

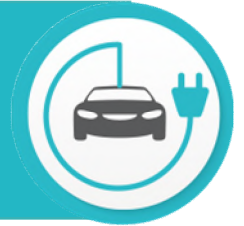
Confidence
must be earned

Amundi
ASSET MANAGEMENT

ELECTRIC VEHICLES (EVs)

Ready to take off and bridge the gap between
early adopters and mass market

The COVID-19 pandemic has led both governments and consumers reinforce awareness towards accelerated action for building a more sustainable future. EVs definitively have an important role to play in this green recovery.



Fundamental trends shaping the energy transition remain in place and appear resilient to the COVID-19 crisis. Transport is one of the major sources of carbon emission and EVs are vital to fight climate change.



**0.6 million barrels
of oil products/day**
avoided by all electric
vehicles combined in 2019



Today, an EVs battery pack
costs ~ **\$4,100**, down from
\$30,000 in 2010

China, world's largest EV
market, committed more than
USD 1.4 billion
last April to subsidize the
construction of charging
stations

The pandemic crisis has slowed down many things, including the car sector that went down by 20% in 2020. However, driven by technological improvements, environmental and fiscal measures, the EVs sales jumped by 43%.

The key barriers preventing drivers from adopting an EV are on the way of being removed.

EVs are cheaper to run but have a higher purchase price discouraging the mass uptake. However, the **lithium-ion batteries costs** are dramatically falling and EVs are predicted to become the most economic choice in the next five years.

Range anxiety, the fear of running out of charge during a journey is another important barrier for the EV market. Only recently, Israeli company StoreDot Ltd. has manufactured the first EV battery that can be charged in just five minutes and is aiming for a mass roll-out for 2025.

The charging infrastructure network both public and private continues to expand in order to meet an increasingly localised charging points demand.

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EV passenger cars can require **3-4 times less energy** compared to conventional combustible engines

In 2020, **54%** of the new vehicles sold in the Norwegian market were electric

As part of its post-COVID recovery plan, Germany has increased by **€3,000** the subsidies for electric cars costing less than €40,000

Nidec
A story about Motors

Shigenobu Nagamori
Nidec's Chairman and CEO

“ *The macroeconomic environment remains challenging. Auto production has stopped. But the trend toward electrification hasn't. More and more companies want to produce EVs.* ”

Governments, a key player in the development of the EVs market

Government regulations and consumer incentives driven by carbon emissions limits objectives play an important role in promoting the diffusion of EVs.

In 2020, Norway became the first country where the sale of electric cars overtook those powered by petrol offering a road map for other countries in how targeted policies can help change consumer behaviours and attract private-sector investments.

Many governments are using their post-pandemic stimulus packages to boost EVs adoption: purchase price subsidies, public charging infrastructure investments, subsidies for the installation of private charging stations at homes and workplace...

The industry players are confident about the take-off of EVs in the near future

Nidec is a leader company in the manufacturing of traction motor systems (e-axle) for EVs, a technology expected to make EVs more affordable.

The Japanese company is looking beyond pandemic and betting that EVs will overtake gasoline vehicles in terms of cost and convenience in around five years.

After an EV motor plant in China, Nidec is spending \$1.9 bn on a new manufacturing plant in Serbia which is predicted to open in 2023 with an annual production ranging between 200,000 and 300,000 units a year.

Sales of EVs are likely to accelerate in the coming decade as the cost of batteries continues to fall, range increases, more charging infrastructure is created and consumers become more comfortable with the technology.

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