

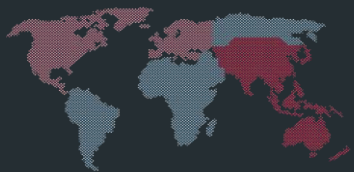


New Zealand Rental Vehicle Market Insights Report

April 2019

6th Edition

Issued 1st May 2019



Introduction

Herewith MarginFuel's sixth 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.

The report is split into three sections:

- **Section 1 April 2019 Analysis**; overall the average rate **increased** year on year (YoY), all sales channels performing strongly
- **Section 2 Year to Date (YTD) Analysis from January to April 2019**; average rates were **consistently high** across all locations. After February 2019, averages rates remained strong in March and April 2019
- **Section 3 Forward Market Analysis from May to August 2019**; there is a current soft spot in May 2019, likely as a result of the extended peak season, thereafter, average rates are trending **upwards** between June and August 2019

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

APRIL 2019 ANALYSIS

SECTION 1 April 2019 Analysis

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

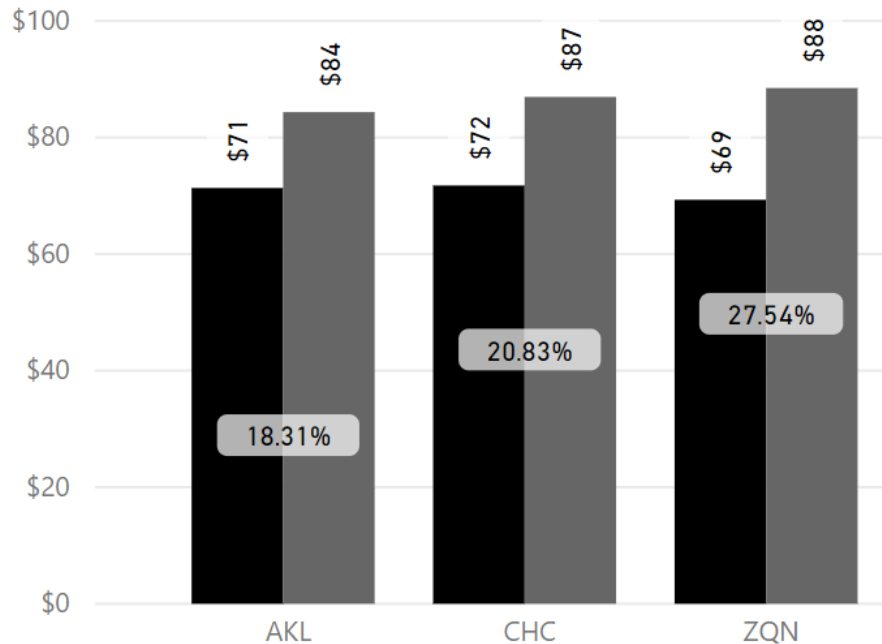


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there was an overall YoY average rate increase of **+22%**
 - The major factor for the YoY increase was Easter being in April 2019, where as in 2018 Easter fell in March
 - However, even on a normalised basis, April 2019 still had good underlying growth
- Auckland Airport (AKL) had a YoY average rate increase of **+18%**
- Christchurch Airport (CHC) had a YoY average rate increase of **+21%**
- Queenstown Airport (ZQN) had a YoY average rate increase of **+28%**

SECTION 1 April 2019 Analysis

Channel, Duration and Vehicle Category

In April 2019, for all locations, average rates were consistently high across all sales channels (Fig.2), duration (Fig.3) and vehicle categories (Fig.4).

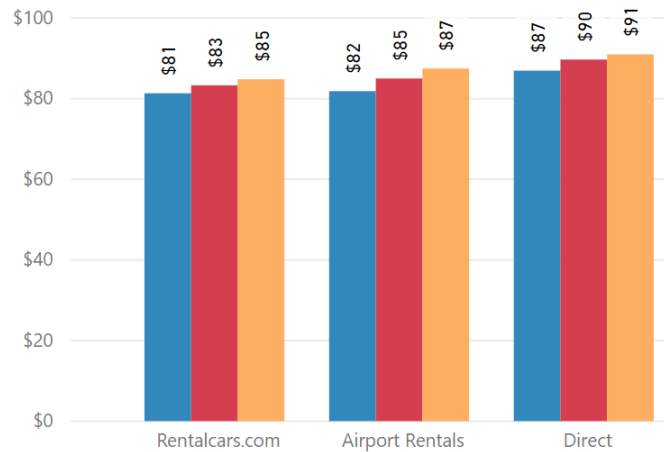


Fig.2

Location ● AKL ● CHC ● ZQN

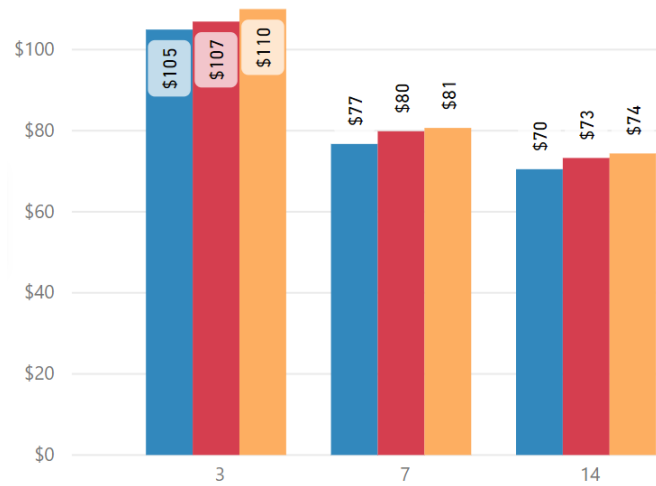


Fig.3

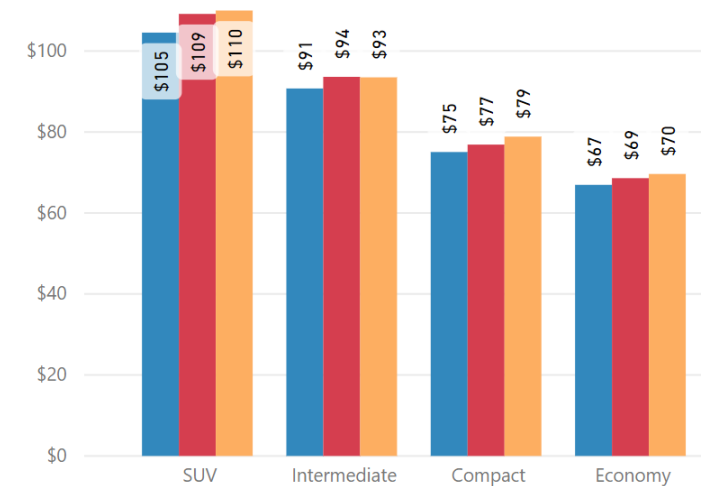


Fig.4

SECTION 1 April 2019 Analysis

Auckland Airport YoY Summary

Auckland Airport had a YoY average rate increase of **+18%**.

The rentalcars.com sales channel showed an average rate increase of **+17%**, while Airport Rentals and the direct sales channels showed increases of **+12%** and **+21%** respectively (Fig. 5).

The average rate for a 3-day duration increased **+38%**, while the average rate for the longer 7-day and 14-day durations were up between **+4%** and **+7%** (Fig. 6).

All vehicle categories showed average rate increases of between **+15%** and **+23%** (Fig. 7).

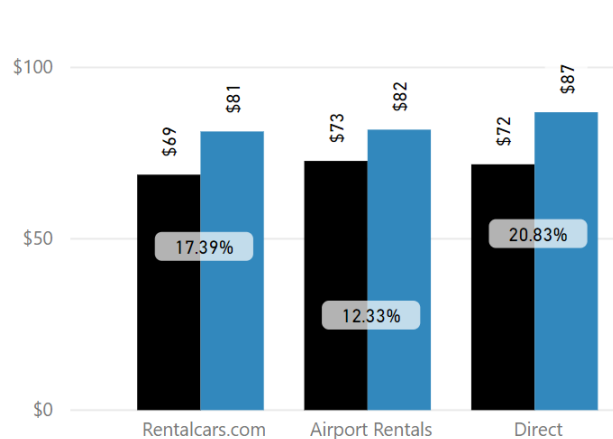


Fig.5

Year ● 2018 ● 2019 % Change

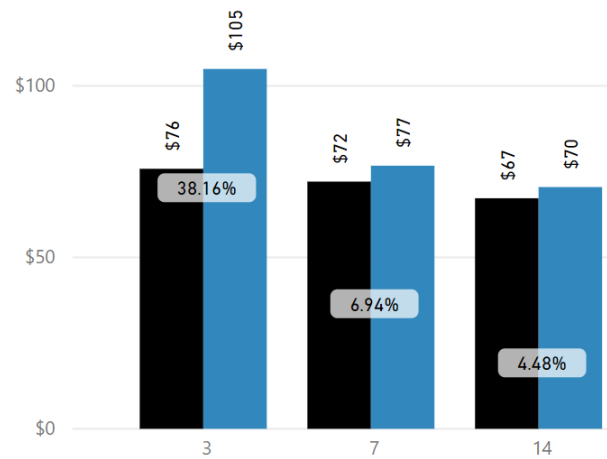


Fig.6

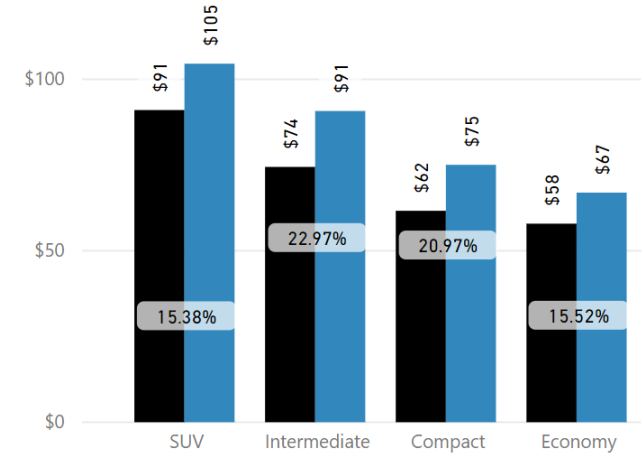


Fig.7

SECTION 1 April 2019 Analysis

Christchurch Airport YoY Summary

Christchurch Airport had a YoY average rate increase of **+21%**.

The rentalcars.com sales channel showed an average rate increase of **+22%**, while Airport Rentals and the direct sales channels showed increases of between **+15%** and **+25%** respectively (Fig. 8).

The average rate for a 3-day duration increased **+37%**, while the average rate for longer 7-day and 14-day durations increased between **+9%** and **+11%** (Fig. 9).

All vehicle categories showed average rate increases of between **+18%** and **+25%** (Fig. 10).

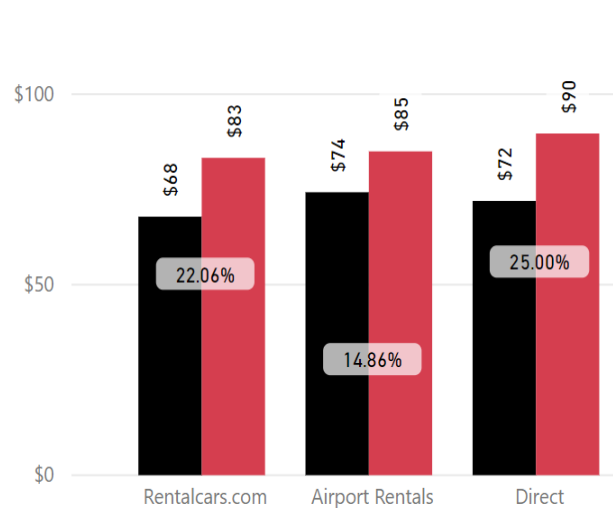


Fig.8

Year ● 2018 ● 2019 % Change

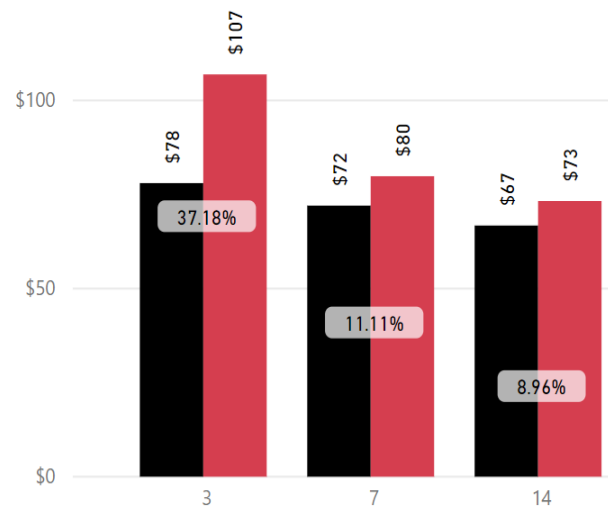


Fig.9

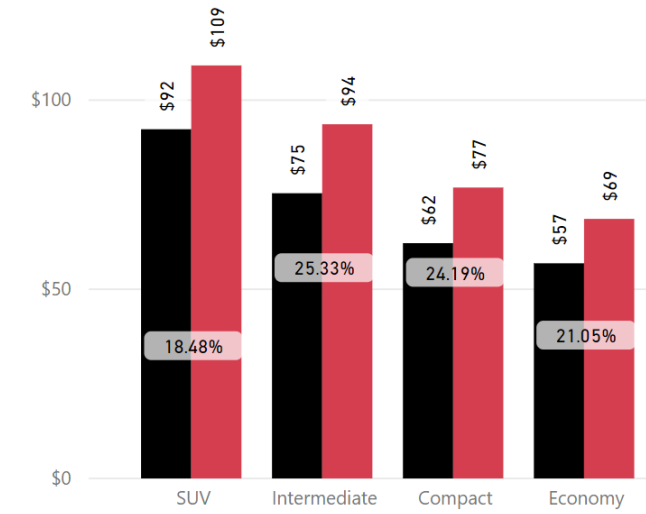


Fig.10

SECTION 1 April 2019 Analysis

Queenstown Airport YoY Summary

Queenstown Airport had a YoY average rate increase of **+28%**.

The rentalcars.com sales channel showed an average rate increase of **+27%**, while Airport Rentals and the direct channels showed increases of between **+23%** and **+32%** respectively (Fig. 11).

The average rate for a 3-day duration increased **+41%**, while the average rate for longer 7-day and 14-day durations increased between **+16%** and **+17%** (Fig. 12).

All vehicle categories showed average rate increases of between **+24%** and **+32%** (Fig. 13).

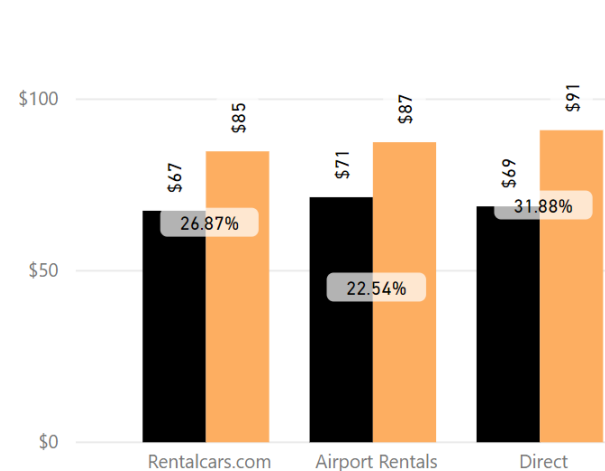


Fig.11

Year ● 2018 ● 2019 % Change

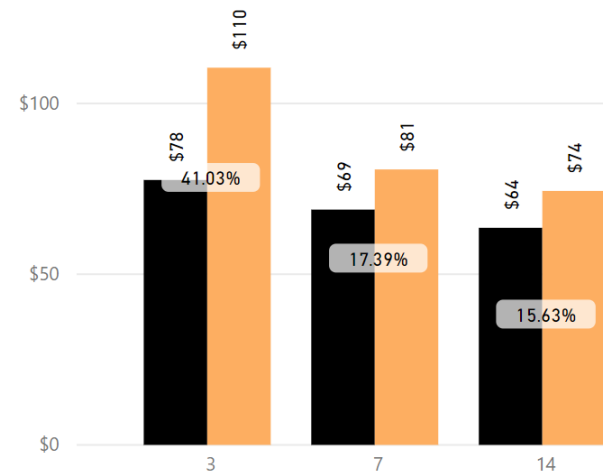


Fig.12

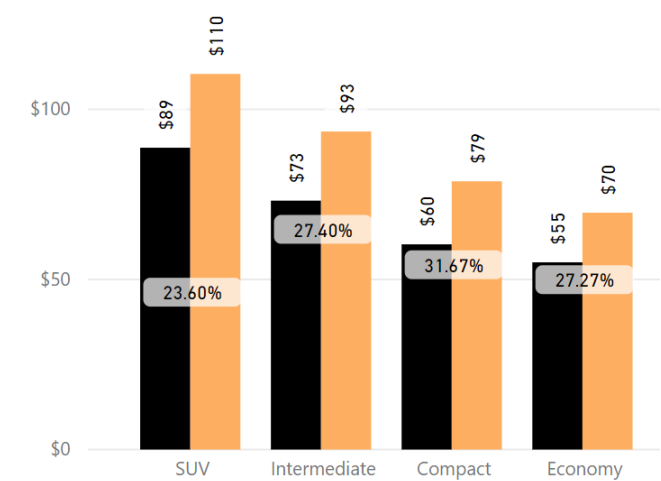


Fig.13

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

SECTION 2 Year to Date (YTD) Analysis January to April 2019

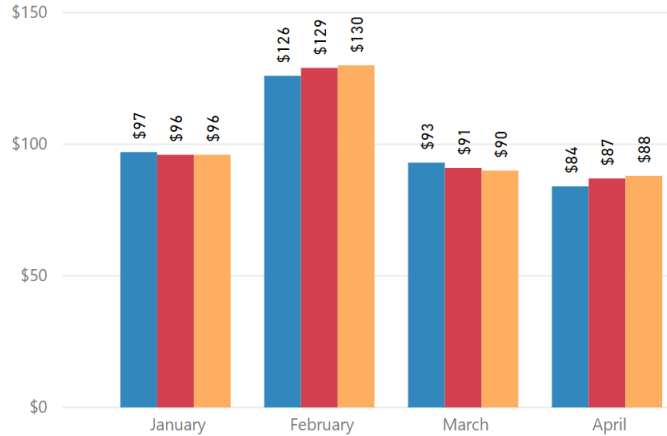


Fig.14

Location ● AKL ● CHC ● ZQN

- From January 2019 the average rate for all three locations peaked in February 2019 (Fig.14), with strong YoY increases over 20%
- Averages rates remained fairly strong in March and April 2019 due to Easter and the April holiday season
- The average rate for all three locations in April 2019 was up YoY between **+18%** and **+28%**

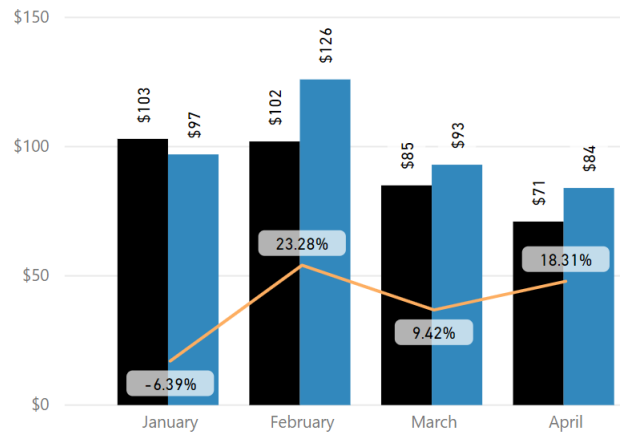


Fig.15

Year ● 2018 ● 2019

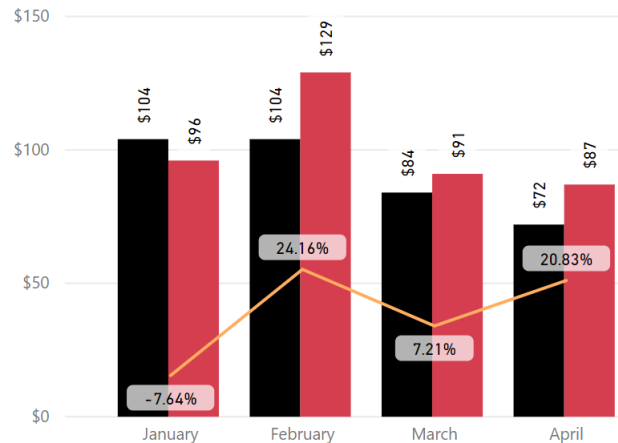


Fig.16

Year ● 2018 ● 2019 www.marginfuel.com

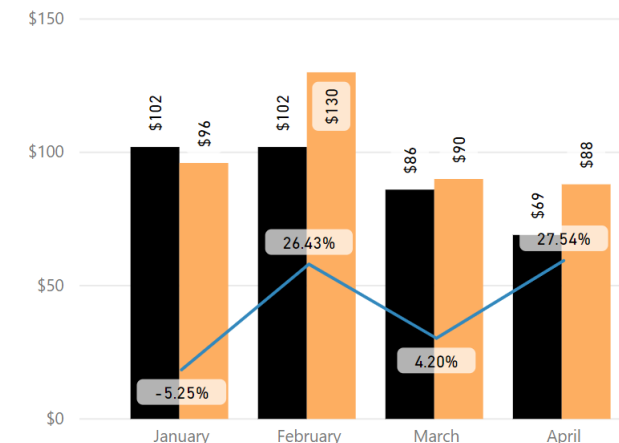


Fig.17

Year ● 2018 ● 2019

SECTION 3

FORWARD MARKET ANALYSIS FROM MAY TO AUGUST 2019

SECTION 3 Forward Market Analysis

May to August 2019

Overall average rates in May 2019 are showing signs of softness, then between June and August 2019 average rates are trending up YoY (Fig.18). The overall trend is similar for all locations (Fig.19 to Fig.21).

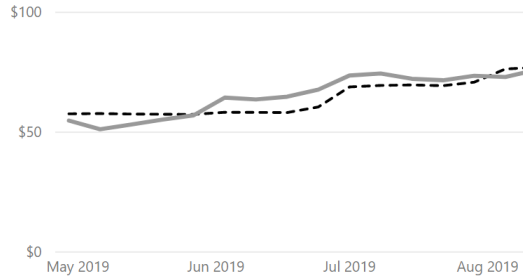


Fig.18
Year ---2018 —2019

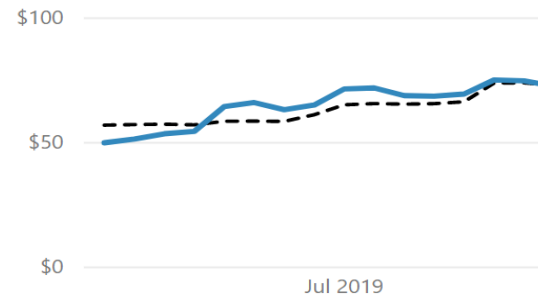


Fig.19
Year ---2018 —2019

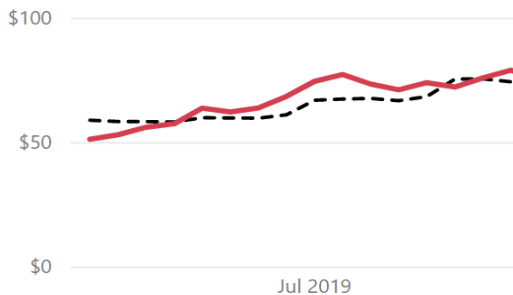


Fig.20
Year ---2018 —2019

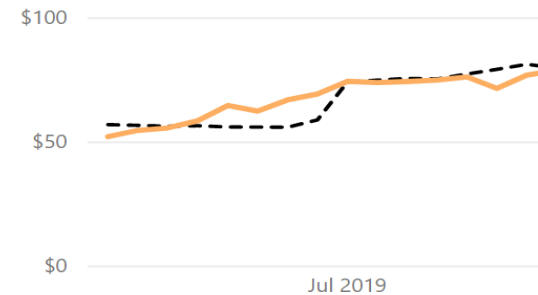


Fig.21
Year ---2018 —2019
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Market Insider Tip:

With the peak season over, it is now time to focus on Winter trends and July 2019 School Holidays.

Early pricing suggests that May 2019 is looking weaker than last year, so strategise to minimise the impact.

The traditional North to South flow will again come into play this Winter season.

SECTION 3 Forward Market Analysis

Winter School Holidays (1st to 22nd July 2019)

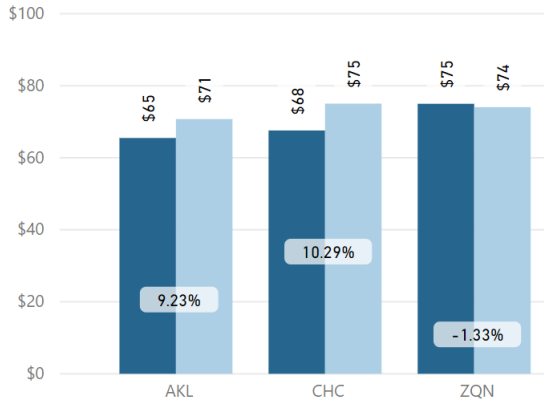


Fig.22
Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+6%** (Fig.22), being:
 - Auckland **+9%**
 - Christchurch **+10%**
 - Queenstown **-1%**
- Both OTA channels are showing lower YoY average rates, rentalcars.com **-14%** and Airport Rentals **-4%**. The direct sales channels are showing an increase of **+20%** (Fig.23)
- The shorter 3-day duration remains strong with a YoY average rate increase of **+11%** (Fig. 24)
- The average rate for all vehicles categories is higher than last year by between **+1%** and **+15%** (Fig.25)

Market Insider Tip:

For operators who can leverage their direct sales channels there will be an opportunity to generate strong yields.

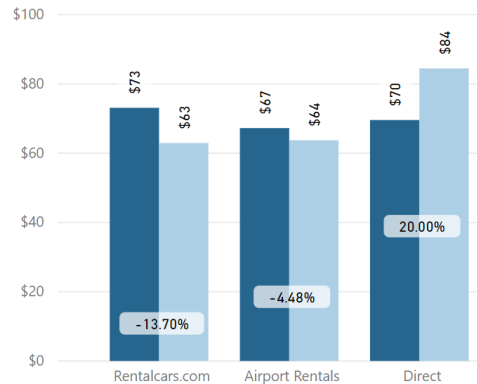


Fig.23

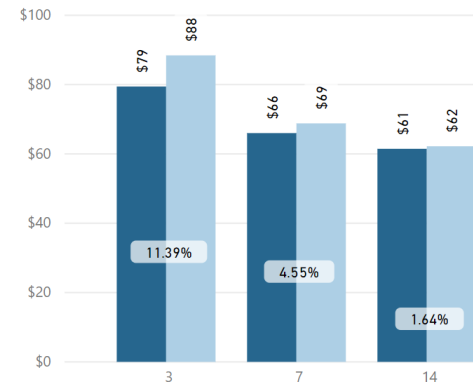


Fig.24

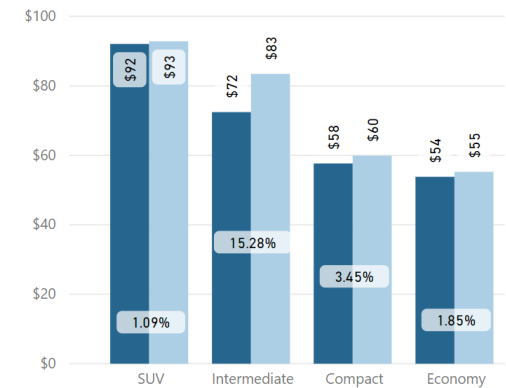


Fig.25

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