

# Xpeng Inc. (XPEV US/9868 HK)

## Mona SUVs, robot production as key in FY26

**Maintain BUY.** Xpeng's 4Q25 net profit beat on R&D service income. We project its sales volume in 2H26E to double HoH despite a weak 1Q26, fuelled by aggressive export plans and 4 new models. We also believe that its mass production of humanoid robots this year could be a positive catalyst for shares.

- 4Q25 net profit beat on R&D services.** Xpeng's 4Q25 revenue rose 38% YoY to all-time high of RMB22.3bn, or 5% higher than our prior forecast, mainly due to higher-than-expected technical R&D service income from VW and carbon credit trading. Vehicle ASP in 4Q25 was largely in line, while vehicle GPM of 13.0% was 1.3ppts lower than our projection. SG&A and R&D expenses were both slightly higher than our estimates, while high-margin R&D services led to an all-time high GPM of 21.3%, the narrowest operating loss in history and a first-time-ever net profit of RMB383mn in 4Q25.
- New models, exports to fuel sales growth.** Although Xpeng's 1Q26E sales outlook was lower than our prior forecast, which could lead to a net loss again on our estimates, the automaker's FY26E export target (doubled YoY to 90,000 units with a doubled number of showrooms) exceeded our expectation. We lower our FY26E sales volume forecast by 7% to 0.54mn units following the weak 1Q26. We expect 2H26E sales volume to almost double HoH, aided by exports and 4 new models, especially two new Mona SUVs. Our forecast implies 17% YoY growth in its domestic sales volume.
- Humanoid robot could be a positive catalyst in 2H26.** Xpeng targets to produce 2,000 *Iron* robots by the end of this year, based on our supply chain channel checks. Xpeng also targets an annual sales volume of 1mn units for humanoid robots by 2030, which could double its revenue. We have not factored in any income from robots in our FY26E forecast and only little for FY27E, but we believe Xpeng's current exposure to robots could lift its valuation.
- Earnings/Valuation.** We project Xpeng's FY26E revenue to rise 23% YoY with a GPM of 18.5%. We revise our FY26E operating loss forecast from RMB253mn to RMB1.27bn amid lowered sales volume outlook and higher R&D expenses. Accordingly, we cut our FY26-27E non-GAAP net profit estimates by 59% and 37% to RMB0.9bn and RMB2.3bn, respectively, adjusted for share-based payment and non-cash tax benefit. We maintain our BUY rating but cut our ADR/H-share target prices from US\$29.00/HK\$113.00 to US\$24.00/HK\$94.00, based on 1.7x (prior 1.8x) our FY26E P/S to reflect our earnings cuts. 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)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue (RMB mn)	30,676	40,866	76,720	94,370	112,448
YoY growth (%)	14.2	33.2	87.7	23.0	19.2
Gross margin (%)	1.5	14.3	18.9	18.5	17.5
Operating profit (RMB mn)	(10,889.4)	(6,658.1)	(2,771.4)	(1,267.8)	(426.8)
Net profit (RMB mn)	(10,375.8)	(5,790.3)	(1,139.5)	507.0	5,709.8
YoY growth (%)	na	na	na	na	1,026.1
Adjusted net profit (RMB)	(9,444.2)	(5,550.9)	(457.8)	907.0	2,303.3
EPS (Reported) (RMB cents)	(595.99)	(306.14)	(59.85)	26.40	294.99
P/S (x)	3.8	2.8	1.5	1.2	1.0
P/E (x)	ns	ns	ns	228.7	20.5

Source: Company data, Bloomberg, CMBIGM estimates

XPEV US 9868 HK

BUY BUY

Maintain Maintain

TP	US\$24.00	HK\$94.00
Prior TP	US\$29.00	HK\$113.00
Up/Downside	36.8%	31.3%
Current Price	US\$17.6	HK\$71.6

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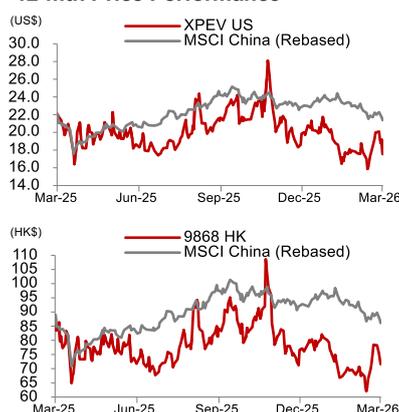
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#### 12-mth Price Performance



Source: FactSet

#### Stock Performance

	XPEV US		9868 HK	
	Abs.	Rel.	Abs.	Rel.
1-mth	-0.4%	5.9%	5.5%	5.9%
3-mth	-11.6%	-5.3%	-6.6%	-5.3%
6-mth	-19.0%	-8.1%	-14.9%	-8.1%

Source: FactSet

#### Stock Data

(LC)	XPEV US	9868 HK
Mkt Cap (mn)	16774.82	136874.9
Avg 3 mths t/o (mn)	120.46	1156.27
52w High	28.07	108.5
52w Low	15.87	62.15
Issued Shares (mn)	1911.66	1911.66

Source: FactSet

Figure 1: Quarterly results

RMB mn	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	YoY	QoQ
Sales volume (units)	21,821	30,207	46,533	91,507	94,008	103,181	116,007	116,249	27.0%	0.2%
ASP (RMB)	300,082	268,527	217,087	175,999	168,184	177,110	175,687	191,432	8.8%	9.0%
Revenue	6,548	8,111	10,102	16,105	15,811	18,274	20,381	22,254	38.2%	9.2%
Gross profit	844	1,136	1,541	2,325	2,460	3,167	4,104	4,742	104.0%	15.5%
R&D expenses	(1,350)	(1,467)	(1,633)	(2,006)	(1,981)	(2,206)	(2,429)	(2,874)	43.2%	18.3%
SG&A expenses	(1,388)	(1,574)	(1,633)	(2,275)	(1,946)	(2,167)	(2,493)	(2,792)	22.7%	12.0%
Operating profit	(1,646)	(1,609)	(1,847)	(1,556)	(1,041)	(935)	(751)	(44)	N/A	N/A
Net profit	(1,368)	(1,285)	(1,808)	(1,330)	(664)	(478)	(381)	383	N/A	N/A
Gross margin	12.9%	14.0%	15.3%	14.4%	15.6%	17.3%	20.1%	21.3%	6.9ppts	1.2ppts
Operating margin	-25.1%	-19.8%	-18.3%	-9.7%	-6.6%	-5.1%	-3.7%	-0.2%	9.5ppts	3.5ppts
Net margin	-20.9%	-15.8%	-17.9%	-8.3%	-4.2%	-2.6%	-1.9%	1.7%	10.0ppts	3.6ppts

Source: Company data, CMBIGM

Figure 2: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25A	FY26E	FY27E
Revenue	76,720	94,370	112,448	75,678	102,709	125,500	1.4%	-8.1%	-10.4%
Gross profit	14,473	17,472	19,723	14,070	18,837	22,140	2.9%	-7.2%	-10.9%
Operating profit	(2,771)	(1,268)	(427)	(3,101)	(253)	1,265	N/A	N/A	N/A
Net profit	(1,139)	507	5,710	(1,443)	3,080	3,263	N/A	-83.5%	75.0%
Non-GAAP net profit	(458)	907	2,303	(943)	2,212	3,663	N/A	-59.0%	-37.1%
Gross margin	18.9%	18.5%	17.5%	18.6%	18.3%	17.6%	0.3 ppt	0.2 ppt	-0.1 ppt
Operating margin	-3.6%	-1.3%	-0.4%	-4.1%	-0.2%	1.0%	0.5 ppt	-1.1 ppt	-1.4 ppt
Net margin	-1.5%	0.5%	5.1%	-1.9%	3.0%	2.6%	0.4 ppt	-2.5 ppt	2.5 ppt
Non-GAAP net profit	-0.6%	1.0%	2.0%	-1.2%	2.2%	2.9%	0.6 ppt	-1.2 ppt	-0.9 ppt

Source: CMBIGM estimates

Figure 3: CMBI estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25A	FY26E	FY27E
Revenue	76,720	94,370	112,448	77,844	106,869	132,621	-1.4%	-11.7%	-15.2%
Gross profit	14,473	17,472	19,723	14,085	19,820	24,797	2.8%	-11.8%	-20.5%
Operating profit	(2,771)	(1,268)	(427)	(2,960)	(77)	2,898	N/A	N/A	N/A
Net profit	(1,139)	507	5,710	(1,444)	1,328	4,037	N/A	-61.8%	41.4%
Gross margin	18.9%	18.5%	17.5%	18.1%	18.5%	18.7%	0.8 ppt	0.0 ppt	-1.2 ppt
Operating margin	-3.6%	-1.3%	-0.4%	-3.8%	-0.1%	2.2%	0.2 ppt	-1.3 ppt	-2.6 ppt
Net margin	-1.5%	0.5%	5.1%	-1.9%	1.2%	3.0%	0.4 ppt	-0.7 ppt	2.0 ppt

Source: Bloomberg, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025A	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Revenue</b>	<b>26,855</b>	<b>30,676</b>	<b>40,866</b>	<b>76,720</b>	<b>94,370</b>	<b>112,448</b>
Cost of goods sold	(23,767)	(30,225)	(35,021)	(62,247)	(76,898)	(92,724)
<b>Gross profit</b>	<b>3,088</b>	<b>451</b>	<b>5,846</b>	<b>14,473</b>	<b>17,472</b>	<b>19,723</b>
<b>Operating expenses</b>	<b>(11,794)</b>	<b>(11,341)</b>	<b>(12,504)</b>	<b>(17,244)</b>	<b>(18,740)</b>	<b>(20,150)</b>
SG&A expense	(6,688)	(6,559)	(6,871)	(9,398)	(9,740)	(11,150)
R&D expense	(5,215)	(5,277)	(6,457)	(9,490)	(10,500)	(11,000)
Others	109	495	823	1,644	1,500	2,000
<b>Operating profit</b>	<b>(8,706)</b>	<b>(10,889)</b>	<b>(6,658)</b>	<b>(2,771)</b>	<b>(1,268)</b>	<b>(427)</b>
Gain/loss on financial assets at FVTPL	84	(635)	(262)	501	250	500
Other gains/(losses)	(1,424)	139	59	331	400	500
<b>EBITDA</b>	<b>(7,571)</b>	<b>(7,963)</b>	<b>(2,943)</b>	<b>2,336</b>	<b>4,487</b>	<b>6,232</b>
Depreciation	915	1,646	1,572	2,206	2,744	3,190
Depreciation of ROU assets	379	182	413	275	285	295
Other amortisation	116	279	588	601	626	648
<b>EBIT</b>	<b>(8,982)</b>	<b>(10,070)</b>	<b>(5,516)</b>	<b>(746)</b>	<b>833</b>	<b>2,099</b>
Interest income	1,059	1,260	1,375	1,163	1,350	1,426
Interest expense	(132)	(269)	(344)	(380)	(326)	(196)
<b>Pre-tax profit</b>	<b>(9,114)</b>	<b>(10,339)</b>	<b>(5,860)</b>	<b>(1,126)</b>	<b>507</b>	<b>1,903</b>
Income tax	(25)	(37)	70	(14)	0	3,807
<b>After tax profit</b>	<b>(9,139)</b>	<b>(10,376)</b>	<b>(5,790)</b>	<b>(1,139)</b>	<b>507</b>	<b>5,710</b>
Others	0	0	0	0	0	0
<b>Net profit</b>	<b>(9,139)</b>	<b>(10,376)</b>	<b>(5,790)</b>	<b>(1,139)</b>	<b>507</b>	<b>5,710</b>
<b>Adjusted net profit</b>	<b>(8,428)</b>	<b>(9,444)</b>	<b>(5,551)</b>	<b>(458)</b>	<b>907</b>	<b>2,303</b>

BALANCE SHEET	2022A	2023A	2024A	2025A	2026E	2027E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>43,527</b>	<b>54,522</b>	<b>49,736</b>	<b>63,254</b>	<b>78,617</b>	<b>91,790</b>
Cash & equivalents	14,608	21,127	18,586	17,330	16,536	22,527
Restricted cash	106	3,175	3,153	6,071	4,000	6,000
Account receivables	3,873	2,716	2,450	1,997	7,756	9,242
Inventories	4,521	5,526	5,563	10,381	12,219	14,226
ST bank deposits	15,349	16,812	13,495	15,306	25,000	25,000
Financial assets at FVTPL	1,262	781	751	3,217	3,271	3,281
Other current assets	3,808	4,384	5,738	8,952	9,835	11,513
<b>Non-current assets</b>	<b>27,964</b>	<b>29,641</b>	<b>32,970</b>	<b>39,909</b>	<b>33,248</b>	<b>35,475</b>
PP&E	10,607	10,954	11,522	13,527	13,658	14,394
Right-of-use assets	1,955	1,456	1,262	3,731	902	707
Investment in JVs & assos	2,295	2,085	1,963	2,523	2,795	3,395
Intangibles	1,043	4,949	4,610	4,253	3,803	3,371
Other non-current assets	12,064	10,197	13,613	15,874	12,090	13,607
<b>Total assets</b>	<b>71,491</b>	<b>84,163</b>	<b>82,706</b>	<b>103,163</b>	<b>111,865</b>	<b>127,265</b>
<b>Current liabilities</b>	<b>24,115</b>	<b>36,112</b>	<b>39,865</b>	<b>58,113</b>	<b>66,697</b>	<b>74,473</b>
Short-term borrowings	2,419	3,889	4,609	4,282	4,022	0
Account payables	14,223	22,210	23,080	37,163	46,350	55,889
Tax payable	28	6	15	45	50	50
Other current liabilities	6,954	9,640	11,836	16,177	16,002	18,285
Lease liabilities	491	366	324	446	273	249
<b>Non-current liabilities</b>	<b>10,465</b>	<b>11,722</b>	<b>11,566</b>	<b>14,681</b>	<b>13,606</b>	<b>15,110</b>
Long-term borrowings	4,613	5,651	5,665	6,589	4,265	4,265
Deferred income	694	669	823	1,206	1,845	2,368
Other non-current liabilities	5,158	5,403	5,079	6,886	7,497	8,478
<b>Total liabilities</b>	<b>34,580</b>	<b>47,834</b>	<b>51,431</b>	<b>72,794</b>	<b>80,303</b>	<b>89,583</b>
Share capital	0	0	0	0	0	0
Capital surplus	60,697	70,258	70,767	71,374	71,667	72,067
Retained earnings	(23,787)	(33,930)	(39,492)	(41,005)	(40,104)	(34,385)
Other reserves	0	0	0	0	0	0
<b>Total shareholders equity</b>	<b>36,911</b>	<b>36,329</b>	<b>31,275</b>	<b>30,369</b>	<b>31,562</b>	<b>37,682</b>
<b>Total equity and liabilities</b>	<b>71,491</b>	<b>84,163</b>	<b>82,706</b>	<b>103,163</b>	<b>111,865</b>	<b>127,265</b>

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
<b>Profit before taxation</b>	<b>(9,114)</b>	<b>(10,339)</b>	<b>(5,860)</b>	<b>(1,126)</b>	<b>507</b>	<b>1,903</b>
Depreciation & amortization	1,411	2,107	2,573	3,082	3,654	4,133
Change in working capital	(2,709)	7,352	(443)	8,929	1,810	6,065
Others	2,181	1,836	1,718	(495)	(572)	3,021
<b>Net cash from operations</b>	<b>(8,232)</b>	<b>956</b>	<b>(2,012)</b>	<b>10,389</b>	<b>5,398</b>	<b>15,122</b>
<b>Investing</b>						
Capital expenditure	(4,680)	(2,312)	(2,428)	(4,950)	(3,500)	(4,500)
Acquisition of subsidiaries/ investments	(619)	(699)	(144)	0	0	0
Net proceeds from disposal of short-term investments	9,736	2,837	1,128	(4,067)	(3,962)	0
Others	408	805	189	1,163	1,350	1,426
<b>Net cash from investing</b>	<b>4,846</b>	<b>631</b>	<b>(1,255)</b>	<b>(7,853)</b>	<b>(6,111)</b>	<b>(3,074)</b>
<b>Financing</b>						
Net borrowings	6,119	3,110	1,229	(4,076)	1,230	(4,022)
Proceeds from share issues	(2)	5,020	0	0	0	0
Others	(113)	(114)	(559)	(231)	50	(34)
<b>Net cash from financing</b>	<b>6,004</b>	<b>8,015</b>	<b>669</b>	<b>(4,307)</b>	<b>1,279</b>	<b>(4,056)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	11,635	14,714	24,302	21,740	19,969	20,536
Exchange difference	462	(15)	36	0	0	0
<b>Cash at the end of the year</b>	<b>14,714</b>	<b>24,302</b>	<b>21,740</b>	<b>19,969</b>	<b>20,536</b>	<b>28,527</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	28.0%	14.2%	33.2%	87.7%	23.0%	19.2%
Gross profit	17.8%	(85.4%)	1,195.7%	147.6%	20.7%	12.9%
EBITDA	na	na	na	na	92.1%	38.9%
EBIT	na	na	na	na	na	152.1%
Net profit	na	na	na	na	na	1,026.1%
Adj. net profit	na	na	na	na	na	153.9%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	11.5%	1.5%	14.3%	18.9%	18.5%	17.5%
Operating margin	(32.4%)	(35.5%)	(16.3%)	(3.6%)	(1.3%)	(0.4%)
EBITDA margin	(28.2%)	(26.0%)	(7.2%)	3.0%	4.8%	5.5%
Adj. net profit margin	(31.4%)	(30.8%)	(13.6%)	(0.6%)	1.0%	2.0%
Return on equity (ROE)	(23.1%)	(28.3%)	(17.1%)	(3.7%)	1.6%	16.5%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Current ratio (x)	1.8	1.5	1.2	1.1	1.2	1.2
Receivable turnover days	52.6	32.3	21.9	17.0	30.0	30.0
Inventory turnover days	69.4	66.7	58.0	60.0	58.0	56.0
Payable turnover days	218.4	268.2	240.6	220.0	220.0	220.0
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	ns	ns	ns	ns	228.7	20.5
P/E (diluted)	ns	ns	ns	ns	228.7	20.5
P/B	2.8	2.9	3.7	3.8	3.7	3.1
P/CFPS	ns	110.0	ns	11.1	21.5	7.7
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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**BUY** : Stock with potential return of over 15% over next 12 months  
**HOLD** : Stock with potential return of +15% to -10% over next 12 months  
**SELL** : Stock with potential loss of over 10% over next 12 months  
**NOT RATED** : Stock is not rated by CMBIGM

**OUTPERFORM** : Industry expected to outperform the relevant broad market benchmark over next 12 months  
**MARKET-PERFORM** : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months  
**UNDERPERFORM** : Industry expected to underperform the relevant broad market benchmark over next 12 months

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