

**AUTONOMOUS
VEHICLE
REPORT**



EXPLAIN THE MARKET

**AUTONOMOUS
VEHICLES: TRACKING
UK INVESTOR
PERCEPTIONS Q3**

SPRING 2018







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METHODOLOGY AND OBJECTIVES

This is the third in a series of thought leadership reports produced by Gowling WLG and Explain the Market, tracking the perceptions of both private and professional investors when it comes to investing in autonomous vehicles (AVs). The purpose of this white paper is to present our results for Q3, whilst showing how perceptions have changed over the three quarters.

Interviews with over 1,000 investors are being carried out on a range of topics with a chance to review findings every three months. This helps 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 £19m 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 New York. Explain the Market is led by CEO Guy Shone and works with the world's most prestigious companies and media channels.

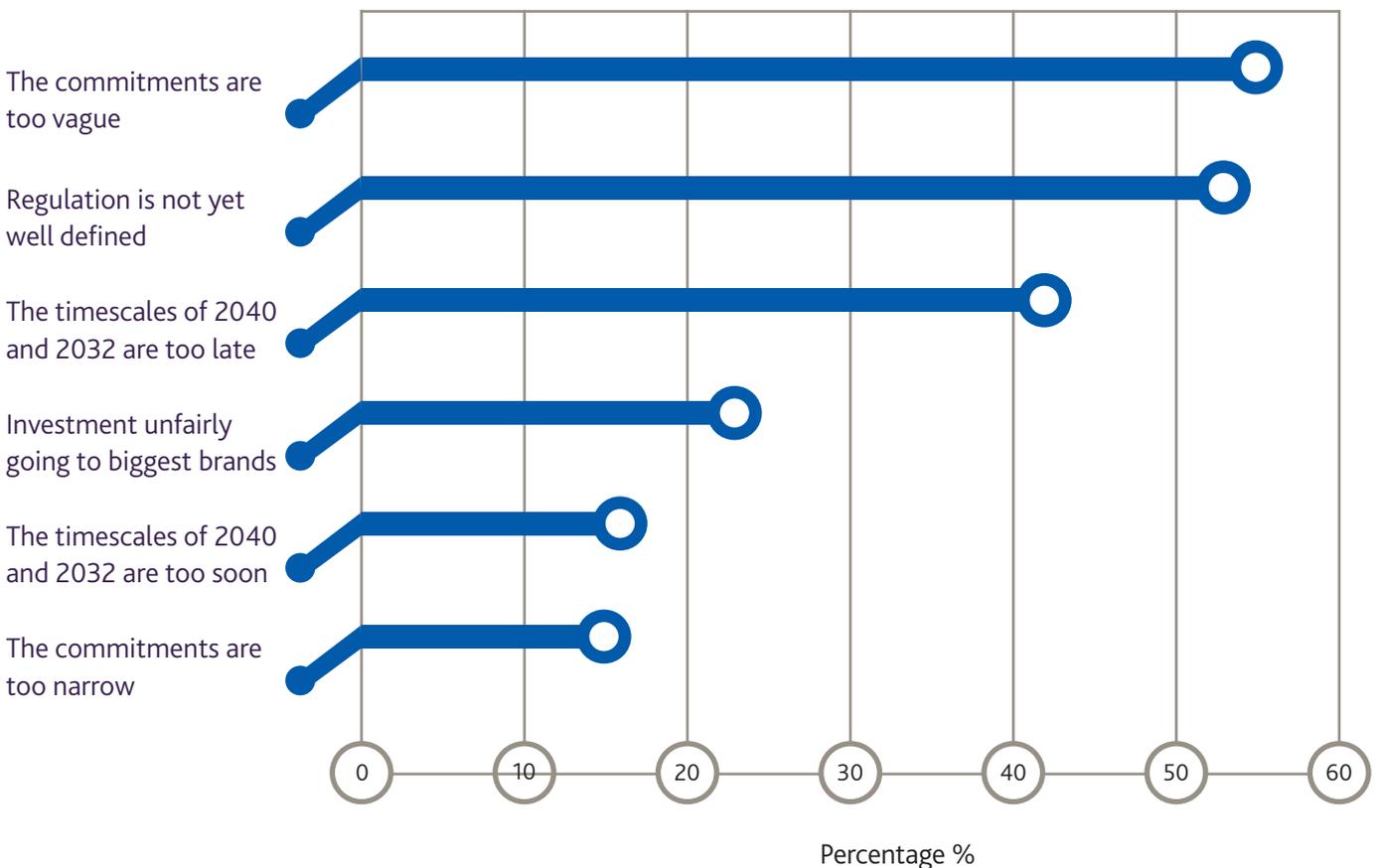
UK INVESTORS DEMAND MORE COMPREHENSIVE REGULATION

Our research reveals a deep concern from investors about a perceived lack of detail and strategy when it comes to the regulatory landscape for the AV market. All new cars must have an electric element within the next 20 years and, whilst we're seeing positive signs of further money being made available for investment in the market, our findings show that those most closely involved in actively investing in the market are demanding more clarity around regulation.

These concerns about regulation are wider than just a desire for detailed government guidelines. Investors are also worried about how investment will be allocated. There is real concern that enthusiasm to stimulate this fast growing market may result in a lack of transparency about who gets what - and why?

Q3 RESULTS

What do you think of the recent UK government commitments?



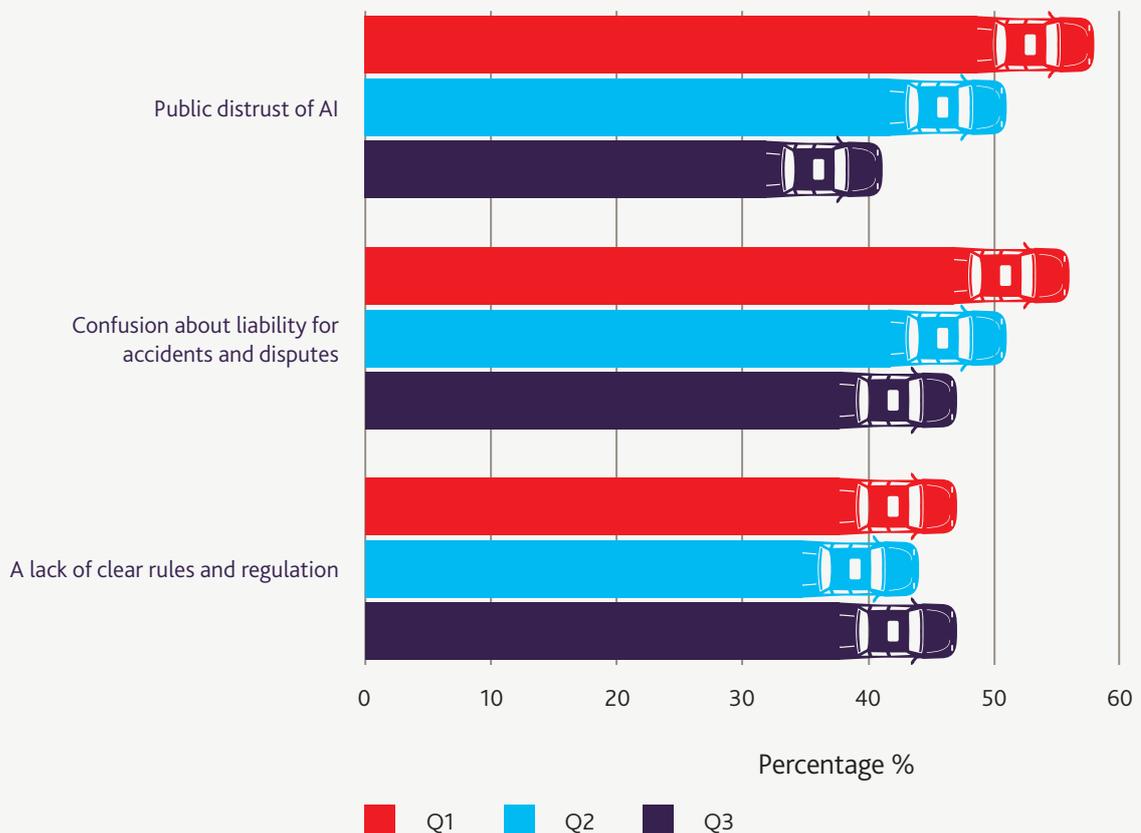
TRACKING CHANGING PERCEPTIONS - BARRIERS

Over the three quarters, investor trust in AI started very low but is improving; Meanwhile, frustrations at a lack of clear rules and regulation appear to be increasing.

"Vague commitments and cash injections don't help us develop the market in a sustainable way. There is huge potential for growth but also giant challenges to solve together - we need better mechanisms to govern and guide the innovation...and we need them now"

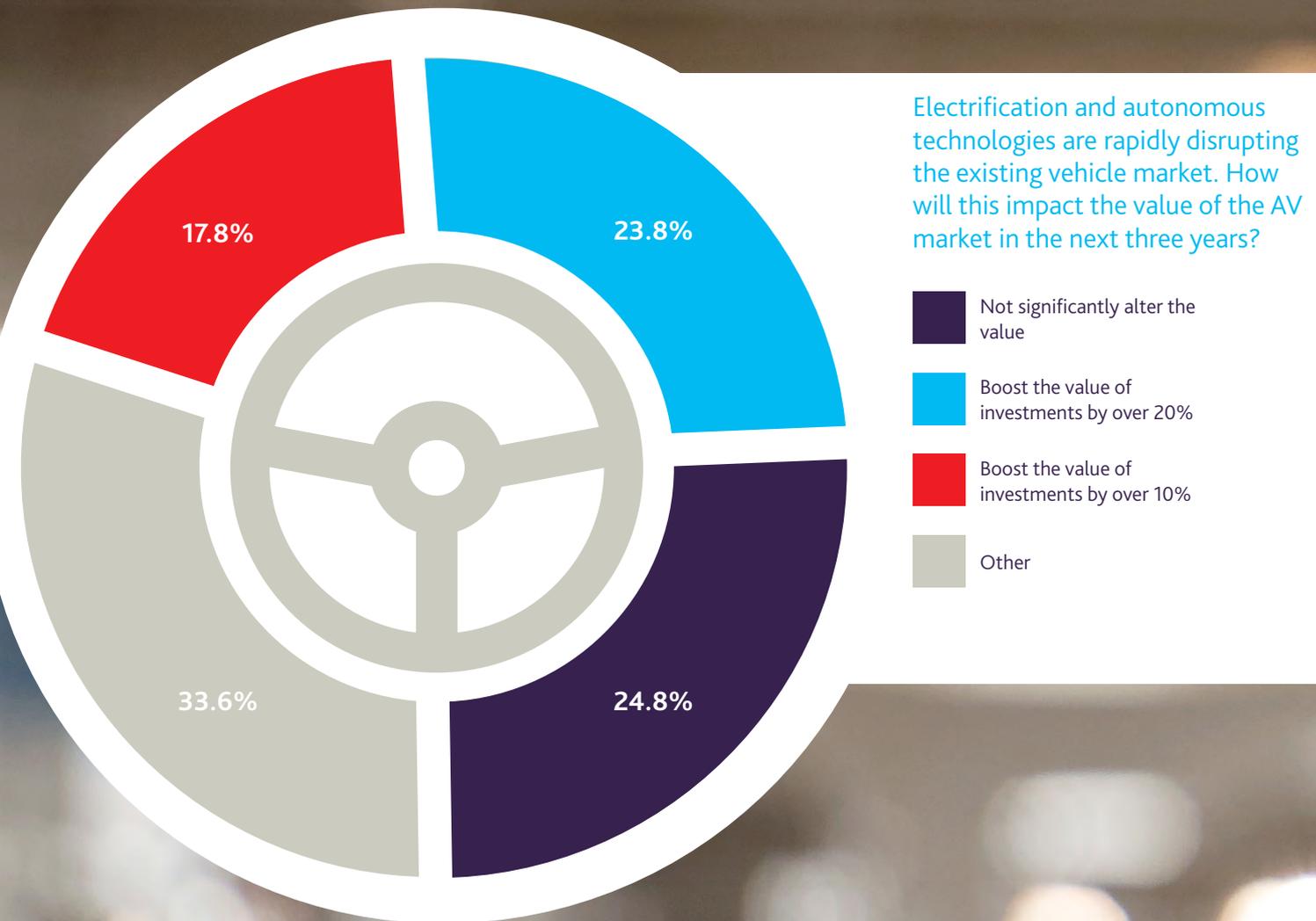
— INVESTOR CONCERNS: IN THEIR OWN WORDS

What barriers exist to widespread introduction of driverless cars?



HOW AV WILL BOOST WIDER VALUE IN 2018

Since our Q2 results, when concerns about lack of clear rules and regulation had been very slightly placated, the investor mood has shifted. In Q3, confidence in the inherent value of the AV market remains high but the worry is that growth may be hindered if the regulatory landscape fails to keep pace.

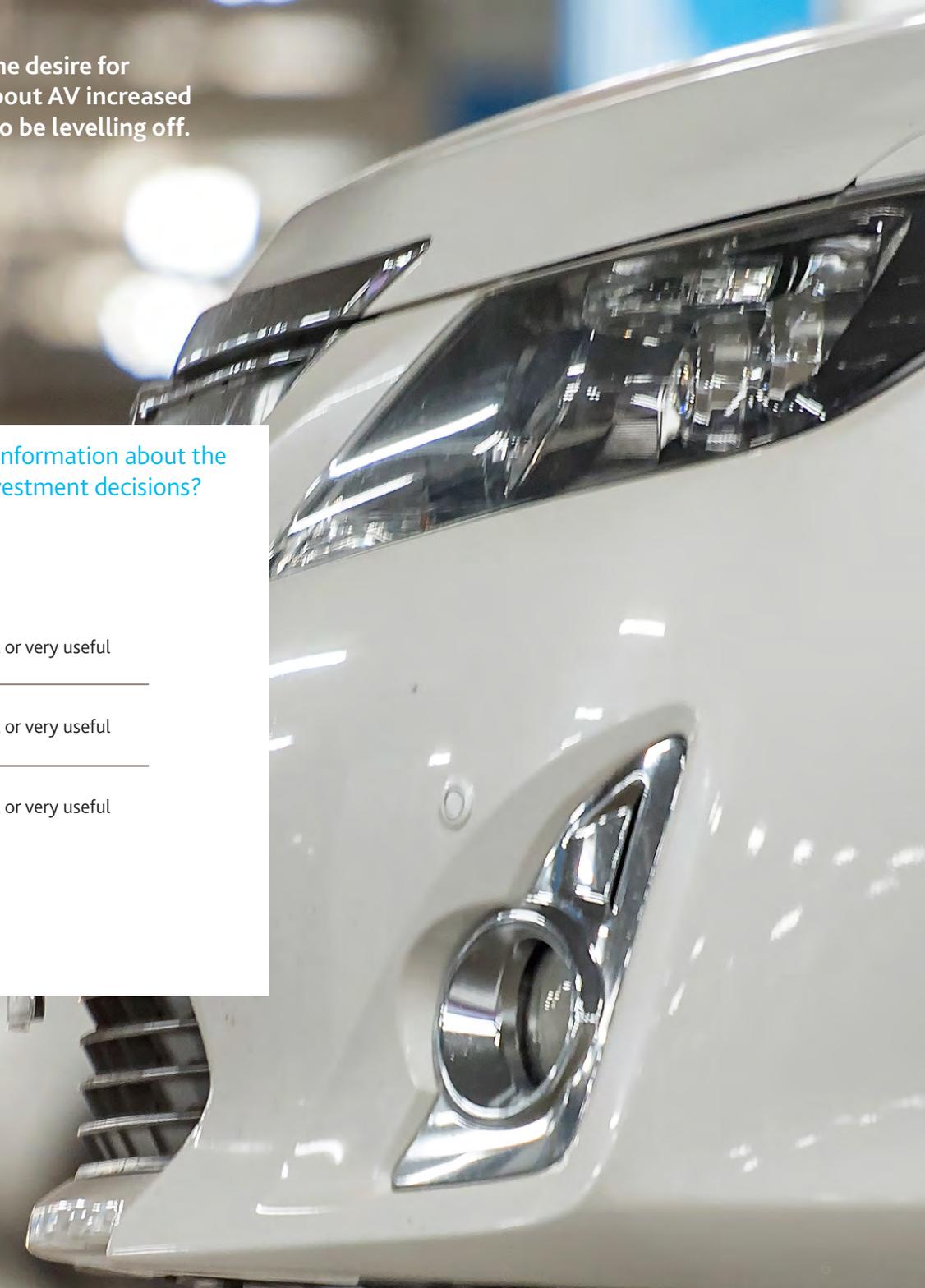


TRACKING CHANGING PERCEPTIONS - INFORMATION

Over the three quarters, the desire for information specifically about AV increased initially but now appears to be levelling off.

How useful would you find information about the AV market when making investment decisions?

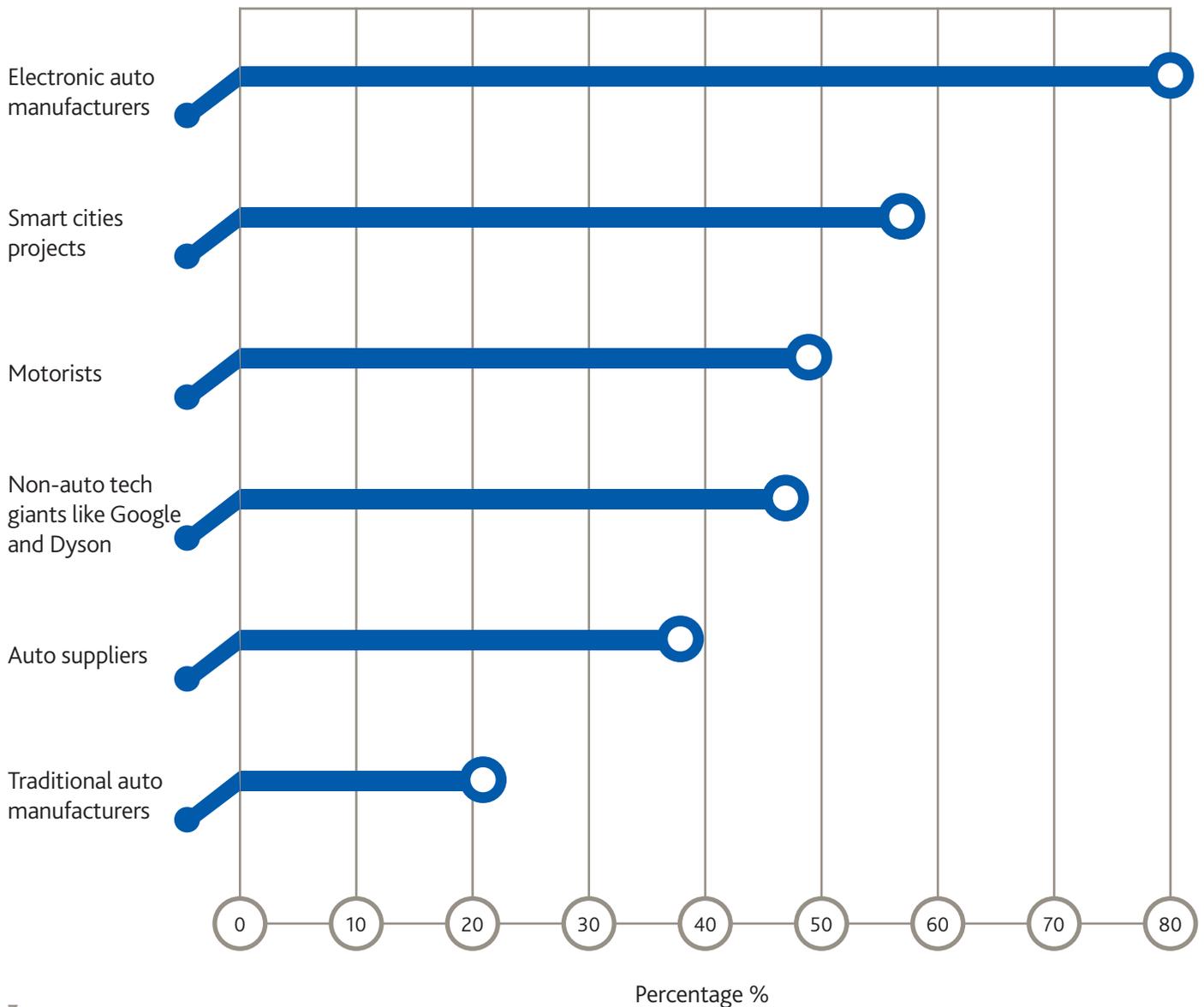
Quarter	%	
1	67	Useful or very useful
2	74	Useful or very useful
3	69	Useful or very useful



THE GROWTH OF ELECTRIC VEHICLES

For Q3, investors told us that they expect electronic auto manufacturers to benefit more than any other organisation - four times more than traditional auto manufacturers.

The UK government has stated that all cars must have an electric element by 2040. Please tell us who will benefit from this commitment?



TRACKING CHANGING PERCEPTIONS - INVESTMENT

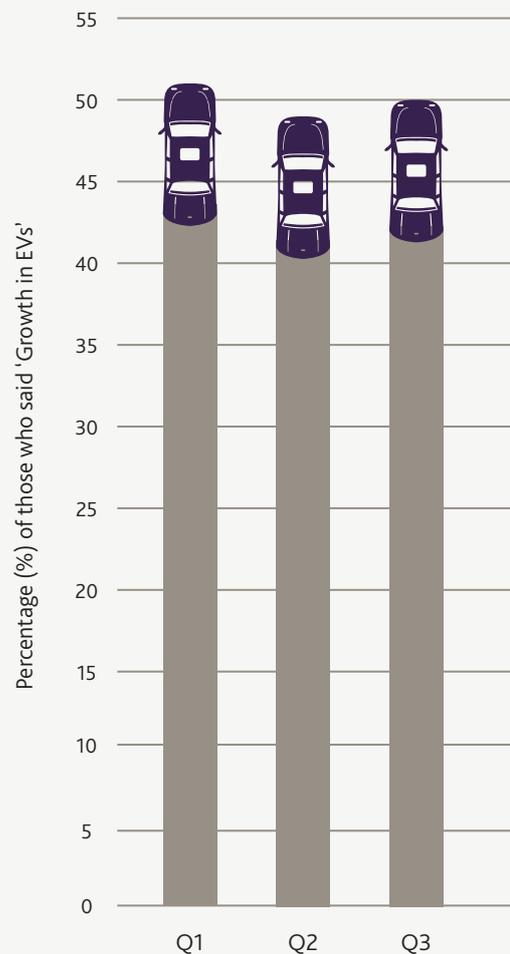
Growth in electric cars remains dominant as the most important factor to bear in mind when considering investing. Investors expect government legislation to benefit EV manufacturers more than any other organisation.

“We are concerned about ensuring the honesty of companies involved”

“How companies manage the infrastructure roll out for recharging needs to be addressed quickly”

— INVESTOR CONCERNS: IN THEIR OWN WORDS

What factor is most important to you when it comes to considering whether to make an investment in the AV market?





ABOUT STUART YOUNG

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

With over 20 years' experience, he has advised numerous automotive companies on their business affairs including Ford Motor Company, Magna, 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.



**FOR MORE
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