Delta-EE enables organisations to develop the best strategies, business models and customer propositions for the energy transition

Clients work with Delta-EE because our unparalleled research base provides both breadth and depth of expertise, spanning:

**New Energy Business Models**
Identify and understand the alternative and new business models for the energy transition

- **EVs & Electricity**
  - Understand the opportunities and challenges from sector coupling between electricity and transport

- **Flexibility & Energy Storage**
  - Take advantage of the opportunities emerging from an active demand side

- **Heat**
  - How channel disruption, sector coupling and new technologies are changing the heat sector

- **Distributed Power**
  - Global market insight & expertise into the growing role of decentralised generation

- **Digital Energy**
  - Opportunities in the connected home market and how digitalisation is changing the energy customer relationship

- **Gas Heating Service**

- **Electrification of Heat Service**

- **Heating Business Service**

- **Bespoke Consultancy**
Pre-covid: Positive outlook for HP sales in Europe’s main markets

Pre-covid forecast to 2022 (FR, DE, UK, NL and IT)

Source: Delta-EE Covid-19 forecasting 2020
Post-covid, forecast is dampened – though there is still growth

Post-covid Forecast to 2022 (FR, DE, UK, NL and IT)

-12% Vs pre-crisis
+14% Vs 2019

…but…

Source: Delta-EE Covid-19 forecasting 2020
## How do countries compare? Outlook for 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Post-crisis 2020 Sales</th>
<th>Pre-crisis 2020 Forecasted Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>+15% Vs 2019</td>
<td>-7% Vs pre-crisis</td>
</tr>
<tr>
<td>Netherlands</td>
<td>+12% Vs 2019</td>
<td>-8% Vs pre-crisis</td>
</tr>
<tr>
<td>Italy</td>
<td>-10% Vs 2019</td>
<td>-20% Vs pre-crisis</td>
</tr>
<tr>
<td>UK</td>
<td>-10% Vs 2019</td>
<td>-16% Vs pre-crisis</td>
</tr>
<tr>
<td>France</td>
<td>-24% Vs 2019</td>
<td>-17% Vs pre-crisis</td>
</tr>
</tbody>
</table>

**Impact of crisis**

**How will post-crisis 2020 sales compare to 2019?**

**How will post-crisis 2020 sales compare to ‘pre-covid’ 2020 forecasted potential?**

Source: Delta-EE Covid-19 forecasting 2020
What could the recovery from the Covid-19 crisis look like?
Central forecast: Dampened growth, mainly in new build

Source: Delta-EE Covid-19 forecasting 2020
What could the recovery from the Covid-19 crisis look like?
Low scenario: Severe impact for next 3+ yrs, especially in retrofit

![Graph showing HP sales/month for NEW BUILD and RETROFIT categories, with pre-covid-19 forecast, central scenario, and low scenario.](https://via.placeholder.com/150)

**Source:** Delta-EE Covid-19 forecasting 2020
What could the recovery from the Covid-19 crisis look like?

High scenario: Short sharp shock then back on track for growth

Source: Delta-EE Covid-19 forecasting 2020
The Covid crisis as a catalyst for change in the heating market – opportunities for the heat pump industry (1)

A change of focus from ‘shifting boxes’ to ‘selling services’: ‘Heat as a Service’ can drive recovery from the Covid crisis in the retrofit sector

Source: Delta-EE Heating Business Service
Digitalisation across the heat pump value chain can support installers, capture new value streams, and build resilience and in the wake of the Covid-19 crisis.

End-user willingness to pay for remote diagnostics:
- Willing to pay, 56%
- Not willing to pay, 33%
- Can’t say, 11%

Market penetration of heating servicing contracts:
- <15%
- 15-30%
- >30%

Source: Delta-EE customer research, UK, FR, DE, IT, NL
Thank you!

Lindsay Sugden
lindsay.sugden@delta-ee.com
+45 (0) 20 74 40 90