Meituan (3690.HK)

2Q26 review: GTV leadership & core profit recovery despite quarterly fluctuations; maintain Buy

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

We summarize Meituan's 2Q profit beat (our first take) and near-term uneven food delivery unit economics (UE) recovery path into a couple of themes: **(+/-)** a likely sequential decline in 3Q profit per order (vs. 2Q) will be due to seasonality/company's focus on GTV share gains, despite faster-than-expected 2Q UE/profit recovery; **(+/-)** healthy GTV growth and accelerating 3Q Core Local Commerce (CLC) revenue to mid-teens growth, despite yoy decline in food delivery volumes; **(+)** better-than-expected in-store, hotel & travel 2Q margins and in-line 2H margin outlook; and **(+/-)** investment discipline/healthy progress for new initiatives, while Keeta's Brazil expansion could be a swing factor for next year. While we anticipate potential investor concerns around the sequential 3Q food delivery profit decline (implying a narrower UE advantage and draws questions to where long-term UE may eventually settle), we believe Meituan's uneven UE quarterly recovery pace is more of a self-initiated strategy in driving higher GTV market share over the 3Q peak season (tracking at high single-digit on-demand GTV growth yoy) and higher rider costs on seasonality. We fine-tune 2026E/27E/28E profit per order to -Rmb0.1/-Rmb0.6/-Rmb1.1 (vs. prior Rmb0.3/Rmb0.8/Rmb1.1) while maintaining our medium-term food delivery UE assumption unchanged at Rmb1.1 EBIT per order given continued leadership in the higher AOV segment (helped by its less-price sensitive core user base).

We lay out within the key investor focuses, results call takeaways and our thoughts by business segments and its AI strategy/progress. We update our 2026E-28E adj. net profit to Rmb1.6bn/Rmb23.2bn/Rmb42.7bn (prior: Rmb8.3bn/Rmb30.1bn/Rmb43.3bn) on the back of the company's self-initiated strategy in driving higher market share. With our revised food delivery/IHT/instashopping valuations at HK$47/HK$27/HK$15 per share respectively (broadly unchanged) + proven new initiatives including To-B restaurant supply chain services and Keeta growth drivers, our SOTP-based 12-m TP of

BUY

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Key Data

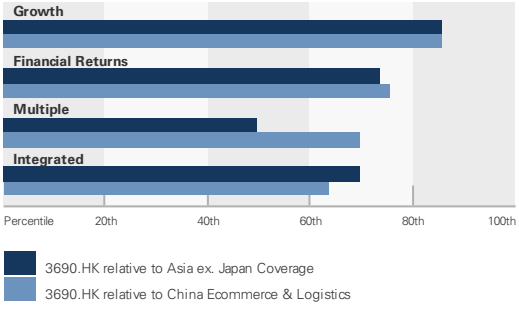
Market cap: HK$483.4bn / $61.7bn
Enterprise value: HK$283.0bn / $36.1bn
3m ADTV: HK$4.3bn / $552.0mn
China
China Ecommerce & Logistics
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn) New	**365,982.0**	**416,760.7**	**464,122.2**	**506,924.0**
Revenue (Rmb mn) Old	365,982.0	395,486.3	439,150.0	483,401.7
EBITDA (Rmb mn)	(13,432.4)	5,747.7	29,940.6	51,056.2
EPS (Rmb) New	**(2.93)**	**0.25**	**3.71**	**6.80**
EPS (Rmb) Old	(2.93)	1.32	4.81	6.91
P/E (X)	NM	NM	17.9	9.8
P/B (X)	4.9	2.8	2.5	2.1
Dividend yield (%)	0.0	0.0	0.0	0.0
CROCI (%)	(8.2)	5.2	17.0	27.3

	3/26	6/26	9/26E	12/26E
EPS (Rmb)	(0.81)	0.41	0.36	0.38

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

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BUY

Meituan (3690.HK)

Rating since Oct 24, 2018

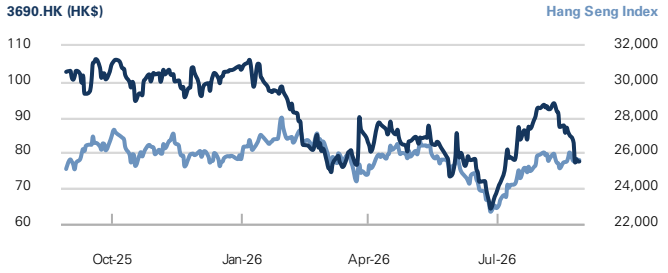
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	NM	NM	17.9	9.8
P/B (X)	4.9	2.8	2.5	2.1
FCF yield (%)	(3.6)	1.7	6.5	10.5
EV/EBITDAR (X)	NM	42.3	7.3	3.5
EV/EBITDA (excl. leases) (X)	NM	42.3	7.3	3.5
CROCI (%)	(8.2)	5.2	17.0	27.3
ROE (%)	(11.3)	1.1	14.9	23.4
Net debt/equity (%)	(110.1)	(116.5)	(119.7)	(118.5)
Net debt/equity (excl. leases) (%)	(110.1)	(116.5)	(119.7)	(118.5)
Interest cover (X)	(12.4)	(1.3)	10.2	20.9
Days inventory outst, sales	2.4	2.8	2.7	2.8
Receivable days	3.0	3.1	3.1	3.2
Days payable outstanding	43.0	47.6	47.1	47.9
DuPont ROE (%)	(12.1)	1.1	14.1	21.2
Turnover (X)	1.1	1.1	1.2	1.1
Leverage (X)	2.3	2.5	2.4	2.3
Gross cash invested (ex cash) (Rmb)	144,482.1	152,129.4	161,157.6	173,339.6
Average capital employed (Rmb)	74,727.7	43,136.3	34,589.3	28,188.1
BVPS (Rmb)	24.21	23.60	26.25	32.03

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	8.4	13.9	11.4	9.2
EBITDA growth	(127.3)	142.8	420.9	70.5
EPS growth	(141.7)	108.6	1,370.7	83.3
DPS growth	NM	NM	NM	NM
EBIT margin	(6.4)	(0.9)	4.2	7.8
EBITDA margin	(3.7)	1.4	6.5	10.1
Net income margin	(5.0)	0.4	5.0	8.4

Price Performance



	3m	6m	12m
Absolute	5.7%	(4.5)%	(23.8)%
Rel. to the Hang Seng Index	3.3%	(0.6)%	(25.5)%

Source: FactSet. Price as of 28 Aug 2026 close.

Income Statement (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	365,982.0	416,760.7	464,122.2	506,924.0
Cost of goods sold	(253,769.5)	(277,294.3)	(310,490.8)	(335,244.6)
SG&A	(111,590.3)	(111,114.7)	(100,448.0)	(94,004.0)
R&D	(24,109.6)	(29,728.5)	(32,817.2)	(36,998.1)
Other operating inc./(exp.)	55.9	(2,384.3)	(1,000.0)	(1,000.0)
EBITDA	**(13,432.4)**	**5,747.7**	**29,940.6**	**51,056.2**
Depreciation & amortization	(9,999.2)	(9,508.7)	(10,574.4)	(11,379.0)
EBIT	**(23,431.5)**	**(3,761.0)**	**19,366.2**	**39,677.2**
Net interest inc./(exp.)	124.7	(909.8)	1,756.7	3,035.6
Income/(loss) from associates	78.9	(600.0)	0.0	–
Pre-tax profit	**(19,780.5)**	**1,185.0**	**25,122.9**	**46,712.7**
Provision for taxes	1,483.3	392.3	(1,879.3)	(4,024.6)
Minority interest	–	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**(18,297.2)**	**1,577.3**	**23,243.6**	**42,688.2**
Post-tax exceptionals	(4,706.2)	(5,108.1)	(6,330.3)	(6,467.0)
Net inc. (post-exceptionals)	**(23,003.4)**	**(3,530.8)**	**16,913.3**	**36,221.1**
EPS (basic, pre-except) (Rmb)	**(2.93)**	**0.25**	**3.71**	**6.80**
EPS (diluted, pre-except) (Rmb)	**(2.93)**	**0.25**	**3.71**	**6.80**
EPS (basic, post-except) (Rmb)	**(3.69)**	**(0.56)**	**2.70**	**5.77**
EPS (diluted, post-except) (Rmb)	**(3.69)**	**(0.56)**	**2.70**	**5.77**
DPS (Rmb)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0

Balance Sheet (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	106,771.4	112,336.8	137,247.8	178,638.5
Accounts receivable	3,322.7	3,783.7	4,213.7	4,602.3
Inventory	3,012.6	3,291.8	3,685.7	3,979.5
Other current assets	111,950.7	114,168.5	116,397.3	118,153.7
Total current assets	**225,057.4**	**233,580.8**	**261,544.6**	**305,374.1**
Net PP&E	38,705.5	45,156.3	52,281.5	60,116.1
Net intangibles	30,220.6	29,456.5	28,694.0	27,930.9
Total investments	42,426.6	44,257.2	46,270.9	48,486.0
Other long-term assets	10,500.2	10,956.4	11,415.0	11,776.3
Total assets	**346,910.3**	**363,407.3**	**400,205.9**	**453,683.4**
Accounts payable	34,571.6	37,775.7	42,297.1	45,668.6
Short-term debt	3,467.9	3,467.9	3,467.9	3,467.9
Short-term lease liabilities	–	–	–	–
Other current liabilities	85,502.3	95,437.9	104,704.8	113,079.5
Total current liabilities	**123,541.8**	**136,681.5**	**150,469.7**	**162,215.9**
Long-term debt	–	–	–	–
Long-term lease liabilities	–	–	–	–
Other long-term liabilities	72,380.7	78,917.7	85,014.8	90,524.9
Total long-term liabilities	**72,380.7**	**78,917.7**	**85,014.8**	**90,524.9**
Total liabilities	**195,922.4**	**215,599.1**	**235,484.5**	**252,740.8**
Preferred shares	–	–	–	–
Total common equity	151,045.9	147,515.1	164,428.5	201,014.5
Minority interest	**(58.1)**	**(58.1)**	**(58.1)**	**(58.1)**
Total liabilities & equity	**346,910.3**	**363,056.2**	**399,854.9**	**453,697.2**
Net debt, adjusted	(184,997.4)	(190,562.8)	(215,473.8)	(256,864.6)

Cash Flow (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Net income	(18,297.2)	1,577.3	23,243.6	42,688.2
D&A add-back	9,999.2	9,508.7	10,574.4	11,379.0
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(1,055.9)	16,262.5	16,374.0	14,456.2
Other operating cash flow	(4,110.2)	(4,305.1)	(5,517.4)	(5,643.2)
Cash flow from operations	**(13,464.2)**	**23,043.4**	**44,674.6**	**62,880.2**
Capital expenditures	(13,270.7)	(15,897.1)	(17,637.0)	(19,151.1)
Acquisitions	0.0	(1,830.6)	(2,013.7)	(2,215.1)
Divestitures	956.9	–	–	–
Others	42,086.7	(101.4)	(112.9)	(123.3)
Cash flow from investing	**29,772.9**	**(17,829.0)**	**(19,763.6)**	**(21,489.4)**
Repayment of lease liabilities	–	–	–	–
Dividends paid (common & pref)	–	–	–	–
Inc/(dec) in debt	36,887.9	–	–	–
Other financing cash flows	(16,908.5)	0.0	0.0	0.0
Cash flow from financing	**19,979.4**	**0.0**	**0.0**	**0.0**
Total cash flow	**36,288.1**	**5,214.3**	**24,911.0**	**41,390.7**
Free cash flow	(26,734.9)	7,146.3	27,037.6	43,729.1

Source: Company data, Goldman Sachs Research estimates.

HK$123 is broadly unchanged; we maintain our Buy rating on Meituan on its overall local services leadership under an enlarged Quick Commerce TAM in the still faster growing local services market (vs. traditional eCommerce).

By business segment:

- **Core local commerce (2Q revenue beat; profit in-line with GSe/significant beat to VA consensus): Valuation at HK$89 per share from HK$91.** We estimate 3Q total on-demand order volume (food delivery + Instashopping) came in at -5% yoy on a high base, and expect 3Q26E food delivery/Instashopping order growth to be at -8%/+17% yoy (prior: -2%/+21%), with CLC 3Q operating profit of Rmb4.2bn (prior: Rmb8.2bn). More specifically by sub-segment:
  - **Food delivery (we estimate 2Q EBIT per order came at Rmb0.3 vs. GSe Rmb0.4/VA at breakeven; we expect unit economics to decline sequentially to Rmb0.1 for 3QE/at -Rmb0.1 for FY26E):** We estimate food delivery+instashopping losses came in at Rmb1bn, compared with Alibaba Quick Commerce's losses of -Rmb10bn (GSe) over the same period. The company continued to sustain clear leadership in order/GTV share, helped by its higher-quality user base and stronger mid-to-high AOV order mix between the top two players. ***GS estimates:*** For 3Q/FY26E, we now estimate food delivery EBIT of Rmb0.6bn/-Rmb2.1bn due to seasonality headwinds on delivery costs, nationwide rollout of rider injury insurance since July, and self-initiated incremental marketing/subsidy investments for higher GTV share during peak season. While the pace of near-term UE recovery may remain uneven as industry subsidy intensity gradually normalizes, we maintain our medium-term UE assumption unchanged at Rmb1.1 EBIT per order, supported by sustained leadership in higher AOV orders on a less price-sensitive user base.
  - **Instashopping (flat loss qoq in 2Q26):** Meituan maintained c.60% order/GTV share in native 30-minute instashopping scenario, with losses flat sequentially. ***GS estimates:*** For 3Q/FY26E, we now estimate 17%/21% Instashopping volume growth (prior: 21%/21%) and -Rmb-0.4/-Rmb0.4 EBIT per order (prior: -Rmb0.7/-Rmb0.6).
  - **In-store, hotel and travel (2Q EBIT margin beat on strategic focus and better-than-expected in-store dining margins):** 2Q IHT GTV growth moderated to high-single-digits % (from low-teens in 1Q) and we estimate EBIT margin improved to c.30% sequentially on the back of the company's strategic focus on high-quality scenarios. Meituan's IHT continues to differentiate through category mix, content/review system and user experience. ***GS estimates:*** For 3Q/FY26E, we estimate IHT revenue growth of 7%/7% (unchanged) and adj. EBIT margin of 25%/26% (prior: 25%/25%).
- **New initiatives (revenue in-line and loss narrower-than-expected in 2Q): Valuation at HK$21 per share from HK$19.** New initiatives revenue came broadly in-line at Rmb33bn (+25% yoy, 2% above GSe) on the growth of Xiaoxiang and overseas Keeta business, despite the impact of discontinuation for Meituan Select, and EBIT loss narrowing outpaced expectation at -Rmb1.7bn (vs. GSe/consensus of

-Rmb2.4bn), reflecting efficiency gains across domestic and overseas businesses. ***GS estimates:*** We now forecast -Rmb1.8bn/-Rmb7.6bn loss for 3Q26E/FY26E (prior: -Rmb2.3bn/-Rmb8.8bn), on the back of efficiency gains across existing businesses and seasonal tailwinds, while offset by Xiaoxiang's continued city expansion and Keeta ramping up in newer GCC markets and Brazil.

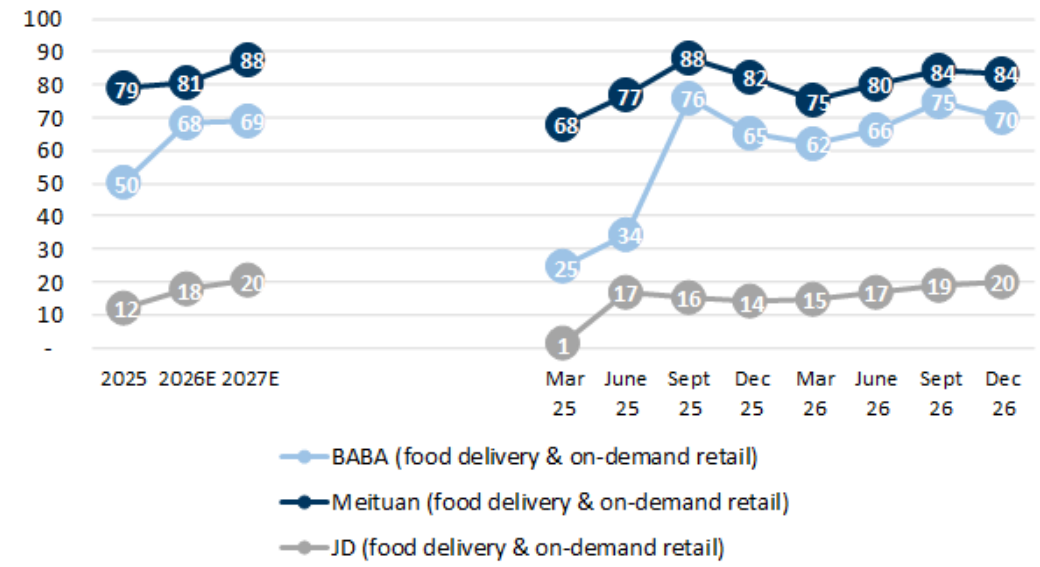
- **Keeta:** The company continued to improve operational efficiency across Hong Kong (maintaining stable profitability) and Saudi Arabia (profitable since Jul-26, 22 months after launch), with 2H focus on further optimization across existing markets before potential expansion acceleration into 2027. The company also reiterated Brazil as a key long-term opportunity given still low food delivery penetration, with near-term focus remaining in Sao Paulo.
- **Xiaoxiang Supermarket:** The company delivered robust GTV growth alongside continued efficiency gains, with accelerated expansion covering 68 cities as of end-2Q (vs. 55 at end-1Q), while continuing to strengthen its omni-channel synergy with selective offline flagship stores. Longer term, the company views merchandising, private label offerings and supply chain capabilities as key differentiation moats supporting future scale and profitability.

- **Progress around technology/AI:** Meituan prioritized using AI to enhance workflows and user/merchant experience rather than as a standalone business, with LongCat 2.0 and full-stack domestic training/inference infrastructure providing long-term cost advantages. The company reiterated a disciplined investment approach across LLM, AI agents for work and AI-powered products (in-app Xiaotuan and partnership with Tencent), with limited intention in pursuing SOTA-level model performance or token monetization.

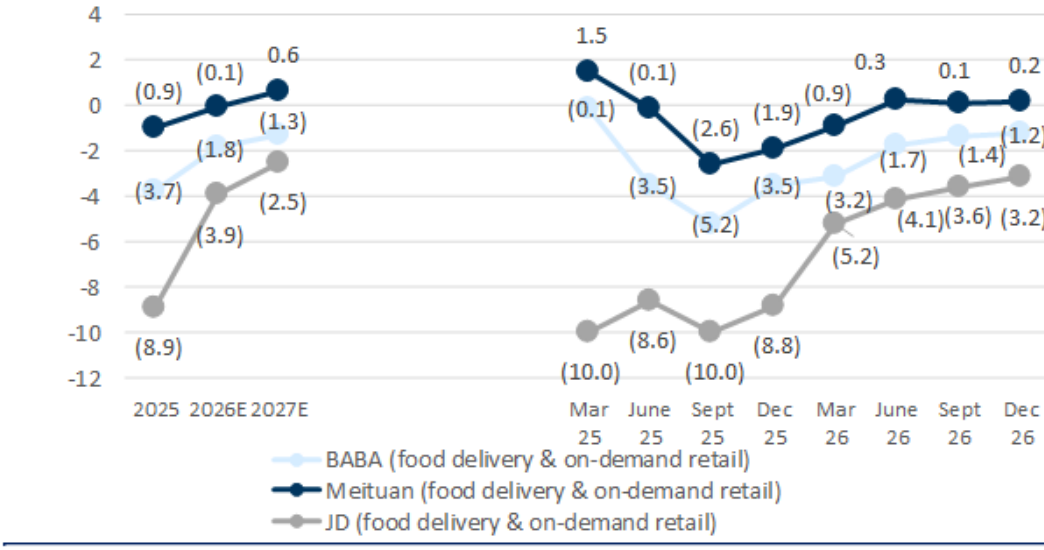
Key downside risks: Worse-than-expected competition that may impact growth or pace of profit turnaround; labor cost inflation/efficiencies; food safety concerns/stricter regulations; larger-than-expected investment in Keeta.

Exhibit 1: Food delivery + instant shopping comparisons between Meituan, Alibaba and JD (GS estimates)

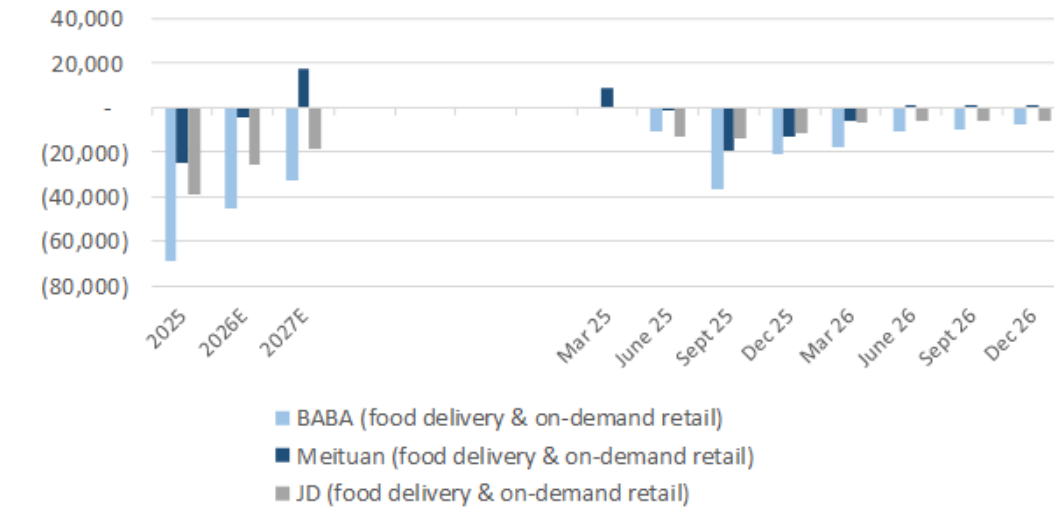
Average daily order volume by platform (on-demand retail + food delivery, mn)



UE by platform (on-demand retail + food delivery, Rmb)



Adj. operating profit/loss of on-demand retail + food delivery by platform (Rmb mn)



Source: Goldman Sachs Global Investment Research

Exhibit 2: Our key assumptions at a glance (yearly & quarterly)

Meituan (Rmb mn)	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Group revenue	**337,592**	**365,982**	**416,761**	**464,122**	**506,924**	**86,206**	**91,840**	**95,488**	**92,096**	**91,039**	**104,643**	**113,397**	**108,203**
yoy%	*22%*	*8%*	*14%*	*11%*	*9%*	*18%*	*12%*	*2%*	*4%*	*6%*	*14%*	*19%*	*17%*
Group gross profit	**129,785**	**112,136**	**139,388**	**153,551**	**171,597**	**32,063**	**30,414**	**25,181**	**24,127**	**25,970**	**35,095**	**38,619**	**40,225**
margin%	*38.4%*	*30.6%*	*33.4%*	*33.1%*	*33.9%*	*37.2%*	*33.1%*	*26.4%*	*26.2%*	*28.5%*	*33.5%*	*34.1%*	*37.2%*
Segmental EBIT (CLC + New initiatives)	**45,142**	**(16,986)**	**4,156**	**26,428**	**42,305**	**11,218**	**1,840**	**(15,349)**	**(14,696)**	**(4,146)**	**3,929**	**2,418**	**2,475**
yoy%	*144%*	*-138%*	*124%*	*536%*	*60%*	*62%*	*-87%*	*-213%*	*-237%*	*-137%*	*114%*	*116%*	*117%*
Group adjusted EBIT	**40,869**	**(23,432)**	**(3,761)**	**19,366**	**39,677**	**10,118**	**399**	**(17,472)**	**(16,827)**	**(5,854)**	**1,138**	**737**	**739**
yoy%	*154%*	*-157%*	*84%*	*615%*	*105%*	*62%*	*-97%*	*-241%*	*-281%*	*-158%*	*185%*	*104%*	*104%*
margin%	*12.1%*	*-6.4%*	*-0.9%*	*4.2%*	*7.8%*	*11.7%*	*0.4%*	*-18.3%*	*-18.3%*	*-6.4%*	*1.1%*	*0.6%*	*0.7%*
Group adjusted net profit	**43,773**	**(18,297)**	**1,577**	**23,244**	**42,688**	**10,949**	**1,493**	**(16,010)**	**(15,080)**	**(4,968)**	**2,524**	**2,209**	**2,334**
yoy%	*89%*	*-142%*	*109%*	*1374%*	*84%*	*46%*	*-89%*	*-225%*	*-253%*	*-145%*	*69%*	*114%*	*115%*
margin%	*13.0%*	*-5.0%*	*0.4%*	*5.0%*	*8.4%*	*12.7%*	*1.6%*	*-16.8%*	*-16.4%*	*-5.5%*	*2.4%*	*1.9%*	*2.2%*
Core local commerce	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Segment revenue	**250,248**	**261,953**	**284,930**	**313,592**	**341,211**	**63,974**	**65,347**	**67,447**	**64,835**	**64,063**	**71,531**	**76,623**	**73,234**
yoy%	*21%*	*5%*	*9%*	*10%*	*9%*	*17%*	*8%*	*-3%*	*-1%*	*0%*	*9%*	*14%*	*13%*
Segment adjusted EBIT	**52,415**	**(6,904)**	**11,802**	**33,353**	**48,105**	**13,491**	**3,721**	**(14,071)**	**(10,046)**	**(2,030)**	**5,668**	**4,198**	**4,486**
yoy%	*35%*	*-113%*	*271%*	*183%*	*44%*	*39%*	*-76%*	*-196%*	*-178%*	*-115%*	*52%*	*130%*	*145%*
margin%	*20.9%*	*-2.6%*	*4.1%*	*10.6%*	*14.1%*	*21.1%*	*5.7%*	*-20.9%*	*-15.5%*	*-3.2%*	*7.9%*	*5.5%*	*6.1%*
Food delivery & instashopping GTV (bn)	1,310	1,435	1,548	1,714	1,864	325	358	381	370	356	385	409	398
yoy%	*15%*	*10%*	*8%*	*11%*	*9%*	*12%*	*15%*	*4%*	*8%*	*9%*	*7%*	*7%*	*7%*
Food delivery & instashopping average daily orde	70	79	81	88	94	68	77	88	82	75	80	84	84
yoy%	*16%*	*13%*	*3%*	*8%*	*7%*	*12%*	*13%*	*14%*	*13%*	*10%*	*5%*	*-5%*	*2%*
New initiatives	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Segment revenue	**87,344**	**104,029**	**131,831**	**150,530**	**165,713**	**22,232**	**26,493**	**28,041**	**27,262**	**26,976**	**33,112**	**36,774**	**34,969**
yoy%	*25%*	*19%*	*27%*	*14%*	*10%*	*19%*	*23%*	*16%*	*19%*	*21%*	*25%*	*31%*	*28%*
Segment adjusted EBIT	**(7,273)**	**(10,082)**	**(7,646)**	**(6,924)**	**(5,800)**	**(2,273)**	**(1,881)**	**(1,278)**	**(4,650)**	**(2,116)**	**(1,739)**	**(1,780)**	**(2,012)**
margin%	*-8%*	*-10%*	*-6%*	*-5%*	*-4%*	*-10%*	*-7%*	*-5%*	*-17%*	*-8%*	*-5%*	*-5%*	*-6%*
Core local commerce segment breakdown modeled by GSe													
Food delivery	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	1,032	1,074	1,119	1,198	1,270	245	274	284	272	257	285	296	282
yoy%	*11%*	*4%*	*4%*	*7%*	*6%*	*8%*	*10%*	*-2%*	*2%*	*5%*	*4%*	*4%*	*4%*
Average daily order volume (mn)	60	66	66	70	73	57	65	75	68	61	66	68	67
yoy%	*13%*	*10%*	*-1%*	*6%*	*5%*	*9%*	*11%*	*12%*	*10%*	*8%*	*2%*	*-8%*	*-2%*
Revenue	**166,971**	**163,455**	**175,587**	**187,769**	**199,124**	**41,000**	**42,593**	**40,368**	**39,494**	**37,909**	**46,160**	**46,590**	**45,449**
yoy%	***17%***	***-2%***	***7%***	***7%***	***6%***	***14%***	***5%***	***-14%***	***-10%***	***-8%***	***8%***	***15%***	***15%***
EBIT, adjusted	**32,728**	**(22,914)**	**(2,083)**	**15,965**	**29,372**	**7,735**	**(769)**	**(17,881)**	**(12,000)**	**(5,030)**	**1,604**	**622**	**1,241**
yoy%	*42%*	*-170%*	*91%*	*867%*	*84%*	*39%*	*-108%*	*-294%*	*-254%*	*-165%*	*309%*	*103%*	*110%*
EBIT margin %, adjusted	***19.6%***	***-14.0%***	***-1.2%***	***8.5%***	***14.8%***	***18.9%***	***-1.8%***	***-44.3%***	***-30.4%***	***-13.3%***	***3.5%***	***1.3%***	***2.7%***
EBIT per order, adjusted (Rmb)	**1.49**	**(0.95)**	**(0.09)**	**0.63**	**1.10**	**1.51**	**(0.13)**	**(2.60)**	**(1.91)**	**(0.91)**	**0.27**	**0.10**	**0.20**
GTV margin%	*3.2%*	*-2.1%*	*-0.2%*	*1.3%*	*2.3%*	*3.2%*	*-0.3%*	*-6.3%*	*-4.4%*	*-2.0%*	*0.6%*	*0.2%*	*0.4%*
Membership-related costs (from 4Q25)		**(1,000)**	**(2,200)**	**(2,310)**	**(2,426)**				**(1,000)**	**(500)**	**(500)**	**(700)**	**(500)**
Instashopping	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	278	361	429	516	594	81	85	98	98	99	100	113	116
yoy%	*36%*	*30%*	*19%*	*20%*	*15%*	*28%*	*33%*	*30%*	*29%*	*23%*	*18%*	*16%*	*18%*
Average daily order volume (mn)	9.6	12.5	15.1	17.8	20.5	11.1	11.7	13.4	13.8	13.7	14.0	15.8	16.5
yoy%	*37%*	*30%*	*21%*	*18%*	*15%*	*32%*	*31%*	*30%*	*29%*	*23%*	*19%*	*17%*	*19%*
Revenue	**26,341**	**33,385**	**39,424**	**50,052**	**60,528**	**8,430**	**6,892**	**9,022**	**9,042**	**9,919**	**8,176**	**10,660**	**10,669**
yoy%	***40%***	***27%***	***18%***	***27%***	***21%***	***34%***	***9%***	***35%***	***29%***	***18%***	***19%***	***18%***	***18%***
EBIT, adjusted	**868**	**(2,054)**	**(2,206)**	**1,330**	**2,192**	**791**	**(364)**	**(1,332)**	**(1,150)**	**(615)**	**(513)**	**(565)**	**(514)**
EBIT margin %, adjusted	***3%***	***-6%***	***-6%***	***3%***	***4%***	***9.4%***	***-5.3%***	***-14.8%***	***-12.7%***	***-6.2%***	***-6.3%***	***-5.3%***	***-4.8%***
EBIT per order, adjusted (Rmb)	**0.25**	**(0.45)**	**(0.40)**	**0.20**	**0.29**	**0.79**	**(0.34)**	**(1.09)**	**(0.91)**	**(0.50)**	**(0.41)**	**(0.40)**	**(0.35)**
In-store, hotel, travel, alternative acc	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	939	1,145	1,236	1,339	1,442	242	284	338	281	269	309	360	298
yoy%	*33%*	*22%*	*8%*	*8%*	*8%*	*29%*	*25%*	*21%*	*15%*	*11%*	*9%*	*7%*	*6%*
Revenue	**56,935**	**65,113**	**69,919**	**75,770**	**81,559**	**14,895**	**15,862**	**18,057**	**16,299**	**16,236**	**17,195**	**19,373**	**17,116**
yoy%	*25%*	*14%*	*7%*	*8%*	*8%*	*20%*	*15%*	*13%*	*11%*	*9%*	*8%*	*7%*	*5%*
EBIT, adjusted	**18,820**	**19,065**	**18,291**	**18,368**	**18,967**	**4,965**	**4,854**	**5,142**	**4,104**	**4,114**	**5,077**	**4,841**	**4,259**
yoy%	*18%*	*1%*	*-4%*	*0%*	*3%*	*28%*	*2%*	*-2%*	*-17%*	*-17%*	*5%*	*-6%*	*4%*
EBIT margin %, adjusted	***33%***	***29%***	***26%***	***24%***	***23%***	***33%***	***31%***	***28%***	***25%***	***25%***	***30%***	***25%***	***25%***
GTV margin%	*2.0%*	*1.7%*	*1.5%*	*1.4%*	*1.3%*	*2.0%*	*1.7%*	*1.5%*	*1.5%*	*1.5%*	*1.6%*	*1.3%*	*1.4%*

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: Our 2026E SOTP-based 12m TP valuation of Meituan is HK$123 (unchanged) per share

SOTP Valuation	2026E Rev. (US$mn)	Implied EV / Rev.	P/E	Valuation to Meituan 2026E (US$mn)	2026E Val. (HK$mn)	2026E Val. Per share (HK$)	Value split	Comment
1. Core Commerce	**40,569**	**1.8x**	**12x**	**71,273**	**553,794**	**89**	**61%**	
1.1 Food Delivery	25,084	1.5x	12x	37,545	291,722	47	32%	Assuming 66mn daily orders in 2026E and Rmb1.1 per order non-GAAP EBIT, 15% tax rate, 12x P/E referencing single-digit revenue growth outlook
1.2 Meituan Instashopping	5,632	2.1x	25x	11,691	90,843	15	10%	Assuming 15 mn daily pieces in 2026E and Rmb0.7 per piece non-GAAP EBIT (2026-30E), 15% tax rate, and 25x P/E referencing 20%+ revenue growth outlook
1.3 In-store, hotel & travel	9,853	2.2x	10x	22,037	171,230	27	19%	
1.3.1 Hotel booking	1,822	2.1x	10x	3,871	30,079	5	3%	2026E non-GAAP NOPAT (25% EBIT margin, 2026E); 10x P/E on slower growth/referencing eCommerce sector
1.3.2 In-store and travel business	8,031	2.3x	10x	18,166	141,151	23	16%	2026E non-GAAP NOPAT (27% EBIT margin, 2026E); 10x P/E on slower growth/referencing eCommerce sector
2. New initiatives	**13,201**	**1.3x**	**NM**	**17,161**	**133,343**	**21**	**15%**	Implied 1.3X EV/Revenue
3. Associates/investments affiliates				**13,834**	**107,490**	**17**	**12%**	2026E
4. Net cash				**14,509**	**112,732**	**18**	**12%**	
NAV				**116,777**	**907,359**	**145**		
Less: holdco discount		15%		17,517	136,104	22		15% NAV discount (in-line with our holdco discount for China Internet)
				99,261	**771,255**	**123**		

Source: Datastream, Company data, Goldman Sachs Global Investment Research

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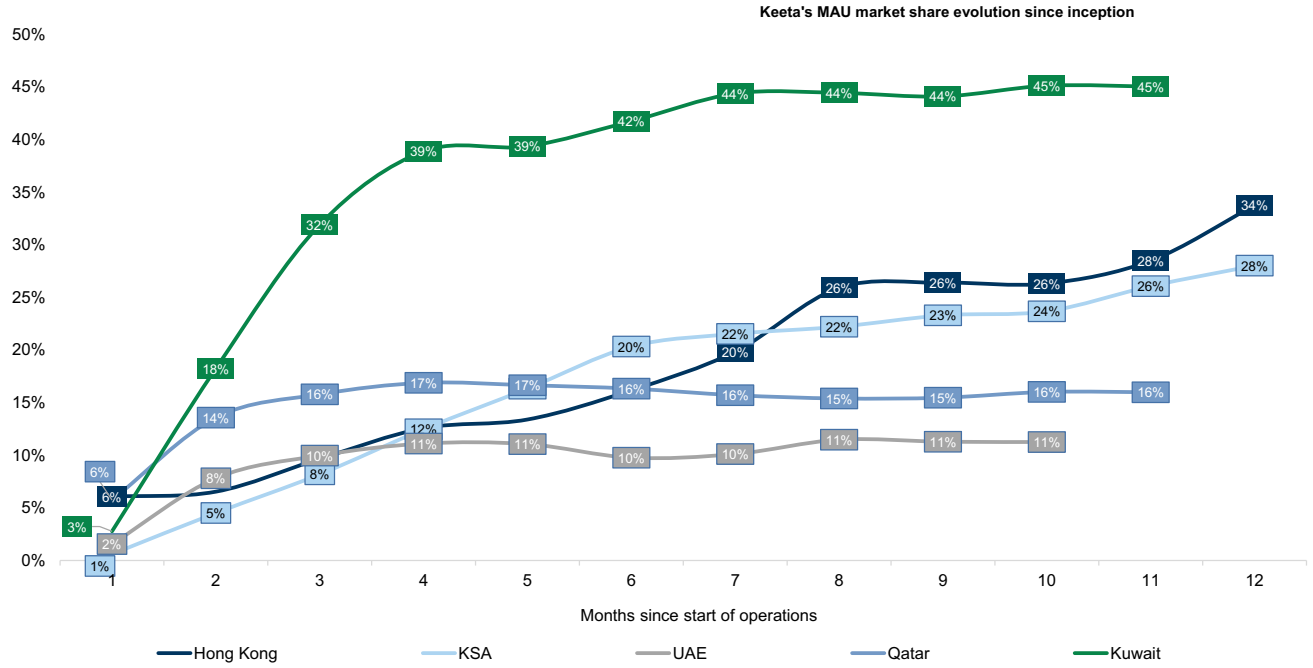
Exhibit 4: Our estimate changes at a glance

Income Statement (Yearly) (Rmb mn)	New 2026E	Old 2026E	Chg (%)	YoY (%)	New 2027E	Old 2027E	Chg (%)	YoY (%)	New 2028E	Old 2028E	Chg (%)	YoY (%)
Total revenues	**416,761**	**395,486**	**5%**	**14%**	**464,122**	**439,150**	**6%**	**11%**	**506,924**	**483,402**	**5%**	**9%**
Cost of revenue	**(277,373)**	**(266,532)**	**4%**	**9%**	**(310,572)**	**(297,333)**	**4%**	**12%**	**(335,327)**	**(320,433)**	**5%**	**8%**
Gross profit	**139,388**	**128,954**	**8%**	**24%**	**153,551**	**141,817**	**8%**	**10%**	**171,597**	**162,969**	**5%**	**12%**
Total operating profit, adjusted	**(3,761)**	**3,445**	**-209%**	**84%**	**19,366**	**26,992**	**-28%**	**-615%**	**39,677**	**40,398**	**-2%**	**105%**
Net profit, adjusted	**1,577**	**8,267**	**-81%**	**109%**	**23,244**	**30,122**	**-23%**	**1374%**	**42,688**	**43,351**	**-2%**	**84%**
Core local commerce												
Revenue	**284,930**	**272,656**	**5%**	**9%**	**313,592**	**299,620**	**5%**	**10%**	**341,211**	**330,689**	**3%**	**9%**
Operating profit, adjusted	**11,802**	**20,506**	**-42%**	**-271%**	**33,353**	**41,526**	**-20%**	**183%**	**48,105**	**53,772**	**-11%**	**44%**
Food delivery												
Revenue	175,587	162,757	8%	7%	187,769	174,097	8%	7%	199,124	188,947	5%	6%
Operating profit, adjusted	(2,083)	6,472	-132%	91%	15,965	20,833	-23%	867%	29,372	30,811	-5%	84%
GTV (Rmb bn)	1,119	1,087	3%	4%	1,198	1,164	3%	7%	1,270	1,234	3%	6%
Average daily order volume (mn)	66	67	-2%	-1%	70	71	-2%	6%	73	75	-2%	5%
Average order value (Rmb)	47	44	5%	5%	47	45	5%	1%	48	45	5%	1%
In-store, hotel & travel												
GTV (Rmb bn)	1,236	1,236	0%	8%	1,339	1,339	0%	8%	1,442	1,442	0%	8%
Revenue	69,919	69,919	0%	7%	75,770	75,770	0%	8%	81,559	81,559	0%	8%
Operating profit, adjusted	18,291	17,545	4%	-4%	18,368	18,368	0%	0%	18,967	18,967	0%	3%
Instashopping												
Revenue	39,424	39,979	-1%	18%	50,052	49,752	1%	27%	60,528	60,183	1%	21%
Operating profit, adjusted	(2,206)	(3,511)	37%	7%	1,330	2,325	-43%	160%	2,192	3,994	-45%	65%
GTV (Rmb bn)	429	437	-2%	19%	516	516	0%	20%	594	594	0%	15%
Average daily order volume (mn)	15.1	15.1	0%	21%	17.8	17.8	0%	18%	20.5	20.5	0%	15%
Average order value (Rmb)	80	80	0%	0%	80	80	0%	0%	80	80	0%	0%
New initiatives and others												
Revenue	**131,831**	**122,831**	**7%**	**27%**	**150,530**	**139,530**	**8%**	**14%**	**165,713**	**152,713**	**9%**	**10%**
Operating profit, adjusted	**(7,646)**	**(8,844)**	**14%**	**24%**	**(6,924)**	**(6,977)**	**-1%**	**9%**	**(5,800)**	**(5,803)**	**0%**	**16%**

Margins%	2026E	2026E	Chg (pp)	YoY (pp)	2027E	2027E	Chg (pp)	YoY (pp)	2028E	2028E	Chg (pp)	YoY (pp)
Group gross margin	33.4%	32.6%	0.8pp	2.8pp	33.1%	32.3%	0.8pp	-0.4pp	33.9%	33.7%	0.1pp	0.8pp
Operating margin, adjusted	-0.9%	0.9%	-1.8pp	5.5pp	4.2%	6.1%	-2.0pp	5.1pp	7.8%	8.4%	-0.5pp	3.7pp
Core local commerce, adjusted	4.1%	7.5%	-3.4pp	6.8pp	10.6%	13.9%	-3.2pp	6.5pp	14.1%	16.3%	-2.2pp	3.5pp
Food delivery	-1.2%	4.0%	-5.2pp	12.8pp	8.5%	12.0%	-3.5pp	9.7pp	14.8%	16.3%	-1.6pp	6.2pp
In-store, hotel & travel	26.2%	25.1%	1.1pp	-3.1pp	24.2%	24.2%	0.0pp	-1.9pp	23.3%	23.3%	0.0pp	-1.0pp
New initiatives and others	-5.8%	-7.2%	1.4pp	3.9pp	-4.6%	-5.0%	0.4pp	1.2pp	-3.5%	-3.8%	0.3pp	1.1pp
Net margin, adjusted	0.4%	2.1%	-1.7pp	5.4pp	5.0%	6.9%	-1.9pp	4.6pp	8.4%	9.0%	-0.5pp	3.4pp

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 5: In all regions, Keeta has rapidly taken market share within the first few months post its launch, supported by aggressive promotions and pricing



Source: Sensor Tower

Price Target Risks and Methodology - Meituan

We are Buy rated on Meituan with a 12-month 2026E SOTP-based TP of **HK$123.**

Key downside risks: Worse-than-expected 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.