

SECTOR UPDATE

2026. 6. 8

EV/Mobility Team

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▶ AT A GLANCE

Hyundai Motor (005380 KS, 700,000)

Target price **KRW900,000** 28.6%

BUY

Kia (000270 KS, 161,100)

Target price **KRW240,000** 49%

BUY



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Autos (OVERWEIGHT)

April EV sales in Europe: Potential of Kia's EV lineup

- EV demand in Europe jumped 30.7% y-y to 432,000 units in April, while auto demand there strengthened 7% y-y to 1.152m units. EV penetration hit 37.5%.
- Since February, Chinese EV brands have surpassed Volkswagen in sales. Tesla has seen sales recover since February, while Kia's sales started rebounding in March with the addition of the EV2 to its lineup.
- BYD, Tesla, and Kia are chipping away at European automakers' market shares. Kia is positioning itself as a credible contender against BYD and Tesla, thanks to the Europe-wide launch of the EV2 and growing awareness of the PV5's utility.

WHAT'S THE STORY?

EV demand growth accelerating in Europe: Growth in EV demand in Europe has been accelerating. While Chinese EV manufacturers have surpassed Volkswagen in sales, Tesla and Kia continue to post strong sales growth.

- **European demand for EVs in April:** In April, EV demand in Europe surged 30.7% y-y to 432,000 units, bringing penetration to 37.5%. Total auto demand in the region reached 1.152m units (up 7% y-y).
- **Demand soft in China but strong in Europe:** China's demand for EVs slid 12.5% to 889,000 units in April. EV demand in Europe has grown to about half the level of China's.
- **EVs account for 50% of China's auto exports:** Chinese automakers are actively pursuing exports as a solution to wavering demand in China and intense price competition there. In April, China's exported 278,000 EVs (up 40% y-y), representing 50% of its total auto exports. Europe is China's largest auto export market. To limit the influx of Chinese EVs, the EU has imposed countervailing duties (17.0-35.3%, depending on the manufacturer; in addition to a standard 10% import tariff) and plans to implement the Industrial Acceleration Act (IAA) by 2027.

(Continued on the next page)

- **European automakers' reliance on Chinese suppliers growing; impact of IAA uncertain:** Volkswagen—Europe's top automaker, with a market share of 26%—has acquired a 5% stake in XPeng and integrated XPeng's autonomous driving technology into its EVs. Stellantis—number two in Europe, with a market share of 17%—has established a joint venture with Leapmotor (Stellantis holds 51% ownership), and the JV has opened 40 dealerships across Europe. Additionally, Stellantis is exploring the sale of its Maserati brand and European plants to Xiaomi and Xpeng, respectively.
- **Tesla recovery driven by base effect and FSD expectations:** Tesla's sales have rebounded since February, buoyed by a low base (from last year's political headwinds) and rising expectations around the rollout of Full Self-Driving (FSD). The carmaker sold 12,456 units in April (down 76.9% m-m but up 66.1% y-y). Tesla's sales typically spike at the end of each quarter.
- **Kia's full EV lineup beginning to show impact:** EV2 sales kicked off in Germany in late March, and the model sold 1,724 units in Europe in April. By 4Q, as the model should be available across Europe, and monthly sales are projected to reach levels comparable to those of the EV3 (8,000-10,000 units). Meanwhile, the PV5's monthly sales have risen to around 3,000 units since February, following growing recognition of its customizability.

Market share and sales performance, by firm: China's EVs, including BYD (up 66.1% y-y), maintained strong growth, while Tesla (up 66.1% y-y) and Kia (up 34.7% y-y) took market share from VW (up 12.7% y-y), BMW (up 12.3% y-y), and Stellantis (up 19% y-y).

- **Tesla's market share expands 0.6%pts y-y to 2.9%—FSD rollout propels sales recovery:** Tesla sold 12,456 units in Europe in April (up 66.1% y-y). FSD Supervised was first approved in the Netherlands on Apr 10, followed by Lithuania (May 20), Germany (May 22), and Estonia (May 29). The EU Technical Committee vote is expected in late June for a wider rollout across the region.
- **VW's market share shrinks 4.1%pts y-y to 23.8%:** VW's market share peaked at 27.9% in Apr 2025. The firm sold 102,819 cars in April, up 12.7% y-y but lagging overall market growth. The Škoda Elroq emerged as Europe's best-selling model (10,817 units), while the VW ID series, although maintaining steady sales, failed to match the rapid growth of the key competitor.
- **BYD rises to third place, with market share climbing 1.8%pts y-y to 8.9%:** BYD sold 38,569 cars in April (up 66.1% y-y), with its monthly EV sales growth in the region slowing from 100%+ the prior year. It trails number-two automaker Stellantis by 1,000 units. With sales growing across Europe, the Dolphin G DM-i—a Europe-specific model—is scheduled to launch in June at a price below EUR20,000, which would make it the lowest-priced EV in the region. Over the next three years, BYD plans to introduce additional Europe-specific models in the B- and C-segments.

The Chinese firm plans to begin operations at its plant in Hungary in 2H, aiming to build a local value chain in Europe to qualify for government subsidies. The plant should start with an initial output of 150,000 units and eventually reach a capacity of 300,000 units. The first models to be produced will be the Dolphin Surf (known in China as the Seagull) and the Atto 2. A plant in Turkey (capacity: 150,000 units) is also scheduled to begin production in 2026. Turkey is not an EU member state, but the EU-Turkey Customs Union permits tariff-free exports to the EU.

- **Chinese EV market share (including BYD) rises 6.2%pts y-y to 25.7%:** In April, Chinese EV makers sold 110,855 units in Europe (up 74.4% y-y)—with sales surpassing those of VW since February. BYD remained the top-selling Chinese EV maker, while Geely and SAIC—previously key

drivers of Chinese EV sales—saw their market shares fall. Geely and SAIC had expanded in Europe by leveraging their acquisitions of Volvo and MG, respectively, following the 2008 global financial crisis. However, with a lack of compelling new-model launches in recent times, their market-share gains have stalled. Other Chinese automakers such as Chery, Nio, and Xpeng recorded sales growth.

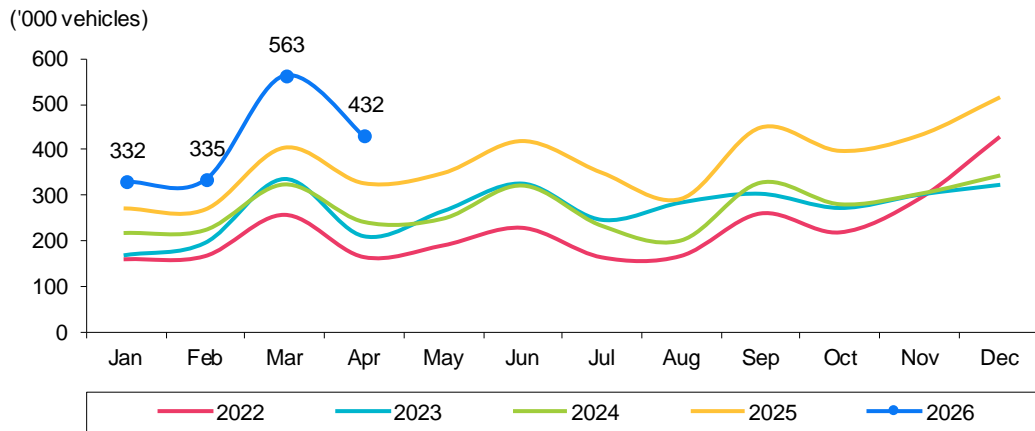
- **HMC's EV market share down 0.6%pts y-y to 2.8%; Kia's up 0.1%pts y-y to 4%:** In April, HMC sold 11,900 EVs in Europe (up 8.1% y-y) and Kia sold 17,406 (up 34.7% y-y). HMC lagged market growth due to its lack of a low- to mid-priced EV lineup (besides the Casper). It plans to launch the Ioniq 3 in 2H. Kia's sales jumped as it established a full EV lineup.
- **Kia outpaces industry growth since Mar 2026 with five EV models:** Kia has set its 2026 European sales target at 594,000 units (up 11% y-y), expecting strong EV sales growth. The EV2, produced in Slovakia, is rolling out country by country, and the firm aims to sell 45,000 units in 2026 and 100,000 units in 2027. The PV5, increasingly valued for its customizability, has achieved monthly sales of around 3,000 units, supporting its 2026 target of 25,000 units.

Appendix: Major European countries' EV incentives

Major European countries reintroduce EV incentives in 2H25: Germany resumed retail subsidies for EVs, complementing its existing policies aimed at electrifying corporate fleet.

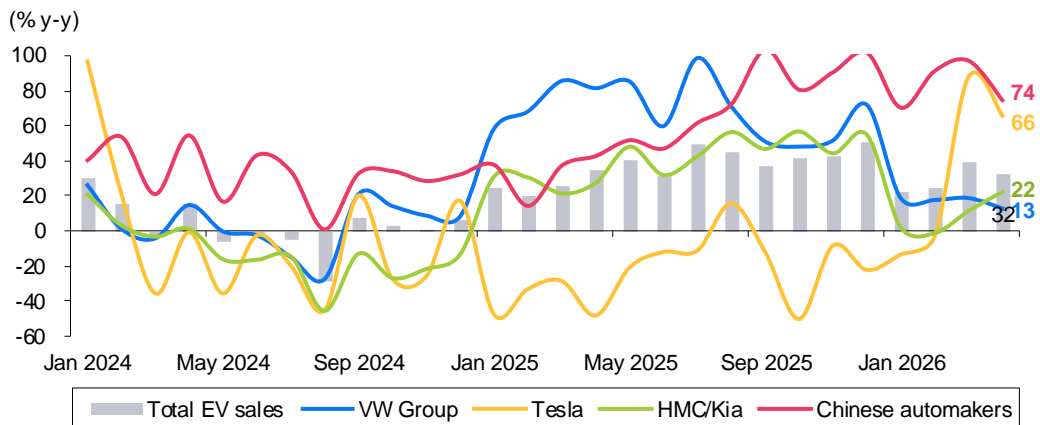
- **Germany launches incentives for corporate EV fleets in Jul 2025:** Germany's incentives include: 1) accelerated depreciation for corporate EVs purchased between Jul 2025-Dec 2028 (depreciation over six years, including 40% in the first year and 24% in the second year); 2) a tax deduction equal to 40% of the corporate EV's value in the year of purchase (up to EUR95,000); 3) an exemption from vehicle tax for EVs until 2035; and 4) a reduced Benefit-in-Kind tax rate of 0.25% on the private use of a corporate EV (vs 1% for ICE autos)—in Europe, it is common for companies to purchase vehicles that are used by their employees outside of working hours. Germany is also mulling subsidies for privately purchased EVs. Corporate fleets account for 40% of total EV demand in Europe. In 2025, Germany's EV demand totaled 885,000 units (up 51.8%).
- **Germany reintroduces EV purchase subsidies for individuals in 2026:** Germany has reinstated subsidies for privately purchased EVs, which subsidies were stopped in Dec 2023. Unlike the previous universal support system, the new scheme provides differentiated assistance based on household income and number of children. 1) Households with an annual taxable income of up to EUR80,000 are eligible. For each child under 18, the income threshold is increased by EUR5,000, up to a maximum of EUR90,000. 2) Subsidies range from EUR3,000 to EUR6,000 (10-15% of lower-priced EV models) for BEVs, and from EUR1,500 to EUR4,500 for PHEVs and EREVs.
- **France to reintroduce subsidized EV leasing scheme for low-income households:** France, Europe's third-largest EV market, will re-introduce a subsidized EV leasing scheme for low-income households on Sep 30. The social leasing scheme, first introduced in Jan 2024, was suspended after just one month due to a budget overrun (budget of EUR650m). The scheme led to 50,000 approved leases in one month. In 2025, France's EV demand was 474,000 units (flat y-y).
- **UK reintroduces EV purchase subsidies on Jul 16, 2025:** The UK, Europe's second-largest EV market, announced a GBP700m budget for EV purchase incentives, along with GBP63m for charging infrastructure and additional subsidies across the production value chain. The program is set to operate until 2029, offering grants of GBP1,500-3,750 for EVs priced up to GBP37,000. In 2025, the UK's EV demand reached 735,000 units (up 28.7%).

Europe: Monthly EV demand



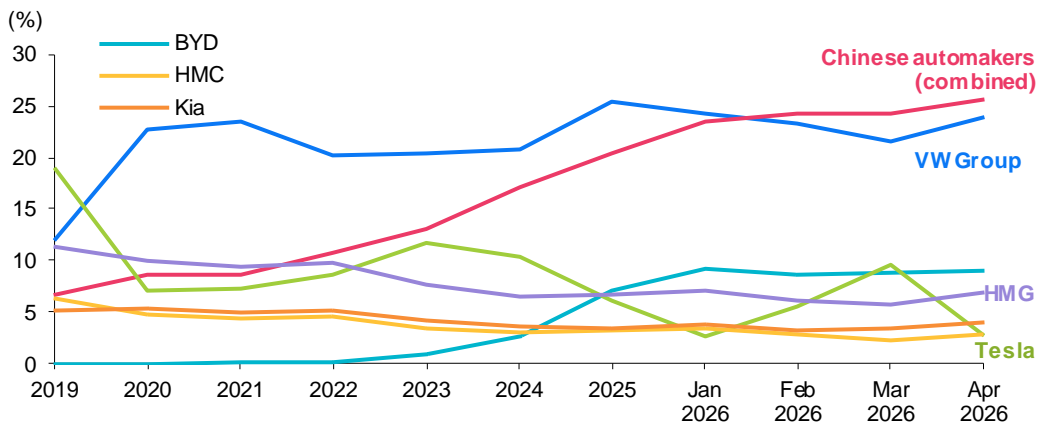
Source: EV-Volumes, Samsung Securities

Europe: EV sales growth



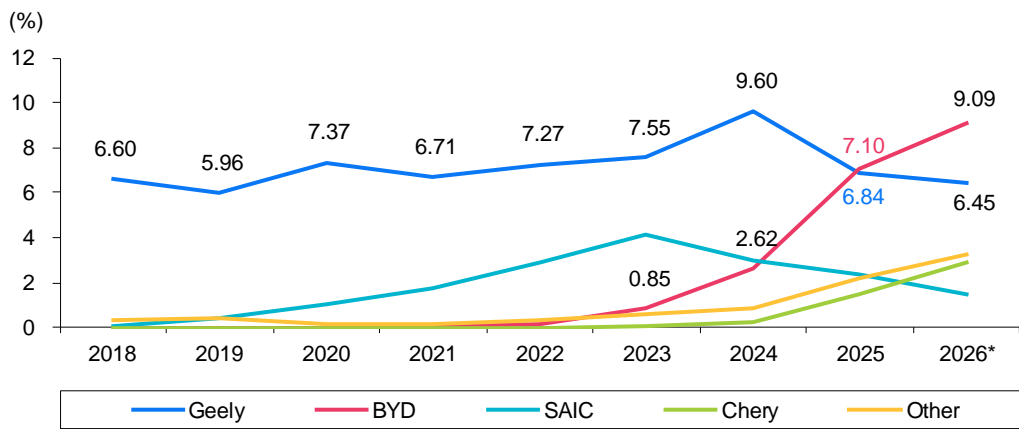
Source: EV-Volumes, Samsung Securities

Automakers: European market share



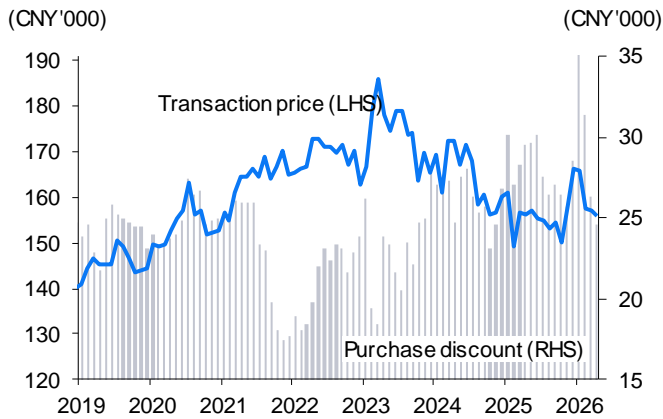
Source: EV-Volumes, Samsung Securities

Chinese automakers: European market share



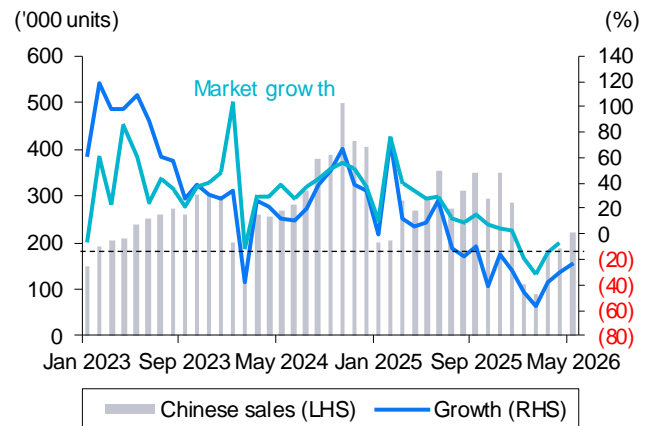
Note: *Jan-Apr 2026
Source: EV-Volumes, Samsung Securities

China: Average transaction price



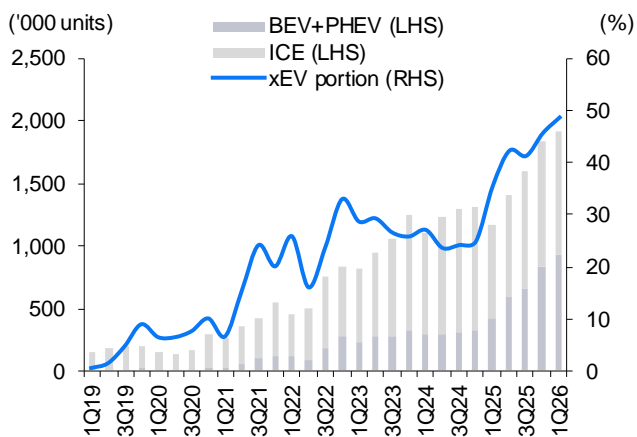
Source: Wind, Samsung Securities

BYD: Sales in China



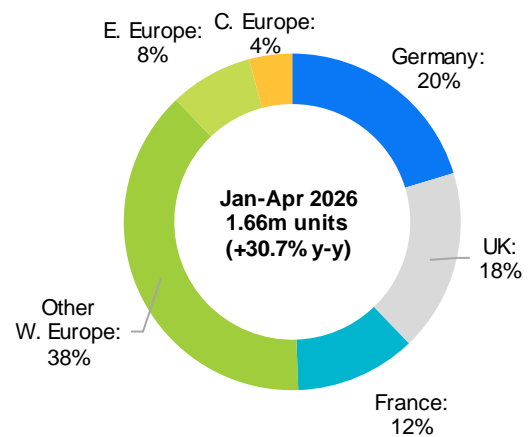
Source: CPCA, Samsung Securities

China: Monthly auto export volume



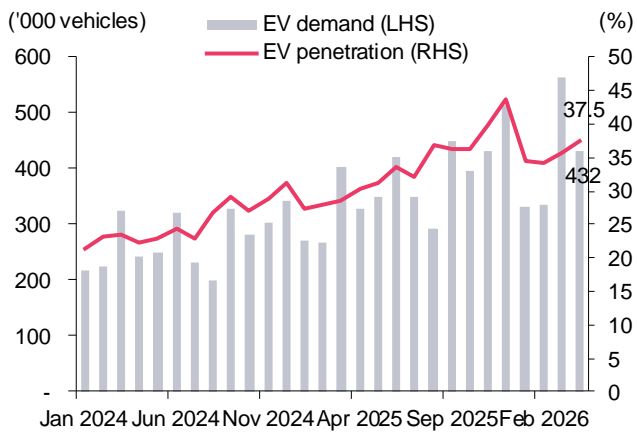
Source: CEIC, Samsung Securities

Europe: xEV demand, by country



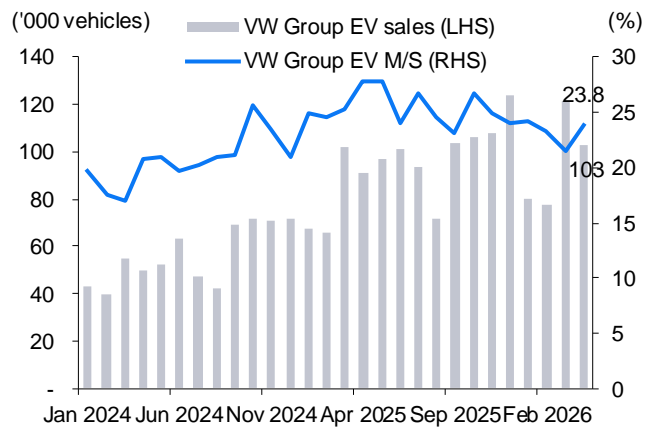
Source: EV-Volumes, Samsung Securities

Europe: EV demand vs penetration (new auto basis)



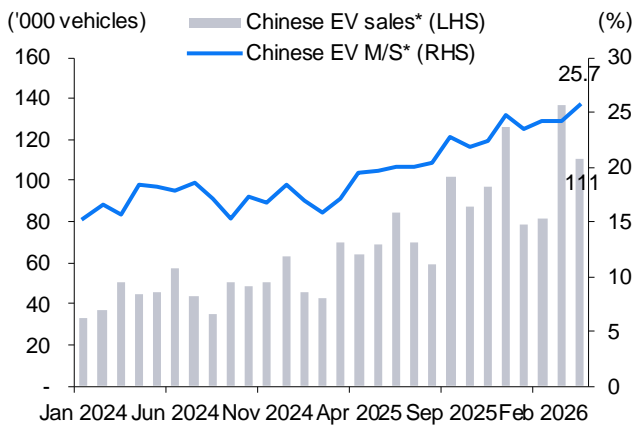
Source: EV-Volumes, Samsung Securities

Europe: VW Group sales volume vs market share



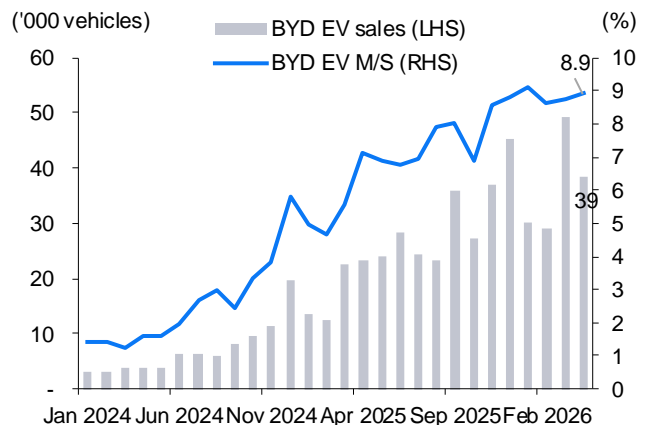
Source: EV-Volumes, Samsung Securities

Europe: Chinese EV sales volume vs market share



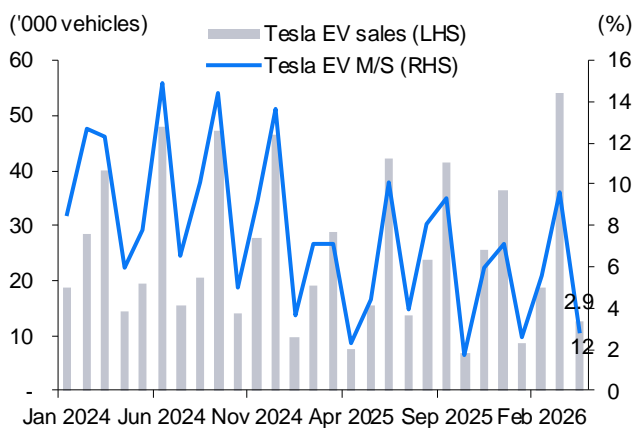
Note: *Combined EV sales including BYD
Source: EV-Volumes, Samsung Securities

Europe: BYD sales volume vs market share



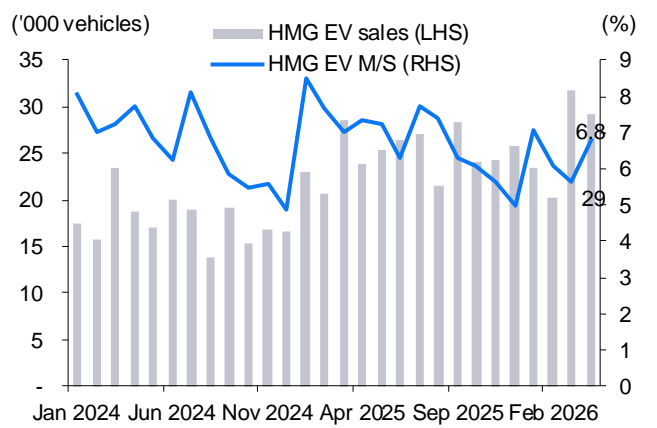
Source: EV-Volumes, Samsung Securities

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

Kia: PV5



Source: Google image

Kia: PV5



Source: Google image

Kia: EV2



Source: Google image

Kia: EV4

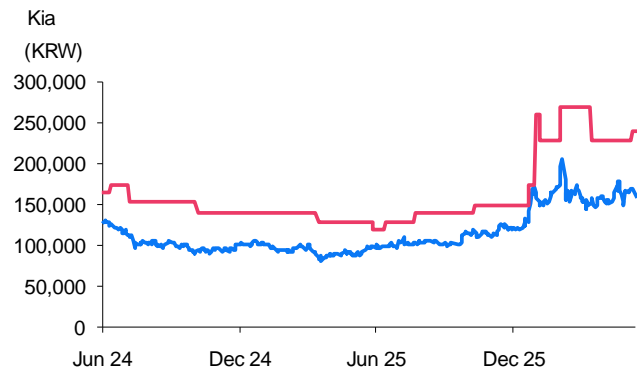
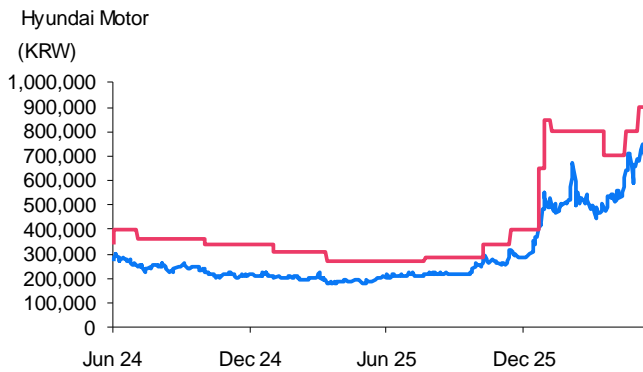


Source: Google image

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Hyundai Motor												
Date	2024/5/29	6/25	7/26	10/25	2025/1/24	4/7	8/14	10/31	12/8	2026/1/14	1/22	1/30
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	345000	400000	360000	340000	310000	270000	285000	340000	400000	650000	850000	800000
Gap* (average)	-21.52	-31.63	-32.30	-37.27	-34.90	-26.06	-20.49	-20.69	-22.55	-27.91	-40.91	-35.99
(max or min)**	-16.96	-25.50	-28.06	-33.38	-28.39	-17.41	-7.02	-7.35	1.50	-15.54	-37.88	-15.75
Date	4/7	4/10	5/11	5/27								
Recommendation	BUY	BUY	BUY	BUY								
Target price (KRW)	800000	700000	800000	900000								
Gap* (average)	-37.66	-23.42	-17.04									
(max or min)**	-36.50	-12.43	-26.00									
Kia												
Date	2024/5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22	1/29
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	165000	175000	155000	140000	130000	120000	130000	140000	150000	175000	260000	230000
Gap* (average)	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63	-30.12
(max or min)**	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85	-24.35
Date	2/25	4/7	6/1									
Recommendation	BUY	BUY	BUY									
Target price (KRW)	270000	230000	240000									
Gap* (average)	-39.27	-30.51										
(max or min)**	-23.70	-21.96										

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
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- 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
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- 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 2026.03.31

BUY (85.2%)-HOLD (14.8%)-SELL (0%)

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