SECTOR UPDATE

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Autos (OVERWEIGHT)

October EV sales in Europe: VW dominates, BYD playing catch up

- European demand for EVs rose 35.4% y-y to 382,000 units in October. While total auto demand recovered to 1.092m units (up 4.9% y-y), the region's EV penetration reached 35%.
- Tesla's market share slumped again (down 3.1%pts y-y), while VW maintained its top position with a gain of 2%pts y-y. HMG and BYD's market shares rose 0.3%pts and 3.1%pts y-y, respectively.
- With European countries' EV demand-boosting policies set to begin in 2H25, EV demand in Europe is expected to grow robustly through 2026. VW is aggressively marketing its autos to defend its position in the region.

AT A GLANCE

Hyundai Motor (005380 KS, 315,500)		
Target price	KRW400,000	26.8%
BUY		
Kia (000270 KS, 125,600)		
Target price	KRW150,000	19.4%
BUY		

WHAT'S THE STORY?

EV demand growth accelerating in Europe: While EV growth is slowing in China, Europe's growth is accelerating on supportive policies by major countries.

- **European demand for EVs in October:** In October, EV demand in Europe rose 35.4% y-y to 382,000 units, achieving a penetration rate of 35% (+7.9%pts y-y). Total auto demand in Europe reached 1.092m units (up 4.9% y-y).

Market share and sales performance, by firm: Tesla gave back its September market-share gains, while other automakers saw their market shares grow m-m.

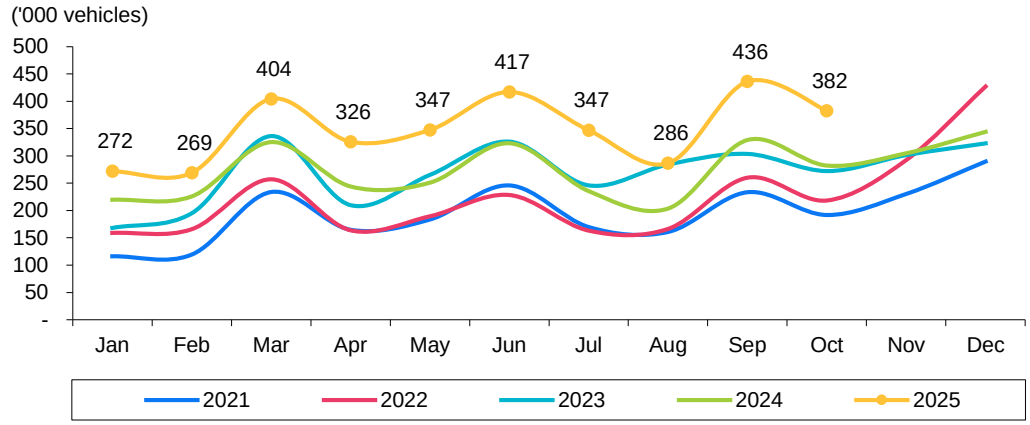
- **Tesla's market share shrinks to 1.8% (down 3.1%pts y-y):** Tesla sold 6,889 units in October (down 50.6% y-y), marking a sharp decline after recovering in September. Its sales across France, Germany, and the UK (combined) dropped to 3,044 units (down 82% m-m and 30% y-y), while BYD's sales in the three nations came to 8,017 units (down 48% m-m but up 385% y-y), more than double Tesla's. The launch of lower-priced Model 3 and Model Y trims and the introduction of FSD are expected to drive a sales recovery at Tesla.
- **VW maintains its top market share:** VW sold 105,000 units in October (up 46% y-y), capturing a 27.4% market share (up 2%pts y-y). Sales of the ID.3 and ID.4 continued to perform well amid a backlash against Tesla. VW plans to launch the ID.2, an affordable EV priced at EUR25,000 with LFP batteries, in early 2026. To recover from its sluggish performance in China, VW has decided to license autonomous driving technology from XPeng and apply it to its EVs. A jointly developed EV model with XPeng (Uni-X08) is expected to launch in 2026, with plans to expand the joint architecture to PHEV/ICE models. XPeng's technology is also likely to be applied to vehicles sold outside of China.

(Continued on the next page)

- **BYD's sales surge 160% y-y in October:** BYD sold 24,526 units in October (up 160% y-y), capturing 6.4% of the market (up 3.1%pts y-y). BYD has been focusing on expanding its overseas market share, as: 1) the Chinese EV market is shrinking; 2) its sales in China are declining; and 3) its production capacity in China was cut in June. Its October exports hit 80,000 units (up 120% y-y), with the firm continuing to register rapid export growth. BYD announced that its Hungarian plant, a strategic foothold in Europe with a capacity of 150,000 units, will begin producing the Seagull by year-end. To maintain its cost competitiveness and improve its utilization, BYD plans to initially operate overseas plants as CKD facilities, transitioning to full local production in Europe by 2028.
- **HMC/Kia's EV exports to Europe on the rise:** HMC/Kia's combined EV market share in October stood at 6.3% (up 0.3%pts y-y). Sales of HMC's Casper EV and Kia's EV3 and EV4 increased. Korea's auto exports reached USD6.4b in November (up 13.7% y-y), continuing its recovery trend. After declining to USD6.5b in April (down 3.9% y-y) and USD6.2b in May (down 4.4% y-y) due to reduced exports to the US, the recovery began in June with increased EV exports to Europe. Korean production of the Ioniq 5 and Ioniq 9 has moved to the Hyundai Motor Group Metaplant America, while the Korean production of the EV6 and EV9 has shifted to Kia's Georgia plant. Rising Europe-bound EV exports are offsetting declines in US-bound exports.

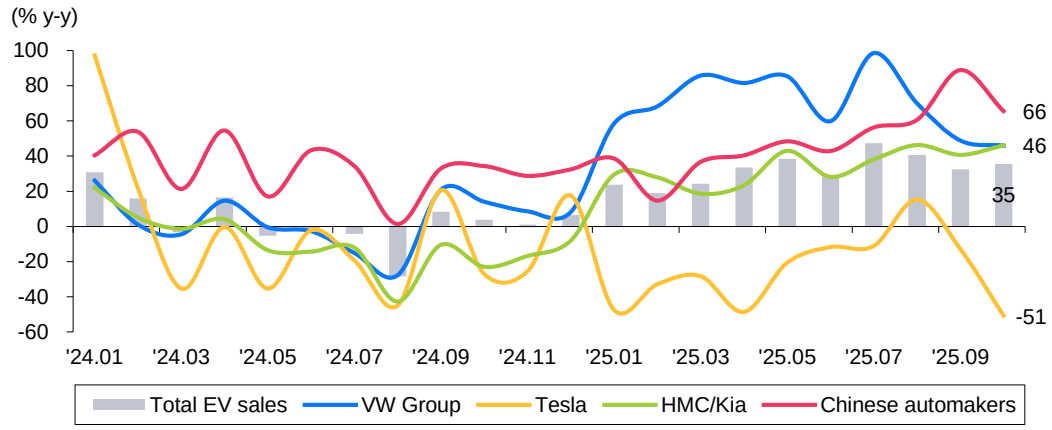
  Kia aims to expand the supply of the EV4 and EV5 and strengthen promotions from November. The EV2 is scheduled to be launched in 1Q26. HMC plans to launch the Ioniq 2 in 1Q26.

Total Europe: Monthly EV demand



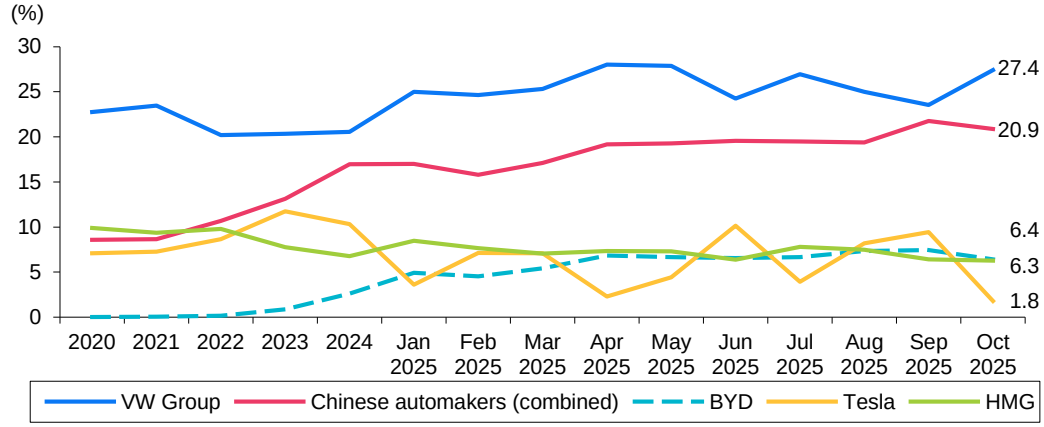
Source: EV-Volumes, Samsung Securities

European market: Change (y-y) in EV sales



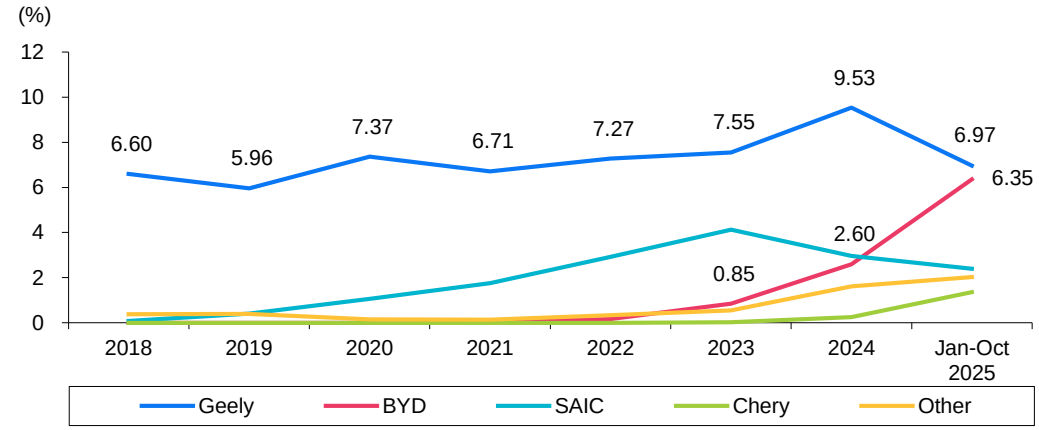
Source: EV-Volumes, Samsung Securities

Automakers: European market share, by company



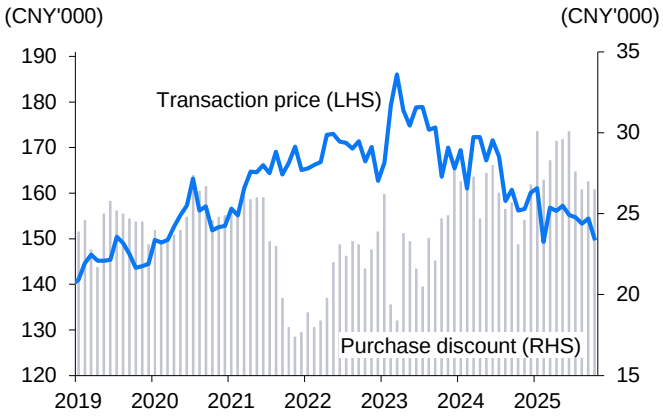
Source: EV-Volumes, Samsung Securities

Chinese automakers: European market share, by brand



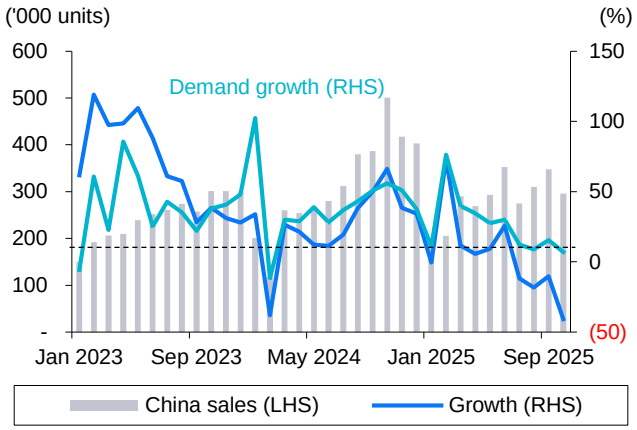
Source: EV-Volumes, Samsung Securities

China market: Average transaction price



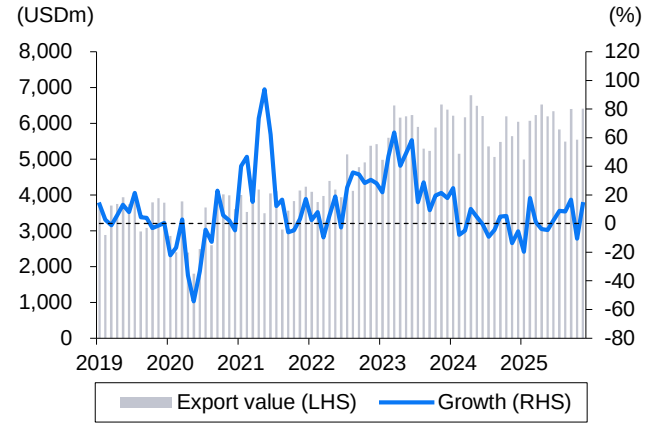
Source: Wind, Samsung Securities

BYD: Sales in China



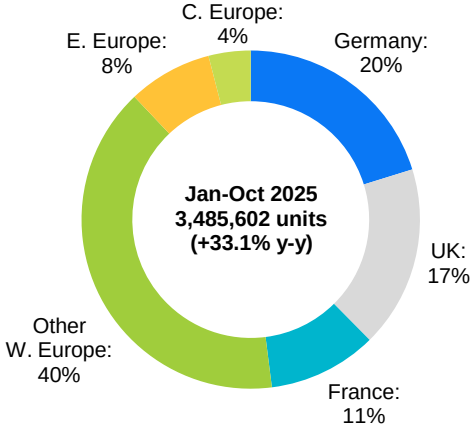
Source: CPCA, Samsung Securities

Korea: Monthly auto export value



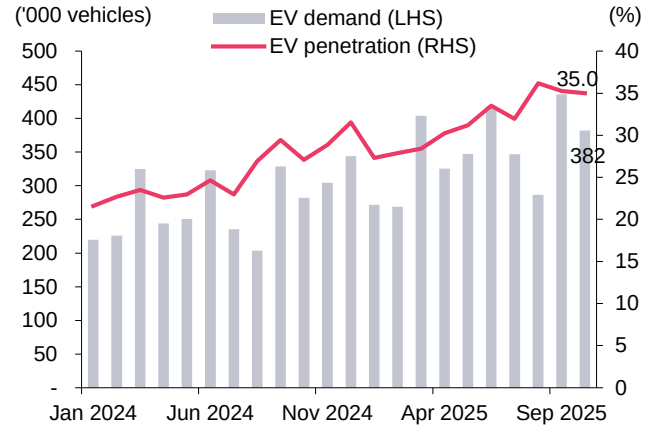
Source: CEIC, Samsung Securities

Europe: xEV demand, by country



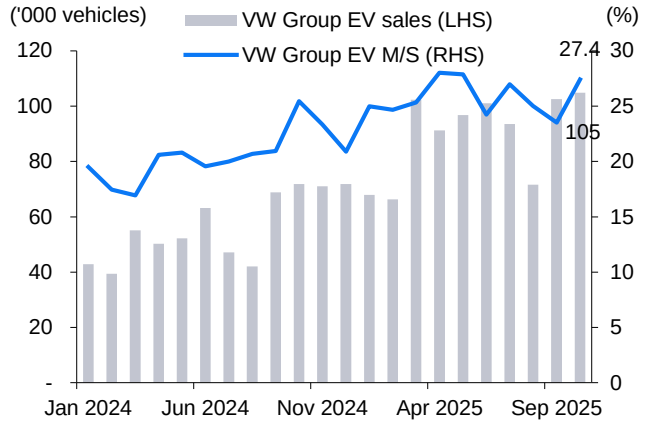
Source: EV-Volumes, Samsung Securities

Europe: EV demand vs penetration (new auto basis)



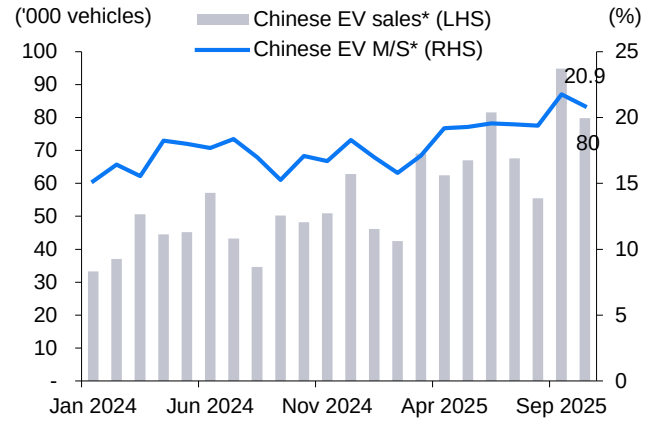
Source: EV-Volumes, Samsung Securities

Europe: VW Group sales volume vs market share



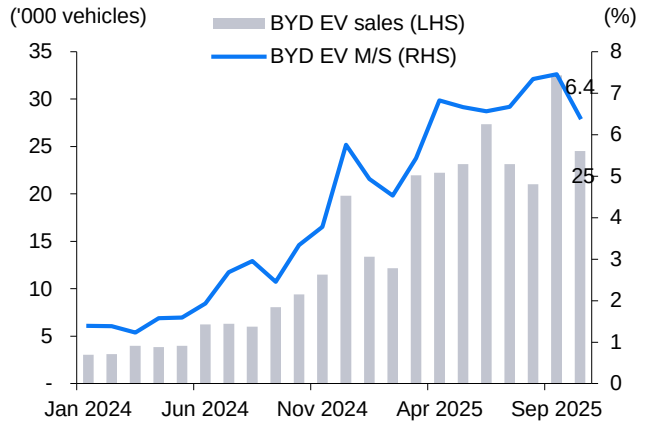
Source: EV-Volumes, Samsung Securities

Europe: Chinese EV sales volume vs market share



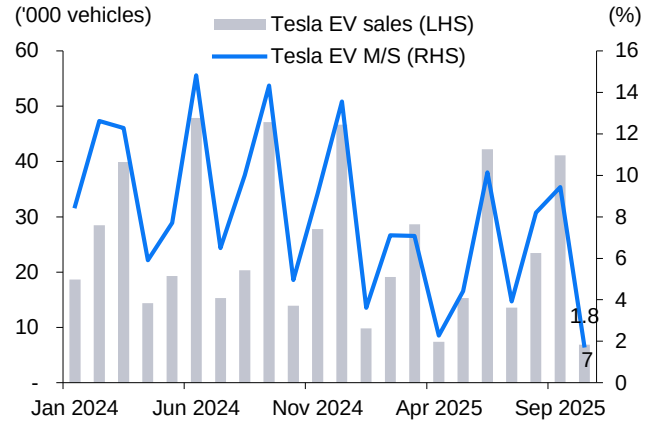
Note: Combined EV sales including BYD
Source: EV-Volumes, Samsung Securities

Europe: BYD sales volume vs market share



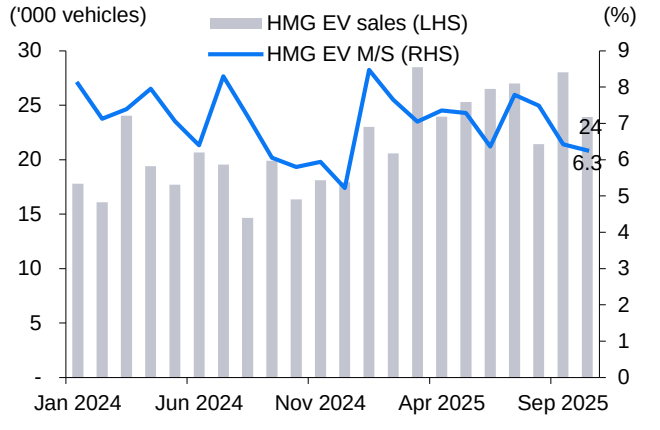
Source: EV-Volumes, Samsung Securities

Europe: Tesla's sales volume vs market share



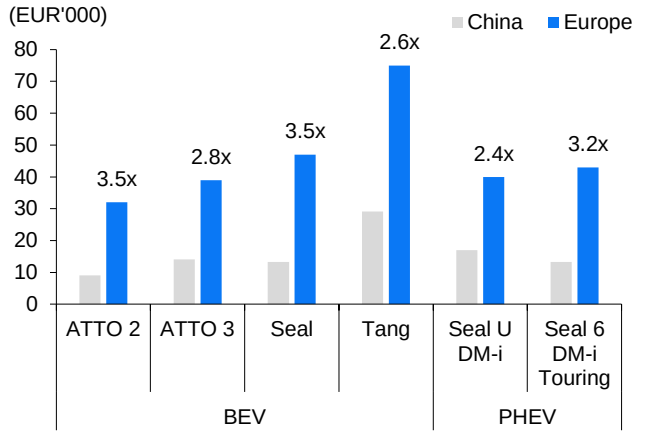
Source: EV-Volumes, Samsung Securities

Europe: HMG's sales volume vs market share



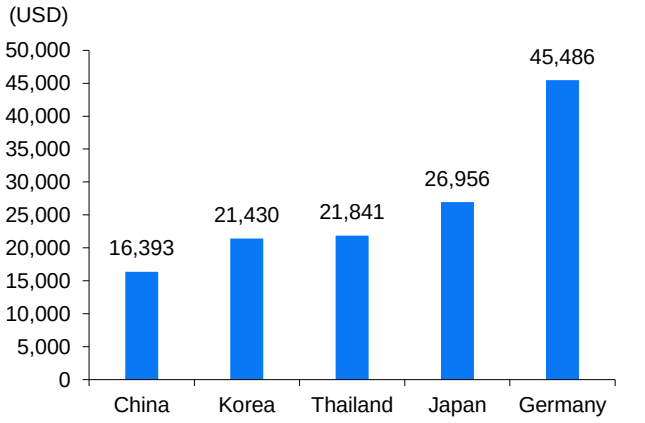
Source: EV-Volumes, Samsung Securities

Prices of BYD's flagship models: China vs Europe



Note: Chinese prices converted to euros at a rate of CNY1 = EUR0.12
Source: Company data, Samsung Securities

BYD: Atto 3 price, by country



Note: Exchange rate as of Dec 4
Source: Company data, Samsung Securities

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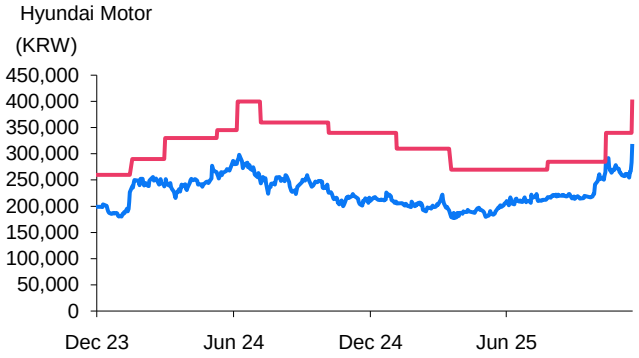
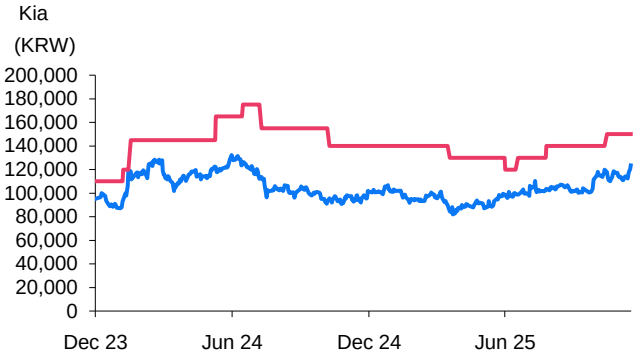
Target price changes in past two years





Rating changes over past two years (adjusted share prices)

Hyundai Motor												
Date	2023/10/26	2024/2/5	3/20	5/29	6/25	7/26	10/25	2025/1/24	4/7	8/14	10/31	12/8
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	260000	290000	330000	345000	400000	360000	340000	310000	270000	285000	340000	400000
Gap* (average)	-28.49	-15.25	-26.19	-21.52	-31.63	-32.30	-37.27	-34.90	-26.06	-20.49	-20.69	
(max or min)**	-12.69	-11.90	-16.06	-16.96	-25.50	-28.06	-33.38	-28.39	-17.41	-7.02	-7.35	
Kia												
Date	2023/8/4	2024/1/26	2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	110000	120000	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000
Gap* (average)	-24.00	-12.23	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	
(max or min)**	-9.09	-0.42	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY (83.5%)·HOLD (16.5%)·SELL (0%)

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