EQUITY RESEARCH

JOYSON Electronics (600699 CH)

Expanding into Robotics to Build a Second Growth Curve

China | Automobile Parts | Company Updates

3 March, 2026

Company Profile

As a leading global supplier in automotive electronics and automotive safety, Joyson Electronics provides one-stop solutions in key technology areas of intelligent electric vehicles to global OEMs. The Company's business is divided into two major segments: automotive electronics and automotive safety. The automotive electronics segment mainly includes intelligent cockpit, intelligent connectivity, intelligent driving and new energy management, while the automotive safety segment mainly includes products related to seatbelts, airbags, intelligent steering wheels and integrated safety solutions. In 2025, the Company strategically extended into the upstream and downstream of the robotics industry chain, newly positioning itself as "Automotive + Robotics Tier1" and actively building a second growth curve.

Investment Summary

The Company Released Its 2025 Earnings Forecast: Core Profit up 17%

It is expected that in 2025 the Company will realise net profit attributable to owners of the parent company of approximately RMB1.35 billion (RMB, the same below), up 40.56% yoy; net profit attributable to the parent company excluding non-recurring items is expected to be approximately RMB1.5 billion, up approximately 17.02% yoy. The difference between the two is mainly due to non-recurring losses of approximately RMB160 million arising from the transfer of the weighing apparatus business by the Company's listed subsidiary Guangdong Xiangshan Weighing Apparatus Group Co., Ltd. (002870.CH), as well as the optimisation and disposal of certain overseas factories. The Company attributes the growth in results to the gradual effectiveness of various profitability improvement and business integration measures implemented across global business regions in 2025, as well as the continued recovery in profitability of overseas operations.

Profitability of Core Businesses Continued to Improve

Through optimising and integrating its global operations, particularly achieving notable results in reducing global raw material costs and improving operational efficiency, the Company has significantly enhanced its operating performance and profitability. The Company's overall gross margin increased from 11.1% in 2022 to 14.5% in 2023, further rising to 16.2% in 2024, and continued to increase to 18.31% as of the third quarter of 2025. From a regional perspective, overseas markets have focused on continuously reducing raw material costs by introducing Chinese suppliers and optimising procurement prices from existing suppliers. Meanwhile, the Company's global operational improvement team has continued to optimise and enhance OEE (Overall Equipment Effectiveness) at overseas factories, while adjusting and relocating production capacity from high-cost countries/regions to low-cost countries/regions, thereby steadily driving gross margin improvement. In particular, cost improvement measures in the European region were implemented earlier and achieved significant gross margin enhancement during the reporting period. Cost improvement measures in the Americas were implemented relatively later, and gross margin is expected to improve correspondingly in the future, with profitability continuing to strengthen..

BUY (Maintain)

CMP CNY 27.37

(Closing price as at 2 March)

TARGET CNY 33.4 (+22%)

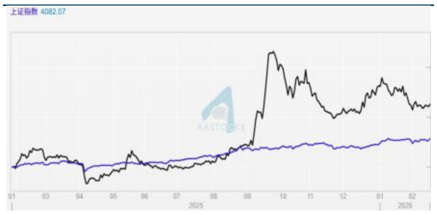
COMPANY DATA

O/S SHARES (MN) :	1551
MARKET CAP (CNY MN) :	40454
52 - WK LO/HI (CNY):	13.56/ 39.98

SHARE HOLDING PATTERN, %

JOYSON Group	37.31

PRICE VS. SHCOMP



Source: Aastocks, Phillip Securities (HK) Research

KEY FINANCIALS

CNY mn	FY24	FY25F	FY26F	FY27F
Net Sales	**55864**	**62506**	**66952**	**72136**
Net Profit	960	1369	1852	2214
EPS, CNY	0.62	0.88	1.19	1.43
P/E, x	44.2	31.0	22.9	19.2
BVPS, CNY	8.74	9.24	10.06	11.02
P/BV, x	3.1	3.0	2.7	2.5
DPS (CNY)	0.26	0.35	0.45	0.50
Div. Yield (%)	0.9%	1.3%	1.6%	1.8%

Source: Company reports, Phillip Securities Est.

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Sufficient Orders on Hand with Sustainable Growth Potential in Core Businesses

In the third quarter of 2025, the Company secured new orders with a total full lifecycle amount of approximately RMB40.2 billion. In the first three quarters, the Company's cumulative global newly secured orders reached approximately RMB71.4 billion in total full lifecycle amount, of which approximately RMB39.6 billion was from the automotive safety segment and approximately RMB31.8 billion was from the automotive electronics segment. According to Frost & Sullivan, in 2024 the Company's market share in automotive safety products ranked second globally, with global and China market shares of 22.9% and 26.1%, respectively. It is estimated that by 2029, the global and domestic market sizes of the automotive passive safety industry will grow to RMB213.6 billion and RMB49.7 billion, respectively, representing CAGR of 5.4% and 7.8%, respectively, from 2025. It is further expected that by 2029, the global and China automotive electronics market sizes will reach RMB3,330.3 billion and RMB1,892.6 billion, respectively, representing CAGR of 5.8% and 9.4%, respectively, from 2025. In H1 2025, the automotive safety and automotive electronics segments accounted for 62.53% and 27.53% of revenue, respectively. As the Company firmly drives development through technological innovation in automotive electronics, maintaining intensive R&D investment in intelligent cockpit, intelligent driving, intelligent connectivity, vehicle-road-cloud coordination and high-voltage fast charging for new energy vehicles, it ensures sustained leadership in key technology areas and possesses long-term growth potential.

Expanding into Robotics to Build a Second Growth Curve

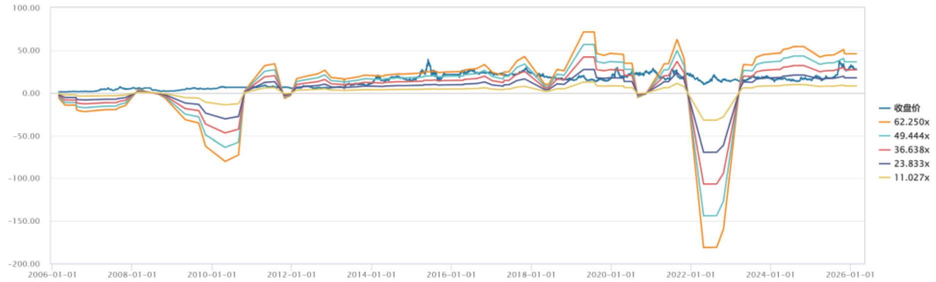
According to Frost & Sullivan, the humanoid robot market size is expected to surge from USD2.3 billion in 2025 to USD12.9 billion in 2029, representing a CAGR of 54.4%. The Company has established strategic partnerships with several leading domestic and international robotics companies and has successfully launched a series of products, including AI-empowered robot head assemblies, integrated robot domain controllers and next-generation robot energy management solutions.

Investment Thesis

As a leading enterprise in automotive safety and automotive intelligence, the Company possesses strong R&D capabilities. Its automotive-related businesses are expected to continue benefiting from the global trends of vehicle electrification and intelligence, while its expansion into the humanoid robotics field is poised to open up a second growth curve.

We expect Joyson's EPS for 2025-2027 to be 0.88/1.19/1.43 yuan. We revised the target price of RMB 33.4 equivalent to37.8/28.0/23.4x E P/E 2025-2027 and assign Buy ratings. (Closing price as at 2 March)

Valuation Band （P/E P/B）



Source: Wind, Phillip Securities Hong Kong Research

Risk

Operating collision in Joyson's M&A

Worse-than-expected downstream demand

Financials

FYE DEC	FY24	FY25F	FY26F	FY27F
Valuation Ratios				
P/E (X), adj.	44.2	31.0	22.9	19.2
P/B (X)	3.1	3.0	2.7	2.5
Dividend Yield (%)	0.9%	1.3%	1.6%	1.8%
Per share data (RMB)				
EPS, (Basic)	0.62	0.88	1.19	1.43
EPS, (Diluted)	0.62	0.88	1.19	1.43
DPS	0.26	0.35	0.45	0.50
BVPS	8.74	9.24	10.06	11.02
Growth & Margins (%)				
Growth				
Revenue	1.4%	11.9%	7.1%	7.7%
EBIT	24.9%	22.0%	22.4%	17.0%
Net Income, adj.	22.0%	42.6%	35.2%	19.6%
Margins				
Gross margin	16.2%	18.6%	18.5%	19.0%
EBIT margin	5.1%	5.5%	6.3%	6.9%
Net Profit Margin	1.7%	2.2%	2.8%	3.1%
Key Ratios				
ROE	6.74%	9.82%	12.37%	13.54%

Income Statement (RMB mn)				
Revenue	**55864**	**62506**	**66952**	**72136**
Gross profit	9064	11601	12386	13691
EBIT	2832	3454	4228	4946
Profit before tax	1996	2447	3073	3817
Tax	669	759	891	1107
Profit for the period	1326	1688	2182	2710
Minority interests	366	319	330	496
Total capital share	1409	1551	1551	1551
Net profit	**960**	**1369**	**1852**	**2214**

Source: PSR

(Closing price as at 2 March)

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20%upside from the current price
-5% to +5%	Neutral	3	Trade within ± 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20%downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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