

# Research Report on the Impact of Financial Technology on Strategic Investment of CATL

Ke Chen

*School of Finance, Hubei University of Economics, Wuhan, Hubei, China*

**Abstract:** In the context of the digital age, technological innovation in the financial sector continues to drive the development of the industry. With the widespread application of big data and artificial intelligence technology, consumers' financial consumption and payment habits have undergone significant changes, which has brought new growth points and challenges to the profit model of traditional enterprises. This study aims to use financial technology to accurately evaluate the value of a company, which is crucial for shareholders to understand the company's operating conditions, managers to conduct dynamic management, and investment decisions. This article takes Contemporary Amperex Technology Co., a leading new energy company in the A-share market, as an example. Its financial statements show that the company has shown a good growth trend in terms of asset size, operating income, and net profit. By analyzing its financial statements in depth, revealing the company's operational level, and combining financial technology to simulate the company's future market development direction, strategic recommendations are provided for the company's sustained growth.

**Keywords:** Financial Technology; New Energy Enterprises; Profitability; Digital Finance;

## 1. Introduction

Under the global trend of increasing environmental awareness and energy transformation, the development speed of the new energy vehicle industry is remarkable. As a leader in the industry, CATL continuously leads the innovation and development of the industry with its breakthrough technology and outstanding products. Of particular note is CATL's recently launched super battery technology, which significantly enhances the

range of electric vehicles and injects new vitality into the entire industry. Looking ahead, the new energy vehicle industry is expected to achieve greater leaps in technological innovation, market demand, industry chain integration, and environmental benefits. Whether it is lithium iron phosphate or ternary lithium batteries, CATL has demonstrated its strong competitiveness in both passenger and commercial vehicle fields [1]. According to data released by the China Automotive Power Battery Industry Innovation Alliance on September 13, 2024, the cumulative sales of power batteries in China reached 318.1 GWh in the first half of 2024, a year-on-year increase of 26.1%. CATL ranks first in the industry with a loading volume of 93.31 GWh, with a market share of 43.77%, a year-on-year increase of 3.25%.

This article will delve into CATL's financial statements, analyzing them from three key dimensions: operational efficiency, resource allocation, and capital structure. At the same time, through financial technology, predict the future development prospects of CATL and propose reasonable investment strategy recommendations based on the company's actual situation. This analysis will help investors gain a more comprehensive understanding of CATL's market position and potential opportunities for future development.

## 2. Current Situation of the Company

The company has maintained a leading position in the global power battery market for seven consecutive years. As a leading enterprise in lithium battery manufacturing, its main products include power batteries, energy storage batteries, and lithium battery materials. Since its establishment in 2011, the company has inherited the power battery business of ATL, a pioneer in the global consumer battery field. Since becoming the global leader in power battery shipments for the first time in 2017, the company has consistently held the top spot in

the industry, with a global market share of 36.8% by 2023[2]. In addition, since 2021, the company has consistently ranked first in the global energy storage battery market, with a market share of 40% in 2023.

With the continuous increase in demand for power and energy storage batteries, the market position of industry leaders is becoming increasingly stable. In the new energy vehicle market, with the strengthening trend of electrification, the demand for power batteries continues to grow. It is expected that the global demand for power batteries will reach 1002GWh by 2024 and may increase to 1476GWh by 2027. In the energy storage market, with the potential reduction of global financing costs, energy storage demand is expected to be further released. It is expected that the global demand for energy storage batteries will be 231 GWh in 2024 and may reach 381 GWh by 2027[3]. The lithium battery industry is a highly concentrated technology, capital, and talent intensive industry. Against this backdrop, companies have established close cooperative relationships with core customers based on their advantages in technology, scale, and channels. It is expected that their market share will continue to maintain stable growth.

The enterprise is in a leading position in global research and manufacturing capabilities, and its global layout further consolidates its competitive advantage. Enterprises attach great importance to technological innovation, significantly surpassing their peers in research and development investment and team size [4]. Their products are renowned for their excellent

performance and comprehensive layout. In the manufacturing field, enterprises independently develop and produce core equipment, and reduce equipment costs by adopting advanced technologies such as super pull wires, while improving production efficiency and product quality. The company has established production bases of over 100 GWh in Germany, Hungary, and other regions, and has cooperated with European and American customers through technology licensing models. At present, enterprises are significantly ahead of domestic peers in terms of the speed of globalization layout and the promotion of low-carbon projects [5].

### 3. Corporate Strategic Planning

Under the top-level design of this round of "Financial Technology Development Plan", CATL should further improve the relevant supporting rules, comply with the comprehensive digital transformation strategy formulated by financial institutions, promote the deep application of financial technology, and accelerate digital transformation [6]. In the process of developing financial technology, it is necessary to pay special attention to the strategic investment allocation of enterprise funds and promote interconnectivity in the financial technology field. At the same time, further leverage the forward-looking investment value of fintech and make future plans that are beneficial to the company.

#### 3.1 Enterprise Resource Allocation and Financing Strategy

**Table 1. Financing Debt Data of CATL Company in mid-2024 (Unit: Yuan)**

Long term loans	88,819,915,800
Payable bonds	19,414,874,600
Lease liabilities	648,305,500
Long term accounts payable	1,651,515,800
Expected liabilities	59,165,819,700
Total	169,700,431,400
Total liabilities of the enterprise	495,412,262,100
Financing debt ratio	34.25%

The financing strategy of a company is planned and allocated based on its overall development strategy. The main challenge currently faced is how to ensure sufficient funding to support the financing needs of the company during its growth and development stages. We have listed CATL's financing liabilities data for mid-2024 in Table 1, and directly calculated the

proportion of financing liabilities in the total liabilities of the enterprise as 34.25%. Financing liabilities are expansion businesses generated outside of the daily production and operation of enterprises due to the financing of funds [7]. By observing the debt ratio in the above table, it can be concluded that the financing activities of enterprises are relatively active, with large

investment amounts and diverse investment behaviors. From the above, it can be further concluded that the company maintains a healthy business relationship with the investment company, and has a high level of trust in CATL's business model and operational strength. Therefore, they are willing to provide financial

support to assist the company's operation and growth. This trust not only demonstrates CATL's firm belief in its own business, but also reflects the positive investment willingness of its partners towards the company's future development prospects [8].

**Table 2. Operating Liabilities Data of CATL Company in mid-2024 (Unit: Yuan)**

Accounts payable	66,052,159,100
Accounts payable	116,979,636,700
Payable employee salaries	16,596,608,800
Contract liabilities	22,462,994,100
Total	222,091,398,700
Total liabilities related to enterprise operations	1,270,831,777,000
Proportion of operating liabilities	17.48%

Corporate operating liabilities refer to the liabilities directly related to the main business of an enterprise generated in its daily operating activities, such as accounts payable, notes payable, and advance receipts. Taking CATL Company as an example, Table 2 discloses the composition of some of the company's operating liabilities, with accounts payable accounting for 63.77%. This data reflects the frequent and close business relationships between CATL company and its suppliers; CATL plays a core role in its supply chain, not only building a comprehensive production and sales system, but also occupying a favorable position in negotiations with suppliers and upstream enterprises in the industry chain [9].

Furthermore, the proportion of operating liabilities accounts for approximately 17.48% of the total operating related liabilities, and this financing strategy avoids the financial

constraints caused by high cash expenditures and other types of material returns. In addition, this method also strengthens the bond between the company and suppliers, achieving mutual benefit and business growth through close financial cooperation. CATL not only relies on operating liabilities to drive business expansion, but also utilizes working capital to maintain and promote the company's business growth through continuous business activities and close cooperation with suppliers, reflecting the suppliers' firm confidence in CATL's long-term development and success prospects[10]; At the same time, enhancing the company's financial strength through a large number of shareholder financing activities also reflects the strong support of CATL shareholders for the company's development.

### 3.2 Enterprise Business Strategy

**Table 3. Comparison of Various Data for CATL Company in mid-2024, mid-2023, and mid-2022 (Unit: Yuan)**

Particular year	Mid-2024	Mid-2023	Mid-2022
Total operating revenue	166,766,833,600	189,246,041,300	112,971,257,900
Total operating cost	142,296,780,300	166,847,523,600	103,727,259,500
R&D expenses	8,592,452,400	9,850,086,700	5,768,093,100
Operating profit	29,554,566,300	25,357,423,300	11,683,072,000
Net profit	24,878,855,300	21,473,201,500	9,669,961,200
Operating costs	122,517,848,800	148,305,934,100	111,873,351,200

As a pioneer in the lithium battery industry, CATL's financial statements have always been the focus of market attention. After Morgan Stanley upgraded its stock rating and triggered a significant increase in stock prices, CATL released its mid-2023 financial statements. From Table 3, it can be seen that the company has achieved varying degrees of improvement

in its annual total revenue, operating profit, and net profit. From a data perspective, CATL's performance in this year and the previous year was extremely impressive.

However, under the intense competition in the domestic new energy vehicle market and the slowdown in sales growth, CATL's market share has also suffered certain erosion. To address this

challenge, CATL has not only strengthened its cooperation with domestic car companies, but also actively sought opportunities in overseas markets in order to find new growth drivers. The growth in performance last year was mainly due to the booming development of the global new energy vehicle market, which has driven the rapid expansion of the power battery industry [11].

It is worth noting that as the operating profits of enterprises continue to grow, the operating costs show a downward trend, thanks to the adoption of modern financial technology by enterprises. By utilizing digital, intelligent, and networked technologies, enterprises can significantly improve efficiency when collaborating with commercial banks they cooperate with. For example, innovative methods such as mobile payments, online account opening, and electronic contracts can enable more convenient financial collaboration services; By leveraging cutting-edge technologies such as artificial intelligence, big data, and cloud computing, enterprises can achieve intelligent customer service, intelligent risk management, and intelligent investment advisory services; Through tools such as blockchain, distributed ledger, and encryption technology, enterprises can quickly develop applications such as cross-border payments, supply chain finance, and digital identity authentication. The application of these technologies not only greatly improves the speed and quality of CATL's domestic business, but also expands its service coverage to the whole world, thereby increasing the company's profits while reducing operating costs.

#### **4. The Impact of Financial Technology on Corporate Strategy**

The application of financial technology in CATL is mainly reflected in its equity financing strategy and the promotion of technological innovation and market expansion through financial technology.

CATL has successfully raised a huge amount of funds through several rounds of equity financing activities, which have been used to develop high-efficiency battery technology and expand its production scale. The availability of this funding has enabled CATL to quickly launch multiple high-performance battery products that meet market demand. One of the main benefits of equity financing is that it can

provide the company with sufficient research and development funds to support its continuous technological breakthroughs. CATL has won the favor of several top investment institutions, including Sequoia Capital, Temasek, GGV Capital, and Hillhouse Capital [12]. These institutions not only provide financial assistance, but also offer professional advice in enterprise management and market expansion, providing impetus for CATL's rapid development.

Using these financing proceeds, CATL has established multiple research and development centers focused on innovation and optimization of battery technology. With the support of funds, the company's R&D team has developed multiple high-energy battery products, such as high-energy density batteries and fast charging batteries. These products not only meet market demand, but also promote progress in the electric vehicle and energy storage markets. Taking CATL's high energy density battery technology as an example, it significantly enhances the endurance of electric vehicles, thereby increasing consumer recognition and trust in electric vehicles. In addition, CATL actively promotes its global technological innovation and market expansion through equity financing. The company has established production bases and sales networks around the world, attracting numerous international customers. This global layout not only enhances CATL's market competitiveness, but also enhances the company's brand image and market penetration. CATL also utilized these funds to recruit a management team with an international background, further enhancing the company's management capabilities and operational efficiency.

#### **5. Comprehensive Analysis and Enterprise Prospect Prediction**

With the release of the "Financial Technology Development Plan (2022-2025)", which is formulated based on the "National Economic and Social Development Plan and 2035 Long Range Objectives Outline", the plan aims to provide guidance for the development of financial technology in the new era, clarify the overall direction, goals, key tasks, and execution guarantees of financial digital transformation, and marks the start of the second round of financial technology development planning by the central bank. After a brief summary of the development of financial

technology in previous years, the "Plan" outlines a blueprint for the future development of financial technology, establishes guiding principles, four basic principles, and six development goals, and proposes eight key tasks and five safeguard measures. The plan clearly proposes to steadily promote the development of financial technology and accelerate the digital transformation of financial institutions.

Based on the outline in the "Plan" above, CATL has already followed the trend of the times and social needs in its actual business operations, introducing a considerable number of financial technology talents. With its core competitiveness in independent innovation and technology research and development, as well as sensitivity to market dynamics, CATL has the potential to play a key role in the global new energy vehicle market. The company's technological accumulation and innovation strength in the fields of battery materials, battery system design, and intelligent manufacturing provide a solid foundation for it in the fiercely competitive market. In addition, CATL actively expands its international market and has established partnerships with several world-renowned automobile manufacturers, thereby occupying a larger share in the global new energy vehicle market. Through continuous technological innovation, product iteration, and market expansion, CATL is expected to play a more critical role in the future era of new energy vehicles and make more contributions to promoting the green transformation and sustainable development of the global automotive industry.

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