BERNSTEIN
SOCIETE GENERALE GROUP

Global Energy Storage

Contemporary Amperex Technology Co Ltd

Rating

Outperform

Price Target

300750.CH	770.00 CNY
3750.HK	740.00 HKD


Neil Beveridge, Ph.D.
+852 2123 2648
neil.beveridge@bernsteinsg.com


Brian Ho, CFA
+852 2123 2615
brian.ho@bernsteinsg.com


Katherine Li
+852 2123 2694
katherine.li@bernsteinsg.com


Kelvin Yuan, Ph.D., CFA
+852 2123 2612
kelvin.yuan@bernsteinsg.com

Quick Take: CATL 3Q26 - Have margins bottomed or is this the new normal?

The good: CATL reported 3Q26 revenue of RMB165.2bn, up 58.6% yoy and 11.8% qoq, and 9.0% above our estimates of RMB151.5bn. Net profit attributable to shareholders increased 14.5% yoy to RMB21.25bn, while profit excluding non-recurring items rose 14.9% to RMB18.86bn. Nine-month revenue reached RMB442.1bn, up 56.2% yoy and equivalent to 72.1% of current FY26 consensus; nine-month EPS of RMB14.13 represents 68.8% of full-year consensus. The balance sheet remains firmly net cash, with RMB333.4bn of cash and cash equivalents against approximately RMB189.9bn of debt and lease liabilities.

The bad: The revenue beat did not translate into an earnings beat: net profit of RMB21.2bn was 7% below our estimate of RMB22.9bn, while attributable profit declined 5.8% qoq and profit excluding non-recurring items fell 9.8%. Gross margin fell to 20.7%, from 23.2% in 2Q26 as COGS increased by 70%, while attributable net margin declined to 12.9%, from 15.3%. Cash conversion was weak due to new policies which accelerate payment to suppliers: derived 3Q operating cash flow was only RMB1.41bn, down 94.7% qoq and 93.6% yoy, covering just 6.6% of attributable profit. Inventories increased 53.2% from year-end to RMB144.8bn and receivables rose 47.8% to RMB112.9bn; net cash nevertheless fell to approximately RMB143.5bn from RMB180.3bn at 2025YE, with net debt/equity of approximately (33.9%) using total equity.

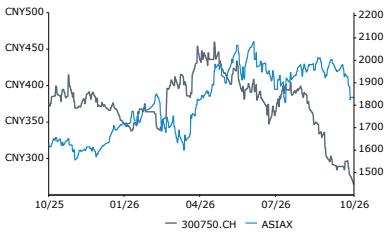
The bottom line: While this result was a miss, expectation were extremely weak, given how much the stock has derated, which makes it hard to call the stock reaction. The talking point will be, how did CATL deliver a 55% growth in revenue, but a 27% decline in unit net profit margin per kWh. The key reason appears to be the 70% increase in COGS. We think it is due to product mix change, export VAT rebate rate lag, and higher DD&A as new capacity comes online. Given the recent lithium price, we think 3Q26 marks the bottom and margins can recover into 4Q26.(To be continued)

Close Date	20 Oct 2026
300750.CH Close Price (CNY)	259.08
Price Target (CNY)	770.00
Upside/(Downside)	197%
52-Week Range	468.75/254.55
ASIAX	1,830.19
FYE	Dec
Div Yield	1.4%
Market Cap (CNY) (B)	1,218.76
EV (CNY) (B)	1,165.36

Performance	YTD	1M	6M	12M
Absolute (%)	(28.7)	(12.8)	(41.5)	(30.3)
ASIAX (%)	11.9	(6.3)	0.4	13.3
Relative (%)	(40.6)	(6.5)	(41.9)	(43.6)

Source: Bloomberg, Bernstein estimates and analysis.

Price Performance, 1YR



Reported EPS	F25A	F26E	F27E
300750.CH (CNY)	16.14	21.10	26.28
3750.HK (CNY)	16.14	21.10	26.28

Financials	F25A	F26E	F27E	CAGR
Revenues (M)	423,702	611,209	804,711	37.8%
EBITDA (M)	95,773	134,380	166,402	31.8%
EBIT (M)	81,587	119,004	148,121	34.7%
Adjusted EPS	16.21	21.23	26.64	--

Valuation Metrics	F25A	F26E	F27E
Reported P/E (x)	16.1	12.3	9.9
EV/Sales (x)	2.8	1.9	1.4
EV/EBITDA (x)	12.2	8.7	7.0

Source: Bloomberg, Bernstein estimates and analysis.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.
First Published: 20 Oct 2026 21:45 UTC Completion Date: 20 Oct 2026 16:33 UTC

(….Continued)Whether we can get back to OPM of 15% is another matter. CATL did not give forward guidance on margins, although they did guide to volume growth of 20-30% next year, in line with expectations. CATL(A) trades at approximately 13.0x current FY26 consensus EPS and 10.5x FY27—an undemanding headline valuation. The low multiple provides support, but this print does not in itself still leaves the market with questions on whether the margin drop is temporary or structural.

INVESTMENT CONCLUSION

CATL results beat on top line but missed on bottom line. While there has been a lot of debate about loss of market share to Tier 2 battery makers or an ESS slow down next year, the reality was that CATL suffered a margin collapse as COGS increased at greater rate than revenue growth. CATL were vague on the call as to why this occurred, with explanations ranging from a reduction of VAT rebate for exports, increase in consumption tax (although this only took effect from September) to increased DD&A as new capacity came online. If it is the latter then there is scope to see recovery in margins in 4Q26, although CATL offered little guidance on margins on the call. Future volume growth appears fine with the company projecting volume growth of 20-30% in 2027, in line with estimates. While the cash flow position was disappointing this reflects new supplier payment terms, which means the impact will be temporary. While there could be one final sentiment reaction to these results, we remain positive on the longer term. CATL continue to have industry leading scale and a technology moat which should enable them to outcompete rivals. While this result is a setback, the latest available A-share price implies 13.0x FY26 and 10.5x FY27 consensus earnings which should provide a floor.

- **Revenue:** 3Q26 revenue was RMB165.22bn, up 58.6% y-o-y and 11.8% q-o-q. Current FY26 revenue consensus implies 4Q revenue of RMB171.05bn, only 3.5% above 3Q26 which looks achievable.
- **Gross profit and margins:** Gross profit was RMB34.18bn. Gross profit increased only 0.1% q-o-q despite 11.8% revenue growth; gross margin fell to 20.7% from 23.2% in 2Q and 24.8% in 1Q.
- **Operating profit:** Operating profit was RMB25.27bn, down 12.9% q-o-q. Nine-month EPS represents 68.8% of current FY26 consensus. Required 4Q EPS of RMB6.41 is 38.8% above 3Q26 results
- **Underlying versus headline earnings:** Non-recurring gains contributed RMB2.38bn after tax and minorities, or 11.2% of 3Q attributable profit. The disclosed pre-tax items included RMB1.45bn of financial-asset gains and RMB1.85bn of other qualifying non-recurring gains, described principally as other income. Company-defined profit excluding non-recurring items was RMB18.86bn
- **Cash flow and capex:** 3Q operating cash flow was RMB1.41bn against cash capex of RMB17.09bn, giving FCF of approximately negative RMB15.69bn, defined as operating cash flow less purchases of fixed, intangible and other long-term assets. Nine-month FCF fell to RMB19.46bn from RMB50.57bn a year earlier, a decline of 61.5%.
- **Financial position:** Debt and lease liabilities increased to approximately RMB189.93bn from RMB119.66bn at year-end. The net-cash calculation uses cash and cash equivalents of RMB333.40bn, rather than the broader monetary-funds balance of RMB369.81bn, and excludes trading financial assets. Debt includes short- and long-term borrowings, bonds, current non-current liabilities and non-current leases; the current-liability bucket is a proxy because its composition is not broken out in this release. No numerical gearing target is disclosed.
- **Capital returns:** The RMB20–40bn A-share cancellation buyback announced in July had purchased RMB3.30bn of shares by 30 September, 16.5% of the minimum and 8.3% of the maximum authorization.

3Q26 FINANCIAL RESULTS

EXHIBIT 1: **CATL 3Q26 earnings grew by 15% y-o-y/ fall by 6% q-o-q to RMB21.2bn, 7% lower than our expectation of RMB22.9bn**

		3Q26 Actual	*YoY*	*QoQ*	3Q26 BernE	*Diff*	3Q26 Consensus	*Diff*
Revenue	RMB bn	165.2	*59%*	*12%*	151.1	*9%*	174.0	*-5%*
Net profit	RMB bn	21.2	*15%*	*-6%*	22.9	*-7%*	24.1	*-12%*
Battery sales volume	GWh	260.0	*58%*	*11%*	230.0	*13%*	260.0	*0%*
ASP	US$/kWh	89.5	*1%*	*1%*	92.5	*-3%*	94.3	*-5%*
Unit operating profit	US$/kWh	11.0	*-26%*	*-21%*	14.7	*-25%*	16.5	*-33%*
Unit net profit	US$/kWh	11.51	*-27%*	*-15%*	14.02	*-18%*	13.04	*-12%*
Unit net profit	Rmb/Wh	0.082	*-27%*	*-15%*	0.100	*-18%*	0.093	*-12%*

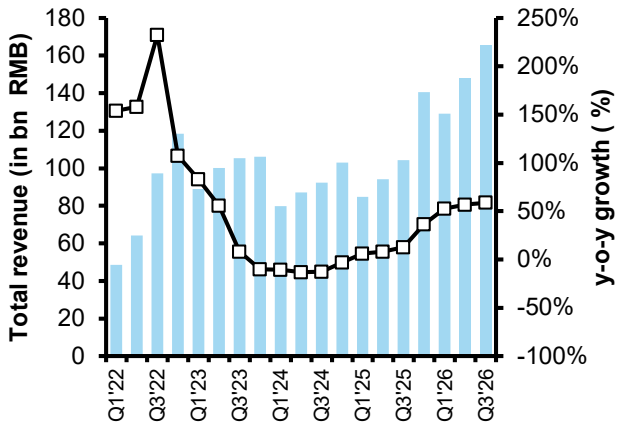
estimates in Bloomberg consensus: 5 (top-line), 3 (bottom-line), 1 (volume)
Source: Company data, Bloomberg, Bernstein analysis and estimates

EXHIBIT 2: **CATL 3Q26 actual vs. estimates**

		Actual			Bernstein Estimate		Consensus	
Financial Summary		3Q25	3Q26	%YoY	3Q26	Diff	3Q26	Diff
Revenue	**RMB mn**	**104,186**	**165,221**	**59%**	**151,069**	**9%**	**174,006**	**-5%**
Sales volume	**GWh**	**165**	**260**	**58%**	**230**	**12%**	**260**	**0%**
COGS	**RMB mn**	**77,304**	**131,040**	**70%**	**113,302**	**-14%**	**136,518**	**-4%**
Gross profit	**RMB mn**	**26,882**	**34,181**	**27%**	**37,767**	**-10%**	**37,488**	**-9%**
Gross Margin	**%**	**25.8%**	**20.7%**	**-5.1%**	**25.0%**	**-4%**	**21.5%**	**-0.9%**
OPEX		9,462	13,858	46%	13,755	1%	6,327	119%
R&D	RMB mn	4,973	7,140	44%	7,437	-4%	7,534	-5%
SG&A	RMB mn	4,488	6,717	50%	6,318	6%	6,129	10%
Operating profit	**RMB mn**	**17,420**	**20,323**	**17%**	**24,012**	**-18%**	**31,161**	**-35%**
OPM%	**%**	**16.7%**	**12.3%**	**-4.4%**	**15.9%**	**29%**	**17.9%**	**-5.6%**
Net profit to the parent	**RMB mn**	**18,549**	**21,246**	**15%**	**22,898**	**-8%**	**24,073**	**-12%**
NPM%	**%**	**17.8%**	**12.9%**	**-4.9%**	**15.2%**	**17.9%**	**13.8%**	**-1.0%**
Unit profit	**RMB/Wh**	**0.11**	**0.08**	**-27%**	**0.10**	**-22%**	**0.09**	**-12%**
Unit profit	**US$/kWh**	**15.8**	**11.5**	**-27%**	**14.0**	**-22%**	**13.0**	**-12%**

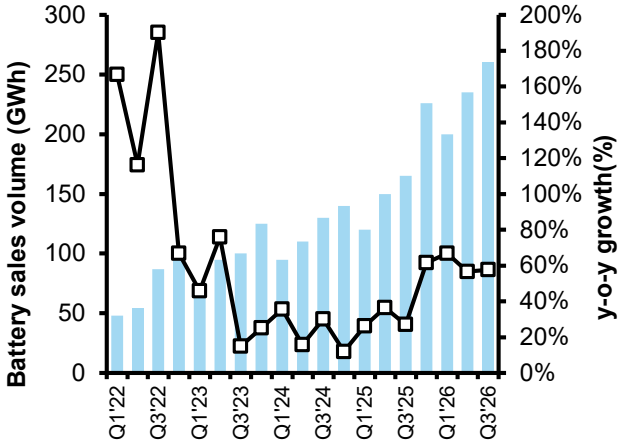
Source: Company data, Bloomberg, Bernstein analysis and estimates

EXHIBIT 3: **CATL 3Q26 total revenue grew by 59% y-o-y/12% q-o-q to RMB165bn (vs. our expectation of +45% y-o-y/+22% q-o-q to RMB151bn)**



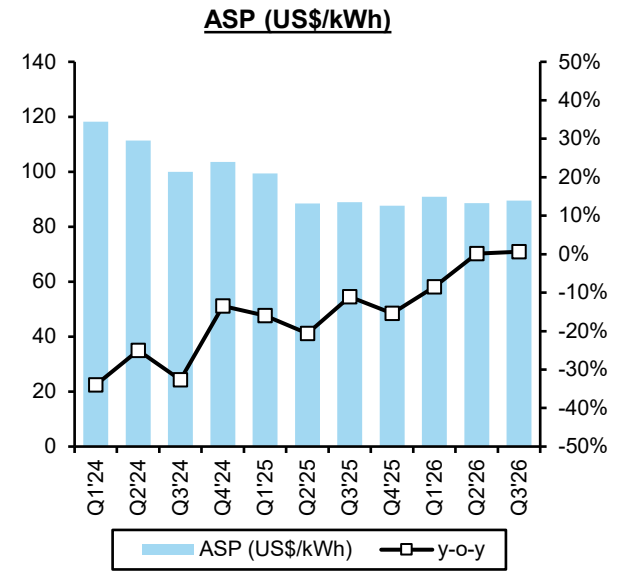
Source: Company data, Bernstein estimates and analysis

EXHIBIT 4: **CATL 3Q26 total battery sales volume grew by 58% y-o-y/11% q-o-q to 260GWh (vs. our expectation of +39% y-o-y/-2% q-o-q to 230GWh)**



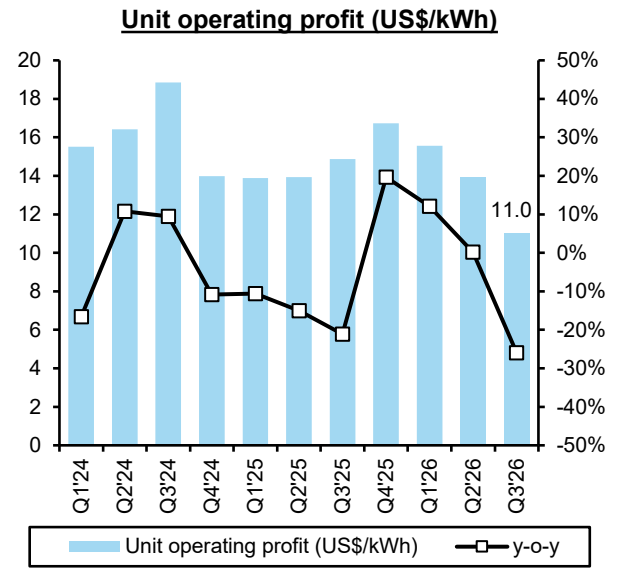
Source: Company data, Bernstein estimates and analysis

EXHIBIT 5: **CATL 3Q26 ASP grew by 1% y-o-y/1% q-o-q to 90 US$/kWh (vs. our expectation of +4% y-o-y/+4% q-o-q to 93 US$/kWh)**



Source: Company disclose, Bernstein analysis and estimates

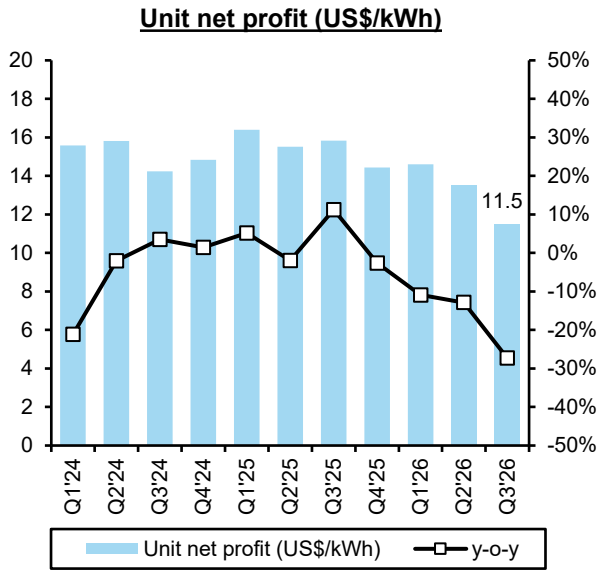
EXHIBIT 6: **CATL 3Q26 unit operating profit fall by 26% y-o-y / 21% q-o-q to 11.0 US$/kWh (vs. our expectation of -1% y-o-y/+5% q-o-q to 14.7 US$/kWh)**



Source: Company disclose, Bernstein analysis and estimates

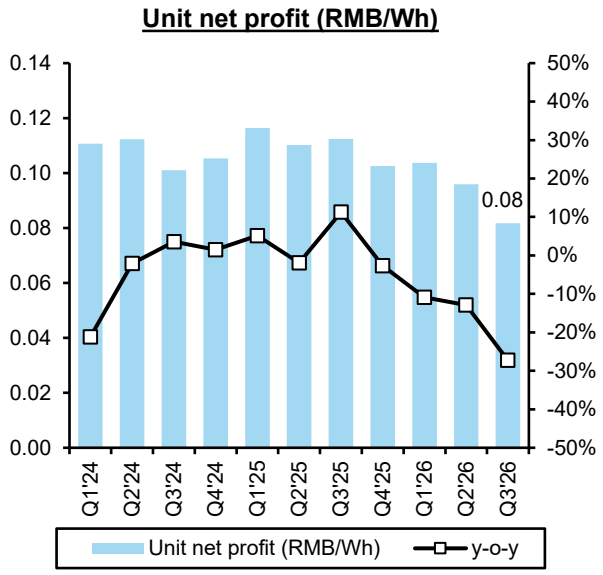
人在草木间

EXHIBIT 7: **CATL 3Q26 unit net profit fall by 27% y-o-y/15% q-o-q to 11.5 US$/kWh (vs. our expectation of -11% y-o-y/+4% q-o-q to 14.0 US$/kWh)**



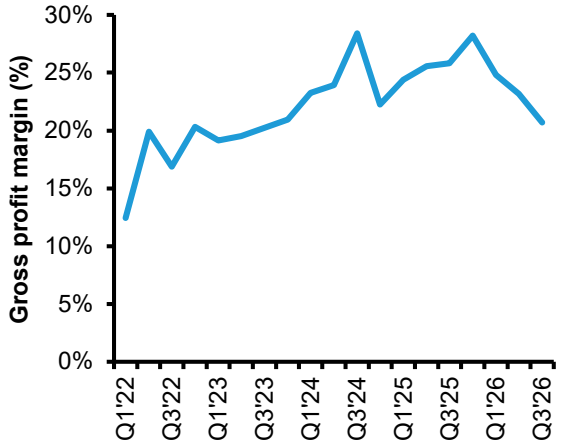
Source: Company disclose, Bernstein analysis and estimates

EXHIBIT 8: **CATL 3Q26 unit net profit fall by 27% y-o-y/15% q-o-q to 0.08RMB/Wh (vs. our expectation of -11% y-o-y/+4% q-o-q to RMB0.1/Wh)**



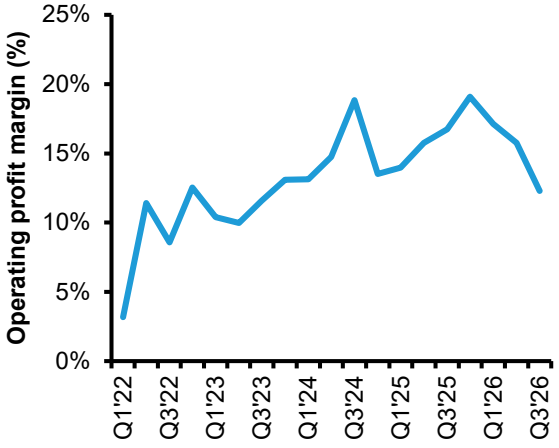
Source: Company disclose, Bernstein analysis and estimates

EXHIBIT 9: **CATL 3Q26 gross profit margin slid by 5.1ppt y-o-y/2.5ppt q-o-q to 20.7% (vs. our expectation of -0.8ppt y-o-y/+1.8ppt q-o-q to 25%)**



Source: Company data, Bernstein analysis and estimates

EXHIBIT 10: **CATL 3Q26 operating profit margin slid by 3.5ppt y-o-y/4.4ppt q-o-q to 12.3% (vs. our expectation of -0.8ppt y-o-y/+0.1ppt q-o-q to 15.9%)**



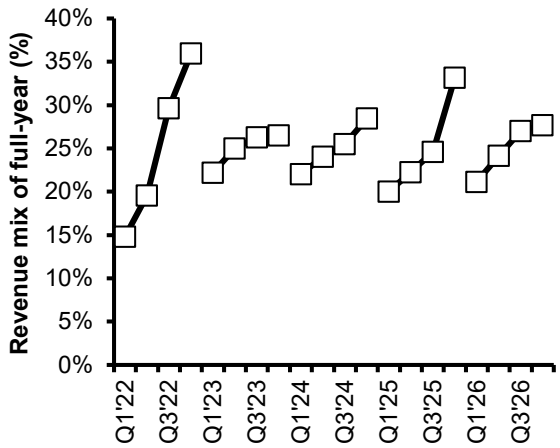
Source: Company data, Bernstein analysis and estimates

EXHIBIT 11: **CATL 4Q26E outlook**

Financial Summary		1Q26	2Q26	3Q26	%YoY	4Q26E	%YoY	FY26E	%YoY
Revenue	**RMB mn**	**129,131**	**147,786**	**165,221**	**59%**	**169,072**	**20%**	**611,209**	**44%**
% of full-year	***%***	***21%***	***24%***	***27%***		***28%***		***100%***	
Sales volume	**GWh**	**200**	**235**	**260**	**58%**	**260**	**15%**	**955**	**44%**
% of full-year	***%***	***21%***	***25%***	***27%***		***27%***		***100%***	
COGS	**RMB mn**	**97,086**	**113,569**	**131,040**	**70%**	**117,965**	**17%**	**459,660**	**47%**
Gross profit	**RMB mn**	**32,045**	**34,217**	**34,181**	**27%**	**51,107**	**29%**	**151,550**	**36%**
GPM	***%***	***24.8%***	***23.2%***	***20.7%***	***-5.1%***	***30.2%***	***2.0%***	***24.8%***	***1.5%***
OPEX		**9,956**	**10,929**	**13,858**	**46%**	**16,581**	**29%**	**51,323**	**27%**
R&D	RMB mn	5,314	6,063	7,140	44%	9,316	32%	27,833	26%
SG&A	RMB mn	4,642	4,866	6,717	50%	7,265	26%	23,490	29%
Operating profit	**RMB mn**	**22,089**	**23,288**	**20,323**	**17%**	**34,526**	**29%**	**100,226**	**41%**
OPM	***%***	***17.1%***	***15.8%***	***12.3%***	***-4.4%***	***20.4%***	***1.3%***	***16.4%***	***0.3%***
Net profit	**RMB mn**	**20,738**	**22,546**	**21,246**	**15%**	**32,357**	**40%**	**96,887**	**34%**
% of full-year	***%***	***21%***	***23%***	***22%***		***33%***		***100%***	
NPM	***%***	***16.1%***	***15.3%***	***12.9%***	***-4.9%***	***19.1%***	***2.7%***	***15.9%***	***1.2%***
Unit profit	**US$/kWh**	**14.6**	**13.5**	**11.5**	**-27%**	**17.5**	**21%**	**14.3**	**-7%**
Unit profit	**RMB/Wh**	**0.10**	**0.10**	**0.08**	**-27%**	**0.12**	**21%**	**0.10**	**-7%**

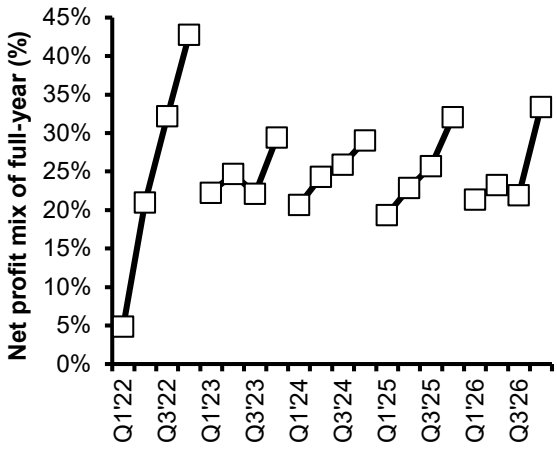
4Q26E, and FY26E are Bernstein estimates
Source: Company data, Bloomberg, Bernstein analysis and estimates

EXHIBIT 12: **CATL revenue quarterly mix of full-year. 3Q usually books 25%-30% of full-year revenue and 4Q occupies highest with a range of 26%-36%**



Source: Company data, Bernstein analysis and estimates

EXHIBIT 13: **CATL net profit quarterly mix of full-year. 3Q usually books 22%-32% of full-year revenue and 4Q occupies highest with a range of 29%-43%**



Source: Company data, Bernstein analysis and estimates

Gross profit

- Gross profit was RMB34.2bn in 3Q26 (+27% y-o-y). Gross profit margin was 20.7% in 3Q26 (vs. 25.8% in 3Q25). Consensus for 3Q26 GPM is 21.5%.

- Gross profit per unit (total gross profit) in 3Q26 was around US$18.5 per kWh (vs. US$22.9 in 3Q25 and our estimate of US $23.1/kWh).

Operating profit

- Operating expenditures: CATL recorded RMB13.9bn OPEX in 3Q26, of which RMB6.7bn for SG&A (+50% y-o-y) while RMB7.1bn for R&D (+44% y-o-y). SG&A expenditure accounted for 4.1% of total revenue (vs. 4.3% in 3Q25), and R&D expenditure accounted for 4.3% (vs. 4.8% in 3Q25).
- Operating profit was RMB20.3bn in 3Q26 (+17% y-o-y). Operating profit margin was 12.3% in 3Q26 (vs. 16.7% in 3Q25).
- Operating profit per unit in 3Q26 was around US$11.0/kWh (vs. US$14.9/kWh in 3Q25 and our estimate of US$14.7/kWh).

Net income

- One-off gain: CATL recorded RMB600mn one-off gain including both gain from FV change and asset impairment loss in 3Q26 (-3% of net profit, compared to net gain in 3Q25).
- Investment gain: In 3Q26 CATL recorded RMB2.9bn investment gain (14% of net income, +23% y-o-y), of which the most were gains from investments in associates and JVs.
- CATL reported 3Q26 net profit of RMB21.2bn (+15% y-o-y), which is a miss from our estimate by 7%.
- Net profit per unit was around US$11.5 per kWh (vs. US$15.8/kWh in 3Q25 and our estimate of US$14.7/kWh).

Balance sheet

- At 3Q26, CATL had a net cash position of RMB254bn (from net cash of RMB249bn at 1H26).(Cash+cash equ- long term borrowings - short term debt) Cash balance reached RMB370bn (slightly down from RMB372 bn at 1H26).

Cash flow

- 3Q26 cash flow from operating activities dropped to RMB1.4bn (-94% y-o-y).
- Capital investments for 3Q26 was RMB17.1bn (+73% y-o-y).

EXHIBIT 14: **Monthly China ESS shipment market share**

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	YTD
CATL	23.3%	23.0%	23.3%	22.8%	18.5%	22.5%	22.2%	22.0%	21.3%	21.5%	21.1%	21.1%	20.4%	21.6%
EVE	12.2%	11.6%	10.9%	10.7%	10.2%	10.1%	9.5%	8.8%	9.1%	8.8%	9.1%	9.3%	9.2%	9.2%
BYD	9.5%	9.0%	8.5%	8.3%	8.4%	6.9%	5.6%	8.7%	7.9%	7.7%	6.1%	5.5%	5.4%	6.9%
Hithium	11.8%	11.9%	11.3%	11.0%	11.3%	10.6%	10.0%	7.9%	9.0%	8.7%	9.7%	9.3%	9.7%	9.3%
CORNEX	2.7%	3.9%	5.1%	7.1%	5.8%	7.0%	6.0%	7.1%	6.4%	7.4%	7.1%	7.1%	6.9%	6.9%
Great Power	2.7%	3.1%	3.2%	3.1%	5.2%	3.0%	3.2%	6.3%	5.2%	4.3%	5.0%	4.5%	4.1%	4.6%
CALB	8.6%	8.2%	8.0%	7.9%	5.8%	6.6%	7.1%	6.1%	6.5%	6.3%	6.1%	6.2%	6.1%	6.4%
Gotion	5.0%	4.8%	4.5%	4.4%	3.9%	3.7%	3.7%	6.0%	4.8%	4.1%	5.2%	5.2%	4.0%	4.7%
REPT	7.5%	7.1%	7.4%	7.2%	6.9%	5.9%	6.2%	5.6%	6.0%	5.7%	5.5%	5.3%	5.6%	5.7%
Ganfeng	2.7%	2.9%	3.2%	3.1%	4.0%	2.5%	2.5%	4.6%	5.2%	5.3%	4.8%	4.4%	4.1%	4.3%
Envision	4.7%	4.8%	4.5%	4.4%	5.7%	4.6%	4.1%	3.7%	4.8%	5.3%	5.1%	4.9%	4.7%	4.7%
Other	0.5%	0.4%	0.4%	0.4%	2.4%	3.0%	1.9%	3.7%	1.5%	1.7%	2.0%	1.9%	2.0%	2.2%
Sunwoda	2.7%	2.6%	2.7%	2.7%	4.2%	3.5%	3.8%	3.2%	3.4%	4.1%	3.0%	3.2%	3.0%	3.4%
LG	1.8%	2.7%	2.9%	2.8%	2.9%	2.5%	2.7%	2.4%	2.9%	2.9%	2.8%	2.7%	2.6%	2.7%
Lishen	1.4%	1.4%	1.3%	1.3%	1.2%	1.0%	1.0%	1.0%	1.3%	1.2%	1.7%	0.9%	1.8%	1.2%

Source: ICC data center, Bernstein analysis



EXHIBIT 15: **Global monthly passenger EV battery installation market share**

Global	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	YTD
CATL	33.8%	33.2%	33.3%	37.5%	38.9%	38.7%	41.9%	39.1%	37.5%	37.5%	38.3%	37.6%	37.9%	35.9%	38.0%
BYD	17.8%	18.5%	17.3%	18.1%	17.2%	17.3%	15.3%	13.6%	15.0%	16.4%	16.2%	16.2%	17.7%	18.1%	16.2%
LGES	11.2%	11.3%	12.6%	7.4%	9.0%	11.3%	8.0%	12.5%	12.5%	8.7%	9.9%	11.0%	7.6%	8.2%	9.8%
CALB	5.6%	5.5%	4.5%	6.1%	5.2%	5.3%	4.7%	3.8%	4.3%	4.6%	4.1%	4.2%	4.6%	5.8%	4.5%
Gotion	3.6%	3.9%	4.0%	5.1%	5.2%	4.2%	3.4%	3.0%	3.7%	4.9%	4.5%	4.0%	5.1%	5.7%	4.4%
Panasonic	4.4%	5.5%	6.1%	2.7%	2.3%	3.1%	3.9%	5.0%	3.3%	4.6%	4.4%	4.8%	3.7%	3.6%	4.1%
SVOLT	2.9%	2.5%	2.6%	3.4%	3.4%	2.9%	3.0%	3.3%	2.9%	3.1%	2.9%	2.9%	3.3%	3.1%	3.0%
Zenergy	1.6%	1.6%	1.5%	1.8%	1.5%	1.2%	1.2%	1.0%	1.2%	2.2%	2.2%	1.9%	2.4%	2.8%	1.9%
SK On	5.1%	4.8%	4.8%	3.2%	3.1%	2.9%	3.6%	4.9%	4.0%	3.6%	3.6%	3.0%	3.2%	2.6%	3.5%
EVE	1.5%	1.5%	1.4%	2.0%	1.8%	1.7%	1.8%	1.5%	2.2%	2.3%	1.8%	2.3%	2.3%	2.0%	2.1%
Sunwoda	2.9%	3.0%	2.6%	2.7%	2.5%	2.1%	2.5%	2.3%	2.7%	2.6%	2.4%	2.3%	2.0%	2.0%	2.4%
Energee (Geely)	1.3%	1.2%	1.1%	1.6%	1.5%	0.9%	1.4%	1.4%	1.1%	1.2%	1.2%	1.6%	1.8%	2.0%	1.5%
REPT	0.8%	0.7%	1.3%	1.7%	1.9%	1.9%	1.7%	1.1%	1.6%	1.6%	1.6%	1.4%	1.7%	1.8%	1.6%
Inpai	0.6%	0.6%	0.9%	0.9%	0.8%	1.1%	0.9%	0.5%	1.0%	0.9%	1.0%	1.1%	1.4%	1.3%	1.1%
SDI	3.3%	3.1%	2.9%	2.2%	2.1%	2.2%	2.6%	2.7%	2.5%	2.3%	2.2%	2.2%	1.8%	1.3%	2.1%

Source: SNE Research, Bernstein analysis

CONFERENCE CALL HIGHLIGHTS

COMPANY OUTLOOK

- Capacity expansion: Management views 20–30% industry demand growth in 2027 as a reasonable, rather than aggressive, assumption. Domestic battery demand should benefit from rising passenger-vehicle penetration and battery capacity per vehicle, alongside accelerating commercial-vehicle electrification. Europe and emerging markets remain important overseas growth drivers. Overseas ESS demand remains strong, while management acknowledged greater uncertainty around domestic ESS growth and the timing of incremental AI-related demand. New capacity released in 3Q26 eased 1H26 supply constraints, but capacity expansion remains necessary to support medium-term growth. Management reiterated a 20-30% five-year volume CAGR , pushing back on market concerns of a 2027 demand slowdown.

- Profitability: Management acknowledged a sequential decline in unit profitability in 3Q26, primarily reflecting product/ project mix, alongside consumption tax and export rebate changes. The outlook depends on customer negotiations over tax-cost sharing, a higher contribution from new products and continued supply-chain and product-cost optimization. Management remained confident in maintaining healthy longer-term profitability.

3Q26 OPERATING DATA

- Combined EV and ESS battery shipments reached approximately 260GWh in 3Q26, up 58% y-o-y, based on the updated model. Management indicated that ESS represented approximately one-quarter of battery sales; the previous 65GWh ESS/195GWh EV split should therefore be treated as an indicative allocation, not separately disclosed shipment figures. CATL's global EV battery market share reached 39.4% in January–August 2026, up 1.1ppt y-o-y, while domestic EV battery market share reached 44.16% in January–September, up 1.11ppt y-o-y. Management noted that capacity, not demand, remains the binding constraint - the company said it has "not been able to fully meet customer demand."

- New capacity commissioned in 3Q26 eased the severe capacity tightness experienced in 1H26, while production scheduling and deliveries continued to increase sequentially. Construction in progress reached RMB43.0bn at end-September, up 44.7% from end-2025. Fixed-asset additions also included newly commissioned battery-swap stations. Management expects continued demand growth to support further capacity expansion.

- Export rebate and consumption tax changes are being negotiated with customers. Management cited an export rebate reduction from 9% to 6% and a 2% consumption tax effective from September. The rebate reduction had a fuller impact in 3Q26 than in 2Q26 because of timing differences between shipments and revenue recognition. Customer cost-sharing arrangements remain under discussion.

- Inventory reached RMB144.8bn at end-September, up 53.2% from end-2025. Management attributed the increase to higher business volumes and goods dispatched but not yet recognized as revenue, with inventory turnover remaining relatively stable. A rising contribution from AC-side ESS systems lengthens revenue-recognition cycles, with overseas

project acceptance typically taking six months to one year or longer.

PROFITABILITY

- Profitability softened in 3Q26, with net profit per kWh declining to around US$11.5 (-15% q-o-q; -27% y-o-y), versus US $13.5 in 2Q26. Gross margin fell to 20.7% from 23.2% in 2Q26, while operating margin declined to 12.3% from 15.8%. Management attributed weaker unit profitability primarily to a higher contribution from relatively simple, lower-value-added products/projects. Product mix varies by customer, project and system configuration, rather than solely by geography or EV/ESS exposure.

- Additional pressure came from tax changes, sustained R&D investment and inventory impairment associated with lithium-price movements. Management said inventory provisioning remains conservative, with some provisions potentially reversing upon subsequent sales. Raw-material price increases, including copper foil, are largely covered by customer linkage mechanisms. If consumption-tax costs are not shared with customers, 4Q26 would face a full quarter of exposure versus only September in 3Q26

HUNGARY PLANT

- Hungary Phase 1 has commenced production, with stated capacity of 39GWh. Subsequent phases will progress according to project schedules. Phase 2 is also progressing in an orderly manner.

- The Hungary plant's costs are slightly higher than domestic plants, but represent a significant advantage over German plants.

SPAIN PLANT

- Construction officially commenced in November 2025. The project is currently under construction, with equipment installation and commissioning expected to follow in stages. Production remains targeted to begin by the end of 2026, with annual capacity potentially reaching 50 GWh.

- The Spain plant is a 50:50 joint venture with Stellantis, involving investment of up to €4.1 billion. It will manufacture LFP batteries locally for affordable Stellantis EVs in Europe. The plant is designed to be carbon-neutral and to source more than 80% of its energy from renewables, which should provide sustainability and localization advantages, although no official cost comparison with CATL's domestic, Hungarian, or German plants has been disclosed.

TECHNOLOGY

- Newly introduced modular commercial-vehicle battery platform offers configurations with up to 1,000km range, megawatt-level charging and a design life of 12 years or 1.5 million km. Management emphasized product innovation and lifetime economics as key competitive advantages.

- Battery swap: CATL's passenger-vehicle swap network has exceeded 2,500 stations across 31 provinces, with more than 30 compatible vehicle models. The company highlighted cooperation with Huawei and partners to integrate vehicle-, station- and cloud-side systems. CATL has also become the largest shareholder of Qiyuan New Power, which has approximately 1,700 swap stations. Its second-generation heavy-truck battery offering includes a dual-battery architecture supporting five-minute swapping. Management views battery leasing and swapping as a way to lower upfront vehicle costs and improve operating efficiency.

- AI and data centers: CATL is developing energy products and integrated power-supply and backup-power solutions for data centers, with dedicated teams and technology reserves. Management is exploring multiple commercial models while monitoring demand from AI hardware and cloud-service customers. The timing and scale of incremental demand remain uncertain.

UPSTREAM RESOURCE STRATEGY

- Wholly-owned subsidiary established: Shidai Resources Group, with registered capital of RMB30bn. CATL believes future demand will be very strong with total battery demand expected to reach 4TWh or more by 2030. At the same time CATL also sees instability in global resources and metals. CATL has been building its upstream presence for many years and is now in

the process of resource consolidation.

- Yichun lithium mine: CATL's Jianxiawo mine received its safety-production permit on 29 June 2026 and has resumed production after being suspended since August 2025 due to an expired mining permit. Production is expected to ramp up progressively in 2H26. The restart will strengthen CATL's internal lithium supply, although the additional market supply could limit further upside in lithium prices.

CAPITAL RETURNS

- The RMB20–40bn A-share buyback for cancellation was approved by the board on 24 July and shareholders on 12 August 2026. By 30 September, CATL had repurchased 10.95 million A-shares for RMB3.303bn, equivalent to 0.2482% of outstanding A-shares, at prices ranging from RMB286.53 to RMB331.61 per share.

- Separately, the board approved a proposed second 2026 A-share employee shareholding plan on 30 September, covering up to 8.08 million shares from the repurchase account at RMB158.42 per share, subject to shareholder approval.

LONG TERM OUTLOOK AND VALUATION

We expect revenue to grow at 20-30% through to 2030 and c.16.1% CAGR through to 2035, reaching close to RMB2.4Tn p.a. Few companies in the sector offer a comparable combination of growth and scale. CATL's scale supports lower costs and higher margins than peers, while China's lower capital and operating costs further strengthen its competitive position. We expect the battery industry to consolidate over time, similar to other clean-tech sectors such as wind and solar, with a limited number of global leaders ultimately dominating the market. CATL also remains at the forefront of battery technology through its multi-chemistry portfolio. For premium EVs, its third-generation Qilin Battery offers 280Wh/kg cell energy density, 1,000km range and 10C charging, while the Qilin Condensed Battery reaches 350Wh/kg and 760Wh/L, supporting up to 1,500km range. The third-generation Shenxing LFP battery supports equivalent 10C and peak 15C charging, reaching 10–80% SOC in 3 minutes and 44 seconds while retaining over 90% capacity after 1,000 cycles. For hybrids, the second-generation Freevoy battery delivers 230Wh/kg, up to 600km of pure-electric range and 10C charging. For cost-sensitive, cold-climate and ESS applications, the Naxtra sodium-ion battery offers 175Wh/kg, up to 500km range and operation from -40°C to 70°C, with full-scale mass production expected by YE26. Looking further ahead, CATL is developing sulfide-based ASSBs and targeting small-batch production around 2027, although large-scale commercialization is unlikely before 2030 given the remaining cost, yield and scalability challenges. We believe CATL's technology leadership, manufacturing scale, customer relationships and R&D capabilities support its long-term competitive position.

We use DCF valuation to determine the TP for CATL. Our DCF analysis with a WACC of 9.8% and terminal growth rate at 3% indicated a fair valuation of RMB770per share (A-share).We value CATL (H-share) at HKD740/share based on our 2050 DCF valuation with WACC of 10.4% and terminal growth rate at 3%.

EXHIBIT 16: **Revenue: Bernstein vs consensus**

Revenue Report Currency	2024A	2025A	2026E	2027E
CATL	362.0	423.7	611.2	804.7
Consensus (RMB bn)			618.5	753.3
			(1.2%)	6.8%

Revenue growth %	2024A	2025A	2026E	2027E
CATL	-10%	17%	44%	32%
Consensus			46%	22%

Source: Company data, Bloomberg (consensus), Bernstein estimates and analysis

EXHIBIT 17: **EPS: Bernstein estimates vs consensus**

EPS Report Currency	2024A	2025A	2026E	2027E
CATL	11.6	16.1	21.1	26.3
Consensus (RMB)			20.7	25.8
			2.0%	1.8%

EPS growth %	2024A	2025A	2026E	2027E
CATL	20%	39%	31%	25%
Consensus			28%	25%

Source: Company data, Bloomberg (consensus), Bernstein estimates and analysis

EXHIBIT 18: **We value CATL (A-share) at RMB770/share based on our 2050 DCF valuation**

Discounted Cash Flow Valuation

RMB mn	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2026-2035	2036-2050	Terminal
Revenue	**423,702**	**611,209**	**804,711**	**943,105**	**1,132,587**	**1,320,485**	**1,533,947**	**1,737,469**	**1,973,959**	**2,198,551**	**2,403,160**			
Sales growth	17.0%	44.3%	31.7%	17.2%	20.1%	16.6%	16.2%	13.3%	13.6%	11.4%	9.3%	16.4%	4.6%	3.0%
EBITDA	**95,773**	**134,380**	**166,402**	**190,503**	**222,779**	**263,099**	**294,466**	**333,398**	**368,838**	**411,118**	**452,247**			
EBIT	**70,938**	**100,226**	**124,157**	**144,457**	**173,245**	**209,150**	**234,537**	**267,020**	**295,433**	**330,077**	**362,873**			
EBIT Margin	16.7%	16.4%	15.4%	15.3%	15.3%	15.8%	15.3%	15.4%	15.0%	15.0%	15.1%	15.3%	15.1%	
Tax	**12,740**	**16,823**	**20,761**	**23,991**	**28,547**	**33,946**	**37,905**	**42,943**	**47,372**	**52,830**	**58,104**			
% of EBIT	18.0%	16.8%	16.7%	16.6%	16.5%	16.2%	16.2%	16.1%	16.0%	16.0%	16.0%	16.2%	16.0%	
NOPAT	**58,198**	**83,404**	**103,396**	**120,466**	**144,699**	**175,204**	**196,632**	**224,078**	**248,061**	**277,248**	**304,768**			
D&A	**24,835**	**34,154**	**42,245**	**46,046**	**49,534**	**53,949**	**59,929**	**66,377**	**73,406**	**81,041**	**89,375**			
% of sales	5.9%	5.6%	5.2%	4.9%	4.4%	4.1%	3.9%	3.8%	3.7%	3.7%	3.7%	4.1%	4.7%	
Change in NWC:	**(9,123)**	**(34,690)**	**(22,733)**	**26**	**6,339**	**(3,711)**	**(1,953)**	**(8,353)**	**(7,174)**	**(9,107)**	**(12,796)**			
% of sales	(2.2%)	(5.7%)	(2.8%)	0.0%	0.6%	(0.3%)	(0.1%)	(0.5%)	(0.4%)	(0.4%)	(0.5%)	(0.6%)	0.0%	
(Capex)	**(42,345)**	**(51,073)**	**(62,920)**	**(62,920)**	**(69,212)**	**(83,747)**	**(92,121)**	**(101,333)**	**(111,467)**	**(122,613)**	**(134,875)**			
% of sales	10.0%	8.4%	7.8%	6.7%	6.1%	6.3%	6.0%	5.8%	5.6%	5.6%	5.6%	6.1%	5.0%	
Unlevered FCF	**31,564**	**31,794**	**59,988**	**103,618**	**131,360**	**141,695**	**162,486**	**180,769**	**202,826**	**226,568**	**246,472**	**1,487,576**	**6,515,872**	**9,368,962**
Total Capacity (GWh)	**772**	**1,124**	**1,587**	**1,879**	**2,263**	**2,647**	**3,032**	**3,426**	**3,837**	**4,266**	**4,713**			
Utilization rate	96.9%	85.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.5%		
Sales volume (GWh)	**662**	**955**	**1,270**	**1,503**	**1,810**	**2,117**	**2,425**	**2,741**	**3,069**	**3,413**	**3,770**			
Sales growth	39.7%	44.3%	32.9%	18.3%	20.4%	17.0%	14.5%	13.0%	12.0%	11.2%	10.5%	16.5%		
EBIT per kWh (US$)	**15.1**	**14.8**	**13.8**	**13.5**	**13.5**	**13.9**	**13.6**	**13.7**	**13.6**	**13.6**	**13.6**			
Our TP implied EV/EBITDA	34.3x	24.5x	19.7x	17.3x	14.8x	12.5x	11.2x	9.9x	8.9x	8.0x	7.3x			

Valuation	
WACC	**9.6%**
Assumed Perpetual Growth	3.0%
Enterprise Value (EV)	**3,286,215**
- Debt	(123,355)
- Minority, Preferred and Others	(38,077)
+ Cash	388,466
Equity Value	**3,513,249**
#shares	4,564
DCF result (RMB)	**770**

WACC	
Risk Free Rate	1.7%
Levered Equity Beta	1.4
Market Risk Premium	6.2%
Cost of Equity	10.4%
After-tax Cost of Debt	1.9%
Debt / (Market Cap + Debt)	9.8%
NPV	
2026-2035	901,001
2036-2050	1,349,305
Terminal	1,035,908
Total	**3,286,215**

Growth 2025-2030	
Reinvestment Rate	60%
ROE	27%
Implied Growth Rate	16%
NOPAT CAGR	18%
2030 Capex/DD&A	1.6x
NPV (%)	
2025-2030	27%
2031-2050	41%
Terminal	32%
Total	**100%**

Net Working Capital = (Current Assets - Cash) - (Current Liabilities - Borrowings)
Source: Company data, Bloomberg, Bernstein analysis and estimates

EXHIBIT 19: **We value CATL (H-share) at HKD740/share based on our 2050 DCF valuation**

Discounted Cash Flow Valuation

RMB mn	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2026-2035	2036-2050	Terminal
Revenue	**423,702**	**611,209**	**804,711**	**943,105**	**1,132,587**	**1,320,485**	**1,533,947**	**1,737,469**	**1,973,959**	**2,198,551**	**2,403,160**			
Sales growth	17.0%	44.3%	31.7%	17.2%	20.1%	16.6%	16.2%	13.3%	13.6%	11.4%	9.3%	19.0%	4.6%	3.0%
EBITDA	**95,773**	**134,380**	**166,402**	**190,503**	**222,779**	**263,099**	**294,466**	**333,398**	**368,838**	**411,118**	**452,247**			
EBIT	**70,938**	**100,226**	**124,157**	**144,457**	**173,245**	**209,150**	**234,537**	**267,020**	**295,433**	**330,077**	**362,873**			
EBIT Margin	16.7%	16.4%	15.4%	15.3%	15.3%	15.8%	15.3%	15.4%	15.0%	15.0%	15.1%	15.3%	15.1%	
Tax	**12,740**	**16,823**	**20,761**	**23,991**	**28,547**	**33,946**	**37,905**	**42,943**	**47,372**	**52,830**	**58,104**			
% of EBIT	18.0%	16.8%	16.7%	16.6%	16.5%	16.2%	16.2%	16.1%	16.0%	16.0%	16.0%	16.3%	16.0%	
NOPAT	**58,198**	**83,404**	**103,396**	**120,466**	**144,699**	**175,204**	**196,632**	**224,078**	**248,061**	**277,248**	**304,768**			
D&A	**24,835**	**34,154**	**42,245**	**46,046**	**49,534**	**53,949**	**59,929**	**66,377**	**73,406**	**81,041**	**89,375**			
% of sales	5.9%	5.6%	5.2%	4.9%	4.4%	4.1%	3.9%	3.8%	3.7%	3.7%	3.7%	4.1%	4.7%	
Change in NWC:	**(9,123)**	**(34,690)**	**(22,733)**	**26**	**6,339**	**(3,711)**	**(1,953)**	**(8,353)**	**(7,174)**	**(9,107)**	**(12,796)**			
% of sales	(2.2%)	(5.7%)	(2.8%)	0.0%	0.6%	(0.3%)	(0.1%)	(0.5%)	(0.4%)	(0.4%)	(0.5%)	(1.2%)	0.0%	
(Capex)	**(42,345)**	**(51,073)**	**(62,920)**	**(62,920)**	**(69,212)**	**(83,747)**	**(92,121)**	**(101,333)**	**(111,467)**	**(122,613)**	**(134,875)**			
% of sales	10.0%	8.4%	7.8%	6.7%	6.1%	6.3%	6.0%	5.8%	5.6%	5.6%	5.6%	6.1%	5.0%	
Unlevered FCF	**31,564**	**31,794**	**59,988**	**103,618**	**131,360**	**141,695**	**162,486**	**180,769**	**202,826**	**226,568**	**246,472**	**1,487,576**	**6,515,872**	**8,338,273**
Total Capacity (GWh)	**772**	**1,124**	**1,587**	**1,879**	**2,263**	**2,647**	**3,032**	**3,426**	**3,837**	**4,266**	**4,713**			
Utilization rate	96.9%	85.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.5%		
Sales volume (GWh)	**662**	**955**	**1,270**	**1,503**	**1,810**	**2,117**	**2,425**	**2,741**	**3,069**	**3,413**	**3,770**			
Sales growth	39.7%	44.3%	32.9%	18.3%	20.4%	17.0%	14.5%	13.0%	12.0%	11.2%	10.5%	16.5%		
EBIT per kWh (US$)	**15.1**	**14.8**	**13.8**	**13.5**	**13.5**	**13.9**	**13.6**	**13.7**	**13.6**	**13.6**	**13.6**			
Our TP implied EV/EBITDA	29.6x	21.1x	17.0x	14.9x	12.7x	10.8x	9.6x	8.5x	7.7x	6.9x	6.3x			

Valuation	
WACC	**10.4%**
Assumed Perpetual Growth	3.0%
Enterprise Value (EV)	**2,834,618**
- Debt	(123,355)
- Minority, Preferred and Others	(38,077)
+ Cash	388,466
Equity Value	**3,061,653**
#shares	4,564
DCF result (HKD)	**740**

WACC	
Risk Free Rate	3.0%
Levered Equity Beta	1.4
Market Risk Premium	5.9%
Cost of Equity	11.4%
After-tax Cost of Debt	1.9%
Debt / (Market Cap + Debt)	9.8%
NPV	
2026-2035	867,312
2036-2050	1,195,865
Terminal	771,440
Total	**2,834,618**

Growth 2026-2035	
Reinvestment Rate	60%
ROE	27%
Implied Growth Rate	16%
NOPAT CAGR	18%
2030 Capex/DD&A	1.6x
NPV (%)	
2026-2035	31%
2036-2050	42%
Terminal	27%
Total	**100%**

Source: Company data, Bernstein estimates and analysis

EXHIBIT 20: **CATL financials outlook**

Income Statement (RMB M)	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue	**50,319**	**130,356**	**328,594**	**400,917**	**362,013**	**423,702**	**611,209**	**804,711**	**943,105**
COGS	36,349	96,094	262,050	309,070	273,519	312,383	459,660	607,282	712,774
Gross Profit	**13,970**	**34,262**	**66,544**	**91,847**	**88,494**	**111,319**	**151,550**	**197,429**	**230,330**
GPM	*28%*	*26%*	*20%*	*23%*	*24%*	*26%*	*25%*	*25%*	*24%*
R&D	3,569	7,691	15,510	18,356	18,607	22,147	27,833	39,615	46,428
SG&A	4,280	8,223	18,986	28,112	15,310	18,234	23,490	33,657	39,445
Operating Income	**6,121**	**18,347**	**32,048**	**45,379**	**54,577**	**70,938**	**100,226**	**124,157**	**144,457**
OPM	*12%*	*14%*	*10%*	*11%*	*15%*	*17%*	*16%*	*15%*	*15%*
Finance cost	(713)	(641)	(2,800)	(4,928)	(4,132)	(7,940)	(1,928)	(3,129)	(3,620)
Other expense/(inc)	(149)	(899)	(1,825)	(3,608)	(4,473)	(10,649)	(18,778)	(23,963)	(26,604)
Earnings Before Tax	**6,983**	**19,887**	**36,673**	**53,914**	**63,182**	**89,527**	**120,932**	**151,250**	**174,681**
Income Tax/(Benefit)	879	2,026	3,216	7,153	9,175	12,740	16,823	20,761	23,991
Tax rate	*13%*	*10%*	*9%*	*13%*	*15%*	*14%*	*14%*	*14%*	*14%*
Net Income	**6,104**	**17,861**	**33,457**	**46,761**	**54,007**	**76,786**	**104,109**	**130,489**	**150,690**
Attributable to the parent	5,583	15,931	30,729	44,121	50,745	72,201	96,887	121,575	140,390
Minority Interest	521	1,929	2,728	2,640	3,262	4,585	7,222	8,914	10,301
Net Income(adj. for disposal)	5,583	15,931	30,729	44,121	50,745	72,201	96,887	121,575	140,390
EPS (RMB)	2.49	6.88	12.92	11.79	11.58	16.14	21.10	26.28	30.34
Adj. EPS (RMB)	1.22	3.49	6.73	9.67	11.12	15.82	21.23	26.64	30.76
Share Count - End (Million)	2,329	2,331	2,443	4,399	4,403	4,564	4,564	4,564	4,564
Share Count - Avg (Million)	2,269	2,330	2,387	3,421	4,401	4,455	4,564	4,564	4,564
EBITDA	10,833	24,354	44,245	66,808	77,485	95,773	134,380	166,402	190,503
Margins %									
Gross Margin	27.8%	26.3%	20.3%	22.9%	24.4%	26.3%	24.8%	24.5%	24.4%
EBITDA Margin	21.5%	18.7%	13.5%	16.7%	21.4%	22.6%	22.0%	20.7%	20.2%
Operating Margin	12.2%	14.1%	9.8%	11.3%	15.1%	16.7%	16.4%	15.4%	15.3%
Net Income Margin	11.1%	12.2%	9.4%	11.0%	14.0%	17.0%	15.9%	15.1%	14.9%
Growth %									
Revenue	9.9%	159.1%	152.1%	22.0%	-9.7%	17.0%	44.3%	31.7%	17.2%
Operating Profit	1.1%	199.7%	74.7%	41.6%	20.3%	30.0%	41.3%	23.9%	16.4%
Net profit	22.4%	185.3%	92.9%	43.6%	15.0%	42.3%	34.2%	25.5%	15.5%
Reported EPS	19.1%	175.7%	87.9%	-8.7%	-1.8%	39.4%	30.7%	24.6%	15.5%

Balance Sheet (RMB M)	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash	63,432	75,506	157,629	238,165	270,160	299,930	356,999	387,869	452,425
Cash Equivalents	4,992	13,566	33,414	26,141	33,352	33,583	31,467	31,467	31,467
Accounts Receivables	21,171	25,217	61,493	65,772	64,266	77,783	109,604	162,043	174,056
Inventories	13,225	40,200	76,669	45,434	59,836	94,526	145,297	180,119	162,627
Other Current Assets	10,046	23,246	58,530	74,275	82,529	132,659	166,809	166,809	166,809
Total Current Assets	**112,865**	**177,735**	**387,735**	**449,788**	**510,142**	**638,482**	**810,177**	**928,307**	**987,383**
PP&E	25,372	72,273	124,468	140,400	142,344	176,134	209,351	230,579	247,999
Other Non-Current Assets	18,381	57,658	88,749	126,980	134,172	160,212	177,514	177,362	177,215
Non-Current Assets	**43,753**	**129,932**	**213,217**	**267,380**	**276,516**	**336,346**	**386,865**	**407,940**	**425,215**
Total Assets	**156,618**	**307,667**	**600,952**	**717,168**	**786,658**	**974,828**	**1,197,042**	**1,336,247**	**1,412,598**
Debt	12,403	34,242	73,515	98,630	100,935	91,170	123,355	119,598	115,956
Accounts Payable	15,637	58,406	126,229	77,515	67,356	103,277	154,981	173,097	137,035
Other Liabilities	43,749	73,613	129,764	204,101	213,933	249,025	242,511	239,482	236,749
Total Liabilities	**71,789**	**166,260**	**329,508**	**380,246**	**382,225**	**443,472**	**520,847**	**532,177**	**489,741**
Reserves	41,662	43,164	88,904	87,907	116,756	156,248	190,262	190,262	190,262
Retained earnings	18,641	34,095	63,243	103,254	126,637	174,664	240,643	310,163	385,308
Non-controling interests	4,987	8,109	12,428	22,175	26,526	33,919	38,077	46,991	57,292
Others	3,904	7,254	12,334	6,547	3,537	6,195	2,052	2,052	2,052
Shareholder's Equity	**69,195**	**92,622**	**176,909**	**219,883**	**273,456**	**371,026**	**471,034**	**549,468**	**634,914**
Attributable to parent	64,207	84,513	164,481	197,708	246,930	337,108	432,957	502,477	577,622
Total Liabilities & Equity	**140,984**	**258,883**	**506,417**	**600,129**	**655,681**	**814,499**	**991,881**	**1,081,645**	**1,124,654**
BVPS	**27.56**	**36.26**	**67.34**	**44.94**	**56.08**	**73.86**	**94.86**	**110.10**	**126.56**

Cash Flow Statement (RMB M)	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Income	6,104	17,861	33,457	46,761	54,007	76,786	104,109	130,489	150,690
Depreciation & Amortization	4,712	6,006	12,197	21,429	22,908	24,835	34,154	42,245	46,046
Decrease in working capital	5,930	17,183	16,843	25,875	15,235	33,216	(29,424)	(19,704)	2,759
Other	1,684	1,858	(1,289)	(1,239)	4,840	(1,617)	(5,368)	(6,158)	(6,353)
CF From Operations	**18,430**	**42,908**	**61,209**	**92,826**	**96,990**	**133,220**	**103,471**	**146,871**	**193,143**
Capex	(13,302)	(43,768)	(48,215)	(33,625)	(31,180)	(42,345)	(51,073)	(62,920)	(62,920)
Other	(1,750)	(10,010)	(15,924)	4,450	(17,620)	(51,919)	(12,056)	(400)	(400)
CF From Investing	**(15,052)**	**(53,778)**	**(64,139)**	**(29,175)**	**(48,800)**	**(94,264)**	**(63,129)**	**(63,320)**	**(63,320)**
CF From Financing	**37,431**	**23,659**	**82,266**	**14,716**	**(14,524)**	**(6,310)**	**23,669**	**(52,682)**	**(65,267)**
FX gain or loss	(577)	(712)	2,788	2,181	(1,597)	(2,665)	(6,942)	-	-
Cash at Beginning of Period	23,215	63,447	75,524	157,649	238,198	270,267	300,249	357,319	388,188
Net Cash Flow	**40,232**	**12,077**	**82,124**	**80,549**	**32,069**	**29,982**	**57,070**	**30,869**	**64,556**
Adjustments	15	19	19	32	107	319	319	319	319
Cash at End of Period	**63,447**	**75,524**	**157,649**	**238,198**	**270,267**	**300,249**	**357,319**	**388,188**	**452,744**
Free Cash Flow	**2,582**	**(4,258)**	**9,658**	**51,905**	**52,365**	**73,904**	**37,060**	**63,017**	**106,352**

Source: Company data, Bernstein estimates and analysis

COMPANY COMPARISON

A summary of the market, financial and valuation metrics (P/Sales and EV/sales) for the leading 6 battery makers and a few independent battery makers are shown below.

Company	Price 20-Oct	Curcy	EV USD mn	Mkt cap USD mn	P/E 25A	P/E 26E	P/E 27E	P/E 28E	EV/Sales 25A	EV/Sales 26E	EV/Sales 27E	EV/Sales 28E	EBITDA Cagr 26-28
LGES	414,000.0	KRW	92,288	72,983	(147.3)	(258.4)	62.1	31.2	5.7	3.9	3.1	2.6	34%
Panasonic	3,878	JPY	23,722	60,177	27.0	38.2	19.2	15.6	0.4	0.5	0.5	0.4	10%
Samsung SDI	556,000.0	KRW	42,291	33,755	(93.4)	61.0	31.5	20.8	4.7	3.5	2.8	2.3	123%
SK Innovation	148,100.0	KRW	43,232	18,862	(21.6)	7.0	7.3	8.6	0.8	0.6	0.6	0.6	34%
CATL(H)	411.8	HKD	241,478	249,441	25.3	17.6	14.4	12.2	4.0	2.6	2.1	1.8	29%
CATL(A)	259.1	CNY	174,518	182,481	18.3	12.8	10.3	8.6	2.9	1.9	1.6	1.3	29%
EVE	44.0	CNY	18,268	14,331	21.9	13.3	10.0	8.2	1.9	1.5	1.2	1.0	30%
Gotion High Tech	27.8	CNY	17,123	7,559	17.2	25.1	20.5	15.7	2.6	1.8	1.4	1.2	23%
Sunwoda	18.2	CNY	11,626	5,029	17.0	16.9	11.2	8.2	1.2	0.9	0.7	0.6	37%
CALB	14.0	HKD	14,069	3,161	17.0	8.1	5.4	4.2	2.3	1.3	0.9	0.7	51%

Company	LTM %	Rel LTM %	LTM High	LTM Low	GPM (%) 26E	OPM (%) 26E	ND/E 25A	ND/E 26E	EV/EBITDA 25A	EV/EBITDA 26E	EV/EBITDA 27E	EV/EBITDA 28E	26E EV/Capacity (USD M/GWh)
LGES	2%	-35%	527,000	290,500	20%	3%	64%	85%	27.3	21.9	14.7	11.3	251
Panasonic	124%	70%	4,982	1,657	31%	4%	15%	15%	4.1	5.3	3.5	3.0	273
Samsung SDI	138%	47%	820,000	255,500	23%	2%	34%	47%	125.5	20.4	14.3	11.3	451
SK Innovation	43%	-18%	166,000	87,700	14%	9%	68%	70%	17.2	4.4	6.6	7.1	300
CATL(H)	-17%	-17%	794.5	402.6	24%	18%	-46%	-78%	16.6	11.5	9.4	7.8	168
CATL(A)	-24%	-22%	469	255	24%	18%	-46%	-78%	12.0	8.3	6.8	5.6	121
EVE	-40%	-37%	89.9	43.7	16%	10%	49%	29%	15.3	10.5	8.3	6.9	102
Gotion High Tech	-32%	-27%	47.6	24.3	16%	4%	122%	79%	18.9	13.8	11.6	10.2	69
Sunwoda	-37%	-32%	37.9	16.0	16%	2%	99%	42%	19.6	12.4	9.7	7.6	97
CALB	-51%	-50%	39.3	13.8	17%	8%	106%	104%	17.9	8.4	6.6	5.2	48

CATL, LG Energy Solution, and Samsung SDI are covered by Neil Beveridge. BYD is covered by Eunice Lee. All other stocks are not covered by Bernstein.
Source: Bloomberg (consensus estimates) and Bernstein analysis

BERNSTEIN TICKER TABLE

			20 Oct 2026		TTM	Reported EPS				Reported P/E (x)	
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
300750.CH (CATL)	O	CNY	259.08	770.00	(43.6)%	CNY	16.14	21.10	26.28	16.1	12.3	9.9
3750.HK (CATL)	O	HKD	411.80	740.00	(36.9)%	CNY	16.14	21.10	26.28	21.7	16.6	13.3
ASIAX			1,830.19									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

I. REQUIRED DISCLOSURES

References to "Bernstein" or the “Firm” in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK（サンフォード・C・バーンスタイン株式会社）and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

Bernstein is part of a joint venture between Société Générale (SG) and AllianceBernstein, L.P. (AB). Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein’s “affiliates” relate to both SG and AB and their respective affiliates.

VALUATION METHODOLOGY

Contemporary Amperex Technology Co Ltd

We value CATL (A) using the DCF approach using a WACC of 9.6% and a terminal growth rate of 3%. Our DCF model is based on annual free cash flow forecasts until 2050, plus a terminal value estimate to capture the continuing value of the company. Our price target is RMB770.

We value CATL (H) using the DCF approach using a WACC of 10.4% and a terminal growth rate of 3%. Our DCF model is based on annual free cash flow forecasts until 2050, plus a terminal value estimate to capture the continuing value of the company. Our price target is HKD740.

RISKS

Contemporary Amperex Technology Co Ltd

For CATL (A), key risks include: 1) overcapacity of battery manufacturing in China 2) geopolitical factors which restrict CATL market share and 3) increased competition from vertically integrated OEM’s.

For CATL (H), key downside risks include: 1) overcapacity of battery manufacturing in China 2) geopolitical factors which restrict CATL market share and 3) increased competition from vertically integrated OEM’s.

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

Bernstein brand

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/-15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 600 Financials Price Return Index (E600BK) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 600 Insurance Price Return Index (E600IN) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments, and the Bloomberg Japan Financials Large & Mid Cap Price Return Index (JPFILM) for Japanese Financials. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/-10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in

this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Neutral (C-N): The total return of the Reference Credit Instrument is expected to perform in line with the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

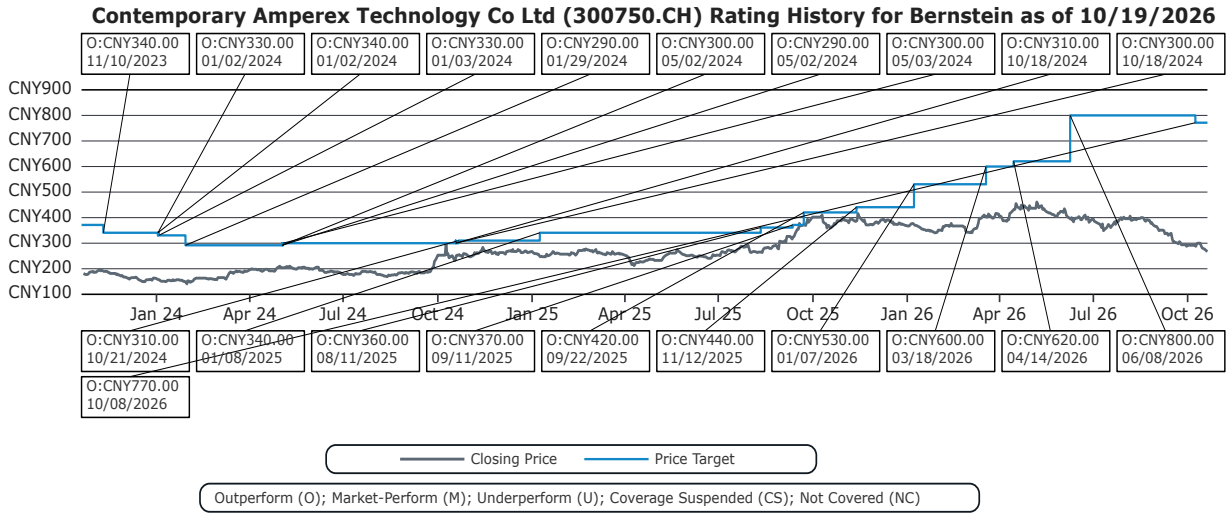
It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

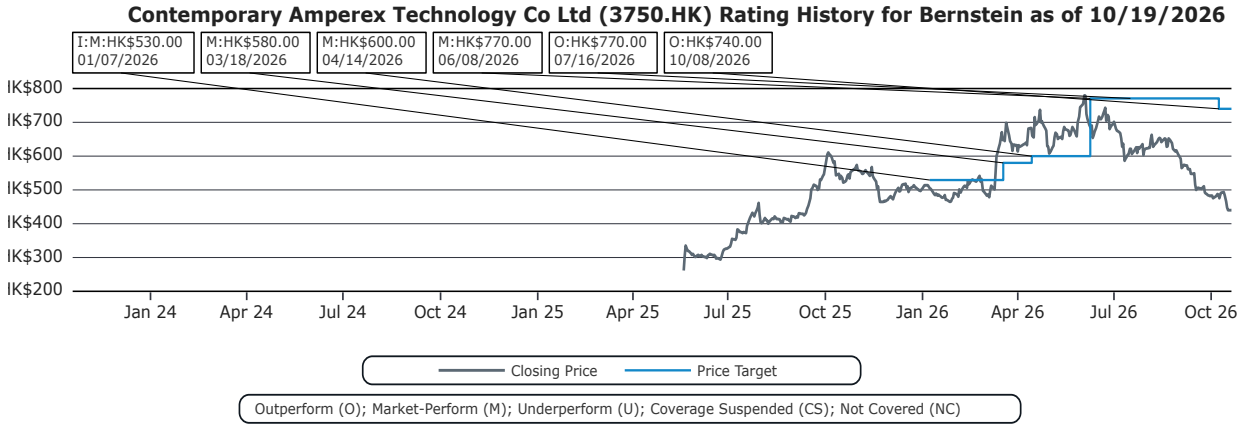
DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	52.3%	14.2%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	35.6%	16.1%
Underperform	SELL	12.1%	13.6%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
As of September 30, 2026. All figures are updated quarterly.

PRICE CHARTS / RATINGS AND PRICE TARGET HISTORY





All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

CONFLICTS OF INTEREST

SG and/or its affiliates beneficially own 0.5% or more of [the total issued share capital/any class of common equity securities] with a net [long/short] position of: Contemporary Amperex Technology Co Ltd.

An affiliate of Bernstein has received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Contemporary Amperex Technology Co Ltd.

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Contemporary Amperex Technology Co Ltd.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

+1 Bernstein Institutional Services LLC; New York, New York, USA

+44 Bernstein Autonomous LLP; London UK

+212 Société Générale Global Solution Center Morocco, Casablanca, Morocco

+33 BSG France S.A.; Paris, France

+34 BSG France S.A.; Madrid, Spain

+41 Bernstein Autonomous LLP; Geneva, Switzerland

+49 BSG France S.A.; Frankfurt, Germany

+91 Sanford C. Bernstein (India) Private Limited; Mumbai, India

+852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China

+65 Sanford C. Bernstein (Singapore) Private Limited; Singapore

+81 Sanford C. Bernstein Japan KK; Tokyo, Japan

Where this report has been prepared by research analyst(s) employed by a non-US affiliate, such analyst(s), is/are (unless otherwise expressly noted below) not registered as associated persons of Bernstein Institutional Services LLC or any other SEC-registered broker-dealer and are not licensed or qualified as research analysts with FINRA. Accordingly, such analyst(s) may not be subject to FINRA's restrictions regarding (among other things) communications by research analysts with a subject company, interactions between research analysts and investment banking personnel, participation by research analysts in solicitation and marketing activities relating to investment banking transactions, public appearances by research analysts, and trading securities held by a research analyst account.

Where this report has been prepared by research analyst(s) employed by Société Générale Africa Technologies & Services (part of the Société Générale group of companies), it has been prepared on behalf of a Bernstein company under a Global Services Agreement in place between Bernstein and Société Générale.

CERTIFICATION

Each research analyst listed in this report, who is primarily responsible for the preparation of the content of this report, certifies that all of the views expressed in this publication accurately reflect that analyst's personal views about any and all of the subject securities or issuers and that no part of that analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this publication.

II. ADDITIONAL GLOBAL CONFLICT DISCLOSURES

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e., the private side) within the Firm, and into other areas, units, groups or affiliates (i.e., public side) of the Firm.

III. OTHER IMPORTANT INFORMATION AND DISCLOSURES

Separate branding is maintained for "Bernstein" and "Autonomous" research products.

- Bernstein produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis under both the "Autonomous" and "Bernstein" brands. Recommendations contained within one type of research product may differ from recommendations contained within other types of research products, whether as a result of differing time horizons, methodologies or otherwise. Furthermore, views or recommendations within a research product issued under one brand may differ from views or recommendations under the same type of research product issued under the other brand. The Research Ratings System for the two brands and other information related to those Rating Systems are included in the previous section.

- Autonomous operates as a separate business unit within the following entities: Bernstein Institutional Services LLC, Bernstein Autonomous LLP, Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 and Sanford C. Bernstein (India) Private Limited. For information relating to "Autonomous" branded products (including certain Sales materials) please visit: www.autonomous.com. For information relating to Bernstein branded products please visit: www.bernsteinresearch.com.

Analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to,

generating investment banking revenues.

This report has been produced by an independent analyst as defined in Article 3 (1)(34)(i) of EU 596/2014 Market Abuse Regulation ("MAR") and the same article of MAR as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

To our readers in the United States: Bernstein Institutional Services LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and a member of the U.S. Financial Industry Regulatory Authority, Inc. ("FINRA") is distributing this publication in the United States and accepts responsibility for its contents. Where this material contains an analysis of debt product(s), such material is intended only for institutional investors and is not subject to the US independence and disclosure standards applicable to debt research prepared for retail investors.

Bernstein Institutional Services LLC may act as principal for its own account or as agent for another person (including an affiliate) in sales or purchases of any security which is a subject of this report. This report does not purport to meet the objectives or needs of any specific individuals, entities or accounts.

To our readers in Canada: If this publication pertains to a Canadian domiciled company, it is being distributed in Canada by Sanford C. Bernstein (Canada) Limited, which is licensed and regulated by the Canadian Investment Regulatory Organization. If the publication pertains to a non-Canadian domiciled company, it is being distributed by Bernstein Institutional Services LLC, which is licensed and regulated by both the SEC and FINRA, into Canada under the International Dealers Exemption.

This document may not be passed onto any person in Canada unless that person qualifies as "permitted client" as defined in Section 1.1 of NI 31-103.

To our readers in Brazil: This report has been prepared by Bernstein Institutional Services LLC, and Banco BTG Pactual S.A. ("BTG") is responsible for the distribution of this report in Brazil.

To readers in the United Kingdom: This publication has been issued or approved for issue in the United Kingdom by Bernstein Autonomous LLP, authorised and regulated by the Financial Conduct Authority and located at 60 London Wall, London EC2M 5SH, +44 (0)20-7170-5000. Registered in England & Wales No OC343985.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

To our readers in the member states of the EEA: This publication is being distributed by BSG France SA, which is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Autorité des Marchés Financiers (AMF).

To our readers in Hong Kong: This publication is being distributed in Hong Kong by Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, which is licensed and regulated by the Hong Kong Securities and Futures Commission (Central Entity No. AXC846) to carry out Type 4 (Advising on Securities) regulated activities and subject to the licensing conditions mentioned in the SFC Public Register (https://www.sfc.hk/publicregWeb/corp/AXC846/details)). This publication is solely for professional investors, as defined in the Securities and Futures Ordinance (Cap. 571). The purpose of this report is solely to provide an analysis of the issuers referred to in this report and is not intended for any purpose contrary to the laws of Hong Kong.

To our readers in Singapore: This publication is being distributed in Singapore by Sanford C. Bernstein (Singapore) Private Limited, only to accredited investors or institutional investors, as defined in the Securities and Futures Act 2001 of Singapore ("SFA"). Recipients in Singapore should contact Sanford C. Bernstein (Singapore) Private Limited in respect of matters arising from, or in connection with, this publication. Sanford C. Bernstein (Singapore) Private Limited is regulated by the Monetary Authority of Singapore and licensed under the SFA as a capital markets services licence holder for dealing in capital markets products that are securities and collective investment schemes and an exempt financial adviser for advising on, issuing and promulgating analyses and reports on securities. Sanford C. Bernstein (Singapore) Private Limited is registered in Singapore with Company Registration No. 20213710W and located at 8 Marina Boulevard, #12-01, Marina Bay Financial Centre, Singapore 018981, +65-6326-7000.

To our readers in the People's Republic of China: The securities referred to in this document are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, the "PRC") in contravention of any applicable laws of the PRC.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

We do not represent that this document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

To our readers in Japan: This publication is being distributed in Japan by Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社), which is registered in Japan as a Financial Instruments Business Operator with the Kanto Local Finance Bureau (registration number: The Director-General of Kanto Local Finance Bureau (FIBO) No.3387) and regulated by the Financial Services Agency. It is also a member of Investment Management Association of Japan. This publication is solely for qualified institutional investors in Japan only, as defined in Article 2, paragraph (3), items (i) of the Financial Instruments and Exchange Act.

For the institutional client readers in Japan who have been granted access to the Bernstein website by Daiwa Securities Group Inc. ("Daiwa"), your access to this document should not be construed as meaning that Bernstein is providing you with investment advice for any purposes. Whilst Bernstein has prepared this document, your relationship is, and will remain with, Daiwa, and Bernstein has neither any contractual relationship with you nor any obligations towards you.

To our readers in Australia: Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is responsible for distributing research in Australia. It is regulated by the Securities and Exchange Commission under U.S. laws, by the Financial Conduct Authority under U.K. laws, which differs from Australian laws. Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

To our readers in India: This publication is being distributed in India by Sanford C. Bernstein (India) Private Limited (SCB India) which is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. SCB India is currently engaged in the business of providing research and stock broking services. Please refer to www.bernsteinresearch.in for more information.

- SCB India is a Private limited company incorporated under the Companies Act, 2013, on April 12, 2017 bearing corporate identification number U65999MH2017FTC293762, and registered office at Level 3A, 4th Floor, First International Financial Centre, Plot Nos C-54 and C-55, G Block, Near CBI Office, Bandra Kurla Complex, Bandra (East), Mumbai 400098, Maharashtra, India (Phone No: +91-22-68421401).
- For details of Associates (i.e., affiliates/group companies) of SCB India, kindly email MUM-BERNSTEIN-InCompliance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- SCB India does not have any disciplinary history as on the date of this report.
- Except as noted above, SCB India and/or its Associates (i.e., affiliates/group companies), the Research Analysts authoring this report, and their relatives
  - do not have any financial interest in the subject company
  - do not have actual/beneficial ownership of one percent or more in securities of the subject company;
  - is not engaged in any investment banking activities for Indian companies, as such;

- have not managed or co-managed a public offering in the past twelve months for any Indian companies;
- have not received any compensation for investment banking services or merchant banking services from the subject company in the past 12 months;
- have not received compensation for brokerage services from the subject company in the past twelve months;
- have not received any compensation or other benefits from the subject company or third party related to the specific recommendations or views in this report; and
- do not currently, but may in the future, act as a market maker in the financial instruments of the companies covered in the report.
- do not have any conflict of interest in the subject company as of the date of this report.

- Except as noted above, the subject company has not been a client of SCB India during twelve months preceding the date of distribution of this research report. Neither SCB India nor its Associates (i.e., affiliates/group companies) have received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months.
- The principal research analyst(s) who prepared this report, members of the analysts' team, and members of their households are not an officer, director, employee or advisory board member of the companies covered in the report.
- Our Compliance officer / Grievance officer is Ms. Rupal Talati, who can be reached at +91-22-68421451, or MUM-BERNSTEIN-InCompliance@bernsteinsg.com / Scbin-investorgrievance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- Kindly refer to the Research investor charter and Research Most Important Terms & Conditions (MITC) available at (https://bernsteinresearch.in/)
- Disclaimer: Registration granted by SEBI, and certification from NISM, is in no way a guarantee of performance of the intermediary or provide any assurance of returns to investors. Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

To our readers in Switzerland: This document is provided in Switzerland by or through Bernstein Autonomous LLP, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

To our readers in the Middle East: Bernstein Autonomous LLP, DIFC branch has its principal office at Gate Village 06, DIFC, Dubai, UAE. Bernstein Autonomous LLP, DIFC branch is regulated by the Dubai Financial Services Authority (DFSA) with the registration number CL10040 and is provisioned for Arranging Deals in Investments and Advising on Financial Products. All communications and services are directed at Professional Clients and Market Counterparties only (as defined in the DFSA rulebook). Persons other than Professional Clients and Market Counterparties, such as Retail Clients, are not the intended recipients of our communications or services.

LEGAL

All research publications are disseminated to our clients through posting on the firm's password protected websites, bernsteinresearch.com and autonomous.com. Certain, but not all, research publications are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience.

This publication has been published and distributed in accordance with the Firm's policy for management of conflicts of interest in investment research, a copy of which is available from Bernstein Institutional Services LLC, Director of Compliance, 245 Park Avenue, New York, NY 10167. Additional disclosures and information regarding Bernstein's business are available on our website www.bernsteinresearch.com.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may

be permitted by law. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any of the entities referenced herein or any of their subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. This publication is based upon public sources we believe to be reliable, but no representation is made by us that the publication is accurate or complete. We do not undertake to advise you of any change in the reported information or in the opinions herein. This publication was prepared and issued by entity referred to herein for distribution to eligible counterparties or professional clients. This publication is not an offer to buy or sell any security, and it does not constitute investment, legal or tax advice. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with their professional advisors in light of their specific circumstances. The value of investments may fluctuate, and investments that are denominated in foreign currencies may fluctuate in value as a result of exposure to exchange rate movements. Information about past performance of an investment is not necessarily a guide to, indicator of, or assurance of, future performance.

This report is directed to and intended only for our clients who are "eligible counterparties", "professional clients", "institutional investors" and/or "professional investors" as defined by the aforementioned regulators, and must not be redistributed to retail clients as defined by the aforementioned regulators. Retail clients who receive this report should note that the services of the entities noted herein are not available to them and should not rely on the material herein to make an investment decision. The result of such act will not hold the entities noted herein liable for any loss thus incurred as the entities noted herein are not registered/ authorised/ licensed to deal with retail clients and will not enter into any contractual agreement/arrangement with retail clients. This report is provided subject to the terms and conditions of any agreement that the clients may have entered into with the entities noted herein. All research reports are disseminated on a simultaneous basis to eligible clients through electronic publication to our client portal.

The information in this report was prepared by Bernstein solely for the internal business use of our clients. Clients may store, display, analyze, reformat and print the information in this report for this limited use only. Clients may not copy, alter, create derivative works, resell, reverse engineer, commercially exploit, share or distribute any part of the information contained herein for any purpose without Bernstein's express written consent. These restrictions include extracting data or using the content to develop indices or other products. Further, you may not use this report, or any portion of this report, to train or finetune any third-party machine learning or artificial intelligence system, or as a prompt or input into any such system. You also may not, without Bernstein's express written consent, do any of the foregoing in connection with your own internal machine learning or artificial intelligence system.

Bernstein may use artificial intelligence tools in the preparation of its materials. Any such materials are reviewed by Bernstein's research analysts prior to publication.

This report has been prepared for information purposes only and is based on current public information that we consider reliable, but the entities noted herein do not warrant or represent (express or implied) as to the sources of information or data contained herein are accurate, complete, not misleading or as to its fitness for the purpose intended even though the entities noted herein rely on reputable or trustworthy data providers, it should not be relied upon as such. Opinions expressed are the author(s)' current opinions as of the date appearing on the material only and we do not undertake to advise you of any change in the reported information or in the opinions herein.

Any references to Societe Generale herein are purely factual, based upon publicly available information, and included for comparative purposes only. They do not constitute an opinion or recommendation with respect to the securities of Societe Generale.

This publication was prepared and issued by the entity referred to herein for distribution to eligible counterparties or professional clients. The information in this report is intended for general circulation and does not constitute an offer to buy or sell any security, investment, legal or tax advice nor a personal recommendation, as defined by any of the aforementioned regulators. It does not take into account the particular investment objectives, financial situations, or needs of individual investors. The report has not been reviewed by any of the aforementioned regulators and does not represent any official recommendation from the aforementioned regulators. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with advice sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any recipient of the recommendation, before the recipient makes a commitment to purchase the investment product.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The information in this report does not constitute, or form part of, any offer to sell or issue, or any offer to purchase or subscribe for shares, or to induce engagement in any other investment activity. The value of any securities or financial instruments mentioned in this report may fluctuate subject to market conditions. Information about past performance of an investment is not necessarily a guide to, indicative of, or assurance of future performance. Estimates of future performance mentioned by the research analyst in this report are based on assumptions that may not be realized due to unforeseen factors like market volatility/fluctuation. In relation to securities or financial instruments denominated in a foreign currency other than the clients'

home currency, movements in exchange rates will have an effect on the value, either favorable or unfavorable. Before acting on any recommendations in this report, recipients should consider the appropriateness of investing in the subject securities or financial instruments mentioned in this report and, if necessary, seek independent professional advice.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject the entities noted herein to any regulation or licensing requirement within such jurisdiction.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

No part of this material may be reproduced, distributed or transmitted or otherwise made available without prior consent of the entities noted herein. Copyright Bernstein Institutional Services LLC Bernstein Autonomous LLP, BSG France S.A., Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited and Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社). All rights reserved. The trademarks and service marks contained herein are the property of their respective owners. Any unauthorized use or disclosure is strictly prohibited. The entities noted herein may pursue legal action if the unauthorized use results in any defamation and/or reputational risk to the entities noted herein and research published under the Bernstein and Autonomous brands.