



SunCar Technology Reports First Quarter 2026 Financial Results

May 27, 2026

Generated Net Profit of \$1.6 Million

Delivered 28% YoY Revenue Growth to \$131 Million

EV Insurance Premiums Grew 43% YoY

Third Consecutive Quarter of Profitability

NEW YORK, May 27, 2026 (GLOBE NEWSWIRE) -- SunCar Technology Group Inc. (the "Company" or "SunCar") (NASDAQ: SDA), an innovative leader in AI-powered auto insurance and auto services, today announced financial results for the quarter ended March 31, 2026.

"SunCar had an excellent quarter delivering its third consecutive quarter of profitability and 28% year over year revenue growth," said Zaichang Ye, Chairman and CEO of SunCar. "Deeper integration with our EV partners continues to fuel growth in insurance, major enterprise deals are landing in auto services, and our AI partnership with ByteDance Doubao continues to differentiate our platform in the market."

First Quarter 2026 Financial Results

- Total revenue increased 28% to \$131.2 million in the first quarter of 2026 compared to \$102.6 million in the first quarter of 2025.
- Net income was \$1.6 million in the first quarter of 2026 compared to a net loss of \$3.6 million in the prior year period.
- Adjusted EBITDA was \$4.5 million in the first quarter of 2026, from a negative \$1.3 million in the prior year period.
- Adjusted EBITDA margin improved to 3.4% in the first quarter of 2026 from a negative 1.3% in the prior year period.
- Auto insurance revenue increased 36% to \$62.3 million, compared to \$45.9 million in the prior year period.
- Technology Services revenue increased 43% to \$15.3 million, up from \$10.7 million in the prior year period.
- Auto Service revenue increased 16% to \$53.5 million, compared to \$46.0 million for the prior year period.
- Operating costs and expenses increased 21% to \$128.2 million, up from \$105.6 million in the prior year period.
- Integrated service costs increased 35% to \$65.2 million, from \$48.4 million in the prior year period.
- Promotional service expenses increased 29% to \$57.8 million, from \$44.7 million in the prior year period.
- Selling expenses decreased 57% to \$2.6 million, compared to \$6.1 million in the prior year period.
- General and administrative expenses decreased 76% to \$1.3 million, from \$5.4 million in the prior year period.
- Research and development expenses increased 26% to \$1.2 million, up from \$0.9 million in the prior year period.
- Operating income was \$3.0 million; a significant improvement compared to a loss of \$3.0 million in the prior year period.

First Quarter 2026 Business Highlights

Insurance

- **EV Premium Growth:** Insurance premiums for EVs increased 42.5% to \$514.4 million from US\$361.0 million in the prior year period.
- **EV insurance Revenue:** EV-related insurance revenue increased 37% to \$22.6 million from \$16.5 million in the prior year period.
- **Tesla:** Tesla expanded its implementation of SunCar's integrated insurance + services benefits platform delivering the convenience and safety advantages of SunCar's integrated services to an increasing number of Tesla drivers.
- **Xiaomi:** Launched its customer service platform on SunCar's cloud validating the flexibility and scalability of SunCar's CRM system, significantly increasing conversion rates, and greatly improving customer satisfaction.
- **Leapmotor:** Leapmotor has fully digitalized its processes on SunCar's platform enabling 100% SaaS-based transactions for its employees and customers.
- **Zhongwu Putai(Huawei):** Zhongwu Putai is a Huawei partner. SunCar won the bid to be the exclusive insurance provider in Zhongwu Putai's retail stores. At the end of Q1 2026, 20 of Zhongwu Putai's stores were online with SunCar.
- **China Land Insurance:** China Land is integrating SunCar's cloud insurance platform into its ecosystem seeking to enhance customer acquisition, product development, and risk management.

Auto Service

- **AgBank:** In April, SunCar announced it had signed a \$50 million, three-year contract to manage AgBank's chauffeur business across three business units.
- **Minsheng Bank:** SunCar was awarded a three-year, \$13 million contract to manage Minsheng's concierge chauffeur and other transportation services.
- **ICBC:** SunCar has been selected to be an integrated transportation service provider for the bank's prestigious Airport/High-Speed Rail Travel Project.
- **PingAn Insurance:** PingAn Insurance signed an enterprise-level agreement with SunCar to offer a number of value-added auto services to PingAn's insurance customers. These include chauffeur services, airport lounges, and designated driver services.
- **China Pacific Insurance:** Secured a contract to deliver comprehensive auto services to the insurer's Zhejiang customers, demonstrating that SunCar's auto service solutions have gained acceptance from multiple major insurance brands.
- **PingAn Bank Credit Card Center:** Signed two-year contract to manage the Credit Card Center's car wash and concierge chauffeur services. The bank has been a customer since 2017.
- **Huaxing Bank:** As a partner on PingAn Group's YiQianBao fintech platform, SunCar was selected to be the exclusive VIP transportation provider for Huaxing.

Integrated Insurance and Auto Service

- **China Continental Insurance:** China Continental is implementing SunCar's cloud in new regions allowing it to offer an integrated auto services and insurance package to customers.

AI Product Update

- **ByteDance Doubao Partnership:** SunCar continues to leverage ByteDance Doubao's AI technology to create new features such as predictive maintenance, intelligent policy pricing, and outbound policy renewal reminders.

Financial Outlook

SunCar is expecting its full year 2026 revenue to be approximately \$600 million.

About SunCar Technology Group Inc.

Founded in 2007, SunCar is transforming the customer journey for auto insurance and services in China, the largest vehicle market in the world. SunCar develops and operates AI 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 insurance 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 insurance 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://ir.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. Forward-looking statements in this release include statements regarding the planned launch of AI-powered services, expected improvements in customer experience, potential cost reductions, and the development of SaaS solutions. These statements involve risks, including technology development challenges, market acceptance, regulatory approval requirements, and the ability to scale AI implementations. 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.

Contact Information:

SunCar:

Investor Relations: Mr. Breaux Walker

Email: IR@suncartech.com

Legal: Ms. Li Chen

Email: chenli@suncartech.com

SOURCE: SunCar Technology Group Inc.

SUNCAR TECHNOLOGY GROUP INC
CONSOLIDATED BALANCE SHEETS
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	For the three months ended	
	March 31,	
	2025	2026
	(Unaudited)	(Unaudited)
Revenues		
Auto insurance service	\$ 45,927	\$ 62,337
Technology service	10,665	15,283
Auto service	46,003	53,548
Total revenues	102,595	131,168
Operating cost and expenses		
Integrated service cost	(48,422)	(65,234)
Promotional service expenses	(44,725)	(57,846)
Selling expenses	(6,063)	(2,635)
General and administrative expenses	(5,420)	(1,275)
Research and development expenses	(923)	(1,165)
Total operating costs and expenses	(105,553)	(128,155)
Operating (loss)/income	(2,958)	3,013
Other (expenses)/income		
Financial expenses, net	(1,029)	(1,149)
Investment income	122	99
Other income, net	134	45
Total other expenses, net	(773)	(1,005)
(Loss)/income before income tax expense	(3,731)	2,008
Income tax benefit/(expense)	84	(448)
Net (loss)/income	(3,647)	1,560
Less: Net (loss)/income attributable to non-controlling interests	(245)	832
Net (loss)/income attributable to the Company's ordinary shareholders	(3,402)	728
Net (loss)/income attributable to the Company's ordinary shareholders per ordinary share		
Basic and diluted	\$ (0.03)	\$ 0.01
Weighted average shares outstanding used in calculating basic and diluted loss per share		
Basic and diluted	102,432,043	102,009,359
Other comprehensive (loss)/income		
Foreign currency translation difference	(1,203)	967
Total other comprehensive (loss)/income	(1,203)	967
Total comprehensive (loss)/income	(4,850)	2,527
Less: total comprehensive income attributable to non-controlling interest	86	1,880
Total comprehensive (loss)/income attributable to the SUNCAR TECHNOLOGY GROUP INC's shareholders	\$ (4,936)	\$ 647

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

For the three months ended
March 31,

	<u>2025</u>	<u>2026</u>
	(Unaudited)	(Unaudited)
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SUNCAR TECHNOLOGY GROUP INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	For the three months ended	
	March 31,	
	<u>2025</u>	<u>2026</u>
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)/income	\$ (3,647)	\$ 1,560
<i>Adjustments to reconcile net (loss)/income to net cash (used in) provided by operating activities:</i>		
Provision/(Reversal) for credit losses	1,130	(1,864)
Depreciation	1,272	1,511

Amortization of right-of-use assets	231	229
Share-based compensation of subsidiary	370	-
Loss on disposal of property, software and equipment	3	-
Deferred income tax (benefit)/expense	(142)	329
Financing expense related to issuance of GEM Warrants	149	149
<i>Changes in operating assets and liabilities:</i>		-
Accounts receivable	(8,754)	16,308
Prepaid expenses and other current assets	(9,980)	(27,945)
Accounts payable	9,766	4,926
Contract liabilities	1,097	293
Accrued expenses and other current liabilities	(504)	(3,189)
Tax payable	(33)	(24)
Operating lease liabilities	(157)	(219)
Amount due to related parties	(66)	-
Total net cash used in operating activities	(9,265)	(7,936)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, software and equipment	(17)	(19)
Proceeds from disposal of property, software and equipment	1	-
Proceeds from short term investment	-	41
Repurchase of non-controlling interests	-	(63)
Purchase of other non-current assets	-	(2,723)
Purchase of short-term investment	(122)	-
Total net cash used in investing activities	(138)	(2,764)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	29,535	29,616
Repayments of borrowings	(29,260)	(29,075)
Repayments of payables to a related party	(4,998)	(302)
Shares repurchase	(13,771)	-
Payments for GEM litigation	-	(1,550)
Proceeds from issuance of ordinary shares, net of issuance cost	41,631	-
Total net cash provided by (used in) financing activities	23,137	(1,311)
Effect of exchange rate changes	(1,427)	701
Net change in cash and restricted cash	12,307	(11,310)
Cash and restricted cash, beginning of the period	\$ 29,512	\$ 27,860
Cash and restricted cash, end of the period	\$ 41,819	\$ 16,550
Reconciliation of cash and restricted cash to the consolidated balance sheets:		
Cash	\$ 39,222	\$ 13,477
Restricted cash	\$ 2,597	\$ 3,073
Total cash and restricted cash	\$ 41,819	\$ 16,550
Supplemental disclosures of cash flow information:		
Income tax paid	\$ 91	\$ 143
Interest expense paid	\$ 869	\$ 889
Supplemental disclosures of non-cash flow information:		
Obtaining right-of-use assets in exchange for operating lease liabilities	\$ 33	\$ 16
Prepaid financing expense related to issuance of GEM Warrants	\$ 685	\$ 80

SUNCAR TECHNOLOGY GROUP INC

Net loss to Adjusted EBITDA Reconciliation

**For the three months ended
March 31,**

	<u>2025</u>	<u>2026</u>
	(In thousands)	
Net (loss)/income	\$ (3,647)	\$ 1,560
Depreciation	1,272	1,511
Financial expenses, net	1,029	1,149
Investment income	(122)	(99)
Other non-recurring income, net	(134)	(45)
Income tax (benefit)/expense	(84)	448
Share-based compensation ⁽¹⁾	370	-
Transaction fees ⁽²⁾	15	-
Adjusted EBITDA	\$ (1,301)	\$ 4,524
Net (Loss)/income Margin	-3.6%	1.2%
Adjusted EBITDA Margin	-1.3%	3.4%



Source: SunCar Technology Group Inc.