



COX
AUTOMOTIVE

Q1 2026
Industry Insights and
Sales Forecast Call

March 25, 2026

Agenda

Time Check: 60 Minutes

Intro & Cox Automotive

Mark Schirmer, Director, Corporate Communications

The Economy

Jeremy Robb, Chief Economist

March Madness

Erin Keating, Executive Analyst

New-Vehicle Market

Charlie Chesbrough, Senior Economist

Used-Vehicle Market

Mark Strand, Deputy Chief Economist

Electric-Vehicle Market

Stephanie Valdez Streaty, Director, Industry Insights

2026 Forecasts

Jeremy Robb, Chief Economist

Q&A

All

The Cox Automotive Ecosystem

Cox Automotive is the world's largest automotive services and technology provider. Our category-leading portfolio delivers the connected solutions, tools and services that dealers, OEMs, lenders, fleet operators and consumers expect.

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Autotrader  CentralDispatch  Cox Fleet  Dealer.com 

Dealertrack  EV Battery Solutions  Kelley Blue Book  Manheim 

NextGear Capital  vAuto  VinSolutions  xtime 



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Collision Courses for Auto Industry

The Strong Fiscal Stimulus vs The Middle East Conflict

Tax refund season fueling U.S. economy, driving vehicle sales and values.



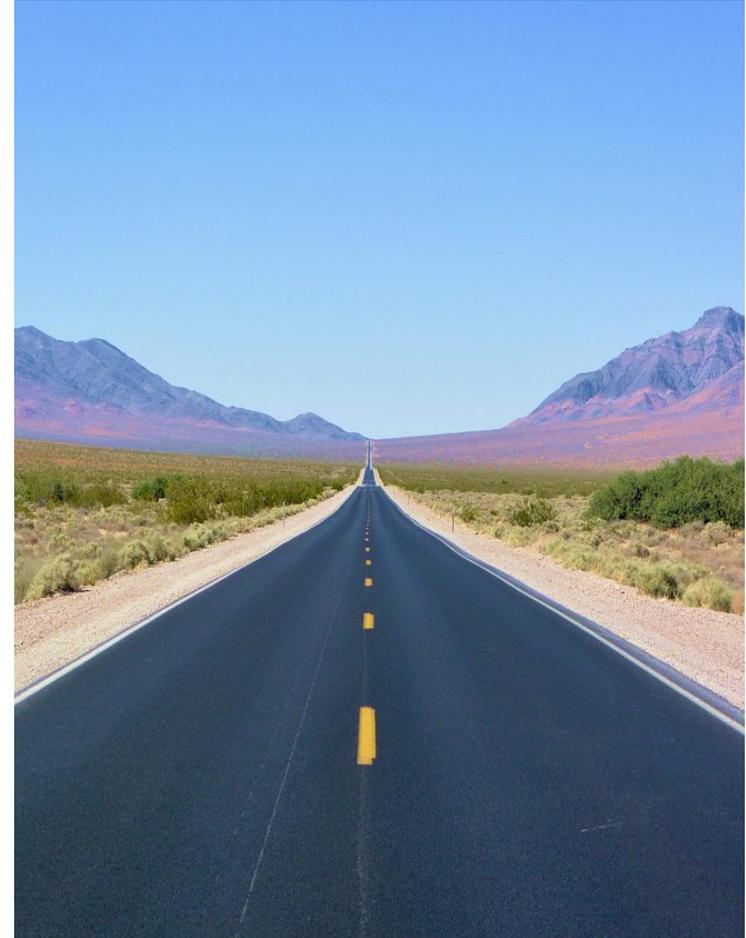
The Middle East conflict moving front and center, reversing positive momentum.

Inflation & Affordability vs The Fed's Conundrum

Prices remain elevated – rising fuel costs are a 'regressive' tax for US consumers.



With weak job growth, the Fed faces difficult decisions on interest rates.

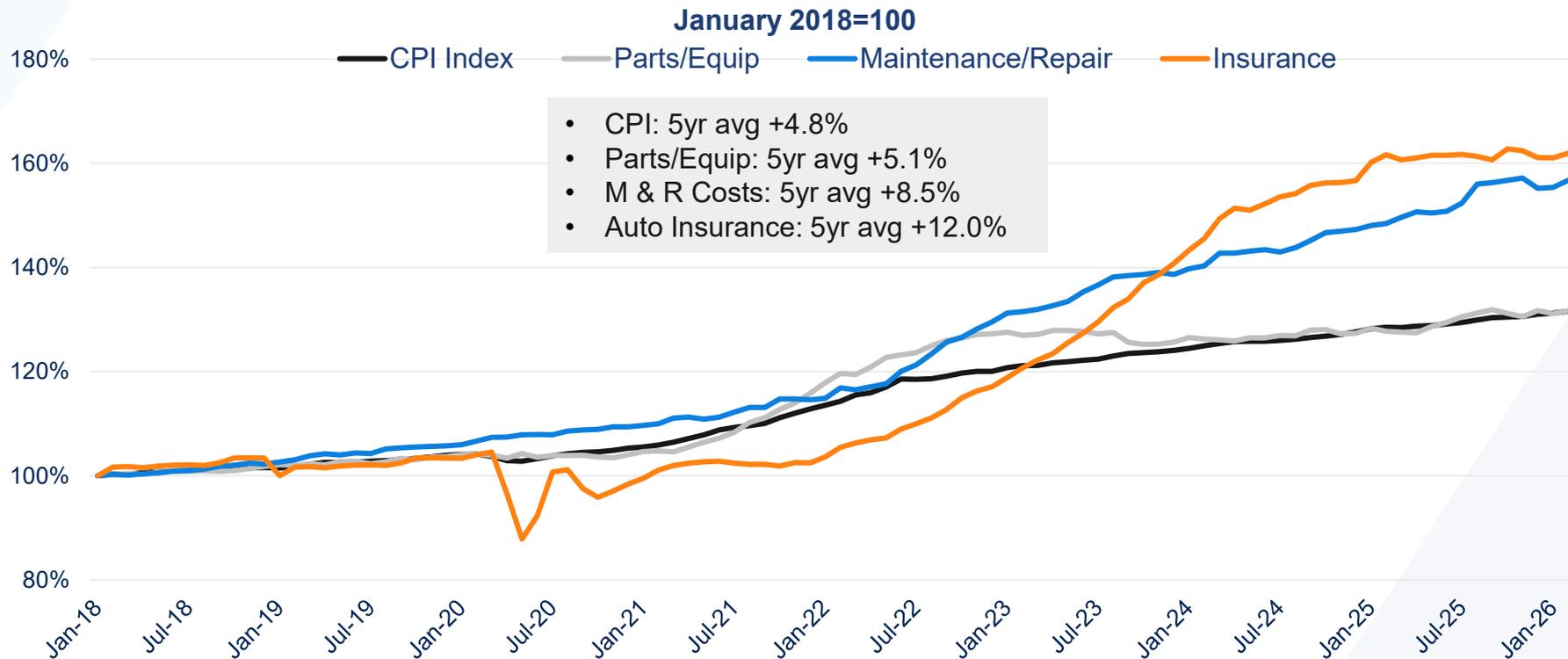


Economic Signals

Overall Economy	Real GDP Growth	1.9% (Q4 '24)	0.7% (Q4 '25)	+2.6% ('26 F)	
Employment Conditions	U3 Unemployment Rate	4.2% (February '25)	4.3% (January '26)	4.4% (February '26)	
Consumer Purchasing Power	CPI Inflation Rate Year over Year	2.8% (February '25)	2.4% (January '26)	2.4% (February '26)	
Borrowing Costs	Average New Auto Loan Rate	9.7% (February '25)	9.4% (January '26)	9.8% (February '26)	
Credit Availability	New Loan Credit Index <small>(Higher values = Better credit conditions)</small>	101.1 (February '25)	106.1 (January '26)	107.8 (February '26)	

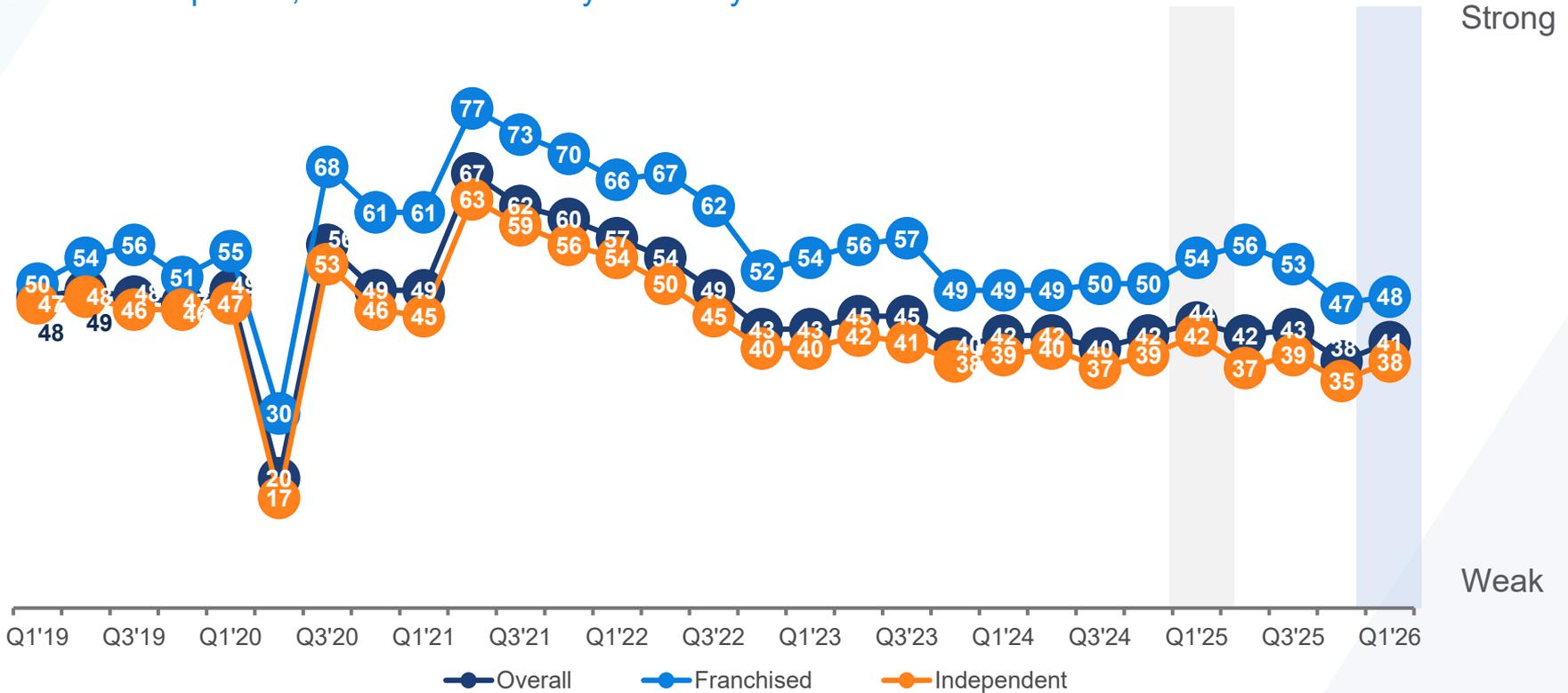
Inflation Impact on Core Automotive Sectors

Vehicle ownership costs have outpaced Consumer Price Index (CPI) for five straight years



Q1 2026 Dealer Sentiment: Current Market

Sentiment improves, but remains lower year over year



Q1 2026 Dealer Sentiment: Factors Holding Back Business

Major winter weather impacted business during survey; interest rate concern continues to decline

OVERALL RANK

		Q1 '26	Q4 '25	Q1 '25	Q1 '24
1	Economy	52%	51%	45%	55%
2	Market Conditions	37%	41%	36%	40%
3	Interest Rates	34% ↓	43%	52%	62%
4	Expenses	34%	30%	29%	32%
5	Weather	32% ↑	7%	18%	14%
6	Political Climate	31%	34%	21%	33%
7	Consumer Confidence	30%	34%	26%	31%
8	Credit Availability for Consumers	24%	26%	26%	31%
9	Limited Inventory	23%	26%	26%	31%
10	Cost of Vehicle Insurance for Consumers	21%	20%	22%	N/A



Significant decrease vs previous quarter



Significant increase vs previous quarter

Auto Industry: March Madness

Erin Keating

Executive Analyst



Tariffs One Year Later

Policy Landscape

Fragmented tariff implementation creates complexity and ongoing uncertainty

A patchwork of overlapping tariff authorities – Section 232, IEEPA reciprocals, Section 122, and pending USMCA renegotiation – has made long-range planning nearly impossible for automakers and suppliers alike.

Cost & Market Impact

~\$35B

Est. 2025 total cost burden on automakers & suppliers

The industry absorbed an estimated ~\$3,800 per vehicle in costs, compressing dealer profits, especially on imports, while driving a +3.7pp shift toward U.S.-assembled vehicle sales.

2026 Outlook

Continued complexity in tariff policy and pending USMCA negotiations apply upward price pressure

Automakers are now passing costs through via MSRP hikes, higher destination & handling fees, decontenting, and tighter incentives.

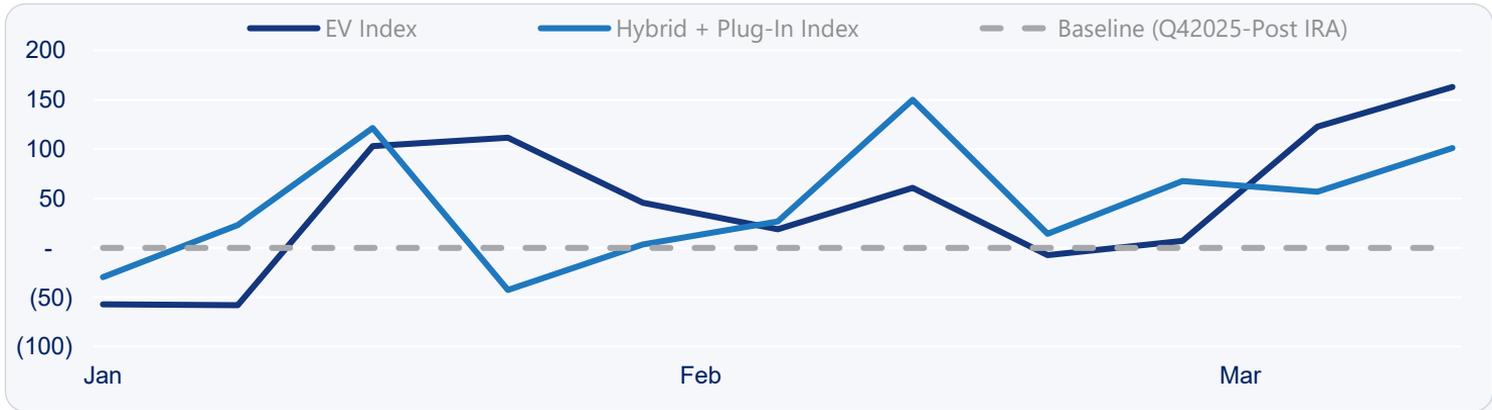
OBBBA tailwinds and shifts in emission policy may help, but net vehicle prices will still rise.

Middle East Conflict and Its Impact on Consumers

Consumer Sentiment



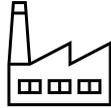
Consumer Shopping



The Consumer Paradox: Auto Industry Impact



Consumer sentiment and gas prices have an inverted relationship



Upstream impacts on industry sits at automaker level – supply chain risks



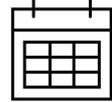
Consumers begin to adjust monthly expense management



Potentially decide to drive less, return to work from home, or save in other areas



In-market shoppers may be more open to hybrids or EVs, but buying behavior changes slowly



Long-term buying behavior still depends on known barriers to EV adoption and length of conflict

New Vehicle Market Performance

Charlie Chesbrough

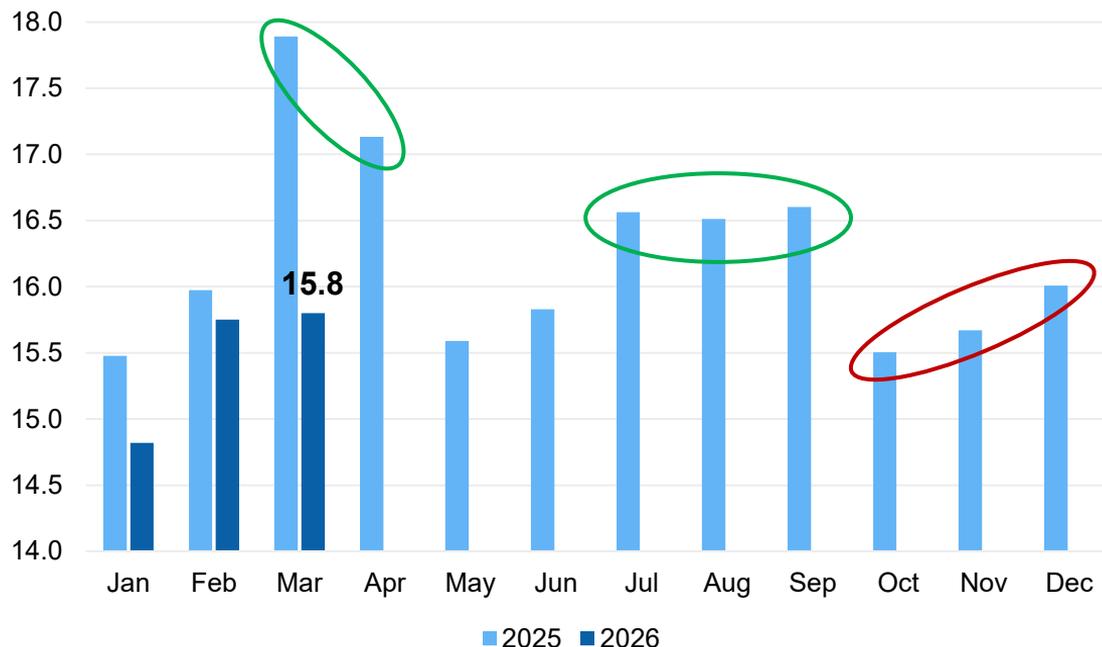
Senior Economist



New Vehicle Sales Pace

Harsh winter and volatile economic news creating slow start for 2026

Monthly Light Vehicle Sales SAAR (millions)



	Sales (millions)	SAAR (millions)
March 2025	1.59	17.9
March 2026	1.36	15.8
change	-14.6%	-11.7%
Q1 2025	3.91	16.4
Q4 2025	4.03	15.7
Q1 2026	3.66	15.5
Q/Q change	-9.1%	-1.7%
Y/Y change	-6.5%	-6.0%

Forecast

CY2024: 15.9 million
CY2025: 16.3 million
+ 2.5%

F2026: 15.8 million
- 2.6%

Automaker Performance in Q1 2026

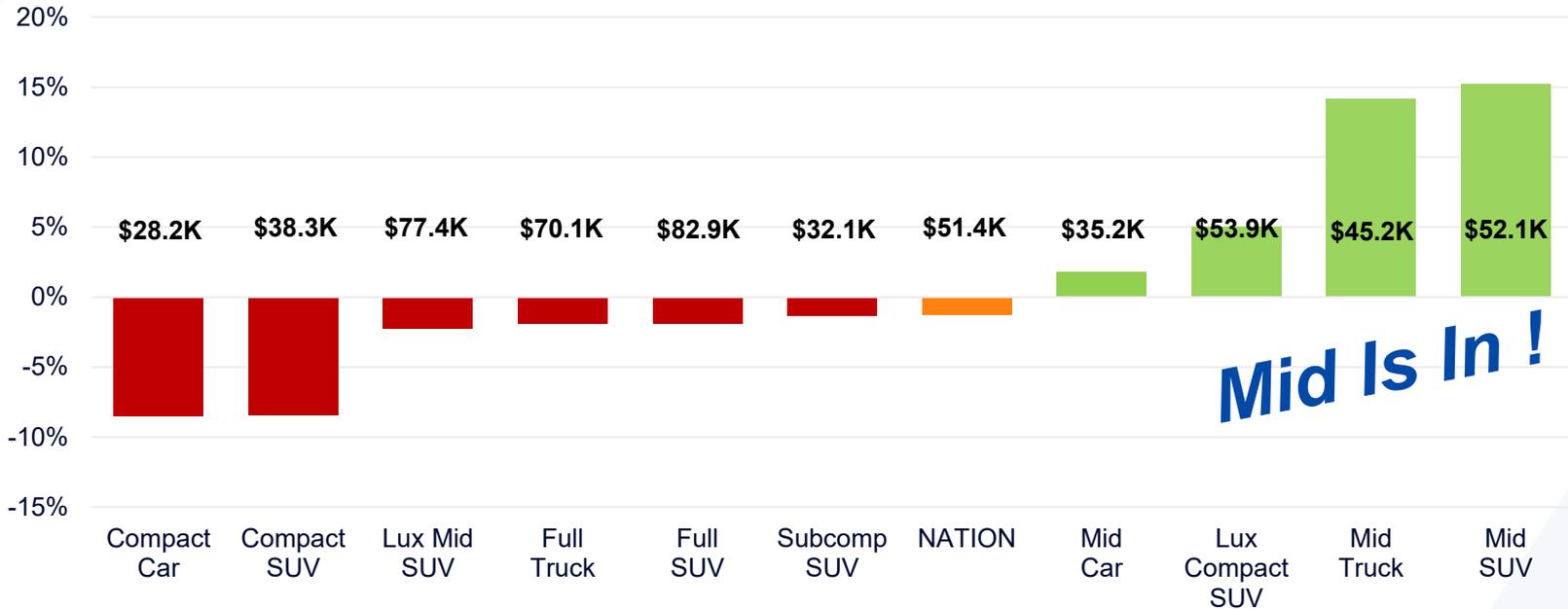
Compared to last year, “Big Four” no longer gaining share, but broad portfolios may still be winning

OEM	Q1 2025	Q4 2025	Q1 2026	Y/Y Change	Q/Q Change	Share Q1 2025	Share Q1 2026	Change
GM	690,339	700,167	624,404	-9.6%	-10.8%	17.6%	17.0%	-0.6%
Toyota	570,269	652,195	569,917	-0.1%	-12.6%	14.5%	15.5%	1.0%
Ford	498,480	542,360	452,035	-9.3%	-16.7%	12.7%	12.3%	-0.4%
Hyundai	419,912	462,843	418,449	-0.3%	-9.6%	10.7%	11.4%	0.7%
Honda	351,577	332,578	329,327	-6.3%	-1.0%	9.0%	9.0%	0.0%
Stellantis	291,189	329,010	285,636	-1.9%	-13.2%	7.4%	7.8%	0.4%
Nissan	298,722	235,603	276,568	-7.4%	17.4%	7.6%	7.5%	-0.1%
Subaru	166,957	160,554	139,006	-16.7%	-13.4%	4.3%	3.8%	-0.5%
VW	152,399	140,751	122,227	-19.8%	-13.2%	3.9%	3.3%	-0.6%
Tesla	128,100	138,000	122,196	-4.6%	-11.5%	3.3%	3.3%	0.0%
Mazda	110,316	90,680	99,480	-9.8%	9.7%	2.8%	2.7%	-0.1%
Mercedes	75,100	91,738	87,198	16.1%	-4.9%	1.9%	2.4%	0.5%
BMW	94,591	120,398	84,925	-10.2%	-29.5%	2.4%	2.3%	-0.1%
Others	75,677	66,313	56,154	-25.8%	-15.3%	1.9%	1.5%	-0.4%
NATION	3,923,628	4,063,190	3,667,521	-6.5%	-9.7%	100.0%	100.0%	0.0%

What's Selling in 2026

K-Economy impacted industry performance in different ways – mid-market benefits?

Top 10 Segment Sales Y/Y Change with February 2026 MSRP

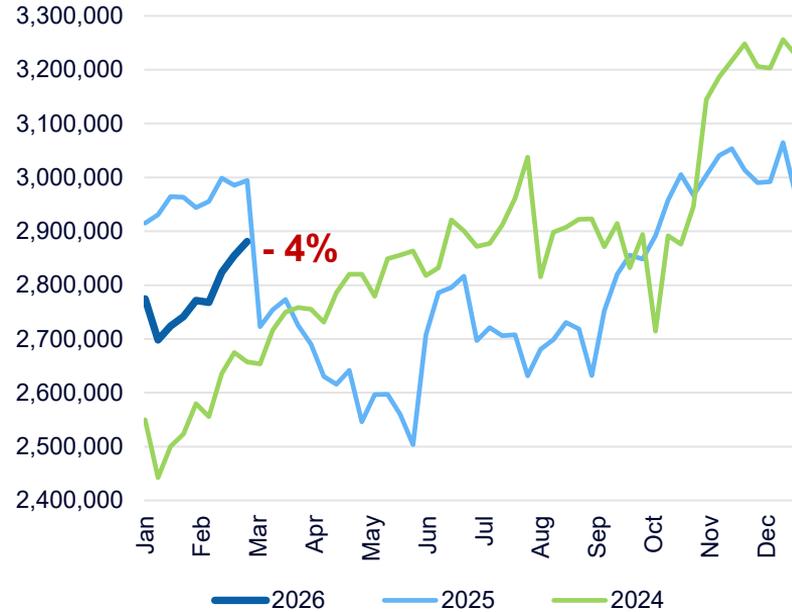


Mid Is In !

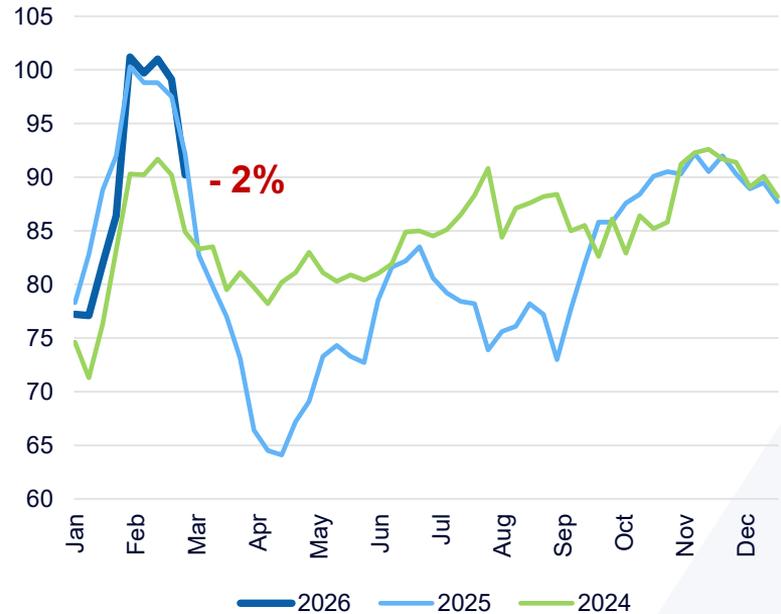
New Vehicle Supply

Slightly tighter than one year ago as spring season approaches

Available Supply



Days' Supply



Used Vehicle Market Performance

Mark Strand

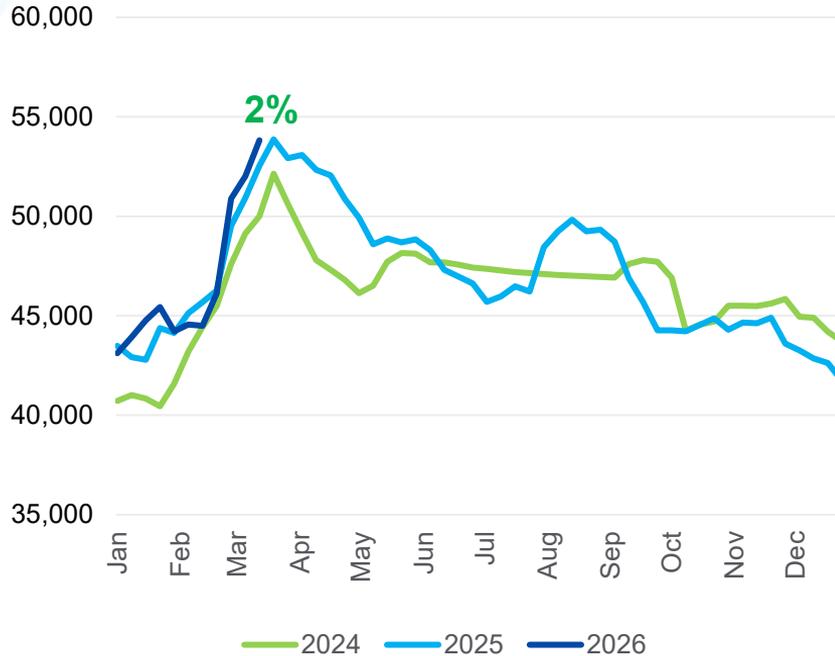
Deputy Chief Economist



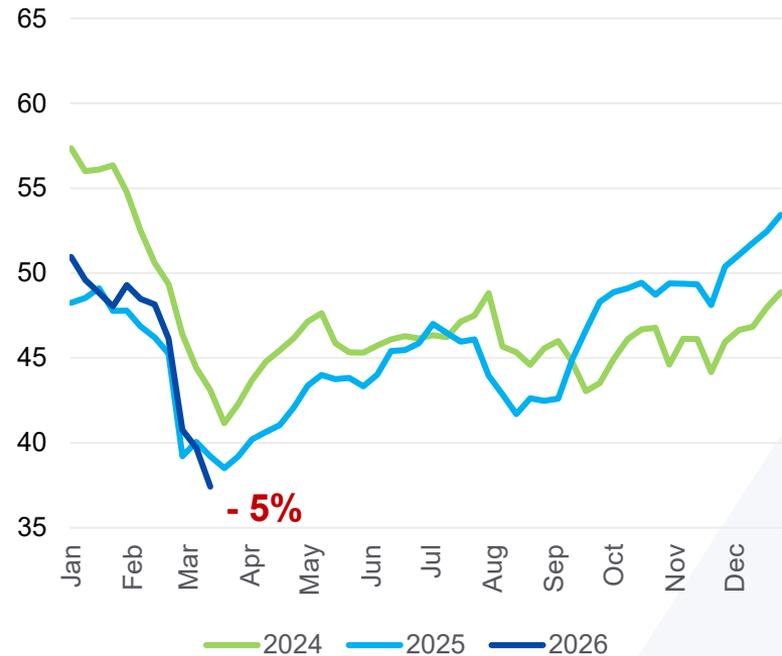
Used Vehicle Sales and Inventory

Sales pace currently runs higher by 2%, although supply is tighter by 5% versus last year

Used Retail Sales

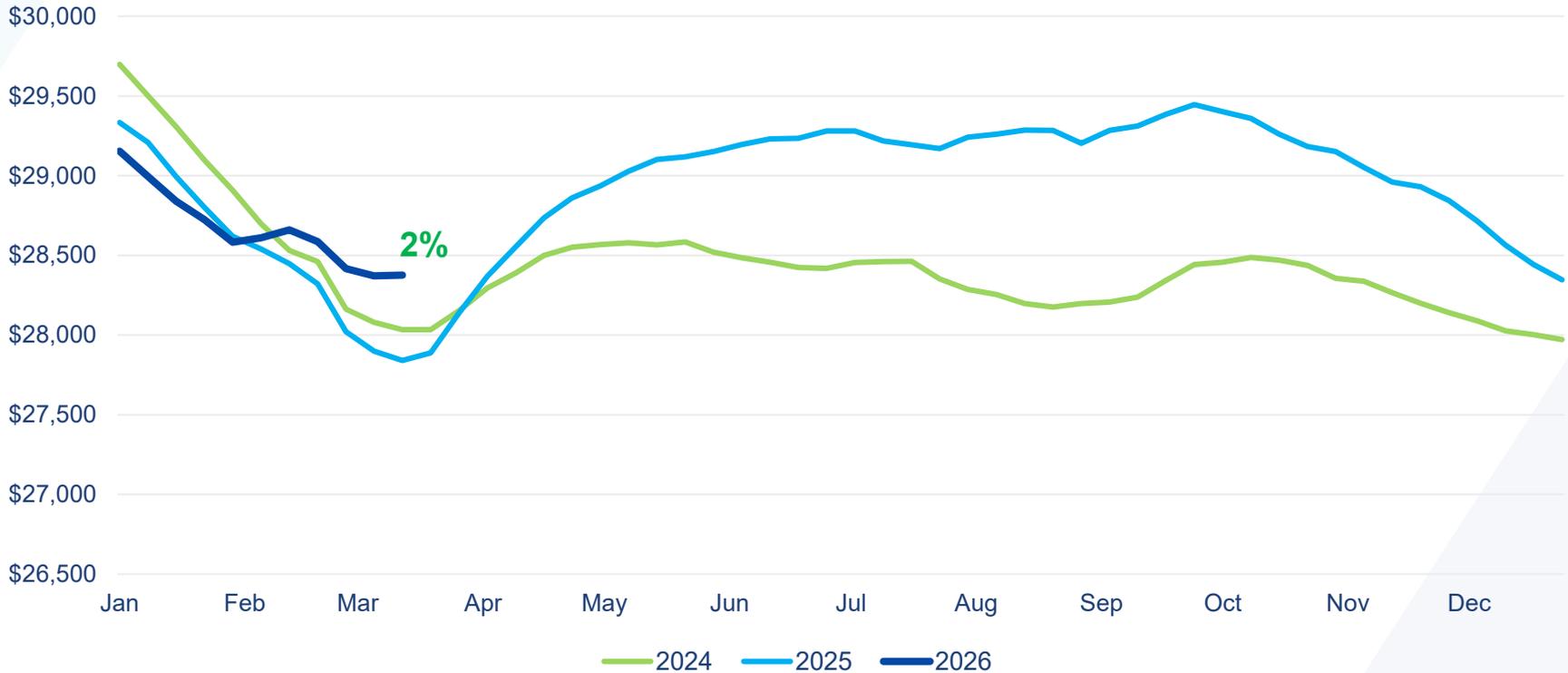


Used Days' Supply



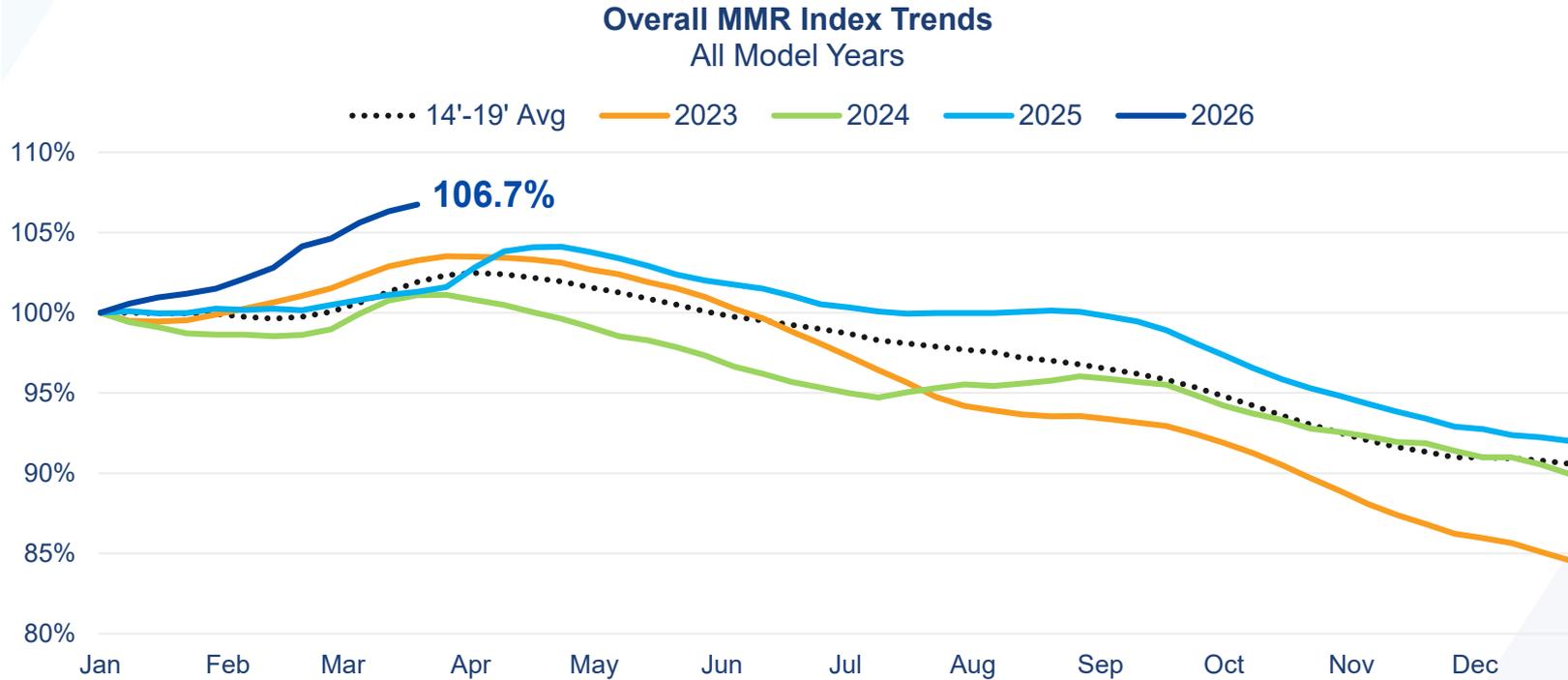
Used Vehicle Retail List Price

Listing price for the top 50 3YO units 2% higher, as price declines slowed over the last month



Manheim Wholesale Value Trends

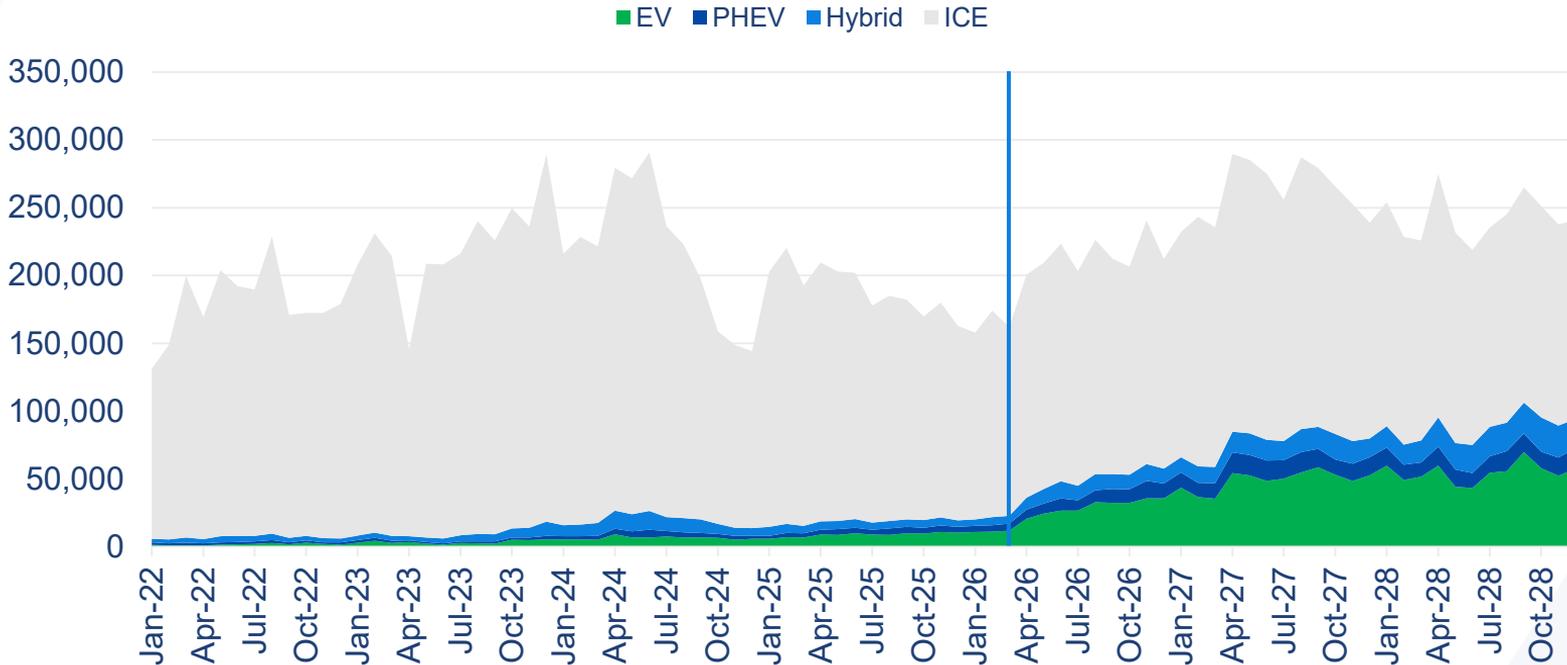
MMR values have appreciated more in early 2026 relative to last year and long-term averages



Lease Maturities by Fuel Type

With increased leasing for EV and PHEVs, lease returns will change substantially starting in 2026

Estimated Lease Maturity Distribution



Electrified Vehicle Market

Stephanie Valdez Streaty

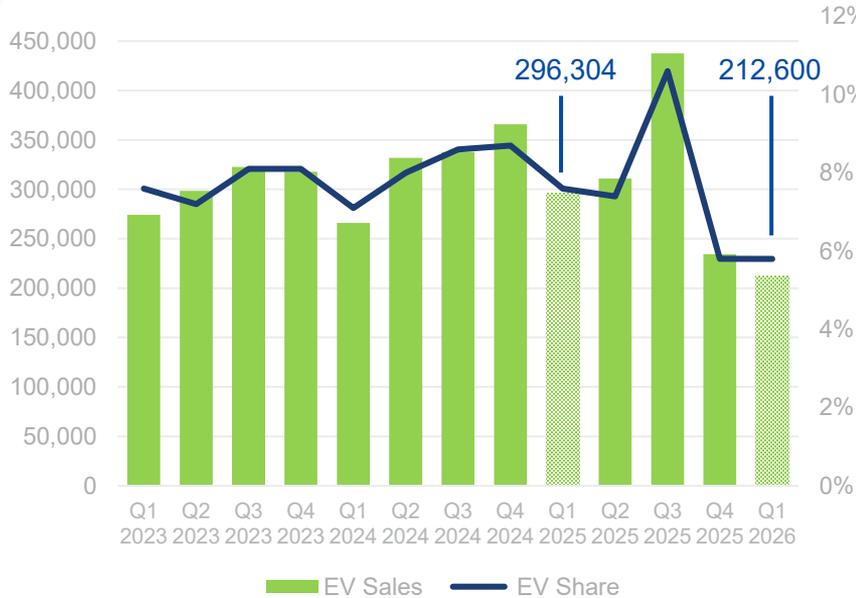
Director, Industry Insights



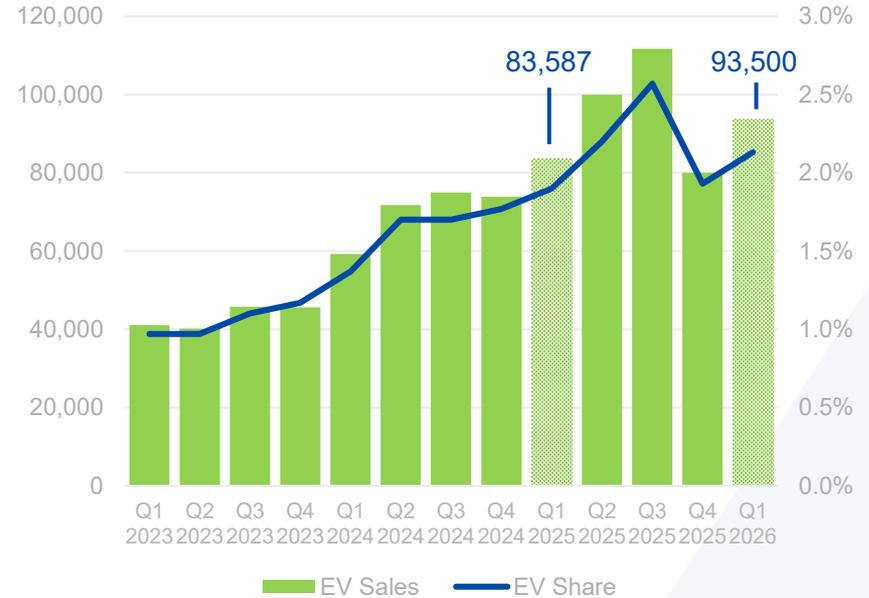
EV Sales Forecast: New and Used Diverge

New EV sales down 28% YoY | Used EV sales up 12% YoY

New EV Sales



Used EV Sales



New EV Supply Elevated, Used in Line With ICE+

New EV days' supply 46% above ICE+ | Used EV supply within four days of ICE+

New EV Days' Supply



Used EV Days' Supply

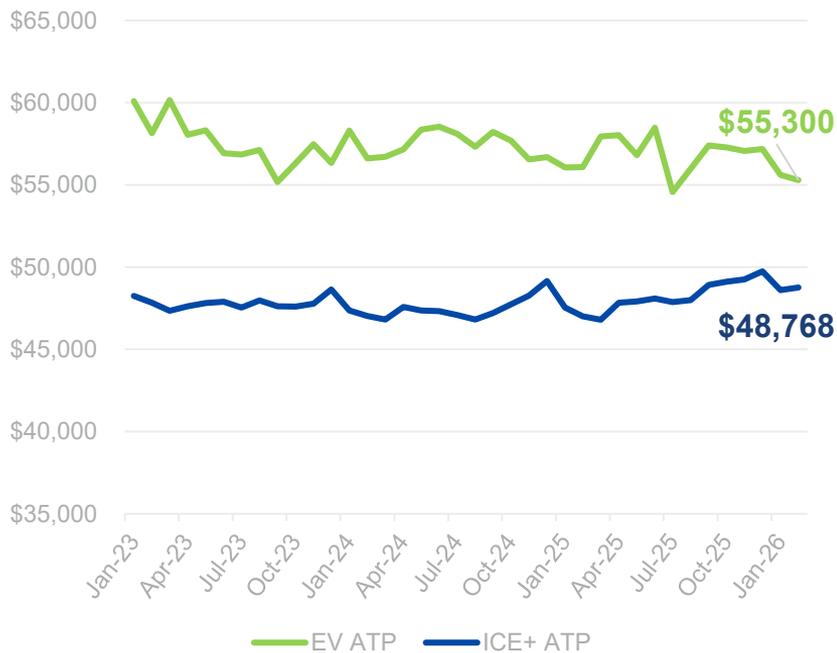


Note: Tesla, Rivian and Brands with a "Direct to Consumer Platform" are not represented.

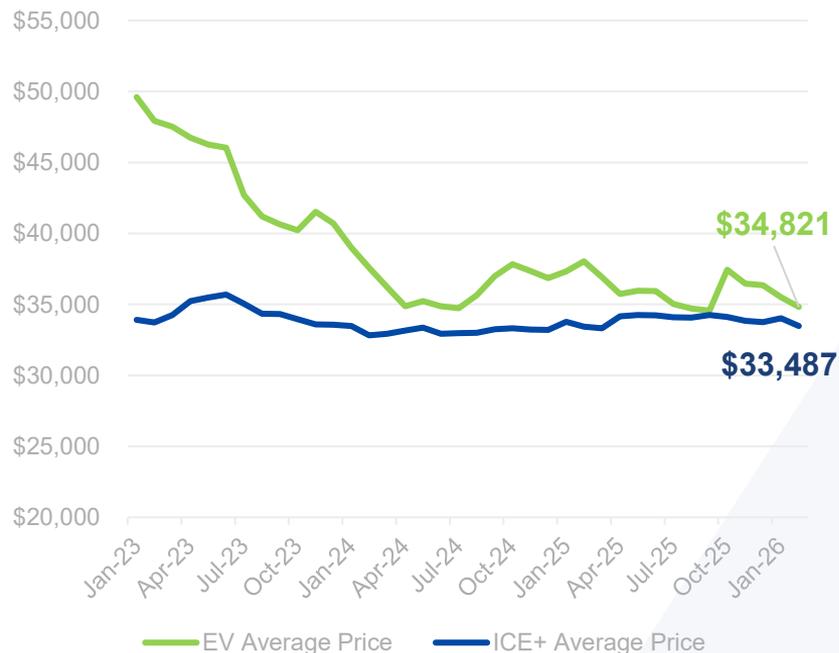
New EV Gap Narrows, Used EV Prices Near Parity

New EV premium at a record-low \$6,500 | Used EVs within \$1,300 of gas vehicles

New EV ATP



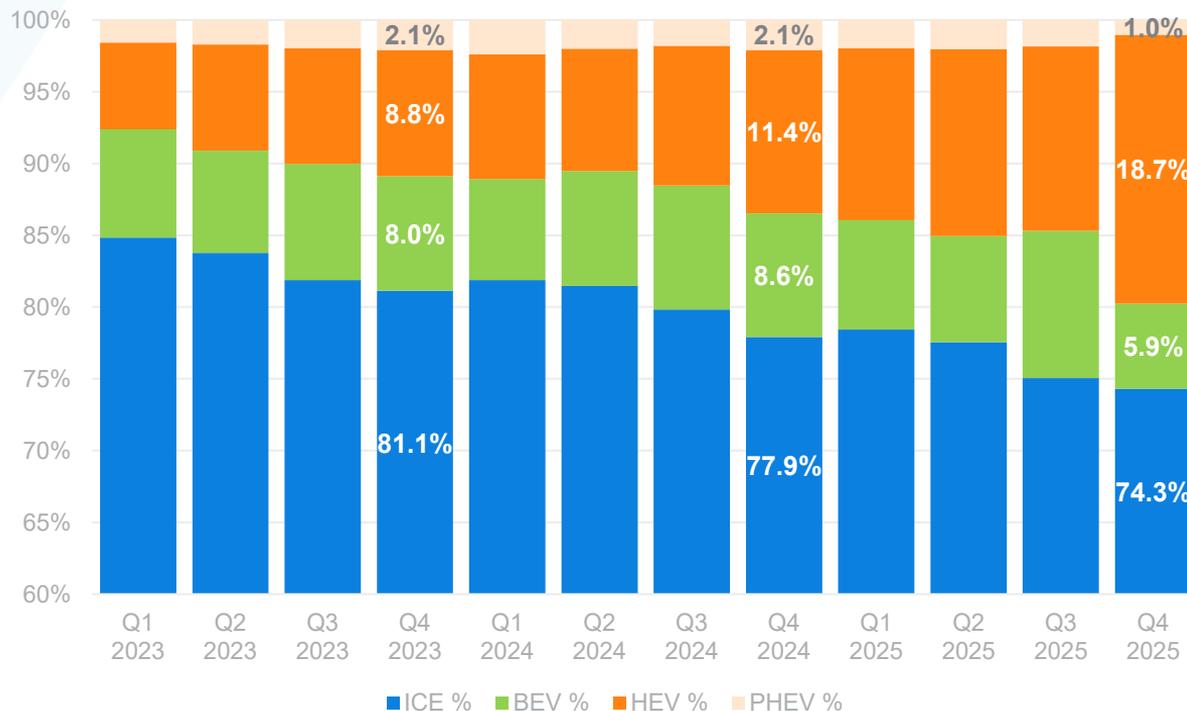
Used EV Avg Price



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

Electrified Vehicles Hit Another Record Share

HEV is now the fastest-growing powertrain, outpacing BEV and PHEV



All-Time High for Electrified Share

Electrified vehicles reached 26% of new vehicle sales — up nearly 4 percentage points YoY, the highest share on record.

HEV Breakout

HEVs hit a record 756,000 units in Q4 2025 — up 57% YoY — as BEV and PHEV both declined following the IRA credit expiration.

HEV Leaders

Toyota commands 43% of HEV sales; Honda holds 16.3%. Ford (8.7%), Hyundai (7.3%), and Kia (5.2%) round out the top five.

2026 Outlook & Forecasts

Jeremy Robb

Chief Economist



Middle East Conflict: Possible Implications

Oil prices may have less economic impact than decades prior – but it's front and center for consumers

- **Gasoline at the Pump:** Operating costs rise immediately but the longer the conflict persists, the higher implication that the inflationary impact negatively affects consumption and growth.
- **Freight Costs:** Diesel prices raise delivery and transport costs – another important 'all-in' expense for consumers.
- **Real Income Squeeze:** Higher fuel costs hit lower income consumers directly and are 'regressive' in nature. With lower savings, households defer big-ticket purchases even further.
- **Interest Rates:** Oil costs quickly influence the price of other goods – and bond markets have responded in turn. The Fed is increasingly stuck in the middle – as expectations for rate cuts have been pushed into 2027.
- **Vehicle Values:** Increases in energy costs over the long term can shift buying behavior – if consumers don't expect gas prices to reverse quickly. With growing used EV supply – the market may smell opportunity.

2026 Forecasts

Updated End of Q1 2026

 **15.8M**
(-2.6% versus 2025)

NEW SALES

 **13.1M**
(-2.3% versus 2025)

NEW RETAIL SALES

 **2.8M** 
(-4.2% versus 2025)

FLEET SALES

 **2.8M**
(-12.7% versus 2025)

**NEW LEASE
VOLUME**

 **22%** 
(-2% versus 2025)

**LEASE
PENETRATION**

 **2.6M**
(-0.8% versus 2025)

CPO SALES

 **38.3M**
(-1.0% versus 2025)

USED SALES

 **20.4M** 
(-0.8% 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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