

Focusing on productivity applications, Agentic AI drives volume and price growth

Key takeaway

We are bullish on the company's push into productivity applications, which is expected to drive volume and price growth. Recent upgrades to products like RoboNeo and Kaipai towards Agentic AI have achieved a closed loop of autonomous planning, proactive action, and self-review. Combined with the company's deep cultivation of vertical scenarios such as beauty, real estate, and insurance, Agentic AI is expected to boost usage demand for productivity applications, thereby generating substantial demand for tokens (computing power points). This will open up commercialization space through subscription services and Meidou/Robo incremental packages.

We are also bullish on the steady improvement in lifestyle scenario applications. AI entertainment features attract incremental users, while AI photo editing features retain them. AI is continuously enhancing the commercialization potential of lifestyle scenario applications, driving an increase in payment rates. Meanwhile, a rising share of overseas markets is also expected to drive ARPU growth. Monitor the company's expansion progress in markets such as Europe and Brazil.

Key focus on product updates at the June Imaging Festival.

We estimate the company's adjusted net profit attributable to shareholders for 2026-2028 to be RMB1.335bn/1.667bn/1.941bn, representing YoY growth of 38.24%/24.91%/16.46%. The closing price on May 21, 2026 corresponds to a P/E multiple of 13.23/10.59/9.09x.

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Current price: HKD 4.41

Key Data

Absolute/relative share performance (%)

1 month	3 months	12 months
-3.29/0.41	-27.47/-23.58	-25.25/-32.45

The highest/lowest price in recent 12 months (HKD) 12.08/4.13

Total share capital (10,000 shares) 458,617.93

Tradable H shares (10,000 shares) 454,864.38

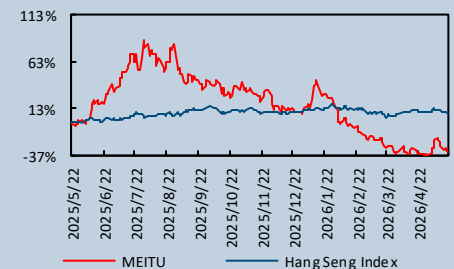
Total market cap (HKD'00mn) 202.25

Tradable market cap (HKD'00mn) 200.60

3-month average daily trading volume (10,000 shares) 7762.95

Major shareholders
Xinhong Capital Limited 12.36%

Share performance



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Key Financial Indicators

	2024A	2025A	2026E	2027E	2028E
Revenue (million RMB)	3,340.76	3,858.74	4,920.91	5,942.82	6,864.04
Growth rate (%)	23.93	15.50	27.53	20.77	15.50
Adjusted net profit attributable to shareholders (million RMB)	586.17	965.35	1,334.50	1,666.92	1,941.22
Growth rate (%)	59.16	64.69	38.24	24.91	16.46
EPS (RMB/share, diluted)	0.13	0.21	0.29	0.37	0.43
P/E (x)	30.11	18.29	13.23	10.59	9.09
P/B (x)	3.99	3.54	1.90	1.29	0.97

Source: Wind, China Securities

Quick Take

Focusing on productivity applications around an Agentic AI operational paradigm. Since the beginning of 2026, Meitu has updated and optimized multiple productivity applications, including RoboNeo and Kaipai, with the core focus on upgrading towards an Agentic AI operational paradigm. Originally, the goal of AI applications was to efficiently complete a single task. Now, following the prototype of Agentic AI like Manus and OpenClaw, they are upgrading towards a closed loop of autonomous planning, proactive action, and self-review. For users in vertical scenarios of productivity applications, production efficiency is expected to improve significantly. Since the beginning of 2026, the upgrades and optimizations of Meitu's products are as follows:

1) RoboNeo: At the end of April, RoboNeo launched Agent Teams. The company describes this product as a true self-media creation partner, a creative team that can finish content together with you. RoboNeo's Agent Teams integrate the entire production workflow of a vertical domain, enabling one-stop content creation with built-in expert Skills libraries for e-commerce, short dramas, advertising marketing, and animation production. Taking the creation of marketing materials for a smart pet feeder as an example, Agent Teams can generate, in one go, a Xiaohongshu post with images and product seeding, a Douyin script with voiceover, and an in-depth WeChat Official Account article, while embedding a "buy now" hook.

2) Meitu Design Studio: At the end of April, Meitu Design Studio launched its overnight batch processing mode. This feature, designed primarily for e-commerce operations, can mass-produce e-commerce image sets, supporting 50 parallel tasks to boost material production efficiency. The company also offers a computing power discount, providing a 40% discount for overnight computing to save clients costs.

3) Kaipai: In early April, Kaipai launched its AI short drama feature. In catering, apparel, home furnishing, education and training, beauty, real estate, insurance, finance, and fitness and other vertical industries, there is strong demand for social media marketing, platform materials, and brand design. This has even spurred demand for short-video marketing that combines AI short dramas with product information from real estate, insurance, and other sectors. To meet the video creation needs in these vertical fields, Kaipai launched its AI short drama feature, which can add subtitles, special effects, sound effects, and transitions at the right moments,

completing short drama creation in one stop.

Agentic AI is expected to drive both volume and price increases. By deeply cultivating vertical fields, it enhances work efficiency and optimizes the user experience, thereby generating demand for productivity application usage and strengthening user stickiness. Usage demand also brings substantial token (computing power credit) demand, so the company has introduced a multi-tier membership system and value-added services to meet the strong token (computing power credit) demand. Major products like RoboNeo all offer basic subscription services that provide a small amount of Meidou or Radishes, while also offering top-up packs for users with high demand. Therefore, Agentic AI not only improves the user experience but also expands commercialization potential. Subscription services plus Meidou/Radish top-up packs open up room for volume and price growth.

Looking at performance and operational data, Meitu's productivity applications delivered impressive results in the first quarter of 2026.

1) Strong subscriber growth. According to the company's announcement, as of March 2026, the number of subscribers exceeded 17.9 million, up 30.2% YoY and up 5.9% compared to the end of December 2025. Among them, the number of subscribing users for productivity applications reached 2.34 million, representing a year-on-year increase of 52.9% and a 8.3% increase compared to the end of December; the number of subscribing users for lifestyle applications reached 15.56 million, representing a year-on-year increase of 27.4% and a 5.5% increase compared to the end of December.

2) Strong revenue growth. In 1Q26, revenue from the imaging and design products business was RMB852 million, representing a year-on-year increase of 34.3%. Among them, revenue from productivity applications was RMB153 million, representing a year-on-year increase of 45.4% on a comparable business basis; revenue from lifestyle applications was RMB699 million, representing a year-on-year increase of 35.5%.

3) Strong growth in AI call volume for productivity applications. In March 2026, total AI computing power point consumption increased by 59% compared to December 2025, with Kaipai growing by 360%, RoboNeo by 316%, Meitu Design Studio by 107%, and Vmake by 78%.

4) Strong ARR growth for productivity applications. As of March, the ARR for AI productivity applications was RMB580 million, representing a year-on-year increase of 56.2%.

Investment recommendation:

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Risks:

Risks of lower-than-expected growth in user payment rates, declines in MAU and paying users for domestic lifestyle applications, lower-than-expected growth in paying users for overseas productivity applications, lower-than-expected ARPPU growth, risks associated with underperforming globalization strategies, insufficient demand for productivity applications in segments such as e-commerce and marketing, heightened competition in the image and video editing sectors, data security risks, lower-than-expected growth in advertising revenue, ongoing performance drag from supply chain management SaaS, failure to convert R&D investments into new products and improved performance, and risks posed by open-source AI lowering application development barriers while diminishing the company's product competitiveness.

Analysts

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Investment rating standard		Ratings	Description
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		Neutral	Increase by -5% to -5% relative to the benchmark index
		Underweight	Decrease by 5%-15% relative to the benchmark index
		Sell	Decrease by more than 15% relative to the benchmark index
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		Underperform	Decrease by more than 10% compared to the benchmark index

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