September 16, 2026 09:19 AM GMT

## Contemporary Amperex Technology Co. Ltd. | Asia Pacific

# Concerns Appear Overstated

A structural growth franchise trading on a 6.2% yield (+buybacks) in the A-share market appears to reflect a highly bearish scenario. Meanwhile, the market remains focused on well-known risks and largely overlooks improving fundamentals. We believe concerns around forecast revisions are overstated

**Where are expectations?** We believe concerns around potential forecast revisions or a 3Q earnings miss are overstated. Even a 3Q earnings outcome of Rmb24-25bn, where several sell-side previews are currently centered, would remain fully consistent with our Rmb95bn full-year earnings forecast. The bearish view assumes market expectations are anchored at Rmb26bn or higher for the quarter, implying a full-year earnings trajectory of ~Rmb100bn (+40% YoY). If that were the prevailing expectation among buy-side investors, we would expect significantly stronger share price performance than what we have observed since April. Instead, the sustained share price weakness suggests market expectations have already revised down meaningfully from a Rmb100bn earnings scenario.

**Only reflecting negatives; overlooking positives.** Recent positive fundamental developments have yet to be reflected in the share price, in our view. ESS deployment growth is re-accelerating alongside strong tender wins and the rollout of capacity-pricing policy. Truck electrification is gaining traction, with diesel prices at an all-time high (US$70/bbl Asia cracks). In addition, China's anti-involution campaign is accelerating industry consolidation. Meanwhile, the investment case for battery self-sufficiency among OEMs continues to weaken. Geely's disposal of its battery assets to CATL marks another setback for OEM battery internalization, reinforcing our view that scale, technology leadership, and manufacturing know-how continue to concentrate among the industry's leading players. We believe these developments point to a more favorable competitive landscape than current valuations suggest. We also believe concerns around OEMs' battery-sourcing diversification are overstated (see note).

**6.2% yield today, compelling relative to the A-share market.** A structural growth company capable of generating ~30% ROE and ~50% ROIC now trades at a 6.2% yield, including buybacks. The current valuation appears to imply a significant earnings decline next year, which contrast with management's guidance for >25% earnings growth in 2027. Even if investors were to discount that outlook materially, the current valuation remains difficult to justify. Meanwhile, several key demand drivers are improving rather than deteriorating. European EV penetration is accelerating, commercial fleet electrification remains on track as diesel prices approach record levels, and global ESS demand should continue to benefit from rising LNG prices and tighter energy markets.

*(continued on the next page)*

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**Contemporary Amperex Technology Co. Ltd. (300750.SZ, 300750 CS)**

**Top Pick**

China Energy & Chemicals | China

| | |
|---|---|
| **Stock Rating** | **Overweight** |
| **Industry View** | **In-Line** |
| Price target | Rmb595.00 |
| Up/downside to price target (%) | 88 |
| Shr price, close (Sep 15, 2026) | Rmb316.36 |
| 52-Week Range | Rmb468.75-316.00 |
| Sh out, dil, curr (mn) | 4,564 |
| Mkt cap, curr (mn) | Rmb1,521,911 |
| EV, curr (mn) | Rmb1,339,168 |
| Avg daily trading value (mn) | Rmb12,526 |

| Fiscal Year Ending | 12/25 | 12/26e | 12/27e | 12/28e |
|---|---|---|---|---|
| Revenue, net (Rmb mn) | 423,702 | 600,613 | 764,053 | 913,750 |
| EBITDA (Rmb mn) | 97,874 | 133,116 | 168,113 | 208,320 |
| EPS, basic (Rmb)* | 15.53 | 20.73 | 27.17 | 33.37 |
| EPS (Rmb)** | 16.14 | 20.73 | 27.05 | 33.22 |
| P/E, basic* | 23.7 | 15.3 | 11.6 | 9.5 |
| P/BV | 5.2 | 3.8 | 3.2 | 2.7 |
| EV/EBITDA | 16.1 | 9.4 | 6.9 | 5.2 |
| RNOA (%) | 57.1 | 54.4 | 90.0 | 121.0 |
| Div yld (%) | 2.2 | 3.3 | 4.3 | 5.8 |
| FCF yld ratio (%)** | 5.1 | 8.6 | 9.1 | 9.7 |
| Net income (Rmb mn)* | 72,201 | 95,463 | 125,140 | 153,688 |

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
* = GAAP or approximated based on GAAP
** = Based on consensus methodology
e = Morgan Stanley Research estimates

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If TTF gas prices approach US$30/mmBtu in the coming quarters, the economic case for storage deployment could strengthen further. In our view, the market is pricing in a bearish earnings scenario that appears increasingly inconsistent with the underlying demand backdrop and the company's competitive position.

**Consumption tax?** Market concerns around a potential battery consumption tax have re-emerged, despite extensive debate on the topic throughout the year. Our base case remains that battery producers would largely pass any new tax through to downstream customers, provided industry demand continues to grow at >20%. This is because more than 30% of industry capacity would likely fall into negative cash profitability if battery producers were required to absorb the tax entirely. Against a backdrop of tightening supply and ongoing efforts to address overcapacity, we believe industry conditions should support pass-through. Battery prices have already risen by ~20% in response to higher lithium costs, while end-market demand has remained robust.

# Valuation Methodology and Risks

**Contemporary Amperex Technology Co. Ltd. (300750.SZ)**

Base case, EV/EBITDA. We use this methodology to remain consistent with the approach taken by our global battery analysts for international peers. We assign a 15x EV/EBITDA multiple to 2027E EBITDA, which implies a 22x P/E for 2027E. 1) This is on par with the five-year average level; and 2) also in line with global peers' average. Our target value implies a 30% discount to our DCF-based NAV, showing our valuation discipline.

**Risks to Upside**

- Faster-than-expected EV penetration and ESS application
- Lower geopolitical risks
- Better-than-expected margins
- Higher-than-expected market share gain

**Risks to Downside**

- Weaker EV penetration and ESS application
- Potential threats from other battery makers
- Geopolitical risks lead to decoupling of battery supply chain
- Stall in market share gain

**Contemporary Amperex Technology Co. Ltd. (3750.HK)**

Base case, EV/EBITDA. We use this methodology to remain consistent with the approach taken by our global battery analysts for international peers. We assign a 17.5x EV/EBITDA multiple to 2027E EBITDA, which implies a 25.4x P/E for 2027E. For the CATL H-shares, we assign a 20% H/A premium. Our A-share target multiple is 15x, on par with the five-year average level and in line with global peers' average.

**Risks to Upside**

- Faster-than-expected EV penetration and ESS application
- Lower geopolitical risks
- Better-than-expected margins
- Higher-than-expected market share gain

**Risks to Downside**

- Weaker EV penetration and ESS application
- Potential threats from other battery makers
- Geopolitical risks lead to decoupling of battery supply chain
- Stall in market share gain

## Global Stock Ratings Distribution

(as of August 31, 2026)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

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| | Coverage Universe | | Investment Banking Clients (IBC) | | | Other Material Investment Services Clients (MISC) | |
|---|---|---|---|---|---|---|---|
| Stock Rating Category | Count | % of Total | Count | % of Total IBC | % of Rating Category | Count | % of Total Other MISC |
| Overweight/Buy | 1555 | 42% | 450 | 48% | 29% | 767 | 44% |
| Equal-weight/Hold | 1577 | 43% | 395 | 42% | 25% | 770 | 44% |
| Not-Rated/Hold | 3 | 0% | 1 | 0% | 33% | 1 | 0% |
| Underweight/Sell | 559 | 15% | 93 | 10% | 17% | 216 | 12% |
| Total | 3,694 | | 939 | | | 1754 | |

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.

## Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

## Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

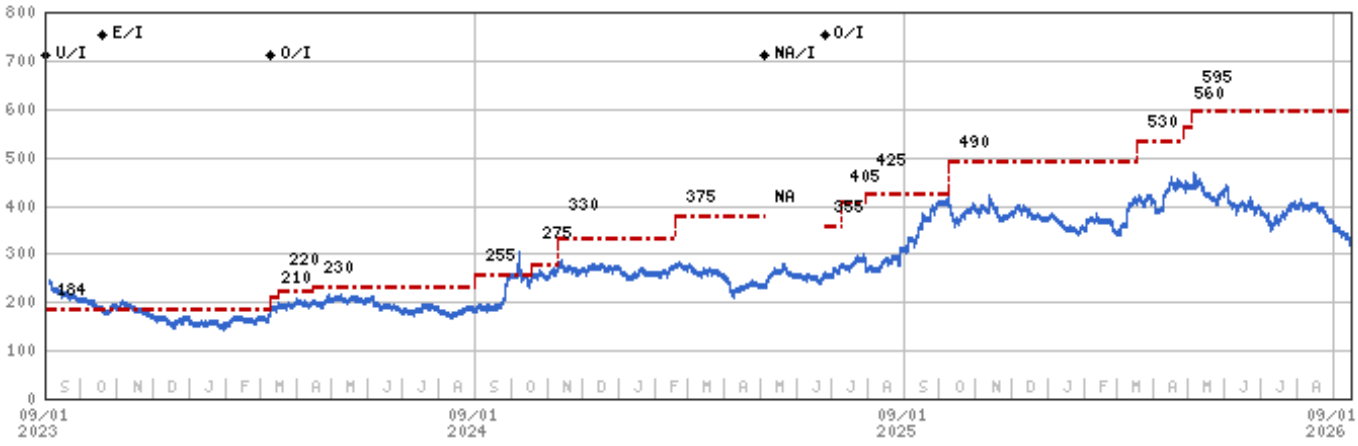
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

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

Contemporary Amperex Technology Co. Ltd. (300750.SZ) - As of 09/16/26 GMT in CNY
Industry : China Energy & Chemicals




Stock Rating History: 9/1/21 : U/A; 8/18/22 : U/I; 1/30/23 : E/I; 6/7/23 : U/I; 10/20/23 : E/I; 3/10/24 : O/I; 5/5/25 : NA/I; 6/25/25 : O/I

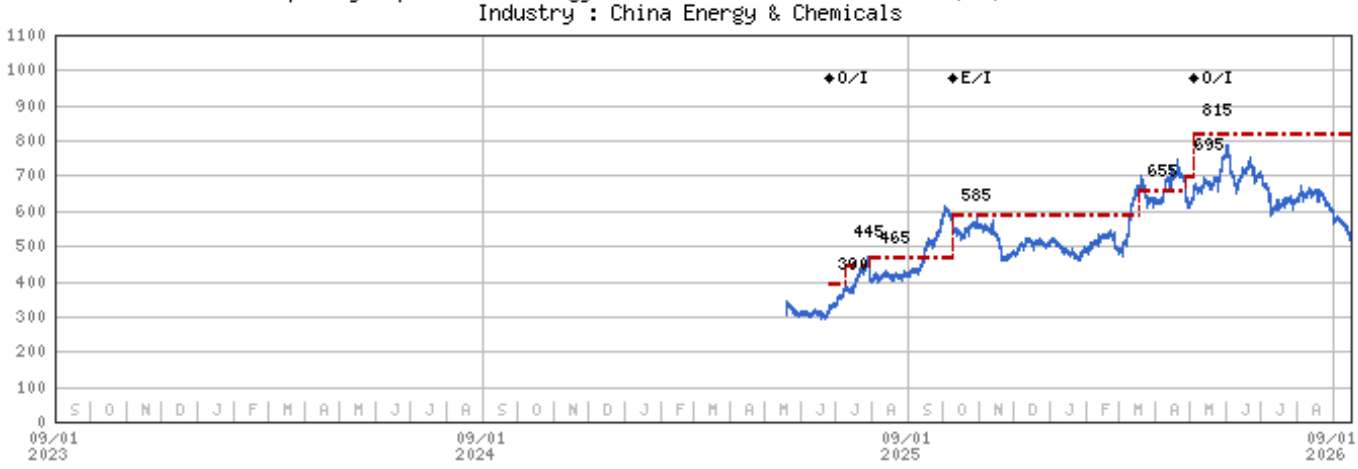
Price Target History: 9/2/20 : 139.44; 11/16/21 : 203.33; 4/11/22 : 210; 5/3/22 : 180.56; 5/5/22 : 155.56; 9/2/22 : 161.11; 11/3/22 : 172.22; 1/18/23 : 194.44; 1/30/23 : 227.78; 2/22/23 : 211.11; 3/14/23 : 213.89; 6/7/23 : 180; 6/21/23 : 184; 3/10/24 : 210; 3/18/24 : 220; 4/16/24 : 230; 9/1/24 : 255; 10/19/24 : 275; 11/11/24 : 330; 2/18/25 : 375; 5/5/25 : NA; 6/25/25 : 355; 7/9/25 : 405; 7/31/25 : 425; 10/9/25 : 490; 3/18/26 : 530; 4/27/26 : 560; 5/4/26 : 595

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)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Contemporary Amperex Technology Co. Ltd. (3750.HK) - As of 09/16/26 GMT in HKD
Industry : China Energy & Chemicals




Stock Rating History: 6/25/25 : O/I; 10/9/25 : E/I; 5/4/26 : O/I

Price Target History: 6/25/25 : 390; 7/9/25 : 445; 7/31/25 : 465; 10/9/25 : 585; 3/18/26 : 655; 4/27/26 : 695; 5/4/26 : 815

Source: Morgan Stanley Research  Date Format : MM/DD/YY  Price Target  No Price Target A
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)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analys (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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| COMPANY (TICKER) | RATING (AS OF) | PRICE* (09/16/2026) |
|---|---|---|

| | | |
|---|---|---|
| **Jack Lu** | | |
| China Oilfield Services Ltd. (2883.HK) | E (03/28/2026) | HK$7.86 |
| China Oilfield Services Ltd. (601808.SS) | U (03/28/2026) | Rmb12.41 |
| China Petroleum & Chemical Corp. (600028.SS) | E (08/19/2024) | Rmb5.21 |
| China Petroleum & Chemical Corp. (0386.HK) | O (07/29/2025) | HK$4.61 |
| CNOOC (0883.HK) | O (03/17/2021) | HK$24.36 |
| Contemporary Amperex Technology Co. Ltd. (300750.SZ) | O (06/25/2025) | Rmb305.48 |
| Contemporary Amperex Technology Co. Ltd. (3750.HK) | O (05/04/2026) | HK$501.00 |
| EVE Energy Co Ltd (300014.SZ) | E (05/31/2022) | Rmb48.66 |
| Gotion High Tech Co Ltd (002074.SZ) | E (04/17/2023) | Rmb26.14 |
| Guangzhou Tinci Materials Technology Co (002709.SZ) | E (01/08/2026) | Rmb33.10 |
| Hengli Petrochemical Co Ltd (600346.SS) | ++ | Rmb16.53 |
| Ningbo Ronbay New Energy Technology (688005.SS) | U (10/27/2025) | Rmb24.10 |
| Ningxia Baofeng Energy Group Co., Ltd. (600989.SS) | E (04/15/2026) | Rmb24.06 |
| PetroChina (601857.SS) | O (08/19/2024) | Rmb10.81 |
| PetroChina (0857.HK) | O (03/17/2021) | HK$9.79 |
| REPT Battero Energy Co (0666.HK) | E (10/20/2025) | HK$9.10 |
| Rongsheng Petrochemical Co Ltd (002493.SZ) | O (09/09/2026) | Rmb13.03 |
| Shanghai Putailai New Energy Tech Co Ltd (603659.SS) | U (10/27/2025) | Rmb22.40 |
| Shenzhen Senior Technology Material Co (300568.SZ) | E (01/08/2026) | Rmb15.47 |
| Yunnan Energy New Material Co Ltd (002812.SZ) | O (10/27/2025) | Rmb47.91 |
| **Kaylee Xu** | | |
| Jiangsu Cnano Technology Co Ltd (688116.SS) | U (03/10/2025) | Rmb33.68 |
| Jiangsu Yangnong Chemical (600486.SS) | O (06/12/2026) | Rmb52.88 |
| Shandong Sinocera Functional Material (300285.SZ) | E (03/23/2026) | Rmb68.27 |
| Shenzhen Capchem Technology Co Ltd (300037.SZ) | O (07/14/2026) | Rmb73.50 |
| Sunresin New Materials Co Ltd (300487.SZ) | E (10/25/2024) | Rmb68.91 |
| Wanhua Chemical (600309.SS) | O (04/10/2026) | Rmb70.78 |
| Zhejiang NHU Co. Ltd. (002001.SZ) | E (01/26/2026) | Rmb26.26 |

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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