

# Market Watch - ENG

**Progression of the used car market over Covid**

**Focus on BEV sales – how have they behaved and what does this say for the future**

Andy Shields

Global Business Unit Director

**Indicata**

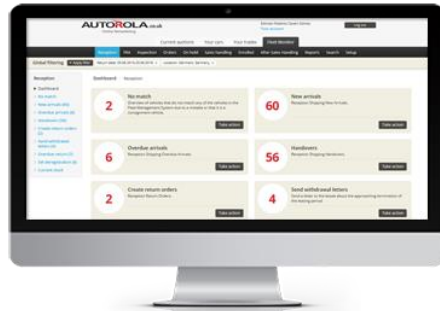
# WE ARE PART OF AUTOROLA GROUP

The global leader in online remarketing and automotive IT solutions



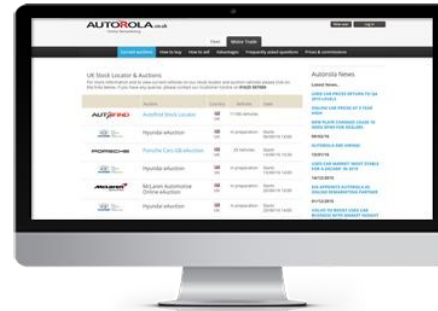
# OUR BUSINESS UNITS

AUTOROLA Group is divided into three global business units:



## SOLUTIONS

Customized IT solutions to fleet owners.



## MARKETPLACE

Wide range of online auctions for European & global vehicle vendors.

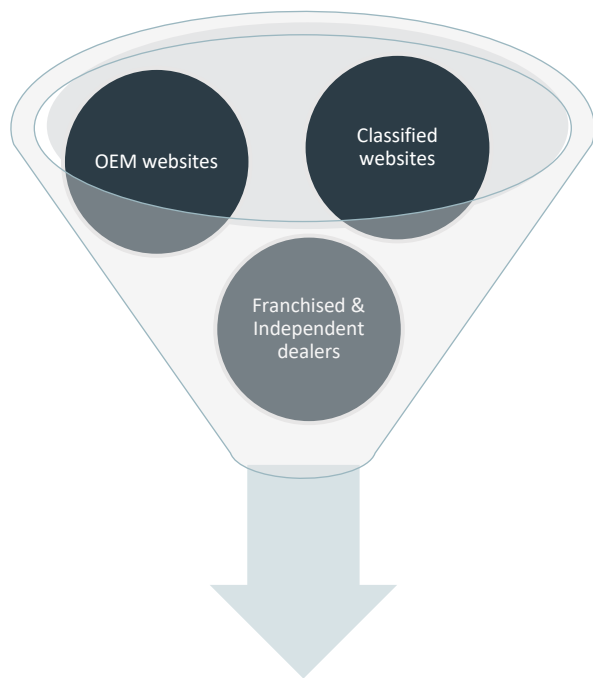


## INDICATA

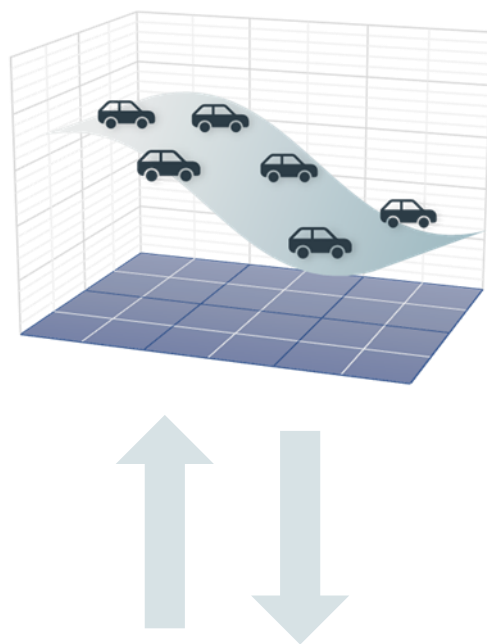
The next generation of business intelligence & market insights software.

# INDICATA PRICING ANALYSIS

## Internet Data Extraction 9m Vehicle Daily



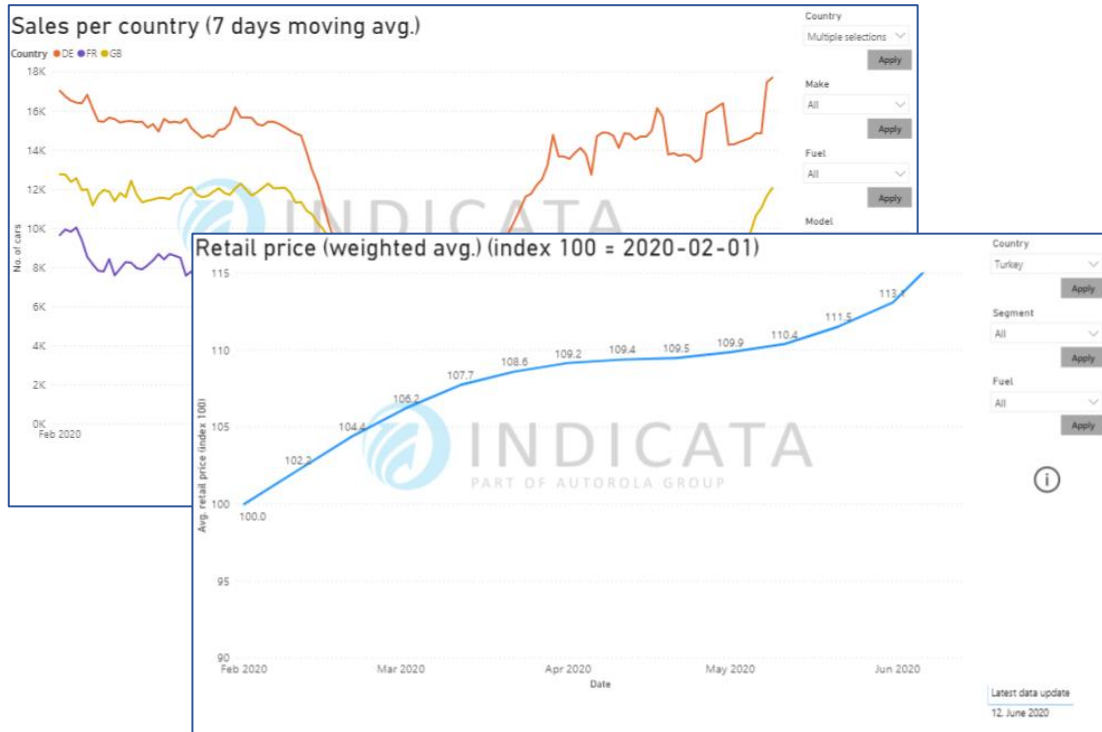
## AI and Data Analytics



## Price & Performance Dashboards



# Indicata Market Watch



Interactive online tool – Volume and price trends

Free of charge to OEM's, leasing, rental and dealer groups

Regular pdf report – Trends and editorial

**INDICATA Market Watch- COVID-19**

**Edition 5 - The European Used Car June 2020**

**Germany**

Germany's recovery started strongly since dealers opened on the 20 April. One month in, market sales volumes have found their natural level at circa 95% of prior year. Interestingly there has been a significant drop off in the sales of older cars as the German public swap to newer more environmentally friendly vehicles. The move away from diesel is marked, with a 17% drop year-on-year.

Smaller cars are in line with the market, but there is a significant growth in both SUV and sports cars. The German consumer may want to be environmental, but also wants some fun at the same time!

**% Change by Fuel Type (May vs PY)**

Fuel Type	% Change vs PY
Gasol	-17.2%
Hybrid	100.0%
Electric	23.1%

**% Change by age group (May vs PY)**

Age Group	% Change vs PY
0-3 years	1%
3-6 years	1.1%
6-9 years	1.0%
9-12 years	-16.8%
12-15 years	-16.8%

**% Change by Segment (May vs prior year)**

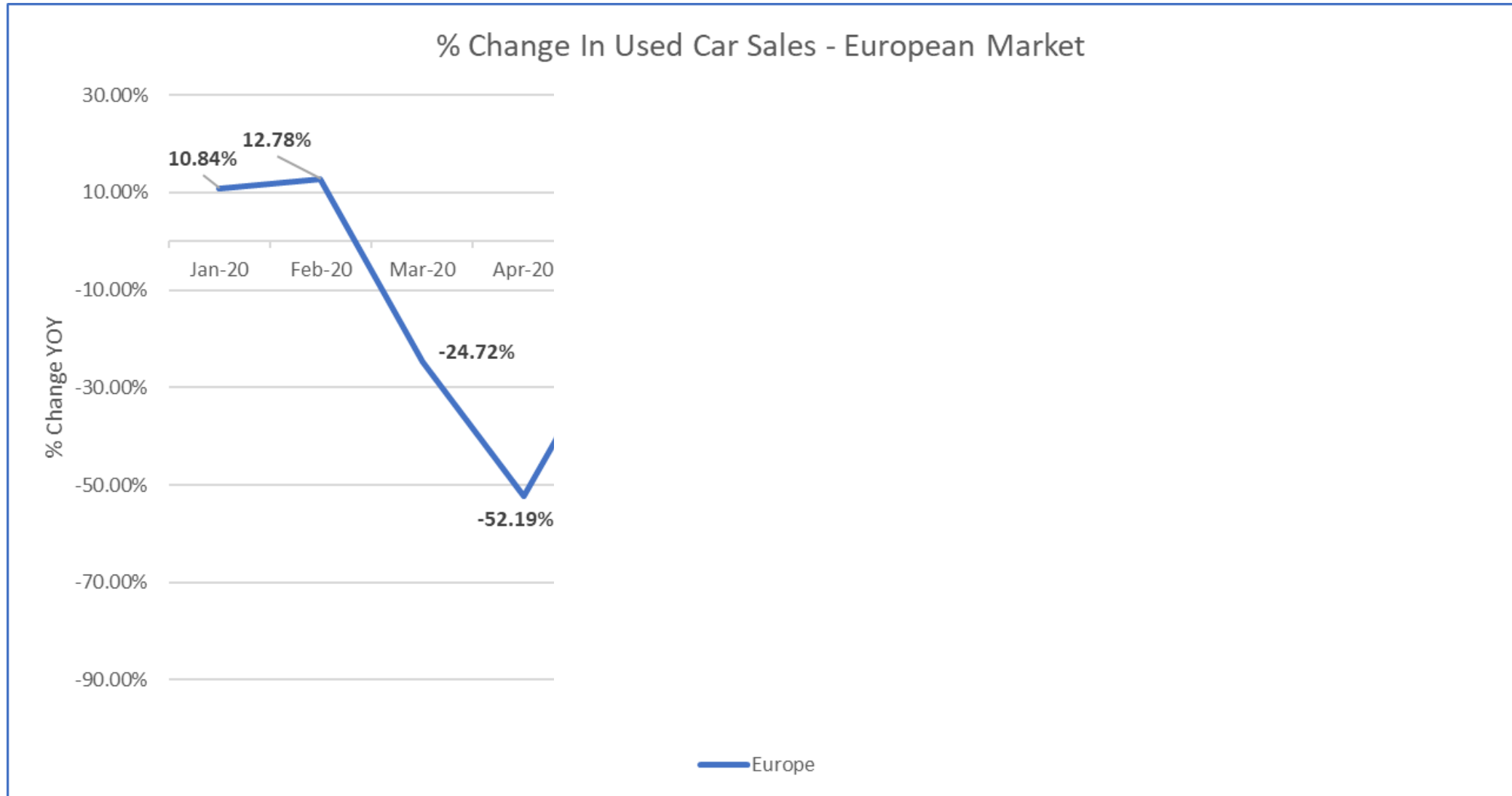
Segment	% Change vs PY
A	5.1%
B	4.5%
C	4.6%
D	13.9%
E	11.2%
F	4.1%
G	43.2%
H	16.1%
I	15.1%

INDICATA Coronavirus White Paper June 2020 - Edition 5

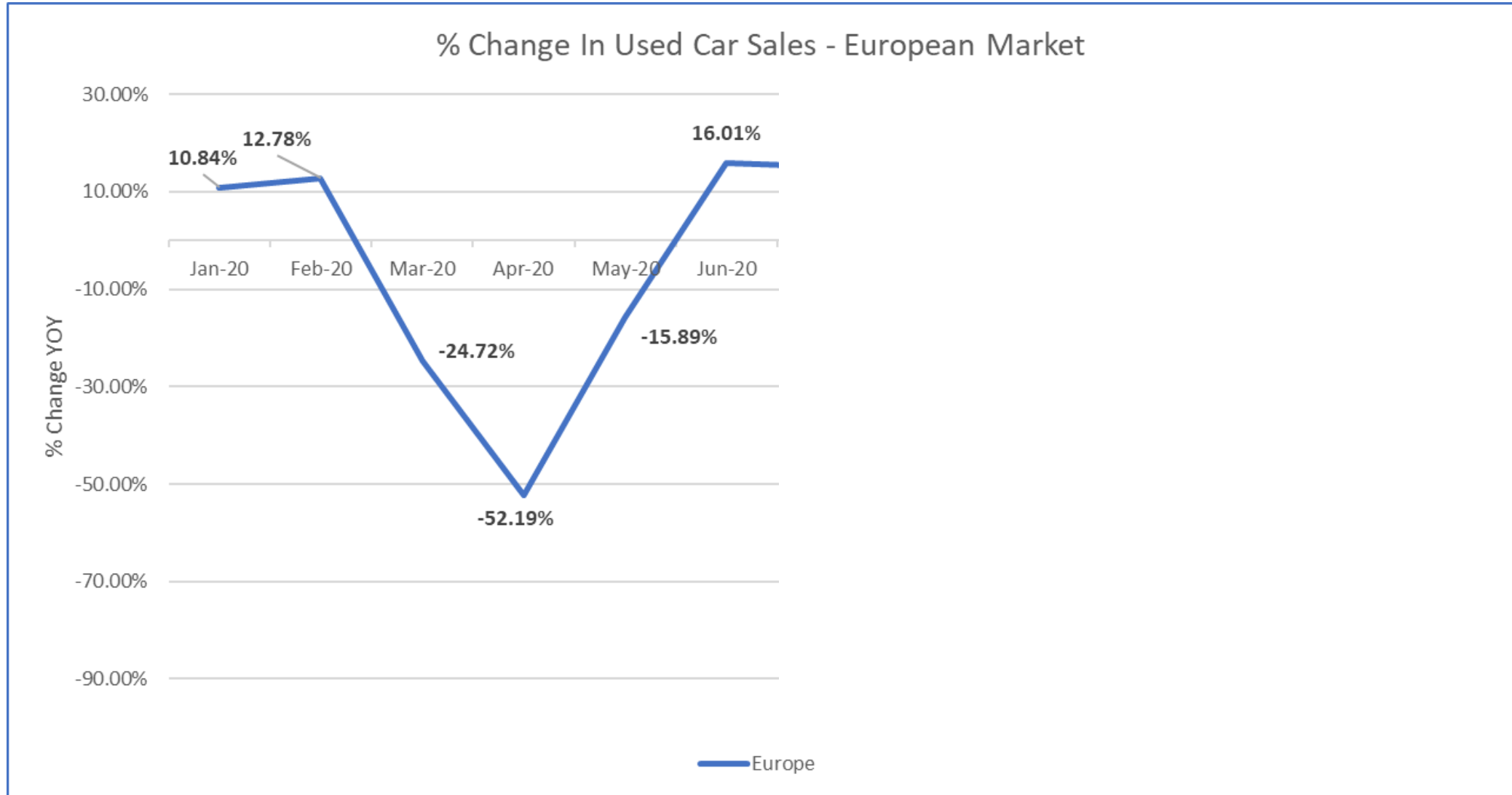
# Progression of the European Used Market



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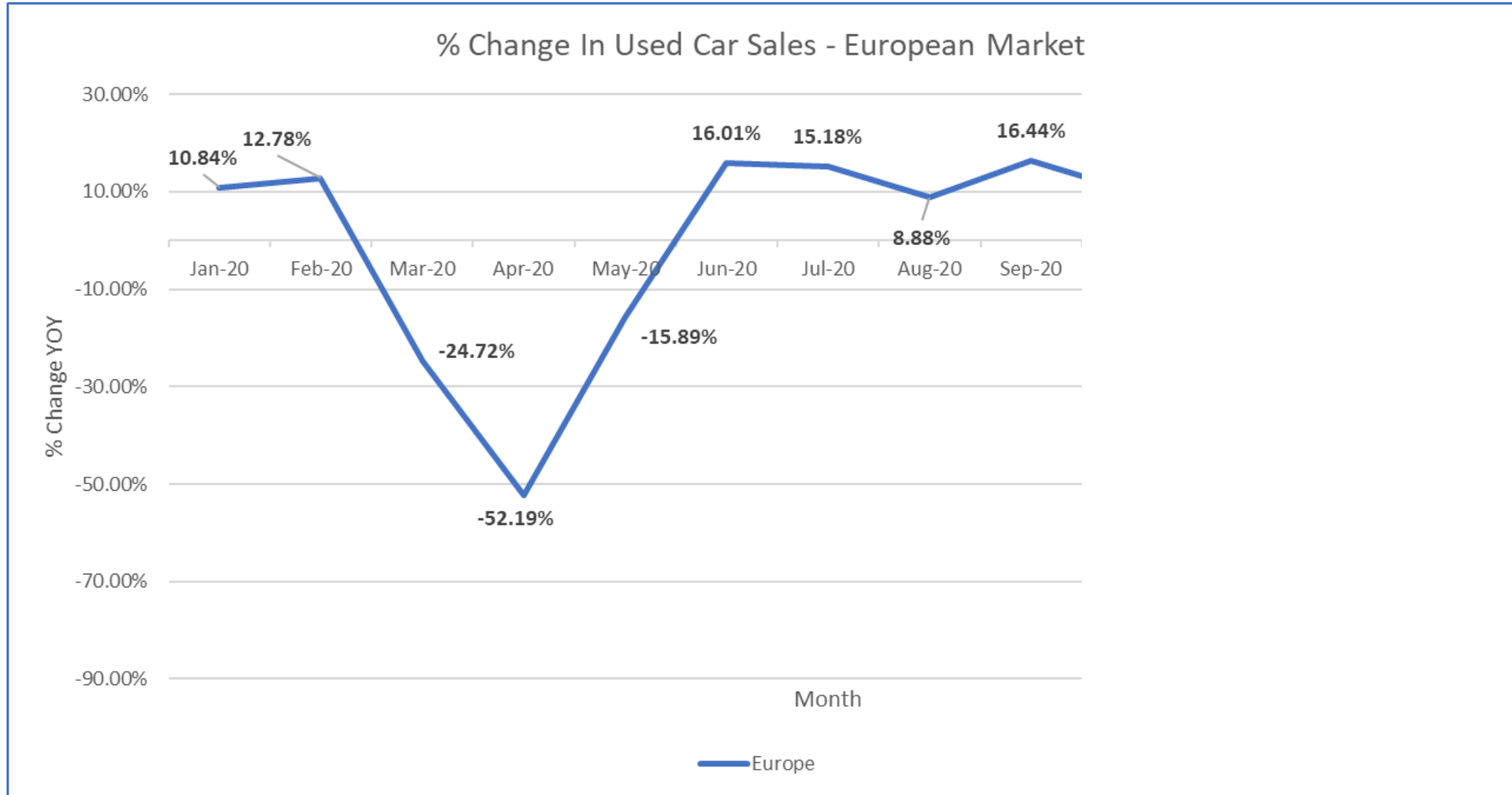


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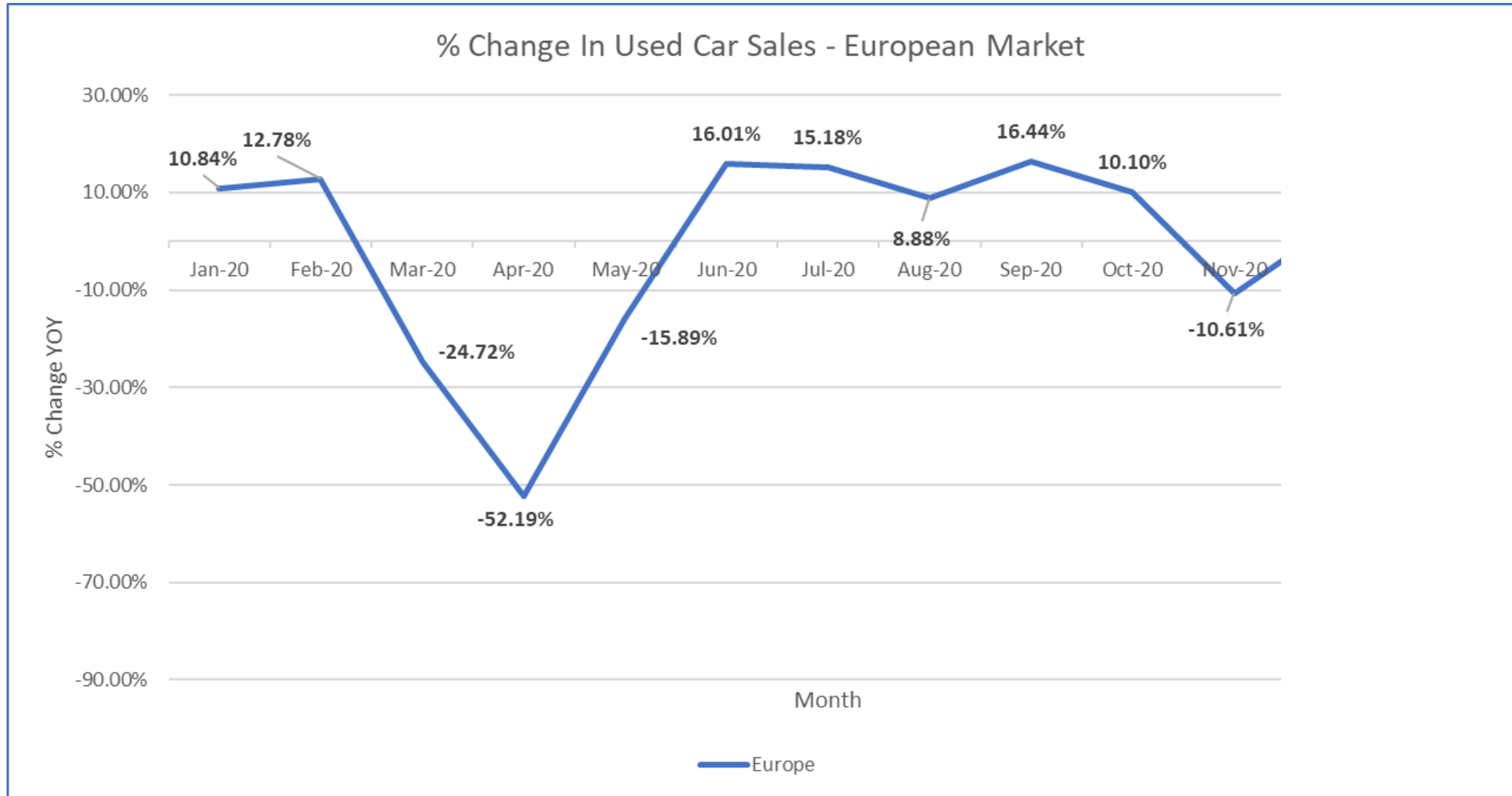




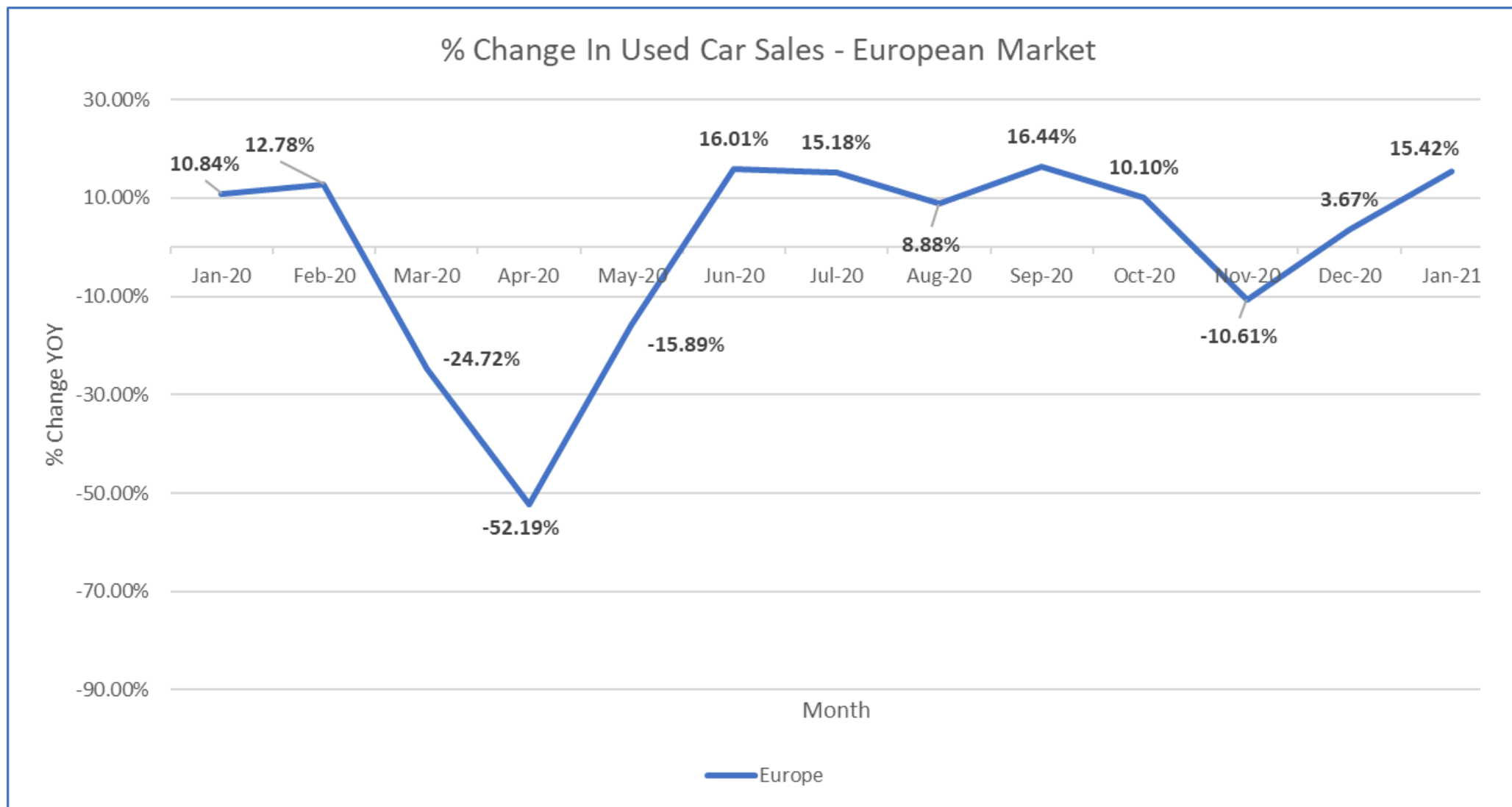
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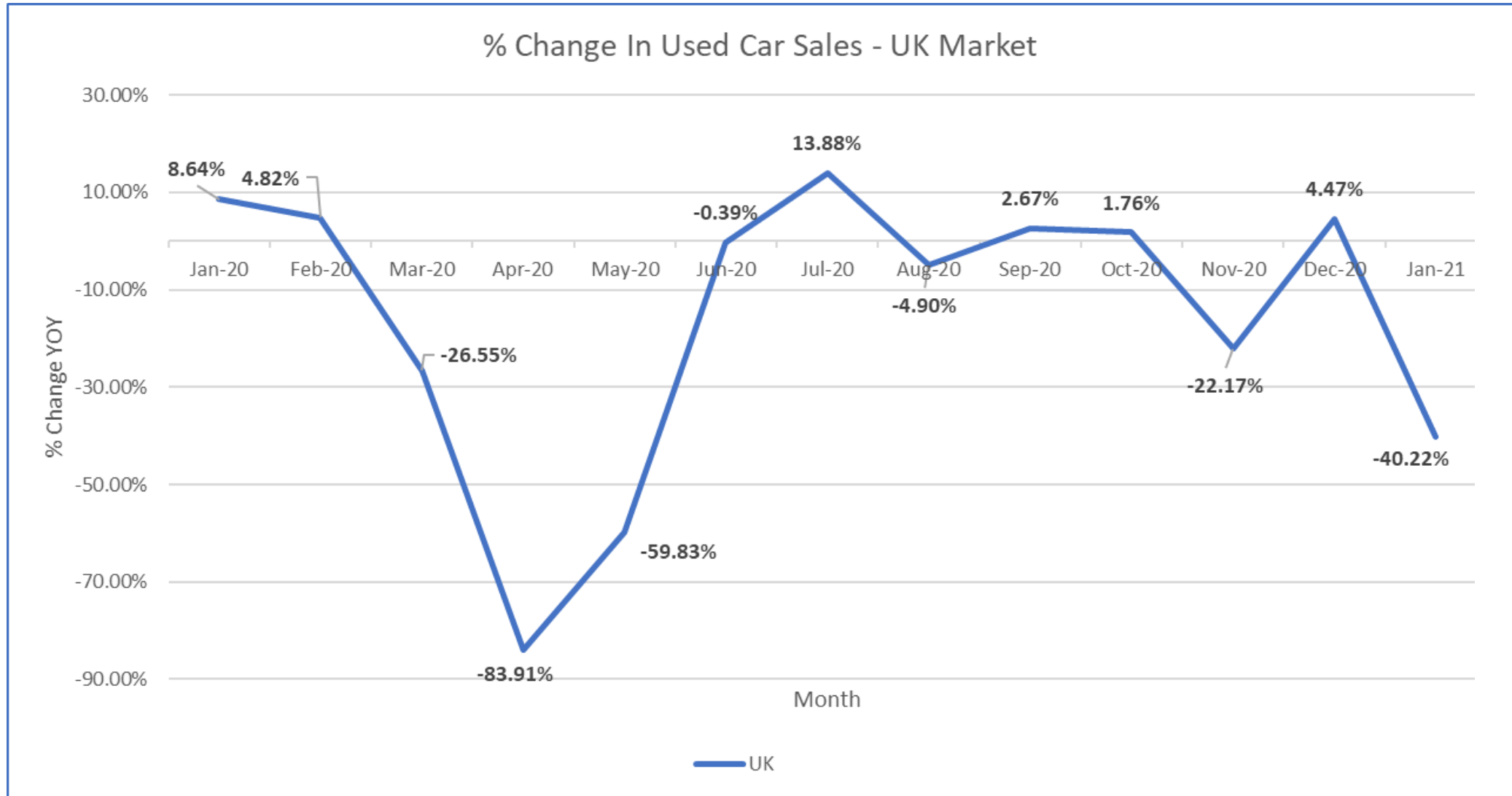
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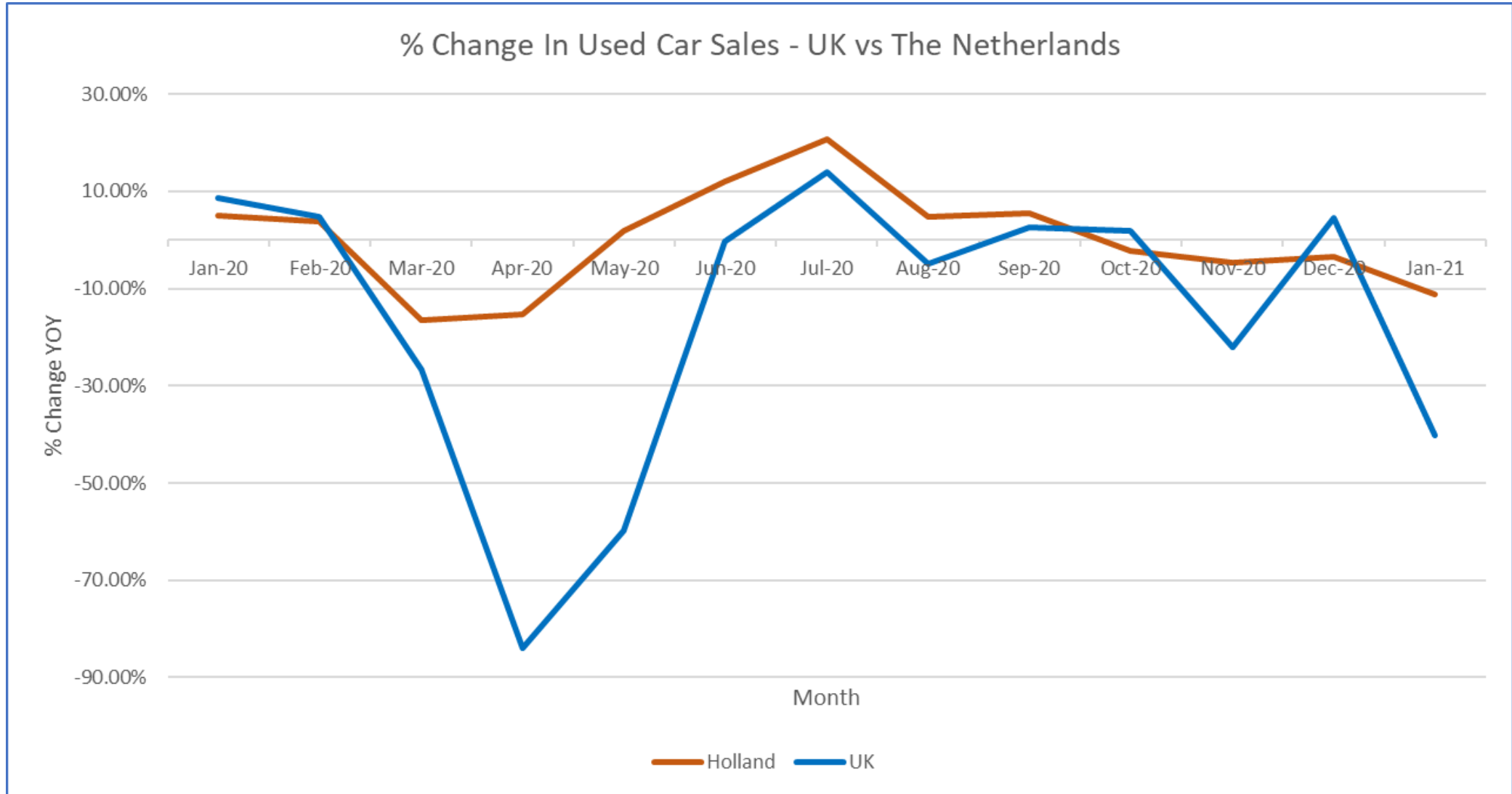
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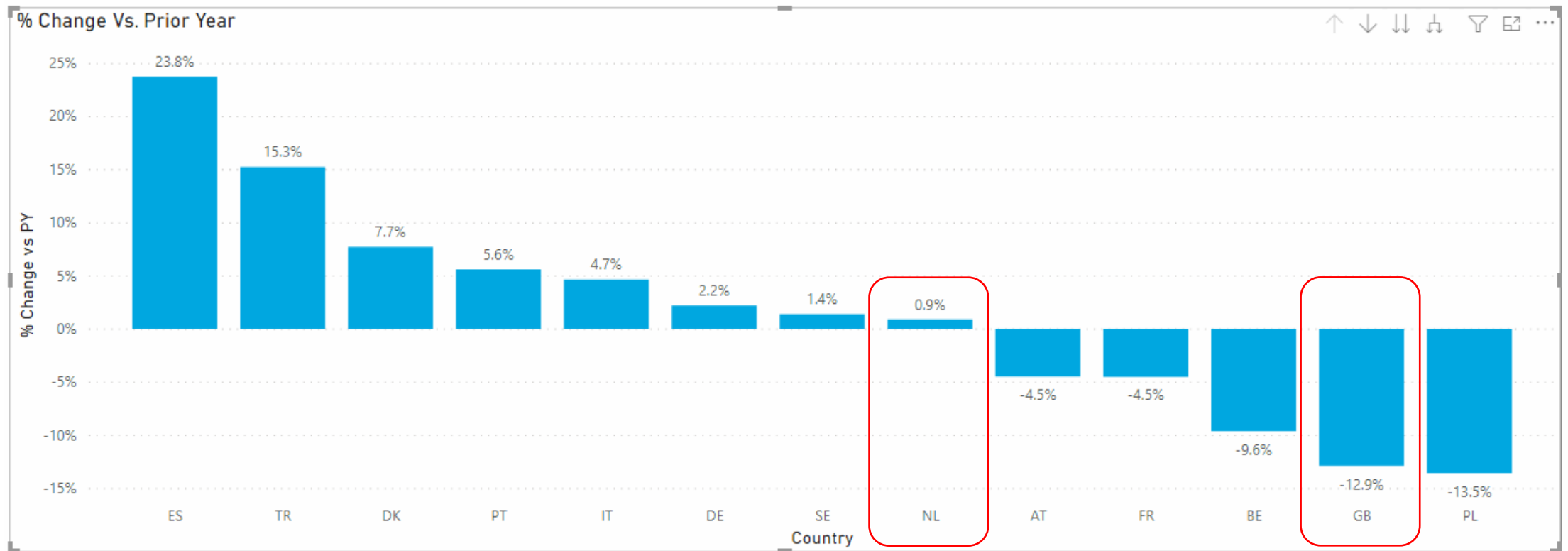


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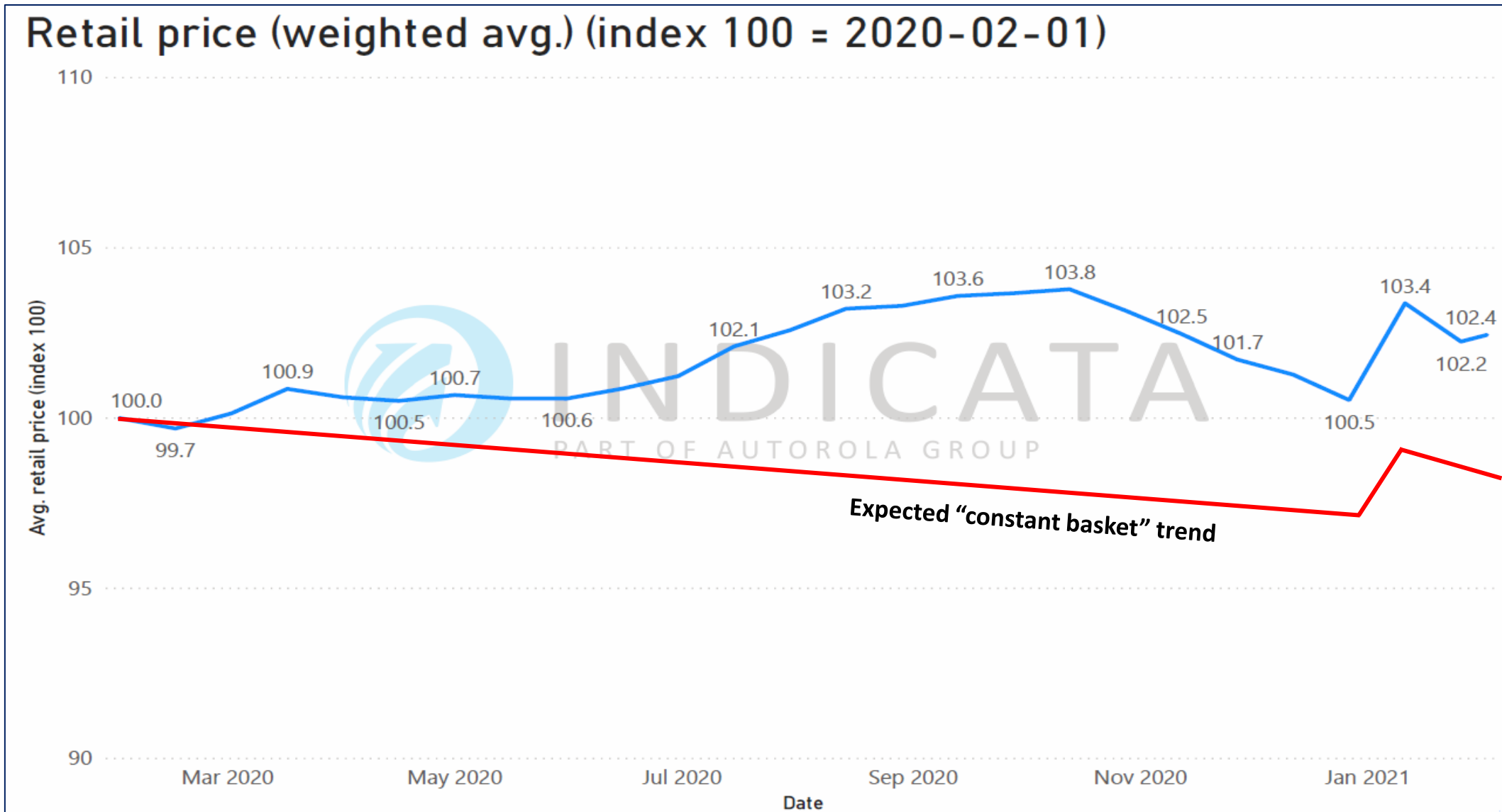
# UK volumes poor / NL volumes flat

Used Car Sales 2020 vs 2019 by country

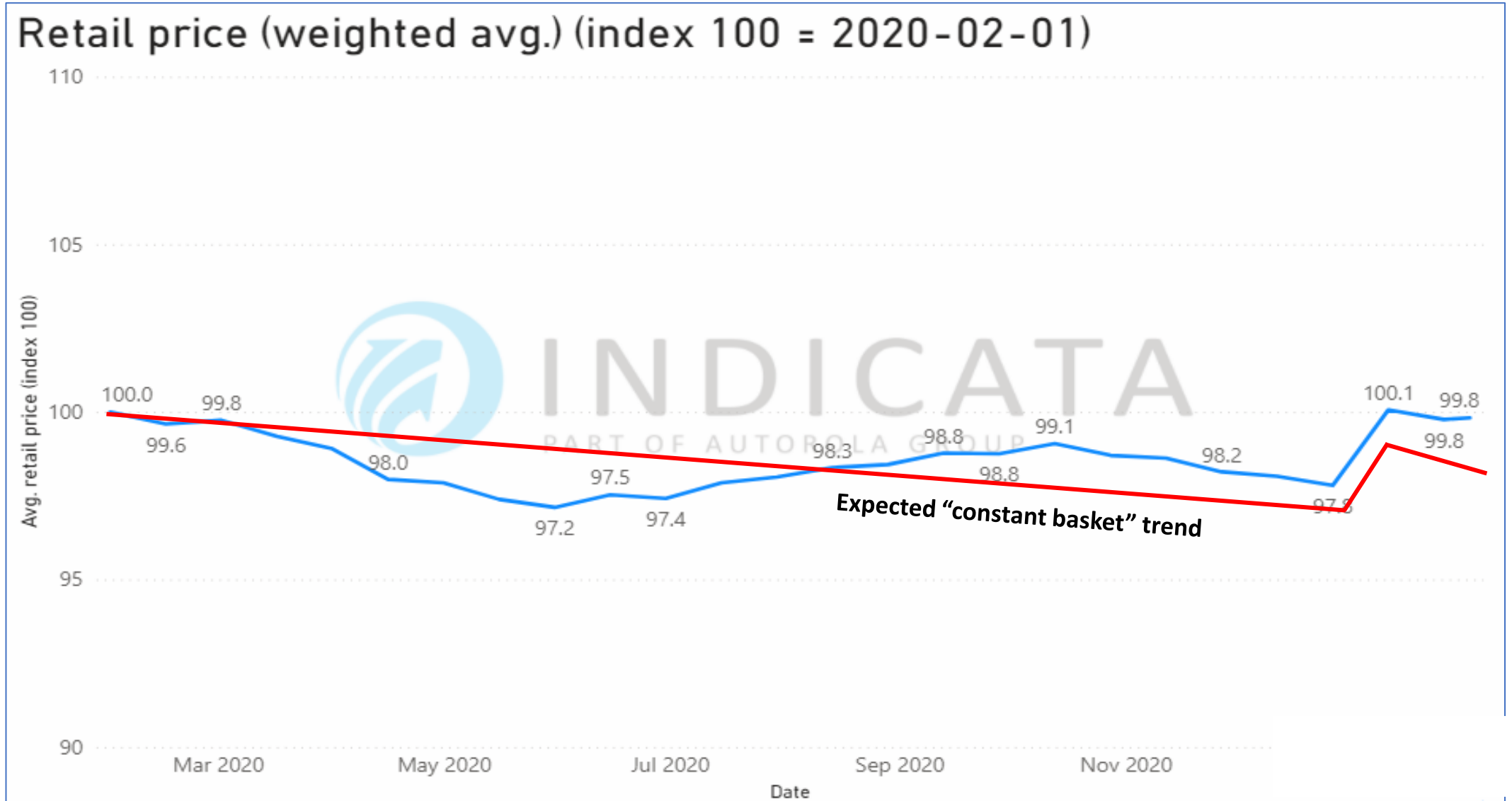


So UK Prices should be poor and NL prices should be stronger....

# But despite low sales – UK prices soared

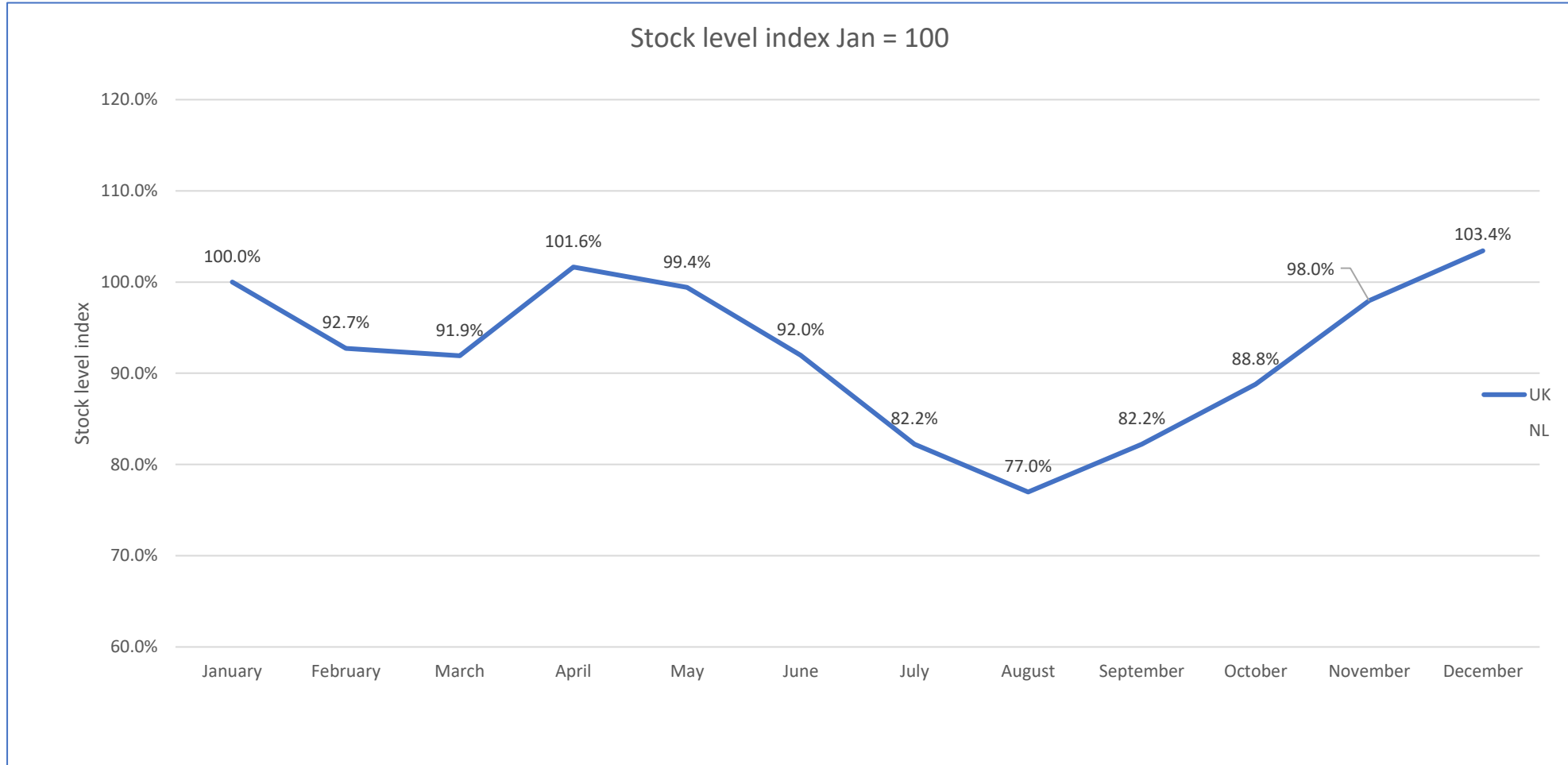


...and Dutch prices did not



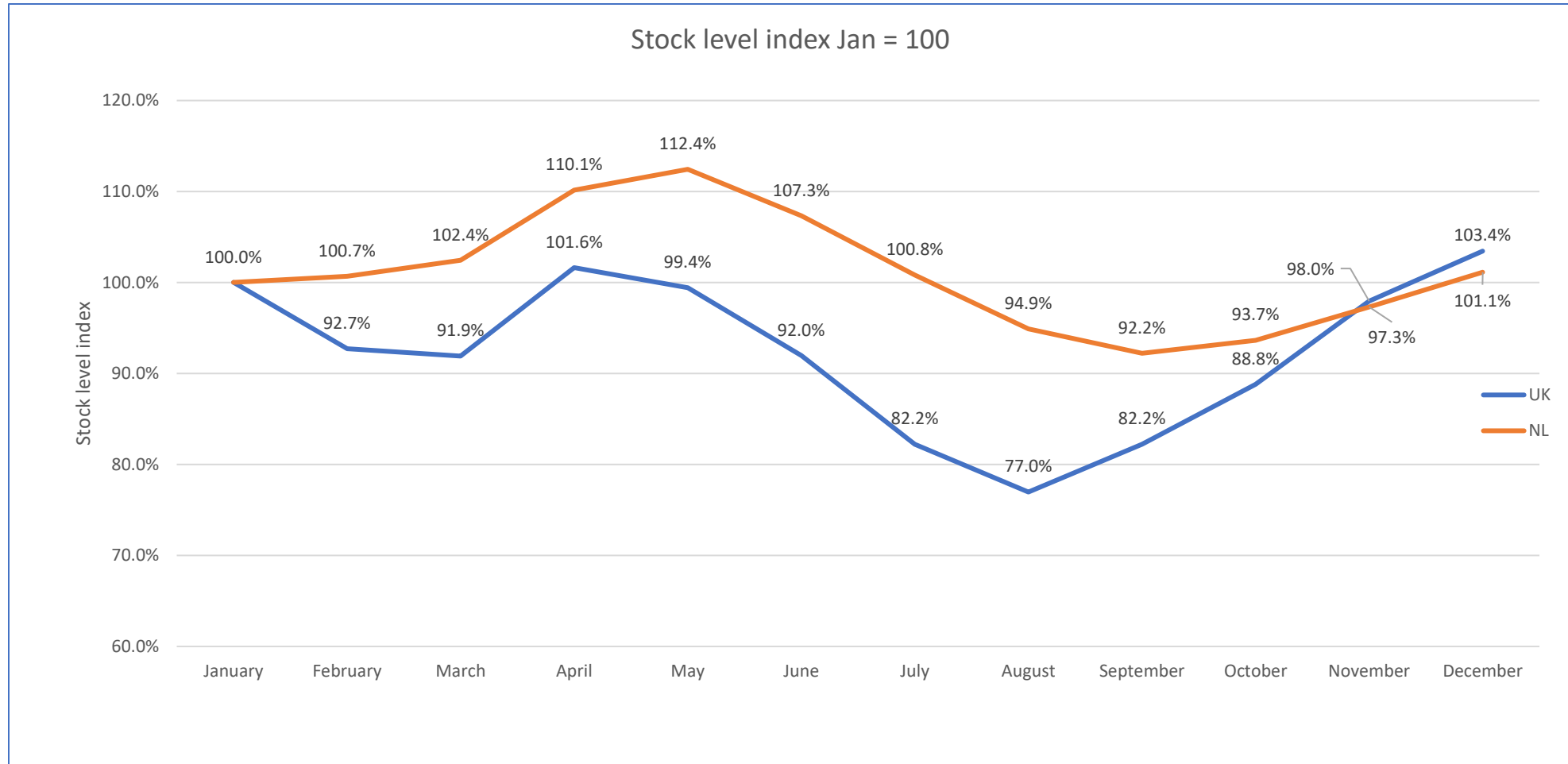


# The key reason was the levels of supply



UK dealer stock dropped up to 23% due to shortage of supply

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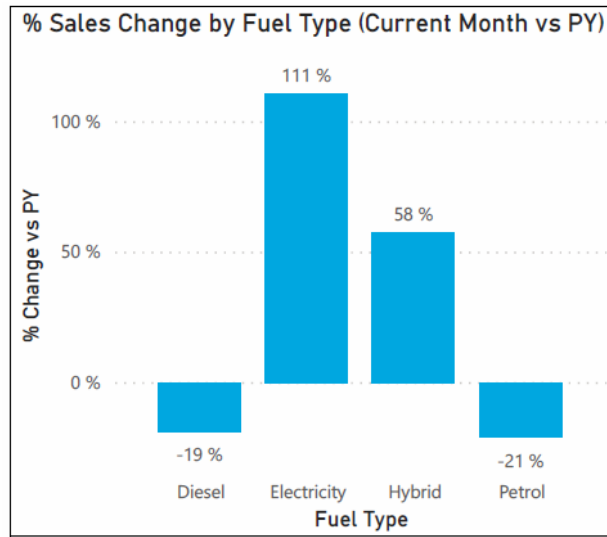
NL stock peaked in May (and prices dropped)...but recovered as stock tightened

## Interim conclusion

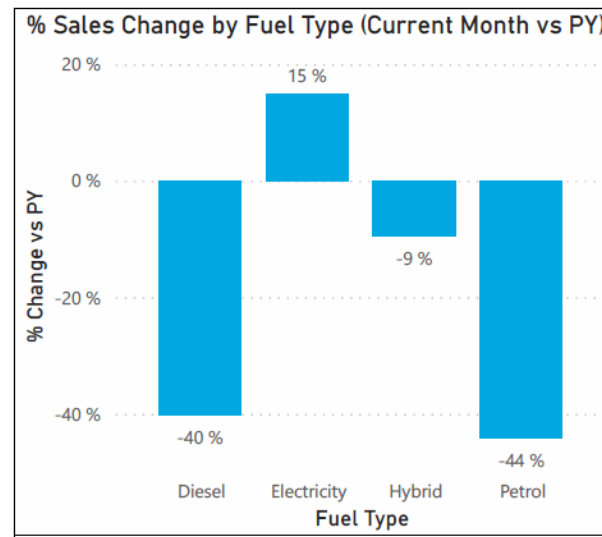
- Level of used car sales does not correspond to demand
- Supply is the bigger factor
- Price is the variable that matches supply to demand
- So what does that mean for BEV's?

# BEV performance appears to out perform ICE powertrains

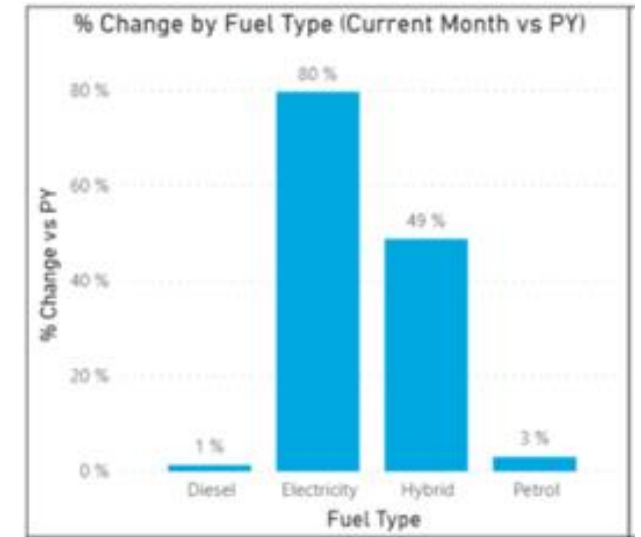
## Europe – Jan 2021



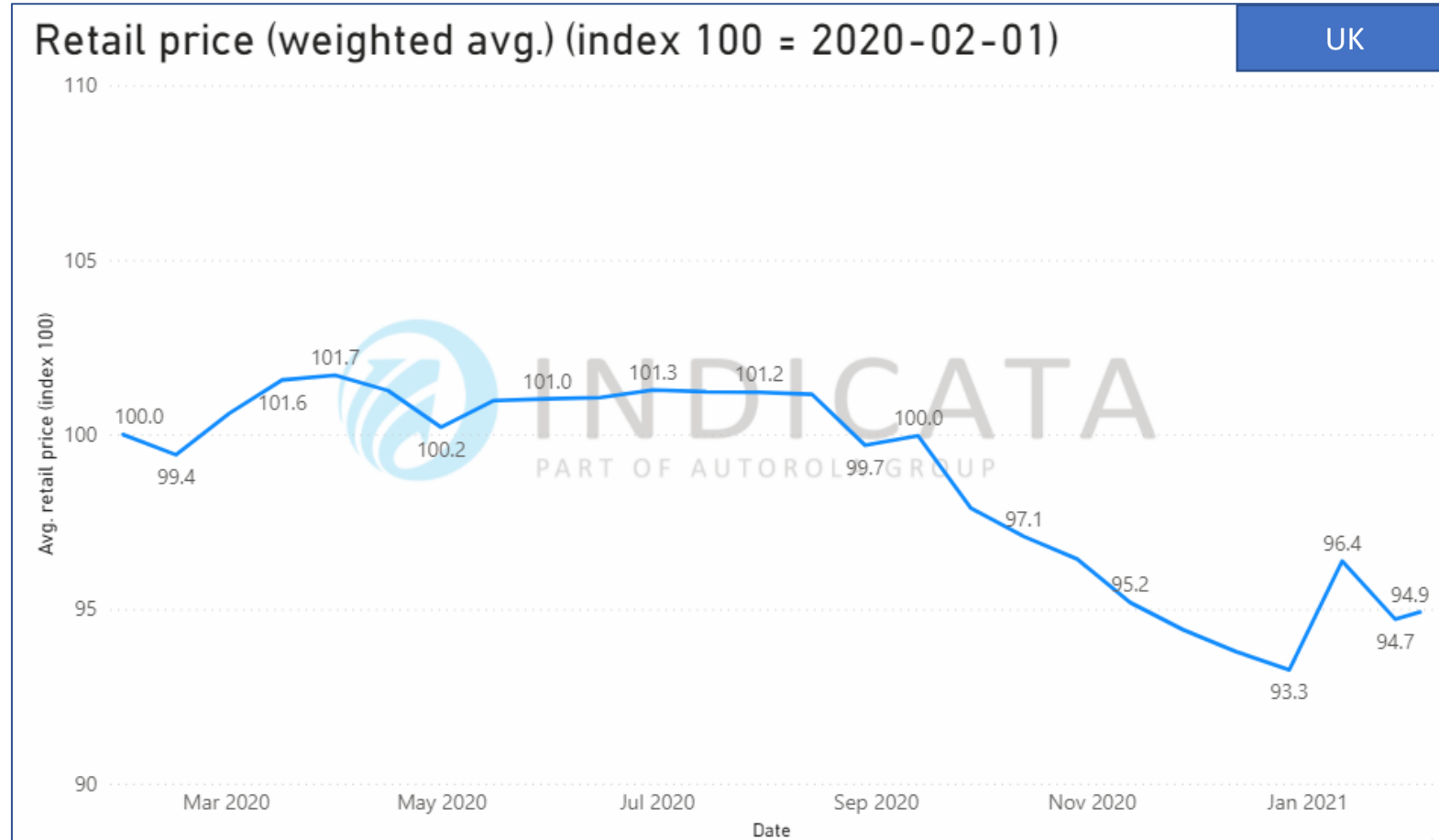
## UK – Jan 2021



## UK – Oct 2020

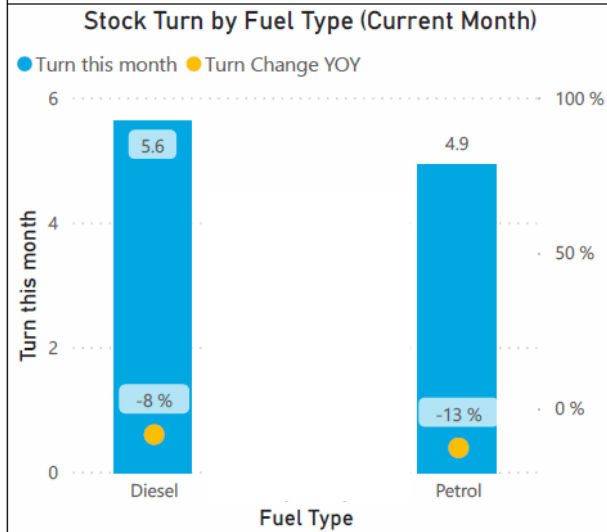
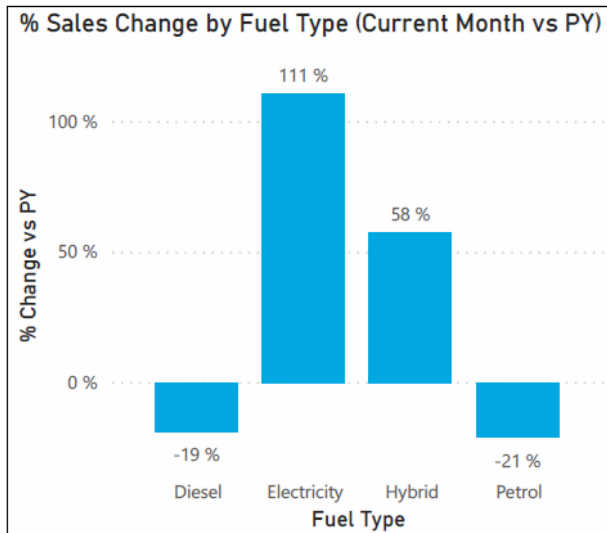


# But BEV pricing has not held up in line with strong sales

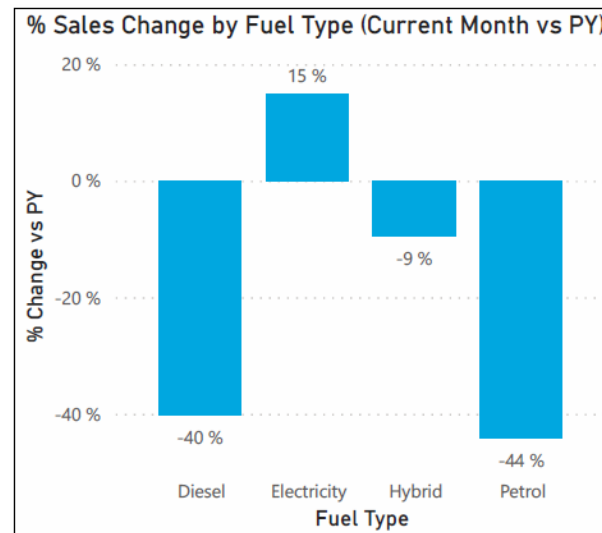


# ICE Stock turns are strong...despite low sales

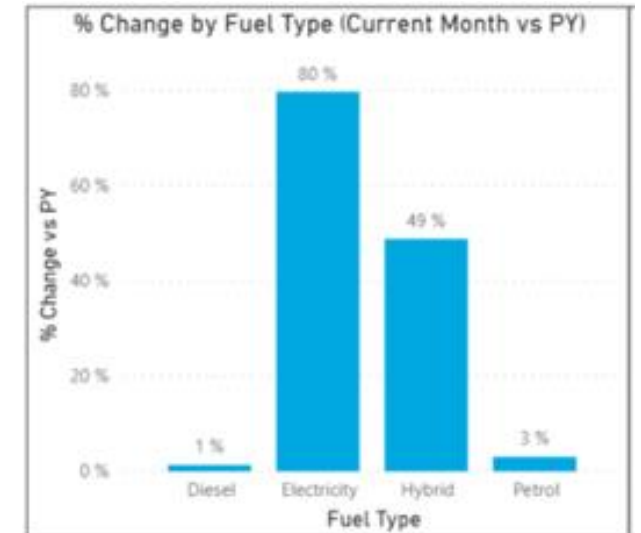
## Europe – Jan 2021



## UK – Jan 2021

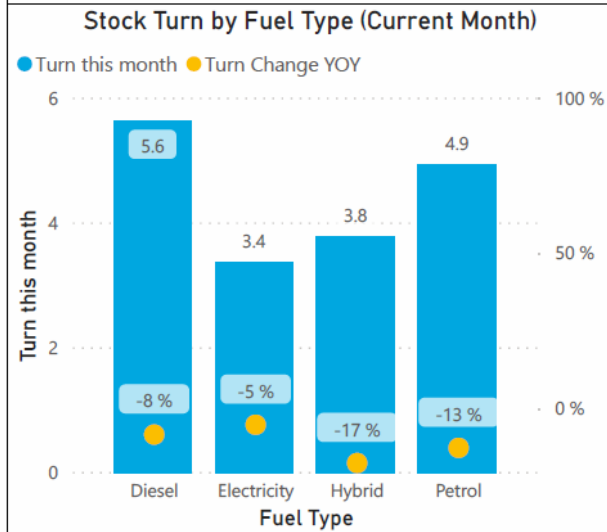
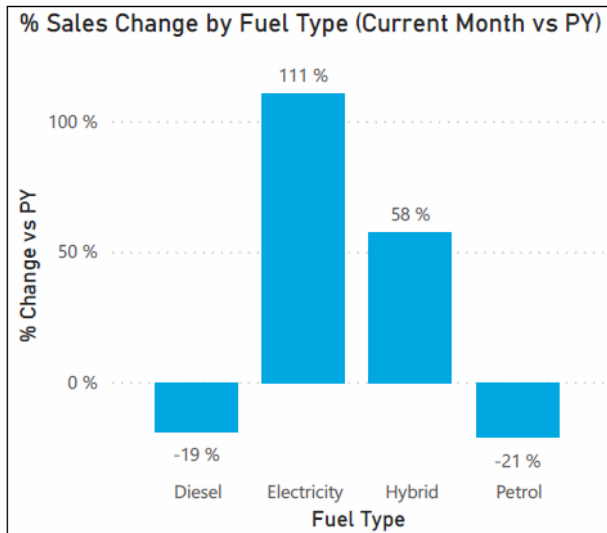


## UK – Oct 2020

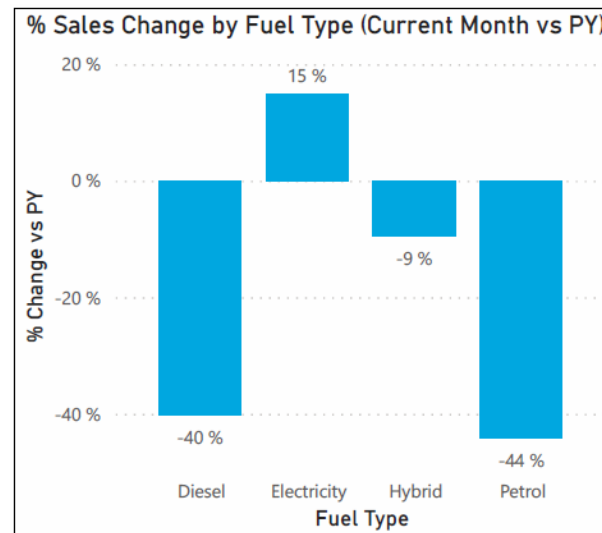


# But stock turns of Hybrid and BEV are low (= oversupply)...

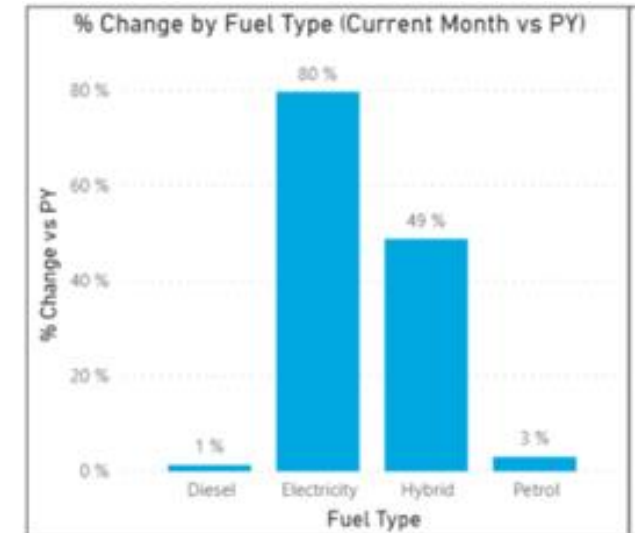
## Europe – Jan 2021



## UK – Jan 2021

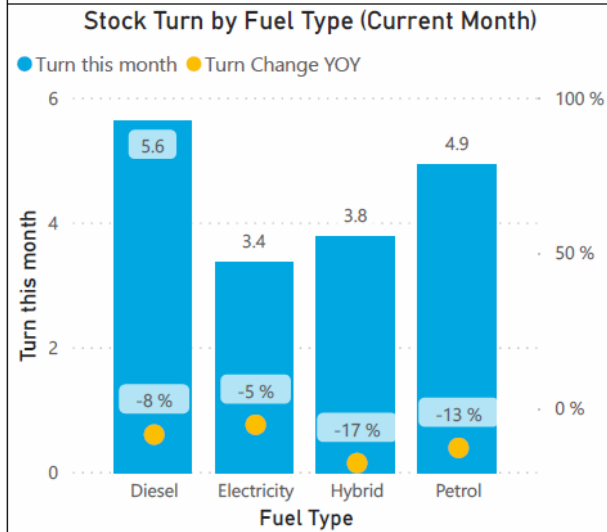
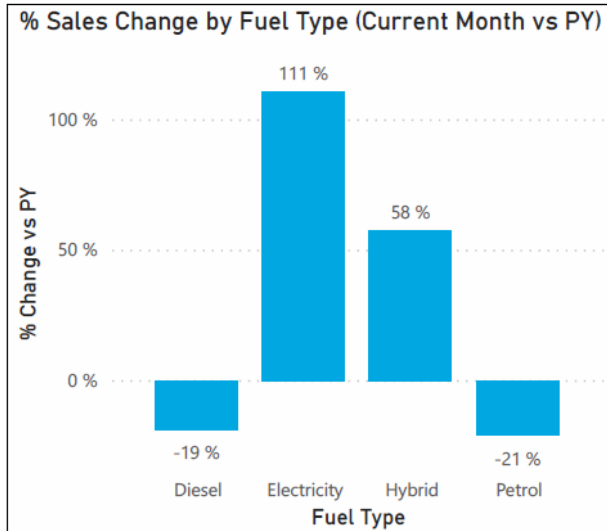


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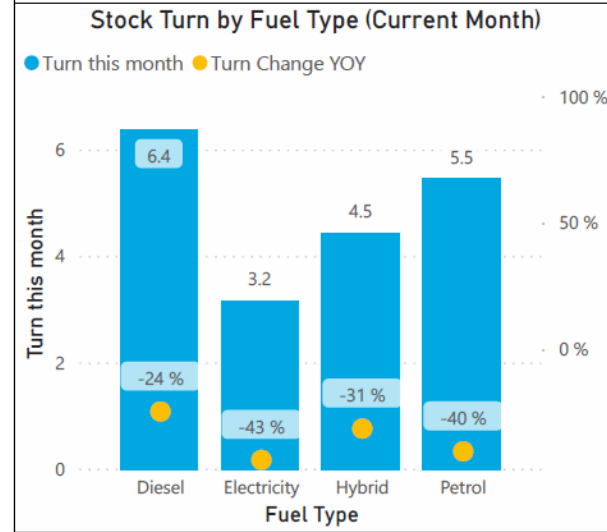
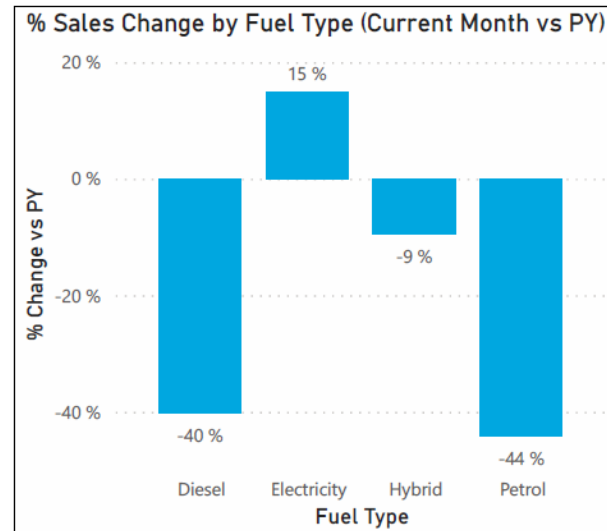


# And the UK is not immune to this issue

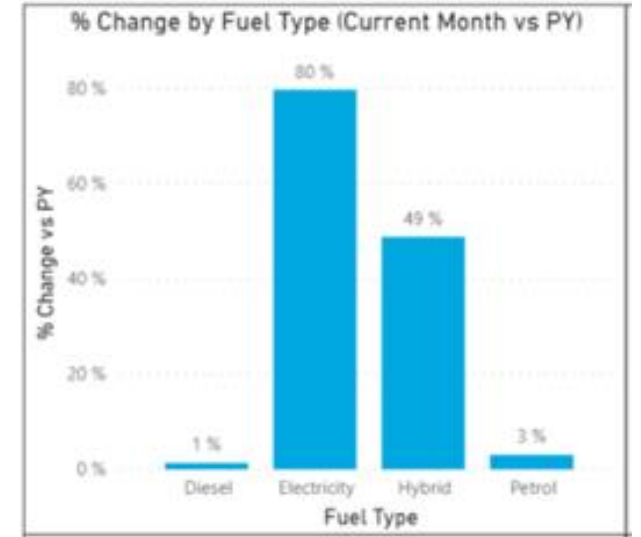
Europe – Jan 2021



UK – Jan 2021



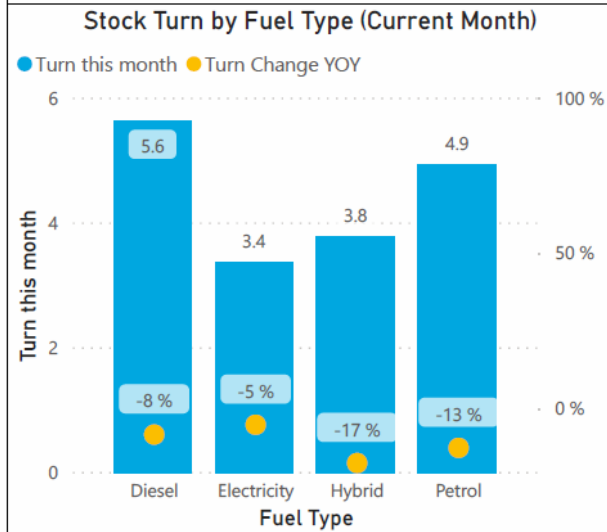
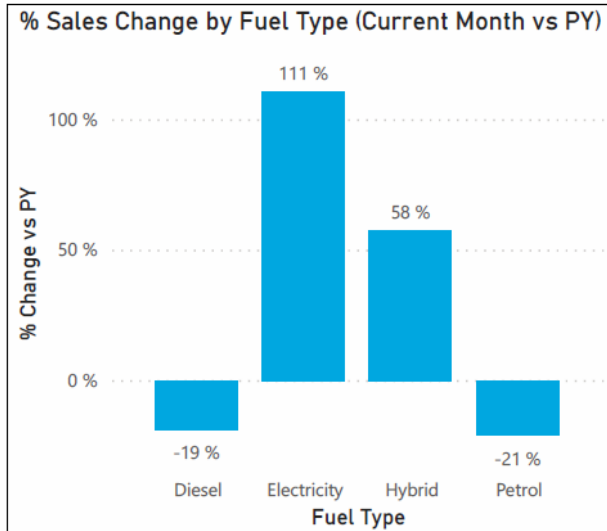
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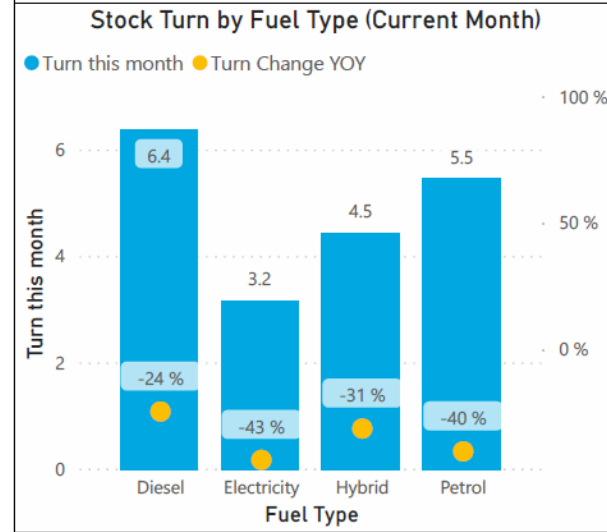
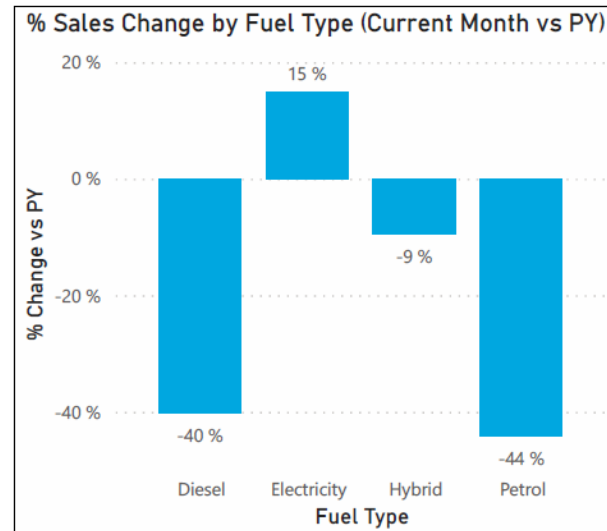


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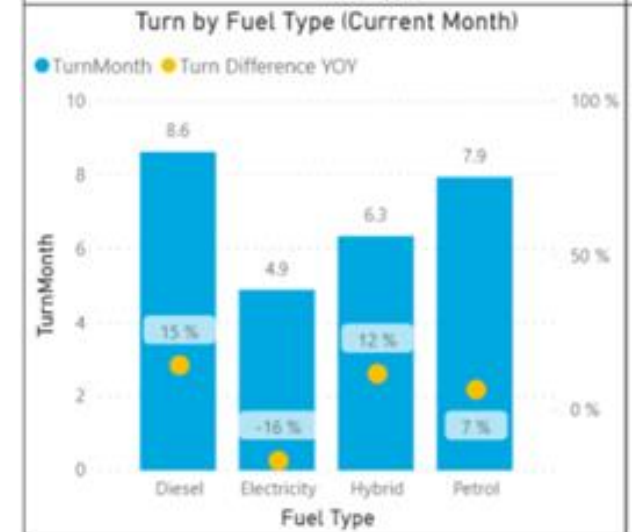
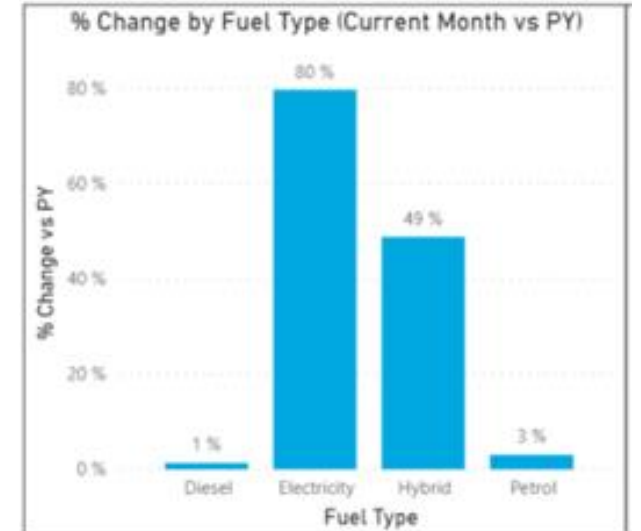
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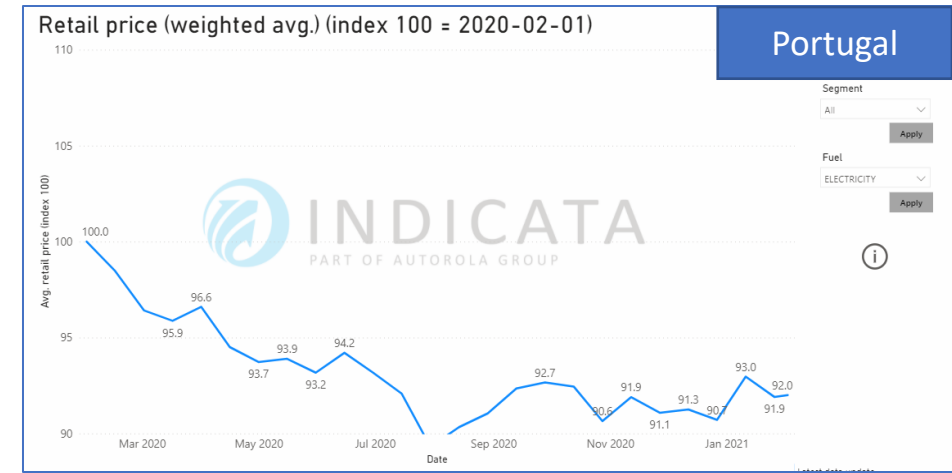
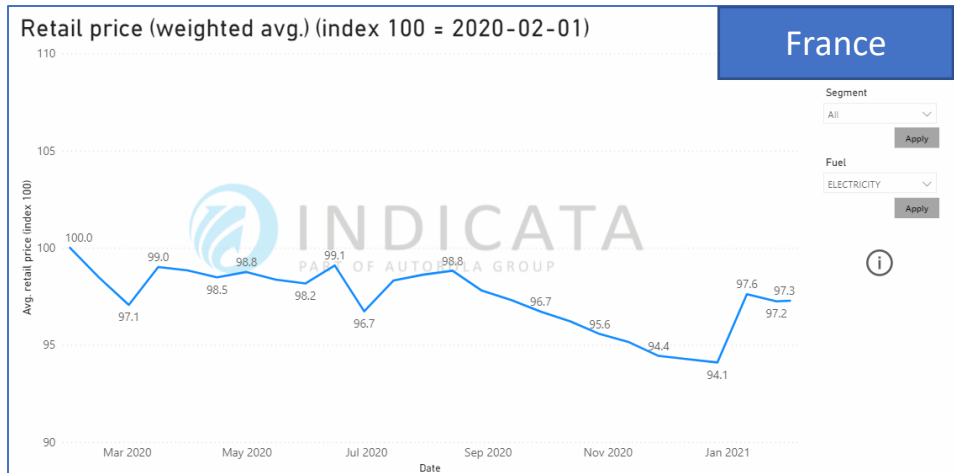
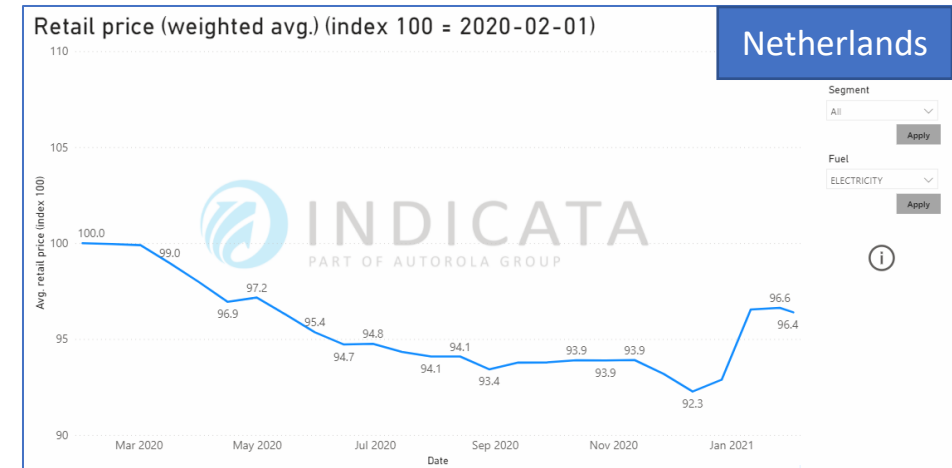
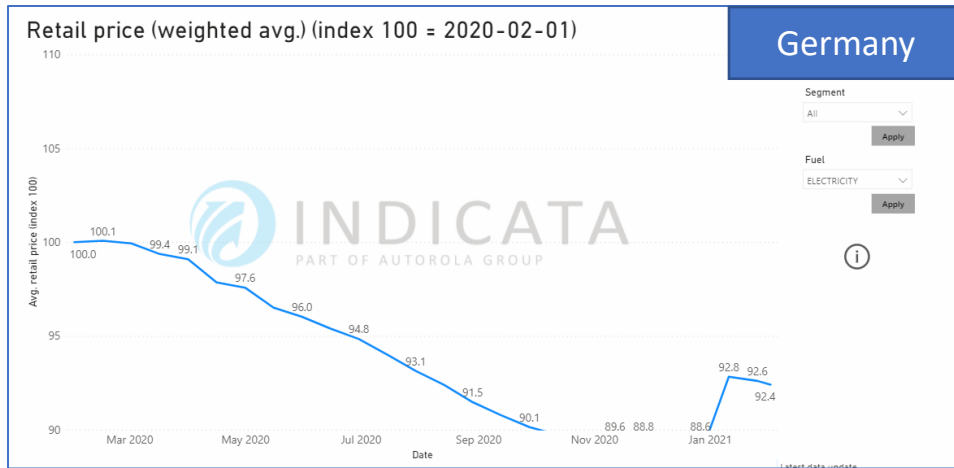
UK – Jan 2021



UK – Oct 2020



# BEV Oversupply = price pressure in all markets



# Summary / Conclusions

- Used BEV sales have been and remain strong across the whole of Europe
- BUT supply is significantly exceeding demand
- Despite production issues OEM gain a €26,000 reduction in CAFE penalties for every BEV sold
  - This is a massive incentive to oversupply new market...which is quickly cascading into used
- BEV RV's are under pressure from a number of fronts
  - Advancing technology
  - Unrealistic price premiums vs ICE equivalents
  - Fear factor on battery life (and pre-usage)
  - Slow charging infrastructure growth
- But, OEM oversupply vs real customer demand will remain a massive pressure on prices going forward