
ASTON BARCLAY

COVID-19 CUSTOMER ADVISORY



20 March 2020

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Introduction



The rapid global spread of the COVID-19 virus is presenting unprecedented challenges to businesses, governments and communities world-wide. We would like to assure you that we, at Aston Barclay, have taken all the necessary steps to protect and safeguard the health and welfare of our people and our customers. We have now implemented comprehensive business continuity procedures, which include remote working wherever possible and very limited staff travel. Our robust IT infrastructure enables us to continue to operate in two critical ways:

- all of our business systems and functions have full remote access to the resources and services required to conduct our business, within a secure IT environment; and
- Most importantly our leading **Digital Services Offering** allows the important business of selling your vehicles to be carried out online.

We are therefore fully able to service our customers as seamlessly as possible, without any disruption at this time.

We are closely monitoring all the unfolding legal, regulatory and economic developments and have established a COVID-19 Steering Group with Board and investor oversight, to ensure we remain on the front foot in dealing with this situation. For continuing updates please log in regularly to www.astonbarclay.net.

If you have any questions or need our support, please do not hesitate to get in touch with your regular Aston Barclay contact.

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Why we are writing to you



Many of our customers have asked us what we are doing to address the developing situation of Covid-19. We are therefore setting out our views on its likely path and how we are responding as a business in order to protect and support our colleagues and business partners while continuing to provide the service our customers have come to expect from Aston Barclay.

This document sets out our position and covers:

- Our view of the developing situation;
- Our thoughts around potential business ramifications;
- Our business actions and responses to the situation; and
- The business tools which we have available to help you, our customers, in continuing to achieve your business goals.

We have considered the situation in the context of a timeline as below:



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Our thoughts around potential business ramifications



We believe that the impact of Covid-19 will follow a process which will have substantial impact on trading, but that in time business will return to normal



Trading environment:
Vendors providing cars as normal
Buyer footfall strong in sites
Conversion rates high

Trading environment:
Vendors providing cars as normal and buyers attending sites
Issues: Some fall in footfall in the lanes. Conversion rates variable
BUT
High upturn in AB DIGITAL

Trading environment: 2 potential situations – market induced and government induced changes.

1. Market induced – variability of vehicle supply, logistics chain disruption/failure and physical buyer strike
Issues and Response: Need to continue to support vendors, develop work arounds for logistics, work with buyers. Logical for both vendors and buyers to add digital solutions as this assist with any logistics issues.

2. Lockdown
Issues and Response: Need to continue to support vendors, develop work arounds for logistics, work with buyers. Logical for both vendors and buyers to add digital solutions as this assist with any logistics issues.

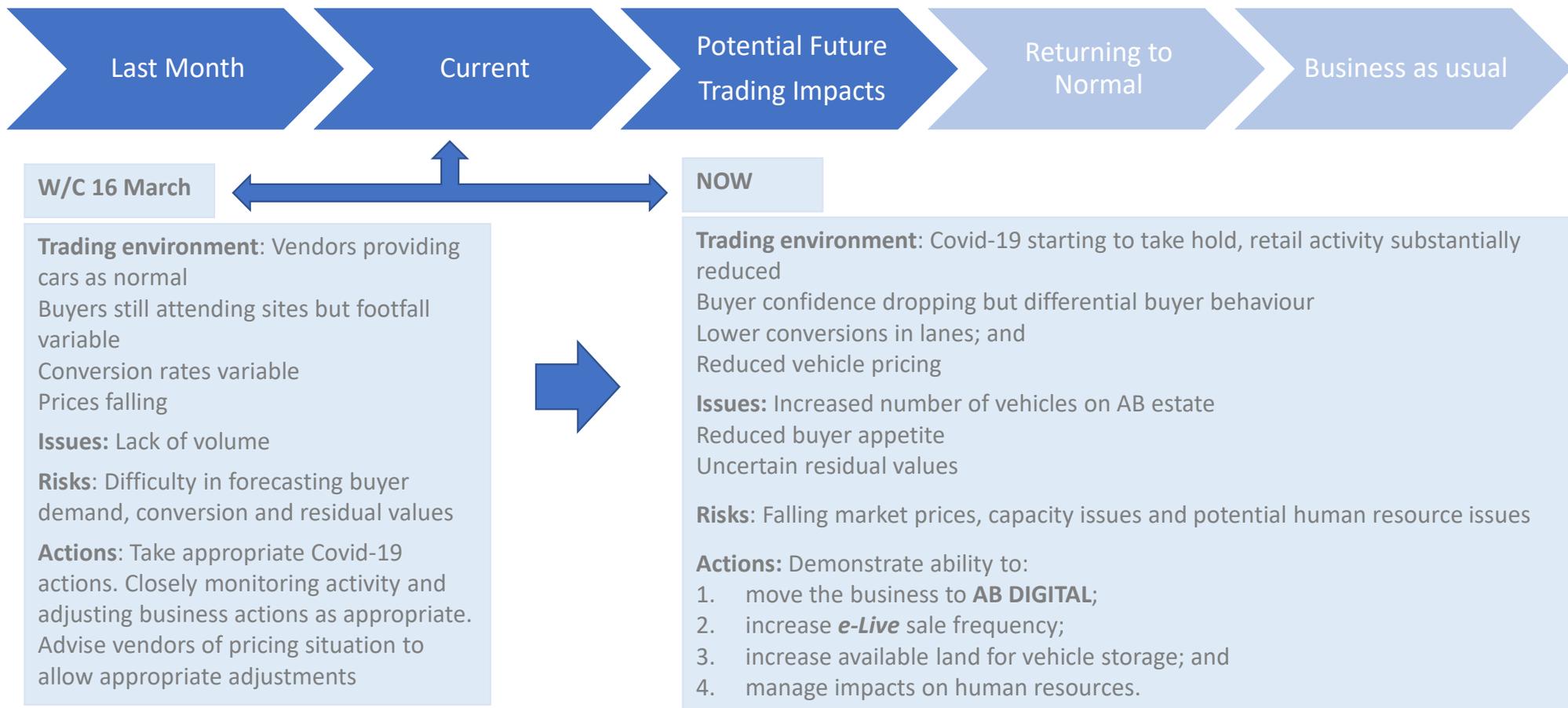
↓ ↓
AB DIGITAL links vendors and buyers online and allows logistics to be dealt with 'as available' to move vehicles

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Our view of the developing situation - 1



We believe that potential business ramifications may be as follows.



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Our view of the developing situation - 2



We believe that potential business ramifications may be as follows.



Trading environment:
 Supply chain breakdown
 Reduced Buyer demand
 Reducing Conversions
 Increased volumes as a result
 Dealers liquidating retail stock
 Additional rental volume
 No physical attendance
 Online only purchases
Issues:
 Increased vendor supply
 Decreased buyer demand
 Potential transportation limitations
 Physical storage capacity issues
 Human resource limitations

Risks:
 Uncertain residual values
 Space limitations
 Potential KPI's under SLA's delay
 Cashflow management
Actions:
 Emphasise to customers benefit/availability of unique **AB DIGITAL** online tools:
 ■ e-Valuate/e-Live/Bid & Buy Now/List Only/List & Collect
 New buyer growth
 Offering from remote locations
 Additional resource actions
 Manage transport supply chain

Trading environment: Supply chain returning
 Improving buyer demand
 Improving conversion metrics
 Work through stock volumes
 Increased transport resource
 Return to physical sales
Issues:
 Transitional issues:
 ■ Delayed return to work issues
 ■ Build up of transport resource as market improves
Risks: Delayed delivery or collections
 Resource risks
Actions:
 e-Valuate resource needs
 Increase supply chain in transport

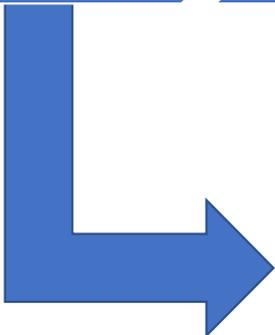
Trading environment: Supply chain back to normal
 Buyer demand good
 Conversions healthy
 Normalised volumes
 Maintain balanced **AB DIGITAL** and **AB Physical** strategy

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Our business actions and responses to the situation



GENERAL APPROACH



Immediate action to continue BAU with clear communications to Vendor and Buyer groups. Communications to focus on continued Physical processes with a recommendation for more use of technology for both Buyer and Vendor. Promote use of online buying through Virtual and use of Vendor App for vendors.

Action

- Recommend to all customers to buy/sell on line rather than attend physical sales to restrict human interaction and potential infection.
- Use technology to support remote Buying and selling but make it clear that this an option at this stage.
- Offer where possible a walk around inspection for those buyers who are new/wary of online buying.
- **Online charges for Live have been removed and are free to buyers from 18 March.**
- Should we be forced to block physical buyer attendance we are still able to operate as a physical sales process using our Virtual auction platform.

Clear internal communication for AB staff explaining operating procedures and processes including Company Guidelines and advice. Implement standard responses for customer facing staff to ensure a consistent message goes out from all elements of the business.

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Our business actions and responses to the situation



GENERAL APPROACH



In the event of restricted vehicle collections AB sites can still offer stock already onsite or can accept data transfers in different formats to remarket stock online from remote locations.

This is subject to receiving images and vehicle details from our **Evaluate appraisal** or any data from the customer directly using their existing images and condition reports where possible.

Aston Barclay's extensive range of digital tools can be utilised at all times.

- e-Live
- E-Xchange
- E-Valuate
- Bid and Buy now
- List Only
- Vendor and Buyer Apps

This will ensure we are still able to keep stock in several routes to market without having to have the stock onsite.

UNTIL OTHERWISE ADVISED, WE CONTINUE TO OPERATE BOTH PHYSICAL AND LIVE AUCTIONS PROGRAMS

In the event of restricted physical attendance to AB sites either proactively by AB or enforced we will still be able to operate a physical auction with buyer access through our online auction buying process.

This is subject to transport companies and free movement of stock in the UK we will continue to collect and receive deliveries.

Aston Barclay's extensive range of digital tools can be utilised at all times.

- e-Live
- e-Xchange
- e-Valuate
- Bid and Buy now
- List Only
- List & Collect
- Vendor calculator
- Vendor and Buyer Apps

We are advising our vendors to ensure stock is in a route to market at all times to ensure stock is liquidated in a speedy manner.

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Our business actions and responses to the situation



FLEET VENDORS



Fleet Held Stock where transport logistics compromised.
Data -- all data, images and inspections of stock held by Fleet or finance houses can be transferred electronically and sold using all **AB DIGITAL** channels.

- Option of an **e-Live Auction** subject to data feed.
- Depending on government restrictions at the time, AB staff inspect vehicles utilising **e-Valuate**; **OR**
- Your staff could be trained remotely to use our **e-Valuate** solution, allowing you to list your vehicles and upload to our Proprietary **e-Xchange Timed Auction Platform** .
- This would allow Aston Barclay to remotely manage transactions with minimal resource via the **e-Exchange Platform**.

New Digital users – We can set up , train and implement new users remotely to allow them to List vehicles on our e-Xchange timed Auction platform , Training can be on an individual or group basis using online training remotely.

UNTIL OTHERWISE ADVISED, WE CONTINUE TO OPERATE BOTH PHYSICAL AND LIVE AUCTIONS PROGRAMS

Vehicle Fleet/Finance clients – Limited vehicle movements in the UK – stock still being received into the Aston Barclay Sites

Fleet/Finance – sales opportunities

- Physical and online sales
- Increased **e-Live auctions** – selling from any location remotely
- List on our **Timed Auction Platform e-Xchange**.
- Listed on our **Bid and Buy Now platform** for an unlimited period of time.
- Utilise **List Only** and **List & Collect**

Failing this send us data in any format and Aston Barclay will work hard to remarket this stock in a platform to ensure liquidation of stock from your de-fleet or own depots.

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Our business actions and responses to the situation



MANUFACTURING VENDORS



Manufacturer Held Stock where transport logistics compromised.
Data -- all data, images and inspections of stock held by Fleet or finance houses can be transferred electronically and sold using all **AB DIGITAL** channels.

- Option of an **e-Live Auction** subject to data feed.
- Depending on government restrictions at the time, AB staff inspect vehicles utilising **e-Valuate**; **OR**
- Your staff could be trained remotely to use our **e-Valuate** solution, allowing you to list your vehicles and upload to our Proprietary **e-Xchange Timed Auction Platform** .
- This would allow Aston Barclay to remotely manage transactions with minimal resource via the **e-Exchange Platform**.

New Digital users – We can set up, train and implement new users remotely to allow them to List vehicles on our e-Xchange timed Auction platform. Training can be on an individual or group basis using online training remotely.



Vehicle Manufacturers customers – limited vehicle movements in the UK – stock still being received into the Aston Barclay Sites

Manufacturers – sales opportunities

- Physical and online sales
- Increased **e-Live auctions** – selling from any location remotely
- List on our **Timed Auction Platform e-Xchange**.
- Listed on our **Bid and Buy Now platform** for an unlimited period of time.
- Utilise **List Only** and **List & Collect**

Failing this send us data in any format and Aston Barclay will work hard to remarket this stock in a platform to ensure liquidation of stock from your de-fleet or own depots.

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Our business actions and responses to the situation



DEALER VENDORS



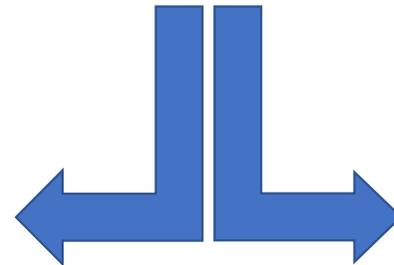
Dealer Held Stock where transport logistics compromised.

- Dealer appraises his stock using *e-Valuate* and can manage and list vehicles into the *Timed Auction Platform e-Xchange*
- **List Only** - dealer can choose to list the vehicle and manage the transaction and collection directly with the buyer and AB will invoice buyer and vendor fees remotely
- For existing digital customers it is **Business as Usual - List & Collect** business can as appropriate switch to **List Only**

For New Digital users

We can set up, train and implement new **AB DIGITAL** users remotely, allowing you to list vehicles on *our e-Xchange Timed Auction Platform*. Training can be completed online

Field team available to assist customers subject to Government restrictions – you are one phone call away from assistance



UNTIL OTHERWISE ADVISED, WE CONTINUE TO OPERATE BOTH PHYSICAL AND LIVE AUCTIONS PROGRAMS

Dealer Solution – Should transport become limited within the UK & AB sites still open

Where stock already processed and on site, or within Aston Barclay inventory, stock can be offered and managed remotely by AB via:

- Physical and online sales
- In an *e-Live Auction*
- **List Only** and **List & Collect** on our *Timed Auction Platform e-Xchange*.
- Listed on our *Bid and Buy Now platform* for an unlimited period of time .

Failing this send us data in any format and Aston Barclay will work hard to remarket this stock in a platform to ensure liquidation of stock from your de-fleet or own depots.

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Our business tools to help you in your business

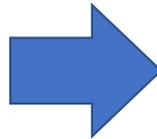


Lets take the DIGITAL journey with AB DIGITAL

Aston Barclay's extensive range of digital tools can be utilised at all times.

- e-Live
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We are advising our vendors to ensure stock is in a route to market at all times to ensure stock is liquidated in a speedy manner.



This how you can use AB DIGITAL to help your business

- **Increased frequency of vehicle offering**
- **Offer vehicles through multiple channels**
- **Keep stock permanently in a route to market**
- **Offer stock remotely from customers premises**
- **Continue to offer stock during restricted period**
- **Ensure your cashflow continues**
- **Develop a Digital strategy that maintains business continuity.**

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Summary



Lets work together to get to back to business as usual



Trading environment:

Utilise additional online channels

- **e-Live**
- **Bid and Buy Now**
- **e-Xchange**
- **List & Collect**
- **List only**

Ensure that stock is permanently in a route to market

Keep up to date with the market

React to the market where possible

Ensure cashflow continues

Enabling business continuity during COVID19 period

e-Live – Remote sequentially ‘lotted’ auction utilising Auctioneer audio and video to market stock in a remote sale environment.

Bid and Buy Now – Stock physically held by AB marketed to buyers with bidding and buy now options in market for an unlimited period of time.

e-Xchange – timed auction platform for a period of time listing remote vehicles to the entire network of the buying community with options to:

- **List & Collect** – where possible
- **List Only** – if transport is restricted

Continue to utilise the Digital strategy to maximise remarketing routes permanently once the business returns to normality.

Utilise products to ensure the transition during the return to normal stage

We are working on exciting marketing plans to get us all back to normal as quickly as possible