# **Morning Snapshot**

**SUNWAH** KINGSWAY

03 September <u>2025</u>

Hong Kong & China Market Daily

### What's Hot Today:

### NIO (9866 HK, HK\$51.05, HK\$115bn) Budget models drove volume growth

Total revenues stood at RMB19.01bn in 2Q25, up 8.9% YoY and 58% Net loss amounted to RMB 5bn, down 1% YoY and 26% QoQ. Notably, both total revenue and net income came in slightly below market expectations.

Surging sales but lower ASP: Auto revenue reached RMB16.1bn, up 2.9% YoY and 62.3% QoQ. Sales volume reached 72K units, 25.6% more YoY and 71.2% higher QoQ. The vehicle margin stayed at a low level of 10.3% due to ASP pressure. Despite higher volume, the growth was primarily driven by budget models, namely the ONVO L60 and Firefly. As a result, the ASP during the period declined further by RMB12k QoQ to RMB 224k. It is also noted that the price drop exceeded the discount being offered during the inventory clearance promotions in 1Q25.

Optimizing costs and stabilizing cash flow: R&D expenses were lowered by RMB170mn QoQ to RMB3bn, mainly from lower R&D costs for new products/technologies across development stages. Meanwhile, SG&A dropped RMB440mn QoQ to RMB3.96 bn, driven by ONVO-NIO channel integration and marketing staff optimization. Leveraging these cost reduction and efficiency enhancement initiatives, the company's overall operating cost ratio dropped significantly to 36.7% from 63%, with operating losses narrowing to RMB4.91bn. Supported by rising sales, the company's cash position stabilized at around RMB27.2bn.

Business Outlook: Orders for ONVO L90 beat expectations, with firstmonth deliveries hitting 15,075 units. Nio is ramping up the production capacity for ES8 to 15K units in December. For Q4, the company expects delivery volume to reach 150K units, with overall vehicle GPM projected at 16-17%, and 20% GPM both for the L90 and ES8. It aims to turn profitable in the fourth quarter.

Our views: NIO's volume and sales are gaining momentum, but per-unit GPM remains under pressure. Its diversification strategy is progressing well, with strong numbers going for Firefly and ONVO models, while L90 and ES8 have gained consumer traction on competitive pricing and product specifications. Full-year target of 300k units seems achievable. Looking ahead, the Mgt is confident about positive profitability in Q4 on the back of higher GPM over 16% and cost optimization. The counter is trading at 1.4X FY25 P/S. (Research Department)

China & F	IK Indic	es		CLOSE	1D	ΥT
HSI				25,496	-0.5%	27.1
HSCEI				9,108	-0.2%	24.9
HSCCI				4,248	-1.0%	12.4
CSI300				4,490	-0.7%	14.1
Shanghai A				4,044	-0.4%	-1.2
Shanghai B				264	-0.7%	-1.2
Shenzhen A				2,525	-2.0%	23.4
Shenzhen B			1,321	-0.3%	9.0	
Key Int'l	Indices			CLOSE	1D	ΥT
Dow Jones				45,295	-0.5%	6.5
S&P 500				6,415	-0.7%	9.1
Nasdaq				21,279	-0.8%	10.2
NIKKEI Index	<			42,081	-0.5%	5.5
FTSE Index				9,116	-0.9%	11.5
CAC Index				7,654	-0.7%	3.7
DAX Index				23,487	-2.3%	18.0
Commodi				CLOSE	1D	Y
GOLD		JS\$/oz.)		3,533	1.6%	34.9
STEEL		JS\$/oz.)		2,101	-2.1%	17.6
SILVER	,	JS\$/oz.)		40	0.5%	41.5
CRUDE OIL	(L	JS\$/bbl)		65	2.5%	-8.5
COPPER	(L	JS\$/oz.)		9,980	0.8%	13.8
ALUMINIUM	(L	JS\$/oz.)		2,619	0.1%	2.6
PLATINUM	(L	JS\$/oz)		1,411	0.3%	56.1
ZINC	(L	JS\$/oz.)		2,865	1.6%	-3.8
WHEAT	(L	JS¢/bu)		513	0.5%	-7.0
CORN	(L	JS¢/bu)		423	0.7%	-4.6
SUGAR	(L	JS¢/lb)		N/A	N/A	
SOYBEAN	(L	JS¢/bu)		1,041	-1.3%	1.9
PVC	(L	JS\$/t.)		N/A	N/A	-10.1
CRB				304	0.9%	3.0
BDI						103.0
Exchange	Rates					
Ĭ	USD	HKD	EUR	JPY	CHF	RI
USD		7.807	0.859	148.360	0.805	7.1
HKD	0.128		0.110	19.003	10.306	0.9
EUR	1.164	9.087		172.700	1.068	8.3
JPY	0.007	5.262	0.579		0.542	0.0
CHF	1.243	9.703	1.068	184.401		8.8
RMB	0.140	1.094	0.120	20.802	0.113	
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Market S CDS Monitor Greece						-2.4
Market S CDS Monitor Greece Ireland					83	-2.4 -0.6
Market S CDS Monitor Greece Ireland Italy					83 139	-2.4 -0.6 -0.0



## 新華滙富

Fig 1: Total Revenue (RMB\$ bn)



Source: Company Data, Sunwah Kingsway Research

Fig 2: NIO Product Sales Structure



Source: Company Data, Sunwah Kingsway Research

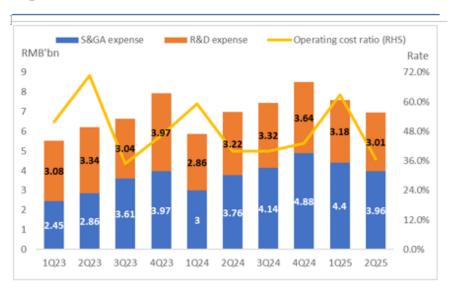
Fig 3: NIO Sales Volume and ASP (K in RMB)



Source: Company Data, Sunwah Kingsway Research



Fig 4: NIO Auto OPEX Breakdown



Source: Company Data, Sunwah Kingsway Research

Fig 6: NIO Profit Breakdown



Source: Company Data, Sunwah Kingsway Research

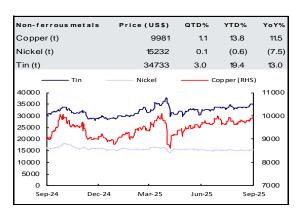
# SUNWAH KINGSWAY 新華滙富

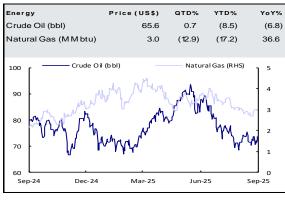
NIO (HK. 9866)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Unit: Billion in RMB										
Total Revenue	10.68	8.77	19.07	17.11	9.91	17.45	18.67	19.7	12.03	19.01
YoY Growth	7.7%	-14.8%	46.6%	6.2%	-7.2%	99.0%	-2.1%	15.1%	21.4%	8.9%
QoQ Growth		-17.9%	117.4%	-10.3%	-42.1%	76.1%	7.0%	5.5%	-38.9%	58.0%
Gross Profit	0.16	0.1	1.52	1.28	0.49	1.96	2.01	2.31	0.76	1.9
GPM	1.5%	1.1%	8.0%	7.5%	4.9%	11.2%	10.8%	11.7%	6.3%	10.0%
S&GA expense	2.45	2.86	3.61	3.97	3	3.76	4.14	4.88	4.4	3.96
S&GA ratio	22.9%	32.6%	18.9%	23.2%	30.3%	21.5%	22.2%	24.8%	36.6%	20.8%
R&D expense	3.08	3.34	3.04	3.97	2.86	3.22	3.32	3.64	3.18	3.01
R&D ratio	28.8%	38.1%	15.9%	23.2%	28.9%	18.5%	17.8%	18.5%	26.4%	15.8%
Operating Cost (Bn in RMB)	5.53	6.20	6.65	7.94	5.86	6.98	7.46	8.52	7.58	6.97
Operating cost ratio	51.8%	70.7%	34.9%	46.4%	59.1%	40.0%	40.0%	43.2%	63.0%	36.7%
Operating Profit (Bn in RMB)	-5.11	-6.07	-4.84	-6.63	-5.39	-5.21	-5.24	-6.03	-6.42	-4.91
OPM	-47.9%	-69.0%	-129.5%	-39.0%	-54.4%	-30.0%	-28.1%	-30.6%	-53.5%	-53.5%
Auto Revenue (Bn in RMB)	9.22	7.19	17.41	15.44	8.38	15.68	16.7	17.48	9.94	16.14
YoY Growth	-0.2%	-24.9%	45.9%	4.6%	-9.1%	118.1%	-4.1%	13.2%	18.6%	2.9%
QoQ Growth	-37.5%	-22.0%	142.1%	-11.3%	-45.7%	87.1%	6.5%	4.7%	-43.1%	62.4%
Auto Cost (Bn in RMB)	8.76	6.74	15.49	13.6	7.61	13.77	14.52	15.19	8.93	14.48
Sales Volume (units)	31,041	23,520	55,432	50,045	30,053	57,373	61,855	72,689	42,094	72,056
YoY Growth	20.5%	-6.1%	75.4%	25.0%	-3.2%	143.9%	11.6%	45.2%	40.1%	25.6%
QoQ Growth	-22.5%	-24.2%	135.7%	-9.7%	-39.9%	90.9%	7.8%	17.5%	-42.1%	71.2%
Auto Gross Profit (Bn in RMB)	0.46	0.45	1.92	1.84	0.77	1.91	2.18	2.29	1.01	1.66
Auto GPM	5.0%	6.3%	11.0%	11.9%	9.2%	12.2%	13.1%	13.1%	10.2%	10.3%
Auto revper car (k in RMB)	297.0	305.7	314.1	308.5	278.8	273.3	270.0	240.5	236.1	224.0
Auto cost per car (k in RMB))	282	287	279	272	253	240	235	209	212	201
Auto profit per car (k in RMB))	15	19	35	37	26	33	35	32	24	23
YoY Growth	_	_	_	_	72.9%	74.0%	1.8%	-14.3%	-6.4%	-30.8%
QoQ Growth	_	29.1%	81.0%	6.1%	-30.3%	29.9%	5.9%	-10.6%	-23.8%	-4.0%
Others Revenue (Bn in RMB)	1.45	1.59	1.66	1.66	1.53	1.77	1.98	2.23	2.1	2.87
Others Gross Profit (Bn in RM	-0.3	-0.36	-0.39	-0.56	-0.28	-0.22	-0.17	0.02	-0.09	0.24
Others GPM	-20.7%	-22.6%	-23.5%	-33.7%	-18.3%	-12.4%	-8.6%	0.9%	-4.3%	8.4%
Cash and cash equivalents (Bn in	37.8	41.6	45.2	57.3	45.3	41.6	42.2	41.9	26	27.2



### Market Watch - Major Commodities and Currencies

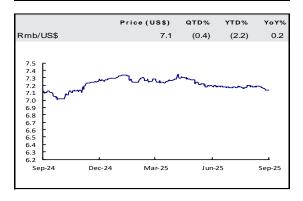


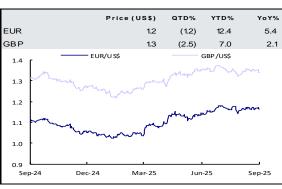














Source: Bloomberg



#### **US Economic Calendar**

			Expected
Indicators	Freq	Obs Date	Release Date
ISM Manufacturing PMI	MoM		2-Sep-25
Durable Goods Orders	MoM		3-Sep-25
Factory Orders	MoM		3-Sep-25
Trade Balance	MoM		4-Sep-25
Initial Jobless Claims	WoW		4-Sep-25
Employment Report	MoM		5-Sep-25
Wholesale Inventories	MoM		10-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		11-Sep-25
Business Inventories	MoM		16-Sep-25
Retail Sales	MoM		16-Sep-25
Industrial Production	MoM		16-Sep-25
Housing Starts / Building Permits	MoM		17-Sep-25
Existing Home Sales	MoM		23-Sep-25
New home Sales	MoM		24-Sep-25
GDP	QoQ		25-Sep-25
Personal Income & Spending	MoM		26-Sep-25
Consumer Confidence	MoM		30-Sep-25
Auto Sales	MoM		

#### China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Sep-25
Trade Balance	MoM		8-Sep-25
Money Supply - M2	MoM		9-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		10-Sep-25
Retail Sales	MoM		15-Sep-25
Industrial Production	MoM		15-Sep-25
PMI Manufacturing	MoM		30-Sep-25
GDP	YoY		20-Oct-25

#### Hong Kong Economic Calendar

			Expected
Indicators	Freq	Obs Date	Release Date
РМІ	MoM		3-Sep-25
Foreign Currency Reserve	MoM		5-Sep-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Unemployment Rate	MoM		16-Sep-25
CPI	MoM		22-Sep-25
Trade Balance	MoM		25-Sep-25
Money Supply - M2	MoM		30-Sep-25
Retail Sales	MoM		2-Oct-25
GDP	QoQ		31-Oct-25
Composite Interest Rate	MoM		

Kingsway	Research	Team
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Notice of interest disclosure filed by substantial shareholde Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
SPC Pharmaceutical Group Ltd.	Cai Xin	50,000(L)	HKD 10.8700
uaxin Cement Co., Ltd A Shares	Li Yeqing	54,600(L)	CNY 15.7100
usupreme International Holdings Ltd.	Beatitudes International Ltd.	50,000(L)	HKD 0.3850
usupreme International Holdings Ltd.	Choy Chi Fai	50,000(L)	HKD 0.3850
usupreme International Holdings Ltd.	Ho Ka Man	50,000(L)	HKD 0.3850
eijing Fourth Paradigm Technology Co., Ltd H Shares	富国基金管理有限公司	433,700(L)	HKD 60.1975
GN Mining Co. Ltd.	中国国有企业混合所有制改革基金有限公司	125,300,000(L)	HKD 2.6700
GN Mining Co. Ltd.	中国诚通控股集团有限公司	125,300,000(L)	HKD 2.6700
GN Mining Co. Ltd.	诚达控股有限公司	125,300,000(L)	HKD 2.6700
SPC Pharmaceutical Group Ltd.	Cai Xin	50,000(L)	HKD 10.6400
ragon Mining Ltd.			
	DEW Arthur George	220,000(L)	HKD 6.0917
OLANGSI CO., LTD - H Shares	Yan Li	5,500,000(L)	HKD 4.7000
OLANGSI CO., LTD - H Shares	yin junping	5,500,000(L)	HKD 4.7000
OLANGSI CO., LTD - H Shares	上海鼎萧企业管理咨询中心 ( 有限合伙 )	5,500,000(L)	HKD 4.7000
OLANGSI CO., LTD - H Shares	上海鼎蘴企业管理有限公司	5,500,000(L)	HKD 4.7000
OLANGSI CO., LTD - H Shares	宁波鼎集创业投资合伙企业(有限合伙)	5,500,000(L)	HKD 4.7000
OLANGSI CO., LTD - H Shares	苏州钟鼎创业二号投资中心 (有限合伙)	5,500,000(L)	HKD 4.7000
engan International Group Co. Ltd.	Hui Ching Lau	250,000(L)	HKD 24.7719
	YUM CHAK MING MATTHEW		
ung Hing Printing Group Ltd.		48,000(L)	HKD 0.9400
/D Medical Holding Ltd.	LIU Zhiw ei	263,862,307(L)	HKD 9.6900
lei Ah Entertainment Group Ltd.	Li Kuo Hsing	220,000(L)	HKD 0.0965
lobvista Inc.	FANG Zikai	300,000(L)	HKD 15.9000
longolian Mining Corporation	Gotov Battsengel	2,000,000(L)	HKD 9.0500
Mongolian Mining Corporation	Gotov Battsengel	2,000,000(L)	HKD 3.2600
ersistence Resources Group Ltd	Chen Libei	125,000(L)	HKD 1.7316
henzhen Expressway Corporation Ltd H Shares	招商局公路网络科技控股股份有限公司	1,084,000(L)	HKD 7.1940
anw an Inc.	WU XUBO	570,600(L)	HKD 15.1500
anw an Inc.	WU XUBO	570,600(L)	HKD 15.1500
nity Group Holdings International Ltd.	Cai Linda Xin Xin	148,000(L)	HKD 0.3570
hity Group Holdings International Ltd.	TANG Warren Louis	90,000(L)	HKD 0.3500
Inity Group Holdings International Ltd.	Wong Man Fai Mansfield	148,000(L)	HKD 0.3570
Visdomcome Group Holdings Ltd.	Chan Tsz Hong	160,000(L)	HKD 0.6500
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Source: HKEx



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