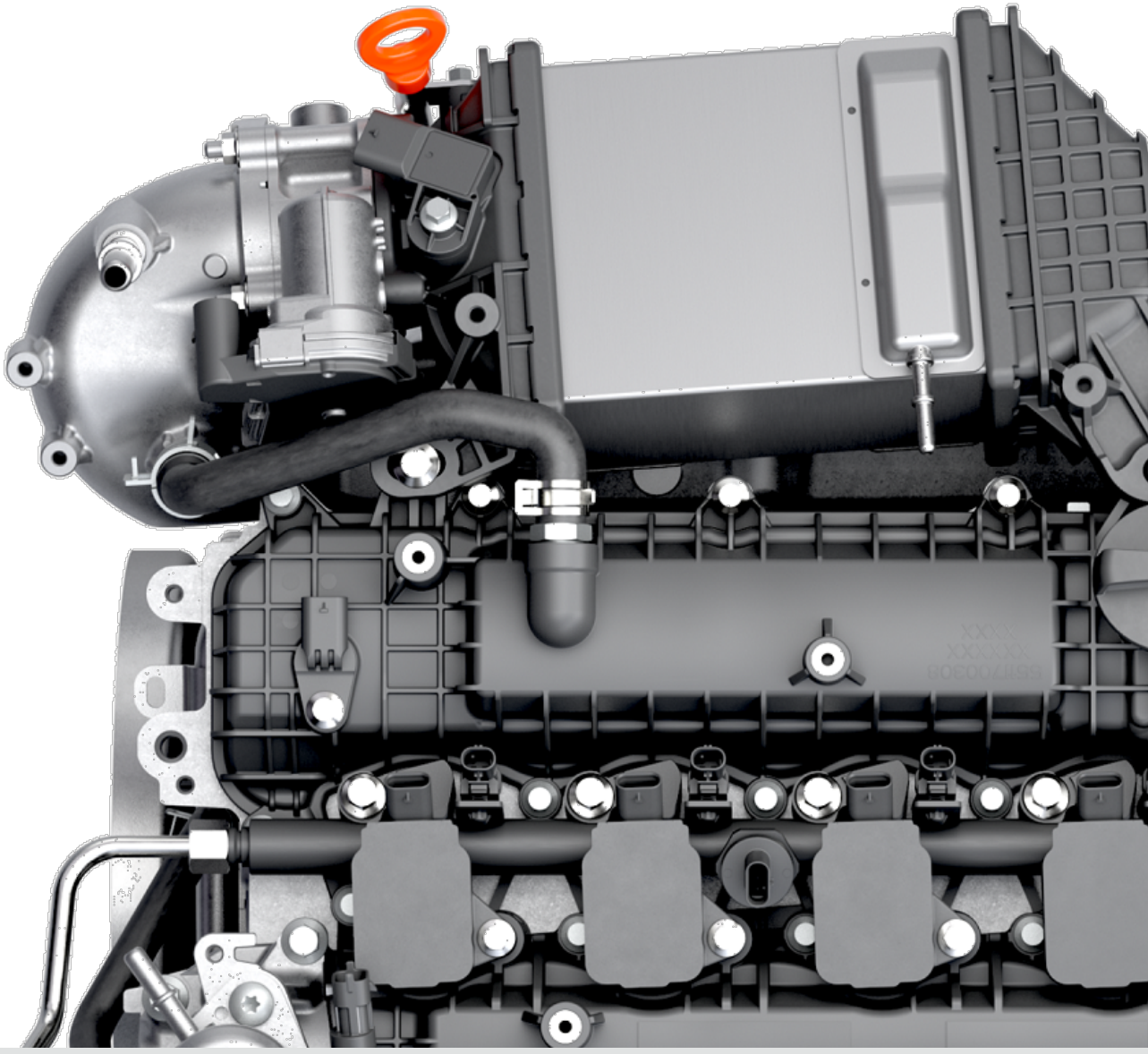
Executive report Auto Shanghai 2025

The strategic shift: hybrids repositioned as enablers



Author: Horse Powertrain
Date: 15.05.2025

horse-powertrain.com

Hybrids are transforming the industry

Welcome to our trend report on Auto Shanghai 2025

Auto Shanghai is one of the world's biggest automotive events, showcasing the latest cars and technologies. As CEO of Horse Powertrain, I'm excited to share what we saw and learned at this year's show.

This report explains why Auto Shanghai 2025 matters. For the first time, hybrids and range-extended electric vehicles (EREVs) weren't treated as temporary solutions. Instead, they were positioned as essential technologies for the future of transportation. Many car makers are now embracing hybrid technology as a long-term solution, not just as a stepping stone to full electric vehicles.

In this report, you'll find:

- Key trends from the show
- Analysis drawn primarily from independent media reports
- Our own insights as an exhibitor on the ground

We've written this report based mainly on what independent journalists and industry publications observed at the show. We've combined their reporting with our first-hand experience as participants to give you a complete picture of the event.

Horse Powertrain played an active role at the show, presenting our Future Hybrid Concept to car manufacturers and media. The response was encouraging and confirmed our belief that hybrid technology will play a crucial role in the industry's future.

This report will help you understand where the automotive industry is heading and what these changes mean for business opportunities in the years ahead.

Matias Giannini
CEO, Horse Powertrain

Executive report Auto Shanghai 2025

No longer transitional: Hybrids emerge as strategic necessity

Executive Summary

Auto Shanghai 2025 marked a critical inflection point in the global automotive transition. While battery electric vehicles (BEVs) continue to dominate headlines, the show's core message was clear: the path to decarbonization must be diverse, scalable, and deliverable in the real world.

Hybrid systems and extended-range electric vehicles (EREVs) were not positioned as interim solutions, but as essential, high-growth technologies suited to infrastructure gaps, regional energy profiles, and consumer use cases across the globe.

Once seen as transitional, hybrid technologies are now complementary and integral to global electrification strategies.

Of the approximately 100 new vehicles launched, more than half 54 had combustion-based powertrain technology (ICE, HEV, PHEV and EREV)

More than half of the vehicles launched were SUVs: the market appears to be gradually trending towards larger vehicles and vehicles inspired by off-road applications, which impacts the powertrain solutions needed. We therefore see a clear trend for long range PHEVs in the larger vehicles displayed.

Chinese-owned automakers such as Zeekr, BYD, Deepal, and Lynk & Co are aggressively expanding their hybrid and EREV offerings, and including cutting-edge features such as high-voltage architectures, ADAS, and readiness for alternative fuels.

For non-Chinese OEMs, there was a clear expansion in joint venture vehicle offers – where they are leveraging their Chinese partners' technological and supply-chain (EV, AI and customer interface) capabilities to stand out from the competition.

Superfast charging (megawatt) technology for EVs was presented by multiple OEMs and tech suppliers as a key USP.

Key insights

1. China's Auto Market Shifts: Hybrids Gain Ground

In 2024, China recorded a 79% YoY growth in EREV sales and a 76% increase in plug-in hybrids, compared to just a 23% increase for BEVs. This growth reflects consumer preferences for cost-effective, long-range solutions amid charging infrastructure constraints, particularly in suburban and rural regions.

Hybrid and EREV cars now account for nearly half of all new vehicle sales in several provinces across China.

2. Strategic value of hybrid and EREV technologies

At Auto Shanghai, hybrid and extended-range electric vehicle (EREV) platforms are not only technologically viable—they also offer measurable strategic advantages across key dimensions: scalability, sustainability, and cost efficiency.

The table below summarizes their comparative strengths, particularly in markets where infrastructure limitations, regional fuel mixes, and consumer affordability influence the pace of electrification.

Value driver	Estimated impact
Infrastructure resilience	5× faster rollout given slow charging infrastructure development
Lifecycle emissions efficiency	20–30% lower lifecycle emissions vs. BEVs in coal-intensive regions (with biofuel hybrid usage)
Consumer accessibility	30–50% cost savings compared to pure EV architecture, driven by reduced battery size and dual-use platforms
Industrial flexibility	Up to 40% potential CAPEX savings in dual-platform environments by eliminating need for separate production lines

These value drivers demonstrate why hybrids and EREVs are increasingly integrated into long-term product strategies, not as transitional solutions, but as critical enablers of inclusive, accelerated decarbonization.

Sources: see Appendix: Source references for full citations and links to supporting data.

3. Next-generation hybrids redefine range and performance expectations

The hybrid and extended-range electric vehicle (EREV) market is advancing faster than public perception suggests. While hybrids have long been seen as a compromise, recent innovations are challenging that notion. Automakers are delivering vehicles with performance, efficiency and range once considered out of reach for hybrid systems.

Flagship models such as the Zeekr 9X, Deepal S09, and Lynk & Co 900 illustrate the technological leap. These vehicles now deliver high performance, extended range, and luxury features. Several new models offer a combined driving range of more than 1,000 kilometers, addressing long-standing concerns about charging infrastructure and positioning EREVs as a viable option for wider adoption, including in non-urban markets.

4. Global BEV rollout: Competitive context

At Auto Shanghai 2025, approximately 100 new or revamped vehicle models were unveiled by more than 70 Chinese and international car brands, EVs and various types of hybrid vehicles. It is noteworthy that the number of non-Chinese OEMs exhibiting is declining whilst the number of Chinese OEMs continues to grow.

Notable BEV debuts included:

- BYD Seal 06 EV: A mid-size electric sedan featuring BYD's latest e-Platform 3.0 Evo, offering a range of up to 545 km.
- Lexus ES EV: The all-new generation of Lexus's luxury sedan, now available as a pure electric vehicle, marking a strategic move toward electrification.
- Leapmotor B01: An affordable compact electric sedan designed to appeal to younger consumers, with a range of between 510 to 600 km depending on the battery configuration.
- AUDI E5 Sportback: A China-exclusive electric vehicle developed by SAIC Audi, featuring dual motors producing up to 579 kW and a range of up to 770 km.
- Mazda EZ-60: A mid-size electric SUV developed through Mazda's joint venture with Changan, offering both BEV and EREV variants, with the BEV model providing a range of up to 620 km.

5. Spotlight: Horse Powertrain’s Future Hybrid Concept

Horse Powertrain’s Future Hybrid Concept was one of the standout innovations at Auto Shanghai 2025, drawing strong media and OEM interest. The system delivers full hybrid functionality on BEV platforms—without requiring vehicle redesigns.

Key highlights

- Plug-and-play compatibility with BEV architectures
- 20% lower cost vs. traditional AWD hybrid setups
- Compact, crash-safe design: enables shorter front ends and shared production lines
- Supports flex-fuel readiness (E85, methanol, synthetic fuels)
- Designed for fast industrial scaling across PHEV, EREV, and REX use cases

This concept underscores Horse Powertrain’s strategic role in helping OEMs bridge the gap between electrification goals and real-world platform constraints.

6. Appendix: Source references

Hybrid & EREV market and technology

1. Reuters. *Automakers rush to meet surging China demand for long-range hybrids.* https://www.reuters.com/business/autos-transportation/automakers-rush-meet-surging-china-demand-long-range-hybrids-2025-04-25/
2. Electric Hybrid Vehicle Technology. *Horse Powertrain unveils hybrid system for EV platforms at Shanghai Auto Show.* https://www.electrichybridvehicletechnology.com/news/horse-powertrain-unveils-hybrid-system-for-ev-platforms-at-shanghai-auto-show.html
3. Reuters. *Chinese automaker Zeekr debuts first hybrid model at Shanghai Auto Show.* https://www.reuters.com/business/autos-transportation/chinese-automaker-zeekr-debuts-first-hybrid-model-shanghai-auto-show-2025-04-23/
4. *BYD launches 5th-gen DM hybrid tech with lower fuel consumption https://cnevpost.com/2024/05/28/byd-launches-5th-gen-dm-tech/*
5. The Verge. *Lexus' redesigned ES sedan can be electric or hybrid.* https://www.theverge.com/news/654750/lexus-2026-es-350h-350e-550e-shanghai-ev

Value driver table (supplemental sources)

9. Reuters. *Automakers rush to meet surging China demand for long-range hybrids.* https://www.reuters.com/business/autos-transportation/automakers-rush-meet-surging-china-demand-long-range-hybrids-2025-04-25/
10. Electric Hybrid Vehicle Technology. *Horse Powertrain unveils hybrid system for EV platforms at Shanghai Auto Show.* https://www.electrichybridvehicletechnology.com/news/horse-powertrain-unveils-hybrid-system-for-ev-platforms-at-shanghai-auto-show.html
11. Reuters. *Chinese automaker Zeekr debuts first hybrid model at Shanghai Auto Show.* https://www.reuters.com/business/autos-transportation/chinese-automaker-zeekr-debuts-first-hybrid-model-shanghai-auto-show-2025-04-23/

Executive commentary and strategic perspectives

12. AP News. *Shanghai Auto Show: Chinese EV giant eyes global expansion despite geopolitical uncertainty.* https://apnews.com/article/7048d1f60d119be2681fcc36ee72c009
13. Autocar. *New HiPhi Y makes debut at Shanghai motor show.* https://www.autocar.co.uk/car-news/new-cars/new-hiphi-y-makes-debut-shanghai-motor-show
14. Automotive News Europe. *Schaeffler to scale hybrid system supply amid China shift.* https://europe.autonews.com/suppliers/schaeffler-scale-hybrid-system-supply-amid-china-shift
15. Reuters. *China's Li Auto bets big on long-range hybrids as BEV growth slows.* https://www.reuters.com/technology/autos-transportation/chinas-li-auto-bets-big-long-range-hybrids-bev-growth-slows-2025-04-24/

Battery Electric Vehicle (BEV) launches at Auto Shanghai

17. Reuters. *China auto show: EV makers grapple with autonomous tech crackdown and launch wave.* https://www.reuters.com/business/autos-transportation/china-auto-show-ev-makers-grapple-with-autonomous-tech-crackdown-launch-tesla-2025-04-21/

18. CarNewsChina. *All-new Lexus ES EV makes global debut at 2025 Shanghai Auto Show.* https://carnewschina.com/2025/04/23/all-new-lexus-es-ev-makes-global-debut-at-2025-shanghai-auto-show/

Horse Powertrain Media Coverage – Future Hybrid Concept

23. **Electric Hybrid Vehicle Technology.** *Horse Powertrain unveils hybrid system for EV platforms at Shanghai Auto Show.* https://www.electrichybridvehicletechnology.com/news/horse-powertrain-unveils-hybrid-system-for-ev-platforms-at-shanghai-auto-show.html
24. **Automotive World.** *Horse Powertrain reveals full engine line-up at 2025 Auto Shanghai.* https://www.automotiveworld.com/news-releases/horse-powertrain-reveals-full-engine-line-up-at-2025-auto-shanghai/
25. **New Atlas.** *Hybrids in reverse? Multi-engine drive puts gasoline back into your EV.* https://newatlas.com/automotive/horse-hybrid-electric-powertrain/
26. **Hagerty Media.** *New Powertrain Easily Adds ICE to EVs.* https://www.hagerty.com/media/news/new-powertrain-easily-adds-ice-to-evs/
27. **CleanTechnica.** *Horse Powertrain Wants To Hybridize Your Electric Car.* https://cleantechnica.com/2025/04/20/horse-powertrain-wants-to-hybridize-your-electric-car/
28. **WardsAuto.** *Horse Powertrain Unveils Hybrid Conversion for BEVs.* https://www.wardsauto.com/industry/horse-powertrain-unveils-hybrid-conversion-for-bevs
29. **The Machine Maker.** *Horse Powertrain to Unveil Groundbreaking Hybrid System at Auto Shanghai 2025.* https://themachinemaker.com/news/horse-powertrain-to-unveil-groundbreaking-hybrid-system-at-auto-shanghai-2025/
30. **Bridge Classic Cars.** *Horse Powertrain Unveils Future Hybrid Concept At Auto Shanghai 2025.* https://bridgeclassiccars.co.uk/horse-powertrain-unveils-future-hybrid-concept-at-auto-shanghai-2025/
31. **Fortune.** Half of the world's cars won't be fully electric by 2040—Renault and Geely are betting big on hybrids to fill the gap. https://fortune.com/europe/2025/05/13/half-of-the-worlds-cars-wont-be-fully-electric-by-2040-renault-and-geely-are-betting-big-on-hybrids-to-fill-the-gap/