

XPEV Earnings Call Transcript

Date: 2025-11-17

Quarter: 3

Operator: Hello, ladies and gentlemen. Thank you for standing by for the Third Quarter 2025 Earnings Conference Call for XPeng Inc. [Operator Instructions] Today's conference call is being recorded. I will now turn the call over to your host, Mr. Alex Xie, Head of Investor Relations and Capital Markets of the company. Please go ahead, Alex.

Alex Xie: Thank you. Hello, everyone, and welcome to XPeng's Third Quarter 2025 Earnings Conference Call. Our financial and operating results were issued by Newswire services earlier today and available online. You can also view the earnings press release by visiting the IR section of our website at ir.xiaopeng.com. Participants on today's call from management team will include Co-Founder, Chairman and CEO, Mr. He Xiaopeng; Vice Chairman and President, Dr. Brian Gu; Vice President of Corporate Finance and VW Projects, Mr. Charles Zhang; Vice President of Finance and Accounting, Mr. James Wu; and myself. Management will begin with prepared remarks, and the call will conclude with a Q&A session. A webcast replay of this conference call will be available on the IR section of our website. Before we continue, please note that today's discussion will contain forward-looking statements made under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, the company's results may be materially different from the views expressed today. Further information regarding these and other risks and uncertainties is included in the relevant public filings of the company as filed with the U.S. Securities and Exchange Commission. The company does not assume any obligation to update any forward-looking statements, except as required under applicable law. Please also note that XPeng's earnings press release and this conference call include the disclosure of unaudited GAAP financial measures as well as unaudited non-GAAP financial measures. XPeng's earnings press release contains a reconciliation of the unaudited non-GAAP measures to the unaudited GAAP measures. I will now turn the call over to our Co-Founder, Chairman and CEO, Mr. He Xiaopeng. Please go ahead.

He Xiaopeng: [Interpreted] Hello, everyone. In Q3 2025, XPeng reported record sales -- record results in key operating metrics with new highs in deliveries, revenue, gross margin and cash reserves. Vehicle deliveries for the quarter totaled 116,007 units, a 149% increase year-over-year. The all-new XPeng P7 launched recently quickly became one of the top 3 BEV sedans priced between RMB 200,000 to RMB 300,000 boosting monthly deliveries to over 40,000 units starting in September. Additionally, the company's gross margin exceeded 20% for the first time in Q3, and we reduced our net loss further. Our goal is to achieve breakeven for the company in the fourth quarter. These continuous operational improvements strengthen our focus on physical AI R&D, supporting the targeted mass production of our VLA 2.0 model, Robotaxi and humanoid robot in 2026. As AI models advance and become increasingly integrated with real-world data, machines are slowly gaining the ability to interact, communicate, transform and create within our physical environment. This development is reshaping the future of mobility and daily life. Over the past 11 years, XPeng has dedicated itself to building full stack technologies in-house evolving from software-defined vehicles to the emerging realm of physical AI. We understand that vehicles and humanoid robot, the 2 primary applications of physical AI, share a homogeneous physical world model, SoCs and infrastructure, allowing for rapid iteration and evolution. Excitingly, new capabilities are continuously emerging from our physical AI technology stack. Over the

next decade, my goal is to make XPeng a leading global company in embodied intelligence. Focused on physical AI applications, we're developing an extensive portfolio of technologies, products and supporting business ecosystem. Besides providing AI-powered vehicles to consumers worldwide, we aim to deploy pre-installed mass-produced Robotaxi on a large scale and achieve the mass production of humanoid robots. We believe that an open and dynamic ecosystem is crucial to unlocking the full potential of physical AI for humanity. To achieve this, we plan to open source our physical world model, launch Robotaxi services in partnership with mobility platforms and relieve our humanoid robot SDK. This approach will expand the physical AI application ecosystem through collaborations with business and technology partners and accelerate the value creation process. I'm also glad to report that as we introduce the one vehicle, dual energy product cycle for AI vehicles, we'll expand our scale and increase our NEV market share through a wider product range. On November 6, we launched presales for the XPeng X9 Super Extended-Range EV, an industry frontrunner in extended-range vehicles equipped with a 5C rate high-capacity LFP battery and a total range of up to 1,602 kilometers. It is the world's first large 7 seater to offer the longest range, highest AI computing power, smallest turning radius and most efficient space utilization in its category. We see super extended-range EVs as crucial for accelerating the shift from ICE vehicles to NEVs. Since presales began for the X9 Super EREV, we've experienced unprecedented interest, especially in northern regions and inland cities of China, attracting many customers who previously hesitated to switch to BEV models. To date, preorders for this model are nearly 3x higher than the presale of the previous X9. On a like-for-like basis, the X9 Super EREV will officially launch on November 20 with deliveries starting immediately afterwards. I anticipate reaching a new delivery record in December. We plan to introduce 3 super extended-range products in Q1 2026 focusing on alleviating key challenges for our EREV users by offering long, pure electric range and quicker 5C supercharging, thereby capturing more of the EREV market. We have put in more R&D; expenses in 2025. As a result in 2026, we'll also launch 4 new one vehicle, dual energy models, including our first product launch in some key market segments. These innovative products will help us establish a presence in these markets and build leading products like the MONA M03. I'm confident that the 7 one vehicle, dual energy models with super extended-range technology debuting next year will greatly increase our total addressable market or TAM and provide significant sales growth opportunities. On the global business front, we maintained strong sales growth and established a solid foundation for long-term expansion through our localized approach. In September 2025, our monthly overseas deliveries exceeded 5,000 units for the first time, a 79% increase year-over-year. During the third quarter, we grew our global presence with 56 new overseas stores, expanding our sales and service network to 52 countries and regions worldwide. Additionally, our first European localized production facility at Magna plant in Graz, Austria, officially commenced operations with the initial batch of XPeng G6 and G9 rolling off the line. Simultaneously, XPeng's R&D; center in Munich, Germany, officially began functioning, helping us better understand overseas customer needs and accelerate technological advancement and product launches. In 2026, we plan to introduce 3 new overseas models, including popular mid- to small SUVs that meet the diverse preferences of global consumers. Our strong focus on investing in AI large models, computing infrastructure and data set is driving the continuous emergence of advanced capabilities from our physical world model. Our upcoming VLA 2.0 model, which has 10x more parameters than its predecessors will substantially enhance safety and user experience in intelligent driving. From my own recent driving experience during very complicated and complex road conditions, we experienced very impressive and unparalleled driving experience from the intelligent VLA model. So starting from late December, we will initiate a co-creation program with our early adopters. In the early quarter of 2026, we aim to deploy the VLA 2.0 model across the entire Ultra lineup. I see the mass production of VLA 2.0 as a major breakthrough in physical AI models, offering a significant generational leap in user experience and attracting more people to choose XPeng for its leading intelligent driving technology. Going forward, XPeng will open source its VLA 2.0 model to global commercial partners, aiming to provide industry-leading advanced driver assistance experience to a wider audience. Volkswagen will be the initial launch customer for the VLA 2.0 model. Additionally, XPeng's Turing AI SoC has earned a formal sourcing designation from Volkswagen with codeveloped vehicles expected to start mass production early next year. Revenue from licensing our technology to external partnerships will be reinvested into our R&D;, mainly to

support iteration and upgrades of the Turing SoC and VLA models. This fosters a positive cycle of innovation and commercialization. We invite more automakers and Tier 1 manufacturers to collaborate with us on the Turing SoC and VLA 2.0, working together to promote the adoption of advanced intelligent technologies in both Chinese and global markets. Traditionally, end-to-end models were able to maybe reach advanced Level 2 at its best; however, the rise of physical world model is speeding up the arrival of true autonomous driving. I believe that only pre-installed mass-produced Robotaxis with a strong ability to generalize can achieve widespread adoption and create a sustainable business model. In 2026, XPeng plans to launch 3 Robotaxi models. Our technology stack for Robotaxi does not depend on high-definition maps or LiDAR. This approach enables us to address current industry's challenges, including high cost, operational limitations and poor generalization, allowing for an efficient and scalable deployment worldwide. We intend to begin pilot operations of XPeng Robotaxi in China in 2026, continuously improving both software and hardware of Robotaxi while building an operational ecosystem. I believe that a collaborative ecosystem where all industry stakeholders' benefit is key to scaling rapidly. Therefore, we plan to open our SDK to our partners, and Amap will be the first ecosystem partner for XPeng Robotaxi. We also invite more companies in the mobility sector to explore Robotaxi collaboration opportunities with us. Our humanoid robots adopt a technology road map driven by physical world model. With full support from our vehicle and powertrain R&D teams, we unveiled our next-generation IRON robot at the latest XPeng Tech Day. The IRON's human-like posture and agile gait surprised and deeply moved many XPeng fans and also highlighted the great commercial potential of humanoid robots. Currently, IRON demonstrates only a very small fraction of its capabilities. In Q2 2026, we plan to achieve full capability integration through cross-domain innovation aiming for performance and user experience for far surpass current market offerings. Our target is to begin mass production of advanced humanoid robots by the end of 2026. Once produced, IRON will be first deployed in commercial scenarios, providing services like tour guiding, retail assistance and patrols. By the end of next year, I hope IRON will be working alongside us at XPeng stores, campuses and factories as our new team members. Additionally, XPeng Robotics will open its SDK to global developers, inviting partners from various industries to collaborate on secondary development. This will enable IRON to be trained and to evolve across diverse and long-tail real-world well scenarios, unlocking broader application possibilities. From a long-term perspective, I believe the market potential for humanoid robots will exceed that of automobiles. Once a new generation of robots reaches the inflection point just as China's EV industry did with electrification, we expect explosive growth ahead. I envision that by 2030, XPeng robots could sell over 1 million units annually. With the launch of our one vehicle, dual energy product cycle, I expect total deliveries in the fourth quarter to reach between 125,000 and 132,000 units reflecting a year-over-year growth of 36.6% to 44.3%. We project fourth quarter revenue to be roughly between RMB 21.5 billion to RMB 23 billion, up 33.5% to 42.8% from the previous year. XPeng's AI-driven vehicle business is in the early stages of rapid expansion in terms of scale and market shares, while Robotaxi and humanoid robot programs are swiftly moving forward and towards mass production. I'm confident that XPeng will establish itself as a leader in physical AI, both in China and globally, delivering greater value for our customers and shareholders worldwide. Thank you, everyone. With that, I'll now turn the call over to our VP of Finance, Mr. James, who will discuss our financial performance for the third quarter of 2025.

Jiaming Wu: Thank you, Xiaopeng. Now let me provide a brief overview of our financial results for the third quarter of 2025. I'll reference RMB only in my discussion today, unless otherwise stated. Our total revenues were RMB 20.38 billion for the third quarter of 2025, an increase of 101.8% year-over-year and an increase of 11.5% quarter-over-quarter. Revenues from vehicle sales were RMB 18.05 billion for the third quarter of 2025, an increase of 105.3% year-over-year and an increase of 6.9% quarter-over-quarter. The year-over-year and quarter-over-quarter increases were mainly attributable to higher deliveries from newly launched vehicle models. Revenues from services and others were RMB 2.33 billion for the third quarter of 2025, representing an increase of 78.1% year-over-year and an increase of 67.3% quarter-over-quarter. The year-over-year and quarter-over-quarter increases were primarily attributable to the increased revenues from after sales services and technical R&D services rendered to the Volkswagen Group due to the successful achievement of certain key milestones in the current quarter. Gross margin was 20.1% for the third quarter of 2025, compared with 15.3% for the

same period of 2024 and 17.3% for the second quarter of 2025. Vehicle margin was 13.1% for the third quarter of 2025, compared with 8.6% for the same period of 2024 and 14.3% for the second quarter of 2025. The year-over-year increase was primarily attributable to the ongoing cost reduction, while the quarter-over-quarter decrease was due to targeted promotion to clear outgoing inventory during product transition. R&D expenses were RMB 2.43 billion for the third quarter of 2025, representing an increase of 48.7% year-over-year and an increase of 10.1% quarter-over-quarter. The year-over-year and quarter-over-quarter increases were mainly due to higher expenses related to the development of new vehicle models and technologies, as the company expanded its product portfolio to support future growth. SG&A expenses were RMB 2.49 billion for the third quarter of 2025, representing an increase of 52.6% year-over-year and an increase of 15% quarter-over-quarter. The year-over-year and quarter-over-quarter increases were primarily due to higher commission to the franchised stores, driven by higher sales volume as well as higher marketing and advertising expenses. As a result of the foregoing loss from operations was RMB 0.75 billion for the third quarter of 2025, compared with RMB 1.85 billion year-over-year and RMB 0.93 billion quarter-over-quarter. Net loss was RMB 0.38 billion for the third quarter of 2025 compared with RMB 1.81 billion year-over-year and RMB 0.48 billion quarter-over-quarter. As of September 30, 2025, our company had cash and cash equivalents, restricted cash, short-term investments and time deposits in total of RMB 48.33 billion. To be mindful of the length of the earnings call, I will encourage listeners to refer to our earnings press release for more details on our third quarter 2025 financial results. This concludes our prepared remarks. We'll now open the call to questions. Operator, please go ahead.

Operator: [Operator Instructions] For the benefit of all participants on today's call, if you wish to ask your question to management in Chinese, please immediately repeat your question in English. [Operator Instructions] The first question today comes from Tim Hsiao with Morgan Stanley.

Tim Hsiao: [Foreign Language] So my first question is about the physical AI because in the past, the competitive advantages of other companies were reflected in several aspects like cost, brand and channels. Just wondering if the management could elaborate a bit more about what aspects XPeng's long-term competitive advantage in physical AI will be demonstrated? And how will the company continuously enhance its strength in these areas? That's my first question.

He Xiaopeng: [Interpreted] I think this is definitely a big question. The traditional way for automakers to make money is completely different from the new physical AI model generated kind of business format. They come from different DNAs. Traditionally, older traditional automakers focus on their own positioning and also about how they target their user segments and then everything boils down to their integration of Tier 1 suppliers and all the other different parts of the supply chain. However, when it comes to a physical AI-generated model, the definition is different. We determine what the -- we -- everything boils down to the definition of the future tech. It involves full-stack technology capability and also custom integration. For example, the launch of our IRON robot is a great example of that. So that's why different DNA is going to generate different products and different growth momentum. In the future, I believe that cars will be a new format of robotics, and it's going to actually come to the real life in the coming 5 to 10 years as the next generation of robotics in our life. So traditionally, the integration of supply chain is completely different from what we are looking at right now, which is the physical AI technology integration across different domains and involves software, hardware and infrastructure upgrades, which will lead to a completely new set of products. As a result, traditionally, software were only a small percentage of traditional car development, whereas right now, it takes up a large part of new product development. And I believe that when you look at our future developments, we are actually going to see more and more physical AI components in the future for car development over 50%, and we are going to see that very, very soon. Thank you.

Tim Hsiao: [Foreign Language] My second question is about revenue from the collaboration with Volkswagen. So first of all, congratulations on the project wins of Turing chips at Volkswagen. So may I know from which quarters the related revenue will start to kick in? And how should we think about the trend of the revenue contribution from the collaboration with Volkswagen in December quarter and the full year 2026? That's my second question.

Charles Zhang: Tim, this is Charles. So in Q3, we delivered a few key development milestones on time. So you probably have seen that the revenue from the technology collaboration increased significantly

quarter-over-quarter. And we continue to see that there are a few key development milestones to be delivered in Q4. So we believe that the revenue from technical collaboration in Q4 will be expected at a comparable level we see in Q3 2025. And then regarding your question on the Turing SoC. Yes, we were -- our Turing SoC was selected by Volkswagen for the 2 B class vehicles we're jointly developing. And we have already started to supply the Turing SoC to some of the -- our partners, the preproduction and verification vehicles. So therefore, the revenue -- we would expect that the revenue from Turing SoC will start to be recognized in Q4 and probably in the small amount. But however, as our jointly developed vehicle SOP from early next year, and we would expect the revenue from the Turing SoC will ramp up with the sales volume of the 2 vehicles we jointly developed. In terms of the revenue from the technical collaboration in 2026, and we expect that as long as we can deliver the key milestones that are scheduled in 2026, we would expect that the revenue -- the technical -- the revenue from the technical collaboration for the full year 2026 would be comparable to that of the revenue we recognized in 2025. So I think looking back, we have demonstrated that we can -- well, we delivered the revenue from commercialization of our technology for 7 consecutive quarters. And I think we believe that there are still opportunities we would like to explore to commercialize our technology and also as our CEO, Xiaopeng, mentioned, and we will reinvest such revenue from the licensing or technical collaboration back into our R&D.; Thank you, Tim.

Operator: Next question comes from Nick Lai with JPMorgan.

Y.C. Lai: [Foreign Language] My first question is -- my 2 questions is actually related to humanoid robot strategy and ambition in the longer term. At a recent Technology Day, XPeng demonstrated our first humanoid robot IRON which worked really like human. And can you talk about our technology road map and compare with the comparable peers? And where is our competitive advantage comparing with the peers in the medium and longer term? That's my first question.

He Xiaopeng: [Interpreted] Thank you. Because there are so many robotics companies in the market, to be honest, the technological and product development road map and strategy of XPeng's robotics is moving forward as we expect, according to our own plan. We have paid really little attention to any other differences in the robotics industry to other companies before we launch our own products. Now when we look at XPeng, for example, our product philosophy is highly theoretical. You can actually -- well, it's highly human-like. That is the goal of developing our own humanoid robot. What's interesting about our product is that we realize that when we incorporate muscles and very bionic skin on to our robots, we actually attracted a lot of people to dare to hug him. And this is very, very exciting because traditional robots really were not that attractive and appealing for human beings to give them a hug. In addition to that, we also would like to mention that in the future, I believe that across many aspects of lifeline work, we are going to see more and more robots that is working alongside us. So for the current generation of XPeng robots, last time that we launched it, it was actually the seventh generation, and we are going to begin mass production of the eighth generation of our humanoid robots. In fact, when we look at some of the available robotics in the market, I believe that a lot of them are between generation 3 and 5, which is mainly being driven by joints and all the operation of different hardware. And when you look at the operation of hardware and software, you can see that the available products in the market look very similar in the way that they walk and they move. And these kind of robots, I believe, are very, very hard or difficult to commercialize in the end. So in the future generations of our robot, we actually have been thinking about what kind of technological route we should be used, and we have fully integrated actually hardware and software driven by integrated AI. So this time, you can see that the robot that we showed to the market is based on our full-stack R&D; capability and cross-domain integration. I believe that XPeng Motors has many advantages when it comes to our robotics and humanoid robot development. For example, our physical AI resources have a synergy effect with our AI cars. For example, we actually are considering may be producing higher than car grade performance for our humanoid robots. And also our thinking logic on how to conduct business and mass production of our humanoid robot is largely driven by our knowledge and industry know-how in the EV industry. For example, when we build the future sales and marketing layout and globalization, there's a lot of synergistic effects that we can enjoy from the existing layout with our car sales. Also I believe when it comes to the future robotics development, some company will still -- some of the players will come from auto-making industry. And I believe that XPeng will definitely have a first-mover

advantage in this regard because of the data, the SoCs and the capability that we have. Thank you.

Y.C. Lai: [Foreign Language] My second question is also related to humanoid robot long-term strategy and operations. And from here to commercialization, what are the key critical milestones that we should be mindful? And from now towards the end of '26, can you remind us what the capacity and expected scale of our human robot operations? And also in terms of use case, by, say, 2030, you mentioned that 2030 we target to deliver 1 million units, can you also talk about the use case in the longer term?

He Xiaopeng: [Interpreted] Thank you. To be honest, IRON's mass production is probably the most challenging kind of vehicle or products I've ever worked on at XPeng Motors, if I have to make the comparison between mass-producing IRONs and other cars because there's still a lot of challenges. For example, our ultimate goal is for it to be easily trained with human language so that it can really help us in various ways, and there's a lot of room for improvement there when it comes to capability integration. For example, if this robot can walk or run in various safe postures that requires a lot of integration of capability as well. For example, it needs to have all the joints embedded in management and also full coupling of different wiring, et cetera. Also, if we need to allow it to have more generalized kind of dexterous hand movements, well, it will also require a lot of hand-based VLA, which we believe by beginning of next year will be integrated. We also need to allow it to have that kind of communication and language-based communication capability between the robot and humans. So that also will come from, for example, a lot of VLM and VLT, which is the small brain and large brain kind of modeling capability. But what I'm really excited to share here is that we will start entering the 1.0 stage of our new generation of mass-produced models next month. I believe that in the next 10 months, we'll be able to actually promote the robot development in an orderly manner during mass production. And I think that's the first part of my answer. Thank you. I think the ramp-up in robot production capacity is much simpler compared to cars. However, the commercialization of robots is indeed very, very challenging. It requires us to look for really new heights of technology and ultimately achieving more capabilities. Therefore, we hope to initially implement in several commercial scenarios included tour guiding, shopping or retail assistance, et cetera. In 2026, we hope that we actually can see a lot of our own robots working alongside us at our XPeng stores, campuses for the first stage of field testing. At the same time, we are also opening our SDK to more of our partners so that our partners can easily and simply buy our robots and train them for commercialization purposes. If your question is about future possibilities of scenario application, I think it's going to be even more than you think. For example, for commercialized robots, maybe you can switch their arms and allow them to go into the industrial production scenarios. And when will the robots go into our household setting? I think maybe 5 years' time, we still have a big chance of achieving that. And I hope that through opening our SDK, we can allow more kind of partners to help us tackle those diverse and long-tail scenarios of application so that we can all enjoy a better robotic future and build a better ecosystem. Thank you.

Operator: The next question comes from Ming from Bank of America.

Ming-Hsun Lee: [Foreign Language] Why does XPeng choose to launch Robotaxi service in 2026? Could you share your technology inflection point or how fast you lower your cost? And compared to other Robotaxi companies in China, what is XPeng's technology path or business model? What is your advantages?

He Xiaopeng: [Interpreted] Thank you, Ming, for your question. I think that within our R&D strategy, there are 2 key aspects, which are full-stack self-development and also cross-domain integration. I believe that in 2026, we will be actually seeing a collection of inflection points within our own development system. For example, we are going to be able to launch our current models into the Robotaxi configuration of fleets, which, by that time, we believe that the inflection point will arrive. At the same time, our VRM models will continue to offer new capabilities for our future vehicles to be more robotic-like. In addition to that, our current second-generation VLA can actually train our intelligent driving Ultra cars and also in the future, maybe also train our mass version of cars using the same kind of large model, too. In other words, we have our cross-domain capability based on our robotic development, which really can solve a lot of Robotaxi current limitations, for example, the high cost of production and also the limitation of the mobility destinations. For example, current Robotaxi now cannot really handle very complicated and complex road conditions and also in residential areas that has a lot of unpredicted scenarios and also a lot of them currently require LiDAR for their perception

capability and so on. So in 2026, we hope that by commercializing fully shared L4 capability in our Robotaxi. We actually can have the dual development of the driverless L4 model together with an assisted driving L4 model. With the launch of both method or road map in the future, I think very soon, it will be proven that XPeng has actually a better commercial logic thinking compared to other Robotaxi companies and that will give us a great competitive advantage. Thank you.

Ming-Hsun Lee: [Foreign Language] So how does the management team think about the commercialization of your Robotaxi business? Especially in the future, what is your planned milestone, for example, like in terms of the number of fleet? Or when will you plan to roll out in different cities or overseas market? And also currently, you already have a cooperation with Gaode, Amap, and could you elaborate more about your cooperation? And in the future, do we expand -- do you plan to cooperate with small partners like other ride-hailing companies?

He Xiaopeng: [Interpreted] Thank you. Actually, next year, XPeng is going to launch 3 different types of Robotaxi models at different price points to support different mobility purposes and demands. In the next phase of development, I believe, with the premise of regulatory approval, our priority is to really get everything running smoothly, when it comes to the whole technological and operation and business model. So in that scenario, we hope to work with more and more business partner in the ecosystem. For example, Amap will be a great partner. They are going to give us more development support when it comes to traffic and also payment and operation and services, et cetera. That really set us apart from a lot of the autonomous driving OEMs. And I believe that in the future, for different countries and regions and different steps of development, we are going to actually launch more partnership with different service providers across different lanes. And for XPeng, what we need to do is that we are building our toolbox really well, and we're opening up our interface capability so that we can work more with our ecosystem partners in the future across different countries and cities. And so once we really get everything up and running commercially in different environments, we can then quickly build our ecosystem. This is one of our considerations. Thank you.

Operator: The next question comes from Tina Hou with Goldman Sachs.

Tina Hou: [Foreign Language] Let me translate my first question. So first, I would like to understand, over the next 1 to 3 years, do we have a rough revenue estimate or breakdown for our new businesses, including Robotaxi, humanoid robot as well as eVTOL?

Gui Hongdi: Tina, it's Brian. First of all, I would say that for these future development areas, we do not provide any numerical guidance at the moment. Clearly, all those 3 areas, we anticipate volume, scale level production and operations in the next 12 months. For example, the Land Aircraft Carrier from our flying car company is aimed to be delivered to end customers before the end of next year, will be in volume, also scale, which I would say, in the thousands of range. But the other 2, for example, the humanoid robot as well as autonomous driving Robotaxi, as we just discussed earlier, next year will be actually a year we'll see a lot of operational testing as well as scaling up process to make them ready for large quantity production and use. So I would say the contribution from next year will probably be limited. But I think the volume we'll expect to ramp up rapidly once the model and the stability of these products is proven in the use, consumer end as well as application end. So the long-term goal of having 1 million per year humanoid robots sort of sales by 2030 is our long-term goal. And that is something that we have good confidence given we see the quick ramp-up in terms of technology as well as multiple application areas in home, in offices, in factory settings. So with all these future areas, we believe the potential is immense. So at this moment, unfortunately, I cannot give you the exact breakdown as well as precise cost estimates because these are still, I would say, evolving. But I think the overall trend is very exciting for us.

Tina Hou: [Foreign Language] So my second question is regarding our passenger vehicles. So wondering if we can get more details on the new models, their segment as well as price segment, both in the domestic market as well as overseas and also do we have a volume target for 2026?

Charles Zhang: Tina, it's Charles here. I think we believe that one chassis, dual powertrain vehicles present very attractive opportunities. It is also one of our strategic initiatives to expand the volume and the TAM of our -- each of our vehicles. So I think on November 20, we are launching the X9 with pricing, that will be our first, we call it the Super EREV product to be launched. And then you probably also have noticed that we have -- we already have 3 existing vehicles, Super Electric model, already

registered with regulators, and we plan to launch those 3 products in early 2026. As Xiaopeng also mentioned that we have 4 vehicles -- 4 new vehicles when we launch, it will be equipped with both BEV as well as EREV powertrain options. And those 4 new vehicles are positioned in the different various segment -- various pricing segments we're in. And we believe that, that will continue to enhance our product portfolio in each of the price segments we're targeting. So in terms of the growth into next year, and we believe that the huge -- the one chassis, dual powertrain vehicle models, the 7 models will significantly drive our growth next year. And also another growth driver we have seen is that the international market will continue to be a major growth driver for us. With our current products available in the international market, we have already hit 5,000 per month for September and also October, the 2 consecutive months already. And of the 7 new vehicles we're launching next year, 3 of them -- at least 3 of them will go to international market. And so we are confident that the international market volume will continue to be a very important growth driver for us into 2026.

Operator: The next question comes from Pingyue Wu with Citic.

Pingyue Wu: [Foreign Language] I have 2 questions. And my first question is about the new EREV model. And what do we think about the growth potential of our new EREV models in 2026? And my second question is about the humanoid robots. And how do we think about the fuel economy of the humanoid robots since we have implemented some new technologies, for example, the solid-state batteries and et cetera. And in terms of the affordability, will IRON robot be affordable for family, say, like RMB 200,000 or even less?

He Xiaopeng: [Interpreted] First of all, regarding the first question, I think what's interesting that we discover from the sales figures that we gather from -- since the launch of X9 was that the targeted customers and also the actual users of BEV and EREV are quite different. So we believe that we can expect to actually see several times of quarter-over-quarter growth when the new version of X9 actually get delivered, and actually different customer groups, when they purchase BEV versus EREV, they are using the cars across different scenarios as well. And specifically, what I want to share is that, obviously, BEV and EREV users in different sizes or scale of cars are also different. In larger vehicles, the percentage of EREV adoption is higher, whereas for Class A vehicles, especially smaller passenger vehicles, BEV ratio is actually higher. So I think we'll have to wait for more numbers to show maybe by Q4 and also Q1 next year before we actually can give you a more concrete answer. Thank you. And the second part of your question, regarding the pricing affordability of robotics, I think, first of all, the pricing logic is very different between cars and robots. When we look at the BOM cost of our Gen 6 and Gen 7 robots, they remain very high last year. But by first half of this year, when we were preparing for true mass production, we actually have enough reasons for us to actually believe the future retail sales price of the robotics -- of the robots can be very similar to car prices. And the second point that I want to mention here is that the traditional way of pricing a car is weight-based. It involves how many kind of iron and lithium and all kinds of elements included and components included in making a car, whereas robots, it's very different because the percentage of software in a robot is over 50% since day 1, whereas the number is only 10% to 20% for a lot of cars. In other ways, you have to put in a lot of cost to train the software and the model, and you need to have the overall capability to do a lot of integration and also domain controller as well. For example, you need to be able to combine all 4 SoCs into a super domain controller so that you can make them as light as possible and as affordable as possible. And these remain very challenging for many industry players. In other words, we really have high hopes for our future when it comes to robotics development. Hopefully, we are going to -- we expect to handle a limited amount of SKU integration, not as many SKU as when you're making a car. And we also will try our best to make the pricing of robots as affordable as possible. So it really can truly help and empower thousands of households in the future. Thank you.

Operator: The next question comes from Xiaoyi Lei with Jefferies.

Xiaoyi Lei: [Foreign Language] I have just one question. Could you please provide an update on the progress of our overseas localized production for next year? And additionally, how do we plan to leverage our smart driving capabilities to drive the sales growth in international markets?

Gui Hongdi: It's Brian, again. Just to address your question on overseas plan for next year. You're right, we actually initiated our local production this half -- second half of this year with first factory in Indonesia and also the -- another factory production facility with partnership with Magna in Austria. Those, I think,

is slowly ramping up the capacity. So we anticipate the volume for next year's production in these 2 plants will continue to rise and support our overall sort of overseas growth. I think in the Europe, we are looking at the tens of thousands in terms of numbers of vehicle locally produced there. And in Indonesia, I think probably a smaller, but also a sizable number, high thousands is something that we want to achieve. Looking beyond those 2 plants, we continue to look at additional opportunities to have local capabilities in other markets as well as building local supply chain capabilities to support the localization in these key regions. So we will be increasing our local content, increasing our local stores materials and also looking for further localization strategy to be implemented. So that's something I think is ongoing. I think it's a must do for a company has global ambitions. Looking at the global product sales next year, I think, as Charles mentioned, we're looking for higher growth in the international markets compared to our domestic market. We're also looking for higher contribution economically from those markets. So I would say in the next year or the year beyond, we're looking at a faster growing, higher profit contribution for our international businesses.

Operator: Since there are no further questions, I'd like to turn the call back over to the company for any closing remarks.

Alex Xie: Thank you once again for joining us today. If you have further questions, please feel free to contact XPeng's Investor Relations through the contact information provided on our website or the Piacente Financial Communications.

Operator: This concludes today's conference call. You may now disconnect your lines. Thank you. [Portions of this transcript that are marked [Interpreted] were spoken by an interpreter present on the live call.]