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SUMMARY OF BYD COMPANY LIMITED'S FINANCIAL PERFORMANCE AND GROWTH PATH ASSESSMENT

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Abstract. This summary, based on BYD's financial data, strategic implementation reports, and industry dynamics from 2021 to 2025, systematically assesses its core financial performance indicators, analyzes its core growth paths, and examines its current challenges.
Keywords: Financial Perfomance, BYD, Profitability, Solvency.

1. Assessment of BYD's Core Financial Performance Indicators.

In the wave of deep transformation of the global automotive industry towards electrification and intelligentization, BYD Company Limited (stock code: 01211.HK/002594.SZ), as a leader in China's new energy vehicle industry, not only determines its own development boundaries with its financial performance and growth strategy, but also has a profound impact on the global new energy vehicle industry landscape.

1.1. Scale and Profitability: Leapfrog Growth and Industry Leadership.

In recent years, BYD has achieved a double leapfrog improvement in both financial scale and profitability, with its core operating indicators consistently leading the industry. In terms of revenue, the company achieved 777.1 billion yuan in 2024, a year-on-year increase of 29 %, more than 2.65 times that of 213.108 billion yuan in 2021. In the first half of 2025, revenue further increased to 371.281 billion yuan, a year-on-year increase of 23.30 %, firmly maintaining its position as the top-earning company in the domestic automotive industry. Profitability was even more impressive. Net profit attributable to shareholders reached 40.25 billion yuan in 2024, a year-on-year increase of 34 %, nearly 9.65 times that of 3.967 billion yuan in 2021. In the first half of 2025, net profit attributable to shareholders reached 15.511 billion yuan, a year-on-year increase of 18.01 %, retaining its title as the industry's “profit king”.

The expansion of scale brought significant cost control effects, with gross profit margin maintaining an industry-leading level in the first half of 2025. The core driver supporting profit growth was the explosive growth in sales volume – global sales reached 4.27 million vehicles in 2024, a year-on-year increase of 41 %, ranking fourth among global automotive brands; in the first three quarters of 2025, global sales reached 3.26 million vehicles, with overseas markets performing particularly well. In the UK market alone, cumulative sales in the first nine months reached 35.604 vehicles, a year-on-year increase of 576.9 %. Asset size expanded rapidly in tandem, with total assets reaching RMB 903.472 billion at the end of 2024, total current assets reaching RMB 604,155 billion, and cash reserves reaching a record high of RMB 154.9 billion, providing solid financial support for business expansion and technological research and development.

1.2. Financial Structure: A Balance Between Stability and Expansion.

BYD's overall financial structure exhibits characteristics of "low risk and high flexibility", with debt repayment capacity exceeding the industry average. At the end of 2024, total liabilities amounted to RMB 579.455 billion, with interest-bearing liabilities accounting for only 4.9 % of total liabilities, a very low level in the industry, indicating moderate short-term debt repayment pressure. At the end of the third quarter of 2025, the asset-liability ratio was 71.35 %, lower than the industry average of 77.17 %, demonstrating a solid long-term debt repayment foundation. Notably, the company demonstrated outstanding capital efficiency, with net operating cash flow reaching RMB 133.5 billion in 2024. Accounts payable turnover days remained within a reasonable range, attracting deep cooperation from numerous high-quality suppliers and continuously enhancing supply chain stability.

However, rapid expansion has also brought challenges: In the first three quarters of 2025, signs of "increased revenue but not increased profit" emerged, with net profit attributable to shareholders decreasing by 7.55 % year-on-year, mainly due to industry price wars, a surge in R&D investment, and cost amortization resulting from scale expansion. Simultaneously, inventory growth exceeded revenue growth, reaching 153 billion yuan in the first three quarters of 2025. Inventory management efficiency needs further optimization, and core operating indicators such as return on equity and total asset turnover showed a downward trend, reflecting the need for resource allocation efficiency to improve in tandem with the expansion speed.

1.3. R&D Investment: A Technology Moat Driven by Long-Term Vision.

BYD adheres to a long-term strategy of "R&D investment exceeding net profit", building a strong technological barrier. In 2024, R&D investment reached 54.2 billion yuan, a year-on-year increase of 36 %, earning it the title of "R&D King" among A-share companies for the first time. In the first half of 2025, R&D investment reached a new high of 30.9 billion yuan, a year-on-year increase of 53 %, far exceeding net profit during the same period, equivalent to the combined R&D investment of Geely, Great Wall, Li Auto, and XPeng during the same period. From 2011 to 2024, over a period of 14 years, BYD's R&D investment exceeded its net profit for 13 of those years, with a cumulative R&D investment exceeding 210 billion yuan.

2. Conclusion.

This high R&D investment directly translates into technological patents and product competitiveness. The company tops three major lists, including the "Global Ranking of Chinese Patent Grants for New Energy Vehicle Technologies", establishing a technological monopoly advantage in core areas such as batteries, electronic controls, and intelligent driving, laying a solid foundation for long-term profit growth.

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