Grant Thornton

An instinct for growth™

Automotive Dashboard

Welcome to the October 2015 Monthly Dashboard. Internationally, Grant Thornton member firms are leaders in the automotive supply chain and dealership advice, with specialist teams across the globe dedicated to this industry.

In this Dashboard, we preview October 2015 results and YTD results.

Key Headlights – October 2015

- Vehicle sales were up 3.4% in October and up 3.6% CYTD
- Eight of the last ten months' sales nationally have been up compared to 2014 sales
- Tasmania and the Australian Capital Territory had the largest increase in sales – up 15.5% and 10.3% respectively, compared to October 2014
- Northern Territory and Western Australia had the largest decrease in sales with falls of 5.0% and 10.5% respectively
- The SUV market has risen 20.5% while the passenger market has fallen 5.3%
- The largest % falls in the Top 20 brands were Jeep (down 42.7%), Renault (down 26.2%) and Mercedes-Benz (down 16.9%) compared to October 2014
- The largest % increases in the Top 20 brands were Isuzu Ute (up 40.5%), Kia (up 35.7%) and Land Rover (up 24.4%) compared to October 2014
- The Top 10 brands combined vehicle sales increased 4.6% whilst brands 11 to 20 combined vehicle sales increased 1.3%
- Locally manufactured vehicles fell 6.9%
- Business buyers have risen 11.2% while private buyers have fallen 2.0% compared to October 2014
- The top three vehicles sold in October were Toyota Corolla (3,271 vehicles), Hyundai i30 (2,669 vehicles) and Toyota Hilux 4x4 (2,601 vehicles)

Table 1 – Top 10 brand sales for October 2015 and CYTD

Brand		Month sales			CYTD sales		
Standing	Brand	Movement	October 2015	October 2015	Movement	2015	2014
1	Toyota	▼	16,964	17,382	▼	166,617	168,491
2	Mazda	▲	8,532	6,880	▲	94,509	83,867
3	Hyundai	▲	9,003	8,401	▲	86,429	83,754
4	Holden	▲	8,088	7,542	▼	84,916	90,491
5	Mitsubishi	▲	5,508	5,115	▲	59,074	54,132
6	Ford	▼	6,098	6,337	▼	57,832	67,924
7	Nissan	▲	5,961	5,759	▼	53,821	54,973
8	Volkswagen	▼	4,480	4,764	▲	51,326	45,859
9	Subaru	▲	4,112	4,003	▲	36,107	33,269
10	Honda	▲	3,261	2,626	▲	33,715	26,259

October results

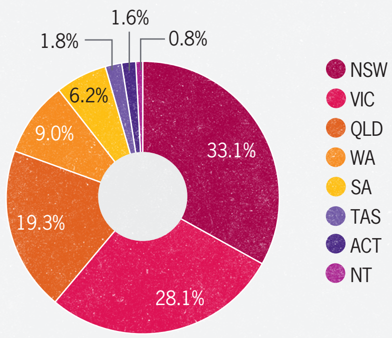
Vehicle sales increased 3.4% (3,086 vehicles) for October 2015 compared to October 2014, and are up 3.6% (32,970 vehicles) current year to-date (CYTD). Total new car sales for the year are around 950,000 vehicles. With two months of the calendar year remaining the 2013 record of 1,136,000 vehicles appears to be achievable. Outlined in Figure 1 are the state based movements for October and CYTD. Figure 2 details the market share by state.

The larger market share states of New South Wales (up 4.6%), Victoria (up 3.7%) and Queensland (up 5.8%) continue to show strong growth compared to October 2014. These states have achieved positive growth in nine of the past ten months. While the Western Australian market continues to fall being down 10.5% compared to October 2014 and are down 9.1% CYTD. All state based sales for the 2015 calendar year other than Western Australia, South Australia and the Northern Territory have risen compared to 2014.

Figure 1 – State based movements for October and CYTD

Source: Vfacts

Figure 2 – Market share by state



Source: Vfacts

Table 2 – Sales figures November 2014 to October 2015 outlines the last twelve months' movements. Sales nationally have experienced positive growth in eight of the last ten months, however the Western Australian market has fallen every month this past year-to-date.

Table 2 – Sales figures November 2014-October 2015

	NOV-14	DEC-14	JAN-15	FEB-15	MAR-15	APR-15	MAY-15	JUN-15	JUL-15	AUG-15	SEP-15	OCT-15
New South Wales	-0.3	1.0	-1.0	5.1	10.2	2.5	4.1	12.1	6.1	7.5	11.8	4.6
Victoria	-4.6	1.8	4.3	5.7	8.5	5.0	-3.1	4.1	4.6	1.8	7.8	3.7
Queensland	-8.5	5.8	-0.5	4.9	12.1	1.7	0.3	10.7	5.3	5.9	7.9	7.4
South Australia	-5.3	-3.5	-0.8	6.1	-0.4	-1.1	-5.8	-3.3	-4.7	-9.4	-3.9	3.5
Western Australia	-9.6	-11.1	-7.0	-6.1	-2.9	-11.6	-15.8	-7.5	-12.7	-8.4	-8.8	-10.5
National	-4.8	0.1	-0.2	4.2	8.0	1.2	-1.3	6.4	2.7	2.9	6.8	3.4

Source: Vfacts

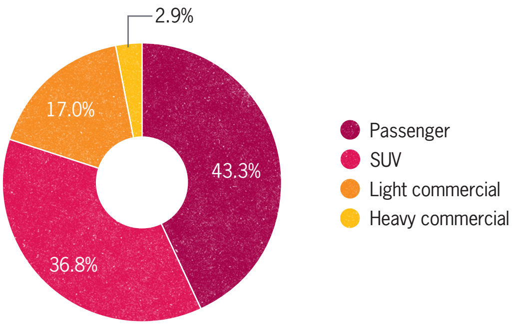
Positive

Negative

Segmentation

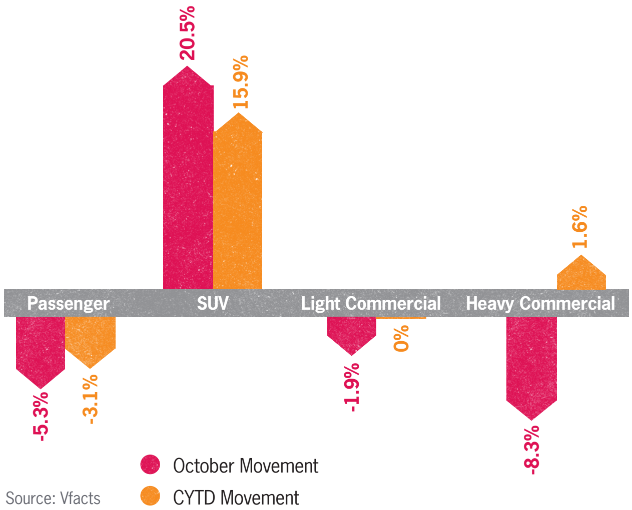
The market is broken into four key segments being passenger (43%), SUV (37%), light commercial (17%) and heavy commercial (3%) as shown in Figure 3. The movement in the key segments for October and CYTD are detailed in Figure 4. The SUV market's impressive growth continues, up 20.5% (5,905 vehicles) from October 2014 and up 15.9% (46,216 vehicles) CYTD. While there has been a strong swing towards more versatile vehicles, the passenger market has fallen 5.3% compared to October 2014 after strong sales results last month. Although the passenger segment is still the largest it has conceded 3.1% market share to the SUV and light commercial segments CYTD.

Figure 3 – Market segments



Source: Vfacts

Figure 4 – Movements in key segments

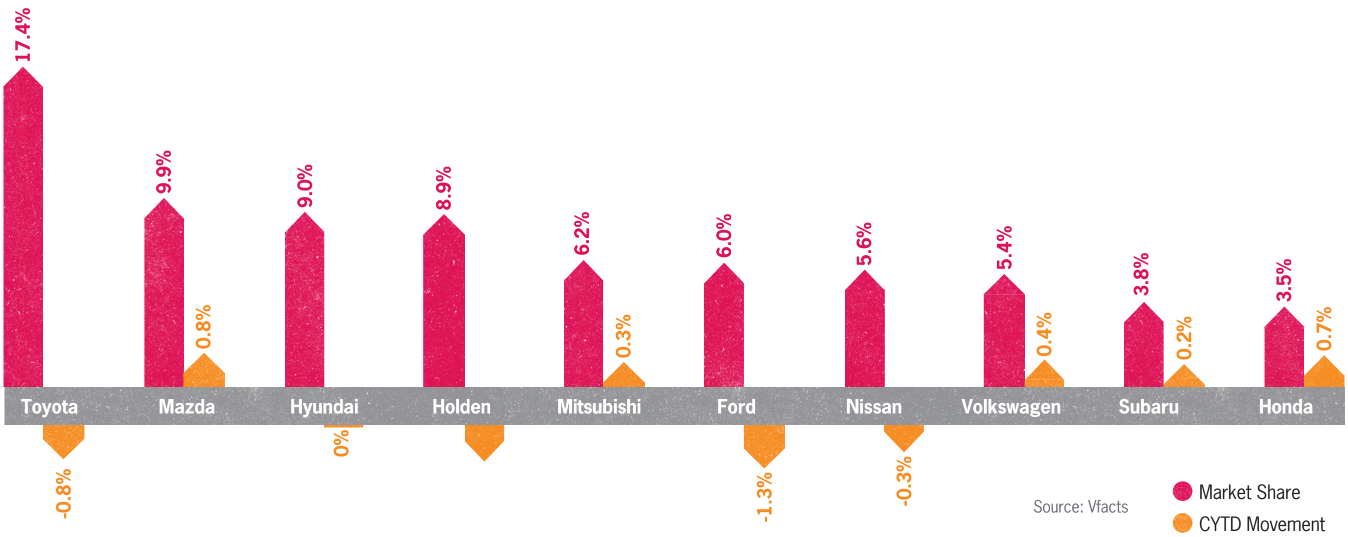


Source: Vfacts

Brand

Toyota leads the market with 17.4% market share followed by Mazda on 9.9% and Hyundai on 9.0% as detailed in Figure 5. Mazda now has a strong hold on second position up 0.8% market share in 2015 compared to 2014, the largest increase of any of the top 10 brands.

Figure 5 – Market share by brand – Top 10

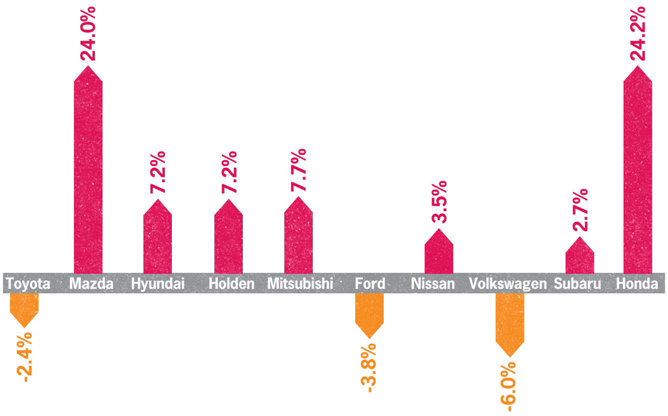


Source: Vfacts

Figure 6 – October sales growth by brand – Top 10 demonstrates that seven brands experienced an increase in sales. Honda (up 24.2%) and Mazda (up 24.0%) were biggest movers in the top 10. While Volkswagen and Ford had the biggest falls of 6.0% and 3.8% respectively.

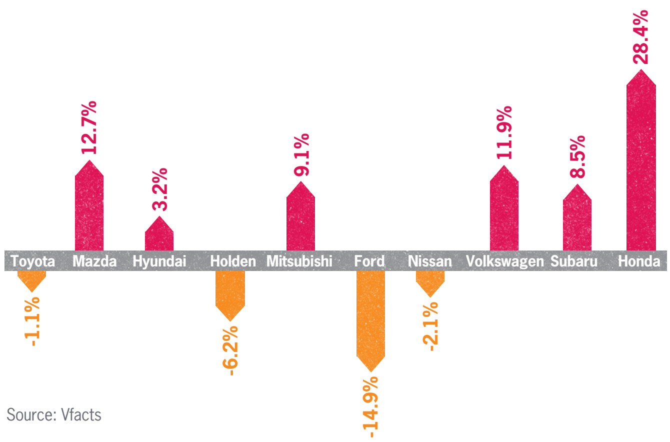
In relation to the Top 10 brands, on a CYTD basis, six brands have been able to increase market share compared to the 2014 calandar year. With the Top 10 brands currently accounting for 75.7% of the total market share, 2015 sales appear to be approaching record results.

Figure 6 – October sales growth by brand – Top 10



Source: Vfacts

Figure 8 – CYTD sales movement by brand – Top 10

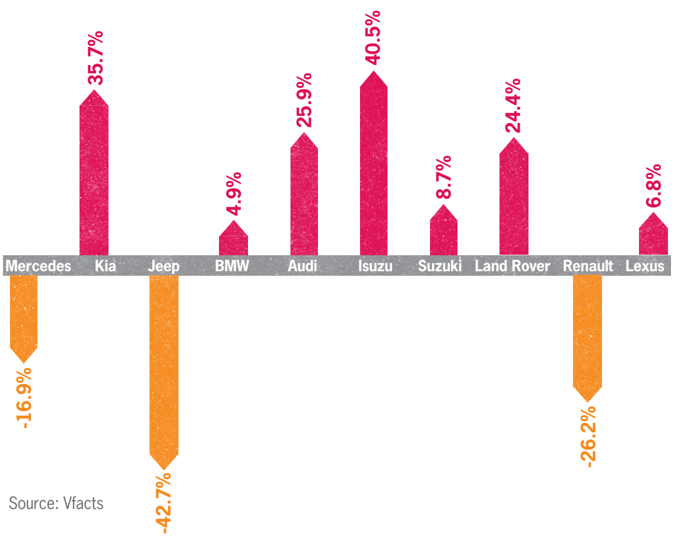


Source: Vfacts

Like the top 10, seven brands in position 11 to 20 experienced growth as shown in Figure 7 – October sales growth by brand – Top 11-20.

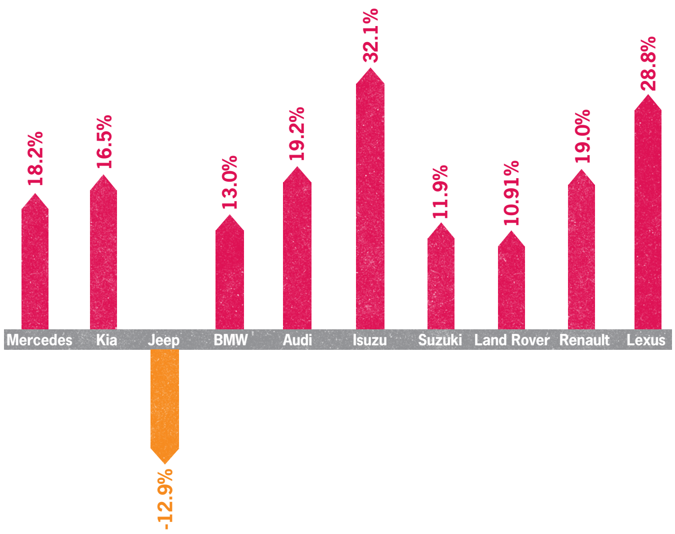
Figure 9 – CYTD sales movement by brand – Top 11-20, shows the significant increase in vehicle sales with nine manufacturers experiencing growing sales.

Figure 7 – October sales growth by brand – Top 11-20



Source: Vfacts

Figure 9 – CYTD sales movement by brand – Top 11-20

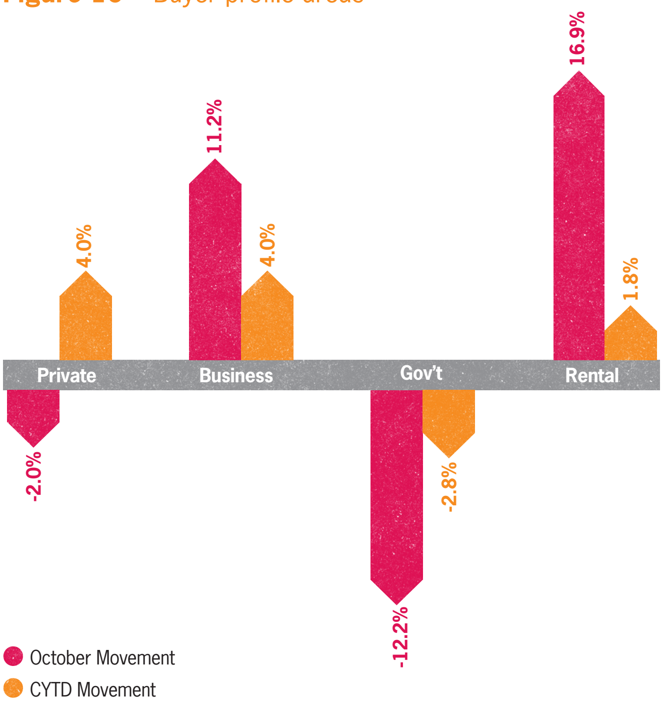


Source: Vfacts

Buyer profile

The market is broken into four key segments being private, business, government and rental. The movement in the buyer profiles for October and CYTD are detailed in Figure 10. Rental and business buyers have risen 16.9% and 11.2% respectively compared to October 2014, while private and government buyers fell 2.0% and 12.2% respectively.

Figure 10 – Buyer profile areas



Source: Vfacts

Outlined below in Table 3 is the Top 10 vehicle sales for October 2015 and CYTD by model.

Table 3 – Top 10 model sales for October 2015 and CYTD

Model		Month sales			CYTD sales		
Standing	Brand	Movement	October 2015	October 2015	Movement	2015	2014
1	Toyota Corolla	▼	3,271	3,819	▼	35,174	36,925
2	Mazda3	▼	2,582	2,928	▼	32,095	36,011
3	Hyundai i30	▲	2,669	2,475	▲	27,808	25,791
4	Holden Commodore	▲	2,243	2,210	▼	22,534	25,994
5	Toyota Hilux 4X4	▲	2,601	2,297	▼	21,080	22,848
6	Mazda CX-6	▲	2,037	1,594	▲	21,050	18,237
7	Toyota Camry (4 Cyl)	▲	2,141	1,908	▲	19,308	17,689
8	Volkswagen Golf	▼	1,705	1,755	▲	18,843	16,157
9	Ford Ranger 4x3	▲	2,083	1,940	▲	18,682	17,413
10	Mitsubishi Triton 4X4	▼	1,197	1,423	▲	17,938	14,923

For more information about Grant Thornton's Automotive Dealerships Services, contact:

National
Graham Killer, National Head of Automotive Dealerships
T +61 7 3222 0384
E graham.killer@au.gt.com

Adelaide
Dale Ryan, Partner
T +61 8 8372 6535
E dale.ryan@au.gt.com

Brisbane
Graham Killer, National Head of Automotive Dealerships
T +61 7 3222 0384
E graham.killer@au.gt.com

Cairns
Gerry Mier, Partner
T +61 7 4046 8888
E gerry.mier@au.gt.com

Melbourne
Matthew Hingeley, Partner
T +61 3 8320 2168
E matthew.hingeley@au.gt.com

Perth
Kim Hayman, Partner
T +61 8 9480 2096
E kim.hayman@au.gt.com

Sydney
Ben Matthews, Partner
T +61 2 9286 5732
E ben.matthews@au.gt.com

Grant Thornton
An instinct for growth™

www.grantthornton.com.au