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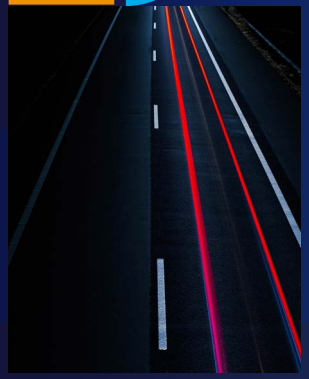
Electric Vehicles

Nexus' Glovebox Guide



NEXUS Vehicle Rental

To compliment the launch of the UK's largest supply of EV in the rental market place and the only dedicated online electric vehicle (EV) rental platform, we've created a dedicated EV guide – the latest in our Glovebox Guide series.

Electric cars are becoming increasingly popular. Amidst a decline in new car registrations, the latest Society of Motor Manufacturers and Traders (SMMT) figures showed EV sales rose by 228.8% year-on-year in November.

But why should you make the switch to electric?

Year to date

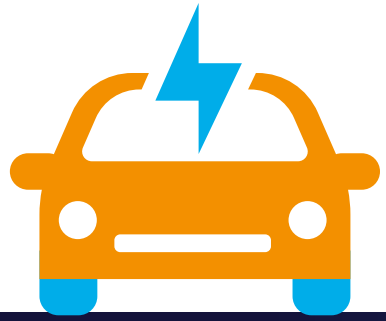
	YTD 2019	YTD 2018	% Change	Mixt Share - 19	Mixt Share - 19
Diesel	549,793	704,486	-22.0%	25.4%	31.7%
Petrol	1,404,389	1,374,162	2.2%	65.0%	61.8%
BEV	32,911	13,970	135.6%	1.5%	0.6%
PHEV	30,254	38,553	-21.5%	1.4%	1.7%
HEV	92,909	79,852	16.4%	4.3%	3.6%
MHEV diesel	28,708	3,216	792.6%	1.3%	0.1%
MHEV petrol	23,181	8,819	162.9%	1.1%	0.4%
TOTAL	**2,162,143**	**2,223,058**	**-2.7%**		

BEV - Battery Electric Vehicle; **PHEV** - Plug-in Hybrid Electric Vehicle;
HEV - Hybrid Electric Vehicle, **MHEV** - Mild Hybrid Electric Vehicle

We know that it's not feasible for businesses to switch to electric overnight and sensible phasing in is needed. That's why we've got you covered, whatever your fleet needs.

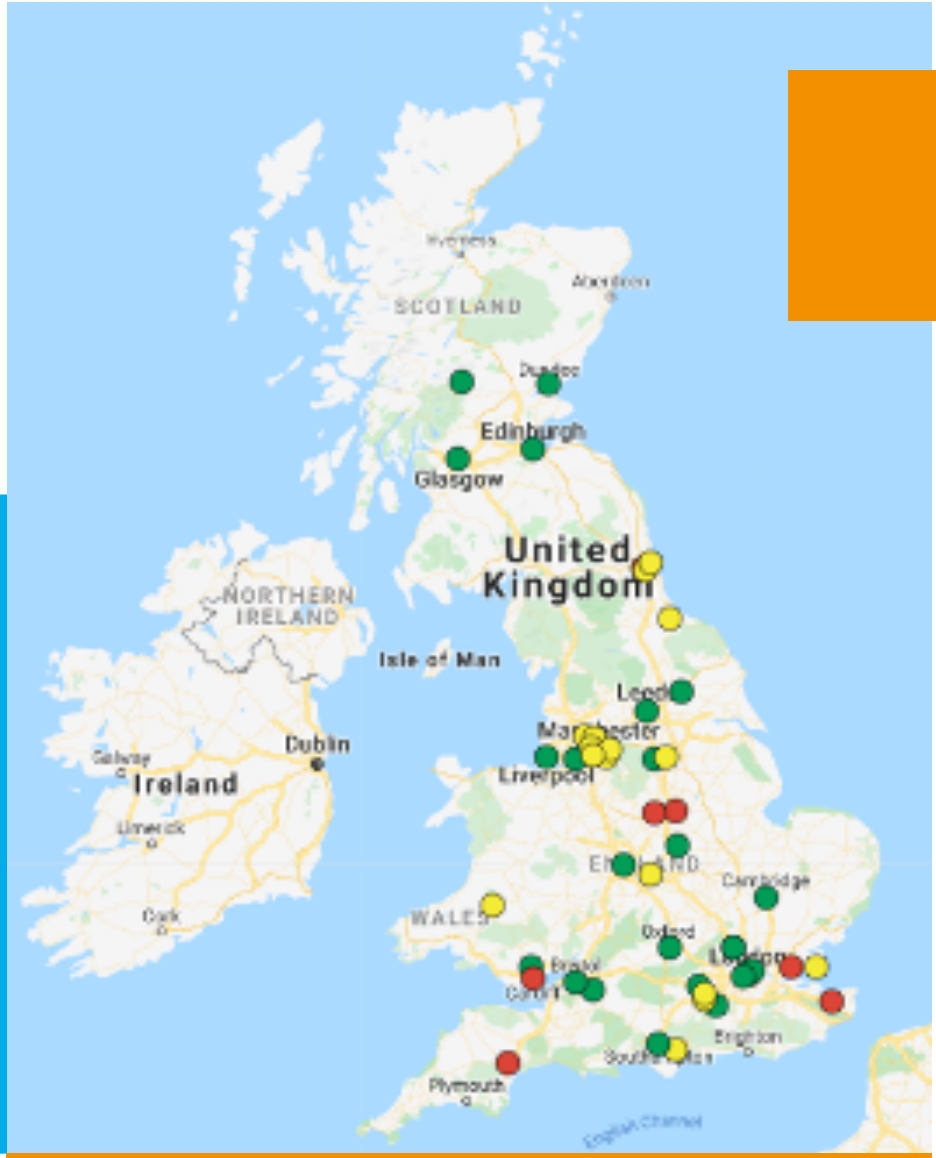
Innovation in the EV industry means vehicles and batteries are constantly improving in efficiency. Many businesses are therefore reluctant to invest in depreciating assets when a better solution is just around the corner. Due to high demand, orders of electric fleet vehicles can also take up to six months for delivery leaving shortfalls in supply chains.

At Nexus, we are seeing a rising trend of short and medium-term EV rental bookings to plug the gaps in supply. As we have built up the UK's largest supply chain of 550,000 vehicles across 2,000 UK locations, we can source any vehicle, anywhere, anytime, from an electric car to a 32 tonne refuse vehicle.



Legislation is arguably having the greatest impact on the UK's changing mobility landscape.

Directives such as the ban on the sale of new petrol and diesel vehicles by 2040 (which could be brought forward to 2035) as well as the introduction of Clean Air Zones (CAZs), Ultra Low Emissions Zones (ULEZs) and Britain's first Zero Emissions Zone (ZEZ) in Oxford, are driving innovations in cleaner transport modes.



Map showing confirmed or expected CAZ (green), areas planned for a CAZ (yellow) and a zones opposed by local authorities (red) - Source: BVRLA

With the race to zero quickening, the Government is supporting businesses that invest in cleaner mobility solutions.

There is currently no benefit-in-kind (BIK) tax for pure electric vehicles (2020/2021) and there are significant tax benefits for those operating cleaner vehicles.

CO2 (g/km)	Electric range (miles)	2020-2021 (%)	2021-2022 (%)	2022-2023 (%)
0	N/A	0	1	2
1-50	>139	2	2	2
1-50	70-129	5	5	5
1-50	40-69	8	8	8
1-50	30-39	12	12	2
1-50	<30	14	14	14

Like traditional combustion engines are calculated on miles per gallon (MPG), electric vehicles run on kilowatt hours (kWh), which measure the energy storage available in the battery cells.

Studies show travelling 100 miles in an electric car could cost you as little as 4p per mile compared to 11p for a petrol car[1], contributing to significant savings in the long-term.

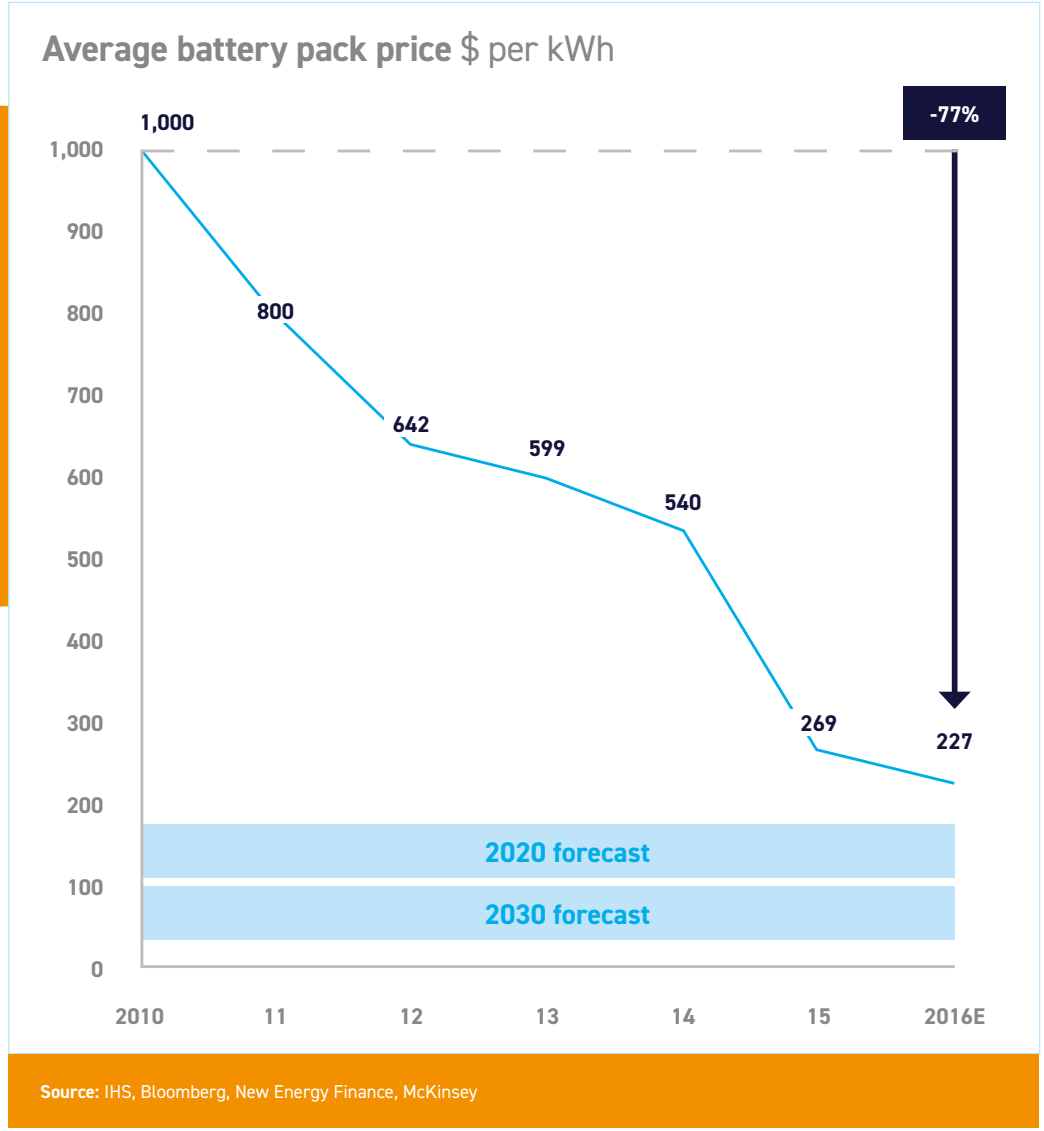
	1,000 miles	10,000 miles	100,000 miles
Electric	£40	£400	£4,000
Petrol	£70	£700	£7,000
Cost difference if using electric	-£30	-£300	-£3,000

1. https://www.edfenergy.com/electric-cars/costs

1. Cost

One of the main reasons businesses and consumers are not purchasing EVs is cost - 85% of people state this element is important[2] or very important in their decision making.

Currently, the battery is the single most expensive component, but this expected to drop to just 20% of the vehicle cost by 2025[3] making EVs progressively cheaper with innovative solutions to maximise value.



Source: IHS, Bloomberg, New Energy Finance, McKinsey

2. https://www.bbc.co.uk/news/business-48340202
3. https://www.bloomberg.com/opinion/articles/2019-04-12/electric-vehicle-battery-shrinks-and-so-does-the-total-cost

2. Range

The average range of pure electric vehicles is currently 193 miles[4] making it difficult for longer business journeys.

However, with the best performing EVs now topping out at over 450 miles short and medium distance trips can be completed with ease.

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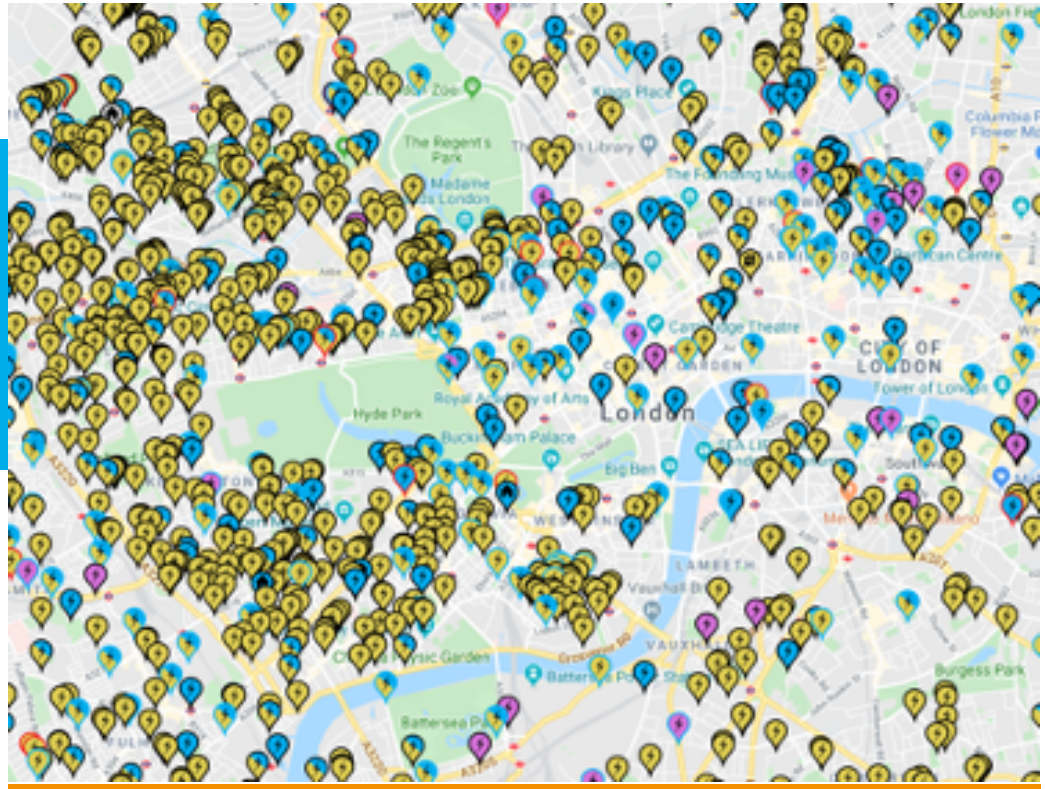
4. https://ev-database.uk/cheatsheet/range-electric-car

3. Charging

Currently, the national charging infrastructure cannot facilitate clean and efficient transport for everyone, across all of the UK.

Whilst the Government has pledged £400m[5] to rollout a suitable network of charging points, the trade association Energy UK has previously warned the national grid would collapse[6] unless energy providers decide when EVs are charged. While smart charging solutions are needed, grants are available through the Government's Office of Low Emissions Vehicles (OLEV) that could make electric mobility for businesses increasingly attractive.



Map showing abundance of charging points in central London - Source: Zap Map

5. https://www.gov.uk/government/publications/charging-infrastructure-investment-fund
6. https://www.express.co.uk/life-style/cars/854502/electric-cars-UK-2017-National-Grid-collapse

To find out more on how Nexus can meet your mobility needs, get in touch:

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