Market Overview
March 2018

Philip Nothard - *Head of External Relations*

Cox Automotive

Who we are

THE VEHICLE LIFECYCLE

MANHEIM
NEXTGEAR CAPITAL
Dealer-Auction.com
RMS/ AUTOMOTIVE
MOVEX

Modix
MOTORS .co.uk

incadea
DMS | SALES | SERVICE

AGENDA

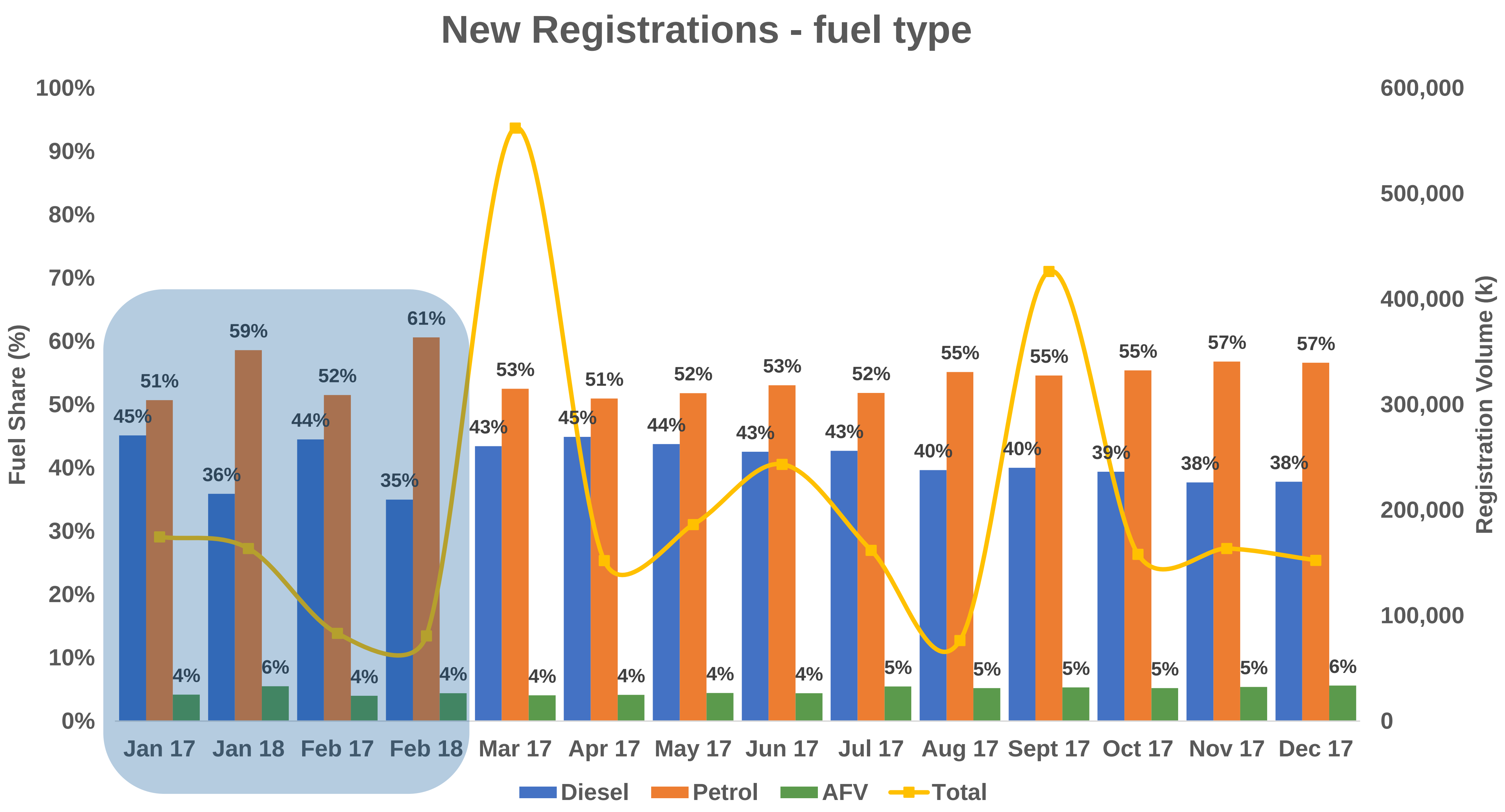
- Retail
- Wholesale
- Funding
- Dealers
- Outlook

Retail

Retail

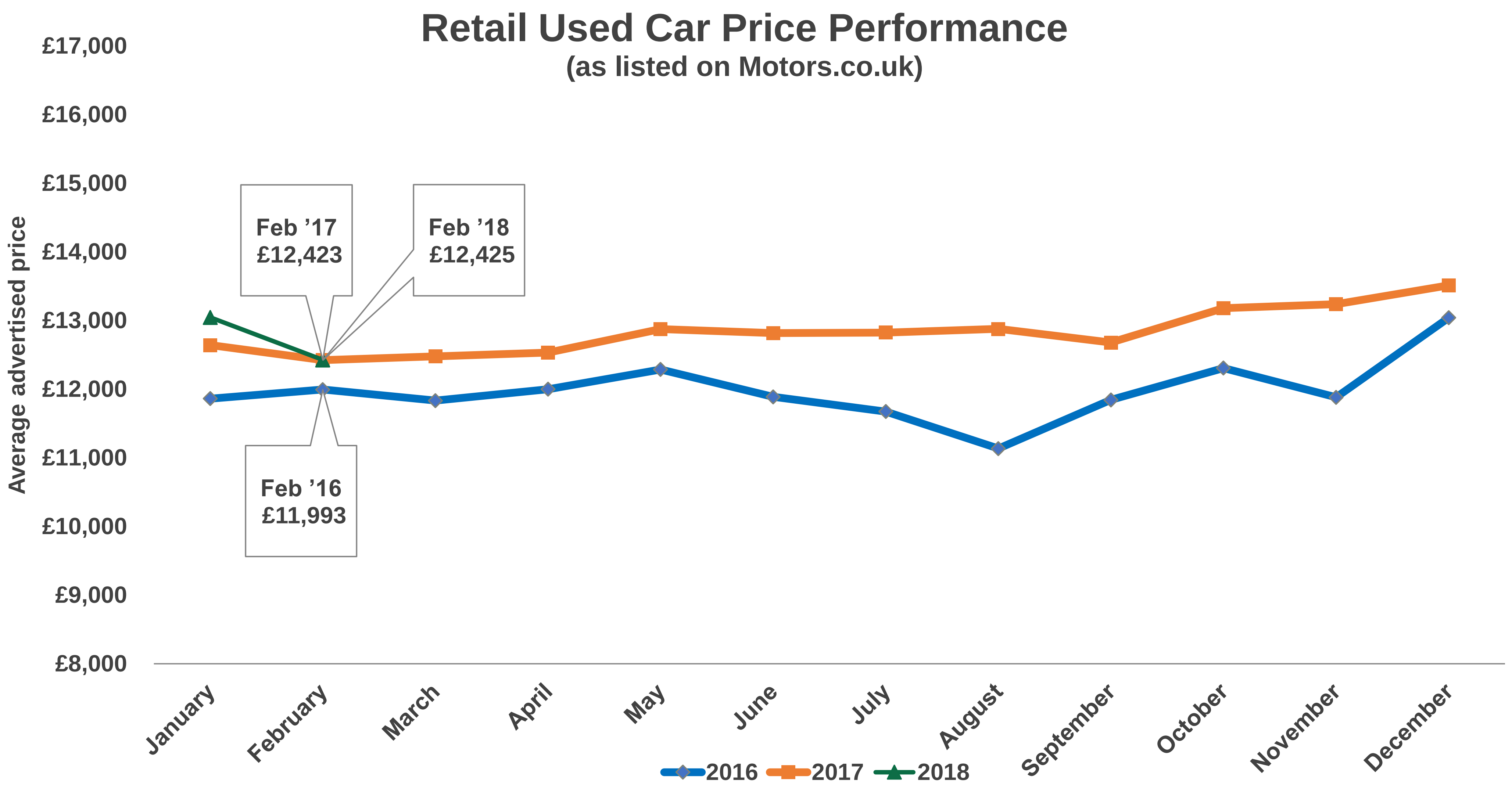
The appetite for petrol fuelled new vehicles continued into February 2018

SMMT DRIVING THE MOTOR INDUSTRY



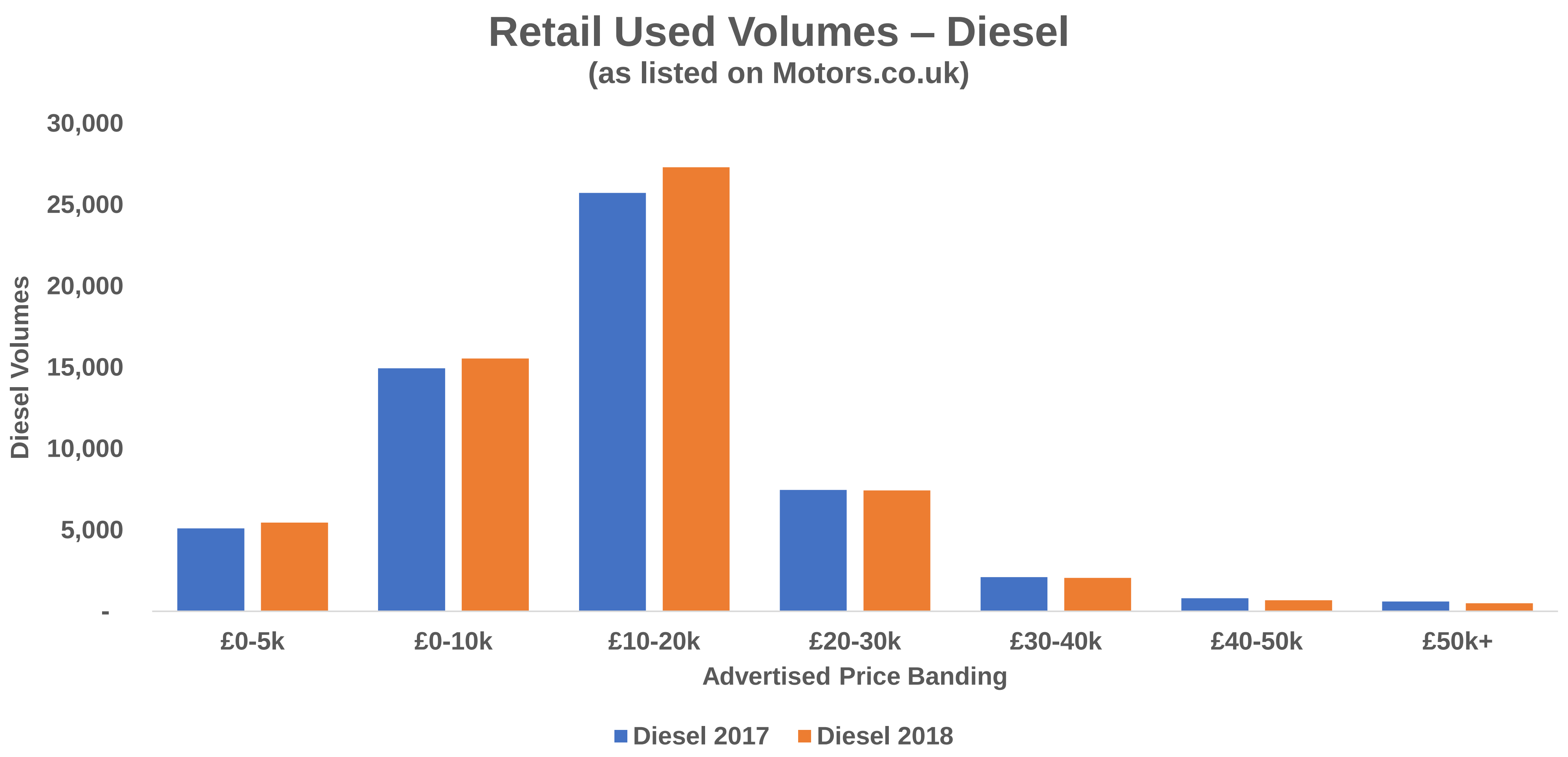
Retail

Average advertised prices illustrate stability with a 0.02% increase YoY



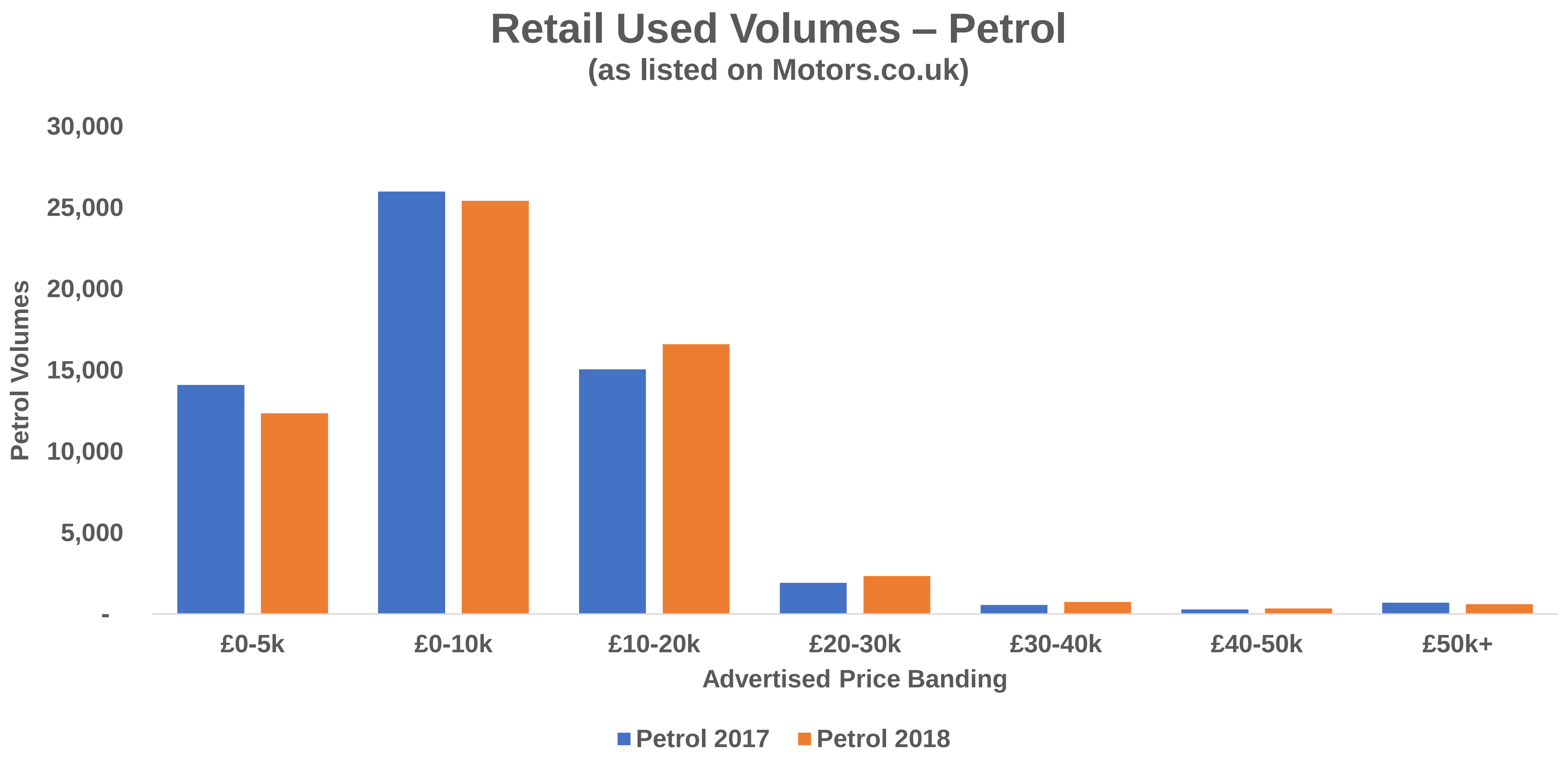
Retail

Diesel retail volumes increase February ’18 vs ‘17 in the sub £20K price bandings



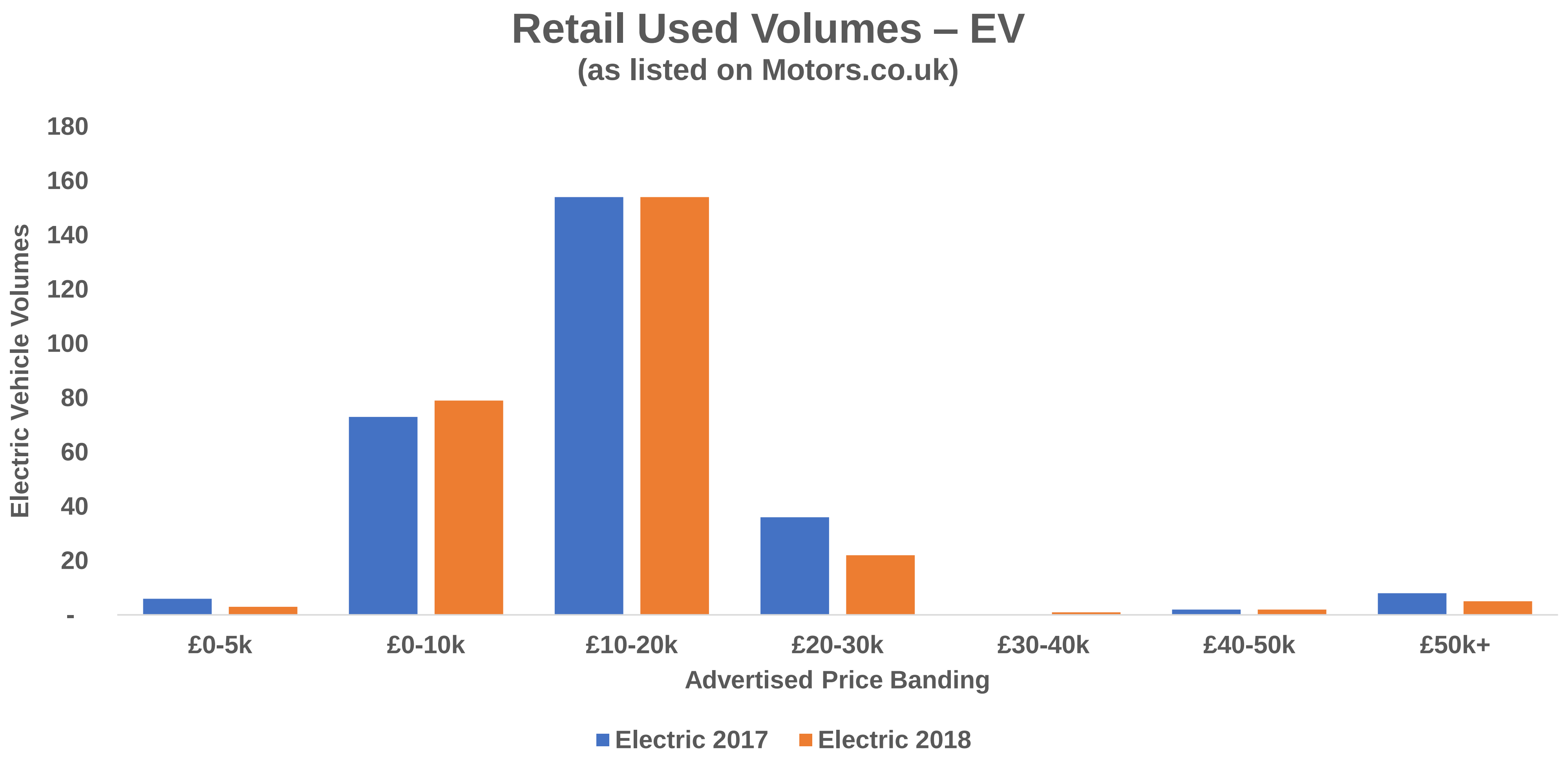
Retail

Petrol retail volumes overall remain stable with minor shift in price bandings



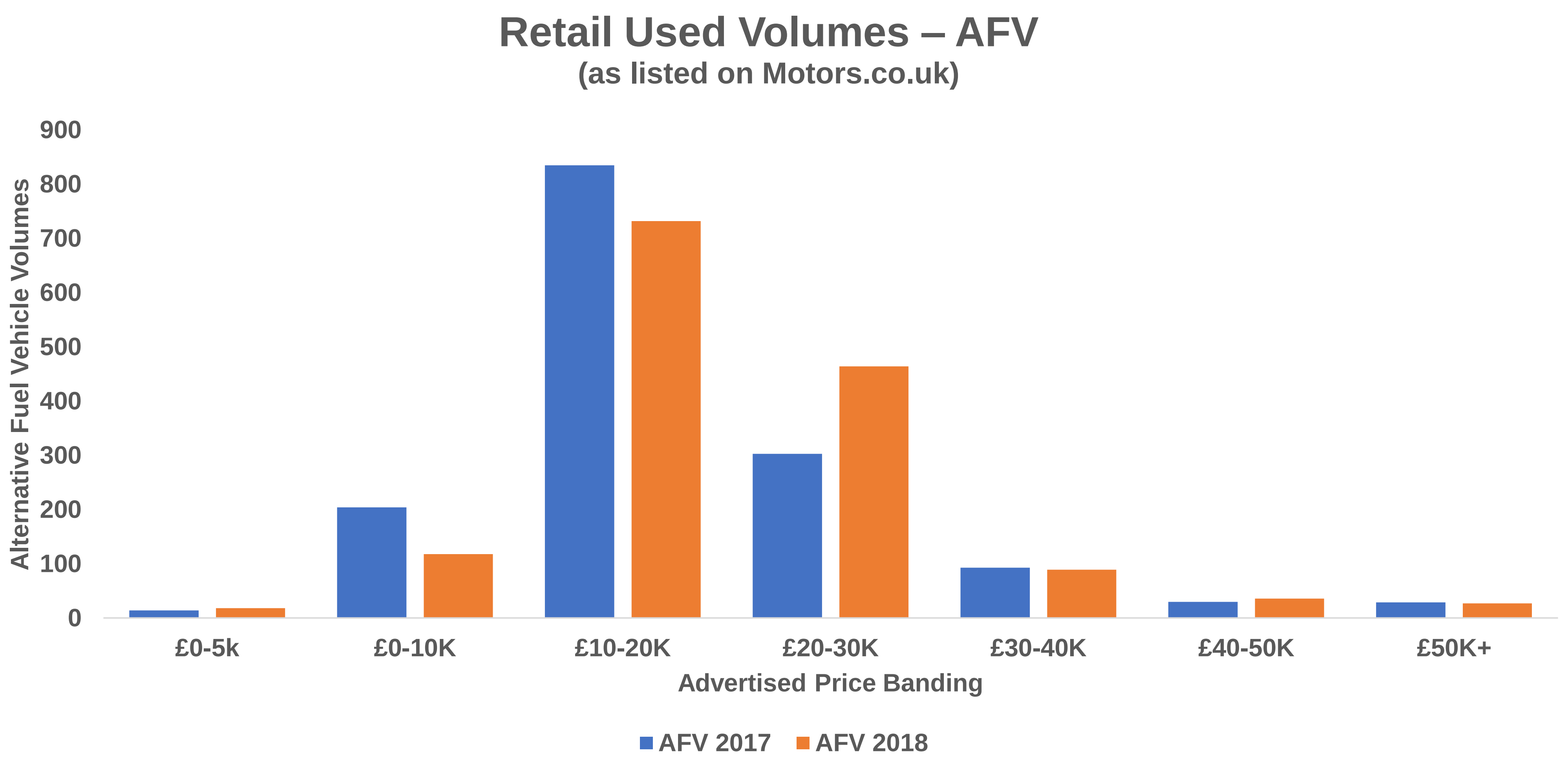
Retail

Electric vehicle volumes overall remain surprisingly low



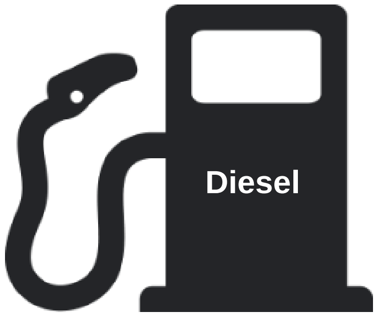
Retail

Alternative fuel vehicles experience a pricing shift though overall volumes remain low



Retail

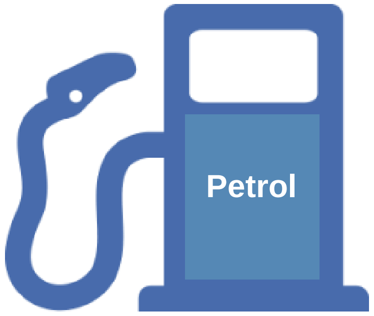
Petrol and diesel activity remains stable YoY



Stock Volume
Feb ‘18 - 54% of total
Feb ‘17– 55% of total

Vehicle Views
Feb ‘18– 48% of total
Feb ‘17– 47% of total

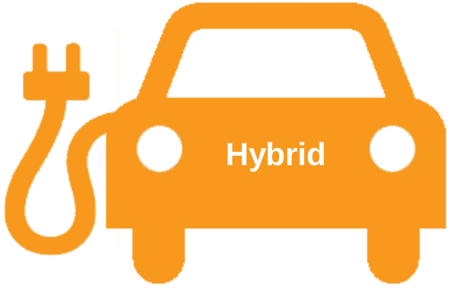
Days in stock
Feb ‘18– 46 days
Feb ‘17– 46 days



Stock Volume
Feb ‘18 - 44% of total
Feb ‘17– 44% of total

Vehicle Views
Feb ‘18– 50% of total
Feb ‘17– 51% of total

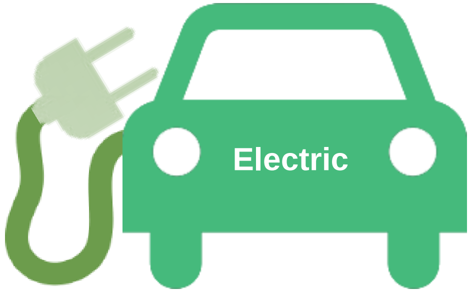
Days in stock
Feb ‘18– 42 days
Feb ‘17– 44 days



Stock Volume
Feb ’18 – 0.40% of total
Feb ‘17– 0.91% of total

Vehicle Views
Feb ‘18– 1.15% of total
Feb ‘17– 0.99% of total

Days in stock
Feb ‘18– 43 days
Feb ‘17– 43 days



Stock Volume
Feb ‘18– 0.22% of total
Feb ‘17– 0.25% of total

Vehicle Views
Feb ‘18– 0.38% of total
Feb ‘17– 0.45% of total

Days in stock
Feb ‘18– 43 days
Feb ‘17– 55 days

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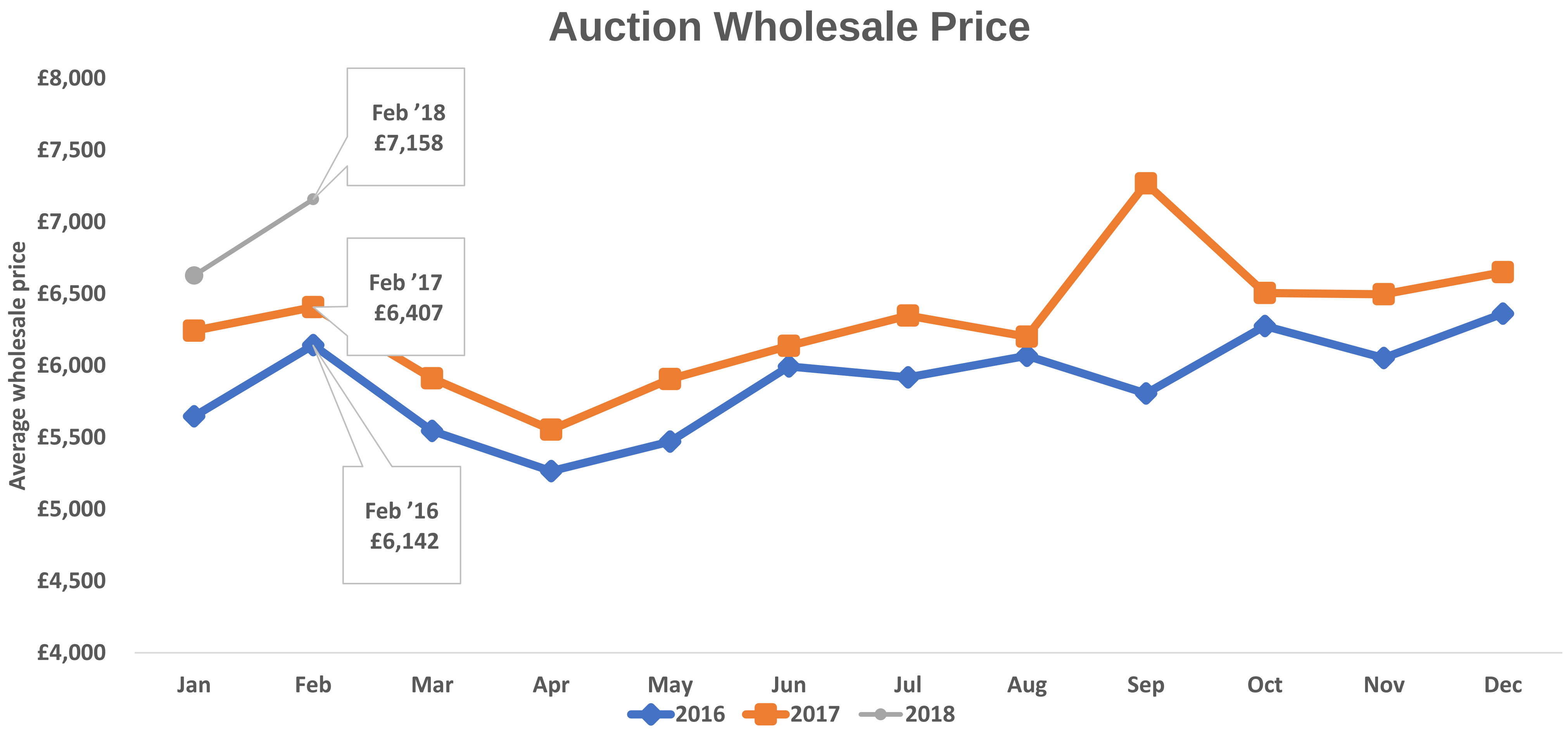
Retail

- *Supermarkets and independents are selling cars 2 days faster than Feb ’17. Franchised dealers have seen a slight decrease, despite stock volumes being static*
- *There has been a marginal reduction in the number of diesels being stocked by dealers, and a small increase in views of diesel cars from consumers – implying a stability in the diesel market*
- *Despite this stabilisation, diesels continue to sell slower (46 days) than petrol vehicles (42 days)*
- *Generally smaller, lower value, vehicles are taking less time to sell than this time last year*
- *The “beast from the east” drove a short-term spike in 4x4 and SUV searches – going against a general shift in consumer demand to smaller vehicles*

Wholesale

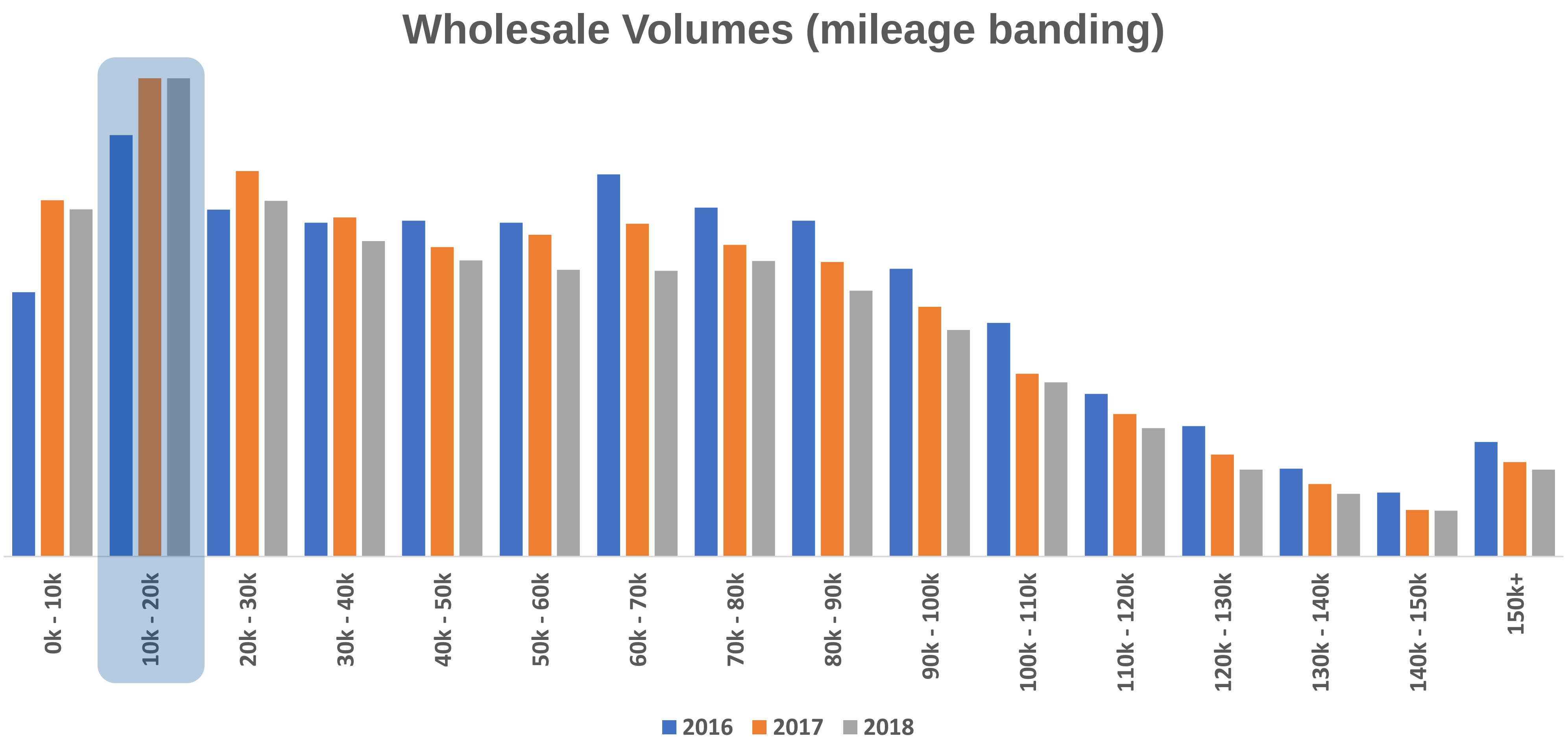
Wholesale

Average auction wholesales price rise in February by 11.72% YoY, driven by profile mix



Wholesale

Wholesale volumes in 10 - 20K mileage increases 2.39% YoY in February 2018



Wholesale

The data – Summary

Wholesale

- ***Used diesel values in the wholesale market continue increasing, by 5.95% in February (£9,046 in 2018 vs. £8,538 in 2017)****

- ***Petrol vehicles experienced double-digit growth of 20.05% year-on-year to £5,126. (£4,270 in 2017)****

- ***Dealer Auction report a 6% increase in vehicles sold YoY with the average sales value showing a 13% rise (£4,752 in 2018 vs £4,208 in 2017)****

- ***Scrappage schemes from OEM's such as Ford and Kia removing older higher mileage vehicles from the wholesale market***

- ***A strategic shift among dealers to focus on used cars to supplement lost new car revenues***

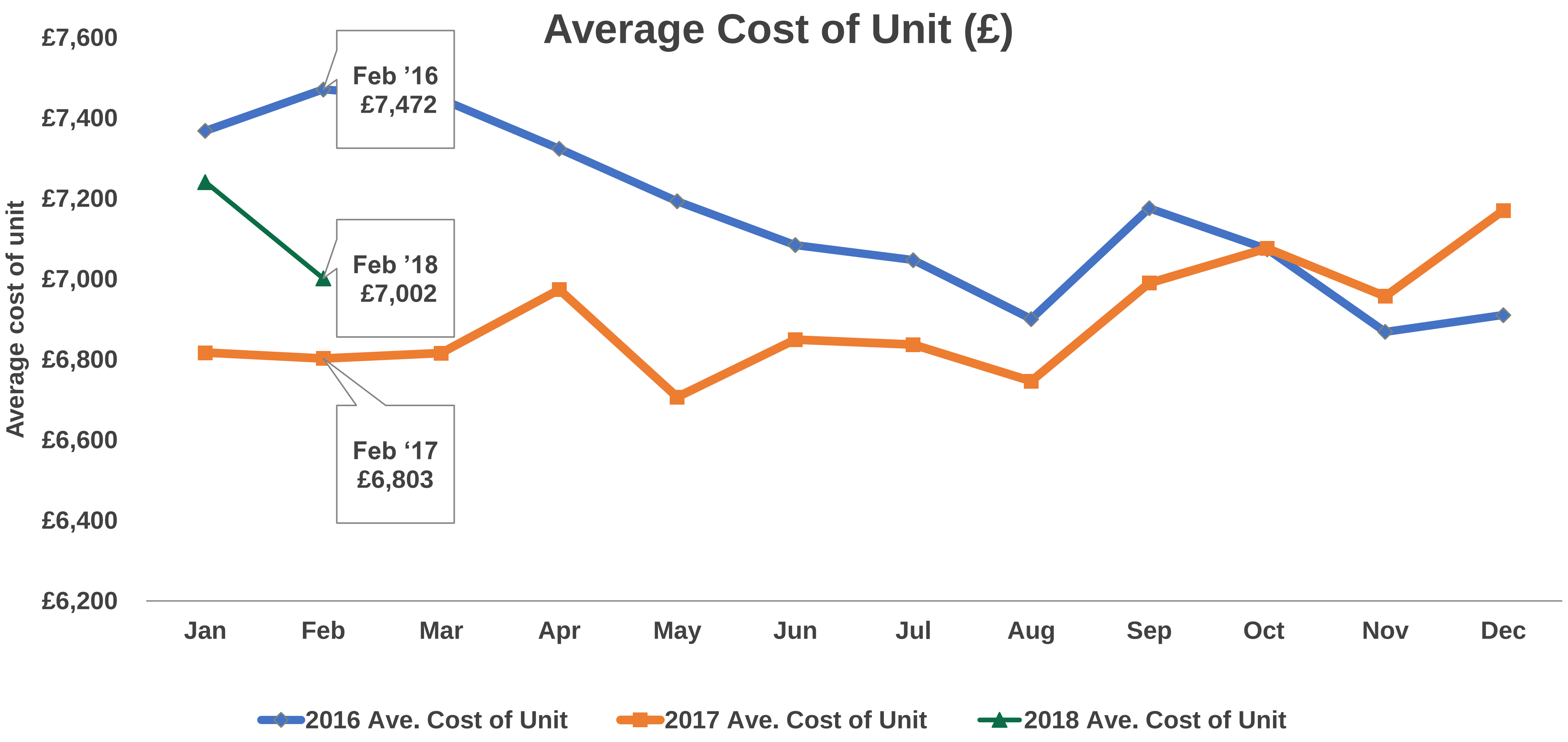
**all plates and mileages*

// Market Overview

Funding

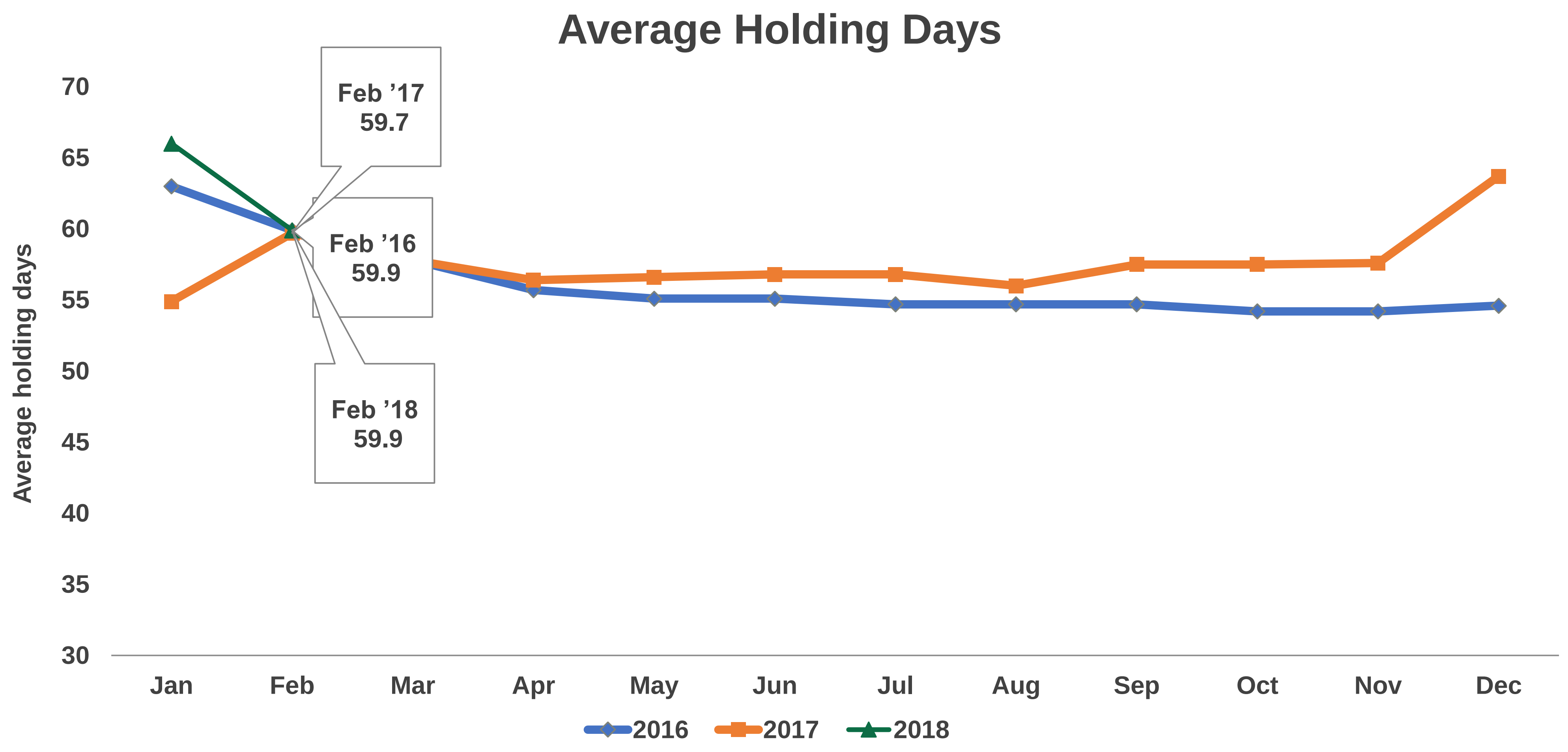
Funding

Average cost per unit hit £7,002 in February 2018, ahead of 2017 by 2.93%



Funding

Average holding days in February 2018 remain in with previous 2-years



Funding

Average age of vehicles funded remains stable YOY whilst both mileage and cost per unit increase

Stock funding

February 2017

6.7 years
Ave. Age Funded

61,240
Ave. Mileage

February 2018

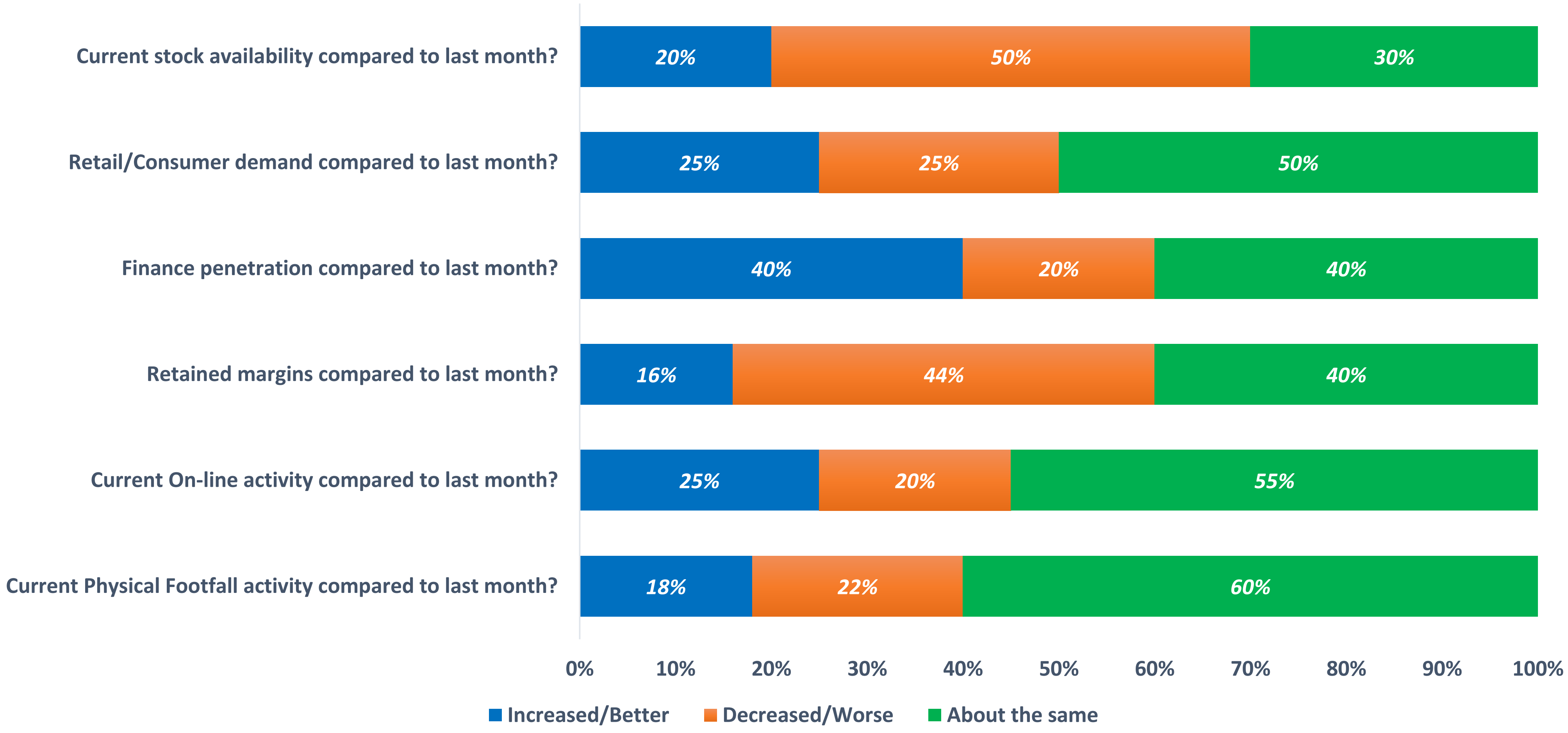
6.6 years
Ave. Age Funded

61,980
Ave. Mileage

Dealers

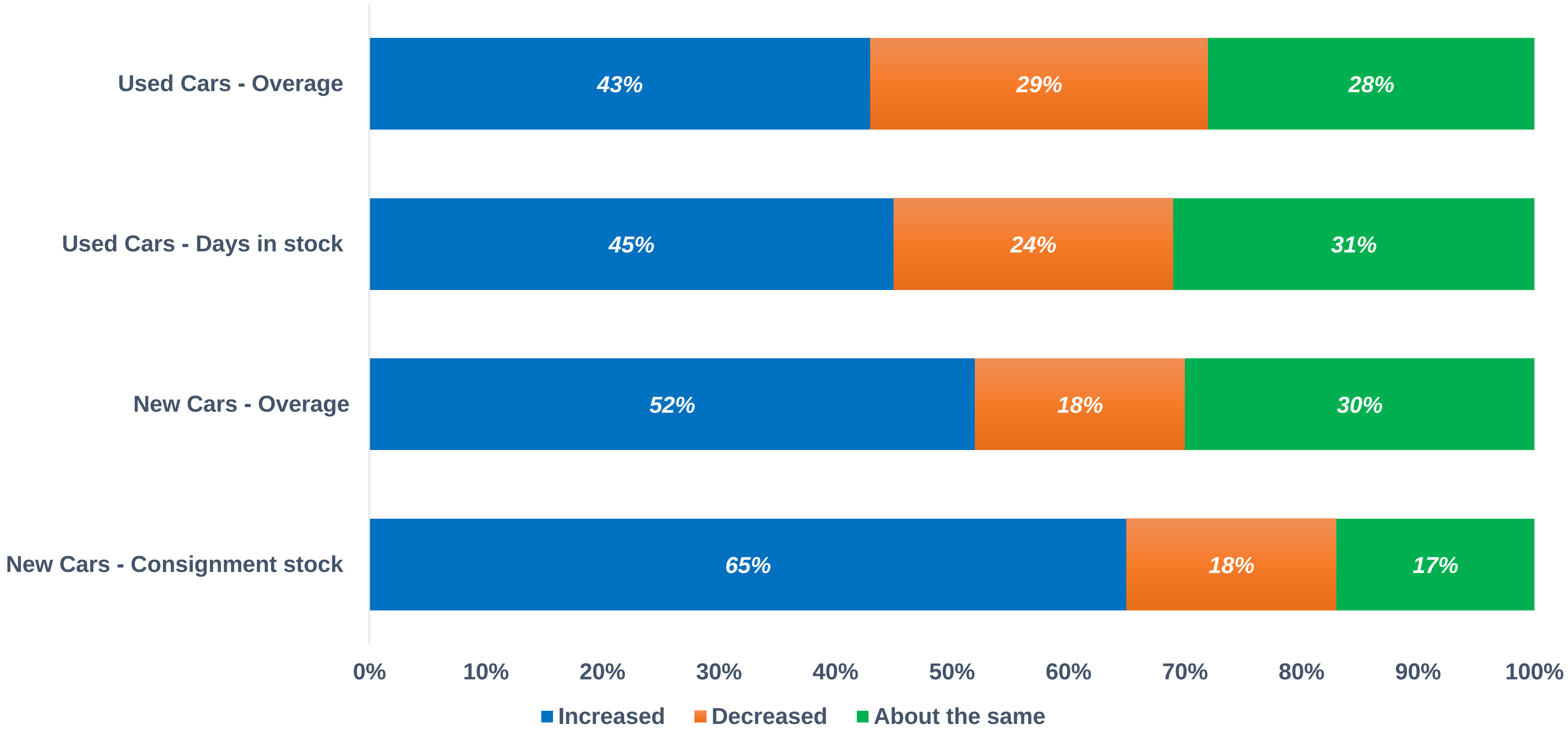
Dealers

50% of dealers surveyed reported a worsening of stock availability compared to 33% in January ‘18



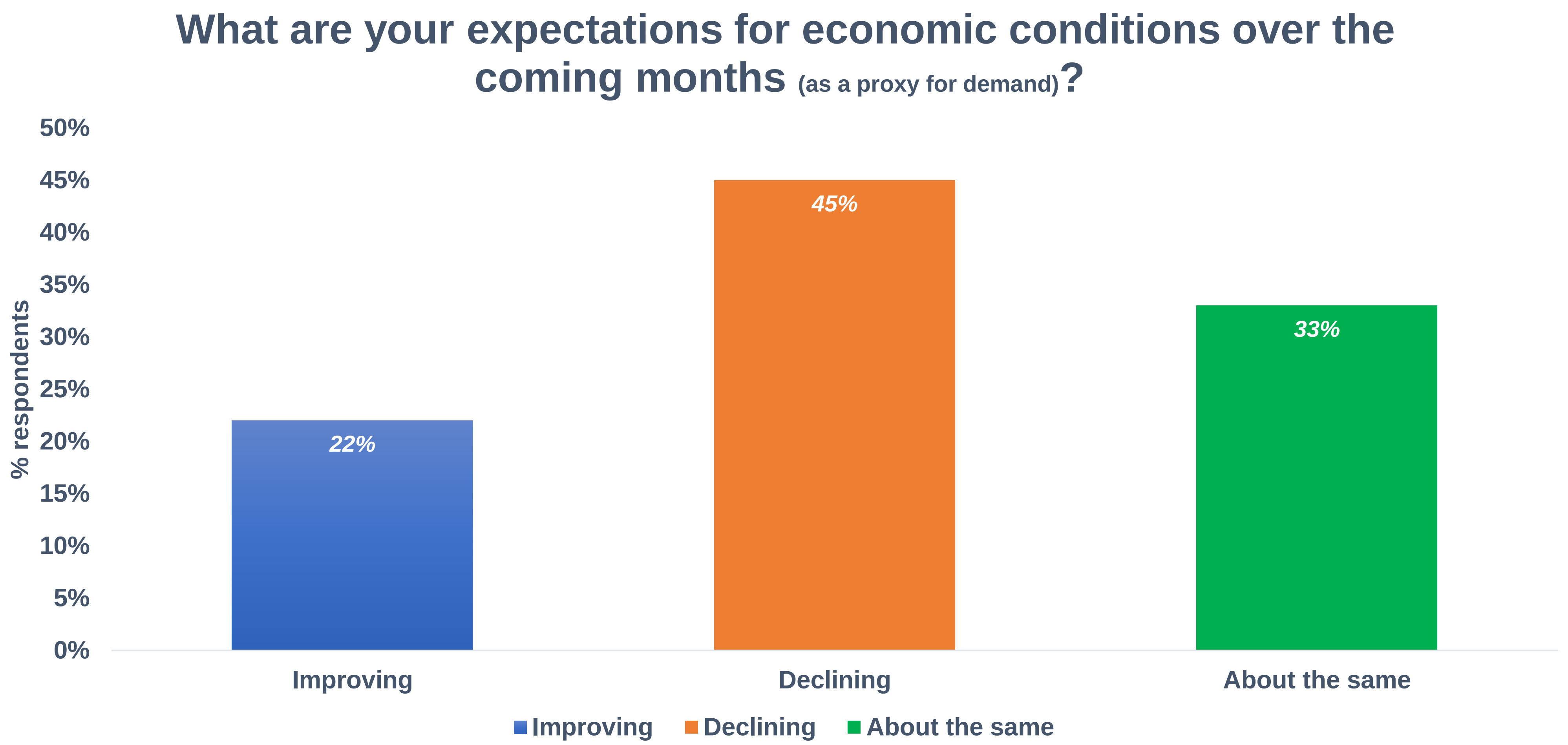
Dealers

24% of dealers surveyed reported a decrease in days in stock compared to 38% in January ‘18



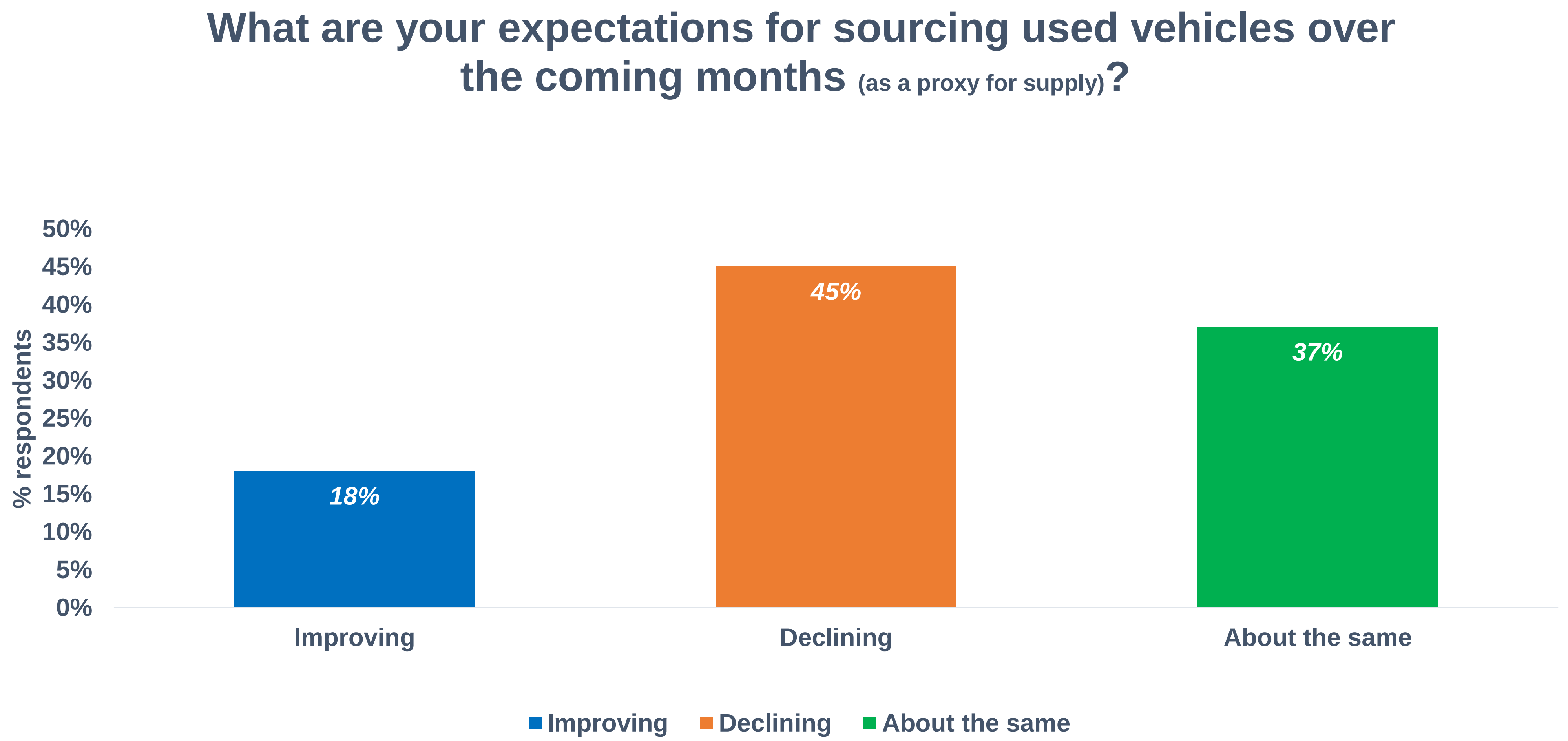
Dealers

45% of dealers surveyed remain pessimistic about the economic conditions



Dealers

45% of dealers anticipate pressures on sourcing stock over the coming months



Outlook

Outlook

Our viewpoint – 2018 the retail market

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Retail

Softening consumer confidence to affect new car sales, though used car sales predicted to increase

Pressure on dealers to manage profitability will require careful review of stock and maximising days in stock

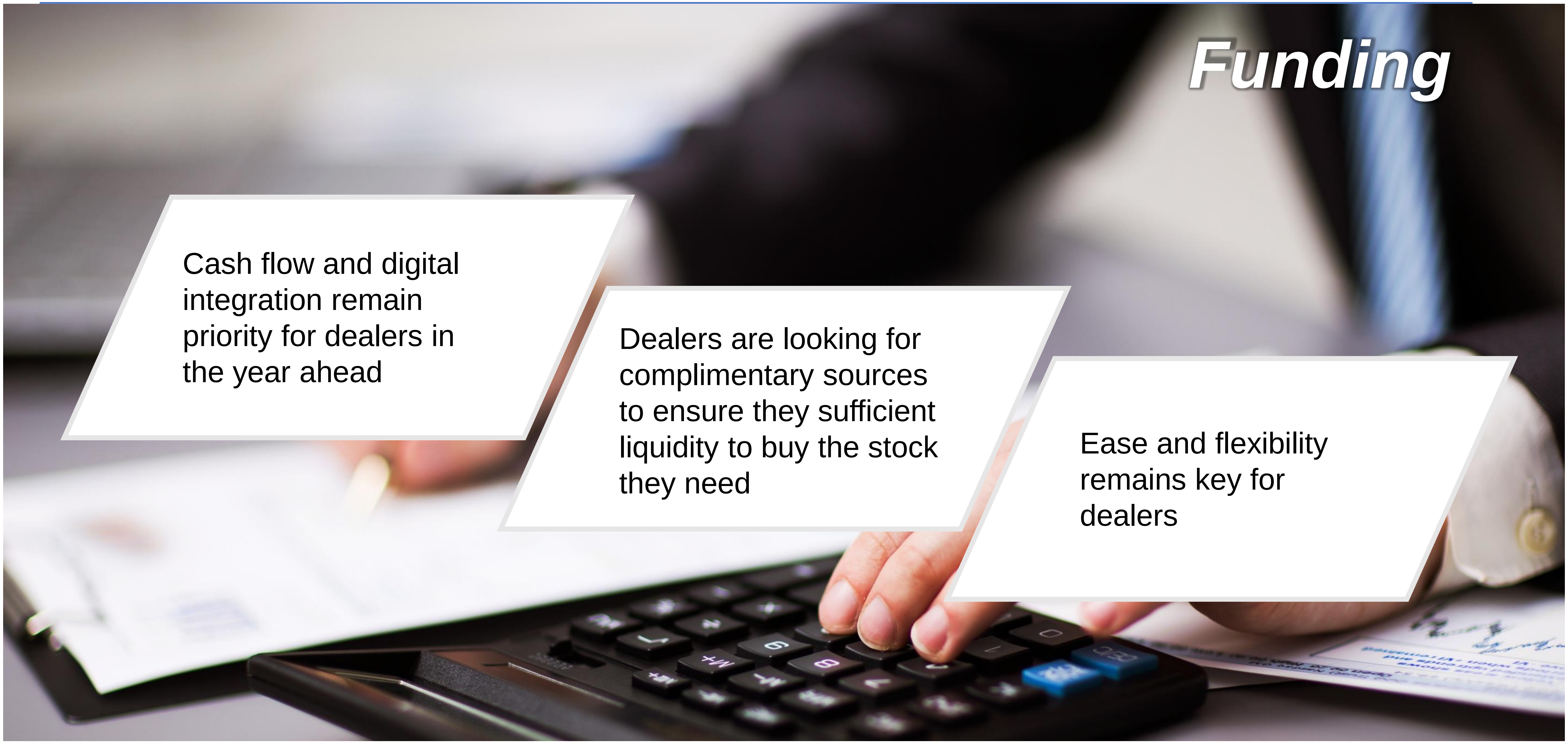
Increasing appetite for vehicle insight from dealers, to support both buying and selling

Outlook

Our viewpoint – 2018 the wholesale market

Outlook

Our viewpoint – 2018 the funding market



Funding

Cash flow and digital integration remain priority for dealers in the year ahead

Dealers are looking for complimentary sources to ensure they sufficient liquidity to buy the stock they need

Ease and flexibility remains key for dealers

Outlook

Our viewpoint – 2018 the Dealers market

Dealers

Further dealership consolidation in line with the long term trend of declining franchised dealer numbers

Improved analytical understanding of an ever diverse sector, to help find and price stock better

Challenging new car market whilst uncertainty remains

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THANK YOU