

July 14, 2020

COVID-19 AUTO MARKET UPDATE

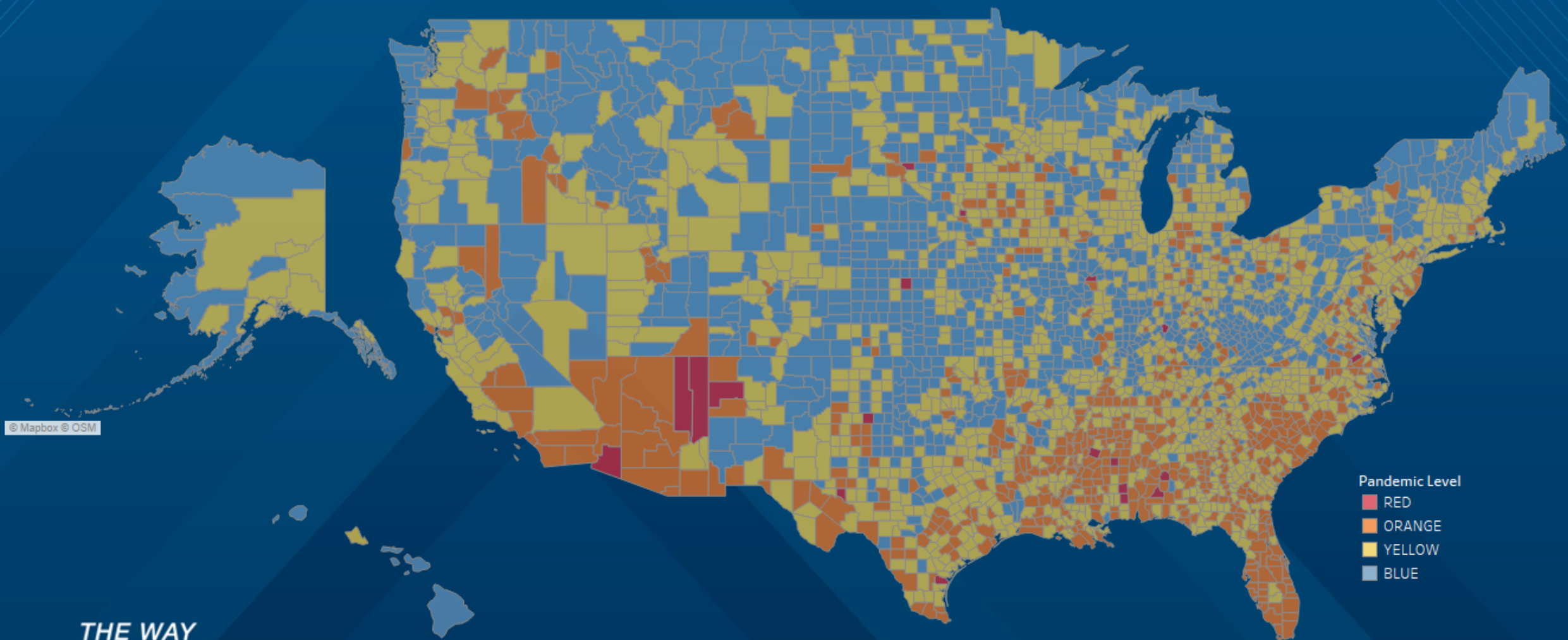
*THE WAY
FORWARD*

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Jonathan Smoke

Chief Economist, Cox Automotive

COVID-19 LOCAL IMPACT ASSESSMENT



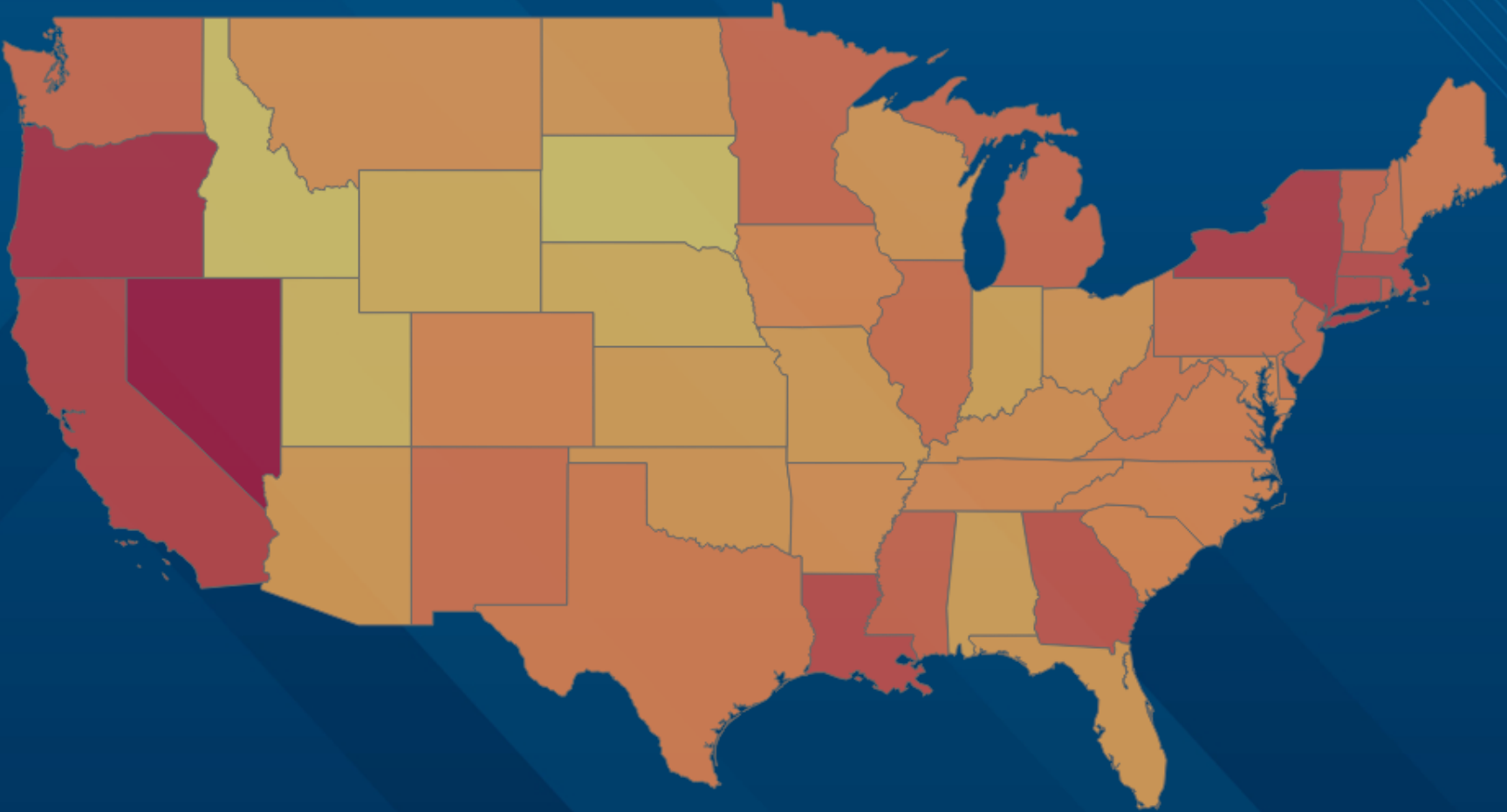
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Source: Cox Automotive

CONTINUING CLAIMS AT 18 MILLION NATIONALLY



Data as of July 9, 2020

Continued Claims % of Jobs by State

3.60% 20.06%

Note: Insured Unemployment For Week Ended June 27

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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 23.3% since February 29

ICS Value (7-Day Average)



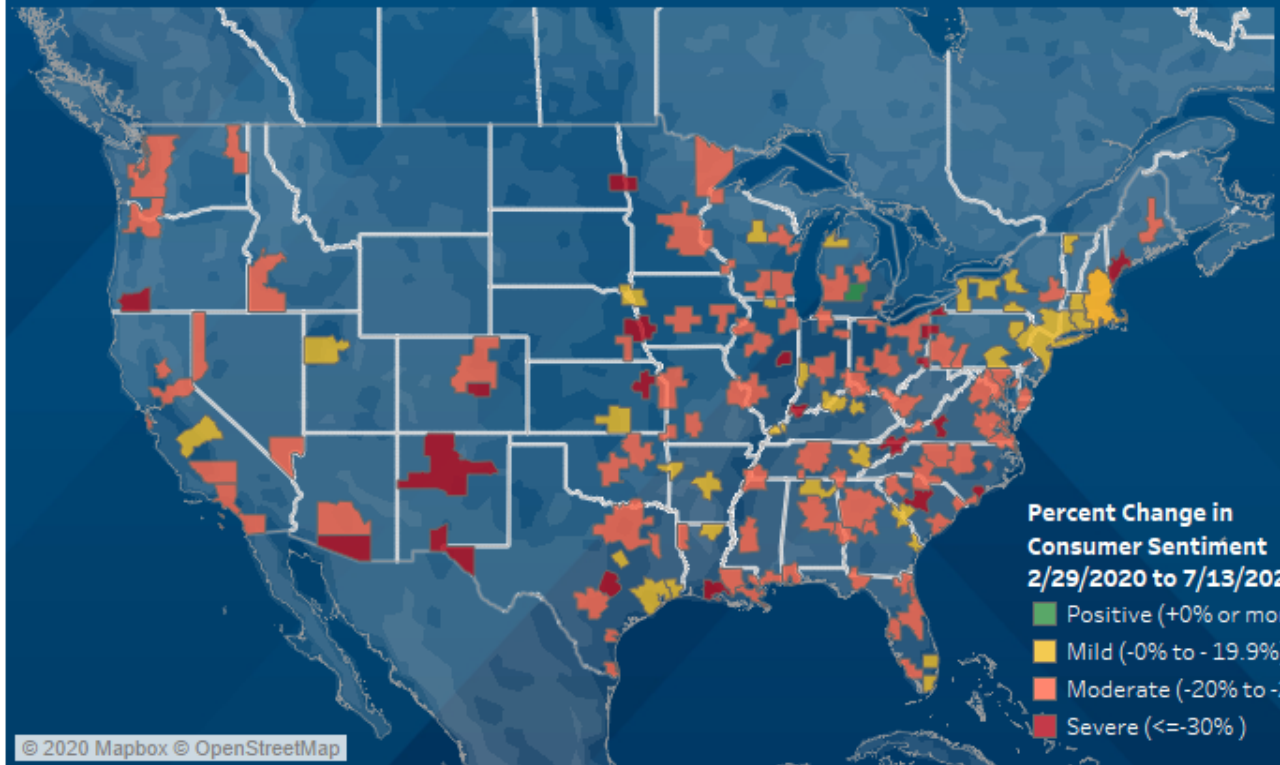
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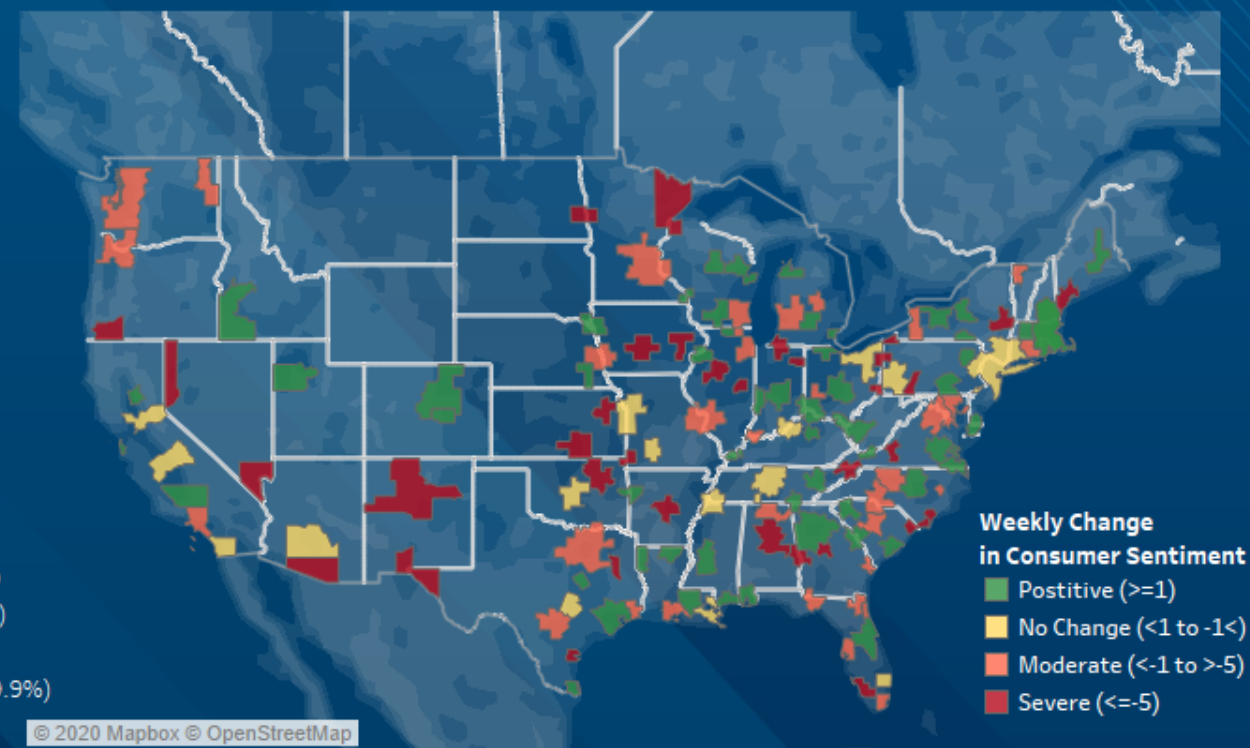
Source: Morning Consult

CONSUMER SENTIMENT VARIES ACROSS MAJOR MARKETS

Since February 29th



Since July 6th



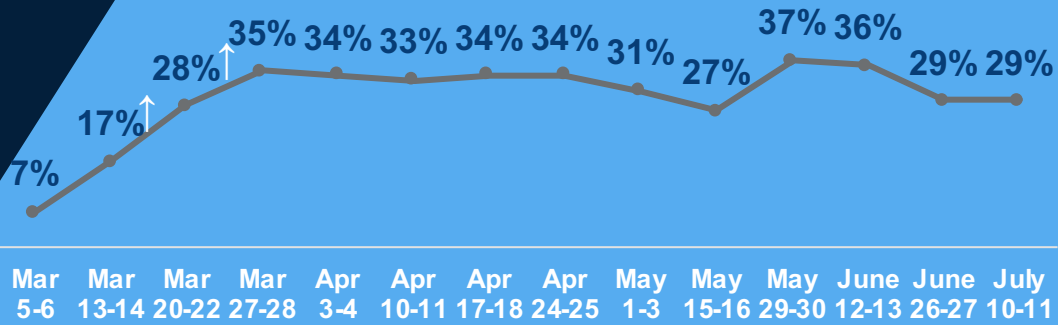
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Source: Morning Consult

Consumer purchase delays hold steady as cases continue to spike

Delaying Vehicle Purchase/Lease*



Factors At Work

- Spike in COVID-19 cases
- Uncertain financial stability
- Less miles traveled
- Civil unrest
- General uncertainty in the market

45%

of those delaying a vehicle purchase call this a “scary” time to buy a car

33%

of those not delaying a vehicle purchase call this a “smart” time to buy a car

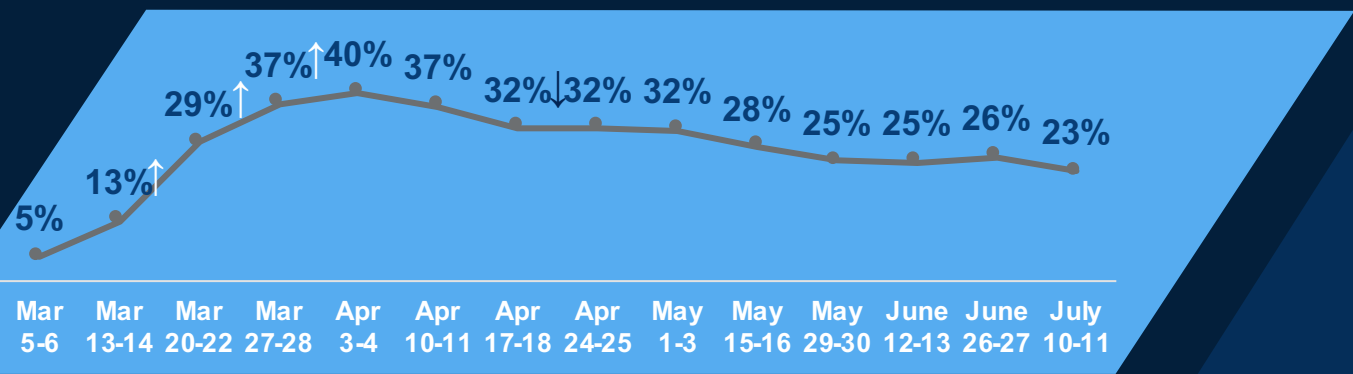
Q10. Have you done, or do you think you will do any of the following because of the coronavirus? *Note: Added “have done” in Wave 4 Q17a3. You said you may delay purchasing/leasing a vehicle due to coronavirus. What are the main reasons? Please select up to 2 of the main reasons.

*Among 6-month auto intenders

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

The decrease in miles traveled is contributing to vehicle service delays

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



42% of those delaying service are doing so because they aren't driving as much as they did before COVID-19**

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?

*Among vehicle owners

** Among vehicle owners who are delaying service

Consumers are putting less miles on their vehicles than pre-COVID

How Often Consumers are Filling Their Gas Tanks*

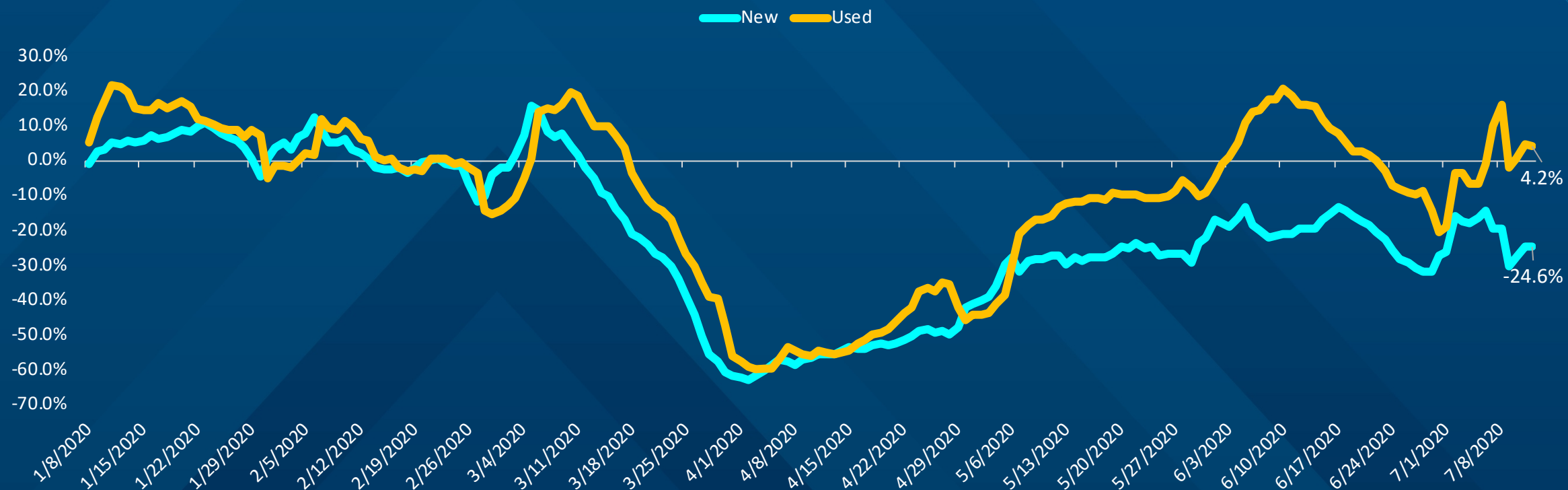
		<u>Life Impacted by COVID-19</u>	
Life as Normal		April 3-4	July 10-11
55%	Once a week or more	21% ↓	28% ↑
9%	Once a month or less	35% ↑	27% ↓

Q19c. Thinking about life as normal/pre-coronavirus compared to life impacted by coronavirus, how often does your gas tank typically need to be filled?

*Among vehicle owners

RETAIL SALES RECOVERY ESTIMATES

Y/Y % Change in 7-Day Moving Average of Retail Sales



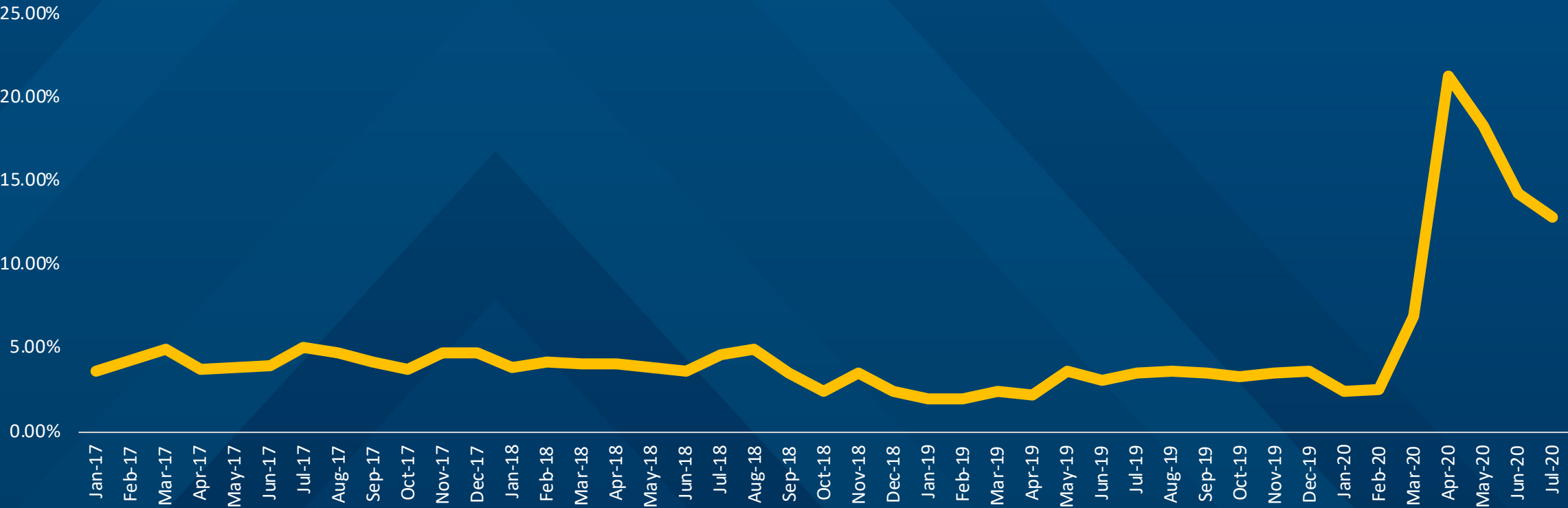
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Source: Cox Automotive

ZERO PERCENT FINANCING DECREASES

0% APR Finance Share



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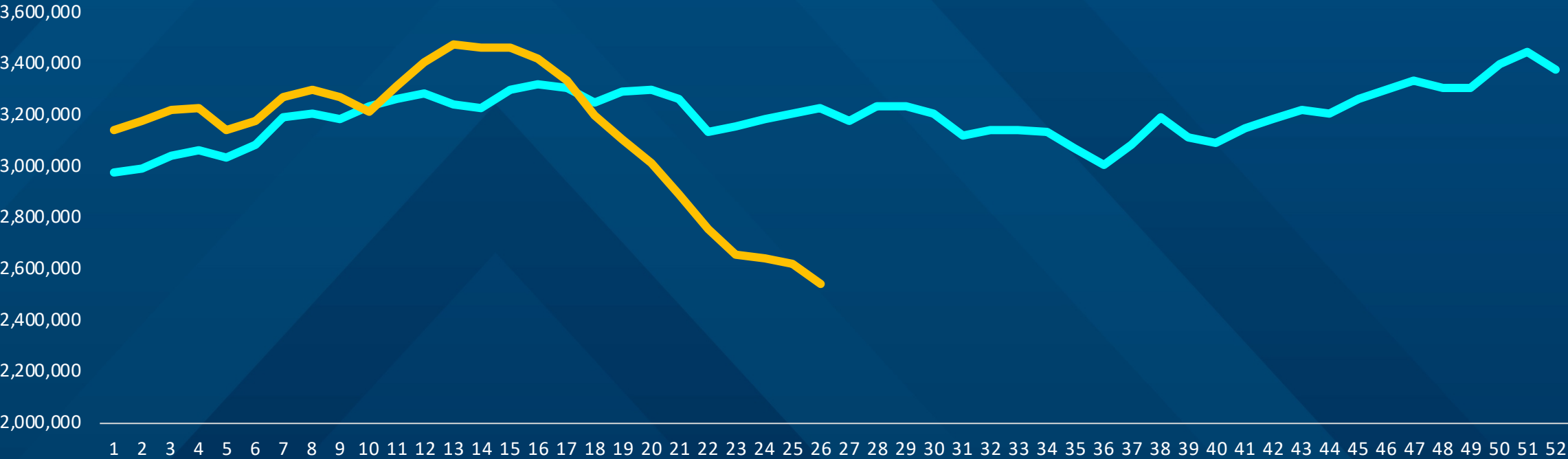
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Source: Cox Automotive

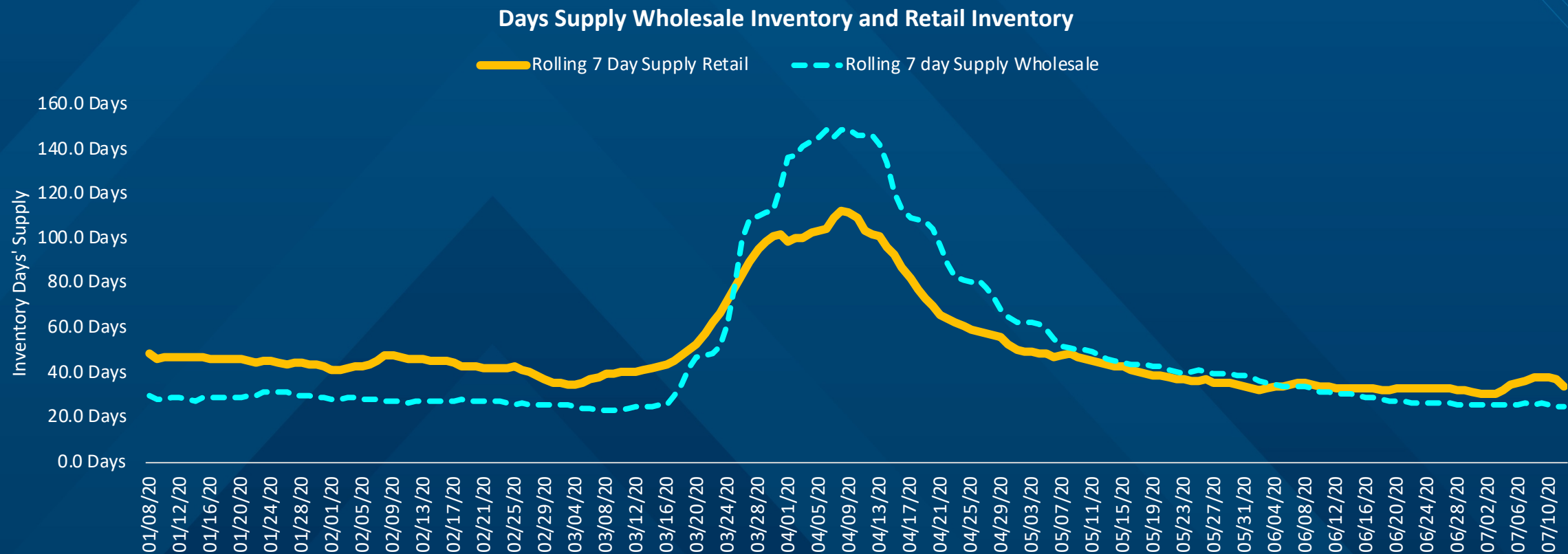
NEW SALES NOW HAMPERED BY SUPPLY

Active New Vehicle Inventory by Week

2019 Active Inventory 2020 Active Inventory



USED INVENTORY DOWN

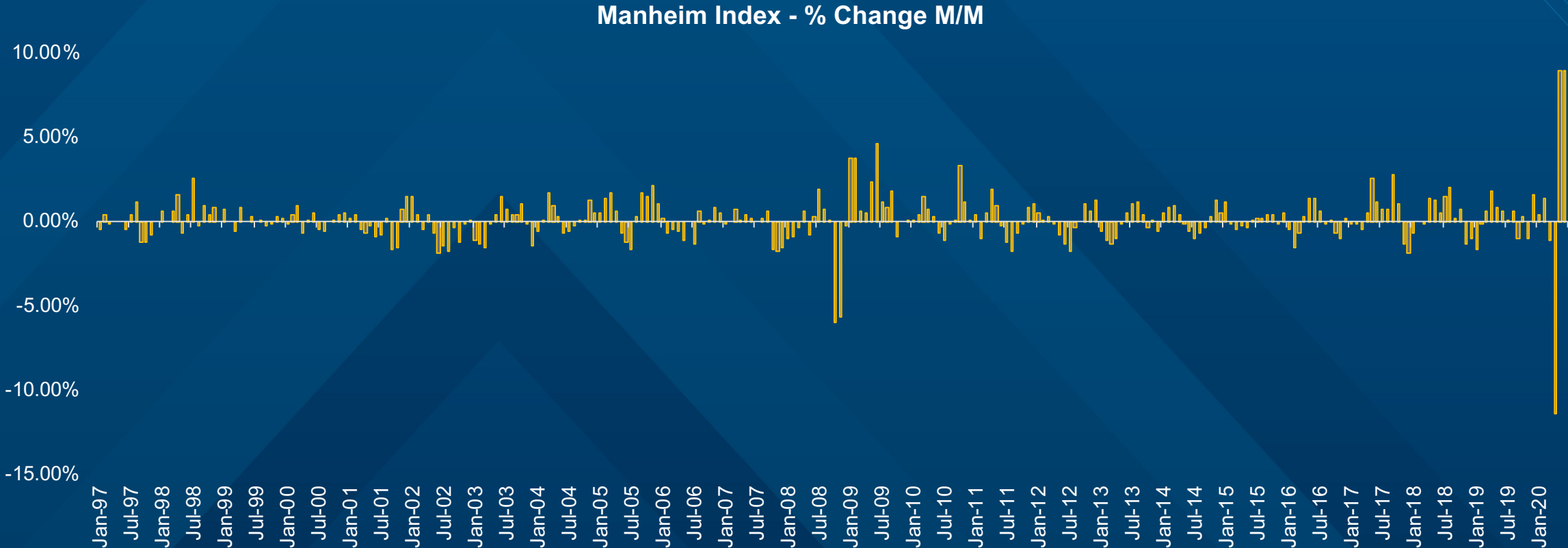


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Source: Cox Automotive

JUNE MANHEIM INDEX SEES STRONG INCREASE



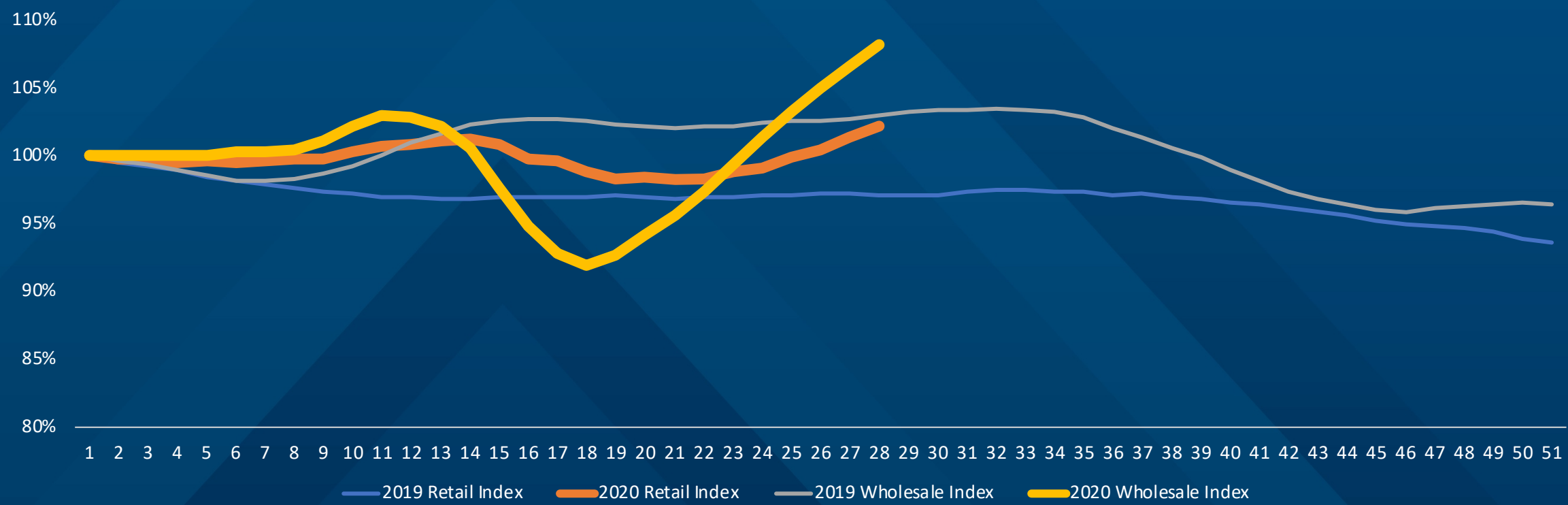
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USED PRICES AT NEW HIGH POINTS

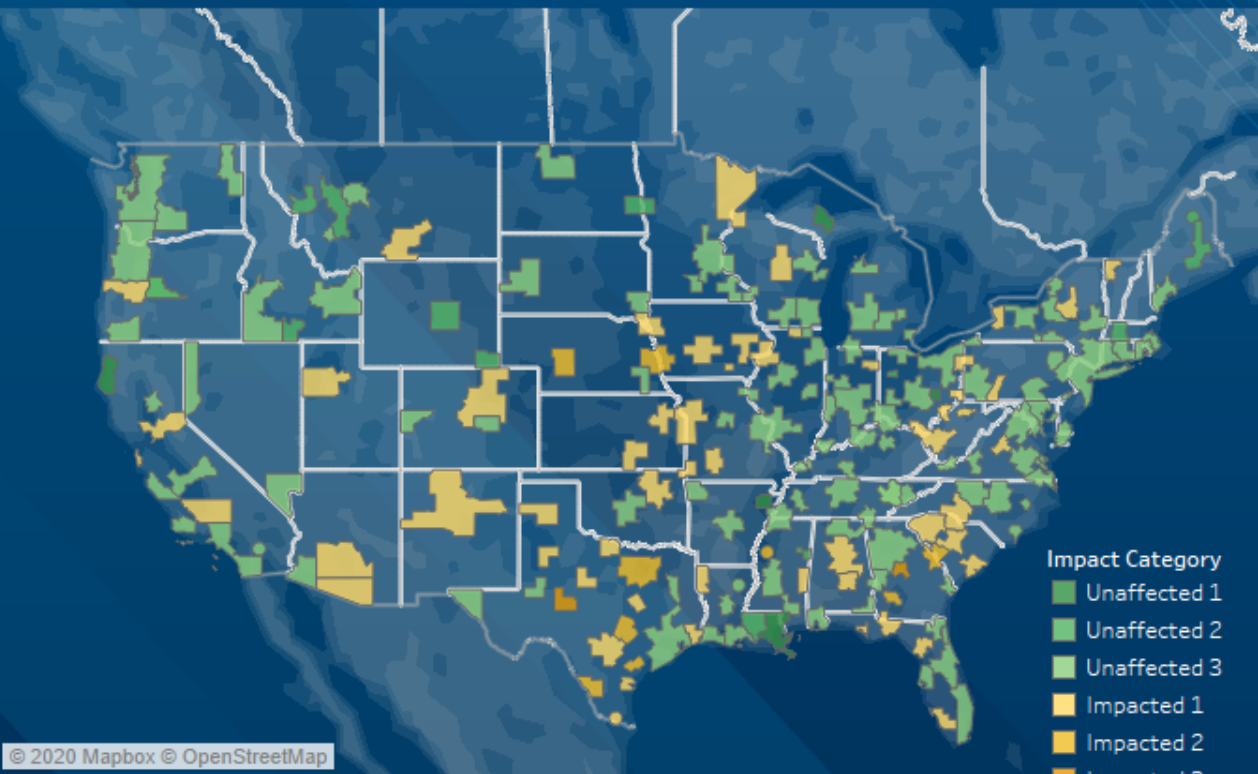
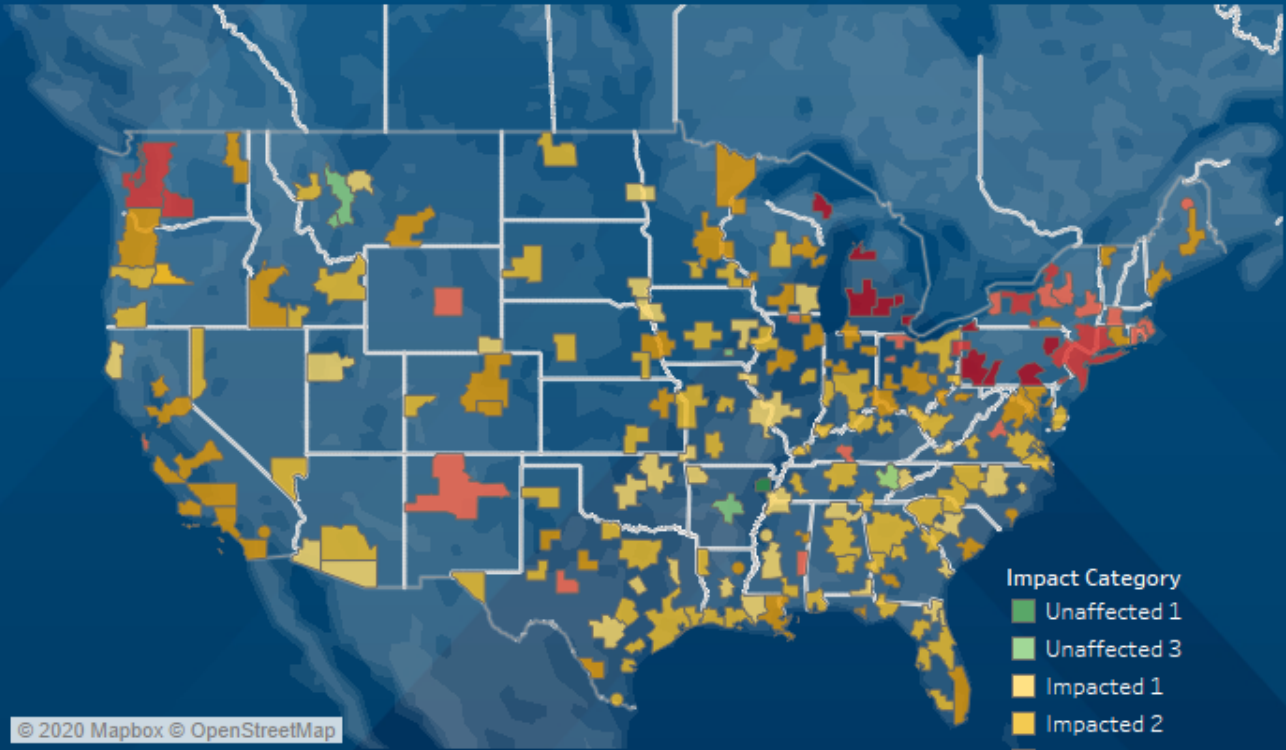
MY 2017 Retail and Wholesale Price Indices (wk1=100)



SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS

April 5th

July 12th



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Source: Cox Automotive

COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 57% y/y in July through Saturday and on **Kelley Blue Book** up 51%
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions outperform, and both gained momentum over the weekend
- **Dealertrack** unique credit applications on same-store basis were down 5% y/y last week, which was an improvement from the prior week
- **Xtime** saw a 15% decrease y/y last week in consumers having their cars serviced, which was worse than the prior week but consistent with the recovery level this summer.

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