

IPO FACT SHEET
Doumob (1917 HK)
ISSUE STATISTICS

Offer Size:	HK\$79.12m – HK\$98.9m
Placement Tranche:	197.8m
Price:	HK\$0.4 – HK\$0.5
Board lot:	10,000
Entry fee:	HK\$5,050.39
Historical PE	23.2x – 29.0x
Net tangible asset per share:	HK\$0.13 - HK\$0.14
Market Cap (post-IPO):	HK\$920m - HK\$1,150m
Open:	28 Feb 2019
Close:	12.00 noon on 05 Mar 2019
Trading:	14 Mar 2019
Sponsor:	China Securities (International) Corporate Finance Company Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	199,967	47.8%
2017	222,927	11.5%
Profit and total comprehensive income for the years/period		
2016	24,832	14.7%
2017	34,168	37.6%

BACKGROUND

- Doumob is the second largest interactive advertising company in China in terms of 2017 revenue, according to the iResearch Report.
- They focused on providing mobile advertisements in the form of non-interactive advertising in 2015 and 2016, and in the form of interactive advertising starting from 2017, which makes them one of the earliest participants in the interactive advertising market in China.
- Interactive advertising is a digital advertising form currently backed by HTML5, which allows visitors to interact and engage with rich media advertisements, which includes advanced features such as game, video, audio to encourage visitors to interact and engage with.
- In interactive advertising, they collect data through URLs, APIs and JavaScript Tags, subject to the advertisers' and the media publishers' choices to install their APIs and JavaScript Tags.

BUSINESS STRATEGY AND FUTURE PLANS

- Solidify their market position in interactive advertising.
- Develop self-owned media publishers.
- Explore strategic investment and acquisition opportunities.

COMPETITIVE STRENGTHS

- Second largest interactive advertising platform in China.
- Proven track record in developing products that capture the new trends of the evolving mobile advertising industry.
- Large set of consumer data.
- Robust data analysis capabilities.
- Blue-chip, diverse and strategic network of media publishers.
- Diverse and balanced advertiser base.
- Visionary, experienced and stable management team.

KEY RISKS

- They may be unable to innovate, adapt and respond timely and effectively to rapidly changing technologies and new market trends in mobile advertising industry.
- Their limited operating history makes it difficult to accurately forecast their future operating results and evaluate their business and prospects.
- If the mobile advertising industry, in particular, the interactive advertising industry, fails to continue to develop, their profitability and prospects may be materially and adversely affected.
- They are dependent on their proprietary advertising platform to provide mobile advertising services.
- Their failure to retain existing advertisers and media publishers or attract new advertisers and media publishers may negatively impact their revenue and business.
- Failure to maintain relationships with third-party advertising platforms may materially and adversely affect their business to provide advertising services.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Strengthen algorithm and data mining capabilities of programmatic advertising system (including their oCPC system) and to invest in other technologies in big data and artificial intelligence.	9.90	20.0%
Expand their base of advertisers and media publishers.	9.90	20.0%
Invest in traffic acquisition cost for their self-owned media publishers.	9.90	20.0%
Pursue strategic cooperation, investments and acquisitions, including both vertical strategic investments and horizontal acquisitions.	5.0	10.0%
Enhance the functionality and architecture of their proprietary advertising platform.	5.0	10.0%
Develop new products.	2.5	5.0%
Expand and train their sales and marketing team and their media publisher development team.	2.5	5.0%
Working capital and general corporate purposes.	5.0	10.0%
Total:	49.50	100.00%

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