10 PREDICTIONS FOR 2022: LOOKING FORWARD INTO THE YEAR AHEAD

1. VEHICLE DEMAND REMAINS ROBUST, ESPECIALLY THROUGH THE FIRST HALF
   - NEW VEHICLE SALES: 16M ▲7%
   - USED-VEHICLE SALES: 39.3M ▼4%

2. USED-VEHICLE VALUES DEPRECIATE AFTER SPRING RECORD
   - $28K+
   - AVG. USED-VEHICLE LISTING PRICE (Dec. 2021)

3. TIGHT VEHICLE SUPPLY GRADUALLY IMPROVES
   - THE WORST OF THE “EMPTY-LOT SYNDROME” IS LIKELY IN THE REARVIEW MIRROR.
   - NEW VEHICLES ON DEALER LOTS ACROSS AMERICA
     - 2.8M MID-DECEMBER 2020
     - 1M MID-DECEMBER 2021

4. EV GROWTH OUTPACES INDUSTRY GROWTH
   - 38% OF VEHICLE SHOPPERS NOW CONSIDERING AN EV

5. AUTO LOAN RATES INCREASE
   - DECEMBER 2019: 7.5%
   - DECEMBER 2020: 6.01%
   - DECEMBER 2021: 5.14%

6. LEASE DEMAND WILL IMPROVE
   - 27%
   - FORECAST LEASE PENETRATION OF TOTAL RETAIL VOLUME

7. SERVICE REVENUE OPPORTUNITY REMAINS ROBUST
   - CONSUMERS FOCUS ON FIXING, RATHER THAN REPLACING
     - 12 YEARS AVG. VEHICLE AGE
     - 280 MILLION VEHICLE PARC
     - 50% OF AMERICANS WILL DRIVE MORE IN 2022

8. VIGOROUS DEALERSHIP CONSOLIDATION CONTINUES
   - 59% OF DEALERS EXPECT CONSOLIDATION/ACQUISITION TO CONTINUE

9. CONSUMER SHIFT TO ONLINE BECOMES DOMINANT
   - 70% OF CONSUMERS EXPECT PEOPLE WILL PREFER TO SHOP ONLINE VS. GOING INTO THE DEALERSHIP

10. DIRECT-TO-CONSUMER FORCES DEALERS TO ADAPT
    - 80% OF DEALERS THINK ECOMMERCE WILL BE WIDELY OFFERED IN 3 YEARS

Source: Cox Automotive Research & Market Intelligence unless otherwise noted.