

So what's happening with BEV

Andy Shields
Global Business Unit Director

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Part of Autorola



Progression in BEV adoption was good initially

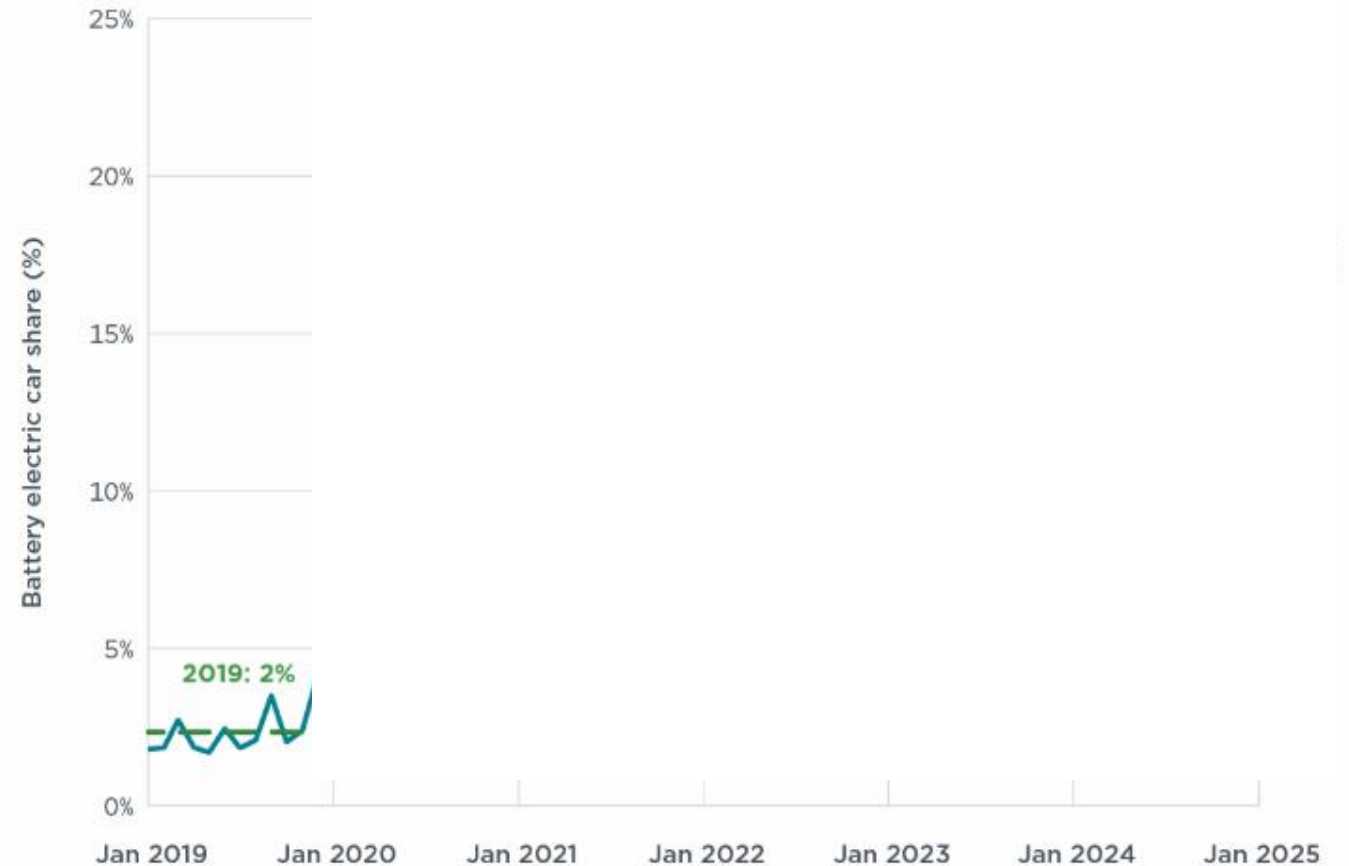
- CAFÉ Regulations

- Forced OEM's to convert to Low Emission Vehicles (PHEV etc) and Zero Emission Vehicle (BEV's)

- Member State support

- Purchase Incentives
- Tax
- Benefit In Kind
- etc

Figure 1. Share of battery electric in new passenger car registrations in Europe



Progression in BEV adoption was good initially

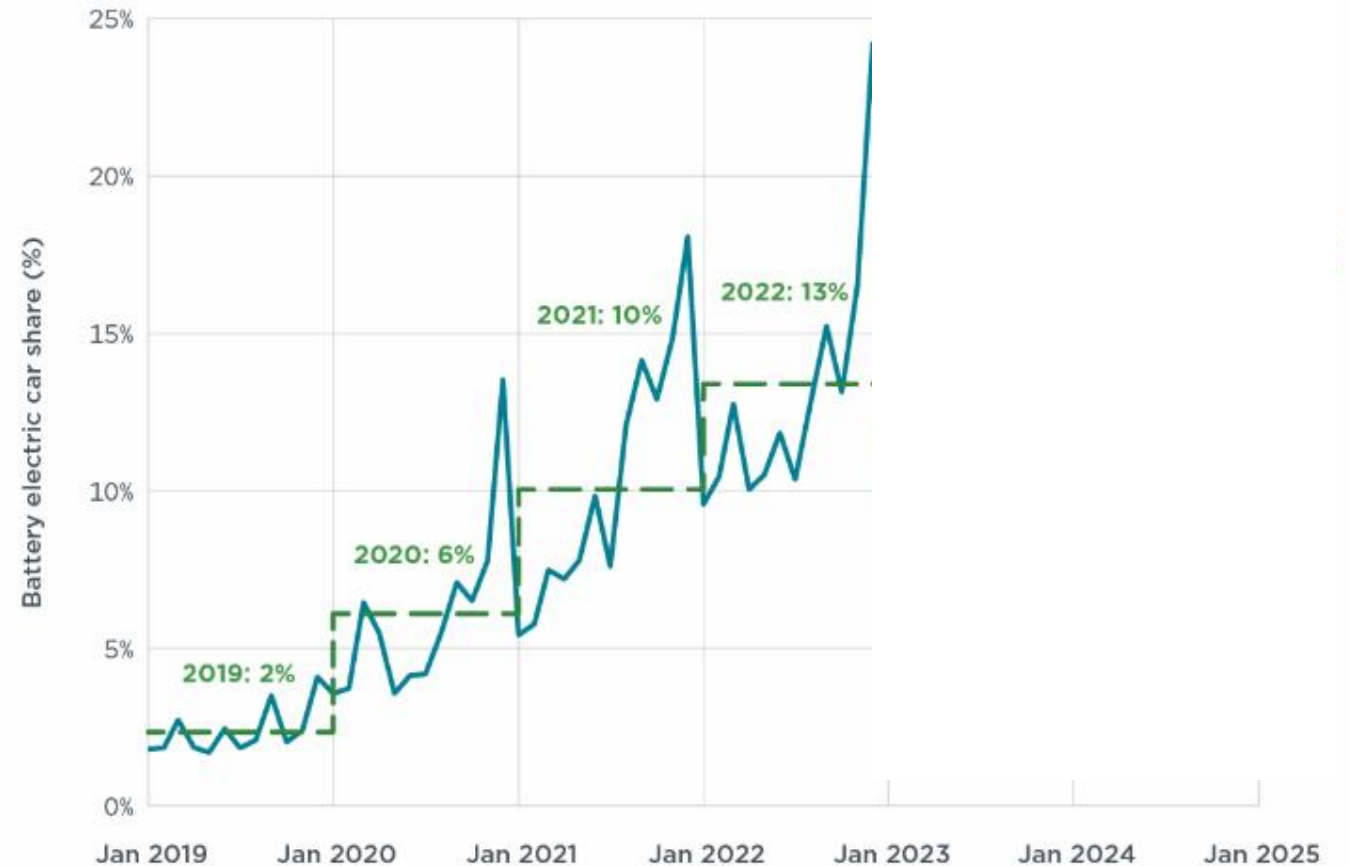
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Figure 1. Share of battery electric in new passenger car registrations in Europe



But maintaining momentum is challenging...

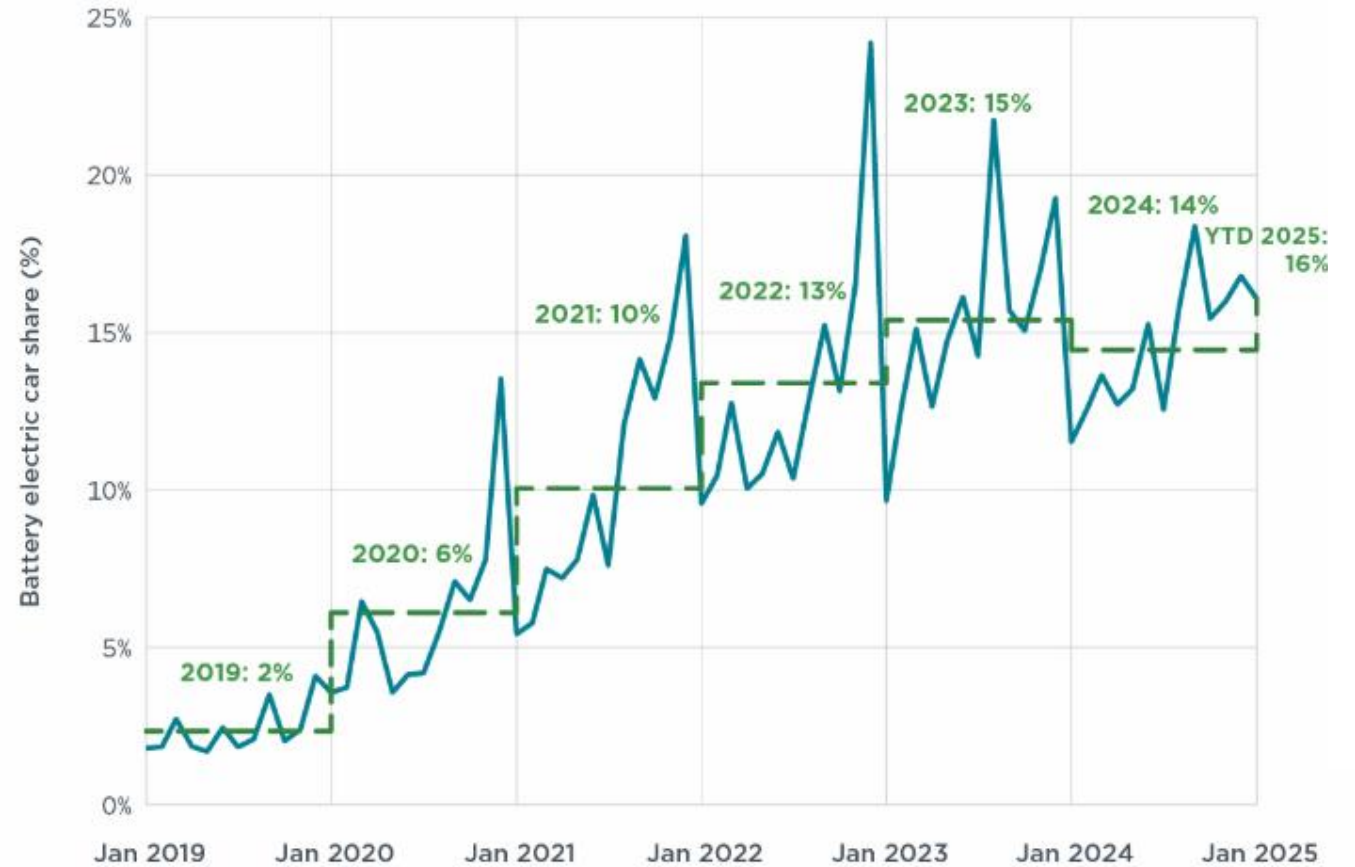
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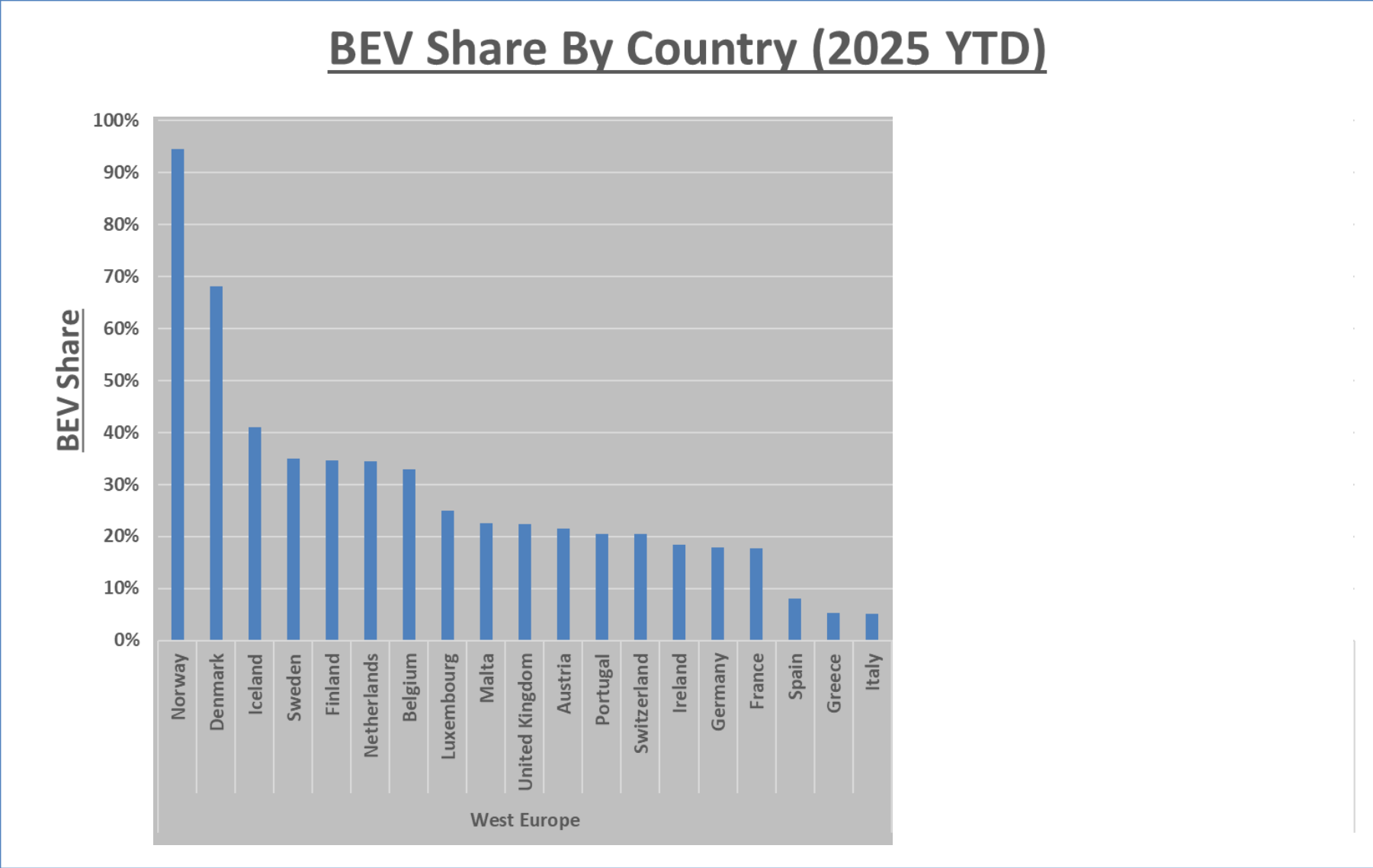
Figure 1. Share of battery electric in new passenger car registrations in Europe



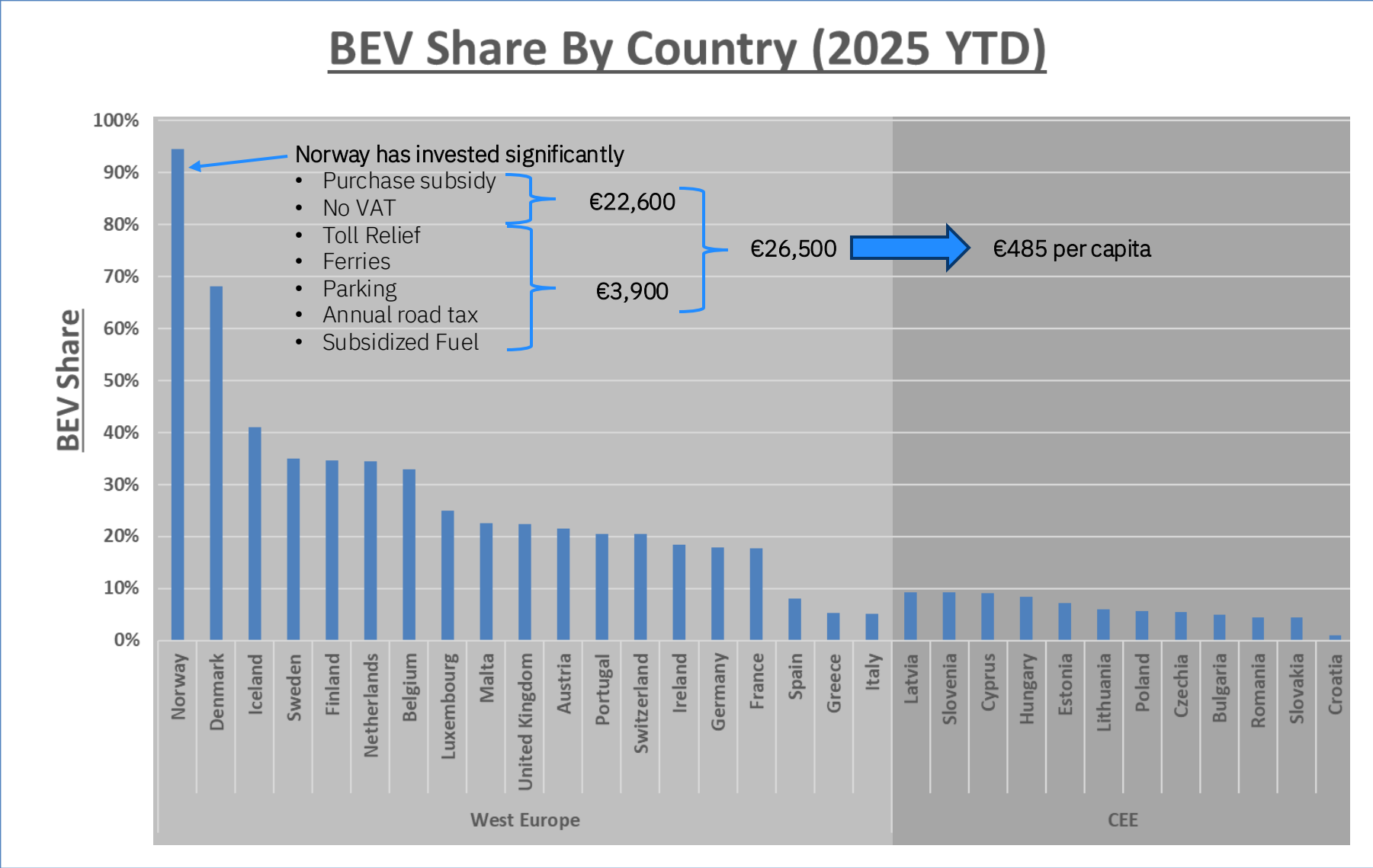
The trend by country shows marked variation



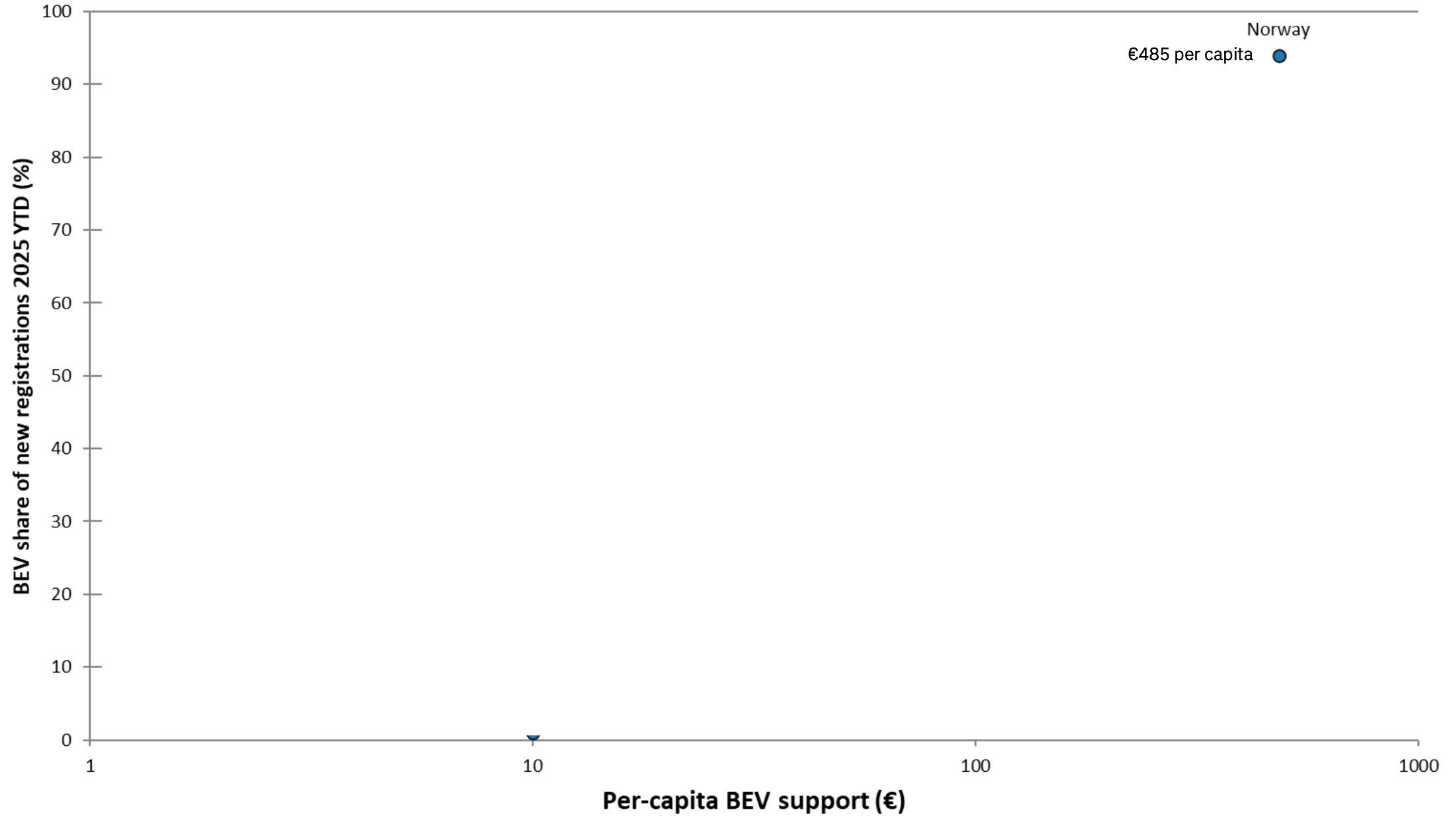
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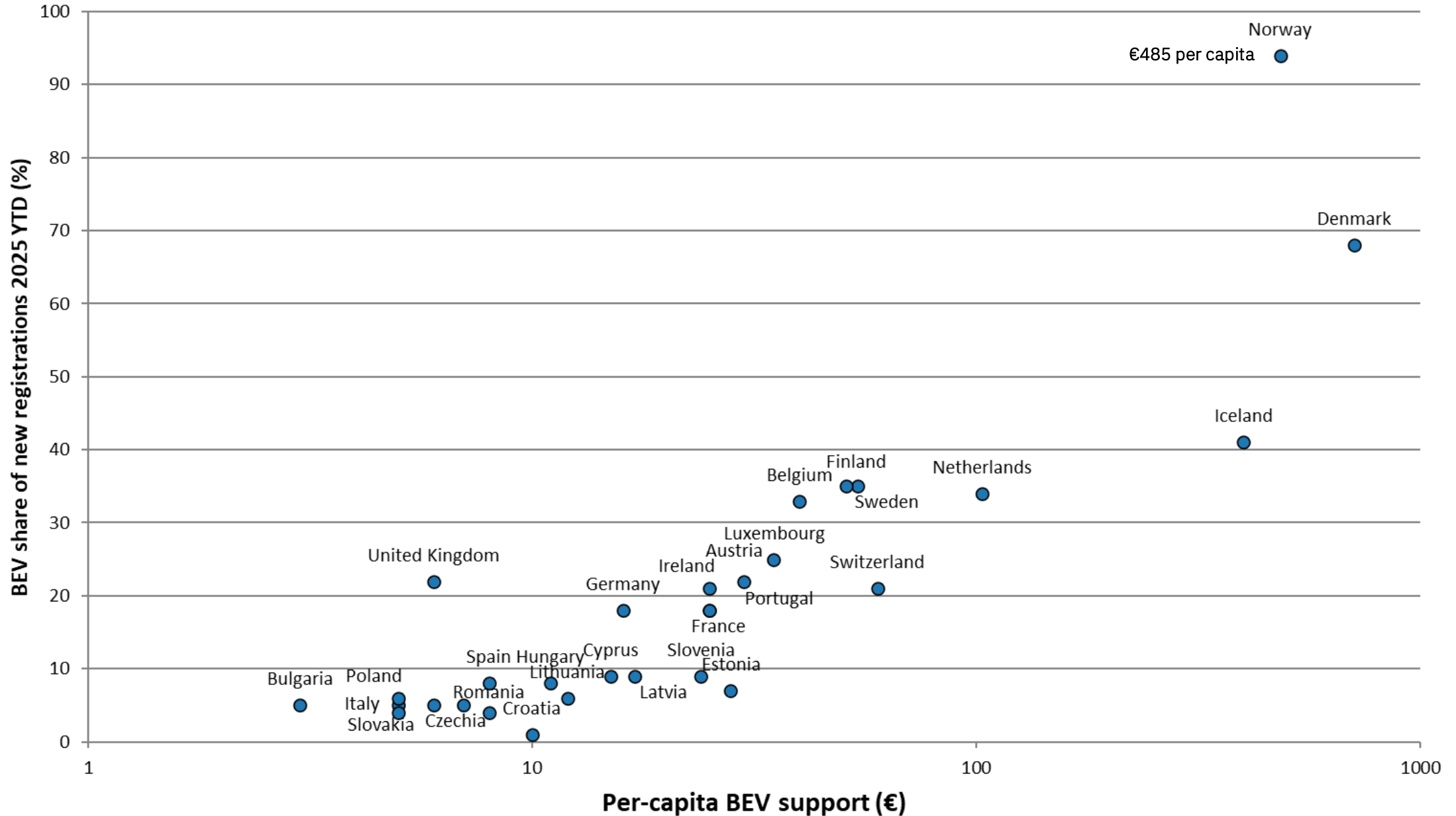
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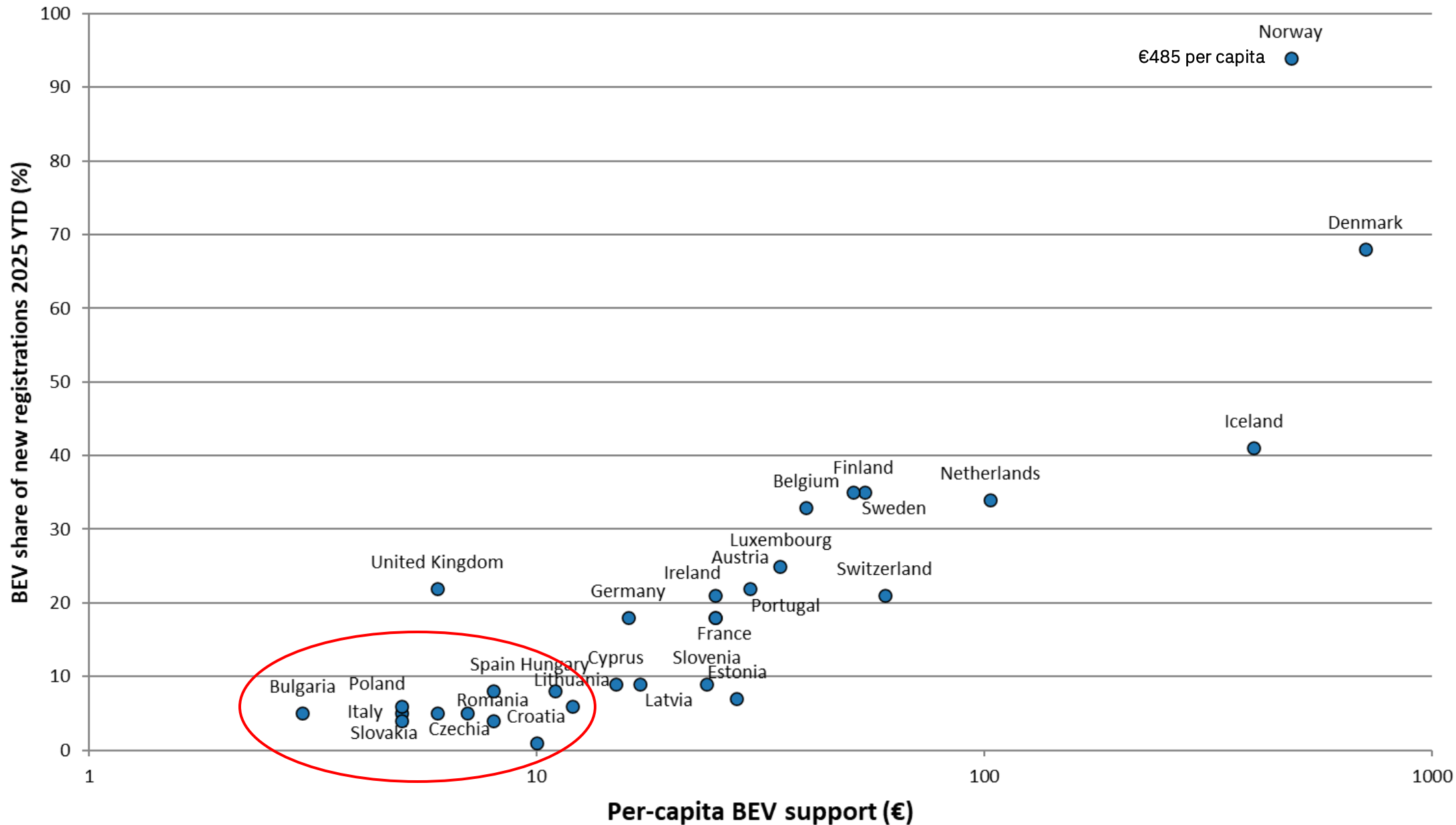
2025 YTD BEV Market Share vs Per-Capita BEV Support



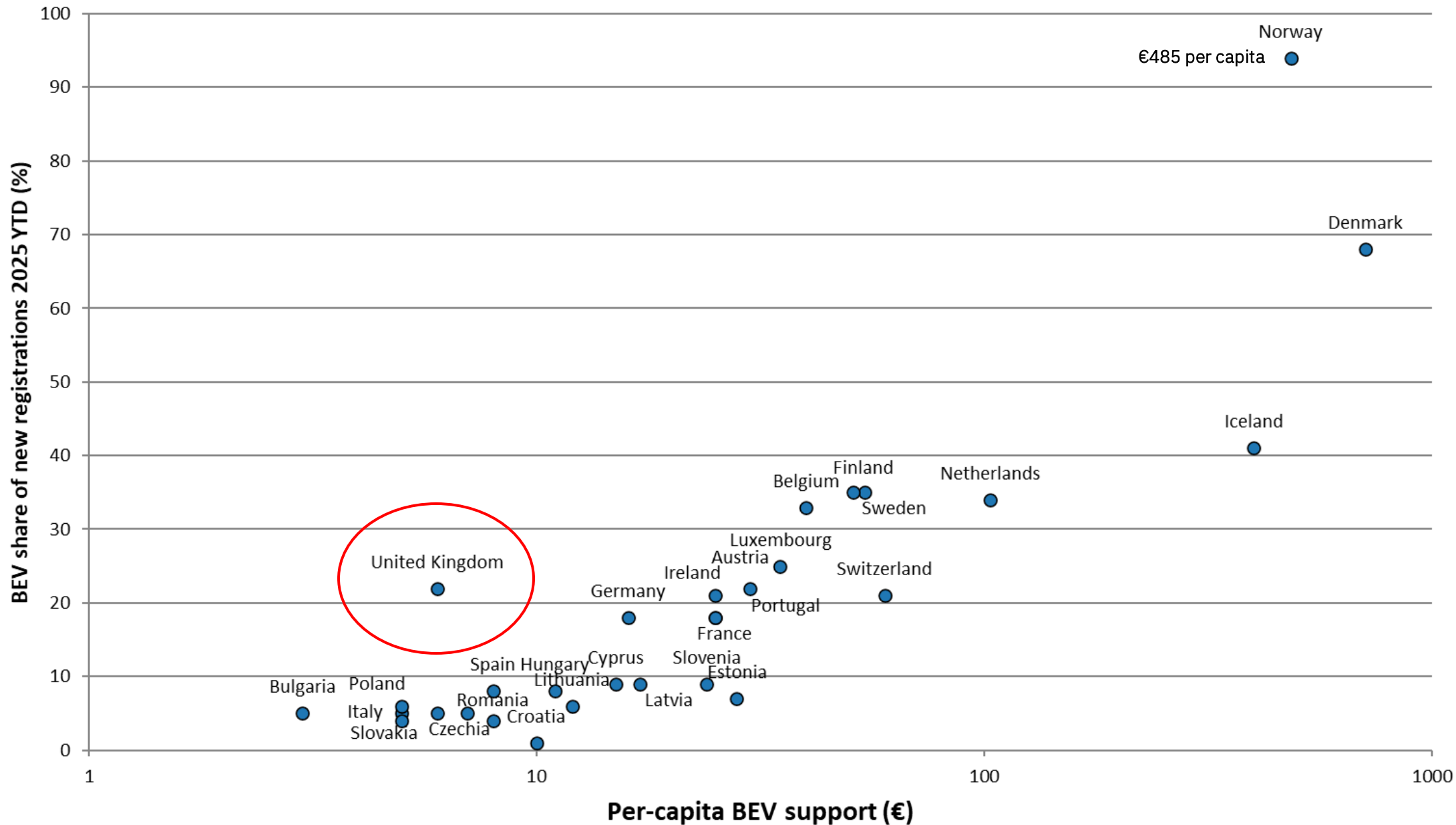
2025 YTD BEV Market Share vs Per-Capita BEV Support



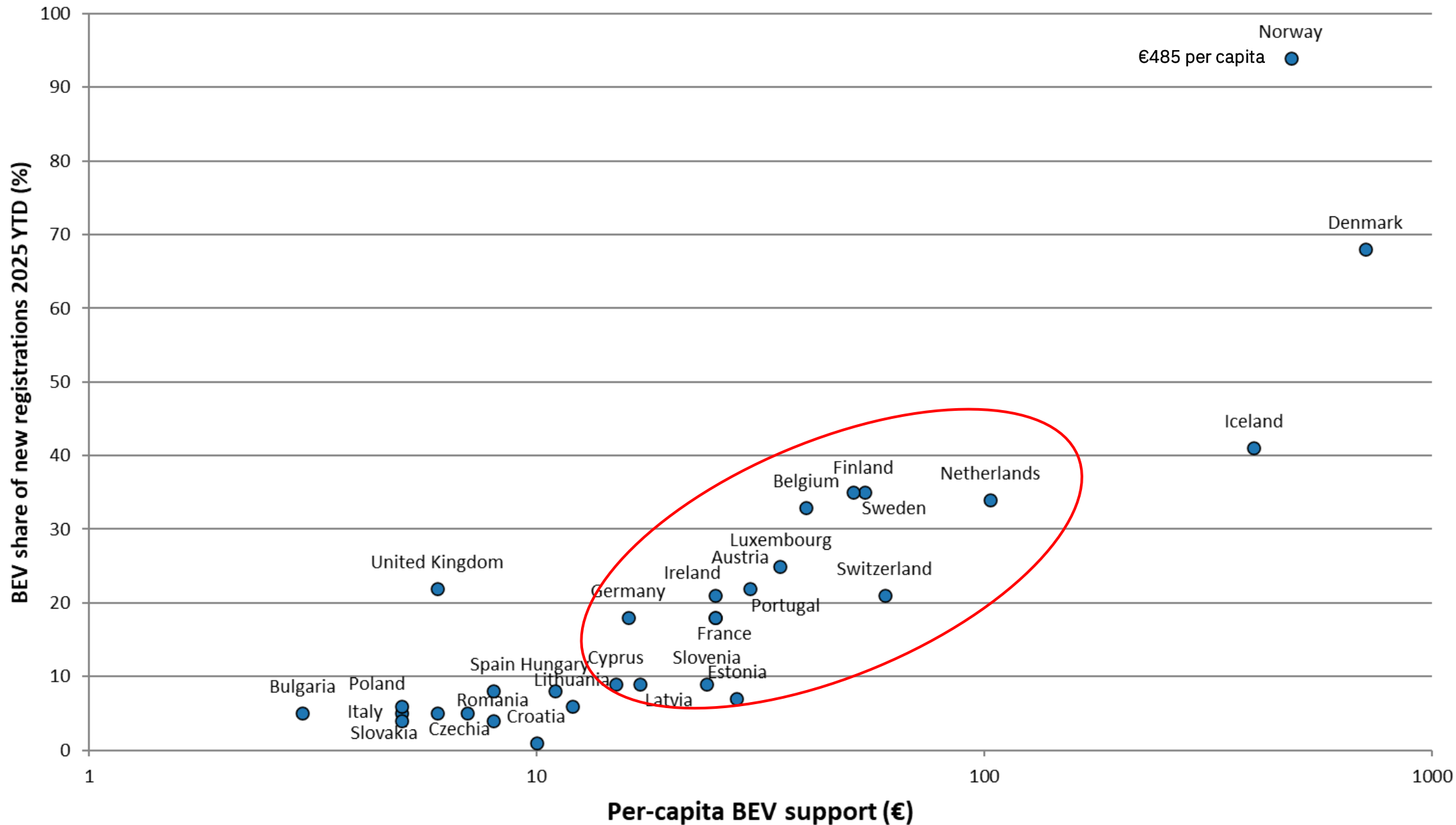
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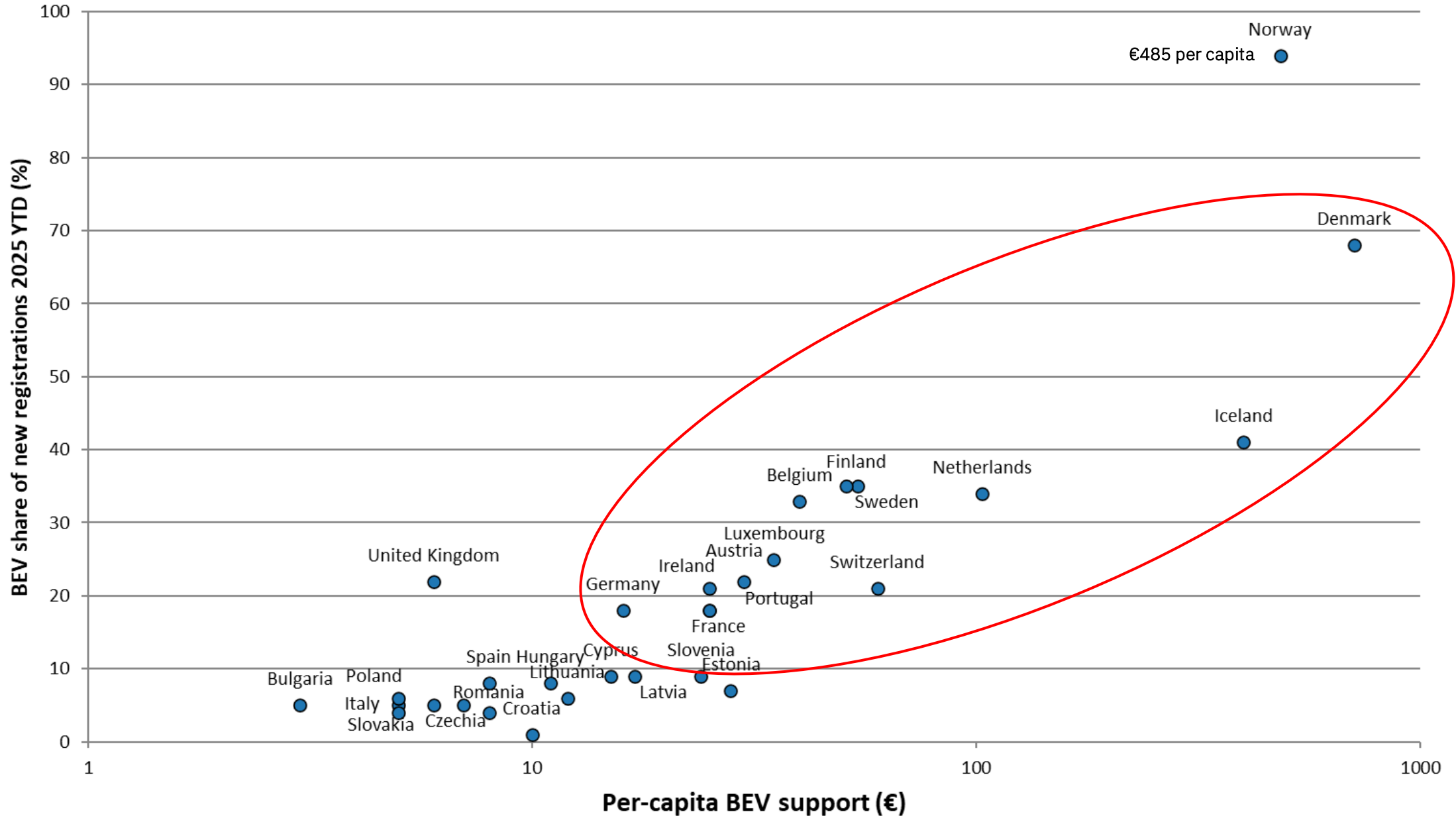
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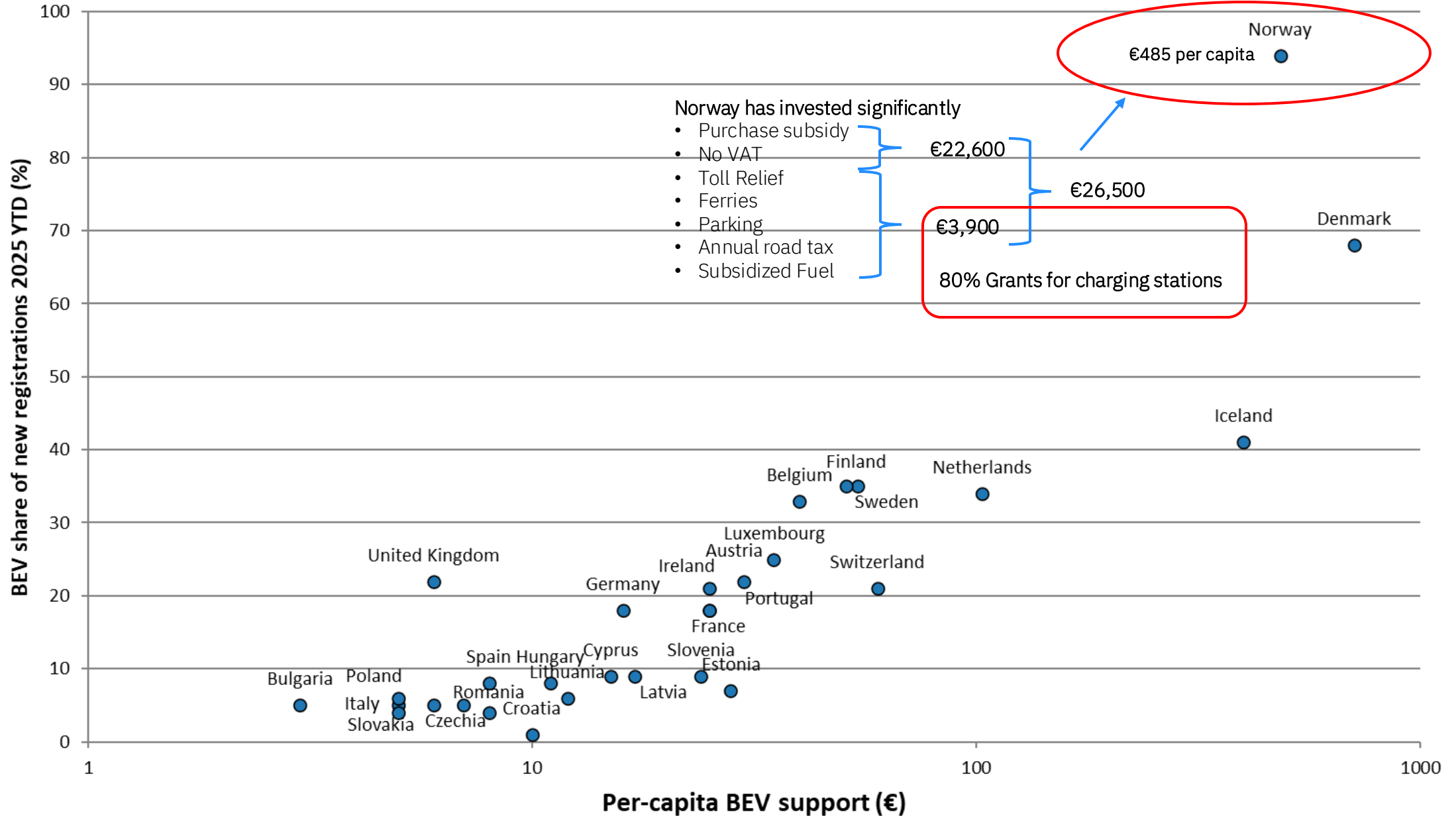
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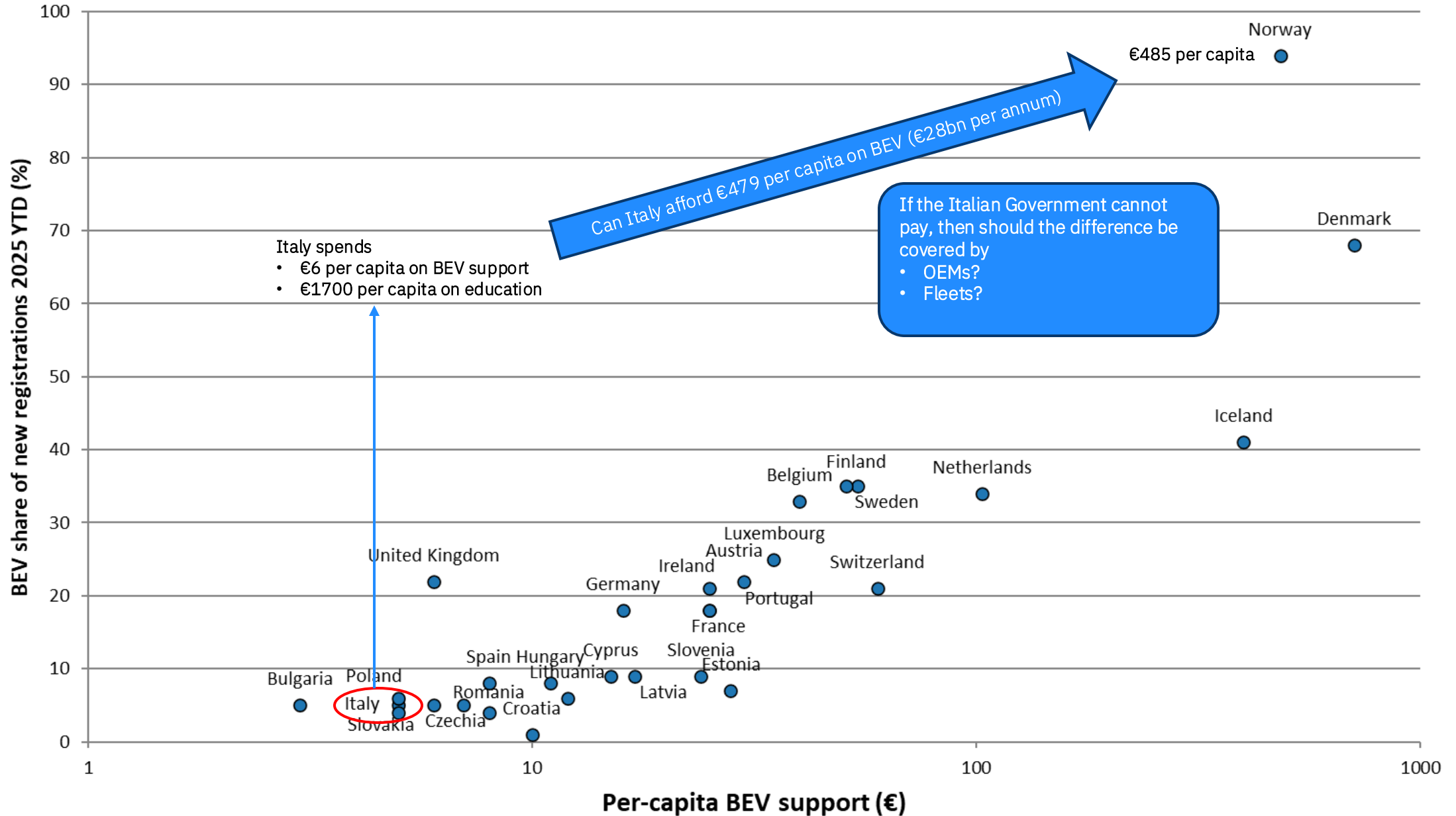
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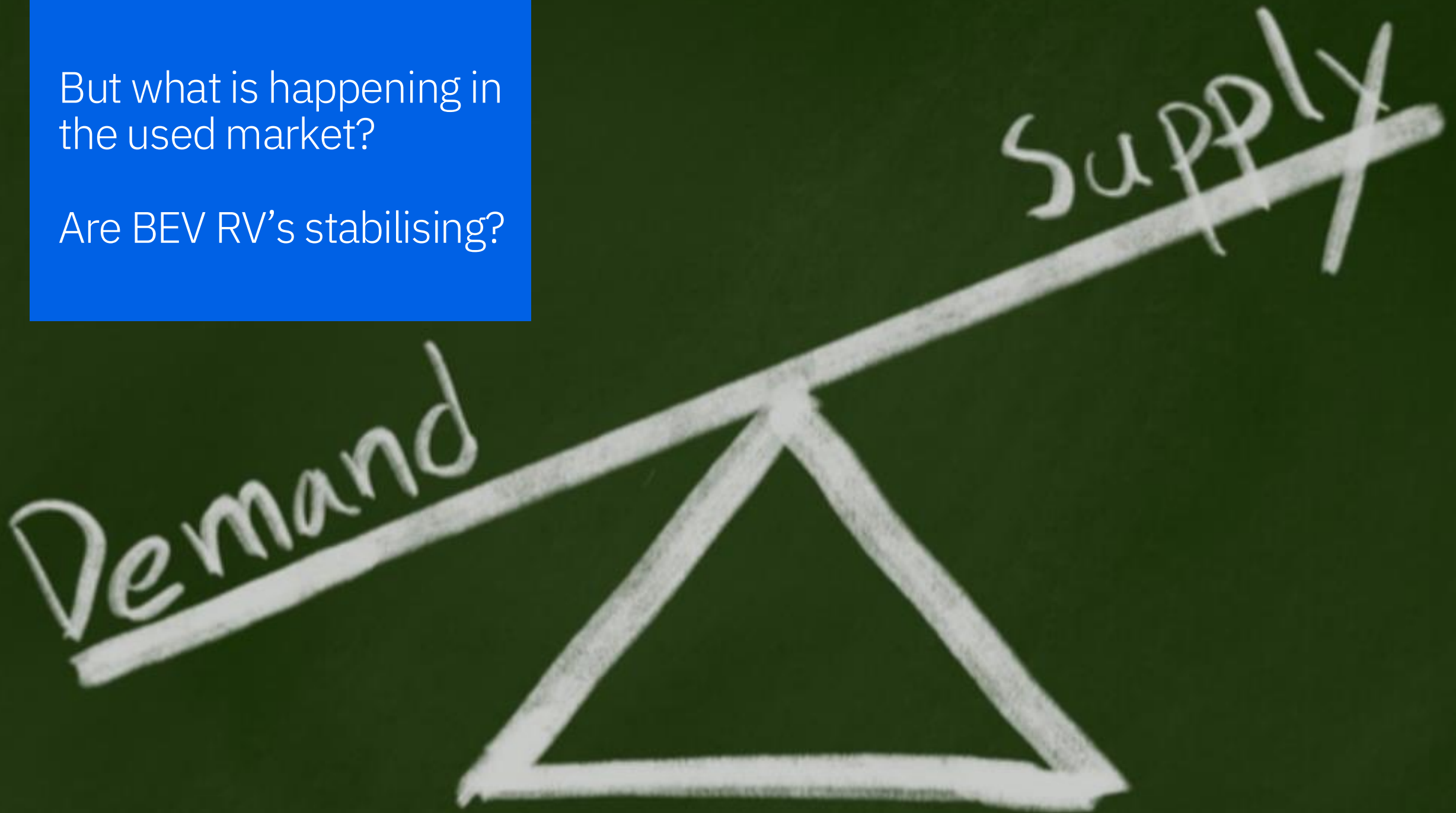


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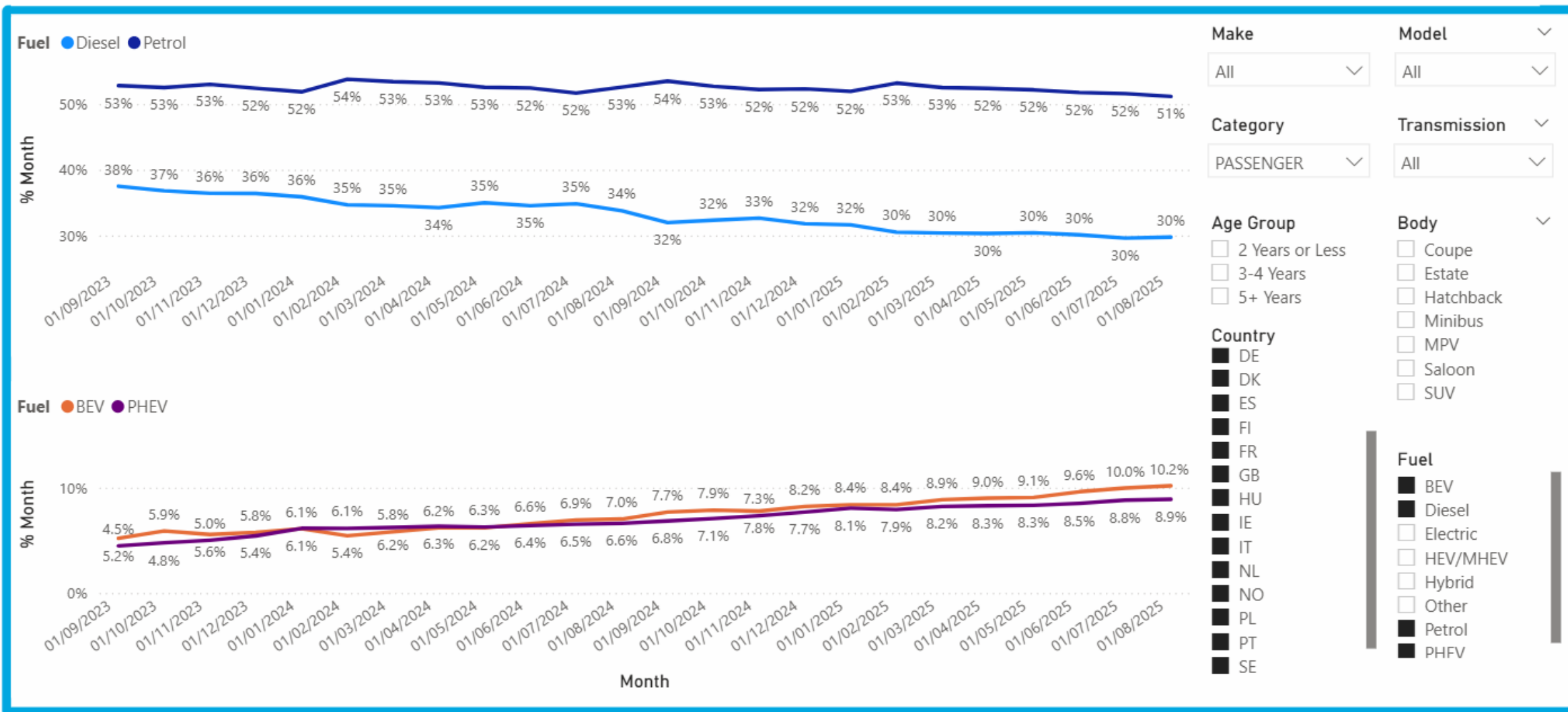


But what is happening in the used market?

Are BEV RV's stabilising?

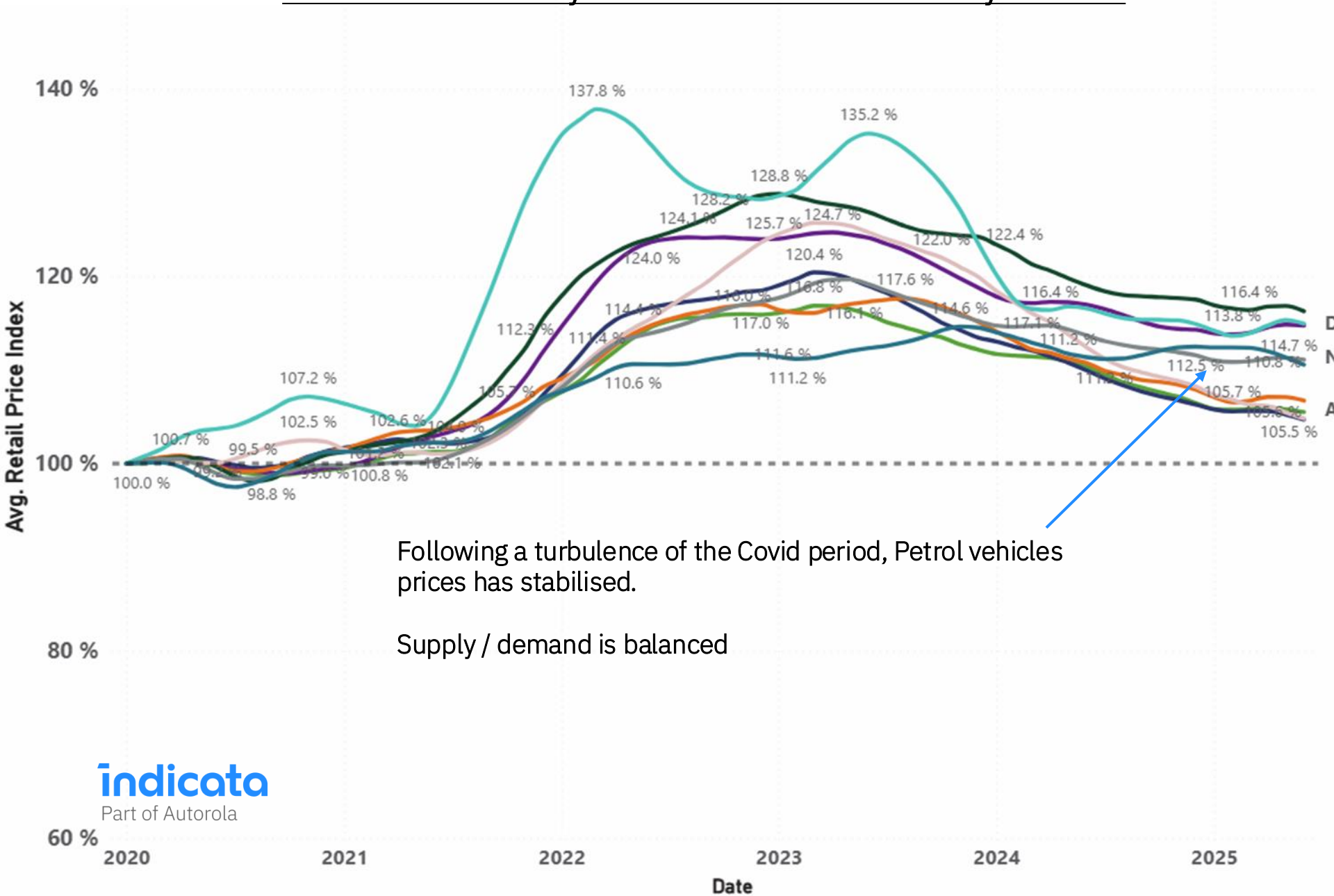


PERCENTAGE MARKET SHARE BY MONTH AND FUEL TYPE (USED)



August EU/UK/EFTA Used Passenger Vehicle share 10.2% vs 20.5% for new

Price trends of 3-year-old Petrol vehicles by market



Following a turbulence of the Covid period, Petrol vehicles prices has stabilised.

Supply / demand is balanced

Make All

Model All

Category All

Transmission All

Segment All

Body All

Country

- FR
- GB
- HU
- IE
- IT
- NL
- NO
- PL
- PT

Fuel

- Select all
- Bev
- Diesel
- Hev
- Mhev
- Other
- Petrol
- Phev

Index Start

01/01/2020 01/06/2025

Legend

Country

Index Type

Dynamic Index

Market Days Supply

Measuring the Supply Demand ratio in the market



150 cars in dealer stock in
the market

VS.



=



Sales rate of 3 per day

Market Days Supply

Measuring the Supply Demand ratio in the market

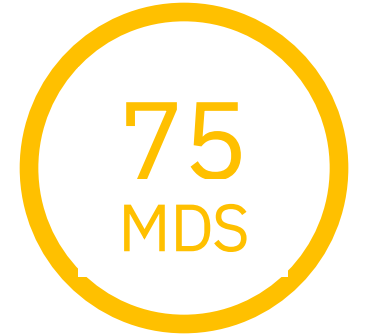


150 cars in dealer stock in
the market

VS.



=



Sales rate of 2 per day

Market Days Supply

Measuring the Supply Demand ratio in the market



150 cars in dealer stock in
the market

VS.



=

150
MDS

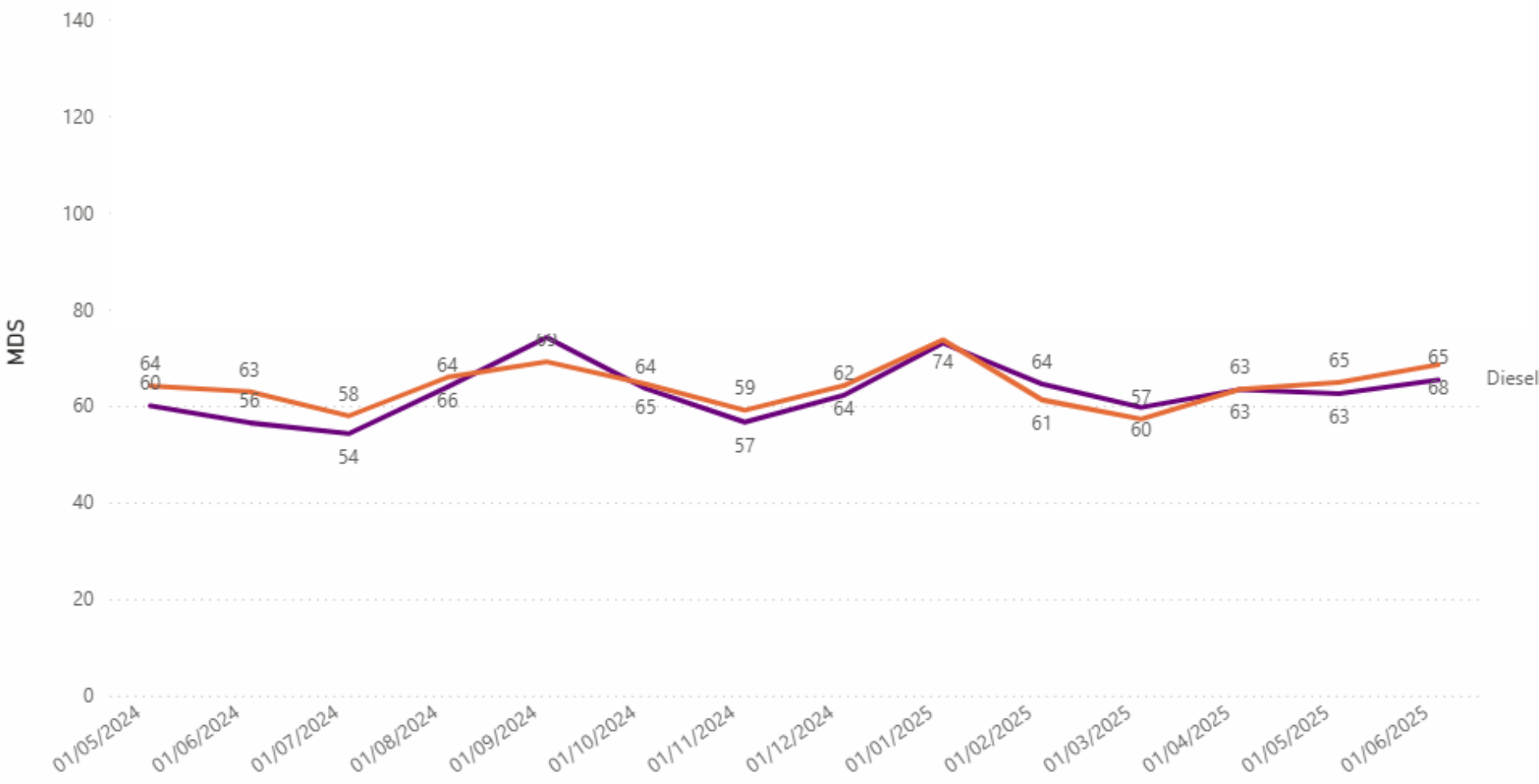
Sales rate of 1 per day



MDS by Fuel Type

Rolling 12 Months - Belgium

Fuel ● BEV ● Diesel ● Petrol



Make

Model

Category

Transmission

Age Group

- 2 Years or Less
- 3-4 Years
- 5+ Years

Body

- Cabriolet
- Coupe
- Estate
- Hatchback
- MPV
- Panel Van
- Saloon
- SUV

Country

- AT
- BE
- BR
- CH
- CZ
- DE
- DK
- ES
- FI
- FR
- GB
- HU
- IE
- IT

Fuel

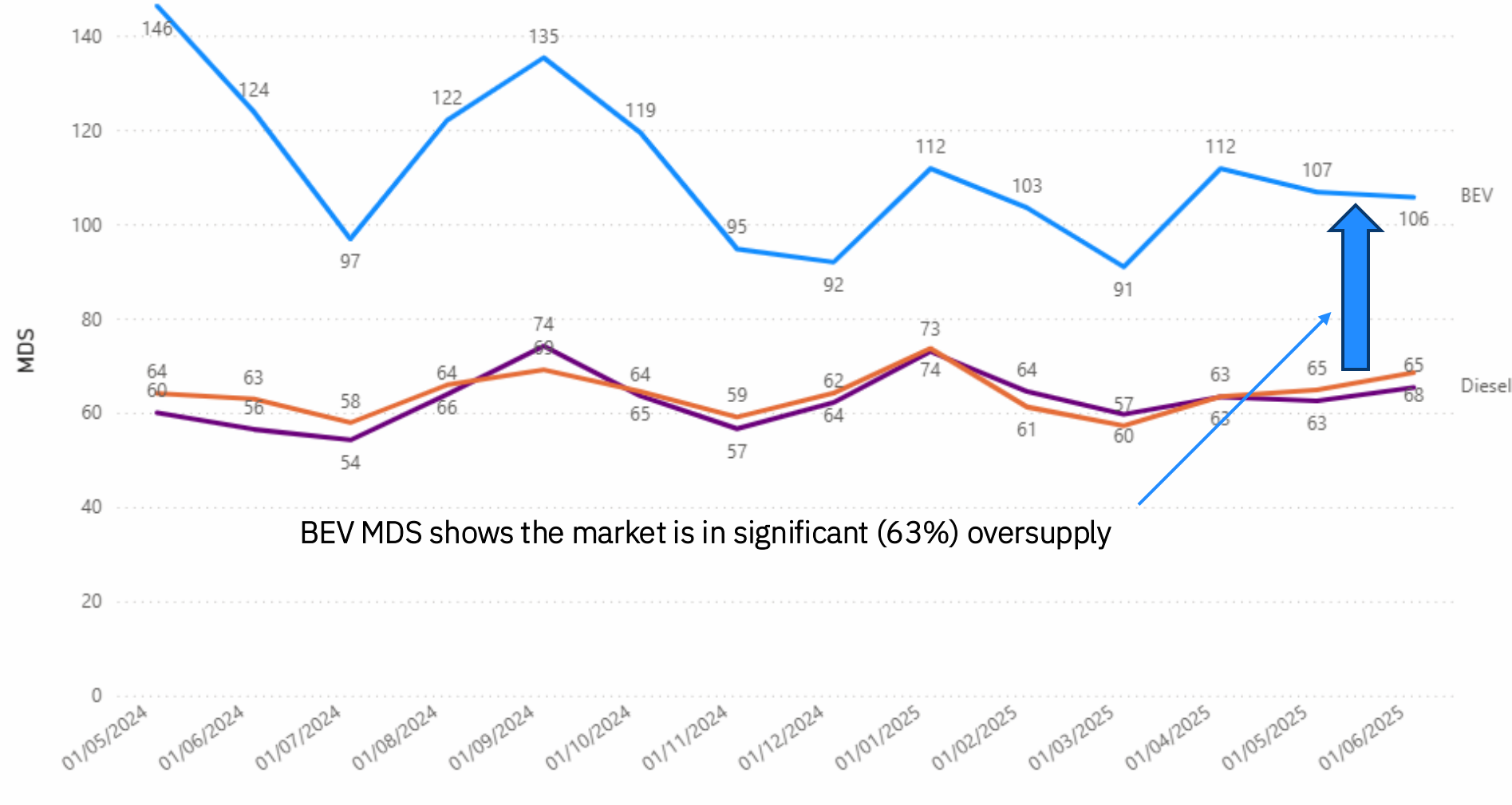
- Electric
- HEV/MHEV
- Hybrid
- Other
- Petrol
- PHEV



MDS by Fuel Type

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Rolling 12 Months - Belgium



BEV MDS shows the market is in significant (63%) oversupply

Make

Model

Category

Transmission

Age Group

- 2 Years or Less
- 3-4 Years
- 5+ Years

Country

- AT
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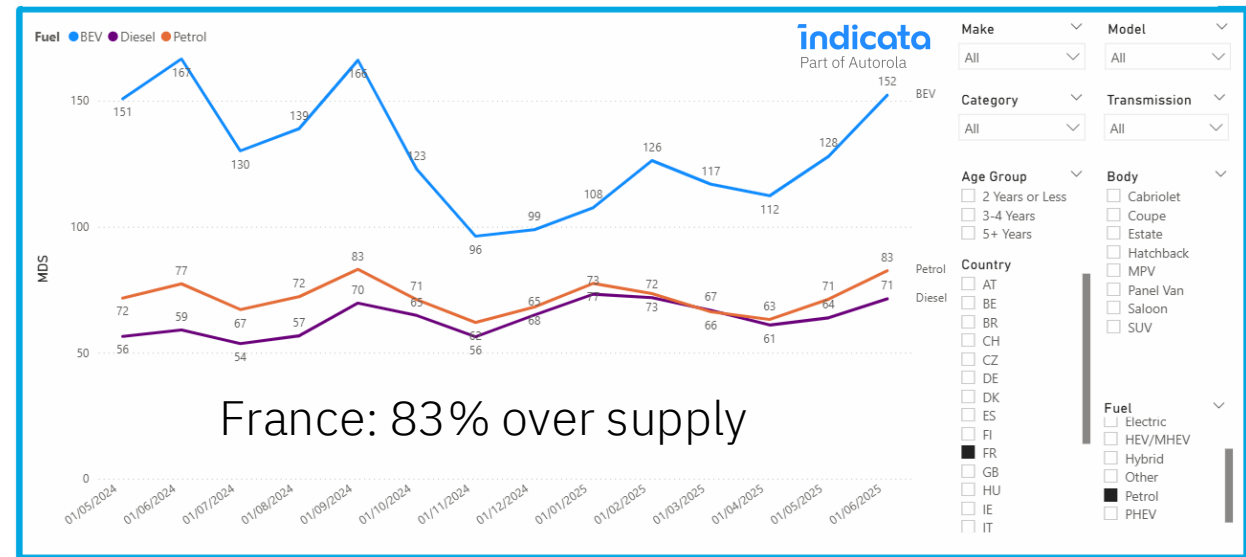
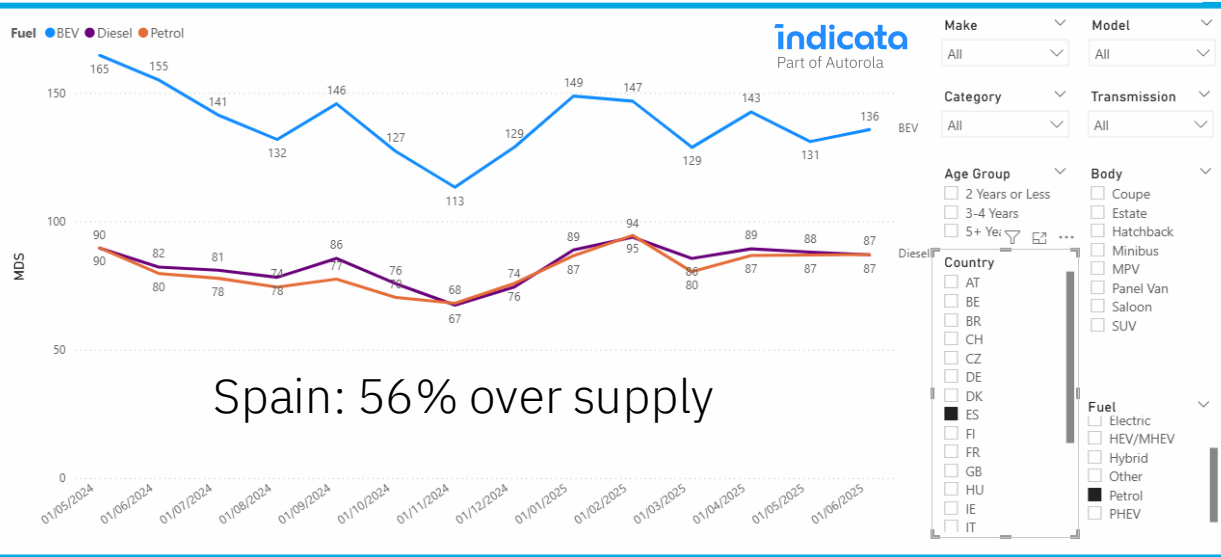
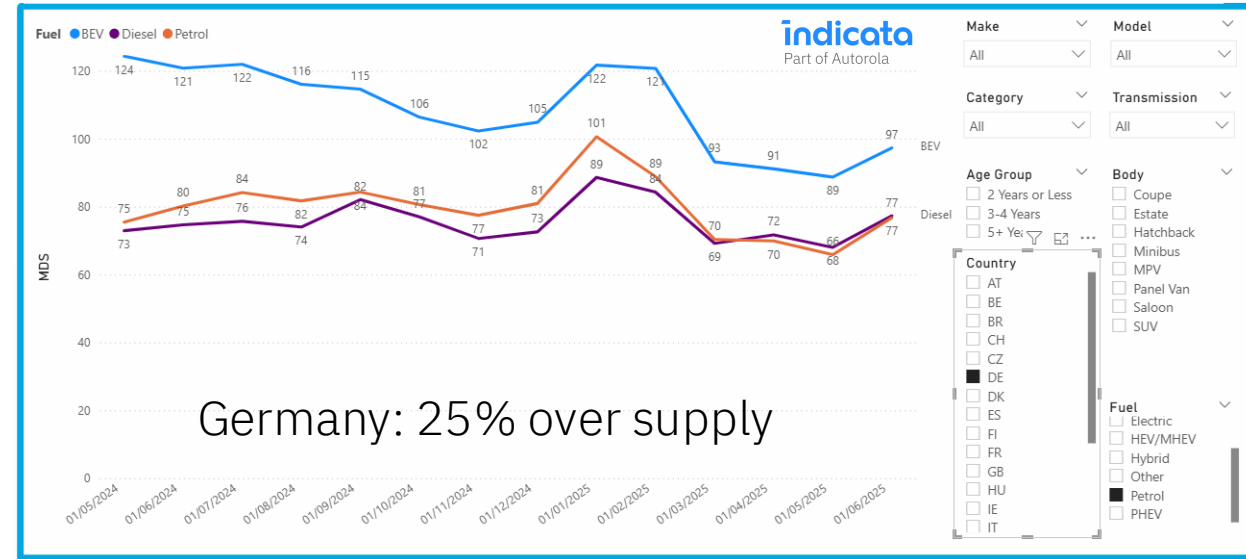
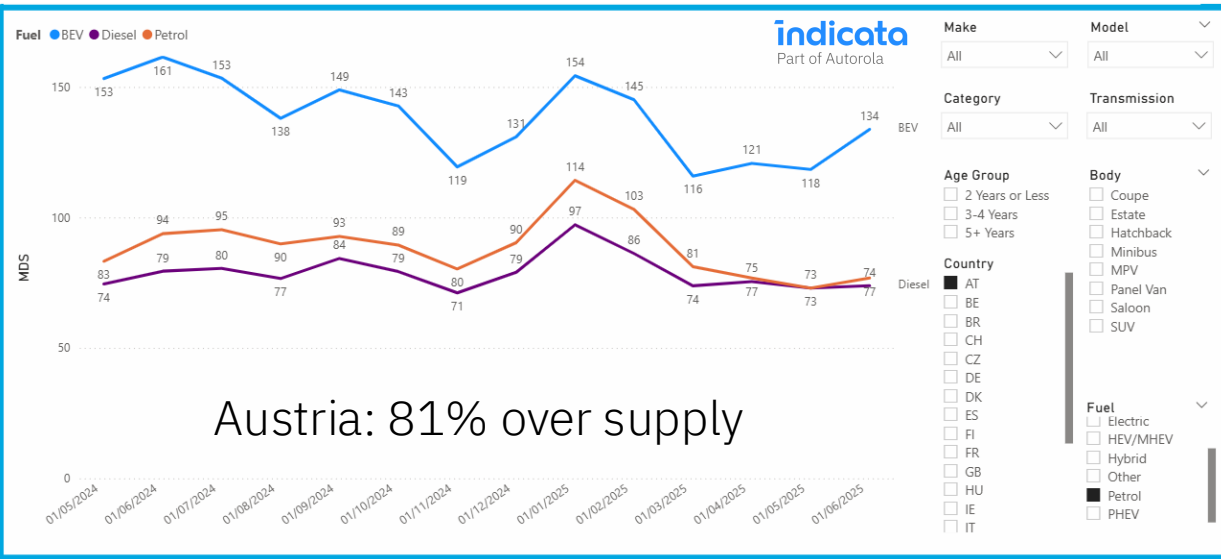
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- Panel Van
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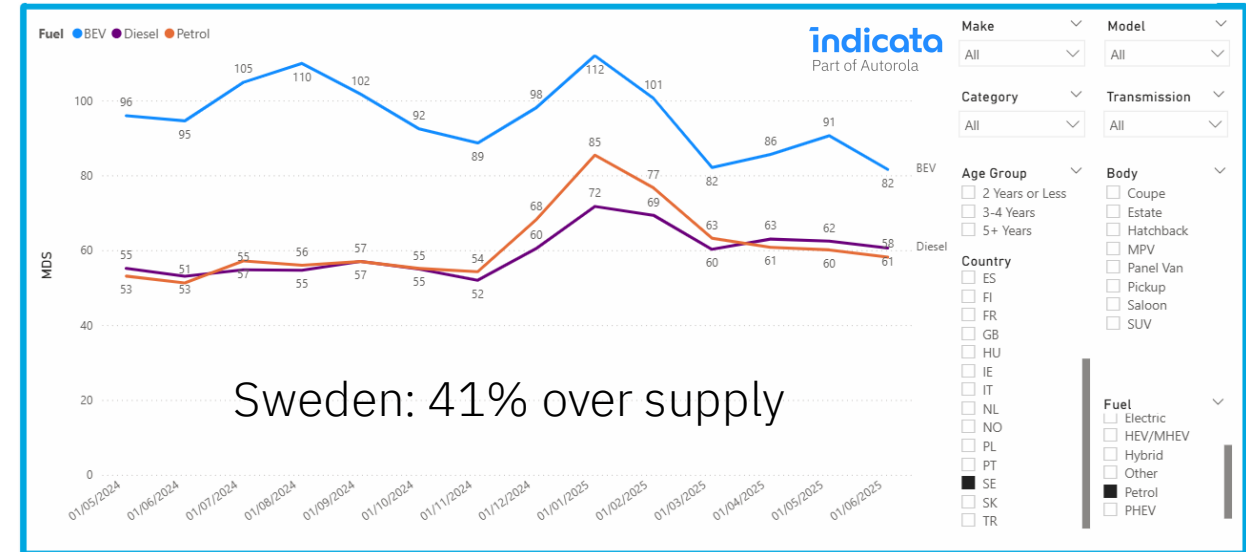
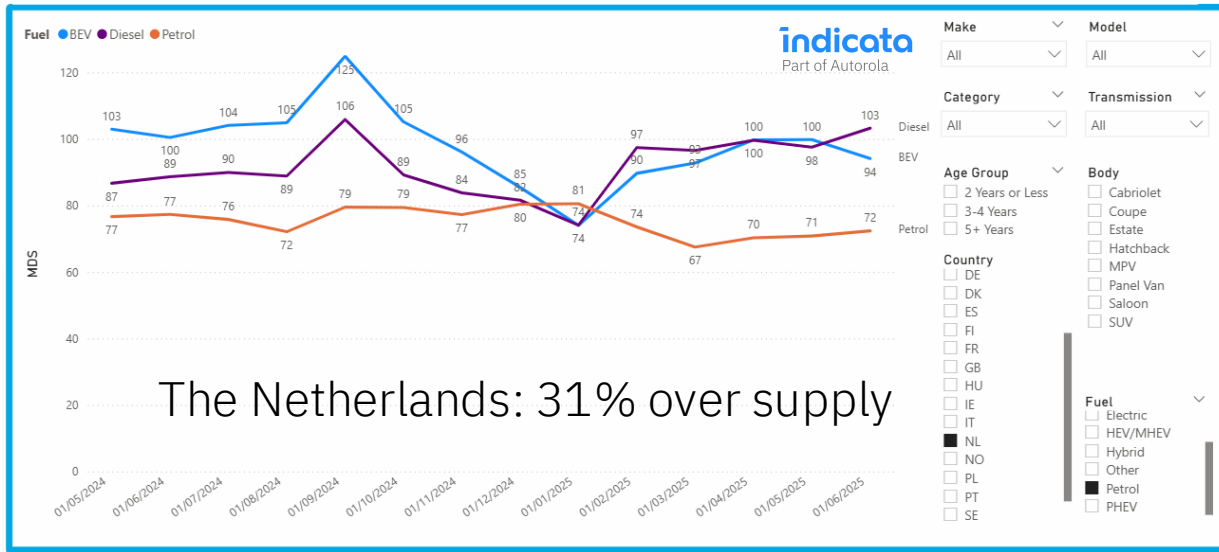
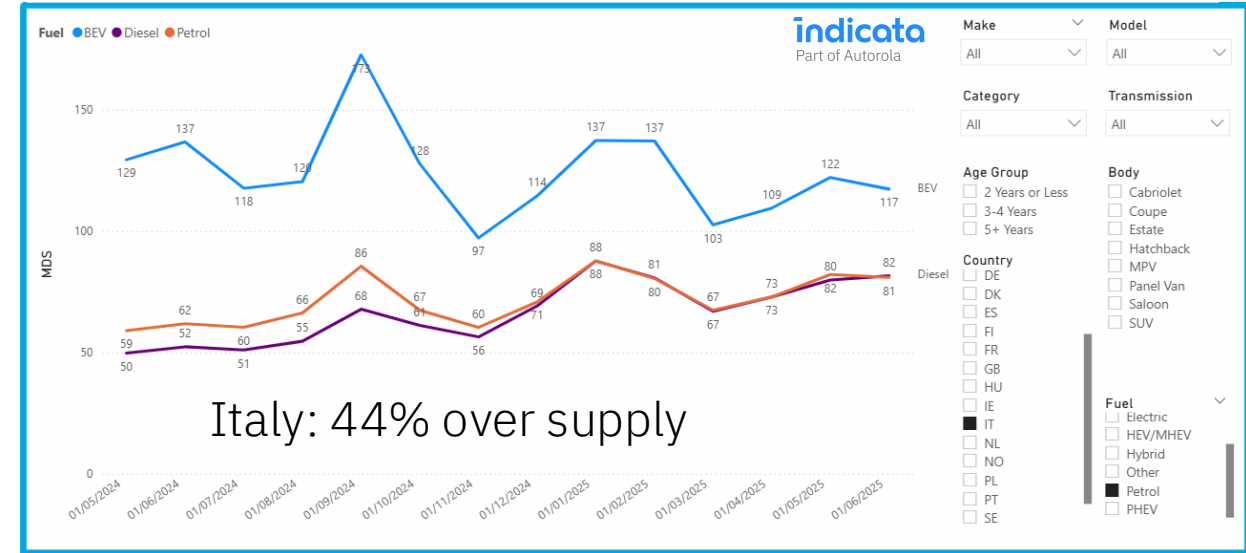
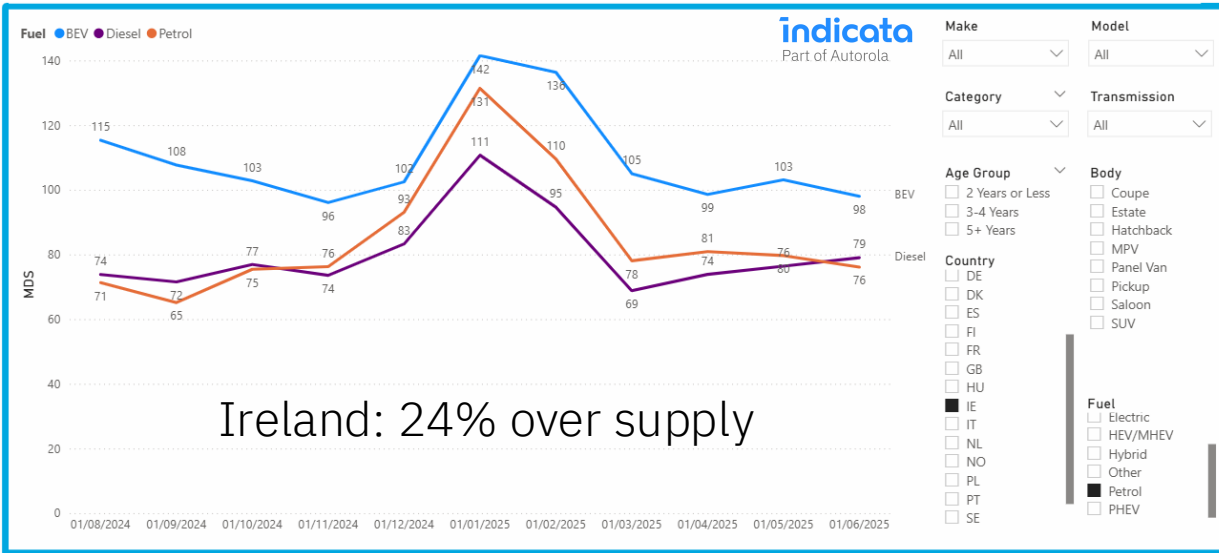
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- Hybrid
- Other
- Petrol
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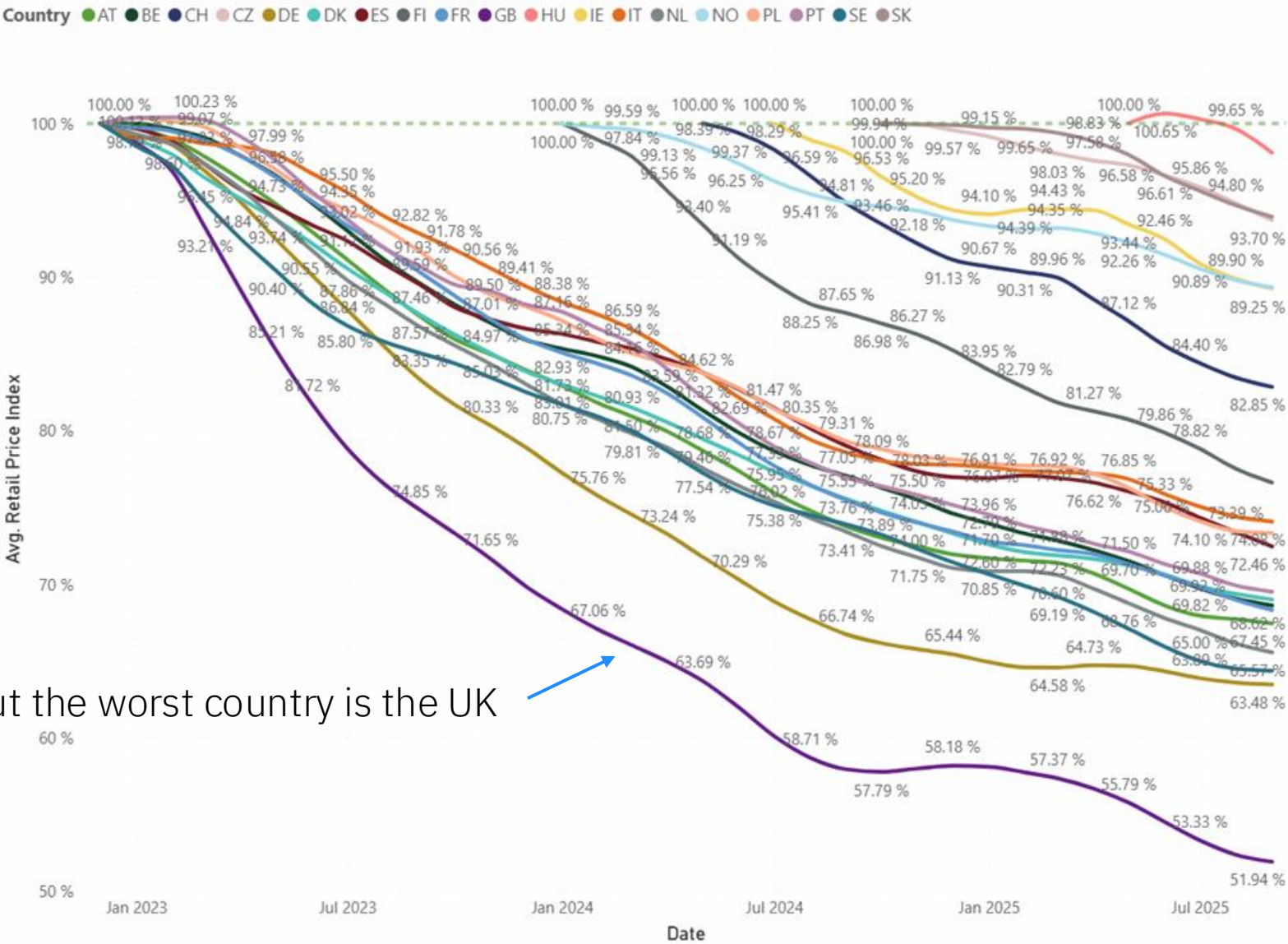
Key European markets in oversupply



Key European markets in oversupply



Result is RV's crashing in all countries



But the worst country is the UK



Make All
Model All
Category All
Transmission All
Segment All
Body All
Country
 IE
 IT
 NL
 NO
 PL
 PT
 SE
 SK
 TR
Fuel
 Select all
 Bev
 Diesel
 Hev
 Mhev
 Other
 Petrol
 Phev
Index Start
 09/12/2022 to 01/09/2025
Legend
 Country
Index Type
 Dynamic Index

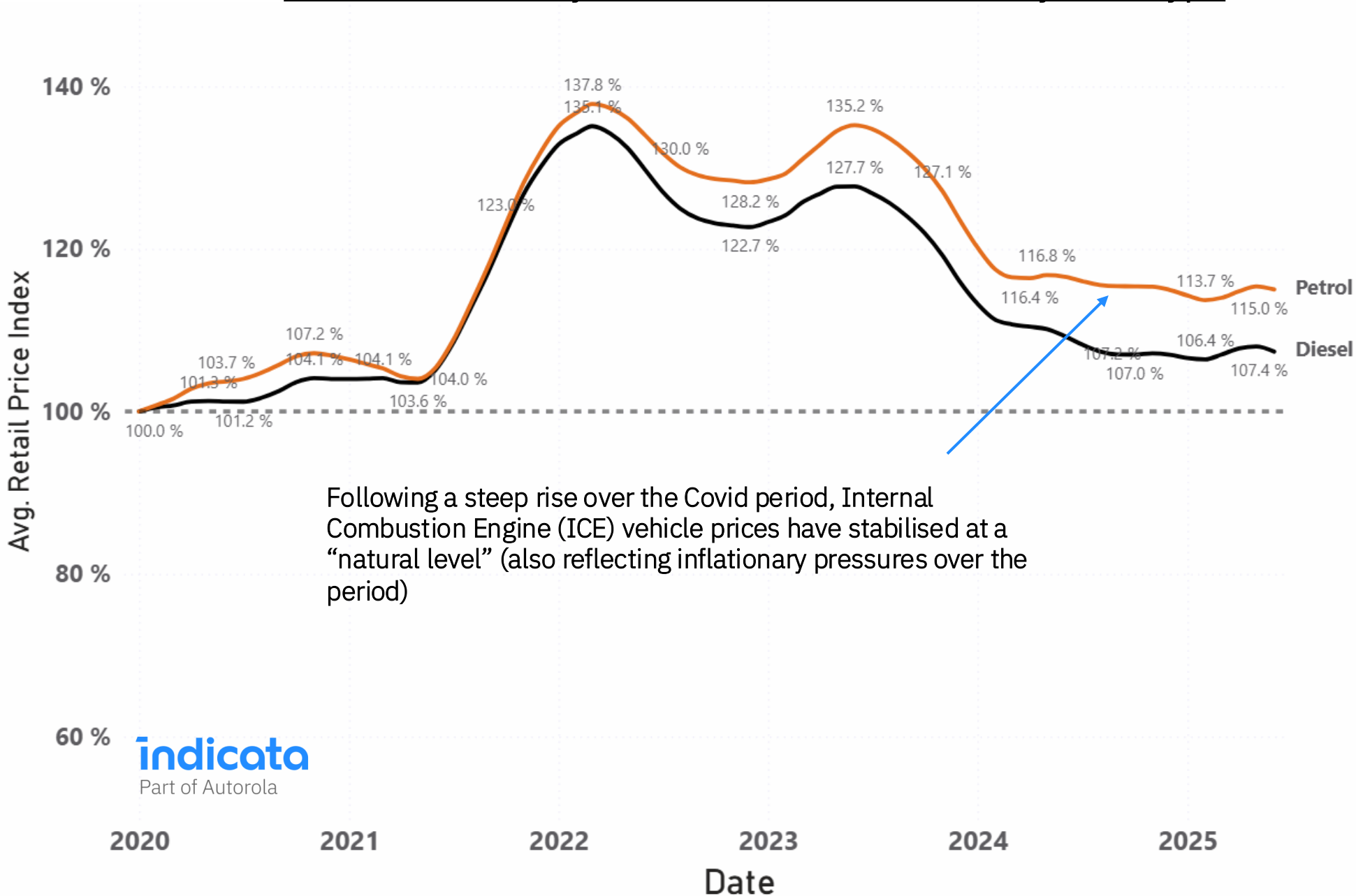
UK Case Study

The effect of segment imbalance

- What has been the progress of UK BEV Residual Values (RV's) in relative to other fuel types?
- How have imbalances in taxation and incentives to market sectors been a driver in market turbulence?



Price trends of 3-year-old cars in UK market by Fuel Type



Following a steep rise over the Covid period, Internal Combustion Engine (ICE) vehicle prices have stabilised at a “natural level” (also reflecting inflationary pressures over the period)

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Make

Model

Category

Transmission

Segment

Body

Country

- GB
- HU
- IE
- IT
- NL
- NO
- PL
- PT
- SE

Fuel

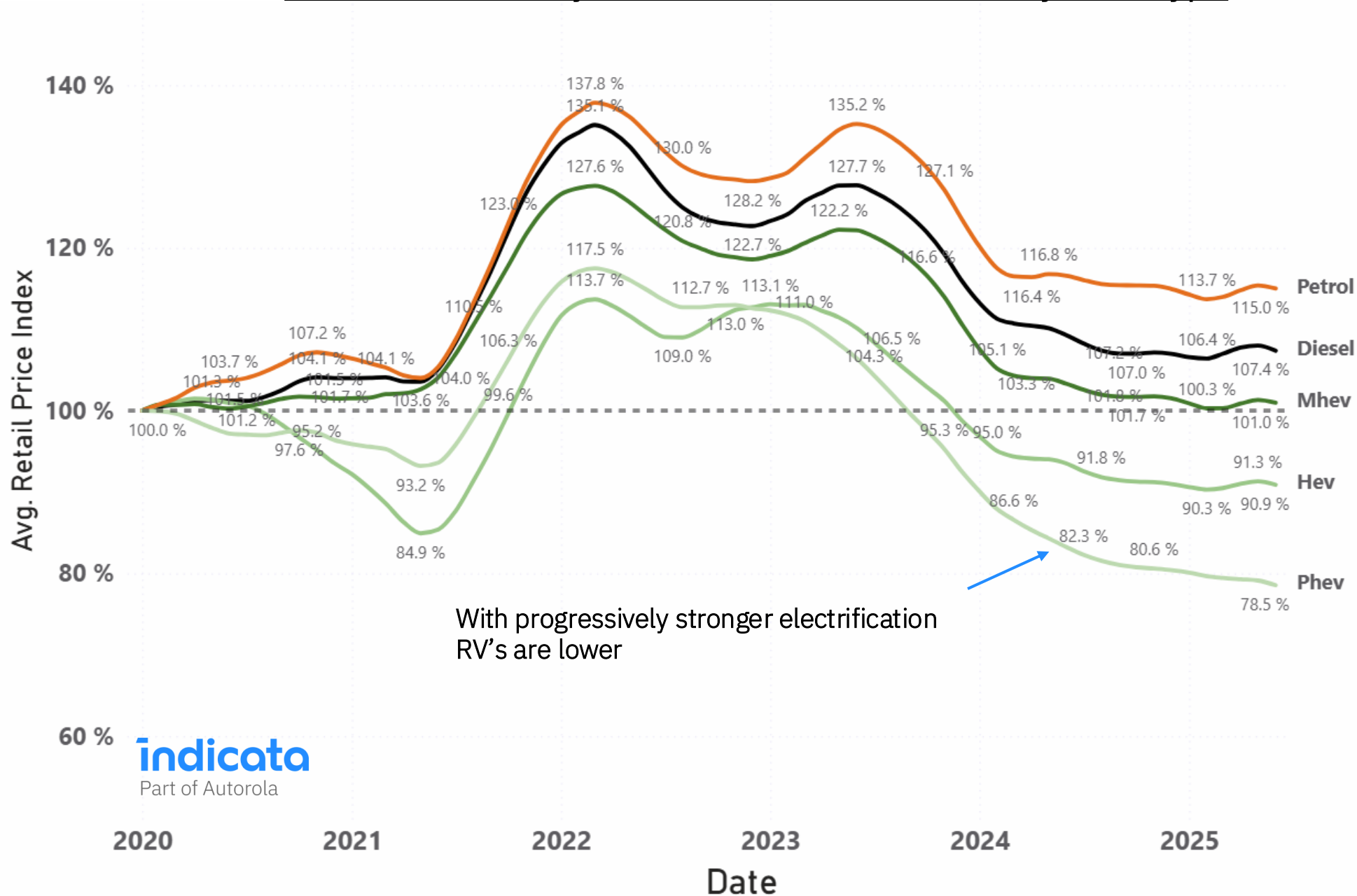
- Select all
- Bev
- Diesel
- Hev
- Mhev
- Other
- Petrol
- Phev

Index Start

Legend

Index Type

Price trends of 3-year-old cars in UK market by Fuel Type



With progressively stronger electrification RV's are lower



Make
All

Model
All

Category
Passenger

Transmission
All

Segment
All

Body
All

Country

- GB
- HU
- IE
- IT
- NL
- NO
- PL
- PT
- SE

Fuel

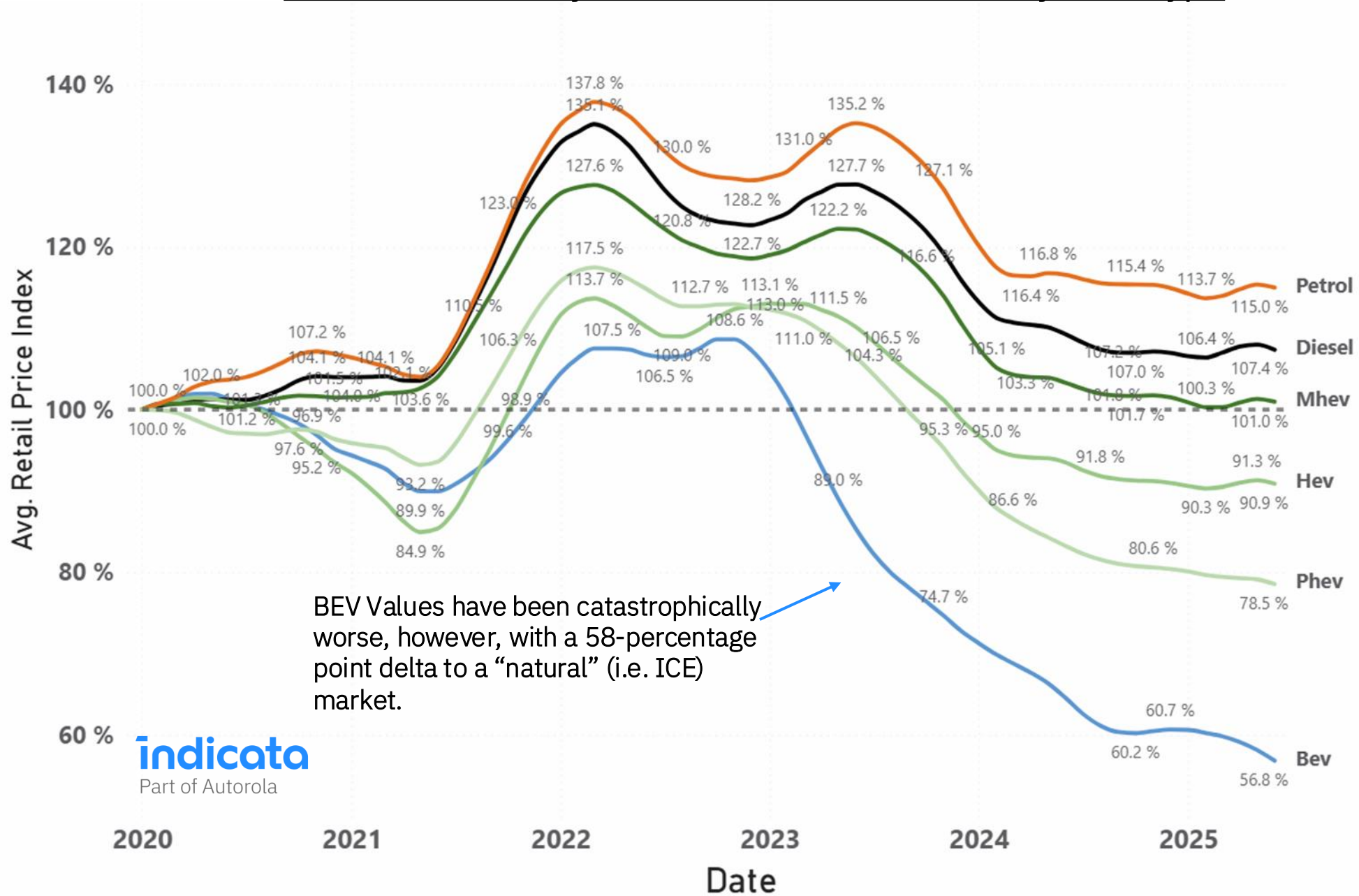
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Index Start
01/01/2020 01/06/2025

Legend
Fuel

Index Type
Dynamic Index

Price trends of 3-year-old cars in UK market by Fuel Type



BEV Values have been catastrophically worse, however, with a 58-percentage point delta to a "natural" (i.e. ICE) market.



Make **Model**
Category **Transmission**
Segment **Body**
Country Select all **Fuel** Select all
 AT Bev
 BE Diesel
 BR Hev
 CH Mhev
 CZ Other
 DE Petrol
 DK Phev
 ES
Index Start

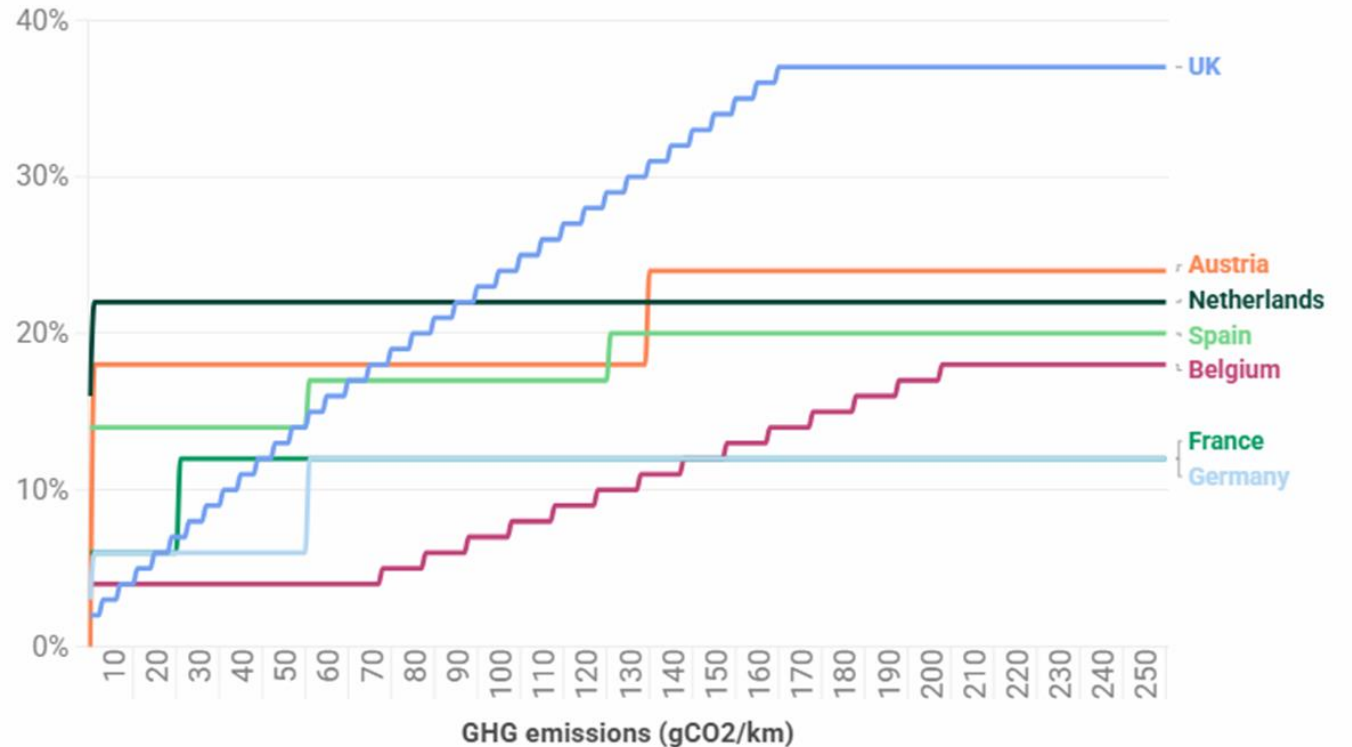
Legend
Index Type

Company Car Tax Benefit in Kind

- The UK has the greatest delta between tax rates based on CO2

Benefit-in-kind rates by gCO2/km

Annual benefit-in-kind tax rate



Company Car Tax Benefit in Kind

- The UK has the greatest delta between tax rates based on CO2
- This leads to significant delta to the cost of running for the company car driver

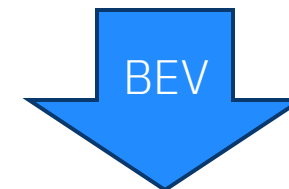


Example 1: Petrol Kia Sportage 3

P11D Value: £33,670
CO2/BiK rate: 149
(35%)

$£33,670 \times 35\% \times 20\%$
= £2,356.90 (£196.41 per month)

Monthly costs
£196.41

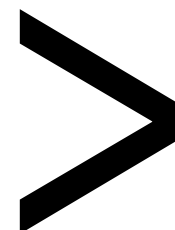


Example 4: Electric Kia Niro 4 Electric

P11D Value: £42,930
CO2/BiK rate: 0 (3%)

$£42,930 \times 3\% \times 20\% =$
£257.58 (£21.57 per month)

Monthly costs
£21.57

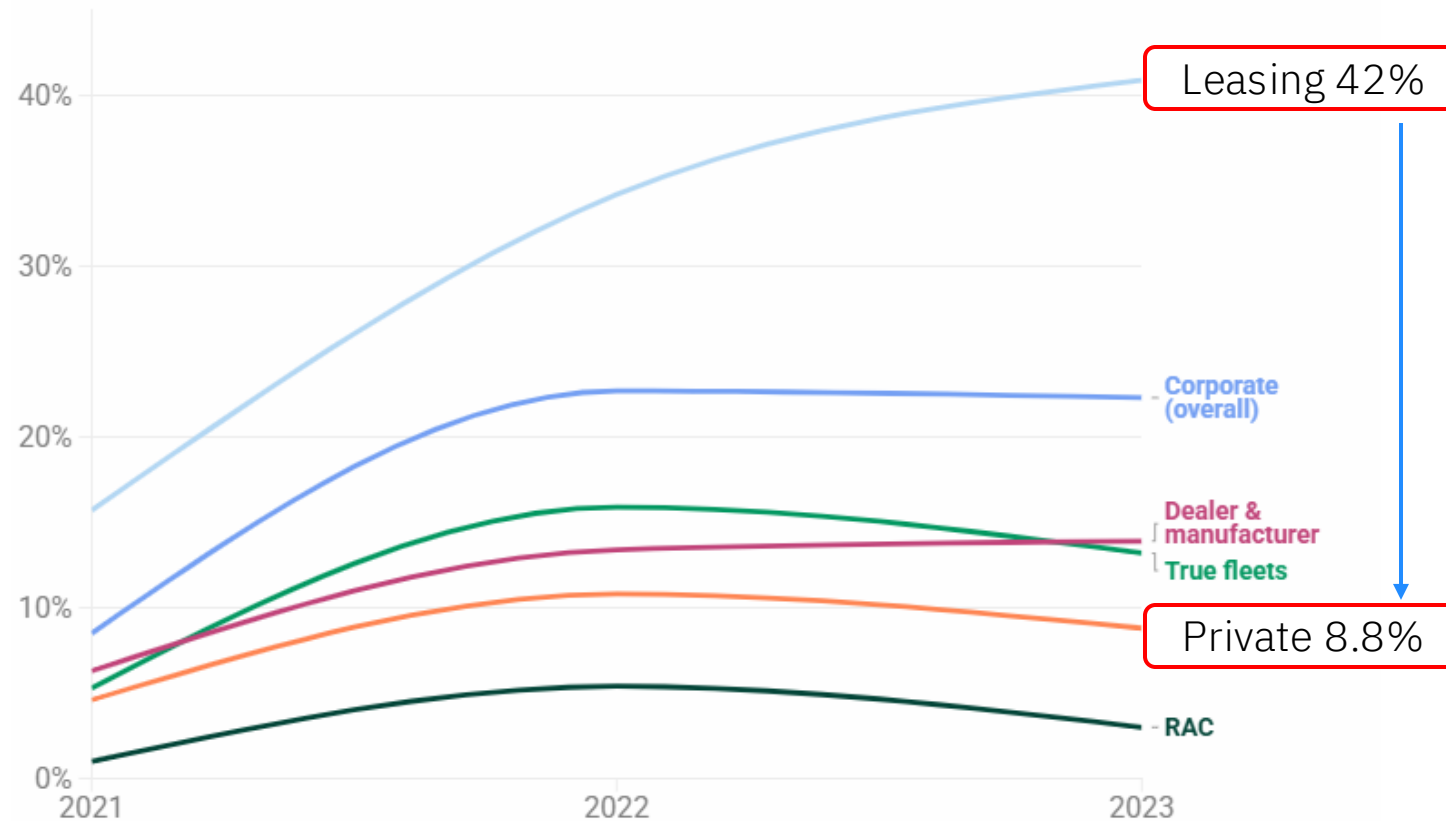


This delta can be almost 10-fold difference in BIK

Company Car Tax Benefit in Kind

- The UK has the greatest delta between tax rates based on CO2
- This leads to significant delta to the cost of running for the company car driver
- This in turn lead to a massive imbalance in the adoption rates of BEV in fleets relative to the Private (consumer) segment

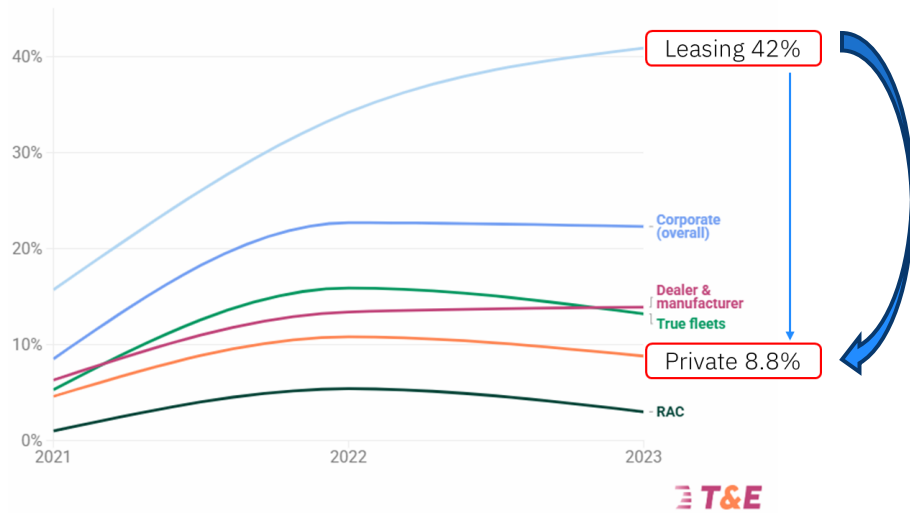
BEV share of new registrations by channel & segment



A Tsunami wave of used BEV hit the retail consumer...

With no financial incentives the UK consumer remains focused on ICE

BEV share of new registrations by channel & segment



Defleeted leasing cars at 40.9% BEV does not fit into a consumer pot that only wants to have 8.8% BEV

Result: RV crash

UK ZEV mandate
was a good idea...?



The ZEV Mandate

We no longer have an effective marketplace.....

We have a government controlled legislated supply chain....

That simply does not work

Robert Forester
CEO Vertu Motors PLC

IT'S ALL ABOUT THE **ZEV MANDATE**

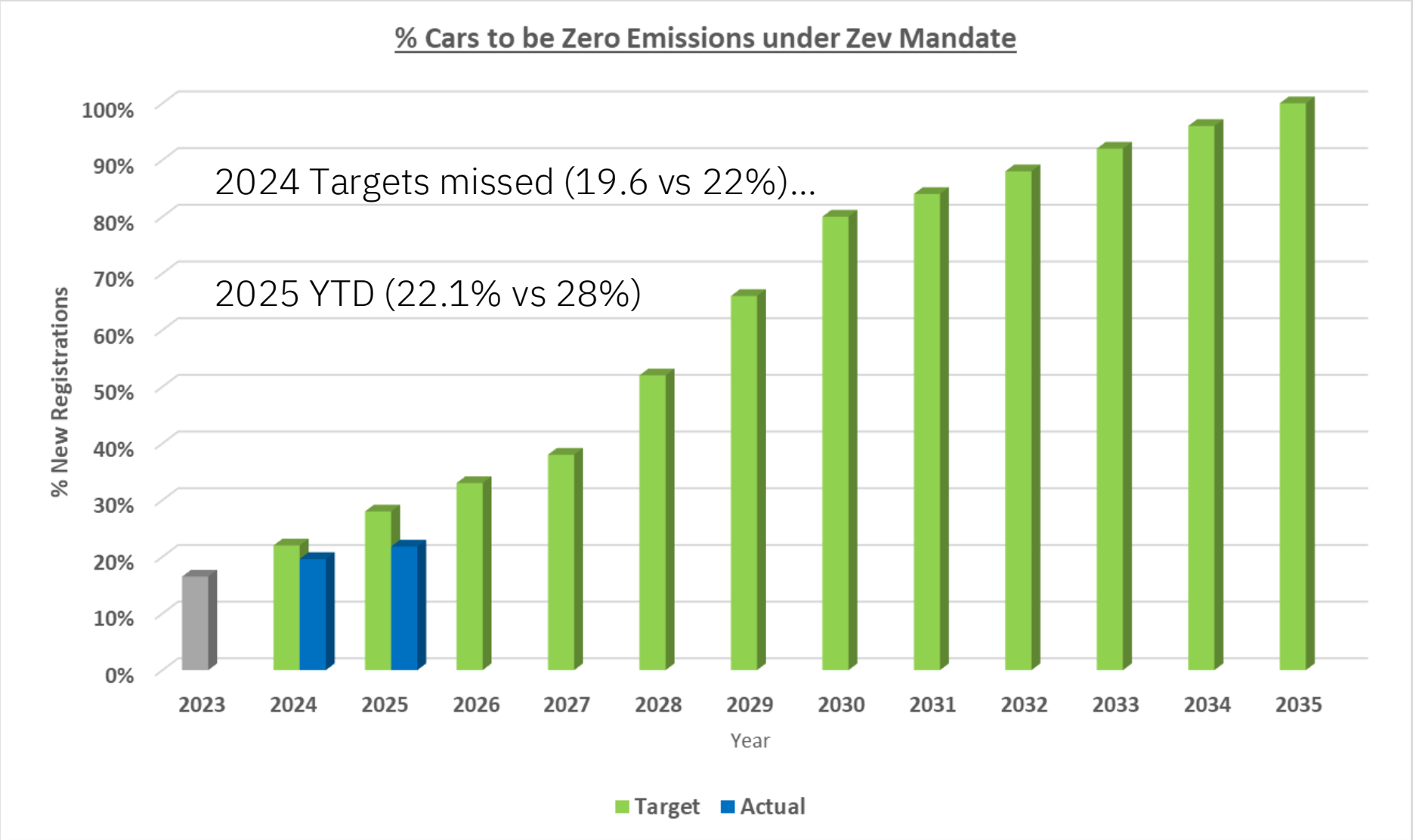
ELECTRIC CAR TARGETS



ELECTRIC VAN TARGETS



The ZEV mandate...OEMs missing targets



UK Government react to pressure on ZEV

Labour launches consultation into ending sale of new petrol and diesel cars from 2030 in switch to EVs

Electric cars need 'structural incentives' to meet strict EV mandates ahead of huge 2030 car ban update

Stellantis proposes Luton plant closure under UK's 'stringent' ZEV mandate

Labour is out of its depth with electric cars

EXCLUSIVE Major British car brands 'in the dark for the future' as Labour delays update on 2030 petrol and diesel ban

UK Government fast-tracks EV targets consultation

UK Zero Emission Vehicle mandate pushed back in response to US tariffs

Why Trump's Tariffs are Triggering a UK ZEV Mandate Shake-Up

ZEV Mandate: April 2025 update

- Fines down
 - Cars - £15,000 to £12,000
 - Vans - £18,000 to £15,000
- Exchange Car credits to Vans
 - And vice versa
- Borrowing extension
 - 2027 / 2028
- Increase and extension of CO₂ Credits transfer

CO₂ Credits extension is the material change

The non-ZEV to ZEV CO₂ transfer for cars and vans are proposed as follows:



| Cars | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------|------|------|------|------|------|------|------|
| <u>Current</u> | 65% | 45% | 25% | 0% | 0% | 0% | 0% |
| <u>Proposed</u> | 65% | 90% | 80% | 70% | 60% | 50% | 0% |

| Vans | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------|------|------|------|------|------|------|------|
| <u>Current</u> | 65% | 45% | 25% | 0% | 0% | 0% | 0% |
| <u>Proposed</u> | 65% | 90% | 80% | 70% | 60% | 50% | 0% |

ZEV Mandate is watered down to be more like CAFÉ (i.e. a CO₂ based target – not a BEV % Mandate)

Summary

- Clear correlation to BEV subsidy and consumer adoption
- Effective subsidy costs are high...who is best placed to fund the cost?
 - Member States?
 - OEM's?
 - Fleets?
- The used market is massively oversupplied with crashing RV's
- Imbalances in BEV adoption between fleets and consumers is an RV hazard
 - Even if driven by incentives
- The UK ZEV Mandate needed to be watered down to be more CAFE



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