



Q1 2024 INDUSTRY INSIGHTS AND SALES FORECAST

MARCH 28, 2024



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 VinSolutions

 xtime

BEST WISHES, MICHELLE!

Leader, mentor and trusted source for media and analysts

Michelle Krebs is ending a 10-year run with Cox Automotive where she has been a leader on the Industry Insights team, a mentor to many and a trusted source for media and analysts.

After an incredible 40-year career in the spotlight, Michelle is ready to step back and take some well-deserved time away from the auto business.



**CELEBRATING 40 YEARS
IN THE AUTO INDUSTRY.**

AGENDA

Time Check: 60 Minutes

Intro & Cox Automotive

Mark Schirmer, Director, Corporate Communications

The Economy

Jonathan Smoke, Chief Economist

Electrified Market

Stephanie Valdez Streaty, Director, Industry Insights

New-Vehicle Market

Charlie Chesbrough, Senior Economist

Used-Vehicle Market

Jeremy Robb, Senior Director, Economic and Industry Insights

Q2 2024 Forecasts & Playlist

Jonathan Smoke, Chief Economist and Resident DJ

Q&A

w/ Erin Keating, Executive Analyst

Michelle Krebs, Executive Analyst



THE ECONOMY



JONATHAN SMOKE

Chief Economist

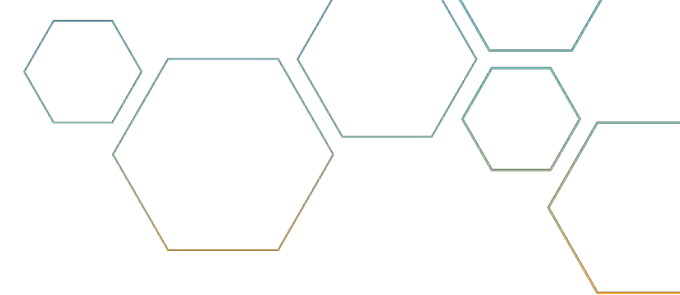
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STATE OF THE INDUSTRY

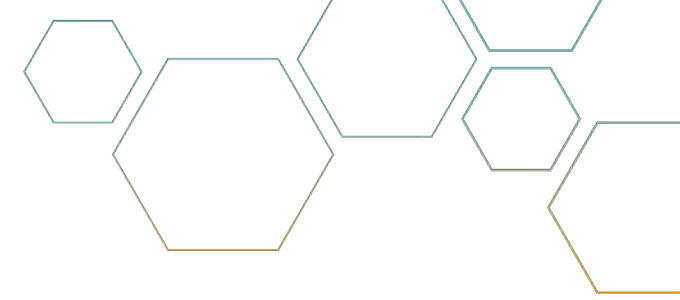
1. Slowing economy with high rates
2. Normalizing new vehicle supply
3. Declining pricing power/improving affordability





THE ECONOMY



Overall Economy	Real GDP Growth	2.2% (Q1 '23)	3.2% (Q4 '23)	+2.4% (Q1 '24 F)	
Employment Conditions	U3 Unemployment Rate	3.5% (Mar '23)	3.7% (Jan '24)	3.9% (Feb '24)	
Buyer Confidence	UofM Consumer Sentiment	62.0 (Mar '23)	76.9 (Feb '24)	76.5 (Mar '24 P)	
Wages	Earnings Growth	4.6% (Mar '23)	4.4% (Jan '24)	4.3% (Feb '24)	
Buyer Ability	Disposable Income Y/Y	8.9% (Feb '23)	4.5% (Feb '24)		

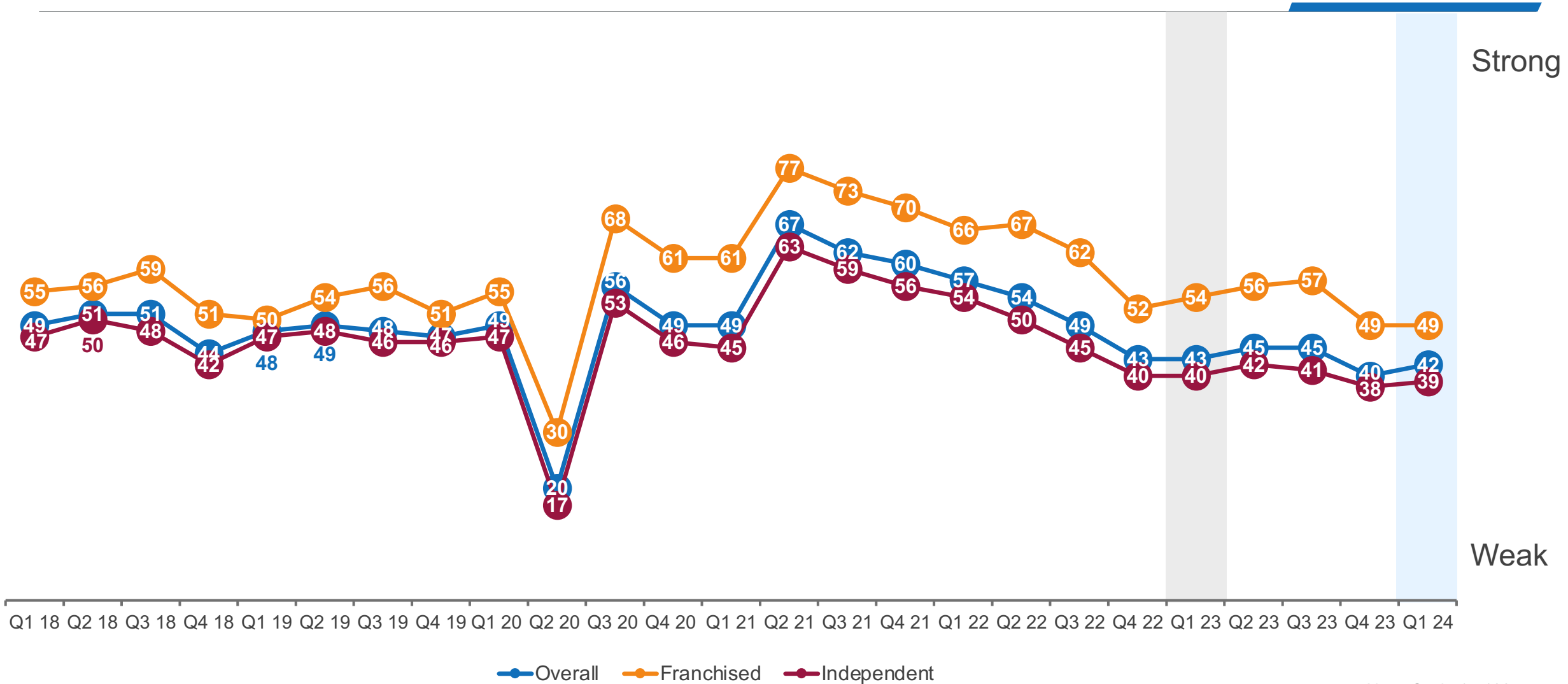
THE ECONOMY



Auto Finance	FRBNY	\$186 billion (Q4 '23)	\$165 billion (Q4 '23)		
Interest Rates	Effective Fed Funds Rate	4.65% (Mar '23)	5.33% (Mar '24)		
Borrowing Costs	Average New Auto Loan Rate	8.92% (Mar '23)	9.70% (Mar MTD '24)		
Mobility Costs	AAA Average Retail Unleaded Gasoline Price	\$3.50 (Mar '23)	\$3.33 (Feb '24)	\$3.54 (Mar 27, 2024)	

HOW WOULD YOU DESCRIBE THE CURRENT MARKET FOR VEHICLES IN THE AREAS WHERE YOU OPERATE?

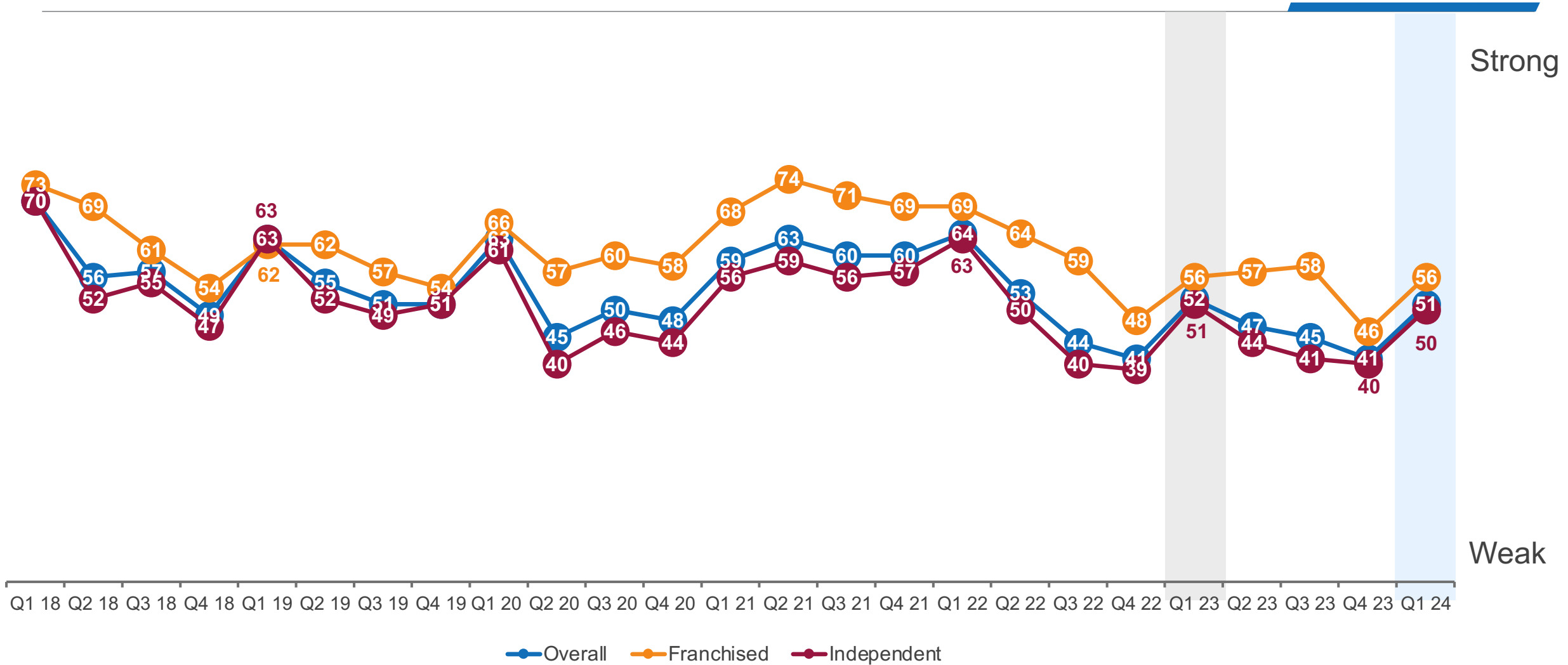
Dealer Sentiment Index FIRST QUARTER 2024



Note: Scale 1 - 100

WHAT DO YOU EXPECT THE MARKET FOR VEHICLES IN YOUR AREA TO LOOK LIKE 3 MONTHS FROM NOW?

Dealer Sentiment Index FIRST QUARTER 2024



Note: Scale 1 - 100

INVENTORY AND PROFITS

How would you describe your profits over the past 3 months?
 How would you describe the current new-vehicle inventory levels?

Dealer Sentiment Index

FIRST QUARTER 2024



Note: Scale 1 - 100

FACTORS HOLDING BACK BUSINESS

OVERALL RANK

		Q1 '24	Q4 '23	Q1 '23	Q1 '22
1	Interest Rates	62%	65%	55%	5%
2	Economy	55% ↓	61%	54%	37%
3	Market Conditions	40% ↓	48%	42%	40%
4	Political Climate	33%	32%	25%	20%
5	Expenses	32%	31%	29%	23%
6	Credit Availability for Consumers	31%	34%	26%	13%
7	Limited Inventory	31%	33%	43%	62%
8	Consumer Confidence	31%	29%	28%	15%
9	Weather	14% ↑	6%	13%	15%
10	Competition	14%	13%	12%	13%

Significant decrease vs previous quarter



Significant increase vs previous quarter





ELECTRIFIED MARKET



STEPHANIE VALDEZ STREATY

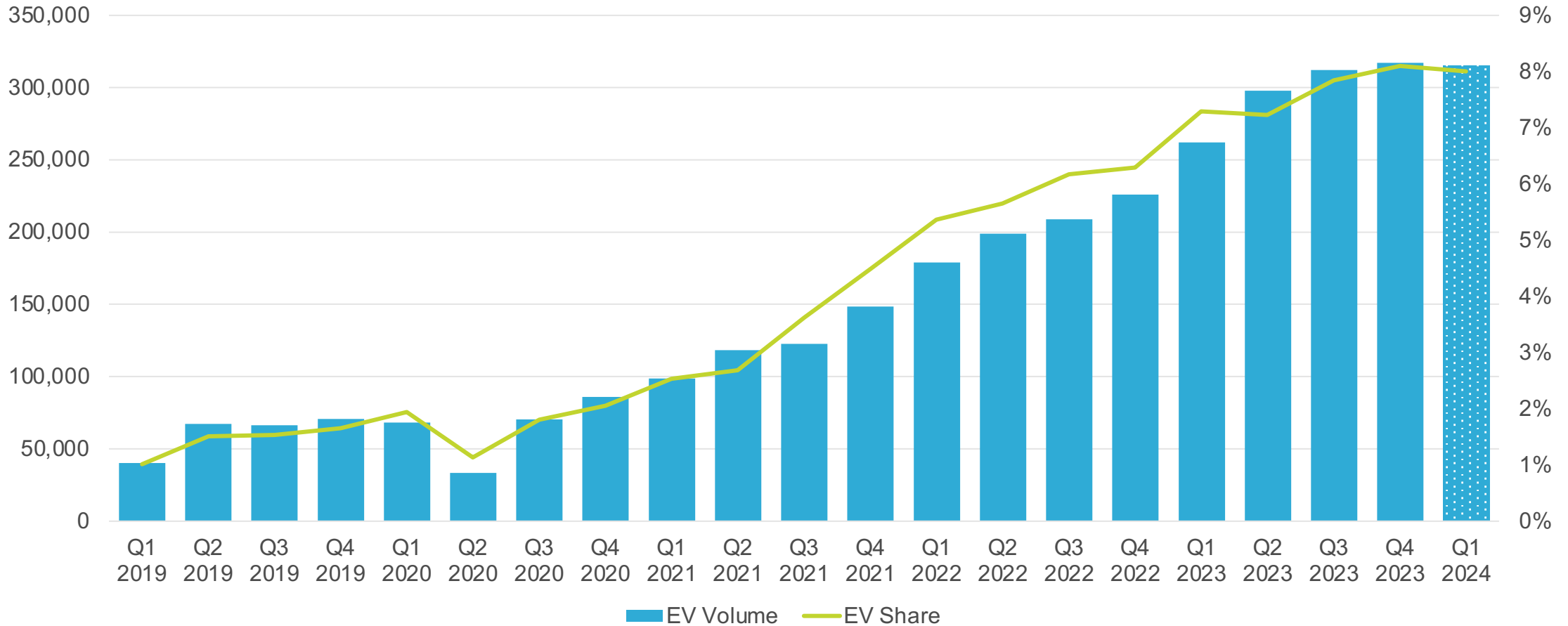
Director, Industry Insights

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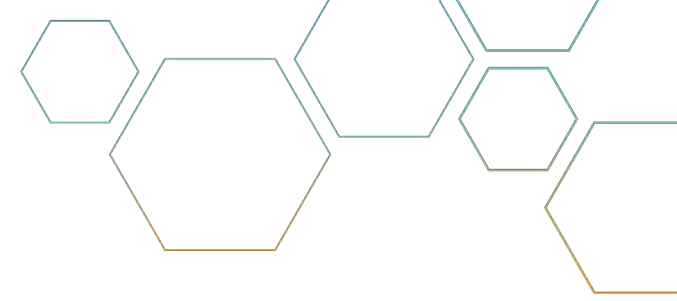
EV SALES ESTIMATES | Growth Slows

Estimating year over year growth of 15%. Potential volume decline versus Q4

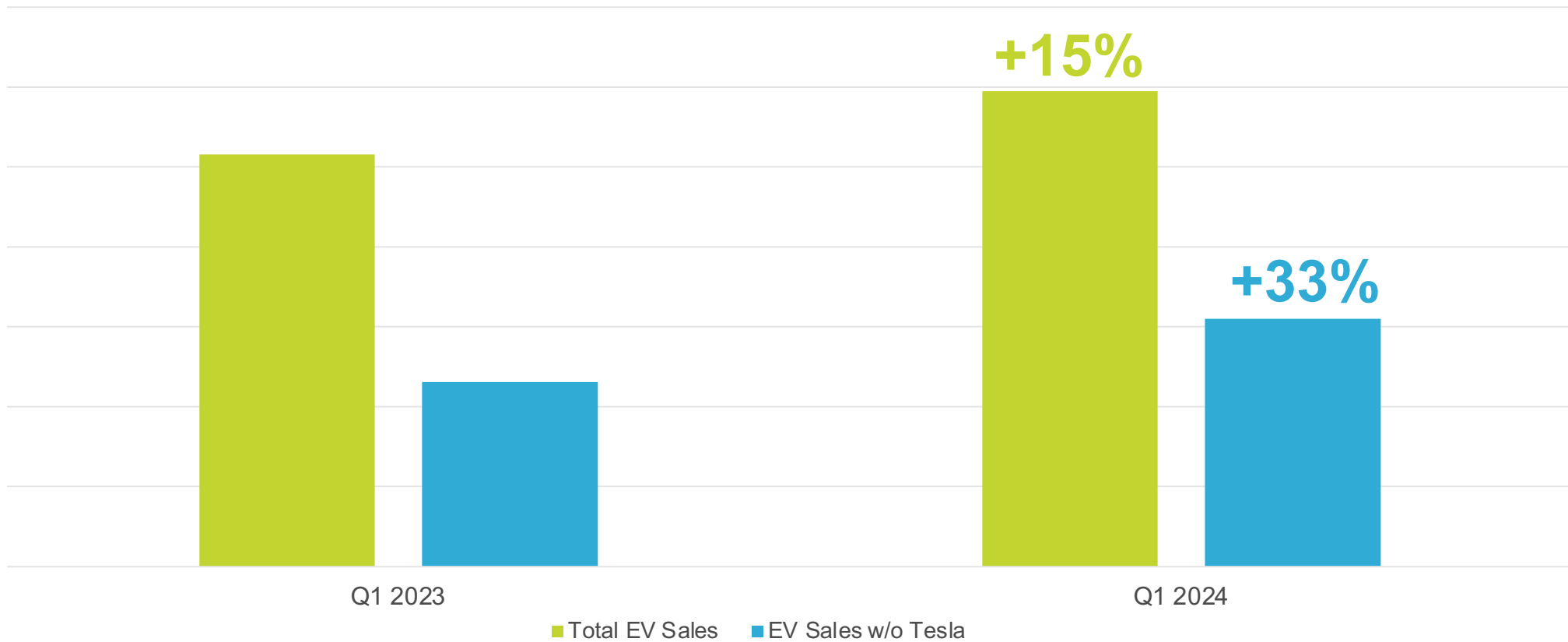


EV SALES GROWTH ESTIMATES | Tesla's Influence

15% year-over-year growth; Take out Tesla and it increases to 33%

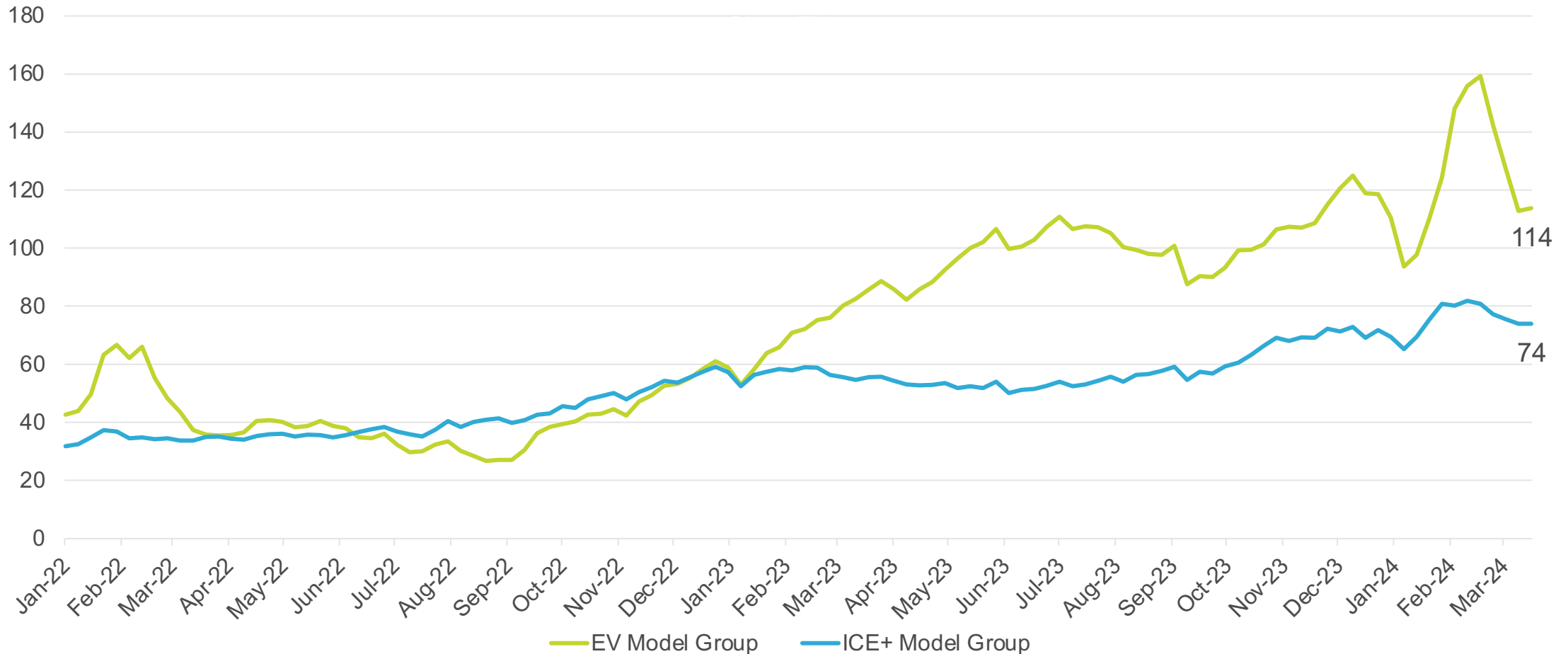


Q1 EV Sales Growth Comparison



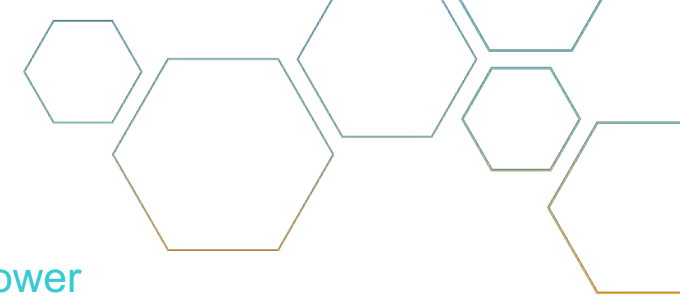
EV DAYS' SUPPLY | Levels Continue Above Industry Average

EV days' supply in March down from peak level of 159 days in February, varies by model

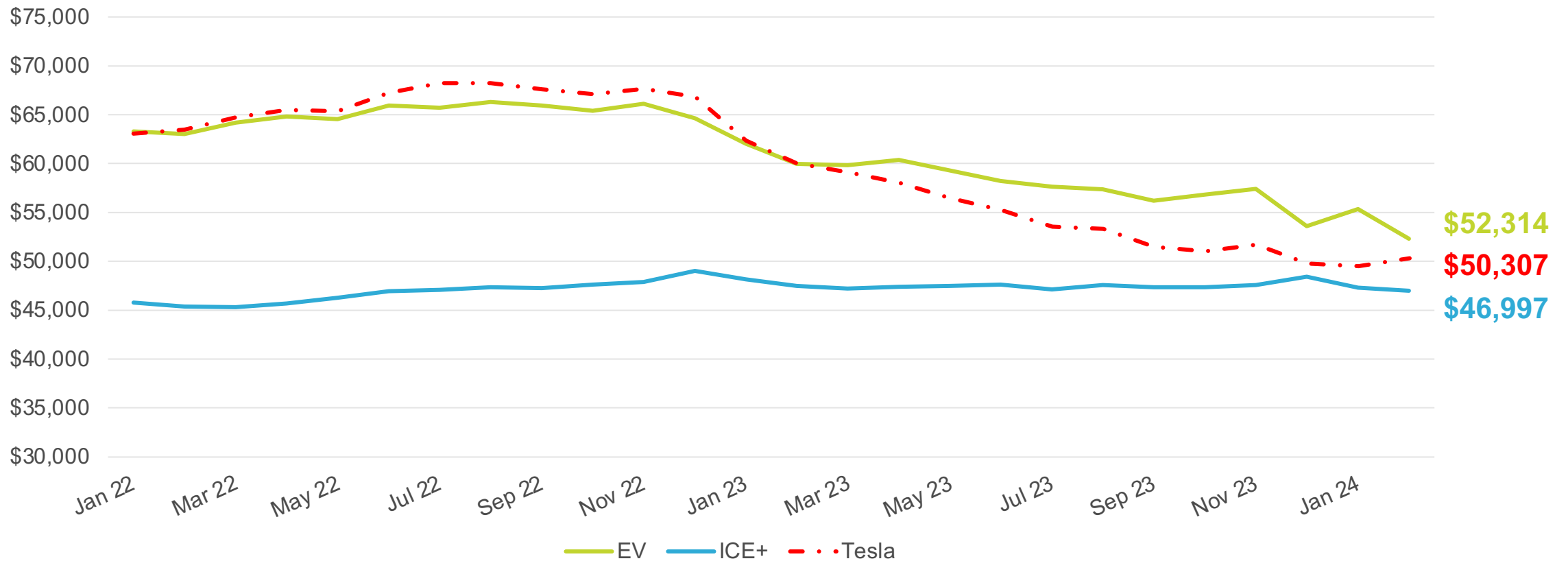


EV TRANSACTION PRICES | Premium Shrinking

Tesla prices rise, but EV prices continue to decline. EV transaction prices in February were lower year over year by 12.8%.



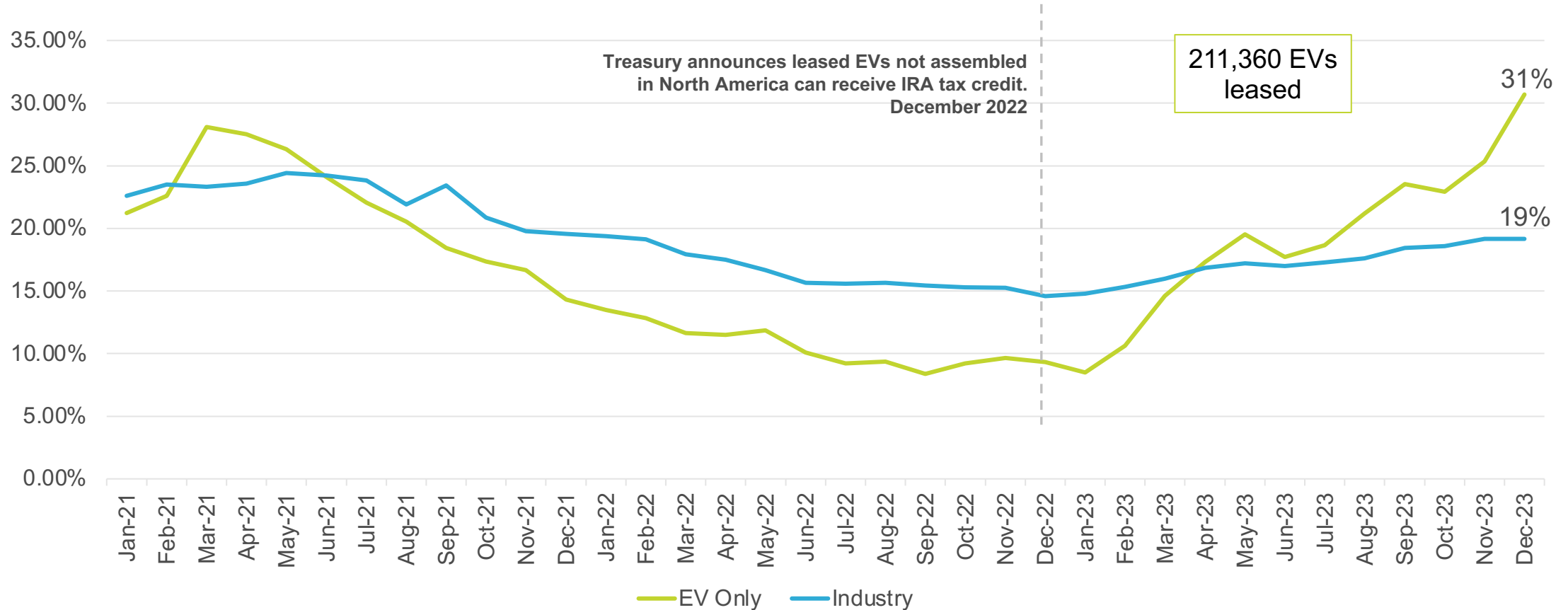
New EV vs ICE Price Comparison



EV LEASING | Expected to Rise Further in 2024

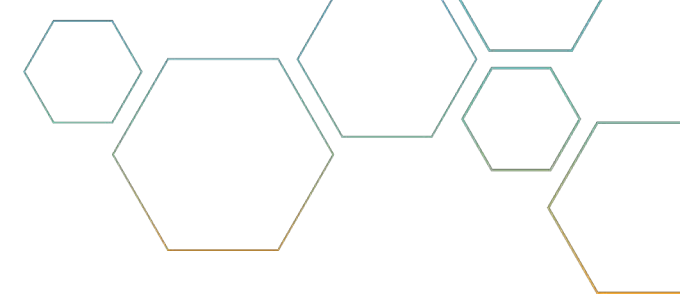
Electric vehicle leases continue to increase with stricter eligibility for IRA tax credits – more than 200K EVs leased during 2023

Lease Share of Sales

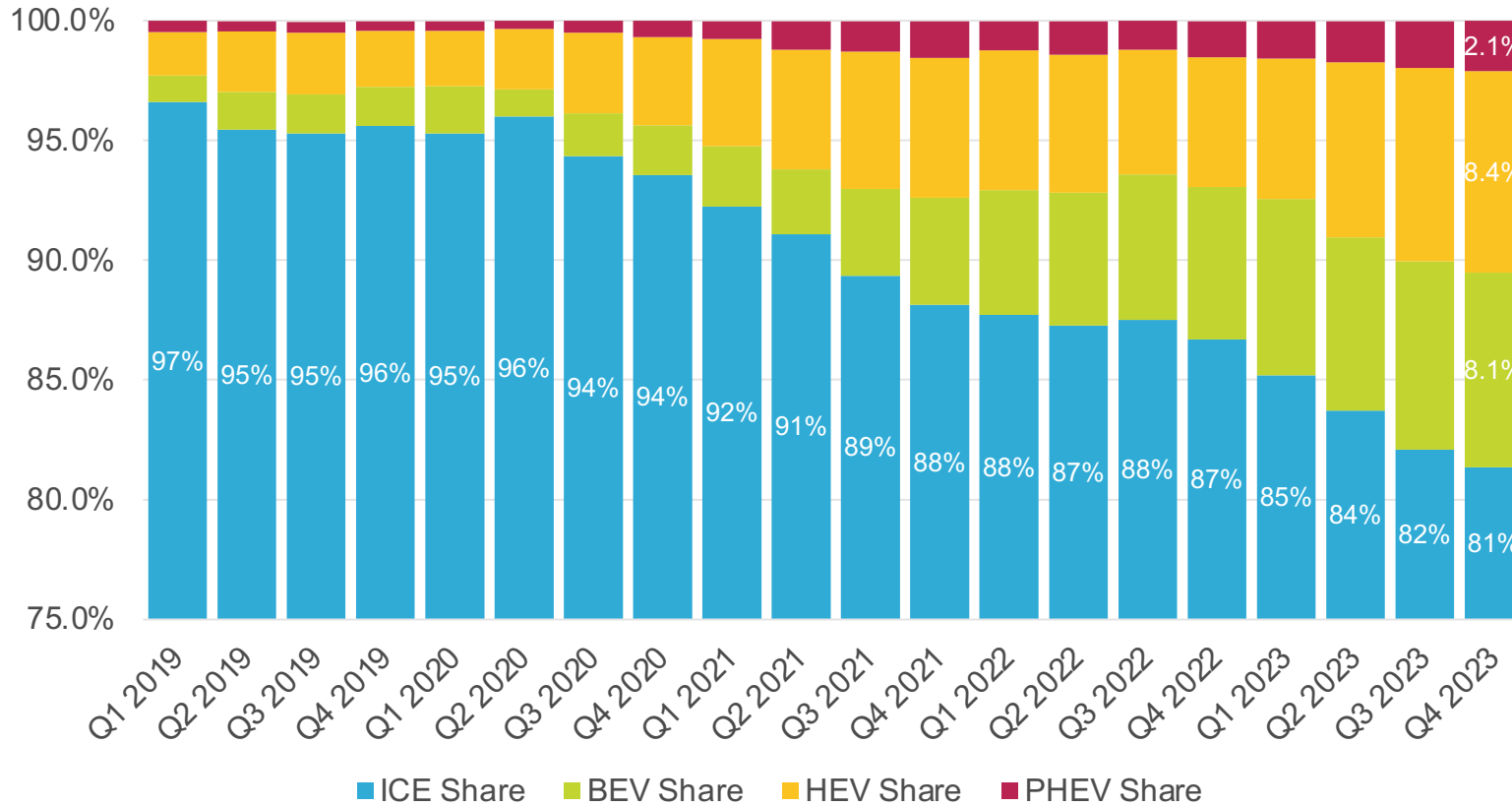


ALTERNATIVE FUEL SHARE | Gaining Quickly, Now 18+%

Role of alternatives rising and will accelerate in coming years



Fuel Type Market Share of Sales



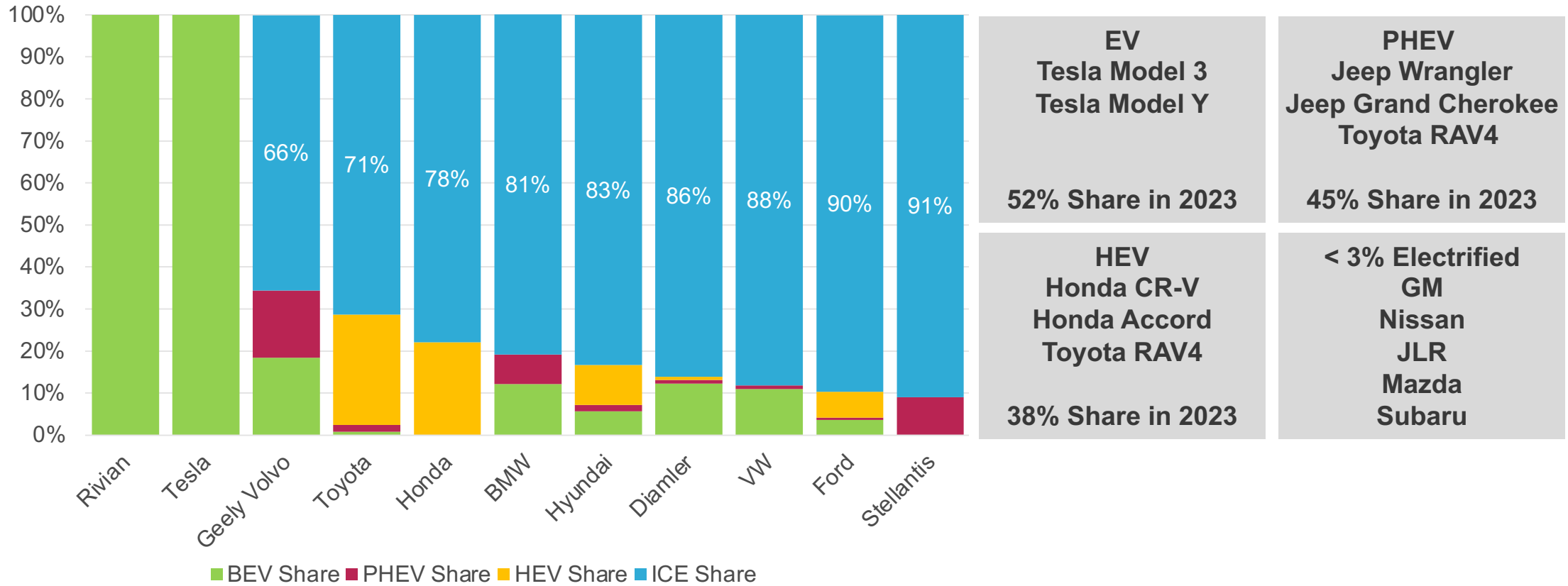
	BEV Share	HEV Share	PHEV Share	ICE Share
2022	5.8%	5.5%	1.3%	87.4%
2023	7.6%	7.4%	1.8%	83.2%

Q4 2023: Y/Y Vol. Growth	
HEV	69%
PHEV	49%
BEV	38%
ICE	2%

ELECTRIFICATION DRIVERS | Growth Driven By Key Products

Eight vehicles driving market electrification

Fuel Share of OEM Sales





NEW-VEHICLE MARKET



CHARLIE CHESBROUGH

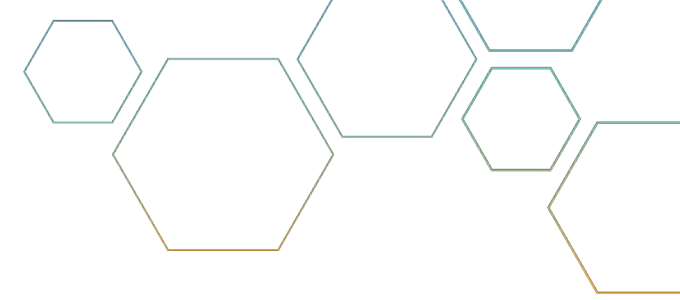
Senior Economist

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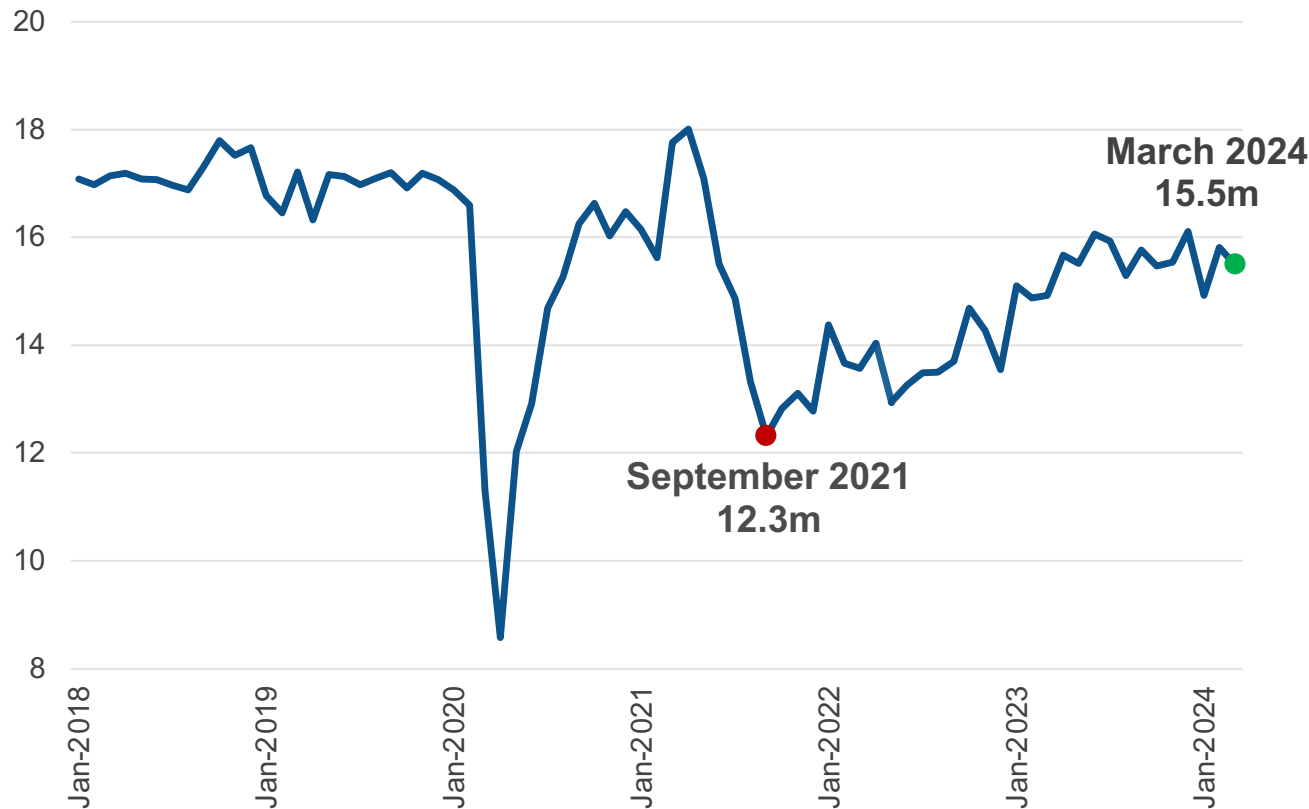


NEW-VEHICLE SALES | Still On The Recovery Path

A bumpy recovery since hitting bottom, and expected to continue through 2024



Monthly Light Vehicle Sales SAAR (millions)



Period	Sales millions	SAAR millions
March 2023	1.38	14.9
March 2024	1.44	15.5
<i>Change</i>	4.7%	+0.6m
Q1 2023	3.56	15.0
Q4 2023	3.89	15.7
Q1 2024	3.76	15.4
<i>Change Y/Y</i>	5.5%	+0.4m
<i>Change Q/Q</i>	-3.5%	-0.3m
CY2023	15.5m	
CY2024F	15.7m	+200K or < 2%

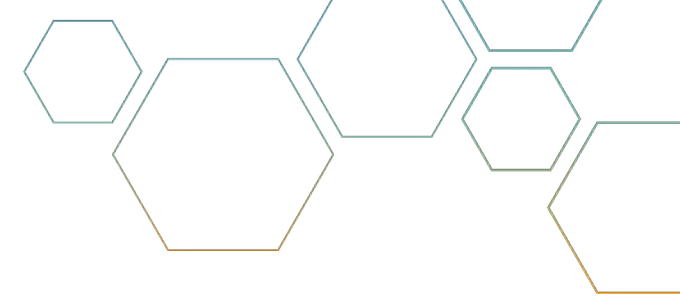
OEM SALES | GM Wins Q1 Title – Toyota Seeing Big Gains

Hyundai and Stellantis expected to see declines from last year

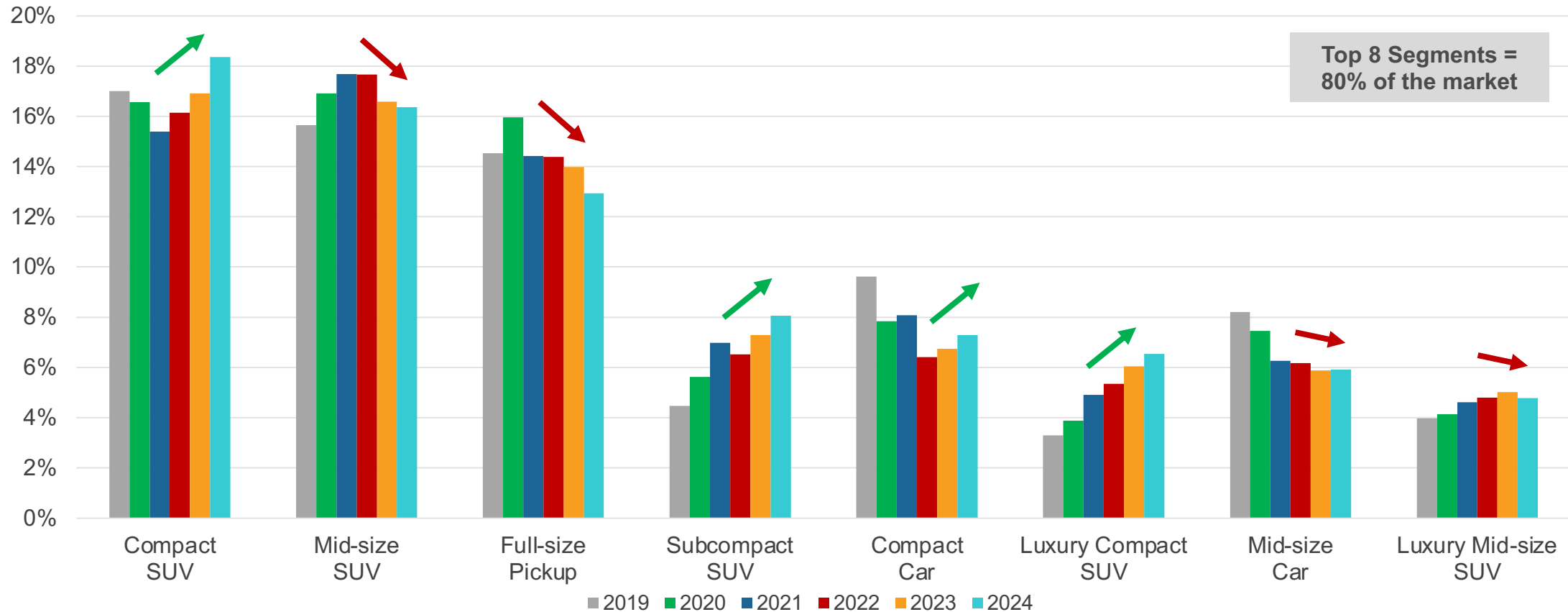
OEM	Q1 2023	Q4 2023	Q1 2024	Y/Y Change	Q/Q Change	Share Q1 2023	Share CY 2023	Share Q1 2024	Difference Y/Y	Versus CY2023
GM	599,188	619,848	594,442	-0.8%	-4.1%	16.7%	16.5%	15.7%	-1.0%	-0.8%
Toyota	469,558	619,661	570,499	21.5%	-7.9%	13.1%	14.4%	15.1%	2.0%	0.6%
Ford	471,861	484,458	509,352	7.9%	5.1%	13.2%	12.7%	13.4%	0.3%	0.7%
Hyundai	382,354	402,339	369,645	-3.3%	-8.1%	10.7%	10.6%	9.8%	-0.9%	-0.8%
Stellantis	368,327	343,552	334,831	-9.1%	-2.5%	10.3%	9.8%	8.8%	-1.4%	-1.0%
Honda	284,507	337,511	331,219	16.4%	-1.9%	7.9%	8.4%	8.7%	0.8%	0.4%
Nissan Mitsu	256,756	221,351	264,793	3.1%	19.6%	7.2%	6.3%	7.0%	-0.2%	0.7%
Tesla	161,630	161,375	166,734	3.2%	3.3%	4.5%	4.2%	4.4%	-0.1%	0.2%
Subaru	143,376	164,863	149,382	4.2%	-9.4%	4.0%	4.1%	3.9%	-0.1%	-0.1%
VW	138,056	176,248	142,267	3.1%	-19.3%	3.8%	4.1%	3.8%	-0.1%	-0.3%
Mazda	88,384	90,737	100,604	13.8%	10.9%	2.5%	2.3%	2.7%	0.2%	0.3%
BMW	89,750	118,609	92,035	2.5%	-22.4%	2.5%	2.5%	2.4%	-0.1%	-0.1%
Mercedes	75,701	90,014	85,722	13.2%	-4.8%	2.1%	2.3%	2.3%	0.2%	0.0%
Geely Volvo	28,823	39,912	31,611	9.7%	-20.8%	0.8%	0.9%	0.8%	0.0%	-0.1%
Tata JLR	20,077	22,994	25,669	27.9%	11.6%	0.6%	0.5%	0.7%	0.1%	0.2%
Rivian	7,946	13,972	16,608	109.0%	18.9%	0.2%	0.3%	0.4%	0.2%	0.1%
NATION	3,587,810	3,911,748	3,789,802	5.6%	-3.1%	100.0%	100.0%	100.0%	0.0%	0.0%

SEGMENT SHARE | Smaller Gaining

Compact/Subcompact segments gaining from Mid-Size – lower price likely key driver

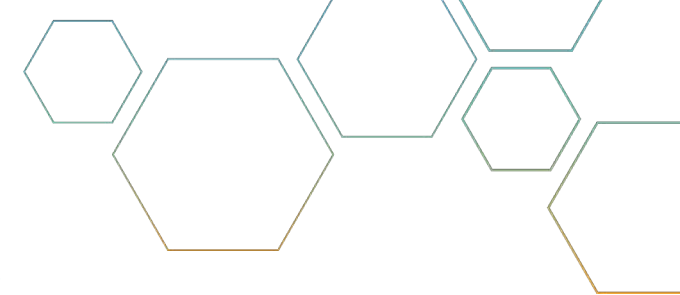


Segment Share of Total Light Vehicle Sales

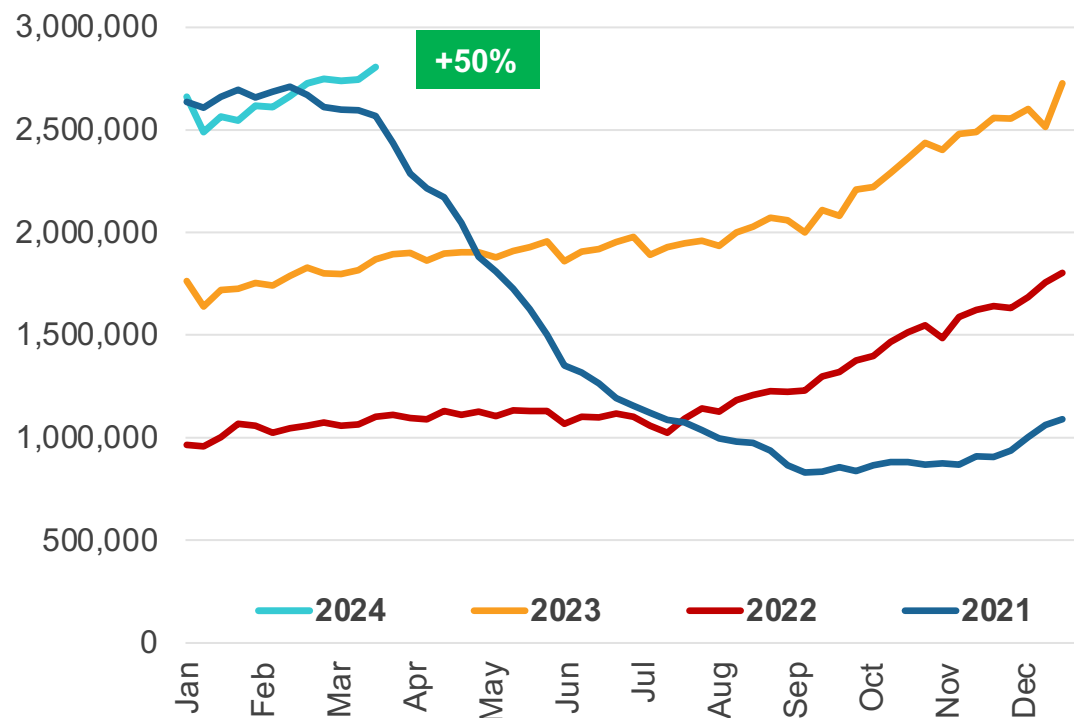


NEW-VEHICLE INVENTORY | Now Up 50% From Last Year

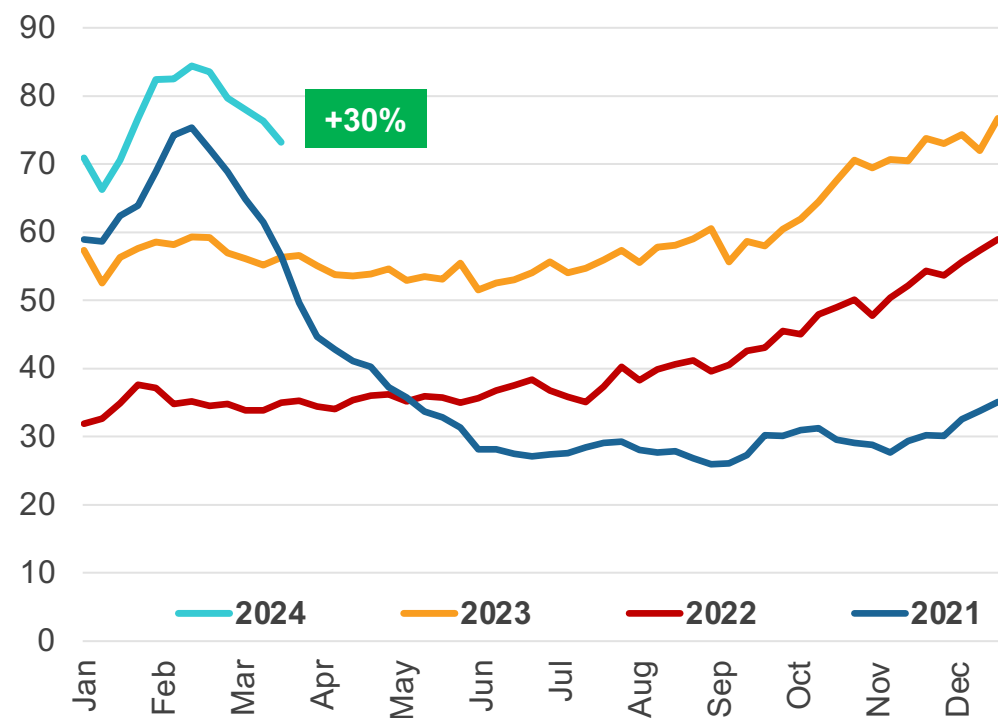
Currently 940,000 more units than last year, days of supply at 73 days, +30% year over year



Available Supply weekly

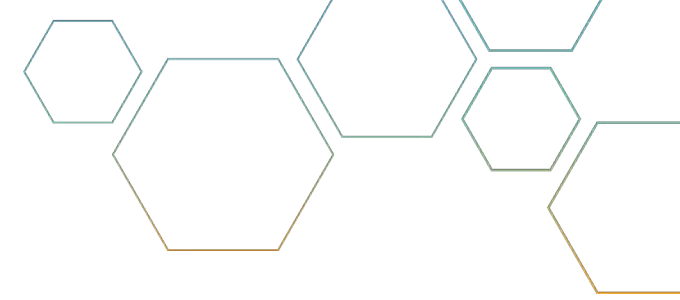


Days of Supply weekly

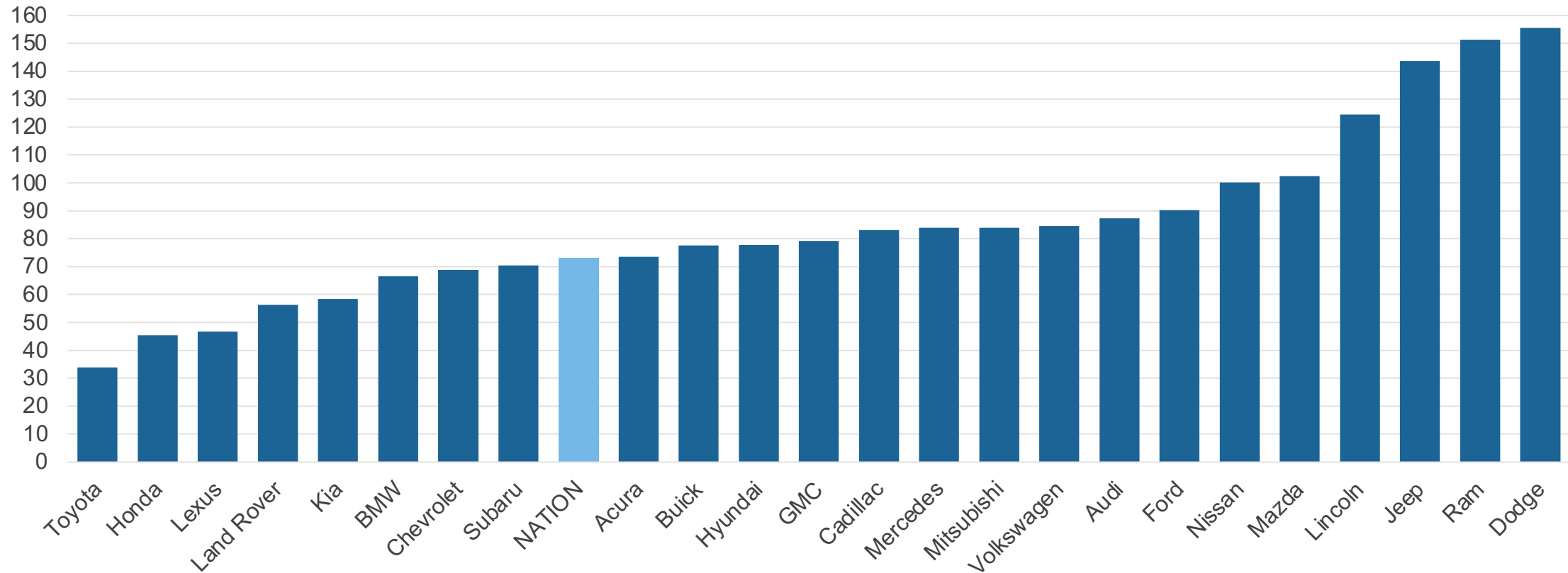


BRAND INVENTORY | Supply Situation Remains Varied

Days supply rising for all, but some brands remain in limited availability, others not



New Vehicle Days Of Supply



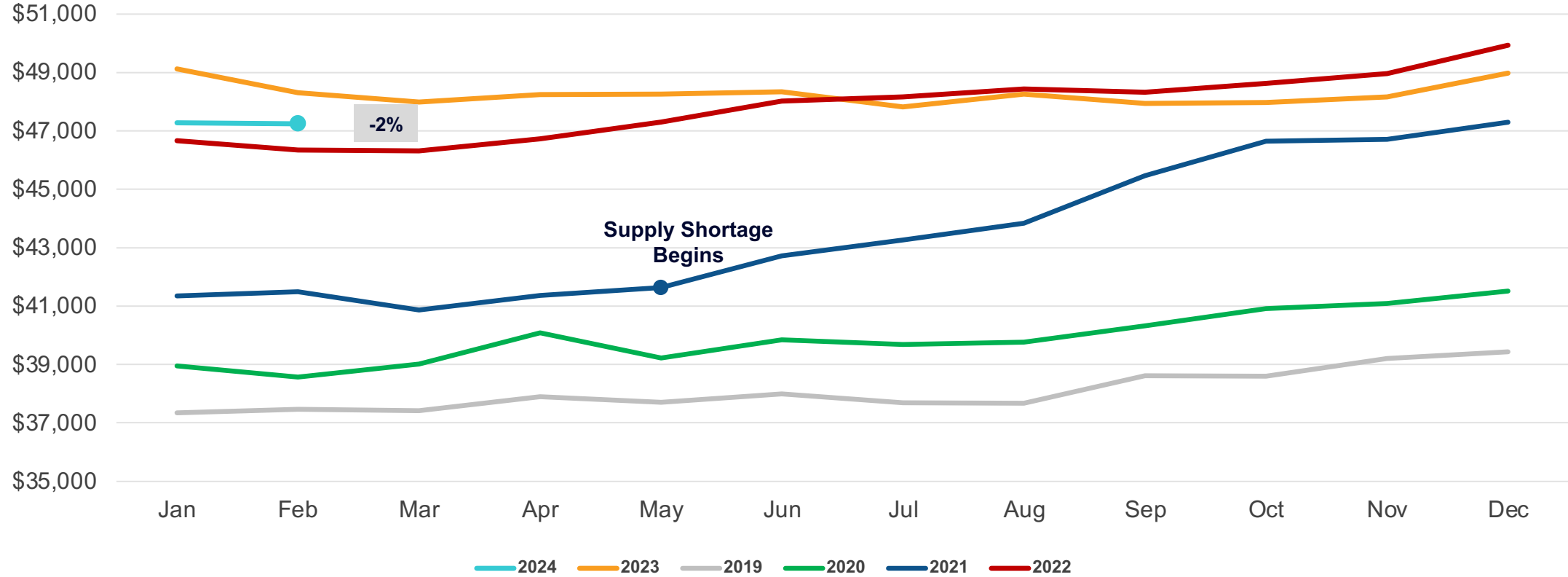
Inventory Tight

Inventory Accumulating

TRANSACTION PRICES | Near \$47,244 – Down 5% from Peak

Near \$50K in December 2022 - discounting and return of full product portfolio leading decline

Estimated Monthly Transaction Prices





USED-VEHICLE MARKET



JEREMY ROBB

Senior Director, Economic and Industry Insights

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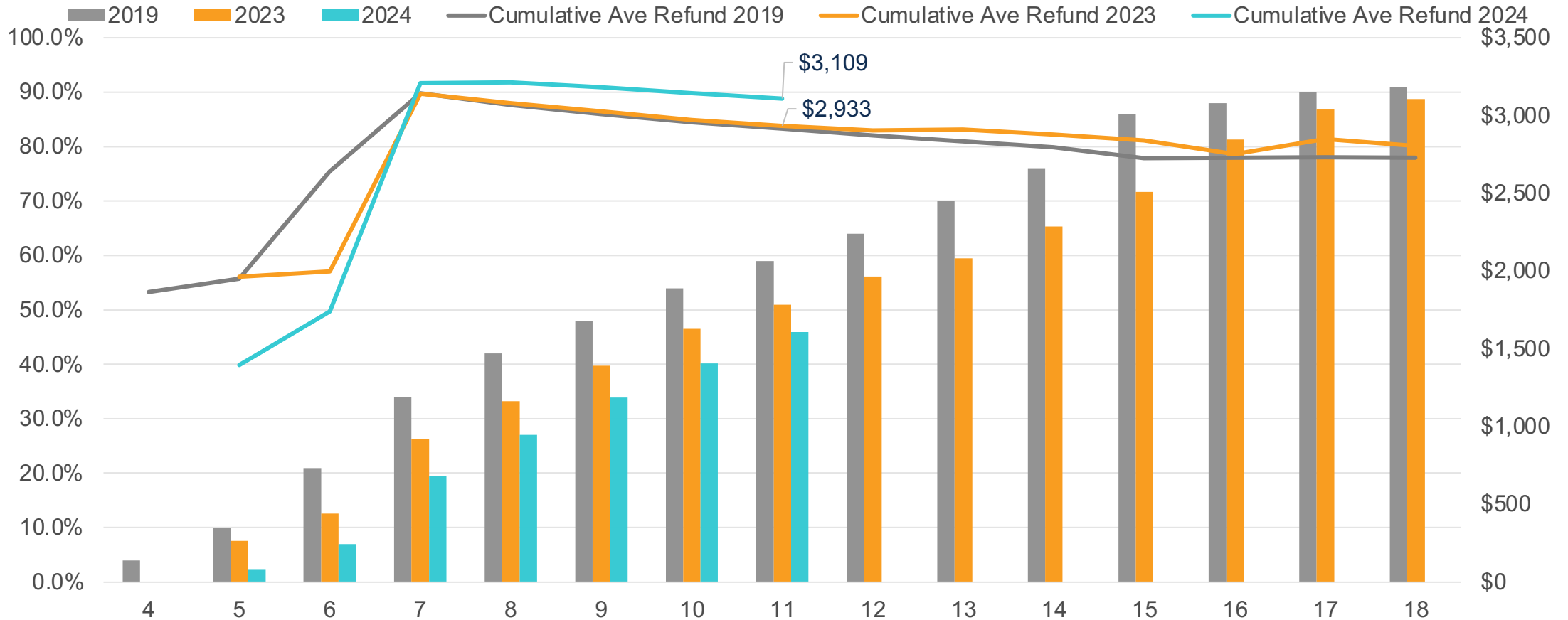


SPRING FEVER | Tax Refunds Driving Consumer Demand

46% of refunds are estimated to have been processed, but the average refund is now +6% year over year

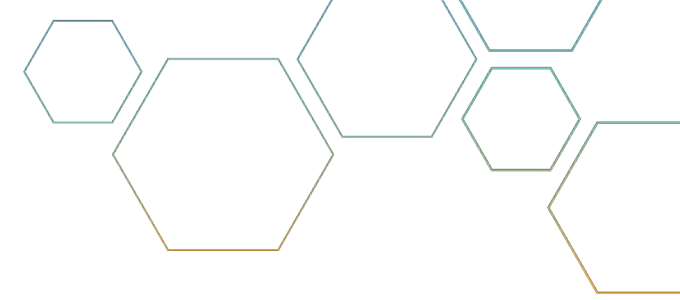


Cumulative Refunds Issued and Ave Refund Amount by Week
(Week 11 was week ending March 15, 2024)

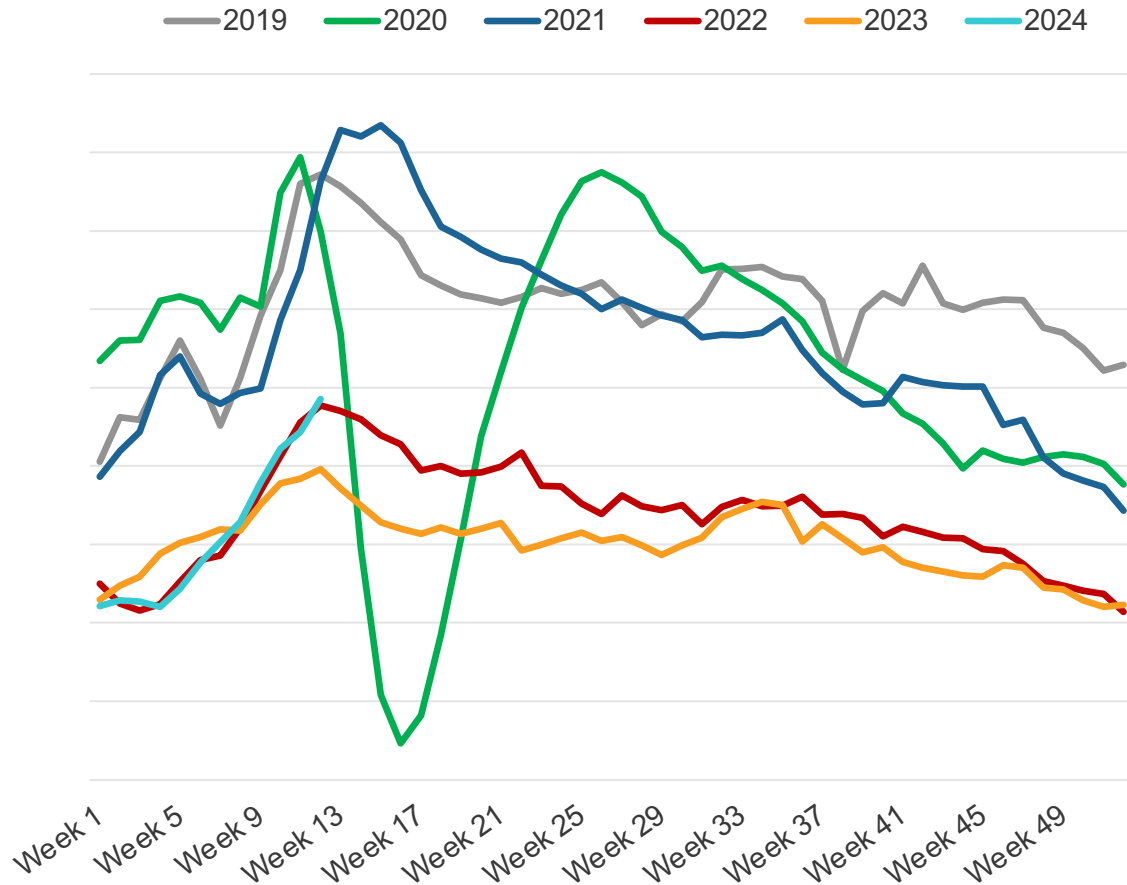


USED SALES AND INVENTORY | Healthy and Improving

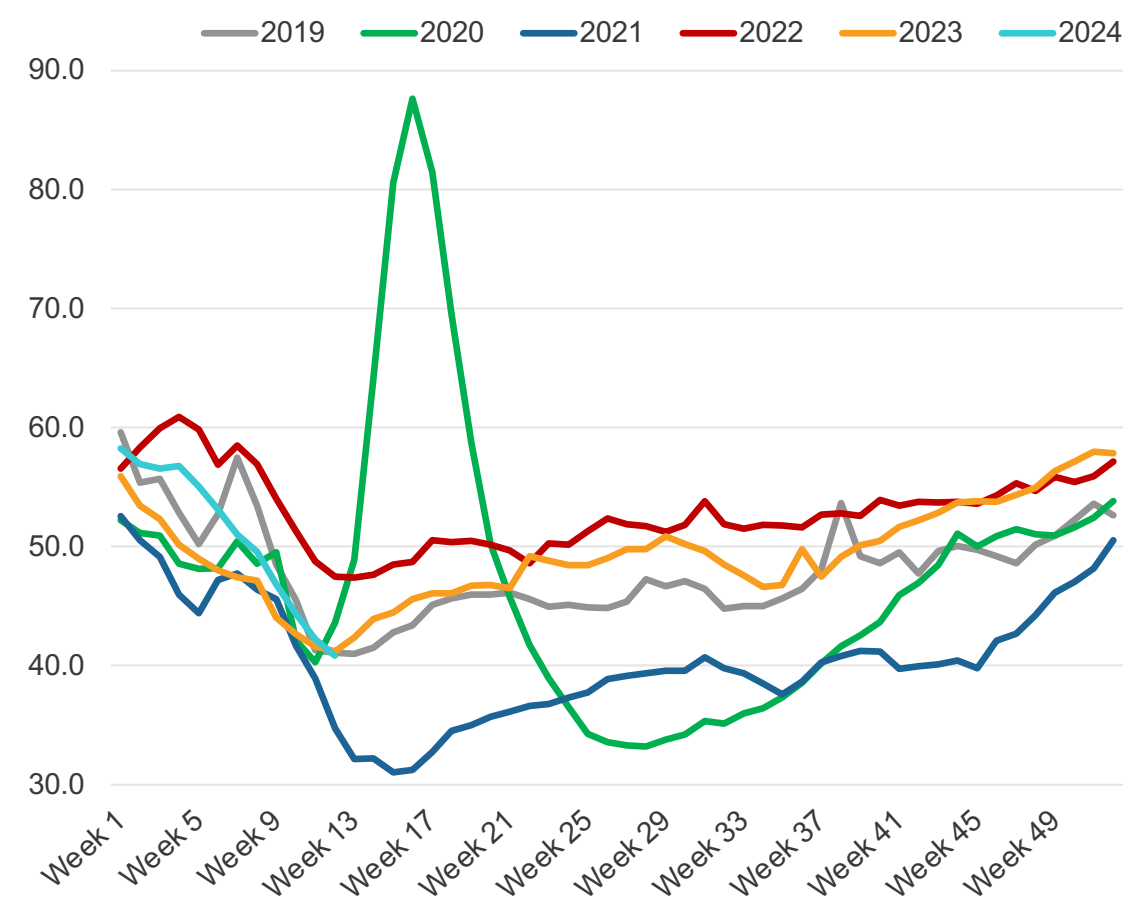
Used sales are up 9% vs 2023 current driving days' supply lower for the last several weeks



Used Retail Sales

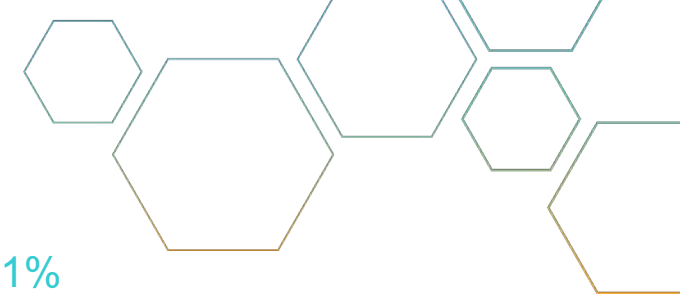


Used Days' Supply

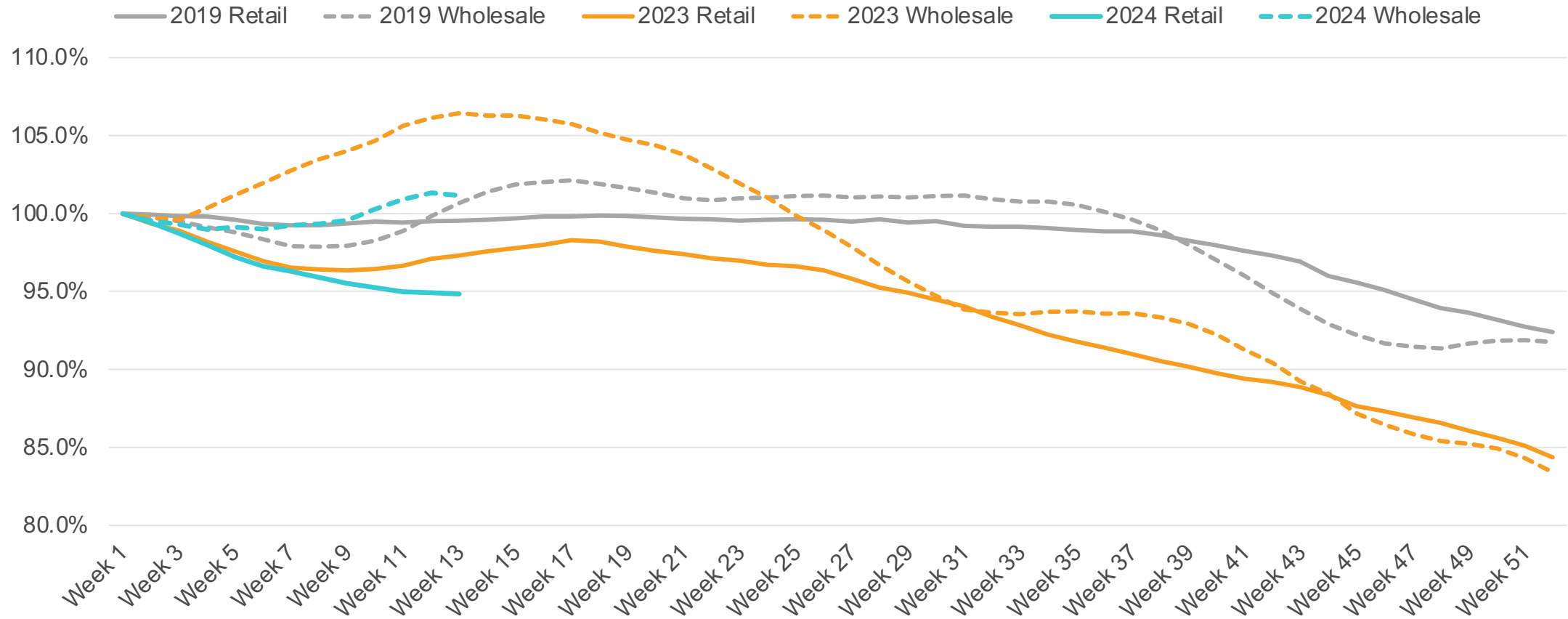


PRICE MOVEMENT | Retail Versus Wholesale

The average MY21 wholesale price declined 0.2% last week, average retail price declined 0.1%

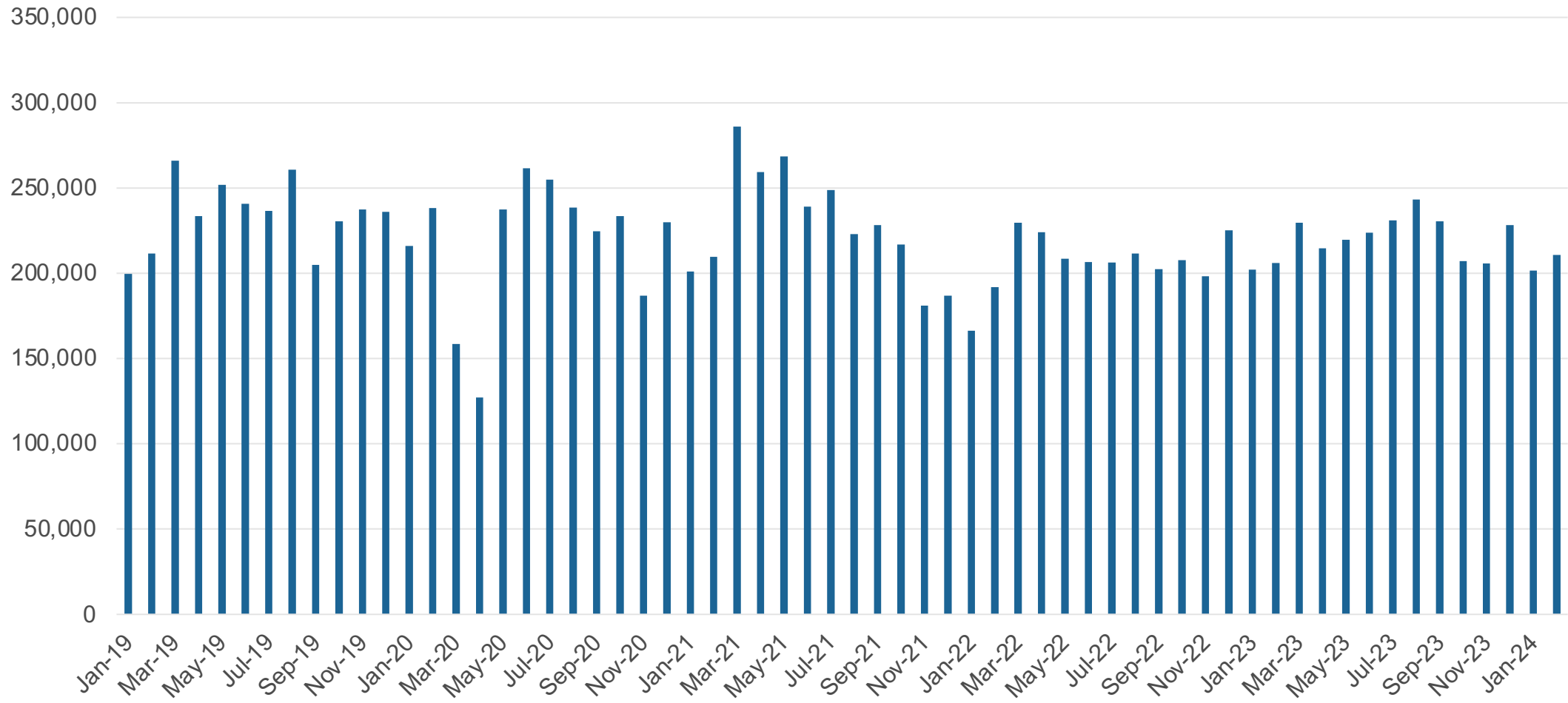
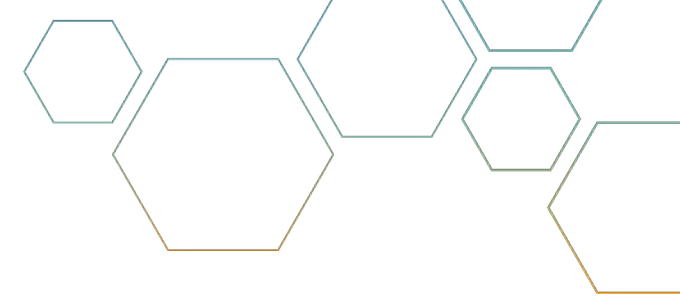


3YO Retail and Wholesale Price Indices



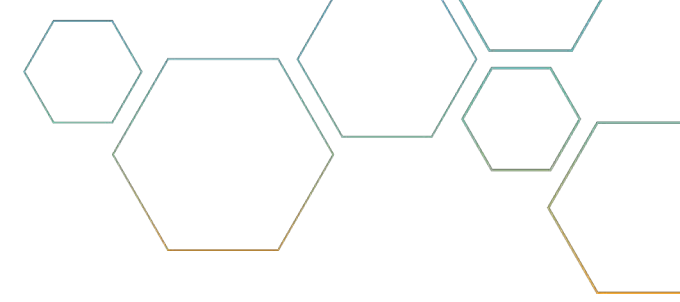
CPO STRENGTH | Strong Demand, Short Supply

CPO sales strength was better than the market last year, but lagging in early 2024

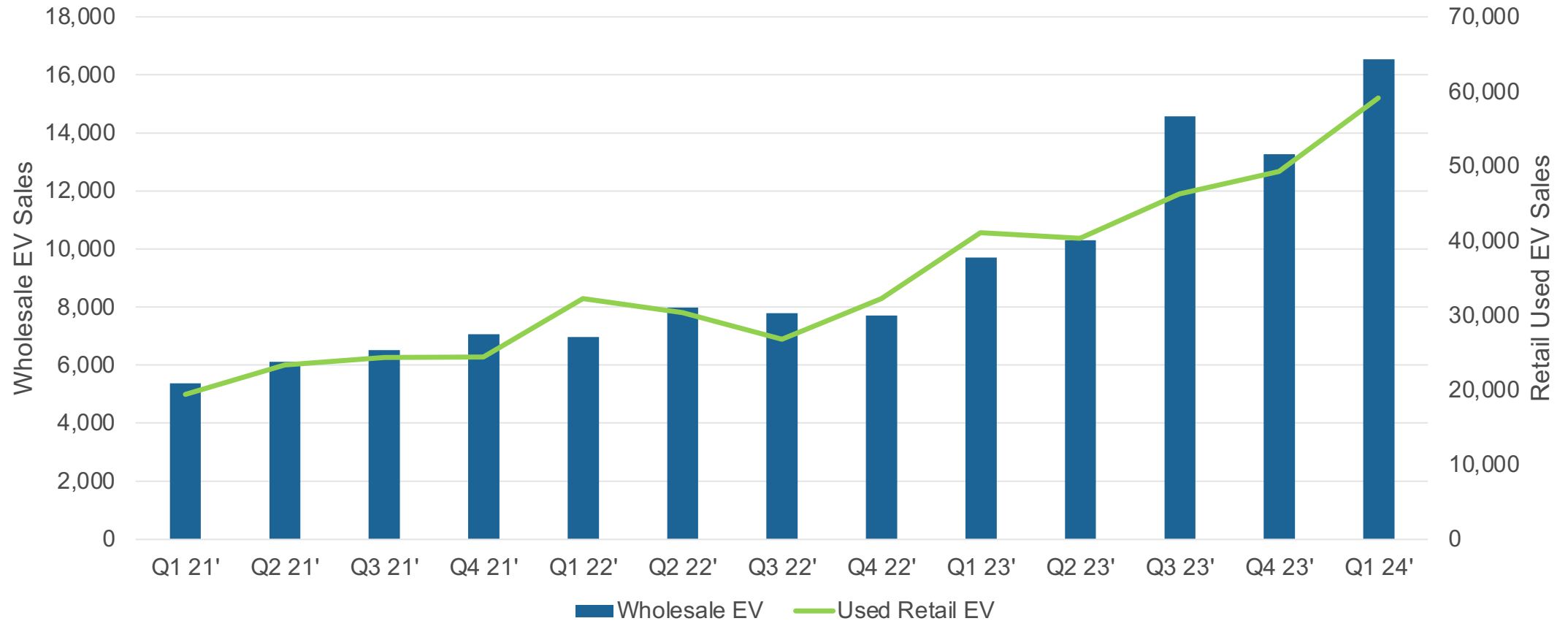


EV SALES | Retail & Wholesale

Manheim EV sales are up 70% in Q1 Y/Y as used retail EV growth is up 44%



EV Transactions: Manheim (LHS) & Retail Used (RHS)





FORECASTS & SPRING PLAYLIST



JONATHAN SMOKE

Chief Economist

COX AUTOMOTIVE



Forecast: 2024

5 themes to look for in '24

1. **Slow Growth Ahead;** Now Less Slowing in 2024.
2. **Vehicle Supply Is Back to Favoring Consumers,** with Downward Pressure on Prices. ✓
3. In 2024, We Officially **Bid Farewell to the Seller's Market.** ✓
4. In the Electric Vehicle Market, 2024 Will Be the **Year of More.** ✓
5. Car Buying in America: **Normal Is Nice.** ✓

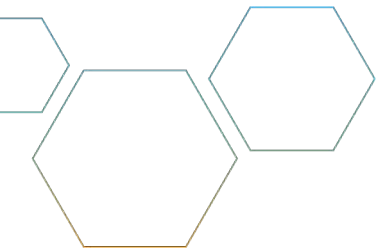
15.7M

new-vehicles sold
in the U.S.
in 2024

1.7M+

electric vehicles sold
in the U.S.
in 2024

**2024
FORECASTS**
Updated March 25, 2024



15.7M
NEW SALES

(2023: 15.5M)

12.9M
NEW RETAIL SALES

(2023: 12.7M)

2.9M
FLEET SALES

(2023: 2.8M)

2.9M
NEW LEASE
VOLUME

(2023: 2.6M)

23%
LEASE
PENETRATION

(2023: 20%)

2.7M
CPO SALES

(2023: 2.6M)

36.6M
USED SALES

(2023: 35.9M)

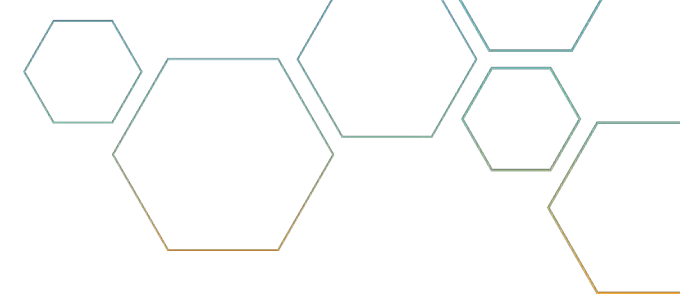
19.6M
USED RETAIL SALES

(2023: 19.0M)

-0.7%
DEC 2024 Y/Y MANHEIM
USED VEHICLE
VALUE INDEX

(2023: -7.0%)

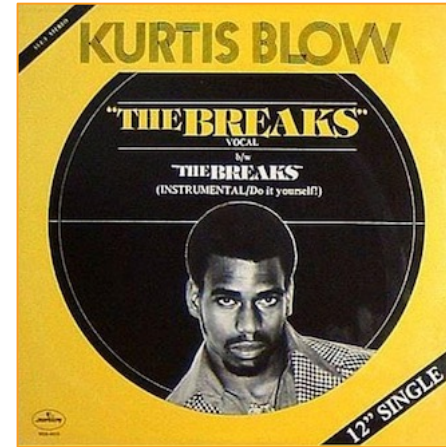
SPRING PLAYLIST



**No Sleep Till
Brooklyn
By Beastie Boys**
The Fed



**It's Tricky
By Run DMC**
**Rising Supply and
Incentives but
High Rates**



**The Breaks
By Kurtis Blow**
Dealer Profitability



**Going Back to Cali
By LL Cool J**
**EV Market (and What
We Can Learn)**



Q&A



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MORE AUTO INDUSTRY DATA AND INSIGHTS FROM COX AUTOMOTIVE



The go-to source for insights based on the largest breadth of first-party data in the automotive ecosystem

Cox Automotive Newsroom: www.coxautoinc.com/newsroom/

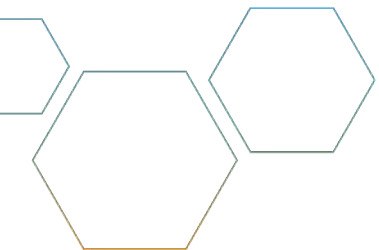
Fresh content from Chief Economist Jonathan Smoke and the Industry Insights team is published regularly.

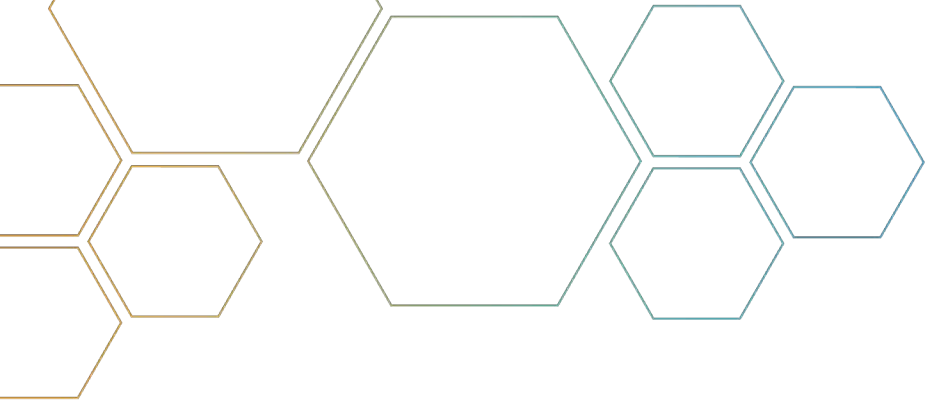
Auto Market Snapshot: www.coxautoinc.com/marketsnapshot

This dashboard is a one-stop dashboard for the most recent data points our team is tracking.

From the Newsroom: www.coxautoinc.com/signup

The Cox Automotive biweekly newsletter, published every other Tuesday, is a round-up of news from Cox Automotive and perspectives from its analysts and experts on topics dominating the automotive industry.





THANK YOU FOR ATTENDING!

Contact us with questions or to speak with an expert:

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Mark Schirmer

Director

Cox Automotive Corporate Communications

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COX AUTOMOTIVE

