

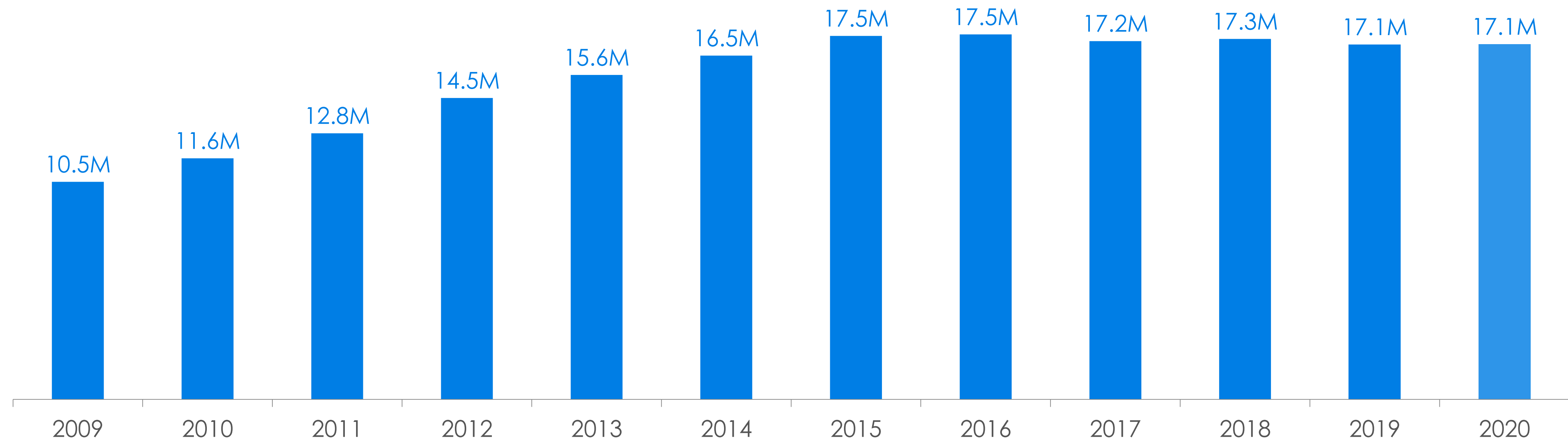
Automotive industry trends | 2020

January 2020



Edmunds forecasts 17.1M new vehicle sales in 2020




New vehicle sales expected to be flat from 2019





Source: Edmunds

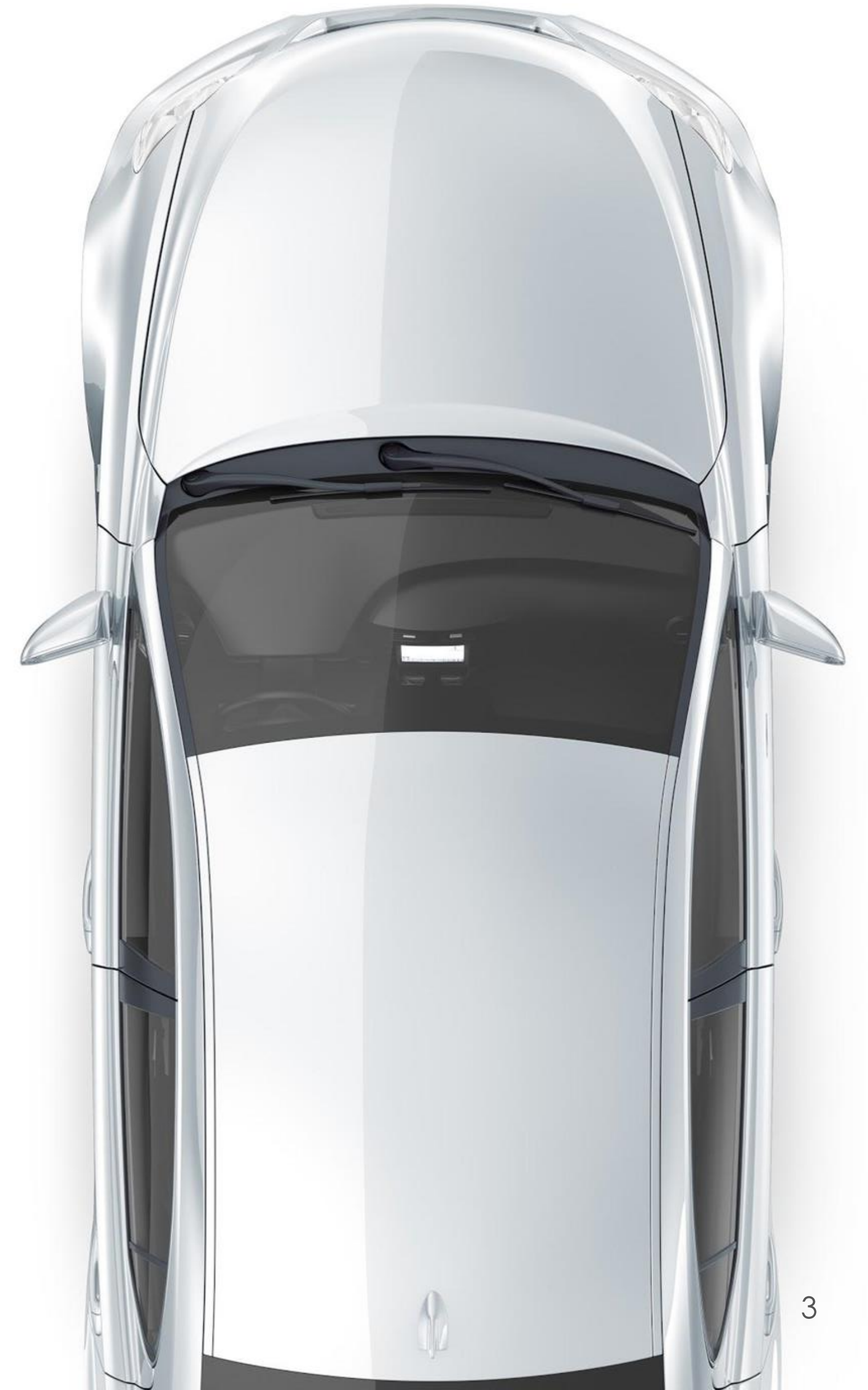
Factors influencing 2020 sales pace

Tailwinds

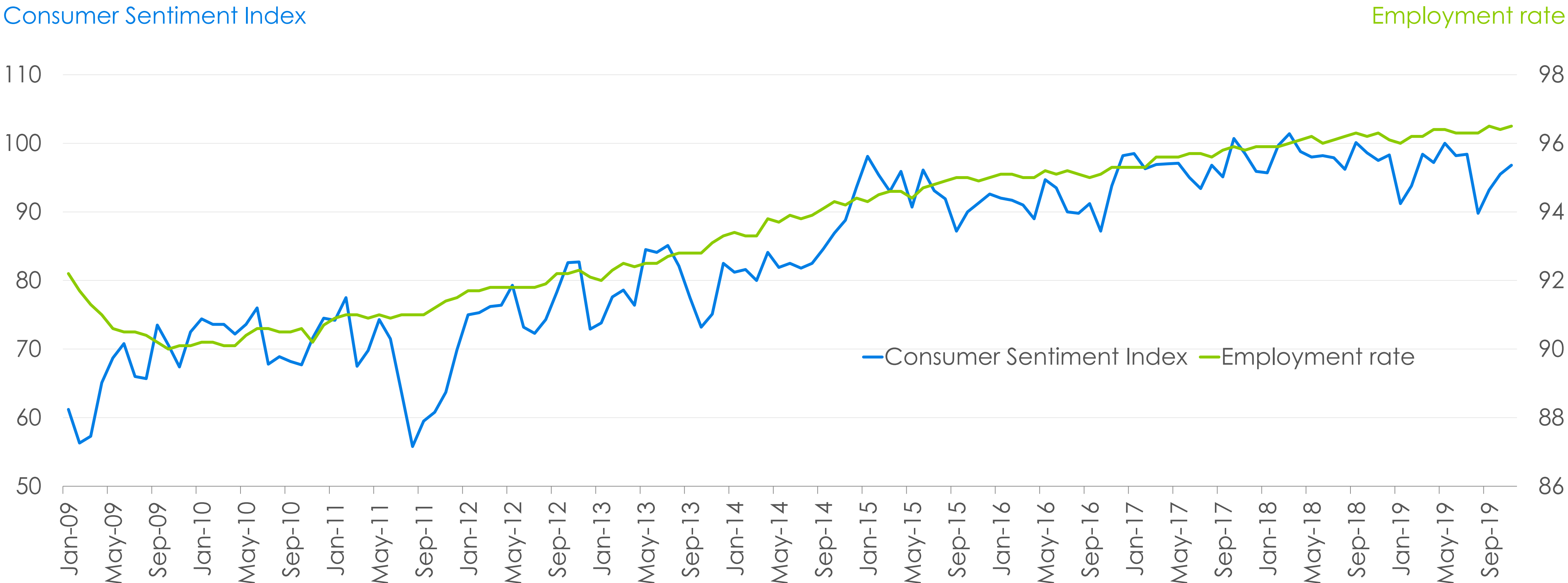
-  Strong economic indicators
-  Stable finance rates
-  Election year

Headwinds

-  Lower projected fleet sales
-  Swelling new vehicle prices

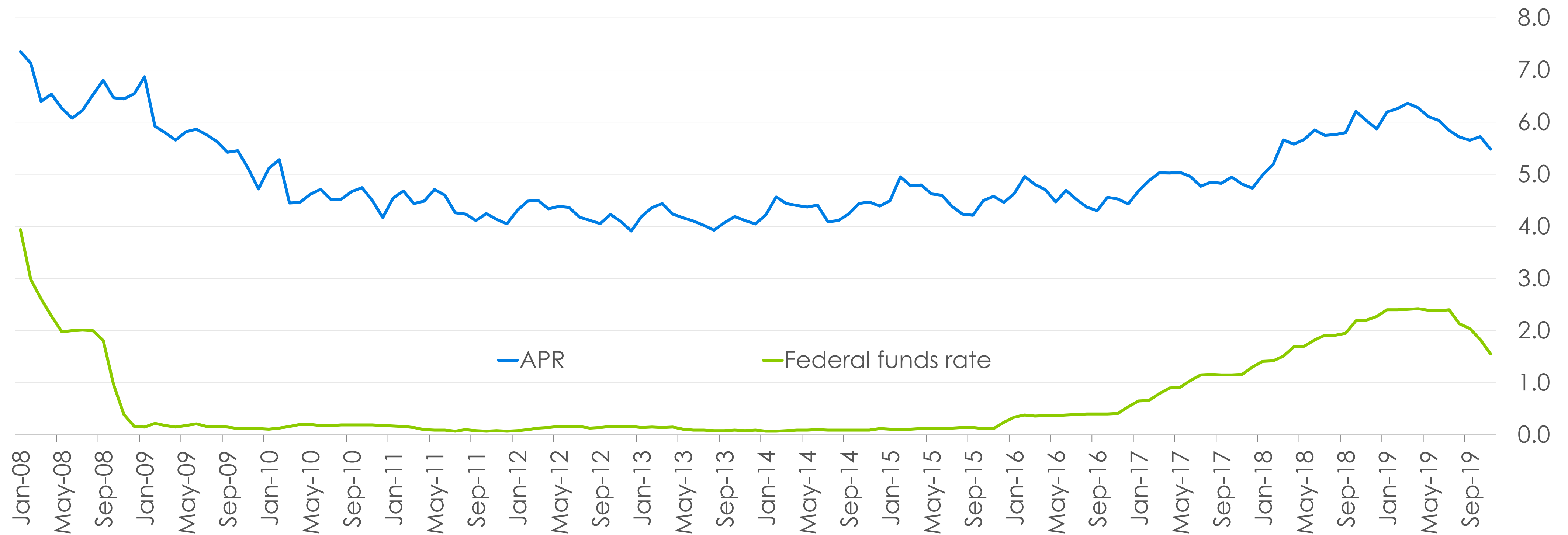


Employment and shopper outlook stay high



Source: CBO.gov, University of Michigan,

Fed rate reduction revives sales

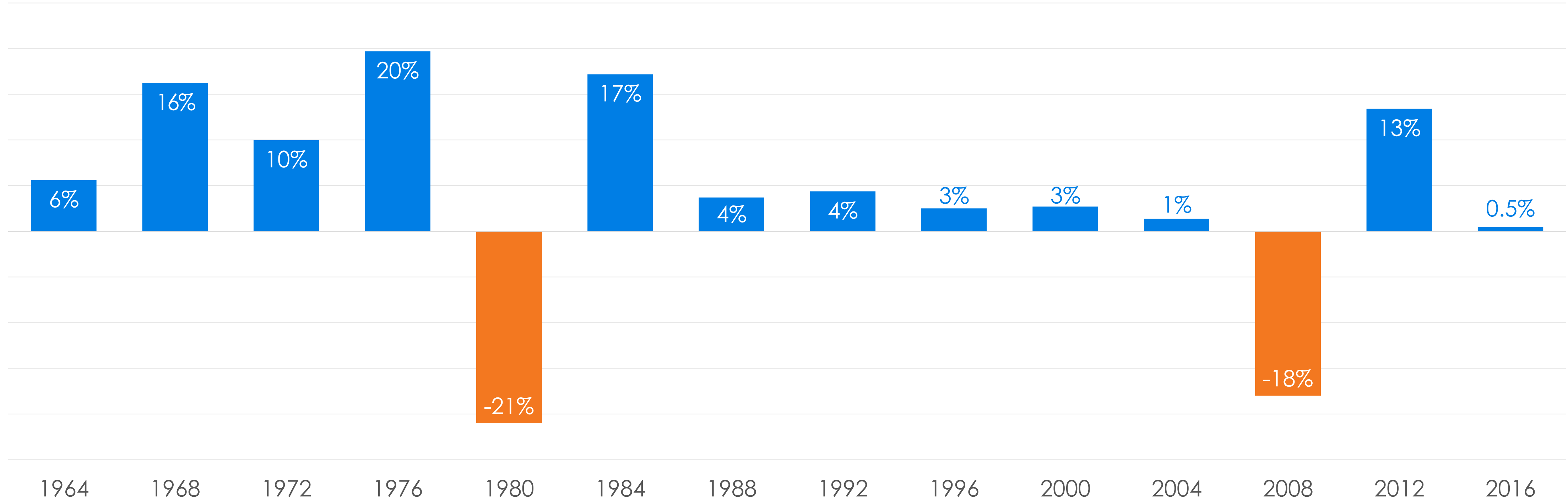


Source: Edmunds, FRED Federal Reserve Bank of St. Louis

Election years spur auto sales

Autos have seen a y-o-y bump every election year except 1980 and 2008

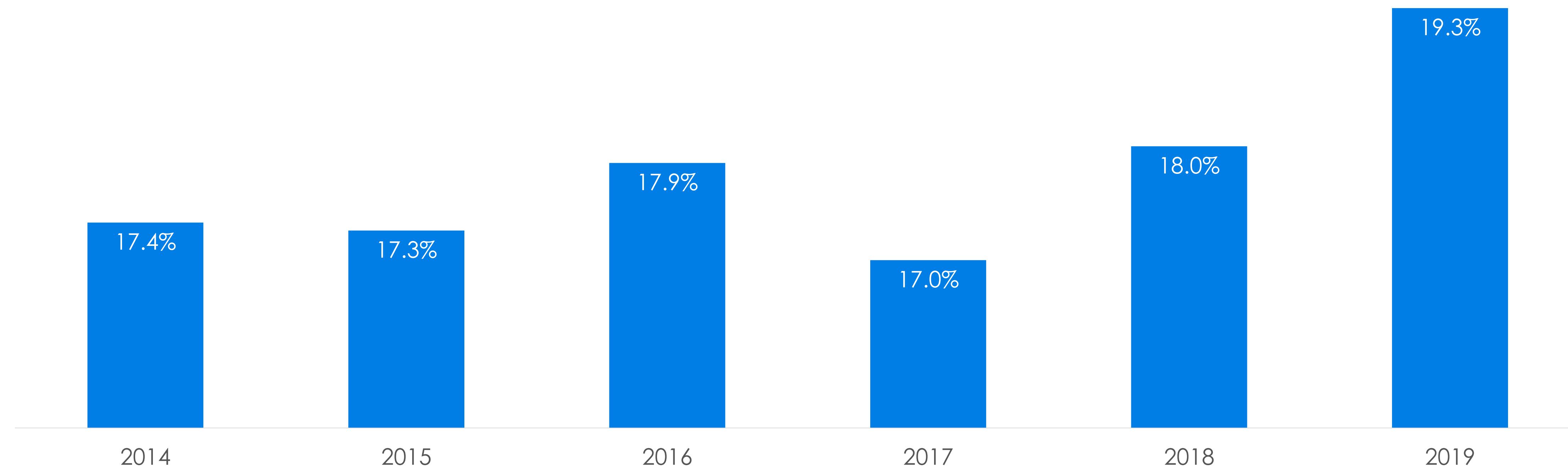
Election year vs. prior year sales



Source: Edmunds

Fleet sales likely to dip in 2020

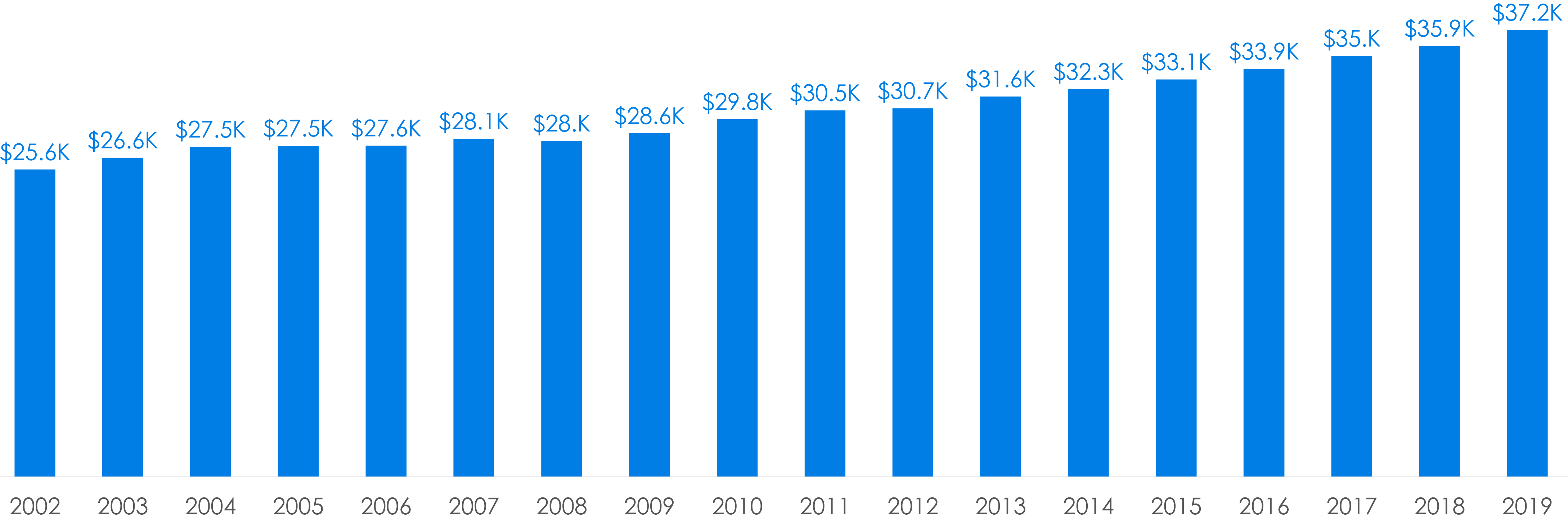
Fleet percentage of new vehicle sales



Source: IHS Markit

Rising transaction prices could shut out shoppers

Average new-vehicle transaction price



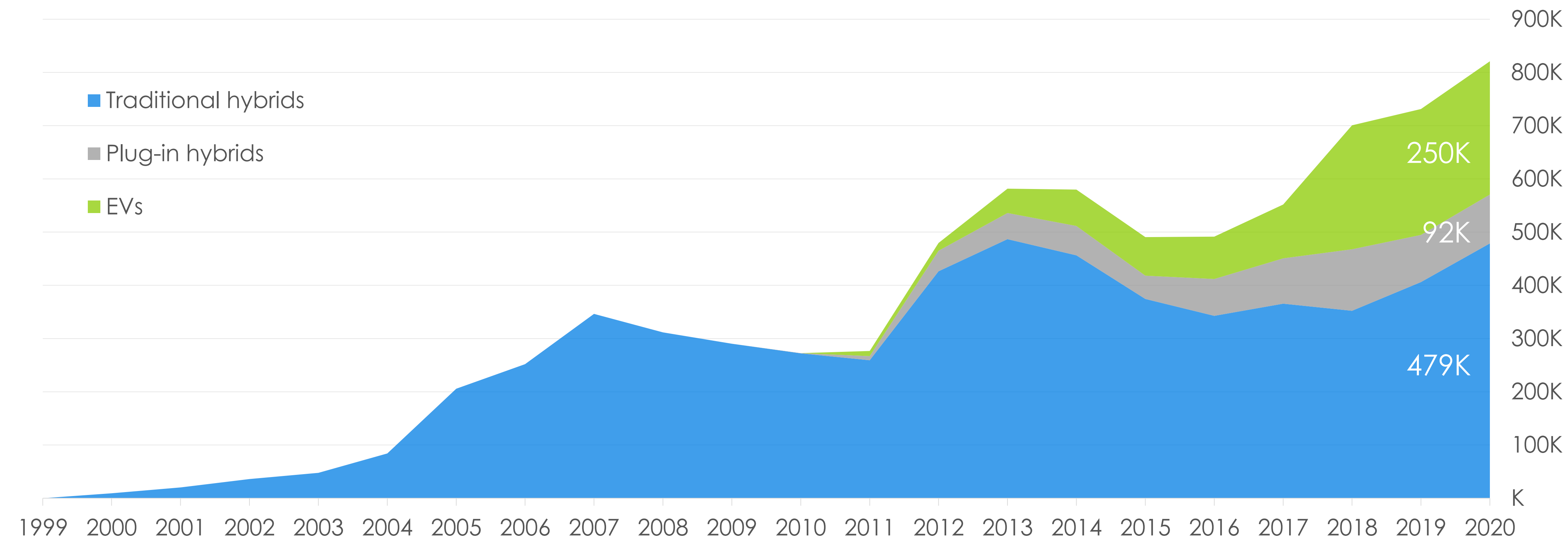
Source: Edmunds

Green car segment sees boost from the old guard



Hybrid resurgence powers green car growth

Sales in traditional hybrid segment expected to grow 18%



Source: Edmunds

Flashy entrants bolster consideration

Buzz around new models helps create consumer interest in electrification



New players execute differently in 2020

Automakers try different formulas to achieve success in the electric market



Porsche Taycan (EV)
“Cheaper” version
planned for H2 2020



Mercedes-Benz EQC (EV)
Est. starting price of 70K



BMW 330e (PHEV)
No visible “green” exterior cues

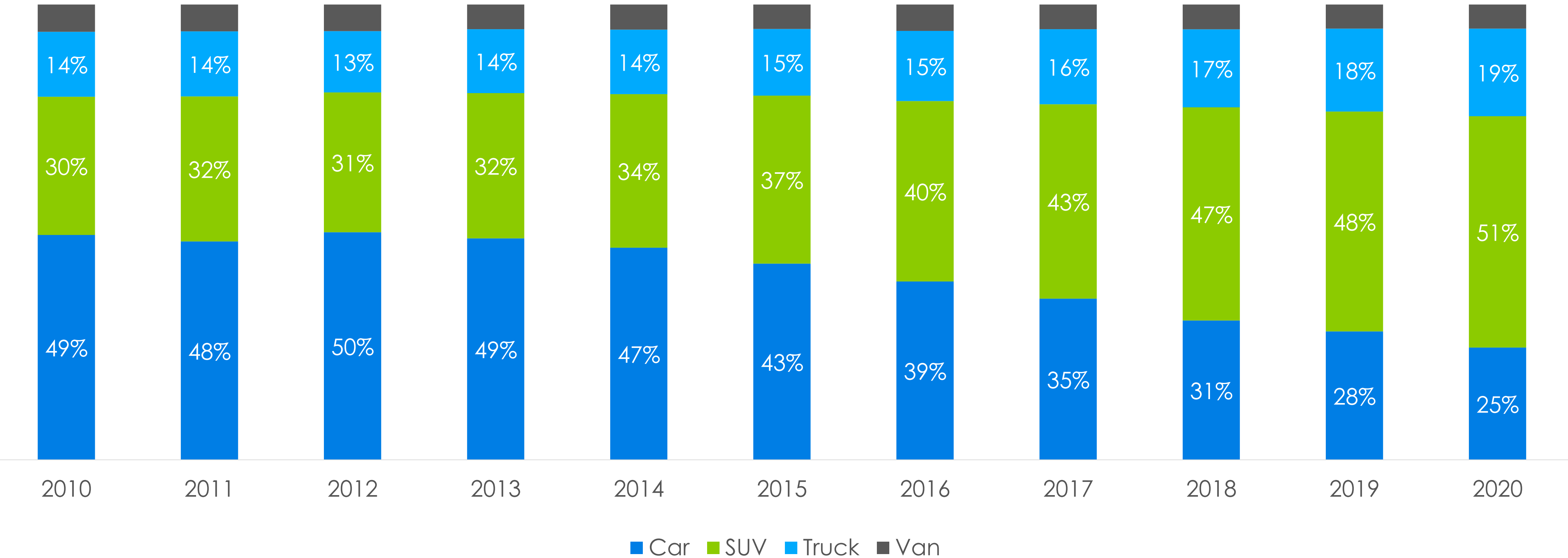


Mini Cooper SE (EV)
Priced under \$30K

Pickups and SUVs
continue to be
strong in 2020

Passenger cars to hit all-time-low market share

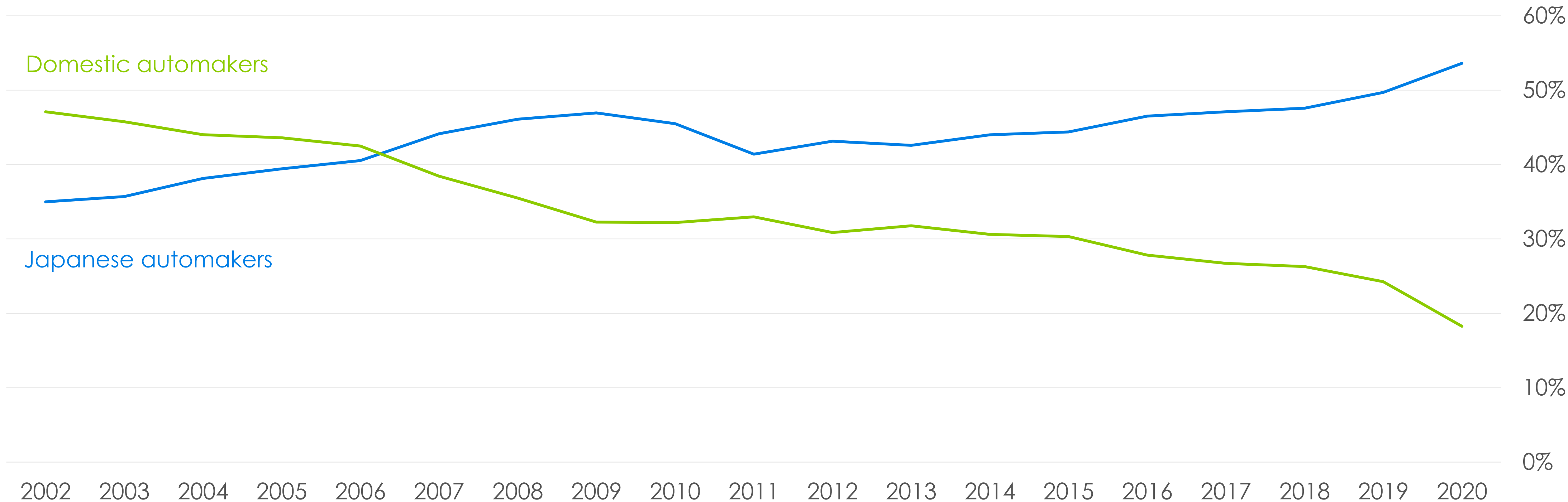
Segment share by vehicle type



Source: Edmunds

Loss of domestics hurts segment, helps competitors

Share of passenger car market

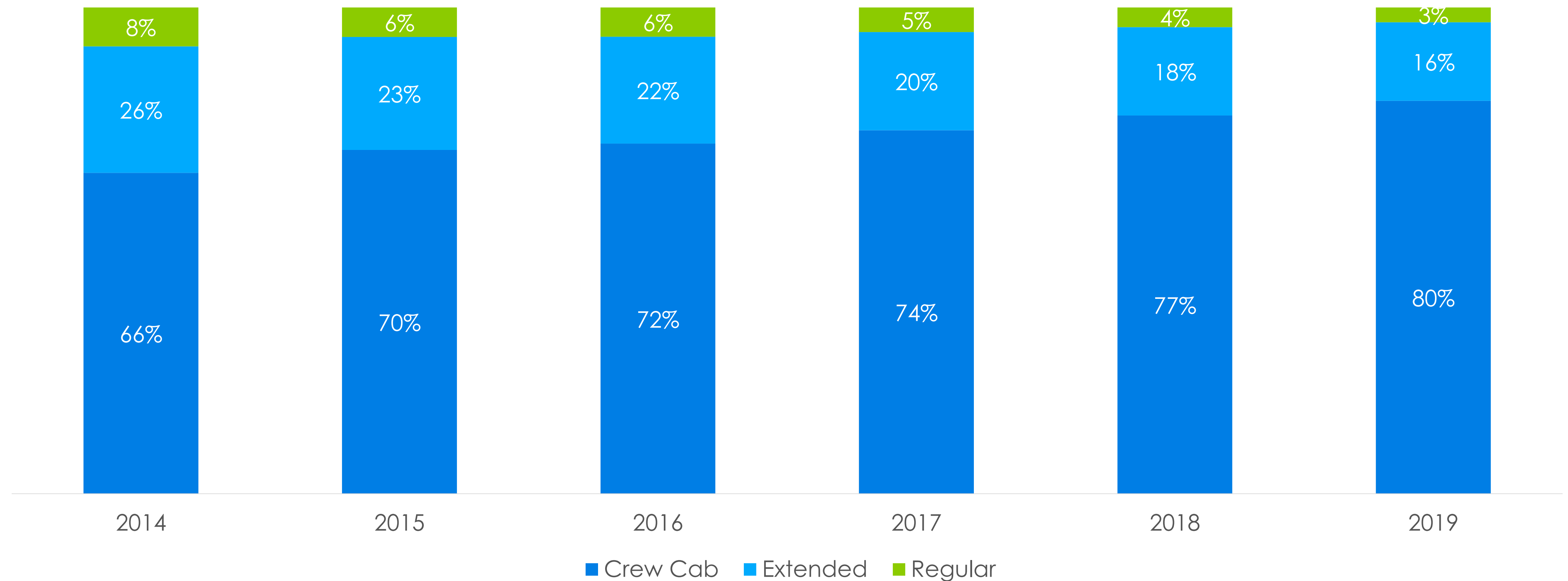


Source: Edmunds

Trucks offer an alternative to the SUV

Crew cabs are consumers' overwhelming favorite

Share of truck sales by cab type

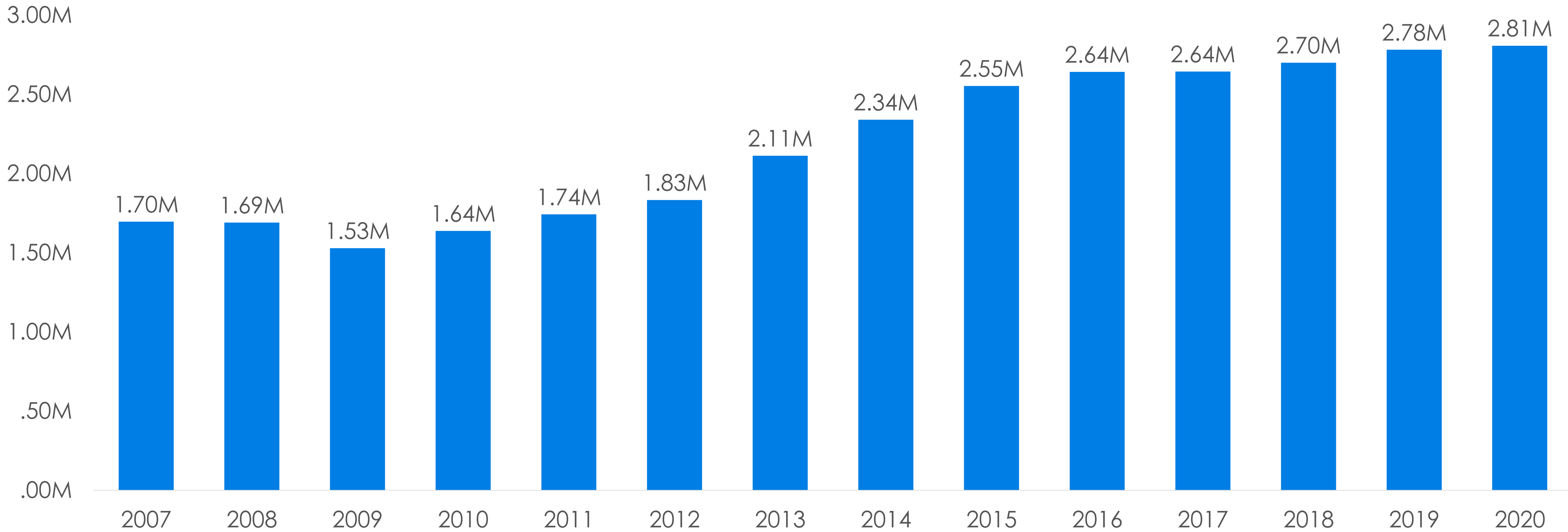


Source: IHS Markit

CPO emerges as best deal

CPO sales expected to grow in 2020

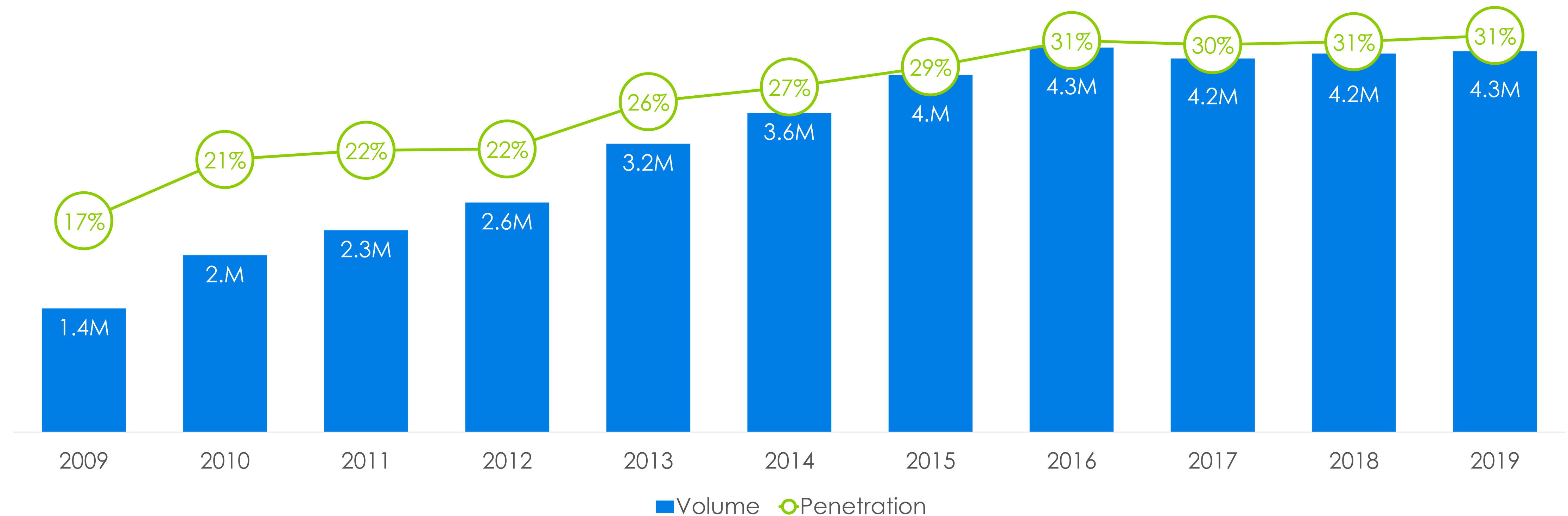
Annual certified pre-owned sales



Source: Edmunds

High sustained leasing creates more CPO inventory

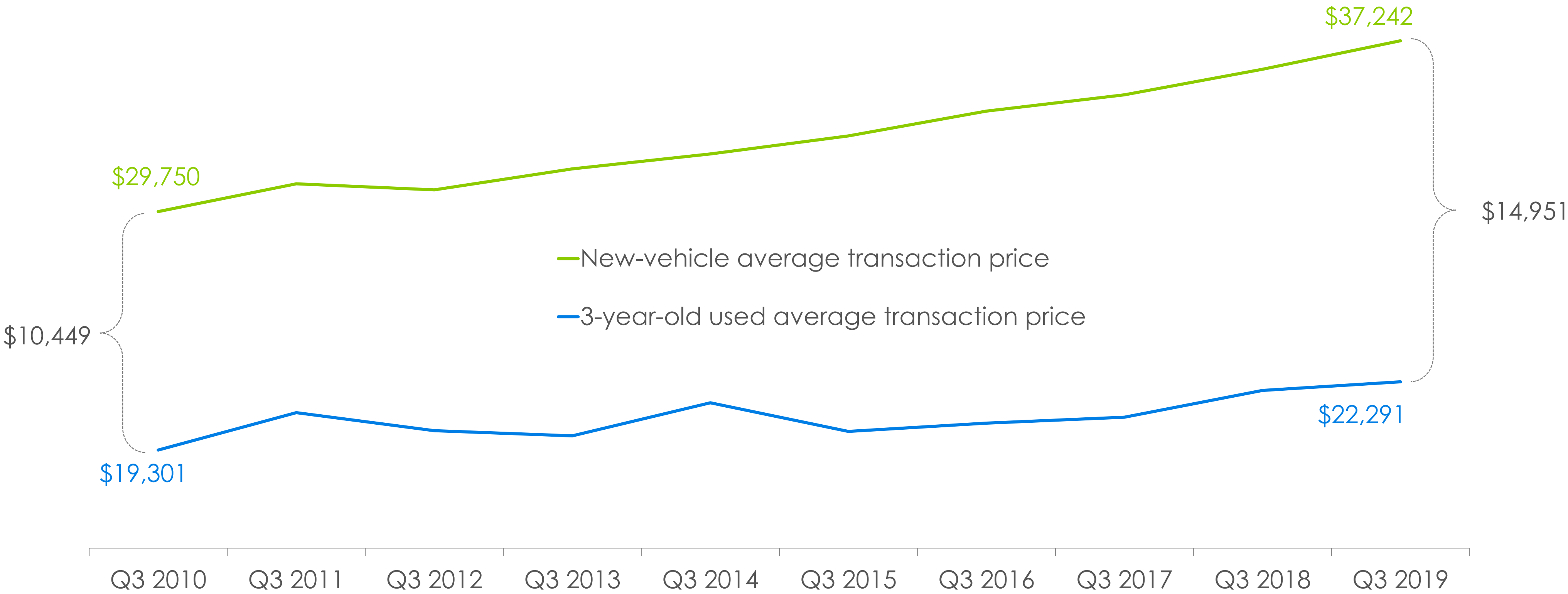
Lease volume and penetration



Source: Edmunds

Gap widens between new and 3-year-old used

The price disparity turns more shoppers to the used market



Source: Edmunds

Thank you

