

Bilibili (BILI US)

Game business weighed on revenue growth despite resilient ad and VAS business

Bilibili reported inline 3Q23 results on 29 Nov: total revenue was flat YoY at RMB5.81bn, in line with CMBI/consensus estimate of RMB5.77/5.80bn; adjusted net loss narrowed by 50% YoY and 9% QoQ to RMB878mn, but missed CMBI/consensus estimate of RMB757/778mn due to the higher-than-expected investment loss (incl. impairment). Bili guides its FY23 total revenue to be at the lower-end of the RMB22.5-23.5bn range, which is in line with our expectation, due to the softer-than-expected performance of mobile game business. For 4Q23E, we forecast total revenue to grow by 3% YoY to RMB6.3bn, primarily supported by growth of ad/VAS revenue (+25%/18% YoY) but partially offset by a decline in mobile games revenue (-5% YoY). We maintain our total revenue forecast largely unchanged and see Bili remain on track for breakeven by end-FY24. We maintain our SOTP-based TP of US\$24.0. Maintain BUY.

- Solid ad business growth on improved e-commerce products.** Ad revenue was up by 21% YoY to RMB1.64bn in 3Q23 (28% of total revenue), driven by over 40% YoY revenue growth of performance-based ad. Bili continued to strengthen collaboration with e-commerce platforms and upgrade its video and live commerce products. Ad revenue from e-commerce grew by over 90% YoY in 3Q23. Total GMV from video and live commerce products grew by over 250% YoY during Double 11. VAS revenue increased by 17% YoY to RMB2.60bn in 3Q23 (45% of total revenue), mainly led by live streaming revenue growth. Mobile games revenue declined by 33% YoY to RMB992mn in 3Q23 (17% of total revenue), primarily on the lack of new titles and high base from the release of *Space Hunter 3* in June 2022. In 4Q23, Bili further streamlined its in-house game development team, which shall improve its R&D efficiency in our view.
- Unleashing commercial value of the quality user base.** Average DAUs achieved a record high of 103mn in 3Q23, up 14% YoY. The DAU/MAU ratio reached 30.1% in 3Q23 (3Q22/2Q23: 27.1/29.8%). Bili also developed a more prosperous commercial ecosystem, with the number of content creators that received income from video and live commerce up by over 160% YoY in 3Q23. We expect the improving user quality and commercial ecosystem to pave the way for Bili's revenue growth and breakeven.
- Stringent cost control supports margin improvement.** Gross margin rose by 6.8ppt YoY and 1.9ppt QoQ to 25.0% in 3Q23 and was ahead of consensus estimate by 1.0ppt, underpinned by stringent cost control and increased revenue contribution from higher-margin ad business. Adjusted net loss margin improved from -30.4% in 3Q22 to -15.1% in 3Q23, and the operating cash flow turned positive in 3Q23. We expect adjusted net margin to further improve to -10.7% and the operating cash flow to remain positive in 4Q23E.

Earnings Summary

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	19,384	21,899	22,508	24,865	27,088
YoY growth (%)	61.5	13.0	2.8	10.5	8.9
Gross margin (%)	20.9	17.6	24.1	29.1	32.2
Adjusted net profit (RMB mn)	(5,478.1)	(6,691.7)	(3,545.8)	(958.2)	883.7
EPS (Reported) (RMB cents)	(1,442.44)	(1,700.40)	(857.61)	(231.75)	213.75
Consensus EPS (RMB cents)	(1,442.44)	(1,700.40)	(866.09)	(226.61)	197.00
P/S (x)	2.0	1.8	1.8	1.6	1.5

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price US\$24.00

(Previous TP) US\$24.00)

Up/Downside 79.9%

Current Price US\$13.34

China Internet

Saiyi HE, CFA

(852) 3916 1739

hesaiyi@cmbi.com.hk

Wentao LU, CFA

luwentao@cmbi.com.hk

Ye TAO

franktao@cmbi.com.hk

Stock Data

Mkt Cap (US\$ mn)	5,515.4
Avg 3 mths t/o (US\$ mn)	35.2
52w High/Low (US\$)	29.20/12.51
Total Issued Shares (mn)	413.4

Source: FactSet

Shareholding Structure

Rui Chen	13.7%
Tencent	9.3%

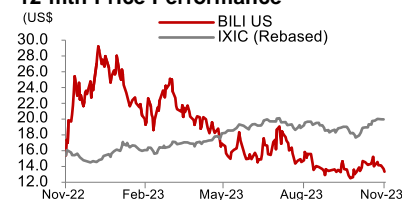
Source: Company data

Share Performance

	Absolute	Relative
1-mth	0.3%	-11.2%
3-mth	-15.7%	-17.7%
6-mth	-21.0%	-28.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

Business forecasts update and valuation

Figure 1: Bili: forecast revision

RMB mn	Current			Previous			Change (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	22,508	24,865	27,088	22,525	24,890	27,119	-0.1%	-0.1%	-0.1%
Gross Profit	5,422	7,248	8,716	5,445	7,123	8,464	-0.4%	1.8%	3.0%
Operating Profit	(4,718)	(2,325)	(711)	(4,579)	(2,584)	(1,245)	na	na	na
Adjusted net profit	(3,546)	(958)	884	(3,390)	(1,258)	356	na	na	na
Adjusted EPS (RMB)	(8.6)	(2.3)	2.1	(8.2)	(3.0)	0.9	na	na	na
Gross Margin	24.1%	29.1%	32.2%	24.2%	28.6%	31.2%	-0.1 ppt	0.5 ppt	1.0 ppt
Operating Margin	-21.0%	-9.4%	-2.6%	-20.3%	-10.4%	-4.6%	-0.6 ppt	1.0 ppt	2.0 ppt
Adjusted net margin	-15.8%	-3.9%	3.3%	-15.0%	-5.1%	1.3%	-0.7 ppt	1.2 ppt	2.0 ppt

Source: CMBIGM estimates

Figure 2: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	22,508	24,865	27,088	22,844	26,550	30,266	-1.5%	-6.3%	-10.5%
Gross Profit	5,422	7,248	8,716	5,471	7,647	9,575	-0.9%	-5.2%	-9.0%
Operating Profit	(4,718)	(2,325)	(711)	(4,638)	(2,009)	(292)	na	na	na
Adjusted net profit	(3,546)	(958)	884	(3,461)	(849)	902	na	na	na
Adjusted EPS (RMB)	(8.6)	(2.3)	2.1	(8.7)	(2.3)	2.0	na	na	na
Gross Margin	24.1%	29.1%	32.2%	24.0%	28.8%	31.6%	0.1 ppt	0.3 ppt	0.5 ppt
Operating Margin	-21.0%	-9.4%	-2.6%	-20.3%	-7.6%	-1.0%	-0.7 ppt	-1.8 ppt	-1.7 ppt
Adjusted net margin	-15.8%	-3.9%	3.3%	-15.2%	-3.2%	3.0%	-0.6 ppt	-0.7 ppt	0.3 ppt

Source: Bloomberg, CMBIGM estimates

Figure 3: Bili: Quarterly financial figures

(RMB mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Cons.	Diff%	CMBI	Diff%
Mobile games	1,358	1,046	1,471	1,146	1,132	891	992	1,004	-1.2%	961	3.1%
YoY%	16.0%	-15.2%	5.7%	-11.5%	-16.7%	-14.8%	-32.6%				
VAS	2,052	2,103	2,210	2,350	2,156	2,302	2,595	2,584	0.4%	2,570	1.0%
YoY%	37.1%	28.7%	15.8%	24.0%	5.1%	9.4%	17.4%				
Advertising	1,041	1,158	1,355	1,512	1,272	1,573	1,638	1,676	-2.3%	1,697	-3.4%
YoY%	45.6%	10.4%	15.6%	-4.7%	22.2%	35.8%	20.9%				
IP derivatives and others	603	601	758	1,134	510	539	580	529	9.6%	539	7.7%
YoY%	16.2%	4.0%	3.2%	13.1%	-15.5%	-10.4%	-23.5%				
Total revenue	5,054	4,909	5,794	6,142	5,070	5,304	5,805	5,804	0.0%	5,766	0.7%
YoY%	29.6%	9.2%	11.3%	6.3%	0.3%	8.1%	0.2%				
Average MAUs	294	306	333	326	315	324	340				
YoY%	7.0%	6.0%	3.9%	2.5%	1.6%	1.1%	0.0%				
Gross profit margin	16.0%	15.0%	18.2%	20.3%	21.8%	23.1%	25.0%	24.0%		24.2%	
S&M ratio (%)	24.8%	23.9%	21.2%	20.6%	17.4%	17.3%	17.1%				
R&D ratio (%)	20.0%	23.1%	19.5%	24.3%	20.3%	19.7%	18.4%				
Adjusted net margin (%)	-32.7%	-40.0%	-30.4%	-21.4%	-20.3%	-18.1%	-15.1%	-13.4%		-13.1%	
Adjusted net profit	(1,653)	(1,964)	(1,763)	(1,312)	(1,029)	(963)	(878)	(778)		(757)	

Source: Company data, CMBIGM estimates

SOTP Valuation

Based on the SOTP valuation, our target price for Bili is US\$24.0 per ADS, which implies 3.2/2.9x 2023E/2024E PS. Our target price of US\$24.0 includes:

1) US\$10.1 for the advertising business (42.1% of the total valuation), based on a 16x 2024E PE. The target PE multiple is at a premium to the average PE of the mature advertising platforms (14x 2024E PE), to reflect Bili's unique value proposition in the video advertising market and its strong growth outlook.

2) US\$9.1 for the VAS business (38.0% of the total valuation), based on a 2.5x 2024E PS. The target PS multiple is at a premium to the average PS of other video platforms (2.0x 2024E PS), mainly due to its growing user base and improving monetization efficiency.

3) US\$4.5 for mobile games (18.8% of the total valuation), based on a 15x 2024E PE. The target PE multiple is at a discount to the industry average (18x 2024E PE), as Bili has yet to establish a successful track record in in-house games development.

4) US\$0.3 for IP derivatives and others (1.2% of the total valuation, previously disclosed as e-commerce and others), based on a 0.4x 2024E PS. The target PS multiple is on par with the average PS of the other e-commerce platforms.

Figure 4: Bili: SOTP Valuation

(RMBmn)	2024E revenue	Net margin (%)	Target PS (x)	Target PE (x)	Target valuation	As of total valuation
VAS (Live streaming + Membership)	10,838		2.5		27,094	38.0%
Advertising	7,504	25%		16	30,015	42.1%
Mobile games	4,457	20%		15	13,372	18.8%
IP derivatives and others	2,066		0.4		827	1.2%
Total valuation (RMBmn)					71,308	
Number of ADS (mn)					413	
Valuation per ADS (US\$)					24.0	

Source: Company data, CMBIGM estimates

Figure 5: Peer comparison: online games and advertising sector

Companies	Ticker	Price (Local)	EPS growth (YoY %)			PE (x)		
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Online games								
NetEase	NTES US	114.2	22	3	(9)	19	18	17
Electronic Arts	EA US	136.4	(14)	13	11	23	19	17
Nexon	3659 JP	3,192.0	7	7	10	23	21	19
Nintendo	7974 JP	6,825.0	(9)	8	(18)	21	18	23
Bandai Namco	7832 JP	2,959.5	18	6	11	21	20	18
Perfect World	002624 CH	12.8	(19)	33	16	24	17	14
37 Interactive	002555 CH	22.4	11	15	13	15	13	11
Average PE						21	18	17
Online advertising								
Weibo	WB US	11.7	0	3	12	6	5	5
Baidu	BIDU US	119.6	39	(0)	9	11	11	10
Meta	Meta US	339.0	37	21	12	23	19	17
Google	GOOG US	138.6	15	20	18	23	19	16
Average PE						16	14	12

Source: Bloomberg, CMBIGM

Note: data as at 28 Nov market close

Figure 6: Peer comparison: online video and first-party e-commerce

Companies	Ticker	Price (Local)	Revenue growth (YoY %)			PS (x)		
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Online video								
iQiyi	IQ US	4.6	5.4	6.3	6.8	1.0	0.9	0.9
Mango Excellent Media	300413 CH	26.1	(1.5)	13.3	10.8	3.4	3.0	2.7
Average PS						2.2	2.0	1.8
First-party e-commerce								
JD	JD US	28.2	(0.5)	7.7	7.5	0.3	0.3	0.3
Vipshop	VIPS US	16.4	2.9	5.1	4.8	0.6	0.5	0.5
Average PS						0.4	0.4	0.4

Source: Bloomberg, CMBIGM

Note: data as at 28 Nov market close

Financial Summary

INCOME STATEMENT	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Revenue	11,999	19,384	21,899	22,508	24,865	27,088
Cost of goods sold	9,159	15,341	18,050	17,086	17,618	18,373
Gross profit	2,840	4,043	3,849	5,422	7,248	8,716
Operating expenses	5,981	10,472	12,207	10,140	9,573	9,427
Selling expense	3,492	5,795	4,921	3,826	3,605	3,521
Admin expense	976	1,838	2,521	2,116	2,114	2,113
R&D expense	1,513	2,840	4,765	4,198	3,854	3,792
Operating profit	(3,141)	(6,429)	(8,358)	(4,718)	(2,325)	(711)
Investment gain/loss	28	(194)	(532)	(338)	(336)	(347)
Other gains/(losses)	137	(5)	1,457	274	0	0
EBIT	(2,975)	(6,628)	(7,434)	(4,781)	(2,661)	(1,058)
Interest income	83	70	281	538	765	844
Interest expense	(109)	(155)	(251)	(168)	(356)	(416)
Pre-tax profit	(3,001)	(6,713)	(7,404)	(4,410)	(2,252)	(630)
Income tax	53	95	104	88	45	(95)
After tax profit	(3,054)	(6,809)	(7,508)	(4,498)	(2,297)	(536)
Minority interest	47	20	11	(9)	46	11
Others	(4)	0	0	0	0	0
Net profit	(3,012)	(6,789)	(7,497)	(4,507)	(2,251)	(525)
Adjusted net profit	(2,560)	(5,478)	(6,692)	(3,546)	(958)	884
BALANCE SHEET						
YE 31 Dec (RMB mn)						
Current assets	15,740	36,447	24,453	33,931	36,980	39,019
Cash & equivalents	4,678	7,523	10,187	16,331	18,387	19,478
Account receivables	1,218	1,382	1,329	2,436	2,691	2,931
Prepayment	1,766	4,848	3,545	5,630	6,219	6,776
ST bank deposits	4,720	7,632	4,768	4,911	5,058	5,210
Other current assets	3,357	15,061	4,623	4,623	4,623	4,623
Non-current assets	8,126	15,606	17,378	16,722	16,701	16,579
PP&E	762	1,350	1,227	1,428	1,592	1,733
Investment in JVs & assos	2,233	5,503	5,651	5,426	5,090	4,743
Intangibles	2,357	3,836	4,327	4,439	4,475	4,426
Goodwill	1,296	2,338	2,725	2,725	2,725	2,725
Other non-current assets	1,478	2,580	3,448	2,704	2,819	2,951
Total assets	23,866	52,053	41,831	50,653	53,681	55,597
Current liabilities	7,392	12,071	17,093	20,267	21,184	22,152
Short-term borrowings	100	1,232	6,621	6,621	6,621	6,621
Account payables	3,074	4,361	4,292	5,851	6,033	6,292
Tax payable	100	1,232	6,621	6,621	6,621	6,621
Other current liabilities	2,880	2,613	(2,084)	(1,885)	(1,470)	(1,063)
Accrued expenses	1,238	2,633	1,643	3,058	3,378	3,680
Non-current liabilities	8,692	18,266	9,498	18,442	21,511	21,576
Long-term borrowings	8,341	17,784	8,683	17,784	20,784	20,784
Other non-current liabilities	351	482	814	658	727	792
Total liabilities	16,083	30,337	26,591	38,710	42,696	43,729
Share capital	0	0	0	0	0	0
Capital surplus	14,616	35,930	35,930	35,930	35,930	35,930
Retained earnings	(7,175)	(13,971)	(20,437)	(23,725)	(24,729)	(23,856)
Other reserves	159	(255)	(255)	(255)	(255)	(255)
Total shareholders equity	7,600	21,704	15,238	11,950	10,946	11,819
Minority interest	182	12	2	(7)	39	49
Total equity and liabilities	23,866	52,053	41,831	50,653	53,681	55,597

CASH FLOW	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	(3,001)	(6,713)	(7,404)	(4,410)	(2,252)	(630)
Depreciation & amortization	327	539	755	462	532	589
Tax paid	53	95	104	88	45	(95)
Change in working capital	1,487	(9)	(1,246)	(18)	72	171
Others	1,887	3,442	3,878	3,864	4,567	5,168
Net cash from operations	753	(2,647)	(3,911)	(13)	2,964	5,204
Investing						
Capital expenditure	(2,239)	(3,687)	(2,738)	(3,472)	(3,646)	(3,828)
Acquisition of subsidiaries/ investments	(1,757)	(7,238)	(2,646)	(113)	0	0
Others	(4,911)	(13,652)	15,994	600	(262)	(285)
Net cash from investing	(8,907)	(24,578)	10,609	(2,985)	(3,908)	(4,113)
Financing						
Net borrowings	5,695	11,203	251	9,101	3,000	0
Proceeds from share issues	2,817	19,288	0	0	0	0
Others	(177)	(103)	(4,606)	0	0	0
Net cash from financing	8,335	30,389	(4,355)	9,101	3,000	0
Net change in cash						
Cash at the beginning of the year	4,963	4,678	7,523	10,187	16,331	18,387
Exchange difference	(466)	(319)	321	40	0	0
Cash at the end of the year	4,678	7,523	10,187	16,331	18,387	19,478
GROWTH	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Revenue	77.0%	61.5%	13.0%	2.8%	10.5%	8.9%
Gross profit	138.6%	42.4%	(4.8%)	40.9%	33.7%	20.3%
PROFITABILITY	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Gross profit margin	23.7%	20.9%	17.6%	24.1%	29.1%	32.2%
Operating margin	(26.2%)	(33.2%)	(38.2%)	(21.0%)	(9.4%)	(2.6%)
Adj. net profit margin	(21.3%)	(28.3%)	(30.6%)	(15.8%)	(3.9%)	3.3%
Return on equity (ROE)	(41.1%)	(46.3%)	(40.6%)	(33.2%)	(19.7%)	(4.6%)
GEARING/LIQUIDITY/ACTIVITIES	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
Net debt to equity (x)	0.5	0.5	0.3	0.7	0.8	0.7
Current ratio (x)	2.1	3.0	1.4	1.7	1.7	1.8
Receivable turnover days	37.1	26.0	22.1	39.5	39.5	39.5
Payable turnover days	122.5	103.8	86.8	125.0	125.0	125.0
VALUATION	2020A	2021A	2022A	2023E	2024E	2025E
YE 31 Dec						
P/B	12.4	10.8	4.1	3.3	3.6	3.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report.

Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY	: Stock with potential return of over 15% over next 12 months
HOLD	: Stock with potential return of +15% to -10% over next 12 months
SELL	: Stock with potential loss of over 10% over next 12 months
NOT RATED	: Stock is not rated by CMBIGM
OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM	: Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.
