

# Tencent Holdings Limited Q3FY24 Report Overview

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## Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q3FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q3FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q3FY24 with reports for previous quarters up to the Q3FY23;
- Formulate conclusions based on the analyzed data.

## Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

The provided public company quarterly reports are unaudited.

## Document Markup

- FY - Financial Year;
- Q - Quarter;
- QoQ - Quarter-over-Quarter;
- Tencent - Tencent Holdings Limited;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Tencent Holdings Limited Q3FY24 Report Period is from July 1 to September 30, 2024.

# Conclusions

## General Information

Parameter	Tencent Holdings Limited
Website	<a href="https://www.tencent.com">tencent.com</a>
Country (location)	<a href="#">China</a>
Country (issuer)	<a href="#">Hong Kong</a> *
Year of foundation	<a href="#">1998</a>
Founder	<a href="#">Ma Huateng</a>
Sector	<a href="#">Information Technology</a>
Type	Public
Year of IPO	<a href="#">2004</a>
Stock market	<a href="#">HKEX</a>
Ticker	<a href="#">700</a>
Previous Annual Report from Data40	<a href="#">Tencent Holdings Limited Full Fiscal Year 2023 Report Overview</a>
Previous Quarterly Report from Data40	<a href="#">Tencent Holdings Limited Q2FY24 Report Overview</a>

\*Note: To access the register, use the "Unregistered User Service", then select "Search", fill out the form, choose "Company Search", and "Exact Name Search", enter "Company Name", and select a company from the list.

## About Company

Tencent is a technology conglomerate founded in 1998 with a portfolio spanning online entertainment, fintech and business services, advertising, media, education, and healthcare. In the company's online entertainment division, it develops and publishes games, operates social networks, and provides streaming video and music services. The FinTech and Business Services arm offers online banking, insurance, and payment services. The Advertising Division handles placements across social networks, games, and websites.<sup>1</sup>

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<sup>1</sup> [Tencent web, About Us](#)

## Conference Call Information<sup>2</sup>

Tencent Holdings Limited announced the unaudited consolidated results for Q3FY24 on Wednesday, November 13, 2024, at 8:00 pm HKT. The [Webcast](#) replay is available after completing the registration form.

## Public Quarterly Reports Calendar FY24-25<sup>3</sup>

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	May 14, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Aug 14, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Nov 13, 2024
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Mar 18, 2025 (Projected)
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	May 13, 2025 (Projected)
Q2	Apr 1, 2025 to Jun 30, 2025	Aug 12, 2025 (Projected)
Q3	Jul 1, 2025 to Sep 30, 2025	Nov 11, 2025 (Projected)
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	TBA

Follow the announcements of the release of new reports on the website [Data40.com](https://data40.com) in the [Calendars by Financial reports section of DATA40.com](#).

<sup>2</sup> [Tencent web. Conference Calls & Roadshows](#)

<sup>3</sup> [MarketScreener, Tencent](#)

## Highlights and Metrics

### Q3FY24 Highlights<sup>4 5 6</sup>

- **Total revenues** were 167,193 million RMB, an increased of 8.13% compared to the Q3FY23 results of 154,625 million RMB and an increased of 3.77% compared to the Q2FY24 results of 161,117 million RMB;
- **Gross profit** was 88,828 million RMB, an increased of 16.08% compared to the Q3FY23 results of 76,523 million RMB and an increased of 3.41% compared to the Q2FY24 results of 85,895 million RMB;
- **Operating profit** was 53,333 million RMB, an increased of 10.02% compared to the Q3FY23 results of 48,475 million RMB and an increased of 5.13% compared to the Q2FY24 results of 50,732 million RMB;
- **Profit for the period** was 53,983 million RMB, an increased of 46.77% compared to the Q3FY23 results of 36,781 million RMB and an increased of 11.61% compared to the Q2FY24 results of 48,366 million RMB;
- **Basic and Diluted earnings per share** were 5.76 RMB and 5.64 RMB respectively;
- **Fair value of shareholdings in listed investee companies** totalled 612,500 million RMB and the **carrying book value of unlisted investments** was 327,700 million RMB;
- **In the Q3FY24**, the company **repurchased**  $\approx$  94.9 million **shares** on the Hong Kong Stock Exchange for a consideration of  $\approx$  35,900 million HKD.

### Acquisitions and Divestitures

In Q3FY24, the company did not make acquisitions or divestitures.

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<sup>4</sup> [Tencent Q3FY24 Press Release, p.1](#)

<sup>5</sup> [Tencent Consolidated Q3FY24 Report, p.18](#)

<sup>6</sup> [Tencent Consolidated Q2FY24 Report, p.19](#)

## Business Overview<sup>7</sup>

- “**Mini Programs**’ GMV grew at a high teens year-on-year rate to over RMB 2 trillion in the third quarter of 2024, benefitting from better coverage and solutions for use cases such as food ordering, electric vehicle charging and medical services;
- We provided merchants with more traffic and transaction support through **Mini Shops**, a platform where merchants operate storefronts with indexed and standardised merchandise. Leveraging Weixin’s social interactions, content platforms and payment capabilities, Mini Shops help merchants to effectively reach customers and drive sales conversions;
- Utilising large language model capabilities, **Weixin Search** facilitated its understanding of complex queries and content, enhancing the relevance of search results. Weixin Search grew commercial queries and click-through rates year-on-year;
- The **QQ** team has comprehensively upgraded the platform’s back end infrastructure, and added and popularised new functionalities such as Tencent Channels, resulting in QQ mobile device MAU returning to year-on-year growth in the third quarter of 2024;
- **Music** subscriptions increased 16% year-on-year to 119 million benefitting from enhanced recommendation algorithms, enriched content offerings and upgraded audio quality;
- **Long-form** video subscriptions increased 6% year-on-year to 116 million, benefitting from popular animated series and drama series;
- Our flagship evergreen games in domestic markets, **Honour of Kings** and **Peacekeeper Elite**, delivered healthy year-on-year growth in gross receipts. Other evergreen games, **Naruto Mobile** and **VALORANT**, reached new highs in quarterly average DAU. We released **Delta Force**, our first multi-platform first person shooter, which achieved high average user daily time spent and retention rates, demonstrating evergreen potential;
- In international markets, **VALORANT** expanded from PC to PlayStation and Xbox with the launch of its console version in five key international markets, contributing to the game growing gross receipts by over 30% year-on-year during the third quarter of 2024;
- We released **Tencent Hunyuan Turbo**, an upgraded foundation model utilising a heterogeneous Mixture-of-Experts (MoE) architecture, which doubled training and inference efficiency, and halved inference cost, versus its predecessor Tencent Hunyuan Pro”.

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<sup>7</sup> In this chapter, quotes are used from the [Tencent Q3FY24 Press Release, p.2](#)

Announced Games <sup>8</sup>	
Title	Launch date
Pokémon UNITE	Q4FY24
Honour of Kings World	TBA
Honour of Fight	TBA
The Age of Navigation: Sea Overlord	TBA
Tom Clancy's Rainbow Six Siege (Platform WeGame)	TBA
Handmade Planet	TBA
<a href="#">Last Sentinel</a>	TBA
<a href="#">Exoborne</a>	TBA
<a href="#">Den of Wolves</a>	TBA

<sup>8</sup> [Tencent Product list, p.6-7](#)

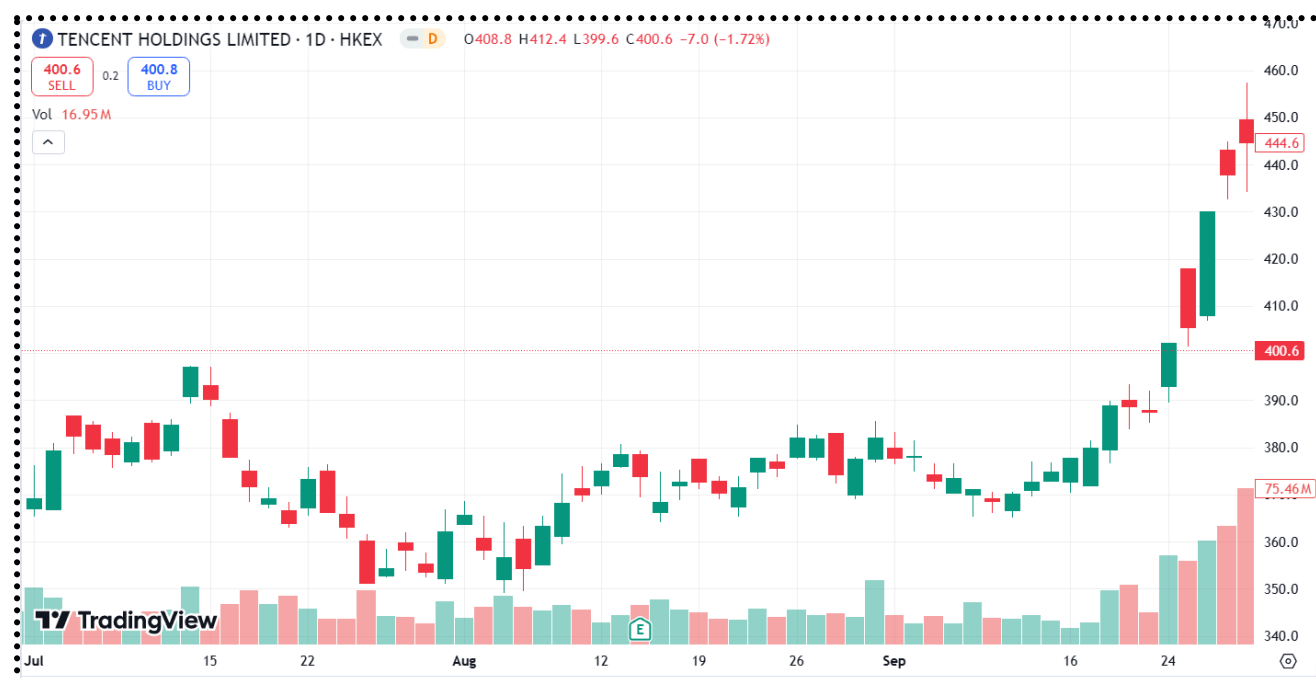
## Stock Information

### About Shares

Weighted average number of ordinary shares in issue (excluding shares held for share award schemes and treasury shares)  $\approx$  9,238,000,000 (As of September 30, 2024).<sup>9</sup>

Total Shares Outstanding - 9,342,815,607 (As of September 26, 2024).<sup>10</sup>

### Stock Retrospective Q3FY24<sup>11</sup>



Date	Open Price, HKD	Highest Price, HKD	Lowest Price, HKD	Close Price, HKD
Jul 2, 2024	367.0	376.2	365.2	369.2
Sep 30, 2024	449.6	457.4	434.2	444.6

Q3FY24 Price MAX: 457.4 HKD (September 30, 2024).

Q3FY24 Price MIN: 349.0 HKD (August 5, 2024).

<sup>9</sup> [Tencent Consolidated Q3FY24 Report, p. 33](#)

<sup>10</sup> [Next Day Disclosure Return, September 26, 2024, p.1](#)

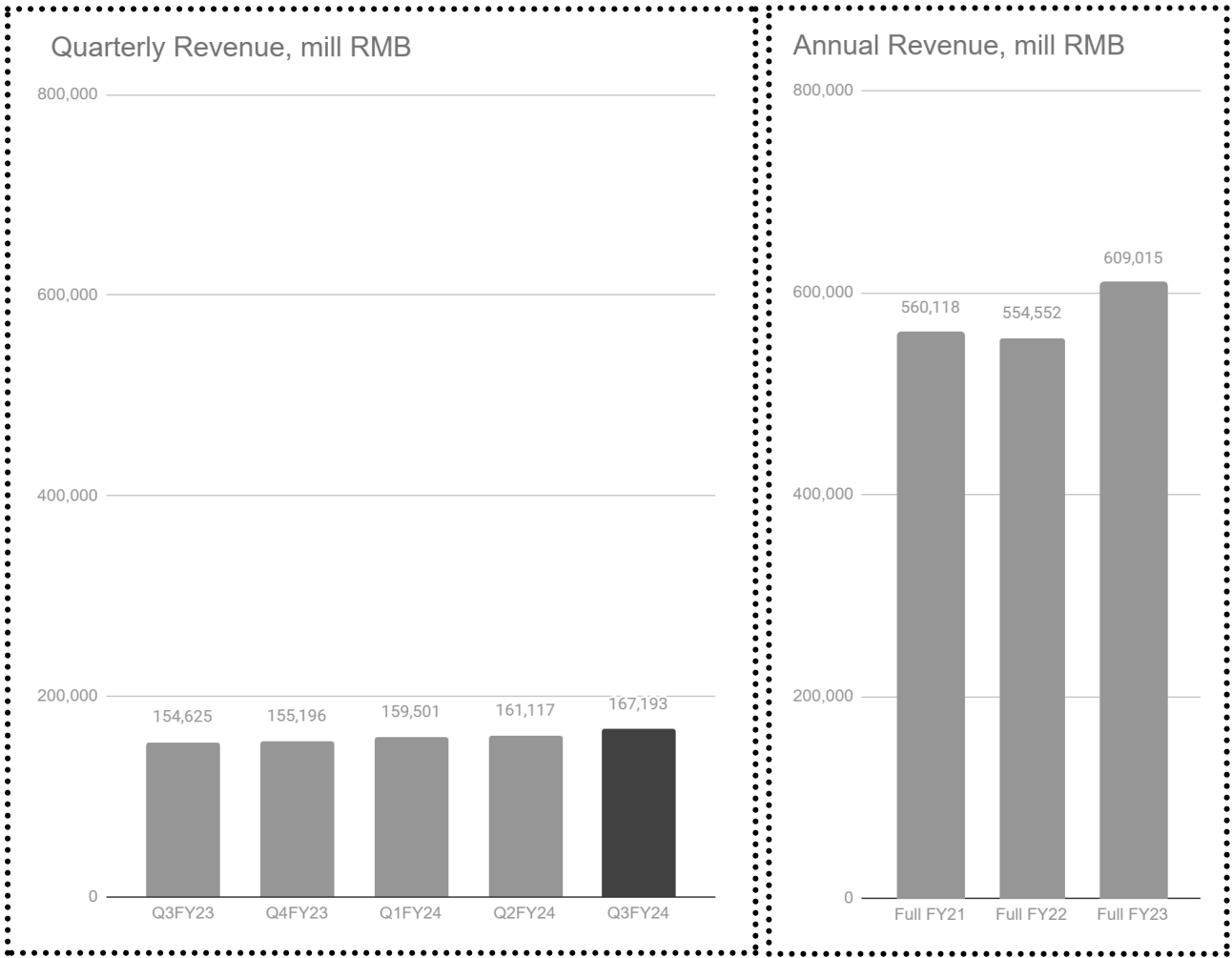
<sup>11</sup> [TradingView, Tencent Chart](#)



# Financial Statements

## Revenue Retrospective<sup>12 13 14 15 16</sup>

### Tencent Holdings Limited Revenue Retrospective



<sup>12</sup> [Tencent Consolidated Q3FY24 Report, p.18](#)

<sup>13</sup> [Tencent Consolidated Q2FY24 Report, p.19](#)

<sup>14</sup> [Tencent Consolidated Q1FY24 Report, p.17](#)

<sup>15</sup> [Tencent Consolidated Q4 and FY23 Report, p.12](#)

<sup>16</sup> [Tencent Consolidated Annual Report 2023, p.3](#)

## Sales per Business

### Net Revenue Structure<sup>17 18 19 20</sup>

(In million, except Percentages)

Parameter	Q3FY24, RMB	QoQ, %	Q2FY24, RMB	QoQ, %	Q1FY24, RMB	QoQ, %	Q4FY23, RMB	QoQ, %	Q3FY23, RMB	YoY, %
Value-added Services	82,695	4.91	78,822	0.25	78,629	13.82	69,079	-8.80	75,748	9.17
FinTech and Business Services	53,089	5.25	50,440	-3.56	52,302	-3.82	54,379	4.48	52,048	2.00
Marketing Services	29,993	0.41	29,871	12.70	26,506	-11.04	29,794	15.84	25,721	16.61
Other	1,416	-28.63	1,984	-3.88	2,064	6.17	1,944	75.45	1,108	27.80
<b>Total Consolidated Revenue</b>	<b>167,193</b>	<b>3.77</b>	<b>161,117</b>	<b>1.01</b>	<b>159,501</b>	<b>2.77</b>	<b>155,196</b>	<b>0.37</b>	<b>154,625</b>	<b>8.13</b>

Note: Starting this quarter, the revenue segment previously known as "Online Advertising" has been renamed to "Marketing Services".<sup>21</sup>

<sup>17</sup> [Tencent Consolidated Q3FY24 Report, p.18](#)

<sup>18</sup> [Tencent Consolidated Q2FY24 Report, p.19](#)

<sup>19</sup> [Tencent Consolidated Q1FY24 Report, p.17](#)

<sup>20</sup> [Tencent Consolidated Q4 and FY23 Report, p.12](#)

<sup>21</sup> [Tencent Consolidated Q3FY24 Report, p.6](#)

## Net Revenue Structure Percentages

Parameter	Q3FY24, %	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %
Value-added Services	49.46	48.92	49.30	44.51	48.99
FinTech and Business Services	31.75	31.31	32.79	35.04	33.66
Online Advertising	17.94	18.54	16.62	19.20	16.63
Other	0.85	1.23	1.29	1.25	0.72

## Dividend Information<sup>22 23</sup>

Parameter	2023, HKD	YoY, %	2022, HKD	YoY, %	2021, HKD
Per Share, HKD	3.40	41.67	2.40	50.00	1.60

<sup>22</sup> [Tencent Consolidated Annual Report 2023, p.6](#)

<sup>23</sup> [Tencent Consolidated Annual Report 2021, p.8](#)

## Balance Sheet<sup>24 25 26 27</sup>

(In million, except Percentages)

Parameter	at Sep 30, 2024, RMB	QoQ, %	at Jun 30, 2024, RMB	QoQ, %	at Mar 31, 2023, RMB	QoQ, %	at Dec 31, 2023, RMB	QoQ, %	at Sep 30, 2023, RMB	YoY, %
Assets										
Total Current Assets	524,166	0.48	521,641	-7.46	563,705	8.73	518,446	2.46	506,001	3.59
Total Non-Current Assets	1,199,191	5.81	1,133,329	4.65	1,082,972	2.28	1,058,800	2.28	1,035,232	15.84
Total Assets	1,723,357	4.13	1,654,970	0.50	1,646,677	4.40	1,577,246	2.34	1,541,233	11.82
Liabilities										
Total Current Liabilities	407,777	5.14	387,826	-0.19	388,563	10.34	352,157	-2.81	362,344	12.54
Total Non-Current Liabilities	335,073	-1.32	339,547	-0.53	341,345	-2.86	351,408	1.00	347,944	-3.70
Total Liabilities	742,850	2.13	727,373	-0.35	729,908	3.74	703,565	-0.95	710,288	4.58
<b>Total Equity</b>	<b>980,507</b>	<b>5.70</b>	<b>927,597</b>	<b>1.18</b>	<b>916,769</b>	<b>4.93</b>	<b>873,681</b>	<b>5.14</b>	<b>830,945</b>	<b>18.00</b>

<sup>24</sup> [Tencent Consolidated Q3FY24 Report, p.20-21](#)

<sup>25</sup> [Tencent Consolidated Q2FY24 Report, p.21-22](#)

<sup>26</sup> [Tencent Consolidated Q1FY24 Report, p.19-20](#)

<sup>27</sup> [Tencent Consolidated Q4 and FY23 Report, p.28](#)

## Income Statement<sup>28 29 30 31 32</sup>

(In million, except EPS data and Percentages)

Parameter	Q3FY24, RMB	QoQ, %	Q2FY24, RMB	QoQ, %	Q1FY24, RMB	QoQ, %	Q4FY23, RMB	QoQ, %	Q3FY23, RMB	YoY, %
Revenue	167,193	3.77	161,117	1.01	159,501	2.77	155,196	0.37	154,625	8.13
Gross Profit	88,828	3.41	85,895	2.41	83,870	8.13	77,564	1.36	76,523	16.08
Operating profit	53,333	5.13	50,732	-3.47	52,556	26.94	41,401	-14.59	48,475	10.02
Profit for the period	53,983	11.61	48,366	13.40	42,651	53.15	27,850	-24.28	36,781	46.77
EPS Basic	5.76 RMB	12.76	5.11 RMB	14.09	4.48 RMB	55.90	2.87 RMB	-24.95	3.83 RMB	50.52
EPS Diluted	5.64 RMB	13.11	4.99 RMB	13.77	4.39 RMB	56.25	2.81 RMB	-25.19	3.75 RMB	50.43

<sup>28</sup> [Tencent Consolidated Q3FY24 Report, p.18](#)

<sup>29</sup> [Tencent Consolidated Q2FY24 Report, p.19](#)

<sup>30</sup> [Tencent Consolidated Q1FY24 Report, p.17](#)

<sup>31</sup> [Tencent Consolidated Q4 and FY23 Report, p.11](#)

<sup>32</sup> [Tencent Consolidated Q4 and FY23 Report, p.21](#)

## Cashflow Statement<sup>†33 34 35 36</sup>

(In million, except Percentages)

Parameter	Q3FY24, RMB	QoQ, %	Q2FY24, RMB	QoQ, %	Q1FY24, RMB	QoQ, %	Q4FY23, RMB	QoQ, %	Q3FY23, RMB	YoY, %
Cash flows from operating activities	78,017	44.19	54,108	-25.21	72,350	34.10	53,954	-17.03	65,025	19.98
Cash flows from investing activities	(33,794)	-	22,475	-	(67,924)	748.63	(8,004)	-75.32	(32,433)	4.20
Cash flows from financing activities	(51,549)	-38.83	(84,270)	443.29	(15,511)	-21.53	(19,767)	-21.59	(25,210)	104.48

<sup>33</sup> [Tencent Consolidated Q3FY24 Report, p.24](#)

<sup>34</sup> [Tencent Consolidated Q2FY24 Report, p.25](#)

<sup>35</sup> [Tencent Consolidated Q1FY24 Report, p.23](#)

<sup>36</sup> [Tencent Consolidated Q4 and FY23 Report, p.32](#)

## News<sup>37</sup>

July 27, 2024 - [Tencent Launches Immersive Digital Experience of Newest World Heritage Site with Gametech](#)

August 14, 2024 - [Tencent Announces 2024 Second Quarter Results](#)

August 21, 2024 - [Tencent Games Wins gamescom Sustainability Award 2024](#)

August 22, 2024 - [Tencent Games Elevates Global Support for Venture Lab To Support the Success of Early-Stage Game Development Studios](#)

September 5, 2024 - [Tencent Unveils New AI Upgrades, Proprietary Innovations, and Global Solutions](#)

September 10, 2024 - [Weixin Palm Pay Achieves First Application Outside The Chinese Mainland with Launch in Macao](#)

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<sup>37</sup> [Tencent web, News](#)

# Analyst's Opinion

## Summary

Tencent is a technology conglomerate founded in 1998 with a portfolio spanning online entertainment, fintech and business services, advertising, media, education, and healthcare. In the company's online entertainment division, it develops and publishes games, operates social networks, and provides streaming video and music services. The FinTech and Business Services arm offers online banking, insurance, and payment services. The Advertising Division handles placements across social networks, games, and websites.

Shares of Tencent trade on the HKEX under the ticker symbol 700 and are included in Hong Kong's Hang Seng Index.<sup>38</sup> As of September 30, 2024, weighted average number of ordinary shares in issue was  $\approx 9,238,000,000$ . The range in which the company's shares were traded for Q3FY24 was from 349.0 HKD to 457.4 HKD. The opening price on July 2, 2024, was 367.0 HKD and closing price on September 30, 2024, was 444.6 HKD.

In Q3FY24 VALORANT expanded from PC to PlayStation and Xbox with the launch of its console version.

In Q3FY24 Tencent released an AI coding assistant Tencent Hunyuan Turbo.

In Q3FY24 Music subscriptions grew 16% year-on-year to 119 million, and long-form video subscriptions rose 6% to 116 million.

In Q3FY24, revenue reached 167,193 million RMB, representing a 3.77% increase compared to 161,117 million RMB in Q2FY24 and a 8.13% rise from 154,625 million RMB in Q3FY23.

In Q3FY24, the net revenue structure was as follows: 49.46% from Value-added Services at 82,695 million RMB, 31.75% from FinTech and Business Services at 53,089 million RMB, 17.94% from Online Advertising at 29,993 million RMB, and 0.85% from Other at 1,416 million RMB.

As of September 30, 2024, Total Equity amounted to 980,507 million RMB, which is more compared to the 830,945 million RMB as of September 30, 2023, by 18.00%. Total Assets were 1,723,357 million RMB as of September 30, 2024, and Total Liabilities amounted to 742,850 million RMB.

In Q3FY24, Tencent did not make acquisitions or divestitures.

Follow the announcements of the release of new reports on the website [Data40.com](https://Data40.com) in the [Calendars by section DATA40.com](#).

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<sup>38</sup> [Tencent web, Tencent is to become a Constituent of Hong Kong's Hang Seng Index](#)



## Sources List

- [Tencent Holdings Limited Web](#)
- [HKEX](#)
- [MarketScreener](#)
- [Hong Kong Registry](#)
- [TradingView](#)
- [Linkedin](#)
- [Next Day Disclosure Return, September 26, 2024](#)
- [Tencent Product list](#)
- [Tencent Q3FY24 Press Release](#)
- [Tencent Consolidated Q3FY24 Report](#)
- [Tencent Consolidated Q2FY24 Report](#)
- [Tencent Consolidated Q1FY24 Report](#)
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