

BREEZE-UP SALES: TALKING POINTS

Breeze-Up Consignors Association

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Breeze-Up & Yearling Sales Graduates Compared

Ratings Progression Comparison

It's a popular misconception that breeze-up sales graduates are different from graduates from the yearling sales. Figure 1 below shows the median Racing Post Rating (RPR) achieved by breeze-up and yearling sales graduates on debut and by the end of their 2yo & 3yo racing careers. We can see that:

- They perform similarly on debut
- They progress at much the same rate
- They reach much the same level of ability

Ratings Progression: Breeze-Up and Yearling Sales Graduates

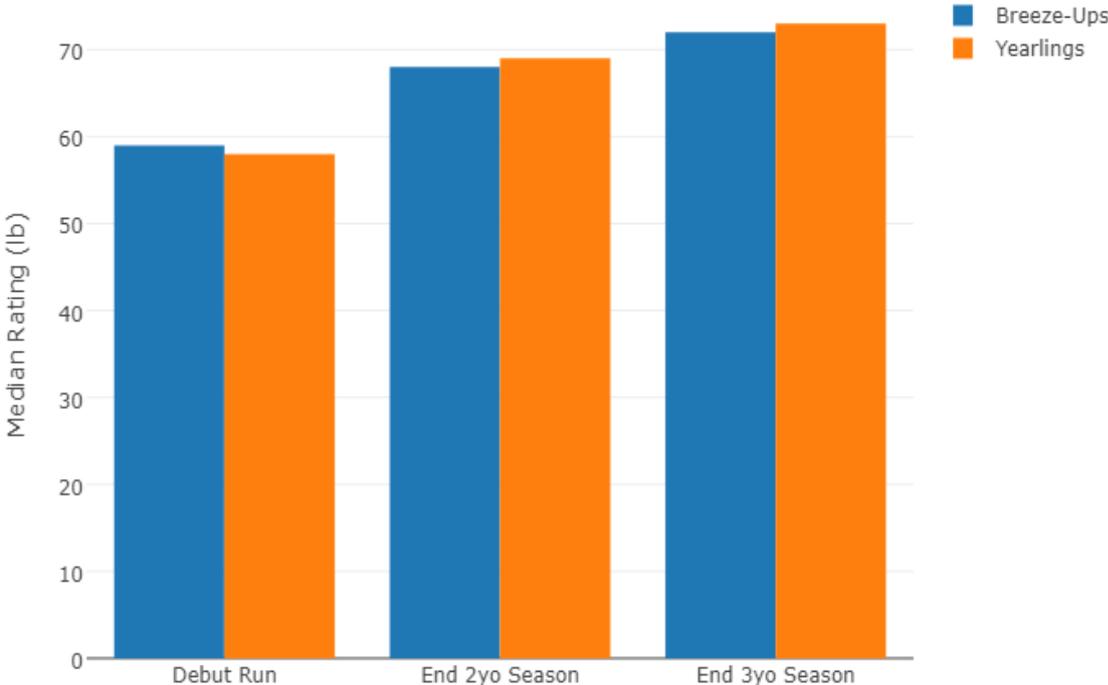


Figure 1: Ratings on Debut, End 2yo & End 3yo Season

Win Rate Comparison

If we consider winners to runners from each type of sale, there is a similar picture. In Figure 2 below winners/runners is shown for 2yo and for 3yo. We can see that:

- **There is a similar rate of winners/runners for 2yo & 3yo sales graduates from breeze-ups & yearling sales**
- **Breeze-up graduates are as successful as 2yo AND as 3yo**

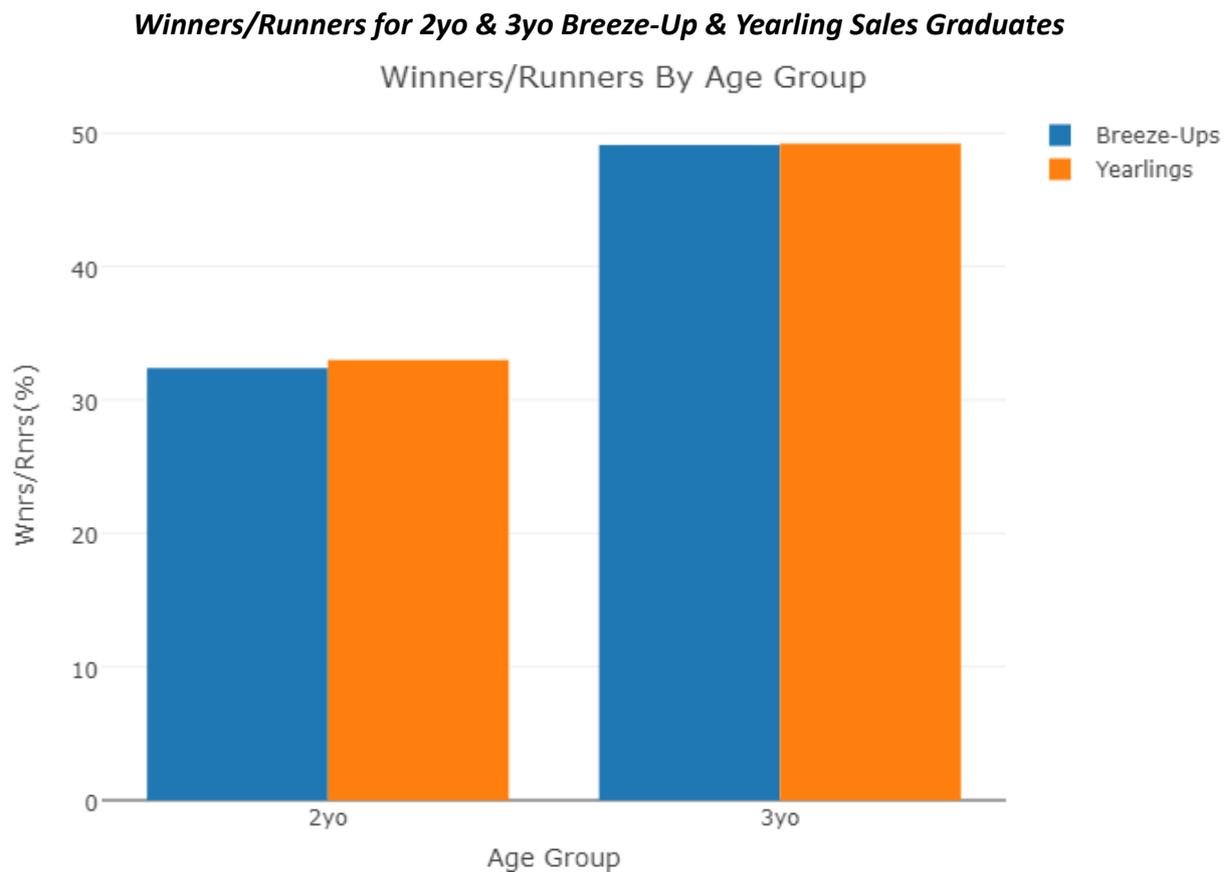


Figure 2: Winners/Runners at 2yo & 3yo

Longevity Comparison

How about longevity? Do breeze-up horses race as often as yearling sales graduates? In Figure 3 below we can see there is no difference:

- **Breeze-Up horses run just as often as yearling sales graduates**

Breeze-Up & Yearling Sales Graduates: Runs Per Horse

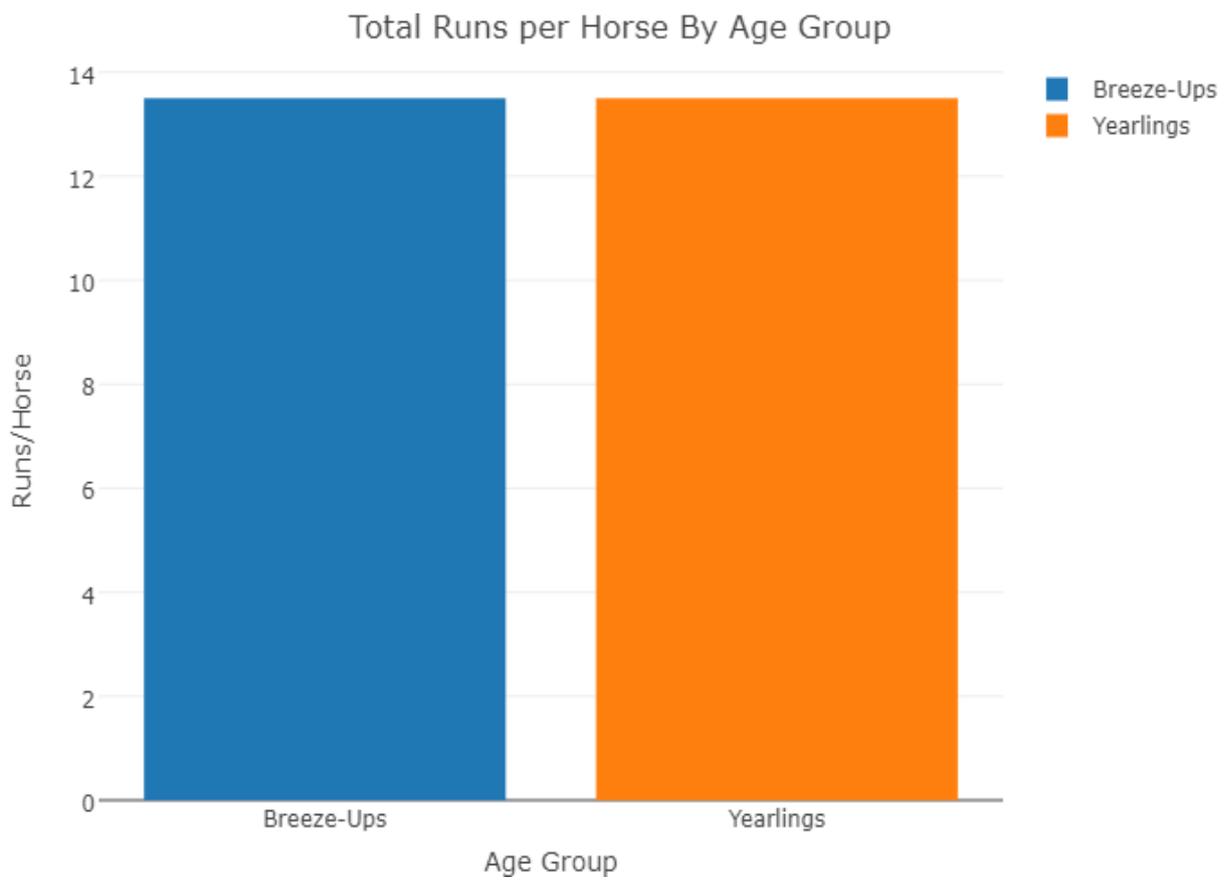


Figure 3: Runs Per Horse By Sales Type

What Drives Sales Prices At The Breeze-Ups?

Is it all about time? Does clocking a fast time guarantee a big sales price? Are considerations of pedigree and confirmation ignored? The majority of breeze-up sales graduates went through the ring as yearlings, less than twelve months before their re-appearance as at the breeze-up sales. Pedigree and confirmation are vital considerations in prices paid for yearlings. How do previous prices compare with sales prices at the breeze-ups? We can see this relationship in Figure 4 below, aggregated by breeze-up consignor. The area of each dot is proportional to the number of horses sold. There is a very strong relationship between previous prices paid and sales prices achieved at the breeze-ups. Since pedigree and confirmation are important at the yearling sales, it must be the case that:

Pedigree & confirmation are important drivers of sales prices at the breeze-ups.

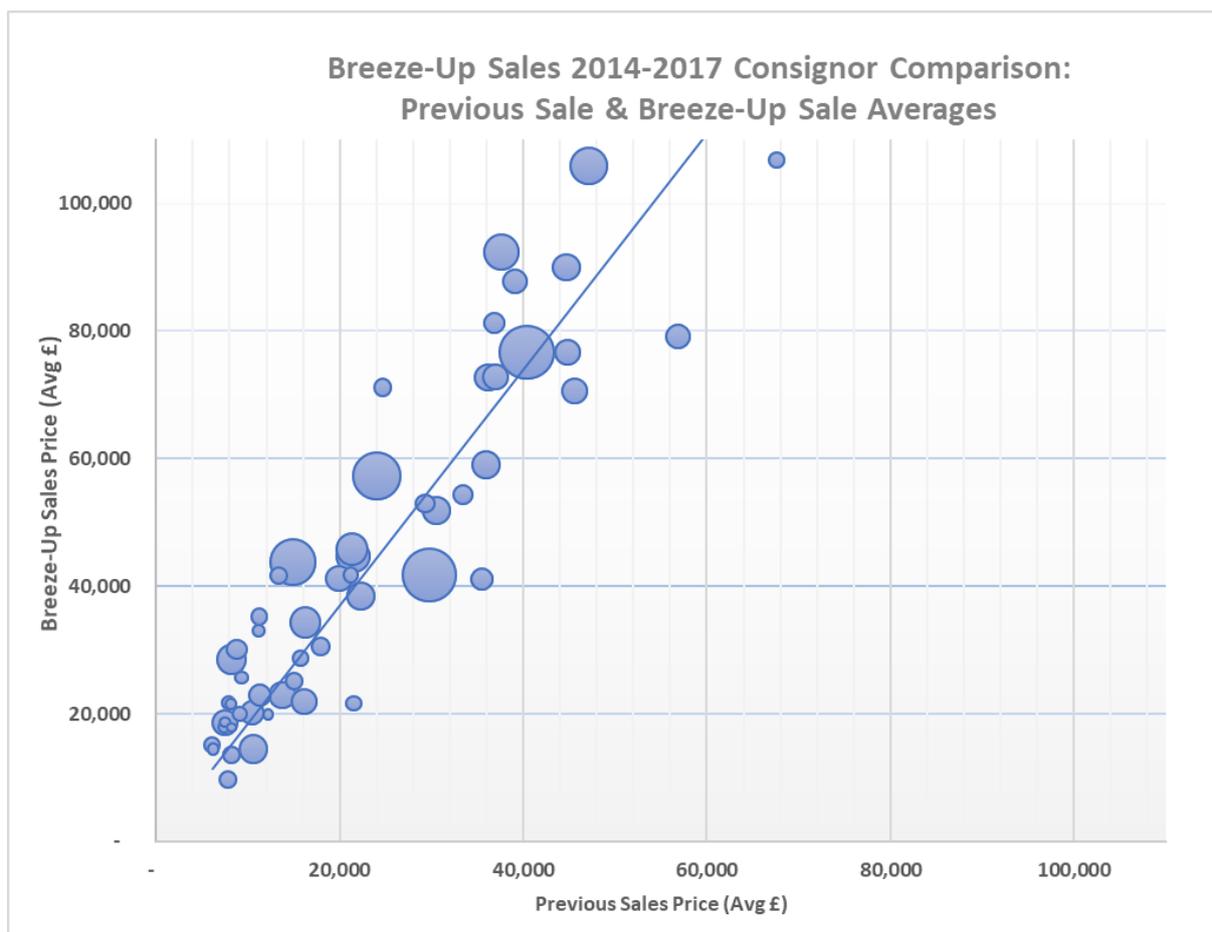


Figure 4: Previous & Breeze-Up Sales Prices By Consignor

How intelligent in the market in assessing the importance of breeze times? We can assess this using information from the 2013-16 breeze-up sales seasons. Consider two groups, the first is fast breezers that became lowly rated racehorses, the second is slow breezers that went on to be highly rated. In Table 1 below the median prices paid for each group is shown.

Slow breezers that went on to be highly rated sold for more money than fast breezers that became lowly rated. Breeze-up buyers were able to look past fast breeze times and assess subsequent ability. The market is smart!

Breeze Sales Seasons 2013 - 2016	Max OR	Min OR	Median Price £
Fast But Lowly Rated	65	15	33,600
Slow But Highly Rated	116	90	38,325

Table 1: Breeze times and subsequent ability