29 May 2026

CMB International Global Markets | Equity Research | Company Update

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Xpeng Inc. (XPEV US/9868 HK)

New models, robots, robotaxi as key catalysts

Maintain BUY. Xpeng's 1Q26 results were largely in line with our estimates. We expect sales volume to double HoH in 2H26E, driven by the *GX* and three upcoming new models. We also see robotaxi pilot operation in 3Q26 and humanoid robot mass production by the end of 2026 as positive catalysts.

- **1Q26 earnings largely in line.** Xpeng's 1Q26 revenue fell 18% YoY amid a 33% YoY decline in sales volume, or 2% higher than our prior forecast. GPM in 1Q26 narrowed by 0.7ppts QoQ to 20.6%, or 0.9ppts higher than our projection. That, along with slightly higher-than-expected R&D expenses, led to an in-line operating loss. Net loss in 1Q26 was RMB1.8bn, about RMB250mn worse than our forecast, largely due to higher-than-expected interest expenses.
- **New models, exports to fuel sales volume recovery in 2H26E.** Order backlog for the new *GX* has exceeded our prior expectation. Management indicated that more than 80% of first-batch orders commanded were priced above RMB350,000, which could enhance Xpeng's overall brand image and vehicle GPM, in our view. We expect Xpeng's FY26E sales volume to rise 16% YoY to 0.5mn units, implying a doubling HoH in 2H26E, mainly driven by two brand-new Mona SUVs and exports. These catalysts, coupled with the launch of an economy robotaxi vehicle next year, could lift total sales volume by 40% YoY to 0.7mn units in FY27E.
- **Humanoid robot, robotaxi as emerging catalysts.** Xpeng's humanoid robot, *Iron*, is on track for mass production by the end of 2026, which could be initially deployed across its showrooms. We have integrated robotic revenue streams from FY27E, assuming sales volume of 10,000 units and revenue of RMB2.5bn. Xpeng targets a 3Q26 launch for its pilot robotaxi operations in Guangzhou. While we view robotaxis as a longer-term revenue contributor after FY28E, near-term operational milestones could serve as a catalyst for stock valuation.
- **Valuation/Key risks.** We expect net loss to narrow significantly in 2Q26E, as management expects a flat sequential GPM and a 60-70% QoQ surge in sales volume. We expect Xpeng to turn net profitable in 2H26 driven by greater economies of scale. We maintain our BUY rating and switch from a P/S-based valuation to sum-of-the-parts (SOTP) to better capture Xpeng's growing visibility in robotics. Our new target prices of US$21/HK$82 reflect a 1.0x FY27E P/S on its auto business and 10x FY27E P/S on the robotics segment. 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	88,904	114,101	126,106
YoY growth (%)	33.2	87.7	15.9	28.3	10.5
Gross margin (%)	14.3	18.9	19.5	18.3	18.5
Operating profit (RMB mn)	(6,658.1)	(2,771.4)	(2,592.4)	(42.5)	1,342.7
Net profit (RMB mn)	(5,790.3)	(1,139.5)	(1,212.8)	1,541.3	3,238.7
YoY growth (%)	na	na	na	na	110.1
EPS (Reported) (RMB cents)	(306.14)	(59.85)	(63.29)	79.71	166.12
P/S (x)	2.6	1.4	1.2	0.9	0.8
P/E (x)	ns	ns	ns	70.0	33.6

Source: Company data, Bloomberg, CMBIGM estimates

	XPEV US	9868 HK
	BUY	BUY
	Maintain	Maintain
TP	US$21.00	HK$82.00
Prior TP	US$24.00	HK$94.00
Up/Downside	27.7%	23.6%
Current Price	US$16.5	HK$66.4

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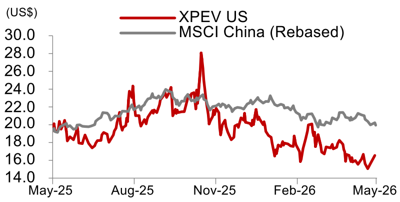
12-mth Price Performance



Source: FactSet

Stock Performance

	XPEV US		9868 HK	
	Abs.	Rel.	Abs.	Rel.
1-mth	1.9%	4.7%	7.7%	4.7%
3-mth	-6.3%	0.9%	-2.9%	0.9%
6-mth	-24.6%	-16.4%	-20.9%	-16.4%

Source: FactSet

Stock Data

(LC)	XPEV US	9868 HK
Mkt Cap (mn)	15746.39	127024.05
Avg 3 mths t/o (mn)	60.22	1112.76
52w High	28.07	108.5
52w Low	14.94	57.95
Issued Shares (mn)	1914.454	1914.4545

Source: FactSet

Figure 1: Quarterly results

RMB mn	1Q25	2Q25	3Q25	4Q25	1Q26	YoY	QoQ
Sales volume (units)	94,008	103,181	116,007	116,249	62,682	-33.3%	-46.1%
ASP (RMB)	168,184	177,110	175,687	191,432	207,935	23.6%	8.6%
Revenue	15,811	18,274	20,381	22,254	13,034	-17.6%	-41.4%
Gross profit	2,460	3,167	4,104	4,742	2,683	9.1%	-43.4%
R&D expenses	(1,981)	(2,206)	(2,429)	(2,874)	(2,907)	46.8%	1.1%
SG&A expenses	(1,946)	(2,167)	(2,493)	(2,792)	(1,883)	-3.2%	-32.5%
Operating profit	(1,041)	(935)	(751)	(44)	(1,874)	N/A	N/A
Net profit	(664)	(478)	(381)	383	(1,784)	N/A	N/A
Gross margin	15.6%	17.3%	20.1%	21.3%	20.6%	5.0 ppts	-0.7 ppts
Operating margin	-6.6%	-5.1%	-3.7%	-0.2%	-14.4%	-7.8 ppts	-14.2 ppts
Net margin	-4.2%	-2.6%	-1.9%	1.7%	-13.7%	-9.5 ppts	-15.4 ppts

Source: Company data, CMBIGM

Figure 2: Earnings revision

	New			Old			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	88,904	114,101	126,106	94,370	112,448	N/A	-5.8%	1.5%	N/A
Gross profit	17,358	20,857	23,343	17,472	19,723	N/A	-0.7%	5.8%	N/A
Operating profit	(2,592)	(43)	1,343	(1,268)	(427)	N/A	N/A	N/A	N/A
Net profit	(1,213)	1,541	3,239	507	5,710	N/A	N/A	-73.0%	N/A
Gross margin	19.5%	18.3%	18.5%	18.5%	17.5%	N/A	1.0 ppts	0.7 ppts	N/A
Operating margin	-2.9%	0.0%	1.1%	-1.3%	-0.4%	N/A	-1.6 ppts	0.3 ppts	N/A
Net margin	-1.4%	1.4%	2.6%	0.5%	5.1%	N/A	-1.9 ppts	-3.7 ppts	N/A

Source: CMBIGM estimates

Figure 3: CMBI estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	88,904	114,101	126,106	95,741	120,211	136,804	-7.1%	-5.1%	-7.8%
Gross profit	17,358	20,857	23,343	18,136	23,288	27,128	-4.3%	-10.4%	-14.0%
Operating profit	(2,592)	(43)	1,343	(1,788)	1,245	4,066	N/A	N/A	-67.0%
Net profit	(1,213)	1,541	3,239	(302)	2,470	4,965	N/A	-37.6%	-34.8%
Gross margin	19.5%	18.3%	18.5%	18.9%	19.4%	19.8%	0.6 ppts	-1.1 ppts	-1.3 ppts
Operating margin	-2.9%	0.0%	1.1%	-1.9%	1.0%	3.0%	-1.0 ppts	-1.1 ppts	-1.9 ppts
Net margin	-1.4%	1.4%	2.6%	-0.3%	2.1%	3.6%	-1.0 ppts	-0.7 ppts	-1.1 ppts

Source: Bloomberg, CMBIGM estimates

Figure 4: SOTP valuation

Xpeng	FY27E (RMB mn)	Target P/S Multiple	Target Market Cap (RMB mn)	ADR Target Price (US$)	H-Share Target Price (HK$)
Auto revenue	111,601	1.0x	111,601	17	66
Robot revenue	2,500	10.0x	25,000	4	16
SOTP			**136,601**	**21**	**82**

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**	**88,904**	**114,101**	**126,106**
Cost of goods sold	(30,225)	(35,021)	(62,247)	(71,547)	(93,244)	(102,763)
Gross profit	**451**	**5,846**	**14,473**	**17,358**	**20,857**	**23,343**
Operating expenses	**(11,341)**	**(12,504)**	**(17,244)**	**(19,950)**	**(20,900)**	**(22,000)**
SG&A expense	(6,559)	(6,871)	(9,398)	(9,450)	(10,400)	(11,000)
R&D expense	(5,277)	(6,457)	(9,490)	(12,000)	(12,500)	(12,000)
Others	495	823	1,644	1,500	2,000	1,000
Operating profit	**(10,889)**	**(6,658)**	**(2,771)**	**(2,592)**	**(43)**	**1,343**
Gain/loss on financial assets at FVTPL	(635)	(262)	501	410	500	500
Other gains/(losses)	139	59	331	200	300	500
EBITDA	**(7,963)**	**(2,943)**	**2,242**	**2,756**	**5,973**	**8,044**
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)**	**(724)**	**2,026**	**3,602**
Interest income	1,260	1,375	1,163	1,198	1,188	1,159
Interest expense	(269)	(344)	(380)	(488)	(485)	(363)
Pre-tax profit	**(10,339)**	**(5,860)**	**(1,126)**	**(1,213)**	**1,541**	**3,239**
Income tax	(37)	70	(14)	0	0	0
After tax profit	**(10,376)**	**(5,790)**	**(1,139)**	**(1,213)**	**1,541**	**3,239**
Others	0	0	0	0	0	0
Net profit	**(10,376)**	**(5,790)**	**(1,139)**	**(1,213)**	**1,541**	**3,239**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**54,522**	**49,736**	**63,254**	**71,515**	**75,909**	**80,094**
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	3,654	4,689	5,182
Inventories	5,526	5,563	10,381	11,369	14,306	15,766
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	9,326	11,741	12,965
Non-current assets	**29,641**	**32,970**	**39,909**	**40,489**	**44,403**	**48,022**
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	16,123	19,159	22,384
Total assets	**84,163**	**82,706**	**103,163**	**112,004**	**120,311**	**128,115**
Current liabilities	**36,112**	**39,865**	**58,113**	**67,104**	**72,157**	**75,259**
Short-term borrowings	3,889	4,609	4,282	13,295	7,149	3,543
Account payables	22,210	23,080	37,163	37,244	45,983	50,678
Tax payable	6	15	45	50	50	50
Other current liabilities	9,640	11,836	16,177	15,701	18,266	20,368
Lease liabilities	366	324	446	815	710	620
Non-current liabilities	**11,722**	**11,566**	**14,681**	**15,234**	**16,437**	**17,391**
Long-term borrowings	5,651	5,665	6,589	7,089	7,589	8,089
Deferred income	669	823	1,206	1,748	2,279	2,865
Other non-current liabilities	5,403	5,079	6,886	6,397	6,570	6,437
Total liabilities	**47,834**	**51,431**	**72,794**	**82,338**	**88,594**	**92,650**
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)	(42,208)	(40,657)	(37,408)
Other reserves	0	0	0	0	0	0
Total shareholders equity	**36,329**	**31,275**	**30,369**	**29,666**	**31,717**	**35,466**
Total equity and liabilities	**84,163**	**82,706**	**103,163**	**112,004**	**120,311**	**128,115**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(10,339)**	**(5,860)**	**(1,126)**	**(1,213)**	**1,541**	**3,239**
Depreciation & amortization	2,107	2,573	2,988	3,481	3,947	4,442
Change in working capital	7,352	(443)	5,896	(3,247)	2,928	2,128
Others	1,836	1,718	501	(463)	(398)	(297)
Net cash from operations	**956**	**(2,012)**	**8,259**	**(1,441)**	**8,019**	**9,511**
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	1,198	1,188	1,159
Net cash from investing	**631**	**(1,255)**	**(7,334)**	**(6,264)**	**(2,312)**	**(6,341)**
Financing						
Net borrowings	3,110	1,229	577	8,675	(5,646)	(3,106)
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**	**8,243**	**(5,711)**	**(3,173)**
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%	15.9%	28.3%	10.5%
Gross profit	(85.4%)	1,195.7%	147.6%	19.9%	20.2%	11.9%
EBITDA	na	na	na	22.9%	116.7%	34.7%
EBIT	na	na	na	na	na	77.8%
Net profit	na	na	na	na	na	110.1%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	1.5%	14.3%	18.9%	19.5%	18.3%	18.5%
Operating margin	(35.5%)	(16.3%)	(3.6%)	(2.9%)	(0.0%)	1.1%
EBITDA margin	(26.0%)	(7.2%)	2.9%	3.1%	5.2%	6.4%
Return on equity (ROE)	(28.3%)	(17.1%)	(3.7%)	(4.0%)	5.0%	9.6%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	1.5	1.2	1.1	1.1	1.1	1.1
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	70.0	33.6
P/E (diluted)	ns	ns	ns	ns	70.0	33.6
P/B	2.7	3.4	3.5	3.6	3.4	3.1
P/CFPS	101.6	ns	12.9	ns	13.5	11.4
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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