

New Car Market Gains Momentum in September

The market experienced a slight lull during the summer, notably in August recording an increase of 3,8%, thus breaking a series of fourteen consecutive months of decline. The French new car market continued to bounce back in September witnessing a 5,5% increase with 141,137 registrations. However, this momentum gets the blues suffering a dizzying comparison with 2019, which strongly highlights the magnitude of the shockwave sent through the industry. In addition, the used car market is still struggling, recording a tenth consecutive month of decline.

After August, the new car market continues its upward trend in September (+5,5%), although the cumulative first three quarters remains in the red, at 11,8%. AAA DATA, the augmented data leader expert, records 141,137 new car registrations in the past month, compared to respectively 122 830 in September 2021 and 141 443 in 2019. 1,112,067 new cars were registered in the first nine months of the year, compared to 1,641,367 in the same period of 2019, a loss of nearly 530,000 units compared to the last pre-crisis year.

"August already marked the symbolic end of a long series of declines and September seems to confirm a market turnaround. However, it would be premature to take these two consecutive monthly results as a sign of full recovery to a positive and promising market dynamic," says Julien Billon, CEO of AAA Data. "Market fundamentals remain fragile. Inflation continues to weigh on purchasing power and new car production is expected to suffer for several more months from the global semiconductor shortage."

Hauts de France, in the Runner-up spot

In September, all regions were in the green, with double-digit increases for Corsica (+64%), Hauts-de-France (+18%) and Normandy (+16%). Hauts-de-France comes as a runner up ahead of Auvergne Rhône-Alpes for a handful of 298 units (respectively 17,562 and 17,264 registrations in September). It should be noted that the Ile-de-France region performed less than the market, falling below the threshold of 20% of registrations in France.

Electric models supplant diesels

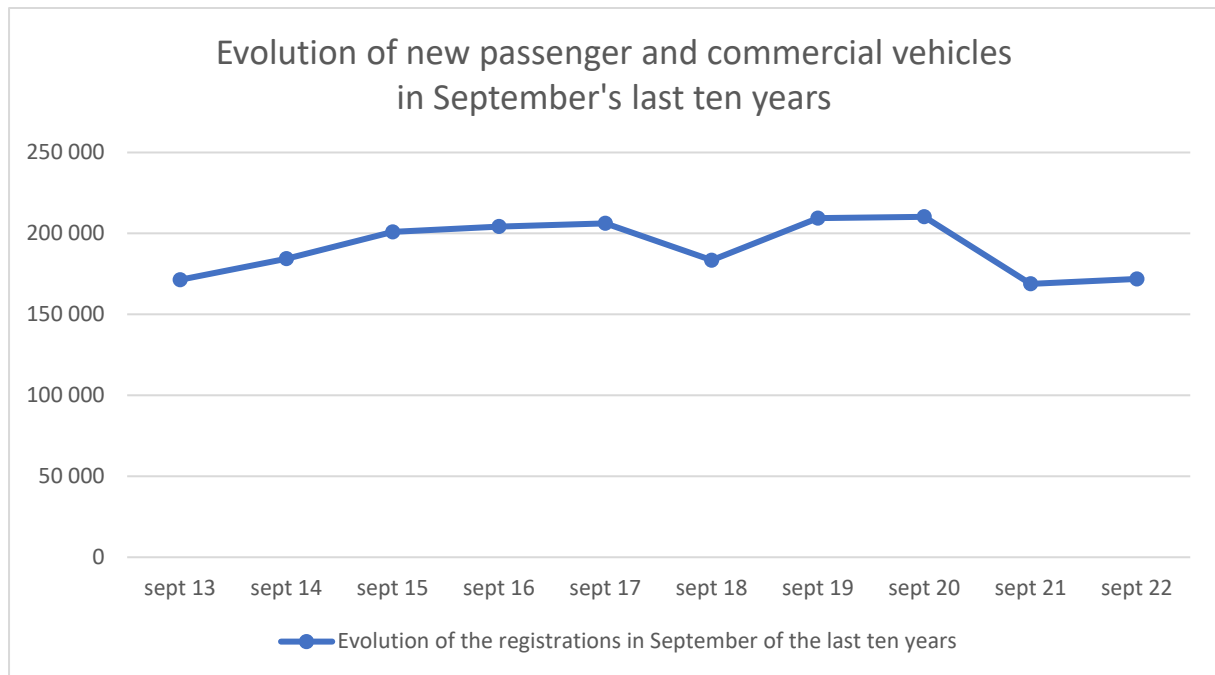
September was a milestone towards the energy transition, as more 100% electric vehicles were put on the road than diesel vehicles. This is an inexorable trend that Julien Billon had already pointed out in August: "A notable and very symbolic fact about the August market is that electric vehicle registrations are on a par with diesel vehicle registrations. For the first nine months of the year, 100% electric models represent 13% of the market. A market that, since the beginning of the year, remains dominated by gasoline cars (38% share) and hybrids (28% share), despite the confirmation of the difficulties of plug-in hybrids (-13%).

Sharp decline in the used car market in September

Despite high levels in absolute terms, a historical feature of the French market, the used car market fell sharply in September (-14,6% with 422,669 registrations). Nearly new models (less than 5 years old) suffer an acute crisis as the segment further fell by 25% and confirms the trend for nine months

now. The market faces a structural crisis as used car inventories shortage is also correlated with the new vehicle market condition. In additions, soaring prices are driving some consumers away, which has been aggravated by inflation over the past few weeks.

Moreover, the volume of used cars over ten years old raises questions about the energy transition of car fleet. A study of the breakdown of sales by Crit’Air stickers brings further questions. Since January 1st, vehicles with Crit’Air 0 labels boosted remarkably (+44,5%), yet penetration rate remains below 2%. Used Crit’Air 1 vehicles account for 29%. Crit’Air 2 and above covers 69% of the market as the first plays a key role regarding upcoming political decisions, especially in the management of the LEZ’s program.



Traditionally quite stable, September had suffered a significant drop in 2021. In 2022, the situation has returned to normal (more precisely “new normal”), driven by a vibrant end of month, and despite a global market still struggling. A small downside, in the opinion of professionals, is that commercial events barely stimulated the market. For many distributors, critical popular events like JPO (Open House days) failed largely, despite significant discounts granted by some brands.

This observation calls to digress regarding seasonality in the French automotive industry, with often predictable trends. March and June stand out as strong months, ahead of December, sometimes strong for the wrong reasons. At the other end of the spectrum, January, August, and November are traditionally weak months. The remaining six months, including September, are close and account for just over 8% of average annual registration. Despite heavy uncertainties still stalking the automotive industry’s activity, September 2022 follows this statistical rule. It is worth watching what future months hold in relation to seasonality data.

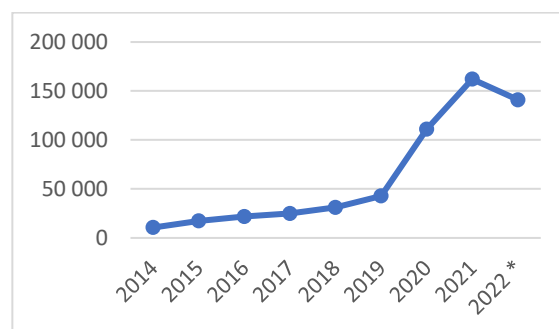
Electric vehicles on the Rise, in figures

The growth of EV revolution is encouraged in Europe and especially in France with government incentives by providing subsidies (bonuses...) and advantages (Crit’Air 0 classification guarantees freedom of movement, including in the LEZs). The countdown announced towards the end of thermal vehicles tends to accelerate this trend, although many consumers face deterrent restraints to buy

them (rang, charging complexity, high average price). In addition, the product range has expanded considerably in recent years and covers many segments.

Evolution of electric passenger car sales in France

Year	Registrations	Evolution
2014	10 561	+ 20,3 %
2015	17 268	+ 63,5 %
2016	21 752	+ 26 %
2017	24 910	+ 14,5 %
2018	31 059	+ 24,7 %
2019	42 764	+ 37,7 %
2020	110 916	++
2021	162 106	+ 46,2 %
2022 *	140 848	+ 31,7 %



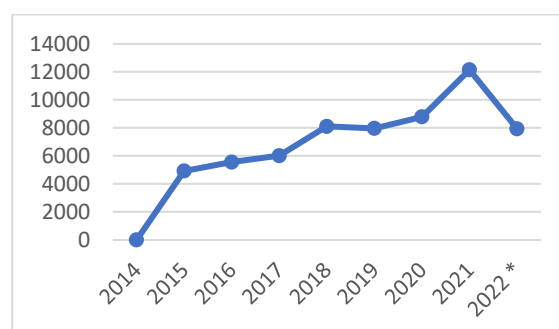
* 9 months 2022

Values should be compared with those of plug-in hybrids (PHEV). Virtually non-existent in 2014 (1,935 registrations), they crossed the 10,000-registrations in 2017 (11,868 to be precise). Then, they became a social phenomenon (74,592 units in 2020), mostly driven by corporate fleet customers. Plug-in hybrids reached a record high in 2021, with 141,001 registrations which record will be hard to break in the future, considering the upcoming ban of thermal vehicles has cast a shadow over the technology. Nevertheless, 76,937 plug-in hybrids were registered in the first eight months of the year. In addition, hybrid and mild hybrid cars are expected to achieve high volumes, with 85,527 and 83,546 units in 2020 and 140,971 and 148,866 in 2021 respectively.

In terms of body styles, sedans largely control the BEV mix: 90,136 units in 2020, 124,437 in 2021 and 84,352 in the first eight months of 2022. Far ahead of SUVs (all-terrain/road): 19,112 units in 2020, 35,355 in 2021 and 32,131 in the first eight months of 2022. Contrariwise, for plug-in hybrid models, SUVs are ultra-dominant, proof by example: 112,804 units out of a total of 141,001 in 2021.

Sales of electric commercial vehicles in France

Year	Registrations	Evolution
2014	4 485	(13,3 %)
2015	4 919	+ 9,7 %
2016	5 555	+ 12,9 %
2017	6 011	+ 8,2 %
2018	8 103	+ 34,8 %
2019	7 958	(1,8 %)
2020	8 780	+ 10,3 %
2021	12 141	+ 38,3 %
2022 *	7 929	+ 11,7 %



* 8 months 2022

In the commercial vehicle segment, the growth of electric vehicles (BEVs) is less significant. On the one hand, range of vehicles long suffered depth and on the other, they do not always strive to meet the needs of professionals.

It is worth noting that in the commercial vehicle market, diesel is resilient, while plug-in hybrid technology is still a niche. Finally, hybrid and mild hybrid models weigh less.

Lastly, there are major discrepancies between regions in terms of electrification. Unsurprisingly, Ile-de-France is the most dynamic: 27,705 passenger cars and 3,590 commercial vehicles registrations in 2021 and 18,686 passenger cars and 2,179 light vehicle registrations in the first eight months of 2022.

The Auvergne Rhône Alpes and Provence Alpes Côte d'Azur regions complete the podium. The western regions (Brittany, Normandy, Pays de la Loire) are not the most promising for electric vehicles, while the technology is absent from the French overseas departments and territories.

More information or data on request from the press service.

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