China / Hong Kong Industry Focus

Regional Auto Sector

Refer to important disclosures at the end of this report

DBS Group Research . Equity 26 Jun 2025

Tech-driven OEMs with robust portfolio poised to dominate 2H sales

- **Chinese EV makers Geely and Xpeng's aggressive deployments of AI and connectivity in vehicle platforms lifting monthly sales growth to surpass peers, positive on valuations**
- **AI-embedded NEV models to drive 2H industry sales growth of 18% y/y, 34% h/h to >9mn units. Plus, lower inventory and decline in EV battery metal price should mitigate the pricing pressure on auto OEMs**
- **Lidar players are major beneficiaries; OEMs race to L3 and China's new Automatic Emergency Braking System (AEBS) mandate point to brighter outlook**
- **Market volatility offers buying on dips opportunity; auto OEM picks are Geely (175 HK) (benefits from smart technology rollout) and Xpeng (9868 HK) (strong AI penetration boosting sales), tech-auto Xiaomi (1810 HK) (rapid EV capacity expansion), plus ADAS lidar leader Hesai (HSAI US)**

Geely and Xpeng's strong AI-embedded vehicle portfolios to drive sales ahead of peers. Geely's G-Pilot, super hybrid system, Flyme Auto smart cockpit, and Xpeng's XOS Tianji operating system, Turing intelligent driving system, and Kunpeng super electric architecture are boosting their product competitiveness. Geely's Flyme Auto system is installed in over 1.0mn vehicles so far, while Xpeng has sustained sales of around 29k per month for seven consecutive months, one of the strongest in the industry. In 5M25, Geely and Xpeng achieved shipment growth of ~50%/290% y/y, respectively, vs industry PV/NEV sales expansion of 12.6%/44%.

Anticipate better 2H sales with aggressive rollout of smart vehicles. Chinese auto OEMs' aggressive new model plans (~5-8 each for 2025) are positive for the overall market. The NEV market is expected to expand by 18% y/y and 34% h/h to over 9mn units in 2H. Furthermore, inventory levels show signs of improvement, with May's inventory days at 1.36 months, down from the peak of 1.6 months in Feb. Coupled with decline in EV battery metal price (e.g. lithium price down ~20% YTD), these factors should mitigate the pricing pressure on the auto OEMs.

Our picks. Geely and Xpeng are our preferred picks in the auto OEM space for their advanced vehicle driving systems, with shipment growth estimated at >20% and >70% y/y in 2H, respectively, ahead of the industry trend. In the tech-auto segment, Xiaomi stands out as it deepens its capabilities in AI, intelligent driving, and chip designs. The rise in AI-embedded vehicles is expected drive demand for auto lidars as well, potentially benefitting Hesai through new design wins.

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Recommendation & valuation

Company		Price Local $	Target Price Local$	Recom	Mkt Cap US$m	PE* 26F x
Geely Automobile (175 HK)	HKD	16.80	23.0	BUY	21,601	10.3
XPENG (9868 HK)	HKD	76.45	118.0	BUY	15,198	1.0
Xiaomi Corp (1810 HK)	HKD	56.65	80.0	BUY	187,262	29.7
Hesai Technology (HSAI US)	USD	19.11	25.0	BUY	2,566	26.1

** PS for XPENG*

Source: Thomson Reuters, DBS Bank (Hong Kong) Limited ("DBS HK")

Automakers with strong AI, connectivity to lead 2H sales

Automakers are ramping up AI and connectivity-related development. Many Chinese EV OEMs, including tech giants, are ramping up their latest vehicle platforms in 2H to capitalise on sector sales momentum. EV startups (NIO, Xpeng, Li Auto, etc.), incumbents (Geely, BYD, etc.), and tech giants (Huawei and Xiaomi) are introducing new models to stimulate consumer interest. Xiaomi will launch its latest model, the YU7, at the end of Jun, while NIO, with its Firefly and NIO brands (ES6, SC6, ET5T, and ET5), Li Auto (L6, L7, L8, L9), and Xpeng (G7, G9, refreshed MONA M03) are all leveraging AI and connectivity features in these new models to drive their smart portfolio expansion (see Appendix 1 for details). BYD will continue its planned rollout of its God's Eye system across its vehicle lineup.

Generally, both Chinese EV makers and tech giants are incorporating a wide array of AI-embedded features into their latest vehicle platforms, crucial for their future development. Many target the RMB100k-200k average selling price (ASP) segment for mass-market penetration. Several also have new models planned for launch in 2H, pending finalisation.

Below shows the key highlights of Chinese OEMs and tech giants' smart driving technologies capabilities. They are incorporating these new technologies into their vehicle portfolios to prepare for the next growth phase.

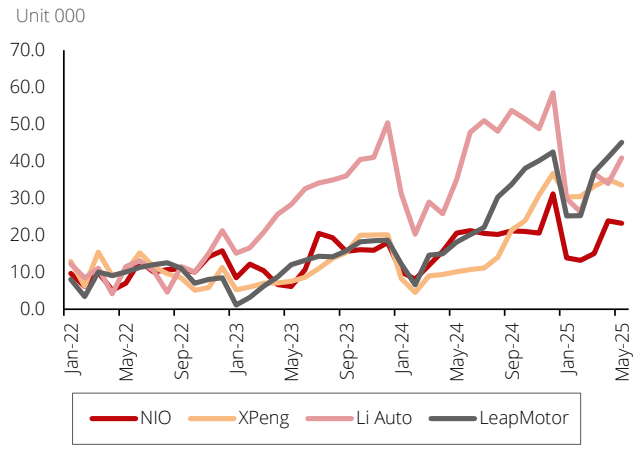
Key players' smart driving technologies

Company	Key system	Solutions	Features
Huawei	Operating system	HarmonyOS Cockpit	Powered by Kirin SoCs chip. The latest HarmonySpace was released recently
	Intelligent Driving Systems (ADS)	Huawei ADS/Qiankun Intelligent Driving	A full-stack intelligent driving solution, ADS adopts an end-to-end large model and integrates Lidar, HD cameras and radars, able to support end-to-end intelligent driving under complex urban environment. The ADS 4.0 is scheduled for release in 4Q25 to support L3 driving
Xiaomi	Operating system	HyperOS	Allow the car to interact with Xiaomi's smartphones, tablets etc
	Intelligent Driving Systems (ADS)	Pilot Pro and Pilot Max, using Nvidia drive Orin chip (autonomous driving domain for computing camera/LiDar data and running the self-driving algorithms) and Snapdragon 8295 auto chip (smart cabin & infotainment, powering multiple displays, connectivity, with build-in 5G/C-VRX support) for high-speed processing and AI task	Supports highway and urban navigate on autopilot function End-to-end AI model
BYD	Operating system	Supported by the e-Platform 3.0 achitecture developed in-house	OTA-upgradeable, domain controlled
	Intelligent Driving Systems (ADS)	BYD DiLink and BYD DiPilot God's Eye system across the BYD, Denza and Yangwang brands, etc	High-speed navigation on autopilot for highways and city navigation on autopilot, providing multi-tiered autonomous driving suite Powered by Nvidia Orin X/N chips as well as lidar systems and vision based solutions
Geely	Operating system	Galaxy N-OS and Flyme Auto	Ultilises multimodel large language models, highway and urban NOA
	Intelligent Driving Systems (ADS)	G-Pilot H1-H9	Offers 5 levels of intelligent driving, each with distinct hardware and AI capabilities
NIO	Operating system	Banyan and SkyOS	The NT2.0 platform is based on the Banyan architecture. Digital cockpit, AI chassis, NIL Link connectivity SkyOS is NIO's full domain, next-gen OS for NT3.0 platform. Designed for high security, real-time performance and support evolution from NT1 to NT3 platforms
	Intelligent Driving Systems (ADS)	NIO Pilot and NOP (navigate on pilot)	This intelligent driving suite offers L2+ ADAS features, such as ACC, highway & city NOP and self-parking
Xpeng	Operating system	Xmart OS or Tianji AIOS	Seamless smart cockpit integration with its ADAS, upgradable through OTA; AI Assistant Xiao P; running on XOS 5.1.0 and 5.4
	Intelligent Driving Systems (ADS)	Turing AI Intelligent Driving System (XNGP)	A full-stack ADAS, capable of L4 autonomy by 2025, supported by self-developed Turing AI chip. Its AI Hawkeye Visual Solution is based on advanced cameras and neural networks
Li Auto	Operating system	Halo OS intelligent sytem	Supports the Li Xiang Tong Xue smart system
	Intelligent Driving Systems (ADS)	Two major ADS are AD Max and AD Pro	Adoption of lidar and vision-based solution and aims to progress toward L4 autonomy Recently launched its Mind Visual Language Model (VLA) to enhance intelligent driving

Source: Company; Chinese News

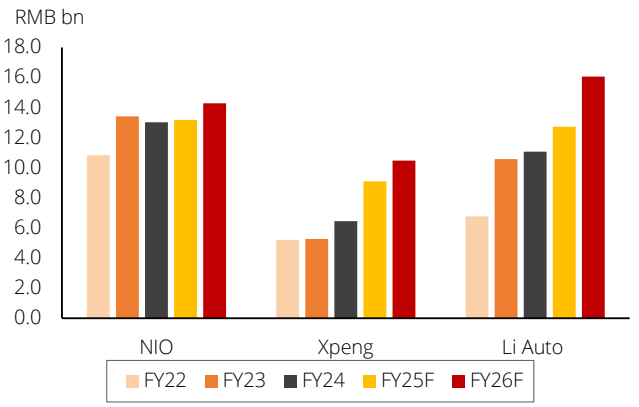
Chinese EV makers starting to reap benefits from large-scale R&D in assisted driving. Companies like NIO, Xpeng, and Li Auto, being in the auto market for approximately ten years, have accumulated valuable automotive expertise. These Chinese EV makers have also invested billions of dollars into developing smart technologies (ADAS, smart cockpit, fast charging, etc.) and vehicle platforms, rolling out robust new models in 2025 as a major growth catalyst. This marks the start of their AI-embedded vehicle development, with recent sales reflecting rising tends. In 5M25, the Chinese EV startups recorded y/y sales growth of 20%-290%. This momentum could continue with the ramp-up of new models in 2H25.

Monthly shipments of Chinese EV startups



Source: Company

Chinese EV makers' R&D spending

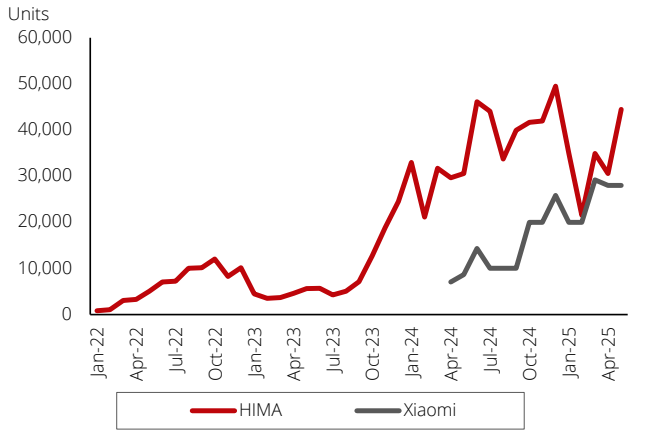


Source: Company, DBS

Many Chinese EV makers are rolling out cheaper brands and smart models to drive sales in 2H, including NIO's ONVO and Firefly brands, Xpeng's MONA series, and Geely's Galaxy series. This follows significant capex on new product development over the past few years.

Huawei's smart driving systems adopted by several legacy Chinese OEMs. Huawei and Xiaomi are two prominent tech giants that have entered the smart EV industry. Market reception for their respective products has been positive since launch, as shown in the chart below. They are ramping up their EV businesses, either independently or through collaboration with other Chinese automakers.

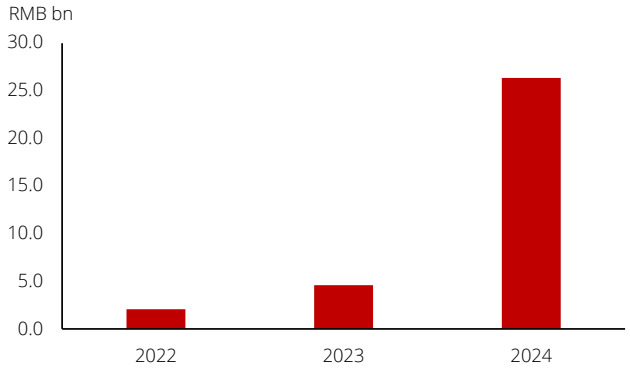
Huawei and Xiaomi monthly shipments



Source: Company; CPCA

Huawei provides smart driving system solutions (covering smart cockpits, intelligent driving, connectivity, electrification, and cloud computing) to its OEMs partners. Currently, its DriveONE system, along with the HarmonyOS-based smart cabin and advanced ADS2.0/3.0 driving-assist system, is used by many of its Chinese partners. The next generation ADS 4.0 is scheduled for market release in 4Q25 to enhance product competitiveness. Huawei reportedly spent some RMB10bn on automotive R&D in 2024, comparable to Chinese EV startups. Based on the company's development plans, a similar R&D budget is likely for 2025. Leveraging on Huawei 3.0 autonomous driving system installations, the company's intelligent automotive solution revenue jumped sharply in 2024 to over RMB26bn.

Huawei intelligent auto solution revenue expansion



Source: Company

Several Chinese auto OEMs, including FAW, Dongfeng, GAC, are adopting Huawei's Qiankun intelligent driving system. This demonstrates Huawei's strong capabilities in intelligent driving development. All in, Huawei has eight key models on the market through various partnerships, covering an ASP range of RMB200k-1mn. See Appendix 2 for details on Huawei's brands, product features, and target markets under these various collaborations with Chinese OEMs.

Xiaomi, a leading smartphone and IoT company, entered the NEV market in 2021 with a USD10bn investment commitment over a decade. Unlike competitors like Huawei, Xiaomi opted for in-house development, producing vehicles at its own greenfield plant in Beijing with an annual capacity of 300k units, which will reach 350 k units of annual capacity once Phase 2 completes in June 2025. Its strategy focuses on premium EVs (RMB200,000–300,000), leveraging its 20mn premium smartphone users to cross-sell models like the SU7 sedan. By integrating its HyperOS operating system, Xiaomi aims to create a seamless "human-car-home" ecosystem, connecting EVs with its broader device portfolio. The company's lean portfolio and aggressive retail expansion (298 stores by May 2025) reflect a Tesla-like approach to scaling rapidly in China's competitive EV market.

Strong sales performance. Xiaomi's EV business has shown remarkable traction since the SU7's launch in Mar 24, accumulating over 200,000 units sold by April 2025, with monthly deliveries reaching 29,000+ in Q1 2025. The SU7, a full-size BEV sedan, competes with the Porsche Taycan and Tesla Model S. The upcoming YU7 SUV, set for launch in end June 2025, targets Tesla's Model Y with a 760 km range. Xiaomi management target to sell 350,000 vehicles in 2025, up from 135,000 units in 2024. Despite reporting a RMB1.8bn net loss in 2024 due to high R&D and marketing costs, Xiaomi's profitable smartphone and IoT businesses (USD13bn in revenue in Q1 2025) provide financial stability to support EV growth. The deployment of robots on its EV production line to automate welding, painting, and final assembly aims to improve cost efficiency. Management expects the EV business to break even around 4Q25, earlier than the consensus view of a 2026 breakeven.

Technological strengths and strategy. Xiaomi's strengths lie in its supply chain expertise, technological innovation, and brand loyalty. Partnerships with battery giants such as CATL ensure cost efficiency, while technologies like hypercasting and Xiaomi Pilot Max ADAS (Level 2+ autonomy) position the SU7 and YU7 (expected to start commercialisation in 3Q25) as premium offerings. HyperOS integration creates a sticky ecosystem. But a fatal SU7 crash in March 2025 involving autonomous driving mode sparked regulatory scrutiny, delaying the YU7 reveal.

However, Xiaomi's EV business is poised for growth, with the YU7 set to launch in end-June 2025. For the long term, Xiaomi aims to diversify its portfolio by 2027, achieve profitability, and expand globally, starting with Europe in 2027. Upgrading to L3 autonomy and scaling production via a second factory will be critical to achieving these goals.

Xiaomi is doubling down on core technology, planning to invest a cumulative RMB200bn in R&D from 2026 to 2030 – almost twice the RMB102bn spent from 2021 to 2025. This investment will deepen Xiaomi's capabilities in AI, autonomous driving algorithms, and semiconductor design. The first proof point is the in-house 3nm Xring O1 SoC, which achieved a Geekbench multi-core score of over 9,000, narrowing the gap with Apple's A18 Pro and set to anchor Xiaomi's next-generation flagship phones and IoT devices. We expect the rising penetration of self-designed chips, together with greater in-house manufacturing of large appliances, to lift the group's gross margin from 12.6% in FY24F to 16.7% in FY27F. This should help cushion any cyclical softness in smartphones stemming from tariffs or component cost volatility. The company's planned launch of its competitively priced premium SUV and its aggressive R&D roadmap materially strengthen Xiaomi's narrative of premiumisation and vertical integration. With earnings still forecast to compound at approximately 34% CAGR from FY24 to FY27F, we see scope for further re-rating toward global tech peers as Xiaomi evolves from a smart device vendor into a full-stack AI hardware platform.

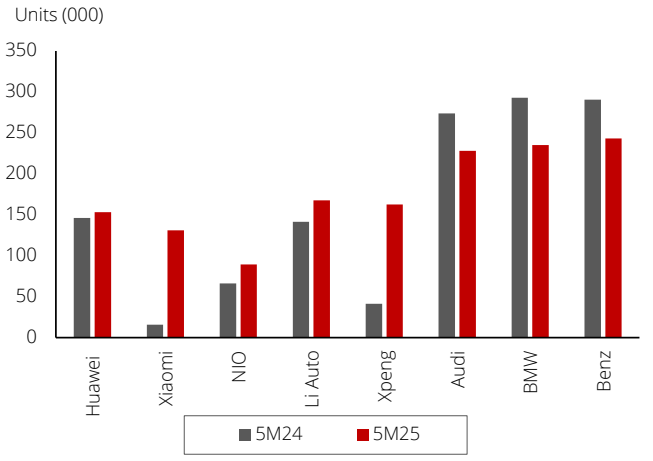
Xiaomi: Key auto products

Xiaomi model	Features	ASP (RMB 000)
SU7, SU7 Pro, SU7 Max	Key features inlcude the Xiaomi Pilot driver-assistance system and integrates with Xiaomi's broader ecosystem supports highways NOA and utilises two Nvidia Drive Orin X SoC, lidar system for SU7 Pro and SU7 Max, and radars Xiaomi smart chassis as its smart cockpit offerings	215.9k-299.9k
SU7 Ultra	Chassis is specifically tuned at the Nurburgring Nordschleife Integrating with Xiaomi's CTB battery technology for better performance	529.9k
YU7	The SUV is expect to be released end of Jun 25 Features Xiaomi self-developed Xring 01 chip Xiaomi HyperOS, Snapdragon 8295 chip and Nvidia Drive Orin chip for ADAS Comes with CLTC range of 835km on a 96.3kWh battery size Integrating human-centric technology across its smart ecosystem	NA

Source: Company, Chinese news

However, automakers, especially foreign brands lacking technological innovation in their vehicle models, continue to face selling pressure, as shown in the chart below. For instance, German luxury brand sales fell by 16%-20% y/y in 5M25, likely due to their less robust vehicle AI technology compared to the Chinese companies.

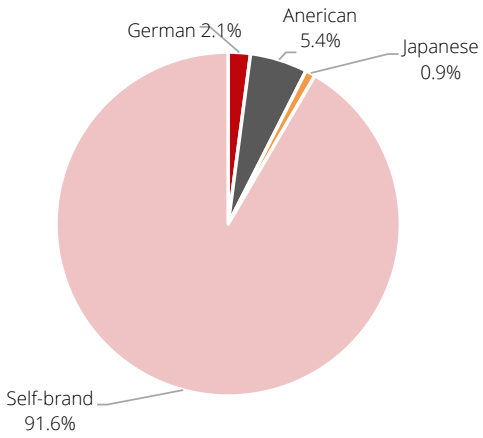
Foreign premium auto brand sales take a hit, likely due to lack of advanced technology & features



Source: Company; DBS
Note: Huawei's sales based on Harmony Intelligent Mobility Alliance data

Hence, based on latest NEV sales data and aggressive moves by Chinese EV and tech giants in smart vehicle development, foreign players have experienced slowing sales and declining market shares.

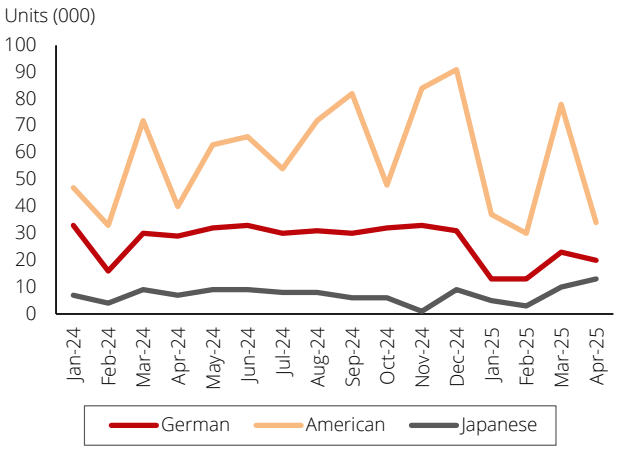
NEV market share split by brand (Jan-Apr 2024)



Source: CPCA

Even American EV brands, which boast higher volume shipments, largely thanks to Tesla, are also facing selling pressure in China.

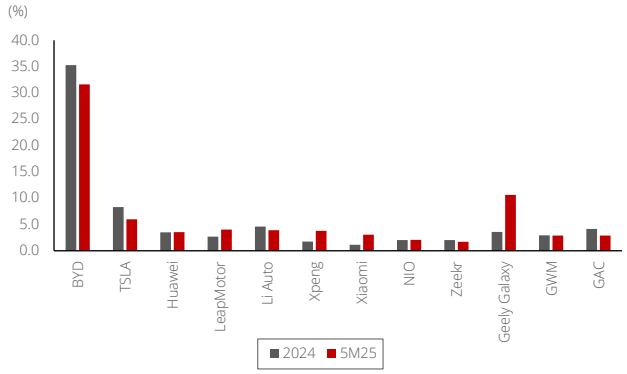
NEV sales by foreign auto brands



Source: CPCA

BYD is expected to remain a market leader, given its scale and cost advantages. While its market share slipped slightly, by 2ppt y/y in 5M25, it remained above the 30%. Its largest rival, Tesla, saw its market share fall almost 5ppt y/y to about 6% in 5M25.

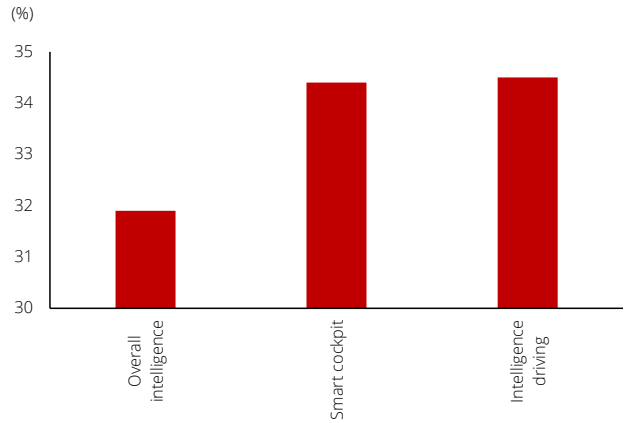
EV market share split among major players



Source: Company; DBS

Hence, as more advanced models are introduced in 2H, sales should improve. Chinese consumers are tech savvy, and as AI capabilities increase and vehicles evolve from basic transportation to offering mobility intelligence, smart vehicles are gradually becoming integral to their lifestyle. In Apr 25, vehicle intelligence penetration reached around 30% (including smart cockpit). Therefore, as Chinese automakers leverage AI capabilities, 2H sales outlook should improve.

Mobility intelligence index (Apr 25)

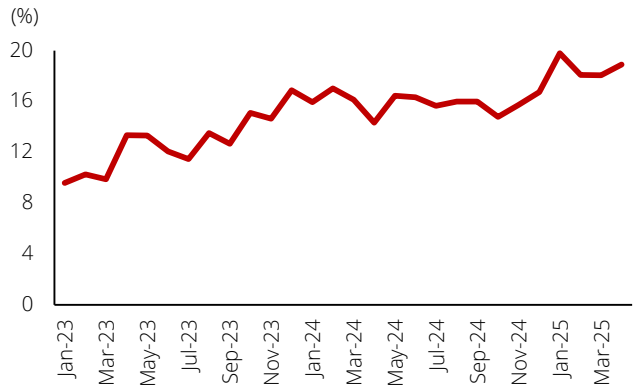


Source: CPCA

Concerns over lingering effect of price war

Price war clouds 2Q sentiment on auto sector. The Chinese vehicle market has been dragged down by the ongoing price war, triggered by BYD's recent special promotion on 22 models, with price reductions of 10%-34%. This, coupled with the pledge by automakers to repay automotive parts suppliers within 60 days, further weighed on the sector, leading to share price declines of 2%-22% over the past month. As the industry moves out of the 2Q lull and into a stronger 2H, with an expected improvement in sales trends, automakers' sales and valuations should benefit.

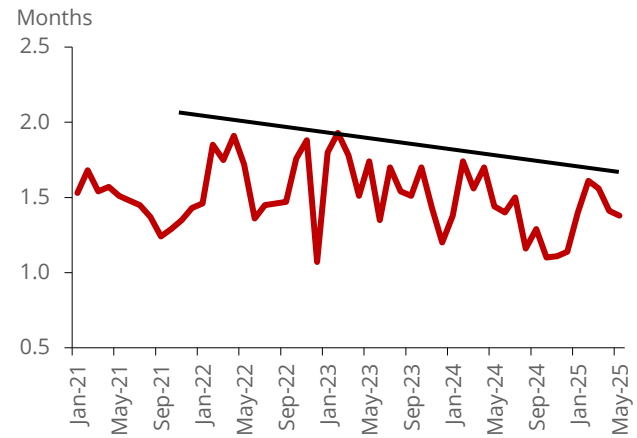
Passenger vehicle price discount ratio



Source: CPCA

Two factors are expected to mitigate the pricing pressure on automakers in the 2H with the anticipated increased buying interest driven by the sales of more advanced models; 1) a reduction in industry inventory to a more manageable level, and 2) EV battery material price such as lithium declined by about 20% YTD. After the recent price discounts, industry inventory levels are improving, as shown in the chart below. The inventory alert for May 25 ~10ppt lower than the Jan 25 peak and the industry average inventory of about 1.36 months, compared to 1.6 months in Jan.

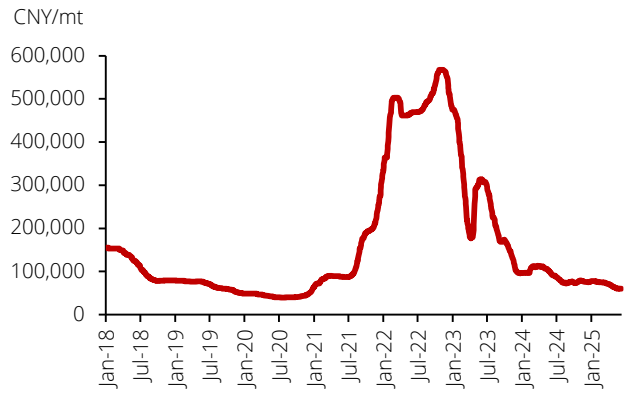
Auto industry average inventory days



Source: CADA

EV battery material price such as lithium fell by about 20% YTD to below RMB60k/MT, which should improve the cost structure of the auto OEMs and their ability to transfer some of the cost savings to consumers.

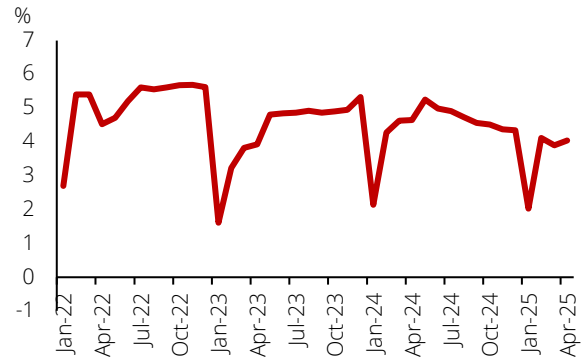
EV battery metal – lithium price trends



Source: Bloomberg

While the price war has been ongoing in the market, the impact on automakers has been mixed. Companies with strong control over their production cost structure, such as BYD, are expected to be less affected than smaller players. As shown in the chart below, the auto sector's profit margin was around 4% in Apr 25, down about 0.6ppt from a year ago, attributable to the ongoing price competition.

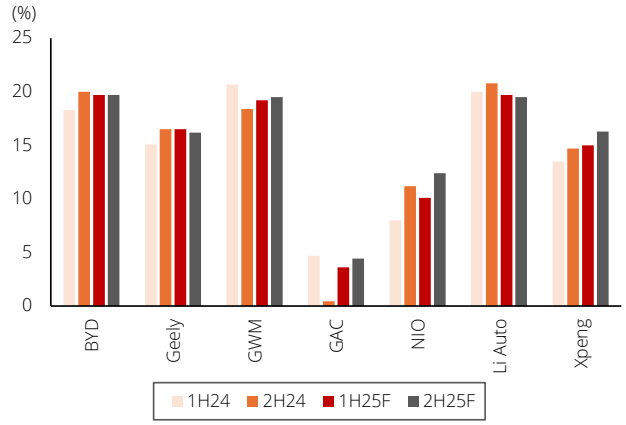
China auto sector's profit margin trends



Source: CEIC

Nevertheless, automakers' profit margins are expected to remain stable in 2H, despite the ongoing price competition, due to scale effect and lower input costs.

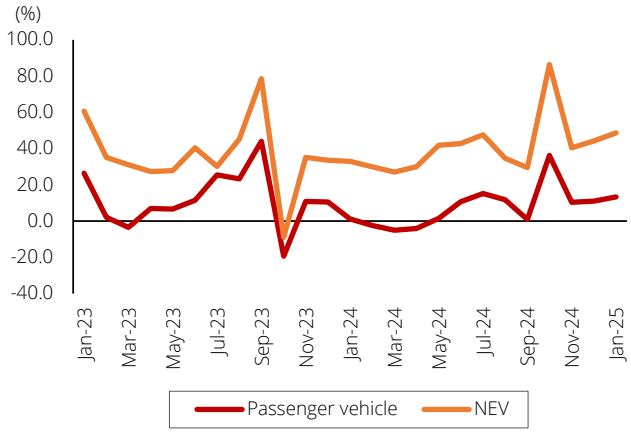
Automakers' half-yearly gross margin projections



Source: Company; Bloomberg; DBS

2H25 shipments expected to increase due to more affordable advanced models. While macro headwinds have affected consumer sentiment, the government's subsidy policy helped drive a 13% y/y increase in passenger vehicle sales in May 25, with NEV sales up by about 37% y/y. These strong numbers translate to 5M25 sales growth of 12.6% for passenger vehicles and 44% for NEVs, to about 11mn and 5.6mn units, respectively, based on CAAM statistics.

China passenger car and NEV monthly sales

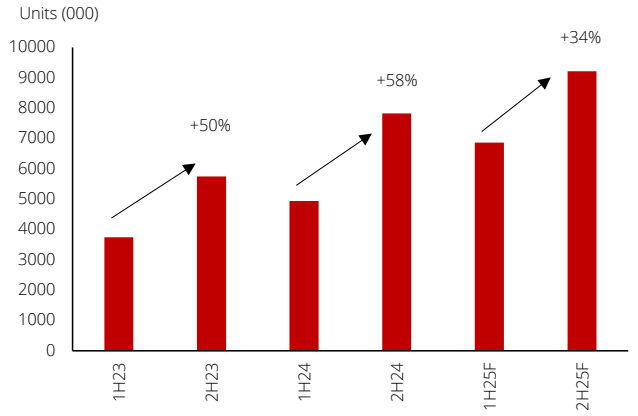


Source: CAAM

Auto demand sentiment in 2H generally improves compared to 1H, based on past records. Although current macro and external headwinds is affecting the overall consumer market, the Chinese government's consumption measures should help to boost the vehicle market.

We estimate vehicle sales to increase by 34% sequentially and 17% y/y to about 9.2mn units in 2H.

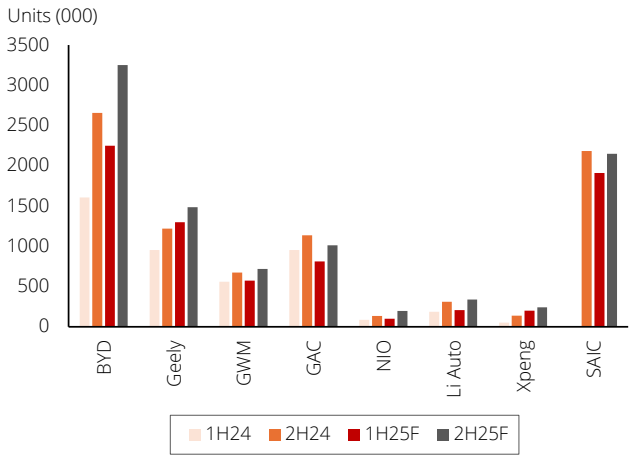
2H sales growth outlook



Source: CEIC; DBS

Hence, Chinese auto OEMs are expected to post strong volume sales in 2H, and among which Geely and Xpeng are showing sequential sales increases despite the auto market sales fluctuations.

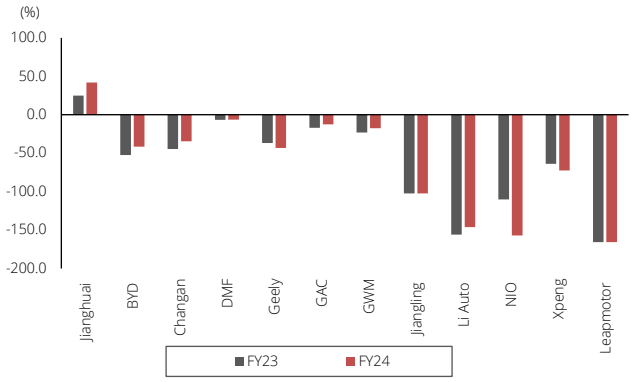
Chinese auto OEMs half-yearly sales projections



Source: Company, Bloomberg; DBS

Majority of the Chinese OEMs are in net cash positions to meet their liabilities commitments. Given their strong balance sheet, we believe they could expand their lending appetite to meet part of the trade debts. Besides, with the anticipated increase in sales, it should also generate healthy cash flows to meet the working capital requirements. Based on our preliminary estimates, Chinese automakers could potentially need to make trade payments of RMB17bn-120bn on FY24's outstanding accounts payable balances based on a 60-day payment assumption. BYD has the highest estimated amount of RMB120bn, which could potentially result in net gearing of about 20%-30%, assuming the company to partially finance the payments from both internal (it has net cash of around RMB100bn at end Mar 25) and external sources. On the other hand, Great Wall Motor (GWM) could potentially face net gearing of some 30%-40% under the 60-day payment assumption, which is not excessive, in our opinion.

Chinese OEMs' net gearing ratios

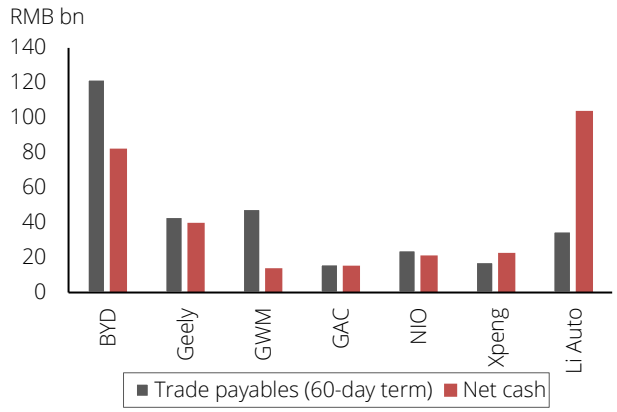


Source: Company; Bloomberg; DBS

Chinese OEMs' accounts payable days

Source: Company

Estimates of FY24 trade payables to be repaid based on a 60-day assumption

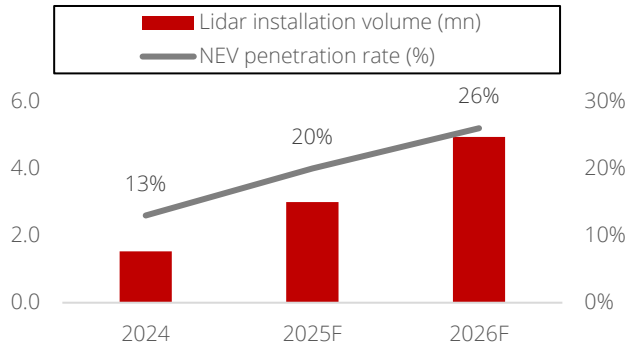


Source: Company; DBS

Positioning for "all-things AI and connectivity"

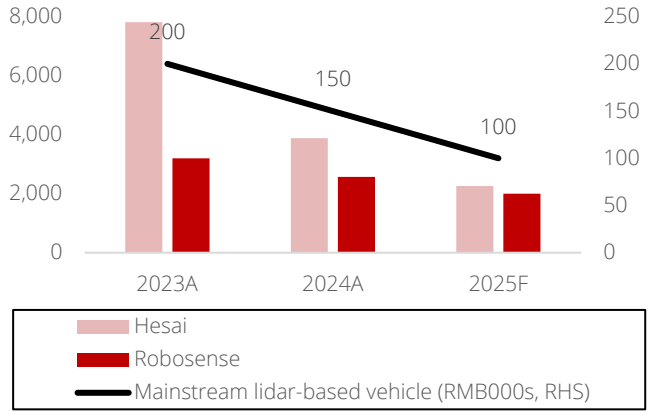
By 2025F, one out of 5 NEVs will be equipped with lidars, with average retail price of RMB100k. NEV lidar penetration rate is expected to rise from 13% in 2024 to 20% in 2025F and 26% in 2026F, supported by (i) OEMs' lidar-based vehicle product launches and (ii) declining lidar costs as lidar suppliers ramp up mass production of their cost-effective ADAS lidars from 1Q25 (e.g., Hesai's USD200 ATX lidar, Robosense's USD200 MX lidar and USD170 EMX lidar). The retail price of a mainstream lidar-adopted vehicle is also expected to decline from RMB200k in 2023 to RMB100k in 2025F, thanks to declining lidar product costs towards c. RMB1.5k/piece in FY25F (down from >RMB3k/piece in FY23A). By 2026F, lidar volume sales is expected to grow from 1.5mn units in 2024 to 3mn/5mn in 2025F/26F at a volume growth rate of +80% CAGR, benefitting lidar auto part suppliers.

Lidar installation volume and penetration rate (%)



Source: Gasgoo, Yole Group, Companies, DBS estimates

Lidar ASP vs lidar-based vehicle price (000s) (RHS)



Note: Hesai's ASP is for both ADAS and autonomous mobility, while Robosense's ASP refers to ADAS lidars; Source: Companies, DBS estimates

Lidar-equipped car model launches in 2025

OEM	Models, expected launch & price	Supplier
Leapmotor	B10 SUV (Apr) (>RMB100k)	Hesai
Li Auto	Refreshed L-series SUV line up e.g., L7, L8 (May) (>RMB300k)	Hesai
Xiaomi	YU7 (Jun) (RMB250k)	Hesai
ZEEKR	007GT (Mar) (RMB200k)	Hesai
BYD	Tang L EV (Mar) (>RMB270k)	Hesai
ZEEKR	9X SUV (3Q25) (>RMB600k)	Robosense
BYD	Ocean series (RMB100-300k), Denza (>RMB380k)	Robosense
Geely	Galaxy E8 (Mar) (>RMB120k)	Robosense
GAC	GAC Trumpchi S7 (Mar) (>RMB200k)	Robosense
Toyota	Bozhi 3X (Mar) (>RMB100k)	Robosense
NIO	ET5, ET5 Touring (May) (>RMB300k)	Seyond

Note: list is non-exhaustive; Source: Companies, DBS

Lidar growth outlook turning more positive on L3 acceleration. Over the past few months, an increasing number of OEMs have declared their L3 aspirations (e.g., Zeekr unveiled its 9X SUV with L3 solutions in April 2025, set to launch for mass sales in 3Q25; GAC is set to launch by 4Q25; Xpeng by 2H25; Leapmotor in Europe by 2026; Changan by 2026). L3 acceleration will drive greater lidar volume sales, with each L3 vehicle using up to 5 lidars per vehicle (1 main lidar + 2-4 blind spot lidars), versus L2/L2+ which only uses 1 lidar per vehicle. While lidar suppliers' FY25F volume sales remain largely focused on L2/L2+ applications, more meaningful contributions from L3 lidar sales could begin from FY26F, as Robosense and Hesai aim to commence mass production of their L3 ADAS lidars (e.g., Robosense's EM4 and Hesai's ETX) in 2H25 and 2026, respectively.

China's new AEBS mandate will boost lidar adoption; China's stringent requirements drive the necessity for lidars. In May 2025, China's Ministry of Industry & Information Technology (MIIT) issued a draft regulation to make Automatic Emergency Braking System (AEBS) mandatory by 2028, which is currently receiving public consultation through end June. Between Jan-Feb 2025, China's AEBS installation rate in PVs stood at 57%. Although most AEBS systems primarily rely on cameras and radars, the existing sensor stack may not be sufficient to meet more stringent regulatory

requirements, especially in uncertain lighting conditions. For example, US automakers have noted that the current camera-and-radar stack is inadequate to meet the 2029 US AEBS standards. In China's case, the proposed night-time and low-visibility testing requirements – coupled with regulators' growing emphasis on "safety effectiveness" following high-profile AEB failures (e.g., the non-lidar equipped Xiaomi SU7 incident in March 2025) – may incentivise lidar adoption, in our view. While some believe lidar is not necessary to achieve AEBS, we believe lidar brings about additional safety features, especially in event of nighttime or uncertain lighting conditions. China's more stringent AEBS mandate, greater emphasis on safety and consumers' fears around AEBS failures could drive the necessity for lidars going forward.

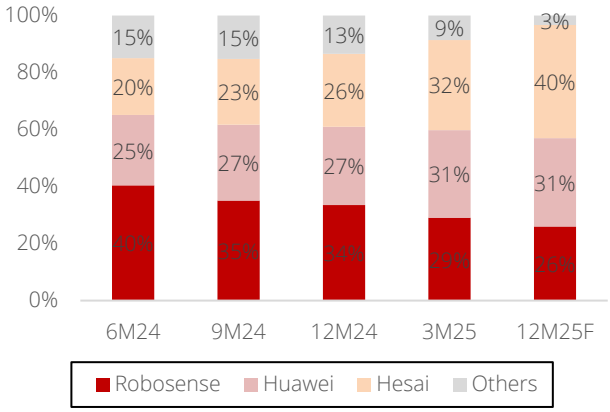
US vs Europe vs China AEBS standards

	US	Europe	China (Pending)
Effective date	2029	2022	Target: 2028
Coverage	All new PVs and light-trucks		
Pedastrian detection	Detection in both day and nighttime conditions	Nighttime detection is not explicitly stated	Night and low-visibility environment testing is mandatory
AEB activation range and speed requirements	Up to 100km/hr	Up to 10-60km/hr	PVs: 10-80km/hr; Light-trucks: 10-60km/hr
Collision requirements	"No contact" in collision avoidance	Focus on collision mitigation	N/A

Source: NHTSA, EU General Safety Regulation (GSR), China MIIT, DBS Bank

Hesai to emerge as #1 ADAS lidar leader in FY25. Hesai, Huawei and Robosense are the three major ADAS lidar leaders, with 1Q25 lidar installation market shares of 31.6%, 30.7% and 29.1% respectively, which makes up an aggregate share of ~92%. Based on our projections, we expect Hesai to emerge as the #1 leader within the ADAS space with a ~40% market share, with Hesai to see FY25F ADAS lidar volume growth of +178%, followed by Huawei at +141% and Robosense at +50%. Hesai's firm lidar sales outlook is supported by (i) Xiaomi's raised FY25F sales targets, (ii) Li Auto's revamped L series line-up, (iii) new strategic and sole supplier partnership with Leapmotor, and more. Meanwhile, Robosense's FY25F sales volume growth will see some negative impact from (i) Huawei-related OEM brands (i.e., HIMA) switching towards Huawei's lidars, and (ii) Xpeng's shift towards vision-based solutions, which explains its lower FY25F growth relative to Hesai. Though, we believe Robosense's ADAS lidar volumes could pick up in FY26F as it commences mass production for its RMB1,200 EMX ADAS lidar in 2H25, which has to-date won 17 design wins.

Lidar market share, by installation volumes



Source: Gasgoo, DBS estimates

Stock picks

The auto sector's recent volatility was driven by geopolitical risks and concerns over price competition. We anticipate the market to remain volatile, which should offer buying on dips opportunity. In the past one month, auto OEMs' share price fell by 2%-22%. Meanwhile, as the industry emerges from the 2Q lull period and into the seasonally stronger 2H, with expectations of a better sales trend, automakers' sales and valuations should improve.

Among automakers we like Geely and Xpeng, while in the tech-auto space, Xiaomi's highly anticipated new model is likely to draw market interest. In the lidar sector, we prefer Hesai, as it is a key ADAS beneficiary.

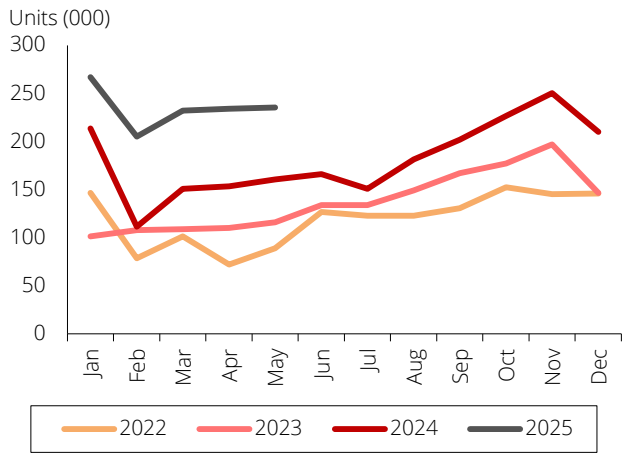
Geely (175 HK; BUY; TP HKD23) – Benefiting from acceleration in smart tech-embedded vehicles

The company has developed an extensive AI suite, G-Pilot, to enhance the intelligent driving capabilities of its vehicles across all brands. The suite encompasses vehicle architecture, powertrain systems, chassis, and intelligent cockpits (Flyme Auto system). Its proprietary Geely Xingrui AI model 2.0 is designed to boost computing power for autonomous driving advancements. Meanwhile, many of Geely's models (such as Galaxy M9) are powered with Geely's EM-i super hybrid technology.

As of end-May 25, Geely Group has 25 models (Geely, Lynk, and Galaxy) equipped with Geely's Flyme Auto smart cockpit systems, and achieving cumulative sales of some 1.16mn units. This marks a remarkable achievement for Geely in intelligent driving development, particularly as a legacy automaker. We expect continued growth in the company's AI-embedded sales going forward. Its mainstream NEV brand, Galaxy, has achieved significant growth, with sales of about 460k units, with y/y growth of 370% in 5M25, surpassing FY24's total shipments by about 17%. In FY25, NEV sales is projected to reach 1.5mn units across all brands, with Galaxy accounting for about two-thirds of the total.

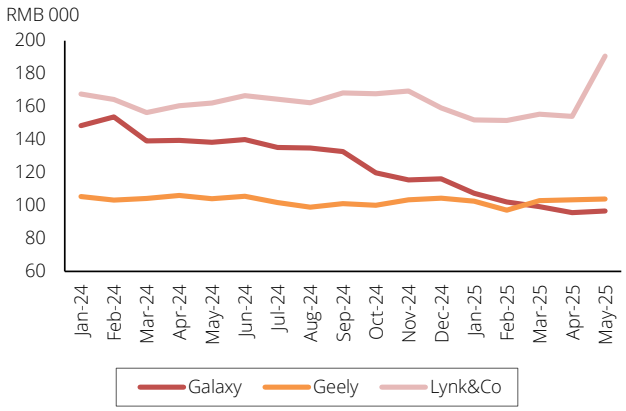
Geely's share price corrected by 17% over the past month, which we believe has largely priced in the negatives on price war. The stock is trading at a forward PE of 12x FY25F, or ~0.6SD below its historical average mean. With projected shipment volumes of 2.7mn units in FY25F, Geely is expected to achieve core earnings growth of over 50%. Maintain BUY rating based the potential for re-rating, driven by rapid smart technology penetration fuelling earnings expansion, and an undemanding valuation.

Geely monthly vehicle sales



Source: Company

Geely auto brands' average transacted price



Source: CPCA

Xpeng (9868 HK/XPEV US; BUY; TP HKD118/USD30) – Accelerating investment in AI

Despite having developed a full stack for intelligent driving and smart vehicle systems, the company is investing an additional RMB4.5bn in AI development in FY25, bringing the total investment to about RMB10bn. The rationale is to expand market share through technological innovation. The company's XOS Tianji operating system and smart electric platform have been instrumental in its smart vehicle rollout. Its Kunpeng super electric architecture is expected to propel the company into the extended-range EV (EREV) space, with the first product likely anticipated in 4Q.

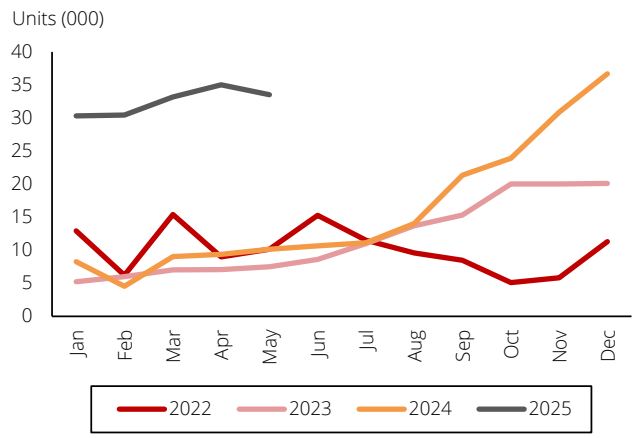
The company remains committed to achieving profitability by 4Q25, a crucial driver for valuation. It aims to reach this

goal through new model releases and technology advancements. Xpeng has maintained monthly deliveries at above 30k units for seven consecutive months, indicating strong market interest, likely driven by technologically advances yet affordably priced models like the MONA M03 and P7+. The renewed MONA series with the M03 Max, together with the G6, G&, G9, and X9 models, are expected to drive sales in 2H and vehicle prices, as the mix improves. These new models will be powered by Xpeng's self-developed Turing chips to enhance performance and cost efficiency. Annual volume shipment is projected to double in FY25, up from 190k units in FY24.

Xpeng's advanced technology has garnered recognition from industry peers, notably its partnership with Volkswagen. This collaboration, involving resource and expertise sharing in supply chain management, is expected to bring Xpeng a step closer to profitability. However, the full benefits of the partnership are yet to materialise, with the vehicle model being available in 2026. Therefore, this is not reflected in the current valuation. This business has the potential to generate 50% annual growth in revenue from FY24-26.

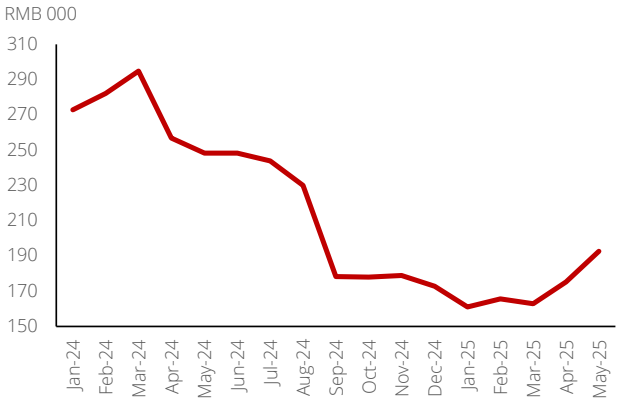
Xpeng's share price has corrected by 7% over the past month, in line with the broader sell-off in the auto sector. The stock is currently trading at a forward EV/sales of 1.3x FY25F, or 0.6SD below its historical average mean. The projected doubling of vehicle sales in FY25 and the company's strong technological expertise in intelligent driving should help turnaround its business. Maintain BUY.

Xpeng monthly vehicle sales



Source: Company

Xpeng vehicle average transacted price



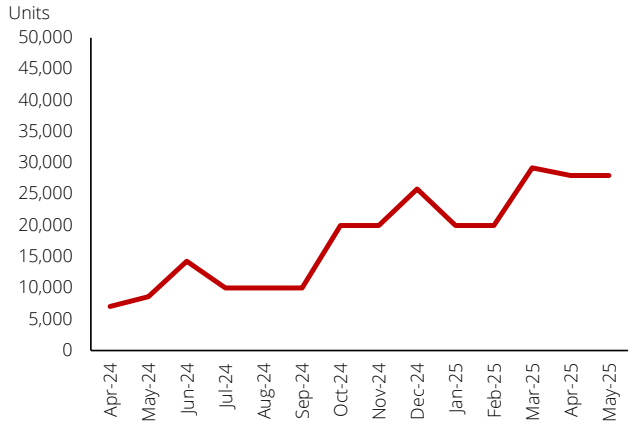
Source: CPCA

Xiaomi (1810 HK; BUY; TP HKD80) – Evolving into full-stack AI play

In the tech-auto space, Xiaomi looks interesting, especially with the highly anticipated launch of its YU7 model, an affordable SUV targeting the mainstream market segment, that includes peers like the Tesla Model Y. The company is expanding production capacity from 300k to 350k units to meet anticipated demand for the YU7. We reiterate our BUY rating on Xiaomi. Faster-than-expected profit in the EV segment, the imminent launch of a competitively priced premium SUV, and an aggressive R&D roadmap materially strengthen Xiaomi's narrative of premiumisation and vertical integration.

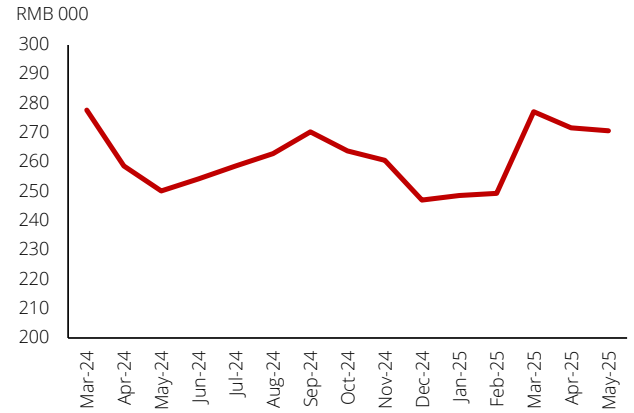
Despite its short operating history, Xiaomi has achieved a remarkable milestone, with monthly vehicle shipment ramping up rapidly to above 28k units since launch in Apr 24. With earnings CAGR forecast at c.34 % from FY24-27F, we see scope for further re-rating of the stock towards valuations of global tech peers as Xiaomi evolves from a smart-device vendor into a full-stack AI-hardware platform owner. Maintain BUY.

Xiaomi monthly sales



Source: Company

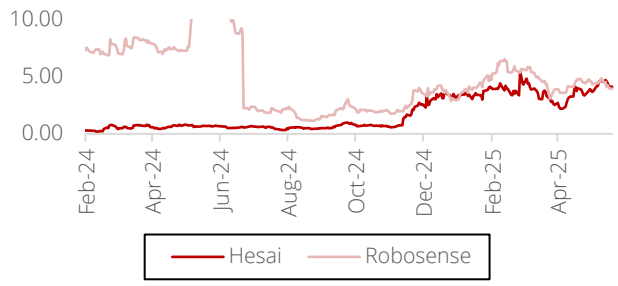
Xiaomi vehicle average transacted price



Source: CPCA

BUY recommendation and TP of USD25 for Hesai. Hesai currently trades at forward EV/sales of 4.1x (+1.2SD above historical mean of 2.5x). Over the past year, Hesai managed to close its valuation gap with Robosense amid its rising ADAS market share, which currently trades at 4.0x forward EV/sales (–0.5 standard deviations below its historical mean of 5.5x). Positive catalysts include additional design wins – particularly from international OEMs – following its landmark partnership with a leading EU OEM. Hesai is also on track to become the first lidar company to achieve profit breakeven in FY25F, which should support positive investor sentiment. Lastly, conclusion of public consultation around China's AEBS mandate in end June can drive positive sentiment for the entire lidar sector. Downside risks to Hesai include the loss of exclusive partnerships (e.g., Xiaomi/Li Auto), especially as those OEMs seek additional lidar suppliers to support their ramped-up volumes.

Historical forward EV/sales (x): Hesai vs Robosense



Source: Bloomberg, DBS estimates

Appendix 1: Chinese automakers new models featuring advanced driving technologies

Geely model	Galaxy Star 8	Galaxy E8	Lynk 900	Zeekr 007GT	Zeekr 9X	Galaxy A7	Galaxy M9
Launch Date	May-25	May-25	Apr-25	Apr-25	Jun-25	Jun-25	Jun-25
Segment	Sedan (Hybrid)	Sedan (BEV)	SUV (Hybrid)	Wagon	SUV (Hybrid)	Sedan (PEHEV)	SUV (PHEV)
CLTC (km)	60/130	757/620/700	220/268/280	585/650/825	380	55/70/120/150 (on electric)	85/170
Battery capacity (kWh)	8.5-18.4	62/75/76	21.9/22.9	75/100	116	8.5kWh/18.4kWh/18.99kWh	18.4kWh/41.46kWh
MSRP (RMB)	125,800-165,800	153,800-202,800	309,900-416,900	202,900-232,900	~1000,000	100,000-130,000 (TBC)	200,000-300,000 (TBC)
Features	EM-I and EM-P dual hybrid system Flyme smart cockpit system G-Pilot advanced driving system Powered with lidar system and capable of highway & urban NOA	Intelligent cockpit & driver assistance systesm, utilises Galaxy NOS operating system and Flyme Auto and Geely's Super Cloud Brain, including lidar	Based on the SPA Evo platform, built with Nvidia Drive Thor SoC chip to support ADAS function. Utilises a comprehensive sensor suites like lidar, camera, radars to support the G-Pilot system in intelligent driving	Built on Geely's 800V SEA platform. Features a lidar based intelligent driving system. Using dual Nvidia Orin X chips to support mapless ciy navigation	Based on EM-I super hybrid technology, equips with its G-Pilot H9 solution with L3 capability Powered by self-developed Thor chips and uses 5 lidars	Based on EM-I super hybrid technology and equipped with Xingrui AI 2.0 Thermal efficiency of 47.26%	Based on EM-P AI super hybrid technology and equipped with Xingrui AI 2.0 G-Pilot H5 intelligent safety driving system

Li Auto Model	Li L6	Li L9	Li L8	Li L7
Launch Date	May-25	May-25	May-25	May-25
Segment	Premium range-extended electric SUV	Premium range-extended electric SUV	Premium range-extended electric SUV	Premium flagship range-extended electric SUV
Range on full-electric (km)	CLTC: 212 km	CLTC: 280 km	CLTC: 225/280 km	CLTC: 225/286 km
Battery capacity (kWh)	36.8	52.3	42.8/52.3	42.8/52.3
Advanced driving features	AD Max and AD Pro (lidar system etc)	AD Max and AD Pro (lidar system etc)	AD Max & AD Pro (lidar system)	AD Max & AD Pro (lidar system)
MSRP price (RMB)	249,800-279,800	409,800-439,800	321,800-379,800	301,800-359,800

NIO brand & model	Firefly	ES6	EC6	ET5T	ET5
Launch Date	Apr-25	May-25	May-25	May-25	May-25
Segment	Small sedan	Mid-large SUV	Mid-size SUV	Mid-size sedan	Wagon
Driving range (km)	420 (CLTC range)	510/650 (CTLC range)	515/655 (CLTC range)	550/710 (CLTC range)	585/740 (CLTC range)
Power pack (KWh)	42.1	75/100	75/100	75/100	75/100
ADAS	NIO AI embedded	Shenji NX9031chip; Sky OS vehicle operating system	Shenji NX9031chip; Sky OS vehicle operating system	Shenji NX9031chip; Sky OS vehicle operating system	Shenji NX9031chip; Sky OS vehicle operating system
MSRP (Rmb)	119.800-125,800	338,000-396,000	358,000-416,000	298,000-356,000	298,000-356,000

Source: Company; Chinese news

Appendix 1: Chinese automakers new models featuring advanced driving technologies (con't)

Xpeng model	MONA M03 Max	P7+	G6	G7	G9	X9
Launch Date	May-25	Apr-25	Mar-25	Jun-25	Mar-25	Apr-25
Segment	Sedan	Sedan (BEV)	SUV (BEV)	SUV	SUV (BEV)	MPV (BEV)
CLTC (km)	620	685	625/725	702	625/680/725	650/702/720/740
Battery capacity (kWh)	LFP 62.2kWh	74.9	65/84	55.9/57.5/66	79/93.1	94.8/105
MSRP (RMB)	starting from 119,800	208,800	176,000-198,800	235,800	248.800-278.800	359,800-419,800
Features	AI-powered driving system, a premium cockpit. Using a dual Nvidia Orin-X chipsets and an AI Turing Smart driving system and Tianji Smart Cockpit	Self-developed ADAS chip, vision-based autonomous driving system (XOS5.4 and AI Hawkeye Visual Solution) AI-powered with high level of intelligent driving and smart cockpit experience	XPILOT 2.5 and Xmart OS Turing AI smart driving system with 2 Nvidia Drive Orin chips	Self-developed Turing AI chip and Nvidia Orin X smart driving chip Capable to achieve L3 computing power First model to feauture Xpeng's Vision Language Models (VLM) Equipped with HUD (head-up display) system co-operated by Xpeng and Huawei	Equipped with XNPG and 2 Nvidia drive Orin X chips Visual-based solution for intelligent driving	First model to be launched in both domestic and international markets

BYD model	e7	Seal 07 DM-i	Seal 06 EV	Seal 06 DM-i	Han L EV	SeaLion 06	FangChengBao Ti7
Segment	Compact sedan	Sedan (PHEV)	Sedan (BEV)	Sedan (PHEV)	Sedan (BEV/PHEV)	SUV (PHEV)	SUV (PHEV)
CLTC (km)	60	1000 (total)	500	70/125	506/605/701	TBC	130 (on electric)
Battery size (kWh)	520				83.2	74/170/180	TBC
Features & technology	DiPilot 100 ADAS, God's Eye C smart driving system	DM-i PHEV (1.5L/1.5T + electric motor), rooftop LiDAR, DiPilot 300 ADAS	DiPilot 100 ADAS, DiSus-C intelligent body control, electric powertrain	Fifth-generation DM hybrid technology, 1.5L engine + electric motor	ADAS embedded and comes with intelligent connectivity (God's Eye DiPilot 300) Powered with lidar system	Built on 5th generation DM hybrid technology and e-Platform 3.0 Evo platform	DMS system with 483 hp, electric range 130 km (CLTC), five-seat family-oriented, off-road capable
MSRP (RMN)	104,000	139,800-195,800	120,000-150,000	120,000-150,000	219,800-278,800 (BEV) 209,800-259,800 (PHEV)	160,000-200,00 (TBC)	300,000-350,000 (TBC)

Source: Company; Chinese news

Appendix 2: Tech giants Huawei and Xiaomi product portfolio

Huawei's partners	Brands/products	Features	ASP (RMB 000)
Chery Auto	LUXEED (S7 series and R7 series)	Luxeed S7 model and R7 model 53.4kWh-100kWh battery size driving range 360-703 km	S7: 229.8k R7: 249.8k-329.8k
BAIC	Stelato	S9 model (sedan) To feature Huawei's ADS 3.0 advanced intelligent driving system & HarmonyOS smart cockpit; CATL battery (100kWh) and CLTC range of 721-816km New S9 station wagon likely to adopt Huawei's ADS 4.0 driver's assistance system	309.8k-449.8k N.A
JAC	Maextro	S800 model in BEV and EREV electrification; 97kWh and CLTC of 650km and 702km Equipped with Huawei's ADS 4.0 smart driving system	708k-1018k
SAIC	SAIC Shang Jie	Likely a mid-size to large SUV build on SAIC's Roewe ES39 platform Will feature HarmonyOS intelligent cockpit, Huawei's Qiankun ADS advanced intelligent driving system	150k-200k
Seres	Huawei Aito the most successful partnership	Aito SUV M5 Ultra (2025), one BEV/two EREV variants; Lidar system New Aito M7 (facelift) EREV model; equips with lidar; HarmonyOS cockpit 3.0 and ADS solution New Aito M8 with Huawei intelligent driving system; battery size of 37kWh or 53.4kWh; CLTC range of 201km/310km New 2025 Aito M9 model, a BEV/EREV SUV variants Installed with 4 lidars to better sensing ability, and Huawei's Qiankun ADS 3.3 and will be upgraded to Qiankun ADS 4.0 version in later 2025 BEV battery size of 100kWh and support CLTC of 605km/630km EREV battery size of 52kWh and CLTC of 266km/290km	229.8k-249.8k 249.8k-329.8k 359.8k-449.8k 469.8k-569.8k

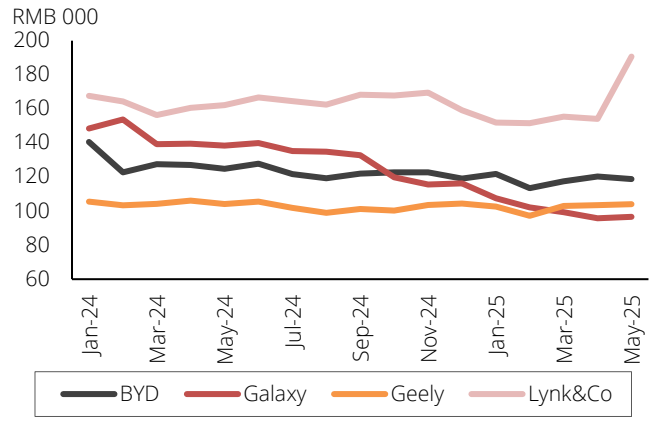
Source: Company, Chinese News

Appendix 2: Tech giants Huawei and Xiaomi product portfolio (con't)

Xiaomi model	Features	ASP (RMB 000)
SU7, SU7 Pro, SU7 Max	Key features inlcude the Xiaomi Pilot driver-assistance system and integrates with Xiaomi's broader ecosystem supports highways NOA and utilises two Nvidia Drive Orin X SoC, lidar system for SU7 Pro and SU7 Max, and radars Xiaomi smart chassis as its smart cockpit offerings	215.9k-299.9k
SU7 Ultra	Chassis is specifically tuned at the Nurburgring Nordschleife Integrating with Xiaomi's CTB battery technology for better performance	529.9k
YU7	The SUV is expect to be released end of Jun 25 Features Xiaomi self-developed Xring 01 chip Xiaomi HyperOS, Snapdragon 8295 chip and Nvidia Drive Orin chip for ADAS Comes with CLTC range of 835km on a 96.3kWh battery size Integrating human-centric technology across its smart ecosystem	NA

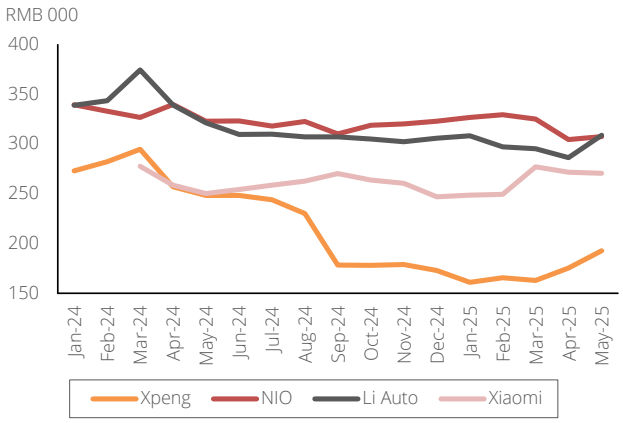
Source: Company, Chinese News

Vehicle average transacted price of mass-brands



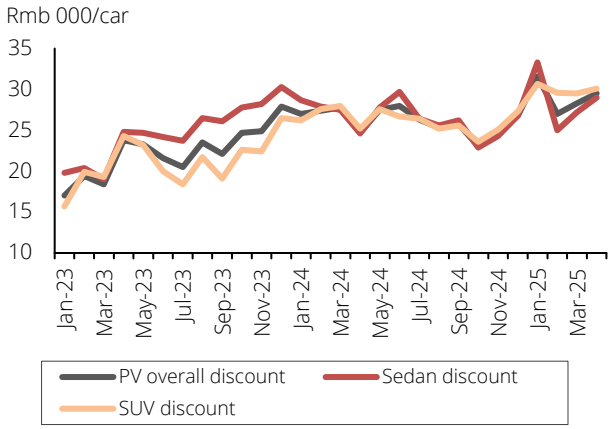
Source: CPCA

Vehicle average transacted price of EV brands



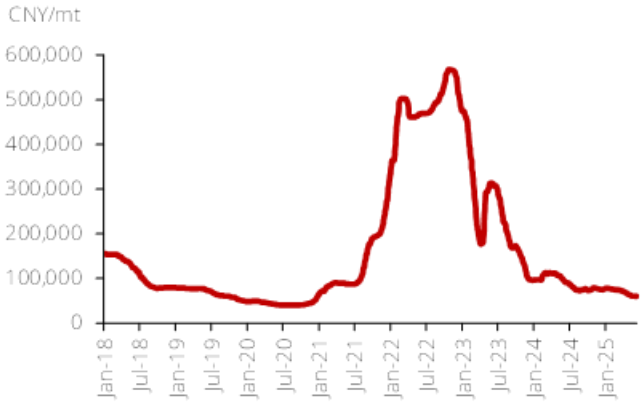
Source: CPCA

Average price discount per vehicle



Source: CPCA

EV battery lithium price trend



Source: Bloomberg

Auto performance table

		Share Price Performance (%)				
Company	Code	1-month	3-month	6-month	1-year	YTD
China Harmony	HK3836	10.0	(9.6)	13.8	37.5	29.4
China Meidong	HK1268	1.9	(12.8)	(4.5)	(0.9)	(54.8)
China Yongda	HK3669	(17.0)	(20.7)	(13.0)	29.5	(27.4)
China ZhengTong	HK1728	24.4	42.3	89.7	(30.5)	(53.0)
Zhongsheng	HK881	(5.2)	(15.1)	(20.7)	(3.5)	(36.1)
Fuyao Glass	HK3606	(3.3)	2.8	7.0	29.2	54.8
Minth	HK425	(0.9)	0.7	42.2	72.6	38.3
Nexteer	HK1316	(12.6)	6.5	62.3	55.6	15.2
Weichai Power	HK2338	11.3	7.9	47.6	20.6	32.7
Xingda	HK1899	1.7	(5.6)	(7.5)	(2.0)	(7.5)
Xinyi Glass	HK868	(0.3)	(6.9)	(5.4)	(16.7)	(15.1)
BAIC Motor	HK1958	(2.5)	(8.8)	(13.5)	(7.5)	(11.6)
BYD	HK1211	(16.2)	0.1	42.3	62.6	82.4
Chongqing Changan	CH200625	1.8	6.8	6.3	7.7	(11.3)
Dongfeng Motor	HK489	(22.0)	(15.1)	(8.3)	49.8	(7.3)
Geely Auto	HK175	(17.2)	0.7	9.5	87.5	99.0
Great Wall Motor	HK2333	(2.5)	(15.3)	(11.1)	(0.8)	20.9
Guangzhou Auto	HK2238	2.1	(7.3)	(15.5)	(2.4)	(19.7)
Li Auto	HK2015	(1.6)	11.7	18.1	58.6	(22.7)
Qingling	HK1122	12.9	27.3	34.6	27.3	37.3
SAIC Motor	CH600104	(4.0)	6.2	(13.0)	16.0	19.8
Sinotruk	HK3808	14.7	4.4	0.9	16.7	49.3
XPENG	HK9868	(3.0)	(4.2)	52.6	150.7	40.8
NIO	HK9866	(8.3)	(18.5)	(21.7)	(20.0)	(61.3)
ZJ Leapmotor	HK9863	(9.7)	16.9	73.0	113.4	59.6
HSI	HSI	3.7	4.8	21.8	35.4	43.6

Based on closing prices as at 25 Jun 2025

Source: Thomson Reuters

Automakers - Peers valuation

Company Name	Code	Currency	Price Local$	Mkt Cap US$m	Fiscal Yr	PE 25F x	PE 26F x	Yield 25F %	Yield 26F %	P/Bk 25F x	P/Bk 26F x	EV/EBITDA 25F x	EV/EBITDA 26F x	ROE 25F %	ROE 26F %
Hong Kong															
Guangzhou Automobile 'H'*	2238 HK	HKD	2.9	8,769	Dec	28.5	17.6	1.1	1.7	0.2	0.2	2.5	2.1	0.9	1.4
Sinotruk (Hong Kong)	3808 HK	HKD	22.6	7,949	Dec	8.3	7.4	6.4	7.3	1.3	1.1	3.6	3.2	15.2	15.7
Dongfeng Motor Gp.'H'	489 HK	HKD	3.55	3,732	Dec	81.4	19.2	0.6	0.3	0.2	0.2	0.0	0.0	0.1	0.5
Great Wall Motor 'H'*	2333 HK	HKD	12.36	22,204	Dec	7.3	6.5	4.2	4.7	1.1	1.0	3.8	3.7	16.0	16.0
BYD 'H'*	1211 HK	HKD	129.9	148,829	Dec	6.7	5.6	4.4	5.3	1.3	1.2	2.3	2.0	23.2	21.8
Geely Automobile Hdg.*	175 HK	HKD	16.80	21,601	Dec	12.4	10.3	3.0	3.5	1.6	1.5	6.7	5.3	13.7	15.0
BAIC Motor 'H'	1958 HK	HKD	1.98	2,022	Dec	5.5	5.0	6.6	7.2	0.1	0.2	0.6	0.6	3.9	3.8
Average^						**11.4**	**8.7**	**8.4**	**6.2**	**0.7**	**0.7**	**3.2**	**3.3**	**8.9**	**9.1**
China															
Saic Motor 'A'	600104 CH	CNY	16.2	26,048	Dec	18.0	14.1	2.4	2.9	0.6	0.6	4.1	3.8	3.6	4.6
Faw Jiefang Group 'A'	000800 CH	CNY	6.86	4,690	Dec	42.9	27.4	2.2	2.8	1.3	1.2	9.1	7.3	3.4	4.7
CQ Changan Auto 'A'*	000625 CH	CNY	12.8	17,628	Dec	n.a.	n.a.	0.0	0.0	n.a.	n.a.	0.0	0.0	0.0	0.0
CQ Changan Auto 'B'	200625 CH	HKD	3.91	4,938	Dec	5.3	4.0	7.3	8.9	0.4	0.4	4.3	3.6	8.6	10.4
Anhui Jianghuai Auto 'A'	600418 CH	CNY	41.79	12,678	Dec	245.8	61.5	0.0	0.4	7.6	6.9	30.1	21.6	3.1	9.8
Yutong Bus 'A'	600066 CH	CNY	25.08	7,713	Dec	11.9	10.4	6.4	6.9	3.5	3.3	7.8	6.9	32.8	34.6
Great Wall Motor 'A'	601633 CH	CNY	21.62	22,204	Dec	13.8	12.3	2.2	2.5	2.1	1.9	8.3	8.0	16.0	16.0
Guangzhou Auto 'A'*	601238 CH	CNY	7.56	8,769	Dec	80.3	49.5	0.4	0.6	0.7	0.7	9.0	7.5	0.9	1.4
BYD 'A'*	002594 CH	CNY	349.27	148,829	Dec	19.9	16.6	1.5	1.8	3.9	3.3	7.1	6.2	23.2	21.8
Average						**54.7**	**24.5**	**2.5**	**3.0**	**2.5**	**2.3**	**8.9**	**7.2**	**10.2**	**11.5**

^ Exclude outliner

 # FY25: FY26; FY26: FY27

*Source: Thomson Reuters, *DBS HK*

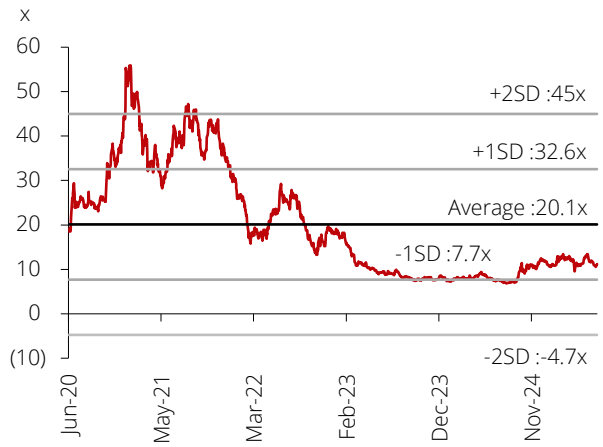
NEV - Peers valuation

Company Name	Code	Price Local$	Mkt Cap US$m	PE 25F x	PE 26F x	P/S 25F x	P/S 26F x	P/Bk 25F x	P/Bk 26F x	EV/EBITDA 25F x	EV/EBITDA 26F x	EV/GP 25F	EV/GP 26F	ROE 25F %	ROE 26F %
BYD 'H'*	1211 HK	129.9	148,829	6.7	5.6	0.7	0.6	1.3	1.2	2.3	2.0	3.8	3.3	23.2	21.8
NIO*	9866 HK	27.55	7,775	n.a.	n.a.	0.6	0.5	42.9	41.7	n.a.	n.a.	4.1	2.5	(241.1)	(874.9)
Tesla	TSLA US	327.55	1,055,024	171.3	115.7	11.0	9.2	13.6	12.2	63.1	46.1	52.7	40.3	8.7	11.2
Xpeng*	9868 HK	76.45	15,198	n.a.	97.5	1.4	1.0	4.6	4.4	n.a.	45.5	7.9	5.4	(7.0)	4.6
Li Auto*	2015 HK	111.7	25,400	23.6	15.6	1.1	0.9	2.6	2.2	6.8	4.2	2.9	2.3	11.5	15.3
Zhejiang Leapmotor	9863 HK	56.65	8,057	266.4	29.4	0.9	0.7	6.3	5.0	62.8	18.5	7.2	4.6	2.4	17.0
Zeekr	ZK US	26.32	6,690	n.a.	38.7	0.4	0.3	n.a.	n.a.	(15.8)	6.5	n.a.	n.a.	28.6	5.3
Average				**85.4**	**49.0**	**2.2**	**1.7**	**11.8**	**10.4**	**24.9**	**21.4**	**15.7**	**8.4**	**(66.9)**	**(141.2)**

 # FY25: FY26; FY26: FY27

*Source: Thomson Reuters, *DBS HK*

Automaker sector PE

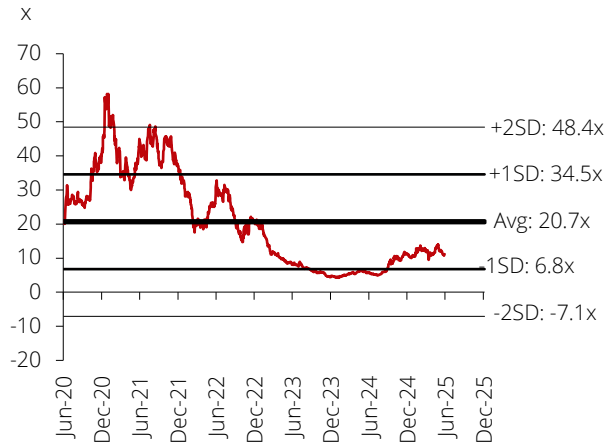


Source: Thomson Reuters, DBS

NEV sector PS

Source: Thomson Reuters, DBS

Geely - PE chart



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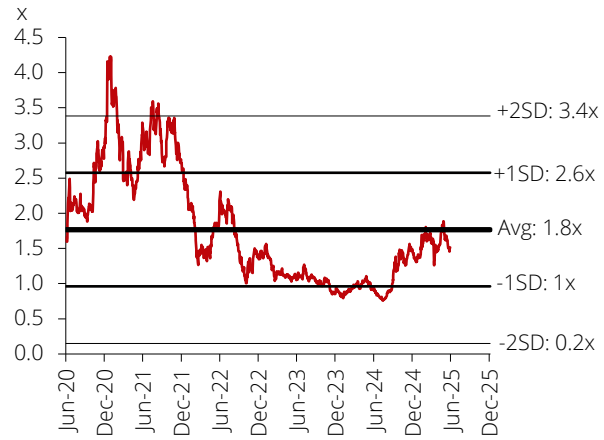
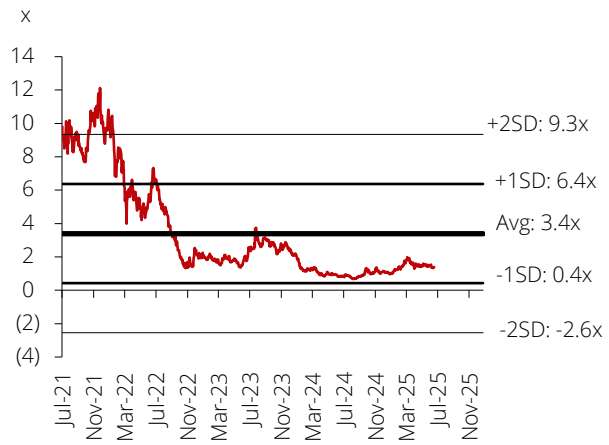
Geely - PB chart



Source: Thomson Reuters, DBS

XPeng - PS chart



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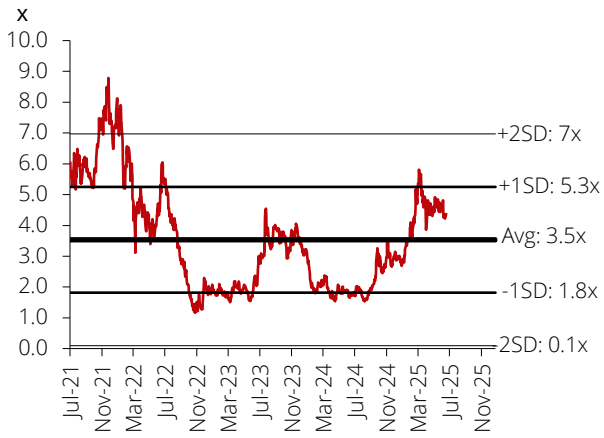
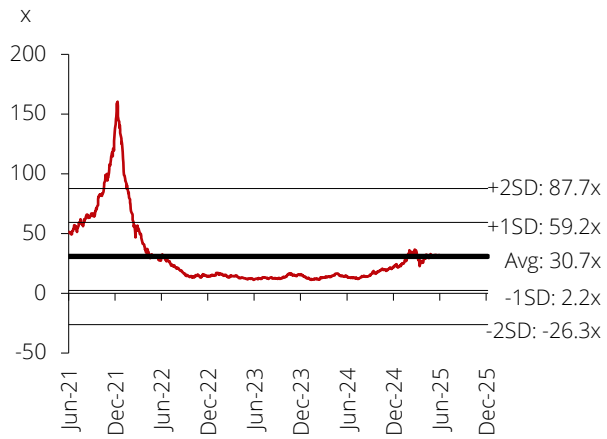
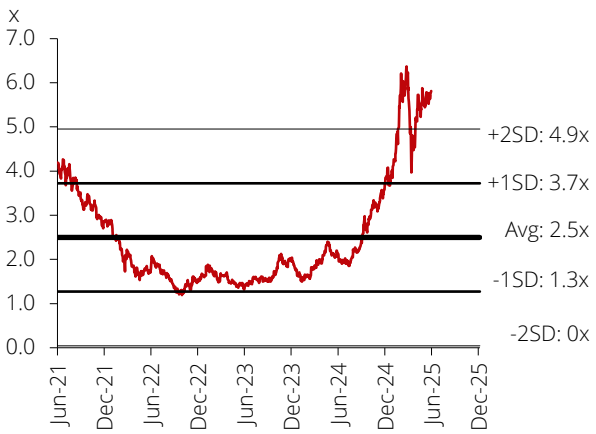


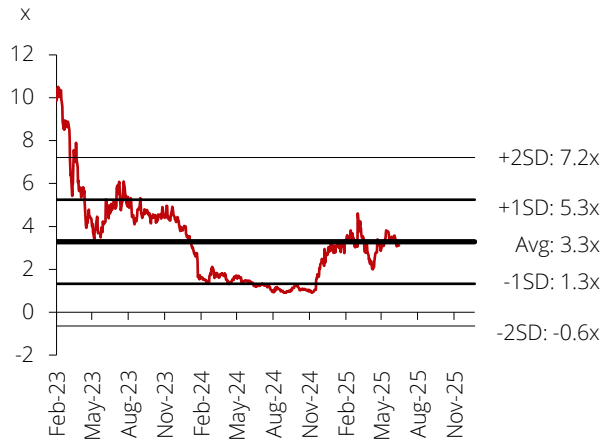
Xiaomi - PE chart



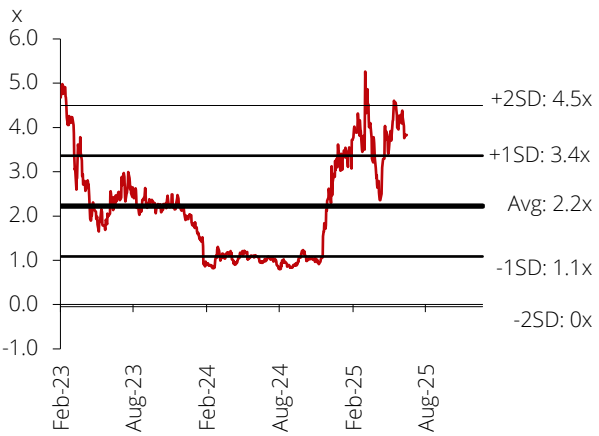
Xiaomi - PB chart



Hesai - PS chart



Hesai - PB chart



Source: Thomson Reuters, DBS

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**Share price appreciation + dividends*

Completed Date: 26 Jun 2025 18:29:41 (HKT)
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