



## Bilibili Inc.

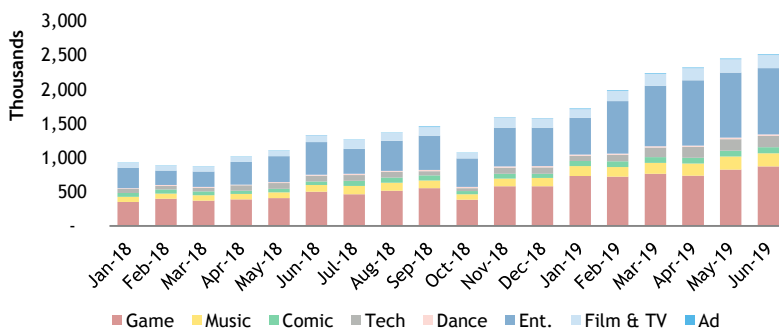
August 21, 2019

### Expect Better Performance in 2Q19 Driven By All Three Fronts Of Its Business

BILI will report 2Q19 results on August 26<sup>th</sup> after the markets close followed by a 9pm EST conference call. We are positive on BILI's 2Q19 business performance. BILI has a high quality community with users who are sticky and have high spending power. Recently, our data showed that the interaction level on the platform increased significantly for its live broadcasting and video businesses. Higher interaction on video posts is better for advertising business, and higher population of live broadcasting is likely to translate into better tipping revenues. In addition, BILI released two new games, one of which (*Arknights*) is doing really well. Based on our data and model, we believe the company's revenue is likely to be higher than consensus at RMB1,490M, and the high-end of its guidance range of RMB1,450M – RMB1,490M.

- Video user interactions picked up in 2Q19** – The number of videos and associated views are directly related to BILI's advertising revenue. Based on our data, we believe the participation level continued to improve. The number of newly added videos increased 110.6% Y/Y to 7.3M in 2Q19 vs. 121.3% Y/Y growth in 1Q19 (*Figure 1*), and the number of newly added video views increased 44.1% Y/Y to 23.3B in 2Q19 vs. 32.9% Y/Y growth in 1Q19 (*Figure 2*). The number of newly added video comments increased 29.9% Y/Y to 118.6M in 2Q19 vs. 25.2% Y/Y growth in 1Q19 (*Figure 3*), and the number of newly added coins increased 148.6% Y/Y to 305.6M in 2Q19 vs. 48.4% Y/Y growth in 1Q19.
- Game revenue and grossing ranks** – Grossing Ranks of *Fate/Grand Order* went down, and *Azur Lane* was up in June 2019 (*Figure 4*). BILI released two new games, and *Arknights* has been doing well.
- Dial-in information** - BILI will report 2Q19 results on August 26th after the markets close followed by a 9pm EST conference call, which can be accessed by dialing 866-519-4004 with the passcode 1594864.

**Figure 1: BILI - Number of Newly Added Videos, 1/2018 – 6/2019**



Source: T.H. DATA ([www.thdata.com](http://www.thdata.com))

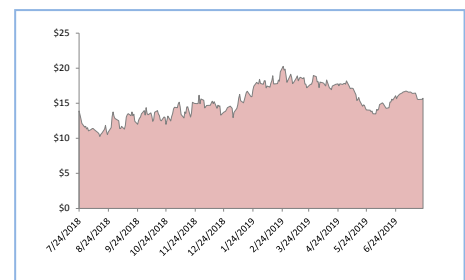
**Bilibili Inc.**  
**BILI: Not Rated**  
**Price: \$14.31**  
**Target Price: N/A**

<b>52 Week Range:</b>	<b>\$10.41 - \$21.50</b>
<b>Market Cap:</b>	<b>\$4.7B</b>
<b>Avg. Daily Vol. (100 day):</b>	<b>2,848,068</b>

FY (Dec)	2018A	2019E	2020E
Q1	868.0A	1,373.5A	2,017.2E
Q2	1,026.5A	1,487.9E	2,211.2E
Q3	1,078.8A	1,765.2E	2,383.3E
Q4	<u>1,155.5A</u>	<u>1,980.6E</u>	<u>2,655.6E</u>
Revenue	4,128.9A	6,607.2E	9,267.5E
Q1	(0.94)A	(0.44)A	(0.16)E
Q2	(0.07)A	(0.80)E	(0.15)E
Q3	(0.72)A	(0.73)E	(0.06)E
Q4	<u>(0.46)A</u>	<u>(0.56)E</u>	<u>0.21E</u>
EPS*	(1.84)A	(2.52)E	(0.16)E
P/E	N/A	N/A	N/A

\*Non-GAAP EPS

All figures in RMB millions unless otherwise noted



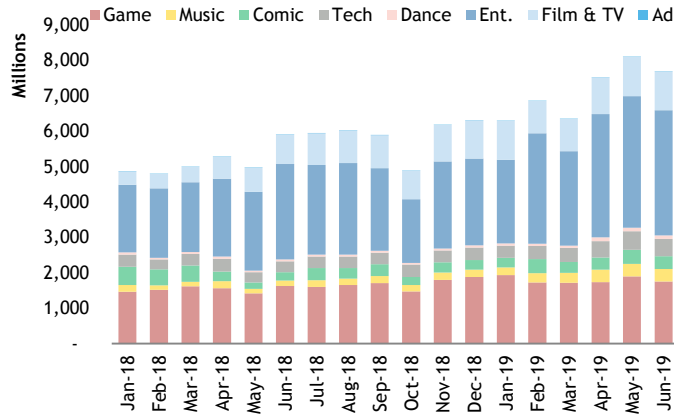
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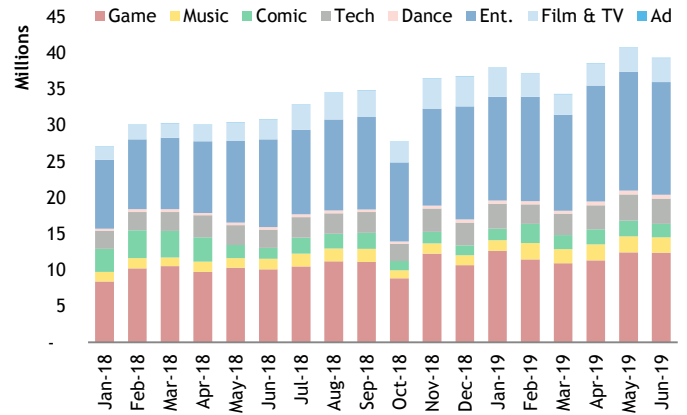
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- **Live broadcasting average audience picked up Y/Y in 2Q19** - Average daily hosts increased 6.6% Y/Y to 31,848 in 2Q19, vs. 9.0% Y/Y growth in 1Q19 (Figure 5), and average daily audience increased 69.9% Y/Y to 8.1M in 2Q19, vs. 58.3% Y/Y growth in 1Q19 (Figure 6).

**Figure 2: BILI - Newly Added Video Views, 1/2018 – 6/2019**

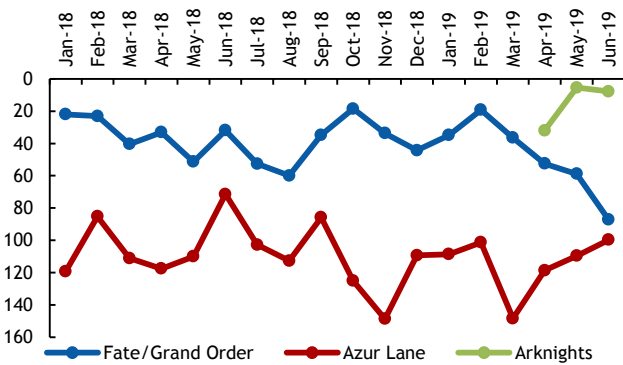


**Figure 3: BILI - Newly Added Comments, 1/2018 – 6/2019**

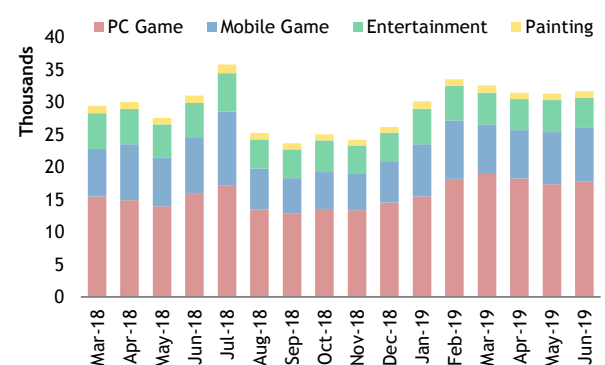


Source: T.H. DATA ([www.thdata.com](http://www.thdata.com))

**Figure 4: BILI - Game Grossing Ranks, 1/2018 – 6/2019**

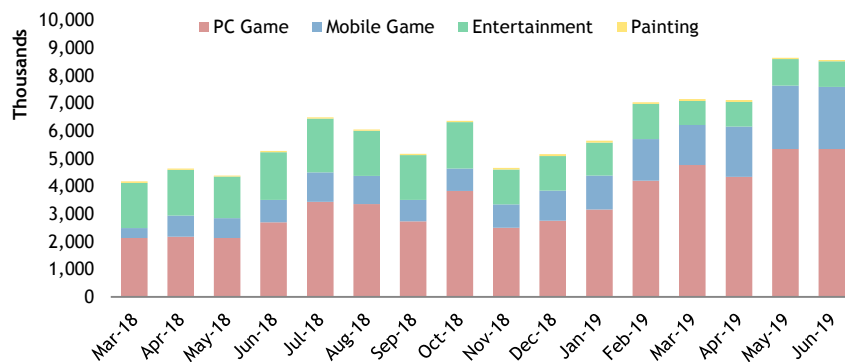


**Figure 5: BILI - Average Daily Hosts, 3/2018 – 6/2019**



Source: T.H. DATA ([www.thdata.com](http://www.thdata.com))

**Figure 6: BILI - Average Daily Audiences, 3/2018 – 6/2019**



Source: T.H. DATA ([www.thdata.com](http://www.thdata.com))



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