



SunCar Announces First Half 2025 Financial Results

October 27, 2025

NEW YORK, Oct. 27, 2025 (GLOBE NEWSWIRE) -- SunCar Technology Group Inc. (the "Company" or "SunCar") (NASDAQ: SDA), a leader in digitalizing auto insurance and auto services, today announced financial results for the six months ended June 30, 2025.

First Half 2025 Highlights

- Total revenue increased by 9% to \$222.3 million for the six months ended June 30, 2025, from \$203.1 million for the six months ended June 30, 2024.
- Net loss for the six months ended June 30, 2025, of \$5.5 million, compared to \$60.1 million in the prior year period.
- Adjusted EBITDA for the six months ended June 30, 2025, of \$2.5 million, compared to \$6 million in the prior year period.
- EV insurance premiums for the six months ended June 30, 2025, increased 111.3% to \$697.6 million compared to \$330.2 million in the prior year period.
- **Tesla:** Deepened collaboration with Tesla on its renewal business, and SunCar's newly added benefits package is now available for purchase directly from Tesla's official app.
- **Xiaomi:** Strengthened partnership with Xiaomi, recently taking over management of the company's insurance renewal business to help mitigate the risk of policies lapsing.
- **NIO:** Delivered system optimizing user experience for NIO Inc.'s brands, NIO, Onvo, and Firefly, significantly improving the efficiency of insurance policy issuance.
- **Li Auto:** Partnered with Li Auto to develop a self-service insurance application within its customer app.
- **Leapmotor:** Launched Leapmotor's digital auto insurance platform for policy renewals and claims processing.
- **Huawei:** Won the bid for the HarmonyOS Smart Car Alliance and initiated a strategic partnership with Huawei.
- **China ZheShang Bank:** Initiated an innovative auto services project integrating multiple auto services, including maintenance, fuel, designated driver, and parking.
- **Shanghai Rural Commercial Bank:** After 10 years working with the Bank, SunCar was named the Bank's exclusive mobility services provider.

Management Commentary

"I am very pleased with our strong execution in the first half of 2025, as SunCar achieved rapid development in terms of new EV insurance premiums in China. We are focused on generating positive net income for the second half of 2025 while still delivering solid revenue growth. In our insurance segment, we continue to deepen our EV partnerships and demonstrate a unique value proposition to the market. We expect our insurance platform to be a strong long-term growth driver for the business," said Zaichang Ye, Chairman and Chief Executive Officer of SunCar Technology Group.

Mr. Ye continued, "A recent key milestone was the integration of ByteDance's Doubao large language model ("LLM") into our platform, marking an important step forward in SunCar's AI-driven digitalization transformation. By combining Doubao LLM's capabilities with our industry-specific intelligent cloud infrastructure, we expect to strengthen our 'Cloud + AI' advantage and accelerate our evolution into an intelligent, fully integrated service hub."

Business Highlights

Auto Insurance Overview

- **NIO:** Optimized system experience for NIO Inc.'s brands: NIO, Onvo, and Firefly, significantly improving the efficiency of policy issuance.
- **Li Auto:** Partnered with Li Auto to develop a self-service insurance application within its customer app. Streamlined delivery times, enhanced user experience received positive feedback from both Li Auto and its customers. Nationwide rollout is planned for the second half of the year.
- **Leapmotor:** Successfully commenced launch of the digital insurance system for policy renewals and claims processing.
- **China Post:** Signed a new agreement with China Post, expanding our distribution network by 174 additional partner stores in 2025.
- **Huawei:** Won the bid for the HarmonyOS Smart Car Alliance and initiated a strategic partnership with Huawei.
- **Tesla:** Deepened collaboration with Tesla, newly adding a driver benefits package which is now available for purchase on Tesla's official app; and began partnering on the company's digital insurance renewals business.
- **Xiaomi:** Strengthened partnership, becoming the partner for the company's digital insurance renewals business, mitigating policy lapse risk.
- **XPeng:** Expanded cooperation with XPeng to enhance its system capabilities and support online sales of extended warranties and service products.
- **Jiayi Auto Insurance Agency:** Acquired Jiangxi agency to expand our regional coverage and promote the company's

Auto Services Overview

- **China ZheShang Bank:** Successfully won the bid for an innovative auto services project to integrate driver maintenance, fueling, designated driver, and parking services.
- **Shanghai Rural Commercial Bank:** Working with the bank since 2023, Suncar was named the sole provider of the bank's mobility services, including concierge and VIP lounge services.
- **China Construction Bank:** Successfully bid for the Sichuan Province Branch Dragon Card Auto Card Car Wash Benefits Procurement Project.
- **PICC:** Secured in-policy designated driver contracts with 13 provincial branches of PICC, including Beijing, Shanghai, Zhejiang, Yunnan, and Xinjiang. Each agreement is structured as a "one-plus-one" renewal.
- **Ping An:** Expanded partnership with Ping An P&C, adding new car cleaning and detailing services in Xinjiang, Tibet, and Guizhou. Won bid for designated driver services with the Sichuan branch and established cooperation with Ping An headquarters on airport lounge services.
- **Dadi P&C:** Under a framework agreement with Dadi P&C's headquarters, added auto service collaborations with the retail divisions of its Zhejiang, Jiangsu, Henan, and Beijing branches.
- **Other Partnerships:** Established additional partnerships with Pacific Insurance (Zhejiang and Jiangsu branches) and Taiping P&C (Guizhou branch), among others.

First Half 2025 Financial Results

- Total Revenue increased 9% to \$222.3 million for the six months ended June 30, 2025, compared to \$203.1 million for the same period in 2024, reflecting continued growth in SunCar's auto insurance and technology services segments.
- Auto insurance premiums for EVs increased from US\$330.2 million for the six months ended June 30, 2024 to US\$697.6 million for the six months ended June 30, 2025, representing a year-over-year growth of 111.3%. Revenue from EV insurance services amounted to US\$31.5 million for the six months ended June 30, 2025, as compared to US\$14.6 million for the six months ended June 30, 2024, representing a significant increase of 115.8%.
- Auto Insurance Revenue increased 33% to \$97.8 million, compared to \$73.7 million in the prior-year period, driven by strong partnerships with emerging EV OEMs such as Tesla, Xiaomi, and Nio, and a surge in EV insurance demand. SunCar ranked first in China for auto insurance premiums tailored to EV owners.
- Technology Services Revenue grew 11% to \$24.3 million, compared to \$21.9 million in the prior year period, reflecting increased adoption of SunCar's enterprise software tools. Growth was supported by new customer acquisitions and the ongoing transition toward a SaaS-based model for enterprise clients.
- Auto Services Revenue decreased 7% to \$100.1 million, compared to \$107.5 million in the prior year period. The decrease was driven by the deliberate decision to discontinue certain low-margin businesses in the first half of 2025 and the accompanying decrease in service orders.
- Total Operating Costs and Expenses decreased 15% to \$223.5 million, compared to \$261.7 million, mainly due to \$62 million in share-based compensation recognized in 2024.
- Integrated Service Costs decreased 6% to \$101.5 million, compared to \$107.6 million in the prior year period, consistent with the decline in Auto Services revenue.
- Promotional Service Expenses rose 32% to \$94.1 million from \$71.1 million, in line with the expansion of the auto insurance business.
- Selling Expenses increased 8% to \$11.0 million, from \$10.2 million, primarily due to higher promotion expenses for our IT services and market expansion costs that supported growth in the technology services segment.
- General and Administrative Expenses decreased 63% to \$15.2 million, from \$40.5 million, largely driven by the decrease of \$31 million in share-based compensation related to the 2024 Equity Incentive Plan.
- Research and Development Expenses decreased 95% to \$1.8 million from \$32.2 million in the prior-year period, due to the absence of \$31.0 million in share-based compensation related to the 2024 Equity Incentive Plan.

Net Loss and Adjusted EBITDA

The Company believes that Adjusted EBITDA, as defined below, is useful in evaluating our operational performance distinct and apart from certain expenses that may not be indicative of our recurring core business operating results and non-operational expenses. Adjusted EBITDA is defined as Net loss adjusted for depreciation and amortization, financial expenses, net, investment income, other non-recurring income, net, income tax benefit, share-based compensation, and non-recurring expenses related to capital raises.

Net loss Margin is defined as net loss divided by total revenues, and Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by total revenues.

The following table reconciles Net loss to Adjusted EBITDA for the six months ended June 30, 2024 and 2025.

For the six months ended June 30,	
2024	2025
(In thousands)	

Net loss	\$	(60,140)	\$	(5,535)
Depreciation and amortization		1,813		2,978
Financial expenses, net		2,302		2,077
Investment income		(306)		(246)
Other non-recurring (income)/expenses, net		(734)		2,220
Income tax benefit		267		291
Share-based compensation ⁽¹⁾		62,785		742
Transaction fees ⁽²⁾		53		15
Adjusted EBITDA	\$	6,040	\$	2,542
Net loss Margin		-29.6%		-2.5%
Adjusted EBITDA Margin		3.0%		1.1%

(1) Non-cash expense related to compensation costs for equity classified awards by the subsidiary.

(2) Includes non-recurring transaction related fees and expenses associated with the Company's capital raises.

2025 Outlook

Zaichang Ye, Chairman and Chief Executive Officer of SunCar Technology Group, said "We have taken a strategic step to prioritize profitability and cash generation. While we continue to expect solid organic revenue growth, our focus will be on accounts and partnerships that enhance margins and long-term value. As a result of these actions, we are withdrawing our previous full-year revenue guidance of \$521 million to \$539 million. The demand environment remains healthy, and we are confident that our disciplined approach will position SunCar for sustainable, profitable growth."

About SunCar Technology Group Inc.

Founded in 2007, SunCar is transforming the customer journey for auto services and auto insurance in China, the largest passenger vehicle market in the world. SunCar develops and operates cloud-based platforms that seamlessly connect drivers with a wide range of auto services and insurance coverage options through a nationwide network of sales partners. As a result, SunCar has established itself as the leader in China in the auto eInsurance market for electric vehicles and the B2B auto services market. The Company's intelligent cloud platform empowers its enterprise customers to access, manage, and optimize their auto eInsurance and auto service offerings. Through SunCar, drivers gain access to a wide variety of high-quality services from tens of thousands of independent providers, all from a single application. For more information, please visit:

<https://suncartech.com>.

Forward-Looking Statements

This press release contains information about the Company's view of its future expectations, plans, and prospects that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. -For a detailed discussion of these risks, please refer to the Company's Annual Report on Form 20-F and other filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date of this press release, and the Company undertakes no obligation to update or revise these statements, except as required by law.

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SOURCE SunCar Tech

	As of December 31, 2024	As of June 30, 2025
ASSETS		
Current assets		
Cash	\$ 26,865	\$ 24,305
Restricted cash	2,647	2,697
Short-term investments	20,985	21,396
Accounts receivable, net	75,605	97,616
Prepaid expenses and other current assets, net	70,171	77,363
Total current assets	196,273	223,377
Non-current assets		
Long-term investment	274	279
Property, software and equipment, net	27,664	25,604
Deferred tax assets, net	10,453	11,258
Other non-current assets	11,458	16,652
Right-of-use assets	606	359
Total non-current assets	50,455	54,152
TOTAL ASSETS	\$ 246,728	\$ 277,529
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term loan	\$ 83,597	\$ 83,059
Accounts payable	56,812	76,506
Deferred revenue	2,421	2,142
Tax payable	1,361	1,913
Accrued expenses and other current liabilities	5,792	6,672
Amount due to related parties, current	6,238	6,524
Operating lease liability, current	544	258
Total current liabilities	156,765	177,074
Non-current liabilities		
Operating lease liability, non-current	21	32
Amount due to a related party, non-current	22,761	13,330
Warrant liabilities	947	947
Total non-current liabilities	23,729	14,309
Total liabilities	\$ 180,494	\$ 191,383
Commitments and contingencies (Note 17)		
Shareholders' equity		
Class A Ordinary shares (par value of US\$0.0001 per share; 400,000,000 Class A Ordinary shares authorized as of December 31, 2024 and June 30, 2025, respectively; 51,845,493 and 51,645,493 Class A Ordinary shares issued and outstanding as of December 31, 2024, respectively; 59,208,351 and 55,569,794 Class A Ordinary shares issued and outstanding as of June 30, 2025, respectively)	\$ 5	\$ 6
Class B Ordinary shares (par value of US\$0.0001 per share; 100,000,000 Class B December 31, 2024 and June 30, 2025, respectively; 46,659,565 and 46,439,565 Class B Ordinary shares issued and outstanding as of December 31, 2024 and June 30, 2025, respectively)	5	5
Additional paid in capital	208,701	233,650
Accumulated deficit	(195,387)	(202,781)
Accumulated other comprehensive loss	(1,432)	(1,529)
Total SUNCAR TECHNOLOGY GROUP INC's shareholders' equity	11,892	29,351
Non-controlling interests	54,342	56,795
Total shareholders' equity	66,234	86,146
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 246,728	\$ 277,529

[1] The financial statements shall be read in connection with the financial statement footnotes that are contained in the Company's First Half 2025 report to be furnished voluntarily by the Company on or around the date of this release, which form an integral part of the financial statements.

SUNCAR TECHNOLOGY GROUP INC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	For the six months ended June 30,	
	2024	2025
Revenues		
Auto eInsurance service	\$ 73,747	\$ 97,833
Technology service	21,888	24,345
Auto service	107,451	100,131
Total revenues	203,086	222,309
Operating cost and expenses		
Integrated service cost	(107,621)	(101,464)
Promotional service expenses	(71,135)	(94,072)
Selling expenses	(10,199)	(11,012)
General and administrative expenses	(40,537)	(15,188)
Research and development expenses	(32,205)	(1,766)
Total operating costs and expenses	(261,697)	(223,502)
Operating loss	(58,611)	(1,193)
Other expenses		
Financial expenses, net	(2,302)	(2,077)
Investment income	306	246
Other income/(expense), net	734	(2,220)
Total other expenses, net	(1,262)	(4,051)
Loss before income tax expense	(59,873)	(5,244)
Income tax expense	(267)	(291)
Net loss	(60,140)	(5,535)
Less: Net income attributable to non-controlling interests	2,443	1,859
Net loss attributable to the Company's ordinary shareholders	(62,583)	(7,394)
Net loss per ordinary share		
Basic and diluted	\$ (0.67)	\$ (0.07)
Weighted average shares outstanding used in calculating basic and diluted loss per share		
Basic and diluted	93,663,300	102,155,588
Other comprehensive loss		
Foreign currency translation difference	(1,195)	1,048
Total other comprehensive loss (income)	(1,195)	1,048
Total comprehensive loss	(61,335)	(4,487)
Less: total comprehensive income attributable to non-controlling interest	1,164	3,004
Total comprehensive loss attributable to the SUNCAR TECHNOLOGY GROUP INC's shareholders	\$ (62,499)	\$ (7,491)

SUNCAR TECHNOLOGY GROUP INC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	For the six months ended June 30,	
	2024	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (60,140)	\$ (5,535)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Provision for credit losses	2,654	6,278
Depreciation and amortization	1,813	2,978
Amortization of right-of-use assets	392	430
Loss on disposal of property, software and equipment	12	3
Deferred income tax benefit	(750)	(599)
Financing expense related to issuance of GEM Warrants	303	300
Accrued liability for GEM litigation	-	2,811
Share-based compensation of subsidiary	745	742
Share-based compensation of the Group	62,040	-
Fair value income from short-term investments	(493)	-
Interest expense	146	-
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	(24,689)	(26,603)
Prepaid expenses and other current assets	(7,492)	(6,121)
Accounts payable	26,277	18,389
Deferred revenue	(1,029)	(320)
Accrued expenses and other current liabilities	(2,458)	(2,050)
Tax payable	365	519
Operating lease liabilities	(321)	(369)
Amount due to related parties	-	(109)
Total net cash used in operating activities	(2,625)	(9,256)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, software and equipment	(245)	(23)
Proceeds from disposal of property, software and equipment	-	1
Purchase of short-term investment	(20,603)	(246)
Proceeds from the redemption of short-term investment	21,283	233
Repurchase of non-controlling interests	-	(2,214)
Purchase of other non-current assets	(7,725)	(5,362)
Total net cash used in investing activities	(7,290)	(7,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loan	56,979	52,119
Repayments of short-term loan	(56,771)	(54,215)
Repayments of payables to a related party	-	(9,798)
Shares repurchase	-	(15,760)
Proceeds from issuance of ordinary shares, net of issuance cost	-	41,631
Total net cash provided by financing activities	208	13,977
Effect of exchange rate changes	(159)	380
Net change in cash and restricted cash	(9,866)	(2,510)
Cash and restricted cash, beginning of the year	\$ 33,595	\$ 29,512
Cash and restricted cash, end of the year	\$ 23,729	\$ 27,002
Reconciliation of cash and restricted cash to the unaudited condensed consolidated balance sheets:		
Cash	\$ 20,886	\$ 24,305
Restricted cash	\$ 2,843	\$ 2,697
Total cash and restricted cash	\$ 23,729	\$ 27,002

Supplemental disclosures of cash flow information:

Income tax paid	\$	535	\$	371
Interest expense paid	\$	1,872	\$	1,757

Supplemental disclosures of non-cash flow information:

Obtaining right-of-use assets in exchange for operating lease liabilities	\$	88	\$	87
Prepaid financing expense related to issuance of GEM Warrants	\$	1,138	\$	534



Source: SunCar Technology Group Inc.