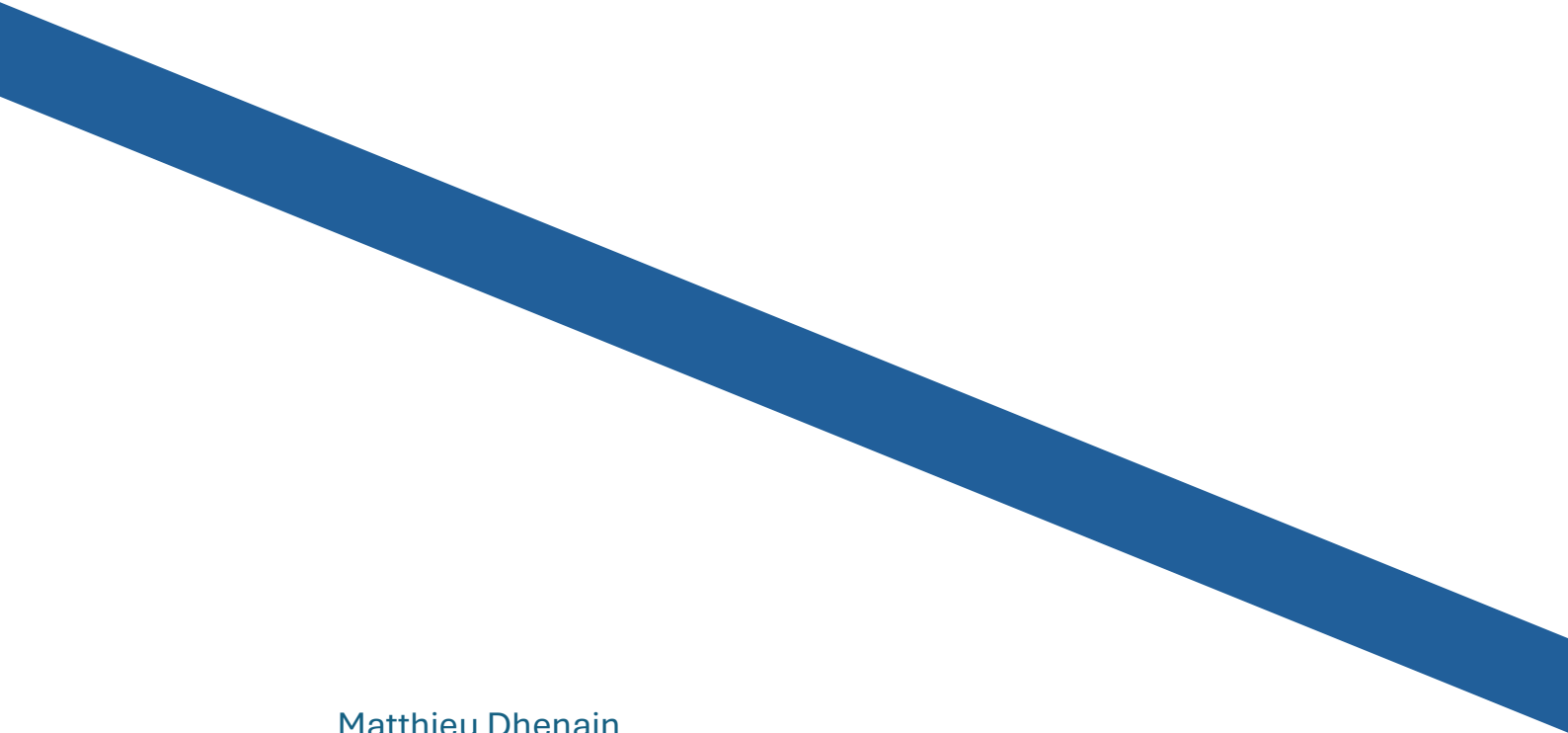




Consumer Discretionary – Automobiles & Components

BYD : Business Case

A Business Analysis



Matthieu Dhenain
05/10/2025

Personal introduction:

In early 2025, I noticed the sudden appearance of cars with a logo I didn't recognise on the streets of Paris. This piqued my curiosity and prompted me to find out more about the company behind the 'BYD' logo. Here you will find a summary of my research on the characteristics of this company and an analysis of its market. However, this is not a proper 'investment case', as for several reasons I have decided not to give a public directional opinion on the stock, nor to publish my valuation models (DCF and ratio-based valuation) on BYD. Given the asymmetric risks highlighted in the section on risks and in the conclusion, I will personally refrain from investing in this stock. Please do not hesitate to contact me if you would like to know more about this.

I thank you in advance for your indulgence regarding any elements you might consider incomplete (if so, please let me know).

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Boring disclaimer:

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The author declares that he has no direct interest in the company mentioned in this document.

About the firm:

BYD Company Limited ("Build Your Dreams") is a vertically integrated Chinese conglomerate primarily engaged in the design, manufacture, and sale of electric vehicles (EVs), batteries, and energy storage systems. Originally founded as a battery manufacturer, BYD has since evolved into one of the world's largest electric vehicle producers, competing directly with Tesla, Geely, NIO, and international OEMs in both passenger and commercial EV segments. BYD is also engaged in mobile handset components production and assembly business. BYD Company Limited was founded in 1995 and is headquartered in Shenzhen, China.

Business divisions:

BYD operates in two segments, Mobile Handset Components & Assembly Service and Automobiles & Related Products. The Mobile Handset Components & Assembly Service segment manufactures and sells mobile handset components, such as housings and electronic components; and offers assembly services. The Automobiles & Related Products segment is involved in the manufacturing and sale of automobiles, and auto-related molds and components; rail transport and related business; and provision of automobile leasing and after sales services, automobile power batteries, lithium-ion batteries, photovoltaic, and iron battery products. The company develops urban rail transportation business.

The revenue breakdown indicates a strong reliance on the automobile sector, which constitutes the majority of the company's income. The mobile handset components and assembly services represent a smaller portion of the revenue. Indeed, Automobiles and related products accounted for 79.45% of revenue in 2024 and amounted to approximately RMB617,382 million, representing a year-on-year increase of 27.70%.

Mobile handset components and assembly services contributed 20.54% to the total revenue and amounted to approximately RMB159,609 million, representing a year-on-year increase of 34.60%.

In 2024, the firm reported 4.27 million vehicles sold (+ 41% YoY) and 135 GWh installed power-battery capacity. In Q1 2025 battery installations reached 37 GWh (+62% YoY).

There is also a rail transit division standing for a minor share (~<1%) but is considered by the management as strategic. They actively develop urban rail transportation with a focus on electrification and intelligence.

BYD Group has adopted a multi-brand strategy to segment its product offering across different price points and customer profiles within the new energy vehicle (NEV) market.

The core BYD brand targets the mass market with a broad range of battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), supported by proprietary technologies such as the e-Platform 3.0 Evo and fifth-generation DM hybrid systems.



Figure 1: BYD brand models

Fangchengbao, launched in 2023, is positioned as a personalized and off-road-oriented NEV brand aimed at consumers seeking differentiated driving experiences.

Denza, originally a joint venture with Mercedes-Benz and now majority-owned by BYD, operates in the premium NEV segment, offering MPVs, SUVs, and sedans with a focus on technological features and comfort.

The Yangwang brand represents BYD's entry into the high-end and luxury NEV segment, offering flagship models including off-road SUVs, supercars, and executive sedans, all integrating advanced proprietary technologies. Collectively, these brands allow BYD to address a wide spectrum of consumer demand in the NEV space, both in China and abroad.



Figure 2: BYD's group other brands

Geographic division:

BYD's revenue distribution shows a significant portion generated from the domestic market, as 71.45% of revenues has been generated from China (including Hong Kong, Macau, and Taiwan). The company continues to expand its international presence as overseas revenue accounted for 28.55%, indicating a slight increase from 26.60% in 2023.

REVENUE BREAKDOWN BY LOCATIONS OF CUSTOMERS

按客戶所在地劃分的營業額

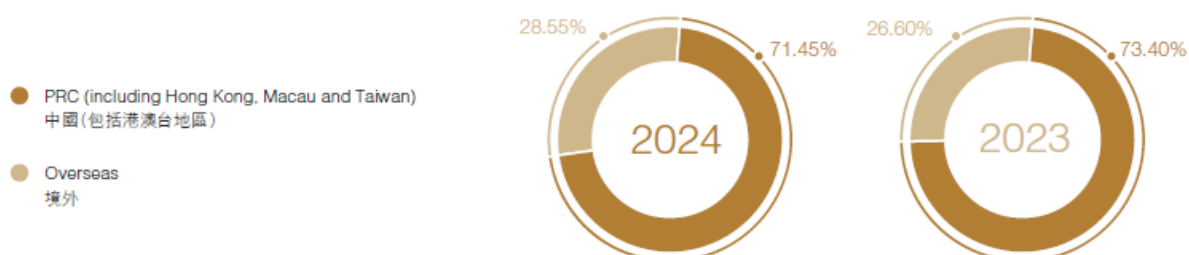


Figure 3 : The group's revenues geographical division; Company data

Competitive Landscape & Market Shares:

BYD operates in two of the most competitive and fast-evolving industrial arenas globally : electric vehicles (EVs) and lithium-based battery technologies. Both markets are characterized by accelerating innovation cycles, intensifying pricing pressure, and increasing consolidation driven by economies of scale. In this context, BYD has emerged as a global category leader, supported by its deep vertical integration, technological differentiation, and unparalleled scale in the domestic Chinese market. The group became the world's largest NEV (new energy vehicle) manufacturer by volume in 2023, surpassing Tesla in combined BEV (Battery EV) and PHEV (Plug-in Hybrid vehicles) deliveries and further expanded its global market share to ~18% in 2024 with 4.27 million units sold out of an estimated 23 million global EV sales. In China, which remains the world's largest and most mature EV market, BYD commands a dominant 33% share across both BEV and PHEV segments, with its hybrid offerings driving adoption in cost-sensitive and range-conscious segments. On the BEV segment only, the firm remains n°2 in total number of vehicles sales but is closing the gap with the long-term leader Tesla.

Global BEV Unit Sales

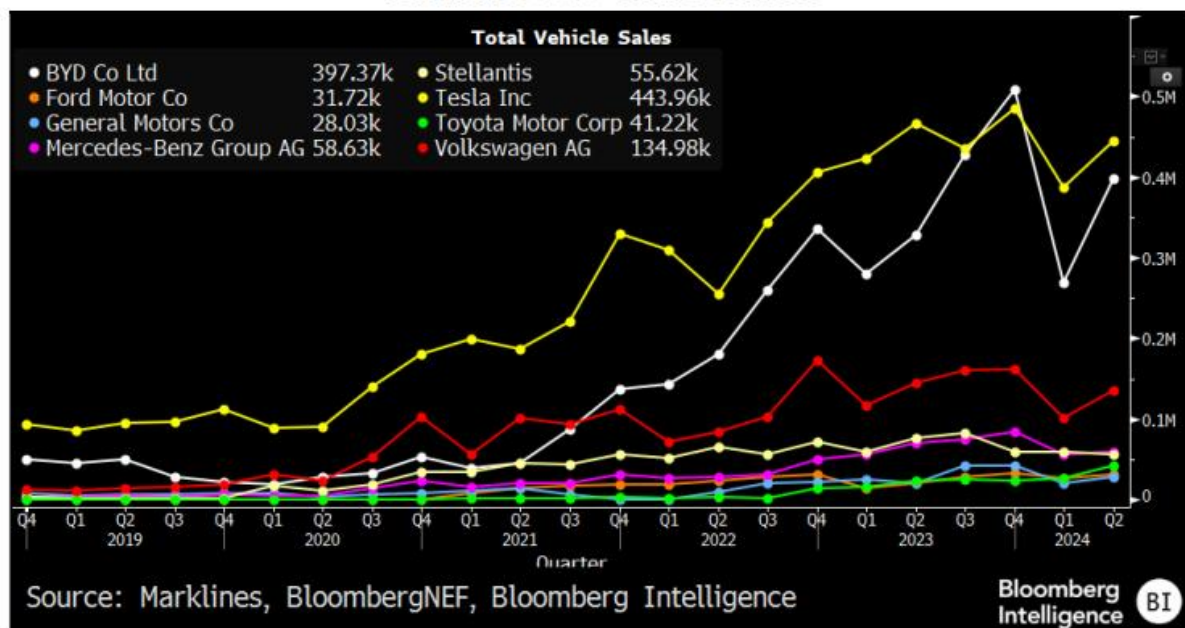


Figure 4 : Peers' BEV unit sales

Despite this leadership, the competitive landscape is intensifying. In its home market, BYD faces a multipolar threat from domestic innovators such as Li Auto (strength in extended-range electric vehicles and family SUVs), Huawei-backed Aito (integrated software ecosystem via HarmonyOS), Geely (broad multi-brand strategy through Zeekr, Geometry, and Lynk & Co), and smart EV startups like NIO and Xpeng. These players are rapidly scaling in niche segments with differentiated software and infotainment offerings, prompting BYD to accelerate the rollout of new models across both volume and premium tiers. Meanwhile, Xiaomi's recent entry with its SU7 model marks another credible challenger leveraging a strong tech brand and an existing user base. BYD's multi-brand architecture, ranging from the mass-market BYD badge to premium sub-brands such as Denza, Yangwang, and Fangchengbao, serves as a buffer against fragmentation, allowing it to defend market share across pricing tiers and customer segments.

Internationally, BYD's expansion strategy brings it into direct competition with incumbents and disruptors alike. In Europe, it competes with Tesla, Volkswagen's ID series, Stellantis, and Renault, where regulatory support is favourable, but brand awareness and dealer infrastructure remain under development. In the ASEAN region, BYD's cost competitiveness and localization plans (notably in Thailand and Indonesia) position it well against Toyota, Hyundai, and VinFast. In Latin America, it is leveraging pricing power and distributor networks to gain ground over established ICE players like GM and Volkswagen. The U.S. market remains largely off-limits due to geopolitical constraints and tariff barriers, although BYD continues to serve American clients through its battery and bus businesses.

In the battery segment, BYD holds a 16.7% share of the global EV battery market as of Q1 2025, ranking second behind CATL (37.7%) and ahead of global peers like LG Energy Solution, Samsung SDI, and SK On. Its proprietary Blade Battery, a lithium iron phosphate (LFP) cell known for safety and durability, gives it a notable cost and engineering edge in the LFP

segment. However, ~90% of BYD's battery output is currently consumed internally, in contrast to CATL's broader external customer base. This insularity limits near-term monetization but also enhances cost control and supply chain predictability for BYD's EV business. The company is ramping up external supply to marquee clients including Toyota, FAW, and more recently, Nio, Xpeng, and Xiaomi, signaling a shift toward a more outward-facing battery strategy. While this dual-play model (OEM + battery supplier) enhances optionality and valuation upside, BYD must balance internal optimization with external volume commitments.

Overall, BYD's competitive positioning remains structurally strong, anchored by scale advantages, aggressive R&D, and a first-mover image as a "pure NEV player" following its full exit from internal combustion engine (ICE) vehicle production. Nonetheless, as the global EV ecosystem enters its next phase—defined by intelligent software, ecosystem integration, and regional protectionism—BYD's ability to build brand equity abroad, manage cost pressures amid pricing wars, and scale manufacturing efficiently across borders will determine the sustainability of its current market leadership.

Company Name	Market Cap (B)	Enterprise Value (B)	Shares Out (M)	Sales (M)	EBITDA (B)	P/E Actual	P/E Forward (FY1)	EV/Sales	EV/EBITDA	Total Debt/EBITDA (%)	Gross Margin (%)	EBITDA Margin (%)	Sales Growth (%)	ROE (%)
BYD Co	1 050	987	3683.4	858	130	21.2	21.6	1.2	7.6	2.7*	0.19	15	31.7	23.6
Xpeng	174	155	778.70	246	-17	-	-51.0	0.6	-8.9	-	0.14	-7.1	66.4	-12.6
Nio	146	167	2315.7	288	-61	-	-9.0	0.6	-2.7	-	0.10	-21.2	9.3	-
LI Auto	211	113	835.4	-419	-13	22.3	31.5	-0.3	-8.8	-	0.21	8.7	7.2	12
Seres Group	306	307	1 633.40	196	13	36.6	27.0	1.6	24.0	0.4	0.26	0.07	58	42
Mercedes-Benz Group	475	188	962.90	196	130	7.7	9.2	1.0	1.5	7.4	0.20	10.3	-6.5	6.5
BMW	497	394	559.4	383	164	9.3	7.8	1.0	2.4	5.9	0.16	13.2	-11.9	6.5
Tesla	11 510	11 330	3325.2	812	84	278.0	255.0	14.0	135.0	1.2	0.18	11.6	-2.7	7.8
General Motors	452	439	952.1	467	225	5.1	6.4	0.9	2.0	4.7	0.13	15.5	5.3	18.5
Stellantis	210	185	2888.7	804	39	-9.6	13.0	0.2	4.8	9.6	0.13	2.9	-17	-0.6
Renault	96	114	289.9	106	67	15	-	1.1	1.7	9.6	0.21	12.7	8.4	-12.4
Toyota Motor Corp	2 360	3 640	13033.9	2 889	368	8.6	10.9	1.3	9.9	5.6	0.20	14.2	4.5	11.9
Hyundai	244	1 060	202	981	104	4.9	4.8	1.1	10.2	8.6	0.20	9.9	8.3	8.7
Ford	370	280	3 909.00	283	80	8.6	10.4	1.0	3.5	15.3	0.08	5.7	2.7	12.6
Volkswagen	430	460	206.20	575	460	5.3	6.0	0.8	1.0	5.1	0.14	15.3	-0.2	6.7
CATL	2 020	1 850	155.90	260	106	30.3	27.0	7.1	17.4	-	0.24	-	-1.1	23
LG Energy Solution	516	649	234.00	141 466	22	-	64.2	4.6	29.7	3.9	0.13	15.5	-24	1.6
Average						158.4	147.0	8.8	78.2		0.2	10.4	1.1	
Median						9.0	10.7	1.0	3.5		18%	1095%	450%	

Figure 5: BYD's Peers analysis; Yahoo Finance and Bloomberg Data

*: BYD's debt based on GMT's estimate of the actual restated debt

Strategy:

BYD's investment case rests on a multi-dimensional strategy combining cost leadership, technological differentiation, and global expansion, reinforced by an aggressive reinvestment cycle and increasing brand elevation. The company's approach is of building a resilient, scalable, and vertically integrated industrial ecosystem that spans mobility, energy, and electronics. This foundation supports BYD's emergence as a long-term leader in both the electric vehicle (EV) and battery markets globally.

Vertically Integrated Cost Leader with Supply Chain Sovereignty

At the heart of BYD's strategic edge is its extreme level of vertical integration, unmatched even by global peers. The company manufactures its own Blade batteries based on LFP chemistry, develops its proprietary semiconductors, and integrates key components such as motors, electronic control units, and chassis systems under its in-house e-Platform 3.0 architecture.

Final assembly is retained within BYD-owned factories. This operational structure is not only a powerful deflationary force on unit costs but also insulates the firm from external supply chain disruptions, as seen during the global semiconductor shortage (BYD even own two lithium mines!). It has enabled BYD to sustain gross margins above many mass-market competitors, even in a pricing environment shaped by aggressive discounting. At the end of the day, the strategy is to pull price levers to squeeze out rivals while upholding margins through economies of scale.

International Expansion and Localization at Scale

BYD's addressable market is expanding beyond China, with international sales reaching 28.5% of 2024 group revenues (¥221.9bn), aiming for a >40% share by 2027. LatAm, ASEAN, India, and Africa present structural tailwinds with BYD gaining share through local manufacturing and tailored products. The company is executing a multi-continent manufacturing rollout, including plants in Hungary (2025) and Türkiye (2026), a Thai production hub, and emerging footprints in Brazil, Mexico, and Uzbekistan. Localized production is central to BYD's strategy to neutralize geopolitical risks such as tariffs, meet regional content rules, and align with local consumer preferences. It also allows BYD to progressively build up global service and marketing capabilities, which remain essential for sustained European penetration in the face of entrenched brands like Volkswagen and Renault.

Technological Edge and Innovation Pipeline

Technology remains a pillar of BYD's long-term competitiveness. By the end of 2024, the number of patents granted to BYD amounted to 30,299 in China and 5,538 overseas. The upcoming e-Platform 4.0 will incorporate high-voltage 800V–1000V architectures, AI-based vehicle control units, and drive-by-wire systems, enabling faster charging, modularity, and improved energy efficiency. The new Super e-Platform, capable of adding 400 km of range in five minutes, sets a new global benchmark for charging performance and may accelerate the broader market adoption of high-voltage systems. The firm is focusing on fast-charging and assisted driving solutions to narrow the gap with Tesla and Huawei-backed Chinese players (Aito).

In batteries, BYD is scaling rapidly. Production capacity is projected to reach 550 GWh by 2025, second only to CATL. Approximately 90% of battery output is consumed internally, though external demand from automakers like Toyota, FAW, Nio, and Tesla is growing. A potential spin-off of the battery division—similar to CATL's model—could unlock latent equity value while increasing transparency. Indeed, External sales of Blade and next-gen LFP batteries could support valuation rerating and cross-cycle margin resilience.

Brand Premiumization: From Volume Leader to Margin Expansion

While BYD continues to dominate in the mass-market EV and PHEV space with models like the Qin Plus and Song Plus, it is steadily transitioning upmarket. Its multi-brand strategy includes Denza (premium, founded in partnership with Mercedes-Benz), Yangwang (luxury off-road and sports cars), and Fangchengbao (lifestyle SUVs). This layered architecture enables BYD to increase average selling prices (ASPs) and lift segment margins, closing the gap with Tesla and Li Auto. Notably, Denza and Yangwang are gaining commercial traction, helping to lift BYD's blended profitability while diversifying its client base.

Mid-Term Strategic Roadmap (2024–2027)

Though less formalized than Western peers, BYD's execution patterns and disclosures imply a coherent 2024–2027 roadmap targeting global capacity of >6 million vehicles, 300+ GWh in battery output, and a sustained R&D-to-revenue ratio of 6–7%. The brand aims to introduce over ten new BEV/PHEV models annually, many equipped with L3 autonomous capabilities, and to grow its global sales footprint to more than 100 countries. Investment in high-speed logistics, local partnerships, and digital retail channels is already underway.

Strategic Outlook

BYD's strategic direction is consistent with its ambition to become the dominant integrated player in EVs and battery technology. The company has demonstrated unique discipline in combining scale economics with R&D intensity and geographic diversification. Its long-term investment case hinges on the convergence of product innovation, operational leverage, and global brand traction. While competitive and regulatory risks remain, particularly in Europe, BYD's adaptive strategy and execution strength position it as a central player in the decarbonization of global mobility.

M&A:

In 2024, there were no significant investments or material acquisitions and disposals involving subsidiaries, associates, or joint ventures. And no major investment, nor divestment to come has been announced.

FY 2024 Results :

Cf the financial statement's part.

FY 2025 Outlook :

While BYD Group has not issued formal quantitative guidance for FY2025, management has outlined strategic priorities focused on reinforcing product competitiveness, accelerating overseas expansion, and deepening investments in electrification and intelligent vehicle technologies. The company intends to leverage its multi-brand platform to capture broader market segments, with an emphasis on differentiated offerings across both the mass and premium NEV categories.

Analysts' consensus estimates project vehicle sales to reach approximately 5.5 million units in 2025, representing a +29% YoY increase from 4.27 million units sold in 2024. Of this, overseas sales are expected to exceed 800,000 units, reflecting +92% growth YoY, supported by planned market entries in Europe and ASEAN. Financially, unit profitability is forecasted to improve, with average profit per vehicle estimated at around RMB 11,000, driven by favorable export pricing and improved scale efficiencies. Net income is projected to increase significantly, with some forecasts anticipating earnings of up to RMB 59 billion in 2025.

Opportunities and Risks:

Opportunities:

BYD's investment case is underpinned by its leading global position in the new energy vehicle (NEV) market and growing international presence. The group's multi-brand architecture (BYD, Denza, Fangchengbao, Yangwang) enables coverage of mass, premium and luxury segments, enhancing addressable market reach. BYD's vertical integration provides structural cost advantages, shielding the company from supply-chain volatility and positioning it well in ongoing EV price competition.

The firm's R&D intensity (RMB 54bn, ~6–7% of revenues in 2024) sustains its technology leadership, particularly in battery safety and electrification platforms. Beyond automotive, battery and energy solutions represent underappreciated growth drivers with higher margin potential.

International expansion is a critical growth lever, driven by new plants in Hungary, Thailand, Brazil, and forthcoming facilities in Mexico. Penetration into Europe and emerging markets offers substantial growth optionality, particularly given BYD's ability to deliver diversified, cost-competitive EVs. In addition, BYD trades at a discount valuation relative to Western peers (lower PER and EV/EBITDA multiples), offering upside potential as global investor awareness increases.

Risks:

Despite its strengths, several risks temper the investment case and even lead me to consider BYD as a speculative investment. Indeed, governance and transparency risks are material.

Concerns have been raised around BYD's complex debt structure and the use of supply-chain financing, with critics warning of potential "hidden leverage" in other payables. According to the accounting firm GMT Research, BYD Co.'s reliance on financing from working capital has masked surging debt levels. Some commentators have drawn parallels with China Evergrande, whose bankruptcy plunged the country into crisis.

Moreover, there are growing concerns, reported by media and consumer complaint platforms, that BYD, as many other Chinese automakers, may have utilized practices such as registering or insuring vehicles before they are sold to end customers, or using affiliated or shadow companies to purchase vehicles which are then quickly dumped into the used car market. These tactics sometimes described as "padding" of sales data could artificially boost reported sales numbers. For example, a Reuters investigation cited multiple complaints by consumers who discovered their new BYD vehicles were already insured under other names, implying dealerships had booked sales early to meet targets. While BYD has denied wrongdoing in many cases, these allegations introduce risk around the transparency of its reported volume growth and could affect investor confidence if substantiated.

Thereby, allegations of "phantom-car registrations" in China and recurring quality-control controversies could erode consumer trust and investor confidence. The lack of transparency towards investors can be highlighted in many areas: unclear and elusive financial statements, no outlook or guidance, no quantified long-term programme.

In addition, geopolitical risks are elevated. EU anti-subsidy investigations threaten profitability of BYD's overseas expansion. Trade tensions and potential restrictions on Chinese EVs in

Europe could materially alter growth trajectories. Execution risk also remains around overseas factory ramp-up, where delays or higher-than-expected costs could impair near-term returns.

BYD remains highly exposed to China, with ~90% of 2024 sales domestically generated, leaving the group vulnerable to local price wars and policy shifts. Dependence on subsidies and favorable regulation in China and abroad mirrors risks seen historically at Tesla; any rollback could compress margins.

On the competitive front, BYD faces intensifying rivalry from Tesla, global OEMs (Volkswagen, Toyota), and domestic peers (Geely, NIO, XPeng), as well as global battery leaders (CATL, LG Energy). Rapid advances in alternative chemistries (e.g., sodium-ion, solid-state) may erode BYD's current technology moat if adoption lags.

Insiders' trades:

In September 2025, Berkshire Hathaway (Warren Buffett's holding) officially announced they fully divested its longstanding stake in BYD, ending a 17-year investment that began in 2008 with an initial purchase of ~US\$230 million for roughly 9.9% of the company. Over time, Berkshire gradually reduced its holding, especially after 2022, and by March 2025 recorded the value of its BYD investment as zero. While BYD publicly described this move as a routine portfolio decision, the exit has sparked investor concern about BYD given Berkshire's reputation.

Financial Statements:**Income Statement :**

Year ended 31 December 2024
截至二零二四年十二月三十一日止年度
RMB'000
人民幣千元

		Note V 附註五	2024 二零二四年	2023 二零二三年 (Restated) (經重述)
I. Operating revenue	一、營業收入	44	777,102,455	602,315,354
Less: Operating costs	減：營業成本	44	626,046,616	490,398,945
Tax and surcharge	稅金及附加	45	14,752,402	10,349,628
Selling expenses	銷售費用	46	24,085,317	15,370,800
Administrative expenses	管理費用	47	18,644,661	13,461,708
Research and development expenses	研發費用	48	53,194,745	39,574,945
Finance expenses	財務費用	49	1,216,206	(1,474,894)
Including: Interest expenses	其中：利息費用	49	2,093,781	1,827,605
Interest income	利息收入	49	2,483,756	2,796,195
Add: Other income	加：其他收益	50	14,051,650	5,253,459
Investment income	投資收益	51	2,291,475	1,635,141
Including: Investment income	其中：對聯營企業和合營			
in associates and joint	企業的投資			
ventures	收益		1,468,954	1,277,455
Loss on derecognition of financial	以攤餘成本計量的金融資產			
assets measured at amortised cost	終止確認損失		(7,411)	-
Gains from changes in fair value	公允價值變動收益	52	531,933	257,740
Impairment losses on credit	信用減值損失	53	(1,553,315)	(1,579,612)
Impairment losses on asset	資產減值損失	54	(3,871,677)	(2,188,219)
Gains on disposal of assets	資產處置收益	55	(126,527)	90,364
II. Operating profit	二、營業利潤		50,486,047	38,103,095
Add: Non-operating income	加：營業外收入	56	1,251,576	711,370
Less: Non-operating expenses	減：營業外支出	57	2,056,946	1,545,828
III. Total profit	三、利潤總額		49,680,677	37,268,637
Less: Income tax expenses	減：所得稅費用	58	8,092,737	5,924,567
IV. Net profit	四、淨利潤		41,587,940	31,344,070
V. Classified by continuity of operation	五、按經營持續性分類			
Net profit from continuing operations	持續經營淨利潤		41,587,940	31,344,070
VI. Classified by ownership	六、按所有權歸屬分類			
Net profit attributable to Shareholders	歸屬於母公司所有者的淨利潤		40,254,346	30,040,811
of the parent company				
Non-controlling interests	少數股東損益		1,333,594	1,303,259

VII. Earnings per share (RMB/share)	七、每股收益(元/股)			
Basic earnings per share	基本每股收益	59	13.84	10.32
Diluted earnings per share	稀釋每股收益		13.84	10.32
VIII. Other comprehensive income	八、其他綜合收益		843,398	184,028
Other comprehensive income that cannot be reclassified to profit or loss	不能重分類進損益的其他綜合收益			
Changes in fair value of other equity instrument investments	其他權益工具投資公允價值變動		408,375	220,896
Income tax impact	所得稅影響		(40,823)	(54,047)
			367,552	166,849
Other comprehensive income that will be reclassified to profit or loss	將重分類進損益的其他綜合收益			
Changes in fair value of receivables financing	應收款項融資公允價值變動		(12,095)	38,479
Provision for credit impairment of receivables financing	應收款項融資信用減值準備		—	(10,453)
Exchange difference on foreign currency translation	外幣報表折算差額		481,496	(19,544)
			469,401	8,482
Other comprehensive income attributable to non-controlling interests, net of tax	歸屬於少數股東的其他綜合收益的稅後淨額	41	6,445	8,697
IX. Total comprehensive income	九、綜合收益總額		42,431,338	31,528,098
Among which:	其中：			
Total comprehensive income attributable to shareholders of the parent company	歸屬於母公司股東的綜合收益總額		41,091,299	30,216,142
Total comprehensive income attributable to non-controlling interests	歸屬於少數股東的綜合收益總額		1,340,039	1,311,956

Balance Sheet :

31 December 2024 二零二四年十二月三十一日 RMB'000 人民幣千元				
			31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日 (Restated) (經重述)
Assets	資產	Note V 附註五		
Current assets	流動資產			
Monetary funds	貨幣資金	1	102,738,734	109,094,408
Financial assets held for trading	交易性金融資產	2	40,511,496	9,542,789
Derivative financial instruments	衍生金融資產		35,093	19,761
Purchases of financial assets under resale agreements	買入返售金融資產		392,472	—
Trade receivables	應收賬款	3	62,298,988	61,866,019
Receivables financing	應收款項融資	4	10,449,966	5,564,924
Prepayments	預付款項	6	3,974,023	2,215,413
Other receivables	其他應收款	5	3,616,030	2,757,912
Inventories	存貨	7	116,036,237	87,676,748
Contract assets	合同資產	8	1,410,541	2,660,319
Long-term receivables due within one year	一年內到期的長期應收款	10	11,379,480	7,508,351
Other current assets	其他流動資產	9	17,729,184	13,214,802
Total current assets			370,572,244	302,121,446
Non-current assets	非流動資產			
Long-term receivables	長期應收款	10	10,206,134	8,238,190
Long-term equity investments	長期股權投資	11	19,082,496	17,647,212
Other equity instrument investments	其他權益工具投資	12	8,501,093	5,327,283
Other non-current financial assets	其他非流動金融資產	13	2,655,245	2,696,374
Investment properties	投資性房地產		60,228	82,510
Fixed assets	固定資產	14	262,287,302	230,903,820
Construction in progress	在建工程	15	19,954,343	34,726,196
Right-of-use assets	使用權資產	16	10,575,072	9,678,956
Intangible assets	無形資產	17	38,423,925	37,236,261
Development expenditures	開發支出		508,038	541,000
Goodwill	商譽	18	4,427,571	4,427,571
Long-term deferred expenditures	長期待攤費用	19	5,006,717	4,062,529
Deferred tax assets	遞延所得稅資產	20	8,559,492	6,584,422
Other non-current assets	其他非流動資產	21	22,535,955	15,273,900
Total non-current assets			412,783,611	377,426,224
Total assets	資產總計		783,355,855	679,547,670

Liabilities	負債	Note V 附註五	31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日 (Restated) (經重述)
Current liabilities	流動負債			
Short-term borrowings	短期借款	23	12,103,272	18,323,216
Derivative financial liabilities	衍生金融負債		1,993	7,713
Bills payables	應付票據	24	2,383,996	4,053,314
Trade payables	應付賬款	25	241,643,424	194,429,817
Contract liabilities	合同負債	26	43,729,585	34,698,510
Employee benefits payables	應付職工薪酬	27	21,843,196	17,138,836
Tax payables	應交稅費	28	10,096,912	7,852,324
Other payables	其他應付款	29	144,989,197	164,972,849
Provision	預計負債	30	3,547,165	2,620,325
Non-current liabilities due within one year	一年內到期的非流動負債	31	10,222,575	7,740,491
Other current liabilities	其他流動負債	32	5,423,861	1,829,276
Total current liabilities	流動負債合計		495,985,176	453,666,671
Non-current liabilities	非流動負債			
Long-term borrowings	長期借款	33	8,257,786	11,975,139
Lease liabilities	租賃負債	35	9,875,967	8,847,186
Deferred tax liabilities	遞延所得稅負債	20	2,787,484	3,950,836
Other non-current liabilities	其他非流動負債	36	67,761,233	50,645,725
Total non-current liabilities	非流動負債合計		88,682,470	75,418,886
Total liabilities	負債合計		584,667,646	529,085,557
Shareholders' equity	股東權益			
Share capital	股本	37	2,909,266	2,911,143
Other equity instruments	其他權益工具	38	14,894,442	—
Including: Perpetual bond	其中：永續債		14,894,442	—
Capital reserve	資本公積	39	60,679,406	62,041,774
Less: treasury shares	減：庫存股	40	723,968	1,266,944
Other comprehensive income	其他綜合收益	41	1,440,616	603,663
Special reserve	專項儲備		29,461	22,370
Surplus reserve	盈餘公積	42	7,374,087	7,374,087
Undistributed profit	未分配利潤	43	98,647,794	67,123,972
Total shareholders' equity attributable to the parent company	歸屬於母公司股東權益合計		185,251,104	138,810,065
Non-controlling interests	少數股東權益		13,437,105	11,652,048
Total shareholders' equity	股東權益合計		198,688,209	150,462,113
Total liabilities and shareholders' equity	負債和股東權益總計		783,355,855	679,547,670

Cash Flows Statement:

31 December 2024

二零二四年十二月三十一日

RMB'000

人民幣千元

		Note V 附註五	2024 二零二四年	2023 二零二三年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods and provision of services	銷售商品、提供勞務收到的現金		774,347,395	572,704,798
Tax rebates received	收到的稅費返還		12,073,925	15,165,447
Cash received from other activities relating to operations	收到其他與經營活動有關的現金	60	28,396,310	23,947,858
Sub-total of cash inflows from operating activities	經營活動現金流入小計		814,817,630	611,818,103
Cash paid for goods and services	購買商品、接受勞務支付的現金		489,866,241	313,433,210
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		117,067,584	84,287,908
Cash paid for various types of taxes	支付的各項稅費		52,697,132	29,528,359
Cash paid for other activities relating to operations	支付其他與經營活動有關的現金	60	21,732,800	14,843,601
Sub-total of cash outflows from operating activities	經營活動現金流出小計		681,363,757	442,093,078
Net cash flow from operating activities	經營活動產生的現金流量淨額	61	133,453,873	169,725,025

II. Cash flows from investing activities:		二、投資活動產生的現金流量：		
Cash received from disposal of investments	收回投資收到的現金		128,755	—
Cash received from disposals of associates or joint ventures	處置合營或聯營公司所收到的現金		13,898	122,617
Cash received from gains in investment	取得投資收益收到的現金		469,217	192,409
Net cash received from disposals of subsidiaries and other operating entities	處置子公司及其他營業單位收到的現金淨額		7,776	73,840
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額		1,068,016	470,793
Cash received from other activities relating to investments	收到其他與投資活動有關的現金	60	13,712,511	22,245,824
Sub-total of cash inflows from investing activities	投資活動現金流入小計		15,400,173	23,105,483
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金		97,359,768	122,093,509
Cash paid for acquisition of subsidiaries and other operating entities, net	收購子公司及其他營業單位支付的現金淨額		125,437	14,077,769
Cash paid for investments	投資支付的現金		3,666,259	2,084,953
Cash paid for other activities relating to investments	支付其他與投資活動有關的現金	60	43,330,991	10,512,896
Sub-total of cash outflows from investing activities	投資活動現金流出小計		144,482,455	148,769,127
Net cash flows used in investing activities	投資活動使用的現金流量淨額		(129,082,282)	(125,663,644)

BYD : BUSINESS CASE

		Note V 附註五	2024 二零二四年	2023 二零二三年
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：			
Cash received from capital injection	吸收投資收到的現金		98,000	98,000
Cash received from borrowings	取得借款收到的現金		37,663,666	45,304,083
Cash received from bonds issuance	發行債券收到的現金		2,960,000	-
Cash contribution by other equity instrument holders	其他權益工具持有者投入的現金		14,894,442	-
Cash received from other activities relating to financing	收到的其他與籌資活動有關的現金		105,558	28,233
Sub-total of cash inflows from financing activities	籌資活動現金流入小計		55,721,666	45,430,316
Cash paid for repayment of debts	償還債務支付的現金		50,103,695	27,230,939
Cash payments for distribution of dividends, profits or interest expenses	分配股利、利潤或償付利息支付的現金		10,051,081	4,101,617
Including: Dividends and profits paid to minority shareholders by subsidiaries	其中：子公司支付給少數股東的股利、利潤		415,066	127,297
Cash paid for other activities relating to financing	支付其他與籌資活動有關的現金	60	5,834,437	1,280,633
Sub-total of cash outflows from financing activities	籌資活動現金流出小計		65,989,213	32,613,189
Net cash flows (used in)/from financing activities	籌資活動(使用)/產生的現金流量淨額		(10,267,547)	12,817,127
IV. Effect of foreign exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		(359,247)	450,780
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額	61	(6,255,203)	57,329,288
Add: opening balance of cash and cash equivalents	加：年初現金及現金等價物餘額	61	108,511,745	51,182,457
VI. Closing balance of cash and cash equivalents	六、年末現金及現金等價物餘額	61	102,256,542	108,511,745

ESG:

Without conducting a full ESG assessment, it is important to note that BYD does not consistently present itself as a sustainability-focused actor in the Western sense of the term. Management emphasizes above all the company's role in advancing China's industrial success and international expansion. Transparency remains limited across several areas, including social and environmental practices. While BYD actively promotes its contribution to the energy transition through zero-emission vehicles, recyclable batteries, and solar solutions, material controversies persist. Notably, in Brazil, authorities recently rescued 163 Chinese workers employed by BYD contractors under conditions likened to modern slavery, raising concerns about labor oversight. Moreover, the group does not disclose comprehensive, independently verified data on its global carbon footprint or supply-chain impacts. These contradictions between environmental messaging and operational practices represent a source of reputational risk. As of 2024, MSCI assigned BYD an "A" ESG rating, reflecting a mid-range positioning relative to global peers.

Conclusion:

BYD stands as the global leader in electric and hybrid vehicles, combining rapid growth, advanced technology, and strong market penetration across segments. Its dominant position in China, supported by vertical integration and a diversified multi-brand strategy, has enabled the company to scale profitably and target new frontiers in Asia ex-China, Latin America, and Europe. These regions represent key growth drivers over the mid-term.

Nevertheless, the investment case is not without controversy. The highly competitive EV market continues to fuel an intense price war that threatens margins and market share. Moreover, concerns have emerged over alleged fraudulent vehicle registrations aimed at inflating sales figures, as well as the potential accumulation of hidden debt through supply-chain financing. BYD's heavy reliance on Chinese government subsidies and recent complaints about product quality in its domestic market further add to the risk profile.

In sum, BYD offers significant long-term growth potential as a global EV powerhouse, but the presence of multiple red flags, ranging from governance and transparency issues to regulatory risks, could weigh on financial resilience if macro or regulatory conditions worsen. A sudden deterioration in sentiment, whether triggered by a financial or reputational event, could lead to sharp downside volatility despite the company's strong structural positioning.

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<https://www.bydglobal.com/sitesresources/common/tools/generic/web/viewer.html?file=%2Fsites%2FSatellite%2F%20BYD%20PDF%20Viewer%3Fblobcol%3Durldata%26blobheader%3Dapplication%252Fpdf%26blobkey%3Did%26blobtable%3DMungoBlobs%26blobwhere%3D1638928500476%26ssbinary%3Dtrue>

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Appendix:**Charts & Valuation:****TradingView**

Figure 6 : BYD's share price over a 1Y period (as of 05/10/2025)

Company Name	Market Cap (B)	Enterprise Value (B)	Shares Out (M)	Sales (M)	EBITDA (B)	P/E Actual	P/E Forward (FY1)	EV/Sales	EV/EBITDA	Total Debt/ EBITDA (%)	Gross Margin (%)	EBITDA Margin (%)	Sales Growth (%)	ROE (%)
BYD Co	1050	987	3683.4	858	130	21.2	21.6	1.2	7.6	2.7*	0.19	15	31.7	23.6
Xpeng	174	155	778.70	246	-17	-	-51.0	0.6	-8.9	-	0.14	-7.1	66.4	-12.6
Nio	146	167	2315.7	288	-61	-	-9.0	0.6	-2.7	-	0.10	-21.2	9.3	-
Li Auto	211	113	835.4	-419	-13	22.3	31.5	-0.3	-8.8	-	0.21	8.7	7.2	12
Seres Group	306	307	1633.40	196	13	36.6	27.0	1.6	24.0	0.4	0.26	0.07	58	42
Mercedes-Benz Group	475	188	962.90	196	130	7.7	9.2	1.0	1.5	7.4	0.20	10.3	-6.5	6.5
BMW	497	394	559.4	383	164	9.3	7.8	1.0	2.4	5.9	0.16	13.2	-11.9	6.5
Tesla	11510	11330	3325.2	812	84	278.0	255.0	14.0	135.0	1.2	0.18	11.6	-2.7	7.8
General Motors	452	439	952.1	467	225	5.1	6.4	0.9	2.0	4.7	0.13	15.5	5.3	18.5
Stellantis	210	185	2888.7	804	39	-9.6	13.0	0.2	4.8	9.6	0.13	2.9	-1.7	-0.6
Renault	96	114	289.9	106	67	15	-	1.1	1.7	9.6	0.21	12.7	8.4	-12.4
Toyota Motor Corp	2360	3640	13033.9	2889	368	8.6	10.9	1.3	9.9	5.6	0.20	14.2	4.5	11.9
Hyundai	244	1060	202	981	104	4.9	4.8	1.1	10.2	8.6	0.20	9.9	8.3	8.7
Ford	370	280	3909.00	283	80	8.6	10.4	1.0	3.5	15.3	0.08	5.7	2.7	12.6
Volkswagen	430	460	206.20	575	460	5.3	6.0	0.8	1.0	5.1	0.14	15.3	-0.2	6.7
CATL	2020	1850	155.90	260	106	30.3	27.0	7.1	17.4	-	0.24	-	-1.1	23
LG Energy Solution	516	649	234.00	141.466	22	-	64.2	4.6	29.7	3.9	0.13	15.5	-24	1.6
Average						158.4	147.0	8.8	78.2		0.2	10.4	1.1	
Median						9.0	10.7	1.0	3.5		18%	1095%	450%	

To go further:

I invite you to take a look at some of the videos by tech and automobiles experts available on Youtube presenting Chinese cars.

BYD's \$45 Billion Stock Wipeout Raises Doubts on China Outlook

By Charlotte Yang ; September 15, 2025

<https://www.bloomberg.com/news/articles/2025-09-14/byd-s-45-billion-stock-wipeout-raises-doubts-on-china-outlook>

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La Fin de TESLA ? Comment Le Chinois BYD a Gagné la Guerre des Voitures Électriques, Youtube :

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BYD lance en EUROPE une voiture électrique IMPRESSIONNANTE et on a roulé avec : la DENZA Z9 GT

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