



Trends analysis in the Israeli Automotive Market

Q3/2023

PREFACE



Israel Vehicle Importers Association (I-via) publishes this quarterly overview in order to provide a broad picture of the Israeli market of new vehicles through analysis of relevant trends over the years.

It should be noted that the data included in this document relates to passenger cars and light commercial vehicles up to 3.5 ton (i.e. N1+M1 categories under the EU classification), imported by direct importers only.

Hezi Shayb, CEO
Israel Vehicle Importers Association (I-via)

A handwritten signature in black ink, appearing to read 'Hezi Shayb', positioned below the printed name and title.

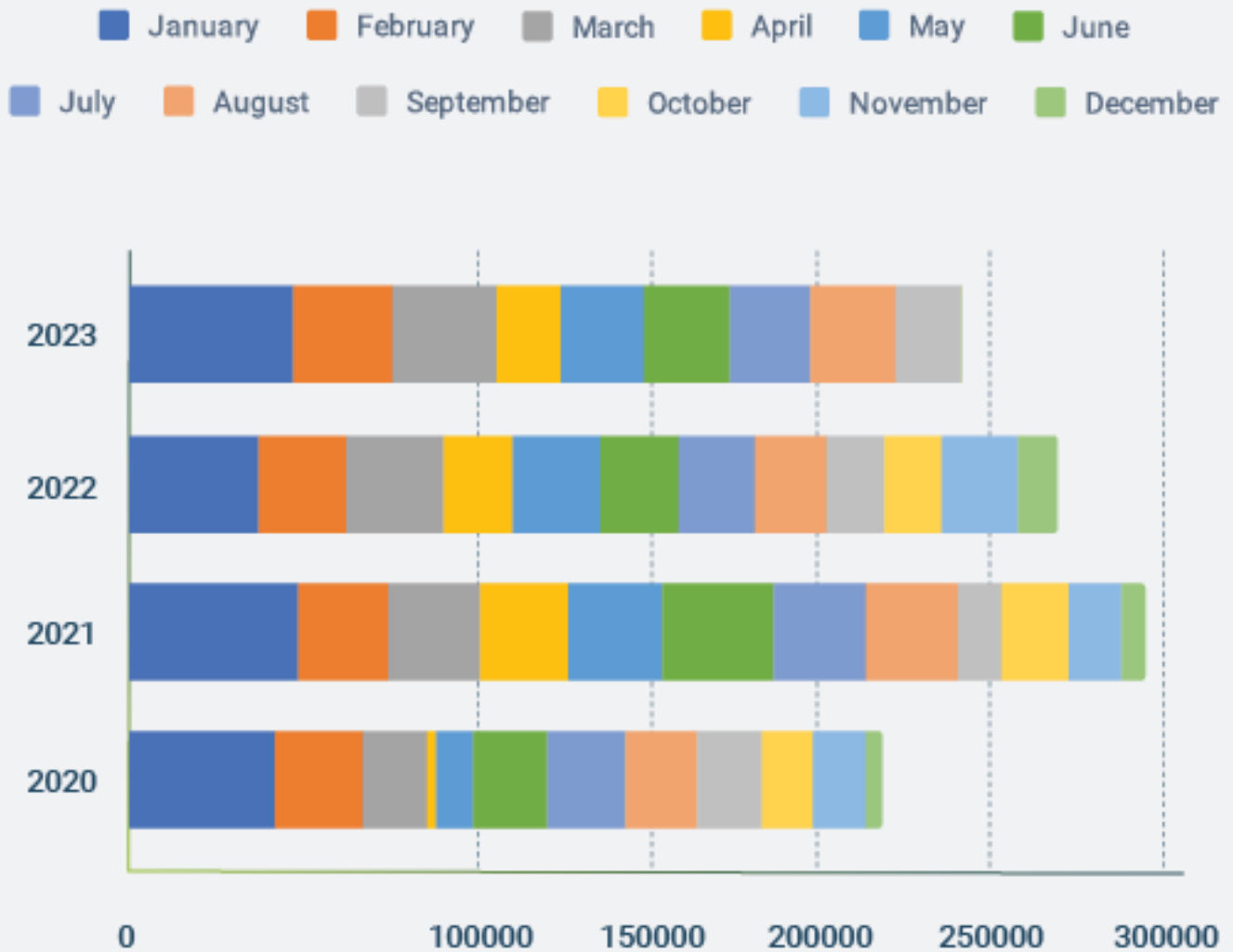
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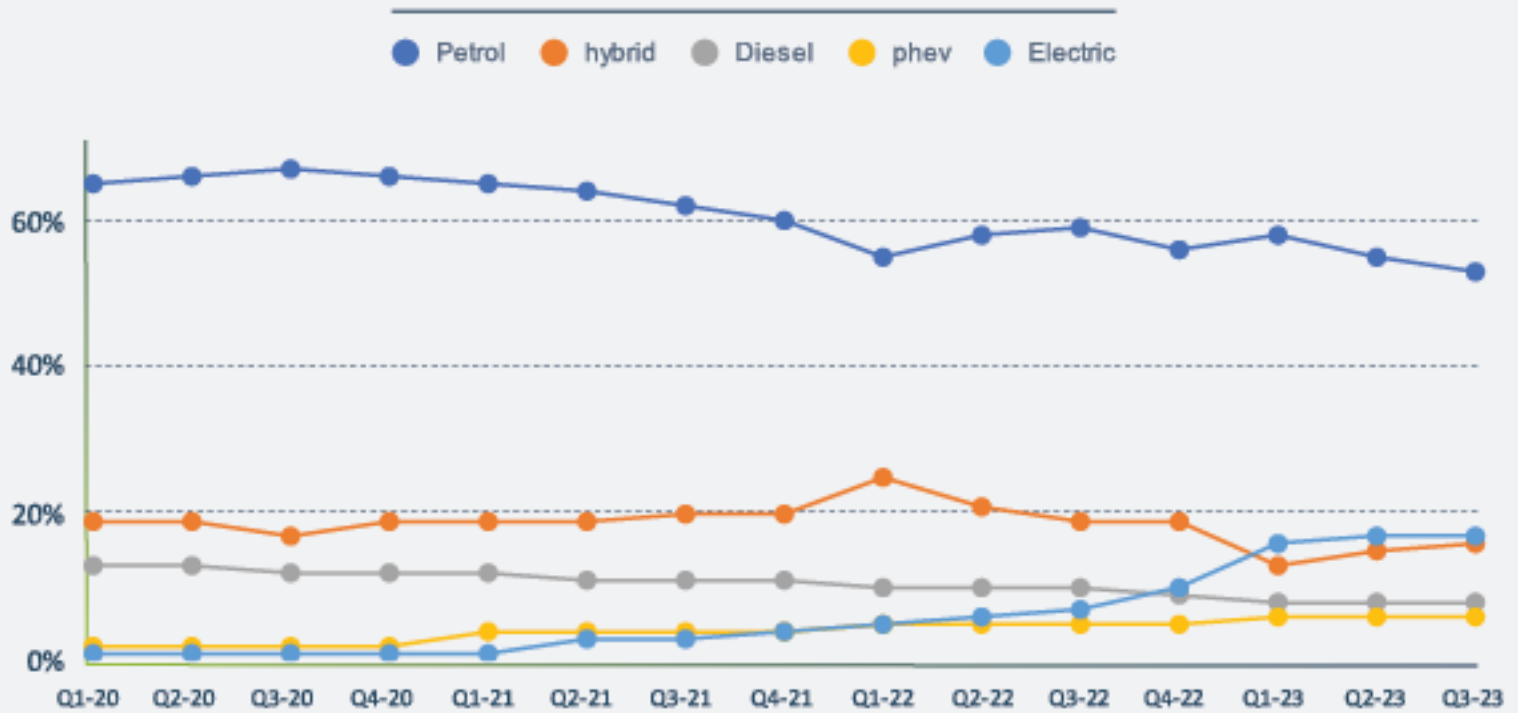
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The data analysis was performed in collaboration with Carzone Technologies Ltd.

REGISTRATION DATA



REGISTRATION BY ENGINE TYPE



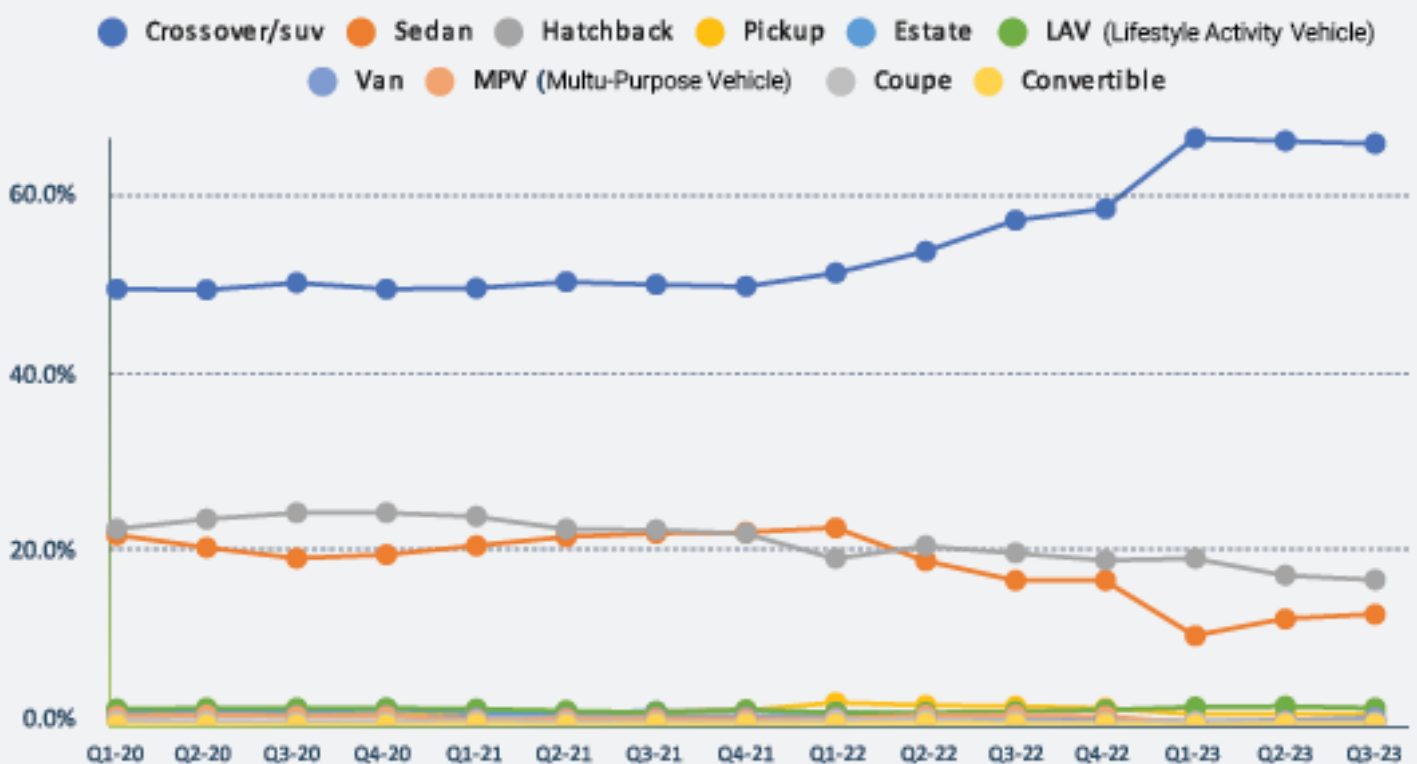
It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

In Q3 2023, Israel's automotive landscape reflected a sustained move towards alternative fuel vehicles. Petrol vehicles have seen a downturn in registrations, commanding 53% of the market, a slight reduction from 55% in Q2 2023. This reflects a 6% year-on-year decline from Q3 2022's 59% and a more pronounced 9% drop from the 62% share in Q3 2021.

Electric vehicles, holding a 17% market share, demonstrate consistency with the previous quarter and a remarkable year-over-year growth—a 10% leap from Q3 2022's 7% and a substantial 16% surge from the 1% in Q3 2021. This underscores a significant shift towards electric propulsion in the Israeli market.

The hybrid sector witnessed a slight uptick to 16% of new registrations, up from 15% in Q2 2023. This is 3% lower than the same quarter the previous year and represents a decrease from the 20% observed in Q3 2021. Plug-in hybrid electric vehicles (PHEVs) maintained a stable 6% share of new vehicle registrations, which is identical to the previous quarter. This figure has doubled from Q3 2022's 3% and shows a threefold increase from 2% in Q3 2021.

REGISTRATION BY SEGMENT TYPE



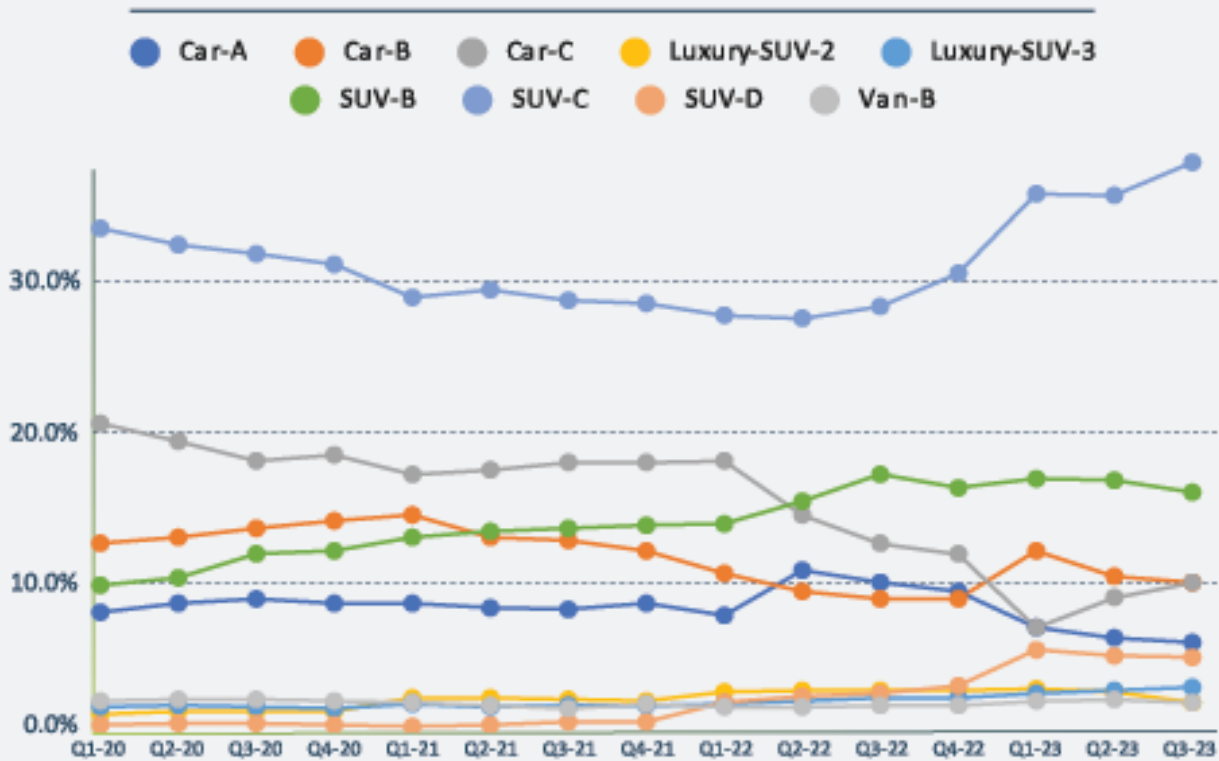
It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

Crossover/SUVs maintained their dominance in the market, making up 65.3% of new vehicle registrations in Q3 2023. This figure represents a marginal decrease from the 65.6% seen in the previous quarter, yet when viewed year-over-year, it shows a significant growth of 8.6% from Q3 2022's 56.7%, and an even more considerable 15.7% increase from Q3 2021's 49.6%. This demonstrates the consistent appeal of Crossover/SUVs among Israeli consumers.

Hatchbacks saw a slight quarter-over-quarter decline to 16.4% in Q3 2023 from 16.9% in Q2 2023. The year-over-year analysis indicates a decline from 19.4% in Q3 2022 and a noticeable drop from 22% in Q3 2021.

Sedans experienced an increase in their share of new vehicle registrations to 12.5% in Q3 2023, up slightly from 12% in Q2 2023. Compared to the same quarter in previous years, this represents a decrease of 3.8% from the 16.3% seen in Q3 2022, and a more substantial decline of 9.1% from the 21.6% recorded in Q3 2021.

REGISTRATION BY CATEGORY



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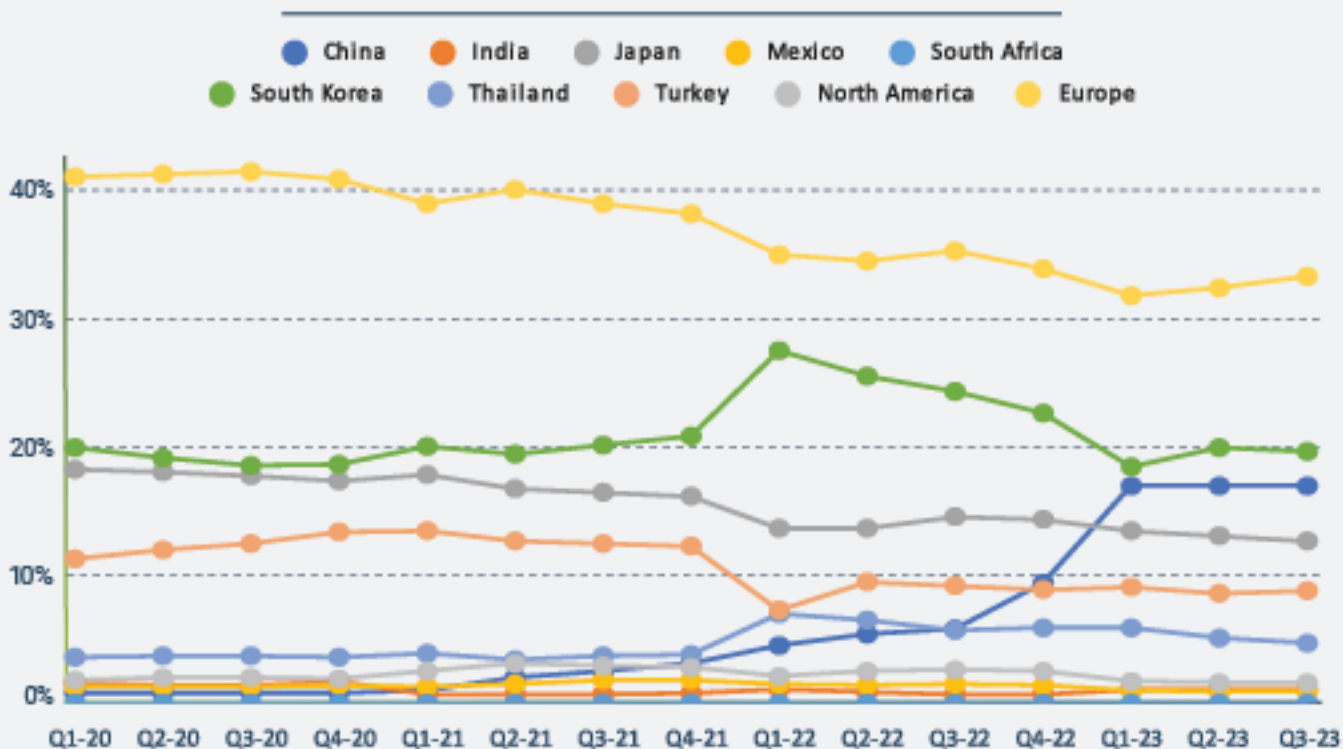
In Q3 2023, the SUV-C segment continued to dominate the Israeli new vehicle market, securing a significant 38% of total new vehicle sales. This reflects a remarkable increase of 9.6% from Q3 2022, when its market share was 28.4%, and a substantial rise of 9.2% from Q3 2021, which stood at 28.8%. Such growth reinforces SUV-C's position as the foremost choice among new vehicle consumers in Israel.

The SUV-B segment, on the other hand, exhibited a dip in Q3 2023, accounting for 13.4% of new vehicles, a decrease from its 17.2% market share in Q3 2022. However, this figure is relatively stable when compared to the 13.6% share during the same quarter in 2021.

In Q3 2023, the Car-B segment's market share was 10%, a slight decrease from 10.4% in the previous quarter. Despite this quarter-over-quarter decline, the market share has increased compared to 8.9% in Q3 2022, though it's a reduction from 12.8% in Q3 2021.

For Car-C, the Q3 2023 market share stood at 10%, showing a decrease from the previous quarter's 9.0%. This is a more significant drop from the 12.6% market share in Q3 2022 and the high of 18.0% in Q3 2021.

REGISTRATION BY COUNTRY OF ORIGIN



It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

As of the third quarter of 2023, European-made vehicles accounted for 33.4% of the new vehicle market, reflecting a 2.4% decrease from January to September of 2022, and a 6.1% fall from the January to September period in 2021. Following a spike in interest during the second quarter of 2022, the preference for South Korean-made vehicles in Q3 2022 has leveled off, constituting 19.7% of the market—a figure consistent with two years prior, yet marking a 4.7% reduction from the same quarter in 2022. Chinese-made vehicles have maintained a steady market presence since the year's start, forming 17% of all new vehicle sales. This steadiness underscores a notable increase of 11.2% from the third quarter of 2022, and a 14.5% jump from the third quarter of 2021. Japanese-made vehicles have sustained their market share since the year's onset, making up 12.7% of new vehicle sales in Q3 2022. Lastly, the Turkish-made vehicle market share has remained consistent throughout the past year, at 8.8% in Q3 2023, which shows a decline of 3.7 points when compared to the same period in 2021.