China Lithium

Off the peak but oversold

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Cutting China lithium price assumptions

Following UBS Global Commodity team's cuts to its global lithium price assumptions, we further cut our China lithium price assumption to Rmb120k/t (from Rmb200k/t) for 2027E according to our detailed cost curve analysis of supply demand under the base case scenario (demand/supply up 15%/22% YoY), but still above what's priced in (i.e. Rmb100k/t). We think the current market is likely overly concerned about the potential destocking of China BESS battery while ignoring the downside risk in supply attributed by the anti-corruption investigation in Jiangxi. Hence, we cut our China lithium stocks' earnings estimates and price target but reiterate our Buy ratings.

Concern on China ESS battery destocking remains a key downside risk

China's battery-related lithium demand (based on cathode/electrolyte production) has risen ~60% YoY in 8M26, outpacing the ~45% YoY growth implied by end-market demand from EV sales and BESS installations (Figure 4). Our supply chain analysis indicates low to moderate inventories across lithium chemicals, cathodes, batteries and OEMs, but elevated inventories at BESS integrators and downstream channels. The key downside risk is slower conversion of BESS project tendering into installations, which could drive destocking and weigh on battery production in 2027E (see details here). We forecast BESS battery demand, accounting for ~30% of total lithium demand, to grow 30% YoY in 2027E versus 64% in 2026E, reflecting destocking risks and a higher base. Consequently, we expect total lithium demand growth to moderate to 15% YoY in 2027E, supporting a lithium price of Rmb120k/t LCE based on the global cost curve. In contrast, the current market is pricing in a lithium price of Rmb100k/t LCE (i.e. 18-20x PE on pure lithium producers, Figure 25), which implies ~10% lithium demand growth on the global cost curve.

Chinese-controlled supply in 2027E may face downside risk

UBS's base case assumes 22% YoY growth in global lithium supply in 2027E, with limited incremental output from Jiangxi lepidolite and continued exports of all Zimbabwean spodumene production. However, we see downside risks to both assumptions, including further disruptions to Jiangxi lepidolite operations amid anti-corruption investigations and uncertainty over Zimbabwe's 2027 export quotas following its export ban. Under its downside supply scenario, UBS assumes global lithium supply growth of 10% YoY in 2027E. By comparison, market consensus currently assumes 30% YoY supply growth, effectively pricing in no disruption to Jiangxi lepidolite production.

Cutting earnings and price targets, while maintaining Buy ratings

Based on our updated lithium price forecasts, we cut our 2027E earnings estimates for our China lithium coverage by 50-56% and hence cut the price targets based on unchanged target EV/EBITDA multiples. We reiterate our Buy ratings on all covered stocks (see Figure 1 below) as we believe our China lithium coverage has been overcorrected.

Figure 1: Summary of our rating, estimate and price target changes

Name	Ticker	Share price	Rating		Price Target (LC)				Net profits change			UBS vs Consensus		
			New	Old	New	Old	Chg	Upside	26E	27E	28E	26E	27E	28E
Tianqi	002466.SZ	Rmb43.26	Buy	Buy	52.13	93.18	-44%	21%	-48%	-55%	-67%	10%	-5%	-44%
Ganfeng-A	002460.SZ	Rmb46.56	Buy	Buy	57.05	110.45	-48%	23%	-46%	-56%	-63%	11%	3%	-30%
Ganfeng-H	1772.HK	HK$34.56	Buy	Buy	44.28	106.86	-59%	28%	-46%	-56%	-63%	5%	-1%	-28%
QSLI	000792.SZ	Rmb24.96	Buy	Buy	34.92	49.80	-30%	40%	-28%	-50%	-52%	7%	0%	-10%

Source: UBS estimates. Note: Price as of 21 September 2026.

This report has been prepared by UBS Securities Asia Limited. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 30.**

UBSResearch THESIS MAP	MOST FAVORED	LEAST FAVORED
	QSLI, Tianqi Lithium, Ganfeng Lithium A/H	N/A

PIVOTAL QUESTIONS

Q: Is downstream battery inventory signalling downside risks to 2027E lithium demand?

Yes, primarily in ESS. EV batteries remain in an active destocking cycle with low inventory risk. In ESS, inventories have started to build again. While China BESS shipments remain supported by exports and domestic BESS bid winning, slower conversion from bid winning to installations and potential front-loading exports in 2026E could trigger downstream destocking, implying downside risk for 2027E lithium demand. See more details here.

Q: Is risk in our base-case 2027E lithium supply forecast skewed to the upside or downside?

Downside. In its base case, UBS forecasts 2027E global lithium supply to rise 22% YoY, where we assume limited increments in Jiangxi lepidolite supply due to regulatory environments, while all Zimbabwe spodumene production remains available for export. We see downside risks from lower-than-expected Zimbabwe export quotas, tighter-than-expected restrictions on incremental Jiangxi supply, and slower ramp-ups across new lithium projects globally. See more details here.

Q: What lithium carbonate price is implied by our supply-demand scenarios and 2027E cost curve analysis?

Our base case points to a China lithium carbonate price of Rmb120,000/t (incl. VAT) or US$15,617/t (excl. VAT) in 2027E. In our base case, we forecast lithium demand to grow 15% YoY and supply 22% YoY, implying a tight balance in 2027E. See more details here.

WHAT´S PRICED IN?

We forecast China lithium carbonate spot prices to average Rmb120,000/t in 2027E. We believe China lithium stocks are pricing in a lithium carbonate price of Rmb100,000/t (including VAT) compared with the current spot price of Rmb138,500/t (including VAT), as reported by SMM on 16 September 2026.

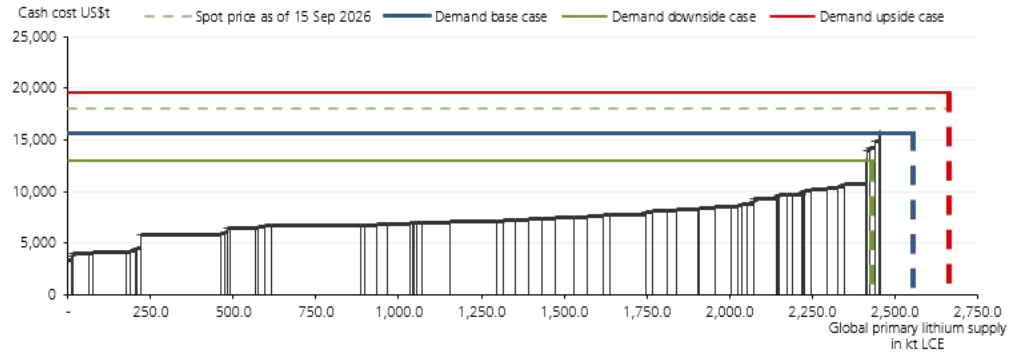
UBSVIEW

Based on our updated lithium price forecasts, we cut our 2027E earnings estimates for our China lithium coverage by 50-56%, placing us largely in line with consensus. We update the price targets for our China lithium coverage – QSLI from Rmb49.80 to Rmb34.92, Ganfeng-A from Rmb110.45 to Rmb57.05, Ganfeng-H from HK$106.86 to HK$44.28, and Tianqi from Rmb93.18 to Rmb52.13 – and reiterate our Buy ratings on all four stocks. We believe the current China lithium stocks has been overcorrected.

EVIDENCE

We carried out a detailed analysis of lithium demand and supply in different scenarios given the big debate and also a comprehensive analysis on cash cost curve. In our base case, we forecast lithium demand to grow by 15% YoY and supply by 22% YoY, implying a tight balance in 2027E. Based on our cost curve analysis, this balance corresponds to a China lithium carbonate price of **Rmb120,000/t (incl. VAT) or US$15,617/t (excl. VAT)**.

Figure 2: UBS Global Primary Lithium Cash Cost Curve



Source: UBSe, Company profiles.

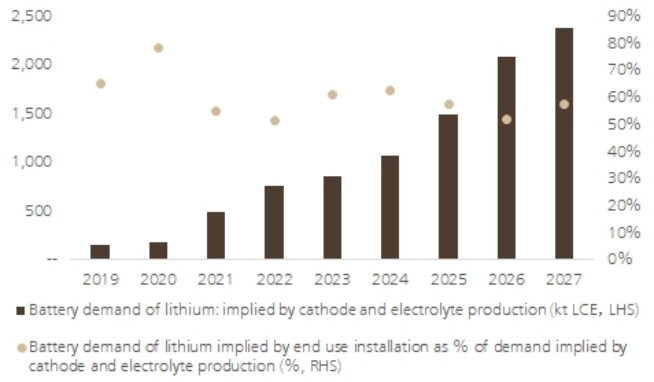
Key debate on demand side: Are battery installations signalling downside risks to 2027E lithium demand?

We see some downside risk to lithium demand in 2027E, primarily attributed to **1)** downstream destocking risk of BESS battery producers and system integrators; **2)** potentially, upstream lithium producers' CAPEX may start to outpace downstream battery producers. In our base case, we forecast global lithium demand to increase 15% YoY in 2027E, with EV battery demand up 10% YoY and ESS battery demand up 30% YoY, where we considered the downstream ESS battery producers and integrators to do some destocking. In our upside case, we assume global lithium demand to increase 20% YoY in 2027E; while in our downside case, we assume global lithium demand to grow 10% YoY in 2027E, where we consider an even bigger destocking.

Inventory puzzle along the whole lithium-ion battery supply chain

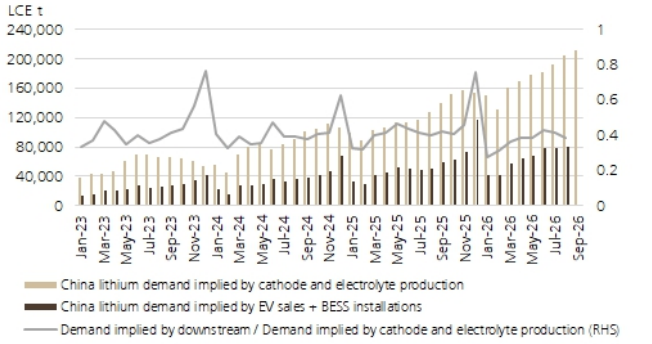
We have analysed the inventory along the whole supply chain of lithium-ion battery from upstream lithium mines/convertors, to midstream cathode and electrolyte producers, to downstream battery producers, and to integrators and ESS project owners. We maintain the conclusion that the upstream to midstream inventory level is quite low, the downstream battery producers' inventory level not high, while ESS battery integrators and project owners' inventory is relatively high.

Figure 3: Global annual lithium demand implied by cathode and electrolyte production vs % share of implied lithium demand from EV, ESS and CE battery installations



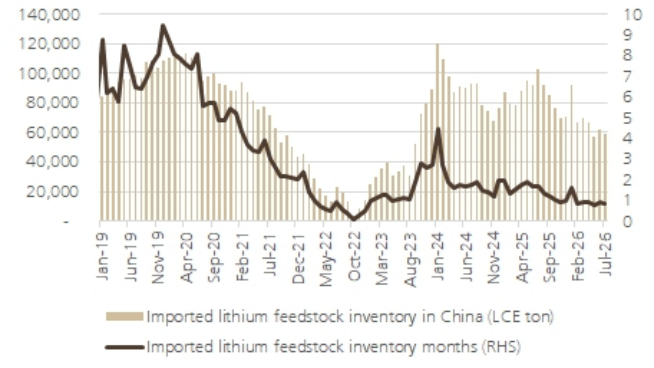
Source: SMM, CNESA, CESA, UBS

Figure 4: China monthly lithium demand implied by cathode and electrolyte production vs % share of implied lithium demand from EV, ESS and CE battery installations



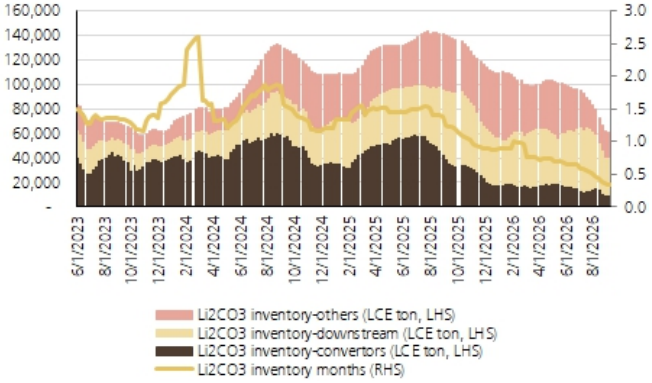
Source: SMM, CNESA, CESA, UBS

Figure 5: Lithium feedstock inventory in China (LCE tons and inventory months)



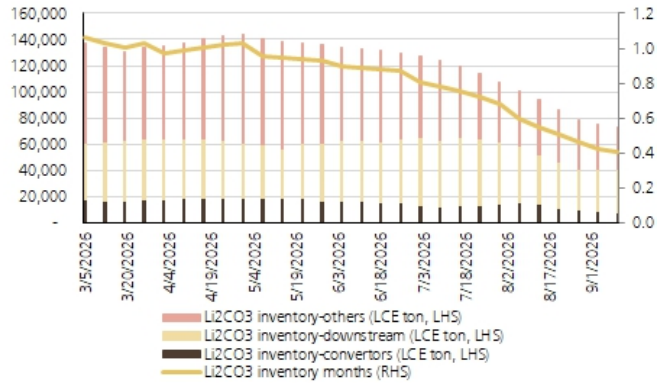
Source: SMM, China Customs, Chinese Ports, UBS. Note: Lithium feedstock includes concentrate and lithium sulphate

Figure 6: SMM weekly lithium carbonate inventory in China (old sample base)



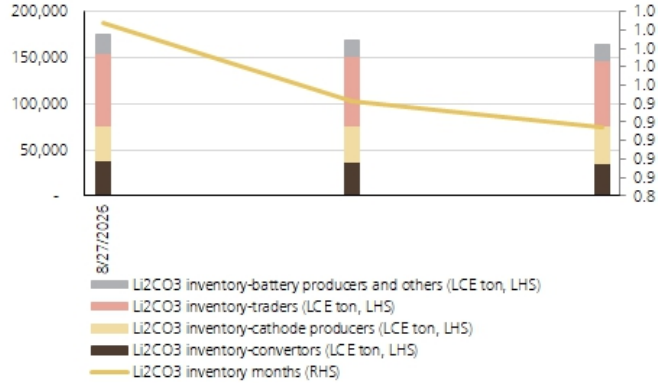
Source: SMM, UBS

Figure 7: SMM weekly lithium carbonate inventory in China (sample base updated on 13 May 2026)



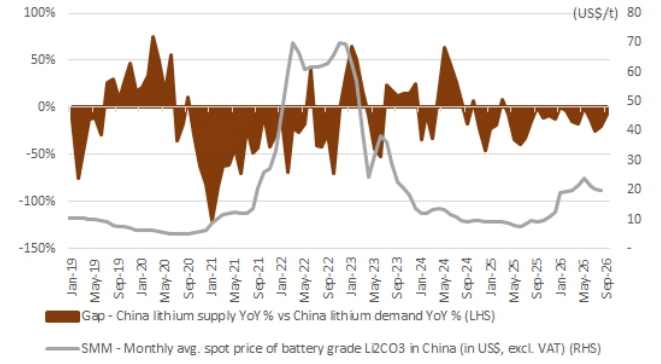
Source: SMM, UBS

Figure 8: SMM weekly lithium carbonate inventory in China (sample base updated on 4 September 2026)



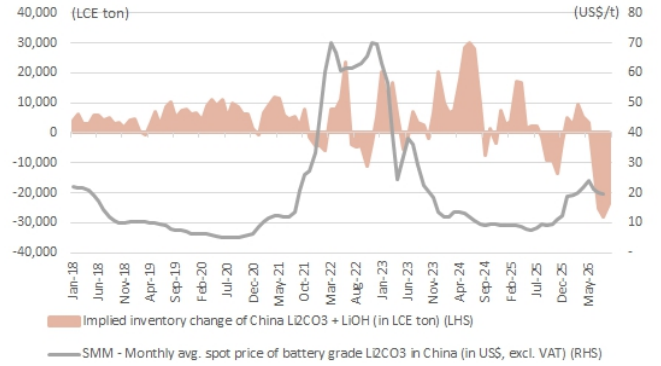
Source: SMM, UBS

Figure 9: Gap between China's lithium supply (YoY %) and lithium demand (YoY %) vs spot price for Li2CO3



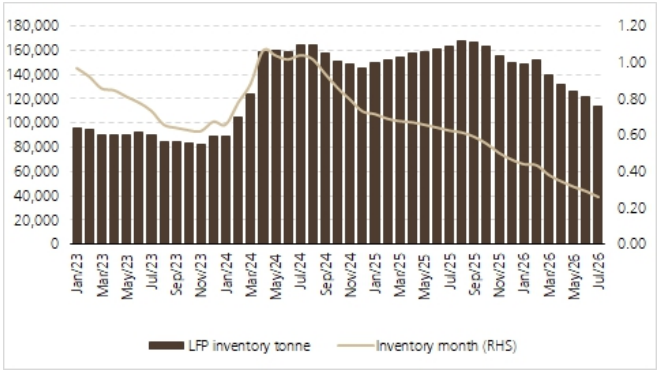
Source: SMM, China Customs, Wind, UBS

Figure 10: China lithium chemical inventory change vs spot price of Li2CO3



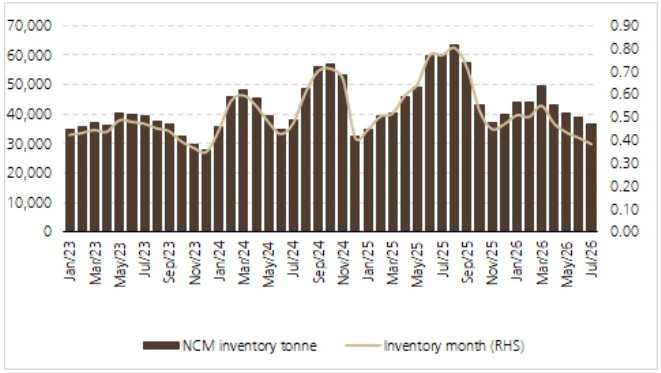
Source: SMM, China Customs, Wind, UBS

Figure 11: Global LFP cathode inventory vs inventory days



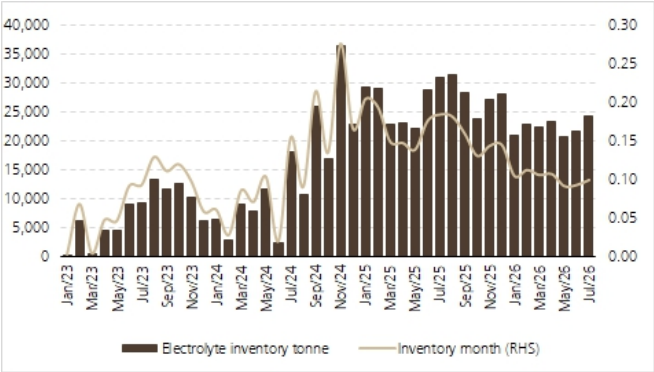
Source: ICCSINO

Figure 12: Global NCM cathode inventory vs inventory days



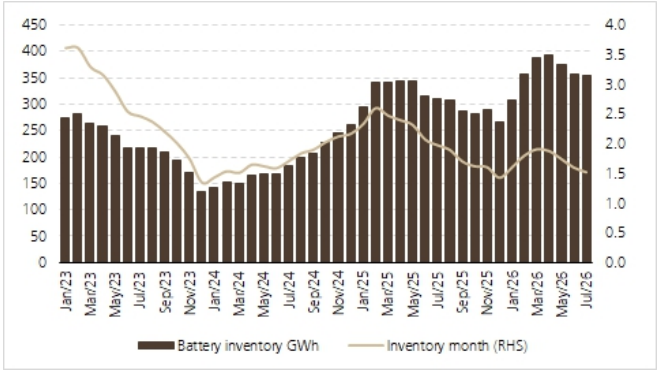
Source: ICCSINO

Figure 13: Global electrolyte inventory vs inventory days



Source: ICCSINO

Figure 14: Global battery inventory vs inventory days

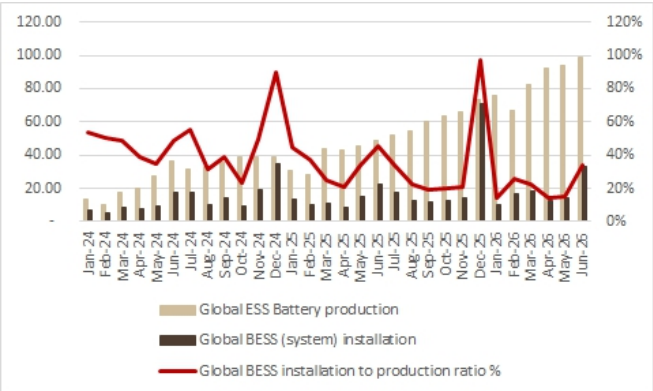


Source: ICCSINO

ESS battery shipments are supported by exports and domestics bid winning. We have noticed the widening gap between China BESS installations and BESS battery shipments, which could imply destocking risks. **1) Exports:** A large portion of the gap can be explained by exports, in our view. According to ICCSINO, 7M26 China BESS battery exports were equivalent to 111% of domestic BESS battery shipments, compared with 107% in 2024 and 137% in 2025. The export-to-domestic shipment ratio observed this year is broadly consistent with the trend of rising overseas demand over the past two years. We acknowledge some risk of export front-loading ahead of the planned phase-out of export VAT rebates. **2) Domestic BESS battery shipments and bid winning** remain broadly aligned. For example, 7M26 domestic battery shipments reached 281.3 GWh, compared with BESS bid winning of 261.6 GWh, as per ICCSINO. However, **the conversion of BESS bid winning into installations, faces downside risks.** According to CESA, 7M26 China BESS installations reached only 85.8 GWh, equivalent to 41% of bid winning during the same period. This gap can be partially explained by seasonality and lead time of bidding, i.e. installations typically accelerate during the Q4. **However,** we have also observed project delays and cancellations driven by concerns around project economics. In particular, higher system operating costs have weighed on project IRRs, prompting industry participants to wait for policy adjustments, which remains uncertain and could create downside risks to BESS demand in 2027.

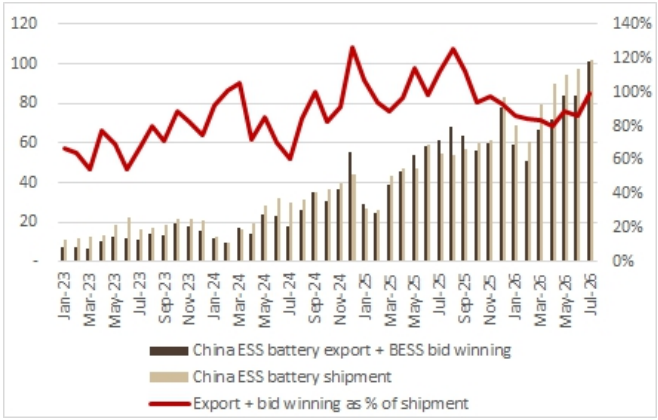
Overall, we believe EV batteries remain in an active destocking cycle with limited inventory risk. The greater uncertainty lies in the ESS sector, where installations might continue to lag bid winning, creating downside risk to lithium inventory drawdown.

Figure 15: Global ESS Battery Production vs Installation Gap (Monthly)



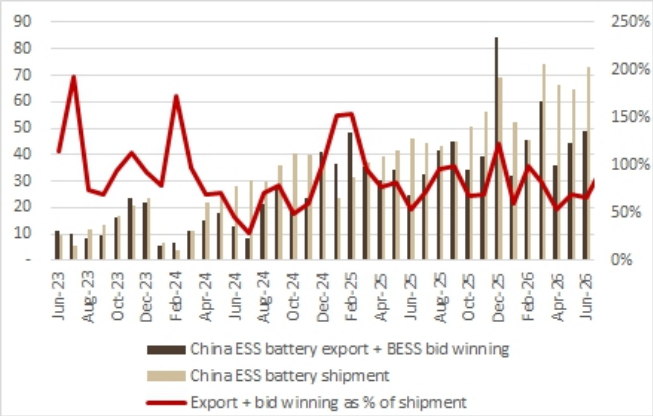
Source: SMM, ICCSINO, Rho Motion, UBS

Figure 16: China ESS Battery Production vs Shipment Gap (Monthly)



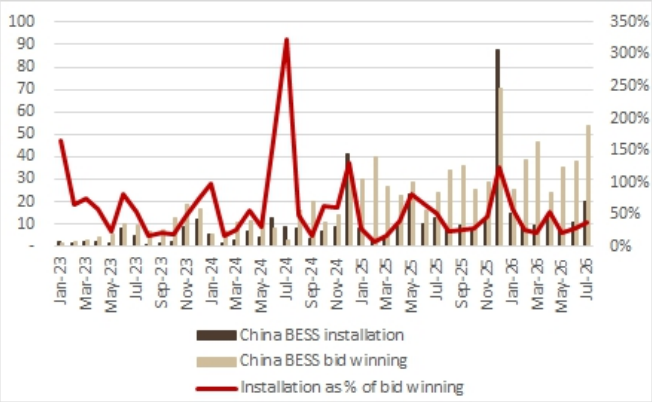
Source: SMM, UBS

Figure 17: China ESS Battery Total Shipment vs China ESS Battery Exports + China Bid Winning of ESS Battery (Monthly)



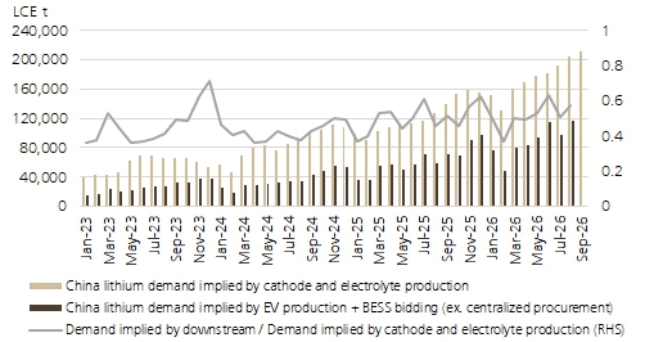
Source: SMM, CABIA, ICCSINO, UBS

Figure 18: China ESS Bid Winning vs China ESS Installation (Monthly)



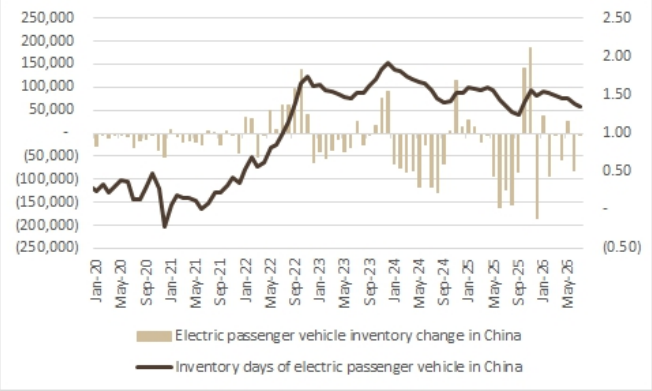
Source: ICCSINO,

Figure 19: Monthly lithium demand implied by cathode and electrolyte production vs % share of implied lithium demand from EV production, ESS bidding



Source: CPCA, China Customs, SMM, UBS

Figure 20: China electric passenger vehicle inventory vs inventory days

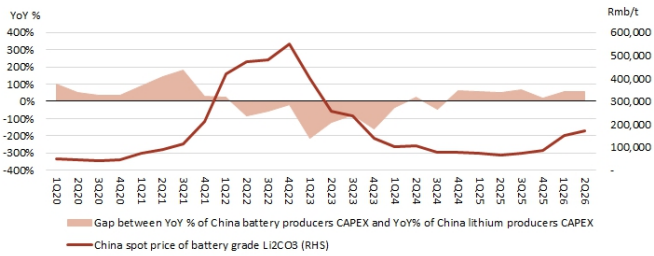


Source: CPCA, China Customs, SMM, UBS

CAPEX expansion of upstream and downstream

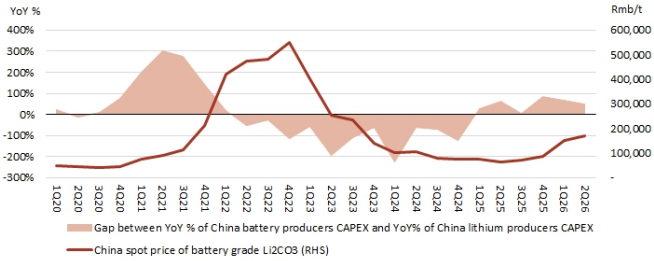
As of Q226, we see the downstream battery producers' CAPEX to outpace the upstream lithium producers. However, recently, we have seen several headlines suggesting that the future expansion of BESS battery will be constrained due to anti-involution. While at the current lithium price, the upstream lithium producers are still incentivized to expand. Hence, we may potentially see upstream lithium producers' CAPEX outpace that of the downstream battery producers.

Figure 21: Capex gap between China's battery producers (YoY %) and lithium producers (YoY %) during the same period vs. spot price for Li2CO3



Source: Company data, Wind, SMM, UBS

Figure 22: Capex gap between China's battery producers (YoY %) and lithium producers (YoY %), with China battery producers' capex lead 1 year vs spot price for Li2CO3



Source: Company data, Wind, SMM, UBS

Key debate on supply side: Is risk in our base-case 2027 lithium supply forecast skewed to the upside or downside?

We review and update our global supply, but would like to highlight the downside risks in our 2027E supply forecasts.

In our **base case**, we forecast 2027E global lithium primary and secondary supply of 2,626kt LCE, **up 22% YoY or 468kt LCE incremental**, assuming some impact on volume from Jiangxi lepidolite operations and no material disruption of Zimbabwe's exports. A key assumption in our forecasts concerns supply from Jiangxi, similar to what happended in Shanxi for coking coal supply disruption. Given the current mining compliance and approval environment, we assume regulatory requirements continue to be applied conservatively and therefore we assume Jiangxi lepidolite supply flat YoY in 2027E in the base case scenario. At the same time, our base case assumes that all spodumene concentrate produced in Zimbabwe remains available for export in 2027, with no material impact from export ban on spodumene concentrate.

While market discussions have increasingly focused on the volume of pipeline projects scheduled for commissioning in 2027, we believe the risk to supply remains skewed to the downside. In our **downside scenario for supply**, we assume global lithium primary and secondary supply to be 2,359kt LCE, **up 10% YoY or 201kt LCE incremental**, assuming that **1)** Jiangxi lepidolite operations are largely off due to the investigation by anticorruption authorities; and **2)** Zimbabwean government strictly conducts an export ban based on the construction progress of downstream lithium sulphate plant.

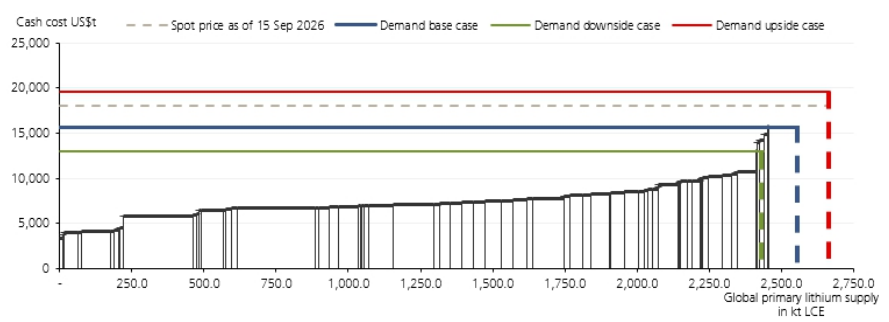
By contrast, in our **upside scenario for supply**, supply could increase to 2,846kt LCE, **up 30% YoY or 678kt LCE incremental**, which assumes **1)** production in Jiangxi normalises, allowing currently constrained supply to re-enter the market; **2)** Zimbabwean producers are able to export their full production volumes; and **3)** all major pipeline projects are delivered on schedule, ramping up efficiently and becoming effective supply more quickly than expected. However, new capacity is still unlikely to be available at full run-rate from the beginning of the year, with most projects requiring a gradual ramp-up process.

What lithium price is implied by our supply-demand scenarios and 2027E cost curve analysis?

Our base case points to a China lithium carbonate price of Rmb120,000/t (incl. VAT) or US$15,617/t (excl. VAT) in 2027E

We derive our lithium price forecasts by combining our supply-demand scenarios with our global lithium cost curve. In our base case, we forecast lithium demand to grow by 15% YoY and supply by 22% YoY, implying a tight balance in 2027E. Based on our cost curve analysis, this balance corresponds to a China lithium carbonate price of **Rmb120,000/t (incl. VAT) or US$15,617/t (excl. VAT)**.

Figure 23: UBS Global Primary Lithium Cash Cost Curve (Base case for both supply and demand)



Source: UBSe, Company files

Downside case: price moves closer to the cost-curve floor

Under our **downside case scenario**, we assume weaker-than-expected ESS battery demand hence downstream destocking, as well as stronger-than-expected supply growth. We assume lithium demand to increase at 10% YoY and supply to grow at 30% YoY, resulting in a market surplus of 233kt LCE.

- **Demand**: We assume weaker-than-expected ESS battery demand, reflecting: 1) a moderation in BESS export demand following this year's front-loading; and 2) domestic BESS installations falling materially short of current bid winning levels, leading to slower-than-expected inventory drawdown across the lithium value chain.
- **Supply**: We assume: 1) production in Jiangxi normalises and the currently constrained supply will re-enter the market; 2) Zimbabwean producers are able to export their full production volumes without any material constraints from export quota; and 3) major pipeline projects currently under construction are delivered on schedule, ramp up efficiently and become effective supply faster than expected.

Under such conditions, prices would move further down the cost curve towards marginal cost producers, implying a China lithium carbonate price of **Rmb78,761/t (incl. VAT) or US$10,250/t (excl. VAT)** in 2027E.

Upside case: Supply disappointments could generate upside to prices

Under our **upside case scenario**, we assume stronger-than-expected ESS battery demand and more constrained supply growth. We assume lithium demand to grow 20% YoY and supply to increase 10% YoY, resulting in a market deficit of 479kt LCE.

- **Demand**: We assume stronger-than-expected ESS battery demand, reflecting: 1) sustained strength in BESS export demand despite this year's front-loading; and 2) domestic BESS installations accelerating and converting a larger proportion of bid winning into actual deployments, leading to faster-than-expected inventory drawdown across the lithium value chain.
- **Supply**: We assume:1) regulatory constraints continue to limit incremental supply from Jiangxi, preventing currently constrained supply from re-entering the market; 2) Zimbabwean export volumes fall below expectations due to lower-than-expected export quota allocation; and 3) major pipeline projects experience delays and slower ramp-ups, resulting in effective supply additions approximately 10% below our base-case assumptions.

Under such conditions, higher-cost supply would be required to balance the market, implying a China lithium carbonate price of **Rmb170,000/t (incl. VAT) or US$22,124/t (excl. VAT)** in 2027E.

Figure 24: Lithium price indication based on our supply-demand scenario analysis with cost curves

In Rmb, incl VAT	Supply base case (22% YoY)	Supply upside case (30% YoY)	Supply downside case (10% YoY)
Demand base case (15% YoY)	120,000	79,568	150,000
Demand downside case (10% YoY)	100,046	78,761	120,000
Demand upside case (20% YoY)	150,000	85,000	170,000

Source: UBSe, Company files

China lithium companies' earnings sensitivity to lithium price

Given China lithium companies' earnings forecasts are very sensitive to lithium price assumptions, we have conducted a sensitivity analysis. In the upside scenario, we expect lithium carbonate prices to be Rmb170k/t LCE in 2027E. In the downside scenario, we expect lithium carbonate prices to be Rmb78.8k/t LCE.

Figure 25: Sensitivity of China's lithium companies' net profit attributable to shareholders and implied 2027E PEs at current share prices to lithium prices

China Li2CO3 spot price (Rmb/t)	Spodumene concentrate price (US$/t)	Net profits (Rmb mn) in 2027E			Implied 2027e PE under current share price		
		Tianqi Lithium	Ganfeng Lithium	QSLI	Tianqi Lithium	Ganfeng Lithium	QSLI
	650	(363)	2,026		-	47	
70,000	750	(155)	1,676	8,842	-	57	15
	850	53	1,327		1,369	72	
	800	907	3,282		80	29	
80,000	900	1,115	2,933	9,415	65	33	14
	1,000	1,323	2,583		55	37	
	950	2,178	4,538		33	21	
90,000	1,050	2,386	4,189	9,989	30	23	13
	1,150	2,594	3,840		28	25	
	1,100	3,448	5,794		21	17	
100,000	1,200	3,656	5,445	10,562	20	18	12
	1,300	3,864	5,096		19	19	
	1,300	4,822	6,876		15	14	
110,000	1,400	5,031	6,527	11,135	14	15	12
	1,500	5,239	6,178		14	16	
	1,400	5,989	8,307		12	12	
120,000	1,500	6,197	7,957	11,708	12	12	11
	1,600	6,405	7,608		11	13	
	1,600	7,363	9,388		10	10	
130,000	1,700	7,571	9,039	12,280	10	11	11
	1,800	7,780	8,690		9	11	
	1,750	8,634	10,644		8	9	
140,000	1,850	8,842	10,295	12,853	8	9	10
	1,950	9,050	9,946		8	10	
	1,900	9,904	11,901		7	8	
150,000	2,000	10,112	11,552	13,426	7	8	10
	2,100	10,320	11,202		7	9	
	2,050	11,175	13,157		6	7	
160,000	2,150	11,383	12,808	13,998	6	7	9
	2,250	11,591	12,459		6	8	
	2,250	12,549	14,239		6	7	
170,000	2,350	12,757	13,889	14,571	6	7	9
	2,450	12,965	13,540		6	7	

Source: UBS estimates. Note: Share price as of 21 September 2026.

Qinghai Salt Lake Industry (QSLI)

We cut our net profit forecasts for QSLI in 2027/28E by 50%/52%, mainly driven by: 1) our lower lithium price expectations for China in 2027 and 2028 based on our cost curve analysis under the revised supply-demand scenario, and 2) our lower lithium chemicals sales volume assumptions for QSLI, due to slower-than-expected progress in acquisition, though the expectation of reaching 200kt LCE production by 2030E remains unchanged. Driven by lower earnings, we lower our price target from Rmb49.80 to Rmb34.92, based on a target 10x 2027E EV/EBITDA. The target EV/EBITDA multiple is unchanged. We reiterate our Buy rating. Our price target of Rmb34.92 implies an undemanding 16x 2027E PE.

Figure 26: Changes in our key assumptions and estimates for QSLI

Key financials	New			Old			Difference%		
(Rmb m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	28,903	28,140	27,523	37,839	47,280	46,883	-24%	-40%	-41%
COGS	(10,006)	(10,620)	(11,220)	(11,560)	(12,600)	(13,200)	-13%	-16%	-15%
GP	18,897	17,520	16,303	26,279	34,680	33,683	-28%	-49%	-52%
EBITDA	17,781	16,186	15,074	24,475	31,690	30,878	-27%	-49%	-51%
EBIT	16,672	15,016	13,853	23,365	30,472	29,510	-29%	-51%	-53%
Net profit to the shareholders	12,486	11,708	11,242	17,339	23,453	23,238	-28%	-50%	-52%
EPS (Rmb/share)	2.4	2.2	2.1	3.3	4.4	4.4	-28%	-50%	-52%

Key operating figures	New			Old			Difference%		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Sales volume									
Lithium chemicals (kt LCE)	100	118	138	109	185	205	-9%	-36%	-33%
Potash (kt)	5,250	5,300	5,300	6,300	5,300	5,300	-17%	0%	0%
Company ASP (ex. VAT)									
Lithium chemical price (Rmb/LCE t)	126,106	100,885	84,071	168,142	168,142	151,327	-25%	-40%	-44%
Potash price (Rmb/t)	3,018	2,969	2,910	3,018	2,957	2,898	0%	0%	0%

Source: UBS estimates

In addition to our analysis of our coverage's earnings sensitivity to lithium prices, we also analyse the sensitivity of QSLI's earnings to potash prices, which is also a critical earnings driver for the company.

Figure 27: QSLI – sensitivity of 2027E net profit attributable to shareholders and implied 2027E PE to lithium and potash prices

Net profits to shareholders (Rmb mn) in 2027E, assuming 27E Lithium Carbonate Capacity = 100kt

		China Li2CO3 spot price (Rmb/t)										
		70,000	80,000	90,000	100,000	110,000	120,000	130,000	140,000	150,000	160,000	170,000
Potash price (Rmb/t)	2,500	6,707	7,281	7,854	8,427	9,000	9,573	10,146	10,719	11,291	11,864	12,436
	2,600	7,095	7,669	8,242	8,815	9,388	9,961	10,534	11,107	11,679	12,252	12,824
	2,700	7,483	8,057	8,630	9,203	9,776	10,349	10,922	11,495	12,067	12,640	13,212
	2,800	7,871	8,445	9,018	9,591	10,164	10,737	11,310	11,883	12,455	13,028	13,600
	2,900	8,259	8,833	9,406	9,980	10,553	11,125	11,698	12,271	12,843	13,416	13,988
	3,000	8,648	9,221	9,795	10,368	10,941	11,514	12,086	12,659	13,231	13,804	14,376
	3,050	8,842	9,415	9,989	10,562	11,135	11,708	12,280	12,853	13,426	13,998	14,571
	3,100	9,036	9,609	10,183	10,756	11,329	11,902	12,474	13,047	13,620	14,192	14,765
	3,200	9,424	9,998	10,571	11,144	11,717	12,290	12,862	13,435	14,008	14,580	15,153
	3,300	9,812	10,386	10,959	11,532	12,105	12,678	13,251	13,823	14,396	14,968	15,541
	3,400	10,201	10,774	11,347	11,920	12,493	13,066	13,639	14,211	14,784	15,356	15,929
	3,500	10,589	11,162	11,735	12,308	12,881	13,454	14,027	14,600	15,172	15,745	16,317

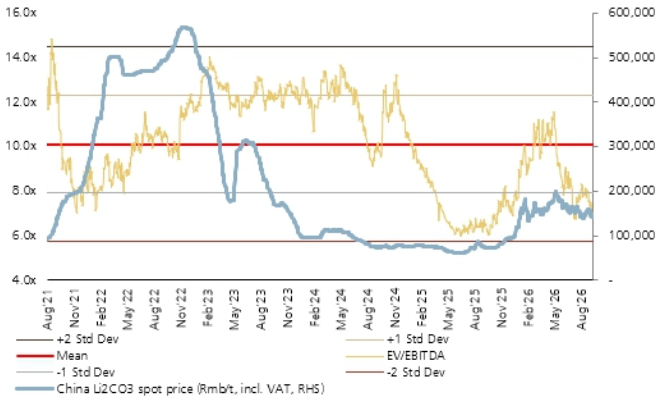
Implied 2027e PE multiple under current share price, assuming 27E Lithium Carbonate Capacity = 100kt

		China Li2CO3 spot price (Rmb/t)										
		70,000	80,000	90,000	100,000	110,000	120,000	130,000	140,000	150,000	160,000	170,000
Potash price (Rmb/t)	2,500	21	20	18	17	16	15	14	13	13	12	11
	2,600	20	19	17	16	15	14	13	13	12	12	11
	2,700	19	18	16	15	15	14	13	12	12	11	11
	2,800	18	17	16	15	14	13	13	12	11	11	10
	2,900	17	16	15	14	13	13	12	12	11	11	10
	3,000	16	15	15	14	13	12	12	11	11	10	10
	3,050	16	15	14	13	13	12	12	11	11	10	10
	3,100	16	15	14	13	13	12	11	11	10	10	10
	3,200	15	14	13	13	12	12	11	11	10	10	9
	3,300	14	14	13	12	12	11	11	10	10	9	9
	3,400	14	13	13	12	11	11	10	10	10	9	9
	3,500	13	13	12	12	11	11	10	10	9	9	9

Source: UBS estimates. Note: The implied 2027E PE is based on QSLI's share price as of 21 Sep 2026.

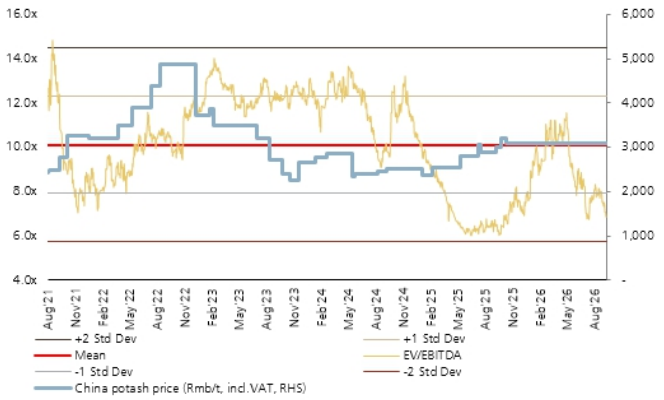
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Figure 28: QSLI's EV/EBITDA vs China's lithium carbonate spot prices



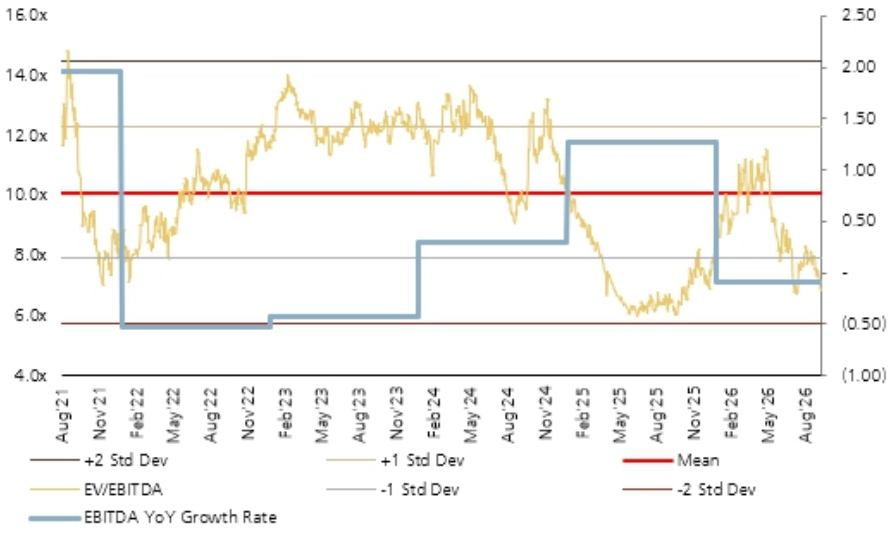
Source: Wind, SMM, UBS estimates

Figure 29: QSLI's EV/EBITDA vs potash ex plant prices



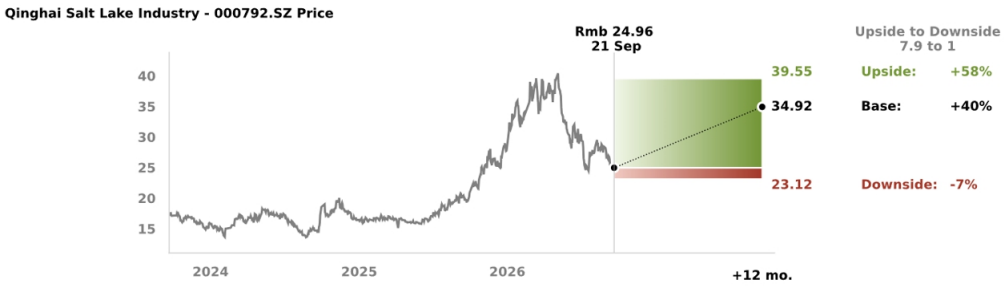
Source: Wind, UBS estimates

Figure 30: QSLI's EV/EBITDA vs EBITDA YoY growth



Source: Wind, UBS estimates

UPSIDE/DOWNSIDE SPECTRUM



Qinghai Salt Lake Industry is trading at Rmb24.96 as of 21 Sep.

Value drivers (2027E)	China lithium carbonate price (incl. VAT)	China potash price (incl. VAT)	QSLI lithium carbonate volume	Target EV/EBITDA for 2027E
Rmb39.55 upside	Rmb170,000	Rmb3,050	100kt	9x
Rmb34.92 base	Rmb120,000	Rmb3,050	100kt	10x
Rmb23.12 downside	Rmb80,000	Rmb2,500	100kt	10x

Source: UBS estimates

Risk to the current share price is skewed (7.9:1) to the upside.

Qinghai Salt Lake Industry is trading at Rmb24.96 (as of 21 Sep).

UPSIDE (Rmb39.55): In our upside case, we assume stronger-than-expected lithium demand growth and more constrained supply expansion in 2027E. Specifically, we assume lithium demand grows 20% YoY while supply increases 10% YoY, resulting in a market deficit of 479kt LCE. Under such conditions, higher-cost supply would be required to balance the market, implying a China lithium carbonate price of Rmb170,000/t (including VAT) in 2027E. We also assume China potash prices average Rmb3,050/t (including VAT) and QSLI lithium carbonate sales volume of 100kt in 2027. Our upside valuation of Rmb39.55 is based on 9x 2027E EV/EBITDA.

BASE (Rmb34.92): In our base case, we assume lithium demand grows 15% YoY and supply grows 22% YoY in 2027E, implying a tight market balance. Based on our global lithium cost-curve analysis, this balance corresponds to a China lithium carbonate price of Rmb120,000/t (including VAT) in 2027E. We also assume China potash prices average Rmb3,050/t (including VAT) and QSLI lithium carbonate sales volume of 100kt in 2027. Our base-case valuation of Rmb34.92 is based on 10x 2027E EV/EBITDA.

DOWNSIDE (Rmb23.12): In our downside case, we assume weaker-than-expected lithium demand growth and stronger-than-expected supply expansion in 2027E. Specifically, we assume lithium demand grows 10% YoY while supply increases 30% YoY, resulting in a market surplus of 233kt LCE. Under such conditions, prices would move closer to the industry cost-curve floor, implying a China lithium carbonate price of Rmb80,000/t (including VAT) in 2027E. We also assume China potash prices average Rmb2,500/t (including VAT) and QSLI lithium carbonate sales volume of 100kt in 2027. Our downside valuation of Rmb23.12 is based on 10x 2027E EV/EBITDA.

Tianqi Lithium

We cut our forecasts of 2027/28E net profit attributable to shareholders for Tianqi Lithium by 55%/67%, mainly to reflect our lower lithium price expectations for China in 2027 and 2028 based on our cost curve analysis under the revised supply-demand scenario. We lower our price target from Rmb93.18 to Rmb52.13 and reiterate our Buy rating. Our price target is based on a target 5.6x 2027E EV/EBITDA, which is unchanged. Our price target of Rmb52.13 implies an undemanding 14x 2027E PE.

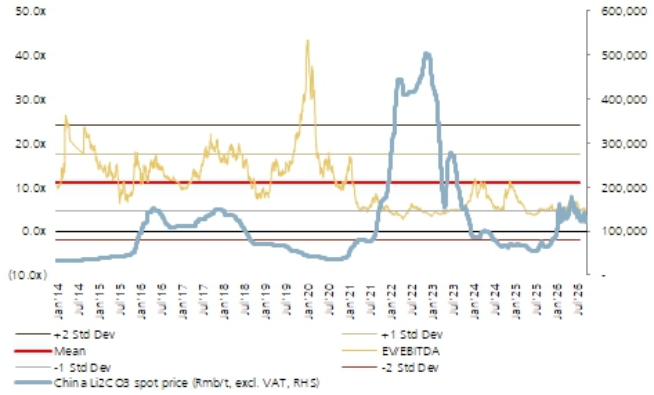
Figure 31: Changes in our key assumptions and estimates for Tianqi Lithium

Key financials	New			Old			Difference%		
(Rmb m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	27,081	23,786	20,710	38,018	42,158	41,135	-29%	-44%	-50%
COGS	(9,047)	(9,689)	(10,187)	(9,311)	(9,662)	(10,125)	-3%	0%	1%
GP	18,034	14,097	10,522	28,708	32,496	31,010	-37%	-57%	-66%
EBIT	16,330	12,600	9,219	26,315	29,843	28,421	-38%	-58%	-68%
EBITDA	17,392	13,895	10,602	27,377	31,262	30,057	-36%	-56%	-65%
Investment income	2,537	1,871	1,663	3,692	3,731	3,577	-31%	-50%	-54%
Net profit to Minority interests	(7,646)	(5,228)	(4,416)	(10,226)	(13,138)	(13,157)	-25%	-60%	-66%
Net profit to the parent	6,929	6,197	4,071	13,261	13,729	12,474	-48%	-55%	-67%
EPS (Rmb)	4.0	3.6	2.4	7.8	8.1	7.3	-48%	-55%	-67%
GP margin %	67%	59%	51%	76%	77%	75%	-8.9ppts	-17.8ppts	-24.6ppts
EBIT margin %	60%	53%	45%	69%	71%	69%	-8.9ppts	-17.8ppts	-24.6ppts
NPM %	26%	26%	20%	35%	33%	30%	-9.4ppts	-6.8ppts	-10.7ppts

Key operating figures	New			Old			Difference%		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Sales volume									
Lithium chemicals (LCE tonne)	111,847	121,138	129,604	115,124	120,538	128,404	-3%	0%	1%
Spodumene (kt)	845	1,010	1,070	870	1,010	1,070	-3%	0%	0%
Price and cost (ex. VAT)									
Lithium chemical price (Rmb/LCE t)	136,360	108,812	90,442	182,118	182,586	162,860	-25%	-40%	-44%
Spodumene price (US$/t)	2,000	1,500	1,200	2,800	2,850	2,700	-29%	-47%	-56%
Spodumene cost (US$/t)	507	468	455	507	468	455	0%	0%	0%

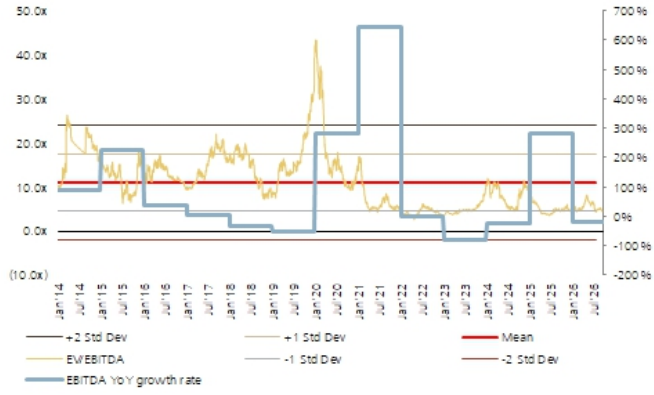
Source: UBS estimates

Figure 32: Tianqi's EV/EBITDA vs China's lithium carbonate spot prices



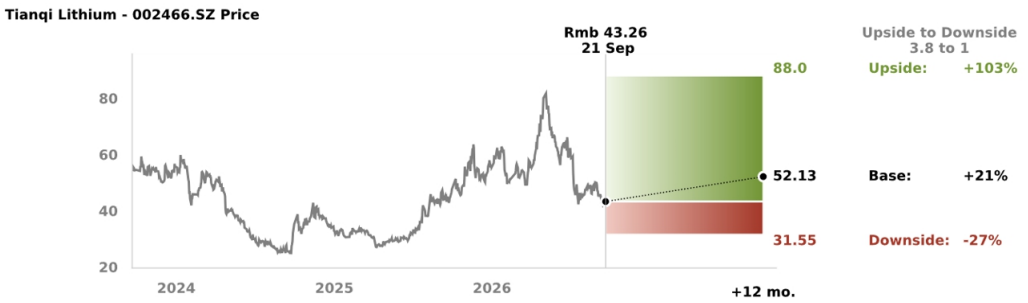
Source: SMM, Wind, UBS estimates

Figure 33: Tianqi's EV/EBITDA vs EBITDA YoY growth



Source: Wind, UBS estimates

UPSIDE/DOWNSIDE SPECTRUM



Tianqi Lithium is trading at Rmb43.26 as of 21 Sep.

Value drivers (2027E)	China lithium carbonate price (incl. VAT)	Spodumene concentrate price	Sales volume of lithium chemicals (in LCE)	Target EV/EBITDA for 2027E
Rmb88.00 upside	Rmb170,000	US$2,350	121,138t	5.6x
Rmb52.13 base	Rmb120,000	US$1,500	121,138t	5.6x
Rmb31.55 downside	Rmb80,000	US$900	121,138t	7.5x

Source: UBS estimates

Risk to the current share price is skewed (3.8:1) to the upside.

Tianqi Lithium is trading at Rmb43.26 (as of 21 Sep).

UPSIDE (Rmb88.00): In our upside case, we assume stronger-than-expected lithium demand growth and more constrained supply expansion in 2027E. Specifically, we assume lithium demand grows 20% YoY while supply increases 10% YoY, resulting in a market deficit of 479kt LCE. Under such conditions, higher-cost supply would be required to balance the market, implying a China lithium carbonate price of Rmb170,000/t (including VAT) and a spodumene concentrate price of US$2,350/t in 2027E. Our upside valuation of Rmb88.00 is based on 5.6x 2027E EV/EBITDA.

BASE (Rmb52.13): In our base case, we assume lithium demand grows 15% YoY and supply grows 22% YoY in 2027E, implying a tight market balance. Based on our global lithium cost-curve analysis, this balance corresponds to a China lithium carbonate price of Rmb120,000/t (including VAT) and a spodumene concentrate price of US$1,500/t in 2027E. Our base-case valuation of Rmb52.13 is based on 5.6x 2027E EV/EBITDA.

DOWNSIDE (Rmb31.55): In our downside case, we assume weaker-than-expected lithium demand growth and stronger-than-expected supply expansion in 2027E. Specifically, we assume lithium demand grows 10% YoY while supply increases 30% YoY, resulting in a market surplus of 233kt LCE. Under such conditions, prices would move closer to the industry cost-curve floor, implying a China lithium carbonate price of Rmb80,000/t (including VAT) and a spodumene concentrate price of US$900/t in 2027E. Our downside valuation of Rmb31.55 is based on 7.5x 2027E EV/EBITDA. Historically, Tianqi Lithium has traded at an average 6x EV/EBITDA during lithium downcycles. In a more bearish scenario where the company trades at 6x 2027E EV/EBITDA, the implied valuation would be Rmb26.47.

Ganfeng Lithium-A

We cut 2027/28E net profit for Ganfeng-A by 56%/63%, mainly to reflect our lower lithium price expectations for China in 2027 and 2028 based on our cost curve analysis under the revised supply-demand scenario. We lower our price target from Rmb110.45 to Rmb57.05 and reiterate our Buy rating. Our price target is based on 13x 2027E EV/EBITDA, which is unchanged. Our target price of Rmb57.05 implies an undemanding 15x 2027E PE.

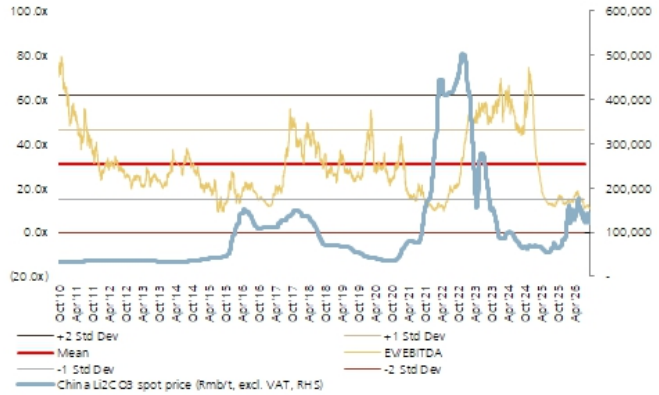
Figure 34: Changes in our key assumptions and estimates for Ganfeng-A

Key financials	New			Old			Change %		
(Rmb m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	56,256	52,528	53,190	70,137	74,119	73,848	-20%	-29%	-28%
COGS	(42,201)	(39,931)	(41,348)	(47,231)	(51,446)	(50,321)	-11%	-22%	-18%
GP	14,055	12,597	11,842	22,906	22,674	23,526	-39%	-44%	-50%
Finance costs	(1,037)	(1,065)	(829)	(1,037)	(1,474)	(530)	0%	-28%	57%
EBITDA	11,544	10,433	9,742	19,267	18,793	19,879	-40%	-44%	-51%
EBIT	9,484	8,329	7,521	17,207	16,651	17,526	-45%	-50%	-57%
Net profit	7,685	7,957	6,604	14,298	18,098	18,028	-46%	-56%	-63%
EPS (Rmb)	3.67	3.80	3.15	6.82	8.63	8.60	-46%	-56%	-63%
GP margin %	25%	24%	22%	33%	31%	32%	-7.7ppts	-6.6ppts	-9.6ppts
EBIT margin %	17%	16%	14%	25%	22%	24%	-7.7ppts	-6.6ppts	-9.6ppts
NPM %	14%	15%	12%	20%	24%	24%	-6.7ppts	-9.3ppts	-12.0ppts

Key operating figures	New			Old			Change %		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Sales volume (tonne)									
Total in LCE	224,528	240,667	263,117	225,338	240,667	263,117	0%	0%	0%
Price (ex. VAT)									
li-carbonate ASP (Rmb/t)	139,381	111,504	92,920	185,841	185,841	167,257	-25%	-40%	-44%
li-hydroxide domestic ASP (Rmb/t)	132,412	105,929	88,274	176,549	167,257	148,673	-25%	-37%	-41%
li-hydroxide overseas ASP (Rmb/t)	139,866	111,893	93,244	186,488	176,672	157,042	-25%	-37%	-41%
Blended lithium compounds ASP (Rmb/t)	159,775	127,171	105,202	212,936	205,658	182,648	-25%	-38%	-42%
GF spodumene cost (US$/t)	1,719	1,330	1,074	2,089	2,187	1,871	-18%	-39%	-43%

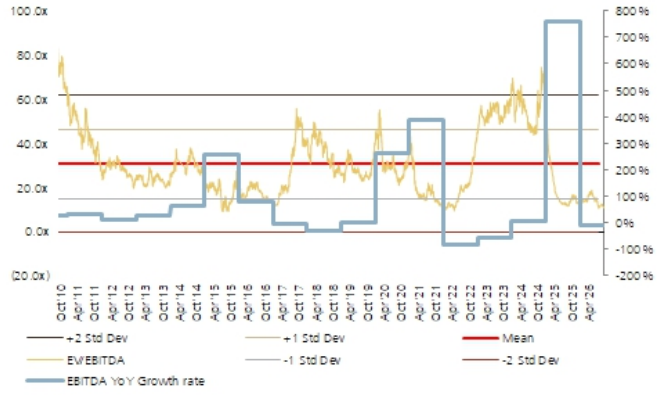
Source: UBS estimates

Figure 35: Ganfeng A's EV/EBITDA vs China's lithium carbonate spot prices



Source: SMM, Wind, UBS estimates

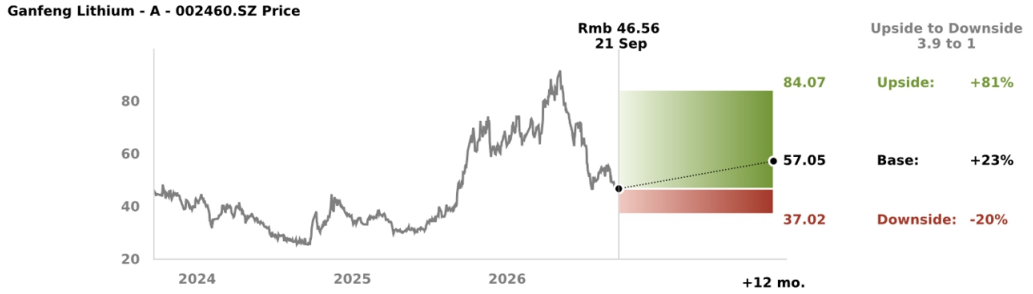
Figure 36: Ganfeng A's EV/EBITDA vs EBITDA YoY growth



Source: Wind, UBS estimates

UPSIDE/DOWNSIDE SPECTRUM

Ganfeng Lithium A is trading at Rmb46.56 as of 21 Sep.



Value drivers (2027E)	China lithium carbonate price (incl. VAT)	Spodumene concentrate price	Lithium chemical sales volumes (in LCE)	Self-sufficiency rate of lithium feedstock (Equity level)	Target EV/ EBITDA for 2027E
Rmb84.07 upside	Rmb170,000	US$2,350	240,667t	53%	13x
Rmb57.05 base	Rmb120,000	US$1,500	240,667t	53%	13x
Rmb37.02 downside	Rmb80,000	US$900	240,667t	53%	15x

Source: UBS estimates

Risk to the current share price is skewed (3.9:1) to the upside.

Ganfeng-A is trading at Rmb46.56 (as of 21 Sep).

UPSIDE (Rmb84.07): In our upside case, we assume stronger-than-expected lithium demand growth and more constrained supply expansion in 2027E. Specifically, we assume lithium demand grows 20% YoY while supply increases 10% YoY, resulting in a market deficit of 479kt LCE. Under such conditions, higher-cost supply would be required to balance the market, implying a China lithium carbonate price of Rmb170,000/t (including VAT) and a spodumene concentrate price of US$2,350/t in 2027E. Our upside valuation of Rmb84.07 is based on 13x 2027E EV/EBITDA.

BASE (Rmb57.05): In our base case, we assume lithium demand grows 15% YoY and supply grows 22% YoY in 2027E, implying a tight market balance. Based on our global lithium cost-curve analysis, this balance corresponds to a China lithium carbonate price of Rmb120,000/t (including VAT) and a spodumene concentrate price of US$1,500/t in 2027E. Our base-case valuation of Rmb57.05 is based on 13x 2027E EV/EBITDA.

DOWNSIDE (Rmb37.02): In our downside case, we assume weaker-than-expected lithium demand growth and stronger-than-expected supply expansion in 2027E. Specifically, we assume lithium demand grows 10% YoY while supply increases 30% YoY, resulting in a market surplus of 233kt LCE. Under such conditions, prices would move closer to the industry cost-curve floor, implying a China lithium carbonate price of Rmb80,000/t (including VAT) and a spodumene concentrate price of US$900/t in 2027E. Our downside valuation of Rmb37.02 is based on 15x 2027E EV/EBITDA.

Ganfeng Lithium-H

We cut 2027/28E net profit for Ganfeng-H by 56%/63%, mainly to reflect our lower lithium price expectations for China in 2027 and 2028 based on our cost curve analysis under the revised supply-demand scenario. We lower our price target from HK$106.86 to HK$44.28 and reiterate our Buy rating. Our price target is based on 9.1x 2026E EV/EBITDA (at a discount of 70% to our new target 13x EV/EBITDA for Ganfeng-A), down from an 11.1x target EV/EBITDA in our last update (at a discount of 85% to our prior target 13x EV/EBITDA for Ganfeng-A). We make this change because we have observed that Ganfeng-H's discount to Ganfeng-A has been enlarging over the past few months and we expect the trend to continue. In the past one month, Ganfeng-H has traded at an average 70% discount to Ganfeng-A. Our price target of HK$44.28 implies an undemanding 10x 2027E PE.

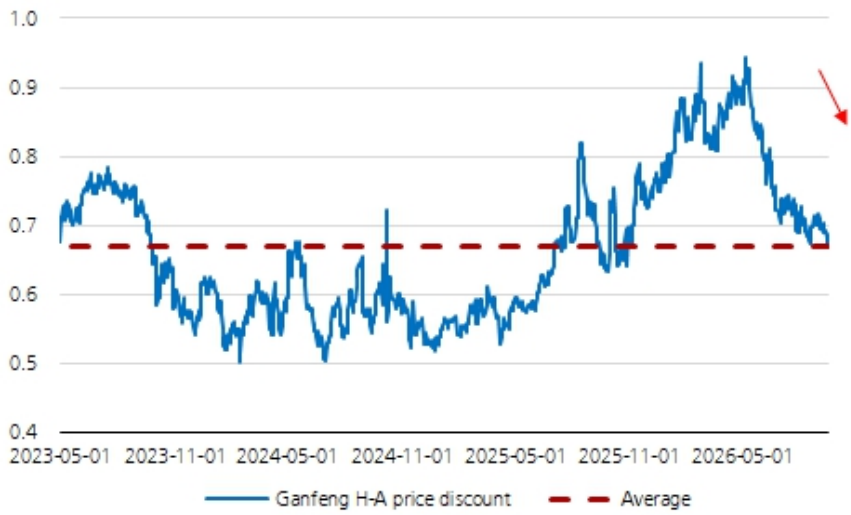
Figure 37: Changes in our key assumptions and estimates for Ganfeng-H

Key financials	New			Old			Change %		
(Rmb m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	56,256	52,528	53,190	70,137	74,119	73,848	-20%	-29%	-28%
COGS	(42,201)	(39,931)	(41,348)	(47,231)	(51,446)	(50,321)	-11%	-22%	-18%
GP	14,055	12,597	11,842	22,906	22,674	23,526	-39%	-44%	-50%
Finance costs	(1,037)	(1,065)	(829)	(1,037)	(1,474)	(530)	0%	-28%	57%
EBITDA	11,544	10,433	9,742	19,267	18,793	19,879	-40%	-44%	-51%
EBIT	9,484	8,329	7,521	17,207	16,651	17,526	-45%	-50%	-57%
Net profit	7,685	7,957	6,604	14,298	18,098	18,028	-46%	-56%	-63%
EPS (Rmb)	3.67	3.80	3.15	6.82	8.63	8.60	-46%	-56%	-63%
GP margin %	25%	24%	22%	33%	31%	32%	-7.7ppts	-6.6ppts	-9.6ppts
EBIT margin %	17%	16%	14%	25%	22%	24%	-7.7ppts	-6.6ppts	-9.6ppts
NPM %	14%	15%	12%	20%	24%	24%	-6.7ppts	-9.3ppts	-12.0ppts

Key operating figures	New			Old			Change %		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Sales volume (tonne)									
Total in LCE	224,528	240,667	263,117	225,338	240,667	263,117	0%	0%	0%
Price (ex. VAT)									
li-carbonate ASP (Rmb/t)	139,381	111,504	92,920	185,841	185,841	167,257	-25%	-40%	-44%
li-hydroxide domestic ASP (Rmb/t)	132,412	105,929	88,274	176,549	167,257	148,673	-25%	-37%	-41%
li-hydroxide overseas ASP (Rmb/t)	139,866	111,893	93,244	186,488	176,672	157,042	-25%	-37%	-41%
Blended lithium compounds ASP (Rmb/t)	159,775	127,171	105,202	212,936	205,658	182,648	-25%	-38%	-42%
GF spodumene cost (US$/t)	1,719	1,330	1,074	2,089	2,187	1,871	-18%	-39%	-43%

Source: UBS estimates

Figure 38: Ganfeng-H/A share price discount



Source: Wind, UBS

UPSIDE/DOWNSIDE SPECTRUM



Ganfeng Lithium H is trading at HK$34.56 as of 21 Sep.

Value drivers (2027E)	China lithium carbonate price (incl. VAT)	Spodumene concentrate price	Lithium chemical production volumes	Self-sufficiency rate of lithium feedstock (equity level)	Target EV/ EBITDA for 2027E
HK$65.90 upside	Rmb170,000	US$2,350	240,667t	53%	9.1x
HK$44.28 base	Rmb120,000	US$1,500	240,667t	53%	9.1x
HK$28.26 downside	Rmb80,000	US$900	240,667t	53%	10.5x

Source: UBS estimates

Risk to the current share price is skewed (5.0:1) to the upside.

Ganfeng-H is trading at HK$34.56 (as of 21 Sep).

UPSIDE (HK$65.90): In our upside case, we assume stronger-than-expected lithium demand growth and more constrained supply expansion in 2027E. Specifically, we assume lithium demand grows 20% YoY while supply increases 10% YoY, resulting in a market deficit of 479kt LCE. Under such conditions, higher-cost supply would be required to balance the market, implying a China lithium carbonate price of Rmb170,000/t (including VAT) and a spodumene concentrate price of US$2,350/t in 2027E. Our upside valuation of HK$65.90 is based on 9.1x 2027E EV/EBITDA.

BASE (HK$44.28): In our base case, we assume lithium demand grows 15% YoY and supply grows 22% YoY in 2027E, implying a tight market balance. Based on our global lithium cost-curve analysis, this balance corresponds to a China lithium carbonate price of Rmb120,000/t (including VAT) and a spodumene concentrate price of US$1,500/t in 2027E. Our base-case valuation of HK$44.28 is based on 9.1x 2027E EV/EBITDA.

DOWNSIDE (HK$28.26): In our downside case, we assume weaker-than-expected lithium demand growth and stronger-than-expected supply expansion in 2027E. Specifically, we assume lithium demand grows 10% YoY while supply increases 30% YoY, resulting in a market surplus of 233kt LCE. Under such conditions, prices would move closer to the industry cost-curve floor, implying a China lithium carbonate price of Rmb80,000/t (including VAT) and a spodumene concentrate price of US$900/t in 2027E. Our downside valuation of HK$28.26 is based on 10.5x 2027E EV/EBITDA.

Qinghai Salt Lake Industry (000792.SZ)

Income Statement (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**21,579**	**15,134**	**15,501**	**28,903**	*86.5*	**28,140**	*-2.6*	**27,523**	**27,498**	**28,633**
Gross profit	10,855	6,579	7,984	18,897	*136.7*	17,520	*-7.3*	16,303	15,828	16,513
EBITDA (UBS)	**10,591**	**6,020**	**7,806**	**17,781**	*127.8*	**16,186**	*-9.0*	**15,074**	**14,644**	**15,267**
Depreciation & amortisation	(764)	(816)	(1,006)	(1,109)	*-10.3*	(1,170)	*-5.5*	(1,221)	(1,264)	(1,303)
EBIT (UBS)	**9,828**	**5,204**	**6,800**	**16,672**	*145.2*	**15,016**	*-9.9*	**13,853**	**13,380**	**13,964**
Associates & investment income	(2)	(26)	(15)	0	-	0	-	0	0	0
Other non-operating income	639	431	196	0	-	0	-	0	0	0
Net interest	182	148	212	248	*17.1*	273	*10.3*	426	569	707
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**10,647**	**5,757**	**7,192**	**16,919**	*135.2*	**15,289**	*-9.6*	**14,280**	**13,950**	**14,671**
Tax	(1,281)	(843)	1,754	(2,538)	-	(2,293)	*9.6*	(2,142)	(2,092)	(2,201)
Profit after tax	**9,366**	**4,914**	**8,947**	**14,382**	*60.7*	**12,996**	*-9.6*	**12,138**	**11,857**	**12,470**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	(1,452)	(251)	(471)	(1,896)	*-302.4*	(1,288)	*32.0*	(896)	(705)	(708)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**7,914**	**4,663**	**8,476**	**12,486**	*47.3*	**11,708**	*-6.2*	**11,242**	**11,152**	**11,762**
Net earnings (UBS)	**7,914**	**4,663**	**8,476**	**12,486**	*47.3*	**11,708**	*-6.2*	**11,242**	**11,152**	**11,762**
Tax rate (%)	12.0	14.6	0.0	15.0	-	15.0	*0.0*	15.0	15.0	15.0

Per Share (Rmb)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	1.46	0.86	1.60	2.36	*47.3*	2.21	*-6.2*	2.12	2.11	2.22
EPS (local GAAP, diluted)	1.46	0.86	1.60	2.36	*47.3*	2.21	*-6.2*	2.12	2.11	2.22
EPS (UBS, basic)	1.46	0.86	1.60	2.36	*47.3*	2.21	*-6.2*	2.12	2.11	2.22
DPS (net) (Rmb)	0.00	0.00	0.00	0.47	-	0.44	*-6.2*	0.42	0.42	0.44
Cash EPS (UBS, diluted) [1]	1.60	1.01	1.79	2.57	*43.4*	2.43	*-5.3*	2.36	2.35	2.47
Book value per share	5.87	6.73	8.50	10.86	*27.8*	12.60	*16.0*	14.28	15.96	17.76
Average shares (diluted)	5,433	5,433	5,292	5,292	*0.0*	5,292	*0.0*	5,292	5,292	5,292

Balance Sheet (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Cash and equivalents	15,975	12,457	18,468	20,175	*9.2*	30,356	*50.5*	39,873	49,025	58,404
Other current assets	14,396	15,304	18,025	24,850	*37.9*	24,674	*-0.7*	24,544	24,587	25,006
Total current assets	**30,372**	**27,761**	**36,493**	**45,025**	*23.4*	**55,031**	*22.2*	**64,417**	**73,612**	**83,410**
Net tangible fixed assets	9,114	10,486	12,125	12,820	*5.7*	13,406	*4.6*	13,903	14,353	14,831
Net intangible fixed assets	920	896	698	678	*-2.8*	660	*-2.6*	644	630	617
Investments / other assets	6,001	6,639	6,466	11,071	*71.2*	11,071	*0.0*	11,071	11,071	11,071
Total assets	**46,407**	**45,783**	**55,782**	**69,594**	*24.8*	**80,168**	*15.2*	**90,035**	**99,667**	**109,929**
Trade payables & other ST liabilities	4,873	3,562	4,729	4,282	*-9.4*	4,480	*4.6*	4,672	4,817	4,961
Short term debt	4,519	225	633	633	*0.0*	633	*0.0*	633	633	633
Total current liabilities	**9,392**	**3,787**	**5,362**	**4,915**	*-8.3*	**5,112**	*4.0*	**5,305**	**5,449**	**5,594**
Long term debt	128	209	552	552	*0.0*	552	*0.0*	552	552	552
Other long term liabilities	2,196	2,193	1,981	1,859	*-6.2*	1,737	*-6.6*	1,615	1,493	1,371
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**11,717**	**6,189**	**7,895**	**7,326**	*-7.2*	**7,401**	*1.0*	**7,472**	**7,495**	**7,517**
Common s/h equity	**31,906**	**36,575**	**44,959**	**57,445**	*27.8*	**66,655**	*16.0*	**75,556**	**84,460**	**93,991**
Minority interests	2,784	3,019	2,928	4,823	*64.8*	6,111	*26.7*	7,007	7,712	8,420
Total liabilities & equity	**46,407**	**45,783**	**55,782**	**69,594**	*24.8*	**80,168**	*15.2*	**90,035**	**99,667**	**109,929**

Cash Flow (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net income (before pref divs)	7,914	4,663	8,476	12,486	*47.3*	11,708	*-6.2*	11,242	11,152	11,762
Depreciation & amortisation	764	816	1,006	1,109	*10.3*	1,170	*5.5*	1,221	1,264	1,303
Net change in working capital	2,055	2,391	435	(7,394)	-	251	-	201	(21)	(396)
Other operating	1,372	(50)	245	1,896	*NM*	1,288	*-32.0*	896	705	708
Operating cash flow	**12,105**	**7,819**	**10,161**	**8,097**	*-20.3*	**14,417**	*78.1*	**13,560**	**13,100**	**13,377**
Tangible capital expenditure	(1,600)	(2,116)	(2,426)	(1,734)	*28.5*	(1,688)	*2.6*	(1,651)	(1,650)	(1,718)
Intangible capital expenditure	18	(48)	(25)	(50)	*-102.5*	(50)	*0.0*	(50)	(50)	(50)
Net (acquisitions) & disposals	0	0	0	0	-	0	-	0	0	0
Other investing	(5,620)	(5,230)	(2,584)	(4,605)	*-78.3*	0	-	0	0	0
Investing cash flow	**(7,202)**	**(7,394)**	**(5,034)**	**(6,389)**	*-26.9*	**(1,738)**	*72.8*	**(1,701)**	**(1,700)**	**(1,768)**
Equity dividends paid	(1,703)	(601)	(576)	0	-	(2,497)	-	(2,342)	(2,248)	(2,230)
Share issues / (buybacks)	0	0	1	0	-	0	-	0	0	0
Other financing	0	0	0	0	-	0	-	0	0	0
Change in debt & pref shares	(2,089)	(4,213)	750	0	-	0	-	0	0	0
Financing cash flow	**(3,792)**	**(4,814)**	**176**	**0**	-	**(2,497)**	-	**(2,342)**	**(2,248)**	**(2,230)**
Cash flow inc/(dec) in cash	**1,111**	**(4,388)**	**5,303**	**1,707**	*-67.8*	**10,181**	*NM*	**9,517**	**9,152**	**9,379**
FX / non cash items	(1,245)	870	708	0	-	0	-	0	0	0
Balance sheet inc/(dec) in cash	**(134)**	**(3,518)**	**6,010**	**1,707**	*-71.6*	**10,181**	*NM*	**9,517**	**9,152**	**9,379**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.



Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	13.6	19.2	12.1	10.6	11.3	11.7	11.8	11.2
P/E (UBS, diluted)	13.6	19.2	12.1	10.6	11.3	11.7	11.8	11.2
P/CEPS	12.4	16.3	10.8	9.7	10.3	10.6	10.6	10.1
Equity FCF (UBS) yield %	9.8	6.3	7.5	4.8	9.6	9.0	8.6	8.8
Dividend yield (net) %	0.0	0.0	0.0	1.9	1.8	1.7	1.7	1.8
P/BV	3.4	2.4	2.3	2.3	2.0	1.7	1.6	1.4
EV/revenues (core)	4.6	5.3	5.8	3.9	3.9	3.6	3.3	2.9
EV/EBITDA (UBS core)	9.4	13.3	11.6	6.4	6.7	6.6	6.3	5.4
EV/EBIT (core)	10.2	15.4	13.3	6.8	7.3	7.2	6.8	5.9
EV/OpFCF (core)	9.6	13.8	11.9	6.5	6.8	6.7	6.3	5.5
EV/op. invested capital	4.7	3.2	3.2	3.3	2.8	2.6	2.3	2.1

Enterprise value (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	107,488	89,340	102,769	132,078	132,078	132,078	132,078	132,078
Net debt (cash)	(10,351)	(11,676)	(14,653)	(18,137)	(24,081)	(33,930)	(43,265)	(52,530)
Buy out of minorities	2,784	3,019	2,928	4,823	6,111	7,007	7,712	8,420
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**99,922**	**80,683**	**91,043**	**118,764**	**114,108**	**105,155**	**96,525**	**87,968**
Non core assets	(121)	(381)	(386)	(4,991)	(4,991)	(4,991)	(4,991)	(4,991)
Core enterprise value	**99,801**	**80,303**	**90,658**	**113,773**	**109,117**	**100,164**	**91,534**	**82,977**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	(29.8)	(29.9)	2.4	86.5	(2.6)	(2.2)	(0.1)	4.1
EBITDA (UBS)	(51.9)	(43.2)	29.7	127.8	(9.0)	(6.9)	(2.9)	4.3
EBIT (UBS)	(53.9)	(47.0)	30.7	145.2	(9.9)	(7.7)	(3.4)	4.4
EPS (UBS, diluted)	(49.2)	(41.1)	86.6	47.3	(6.2)	(4.0)	(0.8)	5.5
Net DPS	-	-	-	-	(6.2)	(4.0)	(0.8)	5.5

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	50.3	43.5	51.5	65.4	62.3	59.2	57.6	57.7
EBITDA margin	49.1	39.8	50.4	61.5	57.5	54.8	53.3	53.3
EBIT (UBS) margin	45.5	34.4	43.9	57.7	53.4	50.3	48.7	48.8
Net earnings (UBS) margin	36.7	30.8	54.7	43.2	41.6	40.8	40.6	41.1
ROIC (EBIT)	46.6	20.6	23.7	48.7	39.1	35.8	34.2	35.1
ROIC post tax	41.0	17.6	23.7	41.4	33.2	30.4	29.1	29.8
ROE (UBS)	27.7	13.6	20.8	24.4	18.9	15.8	13.9	13.2

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	(1.1)	(2.0)	(2.2)	(1.1)	(1.8)	(2.6)	(3.3)	(3.7)
Net debt / total equity %	(32.7)	(30.4)	(36.1)	(30.5)	(40.1)	(46.9)	(51.9)	(55.9)
Net debt / (net debt + total equity) %	(48.5)	(43.6)	(56.5)	(43.9)	(66.9)	(88.2)	NM	NM
Net debt/EV %	(10.4)	(14.5)	(16.1)	(15.3)	(21.1)	(32.3)	(44.8)	(59.7)
Capex / depreciation %	NM	NM	NM	166.8	153.2	143.0	137.6	138.6
Capex / revenue %	7.4	14.0	15.6	6.0	6.0	6.0	6.0	6.0
EBIT / net interest	-	-	-	-	-	-	-	-
Dividend cover (UBS)	-	-	-	5.0	5.0	5.0	5.0	5.0
Div. payout ratio (UBS) %	-	-	-	20.0	20.0	20.0	20.0	20.0

Revenues by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	21,579	15,134	15,501	28,903	28,140	27,523	27,498	28,633
Total	**21,579**	**15,134**	**15,501**	**28,903**	**28,140**	**27,523**	**27,498**	**28,633**

EBIT (UBS) by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	9,828	5,204	6,800	16,672	15,016	13,853	13,380	13,964
Total	**9,828**	**5,204**	**6,800**	**16,672**	**15,016**	**13,853**	**13,380**	**13,964**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Tianqi Lithium (002466.SZ)

Income Statement (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**40,503**	**13,063**	**10,346**	**27,081**	*161.7*	**23,786**	*-12.2*	**20,710**	**19,170**	**19,170**
Gross profit	34,343	5,960	4,037	18,034	*346.7*	14,097	*-21.8*	10,522	9,389	9,346
EBITDA (UBS)	**34,421**	**6,180**	**4,574**	**17,392**	*280.3*	**13,895**	*-20.1*	**10,602**	**9,624**	**9,622**
Depreciation & amortisation	(747)	(930)	(1,229)	(1,062)	*13.5*	(1,295)	*-21.9*	(1,383)	(1,441)	(1,483)
EBIT (UBS)	**33,674**	**5,251**	**3,345**	**16,330**	*388.1*	**12,600**	*-22.8*	**9,219**	**8,183**	**8,139**
Associates & investment income	3,117	(809)	648	2,537	*291.3*	1,871	*-26.2*	1,663	1,526	1,526
Other non-operating income	(494)	(2,250)	(250)	0	-	0	-	0	0	0
Net interest	(16)	(899)	226	(648)	-	(190)	*70.7*	(273)	(435)	(316)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**36,281**	**1,292**	**3,969**	**18,219**	*359.0*	**14,281**	*-21.6*	**10,609**	**9,274**	**9,350**
Tax	(10,618)	(1,321)	(967)	(3,644)	*-276.9*	(2,856)	*21.6*	(2,122)	(1,855)	(1,870)
Profit after tax	**25,663**	**(29)**	**3,003**	**14,575**	*385.4*	**11,425**	*-21.6*	**8,487**	**7,419**	**7,480**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	(18,366)	(7,875)	(2,540)	(7,646)	*-201.0*	(5,228)	*31.6*	(4,416)	(3,855)	(3,855)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**7,297**	**(7,905)**	**463**	**6,929**	*NM*	**6,197**	*-10.6*	**4,071**	**3,564**	**3,625**
Net earnings (UBS)	**7,297**	**(7,905)**	**463**	**6,929**	*NM*	**6,197**	*-10.6*	**4,071**	**3,564**	**3,625**
Tax rate (%)	29.3	102.3	24.4	20.0	*-17.9*	20.0	*0.0*	20.0	20.0	20.0

Per Share (Rmb)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	4.45	(4.82)	0.28	3.93	*NM*	3.52	*-10.6*	2.31	2.02	2.06
EPS (local GAAP, diluted)	4.45	(4.82)	0.28	3.93	*NM*	3.52	*-10.6*	2.31	2.02	2.06
EPS (UBS, basic)	4.45	(4.82)	0.28	4.04	*NM*	3.62	*-10.6*	2.38	2.08	2.12
DPS (net) (Rmb)	1.35	0.00	0.00	0.00	-	0.00	-	0.00	0.00	0.00
Cash EPS (UBS, diluted) [1]	4.90	(4.25)	1.03	4.53	*340.0*	4.25	*-6.2*	3.09	2.84	2.90
Book value per share	31.39	25.53	25.81	30.29	*17.3*	33.90	*11.9*	36.28	38.36	40.48
Average shares (diluted)	1,641	1,641	1,641	1,763	*7.4*	1,763	*0.0*	1,763	1,763	1,763

Balance Sheet (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Cash and equivalents	9,330	5,635	3,746	17,016	*354.3*	22,543	*32.5*	28,392	33,408	38,298
Other current assets	10,299	7,215	8,136	11,028	*35.5*	10,865	*-1.5*	10,674	10,329	10,345
Total current assets	**19,629**	**12,850**	**11,882**	**28,045**	*136.0*	**33,409**	*19.1*	**39,066**	**43,737**	**48,643**
Net tangible fixed assets	16,367	17,617	20,762	23,907	*15.1*	25,131	*5.1*	25,956	26,564	27,126
Net intangible fixed assets	4,256	4,715	5,252	5,107	*-2.8*	4,967	*-2.8*	4,830	4,698	4,569
Investments / other assets	32,977	33,495	34,213	34,857	*1.9*	36,728	*5.4*	38,391	39,917	41,444
Total assets	**73,228**	**68,678**	**72,110**	**91,916**	*27.5*	**100,235**	*9.1*	**108,243**	**114,916**	**121,783**
Trade payables & other ST liabilities	5,570	2,628	2,092	2,901	*38.7*	3,091	*6.5*	3,238	3,118	3,131
Short term debt	1,090	2,413	2,178	2,178	*0.0*	2,178	*0.0*	2,178	2,178	2,178
Total current liabilities	**6,660**	**5,041**	**4,270**	**5,079**	*19.0*	**5,269**	*3.7*	**5,416**	**5,296**	**5,309**
Long term debt	9,545	11,203	12,216	14,043	*15.0*	10,747	*-23.5*	10,121	9,495	8,869
Other long term liabilities	2,787	3,251	3,732	3,732	*0.0*	3,732	*0.0*	3,732	3,732	3,732
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**18,992**	**19,496**	**20,218**	**22,854**	*13.0*	**19,748**	*-13.6*	**19,269**	**18,523**	**17,910**
Common s/h equity	**51,520**	**41,893**	**42,362**	**51,886**	*22.5*	**58,083**	*11.9*	**62,155**	**65,719**	**69,344**
Minority interests	2,717	7,290	9,530	17,176	*80.2*	22,403	*30.4*	26,819	30,674	34,529
Total liabilities & equity	**73,228**	**68,678**	**72,110**	**91,916**	*27.5*	**100,235**	*9.1*	**108,243**	**114,916**	**121,783**

Cash Flow (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net income (before pref divs)	7,297	(7,905)	463	6,929	*NM*	6,197	*-10.6*	4,071	3,564	3,625
Depreciation & amortisation	747	930	1,229	1,062	*-13.5*	1,295	*21.9*	1,383	1,441	1,483
Net change in working capital	(612)	3,814	(723)	(2,083)	*-188.0*	353	-	338	226	(4)
Other operating	15,255	8,715	1,993	7,646	*283.7*	5,228	*-31.6*	4,416	3,855	3,855
Operating cash flow	**22,688**	**5,554**	**2,961**	**13,555**	*357.9*	**13,073**	*-3.6*	**10,208**	**9,086**	**8,959**
Tangible capital expenditure	(5,178)	(2,034)	(4,085)	(4,062)	*0.6*	(2,379)	*41.4*	(2,071)	(1,917)	(1,917)
Intangible capital expenditure	(396)	(605)	(825)	0	-	0	-	0	0	0
Net (acquisitions) & disposals	0	0	0	0	-	0	-	0	0	0
Other investing	2,420	(1,359)	(879)	(644)	*26.7*	(1,871)	*-190.7*	(1,663)	(1,526)	(1,526)
Investing cash flow	**(3,153)**	**(3,998)**	**(5,789)**	**(4,706)**	*18.7*	**(4,250)**	*9.7*	**(3,734)**	**(3,443)**	**(3,443)**
Equity dividends paid	(25,757)	(6,186)	(1,253)	0	-	0	-	0	0	0
Share issues / (buybacks)	550	5	0	2,595	-	0	-	0	0	0
Other financing	(214)	(108)	(139)	0	-	0	-	0	0	0
Change in debt & pref shares	2,198	2,982	777	1,827	*135.3*	(3,296)	-	(626)	(626)	(626)
Financing cash flow	**(23,223)**	**(3,307)**	**(615)**	**4,422**	-	**(3,296)**	-	**(626)**	**(626)**	**(626)**
Cash flow inc/(dec) in cash	**(3,688)**	**(1,752)**	**(3,443)**	**13,270**	-	**5,527**	*-58.4*	**5,848**	**5,017**	**4,890**
FX / non cash items	728	(1,944)	1,554	0	*-100.0*	0	*-100.0*	0	0	0
Balance sheet inc/(dec) in cash	**(2,959)**	**(3,695)**	**(1,889)**	**13,270**	-	**5,527**	*-58.4*	**5,848**	**5,017**	**4,890**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	15.4	NM	NM	11.0	12.3	18.7	21.4	21.0
P/E (UBS, diluted)	15.4	(8.0)	NM	11.0	12.3	18.7	21.4	21.0
P/CEPS	14.0	NM	37.8	9.3	9.9	13.6	14.8	14.5
Equity FCF (UBS) yield %	15.2	4.6	(3.0)	12.8	14.4	11.0	9.7	9.5
Dividend yield (net) %	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/BV	2.2	1.5	1.5	1.4	1.3	1.2	1.1	1.1
EV/revenues (core)	2.2	3.7	5.5	2.6	2.6	2.8	2.8	2.6
EV/EBITDA (UBS core)	2.5	7.9	12.4	4.0	4.5	5.4	5.6	5.3
EV/EBIT (core)	2.6	9.3	16.9	4.2	5.0	6.3	6.6	6.2
EV/OpFCF (core)	2.6	8.3	13.3	4.1	4.6	5.6	5.8	5.4
EV/op. invested capital	3.3	1.6	1.7	1.8	1.5	1.4	1.3	1.2

Enterprise value (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	112,713	63,141	63,996	74,118	74,118	74,118	74,118	74,118
Net debt (cash)	(1,274)	4,643	9,315	4,926	(5,207)	(12,856)	(18,915)	(24,494)
Buy out of minorities	2,717	7,290	9,530	17,176	22,403	26,819	30,674	34,529
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**114,155**	**75,074**	**82,841**	**96,220**	**91,314**	**88,081**	**85,878**	**84,154**
Non core assets	(26,874)	(26,251)	(26,186)	(26,830)	(28,701)	(30,363)	(31,890)	(33,416)
Core enterprise value	**87,282**	**48,824**	**56,655**	**69,390**	**62,613**	**57,718**	**53,988**	**50,737**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	0.1	(67.7)	(20.8)	161.7	(12.2)	(12.9)	(7.4)	0.0
EBITDA (UBS)	0.4	(82.0)	(26.0)	NM	(20.1)	(23.7)	(9.2)	0.0
EBIT (UBS)	(0.1)	(84.4)	(36.3)	NM	(22.8)	(26.8)	(11.2)	(0.5)
EPS (UBS, diluted)	(69.8)	-	-	NM	(10.6)	(34.3)	(12.5)	1.7
Net DPS	(55.0)	(100.0)	-	-	-	-	-	-

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	NM	45.6	39.0	66.6	59.3	50.8	49.0	48.8
EBITDA margin	NM	47.3	44.2	64.2	58.4	51.2	50.2	50.2
EBIT (UBS) margin	83.1	40.2	32.3	60.3	53.0	44.5	42.7	42.5
Net earnings (UBS) margin	18.0	NM	4.5	25.6	26.1	19.7	18.6	18.9
ROIC (EBIT)	NM	17.6	9.9	42.0	30.1	21.8	19.2	18.9
ROIC post tax	NM	6.5	7.1	32.2	23.2	16.6	14.6	14.4
ROE (UBS)	14.6	(16.9)	1.1	14.7	11.3	6.8	5.6	5.4

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	0.0	1.3	2.3	0.0	(0.7)	(1.5)	(2.3)	(2.8)
Net debt / total equity %	2.4	16.2	20.5	(1.2)	(12.0)	(18.1)	(22.5)	(26.2)
Net debt / (net debt + total equity) %	2.3	14.0	17.0	(1.2)	(13.6)	(22.1)	(29.1)	(35.6)
Net debt/EV %	(1.1)	6.2	11.2	5.1	(5.7)	(14.6)	(22.0)	(29.1)
Capex / depreciation %	NM	NM	NM	NM	NM	166.1	146.5	141.5
Capex / revenue %	12.8	15.6	NM	15.0	10.0	10.0	10.0	10.0
EBIT / net interest	NM	4.9	-	29.1	NM	39.9	22.3	30.6
Dividend cover (UBS)	3.3	-	-	-	-	-	-	-
Div. payout ratio (UBS) %	30.4	-	-	-	-	-	-	-

Revenues by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	40,503	13,063	10,346	27,081	23,786	20,710	19,170	19,170
Total	**40,503**	**13,063**	**10,346**	**27,081**	**23,786**	**20,710**	**19,170**	**19,170**

EBIT (UBS) by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	33,674	5,251	3,345	16,330	12,600	9,219	8,183	8,139
Total	**33,674**	**5,251**	**3,345**	**16,330**	**12,600**	**9,219**	**8,183**	**8,139**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

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Income Statement (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**32,972**	**18,906**	**23,082**	**56,256**	*143.7*	**52,528**	*-6.6*	**53,190**	**52,560**	**54,817**
Gross profit	4,492	1,930	3,423	14,055	*310.6*	12,597	*-10.4*	11,842	11,564	12,269
EBITDA (UBS)	**2,932**	**1,251**	**1,346**	**11,544**	*NM*	**10,433**	*-9.6*	**9,742**	**9,687**	**10,108**
Depreciation & amortisation	(851)	(1,250)	(322)	(2,059)	*NM*	(2,104)	*-2.2*	(2,222)	(2,394)	(2,293)
EBIT (UBS)	**2,081**	**1**	**1,024**	**9,484**	*NM*	**8,329**	*-12.2*	**7,521**	**7,293**	**7,815**
Associates & investment income	2,929	99	(79)	1,800	-	3,346	*85.9*	2,114	1,293	1,293
Other non-operating income	830	(1,528)	1,777	0	-	0	-	0	0	0
Net interest	(581)	(874)	(1,534)	(1,037)	*32.4*	(1,065)	*-2.7*	(829)	(826)	(841)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**5,259**	**(2,301)**	**1,188**	**10,247**	*NM*	**10,610**	*3.5*	**8,806**	**7,760**	**8,268**
Tax	(683)	(329)	75	(1,537)	-	(1,591)	*-3.5*	(1,321)	(1,164)	(1,240)
Profit after tax	**4,575**	**(2,630)**	**1,263**	**8,710**	*NM*	**9,018**	*3.5*	**7,485**	**6,596**	**7,027**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	372	556	350	(1,025)	-	(1,061)	*-3.5*	(881)	(776)	(827)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**4,947**	**(2,074)**	**1,613**	**7,685**	*376.4*	**7,957**	*3.5*	**6,604**	**5,820**	**6,201**
Net earnings (UBS)	**4,947**	**(2,074)**	**1,613**	**7,685**	*376.4*	**7,957**	*3.5*	**6,604**	**5,820**	**6,201**
Tax rate (%)	13.0	0.0	0.0	15.0	-	15.0	*0.0*	15.0	15.0	15.0

Per Share (Rmb)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	2.45	(1.03)	0.77	3.67	*376.4*	3.80	*3.5*	3.15	2.78	2.96
EPS (local GAAP, diluted)	2.45	(1.03)	0.77	3.67	*376.4*	3.80	*3.5*	3.15	2.78	2.96
EPS (UBS, basic)	2.45	(1.03)	0.77	3.67	*376.4*	3.80	*3.5*	3.15	2.78	2.96
DPS (net) (Rmb)	0.80	0.15	0.15	0.18	*22.2*	0.19	*3.5*	0.16	0.14	0.15
Cash EPS (UBS, diluted) [1]	2.87	(0.41)	0.92	4.65	*NM*	4.80	*3.3*	4.21	3.92	4.05
Book value per share	23.33	20.73	21.53	25.05	*16.3*	28.66	*14.4*	31.62	34.24	37.06
Average shares (diluted)	2,017	2,017	2,097	2,097	*0.0*	2,097	*0.0*	2,097	2,097	2,097

Balance Sheet (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Cash and equivalents	9,294	5,641	7,868	7,069	*-10.2*	12,848	*81.8*	17,082	24,683	31,425
Other current assets	18,891	16,362	27,290	52,501	*92.4*	49,407	*-5.9*	50,627	50,126	52,116
Total current assets	**28,184**	**22,003**	**35,158**	**59,570**	*69.4*	**62,256**	*4.5*	**67,710**	**74,809**	**83,542**
Net tangible fixed assets	23,586	35,735	36,712	37,506	*2.2*	39,645	*5.7*	42,784	40,956	39,252
Net intangible fixed assets	17,975	21,721	20,949	21,409	*2.2*	21,368	*-0.2*	21,327	21,286	21,245
Investments / other assets	21,953	21,373	20,438	27,263	*33.4*	29,027	*6.5*	28,915	29,343	30,808
Total assets	**91,698**	**100,832**	**113,258**	**145,748**	*28.7*	**152,296**	*4.5*	**160,735**	**166,394**	**174,846**
Trade payables & other ST liabilities	10,666	15,642	21,766	46,724	*114.7*	44,211	*-5.4*	45,780	45,390	47,109
Short term debt	9,605	16,028	16,508	16,508	*0.0*	16,508	*0.0*	16,508	16,508	16,508
Total current liabilities	**20,271**	**31,670**	**38,274**	**63,232**	*65.2*	**60,719**	*-4.0*	**62,287**	**61,898**	**63,617**
Long term debt	15,616	15,613	17,289	17,179	*-0.6*	17,069	*-0.6*	16,959	16,849	16,739
Other long term liabilities	3,494	5,961	5,858	5,104	*-12.9*	5,641	*10.5*	5,534	5,427	5,534
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**39,382**	**53,244**	**61,421**	**85,515**	*39.2*	**83,429**	*-2.4*	**84,781**	**84,174**	**85,890**
Common s/h equity	**47,034**	**41,782**	**45,145**	**52,516**	*16.3*	**60,089**	*14.4*	**66,296**	**71,786**	**77,695**
Minority interests	5,282	5,806	6,692	7,717	*15.3*	8,778	*13.7*	9,658	10,434	11,261
Total liabilities & equity	**91,698**	**100,832**	**113,258**	**145,748**	*28.7*	**152,296**	*4.5*	**160,735**	**166,394**	**174,846**

Cash Flow (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net income (before pref divs)	4,947	(2,074)	1,613	7,685	*376.4*	7,957	*3.5*	6,604	5,820	6,201
Depreciation & amortisation	851	1,250	322	2,059	*NM*	2,104	*2.2*	2,222	2,394	2,293
Net change in working capital	(3,861)	3,589	(802)	(253)	*68.5*	581	-	349	113	(273)
Other operating	(1,791)	2,396	1,812	2,062	*13.8*	2,126	*3.1*	1,710	1,602	1,667
Operating cash flow	**146**	**5,161**	**2,945**	**11,553**	*292.3*	**12,768**	*10.5*	**10,884**	**9,929**	**9,889**
Tangible capital expenditure	(8,646)	(9,221)	(7,422)	(3,313)	*55.4*	(4,202)	*-26.8*	(5,319)	(526)	(548)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	0	0	0	0	-	0	-	0	0	0
Other investing	(1,537)	(3,021)	3,015	(7,578)	-	(1,227)	*83.8*	6	(536)	(1,357)
Investing cash flow	**(10,183)**	**(12,242)**	**(4,407)**	**(10,891)**	*-147.1*	**(5,430)**	*50.1*	**(5,313)**	**(1,061)**	**(1,906)**
Equity dividends paid	(2,548)	(2,498)	(1,375)	(315)	*77.1*	(384)	*-22.2*	(398)	(330)	(291)
Share issues / (buybacks)	440	109	3,238	0	-	0	-	0	0	0
Other financing	(124)	(1,911)	(1,818)	(1,037)	*42.9*	(1,065)	*-2.7*	(829)	(826)	(841)
Change in debt & pref shares	12,449	7,748	3,674	(110)	-	(110)	*0.0*	(110)	(110)	(110)
Financing cash flow	**10,218**	**3,447**	**3,720**	**(1,462)**	-	**(1,559)**	*-6.7*	**(1,337)**	**(1,266)**	**(1,242)**
Cash flow inc/(dec) in cash	**181**	**(3,634)**	**2,257**	**(800)**	-	**5,780**	-	**4,234**	**7,601**	**6,742**
FX / non cash items	40	(19)	(30)	0	-	0	-	0	0	0
Balance sheet inc/(dec) in cash	**221**	**(3,652)**	**2,227**	**(800)**	-	**5,780**	-	**4,234**	**7,601**	**6,742**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	23.7	NM	56.2	12.7	12.3	14.8	16.8	15.7
P/E (UBS, diluted)	23.7	(33.4)	56.2	12.7	12.3	14.8	16.8	15.7
P/CEPS	20.2	NM	46.8	10.0	9.7	11.1	11.9	11.5
Equity FCF (UBS) yield %	(7.2)	(5.9)	(5.1)	8.4	8.8	5.7	9.6	9.6
Dividend yield (net) %	1.4	0.4	0.3	0.4	0.4	0.3	0.3	0.3
P/BV	2.5	1.7	2.0	1.9	1.6	1.5	1.4	1.3
EV/revenues (core)	3.4	4.2	4.5	2.1	2.2	2.0	2.0	1.7
EV/EBITDA (UBS core)	38.7	63.9	77.7	10.0	10.9	11.2	10.6	9.5
EV/EBIT (core)	54.5	>100	>100	12.2	13.6	14.5	14.1	12.3
EV/OpFCF (core)	43.1	84.1	100.0	10.3	11.2	11.5	11.0	9.8
EV/op. invested capital	2.8	1.6	1.9	2.0	1.9	1.8	1.6	1.6

Enterprise value (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	117,253	69,155	87,140	97,622	97,622	97,622	97,622	97,622
Net debt (cash)	9,811	20,964	25,964	26,273	23,673	18,557	12,529	5,248
Buy out of minorities	5,282	5,806	6,692	7,717	8,778	9,658	10,434	11,261
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**132,346**	**95,925**	**119,797**	**131,612**	**130,073**	**125,837**	**120,585**	**114,131**
Non core assets	(18,843)	(15,895)	(15,225)	(15,834)	(16,447)	(17,063)	(17,683)	(18,306)
Core enterprise value	**113,503**	**80,030**	**104,572**	**115,778**	**113,626**	**108,774**	**102,903**	**95,825**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	(21.2)	(42.7)	22.1	143.7	(6.6)	1.3	(1.2)	4.3
EBITDA (UBS)	(84.4)	(57.3)	7.6	NM	(9.6)	(6.6)	(0.6)	4.3
EBIT (UBS)	(88.6)	(99.9)	NM	NM	(12.2)	(9.7)	(3.0)	7.2
EPS (UBS, diluted)	(75.9)	-	-	NM	3.5	(17.0)	(11.9)	6.5
Net DPS	(20.0)	(81.3)	(0.1)	22.2	3.5	(17.0)	(11.9)	6.5

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	13.6	10.2	14.8	25.0	24.0	22.3	22.0	22.4
EBITDA margin	8.9	6.6	5.8	20.5	19.9	18.3	18.4	18.4
EBIT (UBS) margin	6.3	0.0	4.4	16.9	15.9	14.1	13.9	14.3
Net earnings (UBS) margin	15.0	NM	7.0	13.7	15.1	12.4	11.1	11.3
ROIC (EBIT)	5.2	0.0	1.9	16.2	13.9	12.1	11.7	12.9
ROIC post tax	3.7	0.0	1.9	13.3	10.8	9.7	9.6	10.6
ROE (UBS)	10.9	(4.7)	3.7	15.7	14.1	10.5	8.4	8.3

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	5.4	20.8	19.3	2.3	2.0	1.7	0.9	0.2
Net debt / total equity %	30.4	54.6	50.0	44.2	30.1	21.6	10.5	2.0
Net debt / (net debt + total equity) %	23.3	35.3	33.3	30.6	23.1	17.7	9.5	2.0
Net debt/EV %	7.4	21.9	21.7	20.0	18.2	14.7	10.4	4.6
Capex / depreciation %	NM	NM	NM	164.1	NM	NM	22.3	24.3
Capex / revenue %	26.2	NM	NM	5.9	8.0	10.0	1.0	1.0
EBIT / net interest	8.6	0.1	0.6	10.9	11.0	11.6	10.4	10.8
Dividend cover (UBS)	3.1	-	5.1	20.0	20.0	20.0	20.0	20.0
Div. payout ratio (UBS) %	32.6	-	19.5	5.0	5.0	5.0	5.0	5.0

Revenues by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Lithium compounds	21,450	10,677	10,465	31,306	26,952	24,635	23,051	23,827
Lithium batteries	7,708	5,897	8,234	17,569	19,296	22,850	24,140	25,509
Lithium metals	3,015	1,340	2,412	4,568	3,654	3,045	2,741	2,741
Others	799	992	1,971	2,813	2,626	2,660	2,628	2,740
Total	**32,972**	**18,906**	**23,082**	**56,256**	**52,528**	**53,190**	**52,560**	**54,817**

EBIT (UBS) by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Lithium compounds	2,187	717	460	6,112	5,318	4,722	4,446	4,788
Lithium batteries	1,038	516	901	2,240	2,315	2,571	2,716	2,870
Lithium metals	50	141	885	1,731	1,386	1,156	1,083	1,097
Others	(1,194)	(1,373)	(1,222)	(599)	(690)	(928)	(952)	(940)
Total	**2,081**	**1**	**1,024**	**9,484**	**8,329**	**7,521**	**7,293**	**7,815**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Ganfeng Lithium (1772.HK)

Income Statement (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**32,812**	**18,726**	**22,798**	**56,256**	*146.8*	**52,528**	*-6.6*	**53,190**	**52,560**	**54,817**
Gross profit	4,609	2,127	3,610	14,055	*289.3*	12,597	*-10.4*	11,842	11,564	12,269
EBITDA (UBS)	**2,956**	**1,368**	**3,445**	**11,544**	*235.1*	**10,433**	*-9.6*	**9,742**	**9,687**	**10,108**
Depreciation & amortisation	(860)	(1,286)	(2,406)	(2,059)	*14.4*	(2,104)	*-2.2*	(2,222)	(2,394)	(2,293)
EBIT (UBS)	**2,096**	**83**	**1,039**	**9,484**	*NM*	**8,329**	*-12.2*	**7,521**	**7,293**	**7,815**
Associates & investment income	2,929	99	(79)	1,800	-	3,346	*85.9*	2,114	1,293	1,293
Other non-operating income	1,053	(1,387)	1,703	0	-	0	-	0	0	0
Net interest	(784)	(1,091)	(1,474)	(1,037)	*29.7*	(1,065)	*-2.7*	(829)	(826)	(841)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**5,294**	**(2,296)**	**1,188**	**10,247**	*NM*	**10,610**	*3.5*	**8,806**	**7,760**	**8,268**
Tax	(683)	(329)	75	(1,537)	-	(1,591)	*-3.5*	(1,321)	(1,164)	(1,240)
Profit after tax	**4,611**	**(2,625)**	**1,263**	**8,710**	*NM*	**9,018**	*3.5*	**7,485**	**6,596**	**7,027**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	372	556	350	(1,025)	-	(1,061)	*-3.5*	(881)	(776)	(827)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**4,983**	**(2,069)**	**1,614**	**7,685**	*376.2*	**7,957**	*3.5*	**6,604**	**5,820**	**6,201**
Net earnings (UBS)	**4,983**	**(2,069)**	**1,614**	**7,685**	*376.2*	**7,957**	*3.5*	**6,604**	**5,820**	**6,201**
Tax rate (%)	12.9	0.0	0.0	15.0	-	15.0	*0.0*	15.0	15.0	15.0

Per Share (Rmb)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	2.47	(1.03)	0.77	3.67	*376.2*	3.80	*3.5*	3.15	2.78	2.96
EPS (local GAAP, diluted)	2.47	(1.03)	0.77	3.67	*376.2*	3.80	*3.5*	3.15	2.78	2.96
EPS (UBS, basic)	2.47	(1.03)	0.77	3.67	*376.2*	3.80	*3.5*	3.15	2.78	2.96
DPS (net) (Rmb)	0.80	0.15	0.15	0.18	*22.2*	0.19	*3.5*	0.16	0.14	0.15
Cash EPS (UBS, diluted) [1]	2.90	(0.39)	1.92	4.65	*142.4*	4.80	*3.3*	4.21	3.92	4.05
Book value per share	23.32	20.71	21.53	25.91	*20.3*	29.52	*13.9*	32.48	35.10	37.91
Average shares (diluted)	2,017	2,017	2,097	2,097	*0.0*	2,097	*0.0*	2,097	2,097	2,097

Balance Sheet (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Cash and equivalents	9,294	5,641	7,868	8,869	*12.7*	14,649	*65.2*	18,883	26,484	33,226
Other current assets	18,891	16,362	27,290	52,501	*92.4*	49,407	*-5.9*	50,627	50,126	52,116
Total current assets	**28,184**	**22,003**	**35,158**	**61,371**	*74.6*	**64,057**	*4.4*	**69,510**	**76,610**	**85,342**
Net tangible fixed assets	23,690	35,873	36,868	37,506	*1.7*	39,645	*5.7*	42,784	40,956	39,252
Net intangible fixed assets	16,748	20,398	19,648	21,409	*9.0*	21,368	*-0.2*	21,327	21,286	21,245
Investments / other assets	23,076	22,559	21,584	27,263	*26.3*	29,027	*6.5*	28,915	29,343	30,808
Total assets	**91,698**	**100,832**	**113,258**	**147,549**	*30.3*	**154,097**	*4.4*	**162,536**	**168,195**	**176,647**
Trade payables & other ST liabilities	10,711	15,757	22,449	46,724	*108.1*	44,211	*-5.4*	45,780	45,390	47,109
Short term debt	9,561	15,912	15,824	16,508	*4.3*	16,508	*0.0*	16,508	16,508	16,508
Total current liabilities	**20,271**	**31,670**	**38,274**	**63,232**	*65.2*	**60,719**	*-4.0*	**62,287**	**61,898**	**63,617**
Long term debt	15,629	15,679	18,066	17,179	*-4.9*	17,069	*-0.6*	16,959	16,849	16,739
Other long term liabilities	3,482	5,895	5,080	5,104	*0.5*	5,641	*10.5*	5,534	5,427	5,534
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**39,382**	**53,244**	**61,421**	**85,515**	*39.2*	**83,429**	*-2.4*	**84,781**	**84,174**	**85,890**
Common s/h equity	**47,034**	**41,782**	**45,145**	**54,317**	*20.3*	**61,890**	*13.9*	**68,097**	**73,586**	**79,496**
Minority interests	5,282	5,806	6,692	7,717	*15.3*	8,778	*13.7*	9,658	10,434	11,261
Total liabilities & equity	**91,698**	**100,832**	**113,258**	**147,549**	*30.3*	**154,097**	*4.4*	**162,536**	**168,195**	**176,647**

Cash Flow (Rmbm)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net income (before pref divs)	4,983	(2,069)	1,614	7,685	*376.2*	7,957	*3.5*	6,604	5,820	6,201
Depreciation & amortisation	860	1,286	2,406	2,059	*-14.4*	2,104	*2.2*	2,222	2,394	2,293
Net change in working capital	(760)	7,762	(4,058)	(937)	*76.9*	581	-	349	113	(273)
Other operating	(4,936)	(1,818)	2,983	2,062	*-30.9*	2,126	*3.1*	1,710	1,602	1,667
Operating cash flow	**146**	**5,161**	**2,945**	**10,870**	*269.1*	**12,768**	*17.5*	**10,884**	**9,929**	**9,889**
Tangible capital expenditure	(7,399)	(8,548)	(7,141)	(2,813)	*60.6*	(4,202)	*-49.4*	(5,319)	(526)	(548)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	(1,329)	(655)	(369)	(476)	*-29.0*	36	-	(607)	(608)	(393)
Other investing	(1,455)	(3,038)	3,103	(5,179)	-	(1,264)	*75.6*	613	72	(965)
Investing cash flow	**(10,183)**	**(12,242)**	**(4,407)**	**(8,468)**	*-92.2*	**(5,430)**	*35.9*	**(5,313)**	**(1,061)**	**(1,906)**
Equity dividends paid	(2,548)	(2,498)	(1,375)	(315)	*77.1*	(384)	*-22.2*	(398)	(330)	(291)
Share issues / (buybacks)	0	0	80	0	*-100.0*	0	-	0	0	0
Other financing	771	63	3,501	(1,037)	-	(1,065)	*-2.7*	(829)	(826)	(841)
Change in debt & pref shares	11,994	5,882	1,514	(110)	-	(110)	*0.0*	(110)	(110)	(110)
Financing cash flow	**10,218**	**3,447**	**3,720**	**(1,462)**	-	**(1,559)**	*-6.7*	**(1,337)**	**(1,266)**	**(1,242)**
Cash flow inc/(dec) in cash	**181**	**(3,634)**	**2,257**	**940**	*-58.4*	**5,780**	*NM*	**4,234**	**7,601**	**6,742**
FX / non cash items	40	(19)	(30)	61	-	0	-	0	0	0
Balance sheet inc/(dec) in cash	**221**	**(3,652)**	**2,227**	**1,001**	*-55.0*	**5,780**	*NM*	**4,234**	**7,601**	**6,742**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	16.8	NM	36.8	8.2	7.8	9.4	10.6	10.0
P/E (UBS, diluted)	16.8	(19.5)	36.8	8.2	7.8	9.4	10.6	10.0
P/CEPS	14.3	NM	14.8	6.4	6.1	7.0	7.5	7.3
Equity FCF (UBS) yield %	(8.7)	(8.4)	(7.3)	12.8	13.8	9.0	15.2	15.1
Dividend yield (net) %	1.9	0.7	0.5	0.6	0.6	0.5	0.5	0.5
P/BV	1.8	1.0	1.3	1.1	1.0	0.9	0.8	0.8
EV/revenues (core)	2.4	2.7	3.3	1.4	1.4	1.3	1.2	1.1
EV/EBITDA (UBS core)	26.9	37.4	21.6	6.9	7.3	7.3	6.7	5.8
EV/EBIT (core)	37.9	>100	71.6	8.3	9.1	9.5	9.0	7.5
EV/OpFCF (core)	29.9	47.9	23.6	7.0	7.5	7.5	7.0	5.9
EV/op. invested capital	2.0	1.1	1.4	1.4	1.3	1.1	1.0	1.0

Enterprise value (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	83,265	40,388	56,905	61,844	61,844	61,844	61,844	61,844
Net debt (cash)	9,803	20,923	25,986	25,420	21,873	16,756	10,728	3,447
Buy out of minorities	5,282	5,806	6,692	7,717	8,778	9,658	10,434	11,261
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**98,349**	**67,117**	**89,584**	**94,981**	**92,495**	**88,258**	**83,007**	**76,552**
Non core assets	(18,843)	(15,895)	(15,225)	(15,834)	(16,447)	(17,063)	(17,683)	(18,306)
Core enterprise value	**79,506**	**51,222**	**74,359**	**79,147**	**76,048**	**71,195**	**65,324**	**58,246**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	(20.7)	(42.9)	21.7	146.8	(6.6)	1.3	(1.2)	4.3
EBITDA (UBS)	(84.2)	(53.7)	151.8	NM	(9.6)	(6.6)	(0.6)	4.3
EBIT (UBS)	(88.5)	(96.1)	NM	NM	(12.2)	(9.7)	(3.0)	7.2
EPS (UBS, diluted)	(75.7)	-	-	NM	3.5	(17.0)	(11.9)	6.5
Net DPS	(20.0)	(81.3)	0.0	22.2	3.5	(17.0)	(11.9)	6.5

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	14.0	11.4	15.8	25.0	24.0	22.3	22.0	22.4
EBITDA margin	9.0	7.3	15.1	20.5	19.9	18.3	18.4	18.4
EBIT (UBS) margin	6.4	0.4	4.6	16.9	15.9	14.1	13.9	14.3
Net earnings (UBS) margin	15.2	NM	7.1	13.7	15.1	12.4	11.1	11.3
ROIC (EBIT)	5.3	0.2	1.9	16.4	13.9	12.1	11.7	12.9
ROIC post tax	3.8	0.2	1.9	13.4	10.8	9.7	9.6	10.6
ROE (UBS)	10.9	(4.7)	3.7	15.5	13.7	10.2	8.2	8.1

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	5.4	19.0	7.6	2.1	1.8	1.5	0.7	0.0
Net debt / total equity %	30.4	54.5	50.2	40.0	26.8	18.8	8.2	0.0
Net debt / (net debt + total equity) %	23.3	35.3	33.4	28.6	21.1	15.8	7.6	0.0
Net debt/EV %	10.0	31.2	29.0	26.8	23.6	19.0	12.9	4.5
Capex / depreciation %	NM	NM	NM	139.3	NM	NM	22.3	24.3
Capex / revenue %	22.5	NM	NM	5.0	8.0	10.0	1.0	1.0
EBIT / net interest	6.4	0.2	0.7	10.9	11.0	11.6	10.4	10.8
Dividend cover (UBS)	3.1	-	5.1	20.0	20.0	20.0	20.0	20.0
Div. payout ratio (UBS) %	32.4	-	19.5	5.0	5.0	5.0	5.0	5.0

Revenues by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Lithium compounds	21,450	10,677	10,465	31,306	26,952	24,635	23,051	23,827
Lithium batteries	7,708	5,897	8,234	17,569	19,296	22,850	24,140	25,509
Lithium metals	3,015	1,340	2,412	4,568	3,654	3,045	2,741	2,741
Others	639	812	1,687	2,813	2,626	2,660	2,628	2,740
Total	**32,812**	**18,726**	**22,798**	**56,256**	**52,528**	**53,190**	**52,560**	**54,817**

EBIT (UBS) by division (Rmbm)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Lithium compounds	2,187	717	460	6,112	5,318	4,722	4,446	4,788
Lithium batteries	1,038	516	901	2,240	2,315	2,571	2,716	2,870
Lithium metals	50	141	885	1,731	1,386	1,156	1,083	1,097
Others	(1,179)	(1,291)	(1,207)	(599)	(690)	(928)	(952)	(940)
Total	**2,096**	**83**	**1,039**	**9,484**	**8,329**	**7,521**	**7,293**	**7,815**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Valuation Method and Risk Statement

We base our price target on EV/EBITDA multiples. We believe the key risks to China's lithium sector include, but are not limited to, commodities price volatility and regulatory changes. Lithium demand risks are mainly from sectors including portable electronics and EV battery, and BESS demand.

QSLI: We use EV/EBITDA as the primary valuation methodology to value QSLI. Downside risks for the company include: weakening EV battery demand; 2) weaker-than-expected BESS demand; 3) weaker-than-expected China potash prices; and 4) increased capex on new acquisition at unattractive valuations. Upside risks for the company include: 1) a faster-than-expected EV battery recovery; 2) stronger-than-expected BESS demand; 3) stronger-than-expected China potash prices; and 4) a higher-than-expected dividend payout.

Tianqi-A: We use EV/EBITDA as the primary valuation methodology to value Tianqi-A. Downside risks for the company include: 1) weakening EV battery demand; 2) weaker-than-expected BESS demand; 3) higher-than-expected capex for the development of current projects; and 4) potential acquisitions of other lithium targets at inflated valuations. Upside risks for the company include: 1) a faster-than-expected EV battery recovery; 2) stronger-than-expected BESS demand; 3) the quicker-than-expected expansion of the Greenbushes mine; and 4) potential acquisition of other lithium targets at low valuations.

Ganfeng-A: We use EV/EBITDA as the primary valuation methodology to value Ganfeng-A. Downside risks for the company include: 1) weakening EV battery demand; 2) weaker-than-expected BESS demand; 3) higher-than-expected capex for the development of current projects; 4) potential acquisitions of other lithium targets at inflated valuations; and 5) weaker-than-expected ESS battery shipments. Upside risks for the company include: 1) a faster-than-expected EV battery recovery; 2) stronger-than-expected BESS demand; 3) the quicker-than-expected expansion of the Goulamina mine and Mariana brine; and 4) potential acquisition of other lithium targets at low valuations.

Ganfeng-H: We use EV/EBITDA as the primary valuation methodology to value Ganfeng-H. Downside risks for the company include: 1) weakening EV battery demand; 2) weaker-than-expected BESS demand; 3) higher-than-expected capex for the development of current projects; 4) potential acquisitions of other lithium targets at inflated valuations; and 5) weaker-than-expected ESS battery shipments. Upside risks for the company include: 1) a faster-than-expected EV battery recovery; 2) stronger-than-expected BESS demand; 3) the quicker-than-expected expansion of the Goulamina mine and Mariana brine; and 4) potential acquisition of other lithium targets at low valuations.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Ganfeng Lithium - A

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	4
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	Positive Catalyst
9. Is there an actual or approximate date for the catalyst?	December 8, 2026
10. Is the catalyst date an actual or approximate date?	Approximate
11. What is the catalyst?	Supply disruption become the key driver.

Tianqi Lithium

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	4
7. What's driving the difference?	

Question	Response
8. Is there an upcoming catalyst for the company over the next three months?	Positive Catalyst
9. Is there an actual or approximate date for the catalyst?	October 11, 2026
10. Is the catalyst date an actual or approximate date?	Approximate
11. What is the catalyst?	Supply disruption become the key driver.

Qinghai Salt Lake Industry

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	4
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	Positive Catalyst
9. Is there an actual or approximate date for the catalyst?	October 11, 2026
10. Is the catalyst date an actual or approximate date?	Approximate
11. What is the catalyst?	Supply disruption become the key driver.

Required Disclosures

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UBS Global Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage[1]	IB Services[2]
Buy	FSR is > 6% above the MRA.	55%	24%
Neutral	FSR is between -6% and 6% of the MRA.	40%	21%
Sell	FSR is > 6% below the MRA.	6%	21%

Source: UBS. Rating allocations are as of 30 June 2026.
1:Percentage of companies under coverage globally within the 12-month rating category.
2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

KEY DEFINITIONS:Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. In some cases, this yield may be based on accrued dividends. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Equity Price Targets** have an investment horizon of 12 months.

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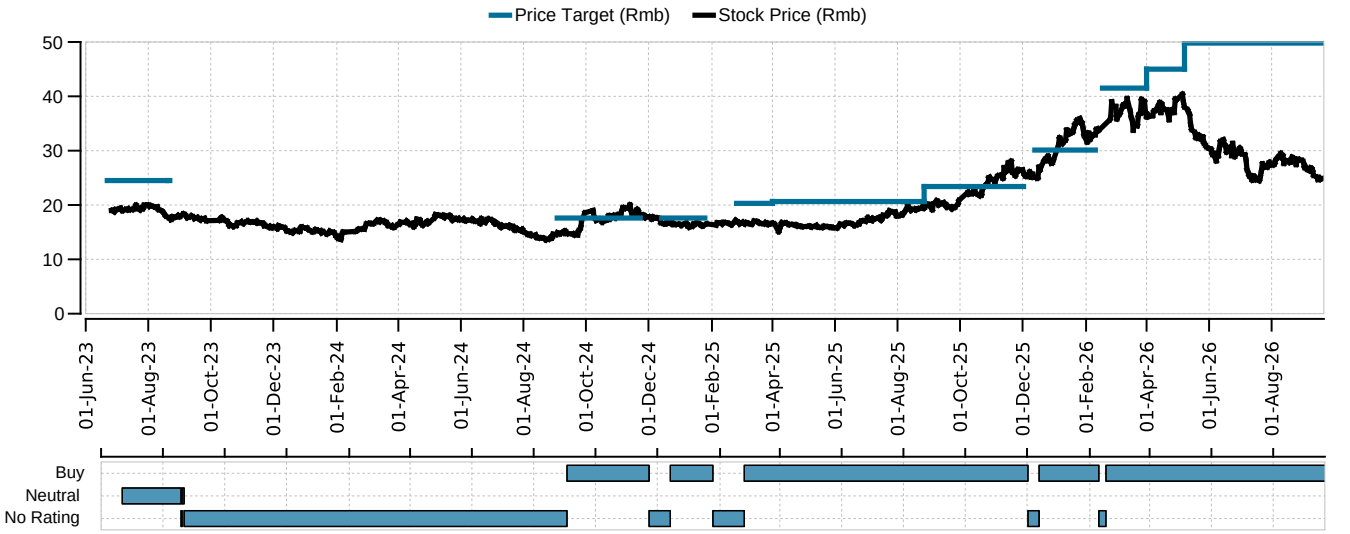
Company Name	Reuters	12-month rating	Price	Price date
Ganfeng Lithium[4,16,6,18]	1772.HK	Buy	HK$34.56	21 Sep 2026
Ganfeng Lithium - A[4,16,6,18]	002460.SZ	Buy	Rmb46.56	21 Sep 2026
Qinghai Salt Lake Industry	000792.SZ	Buy	Rmb24.96	21 Sep 2026
Tianqi Lithium[13,18]	002466.SZ	Buy	Rmb43.26	21 Sep 2026

Source: UBS Global Research; LSEG Eikon. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.

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Qinghai Salt Lake Industry (Rmb)

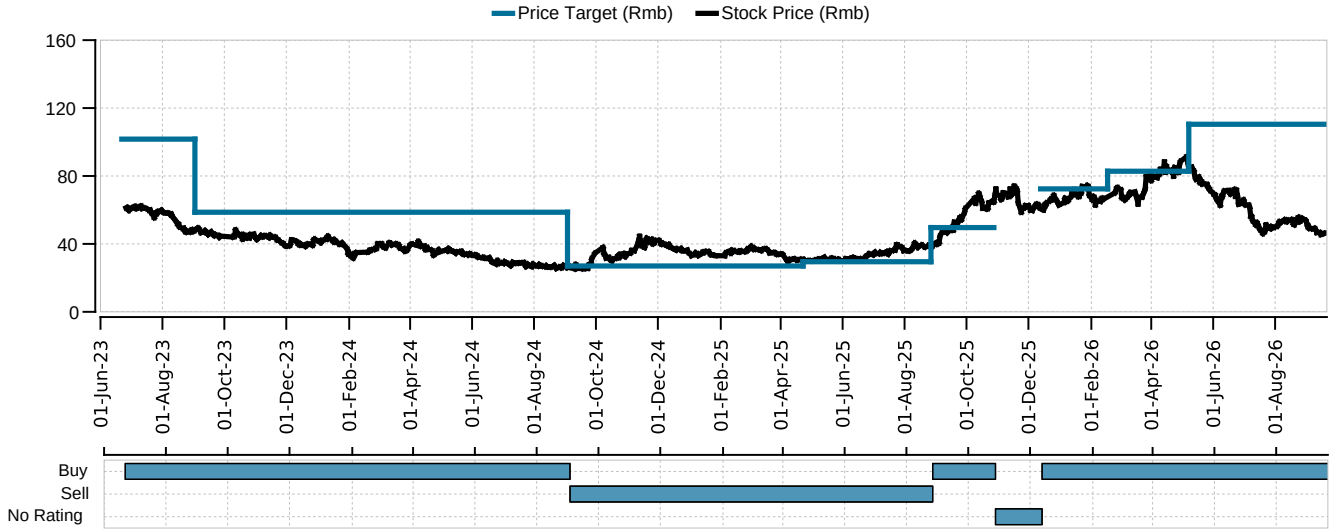


Date	Stock Price (Rmb)	Price Target (Rmb)	Rating
2023-06-21	18.88	24.50	Neutral
2023-08-18	17.99	-	No Rating
2023-08-19	17.99	24.50	Neutral
2023-08-21	17.66	-	No Rating
2024-09-02	14.56	17.60	Buy
2024-11-22	18.33	-	No Rating
2024-12-13	16.76	17.60	Buy
2025-01-24	16.25	-	No Rating
2025-02-24	17.20	20.30	Buy
2025-03-31	16.56	20.64	Buy

Date	Stock Price (Rmb)	Price Target (Rmb)	Rating
2025-08-26	19.80	23.40	Buy
2025-12-01	26.48	-	No Rating
2025-12-12	25.14	30.11	Buy
2026-02-09	32.95	-	No Rating
2026-02-16	33.66	41.51	Buy
2026-03-31	37.00	45.00	Buy
2026-05-07	38.92	49.80	Buy

Source: UBS Global Research; LSEG Eikon as of 21-Sep-2026. All prices as of local market close. Ratings as of date shown.

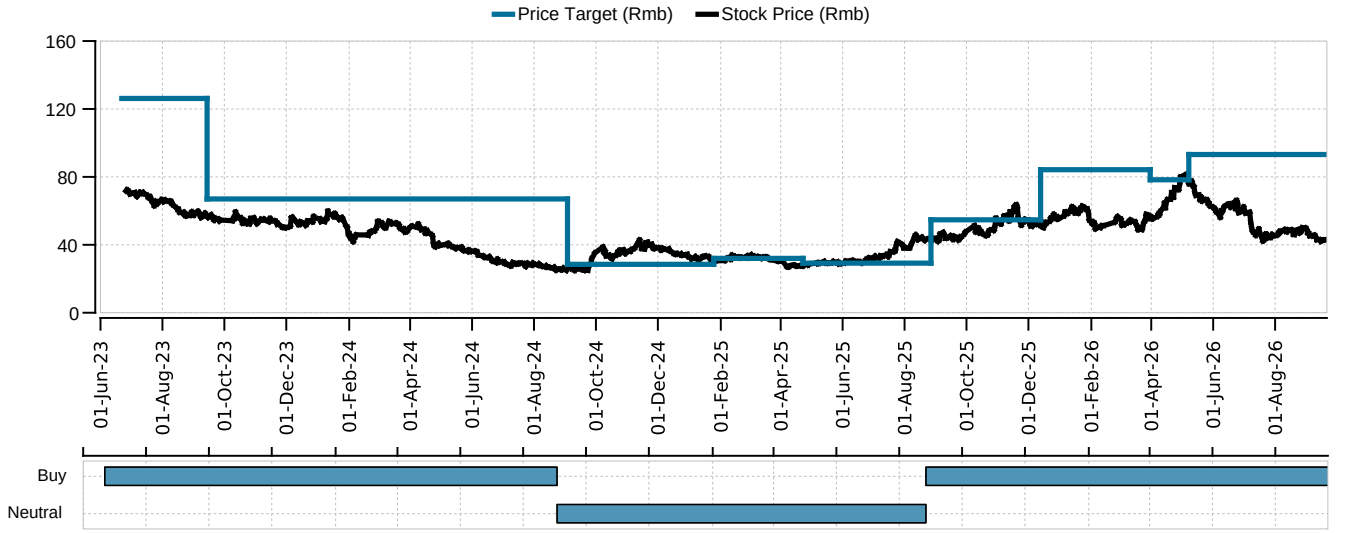
Ganfeng Lithium - A (Rmb)



Date	Stock Price (Rmb)	Price Target (Rmb)	Rating
2023-06-21	62.16	101.70	Buy
2023-09-01	47.49	58.65	Buy
2024-09-02	26.10	27.00	Sell
2025-04-22	30.37	29.50	Sell
2025-08-26	39.11	49.62	Buy
2025-10-27	65.53	-	No Rating
2025-12-12	61.30	72.41	Buy
2026-02-16	66.32	82.79	Buy
2026-05-07	88.00	110.45	Buy

Source: UBS Global Research; LSEG Eikon as of 21-Sep-2026. All prices as of local market close. Ratings as of date shown.

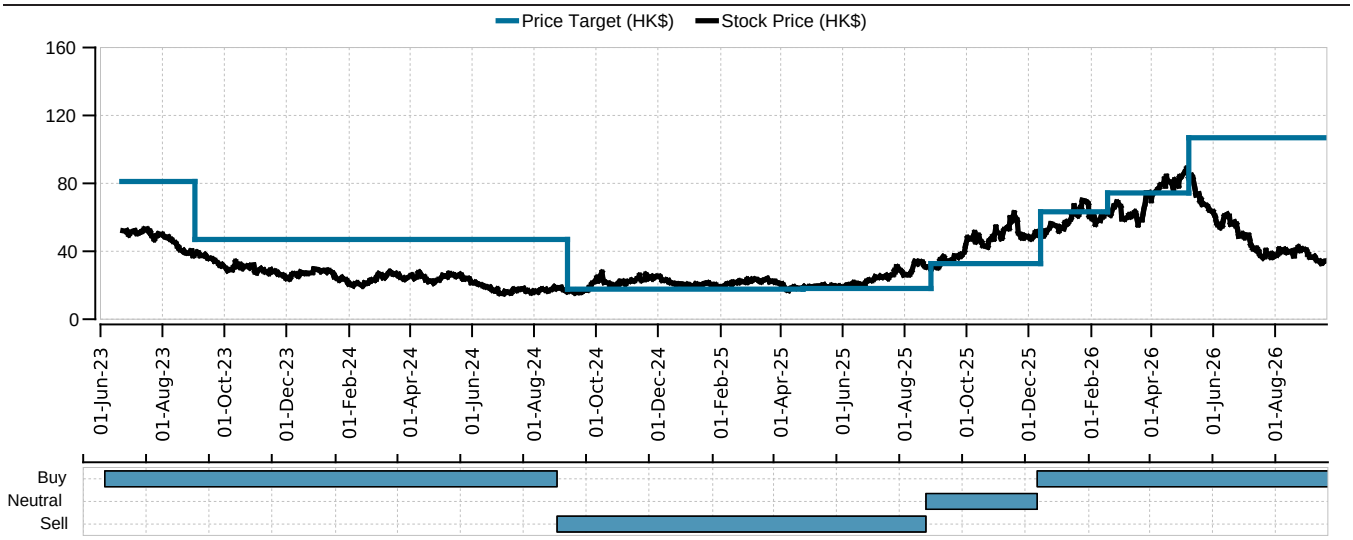
Tianqi Lithium (Rmb)



Date	Stock Price (Rmb)	Price Target (Rmb)	Rating
2023-06-21	72.19	126.20	Buy
2023-09-13	57.75	67.00	Buy
2024-09-02	24.95	28.50	Neutral
2025-01-24	30.99	32.00	Neutral
2025-04-22	27.48	29.20	Neutral
2025-08-26	43.91	54.72	Buy
2025-12-12	51.64	84.22	Buy
2026-03-30	57.24	78.30	Buy
2026-05-07	79.06	93.18	Buy

Source: UBS Global Research; LSEG Eikon as of 21-Sep-2026. All prices as of local market close. Ratings as of date shown.

Ganfeng Lithium (HK$)



Date	Stock Price (HK$)	Price Target (HK$)	Rating
2023-06-21	52.70	81.10	Buy
2023-09-01	37.50	46.96	Buy
2024-09-02	16.30	17.70	Sell
2025-04-22	18.38	18.10	Sell
2025-08-26	30.08	32.75	Neutral
2025-12-12	50.50	63.26	Buy
2026-02-16	63.30	74.35	Buy

Date	Stock Price (HK$)	Price Target (HK$)	Rating
2026-05-07	89.00	106.86	Buy

Source: UBS Global Research; LSEG Eikon as of 21-Sep-2026. All prices as of local market close. Ratings as of date shown.

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