

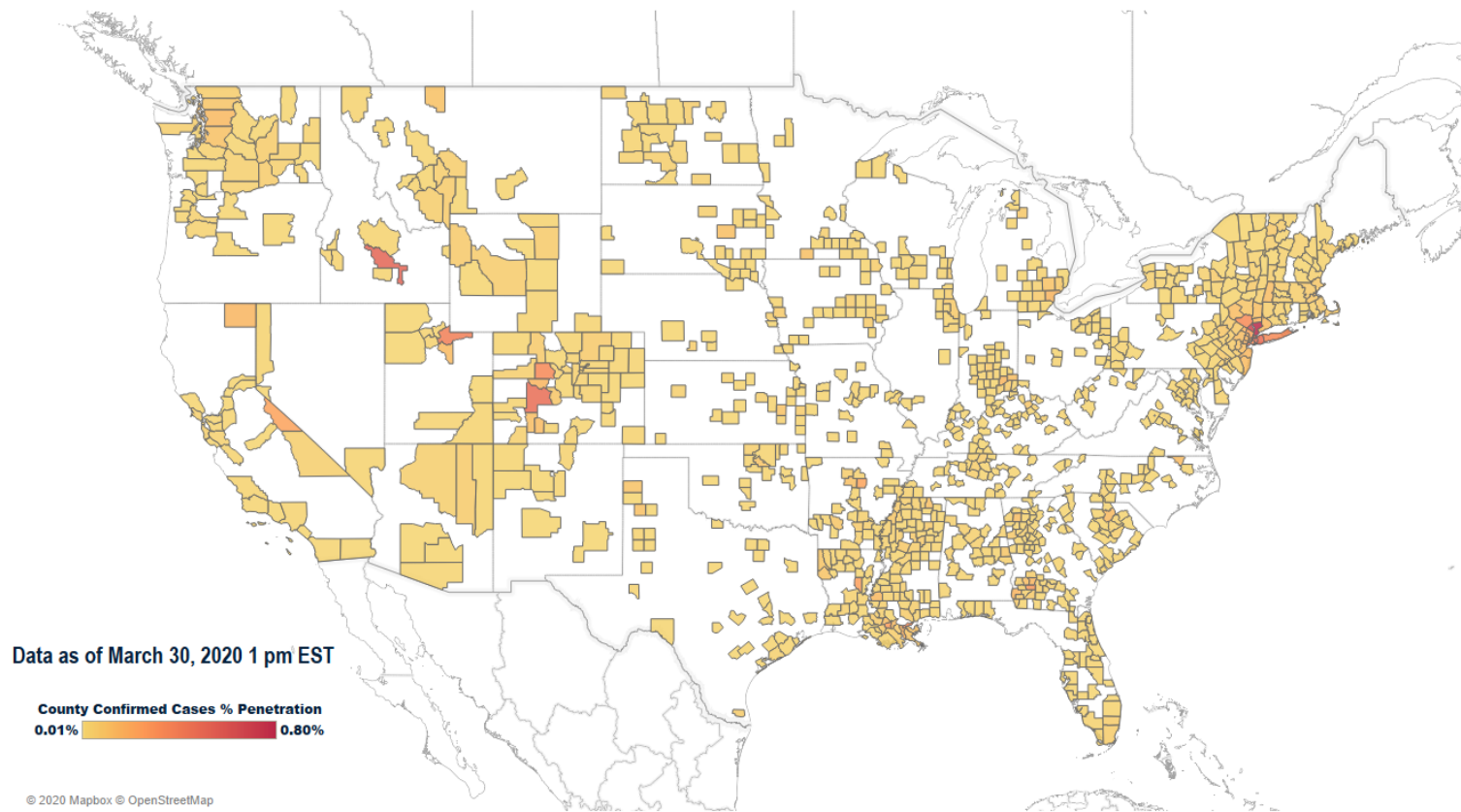


# COVID-19 Market Update

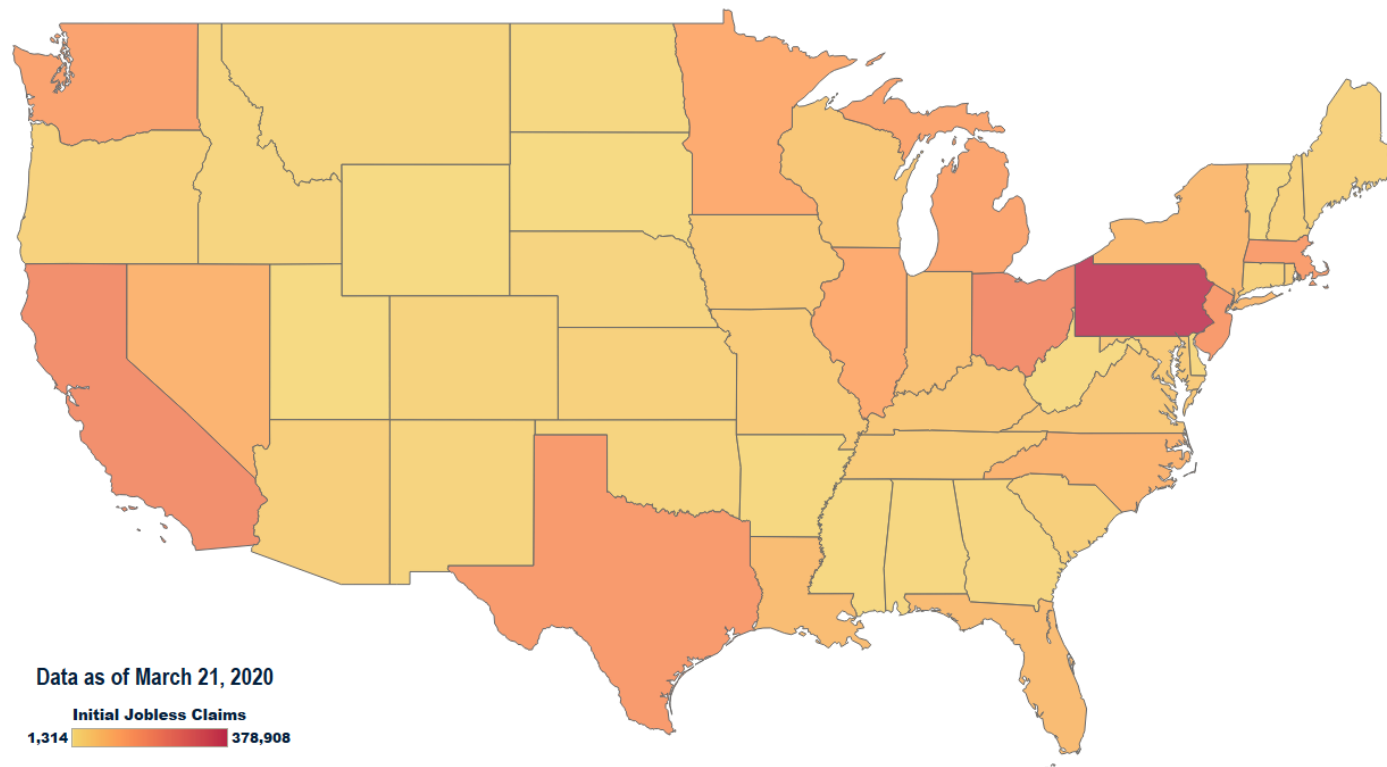
Economic & Industry Insights Team

 COX AUTOMOTIVE 

## COVID-19 STATE IMPACT VARIES PER COUNTY (CASES AND PER CAPITA CONCENTRATION)



## WEEKLY INITIAL CLAIMS HIT RECORD LEVELS



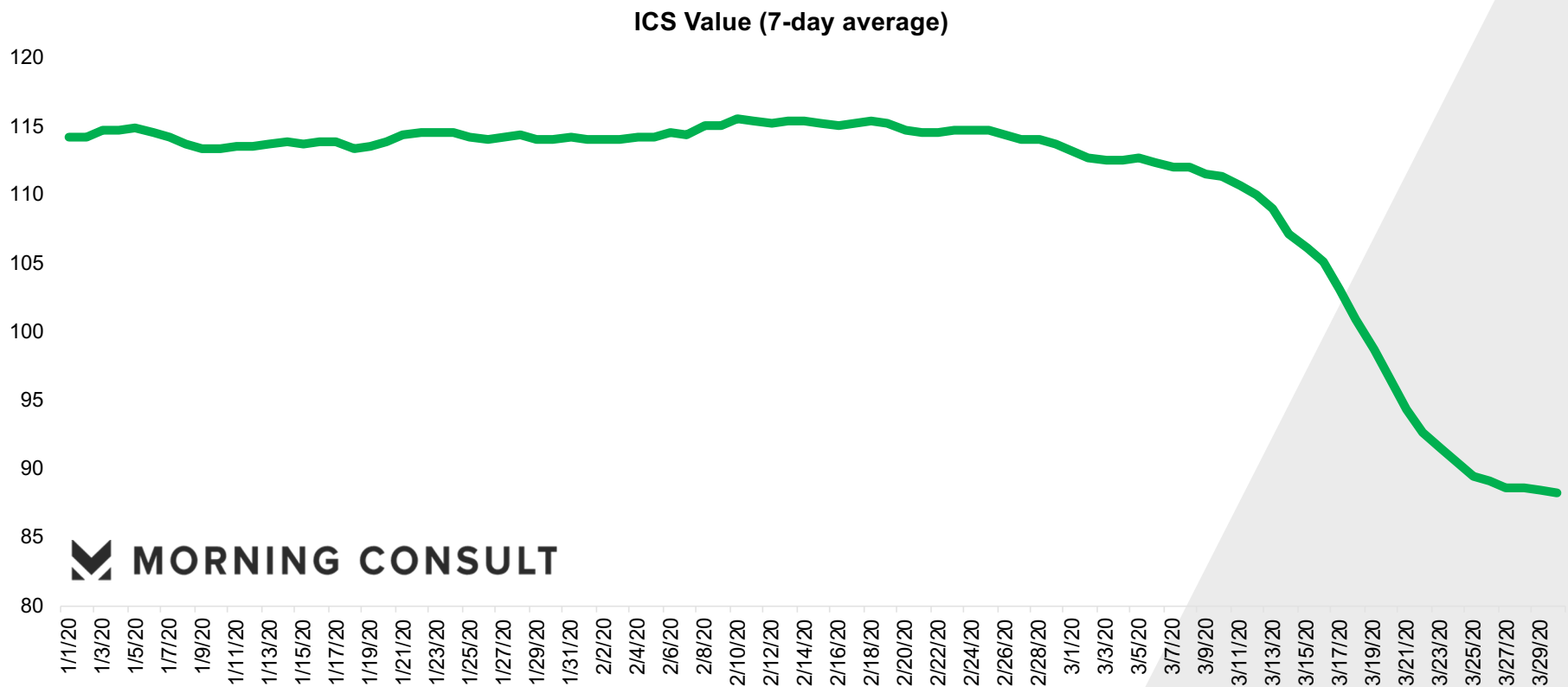
Data as of March 21, 2020

Initial Jobless Claims  
1,314 378,908

© 2020 Mapbox © OpenStreetMap

## CONSUMER SENTIMENT PEAKED IN FEBRUARY, DECLINED STEEPLY IN MARCH

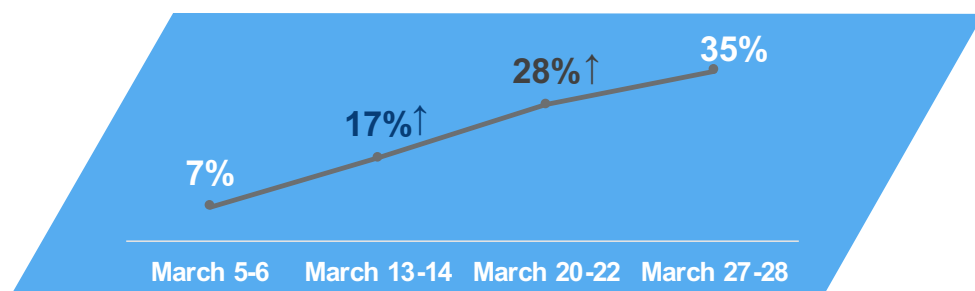
Morning Consult's Index of Consumer Sentiment on Monday was down 22% since March 1



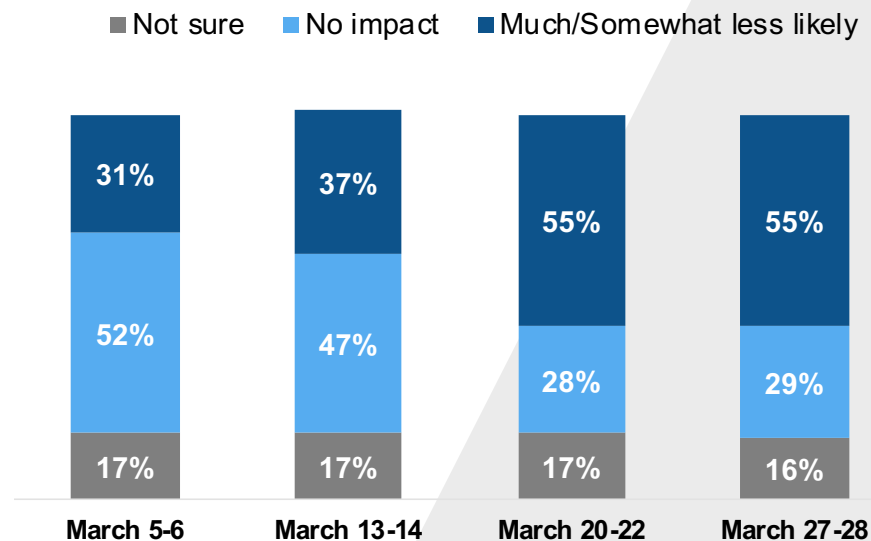


## 1/3 OF SHOPPERS NOW ANTICIPATE VEHICLE PURCHASE **DELAY**; MAJORITY LOOKING FOR ALTERNATIVES TO AVOID VISITING DEALERSHIPS IN-PERSON

### Delaying Vehicle Purchase/Lease\*



### Impact on Likelihood to Visit the Dealership\*



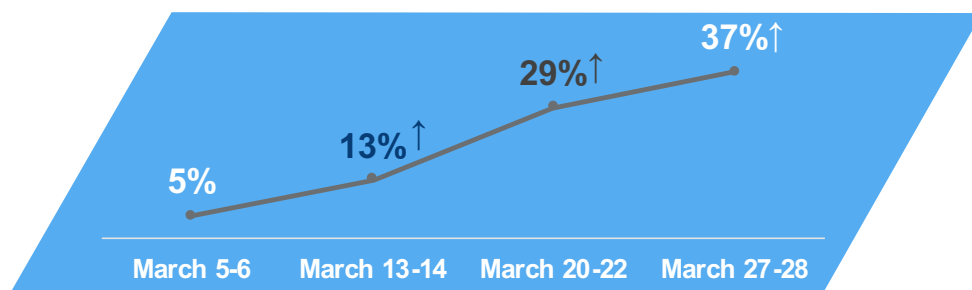
Q10. Have you done, or do you think you will do any of the following because of the coronavirus? \*Note: Added "have done" in Wave 4  
Q15. How, if at all, would the spread of coronavirus impact your likelihood to visit a car dealership in-person?.

\*Among 6-month auto intenders

## OVER 1/3 OF OWNERS ARE NOW LOOKING TO DELAY VEHICLE SERVICE OR MAINTENANCE

### Delay Vehicle Service/Repair

(% consumers that said "Yes")



### Top Reasons for Delaying Service

(among those who would delay)

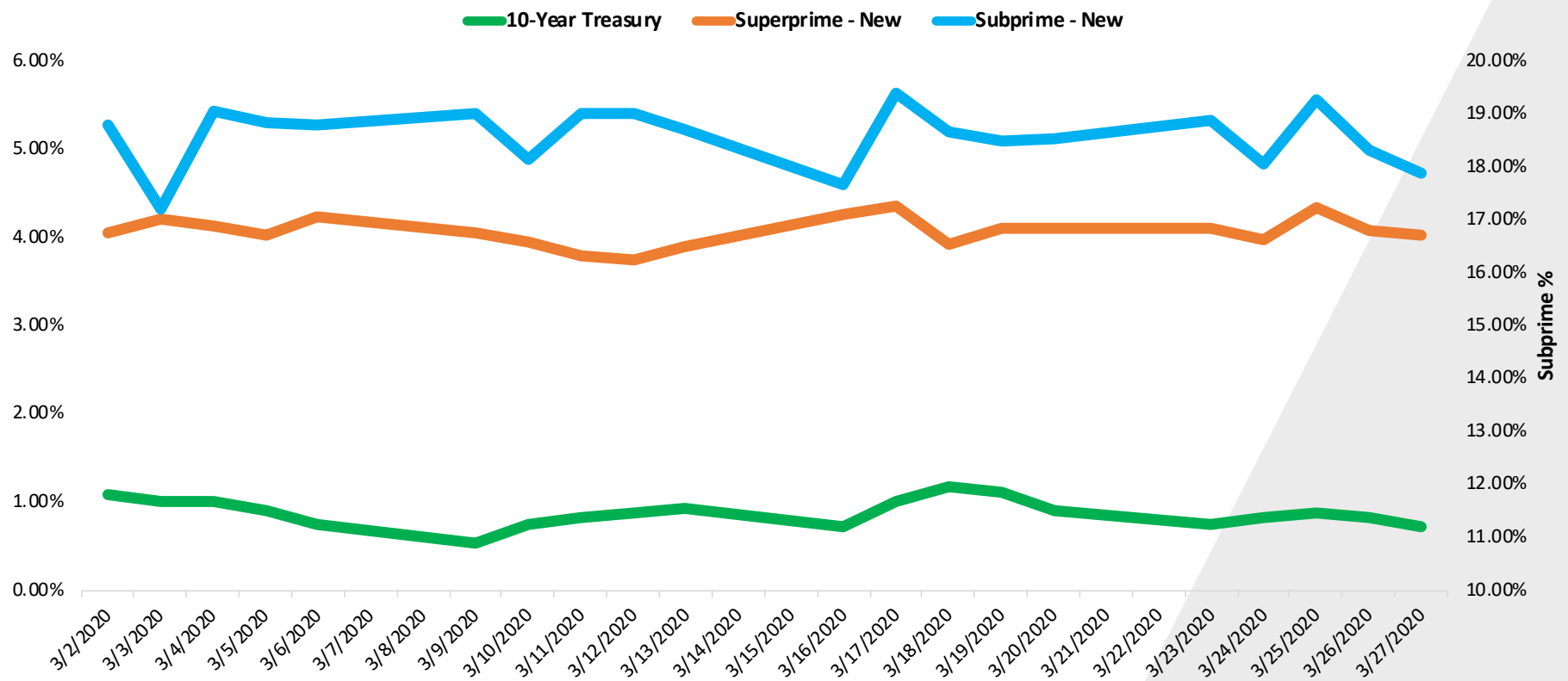
- 65%** Prefer to stay home/under quarantine
- 62%** Concerned about having contact with staff/other people
- 34%** Concerned about the cost/my financial situation
- 19%** Preferred using service location that is not open for business

Q10. Do you think you will do any of the following over the next few months because of the coronavirus? \*Note: Added "have done" in Wave 4  
Q18a. You said you have delayed or may delay taking your vehicle in for service/maintenance. What makes you say that?

\*Among vehicle owners

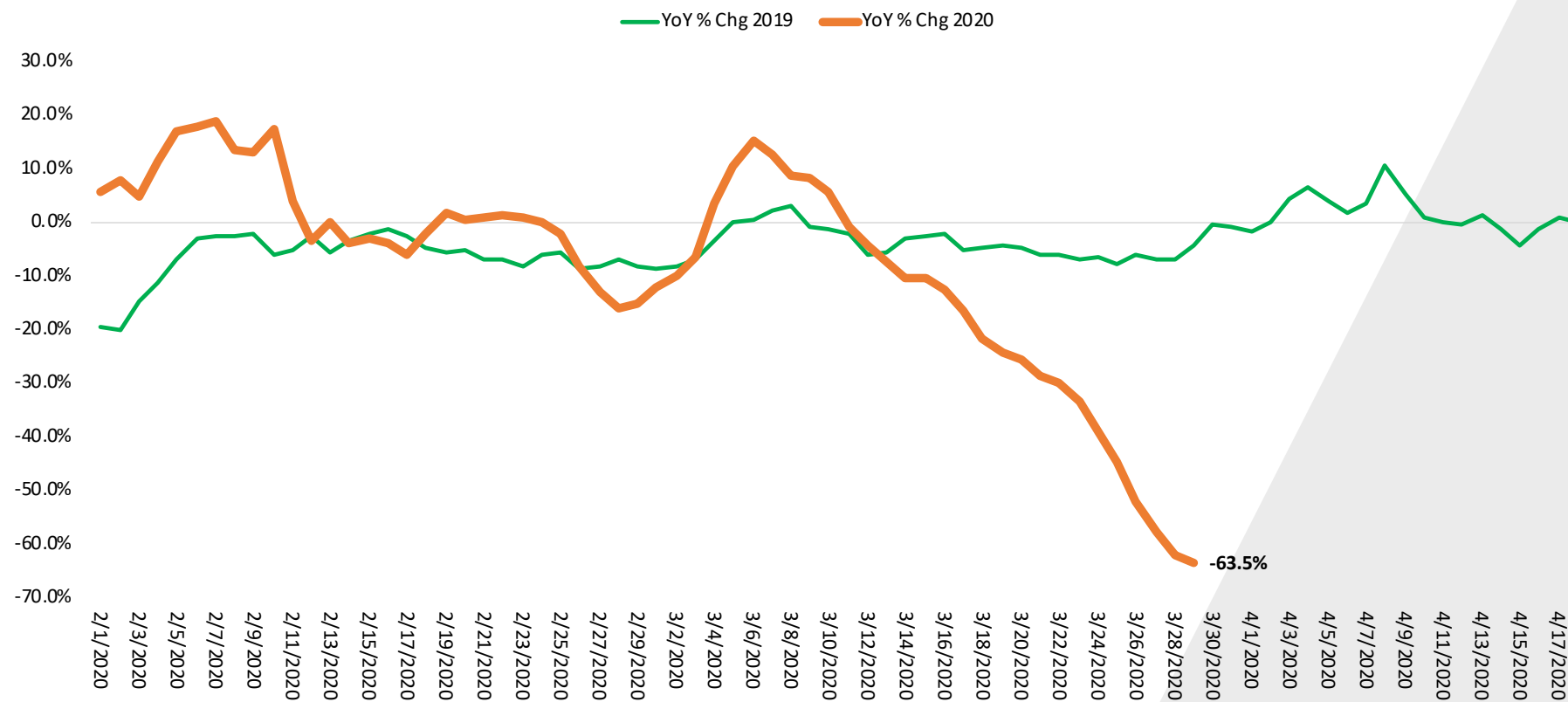
## INTEREST RATES HAVE BEEN VOLATILE BUT NOT CONSISTENTLY LOWER

Average auto loan not reflecting big decline in rates



## RETAIL TREND ESTIMATE - NEW

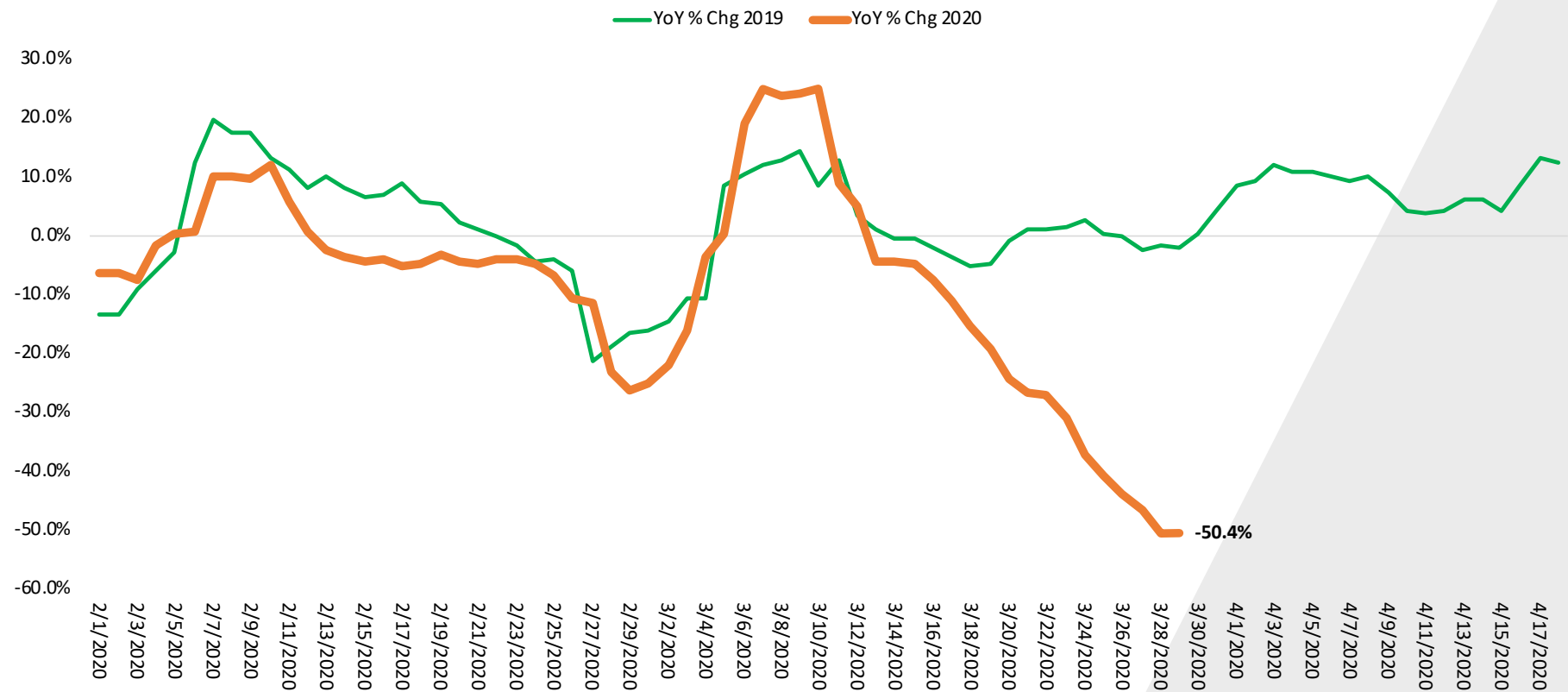
DAILY NEW RETAIL % CHG YoY vs SAME DAY OF WEEK





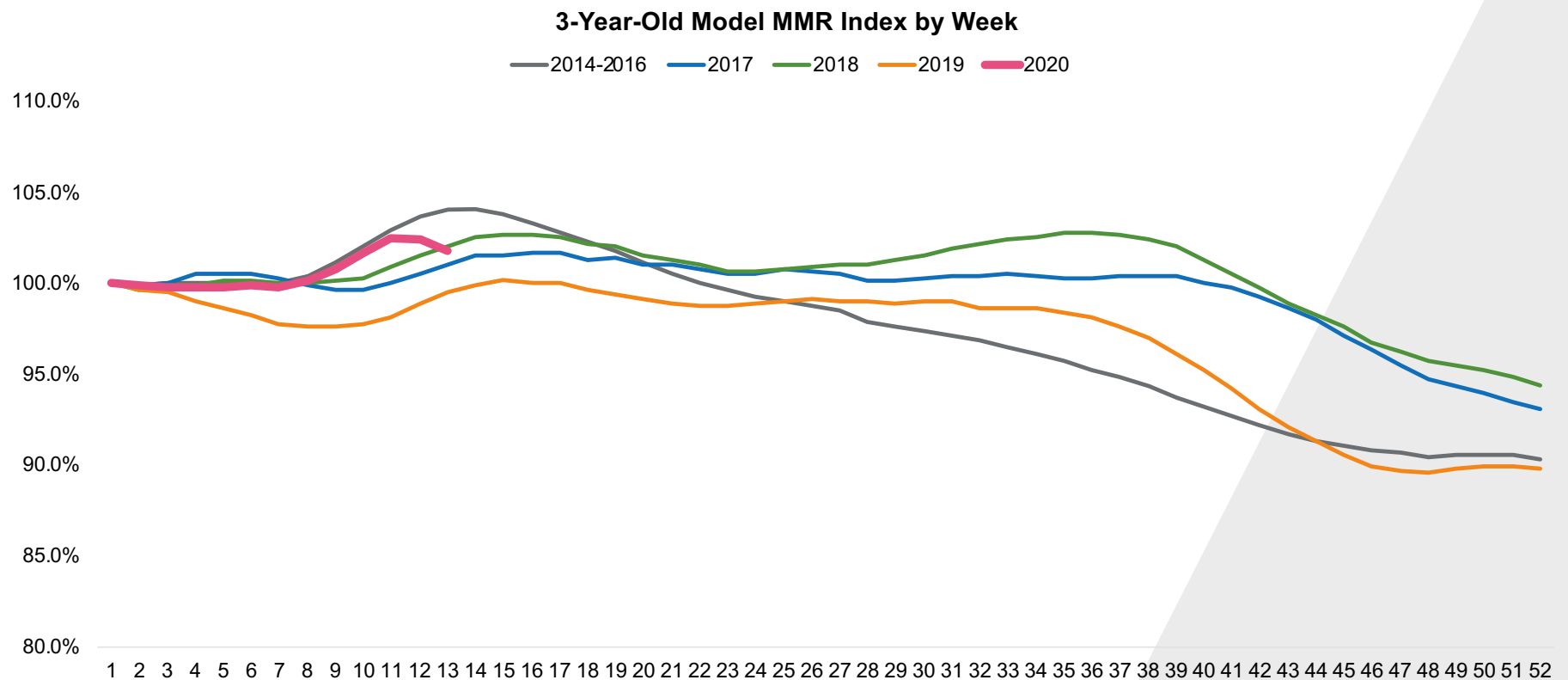
## RETAIL TREND ESTIMATE - USED

DAILY USED RETAIL % CHG YoY vs SAME DAY OF WEEK



## 2020 WEEKLY PRICE TREND CONTINUES DOWNWARD CHANGE

Stable beginning of 2020 and strong start of spring bounce; week 11 was the peak, and prices fell 0.6% in aggregate last week



## LEADING INDICATORS AND OUTLOOK

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Shopping took a big hit two weeks ago but started to improve in the middle of last week. Autotrader and Kelley Blue Book saw key traffic metrics improve this past weekend over the prior weekend. Dealer.com saw continued deceleration in traffic is now almost recovered in New Vehicle Detail Page Views.

Shoppers are returning and looking at cars, and new vehicle incentives are working!

Same-store unique credit applications were down 57% y/y last week; trending has been getting worse.

The impact of the immediate downturn will see vehicle sales fall over the next few months but could recover later in the year. The impact of the immediate downturn will see new vehicle sales fall below 16 million in 2020 and used fall below 38 million. If the shutdowns last longer, new vehicle sales could fall to 14 million or less for the full year and used could fall to 36 million.

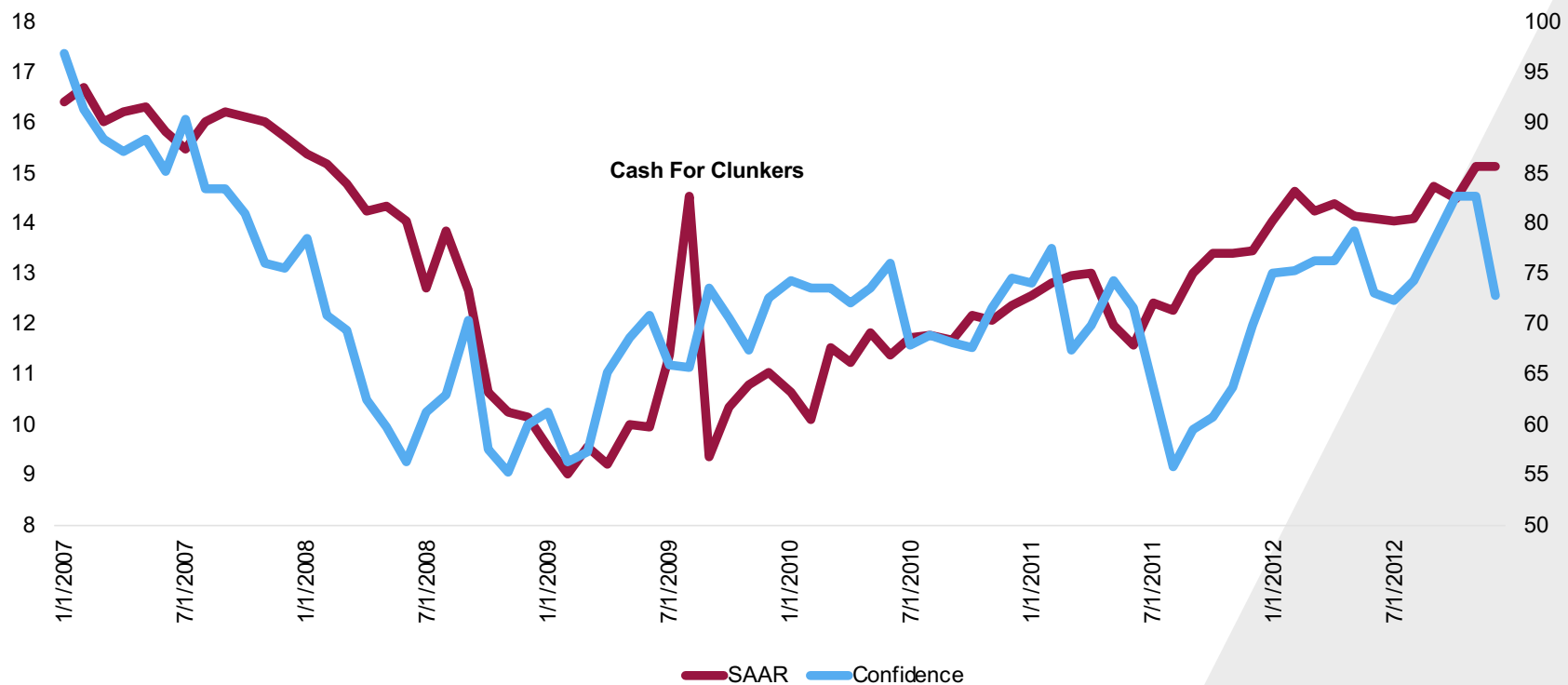
Xtime saw 59% decrease y/y on Saturday in consumers having their cars serviced

## COMPARISON TO THE GREAT RECESSION: DECEMBER 2007 – JUNE 2009

Consumer sentiment almost always leads in sharp downturns and in the recoveries that follow

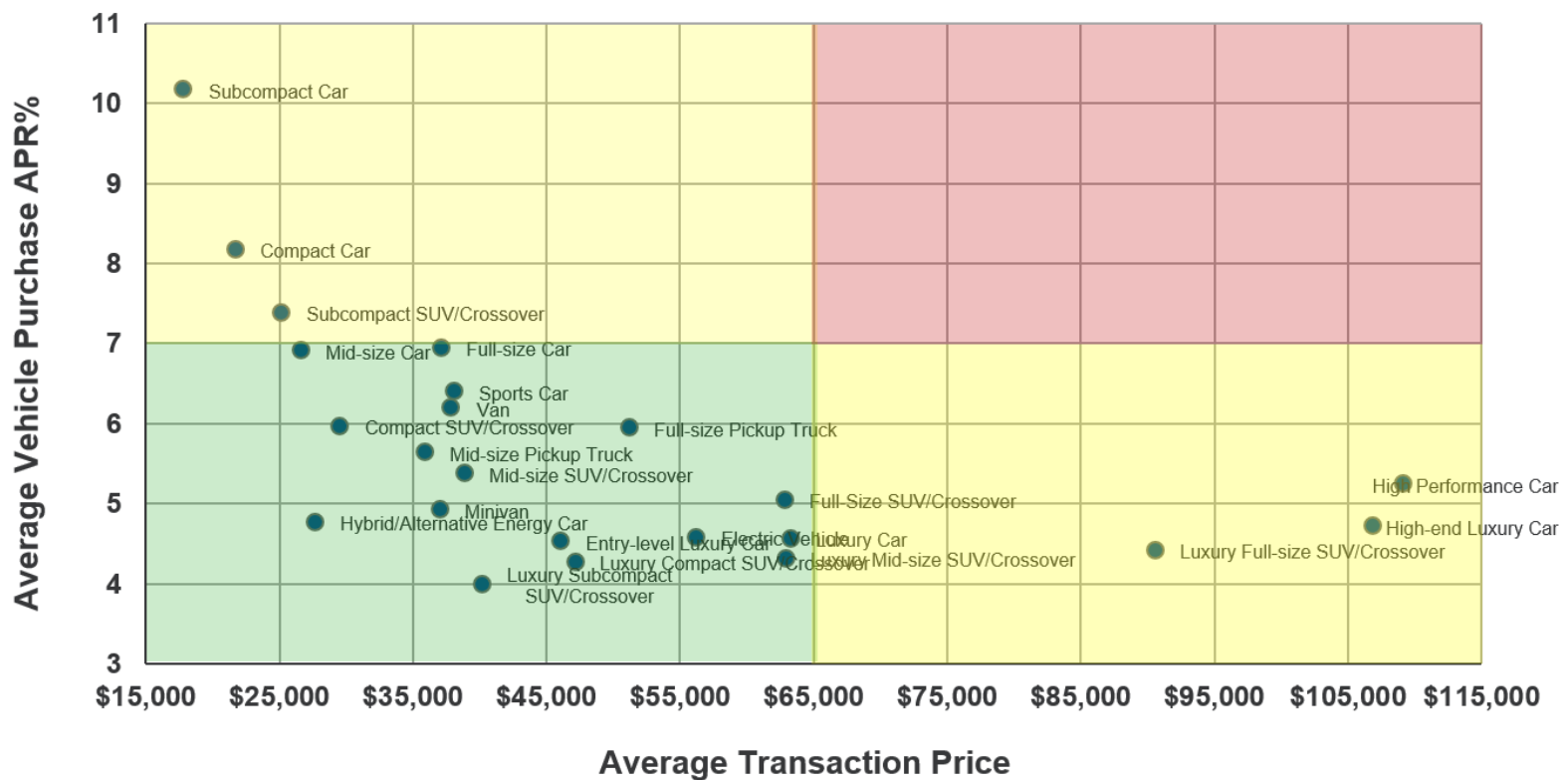
New Vehicle SAAR

Consumer Sentiment



## SEGMENT VULNERABILITY GRID

High Prices Impacted By Economic Loss, High APR Customers Impacted By Credit Tightening



## “GUARANTEED DEMAND” EXPIRING LEASES PROVIDE SALES OPPORTUNITY

Volume lease OEMs will peak over summer months – successful transition critical

### Expiring Lease CY2020

