



How vehicle-equipment strategies are changing in the automotive market

Webinar - 5 October 2022

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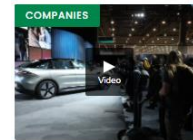
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Monthly Market Dashboard

November 2021

Passenger Cars

SELECT MARKET:

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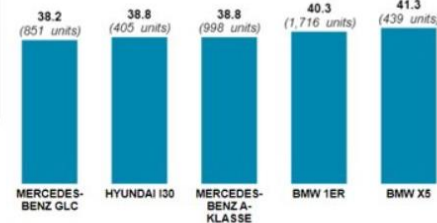


	Current month	change (m/m)	change (y/y)
Trade RV (absolute)	16,820€	4.4%	11.6%
Trade RV (% of List Price)	46.0%	3.0%	9.1%
List Price	36,553€	1.4%	2.3%
Sales-Volume Index (Jan 2020 = 100)	124.5	-10.9%	7.9%
Active-Market Volume Index (Jan 2020 = 100)	64.8	-8.0%	-23.1%

Average days to sell

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

Days to sell for fastest sellers



RV outlook

Year	RV outlook
2021	9.3%
2022	3.3%
2023	0.0%

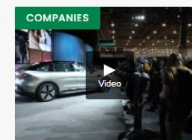
New vehicles

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

26 January 2022



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

19 January 2022



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

17 January 2022



UK LCV registrations show promise with increase in 2021

17 January 2022

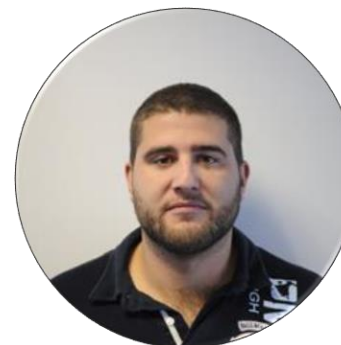
Today's Experts



Sonja Nehls
Principal Analyst
Autovista24



Christian Schneider
Head of Analytics
Autovista Group



Guillermo Iniguez
Senior Market Analyst
Autovista Group

Q&A

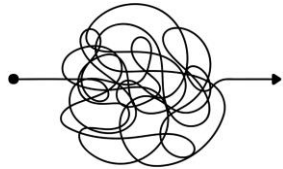
- Submit questions in the box on the right of the screen
- We will answer as many as possible in the time available
- We will respond to all unanswered questions via email

Vehicle-equipment strategies are at the core of current automotive developments and trends



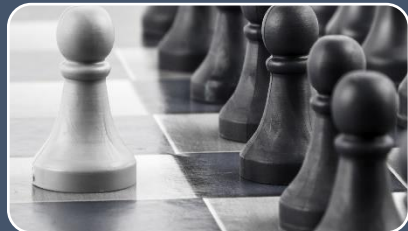
Rising new car prices and cost of living

- Increase of new car prices is significantly driven by increased standard equipment
- Right balance between an affordable price and attractive standard equipment



Reduce complexity in equipment strategies

- Achieve economies of scale by higher level of standardisation
- European equipment strategies allow for best use of cross-border remarketing
- Pre-install necessary hardware to enable functions-on-demand (FOD)

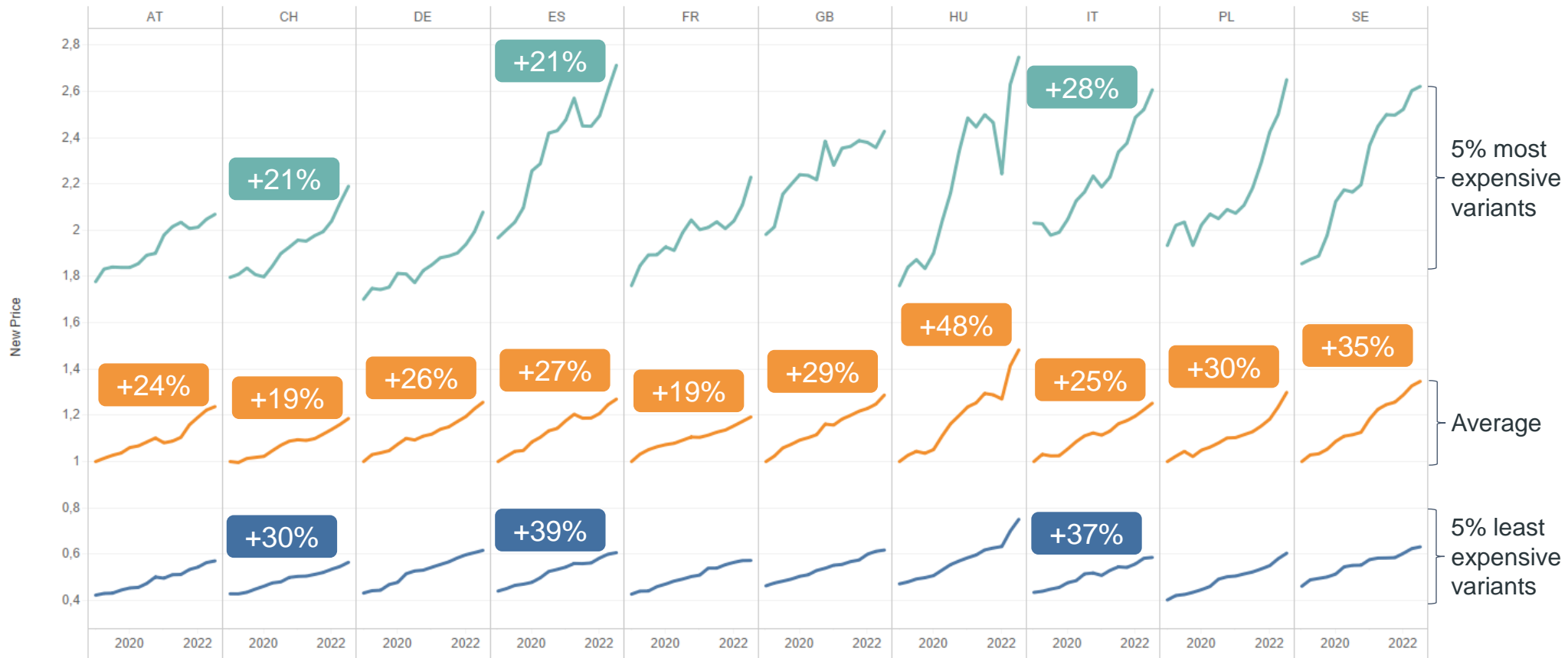


Challenges are higher than ever before

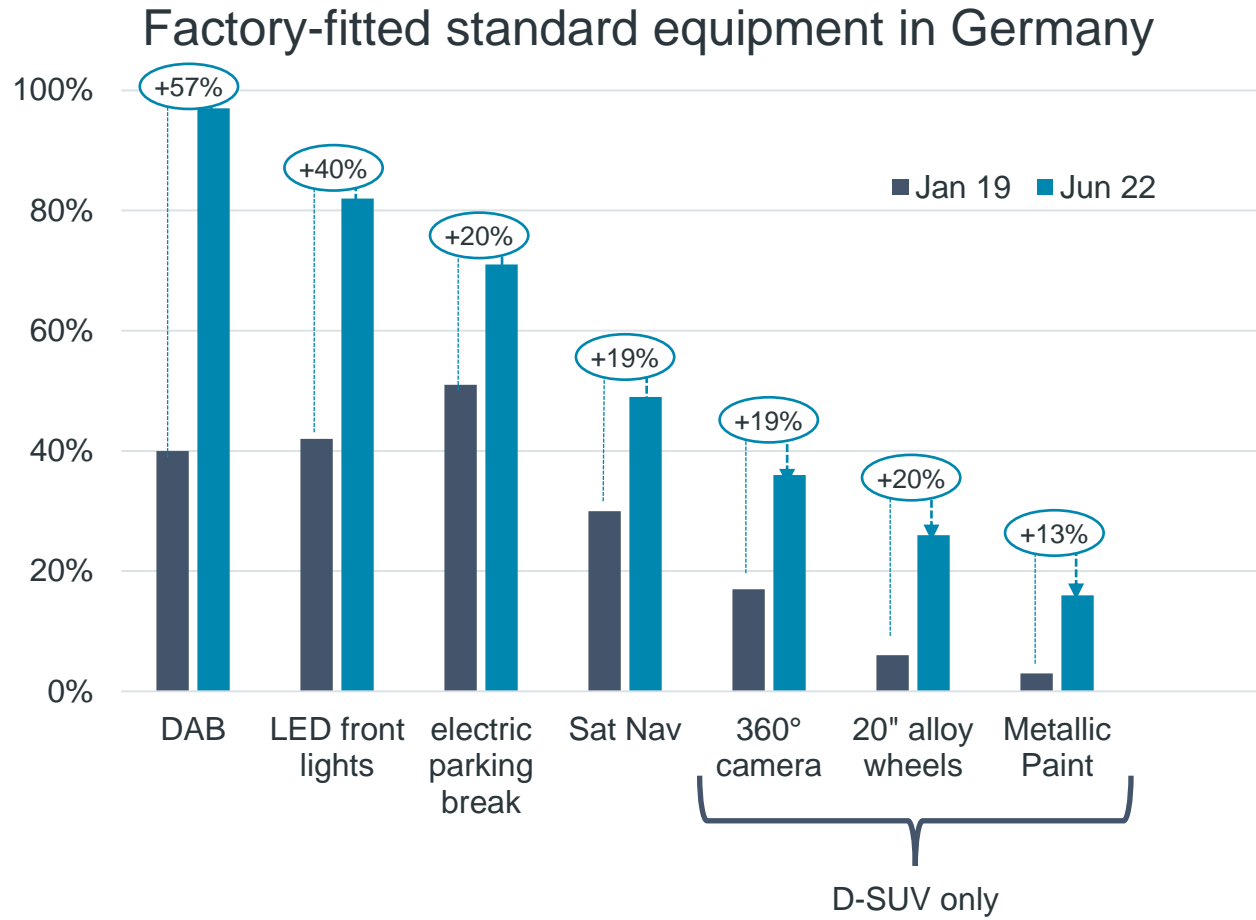
- EU safety regulations
- Infotainment performance will become a major USP and requires huge investments
- Supply disruptions force flexibility of option line-up and packaging strategies

New-car prices up c. 30% on average across countries – in relative terms, ‘entry-variants’ prices rose the most

New-Car Price Development Q3 2022 vs. Q1 2019 (indexed/ all segments)



Standard equipment has significantly increased across all segments

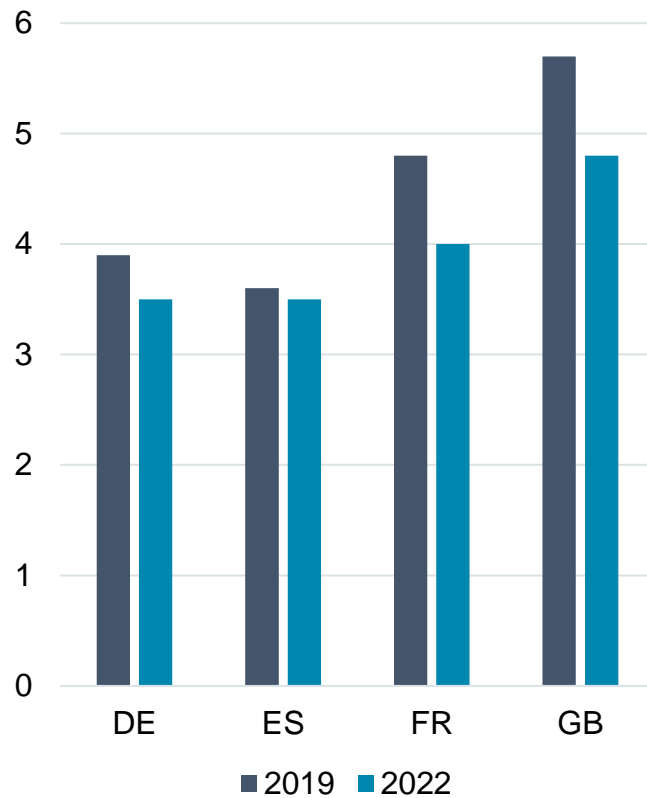


EU-requirements

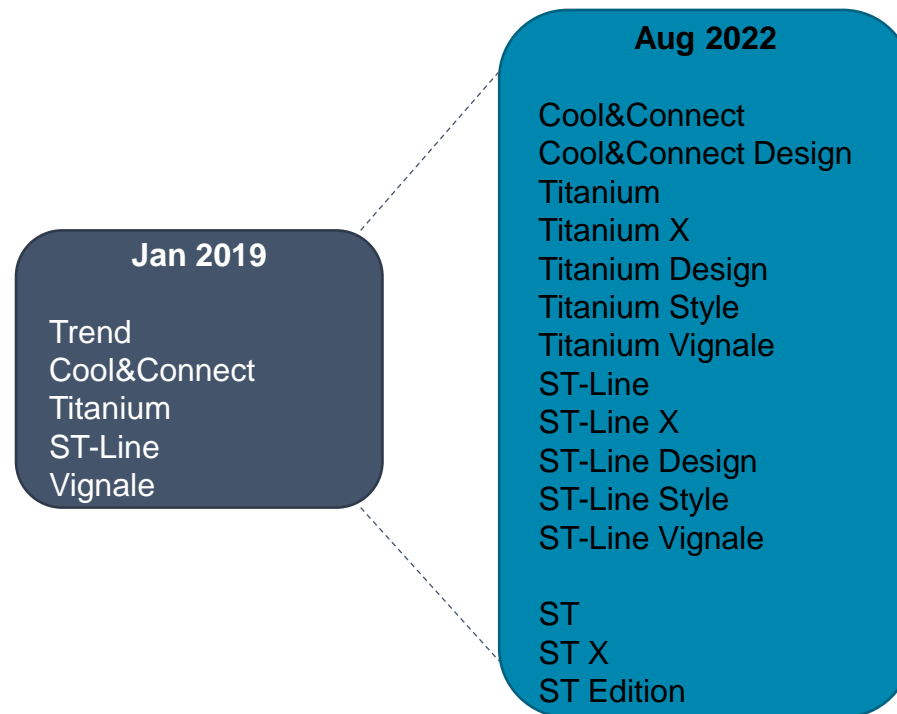
- Intelligent Speed Assist
- Black Box
- Emergency Breaking
- Emergency Lane Keeping
- ...

In general, European Trimline strategies have been simplified

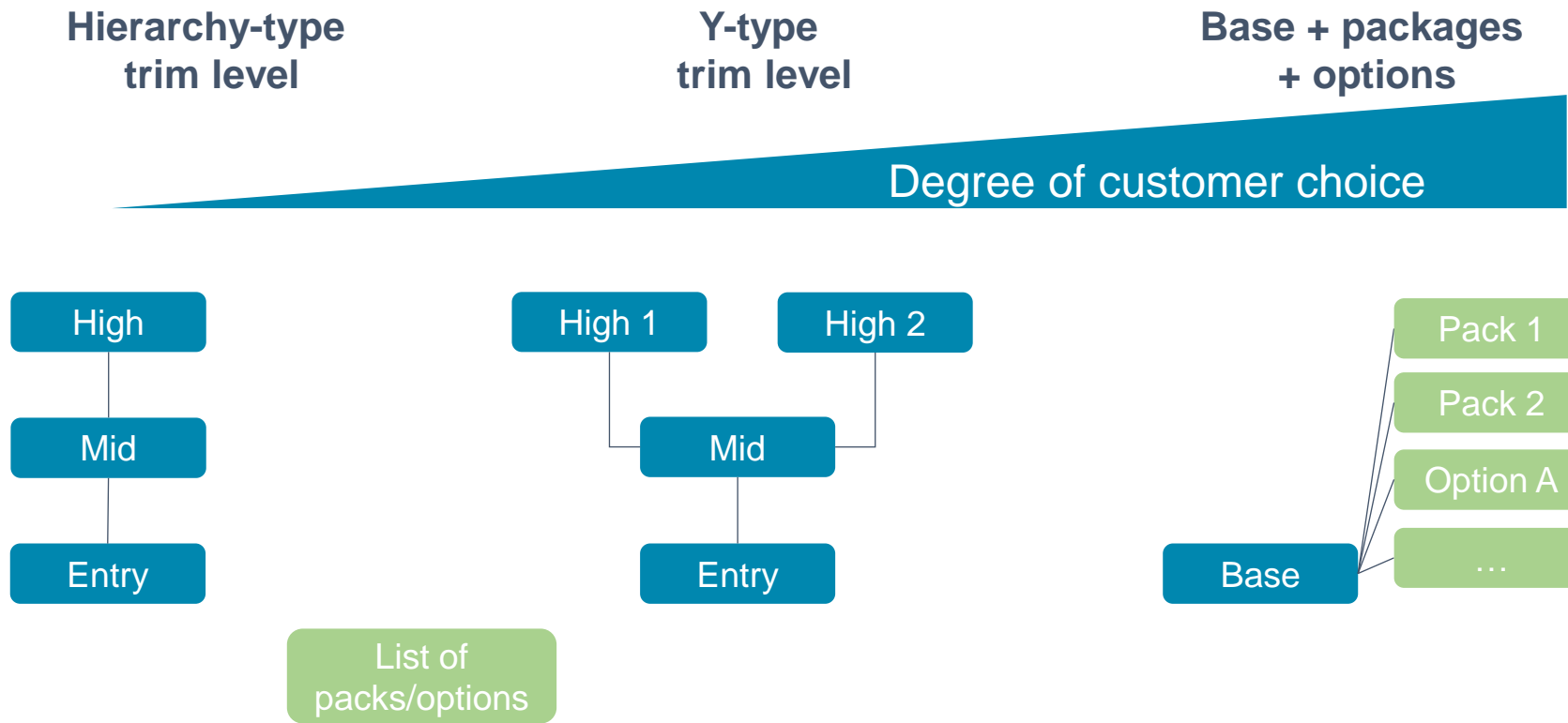
Trimlines per Model



Ford Focus Trimlines in Germany

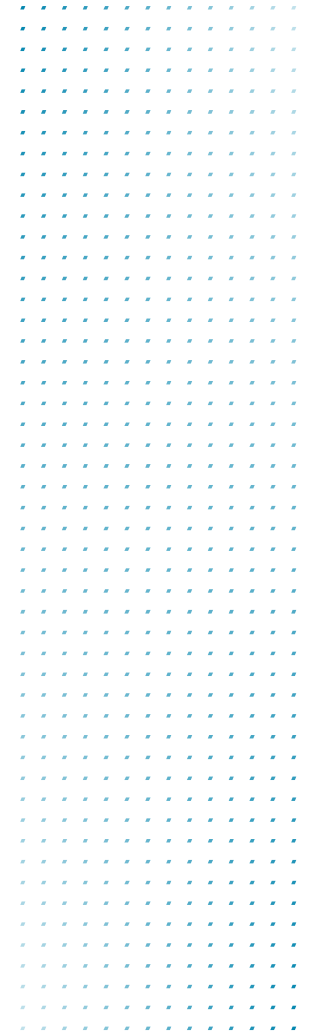


OEMs offer different equipment strategies – from classical hierarchy trim-type to base plus options



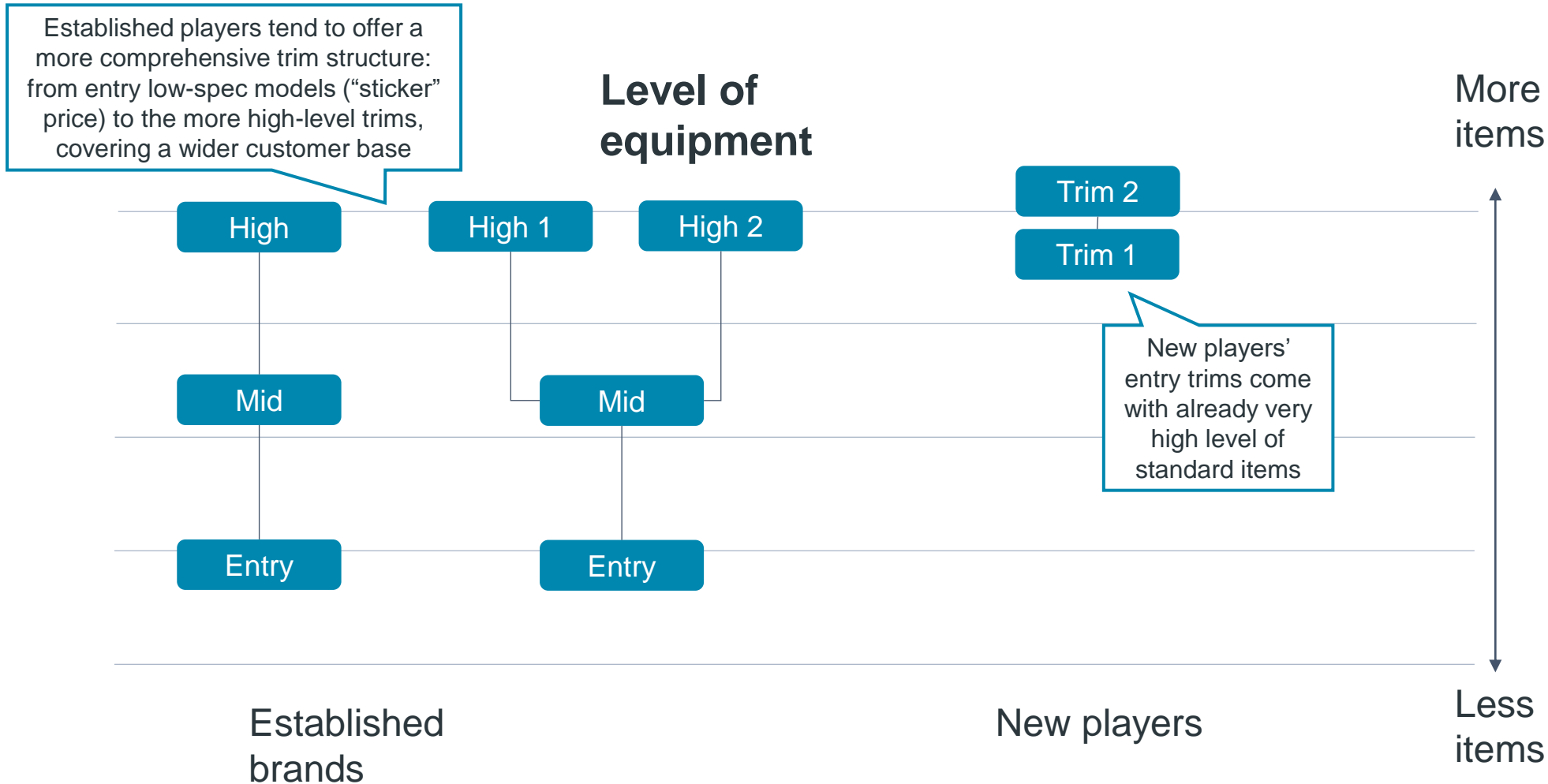
More items

Less items

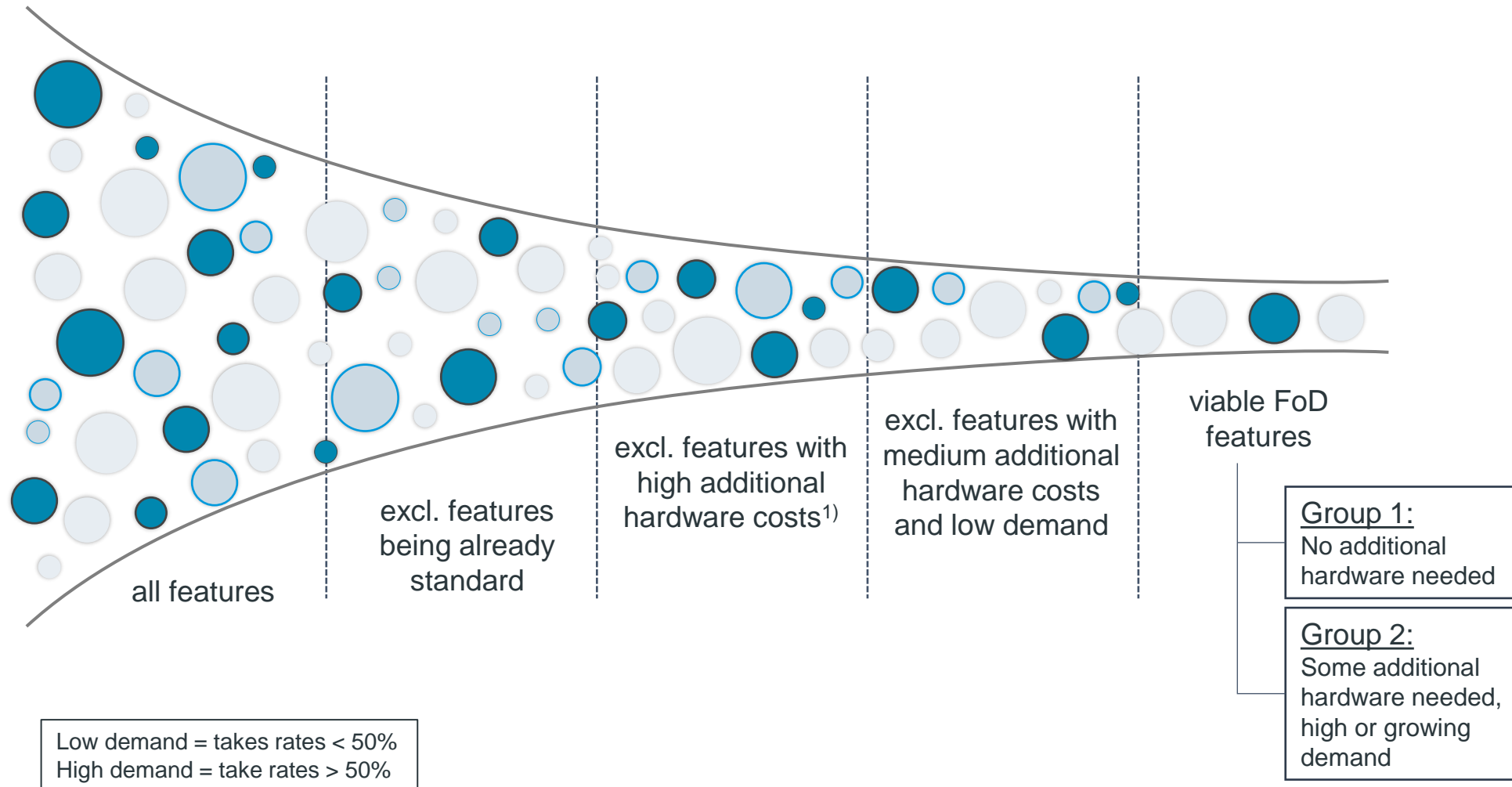


Note: hierarchy and Y-type trims structures can be personalized, in most cases, adding packs and/or options

Risk of under-equipped vehicles in the UC market is higher on established brands than for new players



Commercially viable FoD should be selected based on demand and hardware costs requiring complex systematic analysis



1) Independent of demand (take rates)

Summary

- Rising prices, complexity reduction and new technologies shine a spotlight on vehicle-equipment strategies
- List price increases go hand-in-hand with additional standard equipment and carmakers focus more on their decision-making as to what are standard and what are optional items
- Also, enabling features on demand has become key
- While there has been rapid tech development in recent years, there has been simplification and standardising of equipment and trimline structures
- Newcomers seem to favour lean trim strategies with main features coming as standard
- This strategy adds pressure on established carmakers in order not to face an equipment disadvantage on the used-car market
- Robust residual values are subject to reconciling requirements in the new-car market with the needs of the used-car market

Next steps

Any questions? Ask the team...

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

Christian Schneider, Head of Analytics, Autovista Group
Christian.schneider@autovistagroup.com

Guillermo Iniguez, Senior Market Analyst, Autovista Group
guillermo.iniguez@autovistagroup.com

Consulting

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For more information contact
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Tim Budgen:



Tim Budgen, Sales Director

tim.budgen@autovistagroup.com

