LACK OF DRIVE

FEBRUARY 2020

The U.S. automotive industry's cyclical downturn continued in 2019. Most major manufacturers experienced strong demand for light trucks, crossovers and SUVs, while cars remained a sore spot for manufacturers across the industry. Growing disparity between new and used vehicle average transaction prices continued to drive consumers toward the used vehicle market.

SALES OFF TRACK

SEASONALLY ADJUSTED ANNUAL RATE (SAAR) (2019 vs. 2018)

17.1 MILLION UNITS ↓ 1.2%

VEHICLE SALES (DECEMBER 2019 VS. 2018)

NEW U.S. LIGHT VEHICLES 1,533,555 UNITS ↓ 5.8%

OVERALL U.S. CARS 394,178 UNITS ↓ 12.5%

U.S. CARS SEGMENT 28% OF MARKET ↓ FROM 31% (FULL YEAR 2019)

OVERALL U.S. LIGHT TRUCKS 1,139,377 UNITS ↓ 3.2%

LIGHT TRUCKS SEGMENT: 72% OF MARKET ↑ FROM 69% (FULL YEAR 2019)

OEM INCENTIVE SPENDING 11.1% OF AVERAGE TRANSACTION PRICE ↑ FROM 10.9%

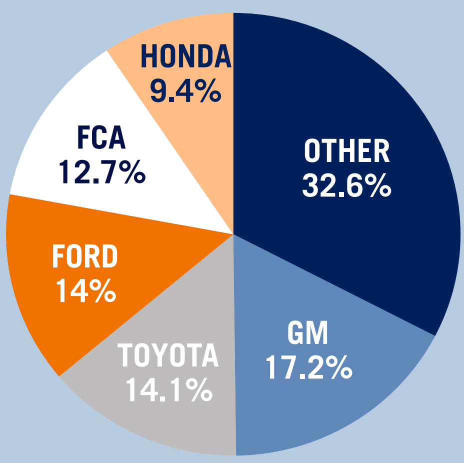
Source: Automotive News

Source: Cox Automotive Analysis

"BIG 5" TAKE A TURN FOR THE WORSE

While trucks, crossovers and SUVS continued to lead in sales, the demand for cars across all top five U.S. automakers declined in 2019, with the exception of American Honda Motor Co.

U.S. MARKET SHARE (Q4 2019)



Source: Cox Automotive Analysis

VEHICLE SALES (OVERALL 2019 VS. 2018)

GM	Toyota North America	Ford	FCA	American Honda Motor Co.
2,887,046 VEHICLES SOLD ↓ 2.3%	2,383,349 VEHICLES SOLD ↓ 1.8%	2,422,698 VEHICLES SOLD ↓ 3.0%	2,203,663 VEHICLES SOLD ↓ 1.0%	1,608,170 VEHICLES SOLD ↑ 0.2%

190,655 RAM +18.0%
(RECORD FULL-YEAR SALES FROM RAM BRAND)
221,536 JEEP -5.0%
90,641 DODGE -8.0%
33,005 CHRYSLER -23.0%

GOING THE DISTANCE

CUMULATIVE 2019 VEHICLE TRAVEL: ↑ 0.9% VERSUS 2018

Aging and heavily-driven vehicles generally require repairs and replacement parts, which proves beneficial to the aftermarket auto sector.

AVERAGE AGE OF VEHICLES PROJECTED FOR 2020: 11.9 YEARS

2019 AVERAGE AGE OF VEHICLES ON U.S. ROADS: 11.8 YEARS (HIGHEST EVER)

- Cars: 10.1 years
- SUVs: 8.3 years
- Pickup trucks: 13.1 years

NOTHING NEW

More consumers continued to turn to the used vehicle market in 2019 due to growing disparity between the average transaction price of new and used vehicles.

Source: Edmunds

Q3 2019 VS Q3 2018

Used Vehicles Sold: 10,368,918 ↑ 0.7%

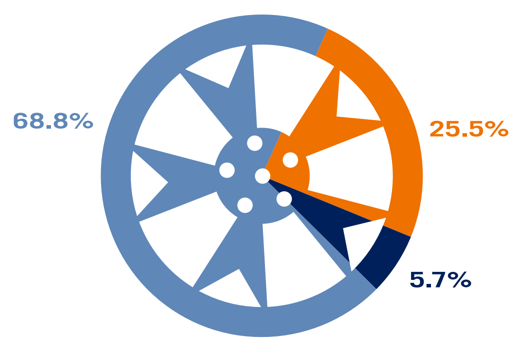
Certified Pre-owned Vehicles Sold: 702,102 ↑ 4.7%

Average Price Of Used Vehicles: $20.7K ↑ 3.0%

highest on record for any quarter

Average Price Of New Vehicles: $37.2K ↑ 3.6%

U.S. AUTO PARTS MANUFACTURING INDUSTRY MAJOR MARKETS (AS % OF REVENUE IN 2019)



- Original Equipment Manufacturers (OEM)
- Exports, Tier 2/Tier 3 Manufacturers
- Aftermarket

Source: IBISWorld

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