China Consumer Durables: IFA takeaways: Europe increasingly a focus, more comprehensive products under stronger brands

Nicolas Yi
+86(21)2401-8922
nicolas.yi@gssresearch.cn
Goldman Sachs (China) Securities Company Limited

Cecilia Tang
+86(21)2401-8738
cecilia.tang@gssresearch.cn
Goldman Sachs (China) Securities Company Limited

IFA 2026, Europe's largest consumer electronics and home appliances trade show, was held in Berlin on Sep 4-6. Leading Chinese consumer hardware names (including Anker, Roborock, Ecovacs and Ninebot in our coverage) attended the show and collectively exhibited a convergence around:

1) Product expansion on the back of rising brand recognition: Anker launched its first consumer NAS (Network Attached Storage) and OTC hearing aid with rising emphasis on "One Anker", while Roborock showcased its first pool cleaning robot. Ecovacs exhibited a wide range of home robots covering both indoor and outdoor applications. Ninebot also upgraded its product lines in robotic lawn mowers and micro-mobility; and

2) Rising AI applications particularly on-device computing, ranging from Anker's home AI hub and THUS AI chip to RVC players' navigation technology, in order to create defensible data moats, reduce cloud dependency, and comply with privacy regulations while enabling premium pricing.

Product wise, while some product upgrades have been seen during CES in the US and AWE in China earlier this year (e.g., stair-climbing capability of RVCs and steam cleaning of wet dry vacuums), we see incremental upgrades for products focusing on overseas markets such as integrated consumer energy storage products offered by Anker, the extendable arm of robotic lawn mowers for edge-cutting offered by Ninebot, and pool cleaning robots offered by RVC players. **Driven by these product innovations, we remain constructive on the structural growth opportunity of select consumer hardware and Chinese players' market share gain potential in overseas markets**.

With about half of the exhibitors this year coming from China (900+ vs. total 1900+ exhibitors), Chinese players are playing an increasingly important role in the European market, echoing our view that overseas markets remain the key growth driver. **While competition among Chinese players is a persistent investor concern, we expect companies with stronger product performances, differentiated channel strategies (e.g., with strong presence in offline KA channels) and stronger brands to emerge as ultimate winners**.

On stocks, we highlight **Roborock** for its global market share gain opportunity, efficiency gains and new product expansion potential against historical low valuations, and **Anker** for consistently robust growth from its solid core business and rapidly growing new business driven by product innovations and market/channel

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

expansion.

Product showcase by company

Anker Innovations: A wide range of new product launches within and beyond existing categories. Anker is shifting from a "multi-brand for multi-category" strategy to "One Anker", unifying different product lines (including charging, consumer energy storage, home innovation, audio and video) under a single umbrella brand to streamline customer acquisition and enable better cross-selling, consistent with management's previous comments. On product expansion, Anker introduced: 1) MindBase, its first consumer NAS product as a local-computing home AI hub, and 2) Anker RIC (Receiver-In-Canal) Hearing Aids Pro, its first OTC hearing aid leveraging its proprietary THUS AI chip, which has been first adopted in its Liberty 5 earbuds, a blockbuster product, launched in Q2. Meanwhile, Anker showcased comprehensive upgrades of its existing product lines, including charging, energy storage, security doorbell/camera, robotic vacuum cleaner/lawn mower, mom and baby, and various kinds of earbuds. Apart from product launches, Anker has opened its first directly-operated offline store in Germany in Sep to showcase its full suite of consumer electronics solutions.

Exhibit 1: Anker launched a wide range of new products, including the first NAS (MindBase) and OTC hearing aid (RIC Hearing Aids Pro)





Source: Company website

Roborock: Enhanced RVCs and robotic lawn mowers, introducing first pool cleaning robot. Roborock further diversified beyond the core robot vacuum market by launching the RockAqua P1, its first pool cleaning robot capable of navigating complex geometries including 15cm shallow platforms. Roborock also launched its second-generation robotic lawn mower RockNeo Q2 LiDAR. For RVCs where Roborock has achieved leadership, the company rolled out its new flagship Saros 20, bringing roller mop into the premium product line-up. Meanwhile, Roborock introduced its latest F25 wet dry vacuum cleaner series, emphasizing steam cleaning and 5-in-1 system.

Exhibit 2: In addition to upgrades in RVCs, wet dry vacuums and robotic lawn mowers, Roborock launched its first pool cleaning robot (RockAqua P1)



Source: Company website

Ecovacs: Continuing comprehensive home robotics portfolio. Ecovacs revealed its latest products in a wide range of existing categories, including WINBOT W3 OMNI (window cleaner with automatic wiping-pad), GOAT T Series (robotic lawn mower featuring TruEdge Trimmer and HoloScope 360 Dual-LiDAR), DEEBOT X12S OmniCyclone (RVC utilizing its proprietary OZMO ROLLER 3.0 instant self-washing mopping system), and ULTRAMARINE L1 PRO (pool cleaning robot).

Ninebot: Micro-mobility and robotic lawn mower. Ninebot, as the leader in wireless robotic lawn mowers, introduced Navimow H5 Pro, featuring an extendable robotic arm for zero-edge mowing. The new product also adopts better all-terrain mastery and AI camera + LiDAR for enhanced positioning and safety. The company also showcased its broader micro-mobility portfolio including e-bikes and kick scooters with smart functions under the Segway brand.

Exhibit 3: Ninebot introduced Navimow H5 Pro, featuring an extendable robotic arm for zero-edge mowing



Source: Company website

Investment Thesis, Valuation and Risks

Anker Innovations Technology (300866.SZ/0668.HK)

Investment thesis: Anker is a leading global smart devices enterprise with a broad product offering, holding competitive strength in innovative products with a pro-innovation corporate structure and industry-leading R&D, comprehensive global omni-channel distribution network and well recognized brands. We forecast solid core business (i.e., mobile charging, home security and headphone) growth with further market share gain potential driven by product innovations and market/channel expansion, and expect rapidly growing new businesses particularly from the structural growth of energy storage products. We believe current valuation, which is trading below historical valuation levels, provides favorable risk-reward with our estimated 20%+ revenue and profits CAGR in 2025-28E. We are Buy rated on Anker A/H-shares. Key catalysts include share gains in existing categories, expansion into new categories, entering new overseas markets and expanding China market.

Valuation: Our 12m A-share TP of Rmb156 is derived by applying a 19X P/E to 2028E EPS discounted back to mid-2027E at a 9.5% COE. Our 12m H-share TP of HK$160 is derived by applying a 13% H/A valuation discount (referencing the last 6M avg. H-A share price discount of comp A/H listed consumer stocks).

Key risks: 1) Weaker macro/adverse trade policies; 2) Product launch failure/safety issue; 3) Failure in data security and personal information protection; 4) Below-expectation channel/region expansion and relationship management. 5) Competition intensification; and 6) Manufacturing and raw materials risks.

Beijing Roborock Technology (688169.SS)

Investment Thesis: Roborock is the global leader in robotic vacuum cleaners (RVCs) with an expanding product range and channel expansion growth runway. We believe the company is well-placed for continued global market share gains, driven by: 1) further progress in channel expansion especially in overseas markets; 2) enhanced marketing and branding investment; 3) SKU expansion outside of its core RVC products, such as wet dry vacuums and robotic lawn mowers. Since the company adopted a more proactive branding/marketing strategy in 2H24, the company has been gaining share at a faster pace in both overseas and domestic markets. With most of the previous margin drags (i.e., over-investment in new product, US tariff, Europe business model transition, and self-borne subsidies in China) generally lifted, we see favorable risk-reward for the stock and expect it to resume fast profit growth driven by resilient revenue growth and strong margin recovery.

Valuation: Our 12-m TP of Rmb190 is based on a 17x exit P/E multiple applied to our 2028E EPS and discounted back to 2027E using a 9.5% cost of equity.

Downside risks: 1) Intensifying competition in domestic/overseas markets; 2) Slower-than-expected product launches or new category expansion; 3) Aggressive branding/marketing investment in new products to impact profitability; 4) A decline in disposable income and consumer confidence from weaker macro conditions; and 5) Potential increase in US tariffs may reduce US business profitability.

Ecovacs Robotics Co. (603486.SS)

Investment Thesis: Ecovacs, the leading cleaning appliances company by market share in China, has strengths in a comprehensive product portfolio and distribution network (both offline and online) leveraging a dual-brand strategy (Ecovacs for RVC and Tineco for wet-dry vacuums and other small appliances). While we remain positive on 1) the long-term potential of cleaning appliances especially RVC in both the domestic and overseas markets and 2) Ecovacs' market share gain potential overseas, we are cautious about competition for cleaning appliances in the domestic market, especially for wet-dry vacuums, as well as the challenges in defending its market share without hurting margins. We see less favorable risk-reward for Ecovacs vs. its peers and are Sell rated.

Valuation: Our 12-m target price of Rmb56 is based on an exit multiple of 16x applied to our 2028E EPS and discounted back to 2027E using a 9.5% cost of equity.

Upside risks: 1) Faster demand recovery supported by better-than-expected macro conditions; 2) Better-than-expected product development/expansion; and 3) Easing competition

Ninebot Ltd (689009.SS)

Investment thesis: We expect Ninebot to grow as an emerging global leader in micro-mobility and robotic lawn mowers, driven by: 1) Further market share gain in core domestic E2W with rising membership fee contribution supported by its product R&D strength as smart functions play a more important role in products, together with channel expansion and wider product offerings via its dual-brand; 2) Rapidly growing robotic lawn mower business riding on the structural growth of robotic adoption vs. traditional. We view Ninebot as better positioned to gain share leveraging its comprehensive product portfolio, established brand, and stronger presence in the offline channel; 3) Overseas expansion potential: We see near-term revenue and profits

opportunities from E-Bikes in developed markets, benefiting from the rising electrification adoption on policy support and rising consumer preference for environment-friendly products. The fragmented market also leaves room for Chinese players like Ninebot to gain share leveraging its accumulated technology and competitive products. In the mid to long run, we see substantial revenue potential in emerging markets such as ASEAN countries where there is large ICE 2W ownership, current E2W adoption is low and the electric transition has been ongoing driven by supportive government policies.

Valuation: Our 12-month target price of Rmb64 is based on a 16x exit P/E multiple applied to our 2028E EPS and discounted back to 2027E using a 9.5% cost of equity.

Key risks: 1) Decline in disposable income and consumer confidence from weaker macro conditions; 2) Slower-than-expected product launches or new category expansion; 3) Intensifying competition in domestic/overseas markets; 4) Potential tariffs/anti-dumping duties may reduce profitability; and 5) Higher-than-expected raw materials cost.

