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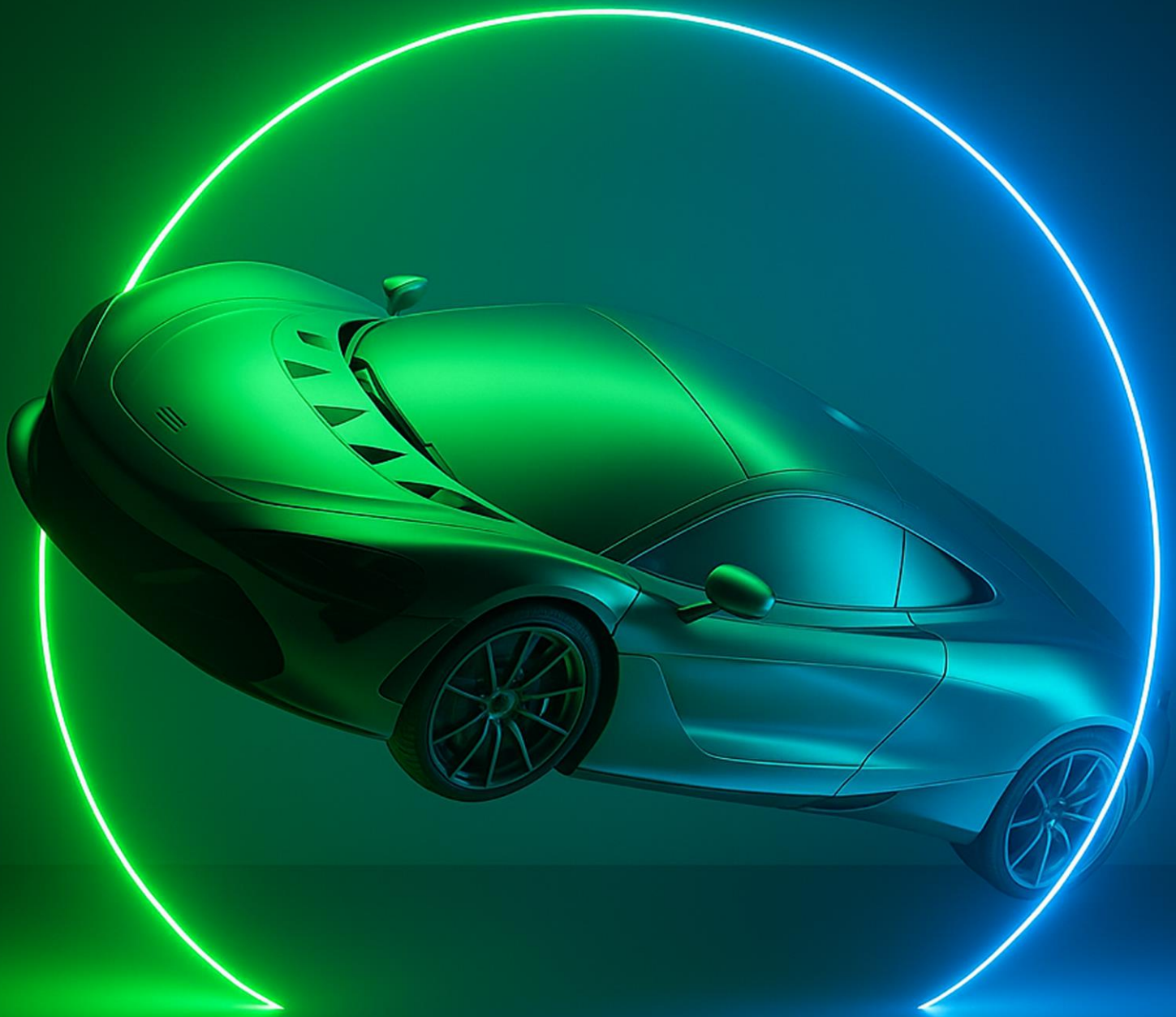


Clarity Amid Chaos

Scenario Strategies to Navigate Uncertainty in Europe's Automotive Mobility Provision until 2030

October 2025

01. Shifting gears

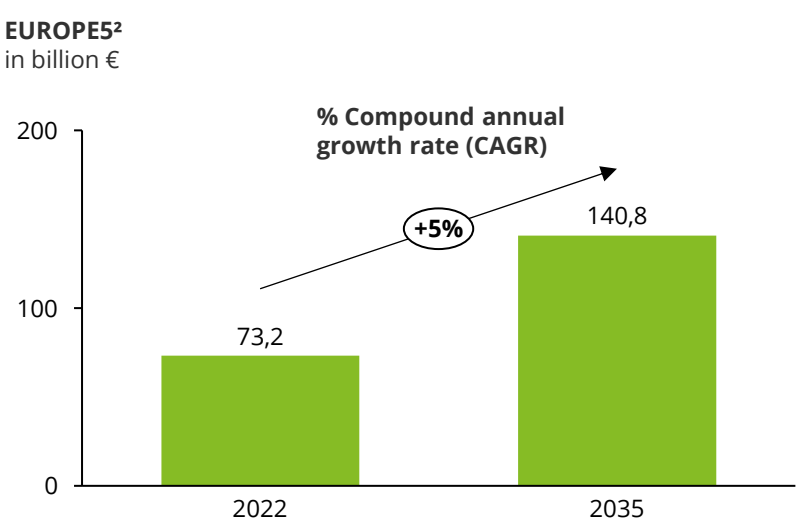
By 2030, Europe's automotive mobility market will be shaped by disruptive forces – from EV adoption and data-driven risk models to geopolitical shifts and regulatory fragmentation. Automotive mobility providers[1] must prepare for divergent futures, each demanding distinct strategic responses.

Why this journey matters

In 2018, Deloitte's study "Future of Captives: What Will Be the Core Businesses for Automotive Captives in 2030?" laid the groundwork for understanding the seismic shifts facing the captive finance industry. That study revealed that the auto finance market will see significant growth to €141 billion by 2035 (see Figure 1) in the EU5[2], but that success will depend on embracing emerging profit pools, investing in sustainability and advanced capabilities and strategically adapting to disruptions in customer behavior and business models.

This study remains a valid and valuable reference point; its scenarios, drivers and strategic insights continue to resonate. However, the pace and complexity of change have since accelerated beyond expectations.

Figure 1 – Automotive mobility market size between 2022 and 2035



Source: Deloitte Future of Automotive Mobility Study 2023

Where the rubber meets the road

This updated study builds on the original framework but expands its scope in two important ways:

- Broader archetype coverage: While the 2018 study had widespread automobile captive coverage, this report goes further to include automobile finance companies, fleet management companies, and lease and rental companies – all of whom are critical stakeholders in the evolving automotive mobility market.
- Shorter time horizon: With 2030 just five years away, this study focuses on near-term strategic decisions. It is designed to help leaders act now, not just prepare for the distant future.

The future of automotive mobility provision in Europe is not linear. It is shaped by critical uncertainties such as residual value volatility, taxation regimes, tariffs and unsecure supply chains. Geopolitical tensions and fragmented regulatory environments add further complexity. Data sovereignty laws and climate mandates vary widely across European markets, creating uncertainty for cross-border operations and long-term planning. Meanwhile, capital markets are volatile and interest rate fluctuations challenge traditional financing models adding layers of uncertainty that were only partially or not at all visible in 2018.

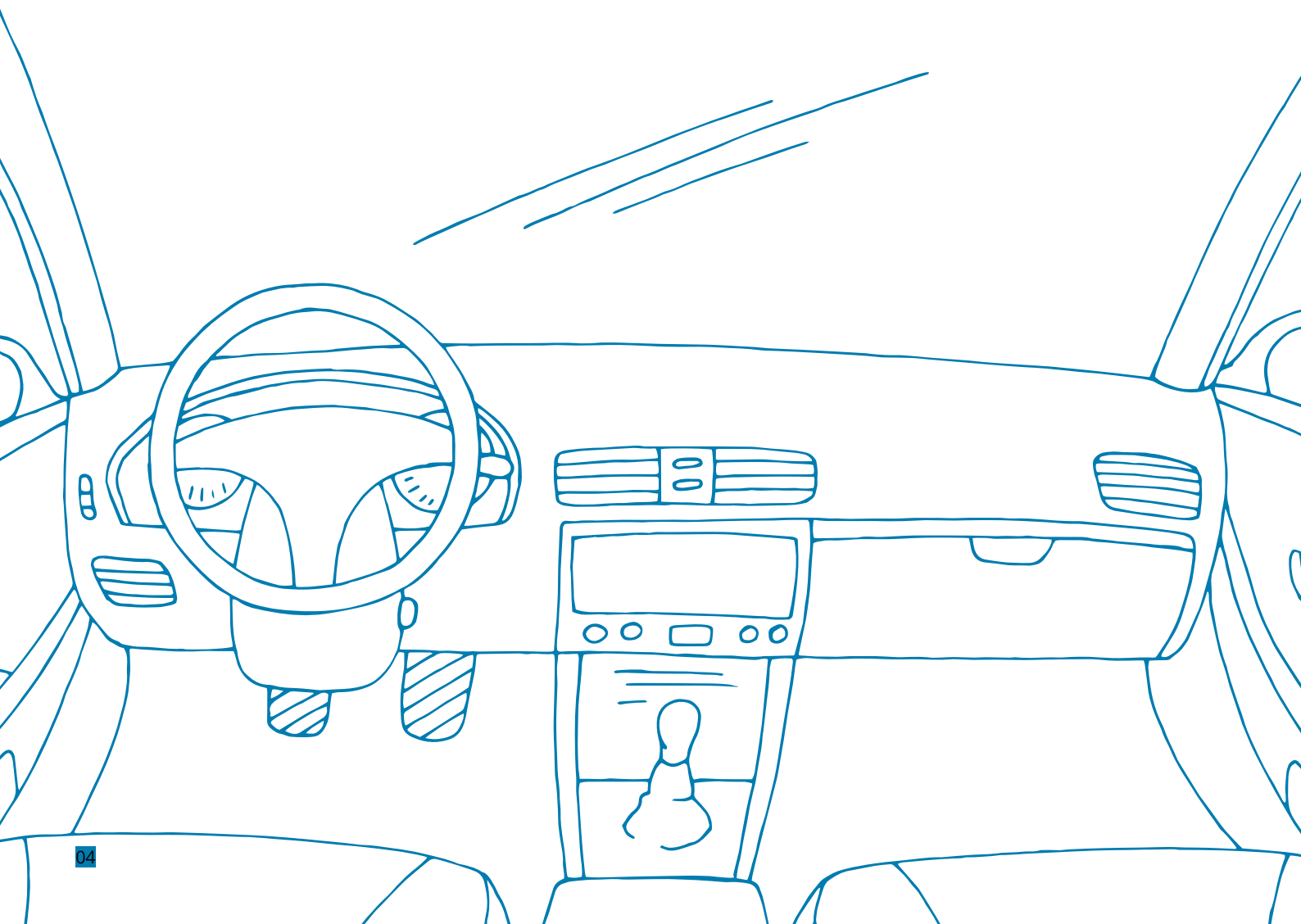
These uncertainties demand a strategic approach that goes beyond forecasting. We have therefore utilized our proven scenario approach, which does not focus on forecasting the most likely outcome. Rather, it illustrates plausible futures in the European automotive mobility market and shows how today's mobility providers might adapt to meet the many changes and uncertainties along the way. The question is no longer whether change will come—but how fast and how deep and who will survive.

Let's look at the market in 2030 and how it is impacted by the four scenarios.

Notes: [1]Automotive mobility provision refers to the offering of vehicles to private or corporate customers through flexible usage-based product such as financing, leasing, renting, or subscription, typically provided by companies like OEM-owned captive finance companies, rental agencies, or fleet management providers; [2]The EU5 region comprises France, Germany, Italy, Spain and the United Kingdom

02. Key providers in the driver's seat

The future of automotive mobility in Europe will be shaped by a diverse set of providers with various roles and sensitivities. To provide transparency for this evolving landscape, we have defined four archetypal providers. These providers are the principal actors in our four scenarios, each with their unique challenges and opportunities depending on how the future unfolds.



Automotive captives

- Act as the financial arm of automotive manufacturers, effectively financially supporting vehicle sales and brand loyalty, formerly primarily through vehicle financing, now increasingly through flexible usage model finance, like leasing, renting and subscription
- Face pressure to align with OEM electrification and digitalization strategies, whilst remaining profitable
- Enjoy brand loyalty and combined dealer networks, but are generally under pressure to take on residual value risks
- Are exposed to residual value volatility and other regulatory changes that disrupt traditional financing models

Automotive finance companies

- Function without direct OEM ties, providing adaptable financing across various brands
- Face threats from OEMs adopting direct-to-consumer approaches and integrated finance platforms
- Differentiate by agility, experience, customer experience and innovation in product development
- Innovate around risk modeling and financing structure changes to sustain competition against technology led entrants

Fleet management and leasing companies

- Offer comprehensive vehicle life cycle services primarily for corporate clients
- Play a growing role in the transition to electric vehicles (EVs), mobility-as-a-service (MaaS) and sustainability-focused fleet optimization
- Manage large vehicle portfolios and are very reactive to changes in residual values and tax legislation
- Positioned to take advantage of data driven optimization, D2C/agency models and monetization of in-life services

Rental companies

- Supply vehicle access for short to medium time frames often serving tourism, business travel and urban mobility
- Must adapt to changing consumer demands, urban regulations and electrification mandates
- Dependent on short-term demand cycles and tourism patterns, making them very vulnerable to economic and geopolitical shocks
- Increasing competition from subscription models and app-based mobility platforms

03. The underlying drivers

Understanding the future of automotive mobility providers in Europe requires a deep dive into the forces shaping the automotive mobility ecosystem. Our research methodology combines expert input, AI-driven analysis and a structured STEEP (social, technological, economic, environmental, political) framework to identify and prioritize the most impactful drivers.

Our study is built on a robust foundation:

- 3,000+ human-curated drivers of the future used to train AI models
- 920,000+ data points from articles, patents and posts analyzed
- 90 prioritized drivers evaluated for impact and uncertainty

These drivers were assessed using a two-dimensional matrix: impact (how strongly a driver could shape the future) and uncertainty (how unpredictable its development is). This allowed us to distinguish between critical trends (high impact, low uncertainty) and critical uncertainties (high impact, high uncertainty).

We grouped the 90 drivers into five thematic clusters:

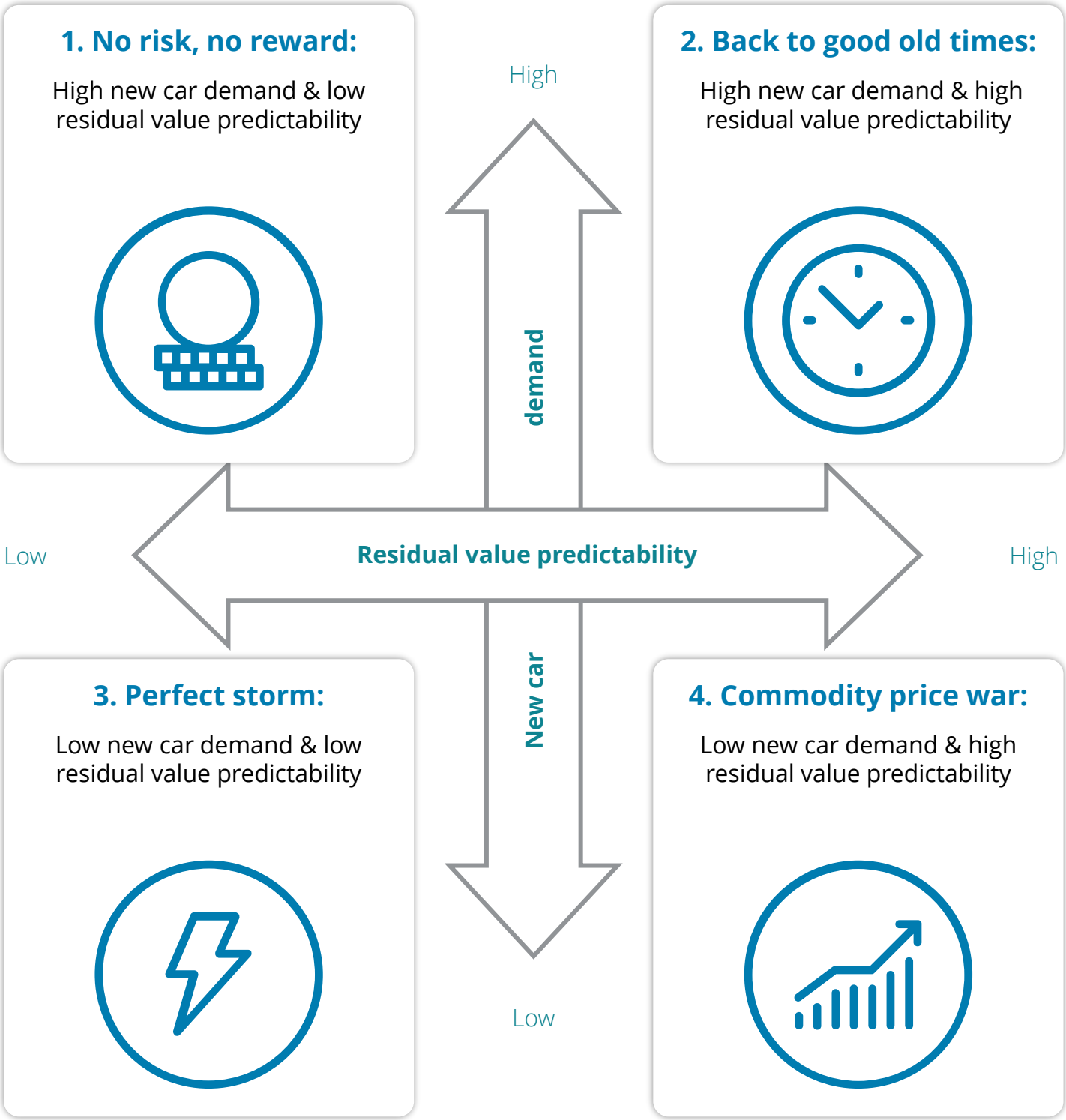
1. Technological disruption
2. Regulatory and political shifts
3. Economic and financial volatility
4. Consumer behavior and social change
1. Consumer behavior and social change
2. Environmental and sustainability pressures

From these drivers, we identified five high-impact uncertainty clusters that form the backbone of our scenario design:

1. **Residual value predictability**
   This refers to how reliably one can estimate the future market value of a vehicle at the end of its lease or ownership cycle, e.g., after three years. The predictability is highly influenced by regulatory shifts such as tax incentives, supply chain disruptions, macroeconomic conditions (e.g., interest rates) and brand and model popularity, making it one of the two critical uncertainties used in our scenarios.
2. **New car demand in Europe**
   The demand for new cars is highly impacted by macroeconomic conditions, the regulatory environment, technological shifts such as ADAS, mobility trends, supply chain stability and consumer preferences, making it one of the two critical uncertainties used in our scenarios.
3. **Taxation and tariffs**
   There are two distinct but closely related financial mechanisms influencing the automotive mobility industry, in particular total cost of ownerships, supply chains, leasing attractiveness/ vehicle prices and fleet decisions.
4. **Geopolitical future**
   The future of geopolitics is specifically uncertain today due to an alignment of structural shifts, increasing tensions and unstable leadership dynamics globally.
5. **Data-driven risk revolution**
   This term is used to summarize the transformative shifts in how vehicle providers assess, manage and price risk – driven by the spread of real-time data, AI and advanced analytics technologies. Its development highly depends on data privacy laws, consumer consent, AI regulation and platform interoperability – all factors which are currently difficult to predict.

These clusters were used to construct the four scenarios, each representing a distinct combination of outcomes across these uncertainties. Residual value predictability and new car demand in Europe were chosen as the axes because they are factors that are sometimes influenced by similar shifts but can evolve independently and do not influence each other directly.

Figure 2: Potential scenarios for the future of automotive vehicle provision along two major axes



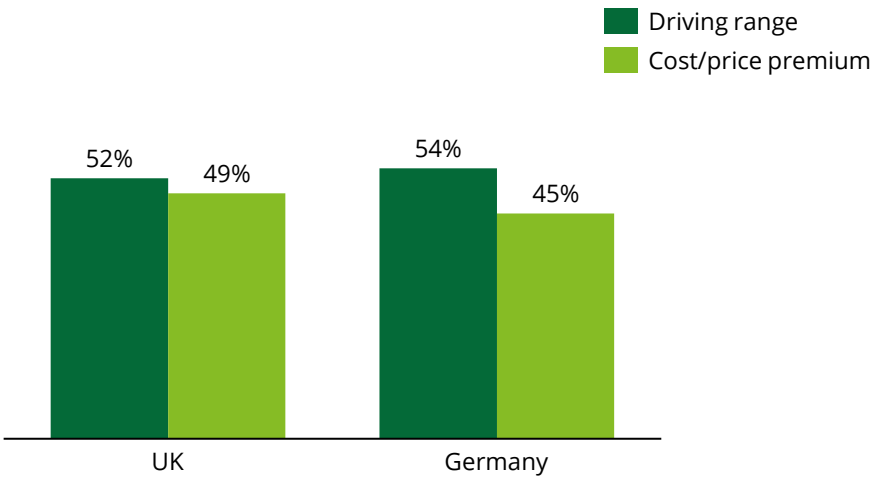
04. Expert predictions

The following predictions are highly impactful and certain to occur within the next five years.

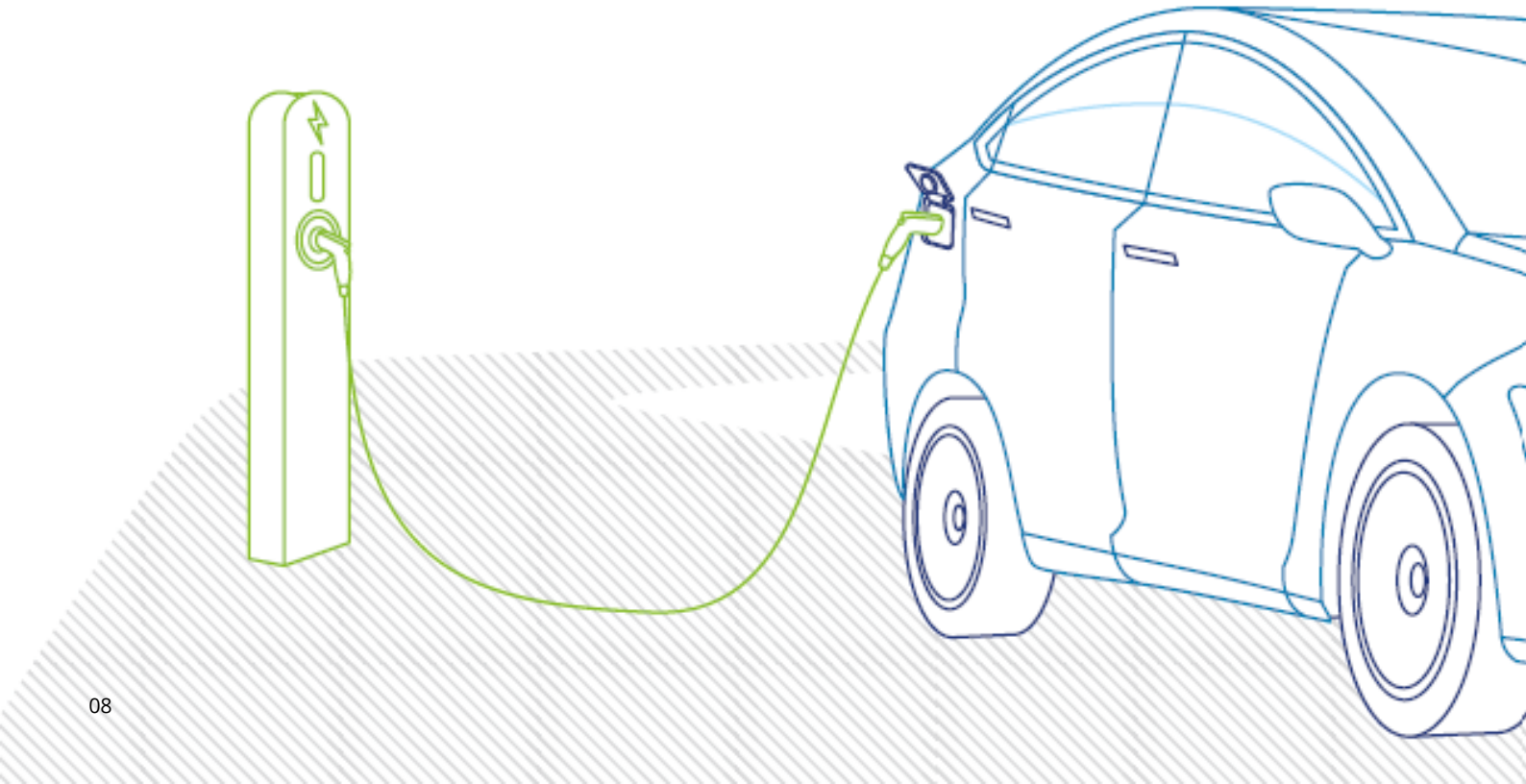
Battery advancements driving EV adoption

Battery technology advances in energy density, charging duration and affordability. This trend supports the increasing adoption of electric vehicles and reshapes vehicle life cycles and residual values. Nevertheless, in Germany and the UK, driving range (>50% of survey respondents) and cost/price premium (>45% of survey respondents) remain the key concerns when it comes to battery-powered electric vehicles (Automotive consumer study 2025).

Figure 3 – Greatest concern regarding all-battery powered electric vehicles (BEVs)



Source: Deloitte Global Automotive Consumer Study 2025



Digital native expectations drive change
Digital native expectations drive change
Younger generations will demand smooth, digital-first experiences across vehicle access, financing and servicing. Providers have to keep up with these expectations or fade.

Data privacy regulations challenge risk modeling
Stricter data privacy laws will limit behavioral risk modeling. Evolving regulations (e.g., GDPR and ePrivacy) will constrain how vehicle providers collect and use personal data.

Artificial intelligence (AI)
Artificial intelligence will transform mobility provision for automobiles by facilitating predictive residual values, dynamic pricing and customized vehicle offerings by behavior of the user. It will also simplify fleet management by optimizing the use and matching supply with demand, making mobility more efficient and profitable for the end customers and providers.

Used car markets will gain strategic importance
Over 37% of consumers in the EU5 are interested in nearly new and other used vehicles (Deloitte Future of Automotive Mobility to 2035 consumer survey). Used vehicle financing and life cycle management will become core revenue streams. Providers will shift their focus to used car remarketing and in-life services.

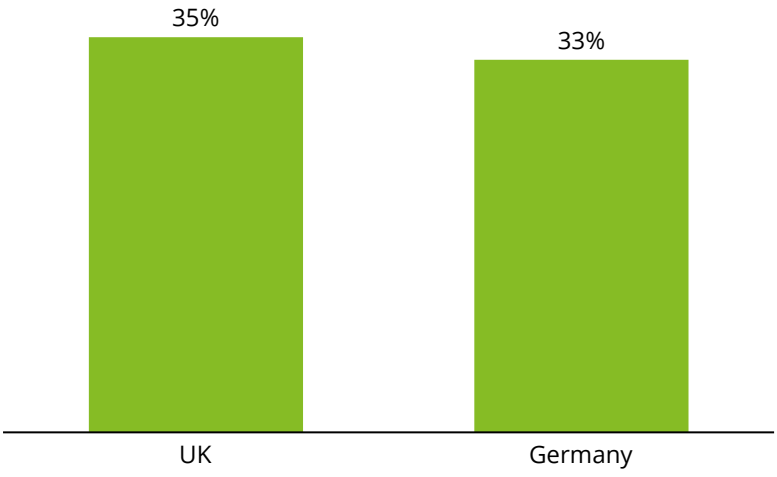
Sustainability drives green finance and will be a regulatory imperative
Green finance and ESG compliance will become unavoidable. EU taxonomy, carbon neutrality targets, and ESG reporting obligations will necessitate alignment with sustainability objectives.

Interest rate volatility will persist and put pressure on margins
Financing margins will remain under pressure due to macroeconomic instability. Rising and unpredictable interest rates will challenge traditional loan and lease models.

Mobility-as-a-service (MaaS) platforms will expand and redefine mobility
MaaS platforms will reshape urban mobility and fleet utilization. Subscription services, ride hailing and integrated mobility platforms will reduce private ownership. One in three younger consumers (18 to 34-year-old respondents) is willing to give up vehicle ownership in favor of a MaaS solution (Deloitte Automotive consumer study 2025).

Figure 4 – Vehicle subscription among 18-to-34-year-olds in UK and Germany

Interested in giving up vehicle ownership in favor of vehicle subscription (% somewhat/very interested) – 1-to-34-year-old respondents

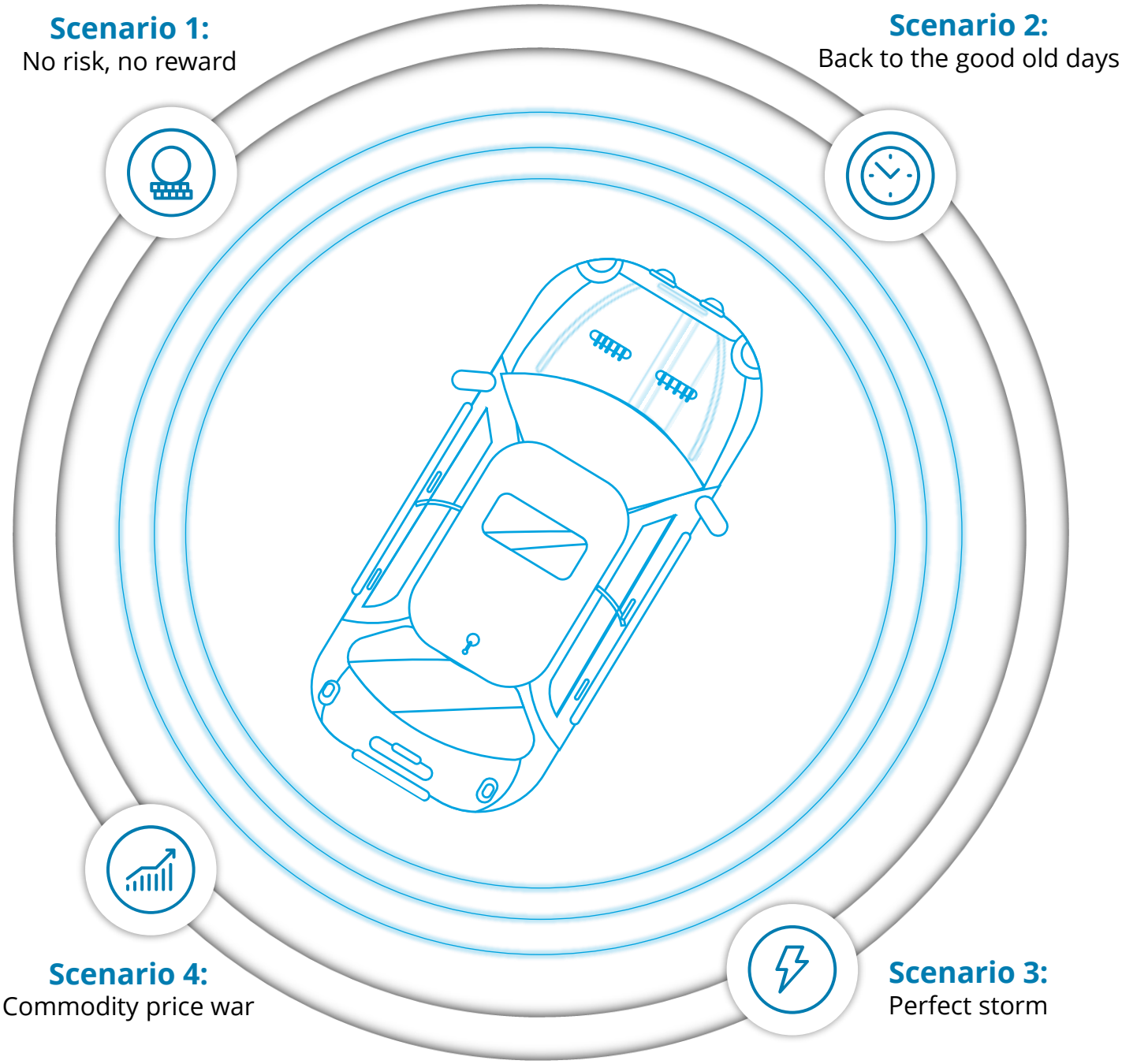


Source: Deloitte Global Automotive Consumer Study 2025

05. Four scenarios

We explore four distinct and plausible futures for automotive mobility providers in Europe by 2030. Each scenario is built on a unique combination of two critical uncertainties: residual value predictability and new car demand.

These narratives are not predictions, but rather structured thoughts designed to help decision-makers stress-test and adapt strategies and prepare for a range of outcomes.



Scenario 1: No risk, no reward

The first scenario characterizes the provision of European automotive mobility as volatile and unpredictable. Due to geopolitical tensions and fragmented policy frameworks, technological innovation is outpacing regulation and residual values are fluctuating wildly. OEMs are under increasing pressure as their captives find it challenging to handle risk in an environment characterized by high capital costs. Vehicles turn into financial liabilities instead of assets. With the rapid evolution of refinancing models, capital flows are increasingly directed toward unregulated fintechs and alternative platforms.

The regulatory landscape is fragmented, with privacy laws limiting the use of behavioral data for risk modeling. Established providers are limited by outdated systems and regulatory pressures, while agile newcomers exploit gaps in oversight and consumer expectations.

Regardless of today's turbulent marketplace, new vehicle demand is high, driven by exponential urbanization, green mobility incentives and consumer demand for new vehicles. Demand is a double-edged sword: it promotes production and revenue growth but also increases risk. Vehicles have unpredictable depreciation rates due to rapid innovation, changing battery standards, increasing low-cost competitors and sudden regulatory changes. Leasing and financing providers have challenges of accurately pricing contracts over a contract term (often three to four years), resulting in write-downs and margin erosion regularly.
But if you can get comfortable with volatility, the upside is significant for providers who can invest in "real time" data analytics and flexible contract types.

Providers can take market share away from incumbents by developing forms of risk sharing with an OEM or fintech competitor. New digital competitors have also taken advantage of this situation by providing consumption-based pricing, usage-based financing and AI-based risk scoring. In an era of high demand but also high risk, speed, adaptability and digital sophistication is where you can gain a competitive advantage.

Implications for providers:

Automotive captives
- benefit from high vehicle turnover but are forced to absorb growing residual value risk from OEMs
- struggle with outdated risk models and limited flexibility due to tight OEM integration
- must co-develop dynamic pricing and risk-sharing mechanisms to remain competitive

Automotive finance companies
- take advantage of high demand across OEMs but do not have clear insight into rapidly changing product cycles
- face increased exposure to residual value volatility without OEM-backed guarantees
- need to invest in real-time analytics and flexible contract structures to stay relevant

Fleet management and leasing companies
- gain importance as OEMs outsource risk-heavy operations
- enjoy strong demand for fleet expansion, especially in corporate and subscription models
- must pivot to shorter leasing cycles and data-driven fleet optimization strategies

Rental companies
- experience high utilization and revenue growth but are highly exposed to resale value swings
- find that traditional resale-based models become riskier and harder to manage
- must diversify into subscriptions and mobility services to hedge against volatility

Scenario 2: Back to the good old days

The market here is stabilized and there is power returned to incumbent providers. Residual values are knowable and demand for new cars rises steadily. Incumbent asset-intensive business models thrive and OEMs focus on their finance arms. Regulatory support goes to players already established in the business and budgets for investments are strong.

New entrants are confronted with obstacles to entry and the speed of digital transformation slows down. Captives benefit from their size, brand recognition and combined networks of dealers. Ownership, long-term leasing and packages of services become the center of attention.

With residual values being predictive, risk models are reliable once more. Pricing and planning can be done at the long term. Ownership and leasing are again attractive to customers through economic confidence and brand confidence. EV uptake continues but at a sustainable level so that infrastructure and legislation can catch up. European regulation facilitates achieving the requirements and capital markets favor traditional finance frameworks.

The threats here are low-profile but real. Complacency can start to set in and innovation can stall. The traditional Automotive mobility players may underinvest in digital technology, leaving them vulnerable to eventual disruption. But for most providers, the situation offers a rare opportunity for differential strategy and operating discipline. Those that expand, consolidate the offerings and invest in customer loyalty will thrive.

Implications for providers:

Automotive captives
- regain strategic significance and benefit from OEM alignment and stable margins
- take advantage of brand strength and stable residual values to grow long-term leasing business
- Additional focus on in-life services, to increase profit from volume

Automotive finance companies
- must excel in niche areas or provide better service flexibility in order to compete
- gain value from fixed asset values and transition into financing but might be left behind without OEM affiliations

Fleet management and leasing companies
- retain fixed life cycle expenditures and low but adamant demand from corporate clients
- can maximize fleet planning and packaging of services with negligible risk exposure
- place greater emphasis on operational excellence and customer retention than simple innovation

Rental companies
- find that traditional rental patterns become profitable again, supported by secure resale markets
- must maintain service quality through investments in upscale services and effective scale-up to overcome platform-based competition

Scenario 3: Perfect storm

This is the most disruptive scenario. The market suffers simultaneous shocks: residual values collapse and geopolitical tensions disturb supply chains. Capital disappears and many vehicle providers are pushed into bankruptcy. Planning becomes very difficult and risk models fall behind reality.

OEMs retreat to core competencies and captives are left exposed. Regulatory requirements are higher, while consumer needs shift erratically. The market becomes fragmented and faith in traditional institutions erodes.
Only the most adaptable and diversified players survive.

European new car demand collapses with economic stagnation, consumer uncertainty and growing popularity of used cars and shared mobility solutions. Residual values become virtually impossible to forecast, driven mainly by unpredictable policy moves and fluctuating EV depreciation. Funding options disappears as investors abandon automotive risk.

Automotive mobility providers without buy-back agreements with OEMs face mounting losses from off-lease vehicles with plummeting resale values.
Data privacy legislation and regulatory fragmentation block the use of sophisticated risk models.
But in the chaos, there are some winners: providers with diversified product and service portfolios and the capacity to shift quickly to flexible usage-based models can create stable niches.

Implications for providers:

Automotive captives
- face severe losses from residual value collapse and OEM retrenchment from financial guarantees
- struggle to remain solvent if not supported by OEMs; have to restructure or downsize rapidly
- can only survive by going to ultra-agile, short-term products and off-loading risk and financial liabilities to intermediaries

Automotive finance companies
- tend to be extremely sensitive to capital market turbulence and residual uncertainty among a range of OEMs
- must exit money-losing segments and focus on risk-sharing alliances or niche financing strategies
- find that survival depends on digital dexterity and the ability to write risk in real time

Fleet management and leasing companies
- experience asset devaluation and contract instability, especially in long-term leasing models
- must pivot to short-term, usage-based offerings and dynamic fleet sizing to stay afloat
- may weather the storm if they have strong data capabilities and diversified client bases

Rental companies
- find that traditional business models no longer work; they exit the market or consolidate
- in the case where they survive, shift to flexible, app-based mobility services and radical cost reduction

Scenario 4: Commodity price war

In this scenario, Automotive mobility provision becomes a commoditized business. New car demand declines and used car markets dominate. Residual values are predictable in advance, yet margins are thin. Price wars rage and strategic incentives by manufacturers become the name of the game. Providers then need to find new reservoirs of profit in in-life services and after-sales products. OEMs focus on volume and market share, pushing prices further down. Traditional Automotive mobility providers will need to scale and be economical or be outcompeted by platform providers and fintechs. There are too many similar products out there and differentiation is all but impossible. Consumers value price over brand or service quality.

Leasing and financing become transactional with minimal room for premium pricing. Harmonization of regulations streamlines but levels the playing field as well, diminishing incumbents' capacity to defend their territory. Used car platforms, subscription models, mobility platforms and in-life service providers thrive by offering low-cost, flexible access to mobility.

Despite the pressure, stable residual values give some planning certainty. Businesses that can create scale and automate survive and even grow. But innovation is incremental and strategic risk-taking is not the norm. The market pays for operation excellence, cost leadership and ecosystem integration – not bold action.

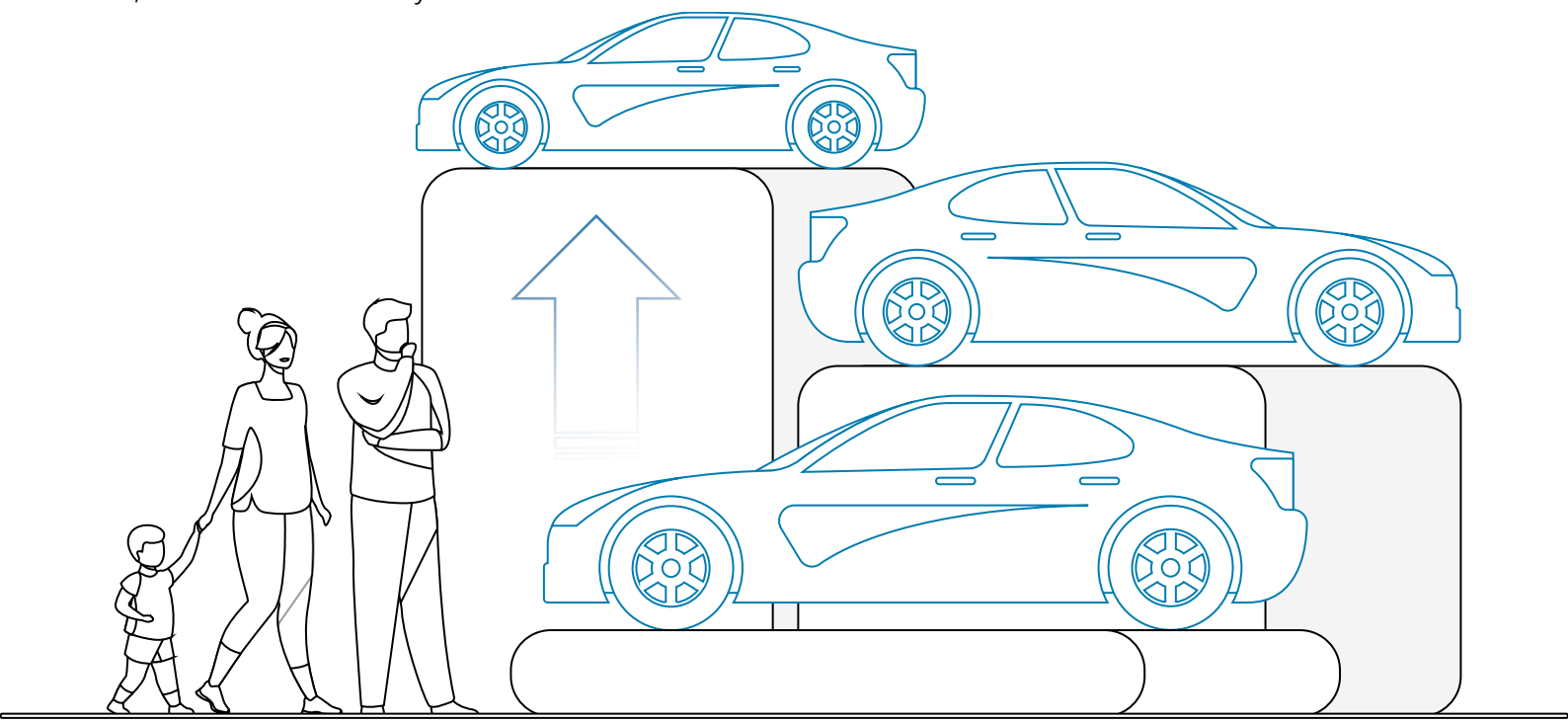
Implications for providers:

Automotive captives
- must be high-efficiency and scale to safeguard margins
- can find that tactical pricing and incentive alignment with OEMs are critical to competitiveness
- highlight shift to cost management and bundling of core services

Automotive finance companies
- struggle to differentiate in a price-sensitive environment without OEM backing
- must specialize in niche segments or offer ultra-streamlined financing to survive
- manage risk with the advantage of predictable residual values, but margin pressure limits growth potential

Fleet management and leasing companies
- enjoy stable asset values but are plagued by intense competition and margin compression
- discover that success depends on scale, automation and integration with aftermarket ecosystems

Rental companies
- must optimize operations and monetize in-life services to stay profitable
- discover that success depends on the collaboration with mobility platform providers to gain relevance



Excursus: Strategic implications for OEMs across all four scenarios

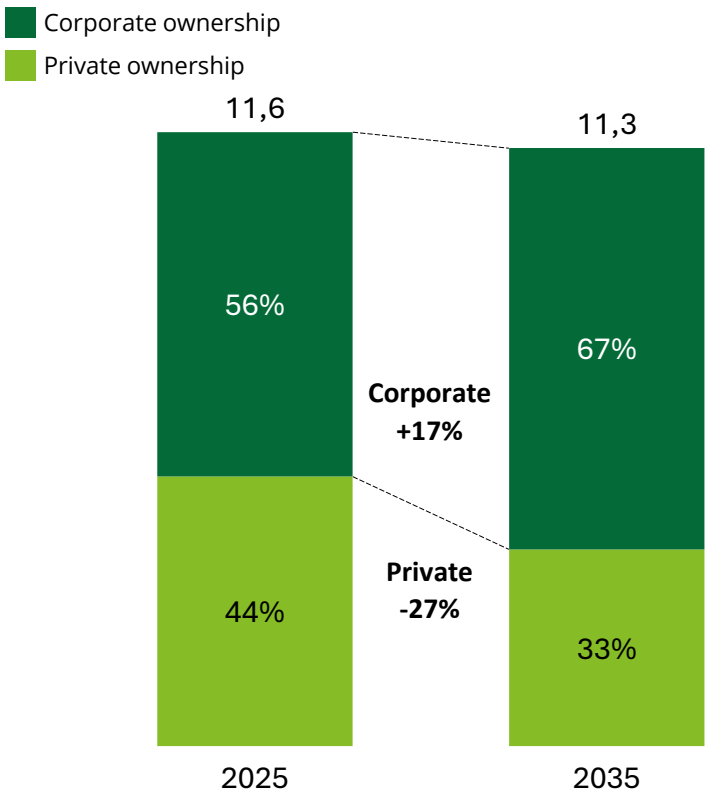
In volatile futures like "No risk, no return" and "Perfect storm", OEMs must absorb growing residual value risks and navigate fragmented regulations. Their captives struggle with outdated risk models and tight integration, requiring OEMs to co-develop dynamic pricing and new risk-sharing mechanisms. OEMs must also rethink their role in financing and support operational flexibility to be able to manage E2E vehicle life cycles. In these scenarios OEMs need to fundamentally question their business model as the car becomes a liability rather than an asset.

In more stable scenarios like "Back to the good old days" and "Commodity price war", OEMs regain influence through predictable residual values and scale advantages. Captives benefit from OEM alignment, but risk complacency. Here, OEMs must double down on service bundling, dealer integration, customer brand loyalty and long-term customer retention while remaining vigilant against future disruption. Furthermore, the OEM should leverage and optimize alternative sales channels to drive new business growth.

Across all futures, OEMs need to keep in mind the importance of captives for overall success. Corporate ownership is projected to increase by 17% over the next decade, making up 67% of new car sales by 2035 (Future of Automotive Mobility Study) and positioning automotive mobility providers as a key sales channel. OEMs must evolve from vehicle producers to ecosystem orchestrators. Their success depends on empowering captives through investments in improved analytics e.g. AI-driven and flexible operating models. Strategic coordination between OEMs and their finance arms will be critical to defend margins and to lead in a mobility market defined by speed, reliant data and risk management and customer experience.

In a nutshell: OEMs must act now to future-proof and question their business model, unlock new revenue streams and shape the next era of automotive mobility, especially as vehicles increasingly become commoditized across all scenarios.

Figure 5 – New vehicle sales in private and corporate ownership in the EUROPE5 between 2025 and 2035 in millions EUR



Source: Deloitte Analysis based on Deloitte Future of Automotive Mobility 2023

06. Consequences and recommendations

Each of the scenarios impacts automotive mobility providers differently.

European vehicle providers' future will be defined by volatility and structural change in mobility. Captives, Auto finance businesses, fleet managers and rental operators need to anticipate different futures from stable growth through to existence-threatening disruption. To succeed will require strategic agility, digitalization, operational flexibility and managing risk through the vehicle life cycle. This chapter summarizes main recommendations to create resilience and capture new opportunities in each of the four scenarios.

Detailed recommendations

1. Strengthen residual value management

Residual value volatility management remains a persistent challenge. This spans across all engine types, from internal combustion, electric and hybrid. To prevent this, providers need to be more proactive and data-driven. There is a requirement to strengthen remarketing through such as improving vehicle return processes, strengthening digital selling channels and leveraging real-time market data in a bid to fetch the highest resale prices.

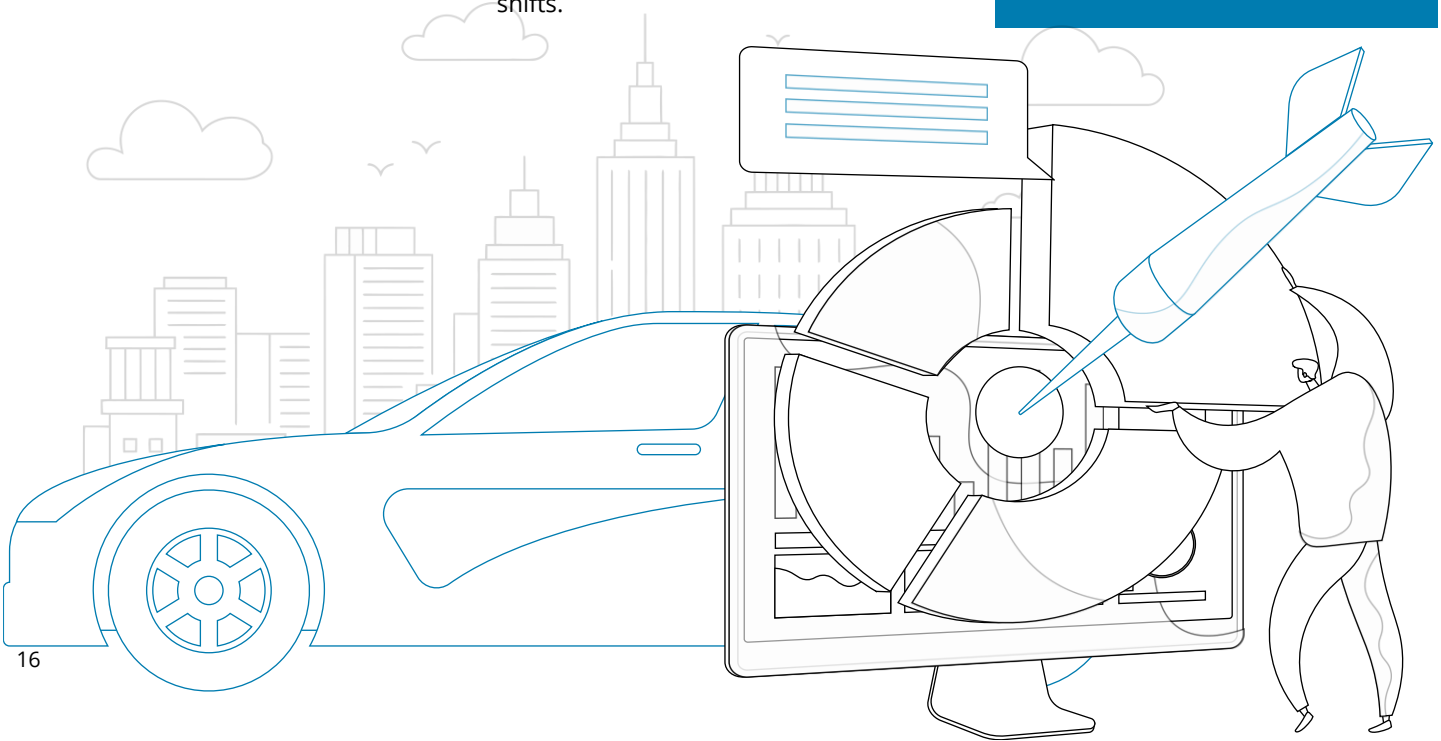
Also, incorporating advanced predictive analytics can enhance RV price forecasting much better.

By looking at historic trends, market factors and usage patterns of vehicles, business enterprises are able to enhance the expectation of value movements and make appropriate adjustments in pricing or lease terms accordingly.

AI elevates this capability further with live, adaptive forecasting models that learn in real time from fresh data. To generate granular, dynamic RV predictions, AI can scan enormous and intricate data like telematics, maintenance records, local demand volatility and macroeconomic information. AI models are able to model multiple potential future scenarios and help providers stress-test portfolios and forecast abrupt market shifts.

Recommendations

- Strengthen residual value management
- Invest in digital and data capabilities
- Build scenario-resilient operating models
- Engage proactively with regulators
- Diversify revenue streams
- Rethink capital and partnership models



AI also enhances remarketing initiatives by deciding the optimal time and channels of resale for cars, predicting the moves of buyers and automating pricing decisions in line with current market conditions. AI-powered image recognition and natural language processing also render inspections and condition checks for cars automatic, improving accuracy and response time.

These are particularly relevant in high-risk scenarios such as "No risk, no reward" and "Perfect storm," where market volatility and external shocks can potentially wreck asset value in short order. A solid AI-based RV management strategy not only mitigates financial risk but also supports long-term competitiveness by enabling faster, smarter and more resilient decision making.

2. Invest in digital and data capabilities

Now that the mobility landscape is changing fast, investing in digital and data capabilities is no longer a strategic advantage but almost a strategic necessity.

No matter what the scenario, whether the innovation-saturated enterprise "No risk, no reward" or the disruption-heavy "Perfect storm," digital transformation is not a choice. Car manufacturers must concentrate on creating secure, scalable digital platforms that allow for seamless integration among services, partners and customer touchpoints.

These platforms must enable real-time data sharing, fast service deployment, and user experiences tailored to the users. Providing a better customer experience through smart digital interfaces, AI-powered virtual assistants, and service forecasting is vital to meeting increasing expectations.

But in the midst of all this, providers must create stronger data underpinnings such as security infrastructure and governance structures to handle and leverage vehicle, customer, and market data. AI is in the front ranks of this revolution. With the utilization of AI to process large data, companies can significantly improve vehicle life cycle management, dynamic pricing, and risk modeling. Ultimately, embedding AI in data and digital strategies allows providers to shift from reactive business models to proactive, intelligent mobility ecosystems that are customer-centric and resilient.

3. Build scenario-resilient operating models

Operational excellence is key in all four scenarios – with an even greater focus on flexibility than in the past. The operating models of automotive mobility providers have historically been rather rigid and sluggish, with only outsourcing to external service providers for scaling being used to a limited extent. In the future, levers of digitalization must be utilized to increase flexibility.

This includes the possibilities of conversational AI and agentic AI to optimize both customer interactions and internal processes at a high level of quality. However, the ongoing renewal of contract management and CRM systems is essential to efficiently manage and utilize data.

These measures also necessitate a workforce transformation to qualify employees for new and changing tasks. Currently simpler tasks will disappear and more complex tasks, such as maintenance of AI solutions, will gain importance. Providers must therefore quickly engage in the strategic planning of resource needs as well as hiring, re-skilling and up-skilling.

Operational flexibility is key. Providers should stress-test their operating models against all four scenarios, identifying vulnerabilities and building contingency plans. This includes modular IT systems and agile workforce strategies.

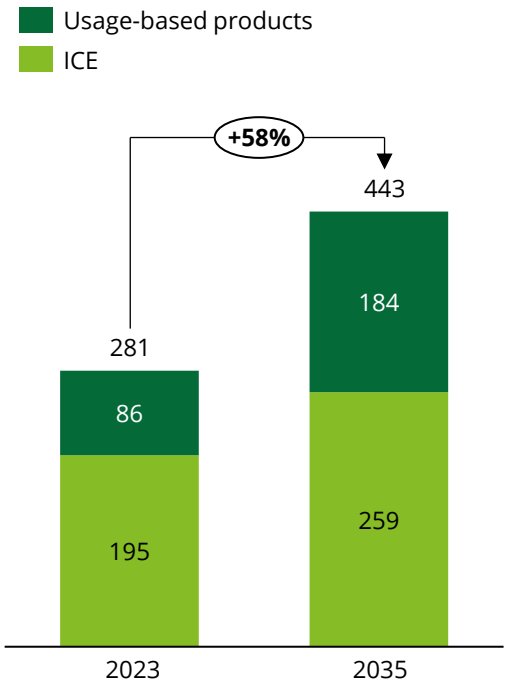
4. Engage proactively with regulators

With increasing regulatory complexity, early engagement and compliance readiness are critical. Providers should shape and adapt to evolving ESG, data privacy and financial regulations to avoid penalties and maintain strategic freedom. In "No risk, no reward", fragmented and restrictive data laws hinder innovation – making early regulatory dialogue essential to enable behavioral risk modeling and cross-border operations. In "Back to the good old days", stable and cooperative regulatory environments offer a chance to co-develop long-term frameworks that reinforce incumbents' strengths. In "Perfect storm", reactive and burdensome regulation adds to market chaos, requiring providers to advocate for stabilization measures and emergency relief. In "Commodity price war", harmonized but rigid rules may stifle service innovation, making it vital to push for regulatory flexibility in digital and in-life service models.

5. Diversify revenue streams

The traditional auto financing business has been under pressure for years; volumes and margins are declining. Especially for uncertain scenarios, diversification is essential to compensate for fluctuations in revenue and profit. Providers should therefore consistently tap into new profit pools along the entire value chain.
These include - as outlined in our "Future of Automotive Mobility" study - primarily in-life services (expected to grow by >12% between now and 2035), short-term rental models, data monetization and services along the "4 Re's" (refurbish, reuse, remarket and recycle). In the context of in-life services, insurance offerings are particularly promising.

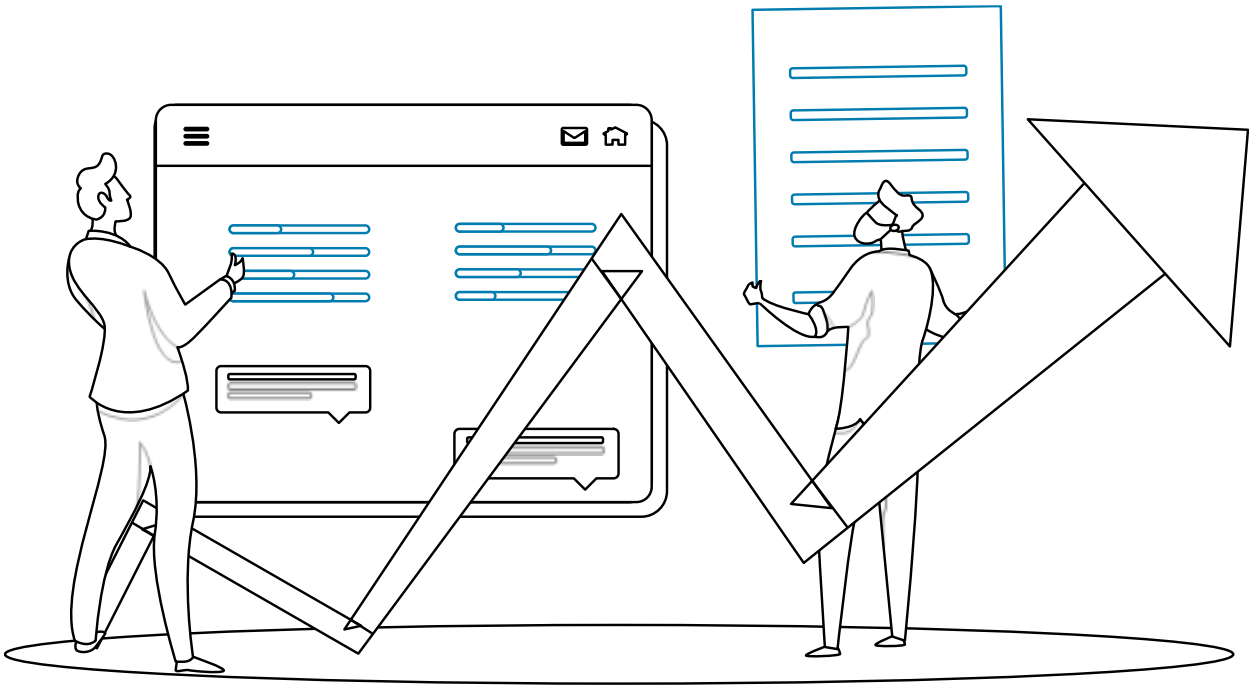
Figure 6 – Refinancing volume in EU4[1] in billion Euro



Source: Deloitte Future of Automotive Mobility Study 2023; Note: (1) Countries: Germany, France, Spain, Italy

6. Rethink capital and partnership models

In increasingly volatile and capital-intensive mobility markets, access to flexible and diversified funding sources is becoming a key differentiator – especially in high-risk scenarios such as "No risk, no reward" and "Perfect storm", keeping in mind the expected growing refinancing volume of €161 billion from 2023 to 2035, which represents an increase of 57% (Deloitte Global Automotive Mobility Market Simulation Tool). Traditional financing models may no longer be sufficient to support rapid innovation, fleet expansion, or digital transformation. As a result, vehicle providers must rethink how they structure capital and form strategic partnerships. To remain competitive, automotive mobility providers should explore more agile capital structures including securitization methods that allow them to package and sell financial products like loans or leases into investors. This minimizes balance sheet risk and provides greater flexibility in managing the funding cycle. At the same time, partnerships with fintechs can expose them to new models of lending, embedded finance solutions and digital underwriting capacities for enhancing speed and scalability.
Ultimately, recasting models of capital and partnership is not merely about financial engineering – it's about creating a more agile and technology-enabled ecosystem that can perform under stress and capitalize on new opportunities as they arise.



07. Unlocking the future of automotive mobility provision in Europe

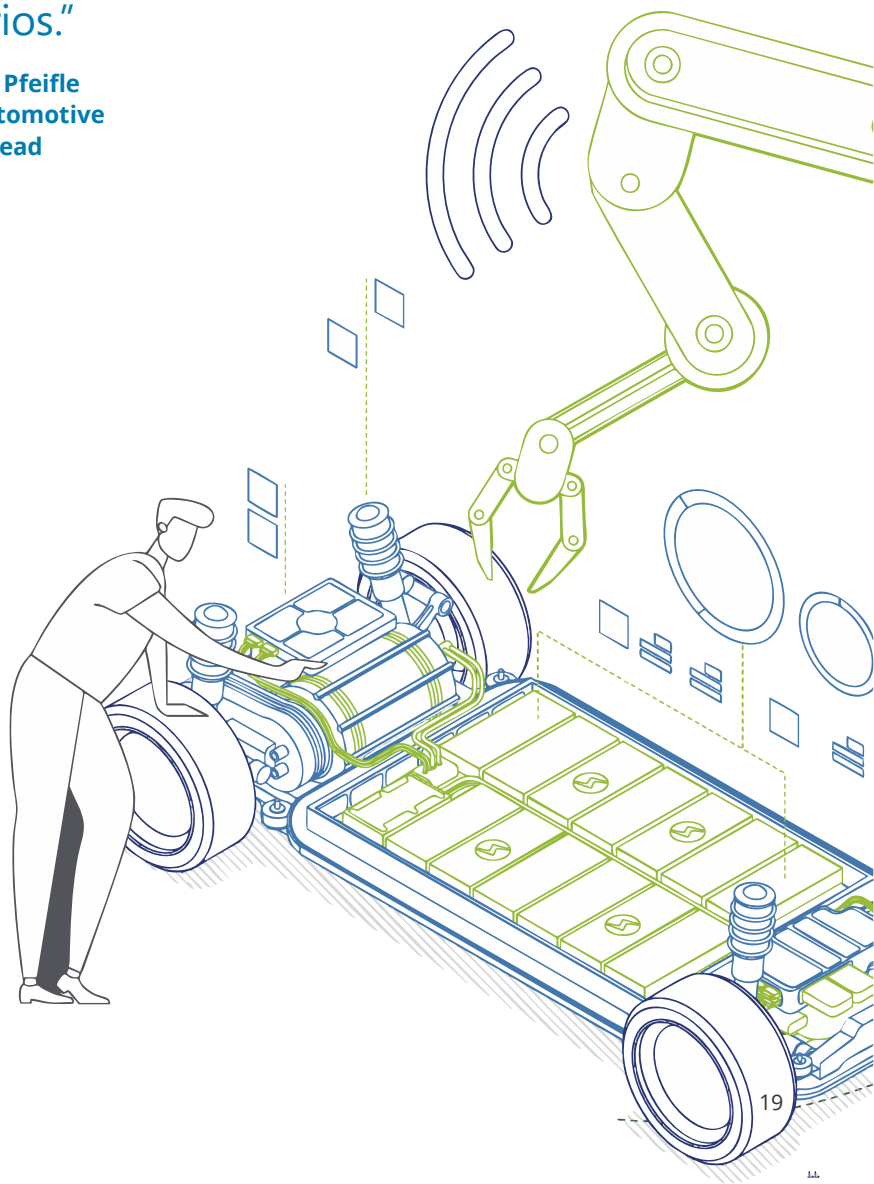
By 2030, the European car mobility market will be amongst the most dynamic and fulfilling landscapes in the mobility sector. With projected growth totaling €141 billion in the EU5 alone, the potential is immense – for those who are ready to take the plunge.

Providers as captives, Auto finance companies, fleet managers, leasing houses or rental businesses are facing a crossroads. They will not succeed by standing still but by embracing change. Those who invest in digital platforms, risk models based on artificial intelligence and flexible financing solutions will tap into new pools of profit and succeed even in the worst-case scenarios described. Providers who build strong operating models, engage with regulators actively and reassess capital strategy will not only survive but thrive.

Now is the time to change gear. The market is growing, the tools are available and the momentum is building. Those who gear up today will shape tomorrow's mobility landscape and seize the advantages of a more intelligent, cleaner and customer-centric future.

Automotive mobility providers need to focus on strategic agility, digital transformation and the ability to manage risk to assure resilience in the different anticipated scenarios."

Sebastian Pfeifle
Global Automotive Mobility Lead
Deloitte



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09. Methodology

To explore the future of vehicle provision in Europe by 2030, we applied a structured scenario planning methodology. This approach is designed to help decision-makers navigate uncertainty by developing a set of plausible, divergent futures based on critical drivers and uncertainties.

Step 1: Driver identification
We began by identifying 90 potential drivers of change across the STEEP dimensions – social, technological, economic, environmental and political. These drivers were sourced from expert workshops, trend analyses and internal foresight databases.

Step 2: Impact-uncertainty mapping
Each driver was assessed based on two dimensions: impact and uncertainty. This assessment was visualized in an impact-uncertainty matrix, which allowed us to distinguish between trends and critical uncertainties.

Step 3: Clustering critical uncertainties
We grouped the most impactful and uncertain drivers into six thematic clusters: residual value predictability, new car demand in Europe, taxation and tariffs, geopolitical future, data-driven risk revolution and EV value chain disruption.

Step 4: Scenario construction
Using the clusters, we developed four distinct and internally consistent scenarios. Each scenario explores a different combination of the way in which the critical uncertainties might unfold.

Step 5: Player impact analysis
We defined four key players – OEM-affiliated captives, independent captives, fleet management companies and rental companies – and analyzed how each would be affected in each scenario.

Step 6: Strategic implications
Finally, we derived cross-scenario consequences and recommendations to support robust strategic planning. These insights are designed to help vehicle providers prepare for multiple futures.

Deep-dive on scenario thinking
Groundbreaking shifts in vehicle technology, evolving consumer expectations and the rise of new mobility models have created a highly uncertain environment for vehicle providers in Europe (see also The future of automotive mobility to 2035). The future market landscape will be strongly influenced by the strategic decisions that captives, Auto finance companies, fleet managers and rental companies make today. These decisions will shape not only their competitive positioning but also the structure of the broader automotive mobility ecosystem.

Conventional strategic analysis – often focused on linear projections and historical trends – is ill-suited to navigate such complexity. By contrast, scenario design offers a structured way to explore multiple plausible futures. It does not aim to predict the future, but rather to illuminate the range of possibilities that decision-makers must prepare for.

Scenario thinking is particularly valuable when high-impact developments are also highly uncertain. In our case, these include the predictability of residual values, European demand for new cars, taxation and tariffs, the geopolitical climate, the extent to which data can be used for risk modeling and the pace of EV adoption. Each of these uncertainties could unfold in dramatically different ways, with profound implications for vehicle providers.

To address this, we have developed four distinct scenarios. Each one represents a coherent and plausible future, shaped by different combinations of these critical uncertainties. The scenarios are not forecasts; they are narratives that help us stress-test strategies, identify early warning signals and build resilience.

By exploring these alternative futures, we can better understand the risks and opportunities facing each provider. This enables vehicle providers to craft strategies that are robust across a range of outcomes, rather than optimized for a single expected future.

Let's now examine the underlying drivers and how we derived them, before diving into expert predictions and the four scenarios themselves.

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