

ESS Battery

July shipments accelerated the growth

Global ESS battery shipments maintained strong momentum at 105.5GWh in Jul-26, rising 88% y/y and 5% m/m, according to ICCSino. This brought 7M26 shipments to 613.8GWh, up 96% y/y, keeping the industry on track to meet or beat J.P. Morgan's FY26 forecast of 1.1TWh, or 78% y/y growth. July shipment and production volumes were above seasonal levels, supported by robust underlying demand and a relatively favorable Jul-25 comparison base. China domestic demand remained the primary growth engine, accounting for 46% of global demand and growing 15% y/y in 7M26. Among overseas markets, the EU and RoW represented 19% and 26% of global demand, respectively, with shipments to both markets rising by around 130% y/y, while US demand continued to shift toward Korean and Japanese suppliers. ESS value-chain stocks prices have remained broadly flat from their recent July troughs, with CATL A/H the notable exception following its 2Q26 results. **Looking ahead, ESS battery production and shipments are expected to increase by 4-5% m/m in August, with growth potentially further accelerating to 6-8% m/m in September as new capacity comes online.** According to ICCSino, overseas demand remains strong, while the pickup in domestic ESS tender awards and grid connections in July-August will provide further support for China demand. By application, utility-scale ESS shipments remain on a healthy growth trajectory, while overseas residential ESS battery restocking slowed in July-August following heavy channel loading in 2Q26, but is expected to normalize in September. **Overall, ESS demand remains intact and continues to show strong momentum.** Among J.P. Morgan's Asia ESS value chain coverage, our top picks are **CATL** (global leader with market share gains in non-US regions), **Sungrow** (re-rating potential from direct sales to data centers on new use cases), **Deye** (riding distributed-generation ESS with strong emerging market exposure), **LGES** and **SDI** (well positioned for US ESS opportunities). ESS is also increasingly important for **BYD**, contributing >20% of its total battery shipments in 2026.

ESS installations: US +22% y/y in 1H26, China ESS installation data demystified

- US ESS (BESS) installation in 6M26:** US BESS installation reached 2.7GW in Jun-26, up 56% y/y, as per the EIA, bringing 6M26 to 8.3GW, up 22% y/y. We continue to see strong US BESS demand in 2026, in part due to a tight power market from AIDC.
- Demystifying the contradicting China ESS installation data:** We saw contradicting data on China's ESS installation. Per the NEA ([link](#)), China's new ESS installations reached 45GWh in 1H26, down 17% yoy. However, per the CEC ([link](#)), China's BESS installations were 60GWh, up 78% yoy. **J.P. Morgan view:** We attribute the difference between NEA and CEC data to: (1) **scope:** CEC data includes BESS projects from the 24 enterprise member units of the National Electric Power Safety Production Committee, while NEA data should include all ESS projects in China; (2) **calibers:** CEC data includes BESS projects from the 24 enterprise member units of the National Electric Power Safety Production Committee, while NEA data should include all ESS

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projects in China. In addition, we acknowledge that there has been some discrepancy between NEA and CEC since 2023. We believe the NEA may have booked some ESS projects into 2H25, which would make its 1H26 energy storage installed-capacity data appear lower. Alternatively, some projects may not have reached operational status and could be deferred to 2H26 (report [link](#)).

- **China's ESS installation in 7M26:** China's ESS installation reached 15.77GWh in Jul-26, up ~75% yoy, per the CNESA, partly due to a rise in grid-side independent ESS installations. Taking data points from various sources, in conjunction with our channel checks on industry development and analysis on the data, we remain positive on China's FY26 full-year ESS installation outlook, due to improving project return profiles for independent ESS plants and rising ESS battery duration on the back of positive policy supports.

Figure 1: ESS installation data from NEA and CEC

NEA: Newly installed ESS		Unit	1H23	2H23	1H24	2H24	1H25	2H25	1H26
Capacity		GW	8.6	14.0	13.1	29.3	21.2	41.1	17.0
Power output		GWh	17.7	31.0	32.2	68.8	54.0	129.0	45.0
HoH									
Capacity				61.9%	-6.6%	124.7%	-27.9%	94.3%	-58.6%
Power output				74.8%	3.9%	113.8%	-21.5%	138.9%	-65.1%
YoY									
Capacity					51.2%	109.9%	62.1%	40.1%	-19.6%
Power output					81.7%	122.1%	67.8%	87.5%	-16.7%
CEC: Newly installed ESS		Unit	1H23	2H23	1H24	2H24	1H25	2H25	1H26
Capacity		GW	7.4	10.7	10.4	26.8	13.7	33.5	21.6
Power output		GWh	14.7	22.1	24.2	66.3	33.8	101.1	60.2
			120%	140%	133%	104%	160%	128%	75%
HoH									
Capacity				44.4%	-3.1%	158.1%	-49.0%	145.2%	-35.4%
Power output				50.2%	9.4%	174.3%	-49.1%	199.6%	-40.4%
YoY									
Capacity					39.9%	150.1%	31.7%	25.2%	58.4%
Power output					64.4%	200.1%	39.6%	52.4%	78.4%

Source: NEA, CEC.

Global ESS battery shipments: +5% m/m in July and +96% y/y in 7M26

- **Global ESS battery shipment growth reaccelerated in July on resilient China demand, robust ex-US exports and a more favorable comparison base.** Shipments reached 105.5GWh, up 88% y/y and 5% m/m (vs 66% y/y and 3% m/m growth in June). The stronger y/y growth partly reflected a relatively favorable Jul-25 comparison base when shipment pull-forward was associated with anticipated policy changes, including the US IRA and tariffs and China's Doc 136. July growth was driven mainly by China domestic demand, which rose 187% y/y, and robust Chinese supplier shipments to the EU and RoW. Global ESS battery supply remained China-led, with Chinese suppliers accounting for 97% of shipments in 7M26, while demand remained broadly balanced between overseas markets at 54% and China domestic demand at 46%.
- **Chinese ESS battery exports remained robust across the EU and RoW, while US sourcing continued to shift toward KR/JP suppliers.** Chinese suppliers shipped 20.3GWh to the EU in July, up 108% y/y and 2% m/m, and 25.3GWh to RoW, up 113% y/y and 7% m/m. In 7M26, EU and RoW shipments rose 128% and 130% y/y, respectively, together accounting for 45% of Chinese suppliers' end-market mix. By contrast, Chinese suppliers' US shipments fell 56% y/y to 7.0GWh in July and 42% y/y to 44.9GWh in 7M26, while KR/JP suppliers' global ESS shipments increased 187% y/y in July. US battery import data corroborates this shift, with China-origin lithium battery imports down 64% y/y in 1H26, versus ~10% growth in Korea-origin imports (largely from SDI), as OBBBA regulations continue to reshape US sourcing.
- **CATL's 1H26 results reinforced the constructive ESS demand outlook in 2027, with**

ESS becoming an increasingly meaningful growth and earnings contributor. CATL's ESS sales volume reached 109GWh in 1H26, up around 110% y/y and accounting for approximately 25% of total battery sales. The company's reported ESS ASP fell 9% y/y due to an increase in domestic ESS shipment mix (where CATL gained ~2ppt market share). Management indicated that some ESS shipments may require six to twelve months for revenue recognition due to system delivery, installation and commissioning, while remaining confident that its 2027 battery demand growth may exceed its long-term 20-30% CAGR outlook.

- **Consumption tax is a manageable near-term headwind, with limited read-through to underlying ESS demand.** China will impose a 2% consumption tax on domestically produced and sold lithium-ion batteries from 1 September 2026, rising to 4% from 1 September 2027 (see our [note](#) published on 17-Jul), while exports and overseas production are not directly affected. For ESS projects, a full pass-through of the 4% tax from battery makers could reduce ESS project IRR by ~0.5–1ppt per J.P. Morgan estimates, although actual demand impact should depend on cost sharing among battery makers, integrators and project owners. We therefore view the policy primarily as a margin and cost-pass-through issue rather than a near-term constraint on ESS demand.
- **J.P. Morgan view on ESS battery shipment:** We see limited risk of broad ESS growth deceleration in 2H26, but flag a higher China-specific shipment slowdown risk from 2H27. We highlighted in our 2-June [report](#) that the latest NDRC target calls for 180GW of China ESS installed capacity by 2027 (vs. ~75GW in 2024), while J.P. Morgan's base case already assumes installations to exceed 320GW by 2027. That points to potential overachievement of the official target and, by extension, the risk of a sharp slowdown or decelerated growth in 1H28. We forecast China ESS installation growth to decelerate to 4% in 2028 from 25% in 2027, with a more meaningful slowdown likely in 1H28; because ESS battery shipments typically lead installations by about six months, shipment deceleration risk could begin as early as 2H27. **However, we believe any post-2027 softness may be temporary rather than structural**, as underlying storage needs tied to rising renewable penetration should keep growth intact into 2030, with China's renewable mix expected to rise from ~24% by end-2025 toward ~35% by 2030 and ESS penetration catching up from ~7% toward ~18% (still consistent with markets like the UK, where storage remains a grid priority even near ~18% penetration). Finally, **other demand drivers may cushion any China ESS slowdown**, as China ESS is expected to be less than 20% of total battery demand in 2026 and overseas ESS, particularly Europe and emerging markets, likely to be the more important contributor to battery growth.

Recommendations

The table below summarizes the key relevant stocks under J.P. Morgan Asia equity coverage and their exposure to the ESS business.

- **Largest PCS supplier – Sungrow (OW):** Sungrow is the world's largest solar inverter producer by volume, gaining market share in recent years due to cost advantage. Sungrow offers superior product quality and stronger brand recognition compared to domestic peers. We expect Sungrow to benefit from robust ESS demand and rising orders from utilities and data centers.
- **Deye (OW)** is a distributed generation (DG) energy storage (ESS) producer with first-mover advantage in emerging markets (EM). Near term, energy supply shocks are accelerating DG solar+storage adoption, especially where diesel DG was prevalent. Longer term, policy may shift toward resilience, supporting sustained growth. Deye's appliance legacy supports cost leadership via rising in-house fabrication.
- **China ESS battery: CATL (OW)** is the largest ESS battery maker globally and our top pick in China's battery value chain. **EVE Energy (N)** has the highest ESS exposure among covered battery makers, followed by **CALB (OW)**. We also favor **BYD (OW)**,

given strong demand for its EV models in overseas markets and benefits from vertical integration in EV and ESS.

- **Korean battery players see improved opportunities and margins in US ESS.** LGES's (OW) ESS order win momentum has been strong, and we estimate that the company has the largest LFP ESS order backlog among Korean battery makers. SDI's (OW) ESS visibility is also improving: US battery import data indicate that China-origin shipments have fallen further since July 2025 (post-OBBBA), while Korea-origin (largely SDI) shipments have risen sequentially, supporting an ongoing sourcing shift as US regulations remain effective.

Summary of ESS-related stocks under J.P. Morgan coverage

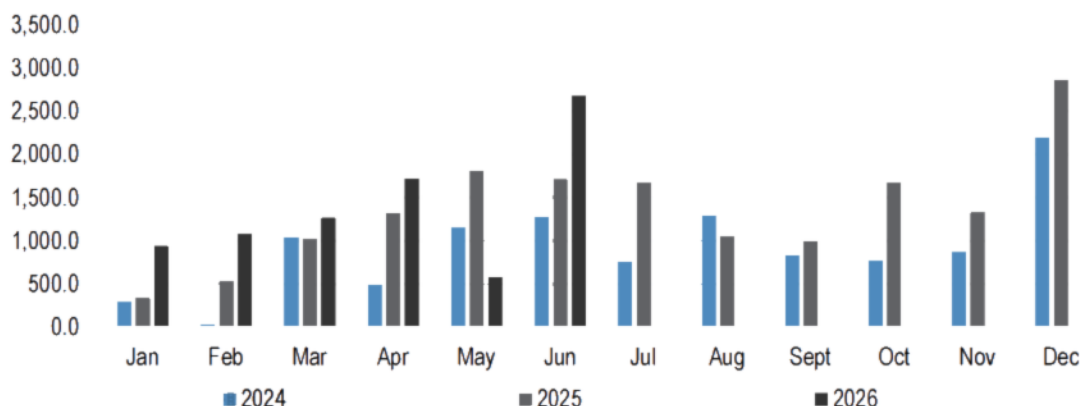
Table 1: Summary of ESS value chain stocks under J.P. Morgan coverage

Company	Ticker	Cover Analyst	JPM Rating	ESS business	ESS revenue exposure			ESS volume exposure		
					FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
CATL	300750 CH	Rebecca Wen	OW	ESS battery	15%	19%	23%	18%	25%	30%
CALB	3931 HK	Rebecca Wen	OW	ESS battery	32%	26%	29%	41%	39%	42%
EVE Energy*	300014 CH	Rebecca Wen	N	ESS battery	40%	38%	40%	59%	54%	56%
Gotion	002074 CH	Rebecca Wen	UW	ESS battery	19%	21%	24%	30%	33%	37%
BYD-H	1211 HK	Nick Lai	OW	ESS battery	4%	5%	n/a	20%	27%	n/a
LGES	373220 KS	Parsley Ong	OW	ESS battery	13%	33%	41%	8%	23%	31%
Samsung SDI	006400 KS	Sonny Lee	OW	ESS battery	22%	30%	31%	33%	44%	49%
Sungrow	300274 CH	Alan Hon	OW	PCS+EMS+integration	42%	49%	53%	n/a	n/a	n/a
Deye	605117 CH	Alan Hon	OW	PCS+battery+packs	74%	86%	89%	n/a	n/a	n/a
Nan	600406 CH	Stephen Tsui	OW	BMS+PCS+EMS+integration	<10%	n/a	n/a	n/a	n/a	n/a

Source: Company data, J.P. Morgan estimates. Note: ESS battery may include BMS or system integration. EVE's ESS volume exposure refers to ESS battery volume over total power battery, not including consumer battery. Note: Gotion's FY25 exposure is JPME. Note: SDI's total revenue includes electronic materials and small battery, while volume excludes electronic materials and small battery.

US ESS installation and battery imports

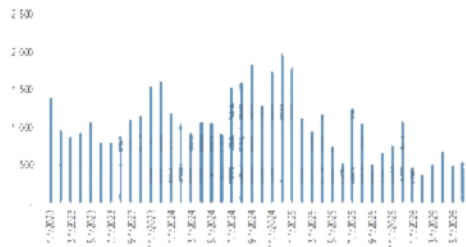
Figure 2: US BESS installations (MW)



Source: EIA.

Summary of ESS-related stocks under J.P. Morgan coverage

Figure 3: US: China battery imports (\$mn) -64% y/y in 6M26



Source: United States International Trade Commission.

Figure 4: US: Korea battery imports (\$mn) +10% y/y in 6M26



Source: United States International Trade Commission.

Summary of latest ESS battery production and shipment trends

Table 2: Summary of ESS battery production trends

GWh	2025		1Q26			2Q26			7M26	
	Production	Y/Y	Production	Q/Q	Y/Y	Production	Q/Q	Y/Y	Production	Y/Y
Global ESS battery production	609.1	76%	224.7	11%	119%	285.5	27%	109%	615.0	111%
By battery producer country:										
KR/JP battery players	19.9	121%	7.9	-5%	192%	10.1	27%	155%	21.8	185%
CH battery players	589.2	75%	216.8	11%	117%	275.4	27%	107%	593.2	109%

Source: ICCSino, J.P. Morgan.

Table 3: Summary of ESS battery shipment trends (monthly)

GWh	26-Jul	Y/Y	M/M	Mix
Global ESS battery shipments	105.5	88%	5%	100%
KR/JP battery players	3.7	183%	9%	4%
CH battery players	101.8	86%	4%	96%
Global ESS battery shipments by end-demand region	105.5	88%	5%	100%
China domestic demand	49.2	187%	4%	47%
Ex-China demand	56.3	45%	5%	53%
China exports (direct exports + exports by ESS customers)	52.5	40%	5%	50%
JP/KR players	3.7	183%	9%	4%
Chinese player shipments by end-demand application	101.8	86%	4%	100%
Utility-scale	73.9	68%	4%	73%
Commercial & Industrial (C&I)	12.9	158%	12%	13%
Telecom base station	1.8	122%	8%	2%
Residential	11.8	152%	-3%	12%
Portable	0.4	95%	0%	0.4%
UPS	1.0	1840%	0%	1.0%
Chinese player shipments by end-markets	101.8	86%	4%	100%
China	49.2	187%	4%	48%
US	7.0	-56%	9%	7%
EU	20.3	108%	2%	20%
RoW	25.3	113%	7%	25%

Source: ICCSino, J.P. Morgan. Note: Utility storage includes photovoltaic and wind power energy storage and independent energy storage power stations.

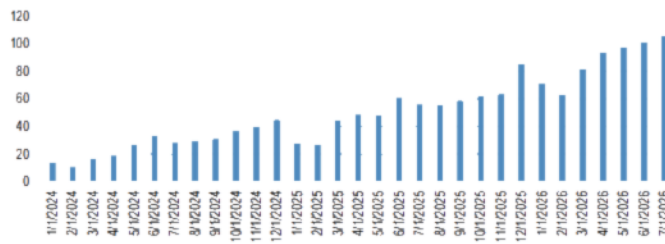
Table 4: Summary of ESS battery shipment trends (YTD)

GWh	2025	Y/Y	Mix	7M26	Y/Y	Mix	1Q26	Y/Y	2Q26	Q/Q	Y/Y
Global ESS battery shipments	638.8	93%	100%	613.8	96%	100%	215.9	117%	292.4	35%	86%
KR/JP battery players	17.3	87%	3%	20.8	188%	3%	7.0	173%	10.0	43%	200%
CH battery players	621.5	94%	97%	593.1	94%	97%	208.9	115%	282.4	35%	83%
Global ESS battery shipments by end-demand region	638.8	93%	100%	613.8	96%	100%	215.9	117%	292.4	35%	86%
China domestic demand	256.8	66%	40%	279.6	148%	46%	90.0	148%	135.3	50%	137%
Ex-China demand	381.9	118%	60%	334.3	67%	54%	125.9	105%	157.0	25%	56%
China exports (direct exports + exports by ESS customers)	364.7	120%	57%	318.4	65%	52%	118.9	102%	147.0	24%	52%
JP/KR players	17.3	87%	3%	20.8	188%	3%	7.0	173%	10.0	43%	200%
Chinese player shipments by end-demand application	621.5	94%	97%	593.1	94%	97%	208.9	115%	282.4	35%	83%
Utility-scale	501.2	97%	81%	451.4	84%	76%	166.1	109%	211.4	27%	74%
Commercial & Industrial (C&I)	54.9	104%	9%	68.1	150%	11%	22.3	140%	32.9	47%	154%
Telecom base station	10.0	-2%	2%	9.0	64%	2%	2.8	29%	4.4	56%	75%
Residential	51.8	110%	8%	60.1	132%	10%	17.1	248%	31.2	83%	91%
Portable	2.5	-8%	0%	2.0	34%	0%	0.6	-6%	1.0	62%	54%
UPS	1.0	-32%	0%	2.7	254%	0%	0.2	-46%	1.5	619%	372%
Chinese player shipments by end-markets	621.5	94%	97%	593.1	94%	97%	208.9	115%	282.4	35%	83%
China	256.8	66%	40%	279.6	148%	46%	90.0	148%	135.3	50%	137%
US	132.7	126%	21%	44.9	-42%	8%	19.0	-25%	19.0	0%	-47%
EU	104.2	140%	17%	114.5	128%	19%	38.1	217%	56.1	47%	97%
RoW	127.7	101%	21%	152.5	131%	26%	55.3	160%	71.9	30%	120%

Source: ICCSino, J.P. Morgan. Note: Utility storage includes photovoltaic and wind power energy storage and independent energy storage power stations.

ESS battery demand in different regions

Figure 5: Global ESS battery shipments (monthly) (Unit: Gwh)



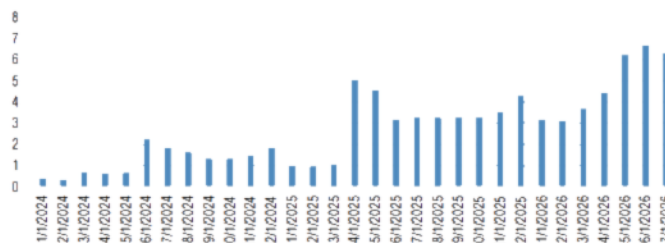
Source: ICCSino, J.P. Morgan

Figure 7: Chinese players' ESS battery exports to the US (monthly) (Unit: Gwh)



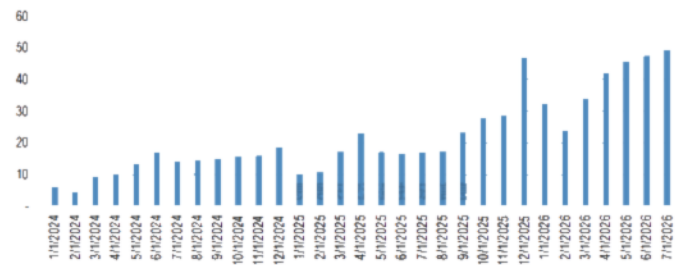
Source: ICCSino, J.P. Morgan

Figure 9: Chinese players' ESS battery exports to the EU residential market (monthly) (Unit: Gwh)



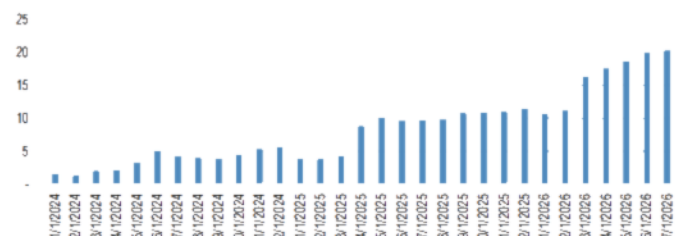
Source: ICCSino.

Figure 6: China domestic demand ESS shipments (monthly) (Unit: Gwh)



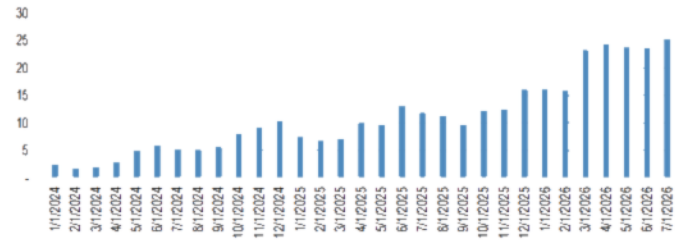
Source: ICCSino, J.P. Morgan

Figure 8: Chinese players' ESS battery exports to the EU (monthly) (Unit: Gwh)



Source: ICCSino, J.P. Morgan

Figure 10: Chinese players' ESS battery exports to RoW (markets excluding China, the US and the EU) (monthly) (Unit: Gwh)



Source: ICCSino.

ESS battery inventory trends

Table 5: Chinese players' ESS battery production, shipment and inventory trends

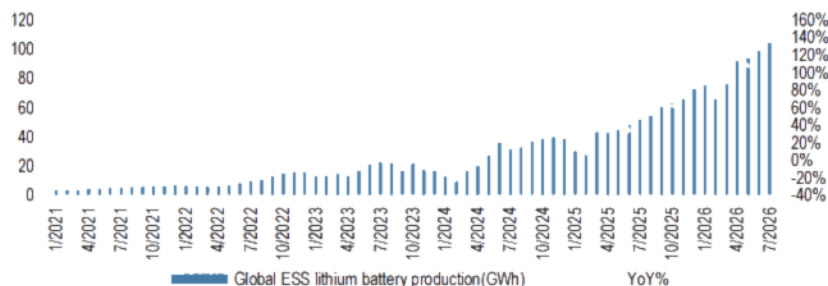
GWh	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	FY25		26-Jan	26-Feb	26-Mar	26-Apr	26-May	26-Jun	26-Jul
Industry production volume	100	133	162	194	217	275	589		73	64	80	89	91	96	101
Industry shipment volume	97	154	166	205	209	282	622		69	61	79	90	94	98	98
Inventory changes	3	-21	-4	-10	8	-7	-32		4	3	1	-1	-4	-2	3.5

Source: ICCSino, J.P. Morgan.

Global ESS battery volume trend

Global ESS battery shipments slowed on m/m growth due to capacity constraints, but maintained strong y/y momentum, up 96% y/y YTD on top of 93% y/y in FY25. Growth is driven by: (1) strong China exports, supported by surging demand from emerging markets and the EU; (2) strong China domestic demand, fueled by Doc 136, Doc 114 and supportive national/provincial policies.

Figure 11: Global ESS battery production trend

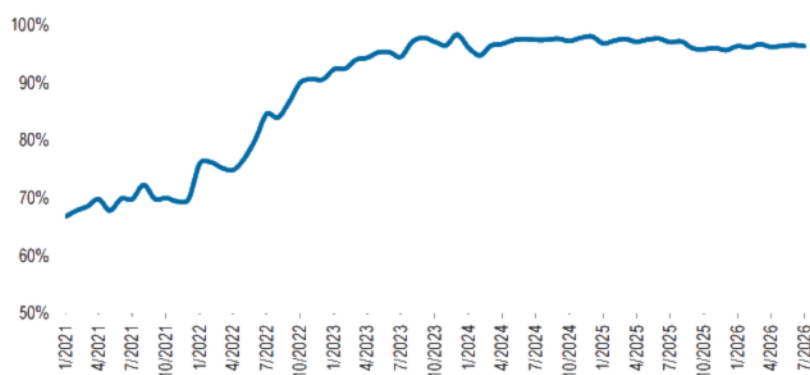


Source: ICCSino, J.P. Morgan.

Chinese players' ESS battery volume trend

Chinese battery manufacturers have held a 97% global share YTD (flat vs. 97% in 2025/2024).

Figure 12: Chinese ESS battery players' market share as a % of global (based on production)



Source: ICCSino, J.P. Morgan.

Sales by region analysis

China's domestic market accounted for 46% of Chinese ESS battery shipments in 7M26, up from 40% in 2025, while RoW, the EU and the US represented 26%, 19% and 8%, respectively. Shipment growth remained robust across all regions except the US, with China domestic volumes up 148% y/y, EU shipments up 128% y/y and RoW shipments up 131% y/y. By contrast, Chinese suppliers' shipments to the US fell 42% y/y, reflecting the continued impact of OBBBA-driven sourcing shifts.

Chinese battery players' shipment breakdown by region (7M26):

- **CATL:** About 70% of shipments were overseas (vs. 77% in 2025 and 65% in 2024), supporting higher profitability due to stricter quality requirements and a more favorable competitive landscape. CATL also has higher US exposure than its tier-2 peers.
- **Tier-2 players:** About 65-75% of Rept's and EVE's shipments were overseas, with ~40-60% to RoW. BYD shipped ~65% to the overseas market. On the other hand, CALB shipped ~60-65% to the domestic Chinese market.

Chinese players' market share by region (7M26):

- **Global:** CATL ranked #1, followed by EVE, Hithium and BYD.
- **China:** The market is highly competitive with low concentration; CATL held a **16%** share (up from 25% in 2024). We expect CATL to continue to gain share in 2026 post-Doc136 and with ca
- **US:** CATL led, with a ~60% share, followed by Hithium and EVE among Chinese suppliers.

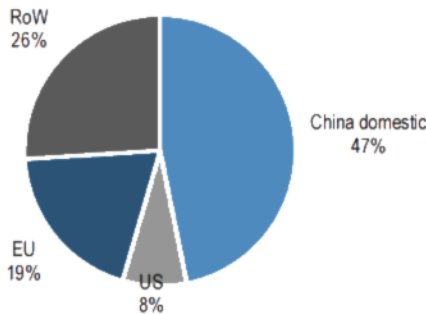


- **EU:** CATL held a ~20% share, followed by EVE, Rept and BYD.
- **RoW:** CATL held a ~30% share, followed by EVE, BYD, Rept and CALB.

By end application:

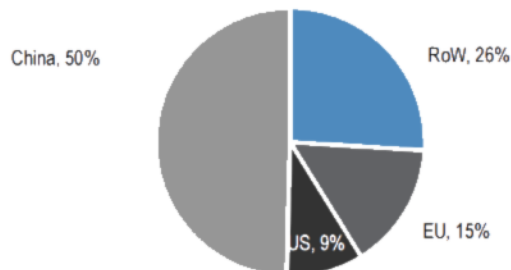
- **Utility-scale ESS:** China accounted for a ~50% share (up from 42% in 2025); regional and player breakdowns were similar to the overall market.
- **Residential ESS:** The EU held a ~60% share; China's residential market was negligible. Rept, EVE and Great Power were the top three globally (EU, US, RoW), collectively holding a 67% share, followed by BYD.

Figure 13: Chinese players' ESS battery shipments by region (YTD)



Source: ICCSino, J.P. Morgan.

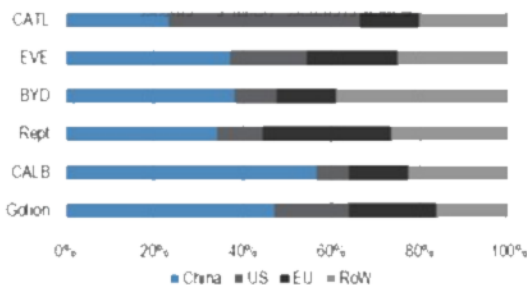
Figure 15: Chinese players' utility-scale ESS battery shipments by region (YTD)



Source: ICCSino, J.P. Morgan.

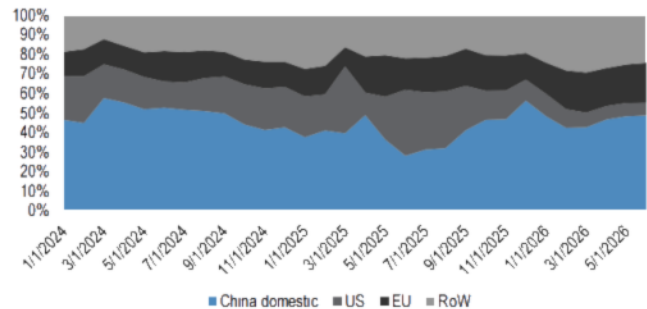
Chinese battery makers' sales mix by region

Figure 17: Chinese players' ESS battery shipments by region (FY25)



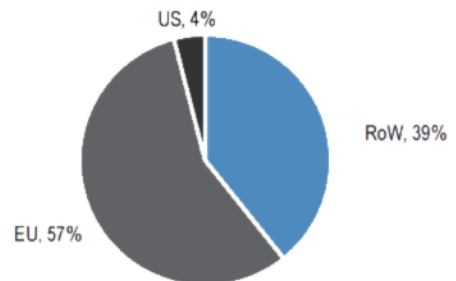
Source: ICCSino, J.P. Morgan.

Figure 14: Chinese players' ESS battery shipments by region



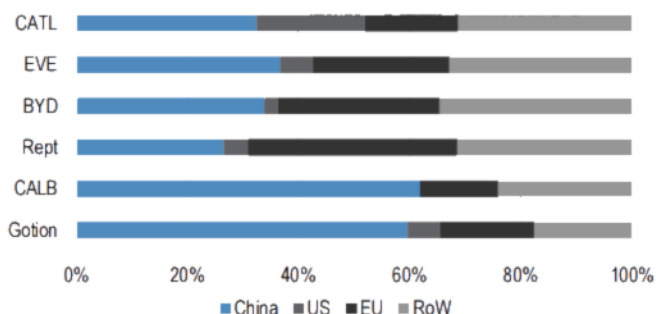
Source: ICCSino, J.P. Morgan.

Figure 16: Chinese players' residential ESS battery shipments by region (YTD)



Source: ICCSino, J.P. Morgan.

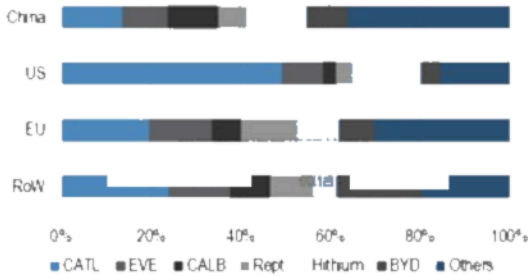
Figure 18: Chinese players' ESS battery shipments by region (YTD)



Source: ICCSino, J.P. Morgan.

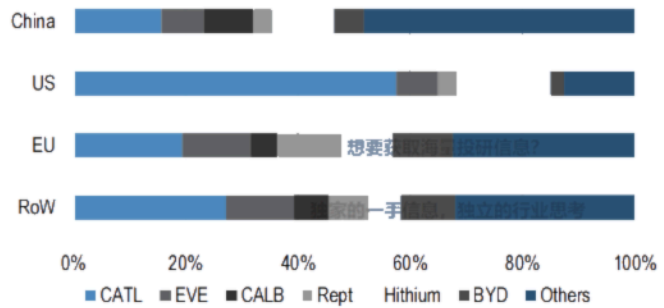
Market share by region (among Chinese suppliers only)

Figure 19: Chinese players' market share in each ESS battery market (FY25)



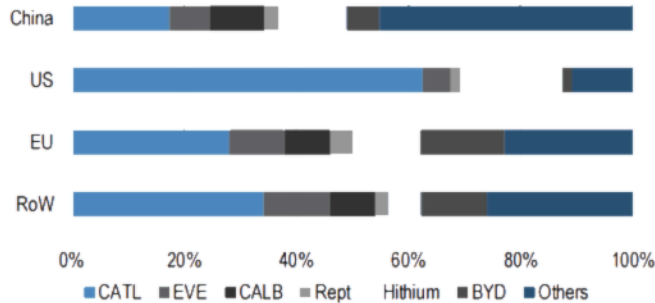
Source: ICCSino, J.P. Morgan. Note: Market share among Chinese suppliers only.

Figure 20: Chinese players' market share in each ESS battery market (YTD)



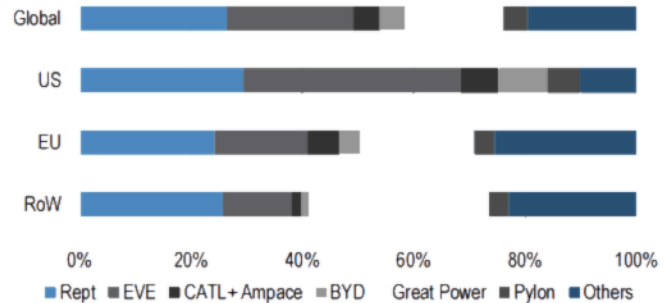
Source: ICCSino, J.P. Morgan. Note: Market share among Chinese suppliers only.

Figure 21: Chinese players' market share in each utility-scale ESS battery market (YTD)



Source: ICCSino, J.P. Morgan.

Figure 22: Chinese players' market share in each residential ESS battery market (YTD)

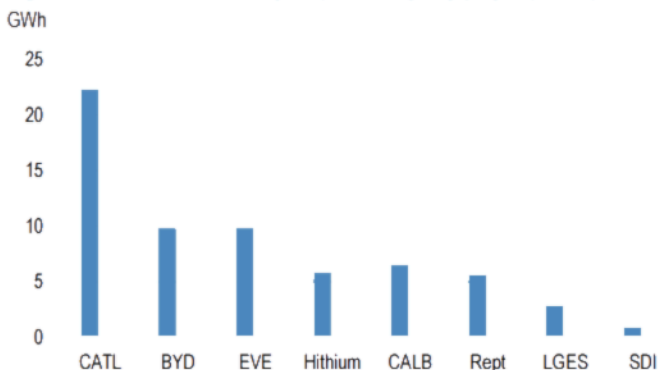


Source: ICCSino, J.P. Morgan.

Global ESS battery production volume by player

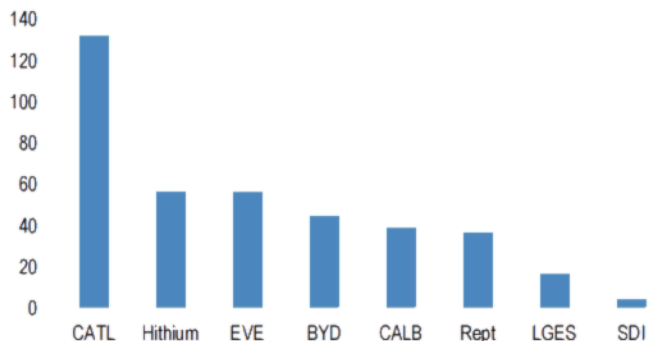
CATL maintains its global leadership in ESS battery production and shipment volumes. A 10 ppt drop in market share in 2025 vs. 2024 is attributable mainly to capacity constraints. CATL's market share further decreases 2% in YTD26, according to ICCSino data. The tier-2 battery players like BYD, EVE, Hithium and CALB market shares each fell ~2ppts. Conversely, tier-3 players such as Great Power, Ganfeng and Cornex saw their market shares each increase ~2ppts. We believe the shifts reflect top players' capacity constraints.

Figure 23: Global ESS battery shipments by key player (Jul-26)



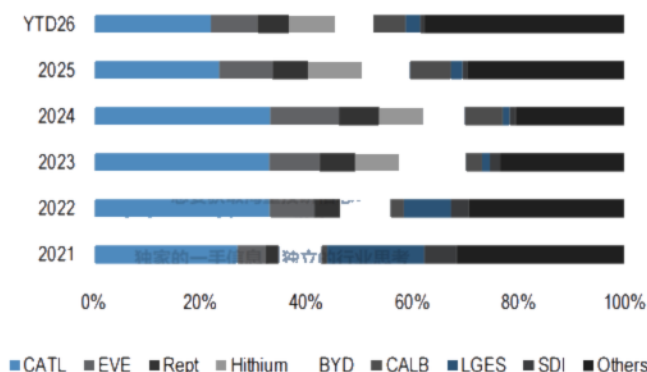
Source: ICCSino, J.P. Morgan. Note: Data are based on shipment volume and estimated by ICCSino. This can vary from companies' reported data.

Figure 24: Global ESS battery shipments by key player (YTD26)



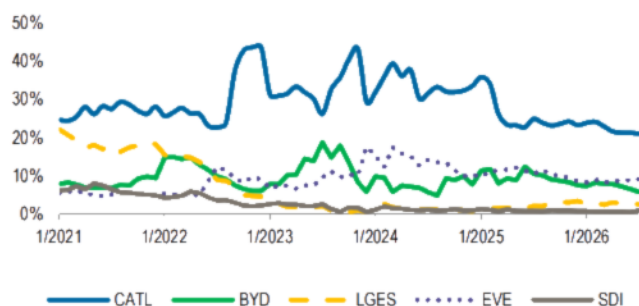
Source: ICCSino, J.P. Morgan. Note: Data are based on shipment volume and estimated by ICCSino. This can vary from companies' reported data.

Figure 25: Global ESS battery market share by key player (based on ICCSino production volume)



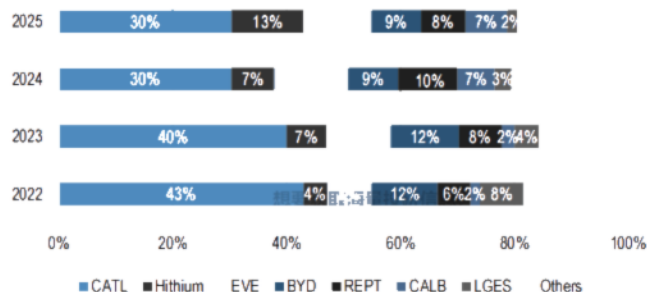
Source: ICCSino, J.P. Morgan. Note: Market share is based on production volume and estimated by ICCSino. This can vary from companies' reported data.

Figure 27: Global ESS battery market share by key player (based on production volume)



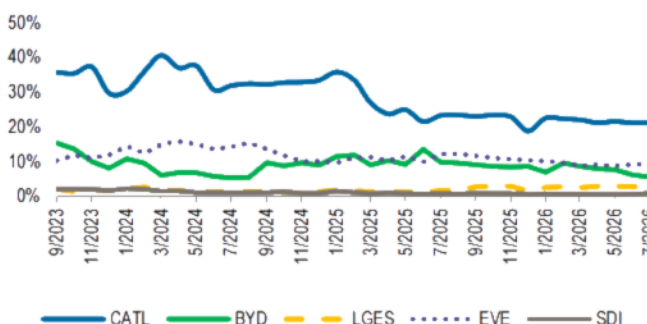
Source: ICCSino, J.P. Morgan. Note: Market share is based on shipment volume and estimated by ICCSino. This can vary from companies' reported data.

Figure 26: Global ESS battery market share by key player (shipment volume based on SNE Research)



Source: SNE, J.P. Morgan. Note: CATL's volume estimates for FY24 and FY25 were based on sales recognition and may not be compared directly to FY21-23.

Figure 28: Global ESS battery market share by key player (based on shipment volume)



Source: ICCSino, J.P. Morgan. Note: Market share is based on shipment volume and estimated by ICCSino. This can vary from companies' reported data.

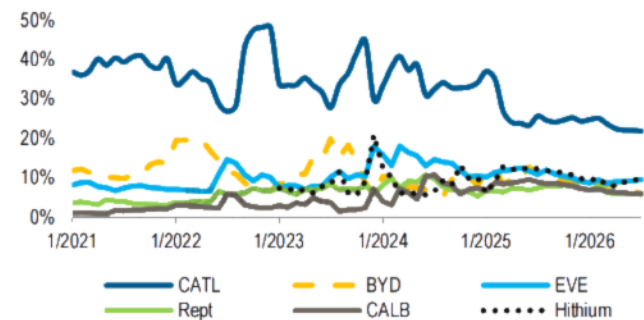
ESS battery market share by player: Chinese manufacturer breakdown

CATL's market share fell 2ppts in 7M26 vs. FY25. BYD, EVE, Hithium and CALB market shares each fell ~2ppts. Rept market shares fell ~1ppt. Conversely, tier-3 players such as Great Power, Ganfeng and Cornex saw their market shares each increase by ~2 ppts. We believe the shifts reflect top players' capacity constraints.

By end application:

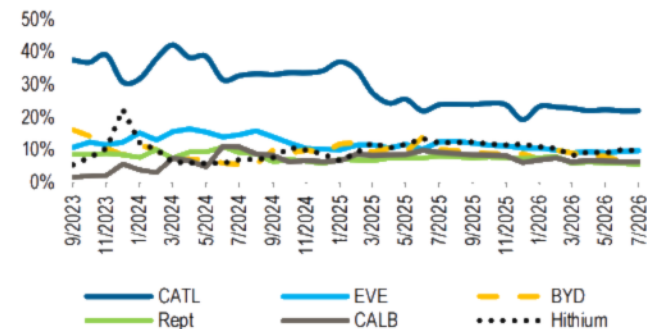
- **Utility-scale market:** CATL remains the global top player, while its market share has decreased 1ppt YTD vs. FY25.
- **Commercial & industrial:** CATL, Rept, EVE and Hithium led the C&I ESS market, together holding ~45-50% of the market YTD and 48% in FY25.
- **Residential ESS:** Rept, EVE, Great Power and BYD led the residential ESS market, together holding ~65-70% of the market YTD and 61% in FY25.

Figure 29: Chinese players' ESS battery market share breakdown (based on production volume)



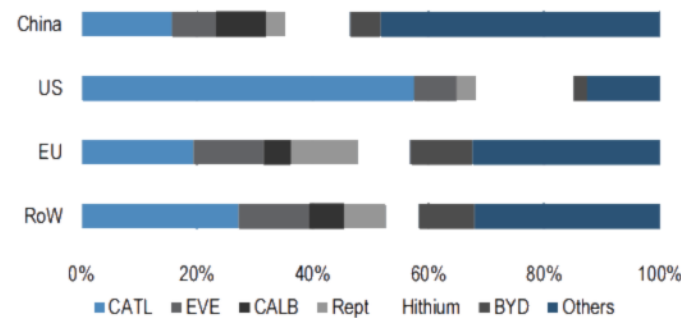
Source: ICCSino, J.P. Morgan.

Figure 30: Chinese ESS battery market share by key player (based on shipment volume)



Source: ICCSino, J.P. Morgan.

Figure 31: Chinese players' ESS battery market share breakdown

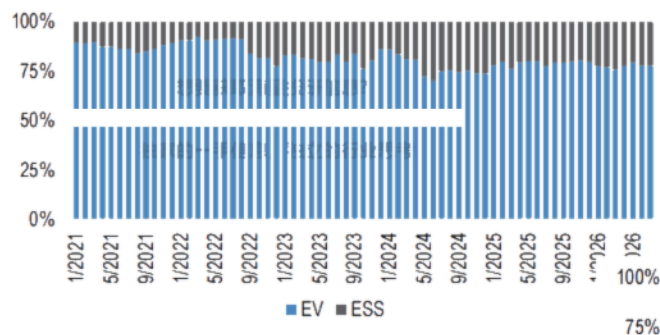


Source: ICCSino, J.P. Morgan.

CATL analysis

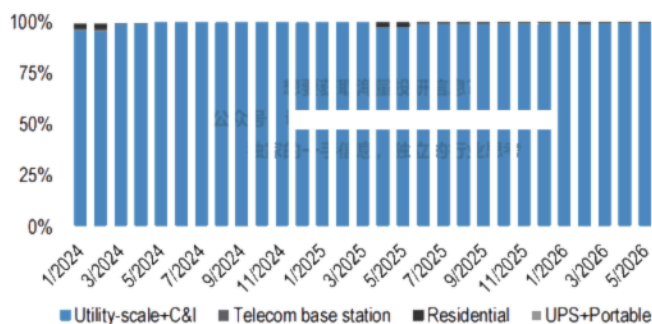
ESS accounts for ~22% of CATL's total battery production volume YTD, based on ICCSino and ZE Consulting's estimates (up from ~21% in 2025).

Figure 32: CATL's production breakdown between EV and ESS demand



Source: ICCSino, J.P. Morgan.

Figure 33: CATL's ESS shipments by end demand application

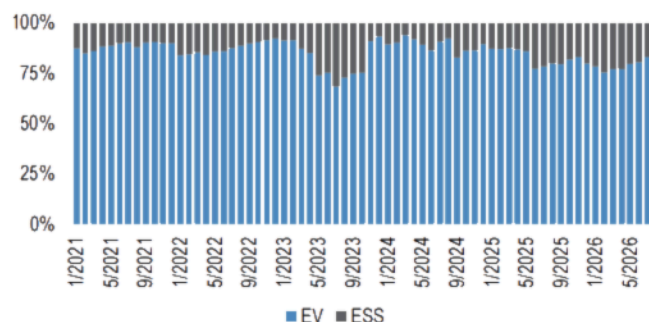


Source: ICCSino, J.P. Morgan.

BYD analysis

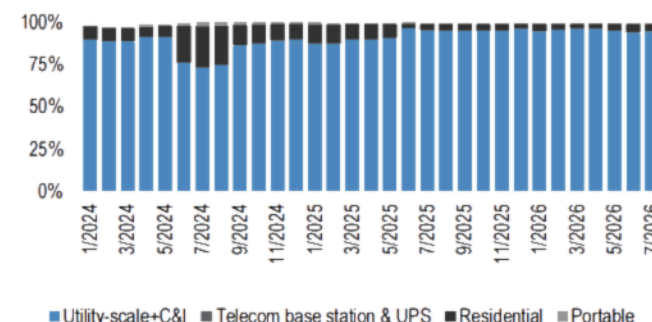
ESS accounts for 21% of BYD's total battery production volume YTD, based on ICCSino and ZE Consulting estimates, up from 17% in 2025 and 11% in 2024.

Figure 34: BYD's ESS production breakdown by EV and ESS demand



Source: ICCSino, J.P. Morgan.

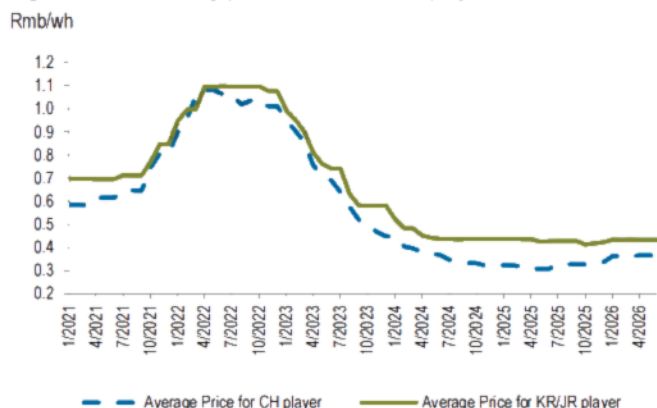
Figure 35: BYD's ESS shipments by end demand application



Source: ICCSino, J.P. Morgan.

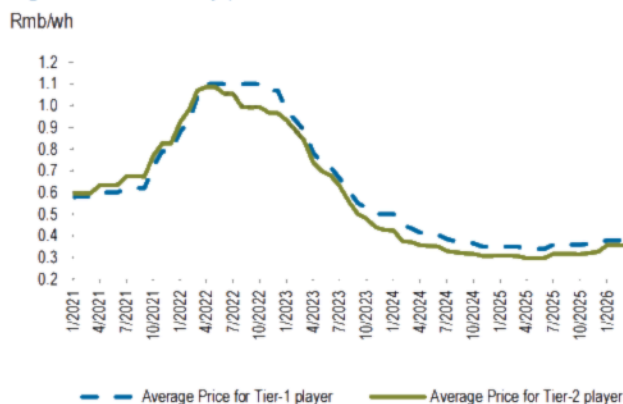
ESS battery prices

Figure 36: ESS battery prices: CH vs. KR/JP players



Source: ICCSino, J.P. Morgan. Note: Prices include VAT and are based on new contract prices.

Figure 37: ESS battery prices: Chinese tier-1 vs. tier-2



Source: ICCSino, J.P. Morgan. Note: Prices include VAT and are based on new contract prices.

Valuation comparison

Table 6: Valuation comparison of ESS-related stocks

Company	Code	Rec	Analyst	Price (LC)	Mkt cap	P/E (x)		EV/EBITDA (x)		Dividend yield		ROE		Price change
				17-Aug	(US\$ M)	26E	27E	26E	27E	26E	27E	26E	27E	YTD
PCS/HVDC-related						29.5	21.6	15.7	12.1	1.1%	1.4%	22%	23%	8%
Gmcc	300753 CH	NC	N/A	66	3,860	*7.5	12.4	na	na	0.4%	0.5%	15%	*7%	-8%
Ningbo Deye	605117 CH	OW	Alan Hon	96	*8,048	22.0	17.3	*5.9	*2.7	2.3%	2.9%	41%	39%	55%
Goodwe	688390 CH	NC	N/A	70	2,538	*7.4	12.7	na	na	0.8%	*1.0%	28%	28%	13%
KSTAR	002518 CH	NC	N/A	36	3,*38	23.4	16.7	*5.5	*1.6	*1.7%	2.4%	*7%	20%	-25%
Sungrow	300274 CH	OW	Alan Hon	**8	36,540	*6.2	12.9	na	na	*1.5%	*1.9%	26%	29%	-31%
Sineng	300827 CH	NC	N/A	27	2,232	21.0	16.2	na	na	0.5%	0.6%	*5%	*5%	-21%
Zhongneng	002364 CH	NC	N/A	45	3,791	89.3	62.6	na	na	0.4%	0.5%	*3%	*3%	71%
ESS battery-related						37.2	22.2	10.4	8.1	0.8%	1.0%	12%	14%	4%
CATL-A	300750 CH	OW	Rebecca Wen	400	279,746	*9.1	*5.8	*1.8	9.4	2.6%	3.2%	26%	27%	10%
CATL-H	3750 HK	OW	Rebecca Wen	657	279,744	27.0	22.2	*1.8	9.4	*1.9%	2.3%	26%	27%	28%
CALB	3931 HK	OW	Rebecca Wen	21	4,766	*2.0	8.4	7.5	5.5	0.3%	0.0%	7%	9%	-16%
EVE Energy	300014 CH	N	Rebecca Wen	57	*6,423	*7.2	13.9	*1.2	9.1	*1.4%	*1.7%	*5%	*6%	-13%
Goer	002074 CH	UW	Rebecca Wen	27	7,394	24.5	17.9	*3.0	9.7	0.7%	0.6%	7%	9%	-30%
BYD-A	002594 CH	OW	Nick Lai	90	**4,917	*9.1	14.9	5.9	4.8	0.4%	0.5%	*6%	*8%	-8%
BYD-H	*211 HK	OW	Nick Lai	90	**4,915	*6.5	12.8	5.9	4.8	0.5%	0.6%	*6%	*8%	-5%
Pylor	688063 CH	NC	N/A	46	*1,679	29.0	19.8	na	na	na	na	4%	6%	-19%
LGES	373220 KS	OW	Pansley Ong	369,000	61,*136	170.1	74.2	*9.0	*2.4	0.3%	0.0%	2%	5%	0%
Samsung SDI	006400 KS	OW	Sonny Lee	515,000	29,370	52.4	28.9	*9.0	12.8	0.3%	0.0%	4%	6%	90%
Simple average						33.4	21.9	13.1	10.1	1.0%	1.2%	17%	19%	6%

Source: Bloomberg Finance L.P., J.P. Morgan estimates. Note: Bloomberg consensus estimates for Not Covered (NC) stocks, J.P. Morgan estimates for all others.

J.P. Morgan flagship reports on ESS

- [ESS Battery: Impact of Middle East conflict on ESS demand: Expert call takeaways](#), May-2026
- [AIDC ESS: Key takes from expert call: \(1\) growth story powered by grid bottlenecks; \(2\) emerging regulatory catalyst ahead](#), May-2026
- [China ESS and Power Market Reform: Implications of the national capacity charge policy: ESS wins and genco losses](#), Jan-2026
- [ESS Battery: 960Gwh ESS battery demand next year? Takeaways from expert call with ICCSino](#), Dec-2025
- [ESS Battery: Raising forecasts by 17%; AIDC ESS use case emerging](#), Nov-2025
- [Energy Storage Installation: Lifting China & global outlook on 1\) China policy support; 2\) RE deployment; 3\) AIDC use cases](#), Nov 2025
- [ESS Battery: AIDC ESS expert call takeaways](#), Nov-2025
- [China ESS: Expert call takes: Tender strength and policy support to drive a V-shaped recovery](#), Sep-2025
- [China ESS: What is the significance of a 180GW target by 2027?](#), Sep-2025
- [Asia EV/ESS Battery: Senate draft of OBBBA accelerates US EV subsidy phaseout, but promotes ESS/critical minerals](#), Jun-2025
- [China ESS: Policy change to result in near-term headwind: V-shaped recovery is imminent as power reforms take shape](#), Feb-2025
- [ESS battery: Key takeaways from expert call with GGII](#), Nov-2024
- [ESS Battery: World Energy Storage Conference takeaways: time to look past U.S. election and tariffs; CATL the best pick](#), Nov-2024
- [China Clean Energy: Desert Power: Is the Middle East becoming an oasis for clean energy growth?](#), Oct-2024
- [ESS Battery: Lifting shipment forecast: Tier-1 suppliers benefit from change in policy direction. CATL the top pick](#), Mar-2024
- [ESS Battery: Cutting ESS forecast: inventory piled up in 2H23](#), Jan-2024