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## Asian Autos

# Chinese Autos: Accelerating Global Expansion – ASEAN opportunity amid Japan's stronghold




**Eunice Lee, CFA**
+852 2123 2606
eunice.lee@bernsteinsg.com



**Masahiro Akita**
+81 3 6777 6998
masahiro.akita@bernsteinsg.com



Tomohiro Kashimoto
+81 3 6777 6975
tomohiro.kashimoto@bernsteinsg.com



Jouna Mackey
+81 3 4510 7196
jouna.mackey@bernsteinsg.com


**ASEAN is a key export market for Chinese automakers, offering strong growth potential and promising EV prospects.** While smaller than Europe, it is one of the world's fastest-growing auto markets, supported by a rising middle class and increasing vehicle ownership. ASEAN light vehicle sales are forecast to grow from c.3.3mn units in 2025 to c.4.1mn by 2030E (c.5% CAGR), according to IHS. Indonesia, Thailand, and Malaysia account for nearly 70% of regional demand, with Indonesia and Thailand expected to lead growth at c.8% and c.7% CAGR, respectively. **We forecast ASEAN EV sales volumes to triple to 1.4-1.6mn units by 2030, lifting penetration to c.35-40%.** Supported by favorable policies and growing Chinese OEM expansion, EV penetration has risen from 1% in 2022 to 16% in 2025, already surpassing the U.S.

**Cultural affinity, policy support, and geographic proximity strengthen the ASEAN opportunity.** ASEAN consumers share many of the same traits as Chinese buyers, including openness to new brands, first-time vehicle ownership, and demand for advanced technologies, making Chinese products highly relevant. A sizeable ethnic Chinese population and close geographic proximity further support brand acceptance, lower logistics costs, and tighter supply chain integration. Meanwhile, EV incentives align well with Chinese OEMs' strengths, while higher pricing and margin opportunities provide additional motivation for expansion.

**Chinese brands are gaining share as Japanese incumbents gradually cede ground.** Chinese brands' market share has risen from below 2% in 2020 to over 11% in 2025, and we forecast could grow to c.20-30% by the end of the decade. On the other hand, Japanese brands' share has declined from a peak of 78% in 2017 to 70% in 2020 and 56% in 2025. Despite this, Japanese OEMs remain dominant, led by **Toyota with a 31% market share**. BYD has been the region's largest share gainer with 5% share in 2025, growing from a negligible presence before 2022, while VinFast has reached 4%. In contrast, Isuzu and Honda have lost 5ppt and 3ppt of share, respectively.

**Chinese brands have been major beneficiaries of ASEAN's EV transition.** Technology and cost leadership, combined with a growing lineup of competitively priced EVs, have driven adoption. Leadership in electrification, smart cockpits, and ADAS features has resonated with younger consumers, while similarities in consumer preferences have enabled Chinese OEMs to replicate much of their China EV playbook with limited localization. **BYD has quickly emerged as the region's EV leader, capturing 26% of ASEAN EV sales.**

**Japanese automakers' ASEAN polarization leaves Toyota ahead.** The key ASEAN story is not simply the rise of Chinese automakers, but the widening gap among Japanese OEMs. While several Japanese manufacturers have lost meaningful market share, **Toyota and Daihatsu have maintained or strengthened their positions, making Toyota the clear winner in the region.** With its established production base, local supply chain, and expanding EV portfolio, we believe Toyota remains well positioned to sustain its leadership.


See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.



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## BERNSTEIN TICKER TABLE

| | | | 2 Oct 2026 | | TTM | Reported EPS | | | | Reported P/E (x) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ticker | Rating | Cur | Closing Price | Price Target | Rel. Perf. | Cur | 2025A | 2026E | 2027E | 2025A | 2026E | 2027E |
| 1211.HK (BYD) | O | HKD | 73.65 | 130.00 | (56.2)% | CNY | 3.58 | 4.12 | 5.50 | 17.6 | 15.3 | 11.5 |
| 002594.CH (BYD) | O | CNY | 83.31 | 114.00 | (44.6)% | CNY | 3.58 | 4.12 | 5.50 | 23.3 | 20.2 | 15.2 |
| 175.HK (Geely) | O | HKD | 14.74 | 25.00 | (46.2)% | CNY | 1.67 | 2.09 | 2.29 | 7.6 | 6.0 | 5.5 |
| 2333.HK (Great Wall-H) | M | HKD | 7.08 | 10.00 | (79.2)% | CNY | 1.16 | 0.98 | 1.25 | 5.2 | 6.2 | 4.9 |
| 2238.HK (GAC) | M | HKD | 2.34 | 2.00 | (51.8)% | CNY | (0.85) | (0.74) | (0.15) | (2.4) | (2.7) | (12.9) |
| LI (Li Auto) | M | USD | 11.12 | 14.50 | (72.0)% | CNY | 1.13 | (5.24) | 1.08 | 65.9 | (14.2) | 68.8 |
| 2015.HK (Li Auto) | M | HKD | 42.48 | 57.00 | (79.2)% | CNY | 0.57 | (2.62) | 0.54 | 64.2 | (13.8) | 67.0 |
| 9866.HK (NIO) | M | HKD | 26.86 | 39.00 | (76.9)% | CNY | (6.85) | (1.73) | (1.03) | (3.4) | (13.3) | (22.3) |
| NIO (NIO) | M | USD | 3.40 | 5.00 | (71.9)% | CNY | (6.85) | (1.73) | (1.03) | (3.3) | (13.2) | (22.2) |
| 600104.CH (SAIC) | M | CNY | 10.88 | 12.00 | (57.3)% | CNY | 0.89 | 0.72 | 0.85 | 12.3 | 15.2 | 12.8 |
| 1810.HK (Xiaomi) | O | HKD | 24.22 | 35.00 | (71.6)% | CNY | 1.62 | 0.89 | 1.29 | 12.8 | 23.3 | 16.0 |
| 9868.HK (XPeng) | M | HKD | 36.24 | 71.00 | (82.7)% | CNY | (0.60) | (2.40) | (0.29) | (51.8) | (12.9) | (108.1) |
| XPEV (XPeng) | M | USD | 9.42 | 18.00 | (75.4)% | CNY | (1.20) | (4.80) | (0.57) | (52.8) | (13.2) | (110.3) |
| 7203.JP (Toyota) | O | JPY | 2,856.50 | 4,100.00 | (30.7)% | JPY | 295.25 | 341.54 | 386.98 | 9.7 | 8.4 | 7.4 |
| 7269.JP (Suzuki) | O | JPY | 1,952.50 | 2,600.00 | (40.7)% | JPY | 227.69 | 264.55 | 252.79 | 8.6 | 7.4 | 7.7 |
| 7267.JP (Honda) | M | JPY | 1,664.50 | 1,400.00 | (21.9)% | JPY | (106.06) | 172.12 | 160.19 | (15.7) | 9.7 | 10.4 |
| 7201.JP (Nissan) | U | JPY | 281.00 | 300.00 | (51.7)% | JPY | (152.58) | 5.18 | 47.09 | (1.8) | 54.3 | 6.0 |
| 7270.JP (Subaru) | U | JPY | 2,487.00 | 2,200.00 | (47.3)% | JPY | 125.50 | 217.99 | 245.84 | 19.8 | 11.4 | 10.1 |
| 7261.JP (Mazda) | U | JPY | 1,072.00 | 1,100.00 | (29.2)% | JPY | 55.64 | 143.86 | 159.28 | 19.3 | 7.5 | 6.7 |
| ASIAX | | | 1,948.97 | | | | | | | | | |
| SPX | | | 7,722.72 | | | | | | | | | |
| JPL | | | 2,670.65 | | | | | | | | | |

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

## INVESTMENT IMPLICATIONS

**Chinese Autos:** Overseas markets are increasingly important for Chinese OEMs amid muted domestic demand, and ASEAN stands out as a key growth opportunity given its strong market fundamentals and significant EV potential. Cultural affinity, supportive policies, and geographic proximity provide a favorable backdrop for expansion. Chinese brands have been among the biggest beneficiaries of ASEAN's EV transition, leveraging strengths in electrification, smart cockpits, and ADAS features that resonate with young ASEAN consumers. Similar consumer preferences have also allowed Chinese OEMs to replicate much of their China EV playbook and, combined with close geographic proximity, accelerate expansion across the region. As a result, BYD has rapidly emerged as the region's EV leader, while Geely could also be well positioned through its longstanding partnership with Proton in Malaysia. Beyond competitive products, however, success will increasingly depend on execution, particularly in distribution, after-sales service, and local manufacturing, as localization becomes a growing priority across the region.

We maintain a cautious outlook for the sector overall. The reduction in subsidies have slowed market momentum, following strong demand pulled forward into 2024-2025 and a high comparison base, while macro headwinds and weak consumer sentiment persist. We expect industry wholesale volumes to reach c.29 mn units, representing -2-4% yoy growth. We forecast domestic retail demand of 19-20mn units, declining 15-17% yoy. Exports should remain a growth driver, arriving at 9.5-10mn units, growing 50-60% yoy. The long term secular growth outlook for EVs remains intact and outperform the broader market even though EV transition has come to the mass adoption phase in China, we forecast domestic EV sales growth will be c.-3-5% yoy for 2026 and drive EV penetration to 60%. EV exports is going from strength to strength and projected to grow c.90-100% yoy in 2026, bringing overall EV wholesale shipment to +15-17% yoy. We believe competition within the domestic market will remain intense and overseas markets are increasingly important as a strategic growth opportunity. For our EV names, we rate **BYD and Xiaomi Outperform**, and **XPeng, Li Auto, and NIO Market-Perform**. Within our traditional Chinese OEMs coverage, we rate **Geely Outperform and Great Wall, GAC, and SAIC Market-Perform**.

**Japan Autos:** ASEAN has long been a stronghold for Japanese automakers, not only in terms of market share but also profitability, serving as an important earnings pillar for the sector. Since the pandemic, however, Chinese automakers have

expanded aggressively across the region, leveraging their competitiveness in EVs and steadily gaining share. That said, the impact has not been uniform. While companies such as Isuzu, Honda, Mitsubishi Motors, and Nissan have suffered material share losses, Toyota and its consolidated subsidiary Daihatsu have maintained, and in some markets expanded, their presence. In effect, Toyota has emerged as the clear winner among Japanese OEMs in ASEAN. The company has continued to gain share in Thailand, its largest regional market, while its position in Malaysia is even stronger when Perodua, its local partner and affiliate, is included. The rise of Chinese automakers has been supported by favorable EV policies, including tariff exemptions, excise tax incentives, and purchase subsidies. However, many Chinese brands remain dependent on CBU imports from China, prompting concerns among ASEAN governments, particularly in Thailand, that insufficient value is being captured locally. As policy changes already seen in 2026 suggest, incentives for imported EVs are likely to become less generous over time. In this environment, local manufacturing and sourcing capabilities should become increasingly important competitive differentiators. Japanese automakers have spent decades building production footprints and supply chains across the region. Meanwhile, Toyota's relatively limited EV presence in ASEAN largely reflects its narrow product lineup rather than a lack of competitiveness. As the company accelerates the rollout of new EV models globally, we expect its ASEAN EV portfolio to expand accordingly, supporting a stronger position in one of the region's fastest-growing segments. We reiterate our **Outperform rating on Toyota.** Within the rest of our Japan OEM coverage, we rate **Suzuki Outperform, Honda Market-Perform, and Nissan, Subaru and Mazda Underperform.**



Eunice Lee, CFA +852 2123 2606 eunice.lee@bernsteinsg.com

## VALUATION COMPS TABLE

EXHIBIT 1: **Global autos comps sheet**

| | | Market cap $m | EV $m | Cars Sold m | P/E CY | P/E NTM+1 | P/E NTM+2 | EV/EBITDA CY | EV/EBITDA NTM+1 | EV/EBITDA NTM+2 | EV/SALES CY | EV/SALES NTM+1 | EV/SALES NTM+2 | Dividend yield CY | Dividend yield FY+1 | Dividend yield FY+2 | FCF Yield FY+2 | EBIT% FY+1 | ROCE FY+1 | Net debt / EBITDA CY | Net debt / EBITDA FY+1 | Net debt / EBITDA FY+2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BYD | | 104,145 | 116,382 | 4.6 | 17.9x | 13.9x | 11.5x | 6.0x | 5.1x | 4.5x | 0.9x | 0.8x | 0.7x | 1.4% | 1.4% | 1.4% | 7.4% | 6.0% | 15.3% | 0.0x | -0.2x | -0.4x |
| Xiaomi | | 84,453 | 72,323 | 0.4 | 22.1x | 16.7x | 13.1x | 15.4x | 11.9x | 9.1x | 1.1x | 0.9x | 0.8x | 0.0% | 0.0% | 0.0% | 6.2% | 6.7% | 11.4% | -0.1x | -1.0x | -0.9x |
| Li | | 12,490 | 6,798 | 0.4 | n.a. | 28.8x | 14.0x | n.a. | 7.5x | 4.3x | 0.4x | 0.3x | 0.3x | 0.1% | 0.1% | 0.1% | 6.5% | 0.5% | 0.8% | 94.4x | -11.7x | -7.5x |
| NIO | | 9,906 | 10,393 | 0.4 | n.a. | 371.6x | 26.0x | n.a. | 34.2x | 14.5x | 0.8x | 0.6x | 0.5x | 0.0% | 0.0% | 0.0% | 10.0% | -0.7% | -1.6% | 5.5x | -5.2x | -3.4x |
| XPeng | | 8,970 | 8,397 | 0.3 | n.a. | 24.2x | 12.3x | 8.2x | 5.5x | 4.3x | 0.4x | 0.4x | 0.3x | 0.0% | 0.0% | 0.0% | 16.0% | 1.0% | 4.1% | -1.4x | -1.4x | -1.8x |
| **China EVs** | | **219,965** | **214,293** | **6.2** | **25.3x** | **16.4x** | **12.6x** | **8.7x** | **6.8x** | **5.6x** | **0.9x** | **0.7x** | **0.7x** | **0.7%** | **0.7%** | **0.7%** | **7.3%** | **5.0%** | **11.1%** | **-0.5x** | **-0.8x** | **-1.0x** |
| Geely | | 21,750 | 20,412 | 3.0 | 6.9x | 5.7x | 4.8x | 3.8x | 3.3x | 2.9x | 0.3x | 0.3x | 0.3x | 4.4% | 4.4% | 4.4% | 17.6% | 5.9% | 22.1% | -1.6x | -1.5x | -1.7x |
| SAIC | | 19,287 | 16,541 | 4.5 | 12.0x | 10.6x | 9.2x | 3.3x | 3.0x | 2.9x | 0.2x | 0.2x | 0.2x | 2.5% | 2.5% | 2.5% | 5.9% | 3.0% | 3.9% | -2.4x | -2.3x | -2.5x |
| Great Wall | | 15,292 | 14,425 | 1.3 | 11.0x | 9.1x | 7.9x | 5.2x | 4.6x | 4.1x | 0.4x | 0.4x | 0.3x | 5.2% | 5.2% | 5.2% | 10.0% | 4.8% | 9.9% | -1.2x | -0.9x | -1.0x |
| GAC | | 6,446 | 9,399 | 1.7 | n.a. | n.a. | n.a. | n.a. | 123.3x | 16.2x | 0.6x | 0.5x | 0.5x | 0.0% | 0.0% | 0.0% | -18.2% | -6.9% | -5.8% | -1.0x | 16.1x | 2.1x |
| **China OEMs** | | **62,775** | **60,777** | **10.6** | **12.3x** | **9.3x** | **7.5x** | **4.8x** | **4.1x** | **3.6x** | **0.3x** | **0.3x** | **0.2x** | **3.6%** | **3.6%** | **3.6%** | **8.5%** | **3.5%** | **5.7%** | **-1.8x** | **-1.6x** | **-1.7x** |
| Mercedes-Benz | | 50,060 | 25,033 | 2.2 | 8.7x | 7.1x | 6.3x | 1.5x | 1.4x | 1.3x | 0.2x | 0.2x | 0.2x | 7.2% | 7.2% | 7.2% | 10.5% | 5.9% | 3.8% | -2.2x | -2.0x | -2.0x |
| Volkswagen | | 45,288 | 43,765 | 9.0 | 4.7x | 3.6x | 3.2x | 0.9x | 0.8x | 0.8x | 0.1x | 0.1x | 0.1x | 6.5% | 6.5% | 6.5% | 13.1% | 4.8% | 3.3% | 0.0x | -0.1x | -0.1x |
| BMW | | 43,698 | 31,675 | 2.5 | 9.8x | 7.0x | 5.7x | 1.8x | 1.7x | 1.5x | 0.2x | 0.2x | 0.2x | 3.8% | 3.8% | 3.8% | 9.5% | 5.8% | 3.7% | 2.9x | 2.1x | 2.1x |
| Stellantis | * | 14,286 | 6,527 | 5.5 | 10.9x | 4.8x | 2.8x | 0.6x | 0.5x | 0.4x | 0.0x | 0.0x | 0.0x | 0.7% | 0.7% | 0.7% | 0.5% | 2.6% | 4.5% | -0.8x | -0.6x | -0.6x |
| Renault | | 9,581 | -184 | 2.3 | 4.9x | 4.7x | 4.5x | 0.0x | 0.0x | 0.0x | 0.0x | 0.0x | 0.0x | 7.9% | 7.9% | 7.9% | 16.5% | 4.7% | 3.0% | -1.3x | -1.4x | -1.2x |
| Volvo Cars | & | 5,496 | 5,177 | 0.7 | 9.4x | 5.8x | 4.4x | 1.5x | 1.3x | 1.2x | 0.1x | 0.1x | 0.1x | 0.0% | 0.0% | 0.0% | 18.0% | 3.6% | 6.4% | -0.7x | -0.8x | -0.9x |
| **EU OEMs** | | **168,408** | **111,993** | **22.1** | **7.1x** | **5.3x** | **4.4x** | **1.0x** | **1.0x** | **0.9x** | **0.1x** | **0.1x** | **0.1x** | **5.4%** | **5.4%** | **5.4%** | **11%** | **4.7%** | **3.6%** | **-0.1x** | **-0.2x** | **-0.2x** |
| GM | * | 73,960 | 71,930 | 6.2 | 6.3x | 6.0x | 6.1x | 3.2x | 3.0x | 3.0x | 0.4x | 0.4x | 0.4x | 0.9% | 0.9% | 0.9% | 13.6% | 8.4% | 7.3% | -0.2x | -0.4x | -0.4x |
| Ford | * | 53,234 | 50,388 | 4.4 | 7.0x | 6.7x | 6.4x | 3.6x | 3.4x | 3.1x | 0.3x | 0.3x | 0.3x | 4.5% | 4.5% | 4.5% | 7.7% | 6.1% | 6.2% | -0.1x | -0.3x | -0.3x |
| **US OEMs** | | **127,195** | **122,319** | **10.6** | **6.6x** | **6.3x** | **6.2x** | **3.3x** | **3.1x** | **3.1x** | **0.3x** | **0.3x** | **0.3x** | **2.4%** | **2.4%** | **2.4%** | **11%** | **7.3%** | **6.8%** | **-0.2x** | **-0.3x** | **-0.4x** |
| Tesla | * | 1,414,254 | 1,387,471 | 1.6 | 251.9x | 182.3x | 127.3x | 99.7x | 78.8x | 56.0x | 13.1x | 11.6x | 9.9x | 0.0% | 0.0% | 0.0% | -0.6% | 5.3% | 6.0% | -1.9x | -1.0x | -0.1x |
| Rivian | * | 22,051 | 23,545 | 0.0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 3.2x | 2.0x | 1.5x | 0.0% | 0.0% | 0.0% | -14.5% | -26.8% | -32.3% | 0.8x | 4.7x | 539.8x |
| Lucid | * | 1,592 | 7,394 | 0.0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4.6x | 2.2x | 1.1x | 0.0% | 0.0% | 0.0% | -145.3% | -78.2% | -42.4% | | | |
| Polestar | * | 1,051 | 3,883 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1.2x | 0.9x | 0.6x | 0.0% | 0.0% | 0.0% | n.a. | -22.1% | 78.6% | -5.5x | -7.7x | -10.7x |
| **US EVs** | | **1,438,948** | **1,422,292** | **1.7** | **n.a.** | **1,171.0x** | **234.2x** | **174.0x** | **101.1x** | **61.1x** | **12.0x** | **10.2x** | **8.4x** | **0.0%** | **0.0%** | **0.0%** | **-0.9%** | **-0.3%** | **-0.3%** | **-2.8x** | **-1.2x** | **-0.1x** |
| Toyota | % | 283,041 | 240,891 | 9.6 | 11.8x | 10.8x | 10.1x | 6.4x | 5.7x | 5.3x | 0.7x | 0.7x | 0.7x | 3.4% | 3.4% | 3.4% | 4.0% | 8.1% | 5.3% | 3.5x | 3.3x | 2.9x |
| Honda | % | 49,236 | 104,791 | 2.7 | 14.4x | 9.1x | 7.7x | 10.6x | 7.8x | 7.0x | 0.7x | 0.7x | 0.6x | 4.2% | 4.2% | 4.2% | 1.4% | 5.0% | 4.7% | 5.5x | 4.4x | 4.4x |
| Suzuki | % | 25,597 | 28,939 | 3.6 | 8.7x | 8.9x | 8.3x | 5.2x | 4.8x | 4.5x | 0.6x | 0.6x | 0.6x | 2.6% | 2.6% | 2.6% | 6.5% | 9.1% | 13.4% | -0.6x | -0.7x | -0.8x |
| Subaru | % | 12,212 | 3,364 | 0.9 | 12.3x | 10.0x | 9.1x | 1.5x | 1.3x | 1.3x | 0.1x | 0.1x | 0.1x | 4.5% | 4.5% | 4.5% | 11.7% | 4.0% | 6.8% | -1.8x | -1.9x | -2.0x |
| Nissan | % | 7,431 | 4,256 | 2.4 | 34.2x | 8.2x | 6.2x | 1.1x | 0.9x | 0.8x | 0.1x | 0.1x | 0.0x | 0.0% | 0.0% | 0.0% | 11.3% | 2.1% | 2.0% | 11.7x | 10.3x | 9.4x |
| Mazda | % | 4,706 | 2,656 | 1.1 | 7.2x | 6.1x | 5.5x | 1.5x | 1.4x | 1.3x | 0.1x | 0.1x | 0.1x | 4.7% | 4.7% | 4.7% | 11.2% | 3.1% | 6.3% | -1.0x | -1.0x | -1.2x |
| Mitsubishi | * | 3,459 | 4,393 | 1.0 | 18.6x | 11.5x | 9.4x | 4.0x | 3.6x | 3.5x | 0.2x | 0.2x | 0.2x | 2.7% | 2.7% | 2.7% | -1.1% | 3.1% | 7.8% | -0.6x | -0.7x | -0.9x |
| **Japanese OEMs** | | **385,682** | **389,290** | **21.3** | **11.9x** | **10.3x** | **9.3x** | **6.2x** | **5.4x** | **5.0x** | **0.5x** | **0.5x** | **0.5x** | **3.4%** | **3.4%** | **3.4%** | **4.3%** | **6.2%** | **5.2%** | **3.6x** | **3.2x** | **3.0x** |
| Hyundai | * | 53,453 | 167,059 | 4.1 | 7.3x | 6.5x | 6.0x | 13.3x | 11.9x | 11.0x | 1.2x | 1.1x | 1.1x | 3.1% | 3.1% | 3.1% | 0.0% | 6.5% | 4.5% | 8.9x | 8.2x | 7.6x |
| Kia | * | 33,827 | 20,138 | 3.1 | 5.4x | 5.0x | 4.6x | 2.1x | 1.9x | 1.8x | 0.2x | 0.2x | 0.2x | 5.7% | 5.7% | 5.7% | 17.4% | 8.5% | 17.7% | -1.7x | -1.8x | -2.0x |
| **Korean OEMs** | | **87,280** | **187,197** | **7.3** | **6.4x** | **5.8x** | **5.4x** | **8.4x** | **7.6x** | **7.1x** | **0.8x** | **0.8x** | **0.7x** | **4.1%** | **4.1%** | **4.1%** | **7%** | **7.3%** | **6.8%** | **4.3x** | **3.9x** | **3.5x** |
| Ferrari | | 72,534 | 64,980 | 0.014 | 35.9x | 32.6x | 30.4x | 18.7x | 17.0x | 15.8x | 7.3x | 6.8x | 6.4x | 1.1% | 1.1% | 1.1% | 2.7% | 30.5% | 36.5% | 0.0x | -0.1x | -0.2x |
| Porsche AG | | 47,262 | 46,015 | 0.3 | 23.8x | 21.7x | 16.6x | 6.2x | 5.8x | 5.1x | 1.1x | 1.2x | 1.1x | 2.2% | 2.2% | 2.2% | 4.8% | 7.6% | 7.0% | 1.3x | 1.0x | 1.0x |
| Aston Martin | & | 445 | 2,456 | 0.005 | n.a. | n.a. | n.a. | 6.5x | 5.1x | 4.5x | 1.2x | 1.1x | 1.1x | 0.0% | 0.0% | 0.0% | -26.7% | -0.8% | -0.7% | 5.4x | 4.5x | 4.1x |
| **Luxury OEMs** | | **120,241** | **113,450** | **0.3** | **32.5x** | **28.9x** | **23.9x** | **10.1x** | **9.3x** | **8.3x** | **2.2x** | **2.2x** | **2.1x** | **1.5%** | **1.5%** | **1.5%** | **3.4%** | **11.5%** | **11.0%** | **1.0x** | **0.8x** | **0.7x** |
| **Global OEMs (ex EV)** | | **951,581** | **985,027** | **72.2** | **9.7x** | **8.2x** | **7.3x** | **3.9x** | **3.5x** | **3.3x** | **0.4x** | **0.4x** | **0.4x** | **3.4%** | **3.4%** | **3.4%** | **8%** | **5.7%** | **5.0%** | **1.2x** | **1.0x** | **0.9x** |
| **Global EVs** | | **1,658,912** | **1,636,586** | **7.9** | **271.2x** | **113.3x** | **70.3x** | **49.8x** | **35.9x** | **26.6x** | **4.5x** | **3.8x** | **3.3x** | **0.1%** | **0.1%** | **0.1%** | **0%** | **3.3%** | **5.6%** | **-1.1x** | **-0.9x** | **-0.6x** |

Pricing date: Oct 02, 2026; & covered by Bernstein's Harry Martin; % covered by Bernstein's Masahiro Akita* not covered by Bernstein; calculated EVs exclude finco debt
Source: Bloomberg, Bernstein analysis

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## DETAILS

### Key related research:

3 Aug 2026 - China Autos Export Tracker: Q2 2026 +79% yoy — Momentum remains strong, EVs now account for over half of exports

30 March 2026 - The House of Toyota: Toyota's standing in key regions - catch us if you can

2 Mar 2026 - Chinese Autos: Accelerating Global Expansion—What's holding them back?

26 Jan 2026 - Chinese Autos: The Long View — Accelerating Global Expansion

18 Nov 2025 - BYD vs. Toyota: Can BYD become the next Toyota?

9 Jun 2025 - Electric Revolution: Divergence — China's path to leading EV adoption, blueprint for global electrification efforts

## ASEAN: A STRATEGIC GROWTH FRONTIER FOR CHINESE OEMS

ASEAN is becoming an increasingly important export market for Chinese automakers. While smaller than Europe, it is one of the world's fastest-growing auto markets, just after India. Geographic proximity lowers logistics costs and complexity, while similar demographics, driving habits, and consumer preferences make Chinese vehicles well suited to local demand.

### Several factors make ASEAN an attractive destination for Chinese automakers

- **Fast-growing middle class and rising car ownership:** ASEAN is poised for robust economic growth in the years ahead, driven by a youthful demographic, rapid urbanization, and an emerging role in the global supply chain amid ongoing trade tensions. Fueled by this economic development, IHS projects ASEAN's annual light vehicle sales volume to rise from c.3.3mn units in 2025 to c.4.6mn in 2033E, representing a CAGR of 4.5%.

- **Similar car ownership characteristics:** China and ASEAN share notable similarities in consumer car ownership behavior, including openness to new brands, a high share of first-time car buyers and emphasis on advanced technological features. These alignments lower the barrier for Chinese brands and their products to resonate with ASEAN consumers.

- **Cultural affinity:** Geographical proximity has fostered longstanding cultural communication between China and ASEAN countries. Additionally, a large population of ASEAN residents are of Chinese ethnic descent. Hence, Chinese brands generally enjoy positive consumer reception in the region.

- **Geographical closeness:** ASEAN is one of the geographically closest regions to China, creating a low-cost, logistically efficient gateway for Chinese automakers to expand internationally. This proximity reduces export transportation costs and lead times, and facilitates integration between ASEAN assembly hubs and China's automotive parts supply chain—making local production in ASEAN more feasible for Chinese players than in other regions.

- **Supportive government policies:** Chinese OEMs, which hold strong expertise in the EV sector, are benefiting from ASEAN government policies aimed at boosting EV adoption and local EV manufacturing. For example, under Thailand's EV 3.0 initiative, the government offers subsidies of up to THB 150k for EVs priced below THB 2 million, which significantly enhances the price competitiveness of Chinese-brand vehicles.

- **Better pricing and margins:** Fierce domestic competition in China has eroded the profitability of Chinese OEMs. In contrast, ASEAN markets have far fewer competitors, particularly in the EV segment, leading to higher ASP and, in turn, stronger profit margins for Chinese players.

## ASEAN LIGHT VEHICLE SALES ARE FORECASTED TO RISE FROM 3.3MN UNITS IN 2025 TO 4.6MN IN 2033, C.5% CAGR

ASEAN is projected to be the second-fastest growing region for new car sales—only behind India— supported by continued economic growth and still-low vehicle ownership penetration. Historically, ASEAN grew 5.8% from 2000–2019, before experiencing a -1% decline through 2025 due to COVID disruptions, broader economic challenges, weaker export markets, and country-specific policy factors. Going forward, ASEAN light vehicle sales are forecast to rise from 3.3mn units in 2025 to 4.6mn units in 2033, implying 4.5% CAGR, according to IHS. (Exhibit 2)

**Indonesia, Thailand, Malaysia account for close to 70% of the region's sales.** Although ASEAN comprises 11 countries, the ASEAN-6—Indonesia, Thailand, Malaysia, The Philippines, Vietnam, and Singapore—which are more economically developed, account for the bulk of new car sales. Within the ASEAN-6, Indonesia, Thailand, and Malaysia are the largest markets, accounting for 68% of 2025 sales.

- **Indonesia and Thailand are expected to be the key growth drivers**, forecasted to see c.8% and c.7% CAGR respectively, and surpass 1mn units by 2033 (Indonesia: 1.4mn, Thailand: 1.1mn), up from 750k and 610k units in 2025, respectively.

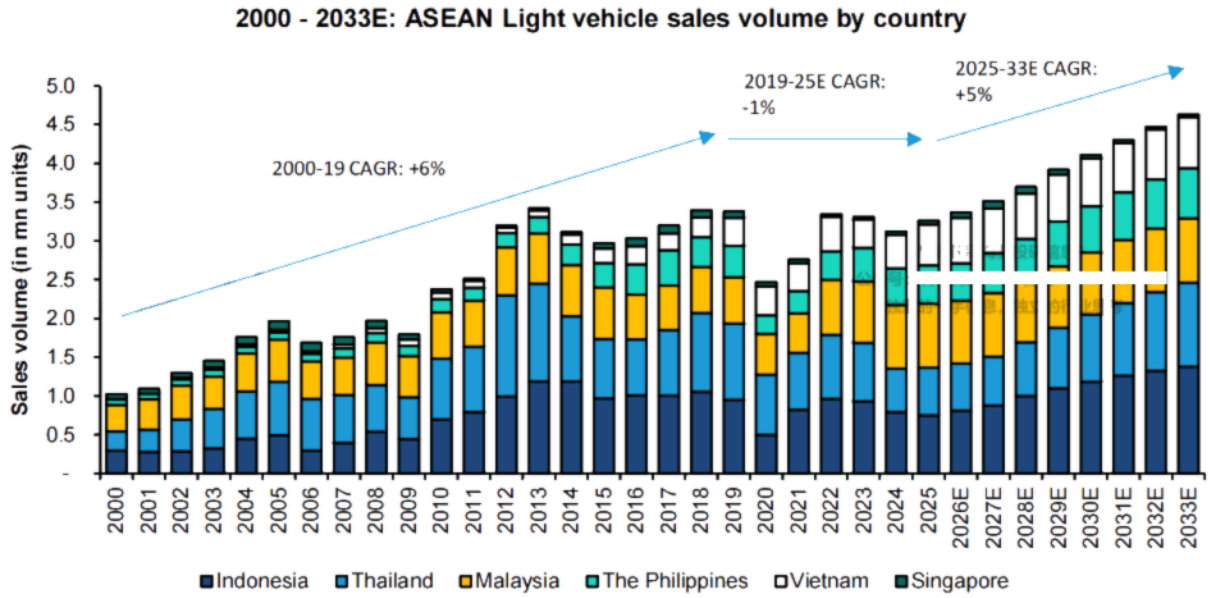
- **Malaysia**, although the largest market in 2025 with 830k units, already has the highest ownership penetration and is therefore expected to see roughly flat growth going forward.

- **Vietnam** recorded the fastest historical expansion, with 19% CAGR from 2000–2019, 6% from 2019–2025, and a forecast 3% CAGR through 2033, rising from 530k units in 2025 to 660k units in 2033.

- **The Philippines** was the second-fastest historically, with 9% CAGR from 2000–2019, 3% through 2025, and a projected 4% going forward, increasing from 490k in 2025 to 650k units in 2033.

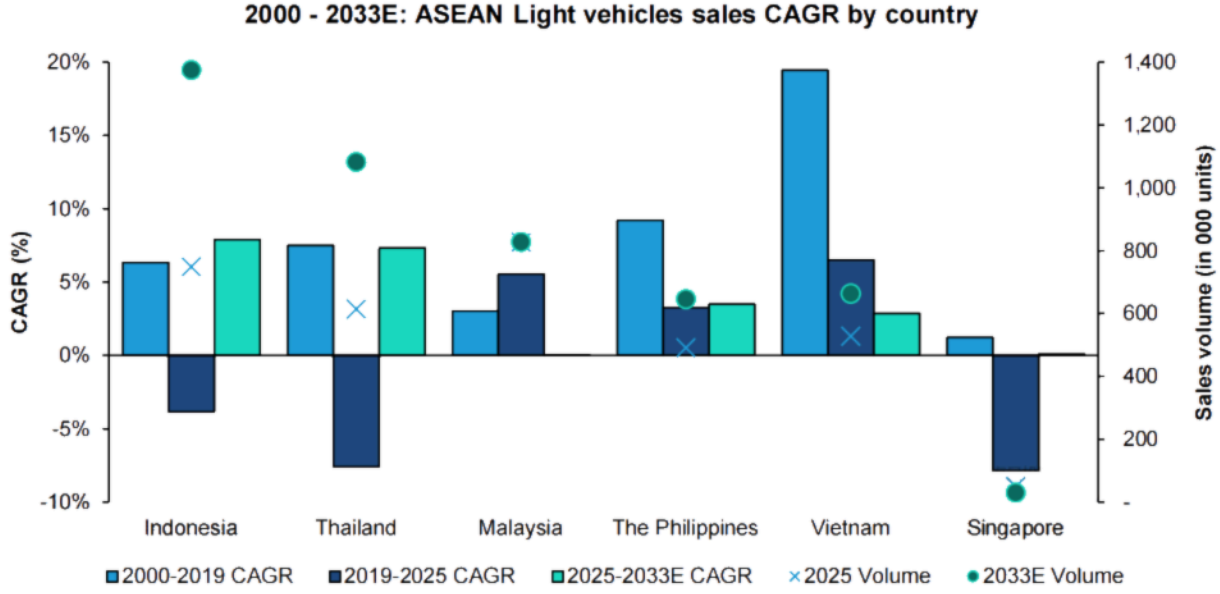
- **Singapore** remains a small but mature market whose sales fluctuate in line with the 10-year Certificate of Entitlement ("COE") cycle, ranging from c.30k units at the trough to c.100k units at the peak, with a long-term annual average of c.60k units. (Exhibit 3)

EXHIBIT 2: **ASEAN light vehicle sales are forecast to rise from 3.3mn units in 2025 to 4.6mn units in 2033, implying c.5% CAGR, according to IHS**




Source: IHS and Bernstein analysis

EXHIBIT 3: **Indonesia, Thailand, and Malaysia are the largest ASEAN markets, accounting for 68% of 2025 sales in the region; Indonesia and Thailand are forecast to see c.8% and c.7% CAGR, respectively, while Malaysia, already has the highest ownership penetration, is expected to see flat growth going forward**




Singapore new car sales fluctuate with the 10-year Certificate of Entitlement ("COE") cycle, ranging from c.30k units at the trough to c.100k units at the peak, with a long-term annual average of c.60k units
Source: IHS and Bernstein analysis

## WE PROJECT ASEAN EV SALES VOLUMES TO TRIPLE TO 1.4-1.6MN UNITS BY 2030, LIFTING PENETRATION TO C.35-40%

ASEAN has experienced a rapid EV growth in recent years. **We estimate EV sales penetration grew from 1% in 2022 to 5% in 2023, 8% in 2024 and 16% in 2025**, overtaking the U.S.. This surge has been driven by supportive government policies across multiple markets and the aggressive entry of highly competitive EV models from Chinese OEMs, which have significantly expanded consumer choice and lowered price barriers. (Exhibit 4) **We forecast ASEAN EV penetration could reach c.35-40% by 2030**, with EV volumes tripling to 1.4-1.6mn units from c.500k units in 2025 (16% penetration). (Exhibit 5) For more on supportive government policies, please refer to Exhibit 19 - Exhibit 20.

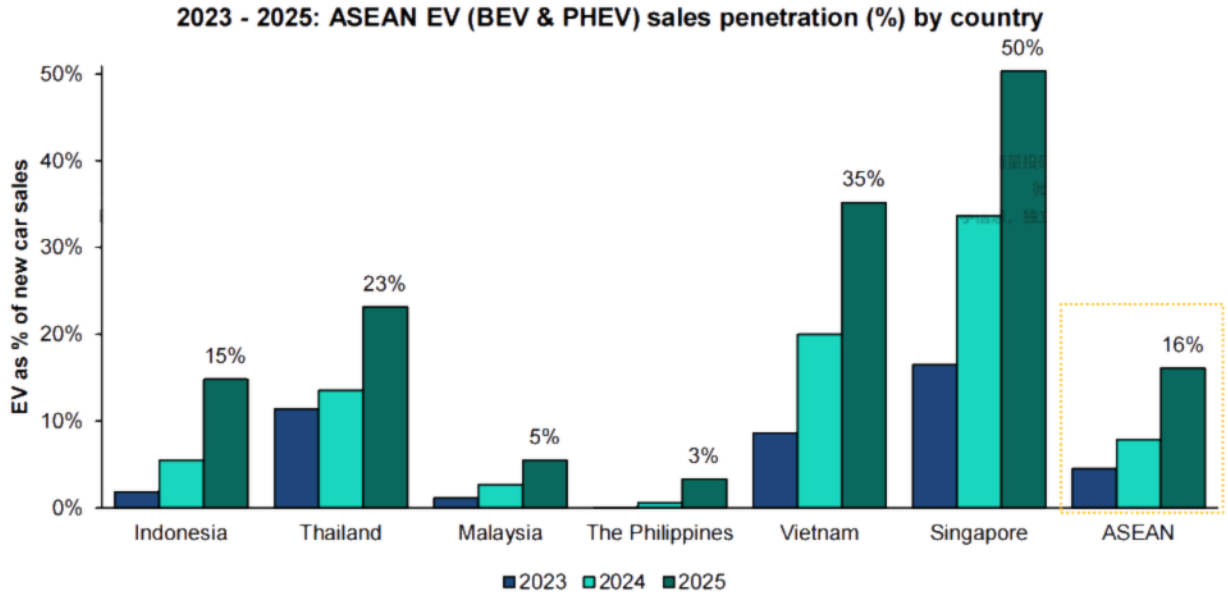
Across ASEAN:

- **Singapore leads in EV penetration**, supported by well-established charging networks and higher household income levels. We estimate Singapore's EV penetration grew from 11% in 2022, to 17% in 2023, 34% in 2024, and 50% in 2025.
    - Singapore targets all new vehicle sales to be cleaner-energy vehicles by 2030. We believe the country is largely on track to achieve this goal and forecast EV penetration of 90-100% by 2030.
- **Vietnam follows**, thanks to VinFast's rapid rise and its efforts to deliver affordable, locally manufactured EVs. We estimate Vietnam's EV penetration grew from nil. in 2022, to 9% in 2023, 20% in 2024, and 35% in 2025.
    - Vietnam aims for at least 50% of urban vehicles to run on electricity or other forms of green energy. We forecast EV penetration of 50-55% by 2030.
- **Thailand ranks third**, benefiting from substantial government incentives and the aggressive expansion of Chinese OEMs. Many Chinese brands choose Thailand as their entry point into ASEAN due to its supportive policy environment, manufacturing readiness, and lower geopolitical concerns. We estimate Thailand's EV penetration grew from 2% in 2022, to 11% in 2023, 14% in 2024, and 23% in 2025.
    - Thailand has a stated EV goal of reaching 30% Zero Emission Vehicles ("ZEV") production by 2030, that is equivalent to 725k electric cars and 675k electric motorcycles. Given that Thailand's EV penetration has already reached 23% in 2025, we think Thailand's EV penetration can exceed the official goal and reach 45-50% by 2030.
- **Indonesia comes in fourth**, where ambitious government targets and attractive subsidies are partially offset by lower purchasing power and a slower EV transition pace. Nonetheless, the shift to EVs has gained traction, with penetration rising by close to c.10 percentage points last year, and momentum is likely to continue. We estimate Indonesia's EV penetration grew from 1% in 2022, to 2% in 2023, 5% in 2024, and 15% in 2025.
    - Indonesia's target is based on the vehicle parc rather than new vehicle sales, with a goal of 2mn electric four-wheelers and 13mn electric two-wheelers on the road. Based on current adoption trends, we forecast EV penetration of 35-40% by 2030.
- **Malaysia's EV transition remains slow**, with the market dominated by two local ICE brands and Chinese EV players seeing limited progress. As a major oil producer, Malaysia's low fuel prices also diminish the economic appeal of EVs. We estimate Malaysia's EV penetration grew from 1% in 2022 and 2023, to 3% in 2024, and 5% in 2025.
    - Malaysia's 2030 target is for 20% of its passenger vehicles to be electrified, including BEV, PHEV, and HEVs, with longer term targets of 50% by 2040 and 80% by 2050. We currently forecast 15-20% EV penetration by 2030.
- **The Philippines sees the lowest EV penetration**, held back by weaker purchasing power, underdeveloped charging infrastructure, and geopolitical barriers to Chinese OEM entry. We estimate The Philippines' EV penetration grew to 2% in 2025, from negligible share previously.
    - The Philippines has not announced a formal EV adoption target. We forecast EV penetration reaching c.10% by 2030.

**The downside risks** to our EV penetration forecast and Chinese brands' growth prospects could stem from evolving government policies. While current policies remain broadly supportive, Thailand, Indonesia, and Malaysia have either proposed or are considering tighter EV subsidy conditions and greater emphasis on local content requirements. Similar to developments in the EU, we believe localization is likely to become increasingly important, making local manufacturing, sourcing, and supply chain

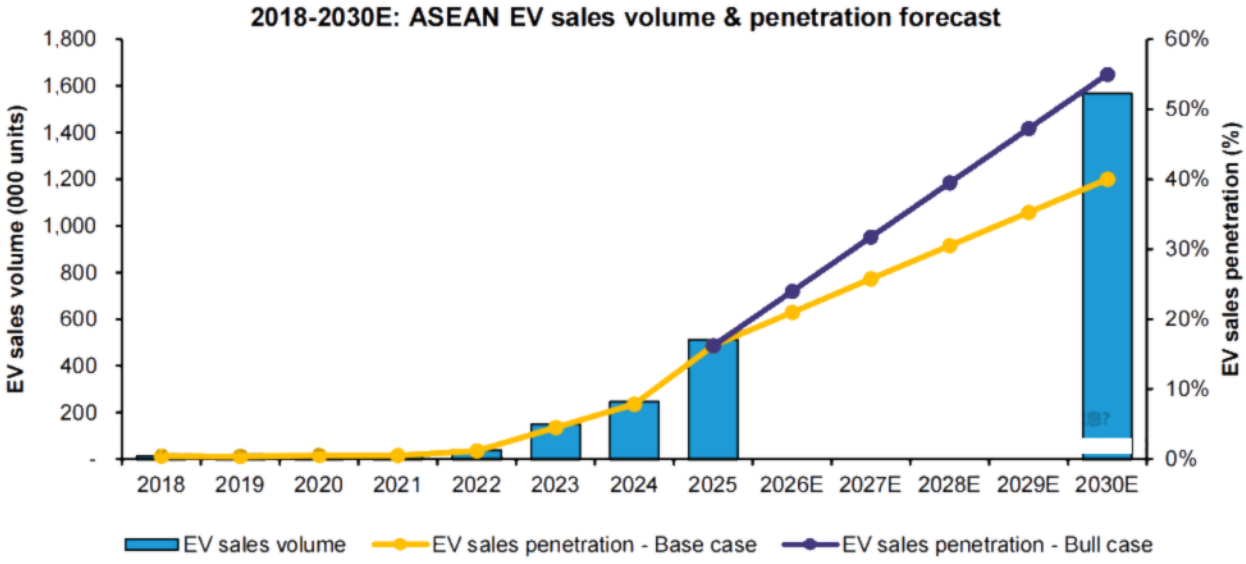
investments key factors for long-term success in the region.

EXHIBIT 4: **ASEAN experienced rapid growth in EV, which more than doubled yoy in 2025; this surge has been driven by supportive government policies across multiple markets and the aggressive entry of highly competitive EV models from Chinese OEMs**




Source: SNE, IHS, and Bernstein analysis

EXHIBIT 5: **We forecast ASEAN EV penetration could reach c.35-40% by 2030 in our base case, with EV volumes tripling to 1.4-1.6mn units from c.500k units in 2025 (16% penetration)**




Source: SNE, IHS, Bernstein estimates and analysis

## NEW CAR SALES GROWTH TO BE DRIVEN BY ECONOMIC EXPANSION AND FURTHER INCREASE IN VEHICLE OWNERSHIP

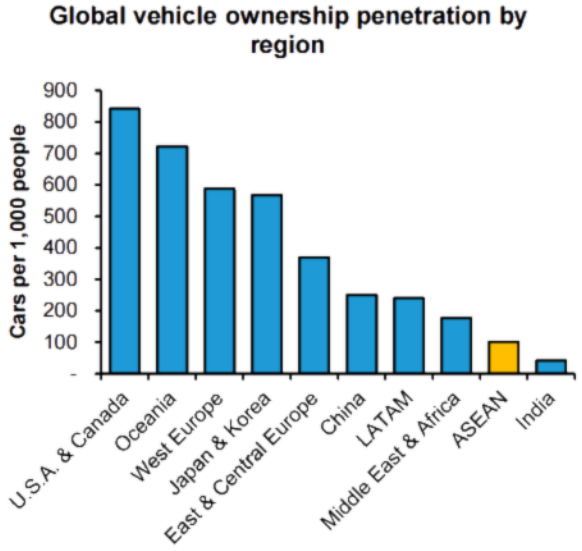
As incomes increase and more households enter the middle class, a larger share of consumers will be able to afford their first car or replace their car, supporting structural demand growth. Furthermore, vehicle ownership in Indonesia, Vietnam, and the Philippines remain below global and regional levels, indicating room for catch up.

**ASEAN continues to have relatively low vehicle ownership penetration**, with c.100 cars per 1,000 people, well below China at c.250 per 1,000. Ownership levels vary significantly across the region. Malaysia is the highest at 540, followed by Thailand at 170 and Singapore at 120. In contrast, Indonesia, Vietnam, and the Philippines remain much lower at 70, 60, and 40 cars per 1,000 people, respectively.

**Vehicle ownership is typically positively correlated with income levels.** Overall, ASEAN's GDP per capita of c.US$6.2k remains less than half the global average of c.US$13.6k, highlighting affordability challenges. In Malaysia, GDP per capita is among the highest in ASEAN (ex-Singapore), supporting higher ownership rates. The presence of national brands such as Perodua and Proton, which offer affordable entry-level models, further boosts accessibility. Limited and patchy public transportation infrastructure also reinforces private car dependence. Singapore has the highest GDP per capita in ASEAN, but vehicle ownership is deliberately constrained by extremely high acquisition costs driven by the COE system. After Singapore and Malaysia, Thailand has the highest GDP per capita in the region, despite high urban density and congestion, it has the second-highest car ownership in the region.

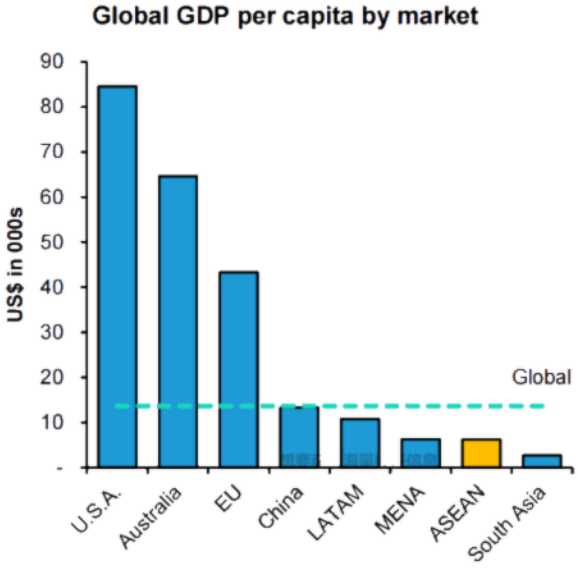
In contrast, Indonesia, Vietnam, and the Philippines have lower GDP per capita, contributing to lower ownership levels. In Vietnam, a large majority of private vehicles are motorbikes. Urban density constraints and the availability of mass transit in major cities also temper the shift toward car ownership. Nonetheless, we expect steady income growth to help support new car sales growth in years ahead. (Exhibit 6 - Exhibit 9)

EXHIBIT 6: **ASEAN continues to have relatively low vehicle ownership penetration, with c.100 cars per 1,000 people, well below China at c.250 per 1,000**



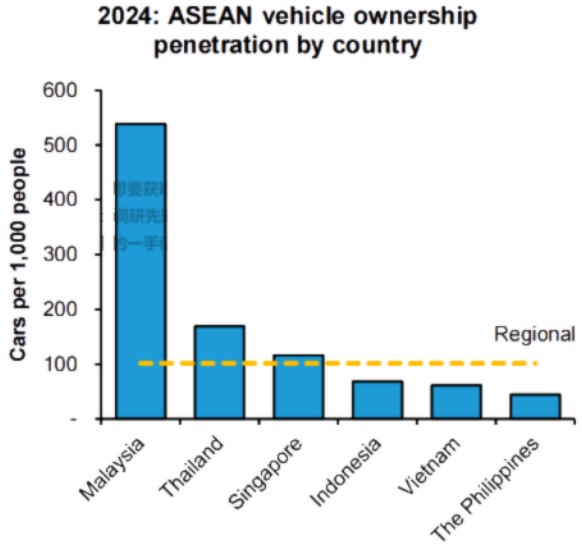

Source: IHS, World Bank, China NBS, PwC, and Bernstein analysis

EXHIBIT 7: **Vehicle ownership is typically positively correlated with income levels; overall, ASEAN's GDP per capita remains less than half the global average**



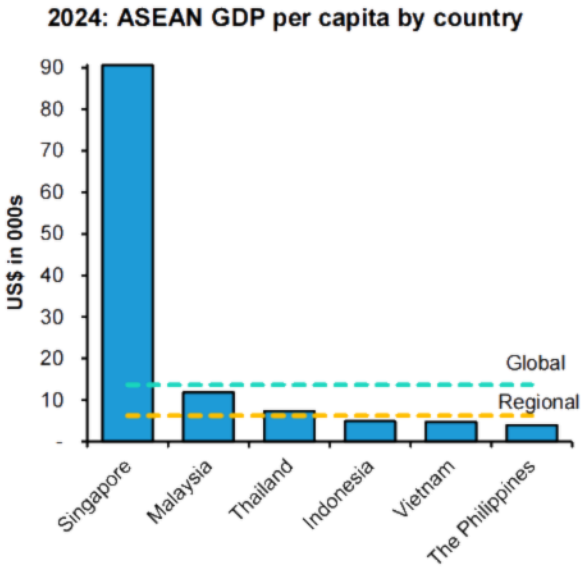

LATAM includes Latin America & Caribbean, and MENA includes Middle East, North Africa, Afghanistan & Pakistan in the above analysis
Source: World Bank and Bernstein analysis

EXHIBIT 8: **Ownership levels vary significantly across the region: Malaysia is the highest at 540; in contrast, Indonesia, Vietnam, and the Philippines remain much lower than 100 cars per 1,000 people**




Source: IHS, World Bank, PwC, and Bernstein analysis

EXHIBIT 9: **After Singapore, Malaysia's GDP per capita is among the highest in ASEAN, supporting higher ownership rates; limited and patchy public transportation infrastructure also reinforces private car ownership**




Source: World Bank and Bernstein analysis

ASEAN auto market characteristics and consumer behavior share strong similarities with China

## PRICE-SENSITIVE AND VALUE-ORIENTED CONSUMERS

ASEAN's auto market shares several structural characteristics and consumer-behavior patterns with China. Like Chinese buyers, ASEAN consumers are highly price-sensitive and value-oriented, which is reflected in vehicle ASPs that closely mirror China's. We estimate the ASP of new cars in ASEAN (ex-Singapore) to be in the range of US$18–23k. Indonesia sits lower at US $15–20k due to the predominance of small MPVs, while the Philippines has a similar product mix but slightly higher effective ASPs because of elevated import costs. Thailand's ASP is higher owing to its strong skew toward pick-up, and Malaysia's is lifted by higher volumes of mid-size vehicles. Vietnam is at the top end of the region, with ASPs of US$25–30k driven largely by substantial import taxes. (Exhibit 10 - Exhibit 11)

The region's segment mix also resembles China's in emphasizing compact, affordable, and highly functional models. Compared with the global average, ASEAN consumers show a marked preference for compact sedans, MPVs, and pick-ups rather than larger SUVs. This is driven by affordability and stronger price sensitivity, with smaller vehicles offering better fuel economy and lower running costs. Urban conditions across much of ASEAN—narrow roads, uneven surfaces, and limited parking—further reinforce demand for smaller, more maneuverable vehicles. MPVs and pick-ups also provide dual utility for households and small or informal businesses by combining people-moving and goods-moving, making them more practical than larger SUVs, which are often purchased for lifestyle rather than functional reasons. (Exhibit 12 - Exhibit 15)

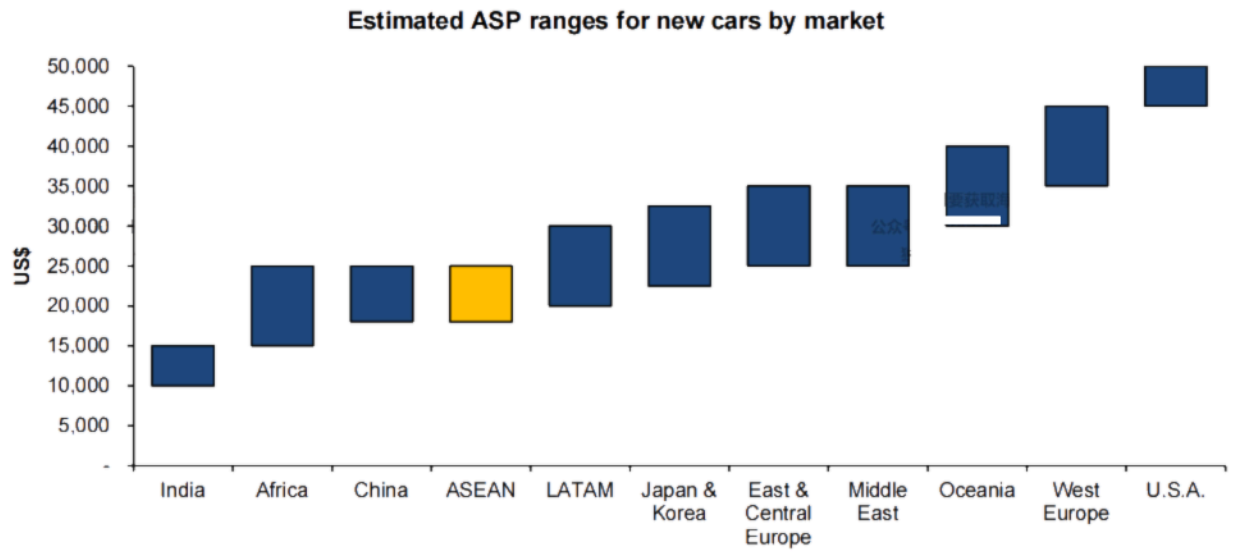
## LARGE SHARE OF FIRST-TIME BUYERS AND LOW BRAND LOYALTY

In terms of ownership maturity, China leads ASEAN but they still share similar characteristics. For example, they both have a high proportion of first-time car buyers and correspondingly low brand loyalty. Consumers in both markets exhibit a greater willingness to switch brands for their next vehicle, reflecting lower brand lock-in and greater openness to new entrants—an advantage for Chinese OEMs, further supported by cultural familiarity in countries with sizable ethnic Chinese populations. (Exhibit 16 - Exhibit 17)

Younger buyers in ASEAN also increasingly favor vehicles with advanced technology features, which is similar to Chinese car buyers. Across all age groups, consumers tend to prioritize product quality, performance, price, and vehicle features or

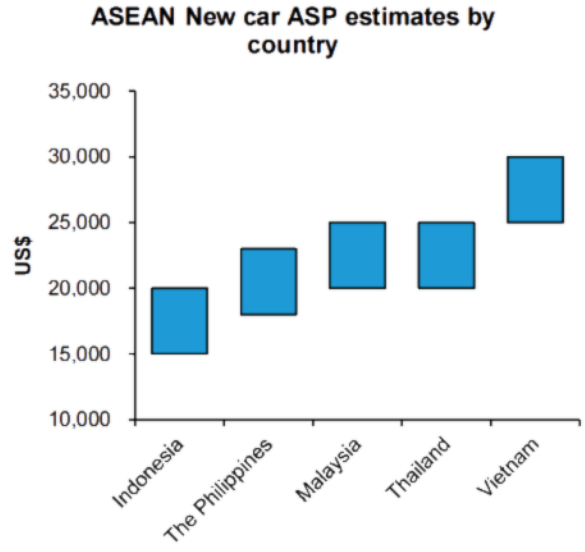
technology when selecting their next vehicle brand. (Exhibit 18)

EXHIBIT 10: **We estimate that the ASP of new cars in ASEAN (ex-Singapore) is in the range of US$18-23k, broadly comparable to the ASP range in China**



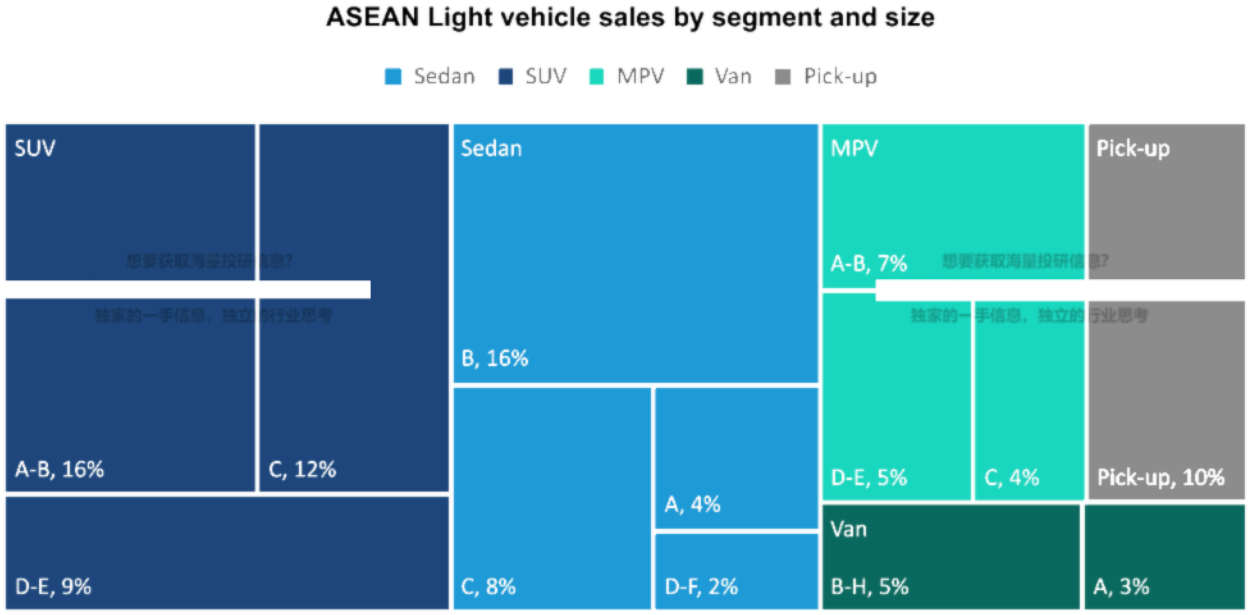

Source: Cox Automotive, JATO, C.A.D., World Bank, Bernstein estimates and analysis

EXHIBIT 11: **The ASP of new cars in Indonesia is estimated to be lower, reflecting the dominance of small MPVs; whereas Vietnam sits at the higher end, driven by elevated import taxes**



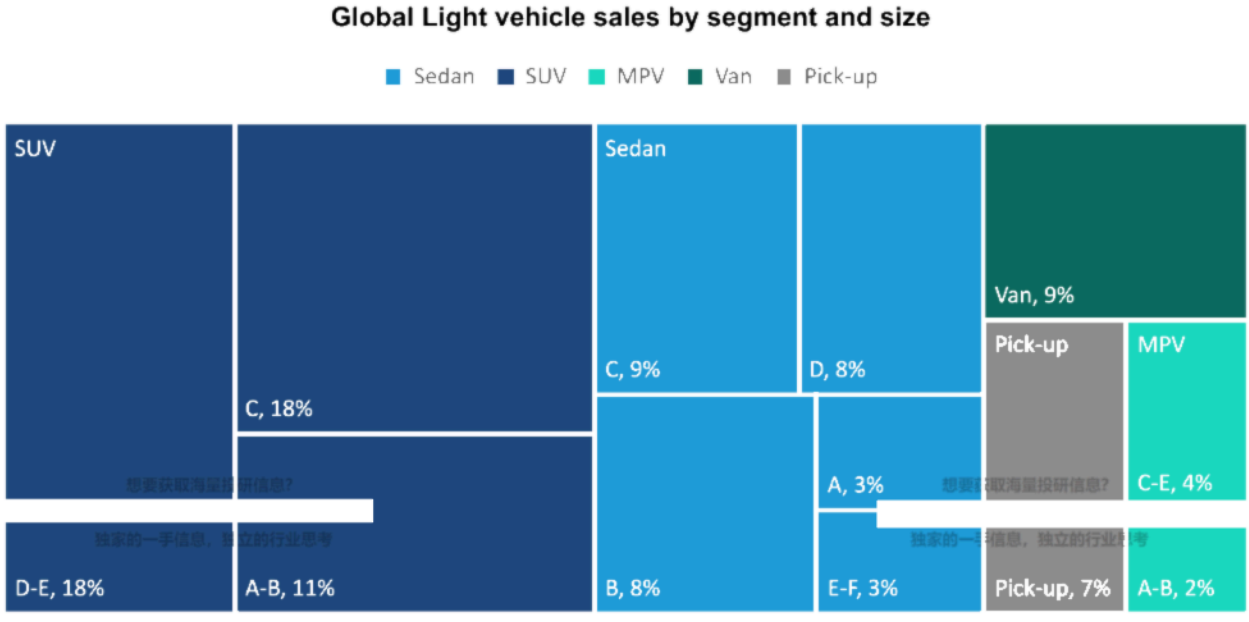

Source: World Bank, Bernstein estimates and analysis

EXHIBIT 12: **Compared with the global average, ASEAN consumers show a stronger preference for compact sedans, MPVs, and pick-upsrather than larger SUVs**



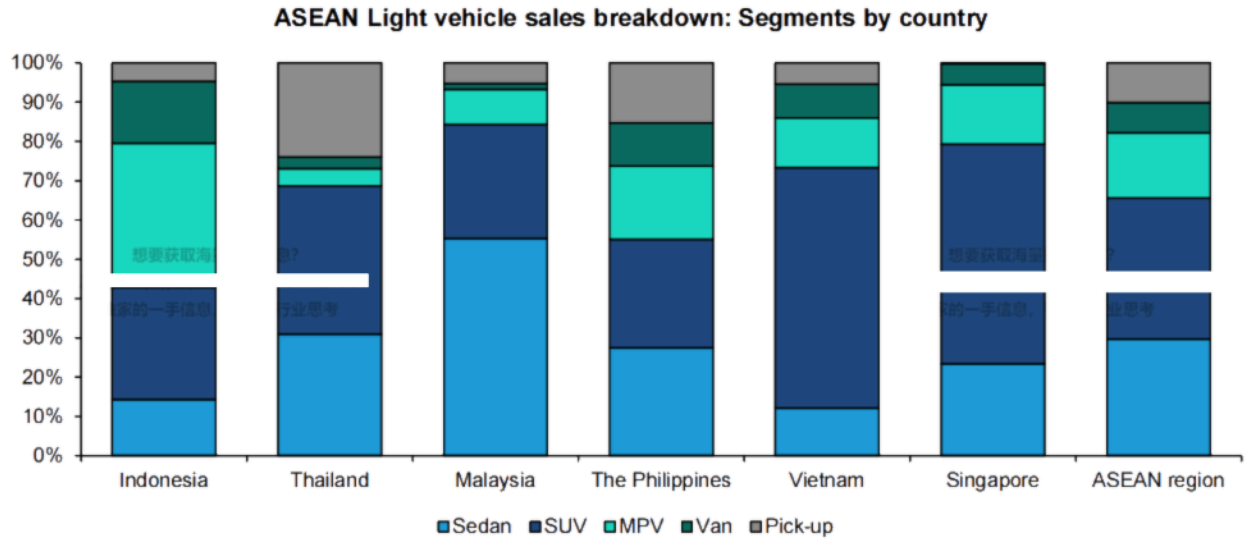

Source: IHS and Bernstein analysis

EXHIBIT 13: **... due to price sensitivity and road conditions which reinforce demand for smaller, more maneuverable vehicles; MPVs and pick-ups are also popular because they offer dual utility for families and small businesses, making them more practical choices than lifestyle-oriented SUVs**



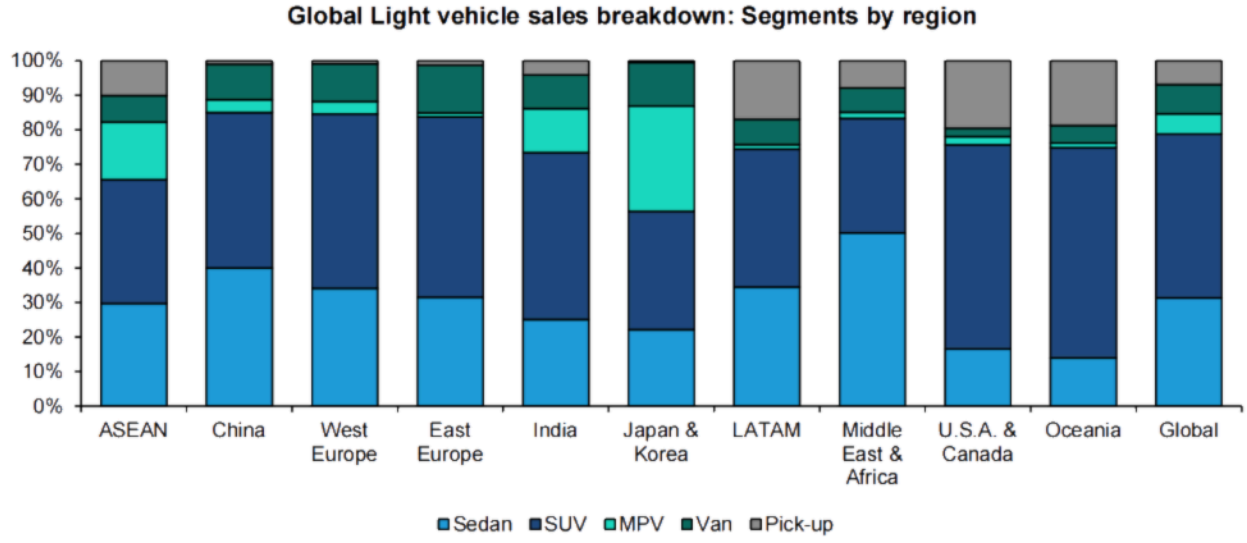

Source: IHS and Bernstein analysis

EXHIBIT 14: **In particular, Indonesia shows a strong preference for small, low-cost MPVs, Thailand leans heavily toward pick-up trucks, while Malaysia tends to favor compact sedans**



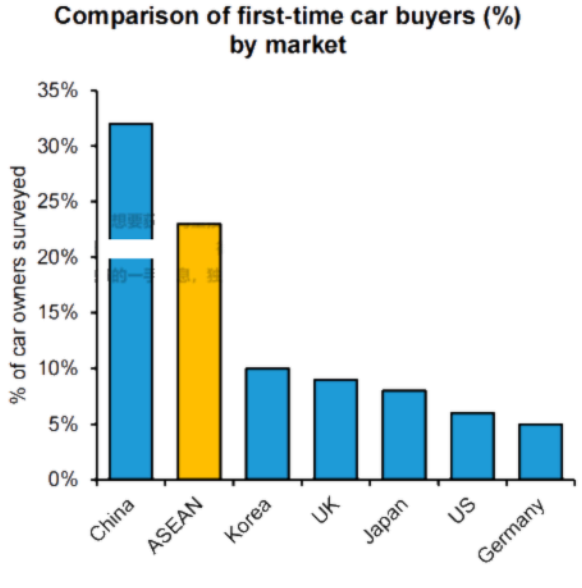

Source: IHS and Bernstein analysis

EXHIBIT 15: **The chart below compares body type preferences across major automotive markets**



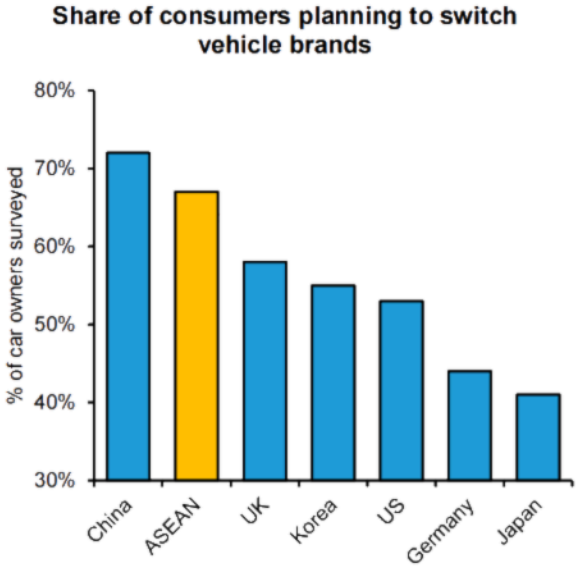

Source: IHS and Bernstein analysis

EXHIBIT 16: **Similar to China, the ASEAN market has a high proportion of first-time car buyers compared with more developed markets**



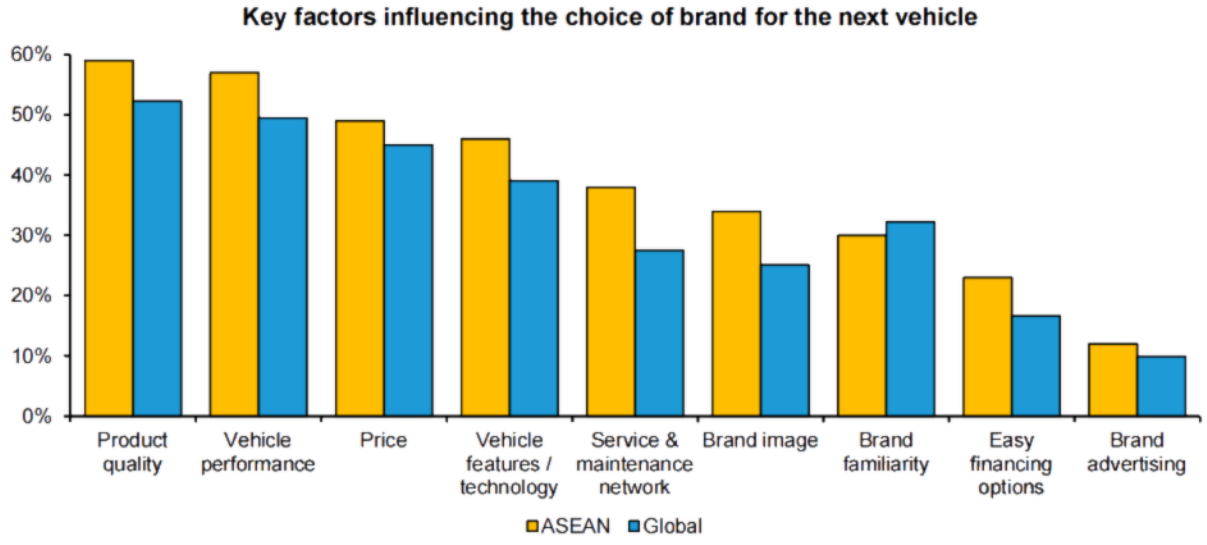

Sample size: n= 905 (China); 3,870 (Southeast Asia); 519 (Japan); 646 (Korea); 1,119 (Germany); 1,144 (UK); 836 (US)
Source: Deloitte Survey and Bernstein analysis

EXHIBIT 17: **Both Chinese and ASEAN consumers also display a greater willingness to switch brands when purchasing their next vehicle, reflecting lower brand lock-in and higher openness to new entrants**




Sample size: n= 778 (China); 3,667 (Southeast Asia); 463 (Japan); 613 (Korea); 1,040 (Germany); 1,080 (UK); 811 (US)
Source: Deloitte Survey and Bernstein analysis

EXHIBIT 18: **ASEAN consumers care most about product quality, vehicle performance, price, and vehicle features / technology when choosing a brand for their next vehicle**




Sample size: n= 5,196 (ASEAN), 859 (China), 1,280 (Germany); 1,346 (India); 683 (Japan); 909 (South Korea); 1,363 (UK); 944 (US)
Source: Deloitte Survey and Bernstein analysis

EXHIBIT 19: **ASEAN governments have established ambitious targets for the EV transition and rolled out a range of supporting policies**

| Country | Target | EV supporting policies in 2025 | EV supporting policies in 2026 and afterwards |
|---|---|---|---|
| Indonesia | 2030: 2 million 4-wheel BEV | 0% tariff before 2026; 5%-10% VAT reduction for EVs meeting the local content requirement; 15% luxury sales tax reduction | 10%-50% tariff; no more VAT reduction |
| Thailand | 2030: zero-emission vehicles (ZEVs) to account for 50% new vehicle sales | 1. Tariffs: 2024 - 2025: up to 40% reduction<br>2. Excise tax:<br>(1) BEV PV: 2024 - 2027: reduced to 2% from 8%<br>(2) BEV pick-up: 2024 - 2025 0% (vs. original 10%)<br>3. Subsidy:<br>(1) BEV PVs with retail price ≤THB 2mn & battery ≥ 50 kWh: 2024 THB 100k, 2025 THB 75k<br>(2) BEV PVs with retail price ≤THB 2mn & battery ≥ 10 kWh but < 50 kWh: 2024 THB 50k, 2025 THB 35k<br>(3) Locally assembled BEV pick-ups with retail price ≤THB 2mn & battery ≥ 10 kWh: 2024 - 2027: THB 100k | 1. Tariffs: no more reduction<br>2. Excise tax:<br>(1) BEV PV: 2024 - 2027: reduced to 2% from 8%<br>(2) BEV pick-up: 2026 onward 2% (vs. original 10%)<br>3. Subsidy:<br>(1) BEV PVs with retail price ≤THB 2mn & battery ≥ 50 kWh: 2026 THB 50k (N.A. for imported cars)<br>(2) BEV PVs with retail price ≤THB 2mn & battery ≥ 10 kWh but < 50 kWh: 2026 THB 25k (N.A. for imported cars)<br>(3) Locally assembled BEV pick-ups with retail price ≤THB 2mn & battery ≥ 10 kWh: 2024 - 2027: THB 100k |
| Malaysia | 2030: EV to account for 15% of new vehicles | 1. Tariff:<br>(1) CBU EVs: full exemption in 2022 - 2025;<br>(2) Components for locally assembled EVs: full exemption in 2022 - 2027<br>2. Excise duty:<br>(1) CBU EVs: full exemption in 2022 - 2025;<br>(2) Locally assembled Evs: full exemption in 2022 - 2027<br>3. Road tax: exemption in 2022 - 2025<br>4. Income tax exemption of 70%/100% for EV makers for 5/10 years<br>5. Equivalent income tax exemption tax investment allowance of 60%/100% on eligible capex incurred within 5/10 years | 1. Tariff:<br>(1) CBU EVs: no more exemption<br>(2) Components for locally assembled Evs: full exemption in 2022 - 2027<br>2. Excise duty:<br>(1) CBU EVs: no more exemption<br>(2) Locally assembled Evs: full exemption in 2022 - 2027<br>3. Road tax: lower tax rate in 2026<br>4. Income tax exemption of 70%/100% for EV makers for 5/10 years<br>5. Equivalent income tax exemption tax investment allowance of 60%/100% on eligible capex incurred within 5/10 years |
| Vietnam | 2030: 50% of urban vehicles and 100% of buses and taxis to be electric or green energy-powered | 1. Registration fee: exemption till Feb 2027<br>2. Special consumption tax: up to 3% for BEV with up to 9 seats by Feb 2027, increasing to 11% thereafter (vs. 35%+ for ICE vehicles) | |
| Philippines | 2030: 3 million electric cars | 1. Tariffs: exemption for BEV and BEV parts imported from most-favored-nation by 2028 (vs. 5% to 30% previously)<br>2. Excise tax: full exemption for BEV, 50% exemption for PHEV<br>3. Motor vehicle user's charge, vehicle registration and inspection fee: 30% discount for BEVs<br>3. Others: Exemption from the mandatory unified vehicular volume reduction program, number coding scheme, or other similar schemes implemented by the Metropolitan Manila Development Authority, other similar agencies, and LGUs | |
| Singapore | 2030: All new car and taxi to be of cleaner-energy | 1. Vehicular Emissions Scheme (VES):<br>(1) Rerate for EV: SGD 25,000 in 2025<br>(2) Rerate for HEV: SGD 2,500 in 2025<br>(3) Surcharges for high-emission vehicles: SGD 0 - 25,000 in 2025<br>2. Electric Vehicle Early Adoption Incentive (EEAI): rebate of 45% off the Additional Registration Fee (ARF) capped at SGD15,000 in 2024 - 2025 | 1. Vehicular Emissions Scheme (VES):<br>(1) Rerate for EV: SGD 22,500 in 2026, SGD 20,000 in 2027<br>(2) Rerate for HEV: SGD 0 in 2026 -2027<br>(3) Surcharges for high-emission vehicles: SGD 7,500 - 35,000 in 2026, SGD 15,000 - 45,000 in 2027<br>2. Electric Vehicle Early Adoption Incentive (EEAI): rebate of 45% off the Additional Registration Fee (ARF) capped at SGD 7,500 in 2026; no more rerate in 2027 |

Source: Government websites, ASEAN Briefing, MIDA, PwC and Bernstein analysis

EXHIBIT 20: **ASEAN countries also release supportive policies to encourge charging infrastructure investment**

| Country | Charging infrastructure target and supporting policies |
|---|---|
| Indonesia | Plans to build 63,000 electric vehicle (EV) charging stations by 2030 |
| Thailand | Target to install 12,000 fast chargers by 2030 |
| Malaysia | 1. Offering individuals RM2,500 in yearly income tax relief through to 2027 for the installation, rental, and purchase of EV charging equipment or subscription fees<br>2. Companies investing in charging stations are eligible for a 70 per cent tax exemption for 3 years, as well as Green Investment Tax Allowance (GITA) of 100% of qualifying capex incurred on green technology projects for 5 years |
| Vietnam | 1. Providing preferential electricity pricing for public charging stations<br>2. Ensuring electricity supply for charging stations |
| Philippines | 1. Target to install 7,000+ public chargers by 2028<br>2. Imported CBUs of charging stations are exempt from payment of duties for eight years or until 2030 |
| Singapore | Target to install 60,000 EV charging points by 2030 |

Source: Government websites, MIDA, ABS-CBN News, and Bernstein analysis

## COMPETITIVE LANDSCAPE ANALYSIS: CHINESE BRANDS GAIN TRACTION AS JAPANESE BRANDS CEDE SHARE

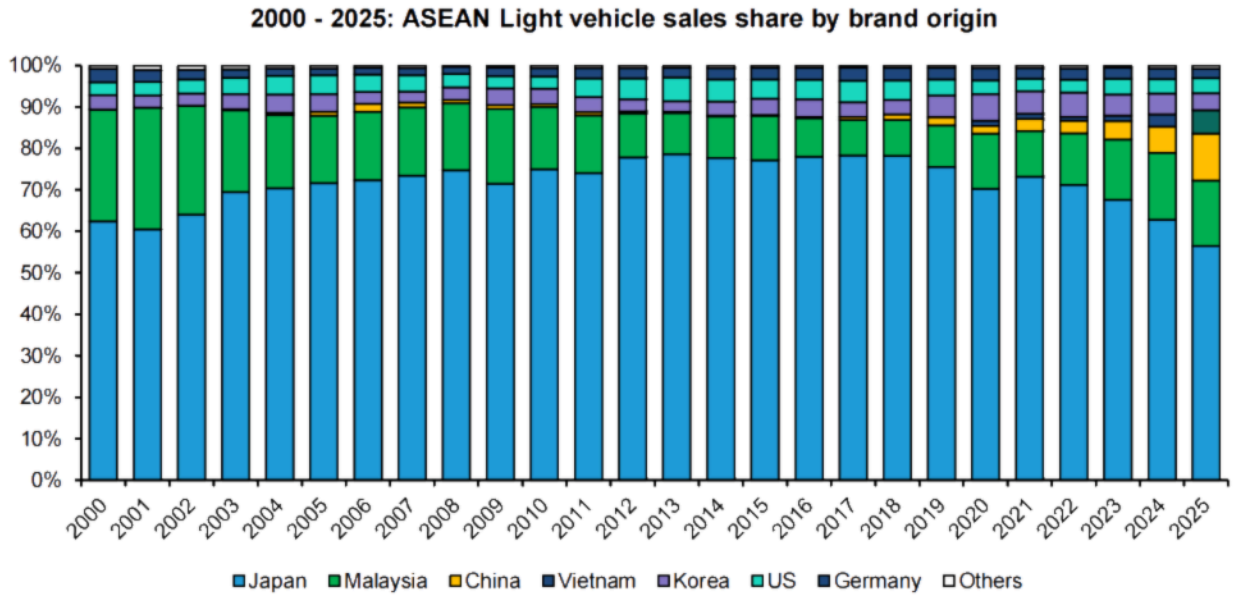
**Chinese brands have emerged as the key share gainers in ASEAN**, with market share rising from below 2% in 2020 to over 11% in 2025. This growth has come largely at the expense of Japanese brands, whose share has steadily declined from a peak of 78% in 2017 to 70% in 2020 and 56% in 2025. Despite this erosion, Japanese OEMs remain dominant, accounting for c.56% of the market in 2025, ahead of Malaysian brands (c.16%) and Chinese brands (c.11%). (Exhibit 21 - Exhibit 23)

**Toyota remains the undisputed market leader with a 31% share**, despite overall weakness of the Japanese brands. That said, Toyota has also ceded some ground in recent years. BYD has been ASEAN's largest share gainer, expanding from a negligible presence before 2022 to 5% share in 2025, while VinFast has also grown rapidly from a low base. In contrast, Isuzu and Honda have lost 5ppt and 3ppt of share, respectively. (Exhibit 24 - Exhibit 27)

**While BYD's overall market presence in ASEAN remains small, the brand is posting a robust growth trajectory** and has captured a meaningful 26% share of the regional EV segment, establishing itself as the unparalleled forerunner in this high-growth area. Other Chinese OEMs such as Chery (including Jaecoo), SAIC (MG and Wuling) and Great Wall have also achieved notable performance in the region, holding 3%, 2% and 1% of the ASEAN passenger vehicle (PV) market in 2025 respectively.

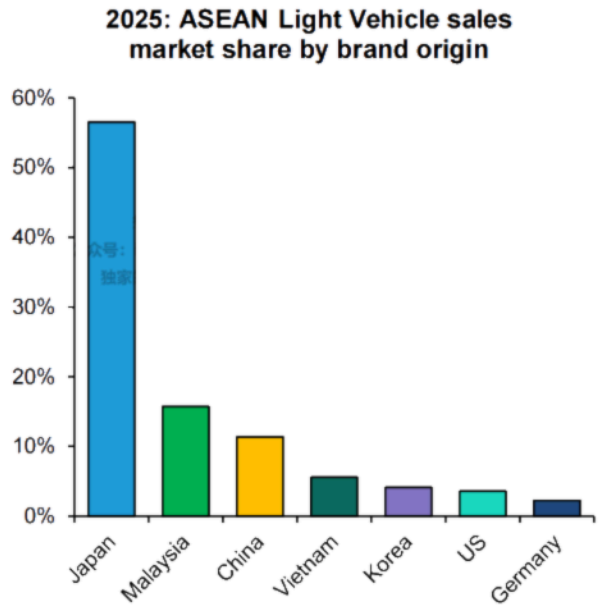
**The EV transition has been the key driver of recent market share shifts in ASEAN in our view.** Notably, BYD and VinFast, two EV-focused players, have been among the region's largest share gainers. Electrification trends in ASEAN continue to be led by BEVs, which account for the majority of xEV sales in ASEAN. BEV adoption accelerated further in 2025 and continued to outpace HEVs, while PHEVs also gained momentum from a low base. By contrast, HEV penetration growth showed signs of moderating during the year. (Exhibit 28 - Exhibit 29)

EXHIBIT 21: **Chinese brands' market share rose from below 2% in 2020 to over 11% in 2025; in contrast, Japanese brands' share has steadily declined from a peak of 78% in 2017 to 70% in 2020 and 56% in 2025**



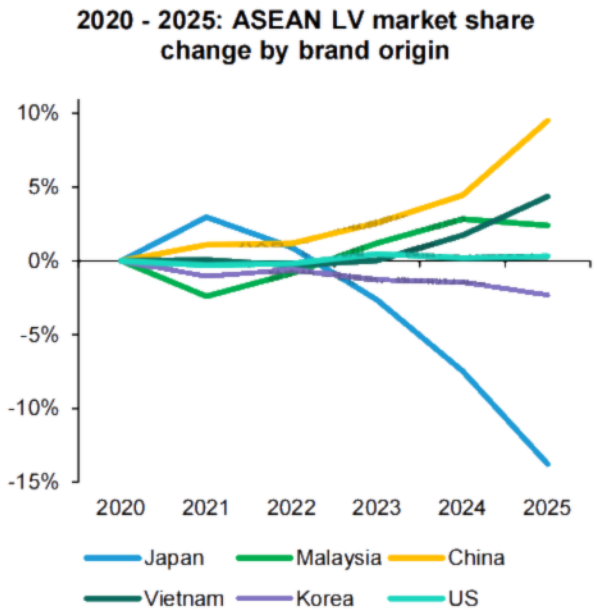

Source: IHS and Bernstein analysis

EXHIBIT 22: **Japanese brands still have a lion share in ASEAN market with c.56% share in 2025, followed by Malaysian brands (c.16%) and Chinese brands (c.11%)**



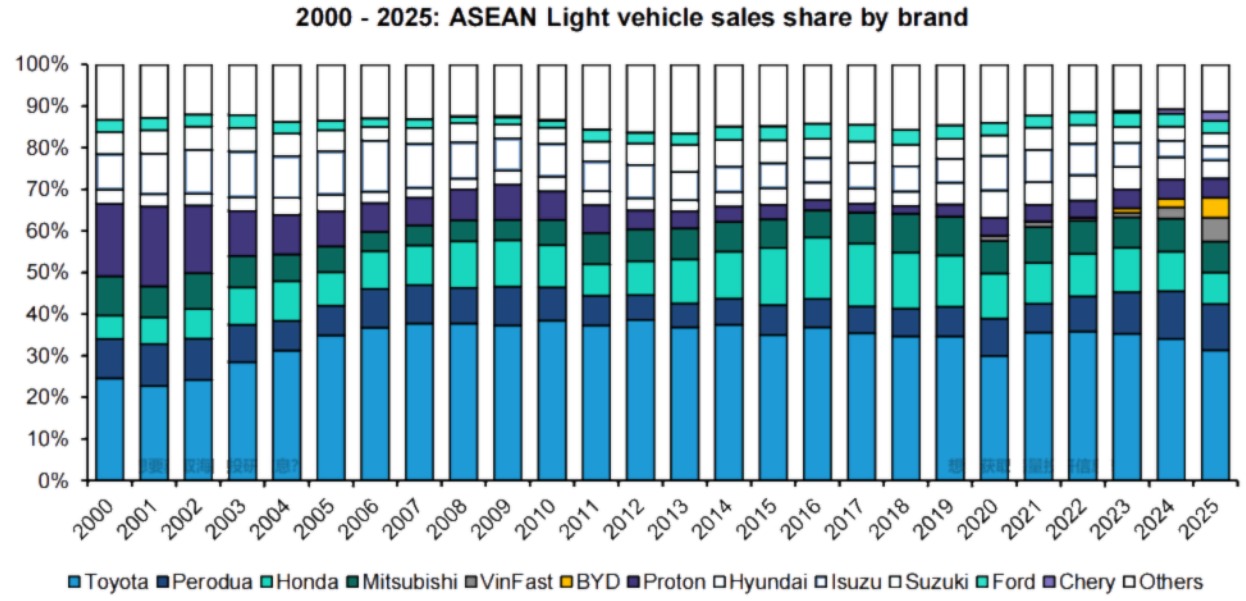

Source: IHS and Bernstein analysis

EXHIBIT 23: **In 2022-2025, Chinese brands captured c.10pcts incremental market share, mostly at the expense of Japanese and Korean brands**




Source: IHS and Bernstein analysis

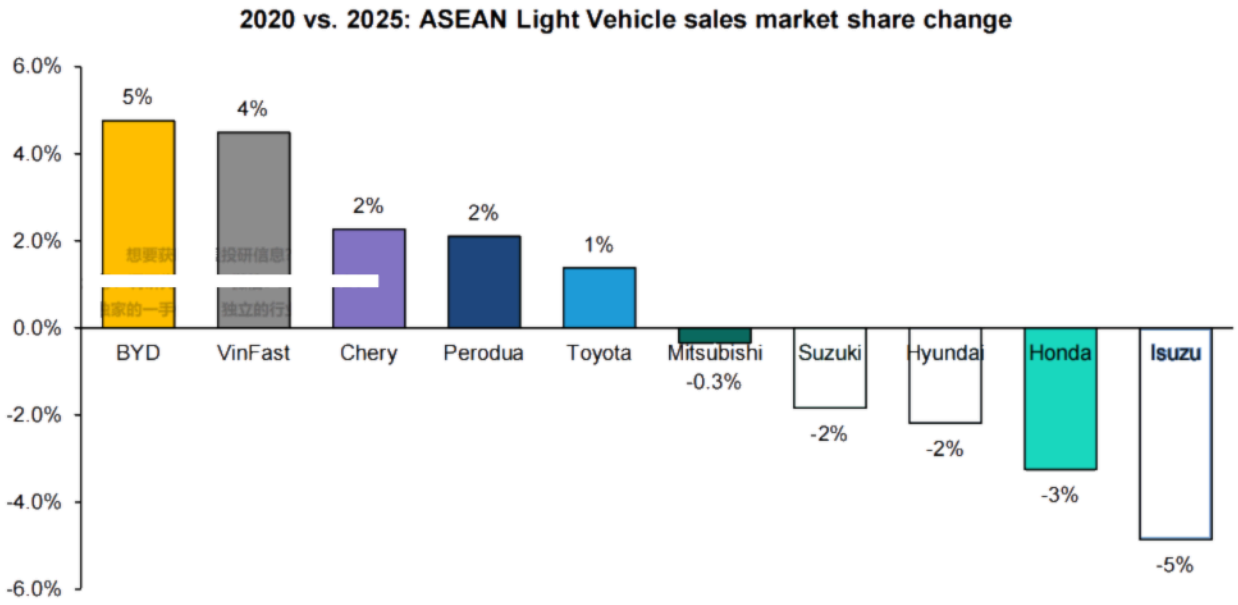
EXHIBIT 24: **Toyota remains the undisputed ASEAN market leader with a 31% share, though it has ceded some ground in recent years, while BYD and VinFast have grown rapidly from low base**




Source: IHS and Bernstein analysis

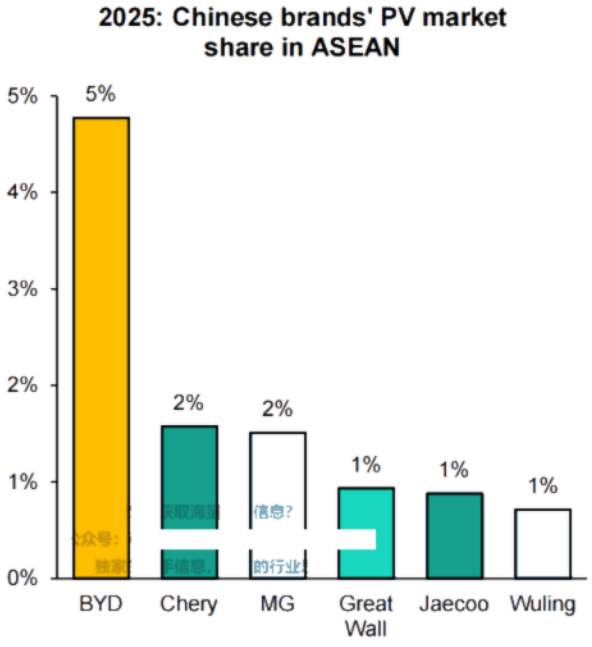
人在草木间

EXHIBIT 25: **BYD has been ASEAN's biggest share gainer, growing from negligible share before 2022 to 5% in 2025, while Isuzu and Honda lost 5ppt and 3ppt, respectively**



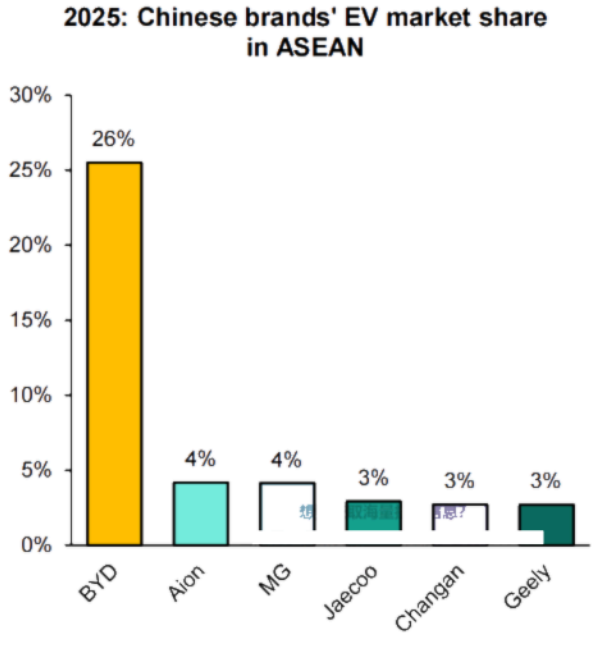

Source: IHS and Bernstein analysis

EXHIBIT 26: **BYD leads in ASEAN's PV market share among Chinese players, followed by Chery and MG**




Source: IHS and Bernstein analysis

EXHIBIT 27: **BYD captures 26% of EV market share in ASEAN, far ahead of other Chinese brands**




Source: IHS and Bernstein analysis

## WHY ARE CHINESE BRANDS' GAINING MARKET SHARE?

We believe the success of Chinese brands is attributable to the following factors:

- **Chinese brands significantly benefited from the tailwind of EV transition, underpinned by supportive government policies.** Many ASEAN nations have set ambitious EV adoption targets and rolled out substantial subsidies to boost sales, including Thailand's EV 3.0/3.5 subsidy scheme and Indonesia's EV VAT/tariff cuts for consumption. Fueled by these policies, ASEAN's EV penetration rate surged from 2% in 2022 to 16% in 2025, and we model a further rise to 35-40% in 2030E. Chinese brands hold over c.50% market share in ASEAN's EV sector, which positions them as the primary beneficiaries of the regional EV transition and drives their incremental share gains in the total PV market.

- **Expanding model availability with strong value-for-money proposition:** Chinese OEMs have been rolling out extensive lineups that cater to local buyers. Take BYD as an example: the brand has launched seven core models in Thailand, including Seal, Seal 5 DM-i, Sealion 6 DM-i, Sealion 7, M6, Dolphin, Atto 3. Its portfolio covers sedans and SUVs, with both BEV and PHEV options, and prices points ranging from THB 599k to THB 1.4 million. The company has also introduced its premium Denza brand to Thailand, further diversifying the product options available to local consumers. (Exhibit 30)

- **Technological leadership in electrification and smart driving also helps Chinese brands attract young customers.** As global leaders in EV and smart driving technology, Chinese OEMs provide ASEAN consumers with differentiated product attributes including long driving ranges, sub-10-second 0-100km/h acceleration performance, fast-charging functionality and a full suite of ADAS features (e.g., automatic emergency braking, lane departure warning). These features render Chinese-brand models highly competitive relative to offerings from Japanese automotive brands in the region. (Exhibit 31 - Exhibit 32)

- **Cultural familiarity and similar consumer car-ownership attitudes mean Chinese OEMs can transfer their China EV playbook with little adaptation needed.** Thanks to deep cultural similarities between China and ASEAN nations, Chinese brands can introduce their existing model lineups to ASEAN consumers with relatively limited localization effort and operational adaptation.

## JAPANESE BRANDS REMAIN DOMINANT

**First-mover advantage:** Japanese automakers were early entrants into ASEAN in the 1960s thanks to geographic closeness. Japanese OEMs spotted opportunities in ASEAN long before the region drew global attention. In contrast, European and American OEMs were largely focused on booming domestic markets and nearby regions, while Korean automakers had not yet emerged. When these competitors eventually shifted attention toward ASEAN, Japanese brands had already built dominant market positions and high consumer loyalty.

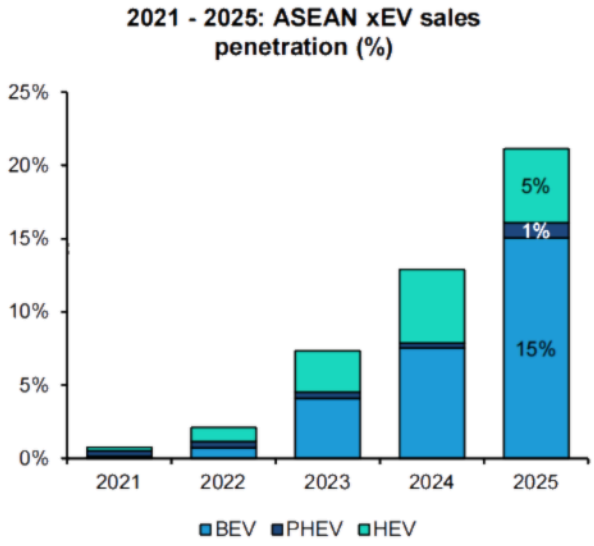
**Localization of production:** High import tariffs, stringent local-content policies, and rising production costs caused by yen appreciation pushed Japanese OEMs to pivot from export-based strategies toward building manufacturing footprints within ASEAN. They first localized assembly operations, followed by component production, eventually transforming several ASEAN countries into major regional export bases.

**Product competitiveness**: Japanese vehicles aligned well with ASEAN consumer needs with affordability, durability, and fuel efficiency. These traits became even more critical during the oil crisis in 1970s. Japanese OEMs also developed models specifically for the region, such as Honda's City and Toyota's Kijang, and customized product portfolios for each country tailored to country-specific conditions including tax structures, road environments, and family profiles, for example: pickups for Thailand, MPVs for Indonesia, and sedans for Malaysia.

**Well-established service and financial network**: Through extensive dealer networks and collaborations with Sogo shoshas (Japanese trading conglomerates), Japanese OEMs built extensive distribution and after-sales ecosystems, enabling accessible purchasing and convenient maintenance. They also worked with local banks or set up their own auto-financing companies to reduce purchasing barriers.

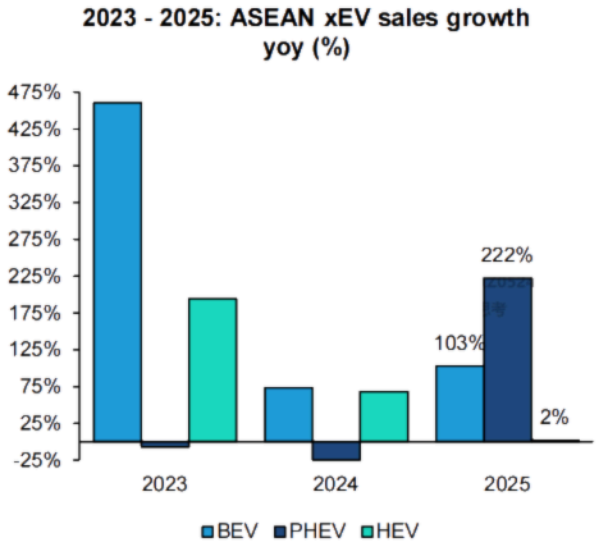
**High resale value**: Strong reliability and widely accessible servicing enable Japanese vehicles to maintain longer lifecycles and lower total cost of ownership (TCO), resulting in relatively high resale values. This further reinforces their financing advantages and boosts new-vehicle sales.

EXHIBIT 28: **BEV makes up the majority of xEV sales in ASEAN, with PHEV sales remaining limited and HEV penetration slowing down in 2025**



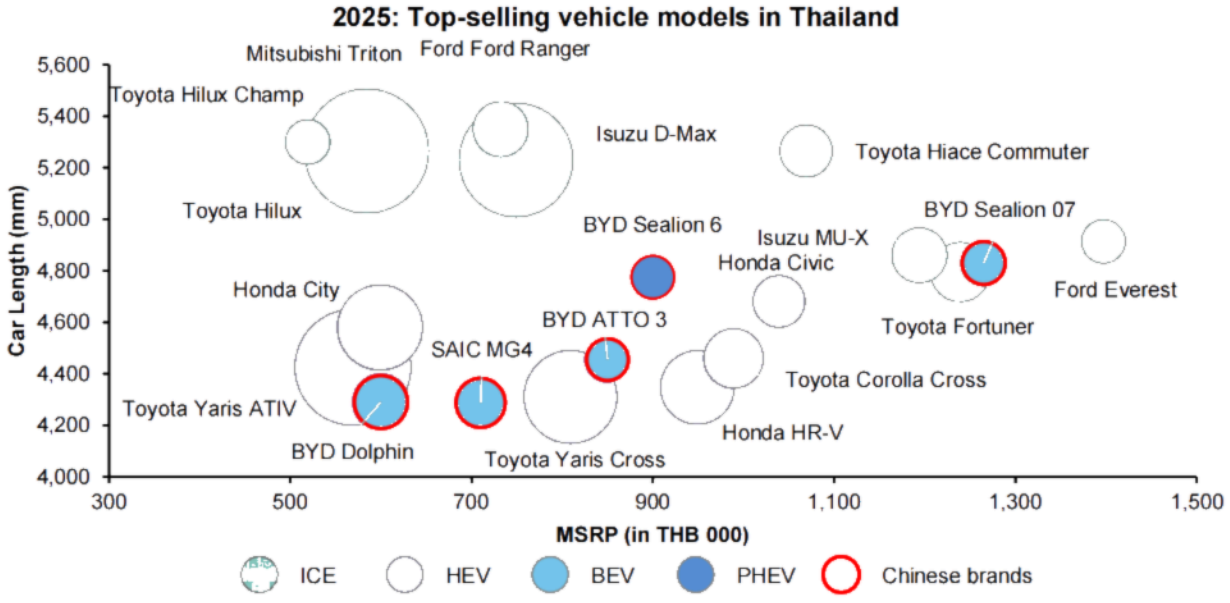

Source: SNE and Bernstein analysis

EXHIBIT 29: **BEV growth outpaced HEV in 2023-25, and PHEV has also picked up momentum since last year**




Source: SNE and Bernstein analysis

EXHIBIT 30: **Chinese OEMs continue to roll out extensive lineups that cater to local buyers**




Source: Marklines, Company website, and Bernstein analysis

EXHIBIT 31: **Many Chinese EVs, such as the BYD Sealion 07 pictured below, offer more advanced smart cockpit and infotainment features, helping them resonate with younger, digitally savvy consumers ...**




Source: BYD

EXHIBIT 32: **... compared to model offerings of traditional OEMs in Thailand**




Source: Toyota

## ZOOMING INTO INDONESIA, THAILAND, AND MALAYSIA

Indonesia, Thailand, and Malaysia are the three key markets in ASEAN, collectively representing c.68% of light vehicle sales volume in 2025.

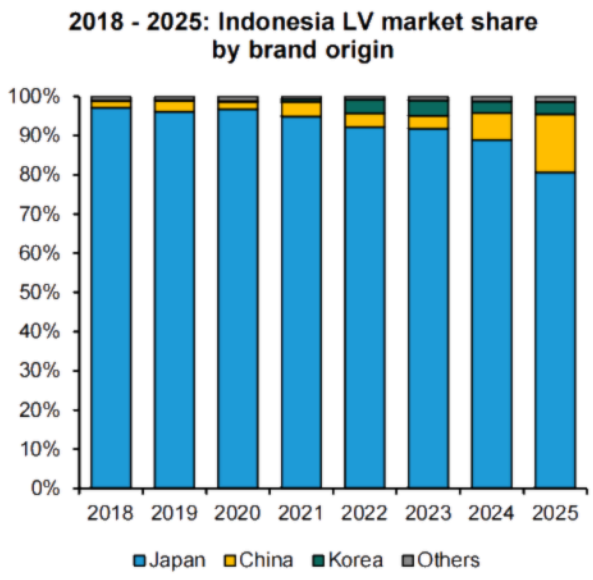
## INDONESIA

Indonesia's light vehicle sales volume in 2025 reached c.750k units and is projected to climb to c. 1.2mn units in 2030E, representing a CAGR of 10%. The market is dominated by Japanese OEMs, with Toyota taking the lead with c.50% share in 2025, followed by Honda (c.11% share) and Mitsubishi (c.8% share). (Exhibit 33 - Exhibit 35)

However, the rapid EV penetration has begun to reshape the competitive landscape. Supportive government policies, including a 50% reduction in EV import tariffs and a 10% value-added tax cut, drove the EV share to surge to 15% in 2025 from 2% in 2022. BYD and Chery successfully capitalized the market opportunity, capturing 8% and 4% share in 2025 respectively. It's notable that Hyundai initially expanded its presence in 2022, but growth momentum slowed with the entry of new Chinese competitors and the absence of follow-up model launches.

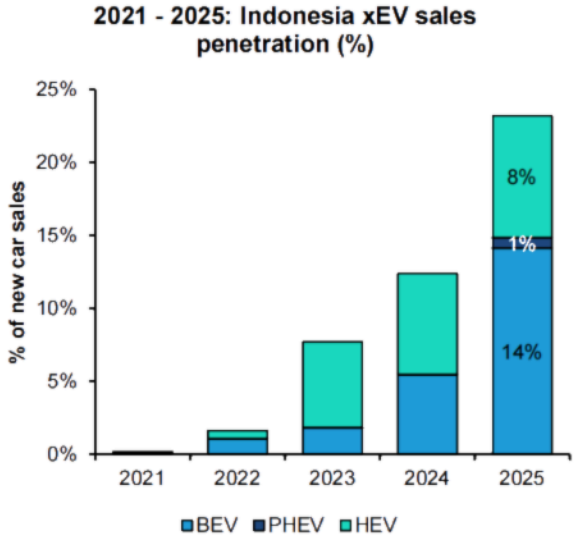
Looking forward, Indonesia has terminated its EV incentive program in 2026, redirecting the incentive budget to support the national car program. As a result, the cost of imported Chinese electric vehicles is likely to rise, potentially creating challenges for market penetration. However, automakers with production facilities in Indonesia, such as SAIC, XPeng, and BYD, are better positioned to navigate the phase-out of subsidies and capitalize on emerging local opportunities.

EXHIBIT 33: **Chinese OEMs successfully capitalized the EV market opportunity, capturing c.13 pcts additional share from 2018 to 2025**



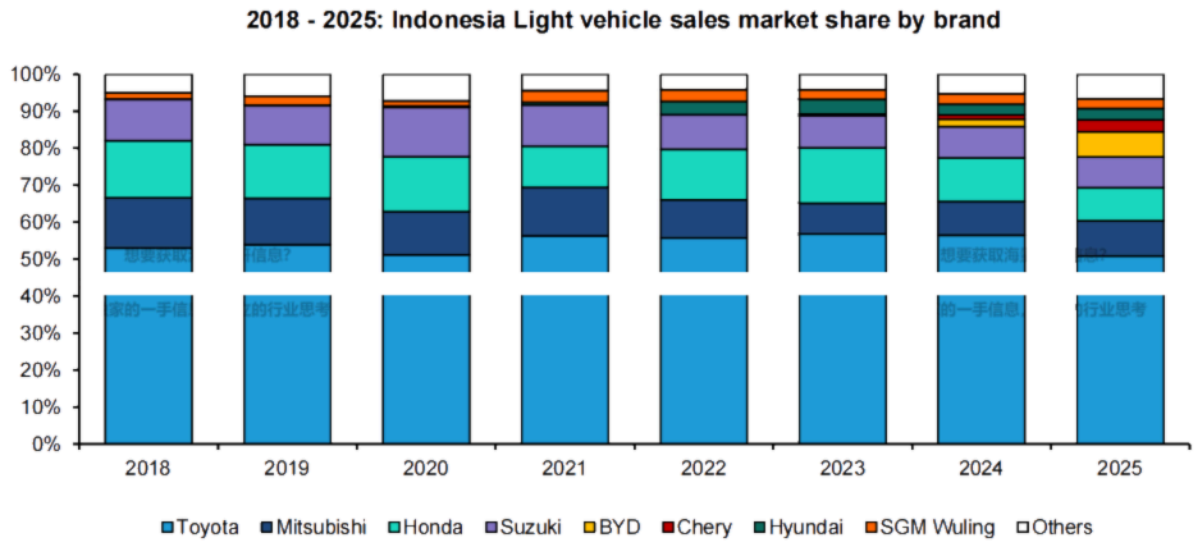

Source: IHS and Bernstein analysis

EXHIBIT 34: **Indonesia's xEV transition has accelerated since 2023**




Source: IHS and Bernstein analysis

EXHIBIT 35: **Japanese OEMs hold a prominent share of the Indonesian market, while BYD and Chery have emerged as leading new entrants**



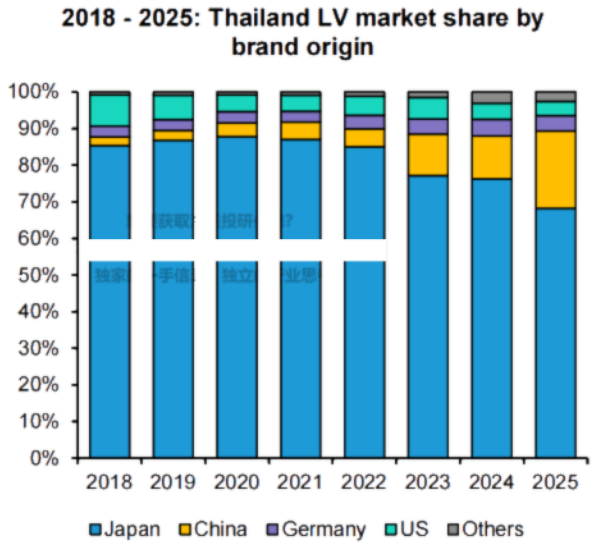

Source: IHS and Bernstein analysis

## THAILAND

Thailand light vehicle market is c.610k units in 2025 and is expected to reach c.870k by 2030E with a 7% CAGR, according to IHS. It boasts 23% of EV penetration in 2025, third-highest among all ASEAN countries, thanks to the supportive government subsidy and Chinese OEM's active expansion. (Exhibit 36 - Exhibit 38)

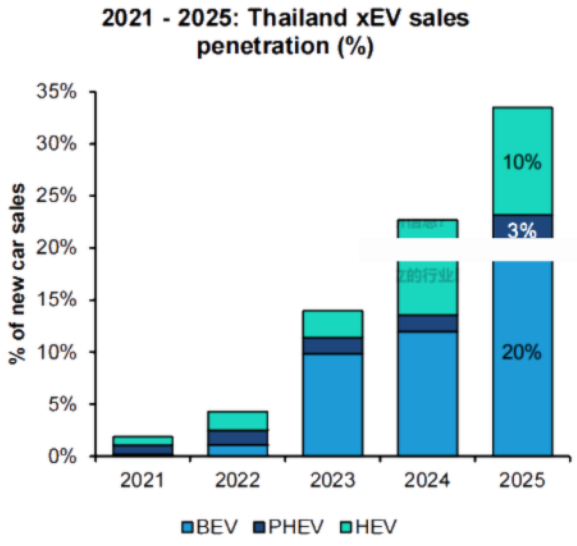
Driven by the rapid EV adoption and competitive product offerings, Chinese players have boosted their PV market share to 28%. BYD, SAIC, Great Wall and GAC took the lead with 11%, 5%, 3% and 3% market share respectively. Meanwhile, as the existing market leader, Toyota managed to sustain its market position amid intense competitive pressures, whereas other major players such as Honda and Mitsubishi have recorded notable share declines.

EXHIBIT 36: **From 2018 to 2025, Chinese brands captured 19% additional market share in Thailand, mostly at the expense of Japanese brands**



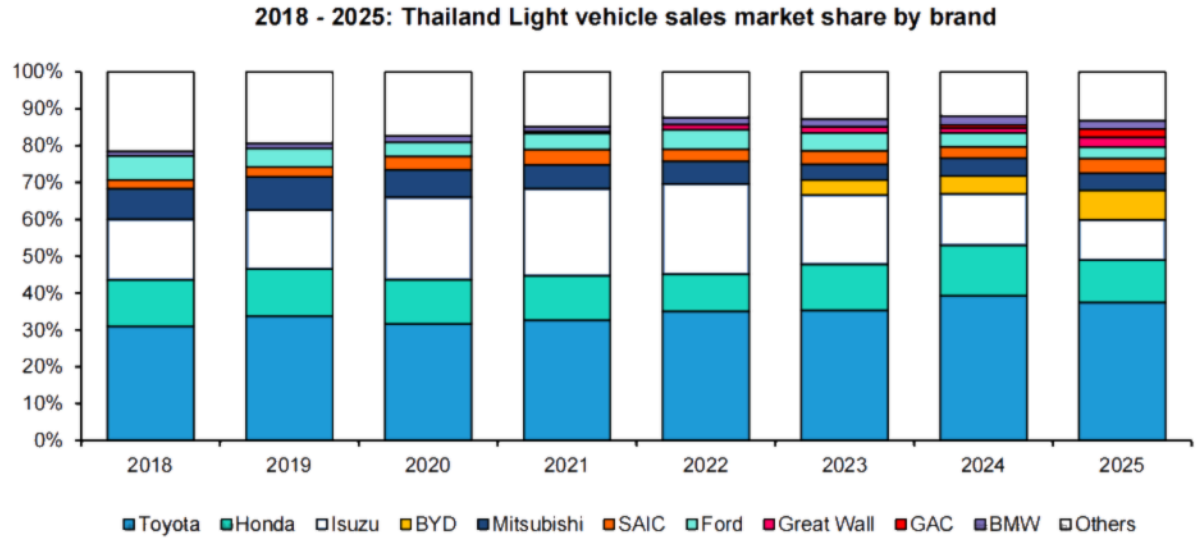

Source: IHS and Bernstein analysis

EXHIBIT 37: **xEV penetration has risen rapidly in Thailand over the past five years, with BEVs taking the lead in penetration**




Source: IHS and Bernstein analysis

EXHIBIT 38: **BYD, SAIC, Great Wall and GAC take the lead among Chinese OEMs with 11%, 5%, 3% and 3% market share respectively**




Source: IHS and Bernstein analysis

## MALAYSIA

Malaysia is a mature and stable automotive market, with light vehicle sales reaching c.800k units in 2025 and expected to remain steady in the years ahead. The market is dominated by domestic OEMs Perodua and Proton, who collectively make up 61% of market share in 2025. Japanese automakers hold the second-largest position at 26%, led by Toyota (12%) and Honda (9%). Chinese brands have emerged since 2023, capturing 8% of market share collectively, though their market presences are still relatively limited. The rise of Chinese brands are mainly at the cost of Japanese OEMs, whose share has fallen by about c.900bps over the past three years, while Chinese OEMs gained c.780bps. Chery led among Chinese OEMs in 2025 with a 4% share,

followed by BYD at 2%. (Exhibit 39 - Exhibit 41)

Despite meaningful progress, Chinese OEMs have expanded more slowly in Malaysia than in other major ASEAN markets. This is largely due to the entrenched strength of local brands and Malaysia's relatively slow EV transition. Strong consumer loyalty has helped Perodua and Proton jointly gained about 270 bps of market share between 2018 and 2025, limiting the addressable market for new entrants. In addition, as a major oil-producing nation, the country enjoys relatively low energy costs, reducing the economic appeal of EVs. With the expiration of tariff and excise duty exemptions for CBU EVs starting in 2026, rapid EV penetration may not happen in the near term.

Looking ahead, Chinese OEMs with local assembly sites will be well positioned to outperform, benefiting from policy support: 1) Locally assembled EVs continue to benefit from tariff exemptions (5%–30%) and a 10% excise-duty waiver by the end of 2027; 2) Under the ASEAN-China Free Trade Agreement (ACFTA), CBU EVs imported from China face only a 5% tariff, compared with 30% for Korean OEMs. Among Chinese OEMs, Chery and Great Wall have already established factories in Malaysia, and Chery is expanding production capacity by 100k units in 2026. Meanwhile, XPeng has also announced plans to build local plants, with volume production expected to begin this year.

EXHIBIT 39: **Strong local brands dominate the market, while Chinese brands have successfully captured share from Japanese and German OEMs**

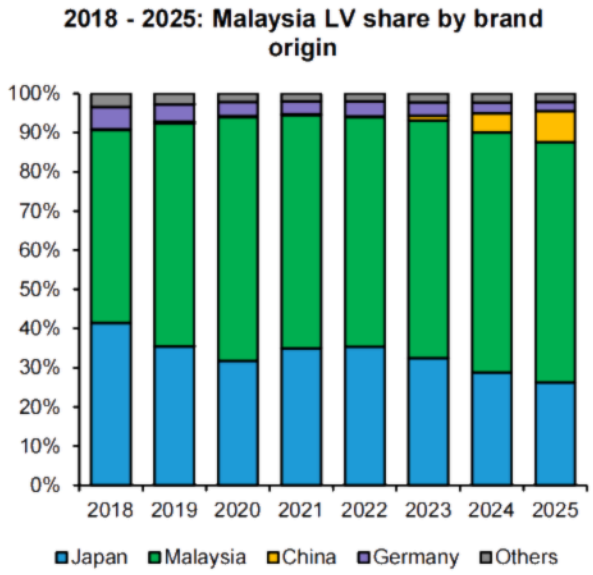
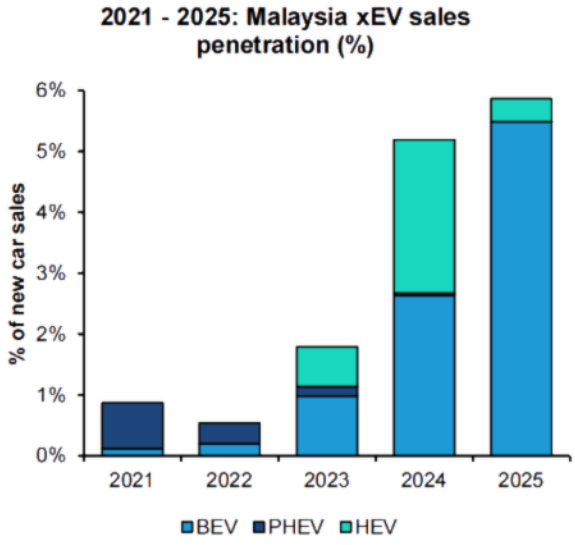
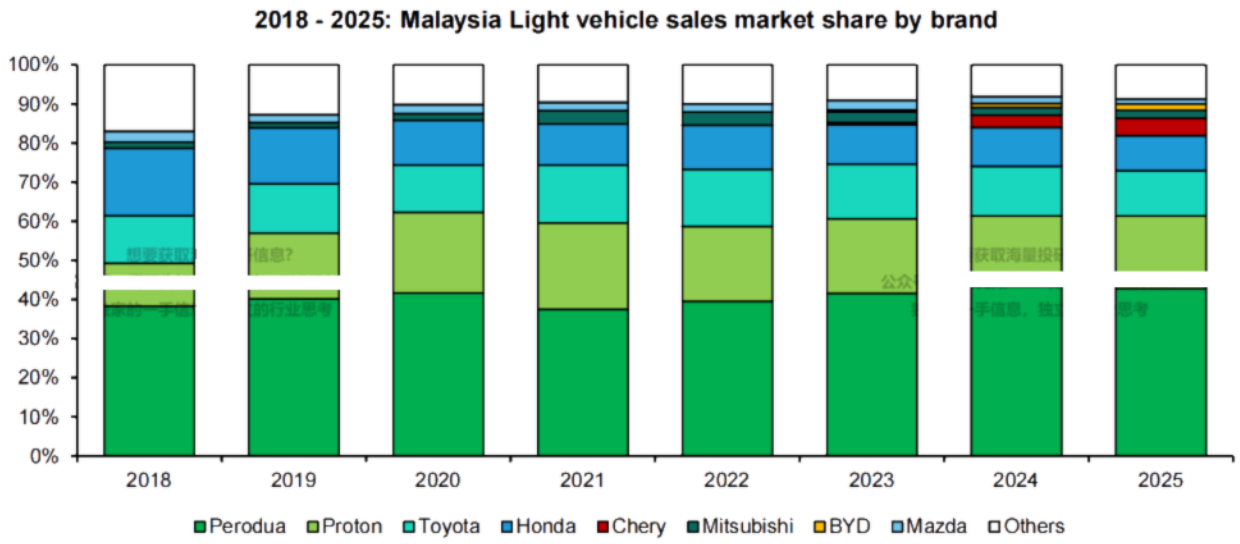



EXHIBIT 40: **xEV penetration in Malaysia is relatively slower in ASEAN**




Source: IHS and Bernstein analysis

EXHIBIT 41: **Local brands such as Perodua and Proton captured the lion share of the Malaysian market, with Chery being the only Chinese brand to break into the top five**




Source: IHS and Bernstein analysis