

Yutong (600066 CH)

Exports and Premiumisation Become Core Engines

China | Automobile | Company Updates

29 April 2026

Company Profile

Yutong is a leading domestic bus manufacturer. Its products cover various market segments including long-distance coaches, tourist coaches, city buses, staff commuter buses, school buses, sightseeing buses, airport shuttle buses, autonomous microcirculation buses, and special-purpose vehicles, meeting market demands across different vehicle lengths from 5 metres to 18 metres. The company has maintained the number one sales volume of large and medium-sized buses in China for 22 consecutive years, securing its industry-leading position.

Investment Summary

FY2025 Net Profit Up 35% yoy; High Dividend Demonstrates Strength

Yutong reported revenue of RMB41.4 billion (RMB, the same below) in 2025, up 11% yoy; net profit attributable to the parent company of RMB5.55 billion, up 35% yoy; and net profit attributable to the parent company excluding non-recurring items of RMB4.58 billion, up 32% yoy. The Company implemented a high dividend plan, with an annual cash dividend of RMB2 per share, together with an interim dividend of RMB0.5 per share, bringing total cash dividends for the year to RMB5,535 million, close to 100% of its RMB5,554 million net profit, fully demonstrating the Company's abundant cash flow and management's commitment to shareholder returns.

Exports and Premiumisation Become Core Engines of Results Growth

Yutong recorded sales volume of 49.5 thousand units in 2025, up 5.5% yoy, of which domestic sales volume was 32 thousand units, down 1.7% yoy; exports were 17 thousand units, up 22.5% yoy, accounting for 34.6% of total sales volume. Among them, exports of new energy buses reached 4,011 units, up 48.6% yoy, accounting for 23.39% of export sales volume, up 4 pts yoy, while exports of higher-ASP medium and large buses also increased by 22.5% yoy. High export growth and premiumisation of the sales mix drove strong growth in both revenue and profit, serving as the core engines of results growth.

On the expense side, the full-year selling expense ratio/administration expenses ratio/R&D expense ratio were 3.44%/2.02%/4.36%, down 0.18/0.02/0.44 pts yoy, respectively, reflecting the dual positive effects of product premiumisation and economies of scale. Financial expenses increased by RMB140 million due to reduced foreign exchange gains caused by exchange rate fluctuations. However, asset and credit impairment losses decreased by a total of RMB440 million, boosting profit. The final net profit margin was 13.4%, far exceeding the industry average.

Domestic Weakness and Overseas Strength Drive Gross Margin Expansion

During the period, global penetration of new energy buses continued to increase. Coupled with the Company's advantages in technology, manufacturing, supply chain, service, and cost, this jointly propelled Yutong's export business to a new level.

In 2025, the Company's overseas revenue reached RMB21.1 billion, up 38.87% yoy, with its share of total revenue increasing by approximately 10 pts to 50.9%. Export ASP reached RMB1.23 million per unit, significantly higher than the domestic level of RMB480 thousand. Export gross margin was 29.6%, up 1.2 pts yoy, and significantly higher than the domestic level of 19.1%. The expanding export mix drove overall gross margin up 1.2 pts yoy to 24.14%.

BUY (Maintain)

CMP CNY 35.63

(Closing price as at 28 April)

TARGET CNY 43.5 (+22.09%)

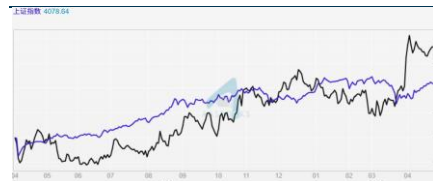
COMPANY DATA

O/S SHARES (MN) :	2214
MARKET CAP (CNY MN) :	78883
52 - WK HI/LO (CNY):	38.5/ 23.75

SHARE HOLDING PATTERN, %

Yutong Group	37.7
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PRICE VS. SHCOMP



Source: Aastock, Phillip Securities (HK) Research

KEY FINANCIALS

CNY mn	FY25	FY26E	FY27E	FY28E
Net Sales	41426	46862	51307	54352
Net Profit	5554	6004	6919	7662
EPS, CNY	2.51	2.71	3.13	3.46
P/E, x	14.2	13.1	11.4	10.3
BVPS, CNY	7.05	7.26	7.89	8.35
P/BV, x	5.1	4.9	4.5	4.3
DPS (CNY)	2.50	2.50	3.00	3.20
Div. Yield (%)	7.0%	7.0%	8.4%	9.0%

Source: Company reports, Phillip Securities Est.

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Domestic market revenue of 2025 was RMB15,402 million, down 12.38% yoy, with a gross margin of 19.09%, down 0.28 pts yoy. This was mainly affected by the normalisation of demand in the domestic tourism market following the earlier recovery, as well as a stabilisation and adjustment of demand. While the urban bus segment achieved slight growth benefiting from the continuation of the “trade-in replacement” policy, while overall demand showed structural divergence.

Accelerated Expansion in Overseas New Energy Bus Segment

Yutong’s export business has covered six major regions, including Europe, the Americas, Asia-Pacific, the Middle East, the CIS, and Africa. The Company has achieved bulk exports of new energy buses to more than 60 countries and regions, and has established localised cooperation through KD assembly in more than ten countries and regions, including Kazakhstan, Pakistan, Ethiopia, and Malaysia, forming a global sales network characterised by “multi-polar support and risk diversification”, effectively hedging against domestic demand fluctuations. The Company’s first overseas new energy vehicle KD plant has been established in Qatar, with an annual production capacity of 300 units, expandable to 1,000 units, supporting continuous expansion in export share and marking a significant acceleration in the Company’s overseas new energy expansion. The overall penetration rate of overseas new energy buses is currently only about 15%, leaving substantial room for future growth. The Company’s overseas market share is expected to further increase, while the rising share of new energy buses will continue to drive net profit margin improvement.

In addition, the Company’s L2–L4 intelligent connected buses have achieved regular operations in 26 domestic cities as well as overseas markets such as Qatar and Singapore, covering multiple scenarios including public transport, industrial parks, and airports. With the accelerated commercialisation of autonomous driving technology, this is expected to further enhance product competitiveness and value-added.

2026Q1, ‘Hot Oversea and Chill domestic’ Trend Continued

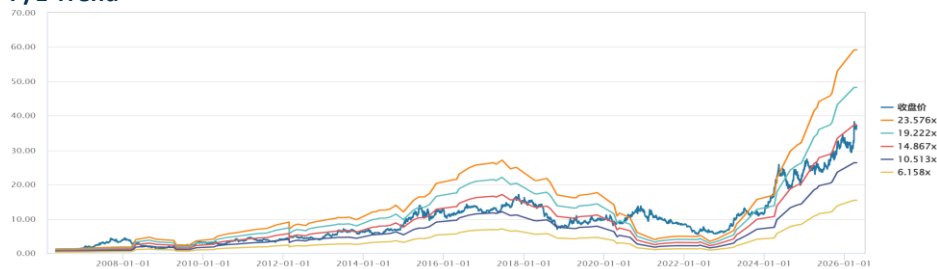
According to the Company’s FY2026Q1 result, Yutong’s revenue arrived 5.909 billion yuan, down 7.92% yoy; net profit attributable was 659 million yuan, down 12.69% yoy; and net cash flow from operating activities was 3.494 billion yuan, up 146.51% yoy. In terms of sales data, the Company sold a total of 7,652 vehicles in the first quarter, down 15.08% yoy. Domestic market sales were pressured by high base effects and industry adjustments (-29% yoy), while overseas markets (+31% yoy) and new energy bus exports (+57% yoy) continued to perform strongly.

Investment Thesis

The Company’s leading position remains solid, with significant economies of scale, mature technology, strong brand recognition, and supply chain advantages. Its performance is expected to sustain steady growth. Yutong has always placed importance on shareholder returns. Since its listing, the Company has maintained a cumulative payout ratio, highlighting its long-term investment value.

We forecast that Yutong’s EPS in 2026/2027/2028 will be RMB2.71/3.13/3.46yuan, our target price is set unchanged at RMB43.5. It is equivalent to a prospective 2025/2026/2027 PE of 16/13.9/12.6x respectively. We give “BUY” rating. (Closing price as at 28 April)

P/E Trend



Source: Wind, Phillip Securities Hong Kong Research

Financials

FYE DEC	FY24	FY25	FY26F	FY27F	FY28F
Valuation Ratios					
P/E (X), adj.	19.2	14.2	13.1	11.4	10.3
P/B (X)	5.9	5.1	4.9	4.5	4.3
Dividend payout ratio(%)	80.7%	99.6%	92.2%	96.0%	92.5%
Dividend Yield (%)	4.2%	7.0%	7.0%	8.4%	9.0%
Per share data (RMB)					
EPS, (Basic)	1.86	2.51	2.71	3.13	3.46
EPS, (Diluted)	1.86	2.51	2.71	3.13	3.46
DPS	1.50	2.50	2.50	3.00	3.20
BVPS	6.06	7.05	7.26	7.89	8.35
Growth & Margins (%)					
Growth					
Revenue	37.6%	11.3%	13.1%	9.5%	5.9%
EBIT	54.2%	25.8%	13.1%	19.0%	13.7%
Net Income, adj.	126.6%	34.9%	8.1%	15.2%	10.7%
Margins					
Gross margin	22.9%	24.1%	24.2%	25.0%	26.1%
EBIT margin	12.1%	13.7%	13.7%	14.9%	16.0%
Net Profit Margin	11.1%	13.4%	12.8%	13.5%	14.1%
Key Ratios					
ROE	30.1%	38.3%	37.9%	41.3%	42.6%
Income Statement (RMB mn)					
Revenue	37218	41426	46862	51307	54352
Gross profit	8539	10001	11336	12837	14191
EBIT	4508	5669	6413	7631	8674
Profit before tax	4723	6519	6901	8046	8868
Tax	568	894	828	1046	1117
Profit for the period	4155	5625	6073	7000	7751
Minority interests	38	71	69	80	89
Total capital share	2214	2214	2214	2214	2214
Net profit	4117	5554	6004	6919	7662

Source: PSR

(Closing price as at 28 April)

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 \pm 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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