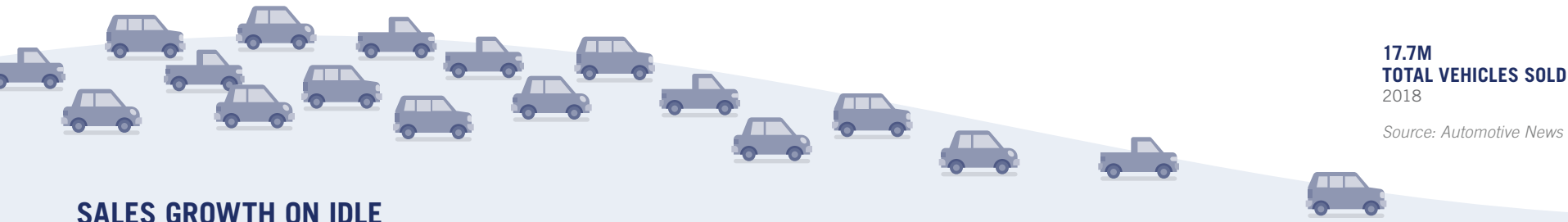


SEDAN SALES TAKE A BACKSEAT TO CROSSOVERS, SUVs, AND TRUCKS

While the desire for cars (i.e. sedans), along with a growing used vehicle market, is contributing to a plateau in overall auto sales performance, demand for crossovers, SUVs, and light trucks carry the heavy load for automakers at an 80%–20% split.



SALES GROWTH ON IDLE

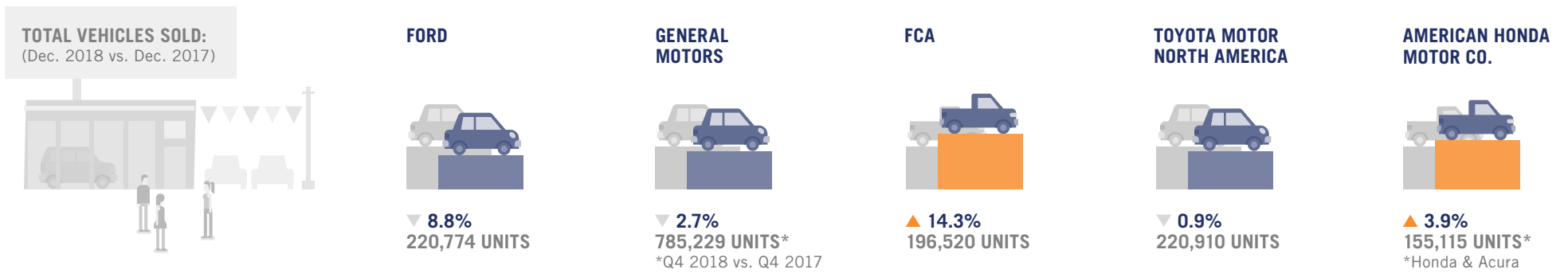
Higher interest rates, along with a higher lease return rate flooding the market, have tempered new vehicle sales for the second half of 2018. While the demand in used cars has also diminished, the overall decline was offset by a record-high demand for crossovers, SUVs, and trucks.



Source: LMC Automotive

BIG 5 STRIVE FOR STABILITY

Car sales were buoyed due to a few of the big players underperforming (Ford, GM, Toyota), along with an increased demand for crossovers, SUVs, and trucks.



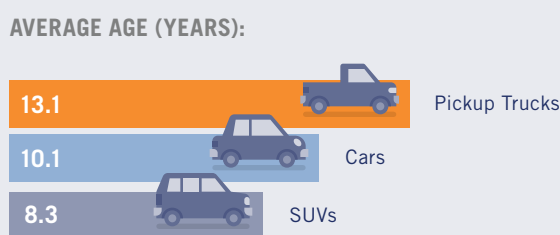
GOING THE EXTRA MILE

In November 2018, there was an uptick in time spent on the road, with consumers driving billions of miles. Literally.

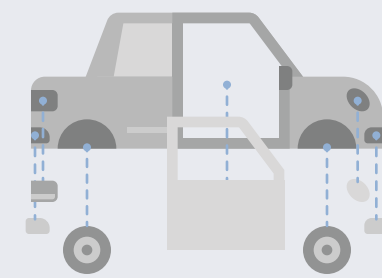


ALL-TIME HIGH FOR AVERAGE VEHICLE AGE

Most recent data from the U.S. Department of Transportation shows the average age of vehicles on U.S. roads at 11.6 years, the highest it's ever been.



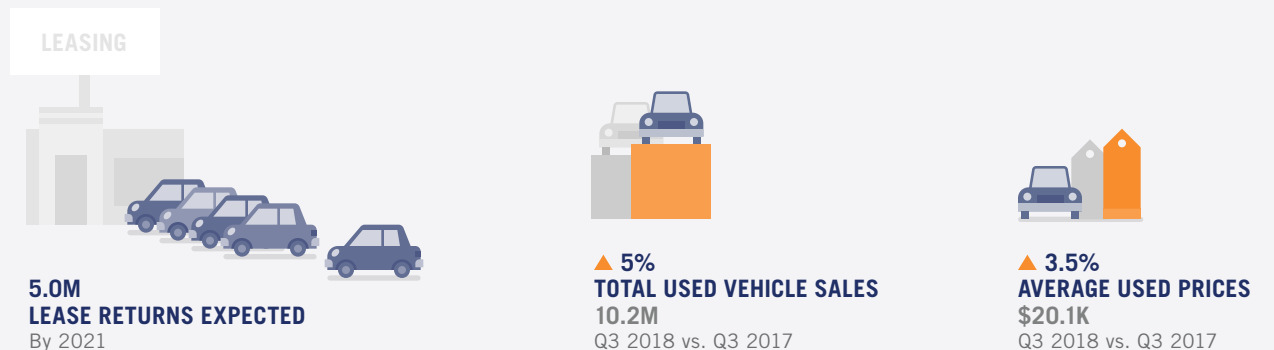
MUCH MORE THAN AN AFTERTHOUGHT



OEM sales drifting downward will beneficially contribute to increased sales in the aftermarket sector over the next two years.

GET USED TO IT

With millions of lease returns, along with being a lower-cost alternative to new vehicles, the used car market continues its strong sales trend, reaching over 10 million units sold for the third consecutive quarter, according to *Edmunds*.



SO LONG, SEDANS?

Given the influx of demand for crossovers, SUVs, and trucks, several major players (GM, Ford, FCA) are making lineup changes. Will the slow sedan sales continue—or will there be a comeback? Time will tell.