

Why Electric Vehicles Are Driving a New Road to Converter Growth



Our newest portfolio of label materials targets the growing electric vehicle battery market

The electric vehicle (EV) market is positioned for impressive growth in this decade and beyond. Driven by changing consumer tastes, public policy, innovation in battery technology, and the growing affordability of EVs, this growth represents an opportunity for converters.

EV OEMs have needs that can be satisfied with durable, pressuresensitive labels. Avery Dennison's EV label solutions can help you take advantage of that opportunity.

EVs are poised to go mainstream

You're walking through the parking lot at your grocery store when a sleek Tesla Model S rolls by with its silent motor running. You don't even give it a second look. What might have been a head-turner a few short years ago — the sight of a battery-powered EV in your neighborhood — has quickly become commonplace. This is especially so in certain parts of the country.

Maybe you even drive an EV yourself. If so, you can expect to have a lot of company in the next few years. More drivers are taking a pass on internal combustion engines (ICE) in favor of electric motors powered by state-of-the-art battery packs. Nearly 14 years after Tesla introduced its first Roadster model, EVs are poised to go mainstream.

Why one in four new cars will be EV by 2030

According to Cowen and Company's September 2020 report, "Future of Mobility Primer," new EVs are expected to achieve a 9.5% global market share by 2025, and 25.7% by 2030. This dramatic rise will be powered by several trends.

1. **Costs:** EVs are predicted to become more affordable than ICE vehicles at some point in the early 2020s. This will be due to a reduction in the cost of battery technology, and an increase in the cost of ICE technology related to carbon emission and fuel efficiency requirements.
2. **Public policy:** Legislators in the U.S. and abroad are enacting measures to accelerate the adoption of EVs. As an example, California has recently announced a ban on the sale of ICE vehicles in the state by 2035. President Biden, meanwhile, has encouraged OEMs to electrify their fleets. He signed an executive order in August 2021 aimed at making half of all new vehicles sold by 2030 electric. The order also proposes stricter vehicle emissions standards.

Globally, several European countries, along with the U.K., have announced phaseouts of new ICE vehicle sales. Most are set to start in 2025 or 2030.

3. **OEM aspirations:** For their part, more OEMs are setting time-bound goals to electrify. General Motors has announced a plan to be all-electric by 2035. Volvo now offers electrified (including hybrid) versions of all its models and has a goal for 50% of its sales volume to be fully electric by 2025. Ford has announced it's investing \$30 billion in EV development through 2025 and expects almost half of its global sales to be EV by 2030.

4. **Technological innovation:** Vehicle range has long been a sticking point in the growth of the EV market. But that's changing quickly, thanks to new battery technology. EV range is increasing — and is expected to continue to increase — while charging times are decreasing. Other consumer pain points related to early EV batteries are being addressed by engineers, and they are making progress.

It's also worth noting that the infrastructure bill passed by a bipartisan vote in the U.S. Senate in August 2021 includes \$7.5 billion for EV charging stations, with a particular focus on the placement of those stations where they can serve rural and disadvantaged communities. There are currently more than 43,000 charging stations in the U.S., according to the Department of Energy. More than 5,200 of those are "fast chargers." We haven't reached a tipping point just yet. But that day seems to be approaching. Some of today's EVs approach ICE vehicles when it comes to cost, range, performance, and comfort. We can expect this trend to continue.

How label converters can plug into the EV trend

EV OEMs have a variety of label needs. While specifications are continuing to evolve in many cases, it's common that labels need to be highly durable, and able to withstand extremes of heat, temperature, and flame exposure.

To this end, we've introduced an EV Label Portfolio that includes high-quality label products for the EV market. It includes materials for four key EV applications.

- Cylindrical cells — Shrink film that can be imprinted with branding and information
- Battery pack exteriors — Constructions for warning, tracking, and tracing labels
- Battery pack interiors — Constructions for warning, tracking, and tracing labels
- Wire harnesses — Flag labels and wrap-around labels

Lean on Avery Dennison to help you grow in Automotive. Avery Dennison has a wide range of products designed for EV battery and other Automotive applications. These include durable label products, lightweight fasteners, and performance tapes. Many of our products have been tested against major, global OEM label specifications to ensure they meet the requirements for any application and location within a vehicle.

All of our products are backed by outstanding support. Not sure what material you need? Maybe you're just wondering where to get started in the fast-paced Automotive industry? Our technical support and business development professionals are standing by to help. Contact your Avery Dennison representative to learn more.

To view Avery Dennison's EV battery label solutions, visit label.averydennison.com.

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