



Vehicle Market Insights

*Manheim Used Vehicle Value Index
Call - July 8, 2020*

Jonathan Smoke & Zo Rahim
Special Guest: Whitney Gerkin

COX AUTOMOTIVE™



INVENTORY



RETAIL



FINANCIAL



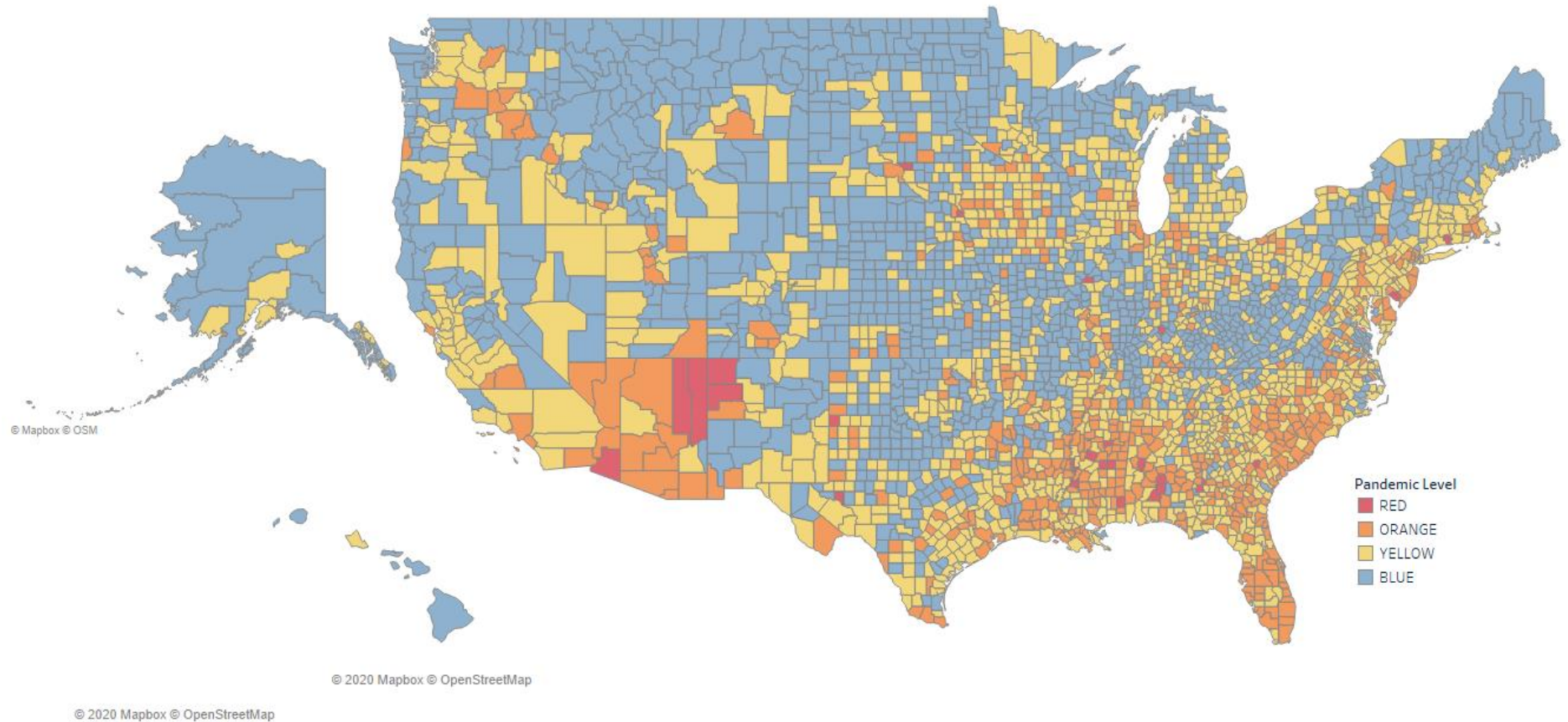
MOBILITY



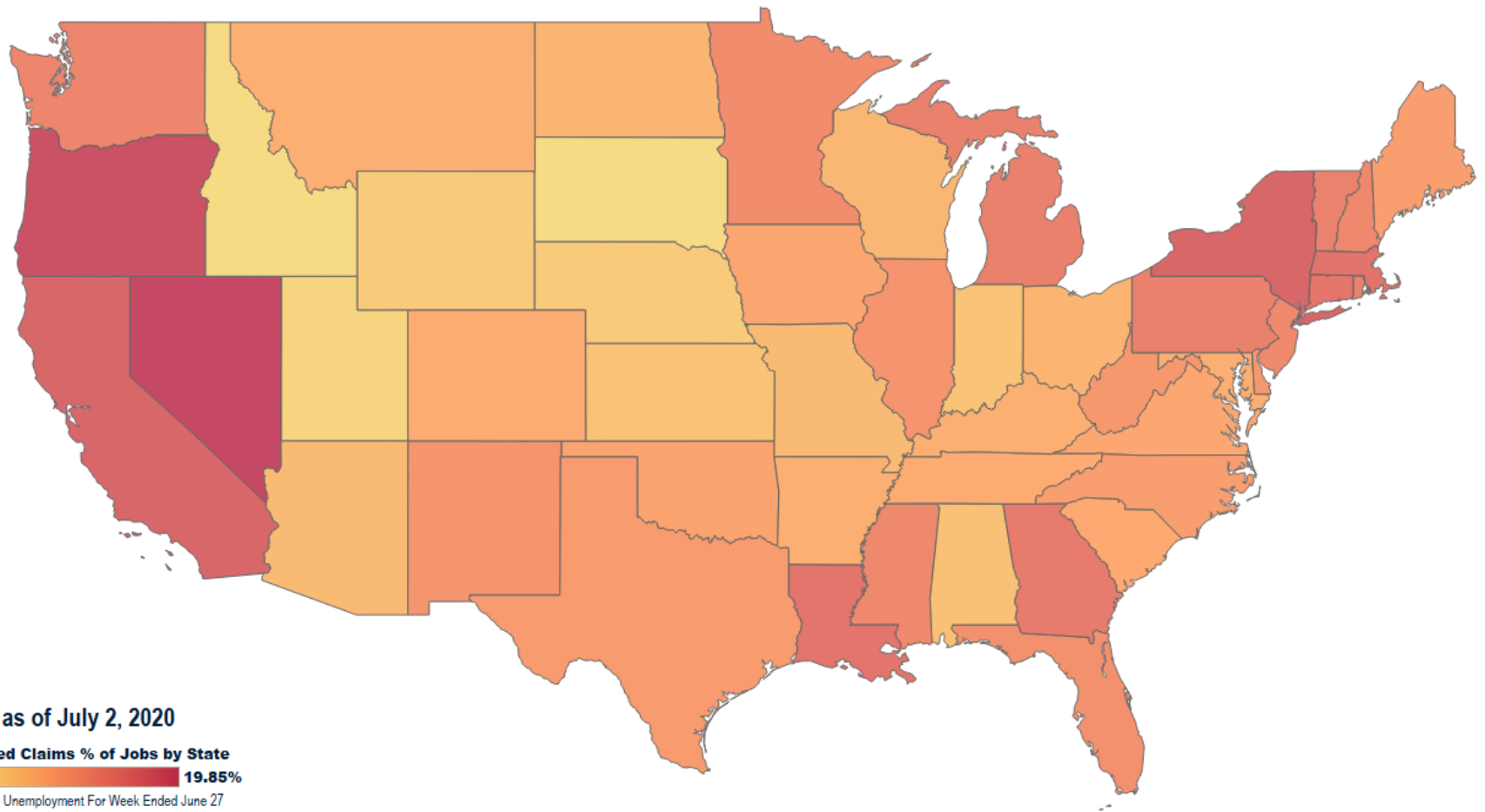


COVID-19 Market Update

Covid-19 Local Impact Assessment



Continuing Claims At 19.3 Million Nationally

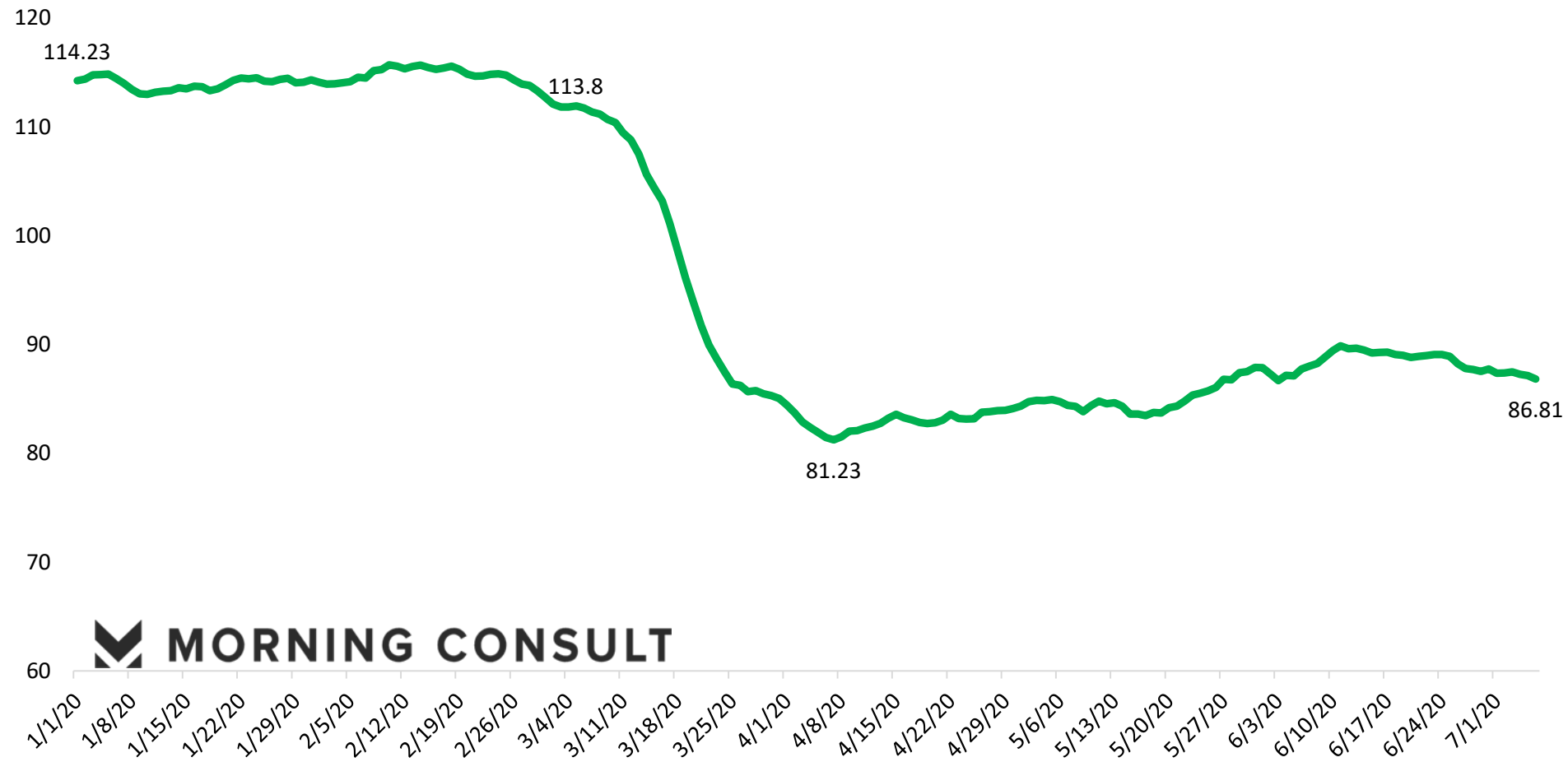


© 2020 Mapbox © OpenStreetMap

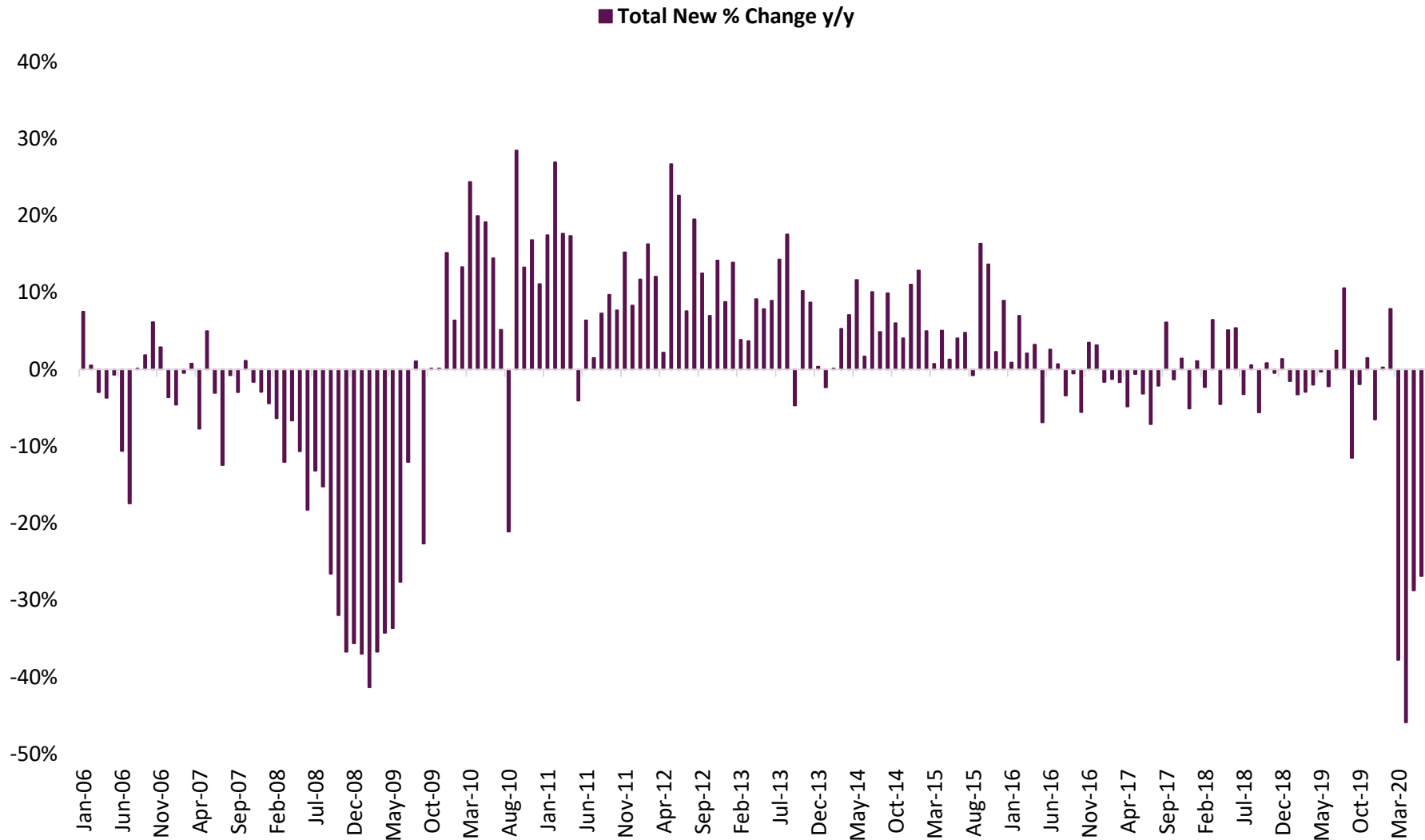
Consumer Sentiment Moves Down Again

Morning Consult's Index of Consumer Sentiment on Monday was down 23.4% since February 29

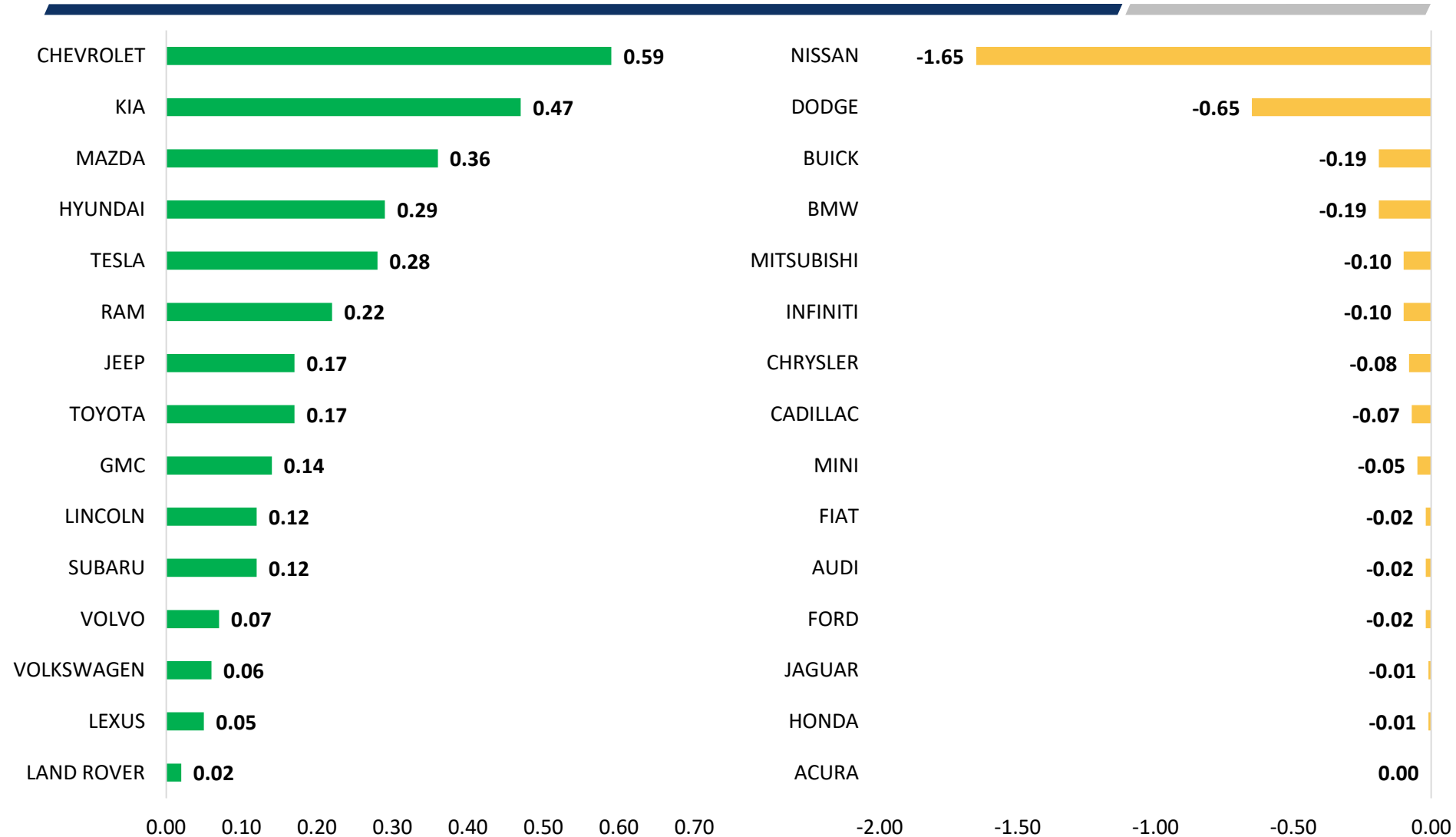
ICS Value (7-Day Average)



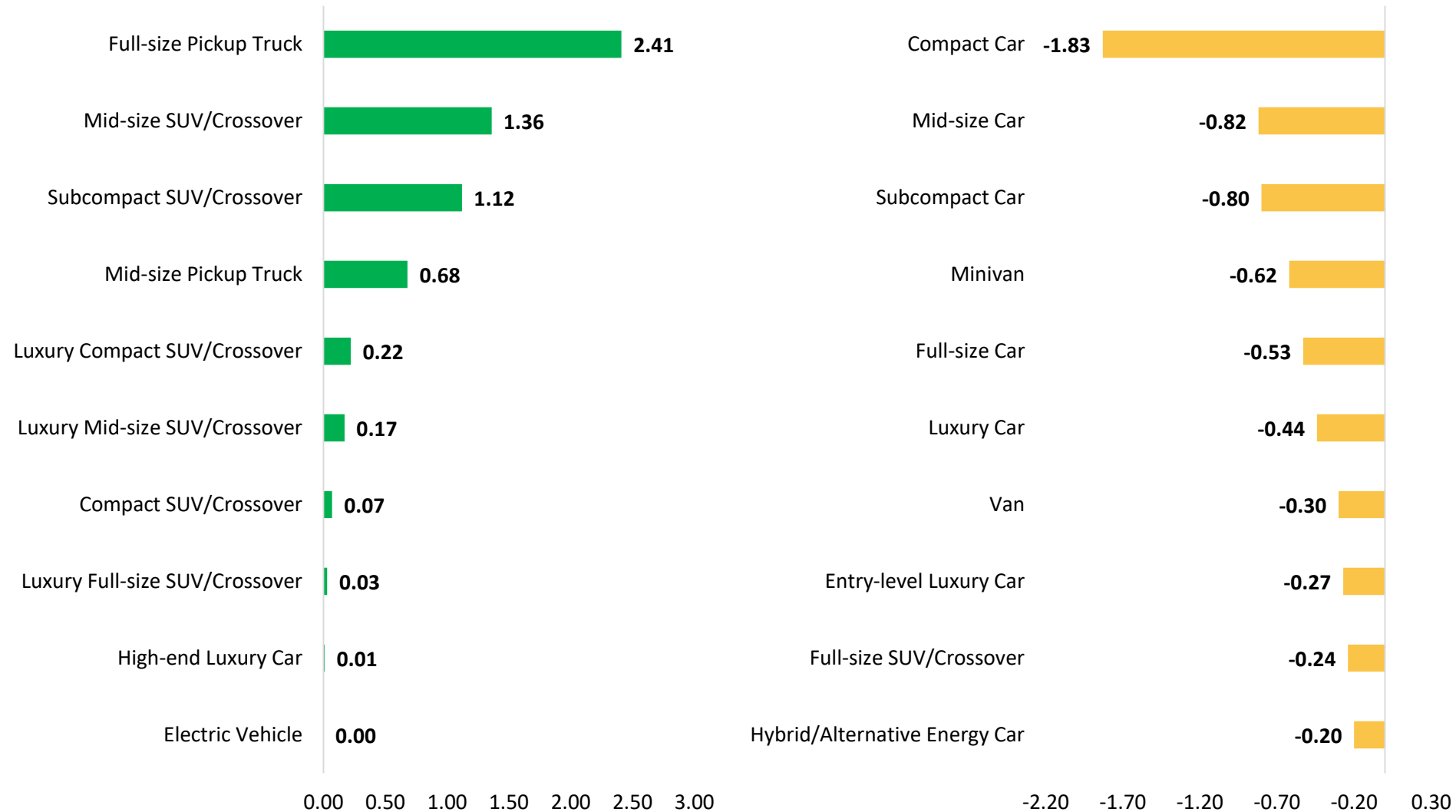
New Vehicle Sales Down But Recovering



New Vehicle Market Share Performance – 1H 2020

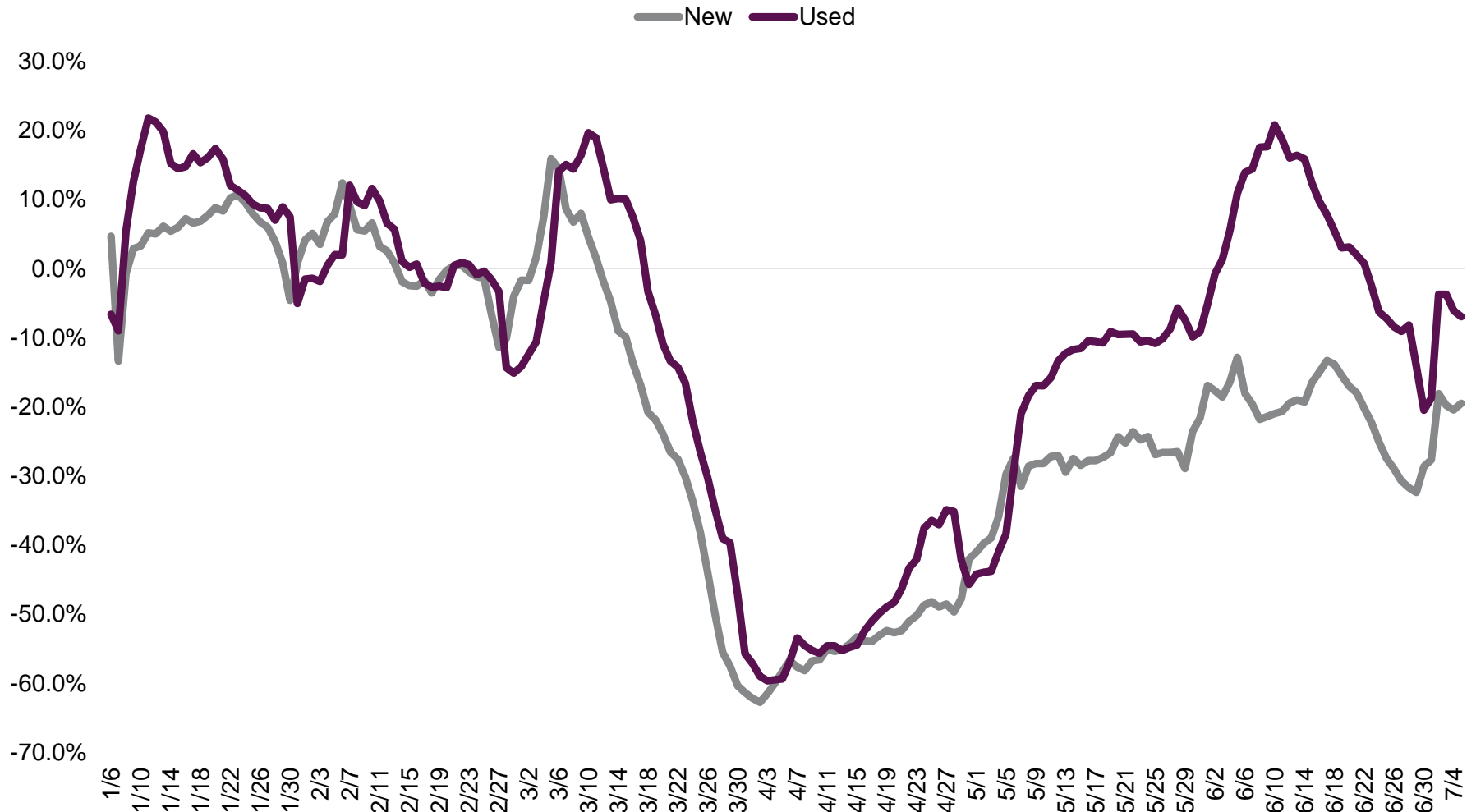


New Vehicle Market Share Performance – 1H 2020



Retail Sales Recovery Estimates

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



Update: Manheim's Shift to All-Digital



Whitney Gerkin
Digital Marketplace Director
Manheim



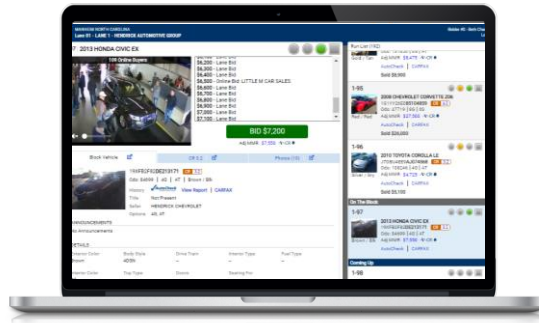
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ACCESSING MANHEIM INVENTORY TODAY



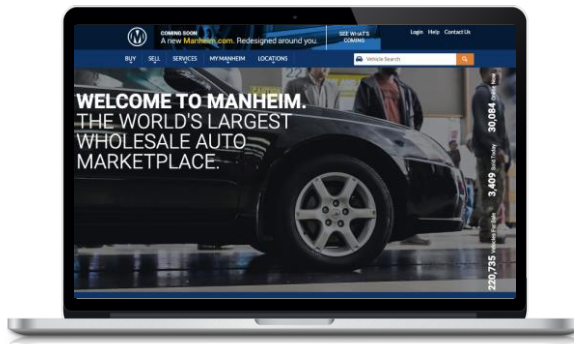
SIMULCAST



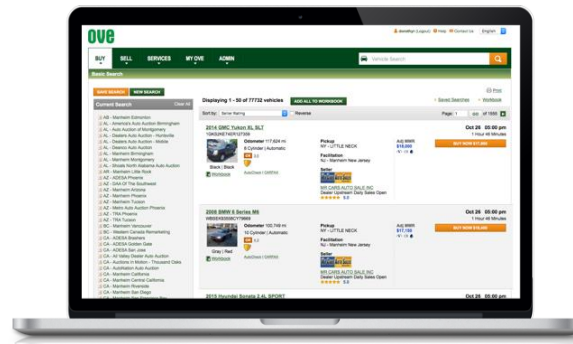
DIGITAL BLOCKS (In-Lane Bidding)



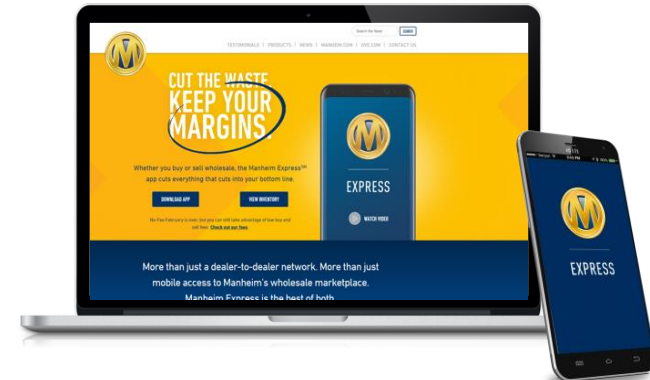
MANHEIM.COM



OVE / PRIVATE STORES



MANHEIM EXPRESS



OPERATIONAL UPDATES SINCE GOING ALL-DIGITAL



Welcomed **sellers back on the block** at all locations.

Welcomed **buyers to preview vehicles** on the lot at all locations.

Piloting **in-lane bidding** "Digital Blocks" at select locations.





Manheim's sales rates are now **higher than pre-COVID levels**.



January through June, Manheim experienced **1.5+ million digital transactions**, which is more than 20% higher than the same period in 2019.



OVE sales were **up nearly 70 percent** in June compared to last year.

MANHEIM DIGITAL COVID-19 SNAPSHOT



STATS: MANHEIM DIGITAL MARKETPLACE

6 in 10

DEALERS SAY THAT
SIMULCAST IS
WORKING AS A
REPLACEMENT

8300+

BUYERS MADE FIRST
TIME PURCHASES ON
SIMULCAST

23,000

SIMULCAST SALES
OCCURRED ON A
SINGLE DAY IN JUNE,
A RECORD ON THE
PLATFORM

8200+

VEHICLES SOLD IN A
WEEK AT MANHEIM PA
IN JUNE, 900 HIGHER
THAN SAME WEEK
2019

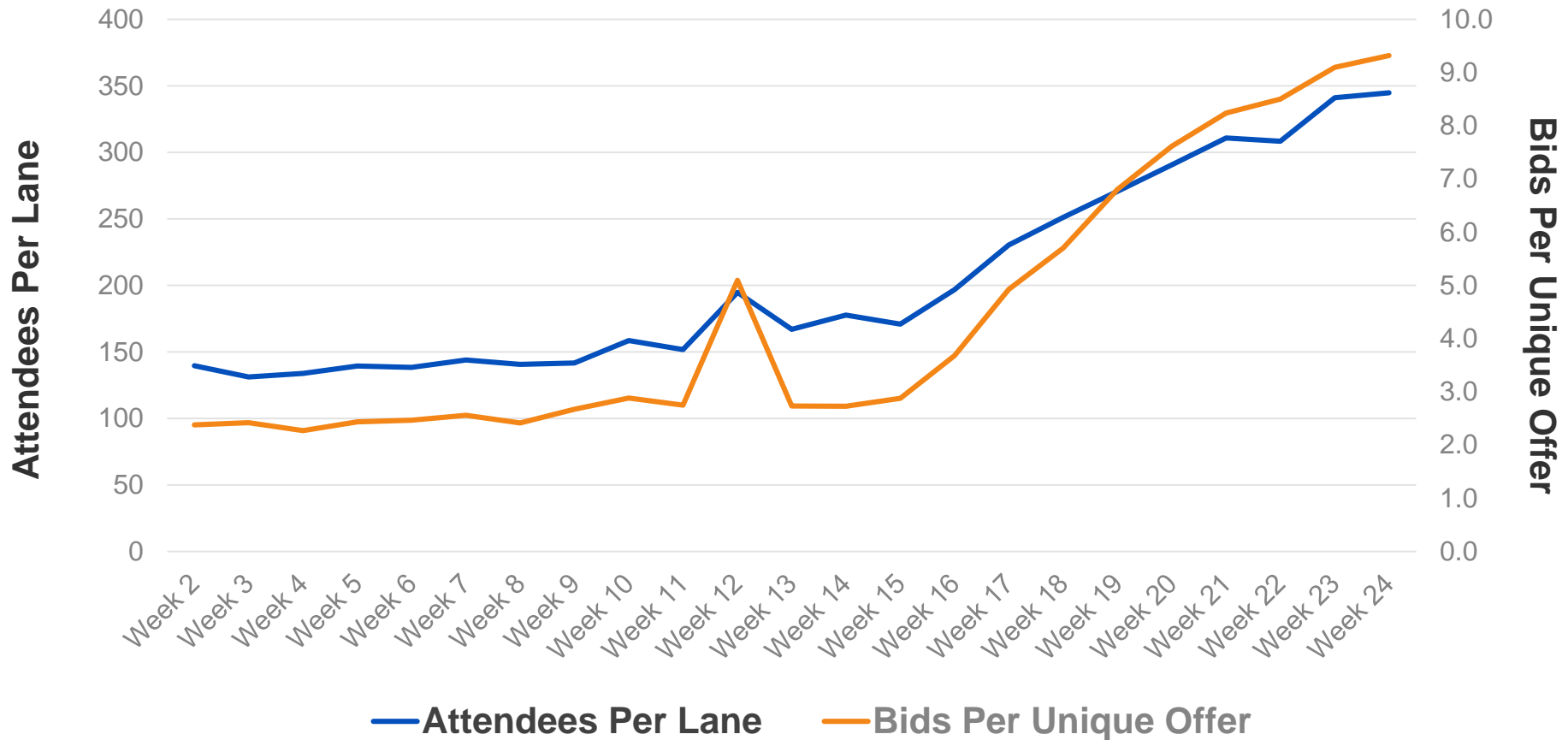
~40%

IS THE INCREASE IN
USAGE OF SIMULCAST
REMOTE SELLER SINCE
MARCH 16

SIMULCAST ATTENDANCE & BIDDING ARE ON THE RISE



Simulcast Attendance & Bidding in 2020



BASED ON YOUR PURCHASE HISTORY  [VIEW ALL >](#)

“

*The system is really easy and I really enjoy it. I'll be honest. **I was one of the biggest skeptics against it because I really hadn't tried it and I couldn't get over the idea of bidding online. But since I've done it the last few weeks I do like it. **The more I use it, the more I like it.*****

-Manheim Dealer Client

MANHEIM SAN FRANCISCO BAY

1,295 Vehicles | 18 Sales Today | 12 Lanes

SALES

Jan 30 at 12:00pm ET

INVENTORY

LANES

Lane 1

JOIN SALE

MANHEIM RIVERSIDE

1,790 Vehicles | 28 Sales Today | 14 Lanes

SALES

Jan 31 at 12:00pm ET

INVENTORY

LANES

Lane 1

JOIN SALE

MANHEIM SEATTLE

1,524 Vehicles | 21 Sales Today | 12 Lanes

SALES

Jan 30 at 12:30pm ET

INVENTORY

LANES

Lane 1

JOIN SALE

2017 NISSAN ALTIMA 2.5 SL

32,000 mi / Adj MMR \$15,090 / CR 3.9

Manheim Seattle

Lane 34 / Run 45 / 0d, 8hr, 36m

SALE DATE

Jan 30, 2019



WHAT'S NEXT FOR WHOLESALE?

Wholesale will remain heavily digital for the foreseeable future.

We're going all-in on vehicle imaging.

New vehicle tracking technologies will make it easier to locate and preview inventory.

In-lane bidding is contingent on safety first.

Manheim Used Vehicle Value Index

Concept:

A single measure of used vehicle price change that is independent of underlying segment shifts in the characteristics of vehicles being sold

Steps:

All Manheim U.S. sales

Classify by market segment

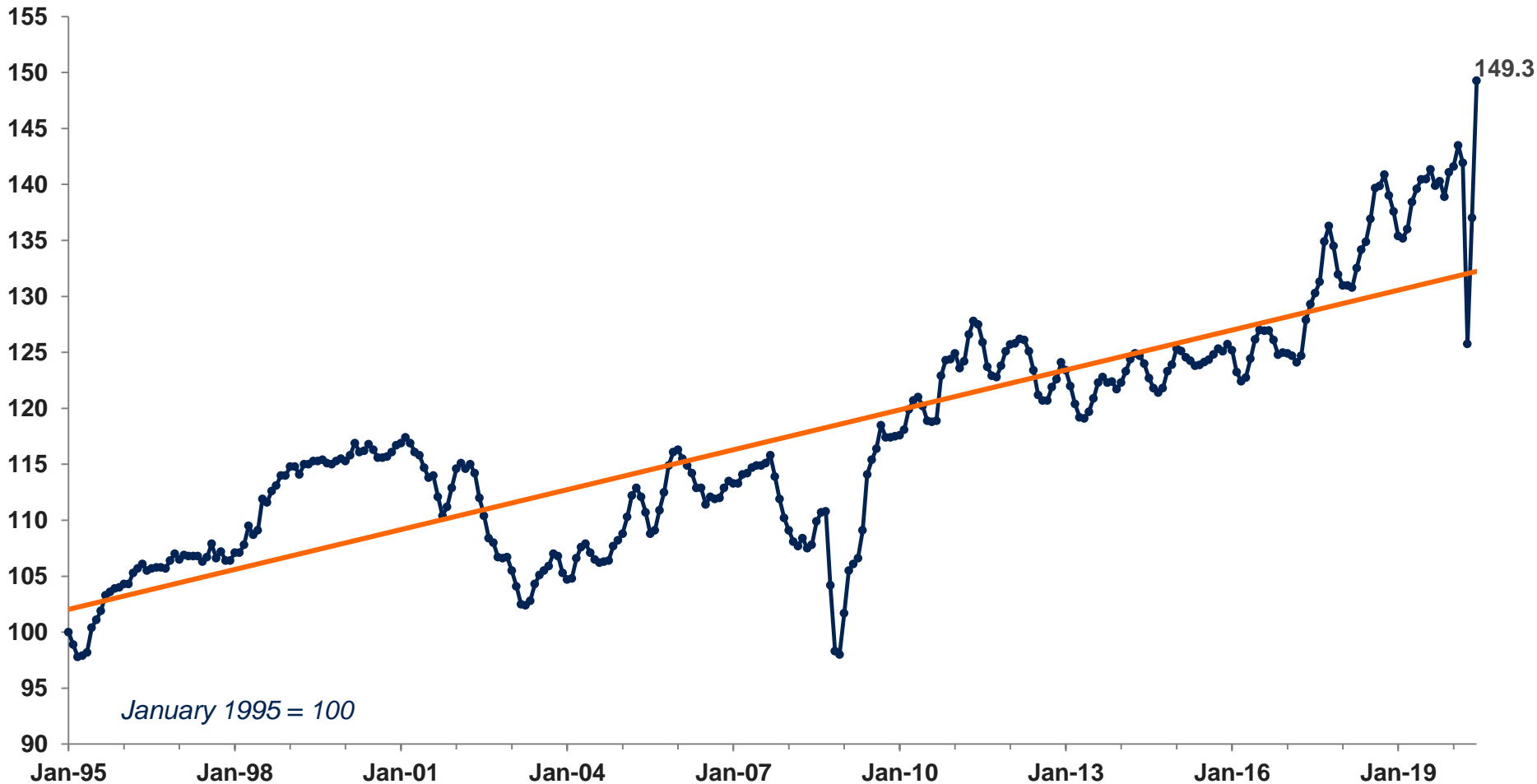
Account for differences in mileage

Weight to provide smoother segment mix

Seasonally adjust

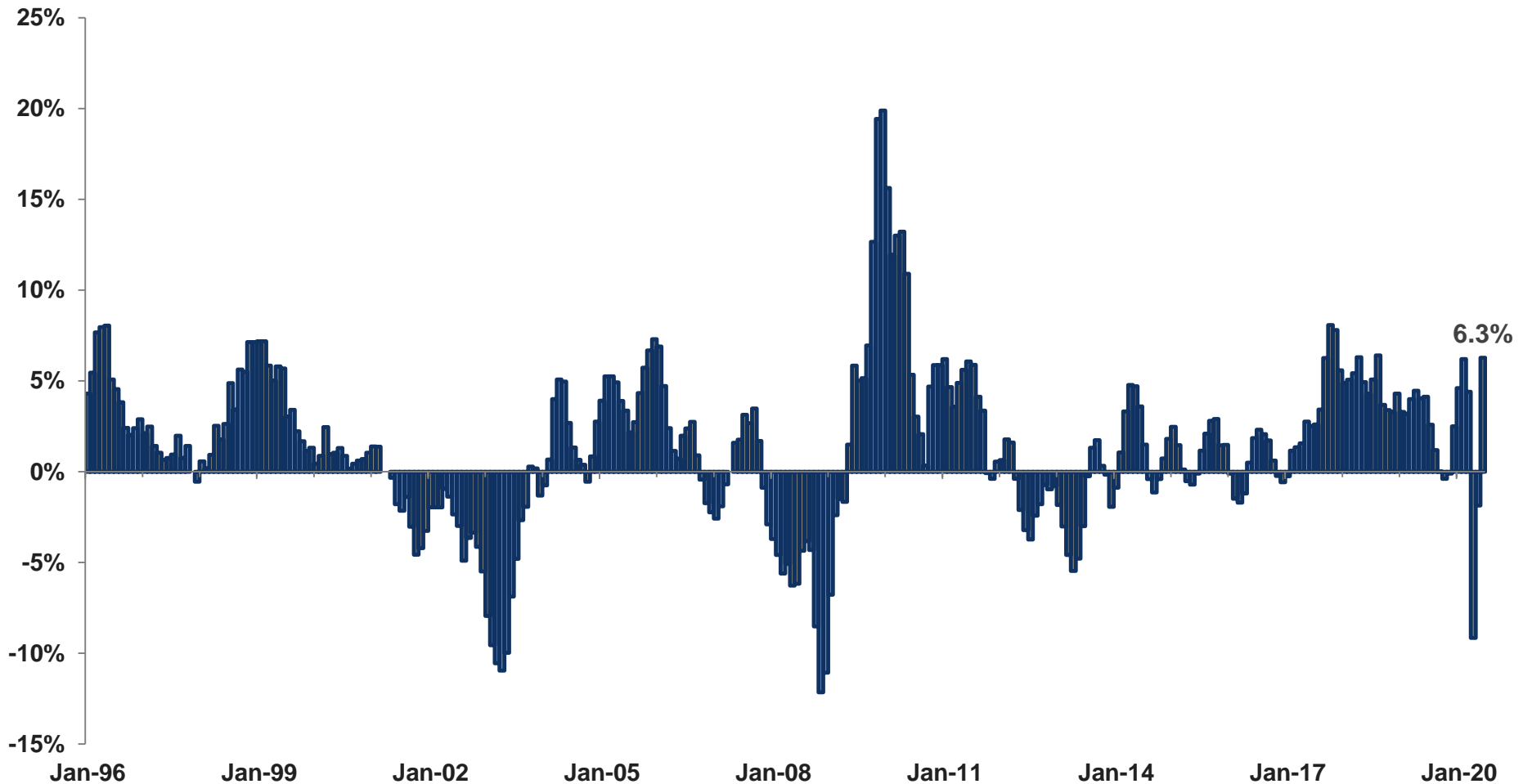
Record-Setting Rebound In Wholesale Prices

Prices in June increased 8.95% from May 2020 and were up 6.3% compared to June 2019



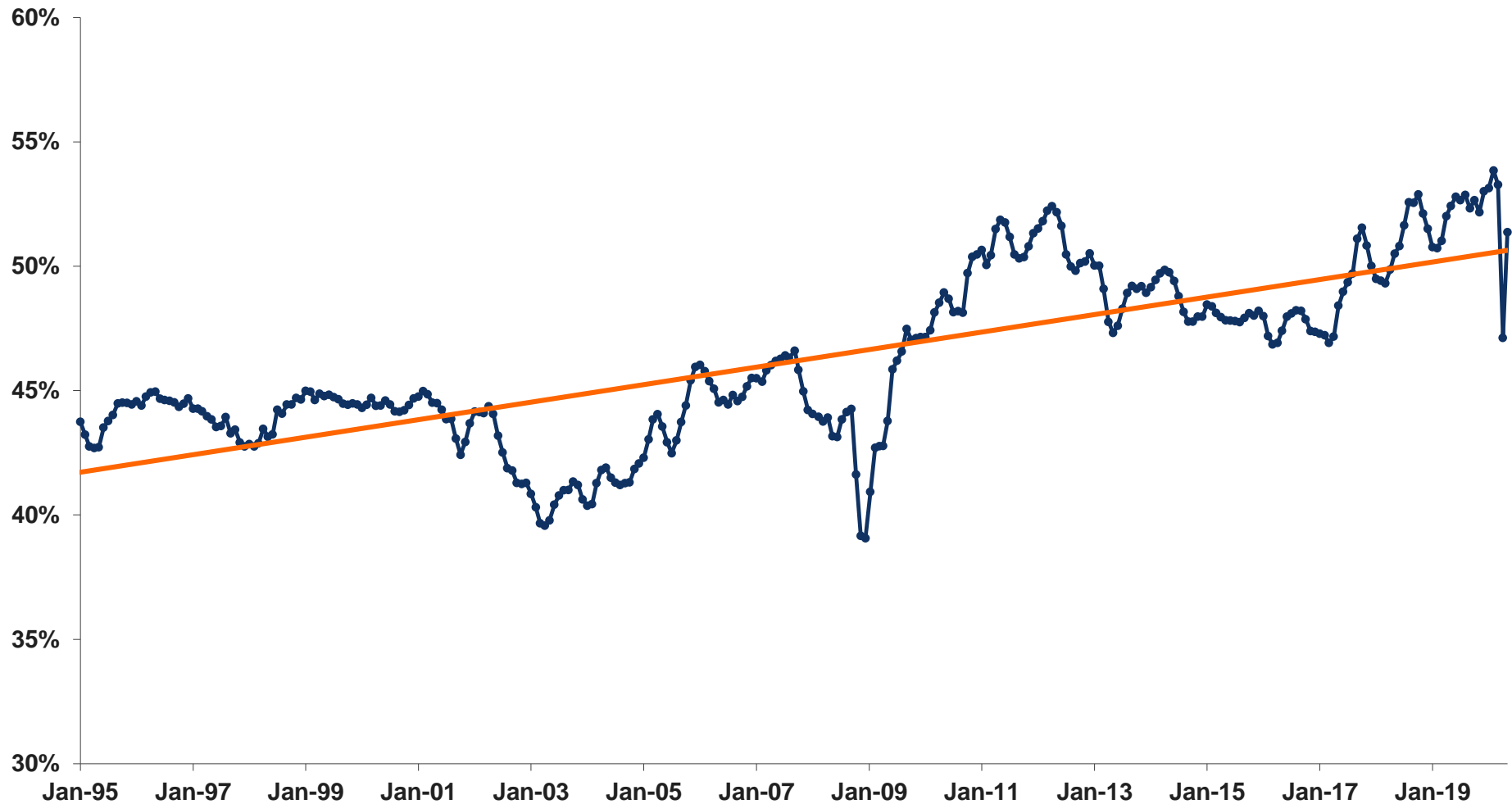
Used Vehicle Values Back to Pre-Covid Strength

Year-over-year price performance stronger than average

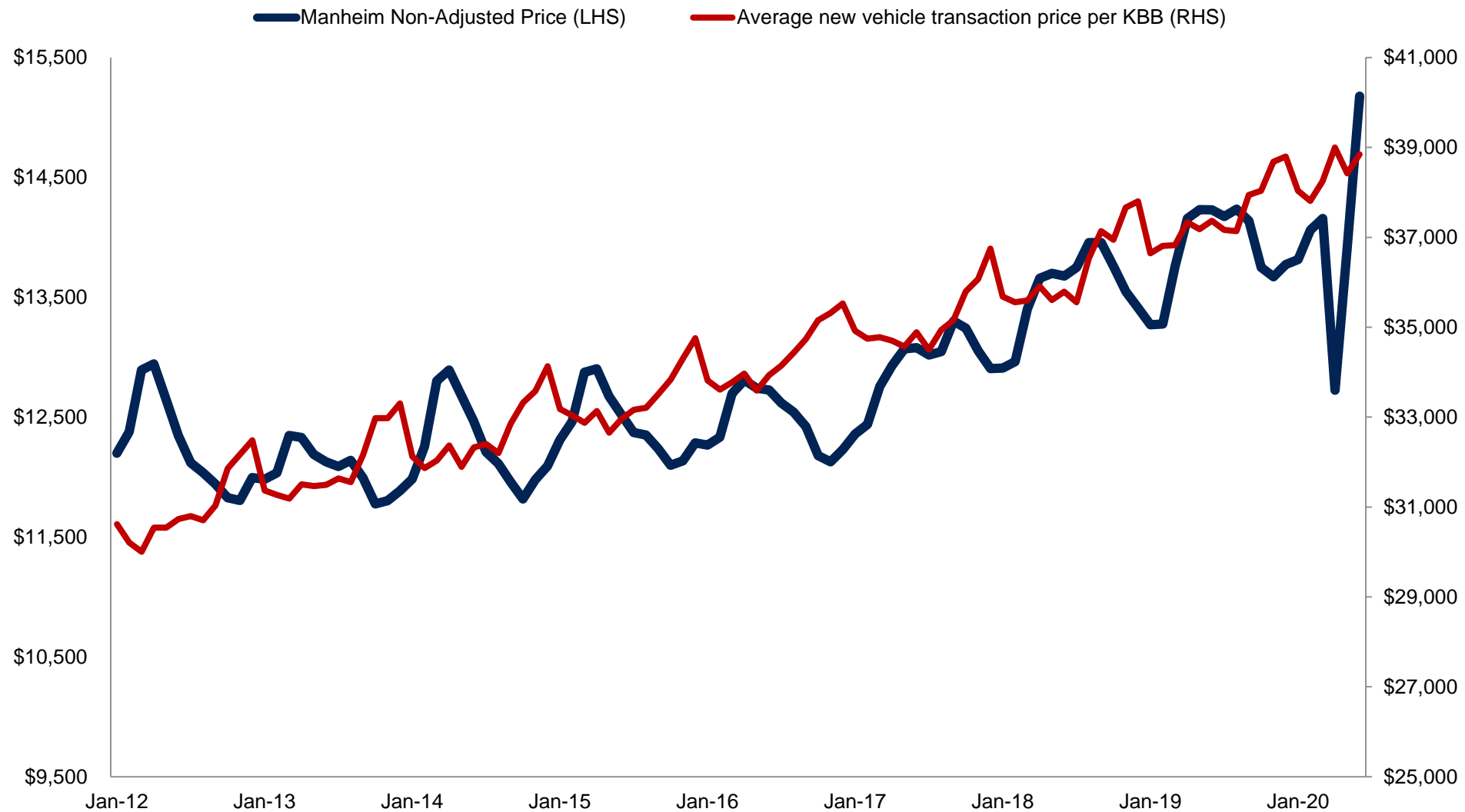


Manheim Index versus Mix & Quality Adjusted New Vehicle Price with 3 ½ year Lag

Used vehicle prices back above the historical new vehicle price relationship trend



Wholesale Used Vehicle Prices vs. New Vehicle Prices

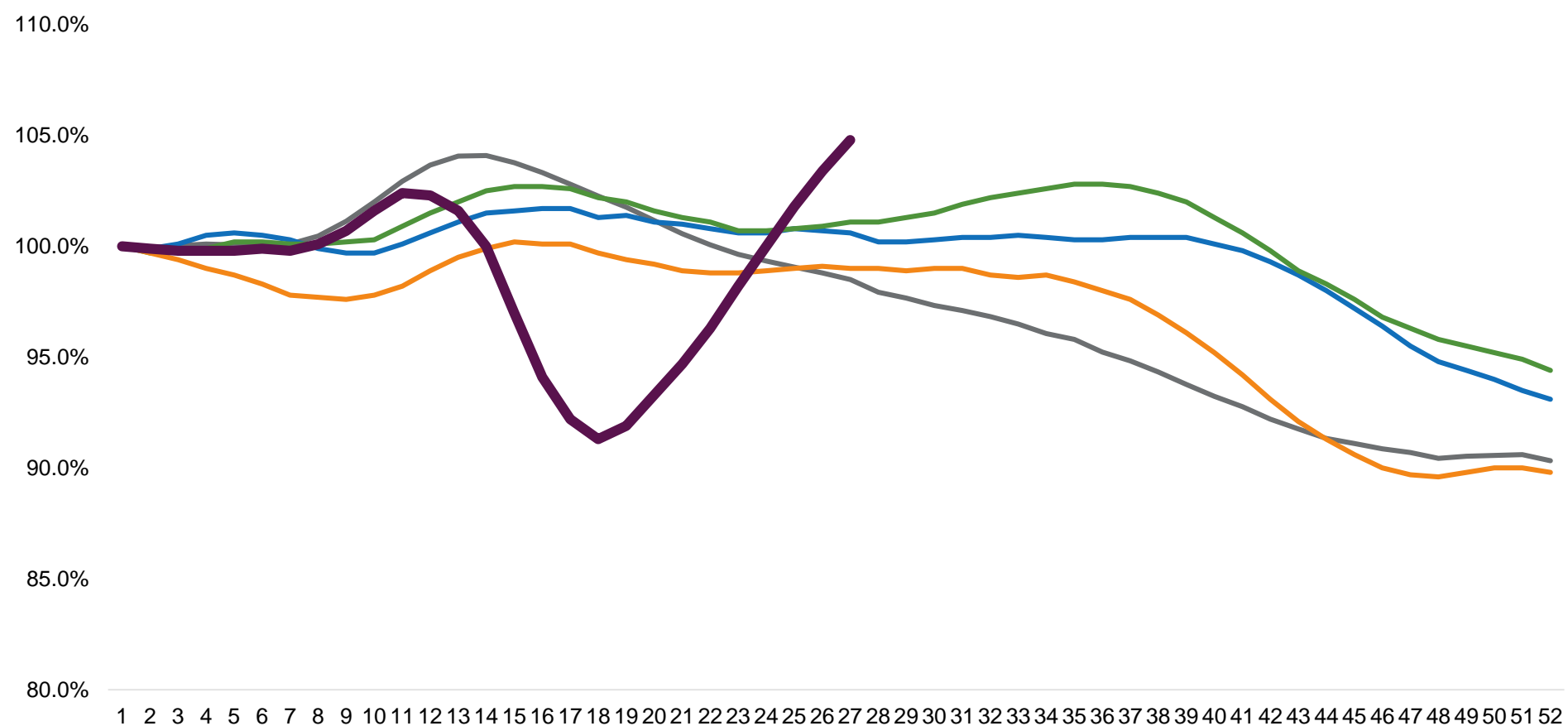


2020 Weekly Price Trend More Than Recovered

2020 spring bounce ended abruptly as COVID-19 pandemic hit the US but prices more than recovered in weeks since

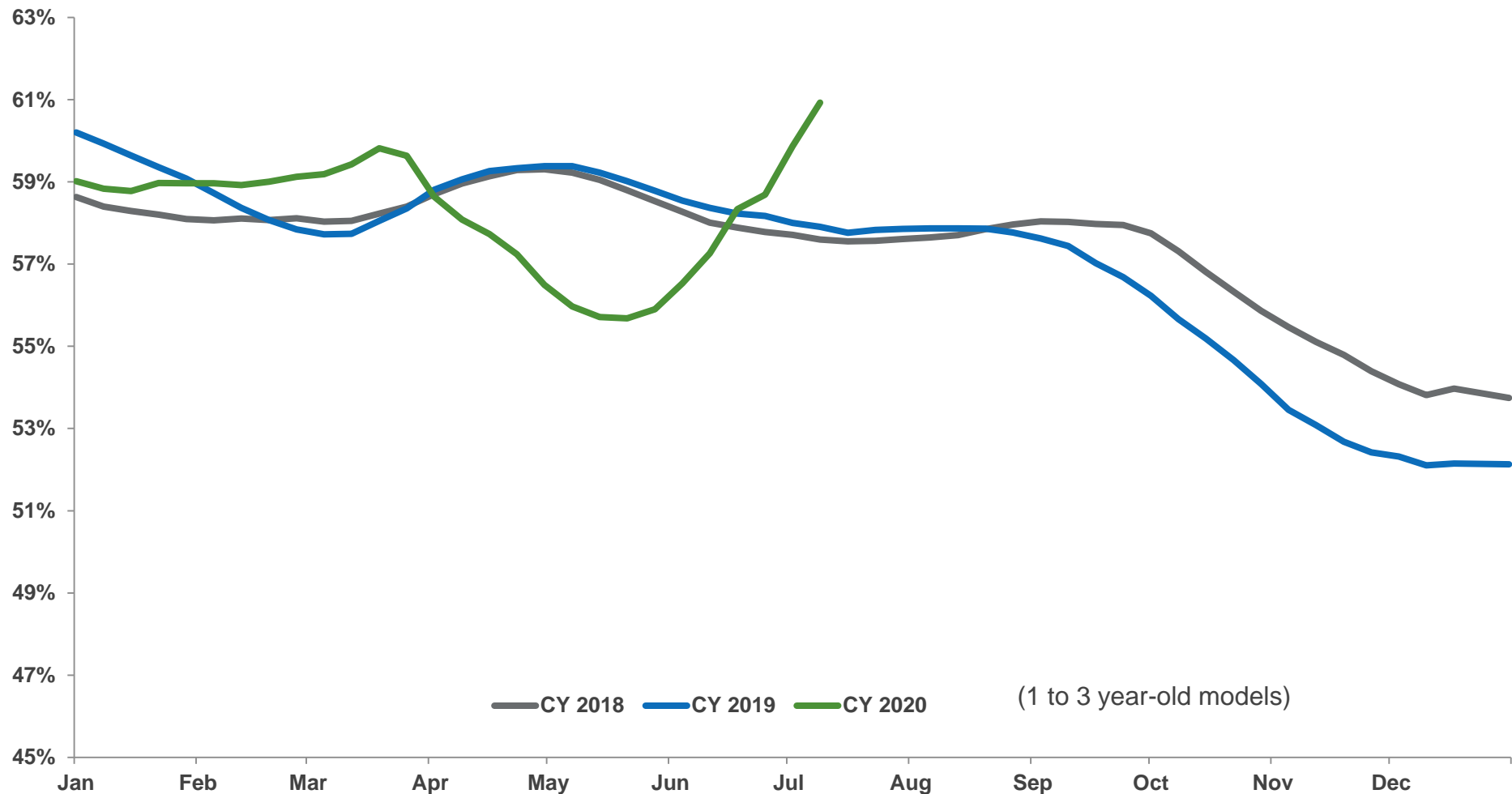
3-Year-Old Model MMR Index by Week

— 2014-2016 — 2017 — 2018 — 2019 — 2020



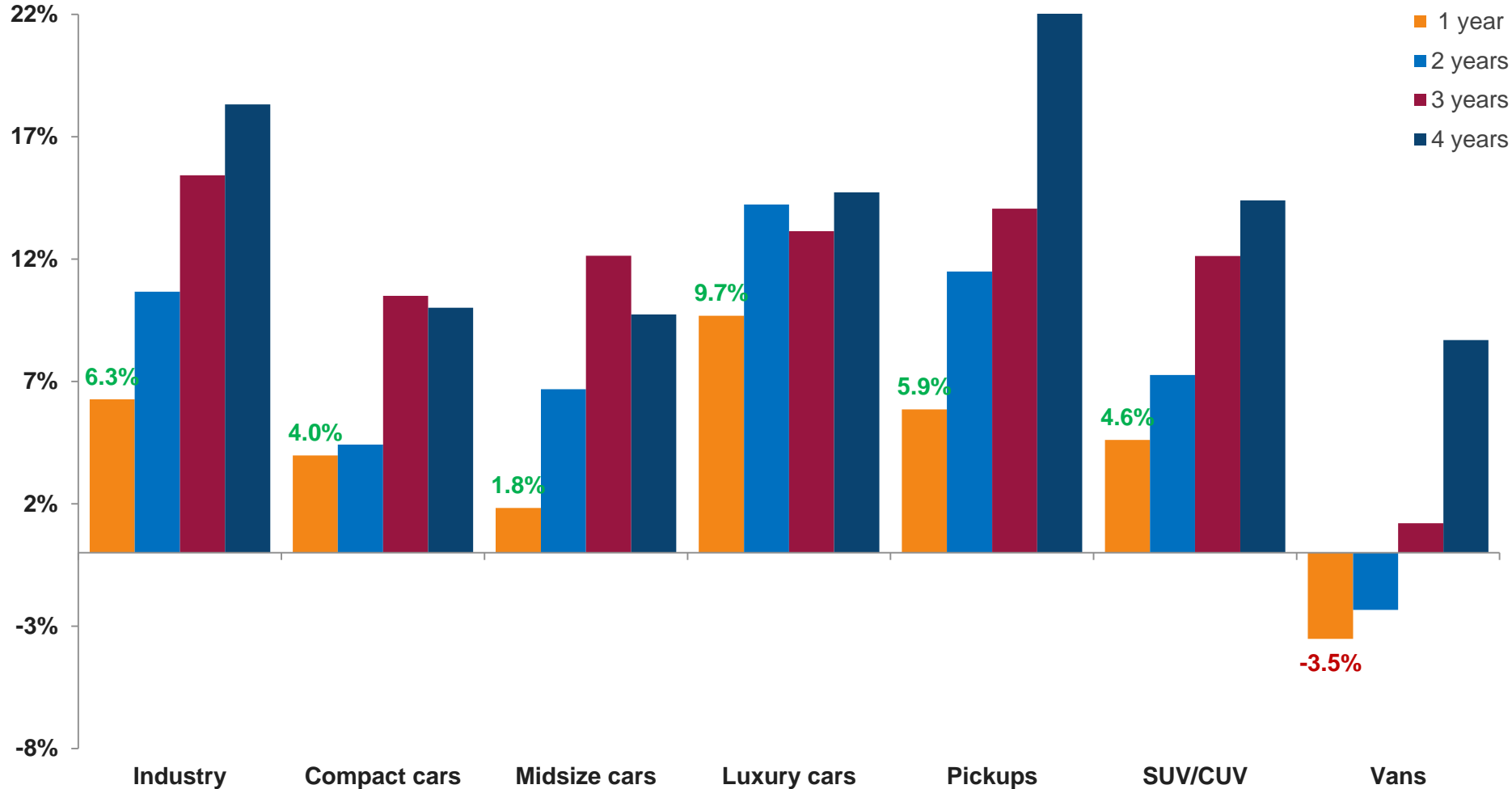
Retention Values Ended June Up 1.9% Relative to 2019

Relative to MSRP and fixing the basket of vehicles by what was sold leaves residuals following similar pattern



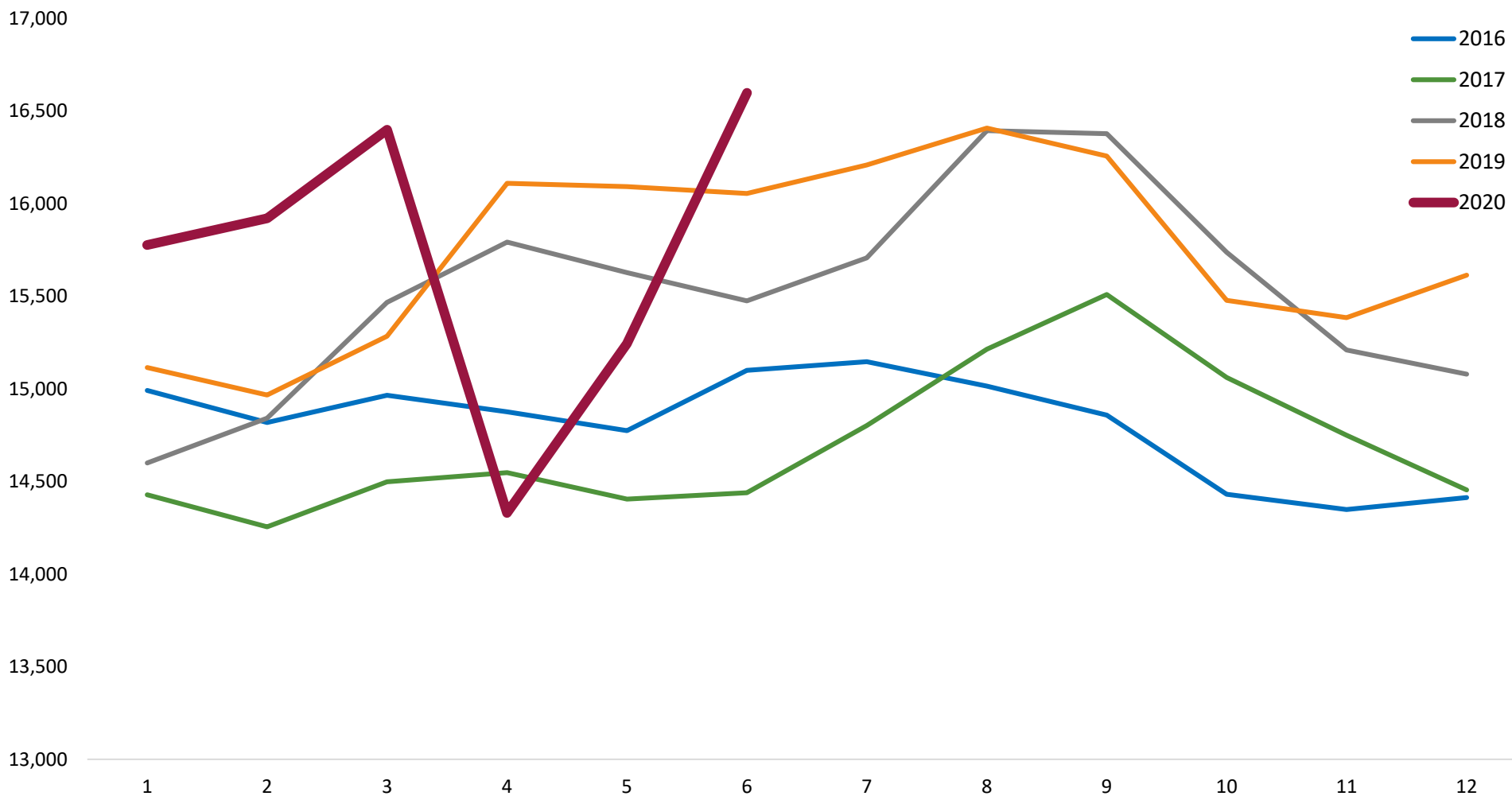
Percent Change in Wholesale Prices for Major Market Segments

Most major segments saw year-over-year gains in June



Average Auction Price – Rental Risk Units

Average price for rental risk units sold in June up 3.4% y/y and up 8.9% m/m



Distribution of Rental Risk Vehicles

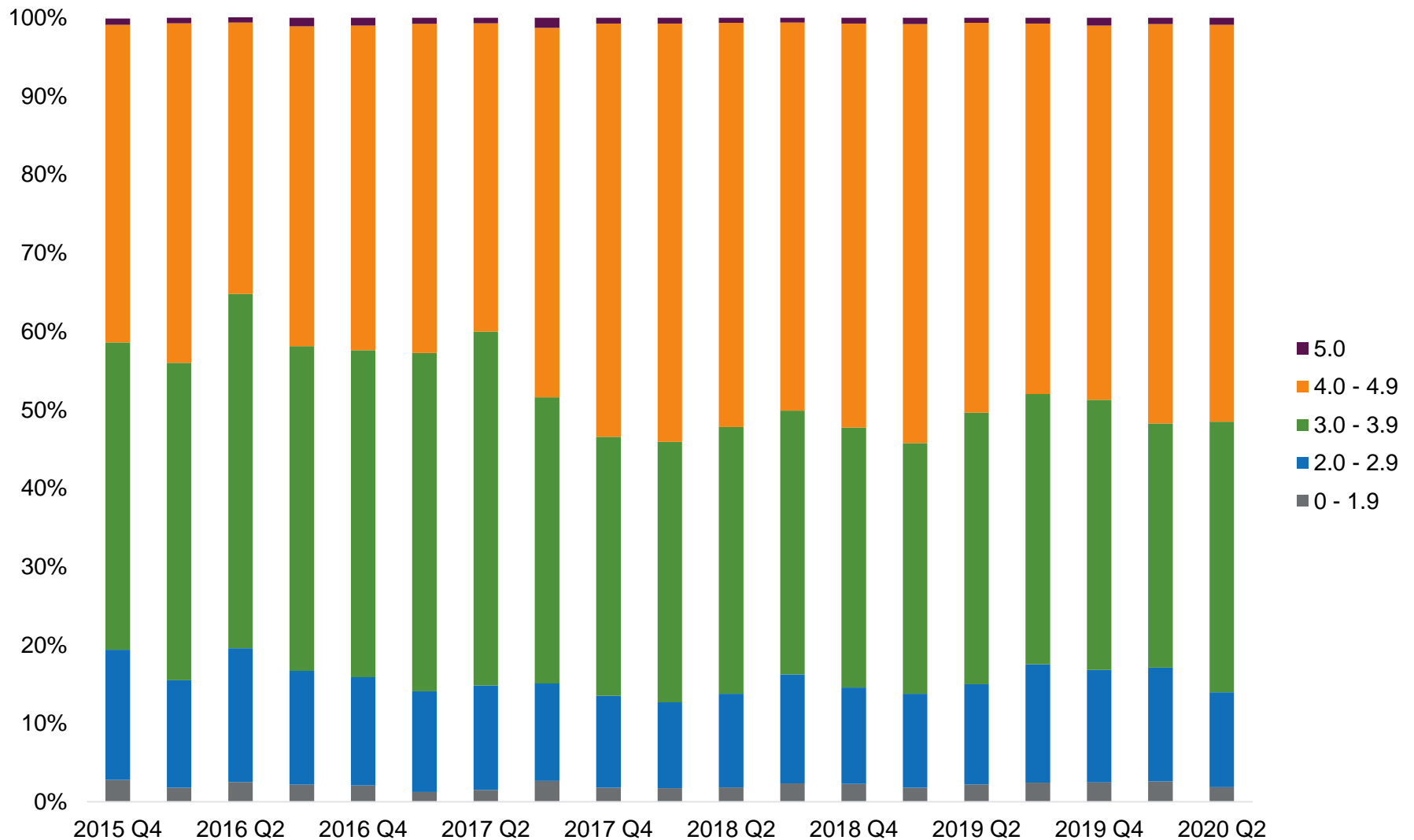
	2018 Q2	2019 Q2	2020 Q2
Number of unique year, make, model, body configurations sold	3,023	3,337	3,090
Share accounted for top 10 YMMB	13.5%	12.0%	14.0%
Share accounted for top 25 YMMB	22.9%	22.3%	25.9%
Number of YMMB to reach 50% share	109	106	86

Average Mileage – Rental Risk Units Sold at Auction

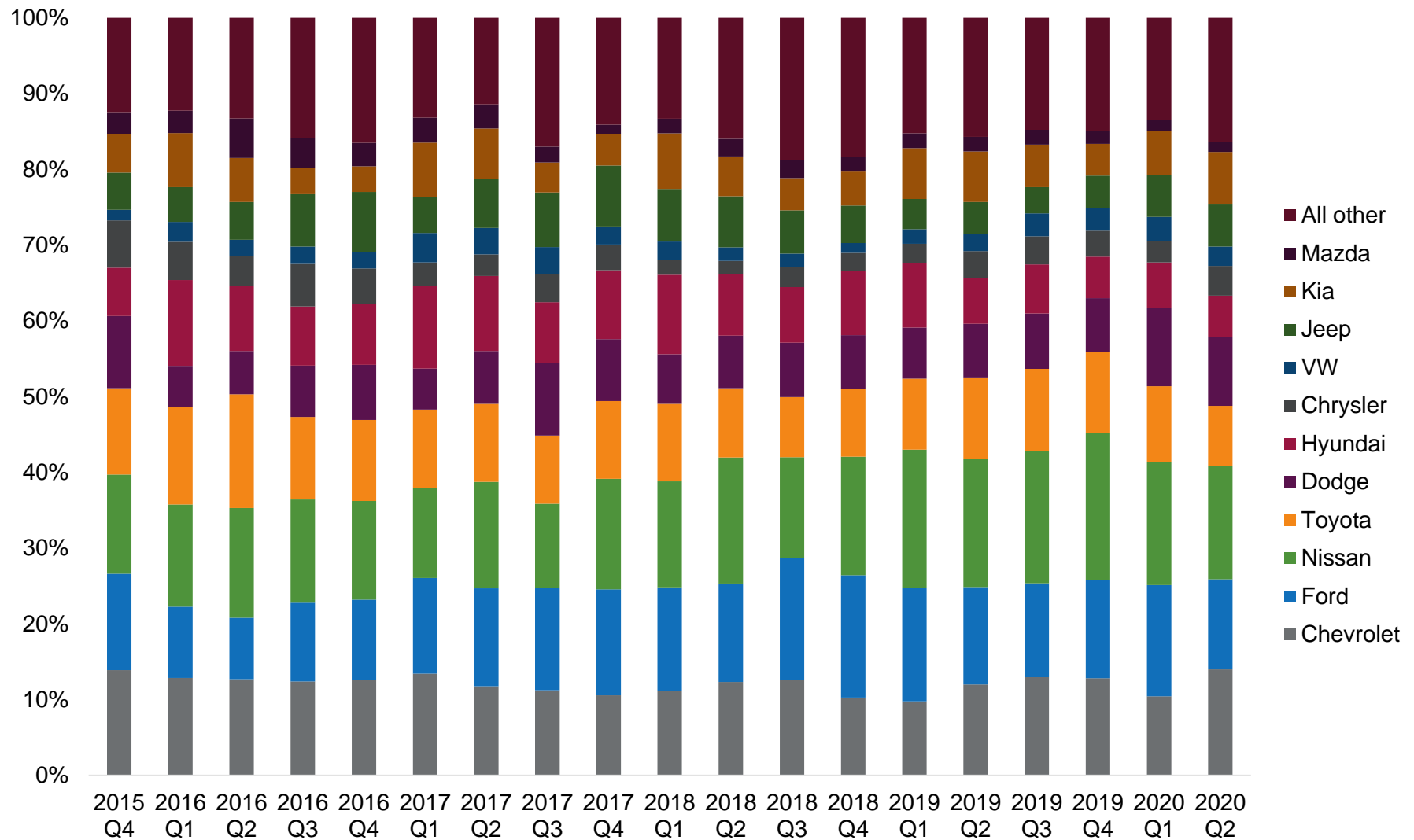
Average mileage for rental risk units in June was down 7% compared to a year ago and down 6% m/m



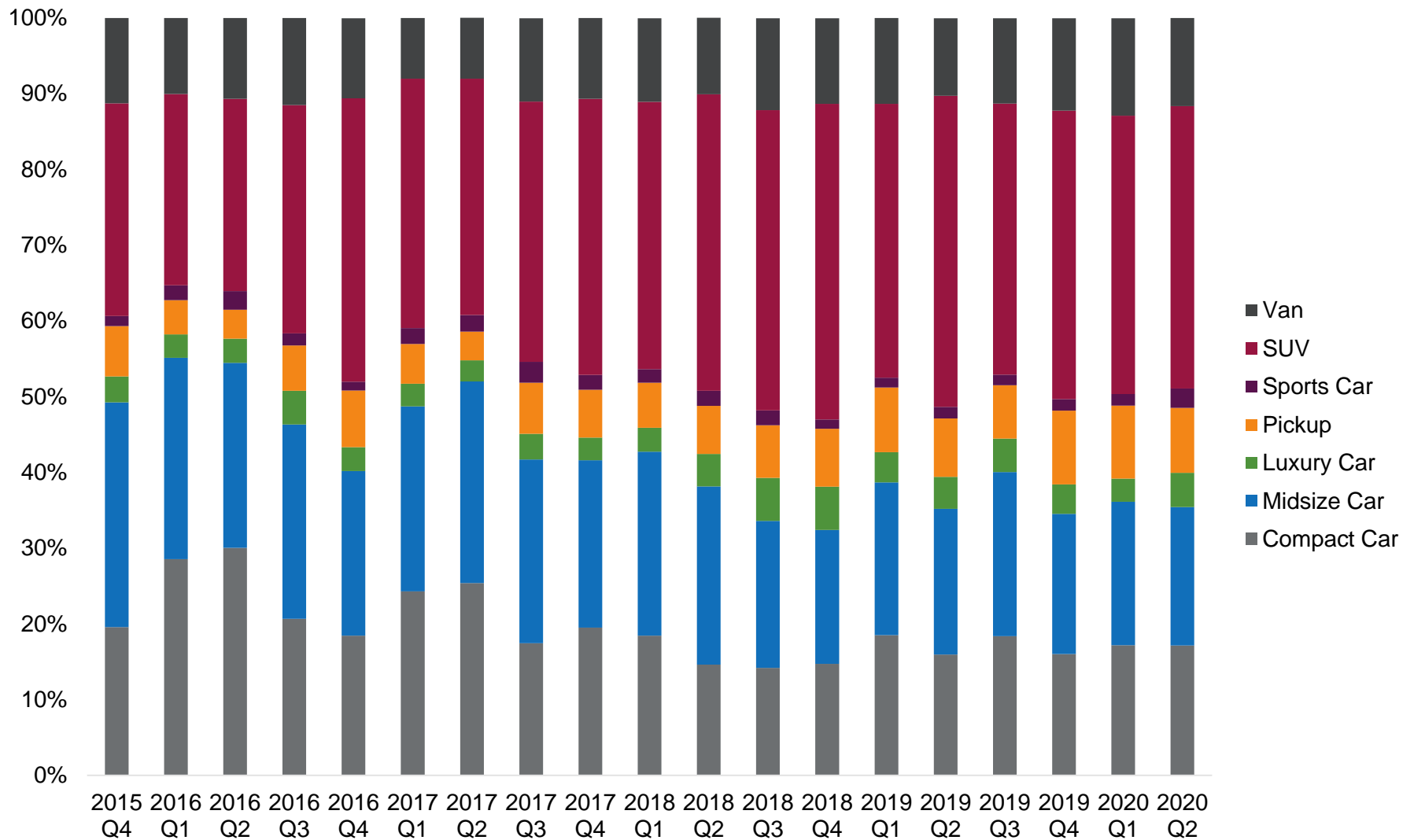
Rental Risk Units Sold by Condition



Rental Risk Units Sold by Make



Rental Risk Units Sold by Segment



Manheim Market Report (MMR) Vehicle Insights

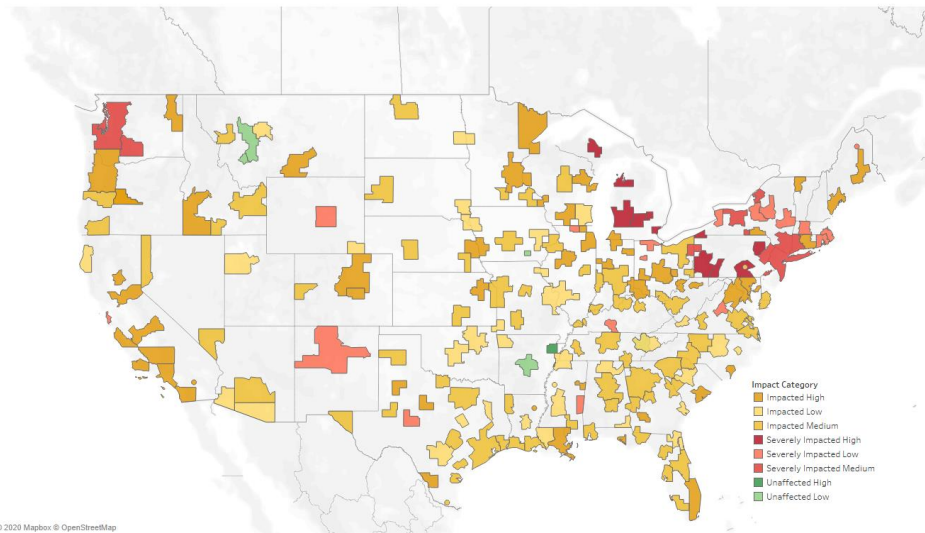
All top selling vehicles in June at Manheim saw higher prices over the last 30 days (June 1 – July 1). Prices year-over-year saw mostly lower than normal depreciation, but a few vehicles sold for more than year-ago prices.

Rank	Source(Rank)	Category	Subcategory	Vehicle	1-Jul	Past 30 Days	Last Year	Current Dep	L12M Dep/Mo
1	All	SUV	SUV Midsize	2017 NISSAN ROGUE AWD 4D SUV 2.5L SV	\$15,800	\$15,550	\$16,000	1.6%	-0.1%
2	All	Compact Car	Compact Car Premium	2017 HYUNDAI ELANTRA 4D SEDAN SE	\$9,925	\$9,750	\$10,700	1.8%	-0.6%
3	All	SUV	SUV Entry	2017 FORD ESCAPE FWD 4D SUV 1.5L SE	\$13,450	\$13,250	\$13,950	1.5%	-0.3%
4	All	Compact Car	Compact Car Premium	2017 NISSAN SENTRA 4D SEDAN SV	\$9,875	\$9,675	\$10,400	2.1%	-0.4%
5	All	Pickup	Pickup Heavy Duty Full	2019 RAM 2500 4WD V8 CREW CAB 6.4L BIG HORN	\$38,500	\$37,800	\$36,800	1.9%	0.4%
1 Dealer	Dealer	Midsize Car	Midsize Car Premium	2014 VOLKSWAGEN PASSAT 4C TDSL 4D SEDAN TDI SE	\$9,600	\$9,425	\$9,525	1.9%	0.1%
1 Lease	Lease	SUV	SUV Midsize	2017 NISSAN ROGUE AWD 4D SUV 2.5L SV	\$15,800	\$15,550	\$16,000	1.6%	-0.1%
1 Rental	Rental	Midsize Car	Midsize Car Entry	2018 CHEVROLET MALIBU 4D SEDAN LT	\$12,950	\$12,650	\$13,900	2.4%	-0.6%

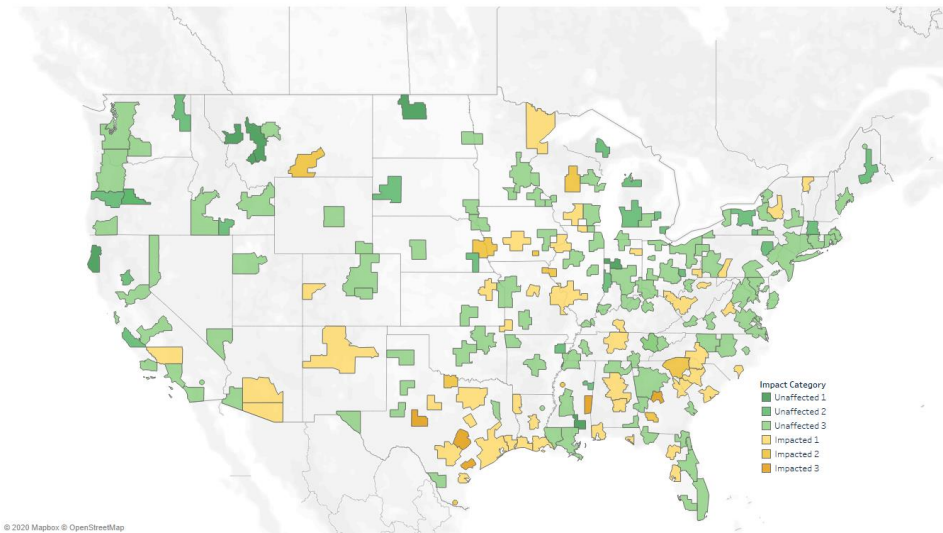


Sales Impact Varies by DMA As Evidenced By Unique Credit Apps

April 5th



July 5th



Appendix

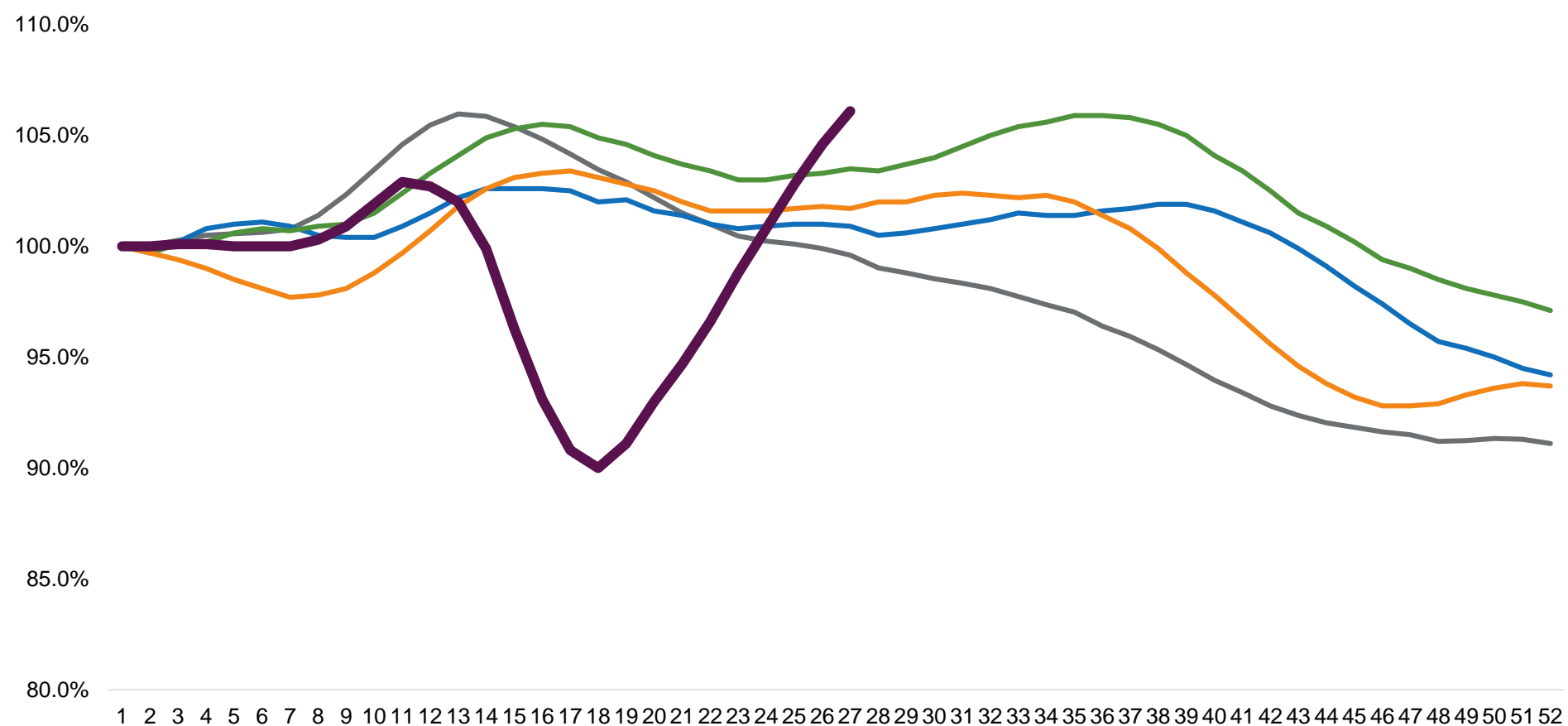


Weekly Price Trend Similar For Non-Luxury

Slightly stronger declines followed by stronger recovery

Non-Luxury 3-Year-Old Model MMR Index by Week

— 2014-2016 — 2017 — 2018 — 2019 — 2020

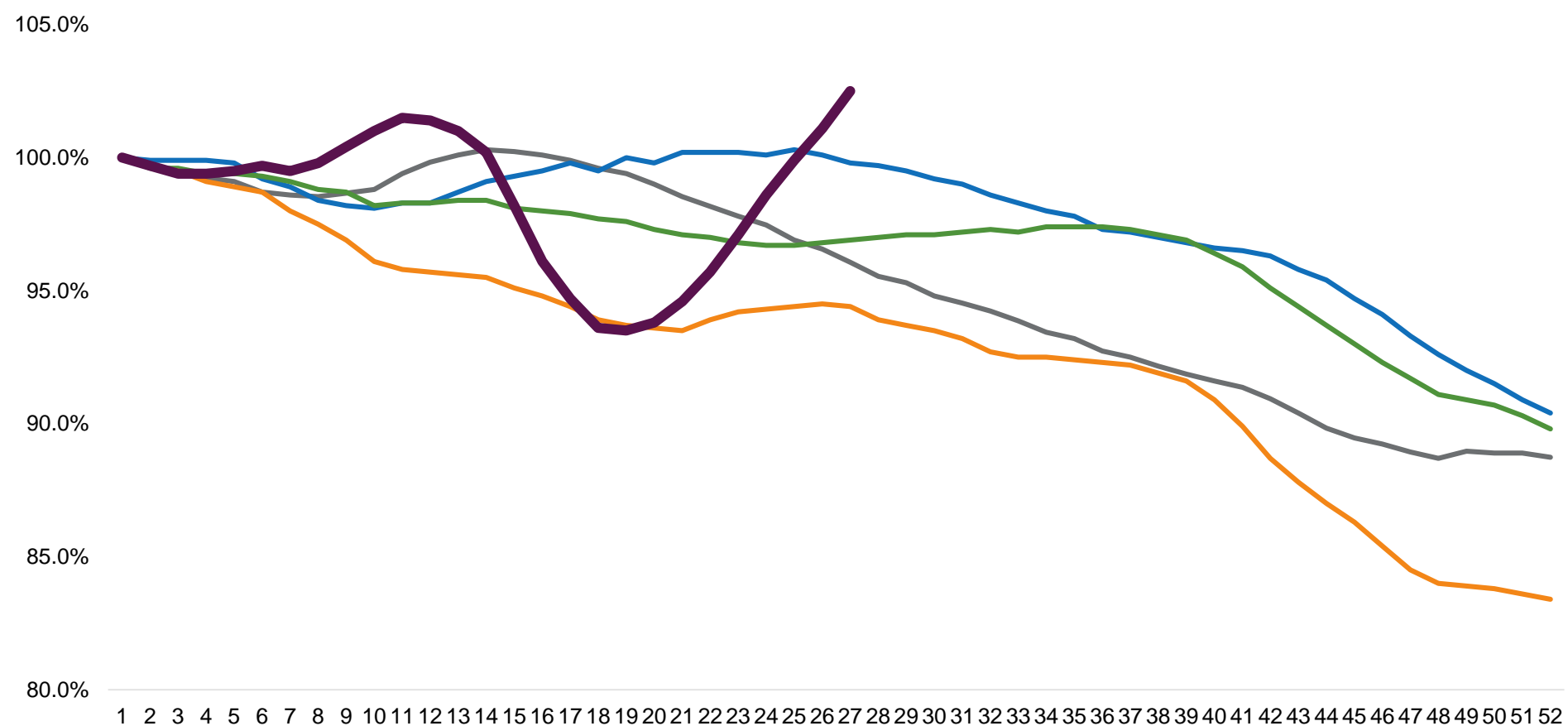


Weekly Price Trend Less Severe For Luxury

Luxury vehicles have outperformed by not declining as much and now seeing similar strength

Luxury 3-Year-Old Model MMR Index by Week

— 2014-2016 — 2017 — 2018 — 2019 — 2020

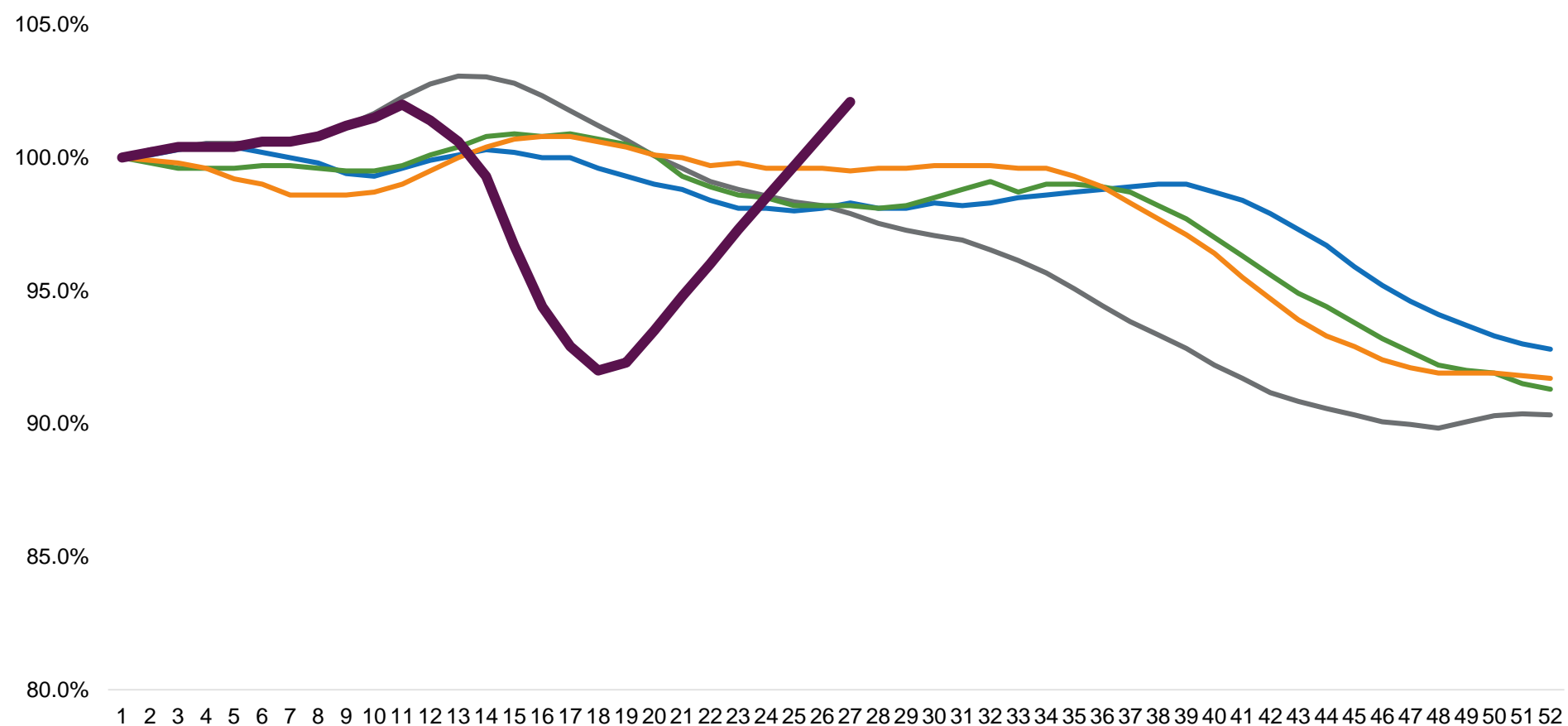


Weekly Price Trend Now Strong for One-Year-Old Vehicles

One-year-old vehicle prices were very stable throughout most of 2019 but had a rough March and April

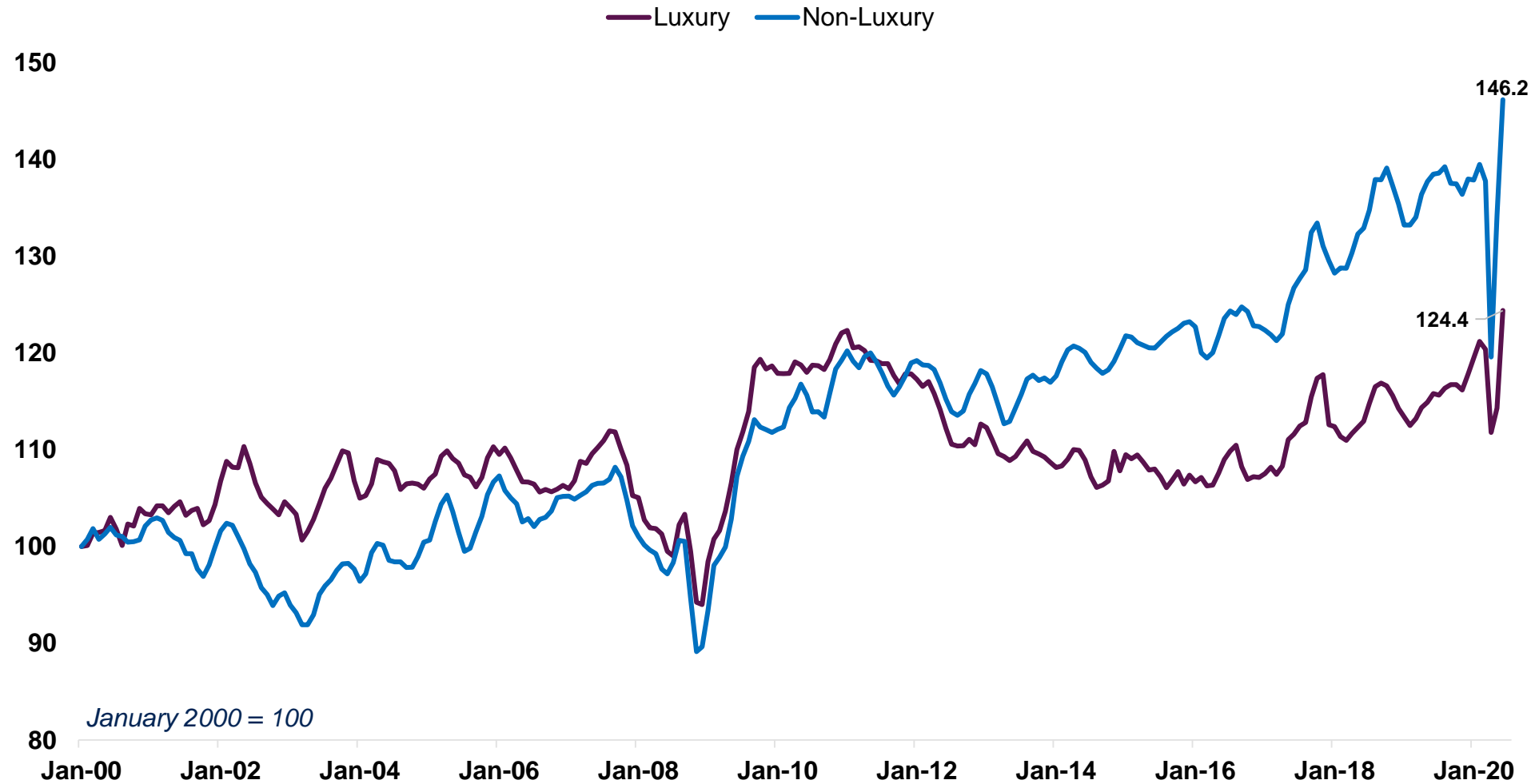
1-Year-Old Model MMR Index by Week

— 2014-2016 — 2017 — 2018 — 2019 — 2020



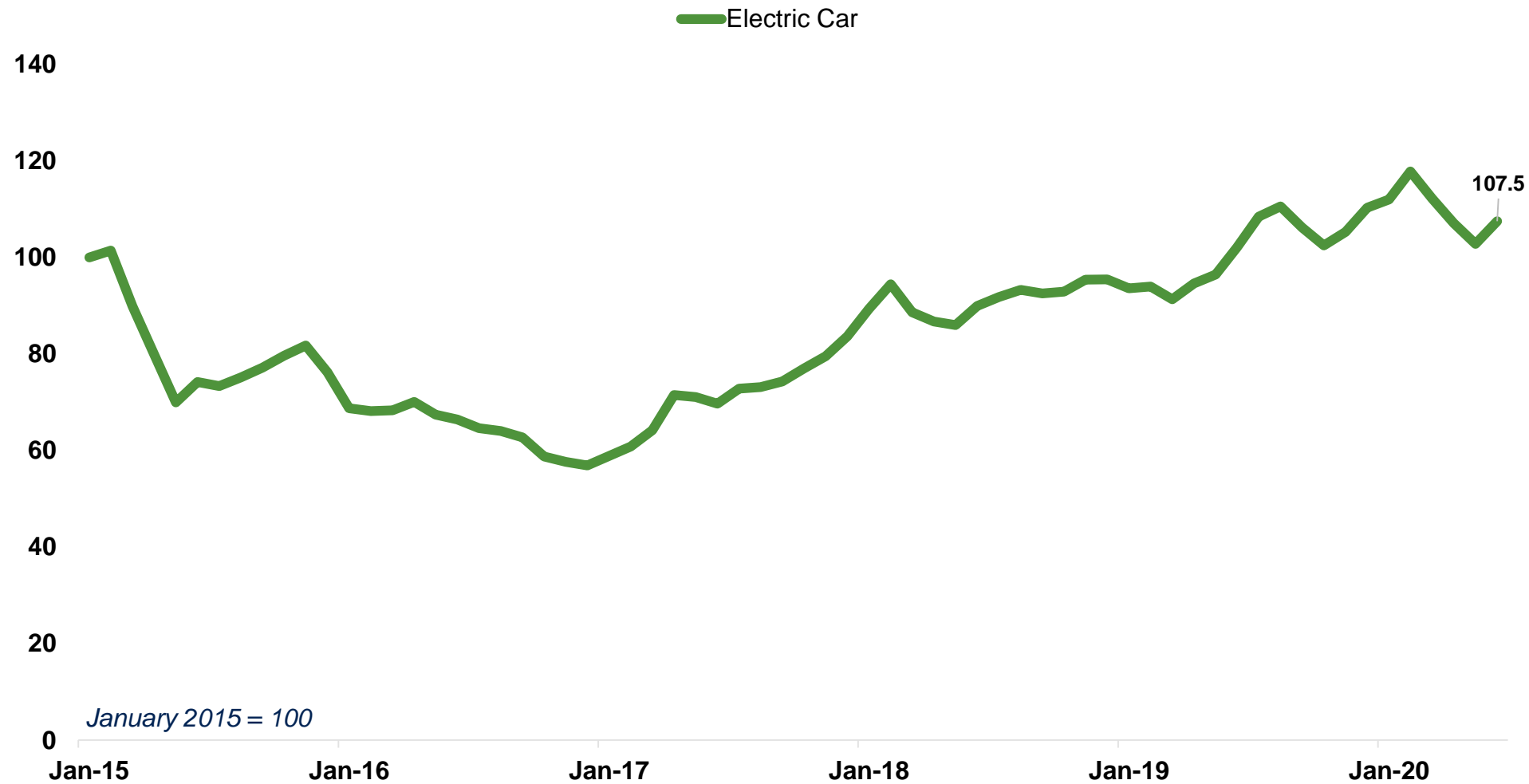
Luxury Prices Move Higher Than Non-Luxury In June

Luxury prices in June were up 7% compared to June 2019, while non-luxury prices increased 6%



Electric Car Prices Improve In June

Electric car prices in June were up 5% compared to June 2019

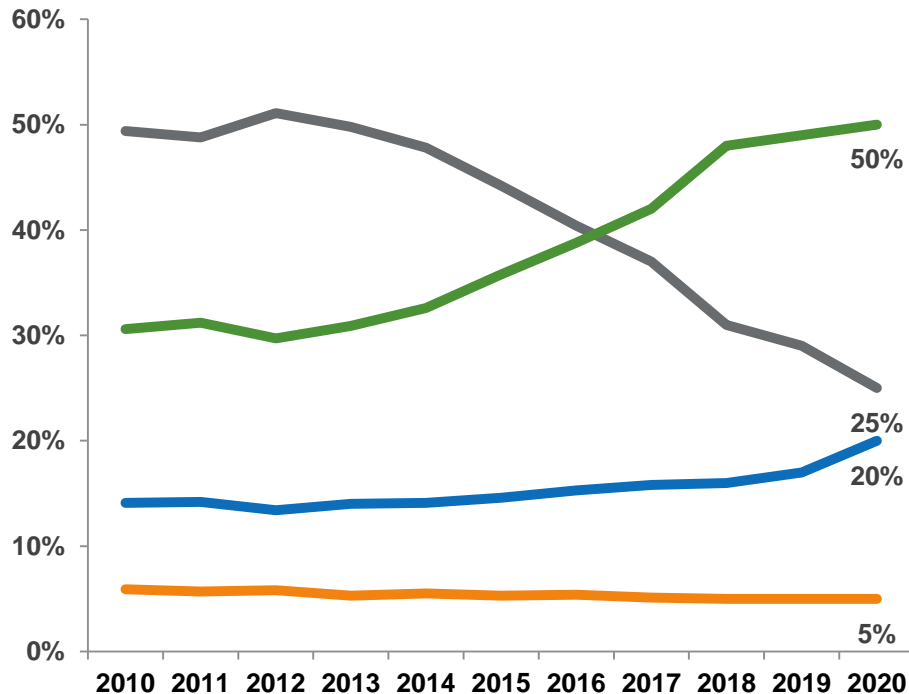


Rise of SUV Not Yet Fully Reflected in Wholesale Market

The SUV reigns supreme in new vehicle sales while cars still dominated the used car market

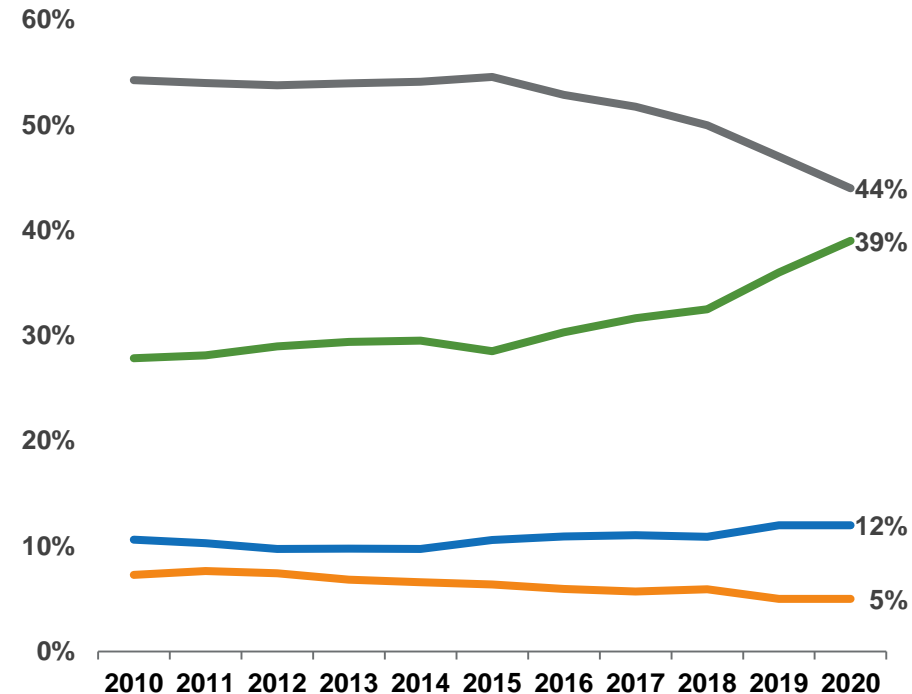
New Vehicle Sales by Category

CAR PICKUP SUV VAN



Manheim Sales by Category

CAR PICKUP SUV VAN



Thank You

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Economic Industry Insights

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