

China Auto Sector

Most NEV brands' Sep sales volume on track

Nine Chinese automakers including BYD, NIO, Xpeng, Li Auto, Zeekr, Aion, Deepal, Neta and Leap reported their Sep 2023 sales volumes during 1-2 Oct 2023. Sales volume of the nine automakers combined rose 52% YoY (ranged from -27% to +213%) and 5% MoM (ranged from -19% to 18%) in Sep 2023.

- **Li Auto slightly beat, NIO missed, Xpeng in line.** Li Auto recorded a sales volume of about 36,000 units in Sep 2023, with all three models surpassing 10,000 units for a second month. Its new orders in Sep 2023 also hit a new high of over 40,000 units, aided by the insurance subsidy of RMB 10,000 per vehicle. The company aims to deliver 40,000 units in Nov 2023 with a production upgrade during the National Day holiday.

NIO's deliveries fell 19% MoM to about 16,000 units in Sep, weaker than our expectation. It appears to us that the new ES6 and price cut effects have been gradually fading away. The company attempts to revolve sales by tripling its number of sales personnel from about 2,000 to 6,000 within a few months. We see no profitability turnaround signs for NIO with such management mentality.

Xpeng's deliveries rose 12% MoM to over 15,000 units last month, extending its MoM growth for eight months in a row. The G6's deliveries rose to 8,100 units in Sep, a bit slower than our prior expectation. Management expects the G6's monthly deliveries to exceed 10,000 units in Oct 2023. The facelifted G9 was rolled out in Sep with more competitive pricing. The MSRPs for similar variants were cut by RMB 60,000-66,000 compared with the old versions. The XNGP without the HD map is scheduled to be released in Oct 2023.

- **BYD, Aion, Deepal and Leap's monthly sales volume hit all-time high again.** BYD's passenger NEV wholesale volume rose 5% MoM to about 287,000 units in Sep. We are of the view that BYD's slight MoM sales-volume growth could continue in Oct. Aion's wholesale volume exceeded 50,000 units for the first time in Sep. The company cut MSRP for the Hyper GT's 710km rear-drive super-charging version by RMB 20,000 to RMB 239,900 in Sep. The Hyper SSR and Hyper HT will be launched on 9 Oct and in 4Q23, respectively.

- **Sep NEV retail sales volume may slightly beat.** We estimate that China's NEV retail sales volume in Sep 2023 could probably beat our prior forecast of 0.7mn units. We expect Tesla's deliveries to fall to about 50,000 units in Sep. Tesla rolled out a facelifted Model Y with price unchanged on 1 Oct 2023.

NEV sales volume for selected OEMs

Units	Sep 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	286,903	42.8%	4.7%	2,070,255	76.1%
NIO	15,641	43.8%	-19.1%	109,993	33.4%
Li Auto	36,060	212.7%	3.3%	244,225	181.0%
Xpeng	15,310	80.8%	11.8%	81,443	-17.4%
Zeekr	12,053	45.6%	-2.0%	79,028	100.2%
Leap	15,800	43.1%	11.3%	88,827	1.4%
Neta	13,211	-26.6%	9.2%	99,709	-10.3%
Aion	51,596	71.9%	14.6%	350,986	92.5%
Deepal	17,370	198.2%	17.9%	86,904	1151.7%

Source: Company data, CMBIGM

OUTPERFORM
(Maintain)

China Auto Sector

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Stocks covered:

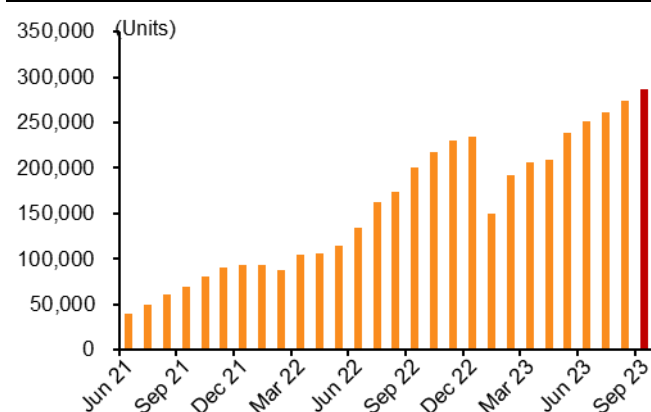
Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	55
Li Auto	2015 HK	BUY	215
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	12
GWM	601633 CH	BUY	32
GAC	2238 HK	BUY	7
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	5
Meidong	1268 HK	BUY	7.2
NIO	NIO US	HOLD	10
Xpeng	XPEV US	HOLD	14
Xpeng	9868 HK	HOLD	55
BYD	1211 HK	HOLD	240
BYD	002594 CH	HOLD	265

Source: Bloomberg, CMBIGM

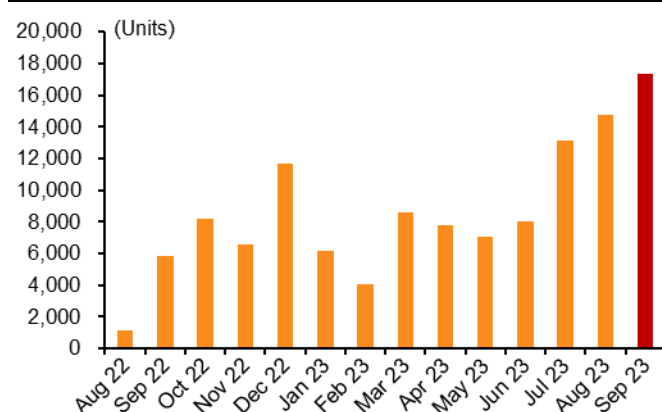
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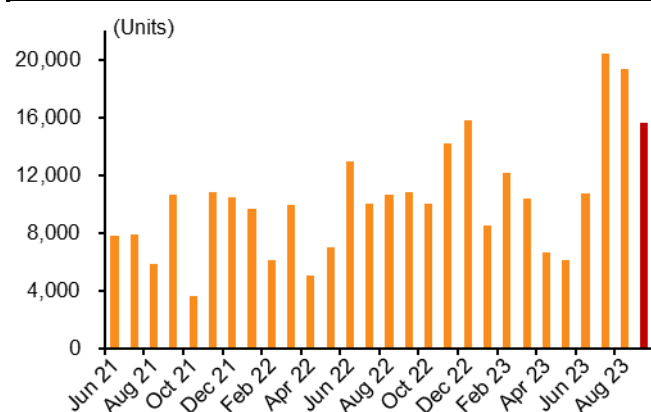
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Figure 1: BYD's monthly NEV delivery

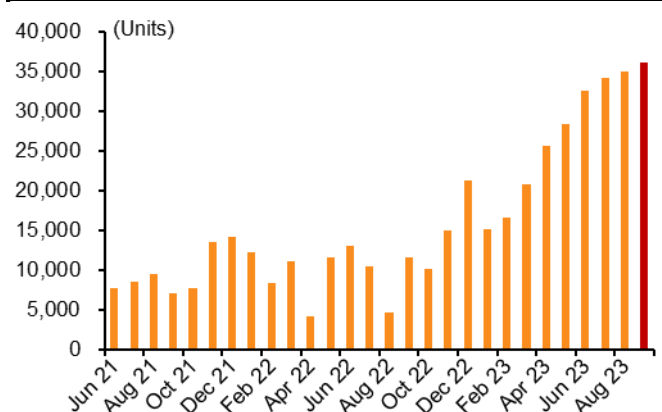
Source: Company data, CMBIGM

Figure 2: Deepal's monthly delivery

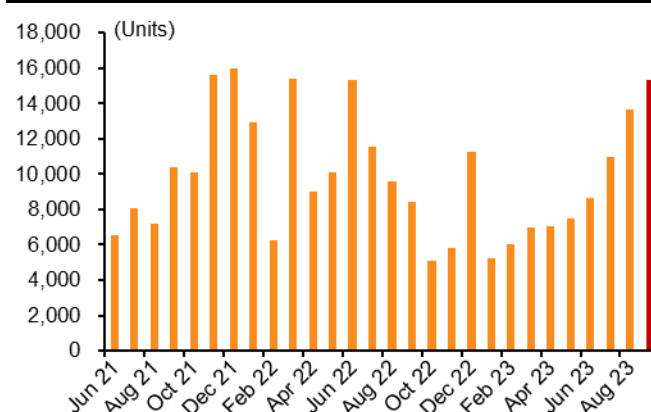
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Figure 3: NIO's monthly delivery

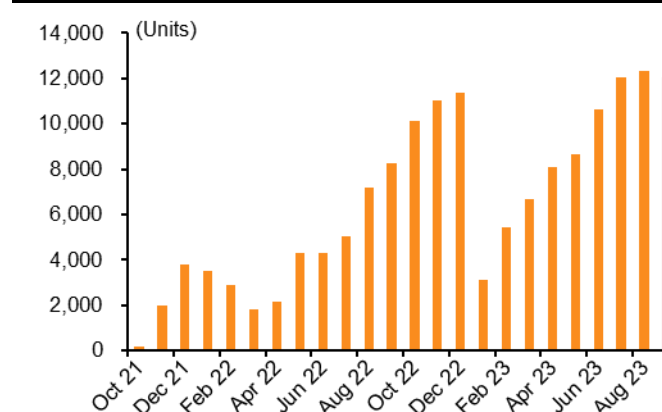
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

Source: Company data, CMBIGM

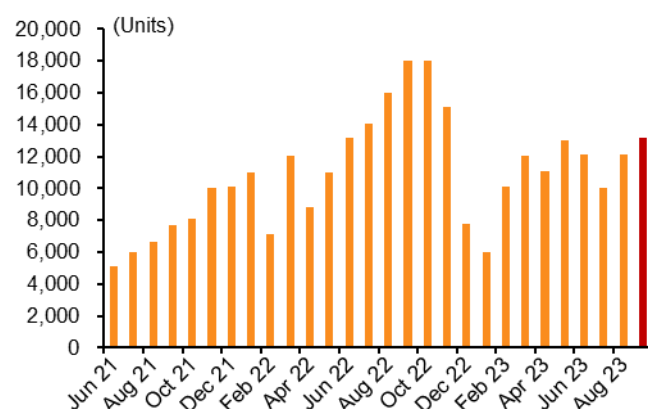
Figure 5: Xpeng's monthly delivery

Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

Source: Company data, CMBIGM

Figure 8: Neta's monthly delivery



Source: Company data, CMBIGM

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