

# China Auto Sector

## All-time high sales for Li Auto, BYD, Aion, Leap

Nine Chinese automakers including BYD, Great Wall Motor, NIO, Xpeng, Li Auto, Zeekr, Aion, Neta and Leap reported their Jun 2023 sales volumes during 1-2 Jul 2023. Sales volume of the nine automakers combined rose 71% YoY (ranged from -44% to +150%) and 7% MoM (ranged from -7% to +74%) in Jun 2023.

### ■ Li Auto hit all-time high monthly sales, NIO and Xpeng rebounded MoM.

Li Auto's recorded a sales volume of more than 32,000 units in Jun 2023, in line with our previous forecast. Li Auto's 2Q23 sales volume almost doubled NIO and Xpeng combined.

NIO posted a sales-volume MoM growth of 74%, the highest among all the nine automakers last month. The *ET5 Touring* started to contribute a significant portion of sales from the 2nd half of Jun 2023, based on the data we compiled. It appears that new orders have improved substantially after the price cuts for fewer service benefits, although it is difficult to quantify with two new models going on sale at the same time. It could be a dilemma for NIO to invest heavily in battery swap, in our view.

Xpeng delivered a sales volume of about 8,600 units last month, or 15% MoM growth. We are of the view that the G6's selling prices are lower than our prior expectation and attractive, which could lead to higher-than-expected sales volume for Xpeng. On the other hand, the G6's gross margin could be lower than what we had expected.

### ■ BYD, Aion and Great Wall's monthly NEV sales hit all-time high again.

BYD's passenger NEV wholesale volume rose 5% MoM to about 252,000 units last month, in line with our prior projection. Aion's 45,000-unit wholesale volume in Jun was also in line with our expectation. The profitability of the Hyper series would be more important to Aion's valuation, in our view. Great Wall joined NEV start-ups to announce its NEV sales volume on the 1st day of each month, with almost 27,000 NEV wholesale volume (Ora, Wey and Haval combined) in Jun 2023, or 30% of its total PV sales on our estimates. Leap also posted all-time high sales last month, aided by its C11 EREV.

### ■ Jun NEV retail sales volume largely in line. We estimate China's NEV retail sales volume in Jun 2023 to be close to our prior forecast of 0.64mn units. Although five out of nine automakers above posted all-time high monthly NEV sales volume last month, Tesla's Jun 2023 retail sales volume in China may be still slightly below its level in Mar 2023.

#### NEV sales volume for selected OEMs

OEM (units)	Jun 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	251,685	88.2%	5.3%	1,248,161	95.6%
Great Wall	26,643	110.1%	12.2%	93,069	46.4%
NIO	10,707	-17.4%	74.0%	54,561	7.3%
Li Auto	32,575	150.1%	15.2%	139,117	130.3%
Xpeng	8,620	-43.6%	14.8%	41,435	-39.9%
Zeekr	10,620	146.9%	22.4%	42,633	124.3%
Leap	13,209	17.3%	9.5%	44,502	-14.4%
Neta	12,132	-7.8%	-6.9%	64,356	1.9%
Aion	45,013	86.7%	0.0%	211,336	110.8%
AITO	~5,500	-21.7%	-2.3%	~27,400	35.4%

Source: Company data, CMBIGM

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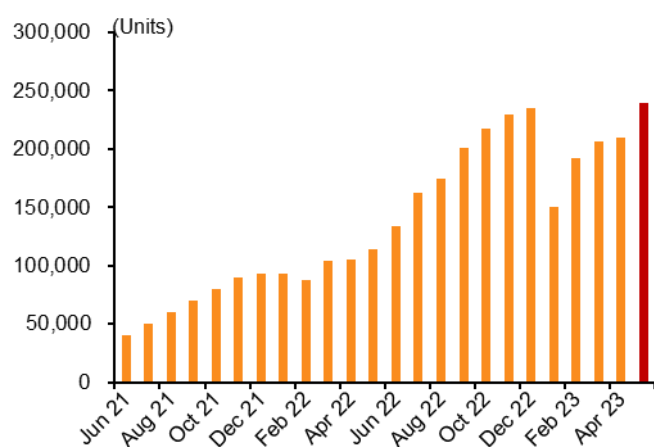
Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	44
Li Auto	2015 HK	BUY	172
Geely	175 HK	BUY	14.5
GWM	2333 HK	BUY	12
GWM	601633 CH	BUY	32
GAC	2238 HK	BUY	7
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	8.5
NIO	NIO US	HOLD	8.5
Meidong	1268 HK	HOLD	17
Xpeng	XPEV US	HOLD	9
Xpeng	9868 HK	HOLD	35
BYD	1211 HK	HOLD	240
BYD	002594 CH	HOLD	265

Source: Bloomberg, CMBIGM

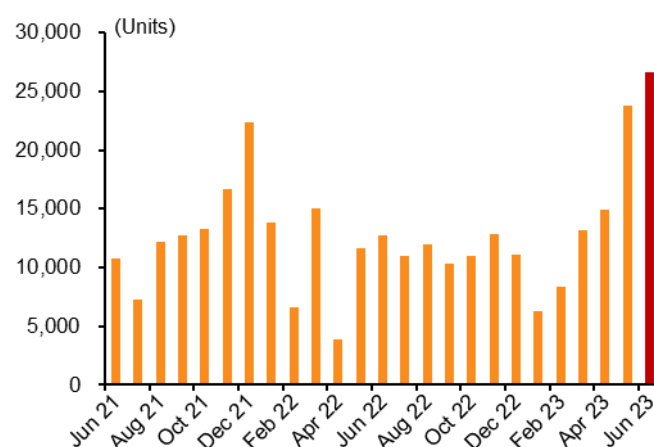
#### Related Report:

["China Auto Sector – Can possible strong Jun sales extend into 2H23?" – 21 Jun 2023](#)

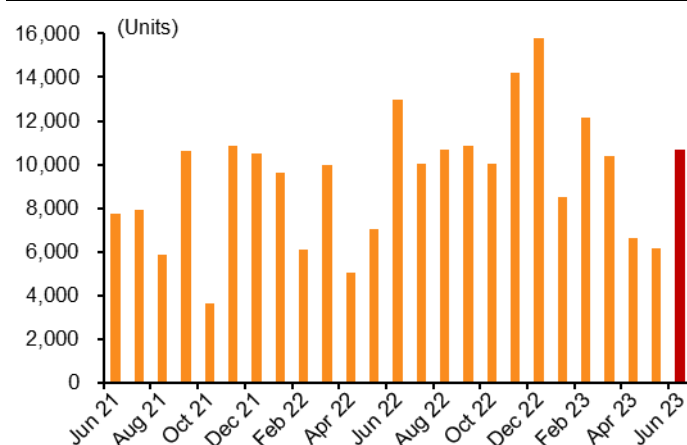
["China Auto Sector – May NEV likely to hit second highest in history" – 2 Jun 2023](#)

**Figure 1: BYD's monthly NEV delivery**

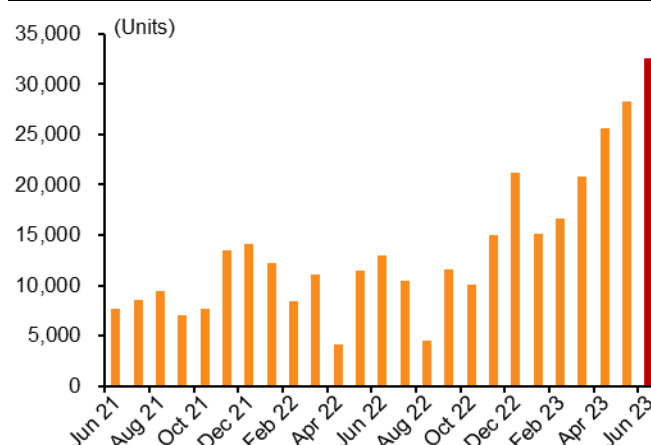
Source: Company data, CMBIGM

**Figure 2: Great Wall's monthly NEV delivery**

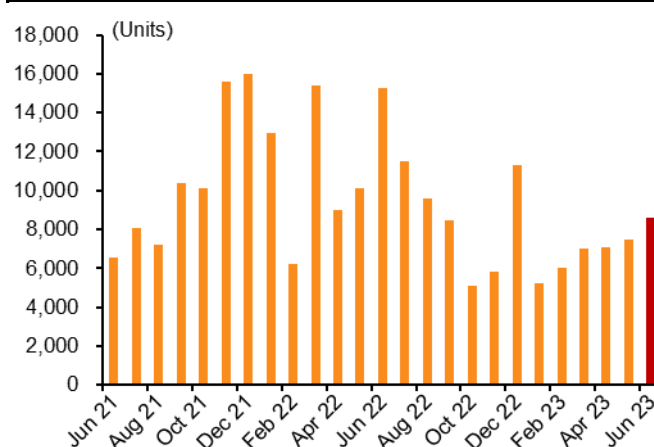
Source: Company data, CMBIGM

**Figure 3: NIO's monthly delivery**

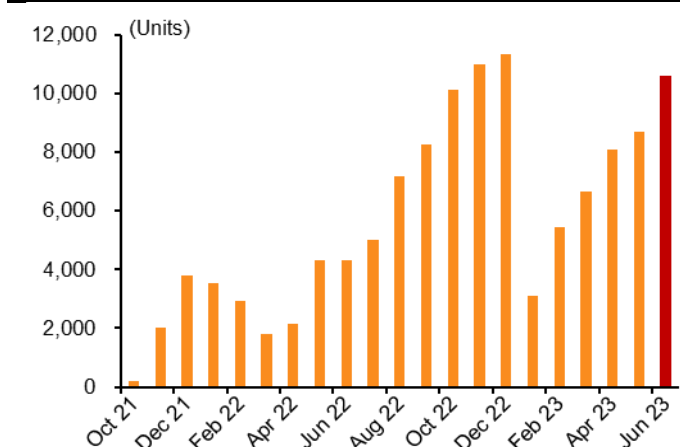
Source: Company data, CMBIGM

**Figure 4: Li Auto's monthly delivery**

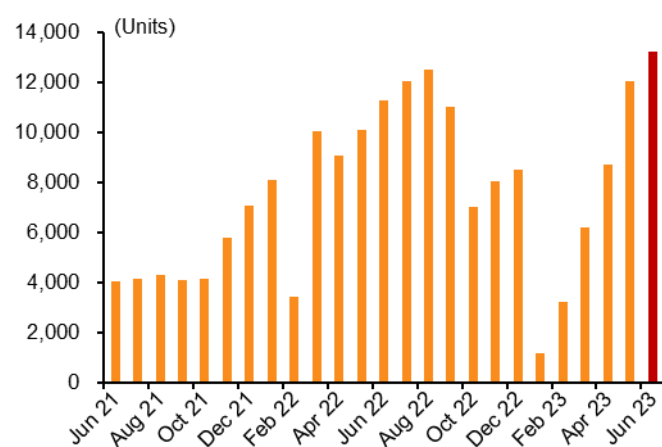
Source: Company data, CMBIGM

**Figure 5: Xpeng's monthly delivery**

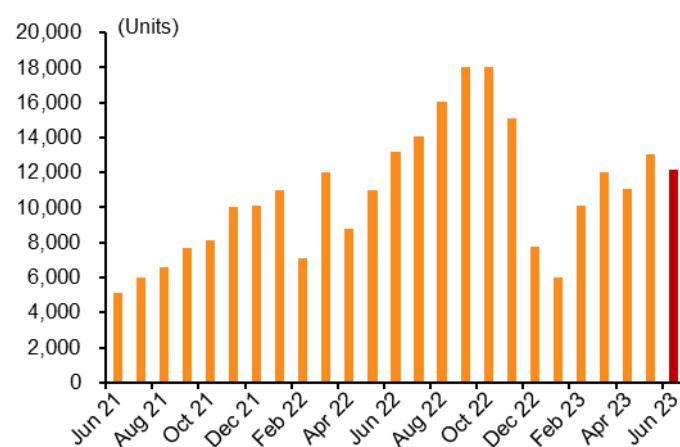
Source: Company data, CMBIGM

**Figure 6: Zeekr's monthly delivery**

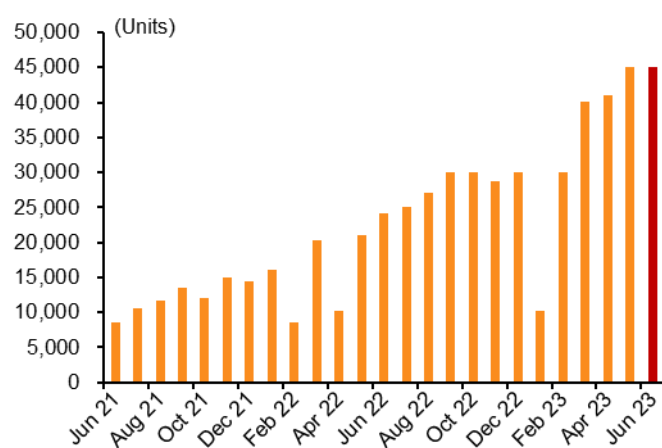
Source: Company data, CMBIGM

**Figure 7: Leap's monthly delivery**

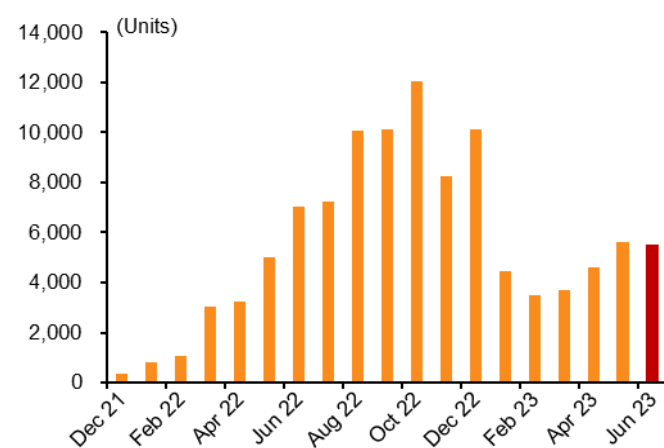
Source: Company data, CMBIGM

**Figure 8: Neta's monthly delivery**

Source: Company data, CMBIGM

**Figure 9: Aion's monthly delivery**

Source: Company data, CMBIGM

**Figure 10: AITO's monthly delivery**

Source: Company data, CMBIGM

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