



Q1 MANHEIM USED VEHICLE VALUE INDEX CALL

April 5, 2024



COX AUTOMOTIVE



WHERE IT ALL CONNECTS

The most complete and connected ecosystem

COX AUTOMOTIVE

Autotrader 

 CentralDispatch

 Dealer.com

 Dealertrack

 EV Battery Solutions

 FleetNet America

 Fleet Services

 **Kelley Blue Book**

 Manheim

 NextGear Capital

 vAuto

 VinSolutions

 xtime

PRESENTERS

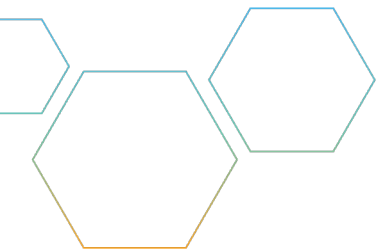
Mark Schirmer, Director, Corporate Communications

Jonathan Smoke, Chief Economist

Joe Kichler, Vice President, Logistics

Jeremy Robb, Senior Director, Economic and Industry Insights

Scott Vanner, Senior Analyst, Economic and Industry Insights





THE ECONOMY



JONATHAN SMOKE

Chief Economist

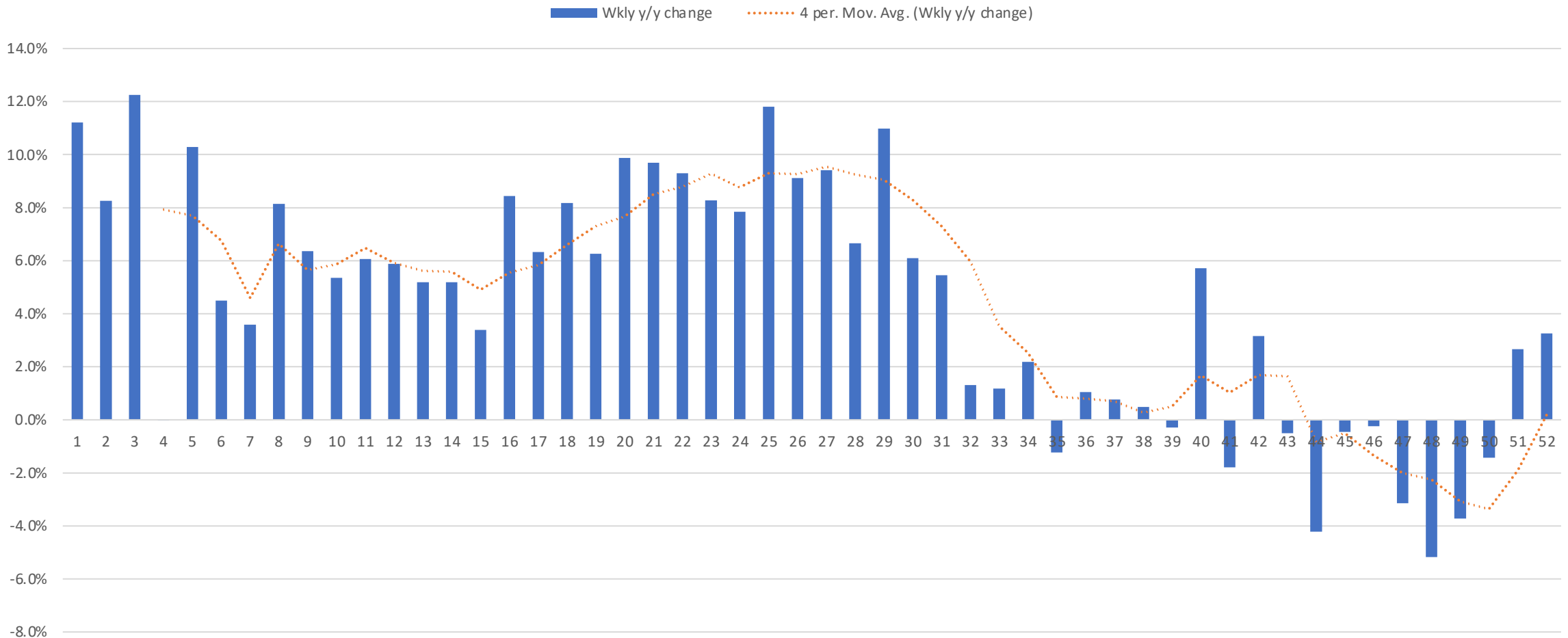
Cox AUTOMOTIVE

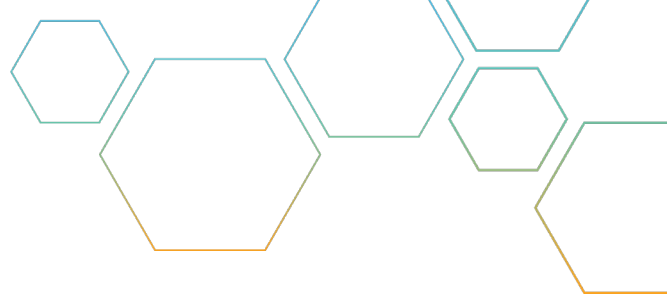


CONSUMER SPENDING SOFT TO START 2024

Spending in retail was down year over year through February but turned positive so far in March

Year-Over-Year Change in Total Spending by Week Trailing 52 Weeks As of March 16, 2024

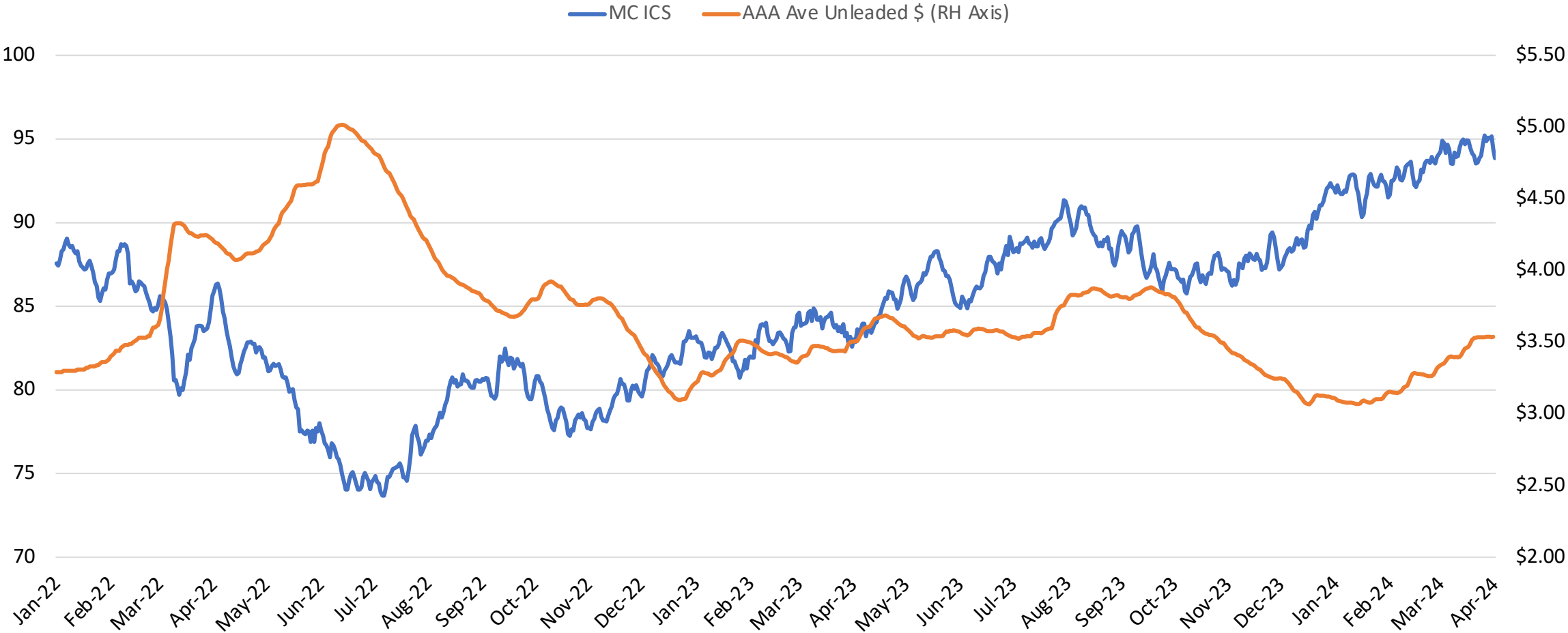




CONSUMER SENTIMENT UP SO FAR IN 2024

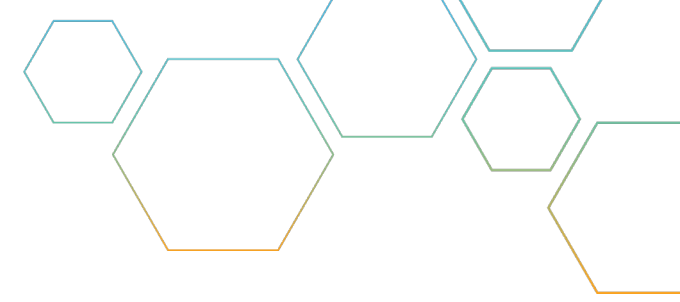
The Index of Consumer Sentiment increased 2.8% in February and 0.3% in March

Morning Consult Index of Consumer Sentiment vs. Average Price of Unleaded

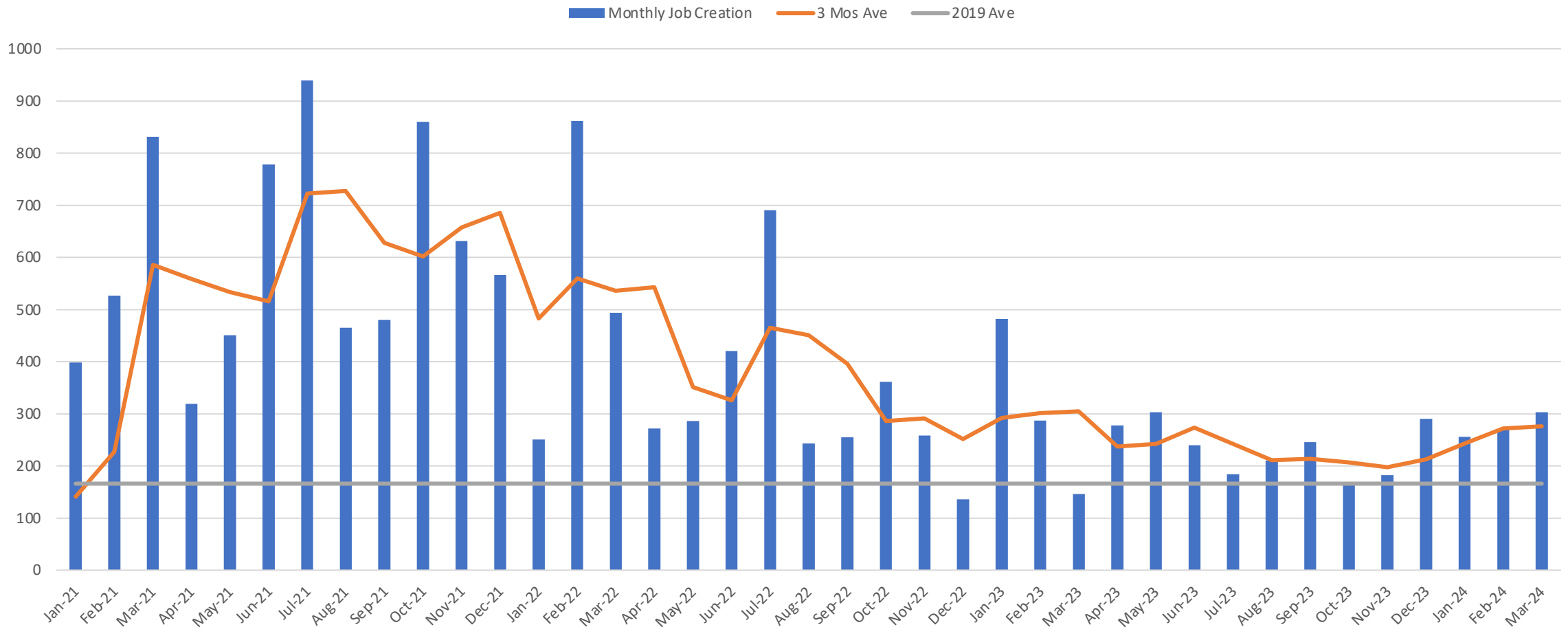


JOB GROWTH HAS SLOWED BUT REMAINS ROBUST

Last three months saw 276,000 new jobs average per month; 2019 averaged 166,000



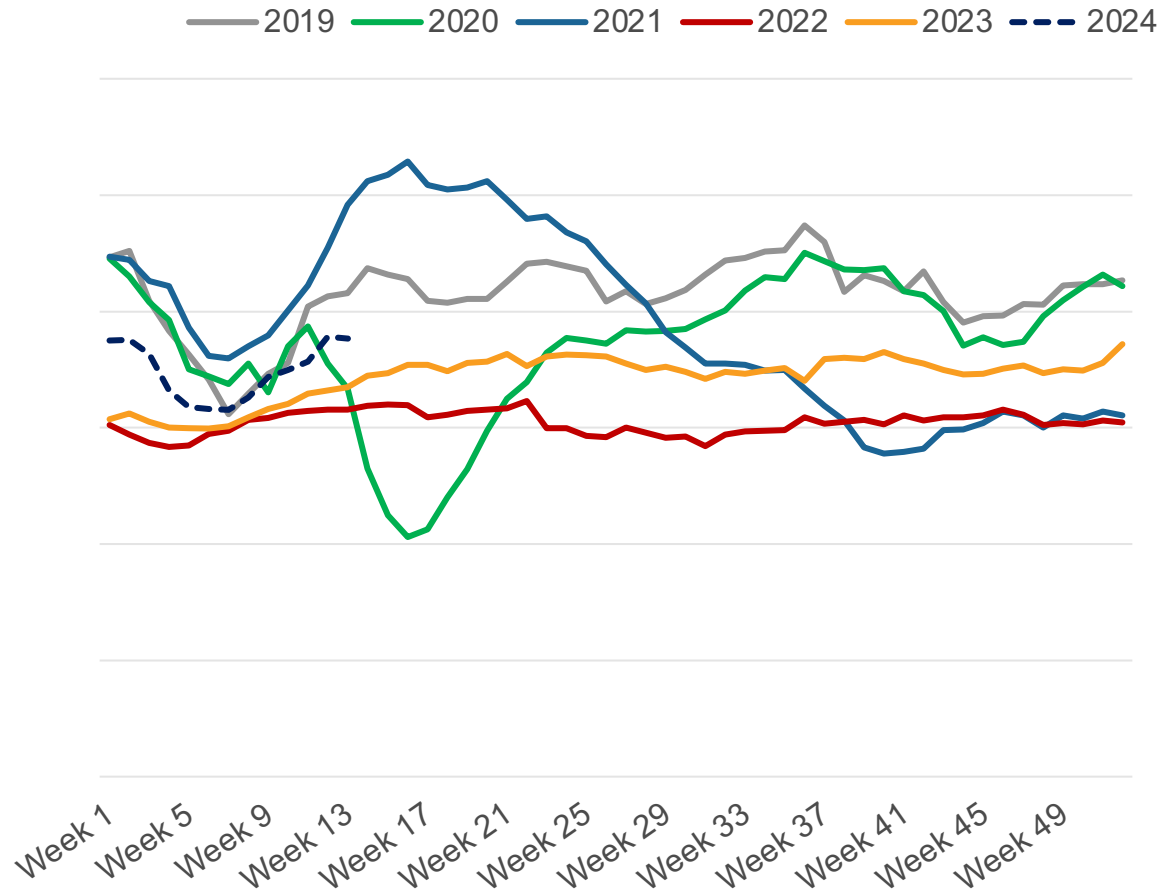
Monthly Job Creation



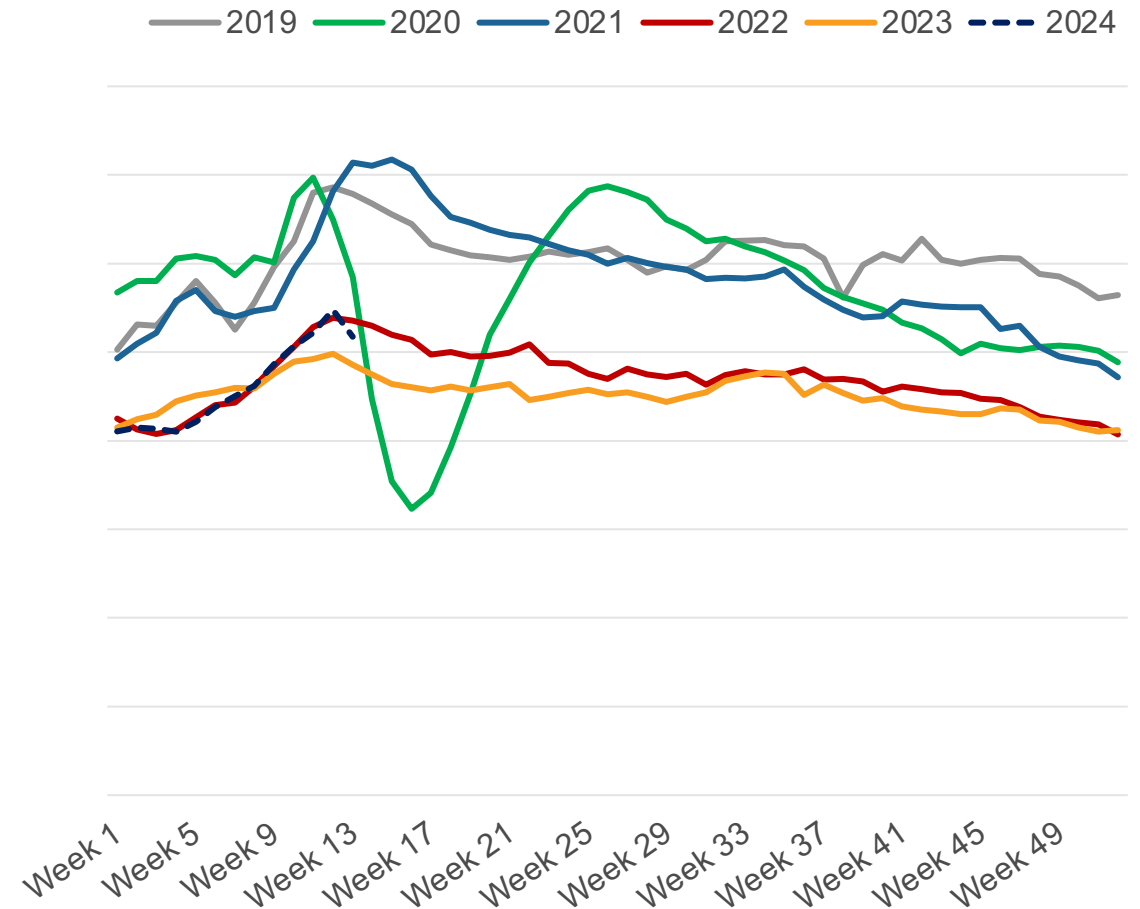
RETAIL VEHICLE SALES ESTIMATES

Retail sales appear to have peaked in March but remain up 13% y/y in new and up 7% in used in latest week of data

New Retail Sales



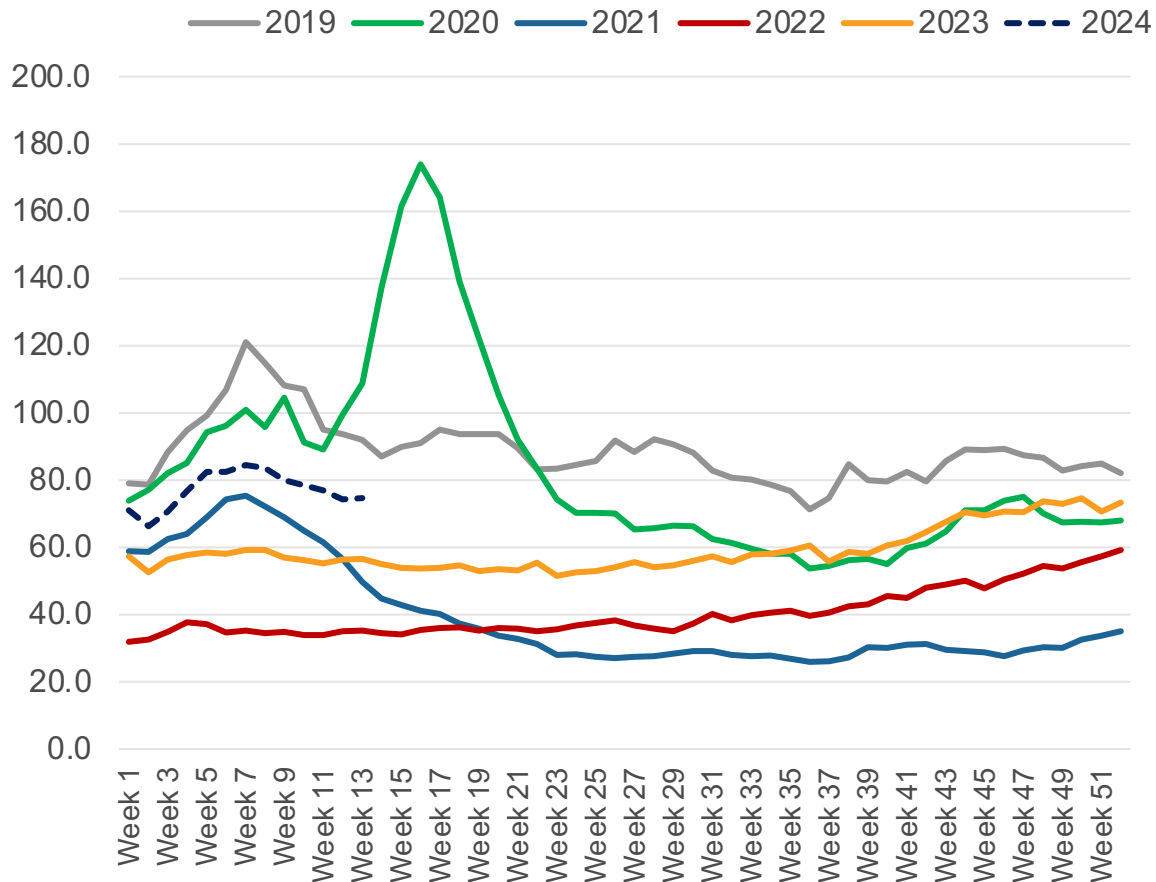
Used Retail Sales



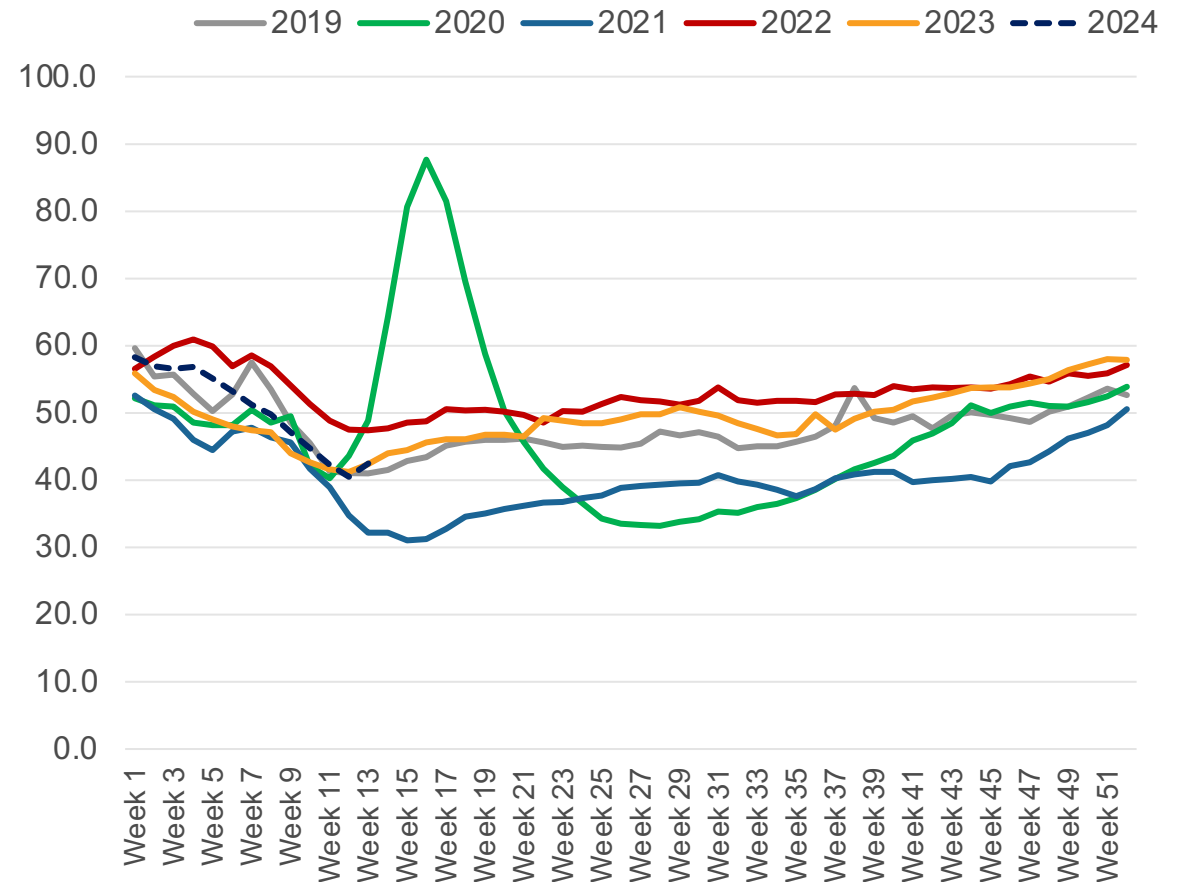
SUPPLY INCREASING AGAIN

New supply is 18 days higher y/y and up 1% in the latest week while used supply is flat y/y and up 5% w/w

New Days' Supply



Used Days' Supply





LOGISTICS SOLUTIONS UPDATE



JOE KICHLER

Vice President, Logistics

COX AUTOMOTIVE



COX AUTOMOTIVE TOUCHES MORE VEHICLE MOVES THAN ANYONE



Full-Service Logistics Solution Offering Clients White Glove Service

- “Do it for me” model
- Clients include OEM Captives, Fleet Companies, Financial Institutions, Dealers
- 5,000+ transport partners
- ~1.2M cars moved in 2023



THE Logistics Marketplace Driving Our Clients Businesses

- “Do it myself” model
- Clients include Dealers, Brokers and Carriers
- 31,000 subscribers – the LARGEST transportation marketplace
- 13M+ listings posted in 2023

We touch more than 14M vehicle moves each year in the U.S.

INVESTING \$100M+ IN CENTRAL DISPATCH

Transforming the industry by delivering integrated, digital capabilities

Connectivity

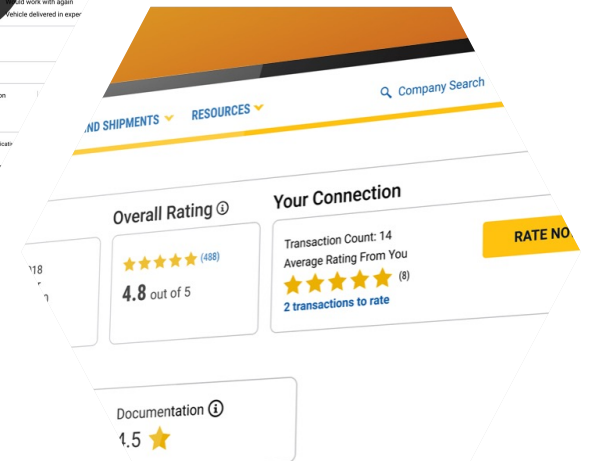
Creating more connections to deliver clients greater efficiencies

Transparency

Fueling trust and confident decisions through transparency

Intelligence and Optimizations

Using data to maximize transportation speed and profitability



CONSUMERS ARE DRIVING BIG CHANGES IN TRANSPORT

B2B transport has been the backbone of the industry, but importance of B2C delivery is increasing

B2B TRANSPORT CONTINUES

- LONG HAUL REMAINS VITAL
- SUPPORTING DIGITAL BUYING VS. TRADITIONAL

NEW B2C OPPORTUNITIES

- CONSUMER DELIVERY
- SERVICE PICKUP AND DELIVERY
- AT-HOME TEST DRIVES
- DIGITAL TRADE-INS

Days

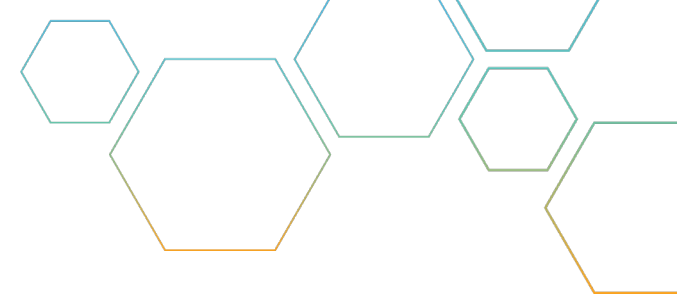
CHALLENGE:

vs.

Hours

WHAT'S NEXT FOR LOGISTICS AT COX AUTOMOTIVE

Continue fueling transformation for clients, consumers and the industry through technology



SUPPORTING RETAIL



DELIVERING PRICING INSIGHTS



PREPARING FOR EVs



WHOLESALE MARKET



JEREMY ROBB

Senior Director, Economic and Industry Insights

COX AUTOMOTIVE



MANHEIM USED VEHICLE VALUE INDEX

Concept

A single measure of used vehicle price change that is independent of underlying segment shifts in the characteristics of vehicles being sold

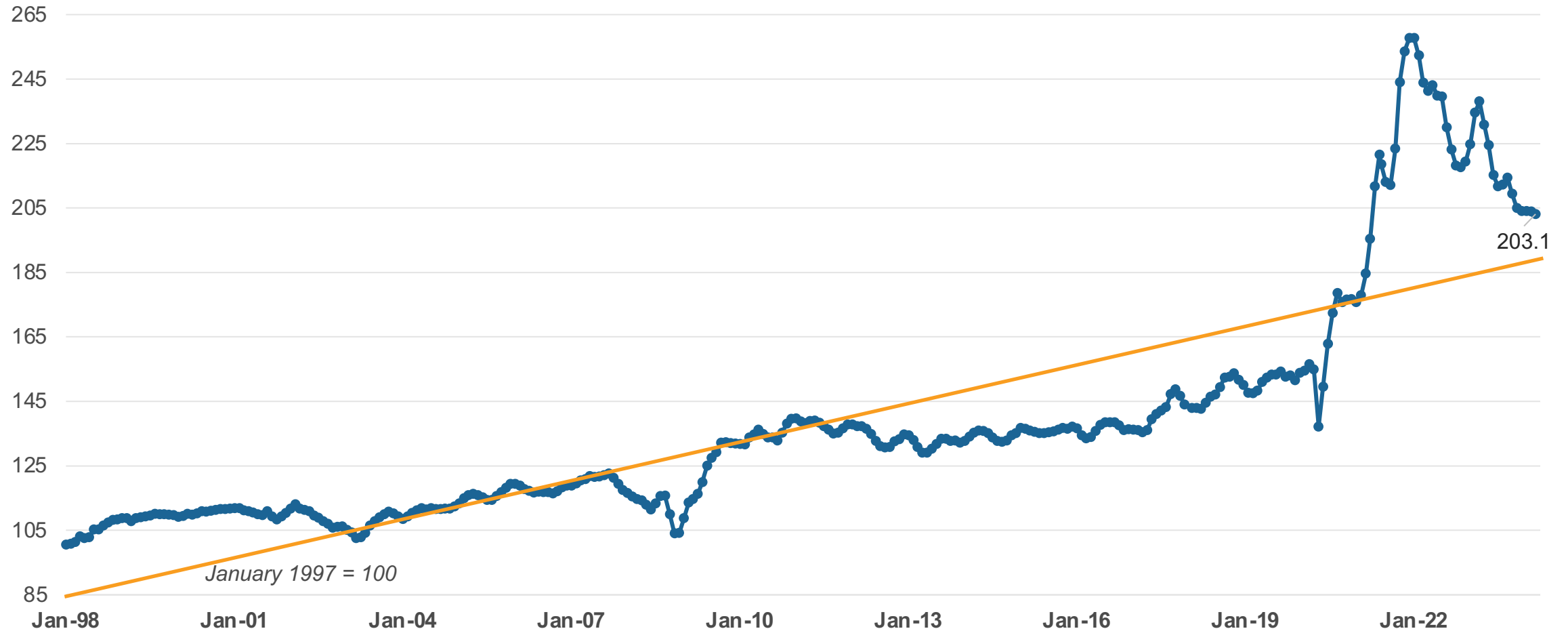
Steps

1. All Manheim U.S. sales
2. Classify by market segment
3. Account for differences in mileage
4. Weight to provide smoother segment mix
5. Seasonally adjust

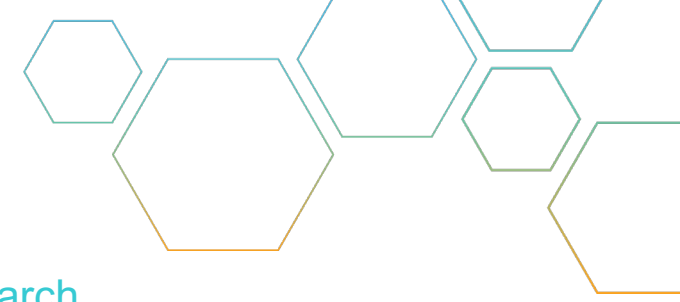


WHOLESALE VEHICLE VALUES DECREASE IN MARCH

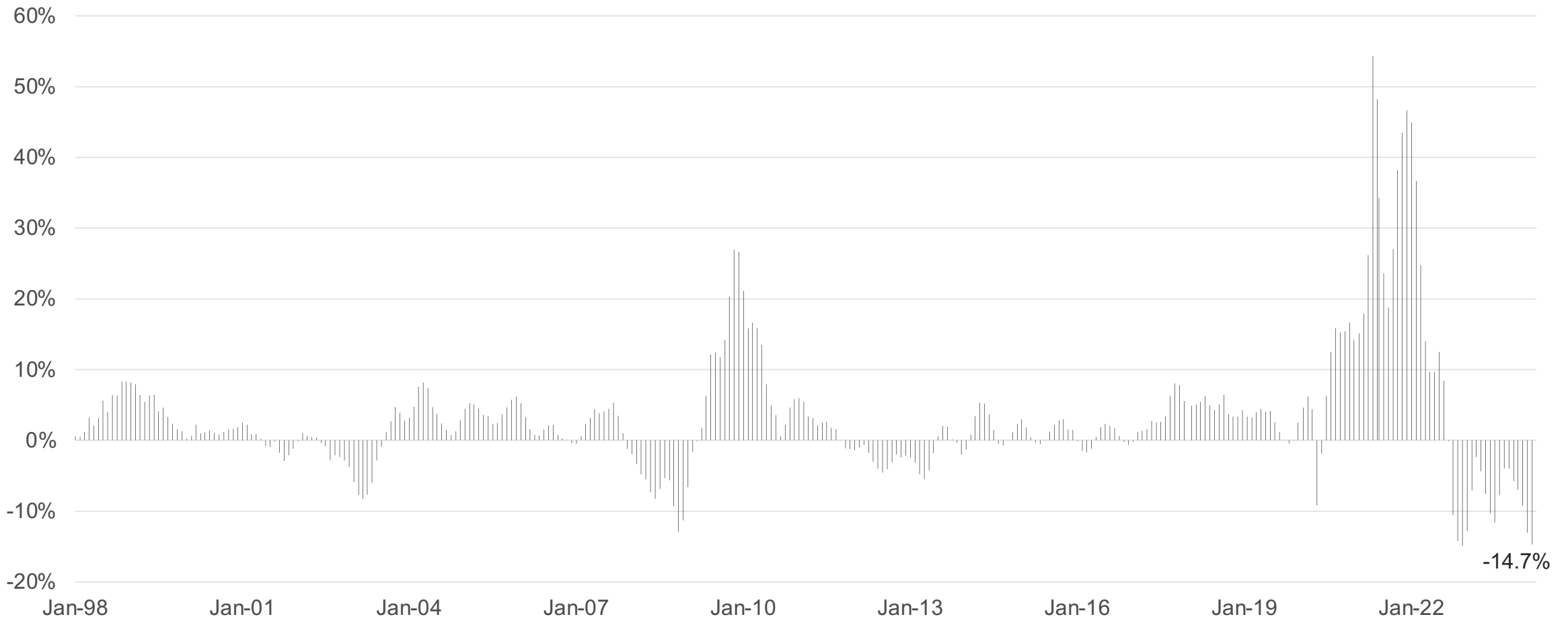
Prices declined 0.4% from February and were down 14.7% from March 2023



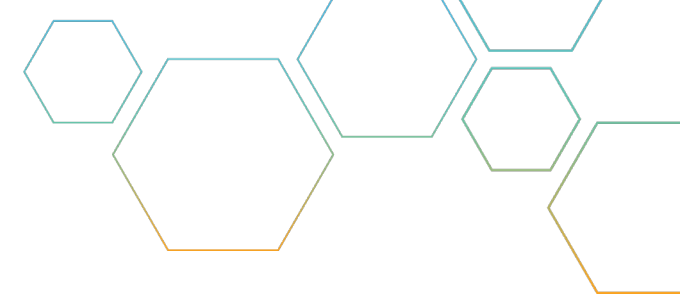
YEAR-OVER-YEAR PERFORMANCE TREND REMAINS DOWN



Annualized changes continue to be below 0% since September 2022 and down sharply in March



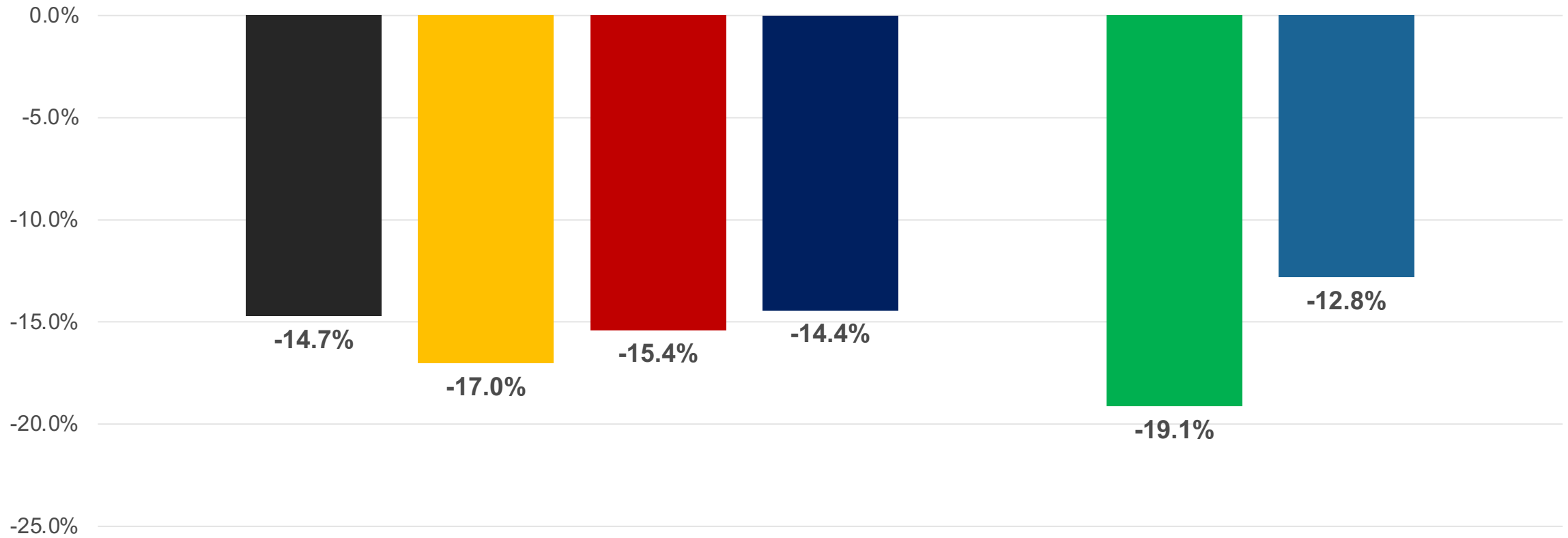
MARCH 2024 MUVVI INDEX TRENDS BY KEY SEGMENT



Sedans & trucks fell more overall, while SUVs beat the market, and EVs continue to lag

Annual Change by Index Segment

■ Overall Index ■ Sedan ■ Pickup ■ SUV ■ EV ■ Non-EV

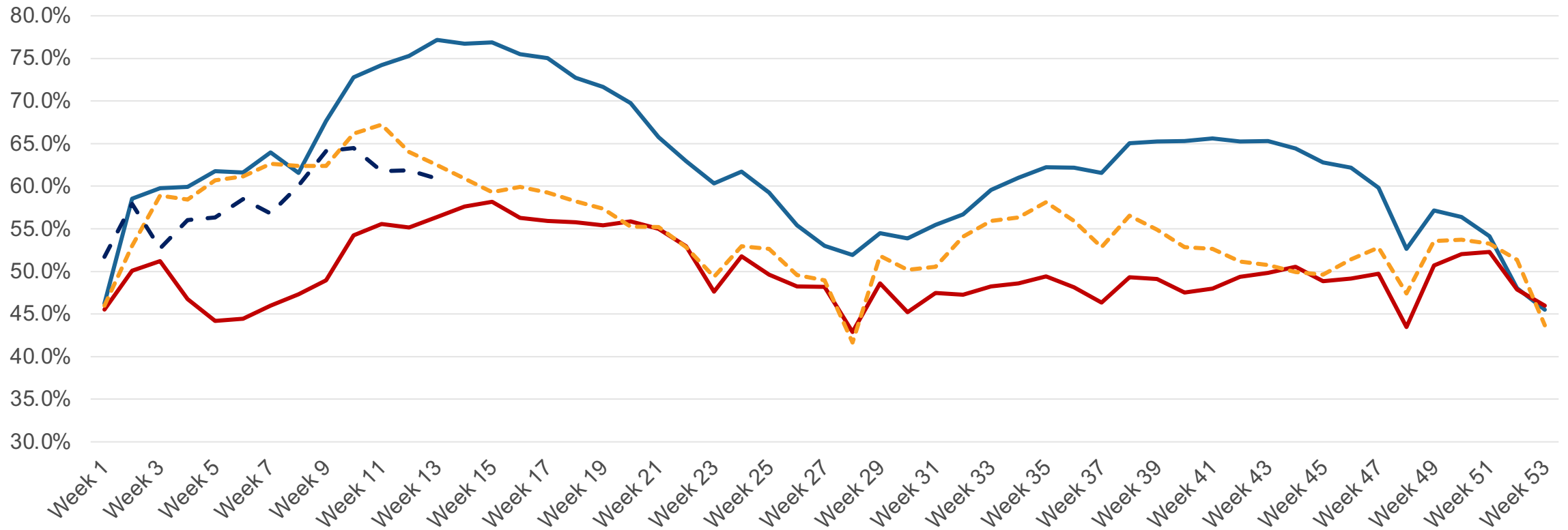


WHOLESALE SALES CONVERSION

Sales conversion declined a point last week to 60.9% as we run about 1.5 points below 2023 levels

Sales Conversion

— 2021 — 2022 - - 2023 - - 2024



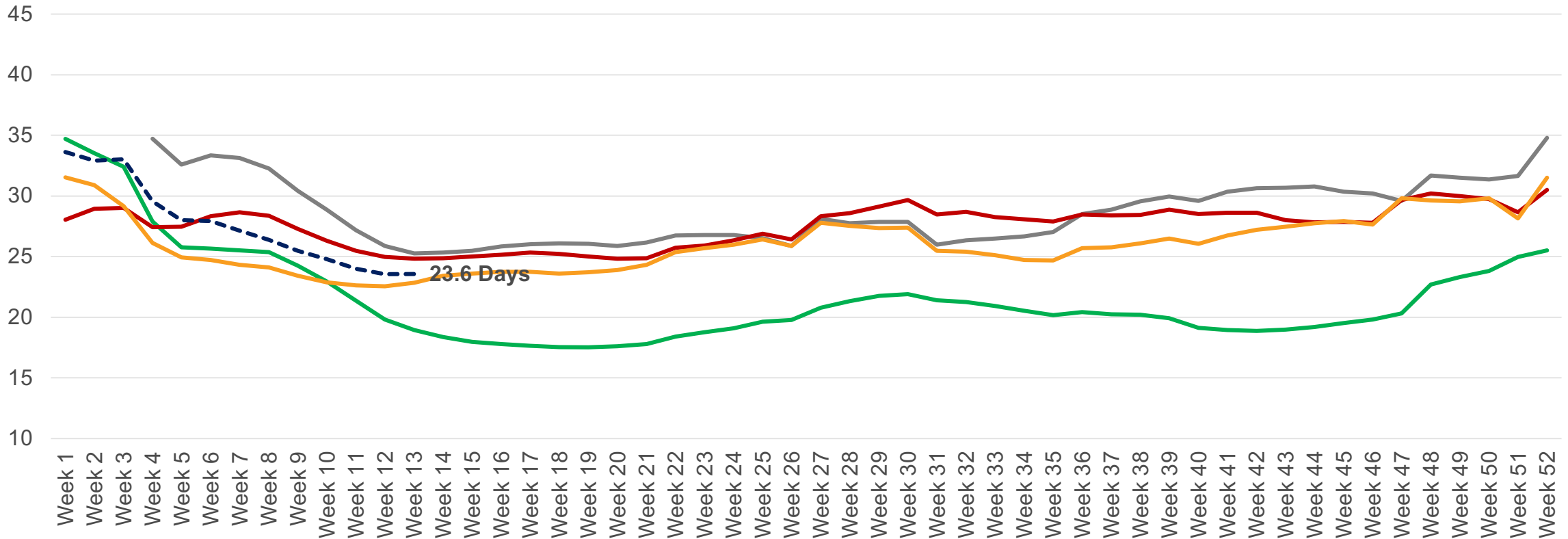
WHOLESALE SUPPLY

Inventory is +16% year over year, and sales are +15% as days' supply falls to 23.6 days, +3% year over year



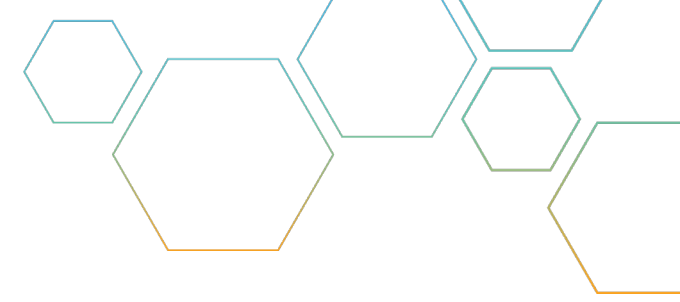
Wholesale Days of Supply

— 2019 — 2021 — 2022 — 2023 - - - 2024

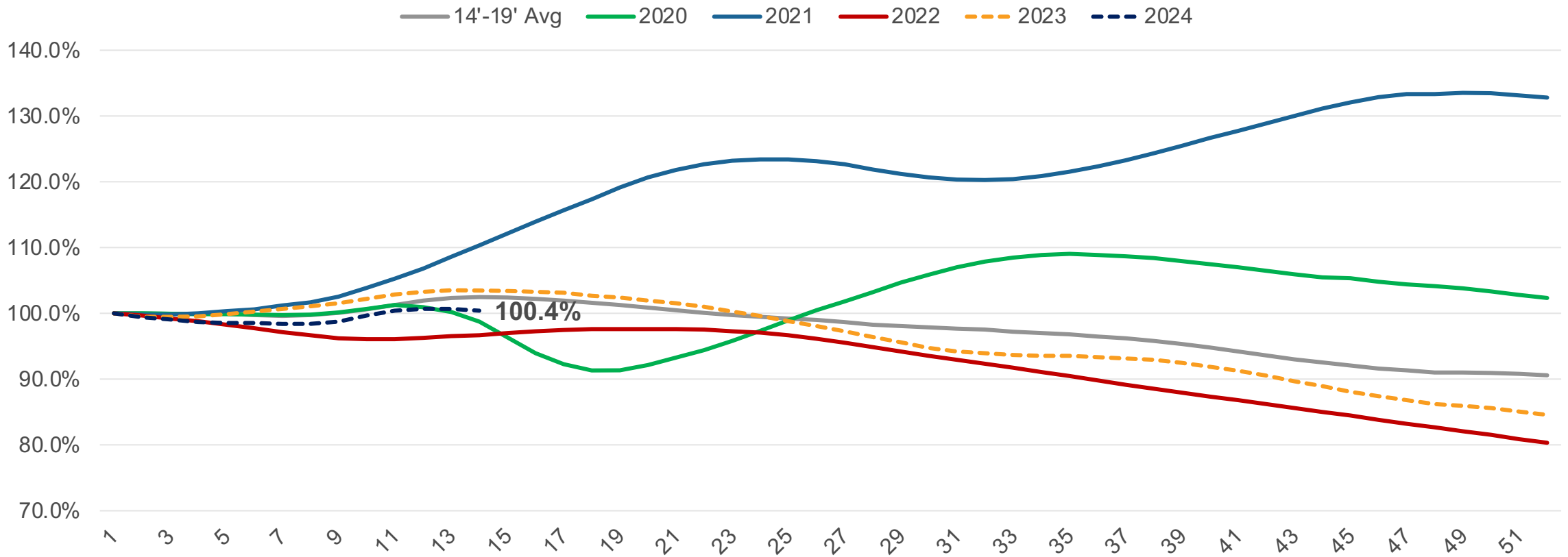


OVERALL WHOLESALE MMR VALUE TRENDS

Depreciation trends showed the spring seasonal strength to be weaker than normal



Overall MMR Index Trends
All Model Years

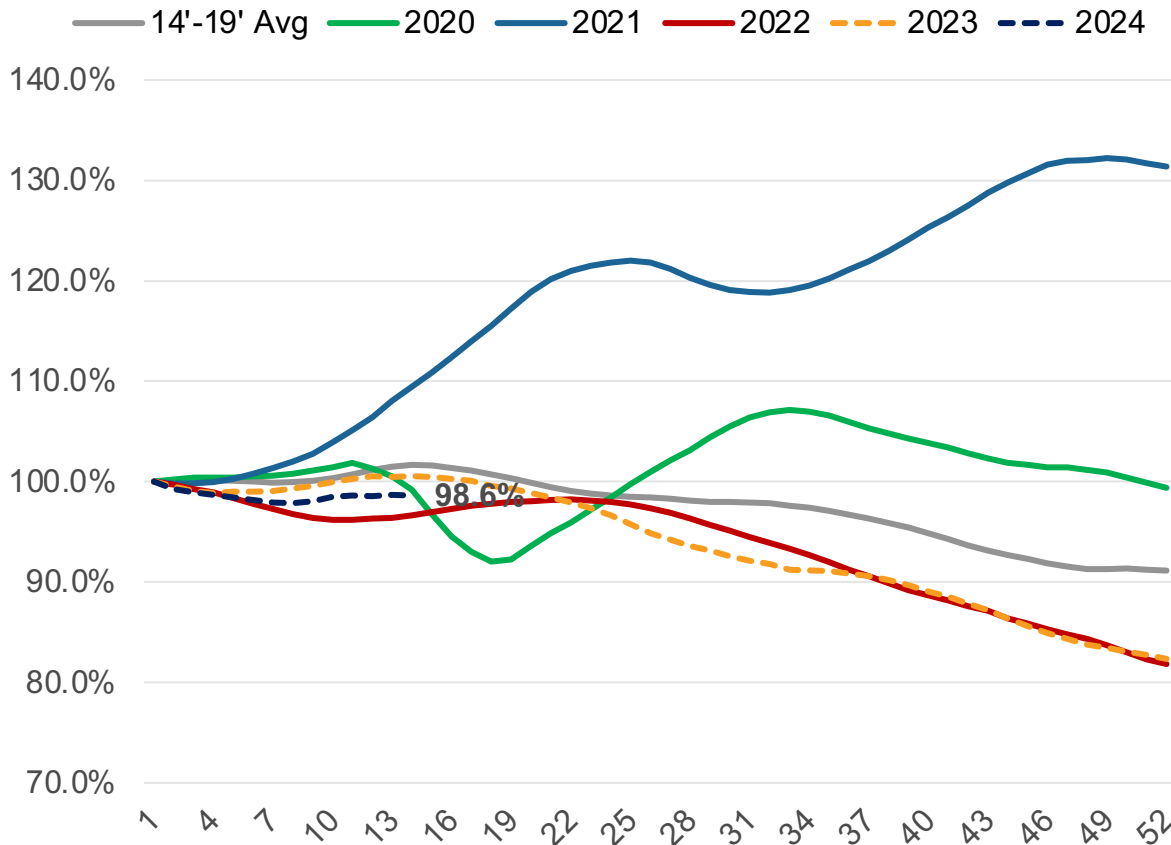


1YO MMR INDEX WITH RESALE VALUES BY CALENDAR YEAR

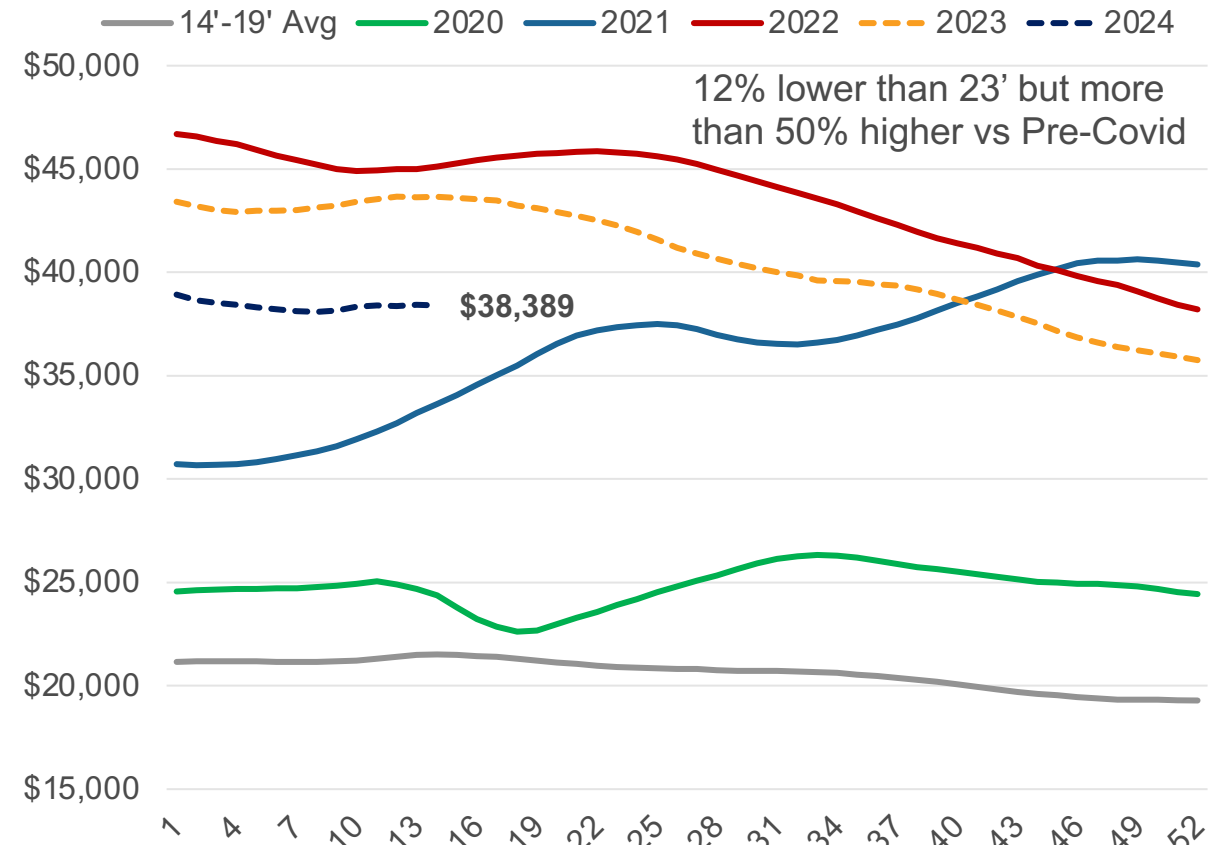
The 1YO starts '24 with higher depreciation, but values remain much more elevated versus longer-term trends



MMR Index Trends
1YO



MMR Resale Value Trends
1YO

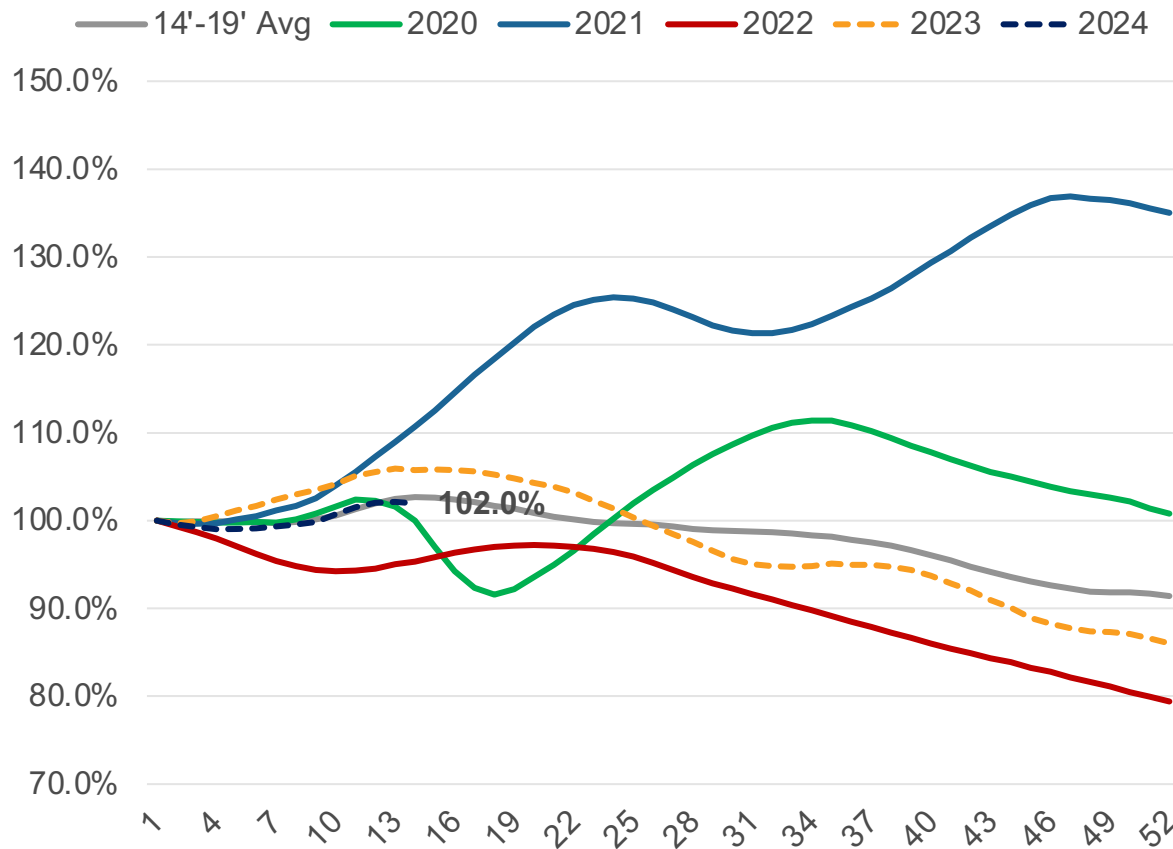


3YO MMR INDEX WITH RESALE VALUES BY CALENDAR YEAR

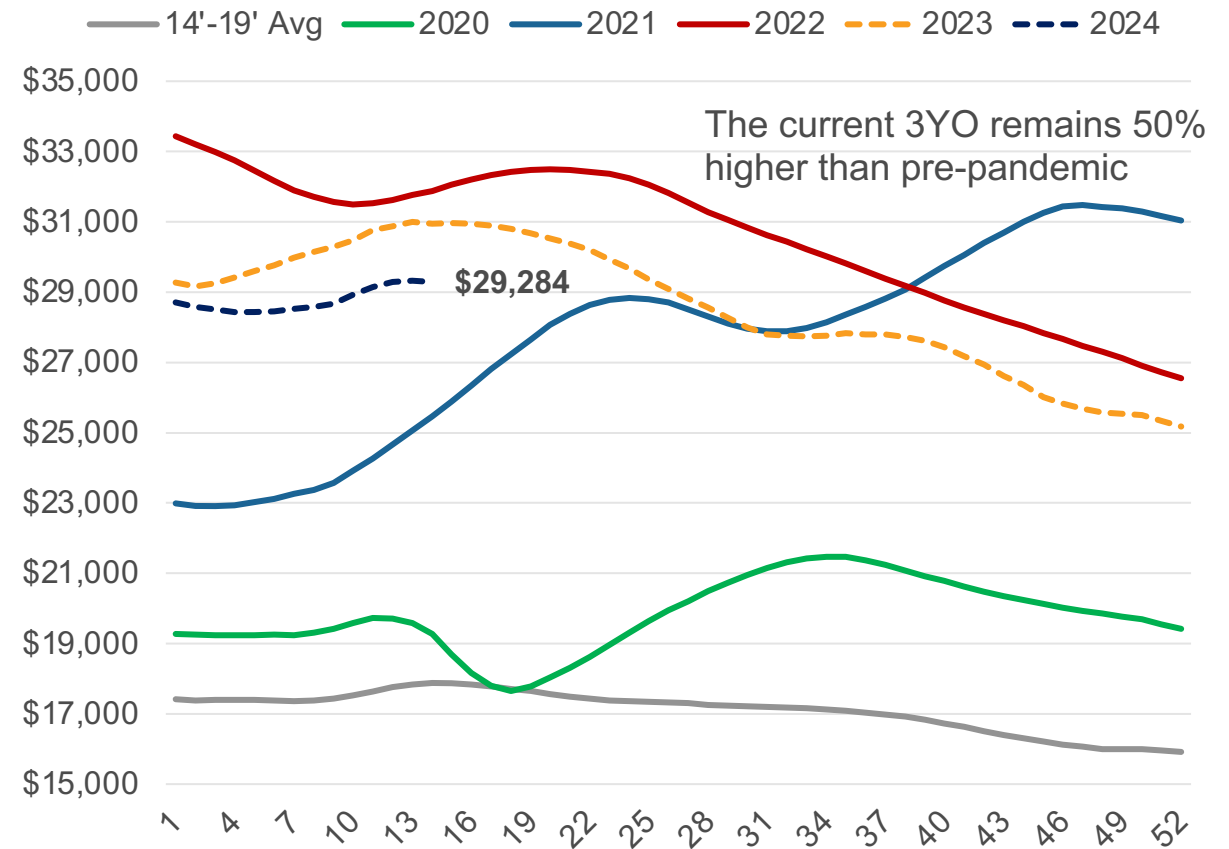
3YO started weaker but increased for 8 weeks in a row, just below the long-term average



MMR Index Trends 3YO

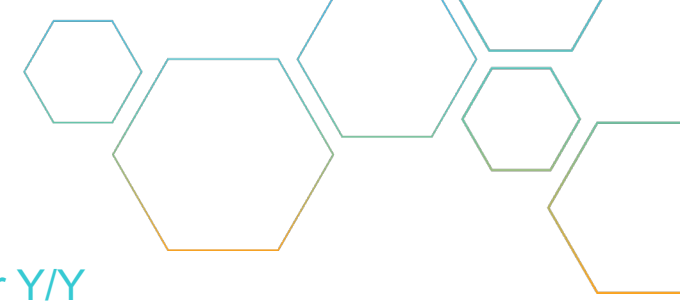


MMR Resale Value Trends 3YO

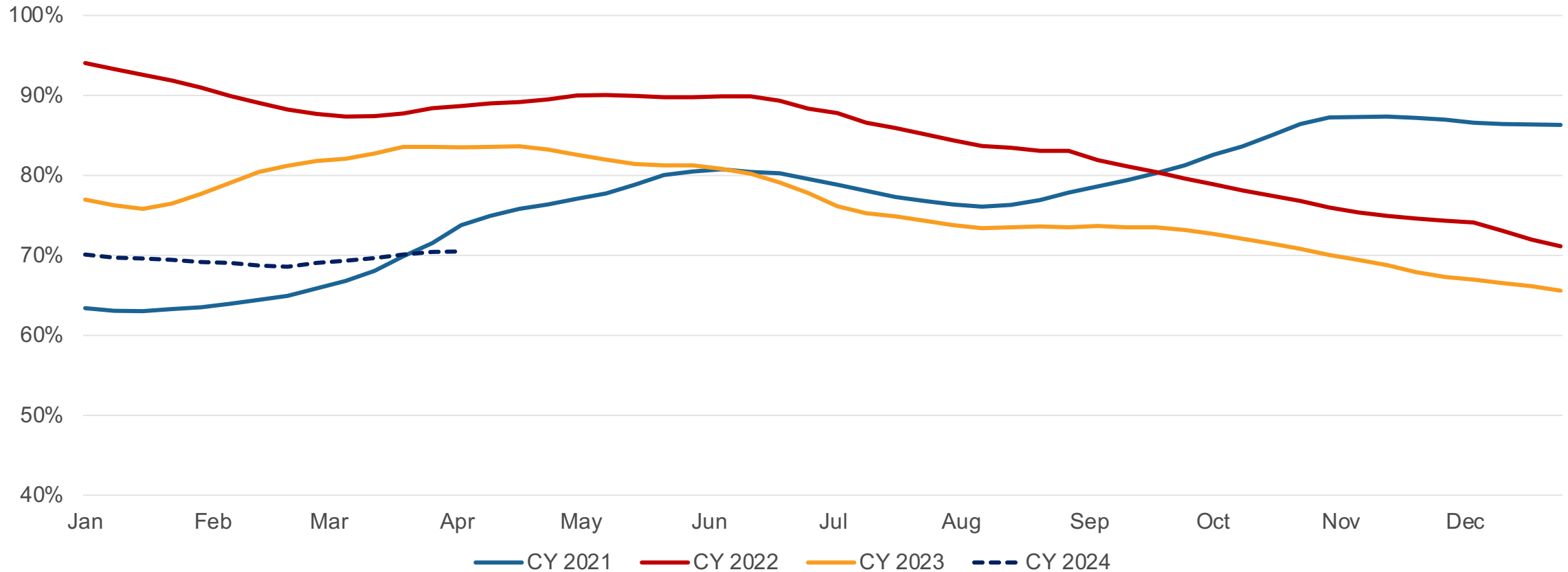


RETENTION VALUES AT AUCTION

Retention values as a % of original MSRP have flattened in the last month, but remain lower Y/Y

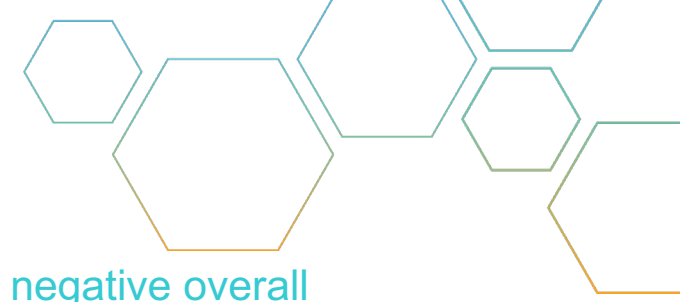


Auction Retention Values
(1 to 3 year old vehicles)

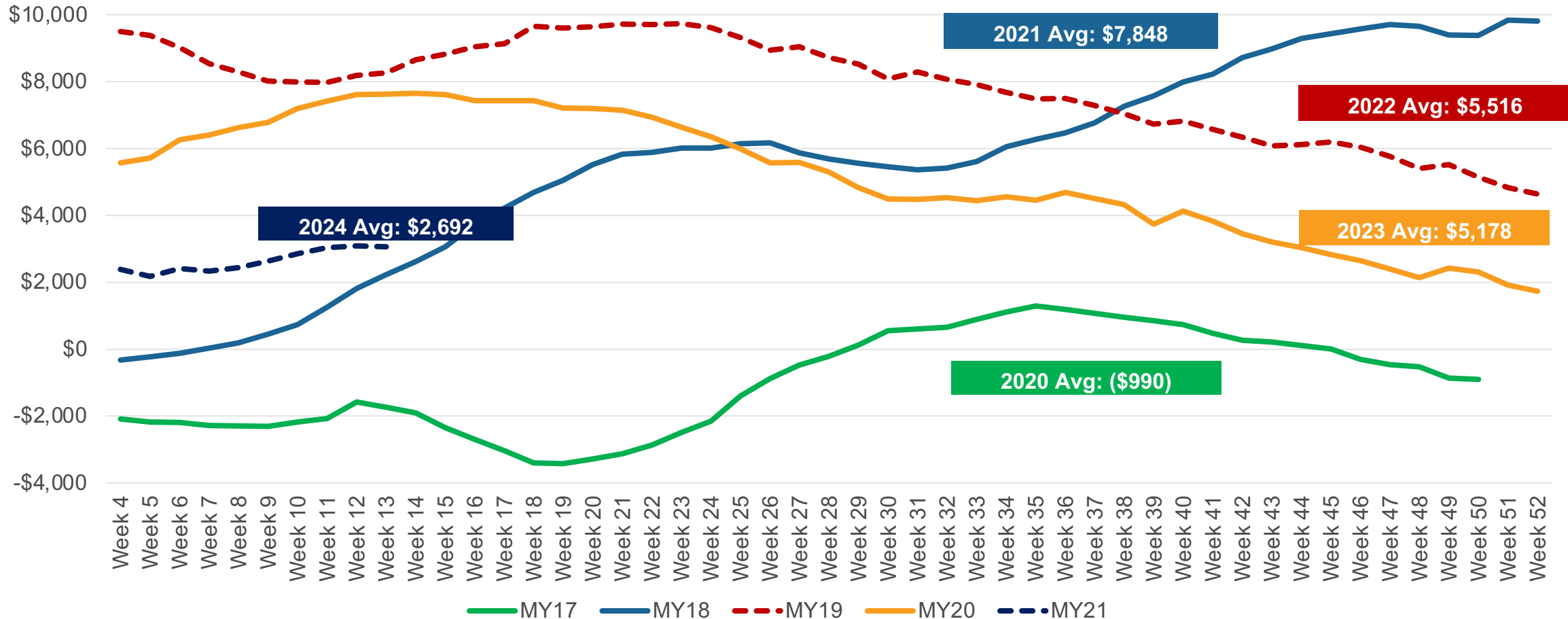


CALE: LEASE EQUITY REMAINS POSITIVE

Lease equity peaked two weeks ago in early spring, and now some brands are approaching negative overall



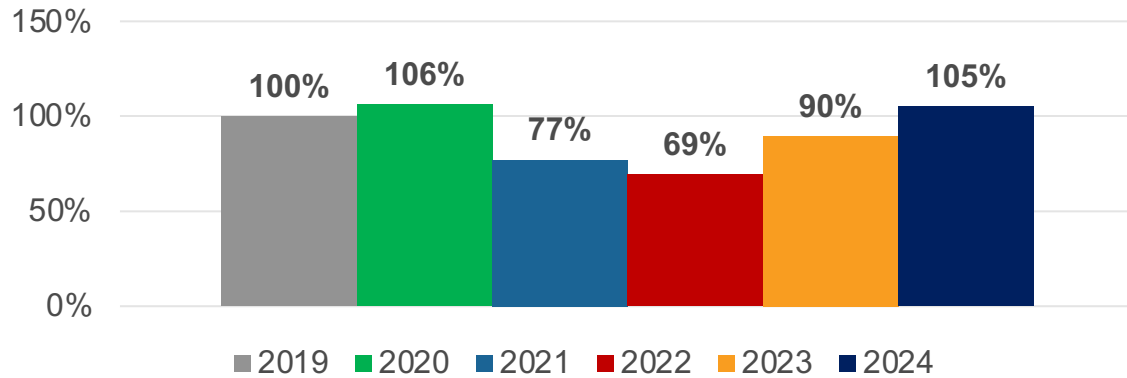
CALE Historical View (36-month term)



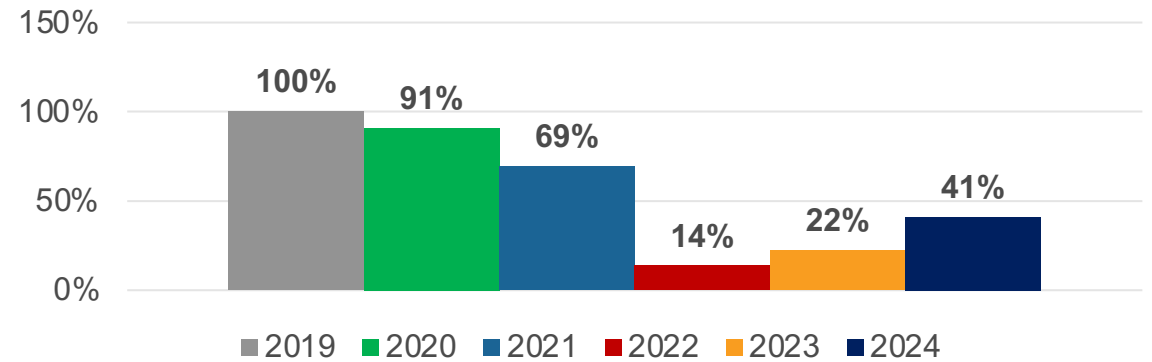
AUCTION CHECK-INS FOR COMMERCIAL SEGMENTS

Repo now up 5% versus 2019 levels, as Lease increases 84% versus 2023 yet much lower against pre-Covid

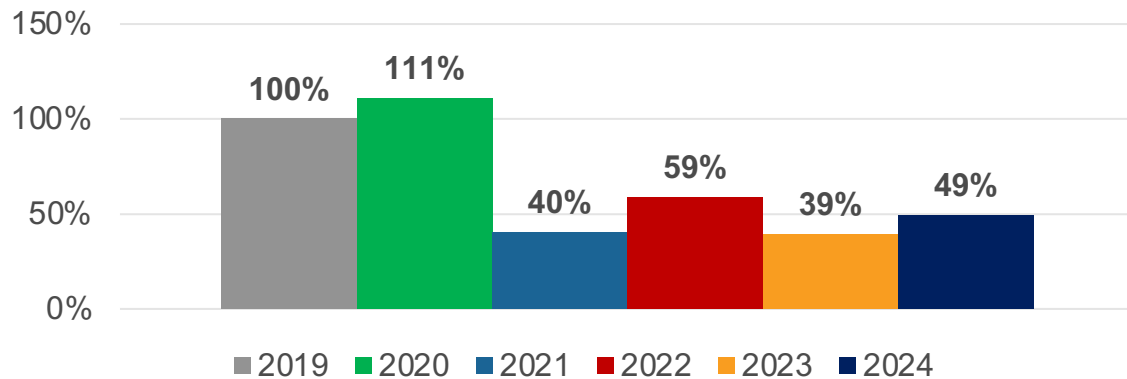
Repo Check-In Index
2019=100



Lease Check-In Index
2019=100



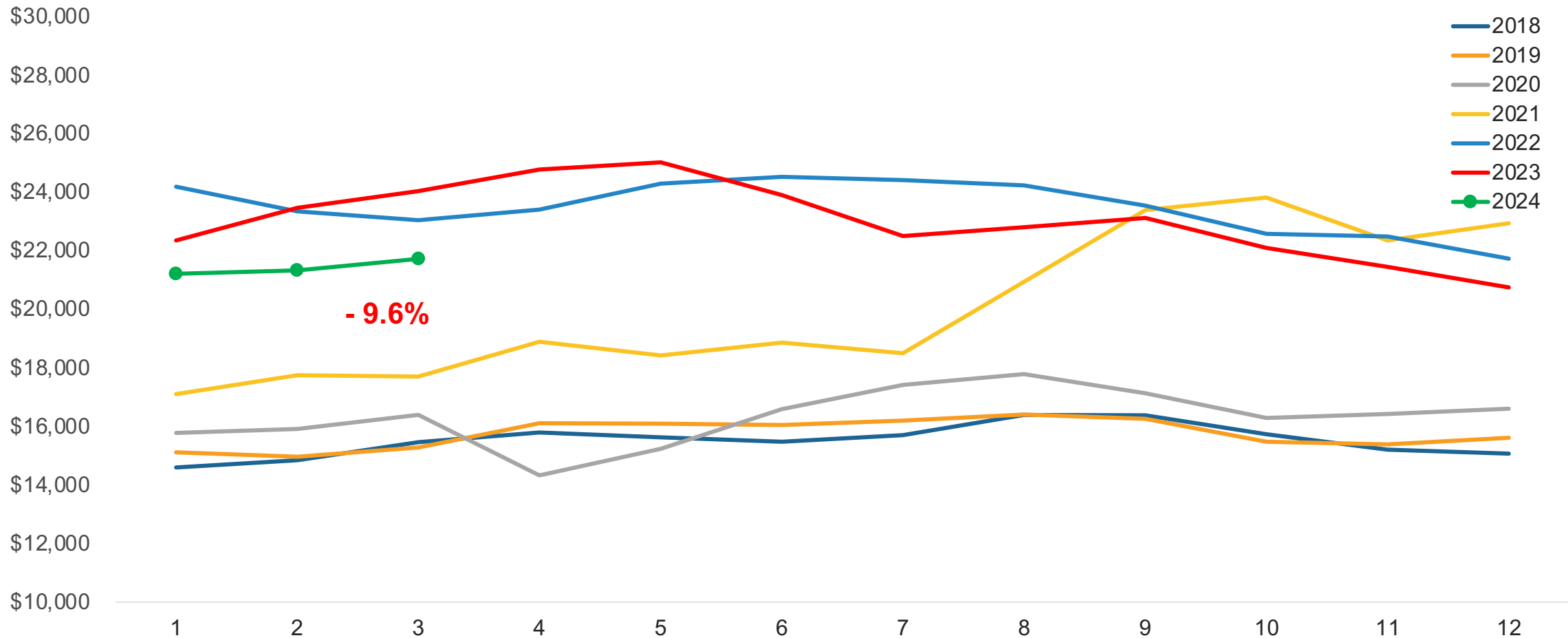
Rental Check-In Index
2019=100



- Repo +17% vs 23' & up +5% vs 19'
- Lease +84% vs 23' yet down (59%) vs 19'
- Rental up 26% vs 23' and down (51%) vs 19'

RENTAL RISK AVERAGE AUCTION PRICES

Prices for units sold in March were down 9.6% year over year but up 1.8% from February



RENTAL RISK VEHICLE VARIETY INCREASING

Shares of top configurations increased versus 2023 with unique configurations up 20% year over year

	2022 Q1	2023 Q1	2024 Q1
Number of unique year, make, model, body configurations sold	2,976	4,263	5,109
Share accounted for top 10 YMMB	18.1%	11.4%	15.2%
Share accounted for top 25 YMMB	30.8%	20.5%	24.7%
Number of YMMB to reach 50% share	68	145	133

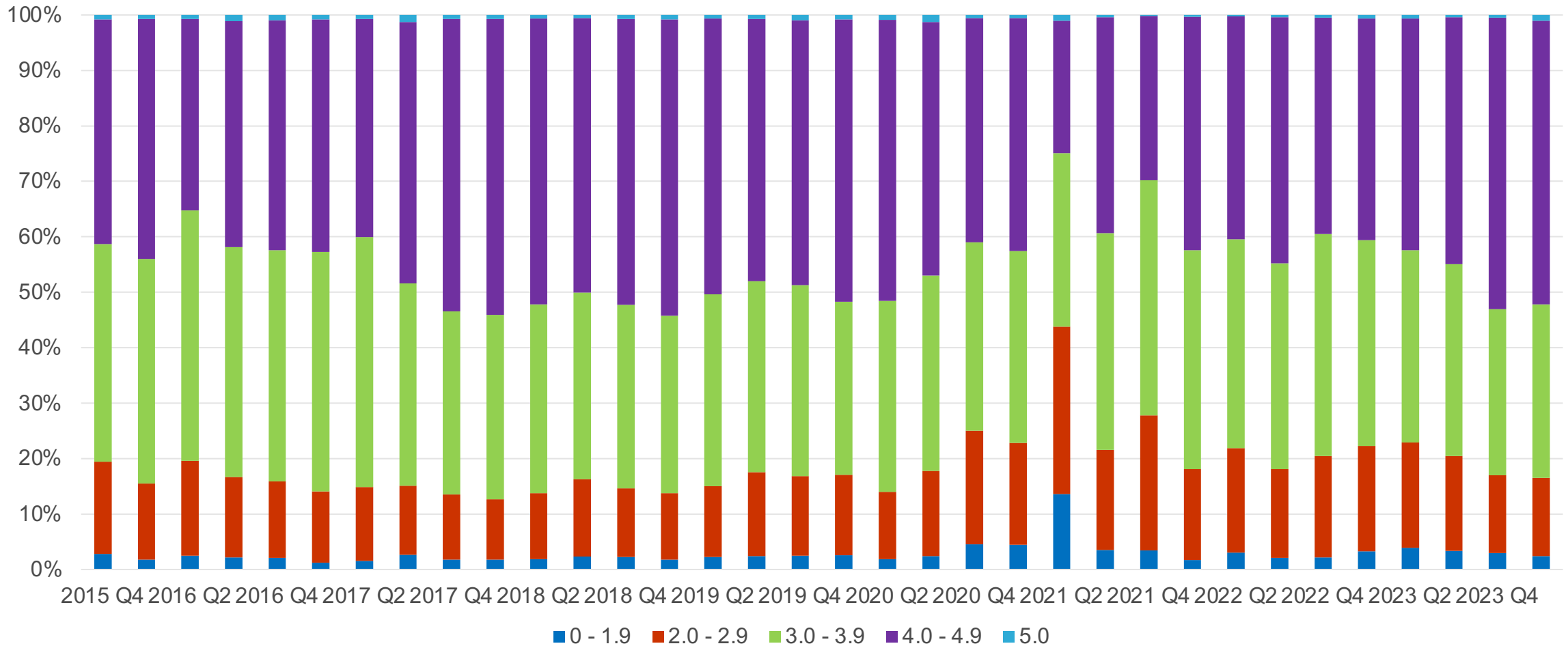
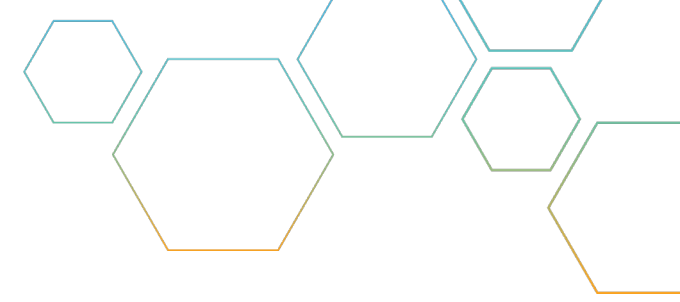
RENTAL RISK AVERAGE MILEAGE

Average mileage in March was down 19% from a year ago but up 12% from February



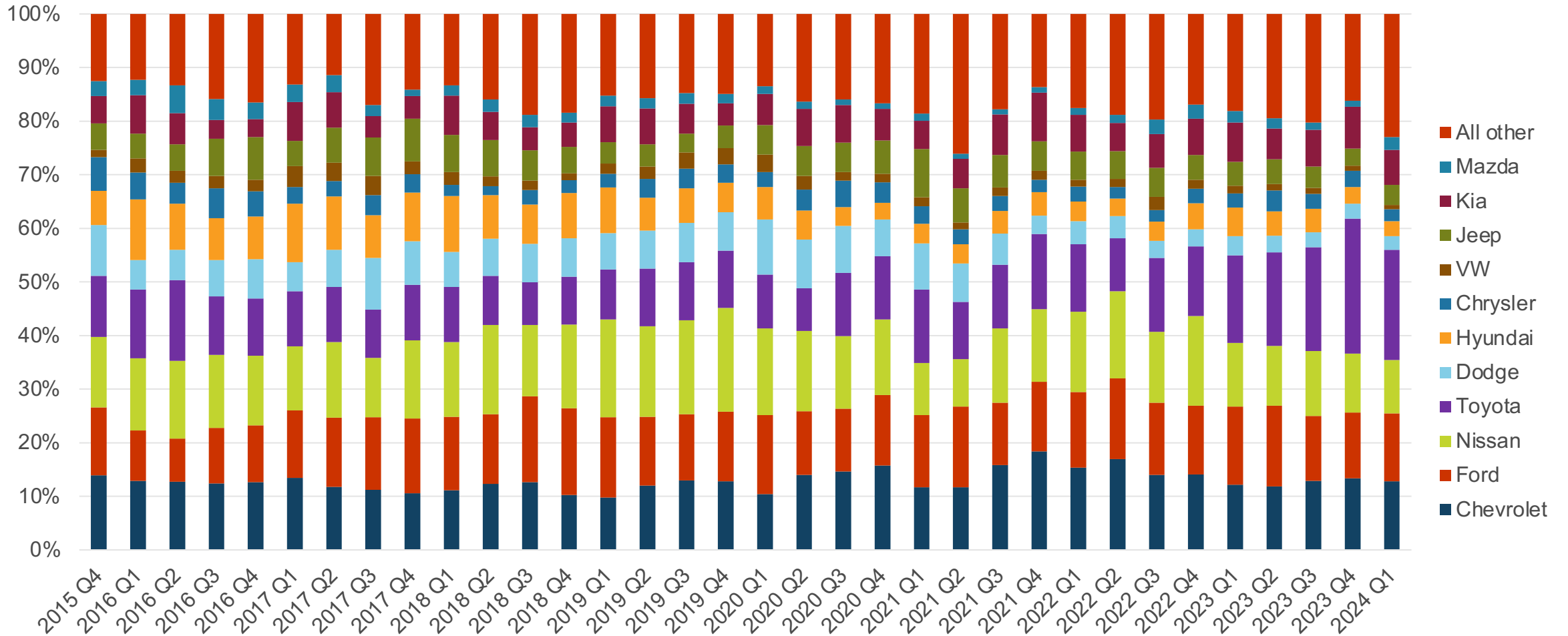
RENTAL RISK SALES CONDITION

Little change from previous quarter



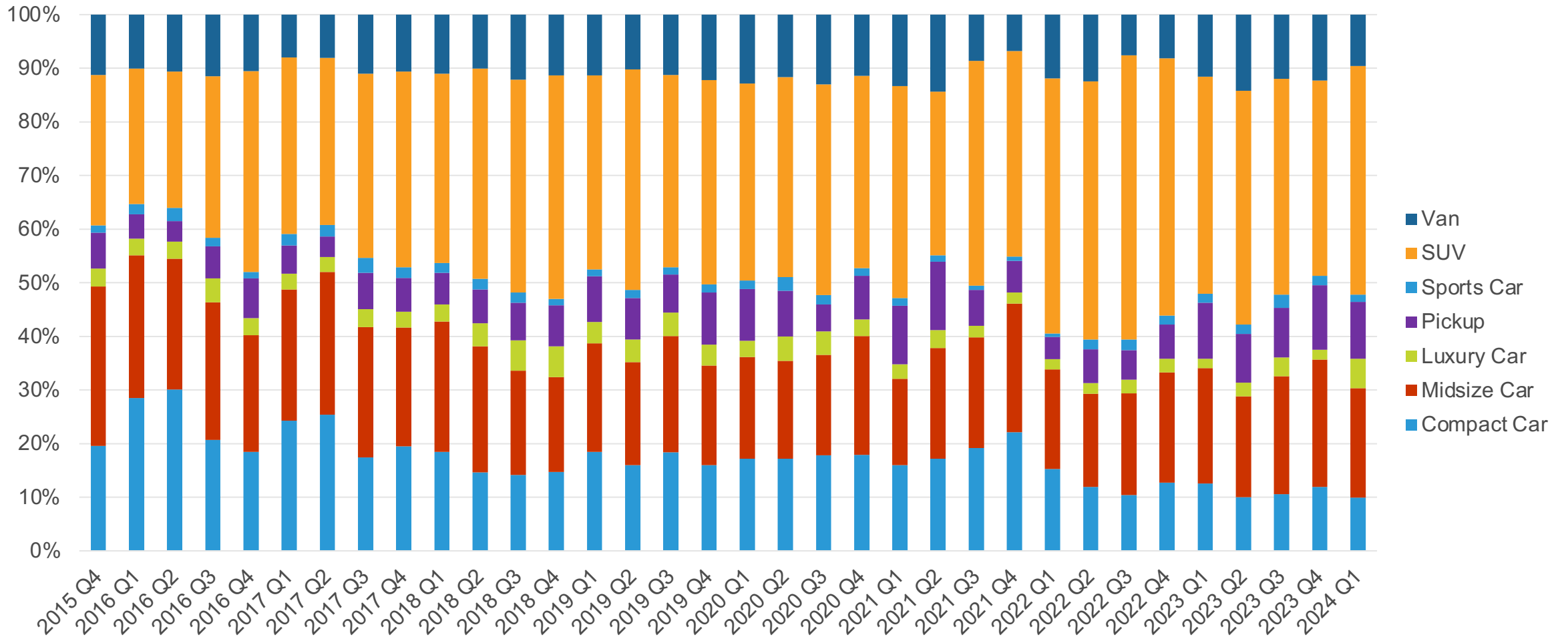
RENTAL RISK SALES BY MAKE

“All other” gains, while Toyota drops compared to last quarter



RENTAL RISK SALES BY VEHICLE SEGMENT

Luxury and SUVs are up, while all other segments are down from Q4 2023



MANHEIM INSIGHTS ON TOP VOLUME VEHICLES

Price trends on top selling vehicles for March mostly showed appreciation in values, which is seasonally normal

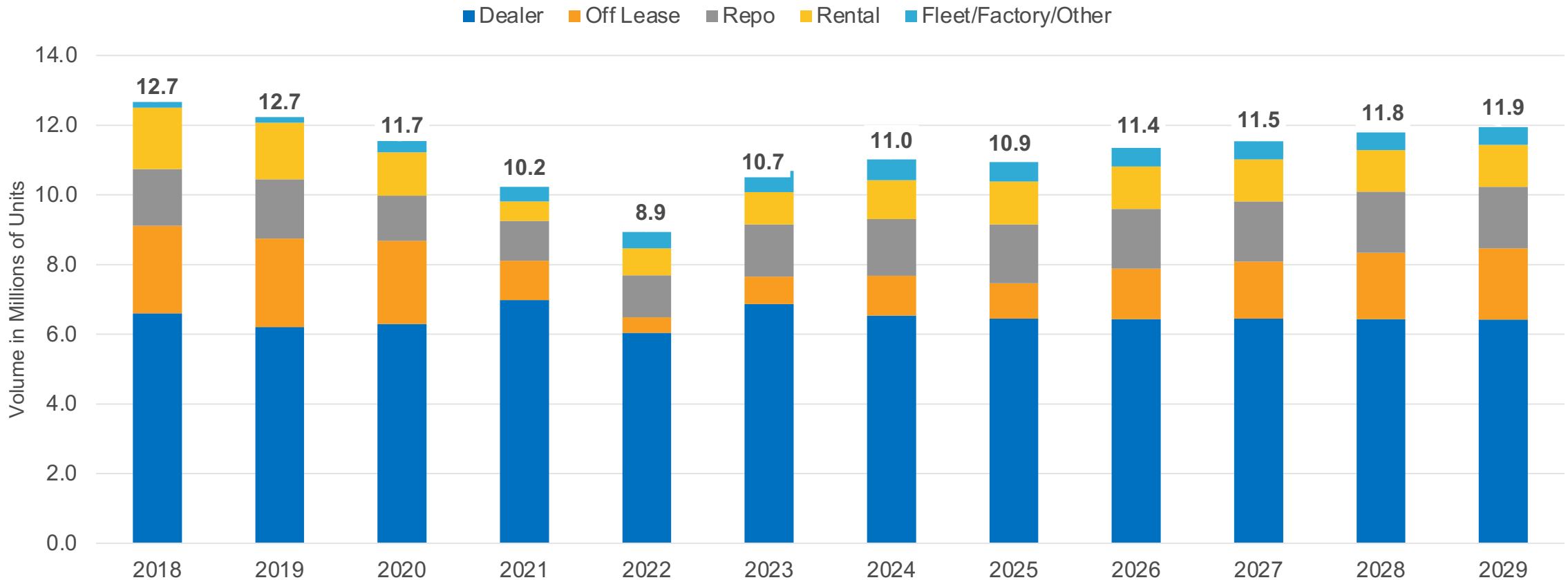


Rank	Source(Rank)	Category	Subcategory	Vehicle	1-Mar	Past 30 Days	Last Year	Current Dep	L12M Dep/Mo
1	All	SUV	SUV MIDSIZE	2021 FORD EXPLORER 4WD 4C 4D SUV XLT	\$26,764	\$26,304	\$34,609	1.7%	-1.9%
2	All	Compact Car	COMPACT CAR PREMIUM	2021 TOYOTA COROLLA 4D SEDAN LE	\$16,816	\$15,724	\$21,277	6.9%	-1.7%
3	All	SUV	SUV MIDSIZE	2021 NISSAN ROGUE AWD 4D SUV SV	\$21,107	\$20,382	\$27,473	3.6%	-1.9%
4	All	Truck	PICKUP LITE DUTY FULLS	2021 FORD F150 4WD V6 CREW CAB 2.7L XLT	\$36,212	\$35,476	\$43,485	2.1%	-1.4%
5	All	Midsize Car	MIDSIZE CAR ENTRY	2022 CHEVROLET MALIBU 4D SEDAN LT	\$17,946	\$16,726	\$21,914	7.3%	-1.5%
1 Dealer	Dealer	Compact Car	COMPACT CAR PREMIUM	2021 TOYOTA COROLLA 4D SEDAN LE	\$16,816	\$15,724	\$21,277	6.9%	-1.7%
1 Lease	Lease	SUV	SUV MIDSIZE	2021 FORD EXPLORER 4WD 4C 4D SUV XLT	\$26,764	\$26,304	\$34,609	1.7%	-1.9%
1 Rental	Rental	Luxury	LUXURY CAR PREMIUM	2022 TESLA MODEL 3 AWD 4D SEDAN LONG RANGE	\$25,859	\$26,030	\$41,477	-0.7%	-3.1%

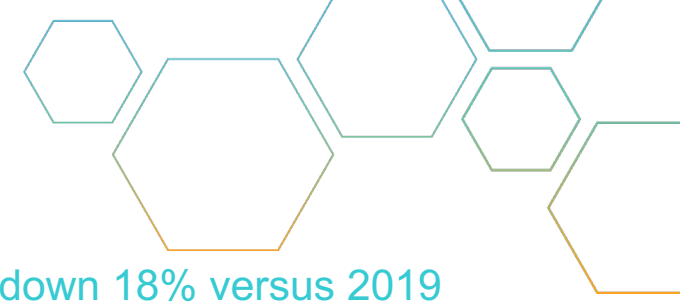
WHOLESALE VOLUME ESTIMATES

After 13% decline in 2022, the wholesale market should gradually recover, impacted by lower new sales in 21' & 22'

Estimated Wholesale Volumes by Inflow Channel (Annual Volume)
(millions)



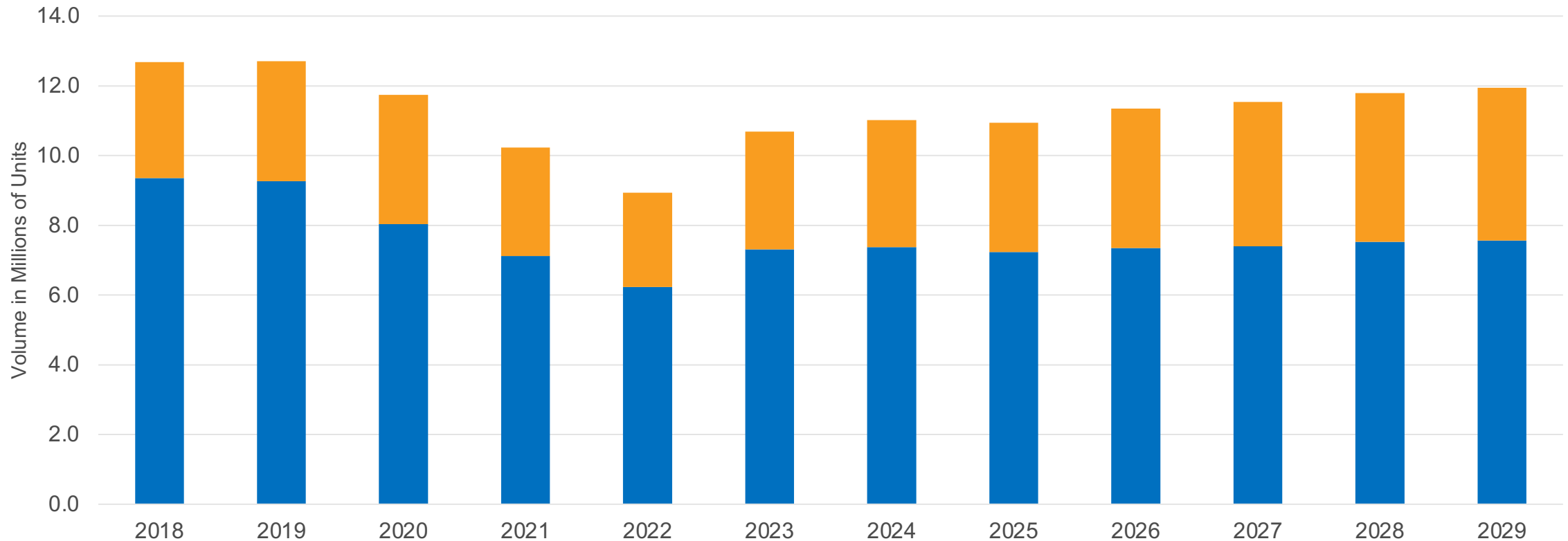
ON-SITE PHYSICAL VERSUS OFFSITE AUCTION VOLUMES



With gradual shift to more transactions offsite and fully digital, onsite volume in 2029 will be down 18% versus 2019

Wholesale Onsite/Physical vs Offsite
(millions)

■ OnSite/Physical ■ Offsite Digital

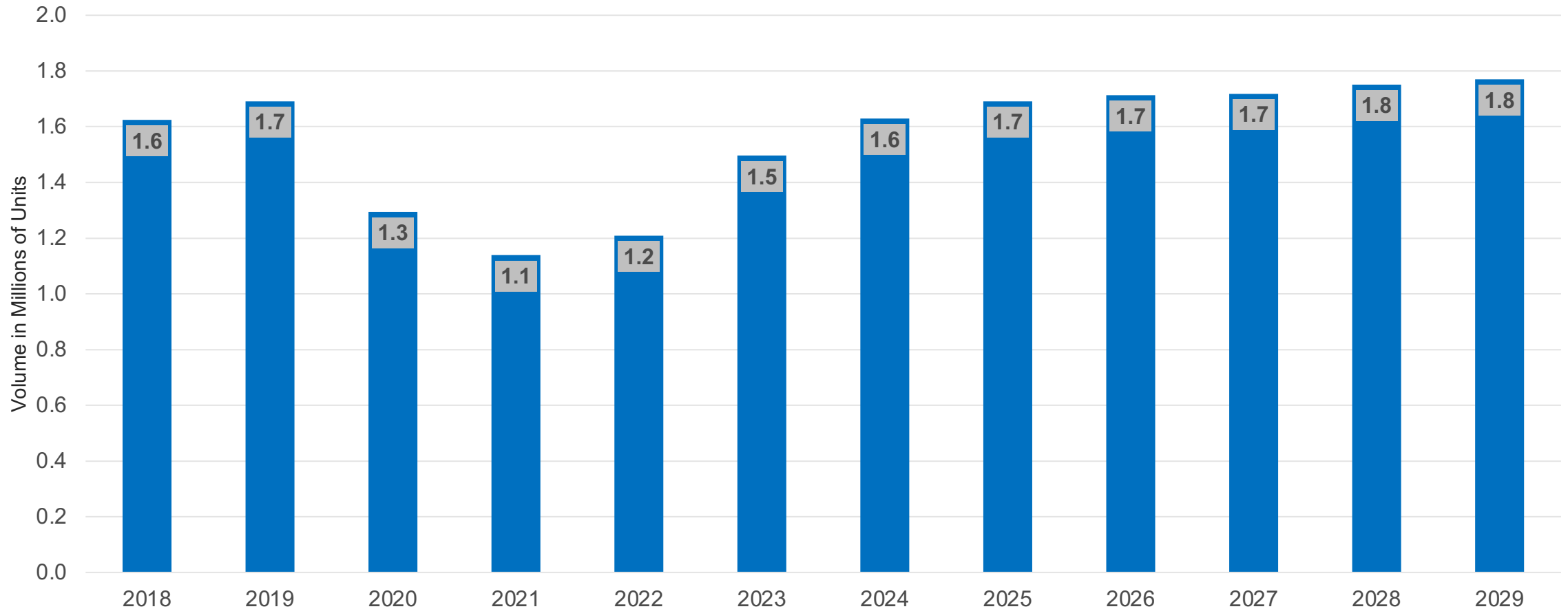


REPOSSESSIONS

Longer term expect normalized default rates by credit tier resulting in higher defaults in 25' compared to 18'

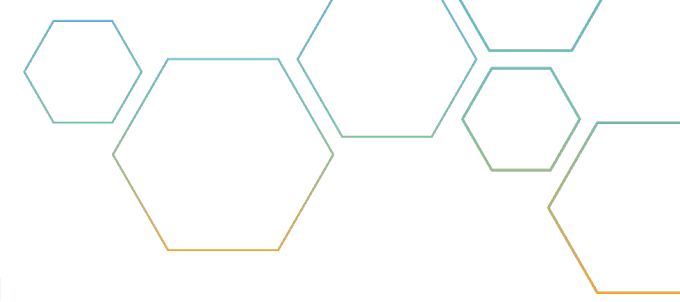


Estimated Repossession Volume

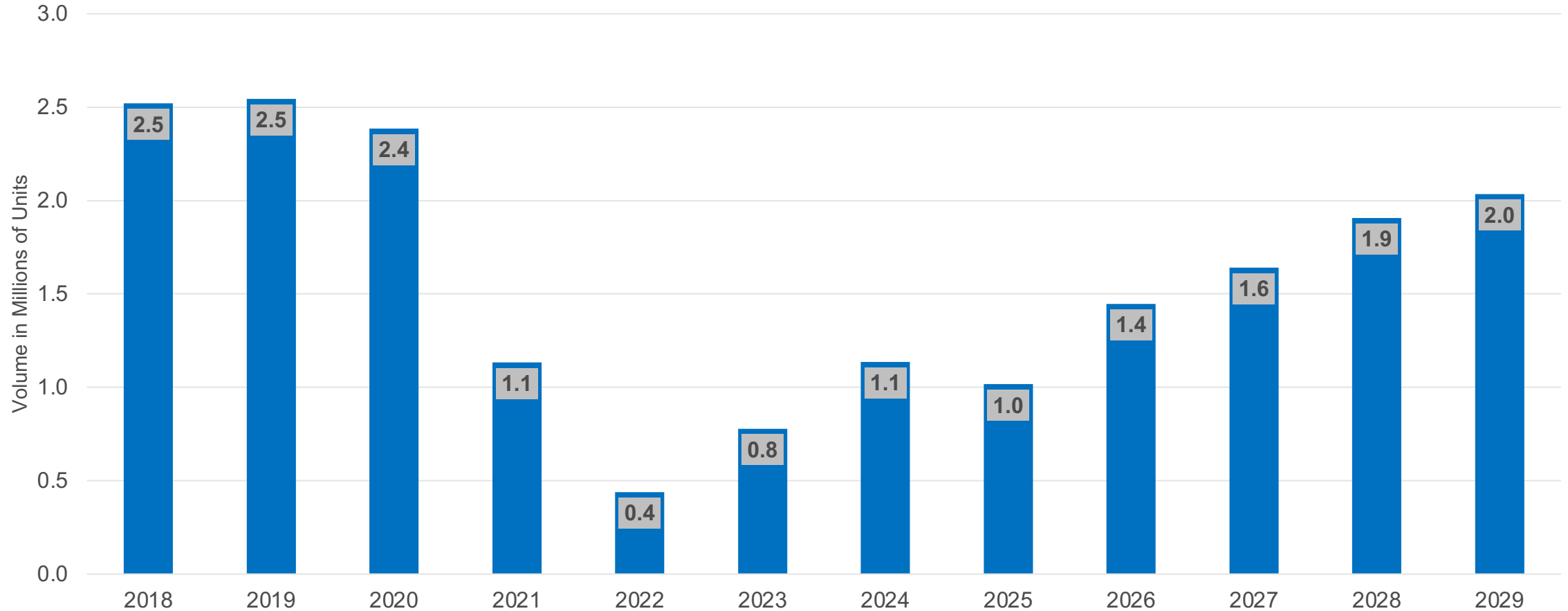


OFF LEASE RETURNS

Return rate hit historical low of 11% in 2022 vs 62% in 2019; now lease maturities are falling

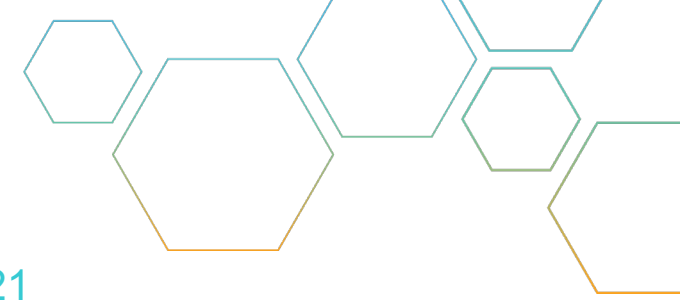


Off Lease Returns

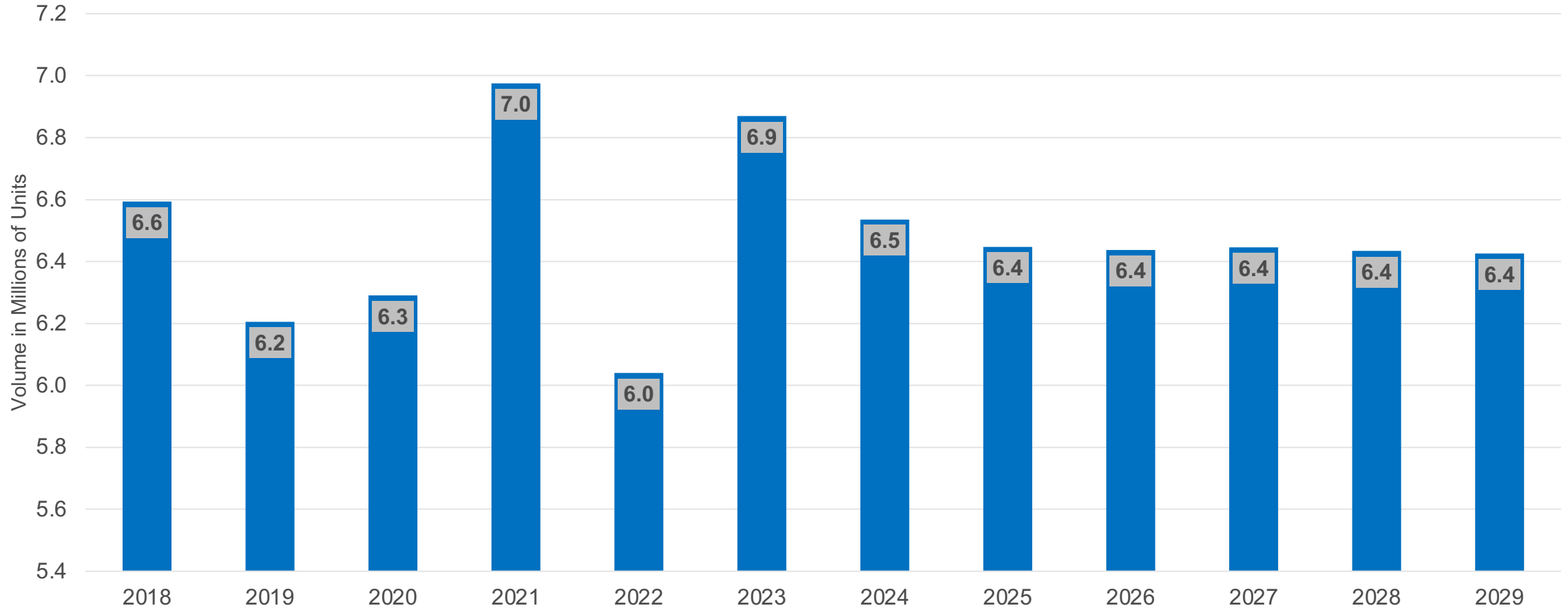


DEALER VOLUMES

Off-lease arbitrage and record retail sales powered 11% jump in dealer consignments in 2021



Estimated Dealer Volumes

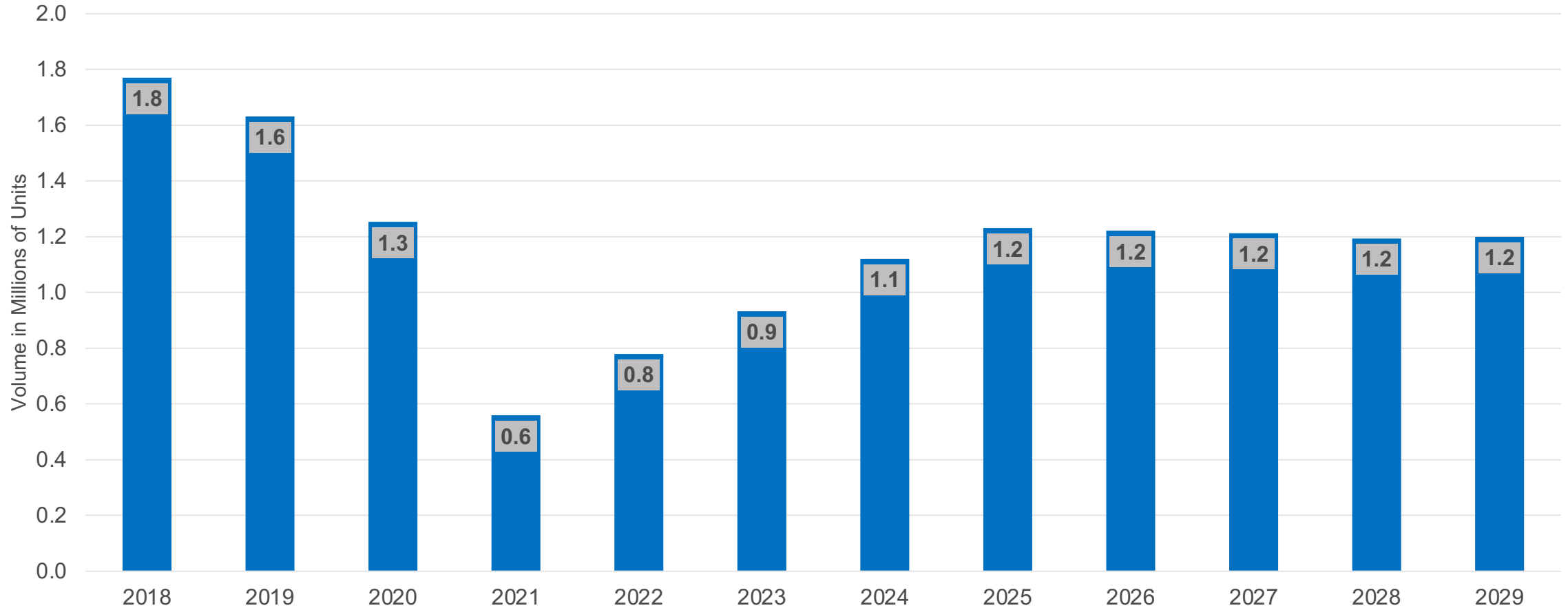


RENTAL VOLUMES

Total fleet size will expand but still fall short of pre-pandemic levels as share of new market recovers

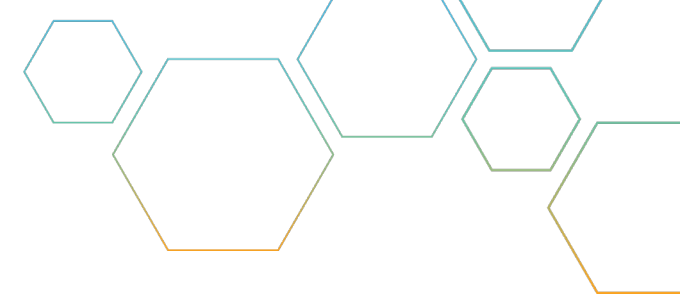


Estimated Rental Volumes

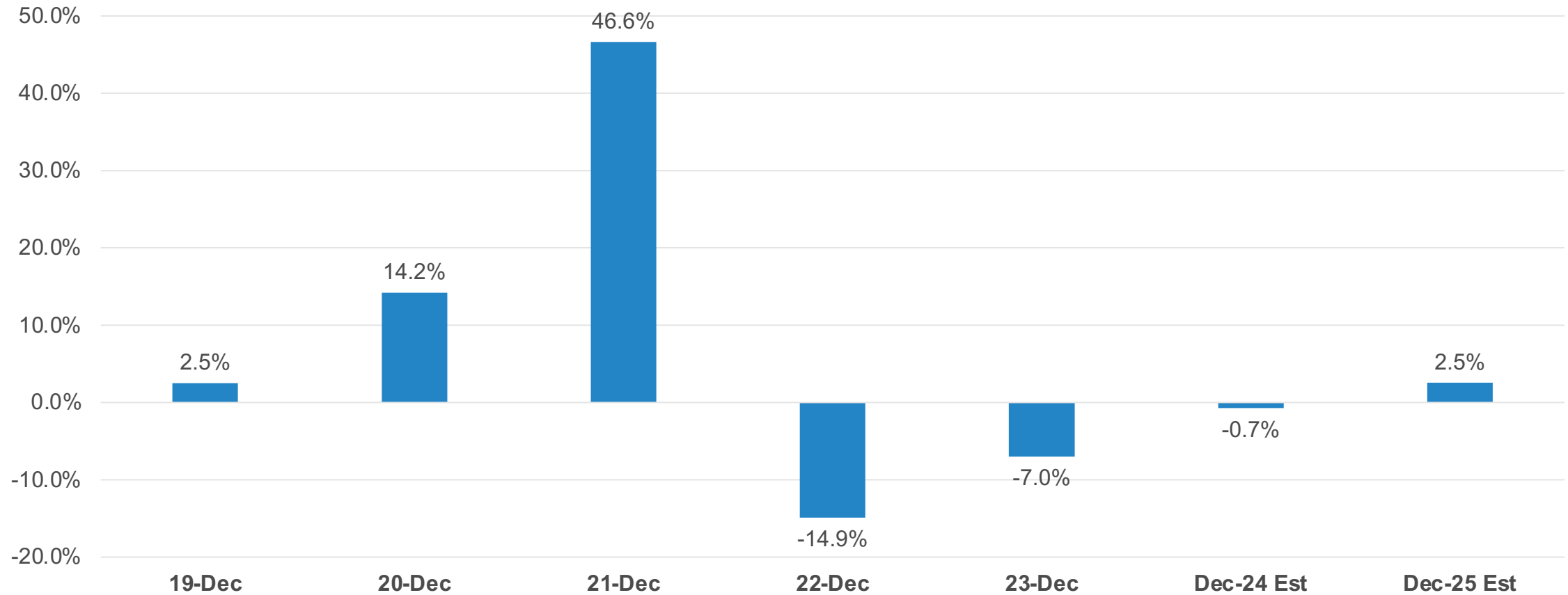


DEPRECIATION

Only a modest decline expected in 2024 as used values align with new prices

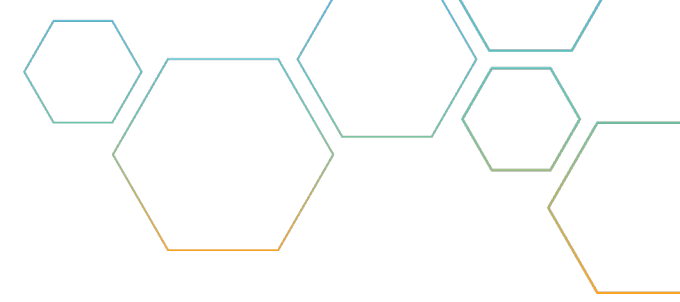


Y/Y % Change Manheim Index, as of December

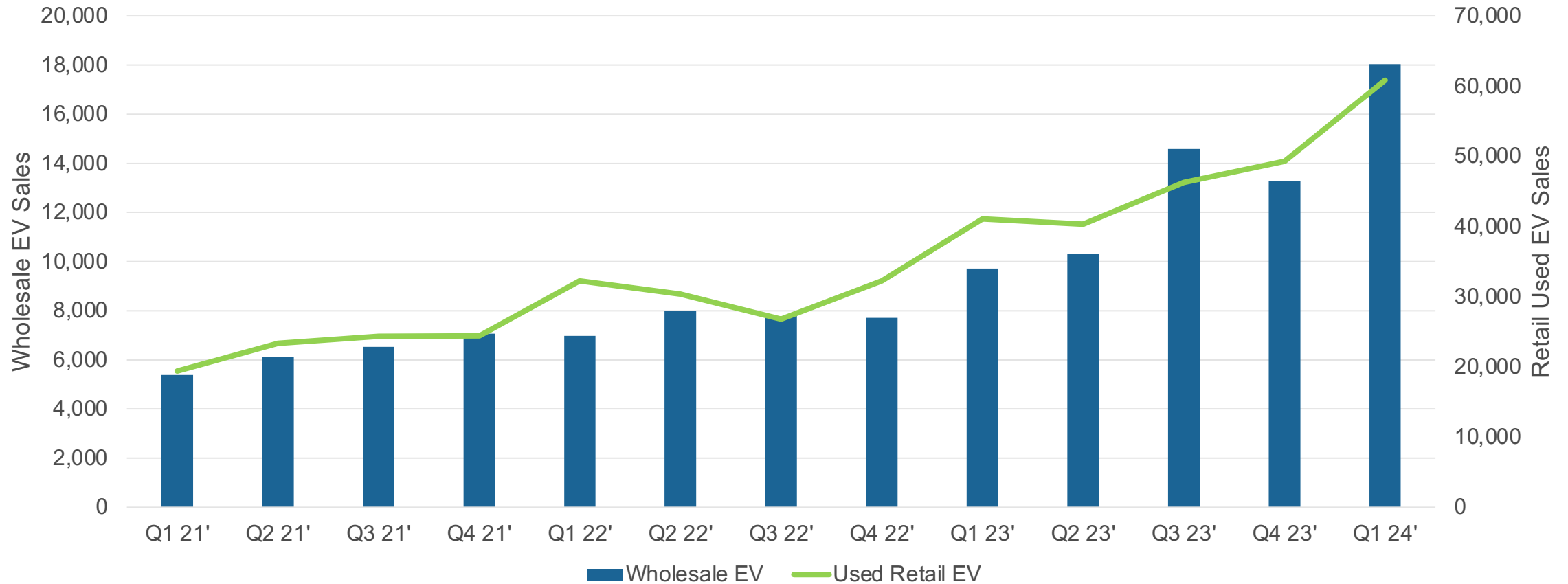


EV TRANSACTIONS

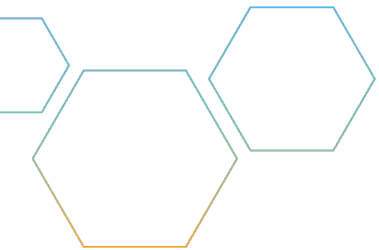
Manheim EV sales are up 86% in Q1 year over year as used retail EV growth is up 48%



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



**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%)



Q&A



COX AUTOMOTIVE



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/

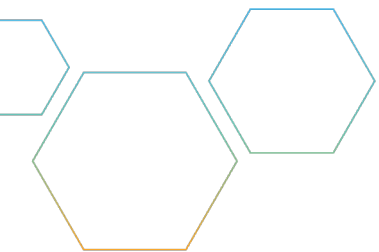
Fresh content from Chief Economist Jonathan Smoke and the Industry Insights team is published regularly.

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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COX AUTOMOTIVE

