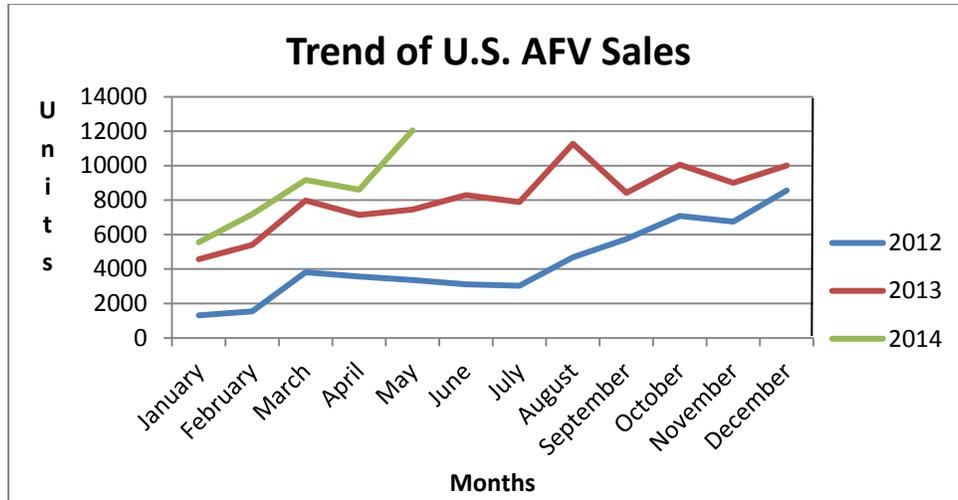


Alternative Fuel Vehicle Sales Analysis

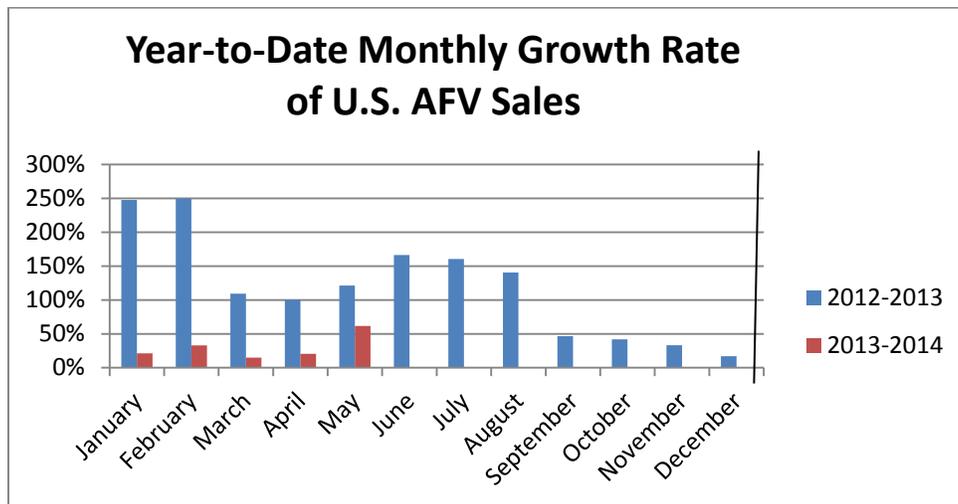
By Daniel S. Cohen, Atlanta Electric Vehicle Development Coalition

I. EV SALES SKYROCKET IN 2014

Demand for all types of AFVs* has been very strong in 2014, with a total of 42,570 units sold. This total is a 37% increase over the first five months of 2013. While the growth rate in 2014 is much lower than the prior year, EVs sales are increasing by a healthy margin with total year sales well on pace to break the 125,000 unit mark growing another 30% versus 2013.



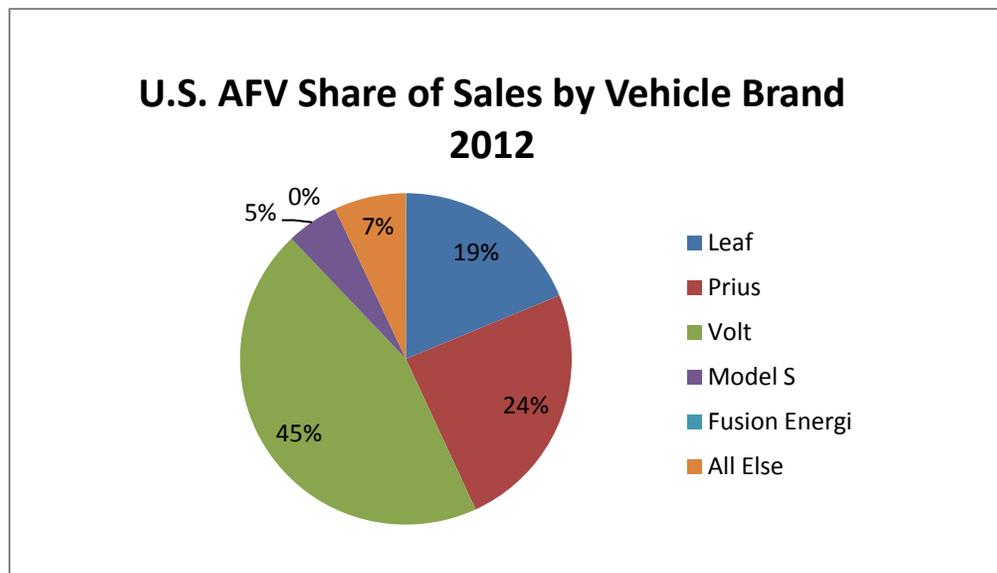
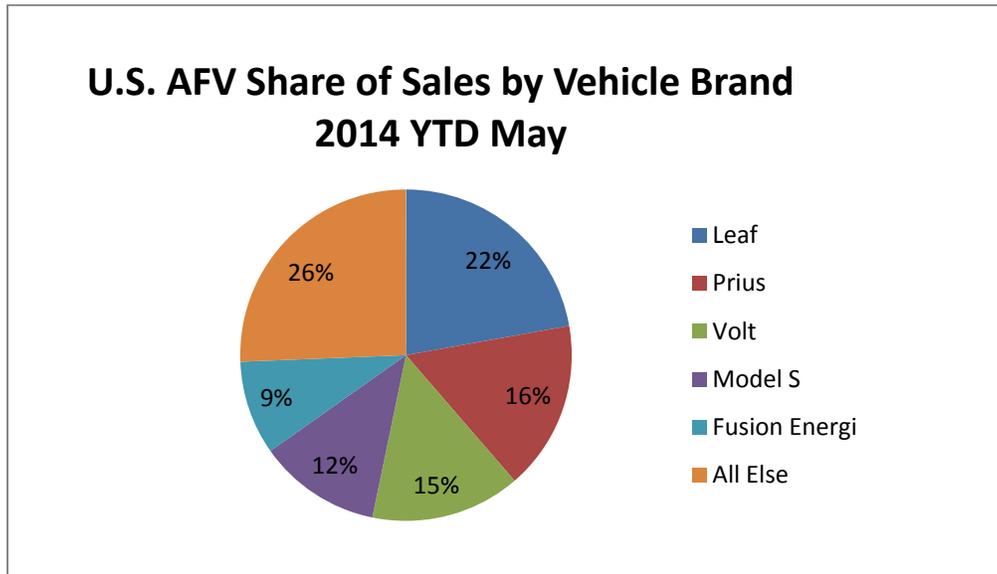
The average monthly AFV sales rate YTD May 2014 totals 8,514 units, which is nearly 400 more units per month than YTD May 2013. Year over year monthly sales growth is expected to continue to rise. Each month this year, EV sales have increased over the corresponding month in 2013. May 2014 achieved the highest growth rate, 62% over May 2013, while March 2014 had the lowest at 15%, impacted by the overall lower auto industry sales rates in Q1 due to a cold winter. Expanding incentives (8-State AFV Plan) will further aid EV sales rates in 2014.



II. AFV MARKET SHARE IS SHIFTING RAPIDLY.

In 2012, *InsideEvs.com*, a research group dedicated to tracking U.S. AFV sales listed only 9 models. In 2013, there were 16 models and in 2014, 18 are listed, Between 2012 and 2014, only the Nissan LEAF is growing share (+3 points) while the VOLT has lost 2/3 of its share (15% vs. 45%) and the Prius 33% of its share (16% vs. 24%). Ford Fusion Energi claims 9% of the market 2014 and the Tesla Model S at 12%, well above the 3-4% of high end ICE luxury brands.

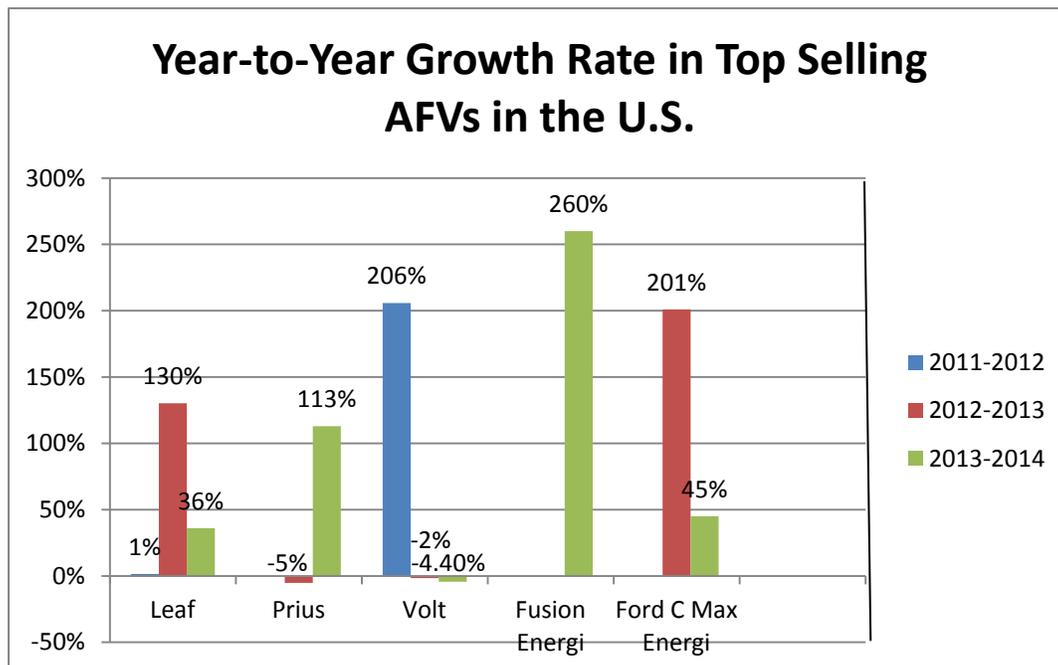
Prediction: with new entries pouring into the AFV market (BMW i3, Mercedes B Class) the U.S. AFV market may soon resemble the European automobile market where no one manufacturer has more than mid-double digit share.



III. VEHICLE BRAND SALES TRENDS

- a) **Nissan LEAF (BEV) has sold 52,492 units between 2010 and YTD May 2014 achieving a 25% AFV market share.** In 2012, the LEAF's market share was 19% with 9,819 units sold. Aggressive key city marketing grew 2013 sales to 22,610 (130%) and to a 23% market share. Nissan has built and sustained an early lead over other EVs in 2014; the LEAF looks like the AFV to beat. It is the only brand that has sold 10,000 units this year and is on pace to sell at least 25,000 units. Further, Nissan has begun to communicate the advances to be expected in the next LEAF (due 2017 Model Year) with the goal of retaining first generation leases.
- b) **The Toyota Prius (PHEV) is making a comeback.** With 7,729 units sold in 2014, the Prius is the second best selling AFV vehicle in the U.S. After a shaky 2013 with only 12,088 units sold representing a 5% *decrease* from 2012, the Prius has made an aggressive comeback with YTD 2014 sales 113% greater than prior year. Market share has grown to 16%, a respectable increase from its 12% share in 2013 but well below 2012 24% level. Prius PHEV is poised to continue its positive sales growth and can look to sell 16,000 units by the end of the year. Toyota should not to be discounted in their commitment to AFVs beyond pure hybrids.
- c) **Stagnating Chevrolet VOLT (PHEV) sales threaten its staying power.** While it was an early market entry (2011) and the best selling AFV in the U.S. in 2012 and 2013, the Chevrolet VOLT has fallen to third place in 2014. In 2012, the VOLT sold 23,461 units, nearly 11,000 more than its closest competitor (Prius). In 2013, it sold 23,094 units, not only a 2% *decrease* in sales from the previous year but only 484 more units than its closest competitor (LEAF). In 2014, sales are *down* another 4% in the first five months of 2014. The VOLT has experienced a sharp decline in market share from 45% in 2012 to 15% YTD May 2014. At the current sales rate, VOLT is on pace to sell just 16,000 units. GM has been mum about the next generation VOLT, hinting only that its cost will fall significantly moving it closer in price to the LEAF but still operating as a PHEV (excluding it from many BEV state level incentives). Chevrolet dealers continue to under market the VOLT relying on well educated AFV buyers to come in and take the inventory off their lots.
- d) **Ford AFV sales are on the rise.** Since January 2012, Ford has sold 29,575 AFV hybrid/electric based units cumulatively. In 2012, Ford represented only 6% of AFV sales. In 2013, Ford was 15% and in 2014, Ford stands at 19% share. Perhaps a sign of its future success, the Fusion Energi posted its highest sales in its history (1,342; only 342 fewer units than the VOLT) in May 2014. Across its three vehicle AFV line up, Ford is on track to sell 18,500 units placing it second behind Nissan and just ahead of Chevrolet and Toyota AFVs. That's an impressive move up in market position in just two years.
- **C-Max Energi (PHEV).** First introduced in October 2012, the C-Max Energi has sold 13,824 units YTD May 2014. Selling 2,374 units in its first three months, the C-Max Energi followed its initial success with a 201% increase in sales in 2013 (7,154 units sold). The C-Max Energi is currently the sixth best selling AFV with 2,940 units and is set to break last year's brand record.

- Fusion Energi (PHEV).** Ford began selling the Fusion Energi, its third AFV model, in February 2013. By year end, the Fusion Energi sold 6,089 units, just 1,065 units fewer than the C-Max Energi. In 2014, the Fusion Energi has outsold the C-Max Energi (4,296 to 2,940). With a higher second year growth rate (260% vs. 201%) and 1,300 more sales (YTD May 2014 4,296 vs. 2,940) than the C-Max Energi, the Fusion will be the 5th best selling AFV in 2014 and Ford's flagship model. The Fusion Energi is on pace to exceeds its 2013 sales and may even reach 11,000 units by the end of the year. Ford brings the familiarity of its ICE line into the AFV market with its highest volume carline, the Ford Fusion,
- Focus Electric (BEV).** Ford's first AFV, the Focus Electric was offered in January 2012. After a shaky first year with only 685 units sold, the Focus Electric sold 1,738 units in 2013. Although its performance is lagging in 2014 with only 699 units sold (3% lower than they were from January to May 2013), the Focus will help expand Ford's AFV market share. The Focus will sell 1,300 to 1,400 units this year. It's a bit pricy and relatively small versus the Fusion and C-Max limiting its market appeal and potential buyer base.



Source <http://insideevs.com/monthly-plug-in-sales-scorecard/>

* term AFV represents all car models which operate within the range of electrification including: Battery Electric Vehicles (BEV), Plug-In Hybrid Electric Vehicles (PHEV), non-plug in Hybrid Electric Vehicles (HEV).