

# YiduTech (2158 HK)

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## Initial Coverage

**BUY**

Close price: HK\$42.00

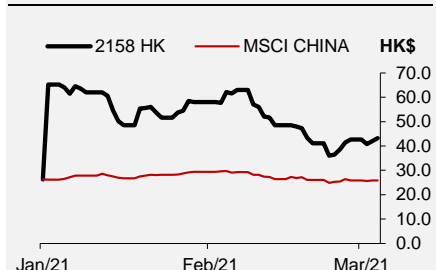
Target Price: HK\$71.00 (+69%)

### Key Data

HKEx code	2158
12 Months High (HK\$)	69.80
12 Month Low (HK\$)	32.30
3M Avg Dail Vol. (mn)	N.A.
Issue Share (mn)	925.2
Market Cap (HK\$mn)	39,553.6
Fiscal Year	03/2020
Major shareholder (s)	Gong Ying Ying (43.11%)

Source: Company data, Bloomberg, OP Research  
Closing price are as of 16/03/2021

### Price Chart



	1mth	3mth	6mth
Absolute %	-26.4	N.A.	N.A.
Rel. MSCI CHINA %	-14.3	N.A.	N.A.

### Company Profile

Yidu Tech operates medical data intelligence platform in China. The Company provides healthcare solutions built on big data and artificial intelligence (AI) technologies.

## Digging the healthcare big data goldmine

- **Healthcare big data AI platform begins monetization.**
- **To address larger 2C market of doctor consultation and A.I. healthcare insurance underwriting.**
- **72% 3 years CAGR in revenue, breakeven by FY23F.**

**Healthcare big data AI platform begins monetization.** Having built network and accumulated critical mass of big data with top hospitals, Yidu enters into early stage of monetization through scalable solutions to empower doctors and hospitals. Its medical brain, YiduCore, integrates different information technology systems within hospitals and converts raw healthcare data into computable, structured and standardized data. YiduCore becomes more intelligent as it processes more data, extracts more insights and knowledge, and empowers more applications and solutions, thereby reinforcing its competitive edge.

**Accelerated customer growth.** No of recurring customers grew by 128/81 for FY19/20 respectively. And the incremental accelerated to 26 for 1Q21. Average revenue per recurring customer also ramped up 88% to RMB3.5 mn by FY20. We also note recurring revenue ratio had climbed to 71% in FY20.

**To address larger 2C market of doctor consultation and A.I. healthcare insurance underwriting.** We see segmental revenue growth of health management to gear up significantly as number of active patients/ active doctors jumped to 1.9 mn/ 32.5k by end Oct 2020. More, we view A.I. insurance underwriting as green field with RMB1.35 bn plus potential revenue, as YiduCore helps insurance companies design and underwrite innovative insurance plan.

**72% 3 years CAGR in revenue, breakeven by FY23F.** We see a long runway for YiduTech given its rapidly expanding healthcare big data is opening up more monetization opportunities. We forecast 72% 3 years CAGR in revenue, driven by 27%/79%/198% CAGR for big data platform/ life science solutions/ health management respectively. Given rapidly falling opex to revenue ratio, we expect breakeven by FY23F. We value Yidu Tech at 35x/20x FY22F/23F EV/revenue, or 0.5x FY22F EV/revenue/ revenue CAGR, and reach target price at HK\$71.

### Exhibit 1: Forecast and Valuation

Year to March (RMB mn)	FY19	FY20	FY21F	FY22F	FY23F
Revenue	102	558	875	1,629	2,825
Growth (%)	349	447	56.8	86.1	73.5
Net profit	(934)	(1,510)	(849)	(397)	97
Growth (%)	4.6	(61.7)	43.8	53.3	124
Adj. EPS - Fully diluted (HK\$)	(1.15)	(0.90)	(0.41)	(0.39)	0.26
YoY%	(80.9)	22.1	53.9	5.3	165
Change to previous EPS (%)			N.A.	N.A.	
Consensus EPS (HK\$)			(1.255)	(0.994)	
ROE (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Adj PER (x)	(36.4)	(46.8)	(102)	(107)	164
EV/Revenue (x)	173.8	34.1	38.9	21.3	12.2
Yield (%)	0.0	0.0	0.0	0.0	0.0
DPS (HK\$)	0.000	0.000	0.000	0.000	0.000

Source: Bloomberg, OP Research

## Healthcare big data AI platform begins monetization

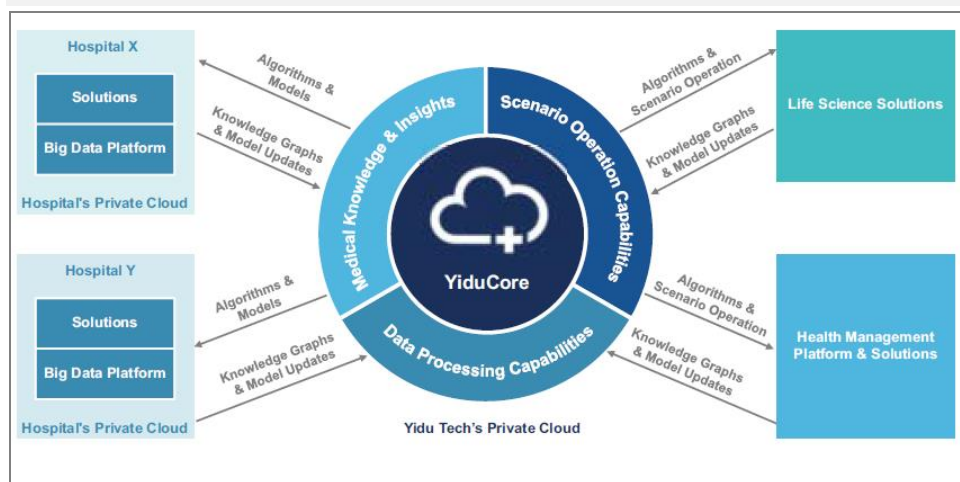
Being a first mover in China's healthcare big data and AI solutions, Yidu Tech. is gaining pace in big data accumulation from hospitals, pharmaceutical, biotech, medical devices, research institutions, and insurance companies. Its proprietary data intelligence infrastructure or "medical brain", YiduCore, has processed and analyzed over 1.3 bn longitudinal healthcare records from over 300 mn patients to derive deep insights and knowledge. **Having built network and accumulated critical mass of big data with top hospitals, Yidu enters into early stage of monetization through scalable solutions to empower doctors and hospitals. We expect 72% CAGR in revenue to FY22F (year end March).**

**Strengthening economic moat along with more data processed.** We see the positive loop of network effect, data accumulation and machine learning to forge sustainable competitive advantage for Yidu Tech. Its medical brain, YiduCore, integrates different information technology systems within hospitals and converts raw healthcare data into computable, structured and standardized data.

**YiduCore becomes more intelligent as it processes more data, extracts more insights and knowledge, and empowers more applications and solutions.** The improved data analytics attracts more participants, increases user stickiness and drives more interaction, which further reinforces the YiduCore ecosystem, expands monetization potential, and digs deeper into each disease area.

For example, Yidu developed a colorectal cancer decision model with a hospital by analyzing two types of adjuvant chemotherapy regimens based on real-world data such as patient characteristics, pre- and post-surgery clinical features, as well as post-operative outcomes. This decision model helped the hospital to identify which type of adjuvant chemotherapy regimen is more appropriate for a given cancer patient.

### Exhibit 2: YiduCore big data infrastructure to enable multiple business models

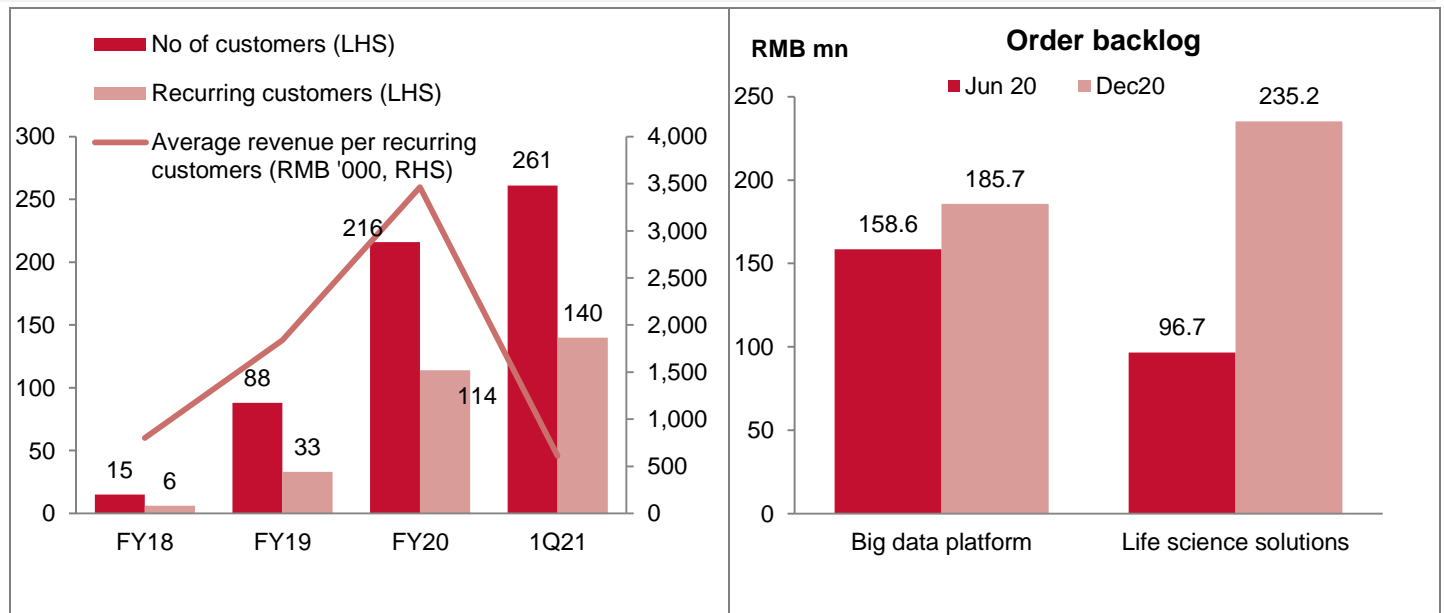


Source: Company

## Accelerating active users growth

**Our bullish thesis is underpinned by accelerated customer growth.** No of total customers and recurring customers grew by 73/128 and 27/81 for FY19/20 respectively. And the incremental were accelerated to 45 and 26 for 1Q21 respectively. Average revenue per recurring customer also ramped up 88% to RMB3.5 mn by FY20. In addition, the robust growth in order backlog for life science solutions also suggests this segment will become an increasingly important growth driver. We also note recurring revenue ratio had climbed to 71% in FY20 from 60% in FY19.

**Exhibit 3: Robust customer, ARPU and order backlog growth**



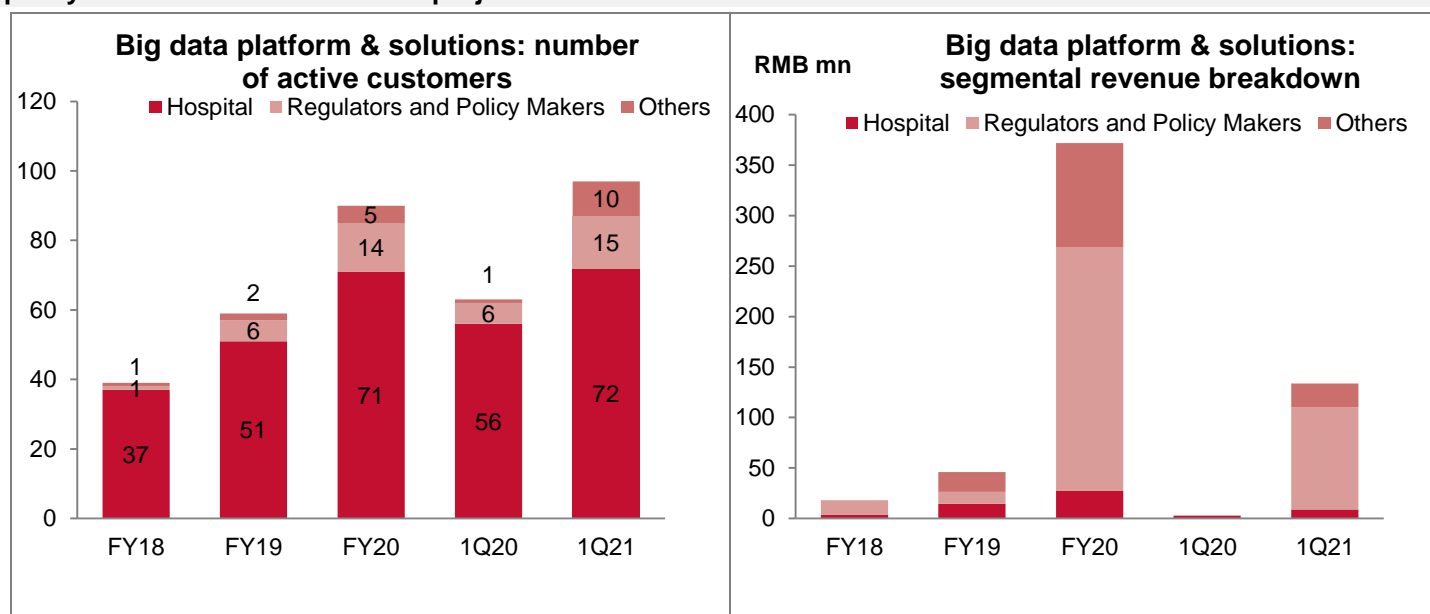
Source: Company, OP Research

## More subscription and module driven revenue to lead 30% growth for big data platform

**Big jump in regulator revenue because of one off system sales, expect more recurring revenue going forward.** Being the largest revenue contributor at the moment, we expect big data platform to register 21%/32%/28% segmental growth from FY21F to 23F. The segment mainly serves regulators and policy makers in establishing public health monitoring (e.g. drug usage monitoring), epidemic response and population health management systems (e.g. AI enabled intelligent doctor workstation to facilitate informed and coordinated clinical decision). This sub segment is rapidly growing with 1/ 6/ 14/ active customers for FY18/19/20 and 6/ 15 for 1Q20/1Q21 respectively. Avg revenue per customer saw big jump to RMB17 mn/ 6.8 mn for FY20/1Q21 respectively, which were attributable to the sale of closed loop epidemic response system. Looking forward, we expect more subscription based revenue to make its income stream more recurring and less fluctuate.

**Significant jump in ARPU for hospital customers.** Regarding hospital clients, Yidu offers DPAP/Eywa platforms and solutions to empower hospitals to aggregate raw data in their systems and process them into structured and standardized data. The data can then be used for medical research, clinical diagnosis and treatment and hospital operations management. Number of hospital customers is growing steadily at 14 to 20 per annum, while average revenue per hospital customer jumped to RMB123k in 1Q21 from 47k in 1Q20, and 387k in FY20 from 288k in FY19. Initially Yidu provides big data solutions to hospitals free of charge, and only begins to charge when customers get accustomed to the platform solution and procure more modules.

**Exhibit 4: KPIs' of big data & solutions: Steadily growing customers, booming contributions from regulators and policy makers because of one off projects**



Source: Company, OP Research

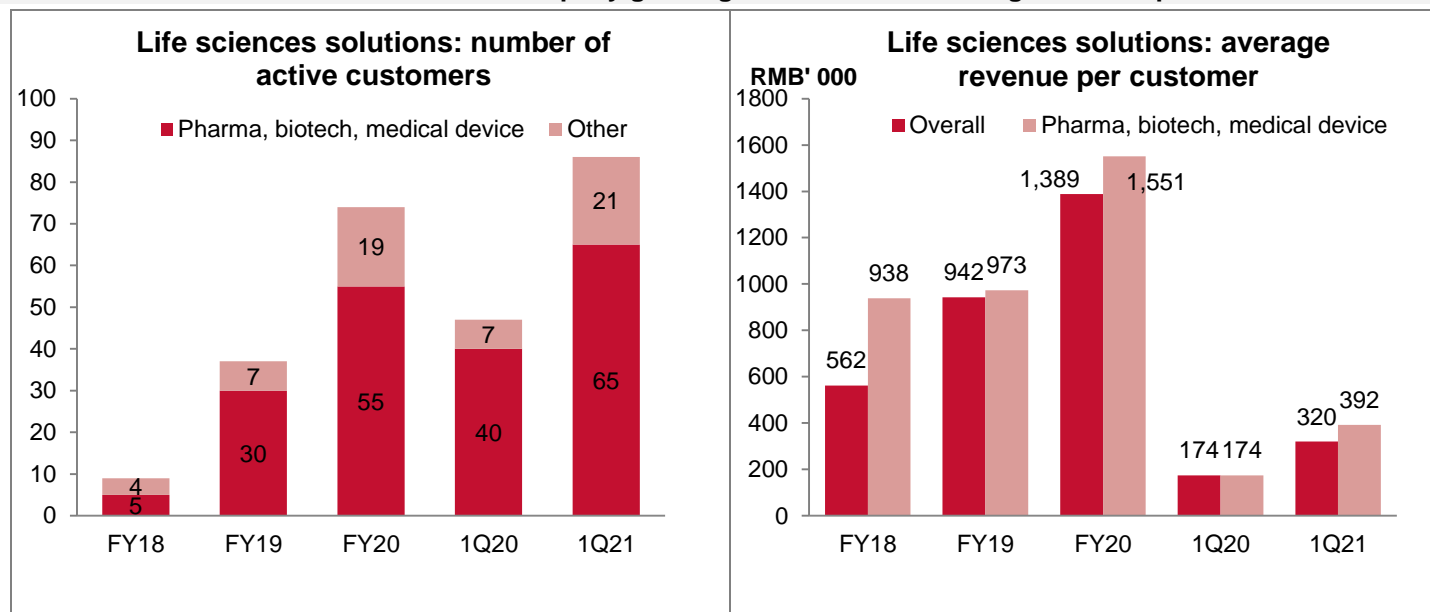
**79% revenue CAGR for life science solutions on the back of 144% revenue retention rate**

For customers in life science solutions, Yidu provides solutions to reduce the time and costs of clinical development and also enhance clinical and market success. Yidu provides analytics-driven clinical development, real-world evidence (RWE)-based research services and evidence-based digital commercialization covering the entire life cycle of a therapeutic product.

Yidu began by offering evidence based digital commercialization solutions, and then tapped into analytics-driven clinical development and real-world evidence (RWE)-based research. Within analytics-driven clinical development, Yidu initially focused on clinical development and regulatory affairs consultation, before offering real-world evidence-based research, particularly large-scale prospective and registry study services. RWE based research is valuable in the sense that through analyzing patients' use of drug in real world post commercialization and comparing these findings with clinical data under optimal conditions, Yidu's client can gain better insight regarding safety and effectiveness of drugs. This deepening service provision is reflected in average revenue per customer was up 84%/47% yoy for 1Q21/FY20 respectively to RMB0.32 mn/ 1.389 mn.

Within the life science segment, clinical development and RWE based is gaining importance, with segmental revenue up 183% yoy in 1Q21, representing 57% of life science revenue. **High customer loyalty is also reflected in revenue retention rate for pharma, and biotech and medical customers staying at 144%/152% for 1Q21/FY20.** Together with steadily growing number of customers, **we project 119%/75%/50% life science segmental growth for FY21E to 23E.**

**Exhibit 5: KPI's of life science solutions: Rapidly growing customers and average revenue per customer**



Source: Company, OP Research

### “CausaHealth” and “CausaCloud” to address larger 2C market of online doctor consultation and healthcare insurance underwriting

As its newest business segment, Yidu's personal health management platform, “CausaHealth”, gives doctors AI clinical insights and knowledge-based tools empowered by YiduCore. The personal health management platform facilitates online doctor consultation and sells health care packages. In spite of minimal top line contribution currently, we see **segmental revenue growth to gear up significantly as number of active patients/ active doctors had jumped to 1.9 mn/ 32.5k by end Oct 2020, compared with 27k/ 7k by end June 2020.**

**A.I. insurance underwriting as green field with RMB1.35 bn plus potential revenue.** We view the insurance technology solution, “CausaCloud” as a promising growth driver. The big data analytics of YiduCore helps insurance companies design innovative insurance plan, plus provide intelligent insurance underwriting and claim processing solutions. In addition to one off solution design fees, Yidu charges 10% to 20% take rate for premium underwrote. To deepen market penetration, Yidu launched “Hui Min Bao” (惠民保) recently, which serves as underwrite platform for national social medical insurance. Hui Min Bao had been launched in Ningbo, Hefei, Beijing, and Chongqing and more cities are in pipeline. We reckon China nationwide health premium has surpassed RMB900 bn per annum. Assuming “CausaCloud” to gain 1% market penetration with 15% take rate, we project the potential income from insurance underwriting can be up to RMB1.35 bn. Together this with taking off online doctor consultation, we project 260%/220%/130% segmental growth for FY21F to 23F.

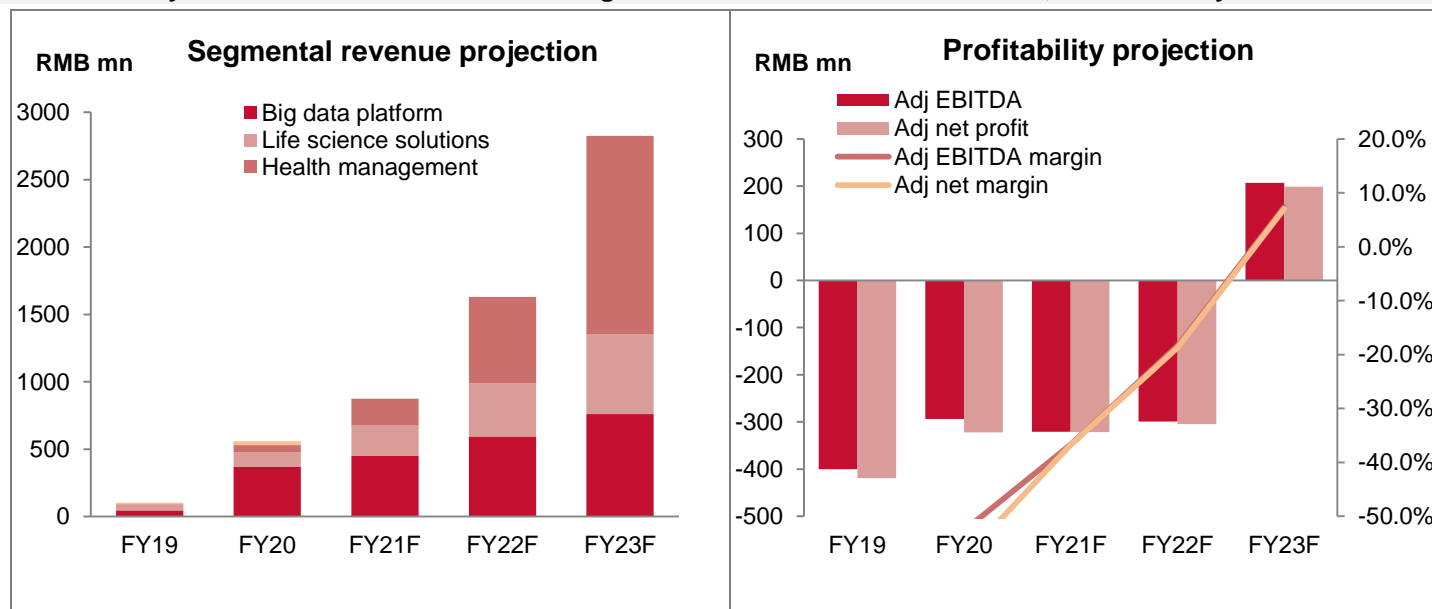
## Initiate BUY on promising monetization prospect

**72% 3 years CAGR in revenue.** We see a long runway for YiduTech given its rapidly expanding healthcare big data is opening up more monetization opportunities. We forecast 72% 3 years CAGR in revenue with breakeven in sight to FY23F (year end March).

**We expect 27%/79%/198% 3 years CAGR for big data platform/ life science solutions/ health management respectively.** The growth for big data platform will be bumpy because of one off system sales. Life science solutions will be driven by steadily growing customers and deepening usage. Health management is expected to be the leading growth driver, contributing 63% of revenue increment during the period, and account for 52% of revenue by FY23F, as we see much larger addressable markets for online medical consultation and medical insurance A.I. underwriting.

**Rapidly dropping opex ratio suggests breakeven not far away.** For our breakeven roadmap, we expect gross margin climbing up to 23.8%/32.3%/49.3% for FY21F to 23F, on the back of economies of scale and ramping up online medical consultation and medical insurance A.I. underwriting. More importantly, in spite of that YiduTech is still suffering heavy financial loss, total cost to revenue ratio was dropping down significantly (FY19: 528% to FY20:206%, 1Q20:799%, 1Q21:168%). In particular, employee compensation is the largest cost item, accounting for 50% of total cost. Employee expenses ratio fell to 82% in 1Q21 from 413% in 1Q20. We believe Yidu's operation has light overhead cost once data infrastructure has been built and big data begins piling up

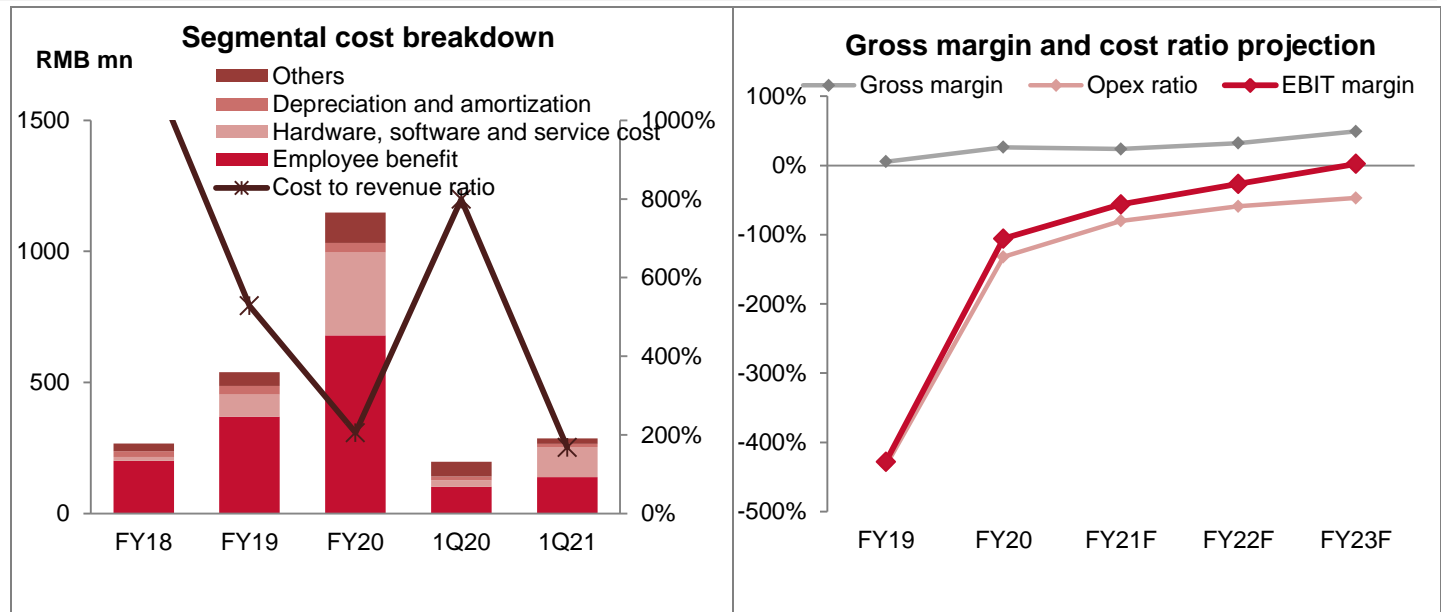
**Exhibit 6: Key financials forecast: Health management to lead 72% revenue CAGR, breakeven by FY23F**



Source: OP Research



**Exhibit 7: Ramping up economies of scale, opex ratio to significantly narrow down in FY21F/22F**



Source: Company and OP Research

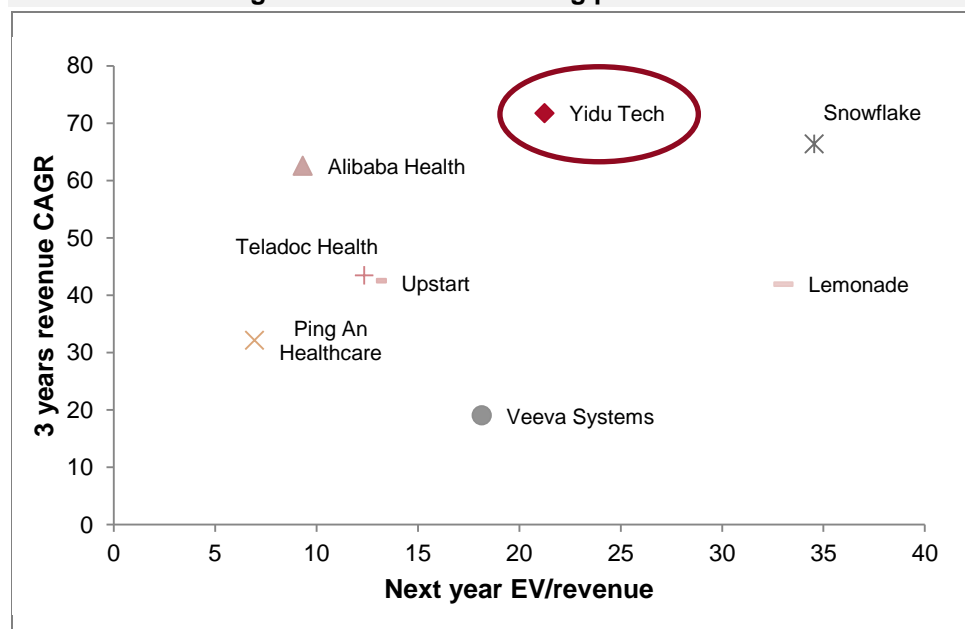
**38.9x/21.3x FY21F/22F EV/revenue not demanding relative to 73% revenue CAGR.** We use EV/revenue as valuation metrics given that the Yidu is still in investment stage. Yidu is trading at 38.9x/21.3x FY21F/22F EV/revenue, which is in line with our global universe of Internet healthcare, big data and Fintech. Nonetheless, Yidu is expected to grow at higher than peers average 72% 3 years revenue CAGR, as the Company is in early growth stage with some monetization opportunities on the tip of iceberg, in particular the 2C clinics and healthcare insurance businesses. We expect Yidu Tech top line growth could maintain at 73% in FY23F, and drag down its FY23F EV/revenue to a less demanding 12.2. In terms of FY22F EV/revenue to 3 years CAGR, the relative multiple at 0.3x is more attractive among peers.

**Higher potential profitability justifies valuation premium.** More importantly, accumulating big data is giving Yidu a clear competitive edge and acquisition of more customers will reinforce this positive loop, which in turn results in a light cost structure for Yidu. This marks a difference with other Internet healthcare companies which rely more on revenue sharing with doctors and drug supplier. We see Yidu has good potential to achieve higher than average double digit profitability once ramping up economies of scale.

We value Yidu Tech at 35x/20x FY22F/23F EV/revenue, or 0.5x FY22F EV/revenue/3 years revenue CAGR, and reach target price at HK\$71. We view (i) narrowing financing loss, and (ii) ramping up 2C businesses as key valuation catalyst.

Key investment risks include: (i) Regulatory changes regarding data privacy and use of healthcare data, (ii) access to data being blocked or prohibited, (iii) inaccuracy of data or failure in data processing or aggregating, (iv) cyber-attack and disruption in data infrastructure, and (v) loss of key customers

**Exhibit 8: EV/revenue and revenue CAGR across global comparables: Yidu has less demanding relative valuation among peers**



Source: OP Research



## Company background

### History

**2014** • Business was established as one of the pioneering healthcare data intelligence companies in China.

**2015** • Launched YiduCore and DPAP platform.

**2017** • Launched life sciences solutions business.

**2018** • Launched regulator and policy maker solutions business.

**2019** • Launched CausaCloud, insurance technology solutions business.

**2019** • Launched open big data platform, “Eywa”.

**2020** • Built regional healthcare platforms for certain regulators and policy makers to monitor, predict and manage the development of COVID-19.

**2020** • Launched CausaHealth, as part of the personal health management platform and solutions business.

**2021** • Listed in the HKEX.

## Financial Summary

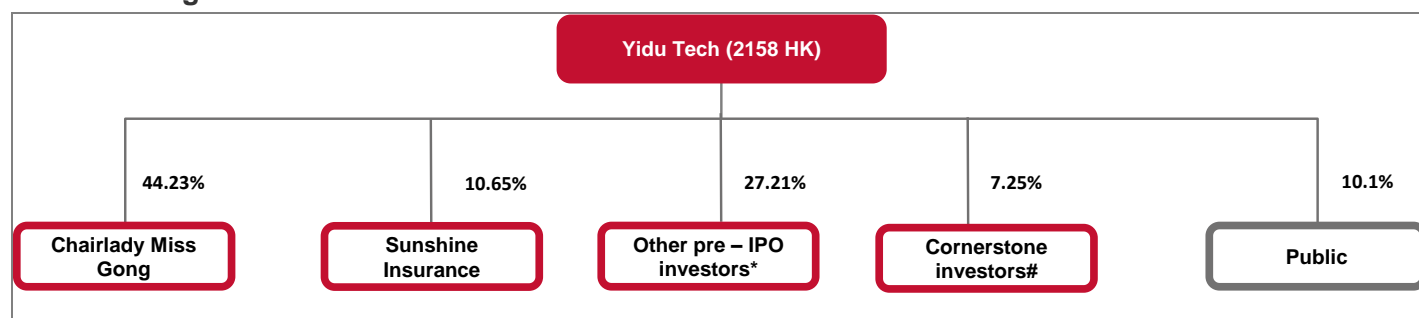
Year to March	FY19	FY20	FY21F	FY22F	FY23F
<b>Income Statement (RMB mn)</b>					
Big data platform	46	372	450	594	760
Life science solutions	35	103	225	394	591
Health management	11	56	200	641	1,474
Others	11	28	0	0	0
<b>Turnover</b>	<b>102</b>	<b>558</b>	<b>875</b>	<b>1,629</b>	<b>2,825</b>
YoY%	348.9	447.1	56.8	86.1	73.5
<b>Gross profit</b>	<b>6</b>	<b>147</b>	<b>209</b>	<b>527</b>	<b>1,392</b>
Gross margin	5.6%	26.3%	23.8%	32.3%	49.3%
Other income	5	(8)	23	25	27
Selling expenses	(101)	(171)	(236)	(309)	(367)
Admin expenses	(84)	(302)	(219)	(261)	(325)
R&D expenses	(258)	(264)	(245)	(391)	(636)
<b>Total opex</b>	<b>(442)</b>	<b>(736)</b>	<b>(700)</b>	<b>(961)</b>	<b>(1,328)</b>
<b>Operating profit (EBIT)</b>	<b>(437)</b>	<b>(590)</b>	<b>(492)</b>	<b>(434)</b>	<b>64</b>
Operating margin	-428.1%	-105.7%	-56.2%	-26.7%	2.3%
Share of investment profit	0	0	(0)	0	0
FV chg on convertible	(498)	(915)	(400)	0	0
Interest Income	0	5	12	15	18
Finance costs	(3)	(4)	(10)	(10)	(10)
Profit after financing costs	(933)	(1,511)	(867)	(405)	99
Associated companies & JVs	0	0	(0)	0	0
Pre-tax profit	(933)	(1,511)	(867)	(405)	99
Tax	(1)	(1)	0	0	0
Minority interests	0	2	17	8	(2)
<b>Net profit</b>	<b>(934)</b>	<b>(1,510)</b>	<b>(849)</b>	<b>(397)</b>	<b>97</b>
Net margin	-915.2%	-270.5%	-97.0%	-24.3%	3.4%
<b>Adj. net profit</b>	<b>(419)</b>	<b>(322)</b>	<b>(322)</b>	<b>(305)</b>	<b>199</b>
Adj. net margin	-411.1%	-57.8%	-36.7%	-18.7%	7.0%
YoY%	N.A.	23%	0.2%	5.3%	165.2%
<b>EBITDA</b>	<b>(417)</b>	<b>(568)</b>	<b>(466)</b>	<b>(399)</b>	<b>107</b>
EBITDA margin	-408.7%	-101.8%	-53.3%	-24.5%	3.8%
<b>Adj. EPS (HK\$)</b>	<b>(1.153)</b>	<b>(0.898)</b>	<b>(0.414)</b>	<b>(0.392)</b>	<b>0.255</b>
YoY%	N.A.	22.1%	53.9%	5.3%	165.2%
DPS (HK\$)	0.000	0.000	0.000	0.000	0.000
Year to March	FY19	FY20	FY21F	FY22F	FY23F
<b>Cash Flow (RMB mn)</b>					
EBITDA	(417)	(568)	(466)	(399)	107
Chg in working cap	(117)	52	85	115	248
Others	164	155	23	25	27
<b>Operating cash</b>	<b>(369)</b>	<b>(361)</b>	<b>(359)</b>	<b>(260)</b>	<b>381</b>
Interest received	(3)	1	2	5	8
Tax	(1)	(1)	0	0	0
<b>Net cash from operations</b>	<b>(373)</b>	<b>(361)</b>	<b>(356)</b>	<b>(255)</b>	<b>389</b>
Capex	(16)	(29)	(20)	(20)	(25)
Other investment	(237)	171	3	(1)	(1)
Others	0	0	(400)	0	0
Intangible asset capex	0	0	(400)	(300)	(200)
<b>Investing cash</b>	<b>(253)</b>	<b>142</b>	<b>(818)</b>	<b>(321)</b>	<b>(226)</b>
<b>FCF</b>	<b>(625)</b>	<b>(218)</b>	<b>(1,174)</b>	<b>(575)</b>	<b>164</b>
Issue of shares	0	0	3,719	0	0
Minority interests	0	2	17	8	(2)
Net change in bank loans & convertibles	344	620	573	0	0
Others	(13)	(18)	(16)	(4)	7
<b>Financing cash</b>	<b>332</b>	<b>603</b>	<b>4,293</b>	<b>4</b>	<b>5</b>
<b>Net change in cash</b>	<b>(294)</b>	<b>385</b>	<b>3,119</b>	<b>(571)</b>	<b>169</b>
Exchange rate or other Adj	39	29	0	0	0
Opening cash	560	306	720	3,839	3,268
<b>Closing cash</b>	<b>306</b>	<b>720</b>	<b>3,839</b>	<b>3,268</b>	<b>3,436</b>
<b>FCF per share (HK\$)</b>	<b>(1.720)</b>	<b>(0.608)</b>	<b>(1.510)</b>	<b>(0.740)</b>	<b>0.210</b>

Year to March	FY19	FY20	FY21F	FY22F	FY23F
<b>Ratios</b>					
Gross margin (%) - blended	5.6	26.3	23.8	32.3	49.3
Operating margin (%)	(428)	(106)	(56.2)	(26.7)	2.3
Net margin (%)	(915)	(271)	(97.0)	(24.3)	3.4
Net adj. margin (%)	(411)	(57.8)	(36.7)	(18.7)	7.0
Selling exp/sales (%)	99.3	30.6	27.0	19.0	13.0
Admin exp/sales (%)	81.9	54.1	25.0	16.0	11.5
R&D exp/Sales (%)	252.5	47.2	28.0	24.0	22.5
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Effective tax (%)	(0.1)	(0.2)	0.0	0.0	0.0
Total debt/equity (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Net debt/equity (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Current ratio (x)	2.9	0.3	1.1	0.9	0.9
Quick ratio (x)	2.8	0.3	1.1	0.9	0.9
Inventory T/O (days)	103	60	29	27	25
AR T/O (days)	244	188	100	90	80
AP T/O (days)	299	166	120	135	180
Cash conversion cycle (days)	47	82	9	(18)	(75)
Asset turnover (x)	0.1	0.5	0.3	0.3	0.6
Financial leverage (x)	N.A.	N.A.	N.A.	N.A.	N.A.
EBIT margin (%)	(428)	(106)	(56.2)	(26.7)	2.3
Interest burden (x)	2.1	2.6	1.8	0.9	1.5
Tax burden (x)	1.0	1.0	1.0	1.0	1.0
<b>Return on equity (%)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>ROIC (%)</b>	<b>(445.9)</b>	<b>(313.7)</b>	<b>(143.1)</b>	<b>(74)</b>	<b>10</b>
Year to March	FY19	FY20	FY21F	FY22F	FY23F
<b>Balance Sheet (RMB mn)</b>					
Net PPE	27	33	30	29	34
Equity investment	0	0	0	0	0
Intangible assets & goodwill	56	75	473	758	936
Deferred tax	0	0	1	2	2
Other non-current assets	6	36	32	32	32
<b>Non-current assets</b>	<b>89</b>	<b>144</b>	<b>535</b>	<b>821</b>	<b>1,003</b>
Inventories	27	67	53	81	99
AR	68	287	240	402	619
Contract assets	3	9	44	81	141
Other current assets	274	76	87	107	127
Cash	306	720	3,839	3,268	3,436
<b>Current assets</b>	<b>678</b>	<b>1,160</b>	<b>4,262</b>	<b>3,939</b>	<b>4,423</b>
AP	79	187	219	407	706
Other payables	93	123	175	326	565
Bank loans	0	0	0	0	0
Convertibles	0	2,988	3,400	3,400	3,400
Other current liabilities	64	109	92	116	140
<b>Current liabilities</b>	<b>236</b>	<b>3,406</b>	<b>3,886</b>	<b>4,249</b>	<b>4,812</b>
Convertibles	2,760	1,540	1,700	1,700	1,700
Other payable	0	0	0	0	0
Leased liabilities	11	21	20	22	24
Deferred income	37	62	65	67	70
MI	0	(1)	(18)	(26)	(24)
<b>Non-current liabilities</b>	<b>2,808</b>	<b>1,623</b>	<b>1,767</b>	<b>1,763</b>	<b>1,770</b>
<b>Total net assets</b>	<b>(2,278)</b>	<b>(3,725)</b>	<b>(856)</b>	<b>(1,252)</b>	<b>(1,156)</b>
<b>Shareholder's equity</b>	<b>(2,278)</b>	<b>(3,725)</b>	<b>(856)</b>	<b>(1,252)</b>	<b>(1,156)</b>
Share capital	0	0	0	0	0
Reserves	(2,278)	(3,726)	(856)	(1,252)	(1,156)
<b>BVPS (HK\$)</b>	<b>(6.26)</b>	<b>(10.38)</b>	<b>(1.10)</b>	<b>(1.61)</b>	<b>(1.49)</b>
Total debts	2,835	4,657	5,212	5,238	5,264
Net cash/(debts)	(2,455)	(3,926)	(1,361)	(1,958)	(1,816)
Year to March	FY19	FY20E	FY21E	FY22E	FY23E
<b>Key assumption</b>					
Segmental growth					
Big data platform	160	710	21	32	28
Life science solutions	589	195	119	75	50
Health management	N.A.	417	260	220	130

Source: Company, OP Research

## Appendix II – Shareholding and management

### Shareholding structure



\* Pre IPO investors include Meddig International, MSA Management, GIC, CIC International, Tencent, Guiyang Big Data Industrial Group, Guiyang Industrial & Commercial Investment Group, and Brunei Investment

#Cornerstone investors include Orbi Med, Canada Pension Plan, Brunei Investment, Tencent, Kerry Holdings, Matthews Funds, 3W Fund Mgmt, China Orient

Source: Company, OP Research

### Management profile

Name	Age	Position	Description
Ms. Gong Yingyingu 36 (宮盈盈)		Chairlady and Chief Executive Officer	Ms. Gong began her career in Credit Suisse First Boston and served as an analyst from July 2005 to March 2007. She then joined Global Infrastructure Partners from November 2006 to June 2007. From July 2007 to December 2008, Ms. Gong was the investment manager of global credit transaction group at Deutsche Bank AG. From January 2011 to February 2012, Ms. Gong worked as a deputy general manager at the private equity division of Anbang Insurance. Ms. Gong is the founder of Beijing Huixu Jintong Investment Center (L.P.), a private equity fund focusing on investments in healthcare and technology industries. Ms. Gong received Executive MBA from Cheung Kong Graduate School of Business in 2012 and bachelor in economics from the London School of Economics and Political Science in 2005.
Ms. Yang Jing 41 (楊晶)		President and Chief Financial Officer	Ms. Yang was first appointed the Chief Financial Officer in September 2017 and was also appointed the President in January 2019. Ms. Yang worked at GIC from February 2011 to September 2017, with her last position as vice president. Ms. Yang worked at Bain & Company as consultant from July 2004 to March 2011. Ms. Yang holds a MBA degree from the Wharton School of the University of Pennsylvania awarded in May 2009 and a master's degree in international economics from Peking University awarded in June 2004.
Dr. Yan Jun (閻峻) 41		Chief Technology Officer	Dr. Yan has served as the Chief AI Scientist of Yidu since December 2017. Dr. Yan is responsible for the overall technology strategy, in particular natural language processing, AI technologies and Big Data Platform and Solutions. Before joining Yidu in December 2017, Dr. Yan worked at Microsoft (China) between 2006 and 2017 in various research roles. Dr. Yan holds a Ph.D. in applied mathematics from Peking University awarded in July 2006.
Ms. Zhang Shi 47 (張實)		Senior Vice President (Big Data Platform) and Head of Government Affairs	Ms. Zhang leads and manages the Big Data Platform and Solutions business and oversees communications and relations with governmental bodies. Since joining Yidu in September 2017, Ms. Zhang has held various senior positions at Beijing Yiyi Cloud. Prior to joining Yidu, Ms. Zhang worked at Microsoft (China), China HP Co, Dell (China).

Source: Company, OP Research

## Exhibit 9: Peer Group Comparison

																3-Yr	Ebitda	Net			
			Mkt cap 3-mth avg	PER Hist	PER FY1	PER FY2	EPS FY1	EPS FY2	3-Yr EPS		P/B Hist	P/B FY1	EV/Reven	EV/Reven	Revenue	margin	margin	ROE Hist	ROE FY1	Sh px	
Company	Ticker	Price	(US\$m)/t/o (US\$m)	(x)	(x)	(x)	YoY%	YoY%	Cagr (%)	PEG (x)	(x)	(x)	ue Cur Yr	ue Next Yr	CAGR (%)	FY1 (%)	FY1 (%)	(%)	(%)	1-mth %	
Yidu Tech Inc	2158 HK	42.0	4,968	N/A	(46.8)	(101.6)	(107.2)	53.9	5.3	185.1	(0.55)	(4.05)	(38.17)	38.9	21.3	71.7	(53.3)	(97.0)	50.3	37.1	(32.9)
HSI		28,843.01			17.1	14.8	13.0	15.4	13.6	8.3	1.78	1.41	1.42					8.2	9.6	(7.2)	
HSCEI		11,278.35			13.3	13.0	11.6	2.6	12.1	2.9	4.53	1.49	1.55					11.2	12.0	(7.8)	
CSI300		5,079.36			19.1	13.9	13.2	37.3	5.9			2.31	2.01					12.1	14.4	(12.5)	
Global peers																					
Sector avg					103.6	370.2	209.6	27.6	61.4	(152.1)	3.7	11.4	12.0	27.3	18.2	44.0	(15.3)	(23.2)	2.2	(2.4)	(25.4)
Alibaba Health	241 HK	23.45	40,728	145.0	N/A	577.9	302.3	N/A	91.2	(697.5)	N/A	18.3	27.0	15.0	9.3	62.5	3.0	3.3	2.9	8.2	(21.6)
Ping An Healthca	1833 HK	100.60	14,863	127.3	N/A	N/A	N/A	N/A	N/A	(38.2)	N/A	6.1	6.0	9.2	6.9	32.1	(11.7)	(12.6)	(7.4)	(7.8)	(27.5)
Snowflake Inc-A	SNOW US	232.14	65,719	1,304.1	N/A	N/A	N/A	N/A	N/A	(50.1)	N/A	13.3	16.5	56.7	34.5	66.4	(16.6)	(18.2)	N/A	(8.4)	(19.6)
Veeva Systems-A	VEEV US	261.07	39,543	279.0	103.6	81.2	68.9	27.6	17.8	21.8	3.7	17.4	14.1	21.3	18.1	19.0	39.4	29.7	19.3	19.3	(17.5)
Teladoc Health I	TDOD US	198.76	30,351	833.3	N/A	N/A	N/A	N/A	N/A	(139.7)	N/A	1.9	1.7	16.0	12.4	43.5	13.4	(10.6)	(5.7)	(1.1)	(31.0)
Upstart Holdings	UPST US	60.05	4,351	97.4	N/A	451.5	257.7	N/A	75.2	N/A	N/A	N/A	N/A	21.0	13.0	42.5	10.0	7.5	N/A	N/A	(31.2)
Lemonade Inc	LMND US	107.33	6,577	575.5	N/A	N/A	N/A	N/A	N/A	(8.7)	N/A	11.3	6.5	51.8	33.0	41.9	(144.4)	(161.2)	N/A	(24.5)	(29.5)

Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Stock Code	Title	Rating	Analyst
22/02/2021	Razer	1337	A year of harvest	NR	John Siah
04/02/2021	HKTv	1137	Flat Jan GMV, but still upbeat on growth prospect	BUY	Kevin Tam
19/01/2021	Yeahka	9923	More conviction on marketing services driven growth	BUY	Kevin Tam
18/01/2021	Xtep Intl	1368	Channel inventory improvement on track	BUY	Megan Jin
15/01/2021	New Higher Edu	2001	More visible and stellar growth	BUY	John Siah
15/01/2021	Anta Sports	2020	More positive Anta brand FY21E outlook	HOLD	Megan Jin
06/01/2021	HKTv	1137	E commerce solution business moving forward	BUY	Kevin Tam/Megan Jin
30/12/2020	New Oriental Edu	9901	Tutoring elephant continues to fly	BUY	Kevin Tam
23/12/2020	Anta Sports	2020	Precor disposal in plan of Amer brands restructuring	HOLD	Megan Jin
21/12/2020	Scholar Edu	1769	Extraordinary growth expected to continue	NR	John Siah
14/12/2020	CG Services	6098	Placement for strategic deployment	BUY	Megan Jin
09/12/2020	Edvantage Group	382	Expansion begins	BUY	Megan Jin
08/12/2020	HKTv	1137	Satisfactory November GMV	BUY	Kevin Tam/Megan Jin
26/11/2020	China Edu Group	839	Robust growth outlook on surging new students	BUY	John Siah
20/11/2020	China Edu Group	839	A fast rising education giant grabbing ample opportunities in China education market	BUY	John Siah
19/11/2020	Ausnutria Dairy	1717	More to expect from FY21E	BUY	Megan Jin
11/11/2020	Edvantage Group	382	Robust organic growth with more boosters ahead	BUY	Megan Jin
10/11/2020	HKTv	1137	All fronts speeding up	BUY	Kevin Tam/Megan Jin
05/11/2020	TCL Electronics	1070	Falcom Network as a cream on top	BUY	Kevin Tam
02/11/2020	Razer	1337	Winner from "stay-at-home" life	NR	John Siah
27/10/2020	Greentown Mgmt	9979	New treasures in the property market	BUY	John Siah
21/10/2020	Li-Ning	2331	Resumed store openings bodes full recovery	BUY	Megan Jin
19/10/2020	Xtep Intl	1368	Recovery speeded up	BUY	Megan Jin
16/10/2020	Anta Sports	2020	More visible outlook of full revival	HOLD	Megan Jin
16/10/2020	Kerry Logistics	636	Grabbing opportunities in spite of COVID headwind	NR	Kevin Tam
15/10/2020	Edvantage Group	382	Room of more earnings surprise	BUY	Megan Jin
08/10/2020	Innovent	1801	PD-1 front runner setting off	BUY	Kevin Tam

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