17 Sep 2026

CMB International Global Markets | Equity Research | Company Flash Note

Weichai Power (2338 HK/000338 CH)

Generac & Amazon deal positive to Weichai

FLASH

What's new? On 16 Sep, Generac (GNRC US, NR) signed a long-term agreement with Amazon (AMZN US, BUY, covered by our Internet team) to supply backup generators for datacentres. The initial deliveries are expected to be US$2.4bn in 2027-28, with a total value of up to US$8bn as Amazon expands its data centres. Meanwhile, Generac gave Amazon a warrant to buy up to 1.69mn shares of Generac's stock at US$200.93/share (14.7% above the closing price on 16 Sep).

Implications:

- We believe the large supply agreement between Generac and Amazon is positive news to Weichai. Baudouin, a wholly-owned subsidiary of Weichai, has been an important AIDC backup power engine supplier of Generac in the US. We believe the agreement offers high visibility of potential orders for Weichai's AIDC diesel and gas gensets over the coming years.
- To recap, in 2026/27, Weichai targets to deliver 4k/6k units of AIDC diesel gensets, and 0.2k/2k units of gas gensets with a focus in the US market. Besides, Weichai targets to substantially increase the capacity of gas gensets to 9k units over the coming years.

	2338 HK	000338 CH
Rating	BUY	BUY
TP	HK$44.70	RMB38.90
Up/Downside	51.2%	52.4%
Current Price	HK$29.6	RMB25.5

China Capital Goods

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Related reports:

Weichai Power - High visibility of AIDC gensets; SOFC to offer upside potential – 31 Aug 2026 (link)

Weichai Power – Net profit in 2Q26 +57% YoY helped by other income and expense control; Rising AIDC power contribution – 28 Aug 2026 (link)

Weichai Power – Positive on SOFC after our London visit to Ceres Power – 13 Jul 2026 (link)

Ceres Power – Key takeaways from London visit – 13 Jul 2026 (link)

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