



Cox
AUTOMOTIVE™

Market Overview
April 2018

Philip Nothard - Head of External Relations



THE VEHICLE LIFECYCLE



MANHEIM

NEXTGEAR
CAPITAL

Dealer-Auction.com

Modix



MOTORS
.co.uk

incadea
DMS | SALES | SERVICE

RMS/
AUTOMOTIVE

MOVE

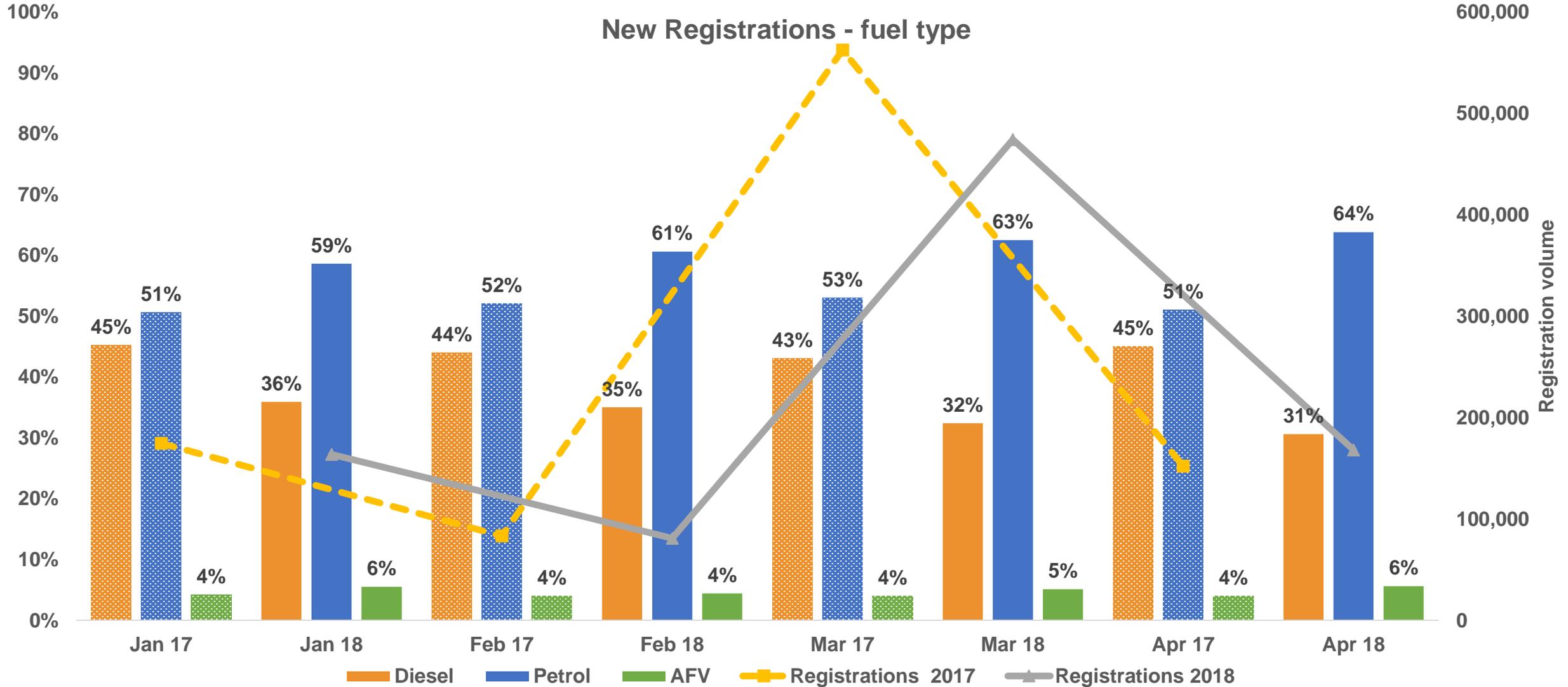


AGENDA

- Retail
- Wholesale
- Funding
- Dealers
- Outlook

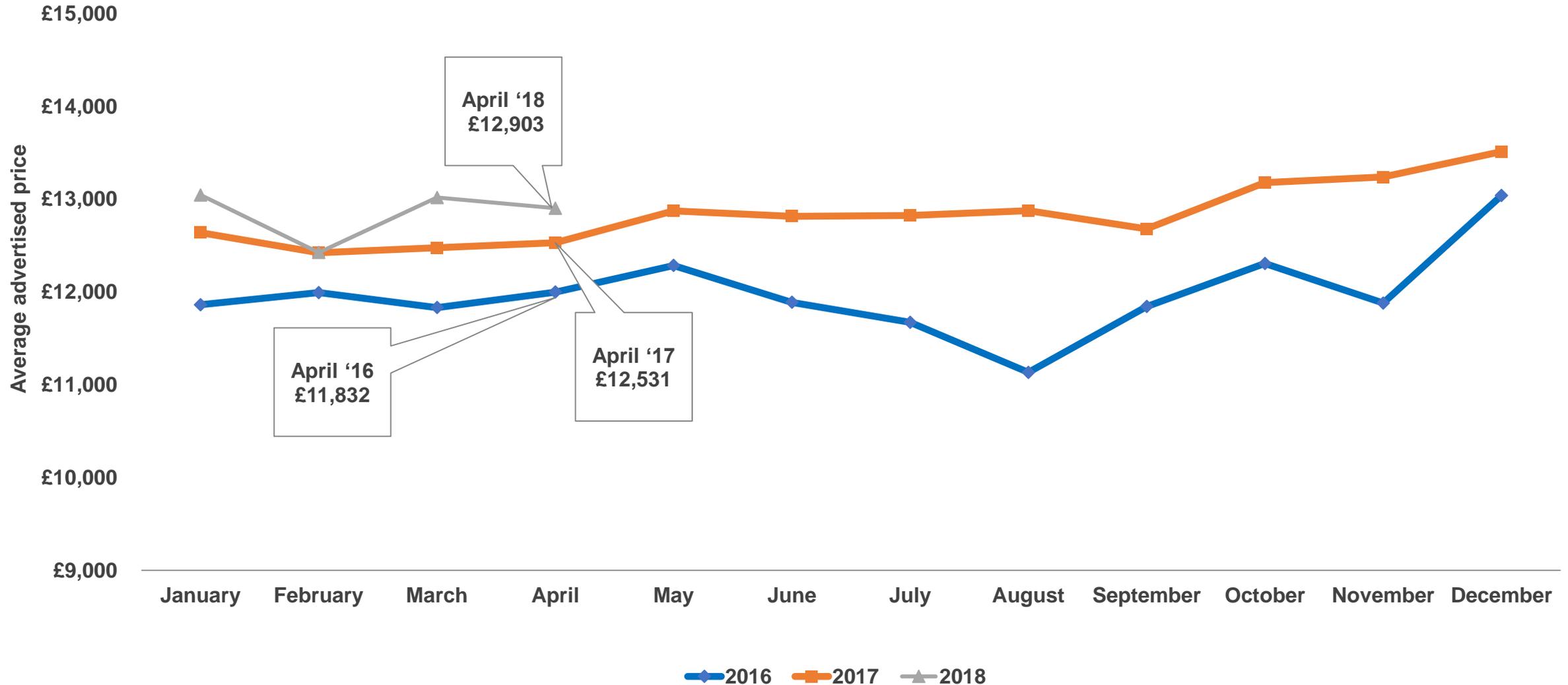
// Market Overview

Retail



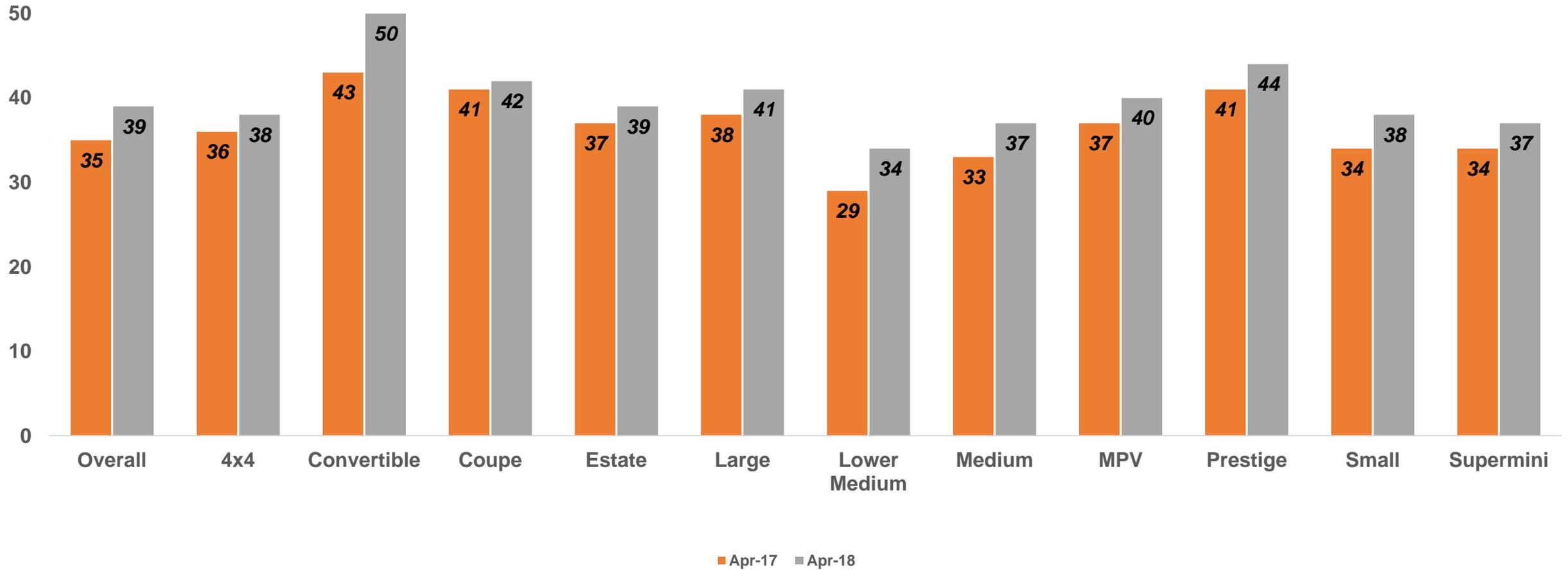
Average sold price was up 2.97% on 2017 figures, standing at £12,903, despite vehicles selling at a slower pace

Retail Used Car Price Performance (as listed on Motors.co.uk)

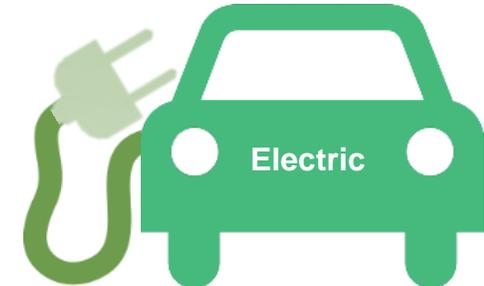
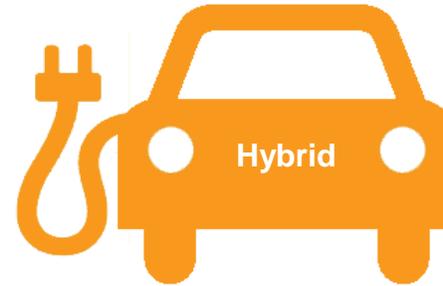
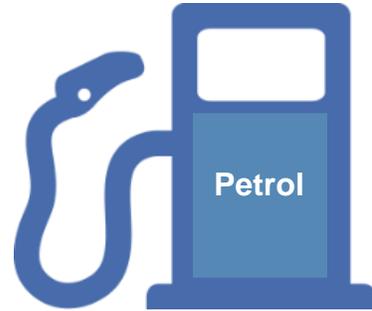
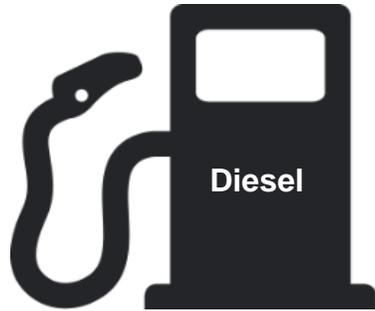


Days in stock increased across all sectors, by an overall average of 4-days in April '18 compared to '17

Retail days in stock April '17 vs. '18 (as listed on Motors.co.uk)



Diesel sales steady YoY thanks to 5% fall in overall volume vs 2017; hybrids struggling to sell compared to 2017 performance



Stock Volume

APR '18 – 50.49% of total
APR '17– 55.84% of total

Stock Volume

APR '18 – 46.78% of total
APR '17– 42.61% of total

Stock Volume

APR '18 – 1.12% of total
APR '17– 1.13% of total

Stock Volume

APR '18– 0.22% of total
APR '17– 0.29% of total

Vehicle Views

APR '18– 47% of total
APR '17– 46% of total

Vehicle Views

APR '18– 50.55% of total
APR '17– 52.30% of total

Vehicle Views

APR '18– 1.05% of total
APR '17– 1.21% of total

Vehicle Views

APR '18– 0.33% of total
APR '17– 0.41% of total

Days in stock

APR '18– 41 days
APR '17– 39 days

Days in stock

APR '18– 37 days
APR '17– 33 days

Days in stock

APR '18– 44 days
APR '17– 31 days

Days in stock

APR '18– 41 days
APR '17– 47 days

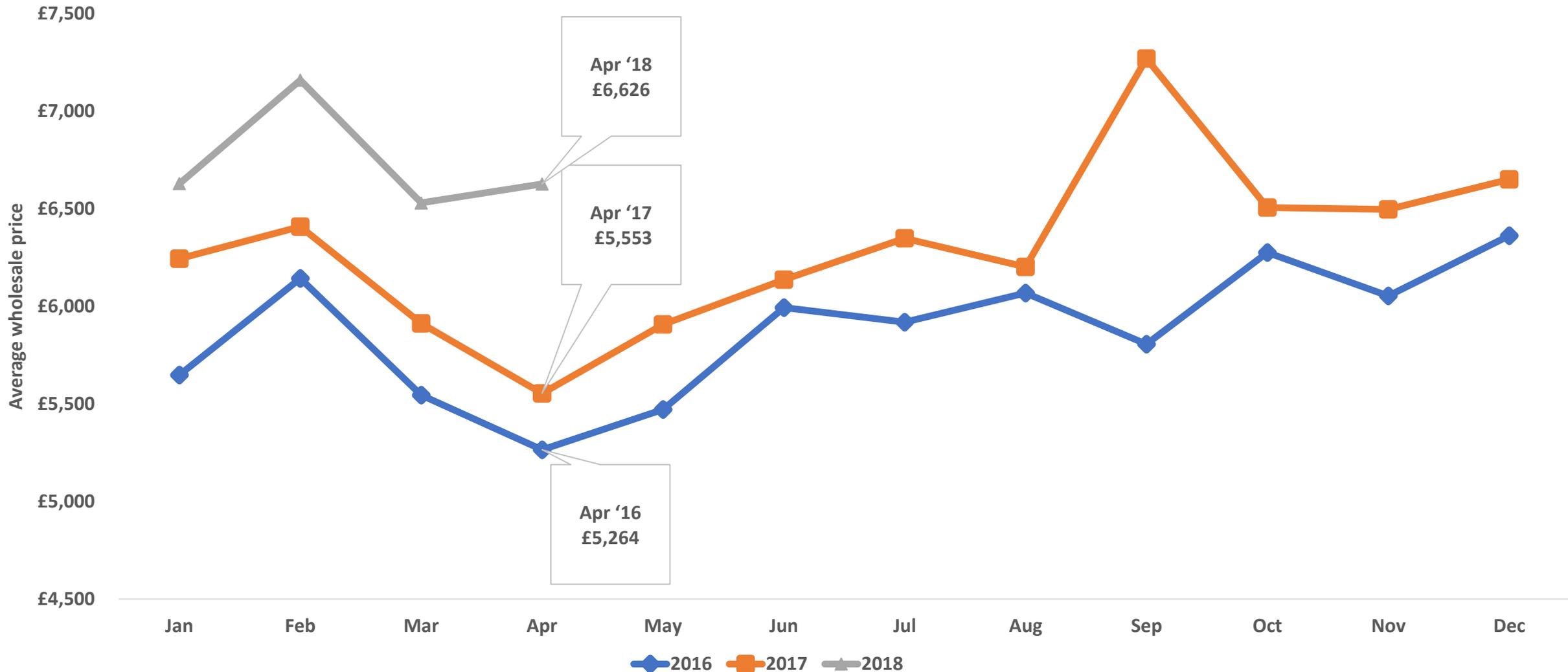
Retail

- *Diesel sales remain stable thanks to a 5% fall in overall volume year-on-year compared to petrol vehicles*
- *Average used retail price continues to rise steadily, in line with the rest of 2018 and year-on-year*
- *Petrol and hybrid vehicles selling slower than in 2017; diesel sales only marginally by comparison*
- *Electric vehicles demonstrate a significant fall in days in stock compared to other fuel types (41 days in 2018 compared to 48 days in 2017)*
- *Smaller, more affordable, vehicle types such as lower medium and small cars continue to outsell larger prestige models*

Wholesale

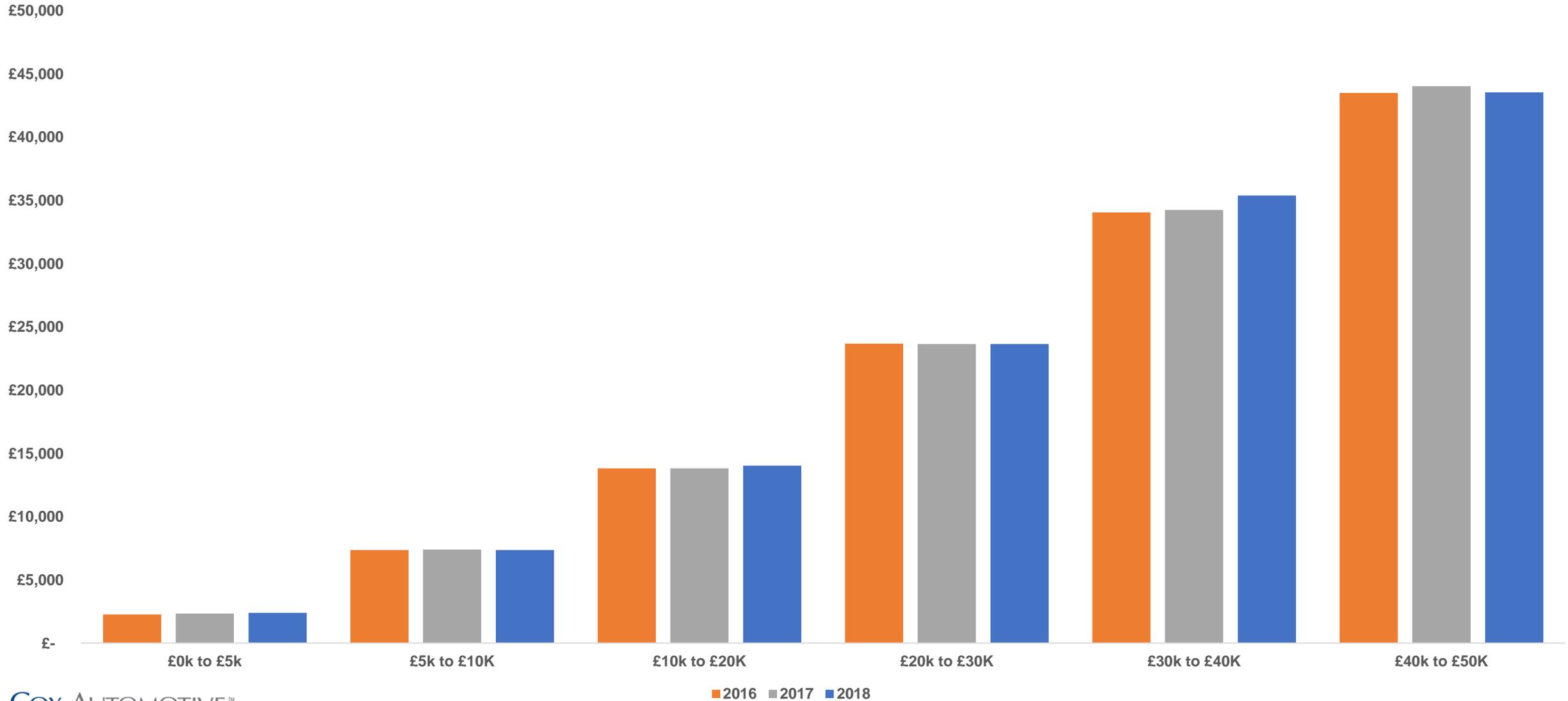
Average auction wholesale prices increase 19.32% in April YoY and out of seasonality increases 1.5% since March

Auction Wholesale Price



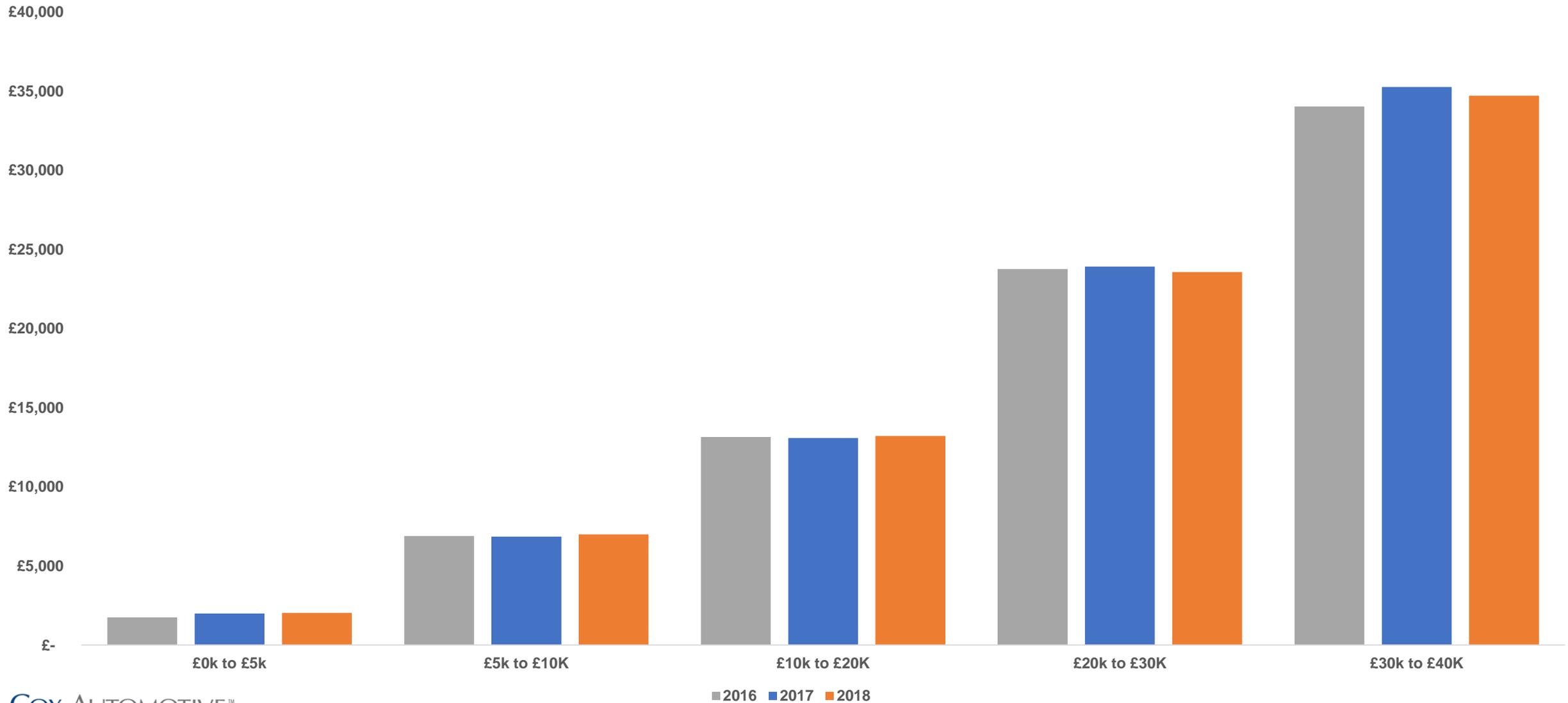
Diesel prices through the wholesale market remain stable with slight increases in the £30 - £40k banding

Diesel Wholesale Used Prices April '17 vs. '18



Petrol wholesale prices in wholesale remain stable with minor increases in the £0 - £20K and softening in the £20K+

Petrol Wholesale Used Prices April '17 vs. '18



Wholesale

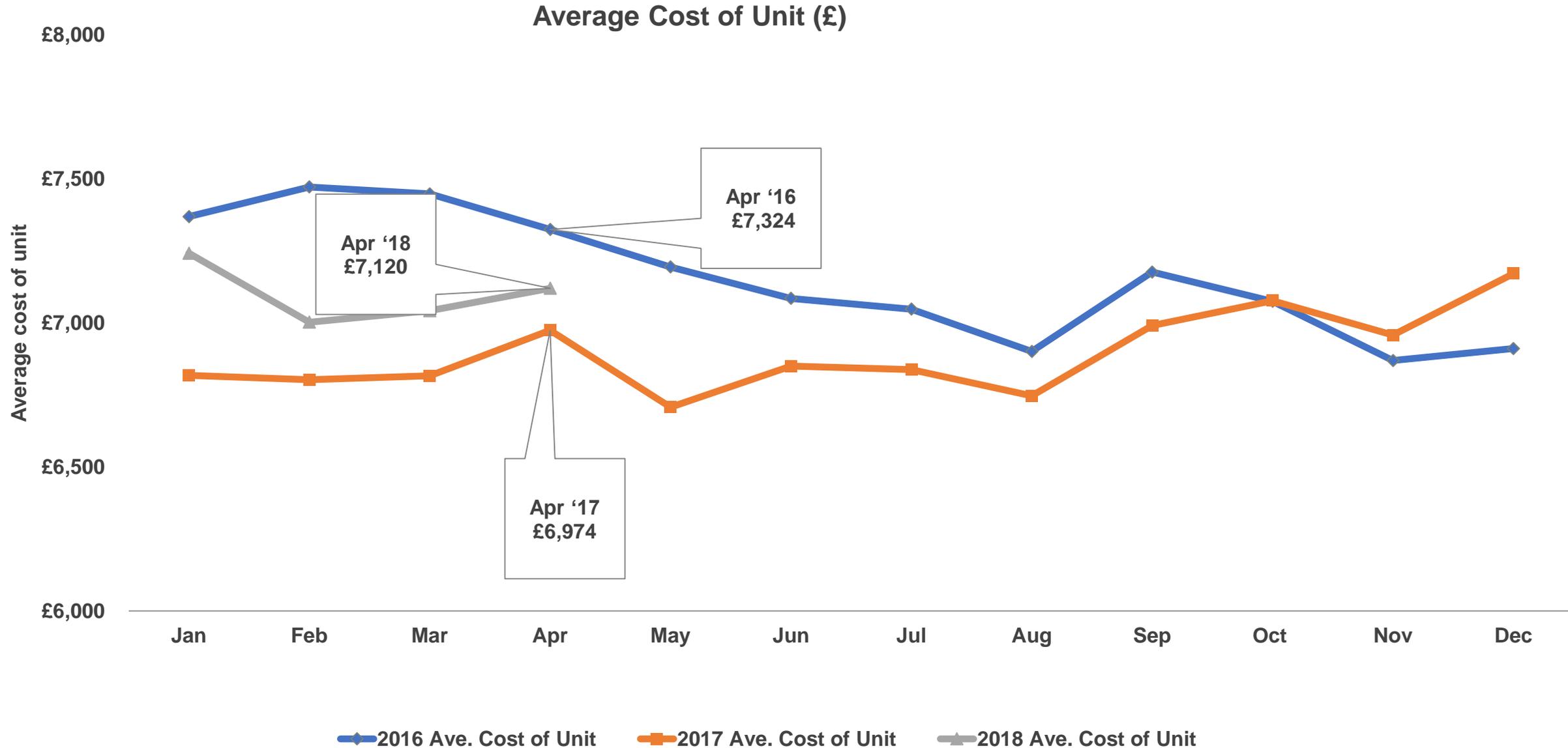
- *Volumes of vehicles sold through physical and online lanes were on par with the previous month with vehicle condition and mileage also remained steady*
- *Ex-fleet and part exchange vehicles up 1% month-on-month to £6,623 (18.6% higher than this time last year)*
- *Diesel volumes increased 7% on 2017 and electric vehicles also continued to increase, up 18% year on year*
- *20% year on year increase in volumes and a 12% uplift in average sales price through Dealer Auction, the trade-to-trade online auction platform, proving that the adoption of digital bidding is gaining pace*

Funding



Funding

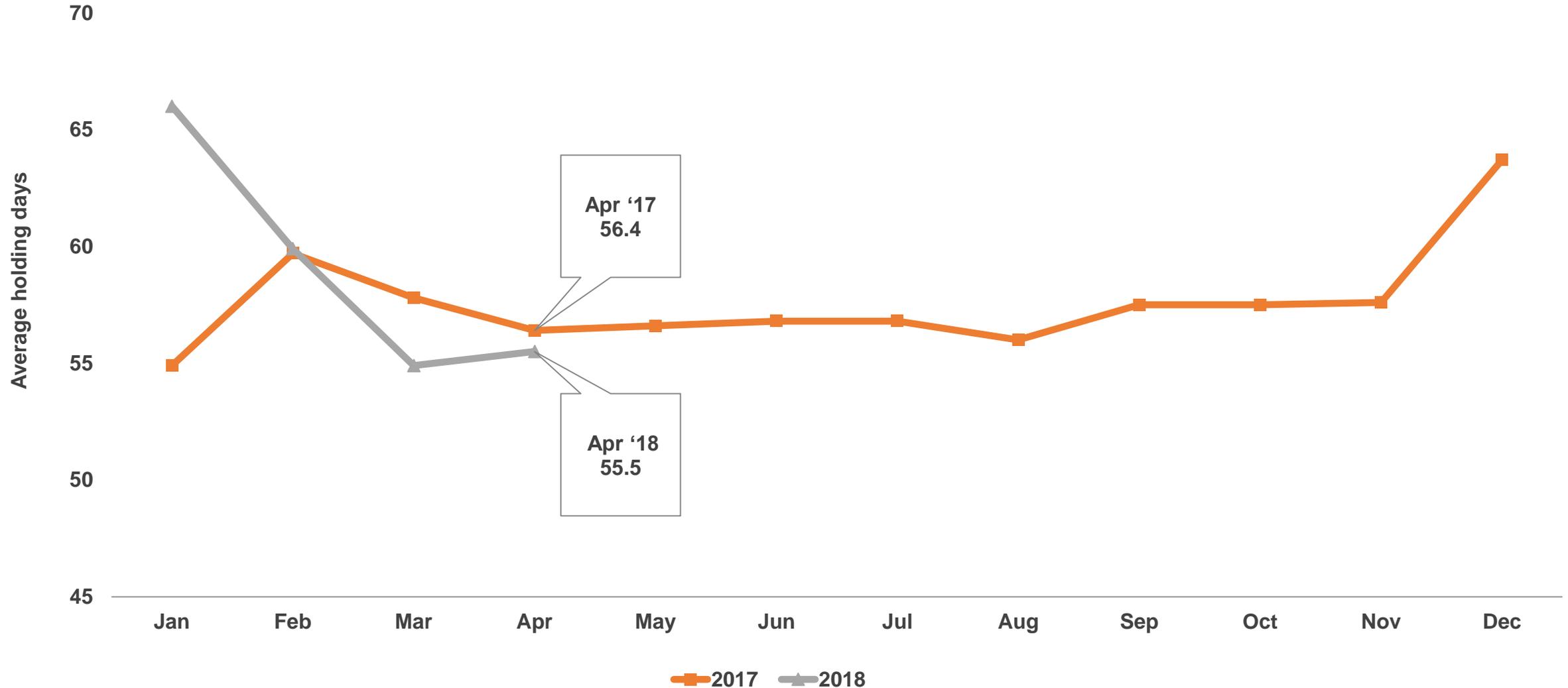
Wholesale stock funding remains in line with seasonal expectations with a 1% increase in average cost per unit



Funding

Average holding days also increased to 55.5 from 54.9 in March – returning to the figures experienced throughout 2017

Average Holding Days



Funding

In April '18 the average age funded, and mileage remains in line with '17 April figures

Stock funding

Apr 2017



6.3 years

Ave. Age Funded



59,710

Ave. Mileage

Apr 2018



6.5 years

Ave. Age Funded



59,987

Ave. Mileage



MANHEIM
Auctions

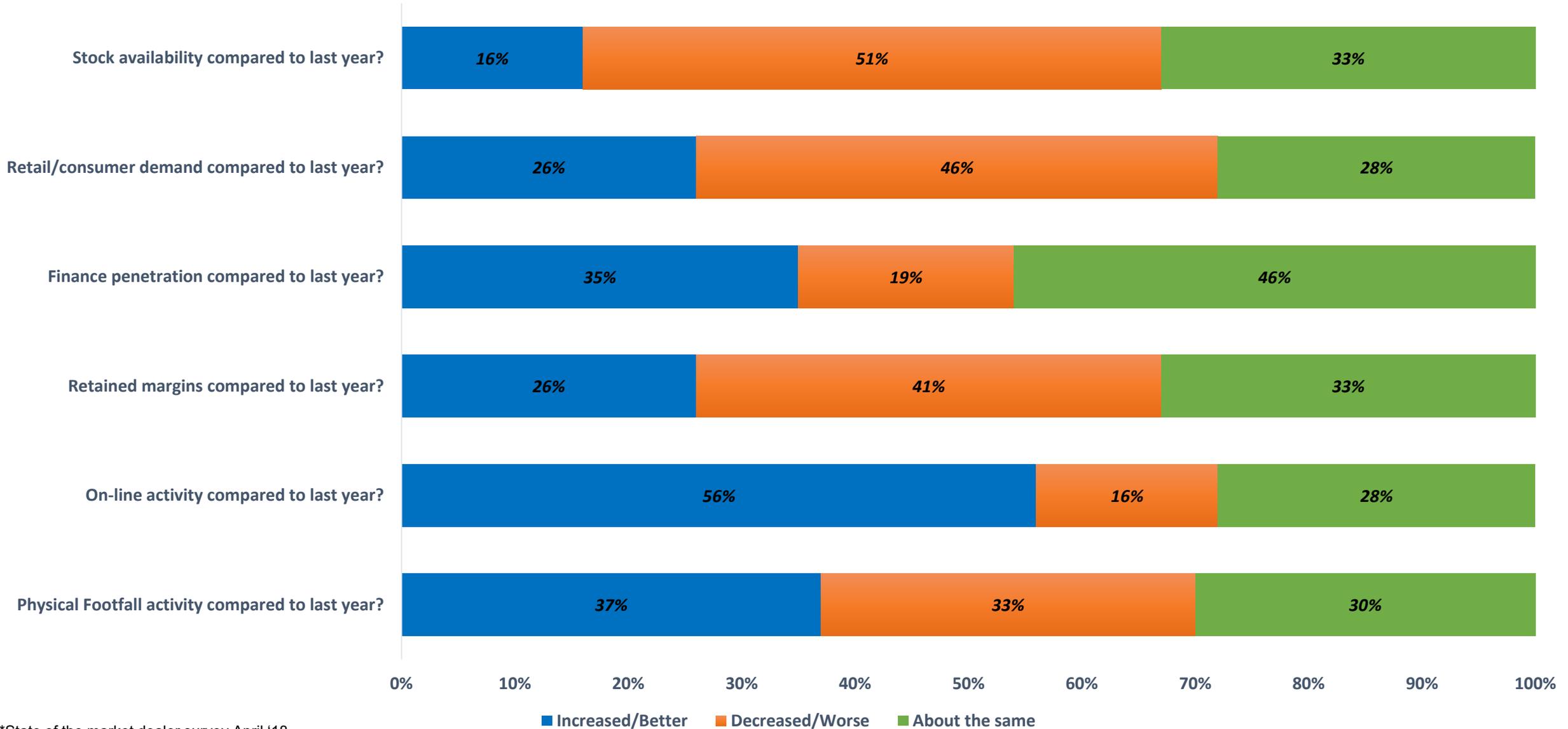


TODAY'S
VEHICLES

Dealers

Dealers

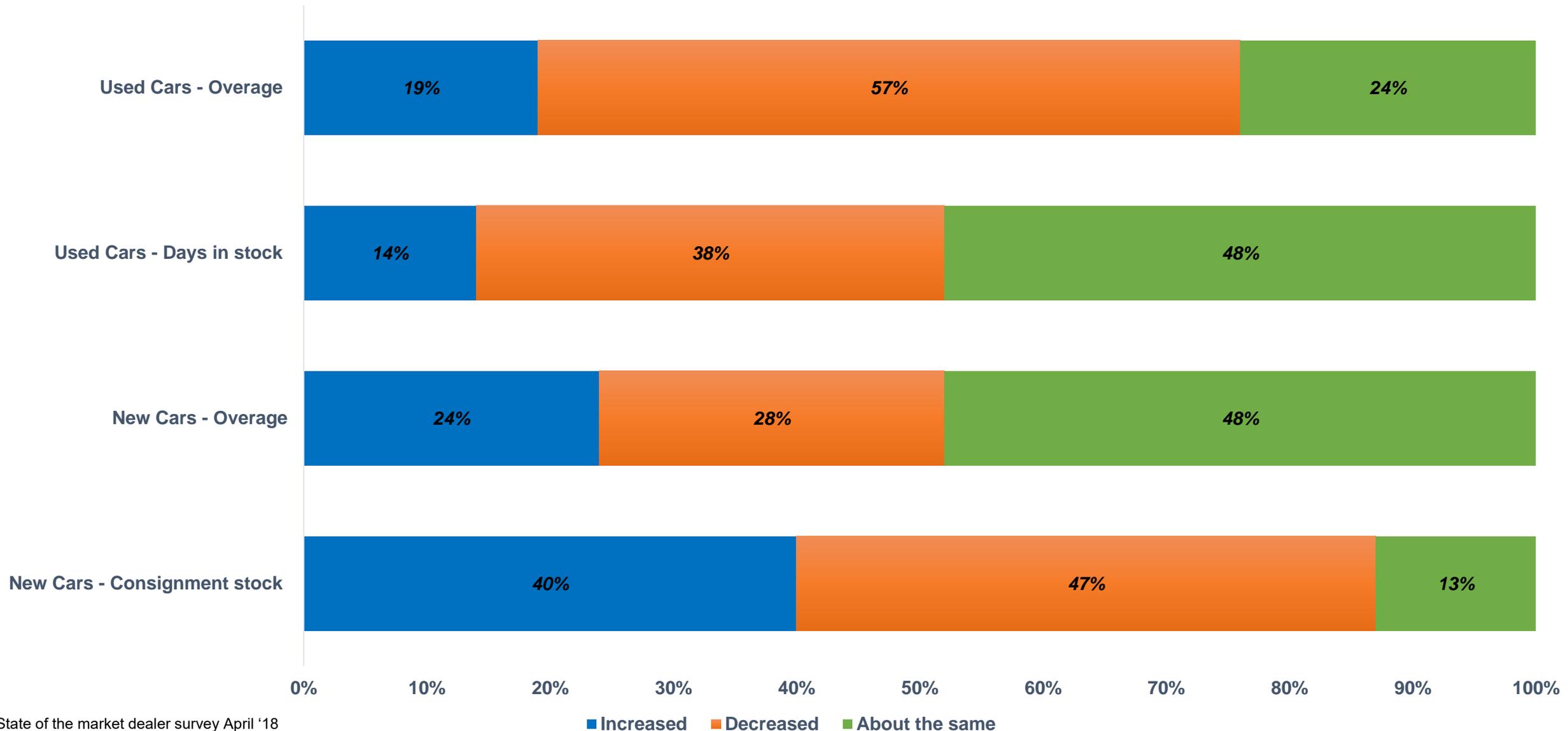
41% of dealers surveyed reported margin pressures. In addition, half indicated stock availability had worsened*



*State of the market dealer survey April '18

Dealers

Drop in used car stock availability has resulted in a positive impact on overage reduction' *

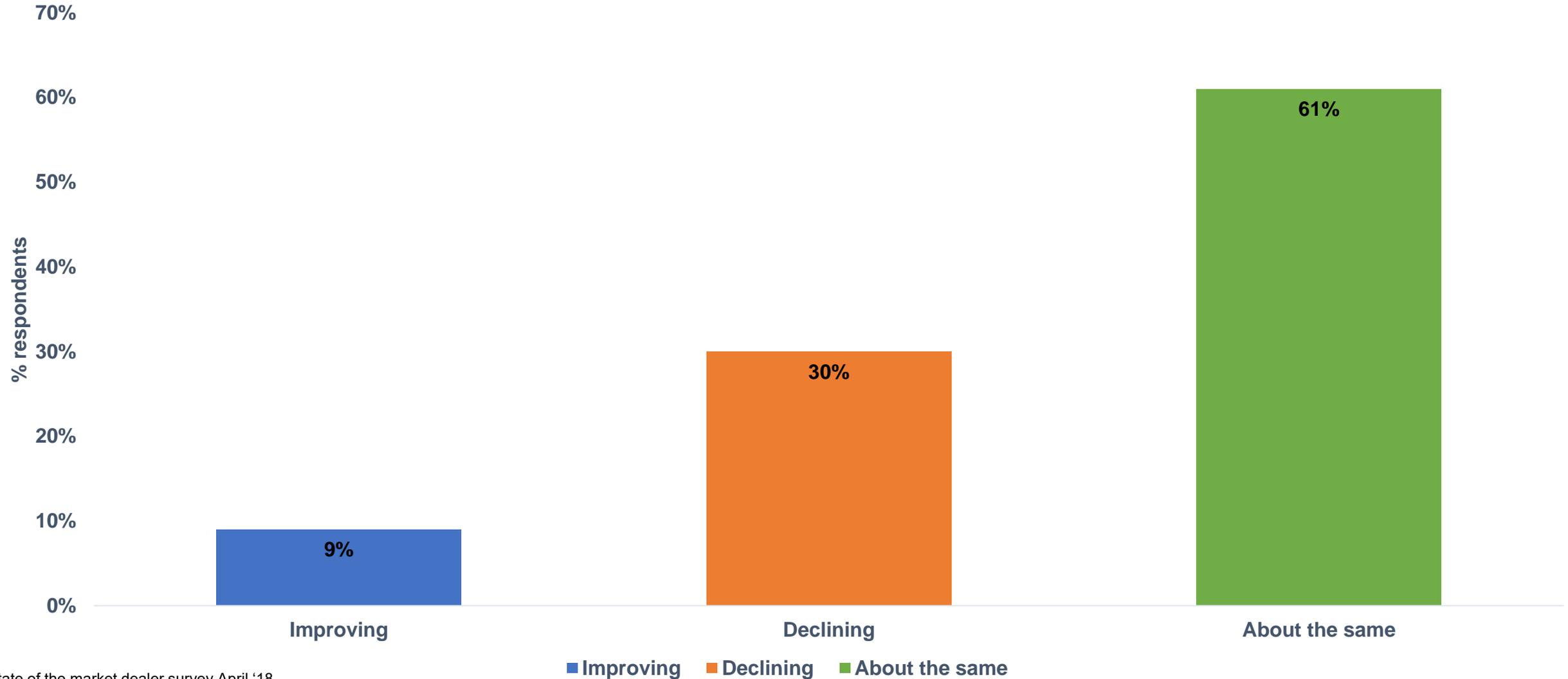


*State of the market dealer survey April '18

Dealers

The economic outlook remains similar with only 9% anticipating improvement and 30% expecting further decline*

What are your expectations for economic conditions over the coming months?
(as a proxy for demand)

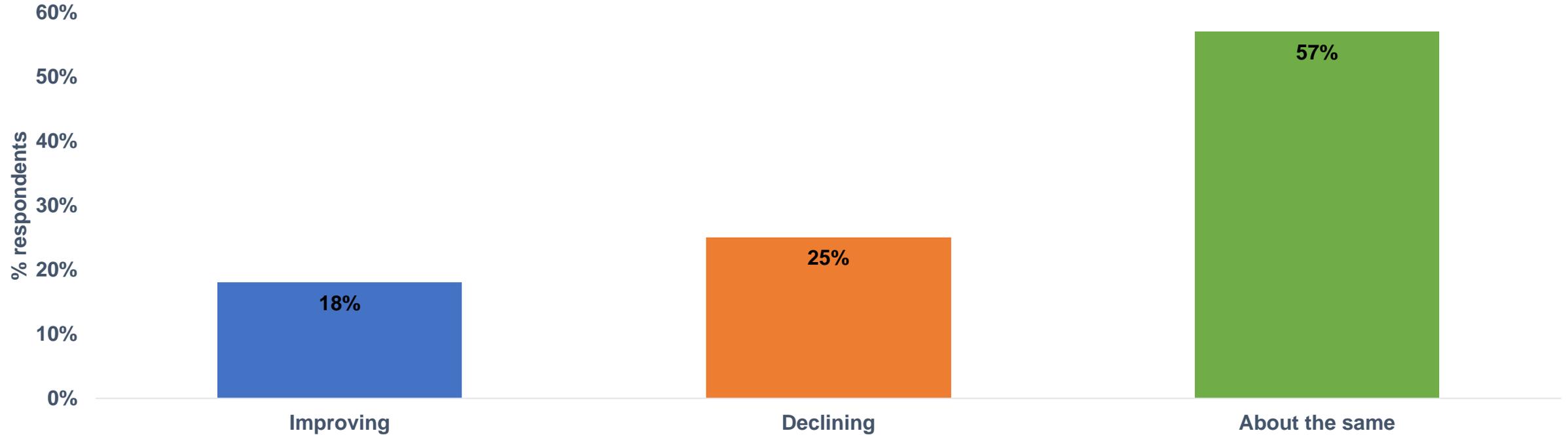


*State of the market dealer survey April '18

Dealers

A quarter of dealers expect sourcing stock to worsen whereas 18% anticipate improvement over the coming months*

What are your expectations for sourcing used vehicles over the coming months?
(as a proxy for supply)



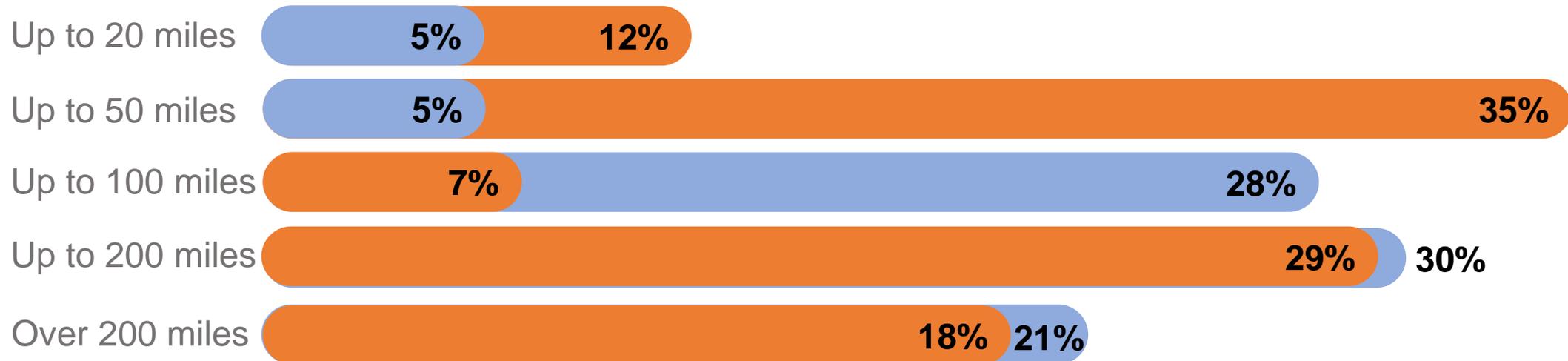
*State of the market dealer survey April '18

Modix data illustrates that car buyers are looking closer to home for their next car than dealers may perceive

We asked dealers:

“On average, how far do you think customers will travel when searching for your stock?”

Results show a difference between perception and reality



*State of the market dealer survey April '18

Outlook

Retail

Used cars sales to improve as consumers are confused over updated tax rules for new vehicles

Dealers urged to adjust stock volumes to match consumer demand for smaller used cars

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

Outlook

Our viewpoint – 2018 the wholesale market



Wholesale

An increase in the diversity of stock acquisition through physical and digital channels

Scale operations will drive demand for refurb and retail-ready through efficiency and logistics costs

An increasing desire for enhanced imagery and 'ready for retail' inventory

Funding

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

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

Ease and flexibility remains key for dealers

Dealers

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

Improving the digital retailing experience and enabling consumers to do more online to provide a competitive edge is increasingly important

Challenging environment of evolving technology and ever changing consumer expectations



Cox
AUTOMOTIVE™



THANK YOU

