

## UPDATE NOTE

CANGO INC.

### Cango Fully Powered: 50 EH/s Deployed, Now #2 Global BTC Miner

#### KEY POINTS

**All 50 EH/s of Mining Power Now Fully Deployed.** On June 27, 2025, Cango (NYSE: CANG) announced the completion of its previously disclosed share-settled acquisition of on-rack crypto mining machines totaling 18 exahash per second (EH/s). As consideration, the company issued 146,670,925 Class A ordinary shares to the sellers, proportionate to the hashrate each provided. This follows the company's initial announcement in November 2024 to acquire 32 EH/s from Bitmain in a cash transaction—completed the same month—and an additional 18 EH/s through equity issuance. To recall, In March 2025, Cango received a Letter of Intent from Enduring Wealth Capital Limited (EWCL) proposing to acquire the founders' controlling stake, contingent on the divestment of its PRC business and a full pivot to Bitcoin. In May 2025, Cango completed the US\$352 million sale of its China-based operations and restructured its board and management team to include executives with deep crypto expertise. In June 2025, the company entered into a definitive agreement with EWCL and the founders, valuing Cango at US\$14.00 per ADS. Figure 1 outlines Cango's strategic transformation toward becoming a global Bitcoin mining leader.

**Now the Second Largest Public Bitcoin Miner Globally.** With total hashrate ramping up from 32 EH/s to 50 EH/s, we estimate Cango's monthly Bitcoin production to reach 800–900 BTC. This expansion makes it the second-largest publicly listed Bitcoin mining company globally—trailing only Marathon Digital Holdings (NASDAQ: MARA).

**Cash and Bitcoin Cow.** The old adage "Cash is king" still holds true—but in crypto, Bitcoin reigns supreme. As of 1Q25, Cango held US\$352 million in cash and US\$116 million in debt, resulting in a net cash position of US\$236 million. The sale of its PRC business in May 2025 added another US\$352 million, significantly enhancing liquidity. By June 30, 2025, the company had accumulated 3,879.2 BTC, valued at approximately US\$421 million. With the full 50 EH/s operational, Gelonghui projects Cango will hold 8,587 BTC by year-end 2025 and 19,087 BTC by year-end 2026, equivalent to US\$859 million and US\$1.9 billion respectively, assuming a BTC price of US\$100,000. Despite these holdings, Cango currently trades at a market capitalization of just US\$928 million. For context, with projected revenues of US\$822 million in CY2025 and US\$1.05 billion in CY2026, the stock trades at only 1.1x and 0.9x price-to-sales (P/S), significantly below peers such as Marathon Digital (6.8x) and Riot Platforms (6.7x). With improving execution and greater strategic clarity, we believe Cango offers meaningful upside potential through multiple re-rating.

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#### KEY DATA

Exchange: NYSE  
Ticker: CANG  
Current Price: \$5.24  
52-Week Range: \$1.40-\$9.66  
Average Volume (3M): 0.33M  
Shares Outstanding (MM): 177  
Market Capitalization (\$MM): 928  
Fiscal Year-End: December

#### FINANCIALS

In US\$M	FY23A	FY24	FY25E	FY26E
Revenue	235	111	822	1,053
EBIT	-10	25	105	216
Non GAAP Net Income	0	44	109	230

#### PRICE PERFORMANCE



**Figure 1: Path towards a Global Leader in Bitcoin Mining.**

Time	Milestones (Press Releases)	Notes
November 6, 2024	<a href="#">Cango Announces Agreements to Acquire Crypto Mining Assets</a>	Plan to acquire 50EH/s hashrate (32EH with cash & 18EH with shares)
November 15, 2024	<a href="#">Cango Completes Cash-Settled Acquisitions of Crypto Mining Assets</a>	32EH acquired with US\$256M in cash
March 14, 2025	<a href="#">Cango Announces Receipt of a Preliminary Non-Binding Letter of Intent</a>	EWCL proposed to acquire founders' shares
April 3, 2025	<a href="#">Cango Announces Definitive Agreements to Dispose PRC Business</a>	All in on Bitcoin
May 27, 2025	<a href="#">Cango Announces Closing of PRC Business Disposal and Certain Changes to Board of Directors and Senior Management</a>	Sold PRC business for US\$352M Adding crypto experience
June 2, 2025	<a href="#">Cango Announces Definitive Agreement with Founders and EWCL</a>	EWCL values CANG at US\$14.00 per ADS
June 27, 2025	<a href="#">Cango Announces Closing of Share-Settled Crypto Mining Assets Acquisitions</a>	18EH acquired with 146.7M shares, or 73.4M ADS <b>50EH/s Hashrate Achieved</b>

Source: GLH Research; Company filings.

**Figure 2: CANG's Cash & BTC Position.**

Cash & ST Invst. (as of 1Q25)	US\$351.9 Million
Total Debt (as of 1Q25)	US\$116.4 Million
PRC Business Disposal (May 2025)	US\$352 Million
Total Bitcoin Holdings (as of June 30, 2025)	3,879.2 BTC
Total Value of the Bitcoin Holdings (as of June 30, 2025)	US\$420.5 Million
Hashrate Deployed (as of June 30, 2025)	50EH/s
Gelonghui 2025 Estimates	2025 Full Year Production: 7653.6 BTC Total Bitcoin Holdings by Year-End 2025: 8587.4 BTC <b>Total Value of the Bitcoin Holdings by Year-End 2025: US\$858.7 Million at \$100,000 per BTC</b>
Gelonghui 2026 Estimates	2026 Full Year Production: 10,500 BTC Total Bitcoin Holdings by Year-End 2026: 19087.4 BTC <b>Total Value of the Bitcoin Holdings by Year-End 2026: US\$1.9 Billion at \$100,000 per BTC</b>

Source: GLH Research; Company filings.

Figure 3: Peer Valuation Analysis.

Company	Ticker	Market Cap	Revenue			P/S			Category
			2024A	2025E	2026E	2024A	2025E	2026E	
MARA Holdings, Inc.	NASDAQ:MARA	6,215	656	918	1,092	9.5x	6.8x	5.7x	BTC Mining Companies
CleanSpark, Inc.	NASDAQ:CLSK	3,442	379	763	1,118	9.1x	4.5x	3.1x	BTC Mining Companies
Riot Platforms, Inc.	NASDAQ:RIOT	4,348	377	648	761	11.5x	6.7x	5.7x	BTC Mining Companies
Core Scientific, Inc.	NasdaqGS:CORZ	5,361	511	427	866	10.5x	12.5x	6.2x	BTC Mining Companies
Coinbase Global, Inc.	NASDAQ:COIN	90,624	6,293	7,430	8,140	14.4x	12.2x	11.1x	Crypto Exchange Companies
Bitdeer Technologies Group	NASDAQ:BTDR	2,709	350	501	1,031	7.7x	5.4x	2.6x	Shared Mining Platfrom
						Median	10.0x	6.7x	5.7x
						Mean	10.2x	8.0x	5.7x
Cango Inc.	NYSE:CANG	928	111	822	1,053	8.4x	1.1x	0.9x	

Notes:  
 1. Data as of 7/7/2025.  
 2. Market Caps and Revenues are in US\$ Million.  
 3. Revenues are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings.

## ABOUT THE ANALYSTS

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### **Chujie (Jack) Sun, CFA**

Senior Research Analyst

Chujie (Jack) Sun is a Senior Research Analyst at Gelonghui Research. Since 2017, Jack has served as the Investment Analyst in China Alpha Fund Management (Hong Kong) Limited, TMT Analyst in First Shanghai Group, and TMT Analyst at Gelonghui Research. Focusing on TMT sector, Chinese companies listed in the US, Hong Kong, and etc., and he specializes in both buy-side and sell-side equity research. Jack holds a B.A. in Economics from Ohio State University (Columbus) and an M.S. in Finance from City University of Hong Kong.

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Senior Research Analyst

Yuecong (Marco) Zhang is a Senior Research Analyst at Gelonghui Research. Marco previously held the position of Senior Research Analyst at Watertower Research, Executive Director at Valuable Capital Group's Investment Banking Department, Vice President at Guosen Securities (HK), and Senior Associate at Roth Capital Partners, where he completed more than 35 transactions, including IPOs, follow-on offerings, and M&A, with a total transaction value of more than US\$3.5 Billion+ for mid-cap companies from China and the US. During his time at Roth, he led six NASDAQ and NYSE IPOs for Chinese clients, with a total transaction value of more than US\$260 Million. Marco holds a B.S. in Financial Management from North China Electric Power University and an M.S. in Applied Finance from Pepperdine University.

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