

State of the eBike Industry Oct. 2014

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210 Million Riders Today

- * 34 million new units expected to be sold in 2014
- * 25 million, approximately, will be to replace worn out units in Asia. Growth of about 6-7 million riders.
- * About 7 million in European fleet. Longer unit life means most of close to 2 million sold this year will be additions to fleet.
- * About 3 million in use, in Japan. About 400,000 will be sold in Japan.
- * India will buy at least 800,000 this year.
- * The USA will buy close to 200,000 units

Important Dollars

- * 34 million new units, including about 2 million high priced units. About \$16,000,000,000.
- * Most use lead acid batteries, with a rapidly growing use of lithium batteries. The size of the lead acid battery market is nearly 1 billion units per year for new construction and replacement lead acid batteries. About 30,000,000,000.

Fourth Largest, Personal Transportation, Category

- * Manual bicycles – between 130 and 150 million units per year. About 20 billion dollars in new units. Not growing.
- * Cars and Light Trucks – about 65 million per year = \$1.3 trillion. Slow growth.
- * Motorcycles, motor scooters, mopeds about 65 million units per year. Almost \$1. trillion. Slow growth.
- * Electric bicycles about \$46 billion, and growing fast.

Bright Future

- * Projections are that the powered electric two wheeler category will expand into light electric motorcycles, and become a 130 million unit per year industry. This will be about 150 billion dollars.

Important Tool For Human Future

In an ever more crowded world, personal transportation must be compact, odor and noise free.

Humans are becoming more affluent. As they do so, they want to have better wheels. Billions of personal vehicles are needed.

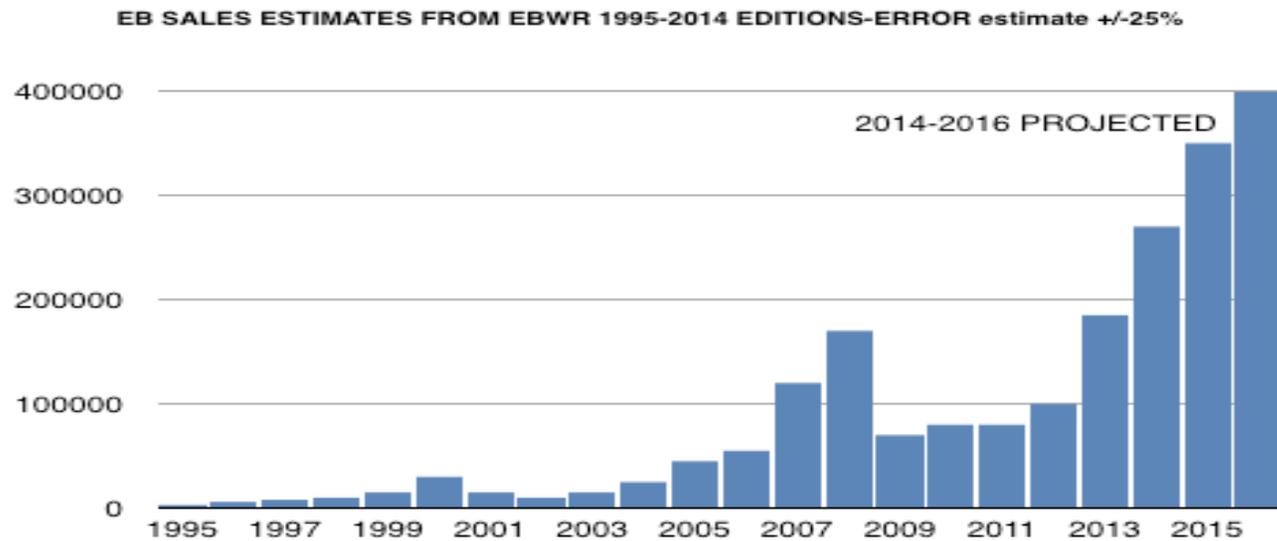
Humans are ever more aware of the need to reduce carbon footprint.

Electric bikes can be transportation, exercise, and recreation

USA Market Numbers

- * 2012 About 58,000 imported
- * 2013 About 173,000 imported
- * Eventual market maturity – about 1 of every 2 adult bicycles will be eclectic.

USA Sales from EBWR 1995-2014



Drivers of Growth for the eBike as Transportation

- * Aging boomers
- * Traffic congestion
- * Parking congestion
- * Fuel price

Paradigms are Changing

- * For most of the world, bicycles are transportation. In NA, bicycles are sport, fitness, and recreation.
- * eBikes are, for most of the world – transportation.
- * The emergence of electric mountain bikes, and of speed pedelecs, is creating a paradigm of electric bikes as sport and recreation.
- * This has yet-to-be understood implications. But it is good for business.

Important to Consumers

- * Boomers – extending the riding season.
- * New demographics – people that would never buy a manual bike.
- * Changing transportation needs – millennials not buying cars, and moving to the big city.

Important to Dealers

- * High end bicycle sales, the life blood of most IBDs are crashing as the boomers, the folks that have spent the most money on bicycles of any group in history – are old enough that they are no longer buying expensive road and mountain bikes.
- * Normal bicycles, today, need minimal service attention.
- * Less local competition for sales of ebikes.
- * Consumer needs help from dealer to select, assemble, and service their ebike.

Dealers Make More Money

- * Bigger average ticket
- * Higher average margin
- * Consumer rides more, needs more after sales accessories, parts, service
- * Eventual replacement of battery means a future big ticket sale.

Important to Brands, and OEMs

- * Manual bicycles, a 120 year old industry, are a thin margin business.
- * Electric bikes offer bigger margins to every level of creation and distribution.
- * Electric bicycles offer a larger ticket to every level of creation and distribution.
- * Competition, for now, is much less.

Regulatory Attention Needed, Worldwide

- * Technology and product development is outstripping law makers awareness and action.
- * Most of the time, electric bikes are well regarded and given privilege and favorable treatment from regulators.
- * One of the best possible situations is the one we have in most of the world today – to be regarded as a “bicycle” with the privileges of such.

We Have a Bright Future



Questions?

* The author can be reached for complaint, complement or questions at

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* All email will be responded to.

* This presentation will be posted at
www.CycleElectric.com

Thank you!

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