T&E EV progress report – October 2026

'Don't stop me now': the EV transition is delivering

05 October 2026

T&E

Executive summary

The EU car CO_2 targets are delivering record electric car sales and a wave of affordable models. However, weakening the 2030-2035 target as currently discussed in the car CO2 negotiations would halt the ramp-up of small affordable EVs and compromise European carmakers' ability to compete in the global EV race. Key findings:

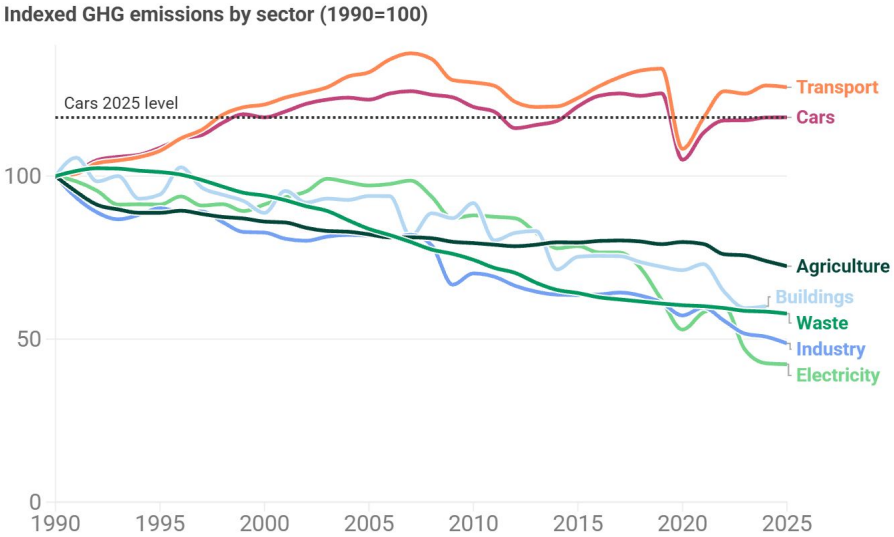
- **Electric car sales hit record highs in 2026.** 1.64 million BEVs were sold from January to August, 45% more than a year earlier, and BEVs outsold petrol cars for the first time over a full quarter in Q2 2026.
- **The regulation is bringing affordable models to market**. About 60 new models are expected by the end of 2026, a record. This is nearly 4 times the average 15 new models per year (period 2021-2025), with choice for affordable models below €25k set to double in 2026 alone.
- **Sales of cars priced below €25,000 are set to increase by a factor of 7** compared to 2024.
- **Carmakers have already closed 75% of the gap to their 2025–2027 CO_2 target, halfway through the period.** All European carmakers are expected to comply, with many carmakers meeting their obligations ahead of schedule.
- **Carmakers say electric cars will match combustion profits by the end of the decade**. Margin parity comes from the scale delivered by the car CO2 target requirements.
- **Weakening the 2030 target would halt the ramp up of affordable BEVs**. Under the EPP/Salini proposal, BEVs would stall at 22% of the market in 2030 instead of 47%, with sales of models below €25,000 cut by nearly three quarters, and cumulative emissions to 2050 would be 40% higher than under current law.
- **Upholding the 2030-2035 targets would keep European carmakers in the global EV race**. Under the current regulation, European carmakers' global BEV sales could close the gap with Chinese carmakers by 2035. Conversely, the EPP/Salini proposal would cut EU carmaker BEV sales in half, effectively ceding global leadership to China.

Car CO_2 emissions are barely falling while Europe faces intensifying heatwaves and fire risk

Car emissions remain stuck 18% above their 1990 level as climate-driven extreme events intensify across Europe.

- **Cars emitted more than 450 $MtCO_2e$ in 2025:** 43% of EU's transport sector emissions and 14% of total emissions.
- **New combustion cars (including hybrids) emitted 160 gCO_2/km in real-world driving in 2023**, only 10% below the level in 2000.
- When BEVs are included, the new-car real world CO_2 emission average is around 135 gCO_2/km, 24% below the 2000 level.
- But progress remains too slow, as it takes time to electrify the car stock (BEVs only made up 3% of the cars on the road in 2025).

Car emissions remain stubbornly high

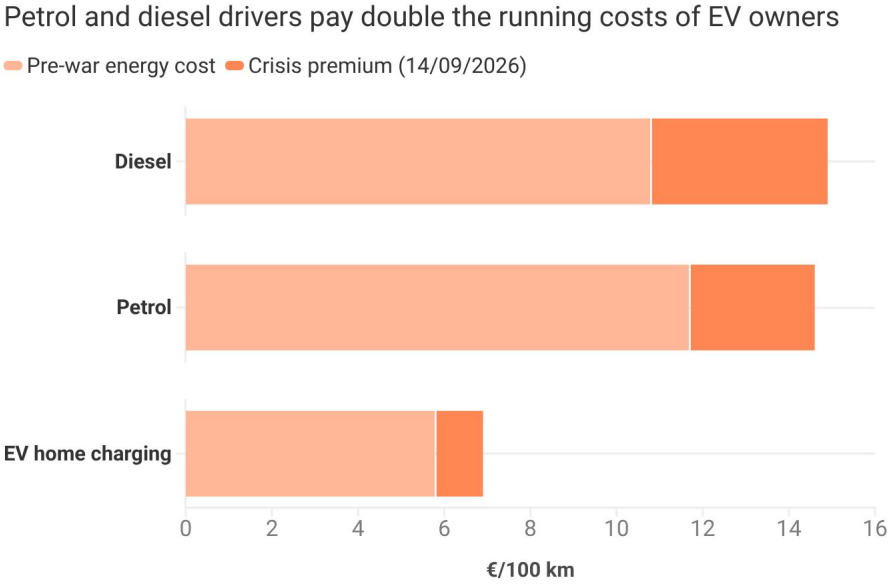


Source: UNFCC (1990-2023) ; EEA proxy (2024) ; T&E estimates (2025)

Petrol and diesel drivers pay the price of Europe's oil dependency, electric drivers do not

Home-charged electric cars cost 50% less to run than petrol and diesel cars as of 14 September 2026.

- **Diesel has risen most, up 38% since the Iran war began,** with a 50-litre tank now costing **€30 more**. Switching to electric then would have saved around €350 by mid-September.
- **The oil price shock has cost EU road users €53bn,** with diesel accounting for €40bn.
- **The oil crisis is pushing buyers towards electric.** VW's sales chief attributes rising EV demand partly to high petrol and diesel prices.
- **Electric cars are cutting Europe's oil import bill.** Nearly 8 million electric cars in the EU avoided 46 million barrels of oil in 2025, worth €2.9 billion.



Source: T&E analysis ; EU Oil Bulletin (14/09/2026) • Home charging price assumed to be 19% higher than H1 2025.

Section 1

The EU EV market growth, driven by the car CO2 target compliance



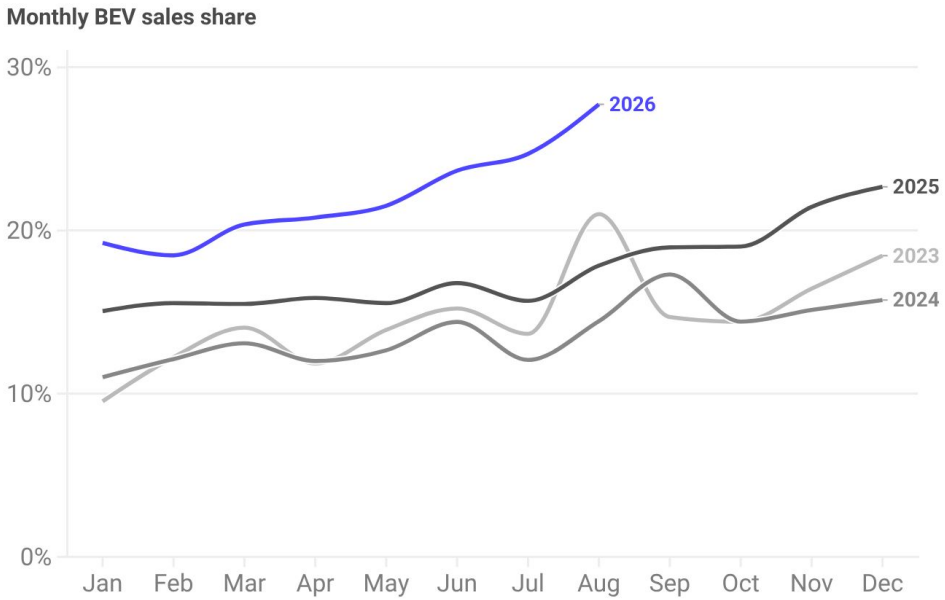
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The BEV market in the EU is surging and reaching record highs

BEV sales across the EU are reaching record highs, propelled by the 2025–27 EU car CO2 targets, which are compelling manufacturers to accelerate EV sales.

- **BEVs reached record volumes in 2026.** 1.64 million BEVs were sold in the EU in Jan-Aug 2026, a **45%** increase y-o-y.
- **The period Jan-Aug 2026 recorded a 22% BEV share.** Up 6 percentage points with respect to the same period in 2025. **In August, the BEV share reached 28%.**
- **BEV sales surpassed pure petrol for the first time** over a full quarter (22%) in Q2 2026.
- **European carmakers account for 7 of the 10 best-selling BEV models.**

BEV sales in the EU have soared in 2026

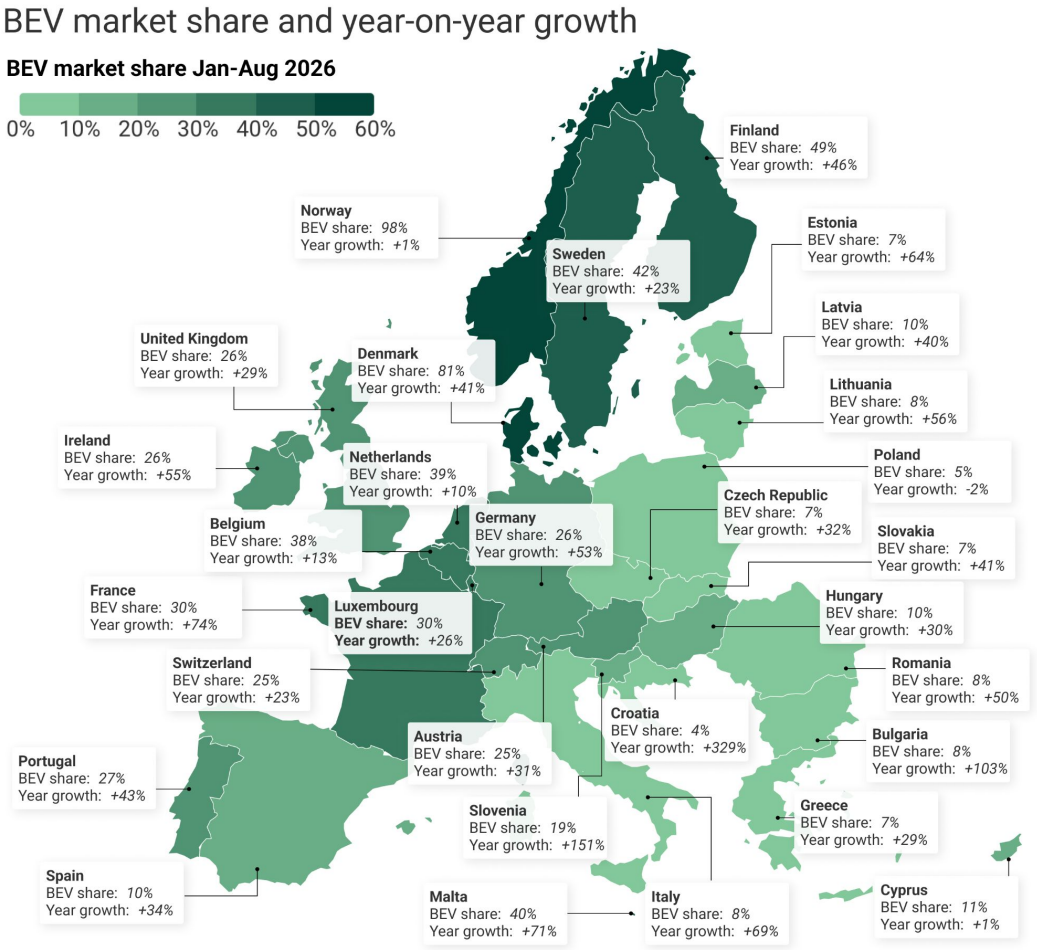


Source: ACEA • Scope: new registrations of passenger cars, MPV, SUV in the EU27.

Big markets are accelerating and driving the growth

- **Large markets such as France and Germany, are driving the growth.** Together they account for around 50% of the bloc's BEV sales in the first half of the year, with market shares reaching 38% in France and 32% in Germany in August 2026.
- **Italy and other countries in Eastern Europe recorded a strong growth in BEV sales volumes** (e.g. Italy +69%, Slovenia +151%, Bulgaria +103%) but remain in single digits.
- **BEV sales surpassed pure petrol sales in Q2 2026 in 10 countries.**

Find out more: T&E's EV market monitor

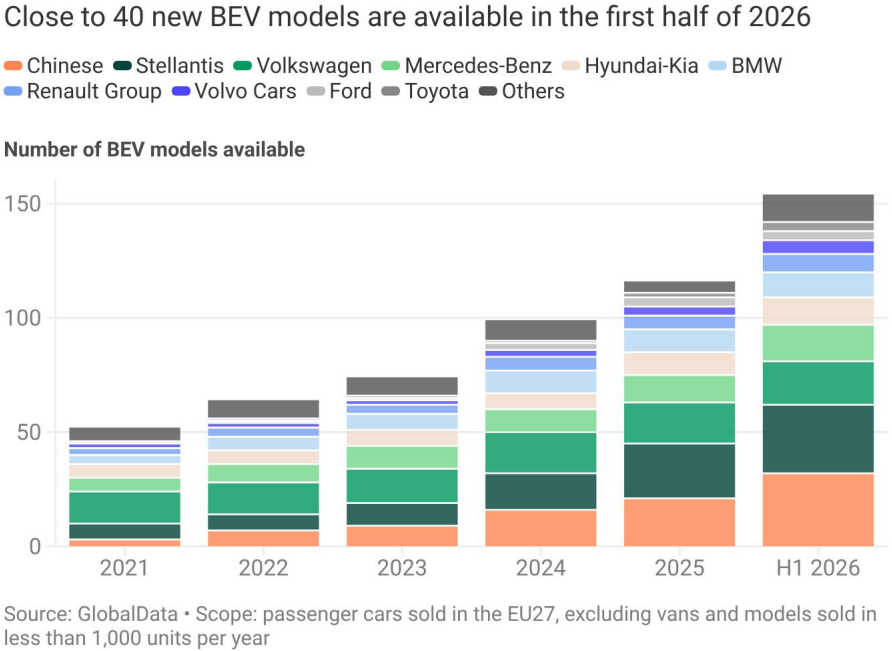


Source: T&E Analysis, ACEA new cars registrations data • Scope: passenger cars, MPV, SUV

Historic product rollout: BEV models surged to over 150 as of mid 2026

2026 is a pivotal year for BEV availability, with model choice up 50% in a single year as carmakers expand their line-ups to meet CO_2 targets.

- Model choice is increasing by close to **40 new models launched in the 1st half of the year** and 20 expected in the 2nd half of the year (excluding niche offerings).
- About 60 new models are expected in 2026 which is nearly **4 times the average ~15 new models per year over the period 2021-2025.**
- **European carmakers lead with nearly 60% of available models**, adding 16 in H1 2026, while Chinese carmakers hold 21% and added 11.

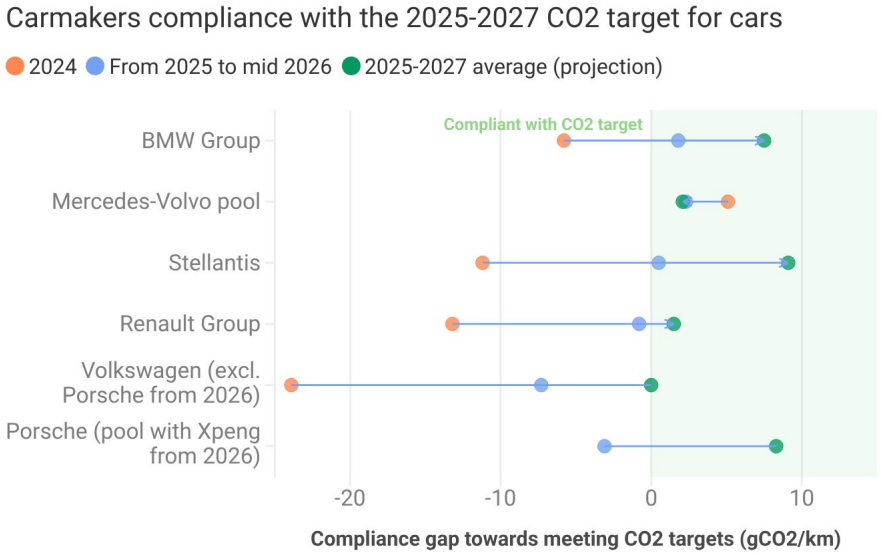


Source: GlobalData • Scope: passenger cars sold in the EU27, excluding vans and models sold in less than 1,000 units per year

Carmakers representing half of the market have already met their CO_2 targets

Halfway through the 2025–2027 compliance period, carmakers have successfully closed 75% of the gap to their three-year CO_2 target relative to 2024 levels.

- **Half the market has already achieved compliance.** BMW, the Mercedes-Volvo pool, Stellantis, Kia and the Tesla-Ford pool are already meeting their targets as of mid 2026. Renault Group is on the verge of compliance (less than 1 gCO2/km gap).
- Volkswagen currently faces a 7 gCO_2/km compliance gap (see next slide) while Porsche is within 2 gCO_2/km following its pooling with XPeng.
- **All European carmakers are expected to comply by the end of the full 3 year period.**



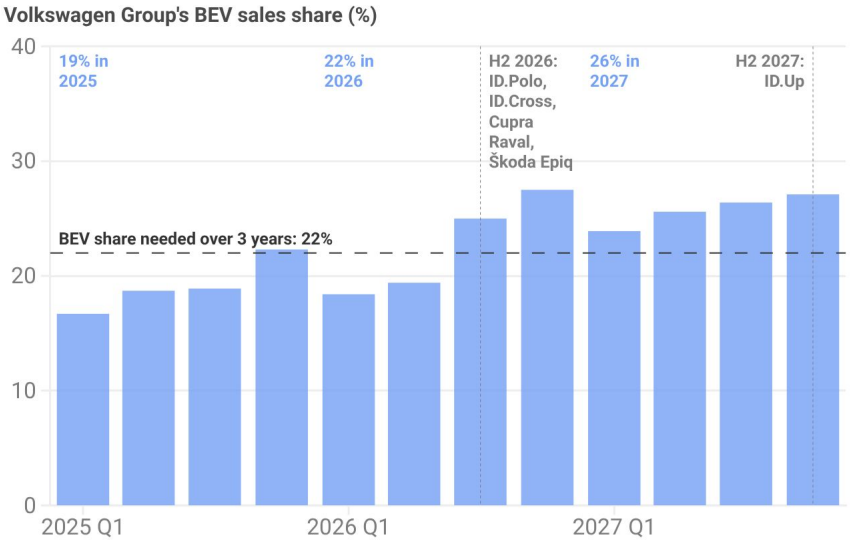
Source: T&E analysis, Dataforce (registration data in 2025 and H1 2026), GlobalData forecast (powertrain share in H2 2026 and 2027) • Scope: 23 EU countries and Norway. Passenger cars registrations, excluding special purpose vehicles.

Volkswagen is on track to meet the 2025–2027 target thanks to BEV rollout

Our analysis finds Volkswagen on track to meet its 2025–2027 CO_2 target, reaching a 22% BEV share in 2026 and 26% in 2027.

- **New small BEVs to close the gap**: the ID. Polo, Cupra Raval and Škoda Epiq in H2 2026, then the ID.Up by the end of 2027. CEO Blume says these "will put us in a better position to reduce the remaining gap to the CO_2 targets".
- **BEVs reached 31% of VW's European order book in June**. The entry-level family has 100,000+ pre-orders, 40,000 for the ID. Polo.
- **VW is shifting German production from ICE to BEV**, as BEV demand outpaces its forecasts.
- Compliance is driven by BEVs, though HEV and efficiency gains are also needed.

Volkswagen's Electric Urban Car Family is expected to boost EV sales



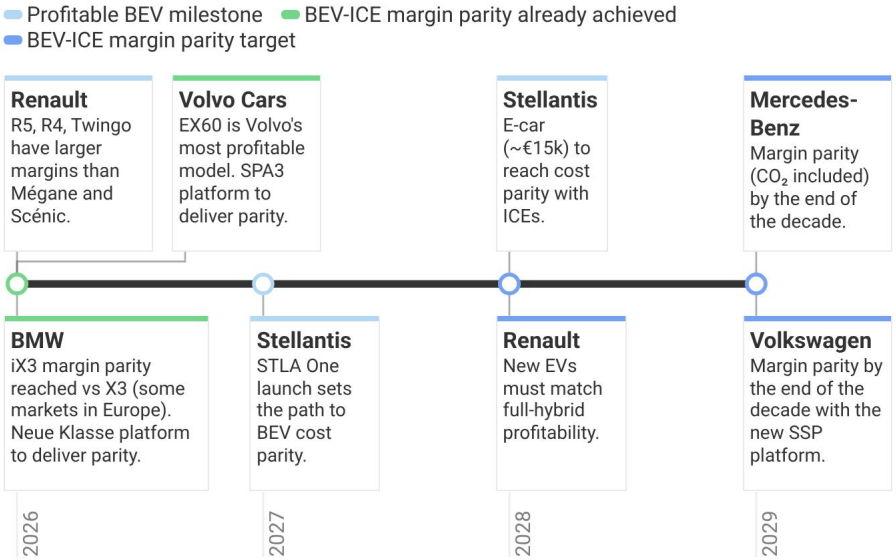
Source: T&E analysis, Dataforce, GlobalData • Scope: Passenger cars in the EU and Norway

Electric cars are reaching profit parity according to carmakers

Carmakers' own statements to investors put electric cars at profit parity with combustion by the end of the decade, and BMW and Volvo Cars say they are already there on their newest models. Price and margin parity comes from scale.

- **New platforms unlock profitability**: BMW's Neue Klasse and Volvo's SPA3 are engineered to close the margin gap, while Stellantis' STLA One sets a clear path to cost parity over time.
- **Affordable BEVs can be profitable**: Renault makes higher margins on its smallest electric models than on its larger ones, and Stellantis expects its ~€15,000 e-car to reach cost parity with ICEs in 2028.

Carmakers' own timeline to profitable electric cars



Source: Company statements to investors, 2026

Section 2

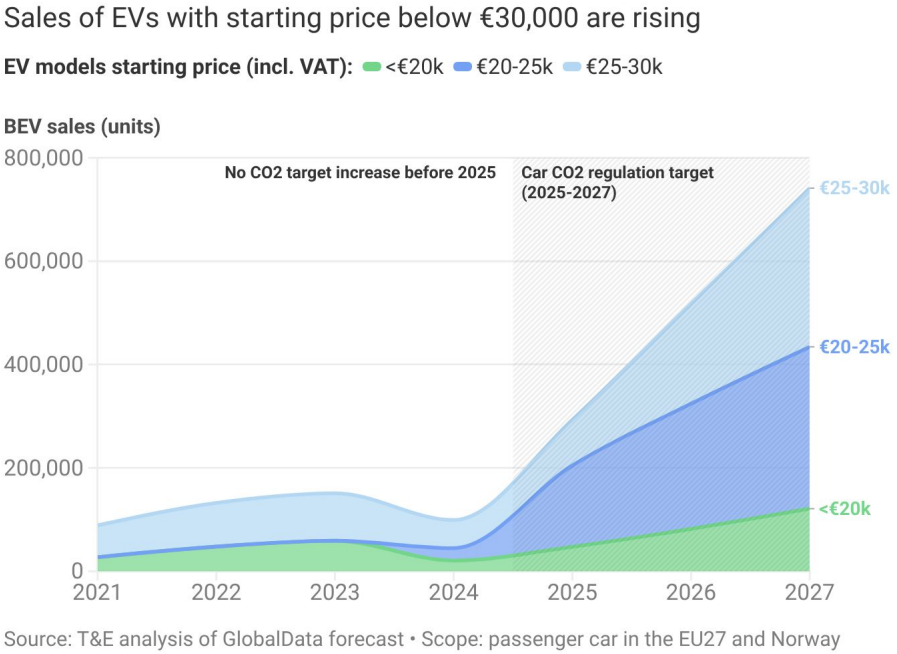
Supply of affordable BEVs



Car CO2 targets are driving sales of affordable EV models

Carmaker electric vehicle offerings are driven by the car CO_2 targets. With flat targets in 2021-2024, manufacturers had limited incentive to introduce affordable models. The current three-year target is now driving a wave of affordable models.

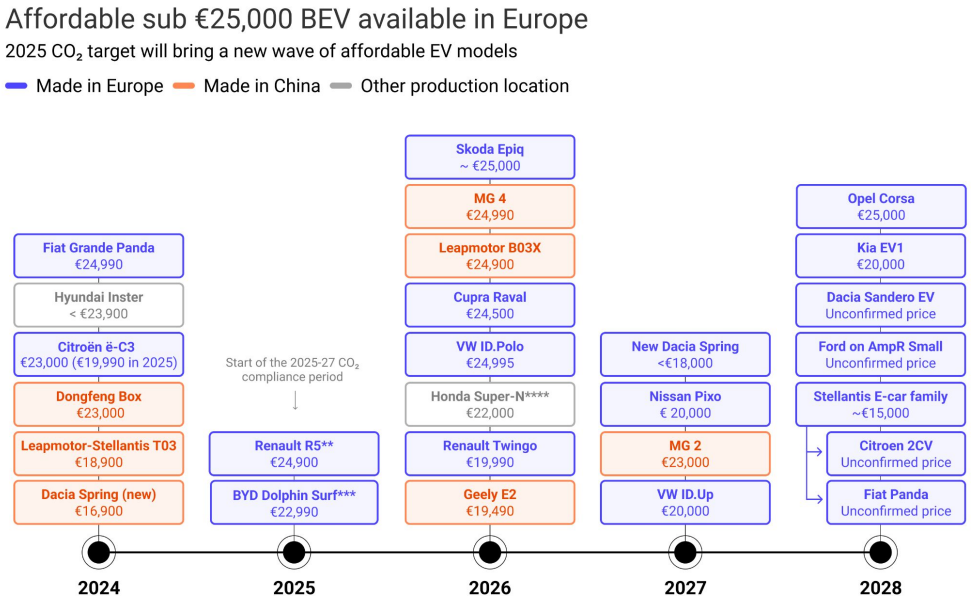
- **Sales of models with a starting price below €25,000 are set to be seven times higher in 2026 than in 2024.**
- **They are expected to grow a further 34% in 2027**, reaching close to ten times the 2024 level.
- **Models starting below €30,000 are expected to reach close to a quarter of the EV market in 2027.**



Availability of affordable BEV models is growing fast

The EV market is now shifting focus from the €25,000 price point toward models in the €20,000 range, with a new generation of segment A vehicles starting as low as €15,000.

- **By the end of 2026, 16 models below €25,000** will be available - a doubling compared to the previous year - of which 4 are below €20,000.
- **Around 10 models at or below €20,000 by 2028.** This includes the Renault Twingo, Volkswagen ID.Up and Dacia models.
- **Stellantis E-car family is expected around €15,000**, with a Citroën 2CV revival confirmed and a Fiat entry-level Panda reported.
- **Roughly 60% of affordable models available by 2028 are expected to be Made-in-EU.**

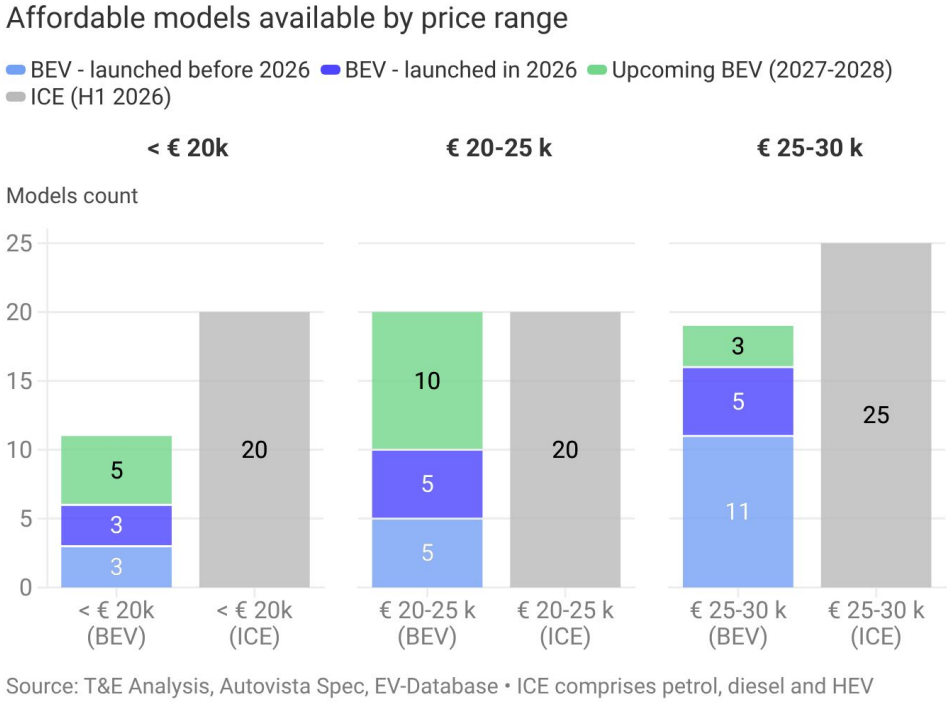


Source: latest official announcements and press articles (August 2026 update). **Base variant launched in 2025 (more expensive variants launched in 2024). *** EU production expected in Q4 2026." **** Only sold in the UK

The current affordable model availability gap with petrol is set to be largely closed by 2028

By 2028, the availability gap in the €20-25k range is set to be closed, assuming ICE offerings remain stable. The gap would be widest below €20k, with 11 BEV models expected in 2028 against 20 ICE models today.

- **24 BEV models are priced below €30k as of H1 2026**. 10 of them from European carmakers.
- More ICE models are available at lower prices today: close to three times as many sub-€30k models, increasing to 4.4 times in the €20–25k range.

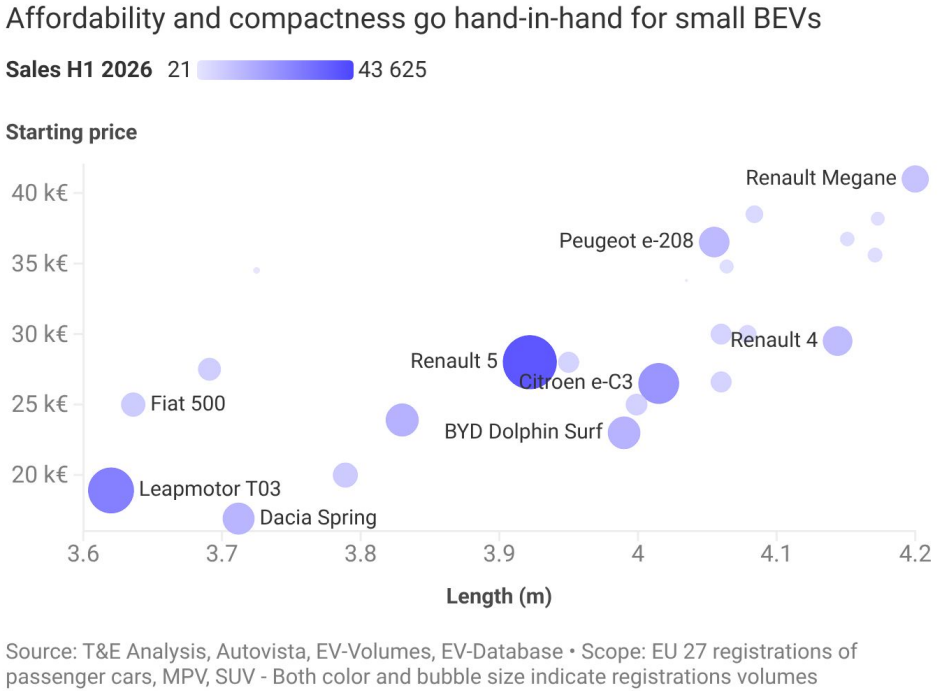


Source: T&E Analysis, Autovista Spec, EV-Database • ICE comprises petrol, diesel and HEV

Smaller cars below 4.1-4.2m are more affordable

The European Commission has proposed labelling electric vehicles up to 4.2 meters as "small and affordable" (M1E).

- This classification leverages the correlation between vehicle length and price point (which are both linked to carmakers segments and portfolios).
- **Two vehicles meeting these criteria (the Renault 5 and Leapmotor T03) ranked among the top 10 BEV best-sellers** during the first half of 2026.



BEVs 10 cm longer cost buyers ~€5k more

	Length	Average price	Average mass (kg)	Average efficiency (kWh/100km, WLTP)
M1E proposal	< 4 m	€26,854	1,362	14.7
	4 < 4.1 m	€31,802	1,522	15.5
	4.1 < 4.2 m	€37,643	1,602	15.2
	4.2 < 4.3 m	€42,618	1,805	15.5

Note: Sales-weighted average based on H1 2026 EU car registrations

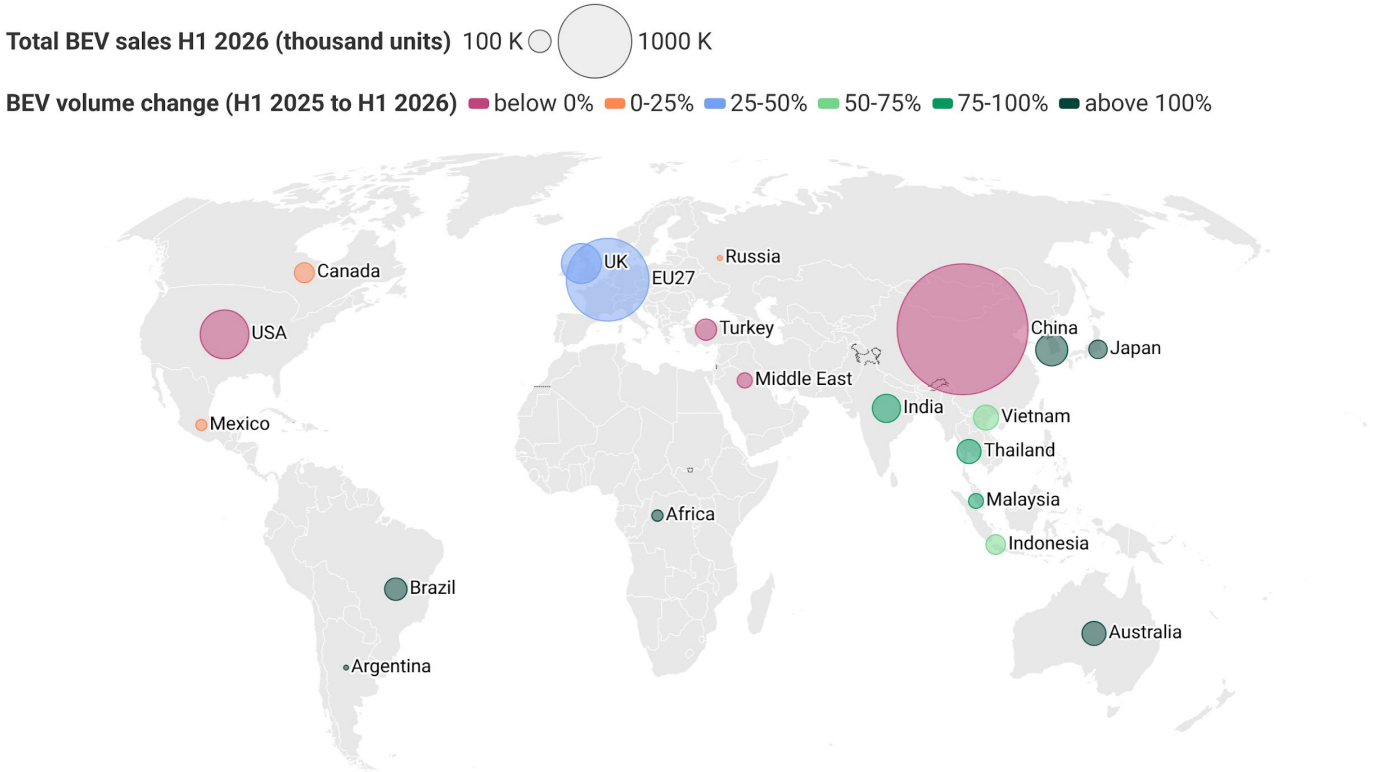
Section 3

Global shift to BEVs: the race between Chinese and European carmakers and the rise of leapfrogging emerging markets



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Emerging markets are electrifying most rapidly

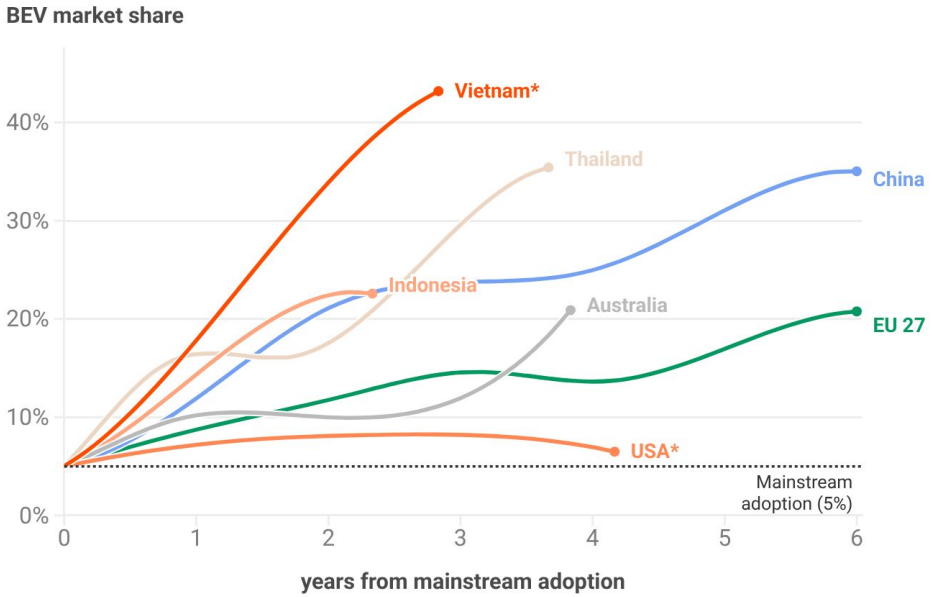


Source: T&E analysis, EV volumes • Scope: passenger cars, MPV, SUV, excluding vans

Several markets are electrifying faster than large blocs like the EU and China

Smaller markets, particularly across the Asia-Pacific region, have outpaced both China and Europe in the adoption of BEV technology.

- **Vietnam has seen the fastest growth.** The country went from 5% to more than 40% share in less than 3 years.
- **Australia recorded rapid growth**, especially over the last two years.
- **The US lost momentum**, its BEV share never crossing 10%.



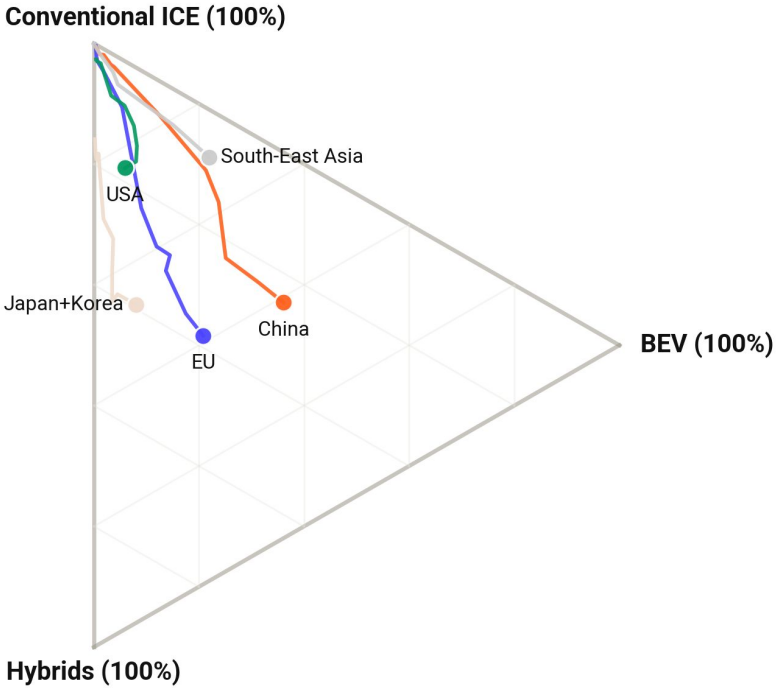
Source: Bloomberg Intelligence, EV Volumes • The x axis encodes the number of years after reaching a BEV market share of 5%, which we consider to represent mainstream adoption of a new technology
* indicates that data were obtained from Bloomberg Intelligence - 2026 data cover H1 .

Emerging markets favour BEV technology over hybrids

Emerging countries, especially across South-East Asia, see a fast shift towards BEV, with a small penetration of hybrid (HEV+PHEV) technology

- **South-East Asia favours BEV.** It displays the fastest transition from ICE to BEV in new registrations
- **Hybrids have the strongest penetration in legacy markets** (EU, Japan and South Korea).
- **The US market is still largely dominated by pure ICE sales.**

New passenger cars powertrain mix - 2026 YTD

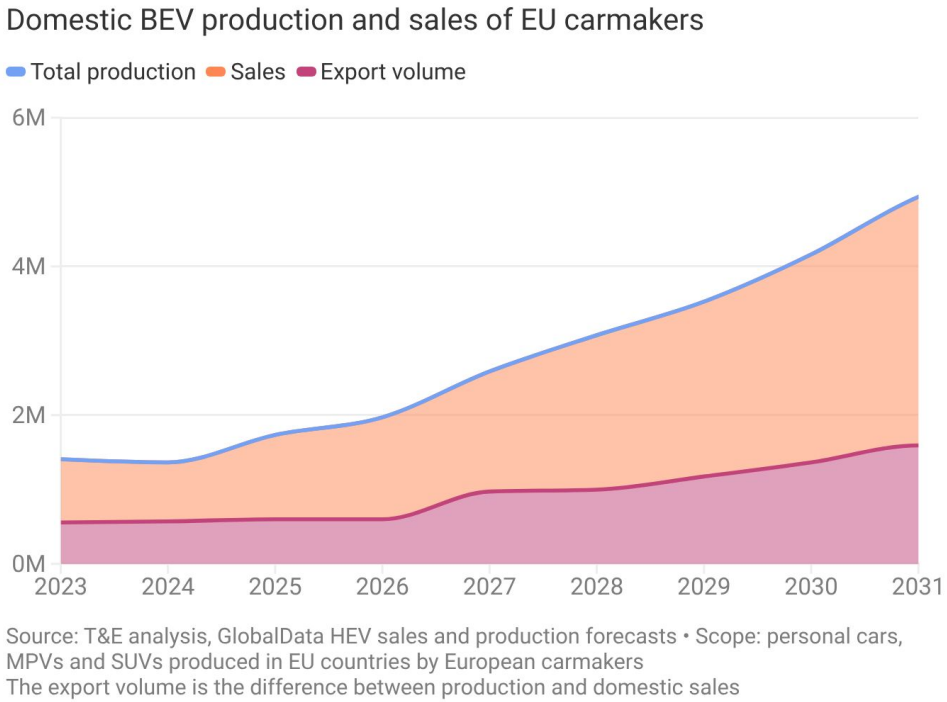


Source: Bloomberg Intelligence automotive sales data - Hybrids = HEV + PHEV

BEV exports from the EU are expected to almost triple in the next 5 years

The next five years will mark a strong increase in BEV production in Europe, driven by the sales targets in the Union. This marks an opportunity for European carmakers to also pivot exports from ICEs to BEVs.

- **BEV export volumes are expected to almost triple in the next 5 years** according to market intelligence forecasts: from 0.6 million cars in 2026 to 1.6 million cars in 2031.
- For reference, today EU carmakers export 3 million cars in total (including all powertrains).

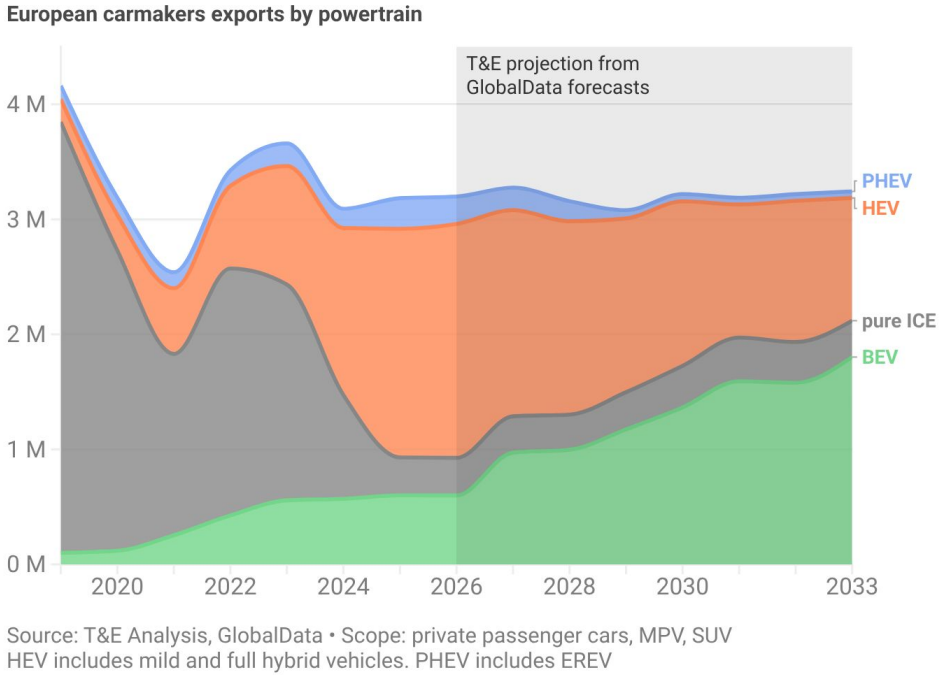


Source: T&E analysis, GlobalData HEV sales and production forecasts • Scope: personal cars, MPVs and SUVs produced in EU countries by European carmakers
The export volume is the difference between production and domestic sales

BEV export growth can compensate for the sharp drop in the ICE exports

BEV exports can make up for the sharp fall in ICE demand in other markets.

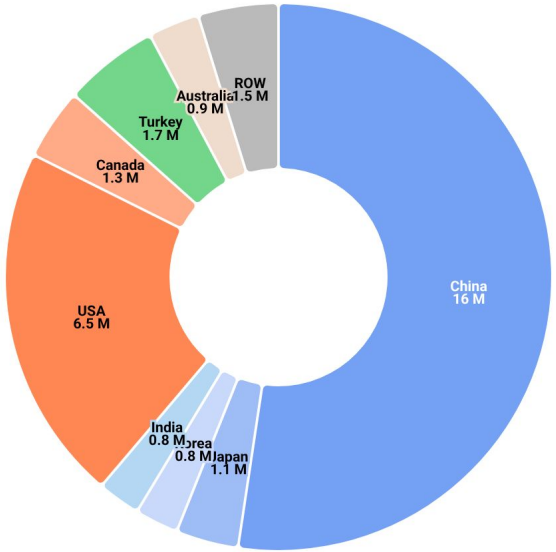
- **European exports of pure combustion vehicles fell to 0.3 million units in 2026,** because of a fast switch towards EVs and hybrids.
- **Hybrid vehicles (HEVs) are now the majority of exported vehicles.** These include full HEVs and mild HEVs.
- BEV export volumes are projected to accelerate significantly in the coming years.



Source: T&E Analysis, GlobalData • Scope: private passenger cars, MPV, SUV
HEV includes mild and full hybrid vehicles. PHEV includes EREV

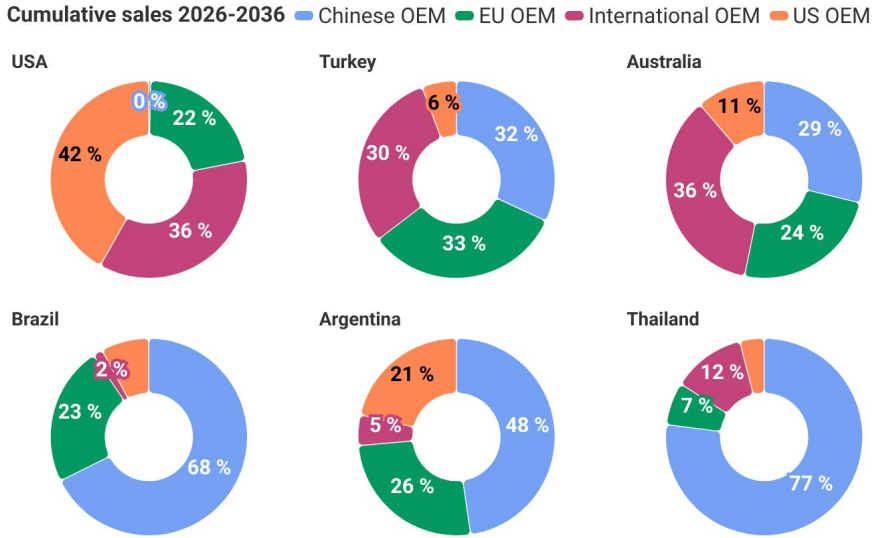
But European carmakers are set to miss most of the BEV growth in emerging markets, where Chinese carmakers lead

Cumulative BEV sales from EU carmakers over the period 2026-2036



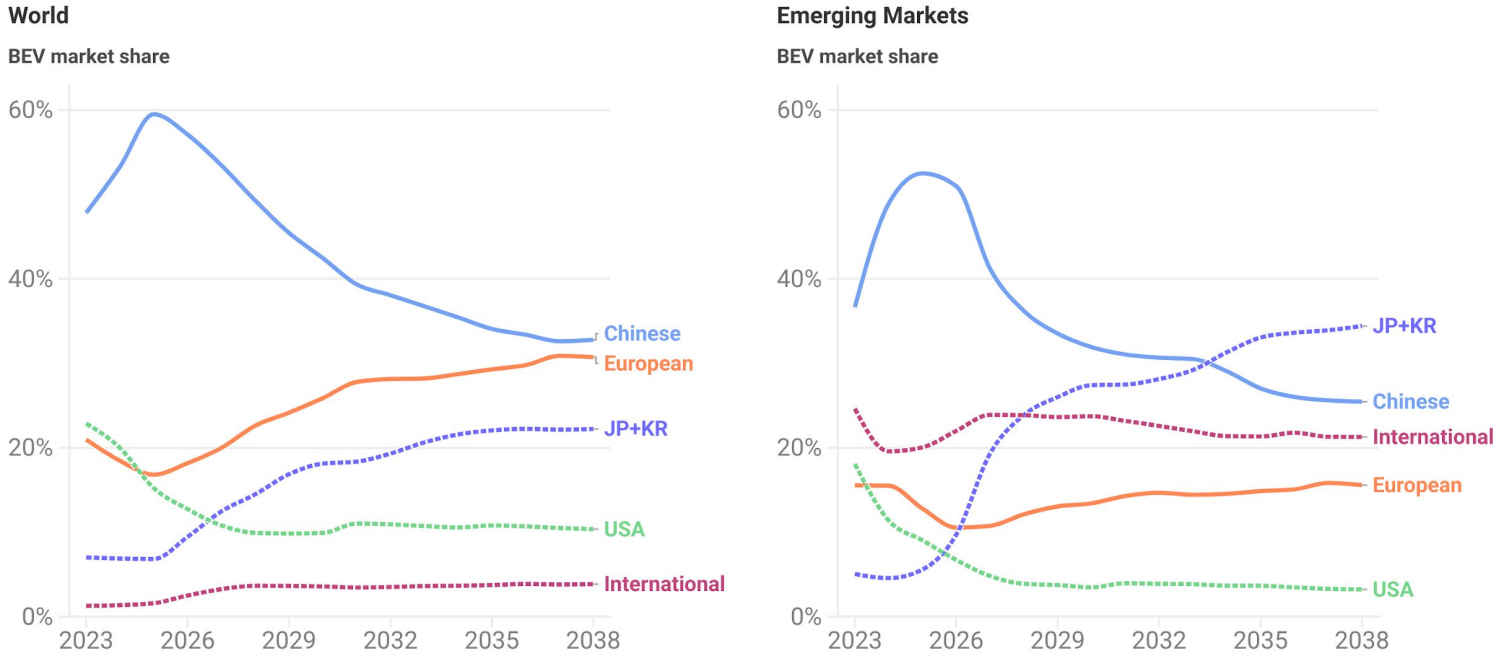
Source: T&E Analysis, GlobalData • Scope: passenger vehicles

Chinese carmakers are set to dominate the electrification race in emerging markets, with European competing in only a few countries



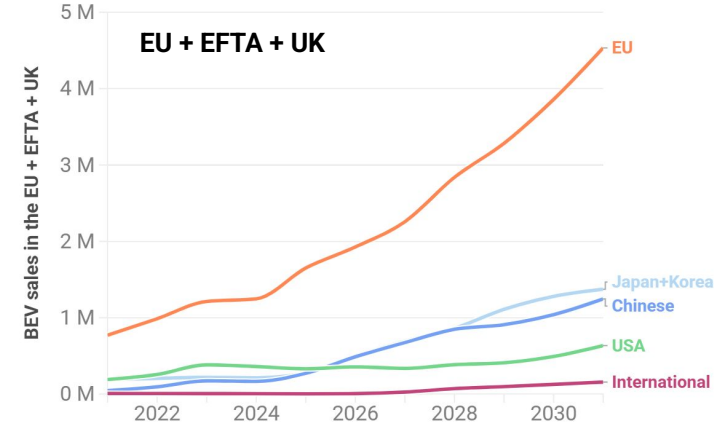
Source: T&E Analysis, GlobalData • Scope: passenger vehicles

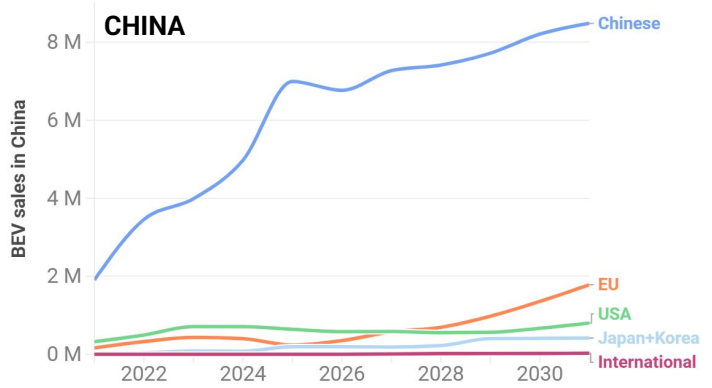
Despite a slow start and underperformance in emerging markets, European carmakers can close the gap on BEVs

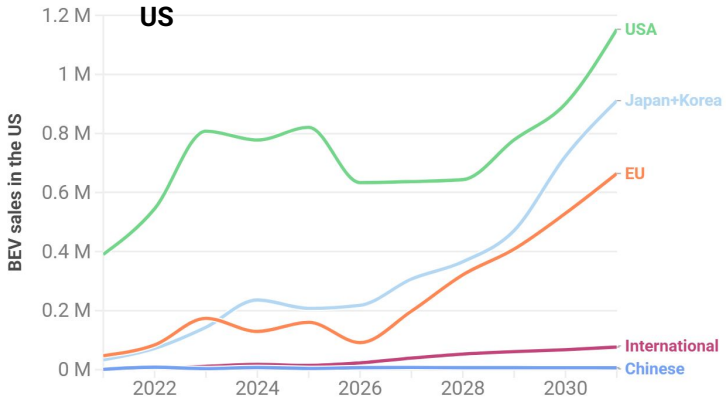


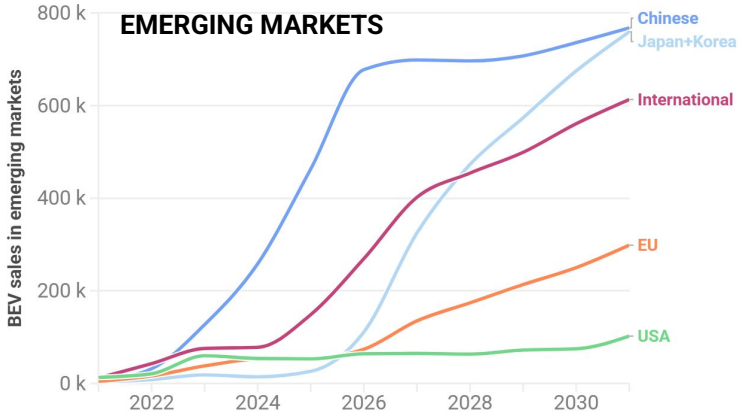
Source: T&E Analysis, GlobalData • Scope: personal passenger cars, MPV, SUV
Emerging Markets are defined as World minus EU, EFTA, UK, China, Japan, South Korea, Canada and the USA.

The European market is the BEV growth engine for European carmakers







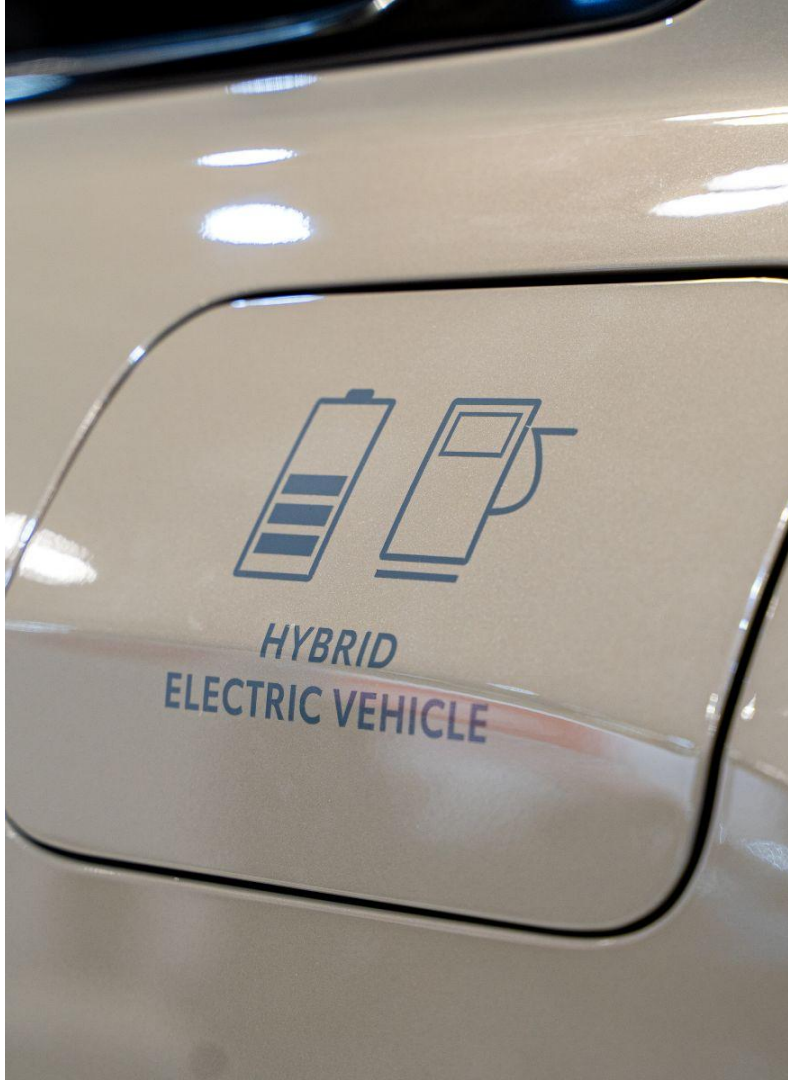


Source: T&E Analysis, GlobalData • Scope: passenger cars, MPV, SUV

Section 4

Car CO2 review: The make-or-break moment for the European car industry

Analysis of current car CO2 proposals and their implications

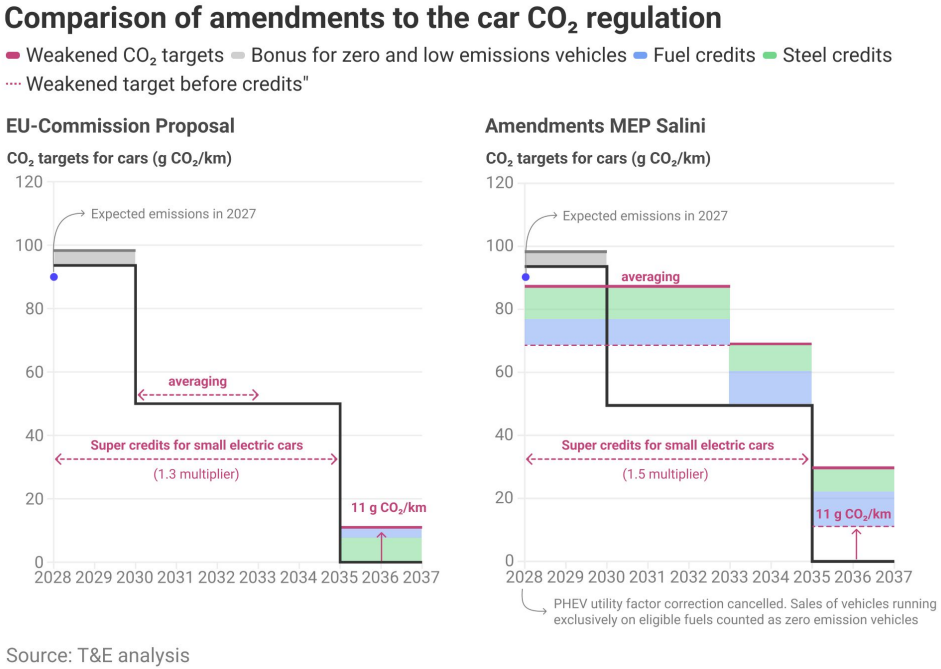


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The EPP proposal combines every possible weakening factor

The EPP rapporteur Massimiliano Salini has introduced a proposal on the EU's car CO2 standards that exceeds the demands of the auto industry. Instead of pursuing a political compromise, the proposal creates significant loopholes:

- Scrapping the correction of the utility factor for PHEVs.
- Averaging the 2030 target over five years.
- Creating a broad exemption for vehicles running on so-called "eligible fuels" (i.e. biofuels with weak sustainability requirements).
- For 2035, he proposes a 73% CO2 reduction vs 2021 based on 10% granted unconditionally, 10% 'eligible' fuel credits, and 7% from low-carbon steel credits.



Source: T&E analysis

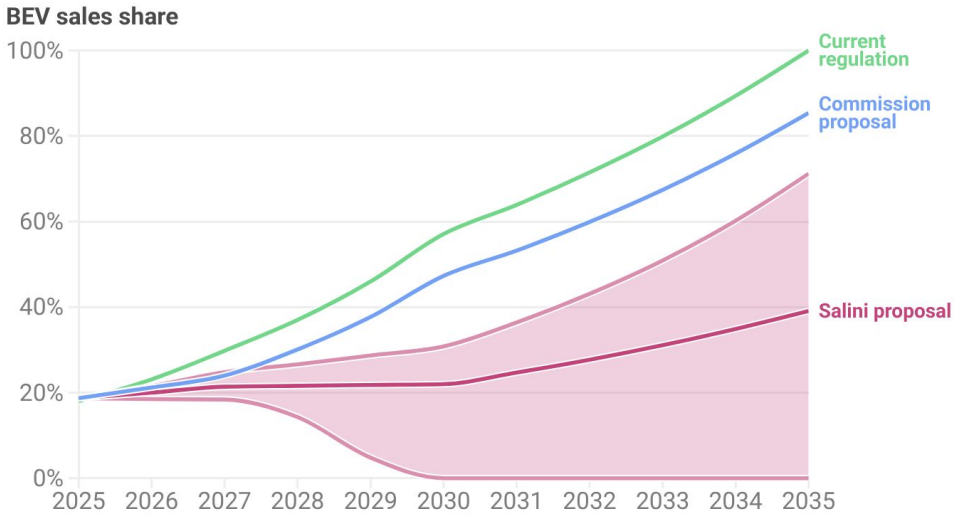
The EPP proposal would stop EV growth momentum

Our analysis shows BEV sales could stagnate by 2030 under the EPP/Salini proposal. In the most extreme scenario, carmakers could sell no BEVs at all from 2030 and still remain compliant.

- **Stagnating 22% BEV share in 2030,** as opposed to the 47% in the Commission proposal.
- **39% BEV share in 2035,** as opposed to the 85% in the Commission proposal.
- **Additional CO2 emissions of 2.8 Gt over 2025-2050**, representing a 40% increase compared to the current regulation.
- The high uncertainty about the pace of the BEV transition under the EPP/Salini proposal would effectively destroy the business case for BEV investments.

Salini's proposal could put the EV industry out of business

Allowing biofuels and cancelling the correction of PHEV emissions would effectively give polluting powertrains a free pass

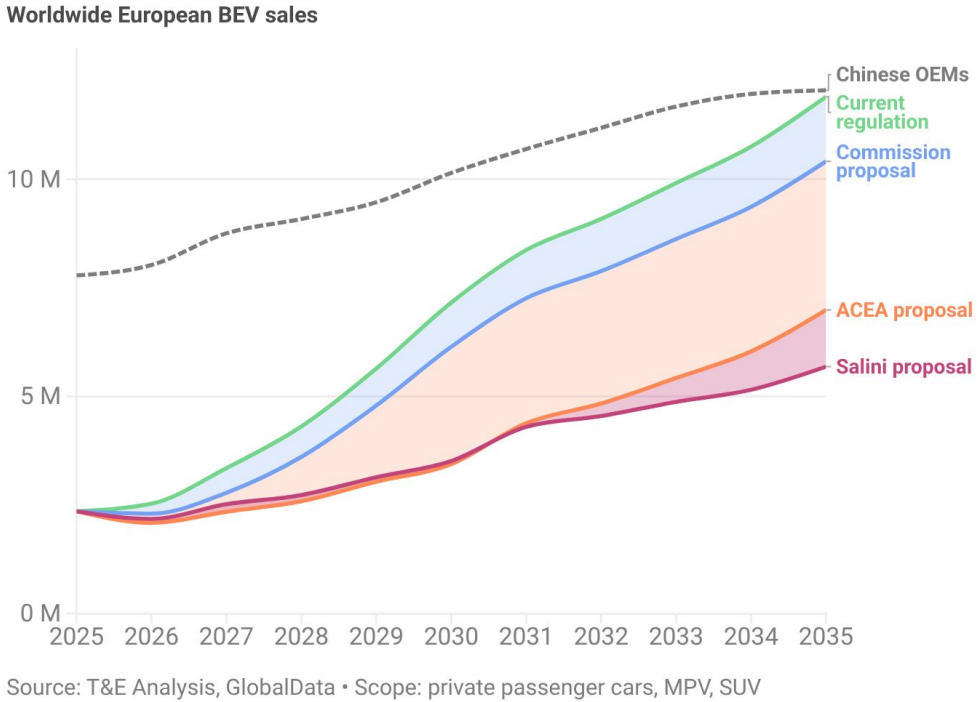


Source: T&E modelling

Weaker car CO2 targets would hand China undisputed leadership in the global EV race

A weaker car CO_2 target in the EU in line with the EPP/Salini proposal will drastically slow down domestic sales of BEVs and thus give up on our chances of competing in the global EV race.

- **Under the EPP/Salini proposal, European OEM BEV sales are expected to be around half of Chinese OEM BEV sales in 2035** (5.7 million vs 11.9 million)
- **If the EU safeguards the current targets, it can catch up with Chinese competition in the global EV race.**



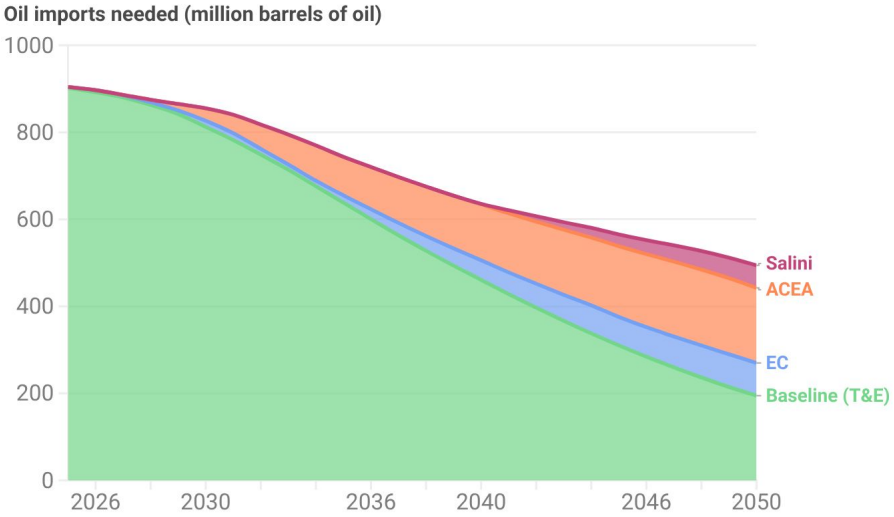
Source: T&E Analysis, GlobalData • Scope: private passenger cars, MPV, SUV

Weakening EU electrification targets would deepen oil dependency

The EPP/Salini proposal would lock Europe into oil dependence for decades to come.

- **The proposal would increase oil imports by about 3.5 billion barrels between 2026 and 2050** compared to keeping strong EU vehicle targets with more ambition on corporate fleet electrification.
- **Oil imports would more than double in 2050** compared to the T&E scenario.
- **This is €288 billion in additional oil import expenses by 2050.**

Annual oil imports needed for EU car fleet under different scenarios



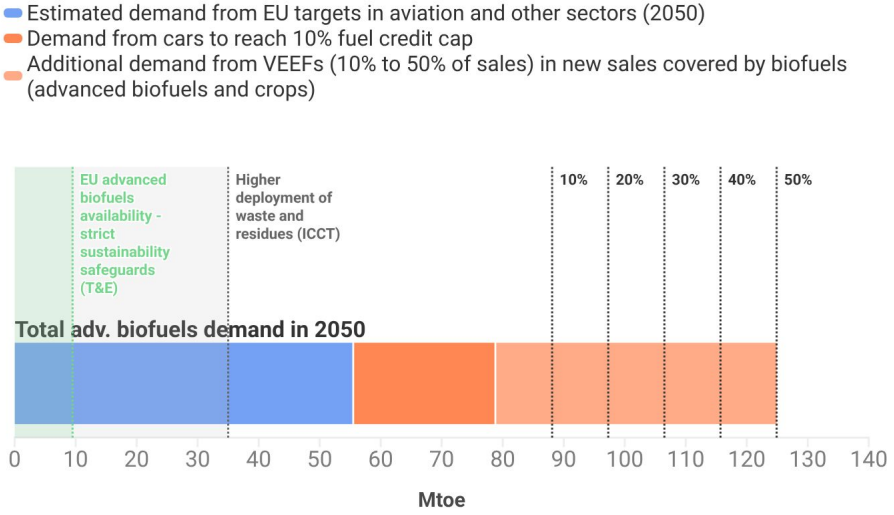
Source: T&E modelling • Fuels counted for the fuel credit and used by vehicles running exclusively on eligible fuels have been excluded.

Allowing biofuels in new cars threatens the wider transport sector decarbonisation

Aviation and other sectors already need more advanced biofuels than Europe can sustainably produce. Allowing new cars to run on them would stretch that supply past breaking point.

- **Salini's proposal would add 42% to 102% to biofuel demand in 2050.** The lower figure is the fuel credit alone; the upper adds cars sold as running exclusively on eligible fuels.
- **Total transport demand would reach 2 to 12 times what can be sustainably sourced**, depending on how much waste and residue feedstock is assumed available.
- **The shortfall would be met by imports Europe cannot verify.** Fraudulent UCO and POME are already a well-documented problem.

Using advanced biofuels in road would divert sustainable feedstocks from other sectors



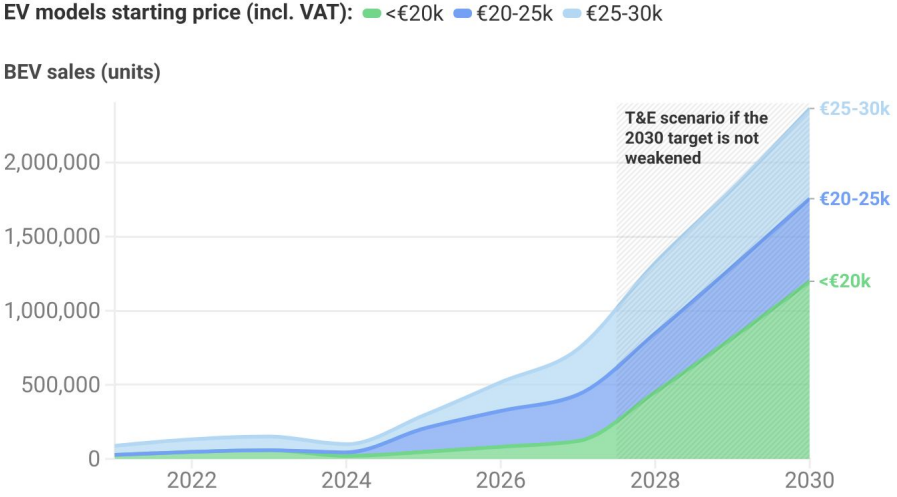
Source: T&E analysis, ICCT (2025). 13 Mtoe can be covered by crop biofuels (RED cap)

Upholding the 2030 CO2 target could unlock a new wave of small affordable EVs

If the 2030 CO_2 target is maintained, a new class of small, affordable vehicles made in Europe could reach the market from 2028.

- **More than 1 million small BEVs with a starting price below €20k could be sold in 2030**, assuming they grow at the same rate as models priced €20–30k did, with a three-year lag.
- **Models with a starting price below €30k could exceed 2 million sales.**
- Under the right conditions, **€15k EU-made BEVs have the potential to reach** 2.5 million annual EU sales by 2030–2035 (source: FNH & IMT).

A next wave of EVs with starting price below €20,000 could be unlocked by a strong CO2 target in 2030



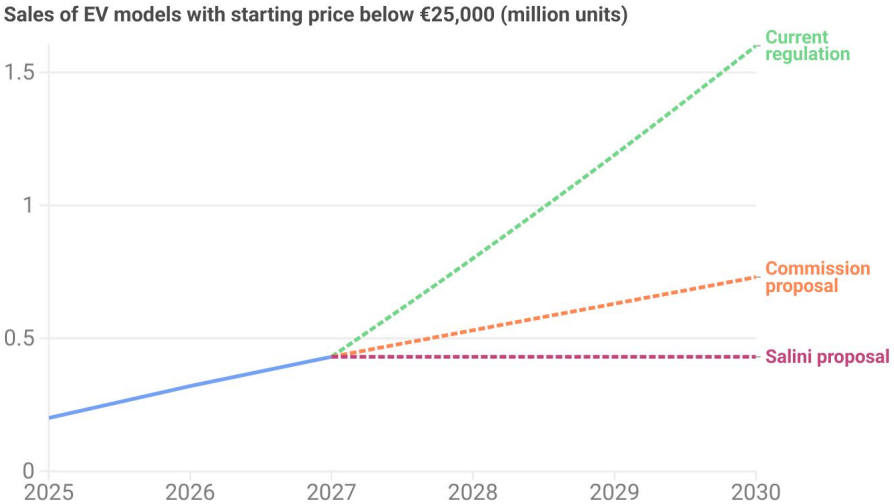
Source: T&E analysis of GlobalData forecast (up to 2027) ; T&E forecast from 2028 if the current regulation is maintained • Scope: passenger car in the EU27 and Norway

Affordable BEV models would be the first victims of weaker targets

Under the EPP/Salini proposal, carmakers would not need to sell any more affordable EVs than the current 2025–2027 period already requires.

- **Sales of affordable EV models priced below €25,000 would be cut by nearly three quarters by 2030** under the Salini proposal, leaving buyers with only larger, more expensive models.
- The Commission's own proposal would cut them by more than half.

Weakening the 2030 CO2 target would cut the need for carmakers to sell affordable BEV models



Source: GlobalData forecast until 2027 ; T&E modelling from 2028

Conclusion

'Don’t stop me now': uphold the targets and Europe stays in the EV race

Halfway through the 2025–2027 compliance period, the evidence is clear: car CO_2 targets are working as intended. Carmakers have already closed 75% of the gap to their three-year targets, and half the market is compliant, disproving earlier industry claims that the goals were unreachable.

The final quarter of 2026 is a make-or-break moment for the European industry. As negotiations on the CO_2 rules conclude, lawmakers must decide whether to secure Europe's electric future or stall the transition with dead-end alternatives like biofuels, effectively handing undisputed global EV leadership to China.

Politicians must act decisively to protect citizens and make this fossil fuel crisis Europe’s last one. We need an immediate reset of the electric car debate to protect European industry and consumers, as demanded in June by a broad coalition of industry groups and civil society.

EV momentum is surging across the continent. Choking off this momentum now only locks Europeans into debilitating oil dependency. When co-legislators vote this autumn, the choice is simple: welcome a cleaner, safer, and more affordable electric era, or force Europeans to keep paying the price of fossil fuel dependency. *See T&E recommendations for the car CO_2 revision on the next slide.*

Policy recommendations

Protecting CO_2 standards is key for EU competitiveness, including exports

01	Reject the freeze of the utility factor for PHEVs, and stay the course for the correction of the utility factor in order to close the growing real world emission gap.
02	Oppose five-year averaging (2028–2032) and remove the three-year averaging in 2030.
03	Remove the fuel credit mechanism from 2035 and reject so-called ‘vehicles running exclusively on eligible fuels’ (VEEFs).
04	Limit low-carbon steel credits to "Made-in-EU" green (fossil-free) steel.
05	Limit super-credits to small BEVs under 4.1 metres with a 1.2 multiplier.
06	Add real-world data to car labels, for electric and combustion vehicles alike, alongside the official WLTP value and allow differentiation by vehicle carbon footprint.

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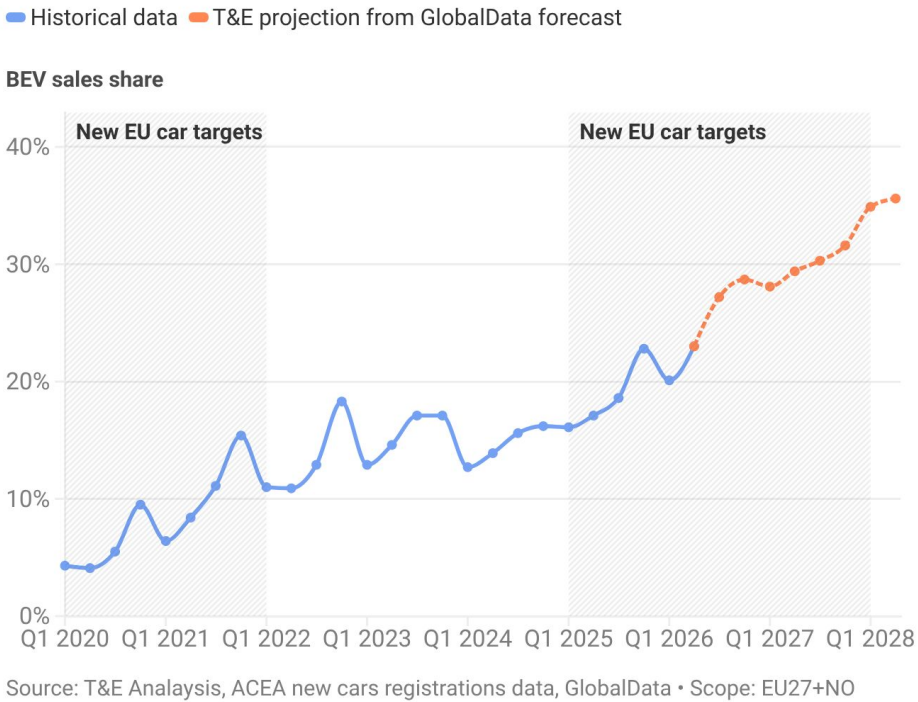
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Annex: supporting analysis

The EV market growth coincides with the EU car CO_2 targets. Driven by the 2025-2027 target, the BEV market is expected to account for 25% of sales in 2026 and 30% in 2027.

- In the EU27 and Norway, the **BEV market share reached a record 23% in Q2 2026**, and 22.7% over the Jan-Aug period.
- Updated projections from GlobalData now outpace T&E's earlier 2026 forecast of 23%. T&E now projects a BEV share of 25% in 2026 (EU + Norway).

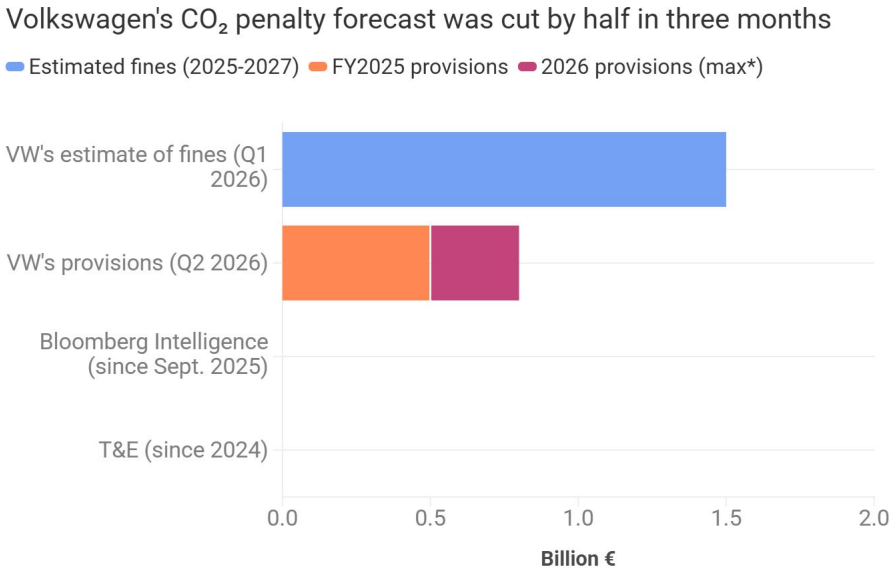


Source: T&E Analysis, ACEA new cars registrations data, GlobalData • Scope: EU27+NO

Annex: supporting analysis

VW told investors in early 2026 that missing the EU target would cost around €1.5bn over 2025–2027. It has provisioned less than €0.8bn, expects to book nothing further, and may reverse part of what it set aside.

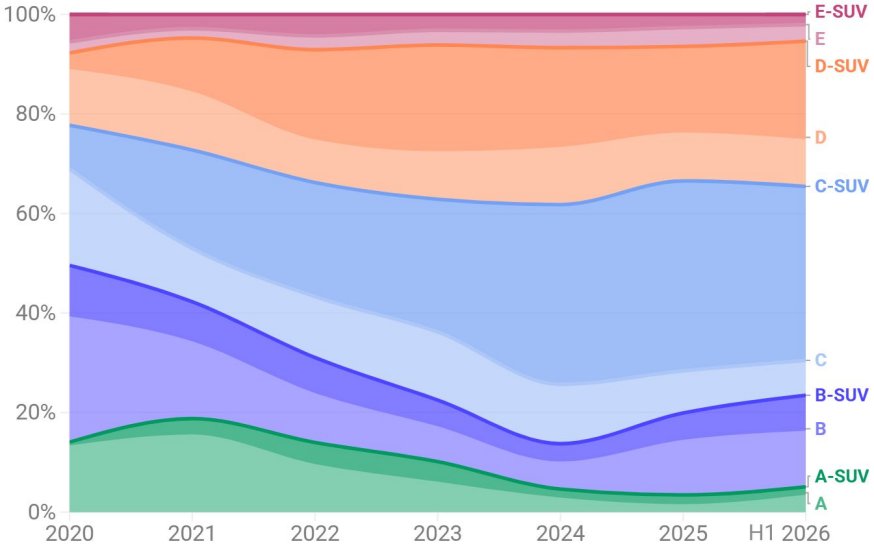
- **April 2026**: VW expected "almost EUR 1.5 billion over the three-year period" while describing a "trade-off between money [they] lose due to the CO2 fine and money [they] lose to the margin loss of the BEVs."
- **July 2026**: three months later, **no further provisions expected in 2026, with the possibility of reversing part of what was already set aside** — which VW attributes to demand for its new Electric Urban Car Family.



*VW reported lower CO_2 provisioning expense in H1 2026 than in H1 2025 (€0.3bn), and expects to book none in H2, with the possibility of reversing part of what was already set aside.

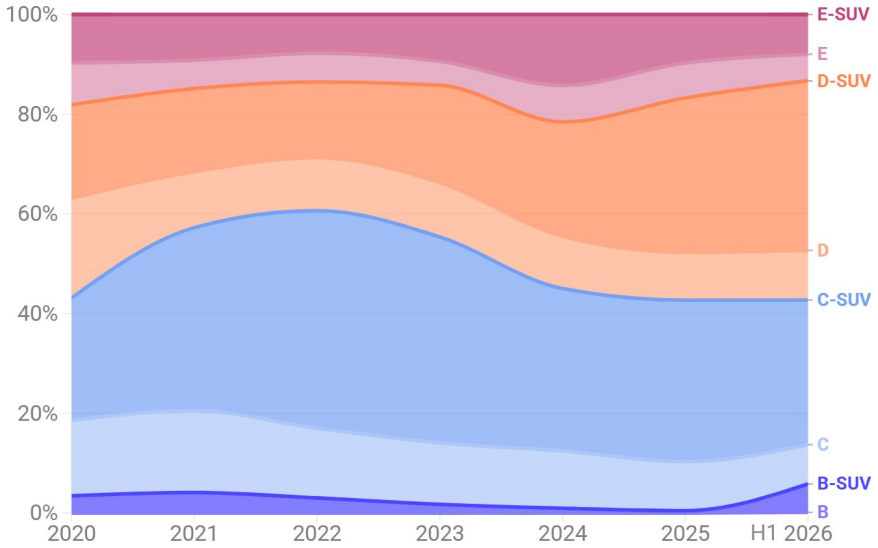
Annex: PHEVs are predominantly larger, more expensive vehicles

New BEV sales segment distribution



Source: T&E Analysis, EV-Volumes • Scope: passenger cars, SUV. EU27+NO

New PHEV sales segment distribution



Source: T&E Analysis, EV-Volumes • Scope: passenger cars, SUV. EU27+NO

Annex: List of BEV models with starting price below €30k in H1 2026

Model	Price range (€)	Model	Price range (€)
Dacia Spring	20 k	Kia EV2	25-30 k
Leapmotor T03	20 k	MINI One/Cooper	25-30 k
Renault Twingo	20 k	Nissan Micra	25-30 k
Citroën C3	20 k	Renault 5 E-Tech	25-30 k
BYD Dolphin Surf	20-25 k	Opel Frontera	25-30 k
Hyundai Inster	20-25 k	Renault 4 E-Tech	25-30 k
Fiat 500e	20-25 k	Leapmotor B10	25-30 k
Fiat Grande Panda	20-25 k	Opel Corsa	25-30 k
Dongfeng Box	20-25 k	Suzuki eVitara	25-30 k
MG4 Urban	20-25 k	MINI Aceman	25-30 k
Citroën C3 Aircross	25-30 k	NIO Firefly	25-30 k
GWM Ora 3	25-30 k	GAC Aion UT	25-30 k

Data sources

- **We have acquired global vehicle sales and production forecast supplied by GlobalData**; *Copyright © Global Hybrid and EV sales Forecast (Q2 2026) and Global Light Vehicle Powertrain Forecast (June 2026). All rights reserved; GlobalData is an independent provider of industry information. The sales forecast is based on GlobalData's model of the macro-environment, including economic and competitive developments. GlobalData uses industry contacts, press and media coverage, direct automotive manufacturer and supplier contacts, investment analysts, and other Globaldata assets. Permission to use GlobalData copyrighted reports, data and information does not imply endorsement by GlobalData of the manner, format, context, content, conclusion, opinion or viewpoint in which GlobalData reports, data and information or their derivatives are used or referenced herein.*
- **EV-Volumes:** Historical BEV, FCEV and PHEV sales volumes are obtained from EV-Volumes sales tracker (June 2026). The database covers the whole 27 EU member states. Passenger car segments were included in the analysis.
- **Dataforce:** Historical sales and CO2 emission data (2024, 2025 and H1 2026) are supplied by Dataforce. The data coverage for this briefing includes 23 European countries (Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden).

Methodology notes - Introduction and section 1

- **Car emissions - slide 3.** The 43% share is measured against EU transport emissions including international aviation and shipping; on a domestic basis cars account for a larger share. The 18% and 450 $MtCO_2e$ figures cover passenger cars only. Real-world emissions (gCO2/km) are from ICCT's On the way to 'real-world' CO2 values?
- **Oil crisis - slide 4.** Data comes from T&E's A continent squeezed.
- **EV market growth - slide 6.** Data comes from ACEA monthly new cars registrations data releases.
- **BEV models available - slide 8.** BEV models are identified using GlobalData sales forecast (Q2 2026). Scope: personal cars sold in the EU, excluding vans and niche models selling in fewer than 1,000 units per year. Carmaker origin (European vs Chinese) based on our classification. The ~15 new models per year is the increase in available models from 52 at end-2021 to 116 at end-2025, i.e. 64 models over four annual increments or 16 per year, rounded down to 15 for simplicity.
- **Volkswagen strategy - slide 10.** BEV sales share comes from Dataforce up to Q2 2026, and from GlobalData sales forecast from Q3 2026. The 22% BEV share needed to comply over three years is from our modelling.
- **Profit parity - slide 11.** Based on carmakers' statements to investors in 2026. BMW and Volvo Cars report margin parity on specific models; Stellantis targets cost parity for its affordable e-car; Mercedes-Benz projects margin break-even; Renault's 2026 comparison is between electric models.

Compliance with 2025-27 CO2 target - Slide 9

- Any forecast is subject to significant uncertainty, given the range of strategies open to each carmaker. Our central scenario is informed by past trends and GlobalData's powertrain forecasts.
- Emissions data (2024–H1 2026) comes from Dataforce, excluding vehicles we identified as special purpose — an exclusion that differs from other CO2 trackers and can shift carmakers' compliance gap by a few gCO_2/km.
- Test mass is derived from vehicle characteristics on the ADAC website , and assumed constant per carmaker and powertrain between H1 2026 and 2027.
- Powertrain shares are forecast using GlobalData.
- ICE and HEV emissions are assumed to decrease by 0.8% in H2 2026–2027 compared to H1 2026. As a reference, about -3% a year was observed in 2019–2022.
- PHEV emissions are assumed to increase by 1% in H2 2026–2027 versus H1 2026. The updated utility factor raises emissions for new type approvals from November 2026 (~2% of PHEV sales expected in 2027), partly offset by their larger batteries. A rising share of long-range versions lowers emissions across existing models. This is conservative: average PHEV emissions fell 2% after the 2025 utility factor correction for new type approval.
- Pools follow the M1 pooling list (18/05/2026) and Declarations of intent to form Open Pools (05/08/2026).
- Flexibilities: mass adjustment from our forecast of carmaker's powertrain mass; ZLEV bonus based on BEV and PHEV (<50 g/km) share; eco-innovation credits from EEA 2025 provisional data, held constant over 2025–27.
- Averaging: three-year average emissions and targets are weighted by annual sales.
- The 2024 gap compares 2024 emissions with an estimated 2025 target.

Methodology notes - Section 2

- **Affordable model sales forecast - slide 13.** GlobalData sales forecast provides sales volumes per vehicle model. We defined the starting price per models based on data from Autovista and ADAC for models sold in H1 2026. We used press articles, EV-Database and estimates for new models launched in H2 2026 and 2027. The starting price is defined as the price of the cheapest variant. The sales volume displayed on the chart includes all the variants of each EV model.

- **Affordable models below €25k - slide 14.** Prices and launch dates are drawn from manufacturer announcements, supplemented by specialist automotive press where no official figure exists. Prices are entry list prices including VAT and before incentives. The Made-in-EU share is calculated on announced or reported production locations and includes models whose plant is not yet confirmed.

- **Affordable models number data - slide 15-17.** Pricing data for cars released before H1 2026 come from the Autovista Spec database with DE and FR prices. They include VAT. Prices for upcoming models are estimated from the EV Database and manufacturers announcements. Where prices have been announced in several countries, we use the lowest starting price across EU markets.

Methodology notes - Section 3

- **Growth since mainstream adoption - slide 20.** The chart displays the BEV market share in the years following mainstream adoption for each country and region. Mainstream adoption is defined as the year in which the BEV share reached 5%. This allows us to compare EV uptake speed against a common reference. Vietnam's BEV market is dominated by VinFast, with a substantial share of deliveries going to fleet and ride-hailing customers rather than private buyers. Market totals are estimated rather than drawn from a reported registration series.
- **Export calculations - slide 22-23.** We have calculated export volumes for European carmakers from the difference between domestic production and domestic sales forecasts. The data come from GlobalData EV production (June 2026 update) and sales (Q2 2026 update) forecast respectively. The scope is on personal cars of conventional, MPV and SUV type. The 3 million figure covers exports by European carmakers only, based on GlobalData. ACEA reports 4.5 million EU car exports in 2025, a higher figure because it covers all carmakers.
- **OEM grouping and Emerging Markets - slide 24-26.** Carmaker origin is based on the T&E classification. "International OEMs" groups non-legacy carmakers from players outside the traditional major markets, such as the EU, the US, China, Japan and Korea. Emerging markets comprise a set of fast-electrifying countries for which a detailed picture is available in the GlobalData EV sales forecast: Argentina, Australia, India, Indonesia, Malaysia, Mexico, the Philippines and Thailand. Vietnam is excluded, as it is not clearly separated in the forecast; we note that the Vietnamese BEV market is dominated by the local producer VinFast.

Methodology notes - Section 4

- **BEV sales policy scenarios - slide 29.** The current regulation and Commission proposal scenario are from T&E analysis of the European Commission proposal for the revision of the car CO2 regulation. The Salini proposal scenario includes an uncertainty range showing the minimum and maximum weakening, depending on how many vehicles running on so-called "eligible fuels" are sold and on the composition of the ICE powertrain mix.

- **European carmakers' BEV sales under different car CO2 scenarios - slide 30.** Worldwide BEV sales from European carmakers are broken down by region based on GlobalData EV forecast. BEV sales from European carmakers in the EU market are then adjusted based on policy scenarios. We assume that EU policy scenario affects European carmakers in the EU while we keep the sales from extra-EU carmakers constant. This assumes that Chinese and other international BEV sales in Europe would not be impacted by EU policy change. This is conservative: if European carmakers scale back affordable BEVs, non-EU carmakers would likely capture that unmet demand, so their sales would rise rather than stay constant.

Methodology notes - Section 4

- **Oil import - slide 31.** The CO2 modelling tool presented in the Annex of the T&E analysis of the European Commission proposal has been used to estimate fuel consumption from the car fleet. We subtracted biofuels, advanced biofuels and potential e-fuels to isolate fossil fuel consumption, then converted it to barrels of oil using its energy content. Expenditure to 2050 is calculated at €81/barrel (2025 currency), the average over 2021–2025. This does not account for additional oil price volatility or for structural increases in oil prices. Figures are modelled against the current car CO_2 regulation; ambitious corporate fleet electrification, mentioned on the slide, is referenced as a key measure to support the demand required to meet the car CO_2 targets.

- **Biofuel feedstock - slide 32.** EU advanced and waste biofuels availability, and demand from other sectors, are taken from T&E's Biofuels in cars: A dead end for Europe. Additional demand from cars is based on the quantity required to reach a fuel credit equivalent to a 10% weakening of the 2035 target, and on increasing sales of vehicles running on so-called eligible fuels.

Methodology notes - Section 4

- **Affordable model sales by 2030 - slide 33.** Up to 2027, we use the same assumptions as slide 13. From 2028, models we identified with a starting price of €20–30k follow the GlobalData forecast, while models priced below €20k grow at the same rate as €20–30k models did, with a three-year lag. The lag reflects two successive waves: €20–30k models launched from 2024 for the 2025–2027 target, and sub-€20k models announced for 2028 for the 2030 target. We assume the second wave grows at the same rate as the first. A lower price point could broaden the market further. For comparison, FNH and IMT estimate a potential of 2.5 million annual EU sales for EU-made electric cars below €15,000 by 2030–2035, against just over 1 million sub-€20k sales in 2030 under our assumption. This growth assumes the 2030 CO_2 target is maintained.

- **Weakening of affordable model sales by 2030 - slide 34.** In the “Commission proposal” scenario, BEV sales are aligned with the GlobalData forecast given that the 2030 market BEV share matches our modelling (2030 BEV share in slide 29). In the “Salini proposal” scenario, our modelling shows that carmakers would not need to increase BEV sales after 2027.