Includes

BEV forecast to 2025

Monthly

CO_2 analysis

The European Electric Car Report

West European Market Intelligence

"Electrified European compliance cyclone leads to almost 0.1m September BEV boost"

Edition 09.2020

Western Europe 18 Markets: EU Member States prior to the 2004 enlargement plus EFTA markets Norway, Switzerland, Iceland, plus UK

In this repot: BEV = Battery Electric Vehicle, PHEV = Plug-in Hybrids, EV (BEV +PHEV)

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Executive Summary

Almost 0.1m pure electric cars registered across W-Europe during an electrifying September.

Matthias Schmidt | Publisher

With 2020 CO2 compliance targets rapidly approaching the final furlong and correspondingly acting as the main catalyst in more plug-in models arriving on Europe's roads from a supply-side, coupled together with generous EV purchase and fiscal stimuli impacting the demand side, the final quarters of 2020 are providing the perfect conditions for an electrically charged storm over Europe's EV market. During the opening three quarters of the year, almost every tenth (9.7%) newly registered West-European passenger car was a plug-in passenger car. This was dramatically boosted by third quarter combined PHEV/BEVs achieving a record 360,000 new registrations or 12 per cent mix of the total market, (September: 13%). With a respective 46/54 per cent PHEV/BEV split during the opening three quarters, contributing in the race to 2020 EU CO2 compliance, a worrying grey COVID-19 lockdown cloud is however appearing over Europe's two largest pure electric car markets – Germany and France – accounting for 41 per cent of the regional plug-in market. Some manufacturer laggards, with slow plug-in pushes at the beginning of the year, may be biting their nails, whilst potentially struggling to clear the final compliance fences and are consequently scrambling to join CO2 pools in a similar vein to the VW/SAIC announcement as exclusively reported by this report.

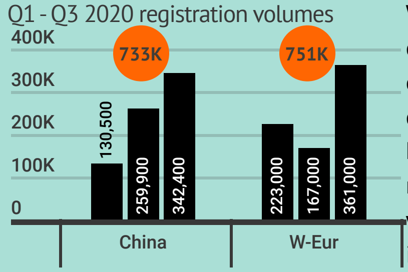
German manufacturers **Volkswagen Group** and **Daimler**, as well as South Korea's **Hyundai/Kia** were the leading major manufacturers trailing in terms of plug-in mixes, yet all witnessed significant gains in September, with the **Volkswagen brand** recording the highest number of new plug-in vehicles in the opening 9-months thanks to the ID.3 September debut (8,900 units) and its PHEV year to date volumes reaching 19,300 although this is still far adrift of the planned 40,000 PHEVs units a Volkswagen company executive told this report they hoped to achieve this year. During a Q3 investor call the Wolfsburg-based company said they were expecting an EU BEV mix of between 5-6% this year where previously that target was around 6%, suggesting they may be struggling to introduce MEB vehicles at the scale they expected. A second lockdown to be introduced across Germany from Monday (November 2nd), may also slow volumes for Volkswagen Group in a market accounting for 42% of their regional 9-months plug-in volumes.

In terms of market development in September, the **UK** was the largest BEV market (21,900), thanks to the twice-yearly registrations changeover creating seasonal spikes and likely still impacted by the fiscal cut for company car plug-ins introduced in April. During the opening 9-months of the year UK BEV/PHEV volumes exceeded 0.1m for the first time (2019: 73,000), or 8.8 per cent of all new UK volumes.

W-Europe Plug-ins Global No.1

New Passenger Cars* BEV + PHEVs

Q1 - Q3 2020 registration volumes



Source: CAAM/EECR *China includes CVs

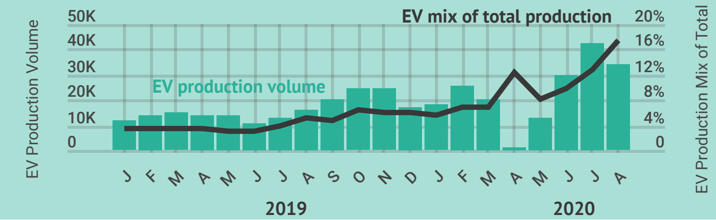
W-European plug-in market remains ahead of China in Q3

With Q3 giving the first genuine comparison this year as the corona pandemic struck in two different quarters in the opening half, the W-European plug-in market, boosted by CO2 targets was 19,000 units ahead of China in the third quarter.

German plug-in production almost every 5th car an EV

Jan 2019 - Aug 2020 New Passenger Car EV Production Germany

Source: VDA EV = BEV, PHEV, FCEV



Share of German car production fitted with a plug – highest on record

August VDA data identified that the total share of German monthly passenger car production accounted for by plug-ins (BEV/PHEV) rose to 17.4%, almost every fifth vehicle in the quieter summer month**.** This year 185,000 EVs were manufactured (full year 2019: 194,000). **VW** expect their current German daily MEB production to reach 800 by the end of the year and a 1,500 daily rate from H1 2021.

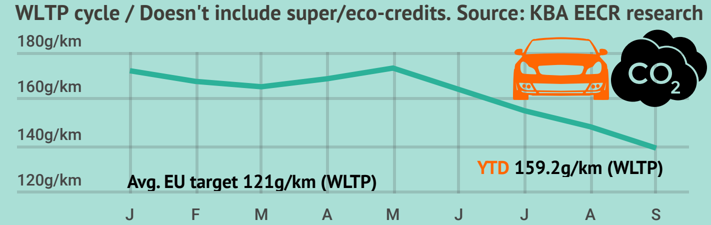
Daimler sees German CO2 fleet average finally fall

VW Group, Daimler and Hyundai/Kia, all relying on second half plug-in pushes to reach CO2 compliance targets, are finally witnessing tangible German pushes. Daimler's September CO2 average dropped below 140g/km (WLTP). A second lock-down could still hinder this progress towards compliance though with CO2 pools an option.

Daimler's last-minute PHEV boost contributes to CO2 fall

Jan - Sep 2020 Mercedes-Benz Monthly German CO2 fleet average (g/km)

WLTP cycle / Doesn't include super/eco-credits. Source: KBA EECR research



Tesla W.European Q3 registrations fall despite more available capacity

With **Tesla**'s Californian Fremont facility no longer supplying China with its Model 3 model, thanks to local Chinese production beginning earlier this year, US shipments to Europe were expected to increase this year. However latest data shows Tesla's West European Q3 registrations fell by -12.3% y/y to 26,000 units (13.5% market share).

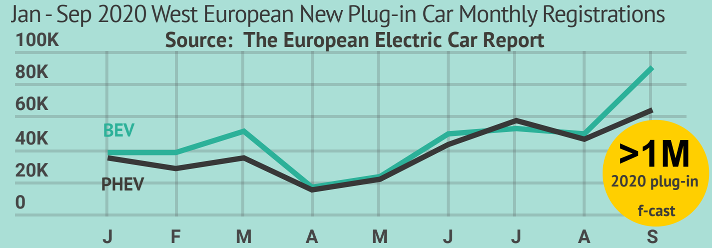
BEVs benefited from a quarterly Tesla + September ID.3 contribution

Combined plug-in volumes increased to 155,000 in September driven by BEVs (91K) while PHEVs also recorded another record month (64K).

Bonus Malus/CO2 compliance/BiK witness PHEV's return

Jan - Sep 2020 West European New Plug-in Car Monthly Registrations

Source: The European Electric Car Report



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Tab. 09/01: Western Europe Passenger Car Plug-in Registrations by Market Jan-Sep 2020

Source: Individual national trade associations, EECR

Market	BEV	BEV mix of national market (%)	PHEV	PHEV mix of national market (%)	Plug-ins	Plug-in mix of national market (%)	BEV share of W-Eur total (%)	PHEV share of W-Eur total (%)	Plug-in share of W-Eur total (%)	BEV Split of plug-in (%)	PHEV split of plug-in (%)
Germany	98,370	4.8	105,881	5.2	204,251	10.0	24.1%	30.9%	27.2%	48.2	51.8
France	70,539	6.0	40,445	3.5	110,984	9.5	17.3%	11.8%	14.8%	63.6	36.4
UK	66,611	5.4	42,277	3.4	108,888	8.8	16.3%	12.4%	14.5%	61.2	38.8
Norway	48,161	50.5	19,357	20.3	67,518	70.8	11.8%	5.7%	9.0%	71.3	28.7
Sweden	16,292	8.0	40,235	19.9	56,527	27.9	4.0%	11.8%	7.5%	28.8	71.2
Netherlands	28,811	11.6	10,391	4.2	39,202	15.8	7.1%	3.0%	5.2%	73.5	26.5
Italy	17,517	1.8	12,361	1.3	29,878	3.1	4.3%	3.6%	4.0%	58.6	41.4
Belgium	9,312	2.8	16,959	5.1	26,271	7.9	2.3%	5.0%	3.5%	35.4	64.6
Spain	9,920	1.7	11,259	1.9	21,179	3.6	2.4%	3.3%	2.8%	46.8	53.2
Switzerland	11,169	6.8	8,028	4.9	19,197	11.7	2.7%	2.3%	2.6%	58.2	41.8
Denmark	7,560	5.3	8,440	5.9	16,000	11.3	1.9%	2.5%	2.1%	47.3	52.8
Austria	8,942	5.0	4,429	2.5	13,371	7.4	2.2%	1.3%	1.8%	66.9	33.1
Finland	2,681	3.7	9,597	13.1	12,278	16.7	0.7%	2.8%	1.6%	21.8	78.2
Portugal	5,350	5.1	6,879	6.5	12,229	11.6	1.3%	2.0%	1.6%	43.7	56.3
Eire	3,626	4.3	2,345	2.8	5,971	7.1	0.9%	0.7%	0.8%	60.7	39.3
Iceland	1,774	24.4	1,277	17.6	3,051	42.0	0.4%	0.4%	0.4%	58.1	41.9
Luxembourg	1,481	4.3	1,509	4.4	2,990	8.8	0.4%	0.4%	0.4%	49.5	50.5
Greece	287	0.5	598	1.0	885	1.5	0.1%	0.2%	0.1%	32.4	67.6
W.Europe	408,403	5.3	342,267	4.4	750,670	9.7	100.0%	100.0%	100.0%	54.4	45.6

Fig. 09/02: Top 4 Markets Quarterly BEV Registrations y/y Changes (%)

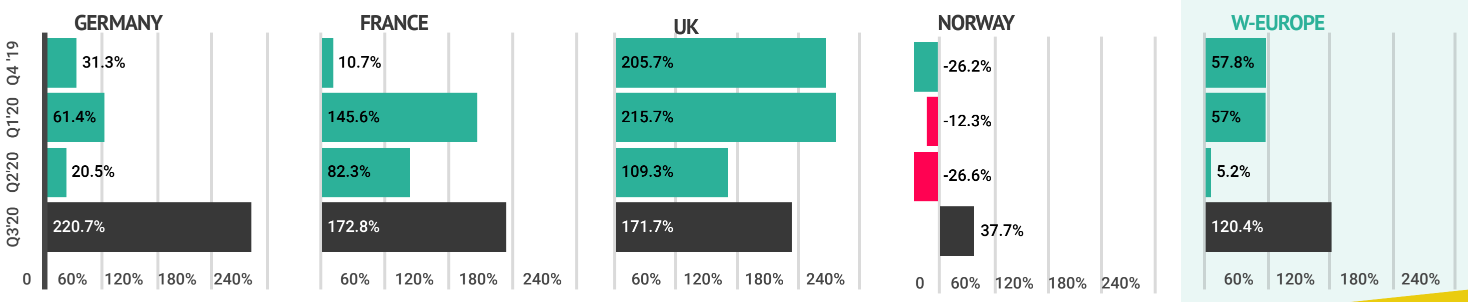

Fig. 09/03: W-Europe Total-Plug-In Registrations by Market Jan-Sep 2020 - Germany surpasses 0.2m units

Source: Individual national trade associations, EECR