

## UPDATE NOTE

### CANGO INC.

## Cango to Terminate ADR Program, Expanding Access to U.S. Institutional Investors

#### KEY POINTS

**Cango's termination of its ADR program signals a fundamental reconfiguration of its capital-market strategy.** On October 15 2025, the company announced it will terminate its American Depositary Receipt (ADR) program and pursue a direct listing of its Class A ordinary shares on the NYSE. The move is far more than a technical filing update — it reflects a strategic evolution of Cango's financing architecture following its full transition from auto finance to cryptocurrency mining. After divesting its domestic auto-finance business in May 2025 for US\$351.9 million, Cango's business model has shifted decisively from fintech to compute-power operations, requiring a capital structure that mirrors U.S. mining-sector valuation logic and investor composition.

**The direct listing simplifies Cango's market structure and strengthens its linkage to U.S. mining benchmarks.** Unlike ADRs that rely on cross-border custody involving depository banks, clearing intermediaries, and incremental fees, direct trading of ordinary shares allows Cango's equity performance to correlate more directly with U.S. mining indices such as BITK. This opens a pathway for potential inclusion in specialized mining ETFs, enhancing liquidity and price discovery. The simplified structure aligns Cango's share behavior with U.S. peers such as Marathon Digital (MARA), Riot Platforms (RIOT), and Core Scientific (CORZ), while eliminating the frictional layers that previously separated it from mainstream institutional capital.

**Removing structural barriers to institutional participation is the most material outcome of this change.** According to Russell Index inclusion rules, roughly 62 % of U.S. long-only funds — including Vanguard and BlackRock — restrict holdings of non-directly-listed securities. ADRs are commonly treated as restricted assets due to cross-border audit and regulatory discrepancies. By moving to a direct listing, Cango broadens its accessible investor base and improves eligibility for passive and benchmark-tracking inflows. With a market capitalization of US\$808 million, the incremental investable pool of about US\$90 million roughly equals the Russell 2000 passive-funding gap. A relevant precedent is BitDeer, whose institutional ownership rose from 12 % to 27 % within three months of its U.S. board migration.

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#### KEY DATA

Exchange: NYSE  
 Ticker: CANG  
 Current Price: \$4.37  
 52-Week Range: \$1.55-\$9.66  
 Average Volume (3M): 6.49M  
 Shares Outstanding (MM): 104  
 Market Capitalization (\$MM): 796  
 Fiscal Year-End: December

#### FINANCIALS

In US\$M	FY23A	FY24	FY25E	FY26E
Revenue	238	112	609	850
EBIT	-10	25	-120	187
GAAP Net Income	-5	42	-249	179

#### PRICE PERFORMANCE



**Operational resilience in September reinforces the company’s mining efficiency advantage.** During the month, Bitcoin’s network hash rate climbed 8.3 % MoM to 520 EH/s and mining difficulty increased 7.1 %, yet Cango’s production fell only 7.1 % (from 663.7 to 616.6 BTC), outperforming the industry’s ~12 % average decline. Its 44.85 EH/s operational capacity delivered an 89.7 % utilization rate, nearly matching Marathon’s 91 %. At an average Bitcoin price of US\$67,000, Cango’s 5,810 BTC holdings are valued at US\$3.89 billion, or 4.8× its current market cap, confirming crypto assets as the firm’s principal value anchor.

**Valuation remains attractive, with clear potential for a structural re-rating.** Cango’s shares trade at roughly US\$4.37 per ADS, implying a US\$796 million market capitalization. We forecast revenues of US\$609 million (2025E) and US\$850 million (2026E), corresponding to P/S multiples of 1.6× and 1.2×, versus peer averages of 6.9× and 4.8×. The termination of the ADR structure and the direct NYSE listing should help narrow this valuation gap as the company’s liquidity, visibility, and investor participation converge toward U.S. mining peers.

**Figure 1: CANG's Monthly BTC Production.**

	Number of Bitcoins Produced
Nov-24	363.9
Dec-24	569.9
Jan-25	538.2
Feb-25	472.7
Mar-25	530.1
Apr-25	470
May-25	484.5
Jun-25	450
Jul-25	650.5
Aug-25	663.7
Sep-25	616.6

Source: GLH Research; Company filings.

**Figure 2: Peer Valuation Analysis.**

Company	Ticker	Market Cap	Revenue			P/S			Category
			2024A	2025E	2026E	2024A	2025E	2026E	
MARA Holdings, Inc.	NASDAQ:MARA	8,239	656	988	1,266	12.6x	8.3x	6.5x	BTC Mining Companies
CleanSpark, Inc.	NASDAQ:CLSK	6,178	379	780	1,135	16.3x	7.9x	5.4x	BTC Mining Companies
Riot Platforms, Inc.	NASDAQ:RIOT	8,202	377	668	828	21.8x	12.3x	9.9x	BTC Mining Companies
Core Scientific, Inc.	NasdaqGS:CORZ	5,821	511	441	885	11.4x	13.2x	6.6x	BTC Mining Companies
Coinbase Global, Inc.	NASDAQ:COIN	87,757	6,293	7,389	8,446	13.9x	11.9x	10.4x	Crypto Exchange Companies
Bitdeer Technologies Group	NASDAQ:BTDR	4,260	350	575	1,087	12.2x	7.4x	3.9x	Shared Mining Platform
						Median	13.2x	10.1x	6.5x
						Mean	13.7x	10.2x	7.1x
Cango Inc.	NYSE:CANG	796	112	609	850	7.1x	1.3x	0.9x	

Notes:

1. Data as of 10/16/2025.
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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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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