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**WILL KOULOURIS, CNBC:**

Joining us now to talk all about NIO, and I suppose EVs in China at large, Edison Yu, Research Analyst at Deutsche Bank. Edison, thanks so much for being here. Now in terms of NIO, I can understand the upside in terms of, you know, they're really trying to build out, they’re beginning to scale, they're pushing out more cars, but at the end of the day they're still not making money.. So how long do you think until they do?

**EDISON YU, DEUTSCHE BANK:**

Yeah, I think that's a great question. It's probably several years out, but the much bigger I think issue for them is actually volume. If you look at what they're doing right now, they've increased their sales count, number of salespeople tremendously and the pursuit of a much higher volume because the only way you can get to profitability is you just need to sell way, way more cars. So I think that's the debate. It's not so much when can they get to profitability, it's when can we see a big uptick in volume, and I think that's something we won't really get a better idea of until two Q2, Q3 of next year.

**TANVIR GILL, CNBC:**

All right, I think some flashes are coming on your screen. I just want to remark that Edison before we come back and talk about NIO, but first BYD German has proposed buying back about 200 million Yuan, in Asia within 12 months. You're not seeing much of a reaction- actually No, that spike, obviously the market likes buybacks. It just shows conferences that the company has in its business. Two and a half percent up as we speak for H-Shares, A-Shares have about a percent and a quarter. Edison, since you are with us and we are talking, I don't know whether you have a BYD, but given the fact that it's part of the ecosystem. How would you react to this news?

**YU:**

So in full disclosure, it is not under my official coverage So I can't really say too much about the buyback per se but I think in the context of the EV landscape, right? It is a dogfight, right? BYD's involved, you may have seen they cut prices recently. There's a lot of tech companies now trying to vie for their share. Huawei, Baidu, Xiaomi, so it's just you know, I would say the middle of the battle or the middle of the war, and BYD's certainly one of the top leaders here.

**GILL:**

Do you think that that's the way forward for a lot of these companies where obviously there have been delivery challenges Edison, that you know management send out a signal that buybacks are on the way because,”we want to tell shareholders out there, that we have confidence in the business, we have confidence in the demand environment coming back, bouncing back and delivery is picking up”?

**YU:**

Yeah, sure I would agree with that. I think there's not that many EV companies, pure EV companies that can do that. BYD's probably one of only a handful that can institute such a move. But in general, I would say the real battle is not so much in capital allocation. It's much more strategic, it's much more on the ground, and so I wouldn’t read too much into the buyback and in the greater scheme of things. But it's certainly encouraging for a company like BYD to do that.

**KOULOURIS:**

Edison can I ask you, because you know we're seeing what's happening and perhaps we'll get some further clarity as to the EU stance on Chinese exports of EVs into Europe. We're seeing what's happening right now with the IRA and I suppose the The little bit of a push back when it does come to any kind of Chinese entry significantly in that market and the competitive pressures that they would face So it almost seems to be that it'll end up becoming a story for these, a lot of these Chinese manufacturers of the domestic markets, plus perhaps you know ASEAN and some of the other regions, even Africa. It should be said as well. So in that respect, because obviously these other jurisdictions are trying to protect their own, you know, nation EV industries. Can there be this many EV makers in China moving forward, like realistically for talking five to ten years?

**YU:**

No, there can't be. I think that's a pretty straightforward answer. There can't be. I would say two things to what you refer to though. I'm less bearish on the European Opportunity for the Chinese EV companies. I think a lot of the politics is not as straightforward as one may think. If for example, if you actually look at all the models that are going to Europe from China, the biggest complaint from locals is that they're too expensive. And they want cheaper offerings and the only way you're really going to get materially more affordable EV offerings is from China in the near future. So I'm not as pessimistic on the political situation there. You also have to keep in mind The German OE's are super dependent on the Chinese market. So the politics is much different than in the US. In terms of the number of EV makers. I do think you will see that number go down, just naturally over time We're in that phase where the intense competition is going to weed out some more and more of these I would say upstarts. And some of the bigger players might not go away per se, but they're just not going to be relevant to the market at some point. So certainly, there's still too many. There's been some actually failures over the last year, and I think that number will in the next two years, will set out even more..

**GILL:**

Okay, Edison, we’ll leave it at that. Thanks very much for joining us and giving us your quick take on the EV space in this part of the world.