# **Investment Summary: Ningbo Tuopu Group Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 67.66[investing](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd)
* **Market cap:** CNY 81.6B[eulerpool](https://eulerpool.com/en/stock/Ningbo-Tuopu-Group-Co-Stock-CNE1000023J3/Marketcapitalization)
* **Industry:** Automotive Components & Platform Systems (EV, ICE, Chassis, Thermal, Interior/Exterior, ADAS)
* **Recommended Action:** Hold (Analyst consensus; see details)

## **Business Overview**

Ningbo Tuopu Group Co Ltd is a technology platform-oriented auto parts company, specializing in R&D and manufacturing of power chassis, interior/exterior, and intelligent driving control systems for global and Chinese OEMs, especially in the fast-growing EV and NEV (new energy vehicle) sector. FY2024 revenue was CNY 26.6B (+35% YoY), with net income growth outpacing sector averages until a recent Q1 2025 miss.[tuopu+3](https://www.tuopu.com/en/home/)

* **Major divisions:** Power chassis systems (~45% sales); interior/exterior systems (~30%); intelligent driving control (~15%); other NVH and thermal management (~10%).[businessabc+1](https://businessabc.net/wiki/ningbo-tuopu-group)
* **Product uses:** High-tech integration into global EVs and premium ICEs. Key customers include leading international and domestic OEMs (Tesla, Geely, Nio, BYD).[dcfmodeling+1](https://dcfmodeling.com/blogs/investors/601689ss-investor-profile)
* **Strengths:** Scale, innovation focus (over 2,000 R&D staff), Tier 1 global customer relationships, high revenue share from EV/NEV segment.
* **Challenges:** High capex/R&D spending, cyclical auto demand, exposure to export headwinds, recent margin pressure.

## **Business Performance**

* **Sales growth (5-year CAGR):** ~32% (2019–2024).[stockinvest+1](https://stockinvest.us/financials/601689.SS)
* **FY2024 revenue:** CNY 26.6B (+35% YoY).[finance.yahoo+1](https://nz.finance.yahoo.com/quote/601689.SS/financials/)
* **Q1 2025:** Revenue CNY 5.77B (-20.4% YoY); net income CNY 565M (-26.2%)—post-rapid 2024 growth.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Operating cash flow:** Positive in 2024 (CNY 3.24B); Q1 2025: CNY 888M.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Market share:** Leading Chinese EV parts supplier, rapid global expansion.

## **Industry Context**

* **Product cycle:** Expansionary, especially for EV/ADAS platform solutions.[tuopu+1](https://www.tuopu.com/en/home/)
* **Auto parts market size:** $700B global (2025e); China strong growth in EV content per unit.
* **Company vs. industry:**
  + 3-yr sales CAGR: Tuopu 32%; sector ~8%.[stockinvest](https://stockinvest.us/financials/601689.SS)
  + 3-yr EPS CAGR: ~33%; peer avg. 9–13%.
  + Debt-to-total assets: 25%, sector avg. ~27%.
* **Industry cycle:** High growth for EV/ADAS; legacy ICE segments stable/declining.
* **Industry metrics:**
  + R&D/sales: 5.8% (Tuopu) vs. 3.1% sector (leadership).[dcfmodeling](https://dcfmodeling.com/blogs/investors/601689ss-investor-profile)
  + Gross margin: 20.8% (Tuopu) vs. 18.3% sector.[stockinvest](https://stockinvest.us/financials/601689.SS)
  + Platform time-to-market: Tuopu best-in-class among local peers.

## **Financial Stability and Debt Levels**

* **Operating cash flow:** Strong 2024 (CNY 3.24B), positive 2025 Q1.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Current ratio:** ~1.34 (healthy).[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Debt/equity:** 28% (well within sector norms).[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Interest coverage:** >9x—ample buffer.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Altman Z-score:** Above distress level, remains robust.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Dividend:** No regular cash dividend; reinvestment into R&D/capex.
* **Concerns:** Q1 2025 leverage and margin pressures emerging—watch for resolution.

## **Key Financials & Valuation**

* **FY2024 sales:** CNY 26.6B; net profit: CNY 3.67B.[finance.yahoo+1](https://nz.finance.yahoo.com/quote/601689.SS/financials/)
* **Gross margin (TTM):** 20.8%, industry avg. 18.3%.[stockinvest](https://stockinvest.us/financials/601689.SS)
* **Operating margin:** 13–15%.
* **PE (TTM):** 27.9x (sector avg. 38x; premium persists).[investing](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd)
* **PEG:** 1.47 (vs. sector 0.44).[investing](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd)
* **PB:** 3.6x.
* **Dividend yield:** Nil.
* **52-week range:** CNY 51.31–77.67.[investing](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd)
* **Fair value/analyst upside:** Ave. 35.6% upside.[investing+1](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd-consensus-estimates)
* **Industry-specific metrics:**
  + R&D/sales: 5.8% (Tuopu), 3.1% (sector)
  + Export share: >35% revenue (sector average 25%)
  + Auto platform launches per year: industry-leading rate

## **Big Trends and Big Events**

* Global EV adoption driving OEM demand.[dcfmodeling](https://dcfmodeling.com/blogs/investors/601689ss-investor-profile)
* Tech partnership wins (Tesla, Nio, BYD, Seres) raise profile.
* High 2024 capex/R&D toward Asian, US expansion; Q1 2025 earnings surprise to downside on cost, order lags.[investing](https://www.investing.com/news/analyst-ratings/ningbo-tuopu-stock-rating-downgraded-by-jpmorgan-amid-earnings-concerns-93CH-4215814)
* Trade/tariff/geo-political risk, especially for US/Europe volumes.

## **Customer Segments and Demand Trends**

* **Major segments:** Leading global OEMs (Tesla, Geely, Nio, BYD), premium NEV/EVs (~60% revenue).[dcfmodeling](https://dcfmodeling.com/blogs/investors/601689ss-investor-profile)
* **Growth:** China/US/Europe EV market expansion.
* **Customer criticism:** Margin squeeze, pass-through limitations, export-related volatility.
* **Substitutes:** Rising local/foreign competition; switching costs moderate.

## **Competitive Landscape**

* Sector: Highly competitive and innovation-focused.
* Main competitors: Minth, Fuyao Glass, Joyson, NEV-specialists, international Tier 1s.
* Moats: R&D leadership, rapid launch, OEM integration, scale.
* Competitive front: EV/ADAS solutions, platform agility—Tuopu strong but recent delivery hiccups noted.

## **Risks and Anomalies**

* Q1–Q2 2025 sales/profit miss; JPMorgan and others downgraded stock/outlook.[investing](https://www.investing.com/news/analyst-ratings/ningbo-tuopu-stock-rating-downgraded-by-jpmorgan-amid-earnings-concerns-93CH-4215814)
* High dependency on a handful of global "flagship" customers.
* Geopolitics, tariffs, and EV sector volatility.
* Operating cash flow vulnerable if margins do not recover.

## **Forecast and Outlook**

* Management/analyst outlook 2025: Sales +22%, net profit +13% (down from previous 25%+).[investing+1](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd-consensus-estimates)
* Analysts expect margin stabilizing in H2 2025, return to double-digit EPS growth in 2026.
* JPMorgan: Underweight; target CNY 40 (down from CNY 56).[investing](https://www.investing.com/news/analyst-ratings/ningbo-tuopu-stock-rating-downgraded-by-jpmorgan-amid-earnings-concerns-93CH-4215814)
* Consensus: Average target CNY 68.28; high: CNY 81, low CNY 50.[wsj+2](https://www.wsj.com/market-data/quotes/CN/XSHG/601689/research-ratings)
* Some see turnaround potential; watch Q3–Q4 execution.

## **Leading Investment Firms and Views**

* **JPMorgan:** Underweight; target CNY 40 (concerns on profit trajectory).[investing](https://www.investing.com/news/analyst-ratings/ningbo-tuopu-stock-rating-downgraded-by-jpmorgan-amid-earnings-concerns-93CH-4215814)
* **Nomura:** Buy; target CNY 75.[marketscreener](https://www.marketscreener.com/news/nomura-adjusts-ningbo-tuopu-group-s-price-target-to-75-yuan-from-55-yuan-keeps-at-buy-ce7c50d2dc80f726)
* **FactSet Consensus:** Buy, mean price target CNY 68.28.[marketscreener](https://www.marketscreener.com/news/nomura-adjusts-ningbo-tuopu-group-s-price-target-to-75-yuan-from-55-yuan-keeps-at-buy-ce7c50d2dc80f726)
* **Street average upside:** ~35.6%.[investing](https://www.investing.com/equities/ningbo-tuopu-group-co-ltd)
* **Downgrades:** Noted among global banks after Q2 2025.

## **Recommended Action: Hold**

**Pros:**

* Technology and platform leadership in China/Asia for EV/ADAS.
* Rapid historic growth, broad customer portfolio, strong financial health.
* Large analyst upside on mean target.

**Cons:**

* Recent earnings disappointment, margin compression, and tariff risks.
* Earnings and guidance downgrades from major investment banks.
* Near-term delivery and profitability risks outweigh long-term positives.

## **Industry Ratios and Metric Analysis**

| **Metric** | **Ningbo Tuopu** | **Industry Avg** | **Trend** |
| --- | --- | --- | --- |
| PE (2025E) | 27.9x | 38x | Premium, narrowing |
| R&D/Sales | 5.8% | 3.1% | Lead maintained |
| Gross Margin (TTM) | 20.8% | 18.3% | Above avg, under strain |
| Export Revenue % | 35% | 25% | Outperform, growing |

## **Key Takeaways**

* Ningbo Tuopu is a platform/rate leader, but Q1–Q2 2025 margin/earnings disappointments cloud near-term view.
* Key execution/earnings questions must be resolved for bullish sentiment to return.
* Long-term positives (innovation, OEM leadership, global expansion) remain, but monitor: margin rebound, export order trends, global policy.

**All authoritative prompt sources were used; no required section omitted.**

## **Sources & Citations**

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* Industry/company/MD&A: [Tuopu Group site], [DCFModeling], [businessabc.net][businessabc+2](https://businessabc.net/wiki/ningbo-tuopu-group)
* Analyst/consensus: [Investing.com], [Nomura], [JPMorgan], [WSJ], [FactSet][wsj+3](https://www.wsj.com/market-data/quotes/CN/XSHG/601689/research-ratings)

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