

# Zacks Small-Cap Research

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Brian Lantier  
312-265-9153  
blantier@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

## ATRenew Inc

(NYSE: RERE)

**RERE: Continues to execute across the board. Several growth opportunities on the horizon provide upside to our forecast.**

ATRenew reported net income of RMB130.3 million (\$18.6 million) for 4Q25, or \$0.08 per ADS, in line with our forecast. Raising our 2026 adjusted earnings per ADS estimates from \$0.39 to \$0.41 and introducing our 2027 estimate of \$0.51/ADS.

Current Price (03/10/26) **\$5.58**  
Valuation **\$8.00**

## OUTLOOK

Despite sluggish domestic smartphone demand, the iPhone 17 launch in China fueled a surge in Q4 trade-ins, solidifying ATRenew's position as the leader in Chinese device recycling. The company's offline presence and its continued JD.com partnership (extended through 2030) have enabled ATRenew to standardize much of the pre-owned market in China. Automated inspection technology continues to improve efficiency, driving margin gains, and the company has built strong brand awareness and consumer trust. The company is expanding into high-margin categories like luxury goods and precious metals while scaling international channels to meet global demand for refurbished electronics.

## SUMMARY DATA

52-Week High **\$6.47**  
52-Week Low **\$2.00**  
One-Year Return (%) **60.30**  
Beta **0.19**  
Average Daily Volume (sh) **1,416,625**

Shares Outstanding (mil)\* **243**  
Market Capitalization (\$bil) **\$1.36**  
Short Interest Ratio (days) **N/A**  
Institutional Ownership (%) **41**  
Insider Ownership (%) **3**

Annual Cash Dividend **\$0.10**  
Dividend Yield (%) **1.79**

5-Yr. Historical Growth Rates  
Sales (%) **23.7**  
Earnings Per Share (%) **N/A**  
Dividend (%) **N/A**

P/E using TTM EPS **32.7**  
P/E using 2026 Estimate **17.7**  
P/E using 2027 Estimate **N/A**

Zacks Rank **N/A**

Risk Level **Average**  
Type of Stock **Small-Growth**  
Industry **Technology Services**

## ZACKS ESTIMATES

### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	506 A	520 A	577 A	664 A	2,267 A
2025	641 A	697 A	723 A	894 A	2,955 E
2026	859 E	925 E	967 E	1,055 E	3,668 E
2027	1,012 E	1,080 E	1,154 E	1,282 E	4,527 E

### Adjusted Net Income/American Depositary Shares<sup>1</sup>

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	\$0.01 A	\$0.04 A	\$0.05 A	\$0.07 A	\$0.18 A
2025	\$0.04 A	\$0.06 A	\$0.06 A	\$0.08 A	\$0.25 A
2026	\$0.07 E	\$0.09 E	\$0.12 E	\$0.13 E	\$0.41 E
2027	\$0.10 E	\$0.11 E	\$0.14 E	\$0.16 E	\$0.51 E

Quarterly revenues may not equal annual revenues due to FX rates. <sup>1</sup>Excludes share-based compensation expenses and amortization of intangible assets, as well as related tax impacts.

## WHAT'S NEW

### **ATRenew Reports Impressive Fourth Quarter 2025 Results**

Before the market opened on March 11, ATRenew released its fourth-quarter and full-year results for 2025, demonstrating that the company's deep consumer connection and market penetration can enable it to thrive even in challenging operating environments. Despite smartphone shipments falling slightly in China last year, the company's position as the premier destination for consumers to recycle their previous-generation smartphones enabled it to capitalize on strong upgrade cycles, particularly among Apple iPhone users.

The Apple iPhone 17 was released on September 19, and strong demand in China enabled Apple to reclaim its lead as the top smartphone manufacturer in the fourth quarter of 2025, with 22% market share. The popularity of this iPhone model led to a strong upgrade cycle among current iPhone users who owned older models, reversing a trend of declining sales in the Chinese market for Apple. The base model iPhone 17 was priced at RMB5,999 to ensure it fell within the Chinese government's subsidy guidelines for consumer electronics upgrades, including smartphones priced under RMB6,000. At this point, it is unclear whether Apple's resurgence in the Chinese market is sustainable or whether this was merely a bump driven by a larger-than-normal upgrade cycle coinciding with smartphone subsidies for models priced under RMB6,000.

Total net revenues at ATRenew jumped 29% from the same period of 2024 to RMB6.25 billion (\$894 million) and were up 21.5% sequentially from the third quarter of 2025 due in large part to the surge of iPhone 17 sales which led to large number of trade-ins of older iPhone models and several android model updates from companies like Oppo, Huawei and Vivo. Total revenues for ATRenew exceeded our forecast by 2.2%, or RMB134 million, principally due to increased unit volumes and higher pricing across the full spectrum of pre-owned smartphones, driven, in part, by higher memory costs. The company's net service revenues were up 8.8% year over year in the fourth quarter of 2025 but essentially flat sequentially. Strength in some segments of this business (particularly the company's gold business) may have been offset by weakness in consumer spending on other items, such as luxury goods.

The company's 1P business (First Party sales, where ATRenew acts as the retailer of goods to consumers) posted a gross margin of 13.7% in the quarter, up from 12.5% a year ago. The company attributed this improvement to efficiency gains in consumer-to-business sales and a more diversified retail channel sales mix.

The balance of the company's operating expenses were roughly in line with the higher volume of sales and as a result of a slight improvement in margins, ATRenew reported GAAP net income of RMB130.3 million for the quarter (\$18.6 million). After adjusting for non-cash share-based compensation expenses of RMB9.1 million in the quarter and small amortization of intangibles (RMB783 thousand), adjusted non-GAAP income was reported at RMB140.1 million or \$20.0 million for the quarter or \$0.08/ADS, in line with our projections.

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## KEY TAKEAWAYS

1. **ATRenew maintains a dominant market position:** ATRenew continues to solidify its leadership in China's consumer electronics circular economy. The continued push to standardize the collection, inspection, refurbishment, and sales processes for consumer electronics (primarily smartphones) is increasing consumer brand recognition of ATRenew's platforms in China. The breadth and depth of the company's offline collection channels, strong relationship with JD.com, and investments in automating its inspection technologies have positioned ATRenew at the forefront of the consumer electronics recycling market in China.
2. **Transaction activity remains strong:** The company demonstrated strong transaction activity and consumer demand in the fourth quarter despite operating in a challenging environment for new devices. Consumers are increasingly aware of recycling services like those offered by ATRenew, and demand for refurbished goods continues to grow among value-oriented buyers. Smartphone replacement cycles have increased significantly in the past five years in China, as phone prices have risen, and the impact on the company following major upgrade cycles (like the iPhone 17 release) is unknown at this point.
3. **Multi-category expansion:** The company continues to expand its multi-category business slowly, and it appears this business could provide a good counterbalance to the consumer electronics business. While pricing, grading, and sourcing luxury goods or gold include additional challenges that are not factors in the refurbished consumer electronics market, the margin opportunity in some of these markets is substantial. If the company can tie domestic Chinese supply to global demand, there is pricing arbitrage that could benefit ATRenew. As the company diversifies its product mix, investors may gain greater confidence in ATRenew's long-term prospects.
4. **International Growth:** Management highlighted growing opportunities to connect China's large supply of used consumer electronics with strong global demand for refurbished devices. The company's overseas operations have delivered steady sequential growth throughout 2025. ATRenew has also implemented an integrated inventory system enabling China-sourced devices to undergo a single inspection before being listed across multiple export markets, improving efficiency and inventory management. At the same time, the company is emphasizing regulatory compliance and has been involved in developing cross-border standards for second-hand goods, helping streamline customs processes and improve export timelines. International operations will likely be a key driver of growth over the next three to five years.
5. **Margin expansion:** Management indicated on the quarterly conference call that it anticipates pricing for renewed devices will continue to increase, reflecting higher prices for new phones. Management also indicated that its automated quality inspection technology can lead to a 30% reduction in inspection costs compared to manual inspection. While the company is in the early stages of these rollouts, greater automation could meaningfully improve its long-term operating margins.

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## INDUSTRY UPDATE

Rising memory prices continue to push new device prices higher across the industry. While higher prices create some challenges in the market - as evidenced by flat shipments of new devices in 2025 in China and forecasts for contraction in 2026 – management believes that it can also create new opportunities for ATRenew.

As with any other market for refurbished/used equipment, as new prices rise, assuming steady inventory, pre-owned prices will rise as well. The parallel in the US might be the used-car market, which has seen sharply higher prices over the past five years as new-car prices have risen to record levels. Also, like the auto market, the healthy secondary market for renewed smartphones helps maintain inventory balance, as consumers tend to trade in a phone while it still has value.

Most smartphone manufacturers typically pass along rising memory prices by raising average prices, but Apple has kept its prices stable, making its products more competitive with many leading Chinese manufacturers. Management at ATRenew has noted that Apple's market share gains generally lead to more Apple products being traded in (Apple users tend to stay within the iOS ecosystem), which benefits ATRenew by increasing the marketability of its renewed inventory.

One variable to be monitored is the possibility that Apple may stagger the iPhone 18 launch, with Pro models released in the fall and standard models in the Spring of 2027. It is difficult to say what impact this could have upgrades in China if Apple elects this strategy but with the iPhone 18 Pro and 18 Pro Max having rumored prices of RMB7,700 and RMB8,400 (\$1,100 and \$1,200) the lack of a new iPhone model in 2026 released below the qualifying price for subsidies in China (RMB6,000) could have a material impact on our Q4 2026 Revenue estimate. However, we would largely expect this to be simply a timing issue if Apple releases a sub-RMB6,000 standard iPhone 18 in the Spring of 2027. Finally, it is uncertain whether the Chinese government will extend subsidies again in 2026, so if consumers fear that the 2027 iPhone 18 launch would not be eligible for subsidies, we could see significant demand pulled forward for the iPhone 17 in China when the iPhone 18 launch dates are confirmed.

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## RECENT NEWS

In June, ATRenew announced that its board of directors had authorized a new share repurchase program to repurchase up to \$50 million of its shares (or ADSs) over twelve months. The company reported in its fourth-quarter earnings release that it repurchased approximately 1.3 million ADSs for approximately \$5.8 million during the quarter. This repurchase represents about 0.5% of all outstanding ADSs, and in total, the company purchased roughly 3.8 million ADSs for approximately \$13.1 million in 2025.

The company also announced in its earnings press release that, on March 10th, 2026, the board of directors approved a cash dividend of \$0.10 per ADS, payable to holders in late April. Based on yesterday's closing price, this represents roughly a 1.8% dividend yield.

Finally, in March 2026, the company amended and restated its business cooperation agreement with JD.com regarding second-hand business. The terms of the agreement remain effectively the same, but the expiration was extended to 12/31/30.

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## VALUATION

**Model adjustments:** We have adjusted our model to reflect the strong Q4 results and the company's guidance for Q1 revenues of between RMB5.86 billion and RMB5.96 billion. As a result of this updated guidance, our total revenue forecast for 2026 is now RMB26.2 billion, up from our previous forecast of RMB26.0 billion, representing roughly 25% topline growth. We are also introducing our 2027 revenue estimate of RMB31.1 billion, representing 18% growth, though we believe the company's international expansion and multi-category growth could make this estimate conservative. As a result of these adjustments, at current exchange rates, our full-year earnings per ADS estimate is now \$0.41/ADS (up from \$0.39 previously) and our 2027 initial forecast is \$0.51/ADS.

We believe that investors are likely to revalue ATRenew during 2026, with an eye toward 2027 and when there is greater clarity regarding the next iPhone release dates. The stock has performed extremely well over the past six months, roughly doubling in that timeframe, and we believe there is upside to our forecasts in the back half of 2026, but for the time being, we are leaving our target unchanged at \$8.00/ADS. With the stock trading at just 13.6 times our 2026 adjusted earnings per ADS estimate and offering a 1.8% dividend, we believe ATRenew offers a unique small-cap growth value in the market.

## INVESTMENT THESIS

ATRenew is the largest pre-owned consumer electronics transactions and services platform in China, focusing on mobile phones, laptops, and tablets, as well as luxury goods and household products. Our investment thesis revolves around ATRenew's:

**1. Differentiated Business Model:** ATRenew's unique business model revolves around three key complementary elements: a) efficiently sourcing pre-owned products for resale through AHS Recycle's online platform and offline stores referred to as the company's Consumer-to-Business (C2B) supply chain; b) integrated marketplace platforms focused on facilitating transactions across Business-to-Business (B2B) and Business-to-Consumer (B2C) channels; and c) proprietary inspection, grading, and pricing technologies. ATRenew's holistic platform model drives incremental financial and operational efficiencies compared to traditional pre-owned transactions, which typically involve multiple intermediaries and thereby compromise timelines and economics.

**2. Multi-Pronged Growth Story:** Focusing on the supply side, steady growth in the number of new consumer electronics devices entering the market paves the way for accelerating recycling/trade-in opportunities over time. We look for ATRenew to increasingly leverage the company's differentiated store network and state-of-the-art trade-in solutions with JD.com and Apple to continue to gain market share. Turning to demand, we see several powerful enablers driving higher pre-owned transaction activity, including a softer-than-expected economic recovery in China. Moreover, average selling prices for new phones continue to trend higher, thereby disincentivizing increasingly price-sensitive customers and stimulating demand for pre-owned *devices*.

**3. Accelerating Financial Performance:** Our 2026 and 2027 adjusted earnings per ADS estimates are \$0.41 and \$0.51, respectively, imply 64% year-over-year growth in 2026. Focusing on the top line, we forecast revenue growth to hold steady in the ~25% range through 2026.

**4. Strong Capital Base to Fund growth + Capital Return:** With RMB1.95 billion (\$279 million) of liquid assets as of December 31, 2025, combined with strong cash flow generation, ATRenew maintains ample liquidity to continue to fund growth and return capital to shareholders as evidenced by the announced dividend payment. Targeted capital expenditures include: 1) ongoing R&D initiatives, with a focus on technology; 2) upgrading operations centers with automated inspection facilities; 3) wider educational efforts focused on the circular economy and recycle-and-reuse lifestyles; and 4) further expanding and enhancing ATRenew's offline store footprint via new store openings and existing location upgrades. That said, the company's asset-light business model and high inventory turnover reduce the need for hefty/extended capital outlays, and in turn provide flexibility to enhance shareholder returns via buybacks and/or dividends.

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## RISKS

1. Macroeconomic headwinds in China: A prolonged economic downturn in China led by weaker consumer demand/confidence would likely pressure the supply and sales of new consumer electronics devices, as well as pre-owned transaction volumes, average selling prices, and gross merchandise values across the industry, with knock-on effects to ATRenew's revenues and earnings.
2. Circular economy uptake: A slower shift in consumer behavior/acceptance would likely drive a slower-than-expected ramp-up of pre-owned transactions, thereby weighing on ATRenew's product supply, sales, and transaction volumes.
3. Rising competition: While ATRenew's end-to-end, omnichannel model remains unique in the industry, ceding market share to competitors would result in incremental pressure on the company's take rates, markups, transaction volumes, and customer acquisition costs, in all likelihood.
4. Strategic partnerships: ATRenew is dependent on select strategic relationships to drive a meaningful portion of the company's supply. Indeed, JD.com accounts for ~40% of AHS Recycle-sourced products. Moreover, the company maintains trade-in partnerships with major Chinese cell phone manufacturers, including Apple and Huawei.
5. Regulatory environment: ATRenew remains subject to regulatory uncertainties and/or changes in China. In particular, government scrutiny on consumer protection, data security, competitive dynamics, and labor relations remains heightened.

## PROJECTED INCOME STATEMENT (RMB)

		24.4%										18.9%					
ATRenew Inc. (RMB in millions)		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
	2023A	2024A	2025A	2025A	2025A	2025A	2026E	2026E	2026E	2026E	2026E	2027E	2027E	2027E	2027E	2027E	
<b>Revenues</b>																	
Net product revenues	11,658.3	14,844.4	4,263.7	4,558.7	4,726.3	5,831.2	19,379.9	5,481.3	5,919.9	6,186.3	6,773.9	24,361.4	6,469.1	6,922.0	7,406.5	8,254.5	29,052.1
Net service revenues	1,307.5	1,484.0	389.8	432.8	422.8	423.0	1,668.4	425.1	446.3	468.7	487.4	1,827.5	492.3	507.0	532.4	564.3	2,096.0
<b>Total Net Revenues</b>	<b>12,965.8</b>	<b>16,328.4</b>	<b>4,653.5</b>	<b>4,991.5</b>	<b>5,149.1</b>	<b>6,254.2</b>	<b>21,048.2</b>	<b>5,906.4</b>	<b>6,366.2</b>	<b>6,654.9</b>	<b>7,261.3</b>	<b>26,188.9</b>	<b>6,961.4</b>	<b>7,429.0</b>	<b>7,938.9</b>	<b>8,818.9</b>	<b>31,148.2</b>
<b>Expenses</b>																	
Merchandise costs	10,338.9	13,086.4	3,615.9	3,957.6	4,094.2	5,032.3	16,700.0	4,730.4	5,100.0	5,320.2	5,818.8	20,969.4	5,569.9	5,946.0	6,354.8	7,074.1	24,944.8
Fulfillment expenses	1,124.0	1,382.3	427.8	413.6	437.1	483.1	1,761.7	472.5	499.7	515.8	544.6	2,032.6	543.0	572.0	603.4	648.2	2,366.6
Selling and marketing expenses	1,250.9	1,367.0	418.9	406.9	363.9	464.1	1,653.7	425.3	445.6	442.6	479.2	1,792.7	501.2	520.0	527.9	573.2	2,122.4
General and administrative expenses	266.0	306.8	63.4	77.5	74.1	60.0	275.0	82.7	89.1	93.2	101.7	366.6	97.5	104.0	111.1	123.5	436.1
Research and development expenses	195.7	210.4	55.0	62.5	63.8	62.6	243.9	70.9	76.4	79.9	87.1	314.3	83.5	89.1	95.3	105.8	373.8
Goodwill impairment loss	-	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-
Other operating income, net	(36.3)	(53.4)	(0.2)	(17.6)	(4.8)	(19.6)	(42.2)	(7.4)	(8.4)	(10.6)	(11.4)	(37.8)	(6.2)	(8.4)	(10.6)	(11.4)	(36.6)
<b>Total Expenses</b>	<b>13,139.1</b>	<b>16,299.4</b>	<b>4,580.8</b>	<b>4,900.4</b>	<b>5,028.4</b>	<b>6,082.6</b>	<b>20,592.1</b>	<b>5,774.3</b>	<b>6,202.5</b>	<b>6,440.9</b>	<b>7,020.1</b>	<b>25,437.8</b>	<b>6,788.9</b>	<b>7,222.8</b>	<b>7,681.9</b>	<b>8,513.4</b>	<b>30,207.0</b>
<b>Operating Income/(Loss)</b>	<b>(173.3)</b>	<b>29.0</b>	<b>72.7</b>	<b>91.1</b>	<b>120.8</b>	<b>171.6</b>	<b>456.2</b>	<b>132.1</b>	<b>163.7</b>	<b>214.0</b>	<b>241.3</b>	<b>751.1</b>	<b>172.5</b>	<b>206.2</b>	<b>257.0</b>	<b>305.4</b>	<b>941.1</b>
Interest expense	(7.1)	(15.0)	(1.9)	(1.7)	(1.3)	(1.2)	(6.1)	(1.2)	(1.2)	(1.2)	(1.2)	(4.8)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)
Interest income	37.9	26.9	8.4	5.6	5.9	0.6	20.518	6.6	6.7	6.8	7.0	27.1	7.1	7.3	7.2	7.4	29.0
Other income/(loss), net	(5.9)	(41.3)	(6.5)	4.8	(0.3)	(8.3)	(10.3)	-	-	-	-	-	-	-	-	-	-
<b>Pre-Tax Income/(Loss)</b>	<b>(148.4)</b>	<b>(0.4)</b>	<b>72.7</b>	<b>99.7</b>	<b>125.2</b>	<b>162.8</b>	<b>460.3</b>	<b>137.5</b>	<b>169.2</b>	<b>219.6</b>	<b>247.1</b>	<b>773.4</b>	<b>179.0</b>	<b>212.9</b>	<b>263.6</b>	<b>312.2</b>	<b>967.7</b>
Income tax benefits/(expense)	42.5	56.9	(6.3)	(17.3)	(16.9)	(16.3)	-56.784	(18.6)	(22.8)	(29.6)	(33.4)	(104.4)	(25.5)	(30.3)	(37.6)	(44.5)	(137.9)
Share of loss in equity method investments	(50.4)	(64.7)	(23.6)	(10.0)	(17.5)	(16.2)	(67.3)	(2.5)	(2.5)	(2.5)	(2.5)	(10.0)	(2.5)	(2.5)	(2.5)	(2.5)	(10.0)
<b>Net Income/(Loss)</b>	<b>(156.3)</b>	<b>(8.2)</b>	<b>42.8</b>	<b>72.3</b>	<b>90.8</b>	<b>130.3</b>	<b>336.3</b>	<b>116.4</b>	<b>143.9</b>	<b>187.4</b>	<b>211.2</b>	<b>659.0</b>	<b>151.0</b>	<b>180.1</b>	<b>223.5</b>	<b>265.2</b>	<b>819.8</b>
Foreign currency translation adjustment	8.9	7.4	-	(5.7)	0.9	2.4	(4.7)	-	-	-	-	-	-	-	-	-	-
<b>Net comprehensive income/(loss)</b>	<b>(147.4)</b>	<b>(0.9)</b>	<b>42.8</b>	<b>66.6</b>	<b>91.8</b>	<b>132.7</b>	<b>331.5</b>	<b>116.4</b>	<b>143.9</b>	<b>187.4</b>	<b>211.2</b>	<b>659.0</b>	<b>151.0</b>	<b>180.1</b>	<b>223.5</b>	<b>265.2</b>	<b>819.8</b>
<b>Earnings per share, basic and diluted</b>	<b>(0.96)</b>	<b>(0.05)</b>	<b>0.26</b>	<b>0.44</b>	<b>0.56</b>	<b>0.80</b>	<b>2.07</b>	<b>0.72</b>	<b>0.89</b>	<b>1.16</b>	<b>1.32</b>	<b>4.09</b>	<b>0.94</b>	<b>1.12</b>	<b>1.39</b>	<b>1.65</b>	<b>5.10</b>
Weighted avg shares outstanding, diluted	162.2	163.7	162.6	162.6	162.7	162.0	162.2	161.8	161.2	161.2	160.6	161.2	160.6	160.6	160.6	160.6	160.6
<b>Non-GAAP Reconciliations</b>																	
Operating Income/(Loss)	(173.3)	29.0	72.7	91.1	120.8	171.6	456.1	132.1	163.7	214.0	241.3	751.1	172.5	206.2	257.0	305.4	941.1
Share-Based Compensation Expenses	(134.4)	(166.7)	(12.7)	(12.3)	(18.7)	(9.1)	(52.9)	(9.1)	(9.1)	(9.1)	(9.1)	(36.4)	(9.1)	(9.1)	(9.1)	(9.1)	(36.4)
Amortization of Intangible Assets	(290.7)	(214.0)	(26.5)	(17.9)	(0.8)	(0.8)	(46.0)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	-	-	-	-	-
<b>Adjusted Operating Income</b>	<b>251.8</b>	<b>409.7</b>	<b>111.9</b>	<b>121.3</b>	<b>140.3</b>	<b>181.5</b>	<b>555.0</b>	<b>142.0</b>	<b>173.6</b>	<b>223.9</b>	<b>251.2</b>	<b>790.7</b>	<b>181.6</b>	<b>215.3</b>	<b>266.1</b>	<b>314.5</b>	<b>977.5</b>
Net Income/(Loss)	(156.3)	(8.2)	42.8	72.3	90.8	130.3	336.3	116.4	143.9	187.4	211.2	659.0	151.0	180.1	223.5	265.2	819.8
Share-Based Compensation Expenses	(134.4)	(166.7)	(12.7)	(12.3)	(18.7)	(9.1)	(52.9)	(9.1)	(9.1)	(9.1)	(9.1)	(36.4)	(9.1)	(9.1)	(9.1)	(9.1)	(36.4)
Amortization of Intangible Assets	(290.7)	(214.0)	(26.5)	(17.9)	(0.8)	(0.8)	(46.0)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	-	-	-	-	-
Tax Impact	43.7	58.4	4.0	2.7	0.1	0.1	8.5	1.7	1.7	1.7	1.7	8.5	1.7	1.7	1.7	1.7	8.5
<b>Adjusted Net Income</b>	<b>225.2</b>	<b>314.1</b>	<b>78.0</b>	<b>99.9</b>	<b>110.2</b>	<b>140.1</b>	<b>428.2</b>	<b>124.5</b>	<b>152.0</b>	<b>195.5</b>	<b>219.3</b>	<b>691.4</b>	<b>158.3</b>	<b>187.4</b>	<b>230.8</b>	<b>272.5</b>	<b>849.0</b>
<b>Adjusted Earnings per share, diluted</b>	<b>1.39</b>	<b>1.92</b>	<b>0.48</b>	<b>0.61</b>	<b>0.68</b>	<b>0.86</b>	<b>2.64</b>	<b>0.77</b>	<b>0.94</b>	<b>1.21</b>	<b>1.37</b>	<b>4.29</b>	<b>0.99</b>	<b>1.17</b>	<b>1.44</b>	<b>1.70</b>	<b>5.29</b>
Weighted avg shares outstanding, diluted	162.2	163.7	162.6	162.6	162.7	162.0	162.2	161.8	161.2	161.2	160.6	161.2	160.6	160.6	160.6	160.6	160.6

Source: Company reports and Zacks SCR estimates and calculations

## PROJECTED INCOME STATEMENT (USD)

ATRenew Inc.  
(USD in millions)

	2023A	2024A	Q1 2025A	Q2 2025A	Q3 2025A	Q4 2025A	2025A	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E	Q1 2027E	Q2 2027E	Q3 2027E	Q4 2027E	2027E
<b>Revenues</b>																	
Net product revenues	1,642.0	2,060.9	587.6	636.4	663.9	833.9	2,721.8	796.7	860.4	899.2	984.6	3,540.9	940.3	1,006.1	1,076.5	1,199.8	4,222.7
Net service revenues	184.2	206.1	53.7	60.4	59.4	60.5	234.0	61.8	64.9	68.1	70.8	265.6	71.6	73.7	77.4	82.0	304.7
<b>Total Net Revenues</b>	<b>1,826.2</b>	<b>2,267.0</b>	<b>641.3</b>	<b>696.8</b>	<b>723.3</b>	<b>894.3</b>	<b>2,955.6</b>	<b>858.5</b>	<b>925.3</b>	<b>967.3</b>	<b>1,055.4</b>	<b>3,806.5</b>	<b>1,011.8</b>	<b>1,079.8</b>	<b>1,153.9</b>	<b>1,281.8</b>	<b>4,527.3</b>
<b>Expenses</b>																	
Merchandise costs	1,456.2	1,816.9	498.3	552.5	575.1	719.6	2,345.5	687.6	741.3	773.3	845.8	3,047.9	809.6	864.2	923.7	1,028.2	3,625.7
Fulfillment expenses	158.3	191.9	59.0	57.7	61.4	69.1	247.2	68.7	72.6	75.0	79.2	295.4	78.9	83.1	87.7	94.2	344.0
Selling and marketing expenses	176.2	189.7	57.7	56.8	51.1	66.4	232.0	61.8	64.8	64.3	69.7	260.6	72.9	75.6	76.7	83.3	308.5
General and administrative expenses	37.5	42.6	8.7	10.8	10.4	8.6	38.5	12.0	13.0	13.5	14.8	53.3	14.2	15.1	16.2	17.9	63.4
Technology and content expenses	27.6	29.2	7.6	8.7	9.0	9.0	34.3	10.3	11.1	11.6	12.7	45.7	12.1	13.0	13.8	15.4	54.3
Goodwill impairment loss	-	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-
Other operating income, net	(5.1)	(7.4)	-	(2.5)	(0.7)	(2.8)	(6.0)	(1.1)	(1.2)	(1.5)	(1.7)	(5.5)	(0.9)	(1.2)	(1.5)	(1.7)	(5.3)
<b>Total Expenses</b>	<b>1,850.6</b>	<b>2,263.0</b>	<b>631.3</b>	<b>684.0</b>	<b>706.3</b>	<b>869.8</b>	<b>2,891.4</b>	<b>839.3</b>	<b>901.5</b>	<b>936.2</b>	<b>1,020.4</b>	<b>3,697.4</b>	<b>986.8</b>	<b>1,049.8</b>	<b>1,116.6</b>	<b>1,237.4</b>	<b>4,390.6</b>
<b>Operating Income/(Loss)</b>	<b>(24.4)</b>	<b>4.0</b>	<b>10.0</b>	<b>12.7</b>	<b>17.0</b>	<b>24.5</b>	<b>64.2</b>	<b>19.2</b>	<b>23.8</b>	<b>31.1</b>	<b>35.1</b>	<b>109.2</b>	<b>25.1</b>	<b>30.0</b>	<b>37.4</b>	<b>44.4</b>	<b>136.8</b>
Interest expense	(1.0)	(2.1)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Interest income	5.3	3.7	1.2	0.8	0.8	0.1	2.8	1.0	1.0	1.0	1.0	3.8	1.0	1.1	1.0	1.1	4.2
Other income/(loss), net	(0.8)	(5.7)	(0.9)	0.7	(0.0)	(1.2)	(1.5)	-	-	-	-	-	-	-	-	-	-
<b>Pre-Tax Income/(Loss)</b>	<b>(20.9)</b>	<b>(0.0)</b>	<b>10.0</b>	<b>13.9</b>	<b>17.6</b>	<b>23.3</b>	<b>64.7</b>	<b>20.0</b>	<b>24.6</b>	<b>31.9</b>	<b>35.9</b>	<b>112.3</b>	<b>26.0</b>	<b>30.9</b>	<b>38.3</b>	<b>45.4</b>	<b>140.7</b>
Income tax benefits/(expense)	6.0	7.8	(0.9)	(2.4)	(2.4)	(2.3)	(8.0)	(2.7)	(3.3)	(4.3)	(4.8)	(15.2)	(3.7)	(4.4)	(5.5)	(6.5)	(20.0)
Share of loss in equity method investments	(7.1)	(9.0)	(3.3)	(1.4)	(2.5)	(2.3)	(9.5)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)
<b>Net Income/(Loss)</b>	<b>(22.0)</b>	<b>(1.2)</b>	<b>5.9</b>	<b>10.1</b>	<b>12.8</b>	<b>18.6</b>	<b>47.4</b>	<b>16.9</b>	<b>20.9</b>	<b>27.2</b>	<b>30.6</b>	<b>95.7</b>	<b>21.9</b>	<b>26.2</b>	<b>32.5</b>	<b>38.6</b>	<b>119.2</b>
Foreign currency translation adjustment	1.3	1.0	(0.1)	(0.8)	0.1	-	(0.7)	-	-	-	-	-	-	-	-	-	-
<b>Net comprehensive income/(loss)</b>	<b>(20.8)</b>	<b>(0.2)</b>	<b>5.8</b>	<b>9.3</b>	<b>12.9</b>	<b>18.6</b>	<b>46.5</b>	<b>16.9</b>	<b>20.9</b>	<b>27.2</b>	<b>30.6</b>	<b>95.7</b>	<b>21.9</b>	<b>26.2</b>	<b>32.5</b>	<b>38.6</b>	<b>119.2</b>
<b>Earnings per share, basic and diluted</b>	<b>(0.09)</b>	<b>(0.00)</b>	<b>0.02</b>	<b>0.04</b>	<b>0.05</b>	<b>0.08</b>	<b>0.19</b>	<b>0.07</b>	<b>0.09</b>	<b>0.11</b>	<b>0.13</b>	<b>0.40</b>	<b>0.09</b>	<b>0.11</b>	<b>0.13</b>	<b>0.16</b>	<b>0.49</b>
Weighted avg shares outstanding, diluted	243.2	245.5	243.9	243.9	244.0	243.0	243.7	242.7	241.8	241.8	240.9	241.8	240.9	240.9	240.9	240.9	240.9
<b>Non-GAAP Reconciliations</b>																	
Operating Income/(Loss)	(24.4)	4.0	10.0	12.7	17.0	24.5	64.0	19.2	23.8	31.1	35.1	109.2	25.1	30.0	37.4	44.4	136.8
Share-Based Compensation Expenses	(18.9)	(23.1)	(1.8)	(1.7)	(2.6)	(1.3)	(7.5)	(1.3)	(1.3)	(1.3)	(1.3)	(5.3)	(1.3)	(1.3)	(1.3)	(1.3)	(5.3)
Amortization of Intangible Assets	(40.9)	(29.7)	(3.6)	(2.5)	(0.1)	(0.1)	(6.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	-	-	-	-	-
<b>Adjusted Operating Income</b>	<b>35.5</b>	<b>56.9</b>	<b>15.4</b>	<b>16.9</b>	<b>19.7</b>	<b>26.0</b>	<b>77.9</b>	<b>20.6</b>	<b>25.2</b>	<b>32.5</b>	<b>36.5</b>	<b>114.9</b>	<b>26.4</b>	<b>31.3</b>	<b>38.7</b>	<b>45.7</b>	<b>142.1</b>
Net Income/(Loss)	(22.0)	(1.2)	5.9	10.1	12.8	18.6	47.4	16.9	20.9	27.2	30.6	95.7	21.9	26.2	32.5	38.6	119.2
Share-Based Compensation Expenses	(18.9)	(23.1)	(1.8)	(1.7)	(2.6)	(1.3)	(7.5)	(1.3)	(1.3)	(1.3)	(1.3)	(5.3)	(1.3)	(1.3)	(1.3)	(1.3)	(5.3)
Amortization of Intangible Assets	(40.9)	(29.7)	(3.6)	(2.5)	(0.1)	(0.1)	(6.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	-	-	-	-	-
Tax Impact	6	8.1	0.6	0.4	0.0	0.0	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0
<b>Adjusted Net Income</b>	<b>31.9</b>	<b>43.6</b>	<b>10.8</b>	<b>13.9</b>	<b>15.5</b>	<b>20.0</b>	<b>60.4</b>	<b>18.0</b>	<b>22.0</b>	<b>28.3</b>	<b>31.7</b>	<b>100.0</b>	<b>22.9</b>	<b>27.2</b>	<b>33.5</b>	<b>39.5</b>	<b>123.1</b>
<b>Adjusted Earnings per share, diluted</b>	<b>0.13</b>	<b>0.18</b>	<b>0.04</b>	<b>0.06</b>	<b>0.06</b>	<b>0.08</b>	<b>0.25</b>	<b>0.07</b>	<b>0.09</b>	<b>0.12</b>	<b>0.13</b>	<b>0.41</b>	<b>0.10</b>	<b>0.11</b>	<b>0.14</b>	<b>0.16</b>	<b>0.51</b>
Weighted avg shares outstanding, diluted	243.2	245.5	243.9	243.9	244.0	243.0	243.7	242.7	241.8	241.8	240.9	241.8	240.9	240.9	240.9	240.9	240.9

Source: Company reports and Zacks SCR estimates and calculations

## BALANCE SHEET

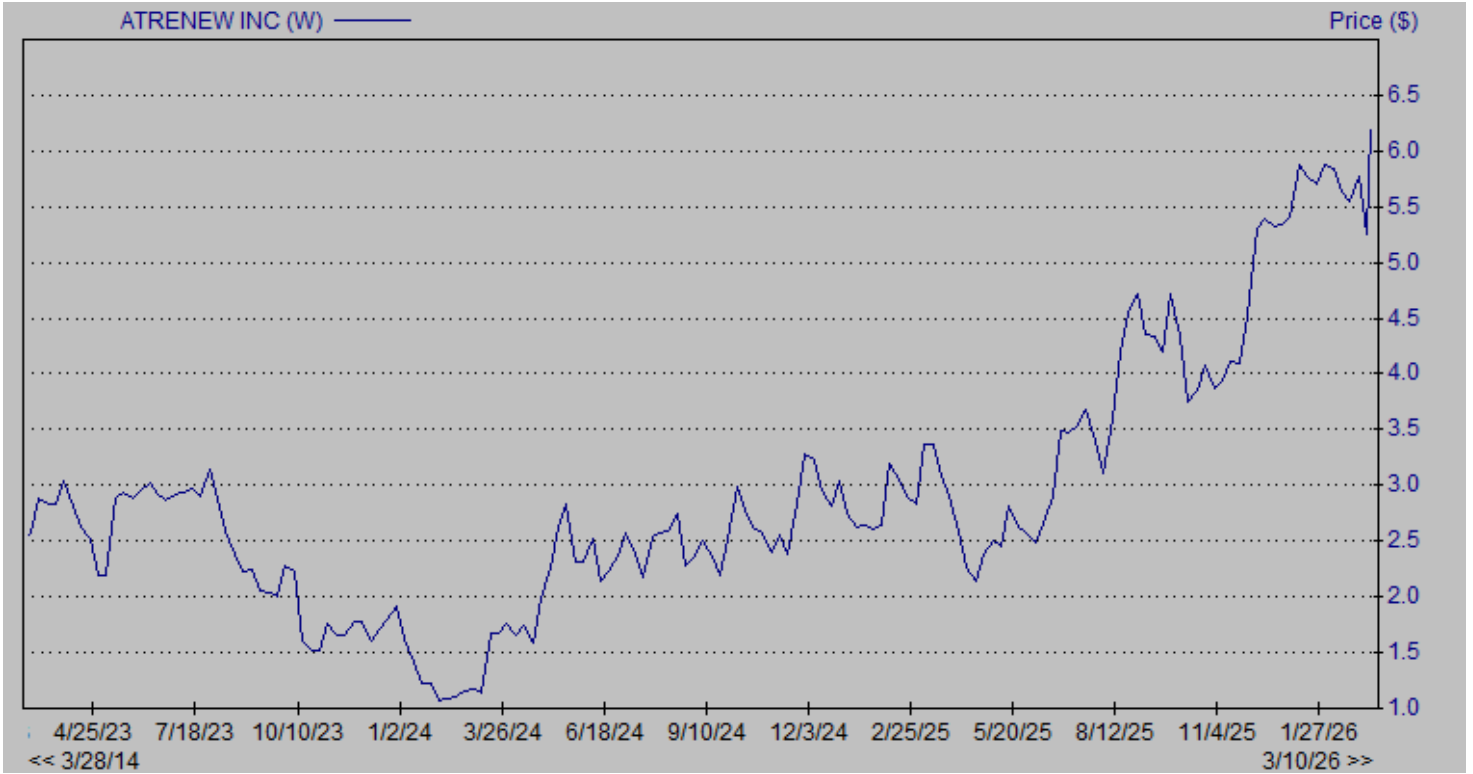
ATRenew Inc.  
(RMB in millions)

12/31/25

	RMB	USD
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	1,537.5	219.9
Restricted cash	0.5	0.1
Short-term investments	267.6	38.3
Amount due from related parties, net	414.8	59.3
Inventories	1,074.1	153.6
Funds receivable from third party payment service providers	381.3	54.5
Prepayments and other receivables, net	1,065.6	152.4
<b>Total Current Assets</b>	<b>4,741.3</b>	<b>678.0</b>
Non-Current Assets:		
Long-term investments	485.4	69.4
Property and equipment, net	239.4	34.2
Intangible assets, net	10.7	1.5
Other non-current assets	489.2	70.0
<b>Total Non-Current Assets</b>	<b>1,224.6</b>	<b>175.1</b>
<b>Total Assets</b>	<b>5,965.9</b>	<b>853.1</b>
<u>Liabilities</u>		
Current Liabilities:		
Short-term borrowings	322.9	46.2
Accounts payable	335.6	48.0
Contract liabilities	231.8	33.1
Accrued expenses and other current liabilities	644.8	92.2
Accrued payroll and welfare	189.9	27.2
Amount due to related parties	178.2	25.5
<b>Total Current Liabilities</b>	<b>1,903.2</b>	<b>272.1</b>
Non-Current Liabilities:		
Operating lease liabilities, non-current	70.0	10.0
Deferred tax liabilities	2.4	0.3
<b>Total Non-Current Liabilities</b>	<b>72.4</b>	<b>10.4</b>
<b>Total Liabilities</b>	<b>1,975.5</b>	<b>282.5</b>
<b>Total Shareholders' Equity</b>	<b>3,990.4</b>	<b>570.6</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>5,965.9</b>	<b>853.1</b>

Source: Company SEC filing

## HISTORICAL STOCK PRICE



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