September 10, 2026 04:30 PM GMT

Contemporary Amperex Technology Co. Ltd. | Asia Pacific

Escalation of Battery Anti-involution

MORGAN STANLEY ASIA LIMITED+

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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 (%)	76
Shr price, close (Sep 10, 2026)	Rmb338.06
52-Week Range	Rmb468.75-309.04
Sh out, dil, curr (mn)	4,564
Mkt cap, curr (mn)	Rmb1,627,806
EV, curr (mn)	Rmb1,445,063
Avg daily trading value (mn)	Rmb12,546

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	16.3	12.4	10.1
P/BV	5.2	4.0	3.4	2.8
EV/EBITDA	16.1	10.2	7.6	5.7
RNOA (%)	57.1	54.4	90.0	121.0
Div yld (%)	2.2	3.1	4.0	5.4
FCF yld ratio (%)**	5.1	8.0	8.5	9.1
Net income (Rmb mn)*	72,201	95,463	125,140	153,688

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

Key Takeaways

- China's battery anti-involution campaign is moving into a new phase: capacity expansion is now increasingly tied to utilization rates, favoring industry leaders.
- Companies demonstrating relatively high capacity utilization rates are likely to receive approval for future battery expansion projects...
- ...while lower-utilization players may face tighter restrictions on new capacity additions.
- CATL had 95% capacity utilization in 1H26 vs. China's industry average of 65%.

According to Caixin (September 10), as China's battery industry deepens its campaign against excessive competition and overcapacity ("anti-involution"), regulators have temporarily suspended approvals for new domestic EV battery and energy storage battery projects, pending a comprehensive industry review at year-end.

Rather than relying solely on pricing discipline, policymakers are now moving toward capacity discipline by linking future expansion approvals to actual utilization rates.

If implemented consistently, the policy could accelerate industry consolidation, improve utilization rates, and support a more rational competitive environment across both the EV battery and energy storage markets, in our view.

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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
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(as of August 31, 2026)

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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.

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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.

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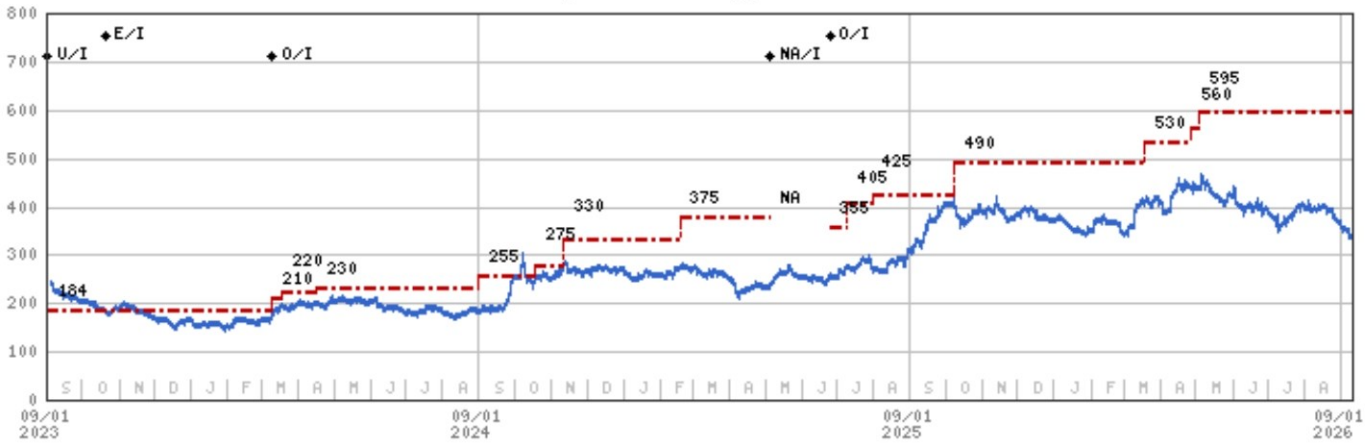
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Stock Price, Price Target and Rating History (See Rating Definitions)

Contemporary Amperex Technology Co. Ltd. (300750.SZ) - As of 09/10/26 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

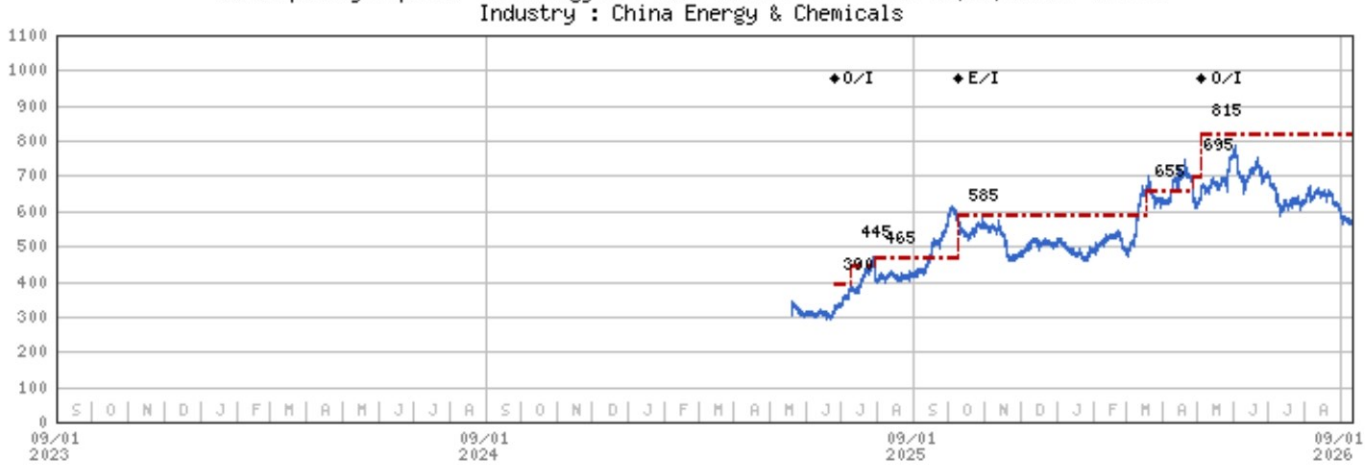
Price Target History: 9/2/20 : 139.44; 11/16/21 : 203.33; 4/11/22 : 210; 5/3/22 : 180.56; 5/5/22 : 155.56; 9/2/22 : 161.11; 11/3/22 : 172.22; 1/18/23 : 194.44; 1/30/23 : 227.78; 2/22/23 : 211.11; 3/14/23 : 213.89; 6/7/23 : 180; 6/21/23 : 184; 3/10/24 : 210; 3/18/24 : 220; 4/16/24 : 230; 9/1/24 : 255; 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)
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Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Contemporary Amperex Technology Co. Ltd. (3750.HK) - As of 09/10/26 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 Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
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INDUSTRY COVERAGE: China Energy & Chemicals

COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/10/2026)

Jack Lu		
China Oilfield Services Ltd. (2883.HK)	E (03/28/2026)	HK$7.85
China Oilfield Services Ltd. (601808.SS)	U (03/28/2026)	Rmb12.72
China Petroleum & Chemical Corp. (600028.SS)	E (08/19/2024)	Rmb5.56
China Petroleum & Chemical Corp. (0386.HK)	O (07/29/2025)	HK$4.85
CNOOC (0883.HK)	O (03/17/2021)	HK$25.02
Contemporary Amperex Technology Co. Ltd. (300750.SZ)	O (06/25/2025)	Rmb338.06
Contemporary Amperex Technology Co. Ltd. (3750.HK)	O (05/04/2026)	HK$561.50
EVE Energy Co Ltd (300014.SZ)	E (05/31/2022)	Rmb49.87
Gotion High Tech Co Ltd (002074.SZ)	E (04/17/2023)	Rmb25.47
Guangzhou Tinci Materials Technology Co (002709.SZ)	E (01/08/2026)	Rmb33.15
Hengli Petrochemical Co Ltd (600346.SS)	++	Rmb18.42
Ningbo Ronbay New Energy Technology (688005.SS)	U (10/27/2025)	Rmb23.99
Ningxia Baofeng Energy Group Co., Ltd. (600989.SS)	E (04/15/2026)	Rmb24.70
PetroChina (601857.SS)	O (08/19/2024)	Rmb11.27
PetroChina (0857.HK)	O (03/17/2021)	HK$10.09
REPT Battero Energy Co (0666.HK)	E (10/20/2025)	HK$9.43
Rongsheng Petrochemical Co Ltd (002493.SZ)	O (09/09/2026)	Rmb14.37
Shanghai Putailai New Energy Tech Co Ltd (603659.SS)	U (10/27/2025)	Rmb21.97
Shenzhen Senior Technology Material Co (300568.SZ)	E (01/08/2026)	Rmb14.74
Yunnan Energy New Material Co Ltd (002812.SZ)	O (10/27/2025)	Rmb48.59
Kaylee Xu		
Jiangsu Cnano Technology Co Ltd (688116.SS)	U (03/10/2025)	Rmb33.30
Jiangsu Yangnong Chemical (600486.SS)	O (06/12/2026)	Rmb57.08
Shandong Sinocera Functional Material (300285.SZ)	E (03/23/2026)	Rmb60.35
Shenzhen Capchem Technology Co Ltd (300037.SZ)	O (07/14/2026)	Rmb69.74
Sunresin New Materials Co Ltd (300487.SZ)	E (10/25/2024)	Rmb66.63
Wanhua Chemical (600309.SS)	O (04/10/2026)	Rmb77.15
Zhejiang NHU Co. Ltd. (002001.SZ)	E (01/26/2026)	Rmb27.16

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* Historical prices are not split adjusted.

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