

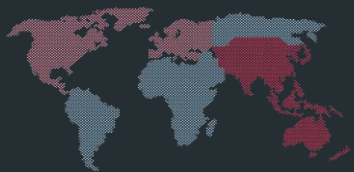


New Zealand Rental Vehicle Market Insights Report

January 2019

3rd Edition

Issued 4th February 2019



Introduction

Herewith MarginFuel's 3rd edition of the "New Zealand Rental Vehicle Market Insights Report".

The report summarises the Average Market Rate# (average rate) of the New Zealand Rental Car Market, with a focus on the most popular Vehicle Categories^ from New Zealand's three major airports*, being Auckland, Christchurch and Queenstown Airports.

The report is split into three sections.

- **Section 1 January 2019 Analysis;** overall the average rate **decreased** Year on Year (YoY), with **rentalcars.com** channel showing the largest decrease.
- **Section 2 Year to Date (YTD) Analysis from October 2018 to January 2019;** average rates are now **consistent** across all locations. After a peak in December due to Christmas, average rates are now on the decrease due to the traditional January soft spot.
- **Section 3 Forward Market Analysis from February to June 2019;** average rates are trending **upwards** especially over Easter this year.

Please do not hesitate to get in contact to discuss the Report, or your pricing requirements.

Thanks, The MarginFuel Team

Notes:

^ Underlying car type (make & model) data was mapped to commonly used car categories, being SUV, Intermediate, Compact and Economy, using the internationally recognised SIPP code mapping table

* All three (3) airport locations include aggregated data for both domestic and international rental kiosks, however, no delineation has been made between Domestic and International rental vehicle customers

~ Average Rates referenced in the report are NZD

SECTION 1

JANUARY 2019 ANALYSIS

SECTION 1 January 2019 Analysis

Year on Year (YoY[^]) Average Rate Change

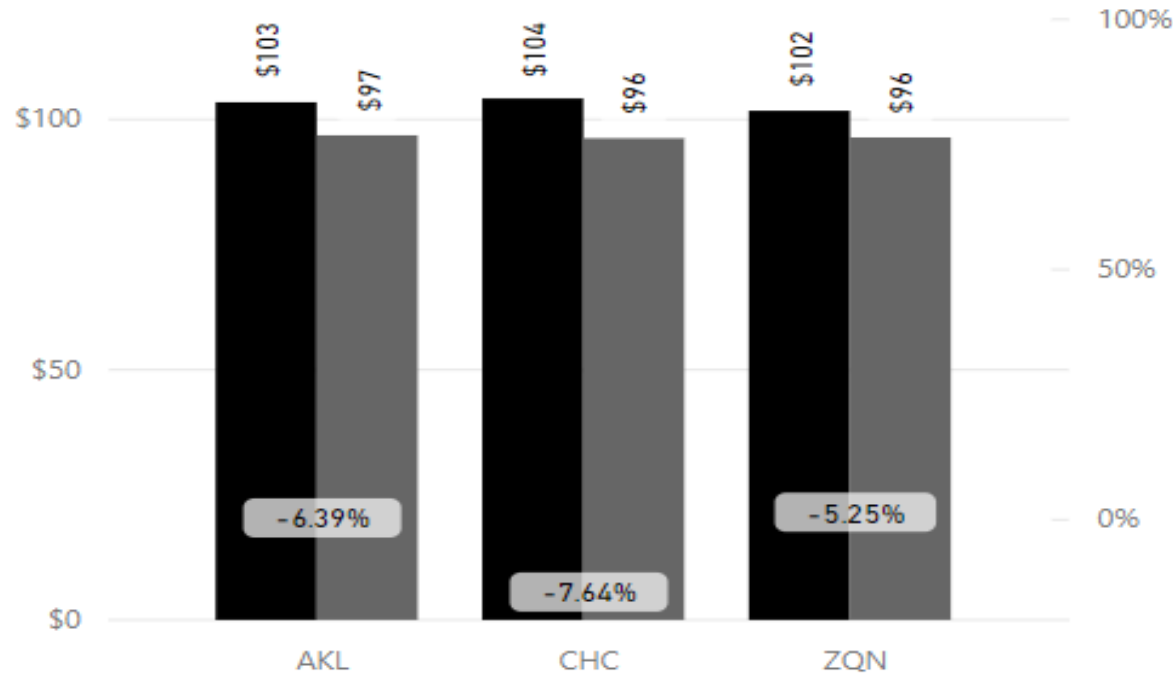


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there was an overall YoY average rate decrease of **-7%**.
- Auckland Airport (AKL) had a YoY average rate decrease of **-6%**.
- Christchurch Airport (CHC) had the largest YoY average rate decrease of **-8%**.
- Queenstown Airport (ZQN) had the smallest YoY average rate decrease of **-5%**.

SECTION 1 January 2019 Analysis

Channel, Duration and Vehicle Category

In January 2019 average rates were very consistent across all locations (Fig.2).

Rates were also consistent across all durations (Fig.3) and all vehicle categories (Fig.4).

Overall January was a very consistent month with traditional proportionality logic between channels, length of rental and car categories and across all locations.

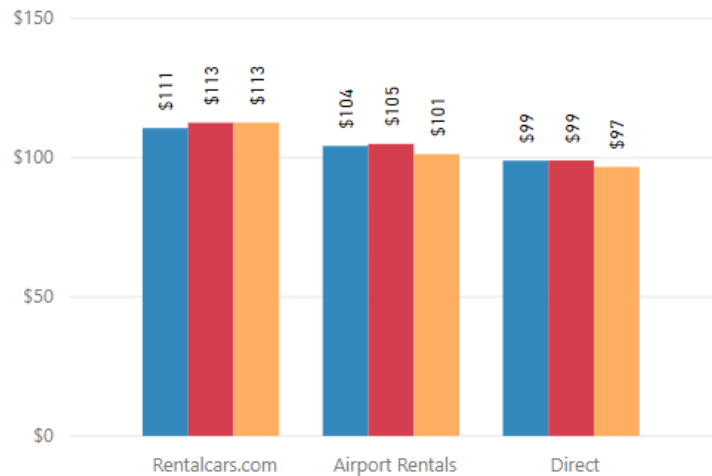


Fig.2

Location ● AKL ● CHC ● ZQN

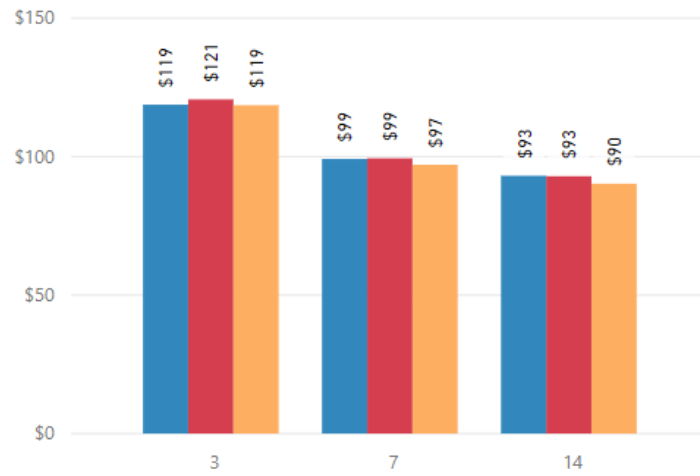


Fig.3

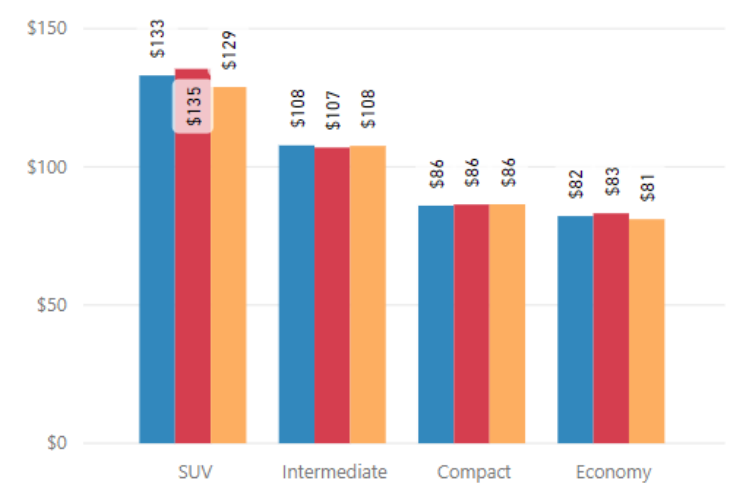


Fig.4

SECTION 1 January 2019 ANALYSIS

Auckland Airport YoY^ Summary

Auckland Airport had a YoY average rate decrease of **-6%**.

The rentalcars.com sales channel showed an average rate decrease of **-19%**, while Airport Rentals increased **+3%** and the direct channels were stable (Fig. 5).

The average rate for the 3-day duration had a small decrease of **-3%**, while longer durations had a decrease of up to **-9%** (Fig. 6).

All vehicle categories showed a decrease in January except for the Intermediate category which remained stable. The SUV category showed the largest average rate decrease YoY of **-10%** (Fig. 7).

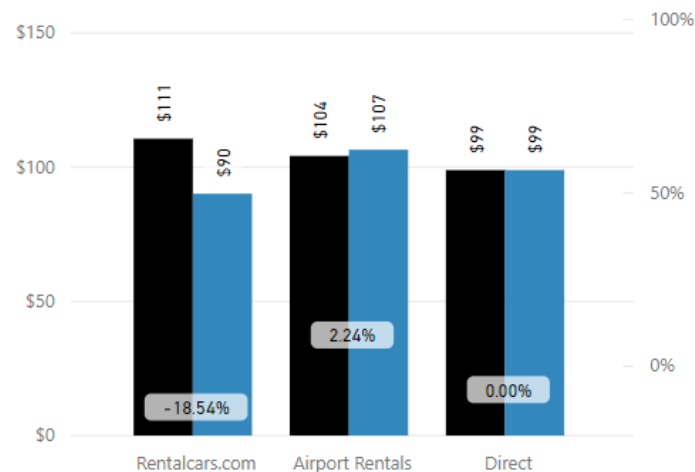


Fig.5

Year ● 2018 ● 2019 % Change

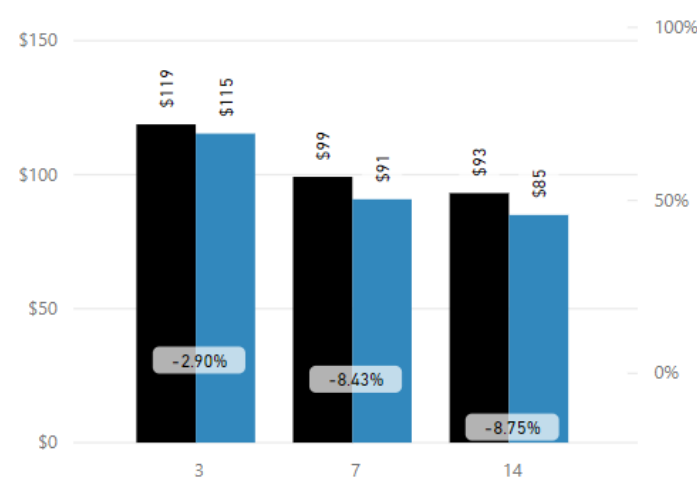


Fig.6

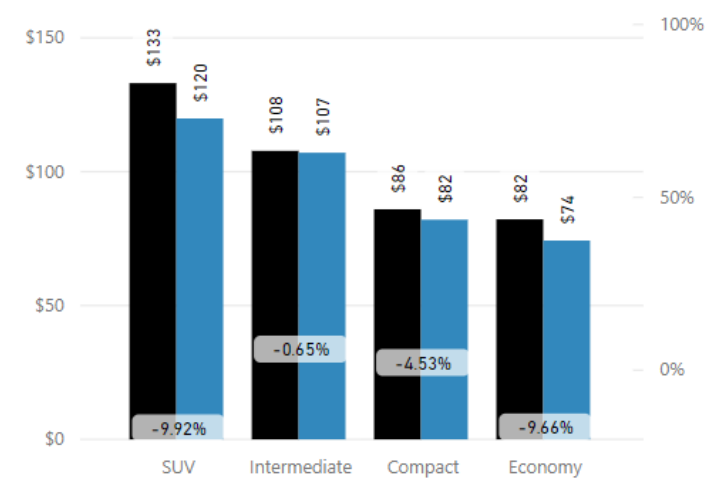


Fig.7

SECTION 1 January 2019 Analysis

Christchurch Airport YoY^ Summary

Christchurch Airport had the largest YoY average rate decrease of **-8%**

The rentalcars.com sales channel showed an average rate decrease of **-17%**, while Airport Rentals dropped **-3%**, and the direct sales channels were **-2%** down (Fig. 8).

The average rate for the 3-day duration had a decrease of **-4%**, while the longer durations had a decrease of up to **-11%** (Fig. 9).

All vehicle categories showed a decrease in January except for the Intermediate category which remained fairly stable. The SUV category showed the largest average rate decrease YoY of **-12%** (Fig. 10).

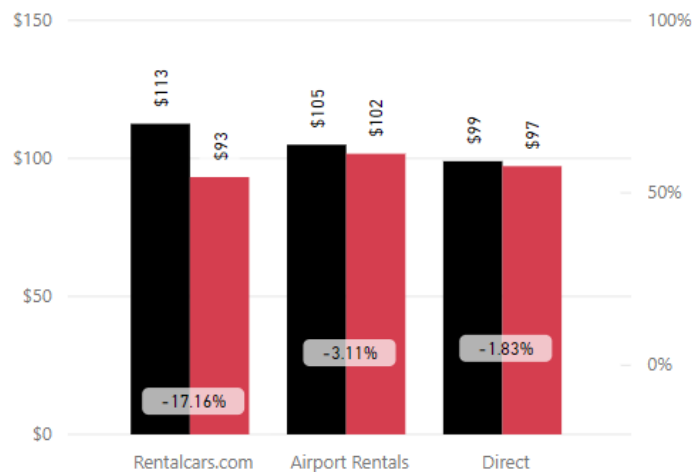


Fig.8

Year ● 2018 ● 2019 % Change

^ YoY is January 2018 versus January 2019

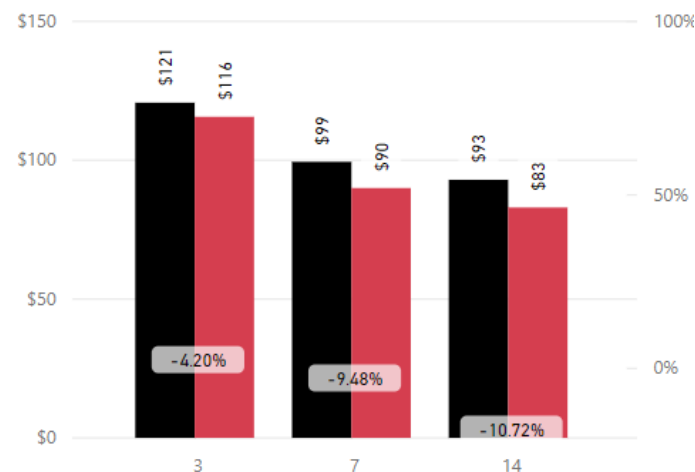


Fig.9

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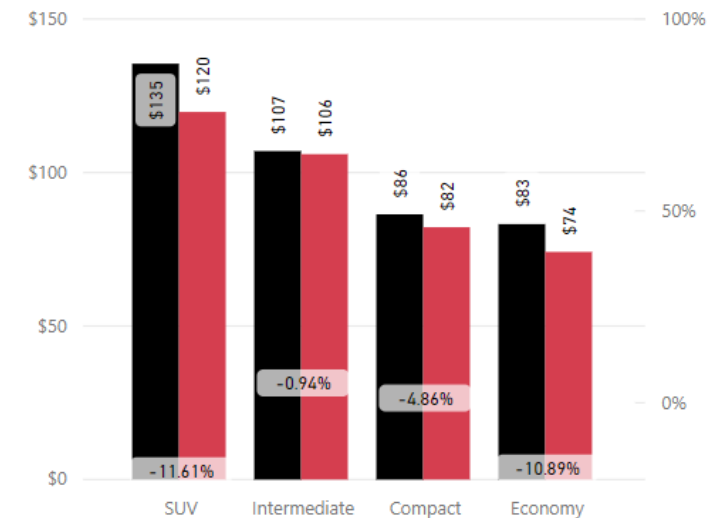


Fig.10

SECTION 1 January 2019 Analysis

Queenstown Airport YoY^ Summary

Queenstown Airport had the smallest YoY average rate decrease of **-5%**.

The rentalcars.com sales channel showed an average rate decrease of **-15%**, while Airport Rentals and direct sales channel were stable (Fig. 11).

The average rate for the 3-day duration had a decrease of **-2%**, while the longer durations had a decrease of up to **-7%** (Fig. 12).

All vehicle categories showed a decrease in January. The SUV category showed the largest average rate decrease YoY of **-8%** (Fig. 13).

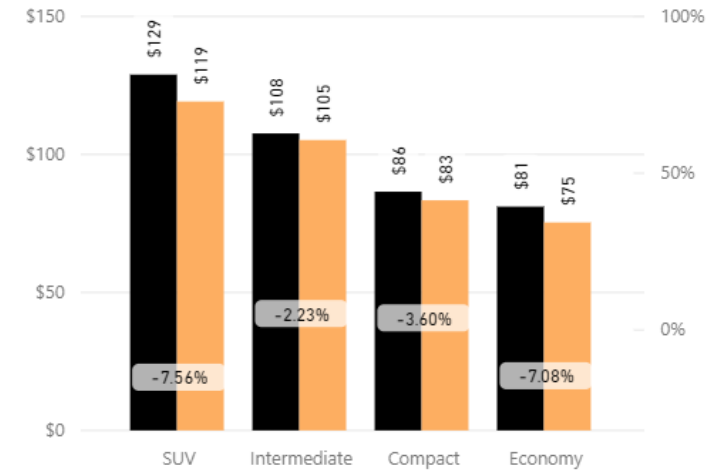
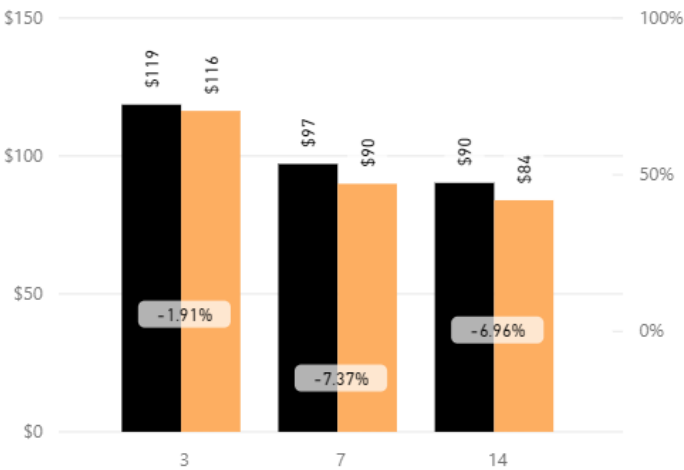
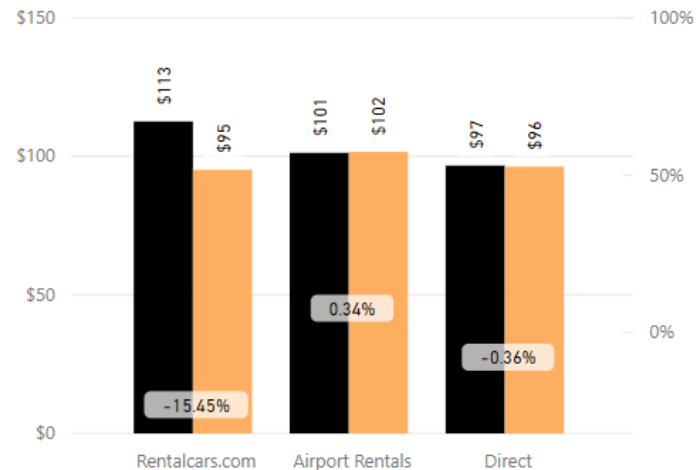


Fig.11

Fig.12

Fig.13

Year ● 2018 ● 2019 % Change

SECTION 2
YEAR TO DATE (YTD) ANALYSIS
FROM OCTOBER 2018 TO JANUARY 2019

SECTION 2 Year to Date (YTD) Analysis October 2018 to January 2019

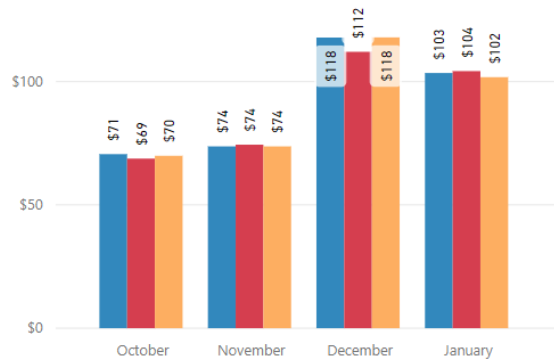


Fig.14
Location ● AKL ● CHC ● ZQN

- From October 2018 the average rate for all three locations begins to lift (Fig. 14).
- Average rates were fairly stable for all locations between October and November 2018, then from December 2018 the average rate began to lift during the peak season (Fig. 15 to Fig.17).
- January's soft spot became a reality making it a difficult month as average rates dropped significantly YoY.

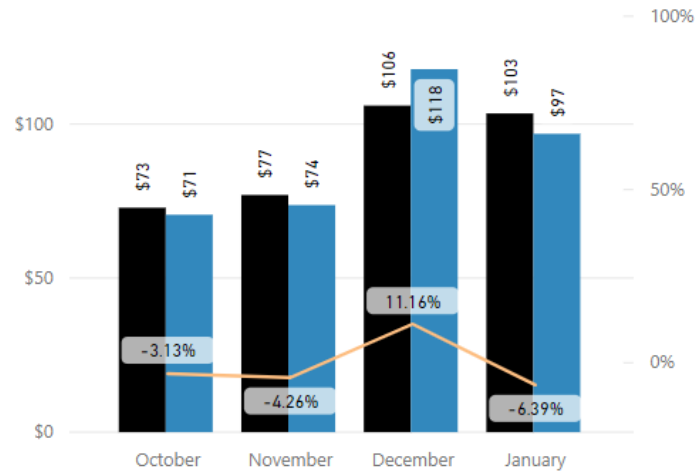


Fig.15
Year ● 2017 ● 2018

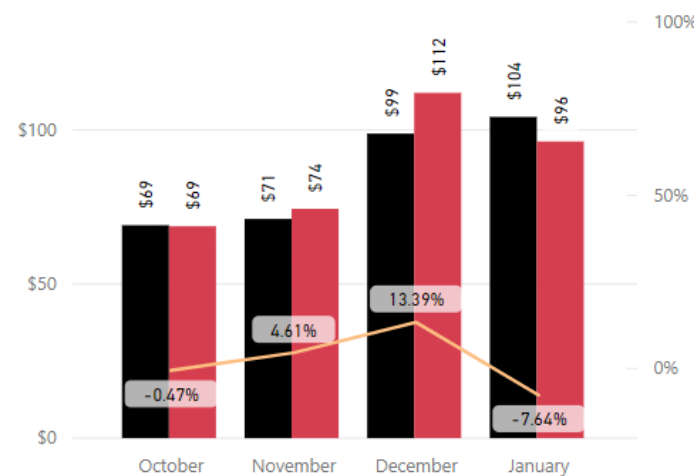


Fig.16
Year ● 2017 ● 2018

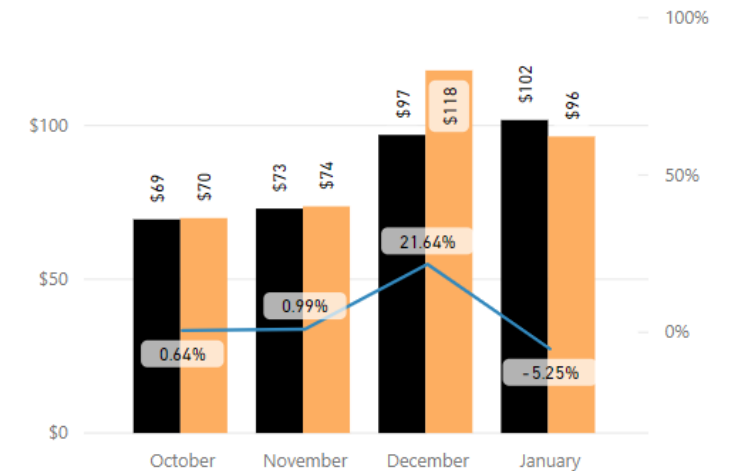


Fig.17
Year ● 2017 ● 2018

SECTION 3

FORWARD MARKET ANALYSIS FROM FEBRUARY TO JUNE 2019

SECTION 3 Forward Market Analysis

February to June 2019

Overall the rate looking forward are up YoY and compared to last month, there is now a lift in the average rate in April due to the Easter holiday period, which includes School Holidays and ANZAC Day. Compared to Easter last year which was end of March, average rates are on the rise this year.

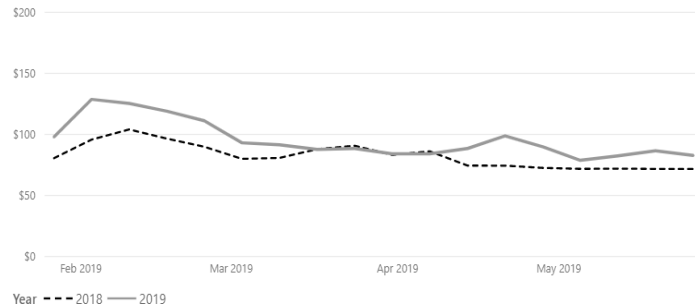


Fig.18

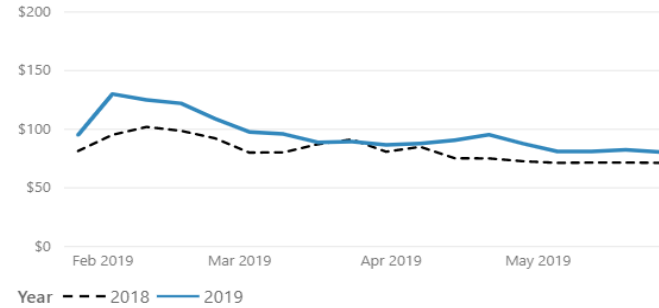


Fig.19

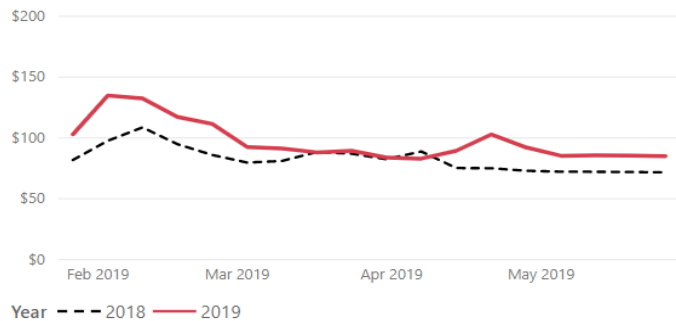


Fig.20

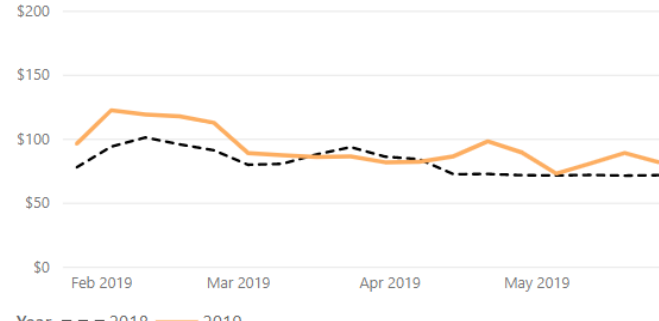


Fig.21

Market Insider Tip:

With February now well underway with what seems to be a big average rate lift for all locations, it's time to get ready for the end of February and March where there could be a potential soft spot.

Plan your de-fleeting accordingly and make sure your fleet is at the right place.

The traditional North to South and Christchurch to Queenstown routes will leave some scars with too much fleet at unwanted locations.

Optimising your fleet will be critical to a great outcome in March.

SECTION 3 Forward Market Analysis

Easter Holiday Period (17th to 28th April 2019[^])

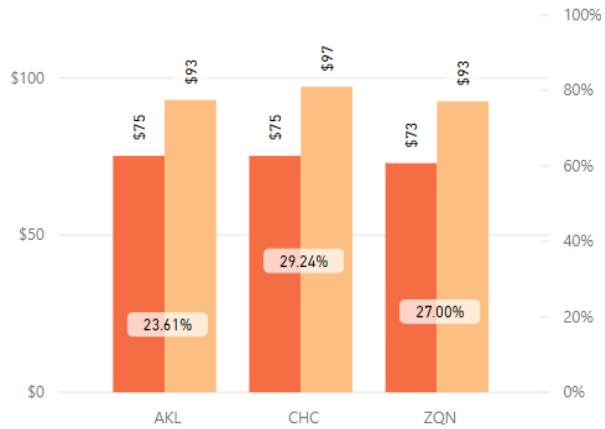


Fig.22

Market Insider Tip:

The effect of Easter is massive here as we can see. This year, we combine Easter, the school holidays and ANZAC Day in the same week.

Demand is therefore expected to be much higher than last year.

Review your minimum length of hire to make the best of those holidays and flatten the short peak.

- For the April School holidays of 2019, for all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+26%** (Fig. 22).
 - Auckland and Queenstown Airports are showing YoY average rate increases of **+24%** and **+27%** respectively.
 - Christchurch Airport is showing the highest YoY average rate increase of **+29%**.
 - As expected with Easter included in the school holidays and ANZAC Day, the shorter durations are showing the highest YoY average rate increase of **+31%**.
 - Intermediate and Compact categories are showing the biggest average rate increase YoY of respectively **+32%** and **+34%**.

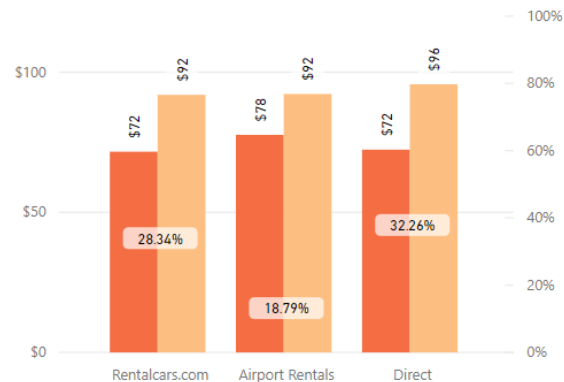


Fig.23

Year ● 2018 ● 2019 — % Change

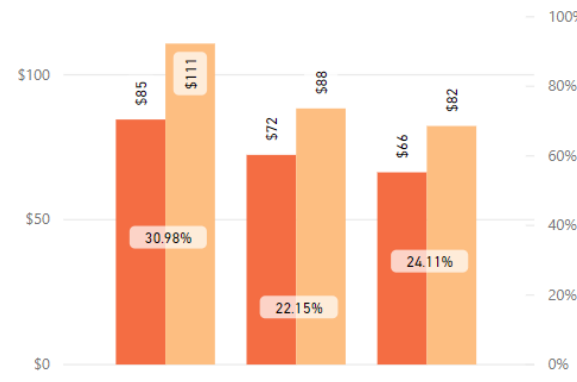


Fig.24

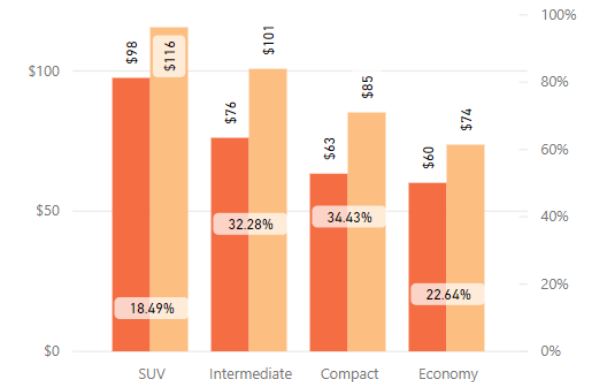


Fig.25

SECTION 3 Forward Market Analysis

Winter School Holiday (30th June to 23rd July 2019[^])

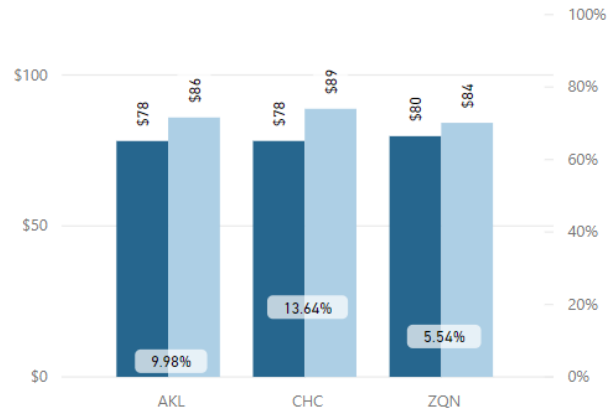


Fig.26

Market Insider Tip:

A good start to the Winter School Holidays so far.

Make sure Auckland and Christchurch are not starved for vehicles and there is enough supply to meet demand, especially if that average rate trend continues upward.

- For the Winter School Holidays, for all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+10%** (Fig. 26).
 - Auckland and Queenstown Airports are showing a YoY average rate increases of **+10%** and **+6%** respectively.
 - Christchurch Airport is showing the highest YoY average rate increase of **+14%**.
 - Average rates on the Rentalcars.com and direct sales channels are up by **16%** YoY, while Airport Rentals shows a slight decrease of **-2%**.
 - Intermediate and Compact are showing the biggest increase of **+10%** and **+17%** respectively.

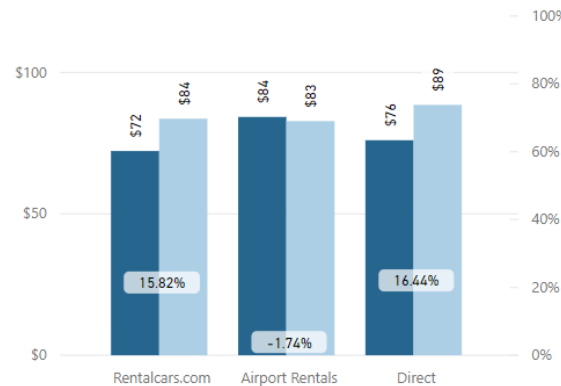


Fig.27

Year ● 2018 ● 2019 % Change

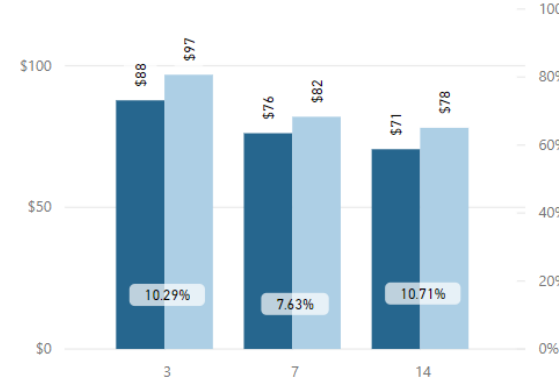


Fig.28

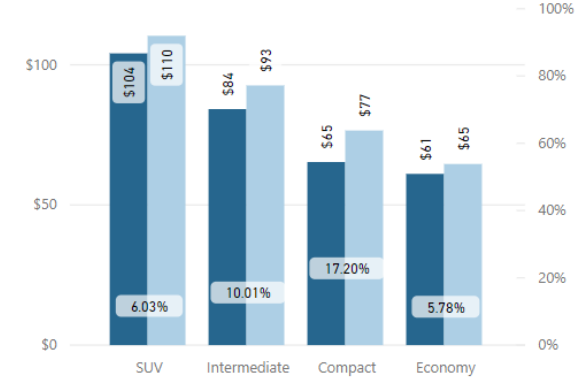


Fig.29

[^] Compared to corresponding period from 30th June to 23rd July 2018

Methodology & Disclaimer

Methodology:

- The data was derived from circa. four (4) million datapoints, and this size dataset was deemed large enough to draw reasonable conclusions.
- Inconsistent outlying datapoints were removed.
- The data collected is from 13 individual rental vehicle operators (a mix of independent, franchise, small, medium and large operators).
- The data collected from the 13 rental vehicle operators has been anonymised and aggregated, then displayed to provide a general reflection of the overall market.
- The pickup days included in the data are Tuesdays and Fridays.

Disclaimer:

This report is intended as a guide only.