

September 22, 2020

COVID-19 AUTO MARKET UPDATE

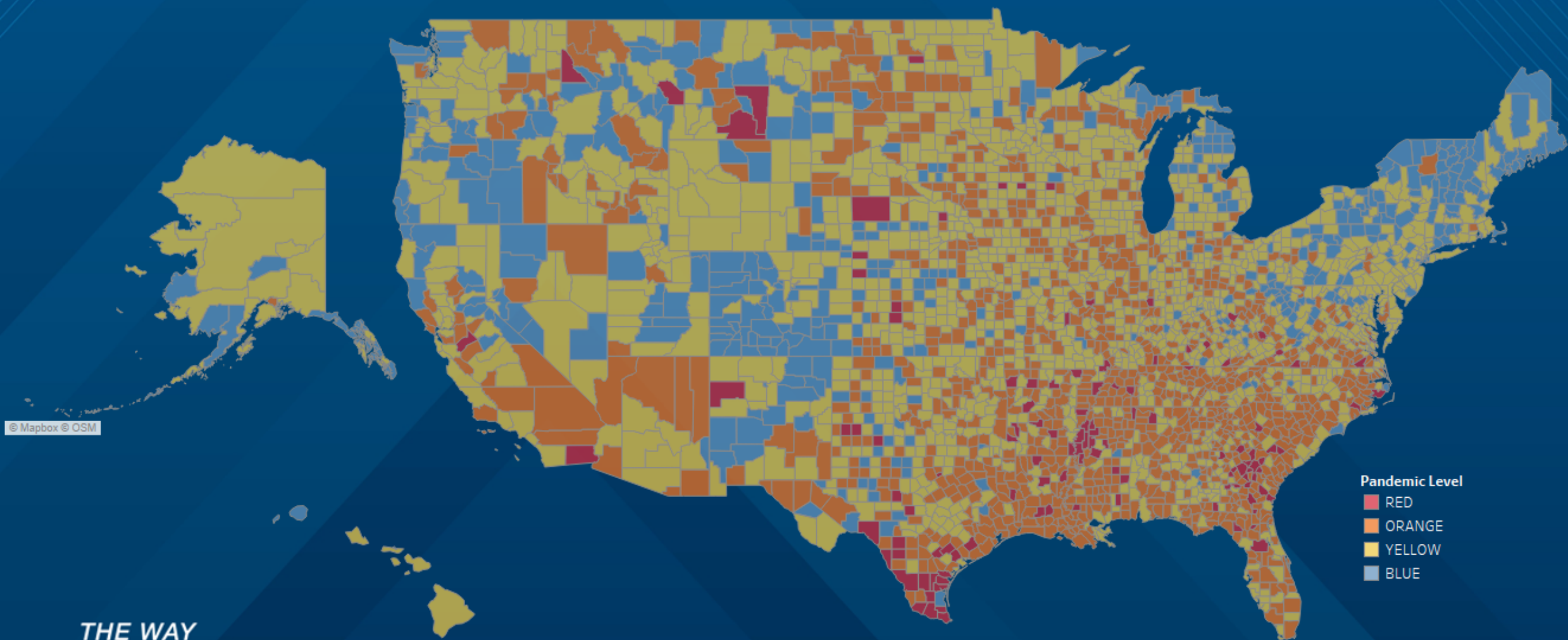
*THE WAY
FORWARD*

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Jonathan Smoke

Chief Economist, Cox Automotive

COVID-19 LOCAL IMPACT ASSESSMENT



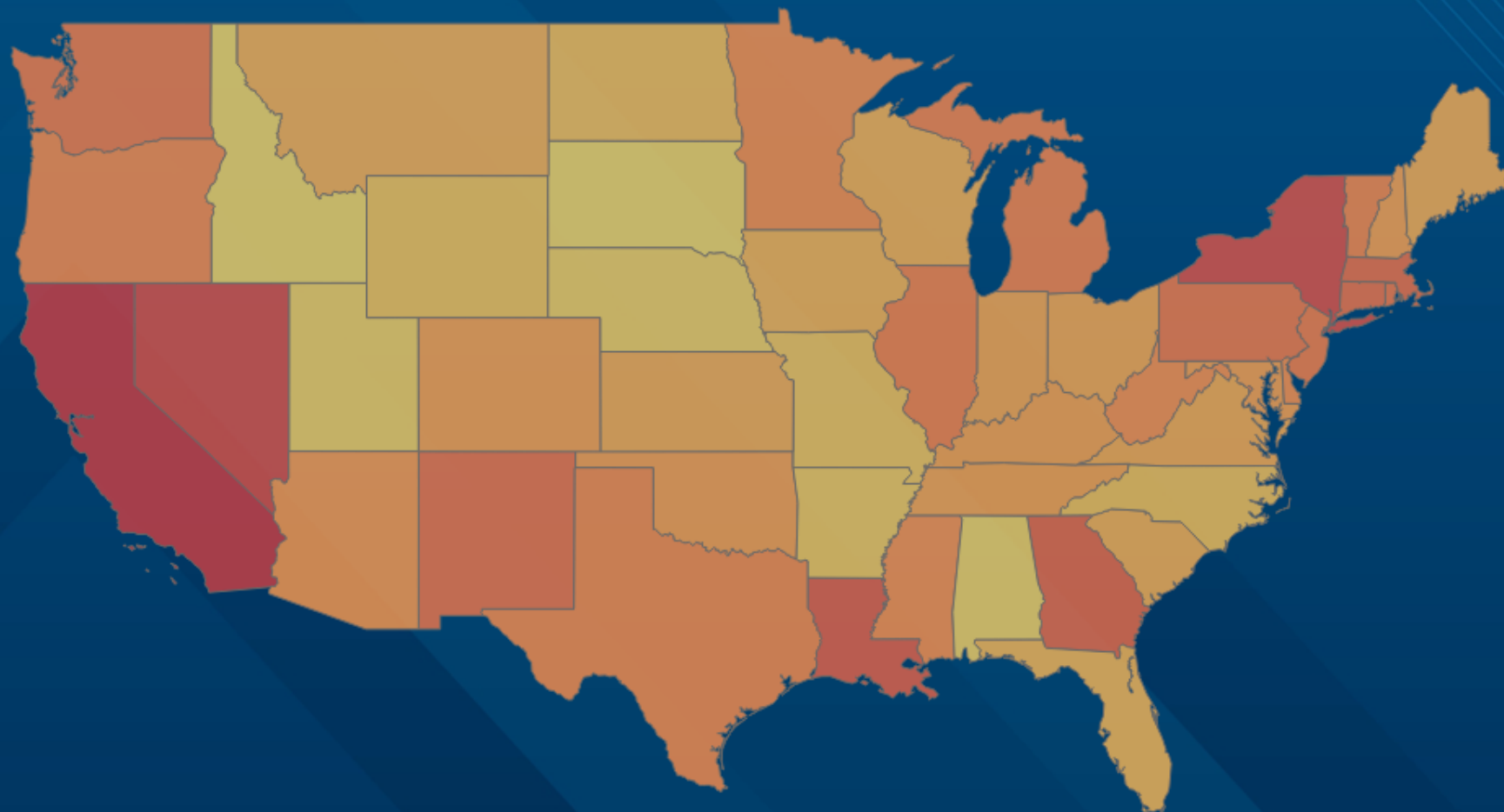
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Source: Cox Automotive

CONTINUING CLAIMS AT 12.6 MILLION NATIONALLY



Data as of September 17, 2020

Continued Claims % of Jobs by State

Note: Insured Unemployment For Week Ended September 5

**THE WAY
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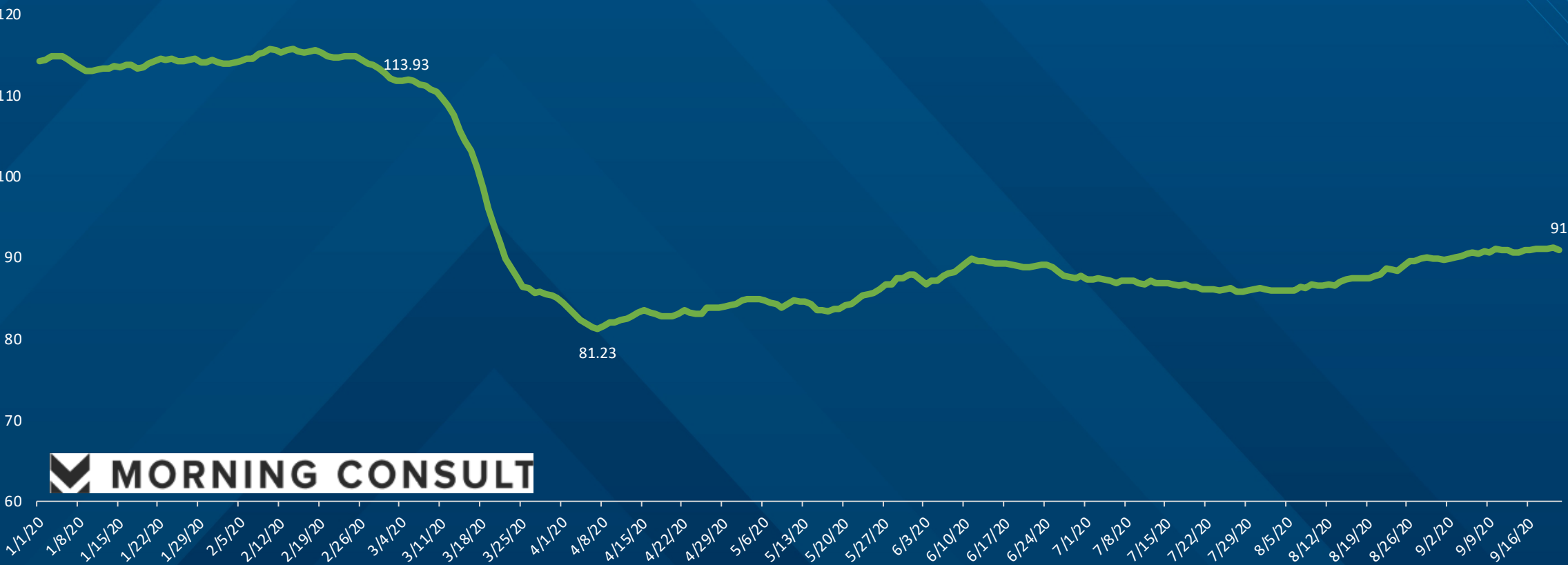
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Source: Department of Labor

CONSUMER SENTIMENT IMPROVED AGAIN LAST WEEK

Morning Consult's Index of Consumer Sentiment on Monday was down 19.7% since February 29

ICS Value (7-Day Average)



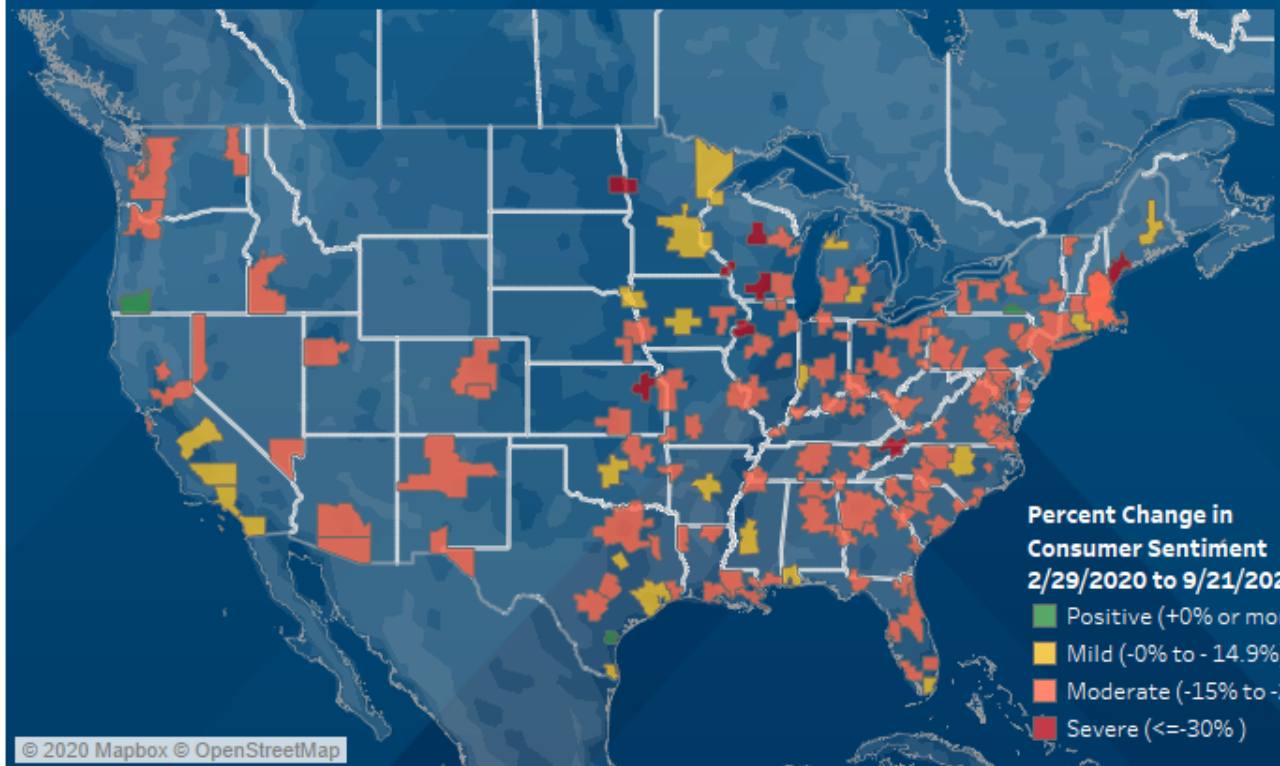
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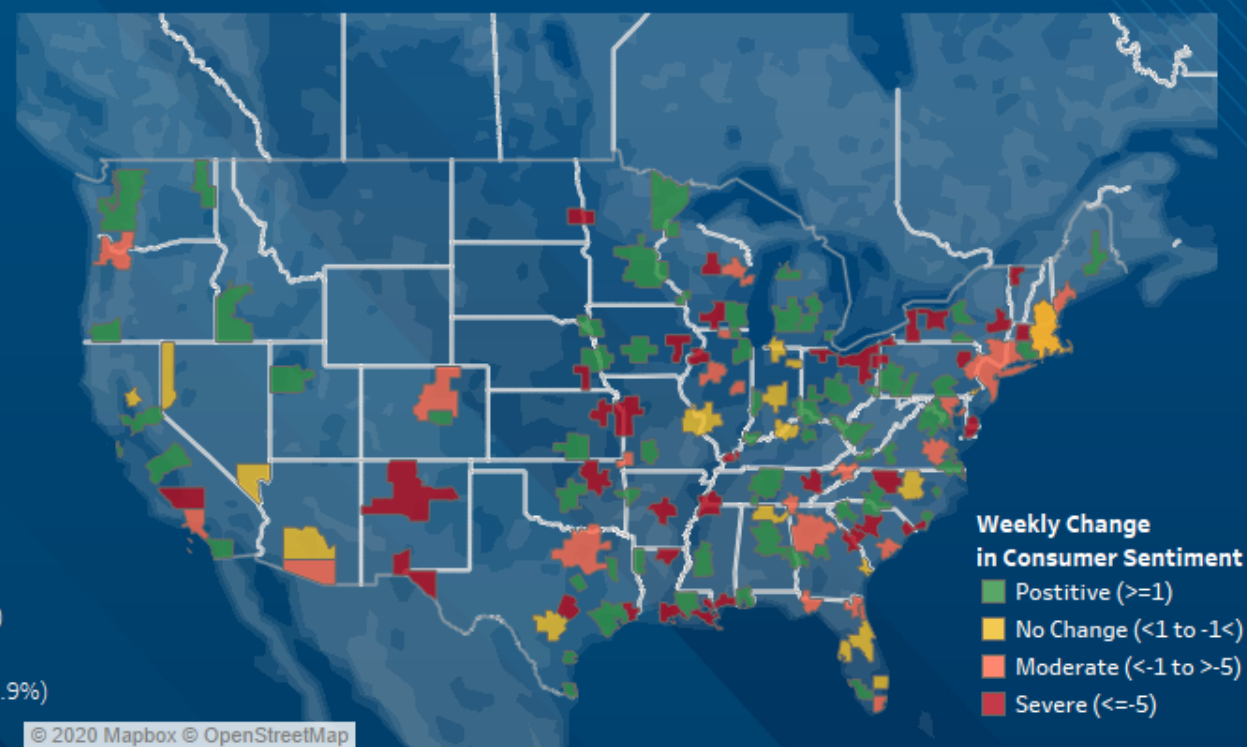
Source: Morning Consult

CONSUMER SENTIMENT IMPROVES IN MORE MARKETS

Since February 29th



Since September 14th



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Source: Morning Consult

Purchase Intention Continues to Decline

% 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)

16%

Summer Spike
(Late June-July)

14%

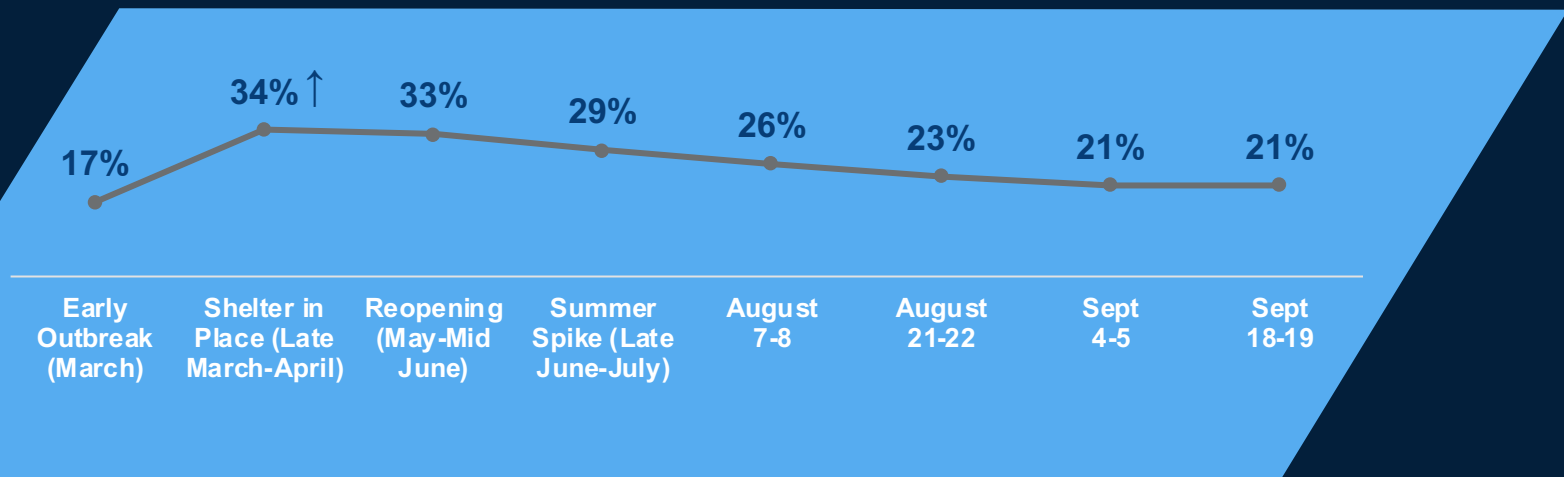
(September 18-19)



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

But We See A Consistent Lower Share Delaying

Delaying Vehicle Purchase/Lease*



Top reasons for delaying purchase (top 2)*

Concerned about cost/financial situation	34%
Concern about having contact with people	20%
Not driving as many miles as usual/don't need a vehicle now	20%
Waiting to see if federal government will provide a second stimulus check	18%
Prefer to stay home/social distancing	16%
Waiting to see if I can get a better deal or special incentive	16%

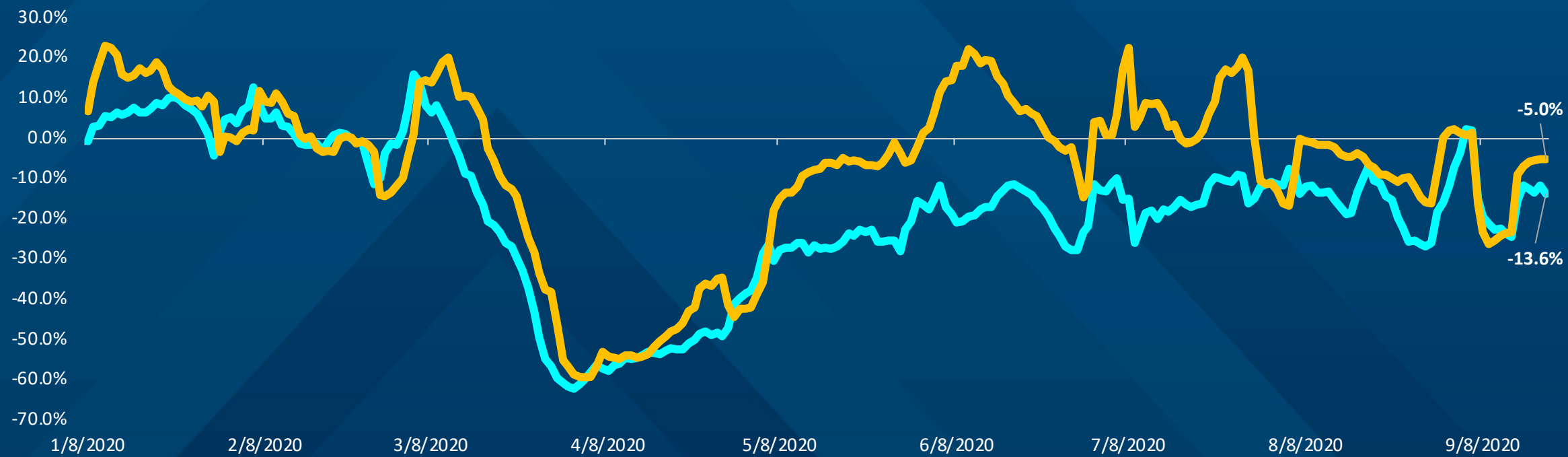
Q10. Have you done, or do you think you will do any of the following because of the coronavirus? *Note: Added "have done" in Wave 4
Q17a3. You said you may delay purchasing/leasing a vehicle due to coronavirus. What are the main reasons? Please select up to 2 of the main reasons. (Question added April 17)

*Among 6-month auto intenders

RETAIL SALES RECOVERY ESTIMATES

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

New Used



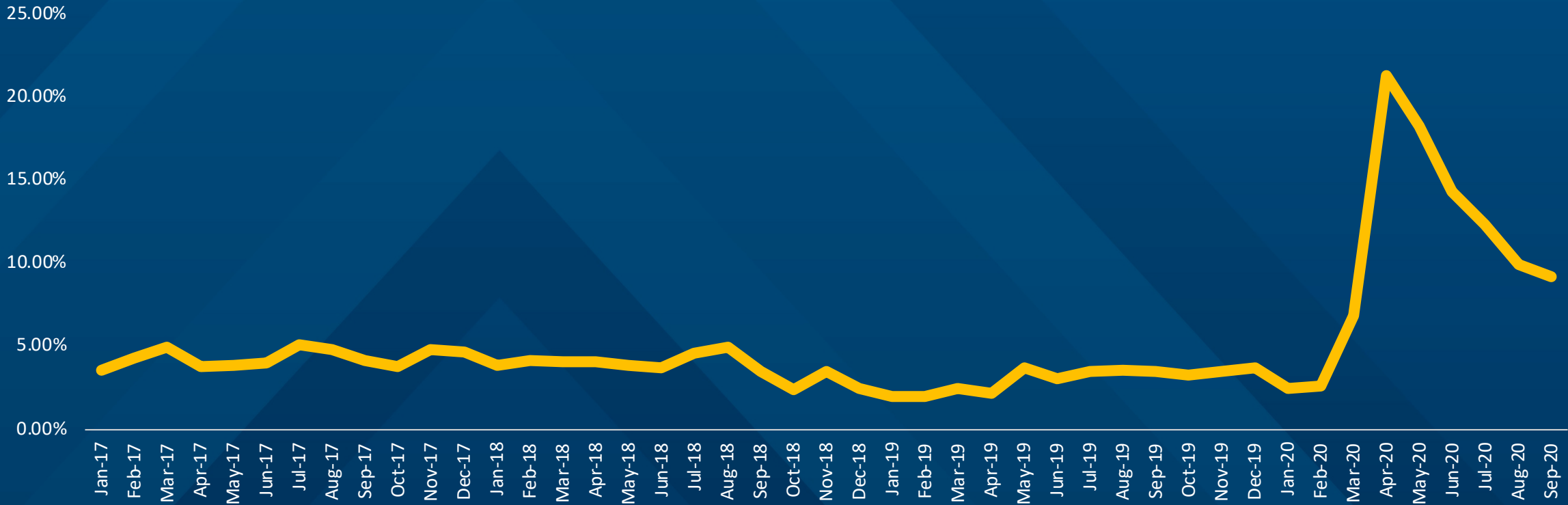
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Source: Cox Automotive

ZERO PERCENT FINANCING DOWN

0% APR Finance Share



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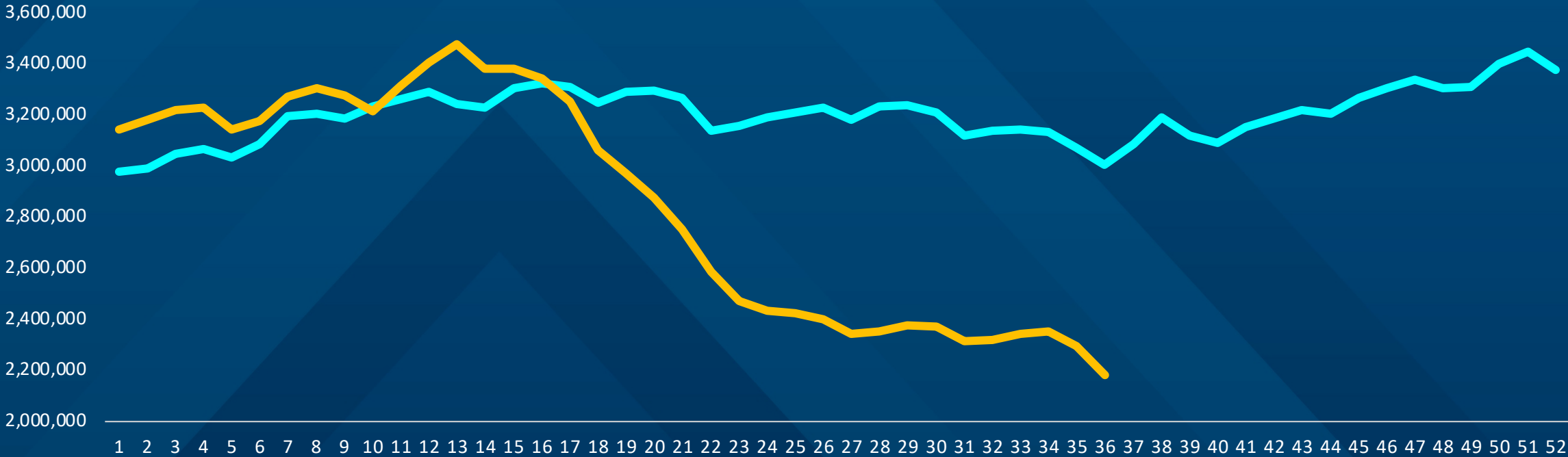
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Source: Cox Automotive

NEW SALES HAMPERED BY SUPPLY

Active New Vehicle Inventory by Week

2019 Active Inventory 2020 Active Inventory

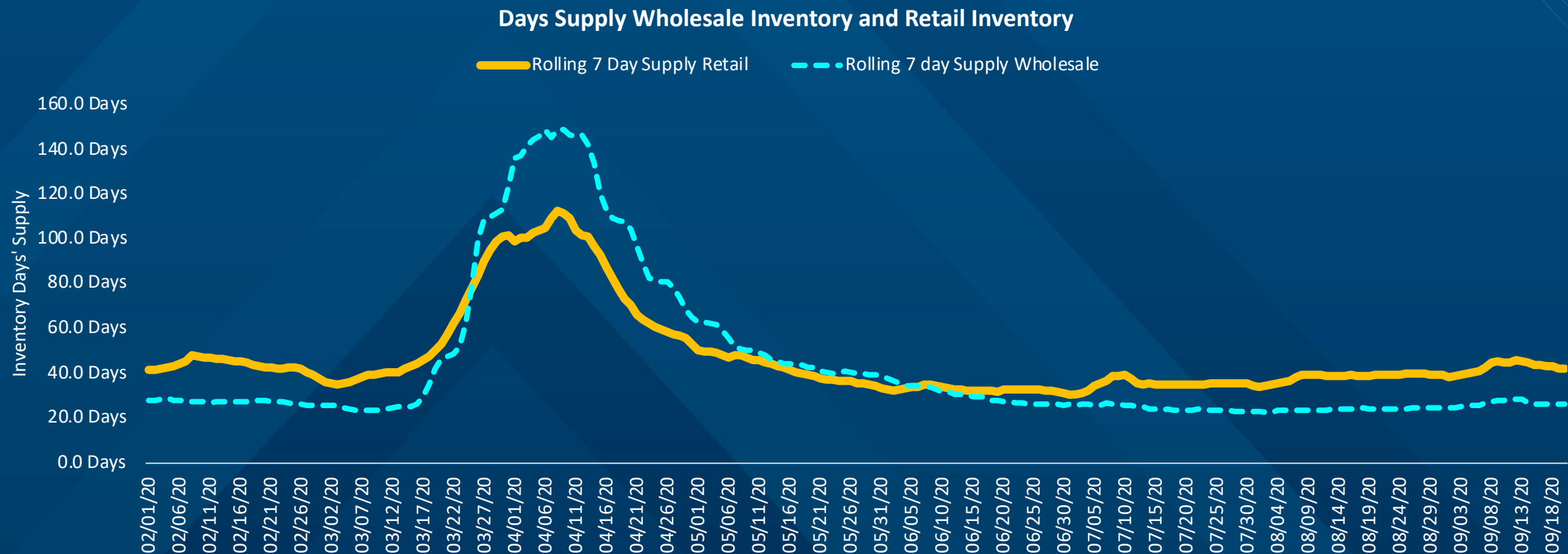


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Source: Cox Automotive

USED SUPPLY ON THE RISE

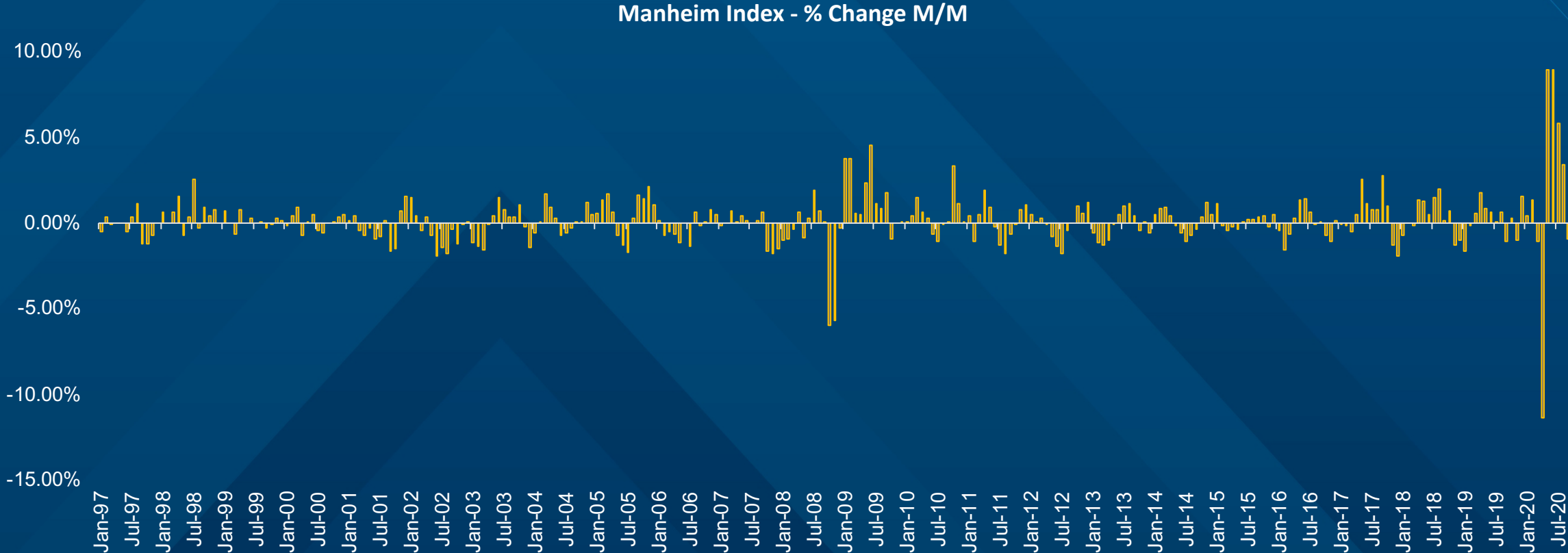


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Source: Cox Automotive

MID-SEPTEMBER MANHEIM INDEX SEES A DECLINE



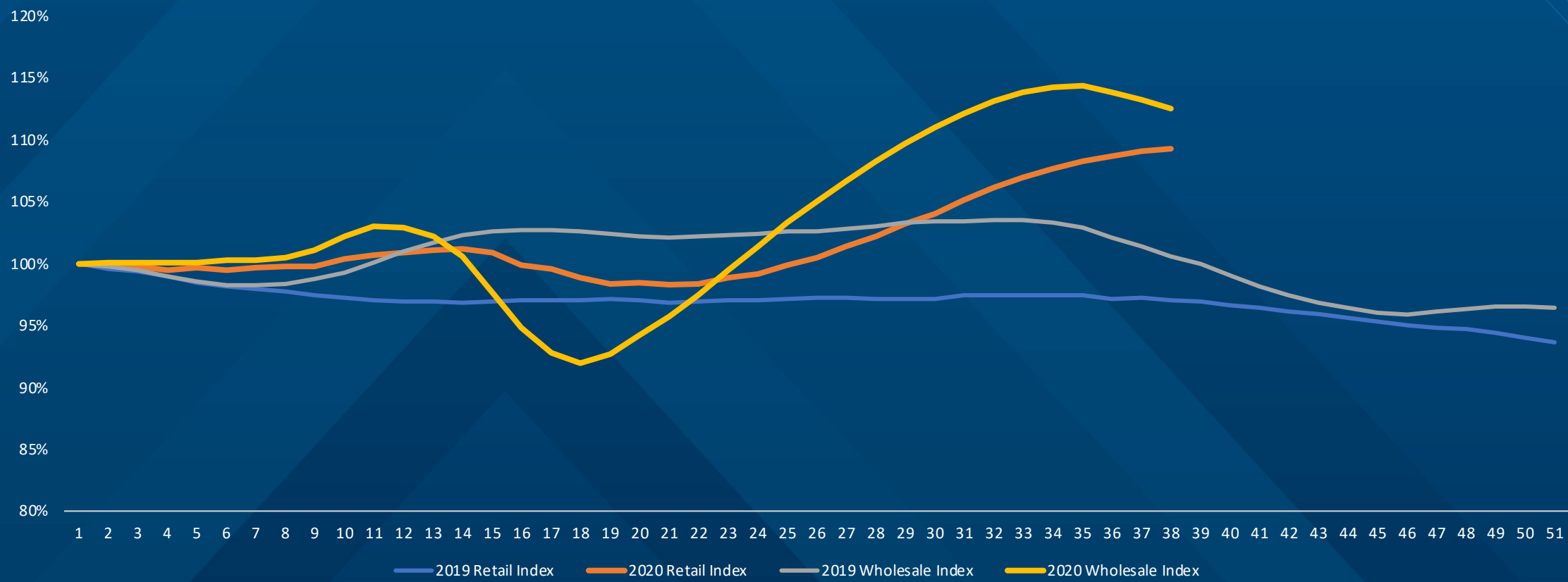
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Source: Cox Automotive

WHOLESALE USED PRICES CONTINUE DECLINING

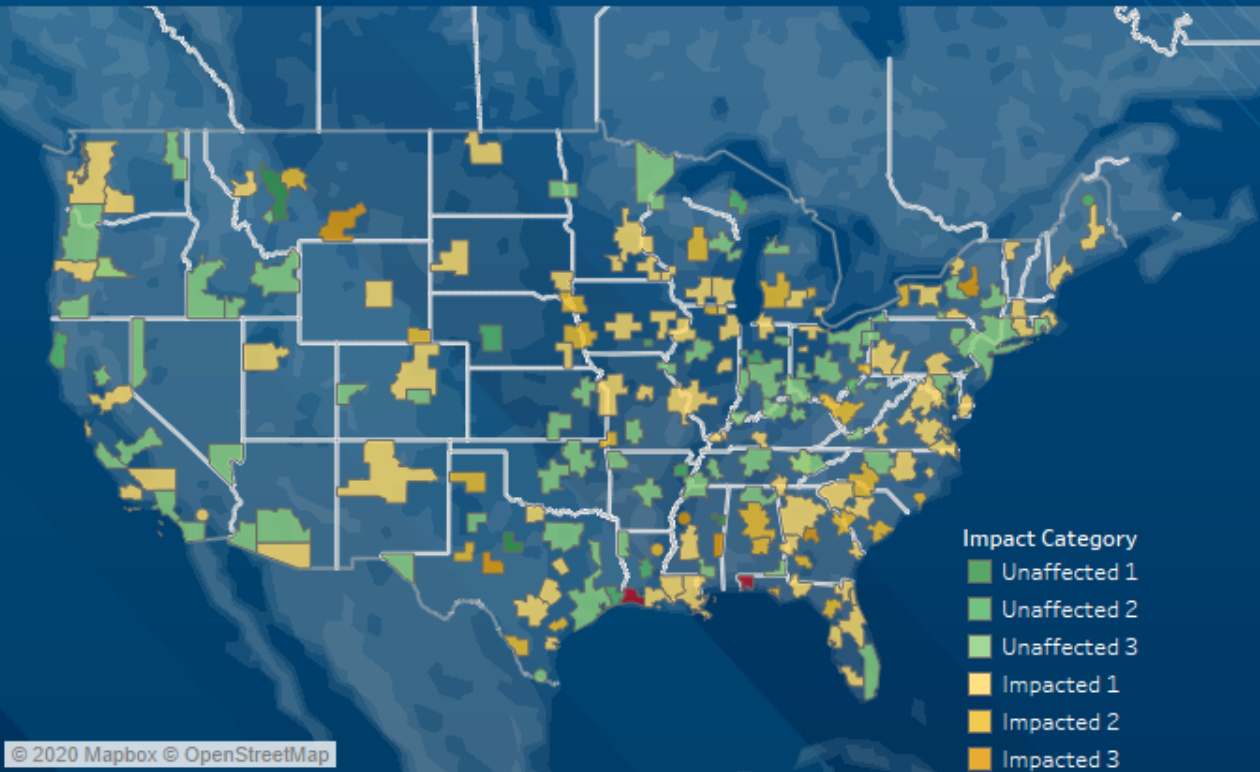
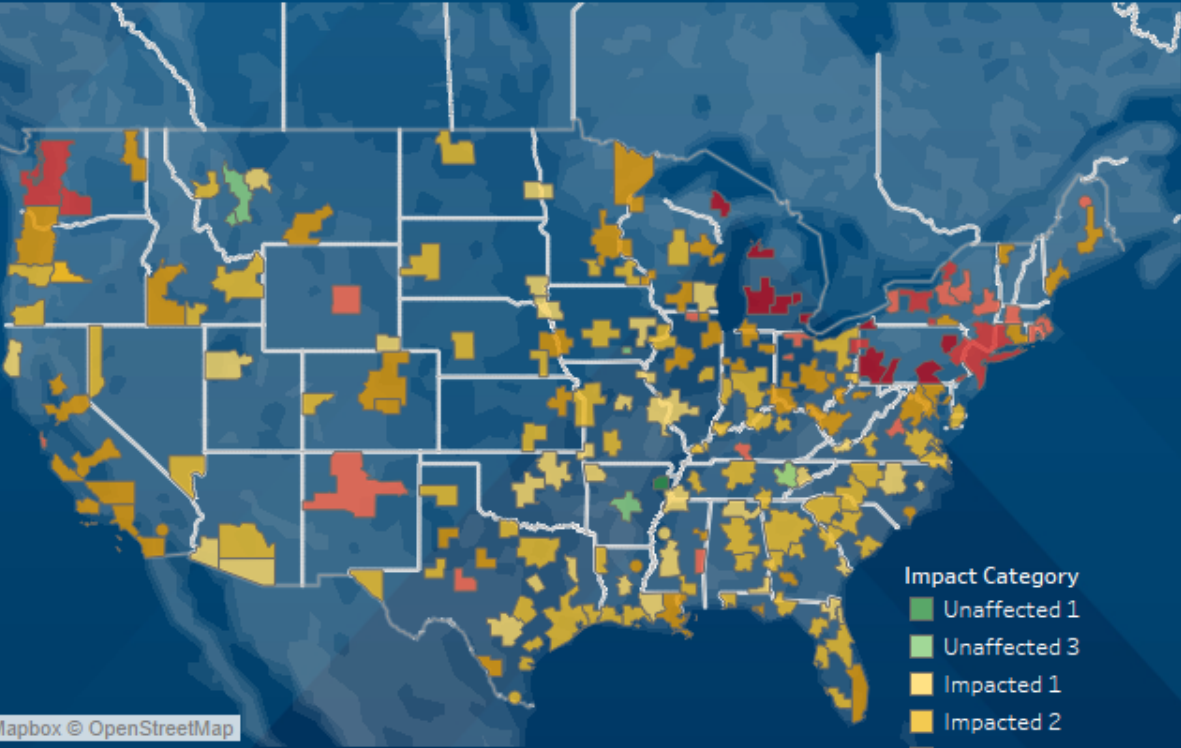
MY 2017 Retail and Wholesale Price Indices (wk1=100)



SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS

April 5th

September 20th



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Source: Cox Automotive

COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 23% y/y in September through the 19th and on **Kelley Blue Book** up 38%; Autotrader has lost momentum, but Kelley Blue Book has gained
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions up from last year, but both have lost momentum in September and again over the weekend
- **Dealertrack** unique credit applications on same-store basis were down 16% y/y last week, which was unchanged from the prior week
- **Xtime** saw a 10% decrease y/y last week in consumers having their cars serviced, which was a big improvement 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