

# Auto

## Jun indicators mixed as BYD, NIO outperformed

We summarize the Jun 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 of the six NEV brands diverged in Jun, as NIO and BYD posted MoM increases in their major metrics while Tesla and Li Auto showed MoM decreases. Leading indicators for Xpeng and Aion remained sluggish. We expect total NEV retail sales volume to fall MoM in Jul. New order intakes for NIO and BYD should worth noticing in Jul, as they have been rising since Feb 2024. The *Mona M03's* launch could also be a positive catalyst for Xpeng in Jul.

■ **Number of leads: mixed in Jun.** The number of leads per store for the six brands combined fell 1% MoM in Jun with three brands up and three brands down (see Figure 1). Such number for Li Auto fell the most MoM (-11%) in Jun, as the *L6's* new-model promotion expired. Leads number for Tesla also fell 4% MoM in Jun. That may explain why Tesla announced auto finance incentives on 1 Jul in China. The per-store number of leads for NIO rose 2% MoM in Jun, despite the reduced BaaS incentives compared with May, better than our prior expectation. Such number for BYD rose 7% MoM in Jun, the strongest among the six brands.

The conversion ratios from leads to store visits fell MoM for all the six brands in Jun (Figure 2), probably due to hot and rainy weather. Such ratio for Aion fell the most (-2.4 pts MoM) in Jun, although it still stayed at the highest among peers (13%).

■ **Customer flow fell MoM for all brands except BYD.** Total per-store visits for the six brands fell 7% MoM and fell 14% YoY in Jun (see Figure 3). Such number for Li Auto fell 18% MoM in Jun, and that for Tesla and Xpeng also fell 7-8% MoM last month. Although NIO and Aion's leads number rose MoM last month, their per-store customer flow fell 4% and 9% MoM, respectively, due to lower conversion ratios. BYD was the only brand which posted MoM increase in customer flow last month, aided by the rollouts of the new *Qin L* and *Seal 06* PHEVs with the 5th-generation DM-i technology.

The conversion ratios from store visits to order generation improved MoM for all the brands in Jun. NIO doubled such conversation ratio from 5% at the beginning of 2024 to 10% in Jun, which showcases its improving sales efficiency. Such ratio for Li Auto (7% in Jun) has remained the lowest for three months among all the six brands.

■ **Total new orders rose 2% MoM.** NIO's new orders per store rose 11% MoM in Jun (see Figure 5), stronger than expected, aided by its improved conversion ratio. Such number for BYD also rose 10% MoM in Jun, indicating a stronger Jul sales volume ahead. Li Auto's new orders per store fell 10% MoM in Jun, which was a bit weaker than we had expected. We are of the view that Li Auto may need another round of price cuts in 3Q24 in order to achieve its whole-year sales volume target. Tesla's new orders per store fell 2% MoM in Jun. Xpeng and Aion may need new models to regain the traction.

**OUTPERFORM**  
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#### Stocks Covered:

Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	26
Li Auto	2015 HK	BUY	101
NIO	NIO US	HOLD	5.6
Xpeng	XPEV US	HOLD	10
Xpeng	9868 HK	HOLD	39
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	14
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	262
BYD	002594 CH	BUY	285
GAC	2238 HK	BUY	5.5
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	2.7
Meidong	1268 HK	BUY	4

Source: Bloomberg, CMBIGM

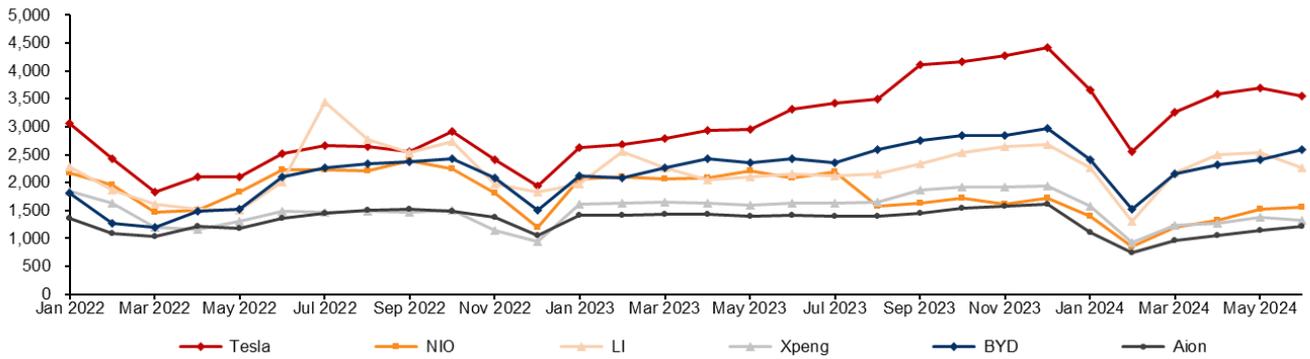
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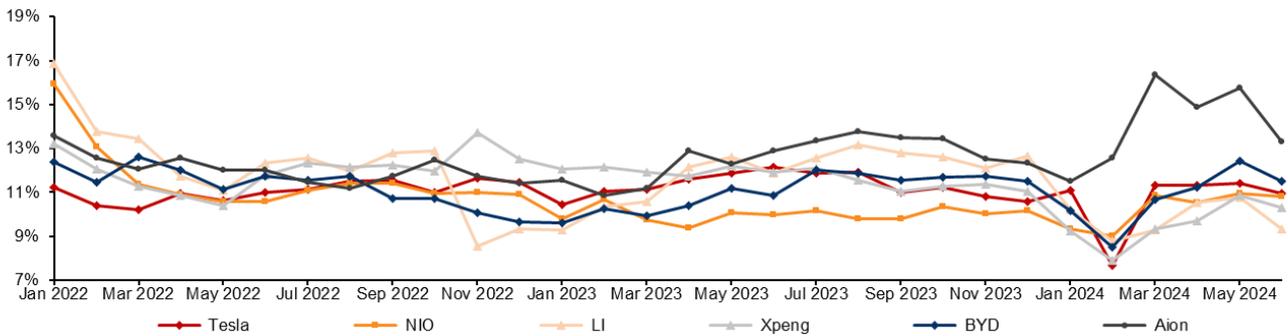
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**Figure 1: Number of leads per store on average for each brand**



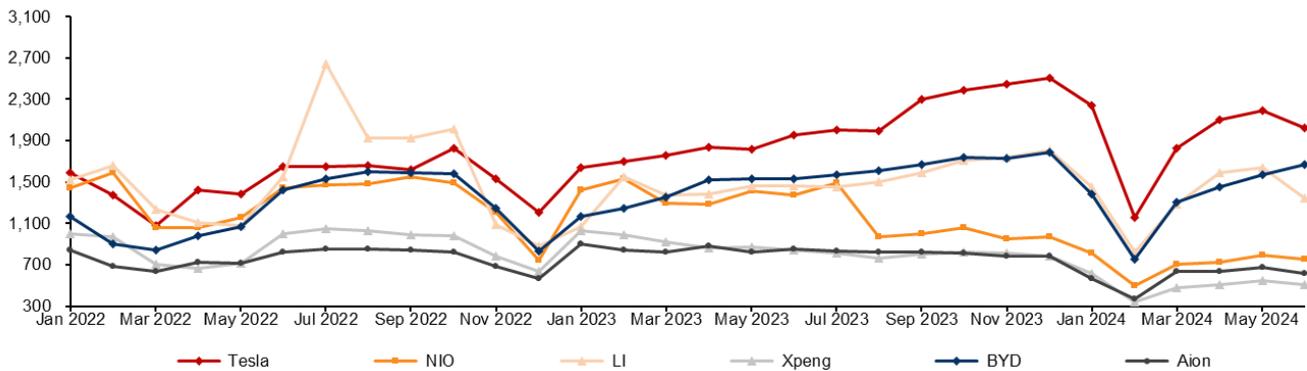
Source: Thinkercar, CMBIGM

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



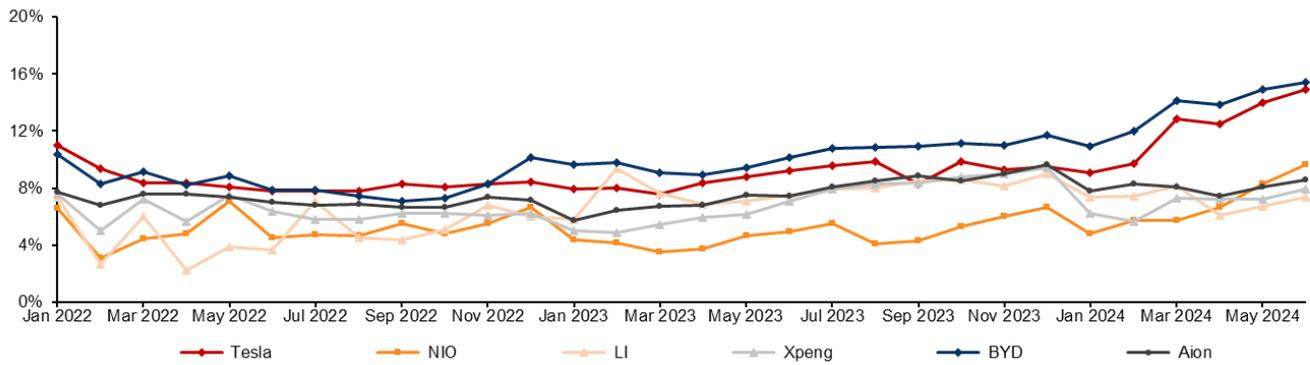
Source: Thinkercar, CMBIGM

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



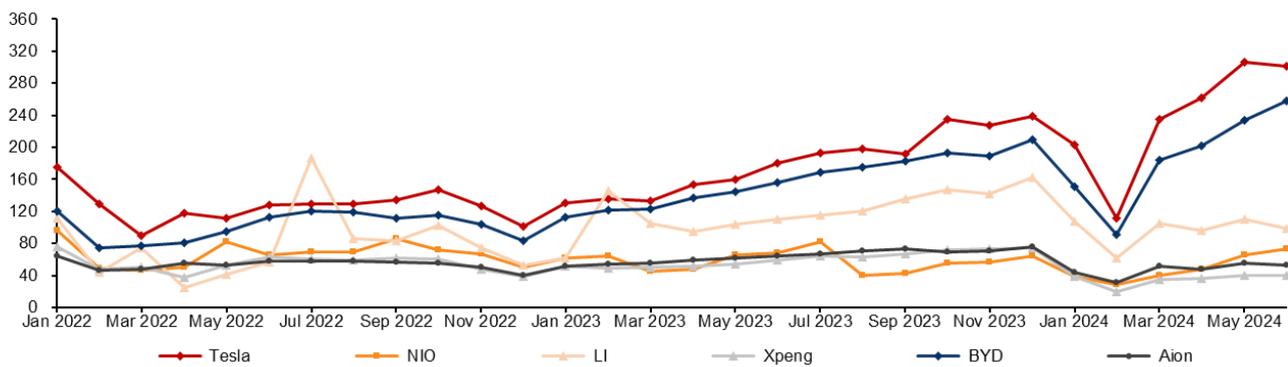
Source: Thinkercar, CMBIGM

**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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