD	39.0	2,242	42.5	26.9	48.2%	101.3	64.0	2.1	1.6	31.3	20.2
Average					31.3	22.5	37.4%	10.2	6.6	3.6	2.9	29.5	18.7
Average ex-Tencent					30.8	21.9	37.9%	10.9	7.1	3.4	2.8	29.5	18.4
Leading global Internet													
FB US equity	Facebook	USD	161.6	461,119	19.0	18.4	13.8%	0.9	0.8	6.7	5.5	12.7	11.6
equity	Google	USD	1,202.5	834,589	22.2	21.8	14.2%	1.5	1.4	6.3	5.4	14.5	12.3
AMZN US equity	Amazon	USD	1,761.9	865,426	61.2	48.2	35.2%	1.6	1.3	3.1	2.7	26.4	20.7
Average					34.1	29.5	21.1%	1.3	1.2	5.4	4.5	17.9	14.9

Priced as of 20 March 2019; Source: Bloomberg, company data, AMTD estimates

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