

Hong Kong

ADD (no change)

Consensus ratings*: Buy 10 Hold 2 Sell 1

Current price:	HK\$196.7
Target price:	HK\$293.0 ▲
Previous target:	HK\$275.0
Up/downside:	49.0%
CGI / Consensus:	15.4%
Reuters:	9961.HK
Bloomberg:	9961 HK
Market cap:	US\$16,081m HK\$126,233m
Average daily turnover:	US\$22.77m HK\$181.6m
Current shares o/s:	71,346m
Free float:	70.0%

*Source: Bloomberg

Key changes in this note

- FY22F EPS increased by 16.2%.
- FY23F EPS increased by 23.5%.
- FY24F EPS increased by 19.5%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-4.2	9.5	-10.9
Relative (%)	3.5	23.1	14.2

Major shareholders

	% held
Baidu Holdings Limited	21.1
The Priceline Group Inc.	8.9

Analyst(s)

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Trip.com

Effective cost control to help earnings recovery

- Trip.com reported revenue of Rmb4bn in 2Q22, down 31.8% yoy and 2.3% qoq, stronger than our expectation, owing to a stronger recovery since June.
- The non-GAAP net loss was Rmb203m in 2Q22, in line with our expectation.
- Management guided a good recovery in Jul and Aug, and we expect revenue to grow by 22% yoy to Rmb6.5bn in 3Q22F with non-GAAP net profit of Rmb1.4bn.
- Reiterate Add with higher DCF-based TP of HK\$293, since we believe Trip.com has large growth potential in the long term, along with Covid policy relaxation and a travel market recovery.

Better-than-expected 2Q22 results

Accommodation revenue was Rmb1.4bn, a 45% yoy and 6% qoq decline, recovering to 40% of the 2019 level, with local hotel bookings increasing by over 30% compared to that in 2Q19. Transportation sales reached Rmb1.8bn, representing a 15% yoy decline and an increase of 6% qoq, recovering to 52% of the 2019 level. Weak domestic air revenue in Apr and May was offset primarily by a strong recovery in air ticket revenue in overseas markets. Packaged-tour revenue was Rmb122m, representing a 67% yoy and 2% qoq decline, recovering to 12% of the 2019 level. Corporate travel revenue was Rmb210m, representing a 46% yoy and 5% qoq decline, recovering to 68% of the 2019 level. Its GPM dropped by 3.6ppts yoy to 75.7% in 2Q22. The company continued to improve its selling and marketing expenses control and achieved a 3.4% non-GAAP OPM in 2Q22.

Strong recovery in the international travel market

The Covid-19 resurgence affected the domestic travel market in 2Q22, but international travel delivered encouraging results following the easing of Covid-19 measures, especially in Europe and the US. Trip.com's hotel booking revenue increased by 300% vs. that in 2019. The company's international air ticketing revenue returned to 70–80% of the 2019 level in 2Q22, and management expects it to further recover to 80–90% of the 2019 level in 3Q22F and to fully recover in 4Q22F. Management noted that the Asia travel market has recently started to recover. Currently, international business accounts for 20–30% of the company's total revenue (c.30% for air ticketing and single digits for hotel booking revenue). Trip.com is still loss-making, while Skyscanner's margins are higher than the company average.

Likely recovery in 3Q22F

Given the strong travel recovery in Jul and Aug for summer travel, we remain positive about 3Q22F. In Jul, China domestic hotel booking revenue was 20% higher than the 2019 level and continued to show positive growth vs. the 2019 level in Aug. The company's air booking revenue was down 20–30% vs. the 2019 level in Jul/Aug. Although Covid volatility affected the Sep travel market, the company noted some recovery in recent weeks for the National Day holiday, along with the end of the Chengdu and Sanya lockdown period. The company maintains an 8–10% take rate for the hotel booking business, and local hotel revenue now accounts for 50–60% of hotel revenue vs. 30–40% pre-Covid. Management said it will maintain effective expense control measures in 2H22F, especially for selling and marketing expenses.

Reiterate Add with higher DCF-based TP of HK\$293

We raised our FY22–24F EPS forecasts by 16.2%/23.5%/19.5%, to reflect stronger topline recovery and better cost control. We adjusted up our DCF-based TP to HK\$293 (risk-free rate: 4.0%, beta: 1.2, WACC: 10.1%, terminal growth rate: 3%) and reiterate our Add rating for the company, given large revenue recovery potential and margin improvements, once the Covid-related policy is relaxed. For near-term, we are more confident on 3Q22F topline given the encouraging trend in Jul/Aug. We raised our TP to HK\$293, since we raised our FY22–24F EPS forecasts. Key risks are more serious Covid outbreaks, which would delay the travel market recovery, and weak macro, which would affect travel demand.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rmbm)	18,327	20,029	19,419	26,141	33,079
Operating EBITDA (Rmbm)	143	2	594	4,068	6,416
Net Profit (Rmbm)	-3,247	-550	562	3,901	6,095
Core EPS (Rmb)	-1.52	2.12	1.85	7.95	11.47
Core EPS Growth	(113%)		(12%)	329%	44%
FD Core P/E (x)	NA	83.48	95.24	22.22	15.39
DPS (Rmb)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	500	34,608	111	14	8
P/FCFE (x)	16.5	440.5	NA	51.5	26.4
Net Gearing	12.0%	0.2%	1.1%	(0.8%)	(4.2%)
P/BV (x)	1.06	1.03	1.02	0.97	0.91
ROE	(0.90%)	1.29%	1.08%	4.47%	6.11%
% Change In Core EPS Estimates			16.2%	23.5%	19.5%
CGI/consensus EPS (x)			3.67	5.85	6.23

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

Effective cost control to help earnings recovery

Figure 1: Quarterly results review

(Rmb m)	1Q21	1Q22	yoY %	2Q21	2Q22	yoY %	1H21	1H22	yoY %	2H21	2H22F	yoY %	1Q19	1Q22	yoY %	2Q19	2Q22	yoY %
Accommodation reservation	1,580.0	1,450.0	-8.2%	2,455.0	1,357.0	-44.7%	4,035.0	2,807.0	-30.4%	4,113.0	4,849.3	17.9%	3,019.0	1,450.0	-52.0%	3,410.0	1,357.0	-60.2%
Transportation ticketing	1,506.0	1,603.0	10.4%	2,066.0	1,763.0	-14.7%	3,572.0	3,426.0	-4.1%	3,333.0	4,094.3	22.8%	3,354.0	1,603.0	-50.4%	3,407.0	1,763.0	-48.3%
Packaged tour	189.0	124.0	-34.9%	367.0	122.0	-66.8%	536.0	246.0	-54.1%	505.4	505.4	0.0%	1,045.0	124.0	-88.1%	1,051.0	122.0	-88.4%
Corporate Travel	252.0	222.0	-11.9%	390.0	210.0	-46.2%	642.0	432.0	-32.7%	705.0	686.0	-1.3%	238.0	222.0	-6.7%	309.0	210.0	-32.0%
Others	602.0	652.0	8.3%	614.0	564.0	-8.1%	1,216.0	1,216.0	0.0%	1,308.0	1,156.6	-11.6%	517.0	652.0	25.7%	524.0	564.0	7.6%
Total Revenue	4,109.0	4,111.0	0.0%	5,892.0	4,016.0	-31.8%	10,001.0	8,127.0	-18.7%	10,028.0	11,291.6	12.6%	8,173.0	4,111.0	-49.7%	8,701.0	4,016.0	-53.8%
Business Tax and Related Surcharge	(1.0)	(2.0)	100.0%	(2.0)	(5.0)	150.0%	(3.0)	(7.0)	133.3%	(3.0)	n.a.	n.a.	(9.0)	(2.0)	-77.8%	(10.0)	(5.0)	-50.0%
Net Revenue	4,108.0	4,109.0	0.0%	5,890.0	4,011.0	-31.9%	9,998.0	8,120.0	-18.8%	10,025.0	11,292.7	12.6%	8,164.0	4,109.0	-49.7%	8,691.0	4,011.0	-53.8%
Cost of Revenue	(1,034.0)	(1,067.0)	3.2%	(1,223.0)	(976.0)	-20.2%	(2,257.0)	(2,043.0)	-9.5%	(2,341.0)	(2,447.0)	4.5%	(1,689.0)	(1,067.0)	-36.8%	(1,798.0)	(976.0)	-45.7%
Gross Profit	3,074.0	3,042.0	-1.0%	4,667.0	3,035.0	-35.0%	7,741.0	6,077.0	-21.5%	7,684.0	8,845.7	15.1%	6,475.0	3,042.0	-53.0%	6,893.0	3,035.0	-56.0%
GP Margin	74.8%	74.0%	-0.8% pts	79.2%	75.7%	-3.6% pts	77.4%	74.8%	-2.6% pts	76.6%	78.3%	1.7% pts	79.3%	74.0%	-5.3% pts	79.3%	75.7%	-3.6% pts
Product development (Non-GAAP)	(2,074.0)	(1,867.0)	-10.0%	(2,045.0)	(1,626.0)	-20.5%	(4,119.0)	(3,493.0)	-15.2%	(4,071.0)	(4,292.1)	5.4%	(2,293.0)	(1,867.0)	-18.6%	(2,427.0)	(1,626.0)	-33.0%
As % of revenue	-50.5%	-45.4%	5.1% pts	-34.7%	-40.5%	-5.8% pts	-41.2%	-43.0%	-1.8% pts	-40.6%	-38.0%	2.6% pts	-28.1%	-45.4%	-17.4% pts	-27.9%	-40.5%	-12.6% pts
Sales and marketing (Non-GAAP)	(930.0)	(825.0)	-11.3%	(1,368.0)	(798.0)	-41.7%	(2,298.0)	(1,623.0)	-29.4%	(2,475.0)	(2,461.0)	-0.6%	(2,184.0)	(825.0)	-62.2%	(2,074.0)	(798.0)	-61.5%
As % of revenue	-22.6%	-20.1%	2.6% pts	-23.2%	-19.9%	3.3% pts	-23.0%	-20.0%	3.0% pts	-24.7%	-21.8%	2.9% pts	-26.8%	-20.1%	6.7% pts	-23.9%	-19.9%	4.0% pts
General and administrative (Non-GAAP)	(563.0)	(486.0)	-13.7%	(562.0)	(474.0)	-15.7%	(1,125.0)	(900.0)	-14.7%	(1,067.0)	(1,068.1)	0.1%	(628.0)	(486.0)	-22.6%	(666.0)	(474.0)	-28.8%
As % of revenue	-13.7%	-11.8%	1.9% pts	-9.5%	-11.8%	-2.3% pts	-11.3%	-11.8%	-0.6% pts	-10.6%	-9.5%	1.2% pts	-7.7%	-11.8%	-4.1% pts	-7.7%	-11.8%	-4.2% pts
Income(loss) from operations (Non-GAAP)	(493.0)	(136.0)	-72.4%	692.0	137.0	-80.2%	199.0	1.0	-99.5%	71.0	1,024.5	134.0%	1,370.0	(136.0)	-109.9%	1,726.0	137.0	-92.1%
EBIT margin (Non-GAAP)	-12.0%	-3.3%	8.7% pts	11.7%	3.4%	-8.3% pts	2.0%	0.0%	-2.0% pts	0.7%	9.1%	8.4% pts	16.8%	-3.3%	-20.1% pts	19.9%	3.4%	-16.4% pts
Interest Income	418.0	591.0	41.4%	472.0	544.0	15.3%	890.0	1,135.0	27.5%	1,242.0	n.a.	n.a.	487.0	591.0	21.4%	562.0	544.0	-3.2%
Interest Expense	(407.0)	(341.0)	-16.2%	(418.0)	(351.0)	-16.0%	(825.0)	(692.0)	-16.1%	(740.0)	n.a.	n.a.	(441.0)	(341.0)	-22.7%	(426.0)	(351.0)	-17.6%
Other (expense)/income	2,608.0	(707.0)	-128.2%	(848.0)	469.0	-155.3%	1,660.0	(238.0)	-114.3%	(1,287.0)	n.a.	n.a.	4,616.0	(707.0)	-115.3%	(1,412.0)	469.0	-133.2%
Income(loss) before income tax	1,732.0	(816.0)	-147.1%	(468.0)	495.0	-205.8%	1,264.0	(321.0)	-125.4%	(1,735.0)	n.a.	n.a.	5,547.0	(816.0)	-114.7%	57.0	495.0	768.4%
Income tax (expense)/benefit	(41.0)	14.0	-134.1%	(97.0)	(173.0)	78.4%	(138.0)	(159.0)	15.2%	(132.0)	n.a.	n.a.	(677.0)	14.0	-102.1%	(336.0)	(173.0)	-48.5%
Equity income of affiliates	74.0	(199.0)	-368.9%	(94.0)	(279.0)	196.8%	(20.0)	(478.0)	229.0%	116.0	n.a.	n.a.	(283.0)	(199.0)	-29.7%	(123.0)	(279.0)	126.8%
Less: Net loss attributable to noncontrolling interests	15.0	12.0	-20.0%	12.0	26.0	116.7%	27.0	38.0	40.7%	68.0	n.a.	n.a.	26.0	12.0	-53.8%	(1.0)	26.0	-2700.0%
Net income attributable to shareholders (GAAP)	1,780.0	(989.0)	-155.6%	(647.0)	69.0	-110.7%	1,133.0	(920.0)	-181.2%	(1,683.0)	1,481.9	-188.0%	4,613.0	(989.0)	-121.4%	(403.0)	69.0	-117.1%
Share-based compensation	294.0	223.0	-24.1%	366.0	304.0	-16.9%	660.0	527.0	-20.2%	1,021.0	300.0	-70.5%	485.0	223.0	-54.0%	393.0	304.0	-22.6%
Fair value changes of investments, net of tax	(2,278.0)	730.0	-132.0%	1,009.0	(576.0)	-157.1%	(1,269.0)	154.0	-112.1%	1,494.0	(500.0)	-133.5%	(3,348.0)	730.0	-121.8%	-	(576.0)	n.a.
Net income attributable to shareholders (Non-GAAP)	(204.0)	(36.0)	-82.4%	728.0	(203.0)	-127.9%	524.0	(239.0)	-145.6%	832.0	1,427.6	71.6%	1,750.0	(36.0)	-102.1%	(10.0)	(203.0)	1930.0%
Net profit margin (Non-GAAP)	-5.0%	-0.9%	4.1% pts	12.4%	-5.1%	-17.4% pts	5.2%	-2.9%	-8.2% pts	8.3%	12.6%	4.3% pts	21.4%	-0.9%	-22.3% pts	-0.1%	-5.1%	-4.9% pts

SOURCES: CGIS RESEARCH ESTIMATES, COMPANY DATA

Figure 2: Earnings revisions

(Rmb m)	FY22F			FY23F			FY24F		
	Old	New	% change	Old	New	% change	Old	New	% change
Net revenue	18,122	19,413	7.1%	24,350	26,133	7.3%	30,849	33,069	7.2%
GP margin	75.3%	76.9%	1.6 ppts	77.1%	78.2%	1.1 ppts	78.7%	79.3%	0.6 ppts
Operating margin (Non-GAAP)	0.1%	5.3%	5.2 ppts	12.9%	17.6%	4.7 ppts	16.9%	21.1%	4.2 ppts
Net income (GAAP)	-609	562	192.3%	2,443	3,901	59.7%	4,415	6,095	38.1%
Net income (non-GAAP)	1,023	1,189	16.2%	4,127	5,095	23.5%	6,152	7,354	19.5%
EPS (non-GAAP)	1.60	1.85	16.2%	6.44	7.95	23.5%	9.60	11.47	19.5%

SOURCES: CGIS RESEARCH ESTIMATES, COMPANY DATA

Figure 3: Industry level: domestic accommodation vs. 2019

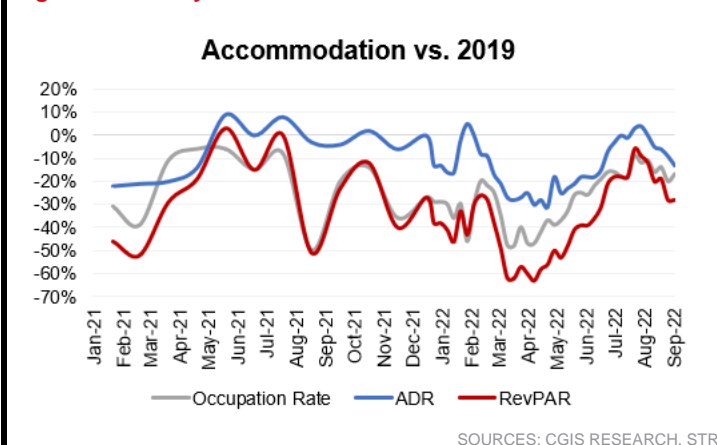


Figure 4: Industry level: domestic air travel volume vs. 2019

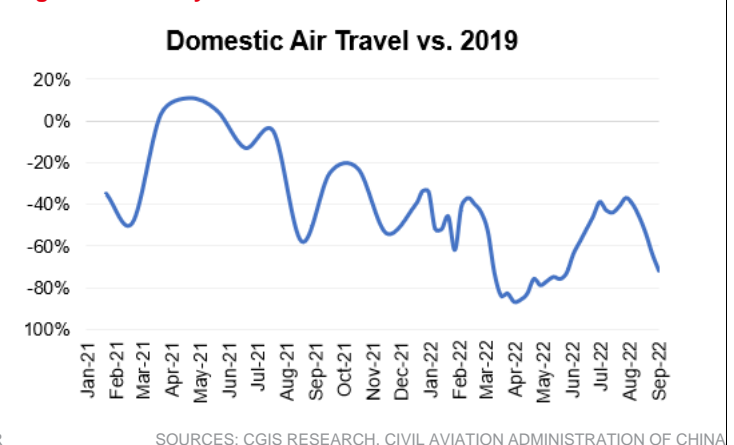
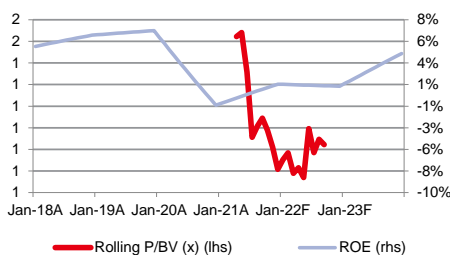
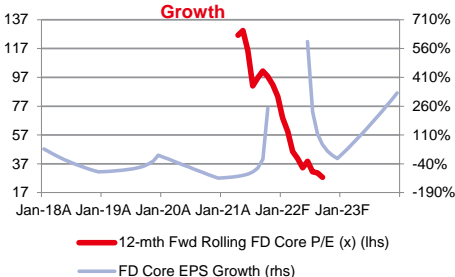


Figure 5: Trip.com DCF valuation

DCF valuation (Rmb m)	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F	FY34F
EBIT (non-GAAP)	1,025.5	4,595.4	6,985.1	8,382.2	9,639.5	11,085.4	12,748.2	14,660.5	16,859.5	19,388.5	22,296.7	25,641.2	29,487.4
Taxes	-154.0	-1,267.0	-1,998.3	-2,397.9	-2,757.6	-3,171.2	-3,646.9	-4,194.0	-4,823.1	-5,546.5	-6,378.5	-7,335.3	-8,435.6
NOPAT	871.6	3,328.4	4,986.9	5,984.3	6,881.9	7,914.2	9,101.3	10,466.5	12,036.5	13,841.9	15,918.2	18,306.0	21,051.9
NOPAT growth		281.9%	49.8%	20.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
D&A	744.7	767.0	790.0	805.8	822.0	838.4	855.2	872.3	889.7	907.5	925.7	944.2	963.1
Funds from operation	1,616.3	4,095.4	5,776.9	6,790.1	7,703.8	8,752.6	9,956.5	11,338.8	12,926.2	14,749.4	16,843.9	19,250.1	22,014.9
Change in net working Capital	1,941.1	2,219.7	2,544.3	2,595.2	2,647.1	2,700.1	2,754.1	2,809.1	2,865.3	2,922.6	2,981.1	3,040.7	3,101.5
Cash flow from operation	3,557.4	6,315.1	8,321.2	9,385.3	10,351.0	11,452.6	12,710.5	14,147.9	15,791.5	17,672.1	19,825.0	22,290.8	25,116.4
Capex	-910.7	-938.0	-966.2	-985.5	-1,005.2	-1,025.3	-1,045.8	-1,066.7	-1,088.1	-1,109.8	-1,132.0	-1,154.7	-1,177.8
Free cash flow from operation	2,646.7	5,377.0	7,355.1	8,399.8	9,345.8	10,427.3	11,664.7	13,081.2	14,703.4	16,562.3	18,693.0	21,136.2	23,938.7
FCF growth	702.0%	103.2%	36.8%	14.2%	11.3%	11.6%	11.9%	12.1%	12.4%	12.6%	12.9%	13.1%	13.3%
Terminal free cash flow	346,459.6	Assumptions											
Total discounted free cash flow	80,072.7	Risk free											
Present value of terminal free cash flow	106,915.1	Market Risk Premium											
		Beta											
		Cost of equity											
		Cost of debt											
		Cost of debt (after tax)											
		Target Debt / (Debt + Equity)											
		WACC											
		Terminal growth											
Total present value of forecasted free cash flows	186,987.8												
Less: Net Debt	30,845.4												
Equity Value	156,142.4												
No. of shares (millions)	640.9												
Per share Equity Value (Rmb)	243.60												
Exchange rate	0.83												
Target price (HK\$)	293.00												

SOURCES: CGIS RESEARCH ESTIMATES, COMPANY DATA

BY THE NUMBERS

P/BV vs ROE

12-mth Fwd FD Core P/E vs FD Core EPS Growth


Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	18,316	20,023	19,413	26,133	33,069
Gross Profit	14,285	15,425	14,923	20,429	26,227
Operating EBITDA	143	2	594	4,068	6,416
Depreciation And Amortisation	-1,566	-1,413	-745	-767	-790
Operating EBIT	-1,423	-1,411	-151	3,301	5,626
Financial Income/(Expense)	471	567	667	767	867
Pretax Income/(Loss) from Assoc.	-1,689	96	100	100	100
Non-Operating Income/(Expense)	-273	373	100	1,000	1,500
Profit Before Tax (pre-EI)	-2,914	-375	716	5,168	8,093
Exceptional Items					
Pre-tax Profit	-2,914	-375	716	5,168	8,093
Taxation	-355	-270	-154	-1,267	-1,998
Exceptional Income - post-tax					
Profit After Tax	-3,269	-645	562	3,901	6,095
Minority Interests	22	95	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	-3,247	-550	562	3,901	6,095
Recurring Net Profit	-913	1,356	1,189	5,095	7,354
Fully Diluted Recurring Net Profit	-913	1,356	1,189	5,095	7,354

Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	143	2	594	4,068	6,416
Cash Flow from Invt. & Assoc.					
Change In Working Capital	-6,934	177	1,941	2,220	2,544
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	4,684	3,861	3,355	3,359	3,293
Net Interest (Paid)/Received	-1,716	-1,565	-1,565	-1,565	-1,565
Tax Paid					
Cashflow From Operations	-3,823	2,475	4,324	8,082	10,688
Capex	-532	-570	-911	-938	-966
Disposals Of FAs/subsidiaries	530	50	0	0	0
Acq. Of Subsidiaries/investments	-3,819	-3,627	-4,496	-4,946	-5,440
Other Investing Cashflow	0	-1	0	0	0
Cash Flow From Investing	-3,821	-4,148	-5,407	-5,884	-6,406
Debt Raised/(repaid)	14,089	1,930	0	0	0
Proceeds From Issue Of Shares	0	7,984	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	0	0	0	0	0
Preferred Dividends					
Other Financing Cashflow	-8,064	-5,995	0	0	0
Cash Flow From Financing	6,025	3,919	0	0	0
Total Cash Generated	-1,619	2,246	-1,082	2,198	4,282
Free Cashflow To Equity	6,445	257	-1,082	2,198	4,282
Free Cashflow To Firm	-5,928	-108	483	3,763	5,847

SOURCES: CGIS RESEARCH, COMPANY DATA, BLOOMBERG

BY THE NUMBERS... cont'd

Balance Sheet					
(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	44,235	50,762	49,680	51,878	56,160
Total Debtors	4,119	4,649	5,346	6,148	7,071
Inventories					
Total Other Current Assets	9,657	10,697	10,911	11,129	11,352
Total Current Assets	58,011	66,108	65,937	69,155	74,582
Fixed Assets	5,780	5,534	5,700	5,871	6,047
Total Investments	47,943	44,961	49,457	54,403	59,843
Intangible Assets	72,697	72,399	72,399	72,399	72,399
Total Other Non-Current Assets	2,818	2,857	2,865	2,873	2,881
Total Non-current Assets	129,238	125,751	130,421	135,546	141,170
Short-term Debt	33,665	39,866	39,866	39,866	39,866
Current Portion of Long-Term Debt					
Total Creditors	12,111	13,554	15,135	16,975	19,124
Other Current Liabilities	12,593	12,798	14,078	15,486	17,034
Total Current Liabilities	58,369	66,218	69,078	72,326	76,024
Total Long-term Debt	22,718	11,093	11,093	11,093	11,093
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	4,595	4,092	4,092	4,092	4,092
Total Non-current Liabilities	27,313	15,185	15,185	15,185	15,185
Total Provisions	0	0	0	0	0
Total Liabilities	85,682	81,403	84,263	87,511	91,209
Shareholders' Equity	100,354	109,677	111,416	116,611	124,065
Minority Interests	1,213	779	679	579	479
Total Equity	101,567	110,456	112,095	117,190	124,544

Key Ratios					
	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(48.7%)	9.3%	(3.0%)	34.6%	26.5%
Operating EBITDA Growth	(98%)	(99%)	29576%	585%	58%
Operating EBITDA Margin	0.8%	0.0%	3.1%	15.6%	19.4%
Net Cash Per Share (Rmb)	-20.22	-0.31	-2.00	1.43	8.12
BVPS (Rmb)	167.0	171.1	173.9	182.0	193.6
Gross Interest Cover	-0.83	-0.90	-0.10	2.11	3.59
Effective Tax Rate	0.0%	0.0%	21.5%	24.5%	24.7%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	117.6	79.9	93.9	80.2	73.1
Inventory Days	-	-	-	-	-
Accounts Payables Days	762.7	417.7	538.2	508.4	510.0
ROIC (%)	(2.18%)	(2.01%)	(0.22%)	4.85%	8.53%
ROCE (%)	0.49%	0.45%	1.28%	3.40%	4.69%
Return On Average Assets	(1.93%)	(0.64%)	(0.05%)	1.56%	2.49%

Key Drivers					
	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Accommodation reservation booking volume yoy (%)	-35.6%	10.0%	-8.0%	20.0%	15.0%
Transportation ticketing booking volume yoy (%)	-40.1%	-3.0%	8.5%	20.0%	15.0%

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Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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Distribution of stock ratings and investment banking clients for quarter ended on 30 Jun 2022		
643 companies under coverage for quarter ended on 30 Jun 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched (2 year data)

Trip.com (9961 HK)

— Price Close



RECOMMENDATION FRAMEWORK

Stock Ratings Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the:(i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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