

理想汽车-W (2015.HK) 理想汽车 (LI.O)

- Dual enhancement of product competitiveness and organizational capabilities
- Flywheel effect propelling performance growth

邓国翱 丁颖 梁颢曦 牛奕彤 王宇藤

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Core Point

- **Core point:** The company aims to improve organizational efficiency by adopting Huawei's IPD+ matrix organizational structure. It believes that through a distinctive brand image and product matrix expansion, the company can maintain a leading position in the domestic market and steadily enter the mainstream market.
- **Follow-up:** Focus on the implementation of the Li Auto pure electric technology and platform through the launch of the first all-electric product, Mega. Monitor the progress of the new production line scheduled to be built by 2024.
- **Profit forecast:** The company's projected revenue for the years 2023-2026 is expected to be 136.7/320.4/536.0/778.8 billion yuan, with growth rates of 202%/134%/67%/45% respectively. The estimated net profit attributable to shareholders is 8.1/16.6/18.7/27.1 billion yuan. The company is expected to achieve profitability in 2023, with growth rates of 105%/13%/45% for the years 2024-2026. The corresponding current PE ratio is 31.39/15.27/13.50/9.31 times, and the PS ratio is 2.03/0.87/0.52/0.36 times.
- **The close price of Jan. 9 is HK131.00. With a forecasting PS ratio of 1.2 times for the year 2024, the corresponding market value would be 384.4 billion HKD and target price would be 181.158 HKD per share. With a forecasting PE ratio of 21 times for the year 2024, the corresponding market value would be 382.3 billion HKD, resulting in a target price of 180.182 HKD per share.**
- **Investing Rating: Buy-in.**

I. Company Profile:

Establishing the "Home" brand and positioning differentiated products opens up market space

II. IPO Review:

Insufficient internal cash flow prompts dual listing for product portfolio expansion and high R&D investment needs

III. Products and Sales Review:

Secure victory in competition among new forces, address weaknesses, and further enhance product competitiveness

IV. Profit Forecast and Valuation

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Establishing "Home" brand: Founder's background in Internet start-up shaped user-centric mindset

Three entrepreneurial endeavors: Doing what others aren't doing

PaoPao Net

Started Graphics Card Home, monthly advertising revenue of 20,000 yuan
2001
PaoPao Net became the third-largest Chinese IT website domestically

1999
Rebranded as PaoPao Net, Expanded product coverage to all computer peripherals
2005

- Hard to surpass leading giants
- Lack of well-performing automotive websites

Top-ranked in web traffic among automotive vertical websites.
2013
Content-driven model incurs no traffic acquisition costs, resulting in a net profit of 1.1bn yuan.

Autohome

Started Autohome
Two updates provide differentiated use experience
2007
Listed on Nasdaq, with a market capitalization peaking at 5 billion yuan.
2015
Li Xiang left.

Recognized the opportunity in the upgrading Chinese automotive industry

2016.5 Series A Financing
2018.3 Series B Financing
2019.8 Series C Financing
2020.6 Series D Financing
2020.7 Listed on Nasdaq
2021.8 Listed on HK Stock Exchange

Li Auto

Started 'Chehejia'. Positioned as home plus extended-range for vehicles.
2016.8 Groundbreaking of Changzhou factory
2018.10 Launched Li-One -Mid-sized 6-seat SUV
2019.11 Mass-produced Li-One Delivered Li-One
2019.12
2021.5 Delivery of over 50k units Set a record for innovation-driven forces.
2022.6 Launched L9
2022.11 Launched L8
2023.11 Surpassed annual target of 300k units ahead of schedule
2023.5-12 Underwent a matrix organizational structure transformation
2023.12 Monthly deliveries >50k Annually > 370k

➤ Background in Internet start-up shaped user-centric mindset

- Remain extra emphasis on user needs after venturing into car manufacturing
- The experience with Autohome has endowed Li Xiang with profound market insights.
 - Realization of lack of electric vehicles in the market tailored for family users without range anxiety
 - The characteristics of the extended-range platform, "urban electricity use, long-distance power generation, camping power supply," align well with the needs of family users.

Target: By 2025, establish a product layout featuring "1 Super Flagship Ideal MEGA + 5 Extended-Range Electric Models + 5 High-Voltage Pure Electric Models," targeting the market above 200k household users.

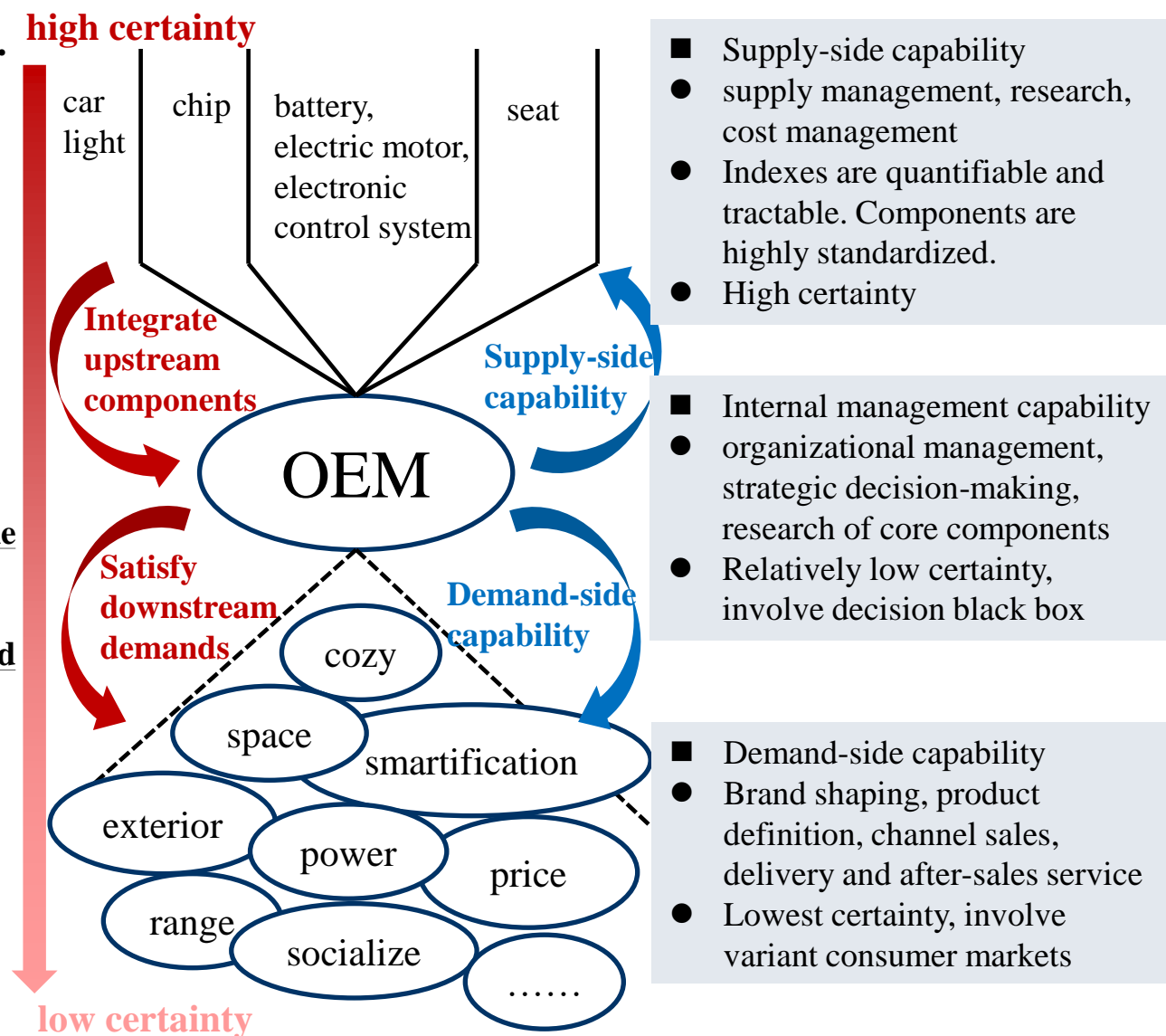
Business model of complete vehicle manufacturers

➤ Cars have dual attributes as industrial products and commodities.

- High standardization of upstream components allows for market procurement, except core parts. Li Auto needs to control quality and costs through supply chain management and highly automated production.
- Consumer preferences for automotive products downstream are diverse Li Auto needs to clearly identify different target customer groups, thereby constructing product matrix rationally.
- **Optimization problem for complete vehicle manufacturer(its value):**
 - Single product: minimize component procurement costs, and define a product to meet specific needs of a target consumer group.
 - Multiple products: construct a product matrix to differentiate and cover diverse consumer groups in as many regions as possible.

➤ Core capabilities of complete vehicle manufacturer:

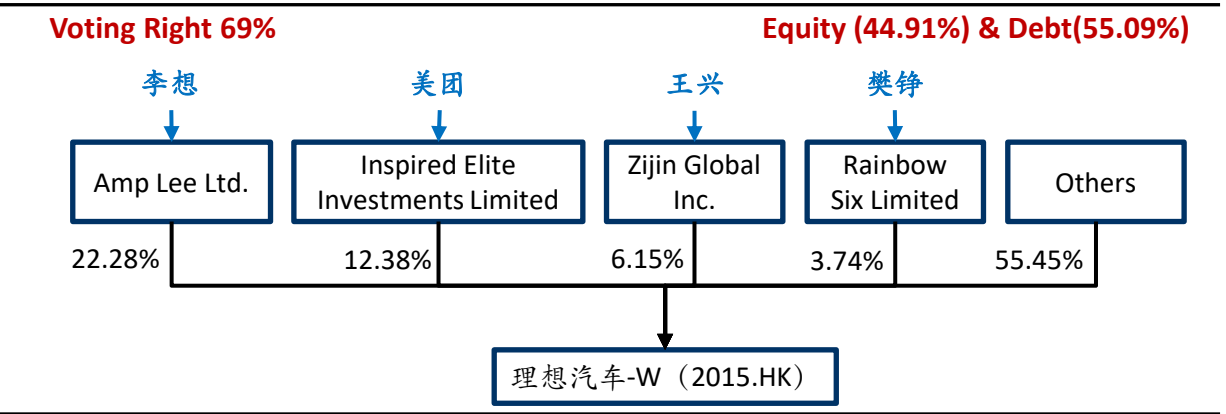
- Upstream: Lower procurement costs(bulk purchasing), improved quality(self-researched), reliable supply (maintaining supplier relationships)
- Internal: organizational management efficiency, strategic decision-making
- Downstream: dynamically adapt to demands, add value through service



Clear Division of Founding Team & IPD × Matrix-like Management Structure Facilitates Expansion

Name	Duty	Resume
Xiang Li (李想)	Founder, Chairman, & CEO	Founded Graphics Card Home (<i>PaoPao Net</i>) in 1999; founded <i>AutoHome</i> in 2005, which was listed on the NYSE in 2013; founded <i>Chehejia (Li Auto)</i> in 2015, and served as Chairman & CEO until now.
Donghui Ma (马东辉)	Co-founder, Executive Director & Chief Engineer	Former president of 三一重工研究院, managing supply chain and technology; former senior project manager and director of the vehicle body department of Aart Automobile and Simple Int. Car Design.
Tie Li (李铁)	Co-founder, Executive Director, & CFO	Bachelor of Accounting and Master of Management, Tsinghua University; Worked at PwC for 6 years; former vice president of finance of <i>AutoHome</i> .
Yan Xie (谢炎)	CTO	Former general manager and chief architect of <i>Alibaba</i> AI iOS; former vice president of <i>Huawei</i> consumer BG software department and director of terminal OS department.
Yanan Shen (沈亚楠)	Co-founder	Former president of <i>Lenovo</i> global supply chain; Former chairman of <i>MOTOROLA Mobility (China)</i> ; resigned as director and CEO and joined the Process Reform Committee

Figure: 理想汽车 capital structure as of 07/01/2024 (equity and debt ratio reported as of 23Q3)



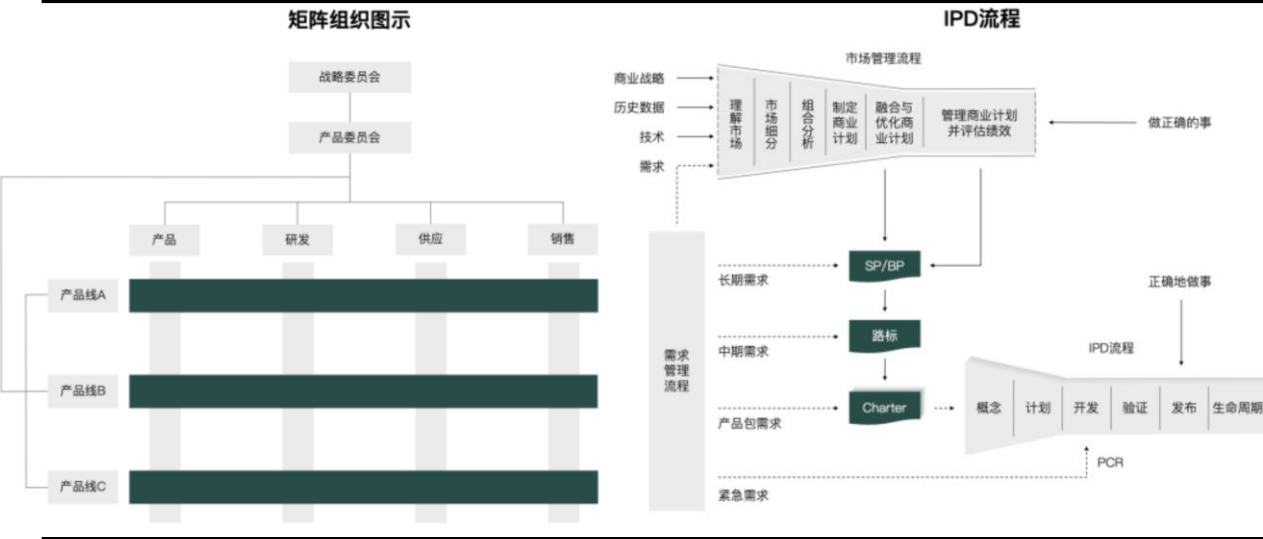
➤ Founder as well as Controller, Voting Right of Xiang Li Reaches 69%

- The unreasonable ownership structure of his first 2 businesses made Xiang Li firmly want to control the company in his own hands when he started his third business. *AutoHome* was caught up in a battle for control in 2016, when Telstra sold a 47.7% stake of *AutoHome* to 中国平安 without any communication, who wanted to interfere in the operation and management of *AutoHome*.

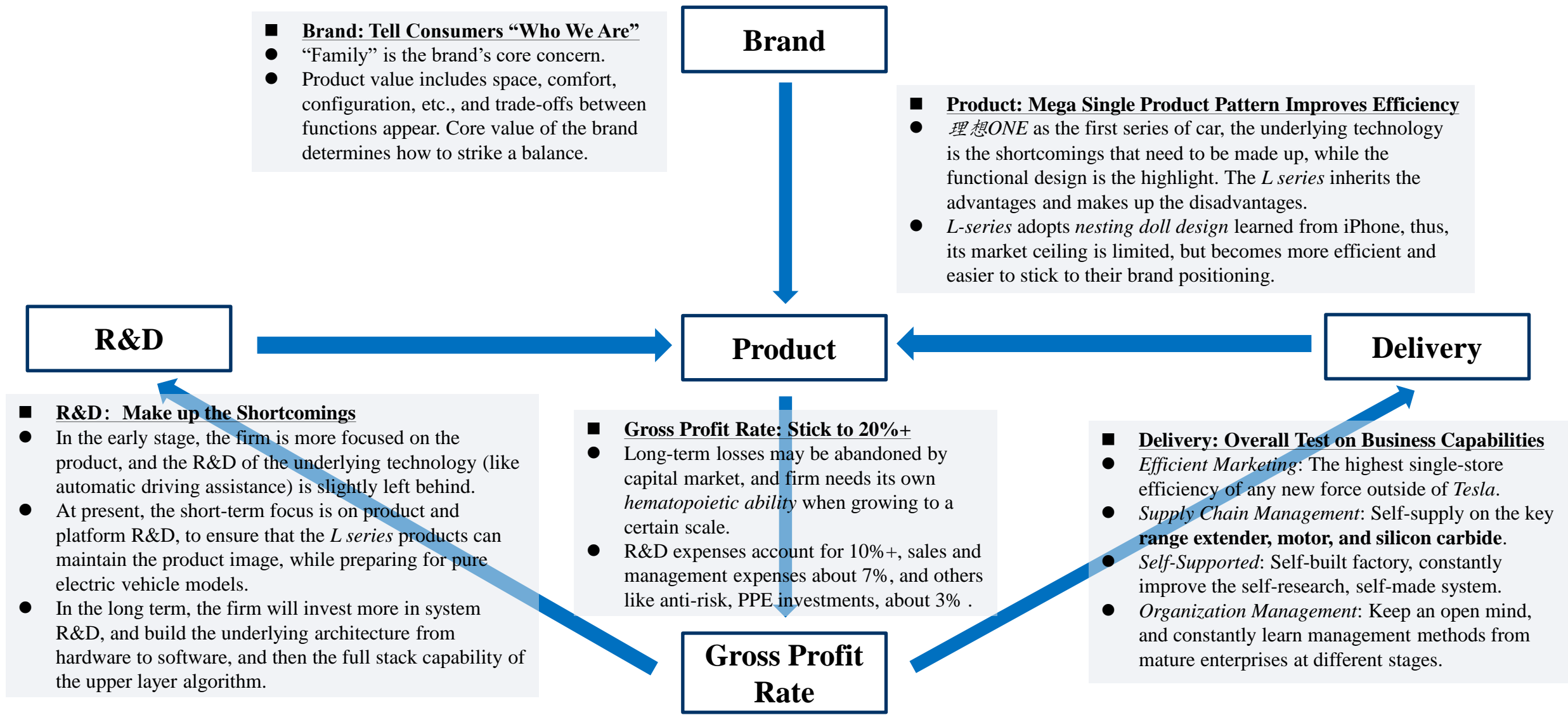
➤ IPD × Matrix-like Management Structure Facilitates Future Expansion

- The firm encountered management problems during development and expansion, and took the initiative to learn from advanced enterprises and reform the management system, e.g., Google OKR system was introduced in 2018, and *Huawei* IPD system was introduced in 2022 preparing for the further expansion on products, employees and business lines.

Figure: Example of IPD × Matrix-like Management Structure



Appendix: Operation Philosophy: Build Mega Products & Flywheel Effect



Product Differentiation Borders Market Space, Segment β + Product α Drive Revenue Growth

- Unique Product Racing Track & Low Market Frictions:** Aiming at the relatively blank market area of high-end family cars, and different target market and customer groups from of industry leaders Tesla and BYD, reduce the pressure brought by industry competition.
- Subdivision Track Took Off, Market Share Continues to Increase:** Subdivision tracks of 300k+, plug-in/pure electric, and SUV the firm located in are showing a growing trend, in which product penetration rates continue to rise.

Figure: Monthly sales of each model & Proportion of sales in the corresponding models continues to increase

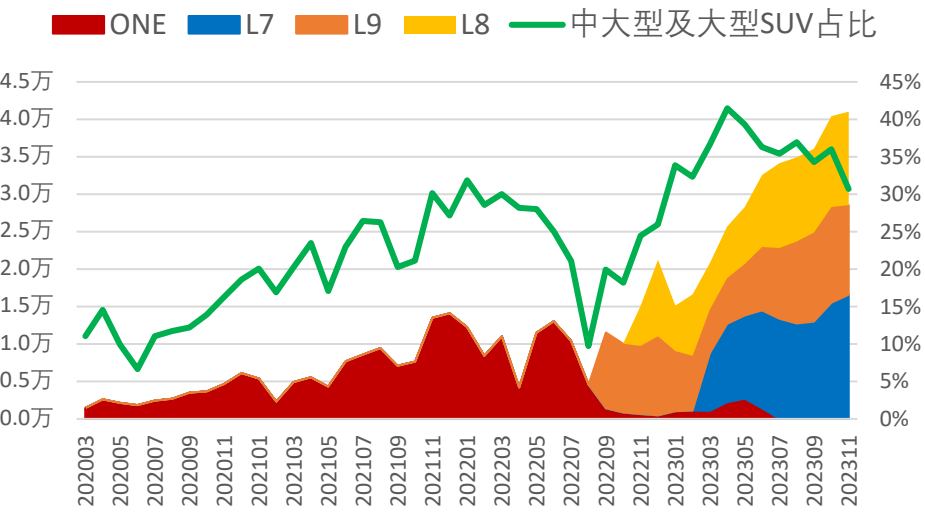


Figure: National passenger car sales structure, where the proportion of SUVs continues to increase

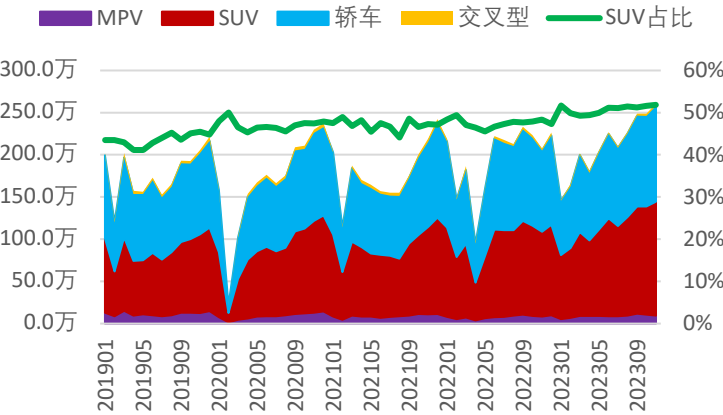


Figure: National passenger car sales structure, where the proportion of plug-in/pure electricity constantly increases

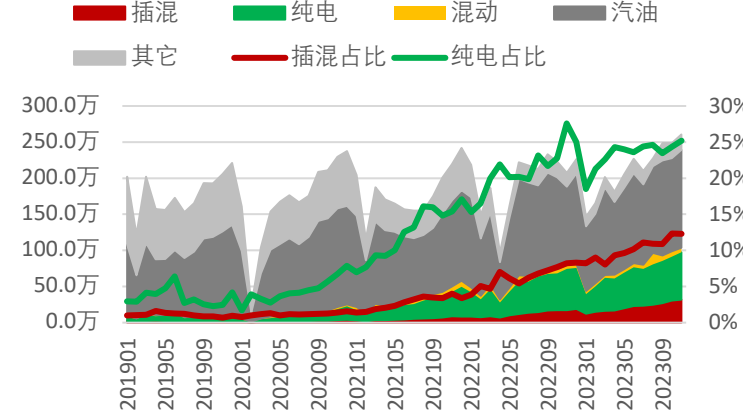
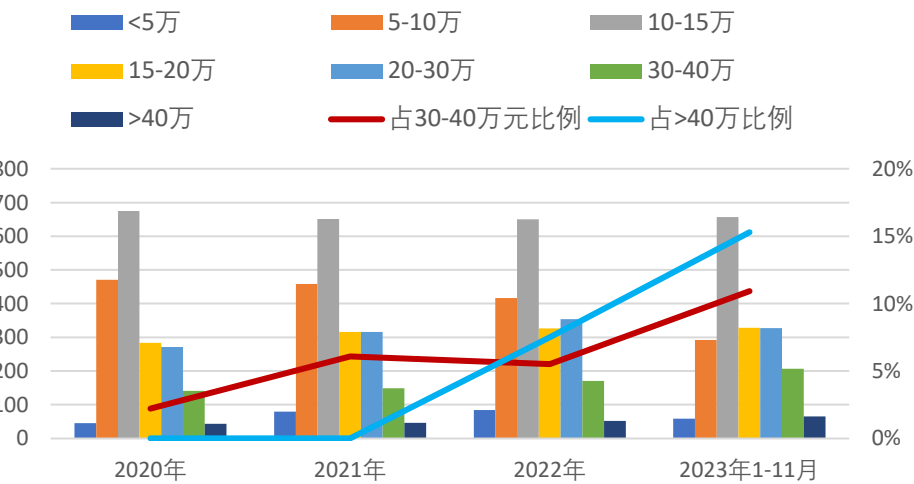


Figure: National sales volume of passenger cars in all price segments, where the proportion of target subdivision track rapidly increases.



Model	Series	Price (¥)
ONE	2019	328k
	2020	328k
	2021	349.8k
L7	2023Air	319.8k
	2023Pro	339.8k
	2023Max	379.8k
L8	2023Air	339.8k
	2023Pro	359.8k
	2023Max	399.8k
L9	2023Pro	429.8k
	2023Max	459.8k
Mega	Max	600k

Appendix: Domestic Industry Market Space Estimation: Segment space has been nearly ¥700 billion, Expected to exceed ¥2 trillion in 2026

Sales Prediction (Thou. ¥)	2020	2021	2022	2023E	2024E	2025E	2026E
Automobile Total Sales	20,135	21,468	23,550	25,331	26,598	27,662	28,492
YoY Growth Rate (%)		6.62%	9.70%	7.56%	5.00%	4.00%	3.00%
Large SUV	0	5	46	116	202	304	427
YoY Growth Rate (%)		4793.75%	738.31%	152.54%	74.21%	50.53%	40.45%
Plug-in Hybrid	0	0	39	109	176	250	321
Pure Electric	0	5	6	3	16	46	98
Gasoline	0	0	1	4	10	9	9
Middle-Large SUV	268	378	520	886	1,303	1,770	2,279
YoY Growth Rate (%)		40.87%	37.46%	70.57%	47.08%	35.84%	28.75%
Plug-in Hybrid	31	97	138	320	586	885	1185
Pure Electric	11	41	96	202	326	531	729
Others	226	240	286	363	391	354	365
Medium SUV	2,176	2,526	3,046	3,540	3,990	4,426	4,844
YoY Growth Rate (%)		16.09%	20.57%	16.20%	12.72%	10.93%	9.44%
Plug-in Hybrid	58	89	225	446	758	1,018	1,211
Pure Electric	45	361	720	943	1,157	1,461	1,744
Others	2,074	2,076	2,102	2,151	2,075	1,947	1,889
Middle-Large MPV	270	341	383	631	878	1,079	1,225
YoY Growth Rate (%)		26.26%	12.06%	65.02%	38.99%	22.91%	13.56%
Plug-in Hybrid	0	0	16	130	246	367	466
Pure Electric	0	0	3	37	105	237	245
Others	270	341	364	464	527	475	515

➤ Key Assumptions:

- The sales of Dec. 23 is the average of the sales volume of the previous 11 months.
- In 24/25/26, the growth rate of total domestic automobile sales will be 5%, 4%, and 3%.
- The promotion of automobile firms speeds the change of consumer lifestyle, more usage scenarios will be activated, and thus the demand for SUVs and MPVS will rise (SUV sales in the United States account for more than 55%, and 51% in Europe).
- The value of single vehicle refers to the price of the firm vehicle series.

Proportion Verification	2020	2021	2022	2023E	2024E	2025E	2026E
Large SUV Proportion (%)	0.00%	0.03%	0.20%	0.46%	0.76%	1.10%	1.50%
Middle-Large SUV Proportion (%)	1.33%	1.76%	2.21%	3.50%	4.90%	6.40%	8.00%
Medium SUV Proportion (%)	10.81%	11.77%	12.93%	13.97%	15.00%	16.00%	17.00%
Middle-Large MPV Proportion (%)	1.34%	1.59%	1.62%	2.49%	3.30%	3.90%	4.30%
Price Assumption (Thou. ¥)							
Large SUV Unit Price	450	450	450	450	450	450	450
Middle-Large SUV Unit Price	350	350	350	350	350	350	350
Medium SUV Unit Price	260	260	260	260	260	260	260
Middle-Large MPV Unit Price	600	600	600	600	600	600	600
Total Market Space (Bil. ¥)							
Domestic Market Space	822.1	996.5	1,224.1	1,661.5	2,111.1	2,554.6	2,984.5
Large SUV Market Space	0.1	2.5	20.7	52.2	91.0	136.9	192.3
Middle-Large SUV Market Space	93.9	132.3	181.8	310.1	456.2	619.6	797.8
Medium SUV Market Space	565.9	656.9	792.0	920.3	1,037.3	1,150.7	1,259.3
Middle-Large MPV Market Space	162.3	204.9	229.6	378.9	526.6	647.3	735.1

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Power Split of Each Model	2020	2021	2022	2023E	2024E	2025E	2026E
Large SUV							
Plug-in Hybrid Proportion (%)	0.00%	0.00%	84.82%	93.51%	87.00%	82.00%	75.00%
Pure Electric Proportion (%)	100.00%	100.00%	13.71%	2.94%	8.00%	15.00%	23.00%
Others Proportion (%)	0.00%	0.00%	1.47%	3.55%	5.00%	3.00%	2.00%
Middle-Large SUV							
Plug-in Hybrid Proportion (%)	11.62%	25.74%	26.60%	36.14%	45.00%	50.00%	52.00%
Pure Electric Proportion (%)	4.14%	10.81%	18.43%	22.84%	25.00%	30.00%	32.00%
Others Proportion (%)	84.24%	63.44%	54.97%	41.02%	30.00%	20.00%	16.00%
Medium SUV							
Plug-in Hybrid Proportion (%)	2.65%	3.51%	7.38%	12.59%	19.00%	23.00%	25.00%
Pure Electric Proportion (%)	2.05%	14.30%	23.63%	26.65%	29.00%	33.00%	36.00%
Others Proportion (%)	95.30%	82.19%	68.99%	60.76%	52.00%	44.00%	39.00%
Middle-Large MPV							
Plug-in Hybrid Proportion (%)	0.00%	0.00%	4.17%	20.64%	28.00%	34.00%	38.00%
Pure Electric Proportion (%)	0.07%	0.06%	0.82%	5.93%	12.00%	22.00%	20.00%
Others Proportion (%)	99.93%	99.94%	95.01%	73.43%	60.00%	44.00%	42.00%
New Energy Market Space							
Domestic Market Space (Bil. ¥)	41.5	168.0	359.3	695.1	1,114.3	1,635.4	2,053.1
YoY Growth Rate (%)		304.34%	113.90%	93.47%	60.32%	46.77%	25.54%
Large SUV Market Space	0.1	2.5	20.4	50.4	86.4	132.8	188.5
Middle-Large SUV Market Space	14.8	48.4	81.9	182.9	319.3	495.7	670.1
Medium SUV Market Space	26.6	117.0	245.6	361.1	497.9	644.4	768.2
Middle-Large MPV Market Space	0.1	0.1	11.5	100.7	210.7	362.5	426.3
New Energy Market Proportion (%)	5.05%	16.85%	29.35%	41.83%	52.78%	64.02%	68.79%

➤ Key Assumptions:

- In 2025, vehicle-pile ratio will reach 2:1, of which private charging piles will account for more than 75%.
- The growth rate of new energy vehicle sales should match the growth rate of charging piles, and the vehicle-pile ratio should be within a reasonable range.
- Large SUV: With the introduction of pure electric version, pure electric market share will further increase.
- Middle-Large SUV: New product iteration will boarder the gap with other energy types, and the proportion of new energy will further increase.
- Medium SUV: With the downward penetration of new power models, the proportion of plug-in hybrid and pure electric will further increase.
- Medium-Large MPV: With the introduction of new models, the proportion of plug-in hybrid and pure electric will further increase.

Charging Piles Growth Rate	2020	2021	2022	2023E	2024E	2025E	2026E
New Energy Vehicle Sales (Thou.)	1,320	3,510	6,870	8,870	11,170	13,830	15,670
New Energy Penetration Rate (%)	7%	16%	29%	35%	42%	50%	55%
YoY Growth Rate (%)		165.50%	95.95%	30.00%	30.00%	23.81%	13.30%
Existing New Energy Vehicles (Thou.)	4,920	7,840	13,100	21,970	33,140	46,970	62,640
YoY Growth Rate (%)		59.35%	67.09%	67.68%	50.86%	41.74%	33.36%
Newly Increased Public Piles (Thou.)	0	340	650	910	1,180	1,510	1,890
YoY Growth Rate (%)			91.18%	40.00%	30.00%	28.00%	25.00%
Public Piles (Thou.)	810	1,150	1,800	2,710	3,890	5,410	7,300
YoY Growth Rate (%)	56.35%	41.98%	56.52%	50.56%	43.65%	38.90%	35.00%
Public Vehicle-Pile Ratio	6.07	6.82	7.28	8.11	8.51	8.69	8.58
Sales Proportion of Each Model in New Energy Market							
Large SUV Proportion (%)	0.01%	0.16%	0.66%	1.26%	1.72%	2.13%	2.67%
Middle-Large SUV Proportion (%)	3.20%	3.94%	3.40%	5.89%	8.17%	10.24%	12.22%
Medium SUV Proportion (%)	7.74%	12.83%	13.74%	15.66%	17.14%	17.92%	18.85%
Middle-Large MPV Proportion (%)	0.01%	0.01%	0.28%	1.89%	3.14%	4.37%	4.53%

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plans for research and development, self-built production capacity, and expansion of product matrix

- **Product matrix expansion:** a. Extended-range: Introduced the next-generation extended-range electric vehicle platform in three new models planned for 2022 and 2023. b. Pure electricity: Developed Whale and Shark platforms, launching at least two new high-voltage pure electric models annually from 2023. (address weakness)
- **Research:** Next-generation Powertrain System, High Energy Density Battery, High Voltage Platform, Next-generation Intelligent Cockpit, etc.(address weakness)
- **Charging network support:** Build a high-power charging network(address weakness)
- **Sales network:** Expand direct-operated stores in more regions(strengthen advantage)
- **Production Capacity:** Expand and reconfigure Changzhou factory(strengthen advantage)



Figure: Monthly sales. Key factor in competition phase one-capability

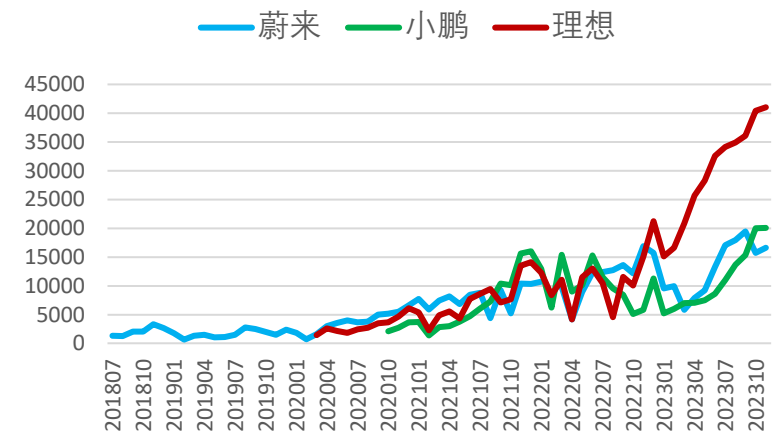


Figure: capital expenditure(100 million U.S. Dollars)

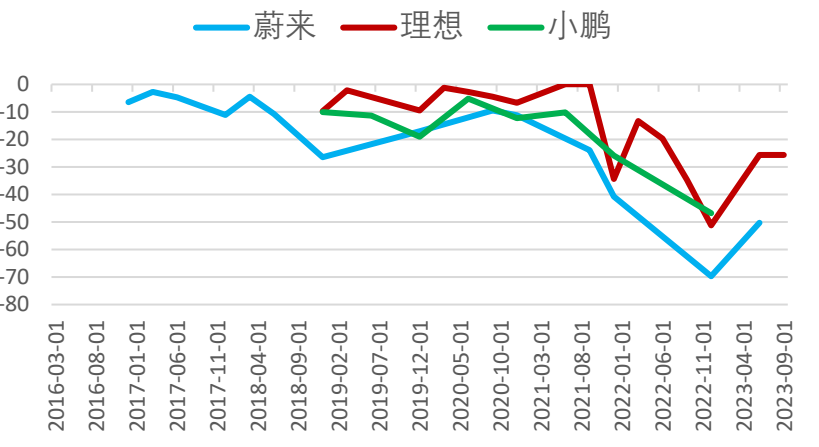
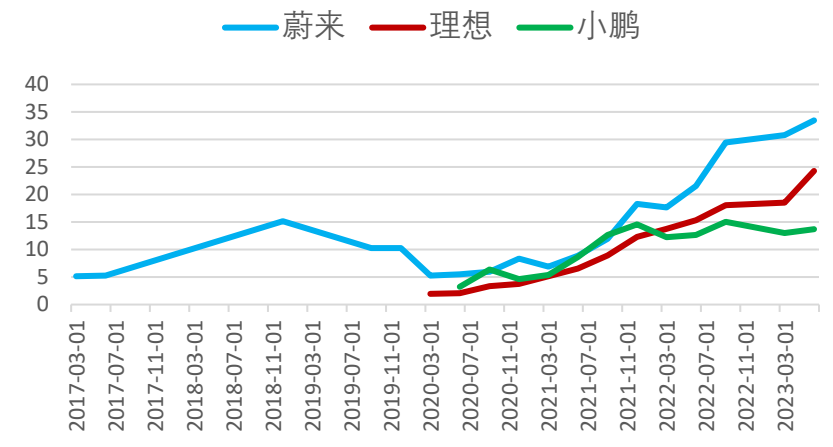


Figure: research expenditure (100 million U.S. Dollars)



Equity financing was optimal choice: insufficient self-generating capability, relatively high debt ratio

- **Dual listing: Seizing the industry initiative under stricter regulations.**
- For a company that has been listed in the United States for less than two years and seeks a secondary listing in Hong Kong, it usually needs to follow the procedures for a "dual listing." Compared to a "secondary listing," a company opting for a "dual listing" must meet the management requirements of both markets, making the overall criteria much stricter.

	List in Nasdaq			List in HK		
	Filing Date	Prospectus Announcement	Listing Date	Filing Date	Prospectus Announcement	Listing Date
Li Auto	2020.07.10	2020.07.30	2020.07.30	2021.07.26	2021.08.03	2021.08.12
NIO	2018.08.13	2018.09.12	2018.09.12	-	2022.02.28	2022.03.10
Xiaopeng	2020.08.07	2020.08.28	2020.08.27	2021.06.23	2021.06.25	2021.07.07

Figure: net Income Attributable to Parent(100 million US dollars)

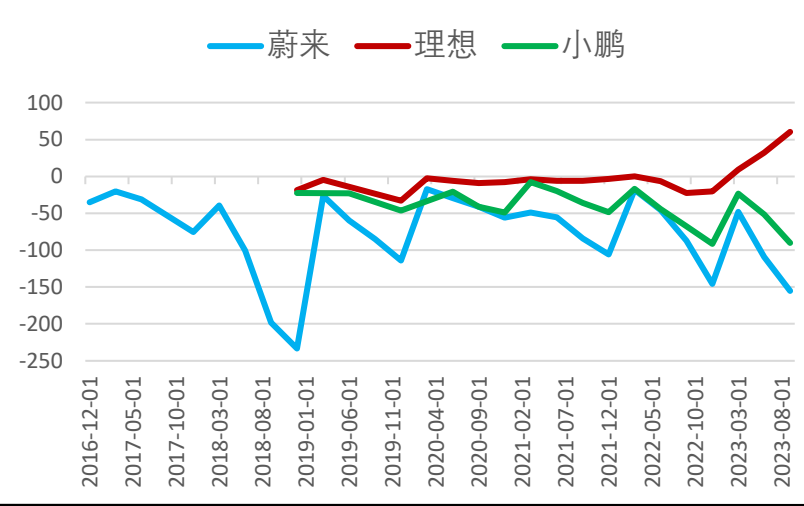


Figure: debt to asset ratio(%)

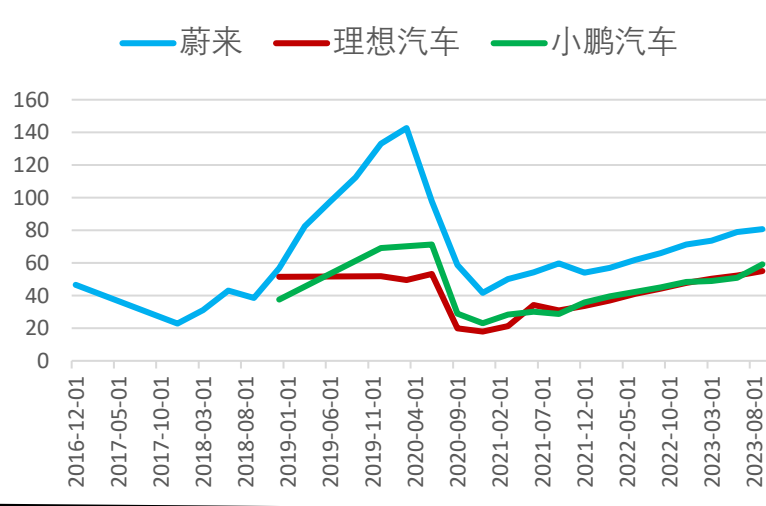


Figure: Net Cash Flow from Financing Activities (亿美元)

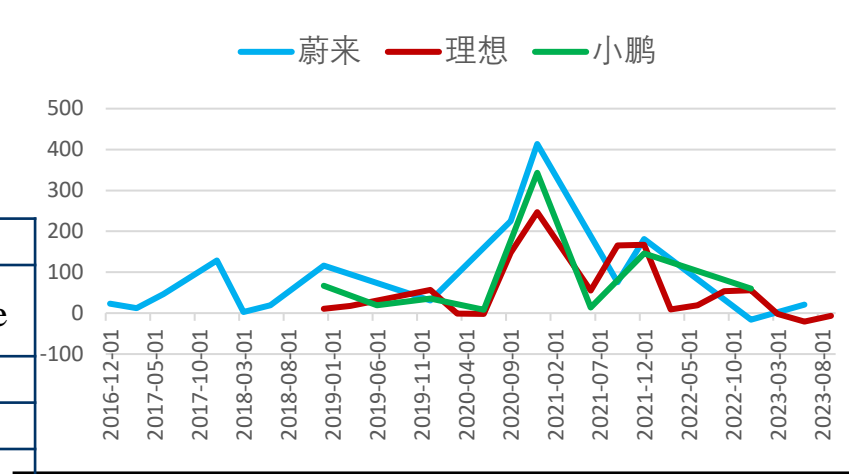
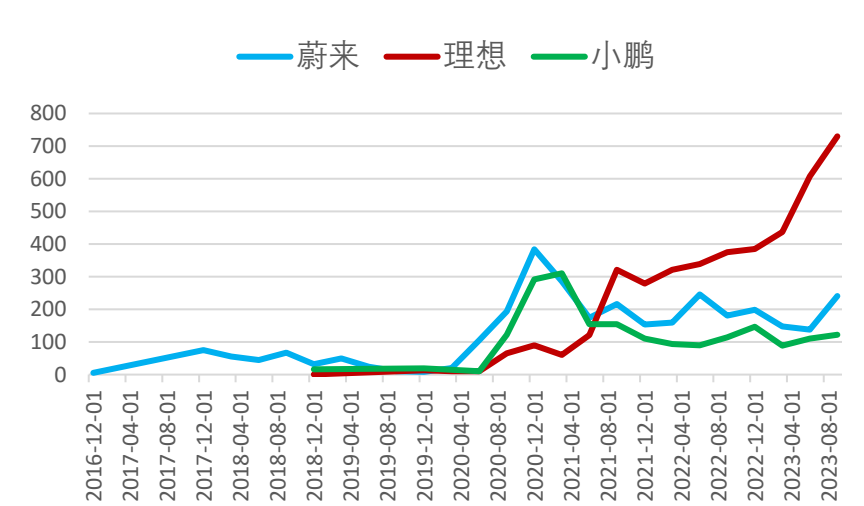


Figure: cash and cash equivalent(100 million US dollars)



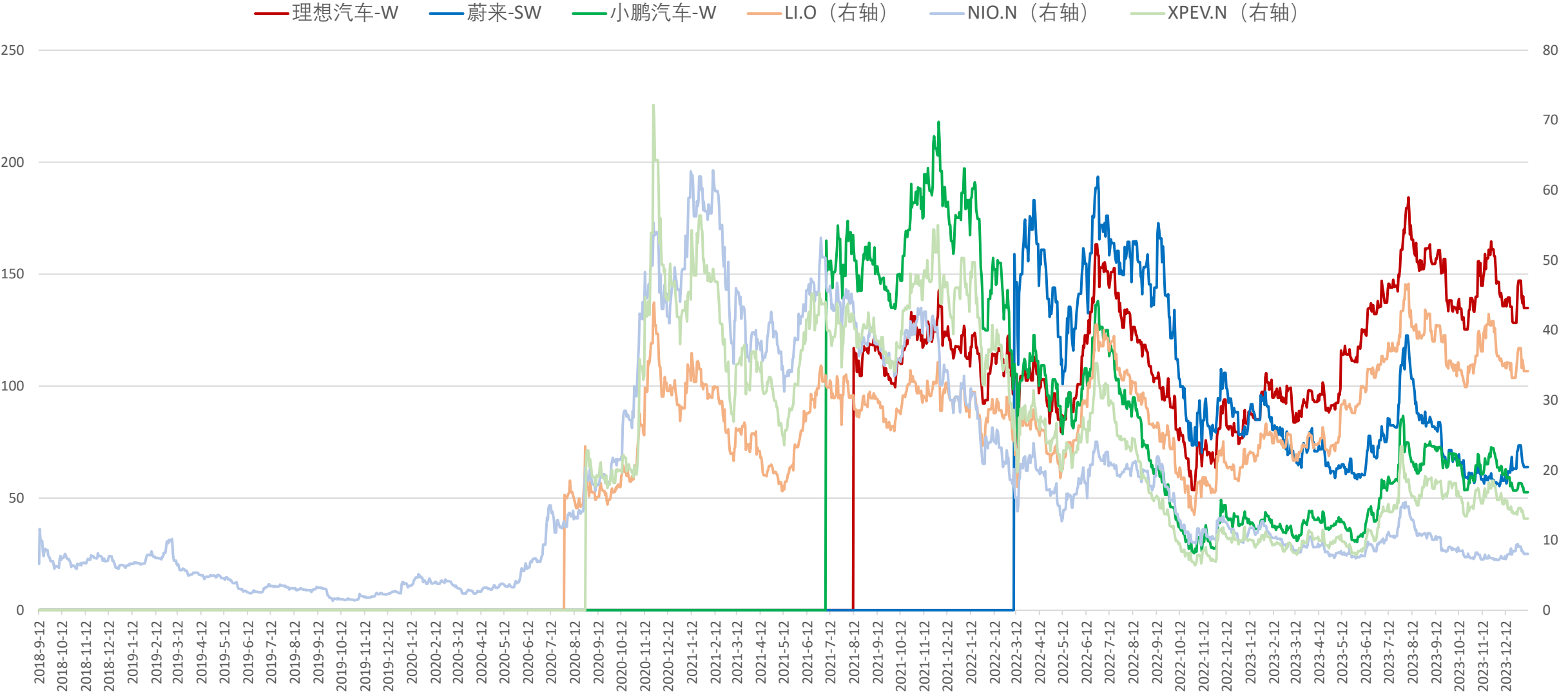
IPO details: limited room for imagination in single product, fundraising needs validation

- Issue price lower than expected: limited room for imagination with single product.
- The secondary capital market places greater emphasis on imaginative potential.
 - **If the proposed projects for the IPO are gradually validated and the industry space expands, it will drive an increase in Ideal's market value.**
 - From the planned investment projects, Li Auto needs to effectively tell the story of the next-generation extended-range models, etc. Subsequent attention to project progress will be crucial for adjusting the valuation success rate.

Sales statistics				
	Prospectus Forecast		Actual Sale	
	Unallocated Portion	Over-Allotment Option(15%)	Unallocated Portion (2021.8.11)	Over-Allotment (2021.9.3)
Pre-IPO total shares(share)	1951845710			
Number of shares offered(share)	HK	Global		
	10000000	90000000	15000000	100000000 13869700
Post-IPO total shares(share)	2051845710	2066845710	2065715410	
Proportion of Sale Shares to the Issued Capital After Completion of Sale(%)	4.87%	5.56%	5.51%	
Issue price(HKD/share)	150.00		118.00	
Funds raised	15000000000	17250000000	11800000000	1636624600
Total market value	307776856500	310026856500		
Listing expenses	297700000			
Percent of Total Proceeds	2%			
Net Proceeds	14702300000			

Intended Use of Proceeds					
Percent of net proceeds	Net proceeds (100 million HKD)	Purpose	content		
			Percent of net proceeds	Net proceeds (100 million HKD)	Detailed projects
45%	66	Research in future 12-36 months	20%	29	①High-Energy-Density Batteries ②high-vol pure electric platforms ③high-volt pure electric models
			15%	22	① Intelligent Automotive Systems ②Enhance current L2-level and develop L4-level
			10%	15	①new generation of extended-range electric vehicle platform ②Develop and launch a new extended-range model ③Introduce 2 new models in 2023
45%	66	Expansion of Infrastructure, Marketing, and Promotion in the Next 12-36 Months	25%	37	Expand production capacity
			10%	15	Expand retail stores and delivery/service centers
			5%	7	a high-power charging network
			5%	7	Marketing and promotion
10%	15	Used for working capital and other general corporate purposes in the next 12 months to support operation and growth			

Appendix: Share price (pre-adjustment)



Appendix: Share price (pre-adjustment)



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Establishing the "Home" brand and positioning differentiated products opens up market space

II. IPO Review:

Insufficient internal cash flow prompts dual listing for product portfolio expansion and high R&D investment needs

III. Products and Sales Review:

Secure victory in competition among new forces, address weaknesses, and further enhance product competitiveness

IV. Profit Forecast and Valuation

Flywheel effect: sales exceeded the peers, net profit to parent company turn positive, low fee highlights the management efficiency and product capability

- The company has entered the positive cycle of "sales increase → R&D and service increase → technology iteration and expansion of product matrix"
- 2023 Q1 net margin turns positive and historical net loss control is better than Weilai and Xiaopeng
- After completing the product replacement and capacity renovation at the end of 2022, the company's sales and market share grow greatly, better than Weilai and Xiaopeng
- SG&A rate are well controlled at the lowest level in the peers. And Lixiang Direct has a high single-store conversion rate and a better sales management system than the peers
- Behind the turnaround in net margin is the outward sign of efficient management capabilities. The management efficiency is reflected in all aspects
- **Product planning:** L8 was launched 2 months ahead of schedule, City NOA was tested 2 quarters ahead of schedule and charging stations were rolled out in advance before W01 was launched
- **Product delivery:** over 10,000 deliveries in the next month after L9 rolled out, weekly-plan of production, supply and sales
- **R&D investment:** only 20+ people in the self-driving team in August 2020, decided to self-research in February 2021, and pushed out NOA in only 8 months

Figure: Lixiang monthly sales. Its sales share in the corresponding model continues to increase

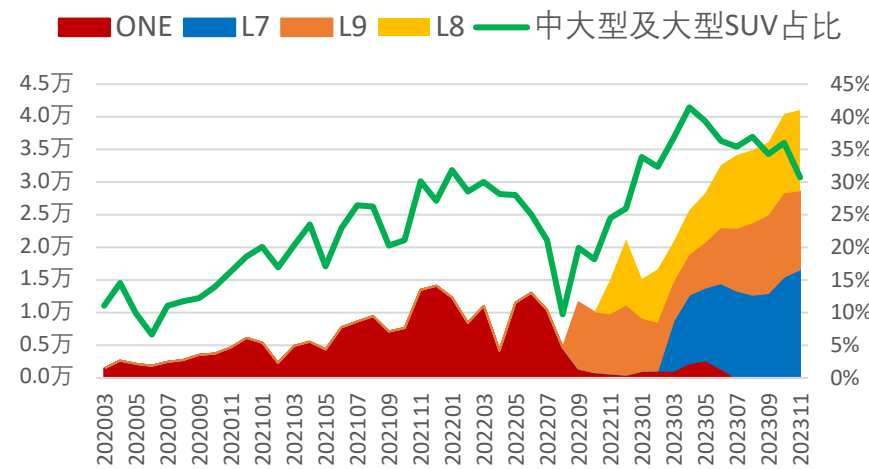


Figure: Monthly Sales of Weilai, Xiaopeng, Lixiang (units)

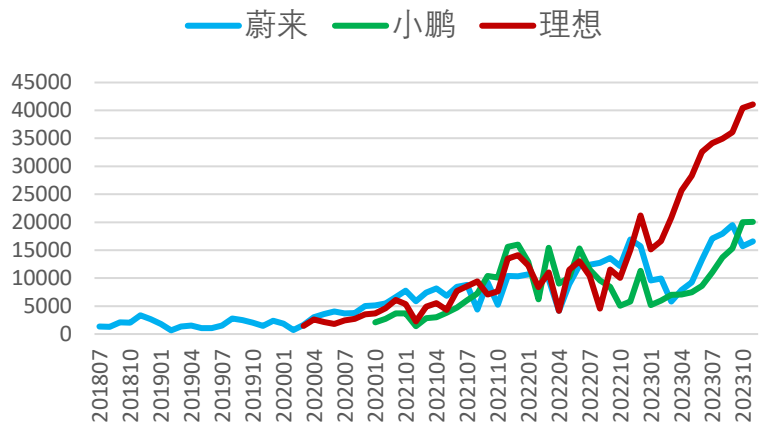


Figure: Net profit to parents (\$ billion)

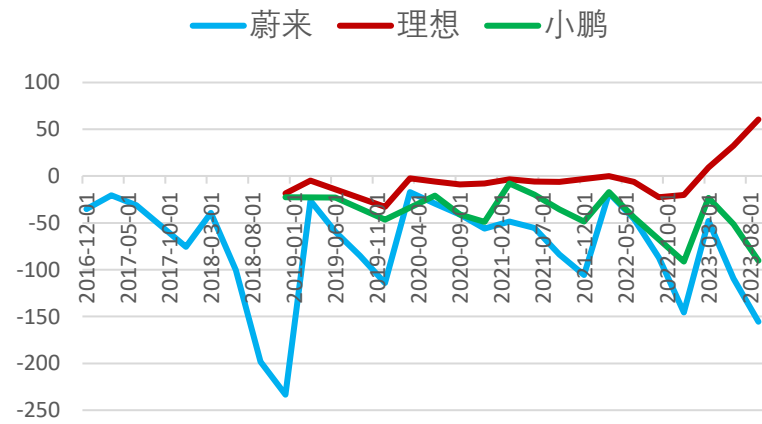
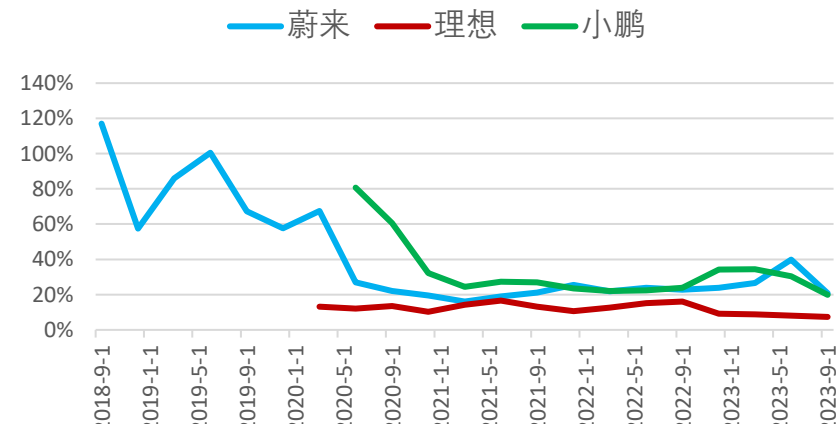


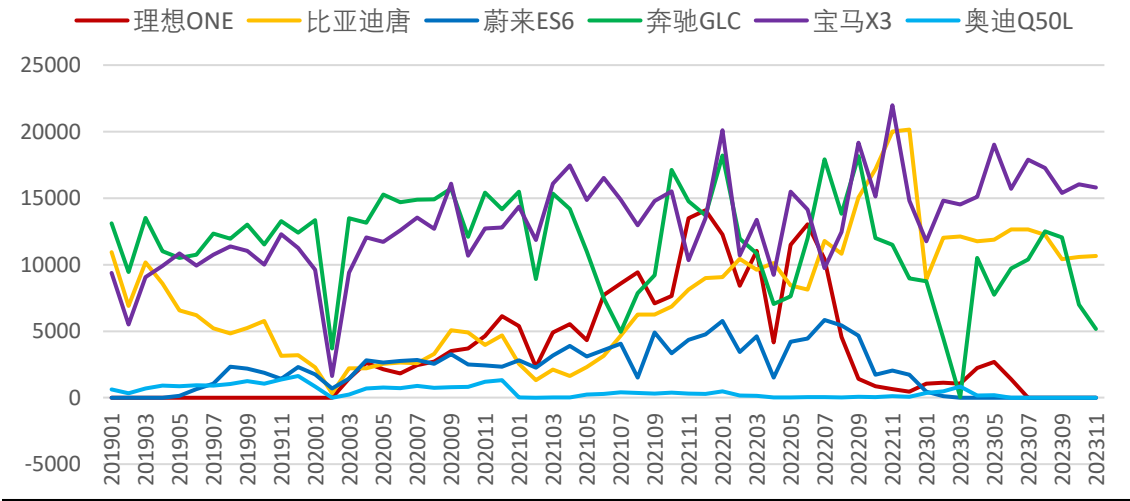
Figure: SG&A Rates (%)



Lixiang ONE: From 0 to 1, Differentiated Competition to Avoid Shortcomings & Create Explosive "Milkman" Car

- **The "home" focuses on passenger experience.** In addition to the large center control screen, Lixiang ONE is also equipped with a passenger entertainment screen and a lower center control screen; the rear seats are also equipped with electric adjustment and heating functions as standard
- **Give up power, take large size and intelligentization.** At the same price, Lixiang ONE has the size advantage; it has the instant acceleration advantage over traditional oil vehicles and the range advantage over pure electric vehicles
- **Add-on, no range anxiety + reduce the threshold of car manufacturing.** Compared to hybrid, add-on car has no gearbox and high-horsepower engine, and the development difficulty and manufacturing cost is lower. Give up the performance experience in high-speed scenes.

Figure: Among competitors, Lixiang ONE's monthly sales (units) peaked at over 25% share



理想ONE 2019款 增程6座版	唐新能源 2019款 EV600D 四驱智联创领型	蔚来ES6 2019款 420KM 运动版	奔驰GLS 2019款 GLC 200 L 4 MATIC	宝马X3 2019款 xDrive25i M运动套装	奥迪Q5L 2020款 40 TFSI 荣享进取型
基本参数					
售价 (万元)	32.80	32.79	35.08	38.98	38.78
级别	中大型SUV	中型SUV	中型SUV	中型SUV	中型SUV
能源类型	增程式	纯电动	纯电动	汽油	汽油
长*宽*高 (mm)	5020/1960/1760	4870/1950/1725	4850/1965/1758	4765/1898/1648	4717/1891/1689
轴距 (mm)	2935	2820	2900	2973	2864
动力系统					
电动机总功率 (kW)	240	360	320		
电动机总扭矩 (N·m)	530	660	610		
发动机	增程式 131马力			2.0T 184马力 L4	2.0T 184马力 L4
官方0-100km/h加速 (s)	6.5	4.6	5.6	9.1	8.6
NEDC纯电续航 (km)	180	500	420		
快充时间 (h)	0.5	0.5	0.7		
慢充时间 (h)	6	10			
最高时速 (km/h)	172	200	207	210	210
实测油耗 (L/100km)	8.1		12.9	9.9	9.6
智能座舱					
车联网	√	√	√	-	√
OTA升级	√	√	√	-	-
液晶仪表 (英寸)	12.3	12.3	8.8	-	-
中控屏 (英寸)	16.2	14.6	11.3	7	10.25
中控下屏 (英寸)	10.1				
副驾娱乐屏 (英寸)	12.3				
主/副驾驶座椅电动调节	√/√	√/√	√/√	√/√	√/√
前排座椅功能	加热、通风	加热、通风	加热	-	-
第二排座椅电动调节	√	-	-	-	-
第二排座椅功能	加热				
扬声器数量	12	12	7	5	6
无线充电	前排	前排	前排		
USB/Type-C接口数量	前排2/后排5	前排2/后排2	前排2/后排2	前排2/后排1	前排2
驾驶功能					
巡航系统	全速自适应巡航	全速自适应巡航	定速巡航	定速巡航	定速巡航
卫星导航系统	√	√	√	√	√
导航路况信息提示	√	√	√	√	√
辅助驾驶影像	360°全景影像	360°全景影像	360°全景影像	倒车影像	
并线辅助	√	√	√		
车道保持辅助系统	√	√	√		
道路交通标识识别	√	√	√		
自动泊车入位	√	√	√		
主动安全					
车道偏离预警系统	√	√	√	√	√
主动刹车/主动安全系统	√	√	√	√	√
道路救援呼叫	√	√	√	√	√

L9 and L8 realize a full iteration and make up for shortcomings: the gap of powertrain between Lixiang and the industry's frontrunners is reduced

➤ **What is a "good product"? No shortcomings and some strengths.** Cars are measured by two dimensions: 1) underlying technology: performance and cost; 2) industrial design: function and design. **A good product needs to be free of obvious shortcomings and have one or two outstanding strengths.** As the first car of Lixiang, the underlying technology is the shortcomings that needs to be remedied, and the functional design is the outstanding highlight

➤ L9、L8 over Lixiang One

● **Strengths:** L9 is labeled as a flagship full-size SUV, and L8 is labeled as a luxury mid-size SUV, both of which continue Lixiang ONE's core product elements such as "six-seaters", "family scenarios", and "no range anxiety". At the same time, **they further lead the change of intelligent cabin** by canceling the instrument screen and five-screen linkage design

● **Make up for shortcomings:** The L series has been fully upgraded in terms of size, power, range and intelligent, **making up for the shortcomings of Lixiang ONE in terms of chassis, powertrain and intelligent driving**

	理想L9 2023款 Pro	理想L8 2023款 Max	理想ONE 2021款 增程6座版	小鹏G9 2022款 650 性能版Max	问界M9 2024款 增程 Max版 42kWh	蔚来ES7 2022款 75kWh	奔驰GLC 2023款 GLC 300 L4 MATIC 豪华型 5座	奔驰GLS 2024款 GLS 400 4MATIC	宝马X7 2023款 xDrive40i 领先型豪华套装
基本参数									
售价（万元）	42.98	39.98	34.98	41.99	46.98	43.8	42.53	109.38	85.18
级别	大型SUV	中大型SUV	中大型SUV	中大型SUV	大型SUV	中大型SUV	中型SUV	大型SUV	大型SUV
能源类型	增程式	增程式	增程式	纯电动	增程式	纯电动	汽油+48V轻混系统	汽油+48V轻混系统	汽油+48V轻混系统
WLTC纯电续航里程（km）	175	168	148		190				
CLTC纯电续航里程（km）	215	210		650	225	485			
长*宽*高（mm）	5218/1998/1800	5080/1995/1800	5030/1960/1760	4891/1937/1670	5230/1999/1800	4912/1987/1720	4826/1890/1714	5210/2030/1823	5170/2000/1835
轴距（mm）	3105	3005	2935	2998	3110	2960	2977	3135	3105
动力系统									
电动机总功率（kW）	330	330	245	405	365	480			
电动机总扭矩（N*m）	620	620	455	717	675	850			
发动机	增程式 154马力	增程式 154马力	增程式 131马力		1.5T 152马力 L4		2.0T 258马力 L4	2.5T 313马力 L6	3.0T 381马力 L6
官方0-100km/h加速（s）	5.3	5.3	6.5	3.9	4.9	3.9	6.5	6.9	5.8
快充时间（h）			0.5	0.27		0.5			
慢充时间（h）			6			11.5			
最高时速（km/h）	180	180	172	200	200	200	223	235	250
百公里耗电量（kWh/100km）	22.2	22.1	16.9	16		17.6			
WLTC综合油耗（L/100km）	0.86	0.86	1.5				7.6	9.7	10.4
智能座舱									
车载智能系统				Xmart OS	HarmonyOS	Banyan	MBUX	MBUX	iDrive
车载智能芯片	双高通骁龙8155	双高通骁龙8155		高通骁龙8155		高通骁龙8155			
液晶仪表（英寸）	4.82	4.82	12.3	10.25	12.3	10.2	12.3	12.3	12.3
中控屏（英寸）	15.7	15.7	16.2	14.96	15.6	12.8	11.9	12.3	14.9
中控下屏幕（英寸）			10.1						
副驾娱乐屏（英寸）	15.7	15.7	12.3	14.96	16				
后排液晶屏幕（英寸）	15.7	15.7				6.6			
手势控制	✓	✓							
面部识别	✓	✓			✓				
声纹识别	✓	✓			✓				
主/副驾驶座椅电动调节	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓
前排座椅功能	加热、通风、按摩	加热、通风、按摩	加热、通风、按摩	加热、通风、按摩	加热、通风、按摩	加热、通风、按摩		加热	加热、通风
第二排座椅电动调节	✓	✓	✓	✓	✓	✓		✓	✓
第二排座椅功能	加热、通风、按摩	加热、通风、按摩	加热、按摩	加热、按摩	加热、通风、按摩	加热			
第三排座椅电动调节	✓	✓			✓				
扬声器数量	21	21	12	22	25	23	16	15	11
无线充电	前排	前排	前排	前排	前排	前排	前排	前排、后排	前排
USB/Type-C接口数量	前排2/后排4	前排2/后排4	前排2/后排5	前排3/后排2	前排3/后排4	前排2/后排2	前排3后排2	前排3/后排8	前排2/后排2
车载冰箱	✓				✓				
220V/230V电源	✓	✓							

L9 and L8 realize a full iteration and make up for shortcomings: Intelligent driving catch up with the forefront level of the peers

	理想L9 2023款 Pro	理想L8 2023款 Max	理想ONE 2021款 增程6座版	小鹏G9 2022款 650 性能版Max	问界M9 2024款 增程 Max版 42kWh	蔚来ES7 2022款 75kWh	奔驰GLC 2023款 GLC 300 L4 MATIC 豪华型 5座	奔驰GLS 2024款 GLS 400 4MATIC	宝马X7 2023款 xDrive40i 领先 型豪华套装
驾驶功能									
巡航系统	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	定速巡航
辅助驾驶系统	理想AD Pro	理想AD Max		XPILOT、XNGP	HUAWEI ADS	Aquila蔚来超感系统			
辅助驾驶等级	L2	L2	L2	L2	L2	L2	L2	L2	
卫星导航系统	√	√	√	√	√	√	√	√	√
导航路况信息提示	√	√	√	√	√	√	√	√	√
辅助驾驶影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像	360° 全景影像
透明底盘/540° 影像	√	√		√	√	√	√	√	
辅助驾驶芯片	地平线征程5	双英伟达Orin-X	地平线征程3	英伟达 Drive Orin		四英伟达Orin-X	Self-branded new-energy-cars' intelligence is ahead of traditional oil-cars		
芯片总算力	128TOPS	508TOPS	10TOPS	508TOPS		1016TOPS			
倒车预警系统	√	√	√	√	√	√			
并线辅助	√	√	√	√	√	√			
车道保持辅助系统	√	√	√	√	√	√			
车道居中保持	√	√	√	√	√	√			
道路交通标识识别	√	√	√	√	√	√			
自动泊车入位	√	√	√	√	√	√	√	√	√
自动变道辅助	√	√	√	√	√	√		√	
匝道自动驶出（入）	√	√			√				
自动驾驶辅助路段	高速	城市、高速			高速				
主动安全									
车道偏离预警系统	√	√	√	√	√	√	√	√	√
主动刹车/主动安全系统	√	√	√	√	√	√	√	√	√
前方碰撞预警	√	√	√	√	√	√	√	√	√
后方碰撞预警	√	√		√	√				
哨兵模式/千里眼	√	√			√	√			
道路救援呼叫	√	√	√		√	√	√	√	√
驾驶硬件									
摄像头数量	10	11	5	11	11	11	Self-branded new-energy-cars' intelligence is ahead of traditional oil-cars		
超声波雷达数量	12	12	12	12	12	12			
毫米波雷达数量	1	1	5	5	3	5			
激光雷达数量		1		2	1	1			

L7 enters mainstream five-seat car market, bigger market + tougher competition equals to more elastic sales performance

- L7 is entering the mainstream market, competitive at the same price
- L7 targeting mid-large five-seat SUV, continuing the design style and product strength of L8 & L9, **mainly for the three-member family**. While L7 has the same wheelbase as L8, the seats will be changed to two rows to make the rear space greatly improved. The "Queen's Seat", "Camping Room" advertisement is extremely attractive. By cutting out the air suspension and changing the battery supplier, **the L7's lowest price dips to 319,800 yuan, realizing a higher cost-performance ratio**.
 - The past Lixiang products were more targetting towards three-generation families, the five-seat L7 is designed for a wider demand of three-member family. The brand established early and product targetting can help the L7 gain a larger share of the market.

	理想L7 2023款 Air	小鹏G9 2024款 702 Max	智己LS7 2023款 90kWh Elite 后驱版	蔚来ES8 2023款 75kWh	宝马X5 2023款 xDrive 30Li M运动套装	奔驰GLE 2024款 350 4MATIC 动感型
基本参数						
售价 (万元)	31.98	30.99	31.98	49.8	56.4	59.6
级别	中大型SUV	中大型SUV	中大型SUV	中大型SUV	中大型SUV	中大型SUV
能源类型	增程式	纯电动	纯电动	纯电动	汽油+48V轻混系统	汽油+48V轻混系统
WLTC纯电续航里程 (km)	170					
CLTC纯电续航里程 (km)	210	702	602	465		
长*宽*高 (mm)	5050/1995/1750	4891/1937/1680	5049/2002/1731	5099/1989/1750	5060/2004/1776	4927/2018/1797
轴距 (mm)	3005	2998	3060	3070	3105	2995
动力系统						
电动机总功率 (kW)	330	230	250	480		
电动机总扭矩 (N*m)	620	430	475	850		
发动机	增程式 154马力				2.0T 258马力 L4	2.0T 258马力 L4
官方0-100km/h加速 (s)	5.6	6.4	6.5	4.1	7.2	7.3
快充时间 (h)		0.33		0.5		
慢充时间 (h)				11.5		
最高时速 (km/h)	180	200	200	200	222	218
百公里耗电量 (kWh/100km)	21.9	15.2	15.9			
WLTC综合油耗 (L/100km)	0.85				8.7	9.1
驾驶硬件						
摄像头数量	10	11	11	11		
超声波雷达数量	12	12	12	12		
毫米波雷达数量	1	5	5	5		
激光雷达数量		2				

	理想L7 2023款 Air	小鹏G9 2024款 702 Max	智己LS7 2023款 90kWh Elite 后驱版	蔚来ES8 2023款 75kWh	宝马X5 2023款 xDrive 30Li M运动套装	奔驰GLE 2024款 350 4MATIC 动感型
智能座舱						
车载智能系统		Xmart OS	IM OS	Banyan	iDrive	MBUX
车载智能芯片	高通骁龙8155	高通骁龙8155	高通骁龙8155	高通骁龙8155	高通骁龙8155	
液晶仪表 (英寸)	4.82	10.25		10.2	12.3	12.3
中控屏 (英寸)	15.7	14.96	26.3	12.8	14.9	12.3
中控下屏幕 (英寸)						
副驾娱乐屏 (英寸)	15.7	14.96	15.5			
后排液晶屏幕 (英寸)			6.6			
手势控制	✓					
面部识别	✓					
声纹识别	✓					
主/副驾驶座椅电动调节	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓	✓/✓
前排座椅功能	加热、通风、按摩	加热、通风、按摩	加热	加热、通风、按摩	加热	加热
第二排座椅电动调节	✓	✓	✓	✓		
第二排座椅功能	加热、通风、按摩	加热		加热、通风、按摩		
扬声器数量	19	21	16	23	12	11
无线充电	前排	前排	前排	前排	前排	前排
USB/Type-C接口数量	前排2/后排2	前排3/后排2	前排2/后排2	前排4/后排4	前排2/后排2	前排3/后排2
220V/230V电源	✓					
驾驶功能						
巡航系统	全速自适应巡航	全速自适应巡航	全速自适应巡航	全速自适应巡航	自适应巡航	全速自适应巡航
辅助驾驶系统	理想AD Pro	XPILOT、XNGP	IM AD	Aquila蔚来超感系统		
辅助驾驶等级	L2	L2	L2	L2	L2	L2
卫星导航系统	✓	✓	✓	✓	✓	✓
导航路况信息提示	✓	✓	✓	✓	✓	✓
辅助驾驶影像	360° 全景影像	360° 全景影像	360° 全景影像 车侧盲区影像	360° 全景影像	倒车影像	倒车影像
透明底盘/540° 影像	✓	✓	✓	✓		
辅助驾驶芯片	地平线征程5	英伟达 Drive Orin	英伟达 Orin-X	四英伟达 Orin-X		
芯片总算力	128TOPS	508TOPS		1016TOPS		
倒车车侧预警系统	✓	✓	✓	✓	✓	
并线辅助	✓	✓	✓	✓	✓	
车道保持辅助系统	✓	✓	✓	✓	✓	✓
车道居中保持	✓	✓	✓	✓	✓	✓
道路交通标识识别	✓	✓	✓	✓	✓	✓
自动泊车入位	✓	✓	✓	✓	✓	✓
自动变道辅助	✓	✓	✓	✓	✓	✓
匝道自动驶出 (入)						
自动驾驶辅助路段	高速	城市、高速				
主动安全						
车道偏离预警系统	✓	✓	✓	✓	✓	✓
主动刹车/主动安全系统	✓	✓	✓	✓	✓	✓
前方碰撞预警	✓	✓	✓	✓	✓	✓
后方碰撞预警	✓	✓				
哨兵模式/千里眼	✓	✓		✓		
道路救援呼叫	✓		✓	✓	✓	✓

I. Company Profile:

Establishing the "Home" brand and positioning differentiated products opens up market space

II. IPO Review:

Insufficient internal cash flow prompts dual listing for product portfolio expansion and high R&D investment needs

III. Products and Sales Review:

Secure victory in competition among new forces, address weaknesses, and further enhance product competitiveness

IV. Profit Forecast and Valuation

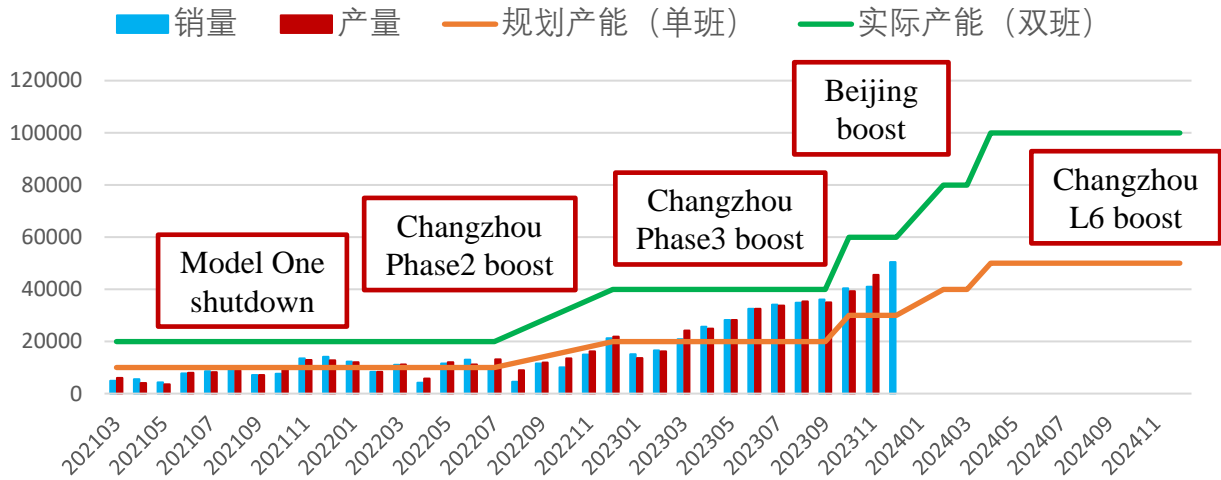
Basic Information on Capacity, Sales and Production Lines

➤ Capacity pressure relieved, unlocking greater sales potential.

- In 2022, the company had only two production lines in Changzhou. One line produced L9 and L8 models, while the other line produced L7 and L8 models. As a result, the production of the ONE model was temporarily halted to prioritize the production of the L series.
- The company currently operates production facilities in **Beijing** and **Changzhou**. The Changzhou factory consists of three production lines dedicated to producing hybrid products and has been able to *support a monthly sales volume of 50,000 vehicles*. Construction of the Beijing factory commenced on October 16th, with plans for one production line and a projected annual capacity of 100,000 vehicles. The Beijing facility will focus on producing pure electric vehicles.
- *Each production line, has a monthly production capacity of 10,000 to 12,000 vehicles* and is expected to meet the sales demand for the next two years.

Production Area	Lines	Types	Basic Information	Planning Capacity	Actual Capacity
Changzhou	2	Hybrid Models: L6, L7, L8, L9, etc.	In 2023Q3, the total delivery volume reached 105,108, with a monthly delivery volume of 30,000.		Q3: 35,000 per month. <i>Q4: Production capacity ramps up, 50,000 for Dec.</i>
Beijing	1	Pure Electric Models: Mega, and three additional pure electric models	Received an investment of over 6 billion yuan and officially commenced construction on October 16th.	10,000 vehicles per year	

Figure: Capacity Plan (Assuming a production line with a capacity of 10,000 per month)



Sales Volume Plan for Li Auto				
	2022	2023	2024E	2025E
Plan Volume (Thou.)	200	350	800	1,600
YoY Growth Rate		75%	129%	100%
Actual Volume (Thou.)	133	376		
YoY Growth Rate		183%		



战略问题的修正措施。1、战略不聚焦。2019年停止了网约车的业务，聚焦高端家庭用车。2、汽车组织复杂度认知的不足。2022年升级矩阵型组织，且顶级咨询公司发挥了巨大的价值。3、车型太少。因为当时认为2025年30万辆就可以留在牌桌上，认识到必须160万辆，车型计划就丰富了（套娃）。



2023年除了感谢，还是感谢。感谢我们的用户，感谢我们的合作伙伴，并为团队的成长速度而自豪。2023年目标全部达成：376000、50000、20000、300。2024年挑战更高的目标，800000、100000、30000、2000。创造移动的家，创造幸福的家。

Sales and Revenue Forecast

Sales Forecast	2020	2021	2022	2023	2024E	2025E	2026E
Market Total Sales (Thou.)							
Large SUV	0	5,000	46,000	116,000	202,000	304,000	427,000
YoY Growth Rate		4,794%	738%	153%	74%	51%	40%
Midsize to Large SUV	268	378	520	886	1,303	1,770	2,279
YoY Growth Rate		41%	37%	71%	47%	36%	29%
Midsize SUV	2,176	2,526	3,046	3,540	3,990	4,426	4,844
YoY Growth Rate		16%	21%	16%	13%	11%	9%
Midsize to Large MPV	270	341	383	631	878	1,079	1,225
YoY Growth Rate		26%	12%	65%	39%	23%	14%
Sales for Li Auto							
Large SUV (L9, Pure Elec)			38,973	114,564	192,037	289,066	406,006
Market Share			85%	99%	95%	95%	95%
YoY Growth Rate				38%	68%	51%	40%
Midsize to Large SUV (L7, L8, Pure Elec)	31,175	90,491	94,274	261,611	469,187	708,142	980,113
Market Share	12%	24%	18%	30%	36%	40%	43%
YoY Growth Rate		190%	4%	178%	79%	51%	38%
Midsize SUV (L6, Pure Elec)					99,000	265,553	484,358
Market Share					2%	6%	10%
YoY Growth Rate						168%	82%
Midsize to Large MPV (Mega)					90,000	172,610	245,028
Market Share					10%	16%	20%
YoY Growth Rate						92%	42%
Capacity Constraints							
Planned Capacity (Single)			150,000	270,000	565,000		
Actual Capacity (Double)			300,000	540,000	1,130,000		
Actual Sales	31,175	90,491	133,247	376,175	850,223	1,435,371	2,115,505
YoY Growth Rate		190%	47%	182%	126%	69%	47%
Core Assumption :							
Under the condition of considering capacity constraints, assume that the market penetration rates for various models gradually increase.							
Assume the company controls the gross profit margin to be above 20%.							
Assume that after-sales services and charging stations are not scaled up.							
Per-vehicle Value (Thou. ¥)							
Large SUV	430	430	430	430	430	430	430
Midsize to Large SUV	330	330	330	330	330	330	330
Midsize SUV	260	260	260	260	260	260	260
Midsize to Large MPV	600	600	600	600	600	600	600
Profit Forecast (Mil. ¥)							
Primary Business Revenue	9,457	27,009	45,286	136,735	320,351	535,954	778,758
YoY Growth Rate		186%	68%	202%	134%	67%	45%
Car Sales							
Revenue	9,283	26,128	44,106	135,594	317,147	530,595	770,970
YoY Growth Rate		181%	69%	207%	134%	67%	45%
Unit Revenue (Thou.)	300	290	330	360	370	370	360
Total Expense	7,764	20,756	35,688	36,789	250,546	424,476	609,066
Gross Profit	1,519	5,373	8,418	9,510	66,601	106,119	161,904
Gross Profit Margin	16%	21%	19%	21%	21%	20%	21%
Prop. of Business Revenue	98%	97%	97%	99%	99%	99%	99%
Sales from Other Products							
Revenue	174	881	1,180	1,141	3,204	5,360	7,788
Total Expense	144	493	808	585	2,082	3,484	5,062
Gross Profit	30	389	372	555	1,121	1,876	2,726
Gross Profit Margin	17.40	44.09	31.55	48.69	35%	35%	35%
Prop. of Business Revenue	2%	3%	3%	1%	1%	1%	1%

Income Statement

➤ Core Assumption:

- Based on the third-quarter report, the SG&A expense ratio was 7.91% and the R&D expense ratio was 8.64%. It is expected that the expense ratios in the annual report will be slightly lower than those in the third-quarter report. To be conservative, let's estimate an **annual SG&A expense ratio of 8%** and a **R&D expense ratio of 9%**.
- According to the company's plan, the future target for controlling the SG&A expense ratio is 7%, while the R&D expense ratio is expected to be no less than 10%.
- Assume a **corporate income tax rate of 15%**.

Income Statement (Mil. ¥)	2020	2021	2022	2023E	2024E	2025E	2026E
Sales Revenue	9,457	27,010	45,287	136,735	320,351	535,954	778,758
Expenses	7,907	21,248	36,496	108,328	252,629	427,960	614,128
Gross Profit	1,549	5,761	8,790	28,407	67,722	107,995	164,629
SG&A Expenses	1,119	3,492	5,665	10,939	22,425	37,517	54,513
Proportion	12%	13%	13%	8%	7%	7%	7%
R&D Expenses	1,100	3,286	6,780	12,306	35,239	64,315	101,238
Proportion	12%	12%	15%	9%	11%	12%	13%
Net Interest Expense	26	63	106	73	0	0	0
Proportion	0%	0%	0%	0%	0%	0%	0%
Other Operation Expenses				(410)	0	0	0
Proportion				0%	0%	0%	0%
Total Operating Expense	2,244	6,842	12,552	22,907	57,663	101,831	155,752
Operating Revenue	(695)	(1,081)	(3,761)	5,500	10,059	6,163	8,878
Share of Profit from Associates	(3)						
Proportion	0%						
Other Income Affecting Continuing Operations' Pre-tax Profit	509	928	1,602	4,102	9,611	16,079	23,363
Proportion	5%	3%	4%	3%	3%	3%	3%
Pre-tax Profit from Continuing Operations	(189)	(153)	(2,159)	9,602	19,670	22,242	32,241
Income Tax Expense	(23)	169	(127)	1,440	2,950	3,336	4,836
Income Tax Rate	12.10%	-110.36%	5.88%	15%	15%	15%	15%
Profit from Continuing Operations	(166)	(321)	(2,032)	8,161	16,719	18,906	27,404
Profit from Discontinued Operations	14			0	0	0	0
Net Profit	(152)	(321)	(2,032)	8,161	16,719	18,906	27,404
Preferred Stock Dividends	640						
Net profit to non-controlling holders			(20)	82	167	189	274
Proportion			1%	1%	1%	1%	1%
Net Profit attributable to equity holders of the parent company	(792)	(321)	(2,012)	8,080	16,552	18,717	27,130

Valuation and Investment Suggestions

	2020	2021	2022	2023E	2024E	2025E	2026E
Net Profit (Mil. ¥)	(152)	(321)	(2,032)	8,161	16,719	18,906	27,404
Preferred Stock Dividends	640						
Net profit to non-controlling holders			(20)	82	167	189	274
Proportion			1%	1%	1%	1%	1%
Net Profit attributable to equity holders of the parent company	(792)	(321)	(2,012)	8,080	16,552	18,717	27,130
Total Outstanding Shares (Mil.)	1,809	1,930	2,085	2,122	2,122	2,122	2,122
Earnings per Share (¥ per share)	(0.91)	(0.17)	(1.04)	3.81	7.80	8.82	12.79
RMB/HKD	1.19	1.22	1.13	1.10	1.10	1.10	1.10
Basic Earnings Per Share (HKD per share)				4.17	8.58	9.70	14.06
Current Stock Price (HKD)				131.00	131.00	131.00	131.00
PE Ratio Based on Current Stock Price				31.39	15.27	13.50	9.31
PS Ratio Based on Current Stock Price				2.03	0.87	0.52	0.36

➤ Valuation Result

- The company has taken the lead in the first round of competition in the new energy sector, and its core business is stable. We project that the company's revenue for 2023-2026 will be 136.7/320.4/536.0/778.8 billion yuan, with growth rates of 202%/134%/67%/45%. The net profit attributable to equity holders of the parent company is expected to reach 8.1/16.6/18.7/27.1 billion yuan, with the company turning profitable in 2023 and achieving growth rates of 105%/13%/45% for 2024-2026.
- On January 9, 2024, the closing price was HK\$131.00, with a market value of HK\$278 billion. The corresponding PE ratios for the years 2023-2026 are 31.39x, 15.27x, 13.50x, and 9.31x, respectively. The corresponding PS ratios for the same period are 2.03x, 0.87x, 0.52x, and 0.36x.

Valuation and Investment Suggestions

2024-01-09	Exchange Rate	
	RMB/USD	0.14067
	RMB/HKD	1.09956
	HKD/USD	0.12793

➤ **Price-to-Sales Valuation Method**

- Tesla and BYD, being significantly larger in size, are used as references. Based on this, Bloomberg's consensus forecast for the PS ratio corresponding to the current stock price for 2023-2026 is **3.52x, 1.93x, 1.09x, and 0.81x**, respectively.
- Taking a conservative approach, *a PS ratio of 1.2x is applied for 2024, corresponding to a market capitalization of HK\$384.4 billion and a target stock price of HK\$181.158. Therefore, a "Buy-in" rating is recommended.*

Corporate Name	Stock Code	Jan. 9, 2024				Revenue Consensus Forecast (Bil. USD)					PS Ratio Based on Current Price				
		Closing Price (Local Currency)	Closing Price (USD)	Market Value (Bil. Local Currency)	Market Value (Bil. USD)	2022A	2023E	2024E	2025E	2026E	2022A	2023E	2024E	2025E	2026E
理想汽车-W	2015.HK	131.000	16.759	278.005	35.565	6.566	17.096	27.764	37.930	44.024	5.417	2.080	1.281	0.938	0.808
理想汽车	LI.O	33.000	33.000	35.013	35.013	6.566	17.096	27.764	37.930	44.024	5.332	2.048	1.261	0.923	0.795
特斯拉	TSLA.O	234.960	234.960	746.919	746.919	81.462	94.449	117.833	145.106	176.563	9.169	7.908	6.339	5.147	4.230
小鹏汽车	XPEV.N	12.600	12.600	11.887	11.887	3.894	4.483	8.463	11.530	13.961	3.053	2.652	1.405	1.031	0.851
小鹏汽车-W	9868.HK	48.950	6.262	92.265	11.803	3.894	4.483	8.463	11.530	13.961	3.031	2.633	1.395	1.024	0.845
蔚来	NIO.N	7.560	7.560	15.725	15.725	7.143	7.923	11.366	15.837	19.470	2.201	1.985	1.384	0.993	0.808
蔚来-SW	9866.HK	61.350	7.849	105.440	13.489	7.143	7.923	11.366	15.837	19.470	1.888	1.703	1.187	0.852	0.693
比亚迪	1211.HK	207.600	26.558	604.387	77.319	60.218	85.256	108.359	129.190	148.203	1.284	0.907	0.714	0.598	0.522
比亚迪	002594.SZ	192.860	27.130	561.423	78.975	60.218	85.256	108.359	129.190	148.203	1.311	0.926	0.729	0.611	0.533
长安汽车	000625.SZ	14.810	2.083	146.879	20.661	17.409	21.217	26.801	31.714	34.328	1.187	0.974	0.771	0.651	0.602
长城汽车	601633.SH	23.240	3.269	197.540	27.788	19.719	24.287	29.823	33.757	33.803	1.409	1.144	0.932	0.823	0.822
Rivian	RIVN.O	19.250	19.250	18.436	18.436	1.658	4.390	6.184	10.527	14.739	11.119	4.200	2.981	1.751	1.251
Lucid	LCID.O	3.620	3.620	8.288	8.288	0.672	0.629	1.328	3.787	7.046	12.333	13.176	6.241	2.189	1.176
Fisker	FSR.N	1.200	1.200	0.421	0.421	0.002	0.342	1.961	3.581	5.455	210.500	1.23	0.215	0.118	0.077
Mean												3.523	1.928	1.091	0.812

Valuation and Investment Suggestions

2024-01-09	Exchange Rate	
	RMB/USD	0.14067
	RMB/HKD	1.09956
	HKD/USD	0.12793

- **Price-to-Earnings Valuation Method**
- Based on the selection of industry leaders Tesla and BYD, as well as Changan Automobile and Great Wall Motors, Bloomberg's consensus forecast for the PE ratio corresponding to the current stock price for 2023-2026 is **27.58x, 23.00x, 16.94x, and 12.06x**.
 - Taking a conservative approach, a PE ratio of 21x is applied for 2024, corresponding to a **market capitalization of HK\$382.3 billion and a target stock price of HK\$180.182**. Therefore, a "Buy-in" rating is recommended.

Corporate Name	Stock Code	Jan. 9, 2024				Revenue Forecast (Bil. USD)					PE Ratio Based on Current Price				
		Closing Price (Local Currency)	Closing Price (USD)	Market Value (Bil. Local Currency)	Market Value (Bil. USD)	2022A	2023E	2024E	2025E	2026E	2022A	2023E	2024E	2025E	2026E
理想汽车-W	2015.HK	131.000	16.759	278.005	35.565	(0.151)	0.948	1.490	2.345	2.551	-110.986	17.678	11.248	7.147	6.570
理想汽车	LI.O	33.000	33.000	35.013	35.013	(0.151)	0.948	1.490	2.345	2.551	-218.543	34.810	22.148	14.072	12.936
特斯拉	TSLA.O	234.960	234.960	746.919	746.919	3.066	3.825	3.825	5.308	7.213	76.634	61.427	61.427	44.265	32.575
小鹏汽车	XPEV.N	12.600	12.600	11.887	11.887	(0.713)	(0.828)	(0.547)	(0.222)	0.045	-17.672	-15.217	-23.035	-56.757	280.000
小鹏汽车-W	9868.HK	48.950	6.262	92.265	11.803	(0.713)	(0.828)	(0.547)	(0.222)	0.045	-8.783	-7.563	-11.448	-28.208	139.159
蔚来	NIO.N	7.560	7.560	15.725	15.725	(1.061)	(1.464)	(0.925)	(0.420)	0.209	-7.125	-5.164	-8.173	-18.000	36.172
蔚来-SW	9866.HK	61.350	7.849	105.440	13.489	(1.061)	(1.464)	(0.925)	(0.420)	0.209	-7.397	-5.361	-8.485	-18.687	37.553
比亚迪	1211.HK	207.600	26.558	604.387	77.319	0.825	1.509	1.984	2.488	1.990	32.192	17.600	13.386	10.675	13.346
比亚迪	002594.SZ	192.860	27.130	561.423	78.975	0.825	1.509	1.984	2.488	1.990	32.884	17.979	13.674	10.904	13.633
长安汽车	000625.SZ	14.810	2.083	146.879	20.661	0.104	0.148	0.127	0.161	1.167	20.032	14.077	16.404	12.940	1.785
长城汽车	601633.SH	23.240	3.269	197.540	27.788	0.131	0.111	0.144	0.176	0.920	24.956	29.452	22.703	18.575	3.553
Rivian	RIVN.O	19.250	19.250	18.436	18.436	(6.558)	(4.861)	(3.536)	(1.806)	(1.299)	-2.935	-3.960	-5.444	-10.659	-14.819
Lucid	LCID.O	3.620	3.620	8.288	8.288	(1.000)	(1.363)	(1.078)	(0.879)	(0.452)	-3.620	-2.656	-3.358	-4.118	-8.009
Fisker	FSR.N	1.200	1.200	0.421	0.421	(1.651)	(1.130)	(0.665)	(0.097)	0.144	-0.727	-1.062	-1.805	-12.371	8.333
Mean												27.575	22.999	16.940	12.057

Risk Warning

➤ **The key to achieving the Li Auto valuation lies in the removal of long-term restrictions. It is important to monitor the situation in the future.**

- Pay attention to the quality and market acceptance of Mega and L6 in the first half of 2024. Mega is the first pure electric product of the Li Auto, and it is important to verify the implementation of pure electric technology and platform.
- Current production capacity may be insufficient to achieve the sales target for 2025. Keep an eye on the progress of new production lines in 2024.
- Adjust the expectations for the volume production of pure electric products based on evaluations of the Mega pure electric platform.
- Li Auto plans to consider expanding into international markets after 2025. Monitor the potential market expansion opportunities resulting from international expansion.
- Pay attention to the potential revenue generated from charging services as a new core business.

➤ **Risk Warning**

- Intensified competition in the price range of 200,000 to 300,000 RMB may affect the sales performance of Li Auto's L6 and L5 models.
- Potential delays in the implementation of Li Auto's pure electric technology.

Thank you!