

China Mobility Tech: Going global: stronger growth & lower pricing risk, sell-through tells the real story; Buy BYD/Leapmotor/XPeng

Momentum accelerating, Chinese brands moving into top ranks

Automotive sector is the largest consumer market in terms of total revenue globally. China OEMs have acquired another 3% share over the last year to reach 10% in the global ex-China/US markets (vs. 20% for white goods). During 1Q26, Chinese brands moved up in ranks in the UK, Korea, and Italy, now they're among top 3 NEV brands in the UK, Korea, Spain, Italy, Turkiye, Thailand, Brazil, and Australia. Despite a higher base, China NEV exports have been accelerating, +63% yoy in 1Q26 vs. +6%/+21% yoy in 1Q25/2025, driven by increasing supply of competitive models.

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Risks of price competition moderate, Thailand lowered

We do not see overseas momentum acceleration translating to aggressive pricing yet. Per our **overseas price competition framework (report)**: (1) Is the auto market in contraction? (2) Do Chinese OEMs have high penetration? (3) Is there excess production capacity?, compared with Jan 2026, we see **pricing risk in Thailand has reduced as a result of strong demand rebound**, while all other markets remain unchanged. Pricing in Thailand/UK are trending positive, while Brazil is negative from a high base.

Sell-through tells the real story; Buy BYD/Leapmotor/XPeng

Three sets of numbers are disclosed, management export target, export wholesale, and overseas retail sales. We believe that retail number is the most important in understanding the success and growth of companies, and a leading indicator of volume momentum ahead. Based on this interpretation, we believe **BYD, Leapmotor, and XPeng** have the highest visibility to overseas expansion, with their retail growth exceeding export growth.

Raising China passenger vehicle export volume forecast

We raise our China PV export volume by 6%~11% in 2026E~30E, to 7.8mn~10mn (~17% market share ex-China/US). We expect NEV penetration to increase from 49% to 70%, translating to a 26% CAGR driven by increasing supply of competitive models in terms of both features and cost vs. ICE.

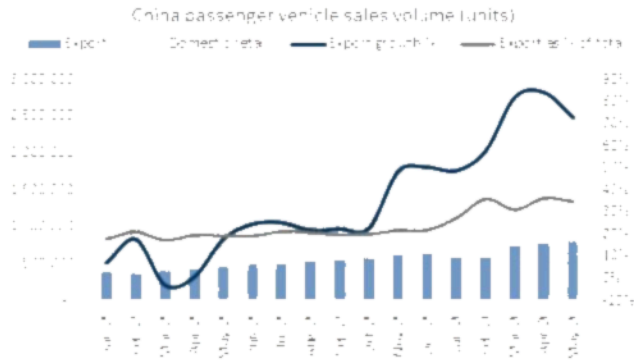
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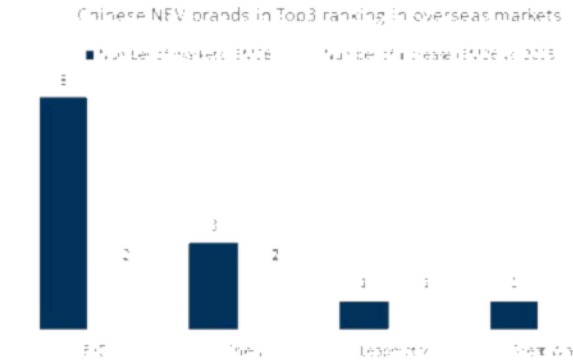
Key charts

Exhibit 1: China passenger vehicle export continued to accelerate in 2026



Source: CAAM

Exhibit 2: Chinese NEV brands ranking improved in overseas markets



We counted the number of markets where Chinese NEV brands are in top3 ranking, within the top 18 markets in terms of 3M26 NEV sales volume (excluding China and US)

Source: MarkLines, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: We build a framework to assess potential price cut in overseas markets: (1) Is the auto market in contraction? (2) Do Chinese OEMs have high penetration? (3) Is there excess production capacity? In 3M26, we saw risks in Thailand lowered as a result of strong demand rebound

Overall risk of price competition		Country	(1) Is the auto market in contraction?		(2) Do Chinese OEMs have high penetration?		(3) Is there excess production capacity?	
Old	New		Old	New	Old	New	Old	New
●	●	UK	●	●	●	●	●	●
●	●	Brazil	●	●	●	●	●	●
●	●	Thailand	●	●	●	●	●	●
●	●	Australia	●	●	●	●	●	●
●	●	Italy	●	●	●	●	●	●
●	●	Indonesia	●	●	●	●	●	●
●	●	Germany	●	●	●	●	●	●
●	●	Spain	●	●	●	●	●	●
●	●	Turkiye	●	●	●	●	●	●
●	●	Malaysia	●	●	●	●	●	●
●	●	Mexico	●	●	●	●	●	●
●	●	Vietnam	●	●	●	●	●	●

1) Country listed by China export volume; 2) Green dot represents favorable export environment for Chinese OEMs given higher auto market growth, relatively low penetration from Chinese OEMs, limited overcapacity concerns.

Source: IHS, MarkLines, Goldman Sachs Global Investment Research

Exhibit 4: We believe retail number is the most important in understanding the success and growth of companies, and a leading indicator of volume momentum ahead. We believe BYD, Leapmotor, and XPeng have the highest visibility to overseas expansion, with their retail growth exceeding export growth

Company	Period	BYD	Chery	SAIC	ChangAn	Geely	Great Wall	GAC	Leapmotor	XPeng	SUM
Sales volume (k units)											
Annual target	2025	1,046	1,405	1,071	637	420	506	124	60	45	5,314
	2026	1,500	1,500	1,300	875	640	600	250	125	90	6,880
Wholesale export	1Q25	201	238	173	97	89	76	18	8	8	908
	1Q26	312	372	276	116	203	112	54	41	12	1,498
Retail	1Q25	115	214	158	35	187	81	12	3	7	812
	1Q26	218	278	172	42	204	99	22	22	11	1,068
Yoy growth (%)											
Annual target	2026	43%	7%	21%	37%	52%	19%	102%	108%	100%	29%
Wholesale export	1Q26	56%	56%	60%	19%	128%	47%	194%	442%	52%	65%
Overseas retail	1Q26	90%	30%	9%	20%	9%	22%	77%	554%	69%	32%

Green box indicates a favourable scenario with strongest sell-through retail end overseas, red box indicates an unfavourable scenario with weak retail sales and inventory built-up, while gray box indicates a neutral scenario

Source: Company data, CAAM, IHS

Momentum accelerating, Chinese brands moving into top ranks

Automotive sector is the largest consumer market in terms of total revenue globally as of 2026. China auto OEMs have acquired another 3% market share over the last year to reach 10% in the global ex-China/US markets, per MarkLines (compared to 20% for white goods in 2025), and the momentum is accelerating this year. During the first three months of 2026, Chinese brands moved up in ranks in the UK, Korea, and Italy, now they're among top 3 NEV brands in the UK, Korea, Spain, Italy, Turkiye, Thailand, Brazil, and Australia ([Exhibit 5](#)). Despite a higher base, China NEV exports have been accelerating, with +63% yoy export growth in 1Q26 vs. +6%/+21% yoy in 1Q25/2025, driven by increasing supply of competitive models ([Exhibit 6](#), [Exhibit 7](#), [Exhibit 8](#)).

China brands saw an acceleration in market share gains, rising to top 3 brands in more countries

We analyze the top 20 markets based on their 3M26 NEV sales volume. Excluding China and the US, the two biggest auto markets in terms of units sold, the next 18 markets have a combined market size of 1.3mn units and grew 39% yoy in 3M26, capturing 86%/63% of ex-China/US NEV/PV sales. We highlight that **(1) Chinese brands have moved up to the top 3 NEV brands in 5 countries** (BYD in 4 countries, Chery in 2 countries, Leapmotor in 1 country), and BYD ranked in the top 3 NEV brands in 8 countries out of 18; **(2) Chinese brands ranked in the top 3 NEV brands in 8 countries as of 3M26, vs. 6 out of 18 as of end 2025** (2 new additions are the UK and South Korea), and Chinese brands ranked No.1 in Thailand, Australia, Brazil and Turkiye; **(3) China NEV brands have seen accelerated market share gains**, acquiring additional 3% passenger vehicle volume share in 3M26 vs. 3M25, compared to 1% share gain in 2025 vs. 2024. In 3M26, Chinese NEV brands gained share in almost all of these overseas markets (except for Sweden), seeing high single-digit to double-digit share gains in both developed and emerging markets such as Thailand (15%), Australia (11%), UK (7%), Norway (6%) and Brazil (6%).

Exhibit 5: Chinese brands saw accelerated share gains overseas in 3M26, now among top 3 NEV brands in UK, Korea, Spain, Italy, Turkiye, Thailand, Brazil, and Australia

Market	NEV volume (k)		YoY %	NEV penetration			Top NEV brands (3M26)			Chinese NEV market share			Chinese PV market share		
	3M26	3M25		3M25	3M26	% chg	No.1	No.2	No.3	3M25	3M26	% chg	3M25	3M26	% chg
Sub-total	1,307	39%		17%	22%	5%				19%	27%	8%	6%	9%	3%
Europe	966	26%		25%	31%	6%				15%	21%	6%	7%	10%	3%
Asia (ex-China)	294	92%		6%	11%	5%				31%	36%	5%	4%	6%	3%
Latin America	46	99%		6%	10%	4%				99%	98%	-1%	11%	17%	6%
China	1,908	-21%		47%	45%	-2%	BYD	Geely	SAIC	85%	86%	1%	61%	61%	0%
US	47	-45%		12%	8%	-4%	Tesla	BMW	Toyota	0%	0%	0%	0%	0%	0%
Germany	230	31%		26%	33%	6%	VW	BMW	Stellantis	2%	6%	4%	4%	5%	1%
UK	216	25%		30%	35%	5%	VW	Chery	BYD	7%	22%	16%	11%	18%	7%
France	132	30%		25%	33%	8%	Stellantis	Renault	VW	3%	5%	2%	3%	4%	1%
Korea	83	124%		11%	23%	12%	Hyundai	Tesla	BYD	0%	5%	5%	1%	2%	1%
Italy	78	78%		10%	16%	6%	VW	BYD	Leapmotor	11%	36%	25%	6%	11%	5%
India	62	67%		3%	5%	2%	Tata	MG	M&M	3%	2%	-1%	0%	0%	0%
Spain	61	53%		14%	20%	6%	VW	BYD	Mercedes	14%	25%	11%	9%	12%	3%
Thailand	61	109%		24%	38%	14%	BYD	Chery	MG	76%	78%	2%	23%	38%	15%
Vietnam	51	83%		35%	43%	8%	VinFast	Ford		0%	0%	0%	0%	0%	0%
Belgium	46	19%		32%	40%	8%	VW	Stellantis	Mercedes	3%	7%	3%	7%	9%	2%
Brazil	46	99%		6%	10%	4%	BYD	Geely	SAIC	99%	98%	-1%	11%	17%	6%
Netherlands	45	-13%		56%	55%	-1%	VW	Volvo	Hyundai	3%	8%	5%	9%	11%	3%
Sweden	40	9%		58%	64%	7%	Volvo	VW	Hyundai	1%	1%	0%	21%	21%	-1%
Australia	37	71%		10%	17%	7%	BYD	Tesla	Volvo	47%	57%	10%	15%	26%	11%
Denmark	35	47%		64%	81%	17%	VW	Toyota	Stellantis	6%	6%	0%	9%	11%	3%
Austria	31	33%		36%	41%	5%	VW	Stellantis	BMW	7%	11%	4%	6%	8%	3%
Norway	27	-11%		95%	99%	3%	Tesla	VW	Volvo	6%	9%	3%	18%	24%	6%
Turkiye	25	-2%		12%	12%	0%	BYD	Geely	Tesla	35%	33%	-2%	9%	9%	0%

Top NEV brands column: 1) Green highlights in indicate Chinese brands that moved into top ranks; 2) Blue text refers to Chinese Brands

Source: IHS, MarkLines, Company data, Data compiled by Goldman Sachs Global Investment Research

Despite a higher base, China NEV exports have been accelerating, with +63% yoy export growth in 1Q26 vs. +6%/+21% yoy in 1Q25/2025, driven by increasing supply of competitive models ([Exhibit 6](#), [Exhibit 7](#), [Exhibit 8](#)). Based on our **product comps analysis** in Europe/Thailand/Brazil ([Exhibit 6](#), [Exhibit 7](#), [Exhibit 8](#)), we see cheaper MSRPs (Thailand), lower energy cost (Europe, Thailand, Brazil) and larger size (Europe, Thailand, Brazil) jointly contributed to the high competitiveness of NEVs compared to ICEs. Generally, NEV MSRPs are higher when NEV penetration is low in the region, gradually decreasing with an increase NEV penetration. MSRPs for NEVs are 108% higher than ICEs in Brazil (10% NEV penetration in 3M26), vs. 15% higher on average in Europe (31% NEV penetration) and 12% cheaper on average in Thailand (38% NEV penetration), while energy-adjusted prices become comparable to ICEs due to lower energy cost (cheaper electricity vs. gasoline/ethanol/diesels) in all three regions.

Europe - Competitive energy-adjusted price and larger size

We compare price (adjusted for energy cost), driving range, and size for top 5 selling NEV models vs. ICE models among 5 key European countries (France, Italy, Germany, Spain and UK), where NEV models show stronger competitive than ICEs mainly on price and size. (1) Price: MSRPs for NEV models are generally 26%-41% higher than ICE models in A/B-segment sedans and C-segment SUVs, while energy-adjusted prices are relatively lower to ICEs (-19% to +5%) as a result of 45%-54% lower energy cost compared to ICEs. MSRPs for D-segment SUV NEVs are already 21% cheaper than ICEs, which also augments energy cost savings. However, we also notice that the energy cost savings are not as competitive as in emerging markets especially for HEVs vs. BEV/PHEV. (2) Size: Within C-segment SUVs, NEV models generally have larger size with average 2,746mm wheelbase vs. 2,657mm for ICEs.

Exhibit 6: Best-selling models in Europe

Best-selling A/B segment sedan in Europe

Country OEM Model	BEV				
	France Renault Renault 5	China Leapmotor T03	Netherlands Stellantis C3	China BYD Dolphin Surf	France Renault Renault 4
Powertrain	BEV	BEV	BEV	BEV	BEV
Energy adjusted price (EUR k)	39.1	30.1	31.3	34.2	40.7
MSRP (EUR k)	27.9	18.9	20.1	23.0	29.5
Energy cost (EUR k)	11.2	11.2	11.2	11.2	11.2
Driving range (WLTP, km)	307	265	212	220	308
Battery size (Kwh)	40	37	30	30	40
Price score	6	10	9	8	5
Range score	4	3	1	2	5
Sub-total score	10	13	10	10	10
1Q26 sales (units)	16,111	13,887	10,287	7,010	5,463

Country OEM Model	ICE/HEV				
	France Renault Clio	Netherlands Stellantis Fiat Panda	France Renault Dacia Sandero	Netherlands Stellantis Peugeot 208	Japan Toyota Yaris
Powertrain	ICE/HEV	ICE	ICE	ICE	ICE/HEV
Energy adjusted price (EUR k)	35.9	41.6	42.4	54.1	41.5
MSRP (EUR k)	19.9	12.0	12.8	24.5	25.5
Energy cost (EUR k)	16.0	29.6	29.6	29.6	16.0
Driving range (WLTP, km)	NA	NA	NA	NA	NA
Battery size (Kwh)	NA	NA	NA	NA	NA
Price score	7	3	2	1	4
Range score	5	5	5	5	5
Sub-total score	12	8	7	6	9
1Q26 sales (units)	45,449	38,707	37,187	34,694	26,569

Best-selling C segment SUV in Europe

Country OEM Model	BEV/PHEV				
	China BYD Seal U	Germany Volkswagen Volkswagen Tiguan	Germany Volkswagen Volkswagen ID.4	Germany Volkswagen Volkswagen C-HR	Japan Toyota MG ZS SUV
Powertrain	PHEV	BEV	PHEV	BEV	BEV
Energy adjusted price (EUR k)	52.4	48.6	65.6	51.8	53.2
MSRP (EUR k)	40.0	37.4	52.2	40.6	42.0
Energy cost (EUR k)	12.4	11.2	13.4	11.2	11.2
Driving range (WLTP, km)	1,080	453	1,300	436	458
Battery size (Kwh)	18	58	20	58	54
Length (mm)	4,775	4,488	4,539	4,584	4,520
Width (mm)	1,890	1,884	1,842	1,852	1,870
Height (mm)	1,670	1,625	1,658	1,634	1,595
Wheelbase (mm)	2,765	2,765	2,677	2,771	2,750
Price score	4	9	2	6	3
Range score	4	2	5	1	3
Size score	8	8	4	10	7
Sub-total score	16	19	11	17	13
1Q26 sales (units)	18,314	18,049	10,097	9,592	8,630

Country OEM Model	ICE/HEV				
	Japan Nissan Qashqai	Korea Hyundai/Kia Sportage	Germany Volkswagen Tiguan	France Renault Duster	China SAIC MG ZS SUV
Powertrain	ICE/HEV	ICE/HEV	ICE	ICE	ICE/HEV
Energy adjusted price (EUR k)	50.5	50.0	68.8	51.8	37.0
MSRP (EUR k)	34.5	34.0	39.2	22.2	21.0
Energy cost (EUR k)	16.0	16.0	29.6	29.6	16.0
Driving range (WLTP, km)	NA	NA	NA	NA	NA
Battery size (Kwh)	NA	NA	NA	NA	NA
Length (mm)	4,425	4,540	4,539	4,343	4,430
Width (mm)	1,835	1,865	1,842	1,813	1,818
Height (mm)	1,625	1,645	1,658	1,656	1,635
Wheelbase (mm)	2,665	2,680	2,677	2,657	2,606
Price score	7	8	1	5	10
Range score	3	3	3	3	3
Size score	3	6	4	2	1
Sub-total score	13	17	8	10	14
1Q26 sales (units)	34,055	27,719	25,291	24,400	24,110

Best-selling D segment SUV in Europe

Country OEM Model	BEV/PHEV				
	US Tesla Model Y	China Chery Jaecoo 7/i7	Germany Volkswagen Enyaq iV	Germany Volkswagen Audi Q4 e-tron	Germany Volkswagen Audi Q6
Powertrain	BEV	PHEV	BEV	BEV	BEV
Energy adjusted price (EUR k)	51.2	50.3	54.2	58.7	74.7
MSRP (EUR k)	40.0	36.9	43.0	47.5	63.5
Energy cost (EUR k)	11.2	13.4	11.2	11.2	11.2
Driving range (WLTP, km)	534	1,200	455	440	535
Battery size (Kwh)	60	18	58	59	76
Length (mm)	4,797	4,500	4,658	4,603	4,771
Width (mm)	1,920	1,865	1,879	1,865	1,939
Height (mm)	1,621	1,670	1,622	1,632	1,685
Wheelbase (mm)	2,890	2,672	2,766	2,765	2,889
Price score	9	10	8	6	5
Range score	3	5	2	1	4
Size score	9	2	5	4	8
Sub-total score	21	17	15	11	17
1Q26 sales (units)	30,598	15,036	13,679	9,458	8,916

Country OEM Model	ICE/HEV				
	Germany Mercedes GLC	Germany BMW X3	UK JLR Defender	Germany VW Audi Q5	Japan Nissan X-Trail
Powertrain	ICE	ICE	ICE	ICE	ICE/HEV
Energy adjusted price (EUR k)	100.9	89.9	91.1	83.7	55.9
MSRP (EUR k)	71.3	60.3	67.5	54.1	39.9
Energy cost (EUR k)	29.6	29.6	23.6	29.6	16.0
Driving range (WLTP, km)	NA	NA	NA	NA	NA
Battery size (Kwh)	NA	NA	NA	NA	NA
Length (mm)	4,845	4,755	4,323	4,717	4,680
Width (mm)	1,913	1,920	2,008	1,900	1,840
Height (mm)	1,644	1,660	1,969	1,647	1,720
Wheelbase (mm)	2,972	2,865	2,587	2,820	2,705
Price score	1	3	2	4	7
Range score	4	4	4	4	4
Size score	10	7	1	6	3
Sub-total score	15	14	7	14	14
1Q26 sales (units)	13,273	9,510	6,710	6,635	6,101

Source: MarkLines, ADAC, Data compiled by Goldman Sachs Global Investment Research

Thailand - Pricing competitiveness in both MSRP and energy costs

We find that MSRPs for top 5 selling NEV models are generally comparable or cheaper than top 5 selling ICEs in Thailand in Sedans (+0.4%) / SUVs (-25%), further supported by 69%-76% cheaper energy costs, making energy adjusted prices 25%-37% cheaper than ICEs. Moreover, larger size is another competitive strength for NEVs.

Exhibit 7: Best-selling models in Thailand

Best-selling sedans in Thailand						ICE/HEV				
Country	China	China	China	China	US	Japan	Japan	Japan	Japan	Japan
OEM	BYD	SAIC	GAC	Great Wall	Tesla	Toyota	Honda	Honda	Toyota	Mazda
Model	Dolphin	MG 4	Aion UT	Ora Good Cat	Model 3	Yaris Ativ	City	Civic	Camry	Mazda 2
Powertrain	BEV	BEV	BEV	BEV	BEV	ICE/HEV	ICE/HEV	HEV	HEV	ICE
Segment	B	C	C	C	D	C	C	C	D	B
Bodytype	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan
Energy adjusted price (THB k)	697.9	767.9	567.9	897.0	1,697.0	925.0	955.0	1,305.0	1,831.0	1,187.6
MSRP (Entry level, THB k)	599.9	669.9	469.9	799.0	1,599.0	569.0	599.0	949.0	1,475.0	529.0
Energy cost (THB k)	98.0	98.0	98.0	98.0	98.0	356.0	356.0	356.0	356.0	658.6
Driving range (WLTP, km)	420	437	320	401	634	NA	NA	NA	NA	NA
Battery size (Kwh)	45	43	32	46	63	NA	NA	NA	NA	NA
Length (mm)	4,280	4,395	4,270	4,235	4,720	4,425	4,580	4,681	4,920	4,360
Width (mm)	1,770	1,842	1,850	1,825	1,848	1,740	1,748	1,802	1,840	1,695
Height (mm)	1,570	1,551	1,575	1,596	1,442	1,480	1,467	1,415	1,445	1,470
Wheelbase (mm)	2,700	2,750	2,750	2,650	2,875	2,620	2,589	2,734	2,825	2,570
Price score	9	8	10	7	2	6	5	3	1	4
Range score	3	4	1	2	5	5	5	5	5	5
Size score	5	7	7	4	10	3	2	6	9	1
Sub-total score	17	19	18	13	17	14	12	14	15	10
1Q26 sales (units)	6,050	3,680	2,431	1,907	1,431	19,739	9,076	3,334	1,424	1,422

Best-selling SUVs in Thailand						ICE/HEV				
Country	China	China	China	China	China	Japan	Japan	Japan	Japan	Japan
OEM	Chery	BYD	ChangAn	SAIC	Chery	Toyota	Honda	Toyota	Toyota	Isuzu
Model	Jaecoo 5	ATTO 3 (Yuan Plus)	S05	MG55 (MG ES5)	ICAR V23	Yaris Cross	HR-V	Fortuner	Corolla Cross	MU-X
Powertrain	BEV	BEV	EREV	BEV	BEV	ICE/HEV	ICE/HEV	ICE	HEV	ICE
Segment	C	C	C	C	B	B	C	D	C	D
Bodytype	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV
Energy adjusted price (THB k)	727.0	897.9	983.8	1,057.0	787.9	1,165.0	1,315.0	1,635.0	1,345.0	1,590.0
MSRP (Entry level, THB k)	629.0	799.9	799.0	959.0	689.9	809.0	959.0	1,239.0	989.0	1,194.0
Energy cost (THB k)	98.0	98.0	184.8	98.0	98.0	356.0	356.0	396.0	356.0	396.0
Driving range (WLTP, km)	402	430	1,310	515	401	NA	NA	NA	NA	NA
Battery size (Kwh)	59	50	28	62	60	NA	NA	NA	NA	NA
Length (mm)	4,380	4,455	4,620	4,476	4,220	4,310	4,347	4,795	4,460	4,860
Width (mm)	1,860	1,875	1,900	1,849	1,915	1,770	1,790	1,855	1,825	1,870
Height (mm)	1,650	1,615	1,600	1,621	1,845	1,615	1,590	1,835	1,620	1,875
Wheelbase (mm)	2,820	2,720	2,880	2,730	2,735	2,620	2,610	2,745	2,640	2,855
Price score	10	8	7	6	9	5	4	1	3	2
Range score	2	3	5	4	1	4	4	4	4	4
Size score	2	5	10	6	7	2	1	8	4	9
Sub-total score	14	16	22	16	17	11	9	13	11	15
1Q26 sales (units)	8,694	4,382	2,968	2,507	2,141	10,626	7,450	4,396	4,294	4,174

Source: MarkLines, Zigwheels, Data compiled by Goldman Sachs Global Investment Research

Brazil - Lower electricity costs to mitigate much higher MSRPs

We find that MSRPs for NEV models in Brazil are 108% more expensive than ICEs on average. While nearly 66% cheaper energy costs led to comparable energy-adjusted price (+8% vs. ICEs). Similar to Europe and Thailand, larger size has been another competitive strength for NEVs.

Exhibit 8: Best-selling models in Brazil

Best-selling models in Brazil						ICE				
Country	China	China	China	China	China	Korea	Germany	US	Netherlands	Germany
OEM	BYD	BYD	BYD	BYD	Geely	Hyundai	VW	GM	Stellantis	VW
Model	Dolphin Mini (Seagull)	Song PLUS	Dolphin	BYD King	EX2 (Xingyuan)	HB20	Polo	Onix	Argo	T-Cross
Powertrain	BEV	PHEV	BEV	PHEV	BEV	ICE	ICE	ICE	ICE	ICE
Segment	A	C	B	C	B	C	B	B	B	B
Bodytype	Sedan	SUV	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	SUV
Energy-adjusted price (BRL k)	129.5	293.3	175.0	171.3	149.3	166.7	166.7	161.7	161.7	189.8
MSRP (Entry level, BRL k)	104.0	250.0	149.5	128.0	123.8	69.9	69.9	64.9	64.9	93.0
Energy cost (BRL k)	25.5	43.3	25.5	43.3	25.5	96.8	96.8	96.8	96.8	96.8
Driving range (WLTP, km)	280	1,415	420	1,200	310	NA	NA	NA	NA	NA
Battery size (Kwh)	39	13	45	8	30	NA	NA	NA	NA	NA
Length (mm)	3,780	4,775	4,280	4,780	4,135	3,920	4,053	4,160	3,998	4,127
Width (mm)	1,710	1,890	1,770	1,837	1,805	1,680	1,816	1,730	1,724	1,784
Height (mm)	1,540	1,670	1,570	1,495	1,570	1,470	1,530	1,471	1,505	1,573
Wheelbase (mm)	2,500	2,765	2,700	2,718	2,650	2,500	2,592	2,550	2,521	2,551
Price score	10	1	3	4	9	5	5	7	7	2
Range score	1	5	3	4	2	4	4	4	4	4
Size score	1	10	8	9	7	1	6	4	3	5
Sub-total score	12	16	14	17	18	10	15	15	14	11
1Q26 sales (units)	14,765	12,558	4,555	3,021	2,474	24,991	24,267	21,579	19,936	19,030

Source: MarkLines, Webmotors, Data compiled by Goldman Sachs Global Investment Research

Production localization ongoing, increasing focus on Europe

Chinese OEMs shifting overseas capacity focus from Asia to Europe: Chinese OEMs are increasingly focused on overseas expansion, pivoting from simple product exports to establishing localized supply chains to overcome the rising trade barriers. Also, we notice the focus of Chinese NEV players shifting to Europe from Asia (well-established local capacity) with increasing media reports on discussion of plant construction, acquisition, or lease by Chinese OEMs, mainly in Spain and Germany.

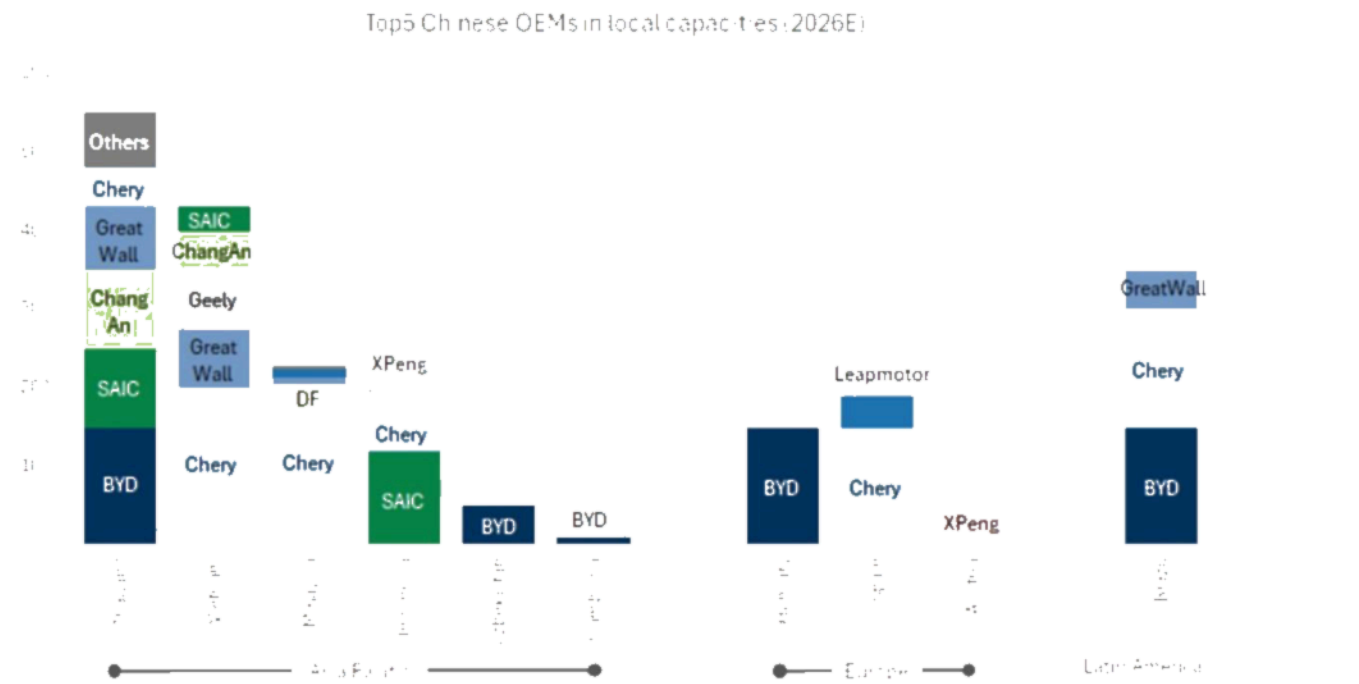
- For example, Leapmotor plans to commence production of its B10 C-SUV at the Zaragoza plant in Spain potentially as early as 2026 through its joint venture with Stellantis, while also exploring the transfer of ownership of the Villaverde plant in Madrid to its Spanish subsidiary.
- Geely is reportedly in talks to acquire or lease a production line at Ford's Valencia (Spain) facility to assemble vehicles locally per Reuters.
- SAIC plans to build its first EU car plant in Galicia, Spain per Reuters, though still pending for central government's approval for foreign direct investment. It is expected to start construction in 2027 and start operation by 2028 with total annual production capacity of 120k when the second phase is complete.
- BYD is in talks with Volkswagen to take over part of the German automaker's Transparent Factory in Dresden (Germany) per Car News China, showing its regional ambition with footprints in Hungary. MG, XPeng are also among other Chinese EV makers interested in utilizing VW's European plants for manufacturing cars. Transparent Factory's theoretical capacity is 150 cars daily per CNET.

28% localization rate by YE26: Based on our analysis, we expect 1.5mn NEV production capacity overseas by end-2026E for major Chinese OEMs. In other words, we estimate there would be 2.1mn localized production capacity established by major Chinese OEMs by end 2026, against 7.4mn overseas sales volume by these companies, or a 28% localization rate.

In terms of geographic breakdown, (1) Asia Pacific: 1.5mn (or 70%) of the capacity are planned for Asia Pacific, mainly in Thailand and Vietnam, followed by Malaysia and Indonesia; (2) Latin America: 350k (or 17%) is planned for Latin America, all in Brazil; (3) Europe: 280k (or 13%) will be built in Europe, mainly Hungary and Spain.

By OEM, Chery has the largest overseas production footprint of 600k units, followed by BYD at 510k, then SAIC/Great Wall at 250k/215k.

Exhibit 9: We estimate there would be 2.1mn localized production capacity established by major Chinese OEMs by end 2026, against 7.4mn overseas sales volume by these companies, or a 28% localization rate



Source: Company data, Customs data, Goldman Sachs Global Investment Research

Risks of price competition moderate, Thailand lowered

We do not see overseas momentum acceleration translating to aggressive pricing yet. Per our **overseas price competition framework** ([report](#)): (1) Is the auto market in contraction? (2) Do Chinese OEMs have high penetration? (3) Is there excess production capacity?, compared with Jan 2026, we see **pricing risk in Thailand has reduced as a result of strong demand rebound**, while all other markets remain unchanged. Pricing in Thailand/UK are trending positive, while Brazil negative from a high base.

Also, based on [GS EV Sentiment Map](#), we note that (1) In markets such as Thailand and the UK, driven by demand recovery, pricing actually moved up year-to-date ([Exhibit 11](#) & [Exhibit 13](#)); (2) Indonesia and Australia saw some price reductions during 1Q, but have since returned to similar or higher levels vs. year-beginning for Chinese players ([Exhibit 15](#) & [Exhibit 17](#)); (3) Brazil is the only market with ongoing price reductions from Chinese players (from a 70%+ higher absolute pricing level vs. Non-Chinese brands), driving 100% NEV volume growth and 6% PV market share gains by China OEMs ([Exhibit 19](#)).

Exhibit 10: We revisit our framework to assess potential price cut in overseas markets: (1) Is the auto market in contraction? (2) Do Chinese OEMs have high penetration? (3) Is there excess production capacity? In 3M26, we saw risks in Thailand reduced as a result of strong demand rebound

Country	(1) Is the auto market in contraction?			(2) Do Chinese OEMs have high penetration?			(3) Is there excess production capacity?	
	PV retail sales volume growth		% change	Chinese brands PV market share		% change	Local Chinese capacity vs. PV sales	Local production requirement ?
	(%, 2023-25)	(%, 3M26)		(%, 2025)	(%, 3M26)		(%, 2026E)	
UK	3%	6%	3%	10%	14%	4%	0%	No
Brazil	7%	18%	-11%	12%	16%	5%	18%	No
Thailand	-5%	32%	37%	24%	32%	8%	122%	Yes
Australia	2%	0%	-2%	14%	22%	8%	0%	No
Italy	-1%	9%	11%	4%	8%	4%	0%	No
Indonesia	-13%	-5%	8%	15%	22%	7%	37%	Yes
Germany	0%	5%	5%	4%	4%	0%	0%	No
Spain	11%	8%	-3%	6%	8%	2%	6%	No
Turkiye	7%	-6%	-13%	9%	9%	0%	0%	No
Malaysia	2%	-4%	-6%	8%	8%	1%	31%	No
Mexico	2%	7%	5%	3%	5%	1%	0%	No
Vietnam	20%	49%	29%	0%	0%	0%	105%	No

1) Country listed by China export volume; 2) Green dot represents low risk of price competition in these markets given healthy auto market growth, relatively low penetration from Chinese OEMs, and limited overcapacity concerns.

Source: IHS, MarkLines, Goldman Sachs Global Investment Research

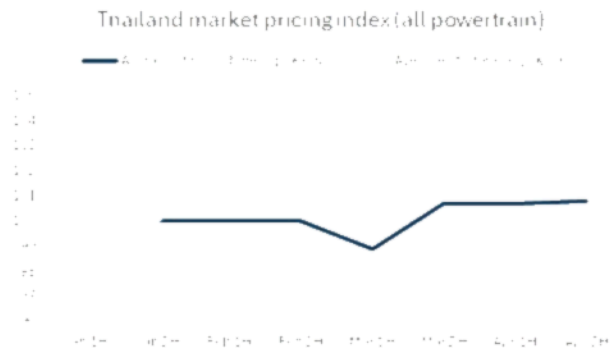
Per our last [China auto Go Global report](#), we analyzed the two rounds of price reductions in Thailand in 2024 & 2025, mainly due to 1) **Thailand auto market contraction** with PV sales volume -17% yoy in 2024 (vs. +2% yoy for global PV volume), 2) **Chinese OEM combined market share** reaching 16%/26% in 2024/2025, making further expansion increasingly difficult, 3) **Chinese OEMs under pressure to meet local production requirement** set out in the BEV 3.0 & BEV 3.5 programs.

We now revisit our framework to assess the risks of potential price cut in overseas markets: (1) Is the auto market in contraction? (2) Do Chinese OEMs have high penetration? (3) Is there excess production capacity? So far this year, we observed limited price competition overseas (except for Brazil, mainly to reduce the price premium with established ICE competitors).

Thailand/UK - Pricing moved up driven by demand recovery

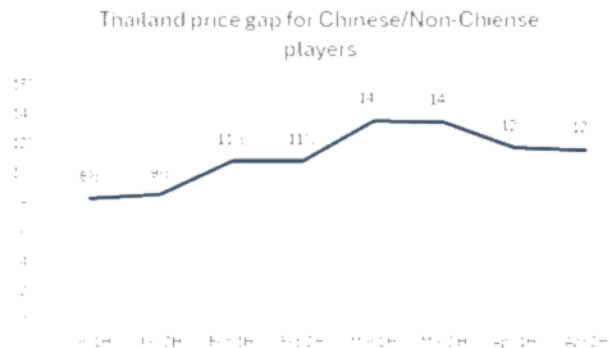
We observed 19%-22% average price cut in two rounds of price reductions in Thailand (Jul 2024 & Oct 2025, pls see our [report](#) for details). However, we believe the risk of price cut in Thailand has reduced as a result of strong demand rebound in 3M2026. Based on our pricing tracker, we saw average price index increased by 1%-2% YTD for Chinese players/Non-Chinese players in both Thailand and the UK, mainly driven by demand recovery (e.g. +32%/+6% yoy PV sales growth in Thailand/UK in 3M26). Also, we found that the price premium between Chinese and Non-Chinese players actually increased from 8% to 12% in Thailand as of Apr. Meanwhile, the price discount in the UK was relatively stable at 2%-3% as of Apr.

Exhibit 11: In Thailand, average price index increased by 2%/1% YTD for Chinese players/Non-Chinese players



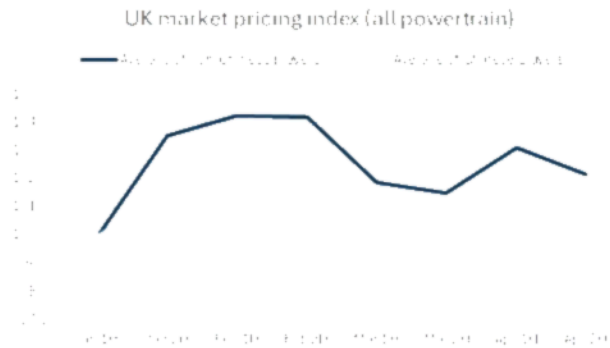
Source: Zigwheels, Data compiled by Goldman Sachs Global Investment Research

Exhibit 12: Price gap between Chinese and Non-Chinese players increased from 8% to 12% in Thailand till Apr



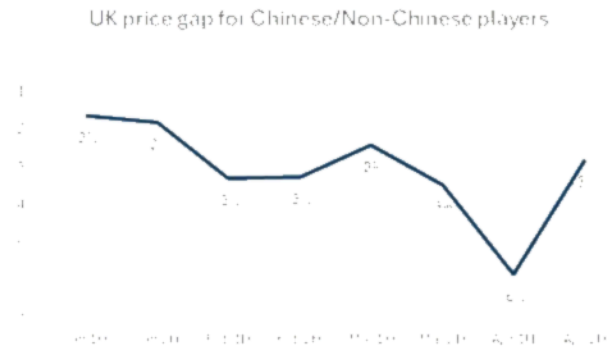
Source: Zigwheels, Data compiled by Goldman Sachs Global Investment Research

Exhibit 13: In UK, average price index increased by 2%/2% YTD for Chinese players/Non-Chinese players



Source: Autotrader, Data compiled by Goldman Sachs Global Investment Research

Exhibit 14: Price gap between Chinese and Non-Chinese players was relatively stable in UK

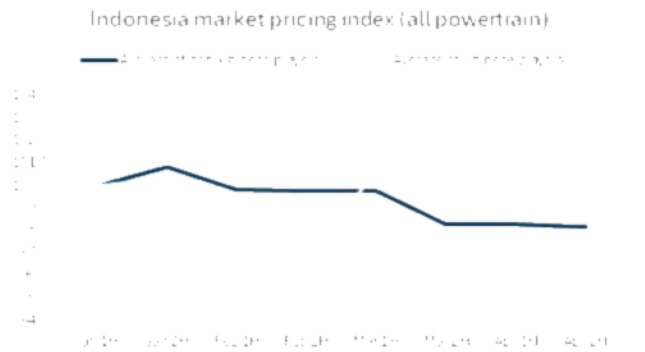


Source: Autotrader, Data compiled by Goldman Sachs Global Investment Research

Indonesia/Australia - Temporary price reductions in 1Q before returning to normal/higher levels

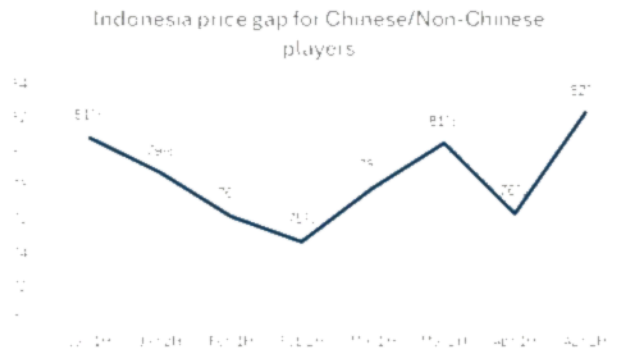
Indonesia and Australia saw some price reductions during 1Q, but have since returned to similar or higher levels vs. year-beginning for Chinese players. We observed no signs of intensifying price competition with less than 3% average index fluctuation YTD for both Chinese/Non-Chinese players in Indonesia and Australia, while Chinese players maintained price premium of around 80% compared to Non-Chinese players in Indonesia, but discount of around 25% in Australia.

Exhibit 15: In Indonesia, Chinese players lowered prices in 1Q, but rebounded to higher levels vs. year-beginning



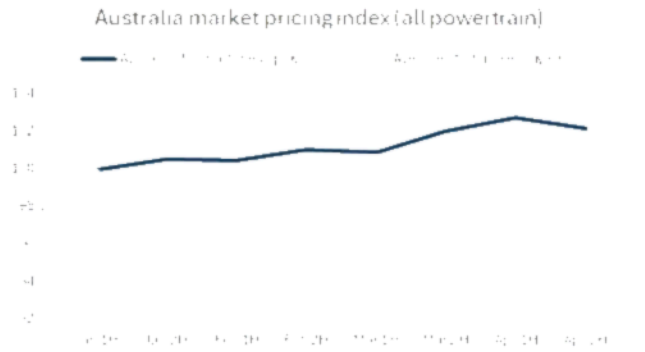
Source: Mobil123.com, Data compiled by Goldman Sachs Global Investment Research

Exhibit 16: Chinese players maintained price premium of 75%+ compared to Non-Chinese players in Indonesia



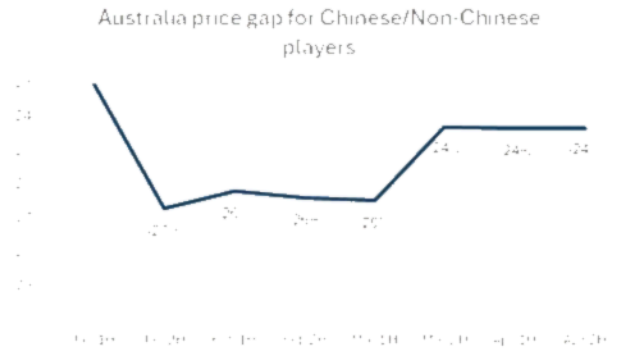
Source: Mobil123.com, Data compiled by Goldman Sachs Global Investment Research

Exhibit 17: In Australia, Chinese players lowered prices in 1Q, but recovered to similar level vs. year-beginning



Source: Autotrader, Data compiled by Goldman Sachs Global Investment Research

Exhibit 18: Chinese players had price discount of 23%-27% to Non-Chinese players in Australia YTD



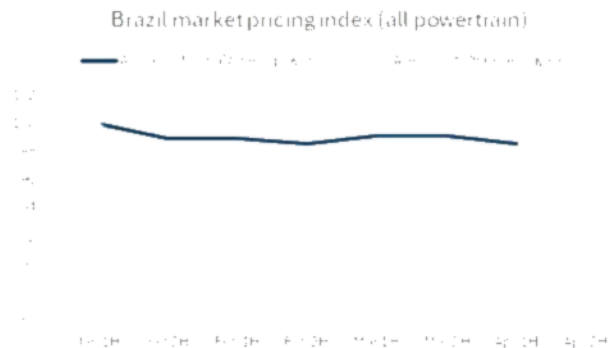
Source: Autotrader, Data compiled by Goldman Sachs Global Investment Research



Brazil - Chinese brands adopt proactive price reduction from high base

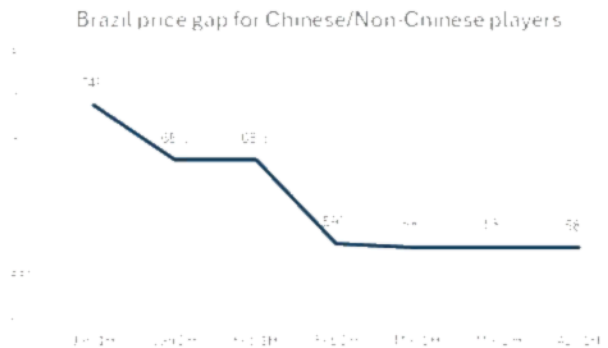
Brazil is the only market with ongoing price reductions from Chinese players (from a 70%+ higher absolute pricing level vs. Non-Chinese brands), driving 100% NEV volume growth and 6% PV market share gains by China OEMs. We believe Chinese OEMs are adopting proactive pricing reduction to accelerate NEV penetration, while pricing for non-Chinese players remained largely stable and at a much lower absolute level. In our view, the 9% price reduction is intended to accelerate NEV penetration growth by lowering the price premium vs. established ICE competitors, as majority of the top-selling ICE models in Brazil are priced below BRL100k (Exhibit 21) while majority of the top-selling NEV models are priced above BRL100k (Exhibit 22).

Exhibit 19: Chinese players cut MSRPs by 9% on average YTD, vs. 1% cut for Non-Chinese players...



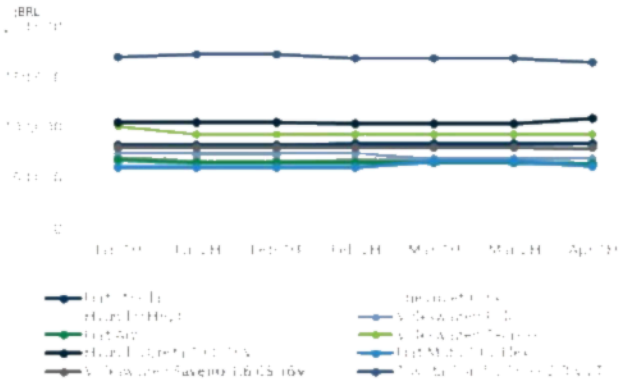
Source: Webmotors, Data compiled by Goldman Sachs Global Investment Research

Exhibit 20: ...mainly for narrowing the price gap with established ICE competitors



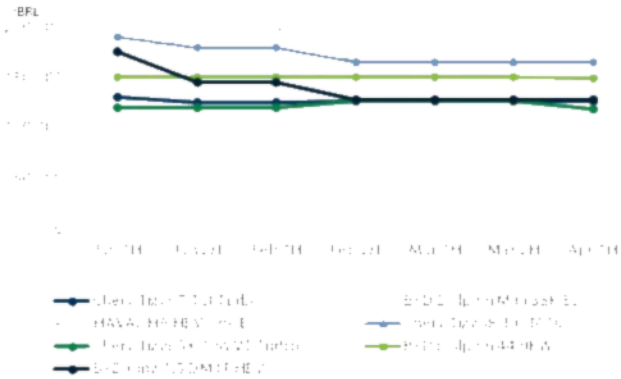
Source: Webmotors, Data compiled by Goldman Sachs Global Investment Research

Exhibit 21: Majority of the top-selling ICE models in Brazil are priced below BRL100k...



Source: Webmotors

Exhibit 22: ...While majority of the top-selling NEV models are priced above BRL100k



Source: Webmotors

Sell-through tells the real story; Buy BYD/Leapmotor/XPeng

China automakers disclose three sets of numbers, management export target growth, export wholesale growth, overseas retail sales growth. Our interpretation of this is, we believe the retail number is the most important in really understanding the success and growth of companies, and a leading indicator of volume momentum ahead. Based on this interpretation, we believe **BYD and Leapmotor** are showing the highest visibility to overseas expansion, their retail growth exceed export volume growth.

When we **compare three sets of numbers: (1) annual export target growth rate, (2) export wholesales growth rate, (3) overseas retail sales growth rate**, we find different patterns that could shed light on future growth trajectories. Our analysis suggests that, among our coverage, **BYD (Buy-rated) and Leapmotor (Buy-rated) are the best positioned with (1)<(2)<(3)**, indicating the strongest sell-through in (3) driving accelerating sales in (2), and eventually beating company targets (1); **XPeng (Buy-rated) would catch up as (1)>(2)<(3)**, by launching 4 new models overseas into the rest of the year; on the other hand, **GAC/SAIC (Sell-rated) would see slowdown in exports as (1)<(2)>(3)**, indicating inventory building at the retail end.

Exhibit 23: We believe retail number is the most important in understanding the success and growth of companies, and a leading indicator of volume momentum ahead. We believe BYD, Leapmotor, and XPeng have the highest visibility to overseas expansion, with their retail growth exceed export growth

Company	Period	BYD	Chery	SAIC	ChangAn	Geely	Great Wall	GAC	Leapmotor	XPeng	SUM
Sales volume (k units)											
Annual target	2025	1,046	1,405	1,071	637	420	506	124	60	45	5,314
	2026	1,500	1,500	1,300	875	640	600	250	125	90	6,880
Wholesale export	1Q25	201	238	173	97	89	76	18	8	8	908
	1Q26	312	372	276	116	203	112	54	41	12	1,498
Retail	1Q25	115	214	158	35	187	81	12	3	7	812
	1Q26	218	278	172	42	204	99	22	22	11	1,068
Yoy growth (%)											
Annual target	2026	43%	7%	21%	37%	52%	19%	102%	108%	100%	29%
Wholesale export	1Q26	56%	56%	60%	19%	128%	47%	194%	442%	52%	65%
Overseas retail	1Q26	90%	30%	9%	20%	9%	22%	77%	554%	69%	32%

Source: Company data, CAAM, IHS

Stock implications - BYD (Buy), Leapmotor (Buy), XPeng (Buy)

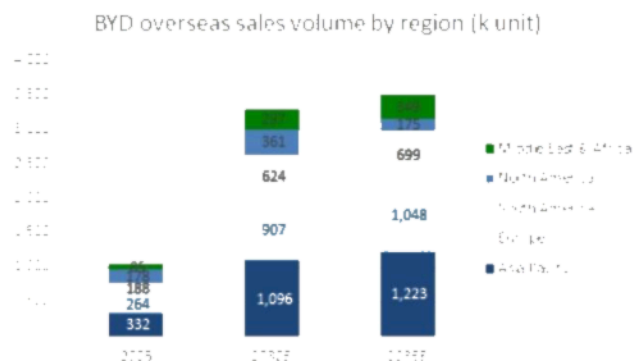
Among our coverage, we believe **BYD (Buy), Leapmotor (Buy), and XPeng (Buy)** are relatively better positioned for the overseas exposure, with accelerating new export model pipelines and local sales network/production. BYD now ranks top three in 8 out of the top 18 markets (vs. 6 markets as of 2025) in terms of NEV volume (excl. US and China). Leapmotor has also quickly accelerated from a relatively small base, already reaching No.3 among global NEV brands in Italy. Meanwhile, BYD/Leapmotor/XPeng plan to achieve 510k/45k/75k units overseas production capacity by the end of 2026E, further supporting their 2026 overseas sales of 1.7mn/200k/91k units per our estimates.

BYD (Buy) – Overseas acceleration with domestic recovery set in motion

Overseas market to become a major growth driver: We expect the overseas market to become a key growth driver over the next decade for the company and model BYD's overseas (ex-US) sales volume at **1.7mn-3.5mn** in 2026E-2035E. We forecast a **30% earnings CAGR** over 2026E-2028E, with **overseas profit contribution increasing from 21% in 2024 to 81% by 2028E**, accounting for more than half of our valuation. Key drivers of overseas growth:

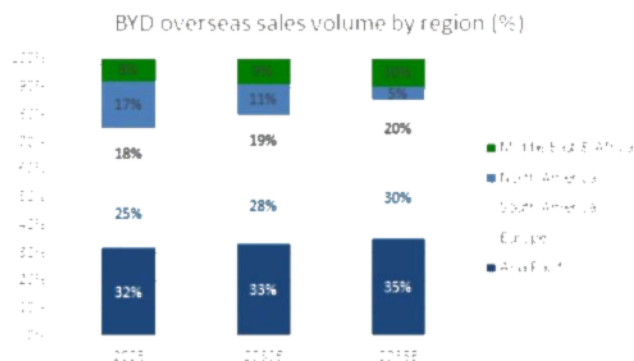
1. **NEV penetration ramp-up into mass-adoption phase supported by increasing supply of models:** currently we note that NEV penetration in key overseas markets is around 4 years behind China (i.e. 4Q21 level) on average at 22%. This is around the same level where mass-adoption started in China, and **we expect the overseas market to follow China's >10% penetration increase (i.e. 2022-2024) in the upcoming years**. Such mass-adoption will also be supported by increasing supply of new models.
2. **BYD's product competitiveness driving market share gain:** based on our product comp analysis, BYD's models are highly competitive in key aspects including price, range, and size. Going forward, with a comprehensive portfolio of models readily developed in the domestic market, ongoing R&D investment, and expansion of sales network, **we believe BYD is well positioned to gain the highest volume market share among global NEV companies**.

Exhibit 24: We expect BYD's overseas sales volume to be around 1mn/3.3mn/3.5mn in 2025/2030E/2035E



Source: IHS, MarkLines, Company data, Goldman Sachs Global Investment Research

Exhibit 25: With Asia Pacific/Europe/Other regions each contributing about 1/3 of the volume



Source: IHS, MarkLines, Company data, Goldman Sachs Global Investment Research

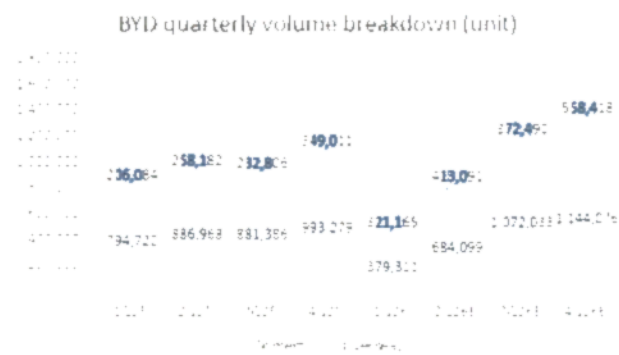
Domestic recovery set in motion: Domestically, we believe BYD's retail sales recovery has been set in motion, as the company launches new models with **technology innovation** (e.g. 2nd generation blade battery + flash charging ecosystem) to enhance its competitive strengths in China (see our [report](#)), along with the **most affordable urban NOA model** (Rmb78.8k) and 1-year comprehensive safety liability guarantee for its urban NOA (see our [report](#)).

We believe BYD is now building a comprehensive flash-charging ecosystem from battery, charging, storage to models, to effectively strengthen its competitive moat, which will be difficult for peers to catch up in the short term due to lack of battery and energy storage technologies. For intelligent development, BYD announced that God's Eye B (featuring urban NOA) is now available for all models (package priced at Rmb12k), which

effectively makes the entry model price at Rmb78.8k, the most affordable in China market; BYD also unveiled its first in-house 4-nm smart driving chip Xuanji A3, which potentially lowers component cost and improves profit levels.

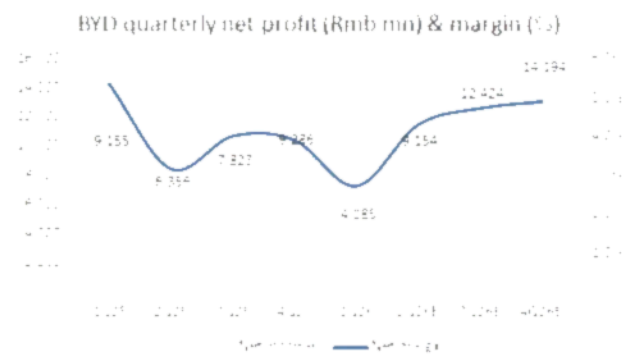
Evidenced by **recent strong order intakes** (e.g. 100k pre-sales orders for Da Tang; 30k orders for Yuan Plus in the first week of facelift launch) and **retail numbers** (182k units of domestic sales in Apr, improving NEV market share to 21.4% in April from 15.8% in Jan), we expect BYD's domestic sales momentum to recover in the following months.

Exhibit 26: BYD quarterly volume breakdown



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 27: BYD quarterly net profit & margin



Source: Goldman Sachs Global Investment Research

Exhibit 28: BYD financial summary

Profit model (Rmb mn)	12/25	12/26E	12/27E	12/28E	Balance sheet (Rmb mn)	12/25	12/26E	12/27E	12/28E
Total revenue	803,965.0	914,606.3	1,026,170.7	1,132,220.7	Cash & equivalents	129,957.3	185,456.4	237,604.2	315,818.7
Cost of goods sold	(661,305.2)	(747,670.7)	(845,935.1)	(925,185.2)	Accounts receivable	38,169.8	42,839.0	47,409.8	51,586.9
SG&A	(46,384.5)	(54,876.4)	(55,413.2)	(55,478.8)	Inventory	138,420.6	153,138.8	169,464.6	181,183.7
R&D	(57,978.1)	(64,022.4)	(69,779.6)	(75,858.8)	Other current assets	64,919.9	64,919.9	64,919.9	64,919.9
Other operating profit (expense)	(13,580.5)	(14,176.4)	(15,905.6)	(17,549.4)	Total current assets	371,467.6	446,354.2	519,398.5	613,509.2
EBITDA	102,587.8	123,963.4	141,797.9	175,281.6	Net PP&E	292,775.9	281,548.7	272,395.8	258,646.3
Depreciation & amortization	(77,871.2)	(90,103.1)	(102,660.8)	(117,133.1)	Net intangibles	51,884.1	46,061.3	40,238.4	34,415.6
EBIT	24,716.6	33,860.3	39,137.1	58,148.5	Total investments	21,839.9	25,089.7	28,735.8	32,758.8
Interest income	2,437.0	2,989.0	4,265.5	5,464.9	Other long-term assets	145,762.3	170,521.6	185,153.6	195,029.3
Interest expense	(2,551.7)	(4,454.9)	(4,912.8)	(4,912.8)	Total assets	883,729.9	969,575.4	1,045,922.2	1,134,359.2
Income(loss) from uncons. subs	1,007.2	1,145.8	1,285.6	1,418.5	Accounts payable	209,206.3	236,432.2	267,397.2	292,329.0
Others	14,143.9	14,860.0	19,455.4	21,466.0	Short-term loans	44,796.7	70,247.2	70,247.2	70,247.2
Pretax profits	39,753.0	48,400.2	59,230.9	81,585.1	Other current liabilities	214,448.4	199,264.9	197,272.3	195,299.6
Income tax	(5,992.3)	(7,260.0)	(8,884.6)	(12,237.8)	Total current liabilities	468,451.4	505,944.4	534,916.7	557,875.7
Minorities	(1,141.7)	(1,283.3)	(1,416.9)	(1,746.0)	Long-term debt	65,703.5	65,568.5	65,568.5	65,568.5
					Other long-term liabilities	91,035.9	101,647.0	102,663.5	103,690.1
Net income pre-preferred	32,619.0	39,856.9	48,929.3	67,601.4	Total long-term liabilities	156,739.3	167,215.6	168,232.1	169,258.7
Preferred dividends					Total liabilities	625,190.7	673,159.9	703,148.7	727,134.4
Net income (pre-exceptionals)	32,619.0	39,856.9	48,929.3	67,601.4					
Post-tax exceptionals					Preferred shares				
Net income	32,619.0	39,856.9	48,929.3	67,601.4	Total common equity	246,274.6	282,867.6	327,808.7	390,514.0
					Minority interest	12,264.6	13,547.9	14,964.8	16,710.8
EPS (basic, pre-except) (Rmb)	3.6	4.4	5.4	7.4	Total liabilities & equity	883,729.9	969,575.4	1,045,922.2	1,134,359.2
EPS (basic, post-except) (Rmb)	3.6	4.4	5.4	7.4					
EPS (diluted, post-except) (Rmb)	3.6	4.4	5.4	7.4	BVPS (Rmb)	27.0	31.0	36.0	42.8
DPS (Rmb)	0.4	0.4	0.5	0.7					
Dividend payout ratio (%)	10%	10%	10%	10%	Ratios	12/25	12/26E	12/27E	12/28E
Free cash flow yield (%)	-10%	5%	9%	13%	CROCI (%)	32%	27%	27%	28%
					ROE (%)	15%	15%	16%	19%
Growth & margins (%)	12/25	12/26E	12/27E	12/28E	ROA (%)	4%	4%	5%	6%
Sales growth	3%	14%	12%	10%	Inventory days	70.2	71.2	69.6	69.2
EBITDA growth	-2%	21%	14%	24%	Receivables days	23.1	16.2	16.1	16.0
EBIT growth	-39%	37%	16%	49%	Payable days	125.1	108.8	108.7	110.4
Net income growth	-19%	22%	23%	38%	Net debt/equity (%)	-8%	-17%	-30%	-44%
EPS growth	-22%	22%	23%	38%	Interest cover - EBIT (X)	215.5	23.1	60.5	
Gross margin	17.7%	18.3%	17.6%	18.3%					
EBITDA margin	12.8%	13.6%	13.8%	15.5%	Valuation	12/25	12/26E	12/27E	12/28E
EBIT margin	3.1%	3.7%	3.8%	5.1%	P/E basic (X)	29.4	15.5	12.6	9.1
					P/B (X)	3.9	2.2	1.9	1.6
Cash flow statement (Rmb mn)	12/25	12/26E	12/27E	12/28E	EV/EBITDA (X)	9.2	4.6	3.6	2.5
Net income pre-preferred dividend	32,619.0	39,856.9	48,929.3	67,601.4	EV/GCI (X)	2.2	1.1	0.9	0.6
D&A add-back	77,871.2	90,103.1	102,660.8	117,133.1	Dividend yield (%)	0.3%	0.6%	0.8%	1.1%
Minorities interests add-back	1,141.7	1,283.3	1,416.9	1,746.0					
Net (inc)/dec working capital	(48,770.3)	7,838.5	10,068.4	9,035.6					
Other operating cash flow	(3,726.1)	(7,851.8)	(4,622.3)	(4,969.0)					
Cash flow from operations	59,135.5	131,229.9	158,453.1	190,547.0					
Capital expenditures	(156,807.9)	(97,812.2)	(102,317.1)	(107,436.4)					
Acquisitions									
Divestitures	1,438.1								
Others	(42,093.4)	29.8	0.0	0.0					
Cash flow from investments	(197,463.1)	(97,782.4)	(102,317.1)	(107,436.4)					
Dividends paid (common & pref)	(14,563.5)	(3,264.0)	(3,988.2)	(4,896.0)					
Inc/(dec) in debt	84,783.4	25,315.6							
Common stock issuance	40,074.8								
Other financing cash flows	(5,828.5)								
Cash flow from financing	104,466.2	22,051.6	(3,988.2)	(4,896.0)					
Total cash flow	(33,861.3)	55,499.1	52,147.8	78,214.5					

Source: Company data, Goldman Sachs Global Investment Research

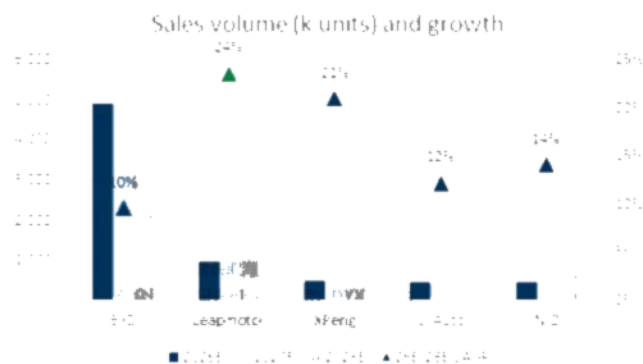
Leapmotor (Buy) - Overseas volume upside with domestic growth acceleration

See our full initiation report: [Domestic growth acceleration with overseas volume upside, valuation discount unwarranted; Initiate at Buy](#)

We expect Leapmotor, a leading pure NEV player with 5.1% market share in China (5M26) per CPCA, to execute a series of competitive new model launches with smooth production ramp-up, that should drive **continued growth acceleration in the domestic market over the next three quarters** (Exhibit 31). At the same time, we see **60% upside to the company's 2026 overseas target sales volume** of 125k units (implying +108% yoy) at the mid-point (i.e. GSe 200k units), supported by strong overseas retail sales which were up +554% yoy during 1Q26 (Exhibit 33). Overall, **we forecast Leapmotor to deliver one of the fastest revenue/earnings CAGR (25-27E) at 48%/143% among our China Mobility Tech coverage, yet the stock is currently trading at a c.60% discount to peers on both P/E and P/S** (Exhibit 34). We are Buy-rated on Leapmotor, with 12-m DCF-based TP of HK\$50. Catalysts include new model launches, monthly delivery ramp-up and export acceleration to fulfill retail-end demand. On the other hand, risks of worsened domestic market demand, cost inflation, and uncertainty overseas could exert pressure on volume/margins and cash flow.

Where we are different from consensus: Our 2026E-28E net income estimates are 7%-12% above Visible Alpha Consensus, mainly driven by 3%-7% higher volume estimates. Our higher volume assumptions mainly come from overseas markets, where Leapmotor models rank Top3 based on our product comparison framework, and we expect strong retail-end demand to drive further acceleration in the company's monthly export growth.

Financials & Risks: We forecast a 36% revenue CAGR (25-28E), mainly driven by 37% vehicle volume growth from 583k to 1,496k, while we expect continued pricing pressure in China's EV market to result in further ASP reduction. We forecast a 38% gross profit CAGR (25-28E) with gross margin improving from 14.5% to 14.9% mainly driven by improving economies of scale despite increasing cost pressure. The company turned free cash flow positive in 2024 and net profit break-even in 2025 with Rmb11.5bn net cash at end-2025, and we expect ongoing positive FCF generation with net margin improving to 5.1% in 2028E. Key risks: industry demand, cost inflation, overseas uncertainty.

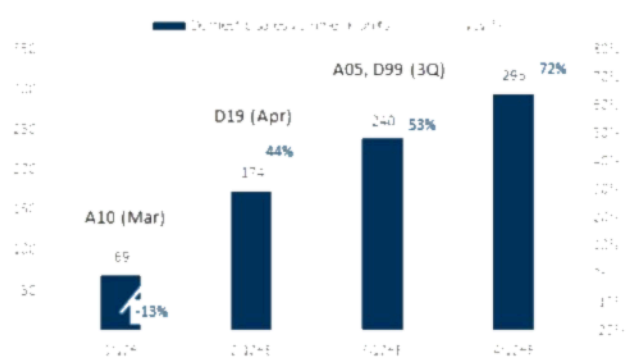
Exhibit 29: We expect Leapmotor to deliver one of the highest volume growth among peers...

Source: Goldman Sachs Global Investment Research

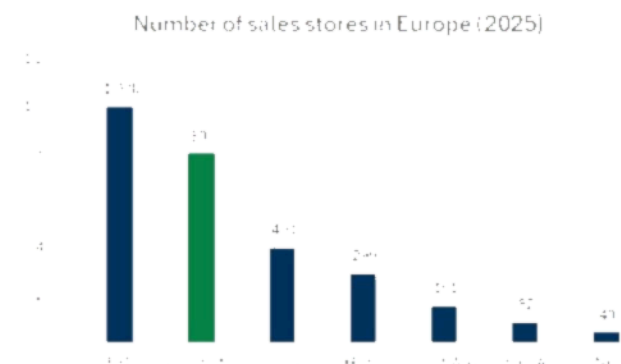
Exhibit 30: ...supported by a strong and steady new model pipeline

NEV OEM new model pipeline	2024	2025	2026E	SUM
Leapmotor	4	3	6	13
XPeng	3	1	9	13
AITO	2	3	3	8
Nio	1	3	2	6
Li Auto	2	2	1	5

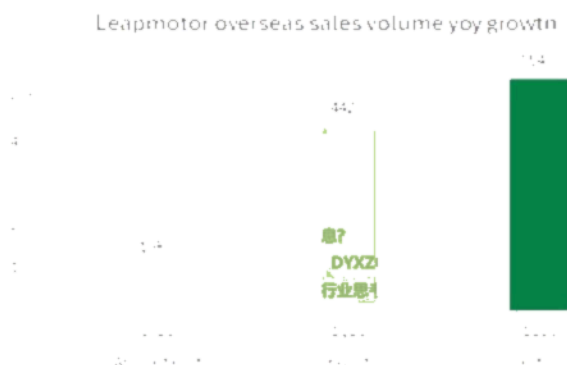
Source: Company data

Exhibit 31: Driving continued acceleration in domestic sales volume growth over the next 3 quarters

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 32: Partnership with Stellantis enabled Leapmotor to quickly expand its overseas presence

Source: Company data

Exhibit 33: We see 60% upside to mgmt's 2026 overseas sales target driven by strong retail-end demand

Source: Company data, CAAM, IHS

Exhibit 34: Shares are under-valued on both P/S and P/E given its industry-leading growth rate

	P/S		P/E		Rev	EPS
Company	26E	27E	26E	27E	25-27E CAGR	
OEM						
BYD - A	1.0x	0.9x	20.8x	16.9x	13%	22%
BYD - H	0.8x	0.7x	16.9x	13.8x	13%	22%
Xpeng - H	1.1x	0.9x	NM	44.1x	17%	135%
Leapmotor - H	0.4x	0.3x	13.4x	7.2x	48%	143%
NIO - H	0.6x	0.5x	55.4x	19.6x	36%	16%
Li Auto - H	0.9x	0.8x	77.9x	23.4x	10%	33%
Average	0.8x	0.7x	36.9x	20.8x	23%	62%

Market price as of Jun 15, 2026 close.

Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 35: Leapmotor financial summary

Profit model (Rmb mn)	12/25	12/26E	12/27E	12/28E	Balance sheet (Rmb mn)	12/25	12/26E	12/27E	12/28E
Total revenue	64,731.9	109,427.9	142,397.0	164,500.1	Cash & equivalents	14,430.8	16,302.0	20,373.8	25,061.0
Cost of goods sold	(55,319.9)	(94,314.1)	(121,703.7)	(139,977.2)	Accounts receivable	5,210.0	8,807.4	11,461.0	13,240.0
SG&A	(5,595.3)	(7,003.4)	(8,828.6)	(10,034.5)	Inventory	4,548.5	7,754.7	10,006.7	11,509.1
R&D	(4,292.4)	(6,530.6)	(7,831.8)	(8,883.0)	Other current assets	15,472.4	15,472.4	15,472.4	15,472.4
Other operating profit (expense)	653.1	1,104.1	1,436.8	1,659.8	Total current assets	39,661.7	48,336.5	57,313.8	65,282.5
EBITDA	1,353.5	4,674.1	8,256.5	10,769.6	Net PP&E	10,243.1	16,575.4	19,100.0	22,570.1
Depreciation & amortization	(1,176.2)	(1,990.2)	(2,786.9)	(3,504.4)	Net intangibles	462.5	422.9	383.3	343.7
EBIT	177.4	2,684.0	5,469.6	7,265.2	Total investments	231.4	518.1	1,264.1	2,381.0
Interest income	399.7	536.1	605.6	756.9	Other long-term assets	12,219.5	15,221.5	15,217.0	16,046.3
Interest expense	(105.9)	(117.6)	(117.6)	(117.6)	Total assets	62,818.1	81,074.4	93,278.2	106,623.6
Income/(loss) from uncons. subs	67.3	286.8	745.9	1,116.9	Accounts payable	41,471.6	56,846.9	63,352.6	69,029.9
Others	0.0	0.0	0.0	0.0	Short-term loans	653.5	653.5	653.5	653.5
Pretax profits	538.4	3,389.3	6,703.6	9,021.4	Other current liabilities	467.0	467.0	467.0	467.0
Income tax	0.0	(508.4)	(1,005.5)	(1,353.2)	Total current liabilities	42,829.3	58,204.6	64,710.3	70,387.6
Minorities					Long-term debt	2,306.7	2,306.7	2,306.7	2,306.7
Net income pre-preferred	538.4	2,880.9	5,698.1	7,668.2	Other long-term liabilities	2,316.2	2,316.2	2,316.2	2,316.2
Preferred dividends					Total long-term liabilities	5,871.1	5,871.1	5,871.1	5,871.1
Net income (pre-exceptionals)	1,077.3	3,427.5	6,338.2	8,333.8	Total liabilities	48,700.3	64,075.7	70,581.4	76,258.6
Post-tax exceptionals	538.9	546.6	640.1	665.6	Preferred shares				
Net income	1,077.3	3,427.5	6,338.2	8,333.8	Total common equity	14,117.8	16,998.7	22,696.8	30,365.0
EPS (basic, pre-except) (Rmb)	0.8	2.5	4.6	6.0	Minority interest				
EPS (basic, post-except) (Rmb)	0.8	2.5	4.6	6.0	Total liabilities & equity	62,818.1	81,074.4	93,278.2	106,623.6
EPS (diluted, post-except) (Rmb)	0.8	2.5	4.6	6.0	BVPS (Rmb)	10.2	12.2	16.3	21.9
DPS (Rmb)									
Dividend payout ratio (%)	0%	0%	0%	0%	Ratios	12/25	12/26E	12/27E	12/28E
Free cash flow yield (%)	12%	4%	10%	11%	CROCI (%)				227%
Growth & margins (%)	12/25	12/26E	12/27E	12/28E	ROE (%)	9%	22%	32%	31%
Sales growth	101%	69%	30%	16%	ROA (%)	2%	5%	7%	8%
EBITDA growth	154%	245%	77%	30%	Inventory days	21.7	23.8	26.6	28.1
EBIT growth	106%		104%	33%	Receivables days	20.3	23.4	26.0	27.4
Net income growth	146%	218%	85%	31%	Payable days	213.4	190.2	180.2	172.6
EPS growth	144%	218%	85%	31%	Net debt/equity (%)	-71%	-70%	-70%	-68%
Gross margin	14.5%	13.8%	14.5%	14.9%	Interest cover - EBIT (X)				
EBITDA margin	2.1%	4.3%	5.8%	6.5%	Valuation	12/25	12/26E	12/27E	12/28E
EBIT margin	0.3%	2.5%	3.8%	4.4%	P/E basic (X)	62.9	12.2	6.6	5.0
Cash flow statement (Rmb mn)	12/25	12/26E	12/27E	12/28E	P/B (X)	4.8	2.5	1.8	1.4
Net income pre-preferred dividend	538.4	2,880.9	5,698.1	7,668.2	EV/EBITDA (X)	42.7	6.4	3.1	2.0
D&A add-back	1,176.2	1,990.2	2,786.9	3,504.4	EV/GCI (X)			25.6	3.2
Minorities interests add-back					Dividend yield (%)	0.0%	0.0%	0.0%	0.0%
Net (inc)/dec working capital	11,589.5	8,571.7	1,600.2	2,395.8					
Other operating cash flow	(681.2)	(3,288.8)	(741.5)	(1,946.2)					
Cash flow from operations	12,623.0	10,154.0	9,343.7	11,622.2					
Capital expenditures	(4,745.7)	(8,282.8)	(5,271.9)	(6,935.0)					
Acquisitions	(6,698.1)								
Divestitures									
Others	357.8								
Cash flow from investments	(11,086.1)	(8,282.8)	(5,271.9)	(6,935.0)					
Dividends paid (common & pref)									
Inc/(dec) in debt	586.3								
Common stock issuance	2,600.0								
Other financing cash flows	(116.5)								
Cash flow from financing	3,069.8	0.0	0.0	0.0					
Total cash flow	4,606.6	1,871.2	4,071.8	4,687.2					

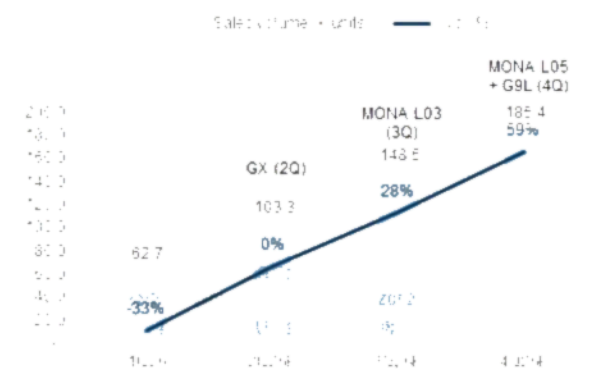
Source: Company data, Goldman Sachs Global Investment Research

XPeng (Buy) - New model cycle to drive growth acceleration for domestic and overseas
We expect more affordable models to launch overseas this year and overseas revenue to accelerate to contribute 20% of total revenue for XPeng in 2026E, supported by 1) strong model cycle, and 2) localization strategies. 1) Strong model cycle for meeting overseas demand (esp. for more affordable vehicles) - The company plans to introduce four SUV models (GX, MONA L03, MONA L05, G9L SUV) in 2H26 for global markets, and we expect two MONA SUVs to better meet overseas demand for smaller size and relatively more affordable prices. 2) Localization strategies -The company has been accelerating its localization strategies by leveraging overseas manufacturing facilities from partners (i.e. Austria, Indonesia, and Malaysia). Beyond production, the company is integrating its global operations through a network of R&D centers (e.g. Munich) to tailor intelligent driving and AI technologies to specific regional needs, as well as deploying independent supply chain teams and dedicated sales networks in Europe and ASEAN to enhance operational efficiency and responsiveness to local consumers. Management expects 50% of revenue and profit to come from overseas markets within the next five years.

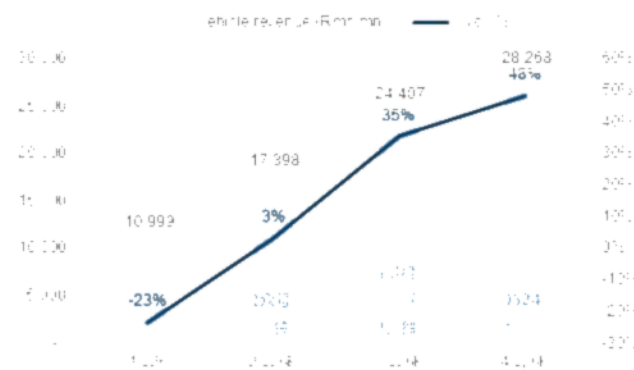
Apart from overseas expansion, we believe XPeng's domestic new model cycle will accelerate volume growth over the following three quarters:

1. **2Q26E:** we expect the **GX SUV** launch in May to help volume growth recover to the same level as 2Q25 yoy and +65% qoq. On May 20, XPeng launched its new flagship 6-seater SUV model GX, which received close to 25k non-refundable orders in within 12 hours, per company. Based on our product comps analysis framework on recently launched 6-seater SUV models ([Exhibit 38](#)), GX (esp. EREV version) ranks among the top 3 out of 16 models, with balanced scores across price, range, and size;
2. **3Q26E:** we expect the **Mona L03 SUV** launch in July to further propel 3Q26 volume growth +28% yoy, adding another +44% qoq. We believe Mona has established itself as a strong brand in the mass market segment, with differentiated positioning in smart features as well as modern design, with **Mona M03 ranking No.1** in sales volume among Rmb100-150k NEV sedans ([Exhibit 39](#)). Based on our product comp analysis among Rmb100k-150k top selling NEV SUVs, **Mona L03 BEV/EREV** ranks among the top models (esp. EREV version ranking No.1), with competitive strengths in range, size and autopilot ([Exhibit 40](#));
3. **4Q26E:** we expect **Mona L05 SUV** and **G9L SUV** to eventually bring average monthly volume to over 60k (vs. 20k in 1Q26), translating to 59% yoy volume growth.

Upcoming catalysts: (1) weekly order and monthly sales trends; (2) Mona L03 pre-launch and official launch events in June/July; (3) Humanoid robot showcase in 3Q26; (4) Robotaxi pilot passenger operations launch in 3Q26; (5) Mona L05 and G9L launch in 4Q26.

Exhibit 36: We expect the new model cycle to drive acceleration...

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 37: ... in volume as well as revenue growth

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 38: Product comparison for large 6-seater SUVs launched recently

OEM Model	Entry price Rmb200-300k								Rmb300-400k				Rmb400k+			
	Geely Galaxy M9 PHEV	Leapmotor Leap D19 EV	Leapmotor Leap D19 EV	BYD Du Tang EV	NIO ONVO L90 EV	XPeng GX EV	XPeng GX PHEV	SAIC-VW VW ID.ERA XA EV	SAIC IM L59 EV	Great Wall VVX	BYD Denza N9 PHEV	NIO Nio ES6 EV	Li Auto Li L9 EV	Geely Zeekr X PHEV	Series Auto M9 EV	NIO ES9 EV
Model launch date (latest facelift entry level)	Apr-26	Apr-26	Apr-26	2020E	Apr-26	May-26	May-26	Apr-26	Nov-23	May-26	May-26	Sep-25	May-26	Sep-23	Mar-26	May-26
Body type	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV
Segment	C	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D
Seat	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Powertrain	PHEV	BEV	BEV	BEV	BEV	BEV	BEV	BEV	BEV	PHEV	PHEV	BEV	BEV	PHEV	BEV	BEV
Entry price (Rmb k)	183.8	219.8	236.8	250	265.8	279.8	280.8	309.8	332.8	349.8	389.8	406.8	459.8	465.8	489.8	528
Max driving range (km)	1,300	1,300	800	800	800	800	1565	1,611	1,454	1,656	1,520	835	1,412	1,200	1,474	820
Wheelbase (mm)	3,086	3,110	3,110	3,130	3,110	3,115	3,115	3,070	3,060	3,150	3,125	3,130	3,125	3,168	3,110	3,256
Hardware																
0-100km/h acceleration time (s)	4.5	6.0	4.9	5.9	5.9	9.9	6.3	5.1	5.2	5.6	7.3	112.0	72.7	5.0	5.0	12.0
Battery size (kWh)	41.5	63.7	99.6	105.8	85.0	91.9	63.3	51.1	52.0	53.6	75.3	112.0	72.7	55.0	52.0	122.0
Charging speed (kWh/min)	1.4	2.1	3.3	2.4	5.4	3.7	1.9	1.9	1.9	1.8	7.3	4.9	4.9	3.7	1.0	1.0
Continuous voice command	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Software	Highway autopilot	Standard	Standard	Standard	Optional	Standard	Standard	Standard	Optional	Standard	Standard	Optional	Standard	Standard	Standard	Optional
Urban autopilot	Standard	Standard	Standard	Standard	Optional	Standard	Standard	Standard	Optional	Standard	Standard	Optional	Standard	Standard	Standard	Optional
Price score	16	15	14	13	12	11	10	9	11	11	13	4	10	7	12	1
Range score	8	8	2	6	7	5	14	15	11	16	13	5	4	10	7	12
Size score	1	3	3	11	3	7	7	2	14	13	6	11	9	15	3	16
Sub-total score	25	26	19	30	16	23	31	26	33	36	28	20	23	25	17	19
Average monthly sales volume (LTM)	6,398	2,511	1,944	5,734	11,722	11,722	11,722	2,326	1,990	4,768	1,990	8,578	2,779	6,613	7,286	7,286
Peak monthly sales volume (LTM)	10,639	2,511	1,944	11,722	11,722	11,722	11,722	2,326	4,768	11,722	11,722	22,258	14,913	10,060	15,945	26,392
Lifetime sales volume	57,586	2,511	1,944	51,610	51,610	51,610	51,610	2,326	11,938	11,938	11,938	173,526	288,512	52,907	257,069	257,069
Order	Non-refundable orders of 23k in first 24 hours		Pre-sales orders of 100k+ as of May		Non-refundable orders of 25k in first 12 hours			Non-refundable orders of 5k in first 25 mins				Non-refundable orders of 10k in first 13 mins				

Source: Autohome, Data compiled by Goldman Sachs Global Investment Research

Exhibit 39: MONA M03 ranks No.1 among China's best-selling NEV sedans in the price range of Rmb100-150k

Top 10 best-selling sedans (MSRP Rmb100-150k)											
OEM	XPeng Xpeng MONA M03 EV	Geely Xingyao 8 PHEV	BYD Qin L EV	BYD Seal 06 EV	Chery Fulwin A9L PHEV	NIO Firefly EV	Changan Nevo A06 EREV	BYD Destroyer 05 DM	Dongfeng Nissan N7 EV	GAC Aion S Plus EV	
Model											
Model launch date (latest facelift entry level)	Apr-26	Mar-26	Mar-25	Jun-25	Jul-25	Apr-26	Nov-25	May-25	Apr-26	Jul-24	
Body type	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	Sedan	
Segment	A	C	B	B	C	A0	C	B	C	A	
Seat	5	5	5	5	5	5	5	5	5	5	
Powertrain	BEV	PHEV	BEV	BEV	PHEV	BEV	EREV	PHEV	BEV	BEV	
Entry price (Rmb k)	119.8	142.8	119.8	109.8	149.9	119.8	119.9	101.8	148.9	118.8	
Max driving range (km)	540	1,500	470	470	2,000	420	2,120	1,200	635	505	
Wheelbase (mm)	2,815	2,928	2,820	2,820	3,000	2,615	2,922	2,718	2,915	2,760	
Hardware											
0-100km/h acceleration time (s)	7.8		4.1	4.1	7.9	8.1		7.9		8.0	
Battery size (kWh)	51.8	28.3	46.1	46.1	33.7	42.1	26.4	8.3	73.0	53.7	
Charging speed (kWh/min)	1.0	0.9	1.0	1.0	1.1	1.0	0.9		2.4	0.9	
Continuous voice command	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Software											
Highway autopilot	Standard	None	Standard	Standard	None	Standard	Standard	None	None	None	
Urban autopilot	Standard	None	None	None	None	None	None	None	None	None	
Price score	5	3	5	9	1	5	4	10	2	6	
Range score	5	8	2	2	9	1	10	7	6	4	
Size score	4	9	5	5	10	1	8	2	7	3	
Autopilot score	4	0	2	2	0	2	2	0	0	0	
Sub-total score	18	20	14	18	20	9	24	19	15	15	
Average monthly sales volume (L TM)	12,333	7,103	6,497	6,468	5,930	4,571	4,283	4,276	4,108	3,749	
Peak monthly sales volume (L TM)	16,593	10,191	9,648	10,163	10,334	6,696	10,072	24,690	10,148	26,392	
Lifetime sales volume	257,917	86,766	87,338	71,144	59,300	55,086	34,262	449,718	49,964	526,719	

Source: Autohome, CPCA

Exhibit 40: Product comparison for NEV SUVs in the price range of Rmb100-150k

Top 10 best-selling SUVs (MSRP Rmb100-150k)

OEM	BYD	BYD	BYD	Leapmotor	ChangAn	Geely	BYD	BYD	GAC	ChangAn	XPeng	XPeng
Model	Song Pro DM	BYD Sealion 06 EV	Song L DM	Leap C10 EV	Deepal S05 EV	Galaxy E5 EV	Yuan PLUS EV	BYD Sealion 05 EV	Toyota bZ3X EV	Nevo Q07 PHEV	MONA L03 EV	MONA L03 EREV
Model launch date (latest facelift entry level)	Sep-24	May-26	Oct-25	May-25	Aug-25	Aug-24	Mar-24	Mar-25	Mar-25	Apr-25	Jul-26	Jul-26
Body type	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV	SUV
Segment	A	B	B	B	A	A	A	A0	A	B	A	A
Seat	5	5	5	5	5	5	5	5	5	5	5	5
Powertrain	PHEV	BEV	PHEV	BEV	BEV	BEV	BEV	BEV	BEV	PHEV	BEV	EREV
Entry price (Rmb k)	112.8	129.9	139.8	122.8	119.9	109.8	119.8	117.8	109.8	129.8	129.8	129.8
Max driving range (km)	1,360	205	1,550	530	520	440	430	475	430	1,345	540	1,418
(Wheelbase (mm))	2,712	2,820	2,782	2,825	2,860	2,750	2,720	2,720	2,765	2,905	2,850	2,850
Hardware												
0-100km/h acceleration time (s)	8.5	7.8	7.5	7.3	6.3	6.9	7.3	7.6	3.7	7.4		
Battery size (kWh)	12.9	26.6	18.3	69.9	56 *	49.5	49.92	50.1	50.0	21.5		
Charging speed (kW/h/min)			0.4	1.2	1.9	1.3	0.8	*4	1.0	0.7		
Software												
Continuous voice command	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Highway autopilot	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Urban autopilot	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	None	None	Standard	Standard
Price score	10	2	1	6	7	11	8	9	11	3	3	3
Range score	10	1	12	7	6	4	2	5	2	9	8	11
Size score	1	7	6	8	11	4	2	2	5	12	9	9
Autopilot score	3	3	3	3	3	3	3	3	2	2	4	4
Sub-total score	24	13	22	24	27	22	18	19	20	26	24	27
Average monthly sales volume (LTM)	13,185	12,741	9,512	9,269	8,533	8,267	8,259	7,828	7,307	6,418		
Peak monthly sales volume (LTM)	27,812	20,956	25,198	14,026	15,211	18,962	30,799	14,075	10,027	10,192		
Lifetime sales volume	700,906	127,410	264,328	189,675	142,753	216,747	903,510	103,747	96,699	80,138		

We assume MONA L03's entry-level MSRP is Rmb10k higher than MONA M03, with assumptions that max driving range for BEV version is same as MONA M03 (540km) and EREV version as average driving range to its peers (1,418km on average)

Source: Autohome, CPCA, Goldman Sachs Global Investment Research

In addition to NEVs, XPeng is also making solid progress in transforming itself into a physical AI company. 2026E will be a year of volume production for a number of emerging businesses: **(1) autonomous driving** based on VLA 2.0 model to develop generalization capability, targeting to release VLA 2.0 Version 2 in 3Q26, which operates without HD maps and which could substantially elevate model performance limits, **(2) robotaxi** trial operation on GX's L4 full redundancy hardware and software to validate the Robotaxi business model in China, **(3) humanoid robots** to start volume production in 2026, the company expects revenues from humanoid robot hardware and AI models to emerge as a key driver for revenue starting in 2027.

Exhibit 41: Four key areas highlighted in XPeng's 2025 AI Day (Nov 5-6, 2025)

	Area	Keywords	Key updates	Achievements	Collaborator	Production timeline
Physical AI	VLA (vision language action) 2.0	VLA	The company developed VLA 2.0 which directly bridges vision (image/sound) and action powered by physical AI technology. Compared to vision-language-action model, the company sees its VLA 2.0 (1) reduces information loss, (2) enhances driving safety and smoothness, (3) enables vehicles to operate in more diverse scenarios (incl. industrial parks and narrow roads).	- 3-22x industry avg. computing power - 12x increase in inference capability - 10x increase in parameters 13x longer average take-over mileage (a take-over every 20km in the past vs. every 260km on VLA 2.0)	Volkswagen	- Pilot users in Dec. 2025 - VLA 2.0 to be launched on Ultra model in 2026 - Launch Super LCC for global customers in 2026
	Autonomous driving	Robotaxi, L4	 The company developed two-way solutions on autonomous driving, including (1) Robotaxi and (2) L4 autonomous driving .	- The company targets to achieve (1) pre-installed volume production, (2) large-scale delivery, (3) expanded operating scope, and (4) reduced ride-hailing restrictions.	Amap (a wholly-owned subsidiary of Alibaba Group)	- Launch three Robotaxi models in 2H26
	Humanoid robotics	Humanoid, solid-state battery	 The company launched second-generation humanoid robotics Iron with around 82 joints.	- The company developed humanoid spine, fully-covered soft skin, 3D curved head display, bionic flexible shoulders, dexterous hands, and the adoption of solid-state batteries .	Baosteel	- Hardware and software start integration in Apr 2026 . Target large-scale volume production of advanced humanoid robot in 2026 .
	eVTOL (electric vertical take-off and landing vehicle)	eVTOL	 The company presented demos for (1) land aircraft carrier (20km range, for tourism use) and (2) eVTOL A868 (500+km range) .	- A868 entered the test flight phase with a driving range of 500km+, speed of 360km/h, and a capacity of 6 passengers. - Received c. 7000 orders.	Dunhuang city	- Volume production of land aircraft carrier in 2026 .

Source: Company data

Exhibit 42: XPeng financial summary

Profit model (Rmb mn)	12/25	12/26E	12/27E	12/28E	Balance sheet (Rmb mn)	12/25	12/26E	12/27E	12/28E
Total revenue	76,719.7	91,923.4	104,725.9	117,058.4	Cash & equivalents	41,323.8	38,658.9	39,263.7	45,279.0
Cost of goods sold	(62,246.8)	(74,350.9)	(84,254.5)	(93,583.7)	Accounts receivable	2,099.1	2,515.1	2,865.4	3,202.8
SG&A	(9,398.5)	(10,296.2)	(9,579.4)	(10,151.5)	Inventory	10,380.7	9,166.5	6,925.0	7,691.8
R&D	(9,490.0)	(12,000.0)	(12,000.0)	(12,000.0)	Other current assets	9,450.2	9,450.2	9,450.2	9,450.2
Other operating profit/(expense)	1,644.1	1,969.9	2,244.3	2,508.6	Total current assets	63,253.8	59,790.8	58,504.3	65,623.9
EBITDA	(323.5)	13.6	4,203.6	7,246.8	Net PP&E	13,527.2	13,964.2	14,710.1	15,480.8
Depreciation & amortization	(2,447.9)	(2,767.4)	(3,067.2)	(3,415.1)	Net intangibles	7,467.4	7,002.0	6,523.2	6,031.0
EBIT	(2,771.4)	(2,753.8)	1,136.4	3,831.8	Total investments	2,523.0	2,523.0	2,523.0	2,523.0
Interest income	1,163.2	1,234.4	1,154.8	1,172.9	Other long-term assets	16,391.1	17,453.8	18,049.2	18,408.5
Interest expense	(379.9)	(388.7)	(388.7)	(388.7)	Total assets	103,162.6	100,733.8	100,309.8	108,067.2
Income/(loss) from uncons. subs					Accounts payable	37,164.5	36,666.2	34,625.1	38,459.1
Others	831.3	0.0	0.0	0.0	Short-term loans	6,120.0	6,120.0	6,120.0	6,120.0
Pretax profits	(1,156.8)	(1,908.1)	1,902.4	4,615.9	Other current liabilities	14,403.7	14,633.1	14,701.0	14,707.6
Income tax	(13.6)	(22.4)	(285.4)	(692.4)	Total current liabilities	58,113.3	57,615.1	55,574.0	59,408.0
Minorities					Long-term debt	6,588.9	6,588.9	6,588.9	6,588.9
Net income pre-preferred	(1,170.4)	(1,930.5)	1,617.0	3,923.5	Other long-term liabilities	3,845.2	6,584.0	7,107.0	7,157.7
Preferred dividends	30.9				Total long-term liabilities	14,680.7	14,680.7	14,680.7	14,680.7
Net income (pre-exceptionals)	(1,139.5)	(1,930.5)	1,617.0	3,923.5	Total liabilities	72,794.0	72,295.8	70,254.7	74,088.6
Post tax exceptionals	681.6	506.2	490.2	520.6	Preferred shares			0.0	0.0
Net income	(457.8)	(1,424.3)	2,107.3	4,444.1	Total common equity	30,368.6	28,438.1	30,055.1	33,978.6
EPS (basic, pre-except) (Rmb)	(1.2)	(2.0)	1.7	4.1	Minority interest				
EPS (basic, post-except) (Rmb)	(0.5)	(1.5)	2.2	4.6	Total liabilities & equity	103,162.6	100,733.8	100,309.8	108,067.2
EPS (diluted, post-except) (Rmb)	(0.5)	(1.5)	2.2	4.6	BVPS (Rmb)	31.4	29.4	31.1	35.1
DPS (Rmb)									
Dividend payout ratio (%)	0%	0%	0%	0%	Ratios	12/25	12/26E	12/27E	12/28E
Free cash flow yield (%)	4%	3%	1%	7%	CROCI (%)	-8%	30%	85%	96%
Growth & margins (%)	12/25	12/26E	12/27E	12/28E	ROE (%)	-1%	-5%	7%	14%
Sales growth	88%	20%	14%	12%	ROA (%)	0%	-1%	2%	4%
EBITDA growth	93%	104%	30788%	72%	Inventory days	46.7	48.0	34.9	28.5
EBIT growth	58%	1%	141%	237%	Receivables days	10.9	9.2	9.4	9.5
Net income growth	92%	-211%	248%	111%	Payable days	176.7	181.2	154.4	142.5
EPS growth	92%	-206%	248%	111%	Net debt/equity (%)	-79%	-85%	-85%	-93%
Gross margin	18.9%	19.1%	19.5%	20.1%	Interest cover - EBIT (X)	3.5	3.3		
EBITDA margin	-0.4%	0.0%	4.0%	6.2%	Valuation	12/25	12/26E	12/27E	12/28E
EBIT margin	-3.6%	-3.0%	1.1%	3.3%	P/E basic (X)			41.5	19.7
Cash flow statement (Rmb mn)	12/25	12/26E	12/27E	12/28E	P/B (X)	4.5	3.1	2.9	2.6
Net income pre-preferred dividend	(1,170.4)	(1,930.5)	1,617.0	3,923.5	EV/EBITDA (X)			14.8	7.7
D&A add-back	2,447.9	2,767.4	3,067.2	3,415.1	EV/GCI (X)	63.3	15.9	8.4	6.7
Minorities interests add-back					Dividend yield (%)	0.0%	0.0%	0.0%	0.0%
Net (inc)/dec working capital	8,630.5	299.9	(149.8)	2,729.7					
Other operating cash flow	(1,649.5)								
Cash flow from operations	8,258.5	1,136.7	4,534.4	10,068.3					
Capital expenditures	(3,347.1)	(3,610.4)	(3,738.5)	(3,861.8)					
Acquisitions	(3,868.9)								
Divestitures									
Others	(118.5)	(191.2)	(191.2)	(191.2)					
Cash flow from investments	(7,334.5)	(3,801.6)	(3,929.6)	(4,053.0)					
Dividends paid (common & pref)									
Inc/(dec) in debt	576.6	0.0		0.0					
Common stock issuance									
Other financing cash flows	160.8								
Cash flow from financing	737.4	0.0	0.0	0.0					
Total cash flow	1,661.4	(2,664.9)	604.8	6,015.3					

Source: Company data, Goldman Sachs Global Investment Research

Raising China passenger vehicle export volume forecast

We are raising our China passenger vehicle export volume by 6%-11% over 2026E-2030E, expecting 7.8mn in 2026E to 10mn in 2030E (accounting for 17% of market share ex-China/US). Among this, we expect NEV penetration to increase from 49% to 70%, translating to a 26% CAGR over the next five years, underpinned by accelerating NEV penetration driven by increasing supply of competitive models in terms of both features and cost vs. ICE.

On the other hand, we're lowering our forecast for the domestic market by 3%-8% over 2026E-2030E, mainly reflecting weaker-than-expected domestic demand in 5M26 driven by 1) lower trade-in subsidy in 2026 compared to 2025, 2) higher NEV purchase tax starting in 2026, 3) declining effectiveness of subsidies with demand already being pulled forward in 2024 and 2025.

Net net, we revise our forecast for China passenger vehicle production/wholesale volume by -5% to +1% over 2026E-2030E, primarily due to weak domestic demand offset by strong export momentum.

Exhibit 43: Estimate changes for PV volume in terms of wholesale/retail/export



Source: Goldman Sachs Global Investment Research

Investment Thesis

BYD

BYD is a leading NEV maker both in China and globally. We believe the company is well-positioned both at home and abroad, capturing the largest mass-market demand and building up premium brands in the domestic market. At the same time, BYD has tapped into the overseas market with compelling (highly competitive, innovative) products, which we expect could become a second growth driver for the company, contributing 92% of incremental vehicle sales volume in 2024-2028E and overseas profit contribution to increase from 21% in 2024 to 76% by 2028E. With a comprehensive product portfolio and strong in-house capabilities enabling continued vehicle technology innovation, we expect BYD to grow its total vehicle sales volume from 4.3mn in 2024 to 7.1mn in 2030E. BYD A/H shares are trading below their historical average 12m forward P/Es, which we view as attractive. We are Buy rated. Catalysts include strong sales, breakthrough in overseas markets, and quarterly results. Downside risks: (1) intensifying electric vehicle competition; (2) slower-than-expected overseas expansion progress; (3) lower-than-expected external battery sales.

Leapmotor

We are Buy rated on Leapmotor, a leading pure NEV player with 5.1% market share in China (5M26) per CPCA, as we expect the company to execute a series of competitive new model launches with smooth production ramp-up, that should drive continued growth acceleration in the domestic market over the next three quarters; at the same time, we see 60% upside to the company's 2026 overseas target sales volume of 125k units (implying +108% yoy) at the mid-point (i.e. GSe 200k units), supported by strong overseas retail sales which were +554% yoy during 1Q26. Overall, we forecast Leapmotor to deliver one of the fastest revenue/earnings CAGR (25-27E) at 48%/143% among our China Mobility Tech coverage, yet the stock is currently trading at a c.60% discount to peers on both P/E and P/S. We forecast a 36% revenue CAGR (25-28E), mainly driven by 37% vehicle volume growth from 583k to 1,496k, while we expect continued pricing pressure in China's EV market to result in further ASP reduction. We forecast a 38% gross profit CAGR (25-28E) with gross margin improving from 14.5% to 14.9% mainly driven by improving economies of scale despite increasing cost pressure. The company turned free cash flow positive in 2024 and net profit break-even in 2025 with Rmb11.5bn net cash at end-2025, and we expect ongoing positive FCF generation with net margin improving to 5.1% in 2028E. Catalysts include new model launches, monthly delivery ramp-up and export acceleration to fulfill retail-end demand. On the other hand, risks of worsened market demand, cost inflation, and uncertainty overseas could exert pressure on volume/margins and cash flow.

XPeng

XPeng is among the fastest-growing pure EV makers in China with a focus on intelligent vehicle features. Since 4Q24, XPeng has shown consistent improvement in its new and refreshed model launches with Mona M03 and P7+ sales volume ranking among the top 3 in their respective segments. XPeng has also stepped up its new model launch frequency with 10 launches over 2024-26, compared to only 1-2 new models each year from 2019-2023. XPeng will now introduce 10 new + refreshed models each year to

better compete in the current highly dynamic market environment. In addition, XPeng is focusing more on overseas expansion with increasing product offerings (4 models in 2026) and localized production (Indonesia, Austria and Malaysia). We are Buy rated (ADR/H share), as we see the results of a series of efforts coming through the company's product launches and overseas expansion, leading to higher visibility for sustainable sales volume growth as well as profit margin improvement going forward. XPeng is currently trading in line with its historical average forward P/S multiple over the past 1 year which we view as attractive in light of its growth trajectory. Catalysts include upcoming product launches including the sales ramp-up from EREV models, as well as quarterly results.

Price Target Risks & Methodology

BYD (002594.SZ / 1211.HK, Buy): We are Buy rated with 12m DCF-based (WACC 10.8%, TGR 2.0%) TP of Rmb137/HK\$134 on the A/H shares (applying a 10% discount to the H-share). Downside risks: (1) Intensifying electric vehicle competition; (2) Slower-than-expected overseas expansion progress; (3) Lower-than-expected external battery sales.

1211.HK	12m Price Target: HK\$134	Price: HK\$78.35	Upside: 71%
002594.SZ	12m Price Target: Rmb137	Price: Rmb87.59	Upside: 56.4%

Buy		GS Forecast			
		12/25	12/26E	12/27E	12/28E
Market cap: Rmb798.6bn / \$117.9bn	Revenue (Rmb mn)	803,965.0	914,606.3	1,026,170.7	1,132,220.7
Enterprise value: Rmb748.9bn / \$110.5bn	EBITDA (Rmb mn)	102,587.8	123,963.4	141,797.9	175,281.6
3m ADTV: Rmb5.0bn / \$728.7mn	EPS (Rmb)	3.58	4.37	5.37	7.41
China	P/E (X)	30.5	20.0	16.3	11.8
China Mobility Tech	P/B (X)	4.0	2.8	2.4	2.0
	Dividend yield (%)	0.3	0.5	0.6	0.8
M&A Rank: 3	N debt/EBITDA (ex lease, X)	(0.2)	(0.4)	(0.7)	(1.0)
Leases incl. in net debt & EV?: Yes	CROCI (%)	32.1	26.6	26.9	28.2
	FCF yield (%)	(9.8)	4.2	7.0	10.4
		3/26	6/26E	9/26E	12/26E
	EPS (Rmb)	0.45	1.00	1.36	1.56

Source: Company data; Goldman Sachs Research estimates. Fairfax. Prices as of 22 Jun 2025 close.

Leapmotor (9863.HK, Buy): Our 12-month target price of HK\$50/share is based on DCF methodology. Key downside risks: Weaker-than-expected China demand; Market share loss due to intensified competition; Cost pressure from raw materials; Uncertainties from collaboration with Stellantis; Policy uncertainties for overseas expansion (e.g. tariffs).

9863.HK

12m Price Target: HK\$50

Price: HK\$34.18

Upside: 46.3%

Buy		GS Forecast			
		12/25	12/26E	12/27E	12/28E
Market cap: HK\$47.5bn / \$6.1bn	Revenue (Rmb mn)	64,731.9	109,427.9	142,397.0	164,500.1
Enterprise value: HK\$33.8bn / \$4.3bn	EBITDA (Rmb mn)	1,353.5	4,674.1	8,256.5	10,769.6
3m ADTV: HK\$532.7mn / \$68.0mn	EPS (Rmb)	0.78	2.47	4.56	6.00
China	P/E (X)	62.9	12.0	6.5	4.9
China Mobility Tech	P/B (X)	4.8	2.4	1.8	1.4
	Dividend yield (%)	0.0	0.0	0.0	0.0
M&A Rank: 3	N debt/EBITDA (ex lease X)	(8.5)	(2.9)	(2.1)	(2.1)
Leases incl. in net debt & EV?: Yes					
	FCF yield (%)	11.6	4.6	9.9	11.4
		3/26	6/26E	9/26E	12/26E
	EPS (Rmb)	0.01	0.32	0.80	1.33

Source: Company data; Goldman Sachs Research estimates; FactSet. Prices as of 23 Jun 2026 close

XPeng (XPEV / 9868.HK, Buy): We are Buy rated with 12m DCF-based (WACC 11.8%, TGR 3.0%) TP of US\$23/HK\$89 for the ADR/H share. Risks: lower-than-expected sales volume; worse-than-expected price competition; weaker-than-expected market demand.

9868.HK

12m Price Target: HK\$89

Price: HK\$51.55

Upside: 72.6%

XPEV

12m Price Target: \$23

Price: \$13.35

Upside: 72.3%

Buy		GS Forecast			
		12/25	12/26E	12/27E	12/28E
Market cap: \$12.9bn	Revenue (Rmb mn)	76,719.7	91,923.4	104,725.9	117,058.4
Enterprise value: \$9.3bn	EBITDA (Rmb mn)	(323.5)	13.6	4,203.6	7,246.8
3m ADTV: \$109.3mn	EPS (Rmb)	(0.48)	(1.47)	2.18	4.59
China	P/E (X)	NM	NM	41.5	19.7
China Mobility Tech	P/B (X)	4.5	3.1	2.9	2.6
	Dividend yield (%)	0.0	0.0	0.0	0.0
M&A Rank: 3	N debt/EBITDA (ex lease X)	--	15.4	(8.6)	(5.3)
Leases incl. in net debt & EV?: Yes	CROCI (%)	NM	29.9	85.2	95.6
	FCF yield (%)	3.6	(2.8)	0.9	7.1
		3/26	6/26E	9/26E	12/26E
	EPS (Rmb)	(1.76)	(0.62)	(0.33)	1.22

Source: Company data; Goldman Sachs Research estimates; FactSet. Prices as of 22 Jun 2026 close