



# Developments in Automotive Retail 2026

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# Introduction

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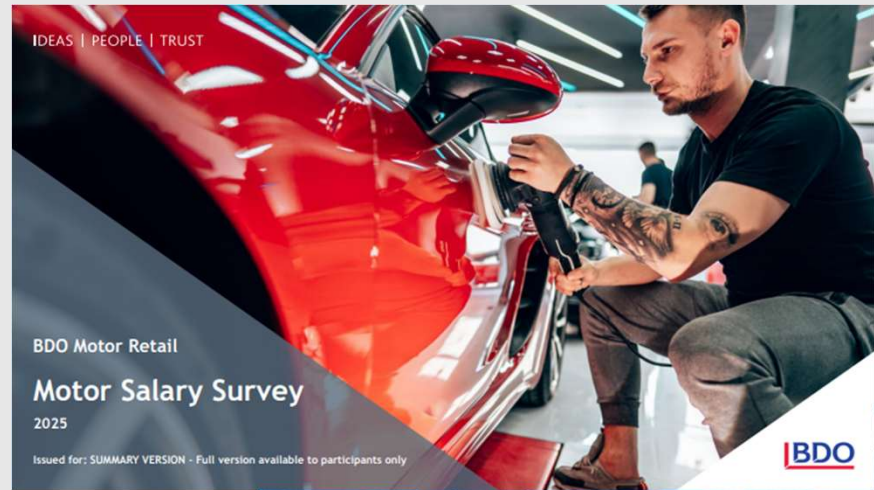


# Developments in Automotive Retail 2026

- ▶ Context - what is the current position for Automotive Retailers
- ▶ What is impacting the market
- ▶ The future challenges and opportunities
- ▶ Budget predictions and why they matter to Automotive Retailers



# BDO insights



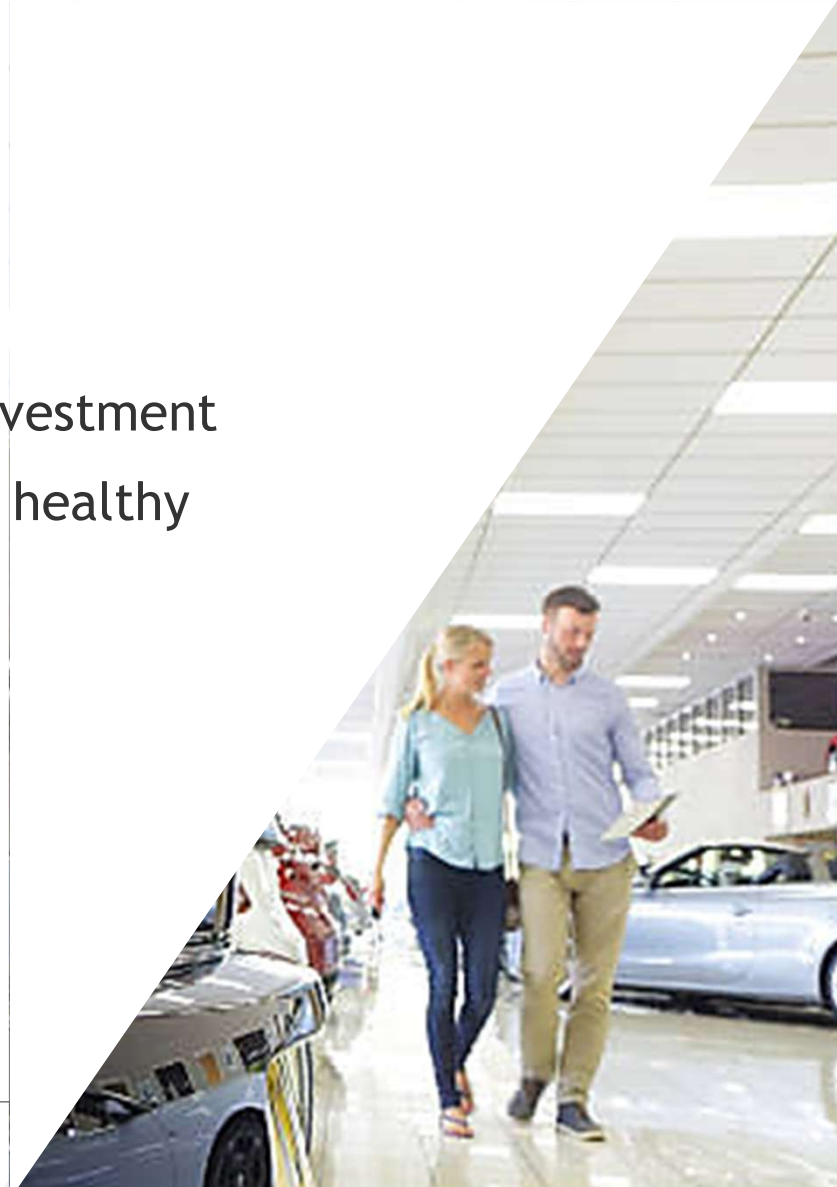
# What is the current position for Automotive Retailers

- ▶ Slower growth due to economic / cost of living issues
- ▶ Slow down of registrations (2.4% new and 5.5% used, SMMT data)
- ▶ Fleet lead charge no longer as strong
- ▶ Agency v franchise models and adapting to EV transition
- ▶ Profitability under pressure



## What is impacting the market

- ▶ Consumer demand and knowledge
- ▶ M&A activity - consolidation through overseas investment
- ▶ New entrants to the marketplace - disrupters or healthy competition, taking market share
- ▶ EV marketplace
- ▶ Cost base - NIC, NMW, historic interest rates



## The future challenges and opportunities

- ▶ SMMT prediction of registration growth - 1.7% in 2025 and 2026
- ▶ Used car market still an opportunity
- ▶ Retailers need to differentiate themselves across customer experience, digital innovation and OEM relationships
- ▶ Strong controls and processes to monitor performance, especially Cyber security
- ▶ Employee engagement and reward
- ▶ Use of AI for both internal and external efficiencies



## Budget Predictions

- ▶ Tax rates - all
  - ▶ Pensions - easy target
  - ▶ IHT / Gifts - business owner's awareness
  - ▶ Salary sacrifice - target?
  - ▶ ECOS -alternatives
  - ▶ EV - pence per mile tax
- 



## Summary

- ▶ Resilient marketplace
- ▶ Consolidation will continue, possibly off the back of future budget changes
- ▶ Agility and the ability to adapt is key
- ▶ Staff reward and motivation





Questions?

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