



## Flash Note: 58.com Inc (WUBA US)

快讯: 58 同城 (WUBA US)

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# 1Q18 Results Beat Market Expectations

2018财年第一季度业绩超市场预期

- 58.com announced its 1Q18 results as follows:

	1Q18 (RMB)	yoy%
<b>Revenue</b>	2,471.2 mn	24.3%
<b>Shareholder's Profit / (Loss)</b>	174.6 mn	n.a.
<b>EPADS</b>	1.19	n.a.

- Comments and Views:** 58.com's (the "Company") 1Q18 results beat market consensus and our expectations. Revenue beat market consensus by 4.3%. Non GAAP net income attributable to ordinary shareholders reached RMB 305.8 mn, surging 189.2% yoy, 46.9% above market expectations. Gross margin stood at 89.6%, down 0.4 ppt yoy. Membership revenues delivered solid growth, which increased to RMB 928.9 mn, up 17.1% yoy. Online marketing services revenues were RMB 1,492 mn, up 31.2%. The strong performance of online marketing services was due to increasing adoption and effectiveness of the Company's various online marketing services. Revenue guidance for 2Q18 is expected to be between RMB 3,100.0 mn and RMB 3,200.0 mn, which represents yoy growth rate of 19.6% to 23.4%; in line with our expectations. Although gross margin was slightly below our expectations, it still remained at a high level. Meanwhile, operating expense increased 13.8% yoy, whereas revenues delivered 24.3% yoy growth. This reflects the Company's good internal control and cost effectiveness.
- Investment suggestion:** Currently, our TP for the Company is US\$90.00. We may revise up our FY18 earnings forecasts and review our TP in the next company report. We will maintain our investment rating as "Accumulate". Further details will be included in our next company report.

- 58 同城公布其 2018 年 1 季度业绩如下:

	2018 年 1 季度(人民币)	变动%
<b>收入</b>	2,471.2 百万元	24.3%
<b>股东净利 / (净亏损)</b>	174.6 百万元	n.a.
<b>每 ADS 净利</b>	1.19	n.a.

- 观点评论:** 58 同城("公司") 2018 财年第一季度业绩超市场及我们的预期。收入高于市场预期 4.3%。非 GAAP 股东净利达人民币 305.8 百万元, 同比猛增 189.2%, 高于市场预期 46.9%。毛利率达 89.6%, 同比下跌 0.4 个百分点。会员收入实现稳定增长达到人民币 928.9 百万元, 同比上升 17.1%。在线营销服务收入达到人民币 1,492 百万元, 同比上升 31.2%。在线营销服务的强劲表现是由于公司的各种在线营销服务的采用率和成效不断提高。根据第二季度营收指引, 预期收入将会达到人民币 3,100.0 百万元至人民币 3,200.0 百万元, 相当于 19.6%至 23.4%的同比增长率, 符合我们的预期。虽然毛利率略低于我们的预期, 但仍是处于较高水平。同时, 营运支出同出上升 13.8%, 而收入实现 24.3%同比增长率。这反映公司具有良好的内部控制和成本效率。
- 投资建议:** 目前公司目标价为 90.00 美元。我们将在下一份公司报告中上调 2018 财年盈利预测及检讨目标价。我们将维持公司投资评级为"收集"。详情请参见我们下一份公司报告。

### Company Rating Definition

The Benchmark: NASDAQ Composite Index

Time Horizon: 6 to 18 months

Rating		Definition
Buy	买入	Relative Performance > 15%; or the fundamental outlook of the company or sector is favorable.
Accumulate	收集	Relative Performance is 5% to 15%; or the fundamental outlook of the company or sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the company or sector is neutral.
Reduce	减持	Relative Performance is -5% to -15%; or the fundamental outlook of the company or sector is unfavorable.
Sell	卖出	Relative Performance < -15%; or the fundamental outlook of the company or sector is unfavorable.

### Sector Rating Definition

The Benchmark: NASDAQ Composite Index

Time Horizon: 6 to 18 months

Rating		Definition
Outperform	跑赢大市	Relative Performance > 5%; or the fundamental outlook of the sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the sector is neutral.
Underperform	跑输大市	Relative Performance < -5%; Or the fundamental outlook of the sector is unfavorable.

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