

# Auto

## Sep NEV leading indicators set the tone for 4Q

We summarize the Sep 2024 leading indicators as below, including the number of leads, customer flows and new orders generated, for Tesla, NIO, Li Auto, Xpeng, BYD and Aion. Note that such data are based on a sample size of 96 stores (15-18 stores for each brand) in 15 cities in China. The following data reflect same-store metrics, and the metrics on a company level could be better than these figures, as most players are still expanding their sales network.

Leading indicators in Sep 2024 appeared to be solid, in our view. That, along with strong orders during the Golden Week, a plethora of new competitive NEV models launched in late Sep and increased subsidies from the government, could imply a strong NEV sales volume in Oct 2024 or even in 4Q24.

- **Number of leads: Xpeng led the MoM increase.** Similar to Sep 2023, number of leads for all the six brands rose MoM in Sep 2024 (see Figure 1), with Xpeng's rising the most (+10%), thanks to the *Mona M03*. BYD was the only brand with a YoY growth in terms of number of leads, aided by a plethora of new models and its DM-i 5.0 hybrid technology.

The *Mona M03* also lifted Xpeng's conversion ratio from leads to store visits by 1.5ppts MoM in Sep 2024 (see Figure 2). Such conversion ratios for NIO, Li Auto and BYD all rose by 0.5ppts MoM last month. Aion was the only brand with such conversion ratio declining MoM in Sep.

- **Customer flow: All brands rose MoM except Aion.** The customer flow per store for Xpeng rose 22% MoM last month, the highest growth among all the brands (see Figure 3). The *Mona M03*'s appearance has also attracted some unplanned store visits, as about 70% of Xpeng's store visit increase last month was not from leads. The customer flow per store for Tesla, NIO, Li Auto and BYD rose 5-7% MoM in Sep 2024, largely due to seasonality, in our view. Such figure fell 3% MoM for Aion last month.

The overall conversion ratio from store visits to order generation for all the brands remained stable MoM in Sep (see Figure 4), with Xpeng's rising the most (+0.4ppts MoM). BYD had the highest conversion ratio of 16%, thanks to its comprehensive model line-up. Such conversion ratio for NIO doubled YoY to 9% in Sep 2024, after its sales personnel expansion from 2H23. Tesla maintained a high conversion ratio from store visits to order generation despite increasing competition, thanks to its strong brand image in China, in our view. Li Auto now has the lowest conversion ratio, partially due to its lack of new models in the past six months. We expect such ratio for Li Auto to increase slightly sequentially with more 4S store openings.

- **New orders: Xpeng rose the most MoM; BYD and Li Auto resilient.** Total new orders generated based on our sample stores rose 6% MoM and 29% YoY last month (see Figure 5). That, along with strong new orders during the National Day Golden Week, based on our channel checks, could imply strong Oct sales for these brands. We expect domestic NEV market share to hit an all-time high again in Oct 2024.

New orders per store for Xpeng rose 27% MoM in Sep and the *Mona M03*'s delivery waiting time has been extended to 11-15 weeks despite Xpeng's production capacity expansion. New orders per store for Li Auto rose 9% MoM last month. We are of the view that Li Auto's 14% YoY decline for new orders based on our sample stores was more than offset by its 33% YoY increase in number of stores. New orders per store for NIO rose 3% MoM, which will likely help NIO maintain its 20,000+ unit sales in Oct 2024. We believe BYD's Oct sales volume could hit an all-time high again, as its new orders per store rose 8% MoM in Sep.

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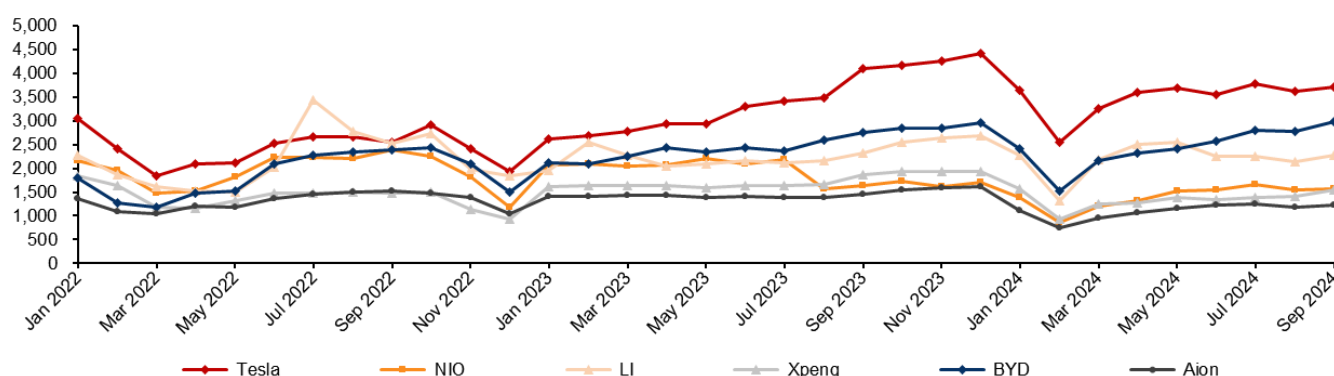
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Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	25
Li Auto	2015 HK	BUY	97.5
NIO	NIO US	HOLD	5.1
Xpeng	XPEV US	HOLD	8
Xpeng	9868 HK	HOLD	31.2
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	14
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	262
BYD	002594 CH	BUY	286
GAC	2238 HK	BUY	3
GAC	601238 CH	BUY	9
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	1.8
Meidong	1268 HK	BUY	2.8
Minth	425 HK	BUY	21
Tuhu	9690 HK	BUY	23

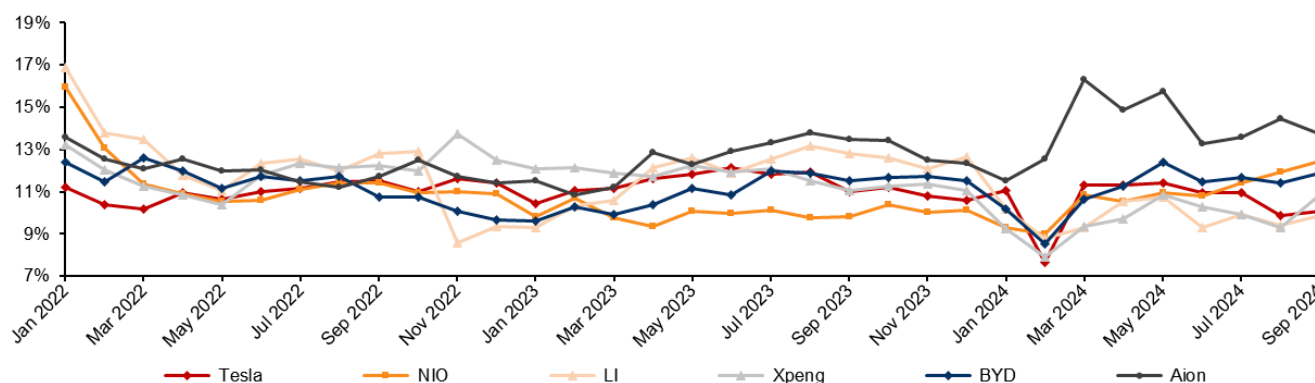
Source: Bloomberg, CMBIGM

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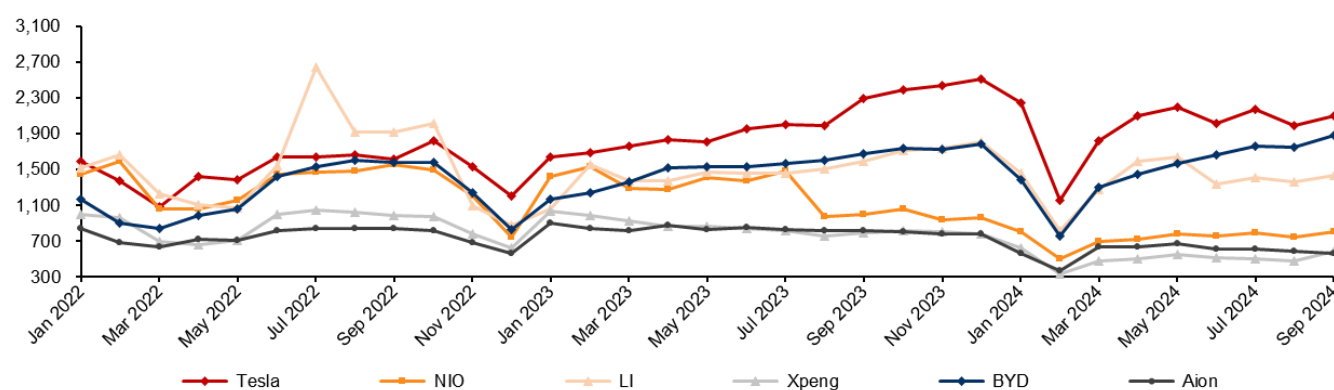
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**Figure 1: Number of leads per store on average for each brand**

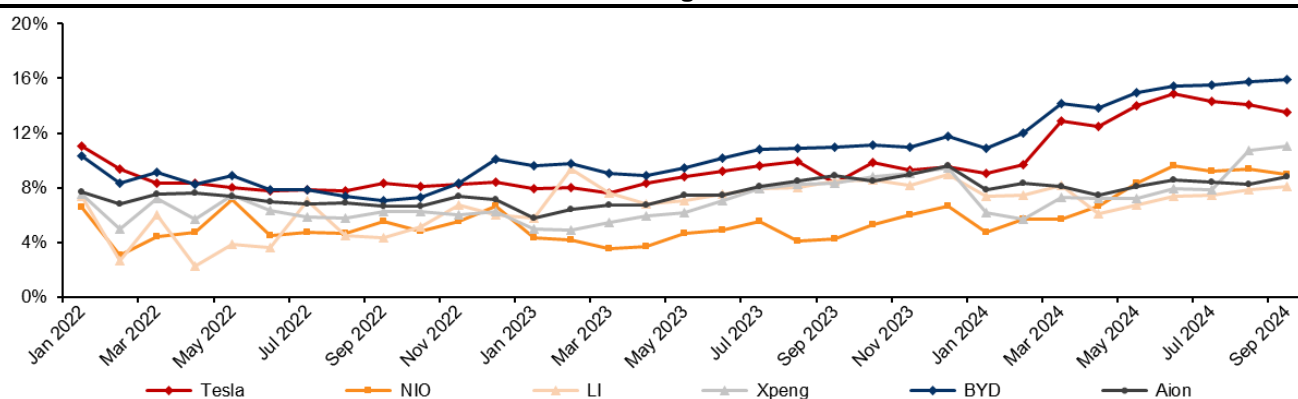
Source: Thinkercar, CMBIGM

**Figure 2: Conversion ratio from leads to store visits for each brand**

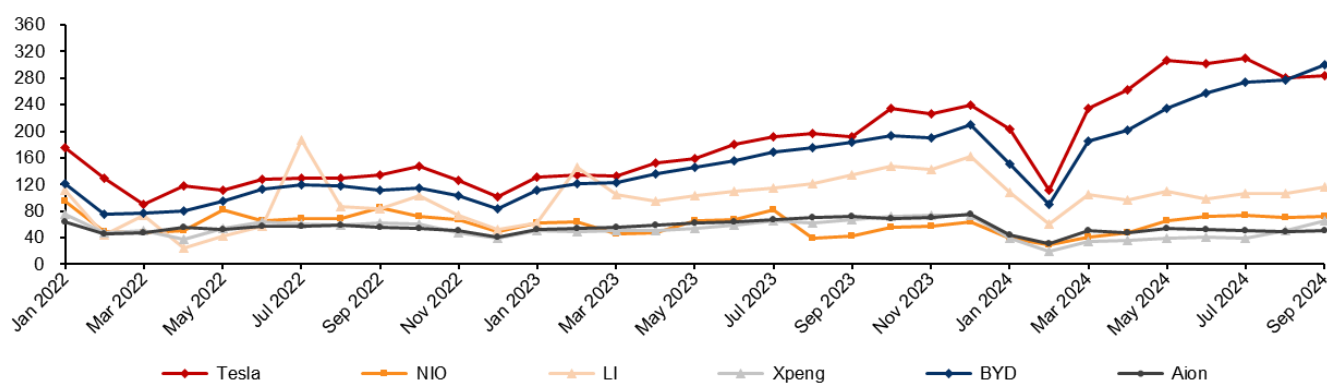
Source: Thinkercar, CMBIGM

**Figure 3: Customer flow per store on average for each brand**

Source: Thinkercar, CMBIGM

**Figure 4: Conversion ratio from store visits to new order generation for each brand**

Source: Thinkercar, CMBIGM

**Figure 5: New orders per store on average for each brand**

Source: Thinkercar, CMBIGM

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