Xpeng Inc. (XPEV US/9868 HK)

3Q26 beat on export; Strong overseas outlook

Maintain BUY. Xpeng's 3Q26 revenue and GPM beat our forecast due to stronger export contributions, better positioned than most peers. Its 4Q26 sales guidance and FY27E overseas delivery outlook also beat our expectation, which should lift average selling prices and support GPM. Meanwhile, we view Xpeng's humanoid robots remain on schedule.

- **3Q26 earnings beat on revenue, GPM.** Xpeng's 3Q26 revenue rose 19.1% YoY to RMB24.3bn, or 12% higher than our prior forecast. We attribute such beat to higher contribution from exports. Vehicle GPM in 3Q26 rose 1ppt QoQ to 13.1%, beating our previous estimate by 0.4ppts. Xpeng is one of the few automakers that beat our 3Q26 revenue and GPM forecasts. R&D and SG&A expenses combined were largely in line with our projection. Net loss narrowed QoQ to about RMB868mn in 3Q26, or about RMB360mn better than our prior forecast.
- **Strong 4Q26E sales guidance and FY27E overseas outlook.** Management expects Nov sales volume to exceed 60,000 units and 4Q26E volume to be between 169,000-174,000 units, as the *Mona L05* ramps up. In addition, management expects overseas sales volume in FY27E to double YoY to 200,000 units, significantly higher than our prior forecast. We maintain our FY27E sales volume forecast of 620,000 units but revise up vehicle average selling prices by 11% due to possibly higher overseas contribution. Despite worse model mix due to greater volume from Mona, we still expect doubled overseas sales volume to lift FY27E vehicle GPM by 0.3ppts YoY to 12.7%.
- **Humanoid robots on track.** We view the progress of Xpeng's humanoid robots on track with trial in its showrooms from 1Q27E and external sales starting from 2Q27E. We maintain our FY27E sales volume forecast of 17,000 units.
- **Earnings/Valuation.** We revise up Xpeng's FY27E revenue and SG&A expenses forecasts by 10% and 11%, respectively. We also expect continuous investments in physical AI to drag Xpeng's earnings in FY27E. Therefore, we project a net loss of RMB697mn in FY27E. We maintain our BUY rating and cut our ADS/H-share target prices to US$15/HK$59.

  We still use sum-of-the-parts (SOTP) valuation methodology, valuing Xpeng's robotics business at US$6.3bn (the same valuation as its round of fundraising in Aug 2026), or US$4.9/HK$19.0 per share, which corresponds to 10x (unchanged) our FY27E P/S. We value its auto business at 0.6x (prior 0.7x) our FY27E P/S, to reflect domestic headwinds. Key risks 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	88,418	115,970	132,827
YoY growth (%)	33.2	87.7	15.2	31.2	14.5
Gross margin (%)	14.3	18.9	18.9	17.6	17.7
Operating profit (RMB mn)	(6,658.1)	(2,771.4)	(4,378.5)	(1,980.6)	241.7
Net profit (RMB mn)	(5,790.3)	(1,139.5)	(4,428.5)	(696.9)	2,037.5
EPS (Reported) (RMB cents)	(306.14)	(59.85)	(231.11)	(36.04)	104.51
P/S (x)	1.5	0.8	0.7	0.5	0.5
P/E (x)	na	na	na	na	29.9
P/B (x)	1.9	2.0	2.3	2.3	2.1

Source: Company data, Bloomberg, CMBIGM estimates

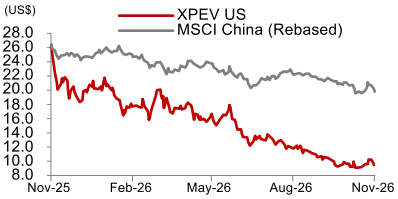
	XPEV US	9868 HK
	BUY	BUY
	Maintain	Maintain
TP	US$15.00	HK$59.00
Prior TP	US$16.00	HK$62.00
Up/Downside	60.1%	63.1%
Current Price	US$9.4	HK$36.2

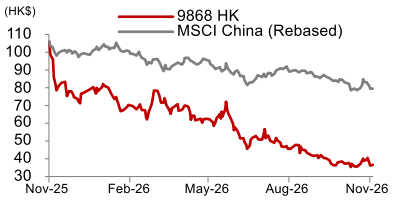
China Auto
Ji SHI, CFA
(852) 3761 8728
shiji@cmbi.com.hk

Wenjing DOU, CFA
(852) 6939 4751
douwenjing@cmbi.com.hk

Austin Liang
(852) 3900 0856
austinliang@cmbi.com.hk

12-mth Price Performance





Source: FactSet

Stock Performance

	XPEV US		9868 HK	
	Abs.	Rel.	Abs.	Rel.
1-mth	-3.9%	0.3%	-4.4%	0.3%
3-mth	-20.5%	-12.5%	-20.3%	-12.5%
6-mth	-43.8%	-33.6%	-42.0%	-33.6%

Source: FactSet

Stock Data

(LC)	XPEV US	9868 HK
Mkt Cap (mn)	8990.183	69426.855
Avg 3 mths t/o (mn)	32.13	433.72
52w High	25.01	98.7
52w Low	9.04	35.26
Issued Shares (mn)	1918.929	1918.9291

Source: FactSet

Figure 1: Quarterly results

RMB mn	1Q25	2Q25	3Q25	4Q25	1Q26	2Q36	3Q26	YoY	QoQ
Sales volume (units)	94,008	103,181	116,007	116,249	62,682	103,295	118,390	2.1%	14.6%
ASP (RMB)	168,184	177,110	175,687	191,432	207,935	191,138	205,052	16.7%	7.3%
Revenue	15,811	18,274	20,381	22,254	13,034	19,744	24,276	19.1%	23.0%
Gross profit	2,460	3,167	4,104	4,742	2,683	4,083	4,600	12.1%	12.7%
R&D expenses	(1,981)	(2,206)	(2,429)	(2,874)	(2,907)	(2,914)	(2,853)	17.5%	-2.1%
SG&A expenses	(1,946)	(2,167)	(2,493)	(2,792)	(1,883)	(2,496)	(2,776)	11.4%	11.2%
Operating profit	(1,041)	(935)	(751)	(44)	(1,874)	(1,143)	(752)	N/A	N/A
Net profit	(664)	(478)	(381)	383	(1,784)	(1,337)	(868)	N/A	N/A
Gross margin	15.6%	17.3%	20.1%	21.3%	20.6%	20.7%	18.9%	-1.2 ppts	-1.7 ppts
Operating margin	-6.6%	-5.1%	-3.7%	-0.2%	-14.4%	-5.8%	-3.1%	0.6 ppts	2.7 ppts
Net margin	-4.2%	-2.6%	-1.9%	1.7%	-13.7%	-6.8%	-3.6%	-1.7 ppts	3.2 ppts

Source: Company data, CMBIGM

Figure 2: Earnings revision

	New			Old			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	88,418	115,970	132,827	80,658	105,799	119,157	9.6%	9.6%	11.5%
Gross profit	16,753	20,389	23,517	15,521	19,689	22,234	7.9%	3.6%	5.8%
Operating profit	(4,379)	(1,981)	242	(5,002)	(1,561)	484	N/A	N/A	-50.1%
Net profit	(4,428)	(697)	2,038	(4,428)	(102)	2,235	N/A	N/A	-8.8%
Gross margin	18.9%	17.6%	17.7%	19.2%	18.6%	18.7%	-0.3 ppts	-1.0 ppts	-1.0 ppts
Operating margin	-5.0%	-1.7%	0.2%	-6.2%	-1.5%	0.4%	1.2 ppts	-0.2 ppts	-0.2 ppts
Net margin	-5.0%	-0.6%	1.5%	-5.5%	-0.1%	1.9%	0.5 ppts	-0.5 ppts	-0.3 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	88,418	115,970	132,827	87,072	112,481	131,780	1.5%	3.1%	0.8%
Gross profit	16,753	20,389	23,517	16,841	21,883	26,094	-0.5%	-6.8%	-9.9%
Operating profit	(4,379)	(1,981)	242	(4,039)	(812)	1,582	N/A	N/A	-84.7%
Net profit	(4,428)	(697)	2,038	(3,670)	(195)	2,327	N/A	N/A	-12.4%
Gross margin	18.9%	17.6%	17.7%	19.3%	19.5%	19.8%	-0.4 ppts	-1.9 ppts	-2.1 ppts
Operating margin	-5.0%	-1.7%	0.2%	-4.6%	-0.7%	1.2%	-0.3 ppts	-1.0 ppts	-1.0 ppts
Net margin	-5.0%	-0.6%	1.5%	-4.2%	-0.2%	1.8%	-0.8 ppts	-0.4 ppts	-0.2 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	111,720	100%	0.6x	64,798	10
Robot revenue	4,250	73.8%	10x	31,365	5
SOTP				**96,163**	**15**

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**	**88,418**	**115,970**	**132,827**
Cost of goods sold	(30,225)	(35,021)	(62,247)	(71,665)	(95,581)	(109,311)
Gross profit	**451**	**5,846**	**14,473**	**16,753**	**20,389**	**23,517**
Operating expenses	**(11,341)**	**(12,504)**	**(17,244)**	**(21,131)**	**(22,370)**	**(23,275)**
SG&A expense	(6,559)	(6,871)	(9,398)	(10,231)	(11,670)	(12,775)
R&D expense	(5,277)	(6,457)	(9,490)	(11,900)	(12,000)	(12,000)
Others	495	823	1,644	1,000	1,300	1,500
Operating profit	**(10,889)**	**(6,658)**	**(2,771)**	**(4,379)**	**(1,981)**	**242**
Gain/loss on financial assets at FVTPL	(635)	(262)	501	60	300	500
Other gains/(losses)	139	59	331	(467)	300	500
EBITDA	**(7,963)**	**(2,943)**	**2,242**	**(297)**	**3,805**	**6,923**
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)**	**(3,777)**	**(142)**	**2,481**
Interest income	1,260	1,375	1,163	978	1,188	1,159
Interest expense	(269)	(344)	(380)	(522)	(555)	(443)
Pre-tax profit	**(10,339)**	**(5,860)**	**(1,126)**	**(4,299)**	**(697)**	**2,038**
Income tax	(37)	70	(14)	(129)	0	0
After tax profit	**(10,376)**	**(5,790)**	**(1,139)**	**(4,428)**	**(697)**	**2,038**
Others	0	0	0	0	0	0
Net profit	**(10,376)**	**(5,790)**	**(1,139)**	**(4,428)**	**(697)**	**2,038**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**54,522**	**49,736**	**63,254**	**71,463**	**76,535**	**82,060**
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	3,634	4,766	5,459
Inventories	5,526	5,563	10,381	11,388	14,664	16,771
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	9,276	11,931	13,651
Non-current assets	**29,641**	**32,970**	**39,909**	**40,067**	**43,948**	**47,949**
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	2,703	3,053	3,633
Intangibles	4,949	4,610	4,253	3,835	3,397	2,941
Other non-current assets	10,197	13,613	15,874	16,081	19,314	22,941
Total assets	**84,163**	**82,706**	**103,163**	**111,531**	**120,483**	**130,010**
Current liabilities	**36,112**	**39,865**	**58,113**	**69,845**	**77,706**	**83,574**
Short-term borrowings	3,889	4,609	4,282	15,955	11,165	7,544
Account payables	22,210	23,080	37,163	37,305	47,136	53,907
Tax payable	6	15	45	50	50	50
Other current liabilities	9,640	11,836	16,177	15,720	18,646	21,454
Lease liabilities	366	324	446	815	710	620
Non-current liabilities	**11,722**	**11,566**	**14,681**	**15,235**	**16,514**	**17,625**
Long-term borrowings	5,651	5,665	6,589	7,089	7,589	8,089
Deferred income	669	823	1,206	1,746	2,285	2,903
Other non-current liabilities	5,403	5,079	6,886	6,401	6,640	6,633
Total liabilities	**47,834**	**51,431**	**72,794**	**85,081**	**94,219**	**101,199**
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)	(45,424)	(46,111)	(44,063)
Other reserves	0	0	0	0	0	0
Total shareholders equity	**36,329**	**31,275**	**30,369**	**26,450**	**26,263**	**28,811**
Total equity and liabilities	**84,163**	**82,706**	**103,163**	**111,531**	**120,483**	**130,010**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(10,339)**	**(5,860)**	**(1,126)**	**(4,299)**	**(697)**	**2,038**
Depreciation & amortization	2,107	2,573	2,988	3,481	3,947	4,442
Change in working capital	7,352	(443)	5,896	(3,071)	3,563	3,273
Others	1,836	1,718	501	8	(150)	(227)
Net cash from operations	**956**	**(2,012)**	**8,259**	**(3,882)**	**6,664**	**9,526**
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	978	1,188	1,159
Net cash from investing	**631**	**(1,255)**	**(7,334)**	**(6,484)**	**(2,312)**	**(6,341)**
Financing						
Net borrowings	3,110	1,229	577	11,335	(4,291)	(3,121)
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**	**10,903**	**(4,355)**	**(3,188)**
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%	15.2%	31.2%	14.5%
Gross profit	(85.4%)	1,195.7%	147.6%	15.8%	21.7%	15.3%
EBITDA	na	na	na	na	na	81.9%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	1.5%	14.3%	18.9%	18.9%	17.6%	17.7%
Operating margin	(35.5%)	(16.3%)	(3.6%)	(5.0%)	(1.7%)	0.2%
EBITDA margin	(26.0%)	(7.2%)	2.9%	(0.3%)	3.3%	5.2%
Return on equity (ROE)	(28.3%)	(17.1%)	(3.7%)	(15.6%)	(2.6%)	7.4%

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	29.9
P/E (diluted)	ns	ns	ns	ns	ns	29.9
P/B	1.5	1.9	2.0	2.3	2.3	2.1
P/CFPS	56.9	ns	7.2	ns	9.1	6.4
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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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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