

HKTV (1137 HK)

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Initial Coverage

BUY

Close price: HK\$4.64

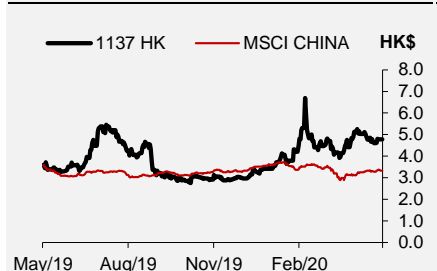
Target Price: HK\$7.00 (+51%)

Key Data

HKEx code	1137
12 Months High (HK\$)	7.30
12 Month Low (HK\$)	2.73
3M Avg Dail Vol. (mn)	17.63
Issue Share (mn)	910.81
Market Cap (HK\$mn)	4,226.18
Fiscal Year	12/2019
Major shareholder (s)	Top Group Int'l (38.98%)

Source: Company data, Bloomberg, OP Research
Closing price are as of 04/05/2020

Price Chart



	1mth	3mth	6mth
Absolute %	-9.6	-3.3	52.9
Rel. MSCI CHINA %	-16.0	1.0	52.9

Company Profile

Hong Kong Television Network Limited, through its subsidiaries, operates HKTVmall as its major business since 2015, providing an "one-stop shop" ecommerce platform to people in Hong Kong. Before this, it was one of the earliest telecommunication services providers in HK.

HK based ecommerce on the rise

- Coronavirus to help deepen HKTV's penetration, FY22E GMV to reach HK\$7 bn
- Strengthening ecommerce ecosystem
- Sweet spot of growth, FY22E net profit to reach HK\$237 mn
- Initiate BUY with TP of HK\$7.0 based on 26.9x FY22E P/E

Coronavirus to help deepen HKTV's penetration, FY22E GMV to reach HK\$7 bn. We argue the coronavirus driven GMV boom can be lasting, as pinpointed by the 5.5%/3.2% mom growth in average order value and customers in March. HKTV saw a big jump in daily visit for grocery purchase during the peak of coronavirus. The new customers got accustomed with HKTV, and buying habit is taking root. On the back of 113% growth in 1Q20 GMV, we now forecast 89%/20%/17% FY20E/21E/22E GMV growth, with GMV reaching HK\$7.15 bn by FY22E. We reckon HKTV could reach the threshold of HK\$10 bn GMV in 5 years' time frame.

Strengthening ecommerce ecosystem. (i) The upcoming "Thankful Festival" in May offers a 6.5% commission rate to attract more than 100 new renowned merchants, (ii) The growing GMV scale enables HKTV to fight for more preferential bulk purchase. We spot more "flash discount" promotion and broadening range of merchandises in HKTV mall, (iii) HKTV targets to reach full year all day round logistics by end 2020, with strict t+2 delivery. The newly completed robotic warehouse will significantly save labor cost, while the "360 days" scheme is pushing merchants to maintain warehouse operation during public holiday.

Sweet spot of growth, HK\$237 mn FY22E net profit. We expect HK\$94 mn/ 237 mn FY21E/22E net profit respectively, on the back of 196 mn/ 347 mn EBITDA. In addition to ramping up GMV, we see significant economies of scale to drive down opex ratio from 33% to GMV in FY19 to 19.5% by FY22E, given that the investment in robotic warehouse and other logistics infrastructure had peaked.

Initiate BUY with target price at HK\$7.0, representing 67.5x/26.9x FY21E/22E PER, and 32.4x/17.7x EV/EBITDA: (i) accelerating GMV growth suggests that buying habit is taking root, (ii) unique positioning as a sole Hong Kong based ecommerce platform to particularly cater for domestic appetite, and (iii) strong character and reliable track record of CEO Mr. Ricky Wong Wai Kay.

Exhibit 1: Forecast and Valuation

Year to Dec (HKD mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	896.4	1,414.0	2,944.0	3,351.6	3,832.8
Growth (%)	84.0	57.7	108.2	13.8	14.4
EBITDA	(242.0)	(199.1)	40.9	195.8	346.8
Growth (%)	n.a.	n.a.	n.a.	379.3	77.1
Adj. net profit	(323.0)	(283.9)	(57.9)	94.5	237.2
Growth (%)	n.a.	n.a.	n.a.	n.a.	151.1
Diluted EPS (HK\$)	(0.164)	(0.355)	(0.064)	0.104	0.260
EPS growth (%)	n.a.	n.a.	n.a.	n.a.	151.1
Change to previous EPS (%)			0.0	0.0	0.0
Consensus EPS (HK\$)			(0.090)	0.040	0.230
ROE (%)	(7.5)	(18.3)	(3.5)	5.0	11.5
EV/Rev (x)	4.2	3.0	1.4	1.3	1.0
EV/EBITDA (x)	(15.4)	(21.2)	104.1	21.4	11.5
P/E (x)	(28.3)	(13.1)	(72.0)	44.7	17.8

Source: Bloomberg, OP Research

A HK based e commerce giant on the rise

We argue that, positioning uniquely to cater for the appetite of Hong Kong citizens, HKTV is gaining traction on the path to profitability, particular after the coronavirus outbreak which in turn pushed more citizens to try online shopping. We forecast 89% GMV (gross merchandise value) growth this year and are confident that HKTV can reach the threshold of HK\$10 bn GMV in 5 years' time frame.

GMV growth can sustain post coronavirus, KPIs point to buying habit is taking root

The 2020 coronavirus outbreak had helped push more citizens for online shopping, as indicated by the 113% yoy growth in 1Q20 GMV to HK\$1.35 bn. Investors may wary that this coronavirus driven growth will wane as the outbreak is easing in Hong Kong. Nonetheless, the 132%/10% yoy/mom growth in March GMV to HK\$531 mn pinpointed that customers are getting sticky with HKTV platform. HKTV is entering into a new plateau of growth as the coronavirus has attracted a big pool of new customers and they are getting more accustomed with HKTV's platform.

More importantly, we spot solidifying buying habit, as revealed in average order mom growth had fastened to 5.5% in March, compared with 4.5% in January/February. While the 169% yoy uptick in Feb GMV was more coronavirus panic driven groceries and necessities purchase, the March GMV was more promotion driven with more consumer discretionary merchandise. We also spot that, being solely HK based, HKTV can better grasp domestic consumption appetite and procure on behalf of HK residents' demand, as highlighted by the surgical mask production line establishment during the early days of coronavirus outbreak.

May "Thankful Festival" to introduce more renowned merchandises

We believe the upcoming "Thankful Festival" in May will be another catalyst to kick up GMV, as HKTV offers a concessionary 6.5% commission rate to attract more than 100 new merchants, including some renowned retail brands such as FILA, New Balance, Levi's, Sulwhasoo, and Eslite (誠品) etc, to join HKTV mall. We are buoyant on this campaign as traditional merchants have to explore new distribution channel in the post coronavirus economy. Reference link of upcoming new merchants:

<https://www.facebook.com/photo?fbid=2742632569175947&set=a.428960543876506>

<https://www.facebook.com/photo?fbid=2759563707482833&set=pcb.2753101611462376>

In terms of direct merchandise (mainly for groceries), HKTV reached HK\$1 bn GMV in FY19 and is well on track to surpass HK\$2 bn this year, which is pushing it closer to the revenue threshold of large scale Hong Kong supermarket chain. This growing GMV scale enables HKTV to fight for more preferential bulk purchase from suppliers, which the more economical pricing creates a positive loop to attract more buyers. We spot more "flash discount" promotion and broadening range of merchandises in HKTV mall lately, which shall make online shopping habit more addictive.

Exhibit 2: “Thankful Festival” to lure more well-known merchants to join



Source: Company, OP Research

Exhibit 3: More flash promotion to encourage more buying



Source: Company, OP Research

Eyeing more than e commerce in long run

The latest job recruitment posted by HKTV reveals a more exciting management vision beyond e commerce. HKTV is recruiting a new team of programmer to work on its customer big data. Inferring from the job advertisement, we bet that HKTV will leverage on its booming customer base to tap into Fintech and smart city businesses. Though we do not take into account of this potential new initiative in the meantime, we expect it could be a very promising project for further re-rating. Reference link:

<https://www.facebook.com/photo?fbid=2768401716599032&set=a.303477066424855>

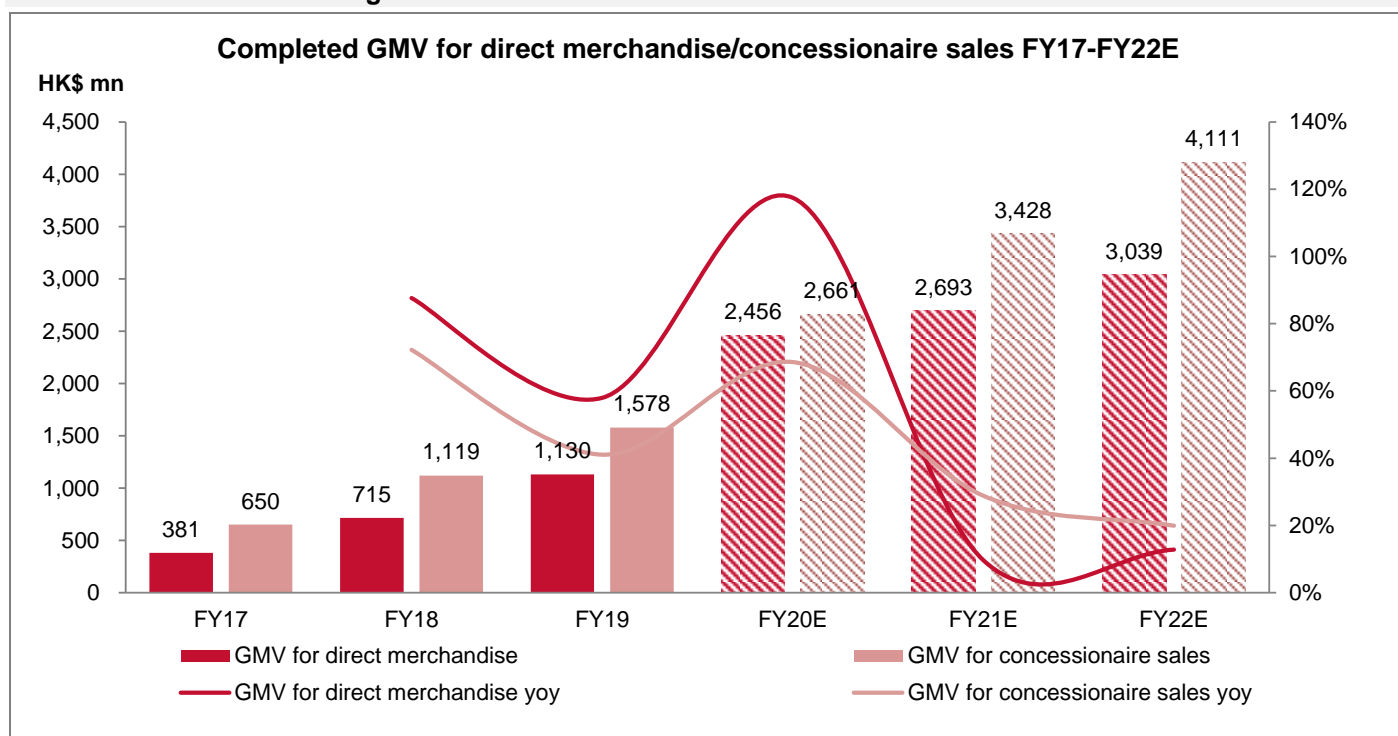
89%/20%/17% GMV growth for 20E/21E/22E

HKTV reported 113% growth in 1Q20 GMV to HK\$1.35 bn, and we believe its initial guidance of HK\$3.38 bn FY20E GMV is now a very comfortable beat. In spite of an anticipated soft patch in April due to easing coronavirus, we believe the 5.5%/3.2% mom growth in average order value and unique customers in March suggested otherwise that HKTV is still getting more prevailed among Hong Kong citizens. We expect the GMV momentum to gain traction in May again thanks to the "Thankful Festival" and bottoming out domestic consumption.

We now forecast 89%/20%/17% FY20E to 22E completed GMV growth to HK\$5.1 bn/6.1 bn/ 7.1 bn respectively, based on projections of 29.8k/ 36.4k/ 43.9k average daily order numbers. We believe HKTV could reach the threshold of HK\$10 bn GMV in in 5 years' time frame as it is becoming a major domestic retail platform through grabbing market share of other retailers. More, in spite of the GMV spike in early 2020, the penetration of HKTV is far from saturated as only 10% plus of HK adult had purchased from HKTV and monthly unique customers still stands at below 400k.

Another driver for GMV growth and more accustomed purchase is strengthened logistic provision, in which majority of HKTV delivery can now achieve the t+2 delivery lead time, with the help of automated & robotic warehouse, plus 350 delivery truck fleet, and 115 O2O pick up points. Moreover, the "360 days" merchant scheme is pushing merchants to maintain warehouse operation during long public holiday by offering a 3% rebate, in order to reach management target of full year all day round logistics by end 2020.

Exhibit 4: Accelerated GMV growth in FY20E



Source: Company, OP Research

Exhibit 5: Direc merchandise gross margin and commission rate to improve gradually

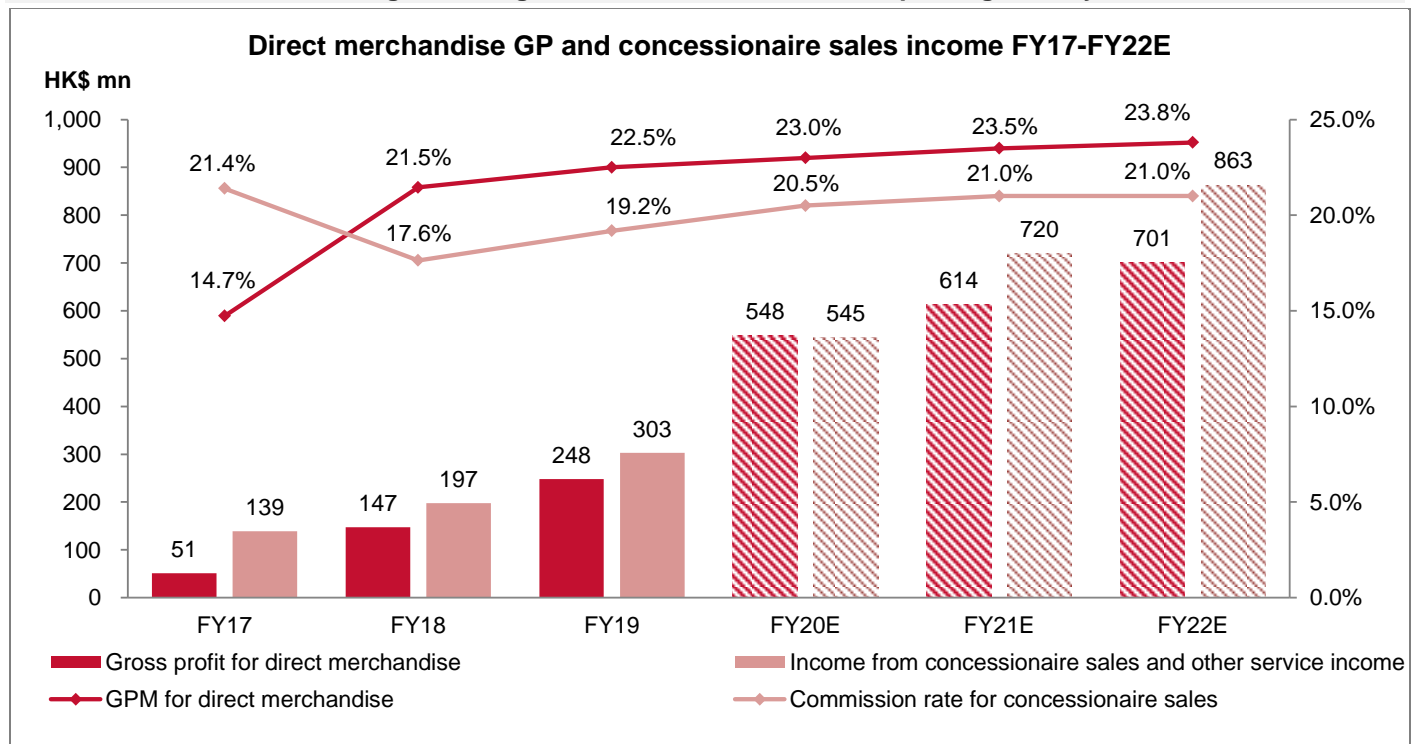
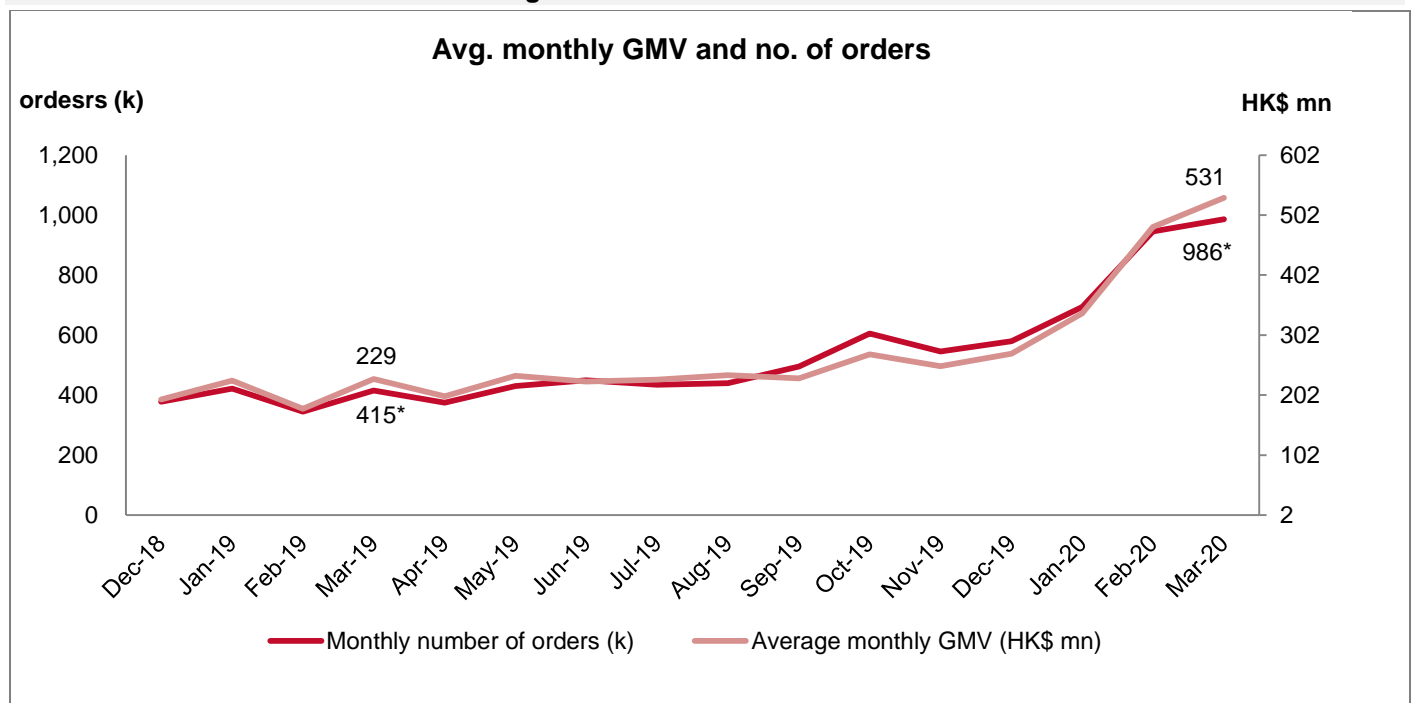


Exhibit 6: GMV/no. of orders still climbing 10%/4.2% mom in Mar. FY20



Sweet spot of growth, expect HK\$237 mn FY22E net profit

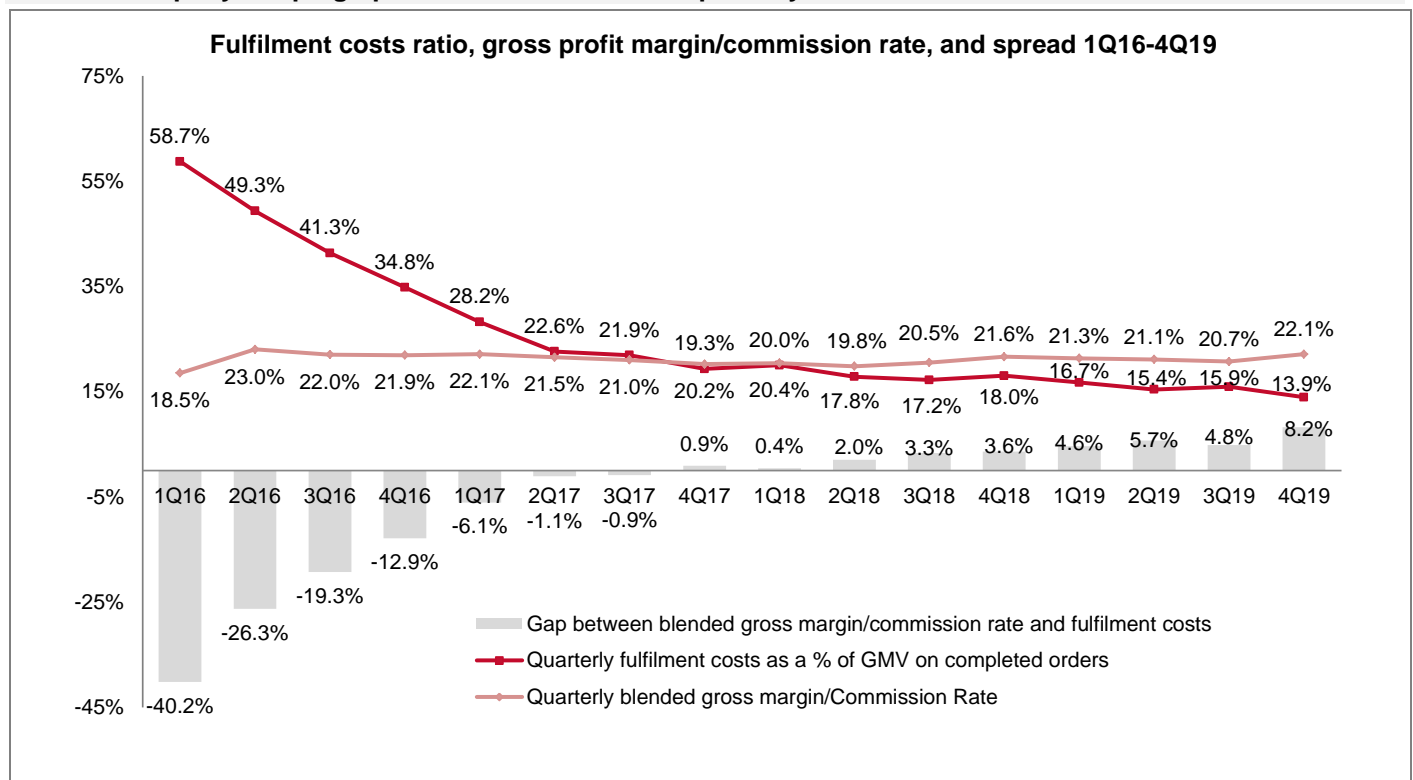
On the back of fastening revenue growth and economies of scale, we believe HKTVM has pushed forward its path to breakeven. We expect FY20E net loss narrowing to HK\$58 mn, and then record HK\$94 mn/ 237 mn FY21E/22E net profit respectively, on the back of HK\$41 mn/ 196 mn/ 347 mn FY20F to 22F EBITDA. In addition, because the automatic logistics backbone has been completed and solid working capital management, we argue HKTVM will soon to be free cash flow generative with HK\$70 mn/210 mn projected for FY21F/22F. Our breakeven roadmap is based on:

- i. Continuous gross margin improvement. For direct merchandise, we expect gross margin improving to 23%/23.5%/23.8% for FY20E to 22E given increasing bargaining power along with rising scale of procurement. For concessionaire sales, HKTVM recently introduced a transparent commission scheme for merchants in the same category, ranging from 12% to 28%. (cloud.marketing.hktvmall.com/aogplan) We project the revised scheme can raise effective commission rate to 21%, in particular that the more popular groceries and beauty health items (60% of GMV) generally charge higher commission rate at 20% plus.
- ii. We also project economies of scale to bring operating cost to GMV ratio further down to 23.8%/21.4%/19.5% for FY20E/21E/22E, compared with 33% for FY19, as we reckon at least 30% of opex are fixed cost based. In particular, staff cost accounts for 45% of opex and we expect only modest increase in this category, as HKTVM's investment in automatic warehouse is bearing fruit. Furthermore, the investment in logistic infrastructure has been largely completed and hence we see stable depreciation expenses (7% of operating cost) going forward.

Initiate BUY on ramping up GMV and solid execution capability

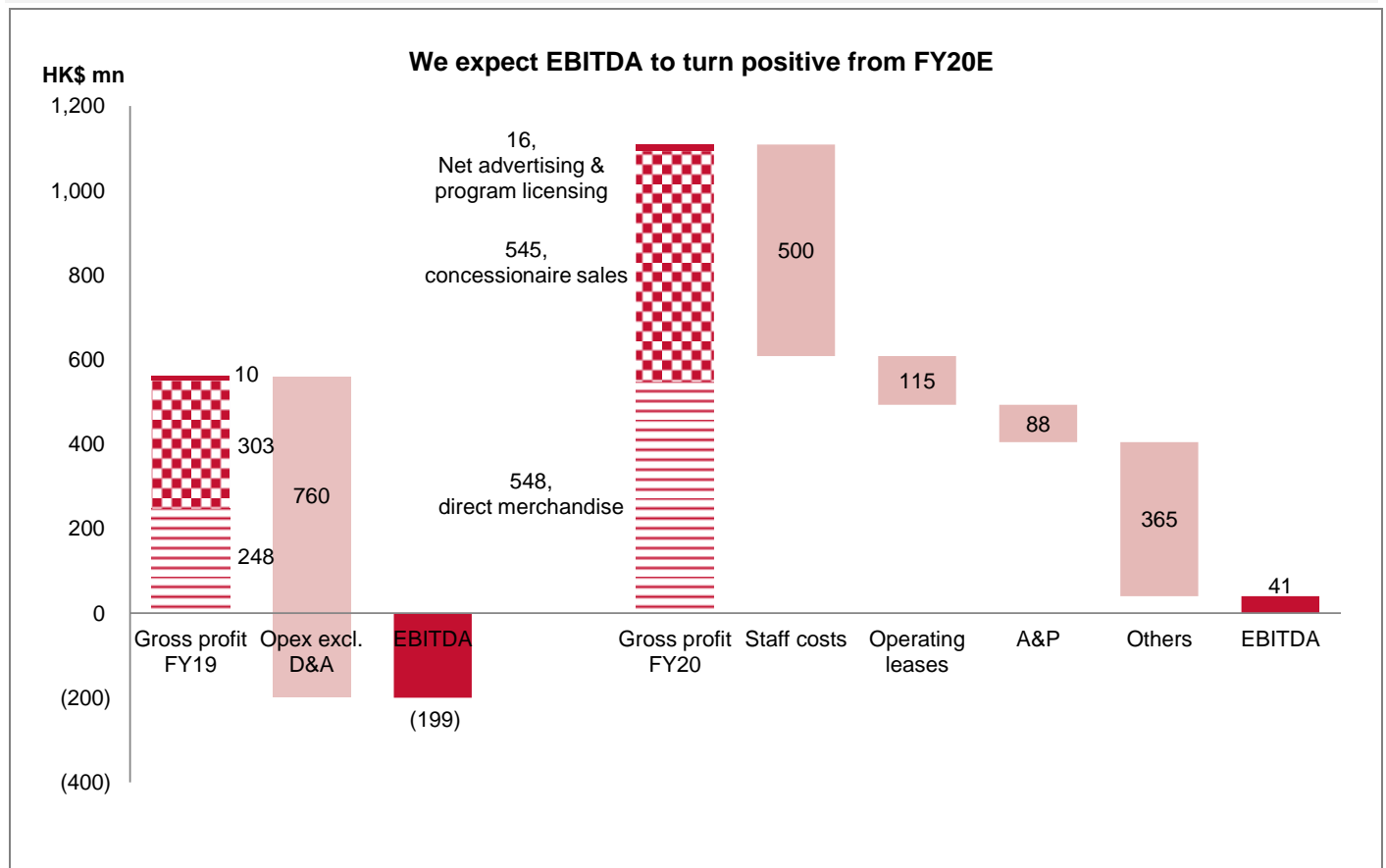
We initiate BUY with target price at HK\$7.0, representing 67.5x/26.9x FY21E/22E PER, and 32.4x/17.7x EV/EBITDA. We argue the valuation premium is justified because: (i) accelerating GMV growth suggests that buying habit is taking root among Hong Kong customers, (ii) unique positioning as a sole Hong Kong based ecommerce platform, which merchandises particularly cater for domestic consumer appetite, and (iii) strong character and reliable track record of CEO Mr. Ricky Wong Wai Kay

Exhibit 7: Rapidly ramping up economies of scale on quarterly basis



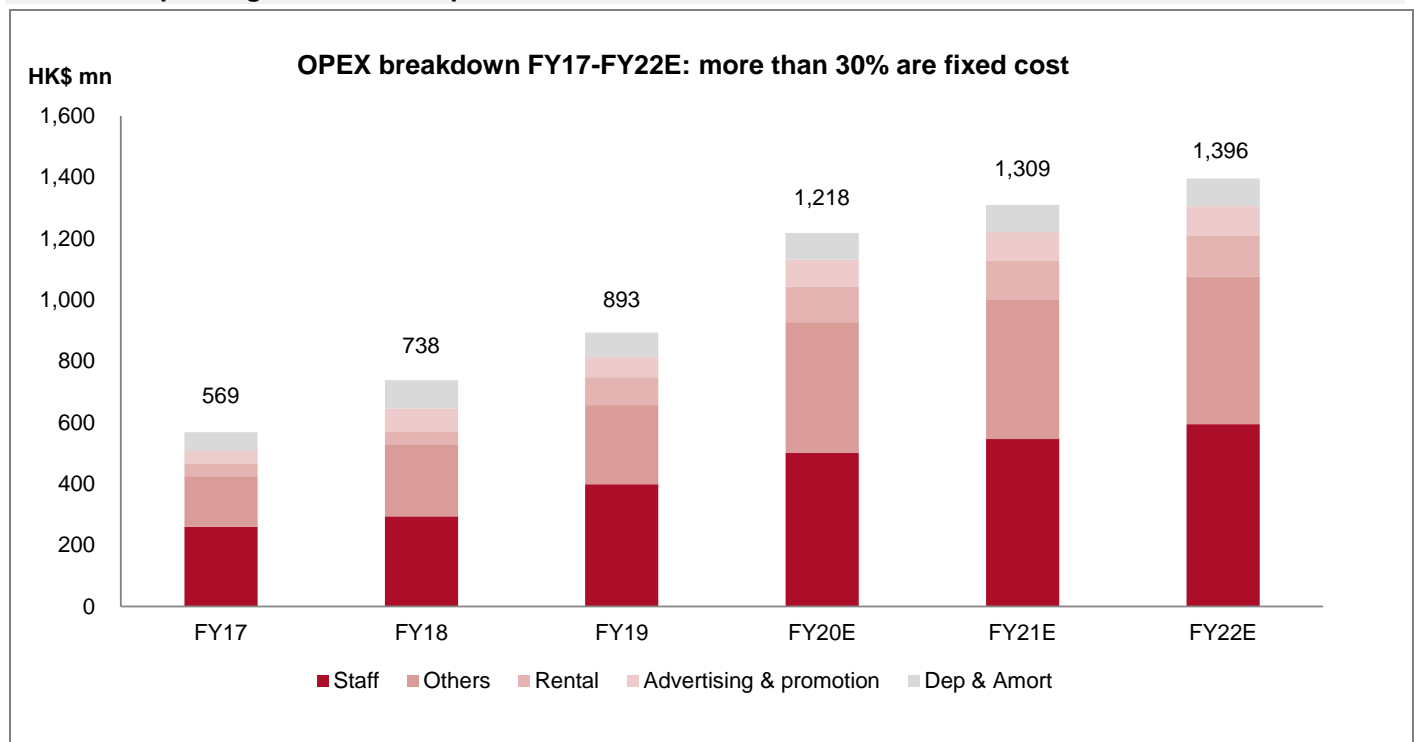
Source: Company, OP Research

Exhibit 8: EBITDA breakdown for FY20E



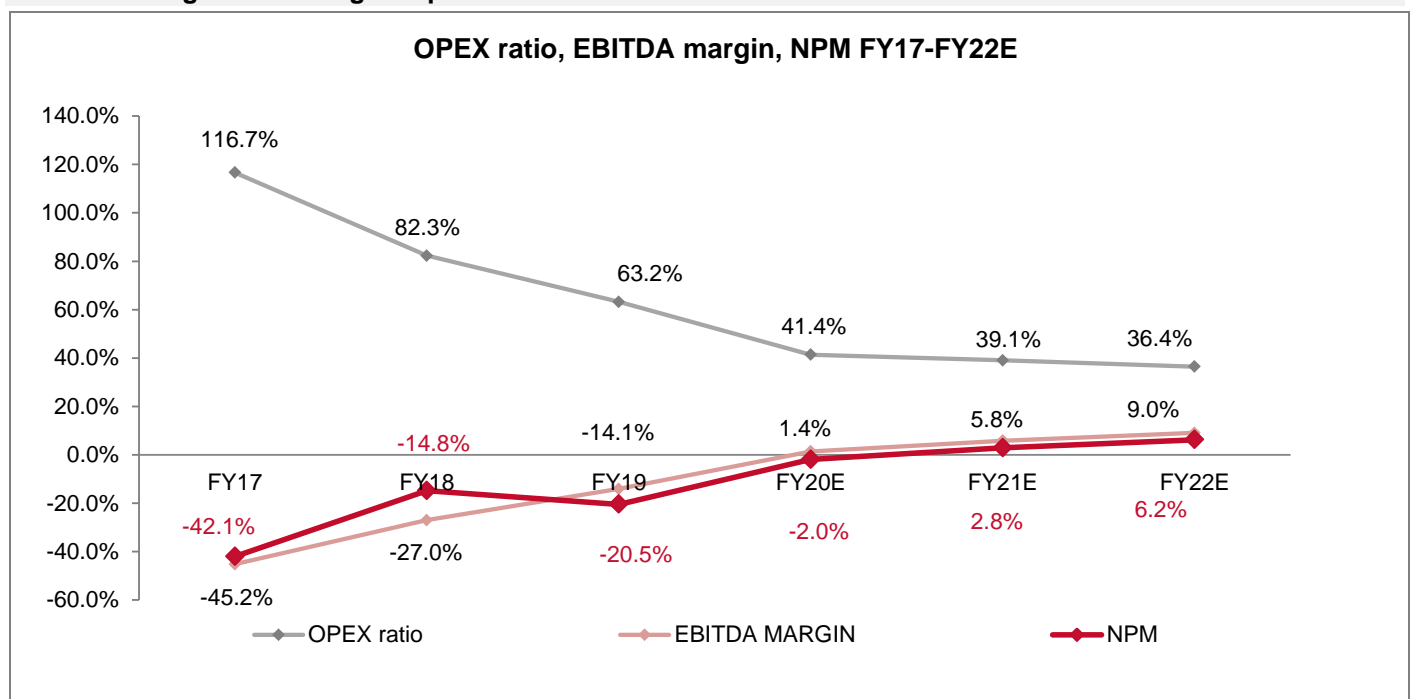
Source: Company, OP Research

Exhibit 9: Opex to grow at modest pace



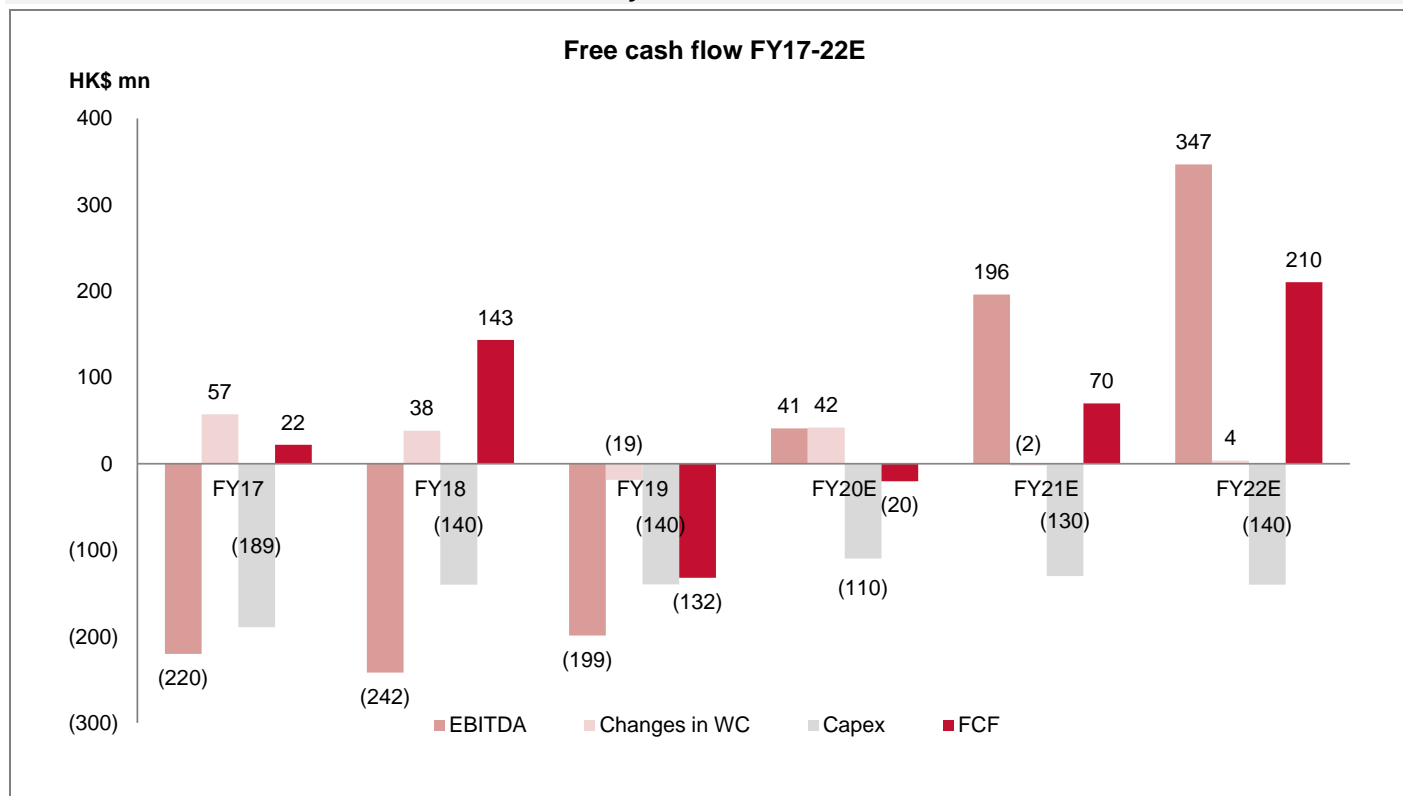
Source: Company, OP Research

Exhibit 10: Significant margin improvement in FY21E/22E



Source: Company, OP Research

Exhibit 11: Free cash flow to reach HK\$210 mn by FY22E



Source: Company, OP Research

Investment risks

Competition in online retail market

Operating in a free market economy, HKTV faces competition from e-commerce portals across the globe, despite that it has established firm footing to specifically cater for domestic consumer appetite. Global leaders including Tmall and Amazon have financial muscles to offer more aggressive promotion discount. Vertical players like DCFever, and Zalora etc. have more specialized product lines and more loyal customers in their own categories. Offline players including supermarkets, department stores, brand companies, skincare chain stores and etc. all offer online services and tend to divert customers to their own platforms through membership benefits. Intensifying competition may lead to less customer stickiness as well as wider discounts.

Slower than expected e-commerce penetration in Hong Kong

In our view Hong Kong had experienced relatively less robust e-commerce growth because of: 1) high convenience of offline retail network, 2) relatively insufficient delivery services regarding pick-up points and delivery lead time. Nonetheless, the robust GMV of HKTV lately suggested that it is cracking down these barriers.

Prolonged slowdown of Hong Kong's economy

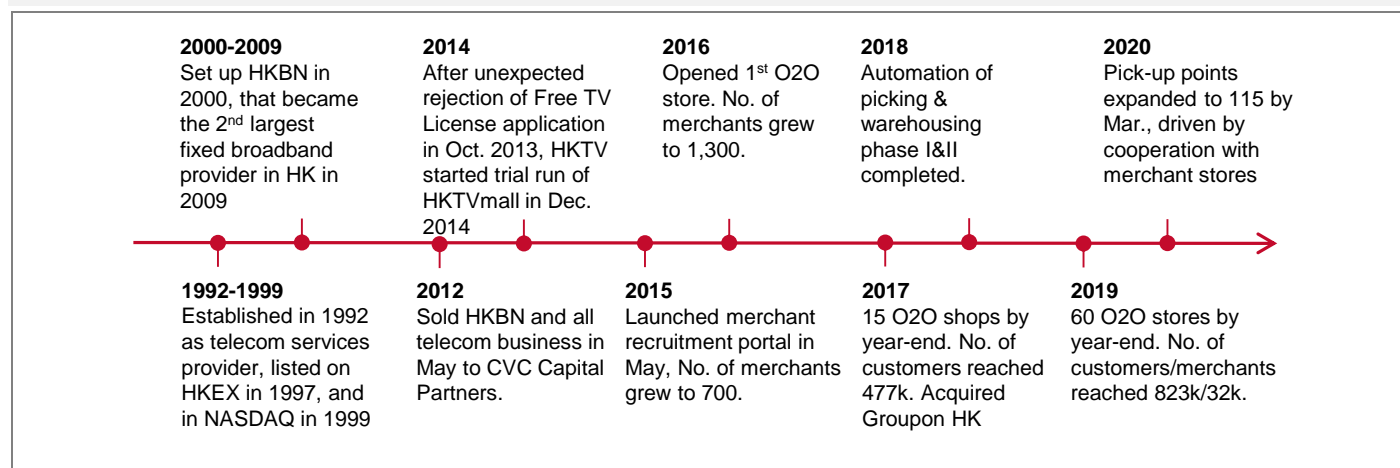
Catering mainly for HK local retail market, HKTV is exposed to potential downturn of Hong Kong's economy. Amid rising unemployment rate (4.2% in 1Q20 versus 2.8% in 1Q19), plus GDP contraction (hk gov forecasts -1.5% to 0.5% growth in 2020, versus -1.2% in 2019), consumer confidence sentiments may stay low. Tepid retail sales growth leaves HKTV highly reliant on further market consolidation and e-commerce penetration.

Company background

History

Previously named City Telecom (changed to HKTV in 2013), the Group was founded by Mr. Wong Wai Kay and Mr. Cheung Chi Kin in 1992, as one of the earliest telecom services providers in Hong Kong. The Company set up HKBN in 2000, which became the 2nd largest HK fixed broadband provider in 2009. The Company sold HKBN and all telecom business in 2012. After the unexpected rejection of Free TV License application in 2013, HKTV restructured its business and commenced the HKTVmall in Dec. 2014.

Exhibit 12: HKTV started HKTVmall business from Dec. 2014

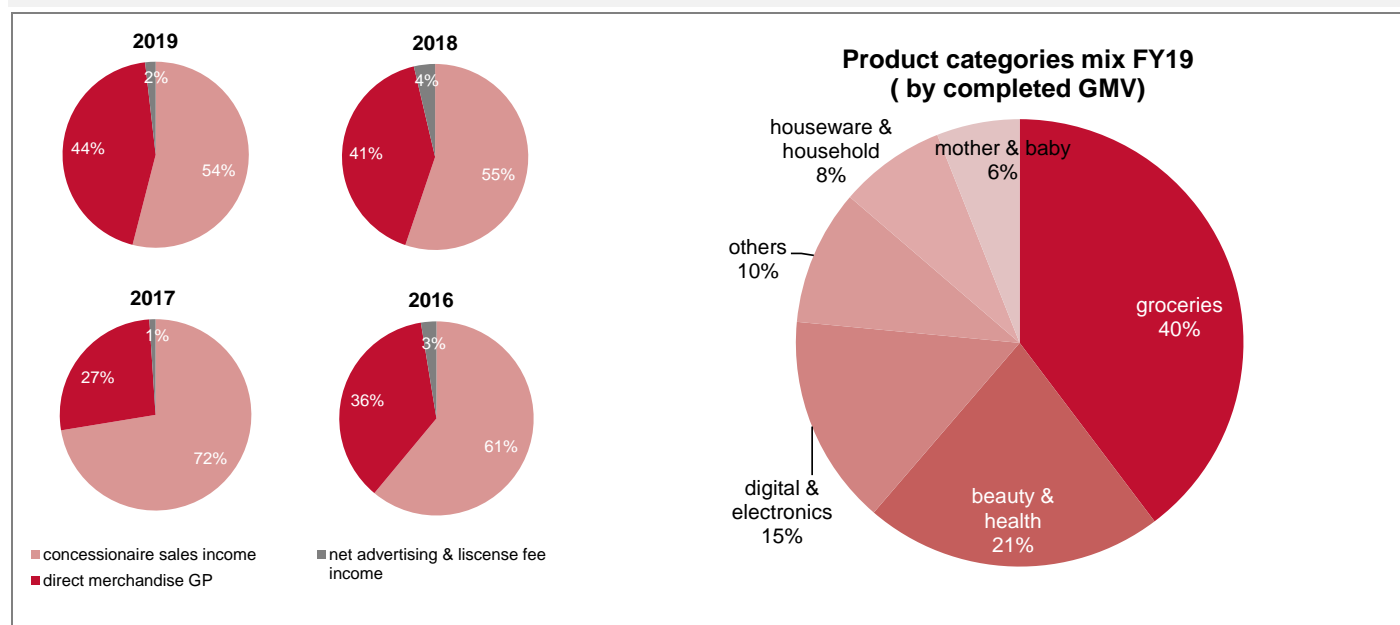


Source: Company, OP Research

Business model

HKTV runs online mall business through two means: direct merchandise and concessionaire sales. For direct merchandise, HKTV purchases goods from merchants as inventories then sells to customers. For concessionaire sales, HKTV takes by-category commissions on GMV. With self-owned logistics centers, HKTV arranges majority of logistics through its own and outsourced trucks. Commission rates are 3-9 ppt lower for applicable items delivered by merchants on their own. The Company also charges annual license fee per store for merchants, who in return receive corresponding advertising services on HKTVmall or cooperation partners like Google. Groceries, beauty & health, and digital & electronics are 3 biggest categories in terms of completed GMV orders in FY19.

Exhibit 13: HKTV started HKTVmall business from Dec. 2014



Source: Company, OP Research

Financial Summary

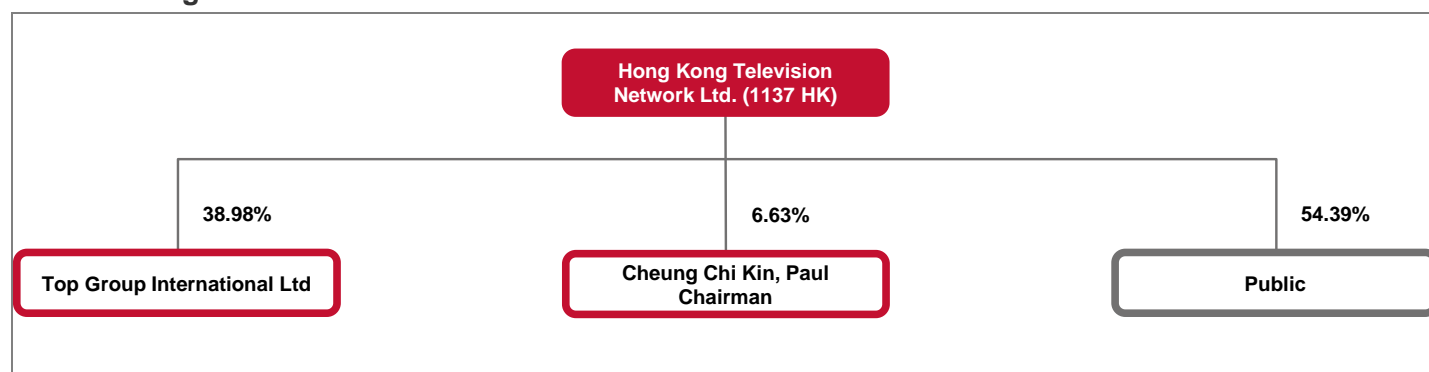
Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Income Statement HK\$ mn					
Direct merchandise	686	1,101	2,383	2,613	2,947
Concessionaire sales income	197	303	545	720	863
Net advertising & program licensing income	13	10	16	19	22
Turnover	896	1,414	2,944	3,352	3,833
YoY%	84.0	57.7	108.2	13.8	14.4
COGS	(539)	(853)	(1,835)	(1,999)	(2,246)
Gross profit (blended)	358	561	1,109	1,353	1,587
Gross margin (blended)	39.9%	39.7%	37.7%	40.4%	41.4%
Other income	46	54	62	64	66
Advertising & promotion	(75)	(66)	(88)	(94)	(96)
Admin & distribution	(662)	(827)	(1,130)	(1,215)	(1,300)
Total opex	(738)	(893)	(1,218)	(1,309)	(1,396)
Operating profit (EBIT)	(333)	(278)	(47)	108	257
Operating margin	-37.2%	-19.7%	-1.6%	3.2%	6.7%
Provisions	162	0	0	0	0
FV chg on investment prop.	44	1	0	0	0
Interest Income	0	0	2	3	4
Finance costs	(5)	(13)	(13)	(13)	(13)
Profit after financing costs	(133)	(290)	(58)	97	247
Associated companies & JVs	0	0	0	0	0
Pre-tax profit	(133)	(290)	(58)	97	247
Tax	(0)	0	0	(3)	(10)
Minority interests	0	0	0	0	0
Net profit	(133)	(290)	(58)	94	237
Net margin	-14.8%	-20.5%	-2.0%	2.8%	6.2%
Adj. net profit	(323)	(284)	(58)	94	237
Adj. net margin	-36.0%	-20.1%	-2.0%	2.8%	6.2%
YoY%	56	(12)	(80)	(263)	151
EBITDA	(242)	(199)	41	196	347
EBITDA margin	-27.0%	-14.1%	1.4%	5.8%	9.0%
EPS (HKD)	(0.164)	(0.355)	(0.064)	0.104	0.260
YoY%	n.a.	116	(82)	(261)	151
DPS (HK\$)	0.000	0.000	0.000	0.000	0.000
Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Cash Flow HK\$ mn					
EBITDA	(242)	(199)	41	196	347
Chg in working cap	38	(19)	42	(2)	4
Others	(32)	45	0	0	0
Operating cash	(236)	(172)	83	194	350
Interest received	0	0	2	3	4
Tax	1	0	0	(3)	(10)
Net cash from operations	(235)	(172)	84	194	344
Capex	(140)	(140)	(110)	(130)	(140)
Investments	143	141	0	0	0
Asset disposal	329	0	0	0	0
Payment for leasehold	0	0	0	0	0
Sales of assets	0	0	0	0	0
Interests paid	39	33	0	0	0
Others	8	6	5	6	6
Investing cash	378	40	(105)	(124)	(134)
FCF	143	(132)	(20)	70	210
Issue of shares	8	9	453	0	0
Buy-back	0	0	0	0	0
Minority interests	0	0	0	0	0
Dividends paid	0	0	0	0	0
Interest paid	(5)	(4)	(13)	(13)	(13)
Net change in bank loans	(140)	236	0	0	0
Others	0	(65)	(4)	0	0
Financing cash	(138)	176	436	(13)	(13)
Net change in cash	6	44	416	57	197
Exchange rate or other Adj	(0)	(0)	0	0	0
Opening cash	100	106	150	566	622
Closing cash	106	150	566	622	819
CFPS (HK\$)	0.177	(0.162)	(0.023)	0.076	0.231

Source: Company, OP Research

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Ratios					
Gross margin (%) - blended	39.9	39.7	37.7	40.4	41.4
Operating margin (%)	(37.2)	(19.7)	(1.6)	3.2	6.7
Net margin (%)	(14.8)	(20.5)	(2.0)	2.8	6.2
Net adj. margin (%)	(36.0)	(20.1)	(2.0)	2.8	6.2
Admin & distr. exp/GMV (%)	36.1	30.6	22.1	19.9	18.2
Staff exp/GMV (%)	16.0	14.7	9.8	8.9	8.3
A&P/GMV (%)	4.1	2.4	1.7	1.5	1.3
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Effective tax (%)	(0.3)	0.0	0.0	3.0	4.0
Total debt/equity (%)	4.6	41.2	32.4	30.8	27.4
Net cash	Net	Net	Net	Net	Net
Net debt/equity (%)	cash	30.6	1.5	cash	cash
Current ratio (x)	0.6	0.6	1.0	1.1	1.3
Quick ratio (x)	0.5	0.4	0.8	0.9	1.1
Inventory T/O (days)	37	41	39	39	39
AR T/O (days)	29	23	19	19	19
AP T/O (days)	99	72	72	72	72
Cash conversion cycle (days)	(33)	(8)	(14)	(14)	(14)
Asset turnover (x)	0.4	0.6	1.1	1.1	1.2
Financial leverage (x)	1.2	1.4	1.6	1.6	1.6
EBIT margin (%)	(37.2)	(19.7)	(1.6)	3.2	6.7
Interest burden (x)	0.4	1.0	1.2	0.9	1.0
Tax burden (x)	1.0	1.0	1.0	1.0	1.0
Return on equity (%)	(7.5)	(18.3)	(3.5)	5.0	11.5
ROIC (%)	0.0	0.0	(2.5)	5.5	12.7
Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Balance Sheet HK\$ mn					
Fixed assets	1,115	1,410	1,445	1,497	1,556
Intangible assets & goodwill	89	74	62	51	43
Associated companies & JVs	0	0	(6)	(12)	(18)
Long-term investments	5	25	26	26	26
Other non-current assets	657	472	475	475	475
Non-current assets	1,866	1,980	2,001	2,037	2,081
Inventories	54	96	196	214	240
AR	71	90	153	174	200
Prepayments & deposits	0	0	0	0	0
Other current assets	29	87	89	89	89
Cash	106	150	566	622	819
Current assets	261	423	1,004	1,099	1,347
AP	146	169	362	394	443
Tax	0	0	0	2	(1)
Accruals & other payables	185	178	191	194	203
Bank loans & leases	79	401	401	401	401
CB & othe debts	0	0	0	0	0
Other current liabilities	6	6	6	6	6
Current liabilities	417	754	961	997	1,052
Bank loans & leases	0	0	0	0	0
CB & othe debts	0	0	0	0	0
Deferred tax & others	1	198	198	198	198
MI	0	0	0	0	0
Non-current liabilities	1	198	198	198	198
Total net assets	1,708	1,452	1,847	1,941	2,178
Shareholder's equity	1,708	1,452	1,847	1,941	2,178
Share capital	1,280	1,293	1,293	1,293	1,293
Reserves	428	158	553	648	885
BVPS (HK\$)	2.11	1.78	2.03	2.13	2.39
Total debts	79	598	598	598	598
Net cash/(debts)	30	(444)	(28)	28	225
Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Key assumption (mn)					
GMV	1,891	2,779	5,275	6,311	7,371
GPM direct MDSE (%)	21.5%	22.5%	23.0%	23.5%	23.8%
Commission rate (%)	17.6%	19.2%	20.5%	21.0%	21.0%
GMV mix of direct MDSE	39%	42%	48%	44%	43%

Appendix II – Shareholding and management

Shareholding structure



Source: Company, OP Research

Management profile

Name	Age	Position	Description
Mr. Cheung Chi Kin, 62 Paul		Executive Director, Chairman	Co-founded the Group in 1992, was Vice Chairman and CEO of the Group until 31 st Dec. 2019. Responsible for overall strategic planning and direction of the Group. He had worked in several companies engaged in application software development and computer consultancy prior to cofounding the Group. Holds a Diploma of Advanced Programming and System Concepts Design from Herzing Institute, Canada.
Mr. Wong Wai Kay, 58 Ricky		Executive Director, Vice Chairman CEO	Co-founded the Group in 1992, was Chairman of the Group until 31 st Dec. 2019. Responsible for overall strategic planning and management of the Group. He was a co-founder of a company principally engaged in import and distribution of computer systems in Canada before co-founding the Group. He is a first cousin of Mr. Cheung Chi Kin. Holds EMBA from CUHK.
Ms. Wong Nga Lai, 45 Alice		Executive Director, Company Secretary CFO	Appointed as ED since May. 2012, Ms. Wong holds HKICPA, ACCA, and MBA from HKUST. Before joining the group, Ms. Wong worked for PWC in HK.
Mr. Lau Chi Kong 38		Executive Director, COO	Appointed as ED since Dec. 2017, joined the Group in 2004 as management trainee. Holds a Bachelor of Science degree in Actuarial Science HKU.
Ms. Zhou Huijing 38		Executive Director, MD of Shopping & eCommerce	Appointed as ED since Dec. 2017, joined the Group in 2003 as management trainee, responsible for sales & marketing of HKTVmall. Holds a MBA from HKUST.

Source: Company, OP Research

Exhibit 14: Peer Group Comparison

Company	Ticker	Price	Mkt cap 3-mth avg		EV/rev		EV/rev		Rev FY1	Rev-FY2	3-Yr rev	EV/		P/B Hist	P/B FY1	Net gearing	Gross margin	Net margin		ROE Hist	ROE FY1	Sh px	Sh px
			(US\$m)	t/o (US\$m)	Hist (x)	FY1 (x)	FY2 (x)	YoY%				Ebitda Hist	Ebitda Cur Yr					Hist (%)	Hist (%)				
HKTV	1137 HK	4.64	545	11.4	3.0	1.4	1.3	108.2	13.8	39.4	(21.2)	104.1	2.6	2.3	0.0	39.7	(20.1)	2.6	2.3	(9.6)	(3.3)		
HSI		23,613.80			9.8	10.6	9.3	(7.5)	14.1	5.5			1.0	0.95				10.0	8.9	0.0	(10.3)		
HSCEI		9,599.02			7.9	8.2	7.4	(4.1)	11.1	5.9			1.0	0.94				12.7	11.4	0.0	(6.3)		
CSI300		3,912.58			14.6	12.2	10.6	20.1	14.4				1.7	1.6				11.5	12.8	6.5	(2.3)		
Adjusted sector																							
avg*					7.6	5.9	3.4	27.4	25.0	28.0	29.2	23.9	11.6	11.6	7.3	45.5	5.5	3.5	5.0	16.8	(3.3)		
Amazon.Com Inc	AMZN US	2,286.04	1,140,222	12,633.4	4.2	3.4	2.9	22.1	17.5	18.6	29.2	26.1	17.5	13.1	36.3	41.0	4.1	18.6	18.8	19.9	11.5		
Mercadolibre Inc	MELI US	605.52	30,227	444.1	12.4	11.0	8.3	12.4	32.7	30.6	(563.5)	(348.0)	15.2	16.2	0.0	48.0	(7.5)	(14.8)	(6.1)	33.2	(14.7)		
Alibaba Grp-Adr	BABA US	194.48	521,736	3,592.7	9.1	6.8	5.2	33.7	31.2	29.9	36.3	22.4	5.0	5.0	0.0	45.1	23.3	28.5	21.6	3.9	(12.7)		
Pinduoduo Inc	PDD US	45.43	54,408	316.7	11.6	7.7	5.1	50.9	52.1	43.9	(44.3)	(61.8)	15.1	19.1	0.0	79.0	(23.1)	(32.1)	(19.9)	23.1	24.4		
Jd.Com Inc-Adr	JD US	41.38	60,772	734.1	0.7	0.6	0.5	17.8	18.8	17.0	22.1	23.3	5.2	4.4	0.0	14.6	2.1	17.2	10.6	3.7	2.6		
Ebay Inc	EBAY US	39.25	27,508	538.0	2.9	3.3	3.0	(10.3)	6.9	0.6	9.8	8.8	13.0	10.8	195.0	76.8	16.5	127.9	109.9	33.5	4.9		
Asos Plc	ASOMF US	27.07	2,701	0.0	1.0	0.9	0.8	6.7	17.1	12.7	23.9	25.9	N/A	2.7	20.0	48.8	0.9	8.9	(1.2)	(3.3)	(3.3)		

* Outliners and "N/A" entries are in red and excl. from the calculation of averages

Source: Bloomberg, OP Research

Our recent reports

Date	Company / Sector	Stock Code	Title	Rating	Analyst
23/04/2020	Edvantage Group	382	License fee saving may come earlier	BUY	Megan Jin/Dallas Cai
22/04/2020	361 Degrees Intl	1361	1Q20 retail sales in line	BUY	Megan Jin
21/04/2020	Xtep Intl	1368	1Q20 sales performance better than feared	BUY	Megan Jin/Dallas Cai
20/04/2020	Li-Ning	2331	1Q20 delivered satisfactory retail sales	BUY	Megan Jin/Dallas Cai
16/04/2020	Anta Sports	2020	Robust online FILA sales to drive 1Q20 sales beat	BUY	Dallas Cai/Megan Jin
15/04/2020	China Youzan	8083	FY19 GMV saw growth acceleration	BUY	Dallas Cai
02/04/2020	Greentown Services	2869	FY19 results largely in line	HOLD	Dallas Cai
31/03/2020	TCL Electronics	1070	FY19 results up to expectations	BUY	Dallas Cai
30/03/2020	Li-Ning	2331	A head start in FY20E with resilient operation	BUY	Dallas Cai/Megan Jin
27/03/2020	CH Display OPT	334	Lower order visibility ahead in FY20E	HOLD	Dallas Cai
27/03/2020	ChinaSoft Int'l	354	Cloud business ready to accelerate in FY20E	BUY	Dallas Cai
25/03/2020	Anta Sports	2020	FY20E strive for positive growth	BUY	Dallas Cai/Megan Jin
25/03/2020	China Overseas PPT	2669	FY19 results up to expectations	HOLD	Dallas Cai
23/03/2020	CG Services	6098	FY19 saw solid set of results	BUY	Dallas Cai
20/03/2020	Kingdee Int'l	268	Ambitious cloud target to weigh on FY20E earnings	HOLD	Dallas Cai
20/03/2020	Xtep Intl	1368	FY19 results in line with expectations	BUY	Dallas Cai/Megan Jin
19/03/2020	A-Living	3319	Unfolding a new 3-year plan	BUY	Dallas Cai
19/03/2020	Ausnutria Dairy	1717	Robust growth momentum to keep up in FY20E	BUY	Dallas Cai/Megan Jin
19/03/2020	361 Degrees Intl	1361	FY19 results up to expectations	BUY	Megan Jin
18/03/2020	Sunny Optical	2382	FY19 results clean beat on GPM	BUY	Dallas Cai
10/03/2020	Q Tech	1478	FY19 results beat on better CCM product mix	BUY	Dallas Cai
09/03/2020	Edvantage Group	382	1H20/21E positive profit alert - BUY	BUY	Dallas Cai/Megan Jin
24/02/2020	361 Degrees Intl	1361	COVID-19 impact to be inevitable on 1H20E	BUY	Megan Jin
20/02/2020	Ausnutria Dairy	1717	FY19E cow IMF growth beat expectations	BUY	Dallas Cai/Megan Jin
18/02/2020	Anta Sports	2020	Concrete yet manageable impacts from COVID-19	BUY	Dallas Cai/Megan Jin
13/02/2020	CH Display OPT	334	Better than feared coronavirus impacts, for now	HOLD	Dallas Cai
10/02/2020	TCL Electronics	1070	FY19E earnings beat expectations	BUY	Dallas Cai

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