

European Electric Car Market Intelligence Study

Providing industry-leading market intelligence behind Europe's new plug-in car market

No. 10/25: Covers January-October

Positive signs as the market on track to end 2025 with a BEV mix of above 20% – although not without a return of subsidy stabilisers

SCHMIDT AUTOMOTIVE RESEARCH

Rostocker Strasse 15A, Ottersberg bei Bremen, 28870, Lower Saxony, Germany

www.schmidtautomotiveresearch.com, mail@schmidtmatthias.de

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Executive Summary

October contributed to the 2025 year-to-date BEV regional new passenger car penetration level coming to within 0.1 ppts of accounting for every fifth new car entering the Western European new car market (19.9%) so far this year. A combination of new products, lower-capacity batteries, and the debuts of LFP battery chemistries from incumbents is driving OEMs to meet stricter regulatory CO2 fleet-average emissions levels from 2025 and the latest UK ZEV mandate, while new market entrants are boosting a hyper-competitive market. Total plug-in (xEV) market penetration grew to 29.9% so far this year. PHEVs remain on target to contribute at least 10% of total new car registrations for the first time, aided by Chinese models that mitigate against tariffs on Chinese-made BEVs.

As an entire industry tentatively waits until December 16th to hear the European Commission's Automotive Package that could include a Revision of the EU's CO2 standards (see the editorial), BEVs continued their upward trajectory (+25.5% y/y after 10 months) in a near-stagnant total new car market (+1.4% y/y). Regularity targets, and the return of subsidies across many markets in the second half of the year, particularly France in the final quarter, and the UK, are expected to have a significant boost during the final two months of the year, bringing the total plug-in new car market to approximately accounting for every third new car entering the region during 2025.

Meanwhile, Germany has announced a return of subsidies from 2026, although it still has to be agreed on by Brussels, offering means-tested subsidies of between €3,000 to €5,000, bringing new LFP-based small car models to price parity with internal combustion models such as the Volkswagen ID. Polo, due for launch in 2026, and the incumbent petrol-driven Polo. The Small-car sector is likely to be a significant beneficiary of the subsidy rollout. Germany's VDA has forecast that 693,000 new BEVs will enter the market next year, which would be equivalent to 24% of the total market.

Some highlights:

- **PHEV volumes continue to rebound, and remain on course to account for a double-digit share of the total market for the first time this year.** A major driver is Chinese OEMs pivoting away from EU anti-subsidy tariff-hit BEVs while maintaining high levels of production utilisation and shipping capacity. Three of the top 15 PHEV models delivered so far this year were Chinese-brand models.
- **The Western European total BEV vehicles in use (Parc) figure was within 400,000 units of reaching 10 million BEVs in use.** The 9.6mn vehicles accounted for 3.9% of the region's total 245 million passenger car population. This is key as regulators look to encourage a closed-loop critical raw material cycle to limit its long-term dependence on China. With high-voltage battery PHEVs added, over 15 million xEVs are currently in operation.
- **Volkswagen Group dominates the region's BEV market, accounting for 28.2% of the total market, though that share is now plateauing as expected.** The long-term trajectory is expected to fall slightly, reflecting its total market share penetration, which was 26.4% across all fuels. Tesla's share fell to 8.8% from 15.7% during the same period last year, although new standard versions of the Model Y and Model 3 are expected to stem those losses during 2026, despite a more competitive market environment.
- **Small A/B-segment BEV models are on track to see the most significant gains during the final quarter of the year as purchase subsidies favour these compact models.** The October share increased to 15.1%, and solidified its position as the second largest sector following SUV/Crossovers. Sub 4.5 metres compact crossovers are boosting that sector to a share of just under 60% of the total BEV market, with the Škoda Elroq claiming the most registered new BEV position in October and becoming the first non-Tesla model to see more than 10,500 BEVs delivered in a single month.

The current study hasn't taken the Nexperia chip shortage into consideration in its forecasts, given that the situation remains very fluid and Q3 results calls haven't provided much more guidance. We await the December 16th Automotive Package from the European Commission, which will provide more clarity and enable a clearer forecast in the next edition.

The European Commission's Automotive Package before Christmas

Relying on signposts, headlights, and streetlighting during a long journey gives the reassurance that one remains on the correct route (at least in the old world). However, once signposts begin to fade or streetlights unexpectedly go out, anxiety sets in. That is where the European passenger car market currently stands, on route to 2035. CO₂ regulatory signposts have been slowly but surely guiding the market (see infographic 1), with the 2035 93.6g/km target as the final destination.

The pull-forward in the Commission's mid-term progress report, reviewing the market's headway and whether 2035 targets remain achievable, was initially scheduled for 2026 but was effectively rescheduled to 2025 at the request of many stakeholders earlier this year. Many of those, not exclusive to OEMs, continue to struggle in a post-pandemic, hyper-competitive market environment amid the turbulent new geopolitical status quo. Justifiably, questions are being asked about local content and the reliance on China as a reliable partner, given its increasing share of the supply and value chain as the industry pivots to EVs. **France**, which has battery facilities up and running, is lobbying for more local content elements to be introduced. According to **ACEA**, China produces 76 – 85% of the world's battery cells (depending on the source). EU and US: about 5% each. Meanwhile, **Germany**, whose main OEM competence has been in superior mechanical engineering, fears that a switch to EVs too quickly will dilute its key brand-differentiating characteristics and erode its dominant market positions – as witnessed in **China**. Meanwhile, leading **tier-one suppliers** are at risk of a rapid shift to *software-defined vehicles* (SDVs). In an SDV world, OEMs no longer need pre-coded electronic control units (ECUs) for electric windows etc. as they can now code it in-house, resulting in auto-supplier job cuts and a transfer of profits and lower costs to OEMs driving the reduction in dilutive margin element of BEVs.

In parallel, **new market entrants** (NMEs) with less than 15 years of European market presence are expected to capture 1 million regional new-car registrations this year. That means, in reality, in what is expected to be an 11.7 million new-car market, 2.5 million units below pre-Covid levels, incumbents are catering to just 10.7-10.8 million, or effectively unable to change up a gear from the Covid-hit years. The result? Underutilised plants.

Following several so-called automotive dialogues between stakeholders and policy-makers this year, the entire industry holds its breath to hear what the Commission's **Automotive Package** will present on December 16th. Originally due to be presented on December 10th it has now been tentatively rescheduled, to be unpacked just days before Christmas according to documents first seen by *Euractiv*. But what can we expect?

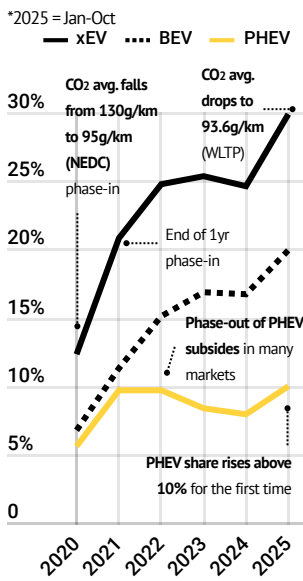
As we focus on the W-European passenger car market, given that it is where 96% of the wider European region see BEV volumes land, and 89% across all fuels, the Western European market has progressed as expected. A strong rebound from BEVs sees fully electric models remain on course to account for at least every fifth new passenger car during 2025 (YTD: 19.9%) or close to one-third (YTD: 29.9%) including PHEVs.

The main driver? The 2025 15% CO₂ fleet emissions cut over 2020/2021 levels to an average weight-based target of 93.6g/km (WLTP). **Chinese OEMs**, while getting off to a slow start to the year, are readjusting to the anti-subsidy tariffs, in place for 12-months, and accounted for a steady 10.7% share of the BEV market (+0.6ppt y/y). **Tesla was the ill patient**, witnessing a 6.9 percentage point market share contraction, accounting for just 8.8% of the region's BEV market this year.

So, can it be argued that the tightening of CO₂ regulations from 2025 was one of the main driving forces behind the fightback

Backseat regulatory driver?

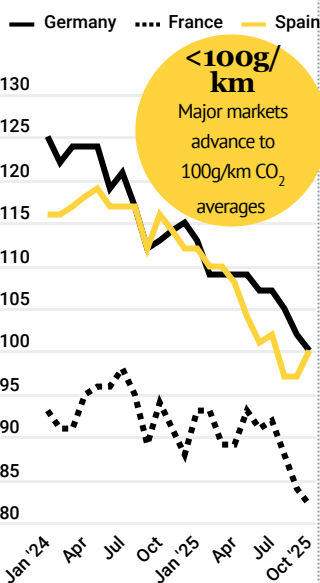
BEV+PHEV share of the West European new passenger car market 2020 - 2025*



Source: Schmidt Automotive Research

Going down!

Major EU passenger car markets see dramatic drops in new car market CO₂ averages (g/km)



Source: Schmidt Automotive Research

ŠKODA Elroq No.1

W-Europe's number one BEV during October, soaking up >10,000 units.



against Tesla, and muting the Chinese advance? Perhaps. However, Chinese gains are now being channelled through other drivetrains, avoiding tariffs and passing some of those cost advantages they can still utilise onto their non-BEV pricing. Incumbent OEMs meanwhile, have largely kept to their script, of pushing new BEV to meet regulatory targets in 2025 despite the three year averaging between 2025 and 2027 agreed this year.

So what's on the December 16th agenda?

- Revision of the CO₂ standards for cars and vans
- Battery Booster Strategy
- Automotive Omnibus
- Greening corporate fleet

With the term a "revision of CO₂ standards" is on the agenda, it could suggest that there is likely to be some movement. However, several stakeholders from both sides of the divide we have spoken to believe the headline numbers will now stay where they are... on the surface. At the same time, a host of so-called adjustment mechanisms, such as super-credits, could be used to offset ICE or PHEV models being permitted beyond 2035 as part of a possible *Small Affordable Car Initiative*, perhaps. Stable headline numbers would please those who have already effectively divested from ICE investments, such as **Volvo Cars**, providing some planning security, while a nuanced adjustment would offer hope to conservative EPP lawmakers who have become the kingmakers of the parliament and would need to agree to it as well as OEMs and governments looking for a change. By trying to please all, the Commission may please none however. A face-saving framing attempting to show they are sticking to their Green Agenda 2035 goals, but in reality are kicking the can further down the dimly lit road. A Swiss cheese result could be the best description, which wouldn't only partially reilluminate those guiding lights but also risk not providing investment planning security. **Ford's** CEO *Jim Farly* wrote in a *Financial Times* open-Ed this week, about the urgent need of a regulatory framework for Europe that provides a realistic and reliable 10-year planning horizon. However, if regulators would take a glance at the current market reality, following the pitstop in 2024 as the market growth vanished following the removal of key purchase subsidies in markets such as Germany, alongside the narrowing of fiscal sweeteners, 2025 is back on track with margin-dilutive BEVs about to hit parity on LFP battery rollouts.

So what's with the *hyper-competitive* Chinese BEVs? Despite commanding over 10% of the regional BEV market for a second year, not one Chinese model made it into the top 25 most registered BEV models list. That can likely be attributed to a push from incumbents, introducing new models to meet regulatory compliance targets alongside tariffs.

VW Group's sub 4.5 metre Škoda Elroq has become one of the best examples of the 2025 push from Western brands. From the second half of the year, the Czech-made model, based on the Group's MEB platform, which now accommodates twelve models, including two Fords, came within 10,000 units of equalling the region's number one BEV model, Tesla's Model Y, during the second half of the year (July - October). With Kia's EV3 also pushing above its weight, accounting for a top-10 BEV model finish so far this year, fully-electric BEVs are increasingly gaining large chunks of the market. Meanwhile, Volkswagen introduces four LFP battery-fitted models from 2026 based on the MEB+ platform, including one of those hot compact Crossovers, badged ID. Cross, which will bring pricing towards Chinese model levels, and not jut on the cheap!

So, as we wait for any announcement from the *Berlaymont*, spare a thought for those product strategists returning from holiday islands or early skiing holidays, whose hands are finally untied from their backs, awaiting the regulatory road to 2035 presentation, be that on December 16th or January. Their work is about to begin. If that will be driven by wind-generated electricity, recycled cooking-fat, or a mixture of both, we shall soon find out!

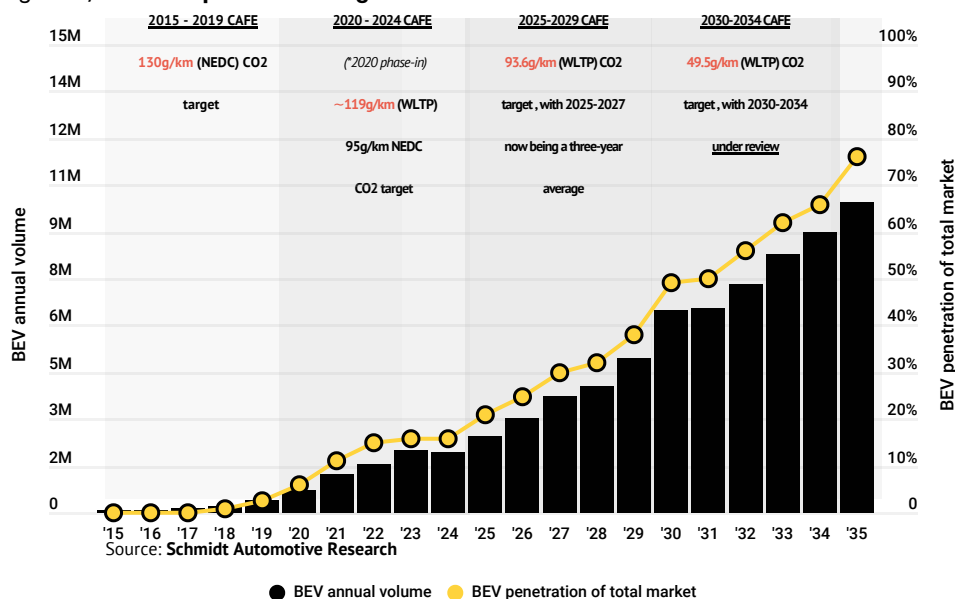
W-EUROPEAN BEV NEW CAR MARKET FORECAST TO 2035

The BEV annual new passenger car forecast remains at 2.45 million in 2025, translating to 21.2% of the total market, with the latest 12-month trailing volumes tracking at 2.33 million units and a mix of 19.9%. This assumes no further impact from Nexperia, although inventory should be able to carry the final month, factoring in the winter shutdown, if any major impact were to occur. We understand the situation remains fluid, despite the hope that it had been resolved. Over the past three months, BEV penetration has remained consistently above 22%. The forecast for 2025 has factored in the French social-leasing scheme, which returned at the start of the current quarter. The addition of UK purchase incentives (ECG) is also adding momentum as the year closes (October: 25.4% BEV mix according to SMMT data), and a similar effect from Italy is expected. SMMT's final forecast of the year sees the BEV market ending the year with a 23.3% mix of the total market, although that is just under 5 percentage points below the mandatory 2025 ZEV target. So far, 32 European-manufactured models have qualified for the band two grant of £1,500, and eight models qualify for the band one grant (£3,750). Interestingly, the 40kWh Renault R5 qualifies for band two, but the 52kWh Renault R5 qualifies for band one. The budget was extended by £1.3 billion during the autumn budget and extended by an extra year to the end of 2029/30. If exclusively band two vehicles qualified, the budget would extend to over 1.3 million vehicles, or the equivalent of the amount registered across the UK over the past 4 years. Chinese-made models are excluded for now. Hungarian-produced BYD models are likely to be partly qualified from 2026. Meanwhile, certain Chinese OEMs are replicating grants. Geely is offering a £3,750 "EV grant" for the EX5 launch. However, introducing a 3p-per-mile tax on EV drivers will reduce the total cost-of-ownership advantage that many BEV drivers have. Meanwhile, Germany looks set to reintroduce means-tested BEV subsidies to a maximum of €5,000 from 2026. The VDA has forecast a 2026 German BEV uptake of 693,000, alongside 286,000 PHEVs based on the subsidy implementation early in 2026.

In terms of the whole West European region, we still see a considerable upside for the market during the final two months of the year and moving into 2026, which has been evident during the opening 10 months of the year with volumes increasing by 25.5%y/y, despite the EU's adoption of the flexibility measures between 2025-2027, meaning the pressure from OEMs to push to meet 2025 remains moderate. The introduction of new LFP-fitted Western models this year has brought market entry prices down, with the Citroën ëC3 now starting from €19,900. According to BNEF data, Lithium-Ion pack prices fell 8% y/y to \$108 per kilowatt-hour in 2025, and just \$84/kWh in China. Renault said during the Q3 call that their genuine LFP rollout will begin from 2026, helping drive costs down and help BEV move closer to ICE cost parity. That is crucial for OEMs as margin-dilutive BEV penetrations increase to meet regulatory targets. Volkswagen Group's CFO Antlitz said current BEVs have an 80% margin contribution compared to ICE models, meaning they are 20% margin-dilutive relative to the equivalent ICE model, but expects that to narrow on the ID.Polo family of cars featuring LFP cells from 2026. Over at BMW, the rollout of BMW's Neue Klasse models from Q1 2026 will also add momentum in the premium segments, alongside Mercedes's MBEA-based models (GLC and C-Class), and CLA in Q4 2025 and Volvo's SPA III EX60. We expect OEMs to focus on meeting 2025 original CO2 CAFE target trajectories despite the three-year adjustment, with Volkswagen Group factoring in €400 mn worth of provisions for meeting EU CAFE (corporate average fuel economy) targets into its Q3 2025 results. Renault factored a 1ppt lower Group operating margin for 2025 due to a push from "margin-dilutive" BEVs.

Meanwhile, the Automotive Dialogue between the European Commission, concluding its final meeting with stakeholders last week, and results presented on December 16th, the de-facto 2035 ICE phase-out targets are high on the agenda. We were told by people present at the talks that a likely landing ground post 2035 could be an 80% reduction in CO2 fleet-average emissions from 2021 levels, which would mean a target of around 20g/km. However, others have told us they expect headline numbers to remain in place but with an increase in adjustment mechanisms designed to help meet the target on paper. This could include super-credits as part of a small-car affordable initiative or credits for long-range PHEVs, which could be permitted without any punishment post-2035, assuming real-world measurements indicate the model is being driven in EV mode. The first results from those real-world collections of data, according to the EEA-collated data, showed that PHEVs collectively over 100g/km above WLTP advertised levels during 2023. A call by some OEMs to include certain parts of life-cycle emissions into the emissions measurements may also be considered, as well as the use of synthetic and HVO fuel, a diesel-like biofuel made from used cooking oil and animal fats, and using these fuels to partially decarbonise models in the fleet. Some adjustment to the target is expected, which would allow the EPP to sell it as a victory to the Parliament.

Fig. 25.10/18: W-Europe BEV Passenger Forecast to 2035



Note: The forecast takes into account the adoption of the EU's flexibility measures for carmakers in 2025 - 2027, leading to a three-year average offering manufacturers the possibility to comply with their obligations for the years 2025, 2026 and 2027 by averaging their performance over the three-year period, rather than each individual year. The new three-year average approach allows carmakers to balance any excess annual emissions by outperforming the target in subsequent years (bank or borrow). We expect penetration levels to fall lower than in the previous editions, taking into account likely outcomes results of the Automotive Dialogue (see above).

Note: The EU 2026 mid-term review of CO2 fleet emission standards to 2030/35 will play a decisive role. We expect the proposals of the automotive dialogue to be presented at the of the year.

Fig. 25.10/12a: Top 10 W-European BEV Registrations past four quarter vol. history

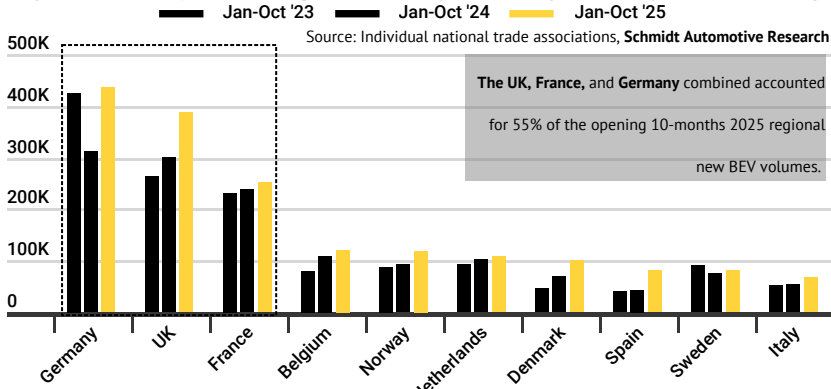


Fig. 25.10/12b: W-European BEV Registrations y/y Change (%) Jan-Oct 2025

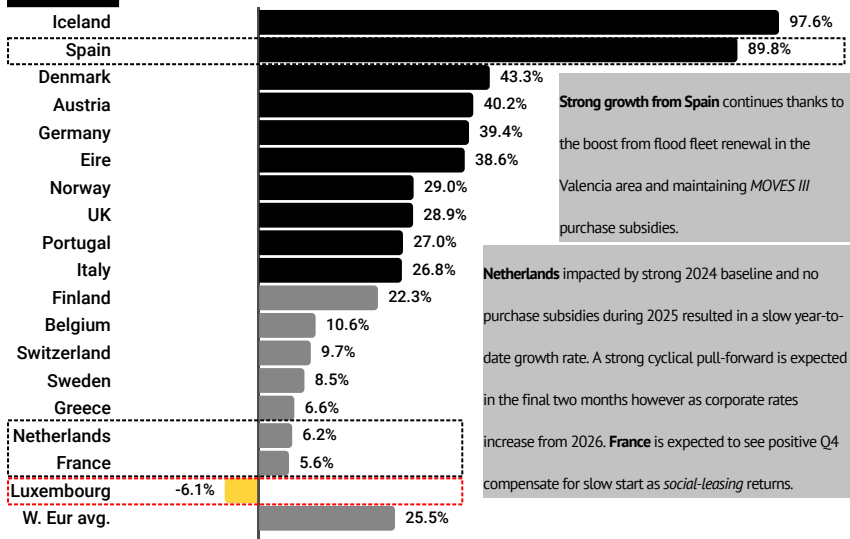
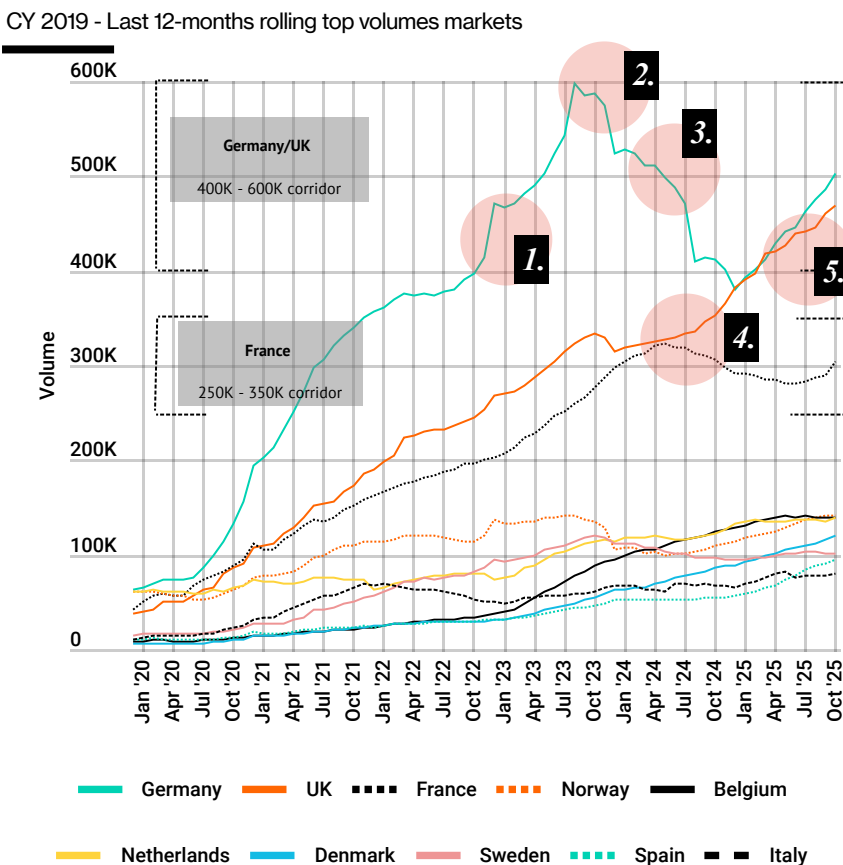


Fig. 25.10/13: W-Europe BEV Passenger Car Registrations 12-Month Rolling Trend



1. Pull-forward in Germany prior to the subsidy cut from January 2023. Subsidies topped €9,000 during 2022.
2. Pull-forward and subsequent end-to-end growth trend following the cessation of subsidies for corporate drivers. Sep '23.
3. Reverse in growth trend following the end of all purchase subsidies in Germany at the end of 2023.
4. Social-leasing boost from France and subsequent drop once again once funds were exhausted.
5. Strong growth from the UK on ZEV mandate introduction in 2024 and return to growth from Germany on OEMs pushing to meet 2025 CO2 CAFE targets.

Source: Schmidt Automotive Research

BY MARKET

• Regional growth rate continues fast pace with the fourth consecutive year-on-year monthly rate surpassing 20%. The final two months of 2025 are expected to witness an accelerated BEV uptake with key incentives being reintroduced to major markets such as France, the UK, and Italy. Germany is expected to follow from 2026. Fiscal advantages are weakening in certain markets, such as the Netherlands, leading to a pull-forward into Q4 '25. Fiscal benefits now remain unchanged in Denmark in 2026.

Top 3 performance (accounting for over half of regional vols.):

• Germany is comfortably on track to see 2025 volumes reach above 0.5mn units. UK close behind. A significant boost is expected in France as the social-leasing scheme returns.

Germany continues to lead the region with just two months of the year remaining, accounting for 22.3% of the total region's new BEV volumes. It will reclaim the position on an annual basis, having been passed by the UK last year, in a year that saw the German market suffer as subsidies were stripped away at the end of 2023. However, the 2025 German market has seen strong growth (39.4% y/y) with October continuing that upward trend (47.7% y/y), albeit from low baselines. German domestic OEMs such as VW Group brands have been forced to slash prices between €3,500 - €6,000 for most of the year to stimulate demand in order to lower the CO2 fleet average emissions to comply with stricter EU-wide CO2 fleet targets that were strengthened from 2025. The market is also likely witnessing the first part of a cyclical effect with consumers that entered into a lease agreement in 2022, when combined OEM and government purchase subsidies totalled €9,000, combined with low interest rates offered attractive BEV leasing rates as OEMs were still adapting to the stricter at the time CO2 fleet targets. We expect this trend to continue over the next 12 months as 48-months as contracts expire. There is a large opportunity for OEMs to benefit from a large number of Tesla lease drivers returning to the market. Close to 70,000 Tesla registrations occurred in Germany in 2022, accounting for 15% of the BEV market at the time. The launch of the BMW IX3 and I3 on the Neue Klasse architecture, as well as the Mercedes GLC and C-Class electric on the MBEA, and perhaps the Volvo EX60 on SPA III, all arriving in 2026, could be well placed to benefit. However, Tesla's launch of trimmed base versions of the Model Y and 3 could help retention. Tesla models priced below €50,000 will qualify for government subsidies. Model 3 "Standard", starting at €36,990, will drop below €33,990, or below €32,000 with the maximum subsidy applied.

France, the region's third largest regional market following Germany and the UK, is now, as expected, to witness an end to the year. October's 65.1% regional growth, according to PFA data, contributed to a positive growth of 5.6% year-to-date. This is only expected to increase over the next two months as the social-leasing scheme, reintroduced from October, boosts the market in the closing months.

Negative growth in the region's fourth-largest volume market, Belgium, can mostly be attributed to a high baseline in 2024, as the final months of purchase subsidies boosted the market in the Flanders region last year. Strong market stability remains however, with BEVs soaking up 36.4% of the market in October according to Febiac data. Chinese OEMs commanded only 5.5% of the BEV market, one of the lowest shares across the region, likely due to the strong corporate presence in the BEV market and fleet operators unprepared to risk unstable residuals on untested OEMs entering the region.

Norway has now reached maturity with BEVs accounting for 95.2% of its new car market, according to OFV data. There could be a slight pull-forward for models priced up to 500,000 NOK as the VAT (25%) free threshold drops to below 300,000 NOK from 2026.

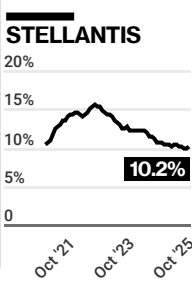
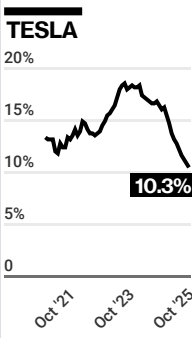
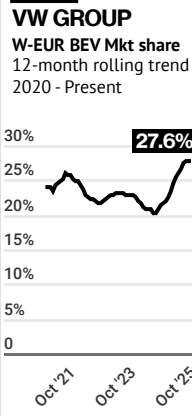
The fastest-growing major market remains Spain, thanks in part to a special effect in the 2024 flood-hit Valencia region and a generous government-funded car replacement scheme. The national government also announced new federal subsidies for 2026, keeping stability into 2026 as new lower-priced Spanish-made BEV models enter the region.

BY MANUFACTURER – Jan-Oct 2025 (Chinese OEMs appear on later pages)

Volkswagen Group began to show the limits of its upward market share growth momentum, which is slowly beginning to halt at just under 28% on a 12-month trailing basis. That is slightly higher than its share across all fuels, which stands at 26.4% during the opening 10 months of this year. 549,600 new BEV models were delivered across all brands so far this year, with that figure likely to reach just below 700,000 units. With PHEVs added to the equation, its plug-in volumes could surpass 1 million units for the first time. The main driver of BEV volumes rising by 71% y/y in a total market that saw a growth level of half that at 25.5%, can be attributed to weak price discipline to increase plug-in volumes and lower CO2 fleet averages to meet the 2025 EU fleet emission average compliance levels alongside the successful product rollout of the Škoda Elroq which was the most registered BEV across the region during October. The German subsidies from 2025 are likely to replace those which Volkswagen Group brands have been offering up to now. A new incarnation of the MEB platform, called MEB+, will launch four models across three brands from 2026 and have a booster effect, with prices falling to below €20,000 in Germany when maximum subsidies are applied. However, most households are likely to qualify for the €3,000-€4,000 subsidies, which will see prices fall to a nonetheless desirable level of just over €20,000, putting it essentially at price parity with the Polo petrol variant, which starts at €20,135.

Tesla continued to experience a turbulent year, with year-to-date volumes of 170,900, down 29.9% from the same period last year. However, the introduction of so-called "standard" versions of both the Model Y and Model 3 during the tail end of this year could give some much-needed momentum. The standard version of the Model 3, which doesn't feature certain equipment, starts at €36,990 and would see prices fall to between €31,990 and €33,990 after German subsidies. The Model Y standard starts from €39,990 prior to subsidies and below €35,000 with the maximum applied. Tesla also began demonstrating their so-called full self-driving assisted (FSD) software across European cities. It is a Level 2 ++ system and could potentially act as another volume driver, assuming regulatory approval and help underlying margins assuming a take-up of incumbent customers.

Stellantis saw strong growth during October (61.8% y/y), which should continue to the end of the year thanks to the positive exposure to France, where social-leasing subsidies have been handed out since October. Leapmotor's rollout is also boosting growth during 2025. Its three BEV models witnessed October BEV volumes equal to Fiat's. Leapmotors are matching government subsidies where they don't qualify.



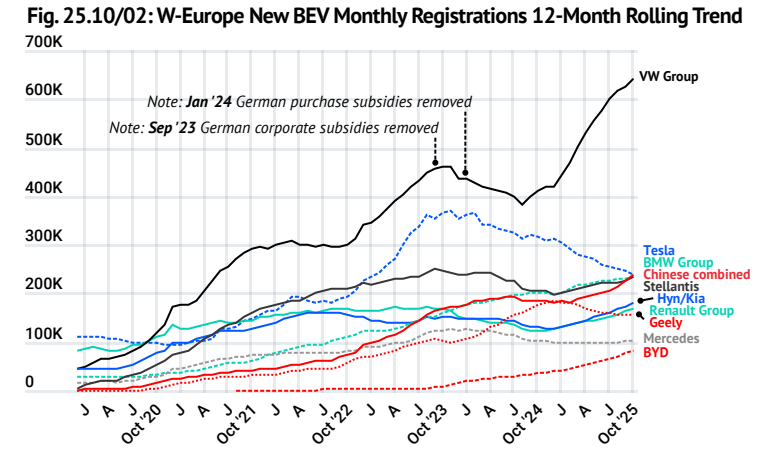
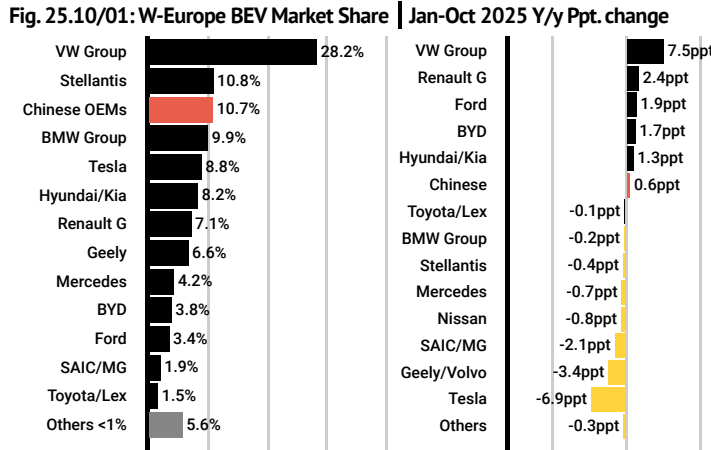
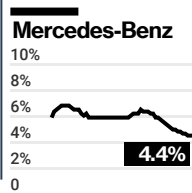
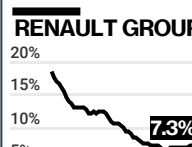
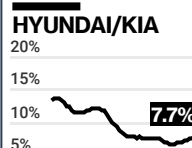
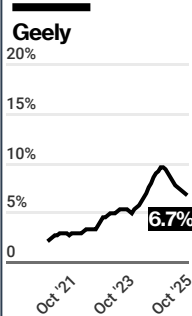
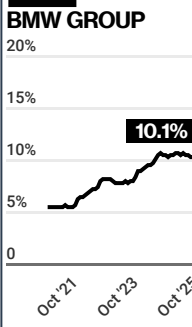
BMW Group, including MINI and Rolls-Royce, continued to maintain a double-digit share of the regional BEV new passenger car market on a 12-month trailing basis, which is more impressive, given that they are about to replace the fifth-generation models with sixth-generation models based on Neue Klasse. We expect continued market share contraction, likely below 10% on a 12-month rolling basis, prior to the launch of the first NK model in Q1 2026. The i3 (3-Series equivalent) will follow the iX3, next year. A fast product rollout of the new architecture to the end of 2028 across all major sectors is planned. NK models benefit from 40-50% savings in battery costs, according to BMW. The European version of the iX3, will be made in Hungary and avoid EU anti-subsidy tariffs that the previous Chinese-made model faced. i3 will be manufactured in Munich. The 800-volt architecture will offer peak charge speeds of up to 400kW and improvements in cell energy density thanks to in-house NMC battery cell development alongside CATL.

Geely Holding, the Chinese company that controls, in whole or in part, **Volvo Cars, Polestar, Smart, Zeekr, Geely, and Lynk&Co**, among others, has had a disappointing 2025. Volumes fell by 17.3%y/y collectively this year. However, 2025 was a transition year for the star of the group, Volvo Cars, as the localisation of the EX30 for Europe shifted from China to Belgium to avoid tariffs. Volvo will fill the gap between the EX40 and EX90 from Q1 2026 with the Swedish-made EX60 based on a new software-defined SPA III architecture to be presented in January. EX60 prices will reach parity with the equivalent XC60 PHEV, CEO Sammulson told us last month. Polestar, which has benefited from Volvo's gap in its model line-up, as volumes grew by 55.9% this year, but we believe some of that may likely be cannibalization from the lack of Volvo products, which is expected to change from 2026 with EX60, EX90, and ES90 rollouts. Meanwhile, Zeekr announced a wider European rollout, including Germany, from 2026.

Hyundai/Kia, thanks to a refreshed new model rollout stretching from the baby Hyundai Inster, Kia EV3/EV4 to the Kia EV9, the Korean brands are seeing some of the strongest gains, and it is also notable that they haven't pooled with other OEMs during 2025 to meet EU CO2 compliance. Both brands combined witnessed collective volume gains of 73.5% in October (50.2% YTD), resulting in its year-to-date market share rising to 8.2%, or within one percentage point of Tesla. The E-GMP platform is aiding that drive.

Renault Group's upward growth continued, thanks to its strong product cadence. The rollout of the €25,000 version of the R5 has now commenced. The R4 rollout is also now well underway, while a Nissan Micra made in the same facility will follow during 2026 as well as two Ford models from 2028 under a new licensing agreement, helping scaling benefits. A Twingo, priced from under €20,000 and a Dacia, based on the same platform, from under €18,000, arrive in 2026. A Nissan-badged derivative will also be added. Renault is expected to be a main beneficiary of the French social-leasing scheme during Q4.

Mercedes-Benz, are introducing the higher volume 800V MMA architecture CLA currently, while a new MBEA architecture will underpin BEV versions of the GLC and C-Class from 2026.



| | Model | Oct 2025 Volume | Monthly share (%) | Oct 2024 Volume | Monthly share (%) | Delta (%) | YTD 2025 Volume | YTD share (%) | YTD 2024 Volume | YTD share (%) | Delta (%) |
|-----|-----------------|-----------------|-------------------|-----------------|-------------------|-----------|-----------------|---------------|-----------------|---------------|-----------|
| 1. | Tesla MY | 5,056 | 2.3% | 8,314 | 5.1% | -39.2% | 109,587 | 5.6% | 159,216 | 10.3% | -31.2% |
| 2. | VW ID.4/ID.5 | 7,691 | 3.6% | 7,813 | 4.8% | -1.6% | 73,941 | 3.8% | 59,760 | 3.9% | 23.7% |
| 3. | Škoda Elroq | 10,669 | 5.0% | 0 | 0.0% | NEW | 65,229 | 3.4% | 0 | 0.0% | NEW |
| 4. | VW ID.3 | 6,569 | 3.0% | 4,507 | 2.7% | 45.8% | 62,940 | 3.2% | 44,341 | 2.9% | 41.9% |
| 5. | Tesla M3 | 1,080 | 0.5% | 3,921 | 2.4% | -72.5% | 59,857 | 3.1% | 80,181 | 5.2% | -25.3% |
| 6. | VW ID.7 | 6,879 | 3.2% | 5,188 | 3.2% | 32.6% | 59,589 | 3.1% | 20,337 | 1.3% | 193.0% |
| 7. | Škoda Enyaq | 6,754 | 3.1% | 10,290 | 6.3% | -34.4% | 59,404 | 3.1% | 57,362 | 3.7% | 3.6% |
| 8. | Renault R5 | 9,103 | 4.2% | 1,393 | 0.8% | 553.5% | 58,109 | 3.0% | 2,653 | 0.2% | NEW |
| 9. | KIA EV3 | 4,793 | 2.2% | 269 | 0.2% | NEW | 52,906 | 2.7% | 269 | 0.0% | NEW |
| 10. | BMW iX1 | 5,883 | 2.7% | 4,573 | 2.8% | 28.6% | 51,652 | 2.7% | 41,620 | 2.7% | 24.1% |
| 11. | Audi Q4 | 5,166 | 2.4% | 5,856 | 3.6% | -11.8% | 47,753 | 2.5% | 56,179 | 3.6% | -15.0% |
| 12. | Audi Q6 | 4,468 | 2.1% | 2,692 | 1.6% | 66.0% | 42,945 | 2.2% | 6,269 | 0.4% | 585.0% |
| 13. | Citroën EC3 | 5,472 | 2.5% | 2,036 | 1.2% | 168.8% | 39,459 | 2.0% | 6,136 | 0.4% | NEW |
| 14. | Volvo EX30 | 4,437 | 2.1% | 5,168 | 3.1% | -14.1% | 35,998 | 1.8% | 63,149 | 4.1% | -43.0% |
| 15. | MINI | 4,444 | 2.1% | 3,375 | 2.1% | 31.7% | 35,992 | 1.8% | 21,401 | 1.4% | 68.2% |
| 16. | Cupra Born | 3,379 | 1.6% | 4,061 | 2.5% | -16.8% | 35,480 | 1.8% | 32,303 | 2.1% | 9.8% |
| 17. | BMW i4 | 3,480 | 1.6% | 2,625 | 1.6% | 32.6% | 35,183 | 1.8% | 35,510 | 2.3% | -0.9% |
| 18. | Volvo EX40/EC40 | 4,270 | 2.0% | 4,450 | 2.7% | -4.0% | 32,108 | 1.6% | 45,703 | 2.9% | -29.7% |
| 19. | Mercedes EQA | 3,039 | 1.4% | 4,031 | 2.5% | -24.6% | 32,078 | 1.6% | 32,883 | 2.1% | -2.4% |
| 20. | Ford Explorer | 3,860 | 1.8% | 3,263 | 2.0% | 18.3% | 31,856 | 1.6% | 8,575 | 0.6% | 271.5% |

BY MODEL

Compact crossovers measuring less than 4.5 metres in length now command six of the top-most registered BEV models. They soak up almost 20% of all new BEVs registered across the region so far this year. The **Škoda Elroq**, based on Volkswagen’s MEB platform, which collectively saw over half a million models based on that architecture enter the region this year, or every fourth new BEV model across the region, is the leading compact crossover. It became the only non-Tesla model to record more than 10,500 BEV registrations in a single month, and is the only sub-4.5 metre crossover so far across the Group’s range, but will soon be joined by a Spanish-made **ID. Cross**, although based on the new incarnation of MEB, called MEB+, featuring LFP batteries for the first time. It will therefore fall below the Elroq both in price and dimensions. The success of the Elroq, which is likely to end the year as the Group’s most registered BEV model, will no doubt pose the question of whether Volkswagen needs a Volkswagen-badged model to fall between the ID. Cross and the **ID.4** priced from around €30,000 before subsidies, potentially a long-wheelbase version of the ID. Cross.



Škoda’s Elroq, the first model to challenge Tesla’s dominance?

Škoda Elroq becomes the first non-Tesla BEV model to achieve more than 10,500 in a single month. Only Tesla models, the Volkswagen ID.4/ID.5 and Škoda Enyaq have ever achieved more than 10,000 units in a single month.

Source: Schmidt Automotive

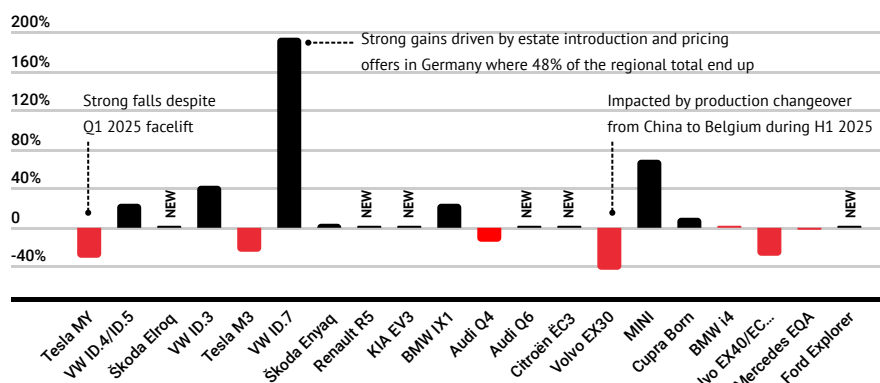
top 5 BEV model across the region. **Renault’s R5**, together with its sister **Alpine A290** model, accounted for the second-most registered models in October, with strong gains from the R5, presumably thanks to the rollout of a lower-powered, 40kWh battery and a more affordable derivative entering the region. Strong momentum is expected to persist during the closing months, benefiting from the domestic social-leasing scheme. 45% of all regional R5 deliveries ended in France so far this year, with that number rising to above 50% during October. The strong finish to the year is expected to see the model, of which over 100,000 have already been produced at the Northern French Douai plant, end the year as a top-five BEV model. The addition of the **Nissan Micra**, and two **Ford models** from 2028, based on the R5, will add to scaling benefits, lower costs, and increase margins. The **Renault Megane-e** and **Scenic E-Tech** electric, **Alpine A290**, and **Mitsubishi Eclipse Cross** are all made at the same site, although two-thirds of the 900 per day production are R5s.

During the final two months of 2025, we expect strong growth from A and B sector models, which will benefit from the French social-leasing scheme, as well as the UK Electric Car Grant (ECG) as well as Italian purchase subsidy scheme order being delivered. This was already evident from the October data.

Meanwhile, **Tesla’s Model Y**, despite seeing volumes fall by almost one-third this year, remained the most registered model across the region. Despite the facelift version being rolled out in lower battery capacity versions, volumes still failed to improve, with October showing a 39% fall on the same month last year. A new standard version which is visually subtly different from the exterior and interior, and sees models start from €39,990, is expected to see a positive impact from Q1 2026, especially with German purchase subsidies likely to bring that down to between €36,000 and €37,000.

Volkswagen’s ID.3, which has just marked the tenth anniversary of its first development, taking place less than 30 days after *Dieselgate* became public knowledge, although deliveries didn’t begin until the final quarter of 2020 in a rush to lower CO2 fleet emissions remains a

Fig. 25.10/18: W-Europe Car BEV Registrations Top 20 | YTD y/y % change



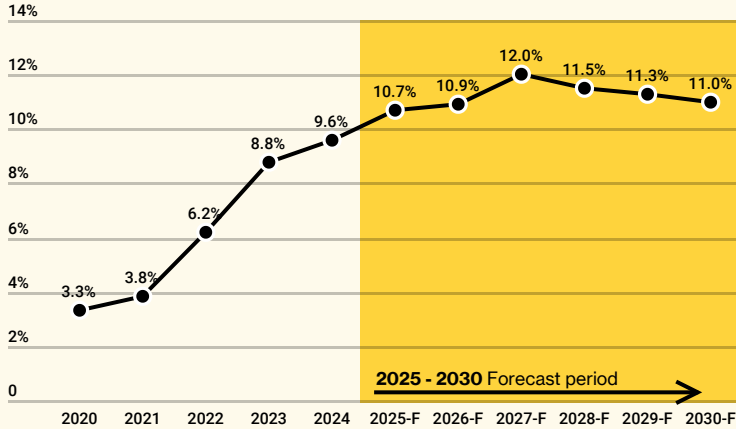
Source: Individual national trade associations, Schmidt Automotive Research

Strong y/y growth expected during final months against low tariff-hit baseline. Current penetration to be maintained.

October marked the 12-month period during which anti-subsidy tariffs have been in place on Chinese BEV models across the EU, although non-EU markets, such as the UK, which we include in our analysis, did not replicate the EU's levies. After 10 months this year, penetration growth over the same period last year was just 0.6 ppts higher at 10.7% market share. We predict that, by year-end, Chinese models will maintain that level. A strong return from incumbents in markets such as France, which has just reintroduced its social-leasing scheme, disqualifying Chinese-made models from it, is seeing hyper-competition swing back to incumbents from a BEV perspective as Western OEMs rush BEVs to market to meet regulatory CO2 compliance.



Chinese brand share of new BEV volumes W-Europe (2025 - 2030 Forecast)



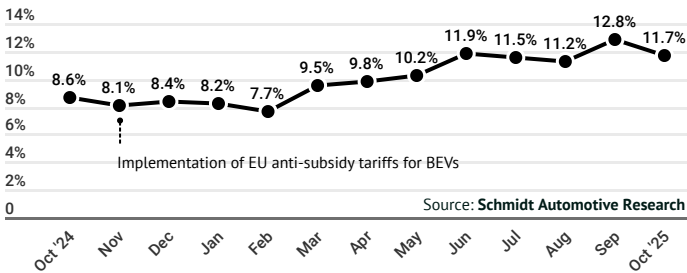
The collective share of Chinese OEM BEV models isn't expected to surpass 12% of the regional BEV market on an annual basis. This is due to a number of factors, including the introduction of tariffs, which have impacted all manufacturers that produce BEV models in China and ship them to the EU, although Western OEMs are reportedly discussing having these removed. Non-EU markets such as Norway and the UK haven't replicated the tariffs, so OEMs are expected to focus more on those markets. Our 2025 forecast for Chinese OEMs' share of the regional BEV market is 10.7%. That is expected to peak at 12.0% in 2027, reflecting the full ramp-up of BYD's Hungarian and Turkish facilities and also a fall in daily shipping charter rates for PCTC vessels, partly offsetting anti-subsidy tariffs. However, increased competition from incumbent Western OEMs, with new model launches aligned with regulatory targets, will limit Chinese OEMs' growth in market penetration. The possibility of regulatory credits from 2025 would have provided an additional revenue offset against tariffs, but the regulatory change has effectively limited that opportunity. However, within the last weeks, BYD entered an open pool with Nissan and Changan together with Mazda. Polestar said it aimed to raise a three-digit million-euro sum from regulatory credits in 2025, before the change, having already formed an open pool with Mercedes, alongside Volvo Cars and Smart. Volvo quantified the global regulatory credit tailwind at roughly €70mn per quarter during 2025.

Note: Includes Smart from 2024 Volvo Cars classed as European (F=forecast year)
Source: Schmidt Automotive Research

Chinese-brand OEMs witnessed BEV volumes increase (63.5%) at twice the level as the total market (31.1%) during October, although that was against a low baseline last year awaiting the introduction of the anti-subsidy tariff implementation and the uncertainty if retroactive tariffs would be imposed from July 2024, which was later scrapped. Meanwhile, since that implementation, Chinese OEMs have shifted their focus from BEVs to PHEVs, which aren't affected by the extra anti-subsidy EU tariffs, which are in addition to the 10% import tariffs. The share of Chinese models with an electric motor-only in fact, fell to 36.7% of all Chinese models registered across Western Europe during the opening 10 months of 2025, from nearly every second model during the same period last year. A pivot to PHEVs has occurred, with every fifth Chinese model now a PHEV, up from below 5% during the same period last year (Fig. 25.10/07b).

Fig. 25.10/07a: Chinese Brand market share of W-European

New BEV Passenger Car Registrations Monthly Trend: Oct 2024-Oct 2025



The final months of the year are likely to continue seeing strong penetration, although the level is expected to fall slightly from the 12.8% penetration high during September, as October demonstrates with a 1.1ppts sequential monthly fall. This is primarily linked to the seasonal impact from the UK in September, when a high concentration of models is registered, coinciding with the registration plate changeover. The October data is more reflective of genuine penetration of Chinese BEV models across the region, which has hovered consistently between 11-12% during the second half of the year, if the September seasonality spike is excluded. This is reflected in the forecast above and the 12-month rolling share below, which is approaching 11% on an annualised basis.

Fig. 25.10/03b: Chinese Brand W-Europe BEV Monthly Registrations (Volumes/Market Share) 12-Months rolling

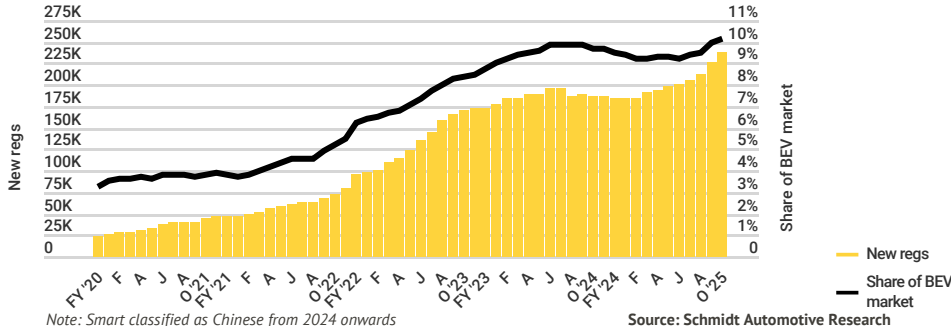


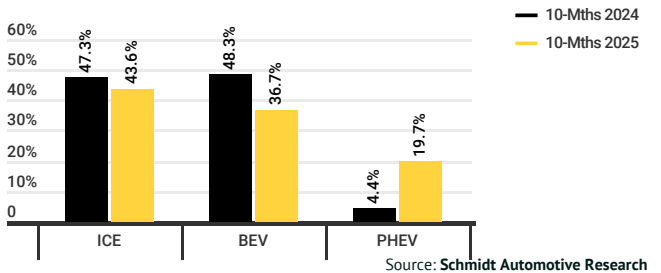
Fig. 25.10/03b: The collective Chinese brand share of the West European new BEV passenger car market reached 10.2%, on a 12-month rolling basis during the most recent 12-month period up to an including October 2025

Note: Smart classified as Chinese from 2024 onwards

Source: Schmidt Automotive Research

Fig. 25.10/07b: Chinese OEM drivetrain mix Western Europe

Jan-Oct 2025



Source: Schmidt Automotive Research

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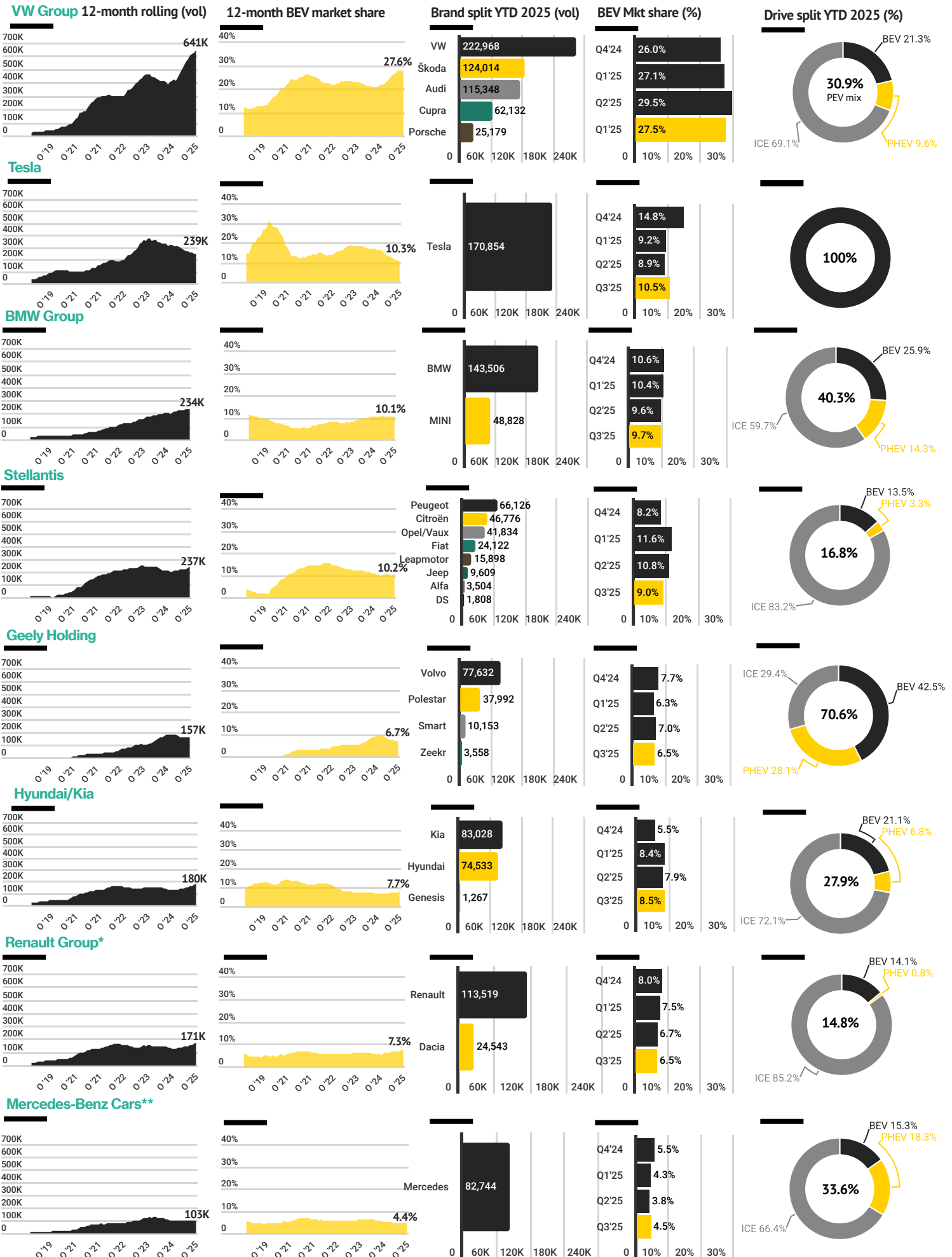
Contact us:

w: www.SchmidtAutomotiveResearch.com

e: info@SchmidtAutomotiveResearch.com

t: +49 4205 / 591 5966

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Note: **Mercedes no longer includes the JV with Smart from 2024, switched to Geely. Retrospective Mercedes data includes Smart, *includes Nissan up to Dec 2024

Source: Individual national trade associations, Schmidt Automotive Research