Cox Automotive

Introduction: Q3 2026 Sales Forecast Update

Sept. 24, 2026

Agenda

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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Chapter 1: Economy and Market Outlook

Sept. 24, 2026

Jeremy Robb
Chief Economist

Solid Demand Based on Steady Fundamentals

HEADWINDS

1. Rising Gas and Fuel Prices

Escalating energy costs can force consumers to make difficult trade-offs, prioritizing essential spending and deferring discretionary purchases like new vehicles.

2. Rising Interest Rates

Higher rates are acting as a psychological dampener on consumer demand, while further slowing housing activity — a sector closely correlated with vehicle sales.

TAILWINDS

1. Strong Growth in Liquid Assets

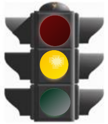
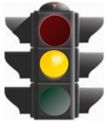
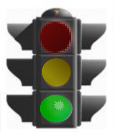
Growth in savings, money market, and stock accounts (outside of 401K and IRA holdings) have been expanding at double-digit rates in recent years, bolstering purchasing power.

2. Healthy Retiree Population

A growing retiree demographic with stable incomes and asset reserves is sustaining new-vehicle demand in key market segments.

Source: Cox Automotive

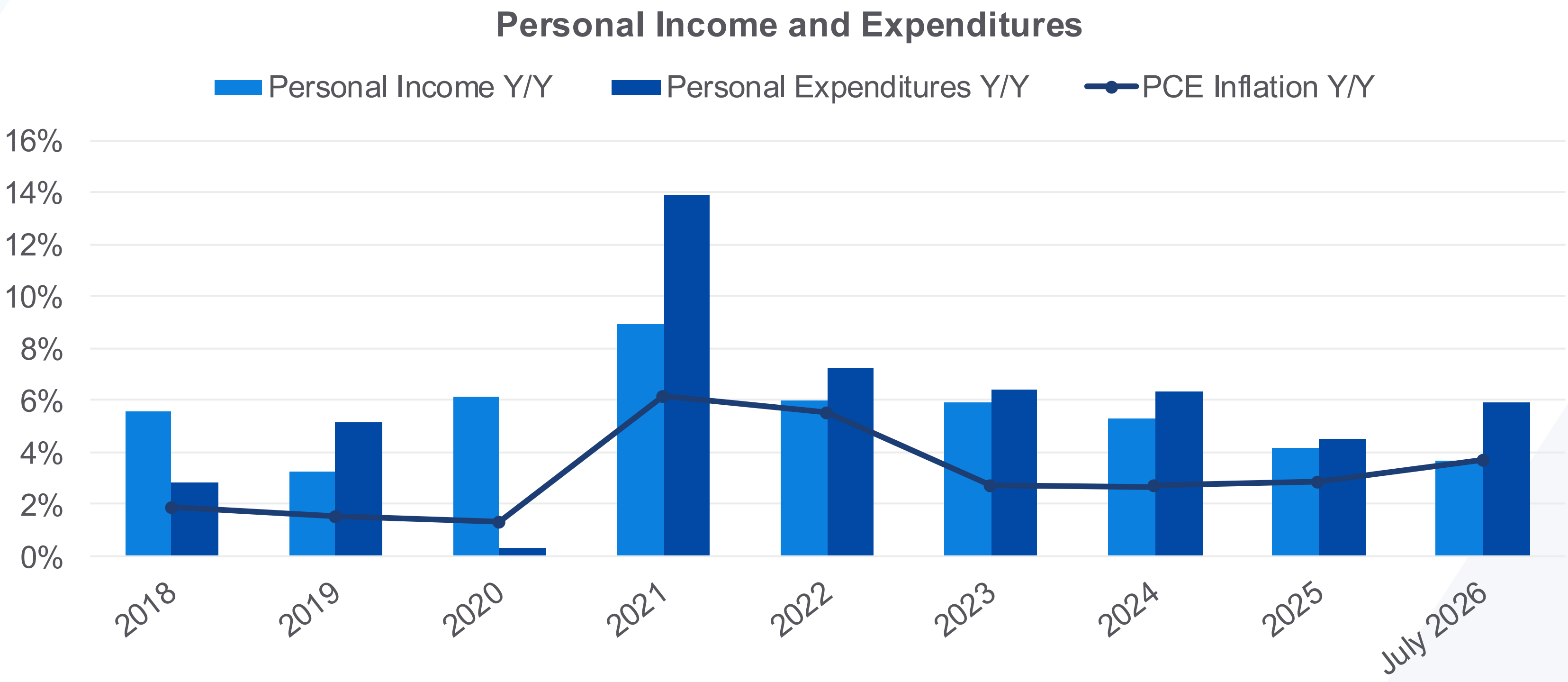
Key Economic Signals

Overall Economy	Real GDP Growth	0.5% (Q4 ’25)	3.0% (Q3 ’26 F)	2.0% (Q4 ’26 F)	
Employment Conditions	**U3 Unemployment Rate**	**4.4% (September ’25)**	**4.1% (August ’26)**	**4.2% (September ’26 F)**	
Buyer Ability	Real Disposable Income Y/Y	1.7% (July ’25)	0.5% (June ’26)	0.5% (July ’26)	
Borrowing Costs	**Average New Auto Loan Rate**	**9.24% (September ’25)**	**9.93% (August ’26)**	**10.13% (September MTD ’26)**	
Credit Availability	New Loan Credit Index *(Higher values = Better credit conditions)*	102.8 (August ’25)	111.4 (July ’26)	112.0 (August ’26)	

Source: Federal Reserve Economic Data, Cox Automotive

Expense Growth Continues to Outweigh Income

The gap between personal expense growth and income growth has widened to the highest since 2021



Source: Bureau of Labor Statistics, Cox Automotive

This Year's Theme: Solid and Resilient Demand

Despite high gas prices, lower sentiment and ever-present inflation, demand has remained solid

New and Used Sales

Stable year to date with upside surprises

Credit Availability

Lenders showing increased appetite

Valuations and Depreciation

Trends tracking normal so far in '26

Pandemic-Era Demand Tailwind

Consistent marginal demand persists

Consumers are proving more resilient than headlines suggest. Let's hear more detail from the team.

Source: Cox Automotive

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Chapter 2: The Dealer Perspective

Sept. 24, 2026

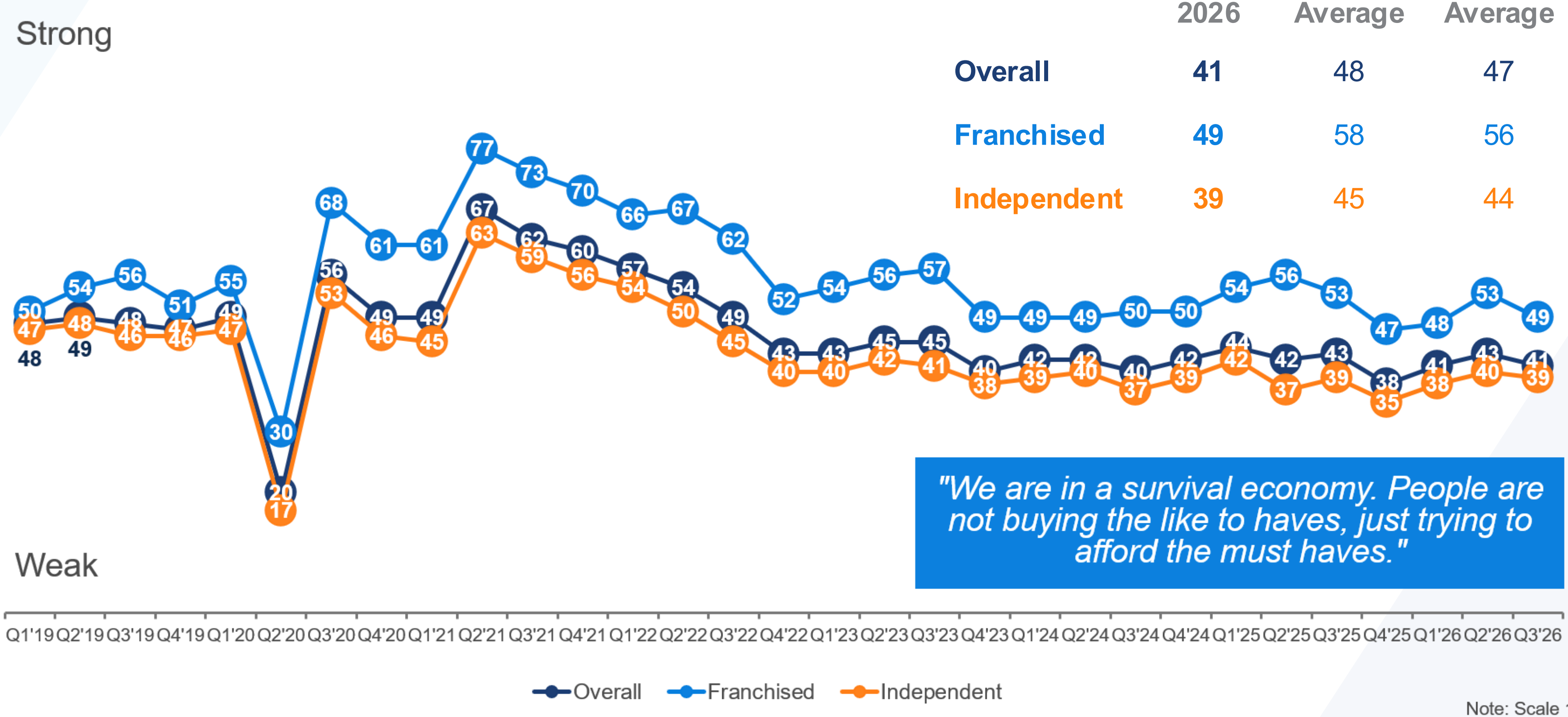
Alex Bland

Senior Director, Customer and Market Research

Background

- Data for the Cox Automotive Dealer Sentiment Index (CADSI) is gathered via a quarterly online survey of franchised and independent auto dealers.
- Dealer responses are weighted by dealership type and sales volume to closely reflect the national dealer population. Data is used to calculate an index wherein a number over 50 indicates more dealers view conditions as strong or positive rather than weak or negative.
- The Q3 2026 CADSI is based on 929 U.S. auto dealer respondents, comprising 501 franchised dealers and 428 independents. The survey was conducted from July 22 to August 5, 2026.
- The next quarterly report will be released in December 2026. The CADSI was first published in Q2 2017.

How would you describe the current market for vehicles in the areas where you operate?



	Q3 2026	Q3 Average	All Time Average
Overall	**41**	48	47
Franchised	**49**	58	56
Independent	**39**	45	44

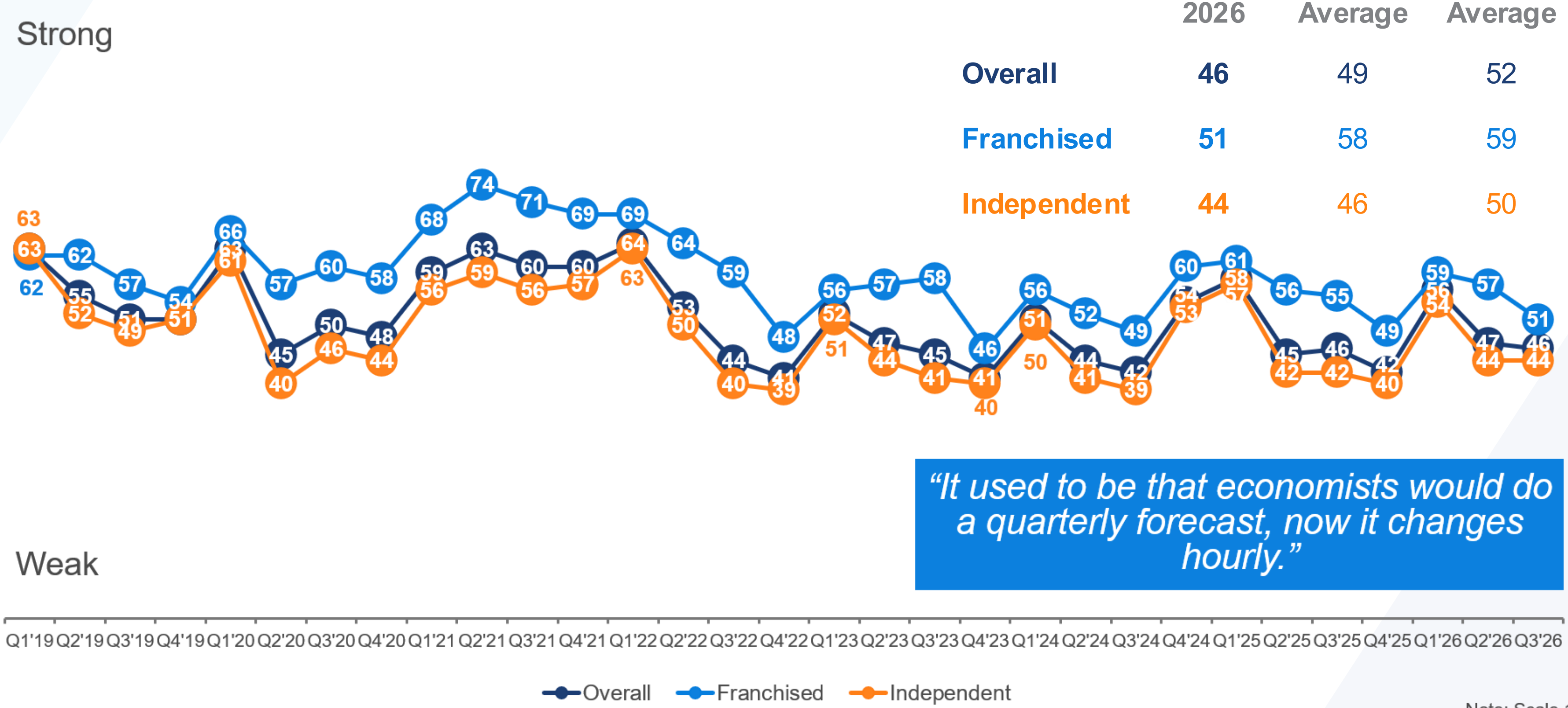
"We are in a survival economy. People are not buying the like to haves, just trying to afford the must haves."

Note: Scale 1 - 100

Source: Q3 2026 Dealer Sentiment Index

What do you expect the market for vehicles in your area to look like 3 months from now?

	Q3 2026	Q3 Average	All Time Average
Overall	**46**	49	52
Franchised	**51**	58	59
Independent	**44**	46	50



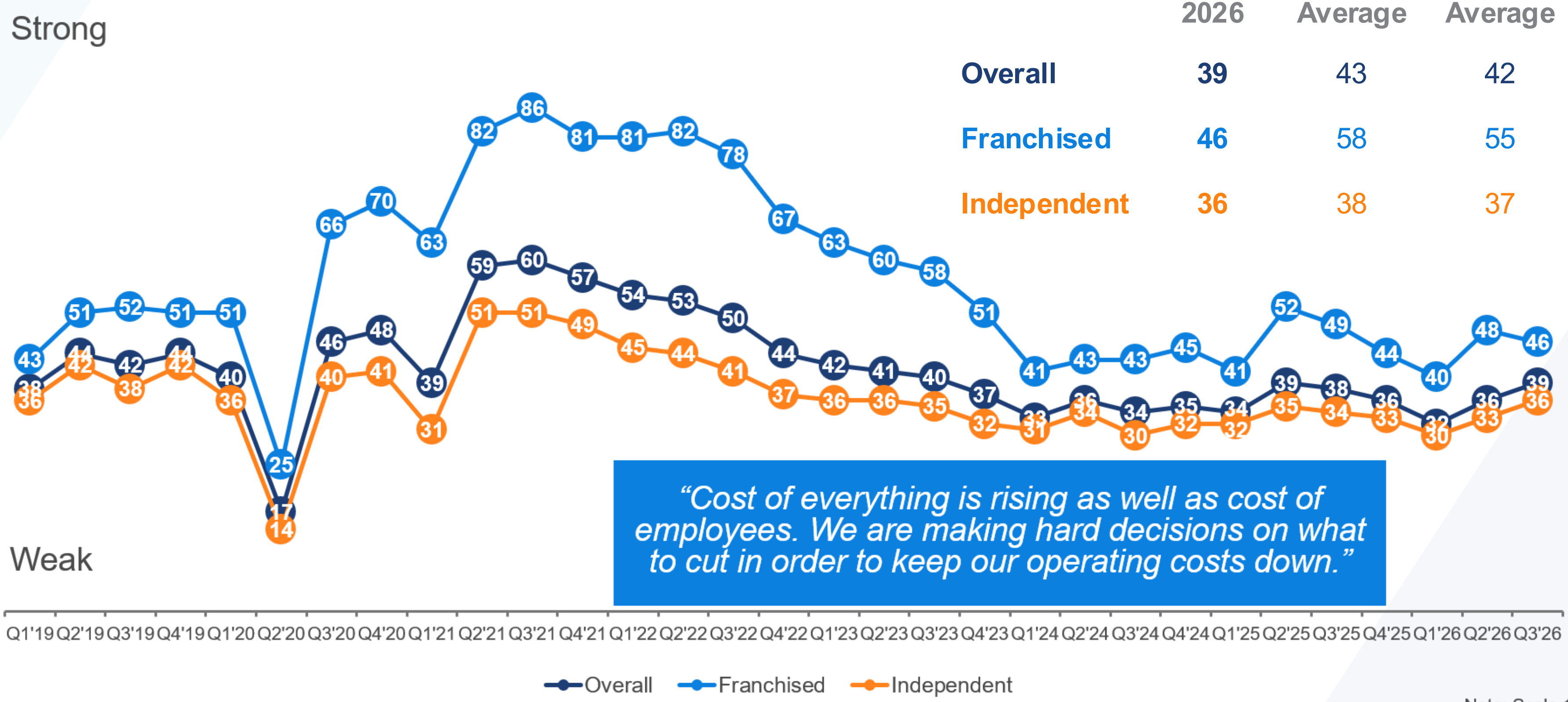
"It used to be that economists would do a quarterly forecast, now it changes hourly."

Note: Scale 1 - 100

Source: Q3 2026 Dealer Sentiment Index

How would you describe your profits over the past 3 months?

	Q3 2026	Q3 Average	All Time Average
Overall	**39**	43	42
Franchised	**46**	58	55
Independent	**36**	38	37



"Cost of everything is rising as well as cost of employees. We are making hard decisions on what to cut in order to keep our operating costs down."

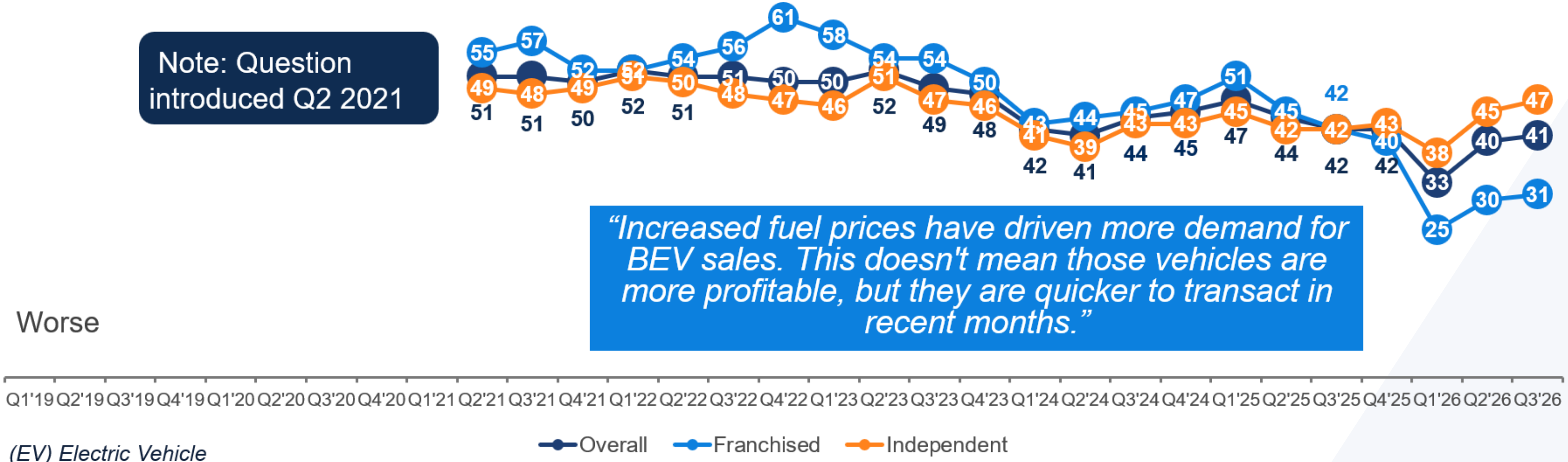
Note: Scale 1 - 100

Source: Q3 2026 Dealer Sentiment Index

Compared to last year, how would you describe your EV sales?

	Q3 2026	Q3 Average	All Time Average
Overall	**41**	46	46
Franchised	**31**	48	48
Independent	**47**	46	45

Better



"Increased fuel prices have driven more demand for BEV sales. This doesn't mean those vehicles are more profitable, but they are quicker to transact in recent months."

Worse

(EV) Electric Vehicle

Note: Scale 1 - 100

Source: Q3 2026 Dealer Sentiment Index

Factors Holding Back Business

OVERALL RANK

		Q3 '26	Q2 '26	Q3 '25	Q3 '24
1	Economy	54%	55%	44%	61%
2	Market Conditions	42%	40%	36%	41%
3	Interest Rates	34%	32%	43%	59%
4	Expenses	33%	33%	33%	33%
5	Political Climate	32%	36%	28%	44%
6	Consumer Confidence	31%	31%	31%	30%
7	Limited Inventory	28%	26%	28%	30%
8	Credit Availability for Consumers	26%	23%	25%	31%
9	Cost of Vehicle Insurance for Consumers	18%	20%	19%	N/A
10	Competition	16%	18%	15%	15%

"People are paying so much for gas, groceries, water, the basics. They do not have money to buy another car"

Source: Q3 2026 Dealer Sentiment Index

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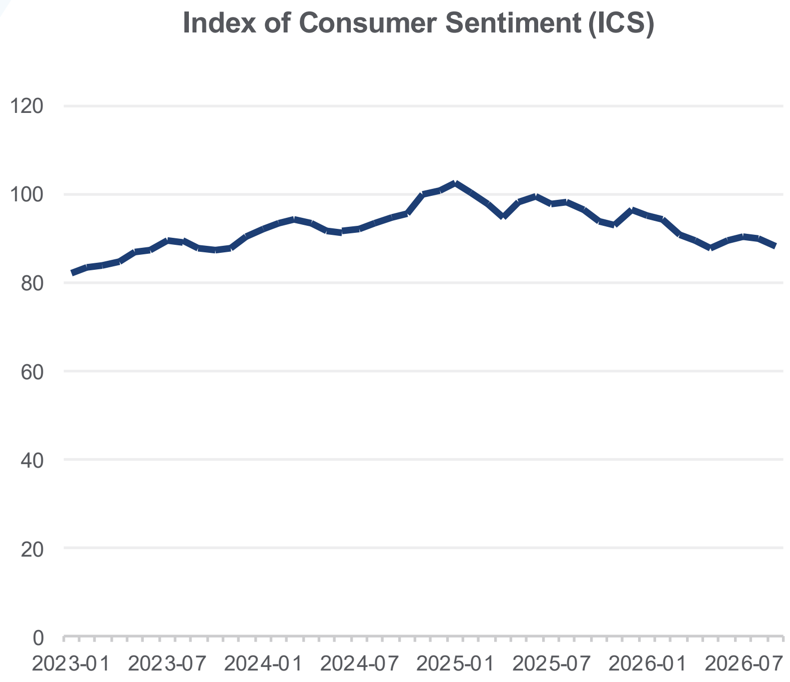
Chapter 3: Consumer Health and Sentiment

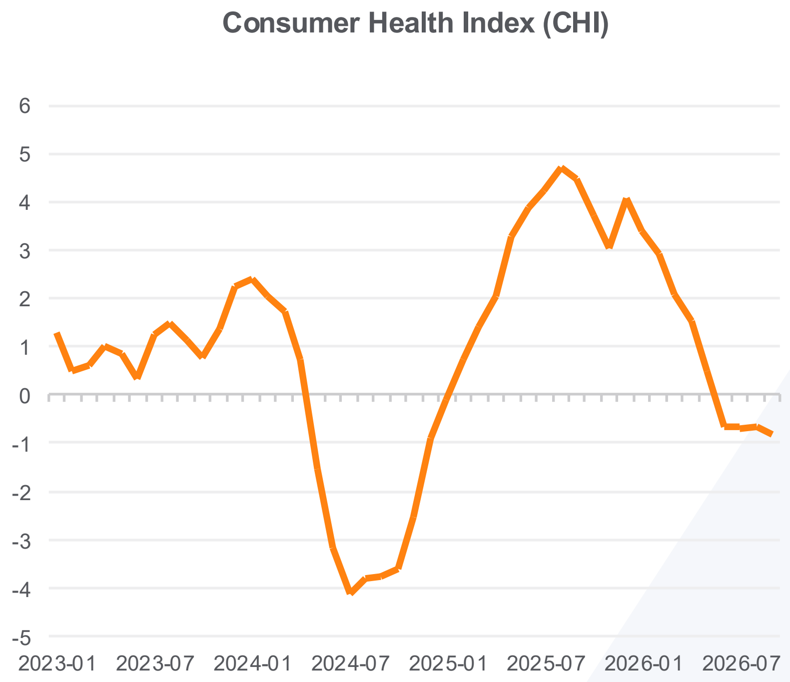
Sept. 24, 2026

Erin Keating
Executive Analyst

Consumer Health Is Starting To Catch Up With Sentiment

Real-time spending demand growth has only recently turned down, even as sentiment has been sliding for nearly two years

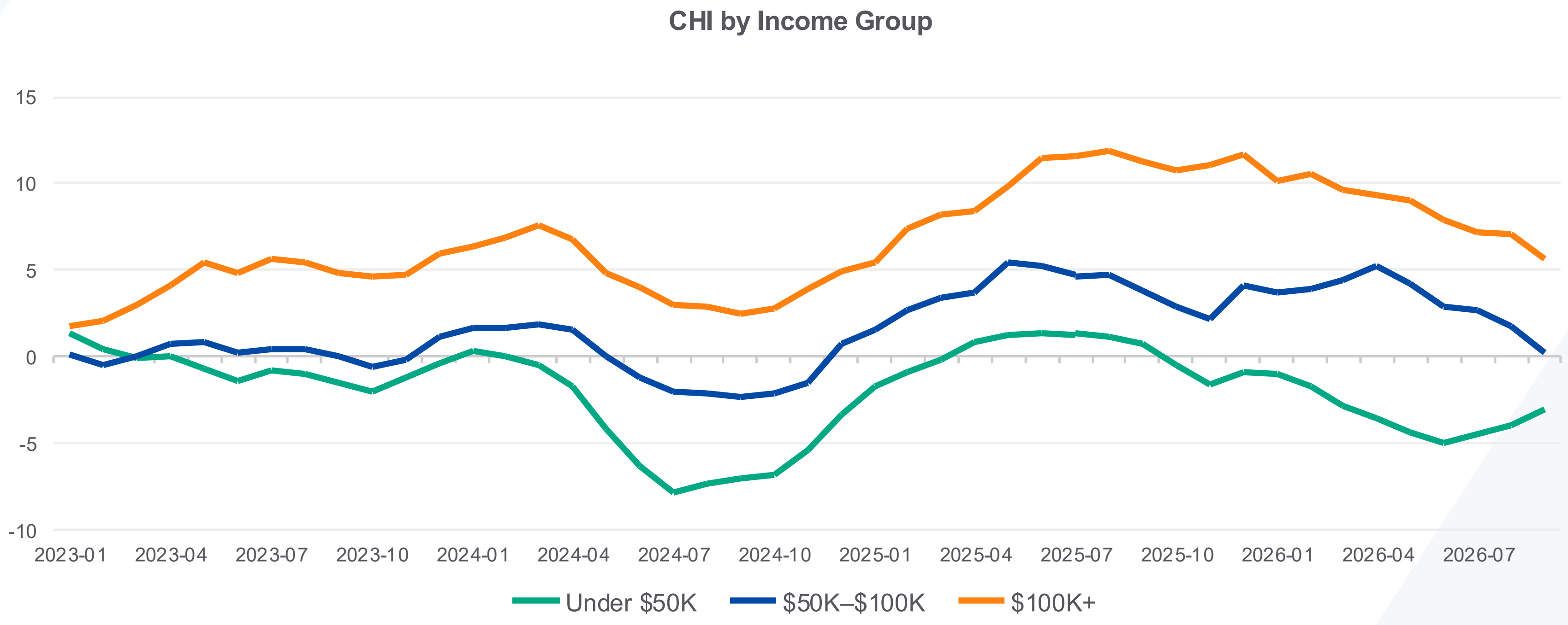




Source: Morning Consult Economic Intelligence

The Income Gap In Spending Health Is Narrowing

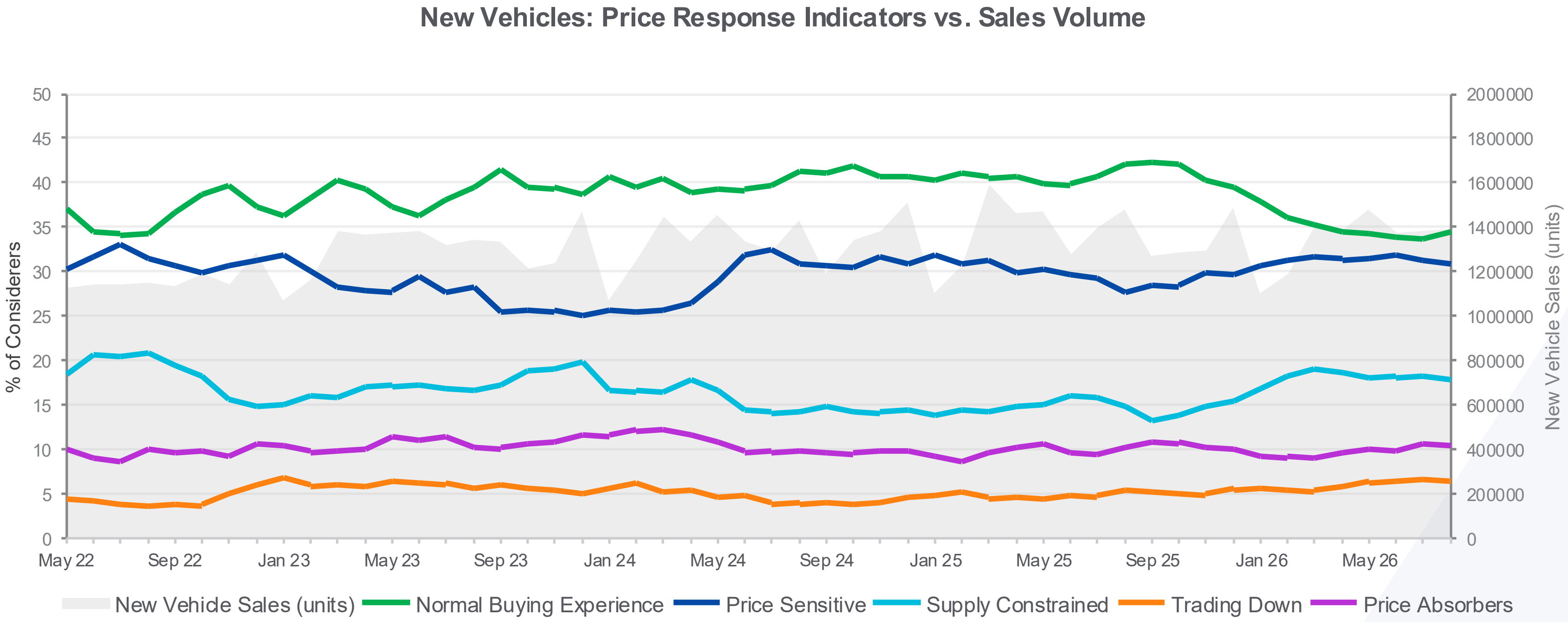
Higher-income households' financial health is falling fast while lower-income households recover off multi-year lows



Source: Morning Consult Economic Intelligence

Rising Price Friction Isn't Showing Up In Lost Sales

New vehicle sales volume is up roughly 20% since 2022 even as trading down and price sensitivity climb toward multi-year highs



Source: Morning Consult Economic Intelligence (PRI); Cox Automotive Market Maven (sales volume)

Consumers Don't Move Directly From Pressure To Demand Destruction

They adapt first and that adaptation is reshaping demand, financing, and powertrain choice

1 Economic Pressure

- Higher living costs
- Higher insurance costs
- Higher borrowing costs

2 Behavioral Adaptation

- Delay replacement
- Trade down
- Lease, buy used, or go hybrid

3 Market Outcomes

- Resilient sales
- Aging fleet
- Strong used market

4 Industry Response

- Trim & feature mix shifts
- Captive finance & leasing
- More midsize & hybrid vehicles

Consumers exhaust adaptation options before they abandon vehicle ownership. Product, incentive, and financing strategy should meet the adaptation, not just react to the pressure.

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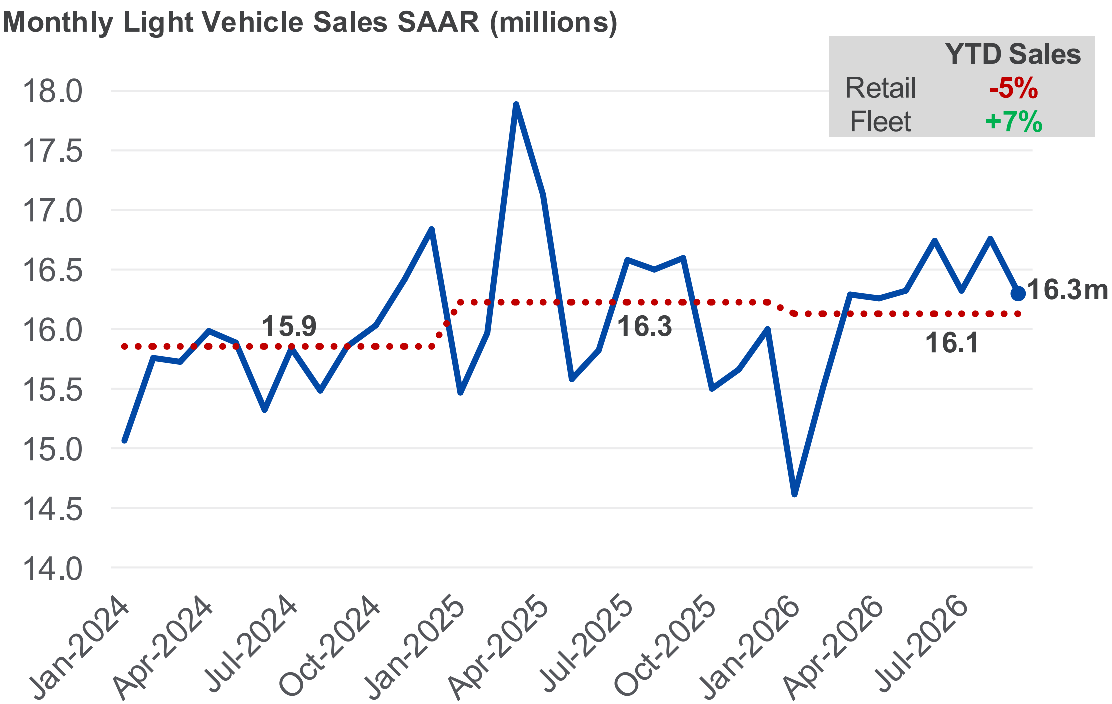
Chapter 4: New-Vehicle Market Scoreboard

Sept. 24, 2026

Charlie Chesbrough
Senior Economist

New-Vehicle Sales

Strong summer SAAR leads to forecast adjustment – high incomes and business leading the way



	Sales	SAAR
Sept 2025	1.27	16.6
Sept 2026	1.35	16.3
change	6.2%	-2.1%
Q3 2025	4.12	16.6
Q2 2026	4.26	16.4
Q3 2026	4.09	16.4
y/y change	-0.8%	-0.7%
q/q change	-4.0%	0.1%
YTD 2025	12.23	16.4
YTD 2026	12.02	16.1
change	-1.8%	-1.7%

Forecast – Revised Higher

CY2024: 15.9 million
CY2025: 16.3 million
+ 2.5%

F2026: ~~15.8~~ 16.1 million
- 1.2% vs 2025

Source: Cox Automotive estimates, U.S. Bureau of Economic Analysis

Automaker Performance

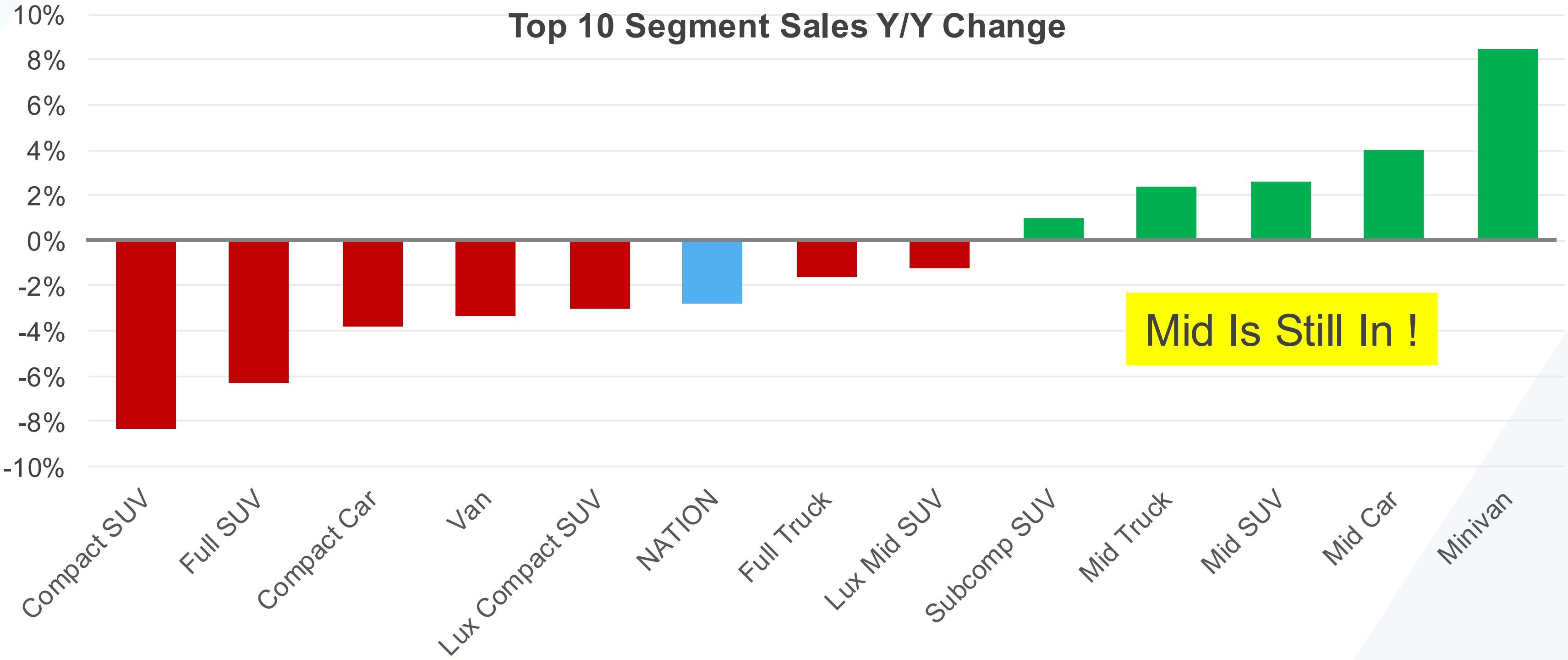
Share changing rapidly as consumer preferences and product cycles change

OEM	Q3 2025	Q2 2026	Q3 2026	Y/Y	Q/Q	YTD 2025	YTD 2026	Y/Y	Share YTD '25	Share YTD '26	Y/Y
GM	708,360	711,175	671,706	-5.2%	-5.5%	2,140,876	2,007,180	-6.2%	17.4%	16.7%	-0.8%
Toyota	629,135	673,971	642,707	2.2%	-4.6%	1,865,872	1,886,096	1.1%	15.2%	15.6%	0.5%
Ford	542,983	545,978	504,172	-7.1%	-7.7%	1,650,623	1,505,134	-8.8%	13.4%	12.5%	-1.0%
Hyundai	480,174	489,663	511,421	6.5%	4.4%	1,373,324	1,431,804	4.3%	11.2%	11.9%	0.7%
Honda	358,848	420,089	402,580	12.2%	-4.2%	1,097,999	1,159,499	5.6%	8.9%	9.6%	0.7%
Stellantis	321,524	324,299	317,330	-1.3%	-2.1%	918,382	944,352	2.8%	7.5%	7.8%	0.4%
Nissan	243,024	265,868	245,973	1.2%	-7.5%	785,303	785,789	0.1%	6.4%	6.5%	0.1%
Subaru	161,262	165,390	173,329	7.5%	4.8%	483,037	480,663	-0.5%	3.9%	4.0%	0.1%
VW	158,141	146,362	143,112	-9.5%	-2.2%	443,557	412,072	-7.1%	3.6%	3.4%	-0.2%
Tesla	179,525	124,800	123,880	-31.0%	-0.7%	451,160	365,980	-18.9%	3.7%	3.0%	-0.6%
Mazda	109,366	107,361	109,988	0.6%	2.4%	319,664	311,821	-2.5%	2.6%	2.6%	0.0%
BMW	104,155	110,169	106,521	2.3%	-3.3%	297,246	307,182	3.3%	2.4%	2.5%	0.1%
Daimler	83,000	84,498	91,588	10.3%	8.4%	240,800	254,582	5.7%	2.0%	2.1%	0.2%
Others	64,823	71,659	71,899	10.9%	0.3%	212,811	202,905	-4.7%	1.7%	1.7%	0.0%
NATION	**4,144,320**	**4,241,282**	**4,116,206**	**-0.7%**	**-2.9%**	**12,280,654**	**12,055,059**	**-1.8%**	**100.0%**	**100.0%**	**0.0%**

Source: Kelley Blue Book Estimates

What Is Selling In 2026

Affordable and expensive segments down – compromise and practical is winning

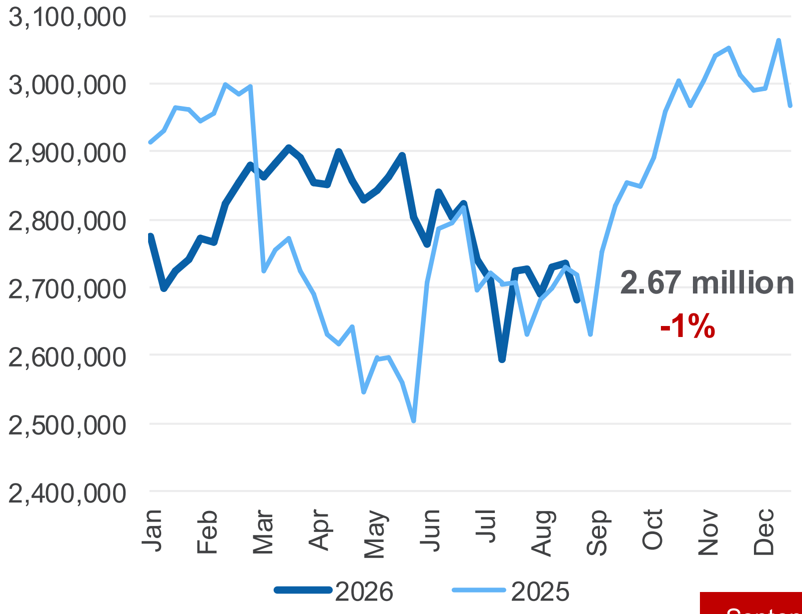


Source: YTD Sales, Kelley Blue Book Estimates

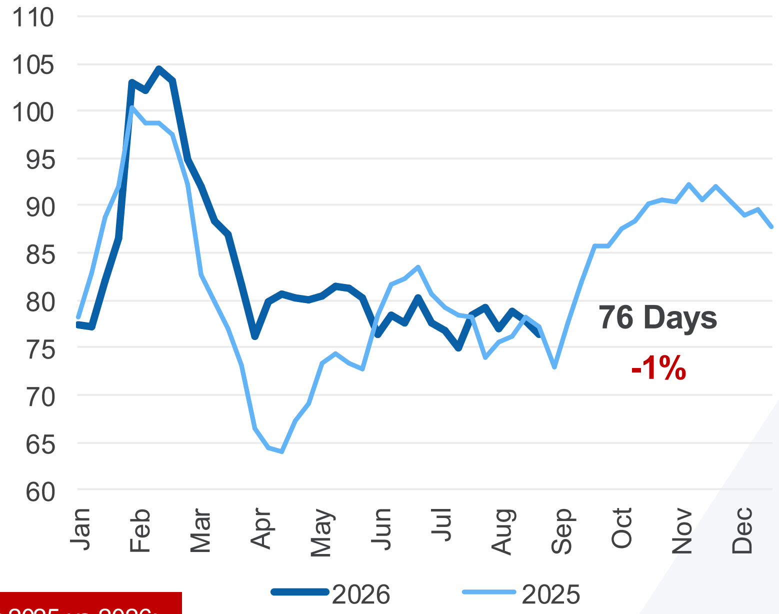
New Light Vehicle Supply

Last year supply grew in Q4 as sales pace slowed – same path ahead or are strategies changing

Available Supply



Days' Supply

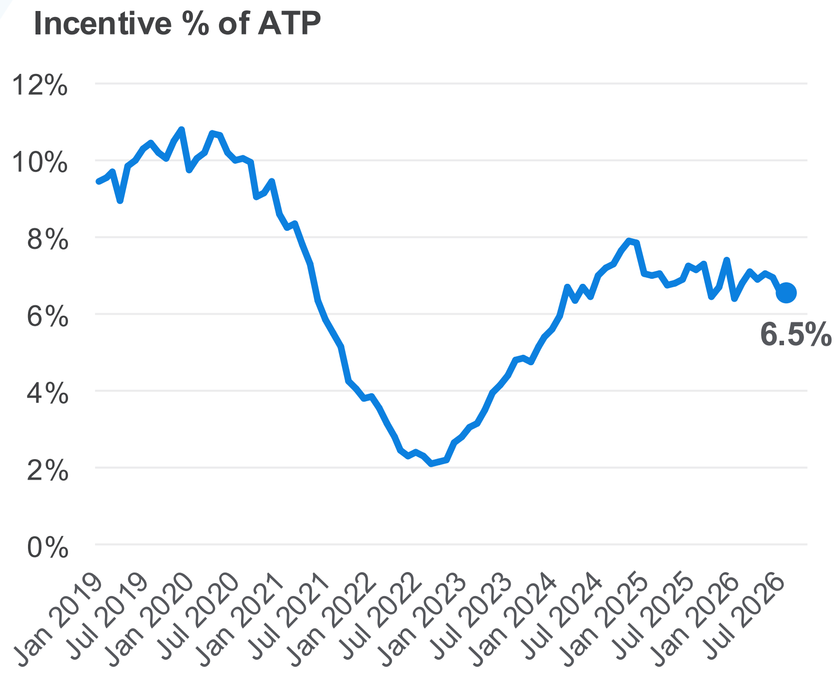


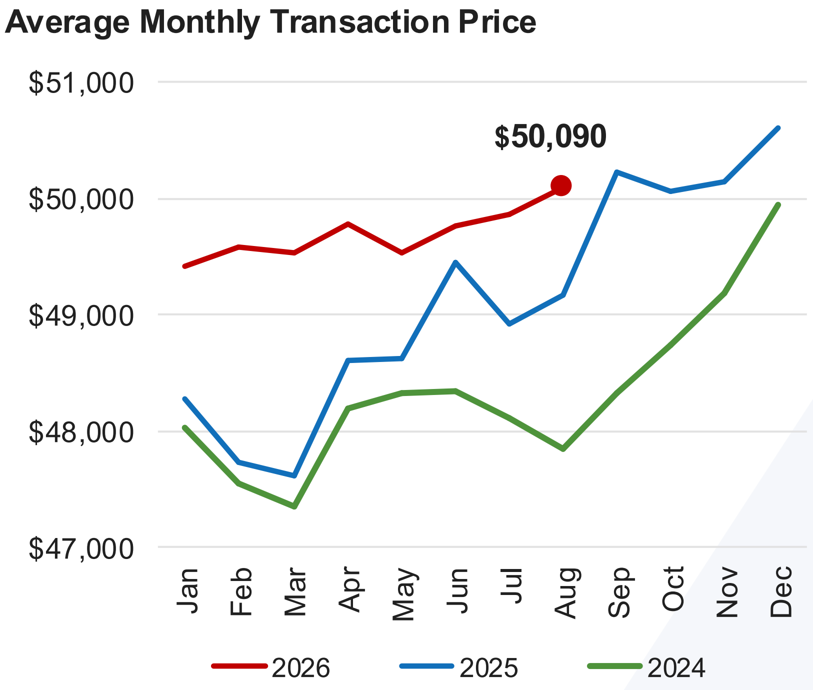
September 2025 vs 2026:
MY2026 Share 26%
MY2027 Share 12%

Source: Cox Automotive and vAuto

New-Vehicle Pricing

Incentives low and prices rising but at a slower pace – lean and mean the new path forward?





Source: Cox Automotive and Kelley Blue Book

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Chapter 5: Used-Vehicle Market Scoreboard

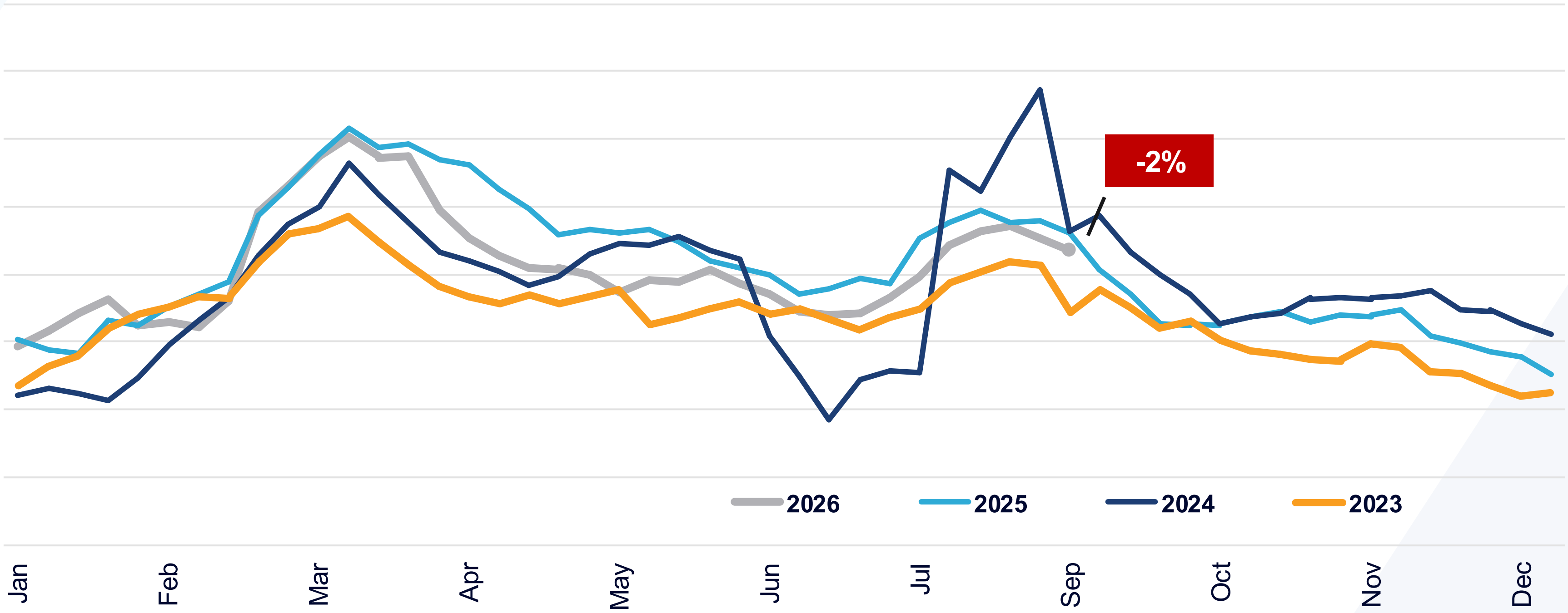
Sept. 24, 2026

Mark Strand
Deputy Chief Economist

Used-Vehicle Sales Have Been Resilient

Used hangs near 2025 pace in recent weeks, down 2% against last year

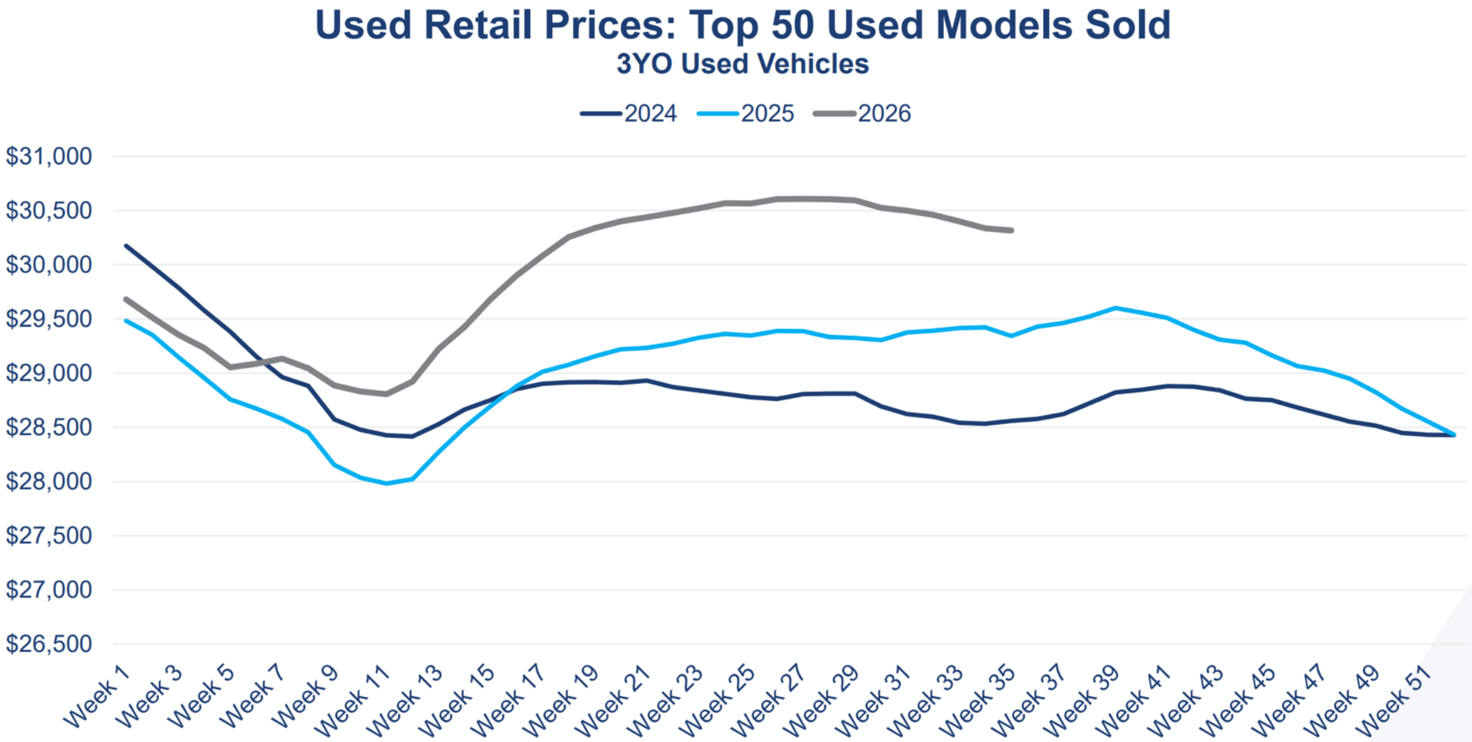
Estimated Rolling 30 Day Retail Sales weekly



Source Cox Automotive

Used-Vehicle Listing Prices Soared In 2026, Now Past Peak

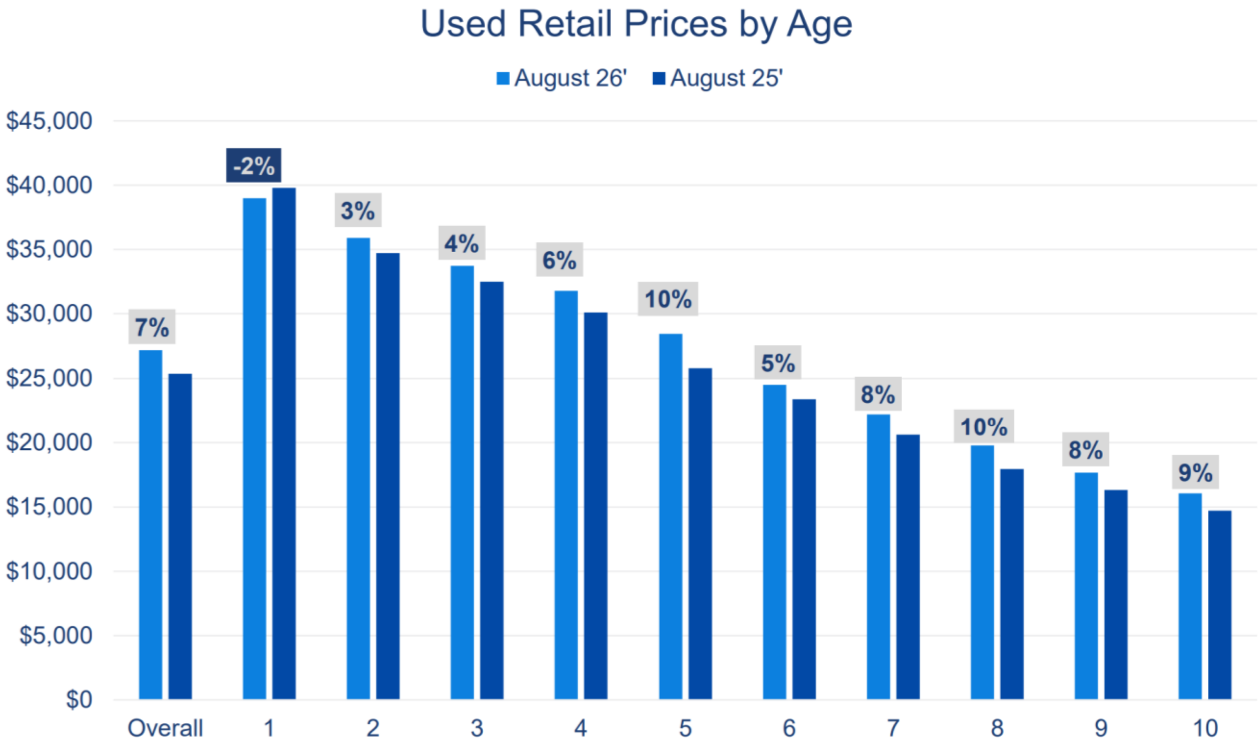
Listing Price for the top 50 3YO units remains over $30,300, 3.3% higher Y/Y and down 0.6% in the month of August



Source: Cox Automotive

Used Vehicle Price by Age | Affordability Matters

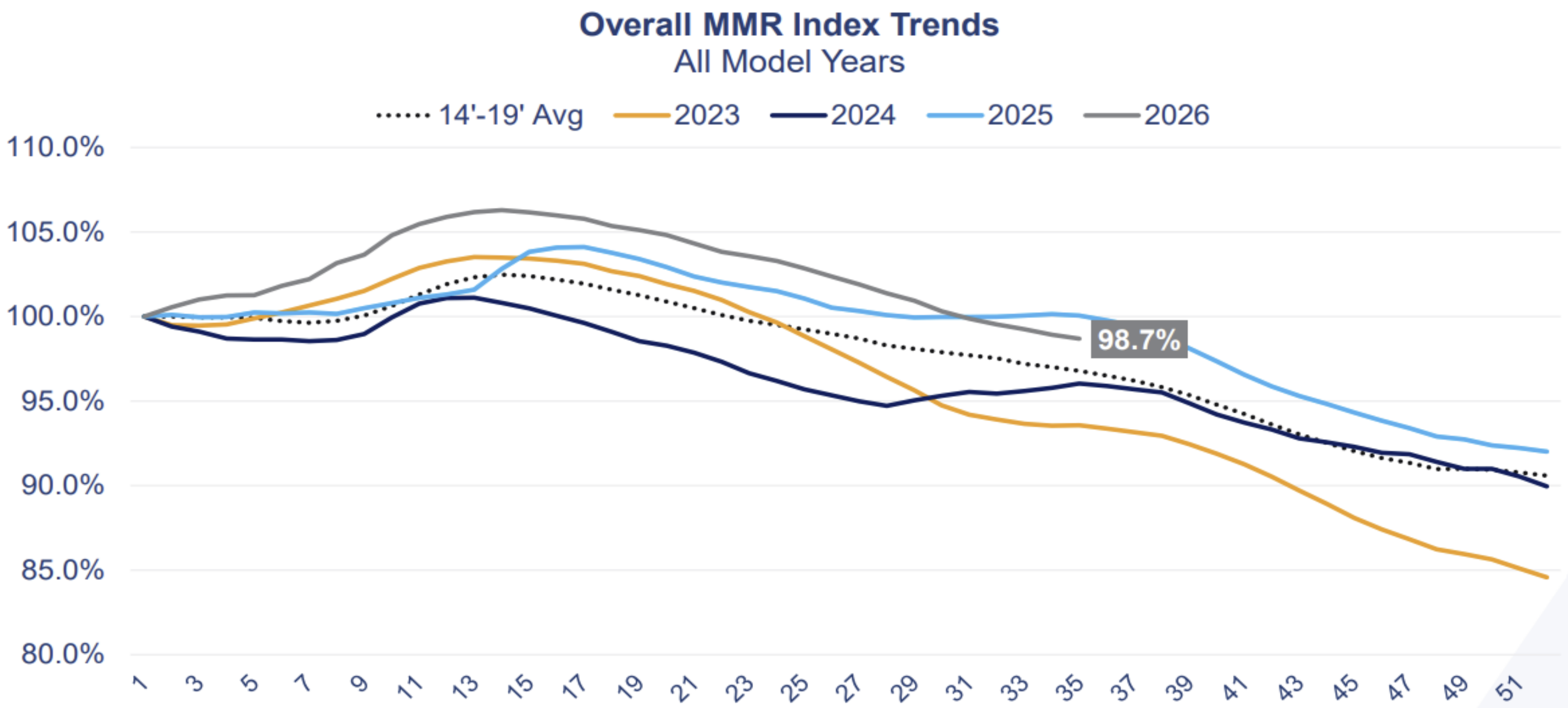
Overall used prices remain up 7% this year yet older units have risen more than younger age groups



Source: Cox Automotive

Wholesale Value Retention Index

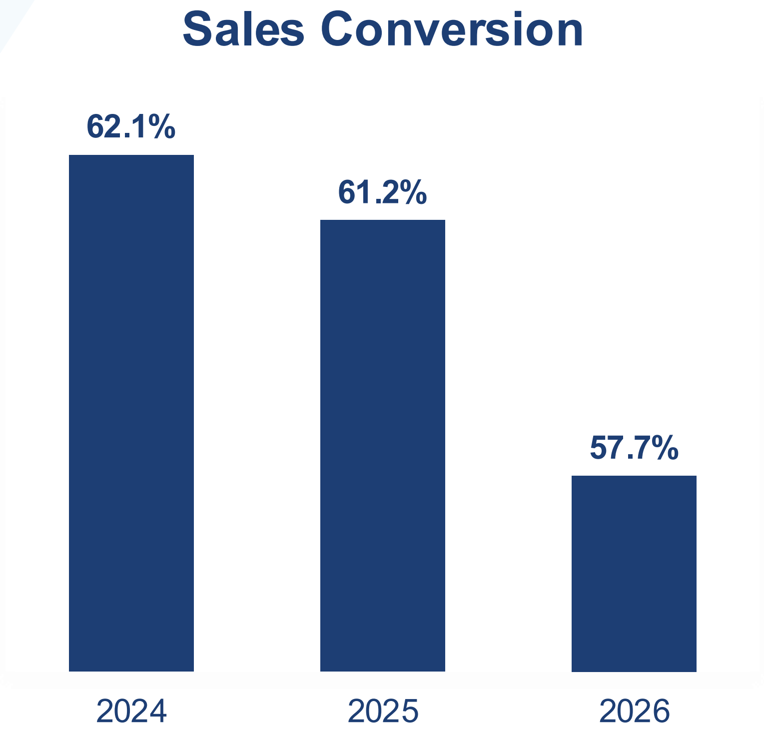
MMR depreciation caught up to long term average over the summer, now below week one and 2025 levels

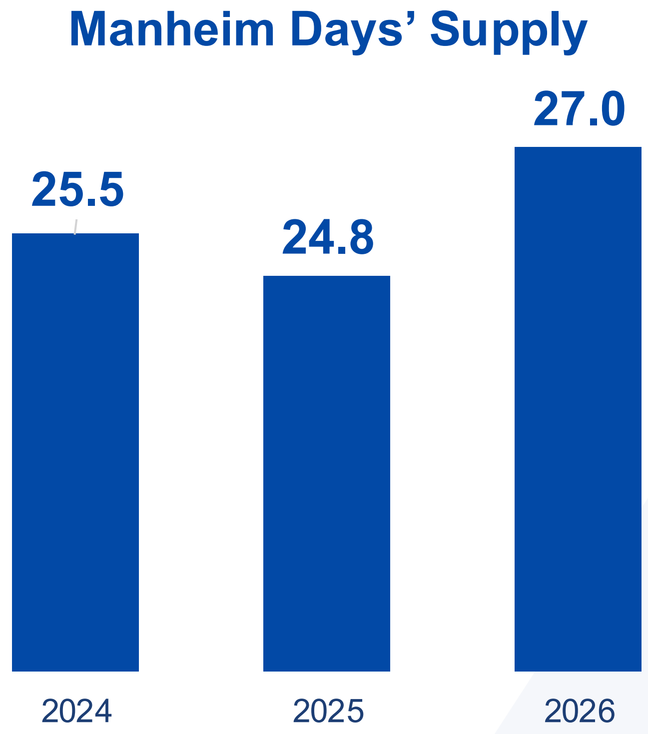


Source: Cox Automotive

Sales Conversion & Days' Supply

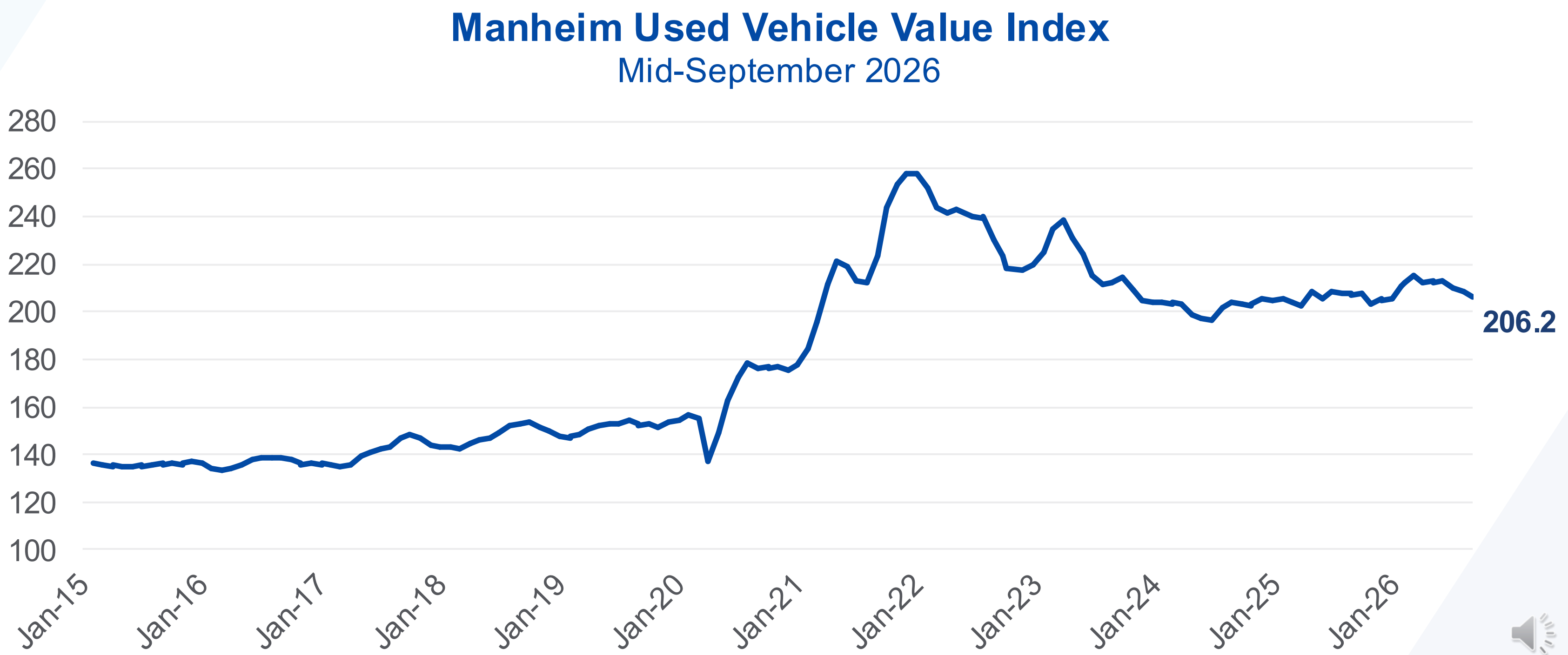
Sales conversion declined month over month, normalizing from a stronger start to the year





Manheim Used Vehicle Value Index (MUUVI)

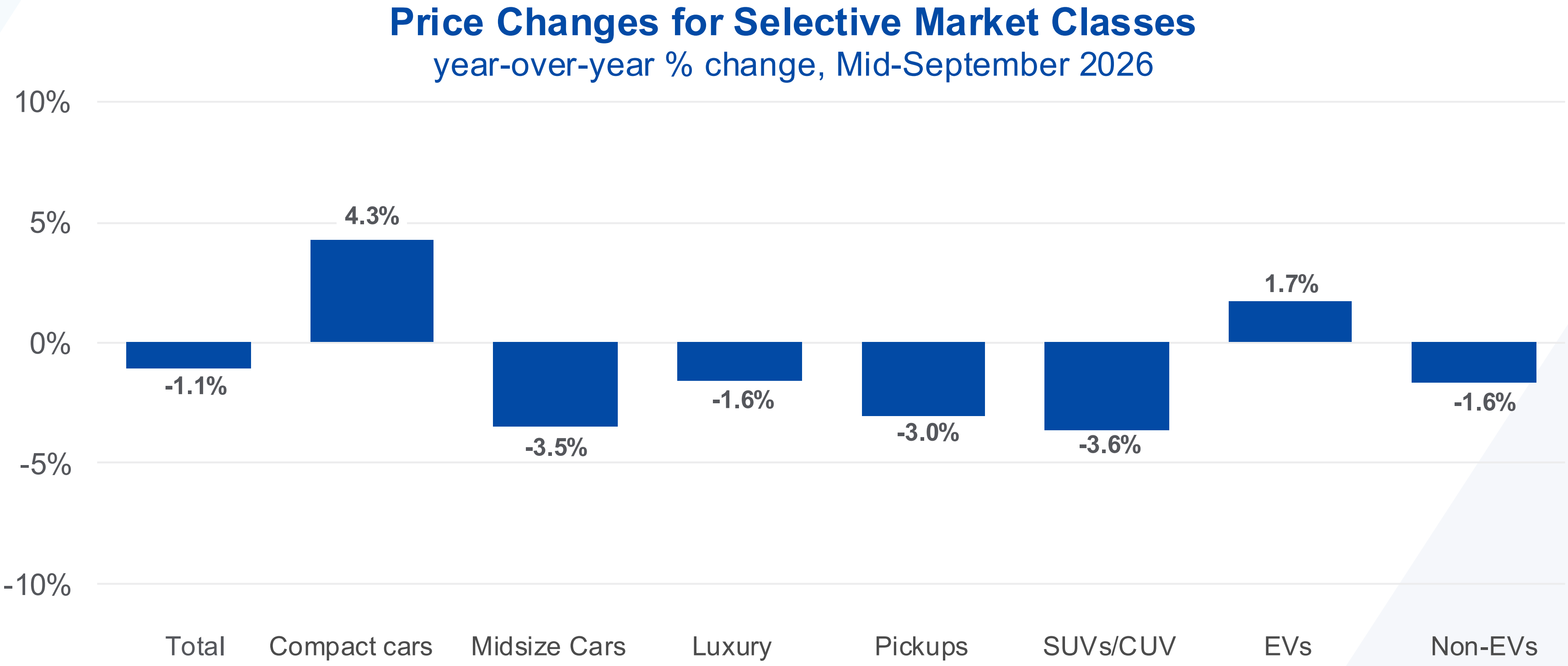
The MUVVI peaked in March and has been trending lower since; now lower than readings from 2H 2025



Source: Cox Automotive - Manheim

Segment Performance: Year-Over-Year Wholesale Value Changes

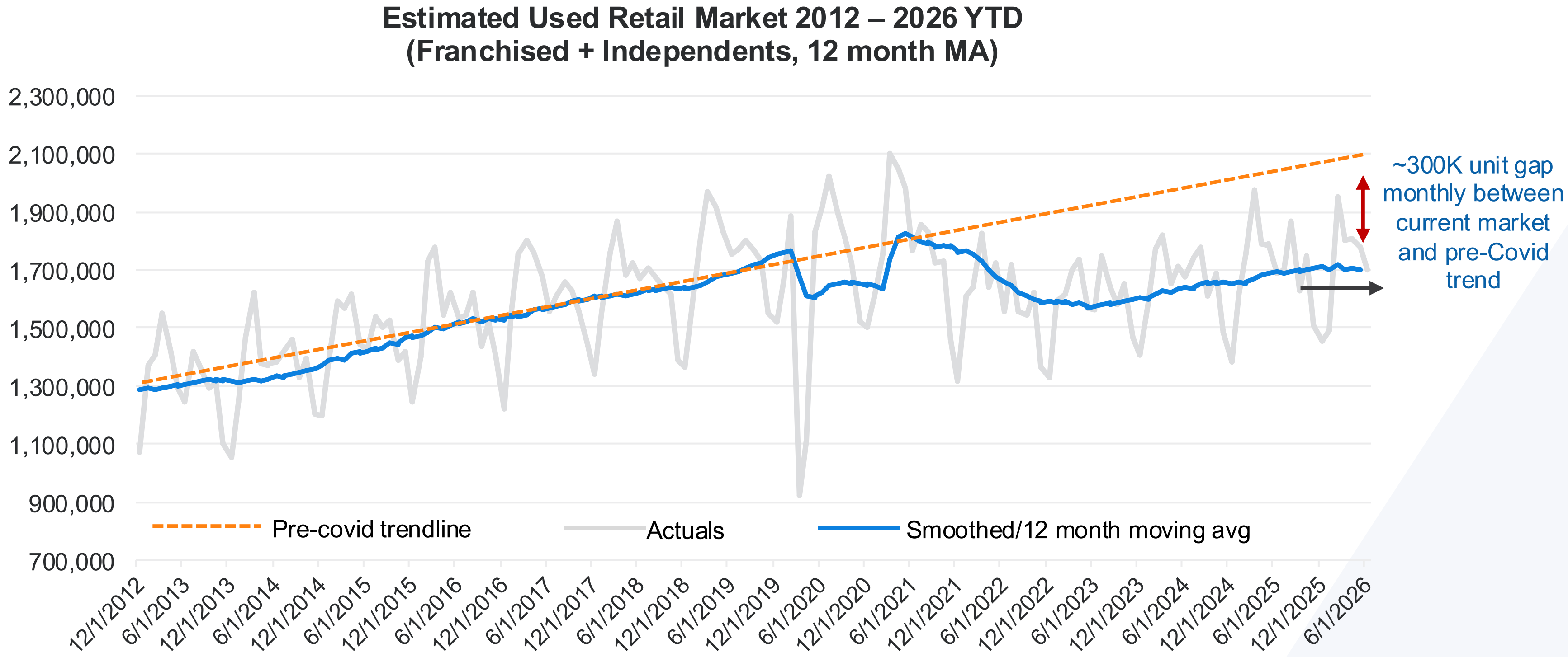
Impact of high fuel prices is evident in divergence between Compact Cars, EVs and larger ICE vehicles



Source: Cox Automotive - Manheim

Outlook for Q4 2026 & Beyond: More Of The Same

Used retail market with constrained supply and limited upside until new market can move to a higher gear



Source: Cox Automotive

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Chapter 6: Electrified Vehicle Market

Sept. 24, 2026

Stephanie Valdez Streaty
Director, Industry Insights

Key Trends Powering the Electrification Shift

Technology and infrastructure continue to improve as product choice broadens and adoption grows.

BATTERY TECHNOLOGY

Range and cost keep improving

- Average EV range: ~300 miles, up 20% from 2021
- Global battery pack prices down 21% in five years, to $108/kWh

INFRASTRUCTURE AND RELIABILITY

Charging network scaling up

- 74K public fast chargers, +27% YoY
- Most states now achieve 90 – 95% charging reliability
- Private investment driving network expansion

MODEL AVAILABILITY AND CHOICE

Electrified choice has broadened

- Offerings span a broad range of brands, segments and powertrains
- Alternative powertrain models available up 14% since Q2 2024

MARKET MATURITY

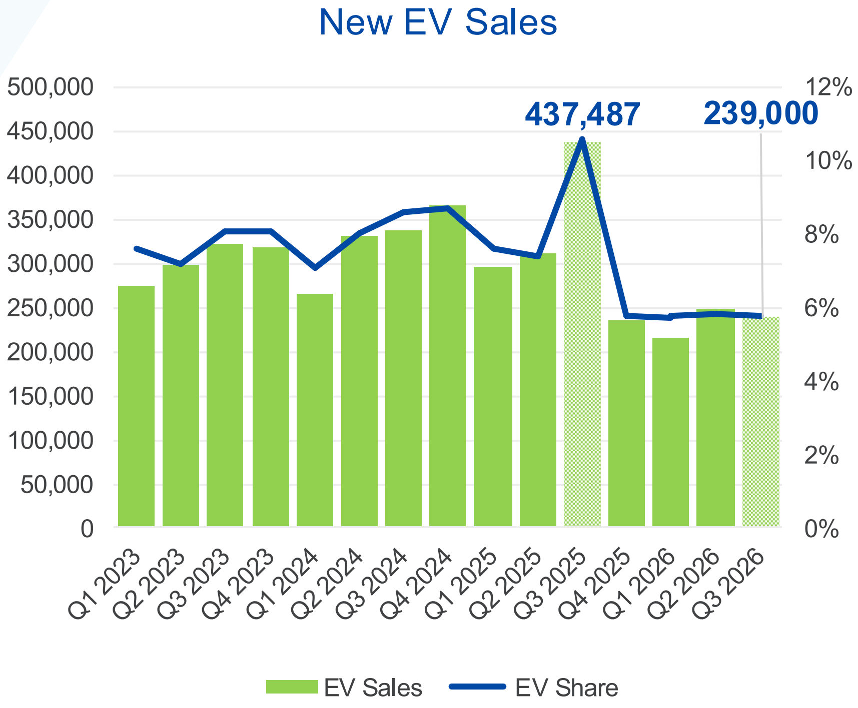
Electrification at meaningful scale

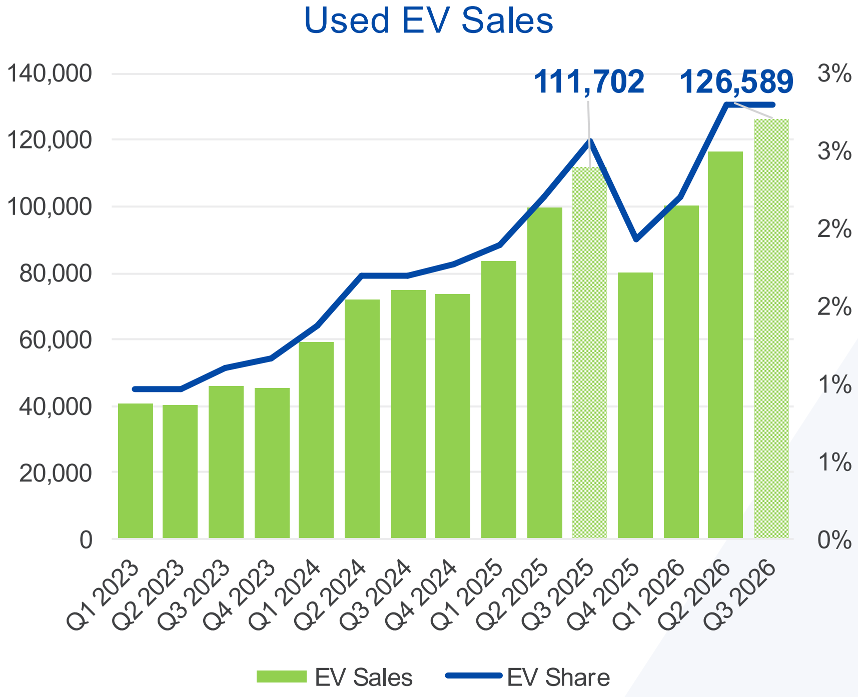
- Nearly 1 in 4 new vehicles sold in Q2 was electrified
- 7 brands derive more than 25% of sales from electrified vehicles

Source: Cox Automotive, BloombergNEF, Alternative Fuel Data Center, Paren

EV Sales Forecast: New and Used

New EV sales stabilize near 6% share, while used EV sales continue to reach record levels.

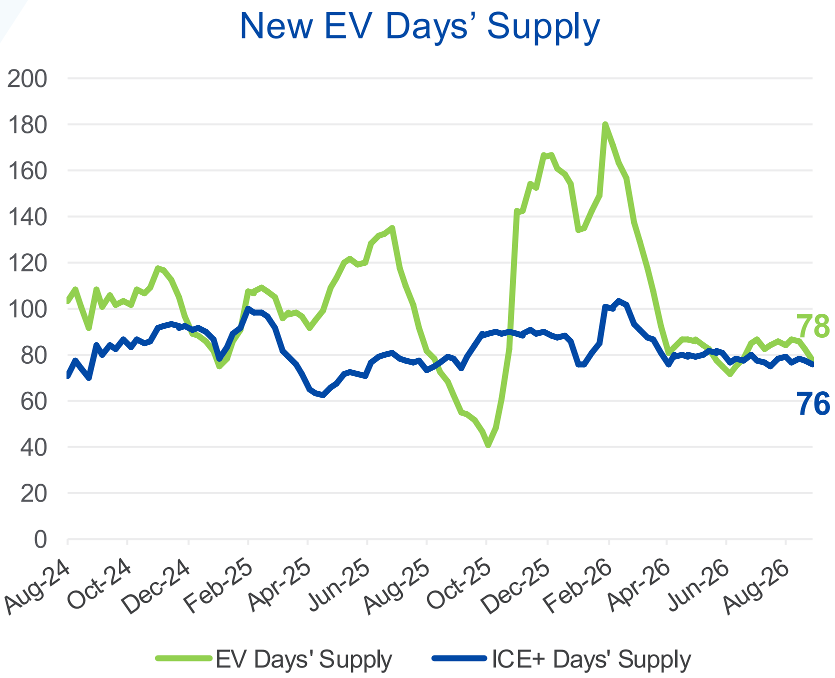


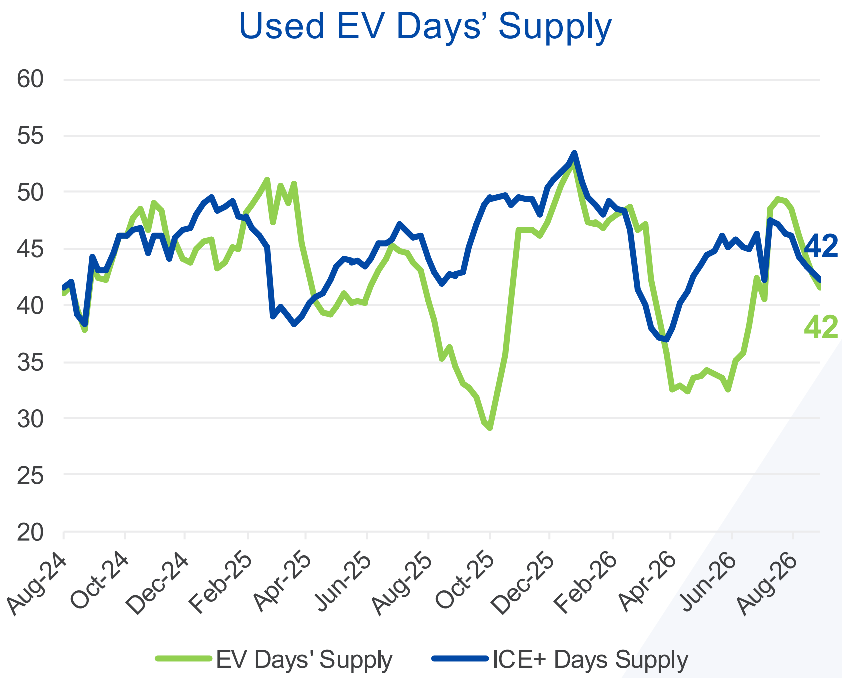


Source: Cox Automotive

EV Inventory Levels Align with the Broader Market

New and used EV days' supply finished August largely in line with ICE+ inventory levels.

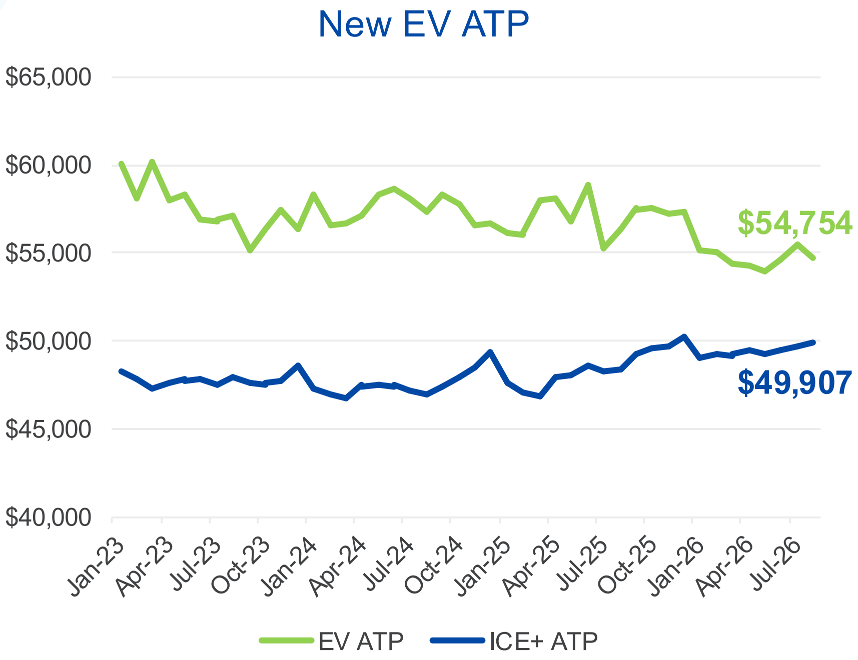


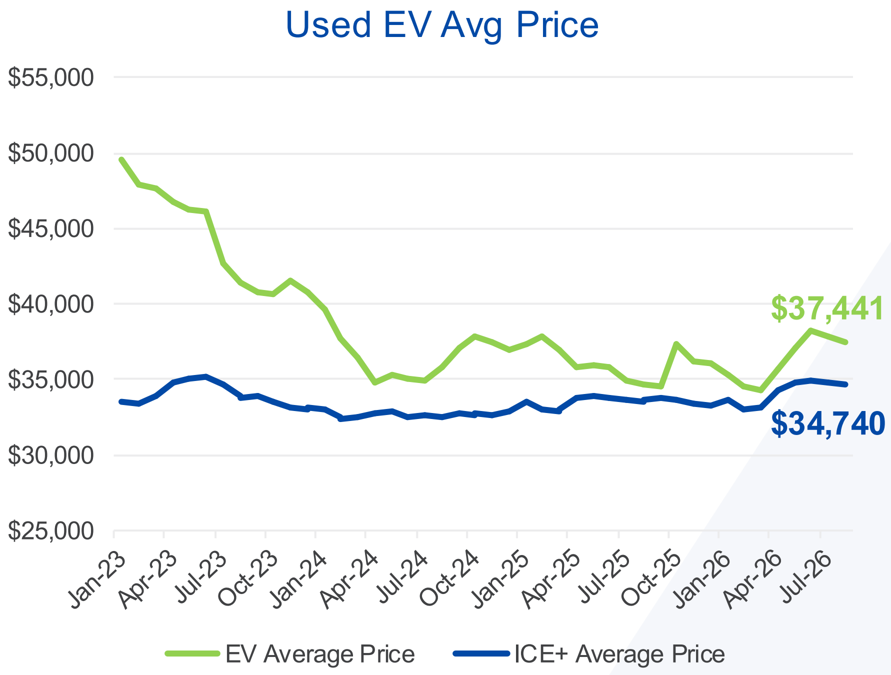


Source: vAuto Live Market View

New EV Premium Narrows While Used EV Prices Firm

New EV price premium falls below 10%, while used EV premium widens to 8%.

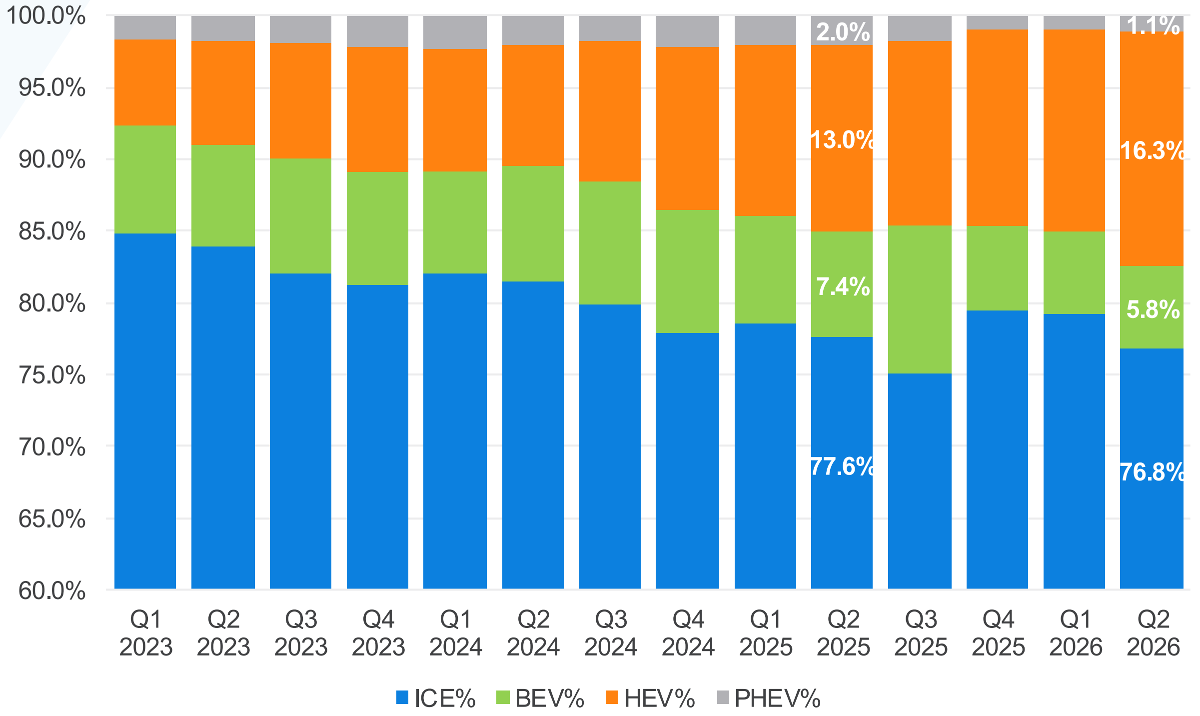




Source: Cox Automotive, vAuto Live Market View

HEV Hits Record Share as Electrification Mix Shifts

HEV volume up 23% since Q2 2025, reaching a record 16.3% share.



Largest HEV Gainers

Q2 2026 vs. Q2 2025

1 **Kia** **+36K**

+130% YoY · 9% share of HEVs

2 **Toyota** **+32K**

+12% YoY · 44% share of HEVs

3 **Hyundai** **+30K**

+75% YoY · 10% share of HEVs

4 **Subaru** **+16K**

+140% YoY · 4% share of HEVs

5 **Honda** **+13K**

+13% YoY · 17% share of HEVs

Source: Cox Automotive, ICE% includes MHEV%

Cox Automotive

Chapter 7: Credit Availability and the Cost of Borrowing

Sept. 24, 2026

Jonathan Gregory

Senior Director, Economic and Industry Insights

Auto Credit Availability Is at a 10-Year High

Fourth straight monthly gain, and the highest reading since November 2015

105.3

Credit Availability Index

▲ 7.7% YoY

97.8 in Aug-25

73.9%

Loan Approval Rate

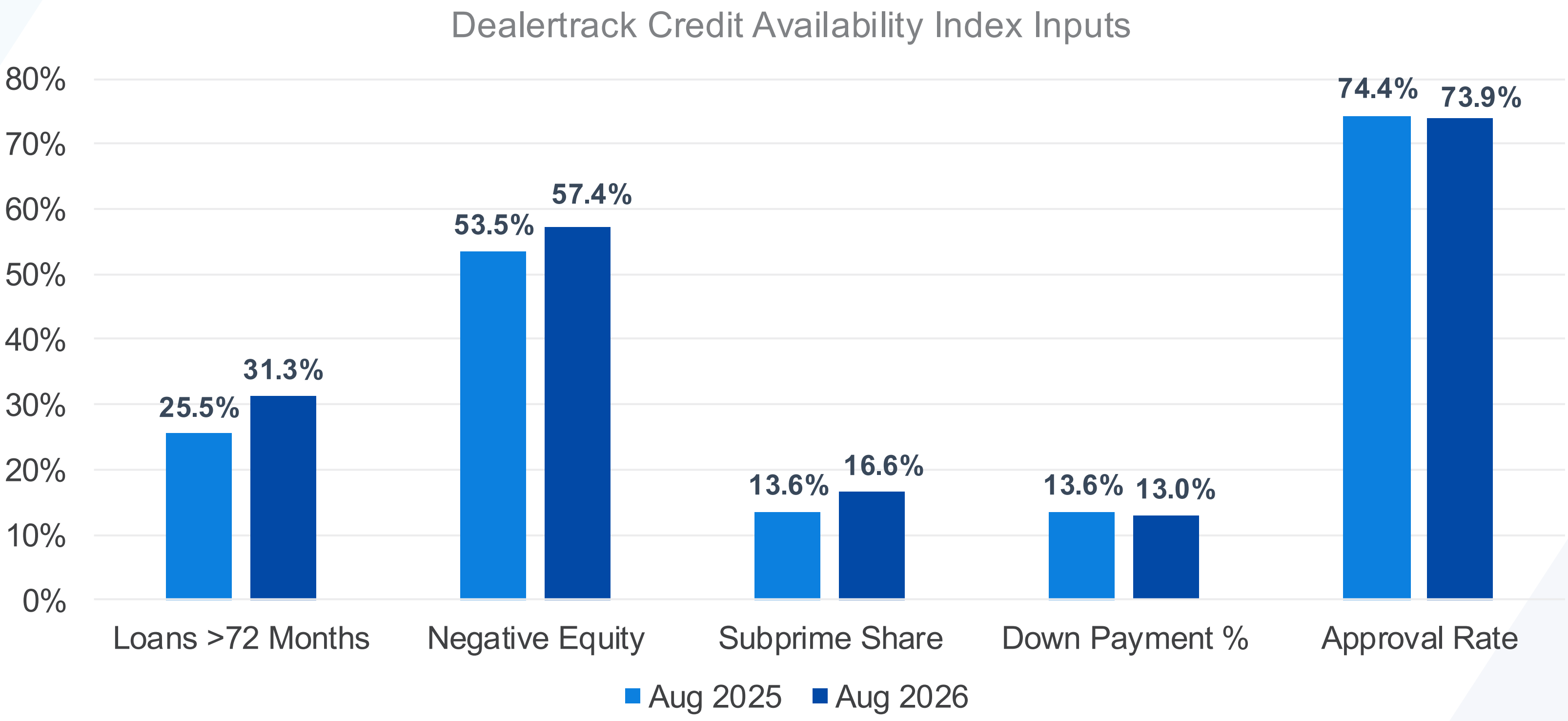
▼ 50 bps YoY

74.4% in Aug-25

Source: Dealertrack, Cox Automotive

Looser Deal Structure, Not Cheaper Credit

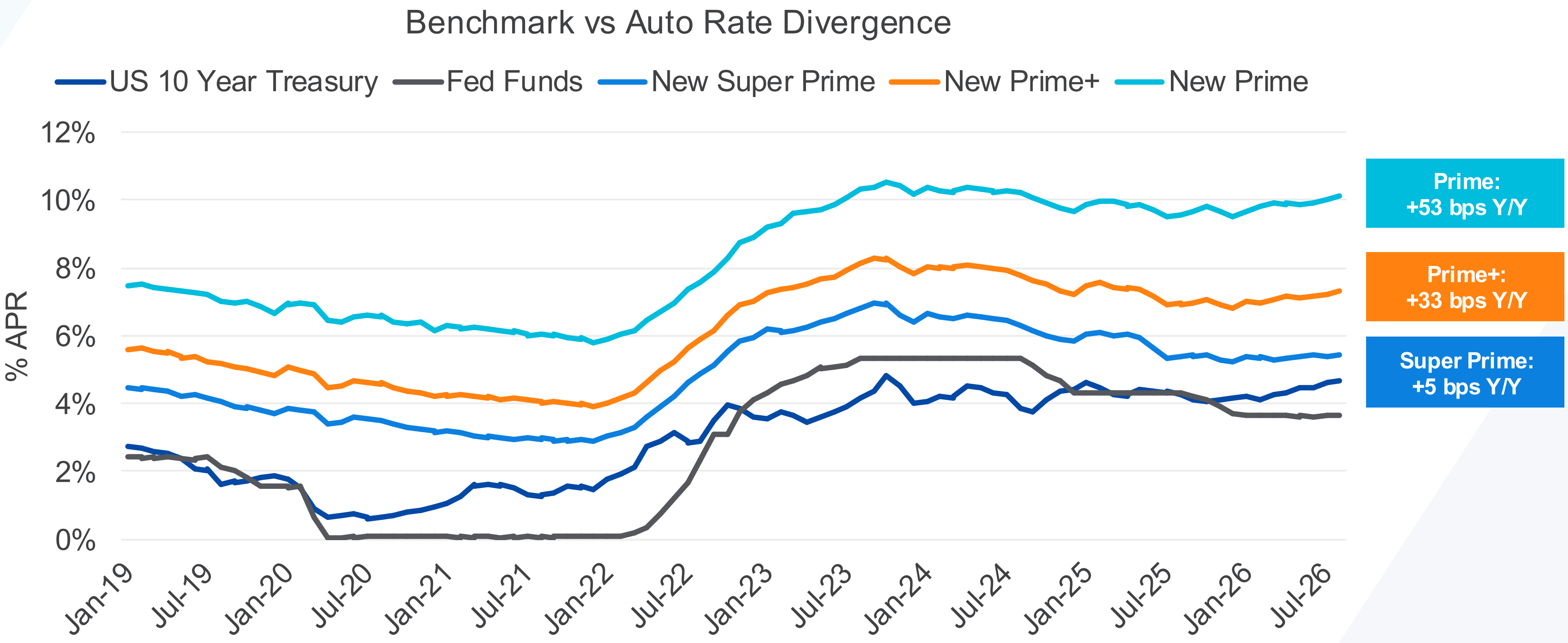
Record terms and thinner equity drove the gain; approvals still trail last year



Source: Dealertrack, Cox Automotive

The Cost of Borrowing Has Not Followed

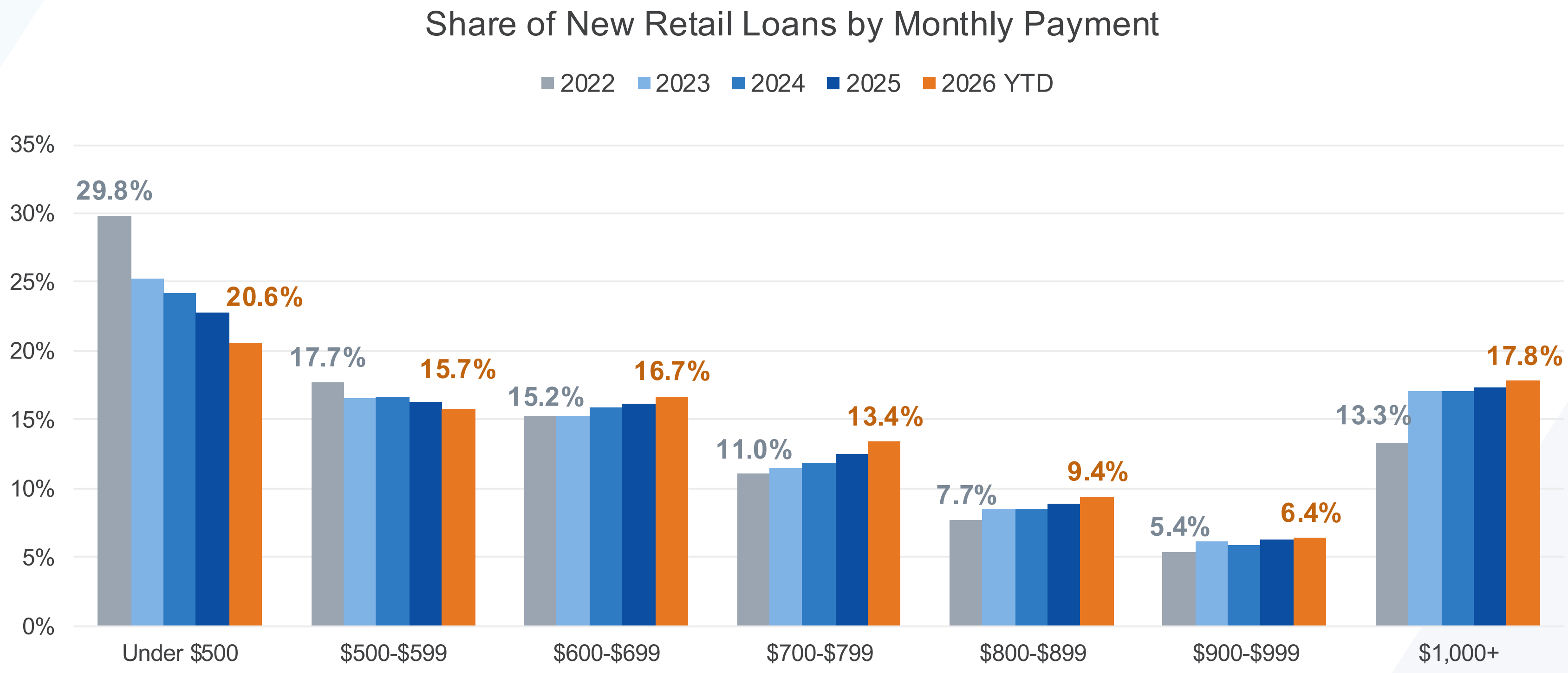
Rates are up year over year at every tier; the average contract rate hit 10.99%



Source: Federal Reserve, Cox Automotive

Longer Terms Have Not Stopped Payment Creep

Loans at $1,000 or more per month grew from 13.4% of the book in 2022 to 18.1% in 2025



Source: Dealertrack, Cox Automotive

Chapter 8: Transportation and Freight Perspectives

Sept. 24, 2026

Zo Rahim

Senior Manager, Economic and Industry Insights

What is Cox Fleet?

Built for fleets, backed by Cox Automotive

1,500+
In-house Technicians

65,000+
Nationwide service providers

30+
Service centers across the U.S.

The **leading private fleet maintenance and roadside network** in the U.S.

One team connecting roadside, scheduled, and unscheduled maintenance under a single platform

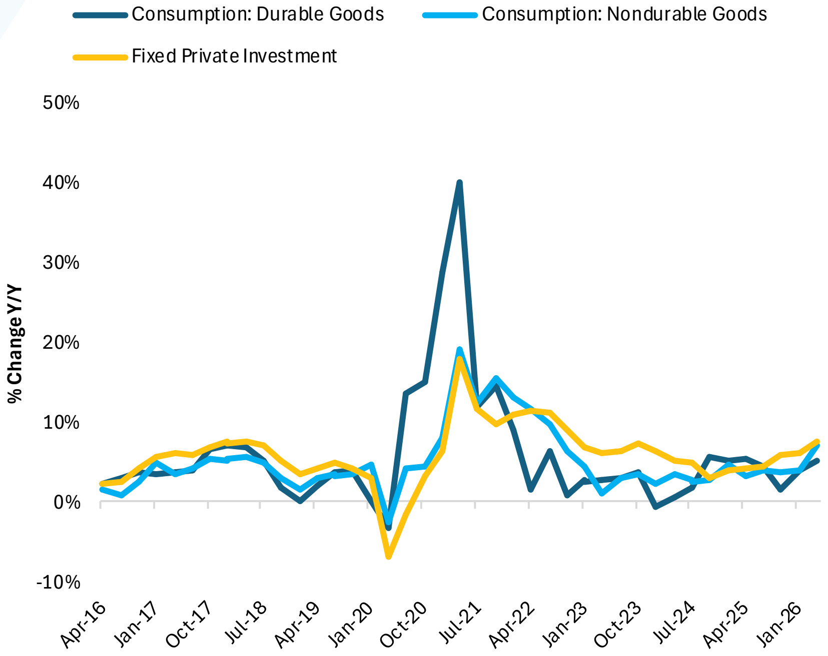
24/7/365 dispatch and coordination, coast to coast

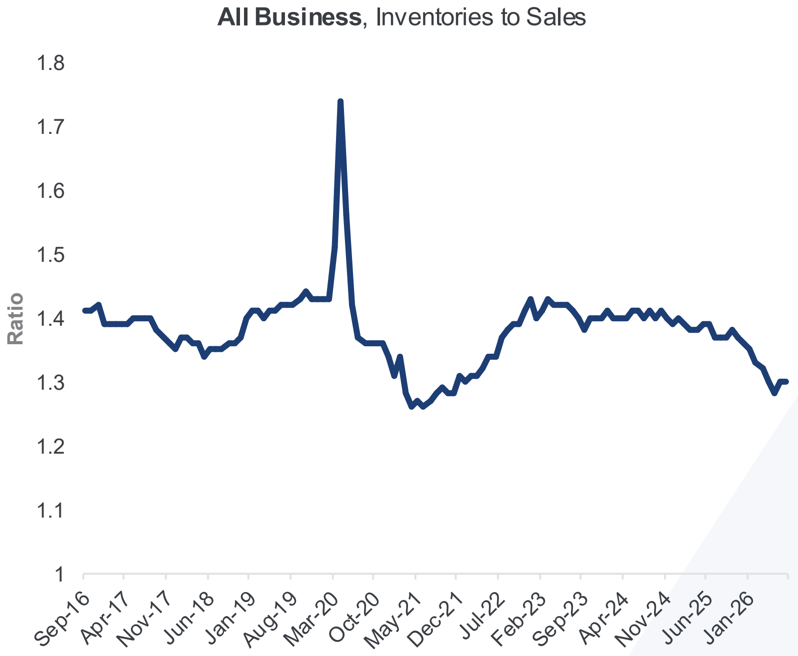
Backed by Cox Automotive, the world's largest automotive services and technology provider

Source: Cox Fleet

The Economy and Freight

9 million Class 4-8 trucks are the backbone of the U.S. economy

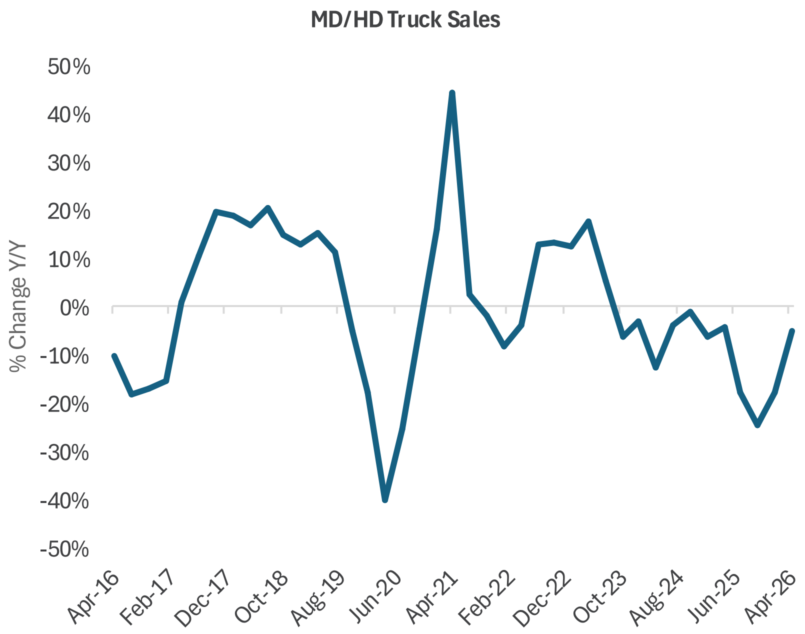


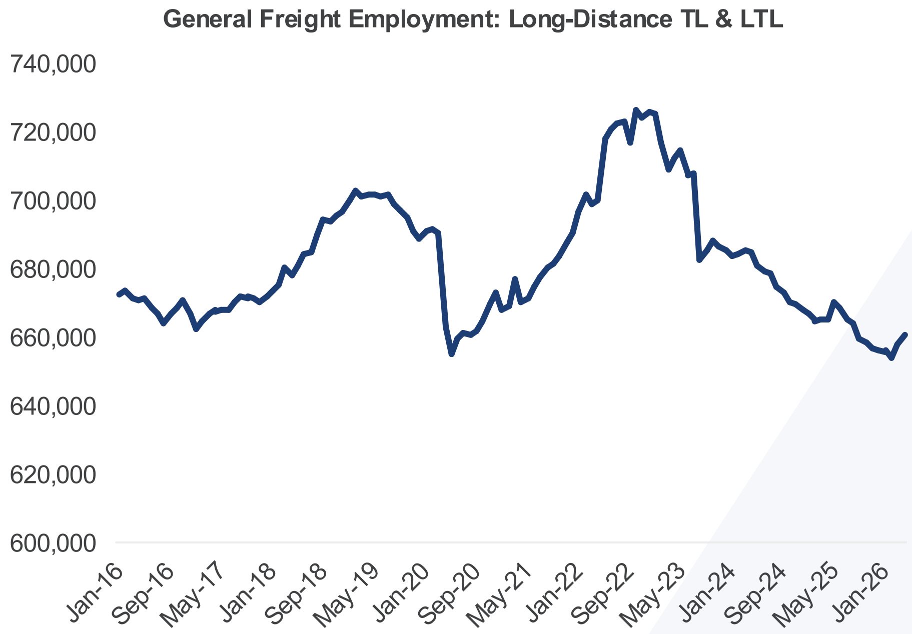


Source: Federal Reserve Economic Data

The U.S. Freight Market

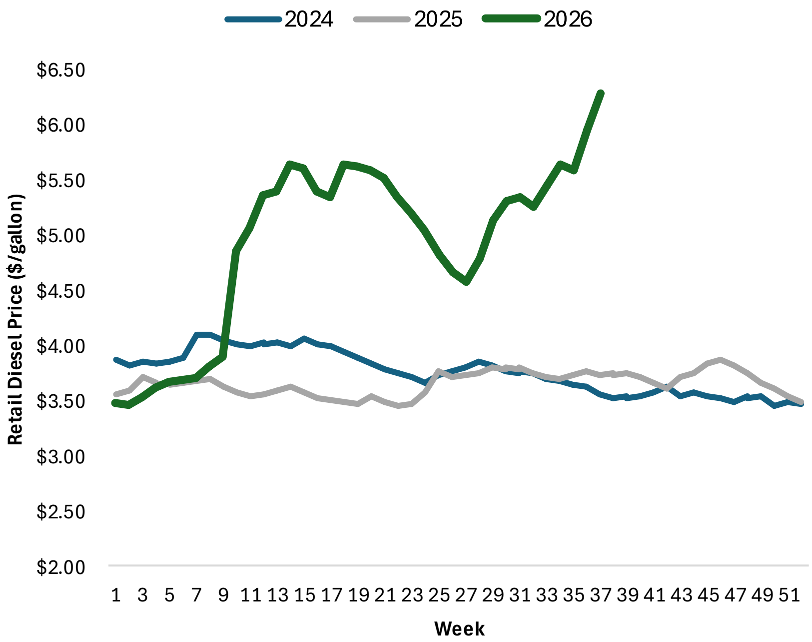
Freight market recovering from prolonged Freight Recession; equipment investment increasing

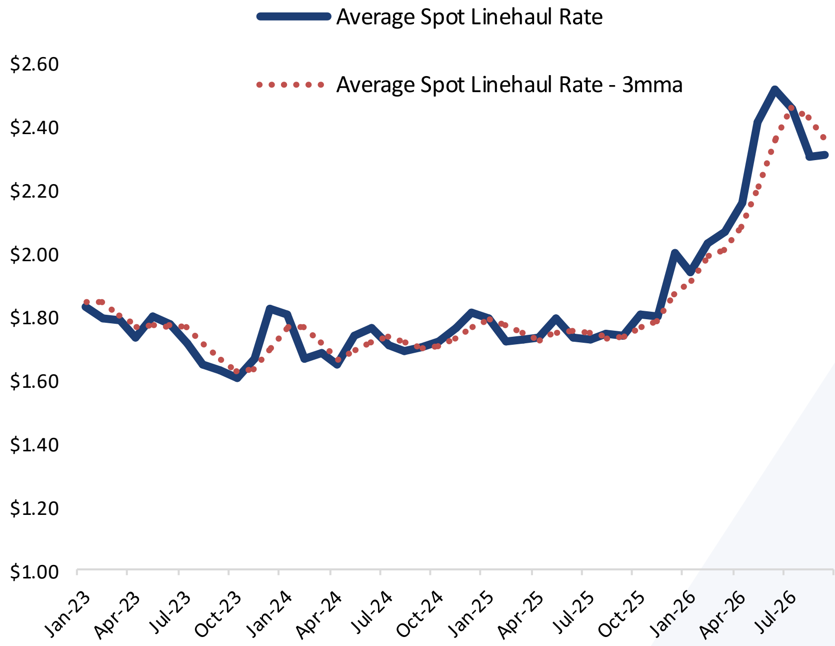




Freight and Automotive

Costs and rates impact automotive industry, especially auto transport





Source: U.S. Energy Information Administration, American Trucking Associations

Cox Automotive

Chapter 9: Forecast Update and Closing

Sept. 24, 2026

Jeremy Robb
Chief Economist

Key Themes and Signals For the Rest of the Year

The auto market has remained resilient this year, in the face of many headwinds

■ Headwind ■ Tailwind ■ Data Point ■ Macro/Rates ■ Credit/Lending

Approval Rates Rising

Higher-Income Buyers

Energy Inflation

Credit Availability

Oldest Car Parc

Fleet Recovery

Loan Terms Record

Monthly Payment $770

AI Capex Growth

Consumer Split

Resilient Auto Market

PPI +5.4% Y/Y

SAAR 16.1M YTD

Manheim -0.4% Y/Y

Hybrid Share 21.8%

Fed Hiked 25 bps

Record Diesel

Incentives -7.3% Y/Y

Supply Chain Pressure

Rising Rates

Pent-Up Demand

Wealth Effect

Retail Sales +6% Y/Y

Negative Real Wages

ATP Crosses $50K

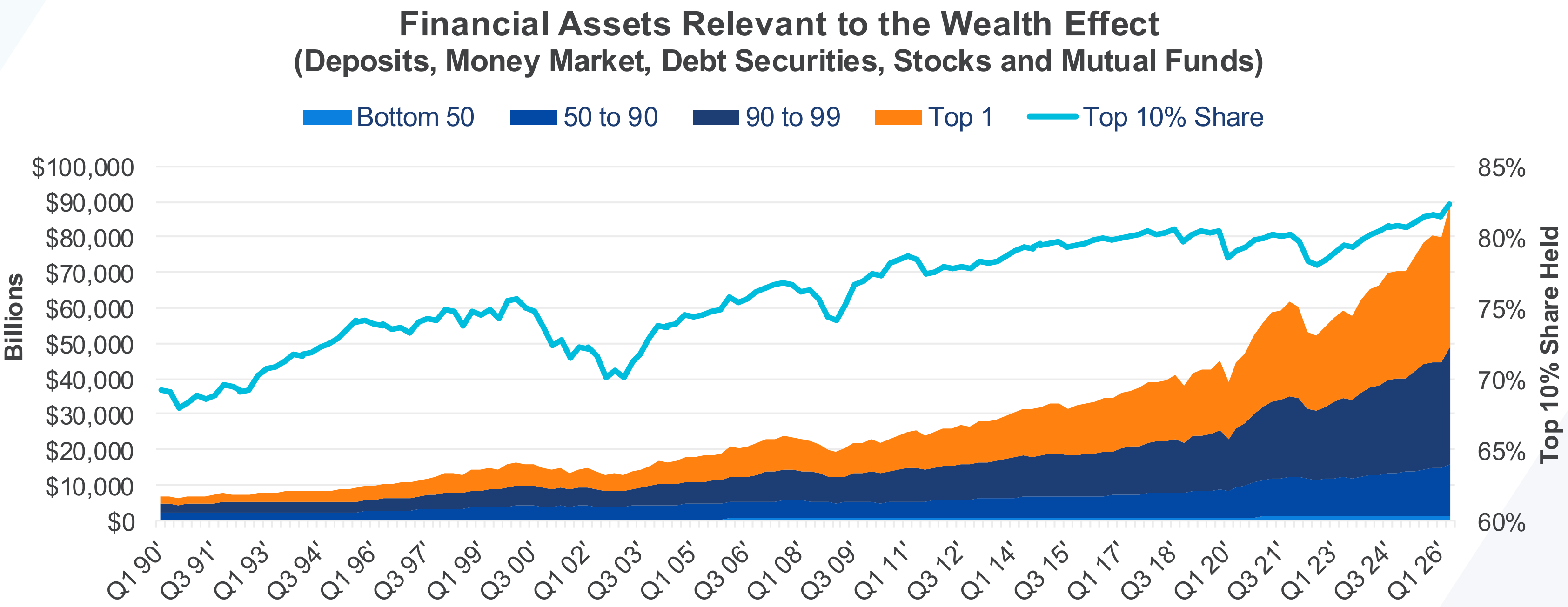
Housing Strain

10-Year Near 5%

Source: Cox Automotive, FRED, BLS, AAA, Census

The Wealth Effect Is Strong and Has A Buffer

Financial assets outside of retirement accounts have been growing at 19% annually since 2019



Avg Annual Gain Last 5 years: Bottom 50%: **+4.5%** Next 40%: **+7.7%** Top 10%: **+11.3%**

Source: FRED, Board of Governors of the Federal Reserve System

2026 Forecasts

Updated September 2026

Indicates increase since Q2 forecast

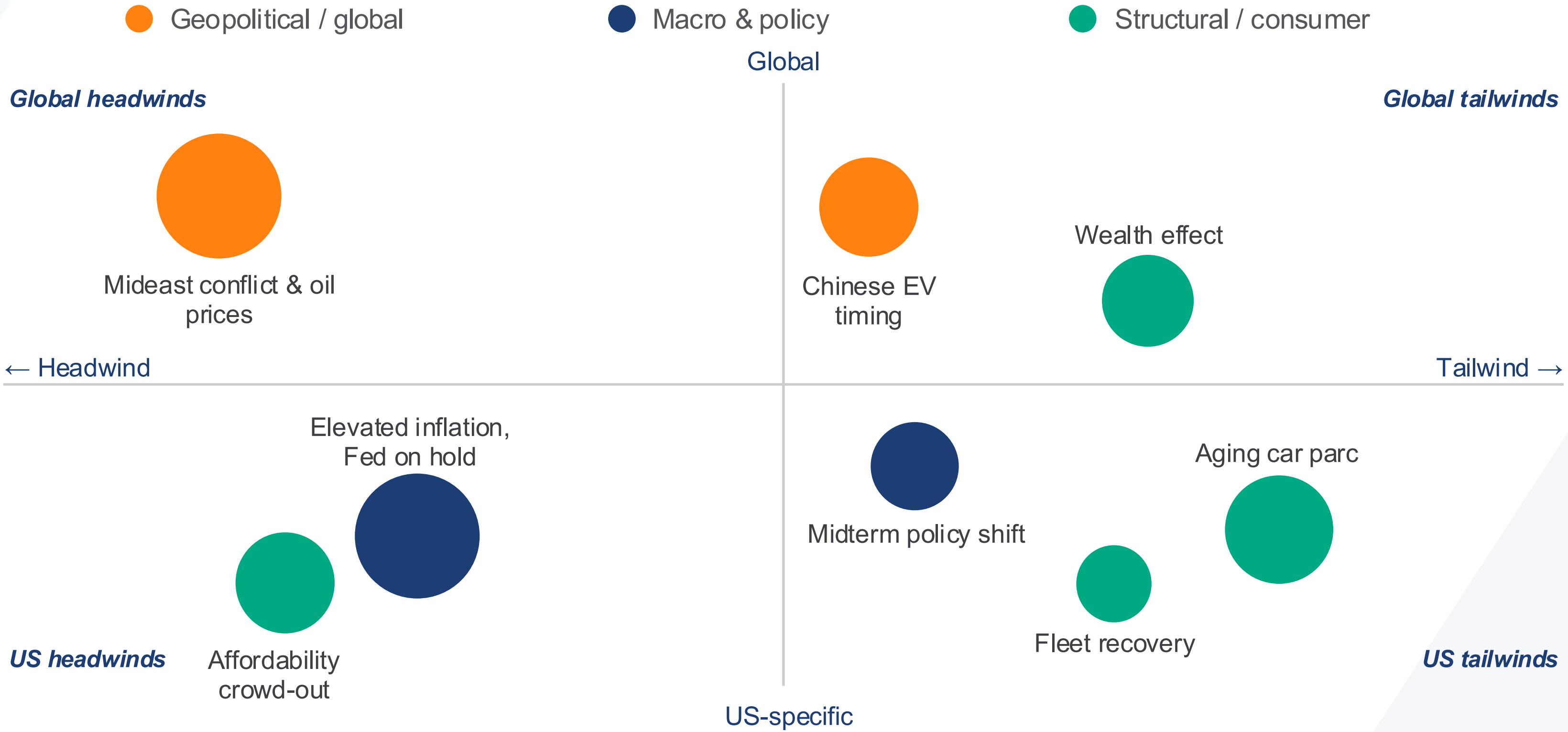
Indicates decrease since Q2 forecast

↑ **16.1M** *(-1.2% versus 2025)* **NEW SALES**	↑ **13.1M** *(-2.3% versus 2025)* **NEW RETAIL SALES**	↑ **3.0M** *+3.6% versus 2025* **FLEET SALES**
↓ **3.0M** *(-7.0% versus 2025)* **NEW LEASE VOLUME**	↓ **23%** *(-1% versus 2025)* **LEASE PENETRATION**	**2.6M** *(-1.8% versus 2025)* **CPO SALES**
↑ **38.5M** *(-0.7% versus 2025)* **USED SALES**	↑ **20.5M** *(-0.5% versus 2025)* **USED RETAIL SALES**	↓ **0.8%** *(+0.4% versus 2025)* **DEC 2026 Y/Y MANHEIM USED VEHICLE VALUE INDEX**

COX AUTOMOTIVE

Opportunities and Challenges Headed into 2027

Mapping the forces shaping the auto market as we head into 2027



Source: Cox Automotive analysis

Cox Automotive

Closing: Q3 2026 Sales Forecast Update

Sept. 24, 2026

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.

The Auto Market Brief

https://www.coxautoinc.com/the-auto-market-brief/

New podcast delivering expert analysis and data-driven insights on the trends, signals and forecasts shaping the automotive market.

Topline Auto Insights

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.

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.

THANK YOU!

Cox Automotive

Autotrader CentralDispatch Cox Fleet Dealer.com Dealertrack EV Battery Solutions

Kelley Blue Book Manheim NextGear Capital vAuto VinSolutions xtime

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