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Connecting Customers to Cars and Driving the Future of Remarketing with

Gary Johnson, Group Account Director

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Auctions trends for 2020

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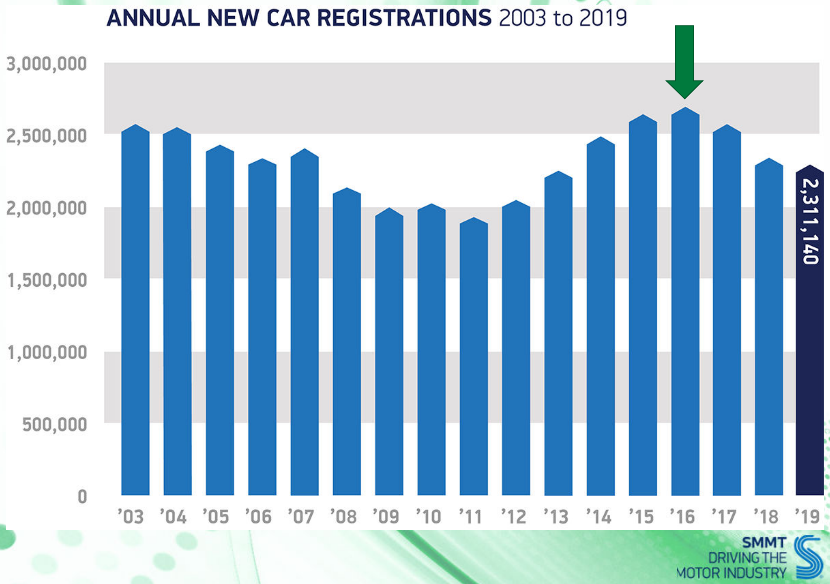
Vehicle supply – Impact of 2016 new car market



- Record new car market in 2016 could spell a surge in used stock in 2020
- Volumes not realised due to BIK and WLTP as well as Extensions to contract.
- No reason why buoyancy of used car market couldn't cope with extra volumes

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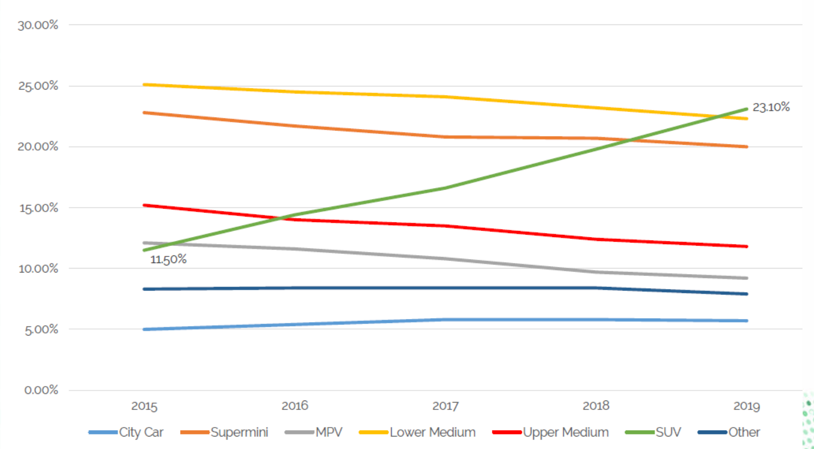
Sector share (%) – rise of the SUV



- Popularity of SUVs in used market continues to go from strength to strength
- All other markets remain flat or are falling
- Smaller petrol SUVS like the EcoSport are in demand
- Diesel power still preferred for larger SUVs
- Need to monitor this in 2/3 years time as SUV will be a bigger part of the used market

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Volume share by fuel type <1 year old cars

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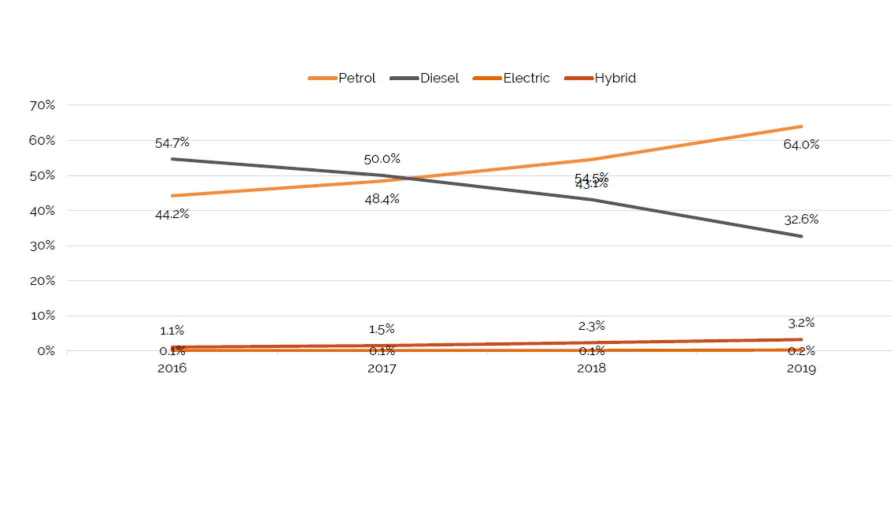

- Sub 12-month old stock shows growth in petrol
- Diesel volumes are going the other way
- Electric and hybrid volumes remain flat but demand is definitely growing

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Volume share by fuel type - 3-4 year old cars

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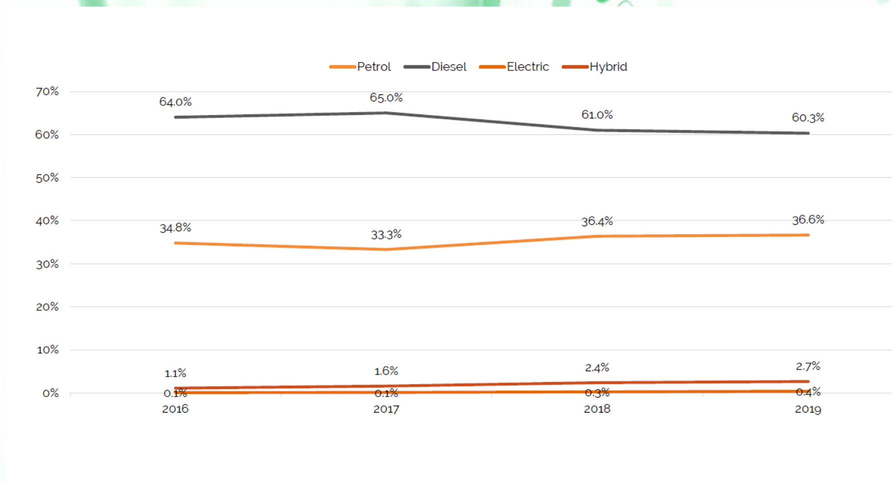

- However, when looking at the fleet market still more Diesel for the next 24 months
- Diesel volumes still consistent and prices and demand holding their own
- Petrol volumes beginning to grow even at 36-48 months old

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Used prices by fuel type – 2017 - 2019

- Demand and prices for AFVS will continue to grow as consumer demand increases
- Diesel cars and prices will continue to hold their own
- As diesel volume reduces our belief is that values may even improve further.

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Fleet market prices 2017 - 2019

- The sector showed the impact of Q2 price alignment and the effect in Q3 values
- Q4 prices recovered back to Q1 levels
- Typical fleet car is 42 months but still made up of two markets one with PCP at 2 years and one with extended contracts over 45 months.

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Late & low prices (18-24 months) 2017 - 2019

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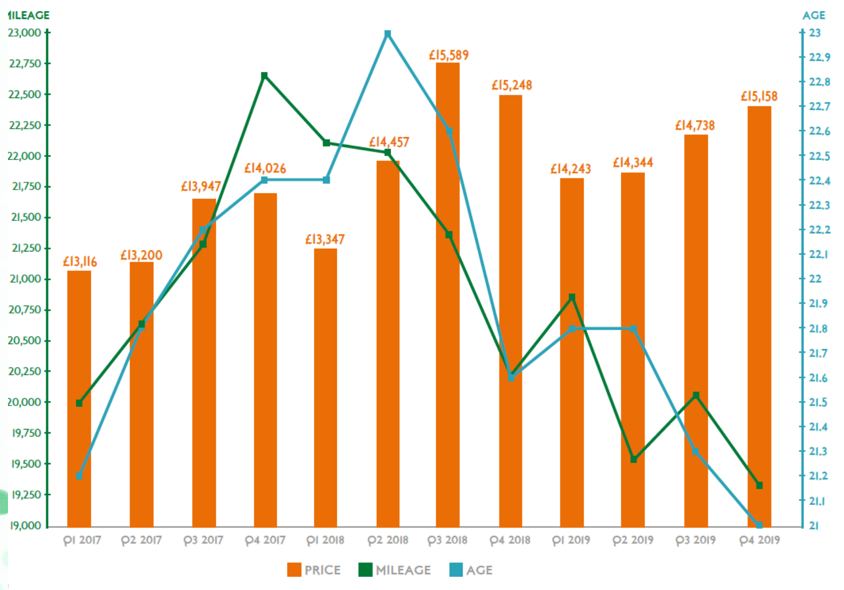

- Strong demand for 18-24-month old stock
- Age and mileages continue to fall and quality of stock remains high which is very attractive to franchised dealers
- Especially with new car build times extending

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Buyer trends in 2020

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Digital Solutions

- Digital and mobile channels will continue to add value to and integrate with physical channels
- We have pioneered the digital revolution since June 2017
- Mobile now accounts for 30% of online bids
- More than £80m of used cars have been bought via our Buyer's App in two years
- e-Xchange is growing traction – our wholesale platform that encourages upselling
- e-Xchange has halved stocking days for a large London dealer group in just three months

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2020 market summary

- Strong used market predicted even if new car sales start to recover in March
- Predicting a strong used car market at least to the end of March and maybe further depending on March registrations.
- Demand and prices for AFVS will continue to grow as consumer confidence increases
- Demand for SUVs are likely to continue, particularly small petrol models
- Diesel cars and prices will continue to hold their own
- Small city cars will remain strong only large exec that has some volatility

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Questions

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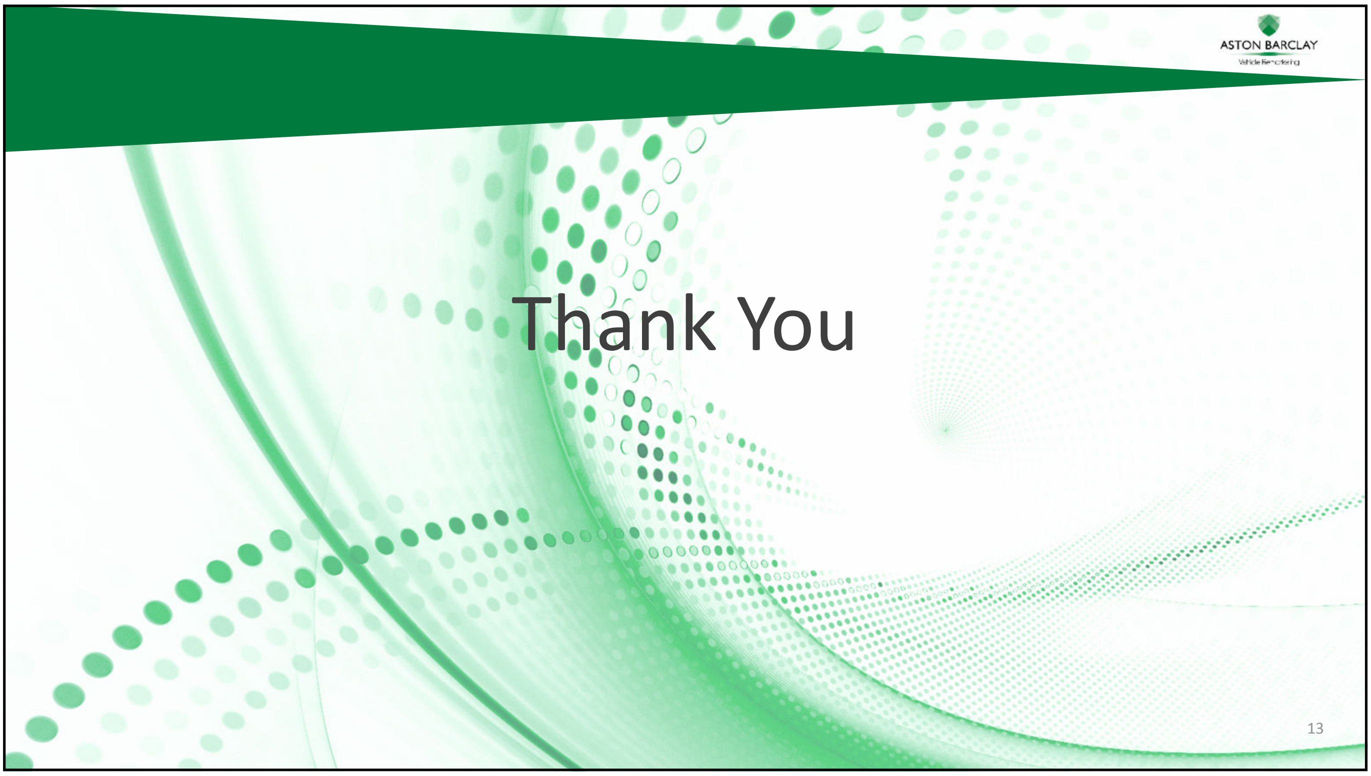

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