



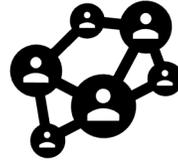
NIO



Summary



Business Overview



Industry Overview



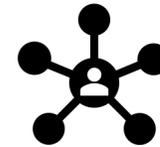
Ratio Analysis



Valuation



Investment Risks



Conclusion

Investment Summary



Recommendation:

Valuation Price: \$45.78

Target Price: \$89.80

BUY

Reasoning:

- Market for electric vehicles has seen a dramatic shift in popularity and necessity in the last 8 months
- NIO's plan of going global in mid-2021 provides for large amounts of growth opportunities.

NIO 1 Year Stock Price Trend



NIO Market Data (in Billions)

Current Share Price:	\$	45.78
Shares O/S		1.29
Market Cap.	\$	59.06

Investment Summary

Business Overview

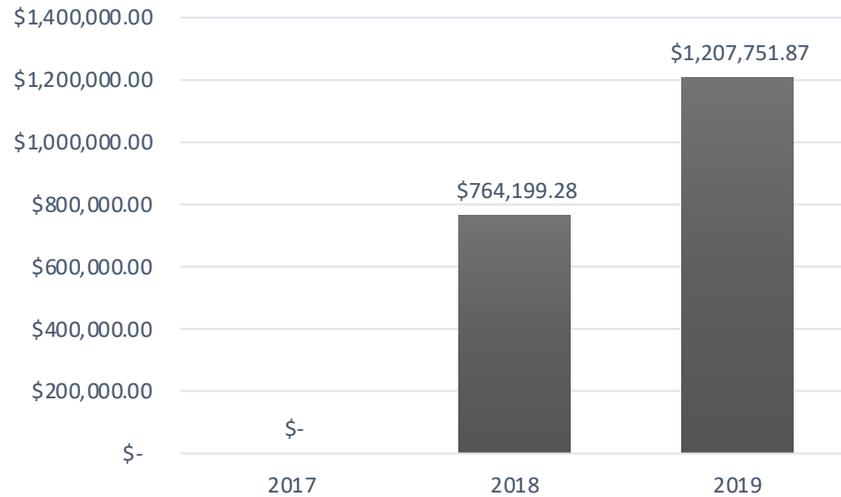
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Revenue in USD.(Thousands)



NIO EP9 Sports Car



NIO ES6 SUV



- Current Headquarters:
 - Shanghai, China

- Founded in 2014 by William Li
- NIO specifically operates in the electric automobile manufacturing market.
- Unlike their competitor Tesla, NIO operates on the concept of Battery Swapping (Patent Approved)
 - Tesla Charge Time: 40 minutes vs NIO Battery Swap: 5 minutes
- Extremely involved in the all-electric car racing series known as, FIA Formula E Championship.

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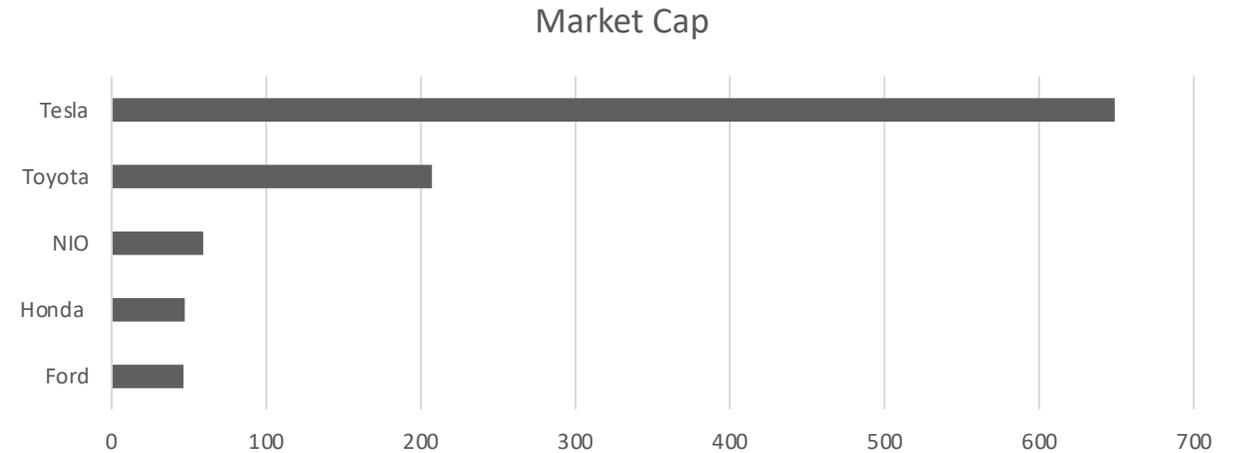
Industry Overview



Main Competitors:



Market Cap Comparison



Main Industry Drivers

- Favorable Government Policies and Subsidies
- Heavy investments from automakers in Electric Vehicles
- Growing concerns over environmental pollution

5 Year Industry Outlook

- 11.1% Annual Growth
- Maintaining growth by moving towards a global audience in mid-2021
- Substitute for gasoline pollution is increasing with the rise of ESG in the world

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Liquidity	NIO	Ford	Honda	Toyota	Tesla	Average
Current Ratio	2.42	1.2	1.3	1.1	1.88	1.58
Quick Ratio	2.33	1.09	0.98	0.9	1.59	1.378
Leverage Ratio	0.84	3.58	0.5	0.53	0.9	0.6925

Earnings Multiples	NIO	Ford	Honda	Toyota	Tesla	Average
EPS	\$ (1.59)	\$ (0.70)	\$ 2.39	\$ 11.61	\$ 0.64	\$ 0.19
P/E	N/A	28.54	12.08	14.32	1079.07	18.31
P/B	49.65	1.59	0.58	0.95	27.75	1.04
EV/EBITDA	-1.91	12.81	5.7	0.24	545.52	4.21

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Valuation: DCF



Free Cash Flows	2020	2021	2022	2023	2024
EBIT	(1,524,585)	(238,785)	297,685	778,409	1,050,278
Tax	(381,146)	(59,696)	74,421	194,602	262,570
NOPAT	(1,143,439)	(179,089)	223,264	583,807	787,709
Depreciation	-	-	-	-	-
Capital Expenditures	-	(184,388)	(119,458)	(110,961)	(127,006)
NWC Changes	(235,861)	(278,650)	(73,608)	(92,335)	(35,733)
Free Cash Flows	(1,379,300)	(642,126)	30,197	380,511	624,969
			Smoothing		751,975

Work		
Weight Equity	4,592,443	79.27%
Weight Debt	1,201,248	20.73%
Enterprise	5,793,691	
RFR		1.84%
MRP		5.6%
Beta		2.43

WACC	
Cost	WACC
15.46%	12.25%
4.35%	0.90%
	13.15%

Terminal Value	
Numerator	844,377.24
Denominator	0.87%
Terminal Value	97,437,503.23
PV of Terminal Value	52,525,214.32
Enterprise Value	51,394,599.43
Net Debt	(1,201,248)
Equity	50,193,351.43
Shares O/S	100,315
Value per Share	500.35

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Conclusion:



Reasons for Optimism:

- Electric car industry is rising significantly in the past 6 months
- The only other competitor that is making an affordable electric vehicle for the middle class is Tesla
- Q4 2020 Earnings report is being released on March 2nd
- Global expansion is expected in mid to late 2021
- Possess the only patent for Battery Swapping Cars
- Better than industry average Liquidity Ratios

Reasons for Concern:

- Q4 2020 Earnings report is expected to show a delay in deliveries
- Their stock price is specifically designed to increase with global expansion
- COVID-19 Pandemic further delaying deliveries
- Rising costs in SG&A and R&D

**Investment Recommendation:
Buy \$50,000 of NIO Stock with
potential of more**

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