WeRide Inc. Fourth Quarter and Full Year 2025 Earnings Call Transcript

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PRESENTATION

Operator

Good morning and good evening, ladies and gentlemen. Thank you for standing by and welcome to WeRide's Fourth Quarter and Full Year 2025 Earnings Conference Call. Please note that today's event is being recorded. At this time, all participants are in listen-only mode.

For today's call, management will use English as the main language. A third-party interpreter will provide simultaneous Chinese interpretation. The company will be hosting a question-and-answer session after management's prepared remarks. If you wish to listen to management's original statements or ask a question during the question-and-answer session, please make sure you are dialed in to the English language line. Please note that the Chinese interpretation is for convenience purposes only. In the case of any discrepancy, management's statements in their original language will prevail.

Joining us today are WeRide's Founder, Chairman and CEO, Dr. Tony Han, and CFO and Head of International, Ms. Jennifer Li.

Before we continue, I would like to refer you to the safe harbor statement in the company's earnings press release, which also applies to this call as today's call will include forward-looking statements, including WeRide's strategies and future plans. These forward-looking statements are 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. The company's actual results could differ materially from those stated or implied by these forward-looking statements as a result of various important factors and please refer to the risk factors section of the company's Form 20-F filed with the SEC and announcements on the website of the Hong Kong Stock Exchange for a full disclosure of these risk factors. The company does not assume any obligation to update any forward-looking statements except as required under applicable law.

Please note that all numbers stated in management's prepared remarks are in RMB terms and we will discuss non-IFRS measures today, which are more thoroughly explained and reconciled to the most comparable measures reported in the company's earnings release and filings with the SEC and the Hong Kong Stock Exchange. The company's unaudited financial and operating results were released earlier today via newswire and can be found on the company's IR website.

With that, I'll now turn the call over to the company's founder, chairman and CEO, Dr. Tony Han. Please go ahead, sir.

Tony Han (Founder, Chairman and CEO)

Hi, everyone. Thank you for joining us today. As a global leader in autonomous driving, we delivered strong results over the past year, with a record-high revenue of RMB685 million, growing 90% year over year, driven by expanding robotaxi deployments as well as robust demand for robobus and other autonomous driving products. Robotaxi revenue has increased 210% year over year, reflecting the continued commercialization of our technology.

By today, our global robotaxi fleet size has reached a new height of 1,125 vehicles. We are seeing encouraging momentum across both our domestic operations in China and our international markets. As we continue to scale, I'll walk you through the key developments driving our growth.

Let's first turn to China, which continues to be one of our most important operating markets. During the period, we have advanced toward a more data-driven autonomy stack, by incorporating end-to-end learning, leveraging large-scale data training and world model simulation, as well as improving algorithm generalization. We also made solid progress in operating efficiency, fleet expansion, service coverage, and user adoption.

On the operation front, total cost of ownership decreased by approximately 38%, driven by reduction of vehicle BOM costs and improvements of operating efficiency. The BOM costs of our latest robotaxi, GXR, are cut by 15%, enabled by the adoption of our cost-effective computing platform, HPC 3.0.

At the same time, our remote assistance human-to-vehicle ratio improved from 1:10 in 2024 to 1:40 currently, making labor cost marginal and further strengthening unit economics. Fleet size and service coverage also continue to improve. Our commercial and testing fleet in China has grown to more than 800 robotaxis, covering over 1,000 square kilometers across key urban areas. As fleet density increased, we also saw meaningful improvements in service performance.

Average daily orders per vehicle reached 15 trips over the past six months, rising to 26 during peak periods. Average passenger waiting time declined to under 10 minutes, reflecting stronger demand and improved vehicle utilization. We continued expanding our presence in Beijing and Guangzhou, focusing on populated areas, connecting key transportation hubs such as major airports and railway stations, along with further penetration into the downtown area.

In Guangzhou, for example, our robotaxi service is now available in Tianhe District, one of the city's most active commercial hubs. On the product side, we launched a flexible free PUDO feature, allowing riders to select any pickup or drop-off location within the service area. At the same time, we broadened access through major mobility platforms, including Amap, WeChat, and Tencent Mobility.

Encouragingly, we are seeing substantial increase of registered users of WeRide robotaxi service. Take the fourth quarter as an example, the year-over-year growth of registered users exceeds 900%, reflecting stronger user acceptance and engagement. Overall, we believe WeRide’s long-standing leadership in robotaxi technology, combined with extensive real-world operational experience, forms a durable and hard-to-replicate competitive moat and continues to resonate with users. As our operations scale, we expect further growth in vehicle utilization and user adoption going forward.

Let's now turn to our international operations where we continue to build on our progress, expanding our global footprint. Today, we have deployed autonomous vehicles in 12 countries, with official permits already granted in eight of those markets. This progress demonstrates our ability to navigate complex regulatory environments while meeting local requirements. Taken together, these milestones position us as the most globally deployed autonomous driving company today.

Europe is shaping up to be another major growth area for us. Back in November 2025, we achieved a historic milestone, receiving Europe's first ever driverless robotaxi permit for passenger service from Switzerland's Federal Roads Office. That head start gives us a real advantage as we look to expand further across Europe in the coming years. Apart from this, just this month, we added another country to our global map as we announced our entry into Slovakia. We are deploying our full product lineup there, launching the country's first-ever AV program. Slovakia is also the fourth country of our European footprint.

The Middle East remains one of the most promising regions. In Abu Dhabi, we secured the world's first city-level fully driverless robotaxi commercial permit outside the US in October 2025. Today, our service covers about 70% of the city's core area, and passengers can book through various categories on Uber app, including Uber Comfort, UberX, or the new “Autonomous” category, Uber's first dedicated autonomous ride option globally. In that quarter, we also launched commercial robotaxi rides in both Dubai and Riyadh. We've also started pilot operations in Ras Al Khaimah, giving us a presence in a third UAE emirate.

In Asia-Pacific, we are building early momentum with strong local presence. In Singapore, WeRide and Grab began autonomous vehicle testing in the Punggol district back in November 2025. Our robotaxi GXR and robobus are expected to open to the public by April 2026, making Punggol Singapore's first residential neighborhood with an autonomous shuttle service.

A big part of what makes all this possible is our disciplined approach to international expansion. Our strategy focuses on markets with supportive regulatory environments and favorable economic conditions that are conducive to sustainable operations. Today, our international robotaxi fleet has surpassed 250 vehicles, and we continue to scale deployments across key international markets, including Abu Dhabi, Dubai, Riyadh, Switzerland, Slovakia, and Singapore. Each new market we enter becomes a regional blueprint for expansion into adjacent markets.

Looking ahead, we expect our global robotaxi fleet to reach 2,600 by the end of 2026, subject to regulatory approvals and market conditions. These milestones represent the early stage of our long-term vision to deploy tens of thousands of robotaxis worldwide by 2030.

While robotaxi services are at the core of our business, we are actively diversifying to other areas of autonomous mobility to build a broader portfolio and generate additional revenue streams. Across our diversified applications, WeRide's global AV fleet, spanning robotaxis, robobuses, robovans, and robosweepers grew rapidly from 1,089 vehicles at the end of 2024 to 2,113 as of today, strengthening our global presence across 12 countries.

Take our robobus business as an example. It has seen impressive growth in 2025, increasing by 190% year over year. We've entered multiple European markets, including Switzerland, France, Belgium, Spain, and Slovakia, where labor shortages in public transit systems are creating real opportunities for autonomous shuttles. By leveraging our technology to meet this demand, we're able to address a pressing need while also expanding our market presence.

Additionally, our L2+ advanced driver assistance system, WePilot 3.0, is being adopted by leading OEMs and Tier 1 suppliers, including Chery, GAC, and Bosch. This system uses a one-stage, end-to-end architecture with vision-based perception, enabling vehicles to operate safely and efficiently across diverse driving conditions.

In the second China Urban Intelligent Driving Competition hosted by D1EV.com, Chery Exeed, a mass-market passenger car model powered by WePilot 3.0, made history by winning first place in three cities' competition stops. This business expansion helps us capitalize on the growing demand for L2+ ADAS technologies even outside of our L4 fleet.

Innovation remains at the heart of our strategy. Building on our strengths in L2+ end-to-end systems, WeRide is converging its technology stack toward L4 by integrating end-to-end learning with large-scale simulation and real-world data loops to enhance generalization and edge-case handling.

Our latest development, WeRide GENESIS, is a general-purpose simulation platform that integrates physical AI and generative AI. WeRide GENESIS generates high-fidelity driving scenarios much more efficiently, reducing simulation time for complex edge cases from days to minutes. This boosts our development efficiency and enables us to quickly test and deploy improvements to our systems, while significantly reducing on-road testing costs, reinforcing the technological moat underpinning our L2-to-L4 product portfolio.

On the hardware side, we've taken our partnership with Geely Farizon to the next level. The latest GXR as a purpose-built, factory pre-installed autonomous vehicle is delivering higher safety consistency and lower unit cost. The upgraded model incorporates our proprietary HPC 3.0, a high-performance computing platform, which is a more compute-efficient architecture.

And here's the number that really shows the efficiency gain, per vehicle production time is now under 10 minutes. These advancements will give us a significant edge in terms of both vehicle performance and scalability of our global robotaxi fleet.

With that overview, I'll now turn the call over to our CFO, who will walk you through our financial performance and outlook in more detail.

Jennifer Li (CFO and Head of International)

Thank you, Tony. Hello, everyone. Before we dive into the financials, I want to highlight that all figures are in RMB, and comparisons are year-over-year unless stated otherwise. Now let's discuss our fourth quarter and full year 2025 financial performance.

Looking back, Q4 2025 will be remembered as a defining chapter in WeRide's journey, as we continue to make steady progress in scaling operations, improving unit economics, and advancing our technological leadership. Our fleet and geographic coverage grew significantly, showing strong momentum as a global leader in autonomous driving.

Now, let me walk you through the financial performance that reflects these developments. In Q4 2025, total revenue was RMB314 million, representing an increase of 123%. Product revenue increased 309% to RMB211 million, mainly driven by increased sales of robotaxis and robobuses. Service revenue increased 15% to RMB103 million. For the full year 2025, total revenue increased 90% to record-high RMB685 million. Product revenue and service revenue were RMB360 million and RMB325 million, respectively, representing an increase of 310% and 19%, respectively.

Robotaxi continues to be one of the most crucial drivers among the business lines. In Q4 2025, WeRide has reached another record-high quarterly robotaxi revenue since its foundation, as its robotaxi revenue has increased 66% to RMB51 million. For the full year 2025, Robotaxi revenue also achieved an annual record high of RMB148 million, with a 210% growth year over year. This growth is powered by our asset-light model. We provide the autonomous driving "brain," while mobility and fleet partners handle operations and vehicle ownership. This keeps vehicles off our balance sheet, enables efficient scaling, and aligns incentives to deliver a consistent user experience.

Our robotaxi revenue is also supported by a combination of ongoing service fee and recurring ride-hailing revenue share from platform partners. Our global expansion in robotaxi operations has firmly established us as a leader in the rapidly evolving autonomous mobility landscape.

In particular, our international business is becoming an increasingly important driver of group revenue. For full year 2025, overseas markets contributed approximately 29% of total revenue, spanning a diverse set of geographies, including the Middle East, Europe, and Asia Pacific.

At the same time, our focus on operating efficiency has allowed us to sustain healthy margins even as we scale.

In Q4 2025, group-level gross profit increased 74% to RMB89 million with a group-level gross margin of 28%. For the full year 2025, group-level gross profit was RMB207 million, representing an increase of 87% with a group-level gross margin of 30%. These results highlight the strengths of our business model and reinforce our confidence in our global expansion strategy.

In Q4 2025, operating expenses increased slightly by 2% year over year to RMB655 million, with R&D representing 63% of the total. For full year 2025, operating expenses decreased by 11% to RMB2.04 billion, with R&D representing 67% of the total. The decrease in operating expenses was primarily driven by lower administrative expenses, partially offset by increases in R&D and selling expenses. As our primary investment area, the rise in R&D spending reflects our focus on long-term technological leadership, while disciplined cost management kept overall operating expenses under control.

To break down further, R&D expenses increased by 29% to RMB411 million in Q4 2025 and increased by 26% to RMB1.37 billion for the full year 2025, primarily driven by our continued investments in top-tier talent and the expansion of our next-generation data center infrastructure, building a high-performance backbone to support our L2+ to L4 autonomous driving capabilities. This continuous R&D commitment is essential to maintaining our competitive edge and driving future growth.

Administrative expenses decreased by 29% to RMB217 million in Q4 2025 and decreased by 48% to RMB596 million for the full year 2025. The decrease was mainly driven by lower share-based compensation and partially offset by growing professional service fees, personnel costs, and depreciation and amortization expenses.

Selling expenses increased by 76% to RMB27 million in Q4 2025 and increased by 37% to RMB74 million for the full year 2025. These increases are in line with the growth of our business.

Our net loss narrowed by 6% to RMB556 million in Q4 2025 and narrowed by 34% to RMB1.65 billion for the full year 2025.

Building on our successful Hong Kong IPO in Q4 2025, we ended the year with a strong capital position. As of December 31, 2025, we had total capital reserves of RMB7.13 billion, comprising RMB6.97 billion in cash and cash equivalents and time deposits, RMB144 million in investments in wealth management products, and RMB19 million in restricted cash. We maintained short-term bank loans of RMB324 million to support daily operations. With disciplined cash deployment, this level of capital provides a solid operating buffer and underscores our financial strength to support continued growth.

On March 23, 2026, our Board of Directors authorized a share repurchase program under which we may repurchase up to US$100 million of our Class A ordinary shares (including in the form of American Depositary Shares) over the next 12 months. This authorization also reflects our commitment to shareholders and our confidence in the long-term value of WeRide.

Looking ahead, we are moving forward with clarity and conviction. By end of 2026, we expect to have 2,600 robotaxis globally, marking the first phase of our path toward tens of thousands of robotaxis by 2030. As our fleet scales, we see a clear path to extending our proven deployment model to more cities worldwide. Supported by a strong balance sheet, relentless focus on operating efficiency, and deepening partnerships, we are well positioned to lead the next chapter for autonomous driving industry.

With that, operator, we're now ready to take some questions.

Q&A Session

Operator

Thank you. We will now begin the question-and-answer session. As a reminder, we only accept questions in the English language line. (Operator Instructions) Thank you.

A moment for our first question. We will now take the first question from the line of Kai Xiao of CICC. Please ask your question, Kai. Your line is now open.

Kai Xiao (CICC)

Thank you, Tony and Jennifer. This is Kai from CICC. So I have two questions. First one is, quite a few OEMs and Tier 1 peers are also working on L4 robotaxi, such as Horizon Robotics and Momenta. So what's your view on this matter?

And the second one is on the L2+. So recently WeRide ADAS showed an industry leading capability in a highly challenging real world competition. So could you share the key differentiation between WeRide's ADAS capability, versus the peers? Thank you.

Tony Han (Founder, Chairman and CEO)
Thank you very much, Kai, for these two important questions, and I truly appreciate you ask these two questions. So, first of all, the first question is about quite a few OEMs and Tier-1s you just mentioned, like Horizon and Momenta. They've claimed they are working on robotaxi, and what's my view.

So first of all, I think as the CEO of first mover and industrial leader of autonomous driving company like WeRide, I have to say we welcome all the players to join this competition. And that means the whole ecosystem and the whole industry is really attractive, and there's great market potential. So only in a very interesting and juicy and a profitable market, you can see and experience the competition.

Having that said, I just want to remind that for some competitors or new players, the difference between ADAS system, which they are very familiar, and the L4 driverless robotaxi system, which they are not familiar. Lots of time, people have to do some contracture of extrapolation from what they have, with what they are familiar, like L2++ system, and then they want to think, okay, we just increase the reliability, increase a little bit of speed of our system, and we can achieve driverless operation.

My answer to that kind of extrapolation or extrapolative thinking is that, you haven't seen the difficulty on what you haven't seen. So the thing is like, why am I in a position to say that? Because WeRide is the only company currently, to my best knowledge, in this world that is good at ADAS system and at the same time good at driverless operation or robotaxi.

So for example, in the China Urban Intelligent Driving Competition, just finished, two days ago, we won the championship once again. So WeRide is the only company who won this championship three times in a row, we made a history. So that means in that competition, the companies you mentioned like Momenta and Horizon, they all entered the competition, but WeRide just won three times over them.

So, we are very familiar with the ADAS system. On the other hand, I would say if you want to claim yourself to be a L4 level autonomous driving company or robotaxi company, you have to have a substantial operation. What do I mean? You should have at least 50 driverless cars running in a city with a population of at least 1 million people. If you just have 10 cars and with a safety driver behind the steering wheel, you cannot claim yourself as a robotaxi company.

Of course, lots of people can claim like you are working on something, that's great, but to make sure you are really the player of the field, you have to demonstrate you have the real driverless operation. Therefore, I want to emphasize, the technology barrier between L2++ and L4 is huge, and to really make yourself like a significant or a serious player in the robotaxi field, you really need to demonstrate your capability in driverless operation.

Besides, there are other factors like hardware maturity, software integration, full redundancy architecture, regulatory approvals, operational stability—all of these factors traditional ADAS companies haven't experienced. So my view is that WeRide and also with some other leading autonomous driving L4 level robotaxi companies have really a strong advantage.

So we welcome this kind of competition, but we are very confident with our current leading position, and our current footprint in the international market. That is a huge gap. I don't foresee any newcomers can catch up soon.

So this is my answer to the first question. Okay. The second question—Kai's question—is about our recent extraordinary results in the China Urban Intelligent Driving Competition. And, so what differentiates us between our peers? I think the ranking and scores tell all, right? This China Urban Intelligent Driving Competition holds once every month or once every two months, depends on the period.

And in the history, there's only one company won this kind of championship twice in a row. That was Huawei. At that time, they had a very big advantage. But there has never been a company that has won this kind of championship three times in a row (until WeRide did). Since last year, November, and then December and, this year, March, we won three times in a row.

The competition has been entered by all the companies, famous autonomous driving companies or car OEMs in China, you can name it - XPENG, Li Auto, NIO, Xiaomi, Momenta, Horizon, Huawei, Zeekr -They all entered the competition, but WeRide won this kind of competition three times in a row. That demonstrates our capability.

And what is the secret sauce behind this? We have several. First, our one-stage end-to-end system training is based on both synthetic and real data from our L4 level autonomous driving robotaxi and from our L2++ data. And that helped a lot at our unique one-stage end-to-end architecture, which is different from VLA, and that one gave us a big advantage. Thirdly, the data generated from our GENESIS model, and this GENESIS model is superior - it can generate data according to our needs and reduce our data collection cost by 75%. With all these technology combined, they give us a kind of leading position in the ADAS field. That's all my answers to these two questions. Again, thanks for the question, Kai.

Operator
(Operator Instructions) Ming Hsun Lee, Bank of America.

Ming Hsun Lee (BofA)
Hi, Tony and Jennifer, thank you for taking my question. I also have two questions for you. So first, could you please elaborate the robotaxi expansion plan of both China and the international markets, and what is the delivery schedule for the 2,000 vehicles signed with Geely Farizon? Thank you.

And a second question, could you also share your forward-looking plan for the Middle East, given peers’ market entry, geopolitical conflict, and also the involvement of the partnership with Uber?

Specifically, what is the timeline of the deployment of 1,200 vehicles with Uber? Thank you, Tony.

Jennifer Li (CFO and Head of International)

Okay, I'll take the first question, I guess, and you can take the second question. Thank you, Ming. Both China and international markets are core to WeRide's growth strategy. As you just mentioned, we recently signed a deal that is actually an extended agreement with Geely Farizon for an additional 2,000 upgraded robotaxi—we call GXR—in 2026.

So by the end of last year, our fleet has surpassed over 1,000 robotaxis. Taking into consideration of the phased delivery of the newly pre-installed GXR, then also the retirement of some of the older vehicles we have, we expect to reach around 2,600 robotaxis globally by the end of this year.

China definitely is the cornerstone of our business, where we focus on cities with very supportive policies for autonomous driving and high population densities. Those tier 1 cities in China, like say, Guangzhou and Beijing, they both fit this profile very well. In Guangzhou, for example, we plan to gradually scale towards city-level operation, like what we already have in Abu Dhabi.

We're also expanding into another major tier 1 city in China, and we look forward to sharing more of that soon with everyone. And on the international side, the Middle East continued to be a very strong base for us. We run the largest robotaxi fleet, at city level, in Abu Dhabi, and we are the first to start a robotaxi public operation in Dubai and in Riyadh as well.

So we'll continue to build our strong momentum in the Middle East. Also, Europe is a key focus. Our robotaxi obtained the first and only driverless operation permit in Europe from the Switzerland government last year. Building on this momentum, we are really looking to further expand in markets, like say Madrid and potentially one more core city in Europe this year. And of course, we'll continue to expand our robotaxi operation in Zurich as well.

Tony, you want to take the next question?

Tony Han (Founder, Chairman and CEO)

Sure. So just kind of a general reminder to everybody, like the second question is really about our future plan for the Middle East, and you know what the timeline of deployment is of the 1,200 vehicles with Uber.

Right now, we have around 200 vehicles in Middle East, and together with Uber, we plan to add at least 1,000 more by 2027. And we expect to be the first to reach 1,000 vehicle scale in this region. It's really not easy, and we have spent tons of efforts and planned a lot, and sometimes retrofit and redesign our vehicles and do lots of technological efforts to meet this number.

Operationally, we are carrying out business as usual. I think you have known, we are already running city-level fully driverless robotaxi service in Abu Dhabi, and we aim to do the same in Dubai this year. We are currently the only company offering robotaxi service to the public in both cities, and that first mover advantage is meaningful. Our scale, regulatory progress, strong partnerships, and safety record all support this position.

On the geopolitical tensions you have mentioned, we are currently experiencing, we are monitoring developments very closely with a continued focus on the safety of our local teams and maintaining a reliable operation. So far, we have not seen any material impact on our business. Our global footprint and the diversified presence also give us confidence in navigating potential uncertainties.

Regarding our partnership with Uber, our five-year, 15-city rollout plan remains on track, and we expect to announce new city launches in due course this year. Okay, that's the answer to this question. Any other questions?

Operator

(Operator Instructions) Tim Hsiao, Morgan Stanley.

Tim Hsiao (Morgan Stanley)

Hi, Tony and Jennifer, this is Tim from Morgan Stanley. Thanks for taking my questions. I have two questions. I think the first one is, basically I want to follow up on the L4 in competition because, at the Nvidia GTC earlier this month, we noticed that WeRide again showcased the robotaxi GXR. I think, the model is powered by Nvidia Hyperion platform and the Thor SoC.

Although we noticed the collaboration with Nvidia has helped WeRide to effectively reduce the cost, accelerated global expansion, but these days I think Nvidia also supplies similar ready solutions to many of WeRide's competitors and also automakers for the long-term L4 development. So my question is how does WeRide address the challenge of robotaxi homogenization in the long term and can keep successfully differentiating? That's my first question. Thank you.

Tony Han (Founder, Chairman and CEO)

Thank you, Tim. This is a great question. So, first of all, I think, currently, like many players, they define their autonomous driving system based on Nvidia's Thor X platform. But I want to emphasize, just to make announcement like we are going to adopt Nvidia Thor X is easy, but to really make a reliable and workable autonomous driving system based on Nvidia Thor X is very challenging. WeRide came out with Lenovo and Nvidia and spent two years to design our auto-grade HPC 3.0.

And you know we actually produced the first of this kind of automotive-grade computational platform for robotaxi with a computational power of 2000 TOPS. You can look around and see whether any other people have this kind of computational platform of 2000 TOPS and with redundancy, it’s not easy. We have lots of buildup on top of this automotive-grade computational platform.

Besides, we built up our simulator and data collection, on an integrated platform GENESIS, which can generate lots of data and can be integrated into the training and then can be evaluated with HPC 3.0. This is actually a very, very advanced system.

So in the long run, I don't think that just a very generic universal platform can help the inexperienced or not that strong technological player, so that everybody can become a significant player in robotaxi, i.e., democratize the whole industry. No, it's not like that.

People actually have tried that before. I just want people to remember like four or five years ago, Baidu rolled out this Apollo platform. The goal was very close to what Nvidia wants to do—rolling out some open source code, and everybody can work on it. But today, to our best knowledge, no driverless robotaxi fleets are developed using Apollo. Even Baidu uses its own closed-source platform to work on it. So, whether that open source can be used by some third parties and then deploy reliable driverless operation is an unproved concept, and actually I'm quite skeptical on that.

So we are very confident about our competitive edge in the next 5 years and in the next 10 years, and we have a leading position. I think we have maybe larger and larger leading advance. That's my answer to your question, Tim.

Tim Hsiao (Morgan Stanley)
Thank you. Thank you, Tony, for sharing all the details. My second question is also a quick follow up regarding your global partnership with Uber, because I think, most of us noticed that WeRide has formed a close, strategic tie-up with Uber for global expansion. Yet in the meantime, I think Uber has a ride hailing platform. Uber continues to onboard more robotaxi service providers like, in the US, Rivian, Zoox, Motional, and in the rest of the world, like Wayve, etc.

So facing this kind of dynamic of both cooperation and competition, how does WeRide ensure its long-term share of ride hailing orders in the overseas market can keep growing and the state as a major supplier to Uber? And lastly, how does WeRide plan to enhance its to-C capability globally? That's my second question. Thank you.

Jennifer Li (CFO and Head of International)
Okay. Tony, you want to take this?

Tony Han (Founder, Chairman and CEO)
No, Jenn, if you want, you can go ahead to take. Yeah, please go ahead.

Jennifer Li (CFO and Head of International)

Yeah, I'll take this question. So Tim, first of all, Uber is an important shareholder and partner for WeRide. We believe their incentive is to maximize WeRide's robotaxis' utilization. And, as a matter of fact, with all the like partnerships they have signed until today, you can only get robotaxi on the Uber platform, from WeRide and from Waymo. That's it.

And we do have a very concrete plan to scale together. In the key market, like the Middle East, we have the first and foremost operation right. And we're going to launch 1,200 robotaxis, which will be fully delivered by 2027. This is going to be a very, very large and definitely the largest robotaxi fleet outside China and the US.

And on top of that, we operate robotaxi, robobus, robovan, and other products globally. We act more like an infrastructure partner directly to the local governments. Like, say, in Bratislava, we are bringing our robotaxi, robobus, robovan, robosweeper, all together in one go. We are the infrastructure partner to local governments.

So we're not just like an Uber supplier, and we own most of the autonomous driving licenses. The government directly issued those licenses to us. So, also in the presentation we just did in the video, you can see that our robotaxi partners worldwide, including, besides Uber, and we also have like Grab, SBB, STL, TXAI, and a number of local partners. We have different local partners in different local markets.

So, yeah, and just to emphasize on the licensing mode. We are the only one that holds autonomous driving permits in eight countries. Based on our knowledge, this is definitely the broadest in our industry. This creates a very high barrier to entry, and also, even on Uber and through other product categories, whenever we have the public service deployment, we are building the WeRide brand recognition directly based on end consumers. Say in Singapore, Abu Dhabi, and Dubai, in those cities, people know the WeRide brand, quite well, I would say.

So the bottom line is like we're not just one of Uber's vendors. We're their equity-linked key operator and key robotaxi provider in key markets with proven unit economy, and then, we think our multi-scenario, multi-country footprint will make us a very essential part of the urban mobility infrastructure, not just a replaceable supplier by anyone.

That's my answer to your question.

Tim Hsiao (Morgan Stanley)
Thank you so much for the details and congratulations again on the strong result. Thank you.

Operator
(Operator Instructions) Jiajie Shen, JP Morgan.

Jiajie Shen (JPMorgan)
Thank you for taking my question and congratulations on the very strong results. My first question is regarding fleet utilization. How do you expect it to grow in China and what are the implications to unit economics? And my second question is regarding overseas business. Your global business is showing great progress and this is truly impressive. Could you please share more about key figures of the overseas business in 2025 and what are the 2026 guidance of key operational and financial metrics? Thank you.

Tony Han (Founder, Chairman and CEO)
Okay. I will take the first question. The first question is about the fleet utilization growth in China, and about the implications to unit economics. So, first of all, we are taking a number of steps to improve utilization, raising fleet density in existing service areas, rolling out free pickup, drop off, i.e. PUDO, and extending operation hours.

And that is translating to results. User adoption rate has been strong. Our robotaxi user in China grew over 900% year over year in Q4. This is an extraordinary number, and I don't expect we can keep this kind of number every year, but still it's kind of an extraordinary number, and our vehicle utilization is also trending up.

Today, each vehicle averages about 15 trips per day, with peak days reaching around 26 trips, some peak days like festivals like Valentine's Day. The average trip distance is about 5 kilometers, and pricing is roughly RMB2 per kilometer, which represents 30 to 50% discount to traditional ride-hailing. This is a deliberate promotional strategy as we scale region by region and drive our user adoption.

As we expand to citywide coverage like what we are working on toward Guangzhou, and the deepening integrations with platforms such as Amap from Alibaba, WeChat from Tencent, and Tencent Mobility to match convenience of traditional ride-hailing. We expect pricing to move closer to the standard rate—around RMB3 per kilometer.

At this point, we see a clear and achievable path to improve unit economy in China. Over years, as our fleet size and coverage expand, we are targeting 25 trips per vehicle per day, because autonomous driving vehicles, robotaxi, they don't need a driver, and then, you don't have an exhausted driver. Therefore, we can keep on going as long as we can take orders.

At steady state, we expect contribution margins in China to be over 40%. That's my answer to your first question.

Jennifer Li (CFO and Head of International)

The second question is about the overseas business, and some of the forecasts, right? So, our international business is growing at a really, really pleasant rate. And for Q4 2025, the overseas revenue was up 140% year over year, and it's contributing 31% of the total revenue, and with the gross margin, at, like 40-ish, almost 50%.

And for the full year 2025, our overseas revenue grew about 305% year over year, accounting for roughly 29% of the total revenue.

So the gross margin was almost 50% as well. Overseas market offers significantly stronger growth and profitability potential. For example, our Middle East subsidiary is already profitable on a standalone basis.

So, looking ahead to 2026, we expect the revenue to continue to grow at a healthy pace. We are also on track to reach our goal for the global robotaxi fleet as well as for different regions. We believe we can still reach the goal by the end of the year.

And, on the gross margin side, we expect the gross margin to remain relatively stable for the international business. And, on the cash side, the operating cash outflow may increase modestly on the group level, since we continue to invest in talent and our R&D to support the long-term core growth of the company.

We'll provide more detailed guidance in the upcoming earnings release, but directionally, this reflects how we are thinking about how we build up the business and the financial forecast. Thank you.

Operator
(Operator Instructions) Leo You, CLSA.

Leo You (CLSA)
Hi, good evening, Tony and Jennifer. It's Leo from CLSA. Also two questions from me, and the first is, could you please walk us through the key cost reductions and technology innovations behind the upgraded GXR, and how would that drive further unit economics improvement going forward? And secondly, we are also very glad to see that you announced the share buyback plan, and could you please elaborate more on the process, and how you're going to execute the share buyback plan going forward? Thanks very much.

Jennifer Li (CFO and Head of International)
Okay, I think I'll answer both questions. Thank you, Leo. The first one is on the cost reduction on GXR, and then, maybe I'll try to answer the question in a different way from the total cost of

ownership perspective. As we mentioned earlier, the TCO for the China fleet has declined by as much as 38% in 2025. And the two main factors are below.

First of all, as just now Tony has already shared, there's a significant improvement in the remote assistance ratio from 1:10 in 2024 to 1:40 by the end of 2025. We also have similar efficiency gains for the grid operator. So on both ends, there's efficiency improvement on the operation level.

And secondly, we have seen an overall 30% reduction in the BOM cost. That includes the upgraded HPC 3.0, as well as for the pre-installed new GXR robotaxi. Meanwhile, now we are starting to have larger volume, so scale is starting to deliver the real benefits.

As our fleet expands, we see a meaningful cost reduction through the volume of procurement. Also on the software side, I still want to remind everyone that the game changer here is really our WeRide GENESIS.

With GENESIS, it allows us to handle the edge case much more efficiently and accelerate the iteration cycles. So it's easier for us to deploy in a much larger ODD and with less remote assistance needed. So together, these are delivering very meaningful improvements in our cost structure.

And the other one is regarding the share buyback. So today, our board of directors authorized a share repurchase program, effectively as of March 23, 2026, which is today as well. We may repurchase up to USD100 million worth of our Class A ordinary shares, from both Hong Kong Stock Exchange and the Nasdaq over the next 12 months. It's actually subject to the scope and limit of the repurchase mandate granted by the shareholders of the company on March 13, 2026, and approval of a similar repurchase mandate to be put forward to shareholders at the upcoming 2026 annual general meeting for the company.

So our proposed repurchase may be made from time to time on the open market at the prevailing market price and in the privately negotiated transaction in block trade, depending on the market condition and in accordance with the applicable rules and regulations. That's my answer to your question, Leo. Thank you.

Leo You (CLSA)

Thank you.

Operator

(Operator Instructions) Xinyu Fang, UBS.

Xinyu Fang (UBS)

Thank you for taking my question, and congratulations on delivering solid revenue growth and operation expansion. My first question is about revenue structure. We noticed that there has been quarterly fluctuations in the contribution of product and service revenue. How should we think about the revenue structure of the company going forward, both in the near term and medium term?

And as for my second question, apart from the USD100 million share buyback program, could you please share a little bit more on the future cash deployment plan of WeRide? Thank you.

Tony Han (Founder, Chairman and CEO)

Okay. I will take the first question. So in 2025, our robotaxi contributed 22% of the total revenue, the robobus contributed 34%, and our L2++ ADAS and data service contributed 29%. Together, these three pillars accounted for around 85% of our business, with robovan and the robosweeper making up the remaining 15%.

So that's the detailed numbers. But if you do forward-looking, looking ahead, robotaxi, robobus and L2++ will remain our core growth engines, supported by strong synergies across our integrated autonomous driving ecosystem. You know, we have a platform strategy.

Robotaxi is the fastest-growing segment, with significant scalability and improving unit economics, especially overseas. So, we expect its revenue share to increase over time. Just want to emphasize, WeRide inherently is a robotaxi technology company. We have many products, but robotaxi is the core.

Robobus is currently our most geographically deployed business and benefits from clear synergies with robotaxi in both regulation and commercialization. L2++ continues to gain traction with partners like Chery, GAC, and Bosch, serving both as a revenue stream and a platform to validate our technology. Meanwhile, robovans and robosweepers provide complementary value, with lower cost and fixed route operation that also help us enter and educate new markets.

Overall, this diversified portfolio gives us both scale and balance, which we see as a key strength. I think if you look at all autonomous driving companies in this world, WeRide is unique, and only WeRide adopts this technology.

Jennifer Li (CFO and Head of International)
Okay, I'll answer Xinyu's last question. So, for the cash deployment side, we ended 2025 with a little bit over a billion USD in the capital reserve, which is a strong foundation to support our expansion, and our net cash burn rate is less than USD200 million, based on the past part of pattern. At the same time, our revenue growth is really accelerating, as we can see from today's results, and our operating cash flow is becoming increasingly a more important funding source for us.

So at this scale, we are not just investing and raising capital from the capital market and then spending it all on just R&D. We are generating cash ourselves at a relatively fast speed as well. So overall, we are in a very solid liquidity position, and we'll continue to invest with discipline, while we still maintain an ample runway to execute our growth strategy. Thank you.

Operator
All right, thank you. Due to time constraints, I'll conclude the call today. Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.

Tony Han (Founder, Chairman and CEO)

Thank you very much.

Jennifer Li (CFO and Head of International)

Thank you.