



# THE ROAD TO 2030

The coming explosion in used EVs

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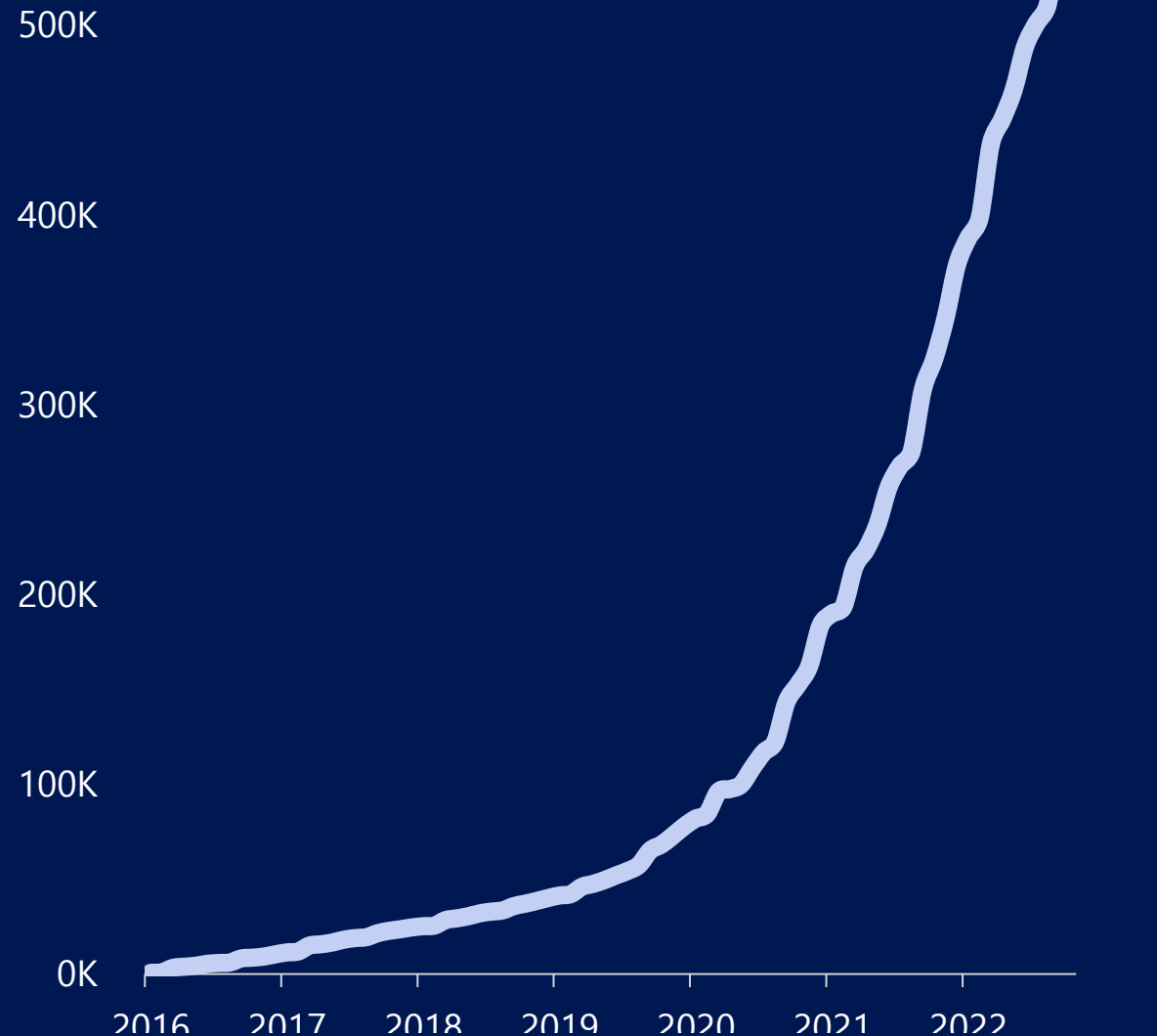


# THE ROAD TO 2030

- > A stalling new EV market as electricity prices surge
- > The rapid acceleration of EVs entering the used car market
- > The impact on used EV pricing and residual values

New EV sales skyrocketed during the pandemic

CUMULATIVE UK NEW EV SALES 2016 TO OCTOBER 2022



# 2022 will have seen even greater efforts made



Gov' funding for  
local authorities



More retailers  
stocking EVs

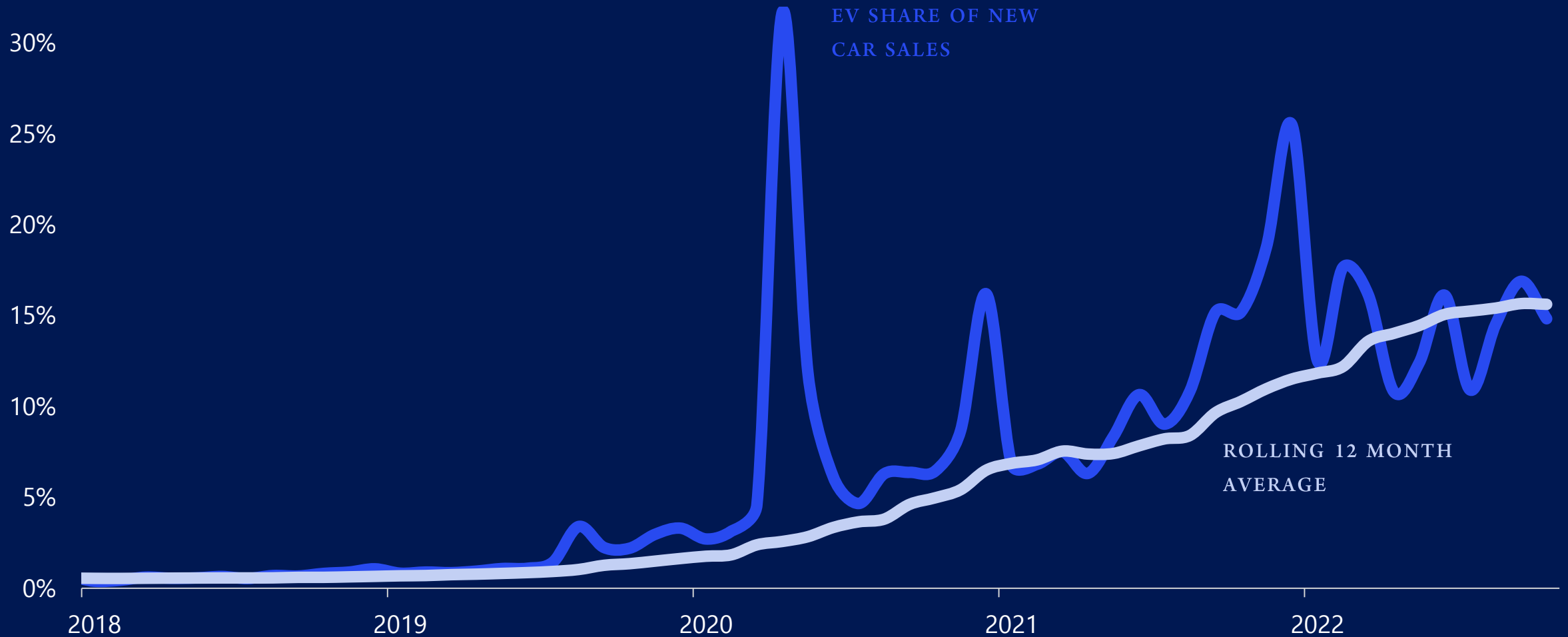


More launches  
and more choice



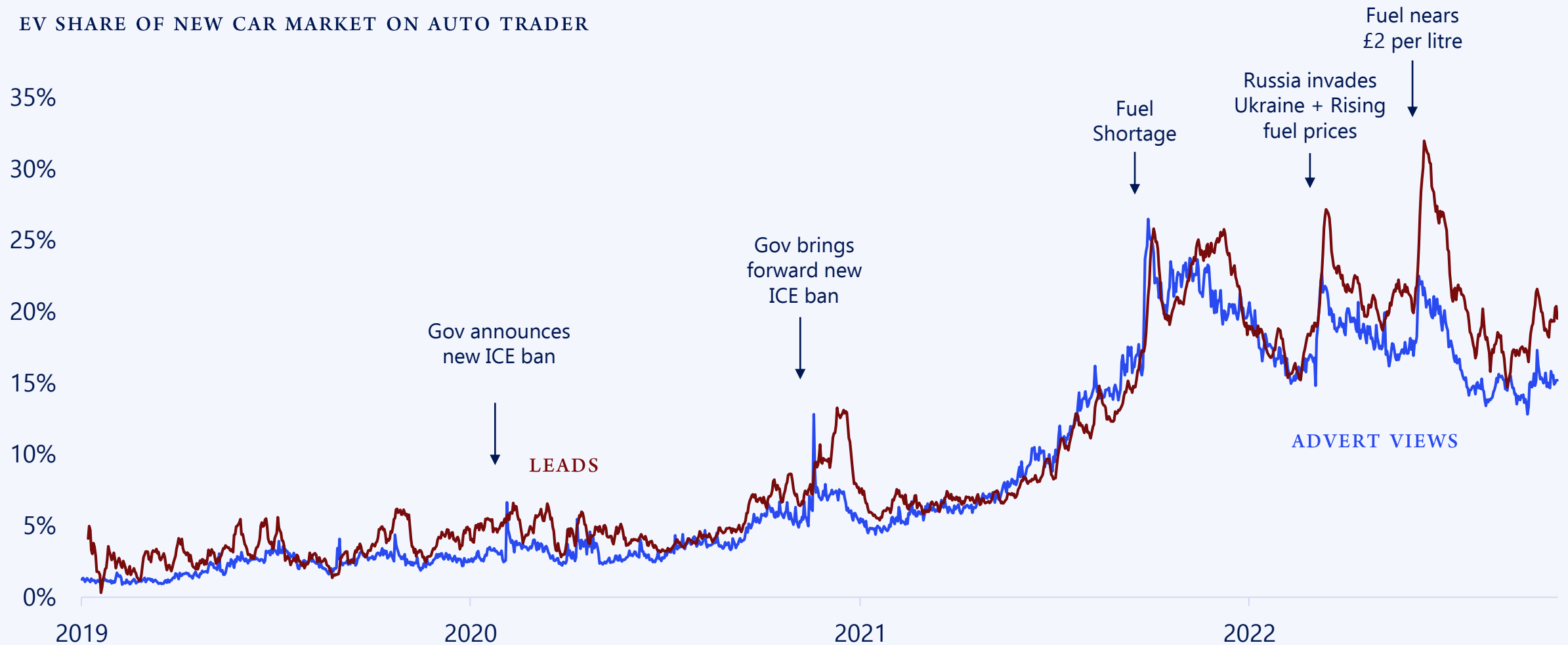
A new electric car  
will have launched  
*every week* in 2022

But progress has slowed in CY22 with EVs only accounting for 1 in 7 new car sales towards the end of the year.



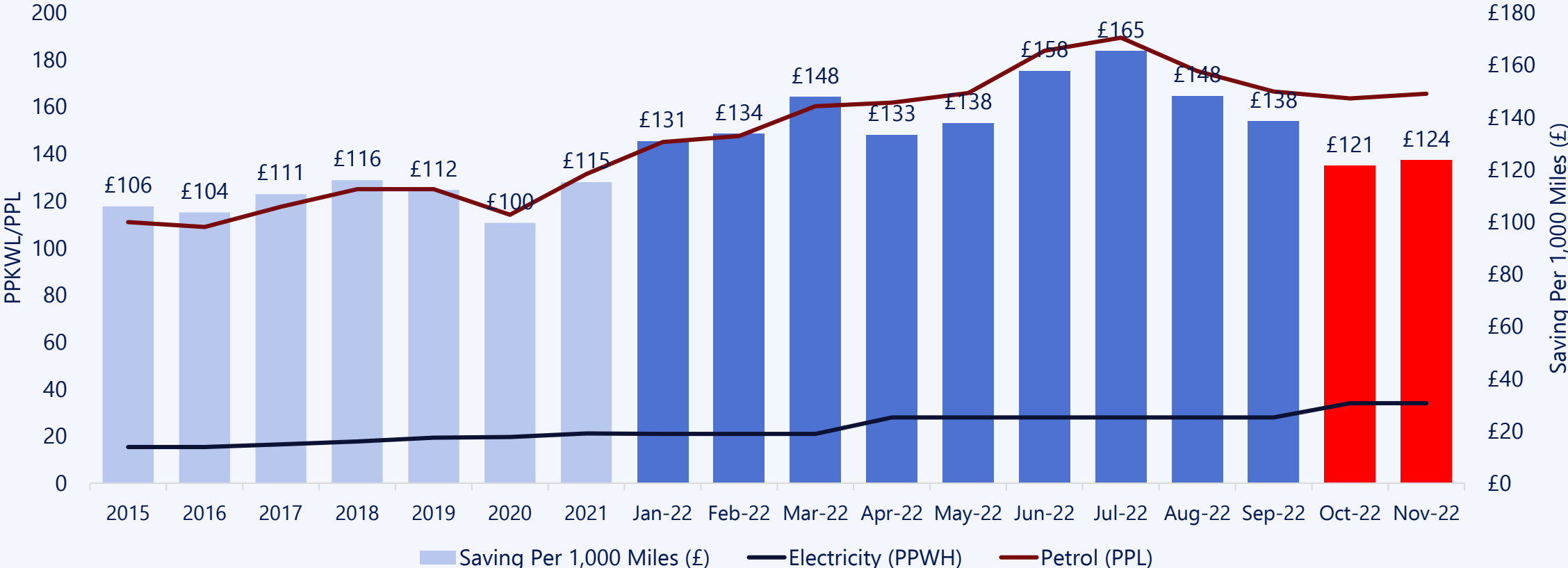
# Rising electricity prices has slowed demand for new EVs as fuel sensitivity continues to have a major impact on searches.

EV SHARE OF NEW CAR MARKET ON AUTO TRADER

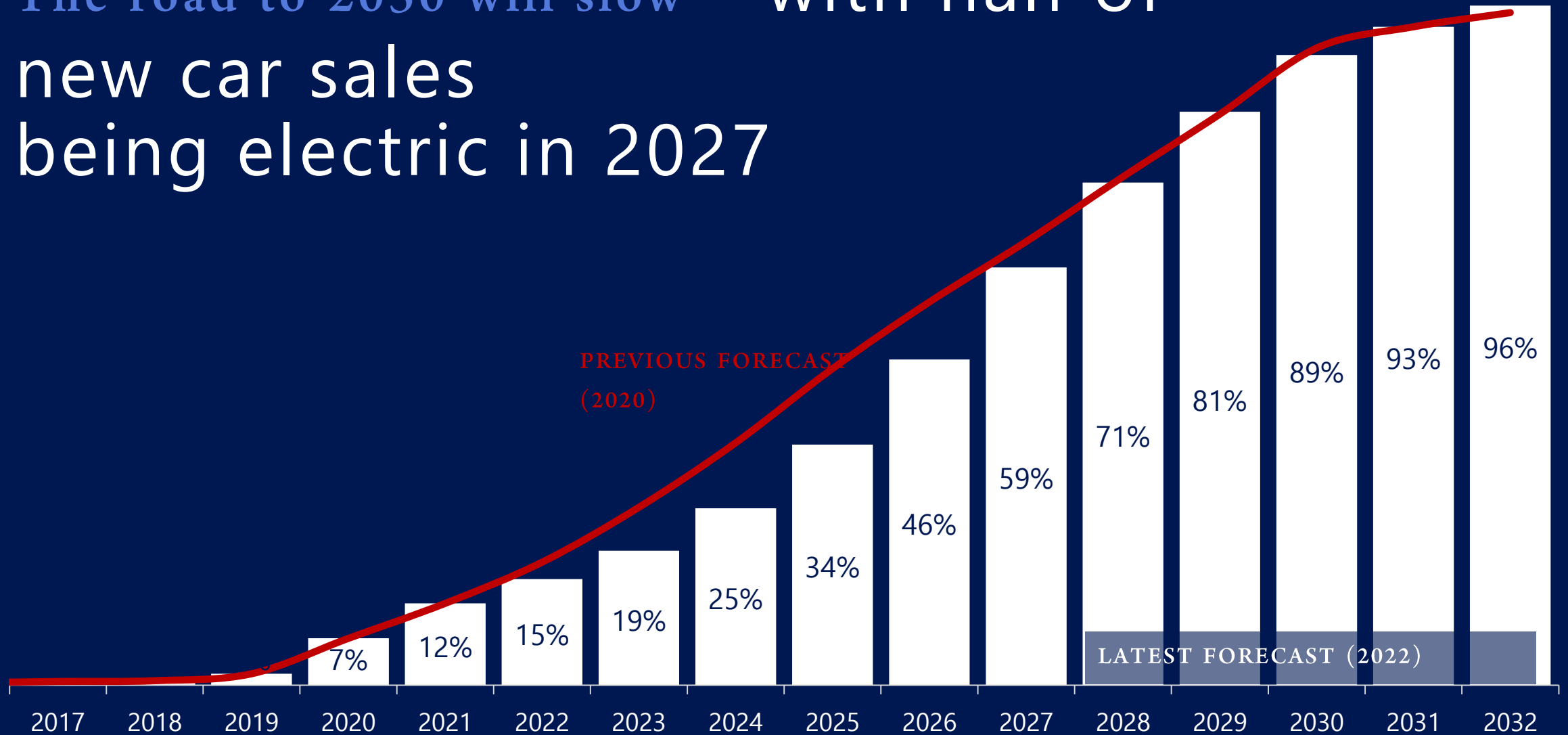



# The government energy cap has supported the saving from running an EV – without it, the saving would have dropped to £80.

SAVING PER 1K MILES ON RUNNING COSTS (FUEL, SERVICING, INSURANCE, VED)  
 Analysis of 21 EVs and 21 ICE vehicles.



# The road to 2030 will slow – with half of new car sales being electric in 2027

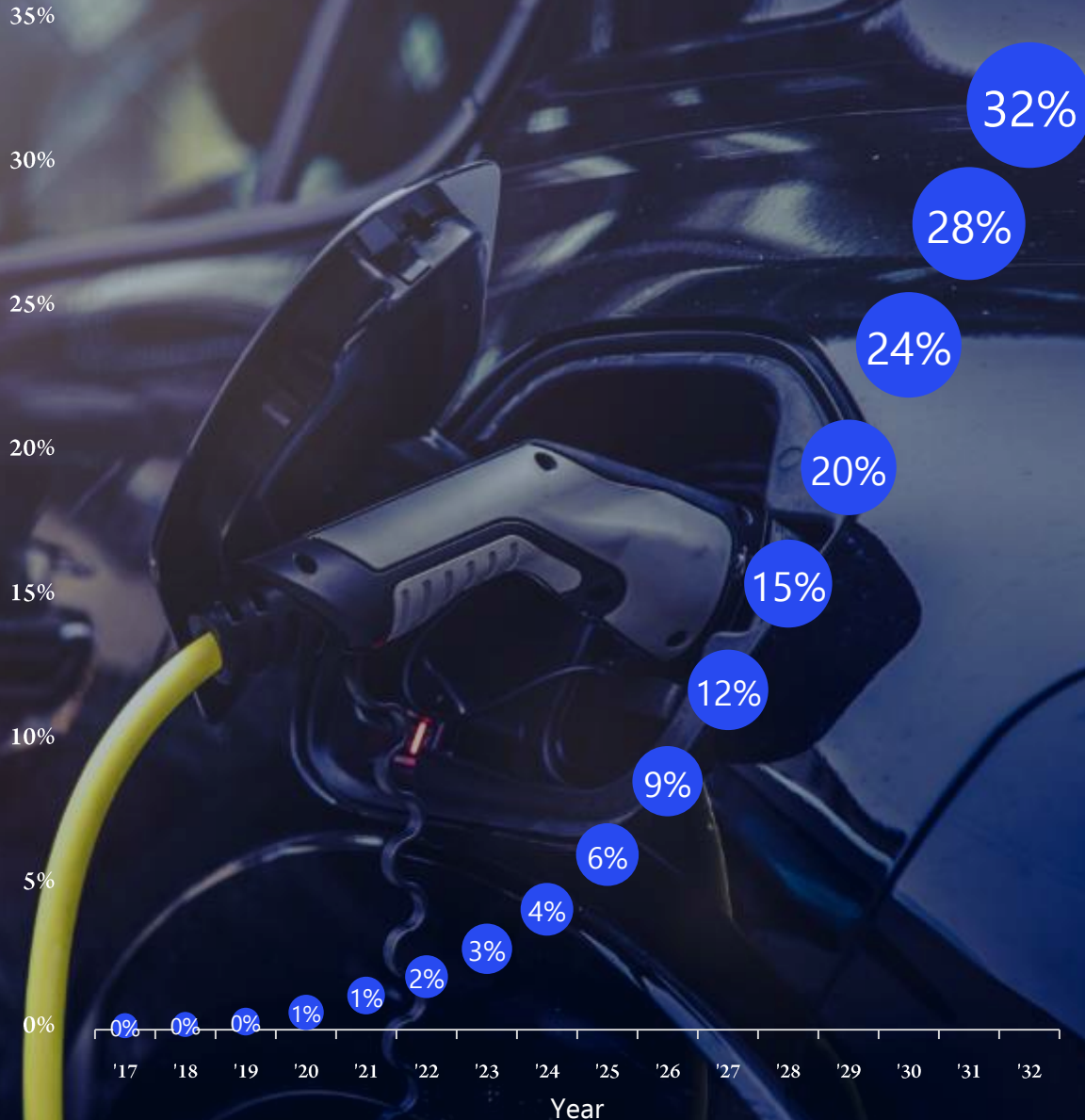




The number of EVs on the road and entering the used car market will  
accelerate

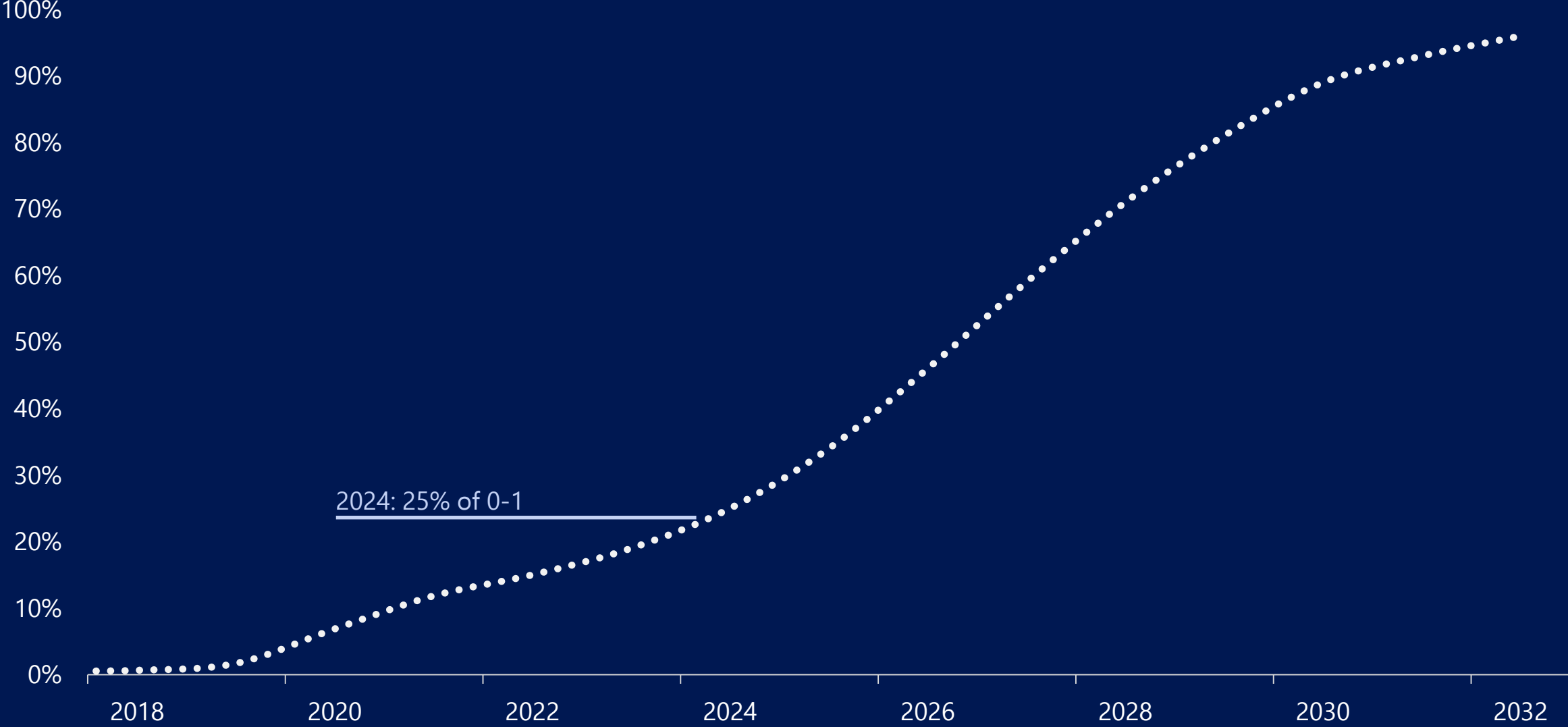
By 2030, nearly a quarter of cars on the road will be electric.

ELECTRIC SHARE OF BRITISH CAR PARC

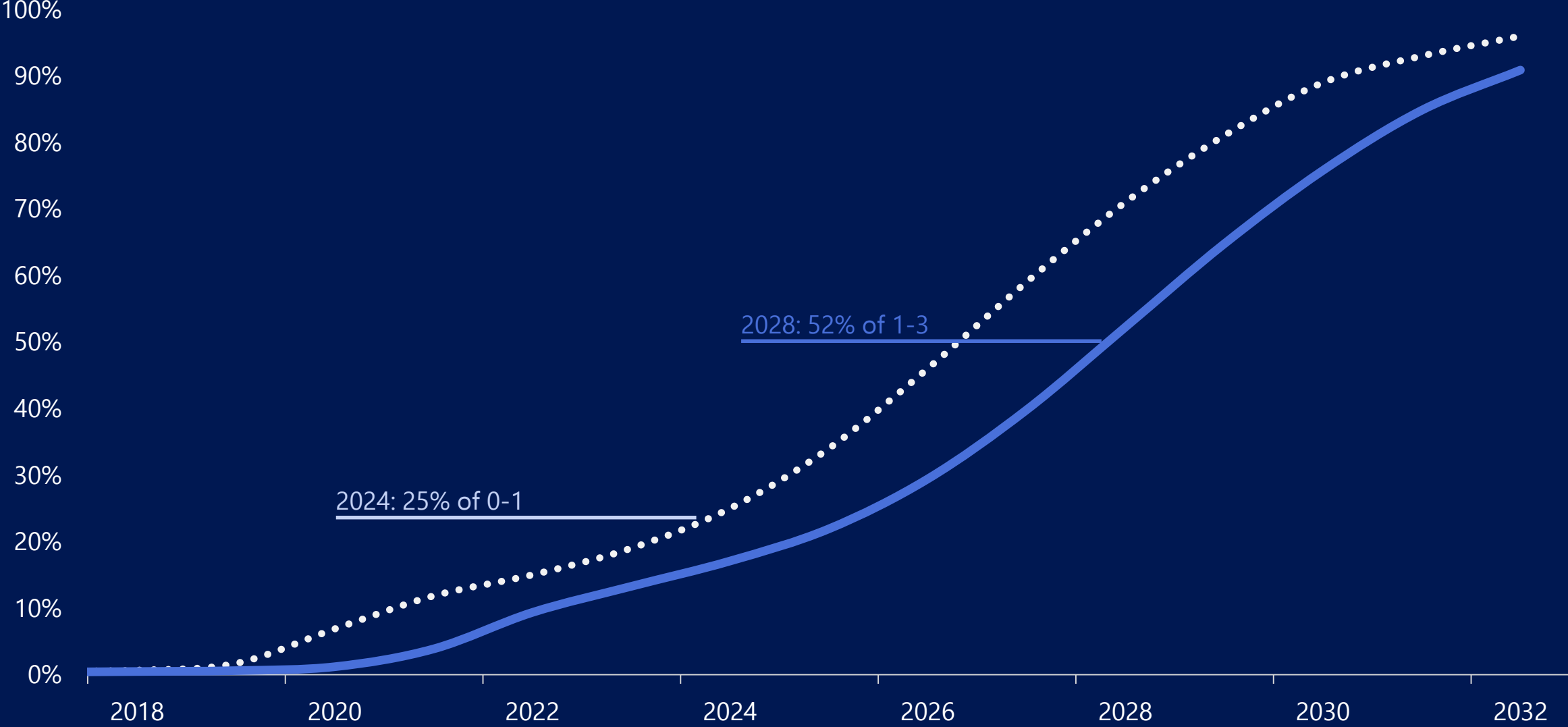


Source: DVLA. Auto Trader estimates. October 2022 modelling

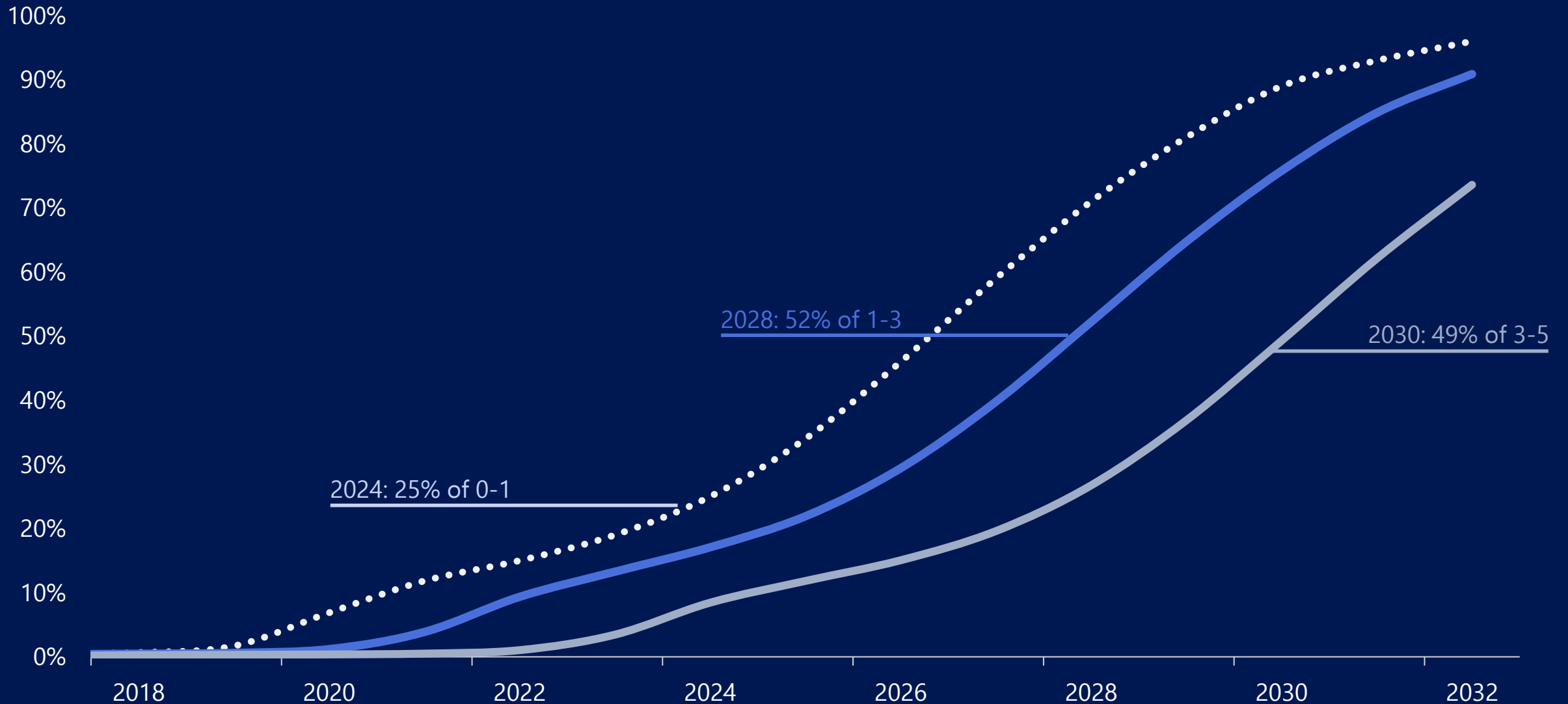
# Different age cohorts hit key milestones through the decade



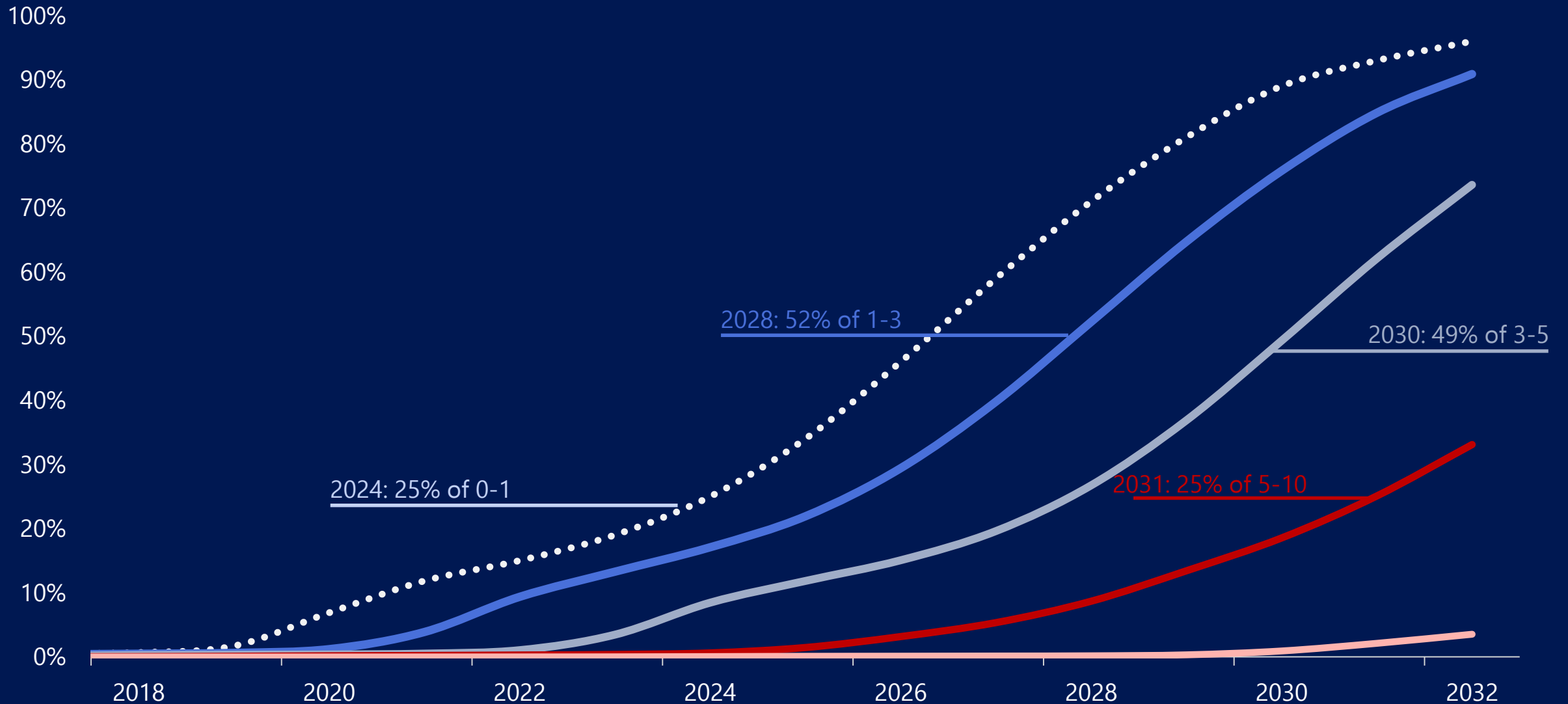
# Different age cohorts hit key milestones through the decade



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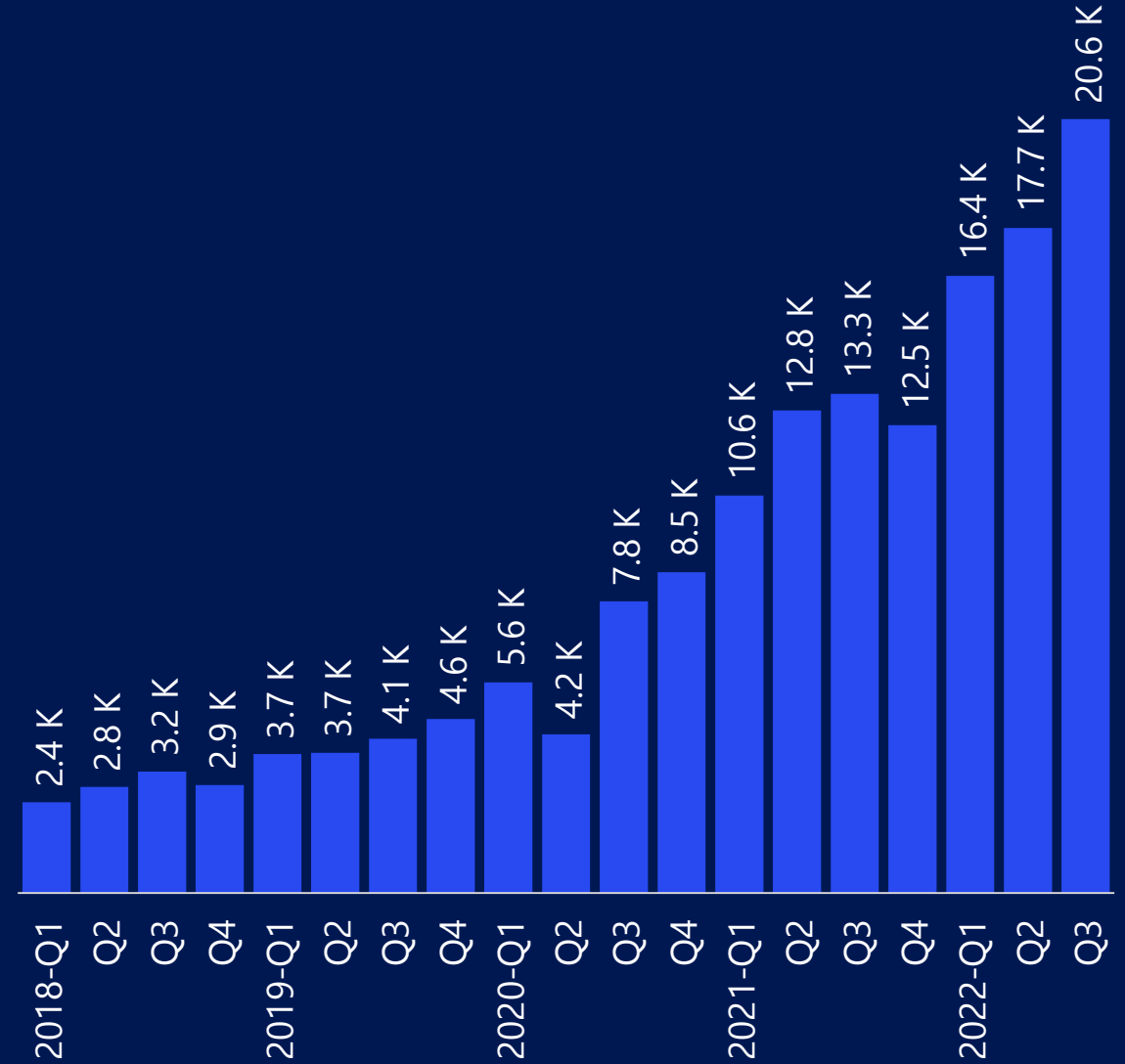


# Different age cohorts hit key milestones through the decade



# Used EV stock is growing rapidly

## USED EV STOCK ON AUTO TRADER FRANCHISE & INDEPENDENT RETAILERS

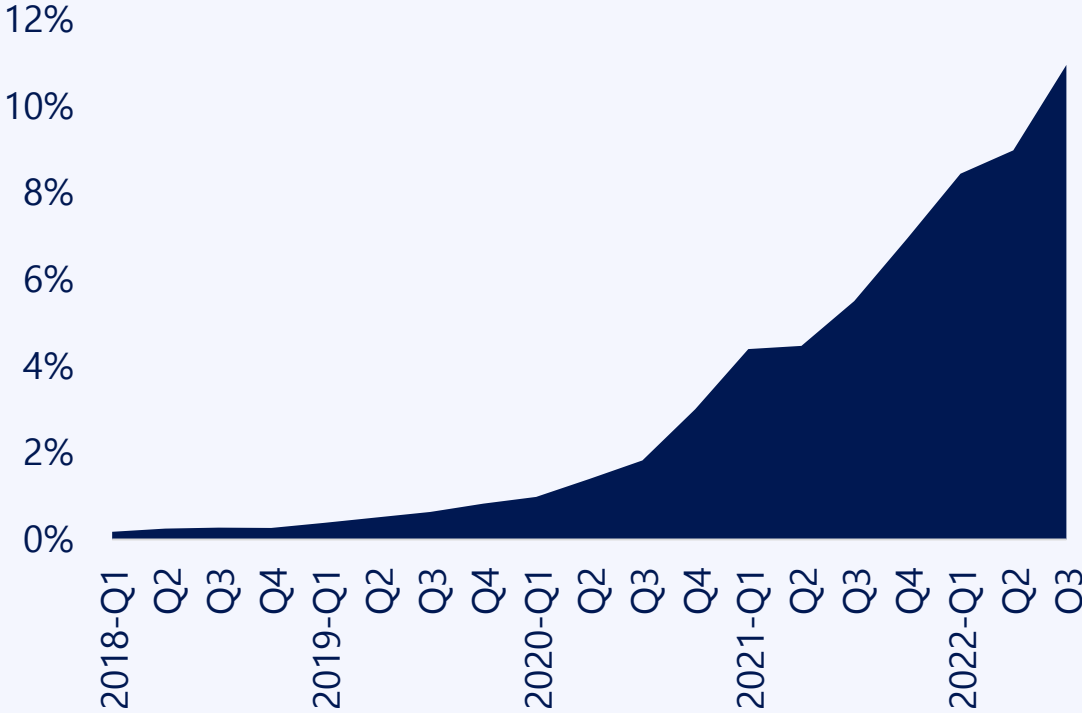


EV penetration is increasing even faster in younger stock profiles.

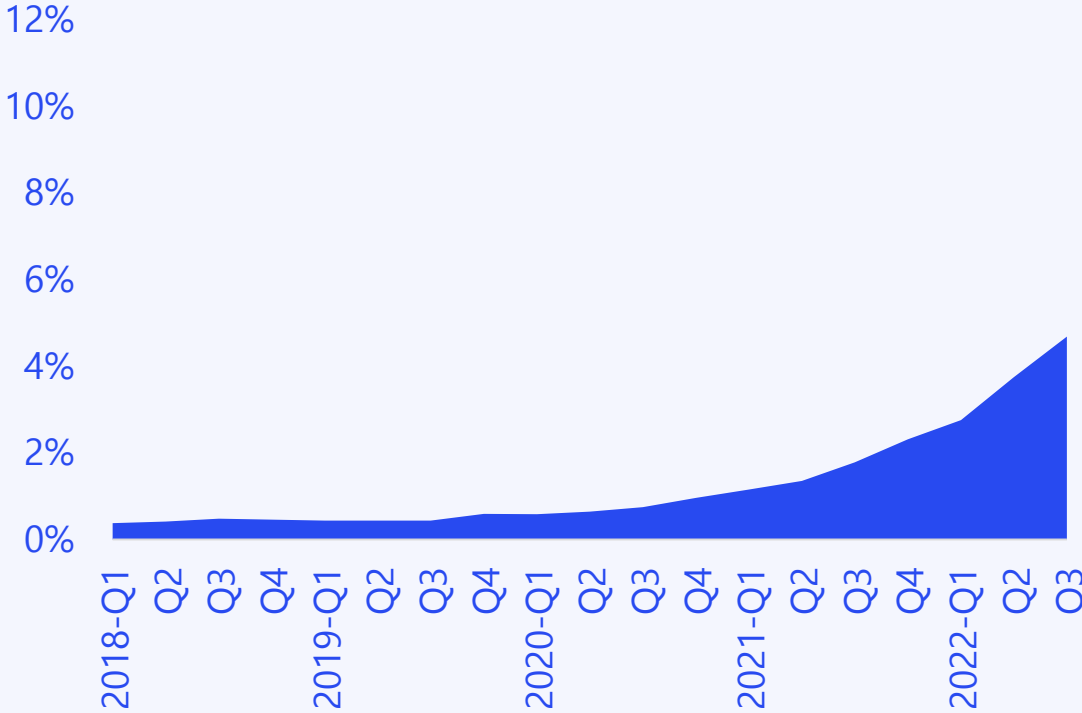
In Q3, 11% of <1 year old stock advertised on Auto Trader was electric

ELECTRIC SHARE OF USED CAR STOCK ON AUTO TRADER

Electric share of <1 year old stock



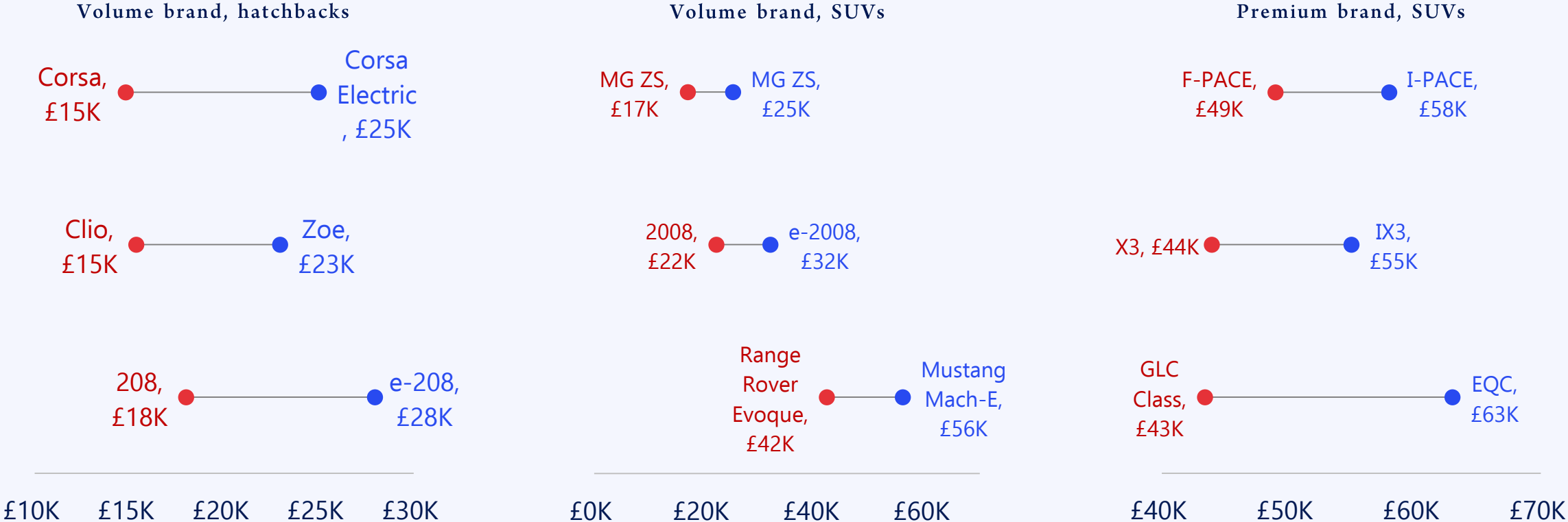
Electric share of 1-3 year old stock



# The used EVs entering the market are not affordable: they're often £10k more expensive than equivalent petrol or diesel cars.

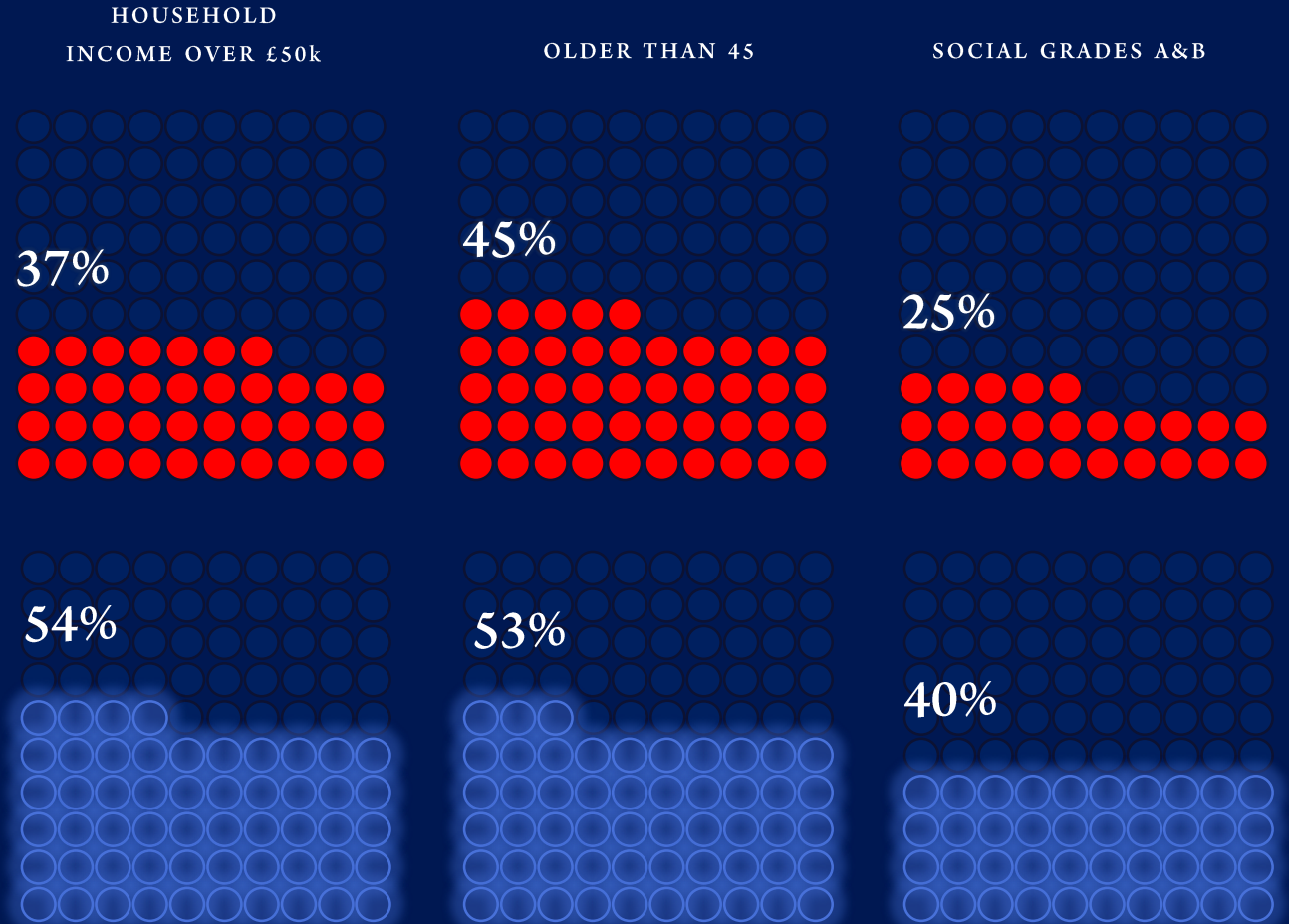
## PRICE OF A USED ICE VS. PRICE OF A USED EV

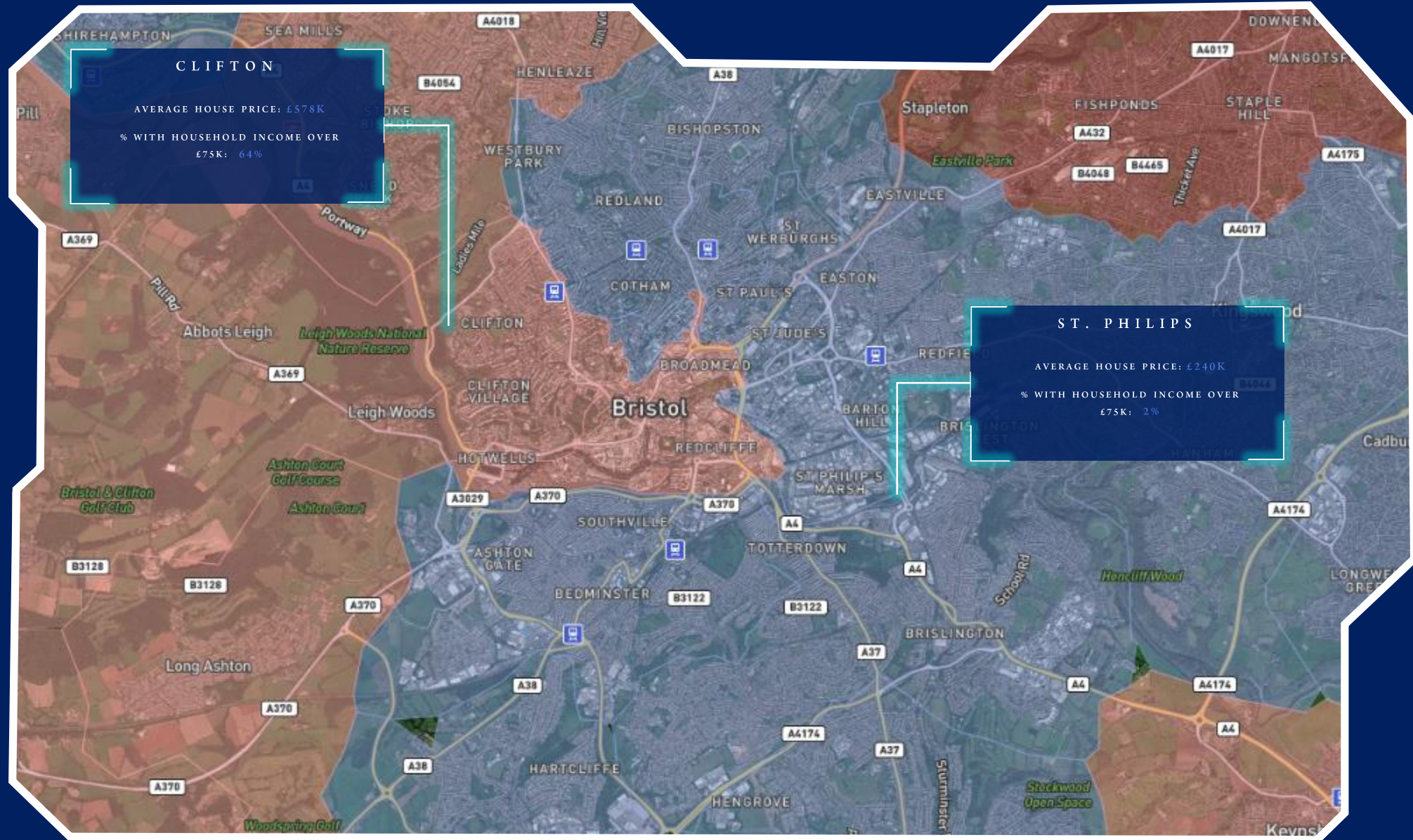
1 year old cars advertised between August and October. Average retail price.



# The people looking at used EVs are older, wealthier and more affluent.

- Auto Trader audience
- Used EV audience on Auto Trader





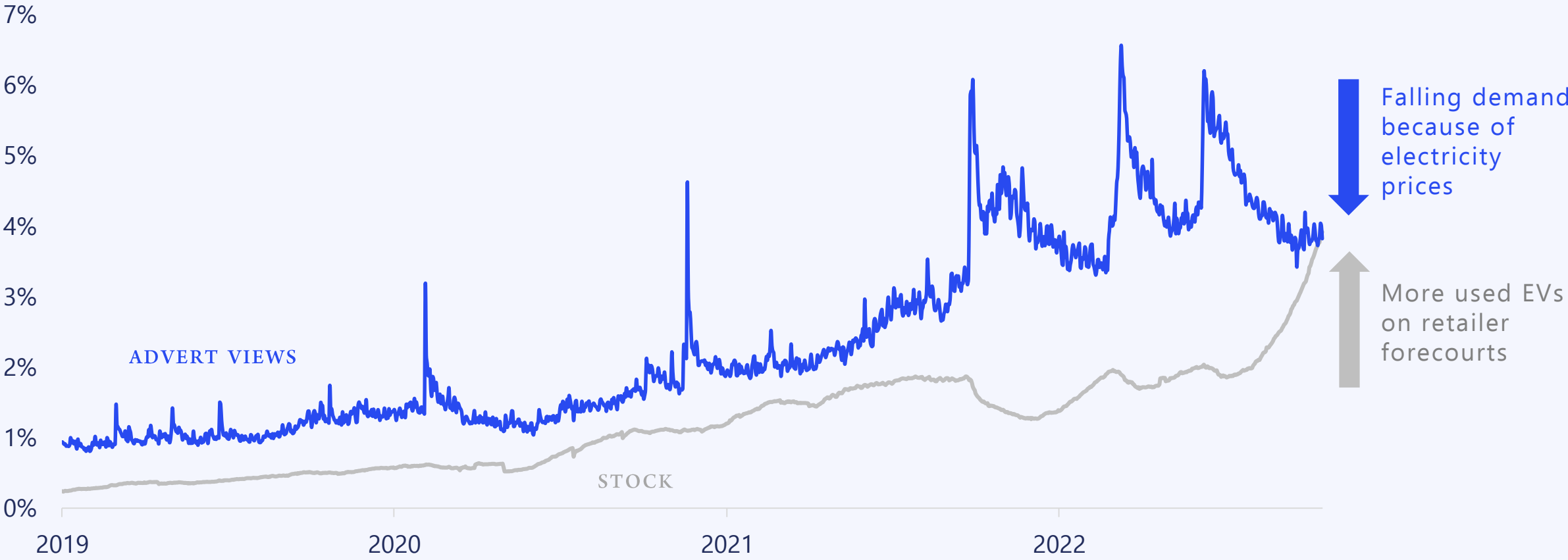
BRISTOL



There's a risk  
that mainstream  
buyers are left  
behind

# For the first time in over 4 years, supply has overtaken demand as market dynamics worsen.

EV SHARE OF USED CAR STOCK AND ADVERT VIEWS ON AUTO TRADER  
0-5 years old.



# Major implications for the remarketing sector



Speed of sale



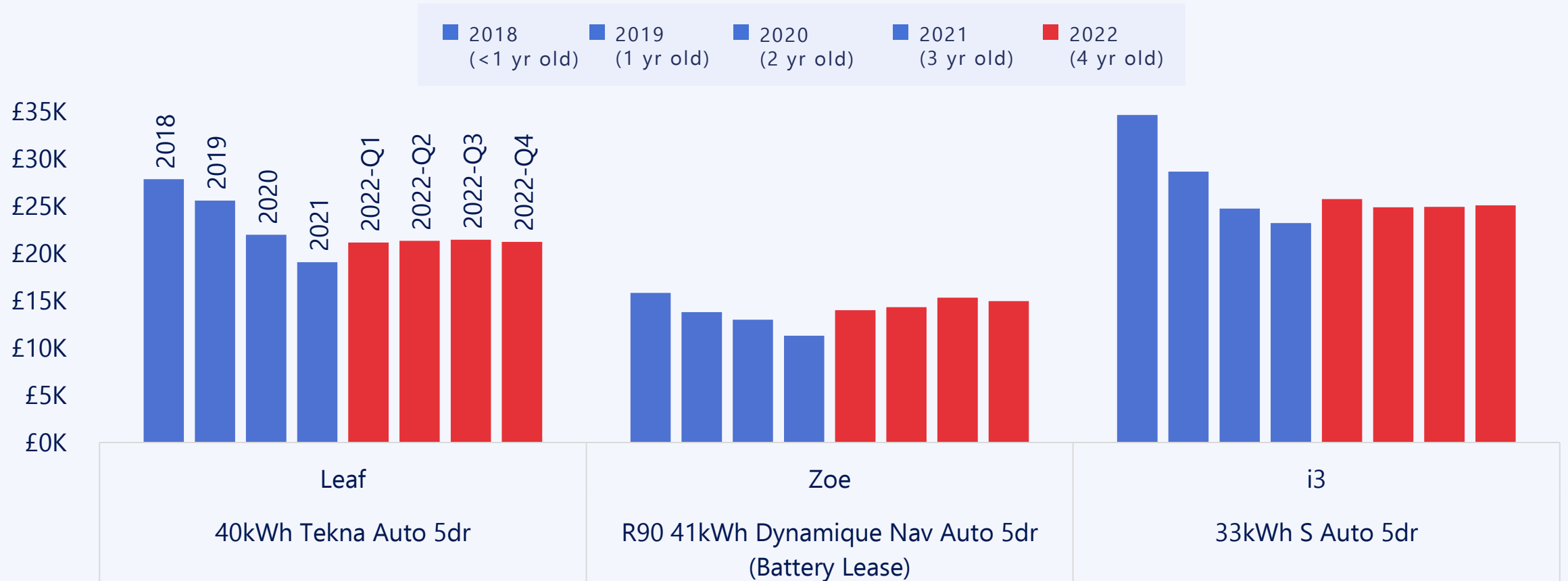
Pricing



Used EV values  
have been  
stronger than  
many expected

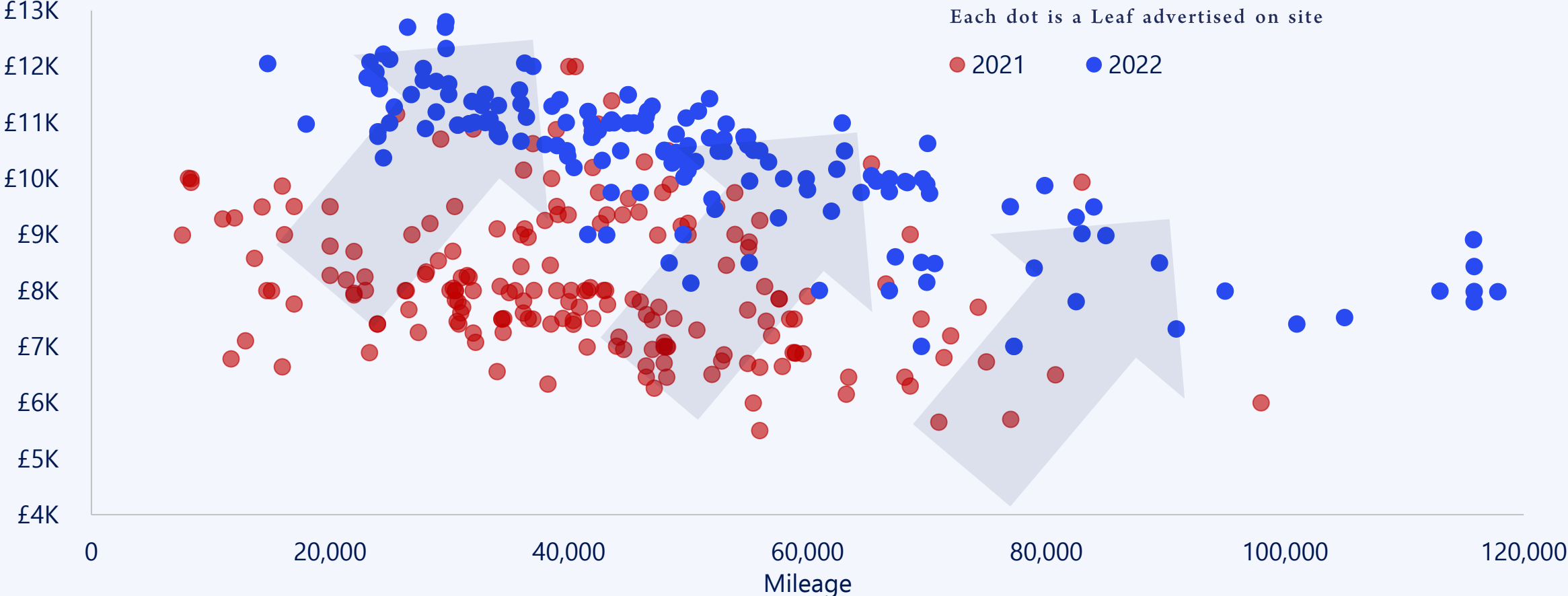
# Used car prices have been exceptionally strong in recent years. Some electric cars are worth more today than 2 years ago.

CARS REGISTERED IN 2018: USED PRICES OVER TIME



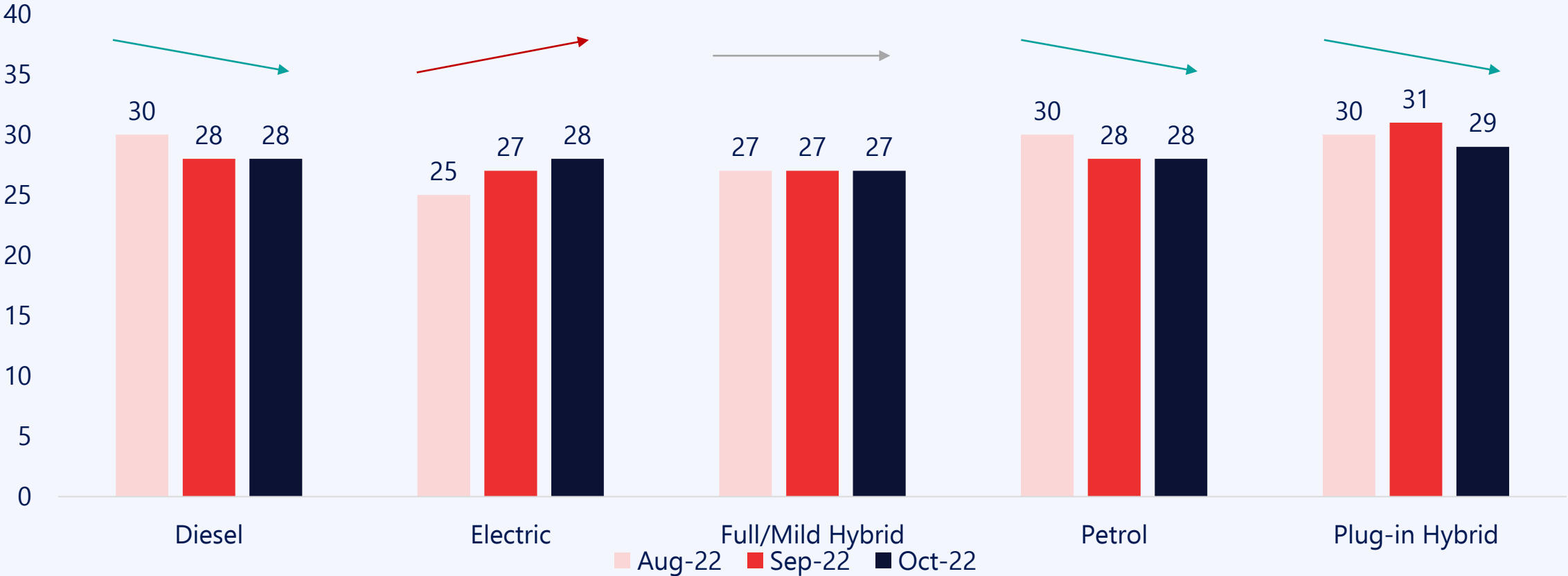
# Even a Nissan Leaf 24Kwh Tekna that was registered in 2015 has risen in value – despite concerns about battery health!

USED NISSAN LEAF 24KWH TEKNA REGISTERED IN 2015



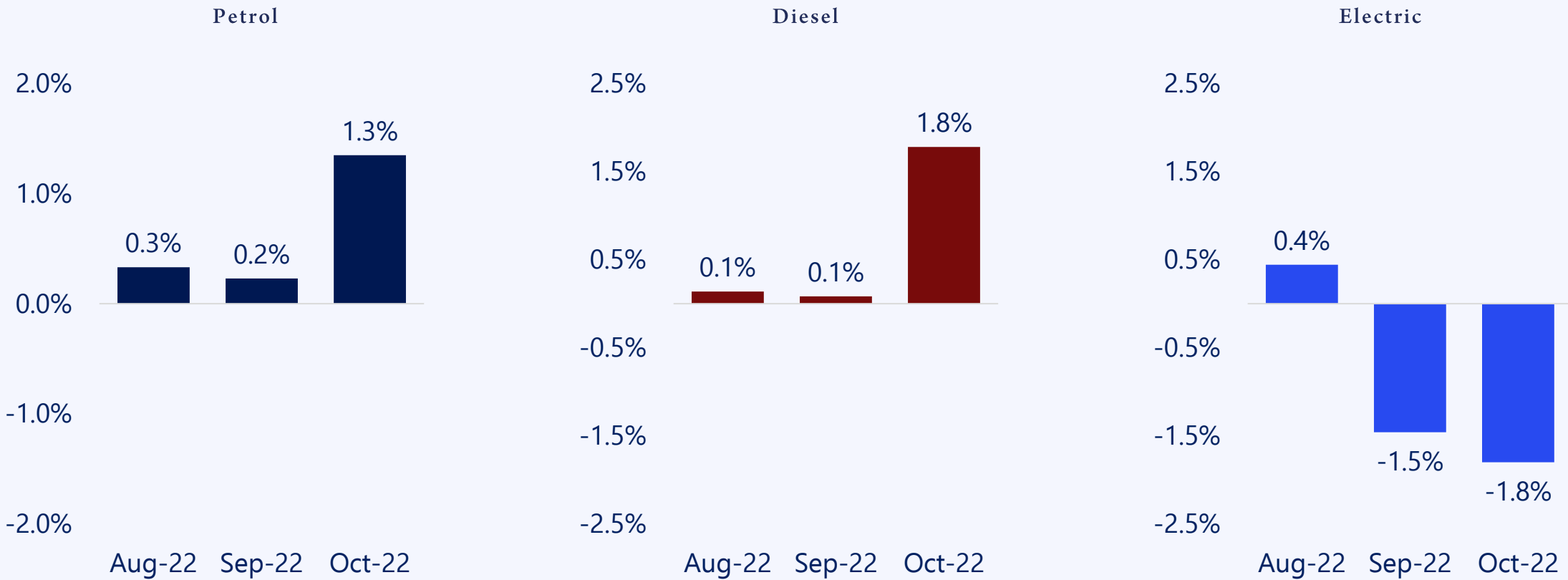
But used EVs are now sitting on forecourts for longer after being the fastest selling fuel type throughout most of 2022.

DAYS TO SELL BY FUEL TYPE  
Used cars. Median days to sell.



# Used EV prices have started to fall despite pricing stability in the rest of the market

USED CAR RETAIL PRICES: MONTH-ON-MONTH



This is a tipping point for the used EV market



Supply  
increasing



Demand  
stalling



Prices  
softening

The industry must  
focus on  
remarketing EVs

The shift to electric  
can't be ignored



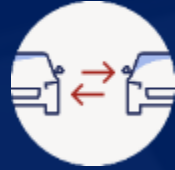
Ignoring used car market dynamics will affect new car sales.



Supply & demand imbalance



Distress selling impacts prices



Less appetite to stock used EVs



Future residual values are impacted



New car PCP payments increase

# Three things to support the used EV market



## Understanding the buyer

Consideration for used EVs is highest with wealthier buyers in more affluent areas



## Understanding the product

EVs are inherently complicated. Communication must be simplified to help buyers understand the product.



## Understanding the price

Use data to identify profit opportunities and price accurately.

 AutoTrader