

INITIATION OF COVERAGE REPORT

Meituan-W

Navigating Short-Term Turbulence: Defending Share, Expanding Horizons

KEY POINTS

One of China's Largest O2O Platforms. Meituan (3690.HK) is a leading O2O lifestyle service platform in China, positioning itself as a “Food + Super Platform” to serve comprehensive consumer needs across dining, accommodation, transportation, travel, shopping, and entertainment. Meituan leverages high-frequency services—such as food delivery, takeout, and travel—to build user habits and drive adoption of lower-frequency services. This strategy creates a flywheel effect: by fostering daily engagement and broadening its service matrix, Meituan achieves scalable, low-cost user acquisition.

Overseas Expansion in the Middle East. In October 2024, Meituan's overseas brand Keeta entered the Saudi Arabian market, starting in Riyadh and quickly expanding to over six cities by January 2025. Initially viewed as a risky venture due to entrenched incumbents such as Talabat, Deliveroo, and Hunger Station, Keeta rapidly disrupted the market through aggressive subsidies—including “5% off first orders” and “permanent free shipping.” Within three months, it ranked among the top three food delivery apps in Saudi Arabia with over 10% market share and topped the app store download charts.

Drone Delivery Enhances Efficiency. The introduction of drone delivery significantly improves fulfillment capacity and cost efficiency. Drones supplement human riders during peak hours while materially reducing delivery costs. With 7.45 million delivery riders as of 2024, Meituan estimates that replacing one-third with drones could cut overall delivery costs by 25–30%, unlocking billions in long-term savings. By end-2024, Meituan operated 53 drone delivery routes and had completed over 450,000 cumulative orders, with more than 200,000 in 2024 alone—a near 100% YoY increase. The fastest recorded delivery, a cup of hot pear soup to the Badaling Great Wall, took just 6 minutes and 37 seconds.

1Q25 Results In Line with Market Expectations. Core Local Commerce: 1) Food Delivery: Average daily orders rose 9–10% YoY, while AOV declined slightly due to a higher mix of value-focused offerings (e.g., Pin Hao Fan, Shen Qiang Shou). Unit economics improved YoY; 2) Instashopping: Daily orders approached 11 million, up ~30% YoY. Growth in non-food categories (3C, appliances, beauty) exceeded 60% YoY; 3) IHT (In-store, Hotel, and Travel): GTV grew over 30% YoY, with stable sequential operating margin. New Initiatives: 1) Meituan Select narrowed losses QoQ as long-term ecosystem investments tapered; 2) Keeta saw strong order and GTV growth, becoming Hong Kong's largest food delivery platform and achieving full coverage in nine Saudi cities. Expansion into Brazil is planned, with US\$1 billion in investment over five years.

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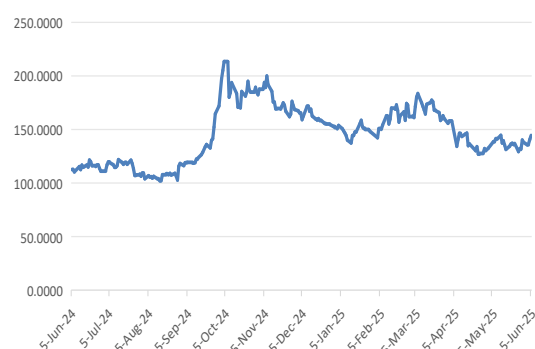
KEY DATA

Exchange: HKEX
Ticker: 3690
Current Price: HK\$144.4
52-Week Range: HK\$100.1- 217.0
Average Volume (3M): 51.55M
Shares Outstanding (MM): 6,110
Market Capitalization (\$MM): 882,259
Fiscal Year-End: December

FINANCIALS

In RMB Million	FY23A	FY24A	FY25E	FY26E
Revenue	276,745	337,592	395,013	442,951
Gross Profit	97,191	129,785	158,510	183,382
EBIT	13,415	36,845	47,717	57,495
Non-IFRS	23,252	43,771	52,443	63,347
Net Income				

PRICE PERFORMANCE



Short-Term Margin Pressure from Food Delivery Subsidies in 2Q25. Management warned of a significant YoY decline in 2Q25 operating profit for Core Local Commerce due to intensified competition and rising subsidies. While the duration of this competitive pressure remains uncertain, the near-term impact on revenue and margin could be negative. We expect food delivery and Instashopping growth to moderate to 4% and 30%, respectively, with a decline in unit economics.

Proactive AI Strategy Unveiled. In 4Q24, Meituan introduced its AI roadmap, including its proprietary large model LongCat and a suite of productivity tools—ranging from AI programming to document, image, and video assistants—to enhance operational efficiency. An all-in-one AI assistant for Meituan’s ecosystem is expected to launch this year, offering users a “digital life secretary.” Meituan continues to prioritize GPU chip procurement and has committed billions of RMB in Capex to secure computing resources critical for large model deployment.

Sustained Growth and Attractive Valuation. Despite its scale, Meituan continues to deliver over 18% YoY revenue growth and over 80% YoY IFRS net income growth, outpacing most Chinese internet peers. For valuation, EV/EBITDA is the preferred metric in the O2O sector. Meituan trades at HK\$144.4 per share with a market cap of HK\$882.2 billion. Consensus EBITDA estimates for CY2025 and CY2026 are HK\$56.6 billion and HK\$75.5 billion, respectively, implying 12.7x and 9.5x EV/EBITDA—below the peer average of 12.9x and 9.8x.

COMPANY OVERVIEW

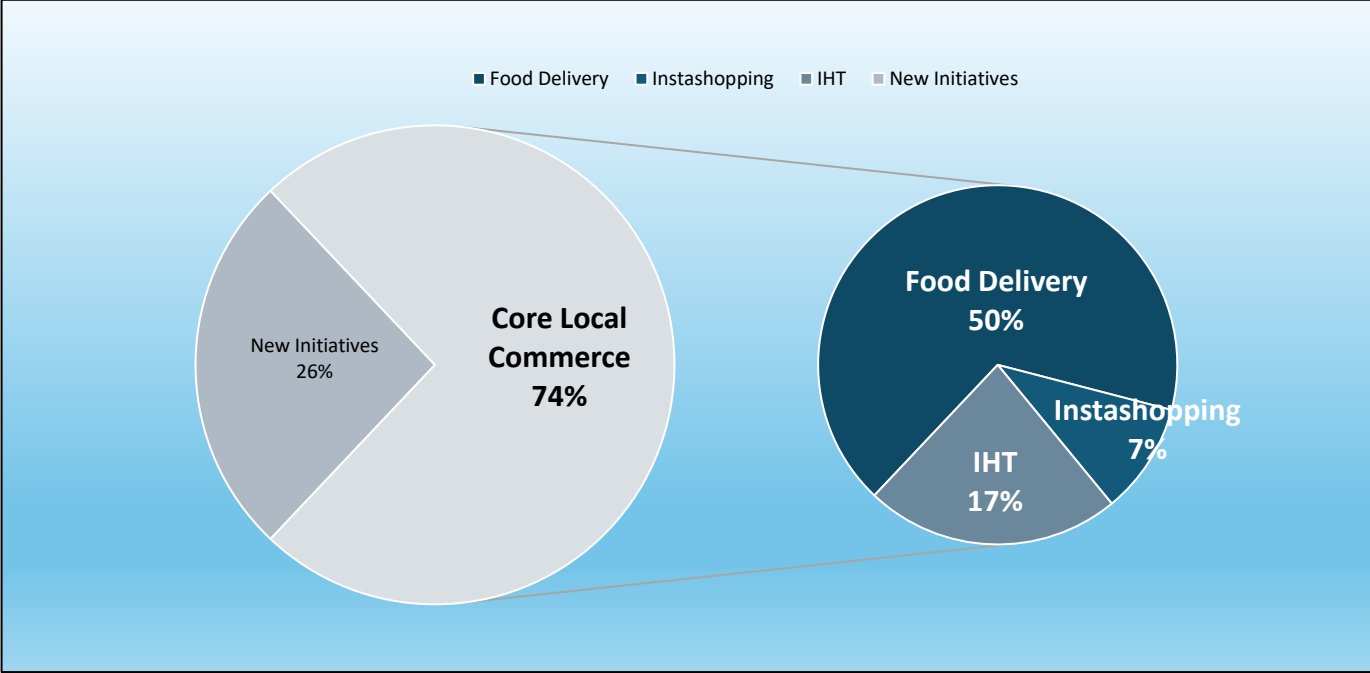
Meituan (3690.HK) is a leading O2O lifestyle service e-commerce platform in China, positioned as a “Food+ Platform” that spans key consumption scenarios including dining, accommodation, transportation, travel, shopping, and entertainment. Leveraging high-frequency use cases such as food delivery, takeout, and travel, Meituan drives user engagement and penetrates lower-frequency markets, creating a flywheel effect that fosters daily app usage, builds a broad user base, and enables cost-efficient user acquisition. As a technology-driven retail company, Meituan adheres to its “Retail + Technology” strategy and remains committed to its mission—“We help people eat better, live better.” Since its founding in March 2010, the company has played a pivotal role in digitally upgrading both the supply and demand sides of China’s local service and retail industries, delivering high-quality services to consumers in collaboration with its partners.

Figure 1: Meituan’s Company Image.



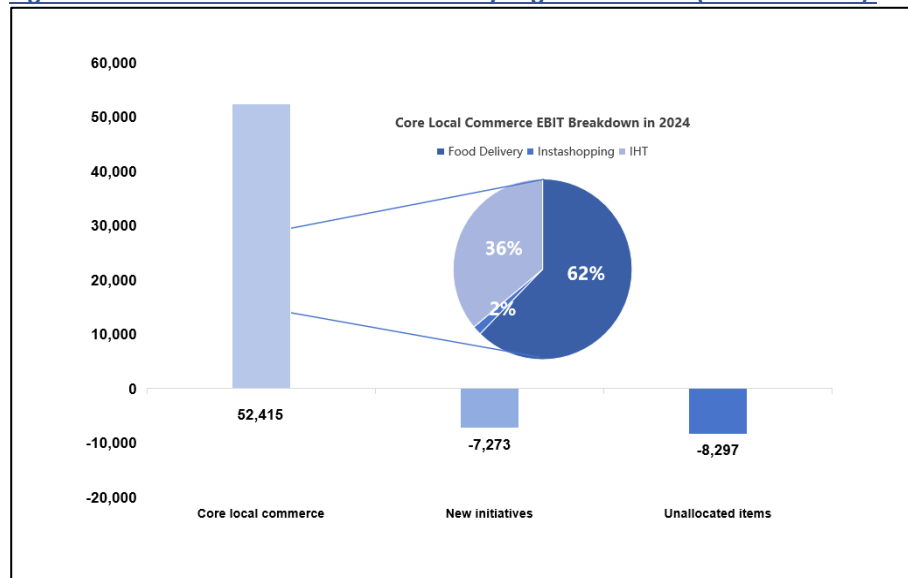
Source: GLH Research; Company filings.

Figure 2: Meituan’s Total Revenue Breakdown in 2024 (In RMB Billion).



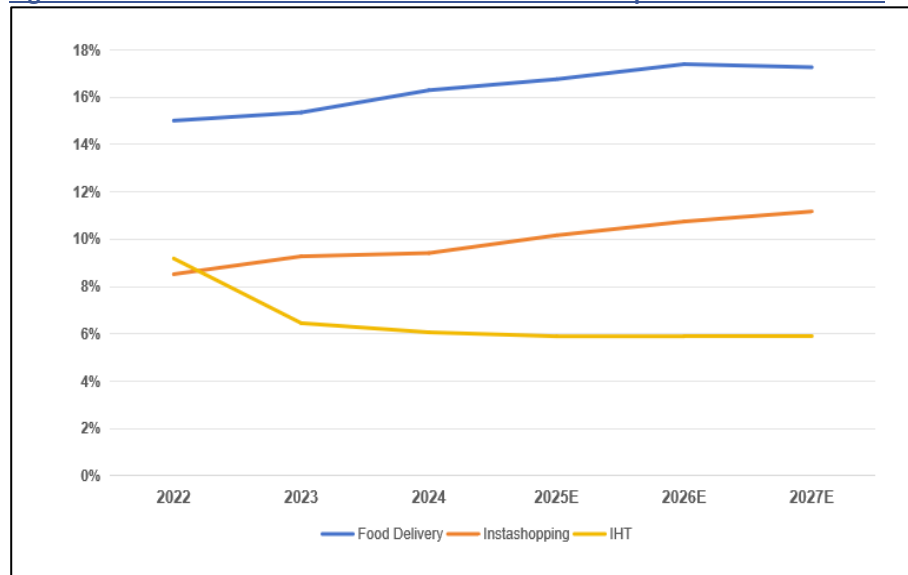
Source: GLH Research; Company filings.

Figure 3: Meituan's Total EBIT Breakdown by Segment in 2024 (In RMB Billion).



Source: GLH Research; Company filings.

Figure 4: Meituan's Core Local Commerce Take Rate Comparison in 2022 - 2027.



Source: GLH Research; Company filings.

Management

Wang Xing, Co-founder, executive Director, CEO and Chairman of the Board. Mr. Wang founded meituan.com in 2010 and currently holds directorship in various subsidiaries, Consolidated Affiliated Entities and operating entities of the Company. Mr. Wang has over 16 years of managerial and operational experience in the internet industry. Prior to co-founding the Company, he co-founded xiaonei.com, China's first college social network website in December 2005 and worked there as chief executive officer from December 2005 to April 2007. xiaonei.com was sold to China InterActive Corp in October 2006 which was later renamed as Renren Inc. (NYSE Ticker: RENN). Mr. Wang also co-founded fanfou.com, a social media company specializing in microblogging, in May 2007 and was responsible for the management and operation of this company from May 2007 to July 2009.

Mu Rongjun, Co-founder, an executive Director and SVP. He is responsible for the financial services and corporate affairs of the Company. Mr. Mu has over 16 years of managerial and operational experience in the internet industry. Prior to co-founding the Company, he worked as senior software engineer and project manager in Baidu, Inc. (NASDAQ Ticker: BIDU), the leading Chinese language internet search provider, from July 2005 to May 2007. Mr. Mu was also a co-founder and the engineering director of fanfou.com, a social media company specializing in microblogging, from May 2007 to July 2009.

Chen Shaohui, CFO. He is responsible for overseeing the Company's finance, strategic planning, investments and capital market activities. Before joining the Company in November 2014, Chen Shaohui worked as an analyst in A.T. Kearney from June 2004 to

October 2005, an investment manager in WI Harper from October 2005 to August 2008 and an investment director in Tencent (HKEx Stock Code: 700) from January 2011 to October 2014. In July 2018, Chen Shaohui was appointed as a non-executive director of Maoyan Entertainment (HKEx Stock Code: 1896).

Wang Puzhong, CEO of the Core local commerce segment of Meituan. He is responsible for nine divisions including Meituan platform, Meituan infrastructure platform, in-store dining, in-store other services, hotel and travel, food delivery, Meituan Delivery, Meituan Instashopping, and Meituan Medicine. He leads the development of strategic planning for the core business segment and executes operational strategies for the Company. Since joining the company in 2015, Wang Puzhong has successfully led the Company's food delivery business and on-demand delivery network to become global leaders while achieving sustainable growth. In his role as the head of the on-demand delivery business, he introduced the "Everything Now" concept and actively promoted the business development of Meituan Instashopping, drones, and other new businesses.

BUSINESS SUMMARY

Core Local Commerce: Food Delivery + Instashopping + IHT

Meituan's Core Local Commerce segment consists of three key components: Food Delivery, Instashopping, and In-store, Hotel, and Travel (IHT). In 2024, the on-demand delivery business continued to grow steadily, with food delivery becoming a major driver of growth for the catering industry and on-demand retail emerging as an essential part of the broader retail landscape. Meituan has effectively adapted to shifting consumption trends by strengthening its value-for-money positioning and building a more efficient and inclusive ecosystem. The company made notable progress in supply chain innovation and operational refinement to meet diverse consumer needs. Meituan InstaMart saw strong momentum in 2024, particularly in lower-tier cities, and has become a key growth channel for traditional retailers. Its model complements offline retail networks and enhances the convenience of on-demand services, further stimulating consumption. On-demand retail is now firmly embedded as a new, high-certainty lifestyle choice. Meituan also expanded value-added services across delivery categories—for example, enabling integrated healthcare services such as home testing, telemedicine, insurance payments, and on-demand medication delivery, all within the platform.

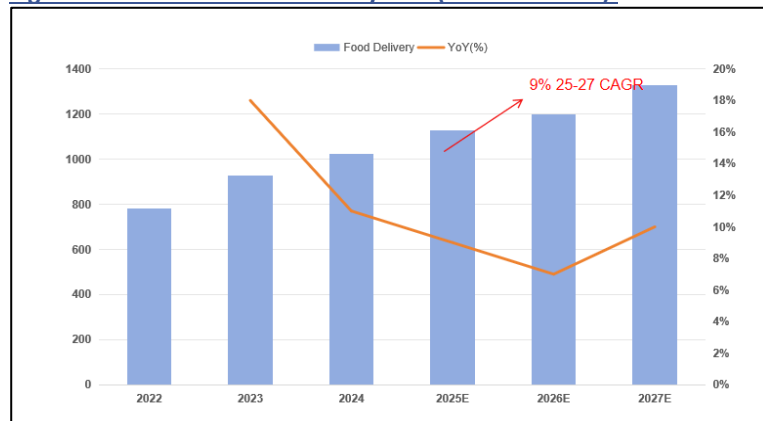
1. Food Delivery

We forecast Meituan's food delivery gross transaction value (GTV) to reach RMB1.1 trillion and RMB1.2 trillion in 2025 and 2026, respectively. Average daily orders are expected to rise to 66 million and 71 million, with an average order value (AOV) of RMB46.6 and RMB46.2. Under the unit economics (UE) model, adjusted EBIT per order is projected to reach RMB1.54 in 2025 and RMB1.61 in 2026. The segment take rate is anticipated to improve to 16.8% and 17.4% over the same period.

A key driver of food delivery growth is Pin Hao Fan, a business model that aggregates orders within similar delivery zones, reducing delivery costs and offering standardized meal sets with lower food costs. This format has become a significant growth lever for SMEs and chain restaurants, improving efficiency and customer acquisition. Pin Hao Fan currently accounts for 11% of Meituan's food delivery revenue and could expand to 20% in the long term if daily order volumes reach 100 million.

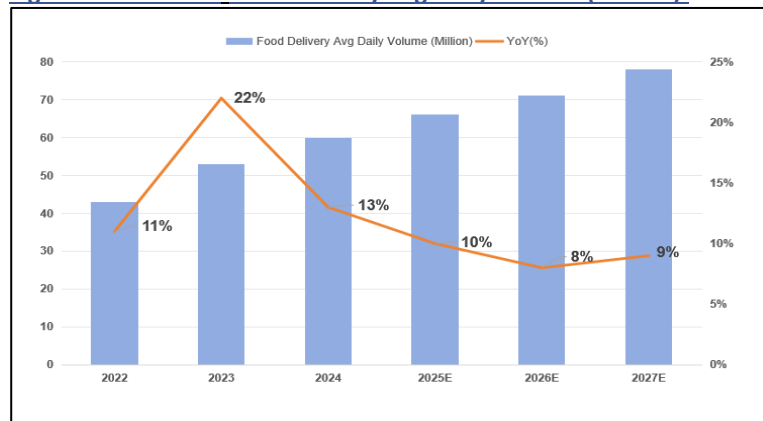
Another notable initiative is the launch of Branded Satellite Stores in early 2024, targeting well-known restaurant chains to provide high-quality, delivery-only meals without dine-in services. These satellite stores, typically located within 3 kilometers of a parent restaurant, operate with leaner cost structures while maintaining product quality. According to Food Daily (September 2024), Meituan has committed RMB100 million in traffic support, store location selection, and product development assistance. As of August 2024, over 120 branded partners—including Haidilao, Tai Er, and Lao Xiang Ji—have opened more than 800 satellite stores under this model.

Figure 5: Meituan's Food Delivery GTV (In RMB Billion).



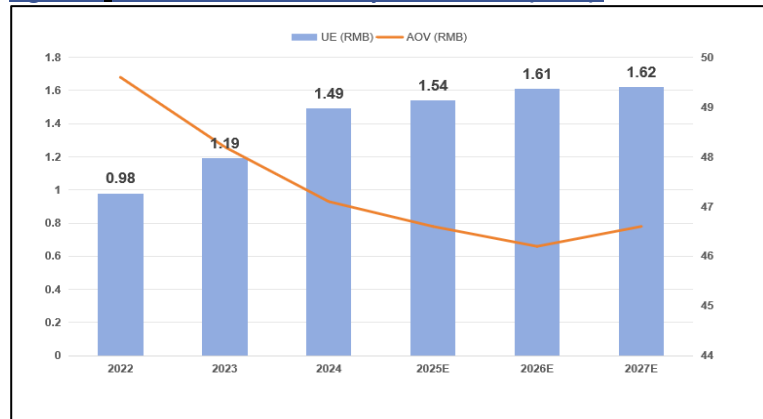
Source: GLH Research; Company filings.

Figure 6: Meituan's Food Delivery Avg Daily Volume (Million).



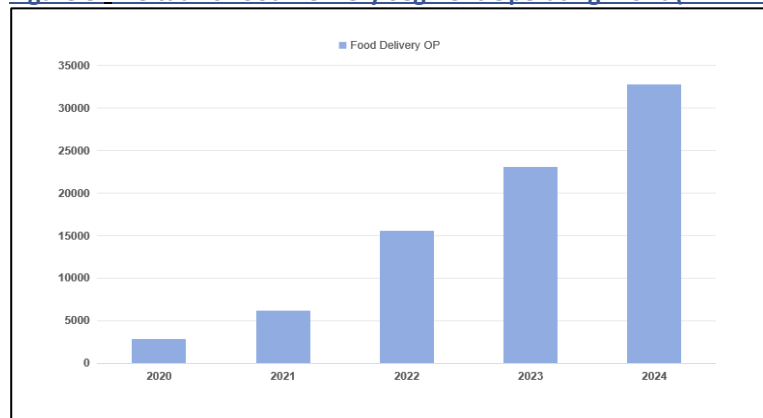
Source: GLH Research; Company filings.

Figure 7: Meituan's Food Delivery UE and AOV (RMB).



Source: GLH Research; Company filings.

Figure 8: Meituan's Food Delivery Segment Operating Profit (In RMB Million).

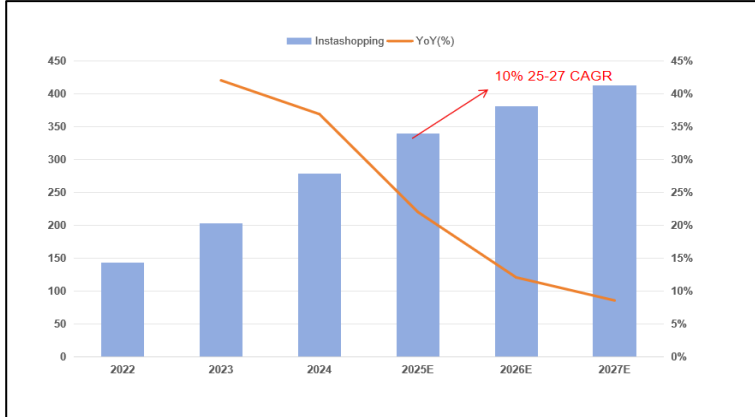


Source: GLH Research; Company filings.

2. Instashopping

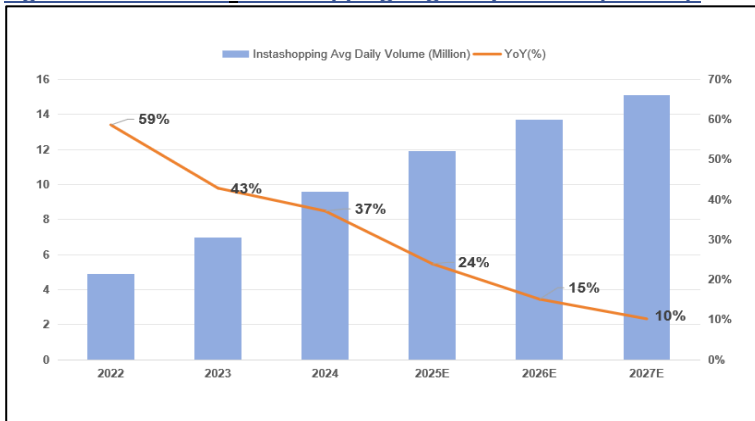
We forecast Meituan's Instashopping segment to reach a gross transaction value (GTV) of RMB340 billion and RMB381 billion in 2025 and 2026, respectively. Average daily orders are expected to grow to 11.9 million and 13.7 million, with average order value (AOV) of RMB78 and RMB76. Segment adjusted EBIT is projected to reach RMB1,013 million in 2025 and RMB1,541 million in 2026. Under the unit economics (UE) model, adjusted EBIT per order is expected to improve to RMB0.23 and RMB0.31, respectively. The segment take rate is projected to increase to 16.8% in 2025 and 17.4% in 2026.

Figure 9: Meituan's Instashopping GTV (In RMB Billion).



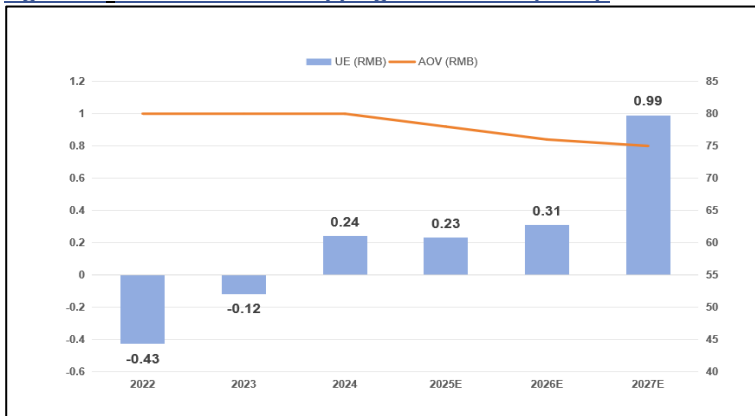
Source: GLH Research; Company filings.

Figure 10: Meituan's Instashopping Avg Daily Volume (Million).



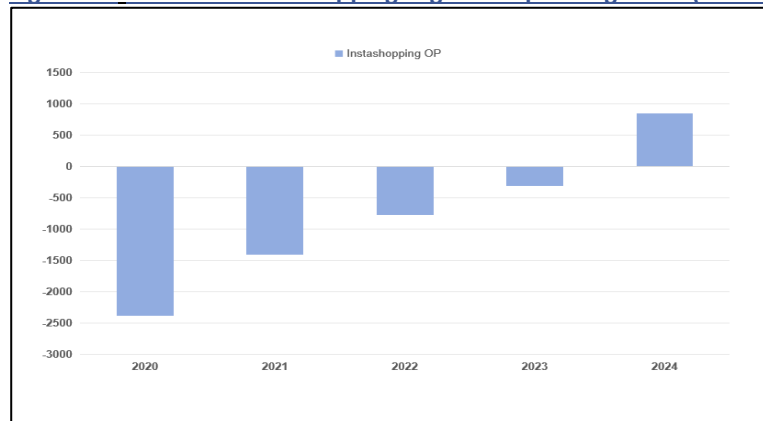
Source: GLH Research; Company filings.

Figure11: Meituan's Instashopping UE and AOV (RMB).



Source: GLH Research; Company filings.

Figure 12: Meituan's Instashopping Segment Operating Profit (In RMB Million).



Source: GLH Research; Company filings.

3. IHT

We forecast Meituan's In-store, Hotel and Travel (IHT) segment to reach GTV of RMB1,146 billion in 2025 and RMB1,330 billion in 2026. Segment adjusted EBIT is projected to reach RMB23.3 billion and RMB27.6 billion, respectively, with a stable take rate of 5.9% in both years.

Following a period of intense competition, Meituan's IHT segment is regaining momentum, supported by a recovery in margins and stabilization in market share loss previously impacted by Douyin's entry. Margins have rebounded from below 30% in 4Q23 to 30–35% as of 2Q24. Meituan's search-based business model and differentiated product offerings—compared with Douyin's traffic- and recommendation-driven approach—position it well to recapture share while maintaining a higher GTV conversion rate.

In 2024, Meituan expanded its Shen Hui Yuan membership program from food delivery into the IHT segment, with nationwide coverage launched in July. The program now spans a broad range of IHT categories and offers exclusive value-for-money products and services, such as cash coupons, which have attracted significant merchant and user engagement. As of July, over 5 million merchants had enrolled in the program. This initiative contributed to record highs in both annual transacting users and annual active merchants in 2Q24. Additionally, Meituan deepened its penetration into lower-tier markets by offering a wide variety of low-priced services, driving substantial GTV growth from these regions during the quarter.

Figure 13: Meituan's Membership Coupons - Shen Hui Yuan.

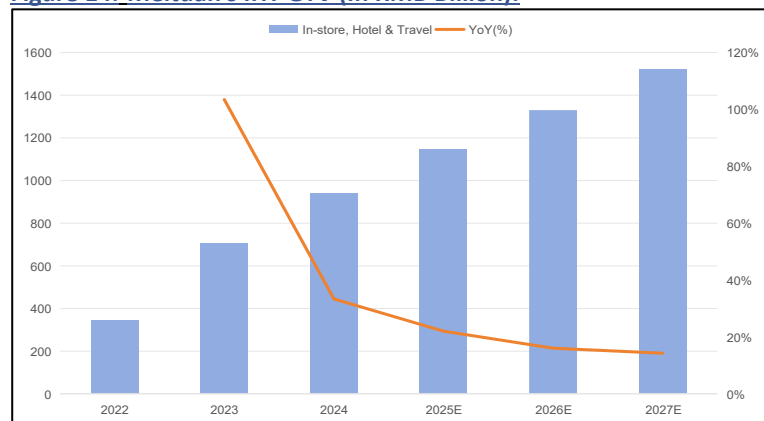


Source: GLH Research; Company filings.

Similar to food delivery, Meituan's IHT segment presents long-term potential through continued online penetration of local services. While e-commerce penetration in physical goods has reached 30–35%, online penetration for service consumption remains in the low

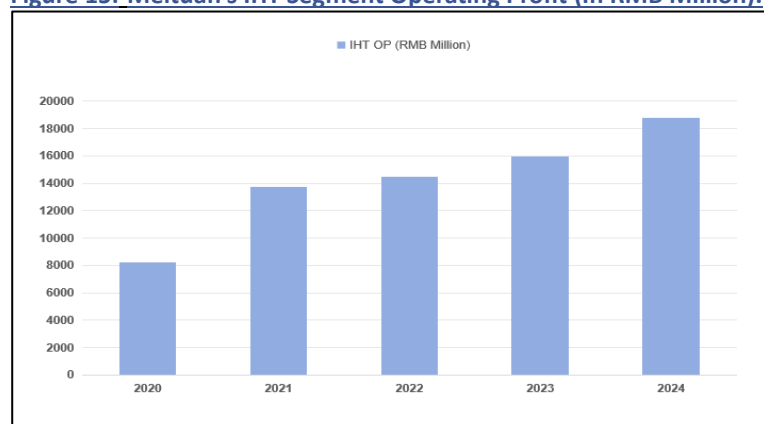
teens—and even lower for in-store categories beyond dining. We expect meaningful upside as in-store digital adoption accelerates, serving as a structural driver for sustained GTV growth within the in-store segment.

Figure 14: Meituan's IHT GTV (In RMB Billion).



Source: GLH Research; Company filings.

Figure 15: Meituan's IHT Segment Operating Profit (In RMB Million).



Source: GLH Research; Company filings.

New Initiatives

Revenue from new initiatives encompasses several emerging business segments, including Xiaoxiang Supermarket (formerly Meituan Grocery), Meituan Select, Kuailv (B2B food distribution), bike sharing, e-moped sharing, restaurant SaaS, power bank services, and others. In 2024, Meituan focused on enhancing operational efficiency across grocery retail and integrated software-hardware services. The company reinforced its market leadership in key verticals such as B2B food distribution, bike and e-moped sharing, restaurant SaaS, and power bank rentals. These initiatives have further strengthened Meituan's ecosystem, driving higher engagement from both consumers and merchants, and are expected to unlock long-term financial value. Additionally, Meituan accelerated its international expansion. Following the launch of Keeta in Riyadh in October 2024, the service has scaled rapidly across all major cities in Saudi Arabia, with strong growth in user base and order volume. Looking ahead, Meituan aims to bring high-quality products and services to more regions globally, continuing its mission to help people eat better and live better.

FOOD DELIVERY: MEITUAN VS JD.COM

The rivalry between Meituan and JD.com has intensified, with JD.com publicly accusing competitors—via its official Weibo account—of pressuring delivery riders to choose between platforms. JD.com also announced a “20-minute delivery or free” policy to attract users. In response, Meituan swiftly denied the allegations, stating it has never restricted riders' freedom to accept orders. JD.com has launched aggressive user acquisition tactics, including multi-billion-yuan subsidies to lower order prices and rider-friendly policies aimed at luring delivery personnel away from competitors. Executives even personally participated in food delivery to boost brand image. While JD.com's offensive has gained traction with some users, its heavy capital outlay raises questions about long-term sustainability and path to profitability. Nonetheless, the intensified competition is likely to push Meituan to address operational gaps and accelerate service enhancements.

FOOD DELIVERY BY DRONE

Meituan’s rollout of drone delivery has enhanced both operational capacity and cost efficiency. Drones help alleviate pressure during peak order periods while significantly reducing delivery costs, thereby improving profit margins assuming average order value (AOV) remains stable. As of 2024, Meituan had 7.45 million active food delivery riders. The cost per drone delivery is estimated to be 6 to 20 times lower than manual delivery, and the company projects that replacing one-third of human riders with drones could reduce total delivery costs by 25–30%, unlocking tens of billions of RMB in long-term cost savings. By the end of 2024, Meituan had launched 53 drone delivery routes, completing over 450,000 cumulative orders—more than 200,000 of which were fulfilled in 2024 alone, representing nearly 100% year-on-year growth. The initiative also attracted over 80,000 new users. Notably, the fastest order of the year was delivered to the Badaling Great Wall in just 6 minutes and 37 seconds, delivering a cup of hot pear soup.

Figure 16: Food Delivery by Drone.



Source: GLH Research; Company filings.

OVERSEAS EXPANSION TO MIDDLE EAST

In October 2024, Meituan launched its overseas food delivery brand Keeta in Riyadh, Saudi Arabia, followed by rapid expansion to over six cities by early 2025. Initially viewed as another speculative venture by a Chinese tech firm, Keeta entered a highly competitive market dominated by established players such as Talabat, Deliveroo, and local incumbent Hunger Station. However, within just three months, Keeta broke through with aggressive subsidies—including “5% off first orders” and “permanent free shipping.” By January 2025, Keeta ranked among the top three food delivery apps in Saudi Arabia, surpassed 10% market share, and became the most downloaded app in the country’s app store.

Figure 17: Keeta in Middle East.



Source: GLH Research; Company filings.

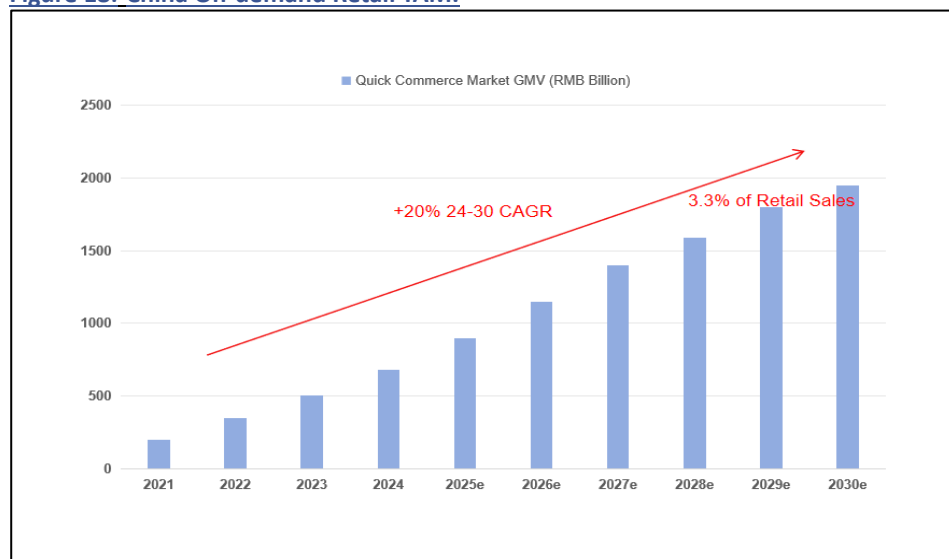
AI STRATEGY DEBUTS ON EARNINGS CALL

During its 4Q24 earnings call, Meituan publicly disclosed its AI strategy for the first time. The company has developed its proprietary large language model, LongCat, and is leveraging both internal and external models to build a suite of AI-driven productivity tools. These include AI assistants for programming, meetings, document generation, image and short video production, and sales support—designed to enhance employee efficiency and user experience. Meituan is also developing an AI-native application, with plans to launch an all-in-one AI assistant covering the full spectrum of Meituan’s services by the end of the year—enabling users to benefit from an intelligent, always-available digital assistant. Over the past year, Meituan has prioritized capital investment in AI infrastructure, with a particular focus on securing a reliable supply of GPU resources. The company intends to continue investing billions of RMB to ensure sustained access to computational capacity for future AI development.

INDUSTRY OVERVIEW

According to iResearch, private consumption in China grew at a CAGR of 8% from 2017 to 2023, driven by a structural shift from an investment-led economy to one centered on domestic consumption. Rising living standards have transformed consumer behavior—shifting from basic needs to discretionary spending, and from a focus on physical goods to services and experience-based consumption. This transition has fueled the rapid growth and adoption of consumer-facing services aimed at improving quality of life. China’s on-demand e-commerce market is projected to grow from US\$95 billion in 2024 to US\$277 billion by 2030, representing a CAGR of 20%. By then, it is expected to account for 3.3% of total retail sales and 9.9% of online retail sales.

Figure 18: China On-demand Retail TAM.



Source: GLH Research; Company filings.

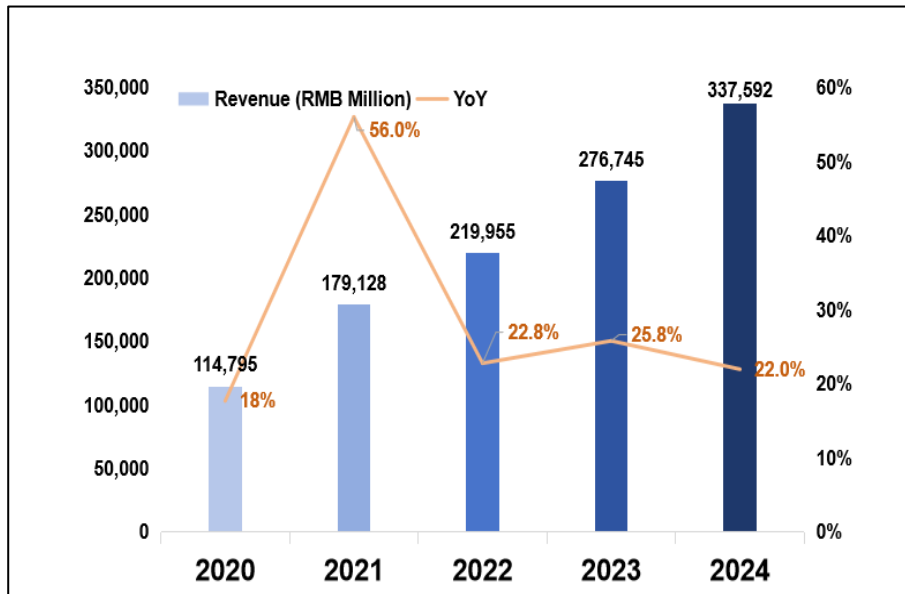
On the demand side, quick commerce is primarily driven by young adults with higher income levels, particularly those aged 25–34, nearly half of whom are active users. This demographic, typically earning monthly household incomes above RMB30,000, places greater emphasis on delivery speed and frequently places night-time orders. Most consumers expect deliveries within one hour. While current average order value (AOV) for quick commerce stands at RMB128—lower than supermarkets (RMB184) and standard online delivery (RMB145)—there remains upside potential in basket size. Notably, quick commerce users exhibit lower price sensitivity, with delivery fees playing a minor role in platform choice. These users also show strong engagement, with over 50% placing orders at least once per week. Among all quick commerce platforms in China, Meituan is the most frequently used.

On the supply side, the majority of users only began using quick commerce platforms in the past year, signaling significant headroom for future adoption. Penetration in lower-tier cities is a key growth lever. According to Meituan, Instashopping order volume in low-tier cities grew 54% YoY as of August 2024. As consumer habits solidify in these regions, further penetration and scale efficiencies are expected. For merchants, quick commerce platforms generate incremental traffic and order volume, enabling them to reduce physical store overhead and meet localized demand more efficiently. This model allows merchants to expand reach and optimize operations in areas previously limited by cost, data visibility, or inventory management challenges.

In 1Q25, Meituan reported total revenue of RMB86.6 billion, representing an 18.1% year-over-year increase. The Core Local Commerce segment delivered strong performance, with revenue rising 17.8% year-over-year to RMB64.3 billion and operating profit increasing 39.1% to RMB13.5 billion. Segment operating margin improved by 3.2 percentage points year-over-year to 21.0%. The New Initiatives segment also showed progress, with revenue up 19.2% year-over-year to RMB22.2 billion. Operating loss narrowed by 17.5% to RMB2.3 billion, and the segment operating margin improved by 4.6 percentage points to negative 10.2%.

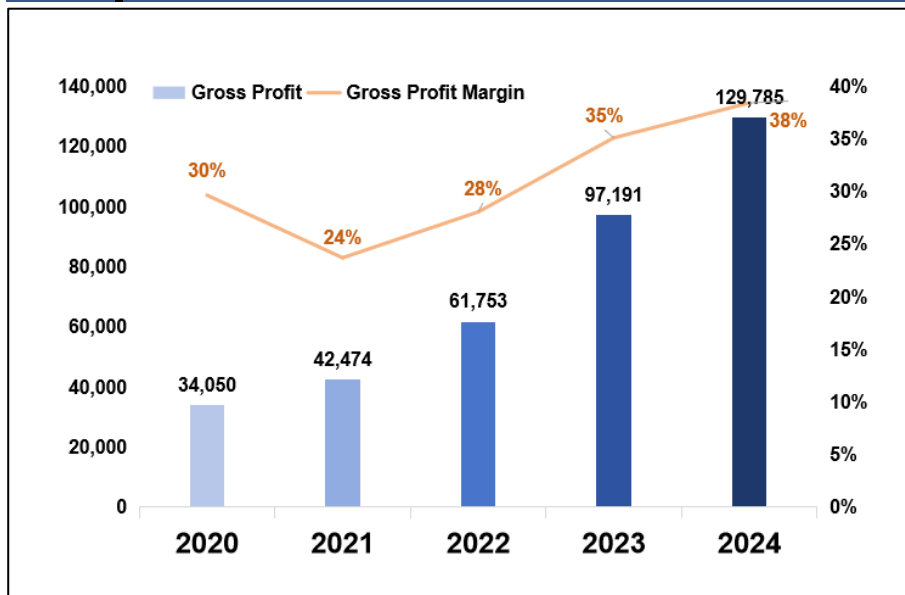
Adjusted EBITDA and adjusted net profit for the quarter reached RMB12.3 billion and RMB10.9 billion, respectively, both increasing meaningfully year-over-year. Operating cash inflow totaled RMB10.1 billion in the quarter. As of March 31, 2025, Meituan held RMB115.0 billion in cash and cash equivalents, along with RMB65.4 billion in short-term treasury investments, maintaining a strong liquidity position.

Figure 19: Meituan's Revenue in 2020 – 2024 (In RMB Million).



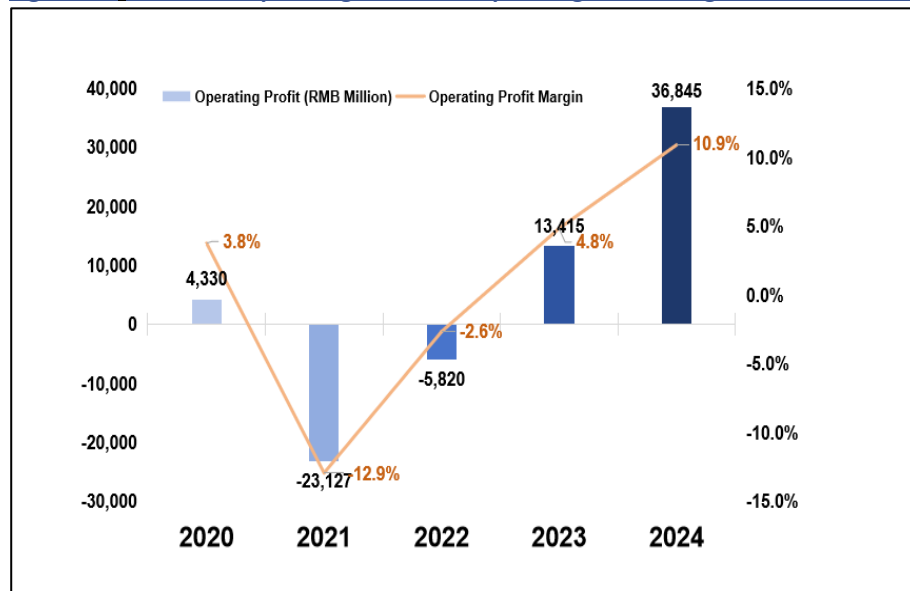
Source: GLH Research; Company filings.

Figure 20: Meituan's Gross Profit and Gross Profit Margin in 2020 – 2024 (In RMB Million).



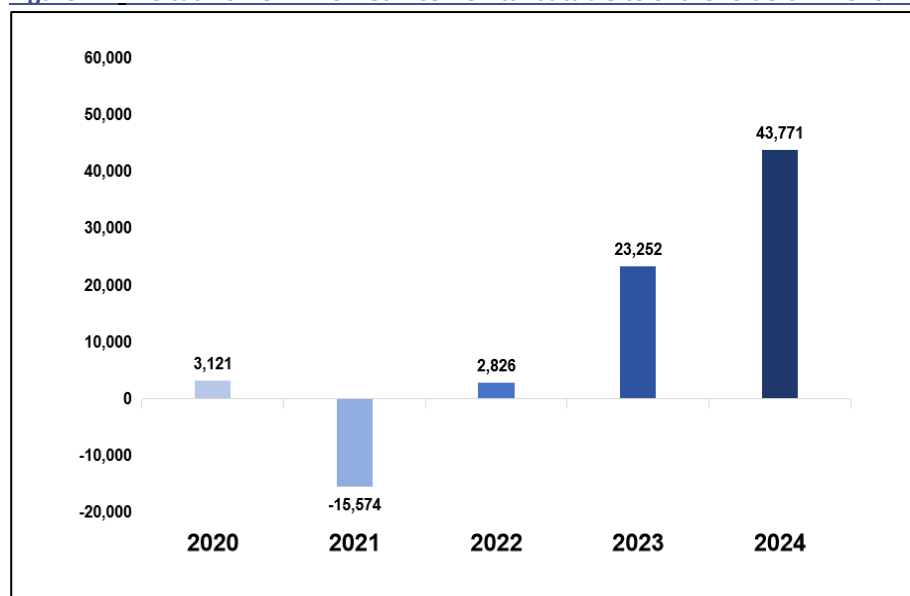
Source: GLH Research; Company filings.

Figure 21: Meituan's Operating Profit and Operating Profit Margin in 2020 – 2024 (In RMB Million).



Source: GLH Research; Company filings.

Figure 22: Meituan's Non-IFRS Net Income Attributable to Shareholders in 2020 – 2024 (In RMB Million).



Source: GLH Research; Company filings.

Figure 23: Meituan's Financials 2023 – 2026.

Unit: RMB Million	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E
Total revenues	219,955	276,745	73,277	82,251	93,577	88,486	337,592	86,557	97,213	109,023	102,221	395,013	442,951
Cost of revenues	-158,202	-179,554	-47,579	-48,361	-56,823	-55,043	-207,807	-54,143	-55,577	-63,233	-63,551	-236,504	-259,569
Gross profit	61,753	97,191	25,697	33,890	36,754	33,444	129,785	32,414	41,636	45,789	38,670	158,510	183,382
Selling and marketing expenses	-39,745	-58,617	-13,888	-14,832	-17,953	-17,301	-63,975	-15,550	-18,470	-21,259	-18,911	-74,191	-83,718
Research and development expenses	-20,740	-21,201	-5,000	-5,340	-5,293	-5,420	-21,054	-5,772	-6,513	-6,868	-5,929	-25,083	-27,463
General and administrative expenses	-9,772	-9,372	-2,298	-2,695	-2,798	-2,938	-10,729	-2,627	-3,791	-3,707	-3,169	-13,294	-14,839
Net provisions for impairment losses on financial and contract assets	-469	-1,135	-175	-276	-275	-170	-898	-121	-311	-273	-133	-838	-1,019
Fair value changes of other financial investments at fair value through profit or loss	-1,013	234	-517	-120	765	13	141	805	-136	22	10	701	133
Other gains, net	4,165	6,315	1,392	631	2,486	-933	3,575	1,418	369	360	-235	1,912	1,019
Operating profit/(loss)	-5,820	13,415	5,209	11,257	13,685	6,693	36,845	10,566	12,784	14,064	10,304	47,717	57,495
Other (loss) income:	0												
Finance income	658	819	280	344	313	354	1,292	491	301	196	409	1,398	1,639
Finance costs	-1,629	-1,425	-322	-285	-262	-468	-1,337	-475	-321	-414	-337	-1,548	-1,728
Share of profits of investments accounted for using the equity method	36	1,213	314	341	214	316	1,186	18	175	196	266	655	1,329
Profit/(loss) before income tax	-6,756	14,022	5,481	11,657	13,950	6,896	37,985	10,601	12,939	14,042	10,641	48,223	58,735
Income tax (expenses)/credits	70	-165	-113	-305	-1,085	-674	-2,177	-544	-375	-744	-1,043	-2,706	-3,054
Profit/(loss) for the year	-6,686	13,857	5,369	11,352	12,865	6,222	35,808	10,057	12,564	13,298	9,598	45,517	55,681
Non-IFRS Adjustment Items and Minority Interest	9,513	9,395	2,119	2,254	-36	3,626	7,963	892	1,856	1,275	2,903	6,926	7,666
Non-IFRS Net income (loss) attributable to the company	2,826	23,252	7,488	13,606	12,829	9,849	43,771	10,948	14,420	14,573	12,501	52,443	63,347

Source: GLH Research; Company filings.

Despite its substantial scale, Meituan continues to deliver robust growth, with quarterly revenue increasing over 18% year-over-year and over 80% year-over-year IFRS net income growth—outperforming most major Chinese internet peers. For e-commerce and platform companies, EV/EBITDA remains a widely used valuation metric. For peer comparison, we selected three groups of companies with comparable business models and financial profiles. Meituan is currently trading at HK\$144.4 per share, with a market capitalization of HK\$882.2 billion. Consensus EBITDA estimates for CY2025 and CY2026 are HK\$56.6 billion and HK\$75.5 billion, respectively, implying EV/EBITDA multiples of 12.7x and 9.5x. This compares favorably with the peer group average of 12.9x for CY2025 and 6.9x for CY2026, suggesting Meituan offers compelling relative value given its growth trajectory and operating scale.

Figure 24: Peer Valuation Analysis.

Company	Ticker	EV	EBITDA			EV/EBITDA			Category
			2024	2025E	2026E	2024	2025E	2026E	
DoorDash, Inc.	NasdaqGS:DASH	87,195	295	2,703	3,571	-	32.3x	24.4x	International Food Delivery Companies
Grab Holdings Limited	NasdaqGS:GRAB	14,951	-9	487	780	-	30.7x	19.2x	International Food Delivery Companies
Delivery Hero SE	XTRA:DHGR	8,987	-28	1,002	1,378	-	9.0x	6.5x	International Food Delivery Companies
Trip.com Group Limited	NasdaqGS:TCOM	35,158	2,059	2,555	3,044	7.5x	6.8x	5.9x	Hotel Booking Companies
Booking Holdings Inc.	NasdaqGS:BKNG	181,616	8,180	9,286	10,312	8.5x	7.8x	6.9x	Hotel Booking Companies
Airbnb, Inc.	NasdaqGS:ABNB	73,192	2,584	4,187	4,665	9.5x	8.8x	7.9x	Hotel Booking Companies
Alibaba Group Holding Ltd	NYSE:BABA	254,790	25,375	25,174	32,234	10.5x	9.8x	8.9x	China E-Commerce Companies
PDD Holdings Inc.	NasdaqGS:PDD	91,415	14,951	13,136	18,937	6.1x	7.0x	4.8x	China E-Commerce Companies
JD.Com Inc	NasdaqGS:JD	33,228	6,641	7,675	8,709	5.0x	4.3x	3.8x	China E-Commerce Companies
						Median	7.3x	8.8x	6.9x
						Mean	7.8x	12.9x	9.8x
Meituan	SEHK:3690	716,564	40,941	56,569	75,515	17.5x	12.7x	9.5x	

Notes:
1. Data as of 06/06/2025.
2. For US stock, EVs and EBITDAs are in US\$ Million; for H-share, EVs and EBITDAs are in HKD Million; for European stock, EVs and EBITDAs are in EUR Million.
3. EBITDAs are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings; Capital IQ.

Intensifying Competition from Short Video Platforms. Meituan faces growing competitive pressure in its in-store and local services segment from short video platforms such as Douyin and Kuaishou, both of which are aggressively expanding into local services. In particular, Douyin leverages its substantial traffic and algorithmic distribution advantage to attract users and merchants. All of Meituan’s businesses are exposed to risks from rapid market shifts, disruptive business models, and well-capitalized new entrants, which could impact user engagement and market share.

Limited Visibility and Execution Risk in New Initiatives. Meituan’s expansion into asset-heavy and loss-making new businesses—including grocery retail, B2B services, and overseas operations—carries execution risk and financial uncertainty. Scaling new categories may stretch management capacity and operational resources. Failure to achieve sustainable growth or profitability in these ventures could impair investor confidence and materially affect the company’s long-term prospects.

Regulatory Risk in the Food Delivery Sector. Meituan remains subject to regulatory scrutiny, particularly in relation to antitrust enforcement in the food delivery industry. On October 8, 2021, the State Administration for Market Regulation (SAMR) concluded its investigation into Meituan’s “either-or” exclusivity practices, resulting in a RMB3 billion fine—equivalent to 3% of its 2020 domestic sales of RMB114 billion. Ongoing or future regulatory actions could lead to additional compliance costs, operational adjustments, or reputational risks.

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