COX AUTOMOTIVE

Automotive Outlook
Transportation Energy Institute

lay 2025

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conomic and Industry Insights

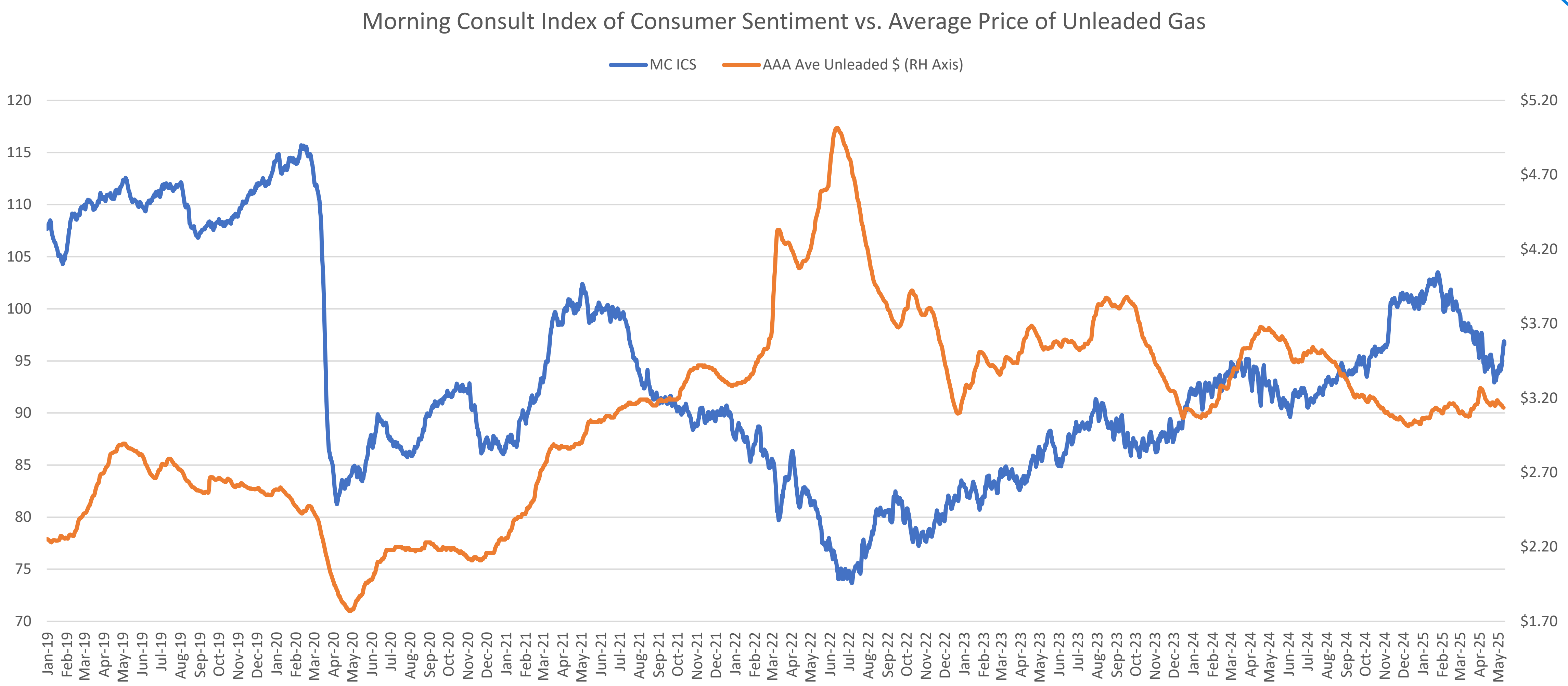
Autotrader CentralDispatch Dealer.com Dealertrack EV Battery Solutions FleetNet America Fleet Services Kelley Blue Book Manheim NextGear Capital vAuto VinSolutions xtime

Agenda

- **Economic and Automotive Outlook**
- New and Used EV Outlook
- Battery Health

Consumer Sentiment | Up in May

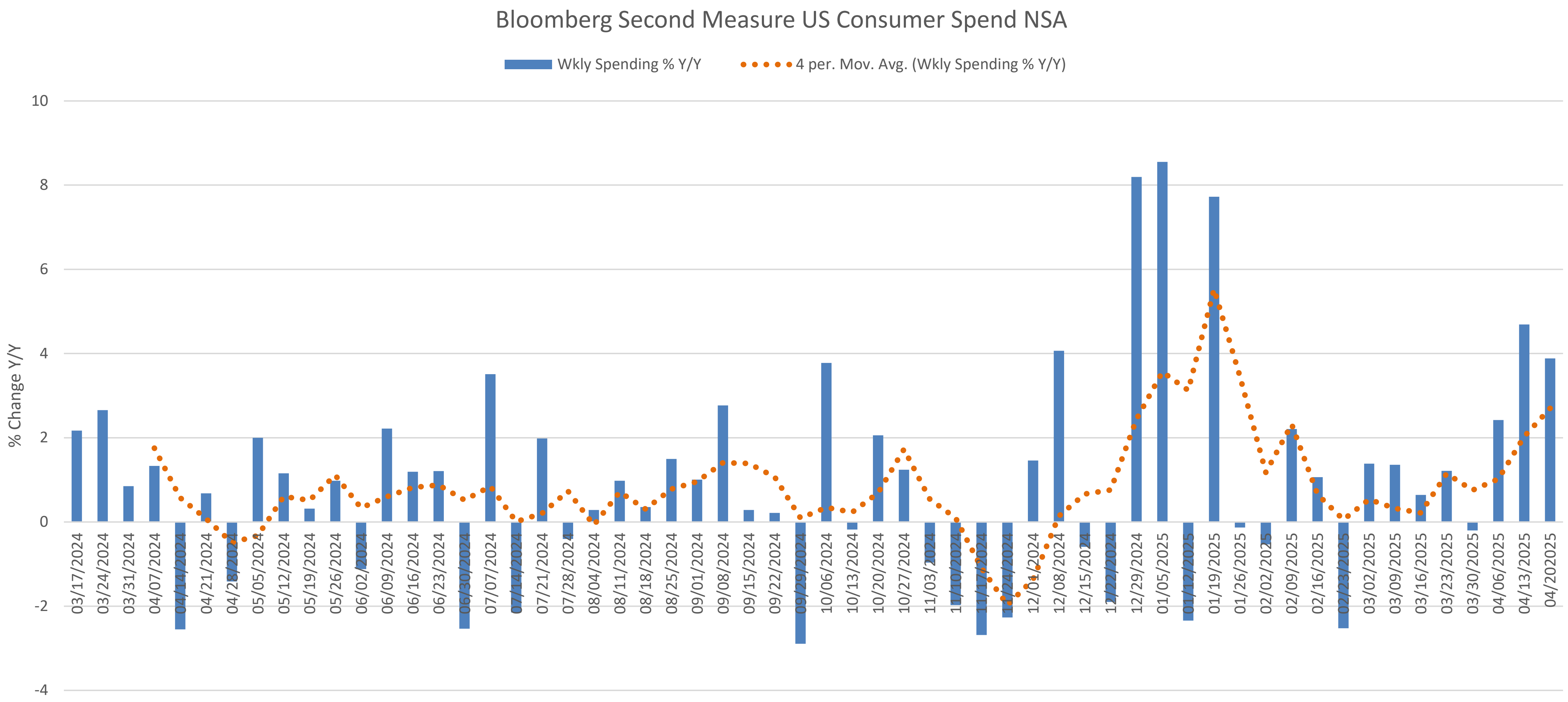
The Index of Consumer Sentiment declined every month through April but is up 2.7% so far in May.



Source: Morning Consult/AAA

Consumer Spending | Growth Accelerating in April

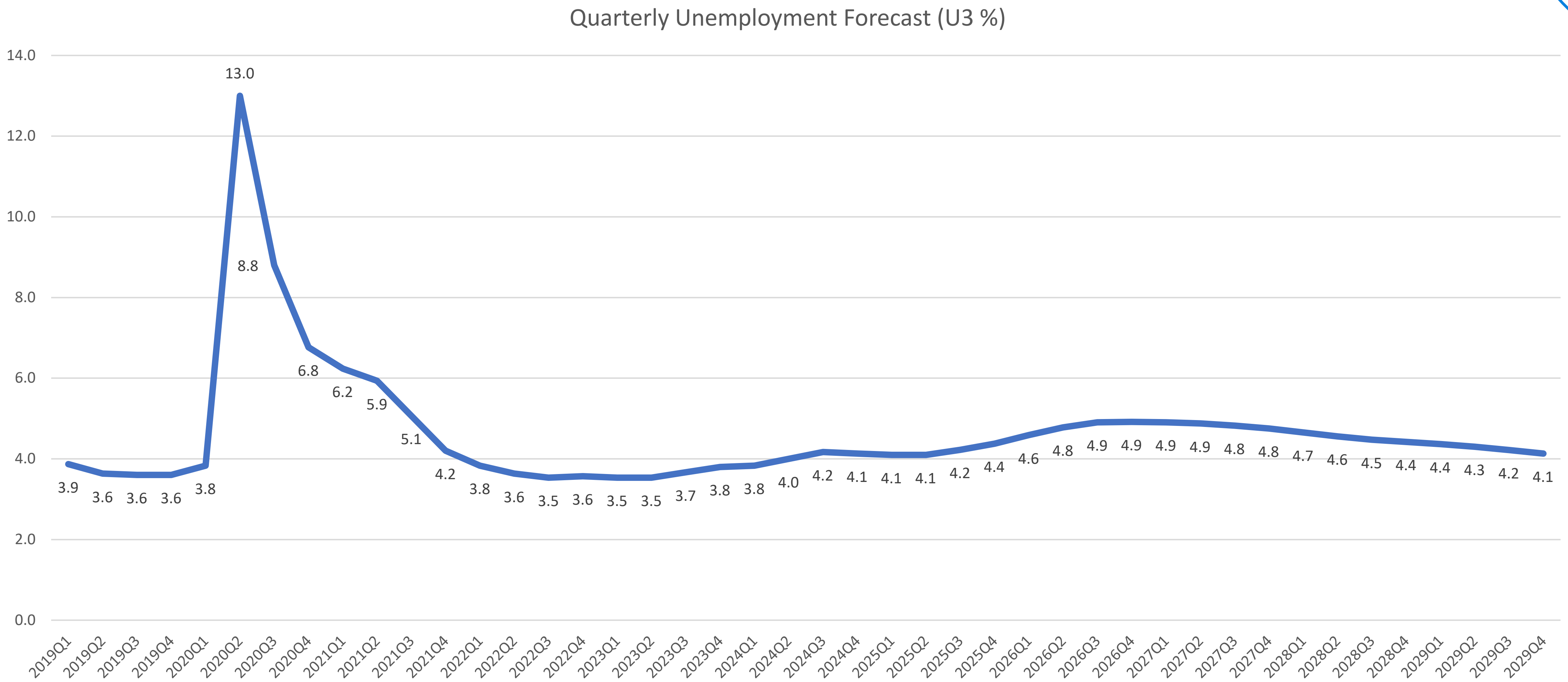
Total consumer spending showing strongest y/y growth since early January



Source: Bloomberg

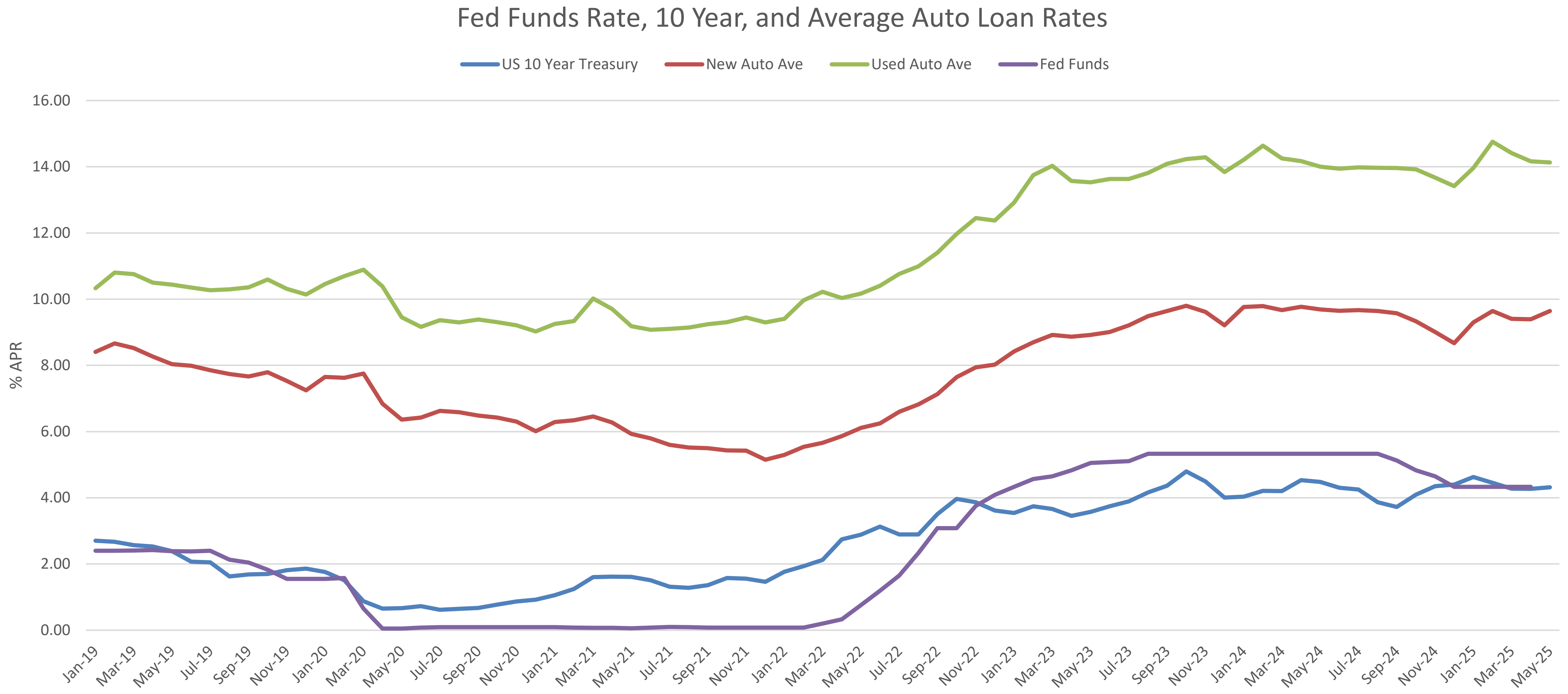
Unemployment | Expected to Rise

Unemployment rate steady at 4.2% but expected to drift higher in 2025 before peaking in 2026



Average Auto Loan Rates | Moved Lower in March and April

Used rates have moved slightly lower so far in May to 14.13% but new has moved higher to 9.64%



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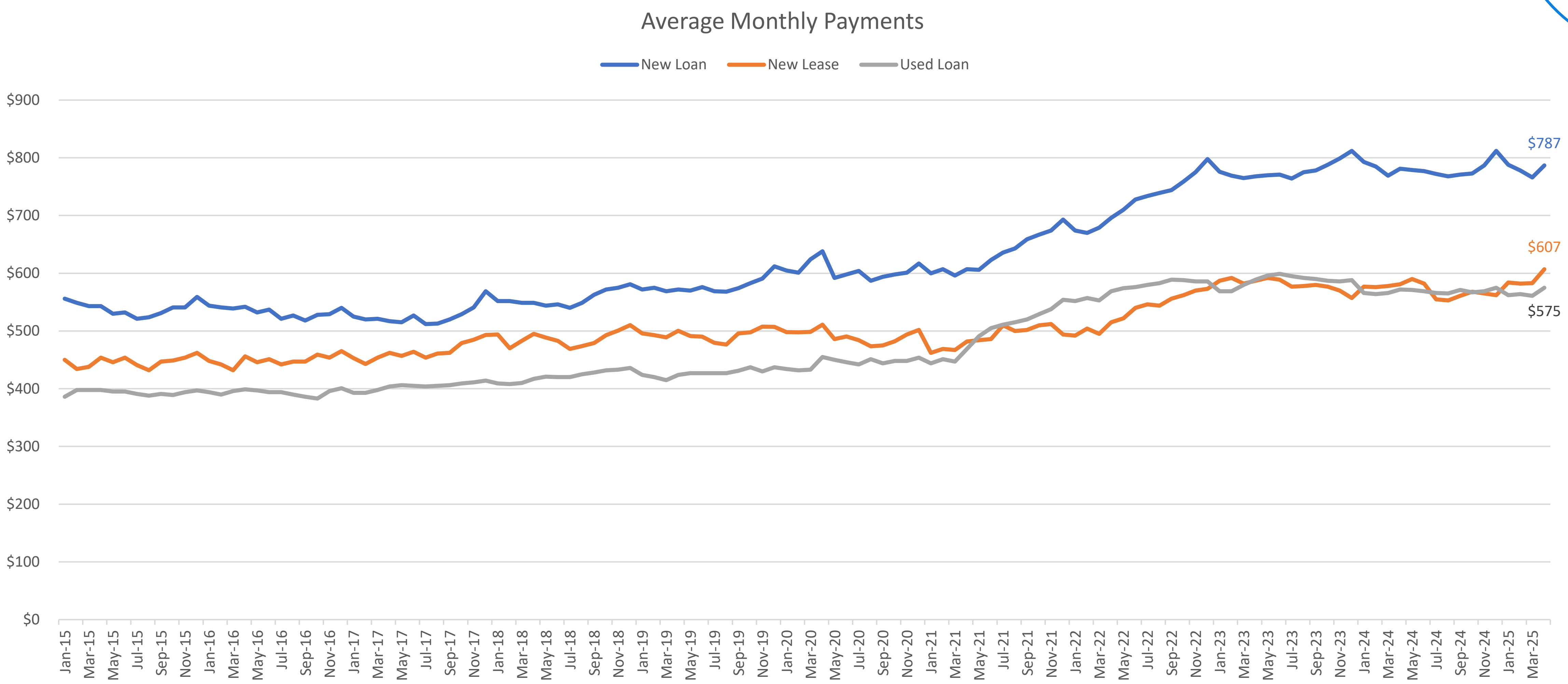
Source: Federal Reserve, Dealertrack, Bloomberg

Average Payments | Down Modestly But Moving Higher Again

Average payments are up 21-38% since 2019 and out of reach for many households



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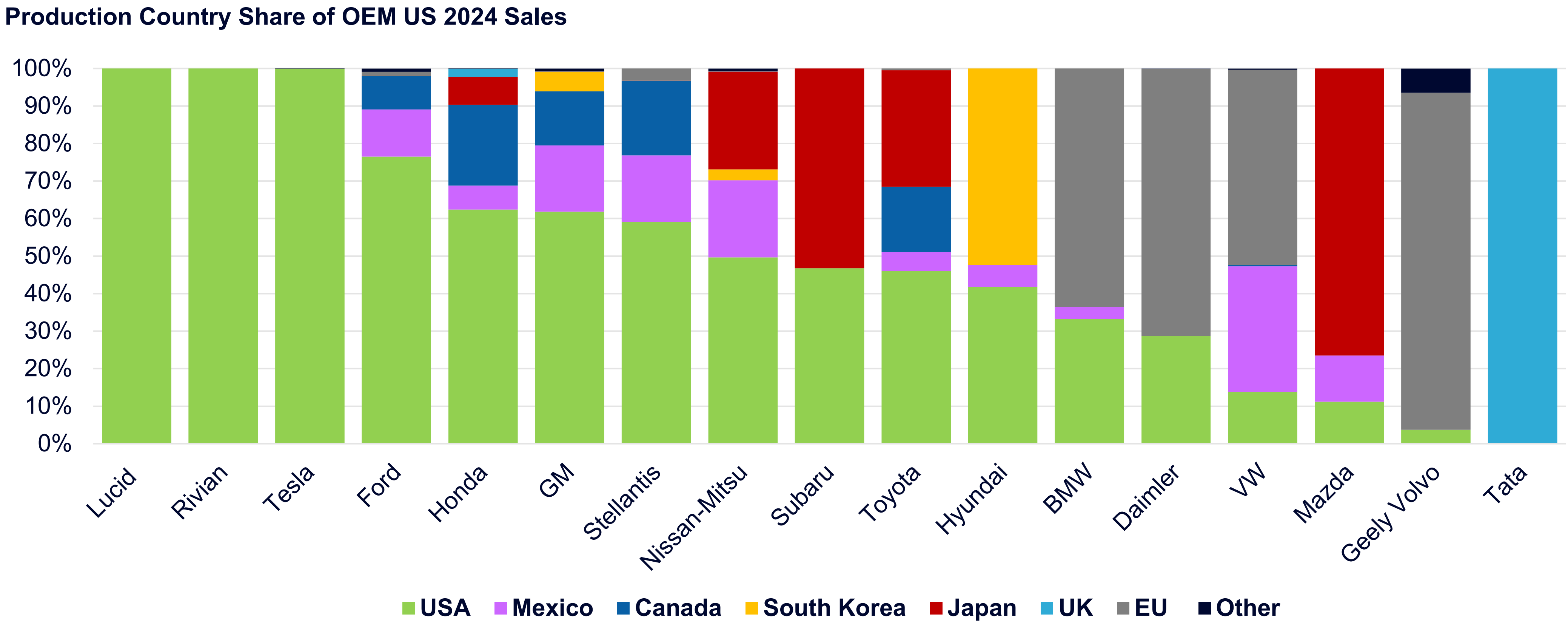
Source: Dealertrack; Cox Automotive

OEM Production Country | Exposure To Trump Tariffs Varies Greatly

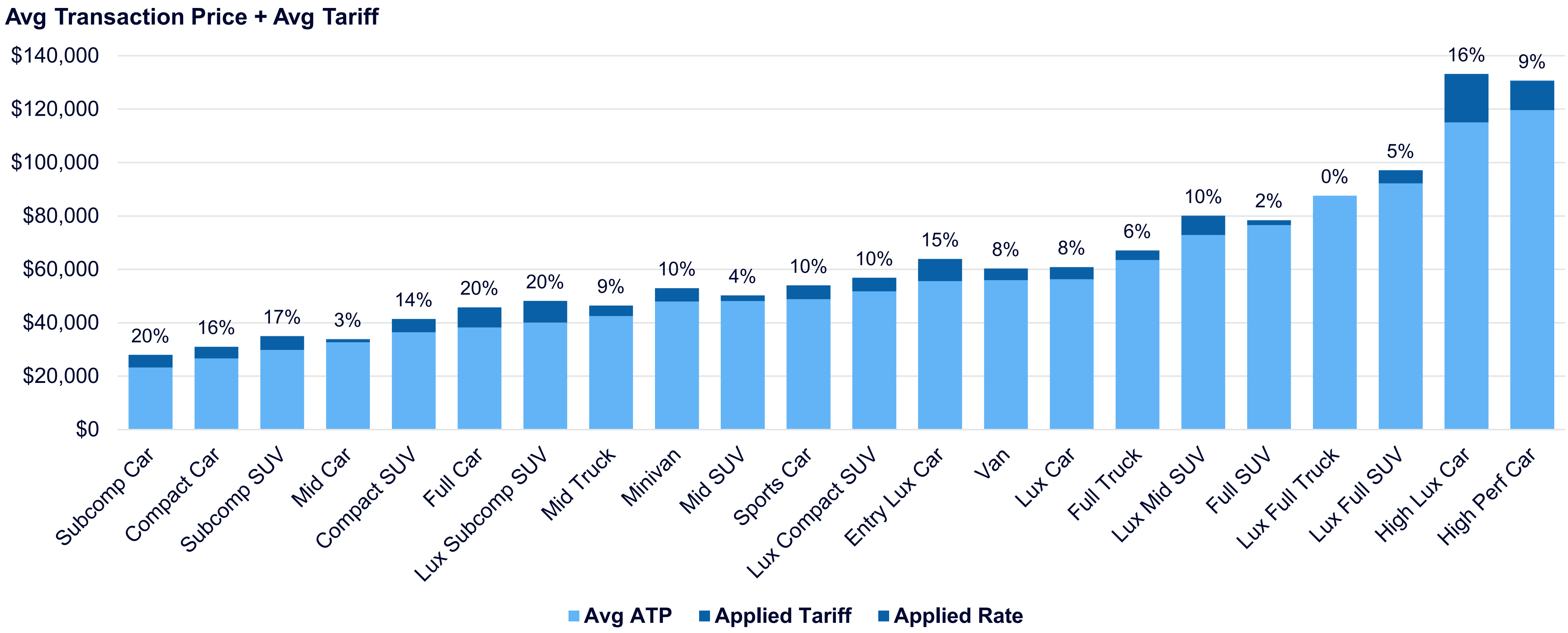
Some new entrants are 100% made in USA while others are 100% outside of US



Source: Cox Automotive analysis of S&P Global State registrations

Segment Tariffs | Most Affordable Have Some of the Largest Increases

Small vehicles made outside of US – only profitable option – costs likely to passed on to consumers



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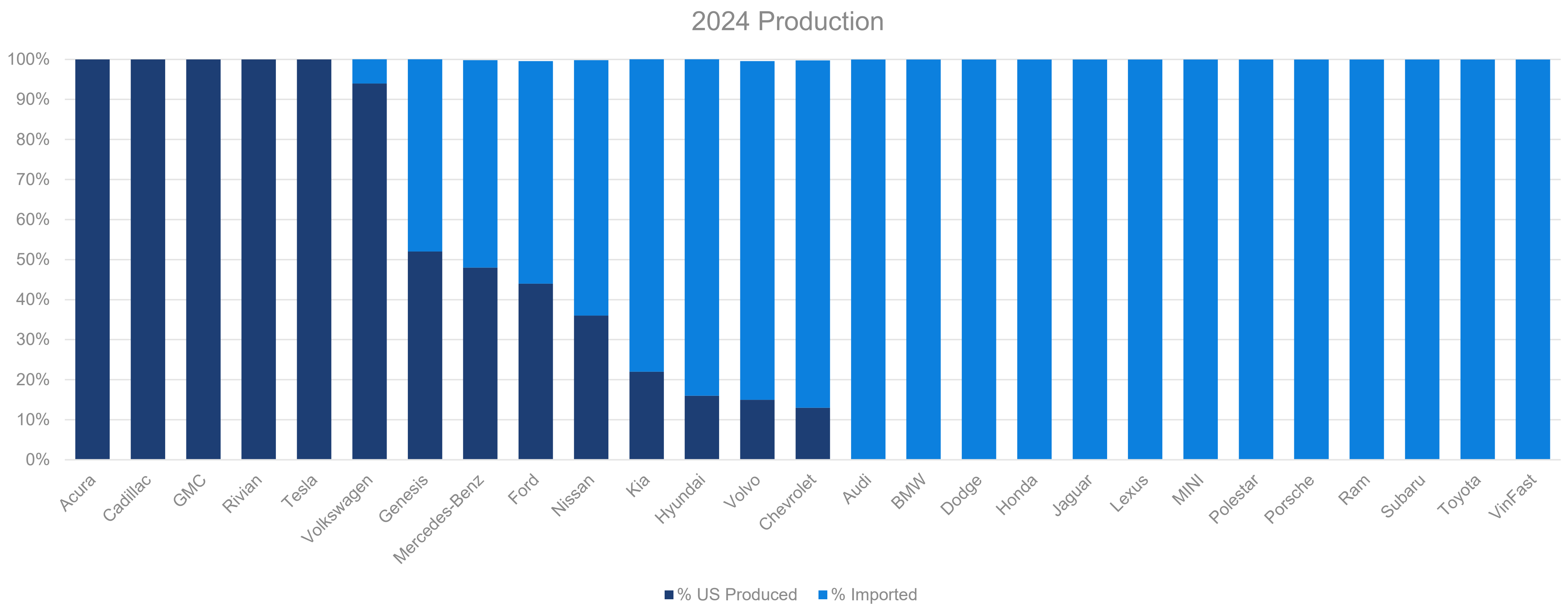
Source: Cox Automotive analysis of CY2024 Sales

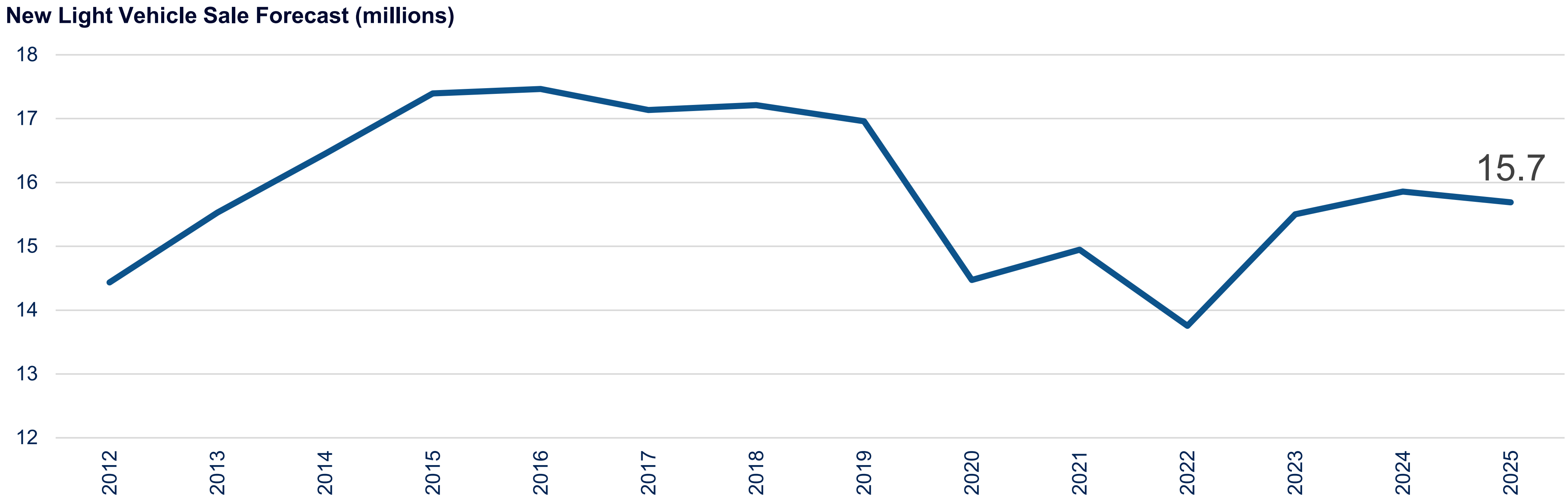
EV Segment Tariffs | Majority Produced in the US

Key models such as Ford Mach-e and Chevrolet Blazer and Equinox built in Mexico.



New Light Vehicle Outlook | Sales Now Expected To Decline Slightly

First half pace will be much stronger compared to second half of the year



COX AUTOMOTIVE FULL-YEAR FORECASTS	2021	2022	2023	2024	2025
	14.9	13.8	15.5	15.9	15.7

COX AUTOMOTIVE NEW RETAIL FORECASTS	2021	2022	2023	2024	2025
	13.0	11.7	12.7	13.1	12.9

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Source: Cox Automotive, Q2 2025

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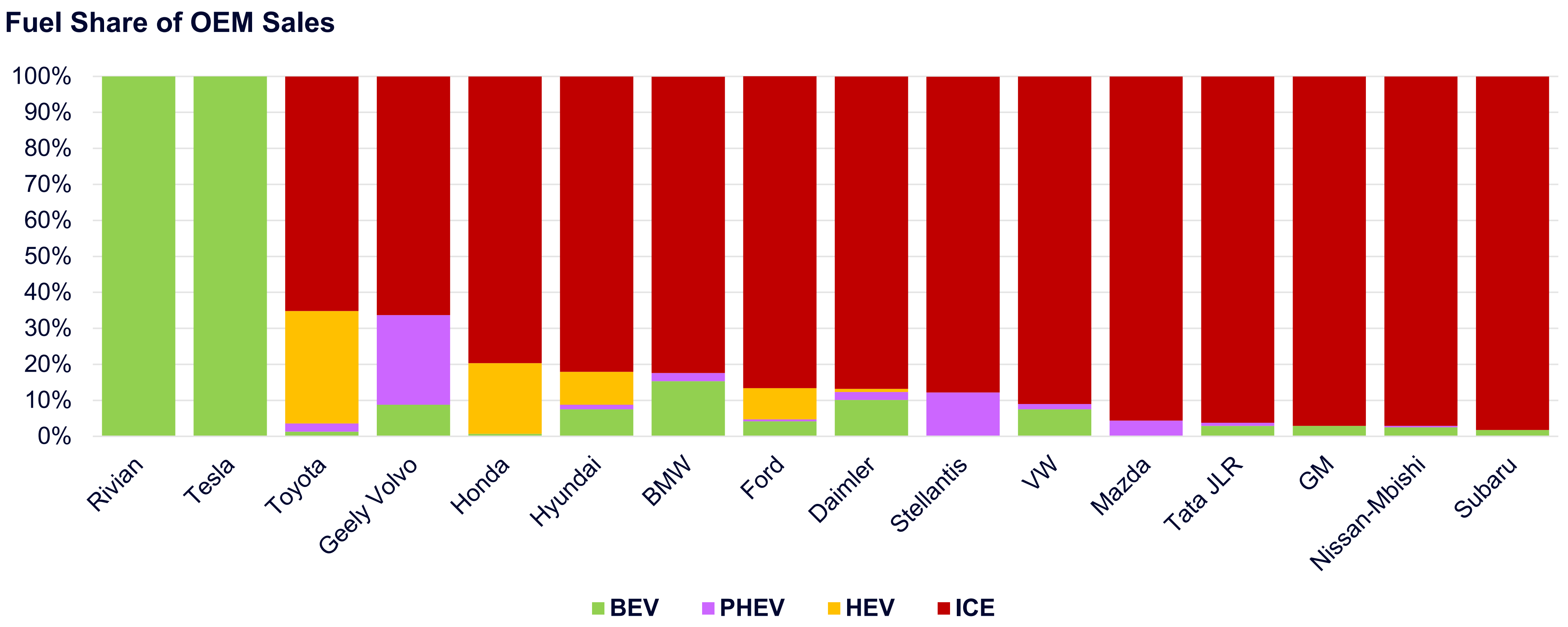
- **New and Used EV Outlook**
- Battery Health

OEM Fuel Share | Many With Limited Alternative Availability

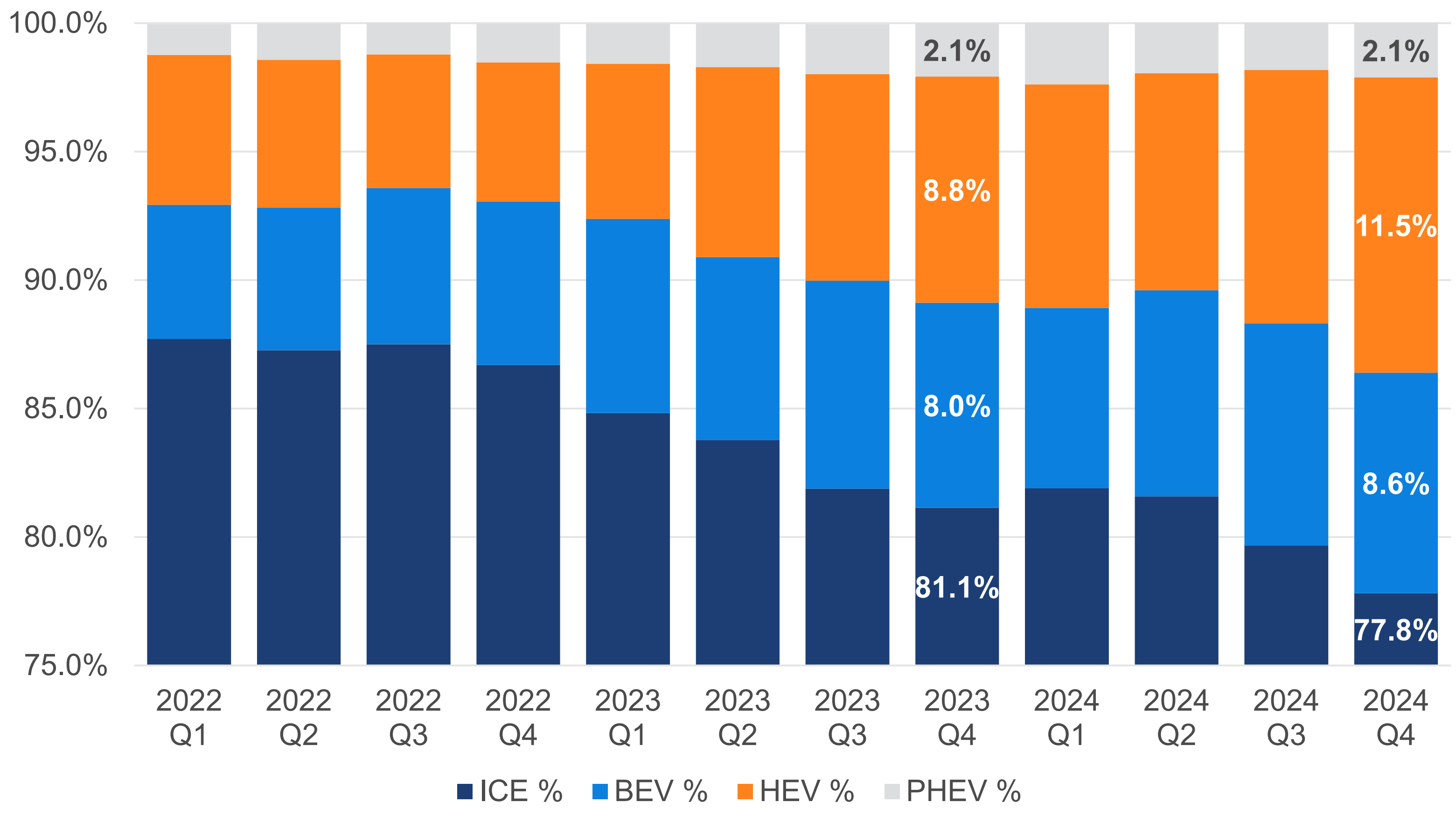
Besides new entrants, Europeans have highest BEV share - Hybrids key for Toyota, Honda



Source: Cox Automotive analysis of KBB Data, YTD 2024

Alternative Fuel Share | Continues to Lead the Charge

Electrified vehicles reached a record 22% share. HEV sales increased by 40.7% from Q3 2024, raising their share to 11.5% of total vehicles sales.

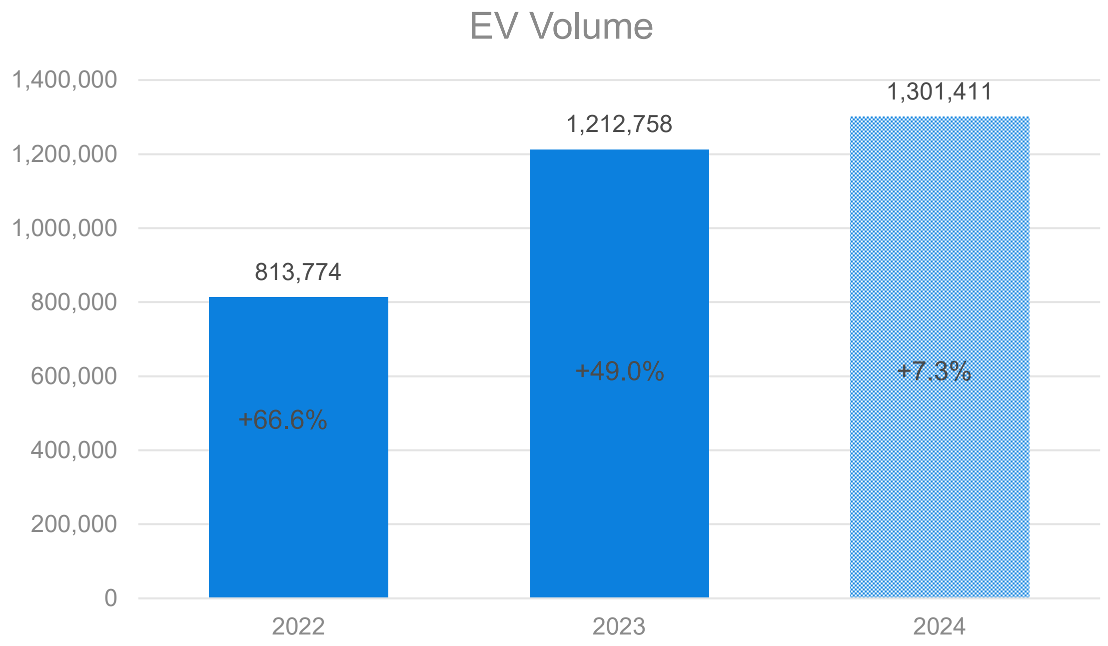


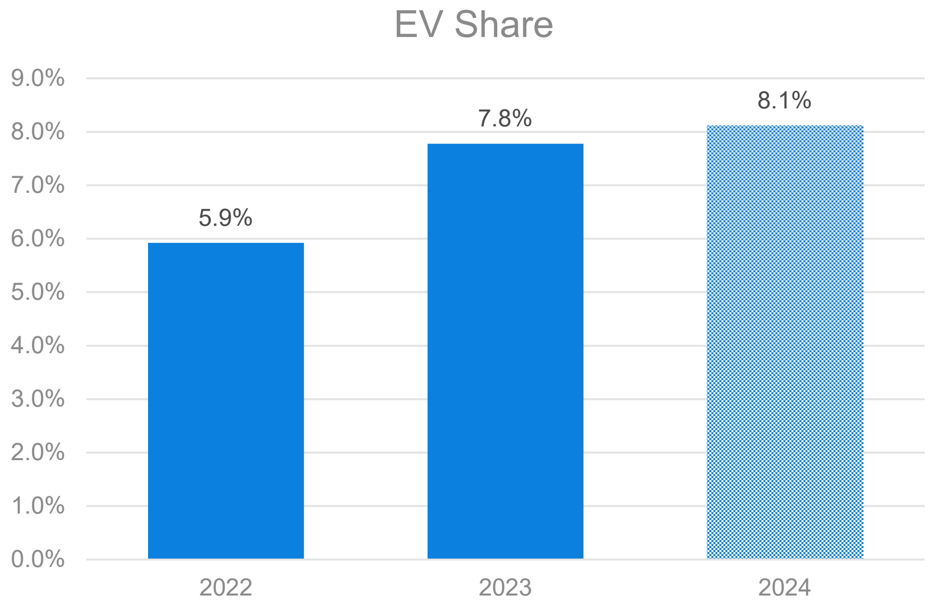
Top 5 2024 Q4 Leaders

HEVs	%	PHEVs	%
Toyota	51%	Jeep	17%
Honda	20%	Volvo	13%
Ford	9%	Toyota	12%
Hyundai	8%	BMW	10%
Lexus	6%	Mercedes	7%

New Electric Vehicles Sales | Share and Volume Growth

EV adoption continues to grow, but like any new technology, it will experience periods of acceleration and deceleration.

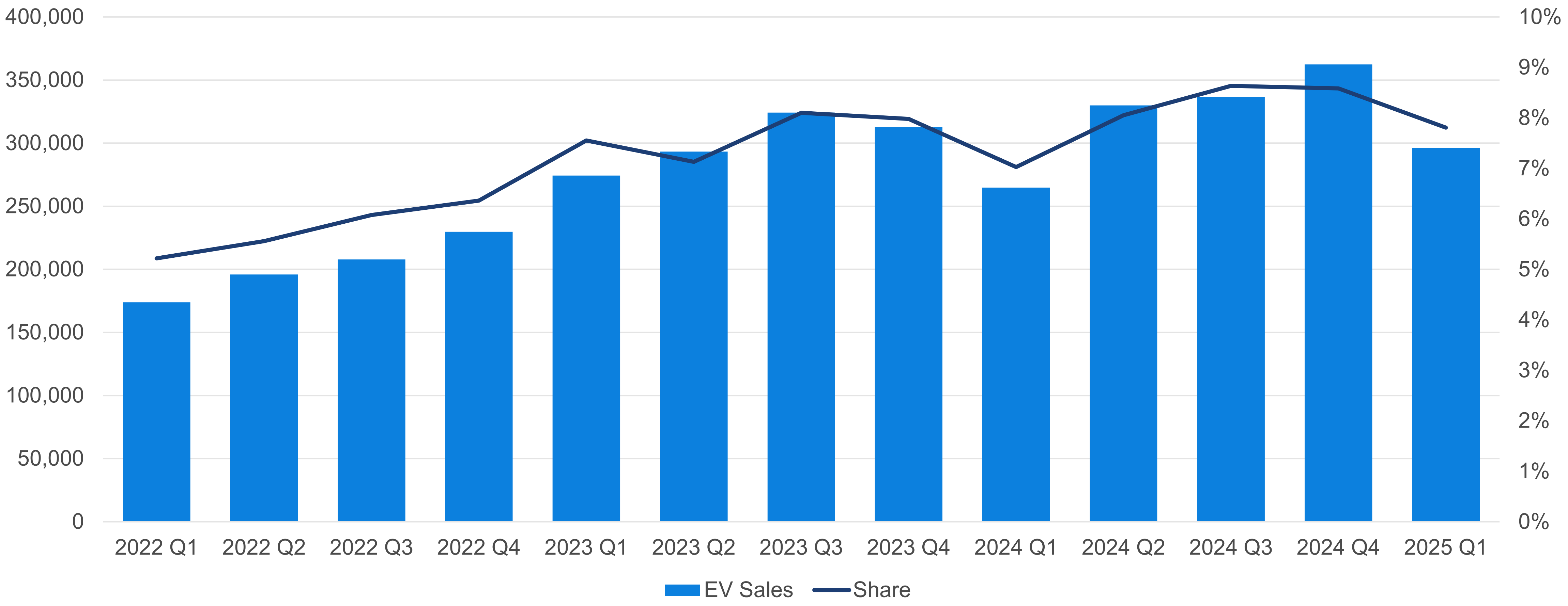




Source: Cox Automotive

Q1 New EV Sales | Yearly Growth, Quarterly Dip

11.4% increase year-over-year, despite an 18% decline from Q4, which had the highest volume to date. Projecting 10% EV share in 2025.



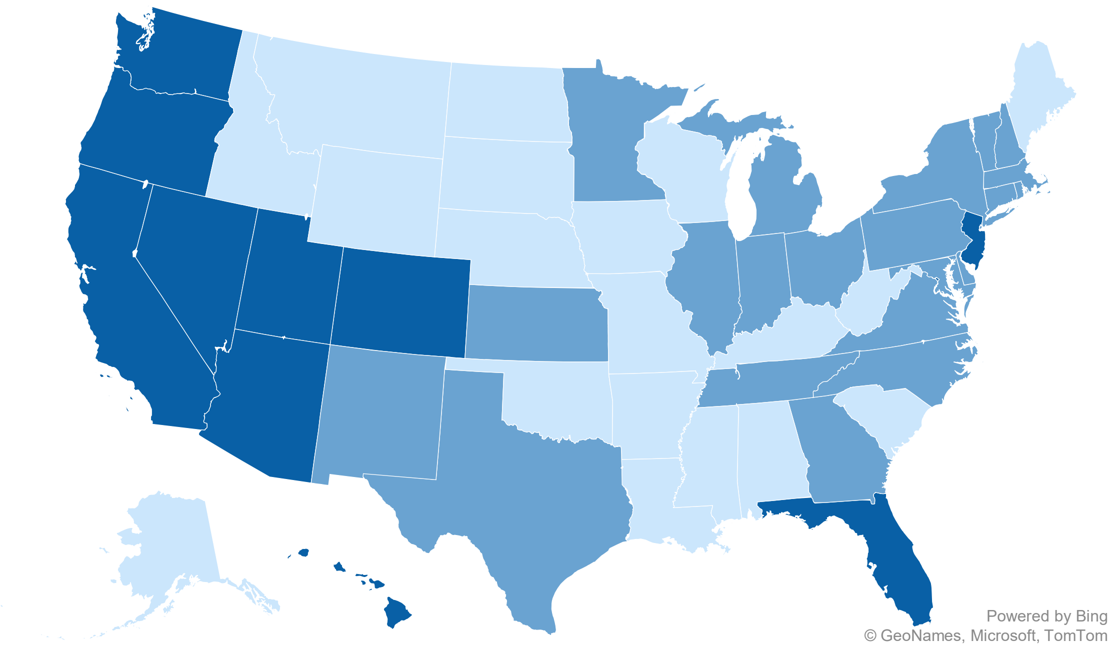
Source: Kelley Blue Book

New EV Sales Adoption | Continues to Vary by State

State incentives are helping adoption, but consumer education, engagement and reliable infrastructure are crucial for further adoption.

EV Share of Personal Retail = 9% Nationally

>9%
%4 – 9%
<4%



Top 10 States in EV Adoption

State	EV Share
California	22.1%
Colorado	18.9%
Washington	18.4%
Nevada	15.9%
Hawaii	15.8%
Oregon	14.0%
New Jersey	11.4%
Utah	10.3%
Florida	9.9%
Arizona	9.8%

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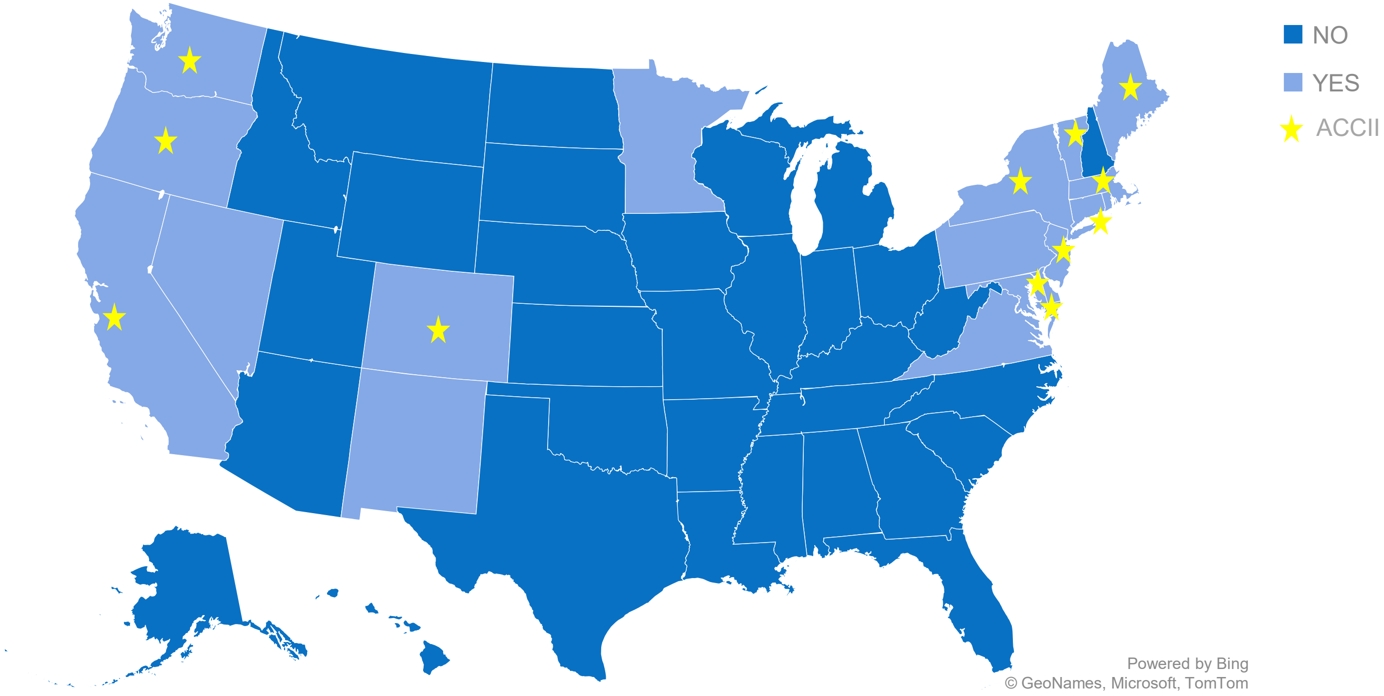
Source: Analysis of S&P, Personal Retail Sales
Data as of March 2025

CARB States | Majority of ZEV Sales

Seventeen states and Washington D.C. have adopted the CARB ACC regulations. Eleven states and Washington D.C. have adopted CARB ACCII, mandating 100% zero-emission sales by 2035.

States Adopting the CARB Advanced Clean Cars Regulations



2024 ZEV Sales

	% of Total ZEV Sales	% Share of Tot Sales
California	28.8%	11.2%
CARB States	62.6%	39.9%
Non-CARB States	37.4%	60.1%

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Source: CARB, S&P, includes Retail and Fleet sales
Note: ZEV sales include BEV, FCEV and PHEV

Q1 New EV Sales | Top Brands and Models

Tesla continues to dominate, but its market share has dipped below 50%. A variety of models, such as the Ford Mustang Mach-e, Chevrolet Equinox and Hyundai Ioniq 5, are gradually eroding Tesla's market share.

Top 10 EV Sales by Brand

	Q1 25 EV Sales	Q1 25 EV Share
Tesla	128,100	43.2%
Ford	22,550	7.6%
Chevrolet	19,186	6.5%
BMW	13,538	4.6%
Hyundai	12,843	4.3%
VW	9,564	3.2%
Honda	9,561	3.2%
Kia	8,656	2.9%
Rivian	8,553	2.9%
Cadillac	7,972	2.7%

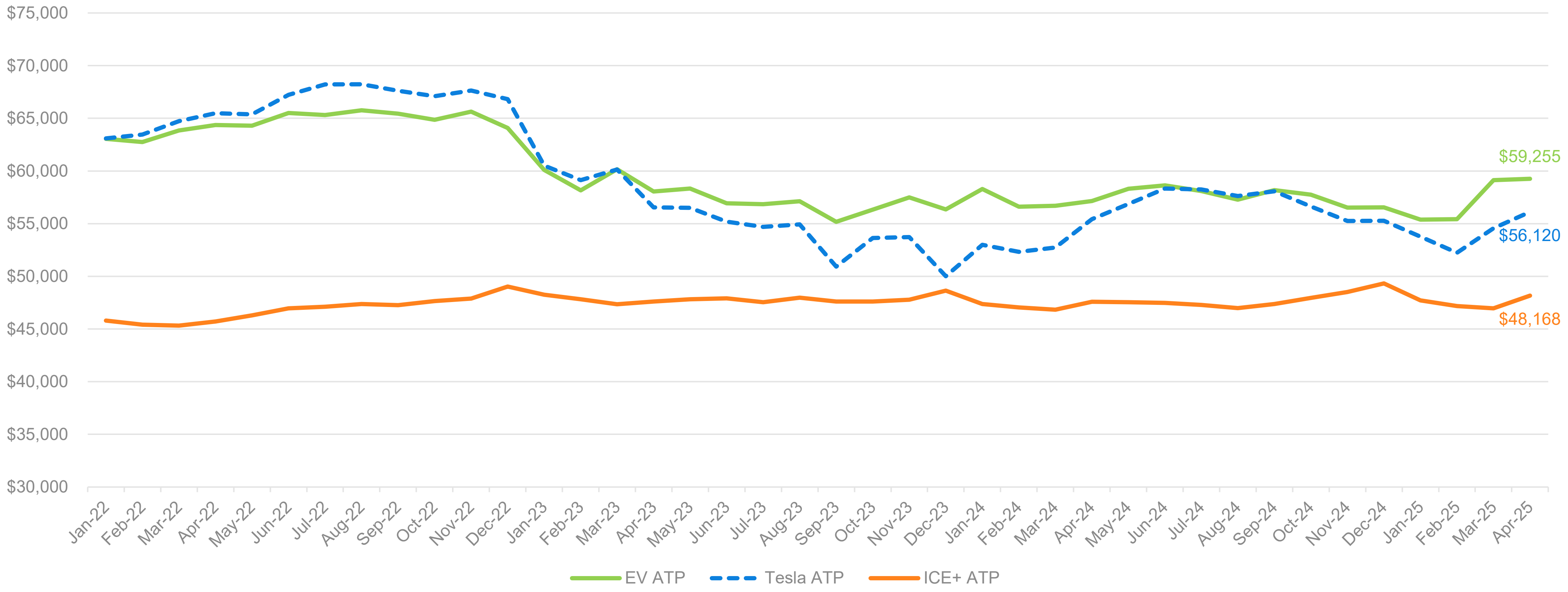
Top 10 EV Models

Model	Q1 2025 EV Sales	Q1 2025 EV Share
Tesla Model Y	64,051	21.6%
Tesla Model 3	52,520	17.7%
Ford Mustang Mach-E	11,607	3.9%
Chevrolet Equinox	10,329	3.5%
Honda Prologue	9,561	3.2%
Hyundai Ioniq 5	8,611	2.9%
VW ID.4	7,663	2.6%
Ford F-150 Lightning	7,187	2.4%
BMW i4	7,125	2.4%
Tesla Cybertruck	6,406	2.2%

Source: Cox Automotive

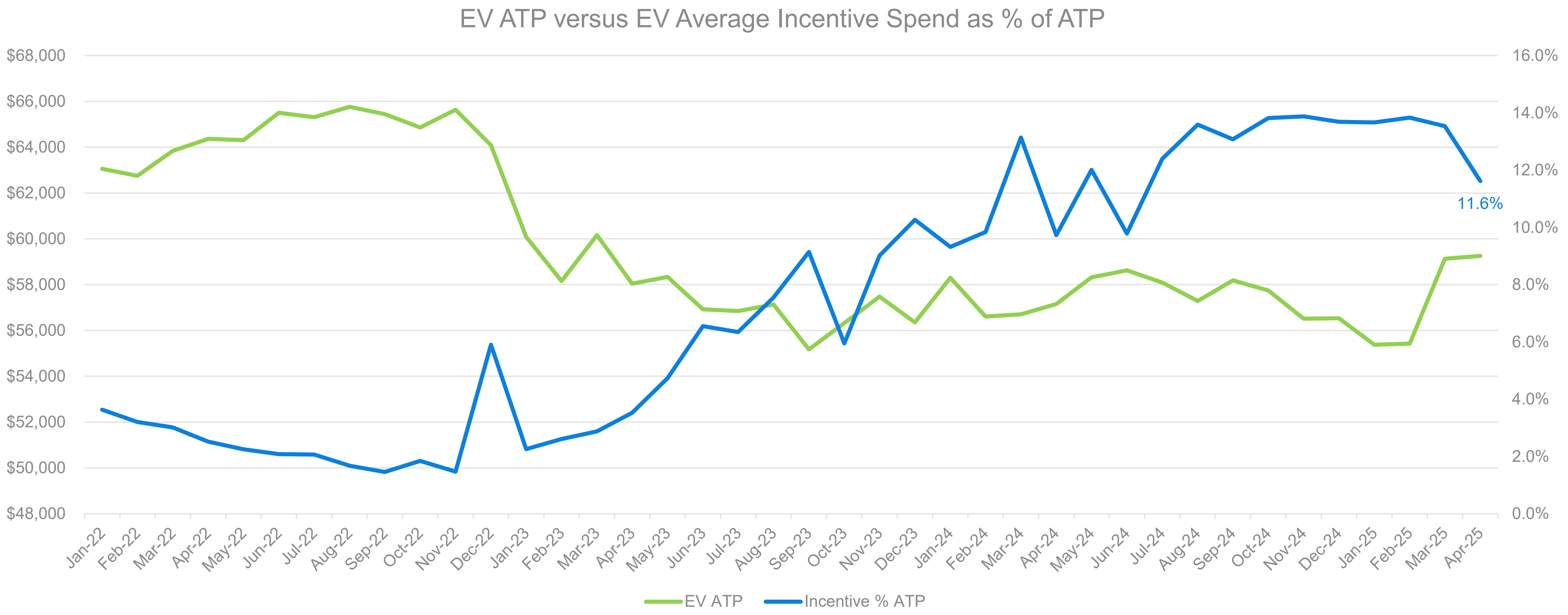
EV Average Transaction Prices | Modest Increase

In April, the EV ATP was $59,255, increasing .2% month-over-month and 3.7% from the previous year. The price difference between EVs and ICE+ dropped to $11,087 driven by a 2.6% month-over-month increase in ICE+ ATP.



EV Incentives as % of ATP | Trending Down

EV incentives declined by 14% to $6,886 which is 11.6% of the ATP and the lowest dollar amount since June 2024. Despite this decline, EV incentives are still more than double the industry average.



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Source: Kelley Blue Book

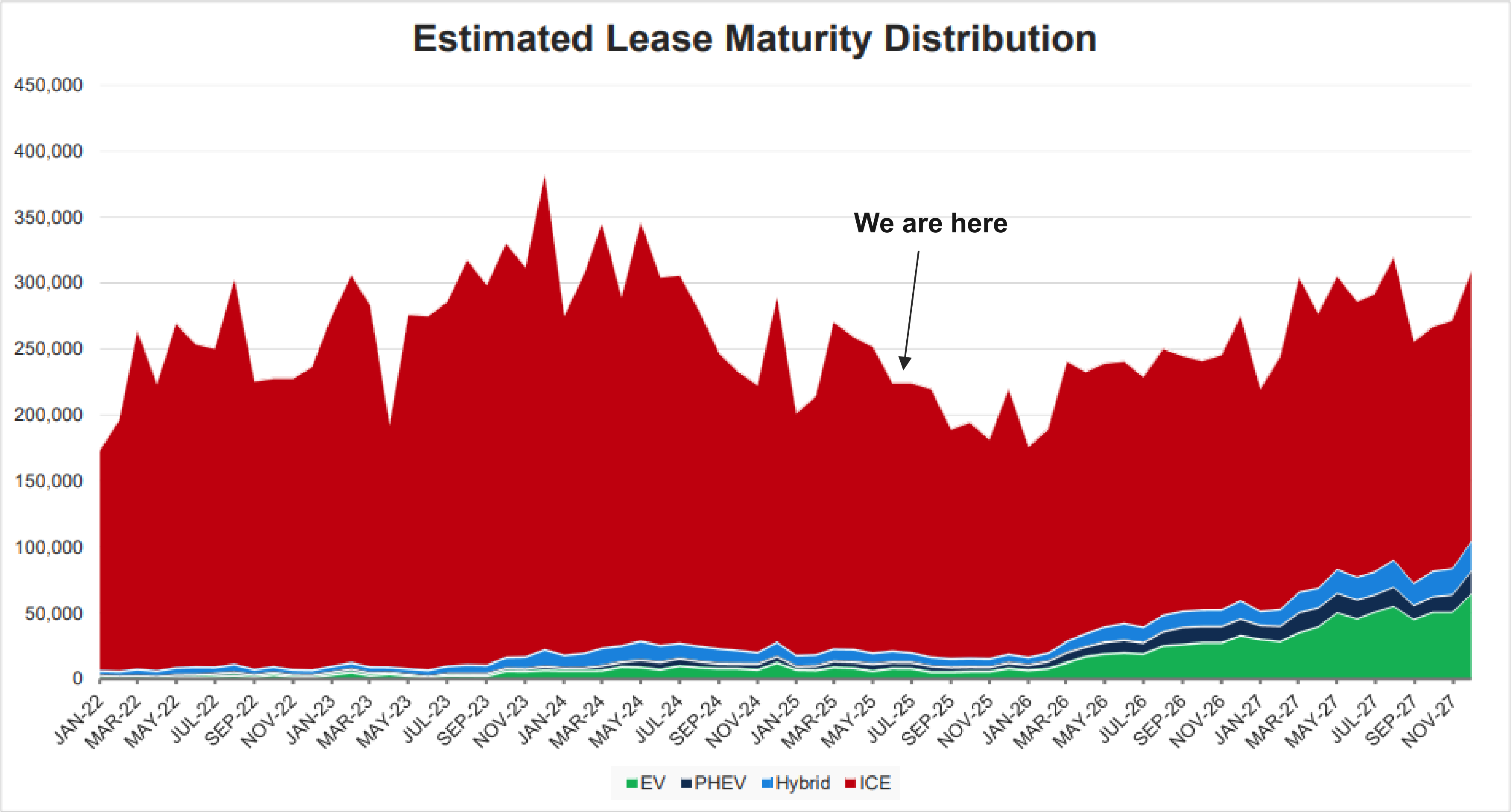
EV Leasing | Continues to Rise

EV leasing has surged to 61%, marking the fourth consecutive month above 50% and setting a record. This rate is triple the industry average.

Source: Kelley Blue Book

Lease Maturities by Fuel Type | Distribution Changing

With increased leasing for EV & PHEVs, lease returns will change substantially starting in 2026



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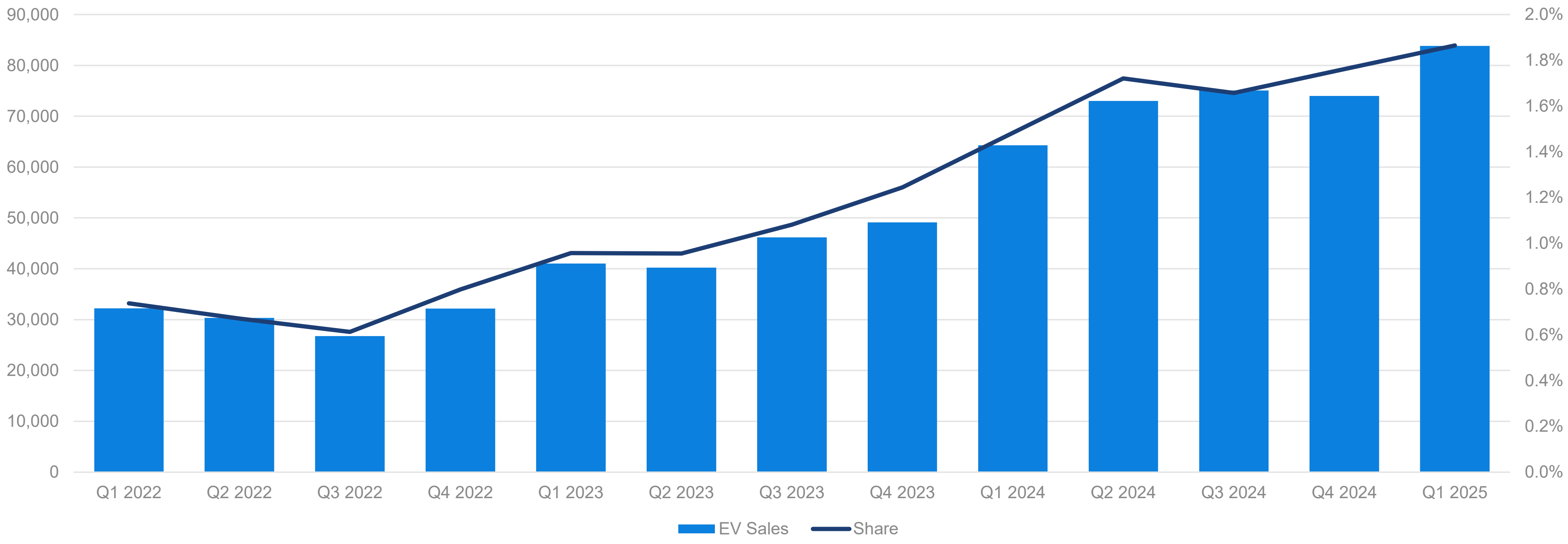
Source: Cox Automotive

Q1 Used EV Sales | Continue Growth

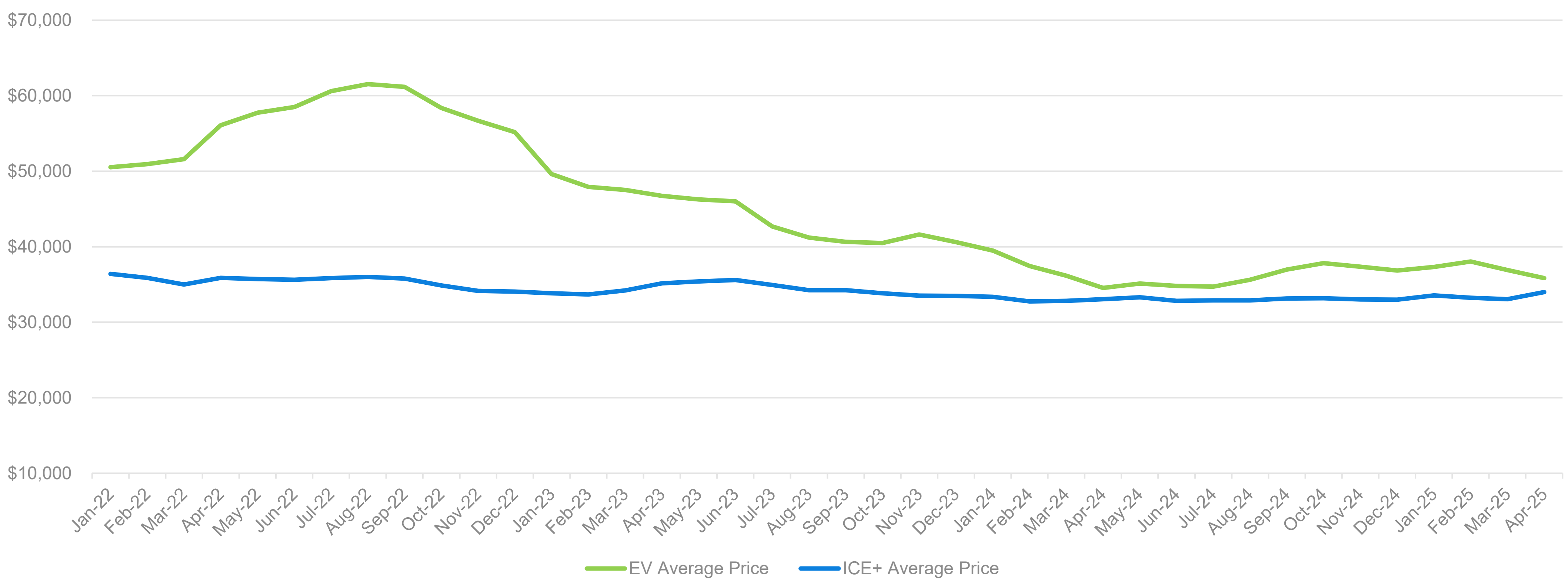
13.3% increase from prior quarter, 30.4% increase year-over-year, reaching the highest market share at 1.9%



Source: vAuto

Used EV Average Transaction Prices | Trending Down

Used EV price listing were down 2.9% month-over-month, bringing them close to price parity with ICE+ vehicles, with only a $1,847 difference.



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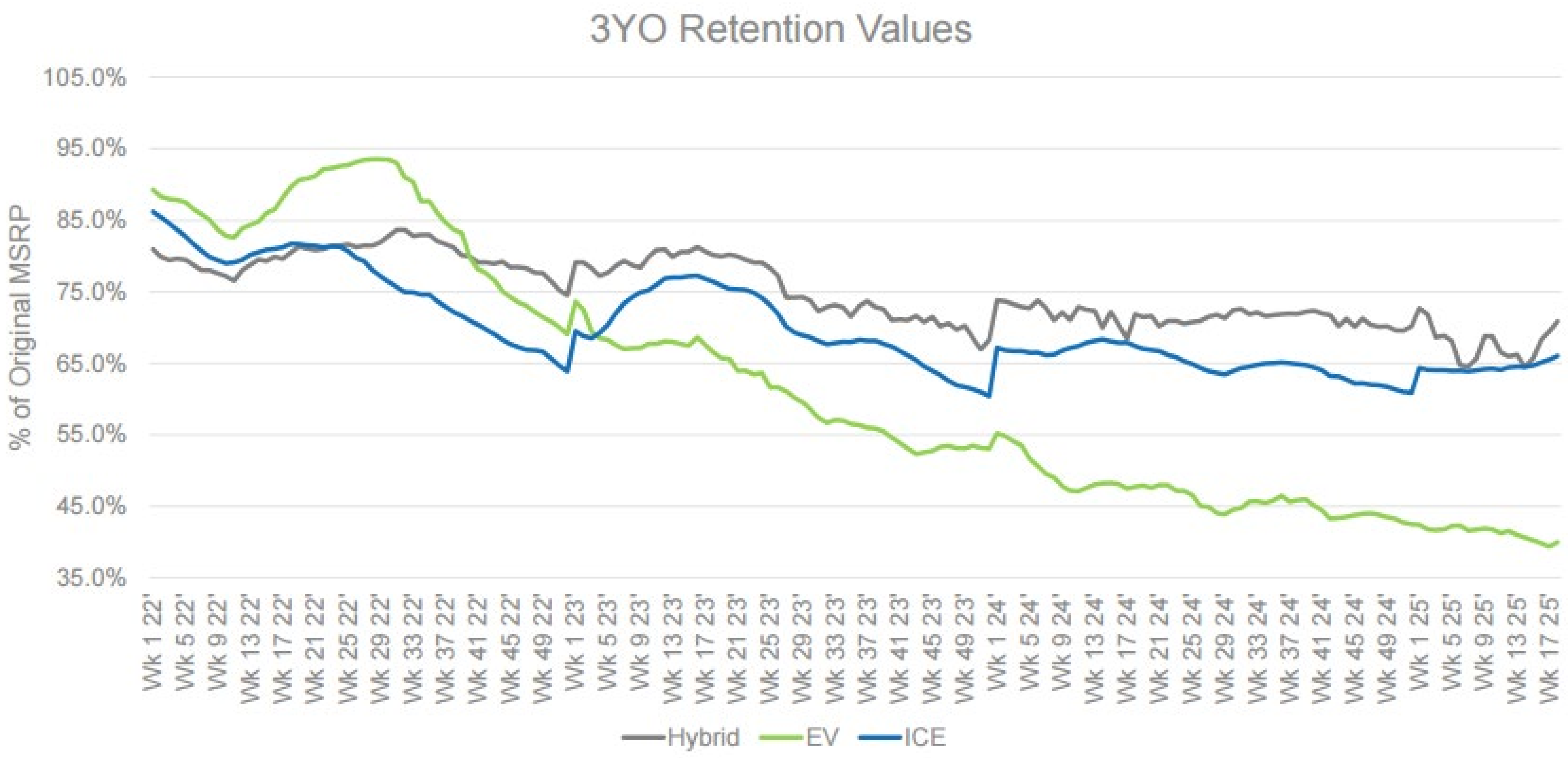
Source: vAuto

3YO Retention Value | Trends by Fuel Type

Hybrids rose over last month and hold best value, with ICE and EV vehicles increasing recently.



Agenda

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- **Battery Health**

Barriers to EV Adoption | Cost, Charging and Battery

Rank	Considerers	Skeptics (3-5 years out)
1	Too expensive	Lack of charging stations
2	Lack of charging stations	Too expensive
3 (tie)	Cost of battery replacement	Inability to charge EV at home
3 (tie)	Length of time to charge	Concern about battery losing charge
5	Concern about battery losing charge	Cost of battery replacement
6	Inability to charge EV at home	Length of time to charge

Considerers and Skeptics alike can be swayed by tech enhancements, more education, and better pricing.

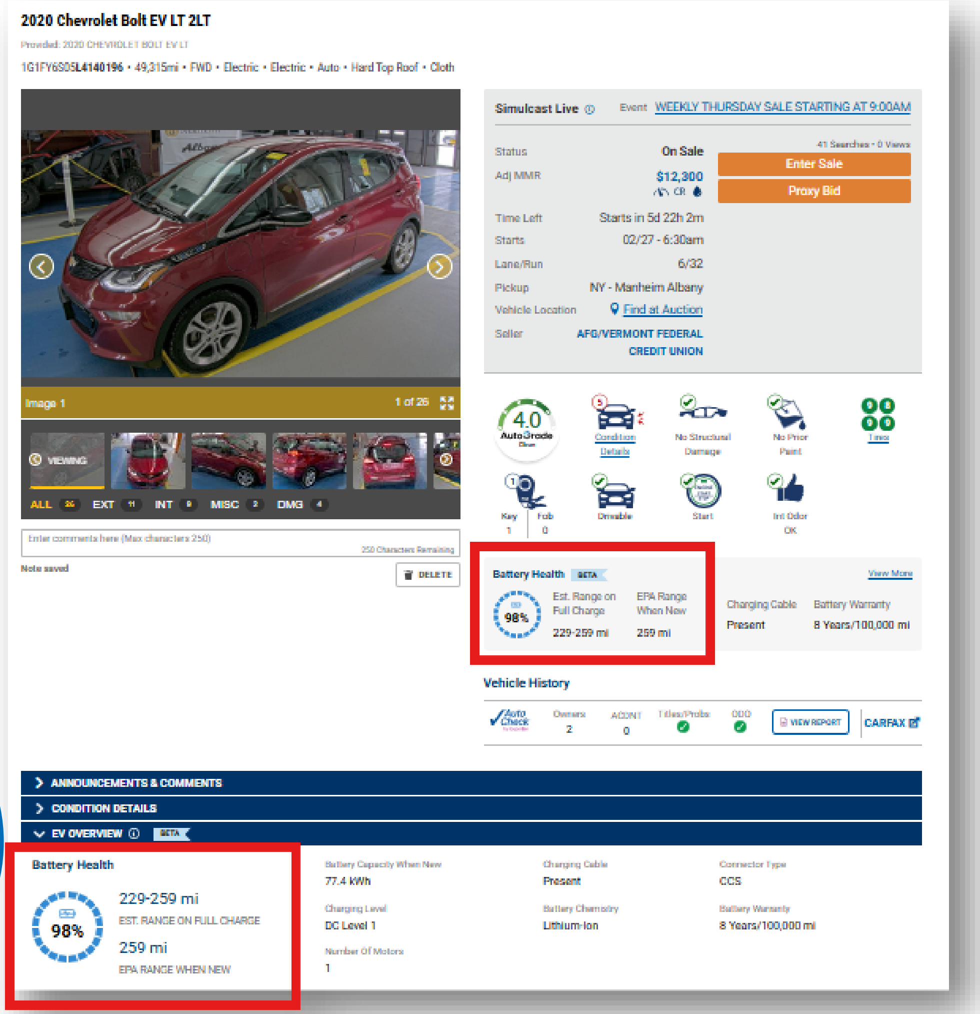
Motivator	Considerers	Skeptics
Technology improvement, including faster charging, longer range, and better battery health	77%	65%
Education, including understanding cost of owning and charging, performance capabilities	56%	48%
Price Reduction	38%	36%

Could be persuaded

EV Battery Health | Display at Manheim

- **EVBH VIN Specific:** Cox Automotive has the used car industry's only VIN-specific solution that will measure battery health for each individual EV across Manheim.
- **EVBH Vehicle Profiles:** Completed development for 30 EV models as of March 2025, and more models are continuously being added.
- **EVBH Score:** Displaying EVBH for vehicles at auction and Manheim Express.

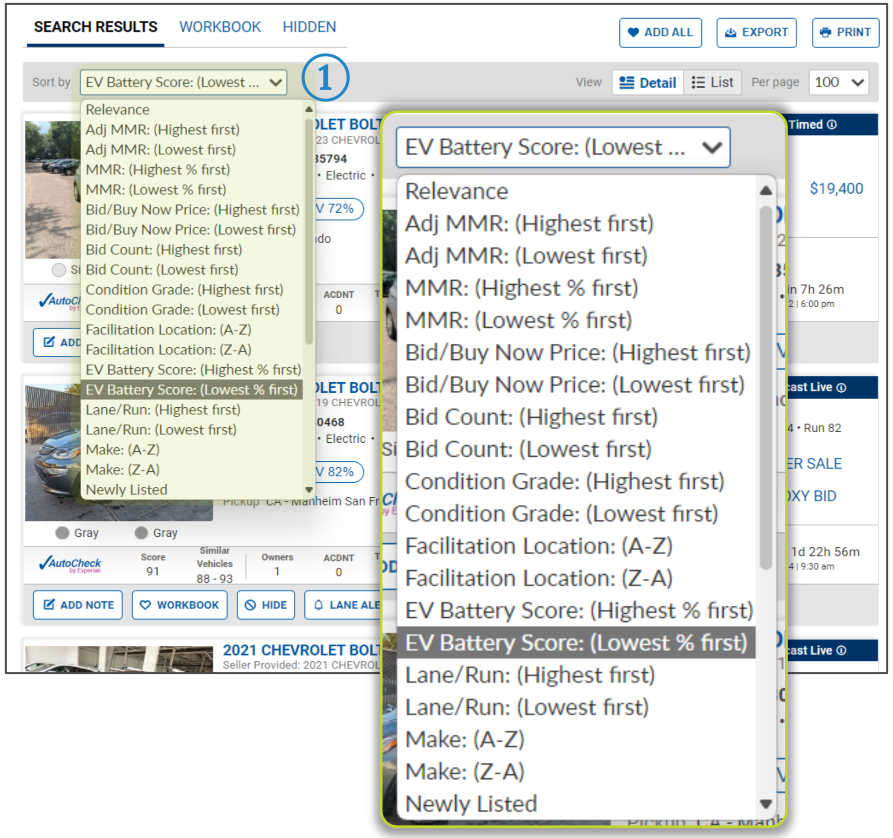
Manheim's Battery Health Information comes directly from the vehicle's Battery Management System (BMS) and is superior to competitors who derive or estimate a score based on a limited amount of static vehicle data.



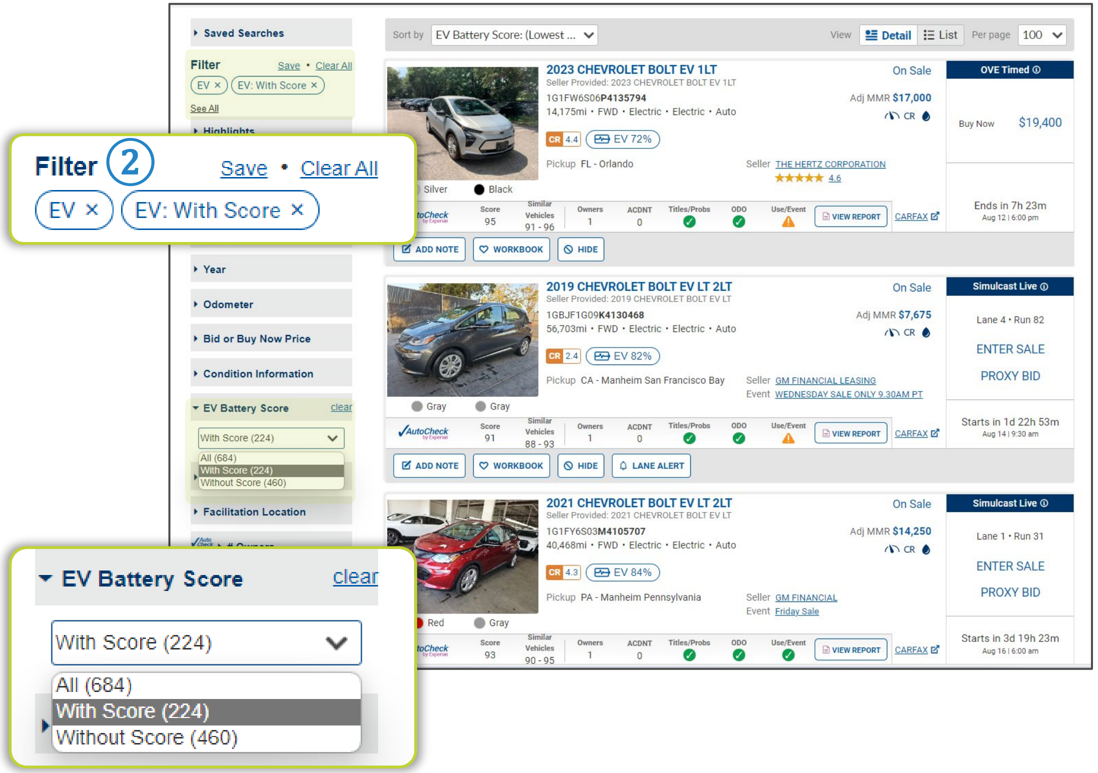
Vehicle Details Page & Condition Report

EV Battery Health | Improving User Experience

Sorting Functionality

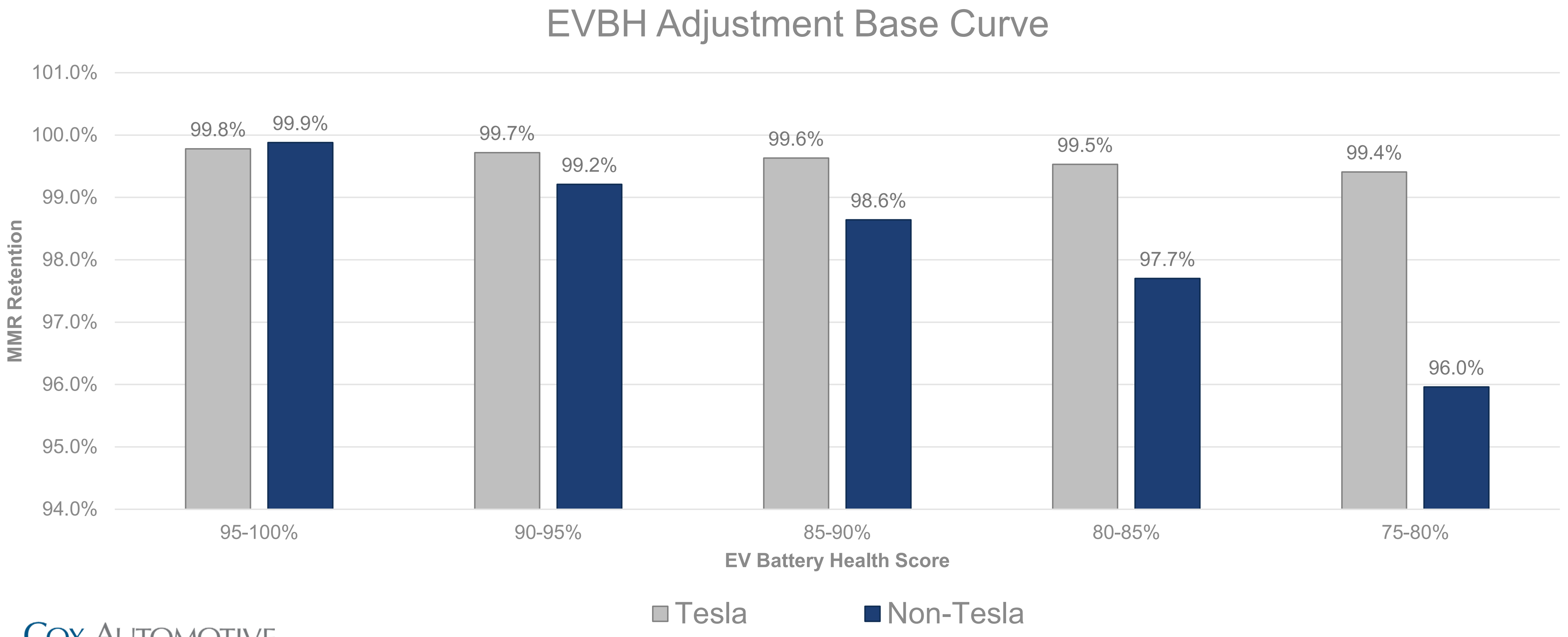


Filter Functionality



EV Battery Health | Adjustment Curve

- ✓ Preliminary EV Battery Health Adjustment is up to 3.5%; results vary by Make.
- ✓ The EVBH Adjustment model will evolve as more battery health and transaction variability data is captured over time.



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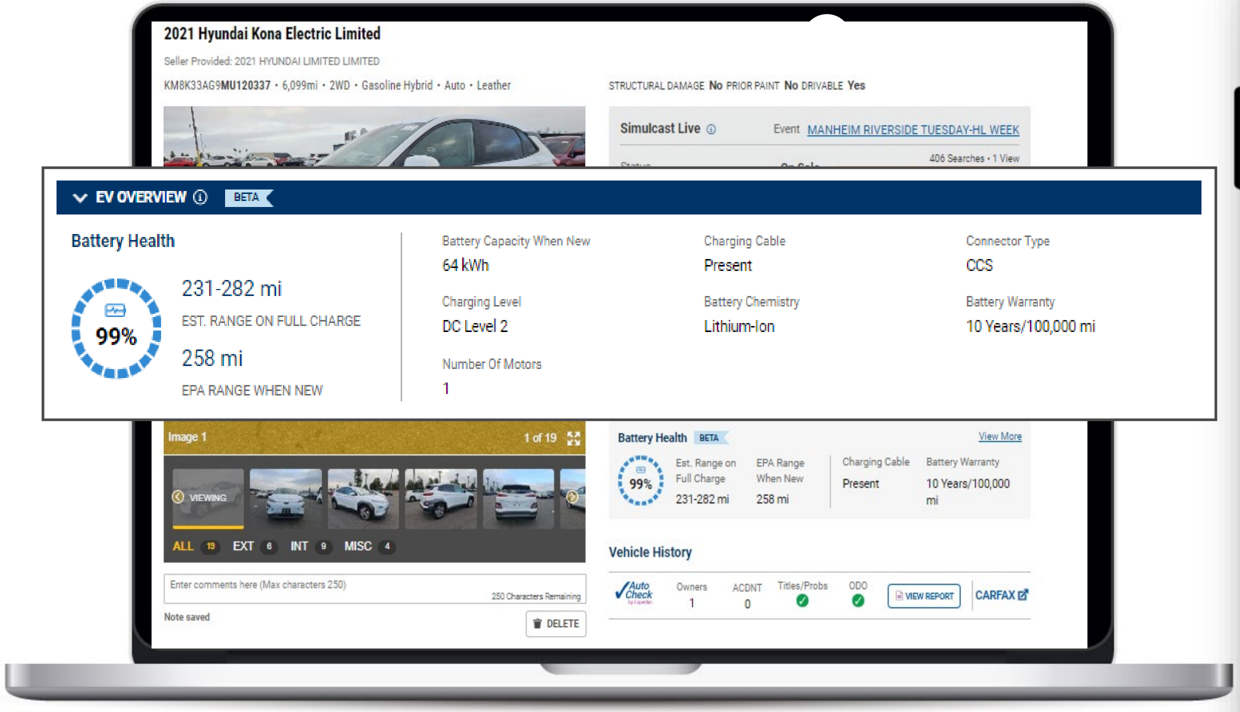
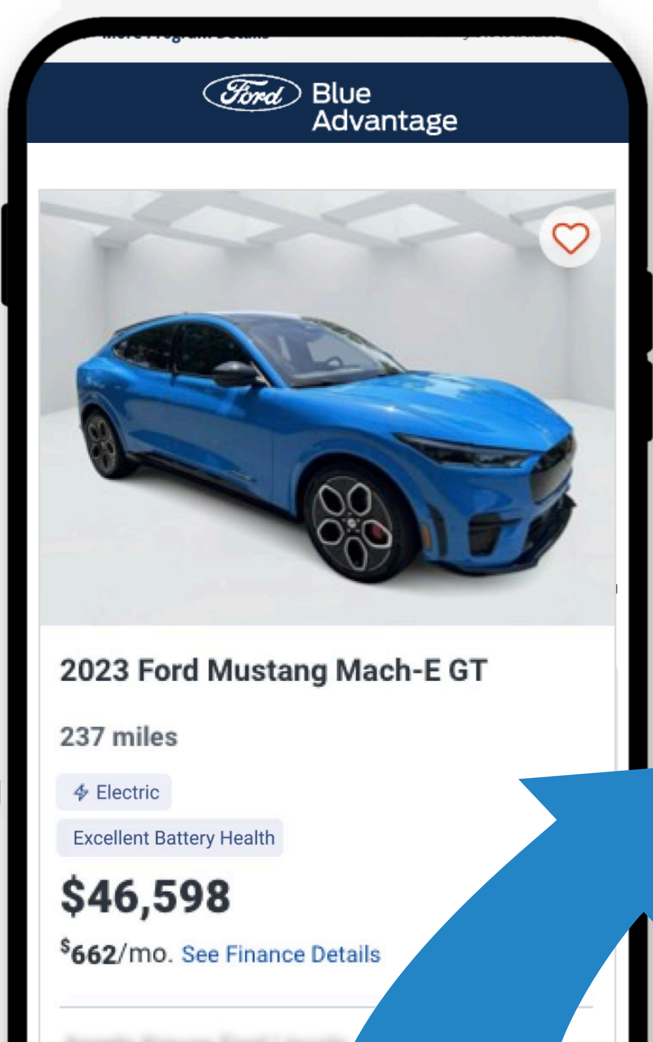
EV Battery Health | Expanded to Autotrader and KBB

MANHEIM CONDITION REPORTS



AUTOTRADER & KBB VDPS



EV SRP BADGING

Electric

Excellent Battery Health

VEHICLE HIGHLIGHTS

237 miles

Electric

Est. 280-290 miles Usable Range
300 mi when new. View Details

ADD. LISTING DETAILS

Battery Health
Generated on Aug 31, 2023

Sourced by **Kelley Blue Book**

Battery Health
Excellent ★★★★★

Usable Range
280-290 mi

Est. 11.8hr Charging Time

300 Miles Range When New

The battery is performing like new, at or above the manufacturer's specifications, and significantly better than comparable.

EV Education | Offering Editorial Content

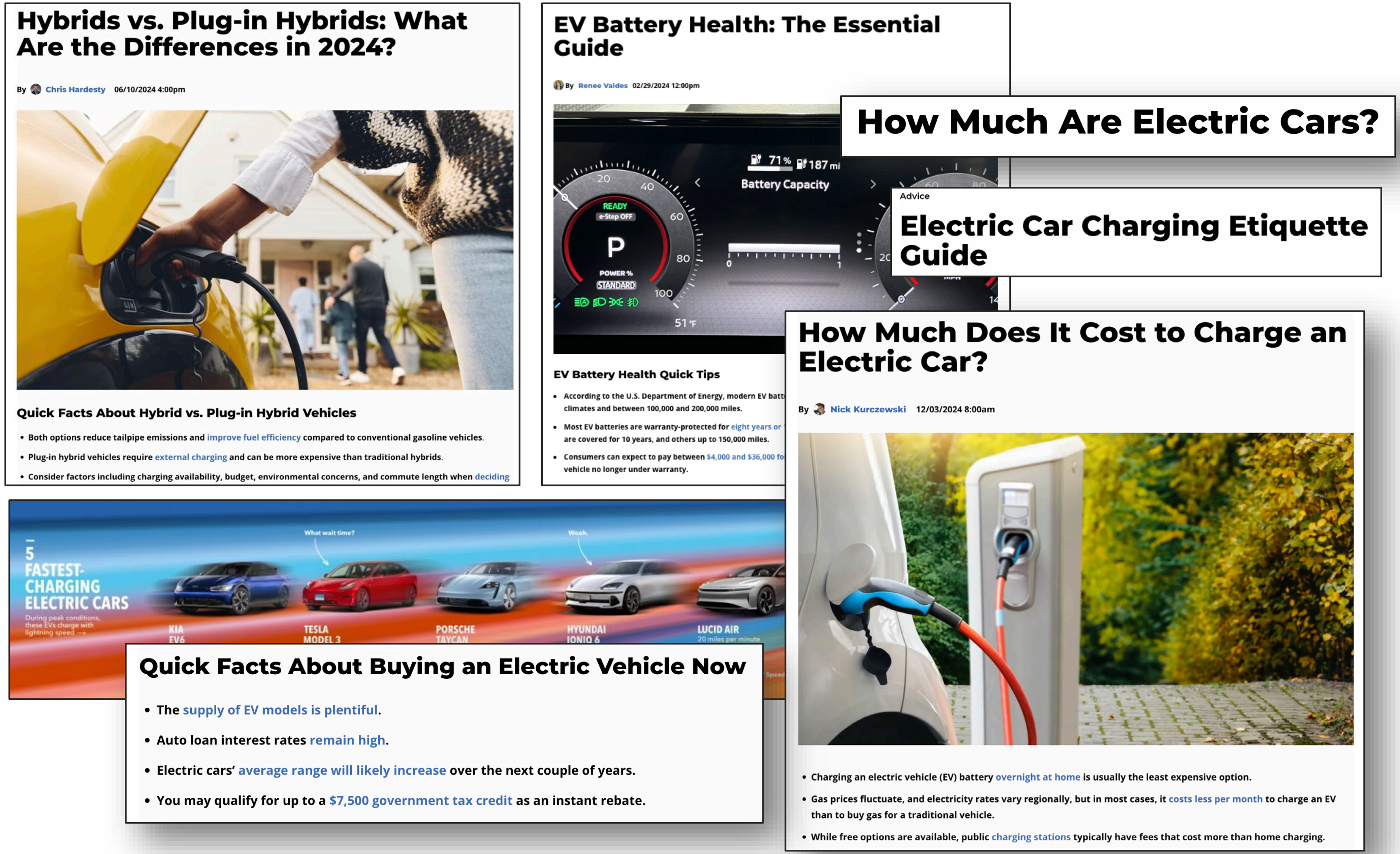
350+

New Articles on EVs

(Over 2,000 all-time)

9.5M

Unique Visitors Reading EV Editorial



Key Takeaways

1

The Road is Bumpy, But EVs Continue to Grow Long Term

2

Changes in Incentives and Regulation will impact adoption and shift timelines.

3

Understanding Battery Health Builds Trust & Transparency in Used EV Marketplace