



Monthly Industry Update

May 2022

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Charlie Chesbrough

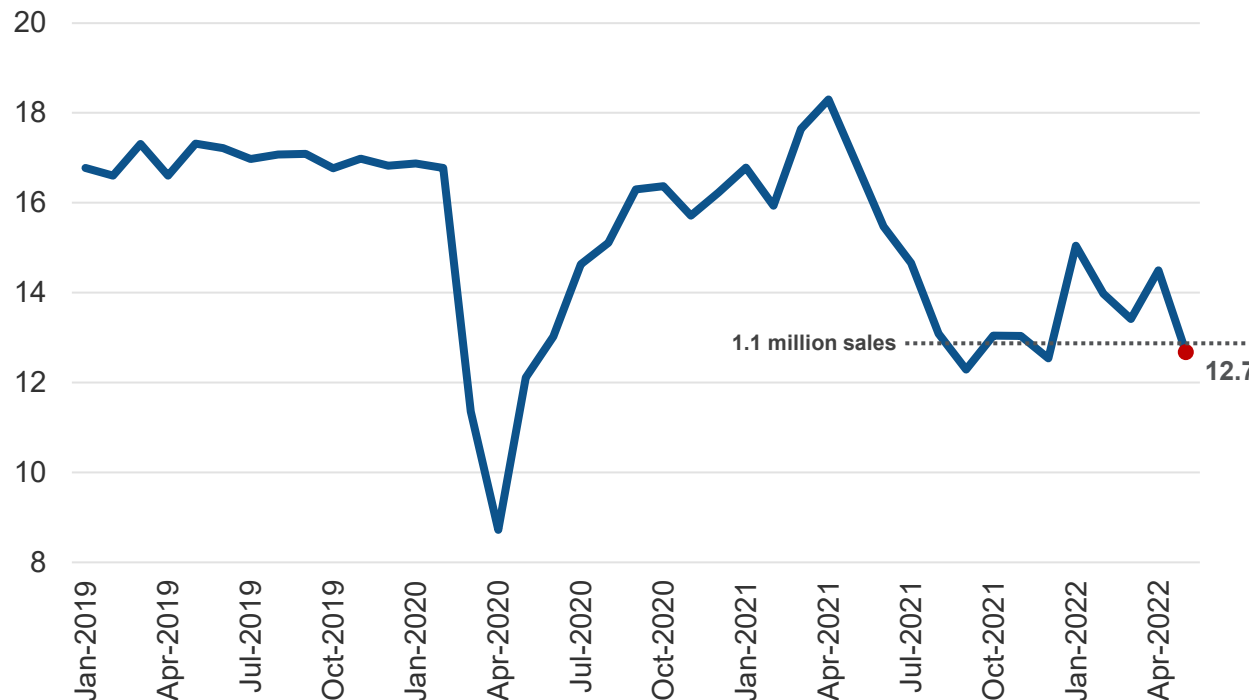
Senior Economist

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NEW VEHICLE SALES MAY SAAR FALLS TO 12.7 MILLION PACE

Monthly volume averaging just 1.1 million since August

Monthly Light Vehicle Sales SAAR (millions)



May Sales

1.105 Million Sold, -30% y/y

SAAR 12.7 million, down from April's 14.5 million

2021 SALES

14.9 Million

2022 FORECAST

~~16.0 Million~~

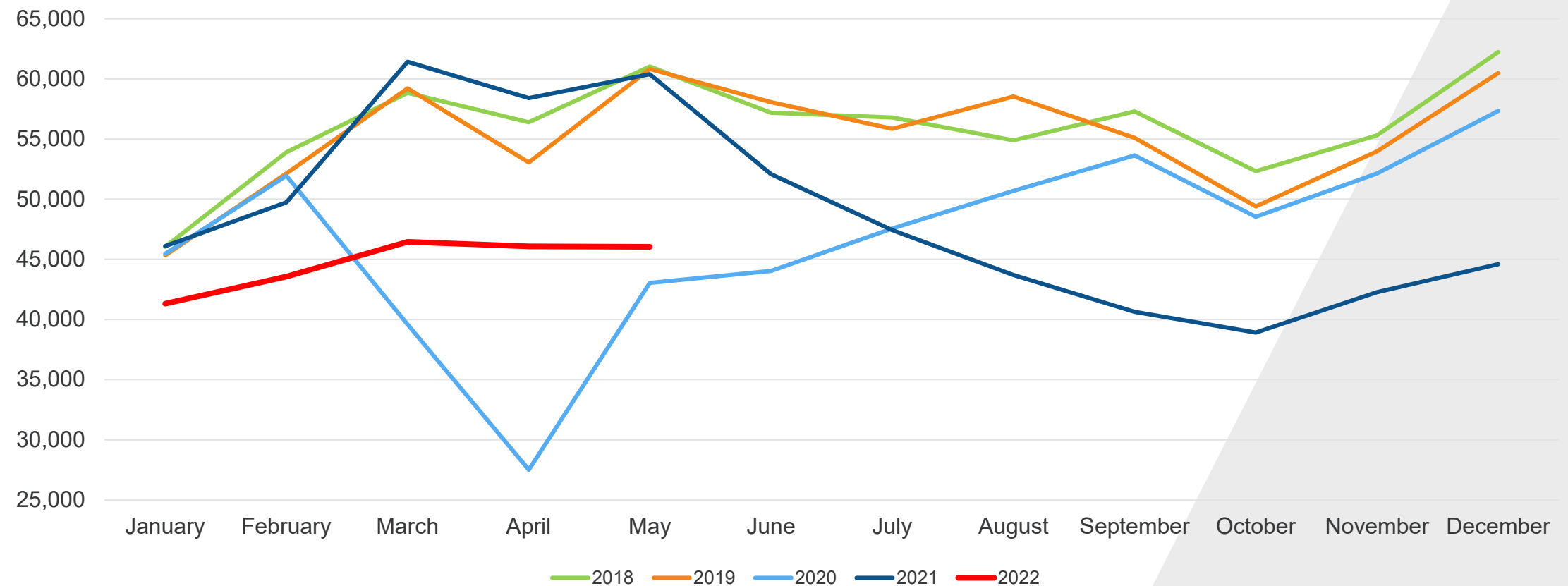
15.3 Million

YTD -19% and 13.9 Million Pace
Stronger H2 Needed

DAILY SELLING RATE STUCK NEAR 46,200 PER DAY SINCE MARCH

No spring bounce this year – suggests sales still constrained, and at this pace the year finishes near 14.0 million

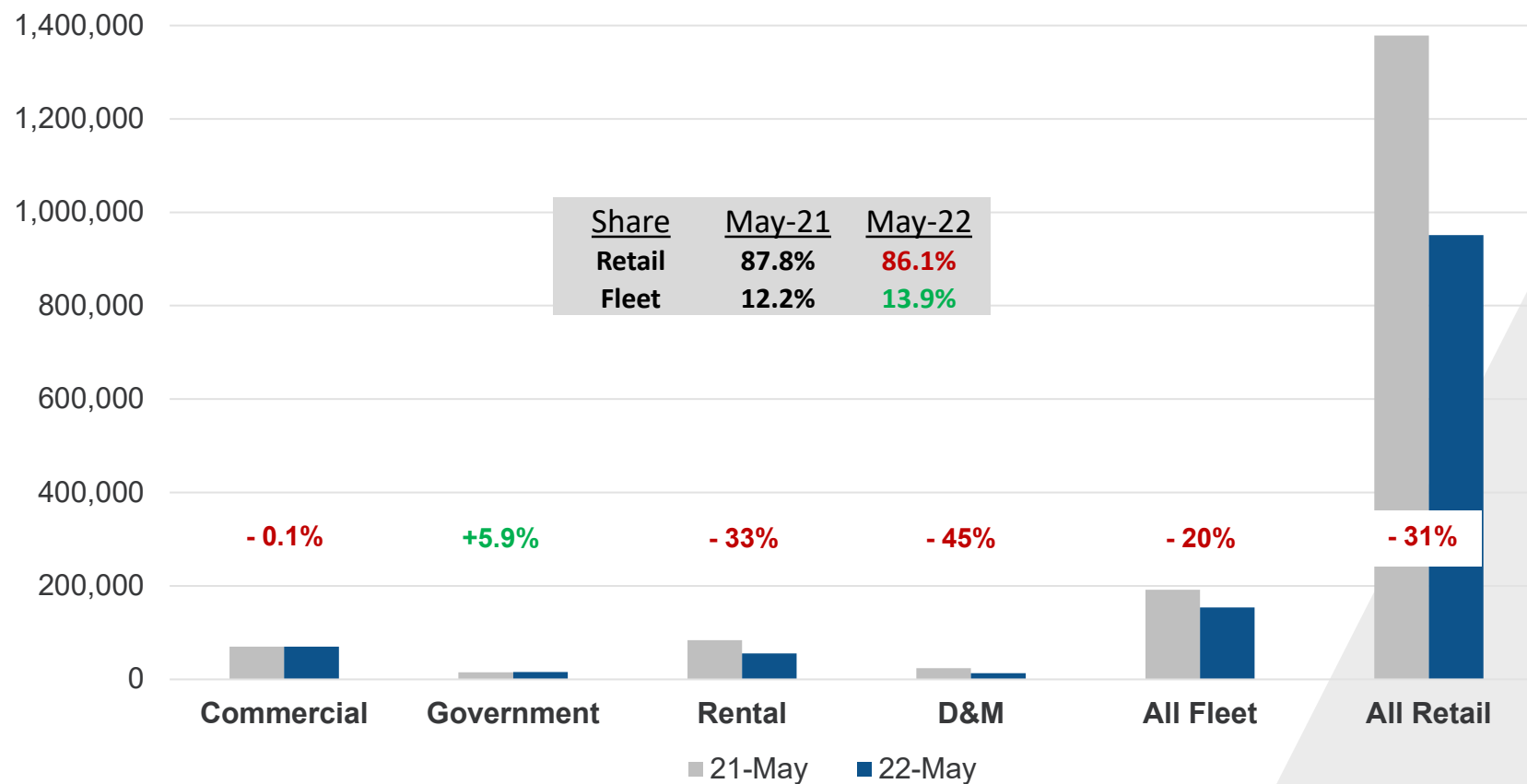
Average Vehicle Sales Per Selling Day



MAY CHANNEL SALES RETAIL DOWN 31%, FLEET SHARE RISES

Weak retail in May lifts Fleet share – GM and Stellantis' sales into the channel were up

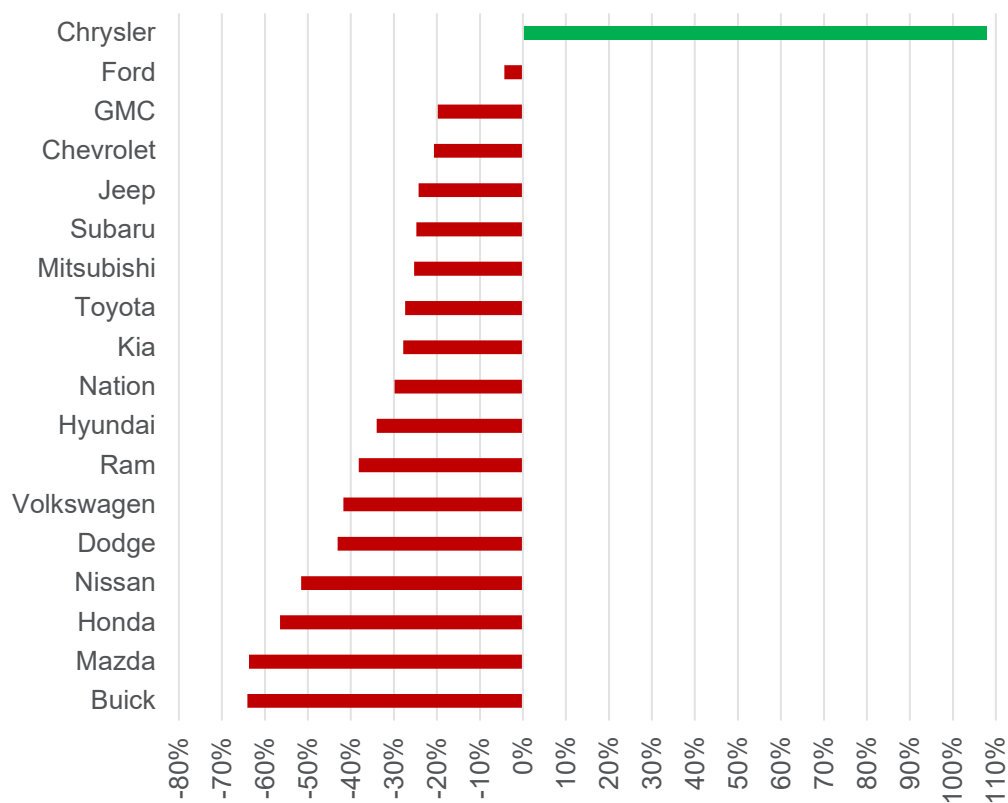
New Sales by Channel



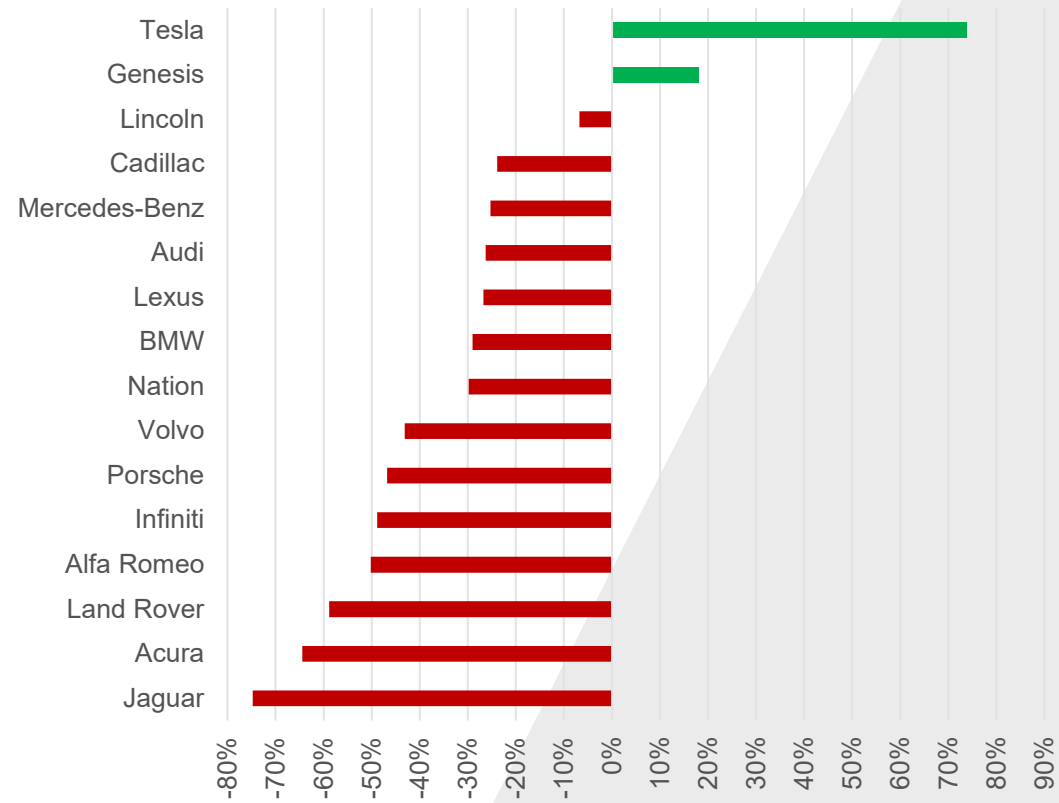
MAY BRAND SALES ALMOST EVERYONE DOWN

Limited inventory continues to hold back sales – never recovered from last year’s “spring fever” pace.

Brand Sales Change vs May 2021



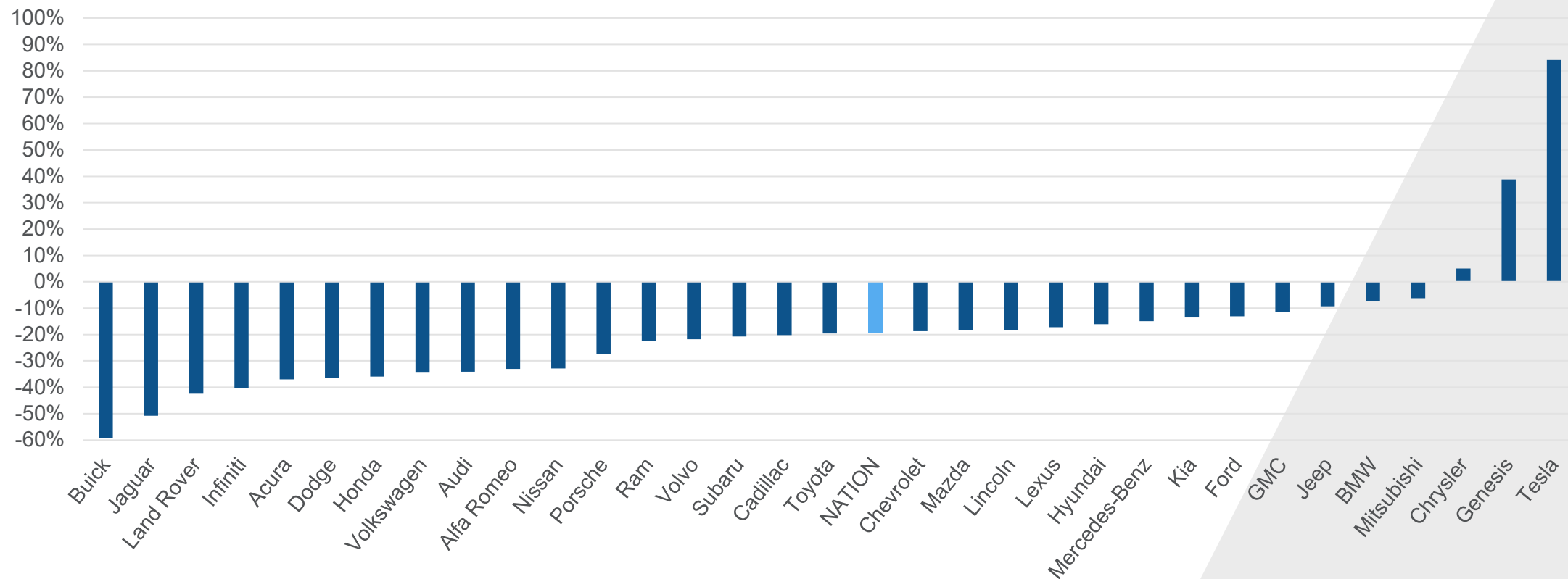
Luxury Sales Change vs May 2021



YTD BRAND SALES TELSA STARTING 2022 STRONG, GENESIS TOO

Lack of products and customers impacting many other brands

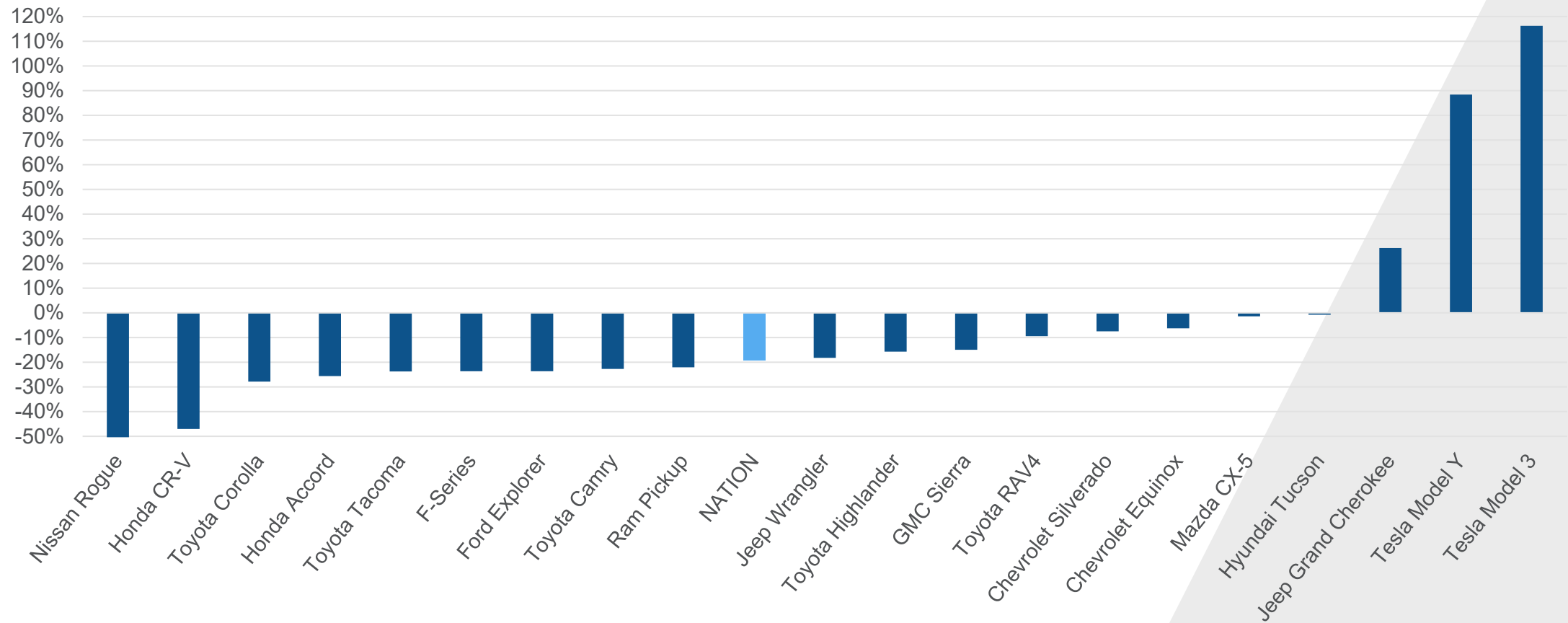
Sales Change: YTD May 2022 vs YTD May 2021



YTD TOP 20 SALES HONDA, NISSAN BEST SELLERS DOWN BIG

Most products are down in 2022, but not all

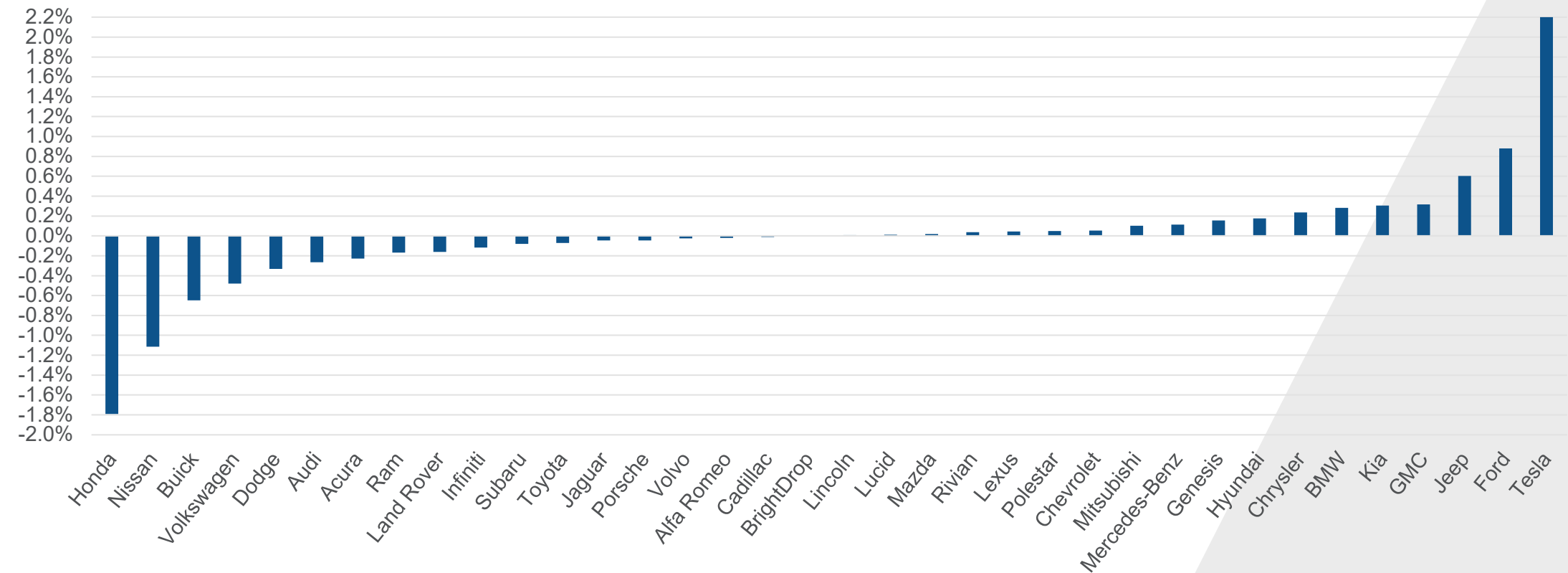
Sales Change: YTD May 2022 vs YTD May 2021



YTD BRAND SHARE TESLA MAINTAINING LAST YEAR'S GAINS

Ford, Jeep and Kia also doing well, however Nissan and Honda both losing share so far this year

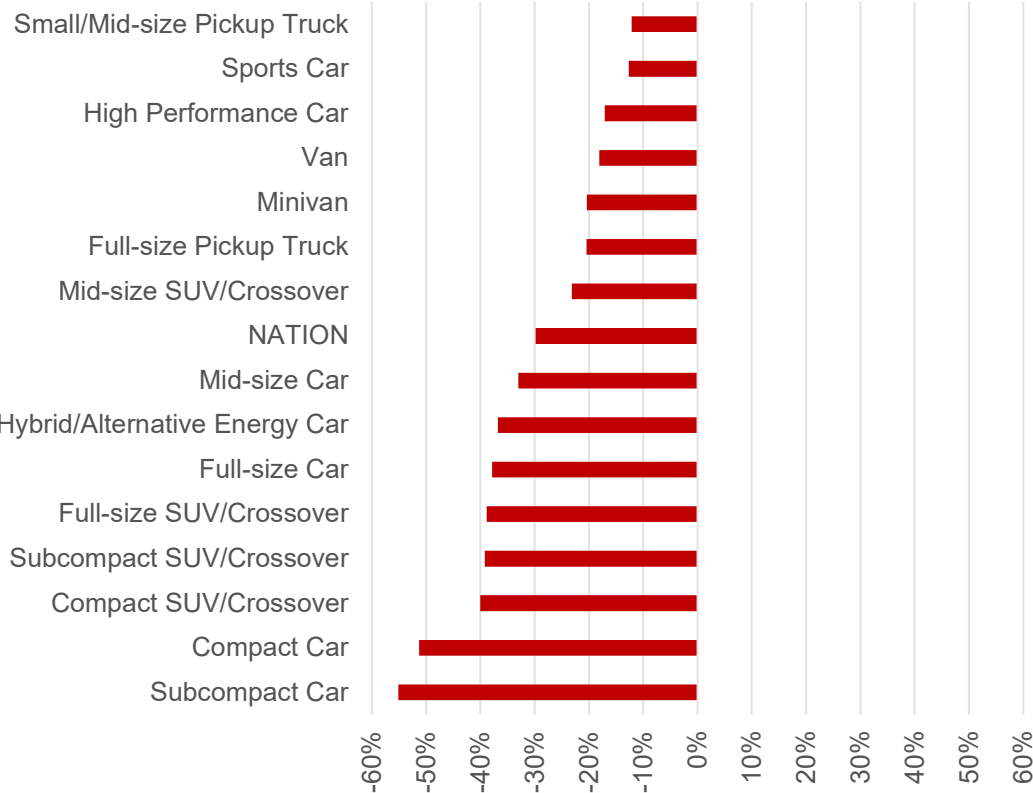
Share Gain: YTD May 2022 vs YTD May 2021



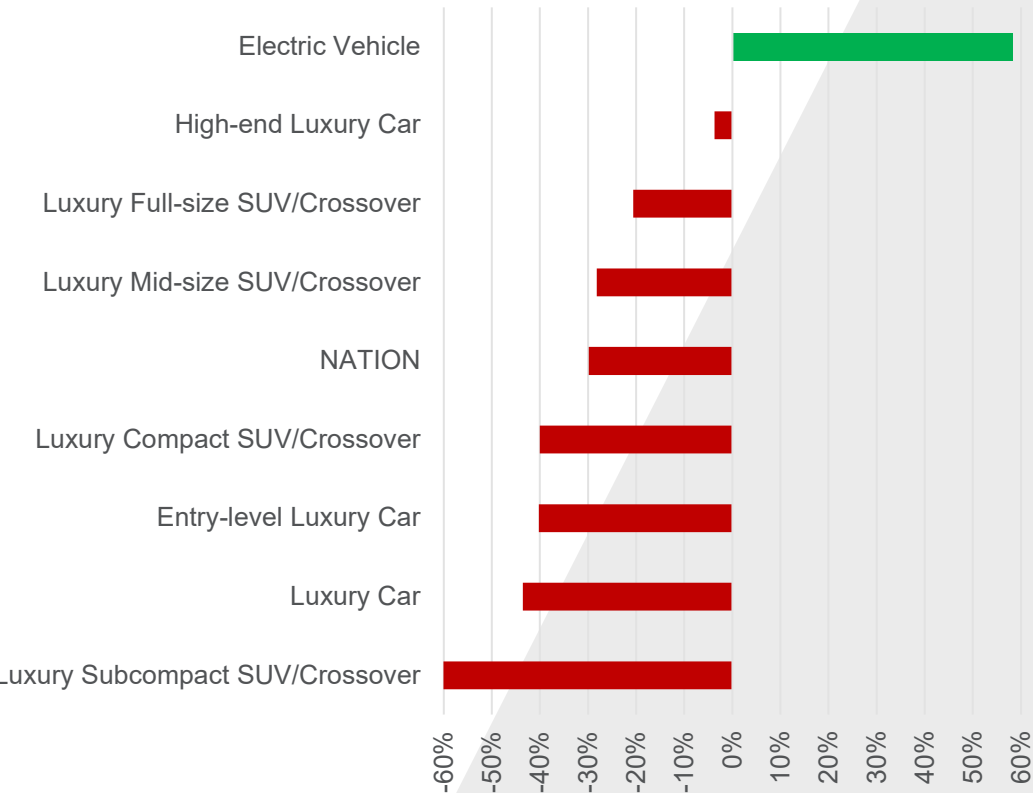
MAY SEGMENT SALES ONLY EV SHOWS GAINS

All other products decline – supply constrains significant compared to last May

Segment Sales Change vs May 2021



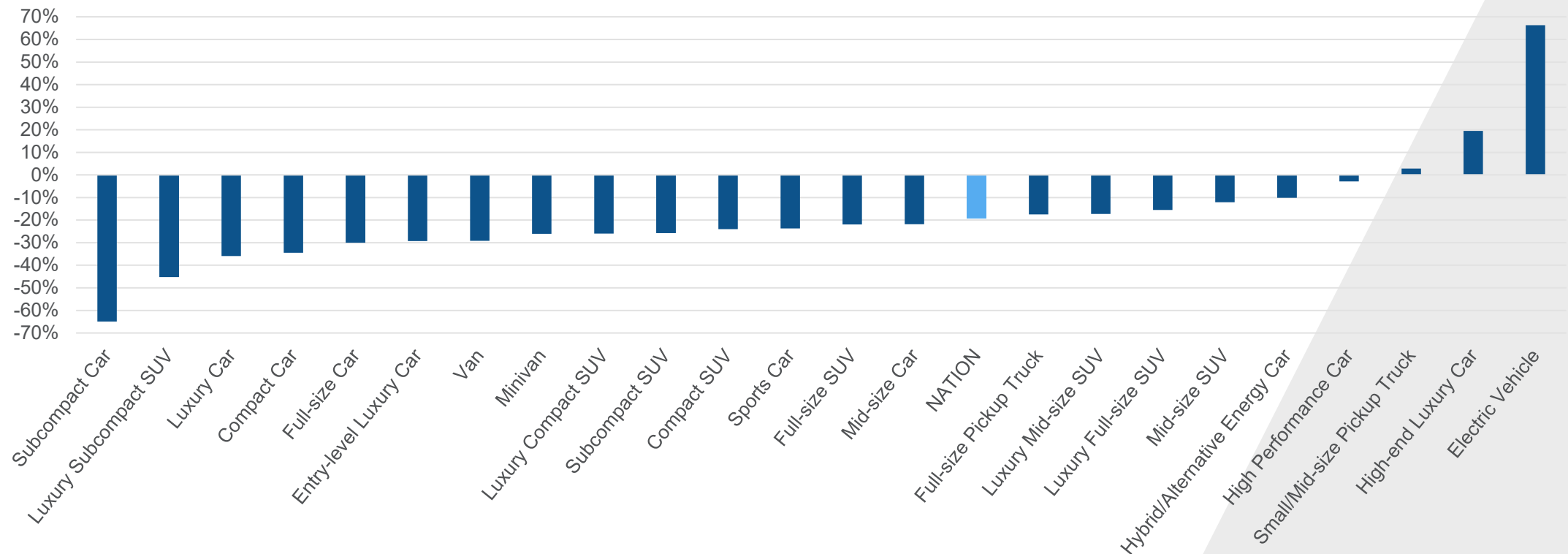
Segment Sales Change vs May 2021



YTD SEGMENT SALES MOST SEGMENTS DOWN COMPARED TO 2021

Difficult to separate availability from consumer preference – but decline of cars continues

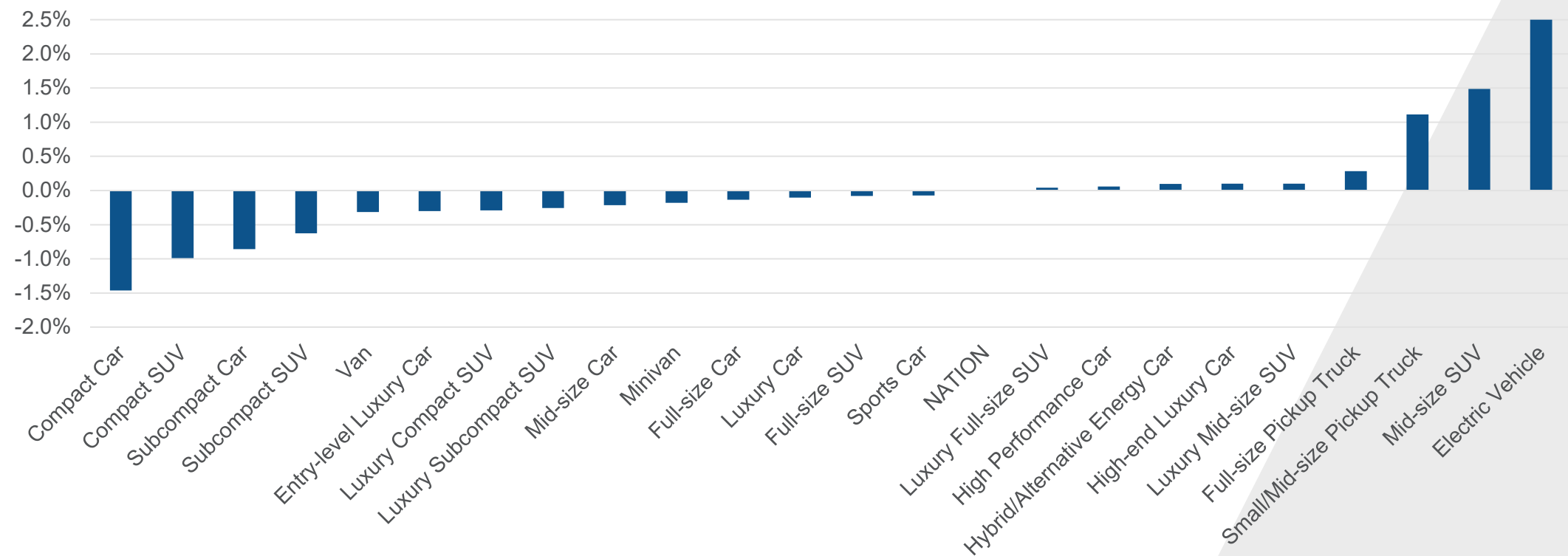
Sales Change: YTD May 2022 vs YTD May 2021



YTD SEGMENT SHARE SMALL SIZES LOSING IN 2022

Availability and demand having impact - new products leading gains for Mid-size Pickup and SUV segments, and EV too

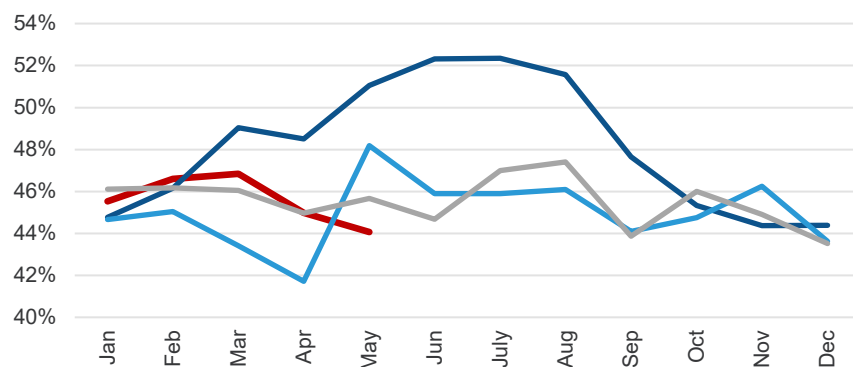
Share Gain: YTD May 2022 vs YTD May 2021



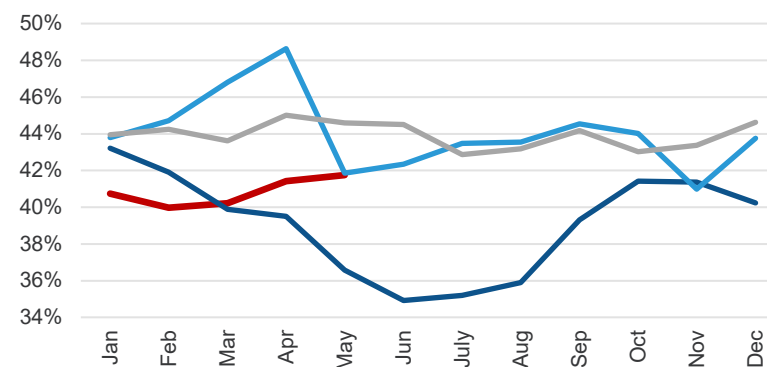
OEM MARKET SHARE ASIAN BRANDS LOSING SHARE AFTER STRONG 2021

EV OEMs (Tesla) gaining significant share during supply shortage

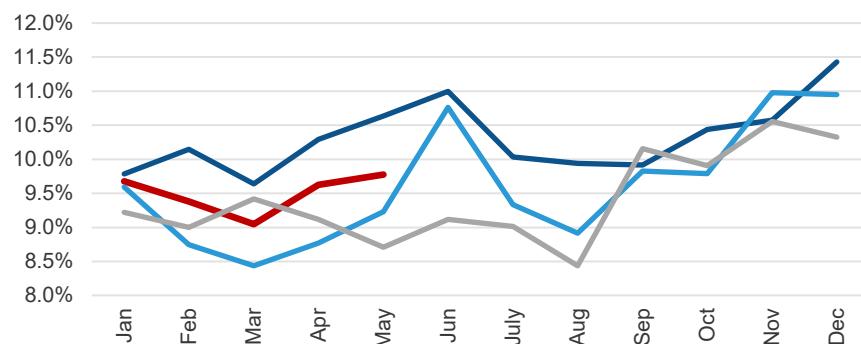
Asian Brands



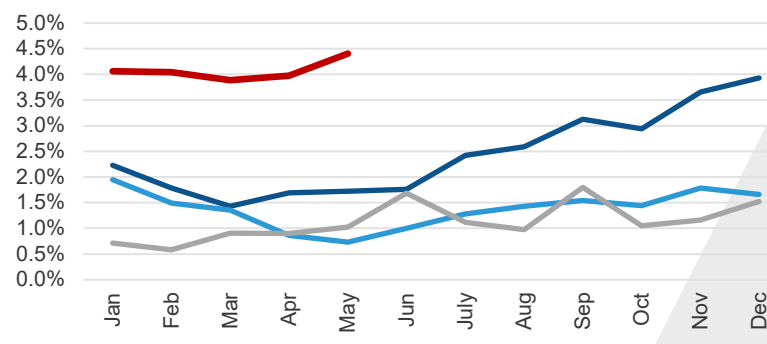
American 3 Brands



European Brands



EV OEMs



	YTD Sales	YTD Share
Asian	-23.5%	-2.6%
European	-24.3%	-0.6%
American	-17.3%	0.9%
EV Directs	88.6%	2.3%
Nation	-19.1%	0.0%

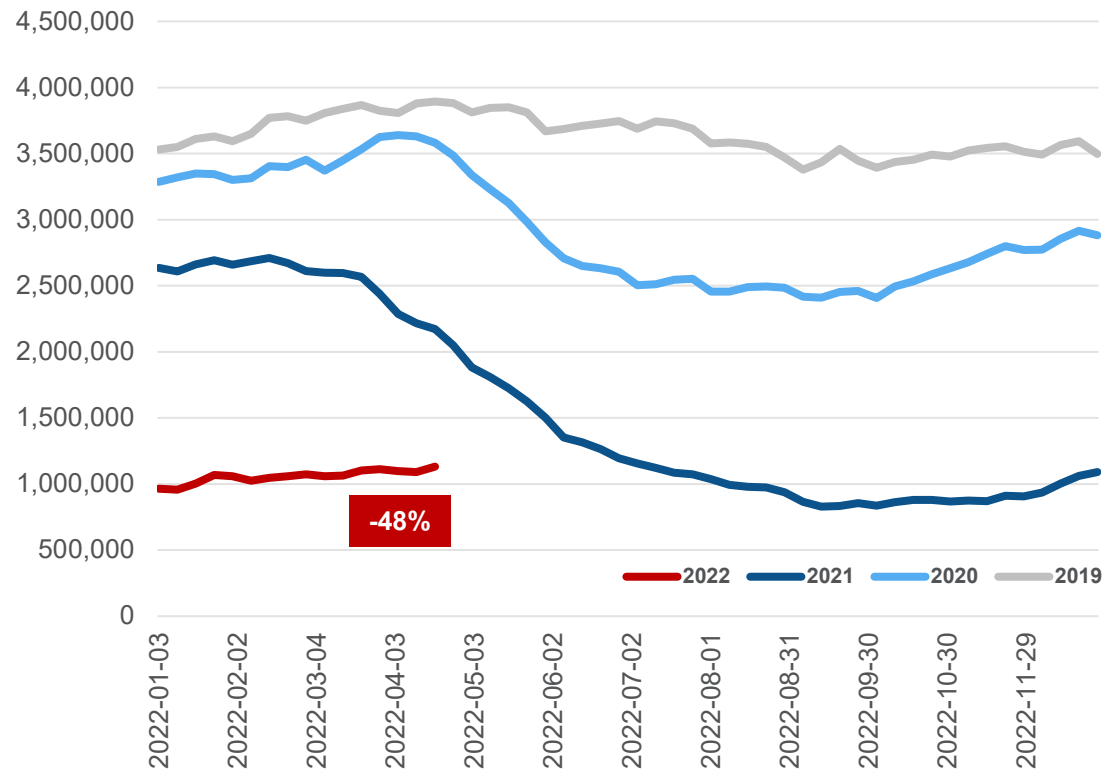
— 2022 — 2021 — 2020 — 2019

— 2022 — 2021 — 2020 — 2019

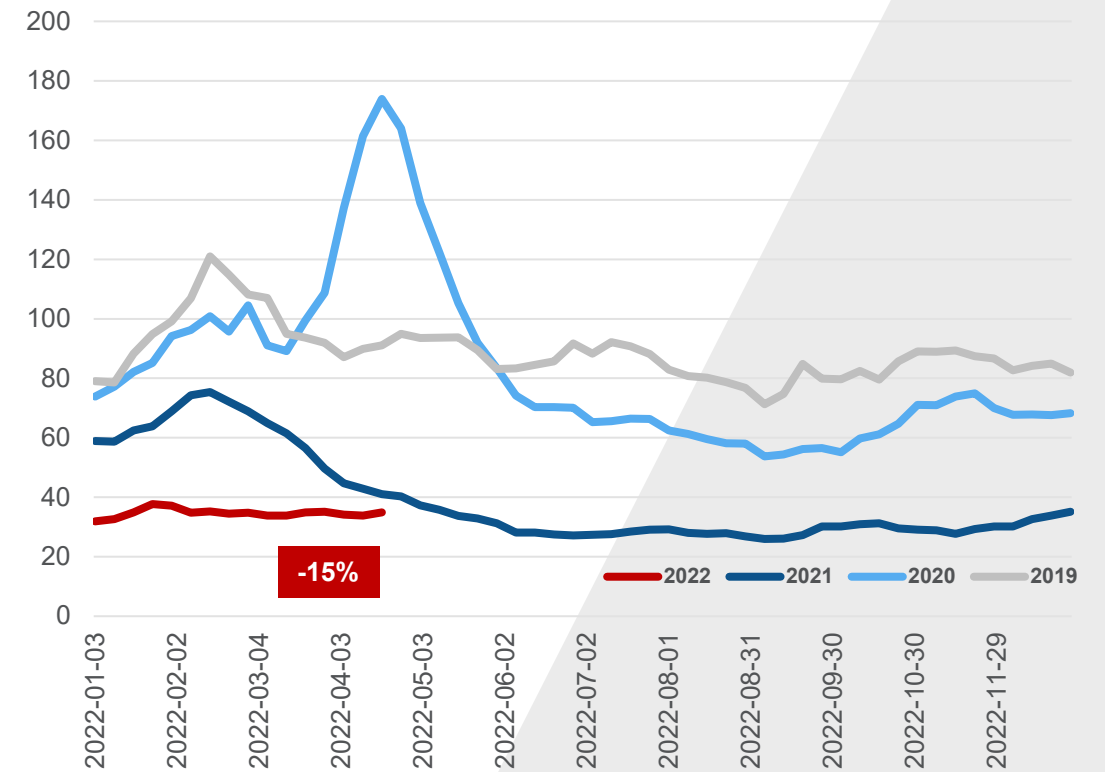
NEW VEHICLE INVENTORY DOWN 48% FROM LAST YEAR

Supply situation still bad – 1.0 million fewer vehicles than start of 2021, and 2.5 million lower than 2020

Available Supply weekly



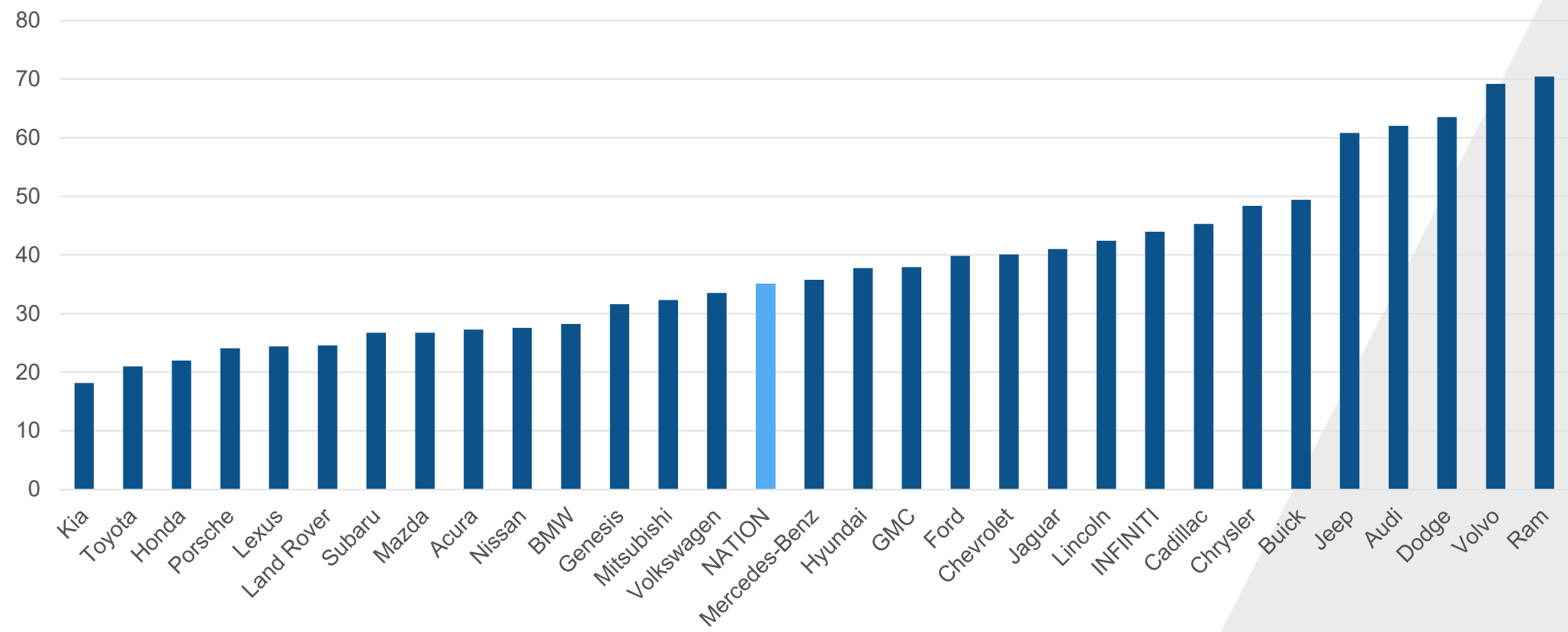
Days of Supply weekly



BRAND INVENTORY SUPPLY SITUATION VARIES

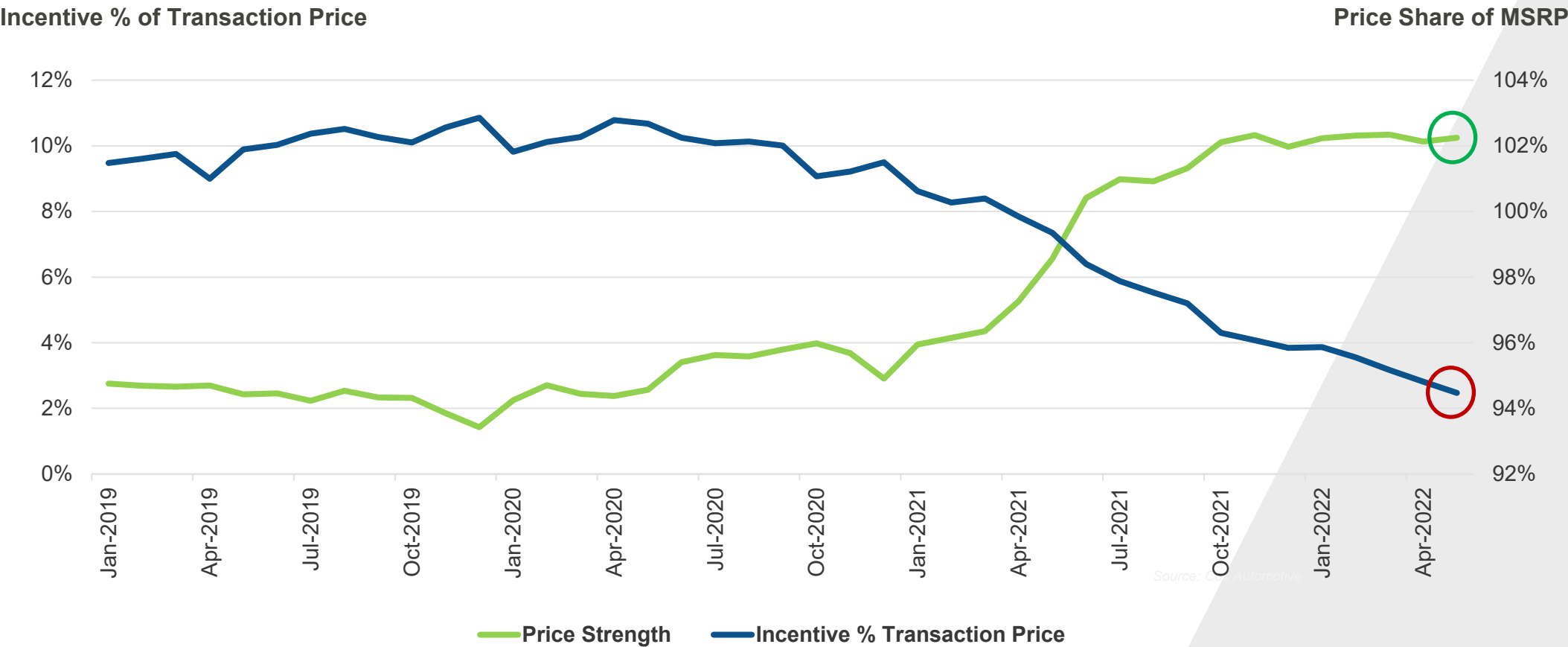
Toyota, Honda, Kia continue showing extremely low supplies

Days Of Supply



INCENTIVES DISCOUNTING DOWN, SELLING OVER STICKER PRICE

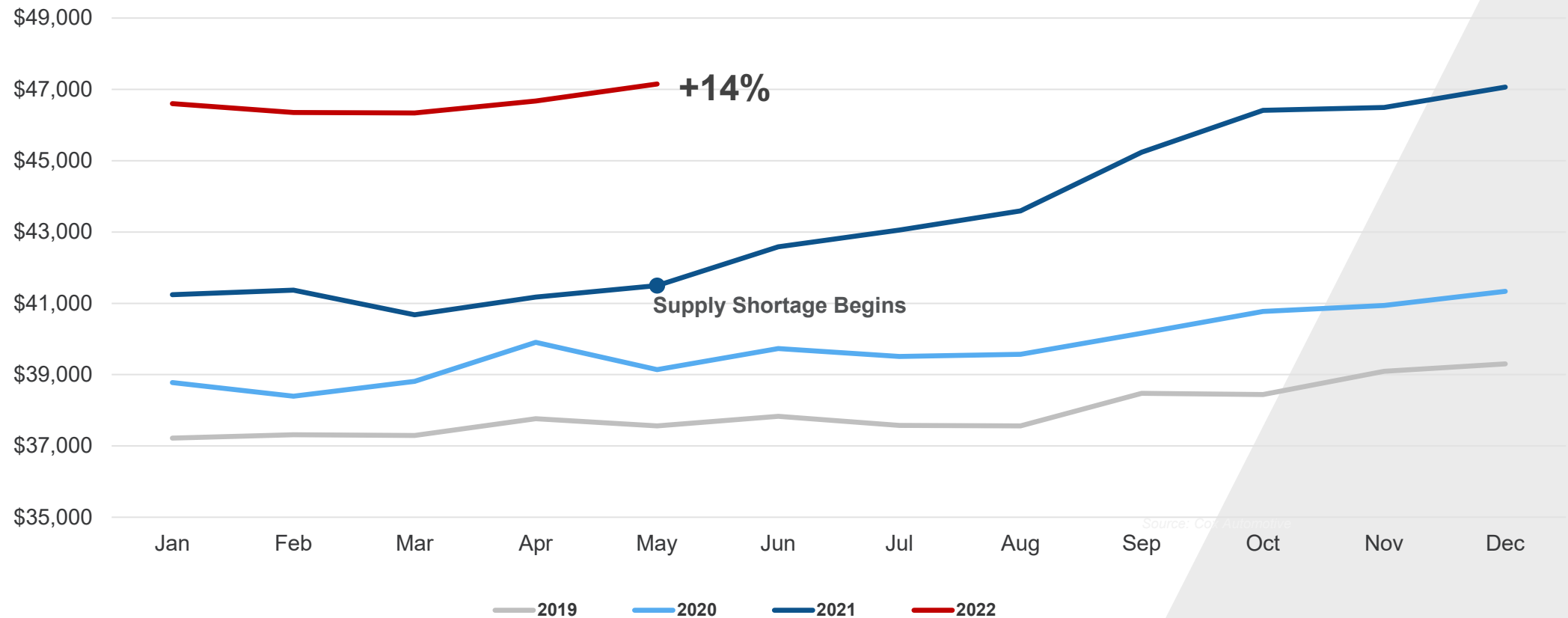
Transaction price now above MSRP – tight inventories creating “sellers” market



TRANSACTION PRICES MAY UP NEARLY 14% - AT THIS RATE SINCE AUGUST

Growth should slow after May, but remain positive – Rising interest rates could make affordability a bigger issue in 2022

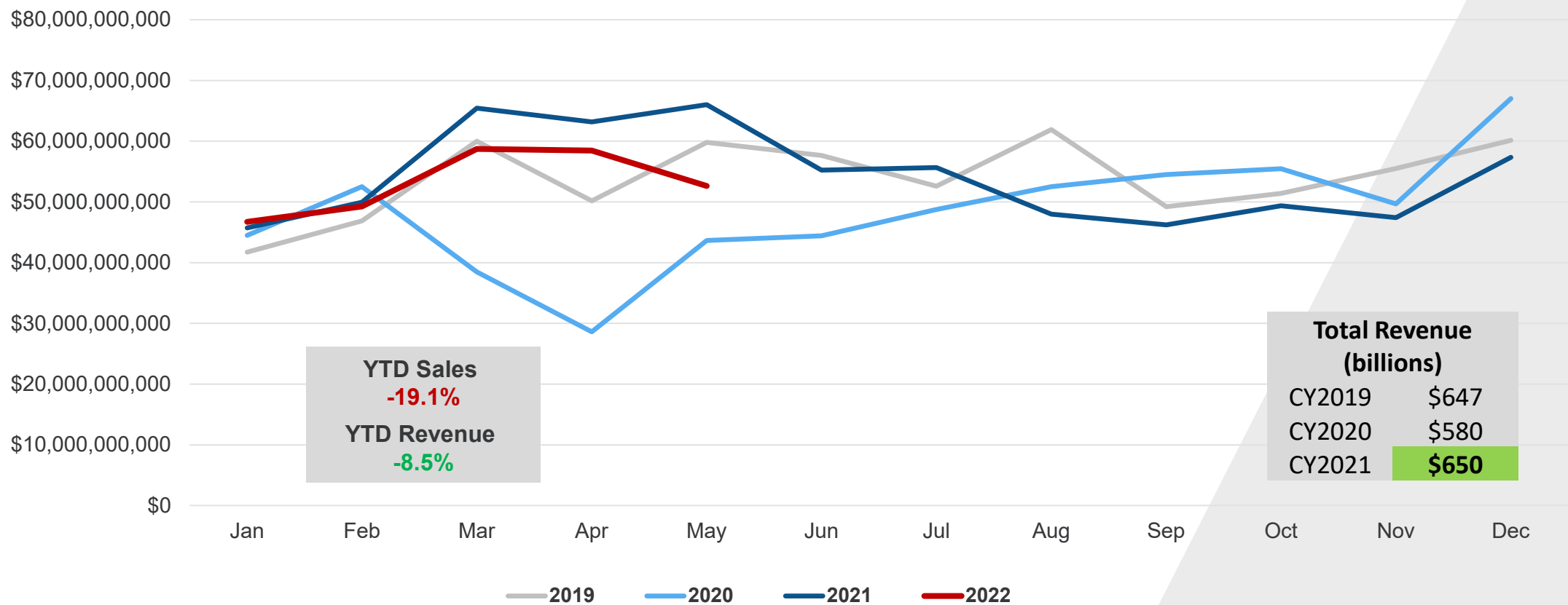
Estimated Monthly Transaction Prices



MARKET REVENUE HIGH PRICES OFFSETTING LOWER VOLUMES

No hurry to return to “normal” - Industry revenue higher than 2019 with nearly 2 million fewer vehicles sold

Estimated Monthly Transaction Revenue (\$ billions)





Chris Frey

Senior Industry Insights Manager

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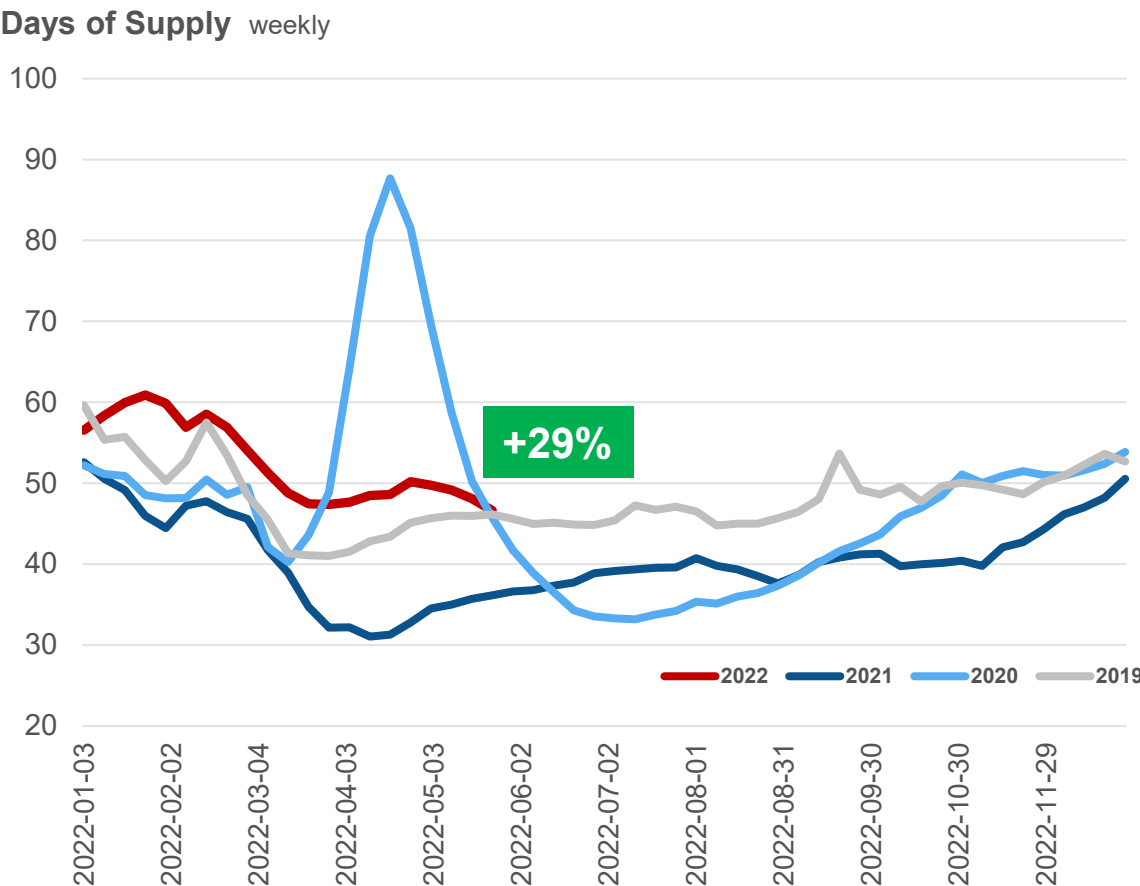
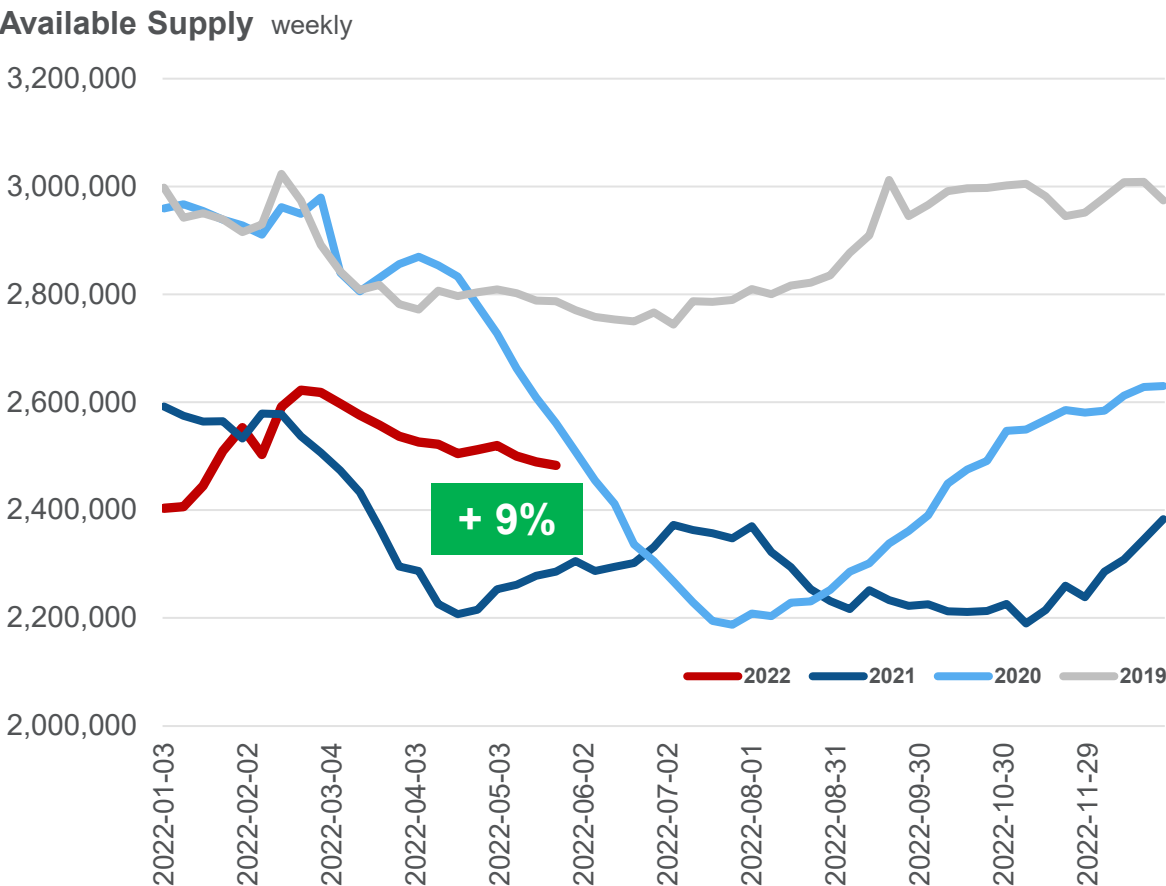
CONSUMER SENTIMENT DECLINED AGAIN IN MAY

Morning Consult's Index of Consumer Sentiment last Monday was down 22.3% y/y and down 30.4% since February 29, 2020

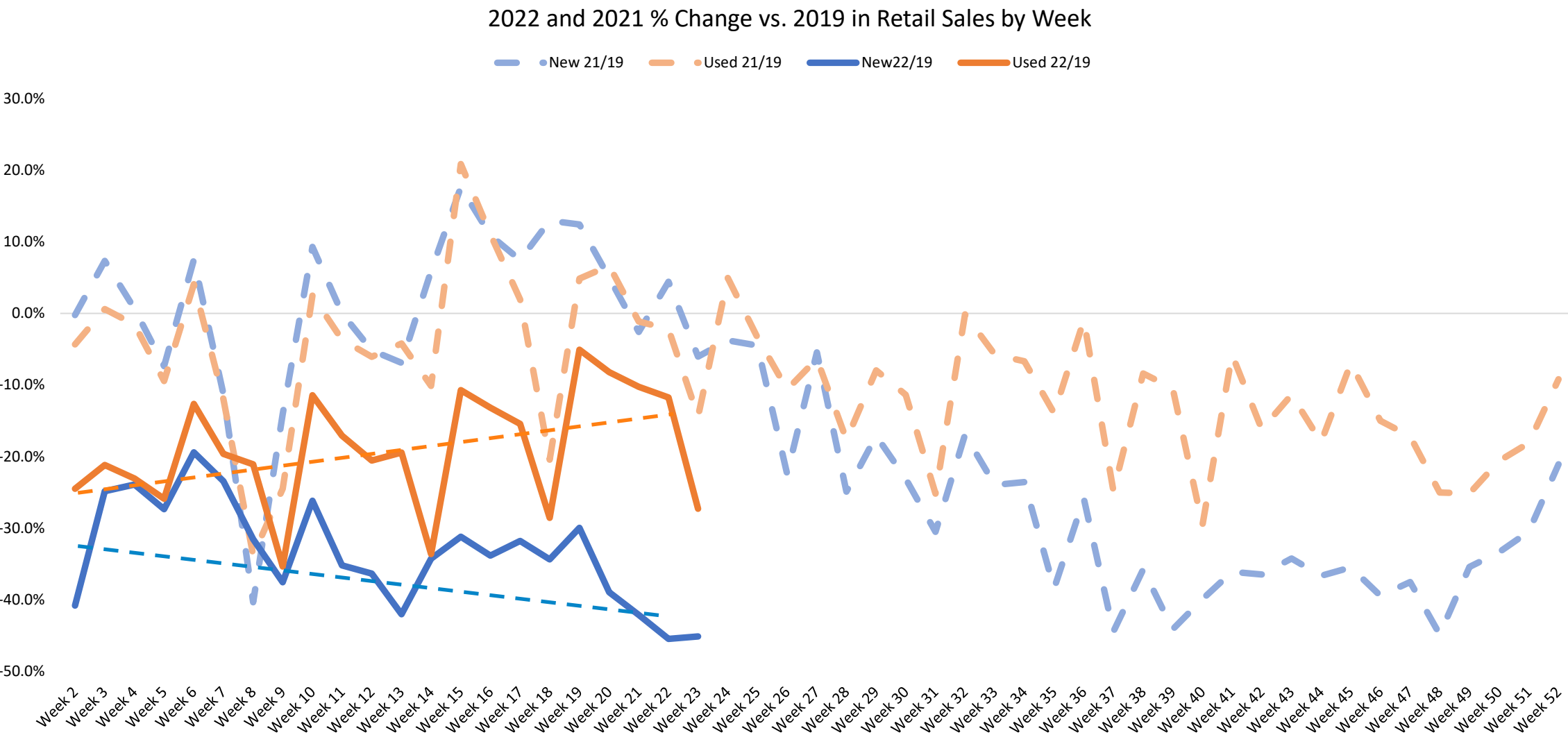


USED VEHICLE INVENTORY SUPPLY ABOVE LAST YEAR BY 9%

Lower sales lifting days of supply back above last year – and above 2019 levels



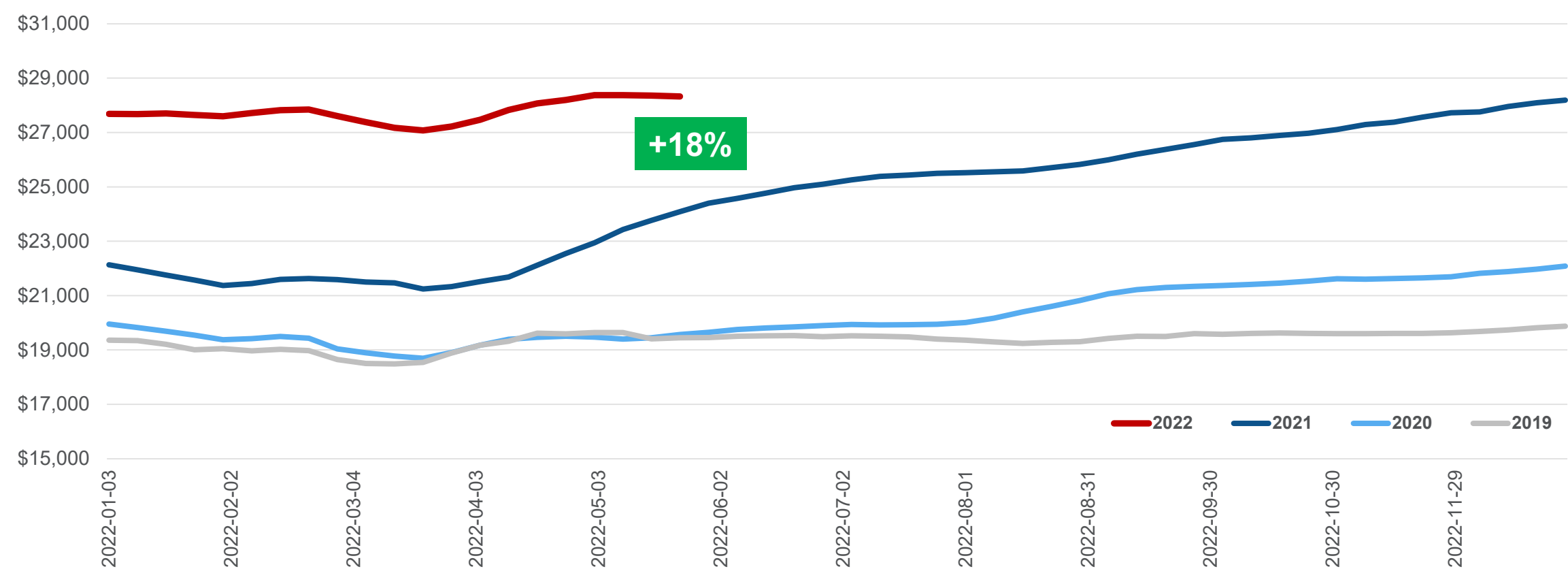
RETAIL SALES ESTIMATES



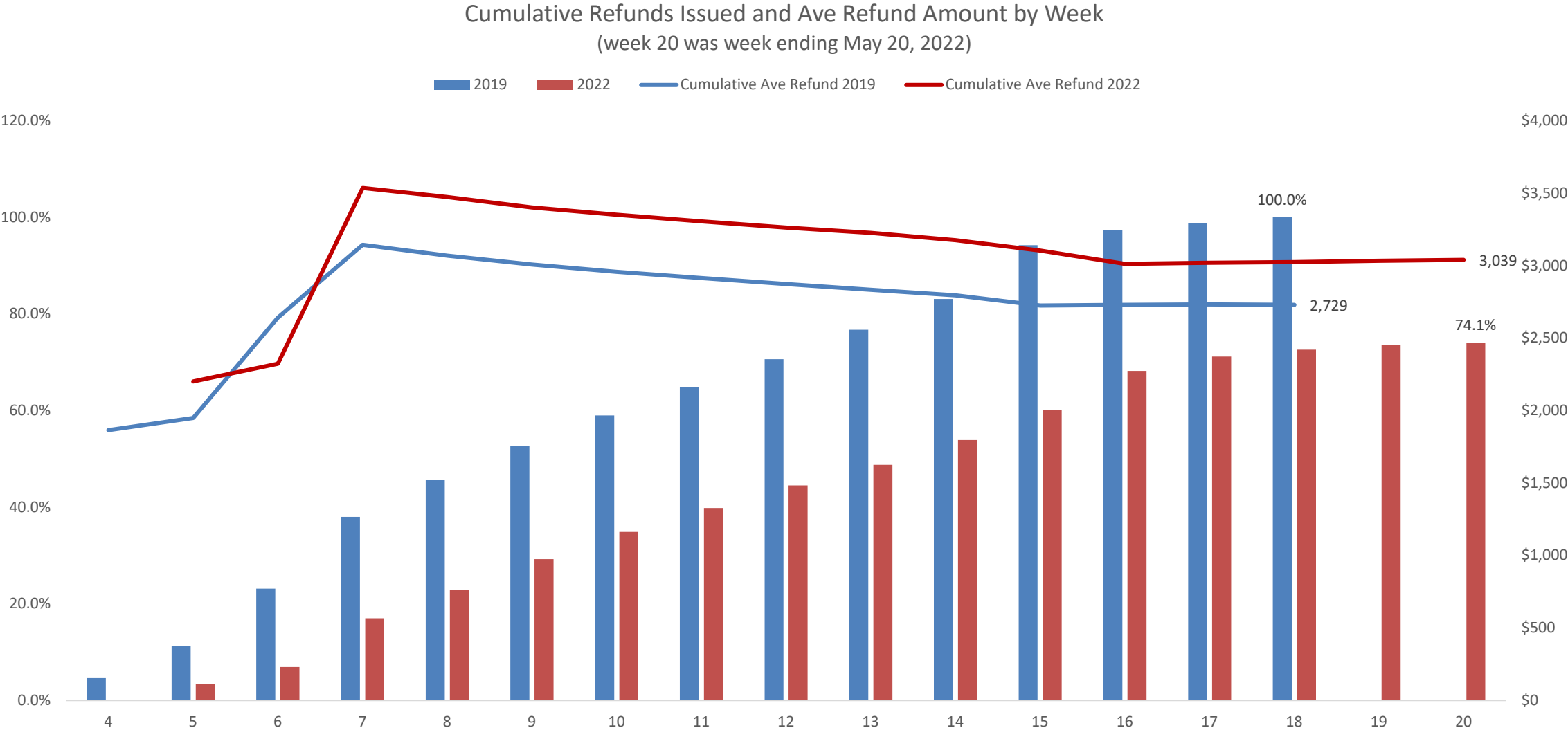
USED VEHICLE PRICES UP 18% VS. LAST YEAR – DOWN 1% FROM LAST WEEK

Prices shifted in wake of COVID last spring, and they remain elevated

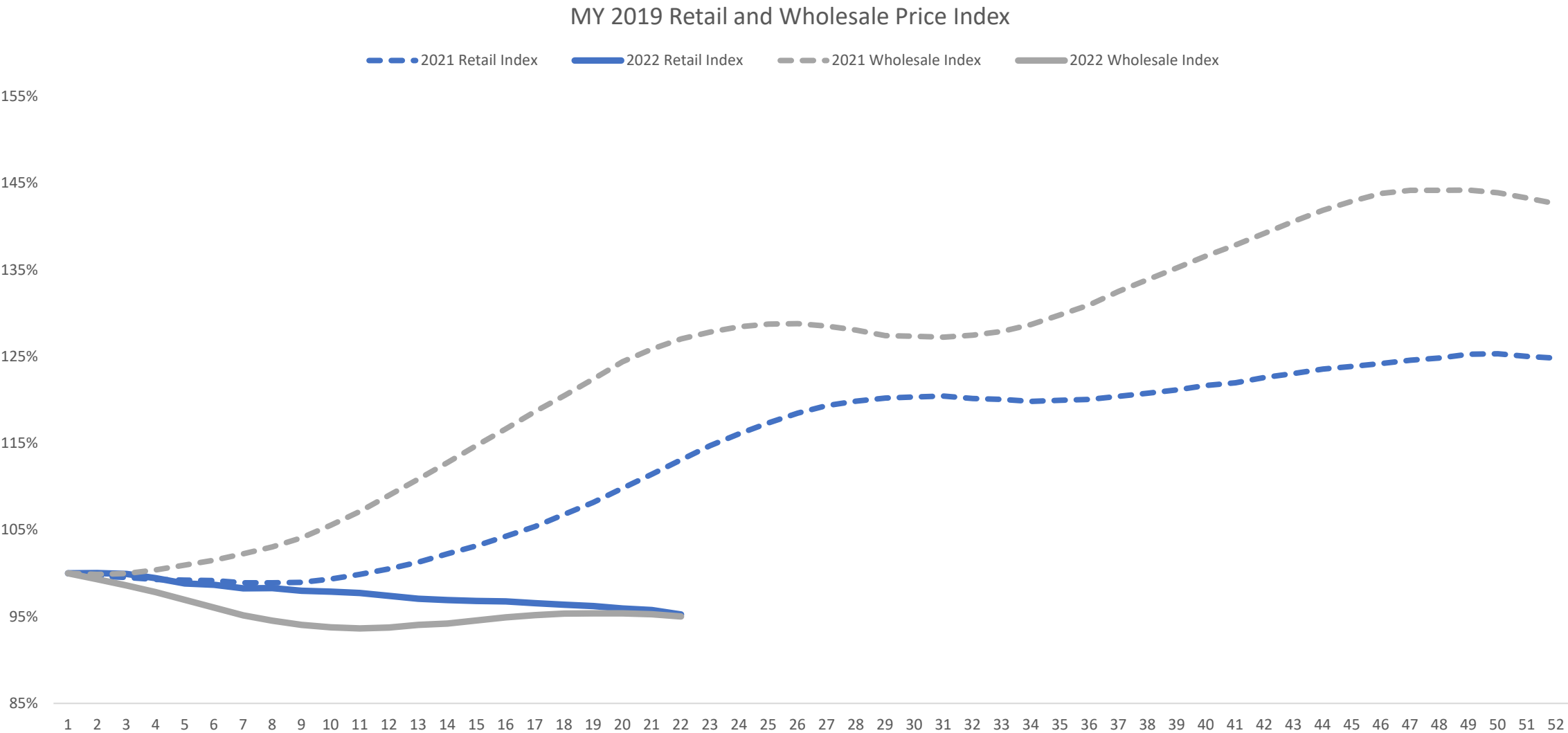
Average List Price weekly



2022 TAX REFUNDS WAY BEHIND FOR TIME OF YEAR BUT \$ UP



WHOLESALE AVERAGE PRICE DECLINING AT NORMAL PACE FOR TIME OF YEAR





Rebecca Rydzewski

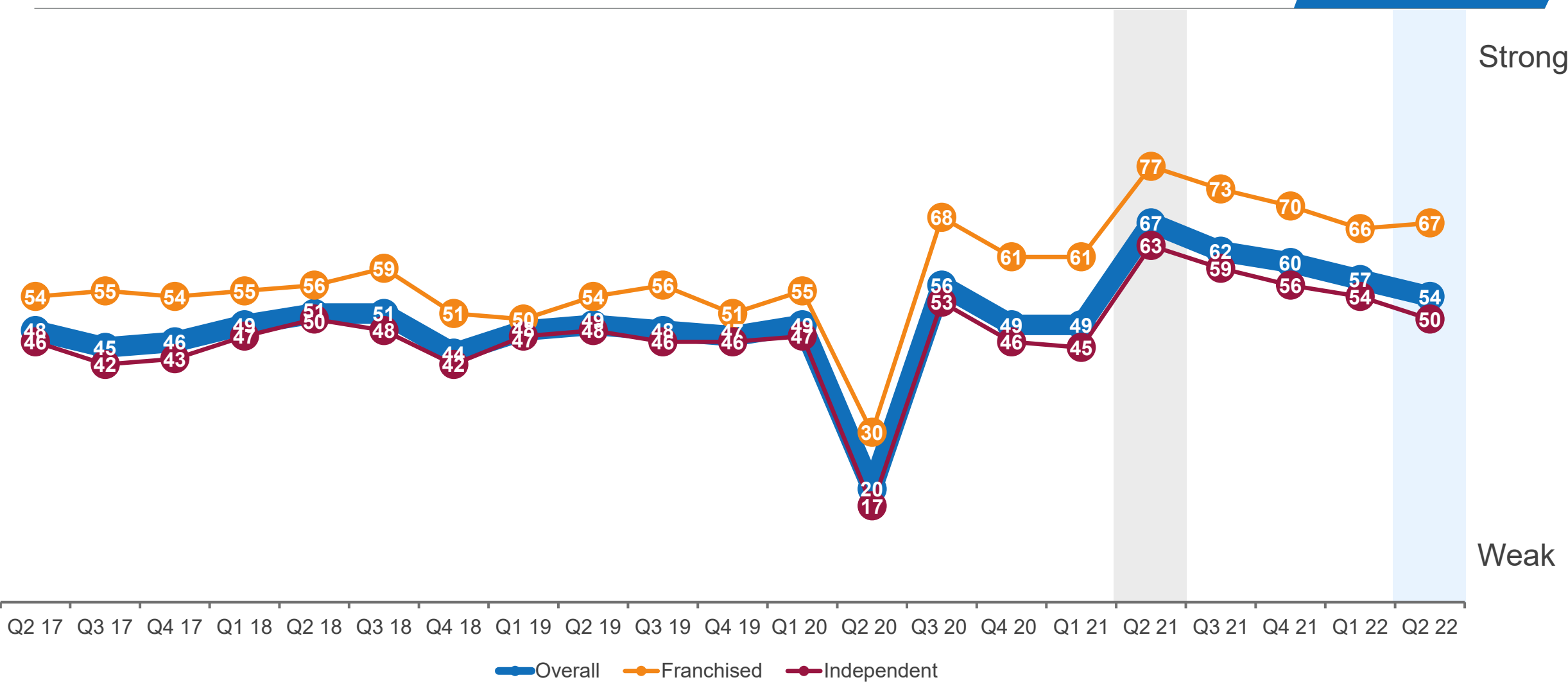
Research Manager

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How would you describe the current market for vehicles in the areas where you operate?

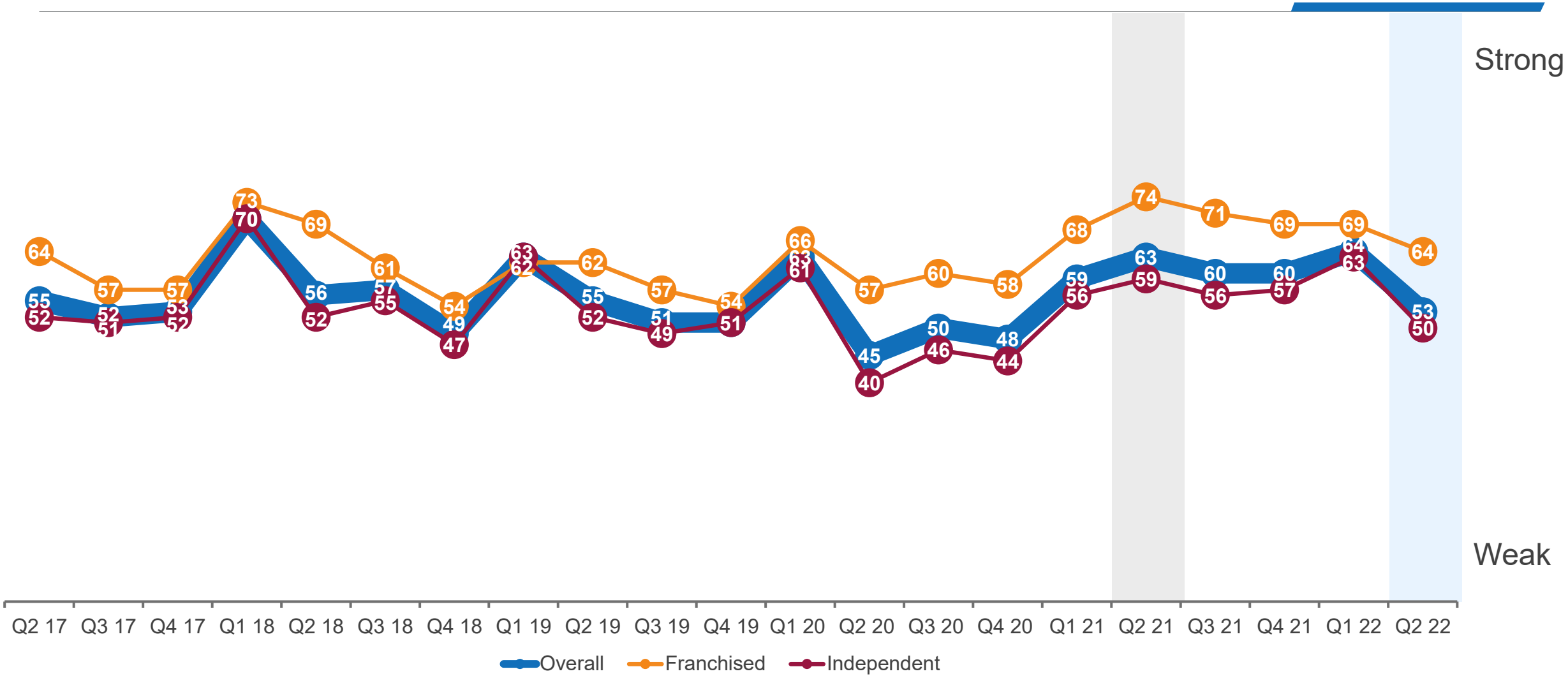
Dealer Sentiment Index

SECOND QUARTER 2022



What do you expect the market for vehicles in your area to look like 3 months from now?

Dealer Sentiment Index
SECOND QUARTER 2022

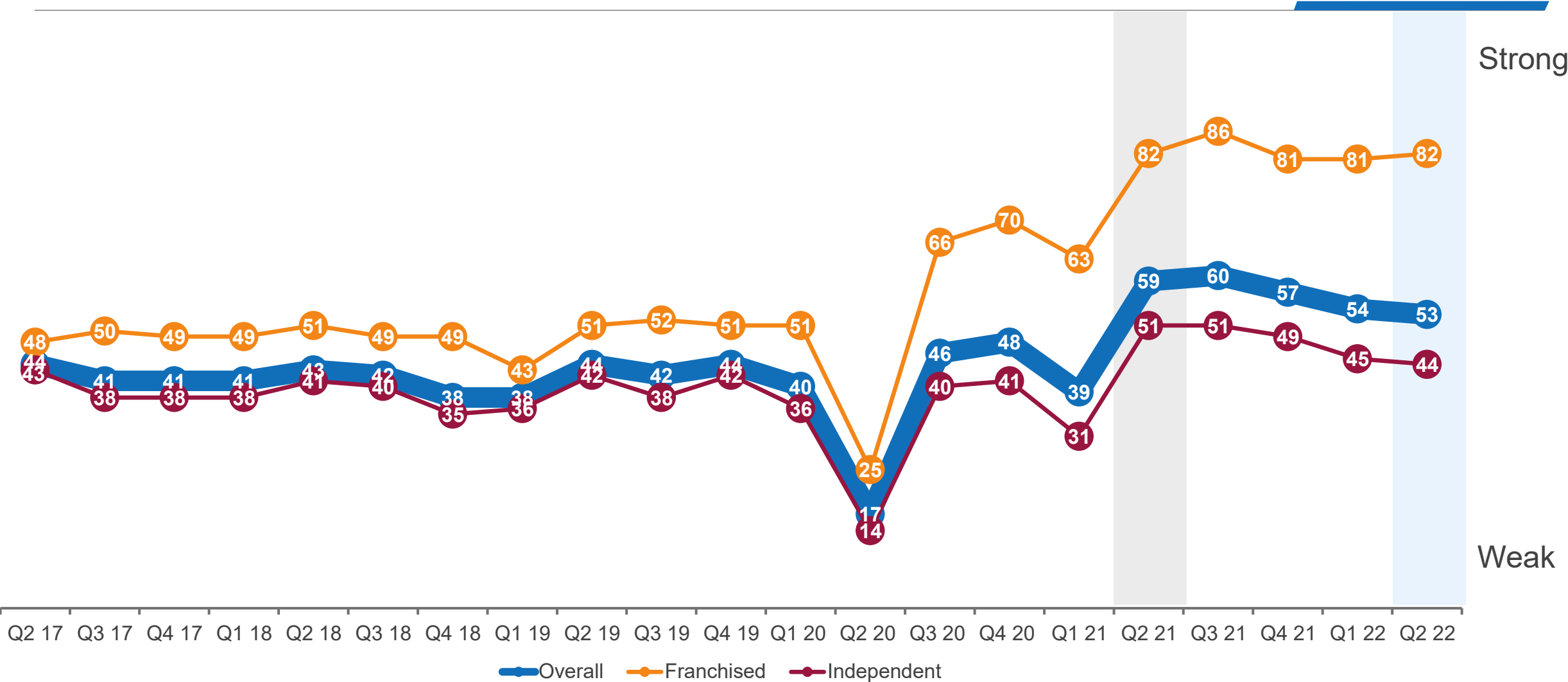


Note: Scale 1 - 100

How would you describe your profits over the past 3 months?

Dealer Sentiment Index

SECOND QUARTER 2022

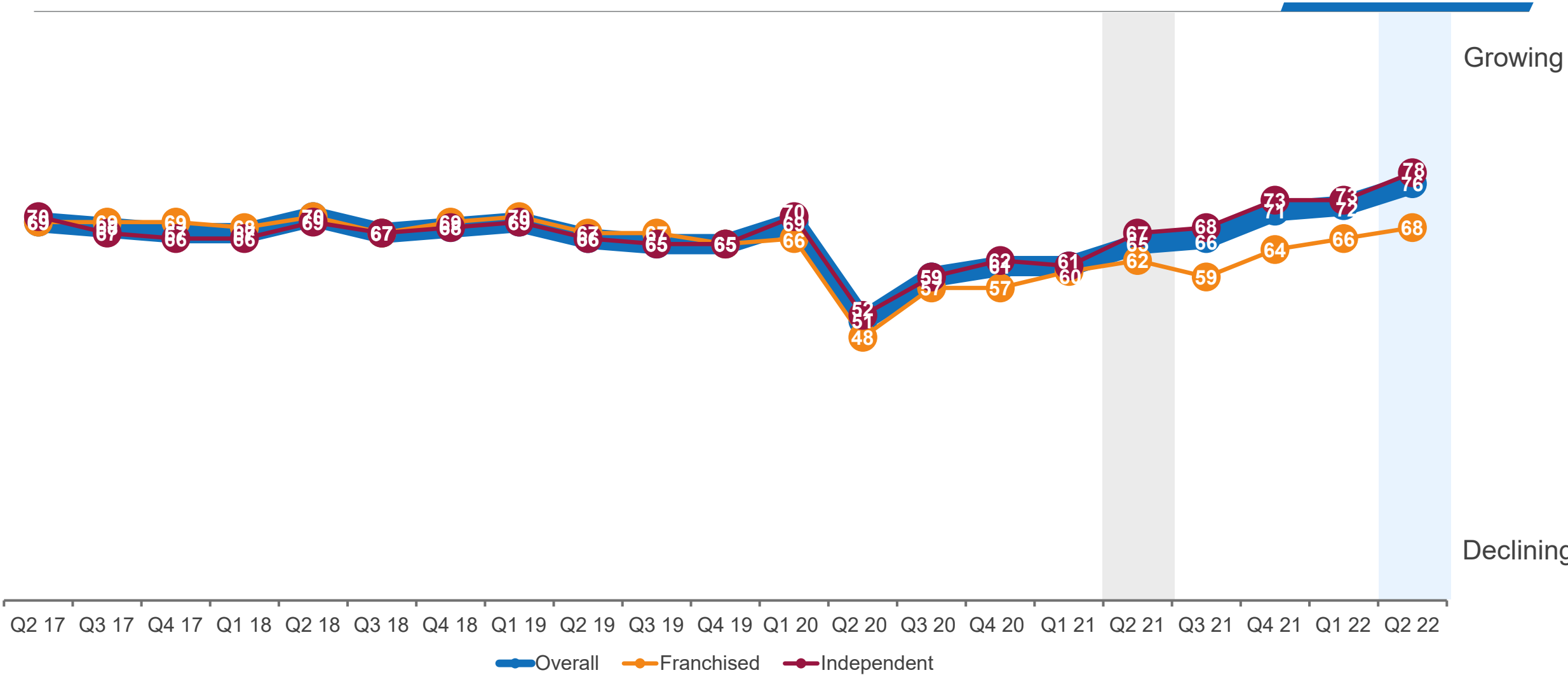


Note: Scale 1 - 100

How would you describe the cost of running your dealership over the past 3 months?

Dealer Sentiment Index

SECOND QUARTER 2022

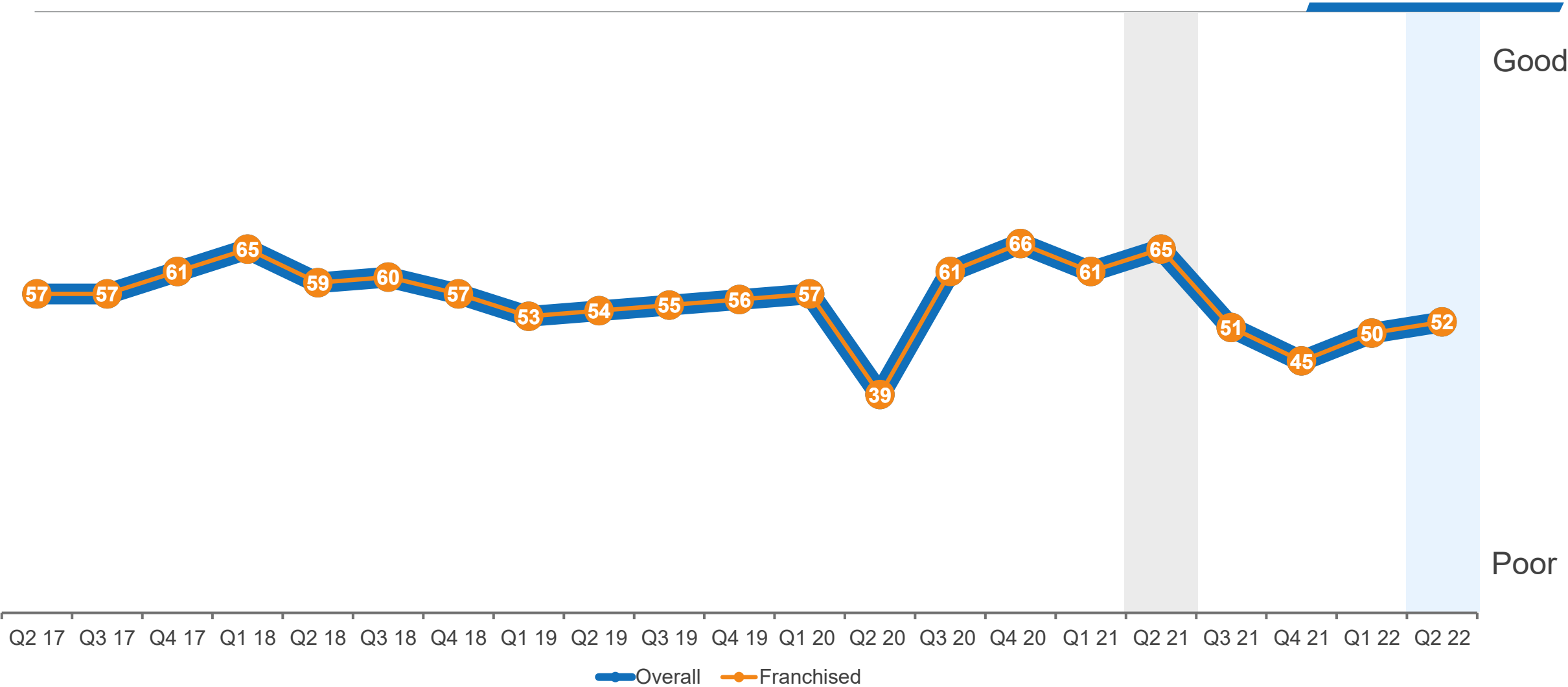


Note: Scale 1 - 100

How would you describe the current new-vehicle sales environment?

Dealer Sentiment Index

SECOND QUARTER 2022

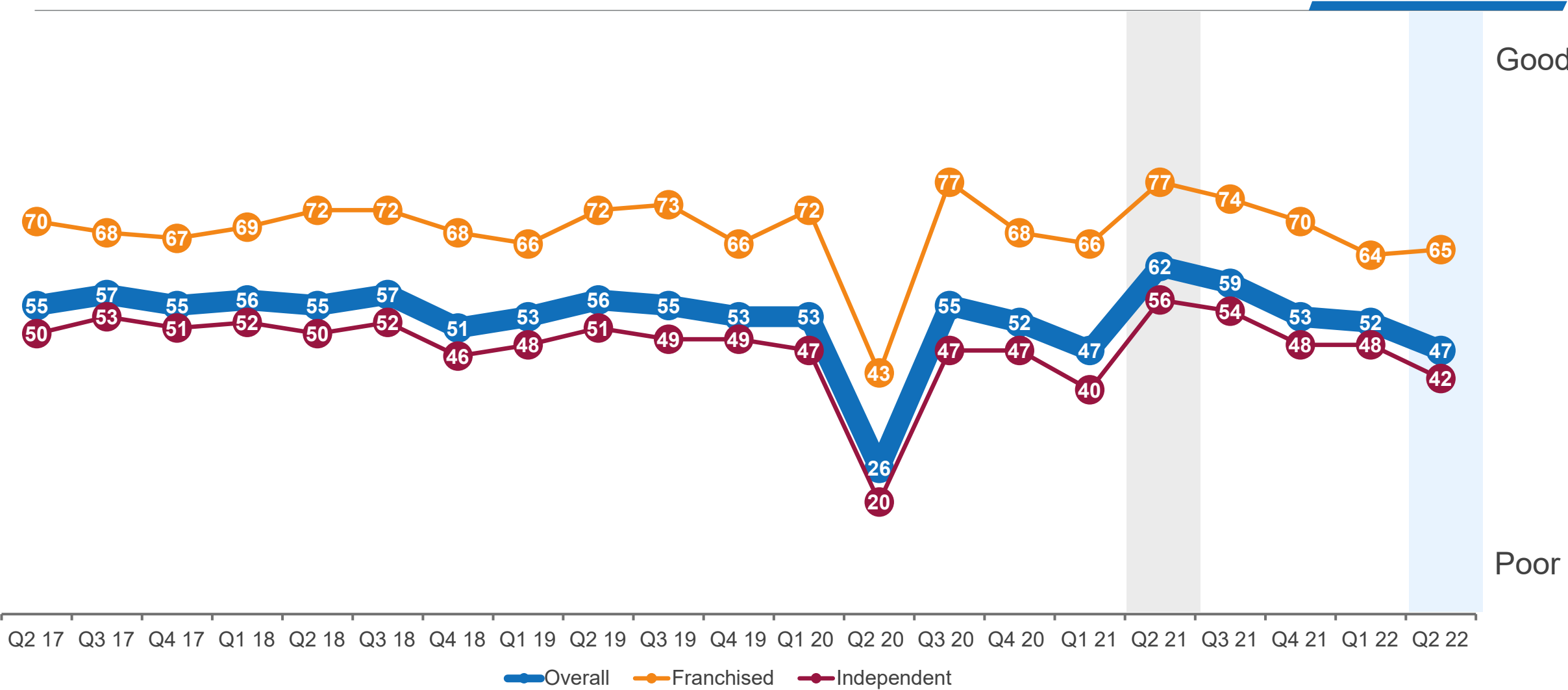


Note: Scale 1 - 100

How would you describe the current used-vehicle sales environment?

Dealer Sentiment Index

SECOND QUARTER 2022



Note: Scale 1 - 100

Factors Holding Back Your Business?

OVERALL RANK

		Q2 '22	Q1 '22	Q2 '21	Q2 '20
1	Limited Inventory	61%	62%	64%	26%
2	Economy	46% ↑	37%	24%	60%
3	Market Conditions	44%	40%	34%	49%
4	Expenses	28% ↑	23%	19%	18%
5	Political Climate	28% ↑	20%	18%	22%
6	Consumer Confidence	22% ↑	15%	8%	42%
7	Business Impacts from COVID-19/Coronavirus	20% ↓	33%	28%	75%
8	Credit Availability for Consumers	17% ↑	13%	14%	22%
9	Interest Rates	17% ↑	5%	3%	2%
10	Competition	11%	13%	15%	12%
11	Staff Turnover	9%	11%	8%	5%
12	Weather	6% ↓	15%	3%	5%
13	Lack of Consumer Incentives From My OEM	6%	4%	2%	3%
14	Credit Availability for Business	5%	5%	4%	9%
15	Consumer Transparency in the Pricing	5%	5%	4%	5%
16	Regulations	4%	5%	6%	12%
17	Tariffs on Imported Vehicles and Parts	4%	4%	4%	2%

Significant decrease vs previous quarter

Significant increase vs previous quarter

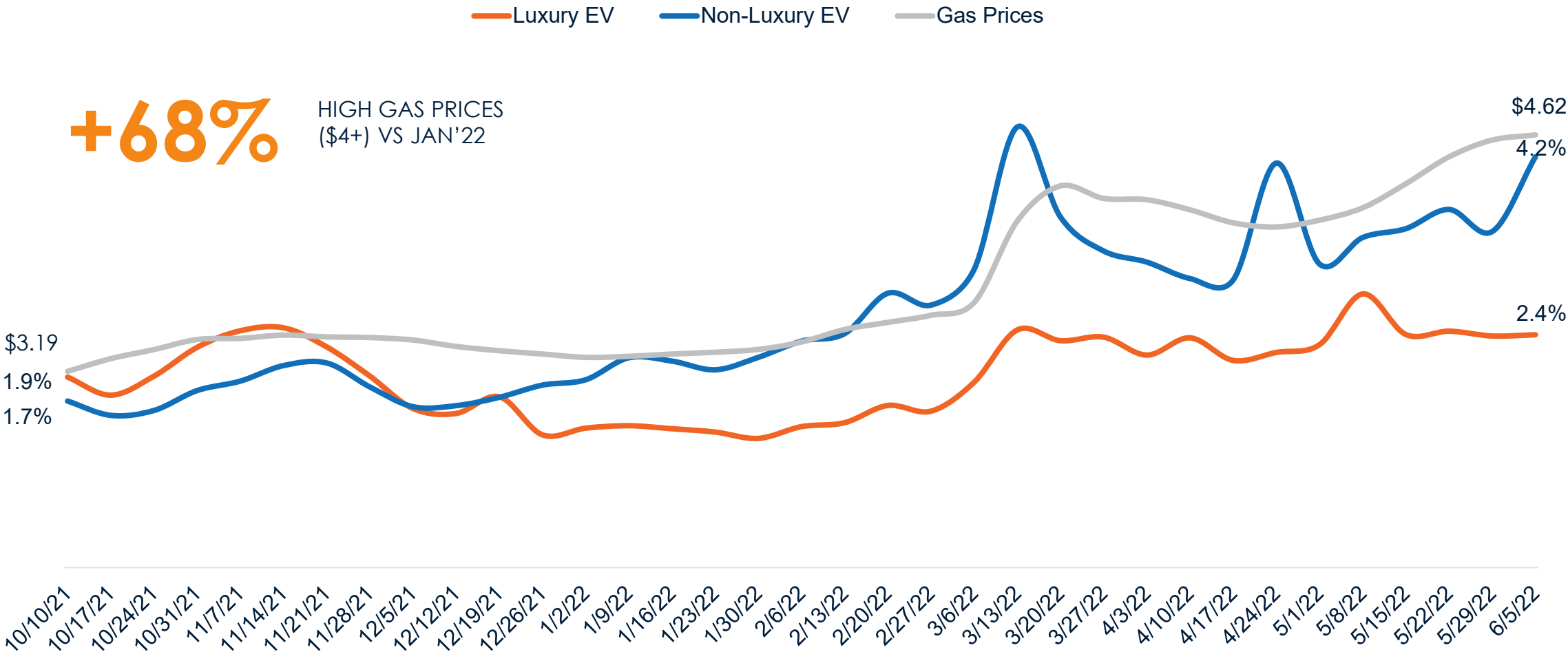


Michelle Krebs

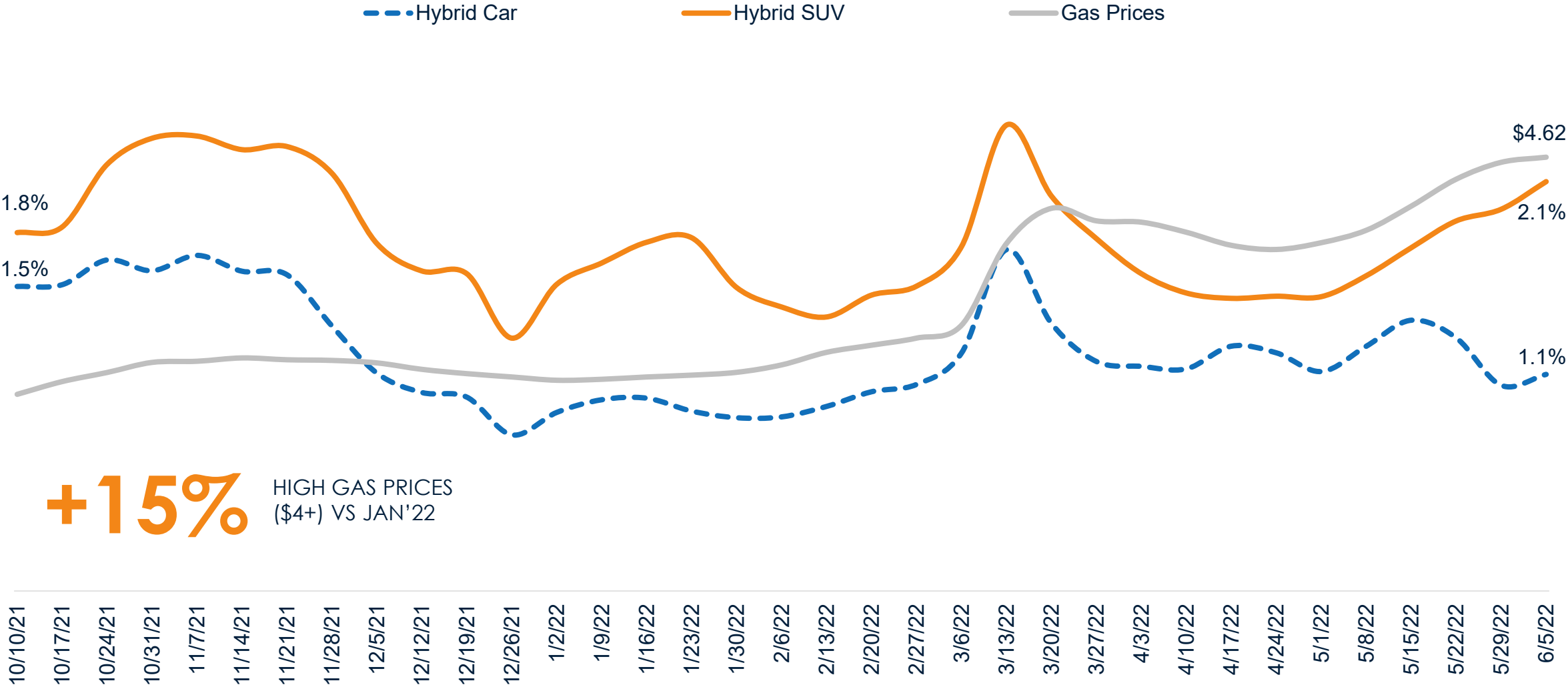
Executive Analyst

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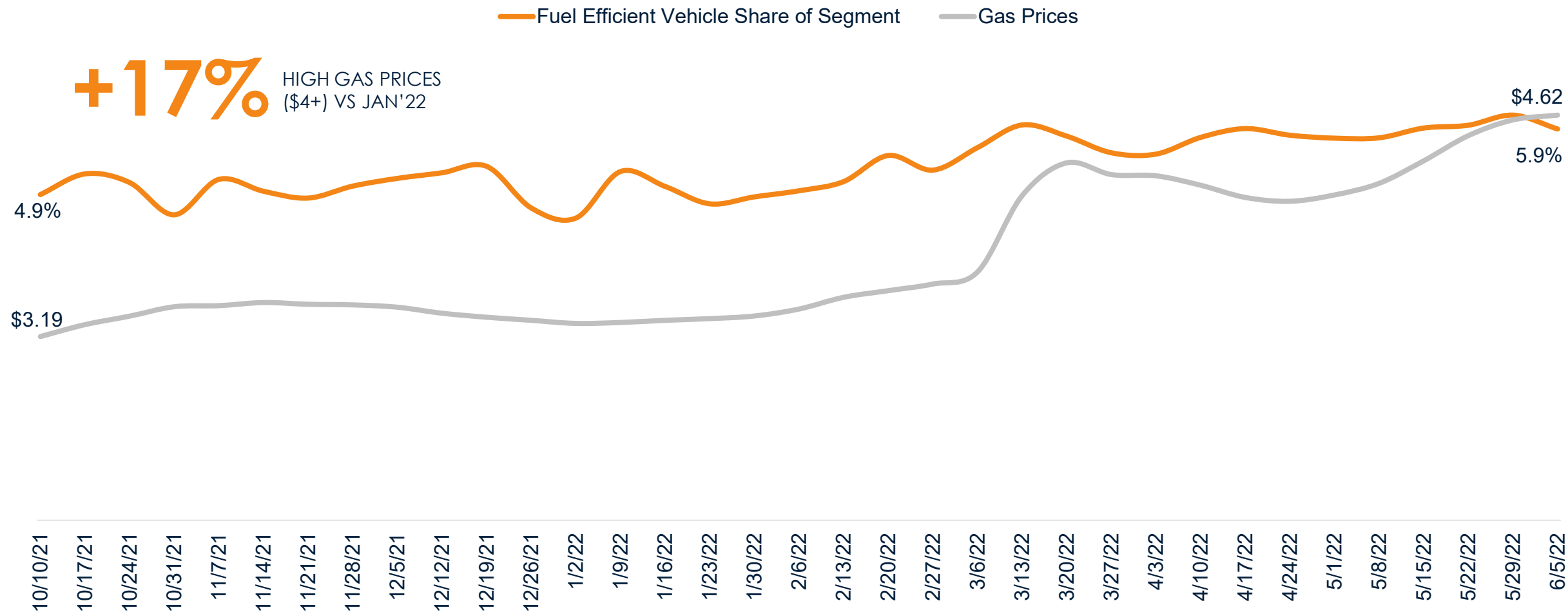
EV SHOPPER INTEREST VS. GAS PRICES



HYBRID SHOPPER INTEREST VS. GAS PRICES



FUEL EFFICIENT VEHICLE INTEREST VS. GAS PRICES



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Any Questions?

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