Includes

BEV forecast to 2025

Monthly

CO_2 analysis

The European Electric Car Report

West European Market Intelligence

"0.5 million xEV quarter around the corner as compliance bites"

Edition 11.2020

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

In this report: BEV = Battery Electric Vehicles, PHEV = Plug-in Hybrids, xEV = BEV +PHEV

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Executive Summary

Western Europe remains on target to come close to achieving 0.5 million plug-in deliveries during Q4

Matthias Schmidt | Publisher

With the number of uniquely badged pure electric BEV models doubling in Germany this year, from 30 to 60, as well as a considerable amount of new PHEV models joining the market, the rechargeable product offering has ballooned to more than 130 models across Europe's largest electrified market. As manufacturers batten down the hatches in order to meet EU fleet average CO2 emissions targets – one of the single most important reasons for the increase in model supply – Germany continued to heavily contribute to a West European plug-in passenger car market that broke through the 1 million combined BEV/PHEV new registrations barrier for the first time with one month of the year remaining – despite a returning COVID-19 storm. The German market accounted for 1-in-4 (26.8%) registrations, across the 18 market region.

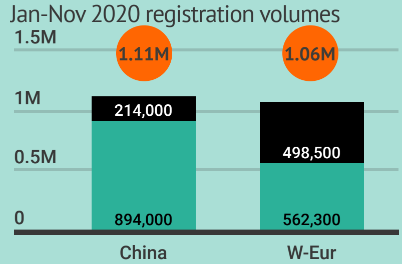
Europe's largest car manufacturer, **Volkswagen Group**, despite being the main contributor to the market, accounting for every fifth plug-in model (Tab. 11/06) and remaining on target to achieve 0.25 million plug-in deliveries this year confirmed its failure to reach its CO2 target this year – including it **SAIC** partner – by under 1g/km. Wolfsburg will therefore be obliged to write a Brussels addressed cheque in the realms of roughly €270 million at projected current total annual sales projections. VW confirmed to this report that one reason for missing its target was the delayed ramp-up of the ID.3 model. With a debut 100,000 MEB production run in place for Europe, fewer than 30,000 had been delivered up to the end of November (Tab. 11/05). Another key insight from Volkswagen in terms of the returning corona pandemic headwinds were that any lockdown light scenarios won't have such a great impact on the market as witnessed during the first hard lockdown scenario. Dr. Christian Dahlheim, Head of Group Sales told an analyst call earlier this month that around 50 per cent of orders are from fleets, that don't require any access to dealerships. He went on to confirm that Volkswagen Group expects to achieve its CO2 fleet average obligations heading in 2021.

In terms of a total market outlook during the remainder of this year, due to the increased intensity of the corona situation in the UK coming just days before Christmas, the most severe impact to the market is likely to hit a quiet period between Christmas and New Year. Therefore **the market remains on target to approach 100,000 monthly BEV deliveries in December,** contributed to by an end of quarter push from **Tesla**, reportedly including some units shipped from China. Pushes from manufacturers requiring that final push to reach CO2 compliance will boost volumes too. The current monthly volume record, set in September, is 90,600.

Europe/China Plug-ins

New Passenger Car* xEV (BEV/PHEV)

Jan-Nov 2020 registration volumes



Source: CAAM/SAR *China includes CVs

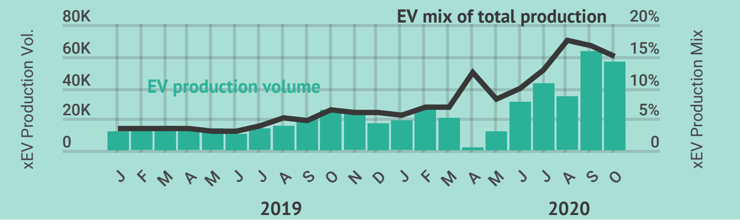
W-European plug-in market remains almost equal with China

Following 11-months of registrations, West European xEV passenger car registrations remain just 50,000 units behind China. Thanks to the newly phased-in EU fleet average CO2 targets European volumes have more than doubled (+126%).

German plug-in production PHEVs push production

Jan 2019 - Oct 2020 New Passenger Car EV Production Germany

Source: VDA EV = BEV, PHEV, FCEV



Germany on target for 400,000 annual 2020 xEV production volume

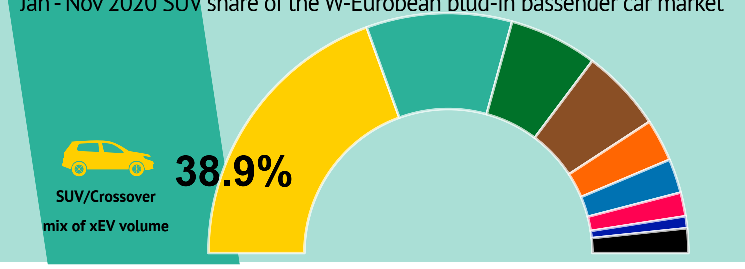
Despite October's month-on-month volume falling slightly, VDA data identified that 56,200 passenger cars were manufactured with a plug in October. This was the second-highest volume on record resulting in the market remaining on course to achieve 400,000 plug-ins this year – twice as many as last year's 194,000 units. 2021 will likely witness just under 1 million units, with **Tesla** added, and domestic manufacturers continuing to ramp-up in order to meet CO2 targets .

SUV/Crossovers lead – SUV zeitgeist with a splash of green

Lead by the **Hyundai** Kona in the BEV segment with 38,200 units delivered from January-November it contributed to SUV-Crossovers accounting for a leading 26.3% share of all BEV registrations. **VW**'s ID.4 will contribute further from December. PHEVs saw an even more concentrated push from these raised ride-height vehicles accounting for more than every second (53.1%) PHEV registered across the 18 market region, despite the Ford Kuga PHEV sales stop in place. The sector witnessed an almost 40% mix of total xEVs delivered.

A slightly different green EV vision: SUV plug-ins dominate

Jan - Nov 2020 SUV share of the W-European plug-in passenger car market



UK's premium filled car market's CO2 average on par with Germany

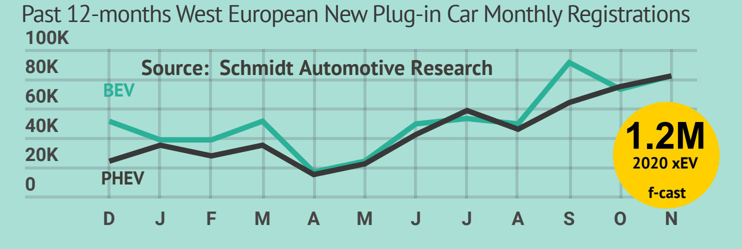
According to UK government data, new UK Q3 car fleet CO2 averages fell to a record low of 114.2g/km (e-NEDC), or 135.4g/km (WLTP). September's 133.8g/km (WLTP) compared to 134.3g/km in Germany.

PHEVs premium fuelled rise continues

Premium brands dominate PHEV sales. 57 per cent of all the PHEVs registered across the region this year came from a premium brand.

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

Past 12-months West European New Plug-in Car Monthly Registrations



Tab. 11/01: Western Europe Passenger Car Plug-in Registrations by Market Jan-Nov 2020

Source: Individual national trade associations, SAR

Market	BEV	BEV mix of national market (%)	PHEV	PHEV mix of national market (%)	Plug-ins	Plug-in mix of national market (%)	BEV share o 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 (%)	xEV weight
Germany	150,496	5.8	161,358	6.2	311,854	12.0	26.8%	32.4%	29.4%	48.3	51.7	PHEV
France	90,185	6.2	59,803	4.1	149,988	10.2	16.0%	12.0%	14.1%	60.1	39.9	BEV
UK	86,311	5.8	57,769	3.9	144,080	9.6	15.3%	11.6%	13.6%	59.9	40.1	BEV
Norway	63,068	52.2	24,712	20.5	87,780	72.6	11.2%	5.0%	8.3%	71.8	28.2	BEV
Sweden	21,331	8.3	55,646	21.6	76,977	29.9	3.8%	11.2%	7.3%	27.7	72.3	PHEV
Netherlands	43,619	13.9	14,559	4.6	58,178	18.6	7.8%	2.9%	5.5%	75.0	25.0	BEV
Italy	25,216	2.0	20,744	1.6	45,960	3.6	4.5%	4.2%	4.3%	54.9	45.1	BEV
Belgium	12,254	3.1	25,708	6.4	37,962	9.5	2.2%	5.2%	3.6%	32.3	67.7	PHEV
Spain	13,601	1.8	16,812	2.3	30,413	4.1	2.4%	3.4%	2.9%	44.7	55.3	PHEV
Switzerland	14,861	7.2	11,435	5.5	26,296	12.7	2.6%	2.3%	2.5%	56.5	43.5	BEV
Denmark	10,394	5.9	14,743	8.4	25,137	14.3	1.8%	3.0%	2.4%	41.3	58.7	PHEV
Austria	12,581	5.6	6,503	2.9	19,084	8.5	2.2%	1.3%	1.8%	65.9	34.1	BEV
Portugal	6,778	5.2	9,810	7.5	16,588	12.6	1.2%	2.0%	1.6%	40.9	59.1	PHEV
Finland	3,192	3.6	11,723	13.3	14,915	16.9	0.6%	2.4%	1.4%	21.4	78.6	PHEV
Eire	3,941	4.5	2,481	2.8	6,422	7.3	0.7%	0.5%	0.6%	61.4	38.6	BEV
Luxembourg	1,990	4.8	2,219	5.3	4,209	10.1	0.4%	0.4%	0.4%	47.3	52.7	PHEV
Iceland	2,056	24.0	1,564	18.3	3,620	42.3	0.4%	0.3%	0.3%	56.8	43.2	BEV
Greece	467	0.6	898	1.2	1,365	1.8	0.1%	0.2%	0.1%	34.2	65.8	PHEV
W.Europe	562,341	5.8	498,487	5.1	1,060,828	10.9	100.0%	100.0%	100.0%	53.0	47.0	BEV

Fig. 11/02: Top 4 Markets Quarterly BEV Registrations y/y Changes (%)

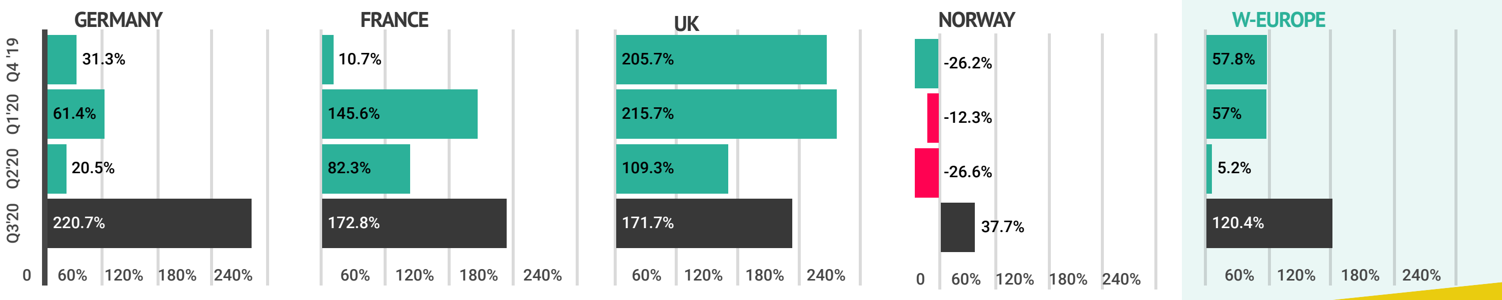
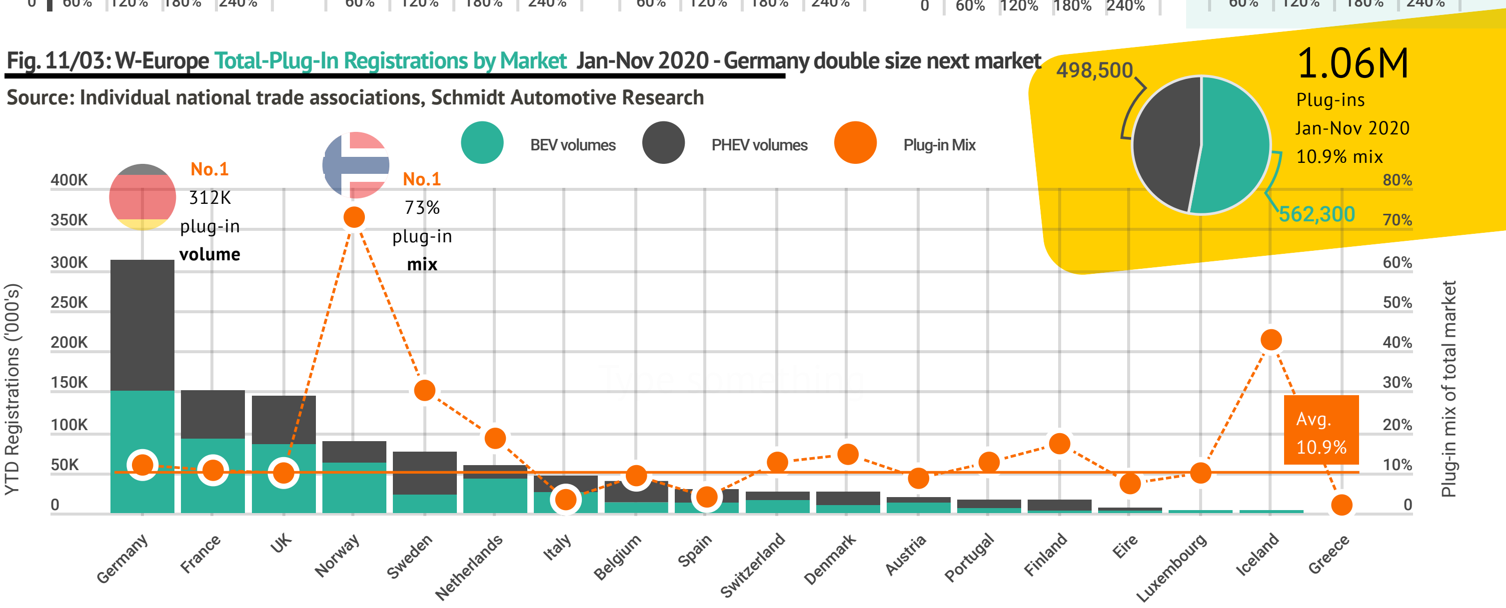


Fig. 11/03: W-Europe Total-Plug-In Registrations by Market Jan-Nov 2020 - Germany double size next market

Source: Individual national trade associations, Schmidt Automotive Research



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