

NEW VEHICLE RETAIL MARKET

Retail sales recovery stabilized

For the week ending July 05, retail sales were 3% below the pre-virus forecast, largely in-line with the prior four weeks.

Transaction prices declined

Customer-facing transaction price decreased \$339 from last week to \$34,614. The result for the current week ending July 05 is 3.7% above the same week in 2019.

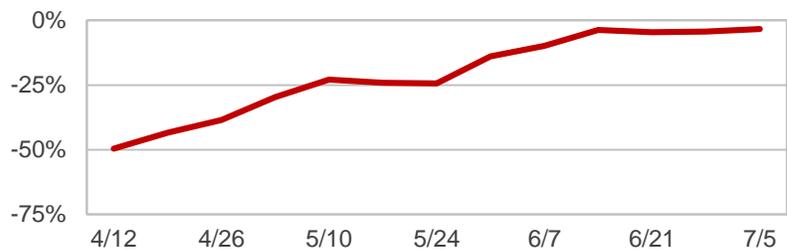
Incentive spending declined

Incentive spending per unit for the week ending July 05 was \$4,337, a decrease of \$70 from the prior week. 84-month APR mix of all retail sales fell a further 0.3ppts to 7.4%, its lowest mark since mid-March. While lease mix improved in the week ending July 05, it remains far below pre-virus levels with only 28.1% of consumers opting for a lease. For reference, nearly 33% of all consumers took leases in the same week in 2019.

Mature customers share of industry at normal levels

Sales to mature consumers (buyers 56 and older) during the week ending July 05 accounted for 37.1% of retail sales, still below the same week last year (-1.5ppts).

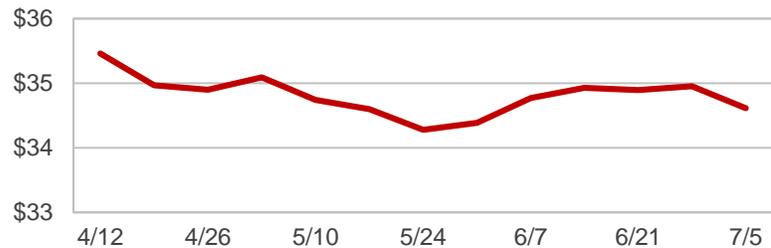
Retail Sales vs. Pre-Virus Forecast



WEEKLY TREND

6/14	-4%
6/21	-5%
6/28	-4%
7/5	-3%

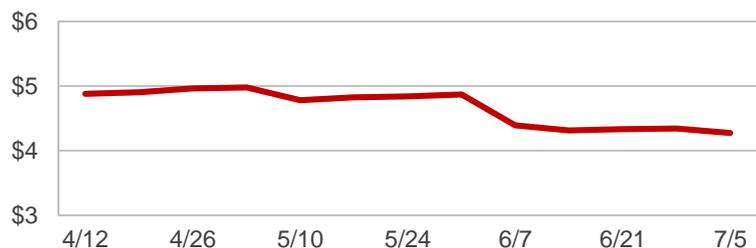
Transaction Price (000)



WEEKLY TREND

6/14	\$34.9
6/21	\$34.9
6/28	\$35.0
7/5	\$34.6

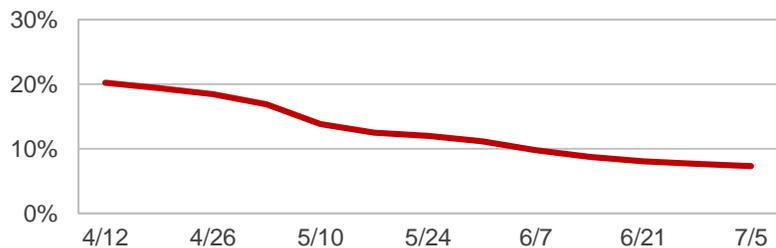
Incentive Spending per Unit (000)



WEEKLY TREND

6/14	\$4.3
6/21	\$4.3
6/28	\$4.3
7/5	\$4.3

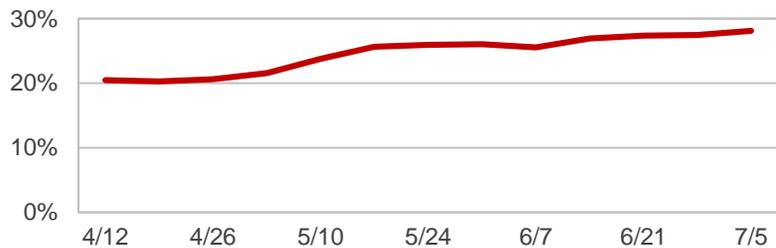
% of Sales that are Financed for 84+ Months



WEEKLY TREND

6/14	8.8%
6/21	8.1%
6/28	7.7%
7/5	7.4%

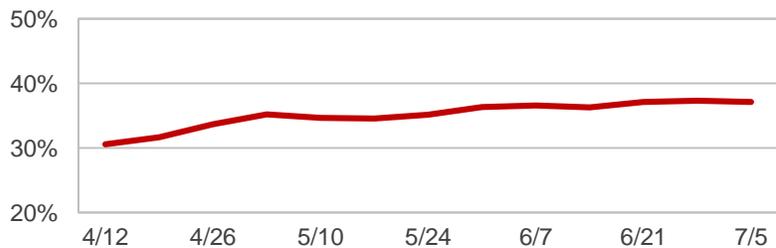
% of Sales that are Leased



WEEKLY TREND

6/14	26.9%
6/21	27.3%
6/28	27.5%
7/5	28.1%

% of Sales to Mature Buyers (56+ Years)



WEEKLY TREND

6/14	36.3%
6/21	37.1%
6/28	37.3%
7/5	37.1%

NEW PREMIUM VEHICLE RETAIL MARKET

Premium retail sales recovery continued

For the week ending July 05, premium retail sales were 11% above the pre-virus forecast compared to 8% above in the prior week.

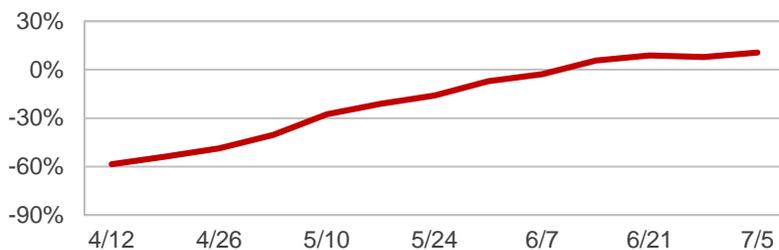
Premium transaction prices declined

Customer-facing transaction price declined \$1,078 week-over-week to \$49,165. However, the result was 2.3% higher vs. the same week last year.

Premium incentive spending remained below March/April levels

Incentive spending per unit in the week ending July 05 fell \$44 from the week prior to \$7,253, the lowest level since late March. Many automakers reduced lease incentives to start June. Lease mix remains far below pre-virus levels with only 52% of consumers opting for a lease in the week ending July 05. For reference, over 61% of all premium consumers took leases in the same week last year. Lease results continue to be driven by the large number of lessees who have extended their pre-existing lease contracts coupled with a lack of elevated lease incentives. Strong offers on 72-month APR deals kept its mix of premium retail sales at 14.9%, +6.2ppts vs. the same week last year.

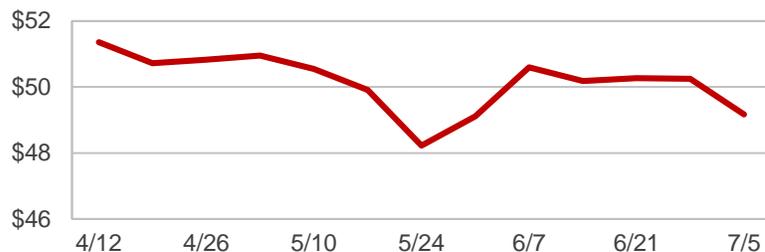
Retail Sales
vs.
Pre-Virus
Forecast



WEEKLY TREND

6/14	+6%
6/21	+9%
6/28	+8%
7/5	+11%

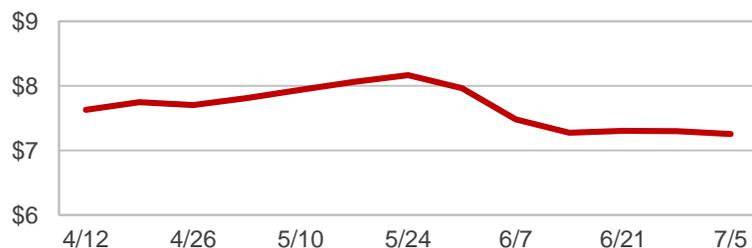
Transaction
Price
(000)



WEEKLY TREND

6/14	\$50.2
6/21	\$50.3
6/28	\$50.2
7/5	\$49.2

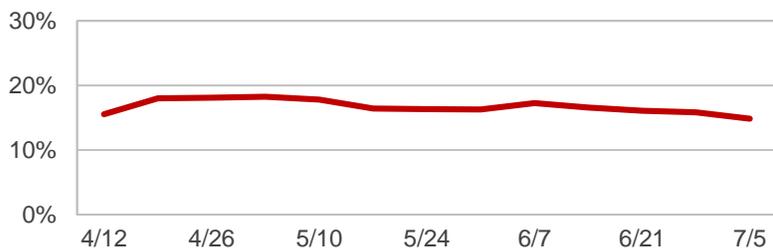
Incentive
Spending per
Unit
(000)



WEEKLY TREND

6/14	\$7.3
6/21	\$7.3
6/28	\$7.3
7/5	\$7.3

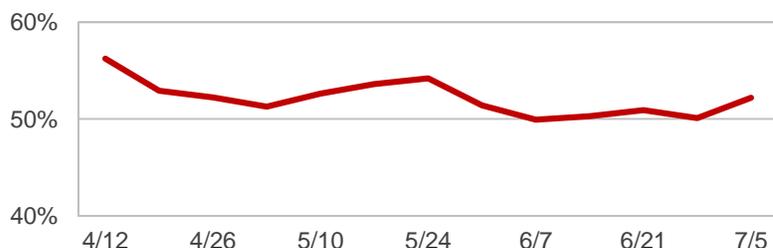
% of Sales
that are
Financed for
72+ Months



WEEKLY TREND

6/14	16.5%
6/21	16.1%
6/28	15.8%
7/5	14.9%

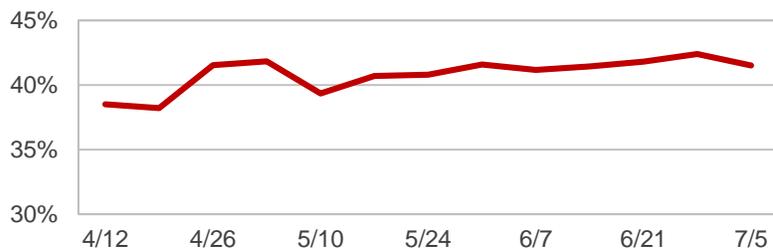
% of Sales
that are
Leased



WEEKLY TREND

6/14	50.3%
6/21	50.9%
6/28	50.1%
7/5	52.2%

% of Sales to
Mature
Buyers
(56+ Years)



WEEKLY TREND

6/14	41.4%
6/21	41.8%
6/28	42.4%
7/5	41.5%

USED VEHICLE MARKET

Used vehicle retail sales exceed pre-virus forecast despite rising prices

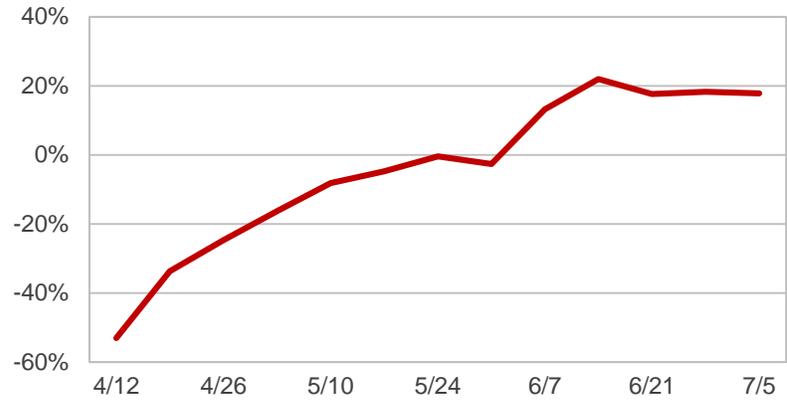
Sales of used vehicles at franchised dealers beat pre-virus forecast by 18% for the week ending July 05. The strong demand for used vehicles is consistent with prior periods of challenging economic conditions. Additionally, reduced incentives on new vehicles drove up monthly payments, which further bolstered demand for the affordability of used vehicles. The strong volume gains at retail are leading to modestly higher used retail prices. Used retail prices grew 0.5 percentage points the week ending July 05 vs. the prior week, and prices are now 2% higher than pre-virus levels.

Wholesale auction sales decline as prices climb

Wholesale auction sales reached 100,000 units the week ending July 05, 17% above the pre-virus forecast. Wholesale auction prices improved for the eleventh consecutive week, rising 0.9 percentage points for the week ending July 05. Price growth was well below the 2.3 percentage point improvement averaged over the four weeks prior; however, it is typical for prices to soften the week of July 04 before strengthening the following week.

Prices have improved 23.6 percentage points during the past eleven weeks and are now 8% higher than the beginning of March. Wholesale prices are exceptionally strong and the consistent growth week-to-week provides an indication that prices will remain so in the near-term. The robust pace of retail sales since the end of May also supports a positive outlook, as dealer demand for replacement inventory remains high. Headwinds from pandemic-related macro-economic volatility may still create friction in this channel in Q3, but concerns over an influx of off-rental and off-lease units have largely dissipated.

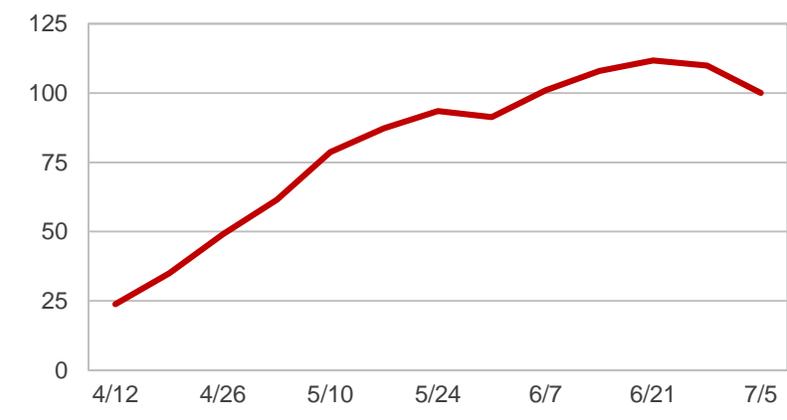
Retail Sales vs. Pre-Virus Forecast



WEEKLY TREND

6/14	+22%
6/21	+18%
6/28	+18%
7/5	+18%

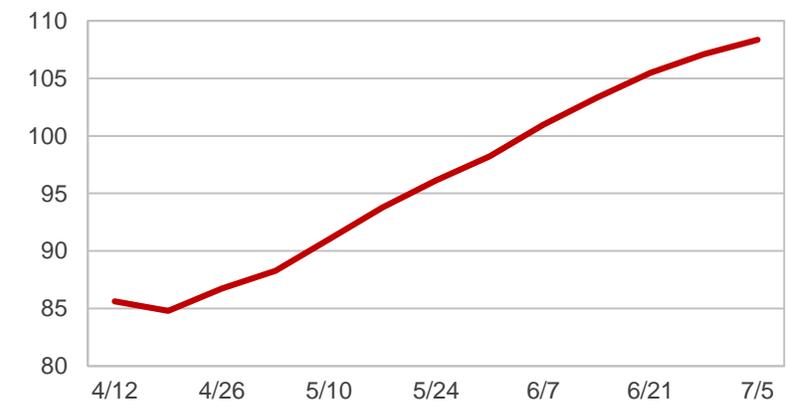
Wholesale Auction Sales (000)



WEEKLY TREND

6/14	108
6/21	112
6/28	110
7/5	100

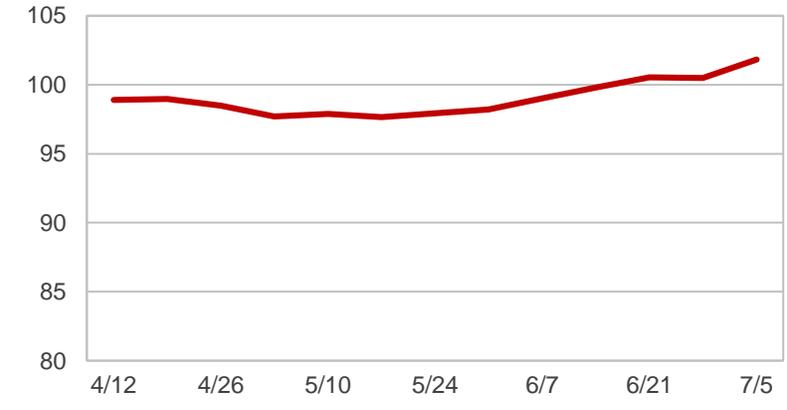
Wholesale Auction Price Index



WEEKLY TREND

6/14	103.3
6/21	105.5
6/28	107.1
7/5	108.4

Used Retail Price Index



WEEKLY TREND

6/14	99.8
6/21	100.5
6/28	100.5
7/5	101.8