

## Li Auto

# Mild cut to sales forecast based on orders win

Reiterate Rating: BUY | PO: 55.00 USD | Price: 37.77 USD

## Delivery of lower-priced variants for Li L7/L8 in May

Li Auto launched 2024-facelifted Li L7, L8, and L9 models equipped with enhanced functions and features on 1 March. Li Auto also plans to introduce new versions of 2024 Li L7 and L8, with their suspension systems using coil springs and CDC dampers. The new versions of the Li L7/L8 will be named as L7 Air and L8 Air, and will begin deliveries in May. The 2024 Li L7/L8 Air has a starting price of RMB301.8k/RMB321.8k, RMB18k lower than previous entry-level version. In addition, Li Auto is offering an extra RMB5k cash subsidy to customers who order a 2024 L-series model before 31 March.

## Lower 2024/25E volume sales by 6%/4%

We lower 2024/25E volume sales by 6%/4% to 662k/1.0mn units, given lower-than-expected new orders from MEGA MPV. We also lower our GPM by 0.4ppt/0.3ppt in 2024/25E as Li Auto lowered entry-level price and widened discount for 2024 Li L-series models. Net-net, we cut 2024/25E net income by 9%/7%.

## New PO USD55, maintain Buy

Our new PO is USD55/ADS (HKD215/share), vs. USD60/ADS (HKD234/share) previously.

**DCF-based fair value:** We derive a fair value of USD55.3 (previously USD58.5) from our DCF calculation, with assumptions of 2% FCF perpetuity growth and discount rate (WACC) of 13% (unchanged). **EV/sales-based fair value:** We derive a fair value of USD54 (previously USD61). We apply an unchanged target EV/sales multiple of 1.6x to latest 2024E sales. We reiterate our Buy rating for its strong model pipeline, well-managed GPM, and strong FCF.

Estimates (Dec) (CNY)	2022A	2023A	2024E	2025E	2026E
Net Income (Adjusted - mn)	(2,012)	11,704	14,064	23,794	26,037
EPS	(1.93)	11.03	13.26	22.43	24.54
EPS Change (YoY)	-520.5%	NM	20.2%	69.2%	9.4%
Dividend / Share	0	0	0	0	0
Free Cash Flow / Share	2.16	41.65	7.29	43.91	32.03
Common EPS (CNY)	(0.966)	5.52	6.63	11.21	12.27
Common Dividend / Share (CNY)	0	0	0	0	0
<b>Valuation (Dec)</b>					
P/E	NM	24.28x	20.51x	12.12x	11.08x
EV / EBITDA*	NM	25.73x	13.98x	8.37x	7.60x
Free Cash Flow Yield*	0.796%	15.61%	2.73%	16.46%	12.01%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 7.

18 March 2024

### Equity

#### Key Changes

(CNY)	Previous	Current
Price Obj.	US\$60	US\$55
2024E Rev (m)	213,792	200,693
2025E Rev (m)	305,779	292,200
2026E Rev (m)	332,857	318,141
2024E EPS	14.53	13.26
2025E EPS	24.06	22.43
2026E EPS	26.86	24.54
2024E EBITDA (m)	18,866	17,274
2025E EBITDA (m)	30,901	28,863
2026E EBITDA (m)	34,660	31,765

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### Stock Data

Price (ADR / Common)	37.77 USD / 147.30 HKD
Price Objective	55.00 USD / 215.00 HKD
Date Established	18-Mar-2024 / 18-Mar-2024
Investment Opinion	C-1-9 / C-1-9
52-Week Range	20.80 USD-47.33 USD
Market Value (mn)	39,356 USD
Shares Outstanding (mn)	1,042.0 / 2,084.0
Average Daily Value (mn)	337.97 USD
Free Float	17.4%
BofA Ticker / Exchange	LI / NAS
BofA Ticker / Exchange	LAAOF / HKG
Bloomberg / Reuters	LI US / LI.OQ
ROE (2024E)	20.9%
Net Dbt to Eqty (Dec-2023A)	-156.1%

CDC: Continuous Damping Control

FCF: Free cashflow

GPM: Gross profit margin

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**Refer to important disclosures on page 8 to 11. Analyst Certification on page 5. Price Objective Basis/Risk on page 5.**

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Timestamp: 17 March 2024 04:30PM EDT

# iQprofile<sup>SM</sup> Li Auto

## Key Income Statement Data (Dec)

(CNY Millions)

	2022A	2023A	2024E	2025E	2026E
Sales	45,287	123,851	200,693	292,200	318,141
Gross Profit	8,790	27,497	43,244	63,916	70,201
Sell General & Admin Expense	(5,665)	(9,768)	(14,488)	(20,728)	(22,635)
Operating Profit	(3,655)	7,407	13,741	25,109	27,747
Net Interest & Other Income	1,496	3,045	2,805	2,885	2,885
Associates	0	0	0	0	0
Pretax Income	(2,159)	10,452	16,546	27,994	30,632
Tax (expense) / Benefit	127	1,357	(2,482)	(4,199)	(4,595)
Net Income (Adjusted)	(2,012)	11,704	14,064	23,794	26,037
Average Fully Diluted Shares Outstanding	1,042	1,061	1,061	1,061	1,061

## Key Cash Flow Statement Data

Net Income	(2,012)	11,704	14,064	23,794	26,037
Depreciation & Amortization	1,214	1,982	3,534	3,755	4,019
Change in Working Capital	4,746	31,683	4,641	24,044	6,927
Deferred Taxation Charge	0	0	0	0	0
Other Adjustments, Net	3,433	5,324	0	0	0
Cash Flow from Operations	7,380	50,694	22,239	51,593	36,982
Capital Expenditure	(5,128)	(6,507)	(14,500)	(5,000)	(3,000)
(Acquisition) / Disposal of Investments	1,686	0	0	0	0
Other Cash Inflow / (Outflow)	(922)	6,495	0	0	0
Cash Flow from Investing	(4,365)	(12)	(14,500)	(5,000)	(3,000)
Shares Issue / (Repurchase)	2,559	0	0	0	0
Cost of Dividends Paid	0	0	0	0	0
Cash Flow from Financing	5,639	185	0	0	0
Free Cash Flow	2,252	44,186	7,739	46,593	33,982
Net Debt	(48,828)	(94,540)	(102,279)	(148,872)	(182,854)
Change in Net Debt	(6,845)	(46,411)	(7,739)	(46,593)	(33,982)

## Key Balance Sheet Data

Property, Plant & Equipment	11,188	15,745	26,766	28,103	27,239
Other Non-Current Assets	8,358	13,197	13,143	13,051	12,896
Trade Receivables	48	144	406	394	477
Cash & Equivalents	58,450	103,263	111,001	157,594	191,577
Other Current Assets	8,495	11,119	18,944	22,074	21,744
Total Assets	86,538	143,467	170,260	221,216	253,933
Long-Term Debt	9,231	1,747	1,747	1,747	1,747
Other Non-Current Liabilities	4,748	8,402	8,402	8,402	8,402
Short-Term Debt	391	6,975	6,975	6,975	6,975
Other Current Liabilities	26,982	65,767	78,496	105,657	112,337
Total Liabilities	41,352	82,892	95,621	122,782	129,462
Total Equity	45,186	60,575	74,639	98,433	124,470
Total Equity & Liabilities	86,538	143,467	170,260	221,216	253,933

## iQmethod<sup>SM</sup> - Bus Performance\*

Return On Capital Employed	-4.4%	12.4%	16.0%	22.4%	19.8%
Return On Equity	-4.7%	22.3%	20.9%	27.6%	23.5%
Operating Margin	-8.1%	6.0%	6.8%	8.6%	8.7%
EBITDA Margin	-5.4%	7.6%	8.6%	9.9%	10.0%

## iQmethod<sup>SM</sup> - Quality of Earnings\*

Cash Realization Ratio	NM	4.3x	1.6x	2.2x	1.4x
Asset Replacement Ratio	4.3x	3.3x	4.2x	1.4x	0.8x
Tax Rate (Reported)	5.9%	NM	15.0%	15.0%	15.0%
Net Debt-to-Equity Ratio	-108.1%	-156.1%	-137.0%	-151.2%	-146.9%
Interest Cover	-34.4x	NM	NM	NM	NM

## Key Metrics

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 7.

## Company Sector

Autos/Car Manufacturers

## Company Description

Li Auto was founded in 2015, and it mainly manufactures and sells premium smart electric vehicles (EVs). Li Auto is the first Chinese auto company to sell Extended-Range Electric Vehicles (EREV) in China. Li Auto was listed on the Nasdaq in July 2020.

## Investment Rationale

We have a Buy rating on Li Auto: 1) rising EV penetration and robust demand on luxury/premium segment; 2) solid new model pipeline; 3) fast point of sales (POS) expansion; 4) extended range EV (EREV) is a practical solution to mitigate consumers' concern about range anxiety and proven by Li Auto to create demand in China EV market.

## Stock Data

Shares / Common	0.50
Price to Book Value	3.8x

## Key Changes

(CNY)	Previous	Current
Price Obj.	HK\$234	HK\$215
2024E EPS	7.27	6.63
2025E EPS	12.03	11.21
2026E EPS	13.43	12.27

**Exhibit 1: Li Auto's new vs. old estimates**

We cut 2024/25E net income by 9%/7%

RMB mn	2024F			2025F		
	Old	New	diff. (%)	Old	New	diff. (%)
Volume (units)	700,781	661,522	-5.6%	1,049,399	1,008,265	-3.9%
Consolidated sales	213,792	200,693	-6.1%	305,779	292,200	-4.4%
Gross Profit	46,722	43,244	-7.4%	67,737	63,916	-5.6%
Income/(Loss) from operation	15,333	13,741	-10.4%	27,146	25,109	-7.5%
Non-GAAP income/(loss) from operations	18,333	16,741	-8.7%	30,146	28,109	-6.8%
Income/(Loss) before Income tax expense	18,138	16,546	-8.8%	30,031	27,994	-6.8%
Net income/(loss)	15,417	14,064	-8.8%	25,527	23,794	-6.8%
Net income/(loss) attributable to ordinary shareholders	15,417	14,064	-8.8%	25,527	23,794	-6.8%
Non-GAAP net income/(loss) attributable to ordinary shareholders	18,417	17,064	-7.3%	28,527	26,794	-6.1%
Earnings/(Loss) per ADS (RMB)	14.53	13.26	-8.8%	24.06	22.43	-6.8%
Earnings/(Loss) per ADS (USD)	2.05	1.87	-8.8%	3.39	3.16	-6.8%
ASP per car (RMB, K)	296	294	-0.7%	284	282	-0.7%
<b>Key ratios (%)</b>						
Sales growth	72.6%	62.0%		43.0%	45.6%	
Earnings/(Loss) per ADS growth	31.7%	20.2%		65.6%	69.2%	
Gross margin	21.9%	21.5%		22.2%	21.9%	
Operating margin	7.2%	6.8%		8.9%	8.6%	
Net margin	7.2%	7.0%		8.3%	8.1%	
OPEX to sales	14.7%	14.7%		13.3%	13.3%	

Source: BofA Global Research estimates

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**Exhibit 2: Li Auto's P&L summary**

We expect gross margin to improve QoQ from 1Q24

(RMB mn)	1Q23	2Q23	3Q23	4Q23	FY '23	1Q24	2Q24	3Q24	4Q24	FYE '24
Revenue	18,787	28,653	34,679	41,732	123,851	29,853	45,115	56,406	69,319	200,693
Total cost of goods sold	14,957	22,417	27,035	31,945	96,355	23,641	35,566	44,181	54,060	157,448
Gross profit	3,830	6,235	7,644	9,787	27,497	6,212	9,549	12,224	15,259	43,244
SG&A	1,645	2,309	2,544	3,270	9,768	2,537	3,384	4,061	4,506	14,488
R&D	1,852	2,426	2,817	3,491	10,586	2,388	3,609	4,512	4,506	15,016
Operating expenses	3,498	4,735	5,361	6,761	20,354	4,926	6,993	8,574	9,011	29,504
Income/(Loss) from operation	333	1,500	2,284	3,026	7,143	1,286	2,556	3,651	6,247	13,741
Non-GAAP income/(loss) from operations	885	2,043	2,994	3,863	9,786	1,936	3,306	4,426	7,072	16,741
Income/(Loss) before Income tax expense	973	2,352	2,951	4,176	10,452	1,931	3,251	4,371	6,992	16,546
Taxes or tax credit	39	42	138	-1,576	-1,357	290	488	656	1,049	2,482
Net income/(loss)	934	2,310	2,813	5,752	11,809	1,642	2,763	3,715	5,944	14,064
Net income/(loss) attribute to shareholder	930	2,293	2,823	5,658	11,704	1,642	2,763	3,715	5,944	14,064
Non-GAAP net income/(loss) attributable to ordinary shareholders	1,410	2,711	3,478	4,494	12,092	2,292	3,513	4,490	6,769	17,064
Earnings/(Loss) per ADS (RMB)	0.88	2.16	2.66	5.33	11.03	1.55	2.60	3.50	5.60	13.26
Fully diluted shares (mn)	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061
<b>Operating Ratios</b>										
Gross margin	20.4%	21.8%	22.0%	23.5%	22.2%	20.8%	21.2%	21.7%	22.0%	21.5%
SG&A/sales	8.8%	8.1%	7.3%	7.8%	7.9%	8.5%	7.5%	7.2%	6.5%	7.2%
R&D/sales	9.9%	8.5%	8.1%	8.4%	8.5%	8.0%	8.0%	8.0%	6.5%	7.5%
Operating margin	1.8%	5.2%	6.6%	7.3%	5.8%	4.3%	5.7%	6.5%	9.0%	6.8%
Pre-tax margin	5.2%	8.2%	8.5%	10.0%	8.4%	6.5%	7.2%	7.7%	10.1%	8.2%
Tax rate	4.0%	1.8%	4.7%	-37.7%	-13.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Net margin	5.0%	8.1%	8.1%	13.8%	9.5%	5.5%	6.1%	6.6%	8.6%	7.0%

Source: BofA Global Research estimates, company report

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**Valuation**

Our new PO is USD55/ADS (HKD215/share), vs. USD60/ADS (HKD234/share) previously.

**DCF-based fair value:** We derive a fair value of USD55.3 (previously USD58.5) from our DCF calculation, with assumptions of 2% FCF perpetuity growth and discount rate (WACC) of 13% (unchanged). **EV/sales-based fair value:** We derive a fair value of USD54 (previously USD61). We apply an unchanged target EV/sales multiple of 1.6x to latest 2024E sales.



Exhibit 3: Li Auto’s EV/sales valuation

Our EV/sales fair value is USD54

(RMB mn)	
2024E Estimated volume sales (units)	661,522
2024E Estimated sales	200,693
Assumed enterprise value/sales	1.5
Implied enterprise value	301,039
Net cash (net debt) as of 2024E	102,279
Equity value (RMB mn)	403,318
Equity value (USD mn)	56,016
Shares count (mn)	1,033
Implied value per share (USD)	54

Source: BofA Global Research estimates

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Exhibit 4: Li Auto’s valuation summary

Li’s new PO is USD55 per ADS (HKD215 per share)

Valuation methodology	Implied value	Upside/downside potential	Parameters
Methodology 1			
EV/Sales (USD)	54.0		1.6x EV/sales
Methodology 2			
DCF (USD)	55.3		WACC of 13%
Price Objective (rounded) (USD)	55.0	43%	
Price Objective (rounded) (HKD)	215.0	44%	

Source: BofA Global Research estimates

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## Price objective basis & risk

### Li Auto (LI / LAAOF)

We derive our PO of USD55 per ADS (HKD215 per share) using an average of EV/sales valuation method and DCF valuation method.

DCF-based fair value: We derive a fair value of USD55.3 from our DCF calculation, with assumptions of 2% FCF perpetuity growth. For WACC, we use a 4.0% risk-free rate, 12% market return and Beta of 1.1 to calculate and derive the discount rate (WACC) of 13%.

EV/sales-based fair value: We derive a fair value of USD54 from our EV/sales calculation. We apply a target EV/sales multiple of 1.6x to 2024E sales. The 1.6x target multiple is based on updated one standard deviation below historical average one-year forward EV/sales since IPO.

Downside risk: weak macro, competition from Tesla and other EV startups, policy change on subsidy, raw material cost hike.

## Analyst Certification

I, Ming Hsun Lee, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

### APR - Autos Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Aima Technology	XIHBF	603529 CH	Joey Yang, CFA
	Bajaj Auto	XBJBF	BJAUT IN	Gunjan Prithyani
	BYD	BYDDF	1211 HK	Ming Hsun Lee, CFA
	BYD	XYMPF	002594 CH	Ming Hsun Lee, CFA
	BYD	BYDDY	BYDDY US	Ming Hsun Lee, CFA
	CATL	XMOQF	300750 CH	Ming Hsun Lee, CFA
	DENSO	DNZOF	6902 JP	Kentaro Hosoda
	Fuyao Glass	XFGIF	600660 CH	Edward Leung, CFA
	Fuyao Glass	FIGIF	3606 HK	Edward Leung, CFA
	Great Wall Motor	GWLLF	2333 HK	Ming Hsun Lee, CFA
	GS Yuasa	GYUAF	6674 JP	Kentaro Hosoda
	Guangzhou Automobile Group	GNZUF	2238 HK	Ming Hsun Lee, CFA
	Hankook Tire	XHTRF	161390 KS	KJ Hwang
	Hero Motocorp	HRHDF	HMCL IN	Gunjan Prithyani
	Hesai	HSAL	HSAL US	Jessie Lo
	HL Mando	XMADF	204320 KS	KJ Hwang
	Honda Motor	HMC	HMC US	Kentaro Hosoda
	Honda Motor	HNDAF	7267 JP	Kentaro Hosoda
	Huayu	XHASF	600741 CH	Jessie Lo
	Hyundai Motor	HYMLF	005380 KS	KJ Hwang
	Joyson	XQMWF	600699 CH	Jessie Lo
	Leapmotor	XZSSF	9863 HK	Ming Hsun Lee, CFA
	Li Auto	LI	LI US	Ming Hsun Lee, CFA
	Li Auto	LAAOF	2015 HK	Ming Hsun Lee, CFA
	Maruti	MUDGF	MSIL IN	Gunjan Prithyani
	Mazda Motor	MZDAF	7261 JP	Kentaro Hosoda
	Minth	MNTHF	425 HK	Jessie Lo
	Ningbo Tuopu	XNCGF	601689 CH	Joey Yang, CFA
	Nissan Motor	NSANF	7201 JP	Kentaro Hosoda
	Nissan Motor	NSANY	NSANY US	Kentaro Hosoda
	SAMIL (Motherson International)	XMSUF	MOTHERSO IN	Gunjan Prithyani
	Shenzhen Kedali	XWCSF	002850 CH	Jessie Lo
	Shuanghuan Driveline	XZSHF	002472 CH	Jessie Lo



## APR - Autos Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Sumitomo Rubber Industries	SMTUF	5110 JP	Kentaro Hosoda
	Suzuki Motor	SZKMF	7269 JP	Kentaro Hosoda
	Tata Motors	XTTSF	TTMT IN	Gunjan Prithyani
	Toyo Tire	TOTTF	5105 JP	Kentaro Hosoda
	Toyota Motor	TOYOF	7203 JP	Kentaro Hosoda
	Toyota Motor	TM	TM US	Kentaro Hosoda
	Wencan	XSCDF	603348 CH	Joey Yang, CFA
	XPeng Inc	XPEV	XPEV US	Ming Hsun Lee, CFA
	XPeng Inc.	XPNGF	9868 HK	Ming Hsun Lee, CFA
	Yadea	YADGF	1585 HK	Joey Yang, CFA
	Zhejiang Sanhua	XZSIF	002050 CH	Jessie Lo
	Zhongsheng Auto	ZHSHF	881 HK	Joey Yang, CFA

## NEUTRAL

	Aisin	ASEKF	7259 JP	Kentaro Hosoda
	Ashok Leyland	XDBVF	AL IN	Gunjan Prithyani
	Bridgestone	BRDCF	5108 JP	Kentaro Hosoda
	Bridgestone	BRDCY	BRDCY US	Kentaro Hosoda
	CALB	XCLSF	3931 HK	Ming Hsun Lee, CFA
	Dong Feng	DNFGF	489 HK	Ming Hsun Lee, CFA
	Eicher Motors	XEIMF	EIM IN	Gunjan Prithyani
	Hyundai Mobis	HYPLF	012330 KS	KJ Hwang
	Kia Corp	KIMTF	000270 KS	KJ Hwang
	Mahindra & Mahindra (M&M)	XKQRF	MM IN	Gunjan Prithyani
	MeiDong Auto	CMEIF	1268 HK	Joey Yang, CFA
	Motherson Sumi Wiring	XMWDF	MSUMI IN	Gunjan Prithyani
	NIO	NIO	NIO US	Ming Hsun Lee, CFA
	NIO	NIOIF	9866 HK	Ming Hsun Lee, CFA
	NIO	XLTWF	NIO SP	Ming Hsun Lee, CFA
	Shenzhen Senior	XHYRF	300568 CH	Jessie Lo
	Subaru Corp	FUJHF	7270 JP	Kentaro Hosoda
	Subaru Corp	FUJHY	FUJHY US	Kentaro Hosoda
	Toyota Industries Corporation	TYIDF	6201 JP	Kentaro Hosoda
	Toyota Industries Corporation	TYIDY	TYIDY US	Kentaro Hosoda
	TVS Motors	XFKMF	TVSL IN	Gunjan Prithyani
	Wuxi Lead	XZSRF	300450 CH	Ming Hsun Lee, CFA
	Yokohama Rubber	YORUF	5101 JP	Kentaro Hosoda
	Yongda	CYHFF	3669 HK	Joey Yang, CFA
	Yunnan Energy	XLGFF	002812 CH	Jessie Lo

## UNDERPERFORM

	Astra International	PTAIF	ASII IJ	Paul Dewberry
	BAIC Motor	BMCLF	1958 HK	Ming Hsun Lee, CFA
	Bharat Forge	XUUVF	BHFC IN	Gunjan Prithyani
	China Grand Auto	XMURF	600297 CH	Joey Yang, CFA
	Desay SV	XGDF	002920 CH	Jessie Lo
	Escorts Kubota	XSCOF	ESCORTS IN	Gunjan Prithyani
	EVE	XEVFF	300014 CH	Ming Hsun Lee, CFA
	GAC	XGNHF	601238 CH	Ming Hsun Lee, CFA
	Great Wall Motor	XGWMF	601633 CH	Ming Hsun Lee, CFA
	Hyundai Wia	XWHYF	011210 KS	KJ Hwang
	Mitsubishi Motors	MMTOF	7211 JP	Kentaro Hosoda
	Nextage	NXAGF	3186 JP	Kentaro Hosoda
	Nexteer	NTXVF	1316 HK	Jessie Lo
	Putailai	XVHGF	603659 CH	Jessie Lo
	SAIC Motor	XZNF	600104 CH	Ming Hsun Lee, CFA
	Sona Comstar	XBNXF	SONACOMS IN	Gunjan Prithyani
	Tinci Materials	XCVHF	002709 CH	Miriam Chan, CFA

## RVW

	Geely	GELVF	175 HK	Ming Hsun Lee, CFA
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## iQmethod<sup>SM</sup> Measures Definitions

### Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

### Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

### Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

### Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

### Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash &amp; Equivalents

EBIT

### Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

### Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

### Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

### Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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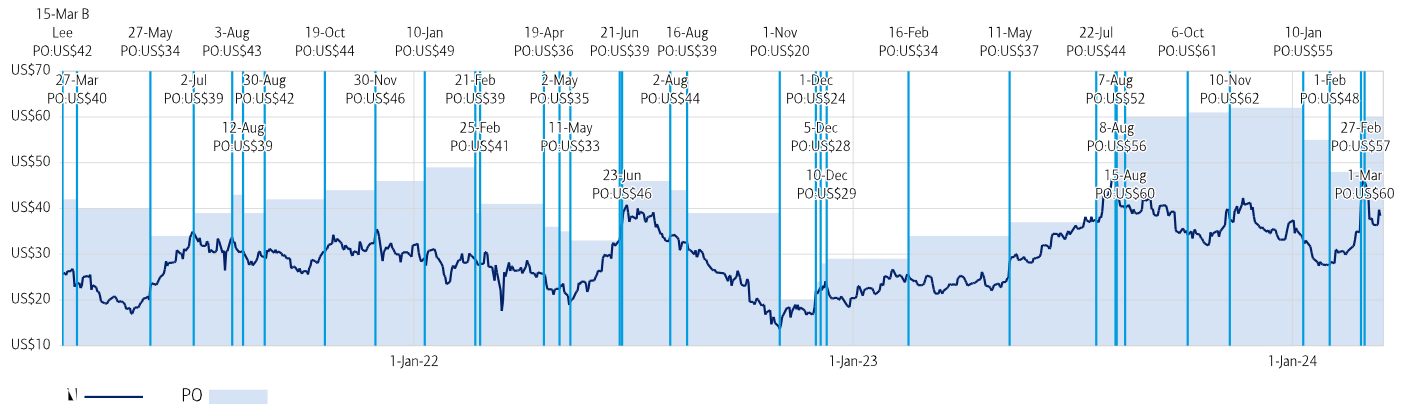
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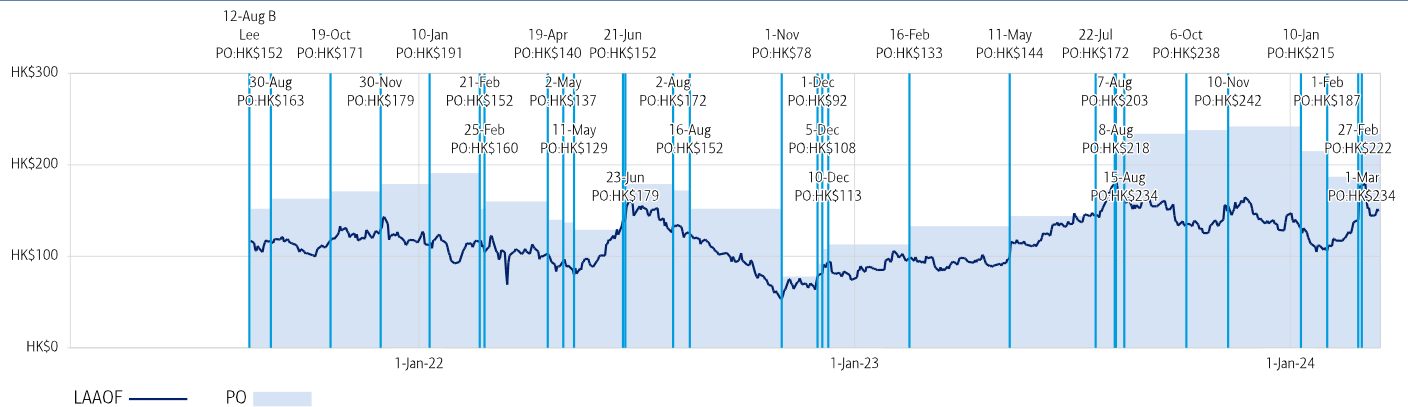
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### Li Auto (LI) Price Chart



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### Li Auto (LAAOF) Price Chart



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Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	67	55.83%	Buy	39	58.21%
Hold	30	25.00%	Hold	15	50.00%
Sell	23	19.17%	Sell	12	52.17%

### Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
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Sell	807	22.84%	Sell	383	47.46%

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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