

Bank of Ireland Motor Sector News

March 2020

In the month of March, new passenger car (PC) sales declined 63.0% (to 6,174 units), Light Commercial Vehicle (LCV) sales declined 52.9% (to 1,434 units) and used imports declined 48.1% (to 4,656 units).

PC Registrations YTD

At the end of quarter one, the market declined 20.5% (to 51,015 units). Toyota holds the #1 position with 12.2% market share, followed by Volkswagen with 11.2% in #2, Hyundai with 10.0% in #3, Skoda with 8.6% in #4 and Ford with 6.8% in #5.

LCV Registrations YTD

At the end of quarter one, the market declined 15.2% (to 9,378 units). Ford holds the in #1 position with 21.7% market share, followed by Volkswagen with 16.9% in #2, Renault with 11.3% in #3, Peugeot with 10.7% in #4 and Citroen with 9.0% in #5.

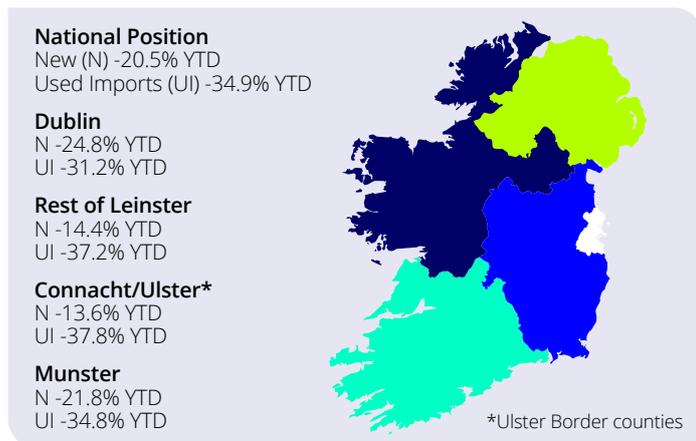
Used Imports

Registrations of used imports declined 34.9% (to 17,471 units) in the first three months of 2020. This follows the introduction of a Nitrogen Oxide (NOx) levy on new and used imported cars on 01/01/2020.



Provincial Developments

March 2020 YTD



Bank of Ireland Information Classification: Green – Public

Data Source: Society of Irish Motor Industry (SIMI); European Automotive Manufacturers Association (ACEA). Data as at 31/3/2020

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Bank of Ireland is regulated by the Central Bank of Ireland.

COVID-19

How suddenly and shockingly the world has changed in recent weeks with the arrival of COVID-19, the effects of which will leave a lasting impact with us.

As European countries initiate phased lock down of their citizens, tourism has been adversely impacted in Ireland. Car rental companies postponed and/or cancelled purchases of new short term rentals for St. Patricks Day and Easter tourism seasons. This sales channel represents ca. 15% of annual new car sales, and ca. 54% are typically registered in Q1. Registrations of new rental cars collapsed 94.8% in the month of March, and have declined 66.3% (to 3,286 units) year to date.

An element of car rental and consumer business will be postponed to H2 2020 when the second registration period begins in July ("202" number plate). This will be dependent on how the COVID-19 pandemic evolves (or gets resolved) in the weeks and months ahead.

Last week motor dealers temporarily closed their doors to the public, but many still operate emergency staff to support their customers with vehicle breakdowns. Many dealers also continue to take online sales enquiries for consumers who need to change their vehicles, and are also taking service appointments for future dates. Contact your local motor dealer online or by phone to discuss your needs.

To end on a note of positivity, a motor franchise known to us shared recent news from their aftersales colleagues in China. Since motor dealers recommenced operations in March they recorded a significant uptick in vehicle parts sales. In both January and February, this franchise advised parts sales ran at ca. 20% vs. budget in China. In March with 93% of its dealer network reopened again, parts sales increased to in excess of 70% vs. budget. This is an early indicator of motor sector recovery in China.

Bank of Ireland – Supporting Our Customers

Bank of Ireland supports 12 motor franchises in the motor sector. Vehicle sales by these franchises represent ca. 40% of new vehicle sales annually. We remain strong supporters of the sector today and we look forward to supporting the return to growth again in the future.

Supports for Business Customers

- ▶ emergency working capital
- ▶ payment flexibility on loan facilities
- ▶ provision of trade finance and foreign currency products
- ▶ prioritisation of loan decisions
- ▶ contact your Business Relationship Manager or call 0818 200 348

For more information on supports for business customers, copy and paste the link below into your browser:

<https://businessbanking.bankofireland.com/covid-19/supports-for-businesses/>

For more information on supports for personal customers, copy and paste the link below into your browser:

www.bankofireland.com/coronavirus-update/

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Stephen joined Bank of Ireland in 2018 and brings over 20 years Motor Sector Industry experience having held senior positions in both wholesale distribution and in retail as a motor dealer where he operated as Dealer Principal for 7 years – read more about him at boi.com/motorsector.