

# Meituan: Chinese food delivery withstood lockdowns in cities

DIGITAL ENGAGEMENT TEAM

08 JUNE 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

KEY METRICS	
Current Price	199.00
Latest Dividend	N/A
Dividend Ex-Date	N/A
Indicated Dividend Yield	N/A
14 Day RSI	66.99
Analysts 12M Target Price	237.89

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>5/10</b> As of 07 Jun 2022

Refer to page 3 for indicator components

### Meituan (3690 HK) Price Chart



Any 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 07 Jun 2022 closing

### KEY MARKET EVENTS

- 14 Jun China Industrial Production (May)
- 15 Jun FOMC Interest Rate Decision
- 17 Jun US Industrial Production (May)
- 23 Jun SG CPI Release (May)
- 28 Jun US Goods Trade Balance (May)

### Hang Seng Index Price Chart



As of 07 Jun 2022 closing

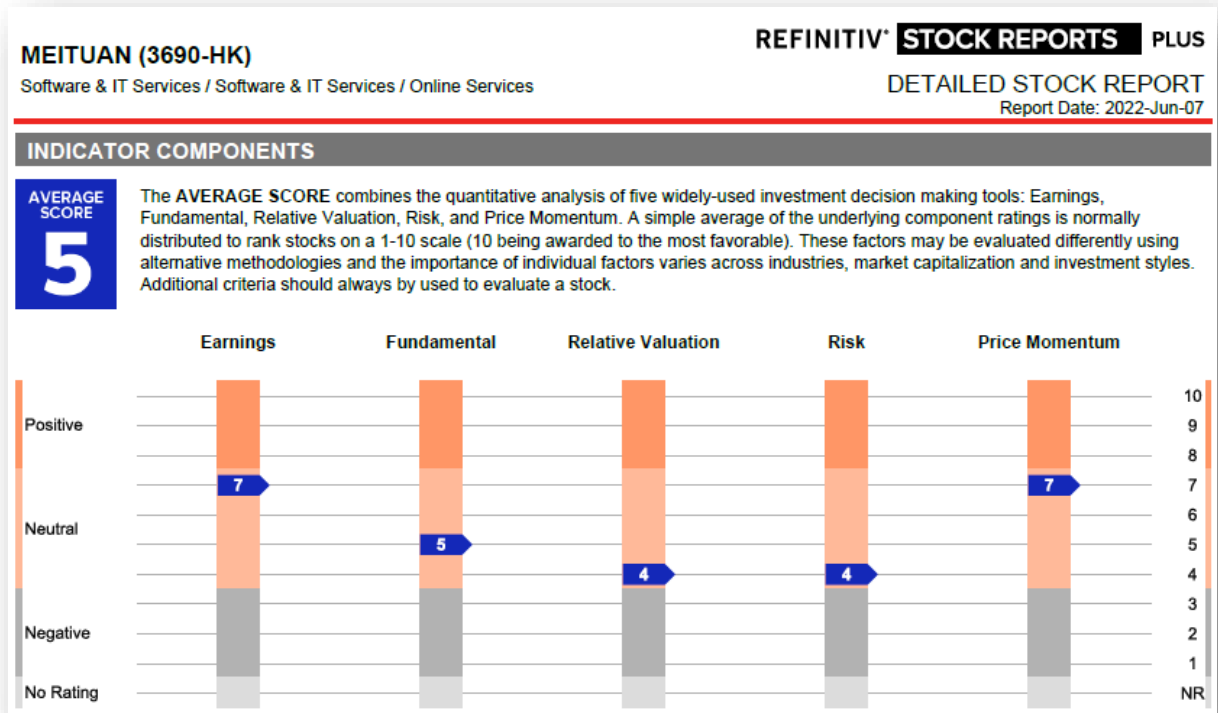
## Headline News & Information

- Meituan operates as a web-based shopping platform for locally found consumer products and retail services. The company offers deals of the day by selling vouchers on local services and entertainment, dining, delivery, and other services. Meituan provides its services throughout China (Bloomberg)
- Meituan sales beat after new business offsets China slowdown (02 Jun 2022, Bloomberg)
  - Meituan's quarterly revenue grew 25%, after the Chinese food delivery titan withstood the economic fallout from coronavirus-related lockdowns in cities such as Shanghai
  - Its business propelled by a 47% surge in revenue from the division that groups new businesses such as ride-hailing and community commerce
- Meituan may curb new initiative losses to restore EBITDA (08 Jun 2022, Fitch Ratings)
  - Fitch expects Meituan's in-store, hotel and travel segment transaction volume and revenue to be the most adversely affected among its three segments in 2Q amid the drop in mobility and offline traffic during the lockdowns and other control measures in high-tier cities such as Shanghai and Beijing
  - Meituan to have some flexibility in adjusting its incentives and operating costs to maintain profitability

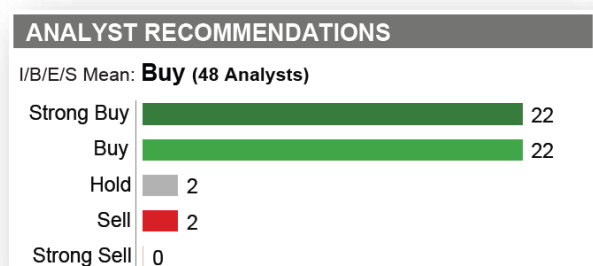
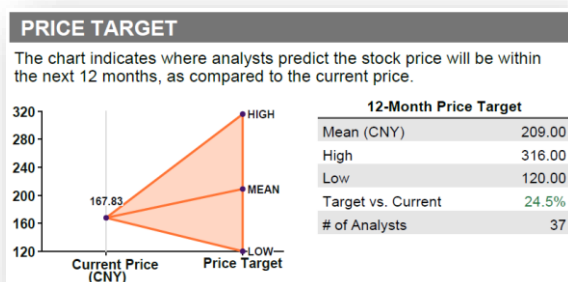
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares rose 14% in the past 5 days and are up 27% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 212.90 (200 Day MA)</li> <li>• 240.00 (Jan 2022)</li> <li>• 295.00 (Nov 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• 176.60 (100 Day MA)</li> <li>• 150.00 (May 2022)</li> <li>• 112.00 (Mar 2022)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 07 Jun 2022

## HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts	
		Price (2022-06-06)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean		
3	700	367.60	5.3%	-8.8%	-38.1%	3.5T	13.5	25.5	0.4%	35.8%	11.5%	Buy	55	
5	3690	198.10	26.2%	20.2%	-34.4%	992.1B	--	--	--	-12.9%	59.2%	Buy	47	
6	1896	6.76	22.0%	-14.9%	-48.1%	7.5B	17.9	11.3	--	11.1%	--	Buy	9	
2	1137	6.50	0.5%	-17.2%	-30.3%	5.9B	325.0	270.8	0.1%	0.5%	--	Strong Buy	3	
3	2101	5.67	-1.9%	-17.0%	-45.7%	2.3B	27.6	--	3.1%	17.1%	--	--	--	
3	8172	0.20	-5.2%	-2.9%	-46.9%	838M	--	--	--	-192.1%	--	--	--	
2	1020	0.15	-7.1%	-10.5%	64.8%	568M	--	--	--	-204.1%	--	--	--	
4	2280	0.46	-1.1%	-30.0%	-55.0%	563M	--	--	--	-3.8%	--	--	--	
6	2177	2.82	8.5%	8.0%	--	474M	11.4	--	10.6%	1.0%	--	--	--	
1	789	0.06	-15.2%	-28.2%	-57.3%	62M	--	--	--	-17.2%	--	--	--	
1	1736	0.05	-1.9%	-15.9%	-68.3%	54M	--	--	--	-54.9%	--	--	--	
3.3	Average	53.49	2.7%	-10.6%	-35.9%	405.6B	79.1	102.5	3.6%	-38.1%	35.3%	Buy	28.5	

PEER COMPANIES			
1020	Cybernaut International	2177	UNQ Holdings
1137	Hong Kong Technology Venture	2280	HC Group Inc
1736	China Parenting Network	700	Tencent Holdings
1896	Maoyan Entertainment	789	Artini Holdings
2101	Fulu Holdings	8172	Lajin Entertainment Network

Source: REFINITIV STOCKREPORTS+, extracted 07 Jun 2022

## 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>184,126</b>	<b>23182.76</b>	<b>24.57</b>	<b>46.62</b>	<b>5.79</b>	<b>9.41</b>	<b>0.62</b>
3690 HK	MEITUAN-CLASS B	156,840	199.00	N/A	N/A	7.69	9.95	N/A
TWTR US	TWITTER INC	30,231	39.56	N/A	N/A	5.12	6.03	N/A
NPN SJ	NASPERS LTD-N SHS	46,952	165,669	11.94	24.22	1.79	2.99	0.40
2413 JP	M3 INC	19,349	3,782.00	40.21	88.71	9.96	20.72	N/A
AUTO LN	AUTO TRADER GROUP PLC	6,869	582.60	22.75	29.85	11.68	16.05	1.41
GOOGL US	ALPHABET INC-CL A	1,539,801	2,336.41	22.38	29.84	6.06	7.00	N/A
GDDY US	GODADDY INC - CLASS A	11,779	72.68	35.41	N/A	N/A	N/A	N/A
035720 KS	KAKAO CORP	28,924	81,900.00	14.36	77.53	3.15	6.07	0.06
NFLX US	NETFLIX INC	87,584	197.14	18.37	50.44	4.99	15.77	N/A
BIDU US	BAIDU INC ADR	50,792	146.99	31.12	25.76	1.27	1.52	N/A
1024 HK	KUAISHOU TECHNOLOGY	46,260	85.00	N/A	N/A	6.24	8.02	N/A

Source: Bloomberg, extracted 07 Jun 2022 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 capital markets products and borrowing to finance the trading transactions (including, but not limited to leveraged trading or gearing) 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 capital markets product taking into account your investment objectives, financial situation or particular needs before making a commitment to trade or purchase the capital markets product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the capital markets product is suitable for you. You should consider carefully and exercise caution in making any trading decision whether or not you have received advice from any financial adviser. You should also read the relevant prospectus and/or profile statement (a copy of which may be obtained from the relevant fund manager or any of its approved distributors), prior to any trading or investment decision. Please refer to the prospectus of the relevant fund for the name of the fund manager and the investment objectives of the fund. In relation to collective investment schemes, the value of the units and the income accruing therefrom, if any, may rise or fall. For funds that are listed on an approved exchange, investors cannot redeem their units of those funds with the manager, or may only redeem units with the manager under certain specified conditions. The listing of the units of those funds on any approved exchange does not guarantee a liquid market for the units.

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.