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Quarterly Automotive Report

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Key insights

Used vehicle volumes are booming

Q2 set another new post-COVID record, representing a 34 per cent gain year-on-year and the highest volume in four years.

EV sales have grown by 246 per cent

Exponential sales growth, plus strong demand from private buyers looking for a used EV.

Customers are satisfied

Pickles customer satisfaction has nearly doubled, despite supply exceeding projections and growing diversity of vehicles. This is based on Motor Vehicle customer NPS increasing from 20.9 to 40.4 over the past 12 months.

Pickles

Who we are

Pickles is Australia's leading used asset marketplace and largest auction group. Since 1964, we have been unlocking value for vendors while providing powerful purchasing experiences for buyers. Our auctions offer the biggest range of used items including motor vehicles, general goods, industrial, mining, oil & gas, agricultural, salvage and recreational assets, and more.

Where we are going

At Pickles, we're dedicated to shaping the future. Our **vision** is to be the first choice for anyone when buying and selling used assets in our market. Our **purpose** is to power trusted marketplaces where everybody wins. Our **mission** is to win customers for life by making their experience awesome.



*Source: Datium Insights

From strength to strength

Booming vehicle sales volume and delivering resilient values for our customers is always good news in the Pickles world, and that's exactly what the second quarter of 2024 delivered.

Even better is the fact that Pickles has enriched its customer relationships while managing vehicle supply that exceeded projections, and a more diverse array of products than ever. It's not a bad way to close another financial year.

As Australia's leader in asset remarketing across cars, trucks, industrial, and salvage, Pickles is in a privileged position to bring clients the rawest of market intelligence and deep data analytics, which is of particular value amid the ongoing emergence of electric and hybrid vehicles.

On the back of such a strong first quarter and the 2023 results before it, this second quarter shows a lot of promise for the months to come. This is amid the normalisation of the Australian automotive industry following COVID-related challenges, ongoing cost-of-living pressures and the evolution of our automotive landscape toward a sustainable automotive future.

Pickles sales boom continues

The second quarter of 2024 set another new record for vehicle sales volume in the post-COVID era, with a total outflow of 16,666 vehicles. This represents a 34 per cent gain year-on-year, and the highest volume in four years.

According to Pickles Chief Commercial Officer, Fraser Ronald: "We expect this increase in volume to continue, given the surge of new cars being delivered to fleet and governments."

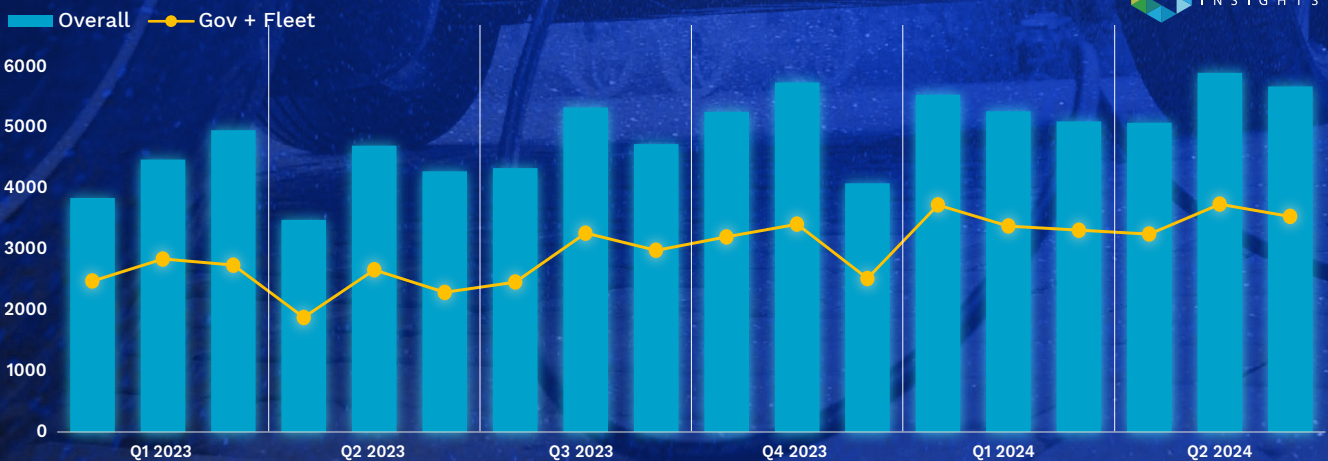
"We expect this increase in volume to continue, given the surge of new cars being delivered to fleet and governments."

– **Fraser Ronald,**
Chief Commercial Officer

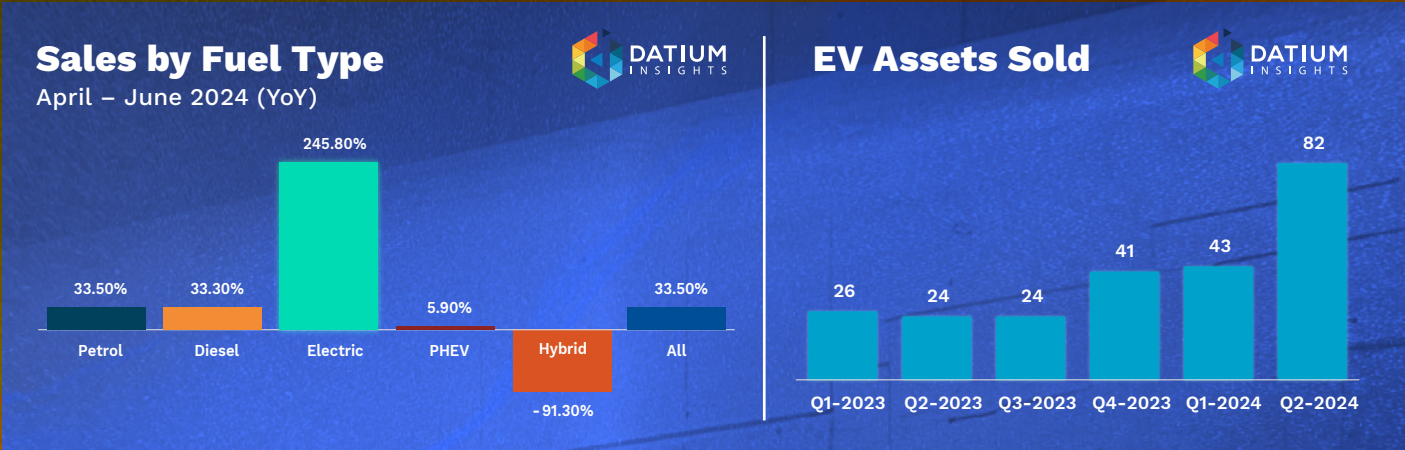


This reaffirms expectations of returning to pre-COVID volume of 7,000 vehicles sold per month before the end of the year, which will be at least six months sooner than what was projected a year ago.

Motor Vehicles Sold



Within this sales volume growth, the most interesting activity is still related to electric vehicles. While EVs still represent a minor percentage compared to internal combustion engine (ICE) vehicles passing through Pickles, and EV new-vehicle sales growth may have softened over 2023, the volume of used EV sold by Pickles has grown by a further 91 per cent in the second quarter to a new quarterly record of 82 vehicles. This represents year-on-year growth of 246 per cent, which underlines Pickles' growing status as the place to buy a used EV. A more steady growth pattern is expected for the rest of 2024, but we are witnessing the greatest shift in fuel types in generations.



The variety of EV models supplied to Pickles also continues to diversify, corresponding with the ongoing boom in variety in the new EV market. Tesla models had dominated Pickles' EV supply for some time, but now hover between just 30-40 percent of volume.

Supply of repossessed vehicles also continues to climb at a significant rate, with the rolling six month average up 13 per cent in the past six months and 11 per cent higher than the first quarter.

Pickles considers the two key contributing factors behind this growth to be ongoing cost-of-living pressures – relating to high CPI inflation and interest rates – along with owners' ability to refinance diminishing as vehicle values generally decline, contrary to the booming used values prior to the second quarter of 2022.



Service and customer loyalty

Despite sustained supply growth beyond expectations, of vehicles increasing in diversity that require specific processes – EVs being a key example – Pickles’ ability to meet the needs of our sellers and buyers is actually growing.

Over the past 12 months, Pickles’ Net Promoter Score (NPS) based on Motor Vehicle customer satisfaction has increased from 20.9 to 40.4. Pickles Chief Commercial Officer, Fraser Ronald, attributes this to a relentless focus on automation, digitisation and training, which in turn is enabling Pickles to reach more potential buyers than ever.

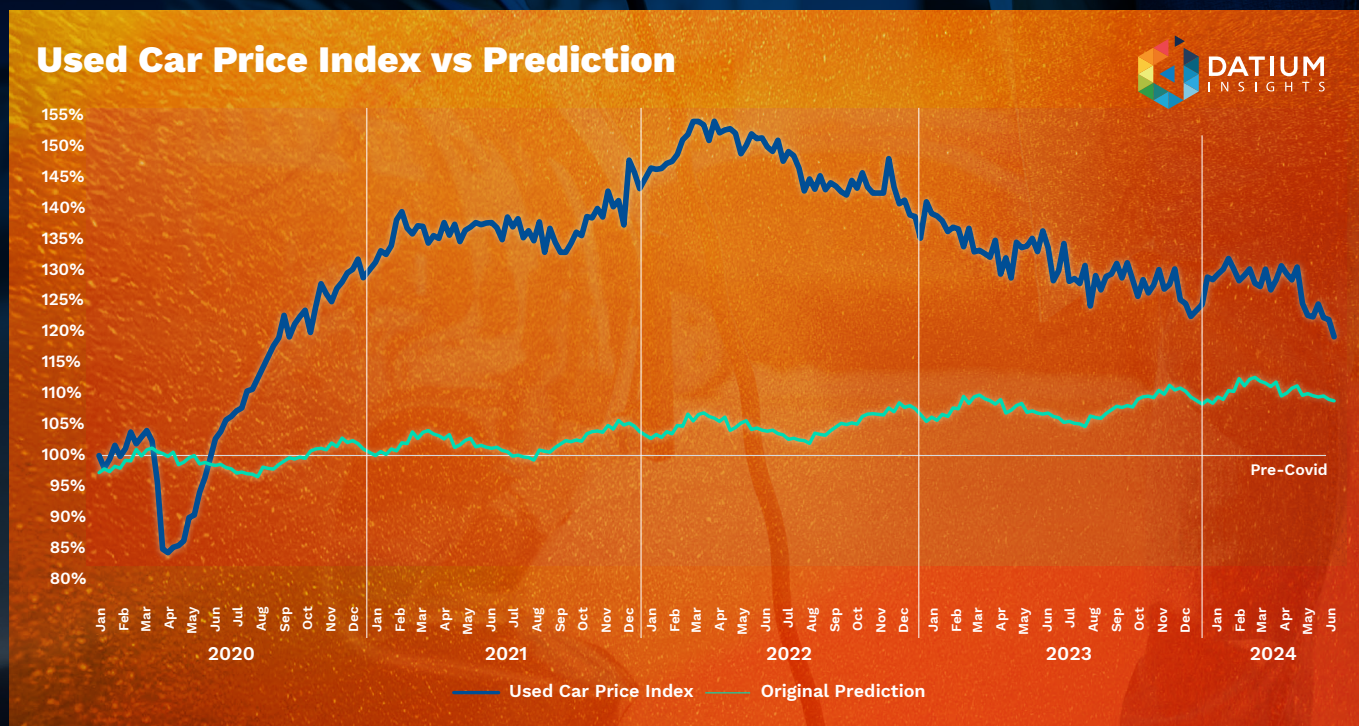
This customer satisfaction is also evident with renewed commitments from the South Australia, Northern Territory and Tasmania governments for at least three years, with more to follow shortly. Such loyalty from significant commercial partners assures vehicle supply for years to come.

Values resilient, but distinctions abound

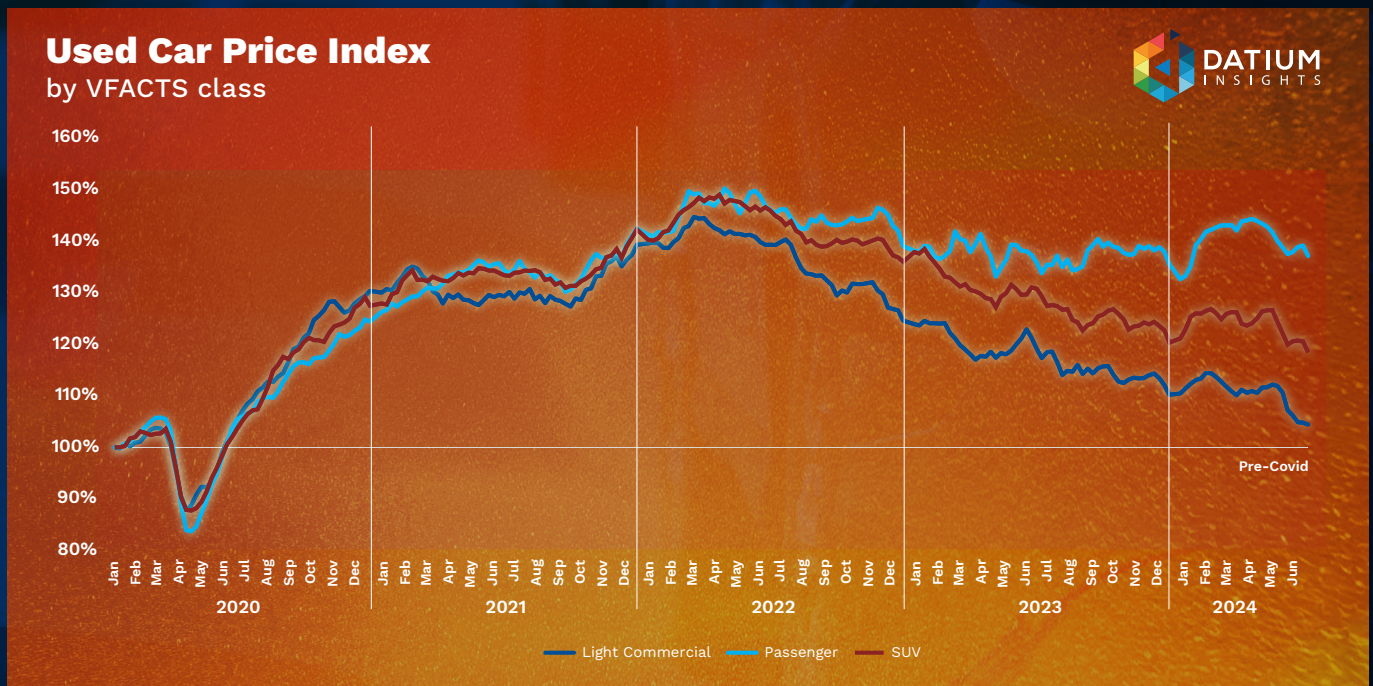
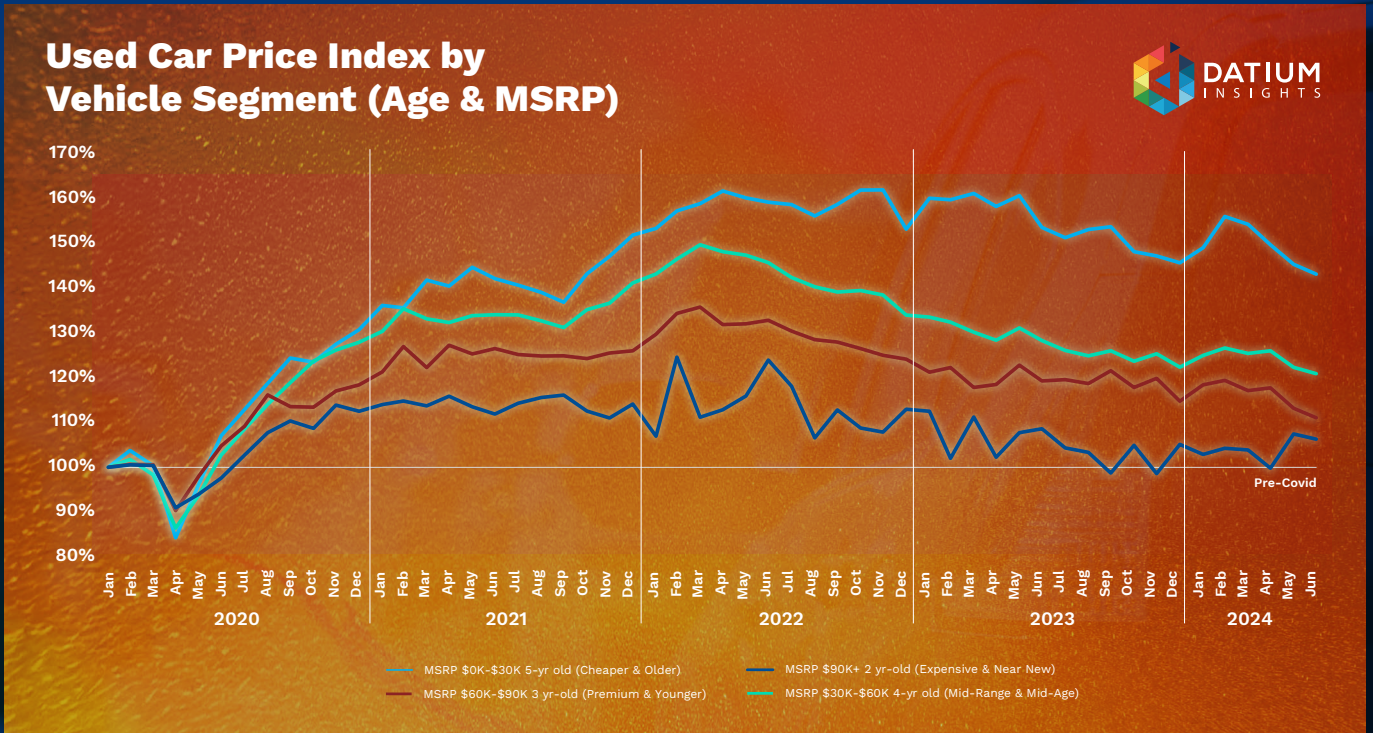
As demonstrated in the first quarter, growing vehicle supply doesn’t necessarily drive values down across the board. The used car price index based on vehicles passing through Pickles is remaining resilient, after consistently declining between the beginning of Q2 2022 and the end of Q2 2023.

In fact, this is remaining around 20 per cent higher than the level predicted pre-COVID for the first half of 2024. It’s still not expected to return to the pre-COVID prediction due to subsequent rise in inflation, and is still expected to plateau at 10-15 per cent higher than pre-COVID well before the end of 2024.

This overall stabilisation is enabling sellers to have more realistic price expectations, which increases confidence in the value achieved on the first pass at auction and boosts efficiency for all parties.

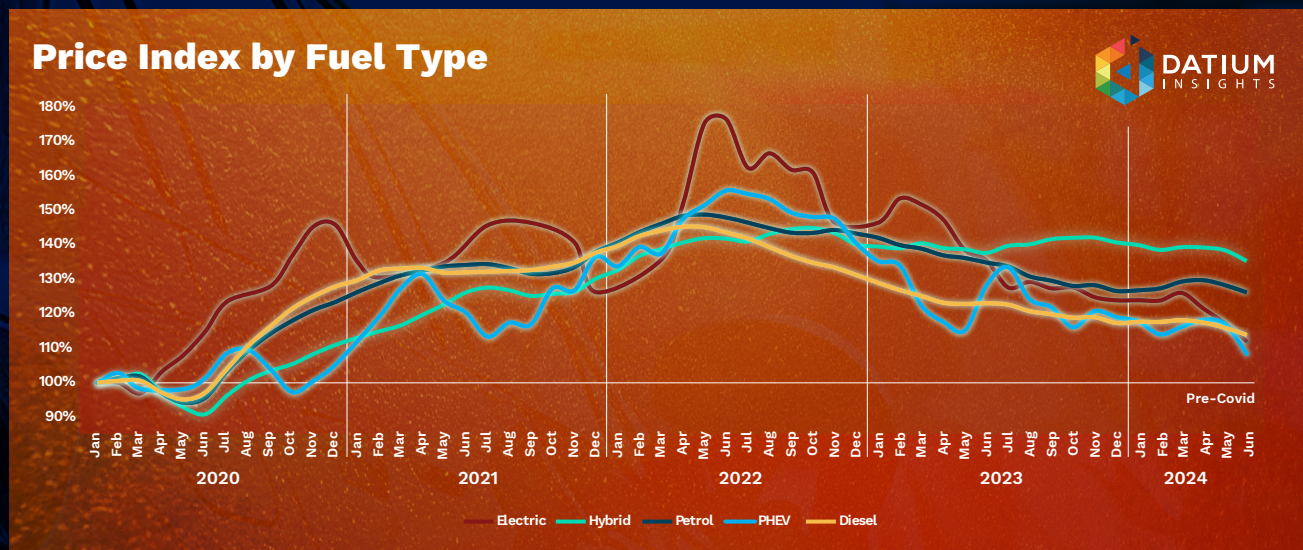


There are clear distinctions among categories and fuel types of vehicles however, with light commercial vehicles – predominantly utes – declining significantly faster than SUVs or passenger vehicles. Pickles considers increased demand for cheaper sedans and hatchbacks – amid cost-of-living pressures – is actually propping up passenger vehicle values beyond the other two, more fashionable, categories.



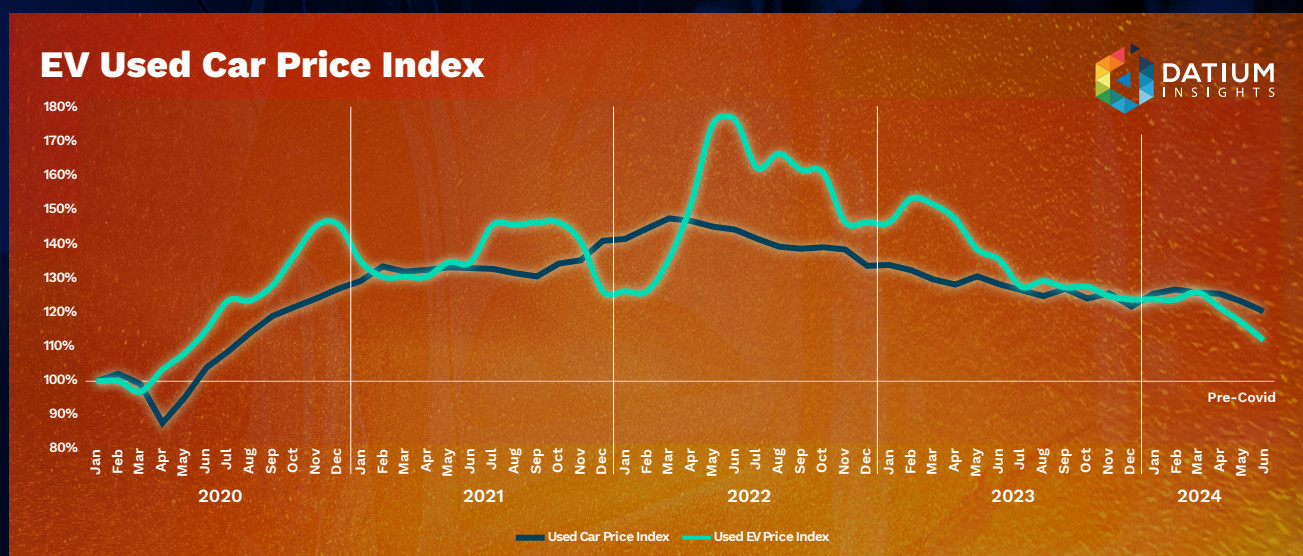
Pickles considers the light commercial graph to be influenced by a huge saturation of supply, which generally reaches Pickles after longer ownership periods and higher usage. This has been further accentuated by corporate fleet and government operators who were forced to hold onto vehicles longer than ideal during COVID-related stock shortages.

This light commercial value scenario is also reflected when Pickles automotive supply is categorised by fuel type, with the light commercial-favourite diesel values consistently tracking beneath petrol and hybrid vehicles since the end of Q2 2022. PHEV values are clearly the most volatile of all fuel types due to their fractional relative supply to date, with the technology still finding its feet among the spectrum of electrification options.



The EV used price index is still relatively well aligned with the stability of overall used car values since Q3 2023, and reflects the increased volume and diversity of EVs among Pickles' supply.

Considering Pickles is a leading reseller of electric vehicles in the Australian market, such data has a wider relevance to the broader Australian EV industry than any other organisation.



Conventional hybrid remains the leading fuel type in terms of retained value among Pickles supply, reflecting Australia's familiarity with the technology – it's now more than a quarter of a century since Toyota launched the first Prius – and its broad suitability for efficient and convenient motoring. This value retention benchmark is also a reflection of Pickles hybrid supply now comprising a variety of popular passenger and SUV models.

However, significant reductions in wait times for popular new hybrid models like the Toyota RAV4 and Corolla in recent months appears to have impacted Pickles hybrid price index at the end of the second quarter, dropping by 4 per cent compared to the end of the first quarter. Hybrid remains a clear 9 per cent above petrol, however.

EV Buyers do things differently

There's more to the Pickles EV story in the second quarter and beyond than the above volume and value trends. The headline fact for the second quarter is that almost half of Pickles EVs are sold to end users.

According to Pickles Chief Commercial Officer, Fraser Ronald: "From what we can ascertain, end-user buyers of EVs appear to be well researched, knowledgeable, and very comfortable buying online."

This distinct profile is reinforced by the average sold price of Pickles EVs currently being almost double that of ICE vehicles, with the vehicles reaching auction at half the age and one third the kilometres travelled on average.

Despite their prices relative to ICE vehicles, these used electric vehicles represent a lower price of entry for EV-curious consumers looking beyond a conventional vehicle for the first time.

Considering the recent sudden and significant price reductions applied to numerous new EVs, this could encourage discerning EV buyers to see greater certainty of value in a near-new vehicle purchase with Pickles.

We also expect the proportion of EVs passing through Pickles to continue to grow from the current minor percentage to at least align with their 8.3 per cent of new vehicle sales reported in June 2024.

Beyond this, Pickles still considers the Federal Government's upcoming New Vehicle Efficiency Standard (NVES) will be good news for EV buyers, fostering new EV model availability, supply and adoption, and in turn growing used EV supply through Pickles.

Looking forward

Regardless of how near outright COVID-era recovery may seem, Australia's cost-of-living pressures related to high inflation and interest rates are expected to last at least another 18 months.

This could well increase the flight to value from new to used cars, increasing demand for used cars in general, which will be more plentiful based on supply projections, and Pickles has certainly demonstrated capability with managing such growth.

Ready to roll into an electric future?
Check out the [full range](#) of electric
vehicles available at Pickles.

Want to see our latest and greatest marketing campaigns?
Check out all the incredible digital results from the last year as we promoted
industrial, mining, oil & gas, motor vehicle, ex-government, salvage and
agriculture assets for vendors across Australia!



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