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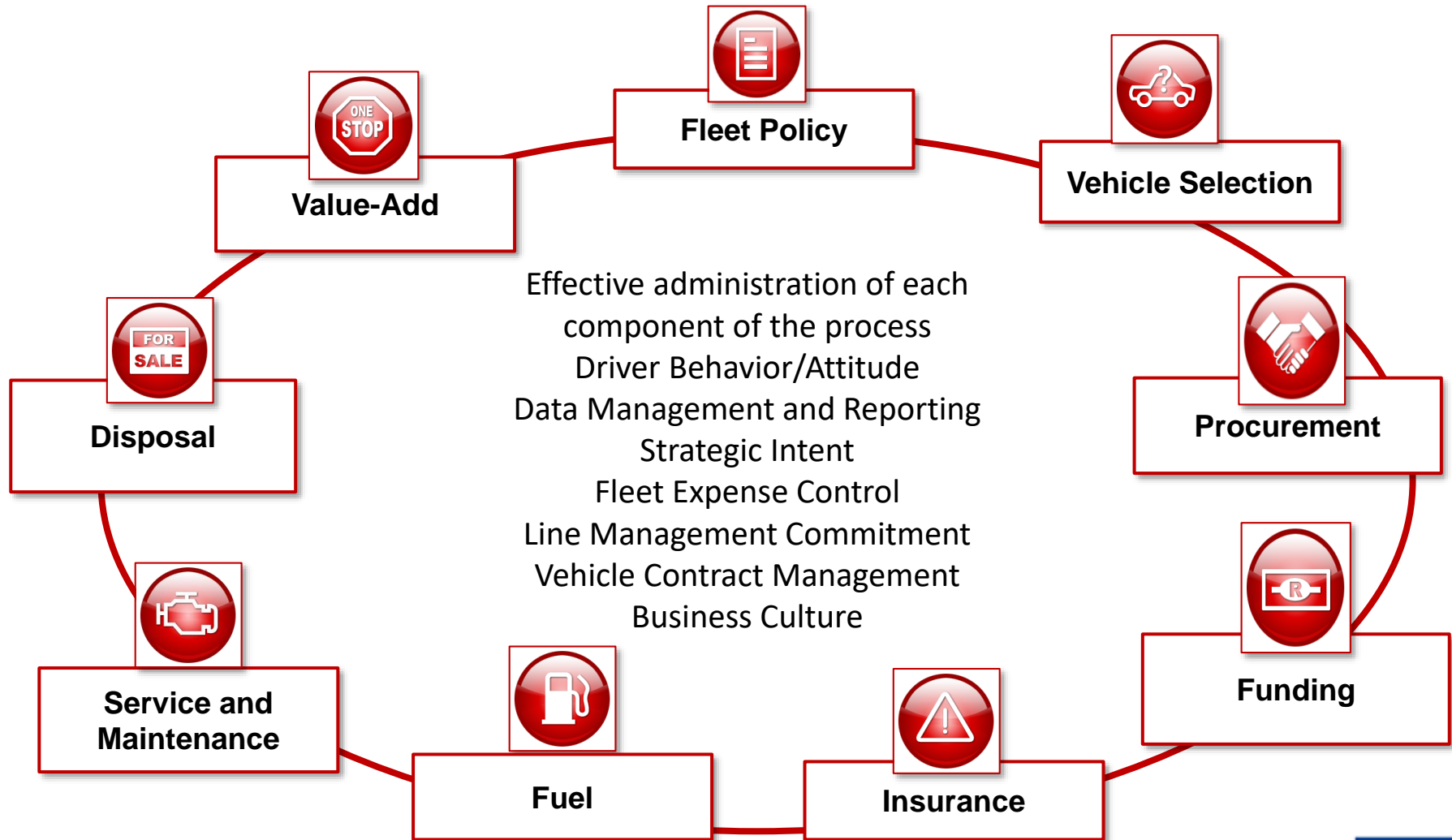
- Leasing or Rental vs. vehicle ownership
- Trends in Passenger and Light Commercial market

Leasing or Rental vs. vehicle ownership

- There are no accurate stats for the leasing industry
- Current estimates are a market size of around 120 000 funded lease vehicles
- Current industry growth estimated to be at 1% p.a
- Introduction of IFRS16 in Jan 2019

Leasing or Rental vs. vehicle ownership

Fleet Management Process



Effective administration of each component of the process

- Driver Behavior/Attitude
- Data Management and Reporting
- Strategic Intent
- Fleet Expense Control
- Line Management Commitment
- Vehicle Contract Management
- Business Culture

Full Maintenance Lease Product

Vehicle finance with a risk-free/guaranteed residual value and with a risk-free/guaranteed maintenance plan built into the monthly payment



Based on concept of
“use” as opposed to
“ownership”



Benchmarking based
upon a whole life
cost approach



Assistance with
vehicle selection
specific to usage



No maintenance and
resale risk



License and fines
administration



Dedicated Account
Manager

Company Car vs Car Allowance

- Car allowance is an easy “hands off”
- Considerations for car allowance
 - Company image
 - Vested interests of the two parties are opposite
 - Company cars have increased mileage



Vehicle ownership

- For Passenger or light commercial vehicles, any vehicle completing in excess of 10 000km's per month, rules out leasing as an option
- Sweating the asset is the only option
- Cost of administration



Trends in the Leasing market

- International Trends
- RFP regularly go out despite long standing relationships
- Highly competitive pricing – little value placed on traditional differentiators around service
- Push for transparency
- Focus on running business not running the assets

Trends in the Leasing market

- Vehicle selection- shift in buying patterns
 - Increase in commercial vehicle contracts
 - Buying down
 - Sedan to SUV



- ✓ Higher Purchase price = higher RV= Same rental
- ✓ Acceptable Increase in FBT

Long term Trends in the Leasing market

- Autonomous Vehicles
 - Google and Waymo
 - 1st World vs 3rd World
 - Roads infrastructures



Long term Trends in the Leasing market

- World product divide
 - 1st World will go autonomous production
 - 3rd world will have different requirements