

NEW VEHICLE RETAIL MARKET

Retail sales recovery slowed

For the week ending June 21, retail sales were 6% below the pre-virus forecast, a 2ppts reversal vs. week ending June 14.

Transaction prices steady

Customer-facing transaction price decreased \$41 to \$34,828. The decrease was driven entirely by downward pricing effects from the continued shift back to pre-virus mix levels for segments and markets. While the current week is nearly \$1,000 lower than the all-time high of \$35,698 set in the week ending April 05, the results for the week ending June 21 are 3.3% above the same week in 2019.

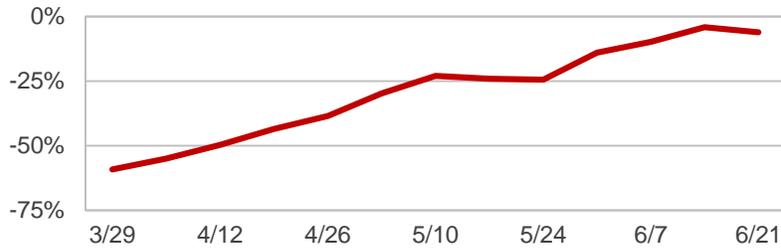
Incentive spending stable

Incentive spending per unit for the week ending June 21 was \$4,333, an increase of just \$8 from the prior week. Seven automakers quit supporting 84-month loan terms in June, leaving only five brands with supported 84-month terms in the market. As a result, 84-month APR mix of all retail sales fell 0.7ppts to 8.8%, its lowest mark since mid-March. While lease mix improved in the week ending June 21, it remains far below pre-virus levels with only 25.5% of consumers opting for a lease. For reference, nearly 30% of all consumers took leases in the same week in 2019. 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.

Mature customers share of industry at normal levels

Sales to mature consumers (buyers 56 and older) during the week ending June 21 accounted for 37% of retail sales, on par with last year.

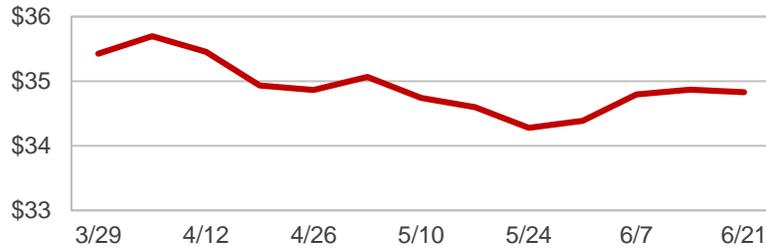
Retail Sales vs. Pre-Virus Forecast



WEEKLY TREND

5/31	-14%
6/7	-10%
6/14	-4%
6/21	-6%

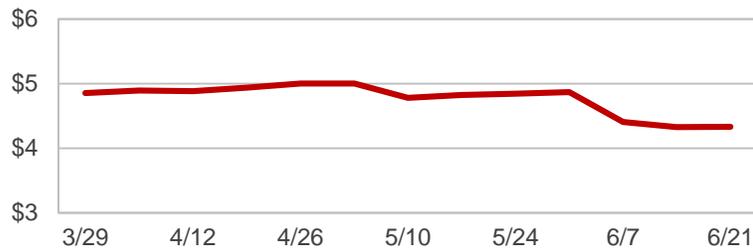
Transaction Price (000)



WEEKLY TREND

5/31	\$34.4
6/7	\$34.8
6/14	\$34.9
6/21	\$34.8

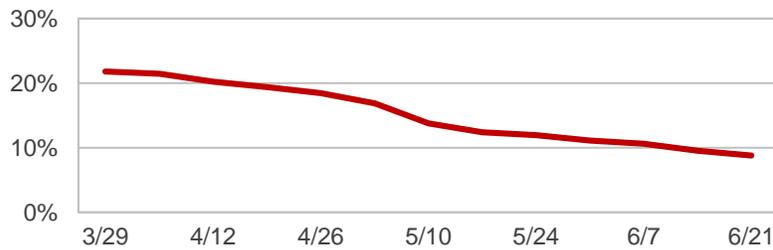
Incentive Spending per Unit (000)



WEEKLY TREND

5/31	\$4.9
6/7	\$4.4
6/14	\$4.3
6/21	\$4.3

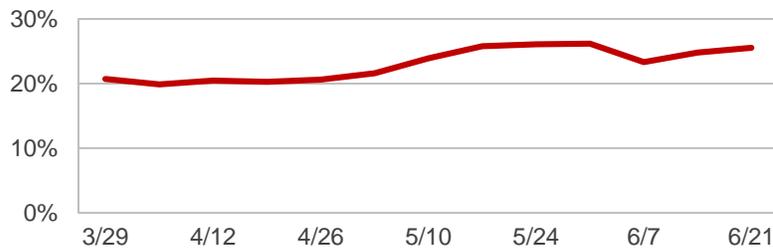
% of Sales that are Financed for 84+ Months



WEEKLY TREND

5/31	11.1%
6/7	10.6%
6/14	9.5%
6/21	8.8%

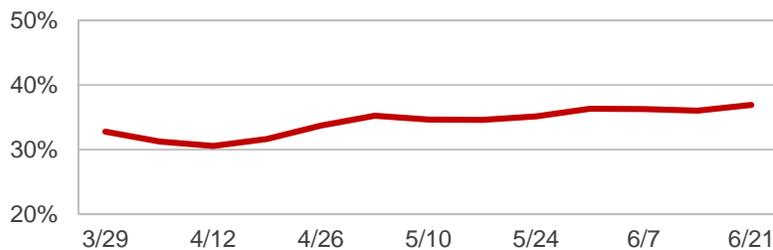
% of Sales that are Leased



WEEKLY TREND

5/31	26.2%
6/7	23.3%
6/14	24.8%
6/21	25.5%

% of Sales to Mature Buyers (56+ Years)



WEEKLY TREND

5/31	36.3%
6/7	36.3%
6/14	36.0%
6/21	36.9%

NEW PREMIUM VEHICLE RETAIL MARKET

Premium retail sales beat pre-virus forecast

For the week ending June 21, premium retail sales were 8% above the pre-virus forecast resulting in the best weekly performance since the COVID crisis began.

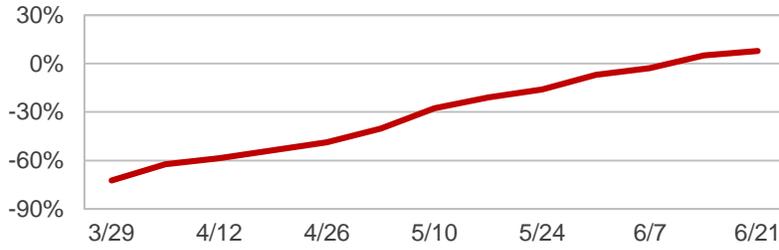
Premium transaction prices decreased

Customer-facing transaction price decreased \$209 to \$49,898 on a week-over-week basis, entirely driven by higher mix of less expensive vehicles.

Premium incentive spending remained below March/April levels

Incentive spending per unit in the week ending June 21 fell \$20 from the week prior to \$7,278, the lowest level since late March. Many automakers reduced lease incentives to start June. Lease mix remains far below pre-virus levels with only 50% of consumers opting for a lease in the week ending June 21. For reference, over 58% 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. Finance offers remain stronger than lease deals, resulting in 72-month APR mix of premium retail sales holding at 17%.

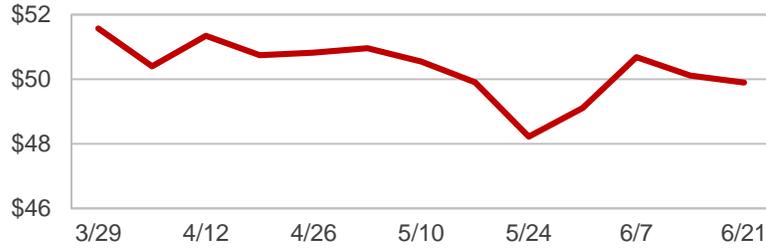
Retail Sales
vs.
Pre-Virus
Forecast



WEEKLY TREND

5/31	-7%
6/7	-3%
6/14	+5%
6/21	+8%

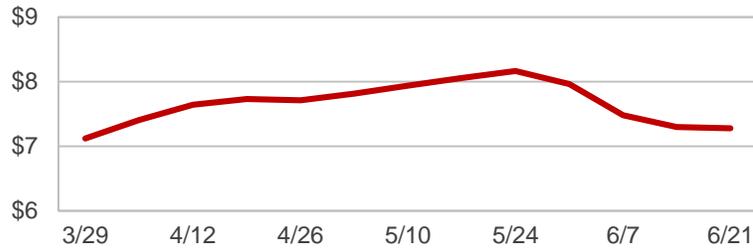
Transaction
Price
(000)



WEEKLY TREND

5/31	\$49.1
6/7	\$50.7
6/14	\$50.1
6/21	\$49.9

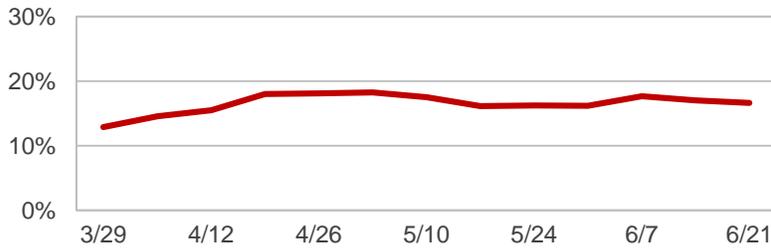
Incentive
Spending per
Unit
(000)



WEEKLY TREND

5/31	\$8.0
6/7	\$7.5
6/14	\$7.3
6/21	\$7.3

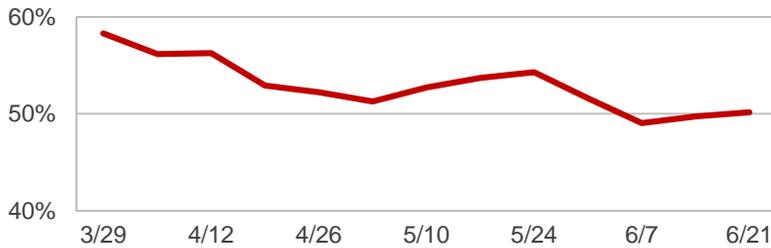
% of Sales
that are
Financed for
72+ Months



WEEKLY TREND

5/31	16.2%
6/7	17.7%
6/14	17.0%
6/21	16.6%

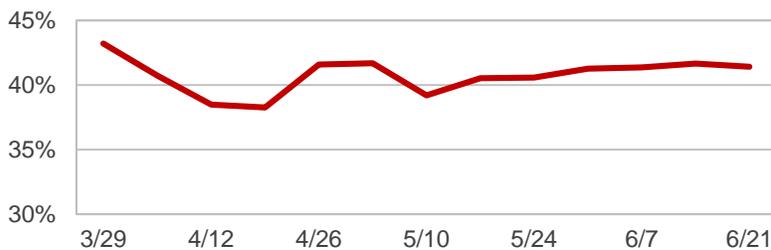
% of Sales
that are
Leased



WEEKLY TREND

5/31	51.6%
6/7	49.0%
6/14	49.7%
6/21	50.2%

% of Sales to
Mature
Buyers
(56+ Years)



WEEKLY TREND

5/31	41.3%
6/7	41.4%
6/14	41.6%
6/21	41.4%

USED VEHICLE MARKET

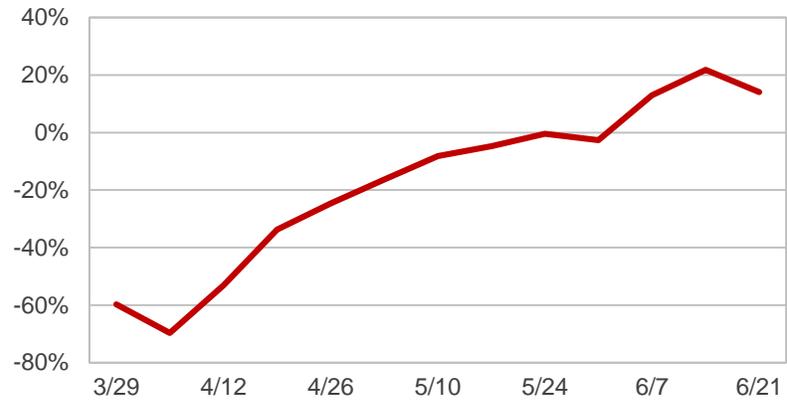
Used vehicle retail sales exceed pre-virus forecast on flat pricing

Sales of used vehicles at franchised dealers beat pre-virus forecast by 14% for the week ending June 21. 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. Despite the strong volume gains at retail, used retail prices were flat for the week ending June 21 vs. the prior week and are down just 0.2% from pre-virus levels.

Wholesale auction sales and prices climb

Wholesale auction sales reached 110,000 units the week ending June 21, 9% above the pre-virus forecast and the highest level recorded since early March. Wholesale auction prices improved for the ninth consecutive week, rising 1.6 percentage points for the week ending June 21. Prices improved 20 percentage points during the past nine weeks and are now 5% higher than at the beginning of March. While prices have recovered, several factors in late June and July, such as an anticipated rise in wholesale supply, may create additional friction in this channel in the short-term.

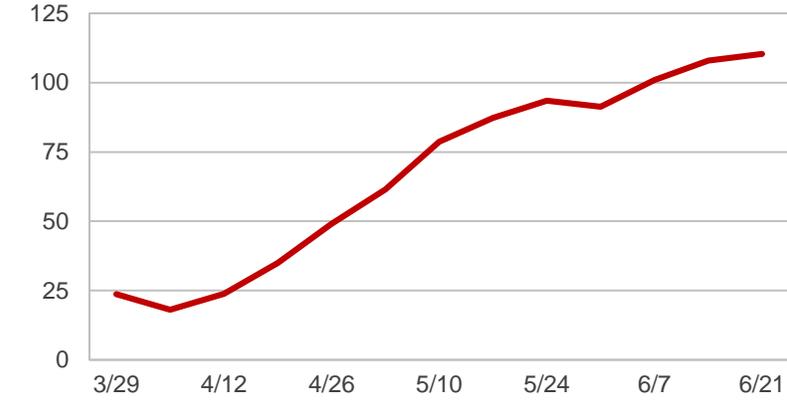
Retail Sales vs. Pre-Virus Forecast



WEEKLY TREND

5/31	-3%
6/7	+12%
6/14	+22%
6/21	+14%

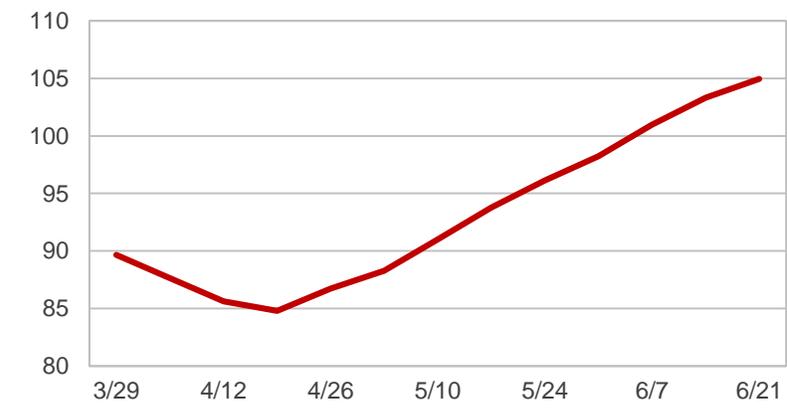
Wholesale Auction Sales (000)



WEEKLY TREND

5/31	91
6/7	101
6/14	108
6/21	110

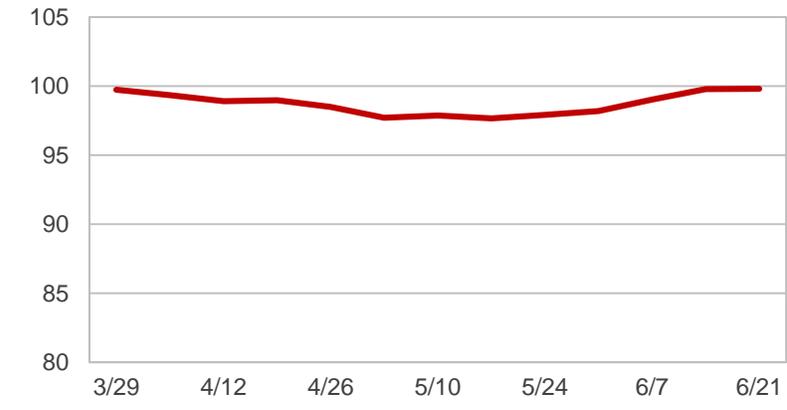
Wholesale Auction Price Index



WEEKLY TREND

5/31	98.2
6/7	101.0
6/14	103.3
6/21	104.9

Used Retail Price Index



WEEKLY TREND

5/31	98.2
6/7	99.0
6/14	99.8
6/21	99.8