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Ningbo Joyson Electronic Corp | Asia Pacific

2Q26 Earnings Call Takeaways

MORGAN STANLEY ASIA LIMITED+

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Key Takeaways

- Management guided for weekly production capacity of 2,000-4,000 units for humanoid robot components by end-2026 and plans to launch AIDC power electronics prototypes by Sept.
- We think the key driver of Joyson's 2H26 earnings remains its traditional auto business, i.e. global auto production volume and OEM-parts price negotiations.

Robot hands and brains: Joyson has established subsidiaries focusing on dexterous hands and humanoid brains. Its in-house TeleHand dexterous hand series, unveiled at WAIC, has attracted initial customer interest, though commercialization remains at an early stage. Meanwhile, its collaboration with a major US robotics customer on structural components remains in the soft-tooling and validation stage. To support potential future demand, Joyson is planning combined capacity of 2-4K unit sets per week by end-2026 across Mexico and the US.

AIDC power electronics: Joyson is developing power electronics such as AC/DC power supply units (PSU), DC/DC converters, and coolant distribution units (CDU), with prototypes expected to be introduced to the market by September. Although multiple auto suppliers are targeting AIDC applications, we think their angles are different, with Joyson targeting power management, Minth/Foryou focusing on structural parts, and Sanhua on thermal management, etc.

Smart driving: Joyson achieved multiple SOPs for L2, L2+ and L2++ projects across domestic and overseas markets in 1H26, while securing new orders from a JV OEM and a Chinese local OEM.

Ningbo Joyson Electronic Corp (600699.SS, 600699 CG)

China Autos & Shared Mobility | China

Stock Rating	**Equal-weight**
Industry View	**In-Line**
Price target	Rmb25.00
Up/downside to price target (%)	32
Shr price, close (Aug 26, 2026)	Rmb18.98
52-Week Range	Rmb39.98-18.68
Sh out, dil, curr (mn)	1,538
Mkt cap, curr (mn)	Rmb29,193
EV, curr (mn)	Rmb43,773
Avg daily trading value (mn)	Rmb1,429

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	0.87	1.14	1.40	1.51
EPS (Rmb)§	1.05	1.15	1.35	1.55
Revenue, net (Rmb mn)	61,183	64,609	69,089	72,930
EBITDA (Rmb mn)	5,215	5,418	6,080	6,363
ModelWare net inc (Rmb mn)	1,336	1,755	2,153	2,319
P/E	36.1	16.6	13.6	12.6
P/BV	2.8	1.6	1.5	1.4
RNOA (%)	6.7	8.0	9.1	9.2
EV/EBITDA	12.1	8.2	7.3	7.0
Div yld (%)	3.2	1.2	1.5	1.6
FCF yld ratio (%)	2.9	4.4	5.5	6.6
Leverage (EOP) (%)	25.8	25.1	23.2	20.2

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

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Valuation Methodology and Risks

Ningbo Joyson Electronic Corp (600699.SS)

Base case, from DCF valuation. Our key assumptions include a 12.0% WACC (14.5% cost of equity and 6.3% cost of debt), a medium-term growth rate of 5% and a 3% terminal growth rate.

Risks to Upside

- Faster-than-expected consolidation of auto safety business.
- Solid progress in acquiring global orders for auto electronics and safety systems.
- New project wins in humanoid robots.

Risks to Downside

- Higher-than-expected costs during auto safety business consolidation, reflected in the company's operating expenses.
- New order share loss to Autoliv and/or TRW amid business restructuring.

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(as of July 31, 2026)

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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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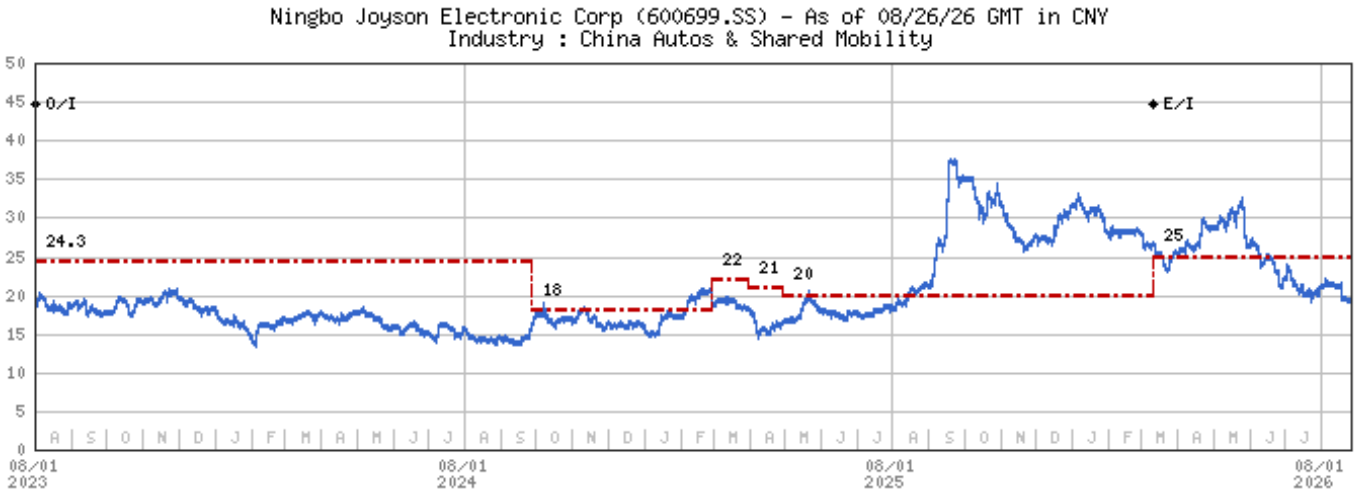
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Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 8/1/21 : O/C; 9/1/21 : O/A; 8/25/22 : E/I; 8/1/23 : O/I; 3/11/26 : E/I

Price Target History: 5/26/21 : 31; 9/8/21 : 29.5; 11/17/21 : 28; 3/11/22 : 26; 5/10/22 : 15; 8/25/22 : 15.3; 8/1/23 : 24.3; 9/27/24 : 18; 2/28/25 : 22; 3/31/25 : 21; 4/29/25 : 20; 3/11/26 : 25

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
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INDUSTRY COVERAGE: China Autos & Shared Mobility

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/26/2026)
Joey Xu, CFA		
Anhui Jianghuai Automobile (600418.SS)	E (08/19/2023)	Rmb21.08
BAIC Motor (1958.HK)	E (10/02/2025)	HK$0.86
Brilliance China Automotive (1114.HK)	E (03/31/2025)	HK$2.48
Chongqing Changan Automobile (000625.SZ)	E (03/03/2026)	Rmb7.14
Guangzhou Automobile Group (601238.SS)	U (10/23/2019)	Rmb5.25
Guangzhou Automobile Group (2238.HK)	O (05/05/2020)	HK$2.12
Huayu Automotive (600741.SS)	O (09/08/2020)	Rmb15.42
Jiangsu Changshu Automotive Trim Group (603035.SS)	E (08/14/2023)	Rmb11.30
Ningbo Huaxiang Electronic Co., Ltd. (002048.SZ)	E (05/05/2026)	Rmb18.82
SAIC Motor Corp. Ltd. (600104.SS)	O (11/25/2021)	Rmb10.39
Voyah Automotive Technology Co. Ltd, (7489.HK)	O (03/31/2026)	HK$2.80
Zhengzhou Yutong Bus Co (600066.SS)	E (09/22/2023)	Rmb30.40
Shelley Wang, CFA		
Beijing Jingwei Hirain Technologies (688326.SS)	U (09/27/2024)	Rmb61.21
Bethel Automotive Safety Systems Co Ltd (603596.SS)	O (12/11/2023)	Rmb25.66
Changzhou Xingyu Automotive Lighting Sys (601799.SS)	O (09/27/2024)	Rmb86.35
China MeiDong Auto Holdings Ltd (1268.HK)	U (07/10/2026)	HK$0.42
China Yongda Automobiles Services (3669.HK)	U (07/10/2026)	HK$0.87
Foryou Corporation (002906.SZ)	O (03/06/2024)	Rmb26.75
Fuyao Glass Industry Group (600660.SS)	E (12/01/2016)	Rmb57.20
Fuyao Glass Industry Group (3606.HK)	E (12/01/2016)	HK$56.15
Huizhou Desay SV Automotive Co Ltd (002920.SZ)	O (02/28/2025)	Rmb86.11
Keboda (603786.SS)	O (01/17/2024)	Rmb39.83
Minth Group Limited (0425.HK)	O (08/24/2015)	HK$29.70
NavInfo Co Ltd (002405.SZ)	U (03/06/2024)	Rmb6.38
Nexteer Automotive Group (1316.HK)	E (02/28/2025)	HK$5.14
Ningbo Joyson Electronic Corp (600699.SS)	E (03/11/2026)	Rmb18.98

Ningbo Tuopu Group Co Ltd (601689.SS)	E (11/12/2025)	Rmb46.60
Ningbo Xusheng Group Co Ltd (603305.SS)	E (06/18/2025)	Rmb11.25
Suzhou Recodeal Interconnect System (688800.SS)	O (07/02/2026)	Rmb61.03
TUHU Car Inc (9690.HK)	O (07/29/2024)	HK$11.95
Zhejiang Sanhua Intelligent Controls (002050.SZ)	E (11/12/2025)	Rmb36.14
Zhongsheng Group Holdings (0881.HK)	E (07/10/2026)	HK$4.35
Tim Hsiao		
BAIC BluePark New Energy (600733.SS)	U (08/07/2024)	Rmb5.08
BYD Company Limited (002594.SZ)	O (04/14/2025)	Rmb92.09
BYD Company Limited (1211.HK)	O (04/14/2025)	HK$92.60
EHang Holdings Ltd (EH.O)	O (03/13/2025)	US$4.83
Geely Automobile Holdings (0175.HK)	O (06/26/2024)	HK$18.36
Great Wall Motor Company Limited (601633.SS)	U (03/16/2022)	Rmb15.42
Great Wall Motor Company Limited (2333.HK)	E (01/08/2024)	HK$8.22
Hesai Group (HSAI.O)	O (07/28/2025)	US$18.30
Horizon Robotics (9660.HK)	O (12/02/2024)	HK$4.74
Li Auto Inc. (LI.O)	O (08/24/2020)	US$12.27
Li Auto Inc. (2015.HK)	O (11/16/2021)	HK$48.10
NIO Inc. (9866.HK)	O (10/03/2022)	HK$35.08
NIO Inc. (NIO.N)	O (08/26/2020)	US$4.45
WeRide Inc (WRD.O)	O (11/19/2024)	US$6.08
XPeng Inc. (9868.HK)	O (11/16/2021)	HK$46.68
XPeng Inc. (XPEV.N)	O (01/29/2021)	US$11.60

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* Historical prices are not split adjusted.

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