Schmidt
Automotive
Research

European Electric Car Market Intelligence Study

Providing a roadmap towards 2035 through exclusive market intelligence and market analysis

No. 03/26

2026 Outlook

Expected strong market, partially reframed as "Iran-impact"

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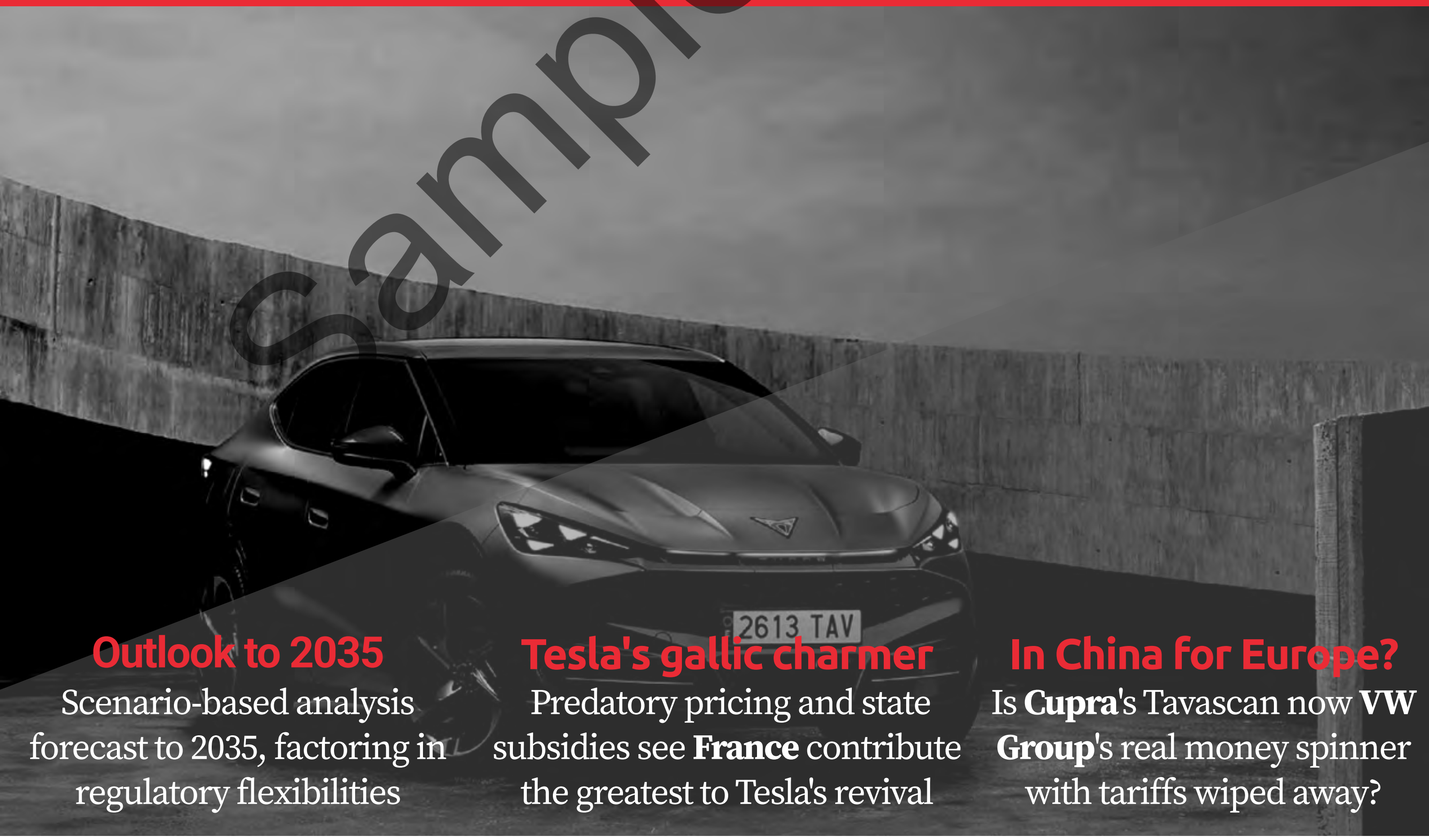


29 PAGES

Editorial:

Get your Tesla for (almost) nothing and your deposit for (almost) free

With the football World Cup about to kick off with individual nations battling it out across the co-host nations of Canada, the USA, and Mexico for ultimate supremacy, an equally competitive battle is playing out across Europe's electric car market, with underdogs and debutants getting some early wins. However, once clear favourites, incumbents are in the process of replacing their squad, bringing on fresh legs/wheels and promising a lively second half to the year.

The 18 monitored Western European nations, which together accounted for a total new passenger car market of 11.8 million units across all fuels last year and are still trailing pre-COVID levels by over two million units, are increasingly seeing a growing share of those deliveries accounted for by pure BEVs – and that's prior to any pump-price anxiety **Iran**-impact. However, early indications suggest an underlying acceleration in demand could be around the corner. Used-car BEV volumes, which see no order-to-delivery lag, are surging. According to **Dutch** *BOVAG* data, volumes are doubling year over year, yet penetration still remains low at below 10%.

The European new-car market faces inherent delays due to a lag in the order-to-delivery cycle. Therefore, June will identify the first indications of any genuine change in consumer sentiment linked to pump price inflation. During Q1 results calls, OEMs noted higher enquiry interests, but not yet translating into orders, beyond expectations. Tesla could be providing first clues, though. Model Y delivery dates in **Germany** are now stretching into September, suggesting a growing order book from a manufacturer previously known for its lean delivery times. This study's latest forecast for 2026 sees every fourth new passenger car registered across the region being powered by an electric motor-only by the close of the year (2025: 21.1%). In fact, during the opening quarter of the year, the region's BEV volumes outpaced non-hybridised petrol models, accounting for 21.3% of the new car market according to *ACEA* data (-5.9ppts) while BEVs achieved 23.4% (+3.8ppts) according to our own data. However, is that **game, set, and match BEV?** Not quite. With a large proportion of models seeing their drivetrains updated in the face of new *Euro 7* regulations coming into effect later this year, many are being coupled with some form of hybridisation, which has contributed to non-plugin hybrids achieving 38% market share (+2.5ppts). Alongside traditional full **HEV** hybrids, best associated with **Toyotas,** that can power the axles for short distances thanks to a small high-voltage battery, hybrid data also includes mild hybrids (**MHEV**) that see only negligible CO_2 improvements, given the 48V electrical system is not capable of EV-only driving.

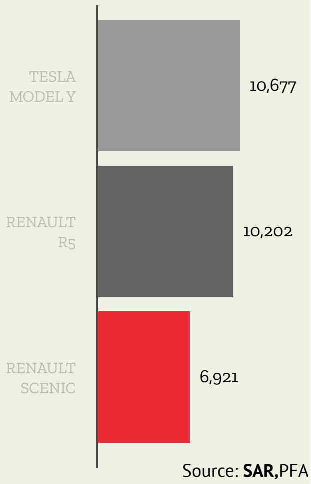
Meanwhile, **PHEV**s grew 27.6% y/y, raising their market share from 8.7% in the opening quarter last year to 10.6% this year. However, below that headline number lurks the fact that **Chinese models** are inflating the number, with Chinese-shipped models now accounting for every fifth PHEV, thanks to their ability to mitigate against anti-subsidy tariffs across the EU, placed on BEVs-only. Incumbents are partially pulling the plug on PHEVs, given that a more costly, larger battery is required to increase ranges and maintain CO_2 levels below 50g/km (ZLEV) as utility-factor measurements are altered, reducing the amount of the test cycle that is measured in EV-mode and consequently inflating the CO_2 data. Emissions above 50g/km often don't remain an option, given that they prevent them from qualifying for zero- and **low-emission vehicle (ZLEV)** status. In many markets, they would be disqualified from qualifying for key fiscal benefits, such as advantageous benefits-in-kind rates. Without that, PHEVs appear almost impotent, especially as fast-charging, 800V, software-defined vehicles with ranges of up to 900km enter the market, such as **BMW**'s i3. In Germany, 80% of PHEVs end up in the hands of savvy corporate drivers.

However, **Chinese OEMs** offering tightly price-aligned PHEVs with only a minimal inflationary impact over an ICE are starting to gain traction, with large, efficient batteries that offer long EV ranges and remain ZLEV-compliant. 30% of Chinese models entering the region are now PHEVs, compared with 35% for BEVs. **BYD** is now consistently delivering more hybrids than BEVs, with an equal number of each drivetrain available across its 12-model line-up. However, turning back to the growing share of BEVs across the market, which the study fully baked into the 2026 forecast, prior to Iran, given the regulatory framework and consequently the aligned product cadence, with more competitively priced models, thanks to scaling benefits, and LFP chemistry rollouts, 2026 was always set to be a strong year. Yet incumbent manufacturers, just when they thought their product line-up was finally in a position to strike, see Chinese OEMs and Tesla trying to get in on the party like a World Cup equaliser. While Chinese manufacturers are increasingly accounting for double-digit shares of the new BEV market, with the latest quarter recording a share of 13.6% and our forecast expecting that to increase further to 13.9% this year, it is Tesla that could prove to be a returning threat. The US company benefits from global scaling thanks to a highly standardised product line-up of effectively two models. It is capable of passing cost savings onto pricing, effectively positioning D-segment models in C and sometimes B-segment territory. Models also qualify for subsidies in markets such as Germany, which is bringing base models towards €30,000, or creating deflationary pressure in an inflationary environment. However, it is **France**, where the Model Y is performing best, sealing the number one BEV position in Q1 and outperforming homegrown favourites such as **Renault**'s R5. Given that the European-made Model Y qualifies for French subsidies, seeing the monthly lease rate start at just €289 for qualifying households. Tesla's own €4,000 bonus and the state purchase subsidies effectively wipe out any initial lease payment. **The result? Telsa is becoming the true people's car!** During Q1, every fifth Model Y delivered across the region landed on the streets from Paris to Perpignan, with just under 11,000 units delivered there, according to *PFA/Avere* data, making the model not only the most registered BEV in France in Q1 but also a top-5 model across all fuels.

As the regional BEV market races towards 25% penetration, remember BMW's former CEO, Zipse, saying this is the easy part, with the market likely to struggle from 50% onwards. With **Spain** and **Italy** continuing to deliver single-digit mixes despite high growth rates, the market remains dragged back by these parachutes. Like football, this remains a team sport, and all must contribute to win.■

Galic charmer 1

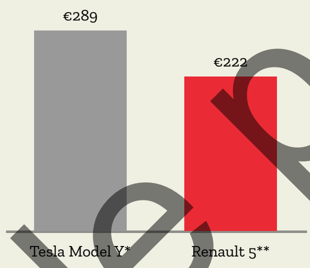
Top 3 BEV passenger car models across France Q1 2026



Source: **SAR**,PFA

Vive la price revolution 2

French monthly base lease rates following govt subsidies

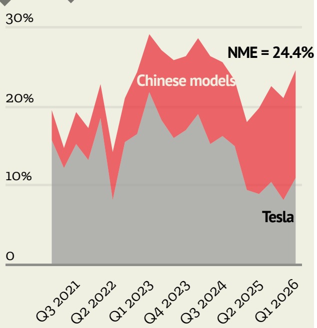


*Remaining deposit following CEE subsidy and trade-in bonus: * €1,900 ** €5,300:*

Source: OEMs **SAR Research**

New kids on the block 3

W-European NME share of the new BEV passenger car market



NME = New market entrants combined

Source: **SAR**

W-Europe forecast

The forecast has been slightly increased by 0.2pts, with BEV penetration rising to 24.9% in 2026, bringing BEV volumes to over 3 million units. Although the previous forecast already factored in an elevated uptake, prior to the Strait of Hormuz closure, due to the regulatory framework, which allows OEMs to average their fleet CO_2 emissions between 2025 and 2027 to achieve an average of 93.6g/km over that period, a slight impact from the Iran situation has led to a minor adjustment upwards.

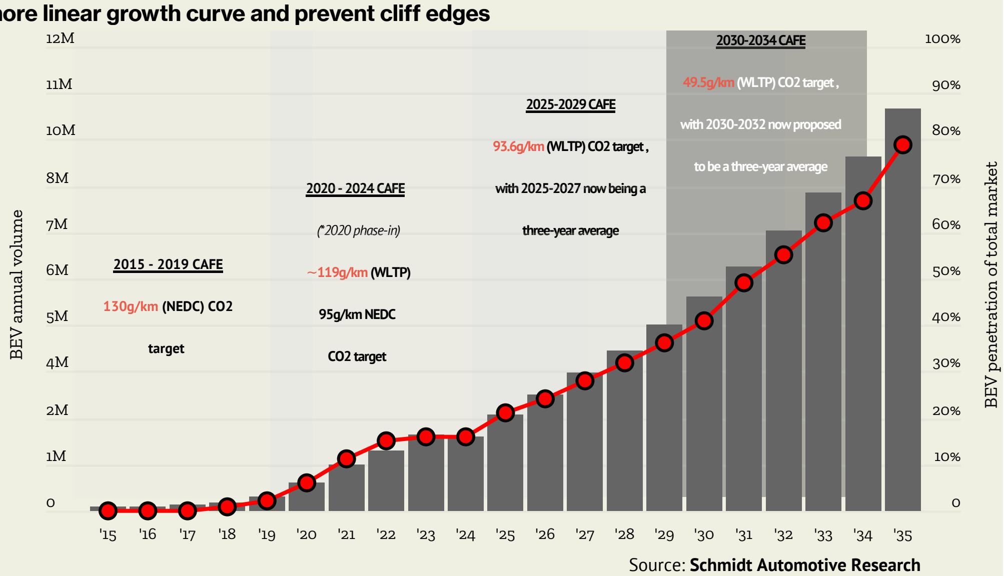
2026 will continue to be shaped by greater availability of BEVs at lower prices and cost points, with B-segment models starting below €25,000 becoming the norm. The slight increase in the 2026 forecast is due to the pump price remaining elevated, linked to **Iran**; however, a greater uptake beyond 25% isn't expected, given the forecast already factored in positive momentum even before current geopolitical headwinds. Governments, such as in **Germany**, are temporarily limiting pump price inflation, although we still need to monitor what happens once the inflation reduction tool (17 cents) is removed from July. The original strong forecast also accounted for the introduction of German subsidies, which have now been implemented retrospectively as of January 1, 2026. While genuine indications of an impact from Iran on the new market remain absent, due to the inherent order-to-delivery time for new cars across Europe of 2-3 months, the used-car BEV market uptake continues to reflect a change in sentiment. **Dutch** used-car market data identifies that BEVs doubled in March and April, although penetration remained muted at below 8%. However, the study hasn't yet factored in a larger rise in 2026's regional-wide new BEV car market, primarily due to OEMs' procurement schedules, and is not able to ramp up in such a short timescale even if the demand was in place. A sudden shift in powertrain also wouldn't be welcomed by many OEMs, given it would leave stranded ICE assets. OEMs with faster distribution channels, such as **Chinese OEMs** or **Tesla**, should provide a better indicator of sentiment. Prior to further Iran implications factored in, the regional BEV market in 2026 is forecast to continue to grow, with OEMs that missed 2025 EU CO_2 fleet-average emission compliance targets able to make up the difference over the next two years, thanks to the flexibility introduced during 2025 and are expected to push more BEVs in 2026 rather than pivot to regulatory pooling with first evidence of that seen already with the likes of **Toyota** and **Stellantis** exiting the **Tesla** pool during 2026 although Mercedes remains locked-in to the **Geely** pool through to 2027 despite the launch of more compelling BEVs from 2026. With production of the **Mercedes** GLC electric rolling out and C-Class to follow, as well as the **Volvo** EX60 from August, traction will be visible from H2. Volvo has already confirmed that 40,000 EX60s will be manufactured in 2026, with a slightly lower delivery figure due to vehicles in transit. We can expect those figures to be slightly higher, with 60,000 for **BMW** (Zipse confirmed more than 50,000 European orders for the IX3 during the Q1 2026 call) and 50,000 for Mercedes being reasonable assumptions, which would collectively add 150,000 to the region, given these are effectively white-spot products. **Audi** delivered 54,000 units of its same-sector Q6 across the region in 2025, and **Porsche** 23,000 Macans. Germany's **VDA** has forecast a 30% y/y increase in BEV volumes in 2026. That would translate to just above 700,000 units, or 24.3% of the total market, up 5.2ppts from 2025 levels. The UK will contribute 562,000 BEV (+19% y/y) units as its ZEV mandate continues to tighten. The UK's Electric Car Grant purchase incentive continues with the UK's **SMMT** latest forecast for 2026, indicating BEVs accounting for 26.9% of its new car market, up from 23.4% last year, but would nonetheless remain below the ZEV mandate target of 33% for 2026 due to the flexibilities in place. The forecast also factors in a potential pull-forward effect in June, as inventory models are delivered before the next GSR regulatory type approval change from the start of July, with non-compliance models having to be registered before the cut-off. The outcome of the European Commission's Automotive Package, currently passing through the European Parliament and Council, also has a notable impact on the forecast. The 2035 dilution by 10% relative to 2021, resulting in a CO_2 fleet target of 11g/km, is considered and will be updated accordingly as the year progresses and the legislation becomes clearer. A *banking and borrowing* flexibility is also proposed, which will create a smoother landing in 2030 as CO_2 targets change to a fleet average of 49.5g/km, changing to a three-year average from 2030 to 2032. We understand that a number of OEMs are now pushing for a five-year phase-in of the 2030 target, with over-compliance in 2028 and 2029 allowing them to use credits to offset the cut in 2030. Finally, a corporate fleet target mandate requiring a certain proportion of large corporate fleets to be electric has been one of the Commission's suggestions. Wholesale channels make up around 60% of European new passenger car registrations each year.

On batteries, **IEA** data suggests average global battery prices declined by 8% in 2025, supported by continued improvements in manufacturing efficiency, advances and shifts in battery chemistries and technology, and intensifying global market competition. Relatively low critical mineral prices also contributed to downward cost pressure, although lithium and cobalt experienced notable price increases over the year, according to the report. The latest IEA 2026 outlook study also points out that the recent increase in lithium and cobalt prices – if sustained – could put upward pressure on battery costs as stockpiles of minerals purchased at lower prices are being drained. Prices in China are still notably below battery prices in Europe, highlighting the advantage for Chinese OEMs and challenges of the EU's *IAA* policy. IEA say the growth in the battery energy storage sector also has the potential to increase prices and halt the price decline.

Bank and borrow proposal would lead to a more linear growth curve and prevent cliff edges

Long-term W-European BEV forecast to 2035

Note: The forecast takes into account the adoption of the EU's flexibility measures for carmakers in 2025 - 2027, which allow manufacturers to comply with their obligations for 2025, 2026, and 2027 by averaging their performance over the three years, rather than each year. The European Commission has now also proposed similar bank and borrowing flexibility for 2030 -2032 with OEMs calling for that to be extended to a five-year window from 2028, which the forecast has considered, resulting in a more linear uptake going forward. The flexibility allows carmakers to balance any excess annual emissions by outperforming the target in subsequent years (bank or borrow). Penetration levels are expected to fall below those in previous forecasts but to regain momentum post-2032. The proposals will now be passed to lawmakers in the European Parliament, followed by the European Council.



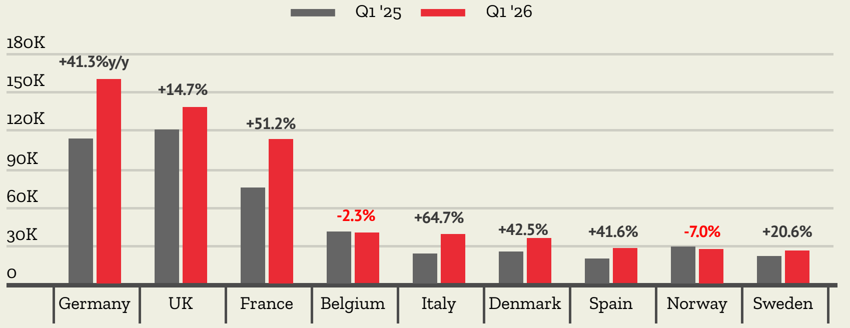
Source: **Schmidt Automotive Research**

● BEV annual volume ● BEV penetration of total market

Note: The Automotive Package now passed to the European Parliament will play a decisive role with the forecast updated on a regular basis as more information becomes clear.

Strong German growth has subsidies priced-in, across many models already

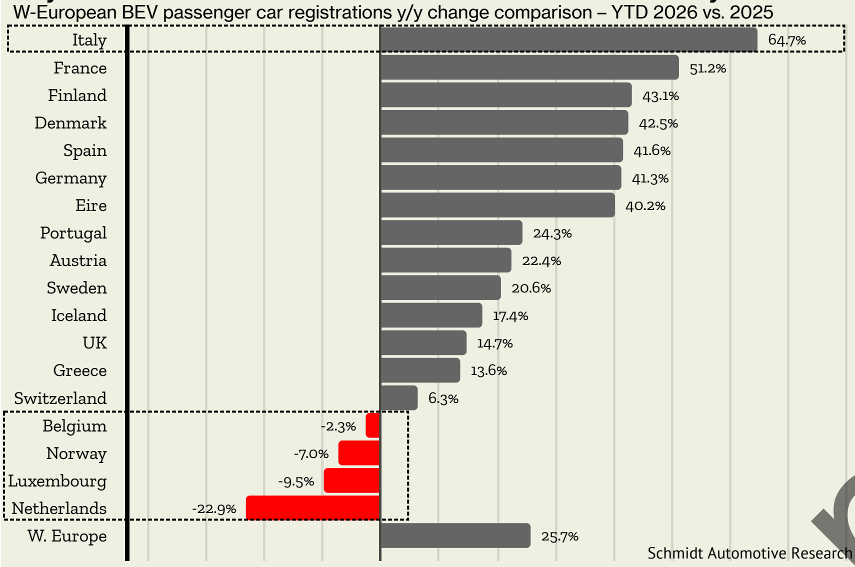
W-European BEV passenger car registrations y/y comparisson



Source: **Schmidt Automotive Research**

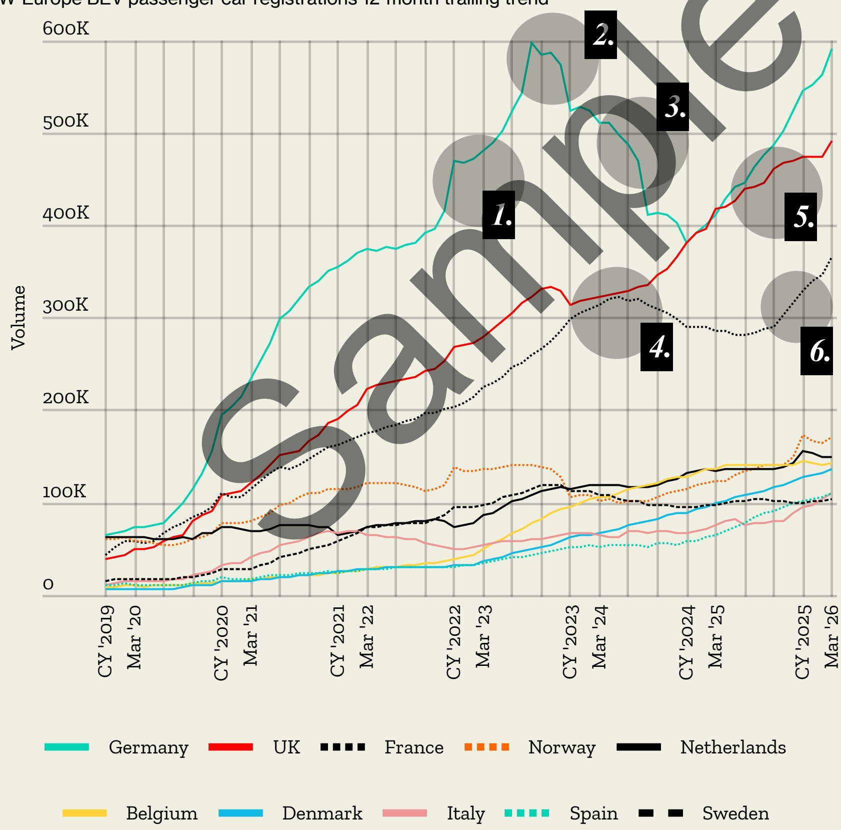
Italy continues to see a boost from deliveries from the 2025 subsidy boost

W-European BEV passenger car registrations y/y change comparison – YTD 2026 vs. 2025



German trajectory on track to surpass 2023 highs, finally, three years later

W-Europe BEV passenger car registrations 12-month trailing 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 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.

6. Return of French social-leasing scheme Q4 2025.

Source: **Schmidt Automotive Research**

- **German growth is partly attributed to many models already implementing purchase subsidies.** April expects to reach an all-time high in 12-month trailing BEV volume, surpassing the record set in 2023.
- **Strong French growth** compared to a low baseline last year, when subsidies were no longer available.
- **Belgium and the Netherlands see the uptake of company cars fall slightly following fiscal changes, slowing** BEV momentum. **Noway** hit by drop in fiscal ceiling for BEVs causing hangover in 2026.

Italy continued to have the highest growth rate this year, driven by 2025 purchase subsidies flowing into 2026 registrations and the extremely low baseline. The Italian BEV new passenger car market remained above 100,000 units on a 12-month trailing basis, surpassing **Spain** in the process. However, given that the budgets for the Italian scheme are relatively low and applications are exhausted within days, the effect is only short-lived, and the rapid growth is likely to fade once again as the year progresses. BEV penetration remains at just 7.9% despite the high growth rate and is ultimately the second-lowest across the region behind Greece (6.6%), and is a major negative contributor to preventing the region-wide BEV rate from achieving an even higher uptake than the 22.2% witnessed during Q1 2026.

France was the only other market to witness a growth rate above 50% in Q1, primarily due to a low baseline last year, as no subsidies were in place and consumers were awaiting the reintroduction of the social-leasing scheme in the autumn, thereby delaying purchase decisions. Q1 2026 witnessed the inflated delivery effect of that scheme, which was introduced from autumn 2025 and offered low-income households the possibility of leasing a BEV for around €150 per month across the 50,000 available contracts. The 2026 is set to resume slightly earlier this year, in June, with volume growth rates expected to slow again over the next two months before picking up over the usual slow summer period.

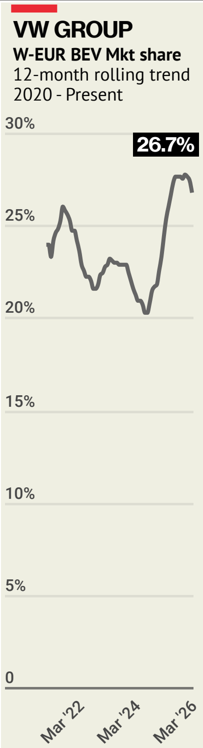
German purchase subsidies, which have now been confirmed and are retroactively active since January 1, and also include Chinese models, have helped drive the German market to a 12-month trailing total of just under 600,000 and returning to peak levels witnessed during 2023 when subsidies were previously still available. The drive in 2026 has been led by OEMs offering subsidies ahead of the scheme's official launch, causing the market to grow by 41.3% so far this year and accounting for 22.8% of all new BEVs entering the Western European market. The inclusion of Chinese models in the scheme will likely lead to a dramatic uptake of Chinese models across the country, in a market that has lagged behind other nations in Chinese vehicle uptake. Just 7% of all new BEVs registered in Germany were Chinese models so far this year, while the regional average is close to double that, at 13.6%.

Meanwhile, the **UK** witnessed a growth rate (24.2%) of roughly half the market rate of 41.5% in March, a month which traditionally sees the market lead BEV new volumes, which was again the case this year due to the seasonality impact of the registration changeover, bringing monthly volumes to 86,120 new volumes and accounting for every fourth new BEV entering the region. However, higher growth was partly held back by front-loading in the market during the same month last year, inflating March 2025 volumes. That was caused by a fiscal change from April 2025, the start of the new fiscal year, which saw road tax being introduced for BEVs from that point onwards. Conversely, the pull forward into March last year and a slow April will see the opposite effect this year, with April expected to see strong y/y growth. ***See Annex for more market data trends***

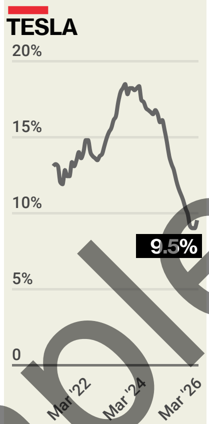
By Manufacturer

VW Group likely sees peak share of the BEV market – Chinese, driven by Leapmotor and Tesla mark strong rebound

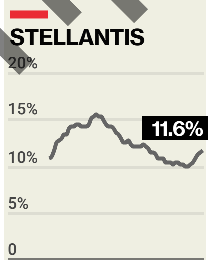
Volkswagen Group is undergoing a major readjustment in its BEV market share. The multi-brand group is seeing its share of the regional BEV market retreat to the natural level it commands across all fuels (25%). Sports-car brand **Porsche** saw a 25% decline in BEV volumes, while the market grew by the same amount. **Volkswagen**'s 9.5% y/y decline in BEV volumes in Q1 is partly due to a recalibration of its model line-up and a major reshuffling of its BEV strategy. The 5-year-old ID.3, rebadged as the ID.3 Neo, has been updated, including all-new electric motors, to improve efficiency. While LFP cells are now available. A first for a VW Group model in Europe. Lower costs aren't going to be passed on to pricing, CMO Sander confirmed to us. They have decided to focus on improving the so-called margin-dilutive element of its BEV line-up. From the second half of the year, VW widens its product reach, entering the B-segment. There will also be a naming change with numerical figures after "ID." being increasingly replaced with traditional badge designations. ID. Polo, which will be the second model to be rolled out on the MEB+ (MEB21) architecture, from this summer, follows hot on the heels of the **Cupra** Raval, with both beginning production from June at the Spanish Martorell **SEAT** facility. Two more MEB+ models follow, badged Volkswagen ID. Cross and **Škoda** Epiq. Base prices for ID.Polo begin below €25,000. Meanwhile, **Audi** rolls out an A2 this year on MEB.



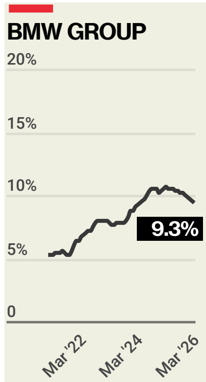
Tesla continues to rebound as we forecast at the start of the year, thanks to the standard-model rollouts of the Model Y and Model 3, which in some markets are priced close to €30,000 with various subsidies, or, more notably, available with a lease rate below €300 per month. In Norway, both models are priced close to the VAT (25% on the value of the car over NOK 300,000). France, thanks to the Model Y qualifying for subsidies, given its European production DNA, helped the model end Q1 as not only the top BEV registered across France, but also helped France soak up the most amount of Model Ys across the region. The US company also has the potential to regain weaker profits over the lifecycle through software. FSD-supervised received regulatory approval across the Netherlands this year.



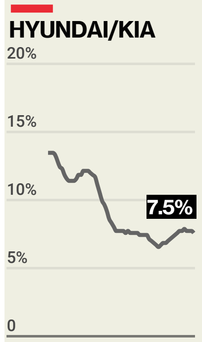
Stellantis presented its FaSTLAne 2030 strategy. A five-year strategic plan leveraging synergies with partners such as **Leapmotor**, on which an **Opel** will be based, sees it rolling out a multi-fuel STLA One platform, which can cover B-D segments. 29 BEVs will enter the region to 2030. Growth in Q1 can be attributed to strong momentum from Leapmotor, which was the number two Stellantis BEV brand.



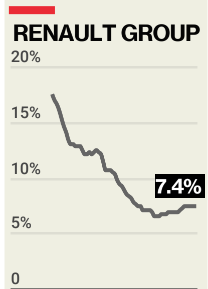
BMW Group saw its collective share of the BEV market continue to fall on a 12-month basis, as expected, given the migration to its sixth-generation EVs based on the software-defined (SDV) *Neue Klasse (NK)* architecture. March showed the first real positive signs from the Hungarian-made NK-based IX3. Just under 5,000 were delivered, contributing to a 21.5% y/y increase in BMW BEV volumes in March. The second NK model, the 900 km-range i3 (3-Series), sees orders begin in August. An estate will also be offered. Charging speeds of 400kW, equal to the IX3, allow a 10-80% charges in less than 20 minutes, the new premium standard. BMW BEV orders in Europe are currently up by around +40% according to the company, with over 50,000 orders for the IX3 exceeding the traditional fuel-powered X3, according to the Munich OEM.



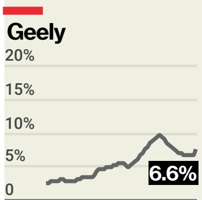
Hyundai/Kia continued to add new models, stretching from the Inster to the EV9 and widened the E-GMP scalable electric architecture further, returning synergies across the group. Despite a strong product mix, growth was limited, with BEV volumes up 11.6% so far this year, or about half the market rate (25.5%). The Slovak-made B-segment Kia EV2 is now widening its market exposure, alongside the PV5, based on an adapted version of the E-GMP architecture aimed at a new segment, called PBVs, or Platform Beyond Vehicles, which is a cross between an SUV and van. We recently drove it and were impressed by the concept, which offers an alternative to an SUV.



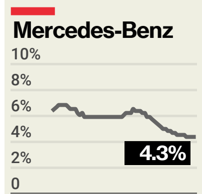
Renault Group witnessed a Q1 growth (26.1%) increase at the same pace as the market (25.5%). Growth came from Renault, with the continued strong rollout of the R5, now offered from €21,370 in France after the French energy bonus is deducted, which will continue to help domestically. R5 also qualifies for subsidies in the UK and in Germany. Twingo has also now entered the market, priced from €15,870 with French subsidies. A Twingo-based **Dacia** arrives later this year, bringing momentum to the Romanian brand, which has suffered since the Chinese-made Spring was hit by EU anti-subsidy tariffs because it is made by **DFSK** in China. Sales to partners increase in 2026 with Renault both licensing and manufacturing **Nissan** models. **Ford** models will follow.



Geely, the Chinese company that controls, in whole or part, **Volvo Cars**, **Polestar**, **Smart**, **Zeekr** and **Lynk&Co**, continued to perform poorly in Q1 with volumes rising at just half the market rate (15.4 Y/y). Volvo's EX60 will help from Q3, although a proportion of Polestar cannibalisation is expected. Volvo expects to build 40,000 EX60s in 2026. Meanwhile, **Lotus** now offers Eletre in hybrid guise as the EV-only strategy by 2028 changes course.

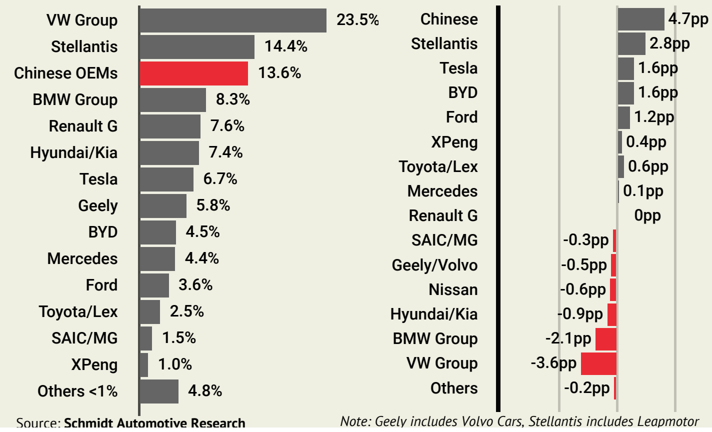


Mercedes has continued to introduce its first software-defined vehicle (SDV), the 800V MMA architecture-based CLA, with impressive delivery numbers since launch, just failing to breach the top-10 BEV models' list in Q1. GLB follows on MMA, while the new MBEA architecture adds strong momentum with the GLC and C-Class from H2.



Chinese market share driver, BMW/VW product changeover impact

W-Europe OEM Market Share | Q1 2026, and market share %pt. change (right)

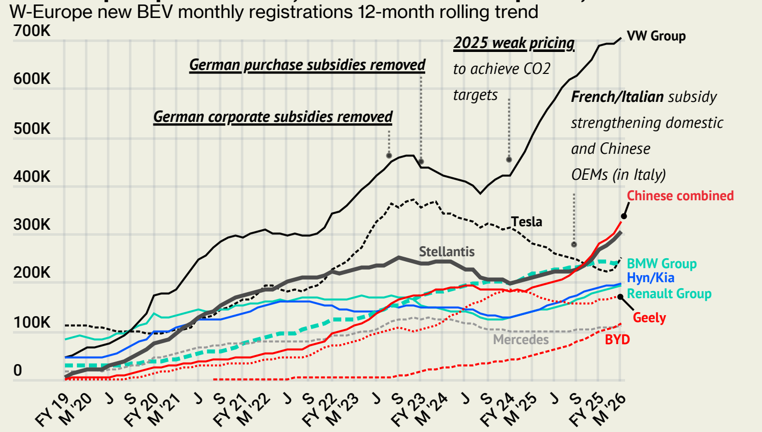


Source: **Schmidt Automotive Research**

Note: Geely includes Volvo Cars, Stellantis includes Leapmotor

VW Group surpasses 700K, Chinese continues upward, Tesla rebound

W-Europe new BEV monthly registrations 12-month rolling trend



Note: Geely includes Volvo Cars / Volvo not included in Chinese

Source: **Schmidt Automotive Research**

By Model

Tab. 26.03/05: **Western Europe Passenger Car BEV Registrations Top 20 Models** | Mar YTD 2026

	Model	Mar 2026 Volume	Monthly share (%)	Mar 2025 Volume	Monthly share (%)	Delta (%)	YTD 2026 Volume	YTD share (%)	YTD 2025 Volume	YTD share (%)	Delta (%)
1.	Tesla MY	33,081	9.9%	14,970	6.3%	121.0%	49,718	7.1%	29,219	5.3%	70.2%
2.	Škoda Elroq	10,676	3.2%	4,078	1.7%	161.8%	26,605	3.8%	5,876	1.1%	352.8%
3.	Tesla M3	17,582	5.3%	11,626	4.9%	51.2%	24,991	3.6%	21,586	3.9%	15.8%
4.	Škoda Enyaq	9,182	2.7%	7,153	3.0%	28.4%	20,593	2.9%	18,628	3.3%	10.6%
5.	Renault R5	8,171	2.4%	6,951	2.9%	17.6%	20,365	2.9%	16,825	3.0%	21.0%
6.	VW ID.4/ID.5	8,828	2.6%	9,264	3.9%	-4.7%	19,748	2.8%	24,238	4.4%	-18.5%
7.	Citroën ËC3	7,859	2.4%	4,277	1.8%	83.8%	18,380	2.6%	12,534	2.3%	46.6%
8.	VW ID.3	7,750	2.3%	6,306	2.7%	22.9%	17,848	2.6%	16,859	3.0%	5.9%
9.	VW ID.7	6,103	1.8%	7,287	3.1%	-16.2%	14,634	2.1%	18,308	3.3%	-20.1%
10.	Leapmotor T03	6,784	2.0%	1,006	0.4%	574.4%	14,545	2.1%	2,351	0.4%	518.7%
11.	Mercedes CLA	7,022	2.1%	109	0.0%	NEW	14,235	2.0%	112	0.0%	NEW
12.	Audi Q4	6,425	1.9%	7,214	3.1%	-10.9%	13,823	2.0%	16,547	3.0%	-16.5%
13.	BMW IX1	5,910	1.8%	5,715	2.4%	3.4%	13,589	1.9%	13,874	2.5%	-2.1%
14.	KIA EV3	5,709	1.7%	6,685	2.8%	-14.6%	12,133	1.7%	17,223	3.1%	-29.6%
15.	Audi Q6	5,370	1.6%	5,564	2.4%	-3.5%	11,393	1.6%	11,643	2.1%	-2.1%
16.	Volvo EX40/EC40	4,435	1.3%	3,833	1.6%	15.7%	11,195	1.6%	8,899	1.6%	25.8%
17.	Renault Scenic	4,625	1.4%	4,424	1.9%	4.5%	11,108	1.6%	8,979	1.6%	23.7%
18.	Volvo EX30	5,026	1.5%	4,083	1.7%	23.1%	10,976	1.6%	11,271	2.0%	-2.6%
19.	MINI	4,124	1.2%	3,478	1.5%	18.6%	10,358	1.5%	9,705	1.7%	6.7%
20.	Toyota BZ4X	3,179	1.0%	3,359	1.4%	-5.4%	10,042	1.4%	9,213	1.7%	9.0%

Source: **Schmidt Automotive Research**

By Model

Phoenix from the ashes: Tesla Model Y

As this study forecasted at the start of the year, Tesla's comeback has materialised in 2026. Thanks to the "standard" model rollouts of both the **Model 3** and, more significantly, the **Model Y**, the US company has become a phoenix from the ashes. The price proposition of the Model Y, which qualifies for various regional subsidies, given its local content origins, being manufactured in Germany, which should also put it into a positive position once the EU begin to roll out the Industrial Accelerator Act (IAA), combined with Tesla offers, is seeing prices edge towards €30,000, which effectively puts the model in C-segment territory and approaching higher-trim B-segment BEV models. However, while the Model 3 was "only" the third most registered model across the region during the opening quarter of the year, it is likely operating with higher profit margins, given the Musk-led company only sees the EU's anti-subsidy tariff level reaching 7.8% alongside the 10% import tariff already in place.

Meanwhile, Volkswagen Group's **Cupra Tavascan** (right) recently became the first model to have the anti-subsidy tariff overturned for the Chinese-made model, with the tariff replaced by a minimum import price. However, given the model is, by far, a model that requires heavy discounting thanks to the successful brand image and somewhat unexpected strategy Cupra has developed, the Tavascan is now likely one of the most profitable models in the Volkswagen Core brand model line-up, leveraging a Chinese cost base with European prices. It is perhaps then unsurprising to see a push from the model since the start of the year, with March recording the best monthly regional registrations since the model was introduced almost two years ago, with 4,600 deliveries, making it a top 20 model in March and falling just outside the top 20 year-to-date. While Volkswagen has just updated the **ID.3** to offer LFP cells for the first time, LFP cells will also be offered in the Tavascan, further widening the already healthy margins expected for the model going forward.

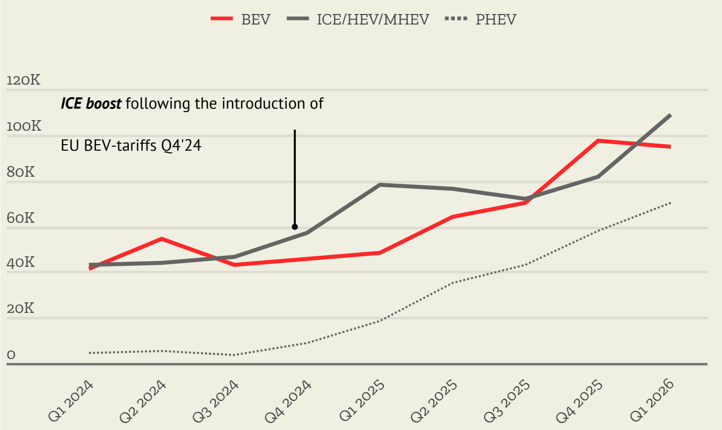
Alongside the Tavascan and the Model 3, the **Leapmotor T03**, which claimed a top-10 position in the first quarter, made it three Chinese models in the top 20 most-registered BEVs in March, with two making it so far this year. As mentioned in the previous edition, the Stellanits JV model, which was infact avaiable in France prior to the JV, with models being imported by an independent importer, has seen a large proportion of its gains continue to come from Italy where the model qualified for state purchase subsides and with the maximum applied alongside various extras such as trade-in bonuses was avaiable for under €5,000, and consequently resulted in the model being the number one BEV in Italy this year, soaking up 74% of the T03's regional deliveries.

Cupra Tavascan – In China for Europe?

Volkswagen Group's Chinese-made Cupra Tavascan is seeing a second lease of life, following the change from anti-subsidy tariffs reaching 20.7% last year, plus the extra 10% import tariff to changing to a minimum import price from 2026 after successfully seeing the A/S tariff removed. Since that point, the Tavascan delivered the most volumes of its two-year market presence in March, and now with LFP batteries being rolled out across the model, the Cupra model is likely one of Volkswagen Group's most profitable BEVs outright.

Multi-drivetrain pathway

Chinese-branded models W-Europe Monthly BEV/ICE/PHEV registrations split



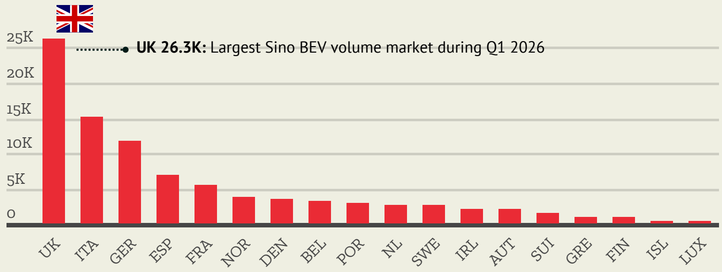
Source: **Schmidt Automotive Research**

Drivetrain Split

Partially driven by the **UK** boost in March, linked to the twice-yearly registration changeover, non-plug-in ICE-powered models were once again the most popular drivetrain from Chinese models registered across the region during the opening quarter of the year. However, PHEV drivetrains saw the greatest year-on-year rise, with volumes increasing by almost 300% y/y and their drivetrain mix doubling from 13% to 26% during the most recent three-month period. BEVs accounted for 34.7% of all Chinese model volumes so far this year.

Seasonalty boost and lack of traiffs see the UK return to the top-step

Chinese brand BEV new volume distribution Q1 2026

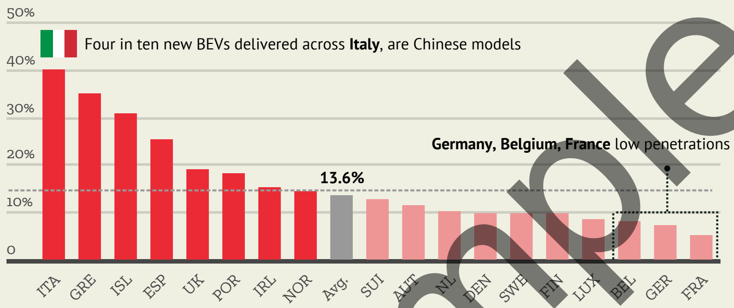


Source: **Schmidt Automotive Research**

*The **UK** has returned to being the largest-volume regional market for Chinese BEV models, boosted by seasonal registration changeovers in March, which lifted the UK's Q1 data. The UK also remains a key priority market for Chinese manufacturers, given that the former EU member state hasn't replicated EU anti-subsidy tariffs. However, **Italy** remained the second-largest adopter of Chinese BEVs. Volumes totalled 15,300, which has been contributed to by the country, including Chinese models in its electric car subsidy scheme, leading to the Leapmotor T03 being the most registered BEV model across the country during the opening three months of the year, soaking up almost 30% of all BEVs according to Unrae-sourced data.*

Amore! Italian electric car drivers love Chinese models

Chinese brand BEV new regs penetration (%) by market Q1 2026



Source: **Schmidt Automotive Research**

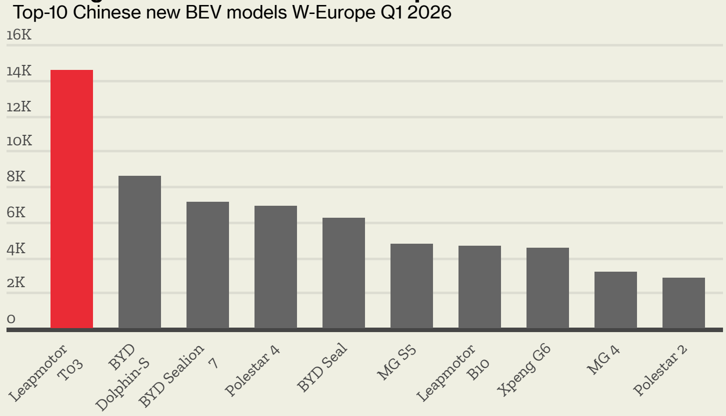
***Southern European markets** and Iceland saw the highest penetration of new Chinese BEVs. **Italy** just surpassed **Greece** as the market that absorbed the highest proportion of Chinese-brand BEVs among its total new BEV volumes. 40% of new BEV models were Chinese models.*
***Belgium** had the third-lowest Sino penetration at just 7.8%, according to Febiac data, with **France** trailing at 4.9% mix, according to PFA data. **Germany** split both laggards with just a 7.3% Chinese uptake across its total new BEV market. However, that is expected to increase dramatically during the second half of the year as Chinese models become included in the new purchase subsidy scheme, which has just begun and is retrospectively active from the start of the year.*

Chinese model European distribution

Chinese OEMs continued to achieve positive regional volume growth across the **UK**, thanks to the absence of anti-subsidy tariffs and the more brand-agnostic nature of the market, where no OEMs can longer claim double-digit market shares, accompanied by the March boost from the registration changeover seasonality. Given a weak patriotic purchasing legacy, leading to a brand agnostic market where the likes of Korean and Japanese brands have thrived with the highest Asian mix of the total new car market just below 40% during Q1 2026, and above the regional average of 28%, it is by no means a surprise that Chinese models are recording the highest volumes across the UK

Showing an old model new tricks – Leapmotor T03

Top-10 Chinese new BEV models W-Europe Q1 2026



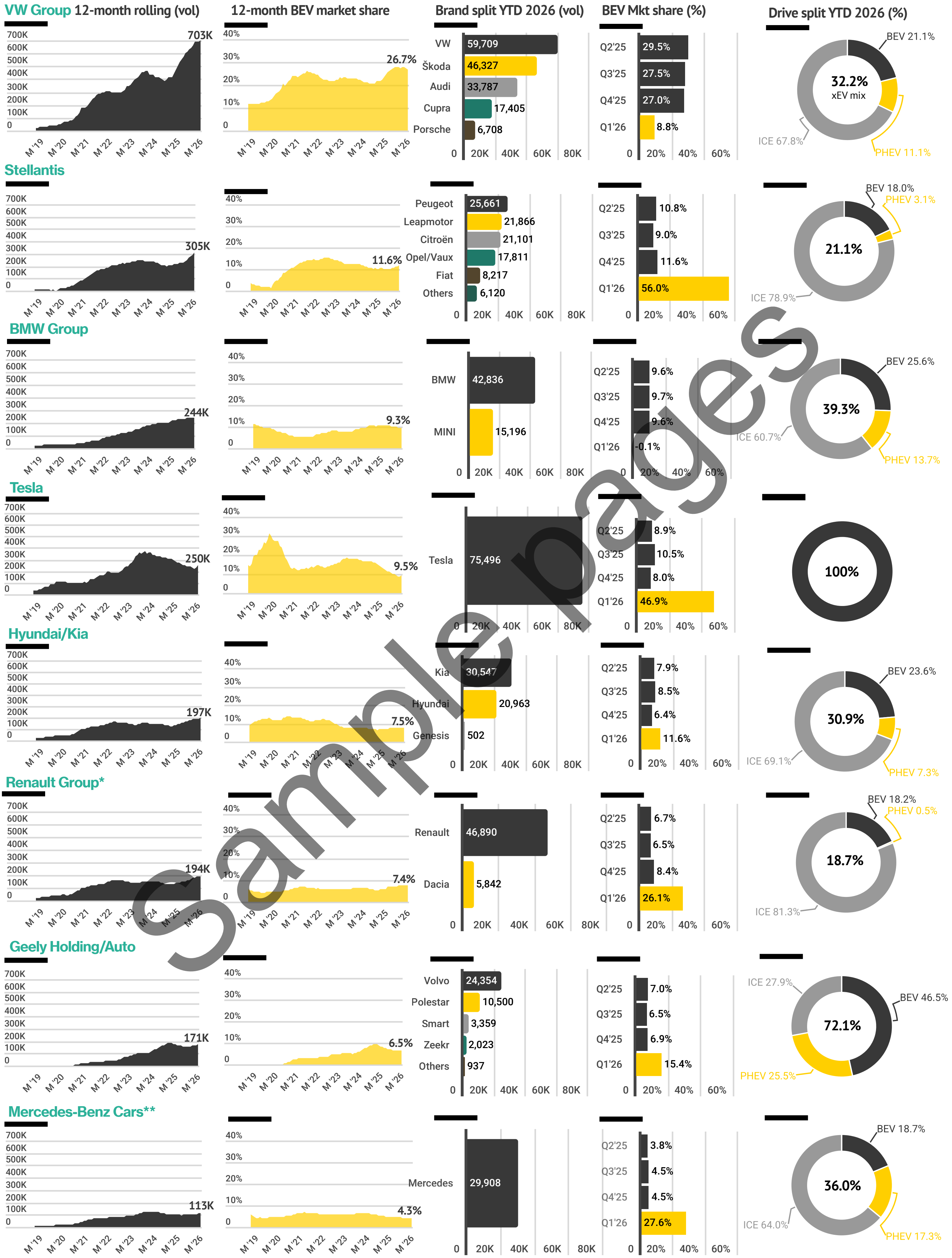
Source: **Schmidt Automotive Research**

A/B-segment models dominate, driven by positive subsidy exposure

Over half of the top two models' volumes, which are placed in the A- and B-segments, were delivered across Italy, accounting for the top two Chinese model positions, driven by purchase subsidies, which didn't distinguish where models were manufactured, as is the case in the UK and France. German purchase subsidies starting this summer and are retrospective to January 1, 2026, also include Chinese models. Leapmotor is already offering the **T03** in Germany for €50 per month on a lease, with subsidies offsetting any required deposit, while 29% of the Dolphin Surf models have landed in Germany. BYD's beginning of local production in Hungary will also see the 10% import tariff in place across the whole of the EU fall away, which will help BYD models further. **Leapmotor** will start production of the **B10** in Spain later this year, which should catapult the C-segment crossover into the top 5.

Annex. 26.03/02: **Western Europe Passenger Car BEV new volume trend – Full Year 2018 – March 2026**

Source: **Schmidt Automotive Research**



*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**