Fast Take

Kuaishou Technology

HEADLINE

Kling 4.0 to launch in Oct, with Flash available for limited preview from Sep 28.

OUR TAKE

Key upgrades include 4K/1080p 10-bit HDR & 21:9 output,15 multimodal refs, native 30s video generation with 10-keyframe control, 2-min extensions, improved visual realism, lip-sync, creative replication, prompt understanding and Agent assistance.

Equities

China
Internet Services

12-month rating	**Buy**
12m price target	**HK$60.00**
Price (28 Sep 2026)	**HK$30.70**

RIC: 1024.HK **BBG:** 1024 HK

Trading data and key metrics

52-wk range	HK$91.85-29.66
Market cap.	HK$133b/US$16.9b
Shares o/s	4,319m (ORD)
Free float	81%
Avg. daily volume ('000)	58,774
Avg. daily value (m)	HK$2,297
Common s/h equity (12/26E)	Rmb85.8b
P/BV (12/26E)	1.3x
Net debt to EBITDA (12/26E)	1.3x

EPS (UBS, diluted) (CNY)

	UBS	Cons.
12/26E	2.03	2.46
12/27E	2.52	2.61
12/28E	2.98	3.02

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Highlights (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	113,470	126,898	142,776	138,362	145,946	152,934	159,801	166,634
EBIT (UBS)	10,001	17,636	23,277	10,813	13,075	15,454	18,130	19,757
Net earnings (UBS)	10,269	17,707	20,640	8,877	11,039	13,058	15,329	16,709
EPS (UBS, diluted) (Rmb)	2.31	4.02	4.69	2.03	2.52	2.98	3.50	3.81
DPS (net) (Rmb)	0.00	0.00	0.43	0.64	0.00	0.00	0.00	0.00
Net (debt) / cash	9,557	(2,222)	(5,917)	(26,151)	(14,641)	2,204		

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E
EBIT (UBS) margin %	8.8	13.9	16.3	7.8	9.0	10.1
ROIC (EBIT) %	29.9	34.8	32.1	11.4	12.3	14.8
EV/EBITDA (UBS core) x	12.8	7.5	8.1	6.3	5.4	4.1
P/E (UBS, diluted) x	23.1	10.9	12.3	13.1	10.4	8.8
Equity FCF (UBS) yield %	5.4	9.7	3.2	0.8	10.1	14.8
Dividend yield (net) %	0.0	0.0	0.8	2.4	0.0	0.0

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price tha
price of HK$ 30.70 on 28-Sep-2026



This report has been prepared by UBS Securities Asia Limited. **ANALYST CERTIFICATION AND REQUI**
INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 3.

Forecast returns

Forecast price appreciation	95.4%
Forecast dividend yield	2.4%
Forecast stock return	97.9%
Market return assumption	10.9%
Forecast excess return	87.0%

Company Description

Started as a graphics interchange format (GIF) production tool in 2011, Kuaishou has transitioned into a short-video platform since November 2012. It focuses on empowering users to record and share their lives through videos, and has been diversifying monetisation through livestreaming, online marketing, e-commerce, online games, and other services since 2016. According to iResearch, Kuaishou was the No.2 short-video platform globally by daily active users, the No.2 livestreaming e-commerce platform by gross merchandise value, and the largest livestreaming platform by tipping revenue in 9M20.

Valuation Method and Risk Statement

We use a SOTP methodology to derive our price target for Kuaishou.
We believe the main risks for Kuaishou include: 1) intensifying competition leading to slower-than-expected user growth as well as diversion of user time spent; 2) tightening regulations in the online videos, livestreaming, e-commerce, and online games industries; 3) slower-than-expected monetisation pace of its core business and video GenAI initiatives; 4) the slowing Chinese economy could lead to lower online advertising revenue growth; and 5) higher-than-expected investment and weaker-than-expected profitability.