Desay SV (002920 CH)

Continuous Updates of Intelligent Products

China | Automobile Components | Company Report

5 January 2026

Buy (Initiation)

CMP CNY 120.3

(Closing price as at 31 December 2025)

TARGET CNY 147 (+22.19%)

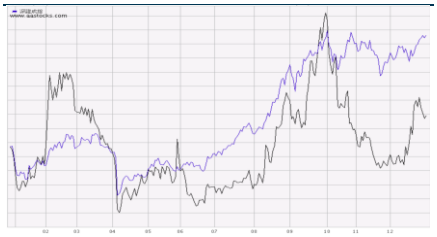
COMPANY DATA

O/S SHARES (MN) :	596.84
MARKET CAP (CNY MN) :	71800
52 - WK HI/LO (CNY):	154.17/89.9

SHARE HOLDING PATTERN, %

Guangdong Desay Group	26.32
Huizhou Chuangxin Touzi Ltd	20.16

PRICE VS. SHCOMP



Source: Phillip Securities (HK) Research

KEY FINANCIALS

CNY mn	FY24	FY25E	FY26E	FY27E
Net Sales	**27618**	**32576**	**39245**	**47957**
Net Profit	2005	2461	3120	3956
EPS, CNY	3.62	4.12	5.23	6.63
P/E, x	33.2	29.2	23.0	18.1
BVPS, CNY	17.38	25.61	30.72	37.21
P/BV, x	6.9	4.7	3.9	3.2
DPS (CNY)	1.20	1.30	1.60	2.00
Div. Yield (%)	1.0%	1.1%	1.3%	1.7%

Source: Company reports, Phillip Securities Est.

Research Analyst
ZhangJing (+ 86 21-63512939)
zhangjing@phillip.com.cn

Investment Summary

Company profile

Desay SV, established in 1986, is a leading company in the automotive electronics field, with its main products including intelligent cockpits, intelligent driving, and connected services. As the cornerstone of the company's revenue, the intelligent cockpit generated a revenue of RMB18.23 billion in 2024, (RMB, the same below), accounting for 66.01% of total revenue. The intelligent driving business also saw growth, with 2024 revenue reaching RMB7.314 billion, a yoy increase of 63.06%, accounting for 26.5%. The company's total revenue in 2024 amounted to 27.618 billion yuan, up 26.06% yoy, with a net profit of 2.005 billion, up 29.62% yoy.

Strong Performance in the First Three Quarters

In the first three quarters of 2025, the Company achieved revenues/net profits/net profits excluding non-recurring items of RMB22.337 billion/RMB1.788 billion/RMB1.724 billion, marking yoy increases of 17.72%/27.08%/19.02%, respectively. The gross margin was 19.70%, down 0.5 percentage points yoy. In the third quarter of 2025 alone, the company achieved revenues/net profits/net profits excluding non-recurring items of RMB7.692 billion/RMB0.565 billion/RMB0.571 billion, marking yoy increases of 5.63%, but a decline of 0.57% and 13.25%, respectively. Compared to the previous quarter, revenues/net profits/net profits excluding non-recurring items decreased by 2.04%, 11.74%, and 12.86%, respectively. The third-quarter performance declined quarter-on-quarter, mainly due to the decrease in sales from the core customer Li Auto and industry-wide price reduction pressures. However, with the upcoming launch and delivery of new models such as the Li Auto i6 and Xpeng X9 in the fourth quarter, it is expected that the increase in sales driven by the launch of multiple new models will improve performance in the fourth quarter.The quarter-on-quarter decline in performance was mainly influenced by lower sales of core customer Li Auto's vehicles and price reduction pressures in the industry. However, with the upcoming launch and delivery of new models such as the Li Auto i6 and XPeng X9 in the fourth quarter, it is expected that the increase in sales from these new models will improve fourth-quarter performance.

Ongoing Investment in R&D, Continuous Updates of Intelligent Products, Leading the Industry

In 2024, the company's R&D expenses were RMB2.256 billion, accounting for 8.17% of revenue. In the first three quarters of 2025, R&D expenses amounted to RMB2.003 billion, accounting for 8.97% of revenue. The continued increase in R&D investment has provided strong support for new technologies and products. 1) Intelligent Cockpit: The company's fourth-generation intelligent cockpit has been scaled up for mass production in collaboration with Li Auto, Xiaomi Auto, and Geely Auto, and has continued to receive new project orders from GAC Passenger Cars, Geely Auto, and GAC Aion. The fourth-generation flagship intelligent cockpit domain controller is now in mass production for Chery Auto..

The fifth-generation intelligent cockpit platform has secured new project orders from Li Auto and attracted attention from several top global OEMs. The company's HUD (Head-Up Display) first mass production project has been launched, marking a significant breakthrough in the intelligent driving visual field. New project orders have been received from Shanghai GM, GAC Passenger Cars, and Dongfeng Nissan. 2) Intelligent Driving: In the field of advanced driver-assistance systems (ADAS), the company continues to maintain the highest market share in China and continuously optimizes and upgrades its products to meet the needs of different vehicle levels. Several flagship ADAS domain controllers have been mass-produced and successfully delivered to prominent clients such as Xiaomi Auto, Li Auto, Great Wall Motors, XPeng Motors, GAC Toyota, Geely Auto, and GAC Aion. New project orders have been received from Great Wall Motors, Geely Auto, Chery Auto, GAC Aion, and Dongfeng Passenger Vehicles. The company also offers several lightweight ADAS solutions for mid- to low-priced vehicles, the largest segment of the market, and has secured new project points from major clients such as GAC Toyota, Chery Auto, and Toyota. These solutions will be promoted to more customers. 3) Connected Services: The company has successfully achieved mass production of UWB (Ultra-Wideband) and BLE (Bluetooth Low Energy) solutions, becoming the first supplier in China to implement UWB solutions. This first-mover advantage has helped the company win key client collaborations with Li Auto and Chery Auto.

Successful Fundraising, Capacity Expansion

In October, the company completed a private placement of A-shares, raising a net amount of RMB4.393 billion. The funds are intended for investment in projects such as the Desay SV automotive electronics base in Central and Western China (Phase I) (RMB1.699 billion), intelligent automotive electronic system-level component production (RMB1.974 billion), and the intelligent computing centre and cockpit integration platform R&D (RMB0.72 billion). The company expects the first two projects, once completed, will add annual revenues of RMB8.276 billion and RMB14.773 billion, respectively, and net profits of RMB0.59 billion and RMB1.187 billion, significantly boosting the company's long-term growth potential and reinforcing its leadership position in the automotive electronics sector.

Deepening International Strategy, Building Ecosystem Collaboration

The company has strengthened its strategic partnerships with global core chip manufacturers and OEMs, successfully securing new project orders from clients such as VW and Toyota, and making breakthroughs with white-spot clients such as Renault and Honda. The company has also established overseas branches in major countries and regions such as Germany, France, Spain, Japan, and Singapore. Regarding overseas production capacity, in May 2025, the company began contributing production capacity in Indonesia, strengthening the supply chain resilience and delivery capabilities in Southeast Asia. In June 2025, the Monterrey plant in Mexico launched its first mass production project, offering more efficient localized service guarantees for the Americas market. The smart factory in Spain is expected to begin mass production in 2026, providing cutting-edge intelligent products for the intelligent cockpit and ADAS fields in Europe. In the first half of 2025, the gross margin of overseas operations reached 28.93%, up 8.22 percentage points yoy, exceeding the domestic gross margin by 9.26 percentage points. The expansion of overseas production capacity will provide strong support for profit growth.

Unmanned Vehicle Launch, Expanding into New Businesses

On September 2, the company launched the "Chuanxing Zhiyuan" vehicle-grade unmanned vehicle brand in Shanghai. Entering the unmanned vehicle field is an extension of the company's core capabilities. The first product, the S6, features a vehicle-grade fully-controlled chassis and modular upper structure. Based on the S6 platform, the vehicle is capable of serving various scenarios such as industrial parks, logistics parks, agricultural trade distribution, express delivery, supermarket

distribution, store restocking, fresh food distribution, and pharmaceutical delivery. The S6 series of low-speed unmanned vehicle products has already received multiple customer orders.

Investment Thesis

The Company is a leader in automotive electronics, benefiting from continuous investment in R&D to maintain its technological leadership, while also actively exploring new businesses. We remain highly optimistic about the company's growth prospects.

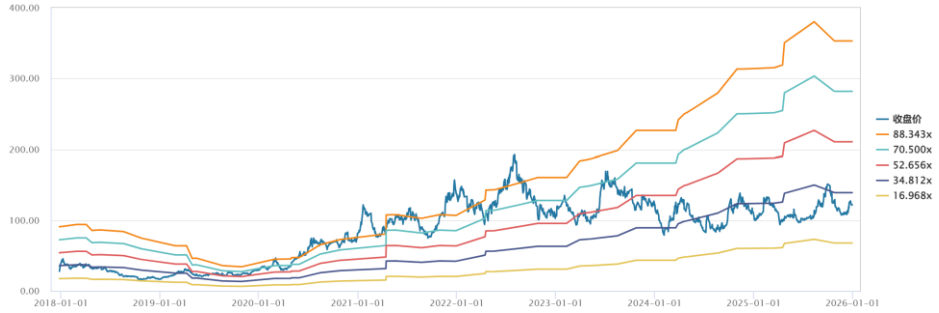
As for valuation, we expected diluted EPS of the Company to RMB 4.12/5.23/6.63 of 2025/2026/2027. And we accordingly gave the target price to RMB147, respectively 35.7/28.1/22.2x P/E for 2025/2026/2027. "Buy" rating. (Closing price as at 31 December 2025)

Peer Comparison

Code	Name	Market Cap-bn	PE			PB(MRQ)
			TTM	25E	26E	
603596.SH	Bethel	32	24	22	18	4
002920.SZ	Desay SV	73	31	28	22	5
601689.SH	Tuopu	135	50	45	37	6
603786.SH	Entdict	33	40	34	27	6
AVERAGE		68.25	36.25	32.25	26	5.25
MEDIUM		53	35.5	31	24.5	5.5

Source: Wind, Phillip Securities Hong Kong Research

PE BAND



Source: Wind, Phillip Securities Hong Kong Research

Risk

Progress of new production line is below expectations
Electric vehicle sales fall short of expectations
Macroeconomic downturn affects product demand
Sharply rising raw material prices or sharply falling product prices

Financials

FYE DEC	FY23	FY24	FY25E	FY26E	FY27E
Valuation Ratios					
P/E (X), adj.	43.0	33.2	29.2	23.0	18.1
P/B (X)	8.4	6.9	4.7	3.9	3.2
Dividend payout ratio(%)	30.0%	33.1%	31.6%	30.6%	30.2%
Dividend Yield (%)	0.7%	1.0%	1.1%	1.3%	1.7%
Per share data (RMB)					
EPS, (Basic)	2.81	3.63	4.12	5.23	6.63
EPS, (Diluted)	2.80	3.62	4.12	5.23	6.63
DPS	0.84	1.20	1.30	1.60	2.00
BVPS	14.33	17.38	25.61	30.72	37.21
Growth & Margins (%)					
Growth					
Revenue	46.7%	26.1%	18.0%	20.5%	22.2%
EBIT	31.7%	42.3%	17.5%	27.6%	28.6%
Net Income, adj.	30.7%	29.6%	22.7%	26.8%	26.8%
Margins					
Gross margin	20.4%	19.9%	19.4%	19.4%	19.6%
EBIT margin	7.2%	8.2%	8.1%	8.6%	9.1%
Net Profit Margin	7.1%	7.3%	7.6%	8.0%	8.2%
Key Ratios					
ROE	21.4%	22.8%	19.7%	18.6%	19.5%
ROA	9.7%	10.2%	9.6%	9.5%	13.7%
Income Statement (RMB mn)					
Revenue	**21908**	**27618**	**32576**	**39245**	**47957**
Gross profit	4479	5490	6307	7621	9390
EBIT	1585	2256	2651	3384	4351
Profit before tax	1538	2100	2609	3339	4302
Tax	-3	82	125	187	301
Profit for the period	1542	2018	2484	3152	4001
Minority interests	-5.16	13.20	23.00	32.00	45.00
Total capital share	555	555	597	597	597
Net profit	**1547**	**2005**	**2461**	**3120**	**3956**

Source: PSR

(Closing price as at 31 December 2025)

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

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.
This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.
Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on http://www.phillip.com.hk.
© 2026 Phillip Securities (Hong Kong) Limited

Contact Information (Regional Member Companies)

SINGAPORE
Phillip Securities Pte Ltd
250 North Bridge Road, #06-00 Raffles City Tower,
Singapore 179101
Tel : (65) 6533 6001 Fax: (65) 6535 3834
www.phillip.com.sg

INDONESIA
PT Phillip Securities Indonesia
ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A,
Jakarta 10220, Indonesia
Tel (62) 21 5790 0800 Fax: (62) 21 5790 0809
www.phillip.co.id

THAILAND
Phillip Securities (Thailand) Public Co. Ltd.
15th Floor, Vorawat Building, 849 Silom Road,
Silom, Bangrak, Bangkok 10500 Thailand
Tel (66) 2 2268 0999 Fax: (66) 2 2268 0921
www.phillip.co.th

UNITED STATES
Phillip Futures Inc.
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel (1) 312 356 9000 Fax: (1) 312 356 9005

MALAYSIA
Phillip Capital Management Sdn Bhd
B-3-6 Block B Level 3, Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur
Tel (60) 3 2162 8841 Fax (60) 3 2166 5099
www.poems.com.my

CHINA
Phillip Financial Advisory (Shanghai) Co. Ltd.
No 436 Heng Feng Road, Green Tech Tower Unit 604
Shanghai 200 070
Tel (86) 21 6351 2939 Fax: (86) 21 6091 1155
www.phillip.com.cn

FRANCE
King & Shaxson Capital Ltd.
3rd Floor, 35 Rue de la Bienfaisance
75008 Paris France
Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017
www.kingandshaxson.com

AUSTRALIA
PhillipCapital Australia
Level 10, 330 Collins Street
Melbourne VIC 3000
Tel (+61) 3 8633 9803 Fax (+61) 3 8633 9899
www.phillipcapital.com.au

HONG KONG
Phillip Securities (HK) Ltd
11/F United Centre 95 Queensway Hong Kong
Tel (852) 2277 6600 Fax: (852) 2868 5307
www.phillip.com.hk

JAPAN
Phillip Securities Japan, Ltd
4-2 Nihonbashi Kabutocho, Chuo-ku
Tokyo 103-0026
Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141
www.phillip.co.jp

INDIA
PhillipCapital (India) Private Limited
No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,
Lower Parel West, Mumbai 400013
Tel: (9122) 2300 2999 Fax: (9122) 6667 9955
www.phillipcapital.in

UNITED KINGDOM
King & Shaxson Ltd.
6th Floor, Candlewick House, 120 Cannon Street
London, EC4N 6AS
Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835
www.kingandshaxson.com

SRI LANKA
Asha Phillip Securities Limited
Level 4, Millennium House, 46/58 Navam Mawatha,
Colombo 2, Sri Lanka
Tel: (94) 11 2429 100 Fax: (94) 11 2429 199
www.ashaphillip.net/home.htm