25 Aug 2026

CMB International Global Markets | Equity Research | Company Update

Xpeng Inc. (XPEV US/9868 HK)

4Q26 volume acceleration; robotics fundraising unlocks SOTP value

Maintain BUY. Xpeng reported in-line 2Q26 gross profit, although net loss missed our forecast on higher SG&A expenses. We project net loss to narrow slightly QoQ in 3Q26E and a breakeven in 4Q26E amid a guidance of monthly sales volume exceeding 60,000 units in 4Q26E. Xpeng's robotics unit's latest fundraising valued it at US$6.3bn, or about 40% of Xpeng's market cap, which could imply an attractive valuation for its auto business including robotaxi.

- **2Q26 gross profit in line; SG&A miss.** Xpeng's 2Q26 revenue was about 1% lower than our prior forecast, while GPM expanded 0.1ppt QoQ to 20.7% (0.5ppts above our estimate), driven by a higher-than-expected contribution from high-margin service and IP licensing. SG&A expenses were about RMB250mn higher than our forecast, probably due to elevated marketing spend for new model launches in 2Q26. That, along with the loss from long-term investments, led to a net loss of RMB1.3bn in 2Q26, or about RMB490mn wider than our estimates.
- **2H26 outlook.** Management attributes soft 3Q26 sales volume guidance to temporary supply chain bottleneck for the new Mona *L03*. In fact, it expects total monthly deliveries to exceed 60,000 units in 4Q26, driven by bottleneck resolution and new models including the *GX*, *G9L*, Mona *L03* and *L05*. Consequently, we cut our FY26E sales volume forecast by 8.8% to 456,000 units. We expect net loss to narrow slightly QoQ in 3Q26E and a breakeven in 4Q26E.
- **Robotics business valued at US$6.3bn.** Xpeng announced a fundraising of US$900mn from high-profile investors for its robotics business on 24 Aug 2026, marking the largest single private equity deal for Chinese robotics makers. That would value Xpeng's robotics unit at US$6.3bn.
- **Earnings/Valuation.** We increase our FY26E net loss forecast amid a sales volume cut. We also trim FY27E net profit forecast to a breakeven level amid heightened competition. We maintain our BUY rating and cut our ADR/H-share target prices from US$21/HK$82 to US$16/HK$62. We still use sum-of-the-parts (SOTP) valuation methodology. We value Xpeng's robotics business at US$6.3bn, or US$4.9/HK$19.0 per share given its 73.8% stakes, which corresponds to 10x (unchanged) our FY27E P/S. We value its auto business at 0.7x (prior 1.0x) our FY27E P/S, or US$11.1/HK$43.0 per share, to reflect the recent weak market sentiment. Such valuation multiple is also in line with its peers. Key risks to our rating and target price include lower sales/GPM than we expect, slower monetization for robots and robotaxis, as well as a sector de-rating.

Earnings Summary - XPEV US

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	40,866	76,720	83,190	105,867	119,218
YoY growth (%)	33.2	87.7	8.4	27.3	12.6
Gross margin (%)	14.3	18.9	19.0	18.6	18.7
Operating profit (RMB mn)	(6,658.1)	(2,771.4)	(4,940.0)	(1,529.9)	511.7
Net profit (RMB mn)	(5,790.3)	(1,139.5)	(4,356.5)	(61.7)	2,265.6
EPS (Reported) (RMB cents)	(306.14)	(59.85)	(227.35)	(3.19)	116.21
P/S (x)	1.9	1.0	0.9	0.7	0.7
P/E (x)	na	na	na	na	35.2
P/B (x)	2.5	2.6	3.0	2.9	2.7

Source: Company data, Bloomberg, CMBIGM estimates

	XPEV US	9868 HK
	BUY	BUY
	Maintain	Maintain
TP	US$16.00	HK$62.00
Prior TP	US$21.00	HK$82.00
Up/Downside	31.2%	28.9%
Current Price	US$12.2	HK$48.1

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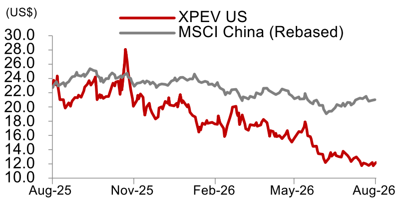
12-mth Price Performance



Source: FactSet

Stock Performance

	XPEV US		9868 HK	
	Abs.	Rel.	Abs.	Rel.
1-mth	-8.6%	-10.5%	-7.3%	-10.5%
3-mth	-22.0%	-22.2%	-20.6%	-22.2%
6-mth	-30.8%	-25.2%	-29.1%	-25.2%

Source: FactSet

Stock Data

(LC)	XPEV US	9868 HK
Mkt Cap (mn)	11678.88	92166.35
Avg 3 mths t/o (mn)	33.82	887.82
52w High	28.07	108.5
52w Low	11.68	45.38
Issued Shares (mn)	1916.14	1916.1403

Source: FactSet

Figure 1: Quarterly results

RMB mn	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	YoY	QoQ
Sales volume (units)	94,008	103,181	116,007	116,249	62,682	103,295	0.1%	64.8%
ASP (RMB)	168,184	177,110	175,687	191,432	207,935	191,138	7.9%	-8.1%
Revenue	15,811	18,274	20,381	22,254	13,034	19,744	8.0%	51.5%
Gross profit	2,460	3,167	4,104	4,742	2,683	4,083	28.9%	52.2%
R&D expenses	(1,981)	(2,206)	(2,429)	(2,874)	(2,907)	(2,914)	32.1%	0.3%
SG&A expenses	(1,946)	(2,167)	(2,493)	(2,792)	(1,883)	(2,496)	15.2%	32.5%
Operating profit	(1,041)	(935)	(751)	(44)	(1,874)	(1,143)	N/A	N/A
Net profit	(664)	(478)	(381)	383	(1,784)	(1,337)	N/A	N/A
Gross margin	15.6%	17.3%	20.1%	21.3%	20.6%	20.7%	3.4 ppts	0.1 ppts
Operating margin	-6.6%	-5.1%	-3.7%	-0.2%	-14.4%	-5.8%	-0.7 ppts	8.6 ppts
Net margin	-4.2%	-2.6%	-1.9%	1.7%	-13.7%	-6.8%	-4.2 ppts	6.9 ppts

Source: Company data, CMBIGM

Figure 2: Earnings revision

	New			Old			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	83,190	105,867	119,218	88,904	114,101	126,106	-6.4%	-7.2%	-5.5%
Gross profit	15,772	19,720	22,262	16,650	20,571	23,213	-5.3%	-4.1%	-4.1%
Operating profit	(4,940)	(1,530)	512	(3,500)	(329)	1,213	N/A	N/A	-57.8%
Net profit	(4,357)	(62)	2,266	(2,126)	1,239	3,085	N/A	N/A	-26.6%
Gross margin	19.0%	18.6%	18.7%	18.7%	18.0%	18.4%	0.2 ppts	0.6 ppts	0.3 ppts
Operating margin	-5.9%	-1.4%	0.4%	-3.9%	-0.3%	1.0%	-2.0 ppts	-1.2 ppts	-0.5 ppts
Net margin	-5.2%	-0.1%	1.9%	-2.4%	1.1%	2.4%	-2.8 ppts	-1.1 ppts	-0.5 ppts

Source: CMBIGM estimates

Figure 3: CMBI estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	83,190	105,867	119,218	93,530	119,200	136,307	-11.1%	-11.2%	-12.5%
Gross profit	15,772	19,720	22,262	17,741	22,871	26,912	-11.1%	-13.8%	-17.3%
Operating profit	(4,940)	(1,530)	512	(3,117)	72	2,454	N/A	N/A	-79.1%
Net profit	(4,357)	(62)	2,266	(2,011)	1,158	3,521	N/A	N/A	-35.7%
Gross margin	19.0%	18.6%	18.7%	19.0%	19.2%	19.7%	0.0 ppts	-0.6 ppts	-1.1 ppts
Operating margin	-5.9%	-1.4%	0.4%	-3.3%	0.1%	1.8%	-2.6 ppts	-1.5 ppts	-1.4 ppts
Net margin	-5.2%	-0.1%	1.9%	-2.1%	1.0%	2.6%	-3.1 ppts	-1.0 ppts	-0.7 ppts

Source: Bloomberg, CMBIGM estimates

Figure 4: SOTP valuation

Xpeng	FY27E (RMB mn)	Stake held	Target P/S Multiple	Target Market Cap (RMB mn)	Target Price (US$)
Auto revenue	101,617		0.7x	71,640	11
Robot revenue	4,250	73.8%	10x	31,365	5
SOTP				**103,005**	**16**

Source: CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**30,676**	**40,866**	**76,720**	**83,190**	**105,867**	**119,218**
Cost of goods sold	(30,225)	(35,021)	(62,247)	(67,418)	(86,147)	(96,957)
Gross profit	**451**	**5,846**	**14,473**	**15,772**	**19,720**	**22,262**
Operating expenses	**(11,341)**	**(12,504)**	**(17,244)**	**(20,712)**	**(21,250)**	**(21,750)**
SG&A expense	(6,559)	(6,871)	(9,398)	(9,612)	(10,550)	(11,250)
R&D expense	(5,277)	(6,457)	(9,490)	(12,200)	(12,000)	(12,000)
Others	495	823	1,644	1,100	1,300	1,500
Operating profit	**(10,889)**	**(6,658)**	**(2,771)**	**(4,940)**	**(1,530)**	**512**
Gain/loss on financial assets at FVTPL	(635)	(262)	501	410	500	500
Other gains/(losses)	139	59	331	(300)	300	500
EBITDA	**(7,963)**	**(2,943)**	**2,242**	**(341)**	**4,486**	**7,213**
Depreciation	1,646	1,572	1,805	2,274	2,709	3,171
Depreciation of ROU assets	182	413	540	576	586	596
Other amortisation	279	588	643	631	653	675
EBIT	**(10,070)**	**(5,516)**	**(746)**	**(3,822)**	**538**	**2,771**
Interest income	1,260	1,375	1,163	948	1,188	1,159
Interest expense	(269)	(344)	(380)	(535)	(600)	(505)
Pre-tax profit	**(10,339)**	**(5,860)**	**(1,126)**	**(4,357)**	**(62)**	**2,266**
Income tax	(37)	70	(14)	0	0	0
After tax profit	**(10,376)**	**(5,790)**	**(1,139)**	**(4,357)**	**(62)**	**2,266**
Others	0	0	0	0	0	0
Net profit	**(10,376)**	**(5,790)**	**(1,139)**	**(4,357)**	**(62)**	**2,266**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**54,522**	**49,736**	**63,254**	**70,031**	**73,642**	**78,217**
Cash & equivalents	21,127	18,586	17,330	19,939	17,936	17,933
Restricted cash	3,175	3,153	6,071	4,000	6,000	6,000
Account receivables	2,716	2,450	1,997	3,419	4,351	4,899
Inventories	5,526	5,563	10,381	10,713	13,217	14,876
ST bank deposits	16,812	13,495	15,306	20,000	18,000	19,000
Financial assets at FVTPL	781	751	3,217	3,227	3,237	3,247
Other current assets	4,384	5,738	8,952	8,733	10,901	12,262
Non-current assets	**29,641**	**32,970**	**39,909**	**39,997**	**43,719**	**47,450**
PP&E	10,954	11,522	13,527	14,194	15,414	16,160
Right-of-use assets	1,456	1,262	3,731	3,255	2,770	2,274
Investment in JVs & assos	2,085	1,963	2,523	3,083	3,663	4,263
Intangibles	4,949	4,610	4,253	3,835	3,397	2,941
Other non-current assets	10,197	13,613	15,874	15,630	18,475	21,812
Total assets	**84,163**	**82,706**	**103,163**	**110,028**	**117,361**	**125,667**
Current liabilities	**36,112**	**39,865**	**58,113**	**68,422**	**74,231**	**78,802**
Short-term borrowings	3,889	4,609	4,282	17,532	13,923	10,975
Account payables	22,210	23,080	37,163	35,094	42,483	47,814
Tax payable	6	15	45	50	50	50
Other current liabilities	9,640	11,836	16,177	14,931	17,065	19,343
Lease liabilities	366	324	446	815	710	620
Non-current liabilities	**11,722**	**11,566**	**14,681**	**15,084**	**16,159**	**17,120**
Long-term borrowings	5,651	5,665	6,589	7,089	7,589	8,089
Deferred income	669	823	1,206	1,721	2,214	2,768
Other non-current liabilities	5,403	5,079	6,886	6,273	6,357	6,263
Total liabilities	**47,834**	**51,431**	**72,794**	**83,506**	**90,391**	**95,921**
Share capital	0	0	0	0	0	0
Capital surplus	70,258	70,767	71,374	71,874	72,374	72,874
Retained earnings	(33,930)	(39,492)	(41,005)	(45,352)	(45,404)	(43,128)
Other reserves	0	0	0	0	0	0
Total shareholders equity	**36,329**	**31,275**	**30,369**	**26,522**	**26,970**	**29,746**
Total equity and liabilities	**84,163**	**82,706**	**103,163**	**110,028**	**117,361**	**125,667**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(10,339)**	**(5,860)**	**(1,126)**	**(4,357)**	**(62)**	**2,266**
Depreciation & amortization	2,107	2,573	2,988	3,481	3,947	4,442
Change in working capital	7,352	(443)	5,896	(4,304)	2,050	2,489
Others	1,836	1,718	501	(249)	(454)	(344)
Net cash from operations	**956**	**(2,012)**	**8,259**	**(5,428)**	**5,481**	**8,853**
Investing						
Capital expenditure	(2,312)	(2,428)	(3,347)	(3,500)	(4,500)	(4,500)
Acquisition of subsidiaries/ investments	(699)	(144)	(103)	0	0	0
Net proceeds from disposal of short-term investments	2,837	1,128	(4,027)	(3,962)	1,000	(3,000)
Others	805	189	143	948	1,188	1,159
Net cash from investing	**631**	**(1,255)**	**(7,334)**	**(6,514)**	**(2,312)**	**(6,341)**
Financing						
Net borrowings	3,110	1,229	577	12,912	(3,109)	(2,448)
Proceeds from share issues	5,020	0	0	0	0	0
Others	(114)	(559)	(62)	(432)	(64)	(67)
Net cash from financing	**8,015**	**669**	**515**	**12,480**	**(3,173)**	**(2,515)**
Net change in cash						
Cash at the beginning of the year	14,714	24,302	21,740	23,401	23,939	23,936
Exchange difference	(15)	36	223	0	0	0
Cash at the end of the year	**24,302**	**21,740**	**23,401**	**23,939**	**23,936**	**23,933**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	14.2%	33.2%	87.7%	8.4%	27.3%	12.6%
Gross profit	(85.4%)	1,195.7%	147.6%	9.0%	25.0%	12.9%
EBITDA	na	na	na	na	na	60.8%
EBIT	na	na	na	na	na	414.5%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	1.5%	14.3%	18.9%	19.0%	18.6%	18.7%
Operating margin	(35.5%)	(16.3%)	(3.6%)	(5.9%)	(1.4%)	0.4%
EBITDA margin	(26.0%)	(7.2%)	2.9%	(0.4%)	4.2%	6.1%
Return on equity (ROE)	(28.3%)	(17.1%)	(3.7%)	(15.3%)	(0.2%)	8.0%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	1.5	1.2	1.1	1.0	1.0	1.0
Receivable turnover days	32.3	21.9	9.5	15.0	15.0	15.0
Inventory turnover days	66.7	58.0	60.9	58.0	56.0	56.0
Payable turnover days	268.2	240.6	217.9	190.0	180.0	180.0

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	ns	ns	ns	ns	ns	35.2
P/E (diluted)	ns	ns	ns	ns	ns	35.2
P/B	2.0	2.5	2.6	3.0	2.9	2.7
P/CFPS	74.6	ns	9.4	ns	14.5	9.0
Div yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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