

Technology Sector 2018 Investment Presentation

NetEase Inc.

(NTES:ADR)

Recommendation: Buy

PM: Jack Lau

Analyst: Ven Djukic

Date: March 14, 2018



TCF

1. Company Overview
2. Macroeconomic Overview & Industry Outlook
3. Segment Breakdown
4. Investment Theses
5. Valuation
6. Risks
7. Question & Answer Period

Buy

NetEase Inc. (NTES:ADR)

Trading Data and key metrics

52 week range	253.20 - 377.64
Market Cap	42.92B
EPS	9.73
P/E	26.2x
EV/EBITDA	18.5x

Current Price	\$314.00
Target	\$487.23
Bull Case	\$664.63
Bear Case	\$376.80

\$487.23

Target Price

50%

Upside

Investment Thesis

- Thesis I: Impressive Organic Growth
- Thesis II: Adhesion to Shifting Trends
- Thesis III: Leverage Massive Consumer Base

Key Company Facts

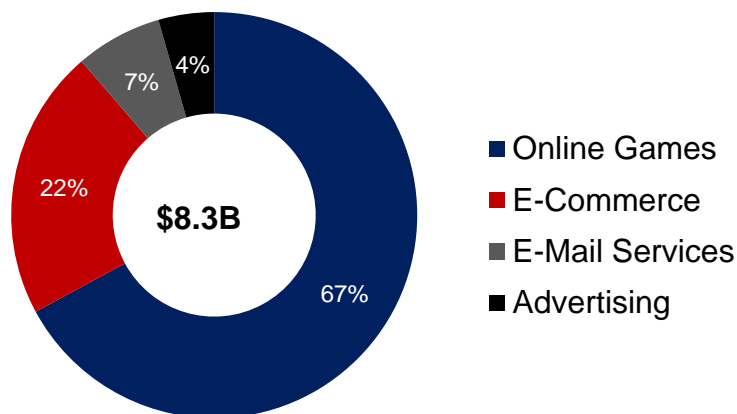
- Leading mobile game developer
- Founded in 1997
- Strong balance sheet and cash flows
- Rapid growth in E-Commerce with unique value proposition

1. Company Overview

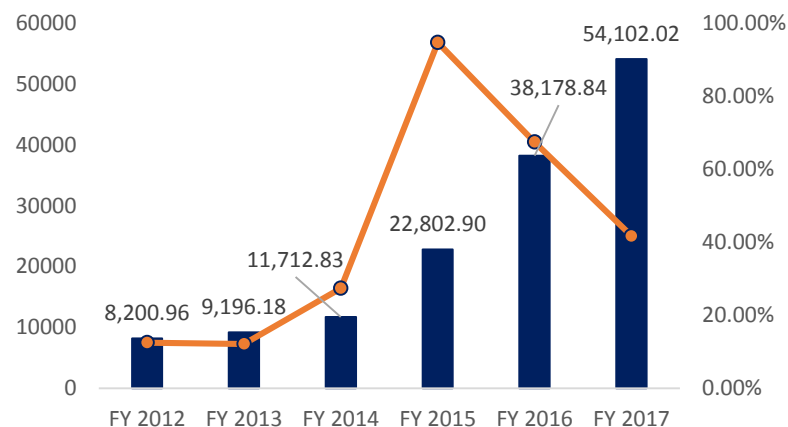
Business Description

- NetEase, Inc. engages in the provision of online Internet technology services. It operates through the following business segments: **Online Games**, **Advertising**, **E-Mail Services**, and **E-Commerce**.
- The **Online Games** segment offers multi-player online role-playing games and mobile games. The **Advertising** segment involves banner advertising, channel sponsorships, direct e-mail, interactive media-rich sites, sponsored special events, games and contests. The **E-Mail Services** segment comprise free and fee-based premium e-mail services. The **E-Commerce** segment provides online selling and payment platform, e-reading applications, matchmaking services, online music, social network, personalized photo-based products, and online game-related accessories.
- The company was founded by Lei Ding in June 1997 and is headquartered in **Beijing, China**.

Revenue Distribution by Segment (FY 2017)



Revenue & Revenue Growth (YOY) in CNY





William Ding
Founder/CEO

- CEO since 2005
- Previously Chief Architect and Director
- **Vision:** Knows the gaming industry well, and seeks to customize NetEase's games to each country's preferences.



Charles Yang
CFO

- CFO since June 2017
- Previously executive director for 10 years of the China TMT and JP Morgan Securities (Asia Pacific) Limited, based in Hong Kong
- **Vision:** Seeks diversification of revenue stream by strengthening e-commerce segment and focusing on mobile gaming (as opposed to PC-driven gaming).

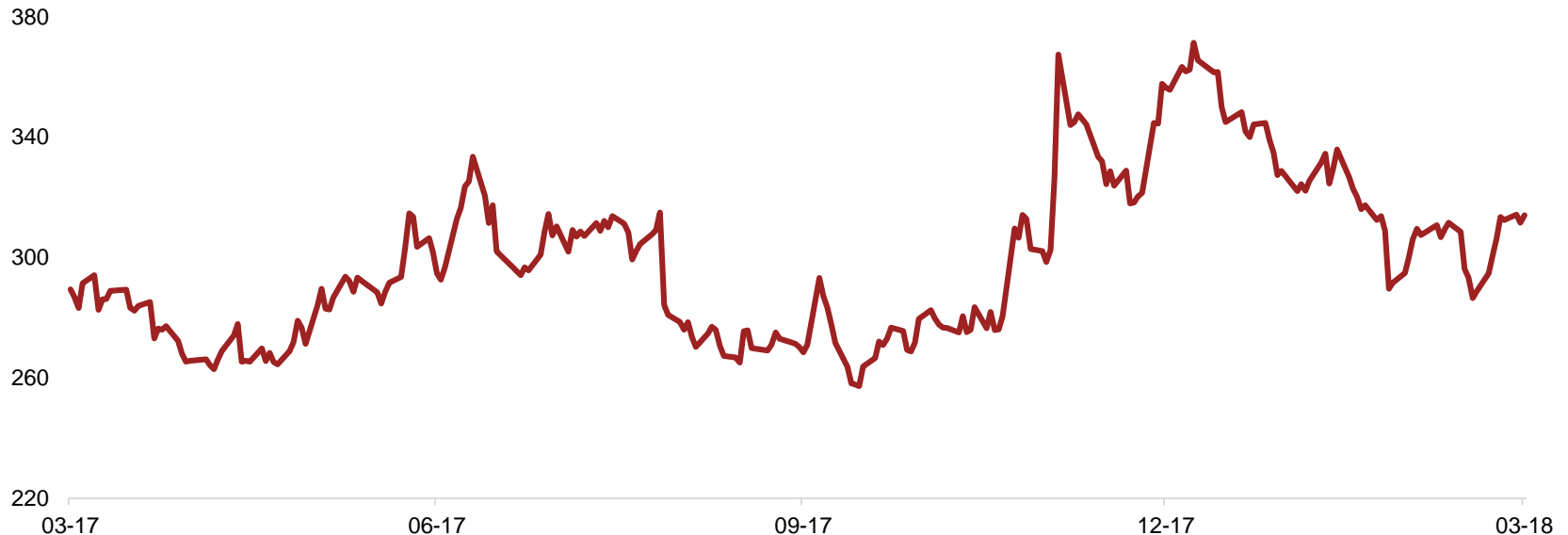


Hui Xiaojun
VP Game Development

- Vice-President of Game Development
- Lead developer for NetEase's key games, including: Dragon Sword, Tianxia II, Westward Journey Online III, Westward Journey Online II
- Joined NetEase since 2004, hard-core gamer and developer

Strong management with unique vision will expand NetEase

Insider Trading



- No major sell-off within this year
- Majority of NetEase's share are held by investment advisor (80.5%) and hedge fund manager (6.88%)
- Top investors include: CEO, **William Ding** (45%), **Blackrock** (3.81%), **Allan Gray** (3.16%), Invesco (2.93%), UBS (1.65%), HSBC(1.34%).

Insiders are confident with NetEase's direction



2. Macroeconomic Overview & Industry Outlook

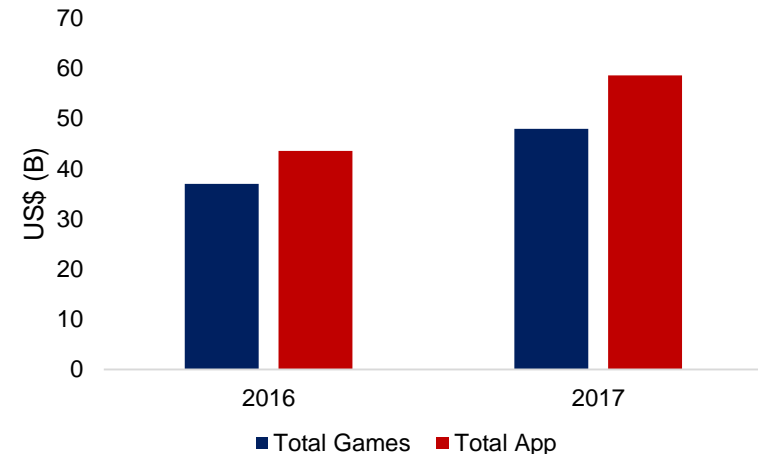
China's Continued Control on Gaming

- China's 600 million gamers accounted for \$24.6B of the \$101.1B global games market revenue in 2016.
- China also accounted for 31% of the total \$18B iOS games revenue in 2016; this reflects major growth since its 3% share of the \$2.4B total in 2012.
- Average ARPU is higher in Asian-Pacific (APAC) markets than in the US; this can be attributed to longer gaming time-spans and more dedicated users.

Demand for Foreign Goods in China

- Cross-border shopping sites are leading the Chinese consumption upgrade, where international high-end and niche products are easily accessed.
- Nielsen's 2017 online shopper trend report revealed that the proportion of consumers that had recently made a cross-border purchase moved from 34% in 2015 to 67% in 2017.
- Players such as Kaola.com, Tmall Global, and JD Global are at the forefront of this shift in demand.

Online Gaming - Majority of App Revenue



Chinese Consumer Wealth

- Chinese government intends to double household income by 2020.
- Increased 3G and 4G LTE reception in China have rendered mobile games more popular.
- China's middle and upper-class (household income > \$16,000) contained 18 million households in 2010, and is forecasted to reach 187 million households by 2020 – a 9.39x growth factor.

NetEase is well-positioned to capitalize on the growth of these Chinese markets

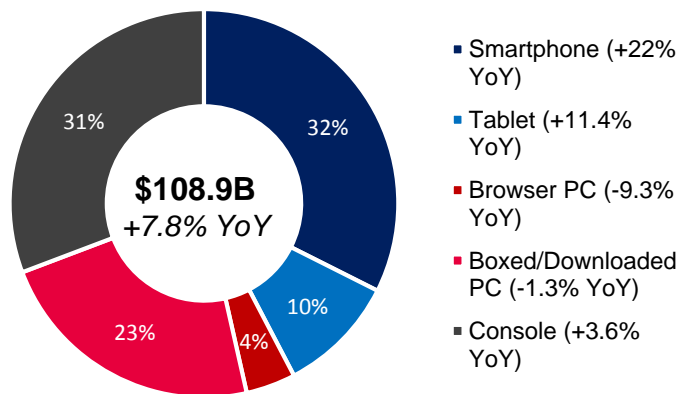
Gaming Market Forecasting Mobile Growth

- The largest shift is transpiring in the gaming market segmentation, with the most notable being from PC gaming to mobile gaming.
- Smartphone gaming is by far the fastest-growing component, with gamers playing an average of 3.6 mobile games per months – the monthly overall average for gaming is 1.3 games.
- By 2020, it is forecasted that 77% of all mobile phone users will play games on their phone at least once per month (currently 60%).

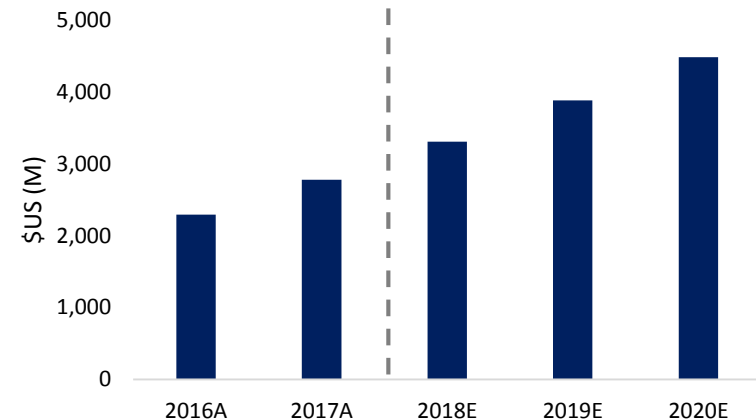
Competitive E-Commerce Landscape

- China's e-commerce market is the world's largest (\$1.2T of \$2.3T worldwide 2017 revenues).
- Dominant players, such as Alibaba and JD.com, continue to see immense growth. Singles Day resulted in sales increases of 39% (to \$25B) and 50% (\$18B), respectively.
- China's e-commerce sites already exhibit superior delivery (fast and free), discounts, and mobile app design; this, along with stiff competition, makes it hard for international entrants to encounter success in the same scale as domestic companies.

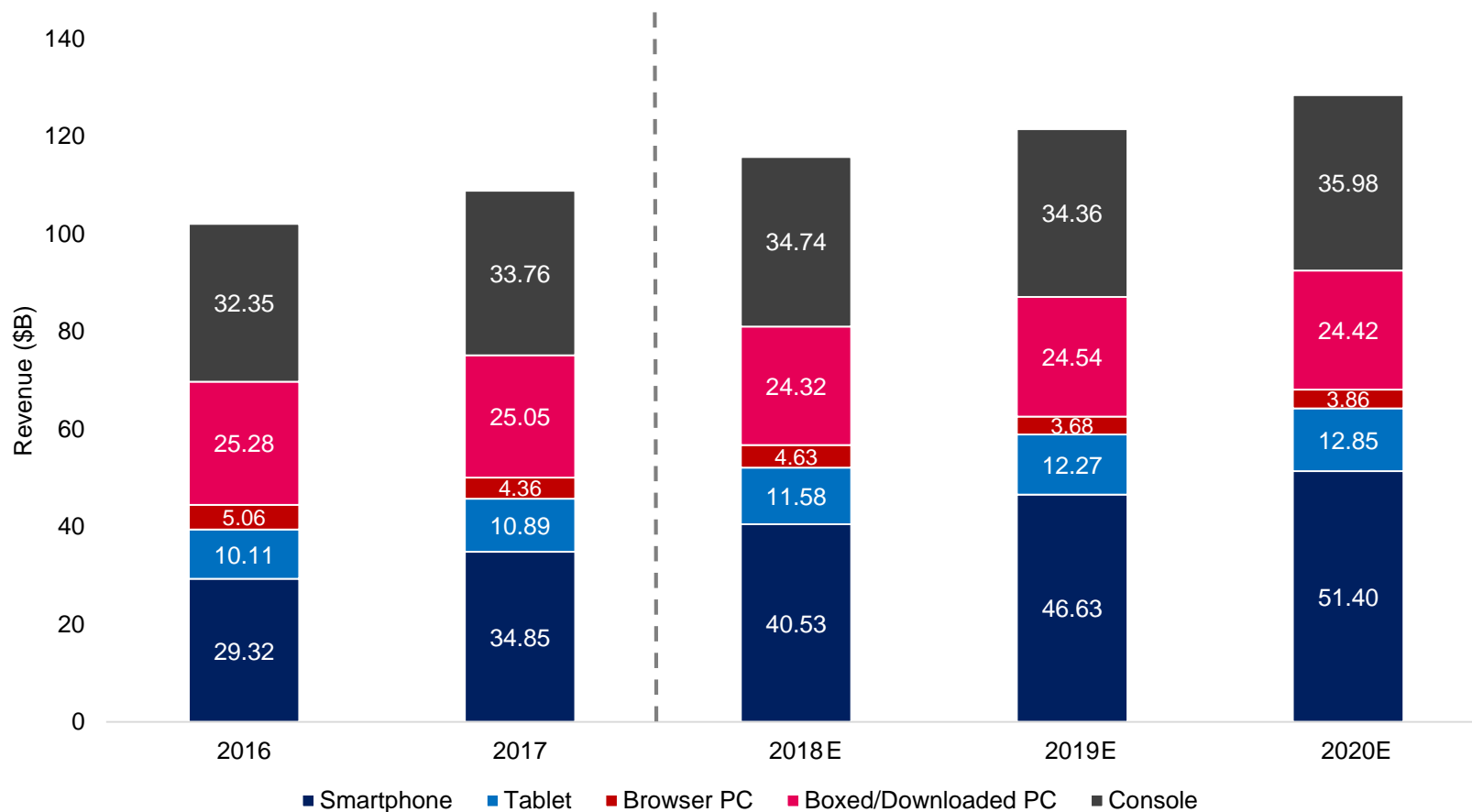
Global Games Market 2017



Retail E-Commerce Sales (2016-2020)



Gaming Forecast per Segment (2016-2020)



The gaming industry is growing with an overall CGAR of 6.2%; the smartphone gaming market alone is expected to double its revenues within 6 years.



3. Segment Breakdown



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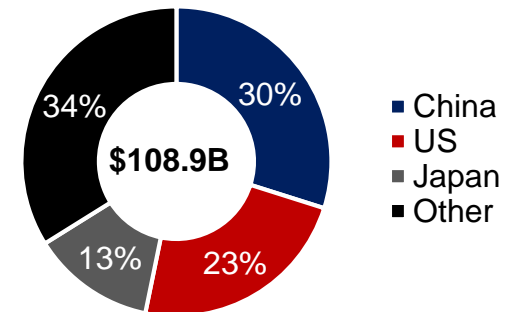
Leading Global Player

- NetEase is China's second largest gaming company (after Tencent), and is 6th largest worldwide by revenue. It holds 17% of Chinese market share, and 5.14% of worldwide market share.
- Mobile games accounted for 70.8% of online gaming revenues in FY 2017 (61.9% in FY 2016). This is a result of the company's **shifting focus towards mobile gaming**.

Strong Mobile Gaming Pipeline to Revive Performance

- 2017 online gaming revenues fell by 10.7% YoY, due to the company being unable produce another blockbuster MMORPG.
- In Nov 2017, NetEase released two battle sandbox mobile games that became exceptionally popular: Knives Out (100m users) and Terminator 2 (80m users).
- On Jan 24 2018, *Chu Liu Xiang*, a 3D MMORPG with excellent graphics (according to reviews) was released. It achieved a 6th place ranking by Jan 28.
- Expectations are equally high for *Identity 5*, an asymmetrical battle arena (ABA) game scheduled for release in 2018.

Worldwide Online Game Revenue



China's Top 10 Grossing Mobile Games

Rank	By Revenue	Company
1	Honor of Kings	Tencent
2	Onmyoji	NetEase
3	QQ Speed QQ	Tencent
4	Fantasy Westward Journey	NetEase
5	Chu Liu Xiang	NetEase
6	DaZhangMen	Playcrab
7	MU: Awakening	Tencent
8	Westward Journey	NetEase
9	GuJianQiTan	Gaea Mobile
10	Contra: Return	Tencent

NetEase has premium market positioning in fast-growing gaming segments

Blizzard Entertainment

- NetEase's most significant partnership is with Blizzard Entertainment, the leading game provider in the United States. These titles are exclusively distributed in China by NetEase, and include: *StarCraft II: Wings of Liberty*, *Starcraft II: Heart of Swarm*, *Warcraft III: Reign of Chaos*, *Warcraft III: The Frozen Throne*, *World of Warcraft*, *Hearthstone: Heroes of Warcraft*, *Diablo III*, *Over Watch*, and *Heroes of Storm*. The majority of these have guaranteed licensing until 2020.
- Games licensed by Blizzard Entertainment made up 15% of online game revenues in 2016 (US\$604.4m), compared to 13% in 2015.



Other Strategic Partnerships

- Wicked Interactive Ltd - *PrisonTale*
- Aeonsoft – *Fly For Fun*
- DreamWorks – *Kung Fu Panda*
- Warner Bros – *Tom and Jerry*
- Netmarble – *Raven*
- Virtual Toys – *Pirates: Treasure Hunters*
- Mojang - *Minecraft*

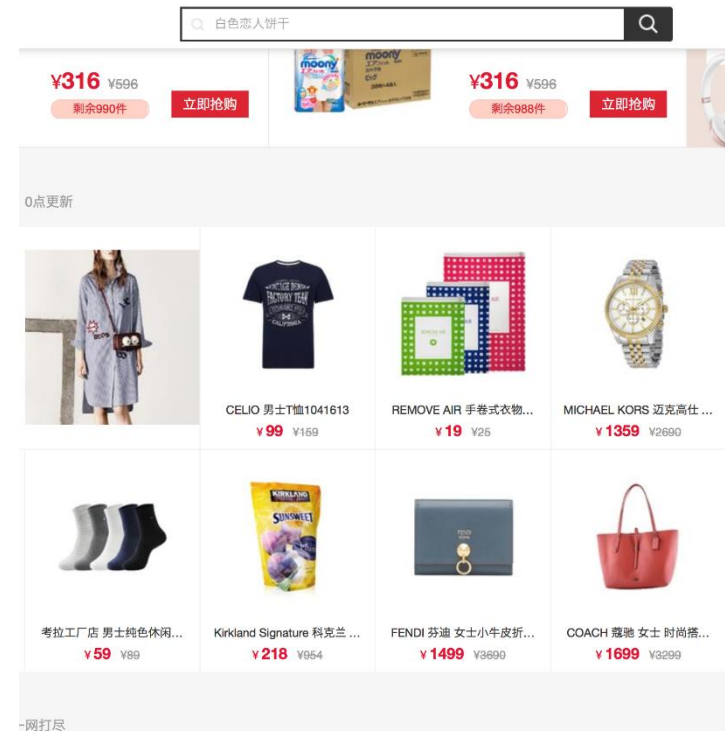
These partnerships have significantly broadened NetEase's consumer base.

Recent E-Commerce Platform Development

- In 2014, NetEase announced that it would invest \$11B into a new e-commerce branch for the firm.
- Kaola.com and Yanxuan, NetEase's two e-commerce websites, are its fastest growing components (up 175% YoY). Incepted in 2015 and 2016, respectively, they now represent 22% of the company's net revenues.

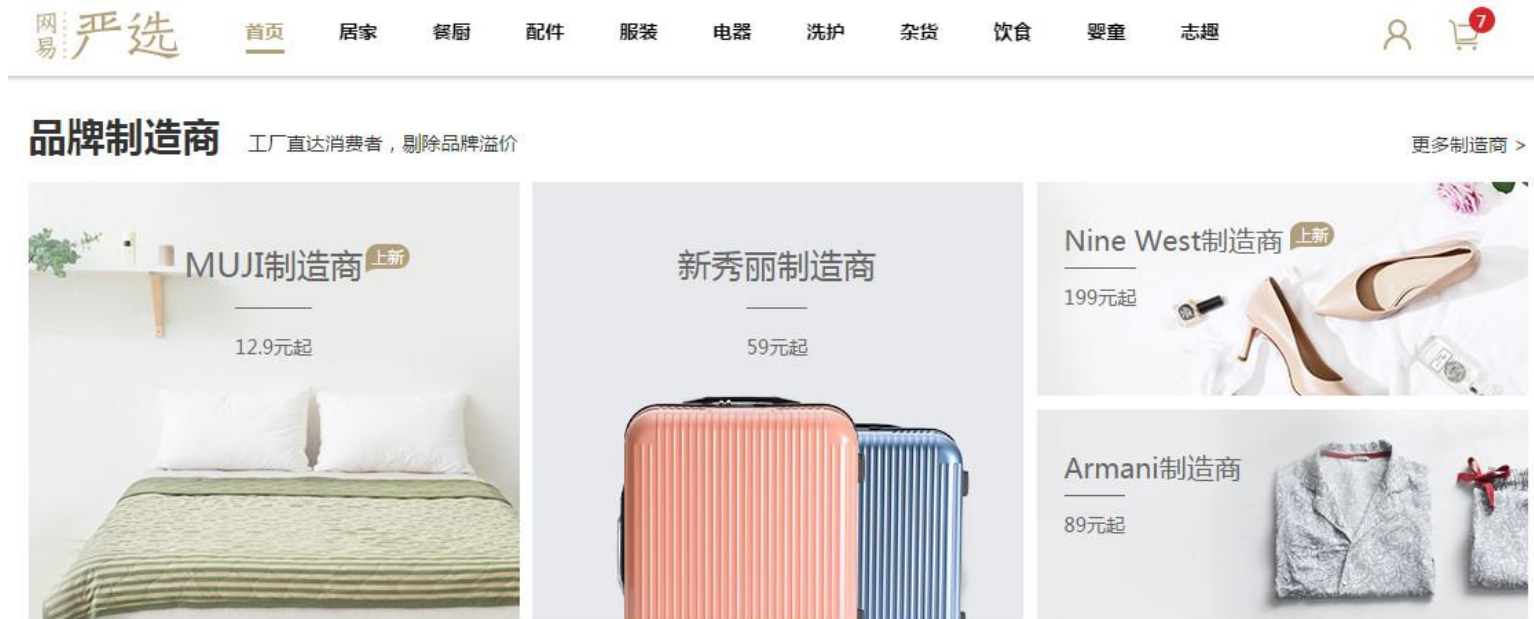
Kaola – Cross-Border E-Commerce

- Kaola capitalizes on China's increasing demand for high-quality foreign goods. Since so much of the Chinese market is flooded with counterfeit goods, platforms that are recognized as reputable are few and tend to become dominant in China.
- The site takes advantage of China's relaxed cross-border e-commerce policies that apply to consumers buying goods for personal use from retailers and brands in other countries; in Nov 2017, cross-border tariffs were reduced in China, further aiding Kaola.
- Kaola is China's biggest cross-border e-commerce platform, holding 24% of the market in 2017. It stands out from among other Chinese competitors, which will allow it to achieve greater future scalability.
- China's growing middle class has pushed the demand for foreign goods over the \$100B mark in 2017 (up from \$78.5B).



Yanxuan – Private Label Goods

- Yanxuan is an Original Design Manufacturer (ODM), rendering it a factory-to-consumer (F2C) business model. This removes any brand premium or retailer markup costs, thereby undercutting the competition's prices.
- Its most common merchandise includes apparel, homeware, kitchenware and other general merchandise.



Vertical expansion in e-commerce allows for a unique value proposition

Entertainment & Education

- NetEase Cloud Music currently holds over 400M users; this represents a consistent 160%-200% YoY growth since its inception in 2015.
- The classroom services offer an online education platform, Internet finance services, as well as the sale of game-related accessories to users.



NetEase
Cloud Music



NetEase Open
Class



NetEase Cloud
Class

Information

- NetEase news has garnered increasing popularity, due to the edgy nature of its news (a rarity among Chinese news publications).



NetEase News



EaseRead



NetEase Snail
Reading

Social

- YiChat was launched in 2013, along with China Telecom, in response to Tencent's incredibly successful WeChat. It has since gained over 300M users, but is underperforming relative to its competition.



YiChat



Lofter



NetEase
Cartoon

Tools

- NetEase released Wangyibao, an online payment system, in an effort to reduce transaction costs across its many platforms.
- Bobo and CC, two video entertainment applications, have received positive reviews.



Youdao
Dictionary



NetEase Cloud
Note



Youdao
Chinese Master

Industry Leader

- NetEase's e-mail services are among China's most popular, with over 936M users as of Jan 2018 (450M of which are premium users, most being corporate).
- Along with Tencent's QQ e-mail service, the two control over 70% of Chinese mailboxes.
- 163.com, the company's web portal, is one of the country's most visited websites.
- Industry leading anti-spam technology
- Enterprise mailbox received China's top information security certificate ELA+
- Only Chinese member in Domain-based Message Authentication reporting and conformance (DMARC)



The Chinese “Outlook” - trusted by the government, and large corporations



NetEase to Develop Mobile Games for Mattel

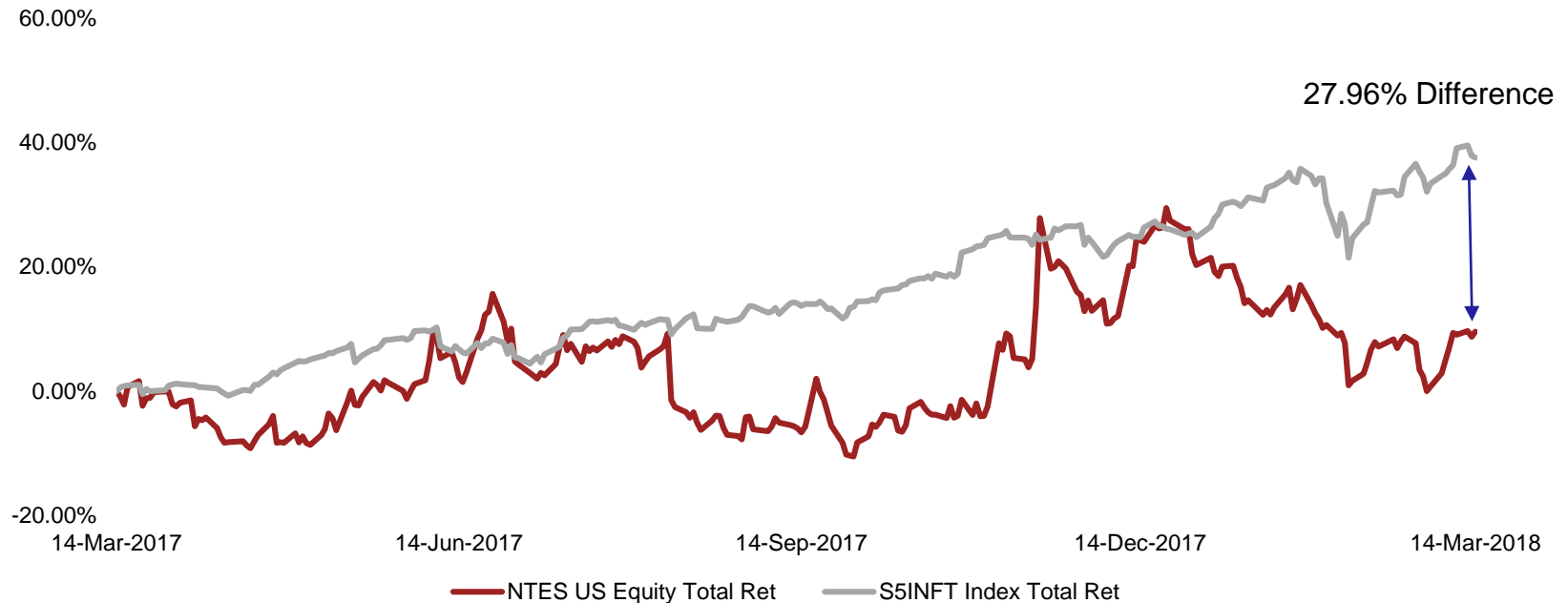
- In Jan 2018, Mattel (global leader in learning and development through play) and NetEase announced that they would begin developing new mobile games, largely based on Mattel's popular brands.
- This represents a notable opportunity for NetEase to expand into international markets, and develop a larger consumer base outside China with one of the most established American brands.

Marvel to Create New Chinese Superheroes

- NetEase and Marvel are working together to create a new 12-copy comic series to be released in China.
- Mobile games based on the new Chinese superheroes may result; movies based on Marvel comics have already earned over US\$1.2B in China.

Exclusive partnership with Mattel and Marvel to develop mobile games

NetEase to Develop Mobile Games for Mattel



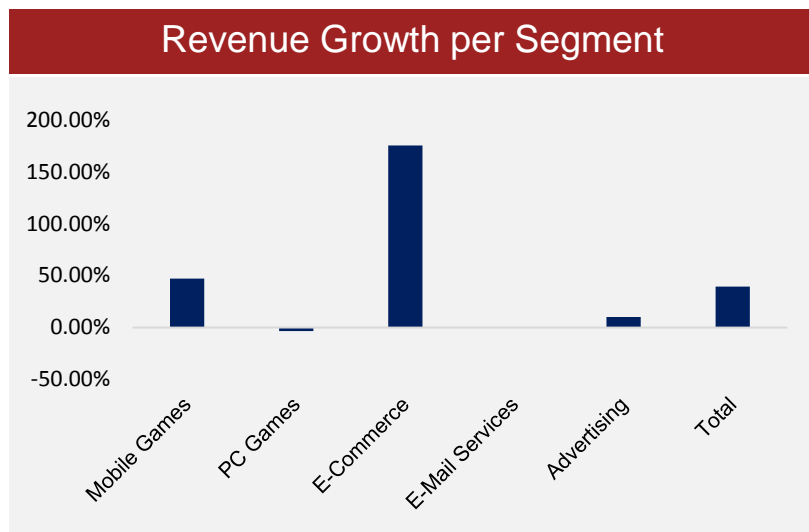
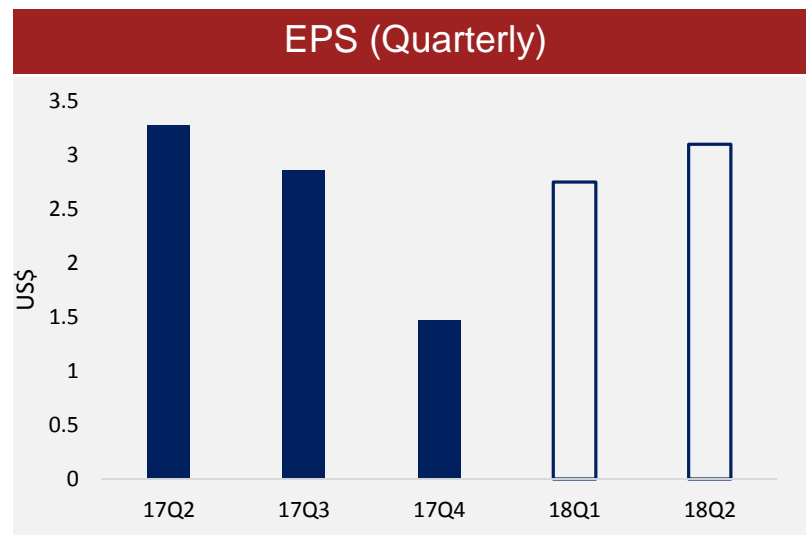
- Chinese ADRs tend to trade in discount as investors believe their financial information is being manipulated
- NetEase has a 41.7% YOY revenue growth and 19.9% Net Income Growth, while its stock has only gone up by 8.53%, 27.96% below the technology sector benchmark

Ideal market timing for entry, to take advantage of current mispricing

Key Financials

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Financial Metrics	
EBITDA	\$1.919B
Est. Dividend Yield	1.11%
P/E	24.15
P/FCF	25.61
Net Income	\$1.591B
Profit Margin	19.79%
Debt/Equity	14.08%
Market Capitalization	\$39.06B



Investor Returns	
ROIC	20.46%
ROA	16.59%
ROE	25.52%
Cum. Total Return	1,899.90%
Operating Margin	22.46%
Gross Margin	47.90%
Profit Margin	19.79%
Effective Tax Rate	18.24%



4. Investment Theses

Mobile Gaming

- NetEase has a premium market positioning in China, and is focused on fastest growing gaming segment (mobile).
- New releases Knives Out, Terminator II, and Chu Liu Xiang have successfully penetrated the Japanese gaming market, already becoming the most popular games of 2018. This is a rarity in Japan, whose market is almost entirely supported by domestic game developers.
- Japan boasts the highest ARPU per consumer in the world, at \$88.89. This reflects further growth potential for NetEase in new markets.

Licensing Partnerships

- NetEase holds several exclusive partnerships that have broadened its international reach.
- Further developments with Blizzard Entertainment, Activision, Mattel, Marvel, Mojang, and others will present several expansionary opportunities.
- China set out new regulations in 2016, which states that its governing committees must approve each game distributed in the country; this serves as a barrier to new entrants, and particularly international ones (that must now go through a Chinese company to distribute its games – securing NetEase's current position for the foreseeable future).

E-Commerce Platforms

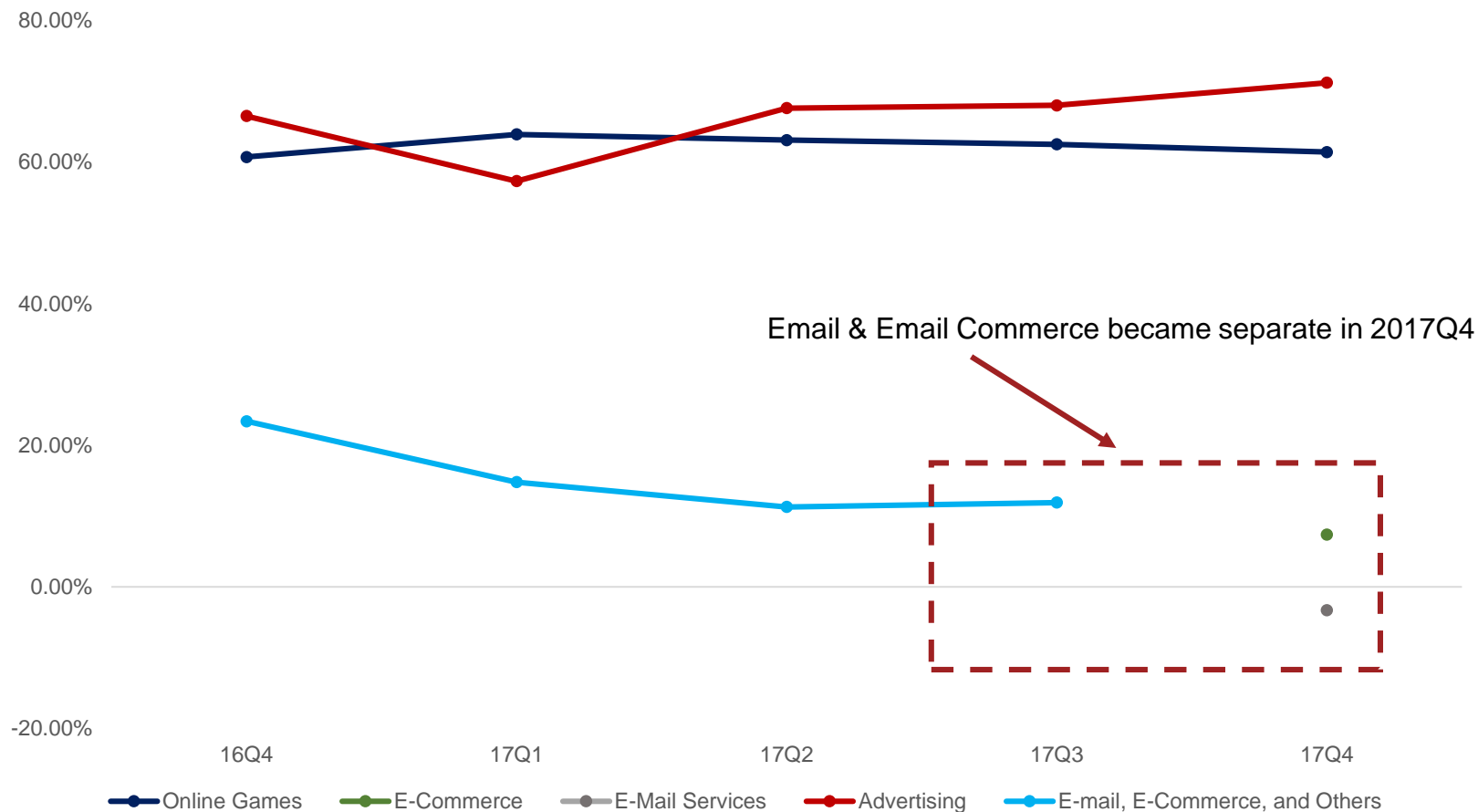
- Kaola.com and Yanxuan's growth has exceeded all expectations; NetEase's overall revenues grew 20.7% Yoy – 5.1% higher than analysts' expectations, due to stronger than expected e-commerce sales.
- Although e-commerce boasts smaller gross margins than online games, it allows NetEase to further monetize its massive user base – this is reflected in its outstanding gross merchandise volume (GMV) growth.

Intensive International Expansion Plan

- Q4 2017 announcements included plans for 30% of revenue to be generated from international markets by 2020.
- The company's many international licensing partnerships have increased brand awareness.

Gross Margin per Segment (Quarterly)

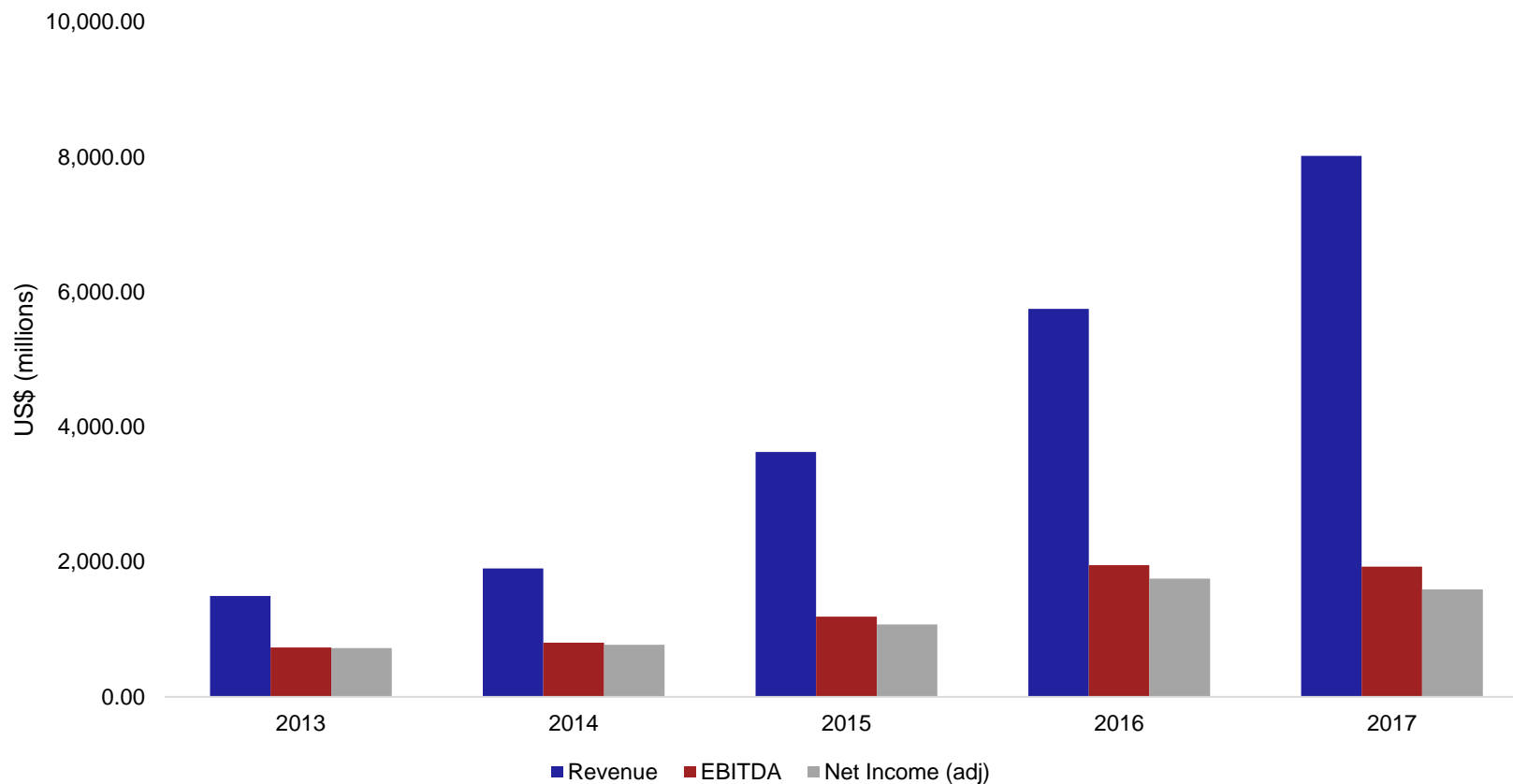
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High margin business model, with strong industry penetration

Revenue vs. EBITDA vs. Net Income

TCF



Healthy Revenue, EBITDA and Earnings growth

Rapid Economic Growth

While developed markets are forecasted to grow by just 2%, EMs are projected to hit 4.5% growth. More specifically, China is expected have a 6.7% growth rate.

Price Momentum

There has been a price increase momentum for EMs stock trading in U.S. In the past year, the majority of Chinese ADR stocks with a growth rate of 25-45% appreciated 50%-100%, such as Alibaba, Tencent, JD.com, Baidu etc.

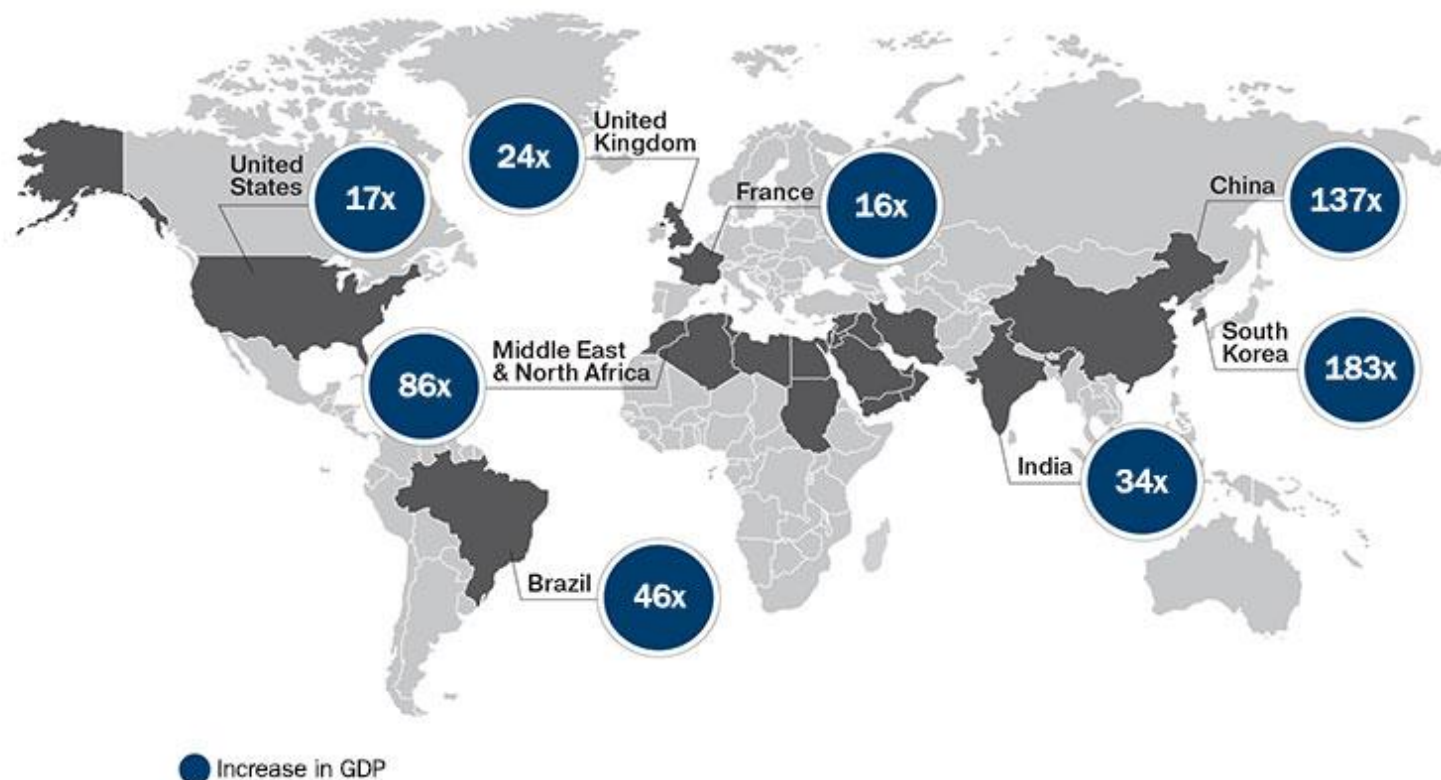
Diversification

International investments can be a good diversifier for an investment portfolio, as the economic downturns in one country can be offset by growth in another.

Stock Market Valuations

Valuations favor EMs. In fact, EMs were recently trading at a P/E discount of more than 20% to advanced economies, and on a forward basis that discount is intact.

The U.S. Economy is the biggest in the world, but it hasn't been the fastest growing
Real GDP growth of selected countries from 1969 to 2015



Source: OppenheimerFunds, World Bank, as of 12/31/15. Past performance does not guarantee future results.

Poor Corporate Governance

EMs sometimes have weaker corporate governance systems, whereby management, or even the government, are corrupted. Fake or misleading reporting persists.

Political risk

EMs may have unstable, even volatile, governments. Political unrest can cause serious consequences to the economy and investors.

Investing in emerging markets is worth the reasonable risk

Thesis II: Adhesion to Shifting Trends

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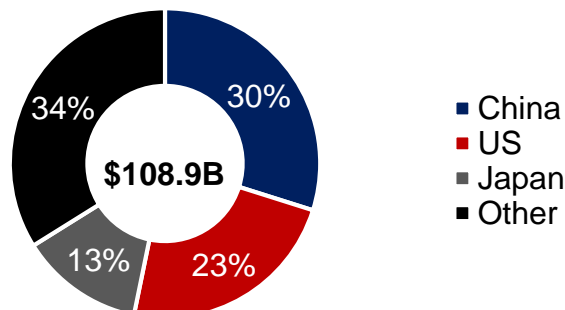
Game Customization

- Onmyoji was successfully received in 69 countries, after following CEO William Ding's customization initiative. Users were able to select between hundreds of unique character designs, customize their teams, participate in real-time commentary, and varying styles of 3D graphics.
- The same methodology will apply to NetEase's future releases, particularly those linked to mobile sandbox games. This style of game has minimal character limitations placed on the gamer, allowing the gamer to roam and change a virtual world at will.

High-Quality, Fair Value Goods

- E-commerce is trending away from low-quality, low-cost products; this is particularly true in China, where increased consumer wealth is resulting in lower sensitivity to pricing.
- Kaola.com and Yanxuan, due to their newer and more reputable nature, hold higher consumer trust in providing authentic goods than Alibaba and JD.com (whose longstanding counterfeit good presence has established negative market sentiment).

Worldwide Online Game Revenue (2017)



PC-to-Mobile Games Dominate iOS/Android

- NetEase's mobile game adaptations have fared extremely well, with Fantasy Westjward Journey being the second top mobile grossing game of all time in China.
- This should translate into further success for NetEase, given its many partnerships with other long-established brands (bringing renowned titles to mobile gaming).

NetEase's capacity to individualize products has boded well in external markets

Thesis III: Leverage Massive Consumer Base

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Successful Monetization Efforts

- Knives Out and Terminator II have successfully been monetized, after accumulating a large registered user base.
- This highly effective freemium to premium model gets consumers hooked on the games before monetizing special features and necessary in-game upgrades.
- Sandbox battle games are highly profitable and often hold huge tournaments with cash prizes, from which NetEase charges a fixed commission.
- NetEase has established itself as a leader in game monetization.

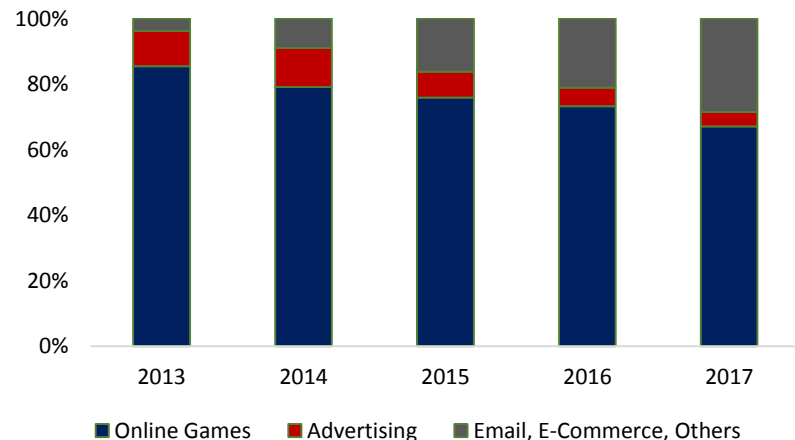
Loyal Consumers Establish Moat

- NetEase and Tencent have had users dedicated to their popular games for over a decade, signifying a loyal consumer base that is less likely to be affected by fads.
- The most successful mobile game launches in the past 5 years have surrounded PC-to-mobile adaptations, creating a moat for new entrants that cannot capitalize on existing titles.
- China's market is dominated by a few large players, a reflection of its preference for familiar branding (collectivist mindset).

Strong Gaming Pipeline

- NetEase's new game launches have, especially recently, encountered immediate success. Its large existing user base has propelled its new game launches into success.
- The firm's strong cash position allows it to invest in 3D R&D, and perpetually increasing server capacity. NetEase recently announced that it would be investing over \$2B in buying American 3D video game development companies.
- Analysts forecast at least 15% organic growth on the back of older titles (due to new expansion packs); there is also much higher unleashed potential for new games and their monetization.

Revenue by Segment L5Y



Strengths

- Large market share in China
- Successful international launch of games
- E-commerce segment growing extremely quickly
- Diversified products and segments
- Strong management support
- Strategic alliances with international game developers
- Broad, loyal consumer base

Opportunities

- Huge market for online gaming in China (with significant foreseeable growth)
- Strong financial position can be used in R&D to explore new opportunities and fund new ventures
- Prosperous mobile Internet market
- Few local players to compete with

Weaknesses

- Heavily dependent on Chinese market, with a smaller global presence
- Chinese Internet control
- Less sustainable game models (necessity for continued release of expansion packs and game redevelopments)

Threats

- Uncertainty regarding Chinese government regulations
- Competitive strategic alliances with other key players in the online game industry
- Increasing competition due to global players
- Constant change in customer preferences

The Chinese government's backing hedges several weaknesses & threats, as does NetEase's size

- International expansion to fuel revenue and user growth
- Drive e-commerce segment to become larger portion of revenue
- Place larger focus on mobile gaming
- Customize games to national preferences
- Advertising partnership with Tencent

This strategy perfectly aligns with shifting consumer trends

Online Gaming

Tencent Holdings vs. NetEase

- Tencent boasts several successful ventures, of which League of Legends, Honor of Kings, CrossFire QQ, WeChat, Tencent Music Entertainment stand out.
- NetEase's fast-moving development team has successfully released PlayerUnknown's Battlegrounds (PUBG) games faster than Tencent, overcoming China's strict regulations (largely discouraging survival-themed games) in a timely manner.
- NetEase's Onmyoji took advantage of a gaming genre shift towards PUBG, giving Tencent's Honor of Kings a temporary dethroning from the top grossing mobile game. This came after almost a year of the latter holding the #1 spot.
- The same rhetoric was applied with sandbox mobile games.

E-Commerce

Alibaba

- Alibaba operates much like eBay, offering several e-commerce platforms that third-party consumers and businesses can use to buy and sell products. Revenue from these platforms, which include Alibaba, Tmall, and Taobao, largely derives from platform fees, advertising fees, sales commissions and order fulfillment services.

JD

- JD, in contrast, is founded on the Amazon e-commerce model, selling merchandise direct to consumers from warehouses across china. It even operates its own national shipping network with a last-mile delivery component to ensure fast order fulfillment.
- It also allows for third parties to sell products on its platform and utilize its delivery fulfillment infrastructure.

Kaola & Yanxuan

- Contrarian to Alibaba and JD's business model, NetEase purchases goods outright from international and local players, as an additional means to ensure authenticity. Its competition, however, has gained substantial attention from international trade officials and brand owners for their large counterfeit presence.

5. Valuation

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Relative Valuation

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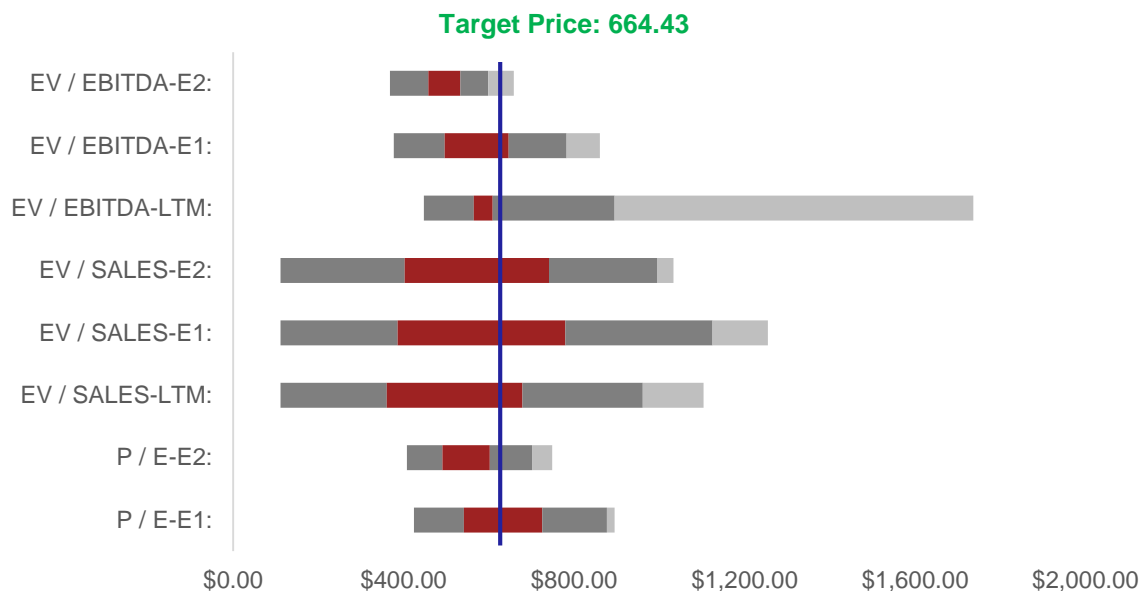
Company	Ticker	Current Share Price	% of 52-wk. High	Equity Value	Enterprise Value	P / E			EV / SALES			EV / EBITDA		
						LTM	E1	E2	LTM	E1	E2	LTM	E1	E2
NTES US Equity	NTES	\$314.00	83.15%	\$40,869	\$35,464	26.2	19.7	17.0	4.4	3.2	2.5	18.5	15.5	12.9
JD US Equity	JD	\$44.57	87.94%	\$63,662	\$62,106	-	57.2	37.6	1.2	0.8	0.7	117.0	47.5	26.0
BABA US Equity	BABA	\$192.34	93.28%	\$492,612	\$484,979	58.1	37.1	28.5	14.4	12.5	9.0	38.8	28.7	21.6
BIDU US Equity	BIDU	\$258.45	93.99%	\$89,981	\$83,545	37.4	27.1	22.4	6.6	5.2	4.4	28.1	19.5	15.8
TCEHY US Equity	TCEHY	\$58.48	95.87%	\$555,524	\$555,122	-	55.7	41.2	17.6	14.5	9.4	39.5	41.5	29.9
Maximum						58.1x	57.2x	41.2x	17.6x	14.5x	9.4x	117.0x	47.5x	29.9x
75th Percentile						47.8x	56.1x	38.5x	15.2x	13.0x	9.1x	58.9x	43.0x	27.0x
Median						37.4x	46.4x	33.1x	10.5x	8.8x	6.7x	39.2x	35.1x	23.8x
25th Percentile						-	34.6x	27.0x	5.3x	4.1x	3.4x	36.1x	26.4x	20.2x
Minimum						0.0x	27.1x	22.4x	1.2x	0.8x	0.7x	28.1x	19.5x	15.8x

Selected Multiples for Football Field Chart

Methodology Name	Minimum Point	25th Percentile Point	Median Point	75th Percentile Point	Maximum Point	Share Price
Top Comparables						
P / E-E1:	\$424.04	\$117.05	\$184.53	\$151.46	\$17.82	\$725.61
P / E-E2:	\$407.33	\$83.63	\$110.97	\$99.06	\$47.91	\$601.93
EV / SALES-LTM:	\$110.65	\$249.47	\$318.53	\$282.76	\$142.17	\$678.65
EV / SALES-E1:	\$110.72	\$275.06	\$393.67	\$345.26	\$129.82	\$779.45
EV / SALES-E2:	\$110.89	\$291.25	\$339.13	\$254.59	\$37.64	\$741.27
EV / EBITDA-LTM:	\$447.70	\$116.90	\$44.21	\$285.97	\$842.19	\$608.80
EV / EBITDA-E1:	\$376.84	\$119.76	\$149.80	\$135.93	\$78.13	\$646.40
EV / EBITDA-E2:	\$367.55	\$90.29	\$75.46	\$65.36	\$59.99	\$533.30
					Implied shareprice	\$664.43
					Upside/Downside	111.60%

- Comparable companies used (JD.com, BABA, BIDU, TCEHY);
- Comparable were chosen based on size and operations (focus on gaming, e-commerce and internet services);
- Forward looking metrics were employed, as the current economic and industry outlook have evolved over the L12M

Football Field Graph



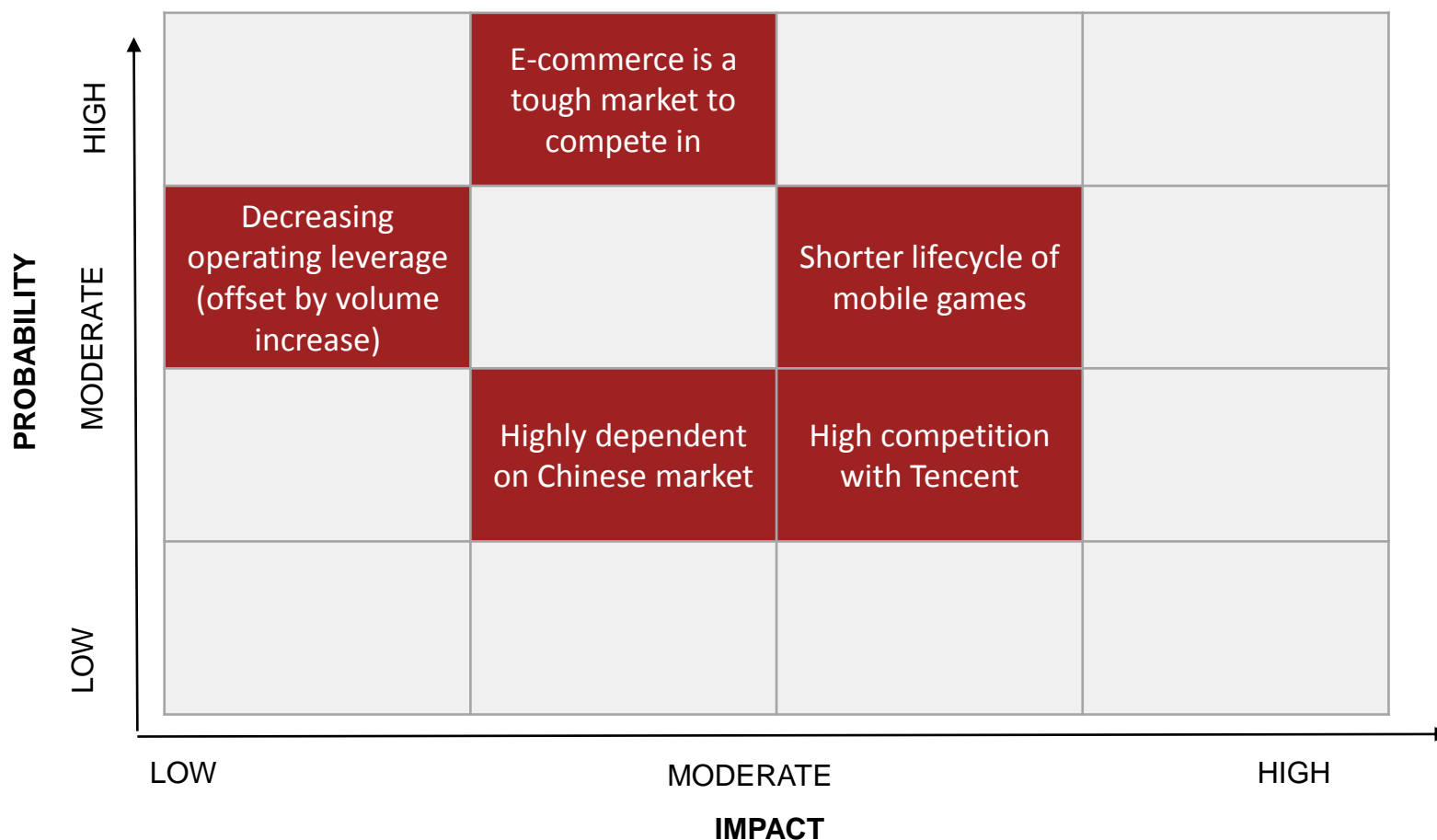
Attractive upside of 111.6% through Relative Valuation



6. Risks

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Majority of the risk can be mitigated by their strong bottom line operation

Buy

NetEase Inc. (NTES:ADR)

Trading Data and key metrics

52 week range	253.20 - 377.64
Market Cap	42.92B
EPS	9.73
P/E	26.2x
EV/EBITDA	18.5x

Current Price	\$314.00
Target	\$487.23
Bull Case	\$664.63
Bear Case	\$376.80

\$487.23

Target Price

50%

Upside

Investment Thesis

- Thesis I: Impressive Organic Growth
- Thesis II: Adhesion to Shifting Trends
- Thesis III: Leverage Massive Consumer Base

Key Company Facts

- Leading mobile game developer
- Founded in 1997
- Strong balance sheet and cash flows
- Rapid growth in E-Commerce with unique value proposition



Question & Answer Period



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