

August 11, 2020

COVID-19 AUTO MARKET UPDATE

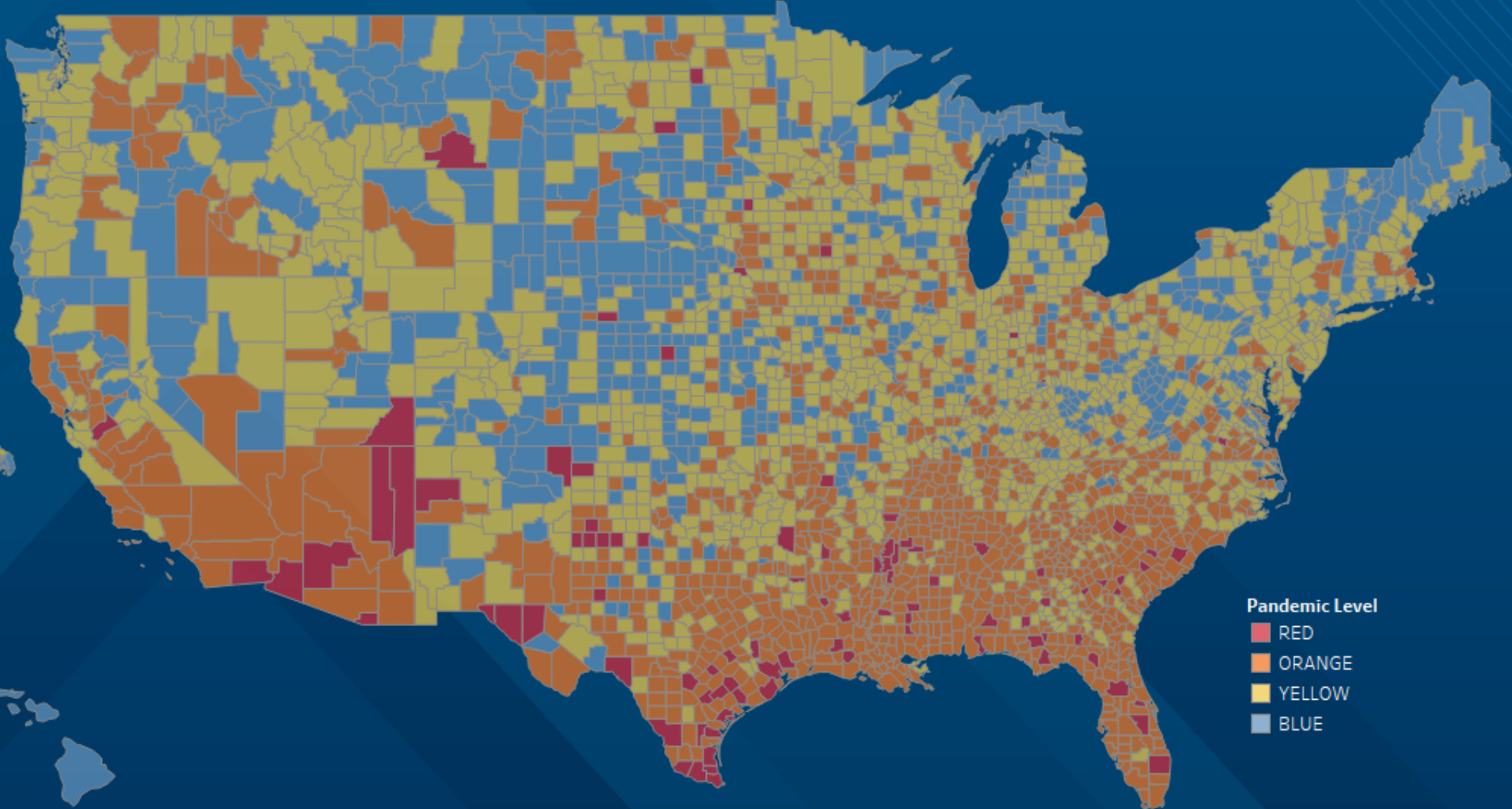
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Jonathan Smoke

Chief Economist, Cox Automotive

COVID-19 LOCAL IMPACT ASSESSMENT



Pandemic Level
RED
ORANGE
YELLOW
BLUE

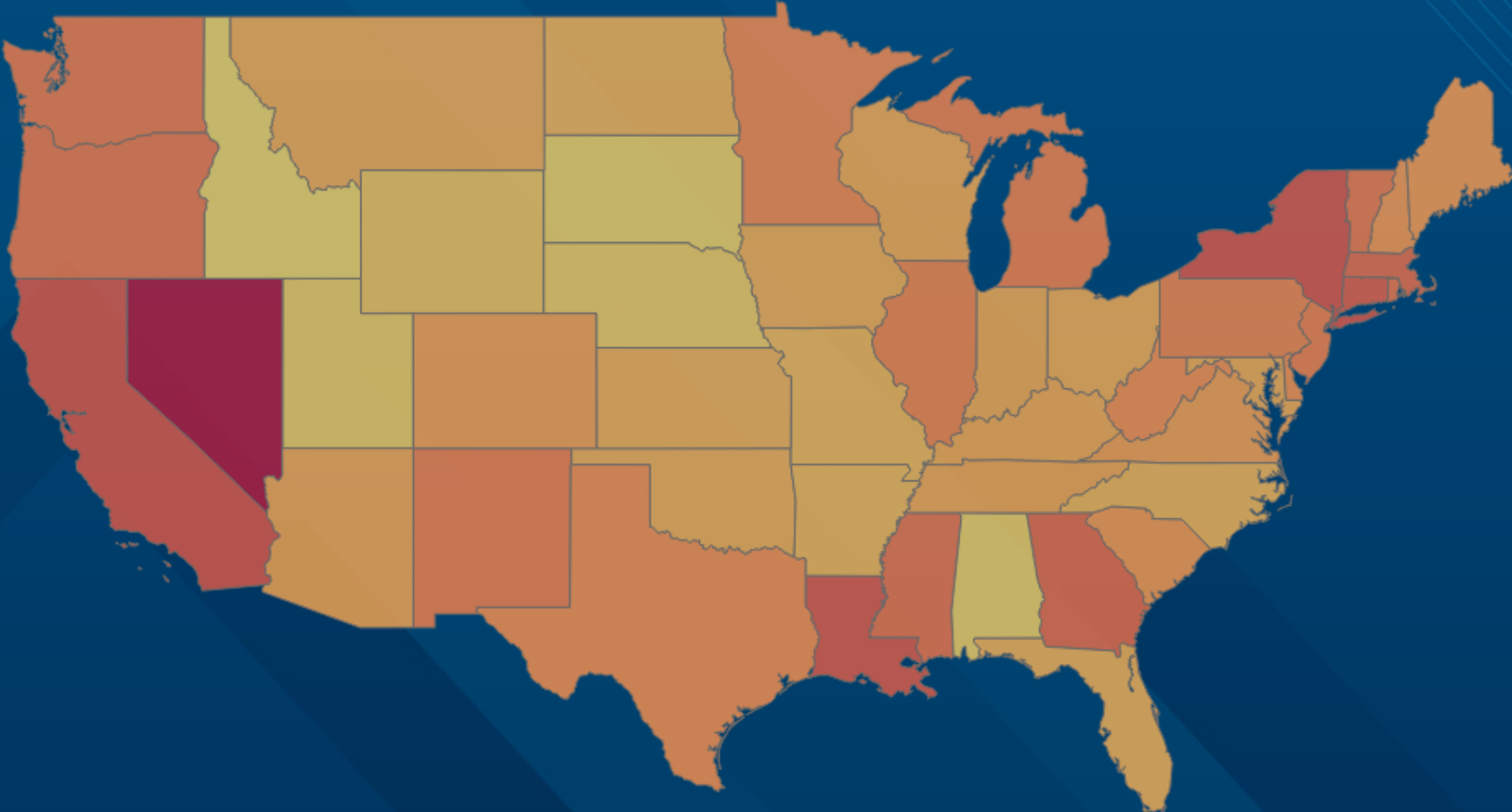
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Source: Cox Automotive

CONTINUING CLAIMS AT 16.1 MILLION NATIONALLY



Data as of August 6, 2020

Continued Claims % of Jobs by State

3.11%  23.01%

Note: Insured Unemployment For Week Ended July 25

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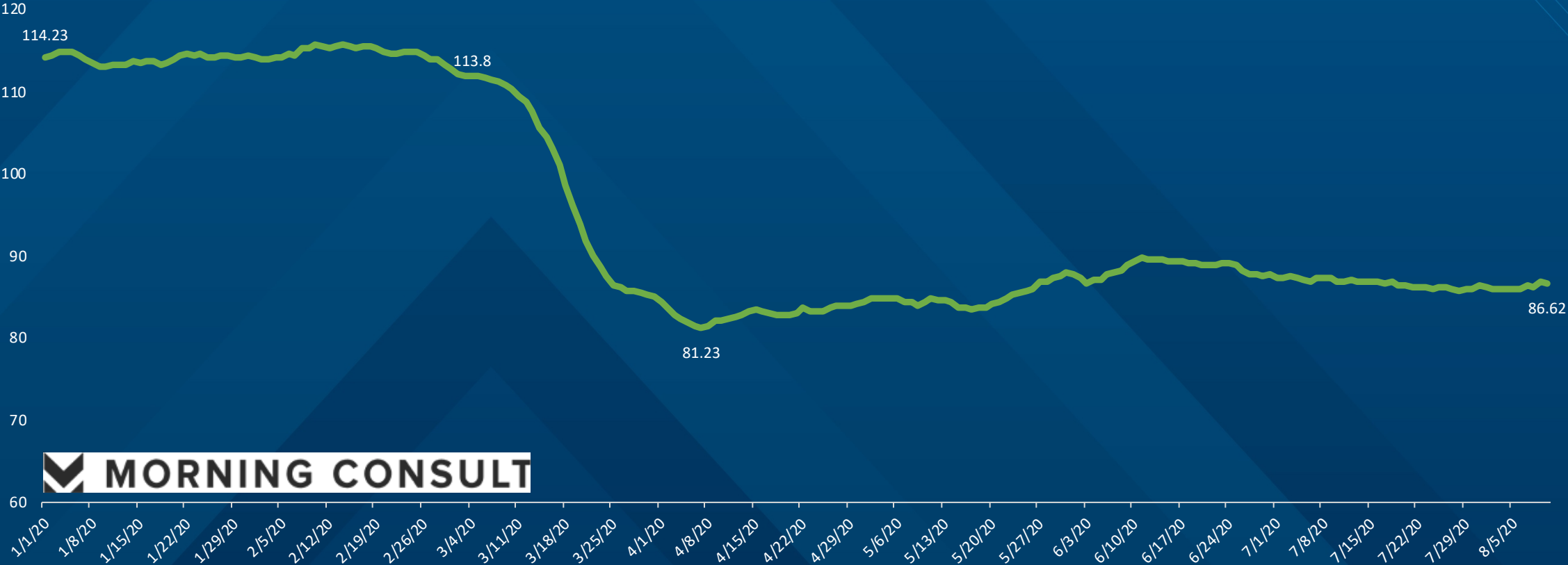
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Source: Department of Labor

CONSUMER SENTIMENT IMPROVED LAST WEEK

Morning Consult's Index of Consumer Sentiment on Monday was down 23.6% since February 29

ICS Value (7-Day Average)



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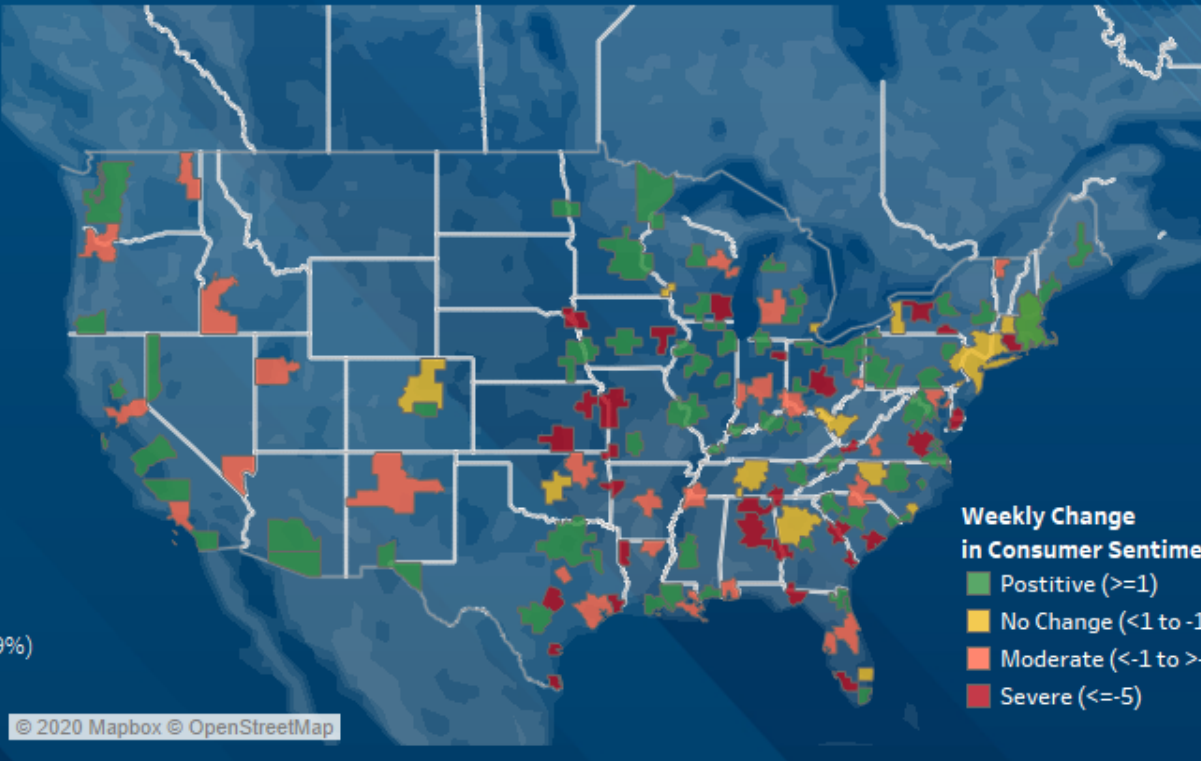
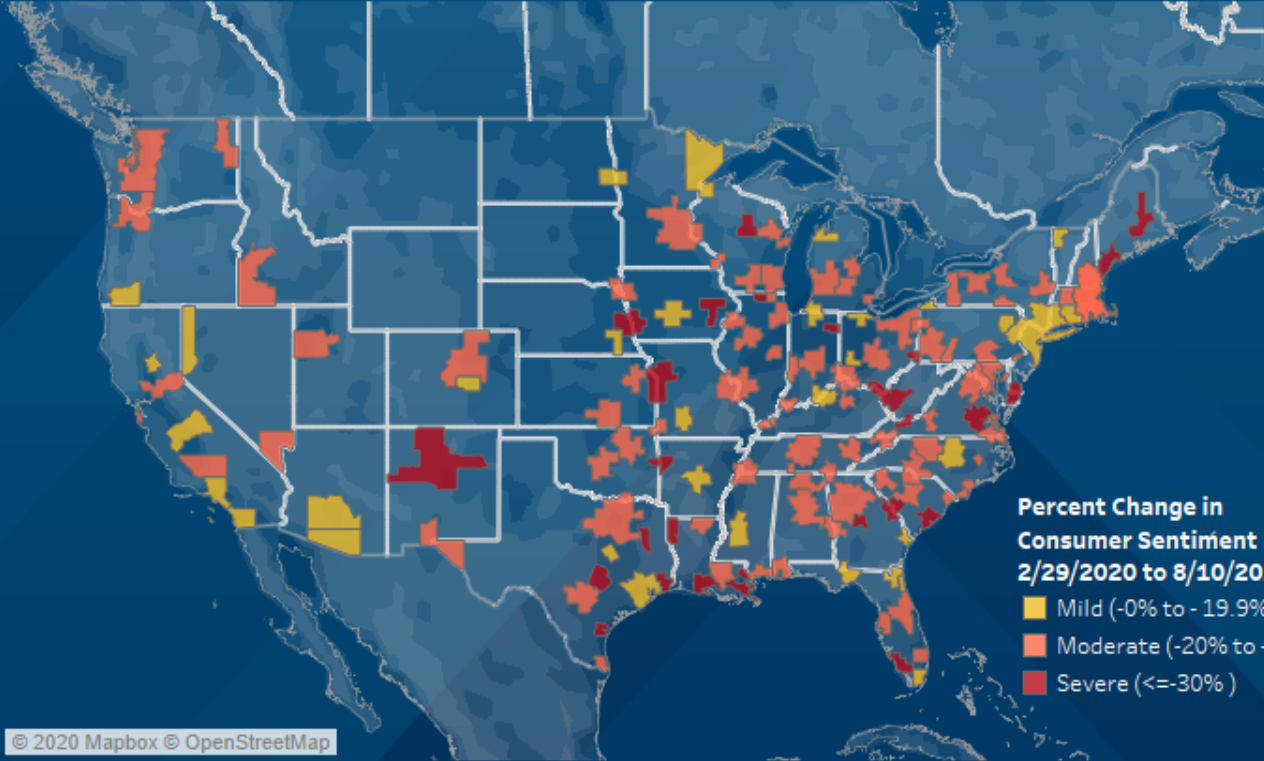
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Source: Morning Consult

CONSUMER SENTIMENT IMPROVES IN MORE MARKETS

Since February 29th

Since August 3rd



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Source: Morning Consult

We continue to see fewer in-market shoppers since the start of COVID-19

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

20%

Early Outbreak
(March)

20%

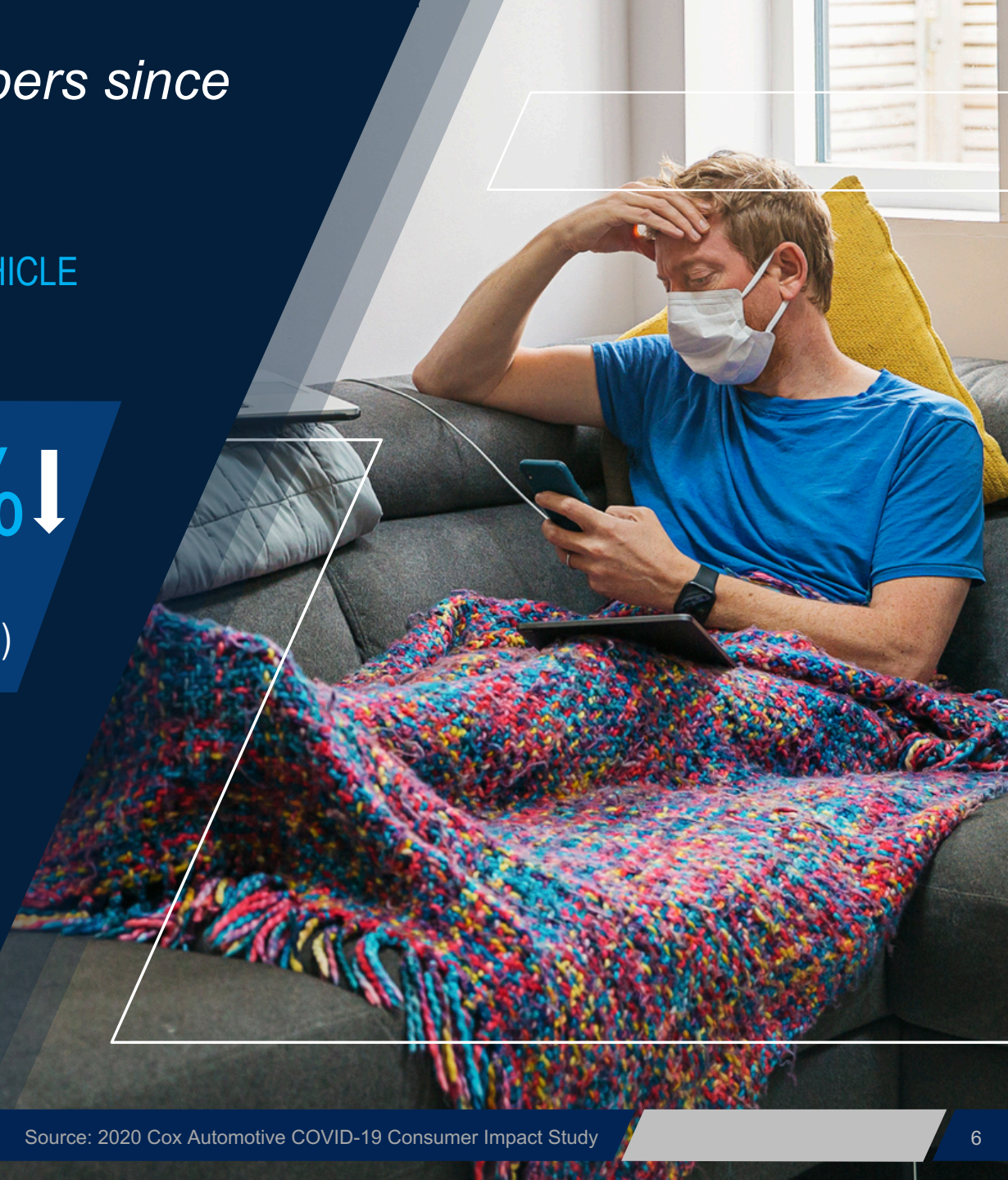
Shelter in Place
(Late March - April)

17%↓

Reopening
(May – Mid June)

15%

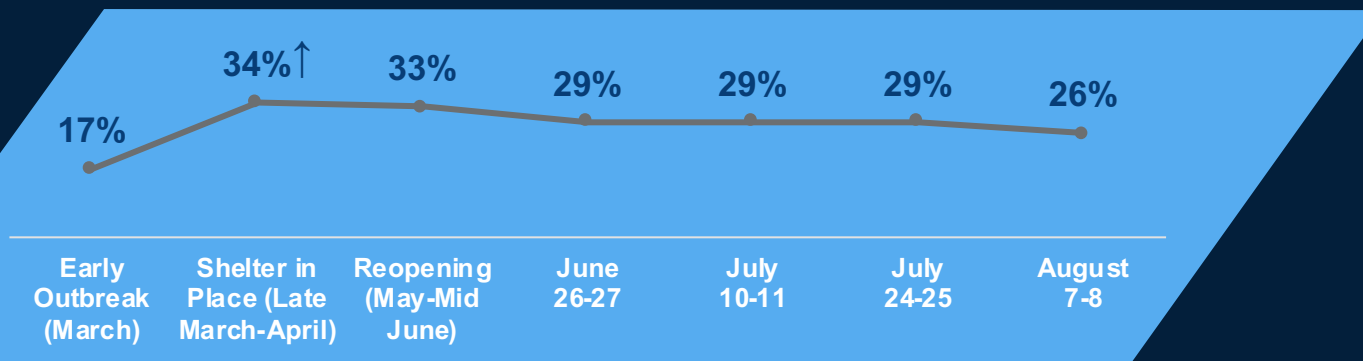
(August 7-8)



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

The percentage of in-market shoppers delaying purchase is at its lowest point since late May

Delaying Vehicle Purchase/Lease*



Factors At Work

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

Top Reasons to Delay Vehicle Purchase

Gen Z

Concerned about the cost/financial situation

Millennials

Concerned about contact with others

Gen X

Prefer to stay home/ social distancing

Boomers

Concerned about contact with others

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

*Among 6-month auto intenders

A second round of stimulus payments could again boost vehicle demand

Plans for stimulus check

65%

Expect to receive a 2nd stimulus if it passes

	1 st stimulus*	2 nd stimulus**: August 7-8
Pay monthly household bills	42%	45%
Everyday spending	36%	40%
Save all or some of the money	37%	36%
Pay off debt (loans, credit cards, etc.)	28%	35% ↑
Pay for home service or repair	5%	14% ↑
Pay for vehicle service or repair	4%	13% ↑
Purchase/down payment on a vehicle	5% <small>12% among 6-month intenders</small>	7% <small>15% among 6-month intenders</small>
Purchase/down payment on a home	4%	4%

Q27a1. As you may be aware, many Americans will receive a stimulus check payment from the federal government to provide financial relief from coronavirus impacts. Which best describes you?

Q27a2. What have you done or plan to do with your stimulus check payment?

Q27a2a. If the second stimulus check is approved, which best describes you?

Q27a2b. What do you plan to do with your second stimulus check payment?

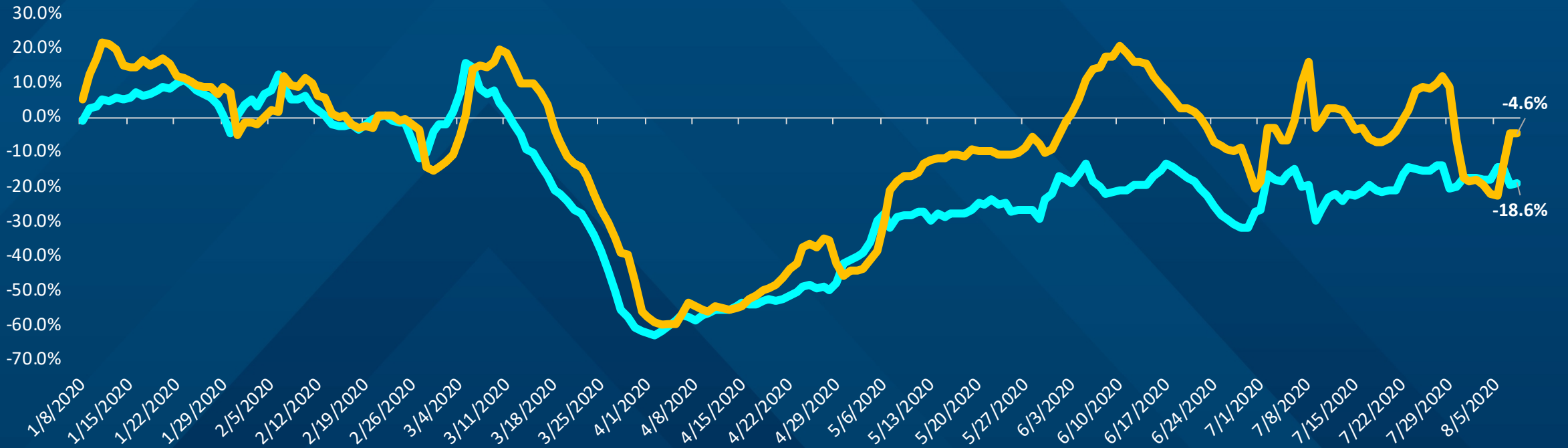
*Among received/expected to receive 1st stimulus (Mid-April-Mid-May)

** Among expect to receive 2nd stimulus if approved

RETAIL SALES RECOVERY ESTIMATES

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

New Used

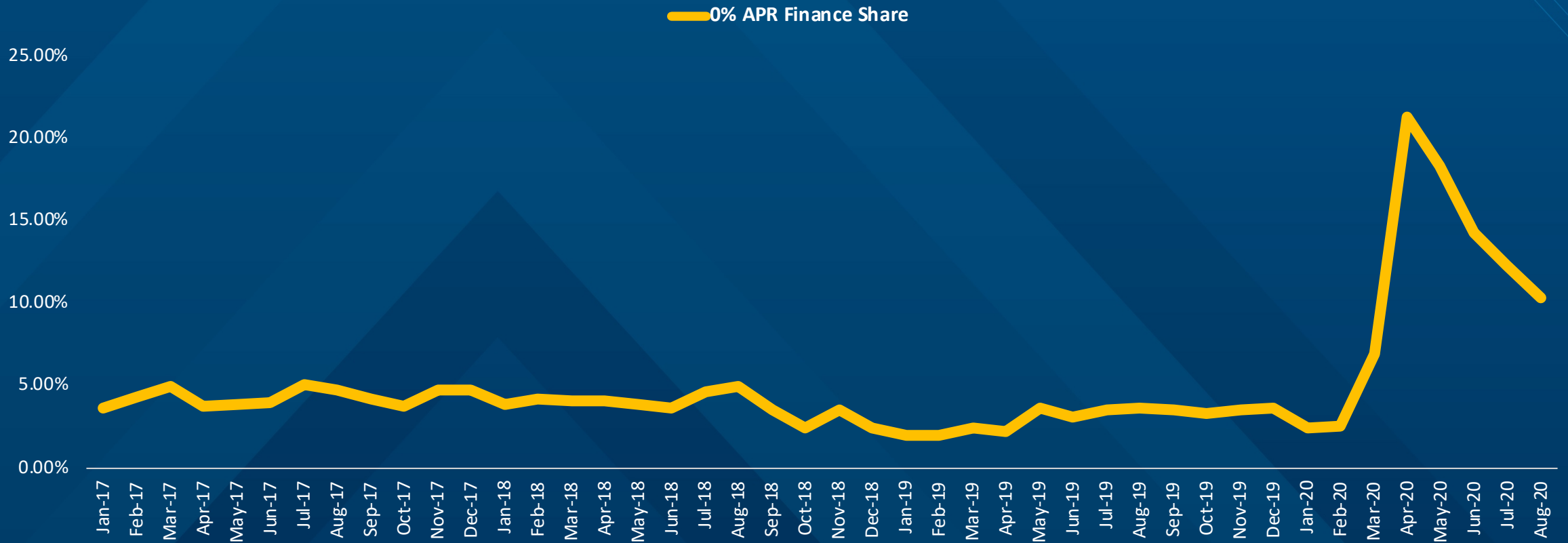


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Source: Cox Automotive

ZERO PERCENT FINANCING DECREASES



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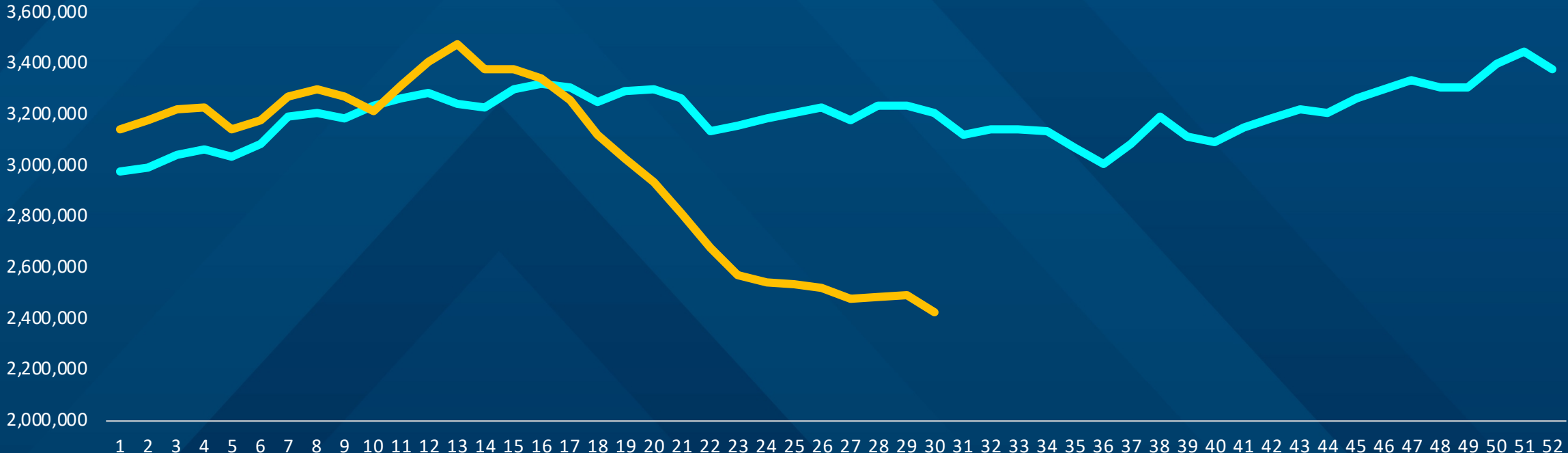
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Source: Cox Automotive

NEW SALES HAMPERED BY SUPPLY

Active New Vehicle Inventory by Week

2019 Active Inventory 2020 Active Inventory



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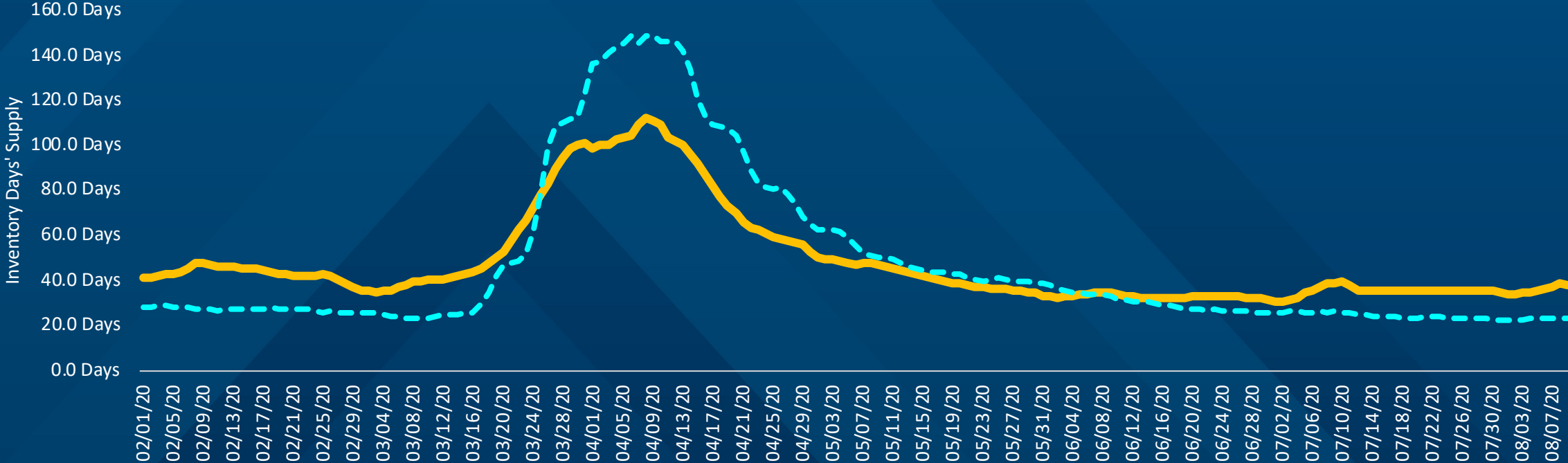
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Source: Cox Automotive

USED INVENTORY DOWN

Days Supply Wholesale Inventory and Retail Inventory

Rolling 7 Day Supply Retail Rolling 7 day Supply Wholesale



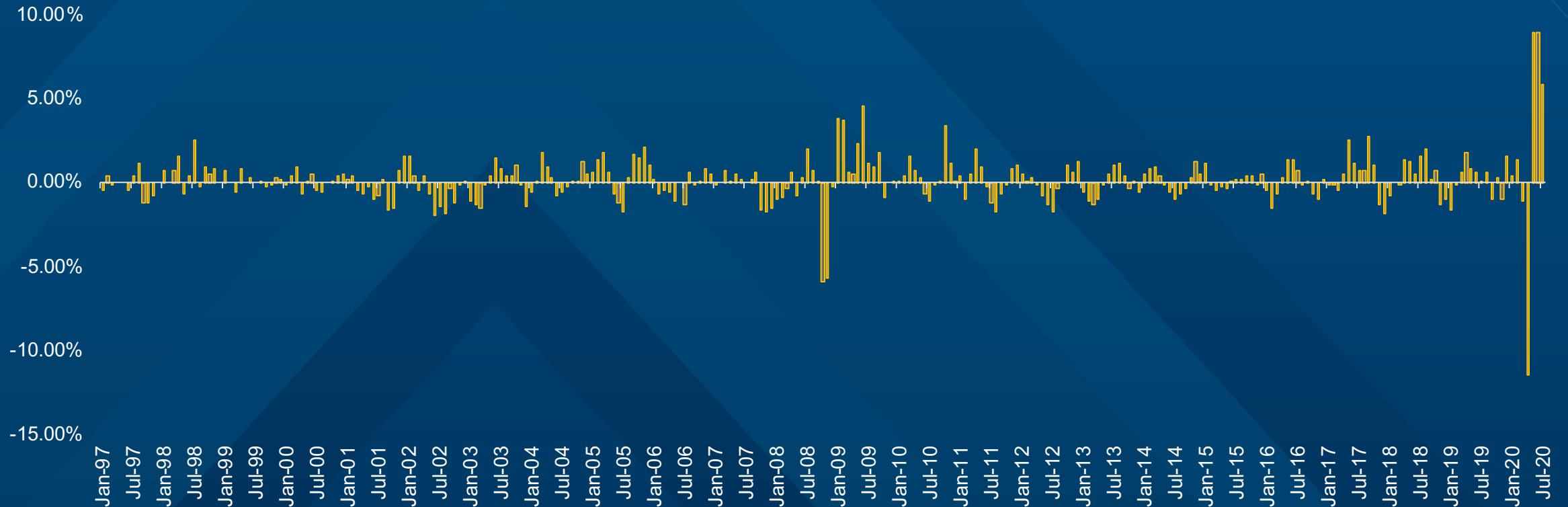
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JULY MANHEIM INDEX SEES ANOTHER RECORD

Manheim Index - % Change M/M



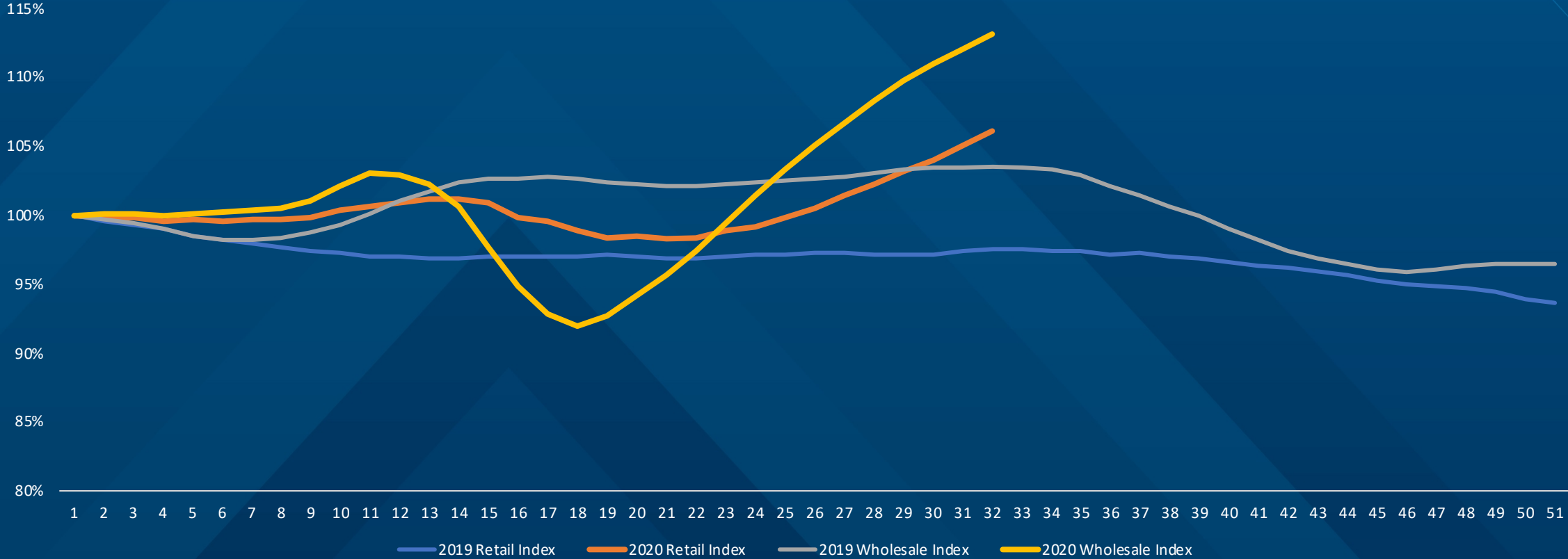
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USED PRICES AGAIN AT NEW HIGH POINTS

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



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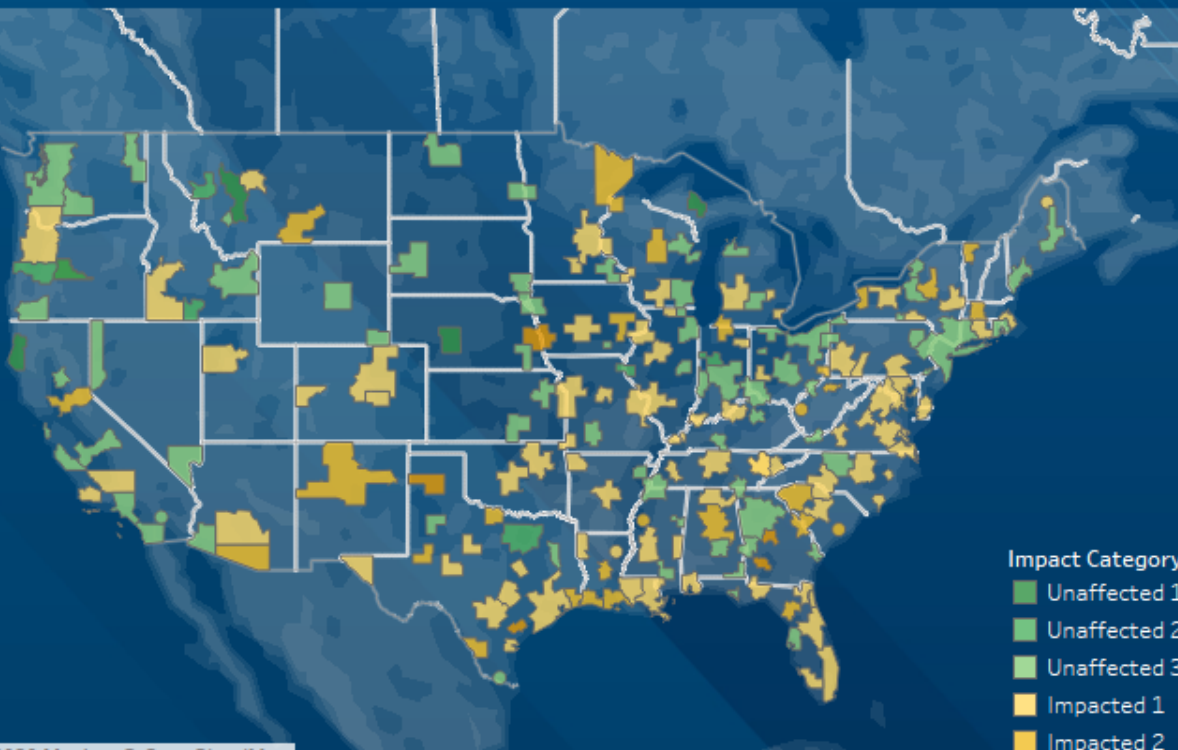
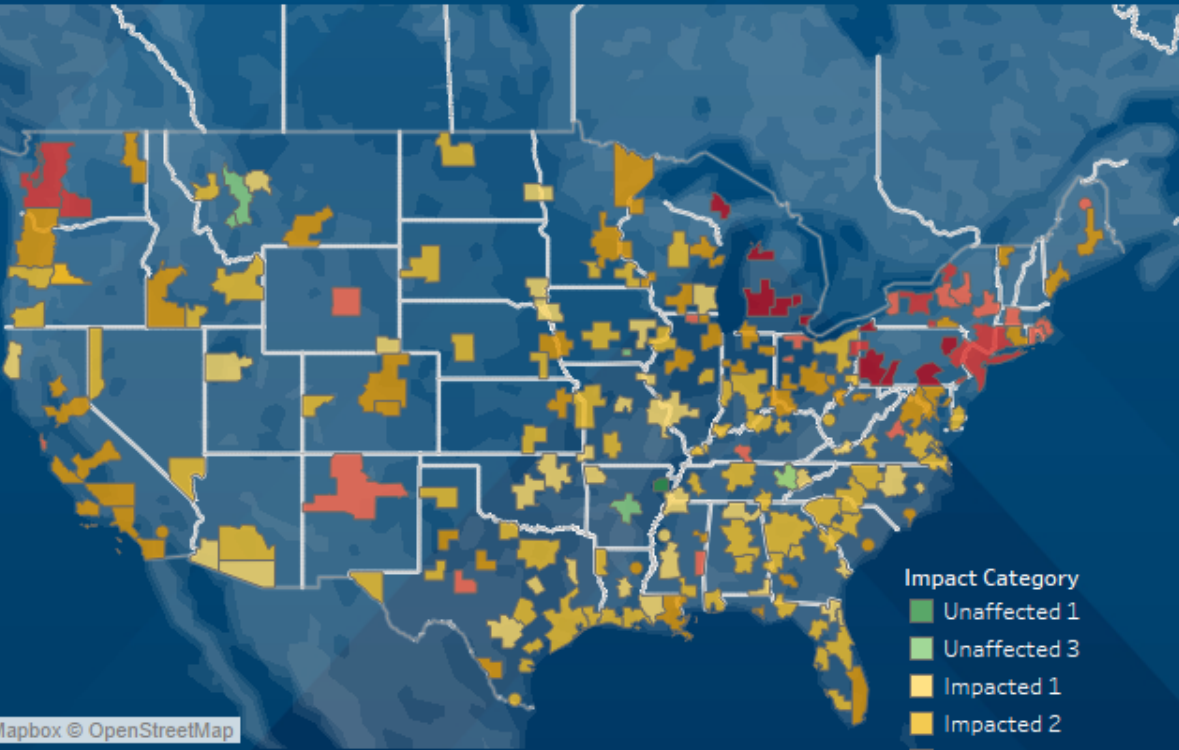
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Source: Cox Automotive

SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS

April 5th

August 9th



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COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 40% y/y in August through the 8th, and on **Kelley Blue Book** up 11%; both have lost momentum in August
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions outperform, but used lost momentum over the weekend and new gained
- **Dealertrack** unique credit applications on same-store basis were down 16% y/y last week, which was a declining trend from the prior week
- **Xtime** saw a 14% decrease y/y last week in consumers having their cars serviced, which was a slight improvement from the prior week

COX AUTOMOTIVE

