

EHang Holdings (EH US)

Expect growth to accelerate in 2026E following a reduction of revenue guidance this year

EHang's eVTOL aircraft delivery in 2Q25 grew 39% YoY to 68 units, which also suggests a strong sequential recovery from only 11 units in 1Q25. While EHang slashed the full-year revenue target by >40% to RMB500mn (implying +10% YoY), management emphasized that the change in delivery plan is a result of the pursuit of safety instead of a slowdown of end-demand. Management expects the growth to accelerate in 2026E and we still like EHang's structural growth potential in both China and overseas' eVTOL market. We revise down our 2025E-27E revenue forecast by 24-43%, and expect the strategic loss to continue. We roll over our valuation base to 2026E, with new TP of US\$27.7 based on an unchanged 15x P/S multiple. Maintain **BUY**.

- **Key highlights in 2Q25 results.** Revenue grew 44% YoY to RMB147mn, driven by 39% YoY increase in the eVTOL aircraft delivery and 4% YoY increase in ASP. Gross margin slightly expanded 0.2ppts YoY to 62.6%. The net loss in 2Q25 slightly expanded 1% YoY to RMB78mn due to the increase in SG&A expense ratio. In 1H25, revenue / net loss increased 5.8% / 18% YoY to RMB173mn / RMB159mn. EHang maintained a net cash position as at end-Jun 2025.
- **eVTOL delivery and new orders.** EHang delivered 68 units (67 units of EH216) in 2Q25 to 13 enterprise clients (12 in China) across different provinces in China and Japan. Meanwhile, Ehang received new orders of >150 units (90% in China), with planned deliveries over the upcoming quarters.
- **VT35 eVTOL development on good track.** VT35 is the next-generation long-range lift-and-cruise pilotless eVTOL (an upgraded version of VT30). VT35 is advancing with internal testing and flights, as well as strengthened collaboration with the Hefei government. EHang plans to launch VT35 in Sep 2025.
- **Public-facing commercial operating services will be launched this year.** In Mar, EHang obtained the OC for its subsidiary in Guangdong and JV in Hefei. The two OC companies have launched trial commercial operations and completed >700 safe flights since 2Q25, paving the way for expected launch of public-facing commercial operation services this year.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	117	456	514	840	1,245
YoY growth (%)	165.0	288.5	12.7	63.4	48.2
Adjusted net profit (RMB mn)	(301.7)	(229.8)	(296.4)	(175.3)	(32.2)
EPS (Reported) (RMB cents)	(496.82)	(363.08)	(468.32)	(276.98)	(50.89)
Consensus EPS (RMB)	na	na	1.66	4.44	6.72
P/S (x)	63.5	16.3	14.5	8.9	6.0
P/E (x)	ns	ns	ns	ns	ns
P/B (x)	34.9	7.8	11.3	15.4	16.2
Yield (%)	0.0	0.0	0.0	ns	ns
ROE (%)	(178.9)	(39.3)	(36.7)	(30.7)	(6.8)
Net gearing (%)	(68.1)	(54.0)	(22.0)	31.3	33.2

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price US\$27.70
 (Previous TP) US\$30.00
Up/Downside 68.4%
Current Price US\$16.45

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Stock Data

Mkt Cap (US\$ mn)	1,041.0
Avg 3 mths t/o (US\$ mn)	8.7
52w High/Low (US\$)	26.45/11.62
Total Issued Shares (mn)	63.3

Source: FactSet

Shareholding Structure

Huazhi Hu	30.7%
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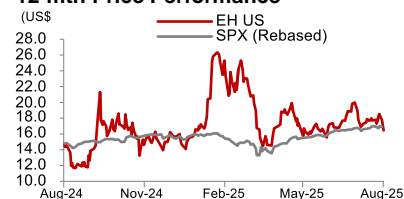
Source: SEC

Share Performance

	Absolute	Relative
1-mth	-17.7%	-18.7%
3-mth	4.2%	-4.5%
6-mth	-30.4%	-36.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related report:

1Q25 results below expectations due to delay of product delivery; Expect recovery in 2Q25E – 27 May 2025 ([link](#))

Obtained the first-ever OC for commercial operations – 30 Mar 2025 ([link](#))

Net loss in 4Q24 further narrowed; target to achieve 97% revenue growth in 2025E – 12 Mar 2025 ([link](#))

First mover in eVTOL set to ride on the momentum of low-altitude economy – 25 Feb 2025 ([link](#))

Figure 1: EHang's quarterly results

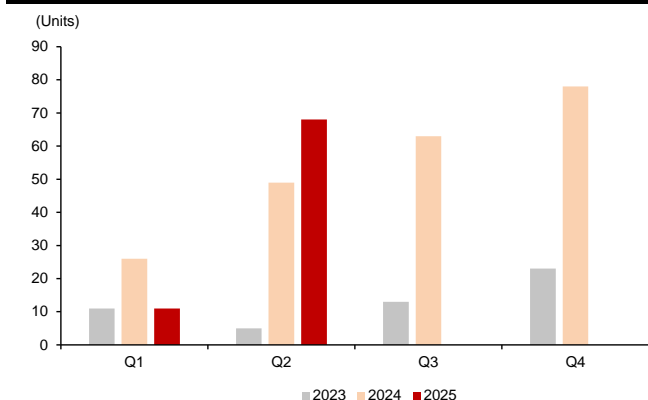
(RMB mn)	1Q24	1Q25	Change YoY	2Q24	2Q25	Change YoY	3Q23	3Q24	Change YoY	4Q23	4Q24	Change YoY
Total revenue	62	26	-58%	102	147	44%	29	128	348%	57	164	190%
Cost of sales	(24)	(10)	-58%	(38)	(55)	44%	(10)	(50)	390%	(20)	(65)	223%
Gross profit	38	16	-57%	64	92	45%	18	78	324%	37	100	172%
Other income	4	5	26%	2	3	21%	1	18	1266%	3	6	138%
S&D expenses	(20)	(12)	-40%	(27)	(41)	51%	(14)	(47)	246%	(21)	(36)	75%
Administrative expenses	(50)	(61)	23%	(54)	(74)	37%	(38)	(60)	55%	(56)	(69)	24%
R&D expenses	(38)	(37)	-1%	(62)	(58)	-7%	(38)	(44)	16%	(38)	(56)	47%
EBIT	(66)	(90)	37%	(77)	(78)	1%	(70)	(55)	-22%	(75)	(55)	-26%
Net finance income/(cost)	2	11	443%	6	11	79%	1	8	448%	4	11	205%
Other gains/(losses)	1	2	193%	0	(12)	n/a	2	0	-78%	(1)	(1)	-41%
Share of profit of JV and associates	(0)	(2)	399%	(1)	(1)	163%	(0)	(2)	545%	0	(2)	n/a
Pretax profit	(63)	(78)	24%	(72)	(81)	13%	(67)	(48)	-28%	(72)	(47)	-35%
Income tax	(0)	(0)	0%	(0)	(0)	533%	(0)	(0)	61%	(0)	(0)	139%
After tax profit	(63)	(78)	24%	(72)	(81)	13%	(67)	(48)	-28%	(72)	(47)	-35%
MI	0	0	378%	0	0	127%	0	0	12%	0	0	-90%
Net profit	(63)	(78)	23%	(72)	(81)	13%	(67)	(48)	-28%	(72)	(47)	-35%
Key ratios	Change (ppt)			Change (ppt)			Change (ppt)			Change (ppt)		
Gross margin	61.9%	62.4%	0.6	62.4%	62.6%	0.2	64.6%	61.2%	-3.4	64.7%	60.7%	-4.0
S&D expenses ratio	32.8%	46.9%	14.1	26.8%	28.0%	1.2	47.8%	36.9%	-10.9	36.6%	22.0%	-14.6
Administrative expense ratio	80.5%	235.1%	154.6	53.2%	50.4%	-2.7	134.2%	46.5%	-87.7	98.3%	42.2%	-56.1
R&D expense ratio	61.3%	142.9%	81.6	60.6%	39.1%	-21.5	131.7%	34.2%	-97.5	67.4%	34.1%	-33.3
Net margin	-102.7%	-300.4%	-197.7	-70.2%	-55.1%	15.2	-234.5%	-37.6%	197.0	-128.0%	-28.5%	99.5
Effective tax rate	0.0%	0.0%	0.0	0.0%	-0.1%	-0.1	-0.2%	-0.4%	-0.2	-0.1%	-0.4%	-0.3

Source: Company data, CMBIGM

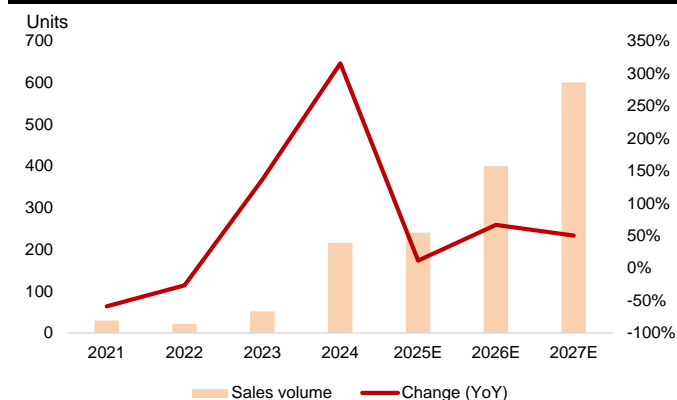
Figure 2: Change in assumptions

	2025E	Old 2026E	2027E	2025E	New 2026E	2027E	2025E	Change 2026E	2027E
(RMB mn)									
Revenue by segment									
Air mobility solutions	876	1,314	1,616	491	813	1,215	-44%	-38%	-25%
Smart city management solutions	1	1	1	1	1	1	0%	0%	0%
Aerial media solutions & others	22	26	28	22	26	28	0%	0%	0%
Others	0	0	0	0	0	0	n/a	n/a	n/a
Total	899	1,341	1,646	514	840	1,245	-43%	-37%	-24%
Gross profit									
Products	534	789	947	297	486	710	-44%	-38%	-25%
Services	15	19	20	15	19	20	0%	0%	0%
Total	549	808	967	313	504	731	-43%	-38%	-24%
Gross margin							Change in ppt		
Products	61.5%	60.5%	59.0%	61.5%	60.5%	59.0%	0.00	0.00	0.00
Services	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	0.00	0.00	0.00
Blended	61.1%	60.2%	58.8%	60.8%	60.0%	58.7%	(0.30)	(0.17)	(0.07)
Operating assumptions									
Volume (units)									
Sales volume	432	650	800	241	400	600	-44%	-38%	-25%
Product									
ASP (RMB 000/unit)	2,004	2,004	2,004	2,004	2,004	2,004	0%	0%	0%
Unit cost (RMB 000/unit)	773	792	822	773	793	822	0%	0%	0%
Unit gross profit (RMB 000/unit)	1,231	1,211	1,181	1,230	1,211	1,181	0%	0%	0%
S&D expense ratio	15.2%	12.0%	12.0%	28.0%	22.0%	18.0%	12.8	10.0	6.0
Administrative expense ratio	31.0%	18.3%	16.0%	55.0%	37.0%	27.0%	24.0	18.7	11.0
R&D expense ratio	26.0%	18.0%	17.0%	40.0%	25.0%	18.0%	14.0	7.0	1.0
Net profit/(loss)	(64)	178	246	(296)	(175)	(32)	362.8%	-198.2%	-113.1%

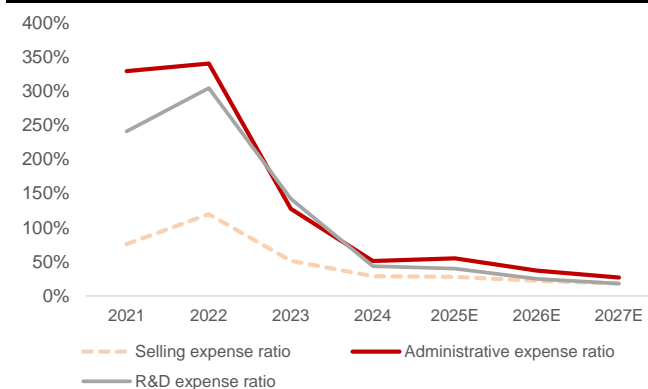
Source: Company data, CMBIGM

Figure 3: Quarterly deliveries of EH216 series

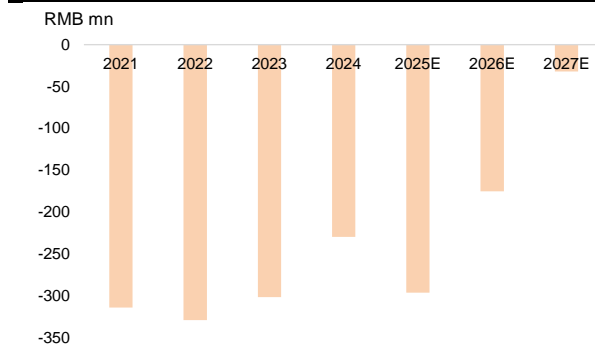
Source: Company data, CMBIGM

Figure 4: Annual deliveries of EH216 series

Source: Company data, CMBIGM estimates

Figure 5: SG&A expense ratio on a downtrend

Source: Company data, CMBIGM estimates

Figure 6: Net profit trend

Source: Company data, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	44	117	456	514	840	1,245
Cost of goods sold	(15)	(42)	(176)	(202)	(336)	(514)
Gross profit	29	75	280	313	504	731
Selling expense	(53)	(60)	(131)	(144)	(185)	(224)
Admin expense	(151)	(150)	(233)	(283)	(311)	(336)
R&D expense	(135)	(167)	(199)	(206)	(210)	(224)
Other income	6	6	30	21	25	25
Other gains/(losses)	(28)	(10)	1	(7)	(1)	(1)
Share of (losses)/profits of associates/JV	0	(2)	(4)	(1)	1	1
EBITDA	(283)	(275)	(234)	(262)	(137)	13
Depreciation	21	21	20	37	39	42
EBIT	(304)	(296)	(253)	(299)	(176)	(29)
Interest income	5	8	31	14	4	(1)
Interest expense	(2)	(3)	(3)	(3)	(3)	(3)
Net Interest income/(expense)	3	6	27	11	1	(4)
Pre-tax profit	(329)	(302)	(230)	(296)	(175)	(32)
Income tax	(0)	(0)	(0)	0	0	0
Minority interest	0	1	0	0	0	0
Net profit	(329)	(302)	(230)	(296)	(175)	(32)
Adjusted net profit	(329)	(302)	(230)	(296)	(175)	(32)
Gross dividends	0	0	0	0	(9)	(2)

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	387	453	1,357	868	822	812
Cash & equivalents	249	228	611	241	(56)	(58)
Account receivables	20	35	58	55	107	153
Inventories	72	59	76	(4)	100	55
ST bank deposits	0	34	30	30	30	30
Financial assets at FVTPL	0	14	0	0	0	0
Other current assets	45	82	582	547	642	631
Non-current assets	144	146	227	474	497	521
PP&E	47	45	60	310	336	358
Deferred income tax	0	0	0	0	0	0
Investment in JVs & assos	10	18	34	33	34	35
Intangibles	2	2	2	3	2	2
Goodwill	0	0	0	0	0	0
Financial assets at FVTPL	0	0	0	0	0	0
Other non-current assets	85	80	131	129	125	126
Total assets	531	599	1,584	1,342	1,319	1,333
Current liabilities	282	250	470	525	676	714
Short-term borrowings	121	73	75	75	75	75
Account payables	35	35	127	182	333	371
Tax payable	0	0	0	0	0	0
Other current liabilities	126	142	268	268	268	268
Non-current liabilities	124	134	158	158	158	158
Long-term borrowings	4	9	21	21	21	21
Other non-current liabilities	120	125	138	138	138	138
Total liabilities	406	384	629	683	835	872
Total shareholders equity	124	214	956	659	484	461
Minority interest	0	0	0	0	0	0
Total equity and liabilities	531	599	1,584	1,342	1,319	1,333

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	(329)	(302)	(230)	(296)	(175)	(32)
Depreciation & amortization	21	21	20	37	39	42
Tax paid	0	0	(0)	0	0	0
Change in working capital	(6)	21	93	170	(98)	43
Others	141	171	275	(10)	(2)	3
Net cash from operations	(173)	(88)	158	(100)	(236)	55
Investing						
Capital expenditure	(12)	(8)	(16)	(280)	(60)	(60)
Acquisition of subsidiaries/ investments	0	0	0	0	0	0
Others	69	(121)	(466)	12	2	(2)
Net cash from investing	56	(129)	(483)	(268)	(58)	(62)
Financing						
Dividend paid	0	0	0	0	0	9
Net borrowings	37	(55)	(77)	0	0	0
Proceeds from share issues	70	250	698	0	0	0
Others	0	0	80	(3)	(3)	(3)
Net cash from financing	107	195	701	(3)	(3)	6
Net change in cash						
Cash at the beginning of the year	247	249	228	611	241	(56)
Exchange difference	13	1	6	0	0	0
Cash at the end of the year	249	228	611	241	(56)	(58)
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(22.0%)	165.0%	288.5%	12.7%	63.4%	48.2%
Gross profit	(18.9%)	157.7%	271.7%	11.7%	61.3%	44.9%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	65.9%	64.1%	61.4%	60.8%	60.0%	58.7%
EBITDA margin	(638.7%)	(234.1%)	(51.2%)	(51.1%)	(16.4%)	1.0%
Adj. net profit margin	(742.7%)	(256.9%)	(50.4%)	(57.6%)	(20.9%)	(2.6%)
Return on equity (ROE)	(144.2%)	(178.9%)	(39.3%)	(36.7%)	(30.7%)	(6.8%)
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	(1.0)	(0.7)	(0.5)	(0.2)	0.3	0.3
Current ratio (x)	1.4	1.8	2.9	1.7	1.2	1.1
Receivable turnover days	418.7	107.7	38.9	41.0	36.0	39.0
Inventory turnover days	1,818.5	571.4	140.0	65.0	52.0	55.0
Payable turnover days	979.3	305.7	168.4	280.0	280.0	250.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	ns	ns	ns	ns	ns	ns
P/B	55.2	34.9	7.8	11.3	15.4	16.2
Div yield (%)	0.0	0.0	0.0	0.0	ns	ns

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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