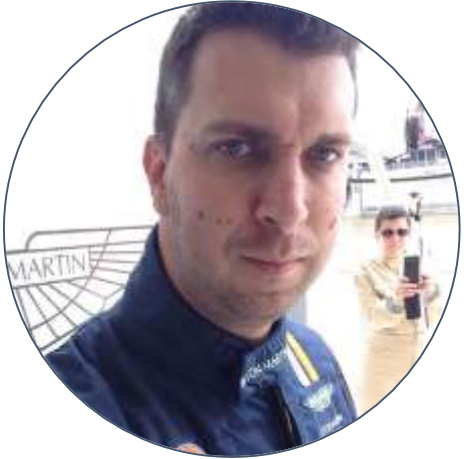


2022 Outlook – Electrifying Europe's new- and used-car markets

Webinar/ January 31 2022

Autovista24

Part of Autovista Group



Phil Curry
Editor
Autovista24

Introduction



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Autovista Group... Monthly Market Dashboard

November 2021 Passenger Cars

SELECT MARKET: Germany

SELECT FUEL TYPE: ALL

	Current month	change (m/m)	change (y/y)
Trade RV (absolute)	16,820€	4.4%	11.6%
Trade RV (% of List Price)	46.0%	3.0%	8.1%
List Price	36,553€	1.4%	2.3%
Sales-Volume Index (Jan 2020 = 100)	124.5	+10.9%	7.8%
Active-Market Volume Index (Jan 2020 = 100)	64.8	-8.0%	-23.1%

Average days to sell

Current month	change (m/m)	change (y/y)
55.0	-2.0	-6.5

Days to sell for fastest sellers

Model	Units	Days to sell
Mercedes-Benz GLC	401 units	36.2
Hyundai i30	405 units	36.8
Mercedes-Benz A-Klasse	958 units	38.8
BMW 1er	1,716 units	40.3
BMW X3	439 units	41.3

RV outlook

Year	RV Outlook
2021	+9.3%
2022	+3.3%
2023	+0.0%



New vehicles

View more >

NEW VEHICLES

EU light-commercial vehicle market ends 2021 with a further decline

26 January 2022

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NEW VEHICLES

December 2021 ends another rollercoaster year for EU new-car market

18 January 2022

TECH HEYCHARGE

BMW i Ventures invests in HeyCharge's EV charging without internet connectivity

17 January 2022

NEW VEHICLES

UK LCV registrations show promise with increase in 2021

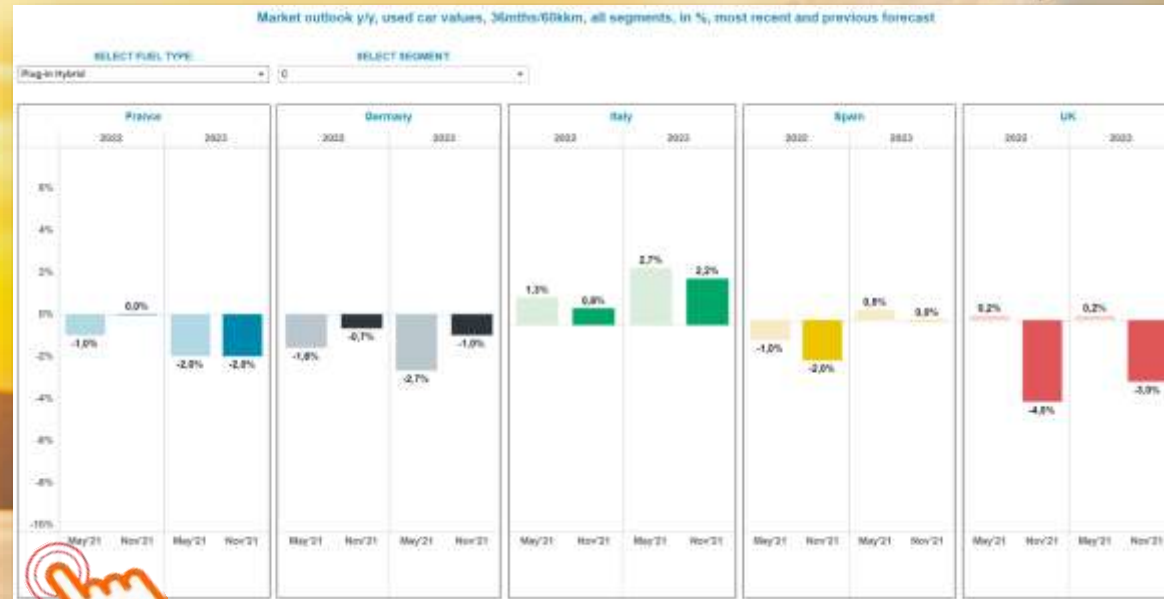
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Interactive Dashboard

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Electrification on the up?

- Increasing number of car makers announcing 'electric-only' plans
- EU 'Fit for 55' proposals suggest a 100% emissions reduction from 2035
- Increasing consumer focus on electrically-chargeable vehicles
- New brands, new concepts and almost all new launches embrace electrification
- CES 2022 saw a number of announcements from established car makers and start-ups



Q&A

- Submit your questions in the box on the right of the screen
- We will attempt to answer as many as possible in the time available
- We will respond to all unanswered questions after the webinar
- Contact details of our experts to follow...



Agenda

- State of Europe's EV market
- Masking factors and economic strength
- Risk of bubble build-up
- Summary
- Q&A

Today's Experts



**Dr. Christof
Engelskirchen**

**Chief Economist
Autovista Group**



Roland Irle

**Managing Director
EV-volumes**



Sonja Nehls

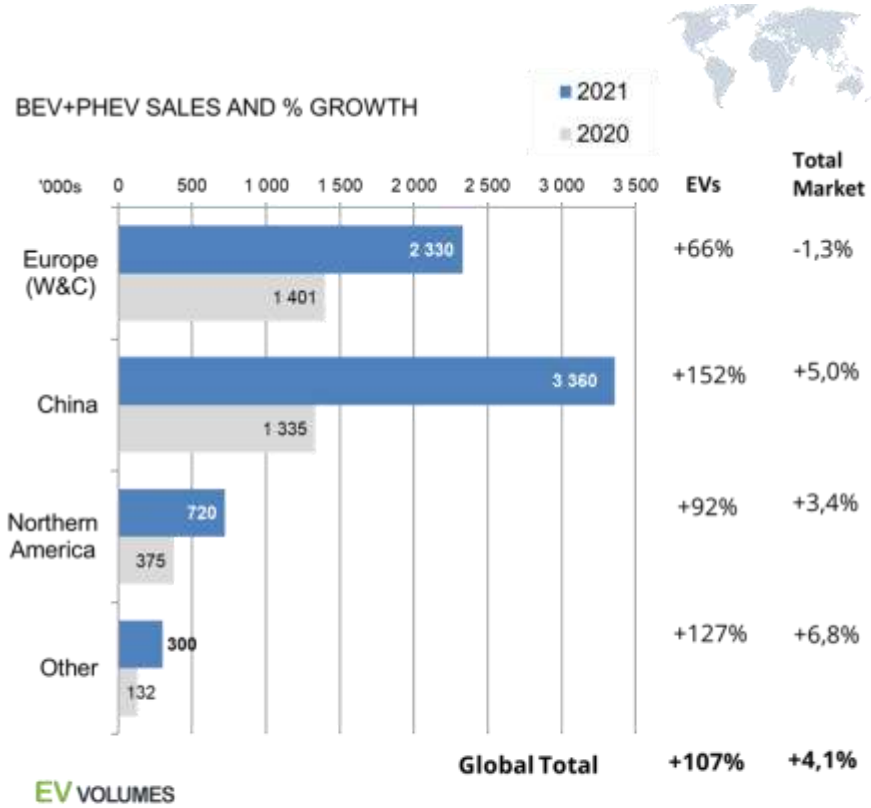
**Principal Analyst
Launch Intelligence
Autovista24**



Agenda

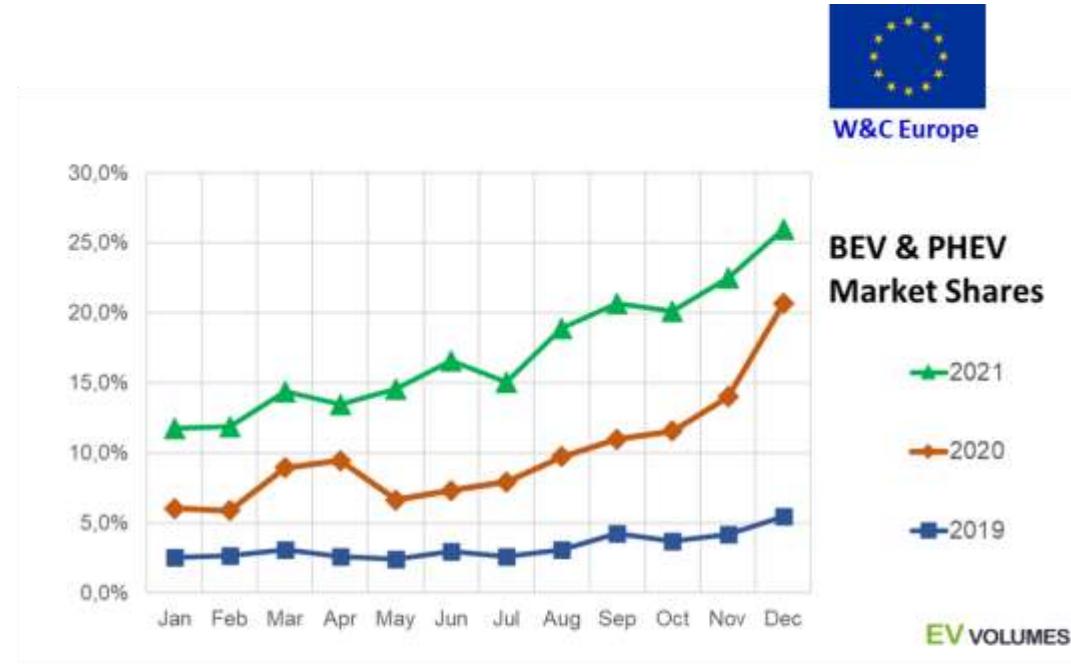
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EV Growth by Region



Global EV share: 8,3 % in 2021 vs 4,2 % in 2020

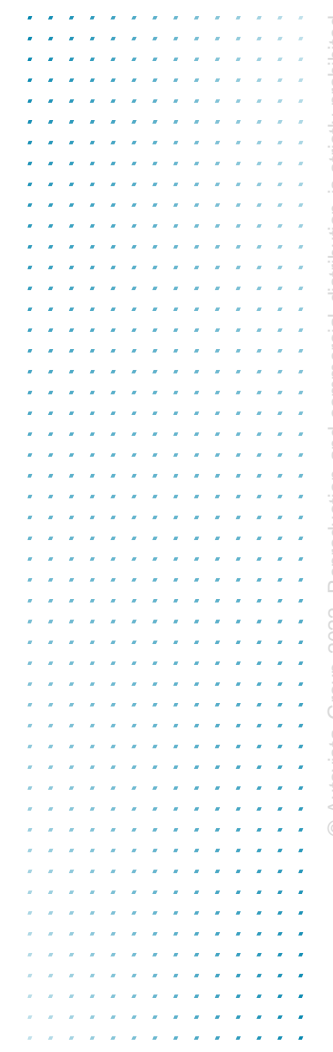
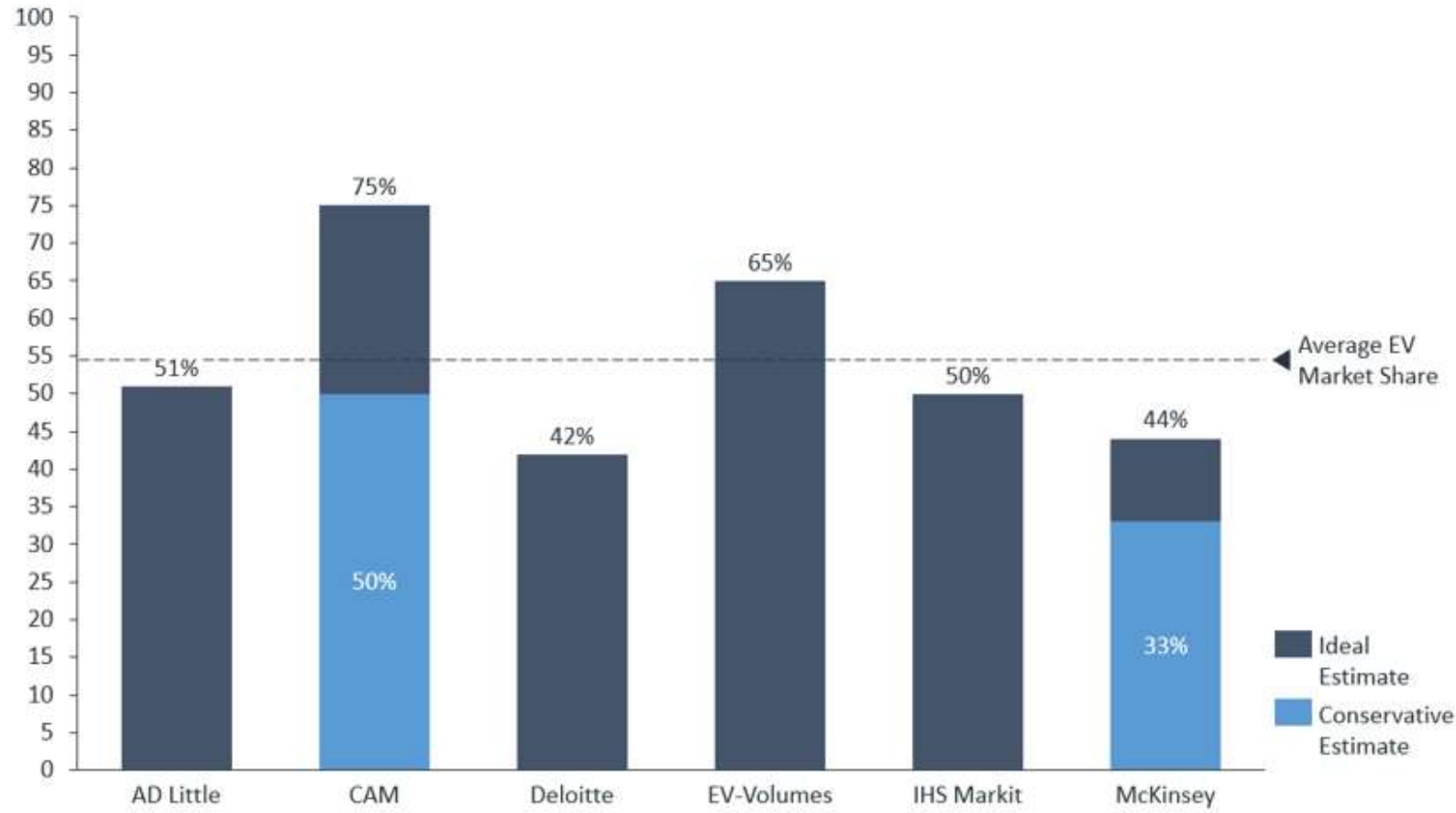
Europe Market Shares



Europe reached 17 % EV share for the full year of 2021 vs 10,2 % in 2020

Plug-in Vehicles - Light Vehicle Markets

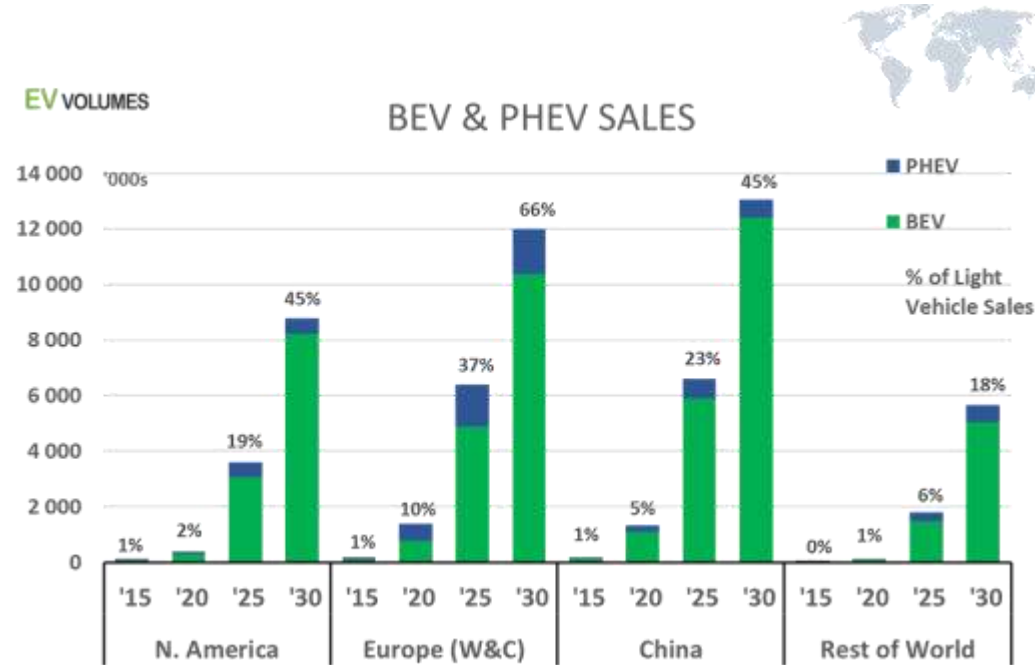
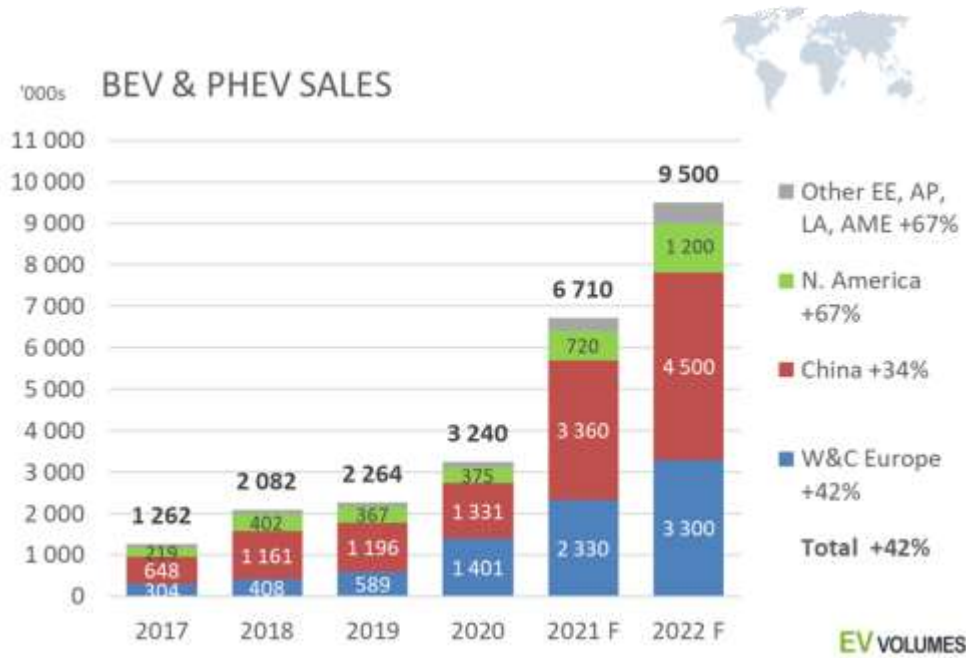
2030 EV market-share forecasts for EVs



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Global Sales Outlook 2022

Medium-Term





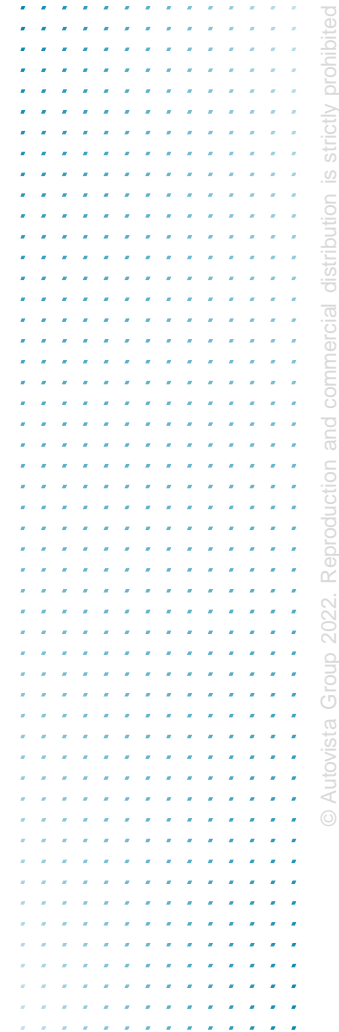
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Survey

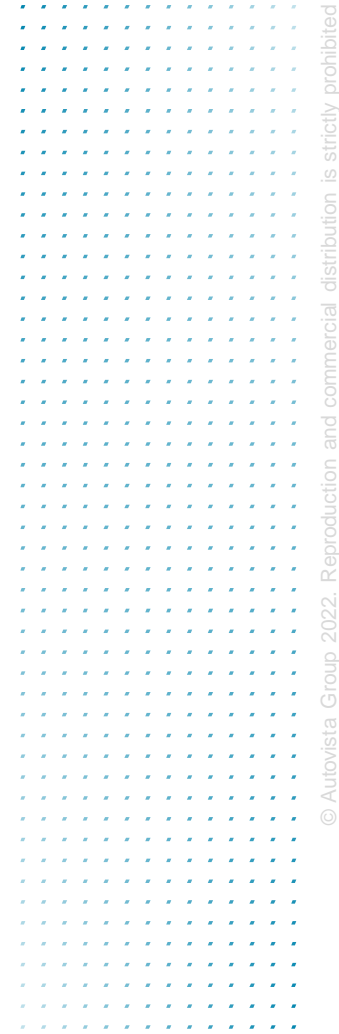
How concerned are you about risks of a bubble build-up on Europe's used-car markets in 2022 and 2023?

1. Very concerned – prices for used cars have risen too much
2. Mildly concerned – some smaller downward corrections
3. Not concerned – supply constraints keep prices stable



These factors continue to affect automotive industry dynamics

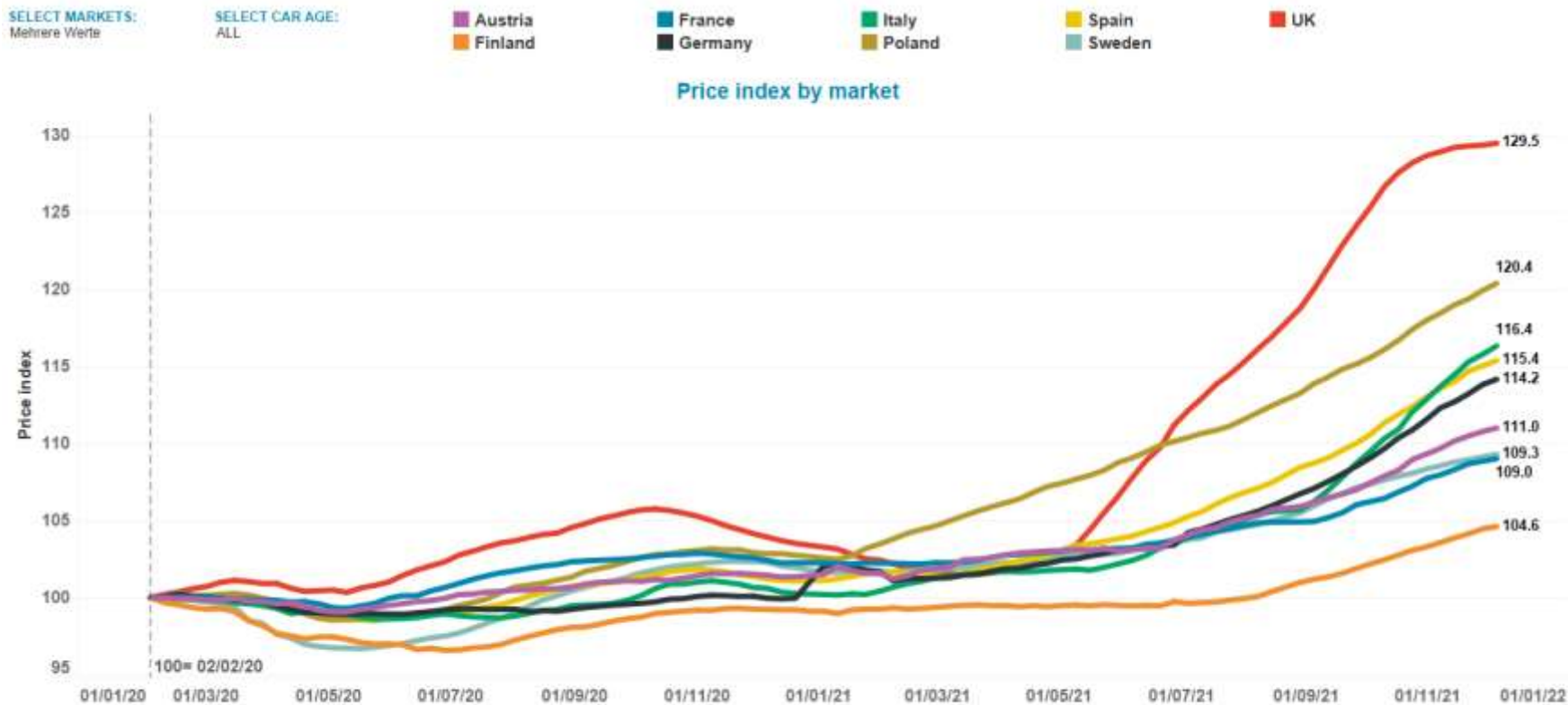
- Covid-19
- Strong monetary and fiscal intervention
- Inflation risks
- Chip shortage
- Europe's green deal



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Covid-19 propelled used-car prices

Used-vehicle price index for used-car markets between Jan 2020 and Nov 2021 for selected markets

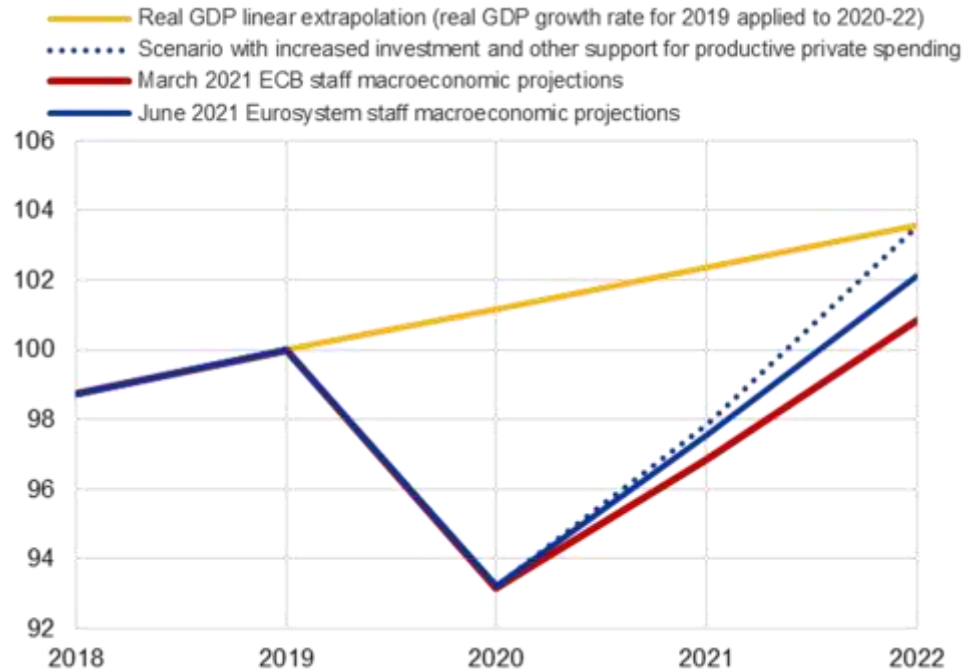


The price index shows the indexed average movement of the absolute price of all vehicles on offer. We control for vehicle-specific factors, like make, model, age, mileage and optional equipment. We control for changes in basket composition over time as well as aging of the vehicle over time. How to read: If the index moves from 1 to 0.99 in one week on average you would need to pay 1% less for the same vehicle than the week before.

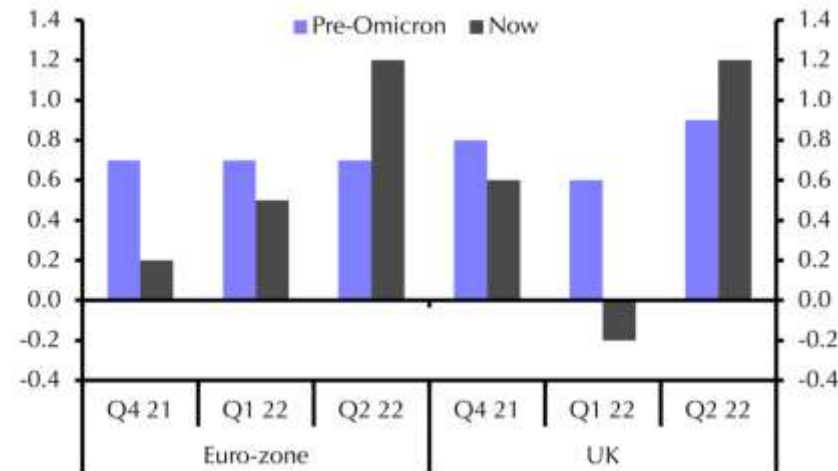
Strong monetary & fiscal intervention drives V-shaped recovery

– Omicron throws a small hockey stick at pace of recovery

Euro area real GDP projections (%) (28. June 2021)



Impact of Omicron (GDP Projection in %)

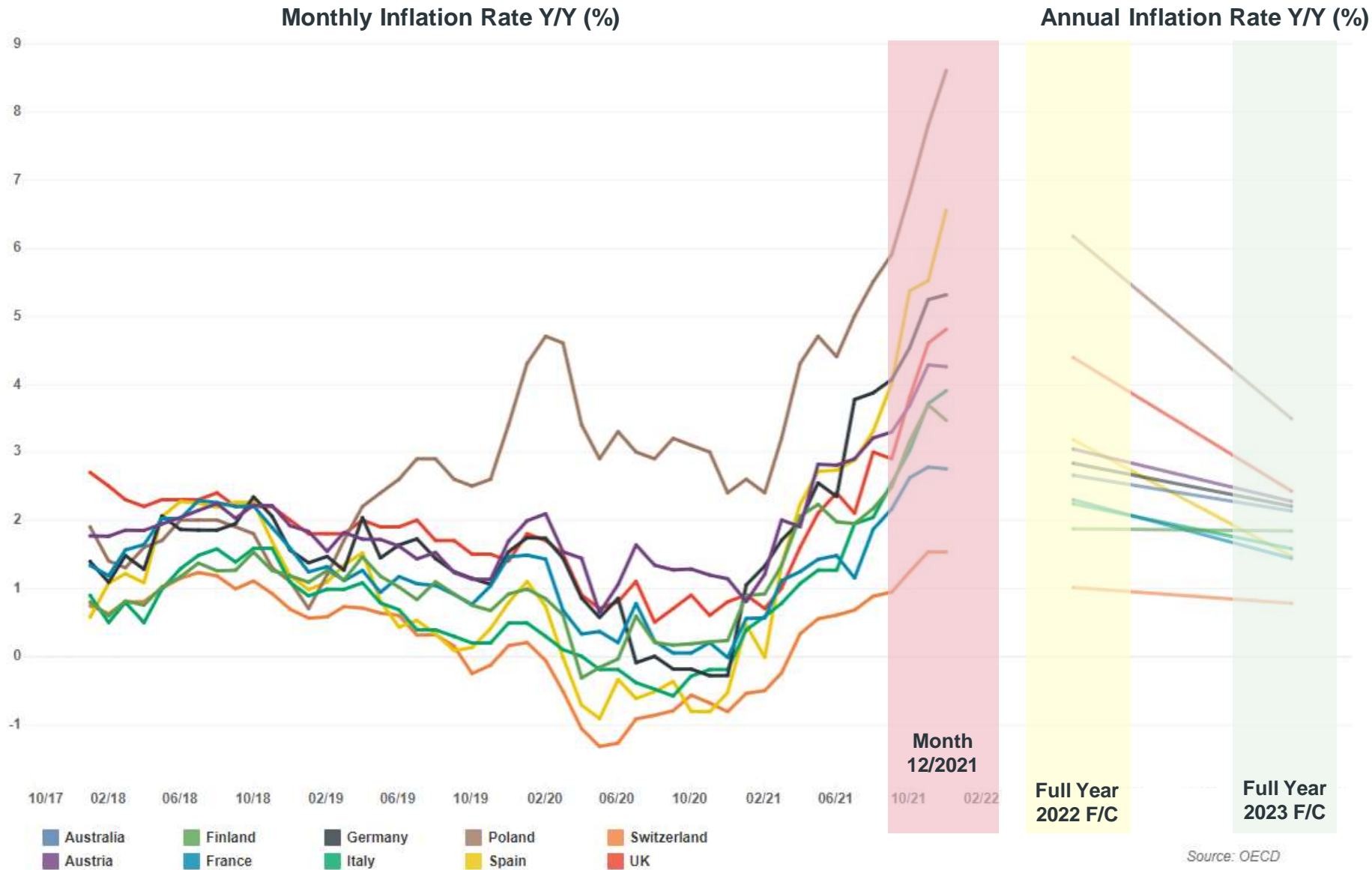


Source: Keynote speech by Fabio Panetta, Member of the Executive Board of the ECB, at the Conference of the Governors of Mediterranean Central Banks on "Central banks at the frontline of the COVID-19 crisis: weathering the storm, spurring the recovery":

<https://www.ecb.europa.eu/press/key/date/2021/html/ecb.sp210628-695f98b30c.en.html>

Source: Capital Economics; 12. January 2022

Inflation is rising – but should come down throughout 2022/23

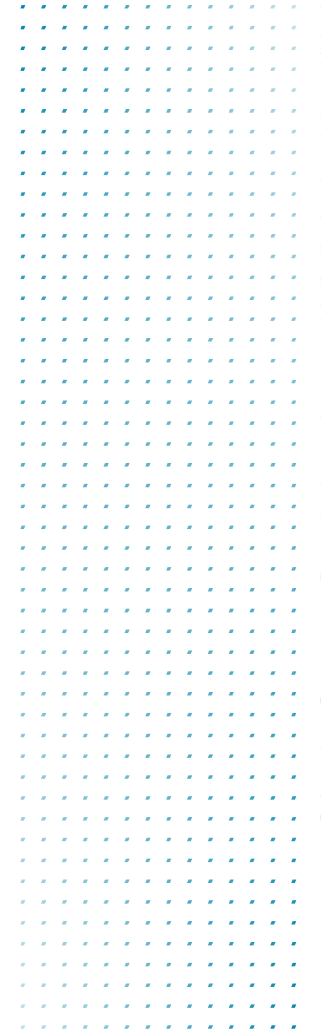


Source: OECD



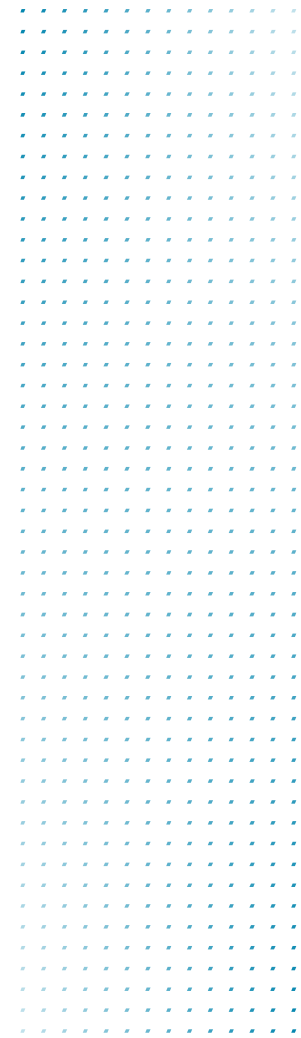
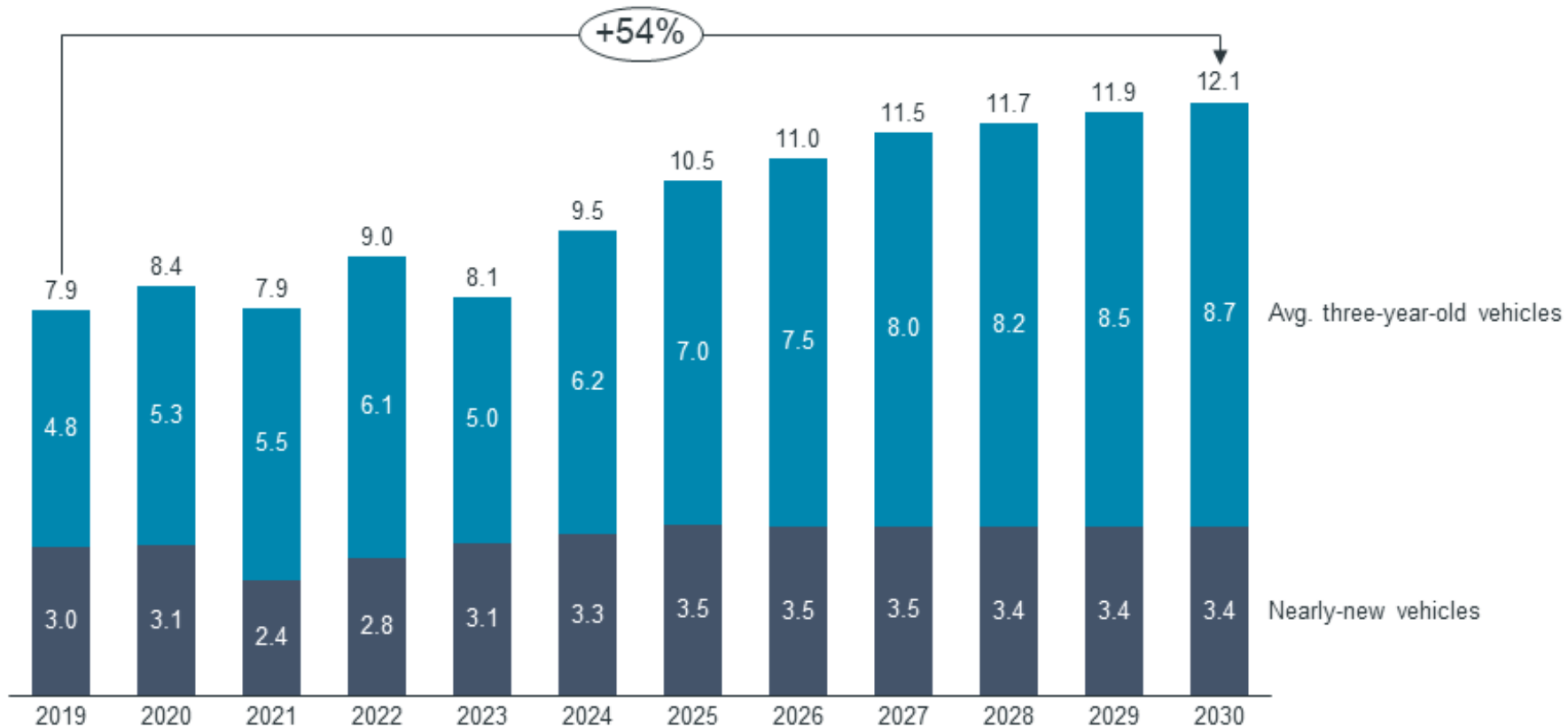
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Trend to leasing, subscription, EVs drives holding periods down and increases the number of young-used cars to be remarketed

Used-passenger car transactions EU + UK 2019-2030 in million units for young used cars (simulation)

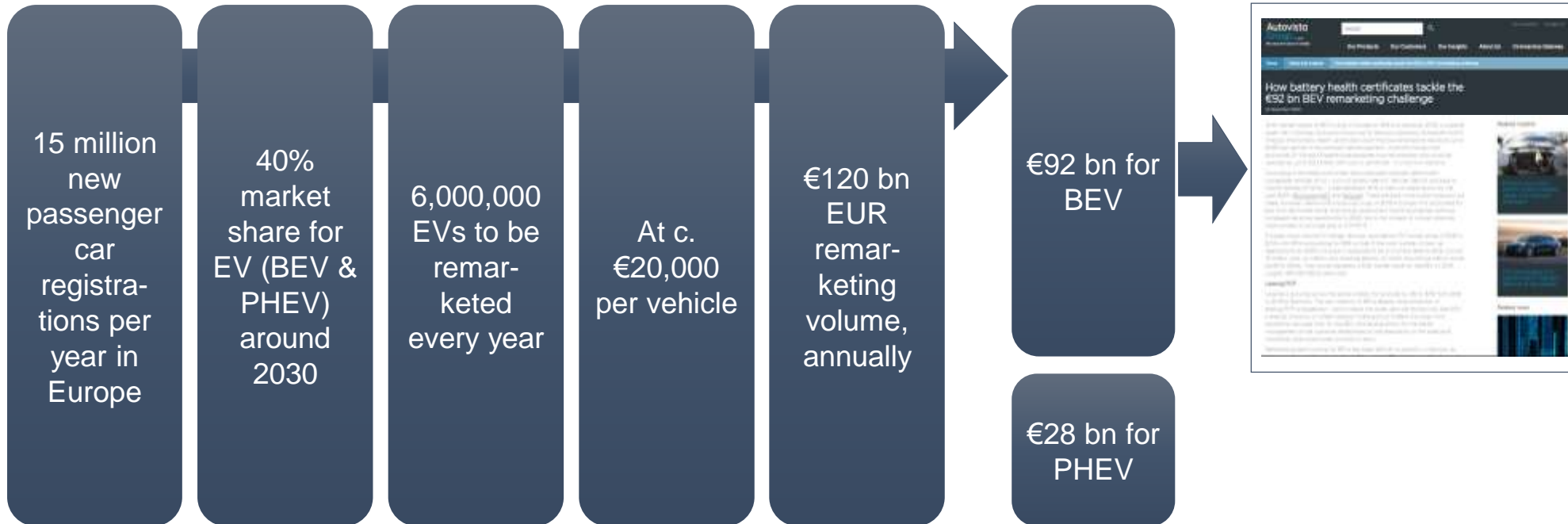


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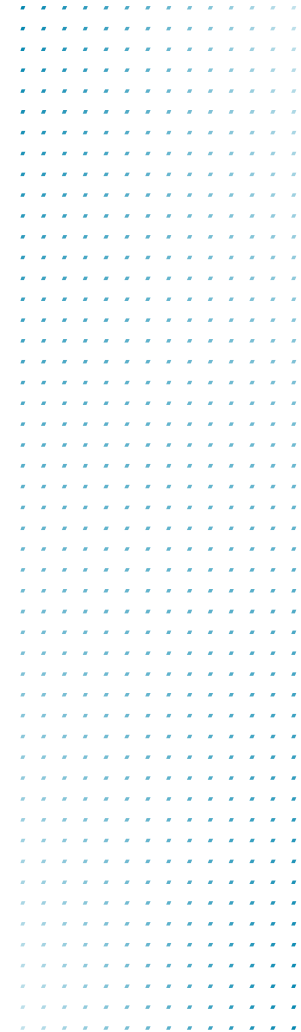
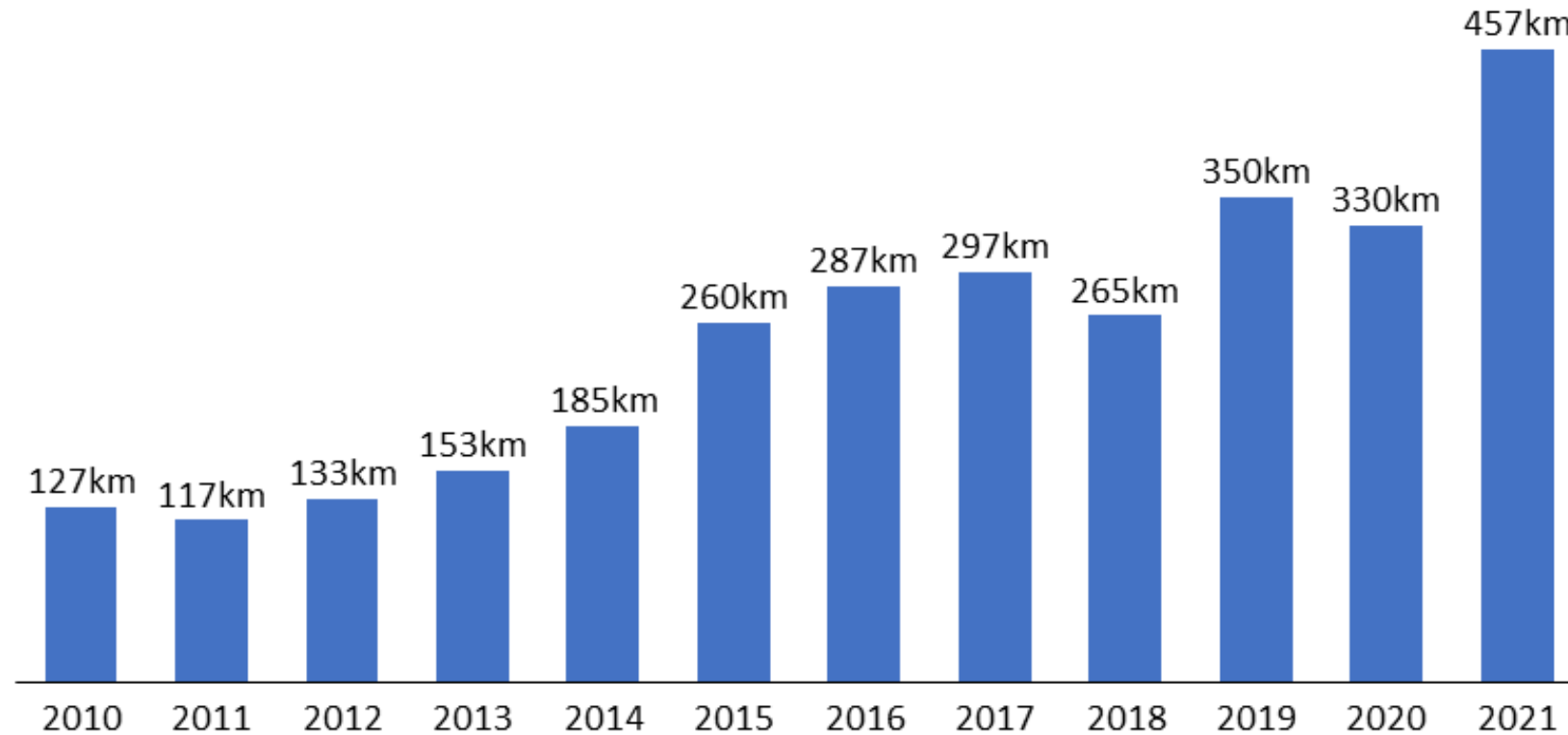
EV (BEV and PHEV) passenger car remarketing volume of €120 bn

INDICATIVE

Off-Lease Passenger Car Remarketing Volume Europe - 2030



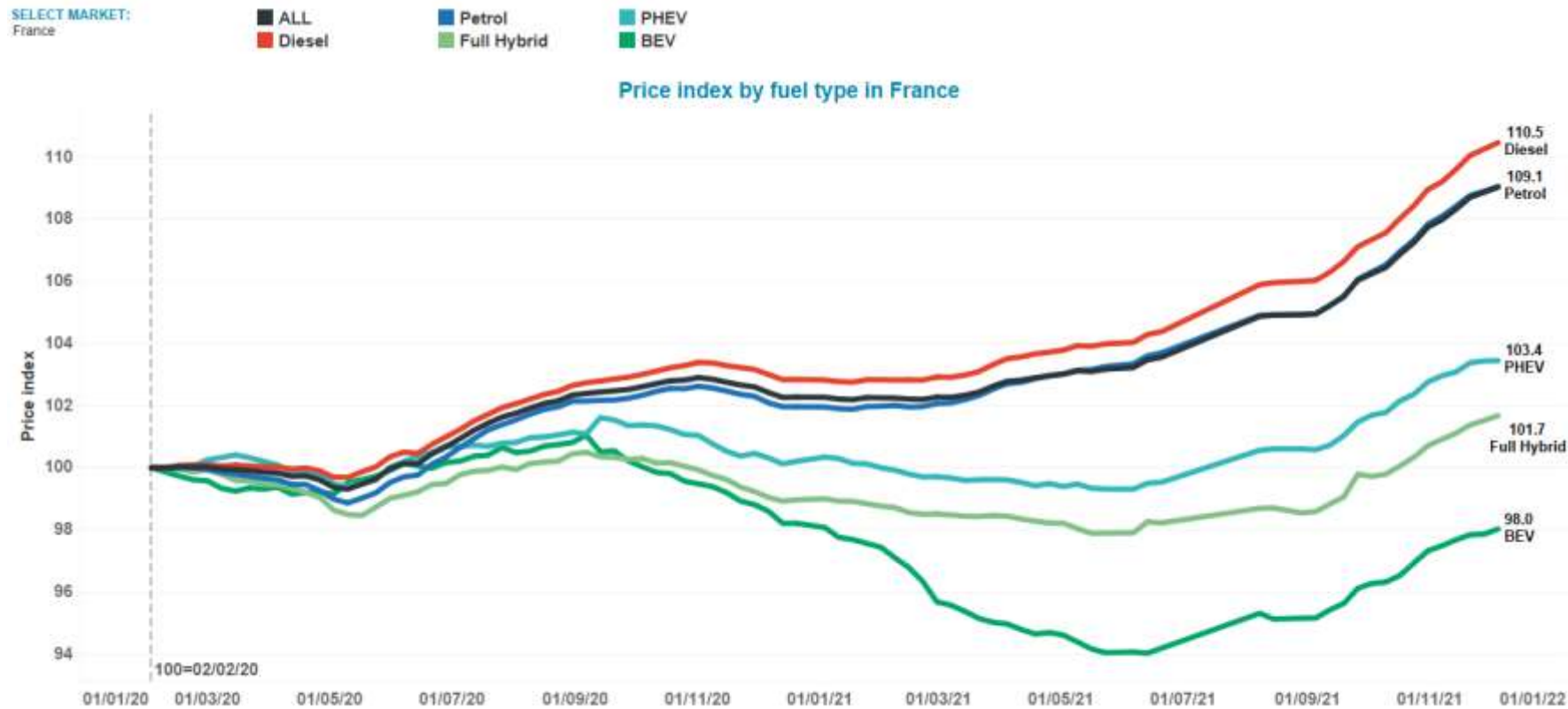
Average BEV range development of newly-launched models 2010-2021 (WLTP values)



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Finally, Europe's green deal has widened the gap between new-car and used-car market adoption of EVs

Used-vehicle price index France by powertrain type between Jan 2020 and Nov 2021

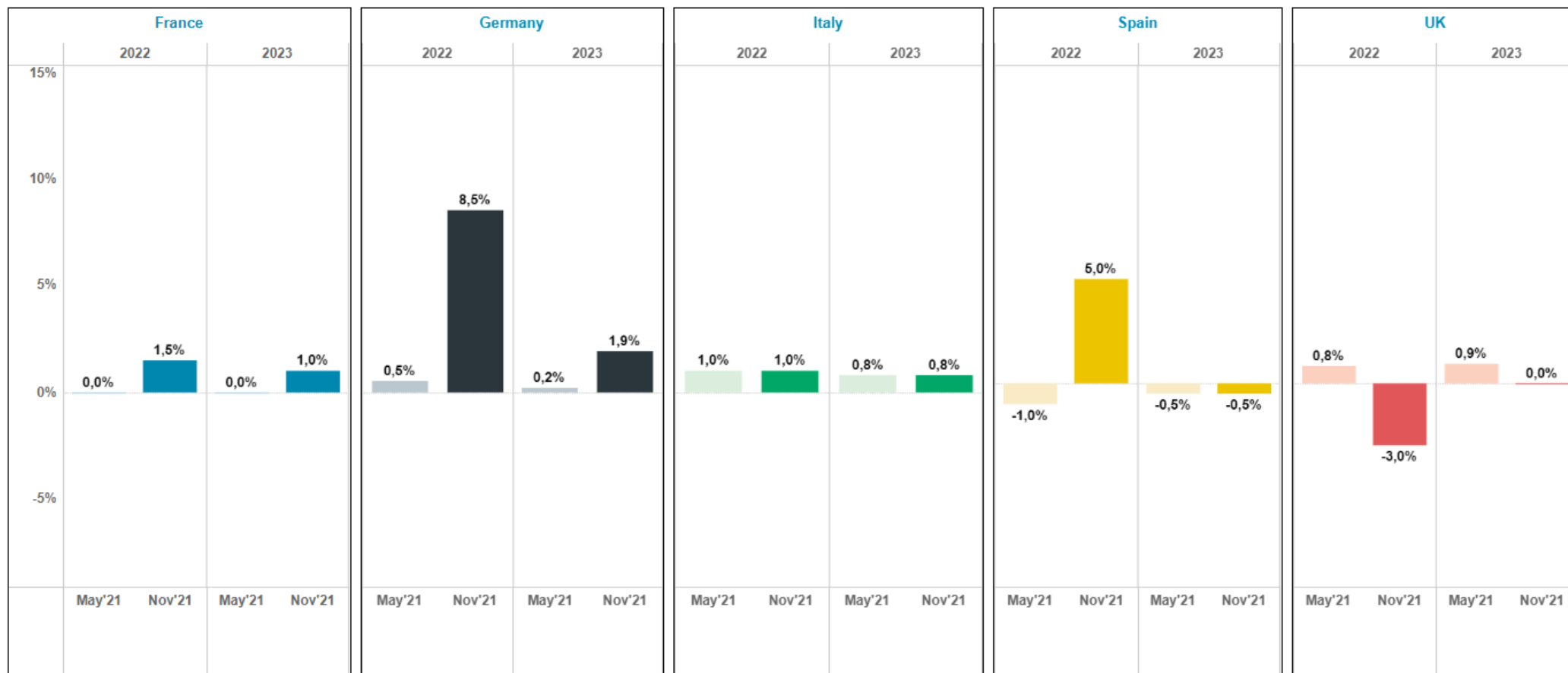


The price index shows the indexed average movement of the absolute price of all vehicles on offer. We control for vehicle-specific factors, like make, model, age, mileage and optional equipment. We control for changes in basket composition over time as well as aging of the vehicle over time. How to read: if the index moves from 1 to 0.99 in one week on average you would need to pay 1% less for the same vehicle than the week before.

We expect rising RVs for Diesel cars (example C-segment) ...

Market outlook y/y, used car values, 36mths/60kkm, all segments, in %, most recent and previous forecast

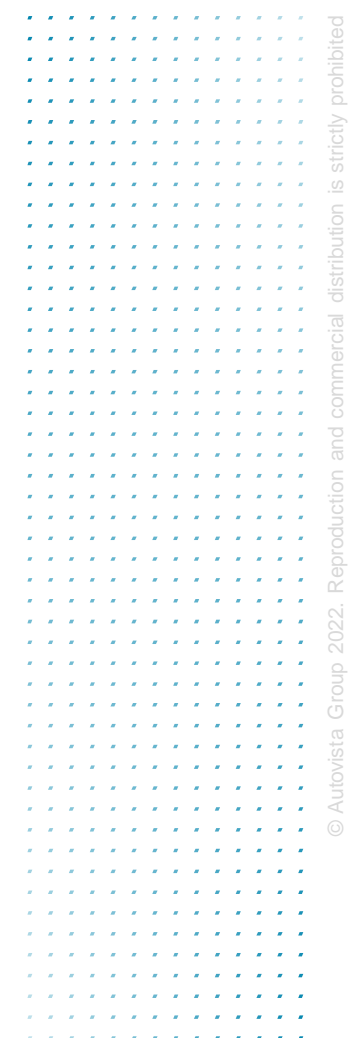
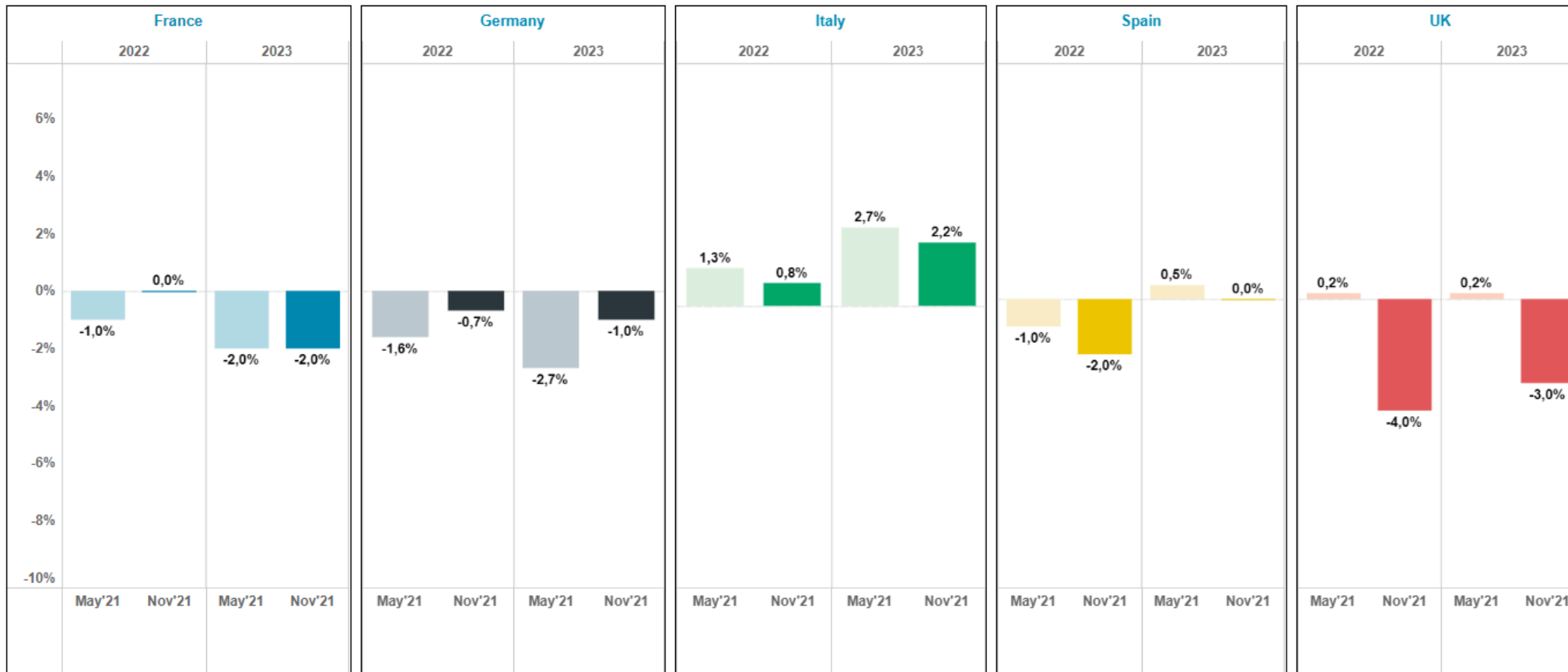
SELECT FUEL TYPE: Diesel SELECT SEGMENT: C



... whereas for EVs (example: PHEVs) there will be some downward correction

Market outlook y/y, used car values, 36mths/60kkm, all segments, in %, most recent and previous forecast

SELECT FUEL TYPE: ▼ Plug-in Hybrid ▼
 SELECT SEGMENT: ▼ C ▼



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Summary

- Market share of EVs in Europe almost 20% for full year 2021 – by 2030, expect EV market shares of 50% and more in Europe
- Several masking factors keep on disrupting supply & demand balance – but easing expected towards the second half of 2022
- COVID-19 has propelled prices to new heights
 - Run on internal combustion cars due lack of supply and stable demand
 - BEV RVs underperformed relative to ICE (lifecycle effects/ low levels of used-car market adoption)
- ICE RVs should stay rather stable in 2022/2023 (exception: UK)
- EV RVs will come under pressure in most markets, but will not fall off a cliff

Next steps

Any questions? Ask the team...

Phil Curry, Editor, Autovista24
phil.curry@autovistagroup.com

Dr Christof Engelskirchen, Chief Economist
christof.engelskirchen@autovistagroup.com

Roland Irle, Managing Director, EV-volumes
roland@ev-volumes.com

Sonja Nehls, Principal Analyst Launch Intelligence, Autovista24
sonja.nehls@autovistagroup.com

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