LATEST EV INSIGHT

VRA

March 2021

AutoTrader

Three key points

1

Supply is outstripping demand – particularly in premium

2

EV remains the privilege of the wealthy – for both new and used

3

TCO delivers parity on some new & older used but not younger used

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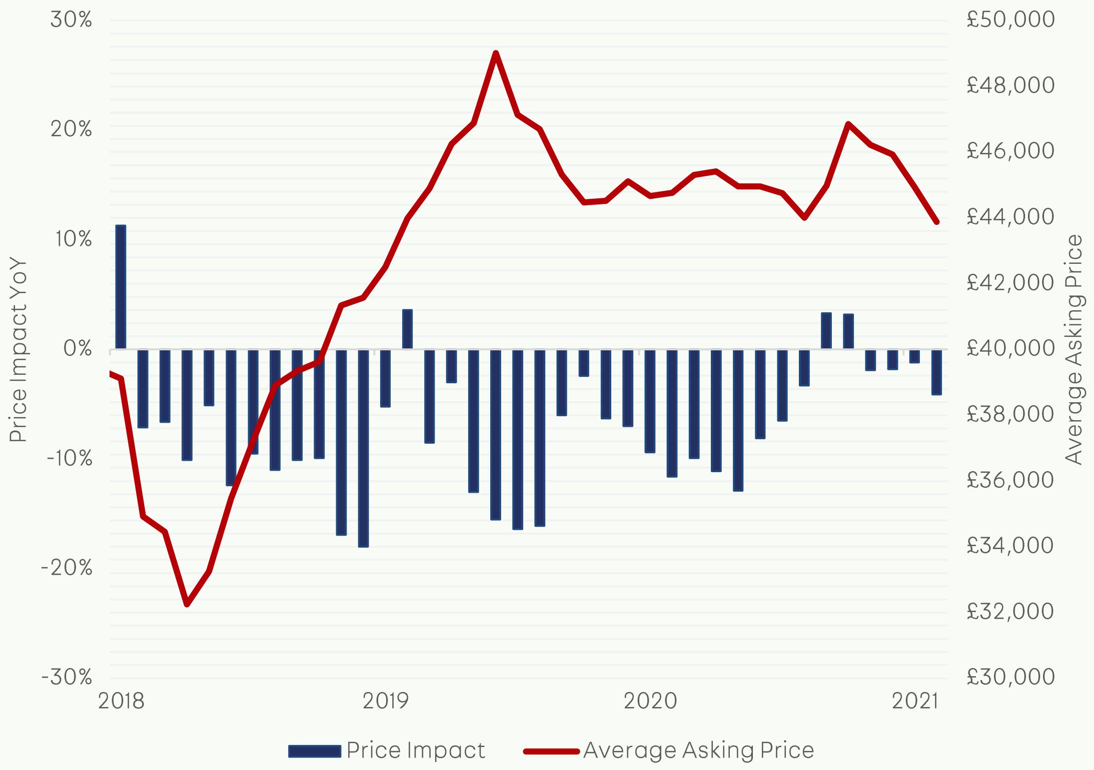
Used EV pricing remains a two sided story; consistent growth in like for like volume EV used car pricing, but largely negative movements for premium EV

USED EV RETAIL PRICE INDEX: VOLUME BRANDS

Jan-2018 to Feb-2021, mix adjusted

USED EV RETAIL PRICE INDEX: PREMIUM BRANDS

Jan-2018 to Feb-2021, mix adjusted



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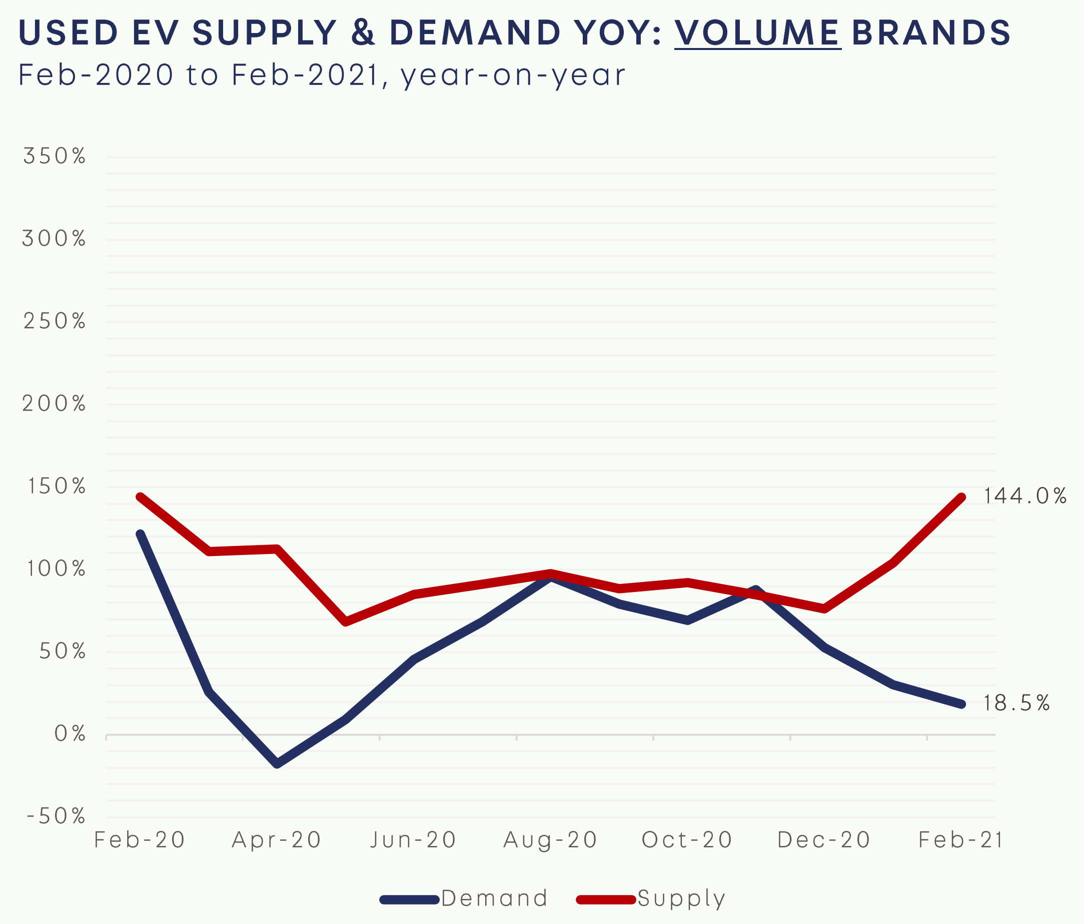
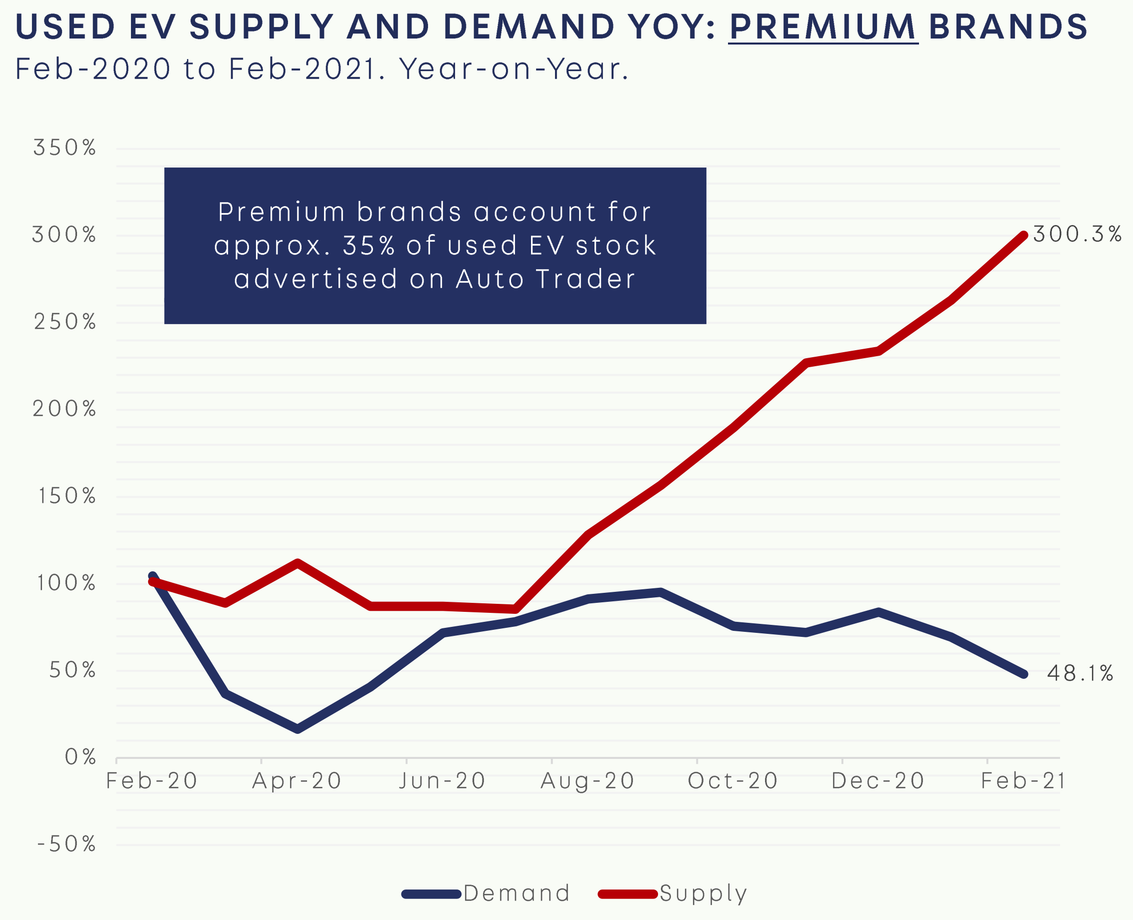
Source: Auto Trader RPI Data

Premium brands: Audi, BMW, Mercedes-Benz, Land Rover, Jaguar, Tesla, Volvo, MINI, DS AUTOMOBILES, Lexus, Abarth & Alfa Romeo

Volume brands: Ford, Volkswagen, Vauxhall, Peugeot, Nissan, Citroen, Kia, Hyundai, MG, Renault, SEAT, SKODA, Honda, Toyota, Fiat, Suzuki, Mazda, Mitsubishi, Smart, Dacia, Jeep & Subaru

Demand for used EVs is growing, but supply continues to increase even faster (particularly in the premium segment) – this presents pricing risks





Source: Auto Trader Market Health Data

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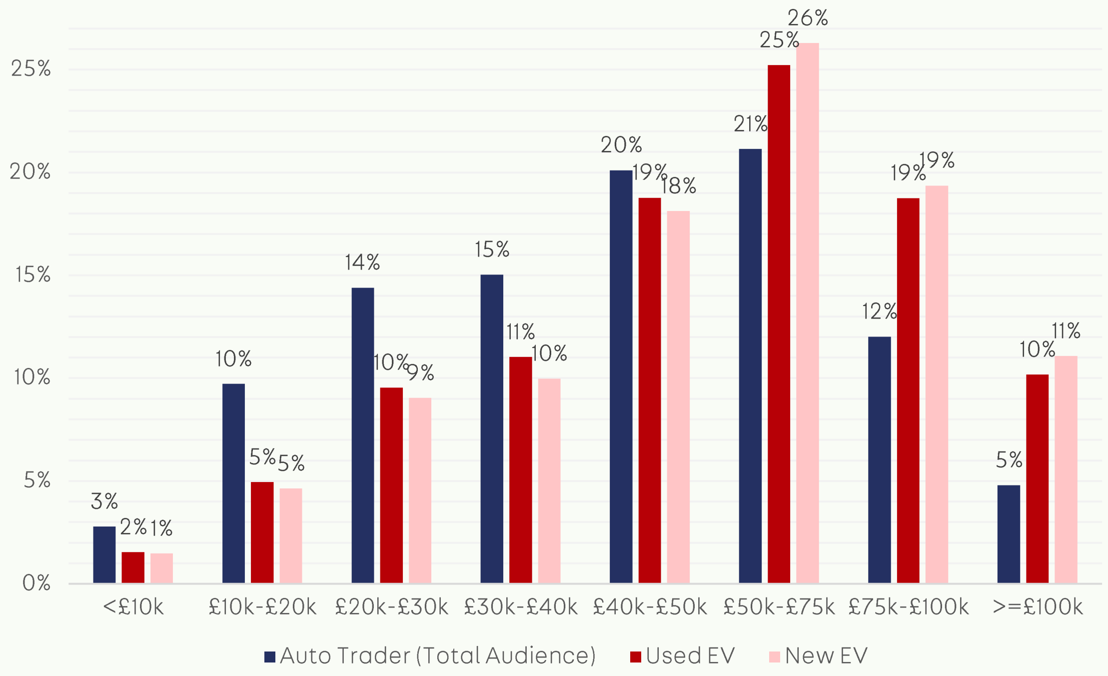
Postcode search data shows that EV buyers are significantly older and wealthier than the average

HOUSEHOLD INCOME DISTRIBUTION (% SHARE)

10/03/2021

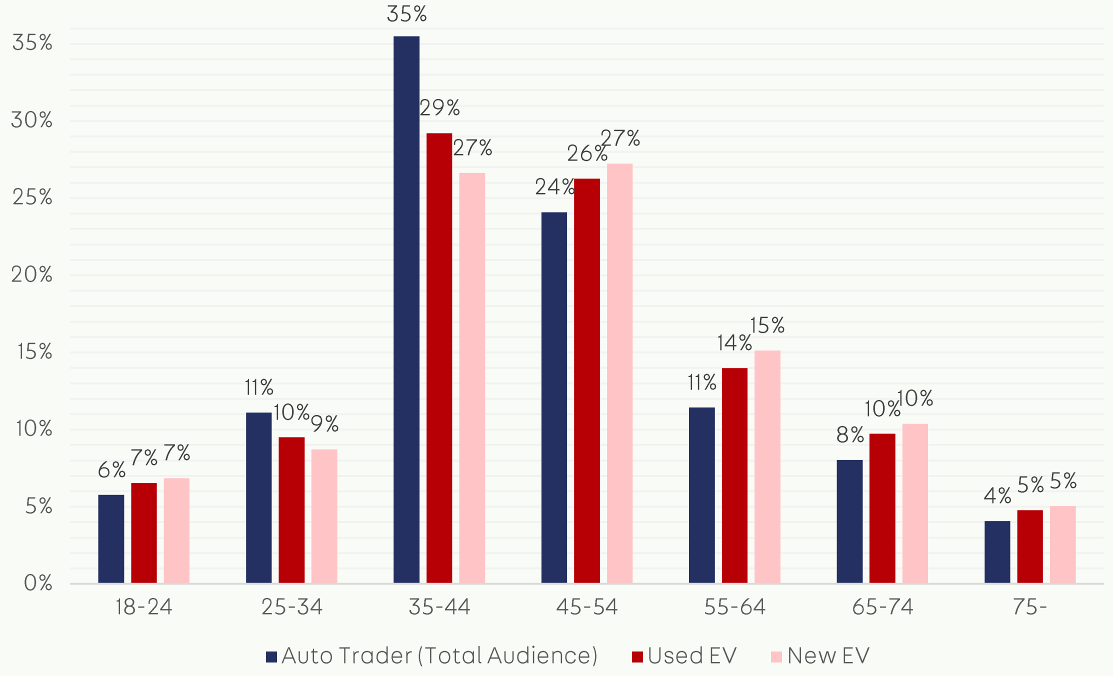
54% of people considering a used EV have an income >£50k
(vs. 57% of new EV buyers and vs. 38% of total AT audience)



AGE MIX (% SHARE)

10/03/2021

29% of people considering a used EV are over 55
(vs. 31% of new EV buyers and vs. 24% of total AT audience)



Source: Auto Trader Demographic Data

The younger used market is often more expensive on a PCP – as the below Renault Zoe example illustrates

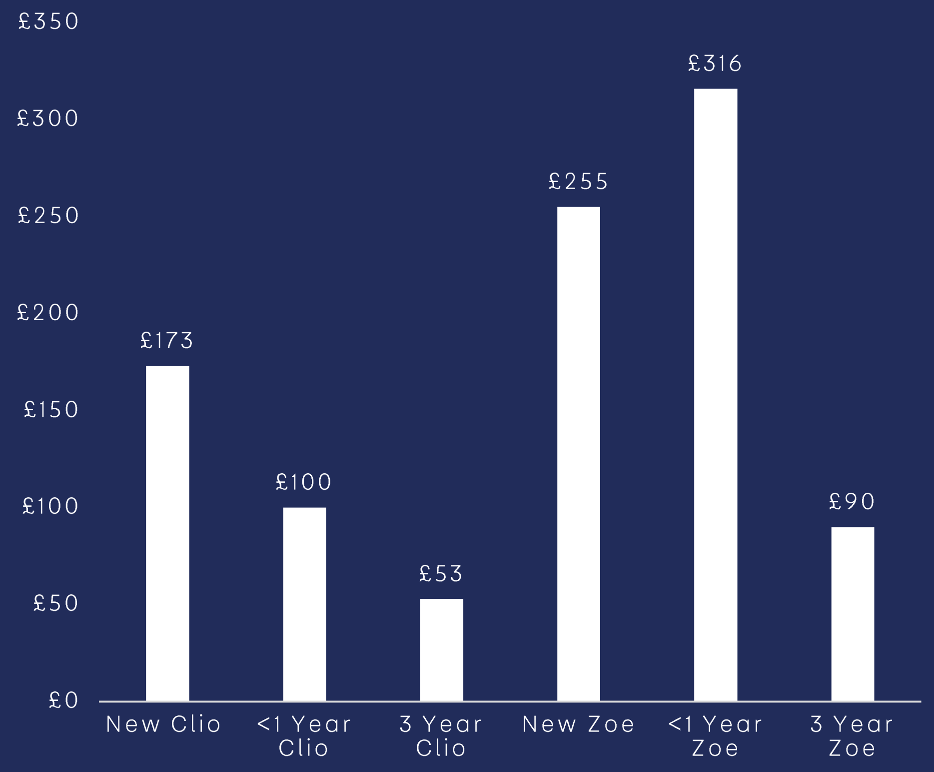
COMPARING FINANCE; NEW, NEARLY NEW, USED

Monthly payment when applying consistent parameters

	New Clio	<1 Year Clio	3 Year Clio	New Zoe	<1 Year Zoe	3 Year Zoe
Monthly Payment	**£173**	**£100**	**£53**	**£255**	**£316**	**£90**
Customer Deposit	£3,750	£3,750	£3,750	£3,750	£3,750	£3,750
Cash Price	£16,595	£12,000	£8,550	£29,995	£22,995	£11,950
Government Grant	-	-	-	£3,000	-	-
OEM Contribution	£1,000	-	-	£3,000	-	-
Total Amount of Credit	£11,845	£8,250	£4,800	£20,245	£19,245	£8,450
Option final payment	£7,001	£6,854	£4,209	£13,029	£11,983	£7,553
Total amount payable	£17,994	£14,209	£9,866	£28,966	£27,143	£14,286
Duration	37 months	37 months	37 months	37 months	37 months	37 months
Representative APR	4.9% APR	9.9% APR	9.9% APR	3.9% APR	8.9% APR	9.9% APR
Annual Mileage	10,000 miles	10,000 miles	10,000 miles	10,000 miles	10,000 miles	10,000 miles

MONTHLY PAYMENT COMPARISON (PCP)

£3,750 deposit, 10k miles p/a, 3 years



Source: Autotrader.co.uk, Renault.co.uk

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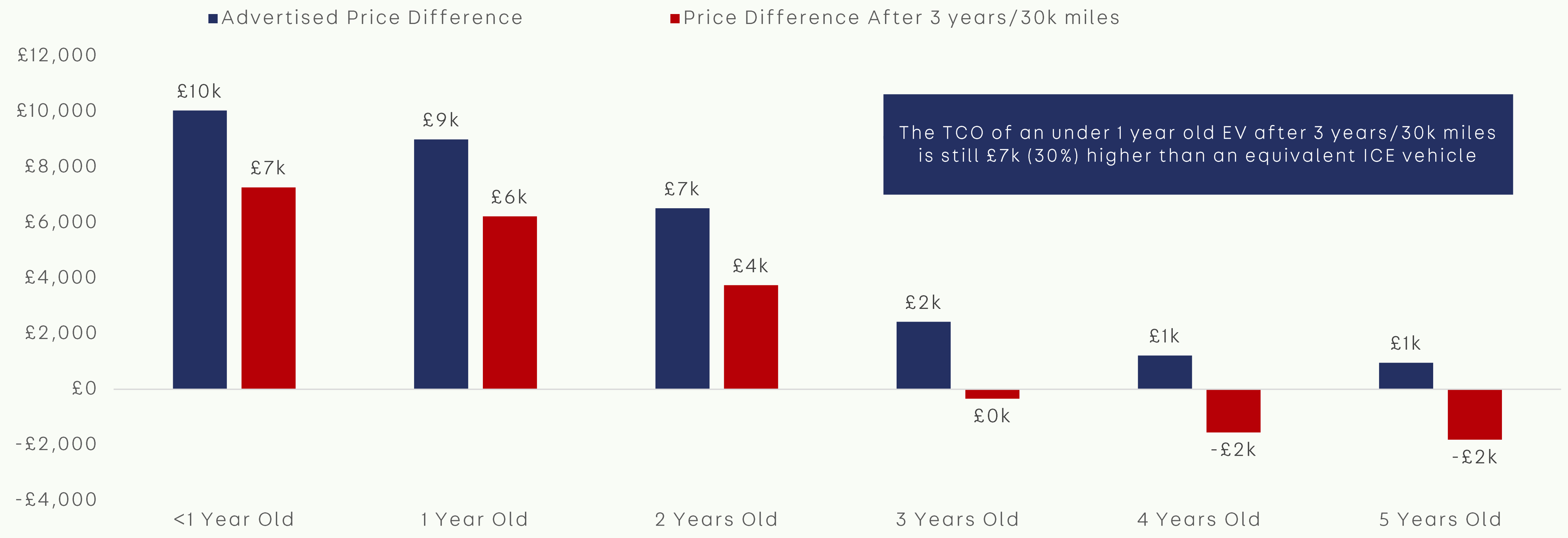
Adding servicing costs, insurance and VED to determine the TCO does not achieve price parity either – except on older EV's – this is a 'green premium'[1]

TOTAL COST OF OWNERSHIP AFTER 3 YEARS/ 30K MILES

Volume brand hatchback. Total cost including the advertised price, fuel, insurance, VED, reg fee and servicing.



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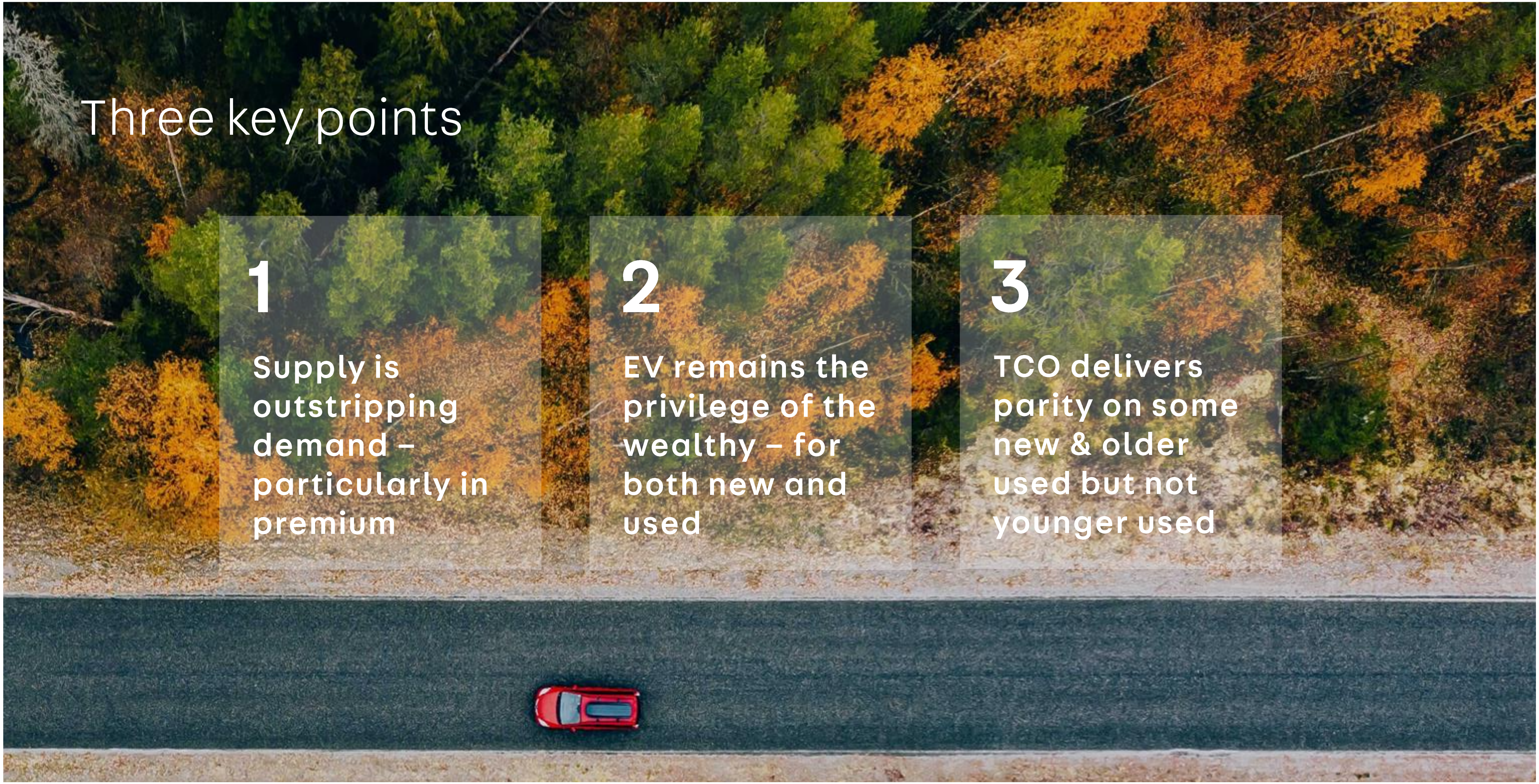
Source: Auto Trader Data

[1] Bill Gates describes these costs as 'green premiums' (How to Avoid a Climate Disaster, 2021)



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APPENDIX

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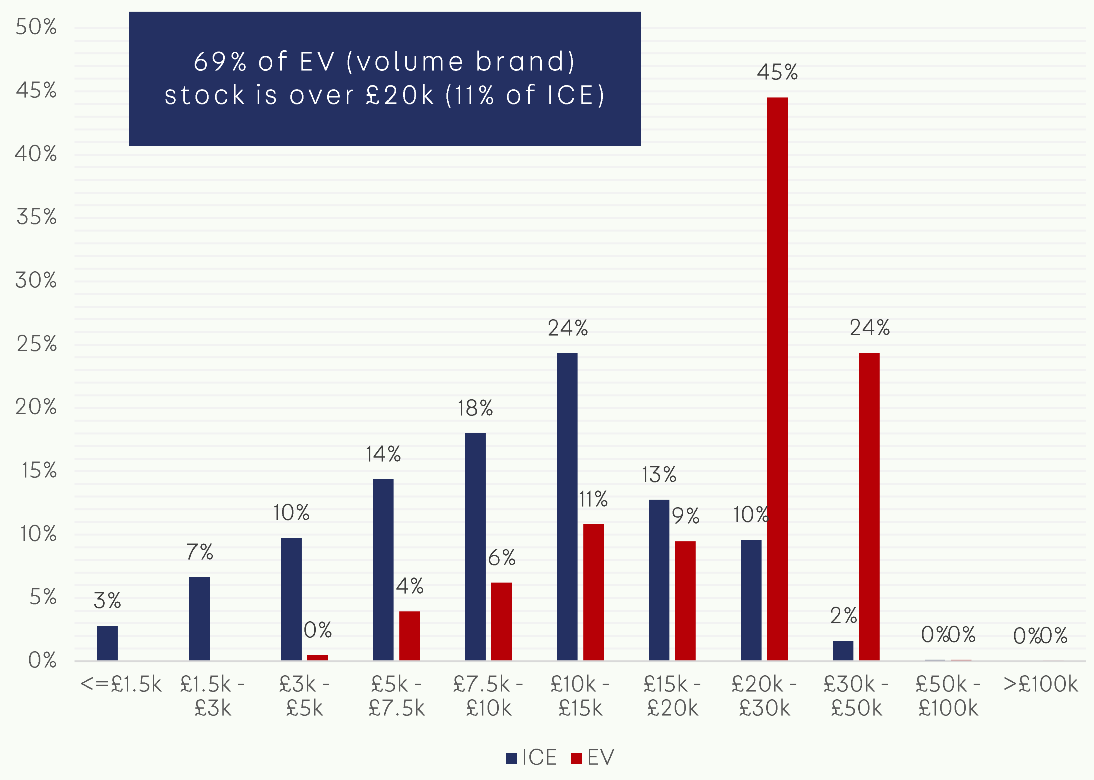
Optically electric vehicles are sat in much higher pricing bands, partly due to the age cohort of stock

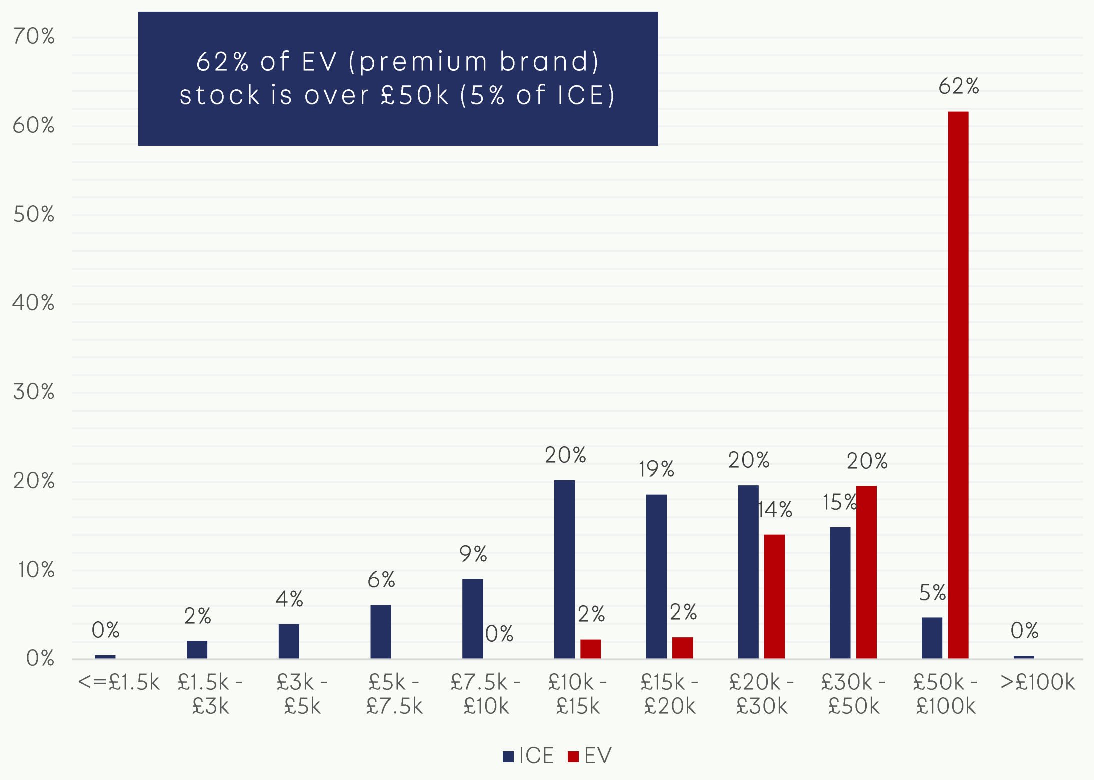
SHARE OF STOCK BY PRICE BAND: VOLUME BRANDS

1st Feb. New and used cars advertised on site.



SHARE OF STOCK BY PRICE BAND: PREMIUM BRANDS

1st Feb. New and used cars advertised on-site.



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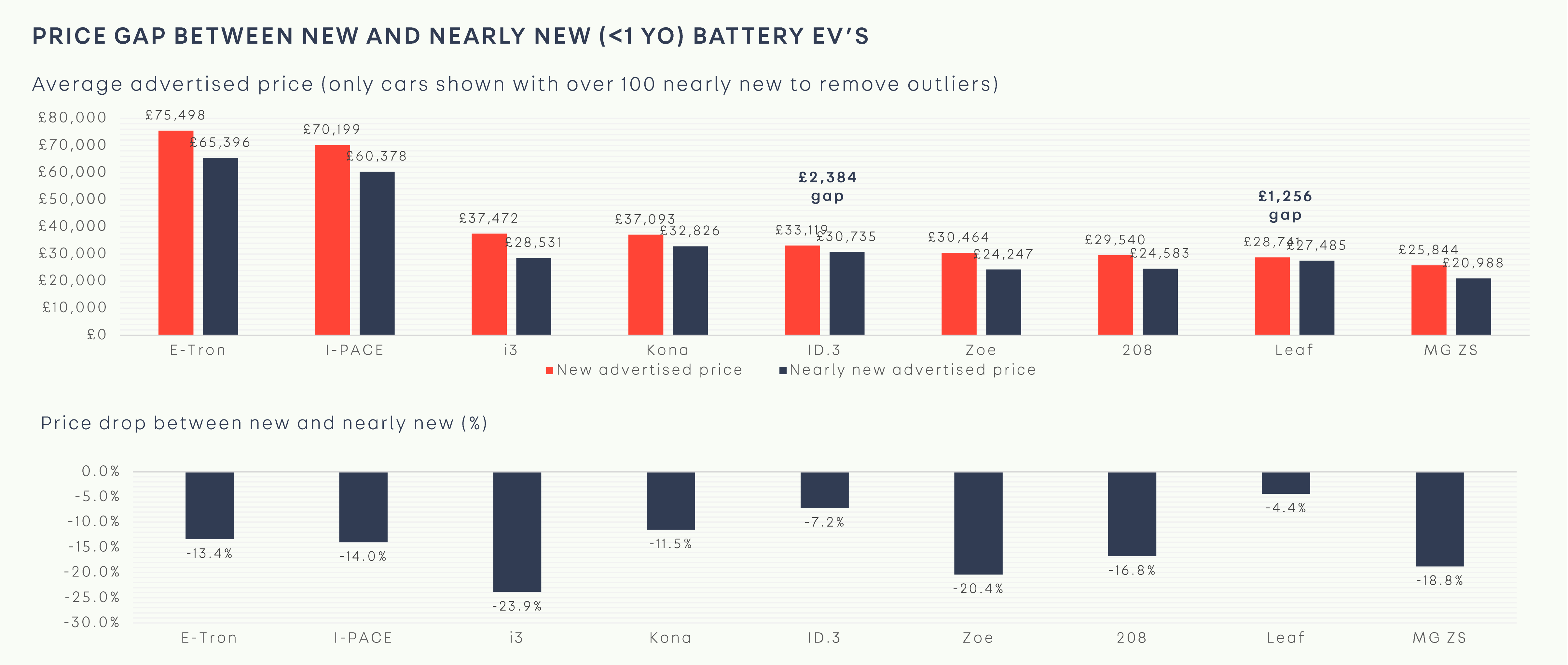
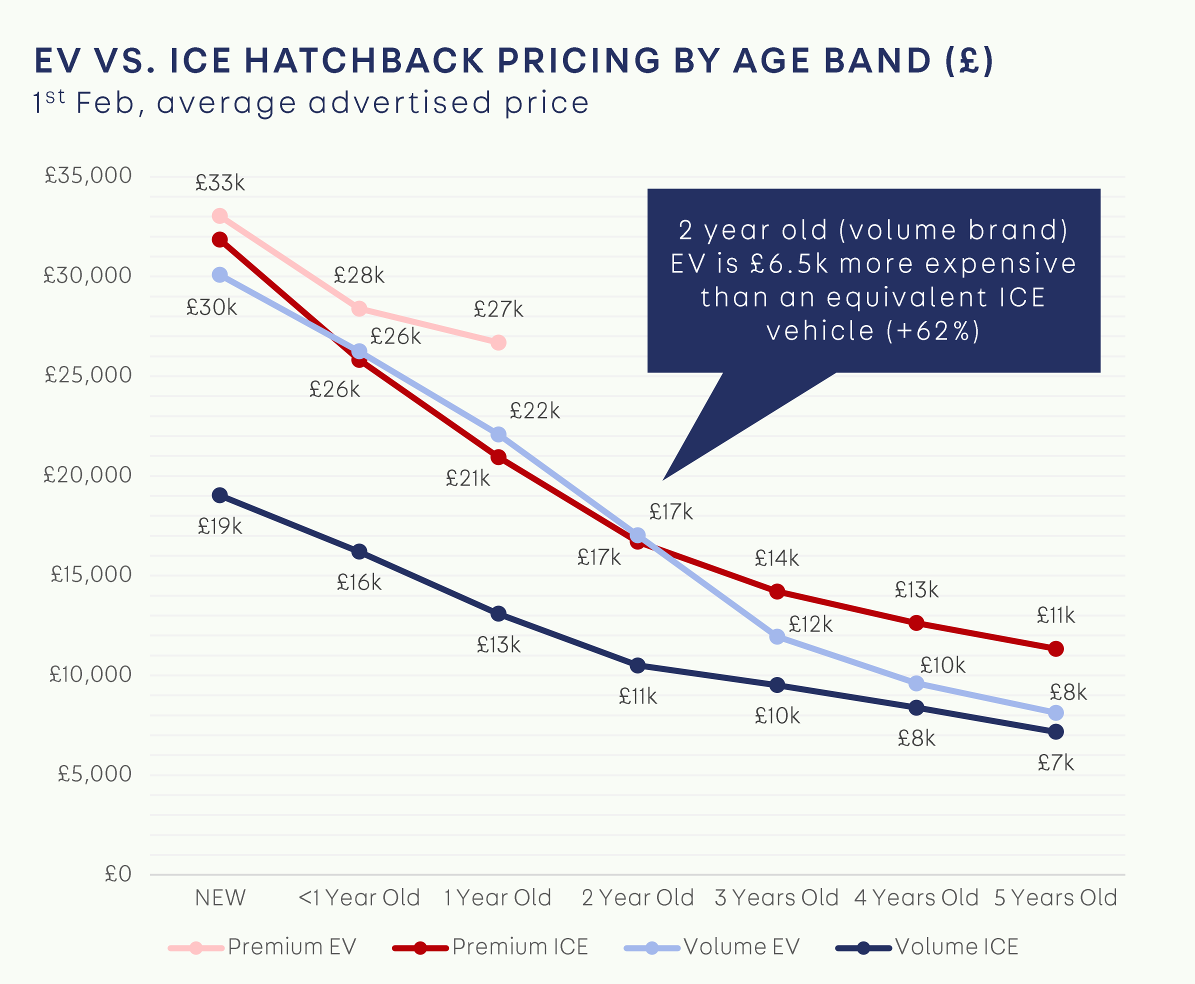
Source: Auto Trader Advertised Stock Data

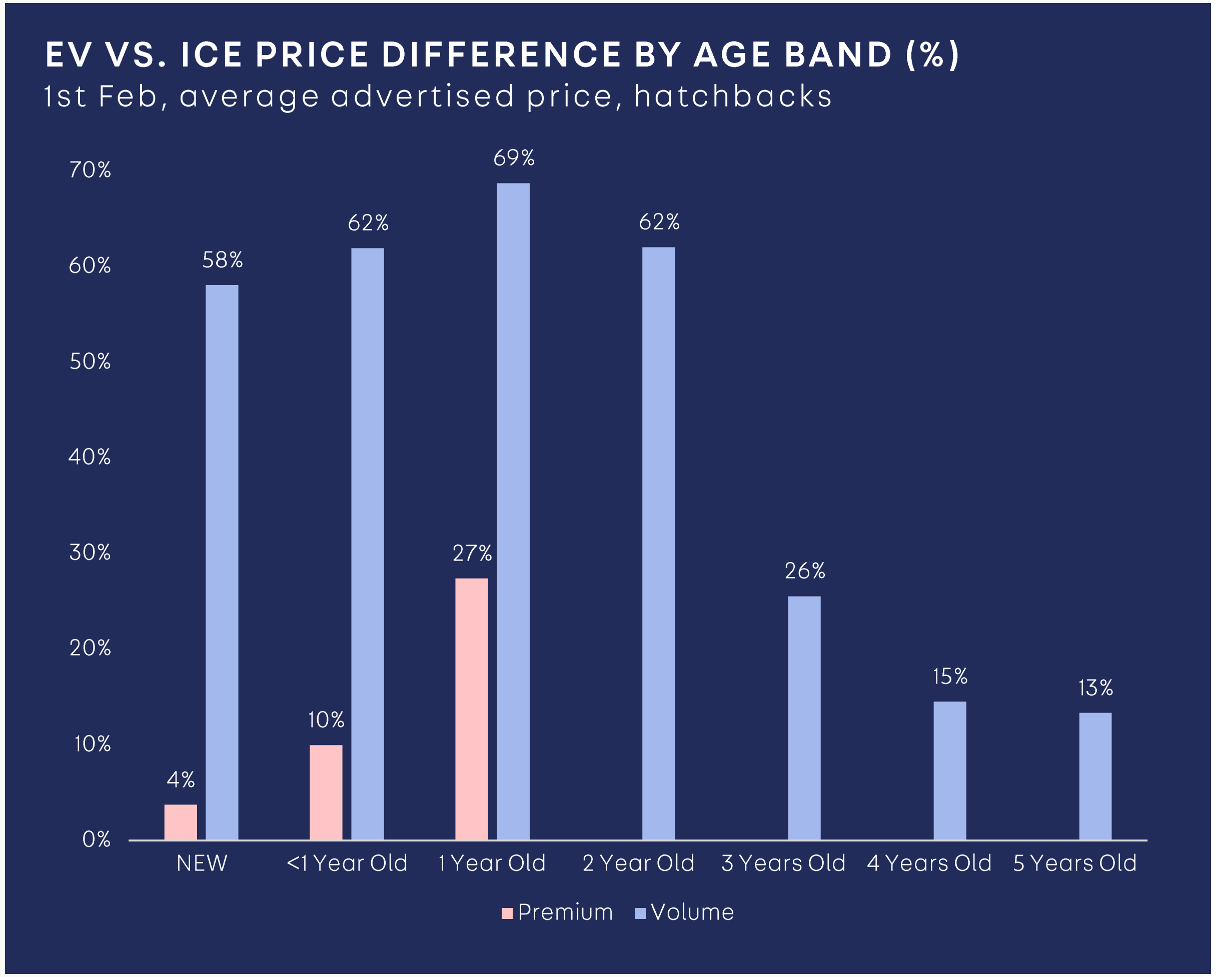
We also have concerns that the price gap between new and nearly new cars on specific models is causing part of the problem



Source: Auto Trader internal data

Younger used EV is considerably more expensive than an equivalent ICE vehicle, with the gap much closer on >3yo cars





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Source: Auto Trader Advertised Stock Data