

# Meituan: US\$10bn war chest reloaded for e-commerce fight

DIGITAL ENGAGEMENT TEAM

27 APRIL 2021

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	313.00
Latest Dividend	N/A
Dividend Ex-Date	N/A
Indicated Dividend Yield	N/A
RSI	52.37
Analysts 12M Target Price	402.20

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

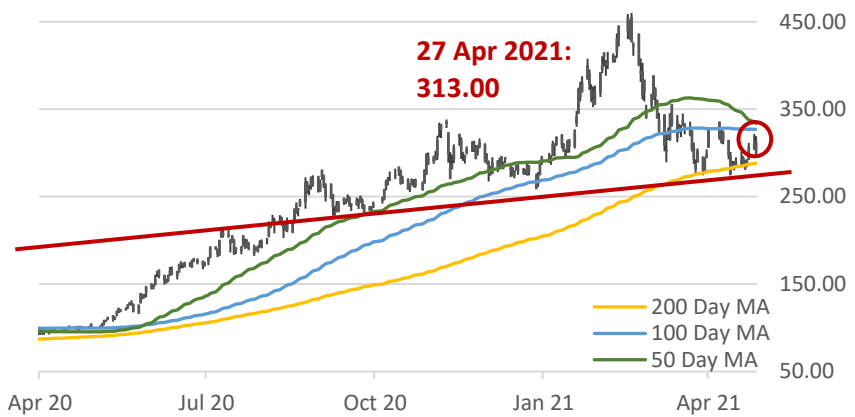
**4/10**  
As of 27 April 2021 closing

Refer to page 3 for indicator components

### KEY MARKET EVENTS

- 29 Apr**  
China Manufacturing PMI (Apr)
- 3 May**  
Caixin Manufacturing PMI (Apr)
- 7 May**  
US Unemployment Rate (Apr)
- 10 May**  
China CPI (YoY)(Apr)
- 19 May**  
Hong Kong National Day

## Meituan (3690 HK) Price Chart



The red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 27 April 2021 closing

## Hang Seng Index Price Chart



As of 27 April 2021 closing

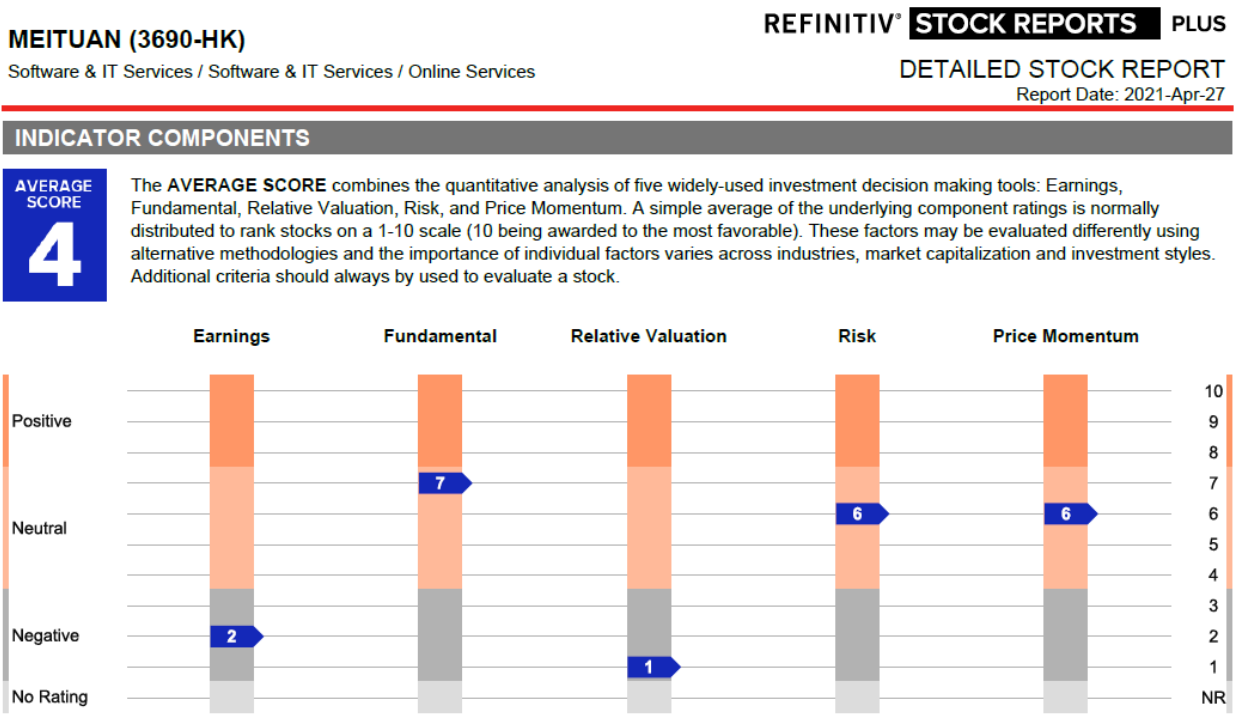
## Headline News & Information

- Meituan provides an e-commerce platform to connect consumers and merchants in the Food Delivery, In-Store, Hotel and Travel segments. It also offers cloud computing, merchant information advisory, online payment and marketing services (Yahoo! Finance)
- China widens internet crackdown with Meituan monopoly probe (26 Apr 2021, Bloomberg)
  - China's government launched an investigation into suspected monopolistic practices by Meituan, looking into alleged abuses including forced exclusivity arrangements
  - Meituan said it will actively cooperate with the probe and step up efforts to comply with regulations
- BlackRock trims Alibaba, Tencent, Meituan on 'ongoing' China tech crackdown and valuation risks, adds financials, energy in reflation bets (22 Apr 2021, SCMP)
  - However, technology stocks still remain on Blackrock's radar and will be added when opportunities arrive and valuations are more appealing
- Meituan raises US\$10 billion to fight Alibaba in grocery arena (19 Apr 2021, Bloomberg)
  - Meituan has raised US\$9.98 billion from a record top-up placement and a convertible bonds sale as it doubles down on efforts to fight the likes of Alibaba Group Holding Ltd. in newer areas such as online groceries
  - The company sold 187 million shares in a top-up placement at HK\$273.80 each, representing a discount of 5.3% to the stock's closing price on 19 Apr 2021, and raised US\$400 million from shareholder Tencent Holdings Ltd

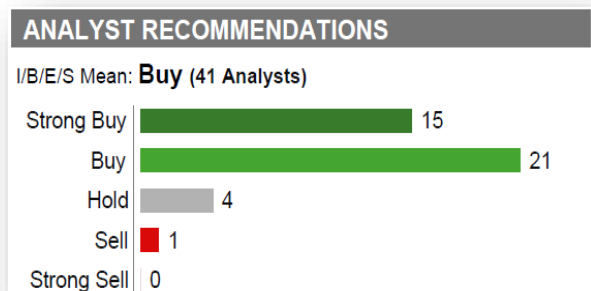
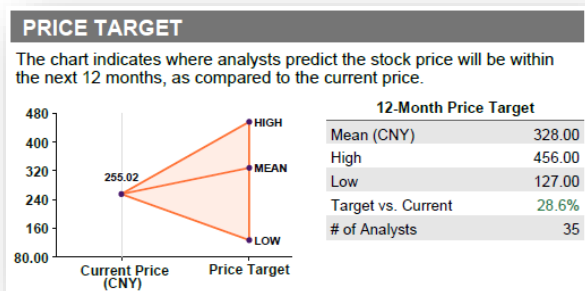
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Meituan's shares are up 6.6% in the past 5 days and rose 3.6% in the past 30 days	<ul style="list-style-type: none"><li>• 333.74 (50 Day MA)</li><li>• 388.00 (02 Mar 2021)</li><li>• 460.00 (18 Feb 2021)</li></ul>	<ul style="list-style-type: none"><li>• 288.30 (200 Day MA)</li><li>• 259.17 (28 Dec 2020)</li><li>• 227.84 (09 Sep 2020)</li></ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 27 April 2021 closing

## Hong Kong Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS		
		Price (2021-04-26)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts
4	3690	305.00	1.0%	-19.4%	207.5%	1.6T	326.9	--	--	4.1%	49.0%	Buy	40
2	136	9.36	-13.2%	180.2%	1200%	89.0B	550.6	156.0	--	5.2%	--	Buy	1
5	1896	14.46	11.2%	16.2%	46.8%	16.8B	--	15.8	--	-47.3%	--	Buy	15
4	1137	11.18	-12.0%	-26.6%	143.0%	9.9B	55.9	39.1	--	6.4%	--	Strong Buy	5
4	620	6.06	35.6%	95.5%	15.6%	4.0B	236.1	--	--	16.9%	--	--	--
6	2101	8.42	-4.2%	17.6%	--	3.3B	18.6	--	3.8%	36.8%	--	--	--
4	82	0.71	10.9%	82.1%	414.5%	3.1B	--	23.7	--	-43.9%	--	Buy	1
2	2280	1.08	2.9%	0.9%	-15.0%	1.4B	--	--	--	-5.2%	--	--	--
NR	8100	0.37	-11.9%	-9.8%	-22.9%	178M	--	--	--	-17.0%	--	--	--
1	1736	0.18	-6.3%	-24.3%	-3.8%	166M	--	--	--	-104.2%	--	--	--
4	789	0.13	-1.5%	-27.1%	-21.8%	146M	13.0	--	--	-12.5%	--	--	--
3.6	Average	32.45	1.1%	25.9%	196.4%	155.2B	200.2	58.6	3.8%	-14.6%	49.0%	Buy	12.4

PEER COMPANIES			
136	HengTen Networks Group	82	V1 Group
1896	Maoyan Entertainment	2280	HC Group Inc
1137	Hong Kong Television Network	8100	GET Holdings
620	DTXS Silk Road Investment	1736	China Parenting Network
2101	Fulu Holdings	789	Artini Holdings

Source: REFINITIV STOCKREPORTS+, extracted 27 April 2021 closing

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>51,645</b>	<b>1151.33</b>	<b>114.86</b>	<b>91.65</b>	<b>12.62</b>	<b>11.34</b>	<b>1.03</b>
3690 HK	MEITUAN-CLASS B	237,451	313.00	318.21	249.32	15.76	9.63	N/A
	EASYHOME NEW							
000785 CH	RETAIL GROUP-A	7,036	6.99	7.15	4.26	2.73	3.14	1.12
PDD US	PINDUODUO INC-ADR	174,134	141.50	N/A		13.39	15.27	N/A
CHWY US	CHEWY INC - CLASS A	34,309	82.62	N/A		N/A		N/A
W US	WAYFAIR INC- CLASS A	32,026	308.78	214.00		N/A		N/A
ZAL GR	ZALANDO SE	28,276	89.86	99.51	131.62	10.67	8.44	N/A
FTCH US	FARFETCH LTD-CLASS A	17,930	50.54	N/A		N/A		N/A
3064 JP	MONOTARO CO LTD	12,863	2,782.00	100.36	81.26	29.51	24.35	0.41
3092 JP	ZOZO INC	10,076	3,505.00	34.60	32.87	19.31	18.50	1.57
ASC LN	ASOS PLC	7,366	5,320.00	30.18	50.55	5.75	5.38	N/A
BTOW3 BZ	B2W CIA DIGITAL	6,629.30	64.35	N/A		3.80	6.00	N/A

Source: Bloomberg, extracted 27 April 2021 closing

## DISCLAIMER

---

The information provided herein is a compilation or summary of materials and data based from external sources available to OCBC Securities Private Limited ("OSPL"), and does not represent OSPL's view on the matters mentioned. Whilst we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness, and you should not act on it without first independently verifying its contents.

Trading in securities can be very risky, and you may lose all or more than the amount invested or deposited. Where necessary, please seek advice from an independent financial adviser regarding the suitability of any trade or investment product taking into account your investment objectives, financial situation or particular needs before making a commitment to trade or purchase the investment product. You should consider carefully and exercise caution in making any trading decision whether or not you have received advice from any financial adviser.

No representation or warranty whatsoever (including without limitation any representation or warranty as to accuracy, usefulness, adequacy, timeliness or completeness) in respect of any information (including without limitation any statement, figures, opinion, view or estimate) provided herein is given by OSPL and it should not be relied upon as such. OSPL does not undertake an obligation to update the information or to correct any inaccuracy that may become apparent at a later time. OSPL shall not be responsible for any loss or damage howsoever arising, directly or indirectly, as a result of any person acting on any information provided herein.

The information provided herein is intended for general circulation/discussion purposes only and may not be published or circulated in whole or in part without our written consent. All trademarks, registered trademarks, product names and company names or logos mentioned herein are the property of their respective owners, and you agree that you will not do anything to infringe or prejudice those rights. Reference to any products, services, processes or other information, does not constitute or imply endorsement, sponsorship or recommendation thereof by OSPL.