

Thematic investing series

Positioning portfolios for long-term
transformational change

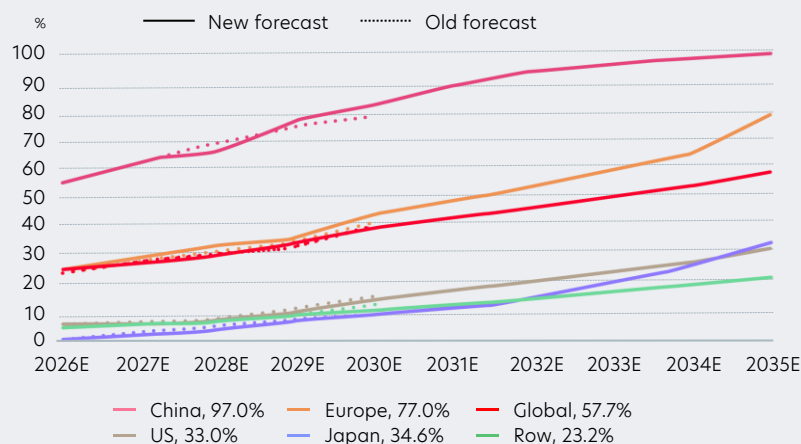
June 2026

The return of electric vehicles

From hype to growth to profits

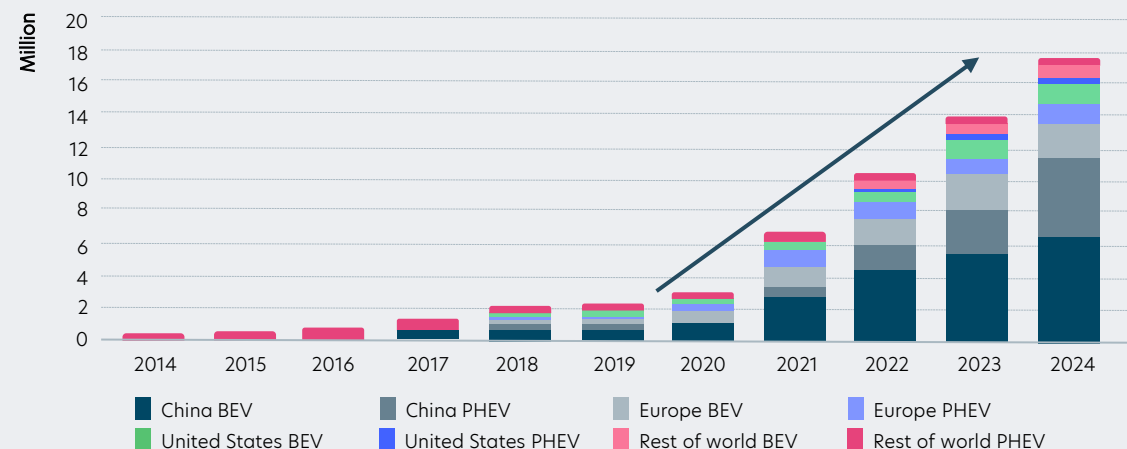
Global EV sales have maintained its trajectory

UBS EV penetration forecast changes



Source: UBS

Global electric car sales, 2014-2024

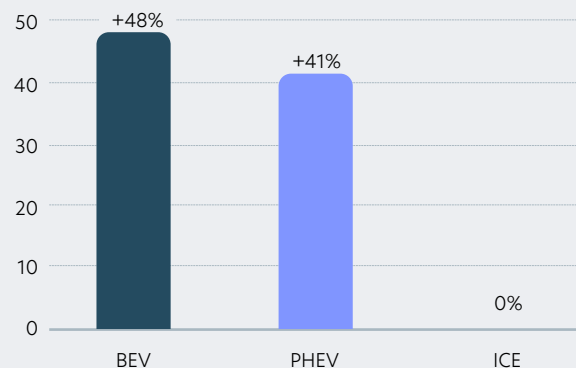


Notes: BEV= battery electric vehicle, PHEV= plug-in hybrid vehicle. Includes new passenger cars only.
Sources: IEA analysis based on country submissions and data from the European Automobile Manufacturers Association (ACEA), European Alternative Fuels Observatory (EAFO), EV volumes and marklines.

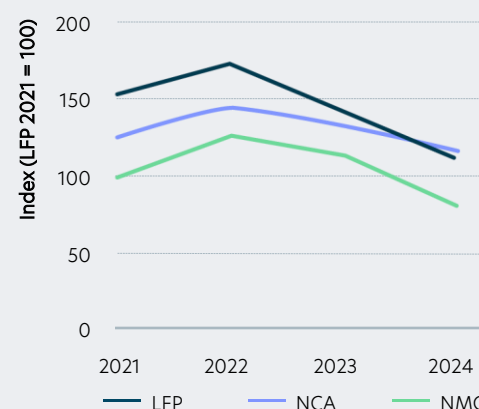
- Global electric car sales exceeded 20 million in 2025, reaching a share of more than 20% of all cars sold worldwide.
- Today, according to the International Energy Agency (IEA), more than one in four cars sold globally is electric.
- Importantly, this is not only a China story: Europe recorded the fastest growth in EV sales in 2025, with volumes rising 33%. Battery EV (BEV) sales increased 31%, while plug-in hybrid sales climbed 38%.
- The European EV market is forecast to grow by double digits in 2026, driven by the revival of consumer incentives, with countries including France, Germany, and Sweden announcing support targeted at low- and middle-income households.

From narrative cycle to commercial inflection

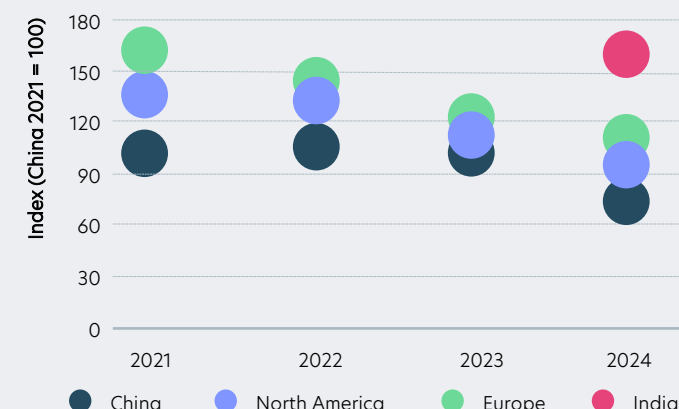
Year on year sales growth (%) by car category



Battery price per kWh by chemistry (world)



Battery price per kWh by region (domestic and imports)



- Data from the Europe big 5 countries (aggregate of France, Italy, Spain, Germany, UK) are improving, with BEV sales rising 48% y/y and Plug-in Hybrid EV (PHEV) up by 41% y/y. This is in contrast with flat Internal Combustion Engine (ICE) volumes when aggregate registrations improved 2.7% on a 12M basis.
- We believe that EVs are moving from subsidy-led adoption to economically viable mass-market adoption, although the path remains regionally uneven.

- The unit economics are also improving with the average battery cost falling 20% in 2024.
- Charging networks have expanded materially across different countries, supporting the growth in EV usage and removing the infrastructure bottleneck.
- In our view, all the above have led to EV theme working better now than it did during the earlier narrative phase because the supporting conditions are broader and more commercial.

Continue the Electric Vehicles conversation

Electric vehicles are moving from subsidy-led adoption to economically viable mass-market adoption. The full publication explores where value may accrue, what risks still matter, and how investors can think about implementation.



Be selective

The theme is becoming more investible, but adoption is likely to develop in stages.



Look beyond

Mass market adoption of electric vehicles brings opportunities across the entire value chain.



Manage the risks

Regulation, safety, cost thresholds remain key constraints.

Speak to your client advisor for the full electric vehicles thematic publication

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In the full publication

- Maturity framework and timing assessment
- Value-chain opportunity map
- Bull, base and bear scenario analysis
- Key risks across regulation, safety, cost
- Portfolio implementation considerations

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