

Action Summary – 18 May 2022

Analyst Theodore R. O'Neill *is initiating coverage of GTEC with a Buy rating and a \$15 price target as it enters the construction market in the U.S.*

- **The market is enormous and growing.** According to multiple sources, the size of the U.S. Construction Equipment market is ~200,000 units per year. Virtually none of these are electric.
- **We believe the growth rate will be double the single digit CAGR of the existing construction market.** We believe the market will grow twice the normal single digit CAGR because demand will come simultaneously from two types of customers: the traditional construction companies and the companies that rent out construction equipment.
- **Strategy similar to Tesla (TSLA-NR) with a massive head start** – Tesla had a 13-year head start on the automotive EV industry. We believe GTEC will also enjoy a first mover advantage. The Roadster, debuted in 2008 and was considered a niche sports car by the automotive industry and not a threat. It still took until 2021 for any meaningful EV's to compete with Tesla.
- **Initial Direct Sales model like Tesla.** Traditional construction equipment companies like Deere (DE-NR) and Caterpillar (CAT-NR) are, like traditional automotive companies were, heavily invested in maintaining the status quo and the Dealer sales network. GTEC is setting up its own showrooms and Experience Centers to demonstrate the benefits and operations of its electric construction equipment.
- **Significant Discount to Relative and Absolute Valuation.** GTEC shares trade for a fraction of what we believe they are worth.
 - **It is one of two profitable EV companies today.** Of the 20, publicly traded EV comparables with a valuation under \$2B, GTEC is only one of two companies with a PE (see Figure 3) and the other profitable company makes electric bicycles
 - **Its EPS growth rate of >50% is 10x its PE**

5/17 Closing price: \$3.03 USD	Market cap: \$34 million	1Q22 Multiple of book: 0.55	EV/2023 Sales: 0.49
Shares outstanding: 11.4 million	Insider ownership: 60%	3-mo avg. trading volume: 20,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in \$USD – Revenue in \$USD millions)

Period	EPS	Revenue	Op Margin
1Q21A	\$0.21	\$24.6	12%
2Q21A	\$0.26	\$28.2	12%
3Q21A	\$0.09	\$23.1	9%
4Q21A	<u>\$0.03</u>	<u>\$22.9</u>	<u>0%</u>
FY20A	<u>\$0.58</u>	<u>\$98.8</u>	<u>8%</u>
1Q22A	\$0.16	\$29.3	11%
2Q22E	\$0.15	\$27.5	8%
3Q22E	\$0.13	\$28.5	6%
4Q22E	<u>\$0.15</u>	<u>\$30.0</u>	<u>7%</u>
FY22E	<u>\$0.68</u>	<u>\$115.3</u>	<u>8%</u>
1Q23E	\$0.16	\$33.0	7%
2Q23E	\$0.20	\$38.0	8%
3Q23E	\$0.26	\$45.0	8%
4Q23E	<u>\$0.29</u>	<u>\$50.0</u>	<u>8%</u>
FY23E	<u>\$0.92</u>	<u>\$166.0</u>	<u>8%</u>

Note: Numbers may not add due to rounding. See our full model in the back of this report.

Cash balance (in \$USD millions)

• 2020A	• \$9.4
• 2021A	• \$19.9
• 2022E	• \$23.3
• 2023E	• \$19.3

Short term debt (in \$USD millions)

• 2020A	• \$50.8
• 2021A	• \$46.7
• 2022E	• \$42.0
• 2023E	• \$42.0

Risks/Valuation

- Risks include: product development, competition, new product introductions, warranty claims
- Our \$15 price target is derived using a discounted future earnings model

Company description: Greenland Technologies Holding Corporation (NASDAQ: GTEC) is a developer and a manufacturer of drivetrain systems for material handling machineries and electric vehicles, as well as electric industrial vehicles.

Figure 1 – Greenland Technologies Holding Corporation – One-Year Trading snapshot



Source: FactSet

Investment Thesis

- 1) **We are initiating coverage of GTEC with a Buy rating and a \$15 price target as it enters the construction market in the U.S.**
- 2) **The market is enormous and growing.** According to multiple sources, the size of the U.S. Construction Equipment market is ~200,000 units per year. Virtually none of these are electric. We believe that, like the automotive industry, and for the same reasons, all construction equipment will all become electric over time.
- 3) **We believe the growth rate will be double the single digit CAGR of the existing construction market.** We believe the market will grow twice the normal single digit CAGR because demand will come simultaneously from two types of customers: the traditional construction companies and the companies that rent out construction equipment. Because there is no base of EV construction equipment, we expect to initially see demand outstrip supply as both types of customers vie for the same new products.
- 4) **Strategy similar to Tesla (TSLA-NR) with a massive head start** – Tesla had a 13-year head start on the automotive EV industry. We believe GTEC will also enjoy a first mover advantage. The Roadster, debuted in 2008 and was considered a niche sports car by the automotive industry and not a threat. It wasn't until 2013, a year after the Model S had been introduced, that the automotive industry began to take Tesla seriously. There was so little confidence in the industry about the Model S that suppliers and market forecast firms like Gartner (NYSE: IT – NR) refused to acknowledge the Tesla build plan, forcing Tesla to struggle to get enough parts to build its cars. By 2013, the market environment changed, and suppliers slowly began to recognize that Tesla was meeting its own goals. But it still took until 2021 for any meaningful EVs to compete with Tesla.

- 5) **Initial Direct Sales model like Tesla.** Traditional construction equipment companies like Deere (DE-NR) and Caterpillar (CAT-NR) are, like traditional automotive companies were, heavily invested in maintaining the status quo and the Dealer sales network. GTEC has long made transmissions and has recently introduced an electric front loader and excavator and is marketing this equipment in the U.S. allowing its transmission unit to continue to sell components to the Chinese market. GTEC is setting up its own showrooms and Experience Centers to demonstrate the benefits and operations of its electric construction equipment.
- 6) **Not a start-up and serves a market little impacted by COVID** – GTEC is profitable selling transmissions and transmissions integrated with an electric motor primarily serving the Forklift market in the PRC. In the most recent quarter, it sold ~42,000 transmissions and reported an EPS of \$0.16. Unlike most EV companies, it does not need substantial capital. While COVID has impacted the construction market, Forklifts power a lot of “essential services.”
- 7) **Favorable regulatory changes are supportive.** Substituting EVs for traditional ICE is supported by advancements in ESG requirements and local regulations to reduce carbon footprints. As a practical matter, anyone who has lived in a big city can testify about the noise and diesel smoke from construction equipment.
- 8) **Significant Discount to Relative and Absolute Valuation.** GTEC shares trade for a fraction of what we believe they are worth. Part of this may be due to the fact that the shares trade in relative obscurity, with a 20-day average volume of 7,500/day but consider this:
 - a. **It is one of two profitable EV companies today.** Of the 20, publicly traded EV comparables with a valuation under \$2B, GTEC is only one of two companies with a PE (see Figure 3) and the other profitable company makes electric bicycles
 - b. **Its EPS growth rate of >50% is 10x its PE**
 - c. A discounted cash flow model of all future EPS, discounted at 12% yields a value >\$14
 - d. Its shares sell at a large discount to peers

Valuation Methodology and Price Target

We believe GTEC is undervalued and we support that belief with two valuation techniques, one absolute and one relative. The following valuation techniques are being used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 2)
- 2) Valuation relative to peers (see Figure 3)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$15 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 12%. We are making three main assumptions:

- Near-term rapid growth in earnings which steps down to GDP after 5 years
- Company remains profitable for the next five years

Our valuation model is shown in Figure 2 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$14.54 which we round up to \$15.

Figure 2 – Greenland Technologies Holding Corporation – Discounted Future Earnings

Disc. Future Earnings \$14.54		
Year	EPS	Discounted EPS
2022	\$0.68	\$0.68
2023	\$0.92	\$0.82
2024	\$1.05	\$0.84
2025	\$1.15	\$0.82
Terminal Value:		\$11.38

Source: Litchfield Hills Research

Valuation Relative to Peers

For our comparable valuation work, we looked at peers engaged in both the Electric Vehicle (EV) and the Construction Equipment Industries. Until now, the shares have traded closer to the metrics of its peers in the Construction Equipment market, but now that the company is entering the EV business, we feel the comparison there is more appropriate. If we compare GTEC to an average of its EV Industry peers (Figure 3), the shares sell at a discount. These metrics indicate the stock price should be higher than where it is today and supports our \$15 price target. If the shares traded for \$15.00 today, its 2023 Market cap/Sales multiple **would still be below average**. The companies we used in Figure 3 are in similar lines of business although none of them are a perfect match.

Figure 3 – Greenland Technologies Holding Corporation – Peer Comparison

EV Industry					2023 Consensus Multiples except Book			
FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	Market Cap / Sales	EV /Sales	Price to Book	PE
FSR-US	Fisker Inc	\$9.71	1,601	2,515	1.37	1.20	5.83	
ARVL-US	Arrival SA	\$1.84	1,174	773	1.79		3.96	
PTRA-US	Proterra Inc.	\$5.41	1,206	866	2.38	1.09	2.72	
LEV-US	Lion Electric Company (US Listing)	\$5.47	1,039	1,004	1.97	1.82	5.12	
GOEV-US	Canoo Inc.	\$3.33	796	546	1.19	0.83	5.35	
HYZN-US	Hyzon Motors Inc.	\$3.68	912	509	3.42	1.19	4.28	
FFIE-US	Faraday Future Intelligent Electric Inc.	\$2.52	600	291	0.20	(0.04)	1.30	
HYLN-US	Hyllion Holdings Corp.	\$3.05	530	177	X	X	1.94	
NIU-US	Niu Technologies	\$7.32	503	437	0.57	0.46		9.36
REE-US	REE Automotive Ltd.	\$1.79	424	146	2.89	0.59	7.04	
CENN-US	Cenntro Electric Group Limited	\$1.77	462	50			5.31	
RIDE-US	Lordstown Motors Corp	\$2.27	448	242	4.04	1.46	1.26	
SEV-US	Sono Group NV	\$3.04	245	73	2.96	0.93	7.47	
MULN-US	Mullen Automotive, Inc.	\$1.17	333	42				
ZEV-US	Lightning eMotors, Inc	\$3.94	296	143	1.26	0.62	X	
XL-US	XL Fleet Corp	\$1.30	185	(154)	4.54		1.29	
SOLO-US	Electrameccanica Vehicles Corp	\$1.60	190	(41)	2.10		1.10	
FUV-US	Arcimoto, Inc.	\$3.85	147	129	1.43	1.25	5.47	
GPV-CA	GreenPower Motor Company Inc. (CA Listing)	\$3.97	92	93	1.92	1.88	14.30	
EVTV-US	Envirotech Vehicles Inc	\$0.27	81	49	1.85	1.10	0.91	
	AVERAGE				2.13	1.02	4.61	9.36
GTEC-US	Greenland Technologies Holding Corporation	\$3.15	36	81	0.21	0.49	0.55	4.59
GTEC-US	Discount to peers:				-90%	-52%	-88%	-51%
Construction Equipment Industry					2023 Consensus Multiples except Book			
FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	Market Cap / Sales	EV /Sales	Price to Book	PE
DE-US	Deere & Co.	\$374.45	114,875	158,229	2.25	3.11	5.72	14.52
CAT-US	Caterpillar	\$207.19	110,510	142,620	1.84	2.39	6.72	14.54
VOLV.B-SE	Volvo AB (Class B)	\$16.08	33,033	43,124	0.79	1.00	3.02	9.02
CMI-US	Cummins Inc	\$202.69	28,599	31,707	1.05	1.17	3.67	10.11
6301-JP	Komatsu Ltd. (JP Listing)	\$24.05	23,404	29,426	0.99	1.22	1.25	11.39
6326-JP	Kubota Corp. (JP Listing)	\$17.66	21,194	29,912	1.08	1.47	1.83	13.41
CNHI-US	CNH Industrial N.V. (US Listing)	\$14.52	19,664	37,296	0.91	1.71	3.89	9.83
500520-IN	Mahindra & Mahindra Ltd. (IN Listing)	\$11.66	14,493	22,289	1.72		2.12	19.43
AGCO-US	AGCO Corp.	\$123.60	9,213	10,723	0.71	0.83	2.53	9.59
1157-HK	Zoomlion Heavy Industry Science and Technology Co	\$0.56	7,002	6,941	0.65	0.64	0.50	4.69
000425-CN	XCMG Construction Machinery Co. Ltd. (Class A)	\$0.75	5,854	8,984	0.44	0.65	1.29	6.10
241560-KR	Doosan Bobcat Inc.	\$32.00	3,208	4,104	0.53	0.67	0.94	7.71
042670-KR	Hyundai Doosan Infracore	\$4.88	964	1,399	0.26	0.36	1.02	6.57
000680-CN	Shantui Construction Machinery Co., Ltd. (Class A)	\$0.73	1,100	1,130			1.44	
002900-KR	TYM CORPORATION	\$2.75	419	532			1.03	
	AVERAGE				1.02	1.27	2.46	10.53
GTEC-US	Greenland Technologies Holding Corporation	\$3.15	36	81	0.21	0.49	0.55	4.59
GTEC-US	Discount to peers:				-79%	-61%	-77%	-56%

Source: Litchfield Hills Research LLC and FactSet

Notes on our Financial Forecasts and Company Guidance

The company provides no guidance. We have made estimates at a very high level with the main assumption that revenue in the EV sector will grow and that the company will stay profitable. However, the company may choose to make longer term investments that will impact the model. At this point in the model development, our estimates could move markedly one way or the other. In addition to unknowns in the financial model, capital expenditures could run higher, necessitating additional capital raises. It seems likely to us that it will need additional funding to support working capital depending on its growth rate

Company Overview

Greenland provides transmission systems and integrated powertrains for material handling machineries, particularly for electric forklift trucks. Where it sells components to many of the world's largest industrial manufacturers (see Figure 4).

Figure 4 – Greenland Technologies Holding Corp. – Long-term relationships with leading manufacturers



Source: Company Presentation

Transmission Products for Material Handling Equipment

Transmission Systems. For 15 years, Greenland, along with its subsidiaries, has specialized in designing, developing, and manufacturing a wide range of, mostly automatic, transmission systems for material handling machines, in particular forklift trucks. The range of the transmission systems covers machines from one ton to fifteen tons. In addition, Greenland provides transmission system for internal combustion powered machines as well as for electrically powered machinery. Greenland

has recently experienced an increasing demand for electrically powered transmission systems. These transmission systems are key components for material handling machinery assembly (see Figure 5).

Figure 5 – Greenland Technologies Holding Corp. – Non-Integrated Hydraulic Transmissions



Hydraulic Transmission System

Source: Company Presentation

Integrated Powertrain. Greenland designs and develops new and distinctive powertrains, which integrate electric motors, speed reduction gearboxes, and driving axles into a combined integral module in order to meet a growing demand for advanced electric forklift trucks. This integrated powertrain will enable OEMs to significantly shorten design cycle, improve machinery efficiency, and simplify the manufacturing process. There is increasing demand for integrated powertrains, rather than separate electric motor, speed reduction gearbox, and driving axles, particularly in electric forklift trucks. Currently, Greenland makes two-to-three and a half-ton integrated powertrains for a few electric forklift truck OEMs. Greenland is in the process of adding more integrated powertrain products for electric forklift truck OEMs of different sizes (see Figure 6).

Figure 6 – Greenland Technologies Holding Corp. – Integrated Hydraulic Transmissions

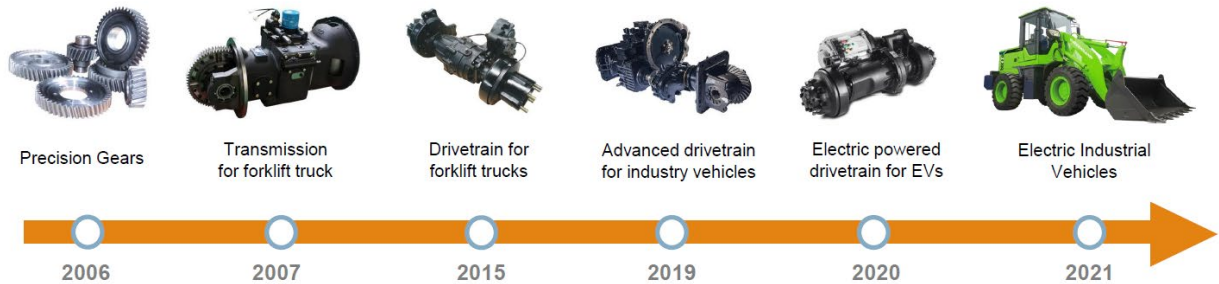


2.5-ton Integrated Powertrain

Source: Company Presentation

The strategy of the company has been to execute on a plan of increasingly selling value added products (see Figure 7).

Figure 7 – Greenland Technologies Holding Corp. – Increasing value added products



Source: Company Presentation

Following this path, it has now introduced three and soon four of its own EV Construction vehicles (see Figure 8).

Figure 8 – Greenland Technologies Holding Corp. – EV Construction Vehicles



Source: Company Presentation

Electrical Vehicle Construction Market

The electric industrial vehicle market is highly fragmented with few, if any, dominant local market participants. We believe that a few conventional industrial vehicles and construction equipment makers are in the process of developing electric products, but are years away from product deployment. This is to avoid cannibalization with the mature fossil fuel-powered

equipment product lines. As a result, with an early mover advantage together with Greenland's strong research and development capability, we believe that Greenland is well-positioned to secure a meaningful role in the electric industrial vehicle market.

We believe that electric industrial vehicles, which include electric loaders, excavators and forklift trucks, have the following advantages over traditional internal combustion vehicles:

- Zero carbon emission. Fully electric industrial vehicles are completely emission free leading to less pollution from local usage. In addition, electrical power generation produces less carbon emissions when compared to fossil fuel. This results in a more environmentally friendly and sustainable power source.
- Lower energy usage and maintenance costs. Electric industrial vehicles offer a significant saving in energy consumption when compared to diesel equipment. Conventional internal combustion power systems require costly routine maintenance that increases with age. Without the need to maintain these internal combustion engines, electric industrial vehicles provide significantly less maintenance costs and less operational downtime resulting in a greater return on investment.
- Lower level of noise and vibration. Electric vehicles are proven to produce less sound and vibration when compared to internal combustion vehicles due to the lack of complicated transmission components and coolant pumps. The low noise levels of electric industrial vehicles offer new opportunities to businesses such as working at night in urban areas or during the day close to noise-sensitive locations like parks and hospitals.
- Demand for Better Workplace Safety and New Applications. Conventional excavators and loaders that use internal combustion engines create significant fumes, emissions, noises and vibrations which can harm the health of staff and surrounding residents. These problems can be addressed by the adoption of electric powered equipment which produce zero emissions, low levels of noise and minor vibrations. This creates a safer work environment and new business opportunities for indoor applications.

Assembly Facility and Experience Center

It plans to initially focus on the North American construction market for its line of EV machines. This is in part to avoid competing with customers in the PRC who are buying components from GTEC and to diversify and de-risk its manufacturing base. Greenland has announced its first assembly facility will be in Baltimore County, Maryland due to the state's strong logistical infrastructure, educated labor force and commitment to sustainable technology and manufacturing (see Figure 9). The site represents the initial phase of the Company's major U.S. manufacturing expansion and is planned to go live in 3Q22. The site will be ~54,000 sq ft and have the capability to assemble over 500 EV Construction machines per year. Products produced at this site will be distributed to Greenland Experience Centers and channel partners for sale.

Figure 9 – Greenland Technologies Holding Corp. – Rendering of new assembly operation



Source: Company Presentation

The company has also announced a new brand name and logo for the EV Construction equipment it will sell. The brand name HEVI and a stylized Bison embodies both the strength and power of the equipment along with a symbol of American beauty and nature (see Figure 10). It will replace the name Greenland.

Figure 10 – Greenland Technologies Holding Corp. – New EV Construction Equipment Logo



Source: Company presentation

It plans to sell its product from its own Experience Center which would cover methods and practices for charging and use (See Figure 11).

Figure 11 – Greenland Technologies Holding Corp. – Rendering of new Experience Center



Source: Company presentation

Summary

The market is enormous and growing. According to multiple sources, the size of the U.S. Construction Equipment market is ~200,000 units per year. Virtually none of these are electric.

We believe the growth rate will be double the single digit CAGR of the existing construction market. We believe the market will grow twice the normal single digit CAGR because demand will come simultaneously from two types of customers: the traditional construction companies and the companies that rent out construction equipment.

Strategy similar to Tesla with a massive head start – Tesla had a 13-year head start on the automotive EV industry. We believe GTEC will also enjoy a first mover advantage. The Roadster, debuted in 2008 and was considered a niche sports car by the automotive industry and not a threat. It still took until 2021 for any meaningful EV's to compete with Tesla.

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Management

Raymond Wang

Chief Executive Officer and President

Mr. Raymond Z. Wang has served as Chief Executive Officer of Zhongchai Holding since April 2019. He has more than fifteen years of management and corporate governance experience, and has served as president and vice president for two international companies and chairman of the board for a non-profit organization. Mr. Wang's experience includes business process optimization, organizational management, financial management, customer channel acquisition, warehouse management and logistics modernization.

Jing Jin

Chief Financial Officer

Mr. Jing Jin has served as Chief Financial Officer since October 24, 2019. He has also served as the Chief Financial Officer of Zhongchai Holding since August 2019. Prior to that, Mr. Jin served as the Chief Financial Officer of Tantech Holdings Ltd. (Nasdaq: TANH), a manufacturer of bamboo-based charcoal products in PRC, from May 2016 to June 2019. From January 2014 to February 2015, Mr. Jin served as Senior Adviser for AAIC (Shanghai) Co., Ltd., a consulting Company in the PRC, responsible for overseeing M&A transactions. From September 2011 to November 2013, he worked as a senior financial adviser in CanAccess Int'l Financial Consultants Ltd. in Vancouver, Canada, responsible for small-medium enterprises' financing both in private and public sectors. From December 2008 to August 2011, Mr. Jin was an audit associate at MaloneBailey LLP, an accounting firm, in its offices in Canada and PRC. Mr. Jin graduated from Simon Fraser University in June 2008 in Burnaby, Canada with a Bachelor of Business Administration degree.

Lei Chen

Chief Scientist

Mr. Lei Chen has served as Chief Scientist since October 24, 2019. He has also served as the Chief Scientist of Zhongchai Holding since April 2019. Prior to that, he was the Chief Scientist of Cenntro Automotive Group from July 2016 to March 2019 and was responsible for technology development. Prior to that, Dr. Chen was a development consultant to Pinnacle Engines, Inc., a technology Company specializing in four-stroke engines from July 2013 to January 2016. He served as a Vice President of KLD Energy Technologies, Inc., a Company that develops sustainable propulsion technologies for the electric vehicle markets, and was in charge of the research and development of electrical motors from June 2009 to July 2013. He also founded GOTOAUTO.COM, a data engine software Company, and served as its Chief Technology Officer from March 1999 to September 2002. Prior to that, he was the principal consultant to E2 Capital Partners, a marketing consulting Company, from 1996 to 1999, and a sales director of PcBX Systems, Inc., a technology Company with PC based-PBX products, from 1994 to 1995. Dr. Chen has a Ph.D. in Physics from the University of Texas at Austin and a Bachelor degree in Physics from Shandong University, PRC.

Figure 12 – Greenland Technologies Holding Corporation – Income Statement \$000

December ending year	2020A	2021A				2021A	2022E				2022E	2023E				2023E
	Year	Q1A	Q2A	Q3A	Q4A	Year	Q1A	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
Total revenue	\$66,864	\$24,611	\$28,204	\$23,085	\$22,940	\$98,840	\$29,307	\$27,500	\$28,500	\$30,000	\$115,307	\$33,000	\$38,000	\$45,000	\$50,000	\$166,000
<i>Growth</i>		149%	70%	40%	-4%	48%	19%	-2%	23%	31%	17%	13%	38%	58%	67%	44%
Cost of Goods	54,051	19,507	22,499	17,987	19,253	79,246	22,939	21,725	22,515	23,700	90,879	26,070	30,020	35,550	39,500	131,140
Gross Profit	12,813	5,104	5,705	5,097	3,687	19,594	6,368	5,775	5,985	6,300	24,428	6,930	7,980	9,450	10,500	34,860
Selling	1,588	379	495	523	471	1,868	640	650	700	700	2,690	800	900	1,200	1,500	4,400
G&A	2,131	911	752	1,151	1,135	3,949	1,280	1,250	1,300	1,350	5,180	1,600	1,900	2,250	2,500	8,250
R&D	2,385	960	1,005	1,372	2,189	5,527	1,083	1,800	2,200	2,200	7,283	2,300	2,300	2,300	2,300	9,200
Total Operating Expenses	6,105	2,250	2,253	3,046	3,795	11,344	3,002	3,700	4,200	4,250	15,152	4,700	5,100	5,750	6,300	21,850
Operating Income	6,708	2,854	3,452	2,052	(108)	8,250	3,366	2,075	1,785	2,050	9,276	2,230	2,880	3,700	4,200	13,010
Operating income %	10%	12%	12%	9%	0%	8%	11%	8%	6%	7%	8%	7%	8%	8%	8%	8%
Total Other Items	1,936	112	94	130	526	861	168	0	0	0	168	0	0	0	0	0
Pre-Tax Income	8,645	2,966	3,546	2,181	418	9,111	3,534	2,075	1,785	2,050	9,444	2,230	2,880	3,700	4,200	13,010
Taxes (benefit)	2,273	523	394	928	(1)	1,843	619	311	268	308	1,506	335	432	555	630	1,952
Tax Rate	26%	18%	11%	43%	0%	20%	18%	15%	15%	15%	16%	15%	15%	15%	15%	15%
Sub-total Net Income	\$6,372	\$2,443	\$3,152	\$1,254	\$419	\$7,268	\$2,915	\$1,764	\$1,517	\$1,743	\$7,938	\$1,896	\$2,448	\$3,145	\$3,570	\$11,059
Impact of non-controlling interest	387	(315)	(372)	(225)	(91)	(1,003)	(1,128)	0	0	0	0	0	0	0	0	0
GTEC Net Income	\$6,759	\$2,129	\$2,781	\$1,028	\$328	\$6,266	\$1,787	\$1,764	\$1,517	\$1,743	\$7,938	\$1,896	\$2,448	\$3,145	\$3,570	\$11,059
EPS, as reported	\$0.67	\$0.21	\$0.26	\$0.09	\$0.03	\$0.58	\$0.16	\$0.15	\$0.13	\$0.15	\$0.68	\$0.16	\$0.20	\$0.26	\$0.29	\$0.92
Diluted Shares Outstanding	10,037	10,334	10,814	11,371	11,400	10,841	11,330	11,600	11,700	11,800	11,607	11,900	12,000	12,100	12,200	12,050

Source: Company reports and Litchfield Hills Research LLC

Figure 13 – Greenland Technologies Holding Corporation – Balance Sheet \$000

December ending year	FY2023E	FY2022E	FY2021A	FY2020A
Balance sheet				
Current Assets				
Cash and S.T.I.	\$19,315	\$23,307	\$19,907	\$9,403
Accounts receivable	32,000	21,000	15,915	12,409
Inventories	35,000	28,000	25,803	15,380
Other assets	<u>75,000</u>	<u>75,000</u>	<u>77,680</u>	<u>70,452</u>
Total Current Assets	161,315	147,307	139,305	107,643
PP&E	23,000	20,000	18,958	20,135
Land use rights				4,035
Long term assets	<u>4,000</u>	<u>4,000</u>	<u>4,035</u>	<u>165</u>
Total Assets	\$188,665	\$171,607	\$162,568	\$131,979
Current Liabilities				
Accounts payable	\$40,000	\$35,000	\$29,064	\$22,005
Advances or notes payable	50,000	50,000	54,473	53,428
Due to related parties				
Other current liabilities	<u>2,000</u>	<u>2,000</u>	<u>1,926</u>	<u>3,376</u>
Total current liabilities	92,000	87,000	85,463	78,808
Lease obligations and liabilities	0	0	48	166
Other long-term	<u>2,000</u>	<u>2,000</u>	<u>2,213</u>	<u>2,343</u>
Total Liabilities	94,000	89,000	87,724	81,317
Stockholders' Equity				
Preferred stock	0	0	0	0
Common stock	0	0	0	0
Additional paid-in-capital	29,000	28,000	27,602	18,225
Retained earnings	52,665	41,607	33,669	26,728
Accumulated other comp. and NC Interest	<u>13,000</u>	<u>13,000</u>	<u>13,574</u>	<u>5,709</u>
Total stockholders' equity	<u>94,665</u>	<u>82,607</u>	<u>74,845</u>	<u>50,661</u>
Total Liabilities and equity	\$188,665	\$171,607	\$162,568	\$131,979

Source: Company reports and Litchfield Hills Research LLC

Figure 14 – Greenland Technologies Holding Corporation – Cash Flow \$000

	2023E	2022E	2021A	2020A
Net Income	\$11,059	\$7,938	\$6,266	\$6,372
Receivables	(11,000)	(5,085)	(3,506)	(12,406)
Inventories	(7,000)	(2,197)	(10,423)	(15,380)
Prepaid and other	0	2,680	(7,228)	(70,452)
PP&E	(3,000)	(1,042)	1,178	(20,135)
Land use rights	0	35	0	(4,035)
Long term assets	(50)	(30)	(106)	(165)
Accounts payable	5,000	5,936	7,059	21,984
Advances or notes payable	0	(854)	6,478	44,376
Due to related parties	0	(3,619)	(5,432)	9,051
Other current liabilities	0	74	(1,450)	3,376
Lease obligations and liabilities	0	(48)	(119)	73
Other long-term	0	(213)	(130)	2,001
Preferred stock	0	0	0	(0)
Common stock	0	0	0	(1)
Additional paid-in-capital	1,000	398	9,377	17,234
Accumulated other comp. and NC Interest	0	(574)	7,866	5,709
Other			675	
Total Cash Flow	(\$3,992)	\$3,400	\$10,504	(\$12,399)

Source: Litchfield Hills Research LLC

Disclosures:

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We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

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Greenland Technologies Holding Corporation GTEC; Buy - \$15 PT

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