

Investment idea: Buy NIO (NASDAQ NIO.O)
 Price \$10

05 March 2019



Dear Investor,

Nio, Inc. designs, manufactures and sells smart and connected electric vehicles with next generation technologies and artificial intelligence. It is a new-generation Chinese company and is being branded the “Tesla Killer”.

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- ❖ It manufactures the ES8, a 7-seater all aluminum alloy body electric SUV. The ES6, a 5 seater SUV, is due to be launched in December 2019. Both SUV’s are priced above mid-ranged in the luxury sector.
- ❖ The NIO Formula E team won the the drivers championship in 2014
- ❖ It is also focused on providing vehicle charging solutions
- ❖ Reforms in China make it more difficult to get a drivers license for combustion cars than for electric cars. This will spark growth in the electric car sector. The Electric vehicle market has a 5.4% market share.
- ❖ More than 8000 units were sold in the Q4 2018 more than guidance, from less than 3300 units in Q3 2018. Revenue for 2018 was \$US2.5 billion up from \$US660 million from 2017.
- ❖ It took Tesla 3 quarters to reach the delivery 4 900 cars mark whereas NIO reached similar levels in a single quarter in Q3 2018.



Figure 1 - NIO SUV

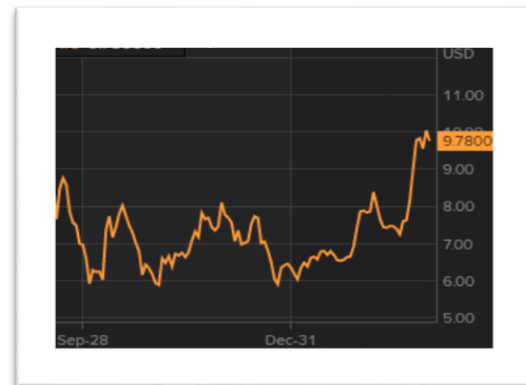


Figure 2 - NIO Price

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