



THE UK AV INVESTOR TRACKER.

Q1 2017: UK INVESTORS WON OVER BY AV MARKET BUT DEMAND MORE HELP WITH INVESTMENT CHOICES

MARCH 2017



EXPLAIN *i* THE MARKET





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METHODOLOGY AND OBJECTIVES

This is the first in a series of thought leadership reports produced by Explain the Market and Gowling WLG. The purpose of this white paper is to introduce this ongoing project and present our initial results for the first quarter.

The study will run continuously throughout 2017 tracking both private and professional investors. The evidence summarised in this paper relates only to our first set of results. Interviews with over 1,000 investors are being carried out on a range of topics with a chance to review findings every three months.

The study will help ensure the conclusions accurately keep track of changing attitudes, preferences and many ways in which the macro-economic environment impacts on the plans people have for their investments.

All research was conducted by Explain the Market Ltd (www.explainthemarket.com), in accordance with the Market Research Code of Conduct.

We are grateful to everyone who participated for giving their time and sharing their expertise.



ABOUT GOWLING WLG

Gowling WLG is a Global 100 legal practice, with more than 1,400 legal professionals across 18 cities in the UK, Canada, Europe, Asia and the Middle East. Focused on key global sectors including automotive, tech, energy, infrastructure and real estate, they are able to provide clients with deep sector expertise. Led by Stuart Young, the market-leading automotive industry group brings together technical excellence in regulatory, corporate, employment, dispute resolution, real estate, commercial and competition. It is the only law firm playing a significant role in the £19 million UK Autodrive connected and autonomous vehicles programme.



ABOUT EXPLAIN THE MARKET

Explain the Market is a leading international economic research agency based in London and working for some of the world's leading companies. Explain the Market is led by CEO Guy Shone and works with the world's most prestigious companies and media channels.

INVESTORS DEMAND ACCESS TO UK AV

The Autonomous Vehicle (AV) market is predicted to be worth between \$42 billion and \$60 billion by 2025. Increasing urban populations, the ubiquitous nature of 'always on' communications technology and the rise of connected infrastructure all signal vast potential for investment in this expanding market.

The success of the auto and technology industries here in the UK signals a huge opportunity to ensure the UK AV market flourishes between 2017 and 2025.

The role of the AV Investor tracker is to monitor and report on how investors are truly engaging with the market here in the UK as it develops.

Results from this first quarter of new research reveal widespread support by professional and private investors for the UK Autonomous Vehicle sector.

64% of investors say they believe AVs will be on UK roads within 10 years.

Over 10% of investors already claim to be actively investing in the sector. Yorkshire and London have almost double the number of AV investors than anywhere else in the UK. But the majority are calling for better information about how to invest in the Autonomous Vehicle technology market. Meanwhile, many are put off by a lack of regulation.

UK investors currently investing in companies, ideas or financial products connected to Autonomous Vehicle technology by region and nation.



“CARS CAN ALREADY DO SO MUCH... THINGS ARE MOVING FAST BUT I'D LIKE TO UNDERSTAND BETTER HOW TO GET INVOLVED FROM AN INVESTMENT PERSPECTIVE”

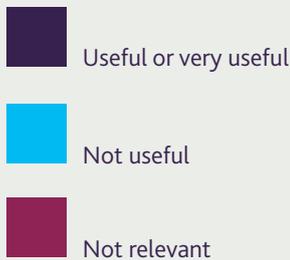
– Q1 AV Tracker Private Investor interview

67% of UK investors

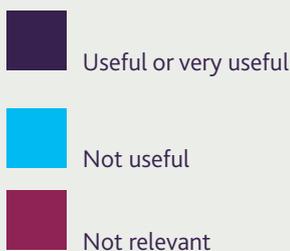
ARE CONSIDERING INVESTING IN THE SECTOR EITHER NOW OR IN THE FUTURE, BUT ALMOST 70% WANT MORE INFORMATION ABOUT AV INVESTMENT OPPORTUNITIES.



69% of Private Investors would find more information about the Autonomous Vehicle market useful when making investment decisions.



66% of Professional Investors would find more information about the Autonomous Vehicle market useful when making investment decisions.



A Picture of Regional Variation across the UK:

Wales and Northern Ireland currently have the most people (70%) considering making a future investment in the AV sector.

Investors in the South West of England cite 'access to expert AV market advice' as the most important factor in deciding whether to invest.

The link between Smart Cities and AV investment is a major factor in Northern Ireland. 75% of all investors based in Northern Ireland consider the progress of Smart Cities projects a major factor to consider before making an AV investment.

The East Midlands has the highest number of investors who desire more information about investing (78%).

London and Yorkshire have the joint highest number of people already investing in the Autonomous Vehicle sector (17% of investors in each area).

The North West has the least number of people currently investing in the AV sector. But at the same time, has more people considering making an investment than anywhere else in England.

THE INVESTOR DRIVE FOR REGULATION

47% of UK Investors believe that lack of regulation is acting as a barrier to the widespread introduction of autonomous vehicles. The concern is greatest amongst private investors, 51% of whom are calling for more regulation.



“Considering the predictions for the growth in this sector – investors need more expert information from industry. A clear plan for sensible regulation would also boost confidence and turn interest into real investment.”

— Q1 AV Tracker Private Investor interview

TRACKING CONFIDENCE

Over the course of 2017 we will be working together with industry partners to closely monitor four key areas:

INVESTOR
CONFIDENCE AND
CONSIDERATION

SIZE AND
PROFILE OF UK
INVESTMENT
IN AV

REGULATION IN
THE MARKET

BARRIERS TO
INVESTMENT
IN AV

AS OUR WORK CONTINUES WE WOULD WELCOME YOUR
COMMENTS, IDEAS AND INSIGHTS.

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ABOUT STUART YOUNG

Stuart Young is head of Gowling WLG's automotive group.

With over 20 years' experience, he advises numerous automotive companies on their business affairs including Ford Motor Company, Magna, Zi, TRW, Williams F1 and GKN. Stuart is deeply involved in the automotive sector, remaining in tune with industry developments and using his knowledge and commercial approach to provide clients with pragmatic advice.

Stuart regularly provides comment on developments within the AV market, leading on Gowling WLG's series of white papers exploring key issues of AV evolution.

Stuart has acted for well-established technology companies such as CDK, Misys and Iris Software, as well as global telcos such as AT&T. Stuart advises companies during their initial growth phase on equity funding and other investments – the clients are not publicly known but include online media and medical software companies. Increasingly there is an overlap between Stuart's automotive and technology experience as more clients push into the connected vehicle space.



ABOUT GUY SHONE

Guy Shone is one of the world's leading economic analysts.

He appears regularly on BBC News, BBC Breakfast, BBC World, BBC Radio 2 and BBC Radio 5 Live. He also appears on BBC Radio 4, Reuters TV, Sky News and ITV News.

Guy is the former Economics & Business columnist for the Metro newspaper (the UK's most read national newspaper) and now runs the research and media group Explain the Market.

Guy spent most of his 20-year career in the City of London. His previous jobs were the Global Head of Research for investment group Old Mutual plc and Research Director for the UK government-backed Money Advice Service. He was commissioned by the UK government to produce the largest study ever done into financial behaviour using the latest in behavioural economics research – working in partnership with global experts from University College London and Oxford University.

Guy is previously an MRS national awards finalist. He holds both an MBA and BSc (hon) in Economics from Cardiff University.



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