



Necessity of professional UC-business for an OEM

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Agenda

Chinese and German UC-Market

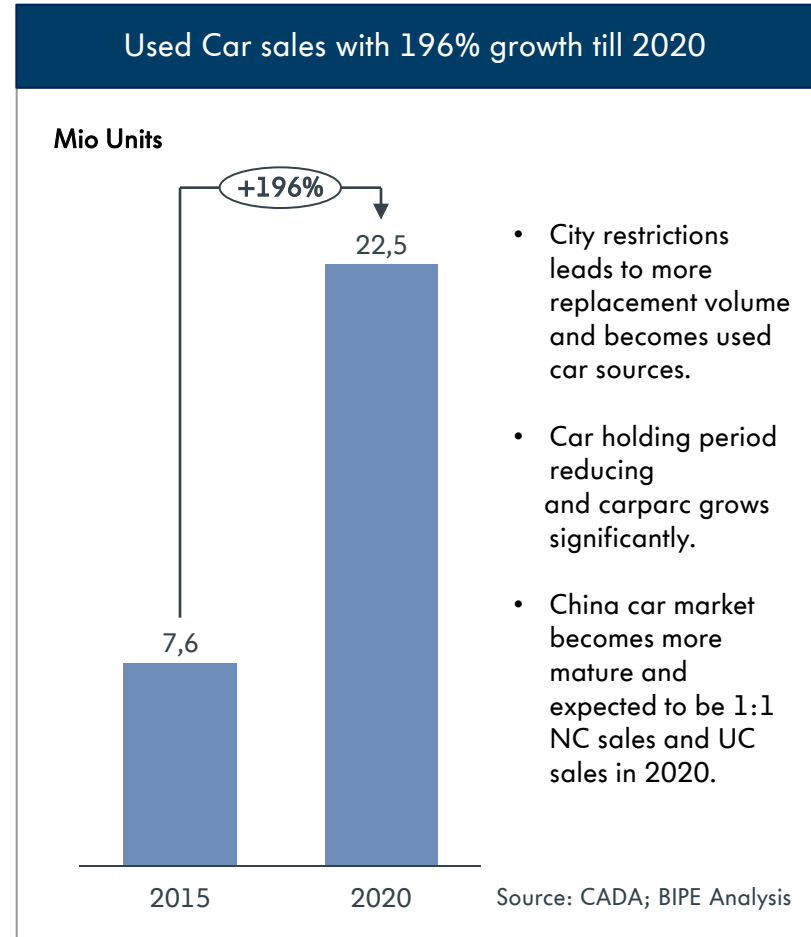
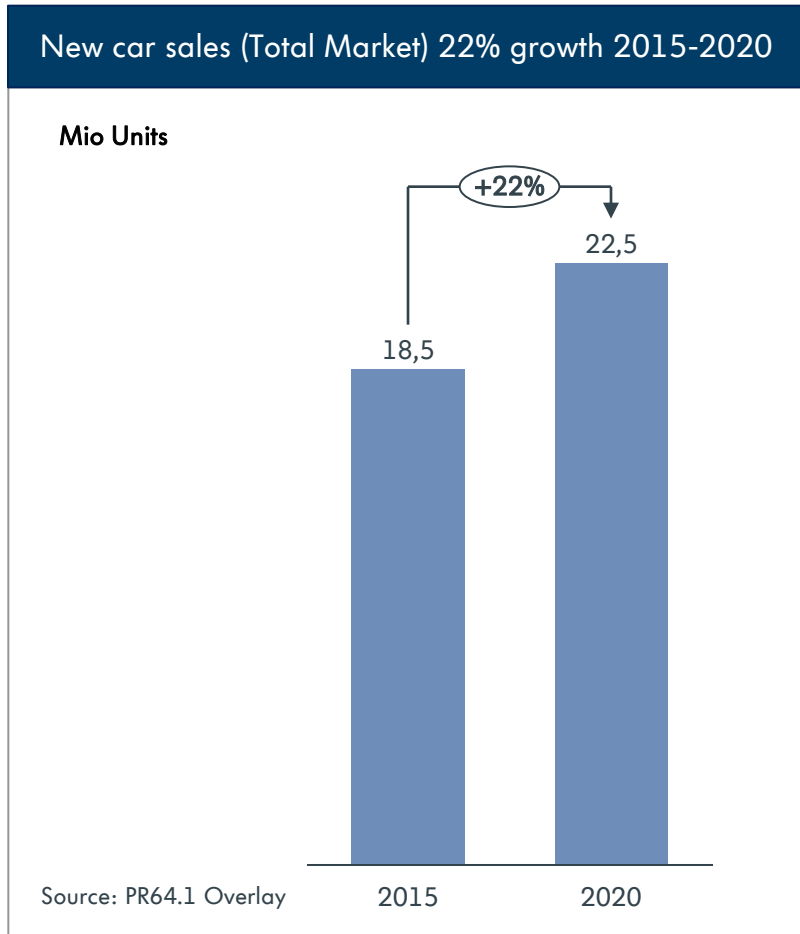
Main reasons for a growing UC-Market

Benefits and Volkswagen UC Performance

Suggestions for further improvement

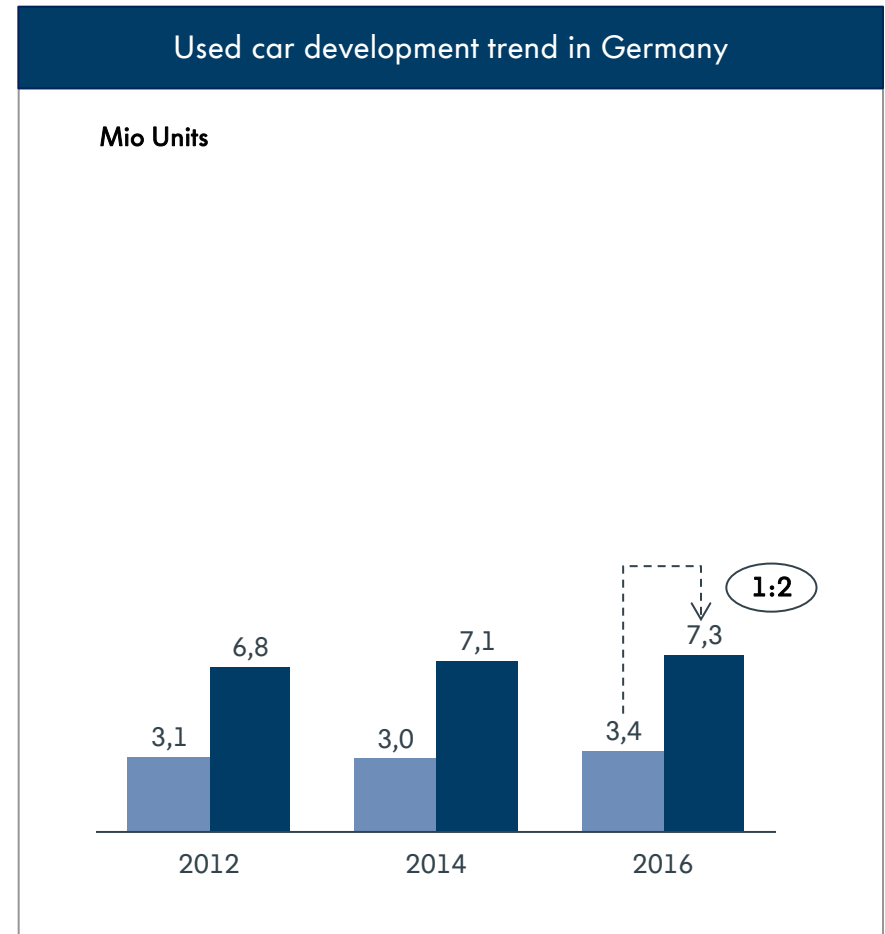


China's new car and used car sales development will be on eye-level by 2020



China vs. Germany: UC development trend; reflecting opposite NC/UC ratio

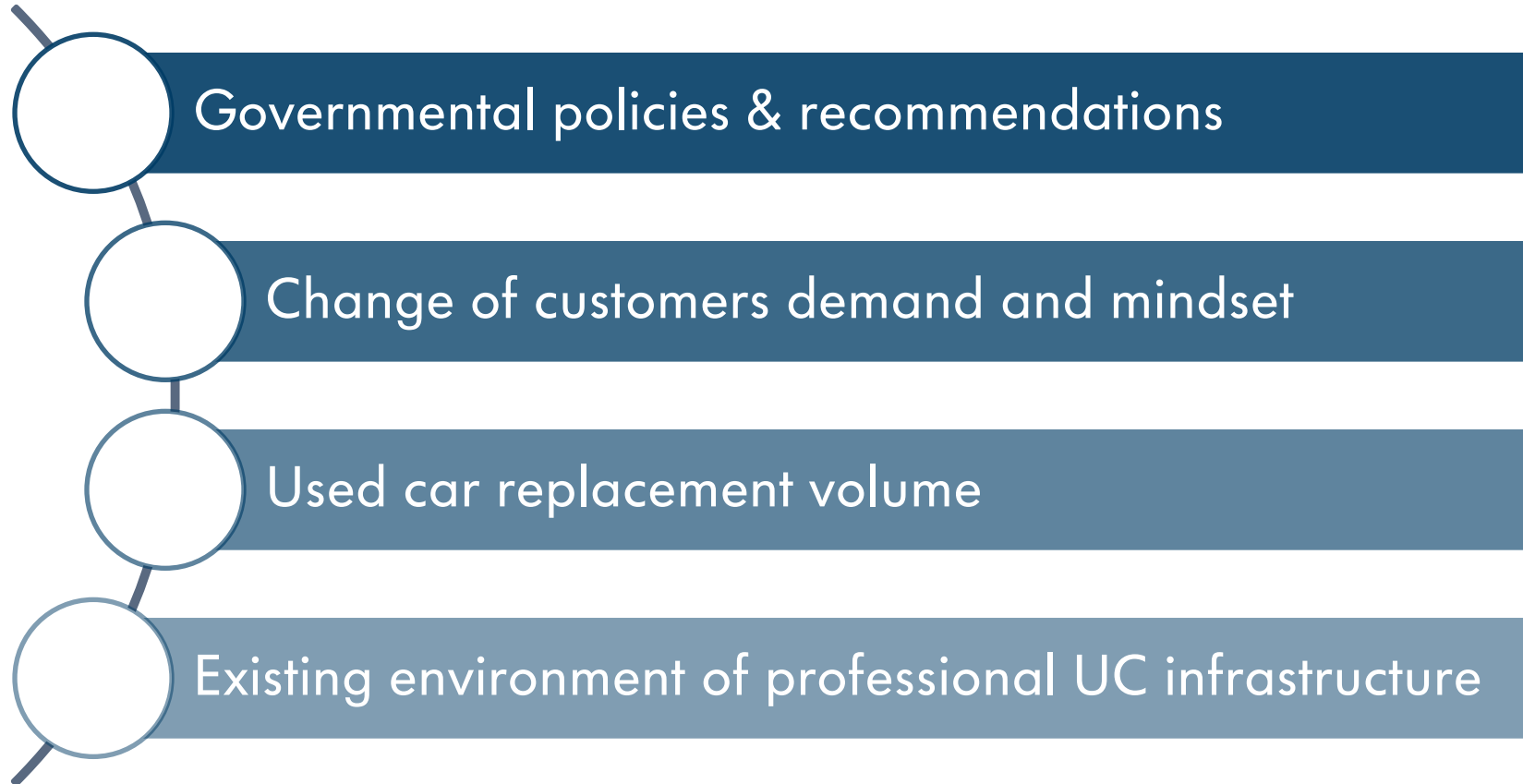
■ New car sales volume ■ Used car sales volume



Source: VGC pre-owned car



4 main reasons for significant used car sales growth over the next years



Governmental change of policies and new customer demand and thinking

Governmental policies
“Guobatiao”

- No Emission barriers
- No regional blockage
- No age limitation



Stimulation of UC Transaction (nationwide)

Change of customers demand and mindset

Consumers increasingly see used cars as a good alternative to new cars

2011 2016

Consumers' approach to used cars during last car purchase, %

Consumers' reasons for considering used cars, %



Source: McKinsey 2016 China Auto Consumer Survey

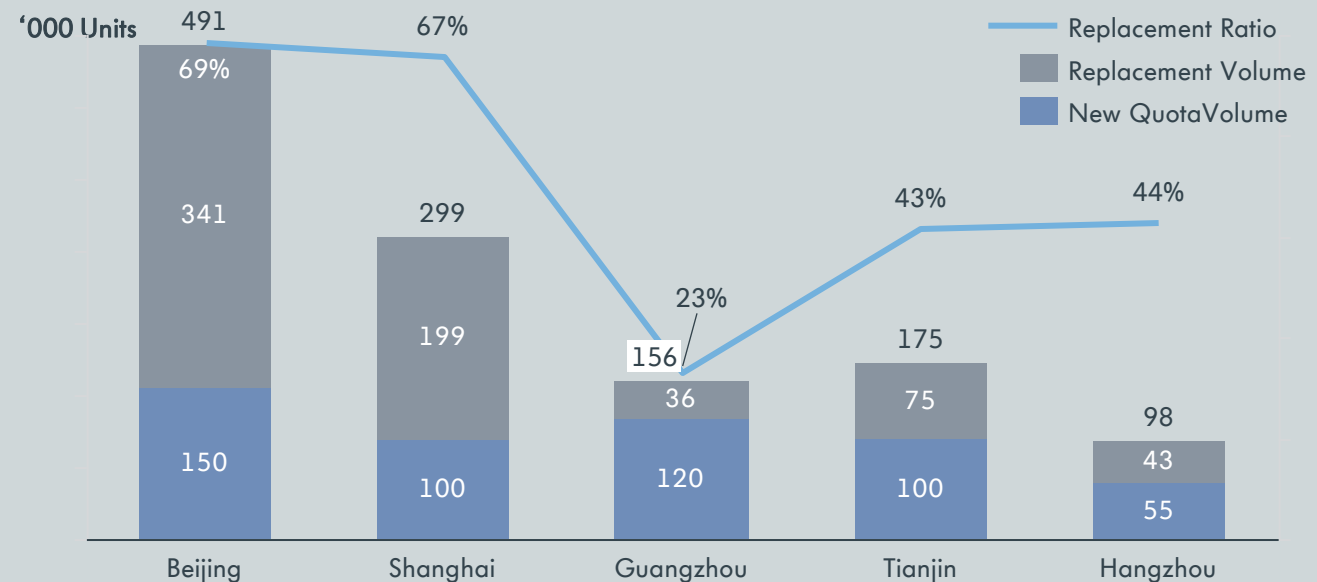


Existing, professional UC infrastructure and increasing replacement volume

Professional UC infrastructure

- Residual Values: Red Book, DAT, VW-database, etc.
- Vertical websites: 58, i-auto, autohome; Remarketing platforms: Youxin, Guazi
- Assessment/Evaluations/Training: Dekra, TUV, Cheyintong
- Transparent online-solution: Chejianding (historical damage checks)
- Wholesale/Retail/UC financing

Used Car supply increased due to great replacement volume



Source: VGC pre-owned car



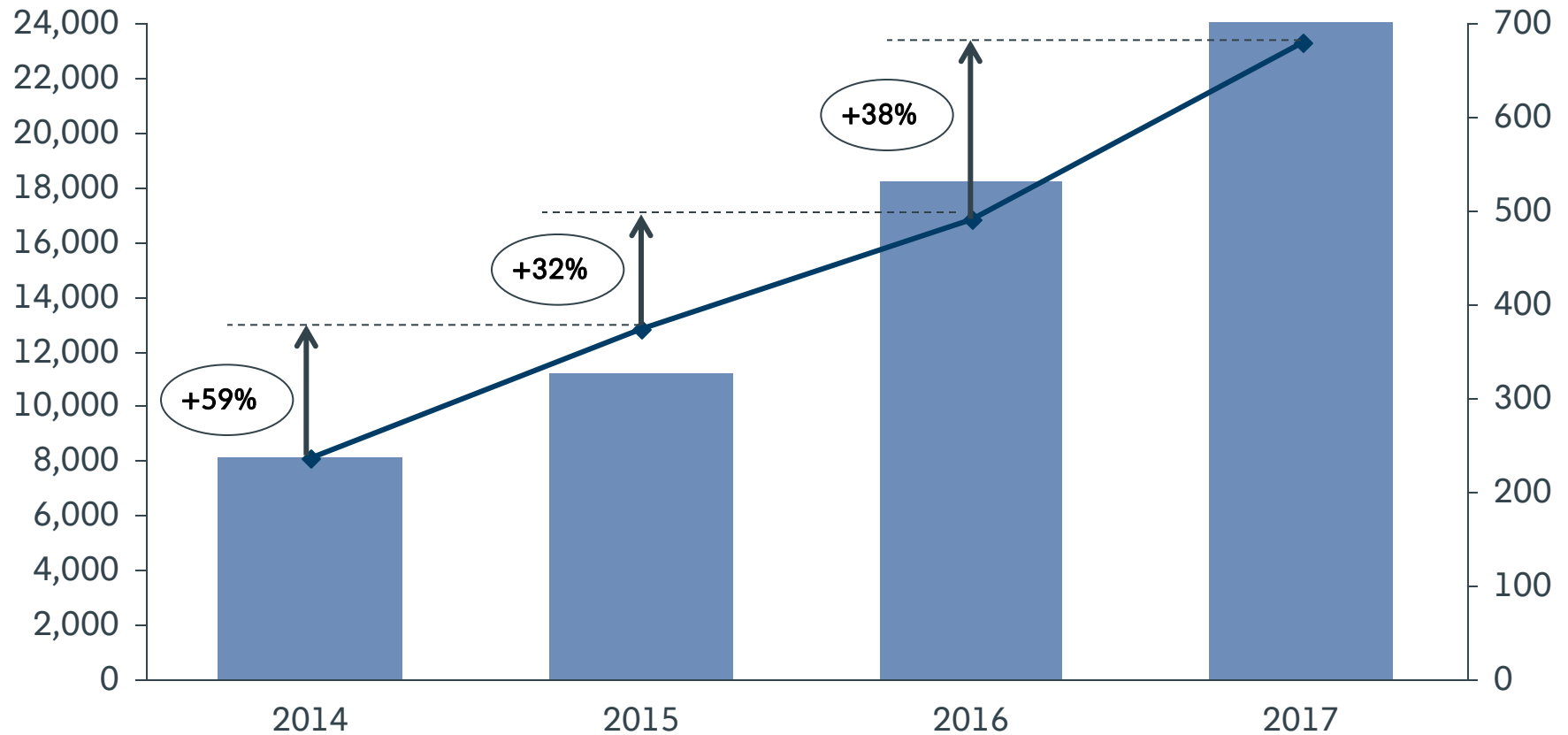
Professional, certified UC business as a market opportunity providing great benefits to an OEM

Sales/Profitability	Dealer Satisfaction	Investments/Liquidity
<ul style="list-style-type: none">• Additional sales channel generating additional profits• Avg. profit with new car only 1%• Avg. Profit with used car between 5-12%• Strengthen residual value performance	<ul style="list-style-type: none">• New customer groups• Wider range of sales tools and options for customer to offer• Additional after sales business & services• Increase of customer loyalty	<ul style="list-style-type: none">• Higher willingness to fill stock with new cars• Extending UC business with new resources and infrastructure• Enhancing their UC-scope through JV's



VW “Das WeltAuto” dealer development + certified pre-owned car sales

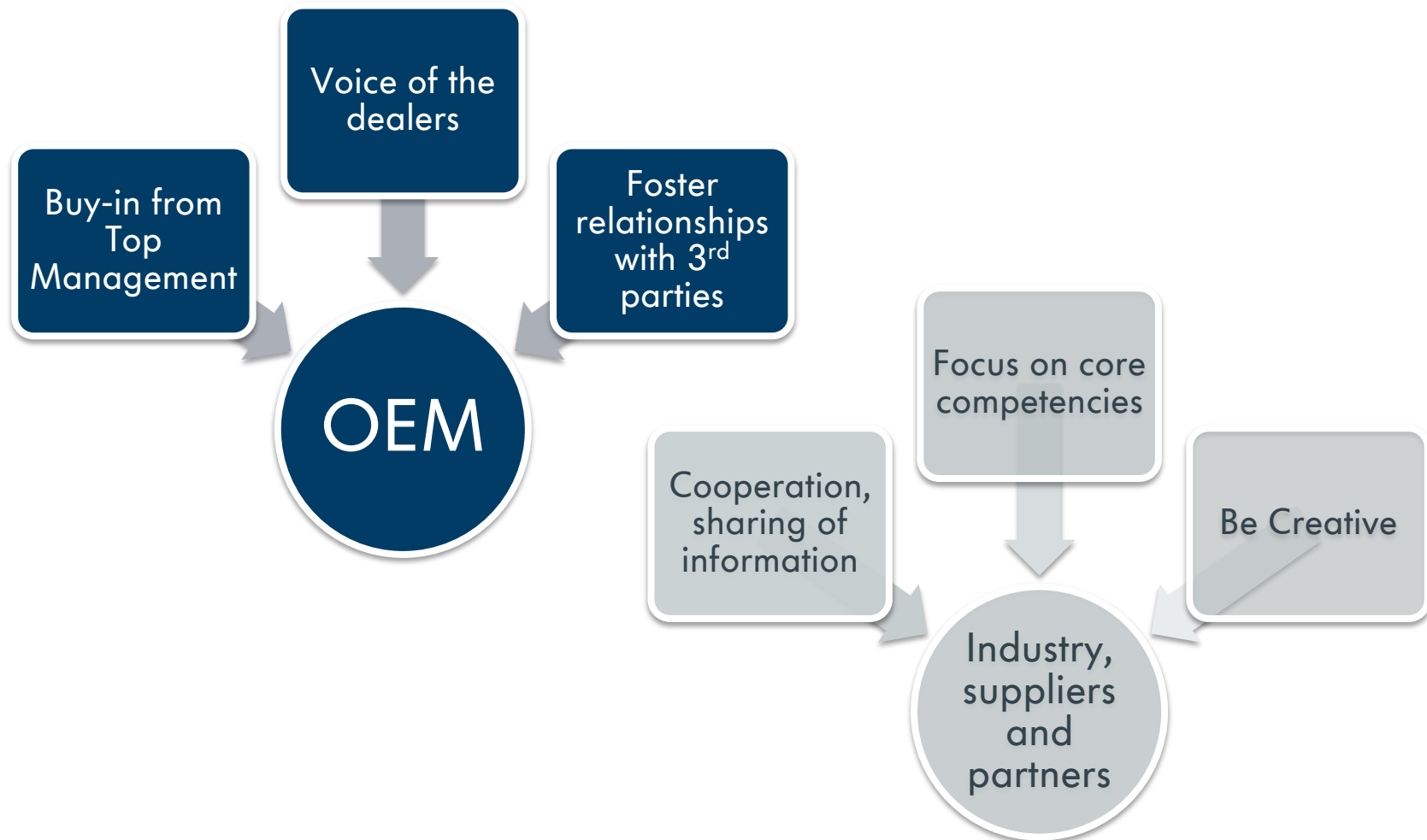
◆ DWA Dealers
■ CPO Sales



Source: VGC pre-owned car



Suggestions for further improvement and development in the UC business



新春快乐

Happy New Year

