

# UK Market Update

Cazana

Rupert Pontin  
Director of Valuations

## Agenda

---

- **New Car Market**
- **Used Car Market**
- **WLTP Update**
- **Market Discussion**

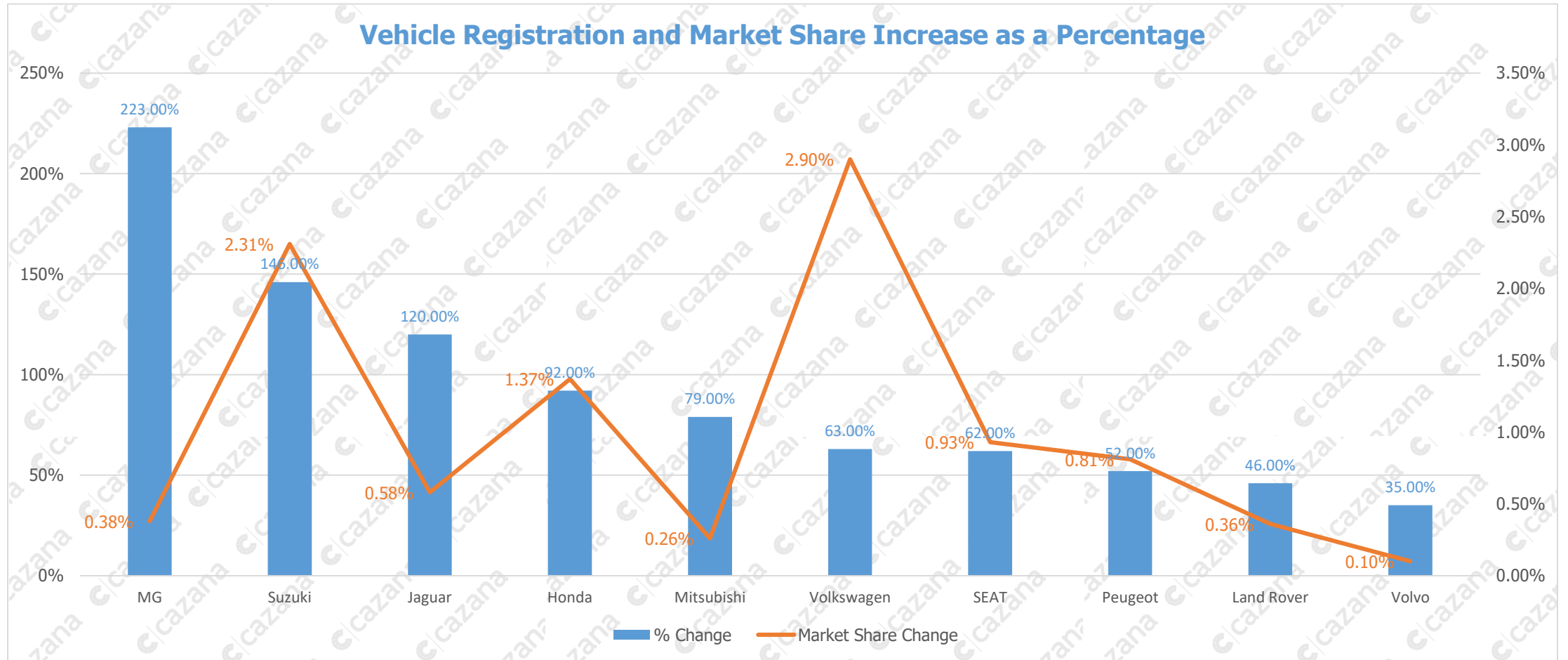
## New Car Sales

August	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	94,094	27,986	58,619	7,489	41,438	50,157	2,499
2017	76,433	30,309	42,156	3,968	33,597	41,898	938
% change	23.1%	-7.7%	39.1%	88.7%	23.3%	19.7%	166.4%
Mkt share '18		29.7%	62.3%	8.0%	44.0%	53.3%	2.7%
Mkt share '17		39.7%	55.2%	5.2%	44.0%	54.8%	1.2%

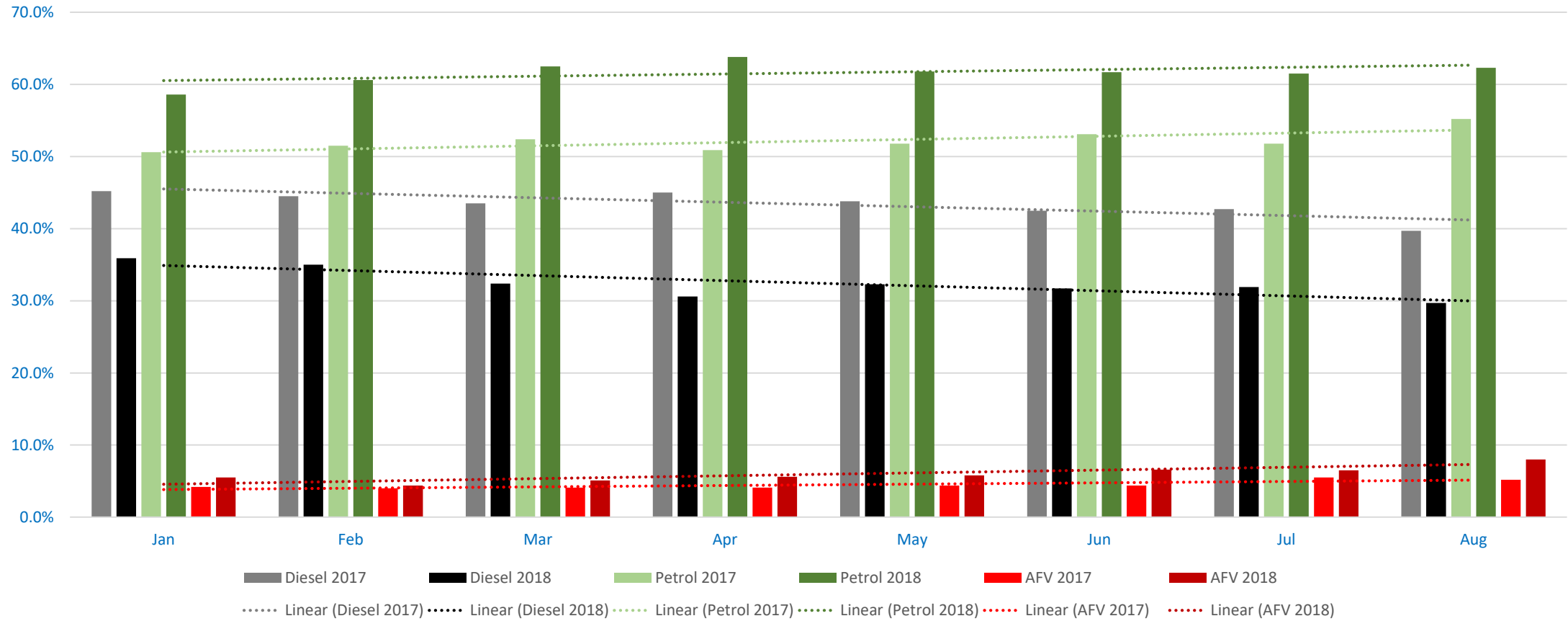
Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	1,571,986	508,901	972,016	91,069	696,391	819,311	56,284
2017	1,640,241	713,455	855,289	71,497	718,922	859,714	61,605
% change	-4.2%	-28.7%	13.6%	27.4%	-3.1%	-4.7%	-8.6%
Mkt share '18		32.4%	61.8%	5.8%	44.3%	52.1%	3.6%
Mkt share '17		43.5%	52.1%	4.4%	43.8%	52.4%	3.8%

## New Car Sales – August Market



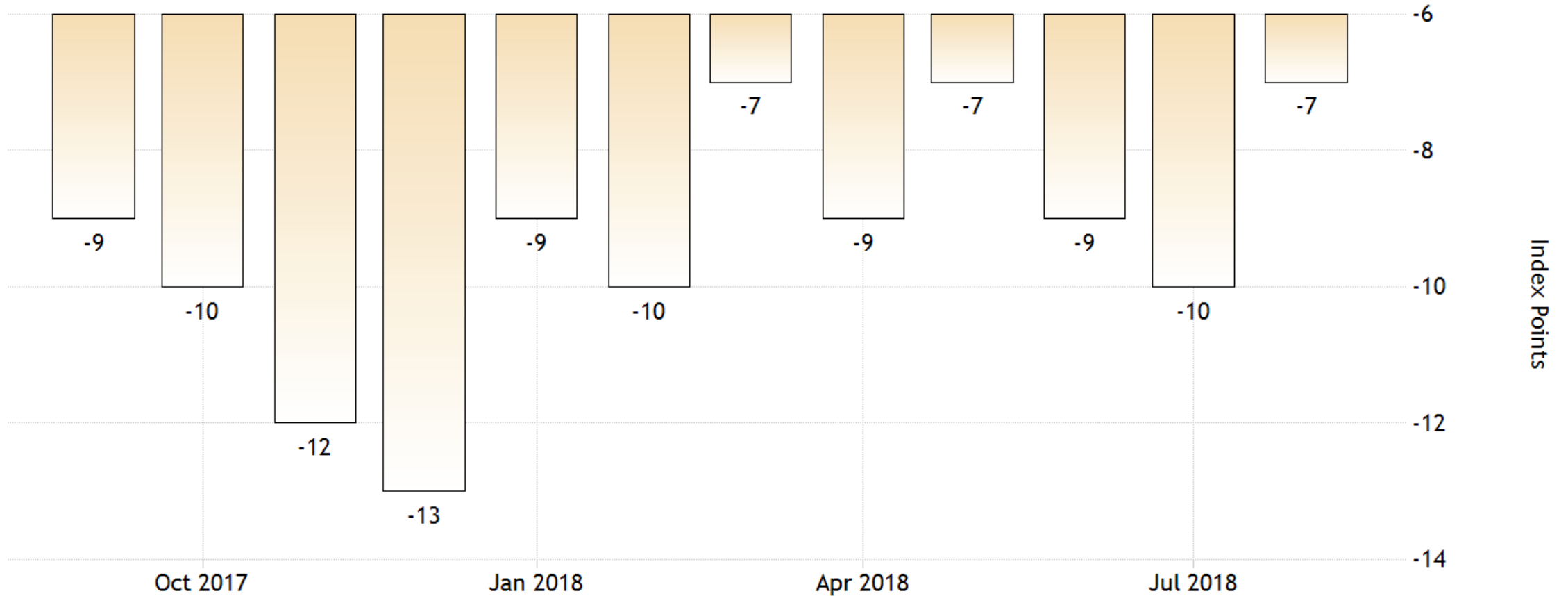
# New Car Sales – by Fuel Type

Registrations by Fuel Type Year on Year Comparison - 2017 / 18



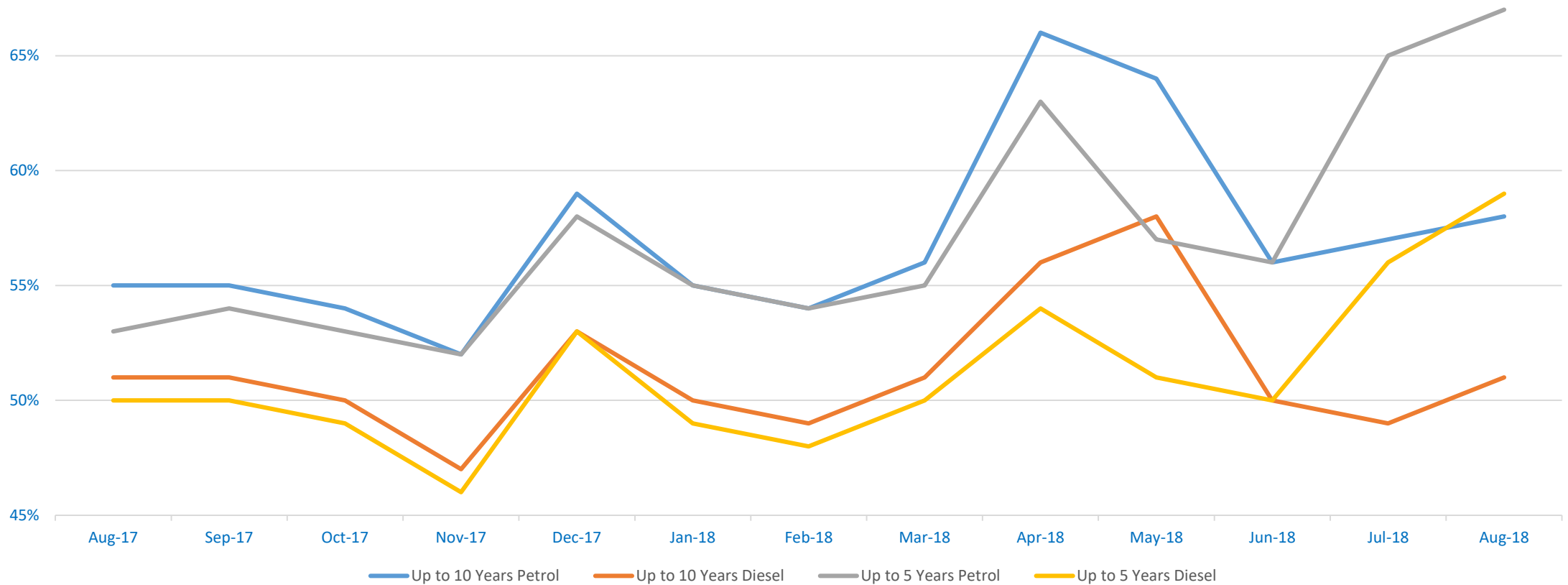
## New Car Sales

### UK CONSUMER CONFIDENCE

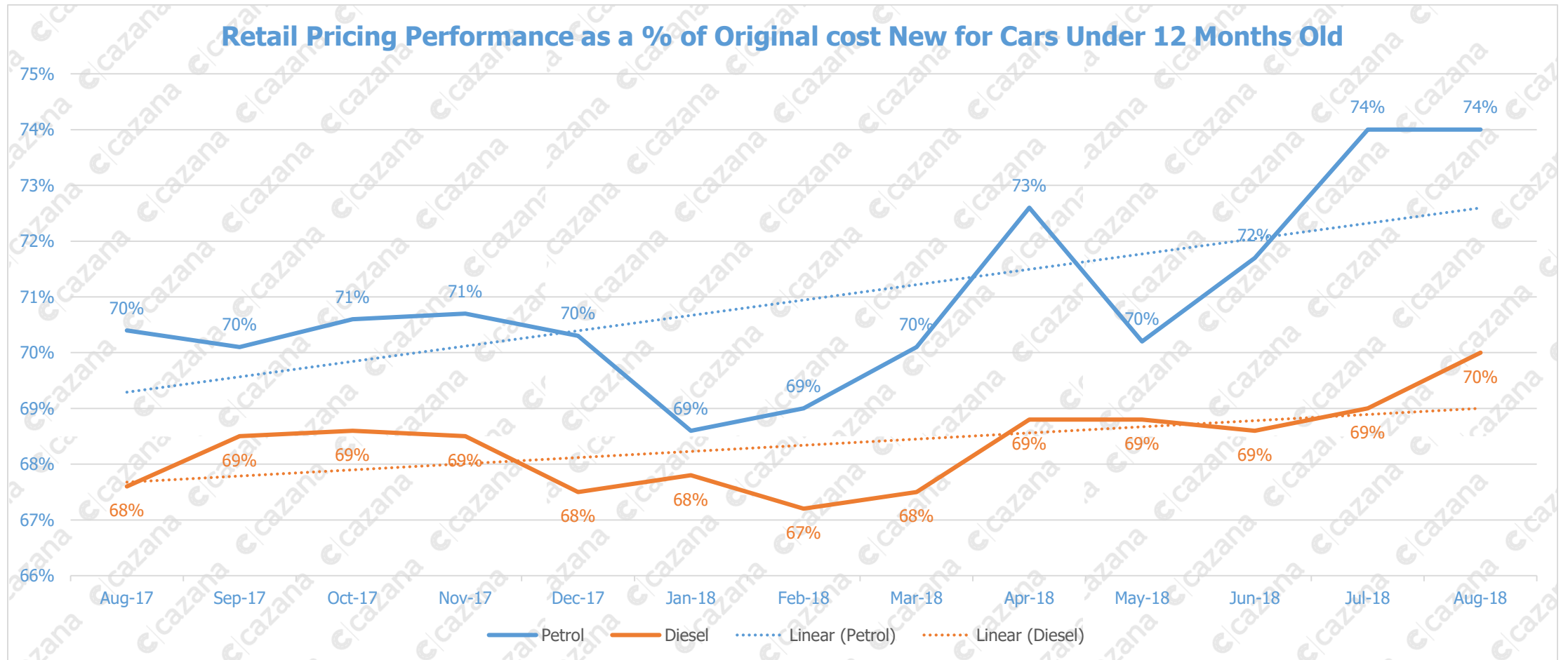


# Used Car Market – Petrol to Diesel Overview

Petrol to Diesel Retail Price Performance as a % of Original Cost New - to 5yrs and to 10 yrs

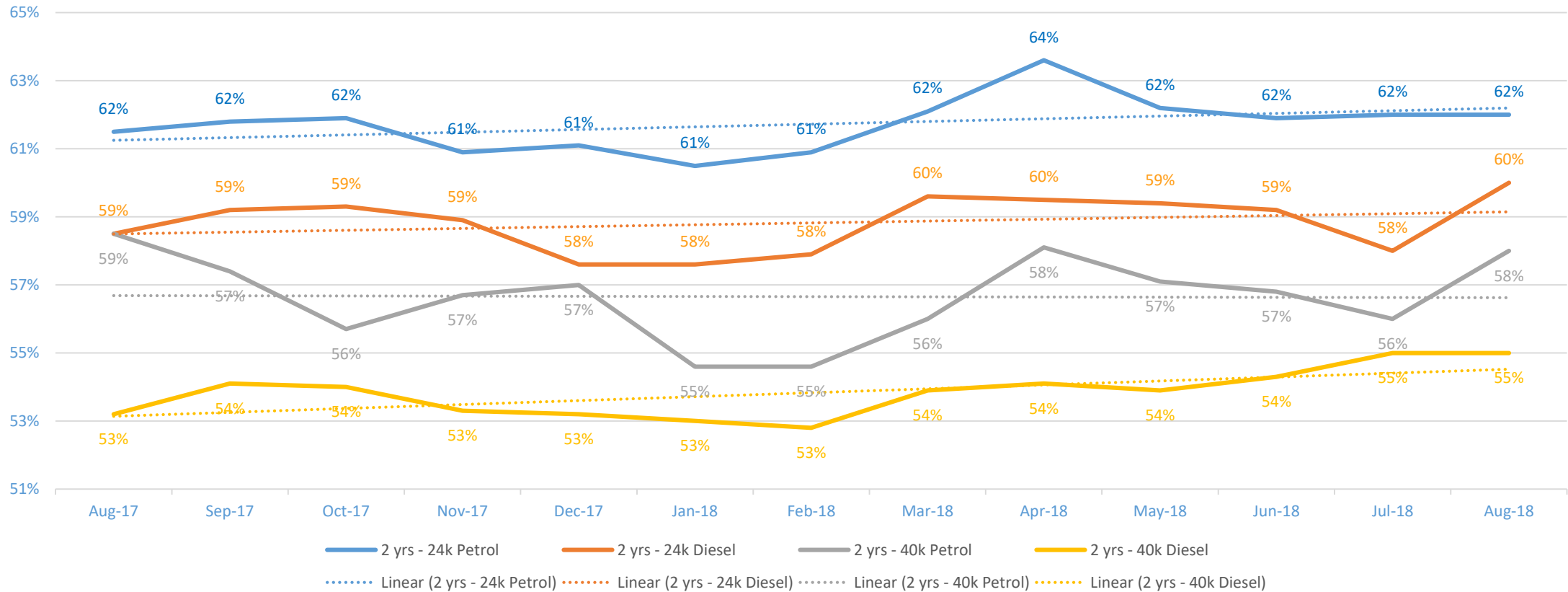


## Used Car Market – Quick Churn

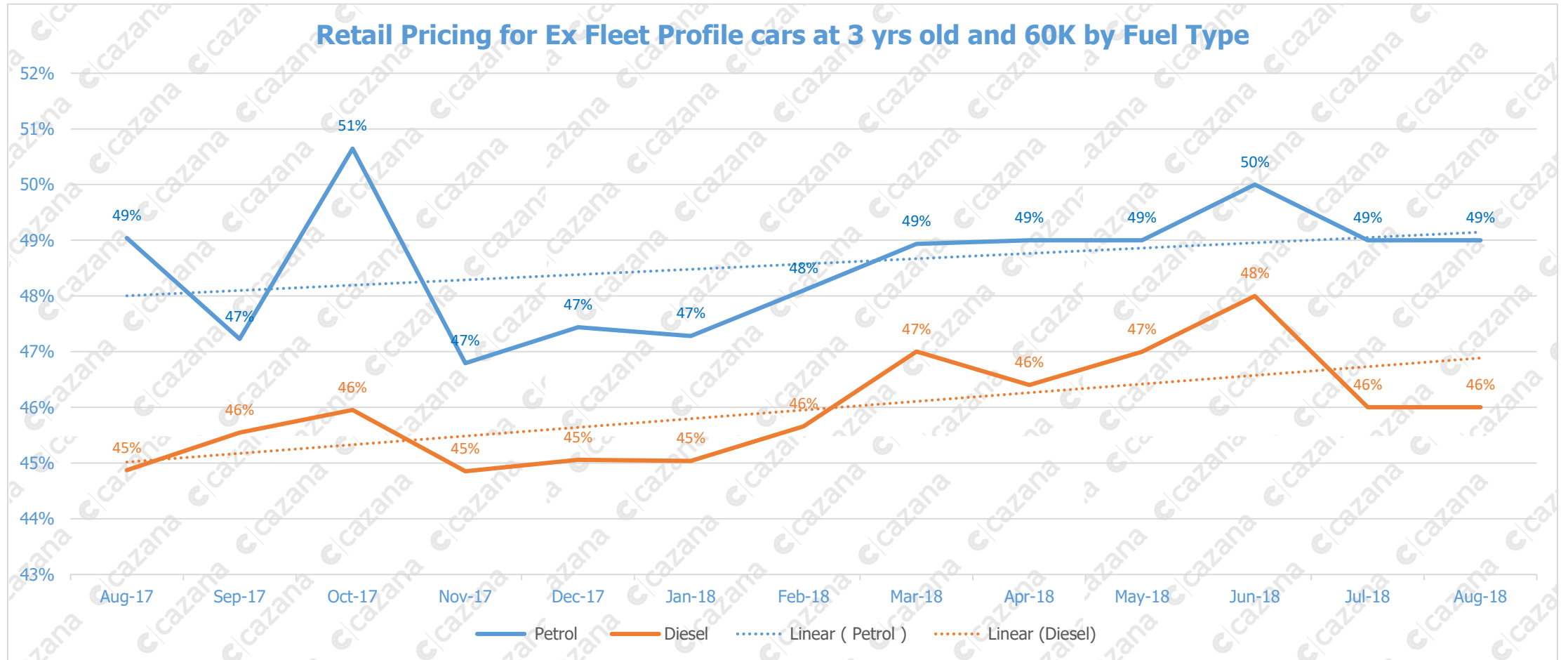


# Used Car Market – Ex PCP Profile Compared to Ex Fleet – 24 Months

## Retail Pricing as a % of Original Cost New Ex PCP Profile Cars

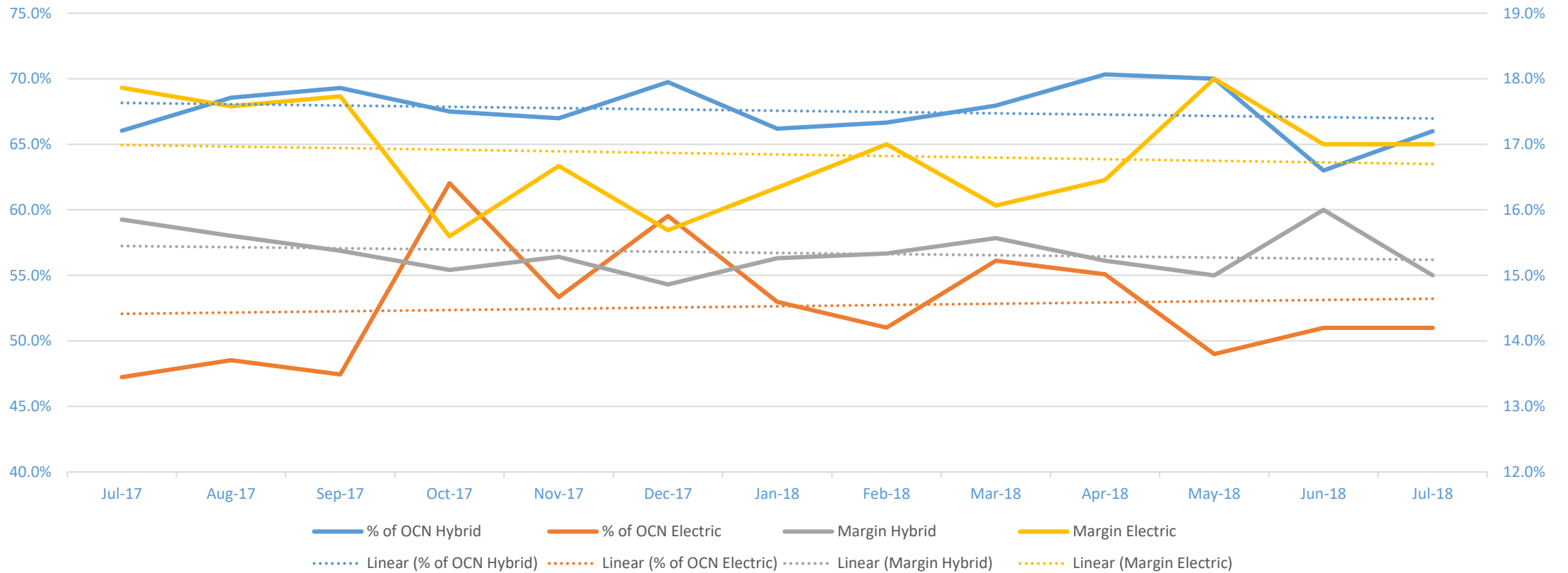


## Used Car Market – Ex Fleet



# Used Car Market – Hybrid and Electric

Retail Pricing Performance as a % of OCN and Margin  
Hybrid and Electric up to 5 Years Old



# WLTP Update

## WHAT IS WLTP AND HOW WILL IT WORK?

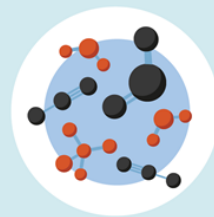
LABORATORY TESTS FOR PASSENGER CARS MEASURE:



FUEL CONSUMPTION



CO2 EMISSIONS  
which are directly related to fuel consumption



POLLUTANT EMISSIONS

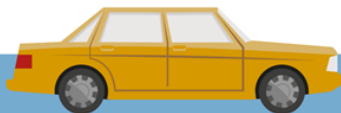


ENERGY CONSUMPTION VALUES OF ALTERNATIVE POWERTRAINS as well as the range of electric vehicles

### NEDC

New European Driving Cycle

- Designed in the **1980s**
- Based on **theoretical driving**
- Has become **outdated**



OLD TEST

NEW TEST

### WLTP

Worldwide Harmonised Light Vehicle Test Procedure

- Coming into force in **2017**
- Based on **real-driving data**
- Better matches **on-road performance**



New Sales

Supply

Derogation

Taxation

## FROM NEDC TO WLTP: WHAT WILL CHANGE?

### TEST CYCLE

NEDC  
Single test cycle



WLTP  
Dynamic cycle more representative of real driving

### CYCLE TIME

NEDC  
20 minutes



WLTP  
30 minutes

### CYCLE DISTANCE

NEDC  
11 kilometre



WLTP  
23.25 kilometre

### DRIVING PHASES

NEDC  
2 phases, 66% urban and 34% non-urban driving



WLTP  
4 more dynamic phases, 52% urban and 48% non-urban

### AVERAGE SPEED

NEDC  
34 kilometre per hour



WLTP  
46.5 kilometre per hour

### MAXIMUM SPEED

NEDC  
120 kilometre per hour



WLTP  
131 kilometre per hour

### INFLUENCE OF OPTIONAL EQUIPMENT

NEDC  
Impact on CO2 and fuel performance not considered under NEDC



WLTP  
Additional features (which can differ per car) are taken into account

### GEAR SHIFTS

NEDC  
Vehicles have fixed gear shift points



WLTP  
Different gear shift points for each vehicle

### TEST TEMPERATURES

NEDC  
Measurements at 20-30°C



WLTP  
Measurements at 23°C, CO2 values corrected to 14°C

Higher CO2 Rating

Confusion

More Spec Packs

Less Choice on List

Higher Costs

More Opt Out

Source: wltfacts.eu

## WLTP Update



**USED  
CARS**

**CUSTOMER  
CHOICE**



**Will it really  
make a  
difference !!**

## Market Discussion

---

- Brexit or is it Brino
- Defleet Volumes
- Used Car Volumes
- Ex PCP Product
- Rental Volumes to the Market
- Premium SUV Sector Performance
- Petrol/Diesel Market - used

**Consider**

Remarketing

Refurbishment

Retail Sales

Auction

Transport Logistics

# Questions

Rupert Pontin

Director of Valuations

[Rupert@cazana.com](mailto:Rupert@cazana.com)

+44 (0) 7800 809021