

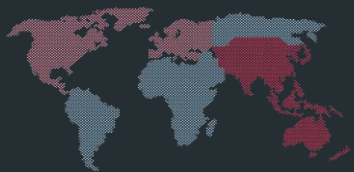


New Zealand Rental Vehicle Market Insights Report

March 2019

5th Edition

Issued 1st April 2019



Introduction

Herewith MarginFuel's fifth 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 March 2019 Analysis**; overall the average rate **increased** year on year (YoY), with direct sales channels performing strongly across all three locations
- **Section 2 Year to Date (YTD) Analysis from December 2018 to March 2019**; average rates were **consistently high** across all locations. After the Christmas/New Year period, **averages rates remained strong** in February and March 2019
- **Section 3 Forward Market Analysis from April to June 2019**; average rates are trending **upwards** especially over Easter 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

MARCH 2019 ANALYSIS

SECTION 1 March 2019 Analysis

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

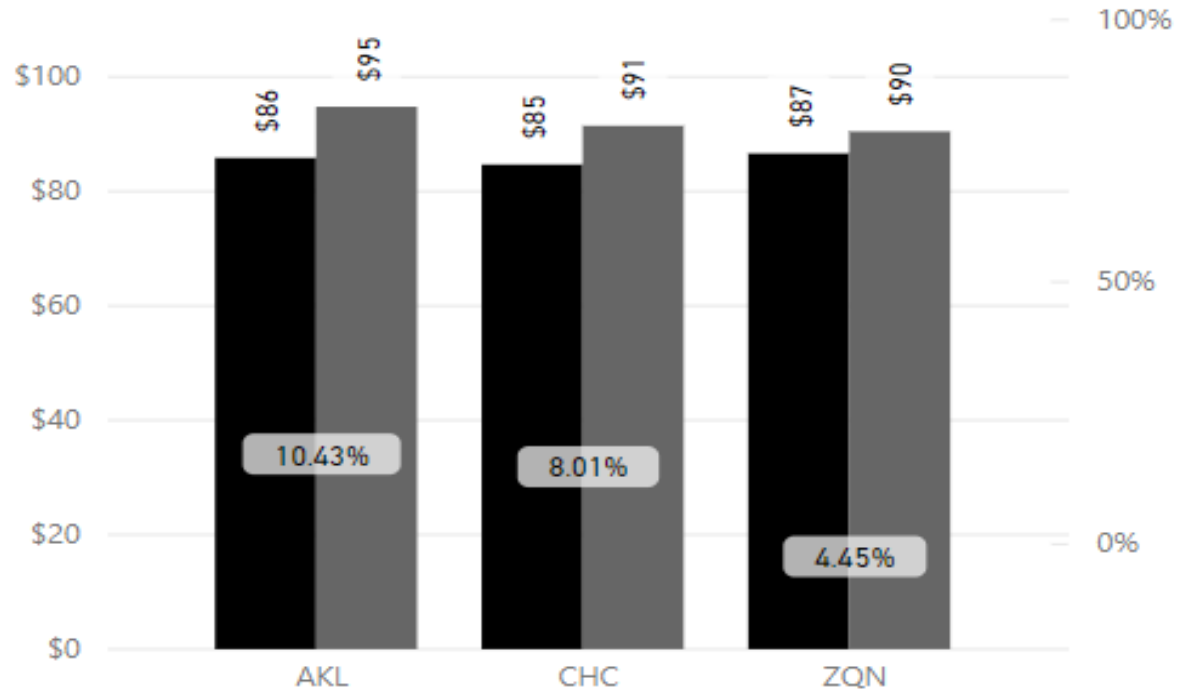


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there was an overall YoY average rate increase of **+9%**
- The increased average rate in March 2019 is especially interesting considering that March 2018 included Easter
- Auckland Airport (AKL) had the largest YoY average rate increase of **+10%**
- Christchurch Airport (CHC) had a YoY average rate increase of **+8%**
- Queenstown Airport (ZQN) had the lowest YoY average rate increase of **+4%**

SECTION 1 March 2019 Analysis

Channel, Duration and Vehicle Category

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

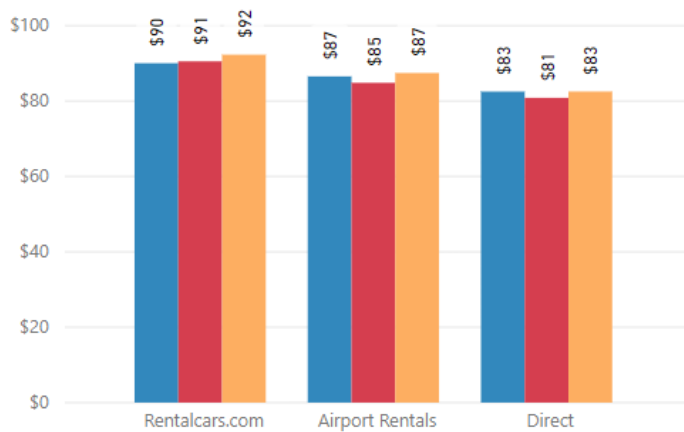


Fig.2

Location ● AKL ● CHC ● ZQN

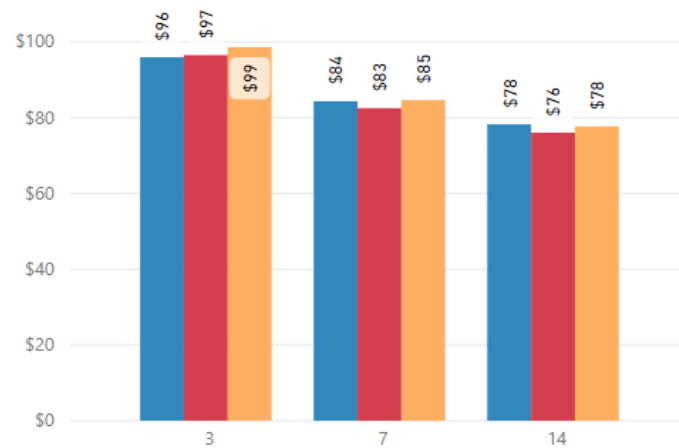


Fig.3

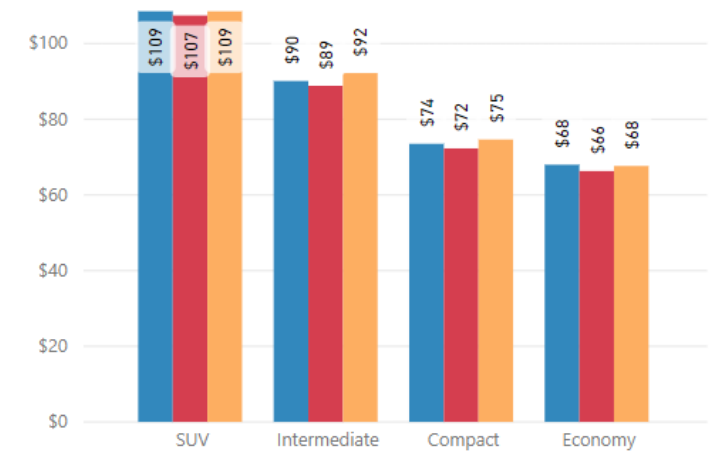


Fig.4

SECTION 1 March 2019 Analysis

Auckland Airport YoY Summary

Auckland Airport had the largest YoY average rate increase of **10%**.

The rentalcars.com sales channel showed an average rate decrease of **-7%**, while Airport Rentals and the direct channels showed increases of **+14%** and **+22%** respectively (Fig. 5).

The average rate for a 3-day duration increased **+24%**, while the average rate for longer 7 & 14 day durations were stable at 1% (Fig. 6).

All vehicle categories showed average rate increases of between **+9%** and **+15%** (Fig. 7).

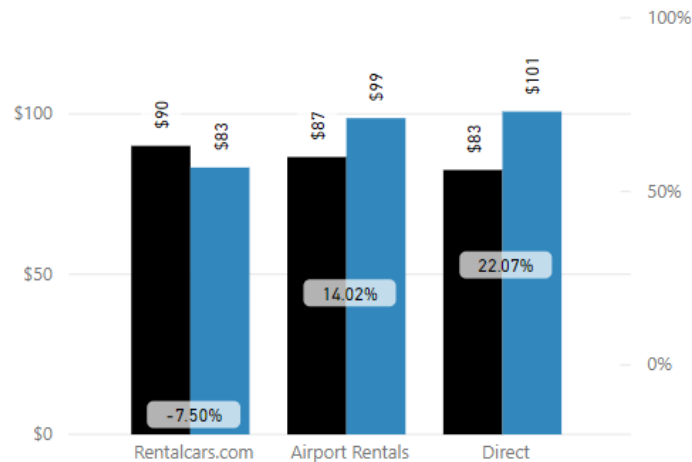


Fig.5

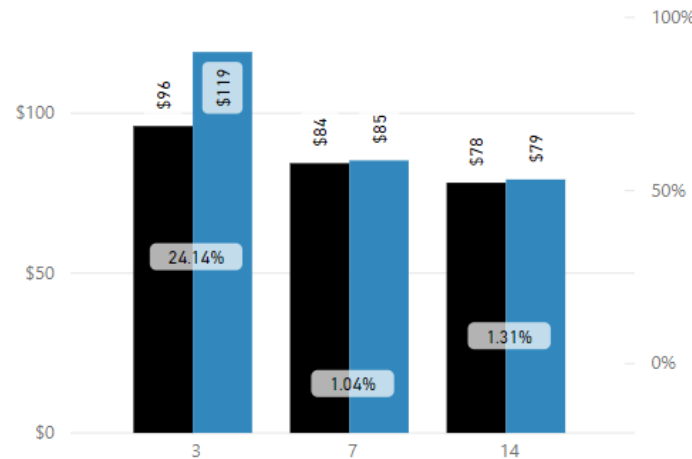


Fig.6

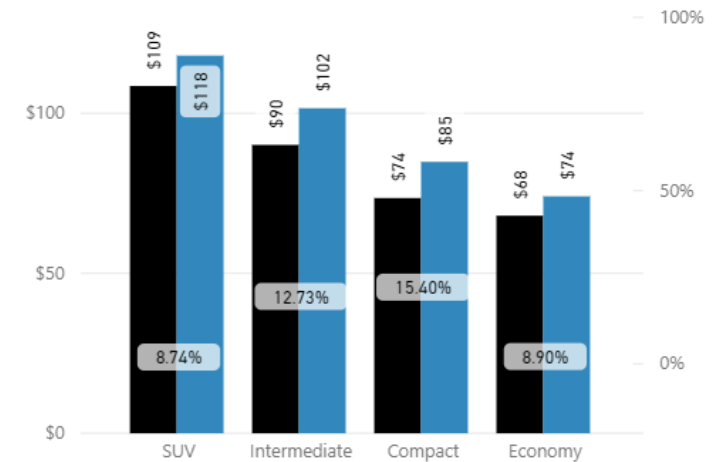


Fig.7

Year ● 2018 ● 2019 % Change

SECTION 1 March 2019 Analysis

Christchurch Airport YoY Summary

Christchurch Airport had a YoY average rate increase of **+8%**.

The rentalcars.com sales channel showed an average rate decrease of **-7%**, while Airport Rentals and the direct channels showed increases of between **+15%** and **+16%** respectively (Fig. 8).

The average rate for a 3-day duration increased **+25%**, while the average rate for longer 7 & 14 day durations decreased by **-4%** (Fig. 9).

All vehicle categories showed average rate increases of between **+6%** and **+13%** (Fig. 10).

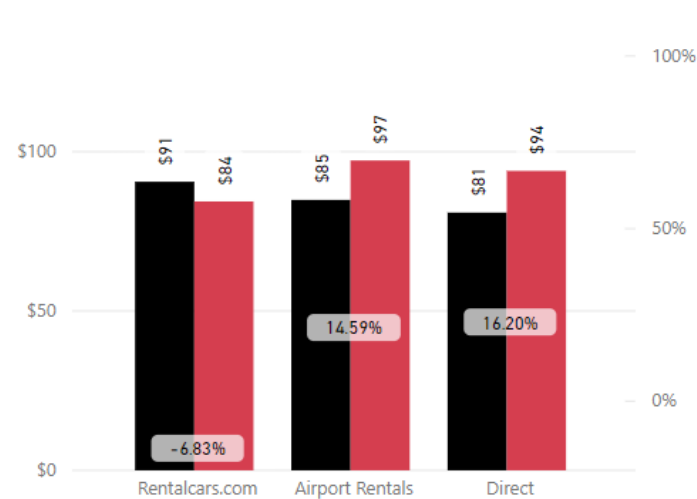


Fig.8

Year ● 2018 ● 2019 % Change

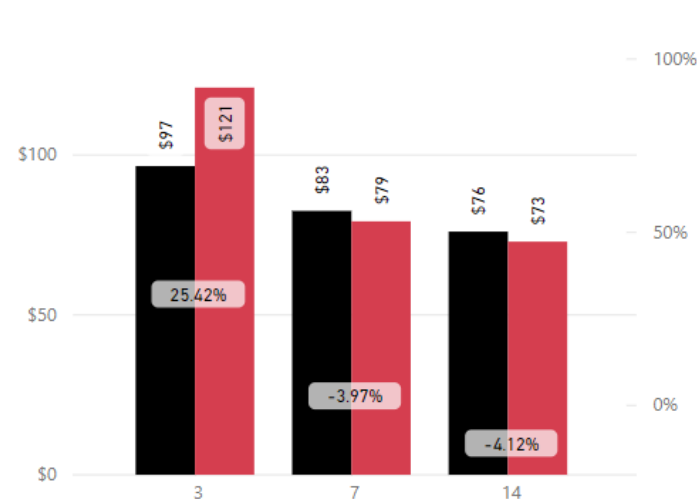


Fig.9

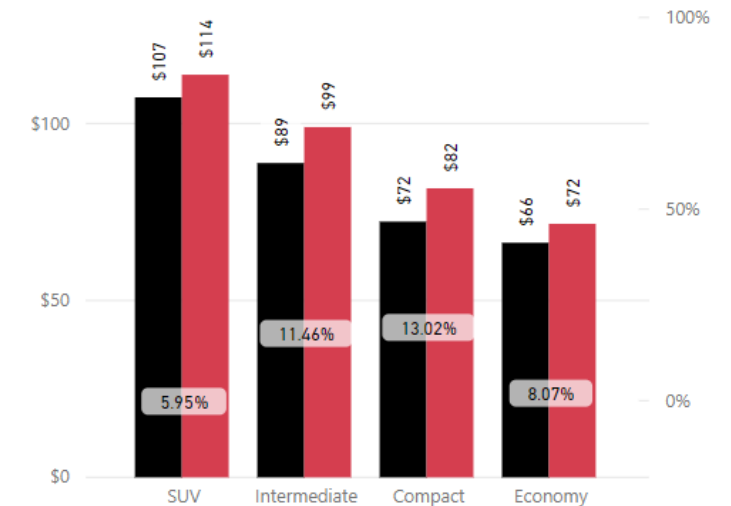


Fig.10

SECTION 1 March 2019 Analysis

Queenstown Airport YoY Summary

Queenstown Airport had the lowest YoY average rate increase of **+4%**.

The rentalcars.com sales channel showed an average rate decrease of **-11%**, while Airport Rentals and the direct channels showed increases of between **+10%** and **+13%** respectively (Fig. 11).

The average rate for a 3-day duration increased **+24%**, while the average rate for longer 7 & 14 day durations decreased by **-9%** (Fig. 12).

All vehicle categories showed average rate increases of between **+4%** and **+8%** (Fig. 13).

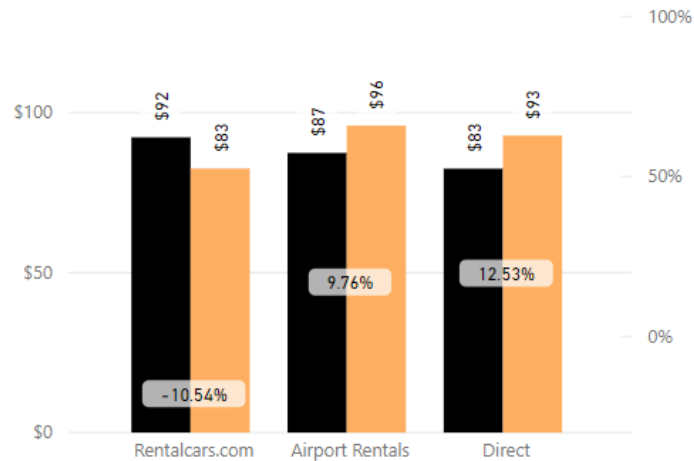


Fig.11

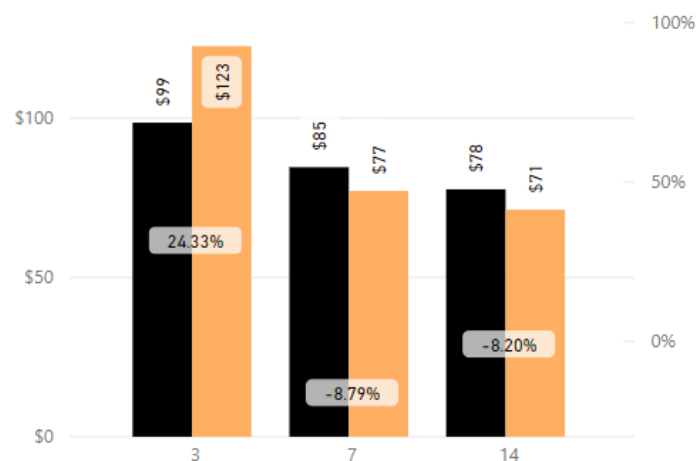


Fig.12

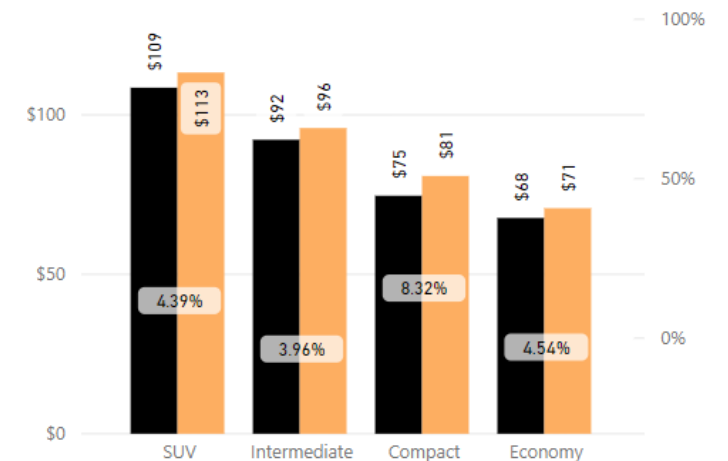


Fig.13

Year ● 2018 ● 2019 % Change

SECTION 2
YEAR TO DATE (YTD) ANALYSIS
FROM DECEMBER 2018 TO MARCH 2019

SECTION 2 Year to Date (YTD) Analysis December 2018 to March 2019

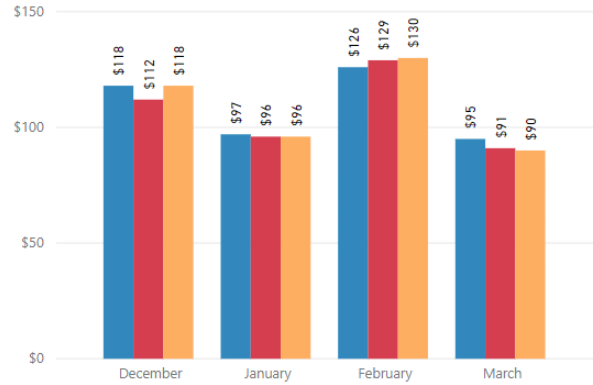


Fig.14
Location ● AKL ● CHC ● ZQN

- From December 2018 the average rate for all three locations peaked in February 2019 (Fig.14)
- Averages rates declined in January due to the traditional post Christmas/New Year soft spot
- The average rate for all three locations in March was up YoY between +4% to +10%

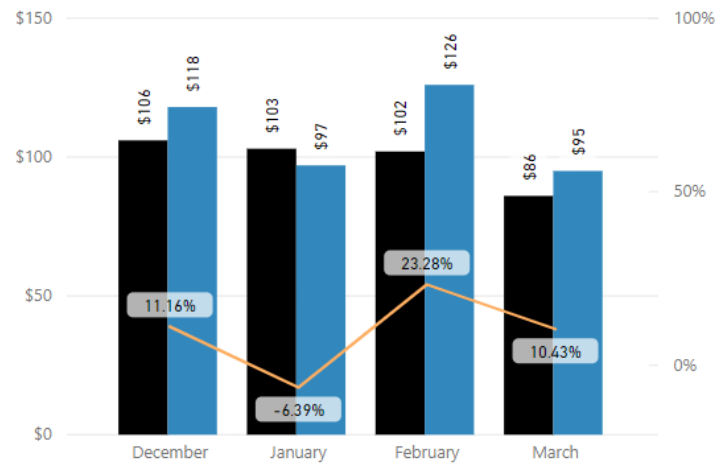


Fig.15
Year ● 2018 ● 2019

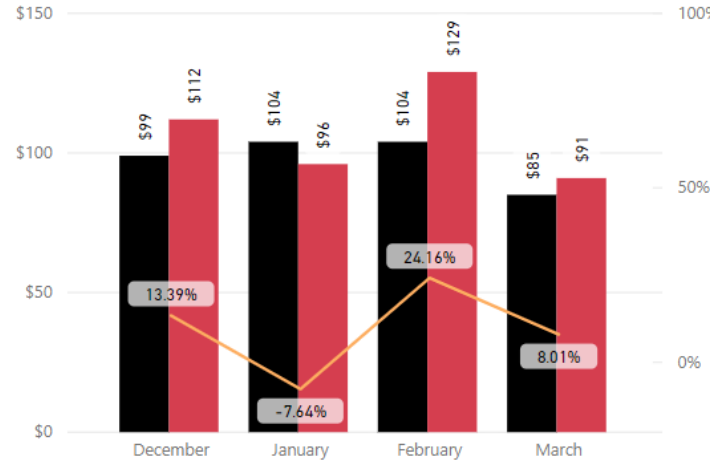


Fig.16
Year ● 2018 ● 2019 www.marginfuel.com

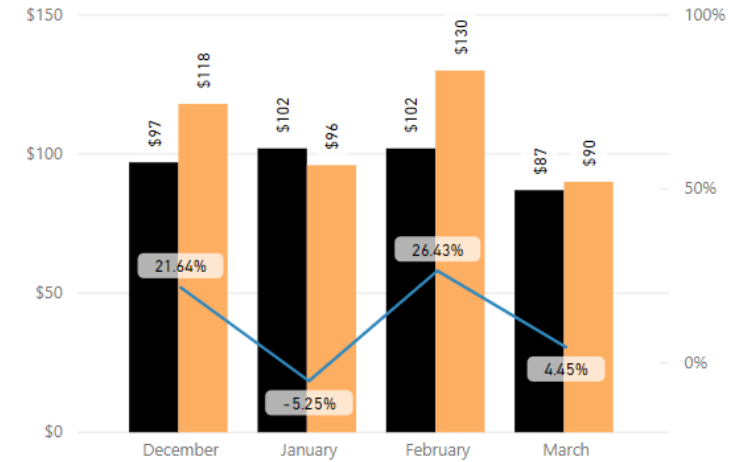


Fig.17
Year ● 2018 ● 2019

SECTION 3

FORWARD MARKET ANALYSIS

FROM APRIL TO JUNE 2019

SECTION 3 Forward Market Analysis

April to June 2019

Overall average rates April, May and June 2019 are trending up YoY, with a big uplift in April 2019 (Fig.18), primarily driven by the timing of Easter, which is in April this year, compared to March last year, but also by the timing of the School Holidays and ANZAC Day. Average rates during this period especially strong in Christchurch (Fig.20) and Queenstown (Fig.21).

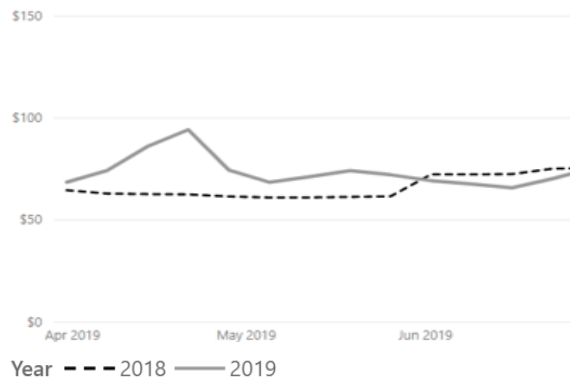


Fig.18

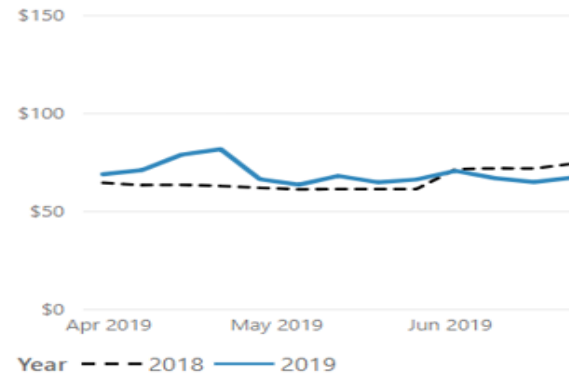


Fig.19

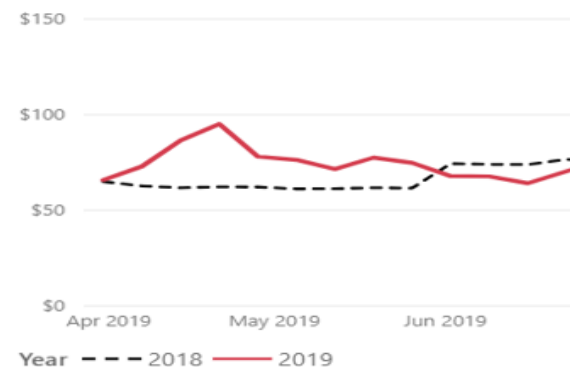


Fig.20

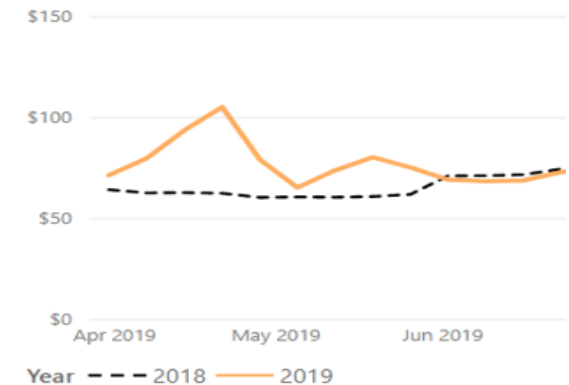


Fig.21

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Market Insider Tip:

With the high season winding down, it is now time to focus on Easter, which falls in the school holidays, and also extends to Anzac Day. This grouping of these holidays will create stronger demand than previous years, creating good yielding opportunities.

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

As always, plan your de-fleeting accordingly and make sure your fleet is in the right place. The traditional North to South and Christchurch to Queenstown routes will leave some scars with too much fleet at unwanted locations.

However, make sure you leave those locations with enough fleet to service the strong Easter demand.

SECTION 3 Forward Market Analysis

Easter Holiday Period (17th to 28th April 2019)

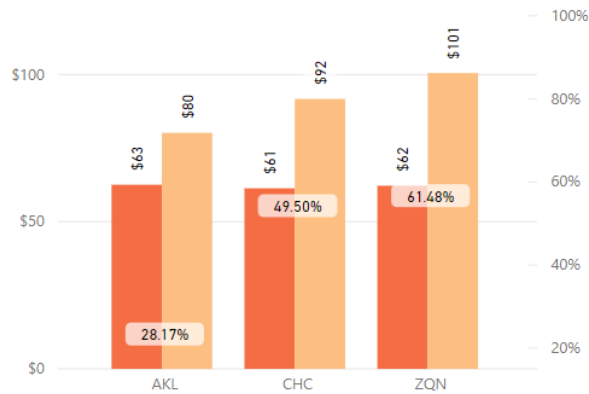


Fig.22
Year ● 2018 ● 2019 — % Change

- For all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+46%** (Fig.22), being:
 - Auckland **+28%**
 - Christchurch **+50%**
 - Queenstown **+61%**
- Airport Rentals and Direct channels show an increase of **+57%** and **+60%** respectively, while rentalcars.com is showing a much lower increase of **+9%** (Fig.23)
- As expected with Easter included this year, the shorter durations are showing the strongest YoY average rate increase of **+67%** (Fig. 24)
- The average rate for all vehicles categories is higher by between **+33%** and **+53%** (Fig.25)

Market Insider Tip:

Christchurch and Queenstown Airports showing the biggest YoY increase, so once again make sure your fleet mix is right.

Review your channel pricing to make sure it's on point.

Review your minimum durations to maximise returns.

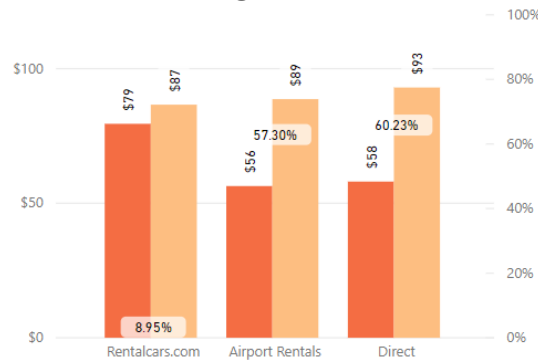


Fig.23
Year ● 2018 ● 2019 — % Change

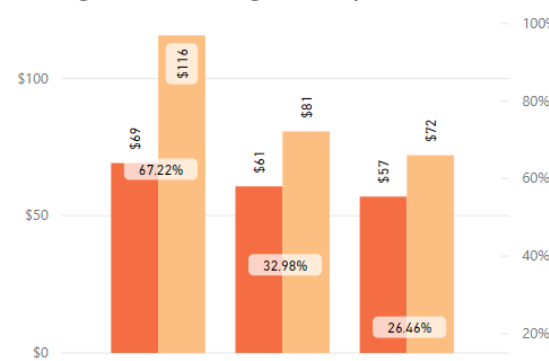


Fig.24

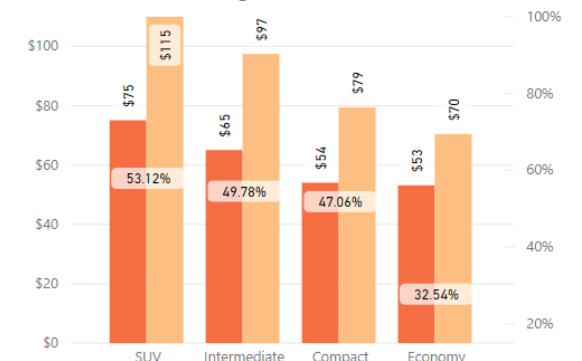


Fig.25

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