

China Auto Sector

Aug NEV: All-time high sales for tier-2 brands

Eight new-energy vehicle (NEV) brands including NIO, Xpeng, Li Auto, Zeekr, Aion, AITO, Neta and Leap reported their Aug 2022 sales volumes on 1 Sep 2022. Sales volume of the eight brands combined rose 117% YoY (ranged from -52% to +193%) and 2% MoM (ranged from -56% to +43%).

■ **NIO leads among NEV trio.** NIO was the only automaker among the NEV trio with MoM growth in sales volume, which is consistent with our prior argument that NIO should have the best sequential growth in sales volume among the NEV trio in 3Q22. We estimate the *ET7* has about 4-5 months of order backlog.

Li Auto scaled back its *Li One* sales last month before the *L8* launch in early Nov. The key for Li Auto's sales volume in 2023 probably lies in how severe the sales cannibalization would be for the *L9* and *L8*.

■ **Leap, Neta, Zeekr, Aion and Aito all reached all-time high sales.** Zeekr's Aug sales volume rose 43% MoM to surpass 7,000 units, in line with our expectation. It would need an average monthly sales volume of 9,700 units in the next four months in order to achieve its 70,000-unit sales target this year.

Apart from posting the all-time high sales volume, Neta also announced its new sedan, the *Neta S*, has an order backlog of more than 10,000 units now.

Huawei-backed Aito's sales volume exceeded 10,000 units last month, aided by the new *M7* and its extensive sales network.

GAC's Aion also recorded the all-time high sales volume of about 27,000 units in Aug, higher than our prior expectation. We estimate its inventories continued to rise last month.

■ **We project industry-wide NEV retail sales volume to be about 0.47mn units and wholesale volume to be about 0.57mn units in Aug.** NEV market share last month on a retail basis could again exceed our prior expectation. We assume automakers continued to push NEV inventories into dealers in Aug. That, along with strong NEV exports aided by Tesla (TSLA US, NR) and others, could make the NEV wholesale volume to reach all-time high again, or at least at a level similar to Jun and Jul.

NEV sales volume for selected brands

Units	Aug 2022	YoY %	MoM %	YTD	YTD YoY %
NIO	10,677	81.6%	6.2%	71,556	29.0%
Li Auto	4,571	-51.5%	-56.1%	75,396	56.5%
Xpeng	9,578	32.8%	-16.9%	90,085	95.9%
Zeekr	7,166	N/A	42.7%	31,198	N/A
Leap	12,525	193.3%	4.0%	76,563	227.4%
Neta	16,017	142.2%	14.1%	93,185	176.3%
Aion	27,021	132.6%	7.9%	152,307	133.7%
Aito	10,045	N/A	39.0%	37,493	N/A

Source: Company data, CMBIGM

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China Auto Sector

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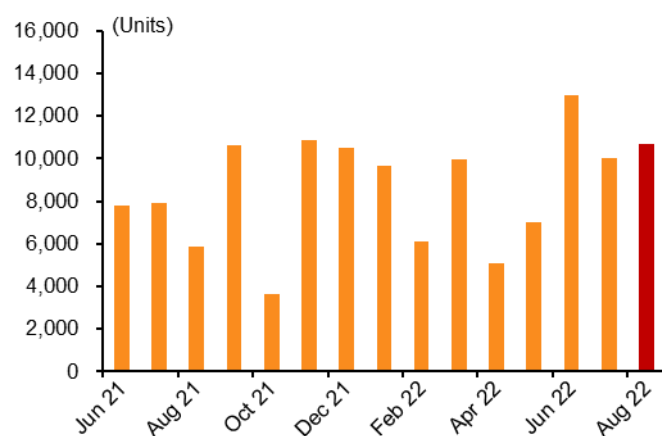
Name	Ticker	Rating	TP (LC)
Xpeng	XPEV US	BUY	40
Xpeng	9868 HK	BUY	156
NIO	NIO US	BUY	35
Li Auto	LI US	BUY	48
Li Auto	2015 HK	BUY	187.2
GWM	2333 HK	BUY	20
GWM	601633 CH	BUY	40
GAC	2238 HK	BUY	12
GAC	601238 CH	BUY	16.7
EVA	838 HK	BUY	3
Meidong	1268 HK	BUY	25
BYD	1211 HK	HOLD	255
BYD	002594 CH	HOLD	248
Geely	175 HK	HOLD	16.5

Source: Bloomberg, CMBIGM

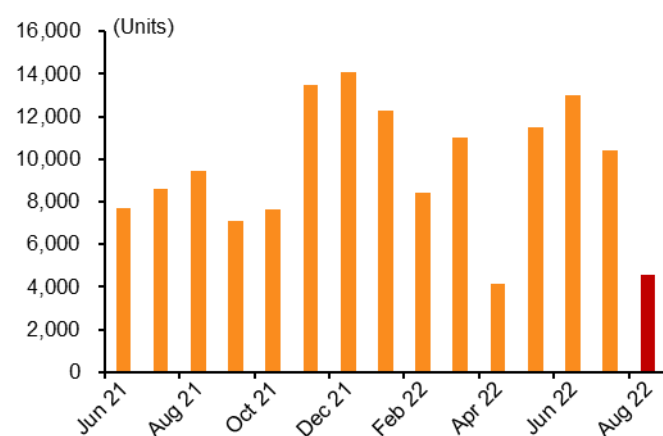
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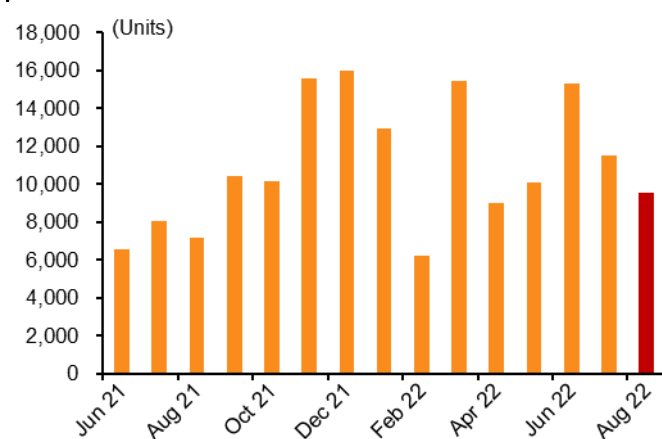
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Figure 1: NIO's monthly delivery

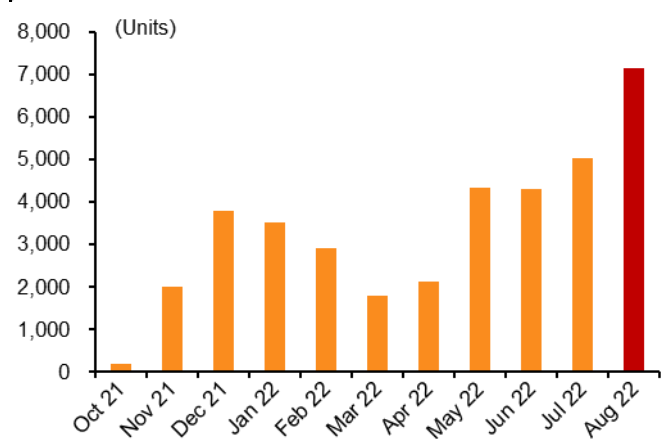
Source: Company data, CMBIGM

Figure 2: Li Auto's monthly delivery

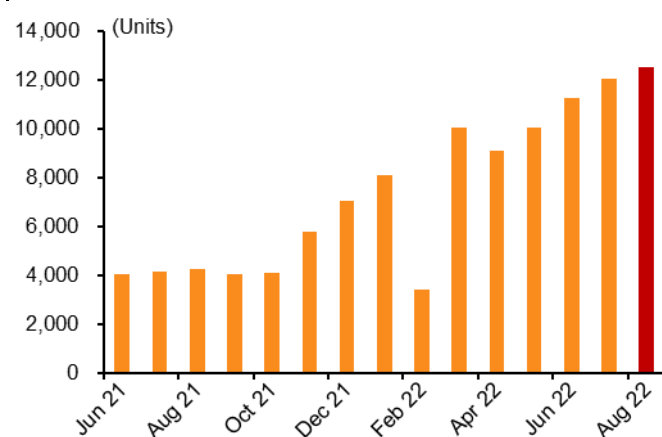
Source: Company data, CMBIGM

Figure 3: Xpeng's monthly delivery

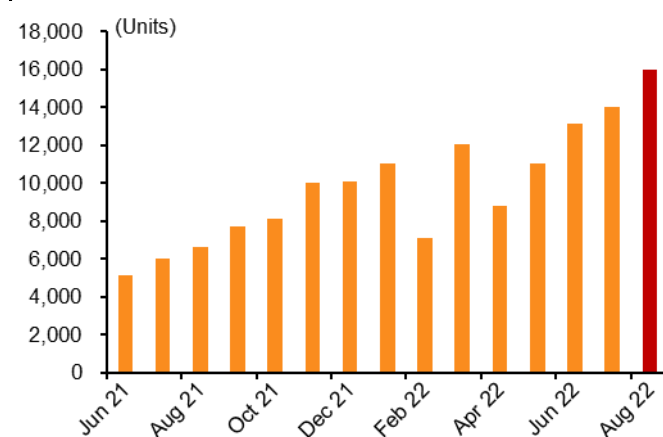
Source: Company data, CMBIGM

Figure 4: Zeekr's monthly delivery

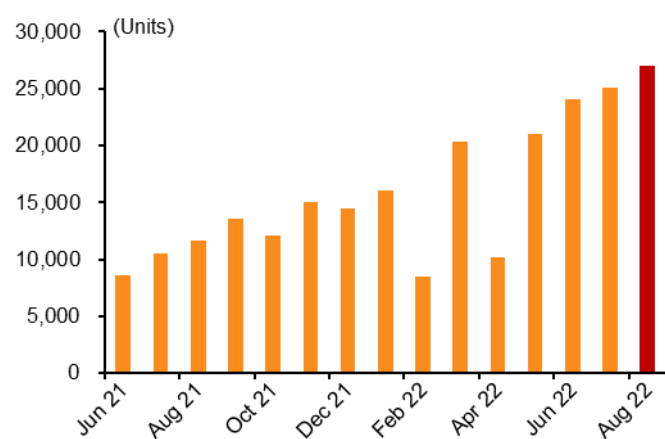
Source: Company data, CMBIGM

Figure 5: Leap's monthly delivery

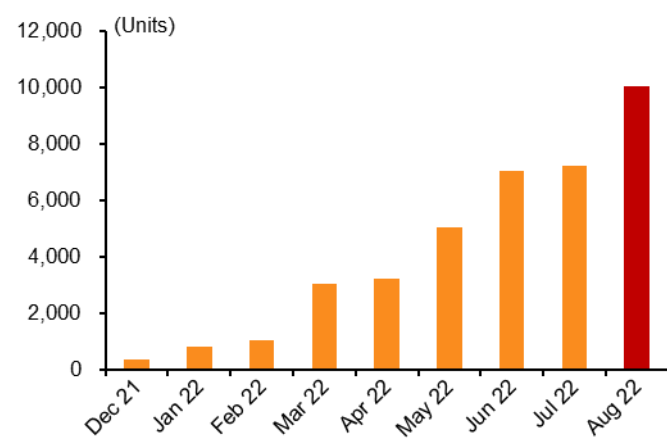
Source: Company data, CMBIGM

Figure 6: Neta's monthly delivery

Source: Company data, CMBIGM

Figure 7: Aion's monthly delivery

Source: Company data, CMBIGM

Figure 8: AITO's monthly delivery

Source: Company data, CMBIGM

Figure 9: China weekly retail sales volume

	Total Locally-Produced			NEV		
	1-28 Aug 2022	Average daily sales YoY (%)	Average daily sales MoM (%)	1-28 Aug 2022	Average daily sales YoY (%)	Average daily sales MoM (%)
Chinese Brands	690,435	17.2%	0.9%	350,755	100.4%	0.4%
Geely (incl. Geometry)	70,552	-9.9%	12.3%	13,148	183.3%	-3.7%
Lynk & Co	11,822	-24.2%	-2.9%	1,702	103.1%	-27.4%
Zeekr	7,903	102215.6%	130.5%	7,903	102215.6%	130.5%
Haval	34,394	-24.6%	-6.4%	-	N/A	N/A
Wey	1,629	-62.6%	-8.9%	650	6632.1%	8.1%
Tank	10,136	126.4%	-8.2%	-	N/A	N/A
ORA	5,248	-54.6%	-24.2%	5,248	-54.6%	-24.2%
Changan	96,556	27.4%	6.3%	20,712	200.0%	25.5%
SAIC PV	26,124	-20.5%	-4.2%	7,098	-14.4%	-5.0%
Trumpchi	23,568	-14.0%	-1.1%	108	-75.1%	-54.2%
Aion	19,921	87.1%	-4.5%	19,921	87.1%	-4.5%
Voyah	2,003	542.3%	46.6%	2,003	542.3%	46.6%
BYD	136,639	139.6%	8.3%	136,363	208.1%	8.4%
Baojun	3,061	-75.6%	-22.4%	1,482	-13.3%	-29.8%
Wuling	53,359	-7.4%	-9.9%	30,130	4.5%	-11.4%
Weltmeister	3,226	17.0%	-5.4%	3,226	17.0%	-5.4%
Neta	9,079	167.6%	-12.6%	9,079	167.6%	-12.6%
Leap	9,114	117.7%	-7.0%	9,114	117.7%	-7.0%
NIO	8,927	60.5%	-4.0%	8,927	60.5%	-4.0%
Lixiang	3,817	-53.1%	-61.8%	3,817	-53.1%	-61.8%
Xpeng	8,380	44.8%	-19.7%	8,380	44.8%	-19.7%
AITO	6,682	N/A	13.7%	6,682	N/A	13.7%
Arcfox	890	31.5%	-20.7%	890	31.5%	-20.7%
Hiphi	245	-38.0%	-48.4%	245	-38.0%	-48.4%
Foreign Brands	870,916	16.7%	0.3%	64,150	134.8%	33.6%
VW	184,626	33.4%	4.5%	17,558	284.7%	-13.7%
BMW	46,404	-6.9%	-9.6%	3,265	-11.2%	-37.9%
Mercedes-Benz	49,496	50.8%	-6.3%	3,026	253.7%	-7.8%
Audi	52,436	8.7%	1.0%	862	8.0%	21.9%
Toyota	144,214	23.8%	-5.7%	916	-37.4%	-9.7%
Honda	117,350	46.5%	-3.5%	1,802	79.3%	19.9%
Nissan	69,892	-9.1%	6.6%	1,979	204867.9%	-8.1%
Tesla	29,590	163.1%	271.0%	29,590	163.1%	271.0%
Cadillac	16,626	-1.8%	11.7%	1	N/A	-98.4%
Buick	48,065	0.5%	-16.7%	2,744	47.6%	-14.7%
Chevrolet	15,430	0.2%	-7.5%	604	140.6%	7.2%
Ford	15,595	18.3%	-4.4%	403	20769.6%	-35.6%
Volvo	13,262	19.0%	6.0%	1,019	7.0%	40.5%
Land Rover	2,331	1.8%	-9.1%	84	-53.2%	-62.0%
Hyundai	21,688	-18.8%	9.0%	57	-75.4%	19.1%
Kia	6,774	-34.1%	-9.4%	43	-25.8%	-2.8%
Total Volume (excl. imports)	1,561,351	16.9%	0.6%	414,905	105.0%	4.4%

Source: IAC, CMBIGM estimates

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