

China Car & NEV Market – The Road of Involution & Evolution (Sharing)

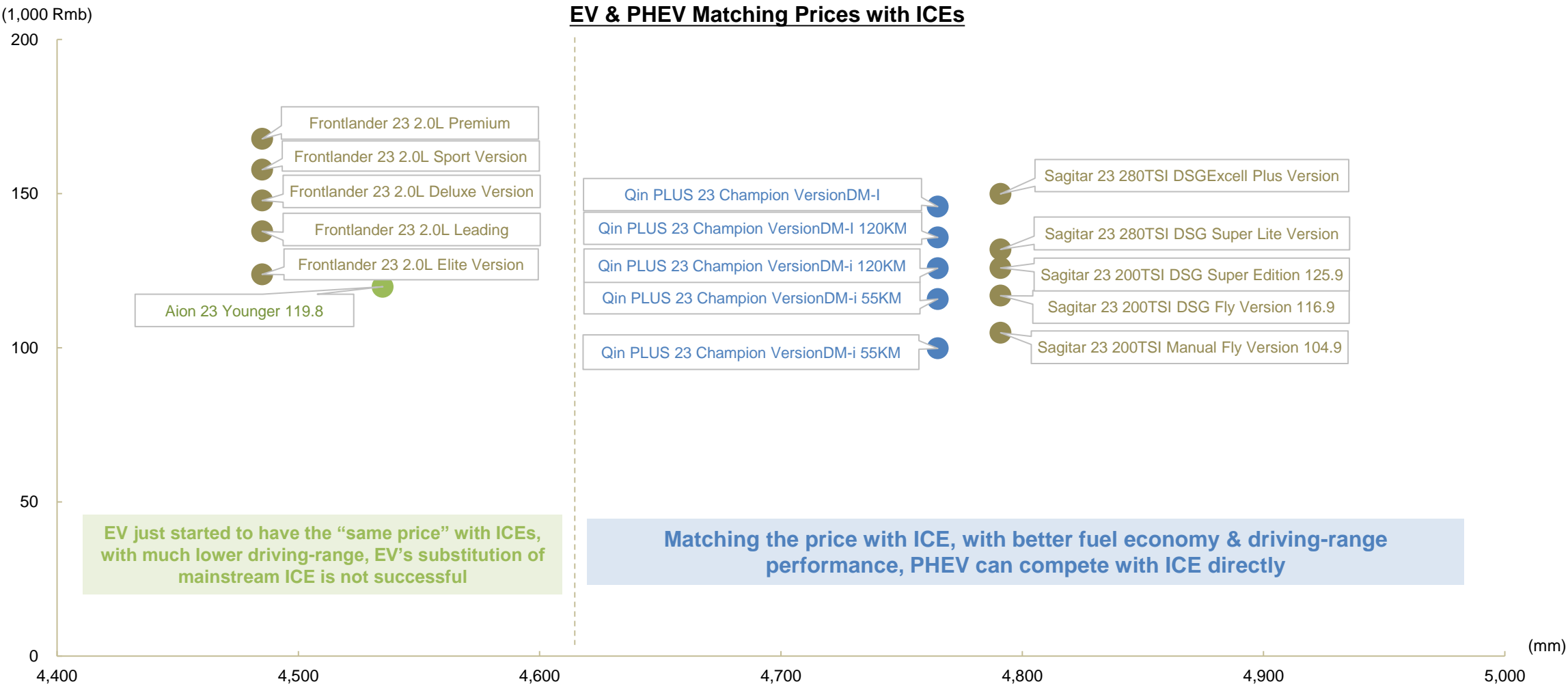
“A Look Back at 2023 and Look Ahead to 2024 & Beyond” - for Amcham Shanghai Auto Committee

January 30, 2023



NEV Matching Prices with ICE in 2023

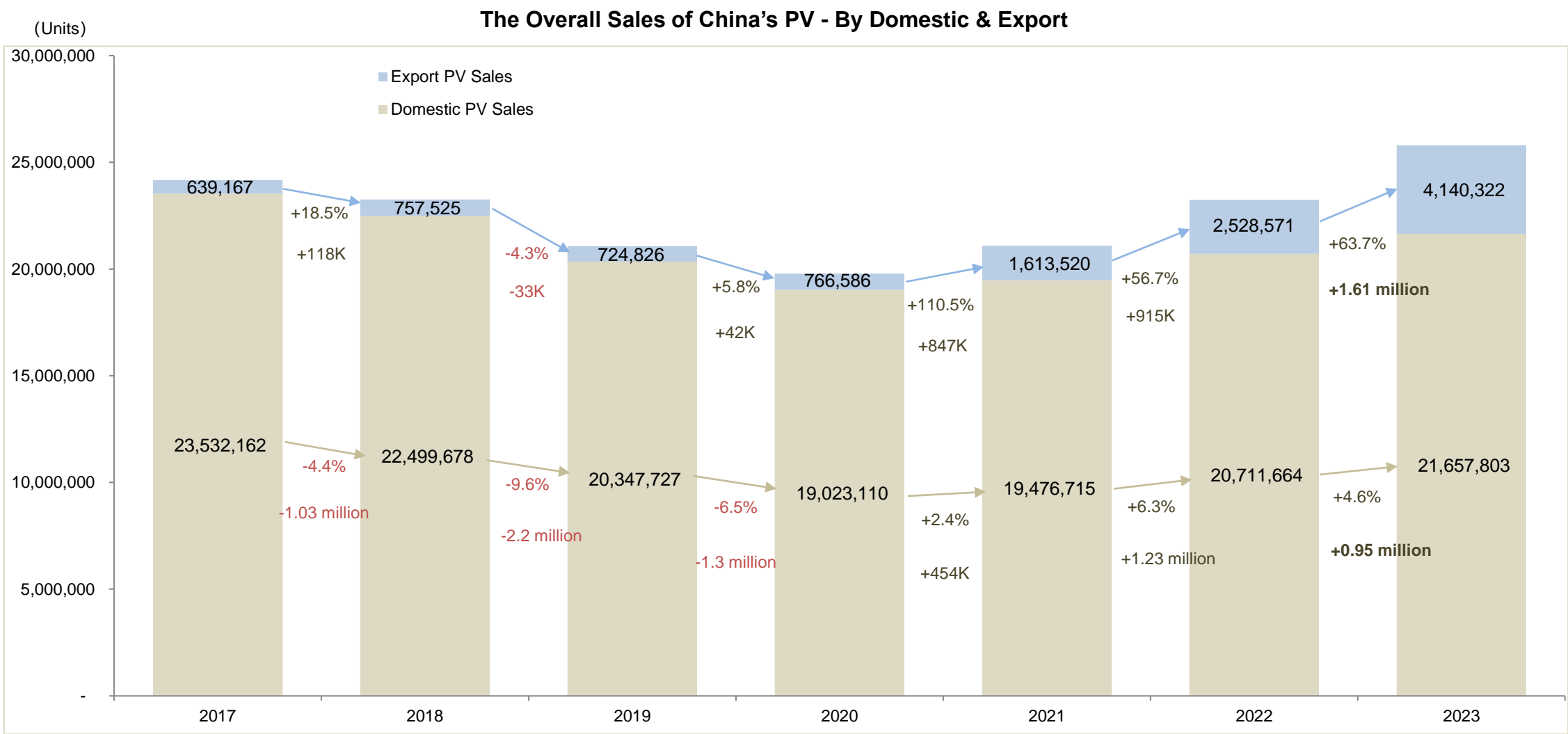
PHEV value proposition has surpassed ICEs, gaining significant advantages; though EV also tried to match prices with ICE by burning cash, due to bottle neck of driving range & charging, sales grew moderately in 2023



Sources: AutoForesight Research & Analysis

Total 2023 China PV Sales - By Domestic & Export

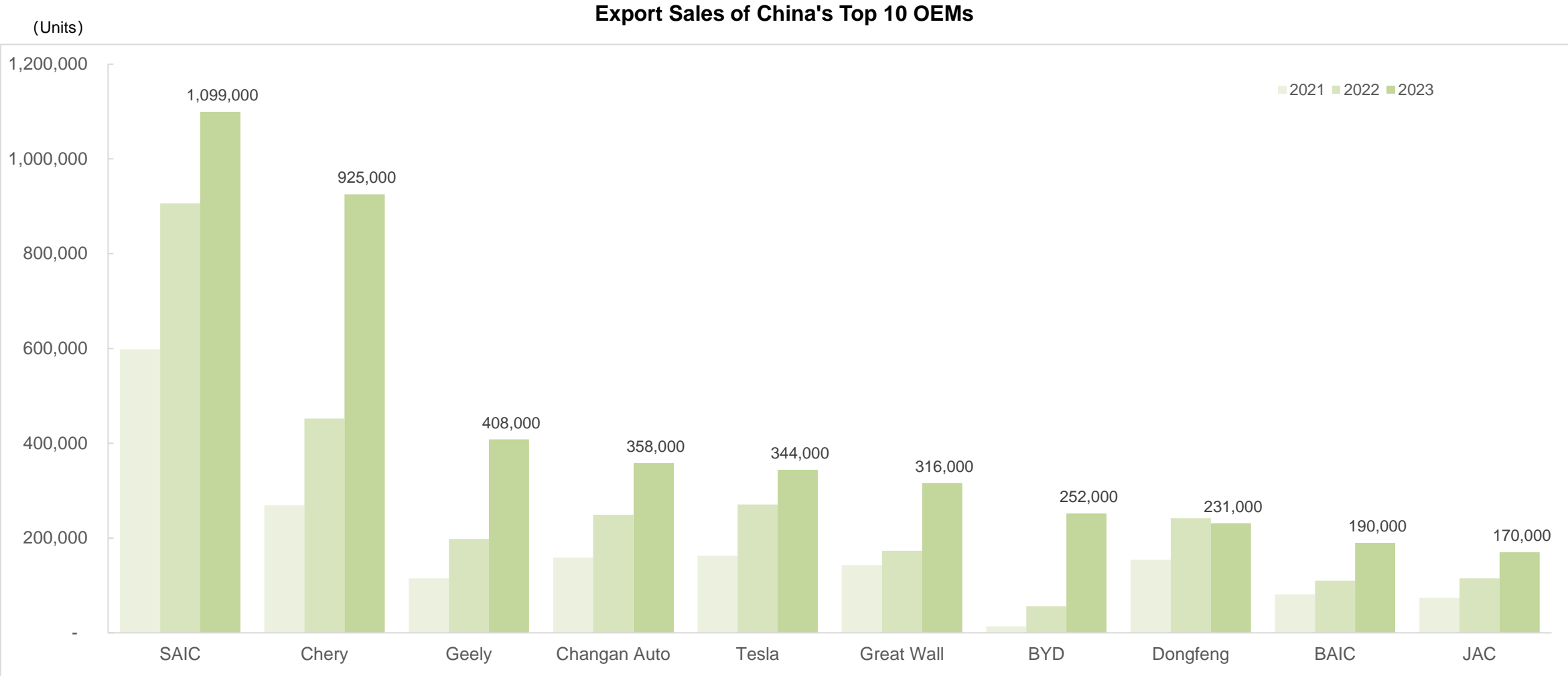
In 2023, domestic PV demand was weak with intensified competition, OEMs sought to explore opportunities overseas



Source: CAAM, AutoForesight Research & Analysis

China's Auto Exports – by OEMs

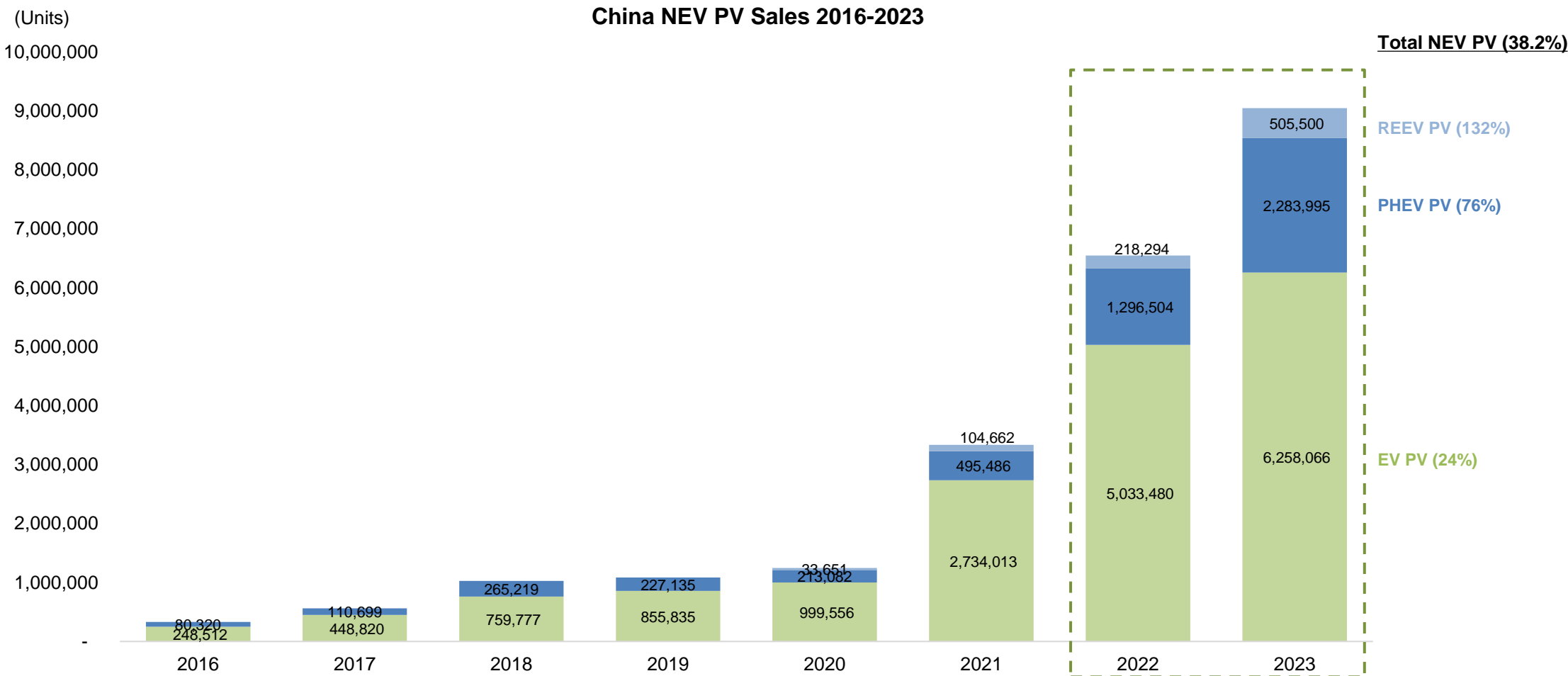
OEMs export volume grew rapidly in past 2 years; however, if 2024 export slows down, domestic market may face more competitions & price wars



Source: CPCA, AutoForesight Research & Analysis

China NEV PV Sales – By EV/Plug-ins

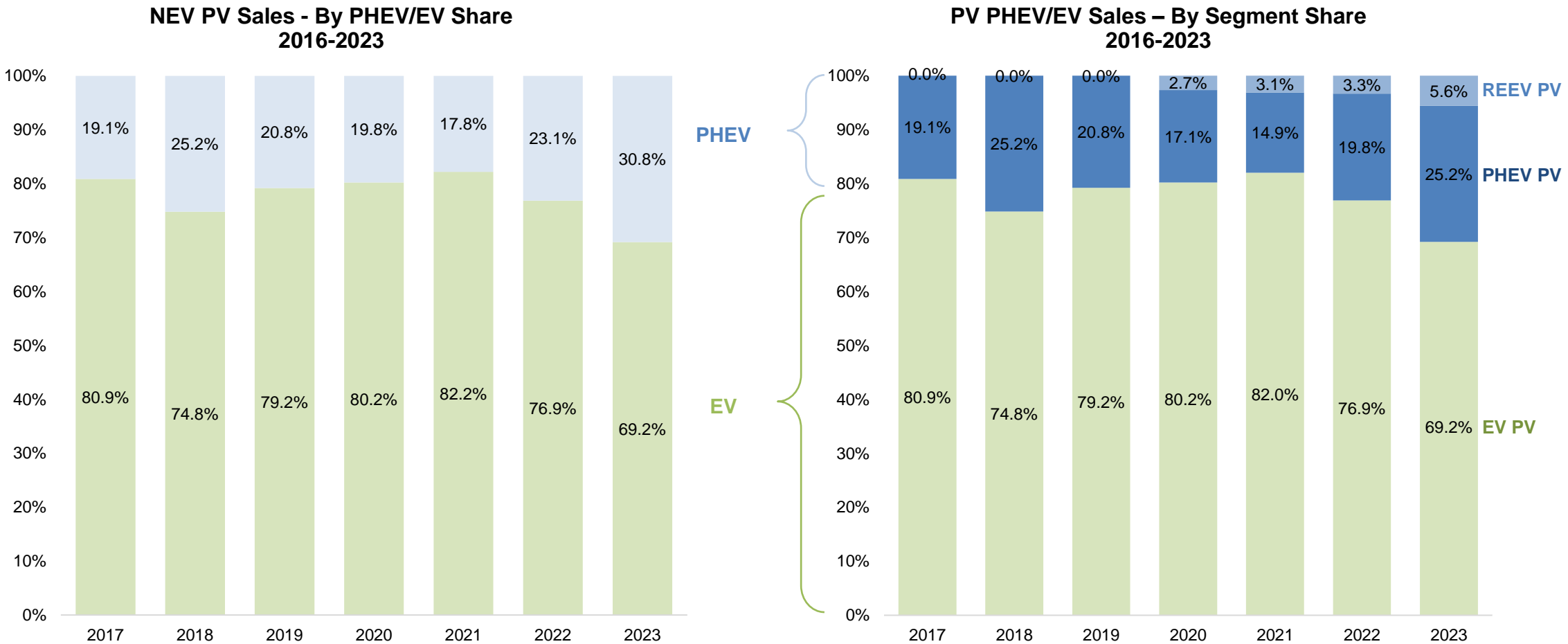
China 2023 PV NEV sales reached 9 million, increasing by 38%. Plug-ins grew by 1.27 million, surpassing EV's 1.22 million increments



Source: CAAM; AutoForesight Research & Analysis

NEV PV Sales – By EV/Plug-ins Share

China EV & Plug-ins sales mix remained 80-20 for years, Plug-ins suddenly boomed to 31% in 2023, of which REEV grew even faster

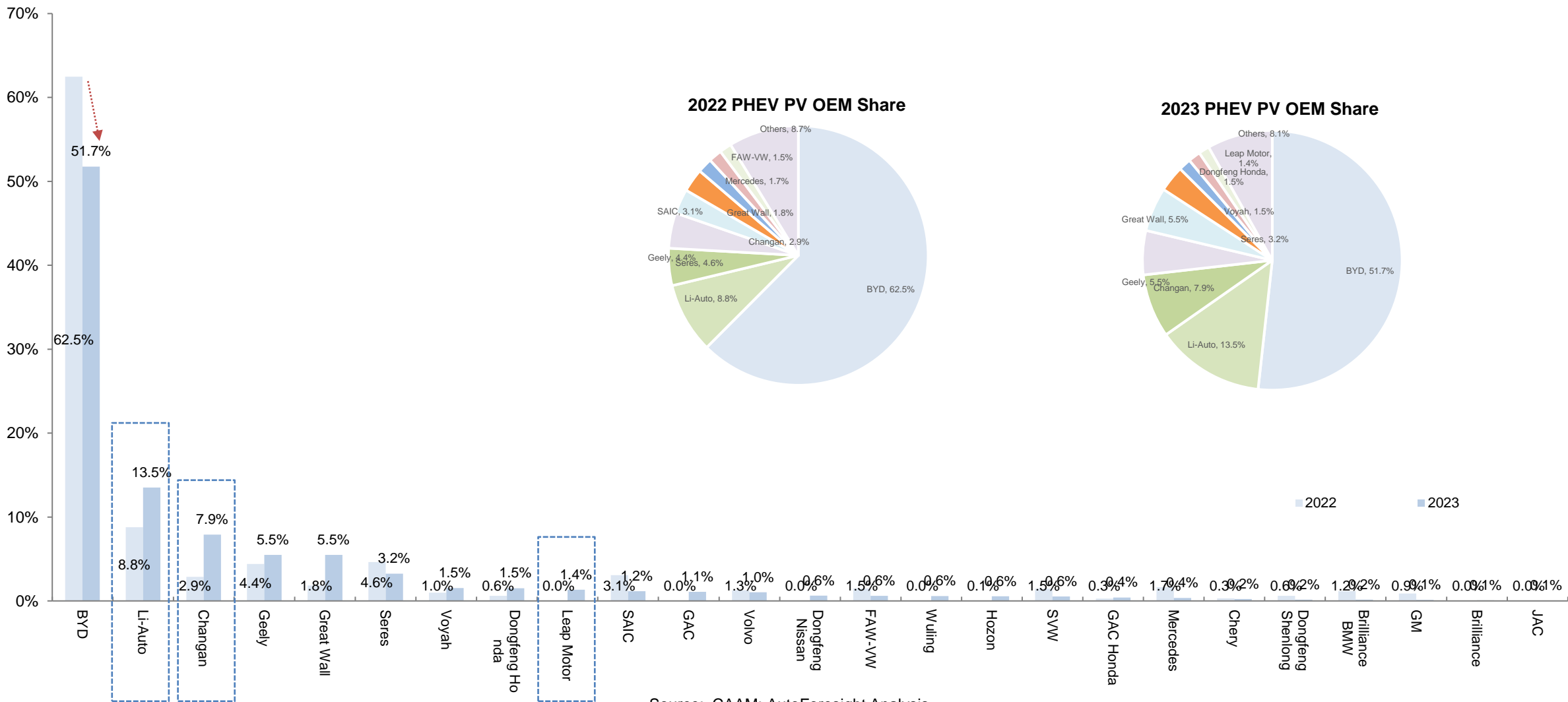


Source: CAAM; AutoForesight Research & Analysis

PV Plug-ins Market - By OEM Share 2023

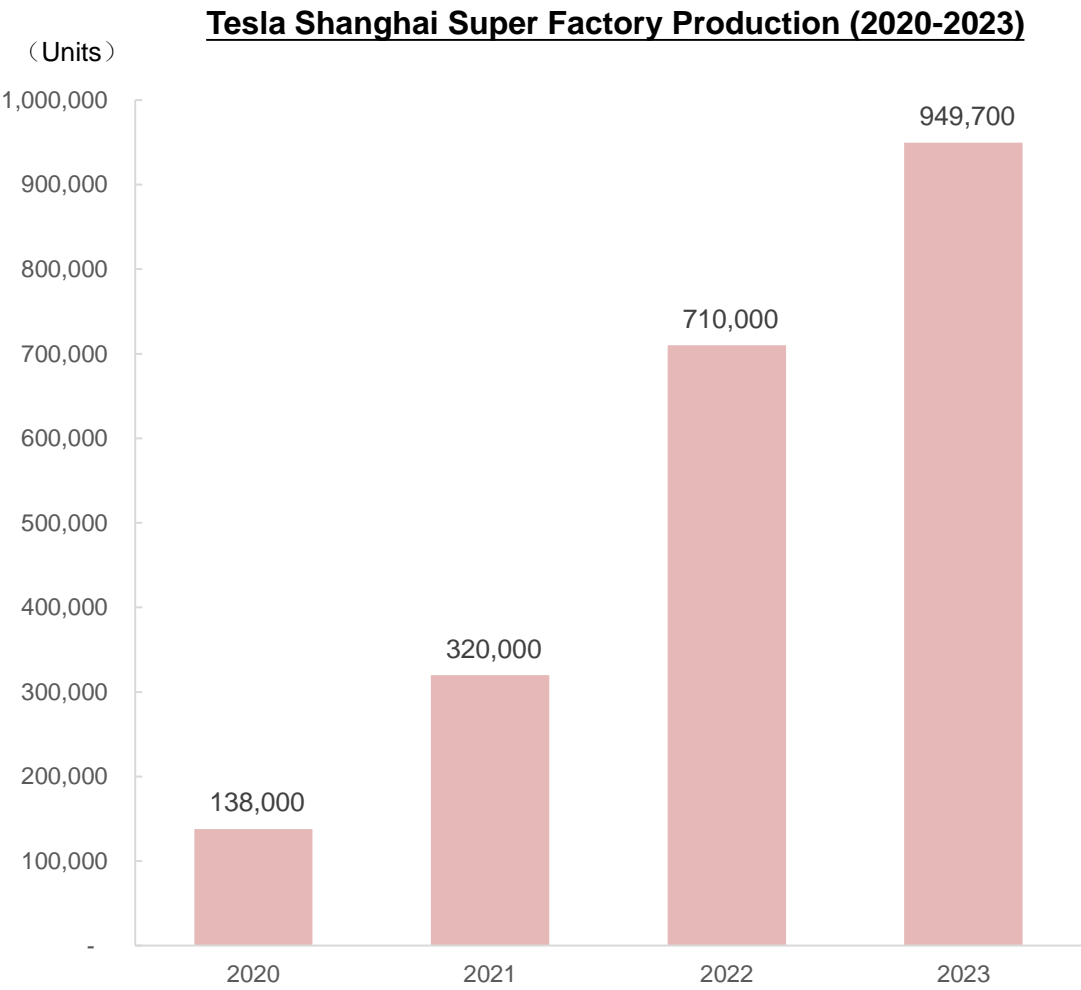
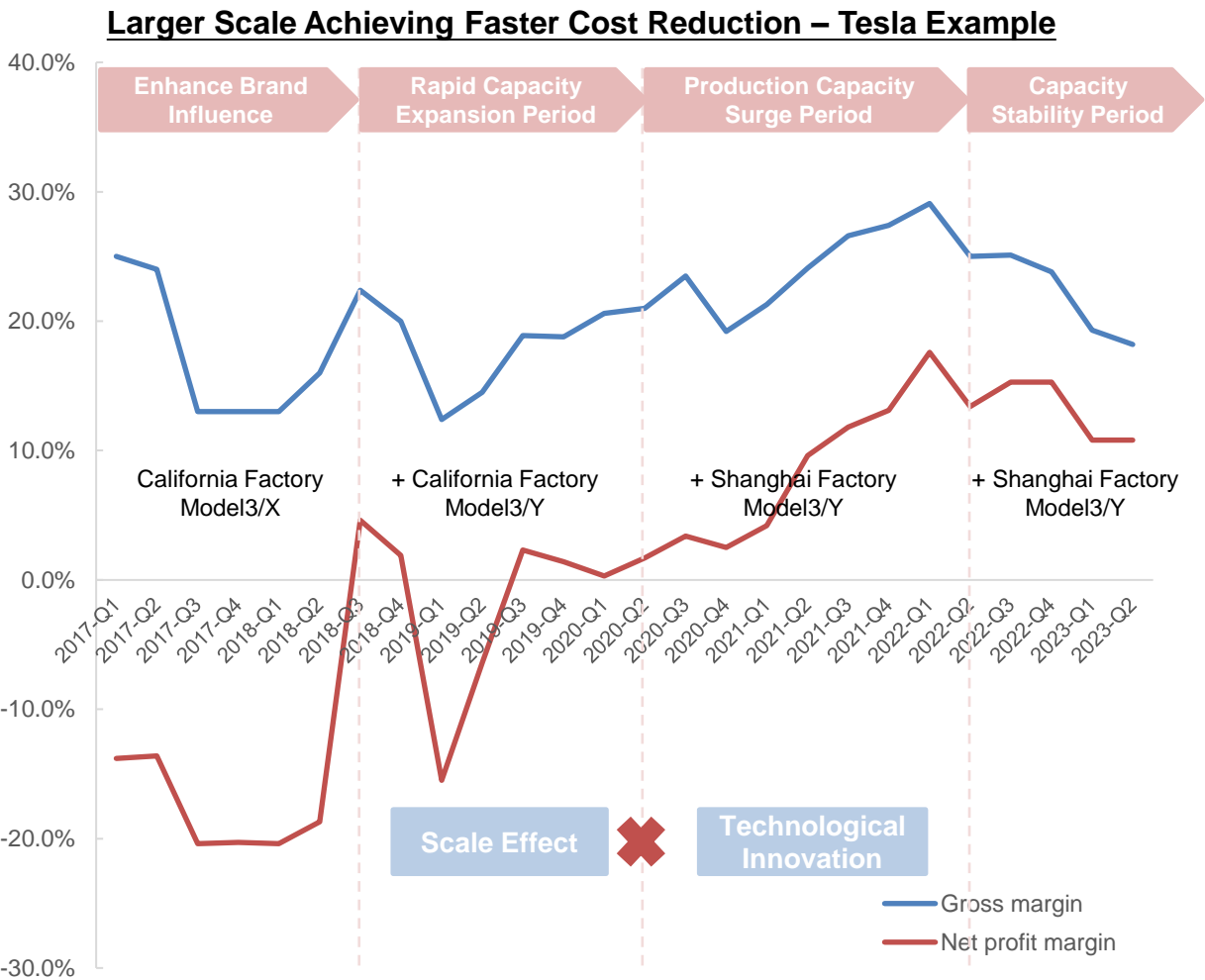
BYD remained No.1 in PHEV, but dropping by 11 points of share; Li-Auto, Changan, Leap Motor with REEV routes grew faster

PHEV Passenger Vehicle OEM Share 2022 vs 2023



Cost Amortization: Production Scale Reducing Costs

EV has simpler structure, when it reaches production scale, the cost decreases rapidly



Tesla Shanghai reaching production scale, single vehicle cost is equal to or even lower than ICE cars

Source: AutoForesight Research & Analysis

Performance Advantages: REEV Large Battery Pack

REEV's 30-40Kwh battery can support higher e-driving range, more smart devices & stronger VTL capability during camping

1. Longer E-driving Range Than PHEV

车型信息		
配置状况		
● 标配		
○ 选配		
- 无		
<input type="checkbox"/> 隐藏相同项		
基本参数		
厂商	长城汽车	赛力斯汽车
级别	紧凑型SUV	中型SUV
能源类型	插电式混合动力	增程式
环保标准	国VI	国VI
上市时间	2022.07	2023.04
WLTC纯电续航里程(km)	155	195
CLTC纯电续航里程(km)	-	255

- HEV only 1-2Kwh battery pack, with e-driving range of 2 kilometers
- PHEV's e-driving range is mostly half that REEV

2. Sufficient Electricity to Support Smart Devices of High Power Consumption



- HEV small battery unable to support high-level smart devices
- PHEV batteries can barely provide basic support

3. Larger Outdoor Vehicle-to-Load Capacity



- HEV does not have VTL function
- PHEV VTL capacity is low

Consumers: REEV - "Everything Under Control" Psychology

Some consumers have "everything under control" mentality - REEV is perfect for the needs

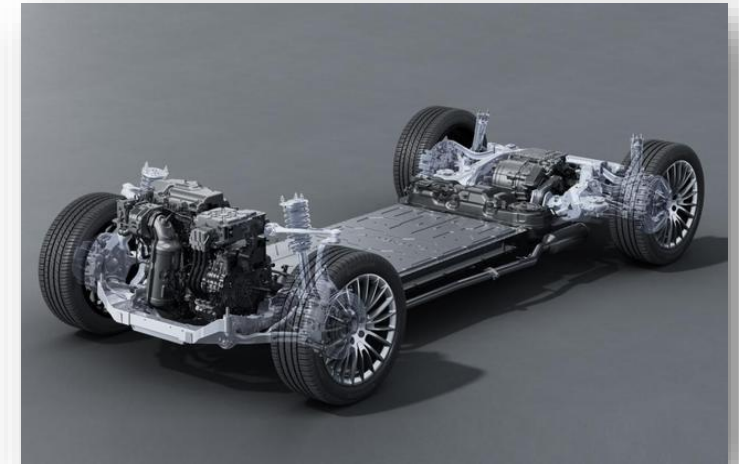
E-Driving Experience



Autonomous Driving Ability



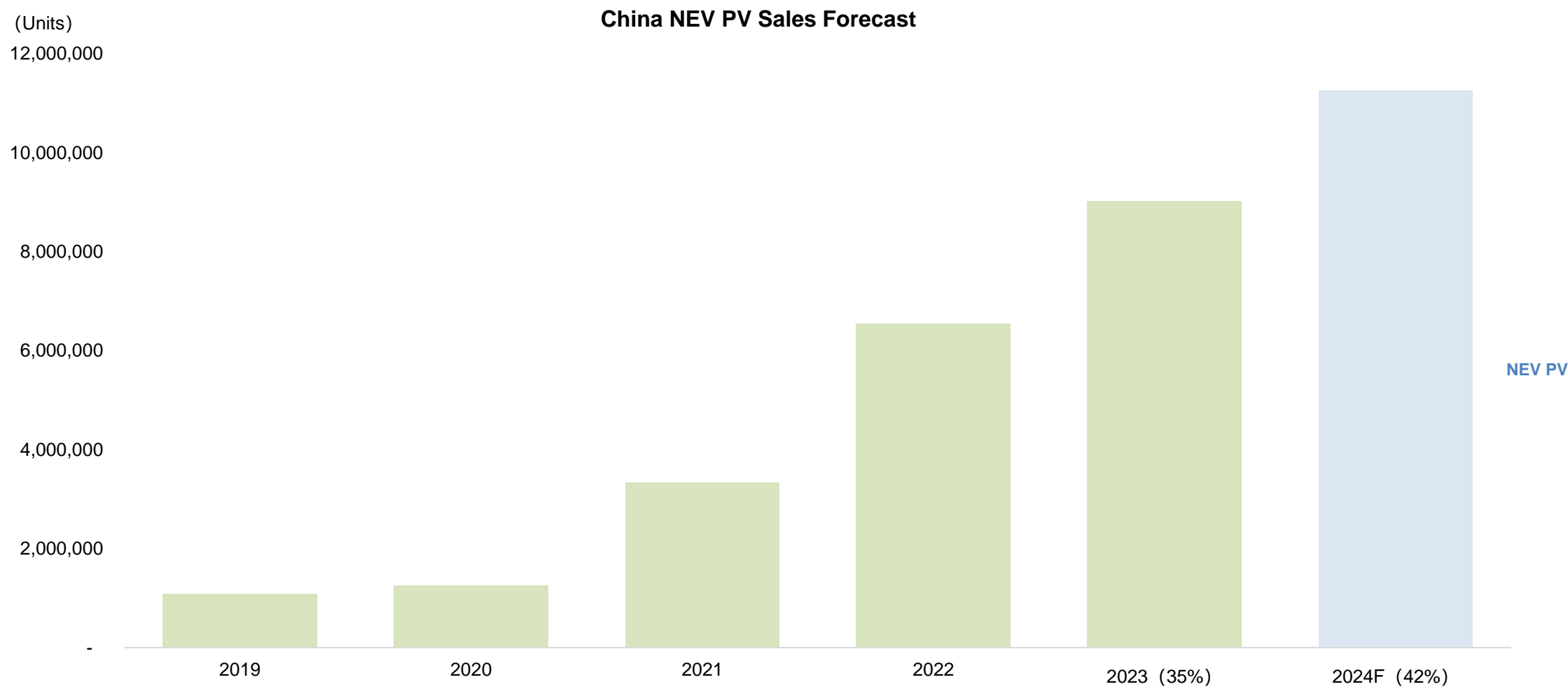
Keeping ICE Against Uncertainties



Consumers **want** quiet e-drive, **again want** advanced autonomous driving, **and still want** ICE as backup for cold weather & rural area driving - REEV caters to those needs better than EV or PHEV

China NEV PV Sales Forecast – 2024

China PV sales are expected to reach 26.8 million units in 2024, growing 4%; NEV PV is estimated to grow by 25% to 11.26 million, increasing 2.24 million units



Source: MIIT; CAAM; AutoForesight Research & Analysis

China Passenger Car Market Updates

Launched in 2012, China Passenger Car Market Updates is our basic product, updated quarterly/monthly, covering all aspects of current market/policy/competitive situation/forecast.

China Passenger Car Market Quarterly/Monthly Updates

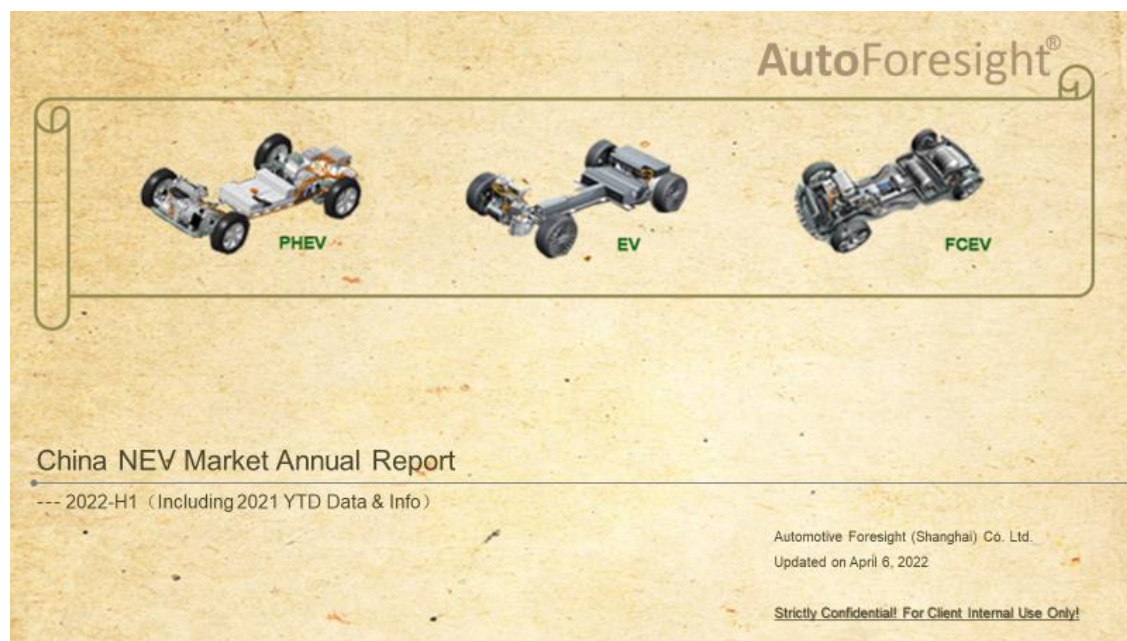
<div><div><div>AutoForesight®</div><div></div></div><div><div>China Passenger Car Market Quarterly Updates</div><div>2022-Q3 Edition (Including Jan-Sep Data & Info)</div><div>Automotive Foresight (Shanghai) Co., Ltd. Updated on Oct 28, 2022</div><div>Strictly Confidential! For Client Internal Use Only!</div></div></div>	
<div><div>Agenda</div><div>AutoForesight®</div><div><div><div>• Executive Summary</div><div>-----</div><div>3-8</div></div><div>• Macro Economy & Industry Trends</div><div>-----</div><div>9</div><div><div>1. Overview of Macroeconomic Related Indicators</div><div>-----</div><div>10-17</div><div>2. Overview of Finance & Foreign Economic and Trade</div><div>-----</div><div>18-27</div><div>3. PV Industry Updates</div><div>-----</div><div>28-34</div><div>4. Brief of IC Shortage</div><div>-----</div><div>35-40</div></div><div>• Auto Industry Policy</div><div>-----</div><div>41</div><div><div>1. Traffic Restrictions & Plate Control</div><div>-----</div><div>42</div><div>2. Environment & Emission</div><div>-----</div><div>43-46</div><div>3. New Energy</div><div>-----</div><div>47-67</div><div>4. Taxes & International Trade</div><div>-----</div><div>68-70</div><div>5. Controlling Market Concentration</div><div>-----</div><div>71-73</div><div>6. Aftermarket & Vehicle in Use</div><div>-----</div><div>74-75</div><div>7. Other Major Policies</div><div>-----</div><div>76-78</div></div><div>• Market Overview & Trends</div><div>-----</div><div>79</div><div><div>1. Car Categories & Segmentation</div><div>-----</div><div>80-81</div><div>2. Passenger Vehicle Market Overview and Analysis</div><div>-----</div><div>82-93</div><div>3. Passenger Car Market Overview and Analysis</div><div>-----</div><div>94-108</div><div>4. Sedan Market Overview and Analysis</div><div>-----</div><div>109-115</div><div>5. MPV Market Overview and Analysis</div><div>-----</div><div>116-120</div><div>6. SUV Market Overview and Analysis</div><div>-----</div><div>121-128</div></div><div><div>7. Premium Car Market Overview and Analysis</div><div>-----</div><div>129-135</div></div><div>• Major OEMs & Competitive Landscape</div><div>-----</div><div>136</div><div><div>1. Passenger Car & Competitive Landscape</div><div>-----</div><div>137-138</div><div>2. Local OEMs & Competitive Landscape</div><div>-----</div><div>139-141</div><div>3. Overview of OEMs Capacity & Investment</div><div>-----</div><div>142-146</div><div>4. Top20 OEMs & Competitive Landscape</div><div>-----</div><div>147-152</div><div>5. Top20 OEM Dealers & Competitive Landscape</div><div>-----</div><div>153-155</div><div>6. Top10 OEMs & Tesla's Production and Sales Trend</div><div>-----</div><div>156-178</div></div><div>• Product Trends & New Models</div><div>-----</div><div>179</div><div><div>1. Trend Analysis of the Highest Cumulative Sales Model</div><div>-----</div><div>180</div><div>2. Trend Analysis of the Fastest Cumulative Sales Growing Model</div><div>-----</div><div>181-182</div><div>3. New Models in China - by Ownership</div><div>-----</div><div>183-185</div><div>4. New Models in China - by segmentation</div><div>-----</div><div>186-190</div></div><div>• Demand Analysis & Short Term Outlook</div><div>-----</div><div>191</div><div><div>1. Trend Analysis of GDP and Passenger Vehicle Sales Growth</div><div>-----</div><div>192-193</div><div>2. Passenger Car Market Short-term Forecast Analysis</div><div>-----</div><div>194-204</div><div>3. Passenger Car Market Medium- and Long-term Forecast Analysis</div><div>-----</div><div>205-213</div></div><div>• Appendix</div><div>-----</div><div>215</div><div><div>1. More economic data; Industry updates etc.</div><div>-----</div><div>216-228</div><div>2. Policies</div><div>-----</div><div>229-292</div></div></div></div>	

Note: The China Passenger Car Market Quarterly Updates is updated at the end of January, April, July and October each year; The China Passenger Car Market Monthly Updates is completed by the end of each month

China NEV Market Annual & Monthly Update

Launched in early 2015, an annual updated in-depth analysis report on NEV policies, markets, technologies, consumer attitudes and forecasts; The Market Overview, Policy and Forecast sections are updated monthly.

China NEV Semi-Annual/Monthly Updates



Agenda		AutoForesight®
• Executive Summary	4-10	
• NEV Market Overview	11	
1. Classification of Chinese Automobile and NEV Scope	12-17	
2. Analysis of Relevant Factors in the NEV Development	18-23	
3. Trend Analysis of NEV Production and Sale	24-37	
• NEV Policy & Infrastructure	38	
1. Policy Overview	39-70	
2. Credit Point Policy	71-99	
3. Subsidy & Preferential Policies	100-131	
4. Promotion Policy (Including FCV)	132-155	
5. Charging Facilities Policy	156-178	
6. Conclusion	179-183	
• China NEV Technology & Battery Industry Summary	184	
1. Battery	185-231	
2. Battery Control System	232-235	
3. Electric Motor	236-247	
4. Electric Motor Control System	248-251	
• OEM Competitive Situation & Major Models	252	
1. New energy technology route & sales analysis of domestic and foreign passenger vehicle enterprises	253-258	
2. Chinese OEM New Energy Development Plan	259-263	
3. Segmentation of Chinese Major OEM New Energy Development Plan	264-286	
4. Relevant Analysis of New Energy Vehicle Enterprises in China	287-296	
5. Price Distribution & Influencing Factors Analysis of NEV	297-308	
6. Analysis of Tax-free New Energy Passenger Vehicles in China	309-326	
7. Sales and Performance Analysis of Luxury Passenger Cars	327-330	
8. Analysis of Tax-free New Energy Commercial Vehicles in China	331-340	
• Consumer Attitudes & Demand Analysis	341	
1. NEV Consumer Overview	342-352	
2. Consumer Research: EV Owners	353-388	
3. Consumer Research: PHEV Owners	389-412	
• Conclusion & Forecast	413	
1. Analysis of NEV Driving Factors	414-419	
2. NEV Planning Forecast in China	420-428	
3. Market Demand Prospect and Forecast of NEV in China	429-437	
• Appendix	438	
1. Top10 New Energy Passenger Vehicle	439-448	
2. Description of Major Battery Manufacturers in China	449-469	
3. Description of Major Start-up OEMs in China	470-501	

Note: The annual report is updated at the end of March each year (Chinese & English version); The other eleven monthly updates will be completed before the end of each month, NEV hot topics will be selected for analysis during these eleven months, and the selection of monthly topics can be discussed and agreed with customers.

China NEV Monthly Feature Reports – Catalogue

Till end of 2023, eighteen monthly features were issued...

Jun-2022: Effect of VW China's Management Structure Adjustment

Jul-2022: Analysis of Double-Credits Policy

Aug-2022: PHEV technology route of BYD & GW

Sep-2022: REEV Not Suitable for Traditional OEMs

Oct-2022: Automakers & Smart Phones

Nov-2022: Why Chery's sales increased in 2022?

Dec-2022: Legacy Local & EV Startups

Jan-2023: Development of "Legacy OEM Startups"

Feb-2023: NEV Sales and Penetration Analysis by Provinces

Apr-2023: 2023 OEMs Price War

May-2023: EV of BBA vs Competitors

Jun-2023: Autonomous Driving & Impact on Competitive Landscape

Jul-2023: MPV Market Development & NEV Trends

Aug-2023: The Development Prospects of PHEV&HEV Routes Analysis

Sep-2023: China Auto Export & Overseas Footprint

Oct-2023: Vertical Integration: "BYD & Tesla Case Study"

Nov-2023: BYD's Development Strategy

Dec-2023: Tech Company's Automotive Strategy

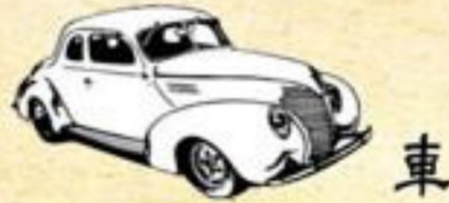
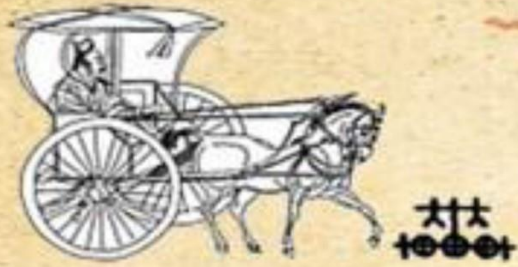
Thanks!

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