Meituan (3690.HK): 2Q26 First Take: Results beat with food delivery profits/unit economics recovery; Buy

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Meituan delivered a solid 2Q26 print with revenue growth of 14% yoy (4% above GSe/V.A. Consensus, driven by more disciplined subsidies that are recognized as contra-revenue), where we are encouraged by **(+)** Core Local Commerce EBIT of Rmb5.7bn (+52% yoy), broadly in-line with GSe of Rmb5.8bn while 66% above V.A. Consensus of Rmb3.4bn, likely driven by food delivery UE recovery, further normalization of delivery subsidies and better marketing efficiency amid the company's focus on high quality growth; **(+)** faster-than-expected new initiatives EBIT narrowing to Rmb-1.7bn (29%/28% better vs. GSe/V.A. Consensus of Rmb-2.4bn), supported by continued operating efficiency gains across domestic grocery and overseas Keeta business (with Hong Kong maintaining stable profitability and sequential efficiency improvement in the Middle East); and **(+/-)** unallocated losses narrowed to Rmb-1.2bn (vs. Rmb-2.3bn/Rmb-1.6bn in 1Q26/2Q25) with net gains on certain investments, while partially offset by increased corporate-level investments in AI. The company continues to leverage AI to enhance both consumer experience and merchant operations, with rising adoption of Xiaotuan (in-app AI assistant) and investments into LongCat AI models.

We expect key focuses at the results call to include: 1) EBIT per order for 2H26 and 2027 outlook, as #2 player continues to strive towards narrower losses and eventual breakeven in the next 12-18 months, and the drivers behind sustainable #1 player UE gap advantage; **2)** Potential for recovery of IHT segment profits growth and margin level in the next 1-2 years, with Doushengsheng moderation in competitive intensity and Trip.com's removal of exclusive high end hotel partnerships, and ways to strengthen IHT positioning and offerings to sustain/defend leadership in core categories; **3)** Daily order volume potential of instashopping + 1P businesses (vs. food delivery scale), and the pace of investment/profit turnaround timeline for overall on-demand shopping, as Alibaba/JD shift focus from food to 1P grocery on-demand; **4)** Keeta: priorities from here across grocery, new markets like Brazil, local discovery/IHT potential and/or M&A opportunities, and the investment scale for overseas markets over 2H26 and next 1-2 years; **5)** AI strategy and differentiation of LongCat on the performance/cost metric, with LongCat having pursued 100% domestic chips for training while the contest in AI models continues to segment towards frontier coding and/or lowest cost for inference.

We are Buy-rated with a 12-m TP of HK$123 where we remain confident on Meituan's overall local services leadership under an enlarged Quick Commerce TAM in the still fast growing local services market. **Key risks:** Worse-than-expected

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competition that may impact growth or pace of profit turnaround; labor cost inflation/efficiencies; food safety concerns/stricter regulations; larger-than-expected investment in Keeta.

Exhibit 1: 2Q26 results actual vs. GSe

Rmb mn	Actual	% yoy	GSe	Consensus	Act vs. Est	Act vs. Cons
2Q26 net revenue	104,643	14%	101,092	100,984	4%	4%
2Q26 core commerce EBIT	5,668	52%	5,800	3,419	-2%	66%
2Q26 new initiatives EBIT	(1,739)	8%	(2,440)	(2,410)	29%	28%
2Q26 adjusted EBITDA	4,098	47%	3,446	2,742	19%	49%
2Q26 adjusted net profit / (loss)	2,524	69%	2,297	376	10%	571%

Source: Company data, Visible Alpha Consensus Data, Goldman Sachs Global Investment Research

Exhibit 2: Summary of Meituan 2Q26 results

Meituan (Rmb mn)	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26 Est	Diff. %	QoQ %	YoY %
Group revenue	**93,577**	**88,487**	**86,206**	**91,840**	**95,488**	**92,096**	**91,039**	**104,643**	**101,092**	**4%**	**15%**	**14%**
yoy%	*22%*	*20%*	*18%*	*12%*	*2%*	*4%*	*6%*	*14%*	*10%*			
Group gross profit	**36,754**	**33,444**	**32,063**	**30,414**	**25,181**	**24,127**	**25,970**	**35,095**	**35,664**	**-2%**	**35%**	**15%**
margin%	*39.3%*	*37.8%*	*37.2%*	*33.1%*	*26.4%*	*26.2%*	*28.5%*	*33.5%*	*35.3%*			
Group adjusted EBIT	**12,367**	**9,286**	**10,118**	**399**	**(17,472)**	**(16,827)**	**(5,854)**	**1,138**	**1,091**	**4%**	**119%**	**185%**
margin%	*13.2%*	*10.5%*	*11.7%*	*0.4%*	*-18.3%*	*-18.3%*	*-6.4%*	*1.1%*	*1.1%*			
Group adjusted EBITDA	**14,529**	**11,523**	**12,302**	**2,782**	**(14,842)**	**(14,025)**	**(3,049)**	**4,098**	**3,446**	**19%**	**234%**	**47%**
margin%	*15.5%*	*13.0%*	*14.3%*	*3.0%*	*-15.5%*	*-15.2%*	*-3.3%*	*3.9%*	*3.4%*			
Group adjusted net profit	**12,829**	**9,849**	**10,949**	**1,493**	**(16,010)**	**(15,080)**	**(4,968)**	**2,524**	**2,297**	**10%**	**151%**	**69%**
margin%	*13.7%*	*11.1%*	*12.7%*	*1.6%*	*-16.8%*	*-16.4%*	*-5.5%*	*2.4%*	*2.3%*			
Core local commerce	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**2Q26**	**Diff. %**	**QoQ %**	**YoY %**
Segment revenue	**69,373**	**65,567**	**63,974**	**65,347**	**67,447**	**64,835**	**64,063**	**71,531**	**68,552**	**4%**	**12%**	**9%**
yoy%	*20%*	*19%*	*17%*	*8%*	*-3%*	*-1%*	*0%*	*9%*	*5%*			
Segment adjusted EBIT	**14,582**	**12,900**	**13,491**	**3,721**	**(14,071)**	**(10,046)**	**(2,030)**	**5,668**	**5,800**	**-2%**	**379%**	**52%**
margin%	*21.0%*	*19.7%*	*21.1%*	*5.7%*	*-20.9%*	*-15.5%*	*-3.2%*	*7.9%*	*8.5%*			
New initiatives	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**2Q26**	**Diff. %**	**QoQ %**	**YoY %**
Segment revenue	**24,204**	**22,920**	**22,232**	**26,493**	**28,041**	**27,262**	**26,976**	**33,112**	**32,540**	**2%**	**23%**	**25%**
yoy%	*29%*	*23%*	*19%*	*23%*	*16%*	*19%*	*21%*	*25%*	*23%*			
Segment adjusted EBIT	**(1,026)**	**(2,176)**	**(2,273)**	**(1,881)**	**(1,278)**	**(4,650)**	**(2,116)**	**(1,739)**	**(2,440)**	**29%**	**18%**	**8%**
EBIT margin %, adjusted	*-4%*	*-9%*	*-10%*	*-7%*	*-5%*	*-17%*	*-8%*	*-5%*	*-7.5%*			

Source: Company data, Goldman Sachs Global Investment Research

3690.HK	12m Price Target: **HK$123.00**	Price: **HK$77.50**	Upside: **58.7%**

Buy

Market cap: HK$483.4bn / $61.7bn
Enterprise value: HK$282.9bn / $36.1bn
3m ADTV: HK$4.4bn / $560.7mn
China
China Ecommerce & Logistics
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	365,982.0	395,486.3	439,150.0	483,401.7
EBITDA (Rmb mn)	(13,432.4)	12,865.4	37,374.1	51,486.2
EPS (Rmb)	(2.93)	1.32	4.81	6.91
P/E (X)	NM	50.2	13.8	9.6
P/B (X)	4.9	2.7	2.4	2.0
Dividend yield (%)	0.0	0.0	0.0	0.0
N debt/EBITDA (ex lease,X)	–	(13.4)	(5.4)	(4.8)
CROCI (%)	(8.2)	7.9	21.0	27.2
FCF yield (%)	(3.6)	1.7	8.1	10.6

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	(0.81)	0.37	0.82	0.96

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 27 Aug 2026 close.

