

AUTOMOTIVE

# EVs continuing to push luxury automakers forward

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Worldwide, automakers are seeing record returns as they disclose their financials for the end of 2023. Image credit: Porsche

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By ZACH JAMES

One trend has become clear as high-end automakers publish end-of-year earnings reports for 2023.

Nearly across the board, these companies are sharing their highest-ever sales figures, skirting the slowdown affecting the luxury market overall. Strong full-year and fourth-quarter results were driven by the rise of electric vehicles (EVs) and hybrid model adoption in the U.S., as releases in this category supported many manufacturers' commitments to full fleet electrification in the coming years.

"I would expect the luxury sector to keep up its momentum in 2024, and there will definitely be some brands that have another record-setting year," said David Undercoffler, editor in chief of [Autolist.com](#), San Francisco.

"Consumers are feeling better about the economy, interest rates are falling, and supply chains are flowing again," Mr. Undercoffler said. "Plus, key new models from luxury brands like Porsche, Audi and Mercedes-Benz will keep shoppers' interest piqued."

## Electric-powered success

Luxury automakers worldwide saw record returns last year, with only a few exceptions.

German automaker Audi, Italian automaker Alfa Romeo, British automaker Rolls-Royce ([see story](#)), Italian automaker Lamborghini and German automaker BMW, including its North American division ([see story](#)), each set all-time highs in sales or vehicle deliveries in 2023, signaling in a new era of success driven by the growth of one particular segment: EVs.

Although luxury car brands are as a whole posting higher-than-usual gains, some are not as lucky. British automaker Bentley experienced an 11 percent dip in annual sales during this period ([see story](#)).



*BEVs are pushing luxury automobiles forward into the new year. Image credit: BMW*

Audi saw a 22 percent jump in global vehicle deliveries year-over-year in 2023, while Lamborghini reported 10 percent growth on the same basis. Worldwide deliveries of Alfa Romeo and BMW models shot up by 30 percent and 6.5 percent, respectively.

Globally, deliveries at Japanese automaker Lexus last year increased 7 percent, while growth at Mercedes-Benz is up 1.5 percent for the period.

Among the brands that offer EVs, their portfolios saw massive improvements in sales.

According to its most recent earnings report, all of Audi's E-Tron BEVs saw double or triple-digit percentage jumps. Its Q4 Sportback E-Tron was the biggest riser, shooting up to the tune of 352 percent compared to 2022.

At BMW, the group met its goal for BEVs, which made up 15 percent of total cars sold across all regions in 2023, with the segment exploding upward by 74 percent y-o-y. Mercedes-Benz reported nearly identical statistics for the period EV transactions here comprised 19 percent of all consumer transactions, with the category growing by 73 percent y-o-y.



*Increased EV offerings and availability could contribute to greater success in 2024. Image credit: Mercedes-Benz*

"BMW and Mercedes have a fresh product lineup that drew in strong sales in 2023, and that will only get better in 2024," said Mr. Undercoffler.

"If Audi did well in 2023, it should only do better in 2024 thanks to some overdue updates to a few of its core models, plus a new EV model in the Q6 E-Tron," he said. "Porsche will be interesting to watch as it rolls out the all-new Macan compact SUV, which will now be all-electric.

"Historically, that's been a huge seller for Porsche but it will be interesting to see if and how that changes now that it's electric."

Lamborghini posted record success without an EV available for most of the year, as its new Revuelto hybrid model launched in late 2023.



*The Lamborghini Revuelto launched to widespread success and acclaim late last year. Image credit: Lamborghini*

Despite this, the vehicle is back-ordered until 2026. Its first all-electric car is planned to enter production a few years later in 2028.

"It's a true source of pride for the whole company to have surpassed the 10,000-car delivery mark," said Stephan Winkelmann, chairman and CEO of Automobili Lamborghini, in a statement.

"Playing a role in achieving this milestone for Lamborghini is an honor for me and for all the people who work tirelessly to achieve this goal," Mr. Winkelmann said. "This is a success made possible by the commitment of everyone, a major accomplishment based on true teamwork.

"But as always, we're not stopping at single milestones, and we're ready to take on more exciting new challenges in 2024."

As Lamborghini expects a big 2024, so does the overall automotive industry.

### **Accelerating forward**

In the U.S., the popularity of EVs has reached new heights in 2023.

Vehicle valuation company **Kelley Blue Book** shares that just under 1.2 million were sold in the country last year. The segment now represents 7.6 percent of cars on American roads, up from 5.9 percent in 2022.

U.S. automaker Tesla is fueling the shift, representing 55 percent of all EVs purchased in the U.S. in 2023. Its Model Y, Model 3 and Model X land in first, second and ninth place, respectively, on KBB's list of the top 10 category bestsellers.

The BMW i4 is ranked 10th on the list.



*EVs are poised to have a big year in 2024. Image credit: BMW*

"While EV adoption rates were strong in the first half of 2023, they tapered off in the second half of the year, and I would expect some of that malaise to continue in at least the first half of 2024," said Mr. Undercoffler.

"Not only did the Inflation Reduction Act change which vehicles were eligible for rebates in 2023, and then again in 2024, but consumers who haven't already made the jump to EVs remain wary of their price delta over a traditional gas model," he said. "And shoppers are increasingly discovering that hybrids and plug-in hybrids offer fuel efficiency without needing to rely on charging infrastructure, further delaying EV adoption.

"That said, there are a host of compelling new EVs hitting the market in 2024, and they could help spur sales and interest in EVs,

particularly in the second half of 2024.”



*EVs accounted for nearly 29 percent of total U.S. sales at Lexus in 2023. Image credit: Lexus*

Lexus may be the most prepared for the coming year, currently offering 12 EV models, more than any other manufacturer in the luxury space right now. Each is available for purchase at the start of 2024.

Looking forward, predictions from automotive reviewer [Edmunds](#) point toward a relatively steady year for the automotive industry.

BEVs are set to continue being embraced in the states. Electric models are expected to make up 8 percent of all vehicles sold, a 1 percent uptick from 2023, according to the firm.

Hybrids are also poised to drive progress, pushing Americans who are teetering on a transition to a fully electric car to make the leap. These midpoint options remain appealing, especially as charging network installation moves forward to meet demand in more remote areas of the nation ([see story](#)).

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