

July 28, 2020

COVID-19 AUTO MARKET UPDATE

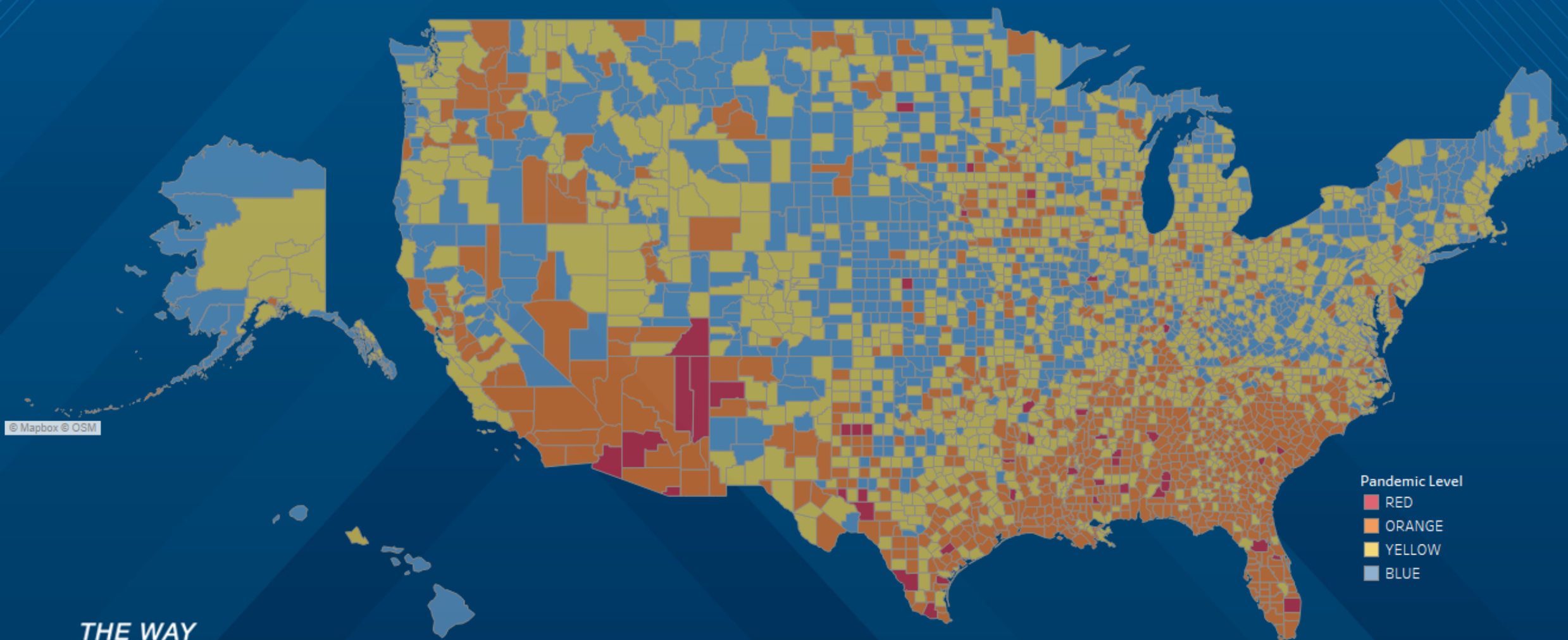
*THE WAY
FORWARD*

Driven by COX AUTOMOTIVE

Jonathan Smoke

Chief Economist, Cox Automotive

COVID-19 LOCAL IMPACT ASSESSMENT



Pandemic Level

- RED
- ORANGE
- YELLOW
- BLUE

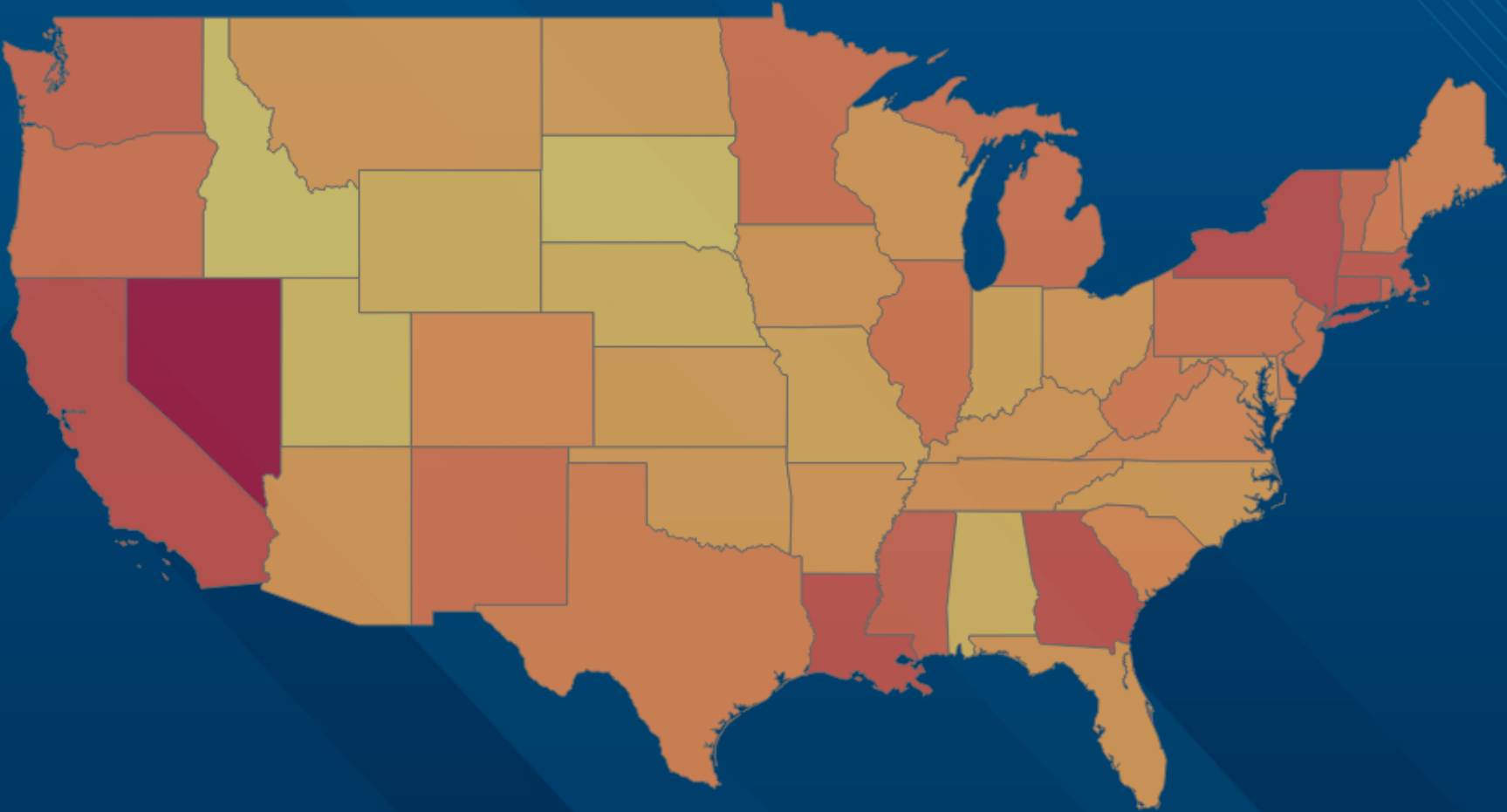
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Source: Cox Automotive

CONTINUING CLAIMS AT 16.2 MILLION NATIONALLY



Data as of July 23, 2020

Continued Claims % of Jobs by State

3.46% 21.42%

Note: Insured Unemployment For Week Ended July 11

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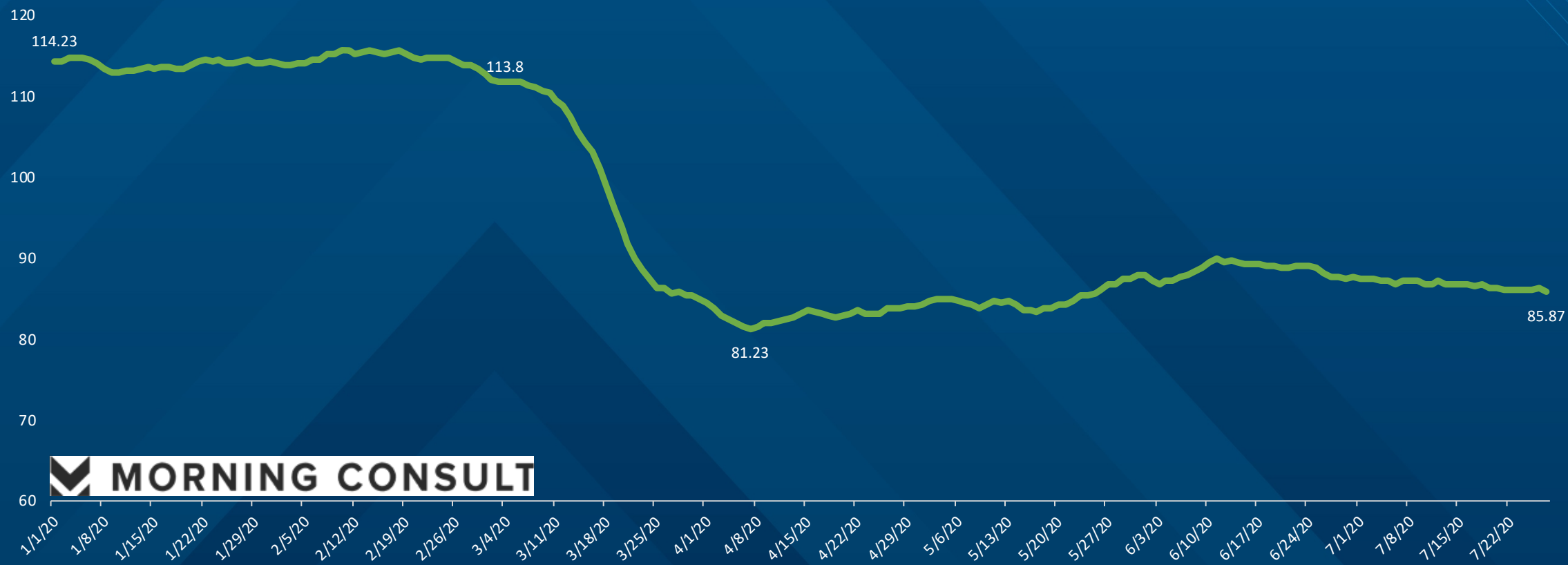
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Source: Department of Labor

CONSUMER SENTIMENT DOWN AGAIN LAST WEEK

Morning Consult's Index of Consumer Sentiment on Monday was down 24.2% since February 29

ICS Value (7-Day Average)



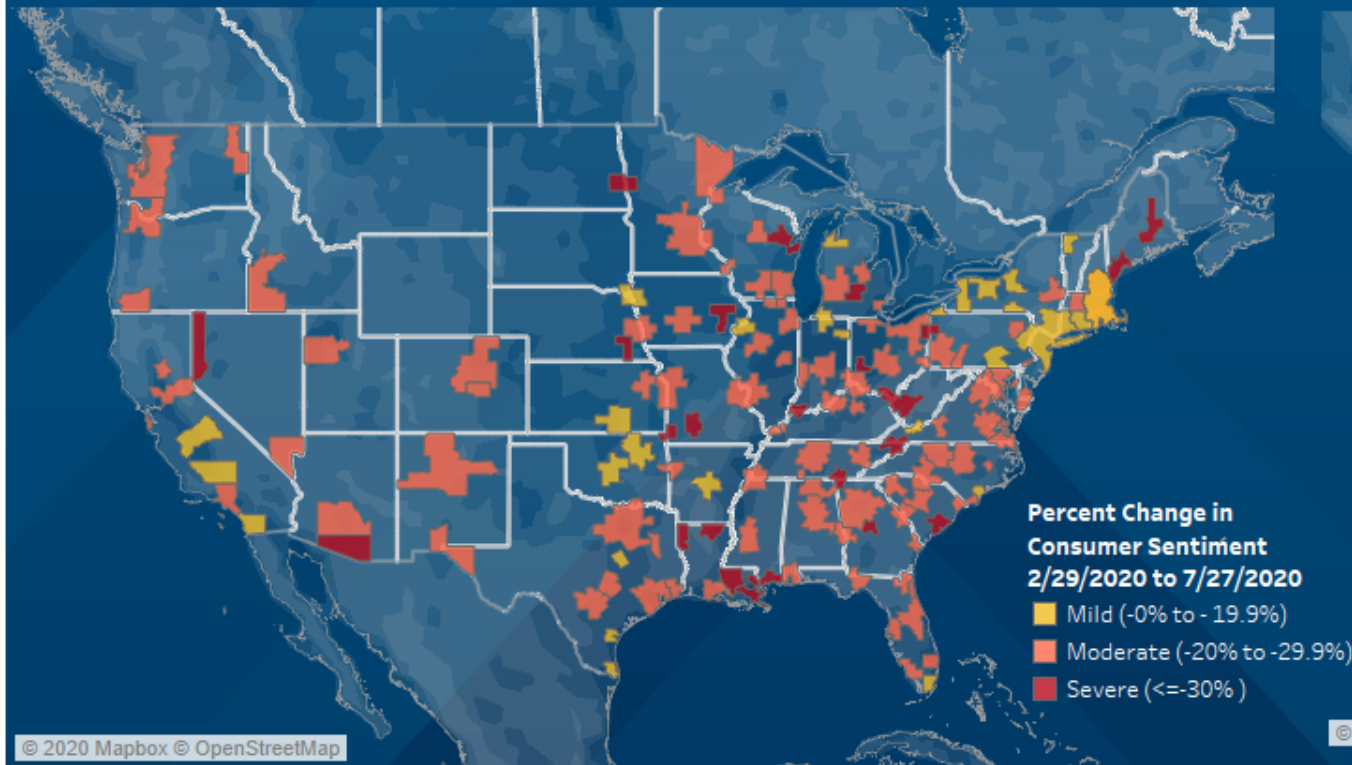
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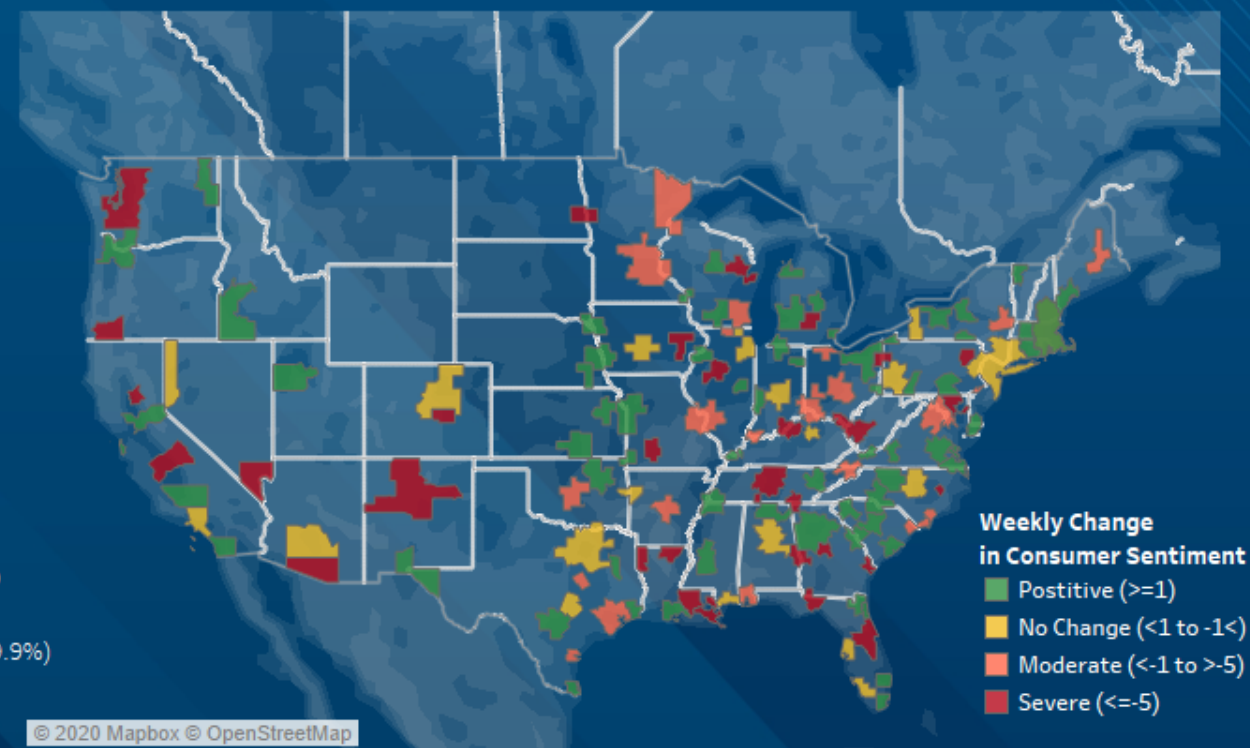
Source: Morning Consult

CONSUMER SENTIMENT VARIES ACROSS MAJOR MARKETS

Since February 29th



Since July 20th



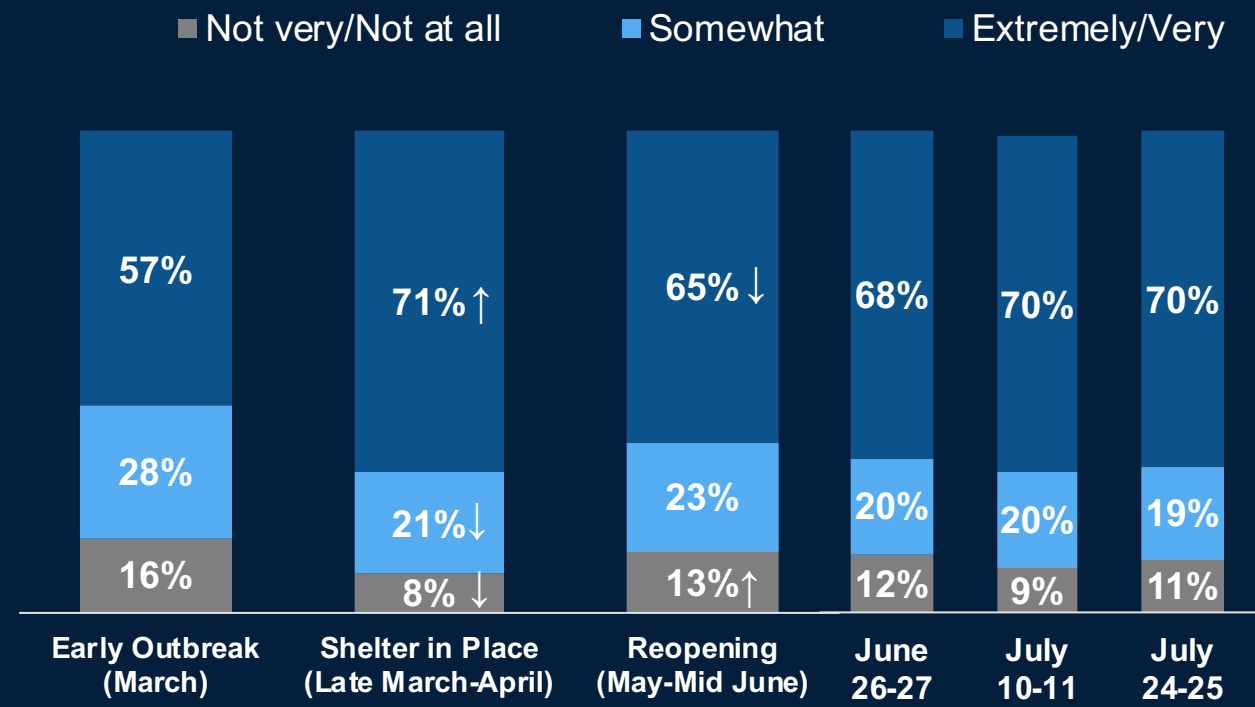
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Source: Morning Consult

Consumers remain on edge with new challenges popping up every week

Consumer Level of Concern



43% of households with children entering virtual learning expect to see it impact their employment

Q9. How concerned are you about the coronavirus overall?
Q27a6. Will having virtual/at-home learning for your child(ren) impact your or your spouse's employment situation?

The number of in-market shoppers has dropped by ¼ since the start of COVID-19

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

20%

Early Outbreak
(March)

20%

Shelter in Place
(Late March - April)

17%↓

Reopening
(May – Mid June)

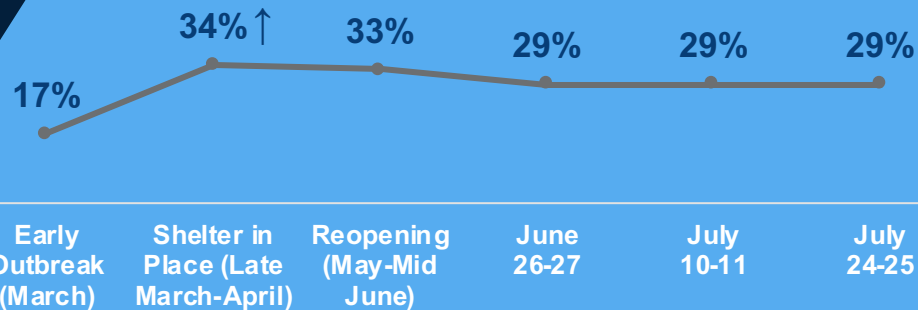
15%
(July 24-25)



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

Uncertainty plagues over half of those delaying their purchase

Delaying Vehicle Purchase/Lease*



Factors At Work

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

55% of those delaying a vehicle purchase call this an “**uncertain**” time to buy a vehicle

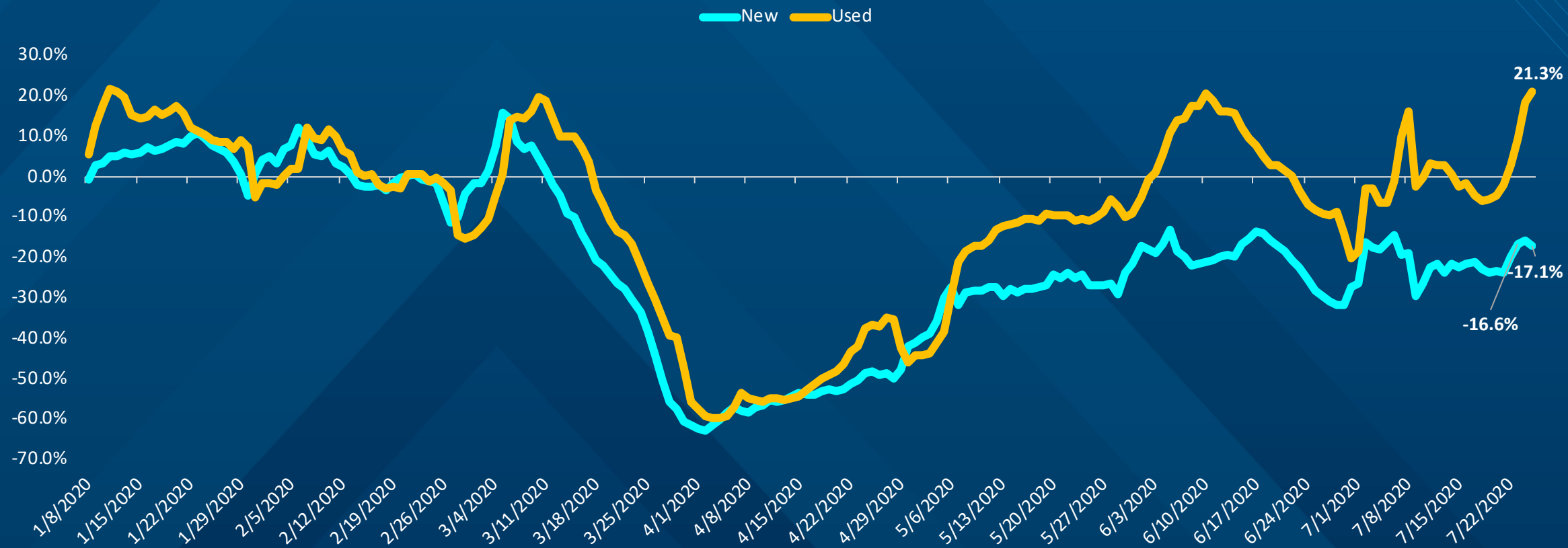
38% of shoppers not delaying a vehicle purchase still call this a “**good**” time to buy a vehicle

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
Q4aa. How would you complete the following sentence? “Right now is a _____ time to buy a vehicle?” (Options: perfect, smart, scary, stupid, pointless, other)

*Among 6-month auto intenders

RETAIL SALES RECOVERY ESTIMATES

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



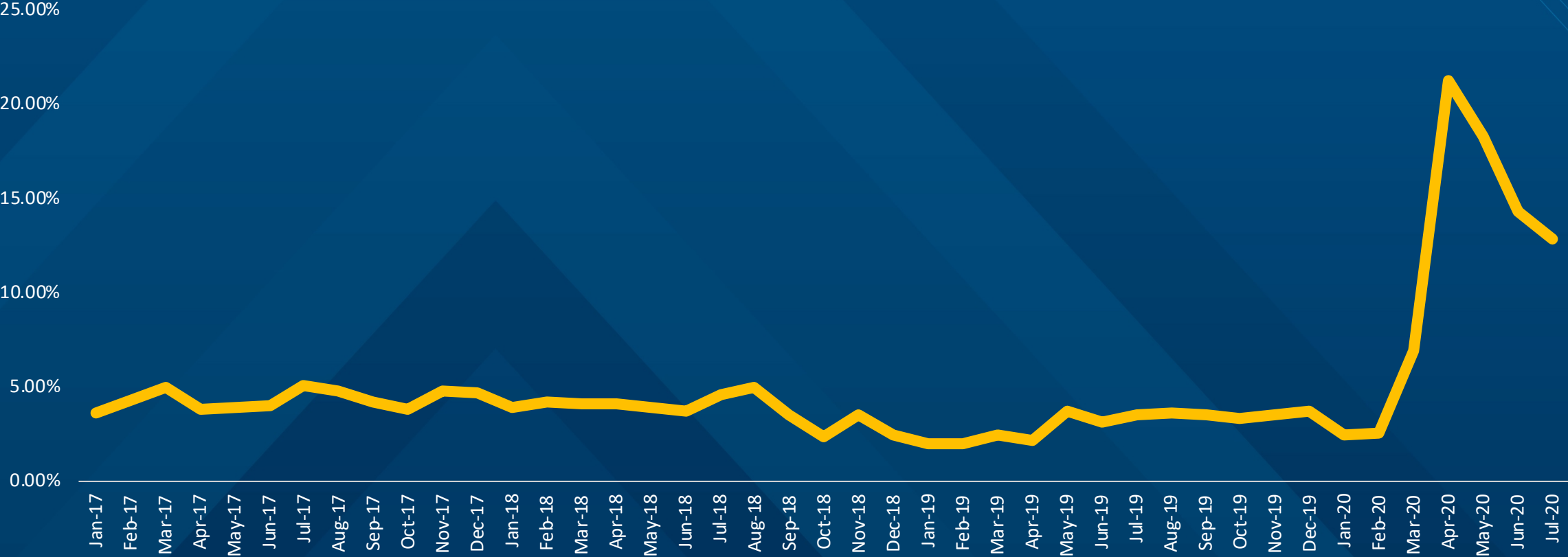
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Source: Cox Automotive

ZERO PERCENT FINANCING DECREASES

0% APR Finance Share



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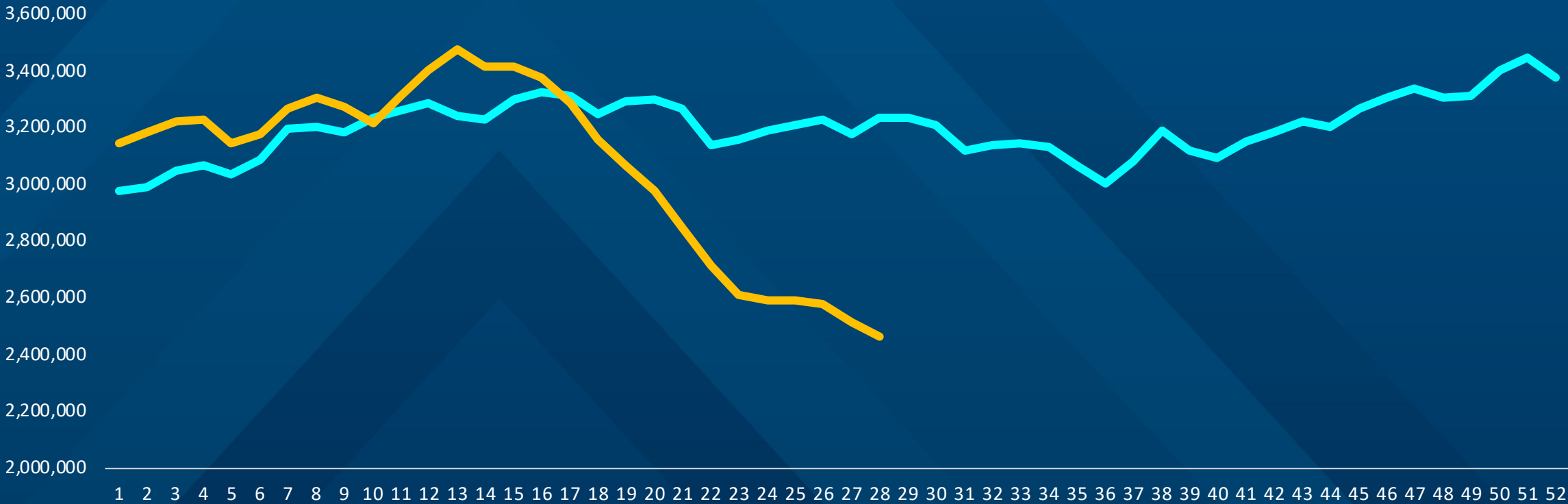
Driven by COX AUTOMOTIVE

Source: Cox Automotive

NEW SALES HAMPERED BY SUPPLY

Active New Vehicle Inventory by Week

2019 Active Inventory 2020 Active Inventory

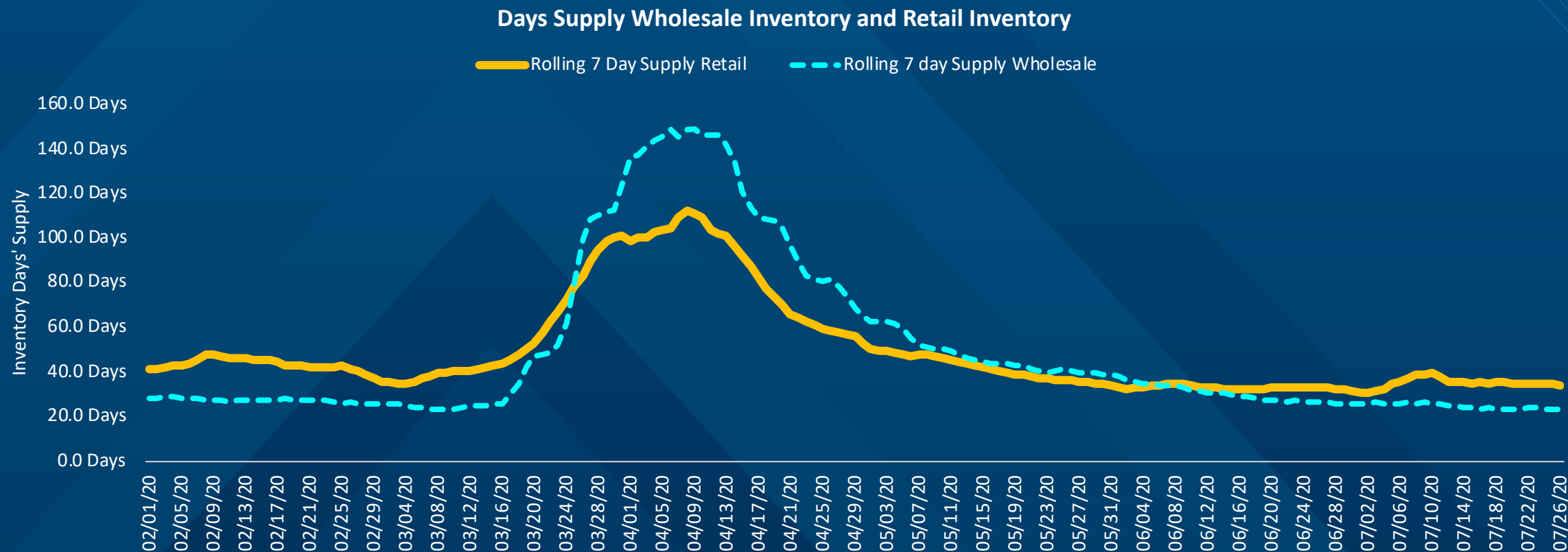


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Source: Cox Automotive

USED INVENTORY DOWN



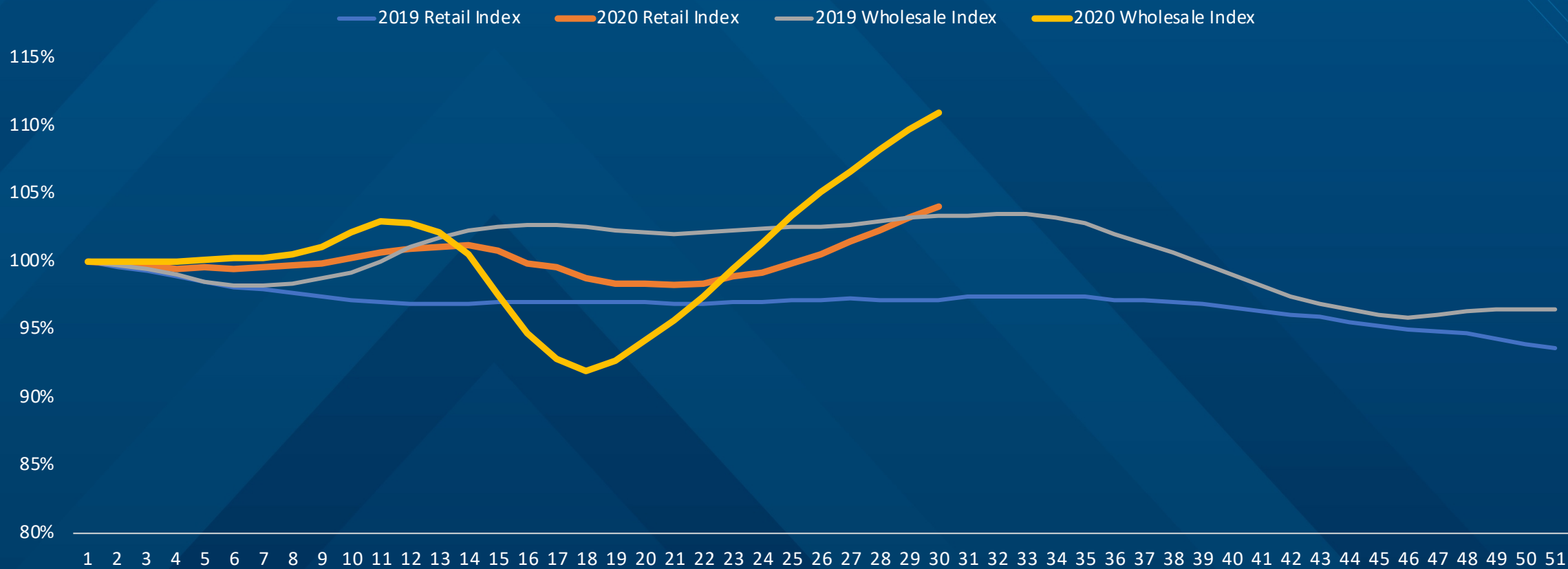
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Source: Cox Automotive

USED PRICES AT NEW HIGH POINTS

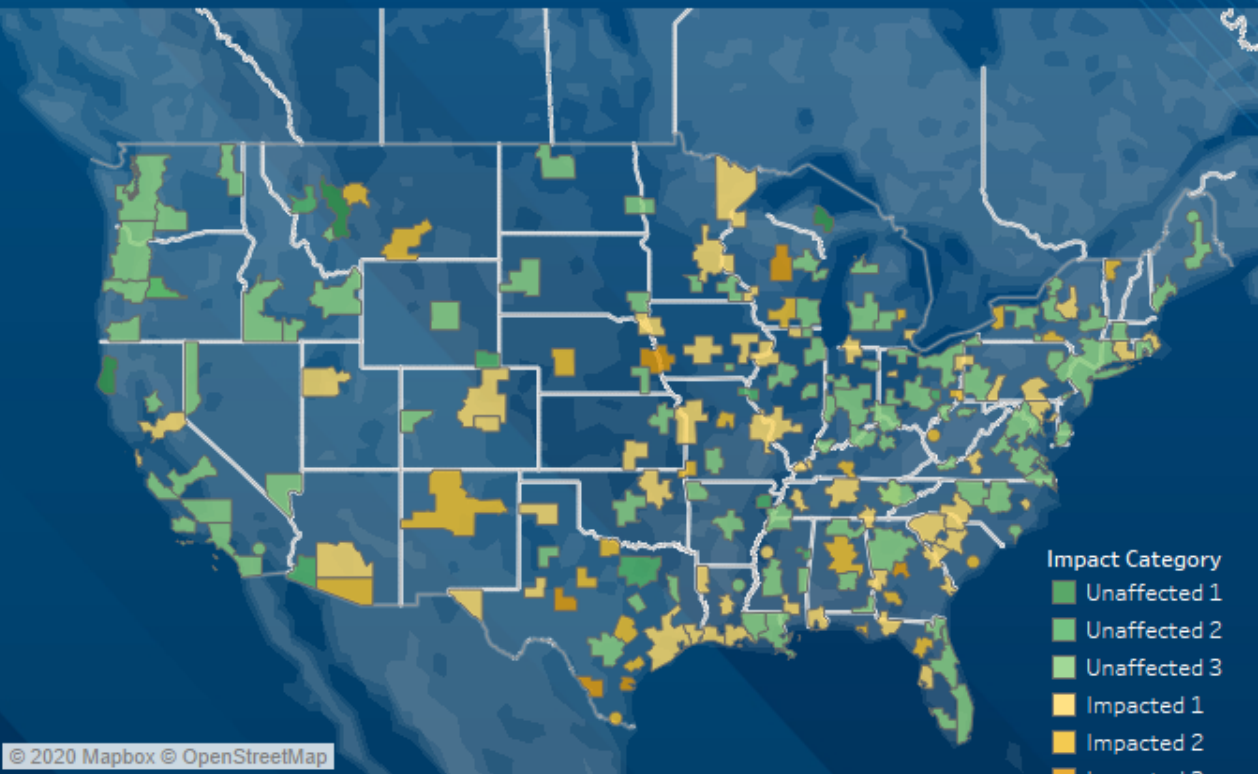
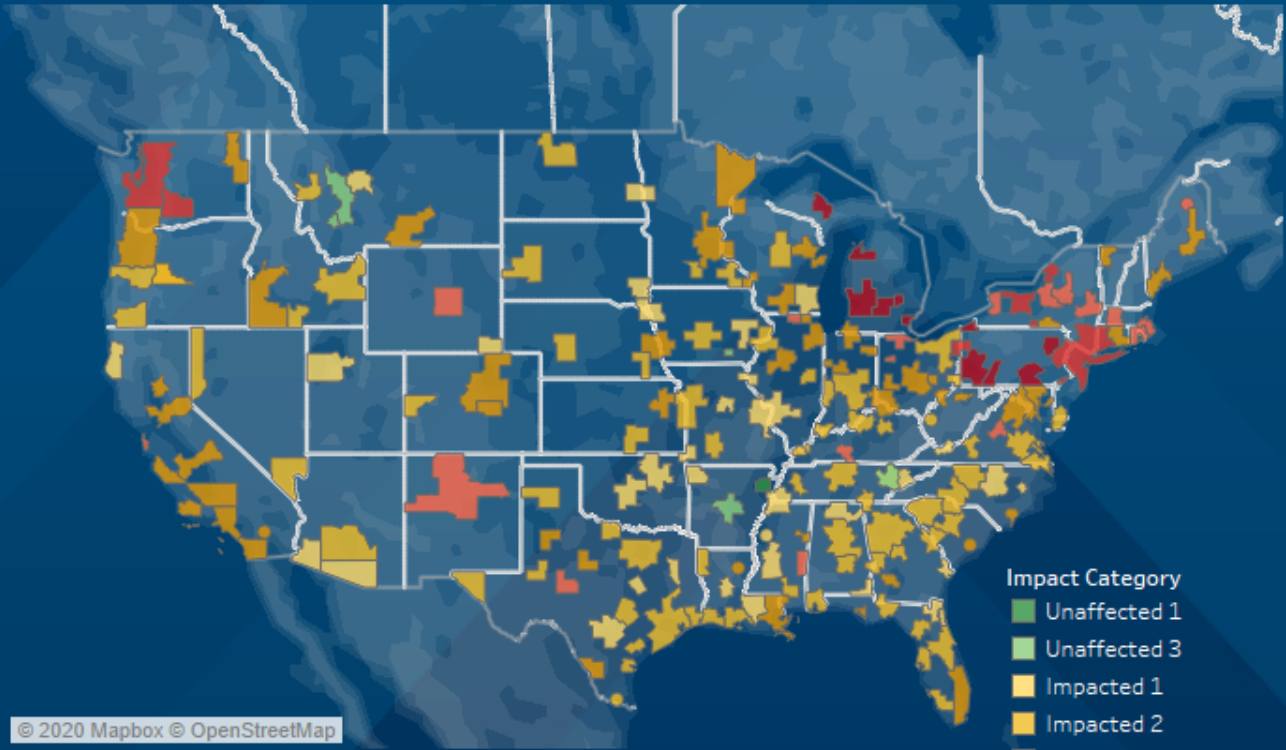
MY 2017 Retail and Wholesale Price Indices (wk1=100)



SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS

April 5th

July 26th



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Source: Cox Automotive

COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 52% y/y in July through Saturday and on **Kelley Blue Book** up 27%; both are strong but losing some momentum
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions outperform, and 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 from the prior week
- **Xtime** saw a 15% decrease y/y last week in consumers having their cars serviced, which was a slight 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