OUR PURPOSE
Empower clients to thrive in a rapidly changing marketplace

OUR VISION
Transform the way the world buys, sells, owns, and uses vehicles
COVID-19 DAILY CASE AND VACCINATION TRENDS

Source: Cox Automotive
ACTIVITY DECLINED LAST WEEK BUT FULLY RECOVERED IN SEVERAL STATES

Moody’s-CNN Business Back-To-Normal Index (February 29 = 100)

Data as of July 6, 2021

Source: Moody’s Analytics and CNN Business
CONSUMER SPENDING SURGED STARTING IN MARCH

With exception of week 6 that was impacted by winter storms, total spending in 2021 has exceeded 2019 spending levels.
RETAIL SALES ESTIMATES SHOW SLOWING FROM PEAK FRENZY IN SPRING

Source: Cox Automotive
RETAIL INVENTORY REMAINS TIGHT BUT DAYS’ SUPPLY NO LONGER DECLINING

Source: Cox Automotive
JOE KICHLER
VICE PRESIDENT – MANHEIM LOGISTICS
Manheim Offers Comprehensive Logistics Solutions

Full-service logistics provider

“Do it for me” model

6,500+ transport partners

~2M cars transported in 2020 (2.5M 2019)

75% of Ready volume supports Manheim commercial clients inbound to auction

- 65% of check-ins

Clients include:
- OEM Captives, Financial Institutions, Dealers (national and independent)

Self-service marketplace

“Do it myself” model

Industry leading website load board connecting shippers and transporters

Subscription-based model

- ~16k transporters
- ~11k dealers
- ~3k brokers / other

~8 million cars posted in 2020
Role of Logistics at Cox Automotive

- Transport Vehicles Between Dealerships and Auctions
- Long Haul & Consumer Transportation
- Focused on used cars; opportunity in new cars
- Manheim Logistics touches 10M vehicles each year.

10 Million
Strategic Partnership With DHL Will Transform the Automotive Logistics Industry

**Focus:**
Transforming automotive logistics through the digitization of the entire process, from load building to tracking and reporting.

**Client Benefits:**
Full access to the DHL worldwide leading supply chain system that has been customized for U.S. automobile market leveraging Ready Logistics’ expertise.

Comprehensive Automotive Logistics

- Logistics Planning
- Logistics Execution
- Carrier Mgmt
- Long-Haul Transport
- Local Delivery Transport
More Self-Service, Increased Distances for Vehicle Transport

Average Distance Vehicles Are Transported

225 Avg. Miles in Q1 2020 vs 430 Avg. Miles in Q1 2021

Central Dispatch Listing Volume
Low Transporter Supply Driving Up Costs, Impacting Service Levels

- COVID Impacted Carrier Capacity
- Wages for Truckers Are Increasing Significantly
- High Gas Prices Are Keeping Transportation Costs Elevated
- Smaller Vehicle Loads Are Impacting the System
Other Trends We’re Watching

When auction and OEM volumes return to “normal”

EV weight affecting load capacity as these vehicles become more common
Manheim Used Vehicle Value Index

Concept

A single measure of used vehicle price change that is independent of underlying segment shifts in the characteristics of vehicles being sold

Steps

1. All Manheim U.S. sales
2. Classify by market segment
3. Account for differences in mileage
4. Weight to provide smoother segment mix
5. Seasonally adjust
WHOLESALE VEHICLE VALUES DECLINE IN JUNE

Prices in June decreased 1.30% from May 2021 and were up 34.25% compared to June 2020
Year-over-year price performance set records this spring.
WHOLESALE USED VEHICLE PRICES VS. NEW VEHICLE PRICES

Source: Manheim
PICKUP TRUCKS OUTPERFORMING OTHER SEGMENTS

PERCENT CHANGE IN MANHEIM INDEX YEAR-OVER-YEAR JUNE 2021

- Industry: 34.3%
- Compact cars: 24.3%
- Midsize cars: 26.2%
- Luxury cars: 24.0%
- Pickups: 49.5%
- SUV/CUV: 32.5%
- Vans: 33.4%

Source: Manheim
Prices started to rise in week 4, reached maximum appreciation in weeks 16-17, and peaked in week 24.

3-Year-Old Model MMR Index by Week

Source: Manheim
Luxury vehicles saw a later start and less of a peak increase.

Luxury 3-Year-Old Model MMR Index by Week

Source: Manheim
ONE-YEAR-OLD PRICES NOT DECLINING AS FAST

One-year-old vehicle prices peaked later and are seeing less depreciation thus far

1-Year-Old Model MMR Index by Week

Source: Manheim
Unprecedented Momentum in Resale Values during 1H 2021

YTD Change In Resale Value

Thru Week 26

Source: Manheim
SALES EFFICIENCY LEADING INDICATOR

Coming back down to normal levels after an extremely hot spring market

Sales Efficiency Trends

Source: Kelley Blue Book
COMMERCIAL SUPPLY SOURCES WELL BELOW HISTORICAL NORMS

Auction supplies remain well below Pre-COVID levels

Off-Lease Check-ins vs. Prior Years

-43% YOY
-52% vs 2019

Repo Check-ins

-13% YOY
-28% vs 2019

Rental Check-ins

-60% YOY
-63% vs 2019

Source: Cox Automotive
Retention values peaked up 22 percentage points compared to 2019 and ended June up 21 percentage points.
RENTAL RISK AVERAGE AUCTION PRICES

Average price for rental risk units sold in June up 14% y/y and up 2% m/m

Source: Manheim
## RENTAL RISK: VEHICLE VARIETY REPRESENTED IN SALES

<table>
<thead>
<tr>
<th></th>
<th>2019 Q2</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of unique year, make, model, body configurations sold</td>
<td>3,337</td>
<td>3,090</td>
<td>2,800</td>
</tr>
<tr>
<td>Share accounted for top 10 YMMB</td>
<td>12.0%</td>
<td>14.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Share accounted for top 25 YMMB</td>
<td>22.3%</td>
<td>25.9%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Number of YMMB to reach 50% share</td>
<td>106</td>
<td>86</td>
<td>204</td>
</tr>
</tbody>
</table>
Average mileage for rental risk units in June was up 100% compared to a year ago and down 1.5% m/m
**MANHEIM MMR INSIGHTS ON TOP VOLUME VEHICLES**

Price trends on top-selling vehicles in June at Manheim showed declines in prices on most vehicles over the last 30 days (June 2 – July 1). All vehicles saw big year-over-year gains.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Source(Rank)</th>
<th>Category</th>
<th>Subcategory</th>
<th>Vehicle</th>
<th>1-Jul</th>
<th>Past 30 Days</th>
<th>Last Year</th>
<th>Current Dep</th>
<th>L12M Dep/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All</td>
<td>SUV</td>
<td>SUV Midsize</td>
<td>2018 NISSAN ROGUE AWD 4D SUV SV</td>
<td>$21,100</td>
<td>$21,000</td>
<td>$16,750</td>
<td>0.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>2</td>
<td>All</td>
<td>SUV</td>
<td>SUV Midsize</td>
<td>2018 FORD EXPLORER 4WD V6 4D SUV XLT</td>
<td>$31,200</td>
<td>$31,700</td>
<td>$25,700</td>
<td>-1.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>3</td>
<td>All</td>
<td>Pickup</td>
<td>Pickup Lite Duty Full</td>
<td>2018 FORD F150 4WD V6 CREW CAB 2.7L XLT</td>
<td>$38,400</td>
<td>$39,100</td>
<td>$35,000</td>
<td>-1.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>4</td>
<td>All</td>
<td>SUV</td>
<td>SUV Entry</td>
<td>2018 FORD ESCAPE 4WD 4D SUV 1.5L SE</td>
<td>$18,950</td>
<td>$19,150</td>
<td>$15,100</td>
<td>-1.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>5</td>
<td>All</td>
<td>SUV</td>
<td>SUV Entry</td>
<td>2018 FORD ESCAPE FWD 4D SUV 1.5L SE</td>
<td>$18,000</td>
<td>$18,300</td>
<td>$14,500</td>
<td>-1.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Dealer</td>
<td>Dealer</td>
<td>SUV</td>
<td>SUV Midsize</td>
<td>2018 NISSAN ROGUE AWD 4D SUV SV</td>
<td>$21,100</td>
<td>$21,000</td>
<td>$16,750</td>
<td>0.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>1 Lease</td>
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<td>SUV</td>
<td>SUV Midsize</td>
<td>2018 FORD EXPLORER 4WD V6 4D SUV XLT</td>
<td>$31,200</td>
<td>$31,700</td>
<td>$25,700</td>
<td>-1.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>1 Rental</td>
<td>Rental</td>
<td>Pickup</td>
<td>Pickup Heavy Duty</td>
<td>2020 RAM 2500 4WD 6C TDSL CREW CAB 6.7L LARAMIE</td>
<td>$67,600</td>
<td>$67,700</td>
<td>$53,400</td>
<td>-0.1%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

*Source: Manheim*
WHOLESALE USED PRICES NOW DECLINING

MY 2018 Retail and Wholesale Price Index

Source: Cox Automotive
2021 FORECASTS

New Sales: 16.5M
New Retail Sales: 14.0M
Fleet Sales: 2.5M

New Lease Volume: 3.9M
Lease Penetration: 28%
CPO Sales: 2.8M

Used Sales: 39.3M
Used Retail Sales: 21.5M
Manheim Used Vehicle Value Index: +26%
TOTAL WHOLESALE VOLUMES WILL REMAIN BELOW PEAK

2020 saw an 11% decline in wholesale inflows caused by declining retail sales, record low repo rates, and a depressed rental market; 2021 is seeing improving flows but not back to normal. Just as other flows get closer to recovery by 2023, off lease will plunge 18% from the lagged effect of the decline in 2020.
THANK YOU!

Contact Information:

Dara Hailes  
Manager, Public Relations  
Cox Automotive  
dara.hailes@coxautoinc.com

Mark Schirmer  
Director, Public Relations  
Cox Automotive  
mark.schirmer@coxautoinc.com

For additional content from Cox Automotive, visit the Newsroom at www.coxautoinc.com/newsroom/, sign up for From the Newsroom, our biweekly newsletter at www.coxautoinc.com/signup and bookmark the new Auto Market Snapshot.