



Gas Price Volatility Tests EV/Hybrid's Staying Power

Kelley Blue Book Data and Insights
Through July 2022

COX AUTOMOTIVE



Fluctuating gas prices have been shaking up multiple segments, signaling early return to ICE vehicles in July 2022

- **Electric and hybrid segments have benefited from record high gas prices** the first half of 2022 but with declining fuel prices, these fast-growing segments are expected to lose their footing.
- Meanwhile, **Fullsize Truck shoppers have been shifting their focus** to Midsize and Electric trucks.
- As a result, **Midsize Truck shopping has been closing the gap with Fullsize Truck** – traffic volume nearly on par for two consecutive months.
- As high gas prices began to ease, **July shopping activity demonstrated shoppers are once again warming up to ICE vehicles.**

Increase in Kelley Blue Book Prospects
Jul'22 vs Jan'22

+38%

EV Segment

+12%

Hybrid Segment

+57%

Electric Truck

+12%

Midsize Truck



Among the top 10 greatest growth segments, Fullsize Trucks and Midsize SUVs demonstrated shopper enthusiasm while EVs and Hybrids declined

Despite consecutive months of traffic loss the first half of this year, Midsize SUVs and Fullsize Trucks saw early signs of recovery in Jul'22 (Fullsize Truck fell from the top 3 and now secured the #6 position).

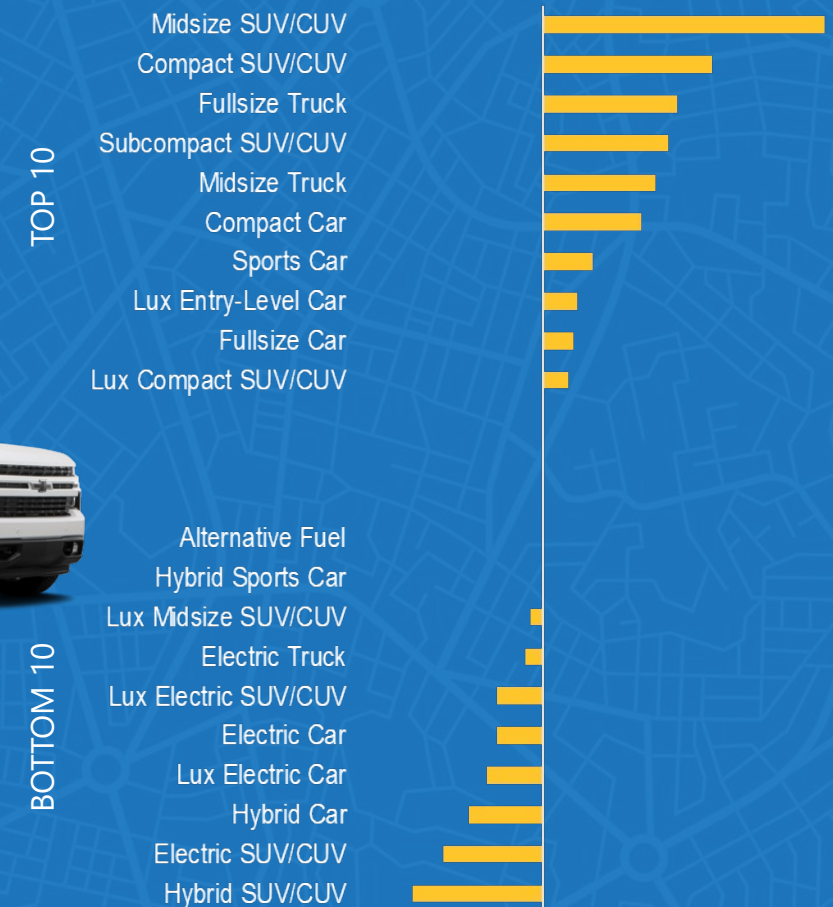
At the other end of the spectrum, Hybrid and Electric SUV segments stalled month over month as gas prices dropped, with the latter slipping in rank.

Top 10 Segments

Segment Rank	Jan'22	Jun'22	Jul'22
Midsize SUV/CUV	1	1	1
Compact SUV/CUV	2	2	2
Hybrid SUV/CUV	5	3	3
Subcompact SUV/CUV	4	5	4
Compact Car	6	4	5
Fullsize Truck	3	8	6
Midsize Truck	11	9	7
Lux Midsize SUV/CUV	7	6	8
Lux Compact SUV/CUV	8	10	9
Electric SUV/CUV	14	7	10



July 2022 vs June 2022



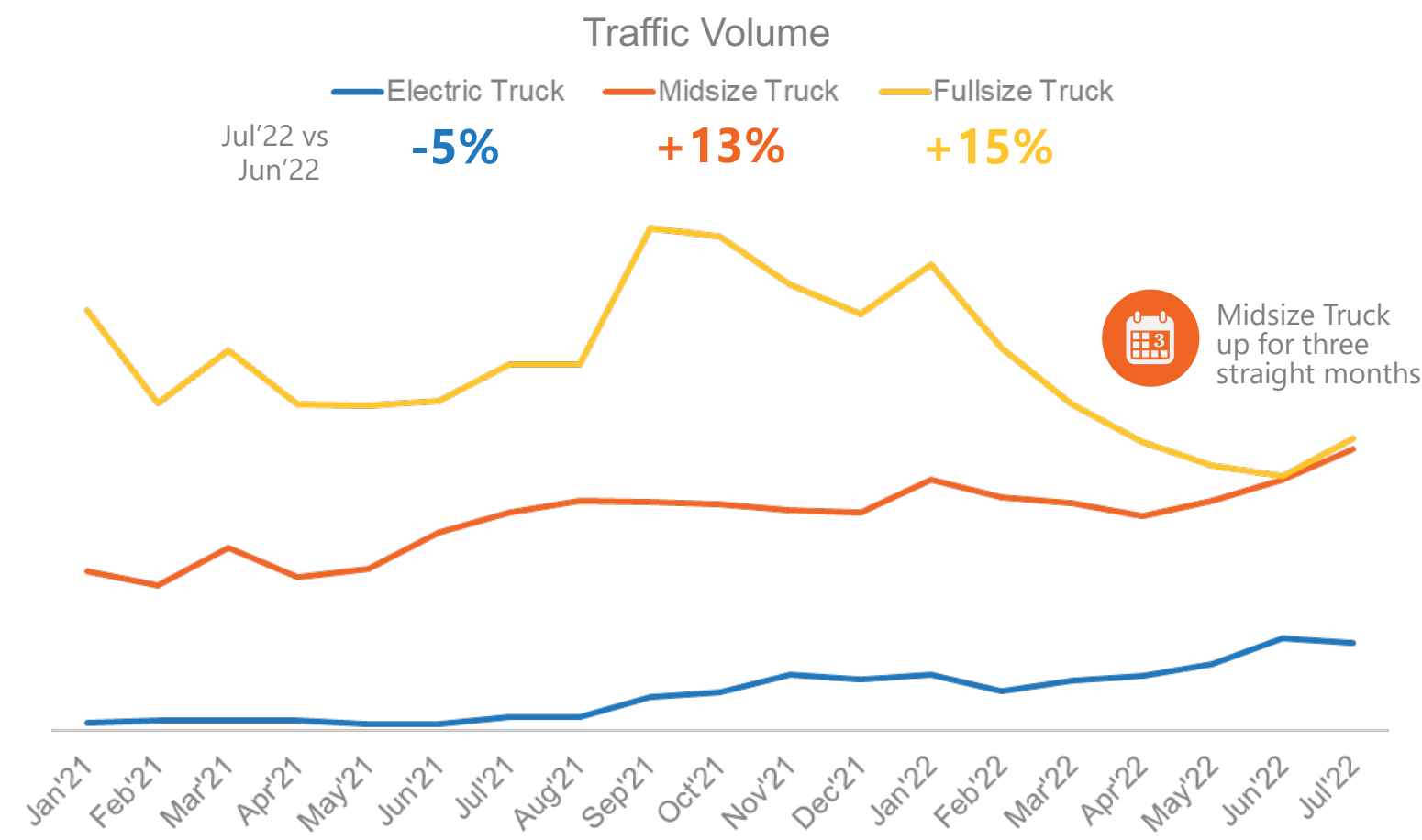
#5

At the height of high gas prices, Electric Truck ranked in the top 5 segments among Fullsize Truck shoppers for the first time

Q2'22 Rank	Fullsize Truck Top 5 Cross-Shopped Segments
1	Midsize Truck
2	Midsize SUV/CUV
3	Compact SUV/CUV
4	Fullsize SUV/CUV
5	Electric Truck



But as gas prices decline, Fullsize Truck shopping rebounded with Midsize Truck keeping pace



Top 5

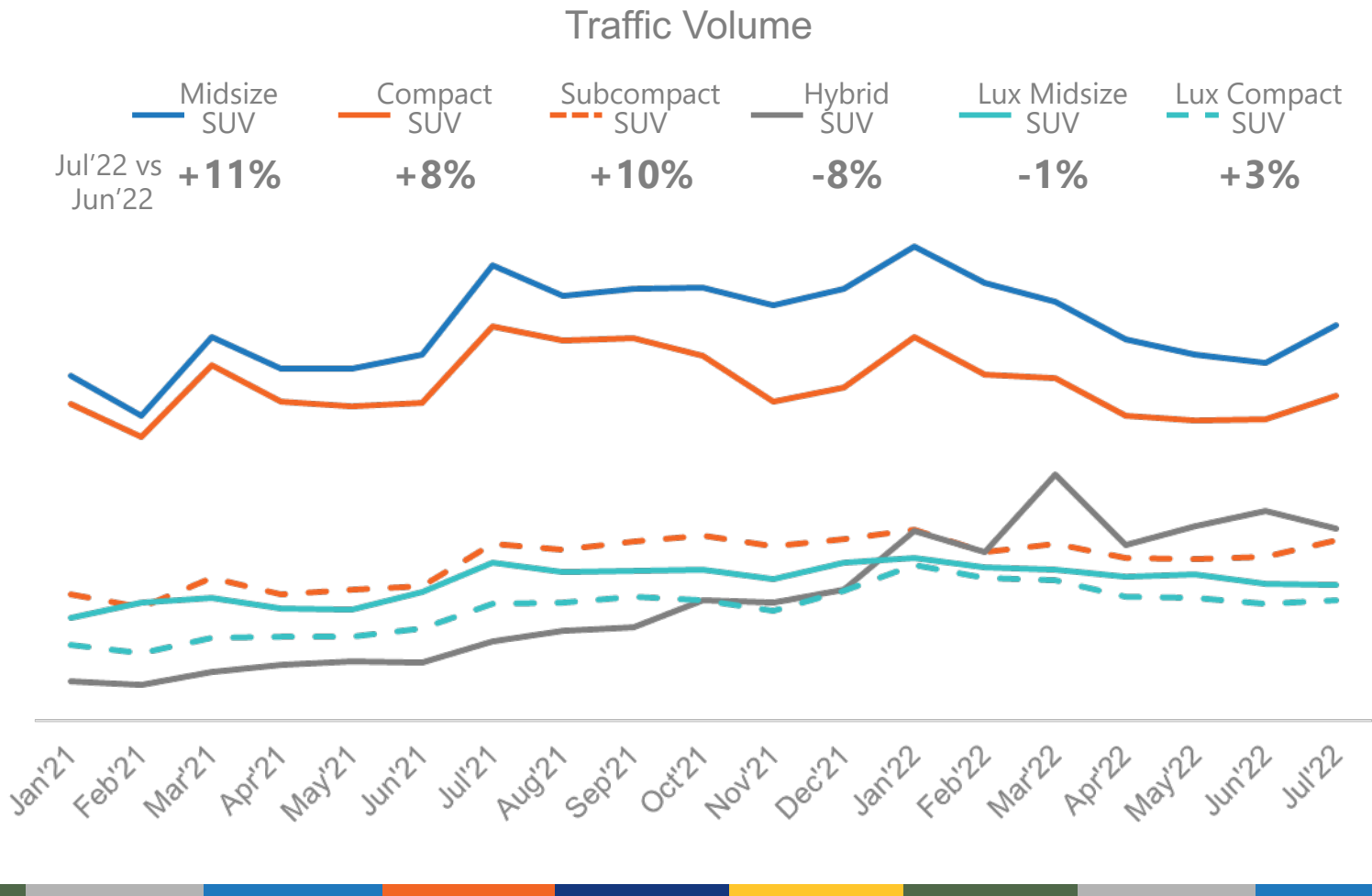
Cross-considered segments among Midsize SUV shoppers have remained consistent Q/Q, but interest in smaller non-lux SUVs has increased

Q2'22 Rank	Midsize SUV Top 5 Cross-Shopped Segments
1	Compact SUV
2	Hybrid SUV
3	Subcompact SUV (vs. #4 in Q1'22)
4	Lux Midsize SUV
5	Lux Compact SUV

Subcompact and Compact SUV were up in consideration vs. Q1'22 while the other three segments declined.



Midsize SUV experienced traffic growth for the first time in five months while Subcompact SUV narrowed the gap with declining Hybrid SUV in July 2022

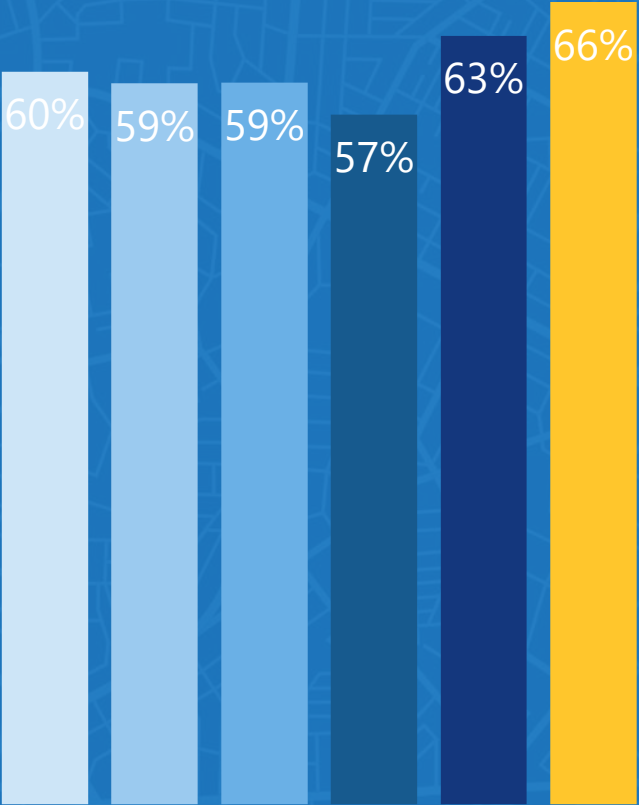


Non-Luxury: Affordability and fuel efficiency becoming more important to shoppers



Affordability

Non-Luxury Brand Factor Importance

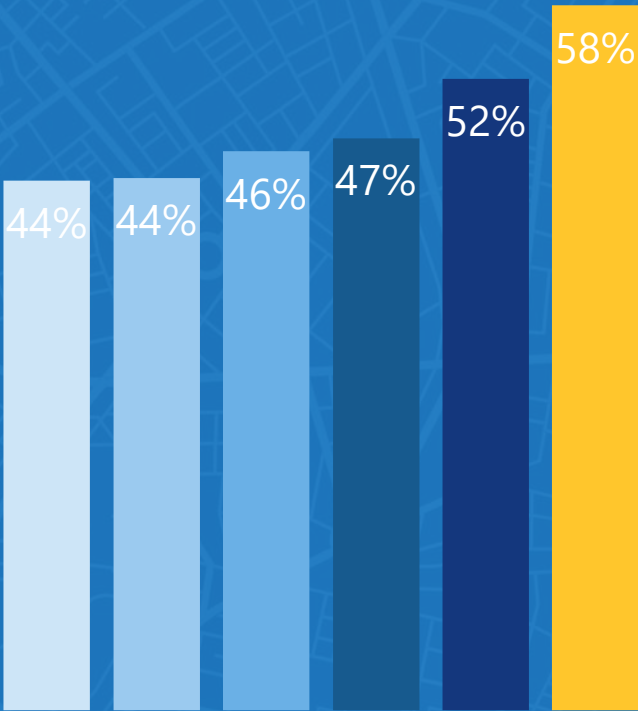


Affordability:
Moved up in rank to top 3 most important factors (previously 4th)



Fuel Efficiency

Non-Luxury Brand Factor Importance



Fuel Efficiency:
Moved up in rank positions from 7th most important to 6th

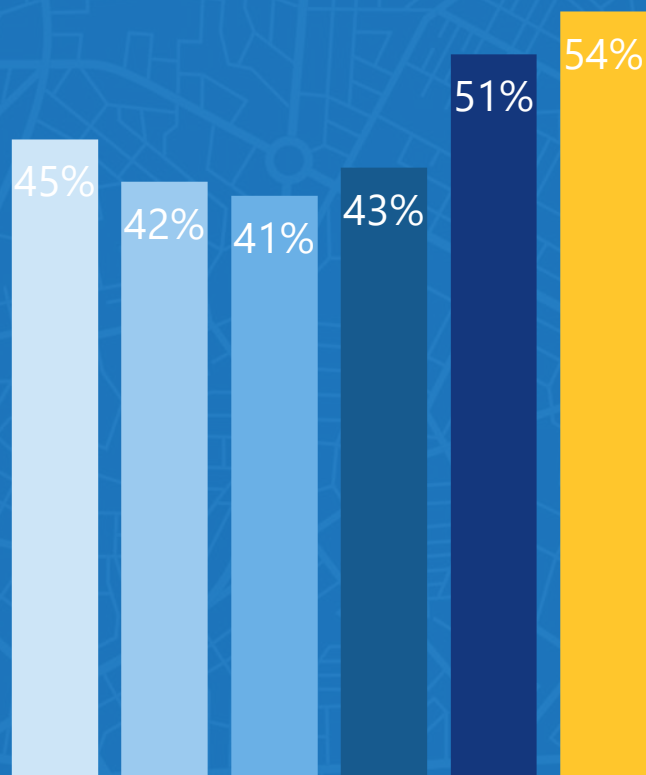
■ 1Q 2021 ■ 2Q 2021 ■ 3Q 2021 ■ 4Q 2021 ■ 1Q 2022 ■ 2Q 2022

Luxury: Affordability and fuel efficiency becoming more important to shoppers



Affordability

Luxury Brand Factor Importance



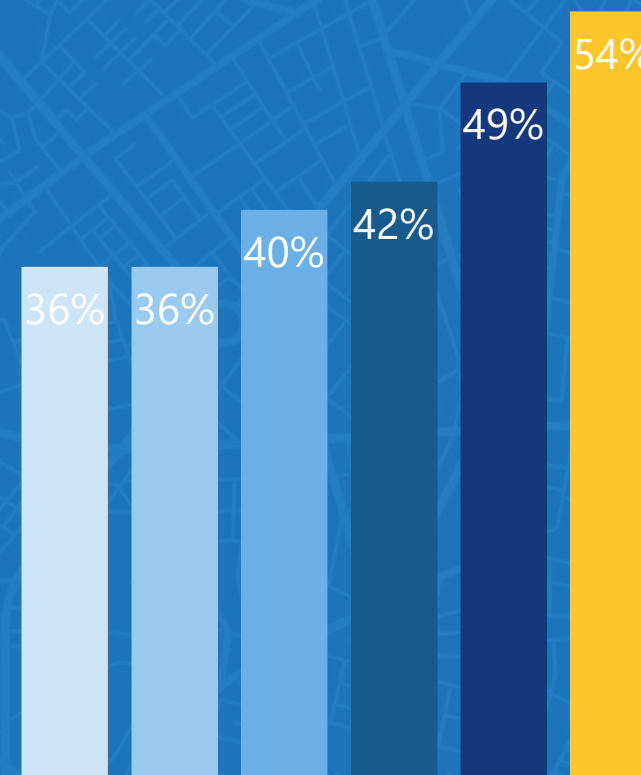
Affordability:

Moved up 2 rank positions from 7th most important to 5th



Fuel Efficiency

Luxury Brand Factor Importance



Fuel Efficiency:

Moved up 4 rank positions from 10th most important to 6th

■ 1Q 2021 ■ 2Q 2021 ■ 3Q 2021 ■ 4Q 2021 ■ 1Q 2022 ■ 2Q 2022