

IMPACT OF COVID-19 ON THE EUROPEAN HEAT PUMP MARKET

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DELTA-EE

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

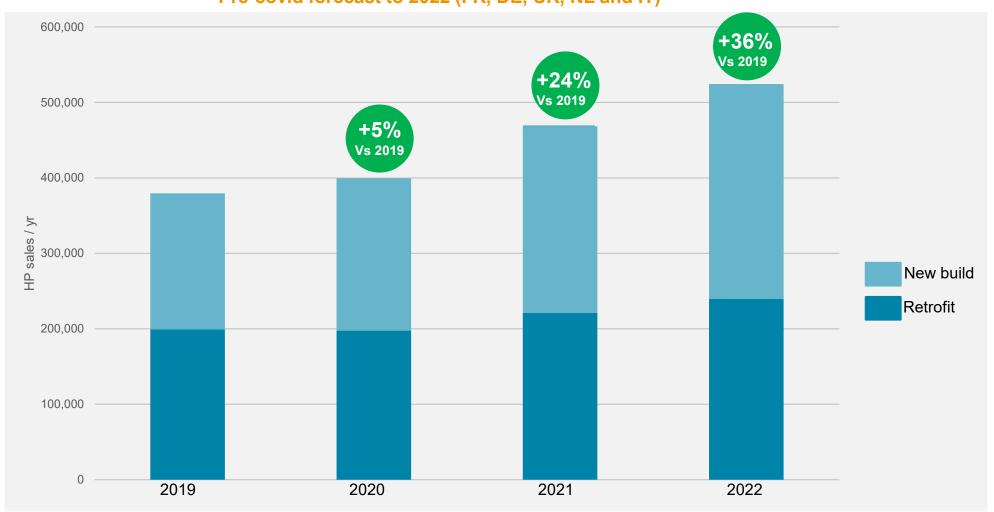
Electrification of Heat Service

Heating Business Service **Bespoke Consultancy**



Pre-covid: Positive outlook for HP sales in Europe's main markets

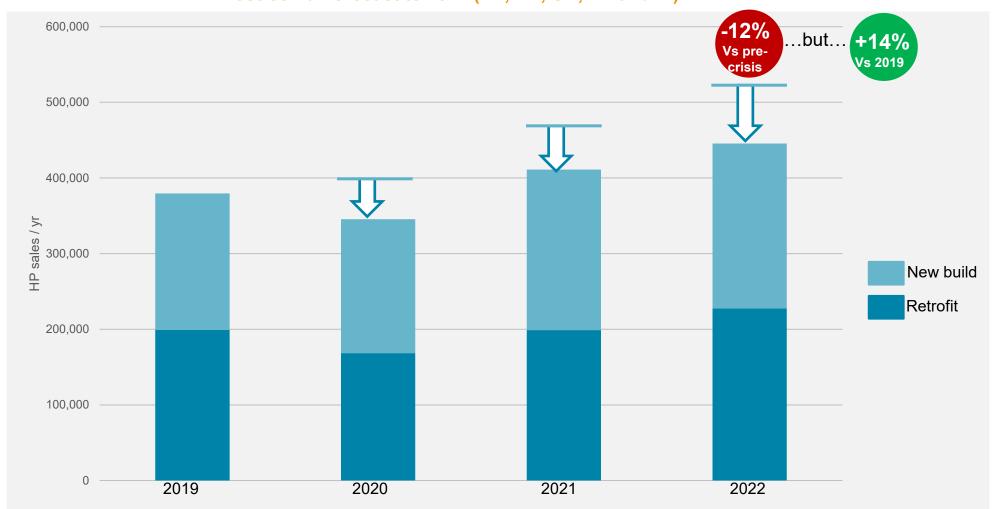
Pre-covid forecast to 2022 (FR, DE, UK, NL and IT)





Post-covid, forecast is dampened – though there is still growth

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

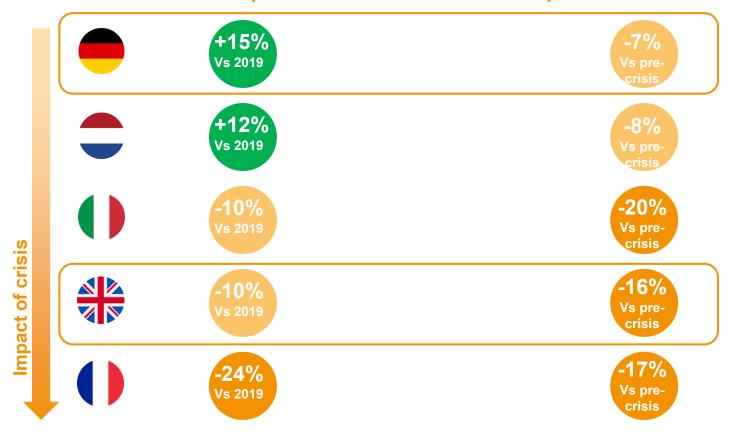




How do countries compare? Outlook for 2020

How will post-crisis 2020 sales compare to 2019?

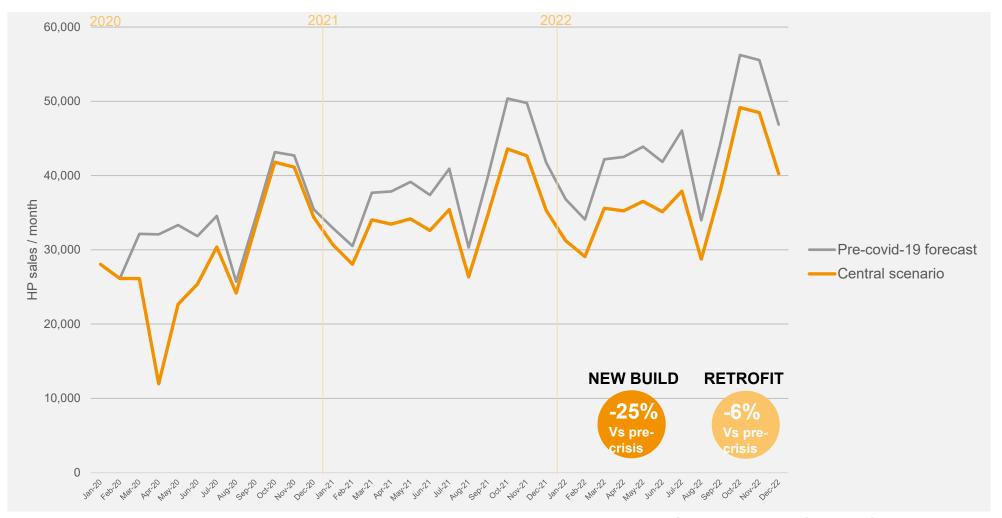
How will post-crisis 2020 sales compare to 'pre-covid' 2020 forecasted potential?





What could the recovery from the Covid-19 crisis look like?

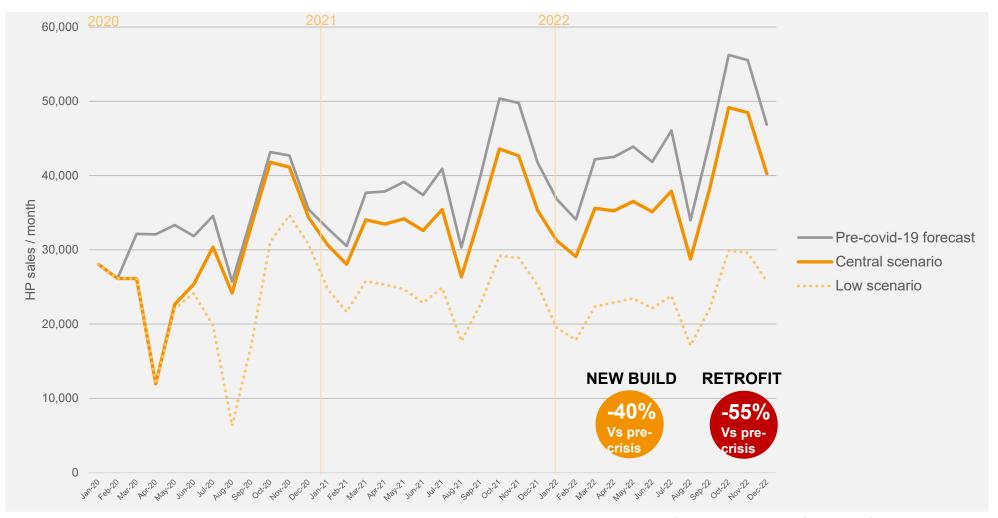
Central forecast: Dampened growth, mainly in new build





What could the recovery from the Covid-19 crisis look like?

Low scenario: Severe impact for next 3+ yrs, especially in retrofit





What could the recovery from the Covid-19 crisis look like?

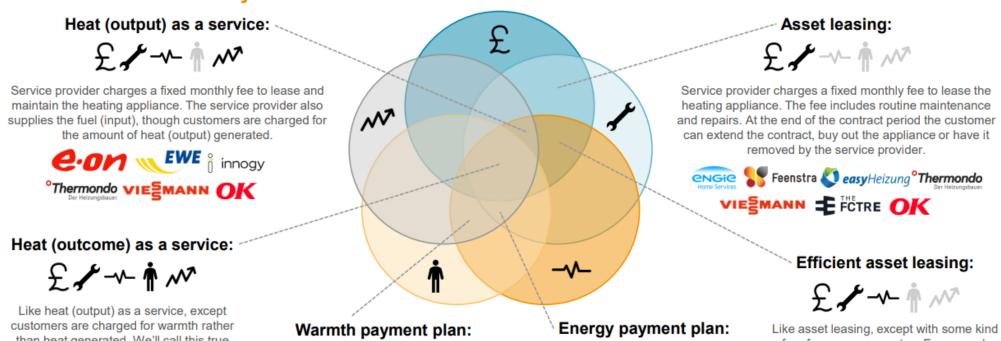
High scenario: Short sharp shock then back on track for growth





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

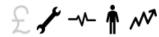


customers are charged for warmth rather than heat generated. We'll call this true HaaS, though technically **Warmth as a Service** would be more accurate.



The trials done by the Energy Systems Catapult so far are technically 'warmth payment plans' since they charge for "warm hours" provided, but haven't yet included the heating appliance.





Energy supplier Naturgy is bundling together energy supply and maintenance services for a fixed monthly fee.



Like asset leasing, except with some kind of performance guarantee. For example, B-Snug guarantees energy cost savings and Best Green reimburses customers for the electricity used by the heat pump.

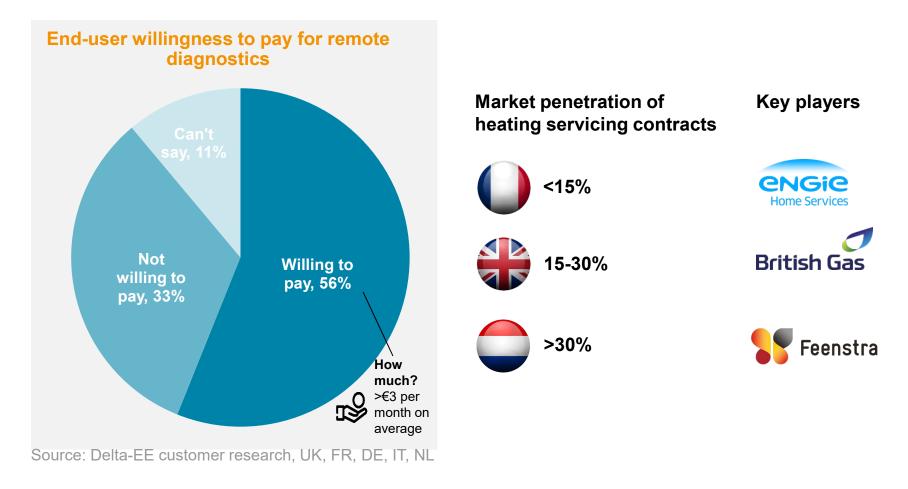


Source: Delta-EE Heating Business Service



The Covid crisis as a catalyst for change in the heating market – opportunities for the heat pump industry (2)

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





Thank you!

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