

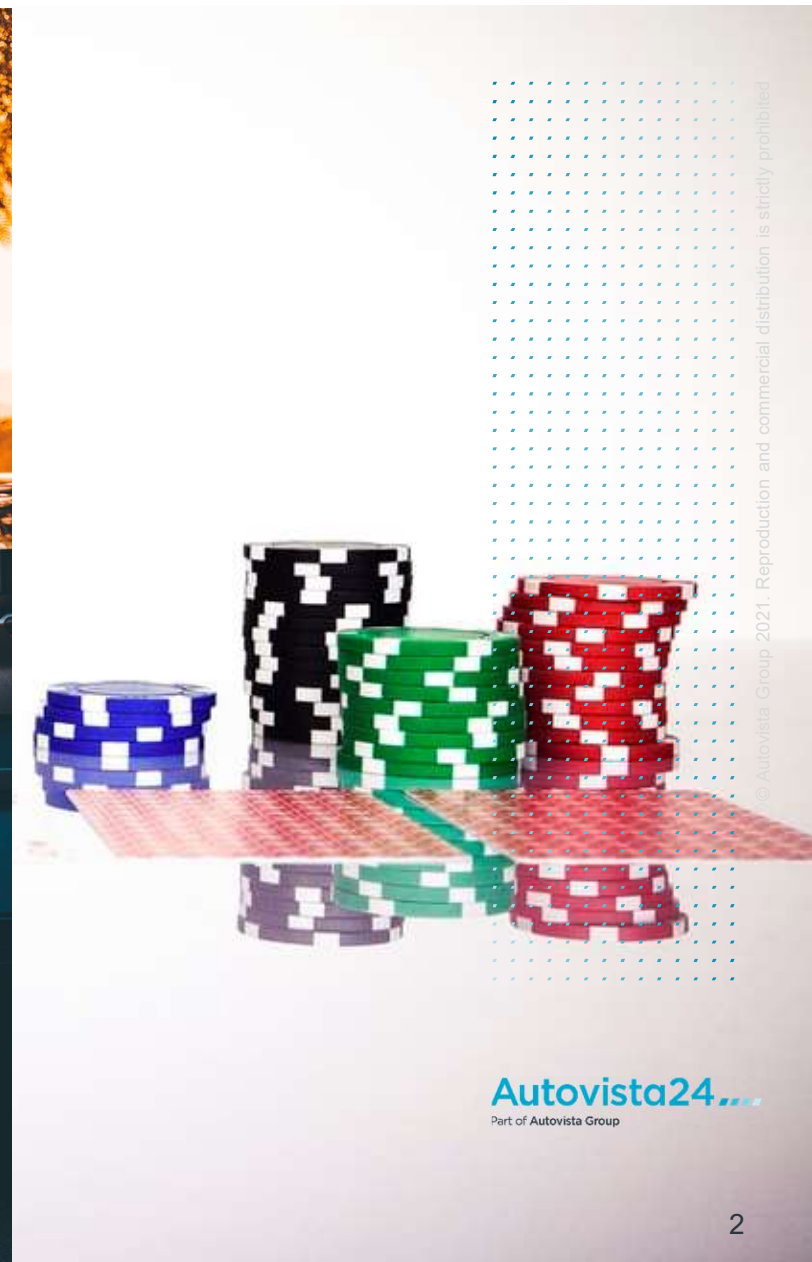
# The EV-Subsidies Gamble – Impact on New- and Used-Car Markets

Webinar/ Sep 22 2021

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Phil Curry  
Editor  
Autovista24





## Agenda

- State of Europe's EV market
- Market-Adoption Conundrum – New vs. Used
- Learnings from Norway
- Summary
- Q&A



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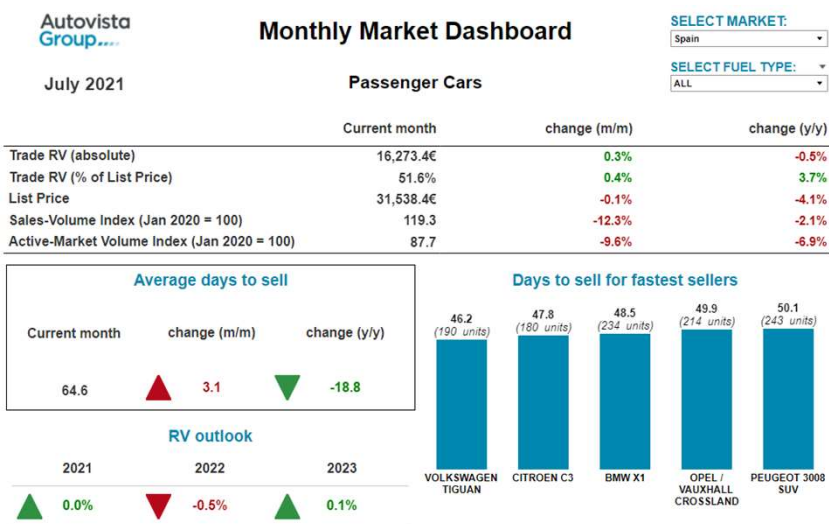
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## Today's Experts



**Dr Christof  
Engelskirchen**

**Chief Economist  
Autovista Group**



**Roland Irle**

**Managing Director  
EV-Volumes**



**Robert Madas**

**Head of Valuations &  
Insights AT, CH, PL**



**Geir Kristoffersen**

**Managing Director  
Rødboka Norway**

# Survey results

## How concerned are you about the remarketing of used EVs (BEVs and PHEVs)?

- Very concerned – I expect an oversupply of used EVs and high subsidies are making things worse  
18%
- Mildly concerned – There will be an oversupply in some countries but others will be able to absorb the volume  
55%
- Not concerned – EV residual values are already at an all-time low and cannot fall further  
16%
- Quite the opposite – EV remarketing is not a concern with latest EV generations; used-car market adoption will develop highly favourably over the next few years  
11%

Results taken from live webinar poll of attendees on 22 September 2021

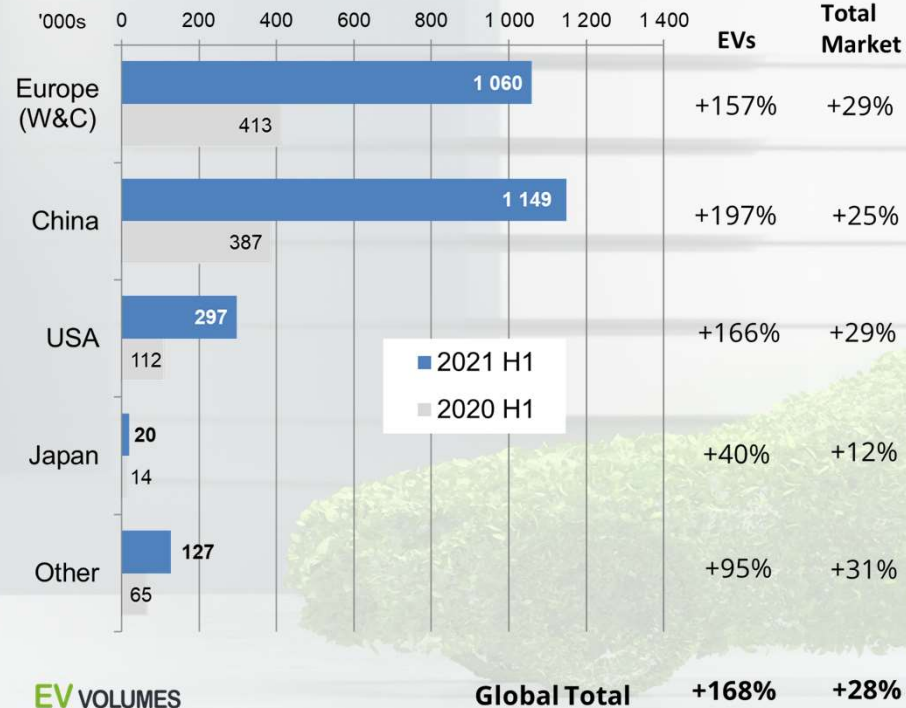
# State of Europe's EV market

## YTD Unit Volume Growth 2021 H1



W&C Europe

### BEV+PHEV SALES AND % GROWTH



### Vehicle Category (All)

Region Europe  
Country (Multiple Items)

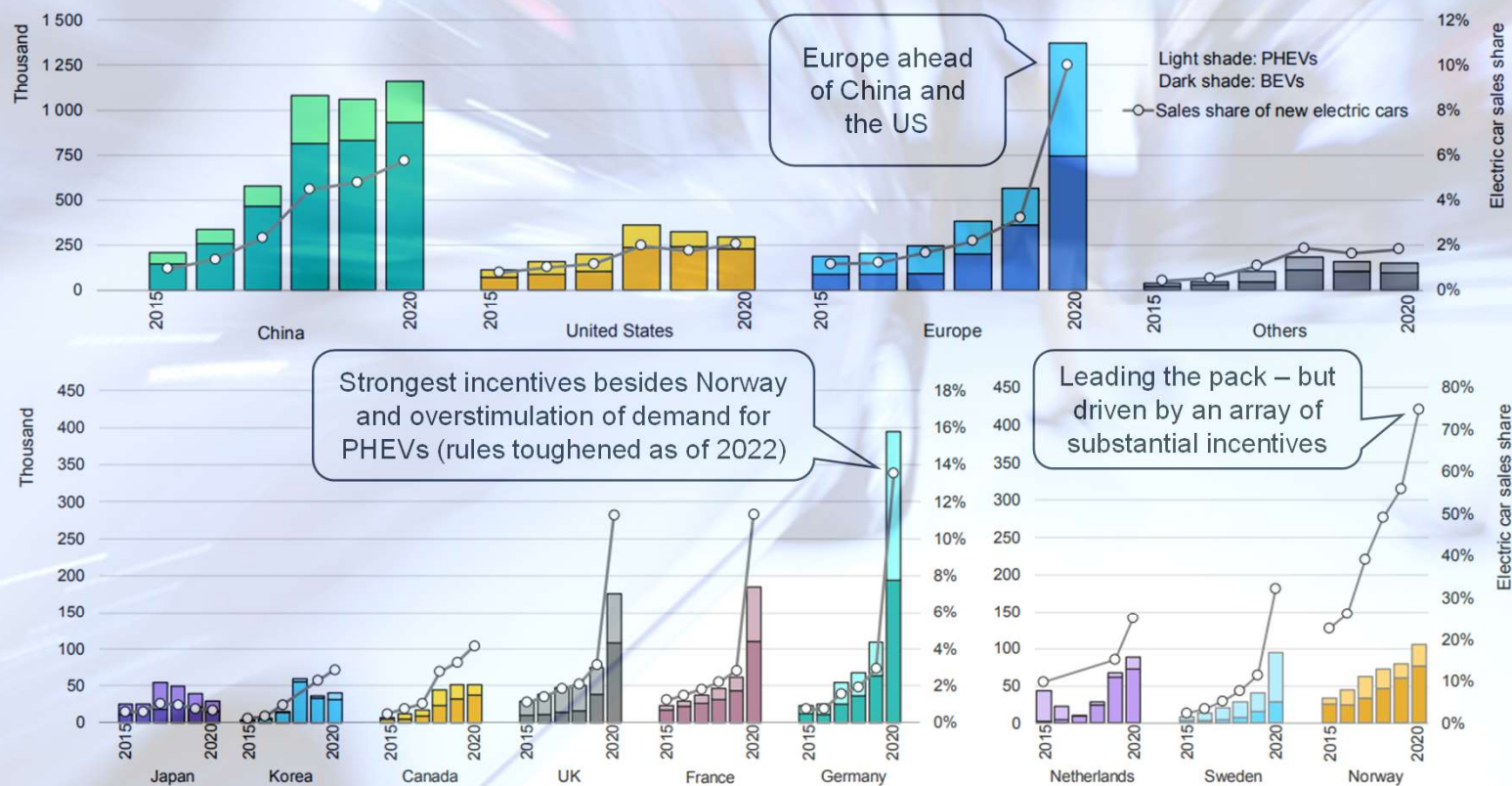


For Europe we expect 16 % EV share for the full year of 2021

Global EV share H1: 6,4 % in 2021 vs 3,0 % in 2020



# Electric Car Registrations and Market Share 2015-2020

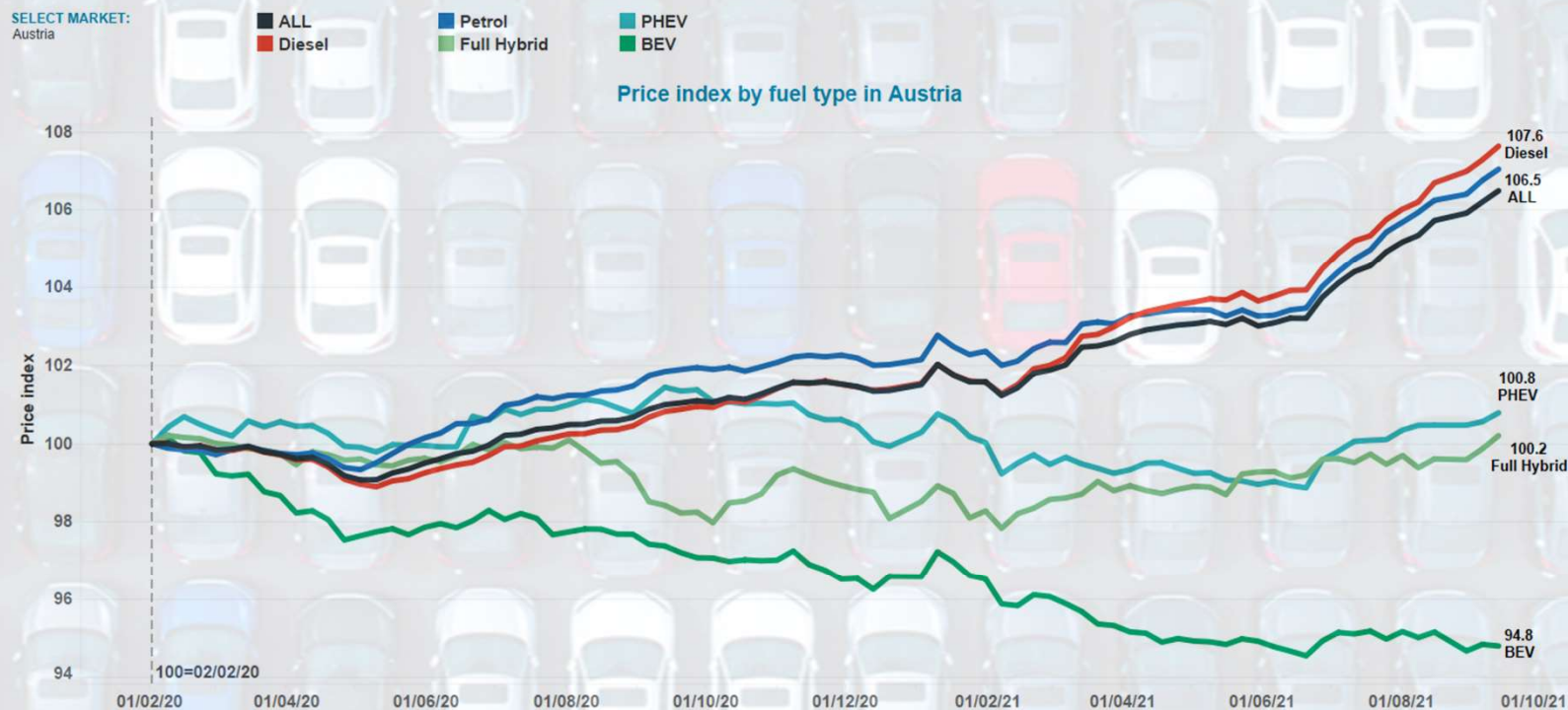


Source: IEA Global EV Outlook 2021. All rights reserved.



# Market Adoption Conundrum – New vs. Used

## Development of Asking Prices by Fuel Type (Example: Austria)



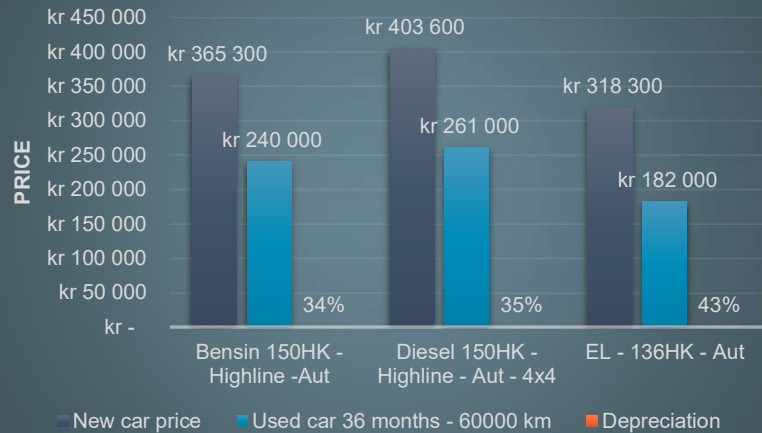
The price index shows the indexed average movement of the absolute price of all vehicles on offer. We control for vehicle-specific factors, like make, model, age, mileage and optional equipment. We control for changes in basket composition over time as well as aging of the vehicle over time. How to read: 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.

- Asking prices in the used car market have increased steadily since mid 2020
- On average prices are well above pre-coronavirus levels
- However, BEVs show a different development: they have been under pressure
- PHEVs have shown a better performance but are also well below ICEs
- High government incentives for new EVs will affect used car values in the future due to supply-demand imbalance

# Learnings from Norway

## Residual value comparisons of popular models in Norway

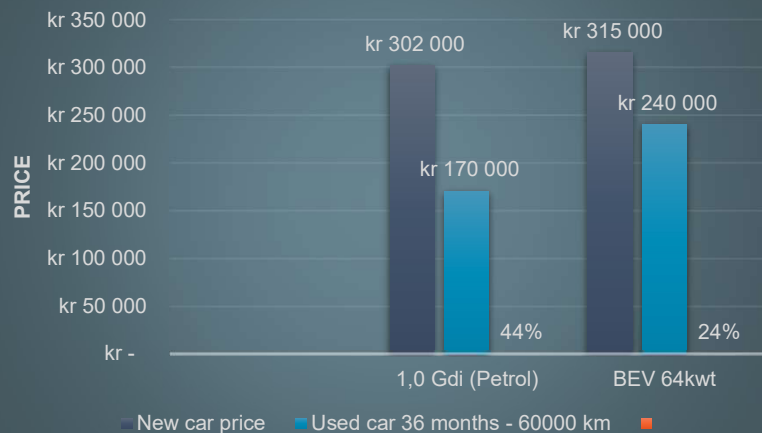
### VOLKSWAGEN GOLF



### HYUNDAI IONIQ



### HYUNDAI KONA



- Norway has electricity produced from water
- Electricity prices are among the lowest in Europe
- BEV Golf: highest depreciation among the three options due to high volume
- TCO advantage of BEV over ICE: lots of soft benefits, lower insurance, lower utilisation cost, but slightly higher depreciation



# Summary

- Market share of EVs in Europe has largely grown on the back of incentives
- Incentives in Europe are substantial, inconsistent and create challenges for remarketing
  - Oversupply
  - Pressure on residual values
- EV technology ages faster than ICE – this will continue to affect RVs
- Incentives will continue to be the driving force for EV adoption unless list prices come down – combined with other measures
- Demand for used EVs must to be stimulated, e.g. with incentives or other benefits



## 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...

## Next steps

**Any questions? Ask the team...**

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## Residual Value Intelligence

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