



Navigating the Next Turn Automotive Market Outlook

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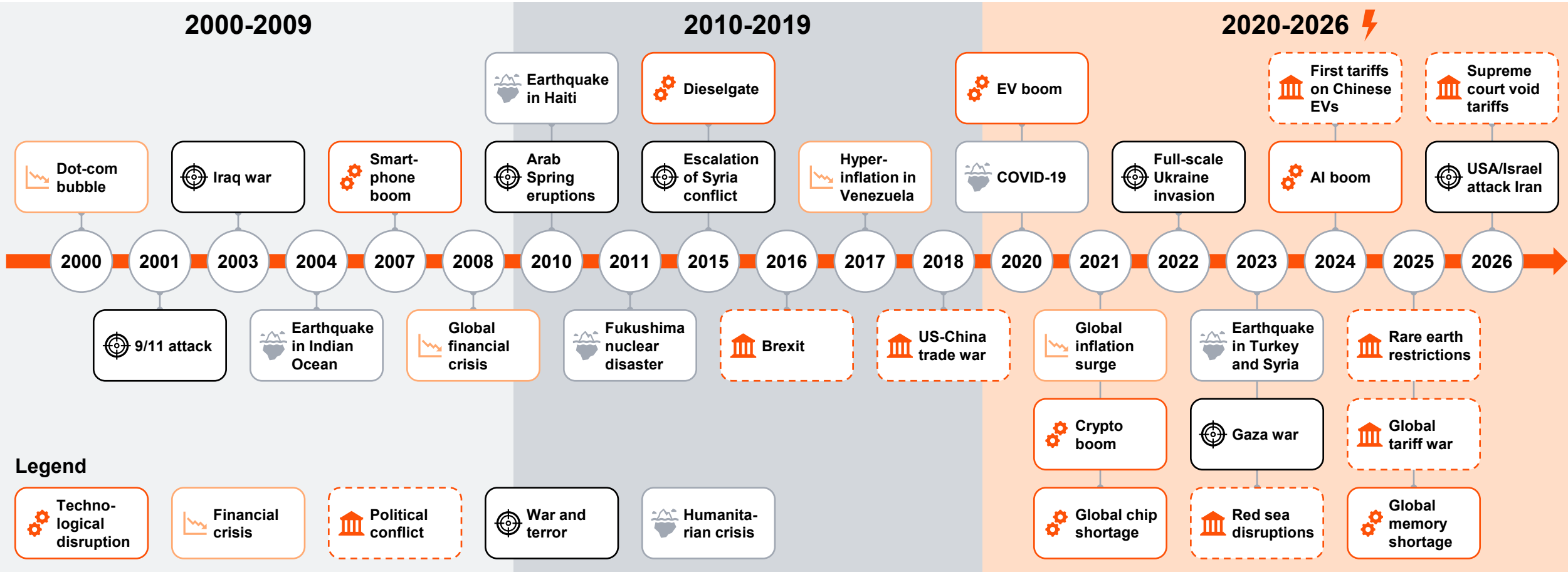
Agenda

- 1 Current impacts
- 2 Global market
- 3 Focus Europe
- 4 Risks and opportunities

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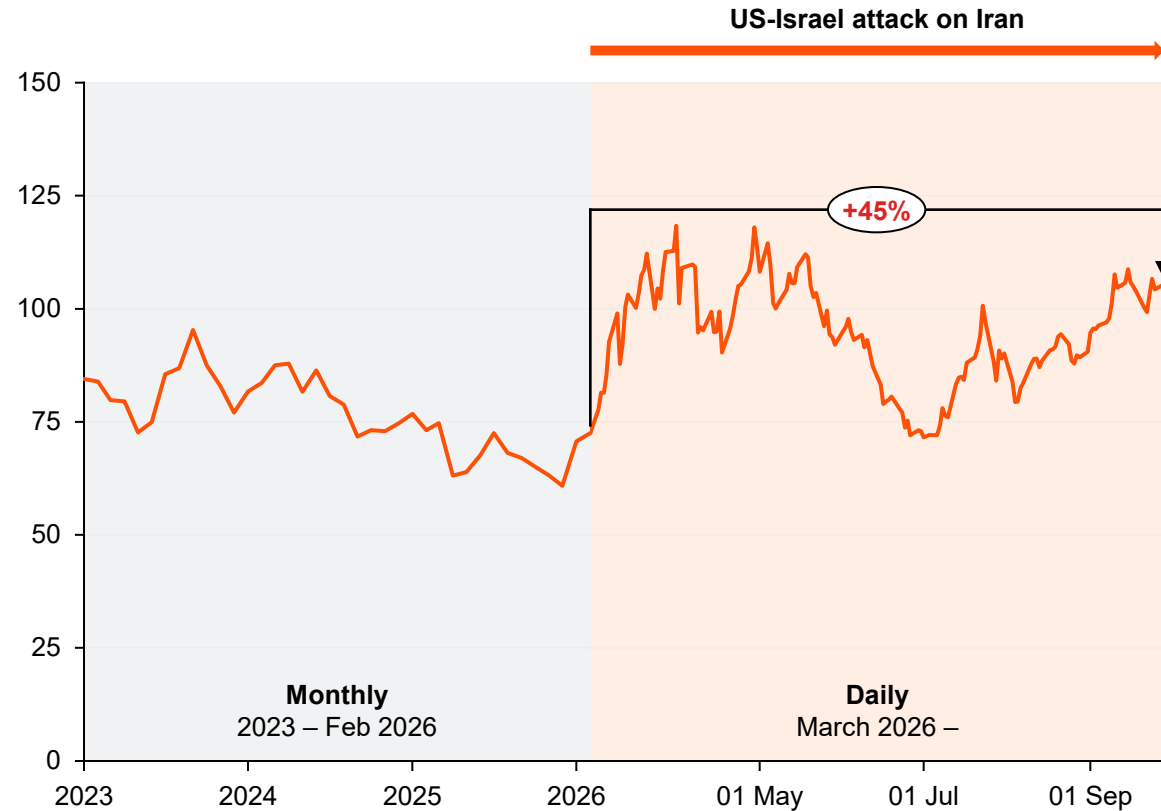
Current impacts

The 2020's are already hit with more disruptions and crises than the last two decades and there are still three years to come, impacting not only the automotive industry

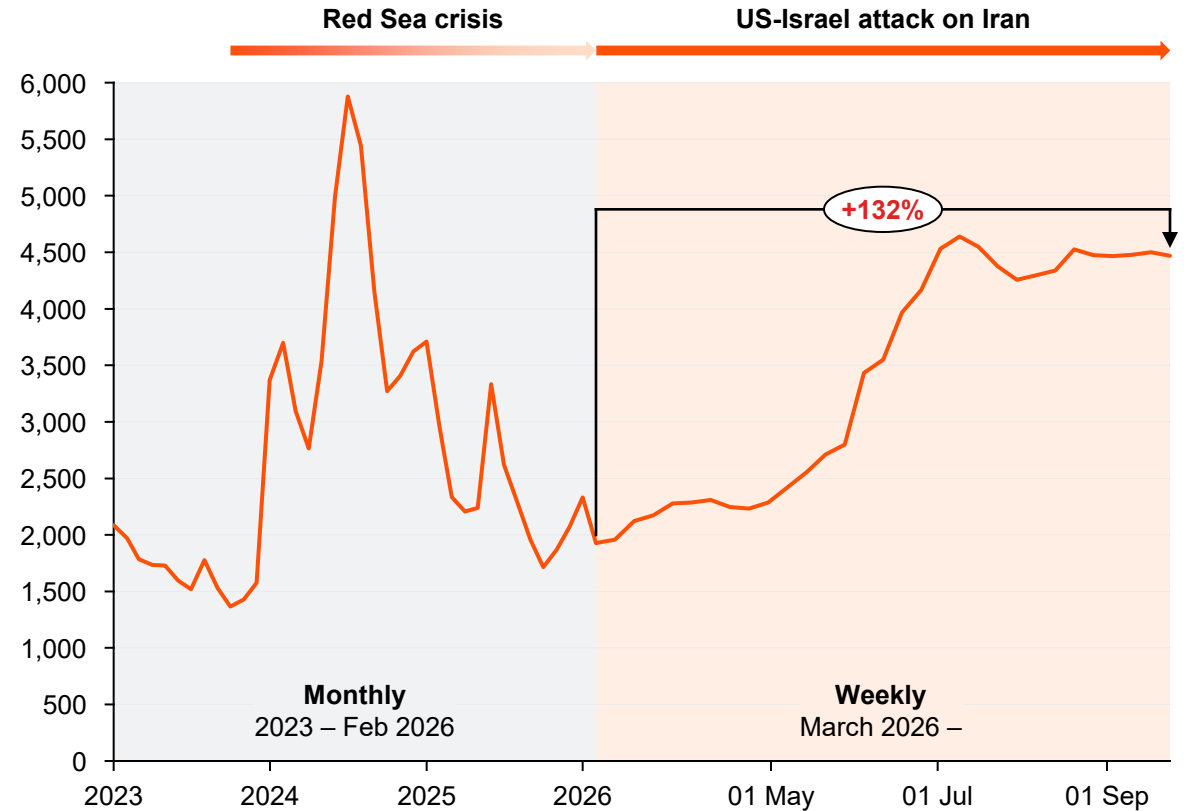


The newest crisis – the Iran war – pushed crude oil prices over \$100 per barrel and added risk premiums on insurance for shipping containers, affecting consumers but also logistics

Brent crude oil
(in USD/barrel)



Container shipping rate
(in USD/40ft container)



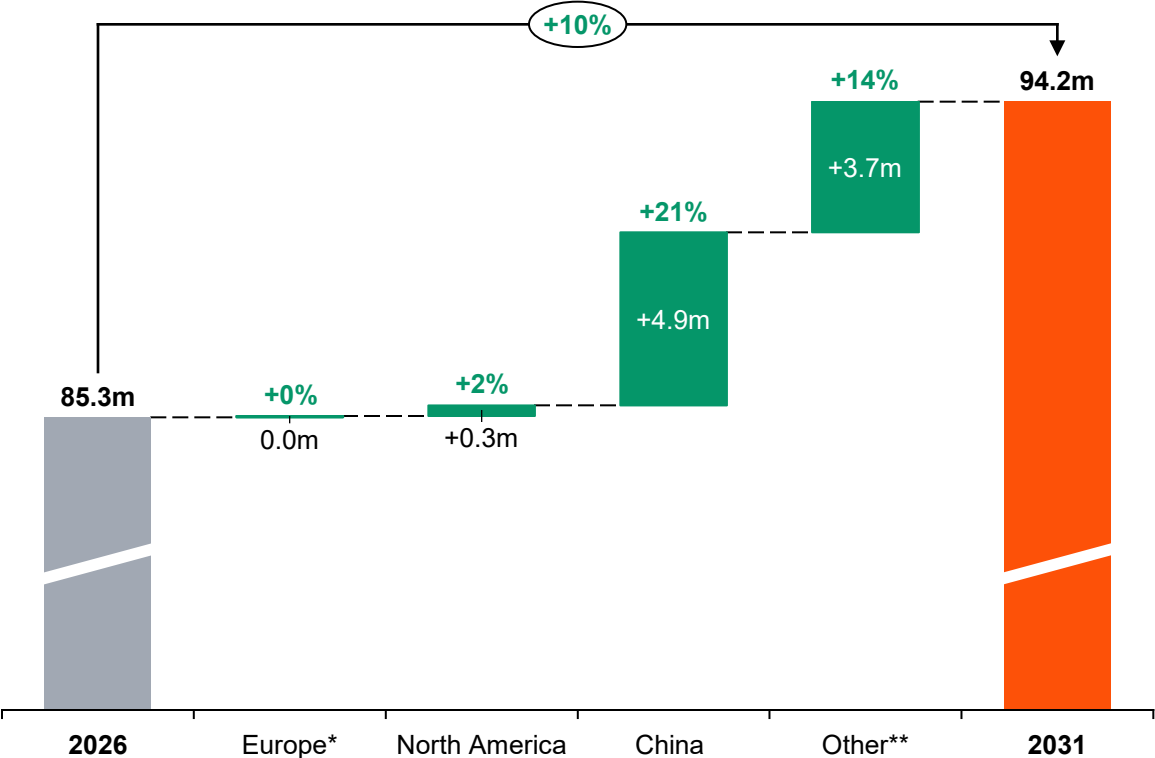
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Global market

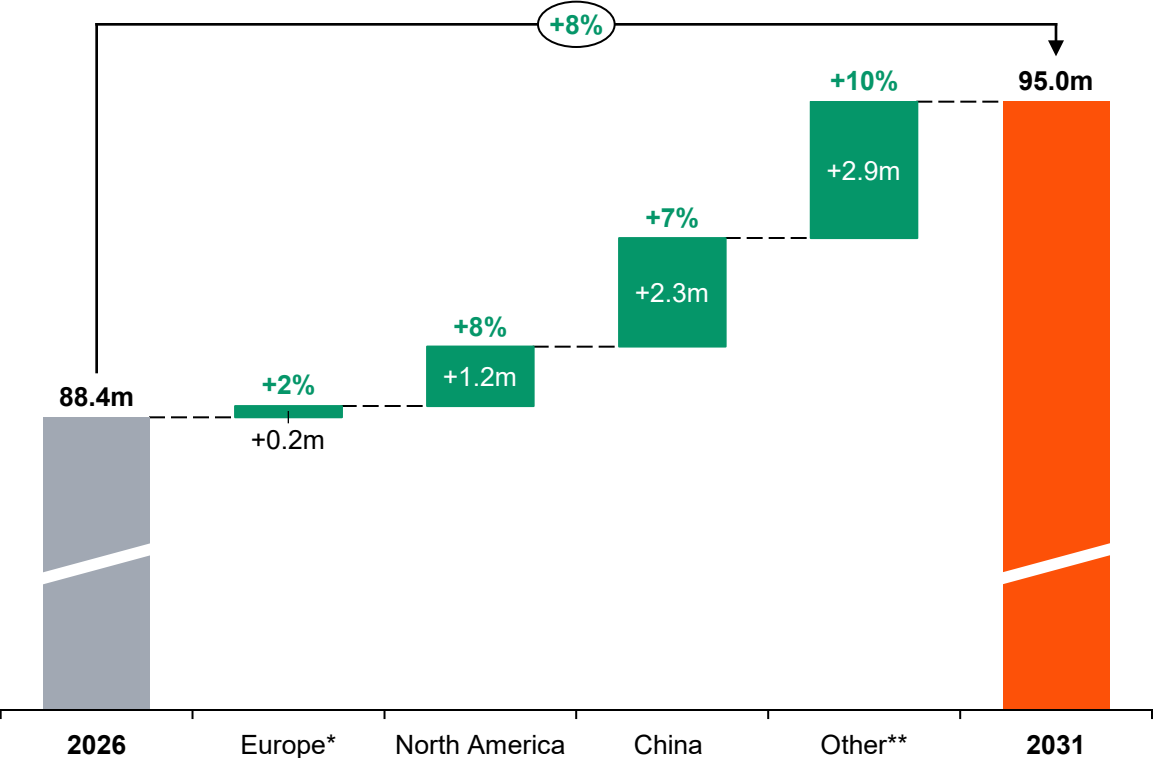


Global light vehicle sales are forecast to grow by 2% annually until 2031, with China and other emerging markets driving growth while Europe* stagnates

Light vehicle sales volume by region
(in million)

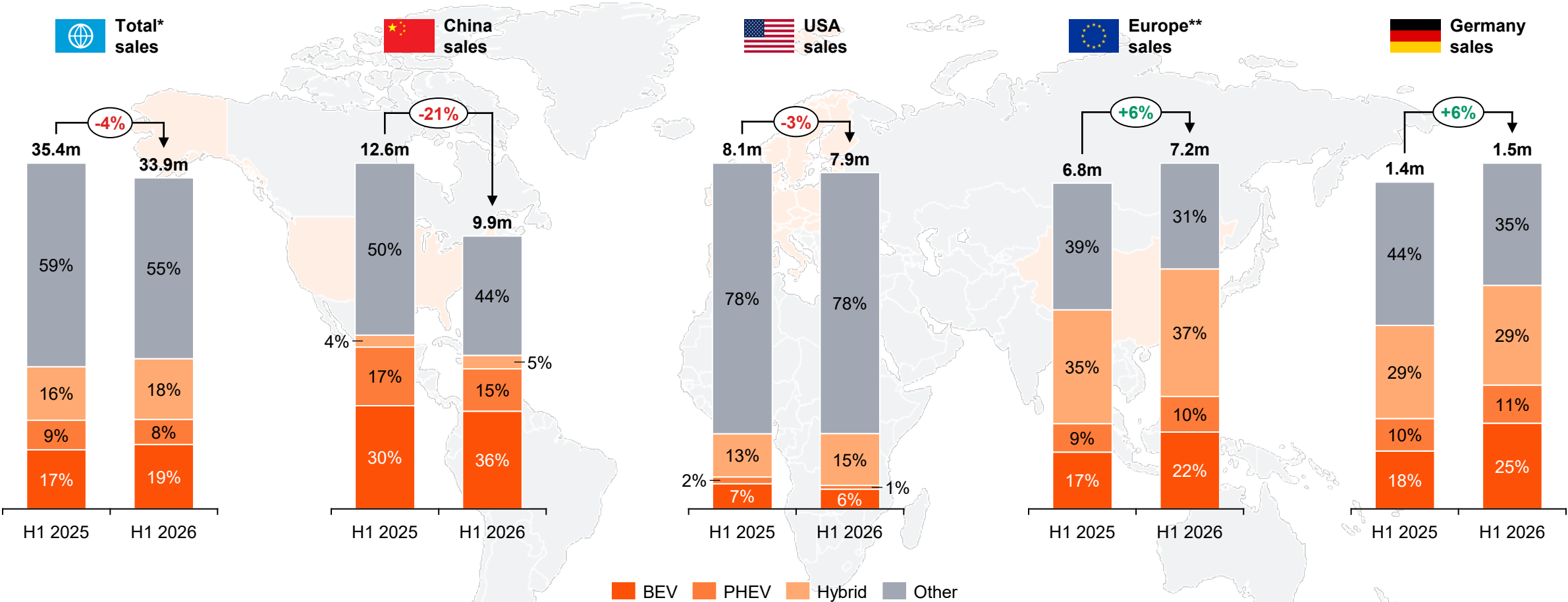


Light vehicle production volume by region
(in million)





Europe** and emerging markets are counterbalancing EV sales declines in China and USA over H1 2026; ICE sales continue to lose market shares globally

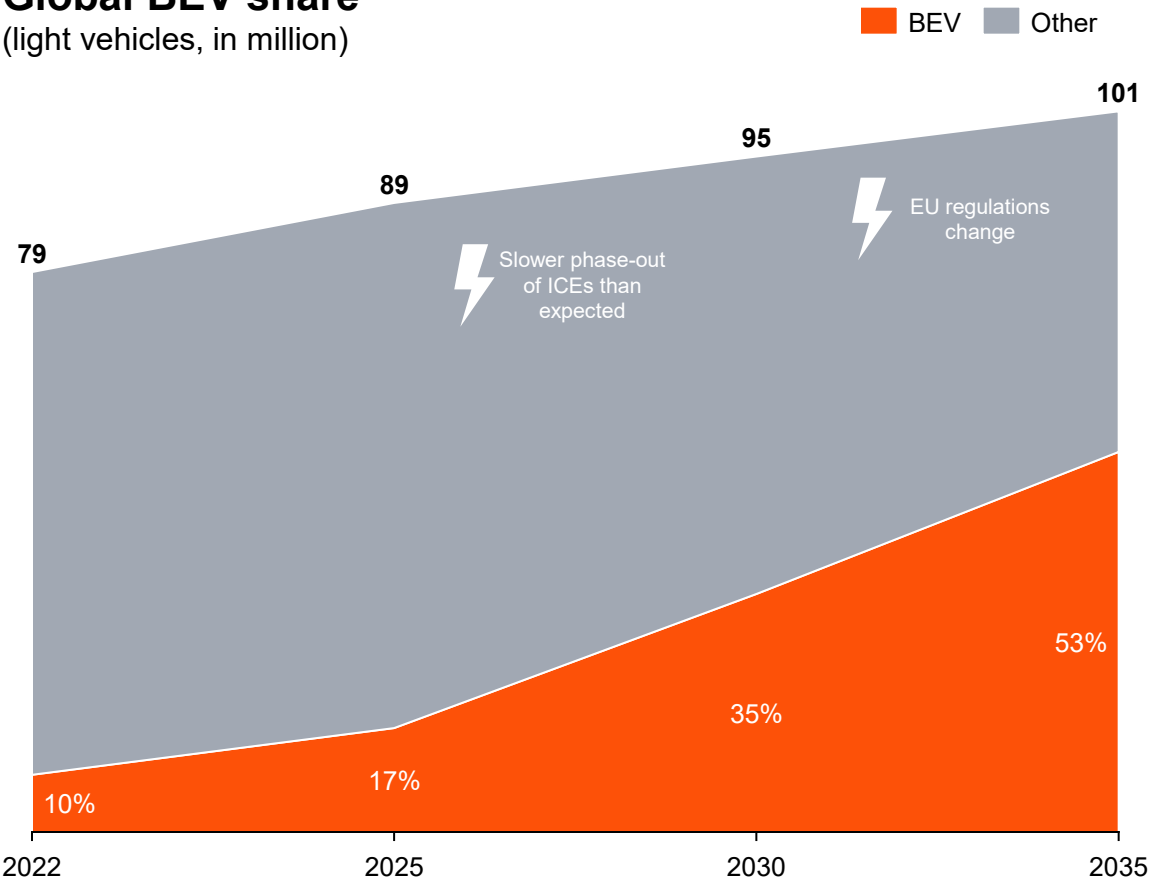


*Analysed markets include Australia, Austria, Belgium, Brazil, China, Denmark, Finland, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Norway, Poland, Portugal, rest of EU27+UK+EFTA, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, UK, USA, Vietnam; **EU27+UK+EFTA; ***Based on IHS Mobility Global LV Sales & Powertrain Production June 2026 release

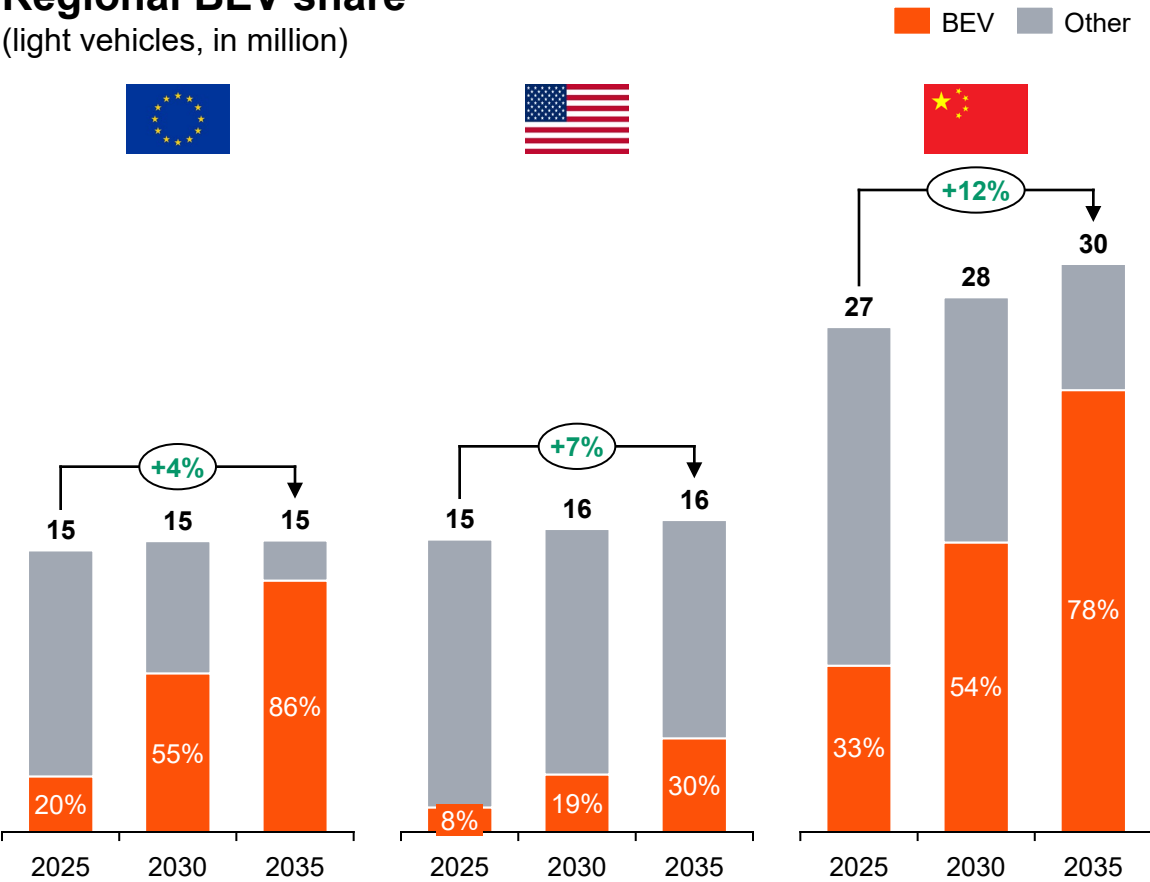


BEV sales are forecasted outpace the global light vehicle market with 14% CAGR until 2035 with EU and China expected to be the main drivers

Global BEV share
(light vehicles, in million)



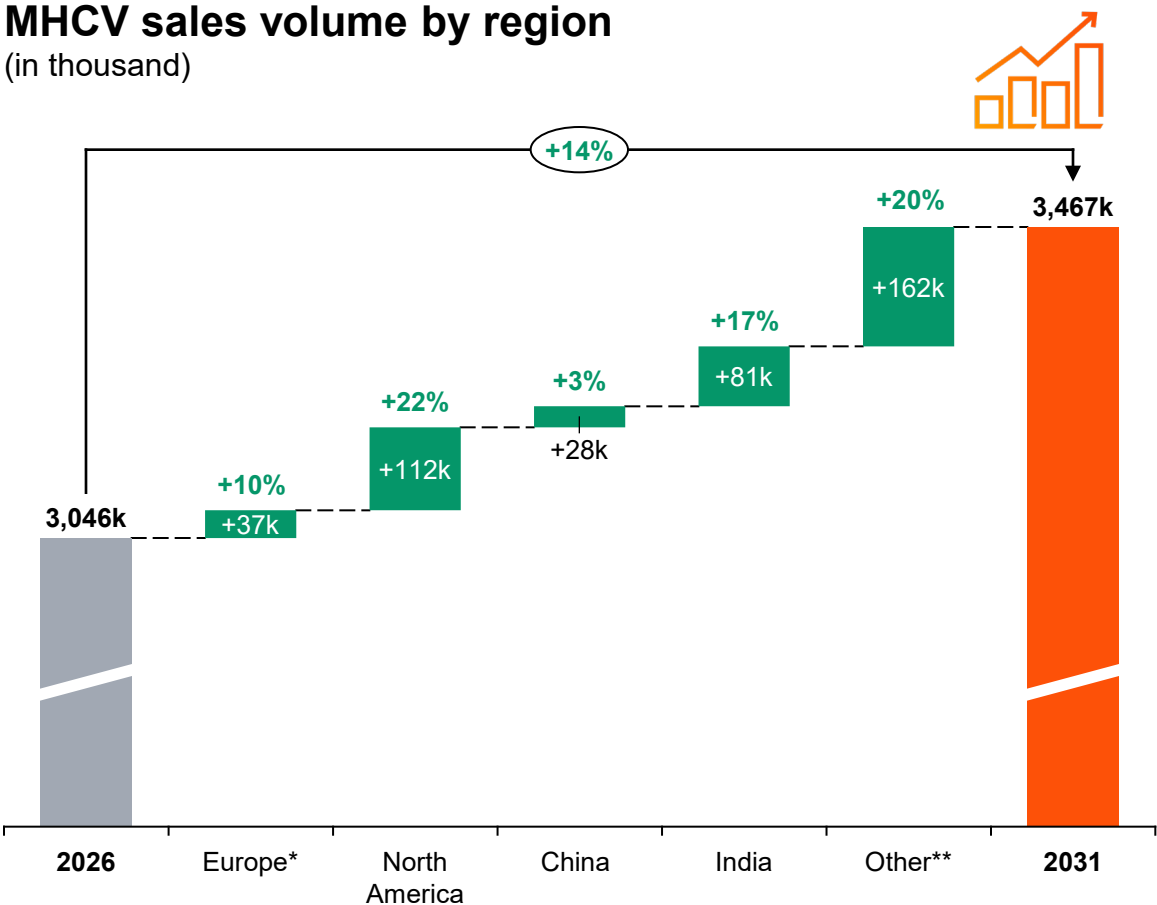
Regional BEV share
(light vehicles, in million)



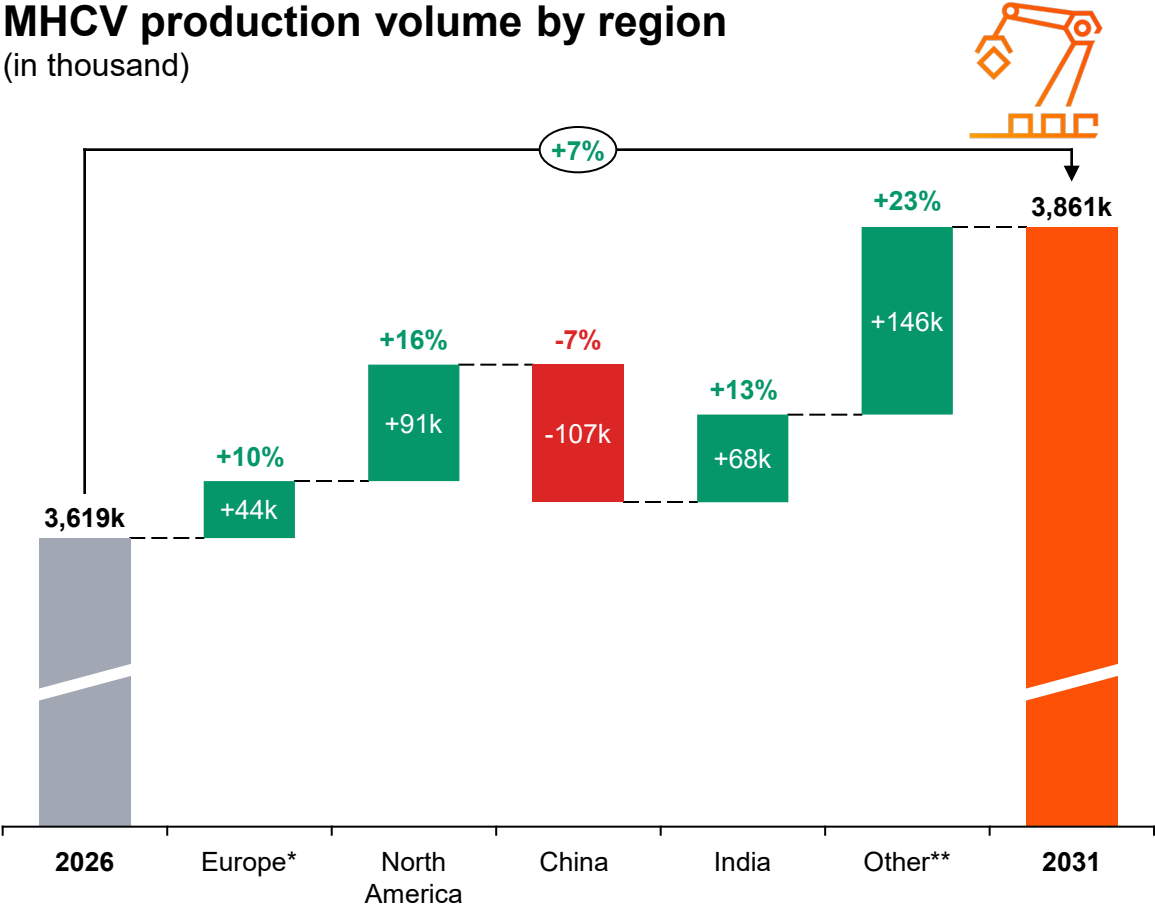


MHCV sales are expected to grow by 3% and production by 1% annually until 2031, with China the only major market to record a decline in production

MHCV sales volume by region
(in thousand)



MHCV production volume by region
(in thousand)



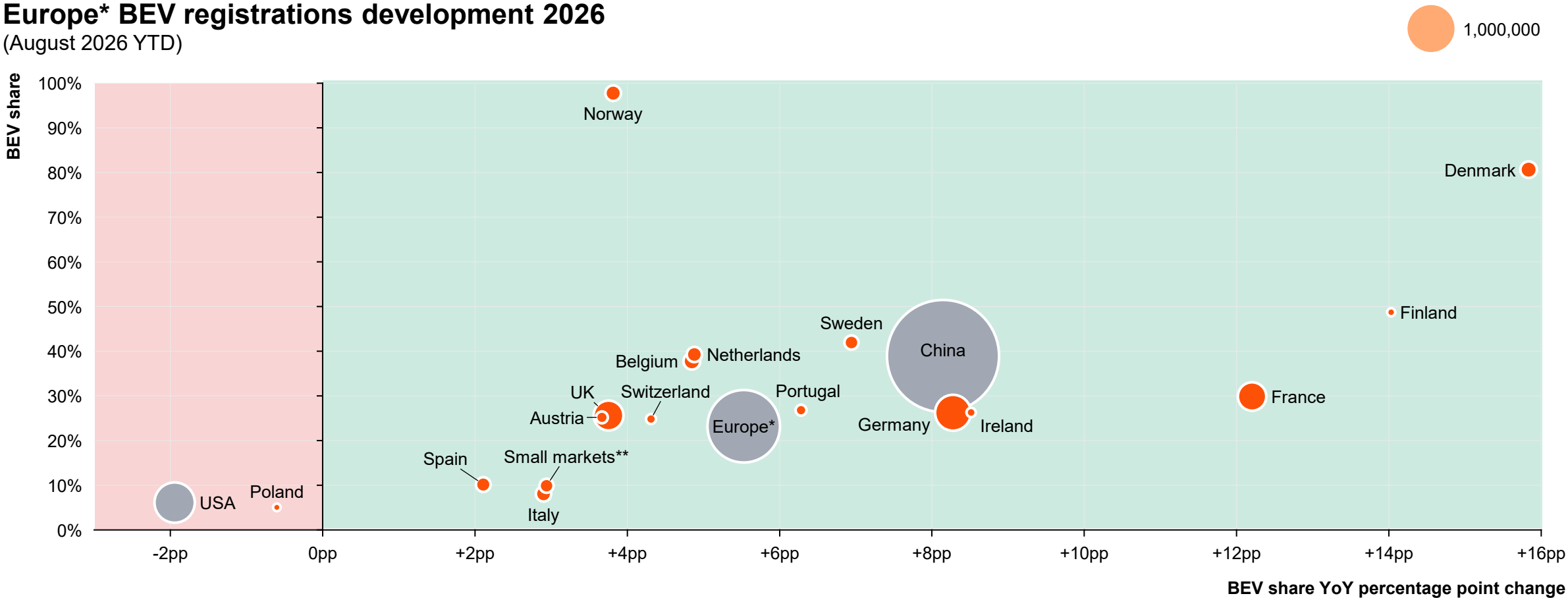
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Focus Europe



BEV adoption continues to improve across Europe* and China, while decreasing in the USA; Denmark, despite a high BEV share, posted the highest gains

Europe* BEV registrations development 2026
(August 2026 YTD)



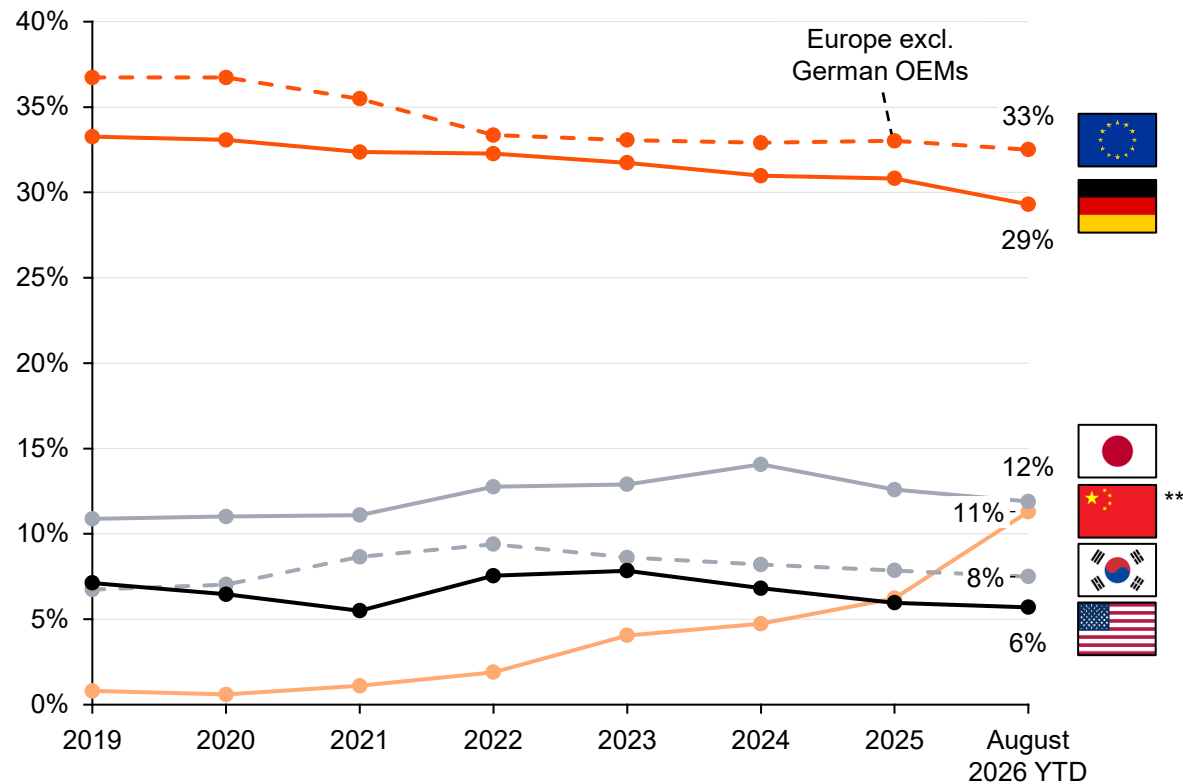
*EU27+UK+EFTA; **Countries with less than 20,000 BEVs sold in August 2026 YTD combined
Source: PwC Autofacts analysis, ACEA



Chinese OEMs are taking significant market shares and are closing in to become the 3rd largest nation in Europe* while further extending the lead in their domestic market

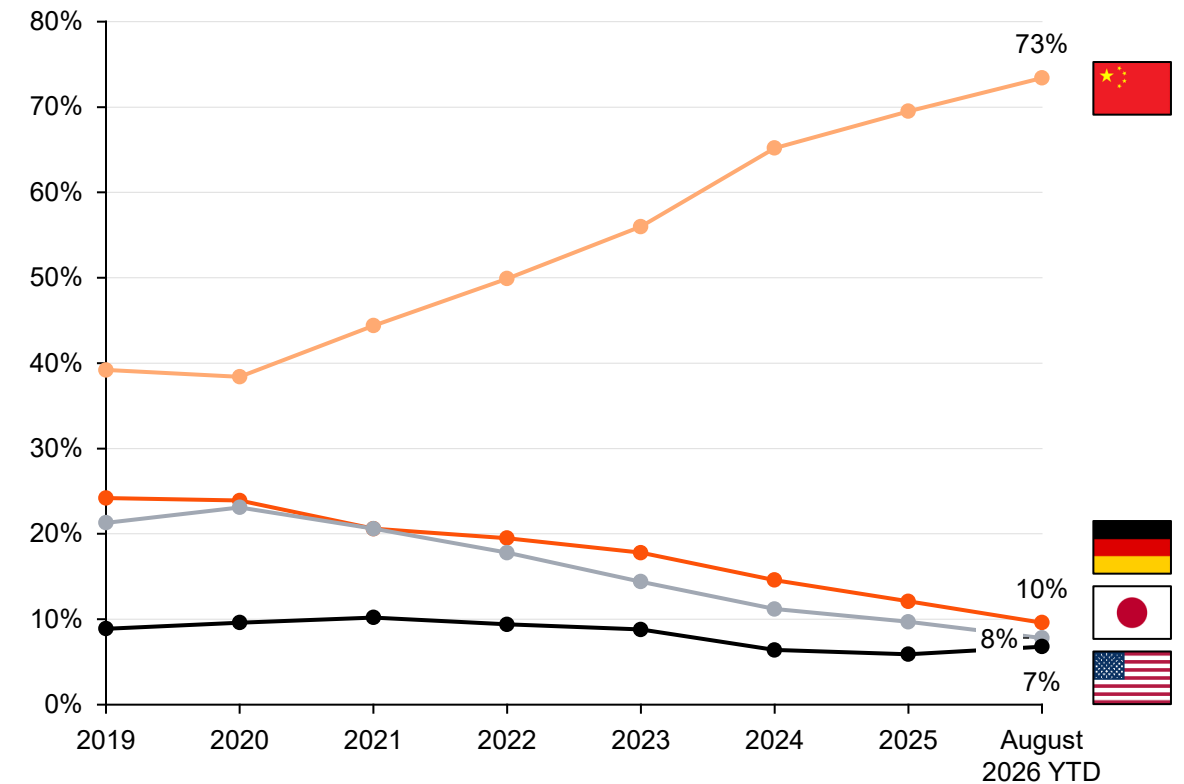
Market share in Europe* by brand origin

(in % of European* passenger car registrations)



Market share in China by brand origin

(in % of Chinese passenger car registrations)



*EU27+UK+EFTA; **Incl. BYD, Chery Group, Geely Group (incl. Lotus, Smart and Volvo), Leapmotor and SAIC Group; Chery

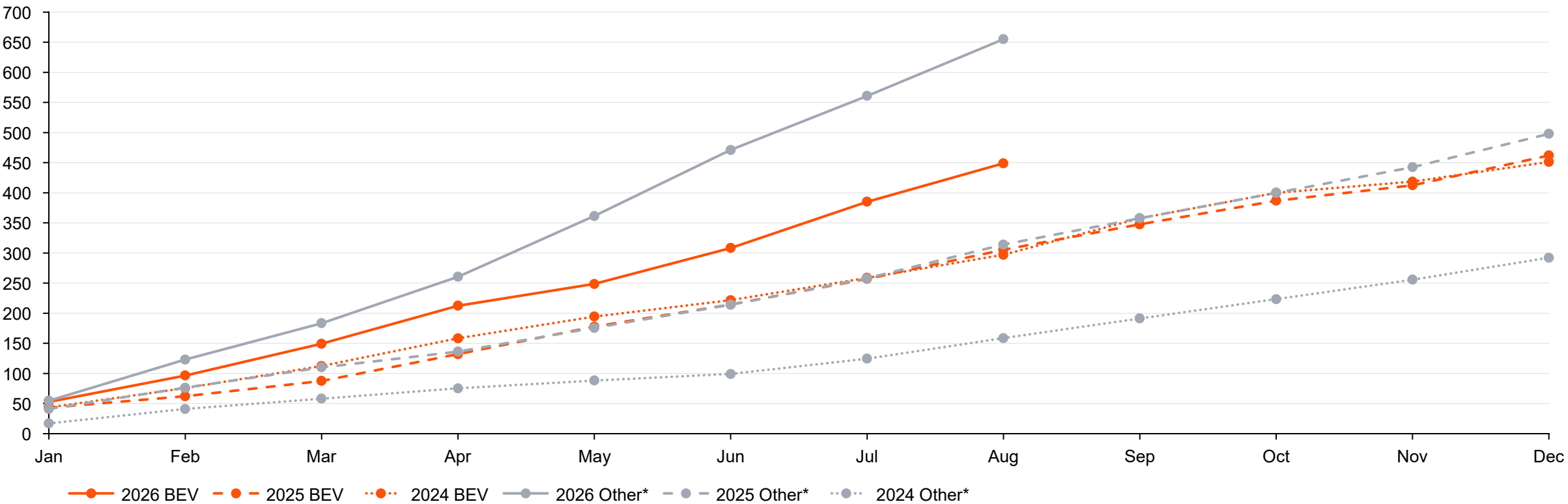
Group, Geely Group and Leapmotor are only included since 2026

Source: PwC Autofacts analysis, ACEA, CAAM



Imports from China passed 1 million units for the first time with four months still left in the year; both BEVs and other powertrains have maintained a strong pace

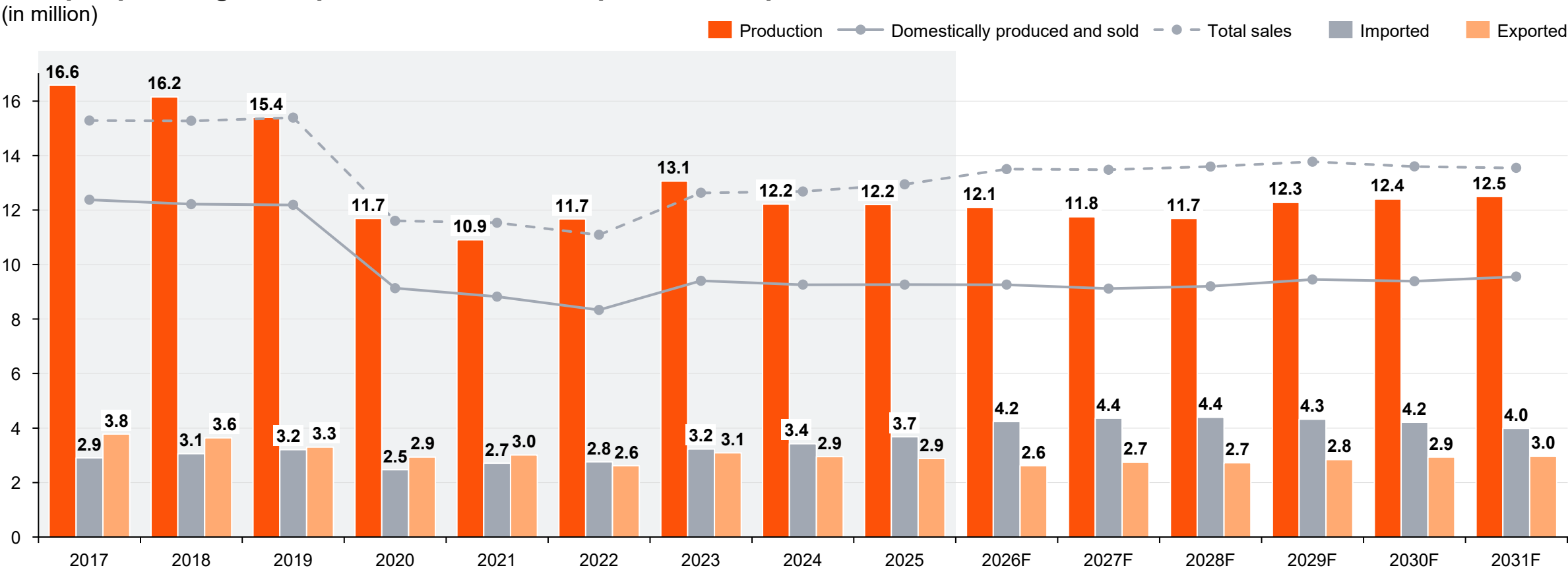
Imported vehicles from China to the EU
(in thousand, accumulated)





Local production is significantly pressured by demand not recovering to pre-COVID levels and rising imports from China

Europe* passenger car production, sales, imports and exports



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Risks and opportunities

Respondents identify R&D, supply chain resilience, automation and operation efficiency as key capabilities to enable financial performance

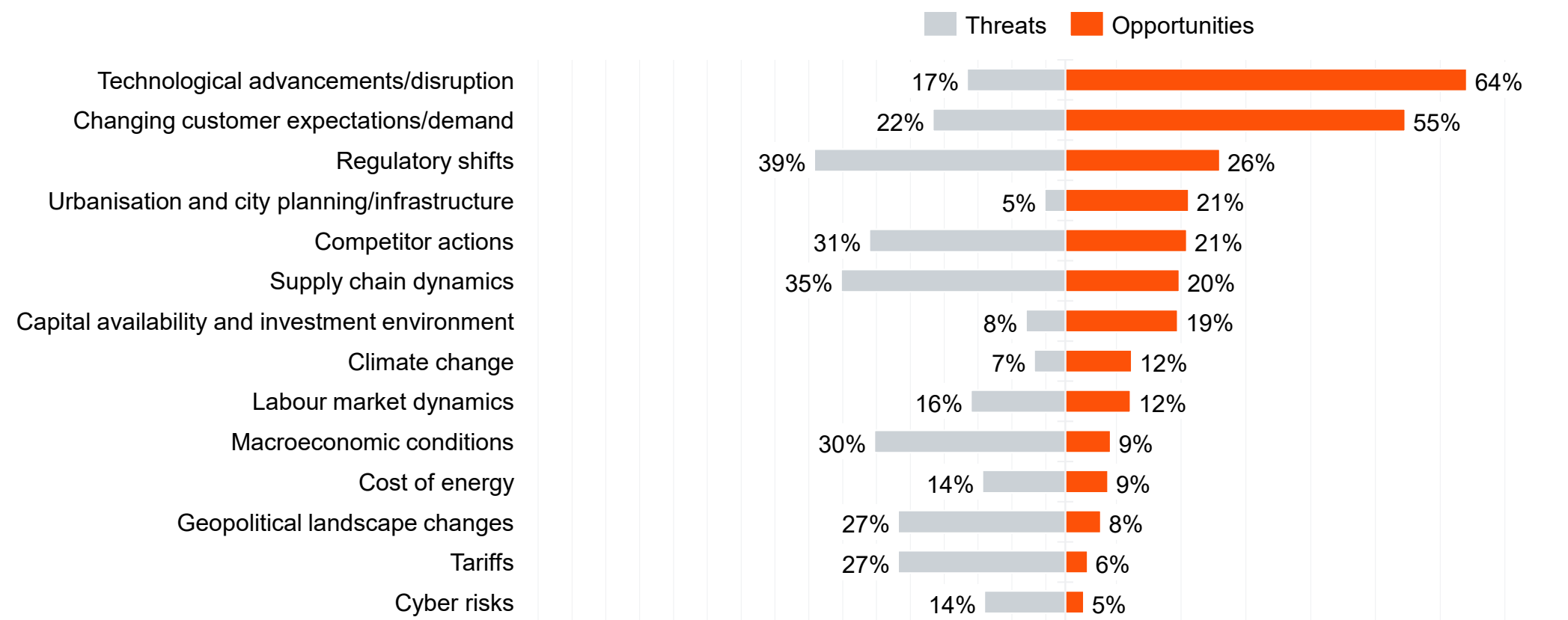
(Share of respondents selecting each item as a very or extremely important capability for financial performance over the next five years)

(Share of respondents selecting each item as a very or extremely important capability, cut by territory)

		China	Germany	India	Japan	US
R&D, product development, and product management	81%	77%	84%	79%	87%	77%
Operational efficiency and effectiveness	79%	69%	81%	75%	95%	87%
Flexible and resilient supply chains	78%	73%	76%	77%	79%	81%
Automation of production processes	74%	61%	79%	78%	72%	73%
Software engineering and AI development	69%	67%	85%	73%	61%	68%
Financial strategy & capital allocation	68%	58%	68%	67%	71%	70%
Partnership development and management	67%	66%	59%	58%	78%	58%
Commercial excellence	66%	58%	64%	65%	71%	71%
Workforce reallocation, upskilling, and reskilling	64%	53%	72%	56%	75%	66%
Organisational culture and change management	62%	52%	66%	60%	68%	67%
Environmentally sustainable product design and operations	62%	66%	57%	69%	64%	53%
Measurement, management, and reporting of environmental impact	53%	54%	54%	52%	51%	44%

Automakers see a concentrated set of opportunities largely driven by tech disruption and customer expectations, contrasted by diverse threats

(Share of respondents who view each force as a threat and/or an opportunity)



Supply chain challenges consistently rank as the greatest organisational barrier to value realisation across territories

(Share of respondents indicating that this factor will inhibit their ability to create, deliver, and capture value to a large or very large extent over the next five years)

	Global	China	Germany	India	Japan	US
Supply chain challenges	63%	60%	61%	68%	67%	57%
Talent shortages in operating environment	51%	55%	54%	49%	54%	46%
Regulatory complexity or compliance burdens	50%	48%	56%	48%	41%	41%
Quality and speed of strategic decision-making	50%	45%	47%	49%	49%	44%
Gaps in your company's current workforce skills	45%	38%	54%	45%	48%	48%
Organisational culture and governance	41%	33%	40%	41%	45%	38%
Capital constraints or limited investment capacity	40%	39%	41%	35%	36%	35%
Inefficient internal processes or bureaucracy	37%	31%	42%	43%	31%	35%
Outdated legacy systems or infrastructure	36%	29%	42%	34%	37%	38%
Insufficient use of advanced technologies	36%	34%	39%	38%	37%	34%
Strategic clarity/misalignment across units	35%	34%	44%	36%	38%	38%

Your contact



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What will drive the auto industry?

**PwC Automotive Sector Outlook
2026**



The global EV market in one glance

**PwC Autofacts® Electric Vehicle
Sales Review 2026-Q2**

