EVE Energy 300014.SZ 300014 CH

EQUITY: TECHNOLOGY

2Q26 profit alert

Quick Note

Rating Remains	**Buy**
Target price Remains	**CNY 100.00**
Closing price 15 June 2026	**CNY 58.77**

What happened?

EVE Energy announced a profit alert for 1H26 after markets closed on 15 June. According to the announcement (*link in Chinese*), the company achieved reported net profit growth of 95-110% y-y to CNY3.13-3.37bn in 1H26, and recurring net profit growth of 110-125% y-y to CNY2.43-2.60bn. **The profit alert implies net profit of CNY1.68-1.93bn for 2Q26, recording growth of 234-282% y-y or 16-33% q-q**. Management attributed the positive growth to: 1) continued business expansion with around 60% y-y revenue growth in 1H26; and 2) effective efforts to mitigate the impact of material price hike with stable profitability for the core business.

Our view

The profit alert indicates a net profit margin of 6.9-7.9% for the company in 2Q26, based on an implied 59% y-y or 18% q-q revenue growth to CNY24.4bn, which sequentially improved from a net margin of 7.0% in 1Q26. We believe the profit alert is in line with our expectations and helps to ease market concerns about the negative impact of material cost inflation on EVE's margin profiles. We believe the company is on track to benefit from: 1) solid ESS demand growth momentum; 2) penetration of new products such as large cylindrical batteries, and 3) first-mover advantage of the overseas ESS battery plant rollout in Malaysia. We maintain our Buy rating and SoTP-based TP of CNY100. The stock currently trades at an FY26F P/E of 16x.

Research Analysts

Global EV Batteries & Materials

Ethan Zhang - NIHK
ethan.zhang@nomura.com
+852 2252 2157

China Autos & Auto Parts

Joel Ying, CFA - NIHK
joel.ying@nomura.com
+852 2252 2153

Advanced Manufacturing

Frank Fan - NIHK
frank.fan@nomura.com
+852 2252 2195

Fig. 1: EVE Energy - 2Q26 profit alert

(CNY mn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26 profit alert	
	A	A	A	A	A	Lower	Higher
Revenue	12,796	15,373	16,832	16,468	20,680	24,391	24,391
% chg yoy	37%	25%	36%	13%	62%	59%	59%
COGS	(10,600)	(12,689)	(14,533)	(13,707)	(17,777)		
Gross Profit	2,196	2,685	2,299	2,761	2,903		
OPEX	(1,262)	(1,923)	(1,471)	(1,833)	(1,682)		
Operating Income (adjusted)	934	762	829	929	1,221		
% chg yoy	103%	1%	-27%	-17%	31%		
Finance Expense	(181)	(214)	(177)	(113)	(240)		
Other gains/expense	545	30	663	434	605		
Pretax income	1,298	577	1,315	1,249	1,586		
% chg yoy	17%	-50%	10%	6%	22%		
Tax	(133)	1	(82)	76	(143)		
Minority interests	(64)	(74)	(23)	(7)	3		
Profit to shareholders	1,101	504	1,211	1,319	1,446	1,684	1,925
% chg yoy	3%	-53%	15%	49%	31%	234%	282%
EPS	0.54	0.25	0.59	0.64	0.70		
Ratio Analysis							
GPM	17.2%	17.5%	13.7%	16.8%	14.0%		
OPEX	9.9%	12.5%	8.7%	11.1%	8.1%		
OPM	7.3%	5.0%	4.9%	5.6%	5.9%		
NPM	8.6%	3.3%	7.2%	8.0%	7.0%	6.9%	7.9%

Source: Company data, Nomura research

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Appendix A-1

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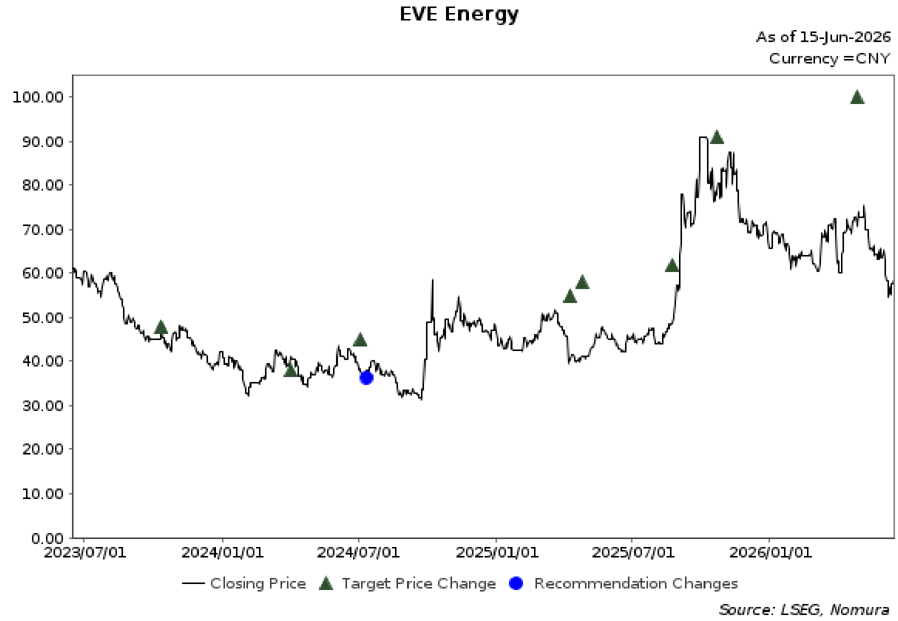
Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
EVE Energy	300014 CH	CNY 58.77	15-Jun-2026	Buy	N/A	

EVE Energy (300014 CH) **CNY 58.77 (15-Jun-2026)** Buy (Sector rating: N/A)

Rating and target price chart (three year history)



Date	Rating	Target price	Closing price
27-Apr-26		100.00	71.43
23-Oct-25		91.00	78.49
24-Aug-25		62.00	48.50
25-Apr-25		58.00	41.23
09-Apr-25		55.00	40.20
04-Jul-24	Buy		37.80
04-Jul-24		45.00	37.80
02-Apr-24		38.00	41.20
12-Oct-23		48.00	46.90

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our TP of CNY100.00 is based on a SoTP methodology, with 25x 2027F P/E for EV and ESS battery segment, 20x 2027F P/E for consumer battery segment, and the latest market cap for its 31% stake in Smoore International. Our TP implies 21x 2027F EPS of CNY4.75. The benchmark index is CSI300.
Risks that may impede the achievement of the target price Downside risks include: (1) EV battery oversupply due to aggressive capacity expansion; (2) intensified price competition from domestic and global battery makers; and (3) stricter policy regulation on the e-cigarette market in China.

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