



KEY TRENDS OF 2019 Q1 Update

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THE ECONOMY

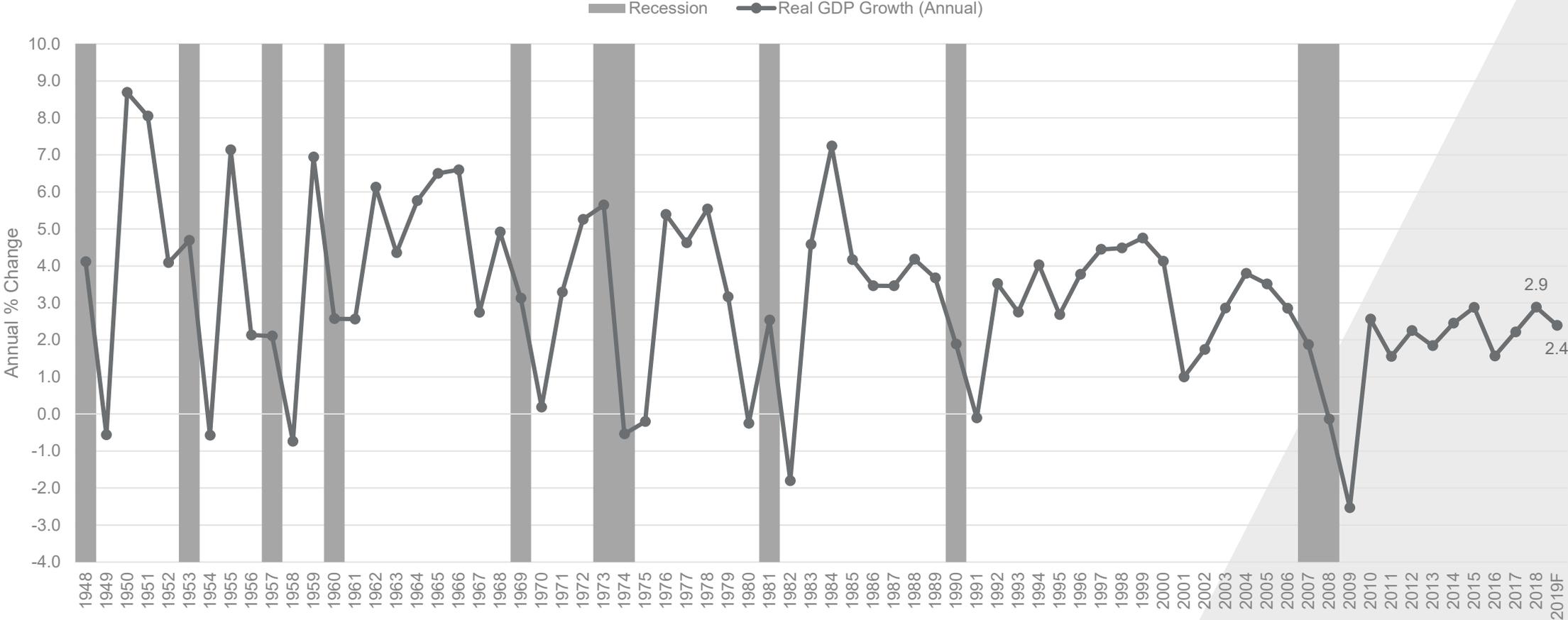


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ECONOMIC GROWTH SLOWS AS HEADWINDS MOUNT

Real GDP growth will slow to no more than 2.4% in 2019 while risk of recession grows

US ECONOMIC GROWTH SINCE WORLD WAR II





TAX REFUNDS



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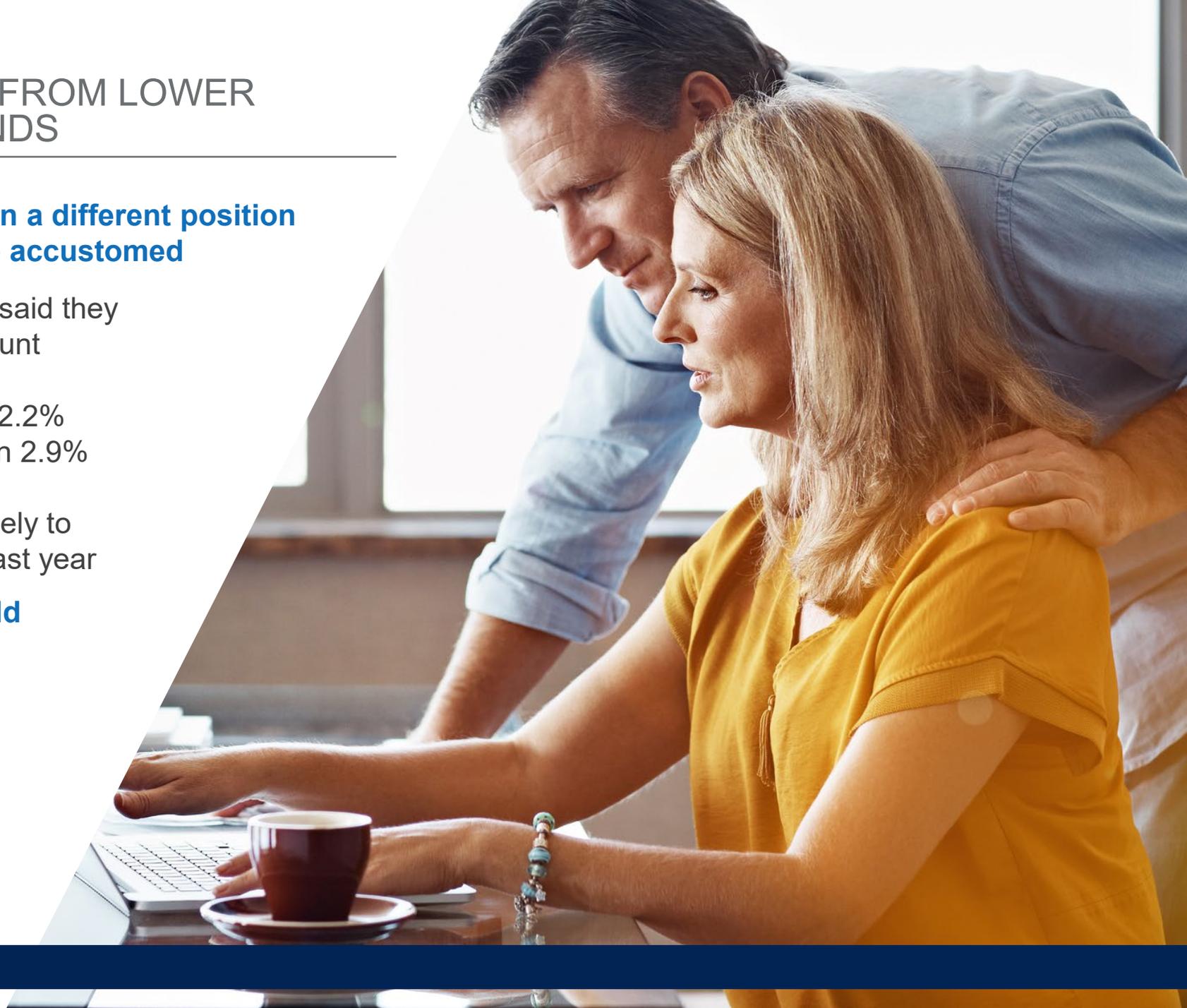
SURPRISES AND FALLOUT FROM LOWER & SLOWER 2019 TAX REFUNDS

Millions of households likely to be in a different position relative to tax refunds than they are accustomed

- 78% of filers surveyed in February said they were surprised by their refund amount
- Through March 29:
 - Total number of refunds down 2.2%
 - Total \$ amount of refunds down 2.9%
 - Average refund down 0.7%
- An estimated 8 million filers now likely to owe when they received a refund last year

Impact to economy yet to fully unfold

- Consumer spending likely to be negatively impacted
- Consumer credit conditions likely to deteriorate
- Updated W4 will lead to higher withholdings and lower disposable income



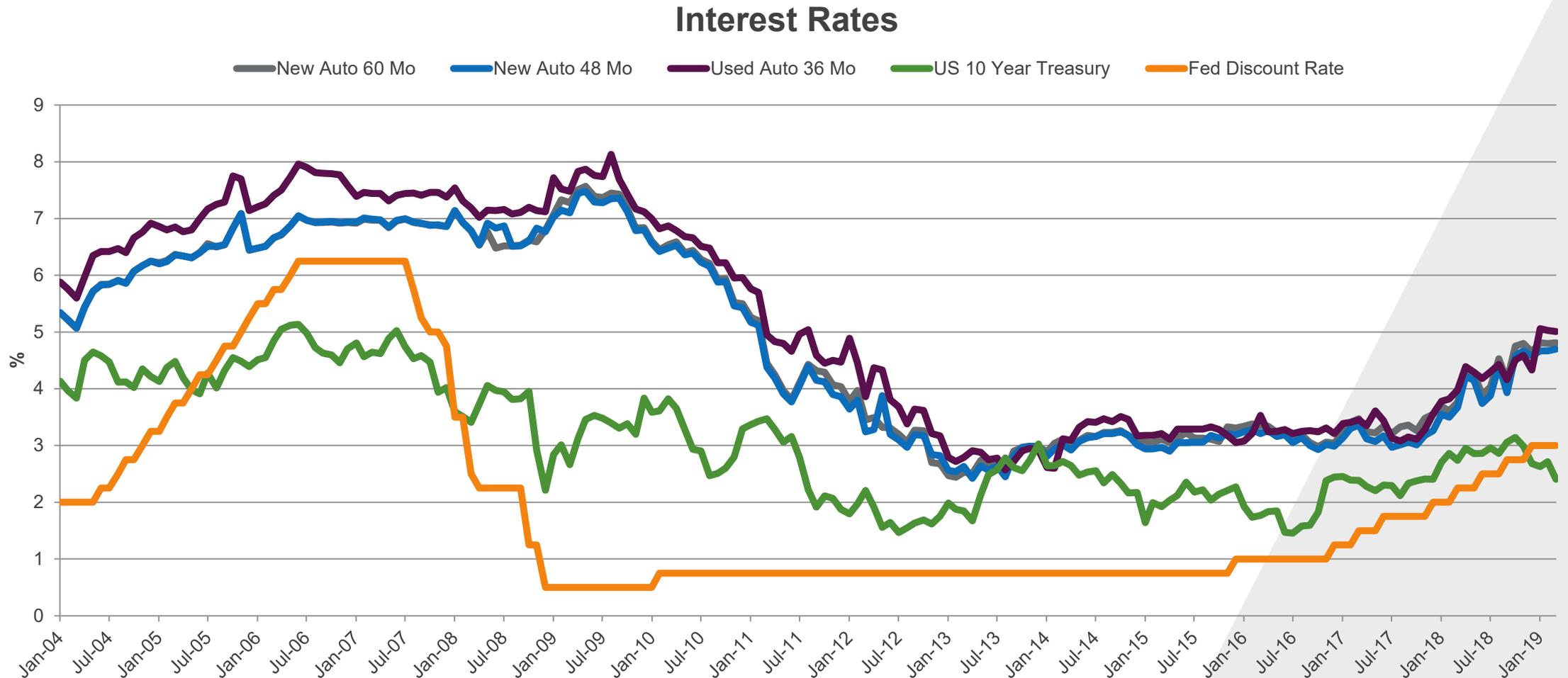


INTEREST RATES

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“BEST AVAILABLE” AUTO RATES CONTINUE TO PUSH HIGHER

Despite declines in Treasury rates in Q1, best available auto rates remain higher >1%, now up 2.37% from low





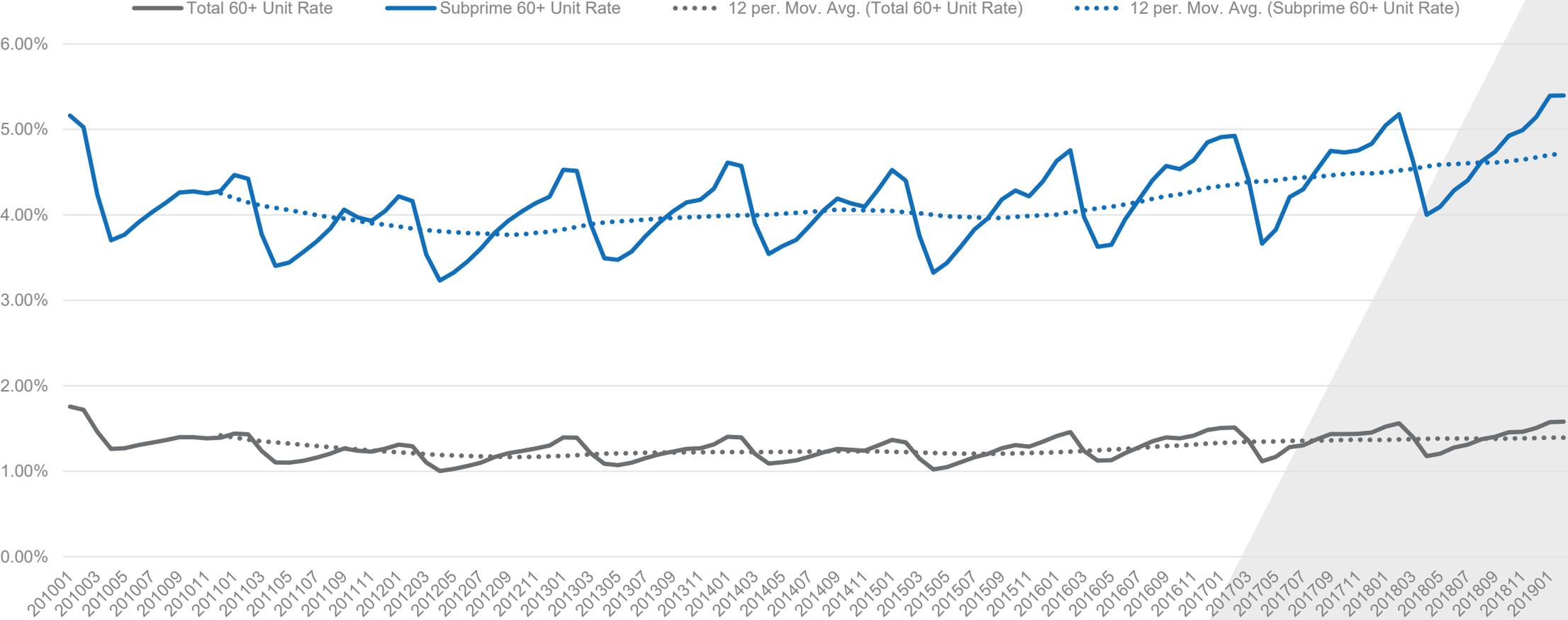
AUTO LENDING

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SUBPRIME AUTO LOANS CONTINUE TO SEE RISING DELINQUENCY RATE

Subprime severe delinquency rate at highest level in a decade, but overall delinquency rate has not risen as much

AUTO LOAN SEVERE DELINQUENCIES UNIT RATE





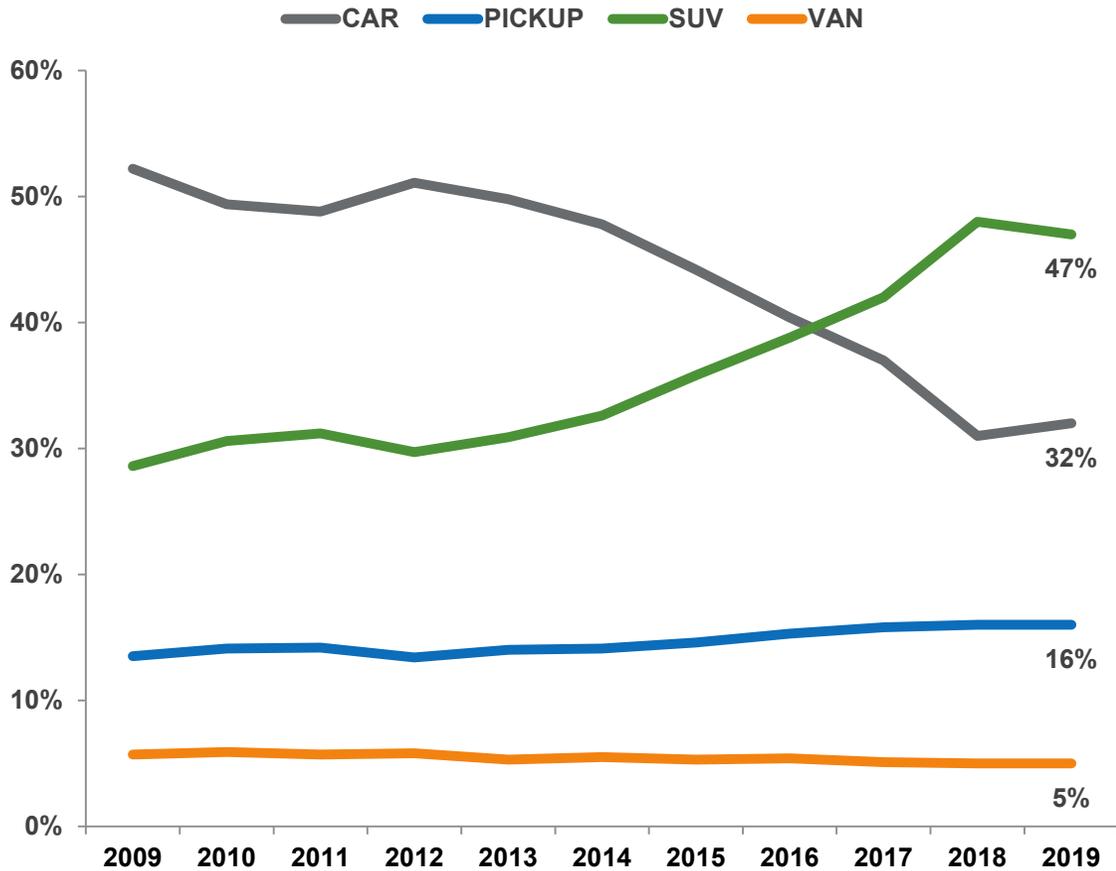
CONSUMER PREFERENCE

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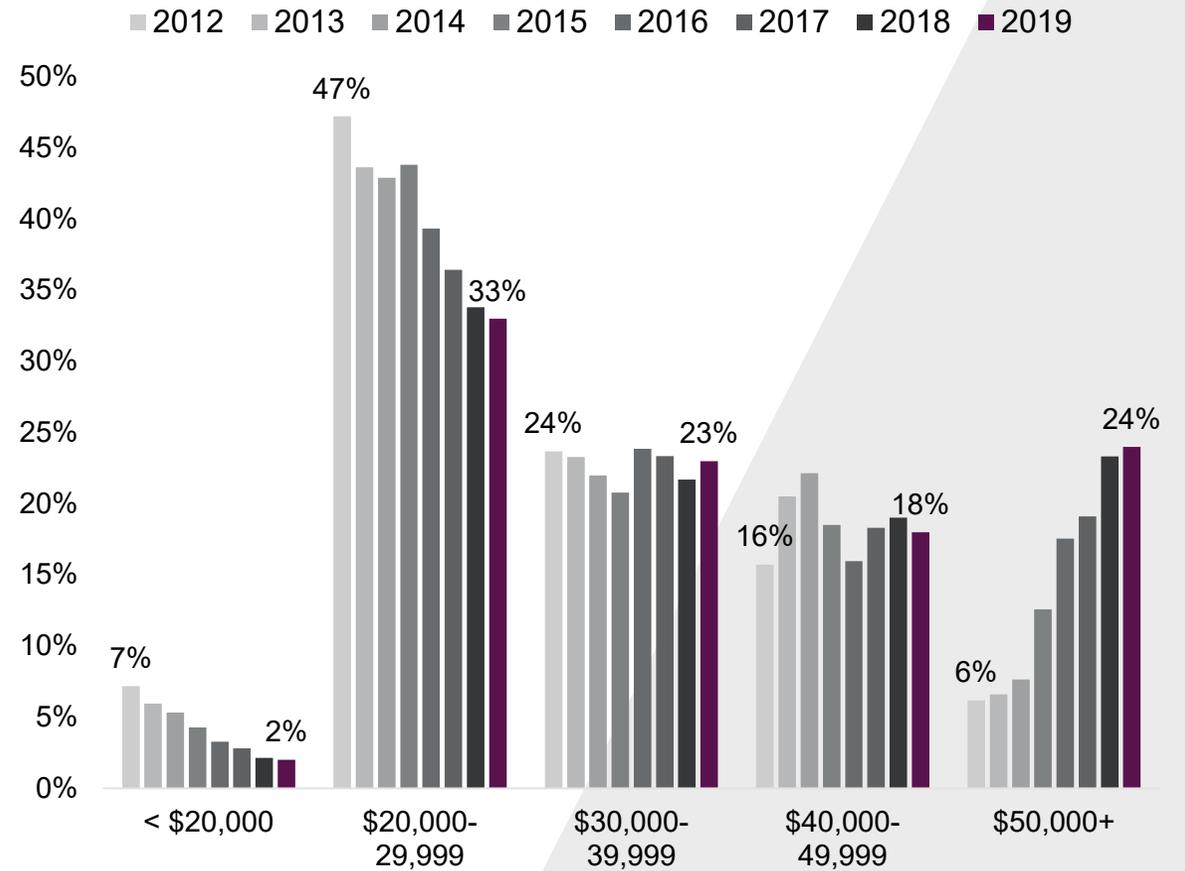
DECLINE OF CARS BOTTOMS OUT, BUT AFFORDABILITY WORSENS

The SUV has lost share so far in 2019 as car share decline reversed

New Vehicle Sales by Category



Distribution of MSRP by Year



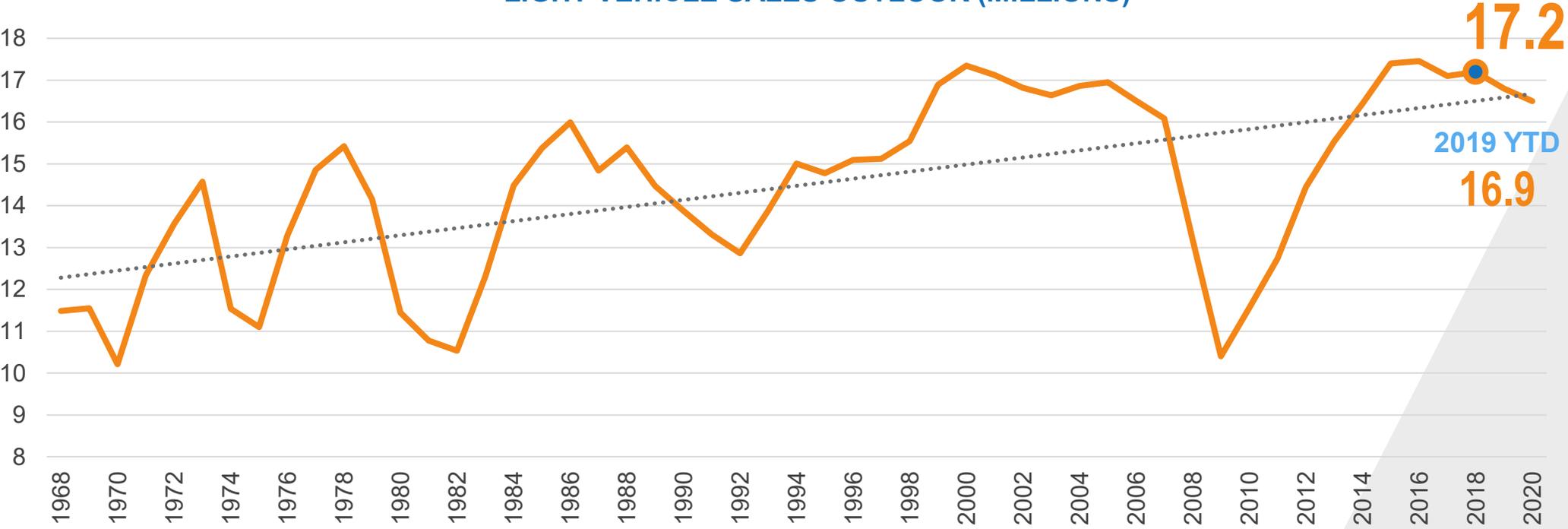


NEW VEHICLE SALES

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NEW VEHICLE SALES RESUME MODERATE DECLINE TREND

LIGHT VEHICLE SALES OUTLOOK (MILLIONS)



COX AUTOMOTIVE FULL-YEAR FORECASTS	2018	2019	2020*
	17.2	16.8	16.5

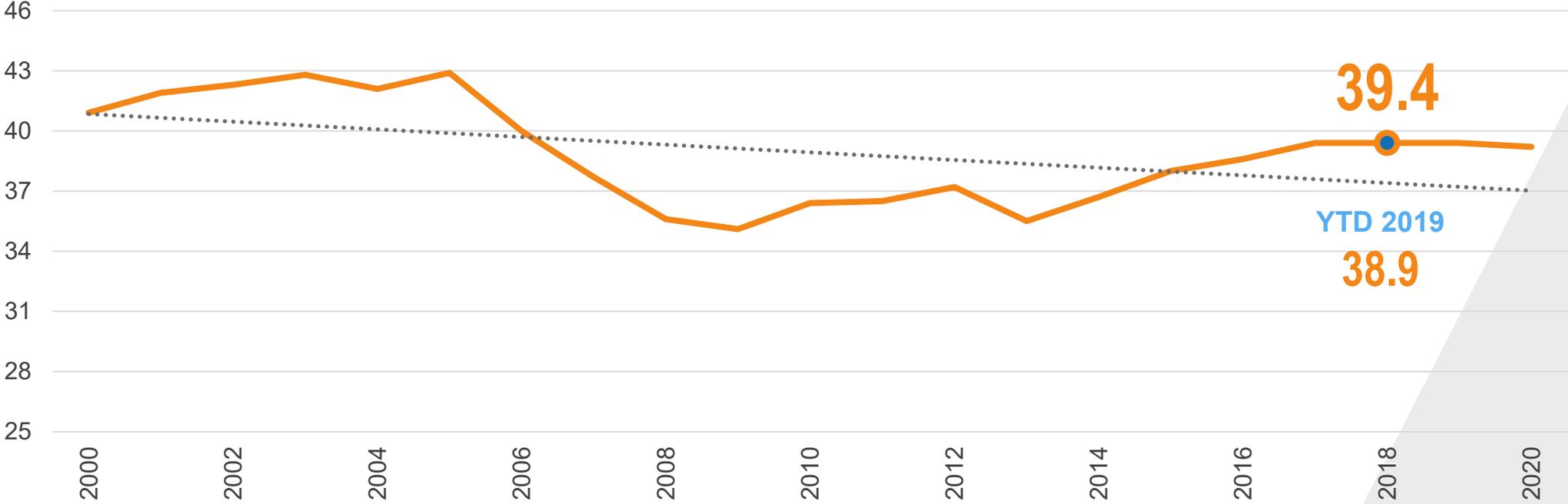


USED VEHICLE SALES

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USED VEHICLE SALES PLATEAU

USED VEHICLE SALES OUTLOOK (MILLIONS)



COX AUTOMOTIVE FULL-YEAR FORECASTS	2018	2019	2020*
	39.4	39.4	39.2

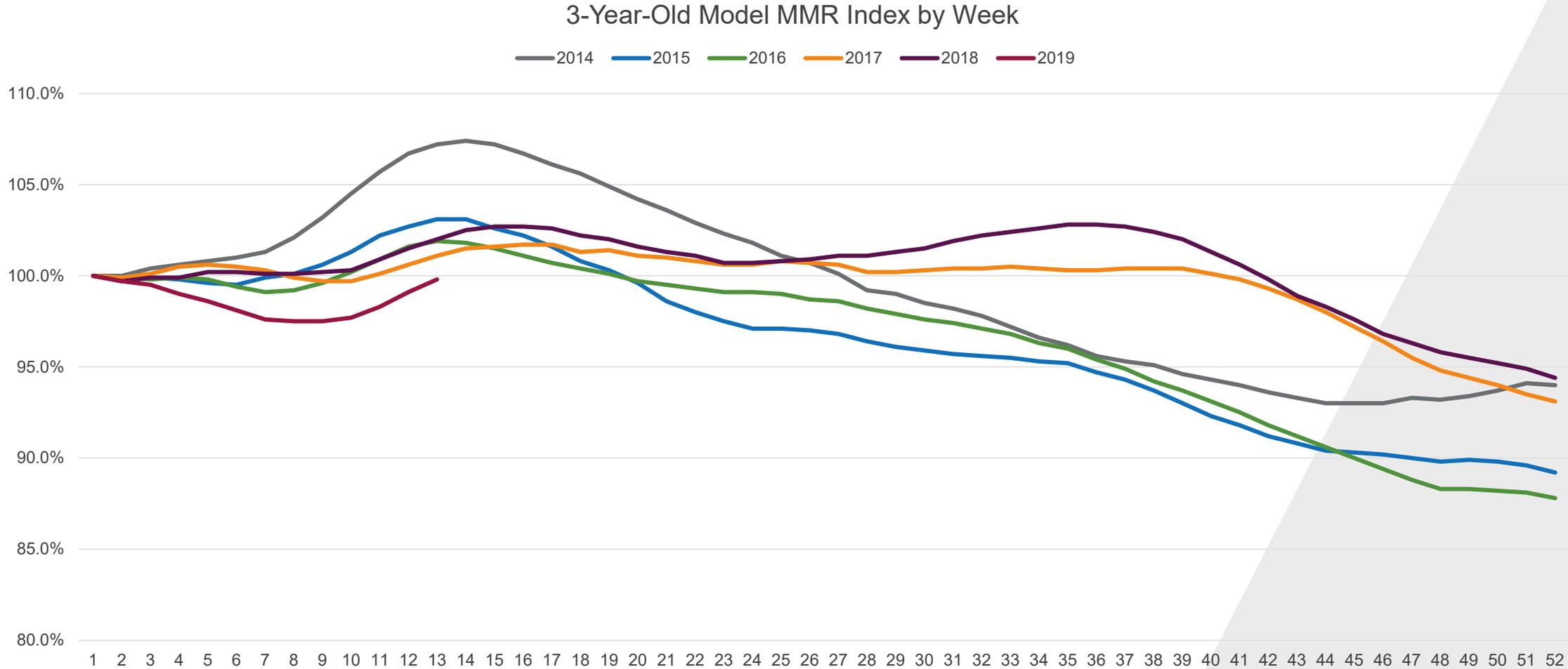
A long-exposure photograph of a multi-lane highway at night, showing blurred streaks of light from moving vehicles. The scene is illuminated by streetlights, creating a warm, golden glow. A dark blue, semi-transparent rectangular box is overlaid on the right side of the image, containing the text 'USED VEHICLE PRICES'. Below the text, a white arrow points downwards.

USED VEHICLE PRICES

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USED VEHICLE PRICES SEEING ANOTHER UP & DOWN (REVERSED) YEAR

A challenging start of year but strong spring already delivering another year of abnormal patterns



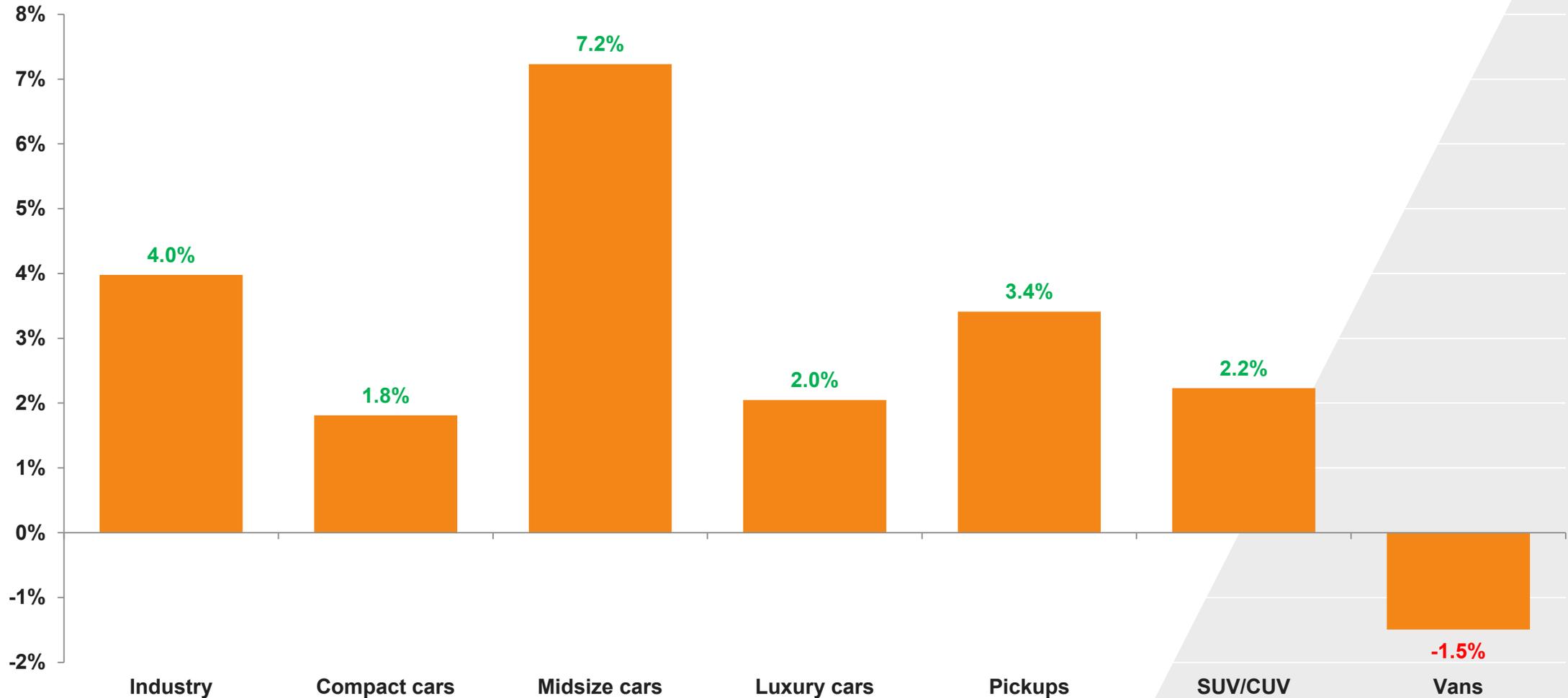


AFFORDABLE USED CARS

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(MOST) AFFORDABLE CARS CONTINUE OUTPERFORMING OTHER SEGMENTS

PERCENT CHANGE IN MANHEIM INDEX YEAR-OVER-YEAR MARCH 2019





TARIFFS

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TARIFF ACTIONS & KEY DATES

Ratification of USMCA (Report on April 18)

Section 232 Tariff on Imported Autos and Parts
(Details by May 18; 15 days to implement)

China Trade Deal (~~March 4~~; TBD)

EU Trade Deal

Japan Trade Deal

~~UK Trade Deal?~~

