

Success Strategies: Winning as an O&G Company in the EV Charging Business



Content

1

Introduction

2

Management Summary

3

Framework Approach

4

Analysis

5

Conclusion



How can O&G companies succeed in the EV charging business?

The Opportunity

O&G companies need to transition their businesses to adapt to the transportation industry's shift towards electrification. Electric Vehicle (EV) charging is a major new business opportunity: O&G companies have fueled internal combustion engine (ICE) based mobility for close to a century and can leverage their position to become the primary energy supplier for EVs as well.

The Challenge

The transition requires taking significant risks, making large capital investments and entering a crowded competitive field. O&G companies are considered the dinosaurs in the market compared to numerous start ups who are at the forefront of change. O&G companies have stable, long-running revenues and experience – they are the T-Rex in the market. But they must also compete with other dinosaurs – the major electricity utilities. New entrants need to invest and move right now to not only catch up but get ahead.

Our Advice

In this brief, we analyze the best in the business and recommend to you the key winning strategies that can successfully transition your O&G business towards EV charging.



Invest, partner and pilot to try things and move fast



Invest for the future: Buy capabilities and/or leverage less-capital intensive strategic partnerships to enter the fragmented and dynamic European EV charging market.



Move fast: You need to be proactive and quick in the rapidly evolving and crowded EV charging business to gain market share and stay ahead of competitors.



Try before you buy: Run EV charging pilot projects at your gas stations with minimal investment to help you better understand the complexity of the charging ecosystem and thereby manage associated risks.



Put your customers first: Provide a seamless and integrated charging experience to the EV user at retail outlets, leveraging lessons learned from your retail businesses.

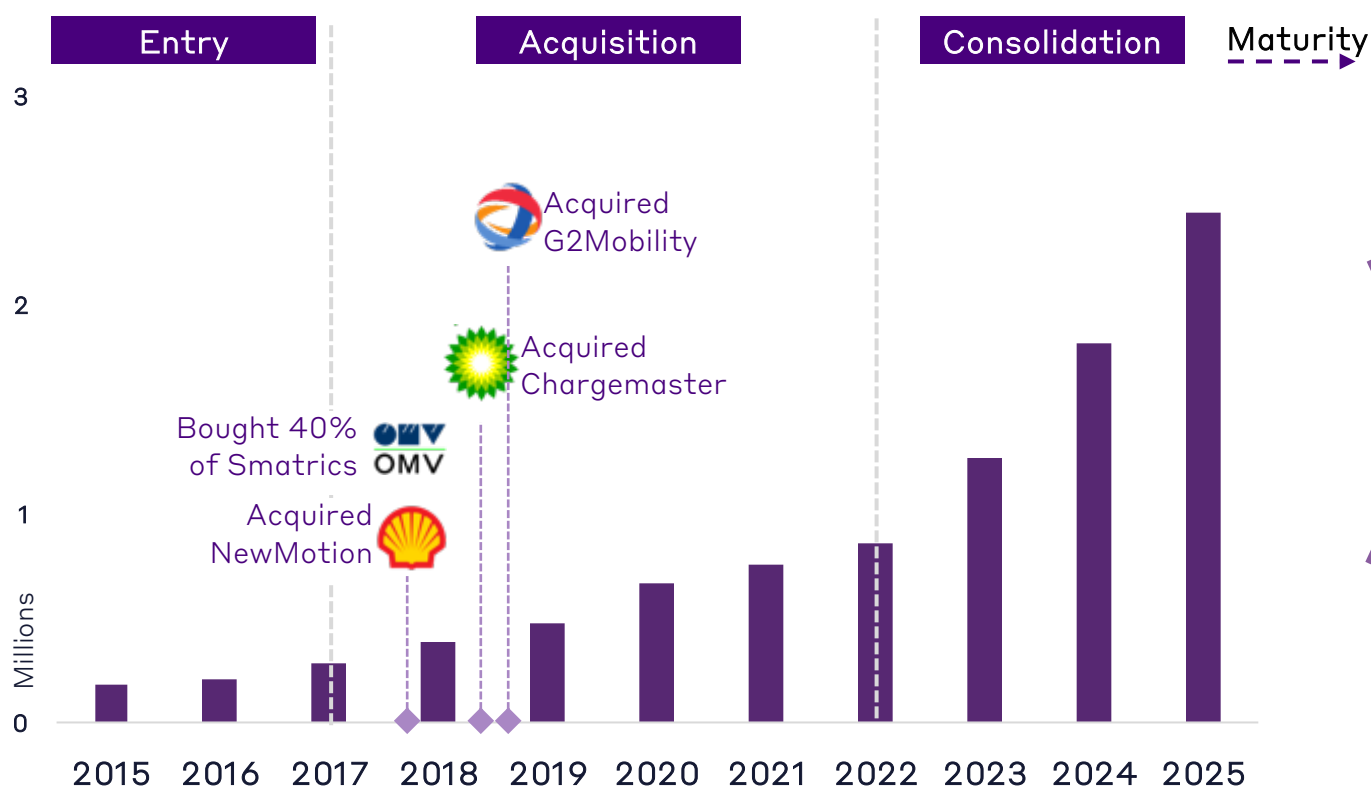


Work with future proof infrastructure: Be smart while investing in full-scale solutions. Consider advancements such as Plug and Charge, Smart charging, DC Fast charging, Interoperability etc.



Led by a strong vision, it's all about making smart investments, building partnerships and owning the value chain

EU EV Passenger Car Sales and Market Phases of O&G Players



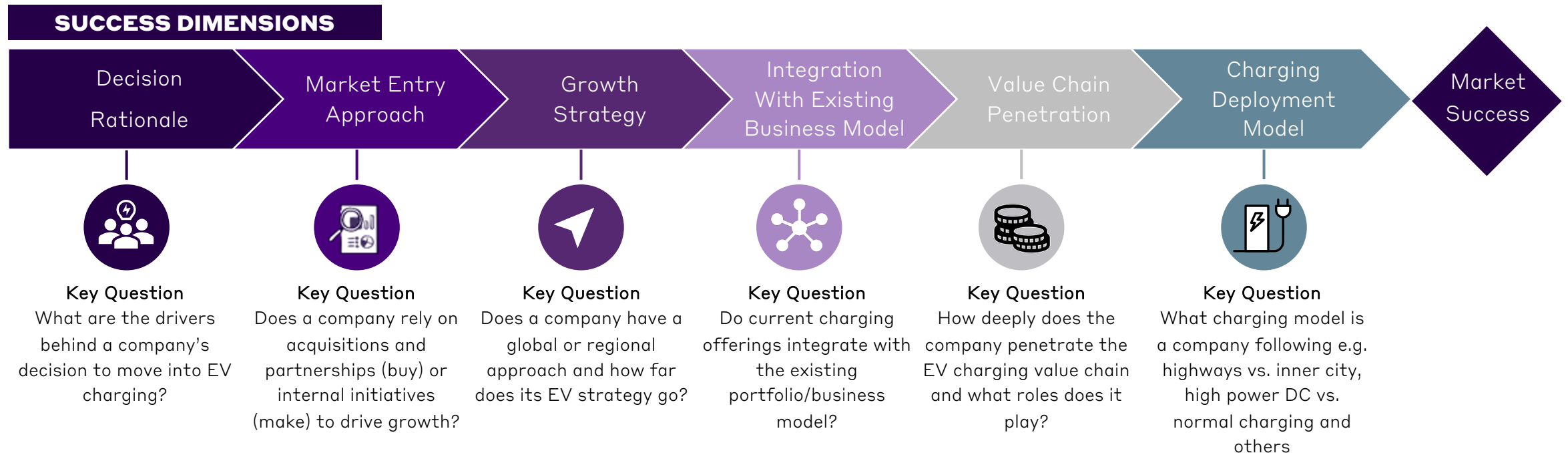
Source: Bloomberg – Electric Vehicle Outlook 2019, Hubject Consulting analysis

Key Takeaways





- **Everything starts with a strong vision:** Recognizing shifting market fundamentals is necessary for a successful market entry. It's not enough to adapt to changing customer behavior and regulations.
- **Buy-outs are sexy but need to be balanced:** The market is still in an early phase which means the risk of failing is still high. It's advisable to mitigate this risk by focusing on acquisitions as well as minority investments and strong partnerships
- **O&G goes like "go big or go home":** Capital backed global players buy their way into the market. Only organizations that are capable of integrating new ventures from a technical, operational and human resources perspectives will succeed
- **Global trumps local:** In the end it's about scalability. If affordable, a more global approach with EV charging fitting into an extended field of services leads to a competitive advantage
- **It's all about the depth of value creation:** A portfolio of services covering the entire value chain is crucial if O&G want to become as relevant in the eMobility world as they have been traditionally.

The Go-to-Market Success Framework for EV Charging Businesses

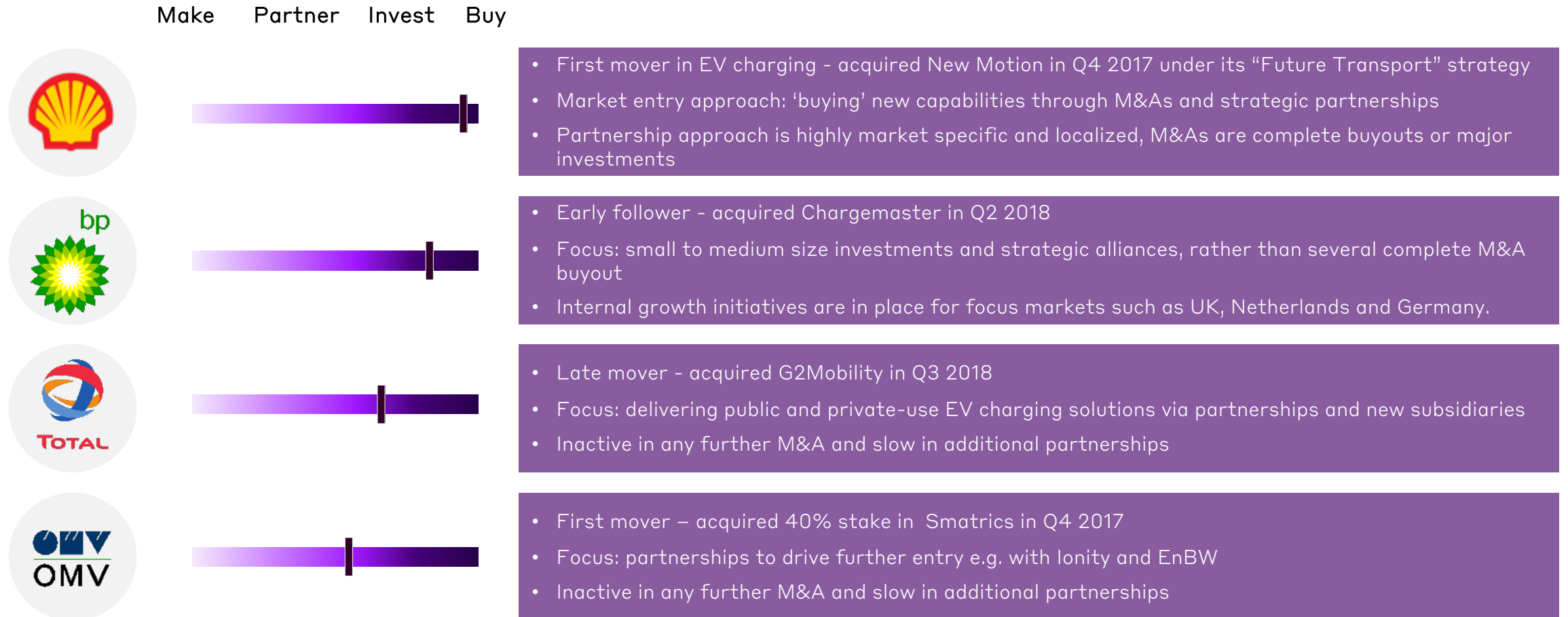
- Our Market Success Framework evaluates what works and what doesn't for companies entering the market from any industry
- Six dimensions cover why a company should enter and what strategies, from entry to growth to deployment, can lead to long-term success
- The best in the industry are compared to arrive at success benchmarks



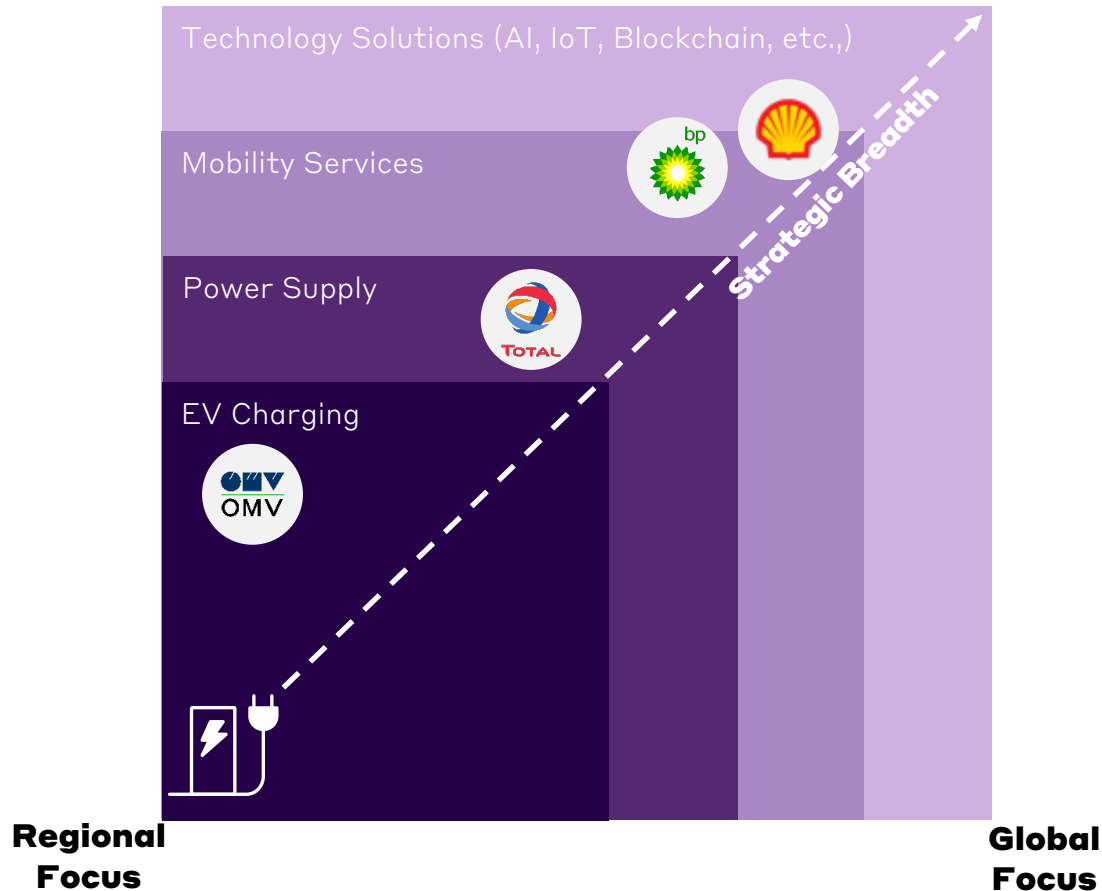
Shifting market fundamentals, changing consumer behavior and carbon regulations drive companies' EV charging entry

	STATED RATIONALE	UNDERLYING DRIVERS
	<p>A net-zero emissions energy business by 2050</p> <p><i>"Society's expectations have shifted quickly in the debate around climate change. Shell now needs to go further with our own ambitions, which is why we aim to be a net-zero emissions energy business by 2050 or sooner."</i> - CEO, Ben van Beurden</p>	<p>Addressing a shift in market fundamentals and threats to long-term viability</p>
	<p>A net-zero company by 2050 or sooner</p> <p><i>"The world's carbon budget is finite and running out fast; we need a rapid transition to net zero."</i> - CEO, Bernard Looney</p>	<p>Addressing a shift in market fundamentals and threats to long-term viability</p>
	<p>Ambition to become responsible energy major</p> <p><i>"Energy markets are changing, driven by climate change, technology and societal expectations. Total is committed to helping solve the dual challenge of providing more energy with fewer emissions."</i> – Chairman and CEO, Patrick Pouyanne</p>	<p>Staying relevant in the face of changing customer expectations and usage behavior</p>
	<p>Developing carbon efficient solutions to address climate change</p> <p><i>"We have pledged to reduce the carbon emissions of our operations, as well as the carbon footprint of our product portfolio in order to make a significant contribution to climate protection."</i> - Chairman of Executive Board, Rainer Seele</p>	<p>Meeting carbon emissions reduction regulations</p>

A 'buy' strategy based on M&As and new partnerships reduces time to market while protecting core revenue streams



For companies that can afford it, a global approach with a strategy beyond EV charging helps capture market position and hedge risks



Insights

Geographic Focus

Some companies deepen their presence regionally while others see EV charging as an opportunity to lead in multiple global markets

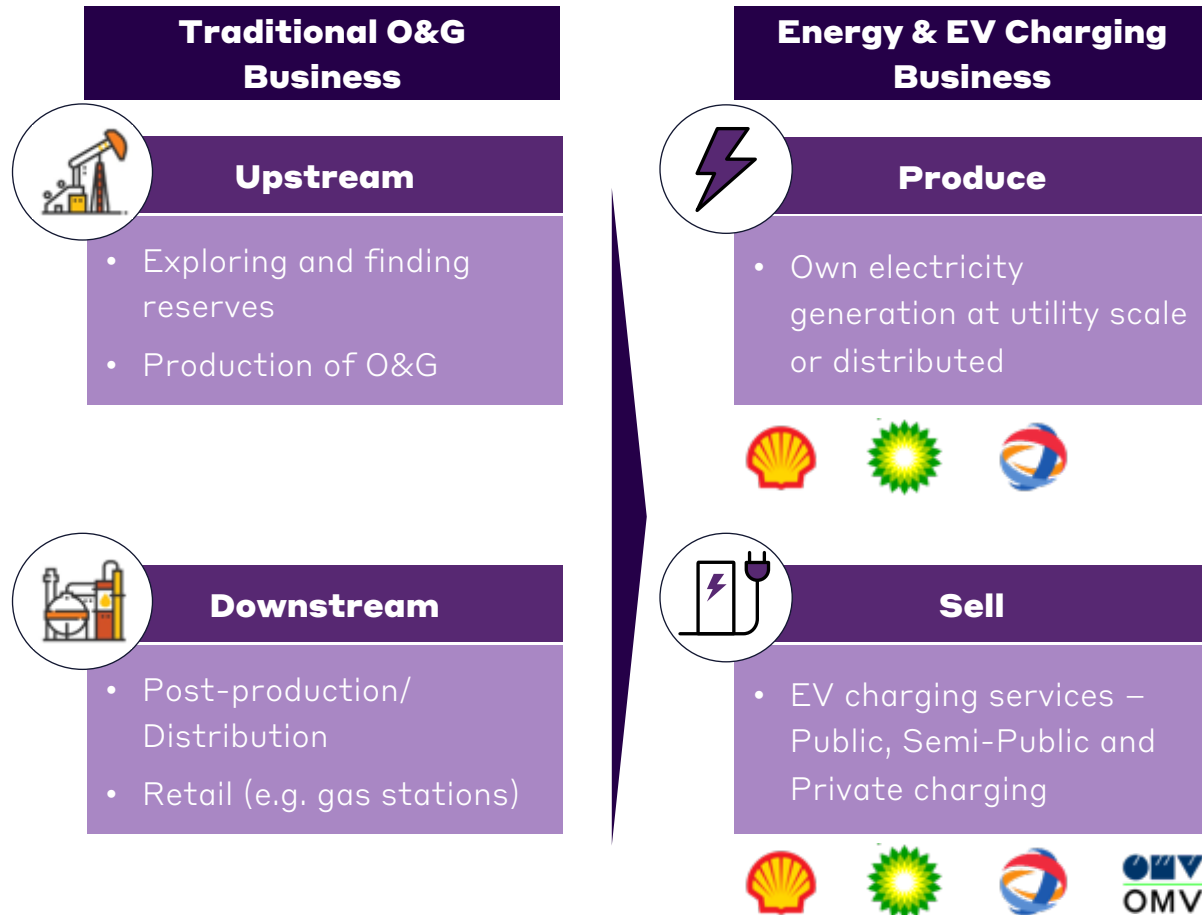
1. **Shell:** Global, with initiatives in the USA and EU
2. **BP:** Mix of regional and global with initiatives in the UK, Europe and China
3. **Total:** Regional, with initiatives in France, Netherlands and other western European countries
4. **OMV:** Regional, with initiatives in Austria and lighthouse projects in Eastern Europe

Strategic Breadth

Some companies have built strategies beyond core EV charging to take advantage of the full breadth of new growth opportunities

1. **Shell:** Power supply, mobility services and technology solutions expand its scope of play on top of EV charging
2. **BP:** Power supply, mobility services and technology solutions expand its scope of play on top of EV charging
3. **Total:** Has a mobility play plus power supply and EV charging
4. **OMV:** Play is limited to EV charging

Integrating EV charging solutions with power generation can help compete as 'exclusive' energy suppliers for eMobility



Insights

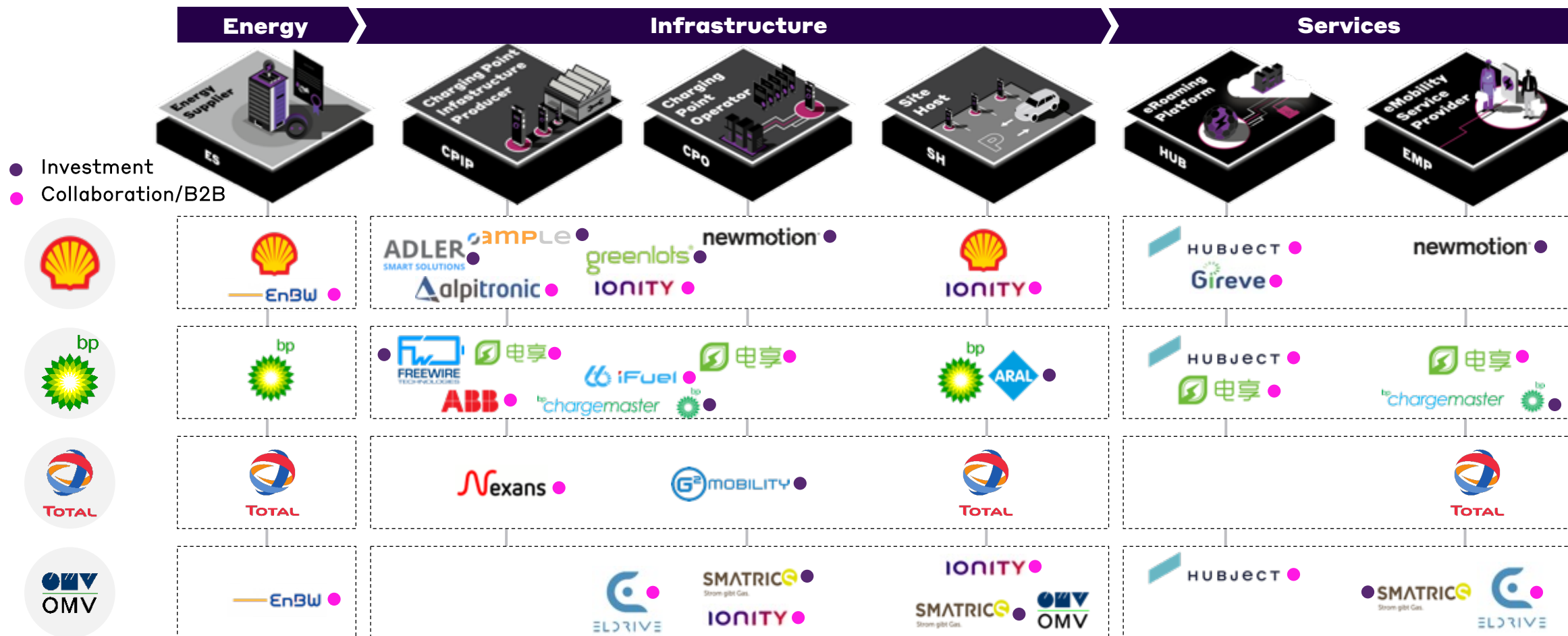
Shell: With the acquisition of Sonnen, it has the capabilities to deliver an end-to-end private charging solution to its EV user.

BP: It is integrating EV fast charging offerings with its existing downstream products and services

TOTAL: It has EV charging integrated with EV fleet solutions in place and is already targeting logistics and business fleets.

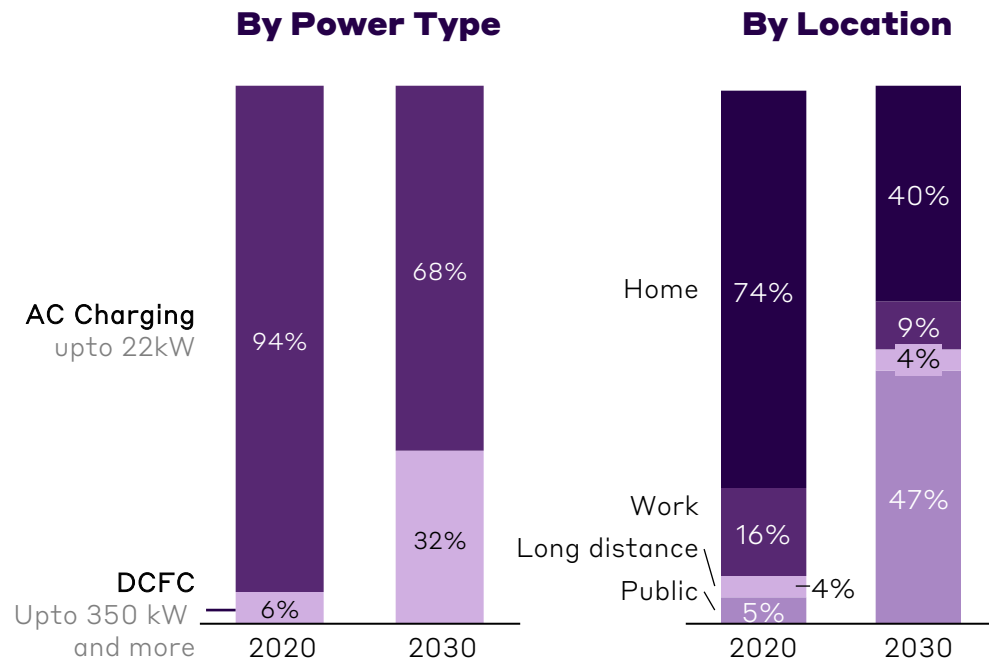
OMV: It is focused and is installing chargers at retail sites to access the long distance EV commuter traffic

Companies active across the value chain are best positioned to find the right business models and value proposition



Direct Current Fast Charging focused deployment at retail outlets matches customers' shifting charging preferences

Charging behavior analysis - % of kWh in Europe¹



Figures may not sum up to 100%, because of rounding
AC - Alternating Current
DCFC - Direct Current Fast Charging

Source: Hubeject Consulting Analysis, ¹Mckinsey Analysis

HPC Initiatives and Targets



- Planned 500 HPC points across 10 European countries by 2020, starting with 80 of the biggest Shell motorway stations.
- Total 100 HPC stations planned in DE in two waves, partnering with EnBW for first wave and with Adler Smart Solutions for second wave



- In the UK, BP has opened the first 14 of 400 ultrafast DC chargers it plans to install on its forecourts by the end of 2021
- 5 existing pilot projects in Germany



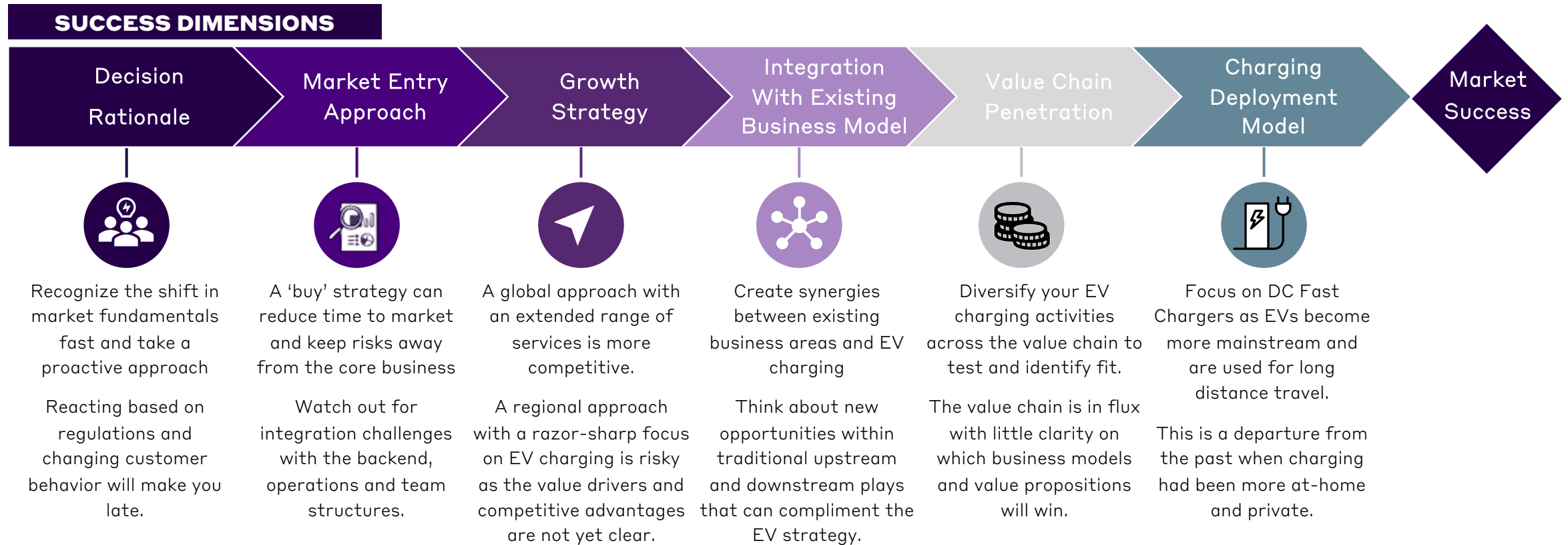
- Planned network of 1,000 HPC points (≥ 175 kW) to be installed by 2022 on 300 stations (i.e. every 150 km in Western Europe).



- 201 Charging points are available at 58 OMV filling stations in Austria, Germany, Hungary, Romania, and Slovenia and Planned to expand its network by adding 30 HPCs in eastern EU.

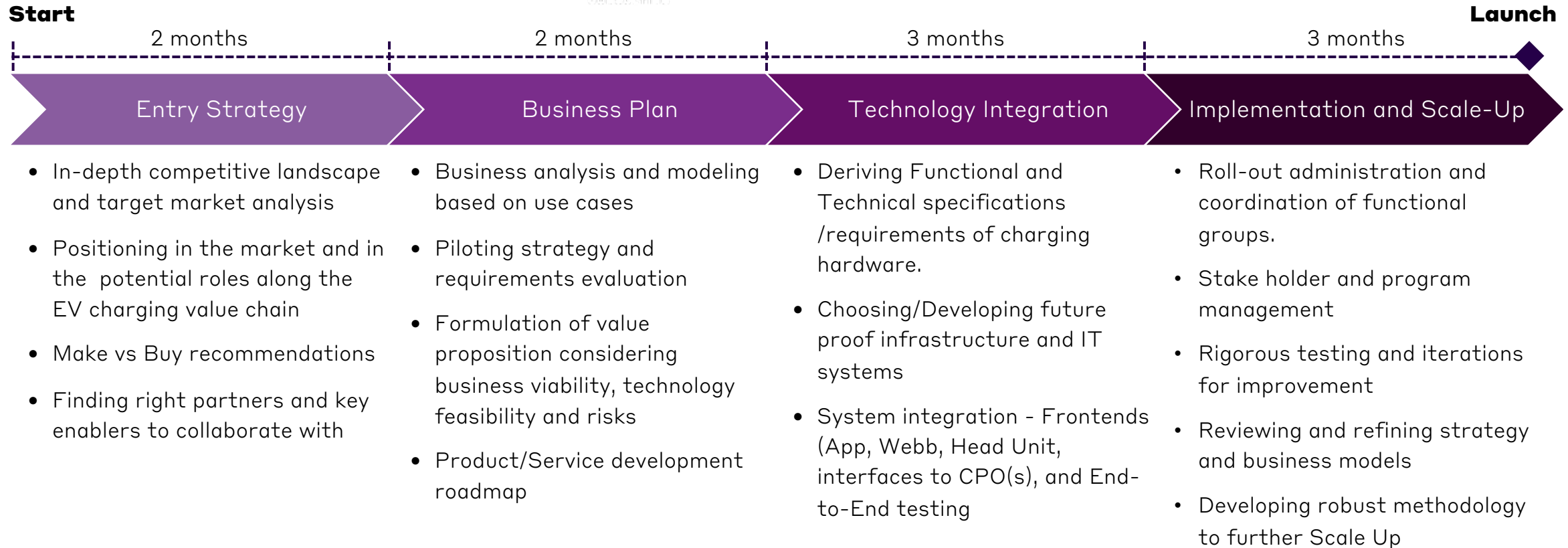
HPC - High Power Charging


A drastic shift in fundamentals requires a bold strategy that reduces risks and pushes competitiveness



Launch your EV charging strategy with Hubject Consulting

Hubject Consulting can help you plan and rollout out your entry into the EV Charging market.



An aerial photograph of a dense evergreen forest covered in a thick layer of snow. A winding road cuts through the lower portion of the image, with two cars visible on it. The overall tone is cold and serene, with the white snow contrasting against the dark green of the trees.

CHARGING IS IN OUR DNA

**Find out how Hubject
Consulting can help your
business succeed**

Why Hubject is the ideal partner to tackle these challenges and support you with expansion plans

Global Technology Leader



Hubject is a central part of the global EV charging ecosystem and has managed to build up a unique global network connecting more than 600 B2B partners.

- Global footprint & local market expertise
- Cutting edge technology operator provider
 - Developed and operating global B2B platform
 - Intuitive and secure charging through Plug & Charge

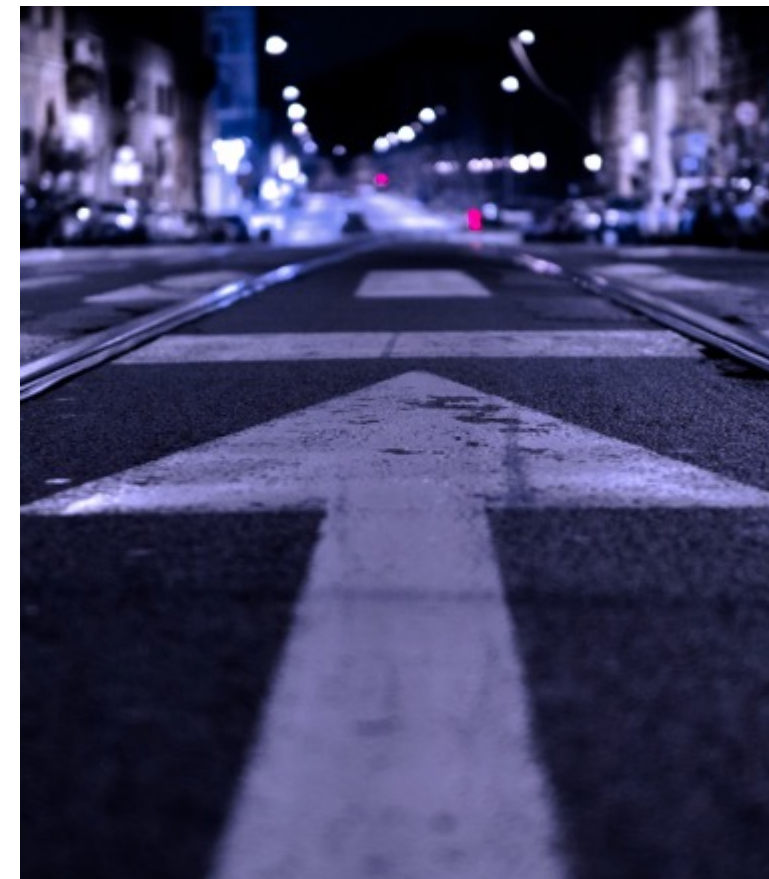


Extensive project experience



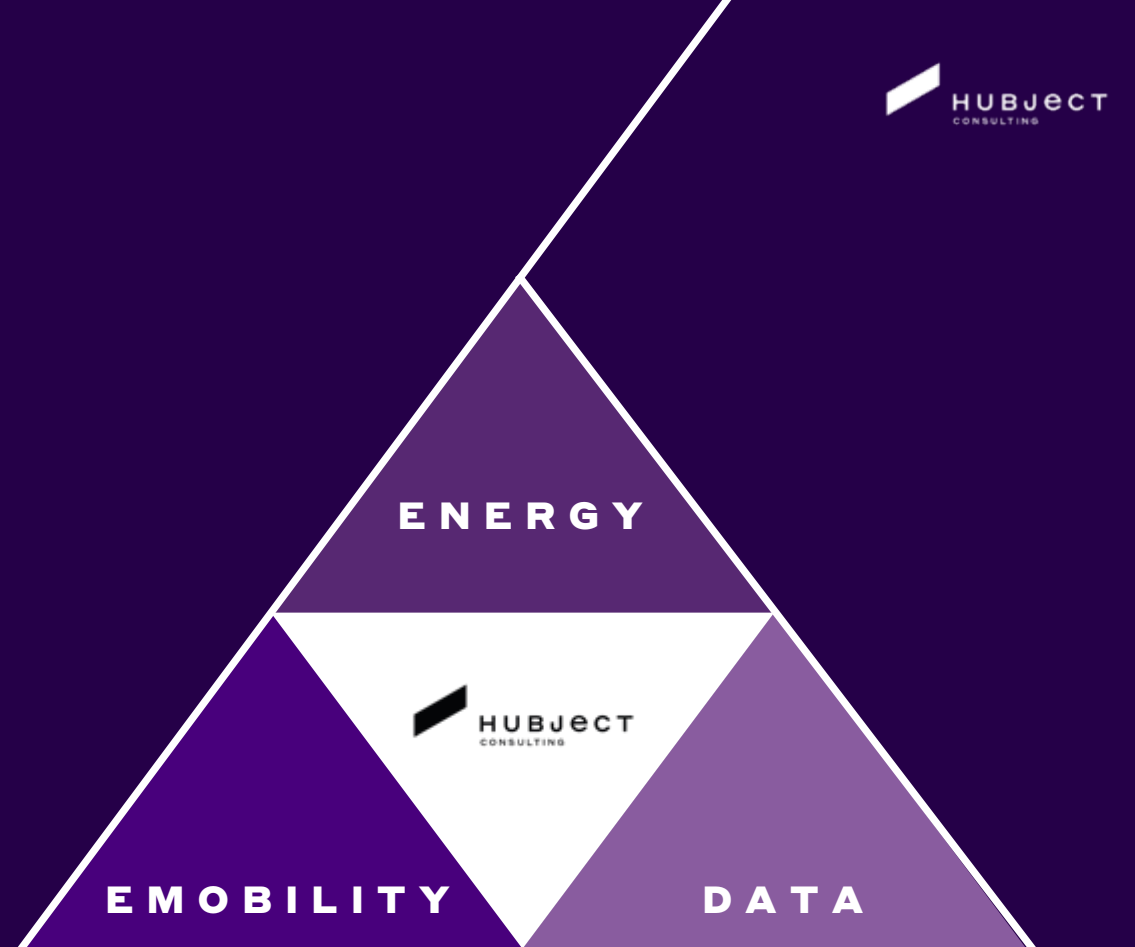
Recent projects demonstrate our extensive expert knowledge within the domain of entering and expanding in European eMobility and EV Charging markets.

- European Market Entry strategy for a Chinese premium electric car manufacturer.
- eMSP Strategy Development for Multinational Convenience Store Operator in Norway
- Development of CPO Positioning Strategy & Key Product Features for a Utilities client



We help you...

with your BUSINESS STRATEGY where
MOBILITY, ENERGY and DATA meet.

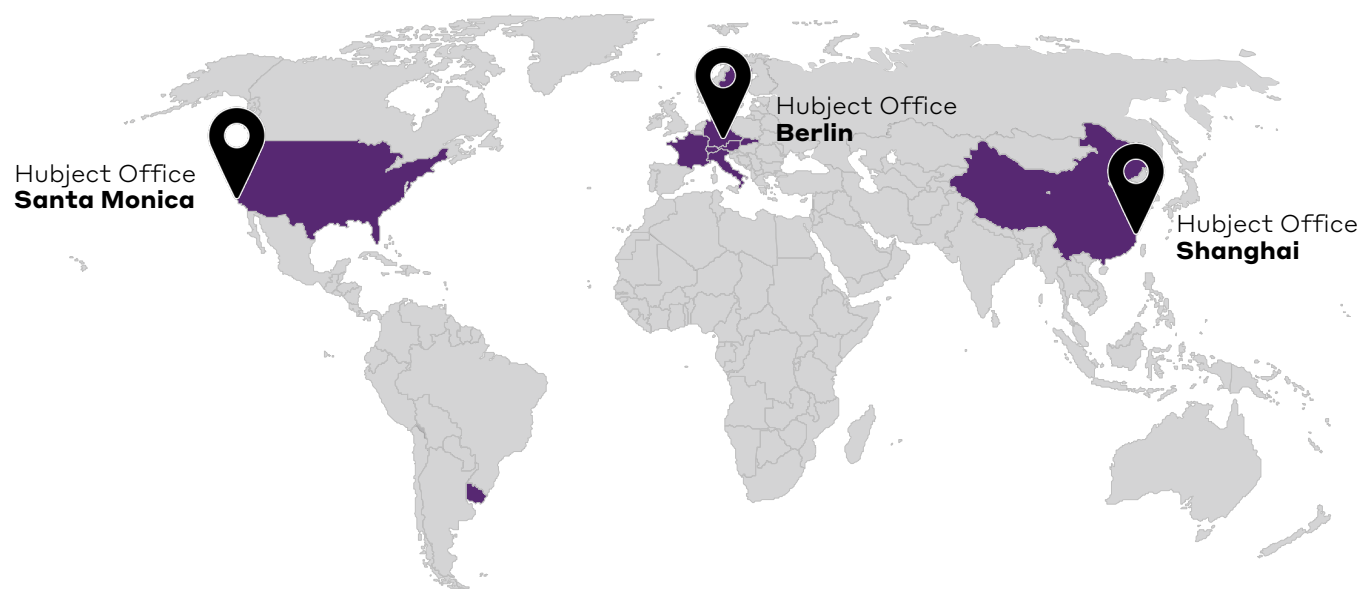


We are...

a young team of experienced innovators and digital mobility experts advancing your market position, shaping your service portfolio, and driving your mobility strategy.

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SUCCESSFULL CONSULTING PROJECTS WORLDWIDE



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