

June 30, 2020

# COVID-19 AUTO MARKET UPDATE

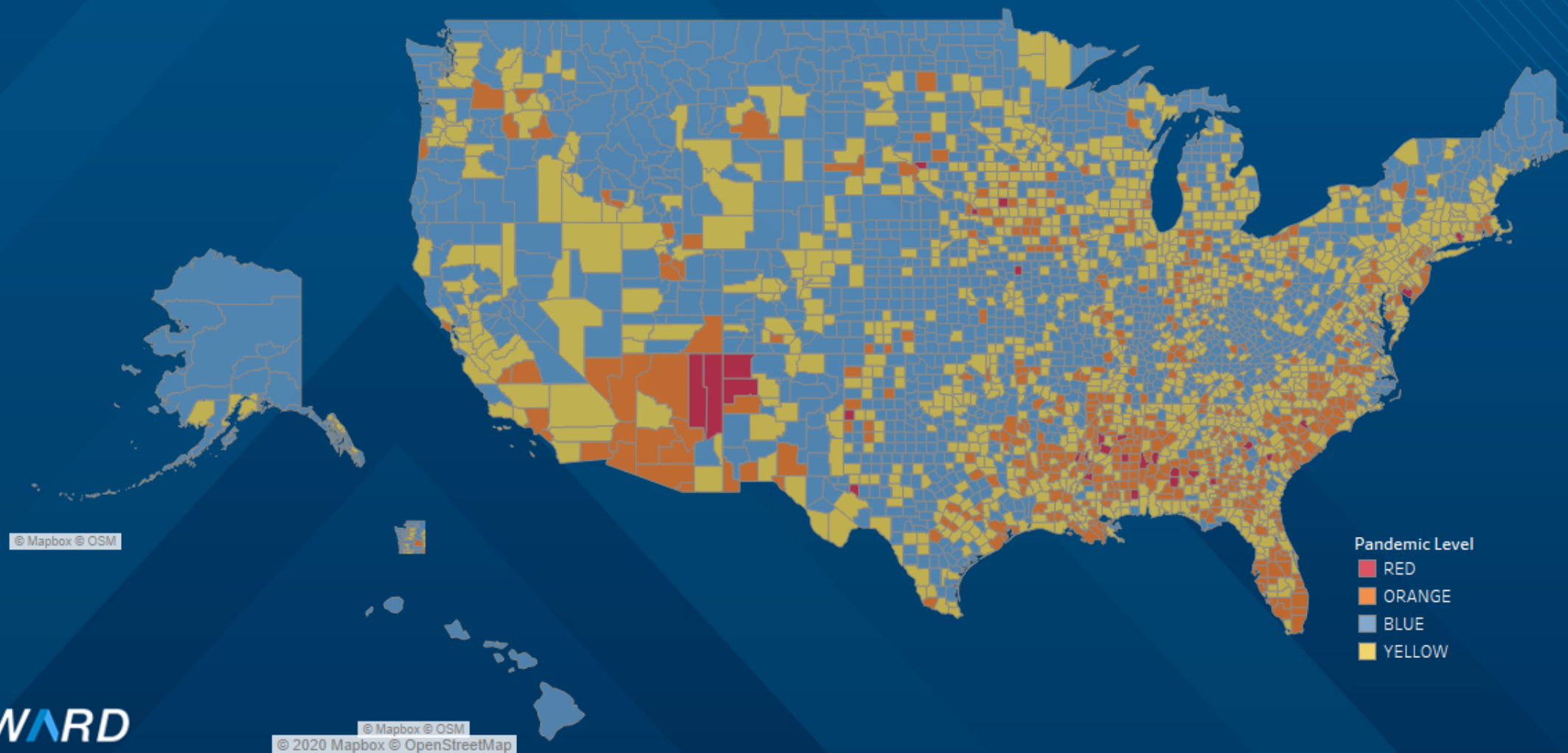
*THE WAY*  
**FORWARD**

*Driven by* COX AUTOMOTIVE

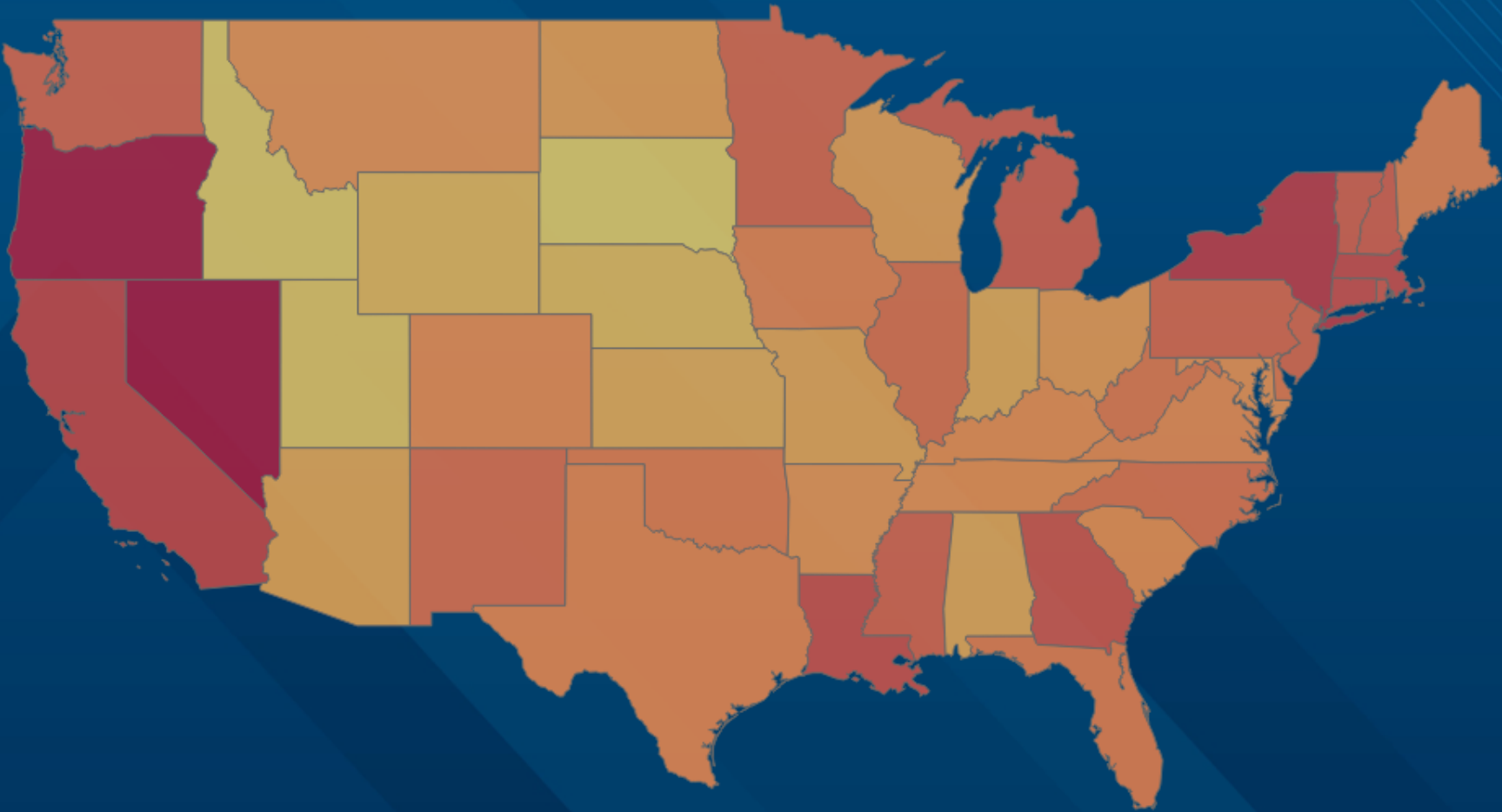
Jonathan Smoke

Chief Economist, Cox Automotive

# COVID-19 LOCAL IMPACT ASSESSMENT



# CONTINUING CLAIMS AT 19.5 MILLION NATIONALLY



Data as of June 25, 2020

Continued Claims % of Jobs by State

3.93% 20.22%

Note: Insured Unemployment For Week Ended June 13

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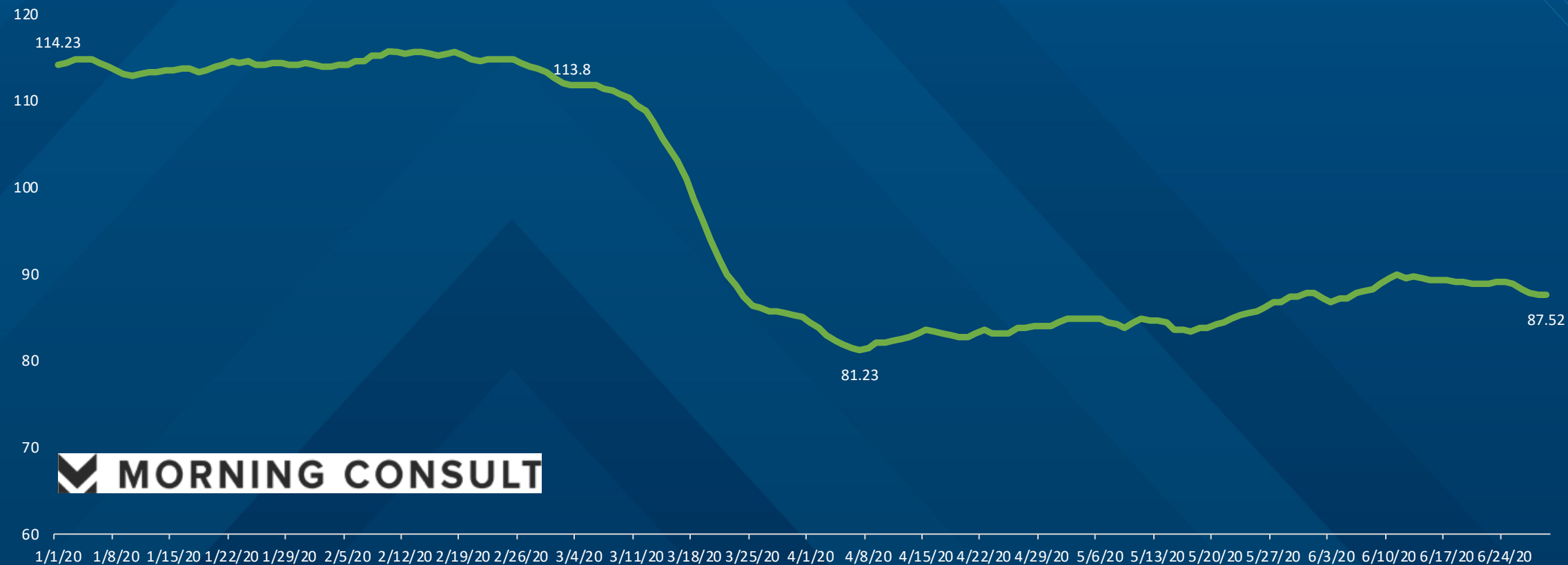
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Source: Department of Labor

# CONSUMER SENTIMENT DOWN AGAIN LAST WEEK

Morning Consult's Index of Consumer Sentiment on Monday was down 22.8% since February 29

ICS Value (7-Day Average)



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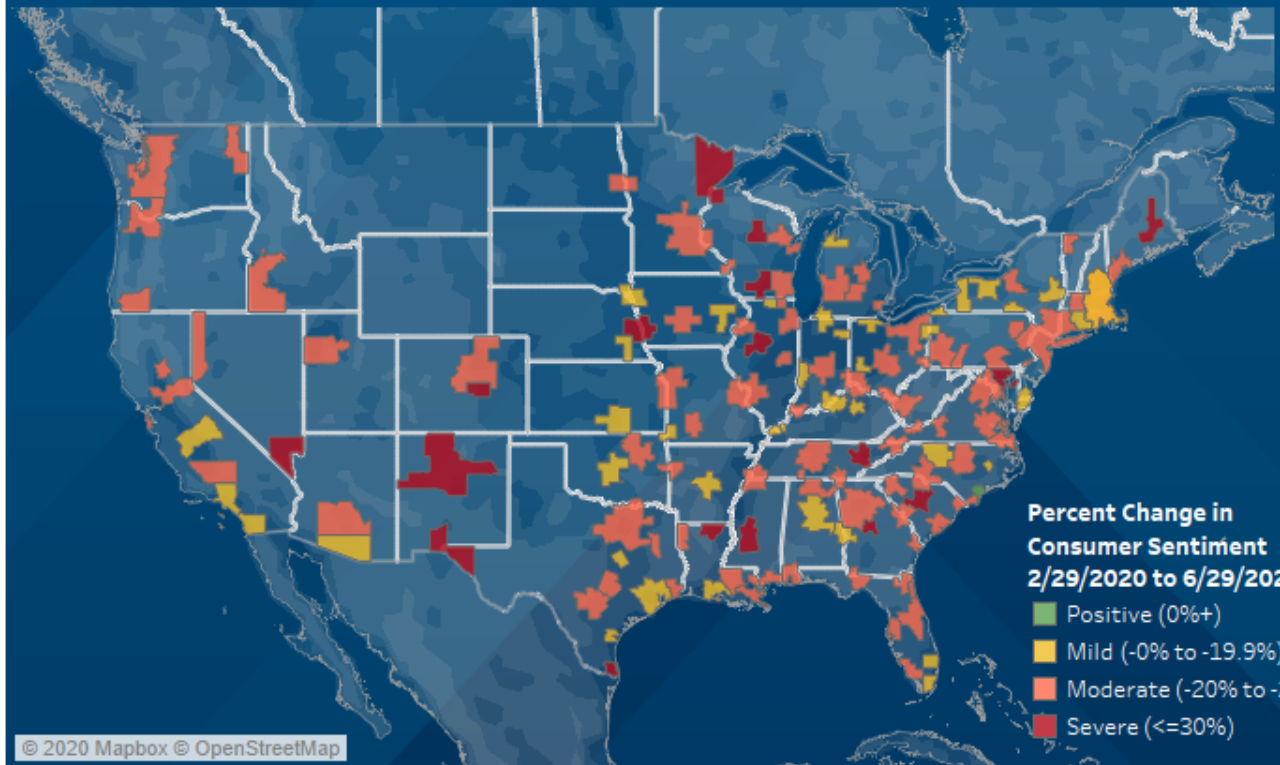
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Source: Morning Consult

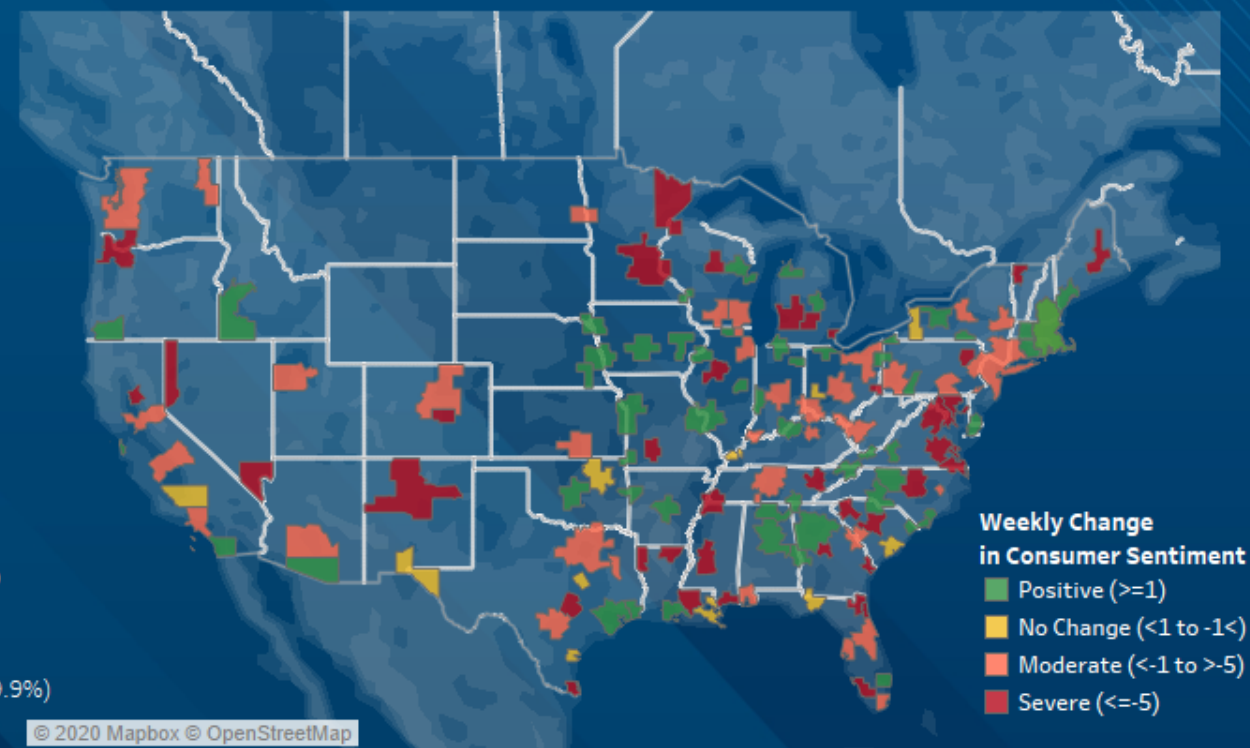


# CONSUMER SENTIMENT VARIES ACROSS MAJOR MARKETS

Since February 29<sup>th</sup>



Since June 22<sup>nd</sup>



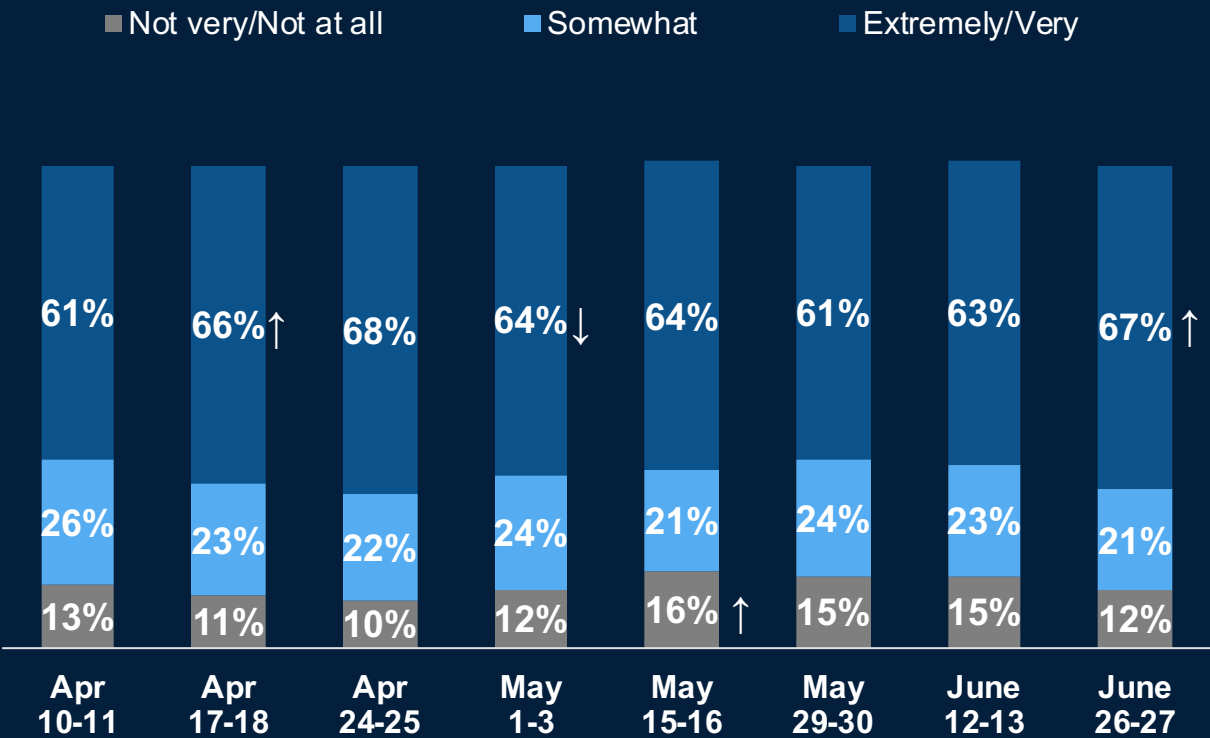
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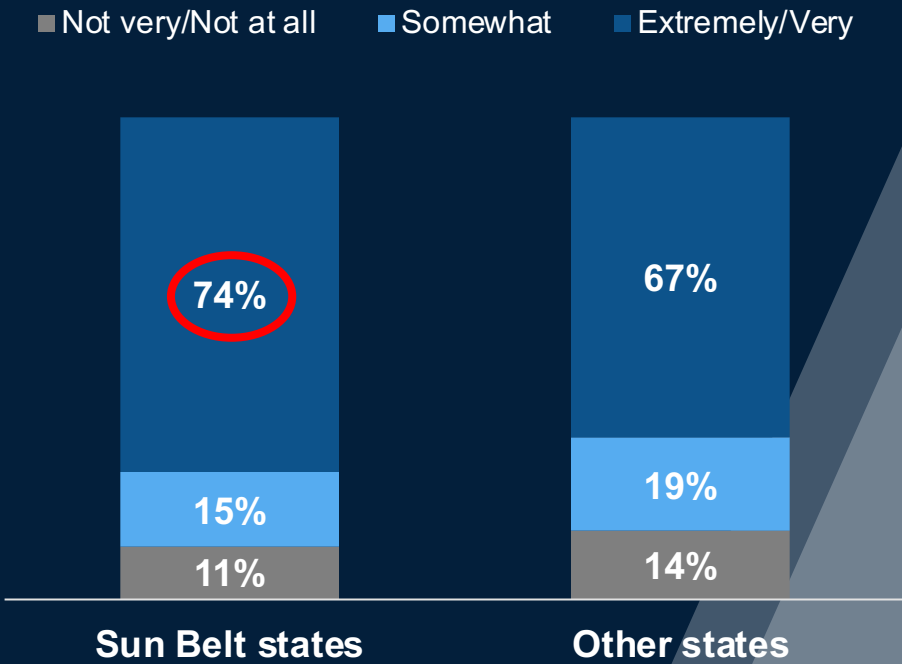
Source: Morning Consult

# The growth in cases is generating additional concern, especially in impacted states

### Level of Concern for a Second Wave



### Level of Concern with Recent Increase in Cases

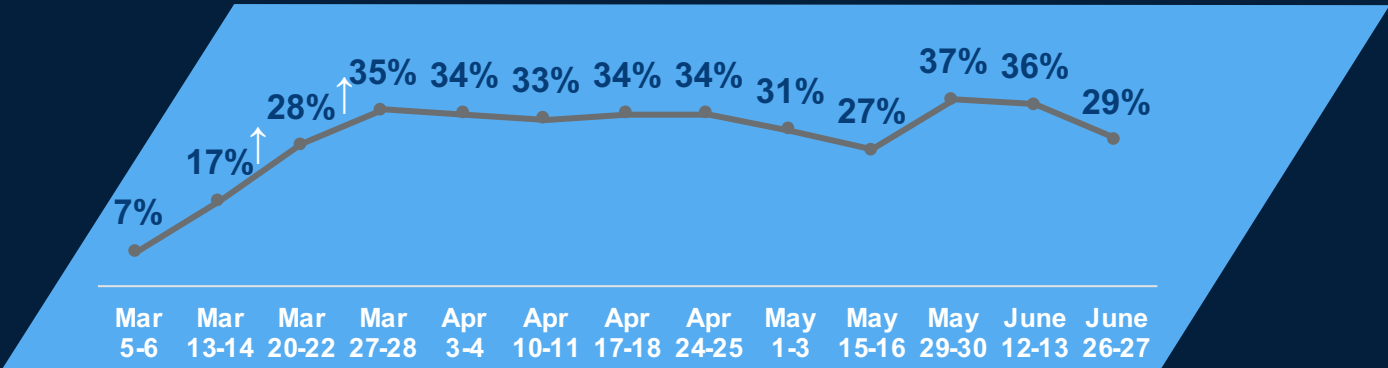


Q27b. How concerned are you about a possible second wave of the coronavirus?  
Q9a. You may have heard that some states have seen an increase in the number of new coronavirus cases as of June. How concerned are you about the increase in new coronavirus cases?

○ Indicates significant difference between state groups

# The decision to delay purchase changes by the week

## Delaying Vehicle Purchase/Lease\*

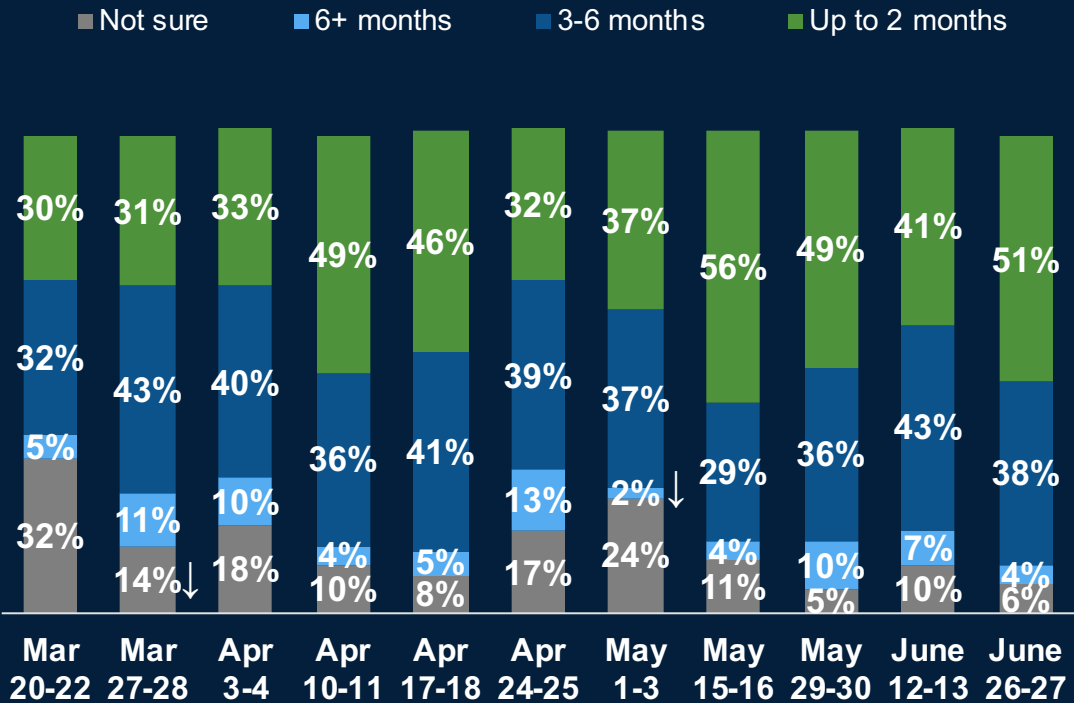


### Factors At Work

- Spike in COVID-19 cases
- Civil unrest
- Continued unemployment concerns
- General uncertainty in the market

## Anticipated Delay in Vehicle Purchase\*\*

(among those planning to delay purchase)



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  
Q17a1. How do you anticipate the coronavirus will change the timing of when you purchase or lease a vehicle, if at all?

\*Among 6-month auto intenders

\*\*Among 6-month auto intenders who will delay purchasing/leasing a vehicle



## But purchase intentions are down

% OF CONSUMERS IN-MARKET TO PURCHASE A VEHICLE  
WITHIN THE NEXT 6 MONTHS

20%

Early Outbreak  
(March 20-22)

22%

Shelter in Place  
(April 24-25)

16%↓

Reopening  
(May 29-30)

16%

Recovery to Date  
(June 26-27)

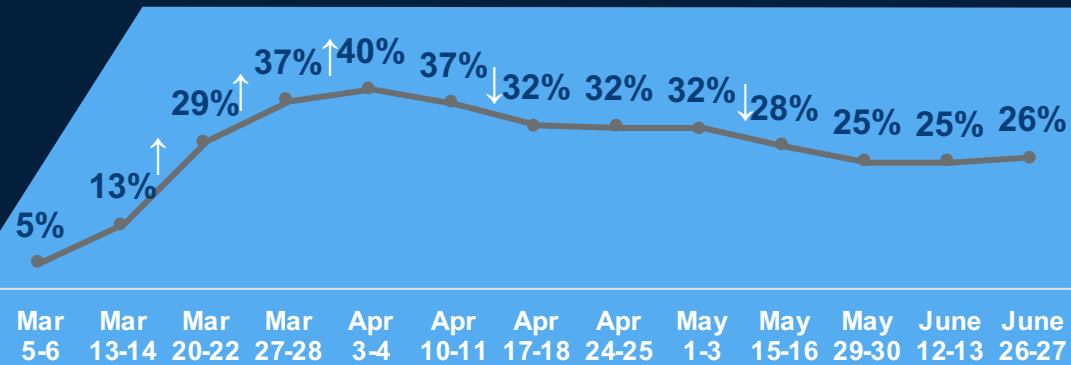


Q4. Now as of today, when do you think you will be in the market to purchase or lease a vehicle?



# Lower miles traveled is contributing to vehicle service delays

## Delaying Vehicle Service/Repair\* (% consumers that said "Yes")



39%

of those delaying service are doing so because they aren't driving as much as they did before COVID-19\*\*

\*Among vehicle owners

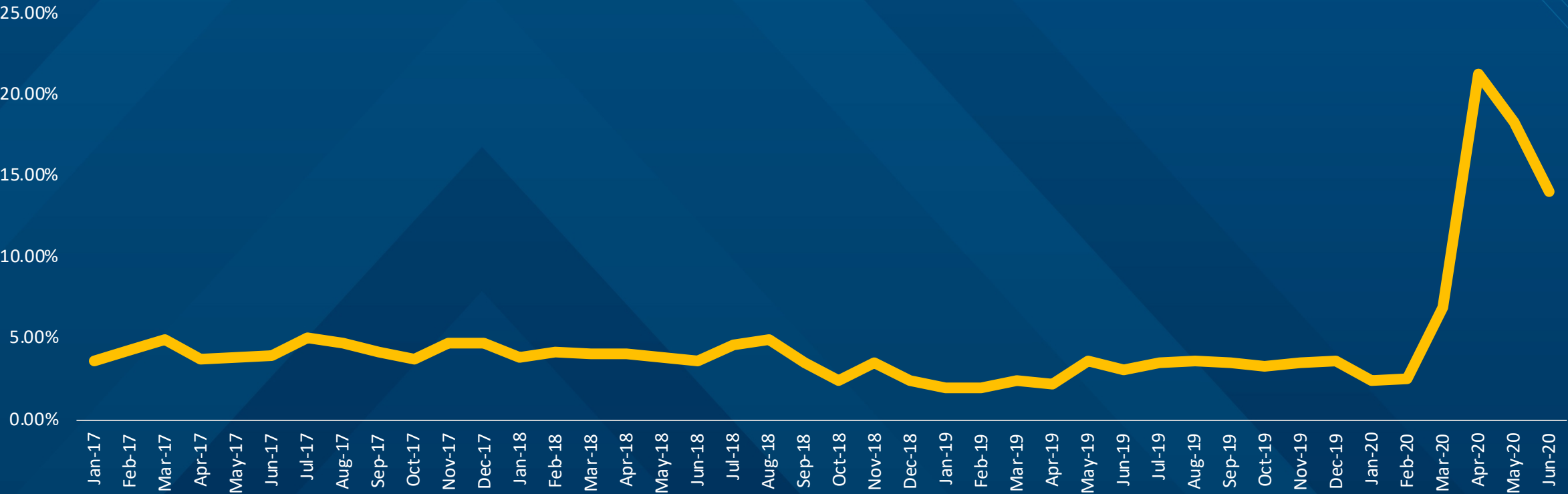
\*\* Among vehicle owners who are delaying service

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

Q18a. You said you have delayed or may delay taking your vehicle in for service/maintenance. What makes you say that?

# ZERO PERCENT FINANCING CONTINUES DECLINE

0% APR Finance Share



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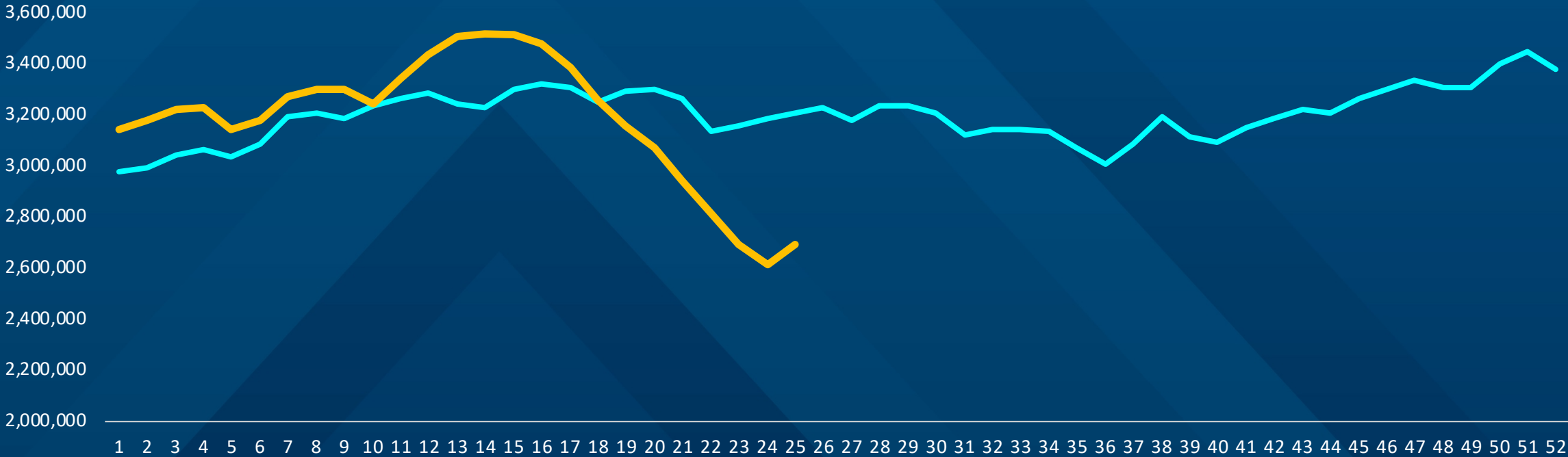
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Source: Cox Automotive

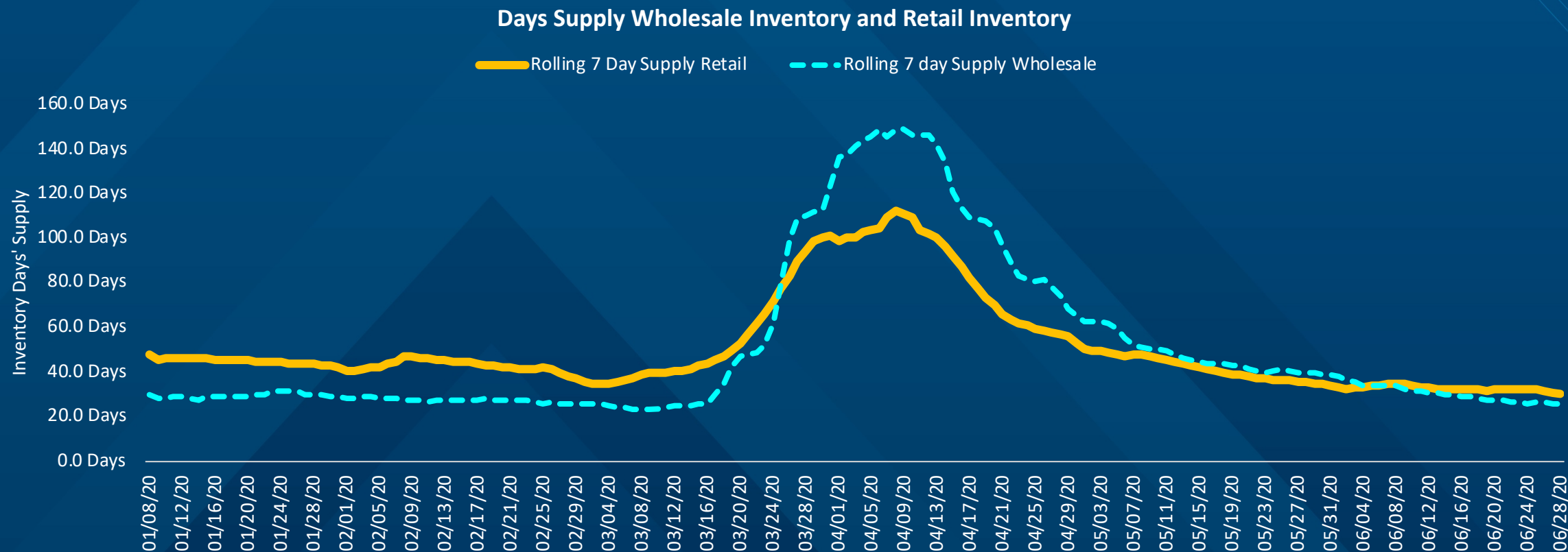
# NEW SALES NOW HAMPERED BY SUPPLY

Active New Vehicle Inventory by Week

2019 Active Inventory    2020 Active Inventory



# USED INVENTORY DOWN



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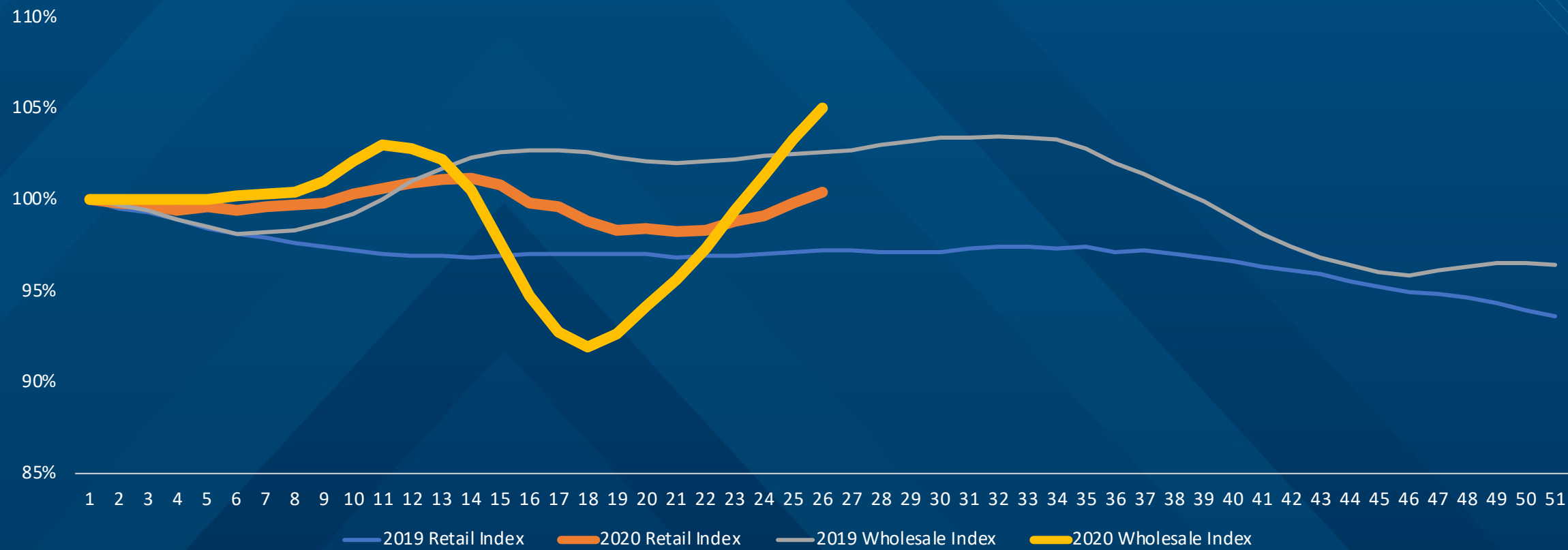
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Source: Cox Automotive



# WHOLESALE PRICES ARE NOW AT HIGHEST POINT

MY 2017 Retail and Wholesale Price Indices (wk1=100)



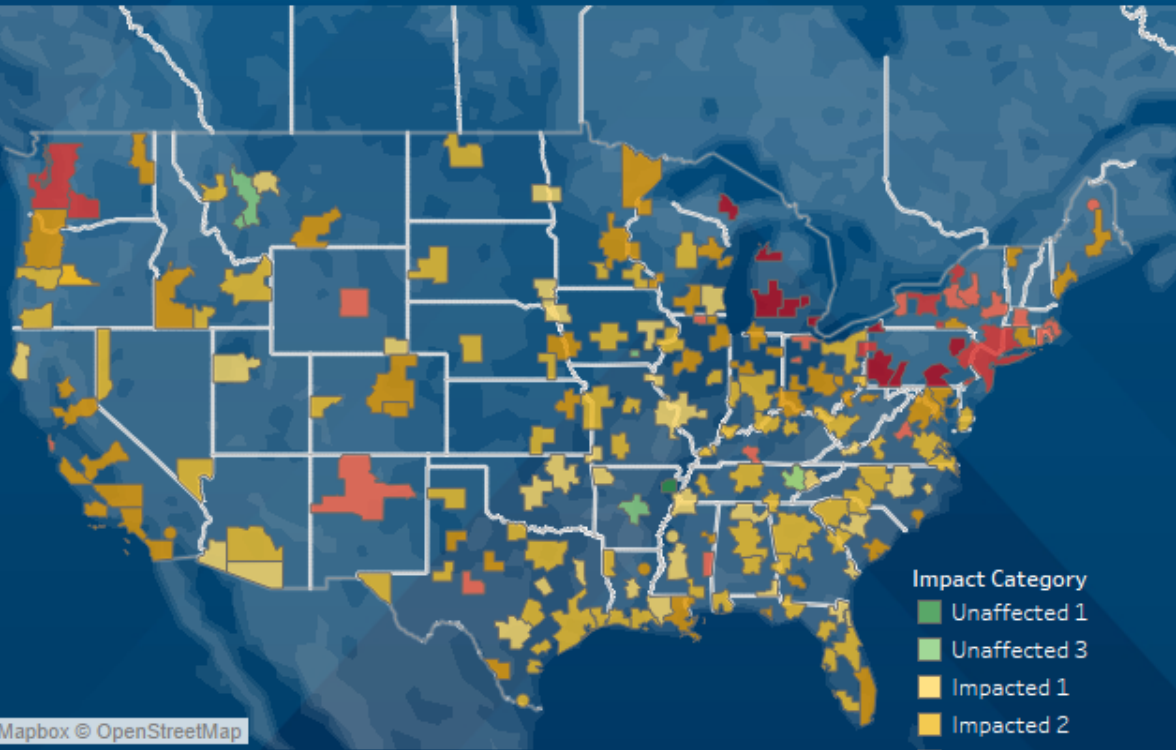
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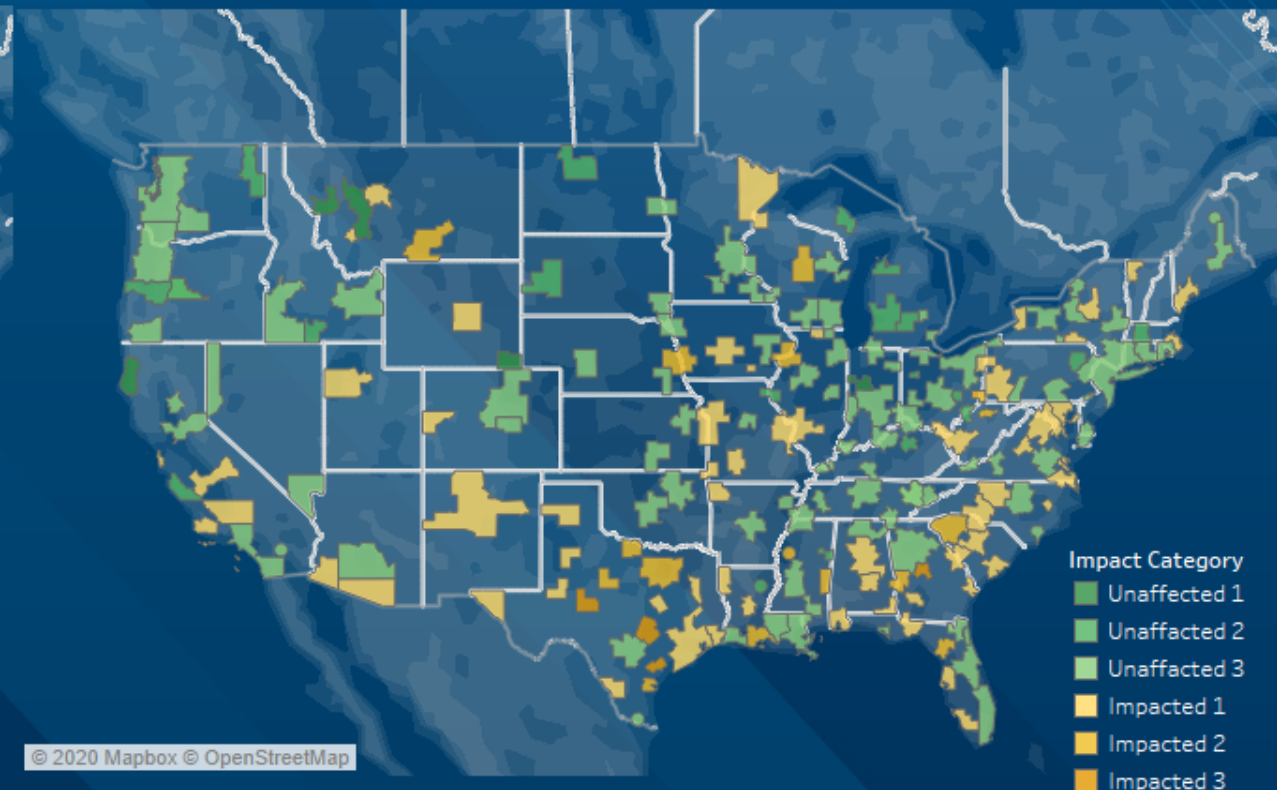
Source: Cox Automotive

# *SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS*

April 5<sup>th</sup>



June 28<sup>th</sup>



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**THE WAY  
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Source: Cox Automotive

# COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 52% y/y in June through Saturday and on **Kelley Blue Book** up 45%
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions outperform, but used lost momentum over the weekend
- **Dealertrack** unique credit applications on same-store basis were down 11% y/y last week, which was a declining trend and weakest y/y performance since early May
- **Xtime** saw a 15% decrease y/y last week in consumers having their cars serviced, which was a decline from the prior week

# Cox AUTOMOTIVE

Autotrader 

 CLUTCH

DEALER.COM

Dealertrack 

 F&I Express

 HOMENET  
AUTOMOTIVE

 Kelley Blue Book

 Manheim

NEXTGEAR  
CAPITAL

PIVET

 RideKleen

vAuto  
LIVE MARKET VIEW

VinSolutions

 xtime