

COX
AUTOMOTIVE

Industry Insights and 2026 Forecast Call

Dec. 17, 2025



Jonathan Smoke
Chief Strategy Officer



Agenda

Time Check: 60 Minutes

Intro & Cox Automotive

Mark Schirmer, Director, Corporate Communications
Jonathan Smoke, Chief Strategy Officer

The Economy

Jeremy Robb, Interim Chief Economist

Pricing in a K-shaped Economy

Erin Keating, Executive Analyst

New-Vehicle Market

Charlie Chesbrough, Senior Economist

Electrified Market

Stephanie Valdez Streaty, Director, Industry Insights

Used-Vehicle Market

Jonathan Gregory, Senior Manager, Economic and Industry Insights

2026 Forecasts

Jonathan Smoke, Chief Strategy Officer
Jeremy Robb, Interim Chief Economist

Q&A

w/ **Mark Strand**, Deputy Chief Economist

The Economy

Jeremy Robb
Interim Chief Economist








Year in Review

1. **A Windchill Economy:** The U.S. consumer may feel the cold, but most economic indicators remain mildly positive; sentiment reflects cumulative inflation pain despite stable fundamentals
2. **Bifurcation Intensified:** High-income strength versus low-income strain
3. **Tariff Pain:** Major volatility in the U.S. economy pushes the K-shaped narrative beyond consumers to business firms
4. **Roller Coaster:** The industry experienced ups and downs, as policy changes shifted the landscape, drove and crashed sales

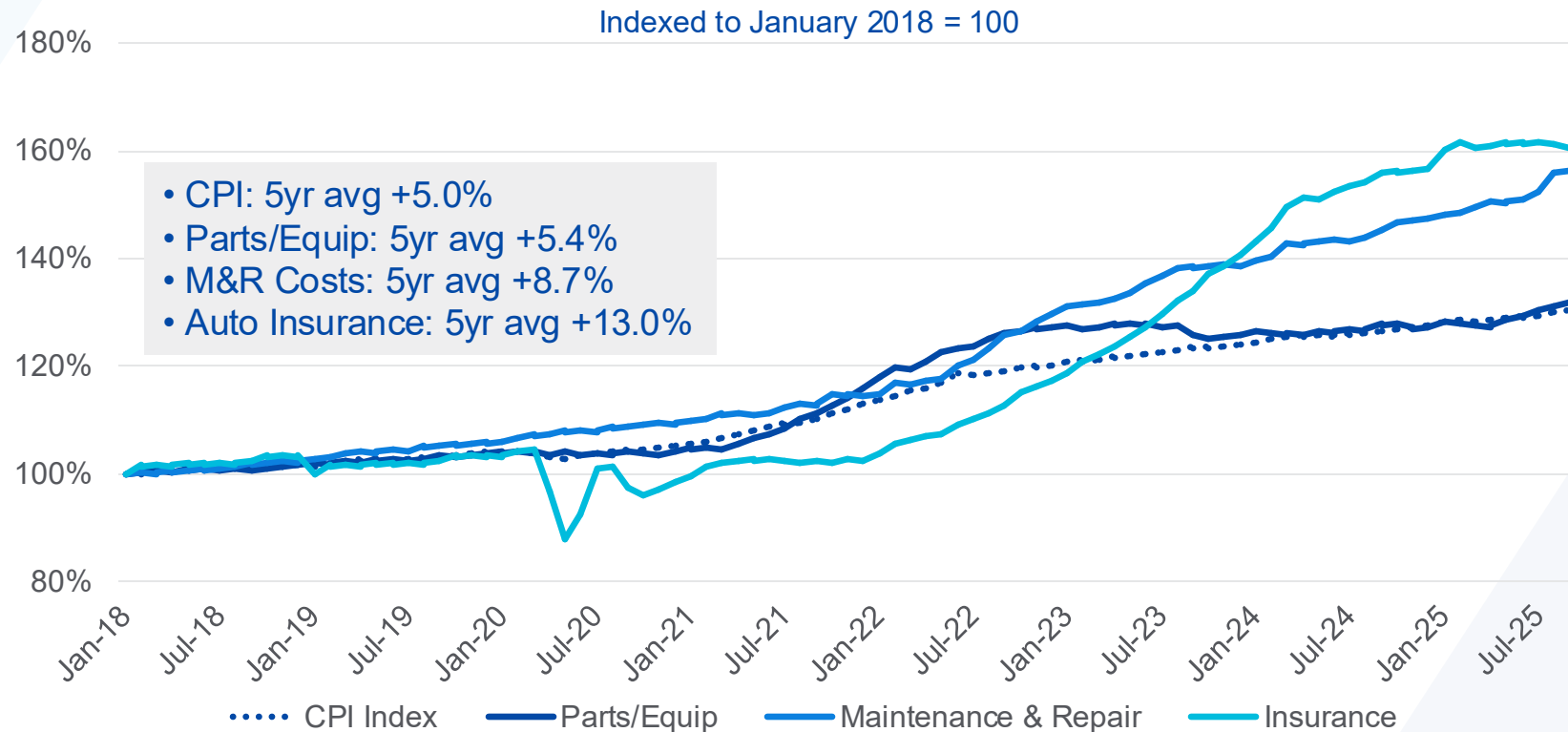


Economic Signals

Overall Economy	Real GDP Growth	1.9% (Q4 '24)	3.6% (Q3 '25 F)	+1.0% (Q4 '25 F)	
Employment Conditions	U3 Unemployment Rate	4.2% (November '24)	4.4% (September '25)	4.6% (November '25)	
Buyer Ability	Disposable Income Y/Y	5.1% (September '24)	4.8% (August '25)	4.8% (September '25)	
Borrowing Costs	Average New Auto Loan Rate	8.68% (Dec '24)	9.01% (Nov '25)	9.31% (Dec MTD '25)	
Credit Availability	New Loan Credit Index <small>(Higher values = Better credit conditions)</small>	99.2 (November '24)	103.4 (October '25)	104.6 (November '25)	

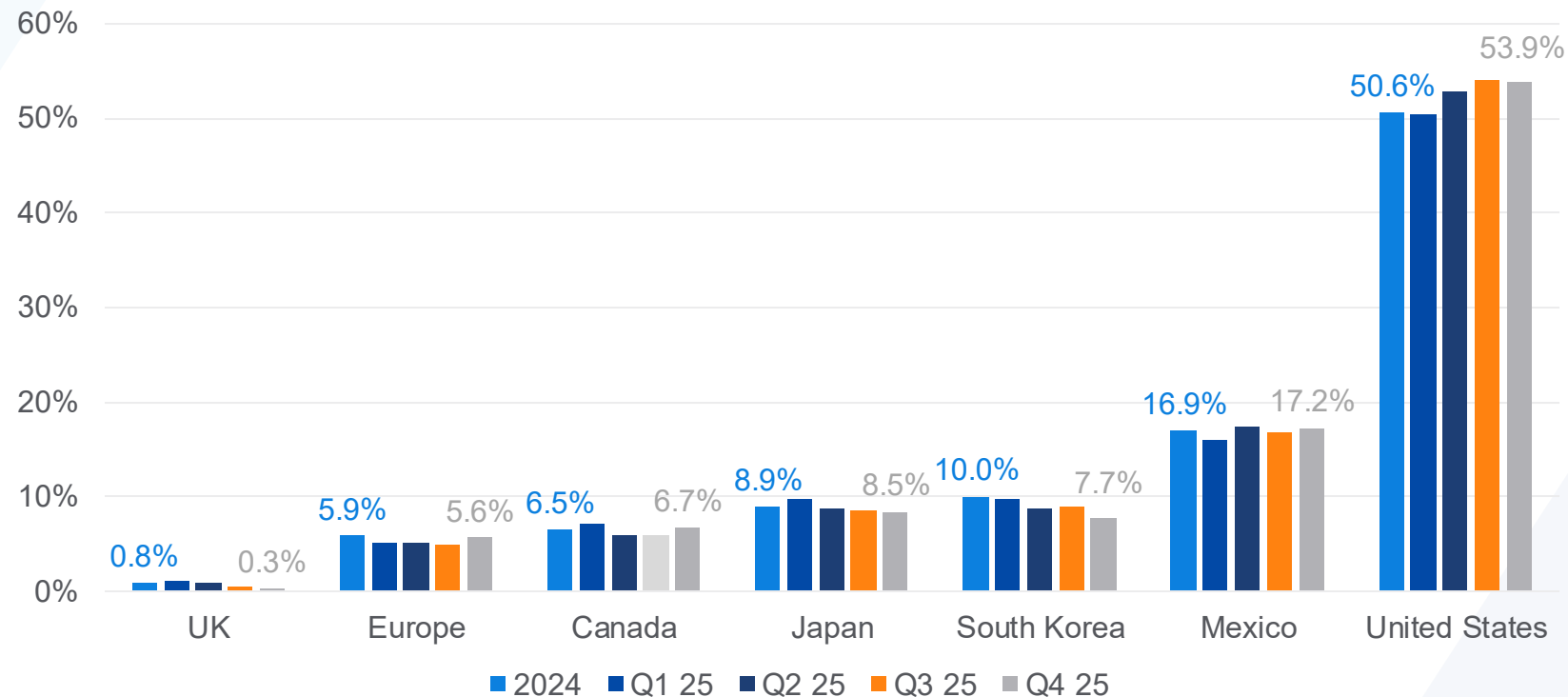
Inflation Impact on Core Automotive Factors

Compared to overall Consumer Price Index, automotive-related costs have risen faster



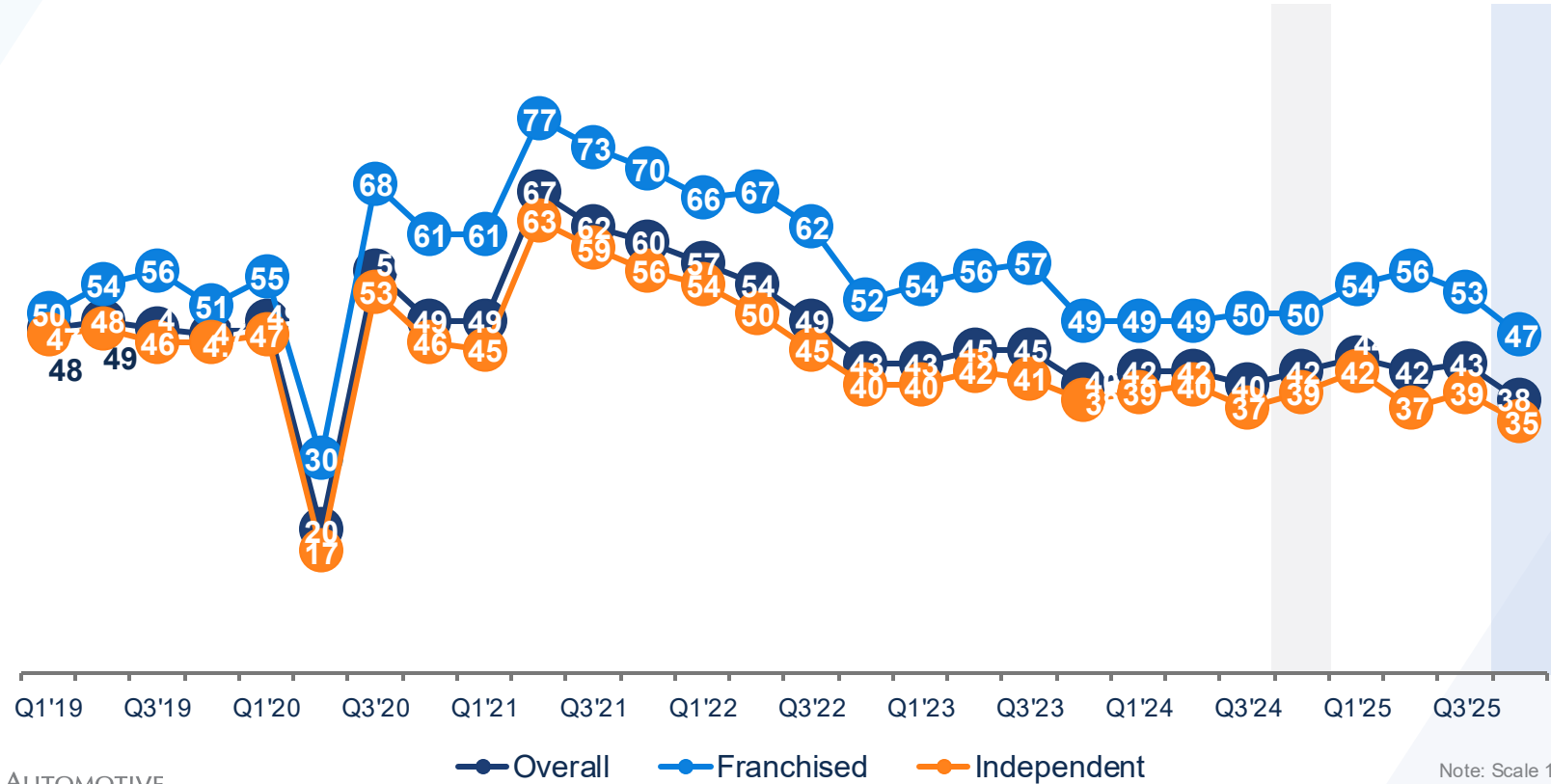
The Geography of Auto Manufacturing Is Shifting

Share of vehicles produced by country has begun to shift



Q4 2025 Dealer Sentiment: Current Market Decline

Strong



Weak

Q4 2025 Dealer Sentiment: Factors Holding Back Business

OVERALL RANK

		Q4 '25	Q3 '25	Q4 '24	Q4 '23
1	Economy	51% ↑	44%	56%	61%
2	Interest Rates	43%	43%	52%	65%
3	Market Conditions	41% ↑	36%	37%	48%
4	Consumer Confidence	34%	31%	30%	29%
5	Political Climate	34% ↑	28%	35%	32%
6	Expenses	30%	33%	33%	31%
7	Limited Inventory	26%	28%	29%	33%
8	Credit Availability for Consumers	26%	25%	28%	34%
9	Tariffs on Imported Vehicles and Parts	22%	20%	2%	2%
10	Cost of Vehicle Insurance for Consumers	20%	19%	N/A	N/A



Significant decrease vs previous quarter



Significant increase vs previous quarter

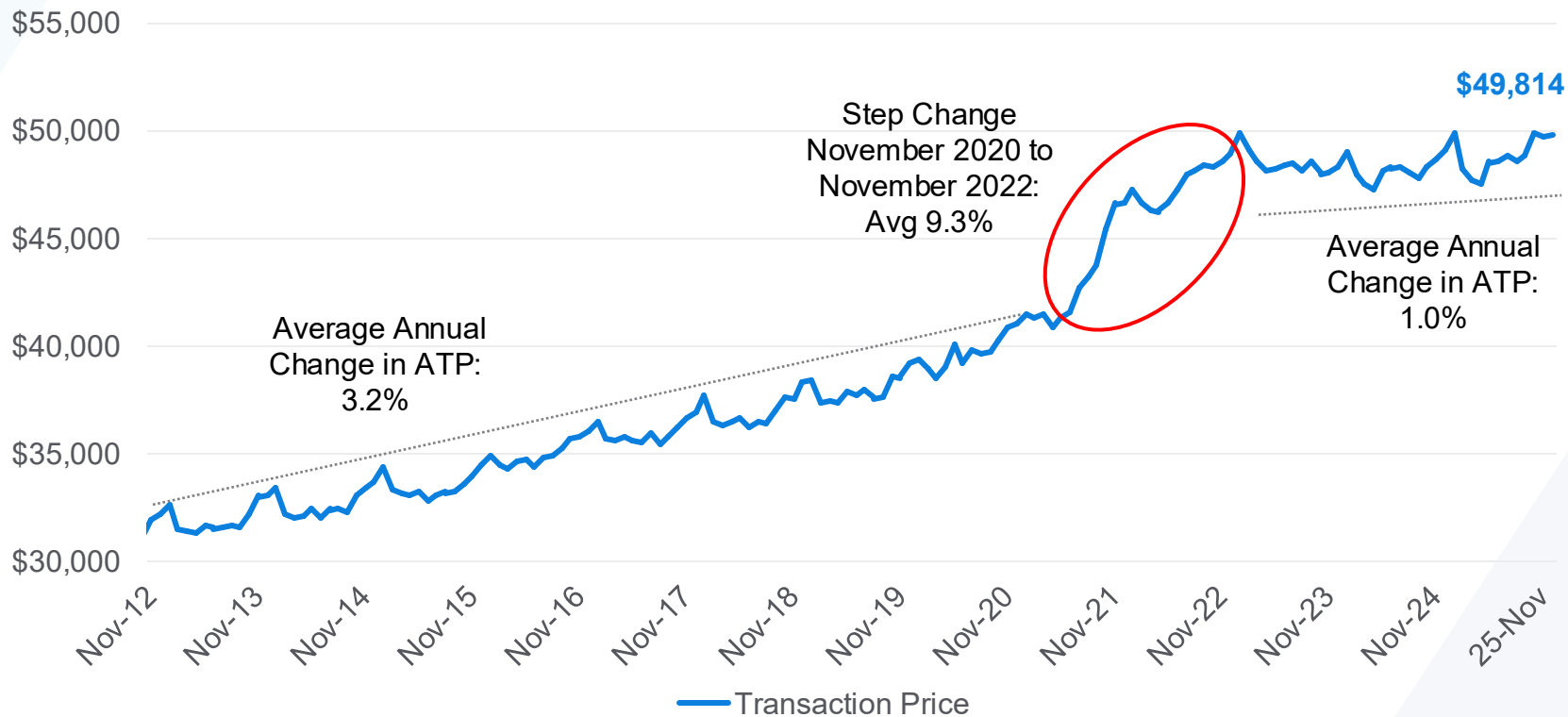
Vehicle Pricing in a K-Shaped Economy

Erin Keating
Executive Analyst



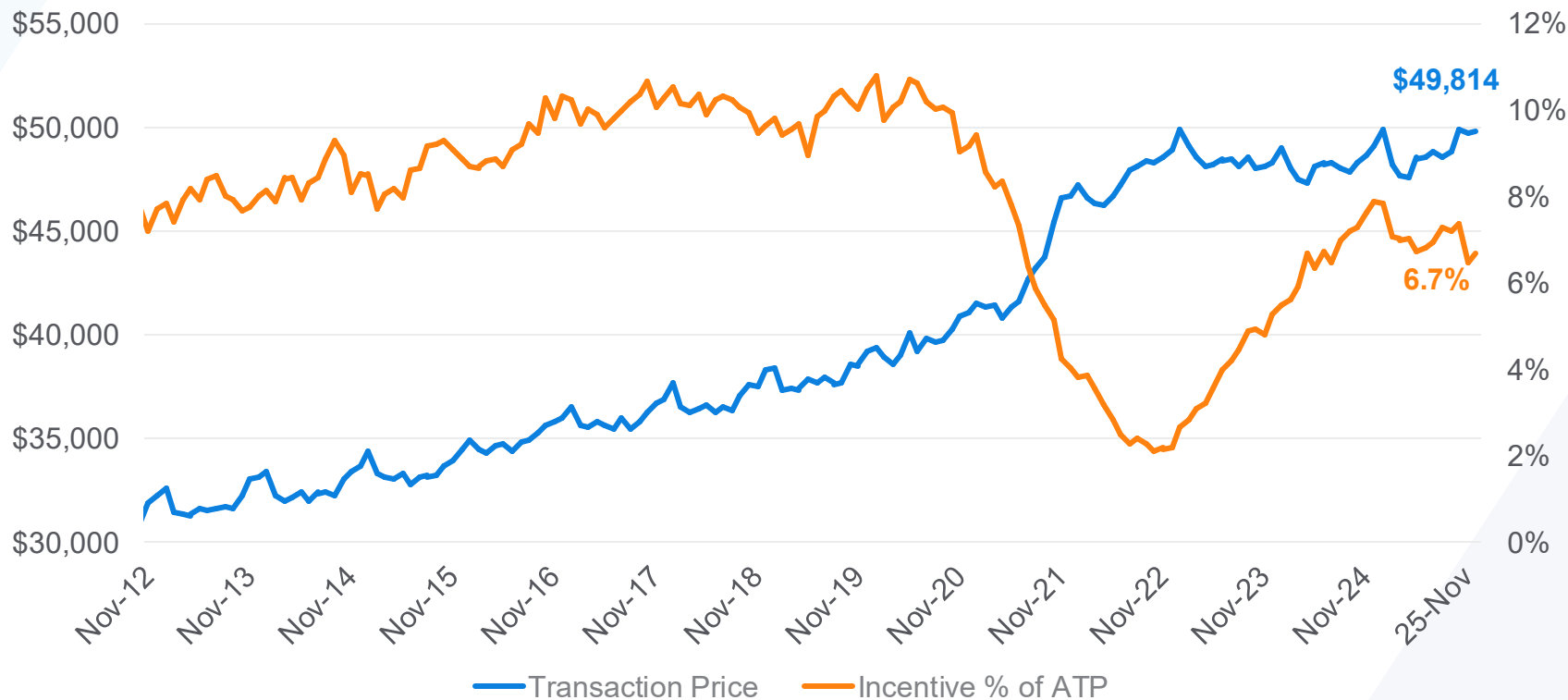
New-Vehicle Average Transaction Price

Pandemic-induced production and supply chain constraints fundamentally changed pricing



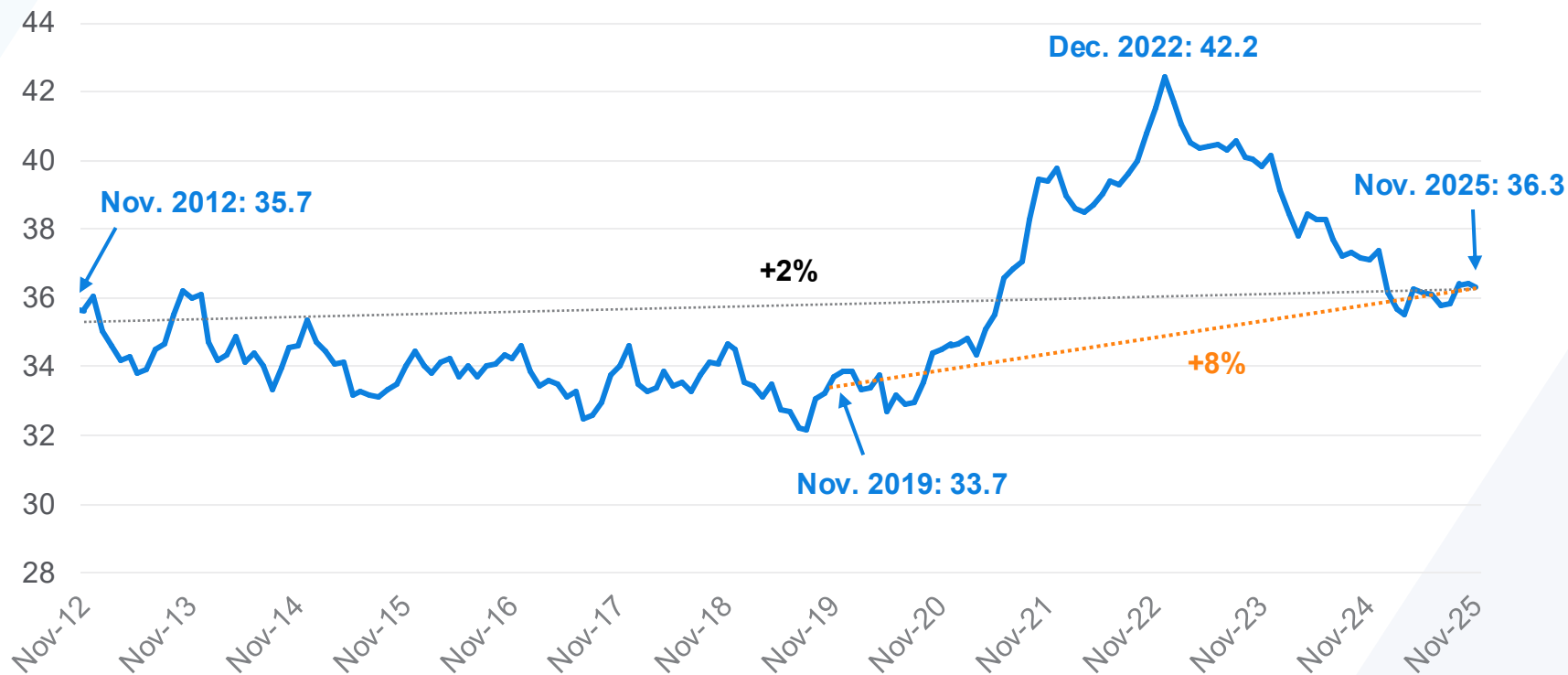
Incentive Levels Stabilizing Below Pre-Pandemic Norms

Historically, incentives have been 8%+, helping keep prices lower and SAAR higher



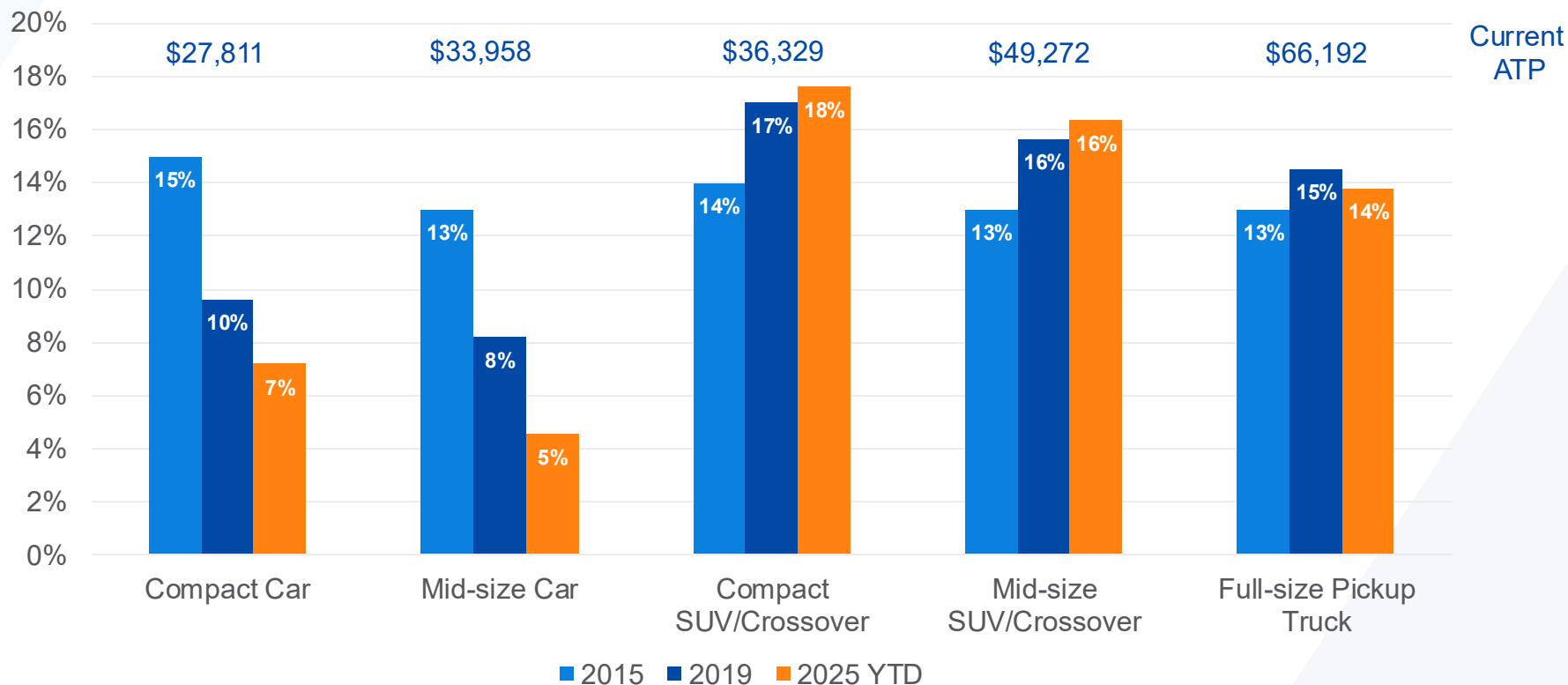
Vehicle Affordability Index

Weeks of average household income needed to purchase a new vehicle



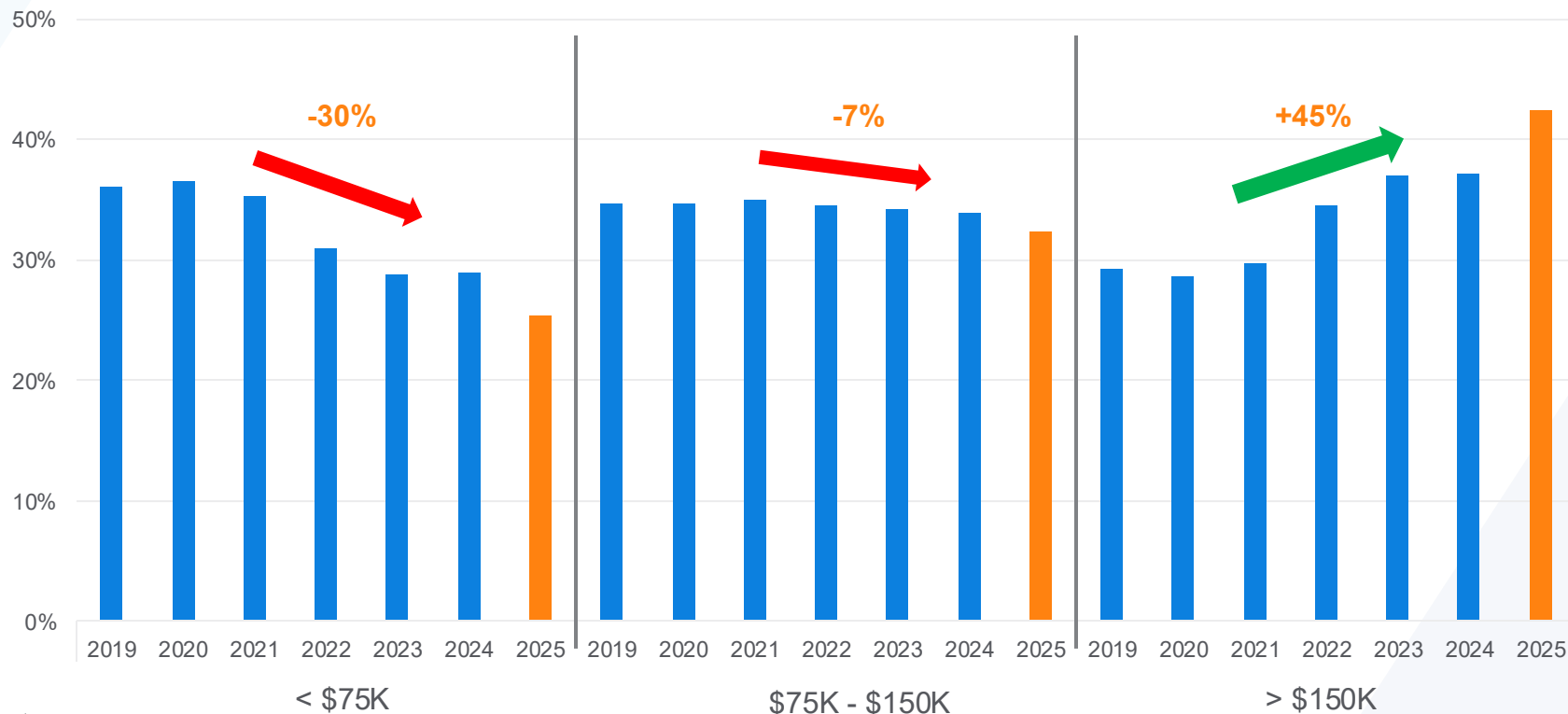
Consumer Preference Drives Product Shift, Higher ATPs

Less expensive vehicles continue to lose share to larger, utility-oriented vehicles at higher prices



New Car Buyer Incomes Shifts Higher

Share of sales to <\$75k incomes have dropped by 30 ppts since 2019; >\$150k has gained 45 ppts



New-Vehicle Market Performance

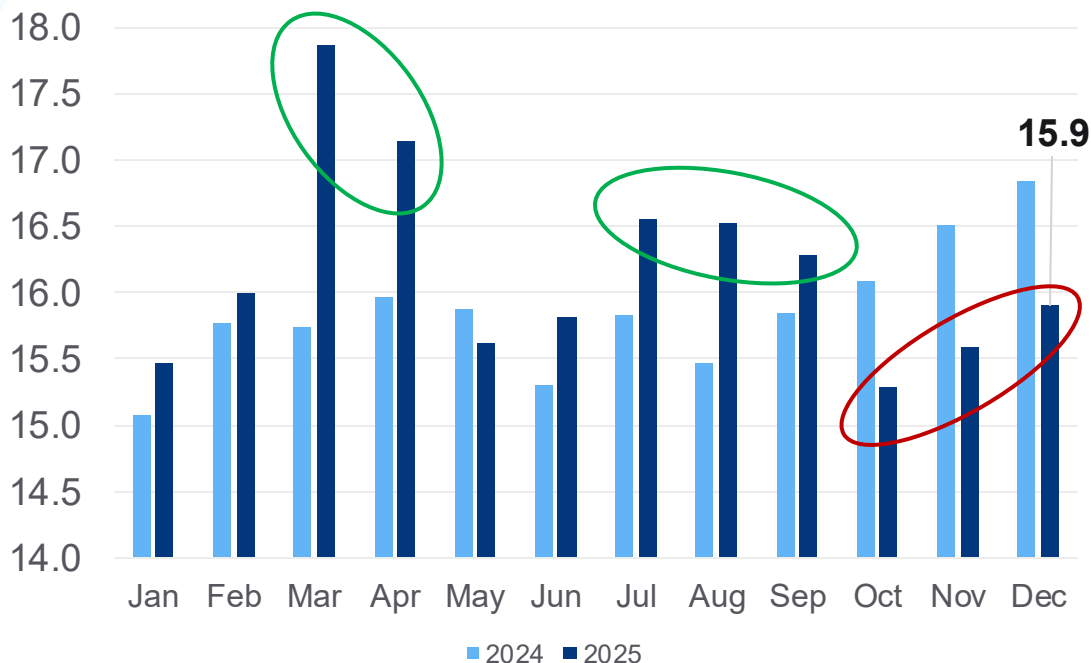
Charlie Chesbrough
Senior Economist



New-Vehicle Sales in 2025

Q4 reveals a market on shaky ground after a year of policy shocks impacting demand

Monthly Light Vehicle Sales SAAR (millions)



	Sales Vol. (millions)	SAAR (millions)
Dec. 2024	1.49	16.8
Dec. 2025	1.45	15.9
y/y change	-2.9%	-5.6%
Q4 2024	4.2	16.5
Q3 2025	4.1	16.4
Q4 2025	4.0	15.6
y/y change	-4.9%	-5.4%
q/q change	-2.5%	-5.2%

CY2024: 15.9 million

CY2025: 16.2 million

+2.2%

**Cox Forecast December 2024:
16.3 million**

Automaker Sales Performance in 2025

Biggest automakers gained share in 2025 – broad product portfolios may be winning

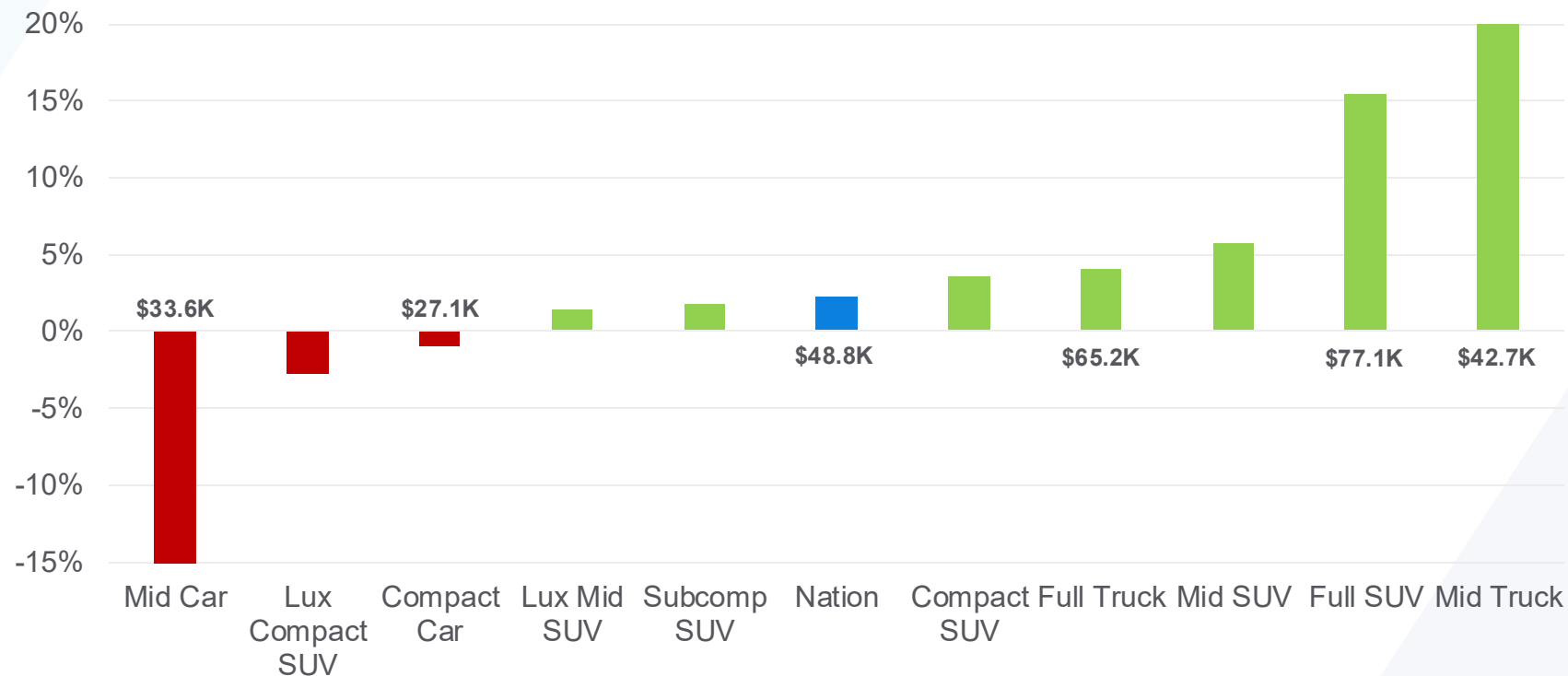
OEM	Q4 2024	Q3 2025	Q4 2025	Y/Y Change	Q/Q Change	CY 2024	CY 2025	Change	Share 2024	Share 2025	Change
GM	751,086	708,360	685,562	-8.7%	-3.2%	2,689,351	2,826,438	5.1%	16.8%	17.3%	0.6%
Toyota	603,103	629,135	658,540	9.2%	4.7%	2,327,795	2,524,412	8.4%	14.5%	15.5%	1.0%
Ford	527,385	542,983	529,951	0.5%	-2.4%	2,065,161	2,180,574	5.6%	12.9%	13.4%	0.5%
Hyundai	461,691	480,174	470,316	1.9%	-2.1%	1,708,294	1,843,640	7.9%	10.7%	11.3%	0.6%
Honda	367,362	358,848	334,871	-8.8%	-6.7%	1,423,857	1,432,870	0.6%	8.9%	8.8%	-0.1%
Stellantis	320,743	321,524	327,520	2.1%	1.9%	1,303,570	1,245,902	-4.4%	8.1%	7.6%	-0.5%
Nissan	249,608	243,024	225,629	-9.6%	-7.2%	1,033,850	1,010,932	-2.2%	6.5%	6.2%	-0.3%
Subaru	174,113	161,262	161,420	-7.3%	0.1%	667,725	644,457	-3.5%	4.2%	4.0%	-0.2%
VW	185,611	158,141	140,995	-24.0%	-10.8%	668,223	584,552	-12.5%	4.2%	3.6%	-0.6%
Tesla	162,388	179,525	125,937	-22.4%	-29.8%	633,762	577,097	-8.9%	4.0%	3.5%	-0.4%
BMW	126,249	104,155	118,127	-6.4%	13.4%	397,640	415,373	4.5%	2.5%	2.5%	0.1%
Mazda	110,930	109,366	90,903	-18.1%	-16.9%	424,382	410,567	-3.3%	2.6%	2.5%	-0.1%
Daimler	98,084	83,000	94,081	-4.1%	13.4%	374,108	334,881	-10.5%	2.3%	2.1%	-0.3%
Geely Volvo	38,272	27,508	27,102	-29.2%	-1.5%	133,264	122,570	-8.0%	0.8%	0.8%	-0.1%
Others	51,311	37,315	37,401	-27.1%	0.2%	176,432	154,744	-12.3%	1.1%	0.9%	-0.2%
NATION	4,227,936	4,144,320	4,028,355	-4.7%	-2.8%	16,027,414	16,309,009	1.8%	100.0%	100.0%	

Big 4
+2.6%

-2.6%

Segment Shift Reflect a Changing Market

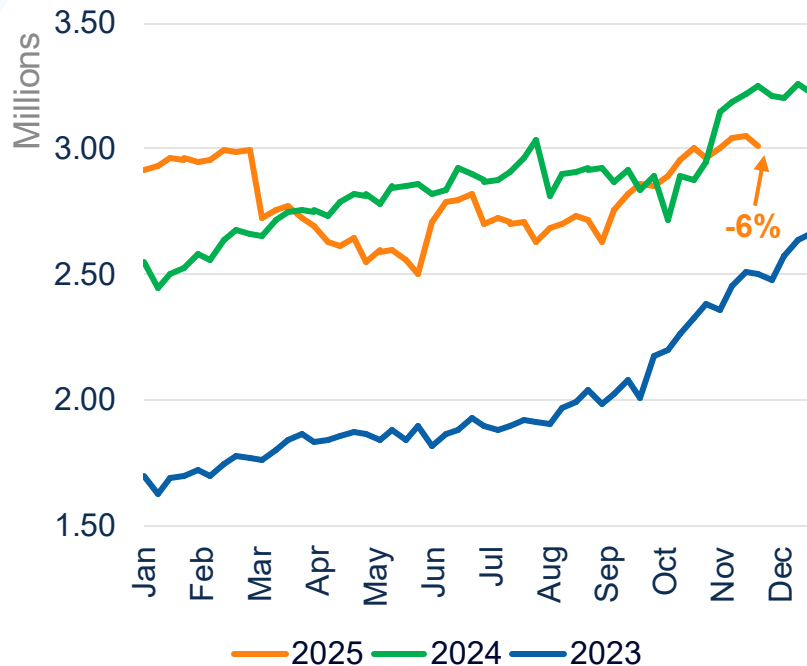
K-shaped economy impacting segment performance – most affordable losing share



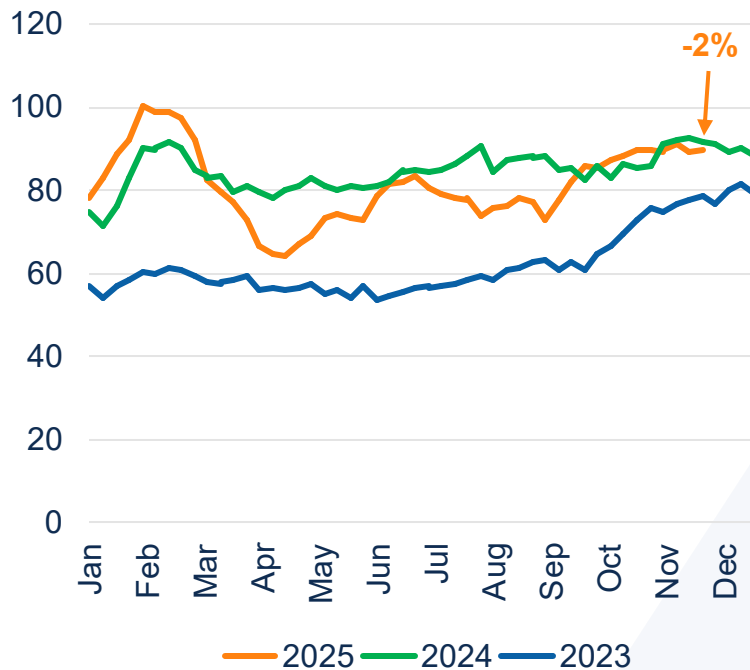
New-Vehicle Inventory Held Steady in 2025

Days' supply up 23% over the past 90 days

Available Supply

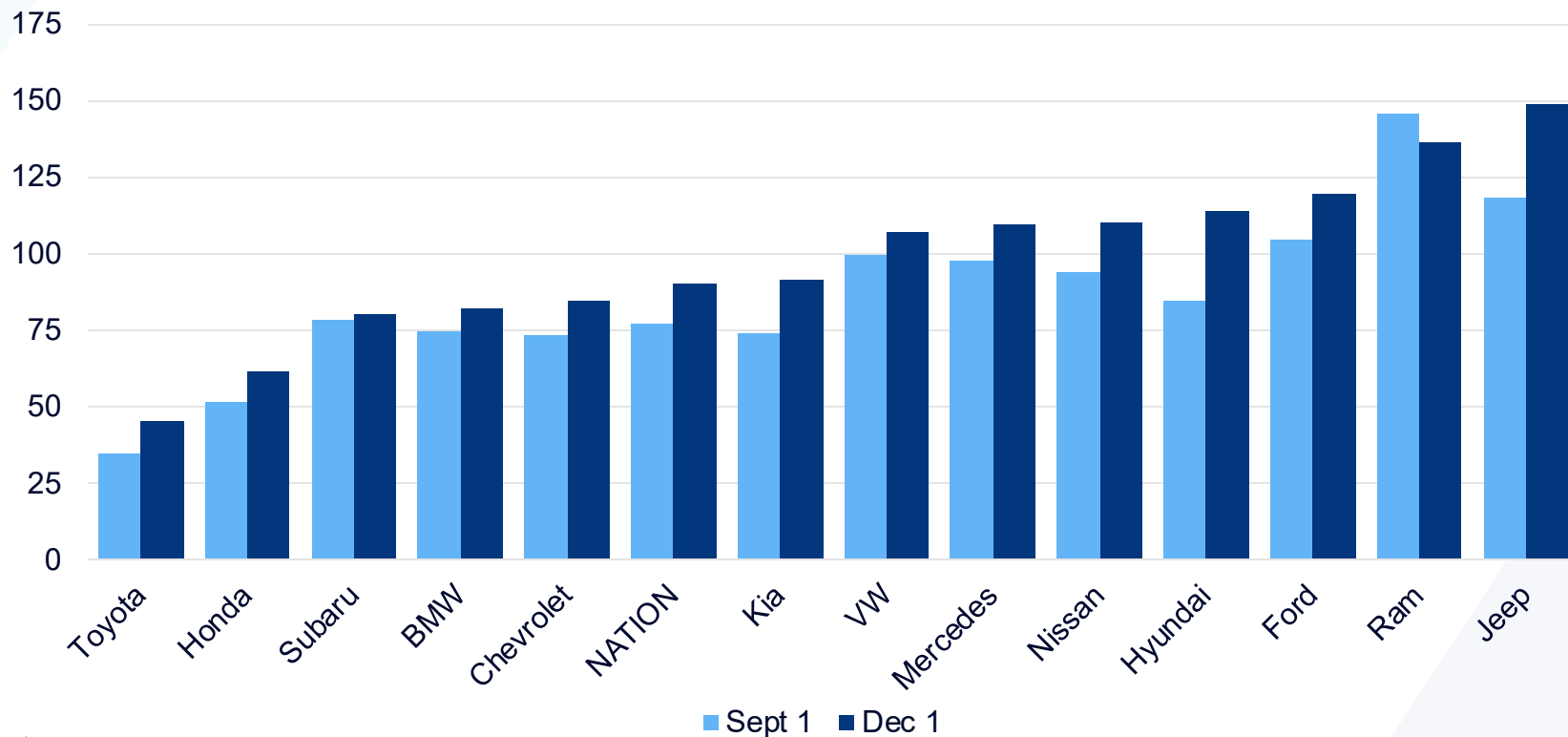


Days of Supply



Brand-Level Supply Increased through Q4

New-vehicle days' supply rising at year's end as tariffed inventory and cost pressures grow



Electrified Vehicle Market

Stephanie Valdez Streaty

Director, Industry Insights



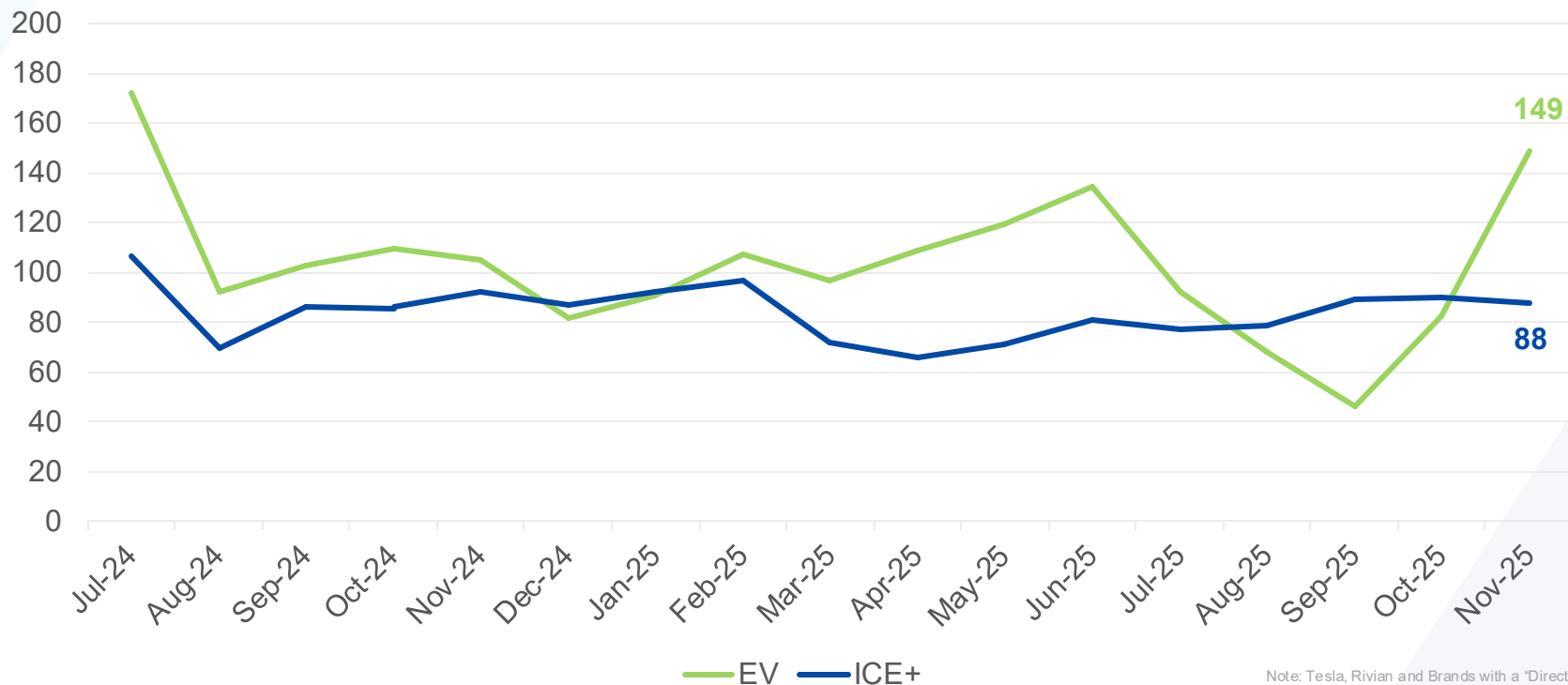
New EV Sales Forecast: A Sharp Decline in Q4

With government incentives gone, 37% year-over-year decline forecast



EV Days' Supply: On The Rise

EV supply is up 42% year over year, highest point since mid-2024



Note: Tesla, Rivian and Brands with a "Direct to Consumer Platform" are not represented.

New EV Challenge: Few Affordable Models

Model Availability: Only 9 EV models available under \$40K; 56 ICE+ models under \$40K



Under \$40K

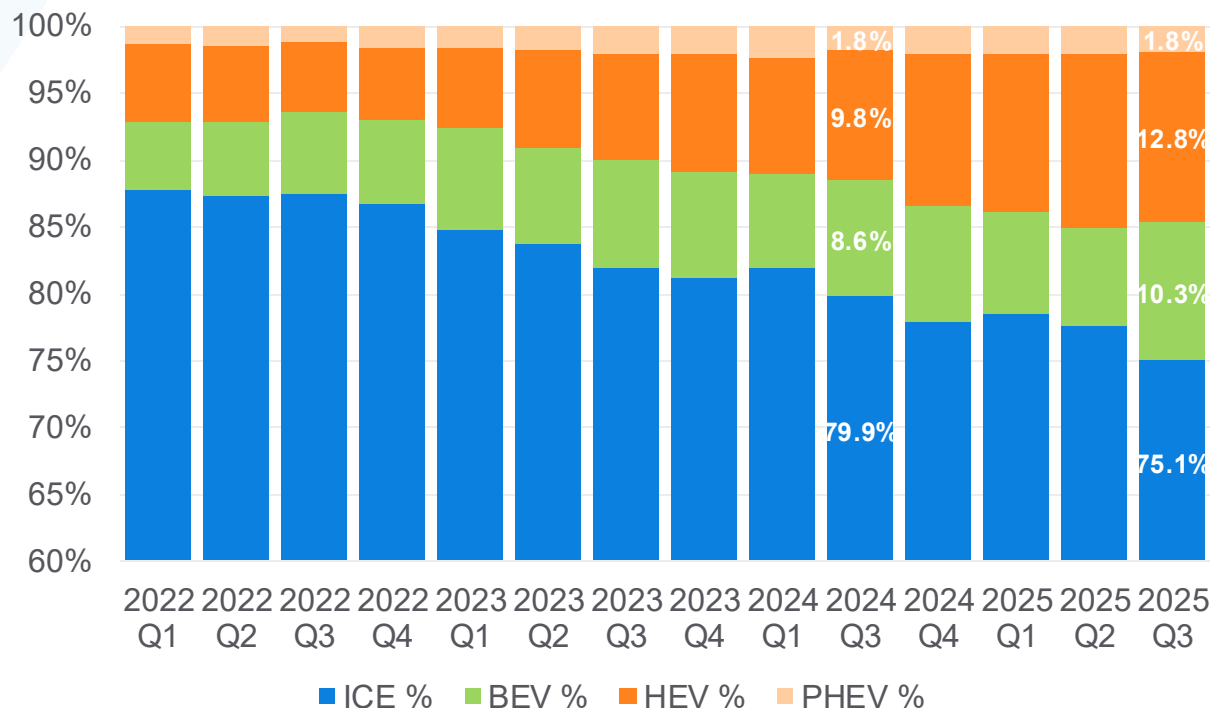
Post IRA Sales:

% of EV Sales
3.7%

% of Industry Sales
38.7%

Sales of Electrified Vehicles Hits a Milestone

One in four vehicles electrified in Q3, Volume up 32%



Q3 2025 Hybrid Leaders

HEVs	%	PHEVs	%
Toyota	46%	M-B	18%
Honda	18%	Jeep	14%
Ford	10%	Toyota	12%
Hyundai	9%	Mazda	11%
Kia	6%	BMW	8%

Used-Vehicle Market

Jonathan Gregory

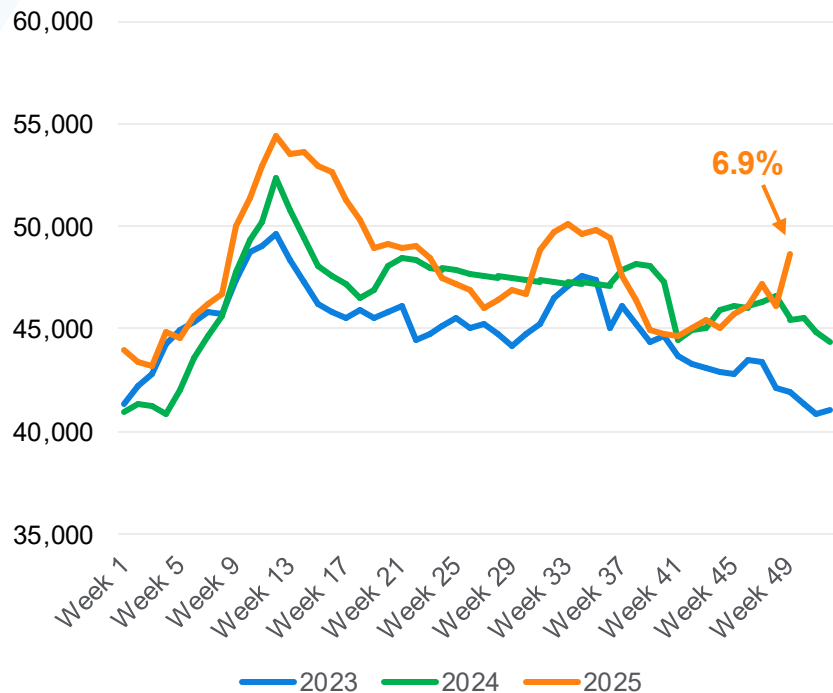
Senior Manager, Economic and
Industry Insights



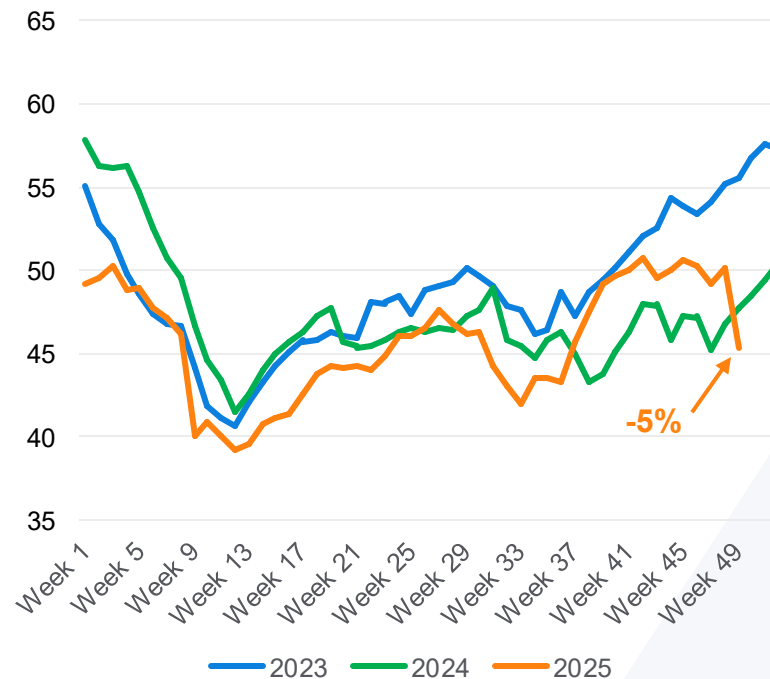
Used-Vehicle Sales and Inventory

Sales pace currently higher by 6.9%, supply tighter by 5% versus last year

Used Retail Sales

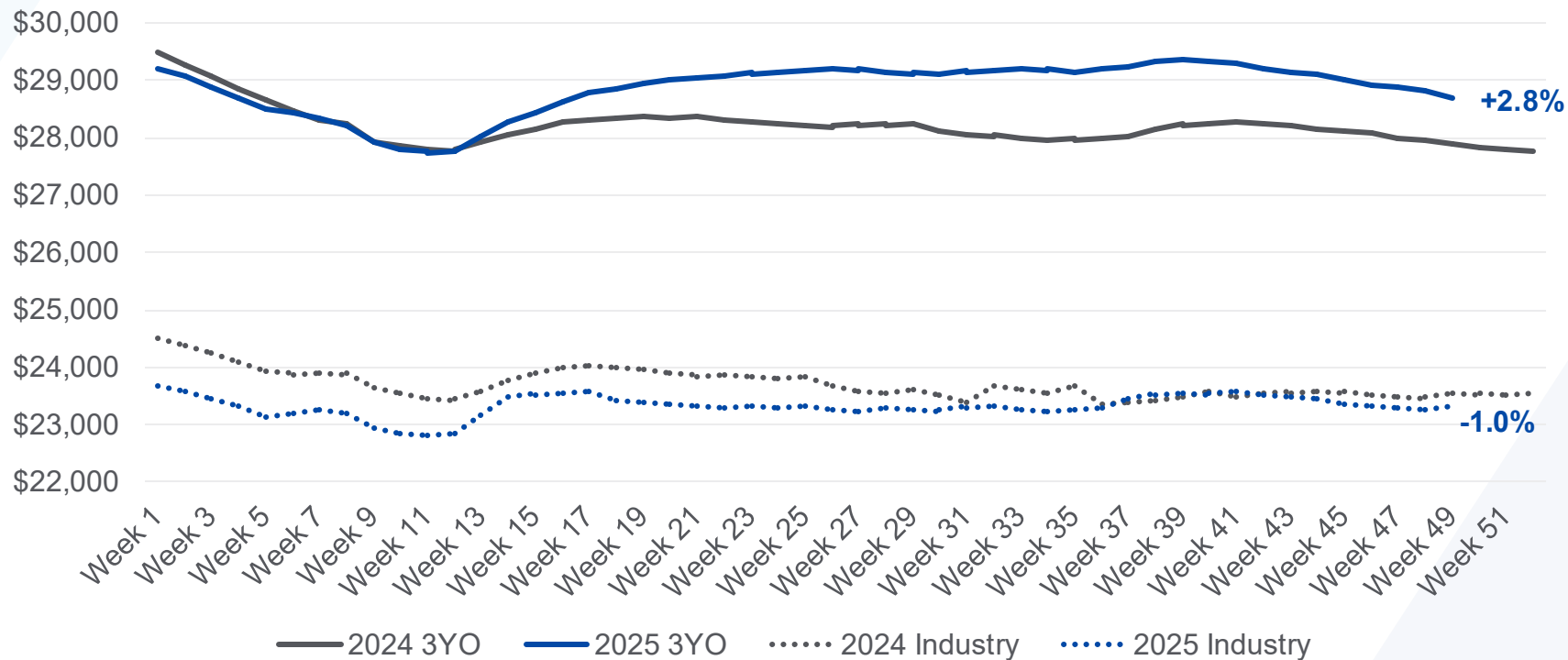


Used Days' Supply



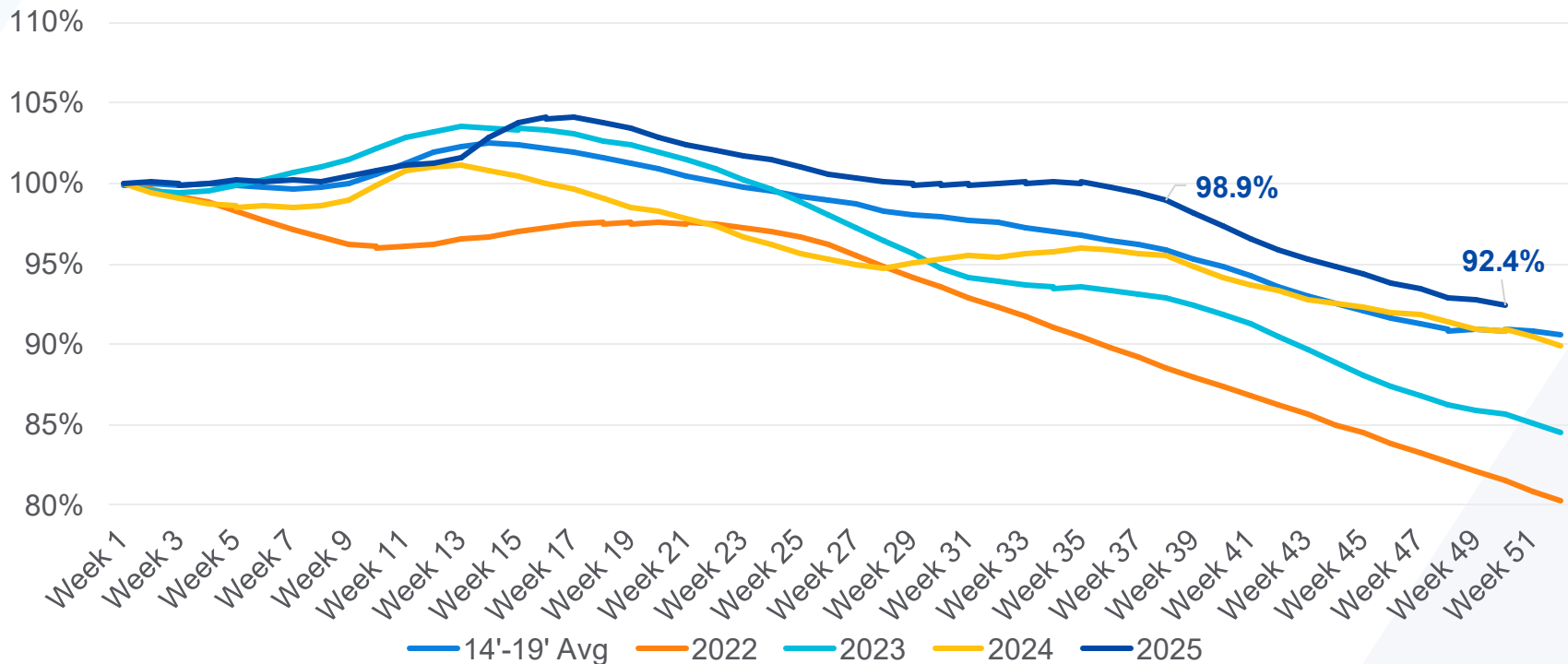
Used-Vehicle Pricing Trends

Overall retail pricing down 1%, but top 50 3-year-old models have held higher post tariff announcement



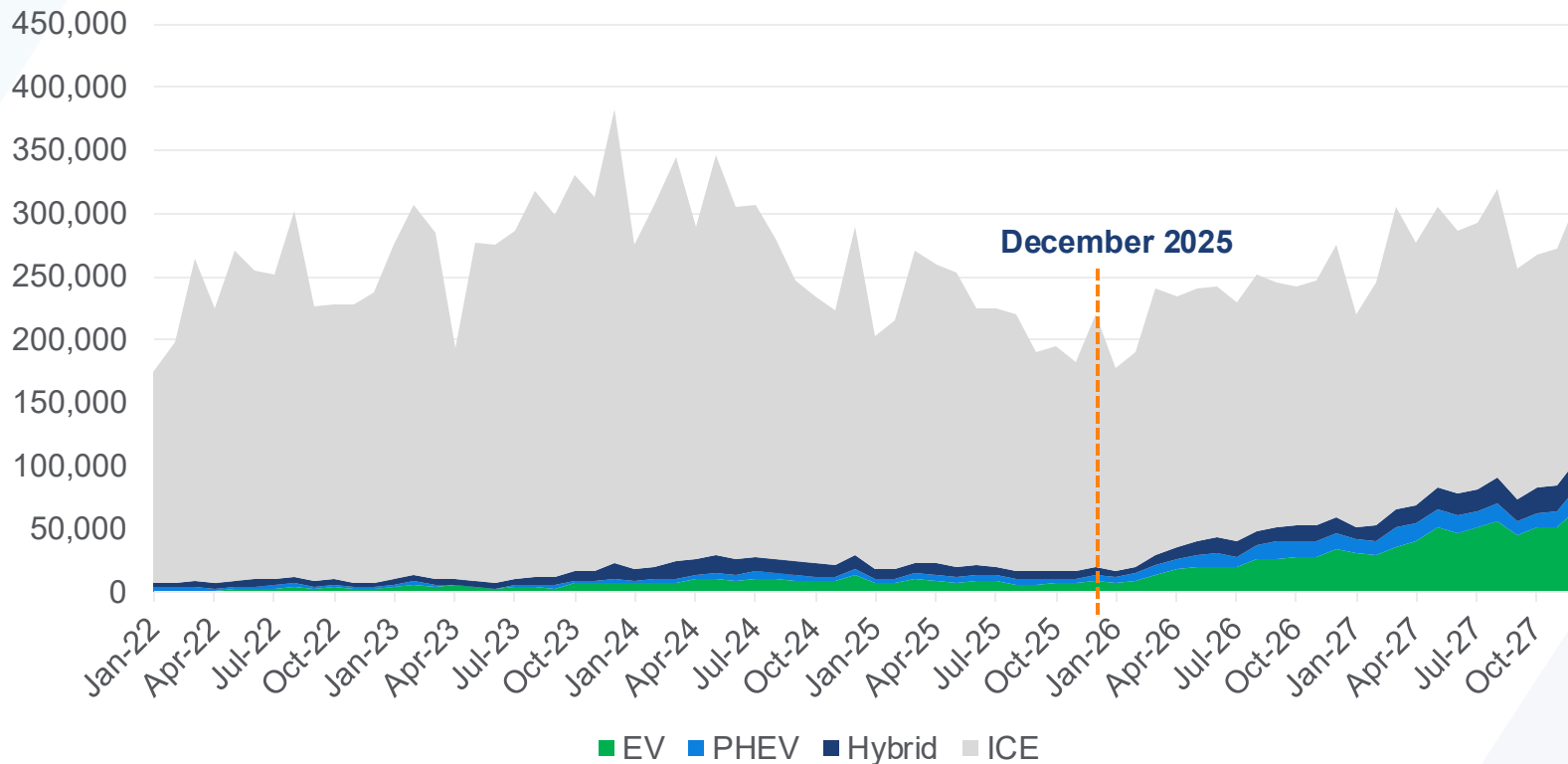
Manheim Wholesale Value Trends

Manheim Market Report Index shows auction prices with lower depreciation than in previous years



Forecast Lease Maturity Distribution

Lease return volume trends upward beginning in 2026, heavy mix of EVs coming



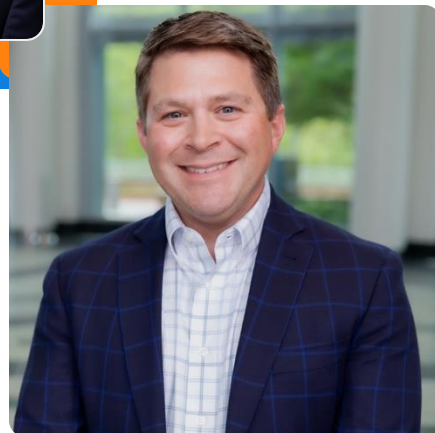
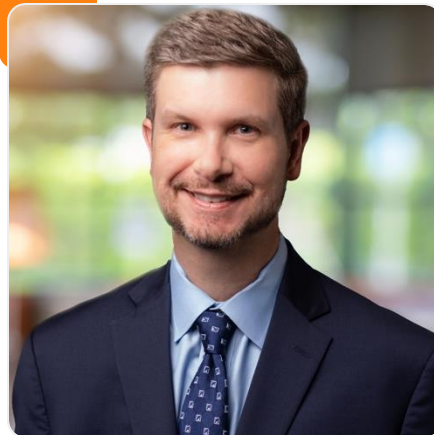
2026 Forecasts

Jonathan Smoke

Chief Strategy Officer

Jeremy Robb

Interim Chief Economist



Fragmented Reality: 5 Forces to Shape the Auto Industry in 2026



Bifurcated Consumer

High-income households benefit from wealth effects, lower taxes, and rate cuts, while low-income consumers face continued strain



Fragmented Labor

Low unemployment masks the reality: It's brutal for job seekers but not so bad for the gainfully employed



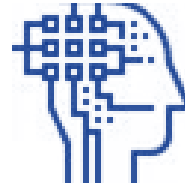
Inflation and Fed Risk

Inflation is peaking and was not as acutely impacted by tariffs as feared. Rate cuts will boost affordability, but questions about the Fed create uncertainty.



Policy and EV Shock

We have a White House actively engaged in industrial policy, and this, too, will be another area to expect the unexpected in 2026.




AI's Inflection Point

Emerging productivity gains are real, but competitive fragmentation is likely to intensify as early adopters pull ahead.

2026 Forecasts

Updated Dec. 17, 2025

 **15.8M**
(-2.4% versus 2025)

NEW SALES

 **13.1M**
(-1.5% versus 2025)

NEW RETAIL SALES

 **2.7M**
(-6.1% versus 2025)

FLEET SALES

 **2.8M**
(-12.6% versus 2025)


**NEW LEASE
VOLUME**

 **21%**
(-3% versus 2025)

**LEASE
PENETRATION**

 **2.6M**
(-2.2% versus 2025)

CPO SALES

 **38.3M**
(-0.9% versus 2025)

USED SALES

 **20.3M**
(-0.7% versus 2025)

USED RETAIL SALES

 **2.0%**
(+1.7% versus 2025)

**DEC 2026 Y/Y MANHEIM
USED VEHICLE
VALUE INDEX**

Q&A

More Auto Industry Data and Insights from Cox Automotive

Cox Automotive Insights

<http://www.coxautoinc.com/insights/>

Content from the Economic and Industry Insights team is published regularly.

Auto Market Snapshot

<https://www.coxautoinc.com/market-snapshot/#snapshot>

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

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