



NATIONAL PUBLIC SECTOR
FLEET MANAGERS'
CONFERENCE 2019

Pickles

INTELLIGENT TRANSPORT

What is on the
Horizon for Fleet
Sales?

Pickles Corporate



Pickles

Major Clients

"delivering value through relationships"

Government



Northern Territory Government



GOVERNMENT OF WESTERN AUSTRALIA



Tasmania



Australian Government
Department of Defence

350+ Councils

OEMs



Fleet



Finance



FINANCE. FLEET. INSURANCE. MOBILITY.

Salvage



Used Car Market Summary - 2019

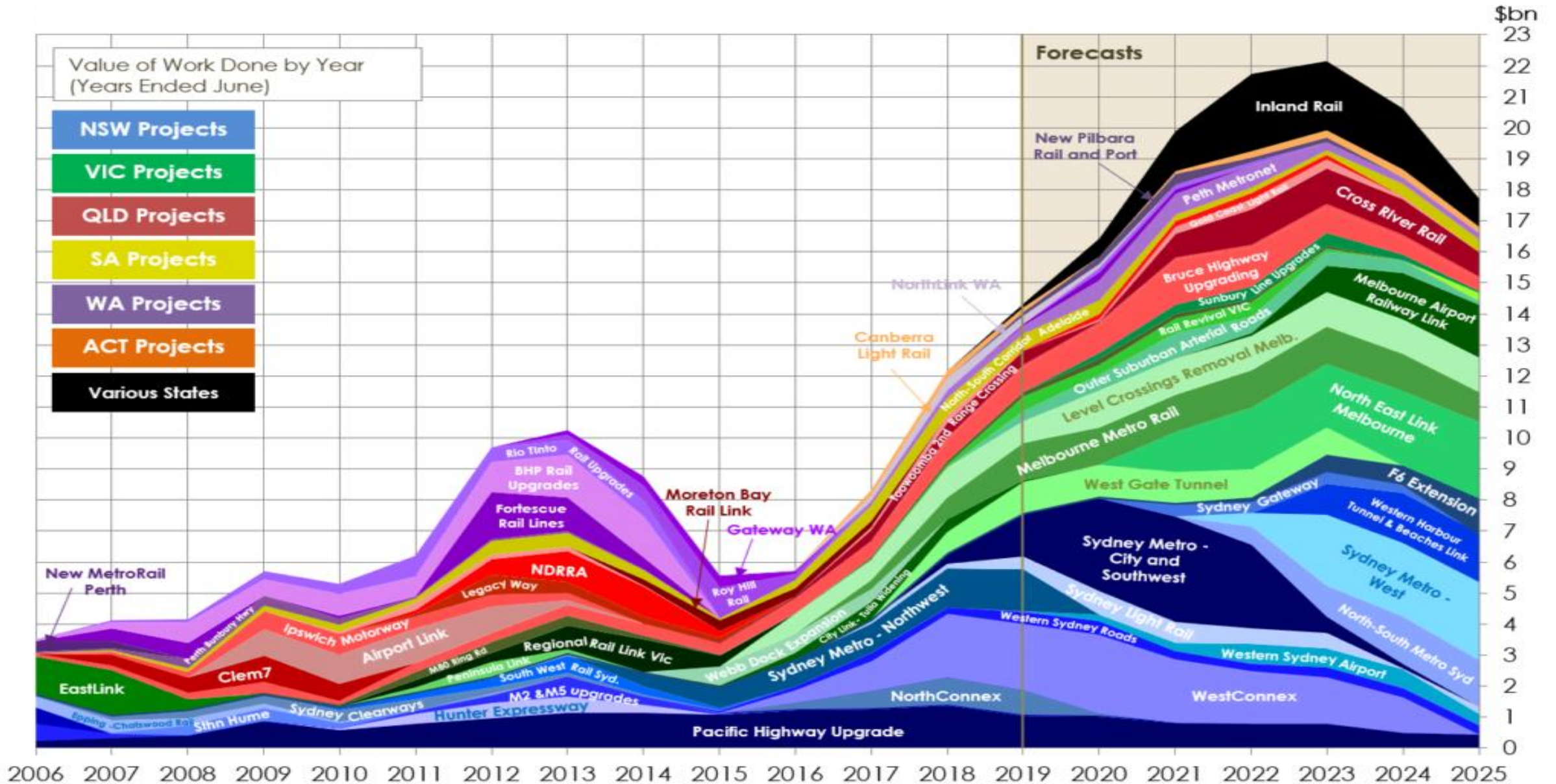
Market Drivers

- Tightening of Credit
 - Approval limits have dropped
 - E.g. not \$35,000 only \$25,000
 - increased demand for used vehicles
 - Unlikely to change any time soon
 - Loan approvals down 35%
- Hail Storms in NSW
 - 18,000 vehicles written off / replaced
- North Queensland Floods

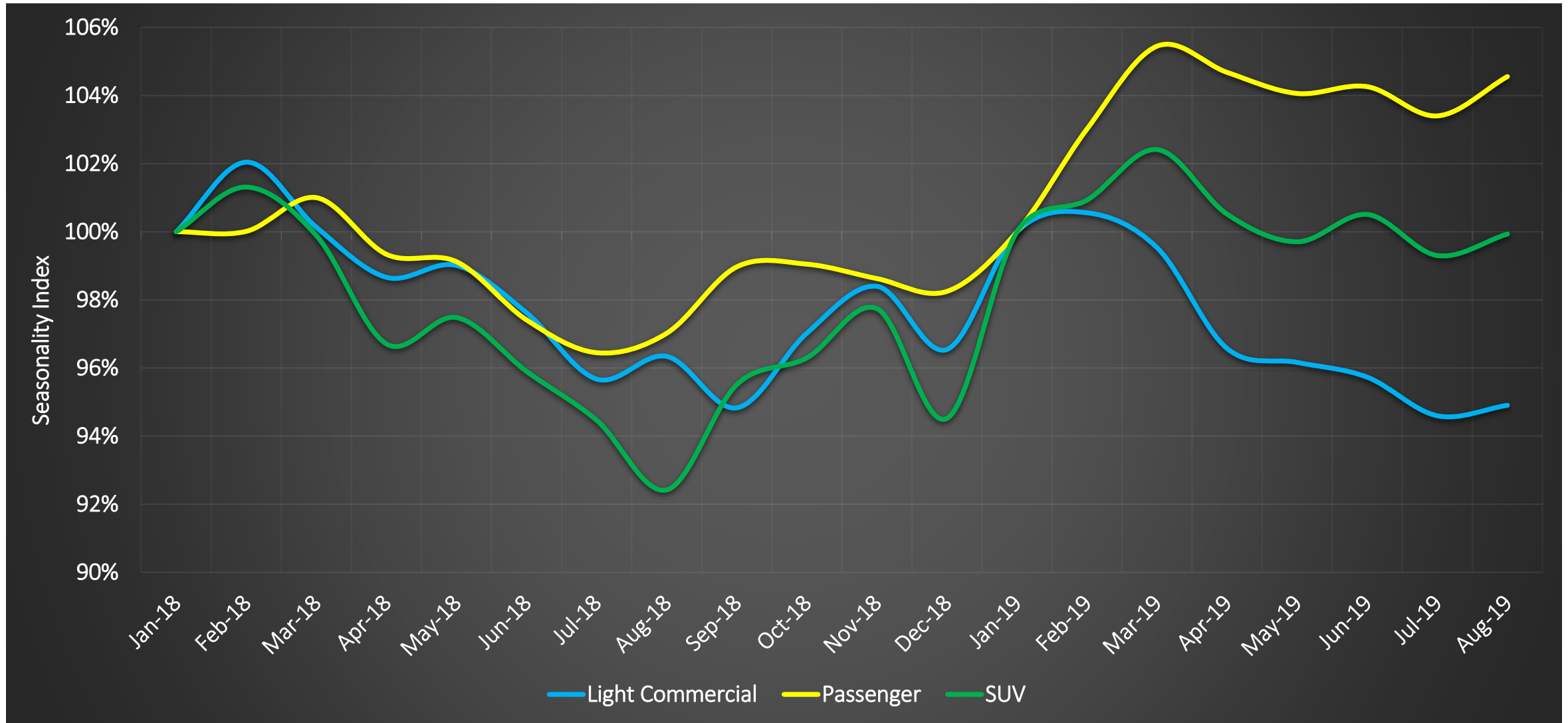
Market Drivers

- Extensions of Fleet Leases Inertia
 - Reducing the number of returned vehicles
 - McMillan's called out in recent market update
 - New car deliveries for some brands slow
- Federal Election
 - Decreased consumer confidence
- New Car Sales
 - Lowest new cars volumes in years
 - Sales equivalent to 2012

Major Australian Transport Infrastructure Projects



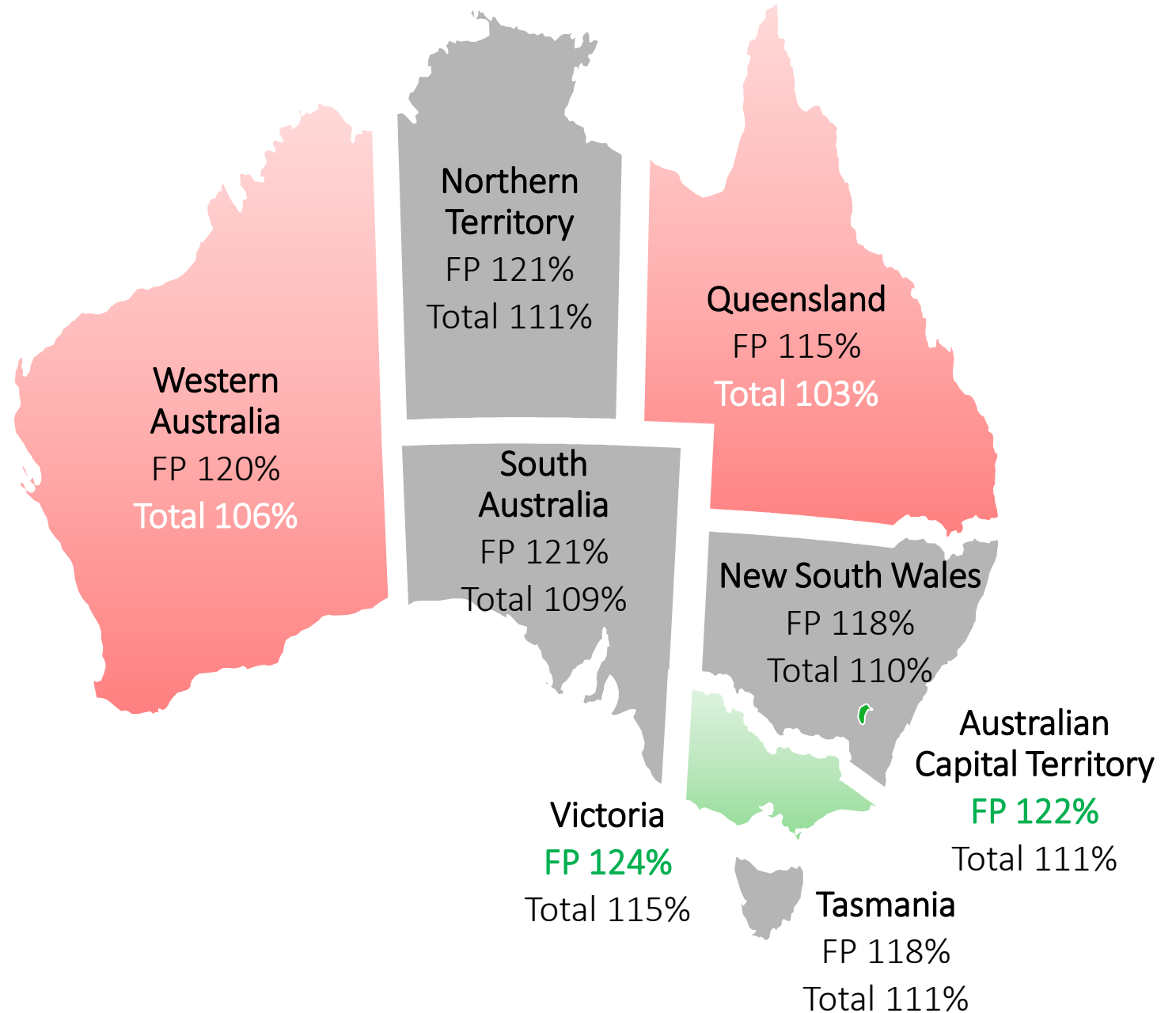
Used Car Price Index



Govt, FMO and Finance Returns vs Glass's

2 – 6 year old vehicles

January to August 2019



Government Vs Fleet Vehicle Profile

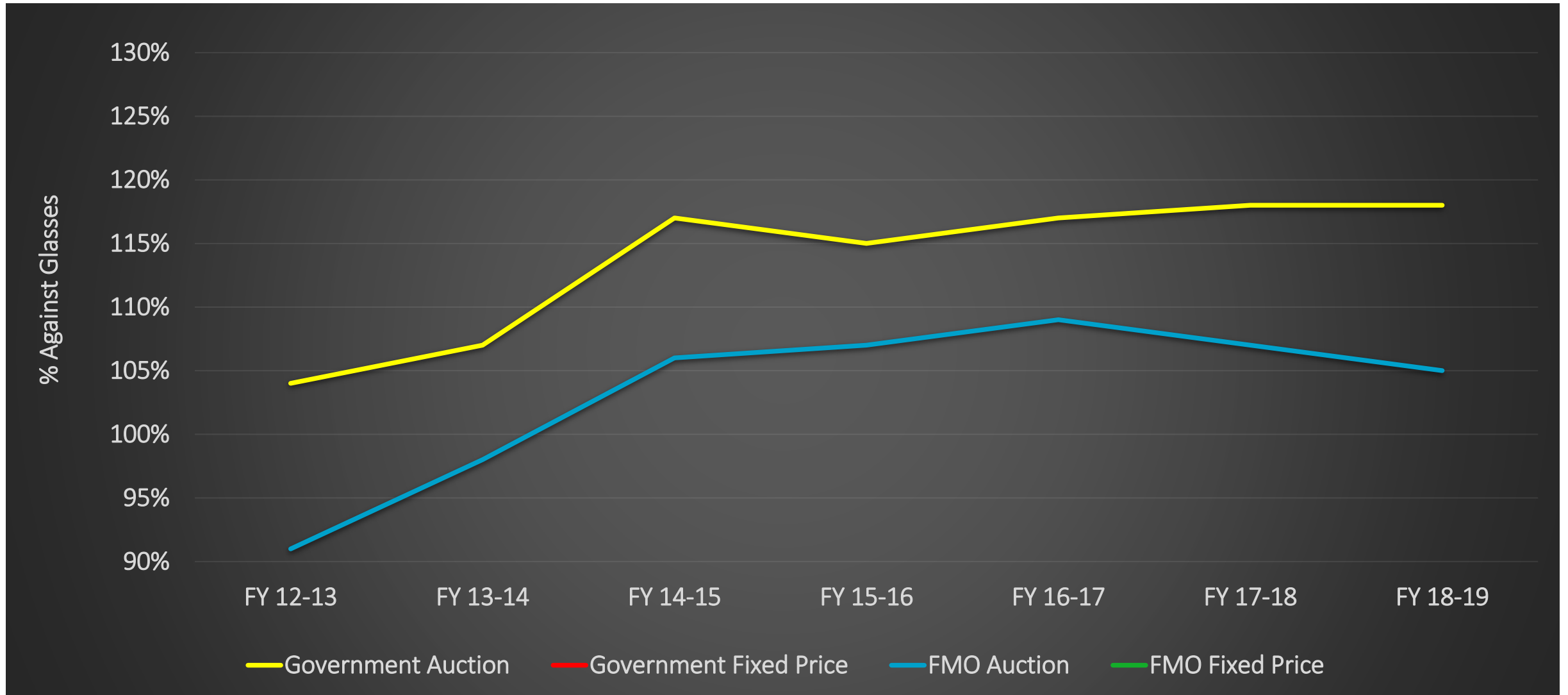
Government Vehicles

Average	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19
Age	2.5 years	3.1 years	3.1 years	3.3 years	3.3 years	3.7 years
Odometer	61,000 kms	59,000 kms	59,000 kms	63,000 kms	64,000 kms	66,000 kms
UFWT	\$1,001	\$935	\$917	\$899	\$807	\$1,131

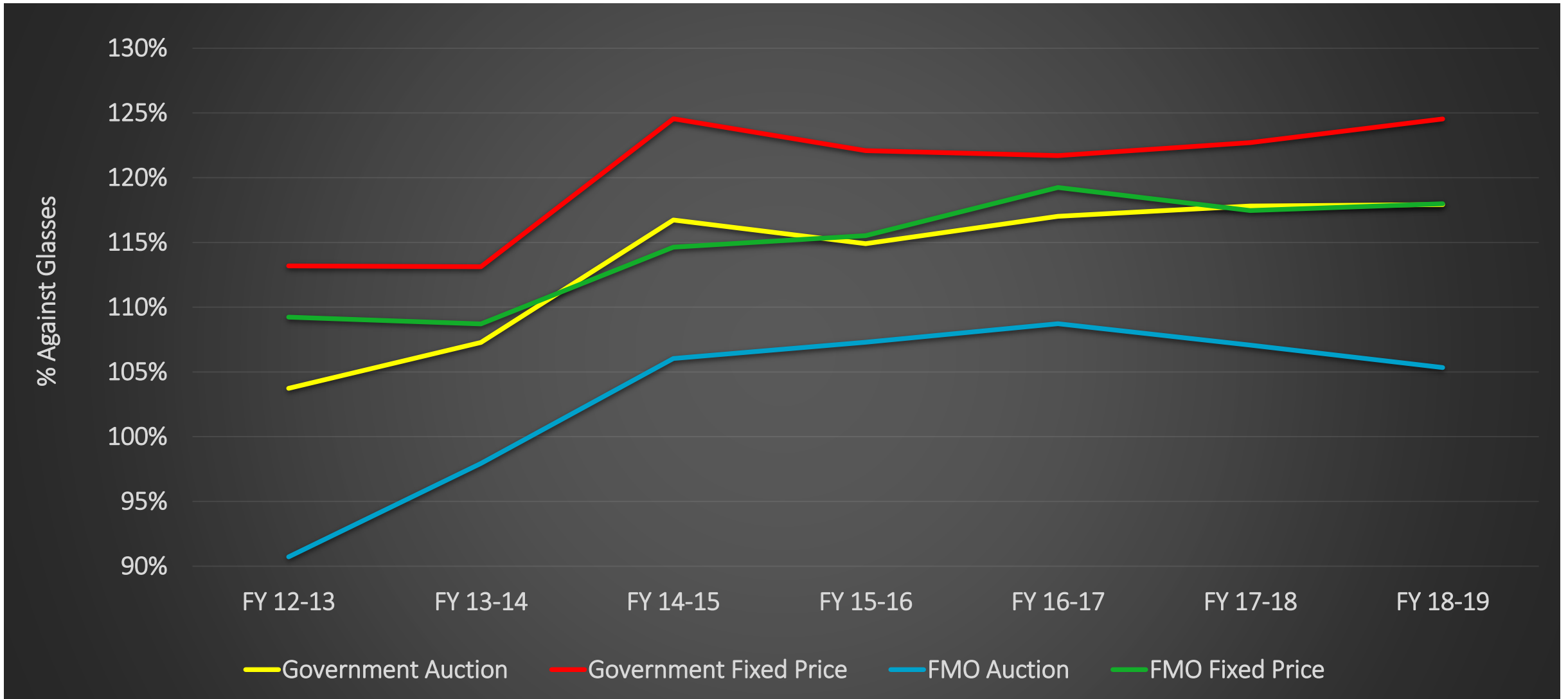
Fleet Vehicles

Average	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19
Age	3.2 years	3.8 years	3.9 years	4.0 years	4.1 years	4.1 years
Odometer	93,000 kms	95,000 kms	96,000 kms	95,000 kms	101,000 kms	98,000 kms
UFWT	\$1,337	\$1,550	\$1,597	\$1,514	\$1,450	\$1,570

Fixed Price Vs Auction – Government & FMO



Fixed Price Vs Auction – Government & FMO





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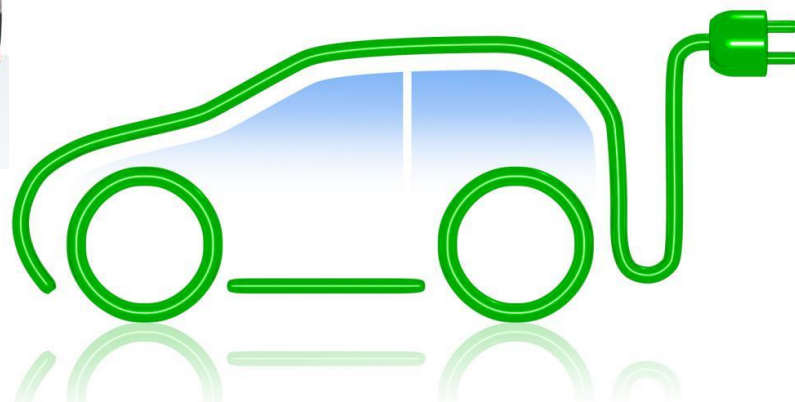
What is on the
Horizon for Fleet
Sales?

Electric Vehicles

For Residual Values
– Please contact Brendon Green



Hyundai, Kona



Hyundai, IONIQ



Tesla, Model 3



Nissan, Leaf

Empowering Your Remarketing Partner

- Introduction of Delegated Authority
 - agreed boundaries
- 3 FMO's now empower Pickles
 - choose the best channel
 - sell assets for the best price
 - perform repairs to an agreed standard
 - Perform repairs to an agreed \$ spend
- Volumes / percentage agreed per channel
 - 75% auction / 25% Fixed Price
- Agreed KPI's
 - Avg Glass's return by channel
 - e.g. 118% auction / 125% Fixed Price
 - 7% = \$1,500 increase in sales price

Results

- Removal of referral process
- Increased returns for FMO's
- Increased Fixed Price conversion
- Increased resource available within their business
- Increased clearance rates

Fixed Price Selling

- Volumes currently 15%
 - 15,000 sales pa.
 - Expected growth to 30-40% by 2023
- 7 day buyback
- Govt vendor KPI 25%
- FMO vendor KPI 35%
- 3rd party partners / cross sales
 - Insurance vendors
 - Novated vendors
- Optional Carsales listing
- Online purchasing growth
 - September 147 vehicles
- Buyer Intelligence



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Buy quality used cars at below-market prices

SEARCH ALL VEHICLES



SAFA Fixed Price



PicklesGo



Largest seller of Fixed Price vehicles in SA



Introduced to SAFA 2013



Past 2 years 24% of vehicles sold



Sold 1,013 cars past 24 months



Fixed Price VS. Glass's 126%



Auction VS. Glass's 119%



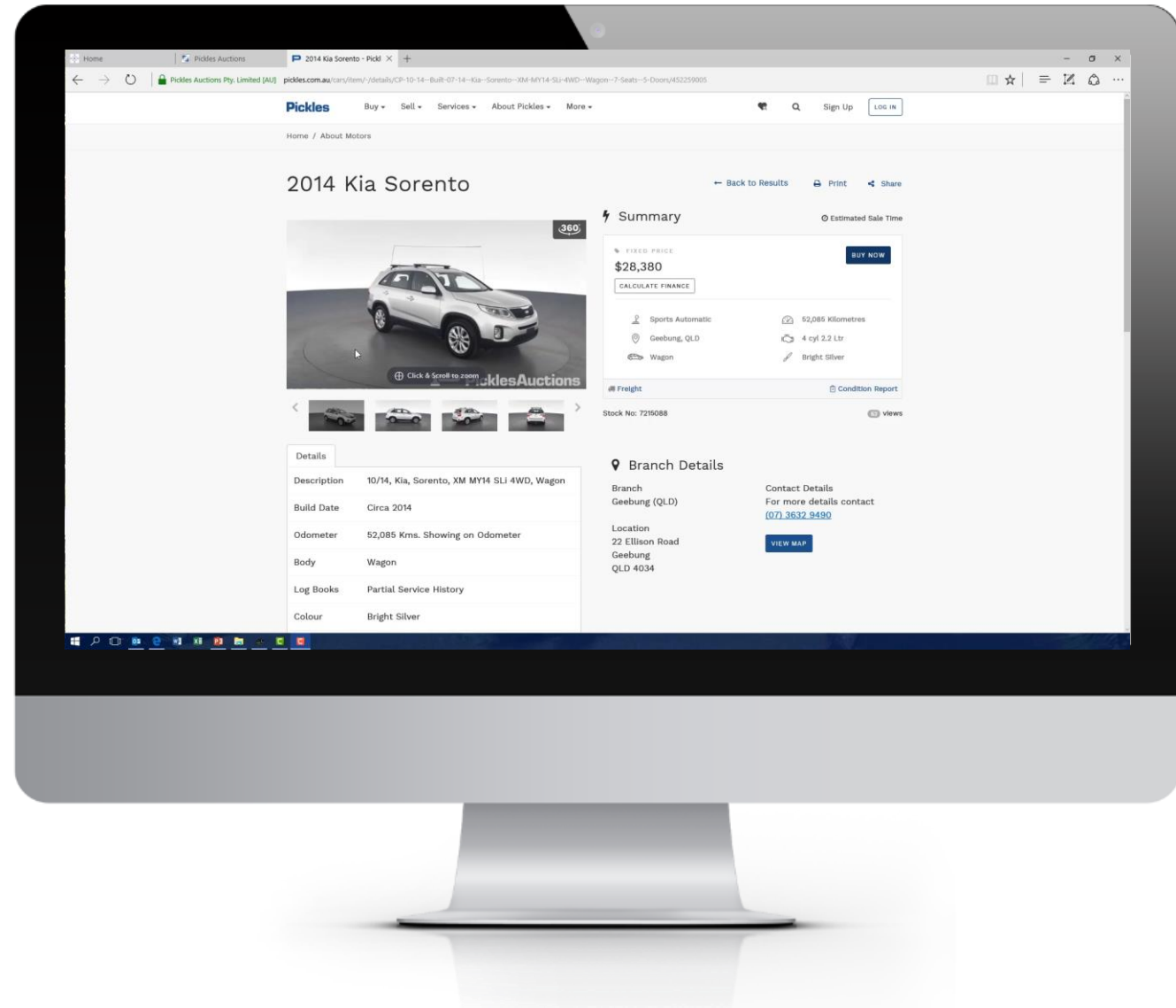
Target FY20 = 30%

Estimated additional revenue \$1.4M over 2 years

Condition Information

Global experiments

- Photo Technology
- Artificial Intelligence (AI)
- Insurance partner loading millions of photos to test and learn
- Assessment of panel damage
- Automatic UFWT determination



Auto Predict

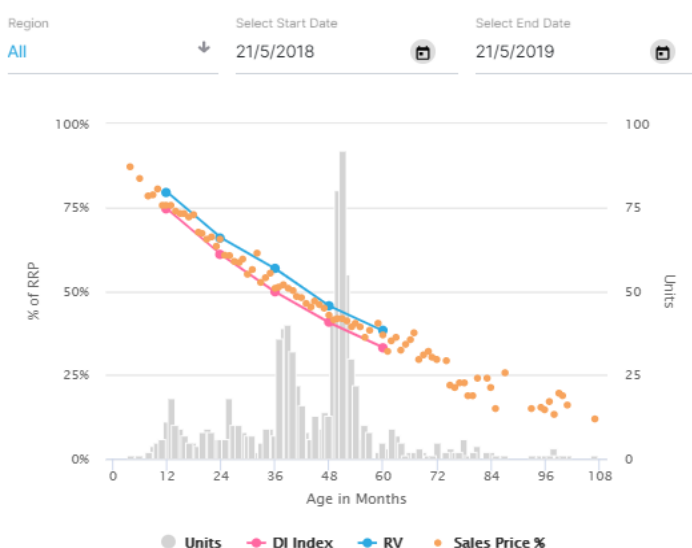


AutoPredict New

VFactsGroups: SUV-Medium-< \$60K | Make: Toyota | Family | Year Group | Body Type | Fuel Type | Transmission | Cylinders | Vehicle Level | Recent added on: All Time

Search Clear Filters

VEHICLE DETAILS(10)	UNITS ↑	NEW PRICE ↓	INDEX	12M (30,000KM)	24M (60,000KM)	36M (90,000KM)	48M (120,000KM)	60M (150,000KM)
<p>DI2015AJBAOAA</p> <p>Toyota RAV4 2018 ZSA42R GX Wagon 5dr Man 6sp 2WD 2.0i</p>	135	\$29,450	RV	\$20,833 (70.74%)	\$17,013 (57.77%)	\$13,892 (47.17%)	\$11,344 (38.52%)	\$9,262 (31.45%)
			DATIUM	\$20,833 (70.74%)	\$17,013 (57.77%)	\$13,892 (47.17%)	\$11,344 (38.52%)	\$9,262 (31.45%)
<p>DI2015AJACAOAA</p> <p>Toyota RAV4 2018 ZSA42R GX Wagon 5dr CVT 7sp 2WD 2.0i</p>	4003	\$31,490	RV	\$25,069 (79.61%)	\$20,761 (65.93%)	\$17,871 (56.75%)	\$14,369 (45.63%)	\$12,020 (38.17%)
			DATIUM	\$23,495 (74.61%)	\$19,187 (60.93%)	\$15,666 (49.75%)	\$12,794 (40.63%)	\$10,445 (33.17%)



Change RV values

12M (30,000KM)	24M (60,000KM)	36M (90,000KM)	48M (120,000KM)	60M (150,000KM)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Add reason for changes *

Save Changes

History

- May 21, 2019
 - 10:37 AM by You Test

12M (30k)	24M (60k)	36M (30k)	48M (120k)	60M (150k)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Linked Vehicle

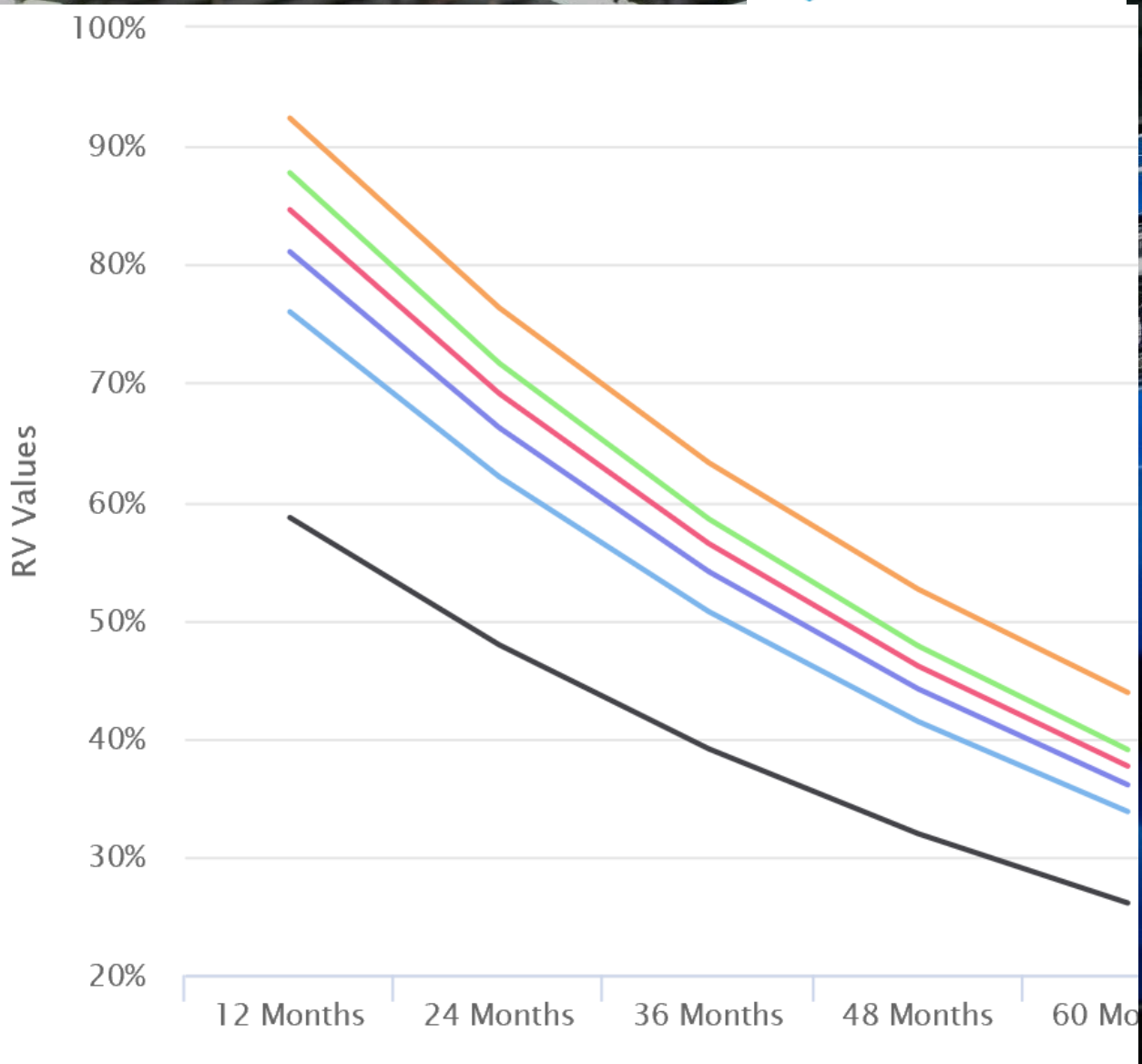
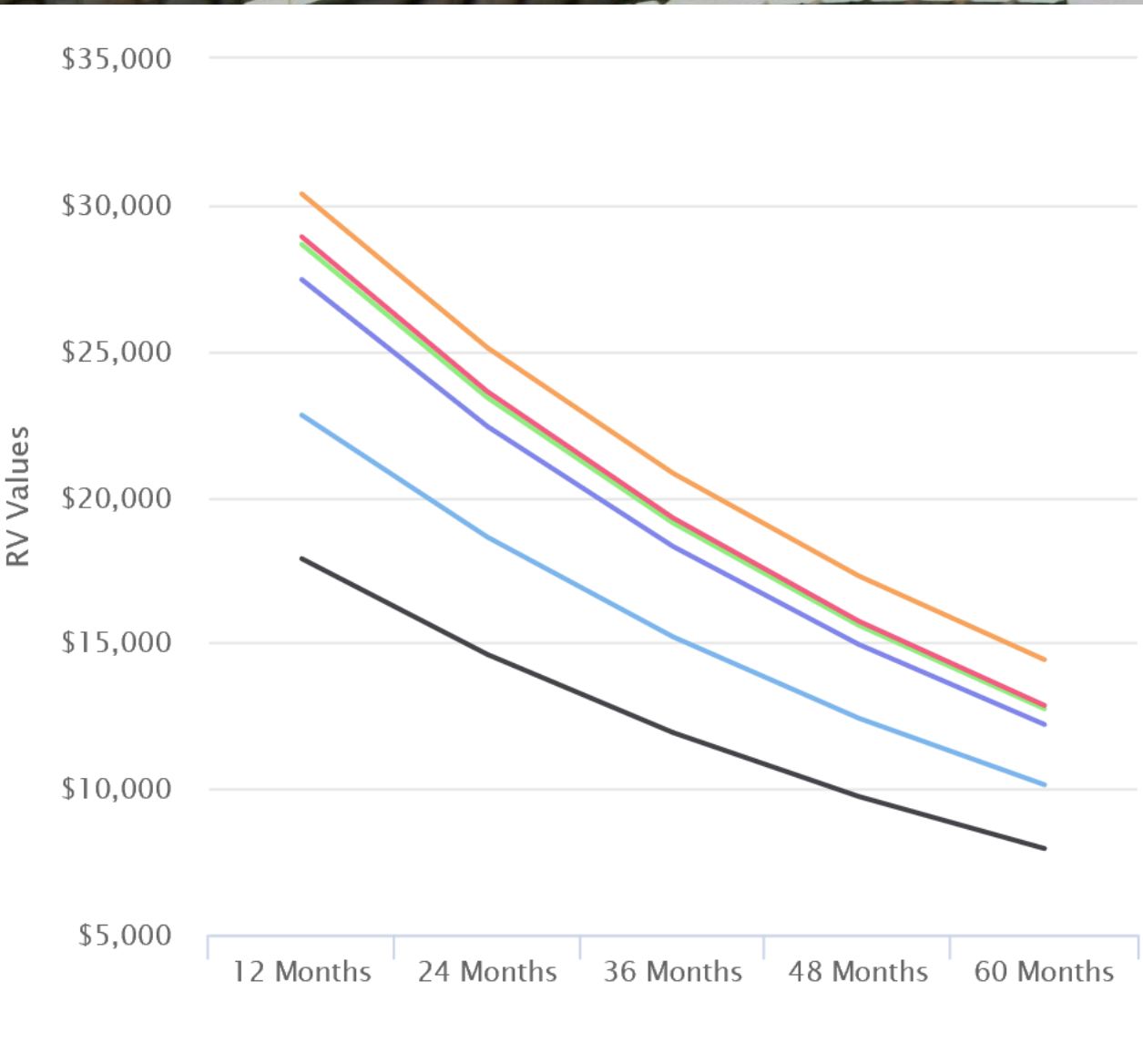
DI2015AAAQBAA Toyota RAV4 2018
ASA44R GX Wagon 5dr Spts Auto 6sp AWD 2.5i

Region: All | Select Start Date: 21/5/2018 | Select End Date: 21/5/2019

The chart for the linked vehicle shows a similar downward trend in RRP percentage over time for Units, DI Index, RV, and Sales Price %.


Remove Linking **Change Vehicle** **Linked**

Auto Predict




Your Datium InstantVal is ready

Based on the details you have given us, our estimated value is below:


 Valuation Date
17-09-2019

 Model Year
2016

 Odometer
50,000 km

 Sales Region
NSW Metro

 Rego/VIN No.
NBO75Y

 Sales Category
Fixed Price



**Audi Q7 Audi Q7 4M MY16 TDI Wagon 7st 5dr Tiptronic 8sp
quattro 3.0DT (200kW)**

\$62,000

This value is an indication and is by no means a guarantee.

Emerging Thoughts

Automotive Industry



5 year Warranties

- Now standard
- Extended fleet age
- Overall impact to annual sales volume
- 3-4 years lease / loans pushed to 5 years
- Impact to dealers margins selling warranty products



Mobility

- Subscription based access
- OEMs / Rental / FMO's / Insurers - starting projects
- Start-ups / slow burn
- Major investments starting to come
- Millennials will drive demand



Dealer Consolidation

- Margin pressure
- Volume decline
- Property exposure
- Rationalise dealership locations
– 10% – 20% – 30%?
- Toyota NZ model future impact

App Features



Easy onboarding process



REGO and VIN lookup



Camera overlay function



Save your progress and continue with ease.



Email verification





Please direct any questions or to discuss our services further
please contact:

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