

(Maintain)	Buy
Target price	CNY167
Current price (8/29/25)	CNY114.06
Upside	46.4%

SZSE Composite	2,443.68
EPS growth (25F, %)	10.7
P/E (25F, x)	22.3
Dividend yield (%)	0.8
Market cap (CNYbn)	619.78
Market cap (Wtr)	120.32
Shares (mn)	5,433.8
60-day avg. trading value (CNYmn)	5,074.59
52-week low (CNY)	103.93
52-week high (CNY)	243.00

(%)	1M	6M	12M
Absolute	2.4	-47.5	-19.1
Relative	-6.9	-56.5	-50.0



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BYD

Medium/long-term competitiveness remains intact

2Q25 review: Growth in overseas sales/premium models vs. higher expenses

For 2Q25, BYD posted revenue of CNY200.9bn (+14% YoY) and net profit attributable to owners of the parent of CNY6.36bn (-29.9% YoY). Total vehicle sales expanded 16.1% YoY to 1.15mn units, with overseas sales surging 144.7% YoY to 258,000 units. The share of overseas sales rose 11.9%p YoY to 22.5%, and premium models accounted for 7.6% (+3.3%p YoY) of total sales, driving top-line growth. However, profitability decreased due to higher COGS and R&D expenses. Gross margin fell to 16.3% (-2.4%p YoY, -3.8%p QoQ), affected by price cuts and high initial costs associated with selling more ADAS-equipped vehicles. R&D spending soared 70.6% YoY to CNY15.37bn, representing 7.7% (+2.5%p YoY, -0.7%p QoQ) of revenue, as the company continued to invest in EV/autonomous driving technologies to secure future competitiveness.

In July, NEV sales in China reached 987,000 units (+12% YoY), with NEV penetration rising to 54.1% (+2.8%p YoY, +0.7%p MoM), amid continued subsidy effects. BYD sold 344,000 units in the month (+0.6% YoY), including 260,000 units in the domestic market (-16.2%) and 80,000 units overseas (+169%). The share of overseas sales was 23.4% (+14.7%p YoY, -0.1%p MoM). While domestic sales remain sluggish, high-ASP overseas sales are driving overall growth. Within domestic sales, the share of premium models reached 9.1% (+5.1%p YoY, -0.3%p MoM), indicating continued mix improvements.

Focus on medium/long-term competitiveness over short-term earnings

Price cuts and an increased mix of ADAS-equipped (high-cost) vehicles led to subdued 2Q25 earnings. However, the Chinese government is taking steps to curb extreme price competition, and BYD is well-positioned to expand its market share over the medium/long term, considering its earnings fundamentals, production capacity, premium brand portfolio, and R&D capabilities. High-ASP overseas sales and market share trends remain solid. Cumulative overseas sales through July reached 545,000 units; this represents 21.9% of total sales (vs. 9.7% in 2024), well above the 2025 guidance of 15%. BYD is expanding its global footprint; it announced plans to establish a European headquarters in May, began operations at its Brazil factory in July, and started exporting to Europe from its Thailand plant in August. Additional factories are planned or under construction in Indonesia, Cambodia, Turkey, Hungary, and Pakistan. While domestic sales remain sluggish, the share of premium model sales continues to rise. All in all, we see strong medium/long-term growth potential, with revenue, net profit attributable to owners of the parent, and sales volume likely to grow at 2024-27 CAGRs of 17%, 20%, and 16%, respectively. Due to near-term earnings weakness, we lowered our 2025 and 2026 EPS forecasts by 21% and 14%, respectively. However, we shifted our EPS base year from 2025 to 2026 and keep our target price at CNY167 (adjusted down from CNY500 to reflect the Jul. 29 bonus issue and stock dividend).

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (CNYbn)	602	777	962	1,132	1,246
OP (CNYbn)	38	51	57	71	85
OP margin (%)	6.3	6.5	5.9	6.3	6.8
NP (CNYbn)	30	40	47	59	70
EPS (CNY)	3.45	4.62	5.11	6.44	7.66
ROE (%)	24.0	24.8	20.4	19.5	19.1
P/E (x)	34.5	36.7	22.3	17.7	14.9
P/B (x)	4.3	4.7	3.8	3.1	2.6

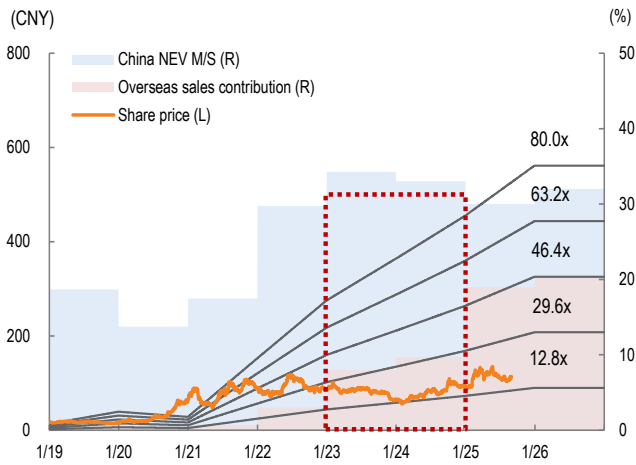
Notes: Based on company disclosures; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. TP calculation

	Value	Notes
TP (CNY)	167.00	
CP (CNY)	114.06	Based on Aug. 29 closing price
Upside (%)	46.4	Maintain Buy
EPS (CNY)	6.44	2025F and 2026F EPS revised down 21% and 14%, respectively EPS base year changed from 2025F to 2026F
Target P/E (x)	26.2	20% premium to the avg. 2026F P/E of Chinese peers (21.8x), in line with the 21% premium seen in 2023-24 (peer P/Es: 49.4x for GAC, 9.6x for Geely, 14.6x for GWM, and 13.9x for Changan)

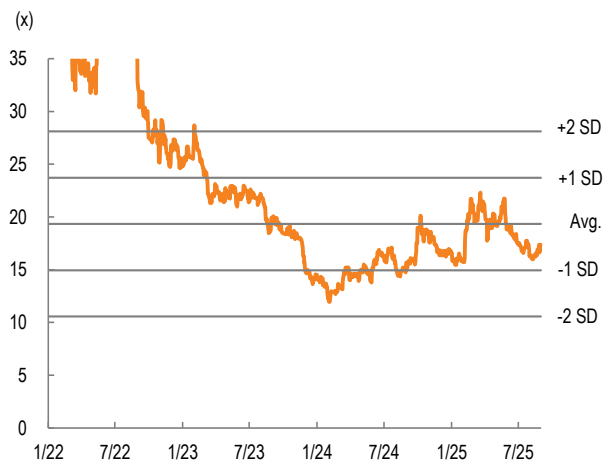
Source: Bloomberg, Mirae Asset Securities Research

Figure 1. 12-month forward P/E band chart



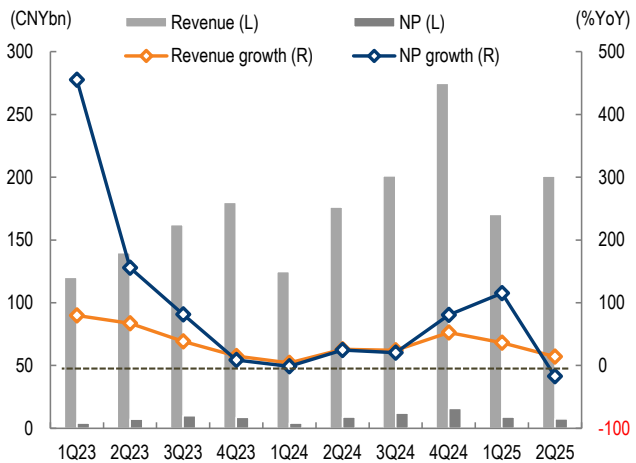
Source: Wind, Bloomberg, Mirae Asset Securities Research

Figure 2. 12-month forward P/E ±2 SD



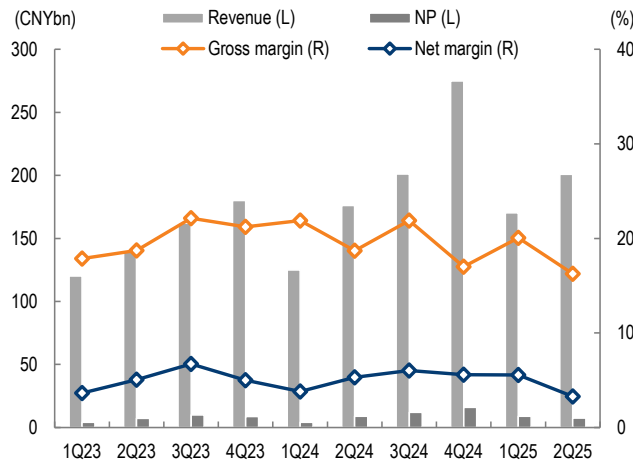
Source: Wind, Bloomberg, Mirae Asset Securities Research

Figure 3. Quarterly revenue, NP, and growth trends



Source: Company data, Mirae Asset Securities Research

Figure 4. Quarterly revenue, NP, and margin trends



Source: Company data, Mirae Asset Securities Research

BYD (002594 CH)

Income statement (summarized)

(CNYbn)	2024	2025F	2026F	2027F
Revenue	777	962	1,132	1,246
Cost of revenue	637	794	931	1,019
GP	140	168	201	227
SG&A expenses	89	112	130	142
OP	51	57	71	85
Non-operating profit	-0.8	-0.8	-0.8	-0.8
Pretax profit	50	56	71	84
Income tax	8	8	10	12
NP	42	48	61	72
Attr. to owners of the parent	40	47	59	70
Non-controlling interest	1	2	2	2

Growth & margins	2024	2025F	2026F	2027F
Revenue growth (%)	29.0	23.8	17.7	10.0
GP growth (%)	22.8	20.5	19.7	12.5
OP growth (%)	32.5	12.5	25.5	18.8
NP growth (%)	32.9	15.6	26.2	18.9
EPS growth (%)	34.0	10.7	26.0	19.0
Gross margin (%)	18.0	17.5	17.8	18.2
OP margin (%)	6.5	5.9	6.3	6.8
Net margin (%)	5.4	5.0	5.4	5.8

Cash flow statement (summarized)

(CNYbn)	2024	2025F	2026F	2027F
Operating cash flow	133	169	214	205
NP	0	48	61	72
Other	133	121	153	133
Cash flow from investing activities	-129	-206	-249	-270
Capex	-97	-155	-202	-224
Other	-32	-51	-47	-46
Cash flow from financing activities	-10	50	30	33
Dividends	10	0	0	0
Chg. in equity	-1	39	0	0
Chg. in financial liabilities	-29	11	30	33
Other	10	0	0	0
Chg. in cash & equivalents	-6	88	108	106
Beginning balance	109	102	190	298
Ending balance	102	190	298	404

Balance sheet (summarized)

(CNYbn)	2024	2025F	2026F	2027F
Current assets	371	525	687	845
Cash & equivalents	103	190	298	404
Accounts receivable	106	132	153	174
Inventory	116	145	168	191
Other	46	58	67	76
Non-current assets	413	422	429	436
Investments	30	38	44	50
PP&E	312	312	312	312
Intangible	43	45	46	47
Other	28	27	27	27
Total assets	783	947	1,115	1,281
Current liabilities	496	556	651	729
Accounts payable	242	270	318	350
Short-term borrowings	157	177	207	237
Other	97	109	126	143
Non-current liabilities	89	105	118	133
Long-term financial liabilities	37	38	39	42
Other	52	67	80	92
Total liabilities	585	661	769	862
Equity attr. to owners of the parent	185	271	330	400
Capital stock	3	3	3	3
Capital surplus	61	100	100	100
Retained earnings	121	168	226	296
Other	1	1	1	1
Non-controlling interest	13	15	17	19
Shareholders' equity	199	286	347	419

Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	36.7	22.3	17.7	14.9
P/S (x)	1.1	1.1	0.9	0.8
P/B (x)	4.7	3.8	3.1	2.6
EV/EBITDA (x)	17.1	17.5	12.8	9.8
EPS (CNY)	4.62	5.11	6.44	7.66
BPS (CNY)	36.43	29.82	36.26	43.92
DPS (CNY)	1.32	1.32	1.32	1.32
Dividend payout ratio (%)	27.7	27.7	27.7	27.7
Dividend yield (%)	0.8	1.2	1.2	1.2
Accounts receivable turnover (x)	7.9	8.1	8.0	7.6
Inventory turnover (x)	7.6	7.4	7.2	6.9
Accounts payable turnover (x)	2.9	3.1	3.2	3.1
ROA (%)	5.7	5.6	5.9	6.0
ROE (%)	24.8	20.4	19.5	19.1
ROIC (%)	15.6	17.7	22.7	28.0
Debt-to-equity ratio (%)	294.3	230.9	221.6	205.8
Current ratio (%)	74.7	94.5	105.5	116.0
Net debt-to-equity ratio (%)	30.5	-9.4	-32.4	-46.3

Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

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