

The Dynamics Changing the Automobile Industry

Virginia Automobile Dealers Association - June 2022

Kevin Tynan, Global Director – Automotive
Bloomberg Intelligence

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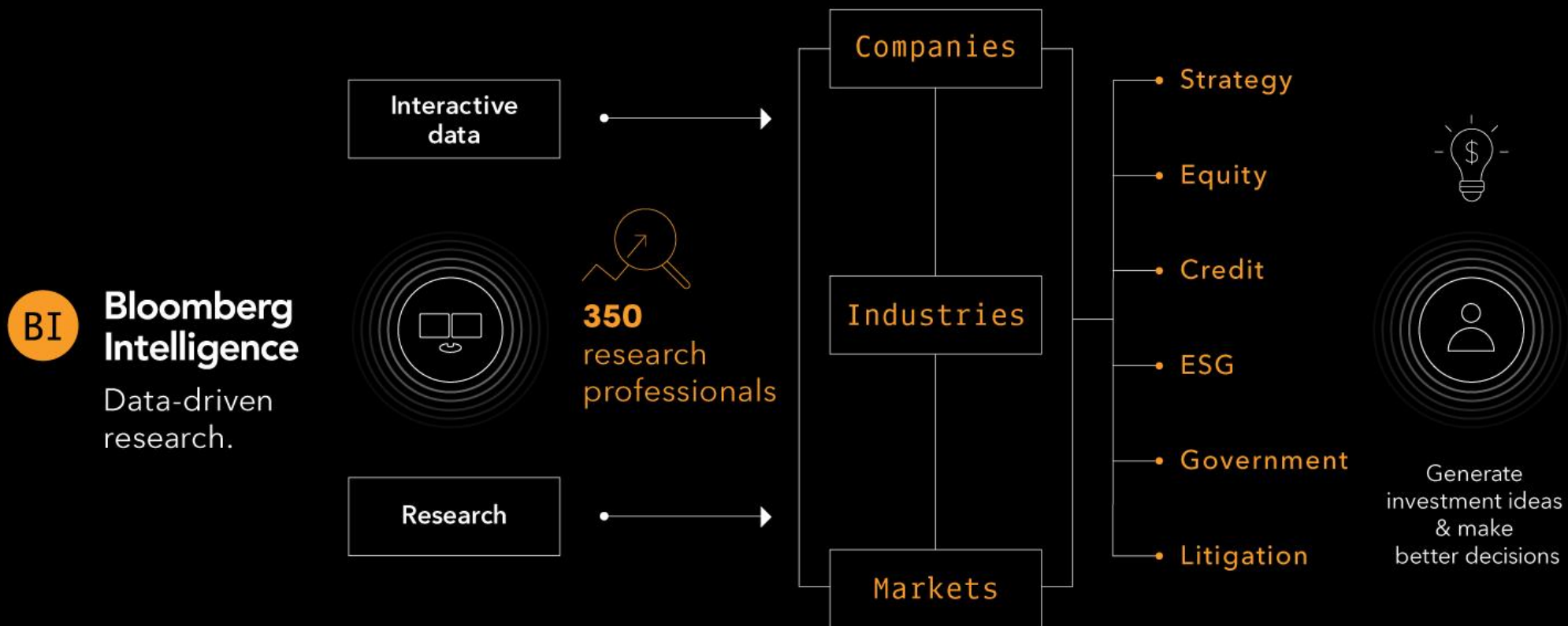
500+
data contributors

135+
industries

2,000+
companies

15yrs
avg. analyst experience

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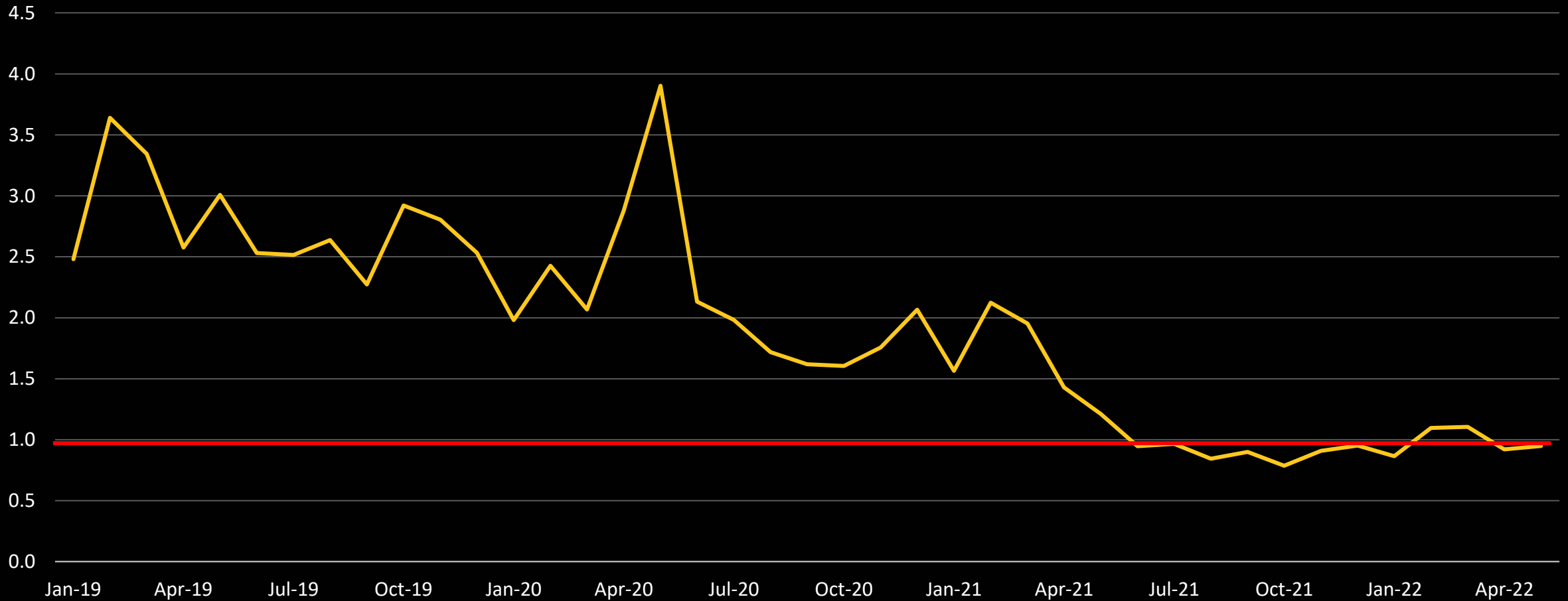


The New Normals

Inventory

U.S. NEW VEHICLE INVENTORY-TO-SALES RATIO

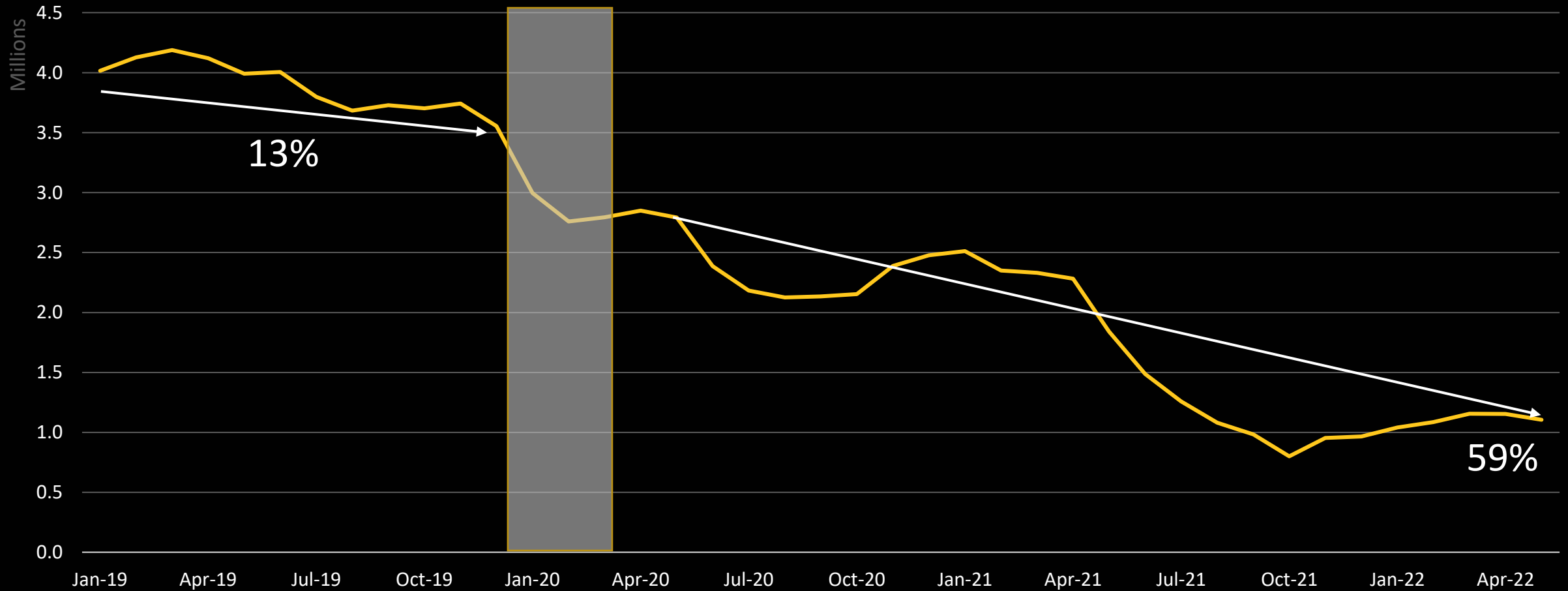
total unit volume



Source: Company Data, Crain Communications, LotLinx, Bloomberg Intelligence

U.S. NEW VEHICLE INVENTORY

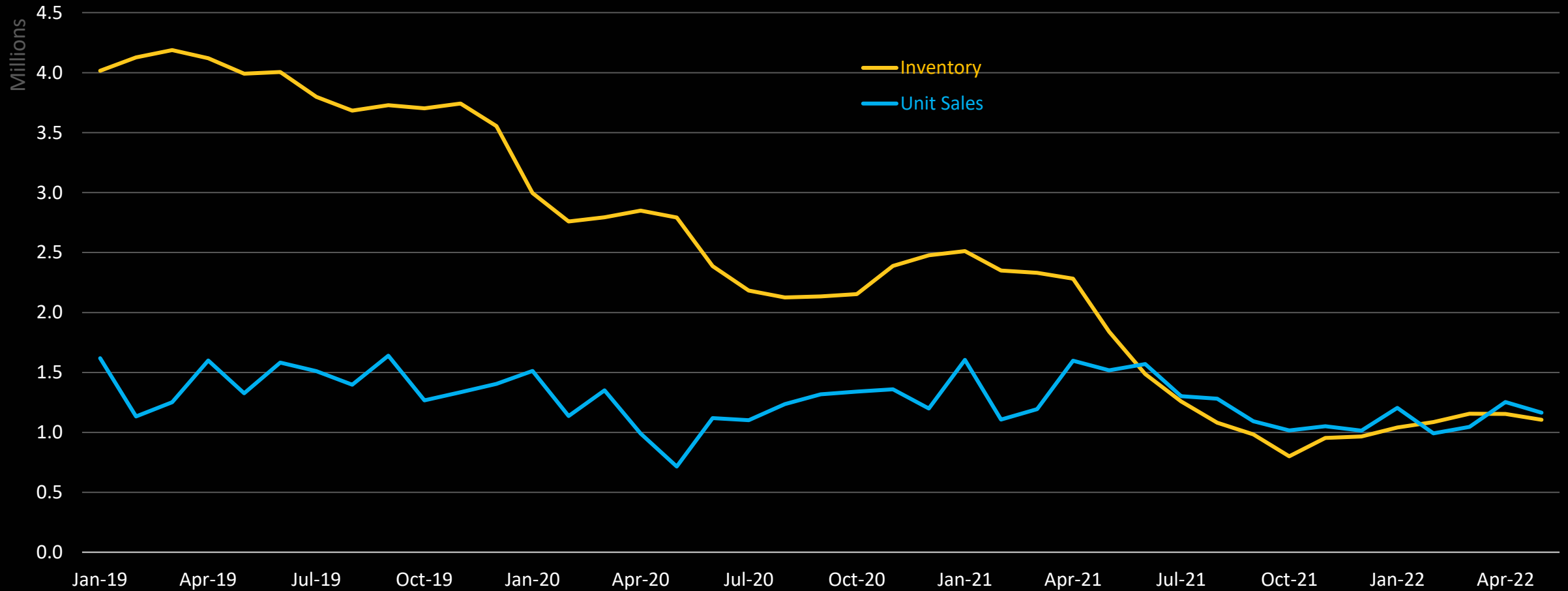
total unit volume



Source: Company Data, Crain Communications, LotLinx

U.S. NEW VEHICLE INVENTORY

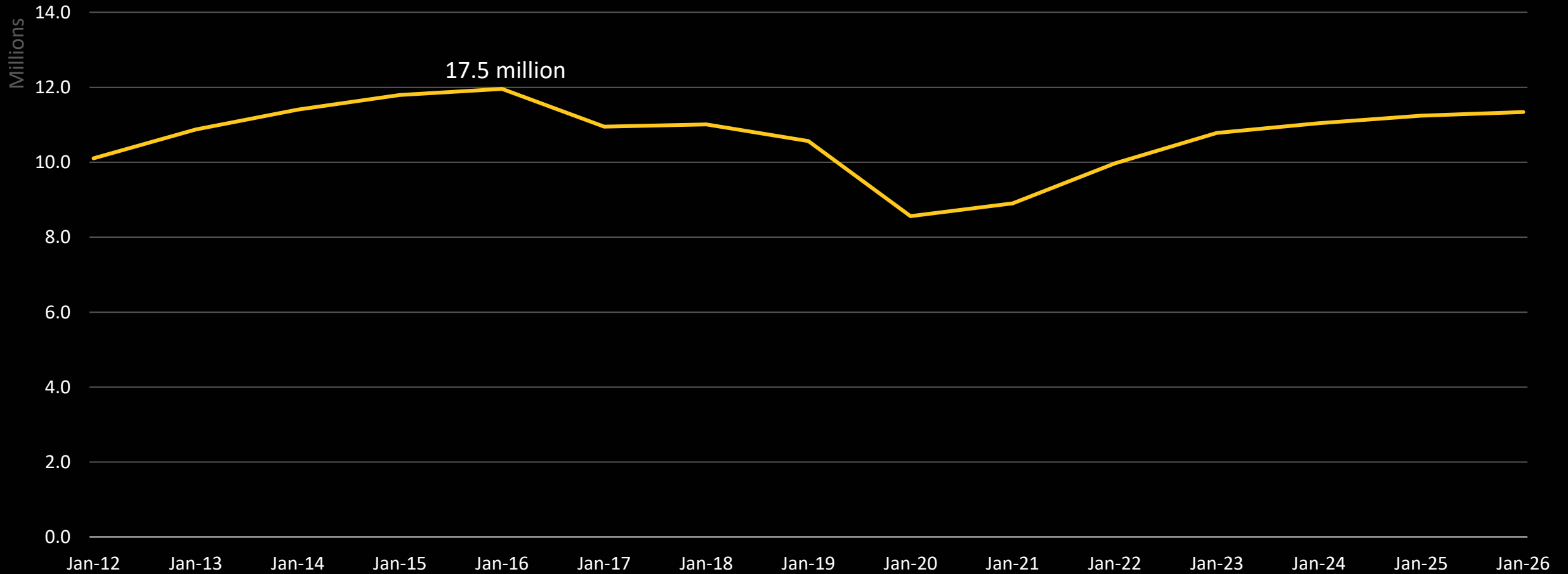
total unit volume



Source: Company Data, Crain Communications, LotLinx

U.S. NEW VEHICLE PRODUCTION OUTLOOK

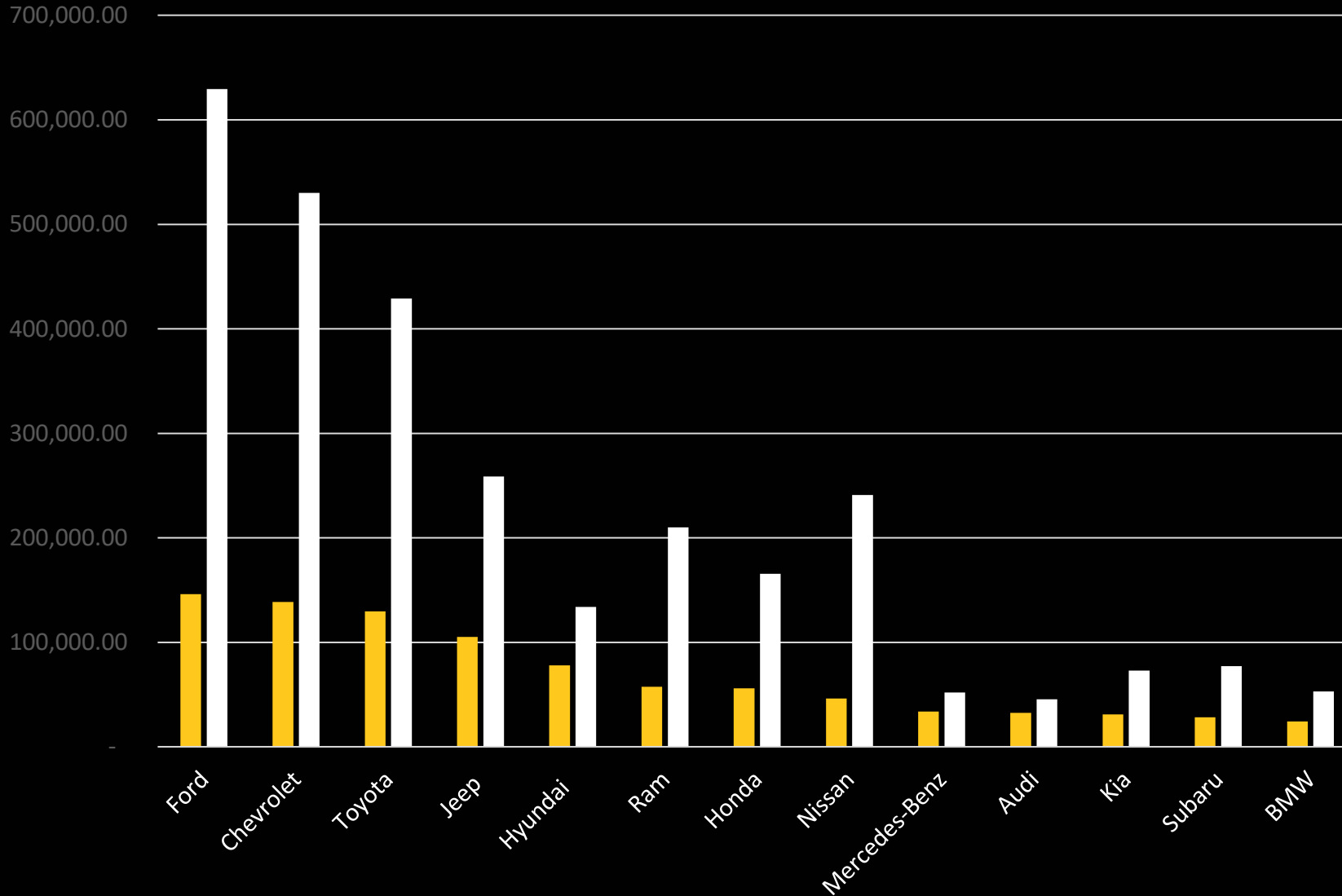
total unit volume



Source: Company Data, just-auto.com

U.S. NEW VEHICLE INVENTORY JUNE 2019 vs. 2022

total unit volume



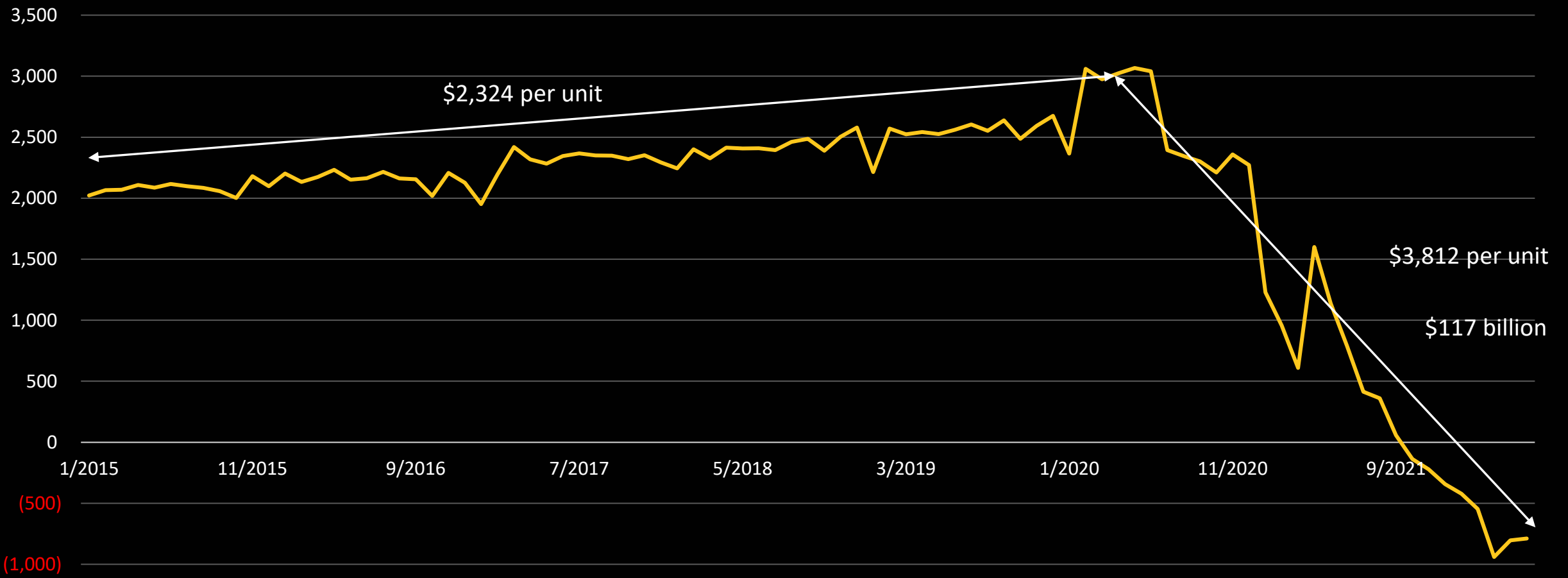
Source: Company Data, Crain Communications

The New Normals

Pricing

U.S. NEW VEHICLE AVERAGE DISCOUNT

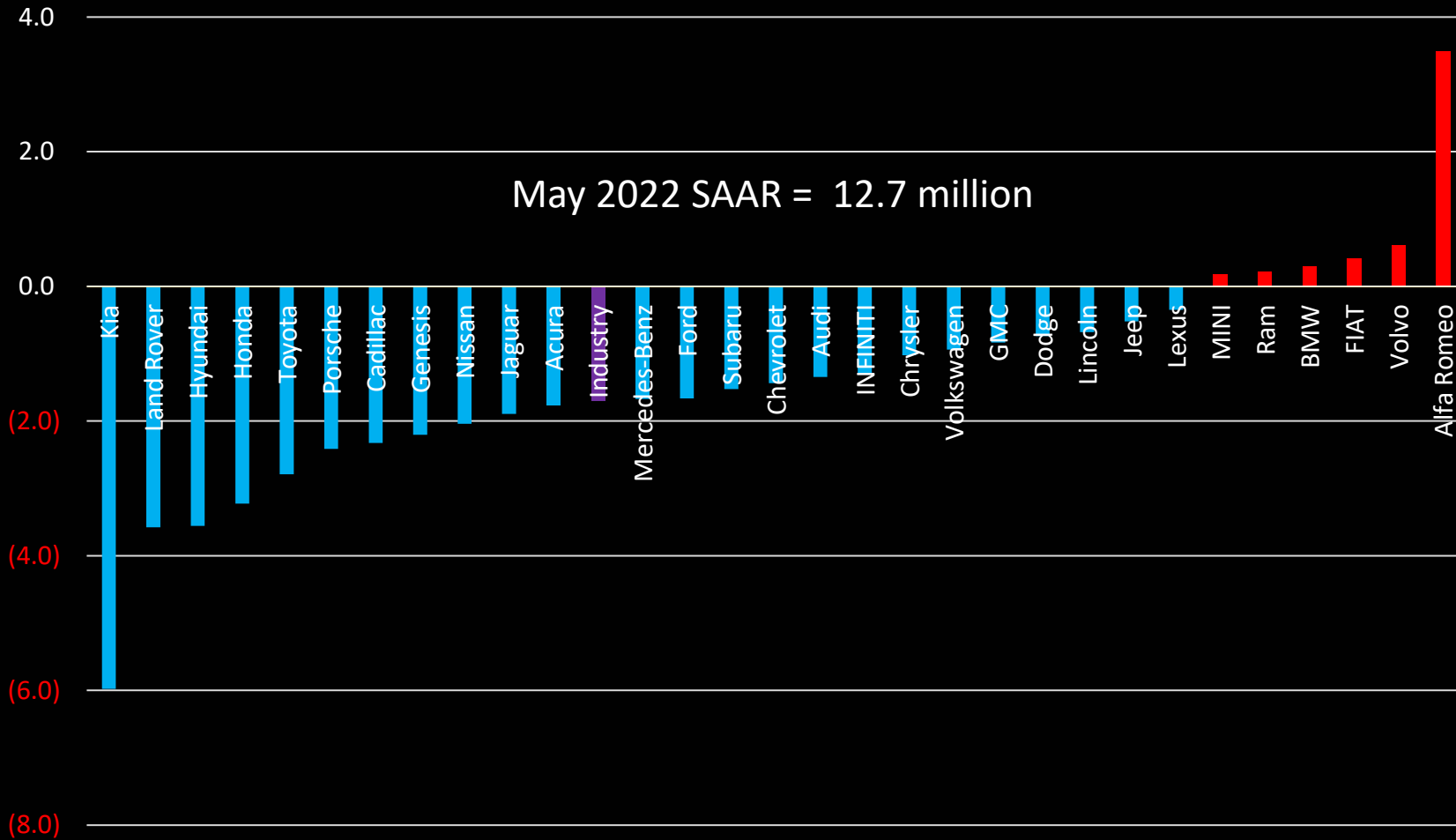
In USD



Source: Company Data, Edmunds.com, Bloomberg Intelligence

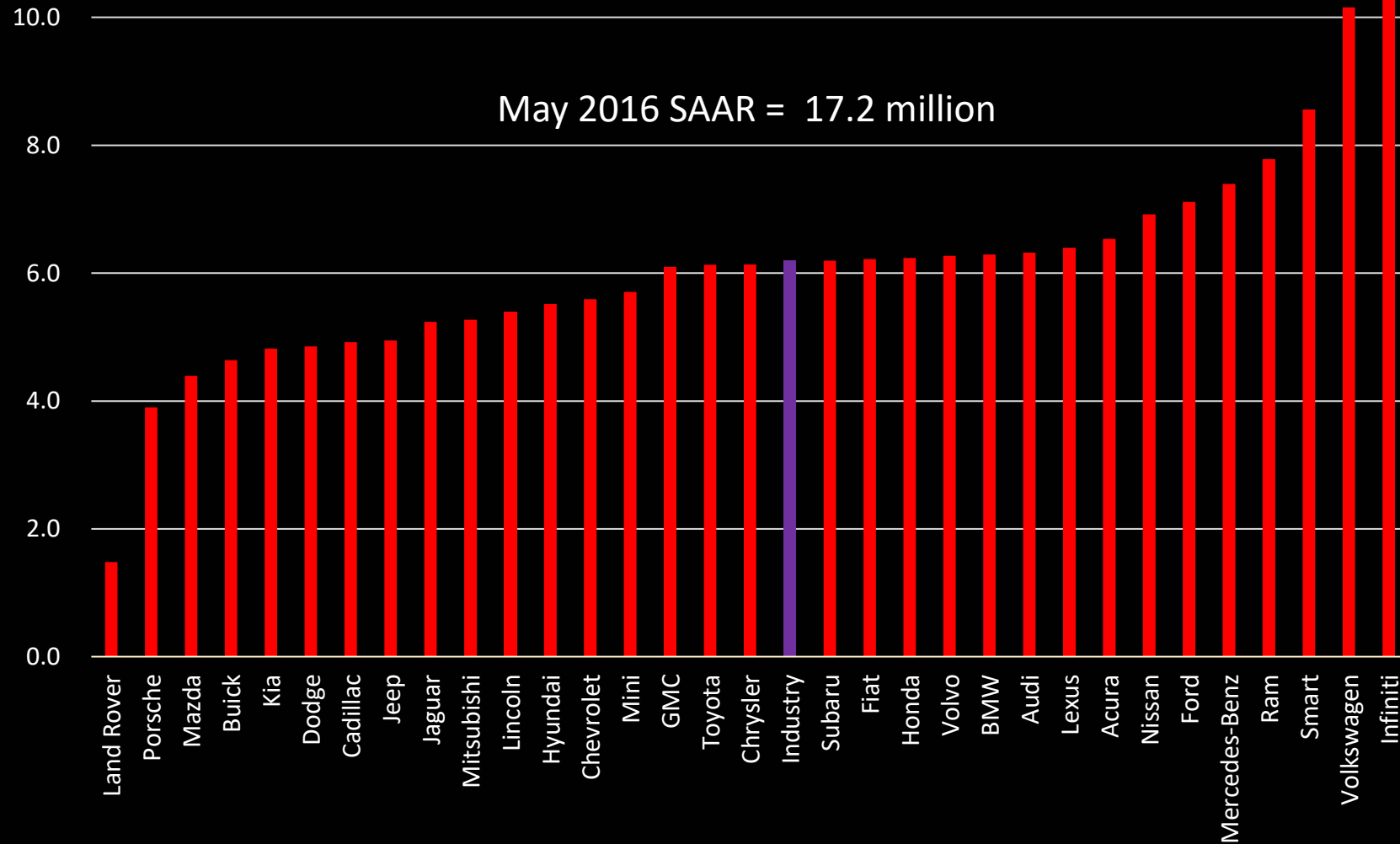
U.S. NEW VEHICLE AVERAGE DISCOUNT - 2022

In %



U.S. NEW VEHICLE AVERAGE DISCOUNT - 2016

In %

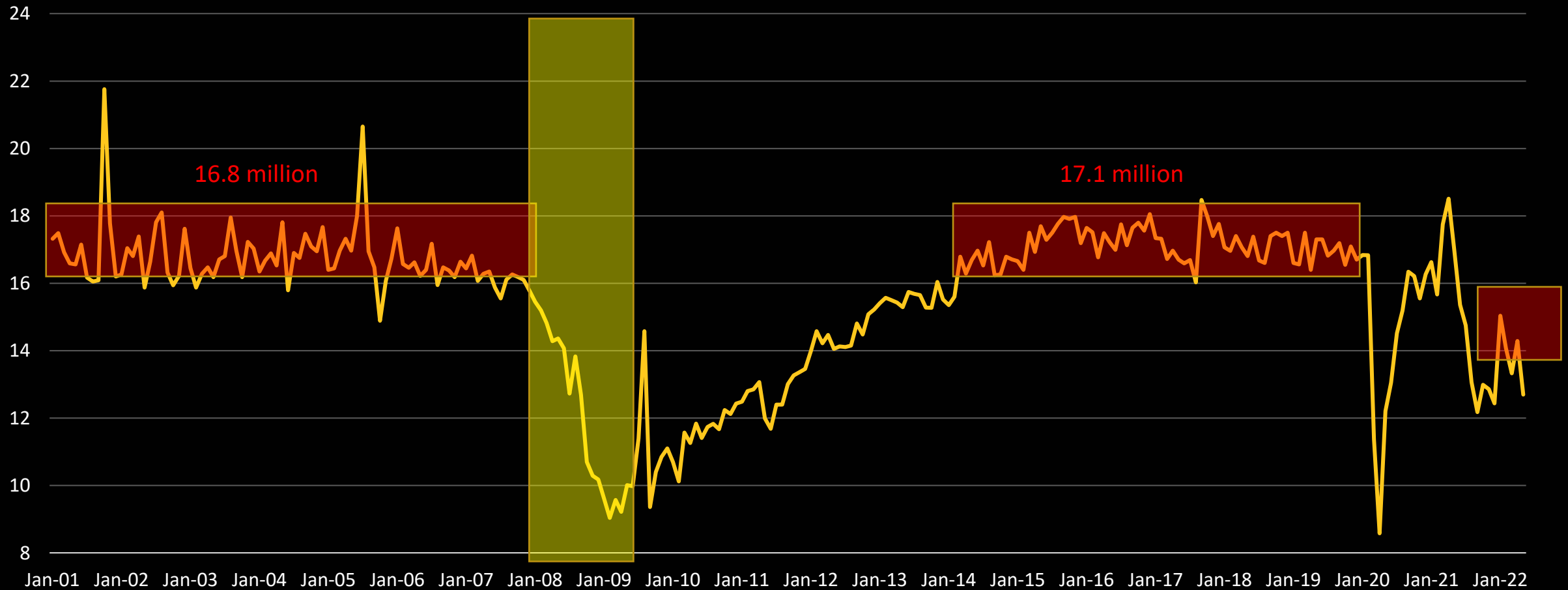


The New Normals

Volume

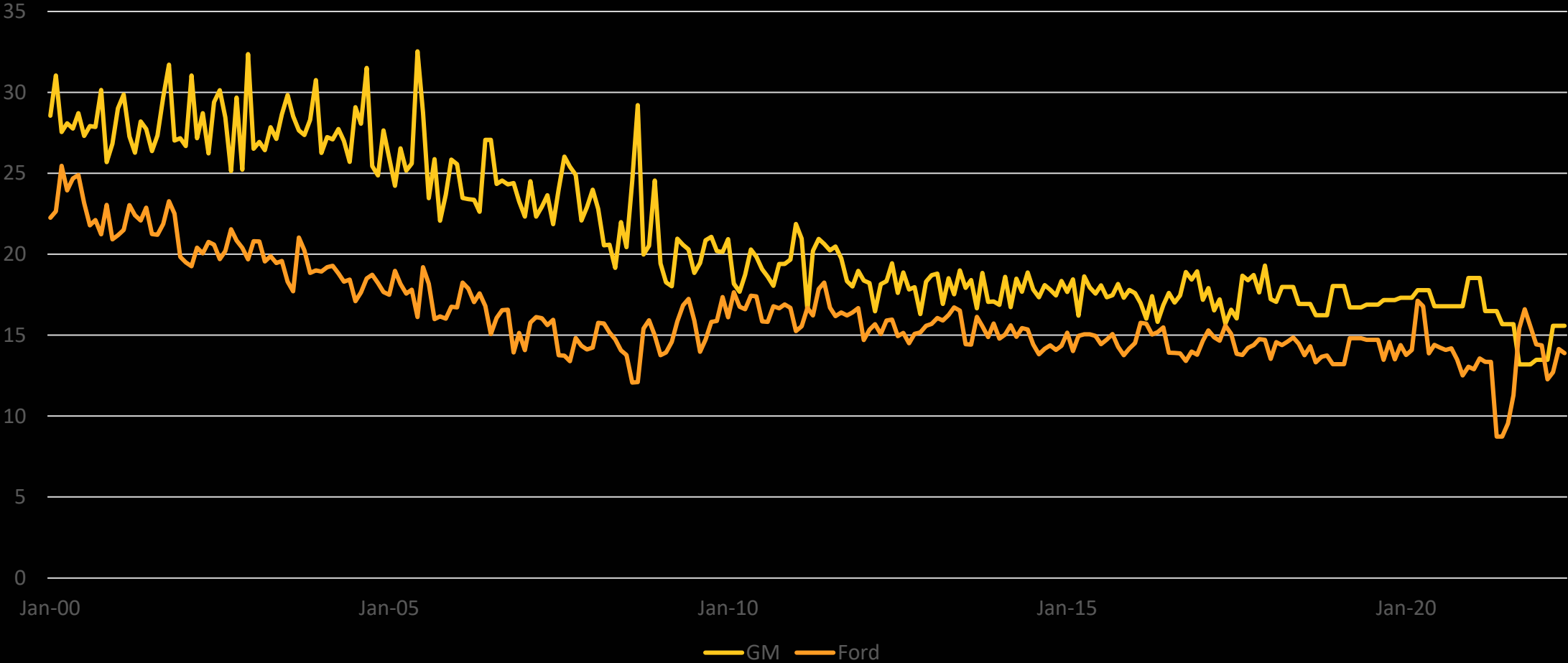
U.S. NEW VEHICLE SEASONAL RATE

SAAR (in million units)



U.S. NEW VEHICLE MARKET SHARE

In %



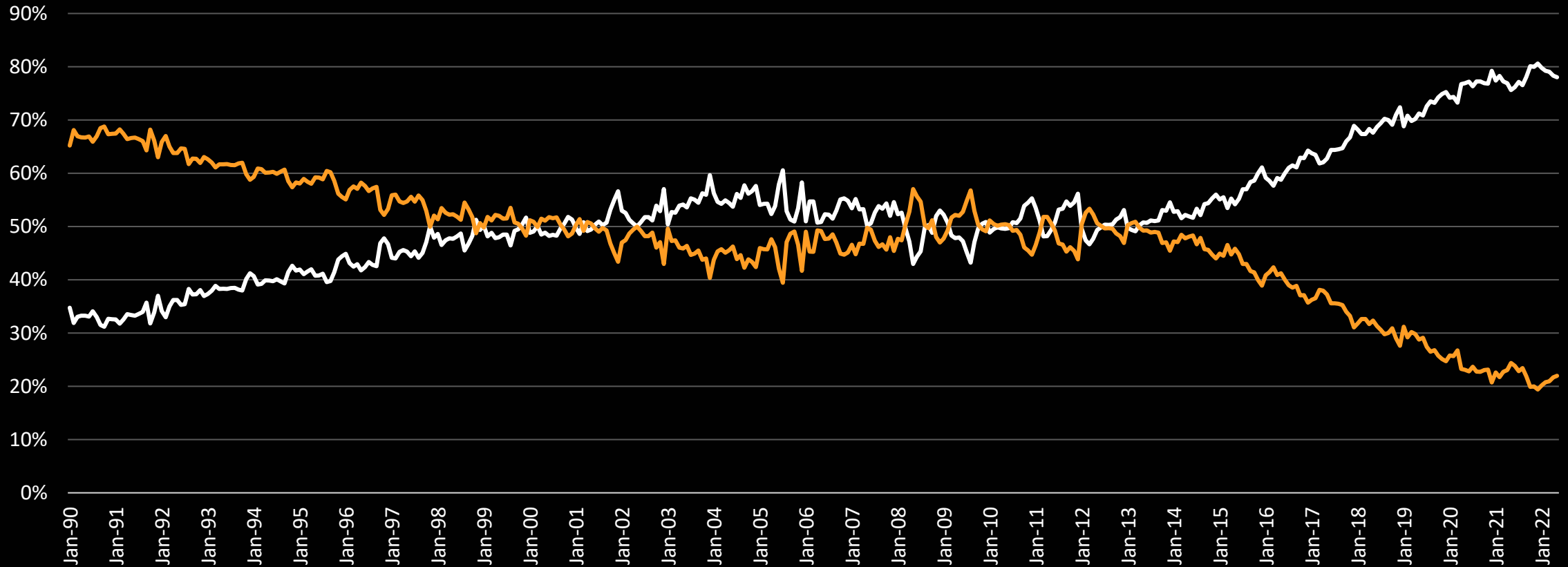
Source: Company Data, Wards Auto

U.S. Vehicle Mix

Supports Lower Volume

U.S. LIGHT TRUCK AND CAR SALES

As % of total volume



U.S. NEW VEHICLE AVERAGE TRANSACTION PRICE

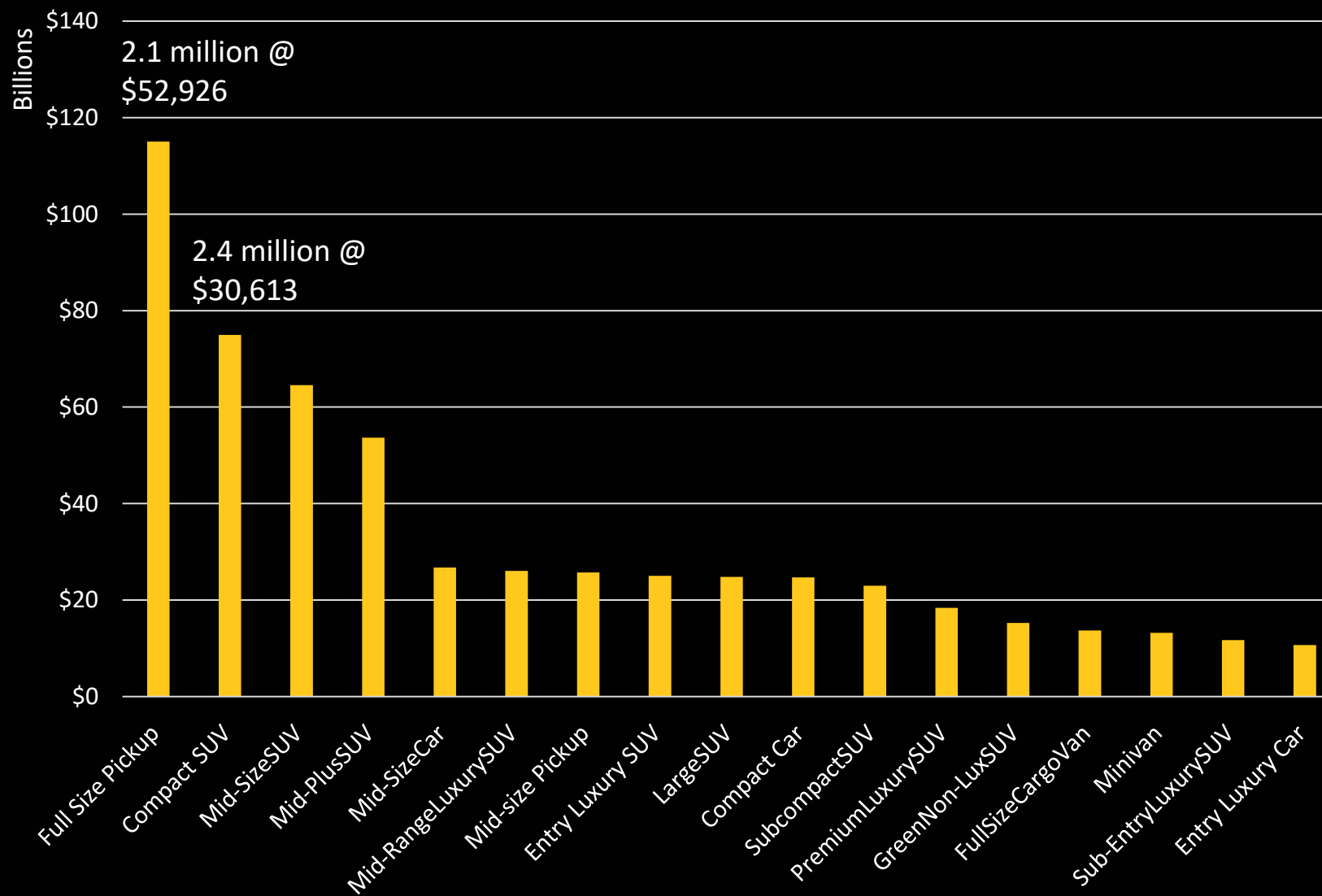
In 000s



Source: Company Data, Edmunds.com

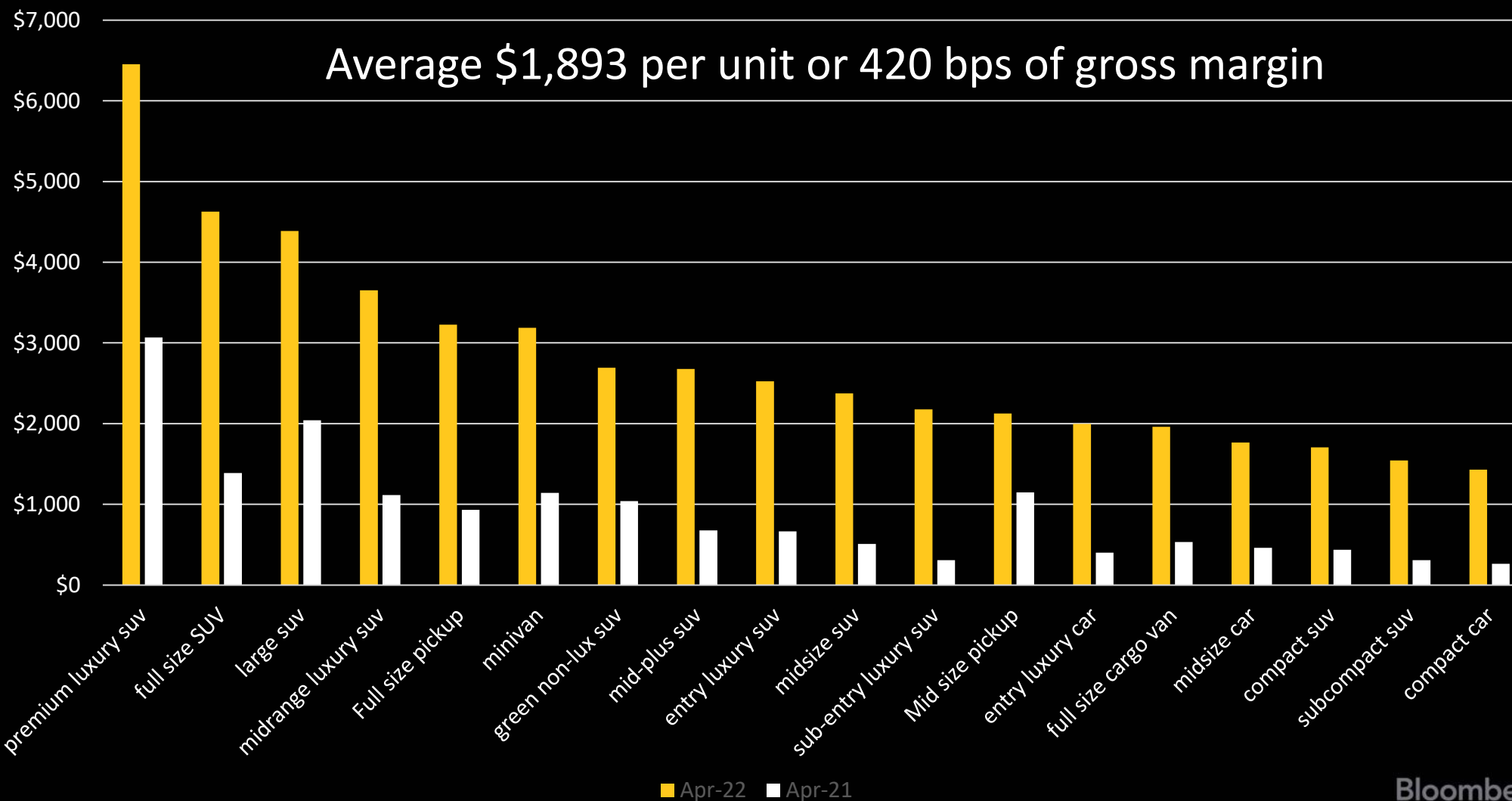
RETAIL REVENUE BY SEGMENT

FY2021

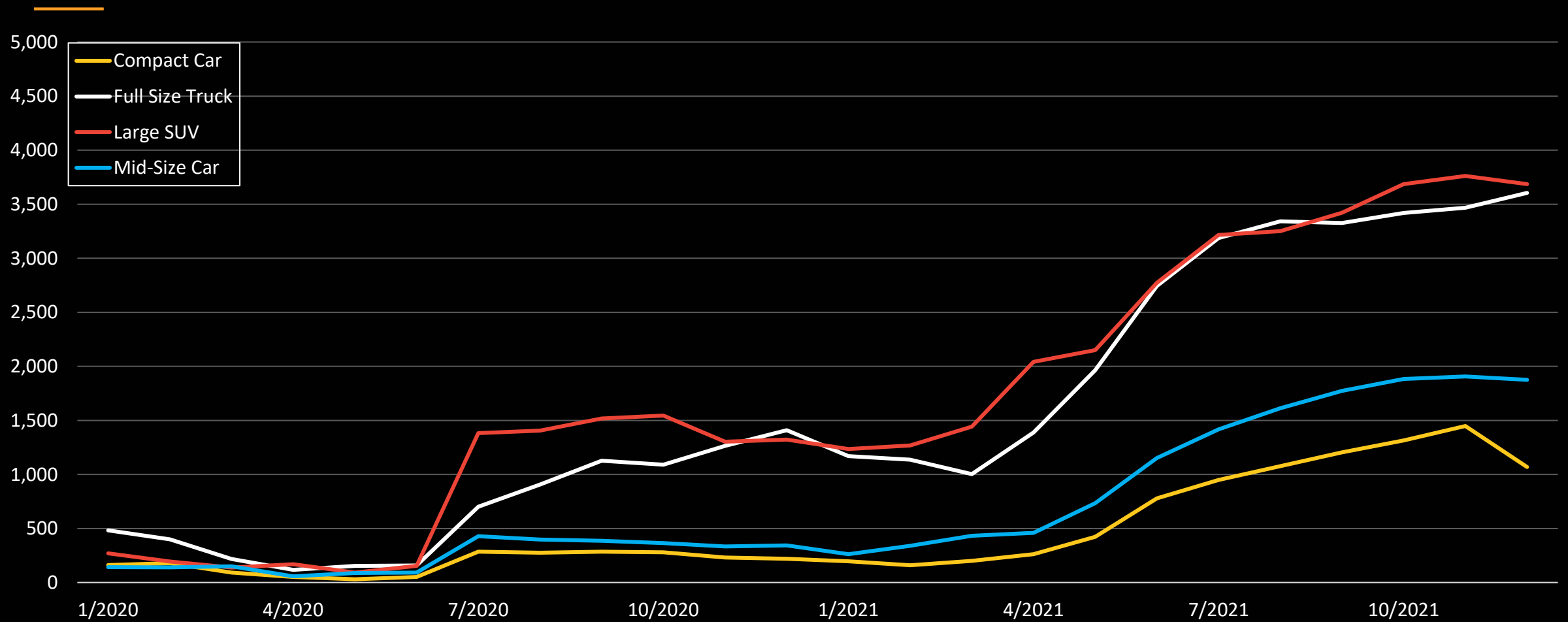


RETAIL MARGIN BY SEGMENT

April Over April



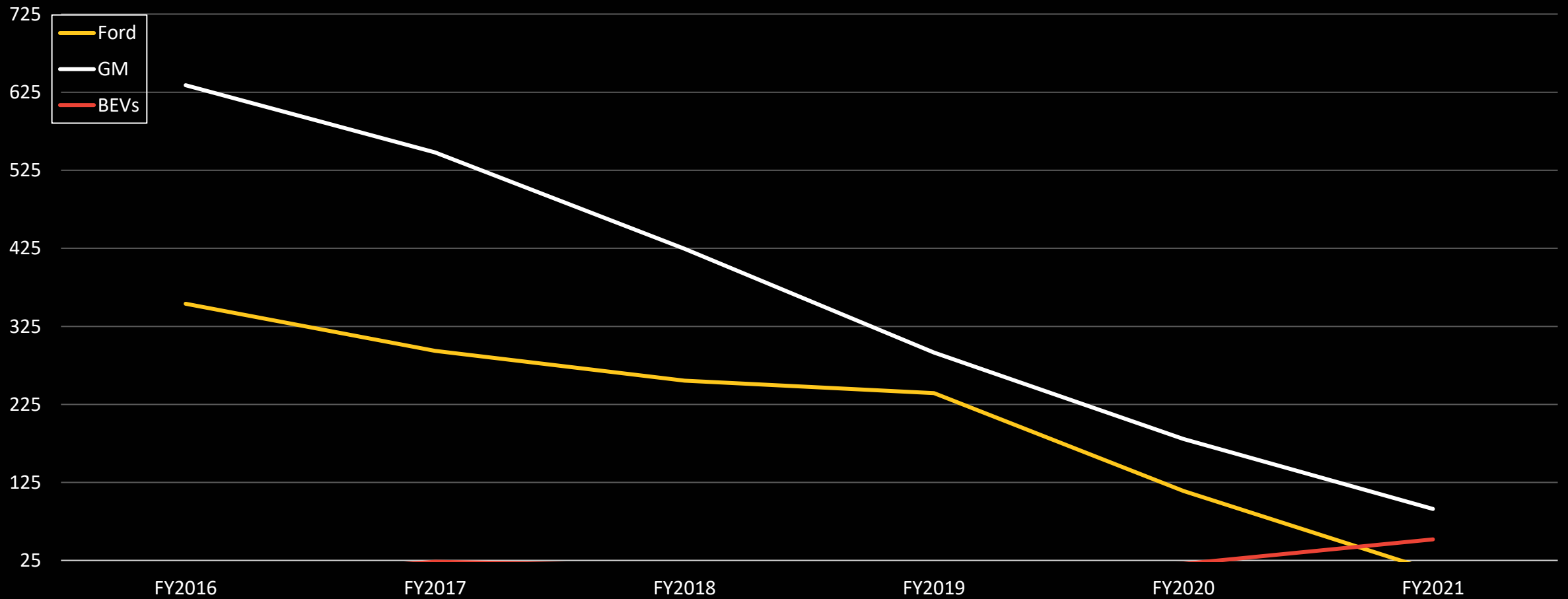
RETAIL MARGIN CONTRIBUTION BY SEGMENT



Source: Company Data, Edmunds.com

U.S. NEW COMPACT AND MIDSIZE CAR VOLUME

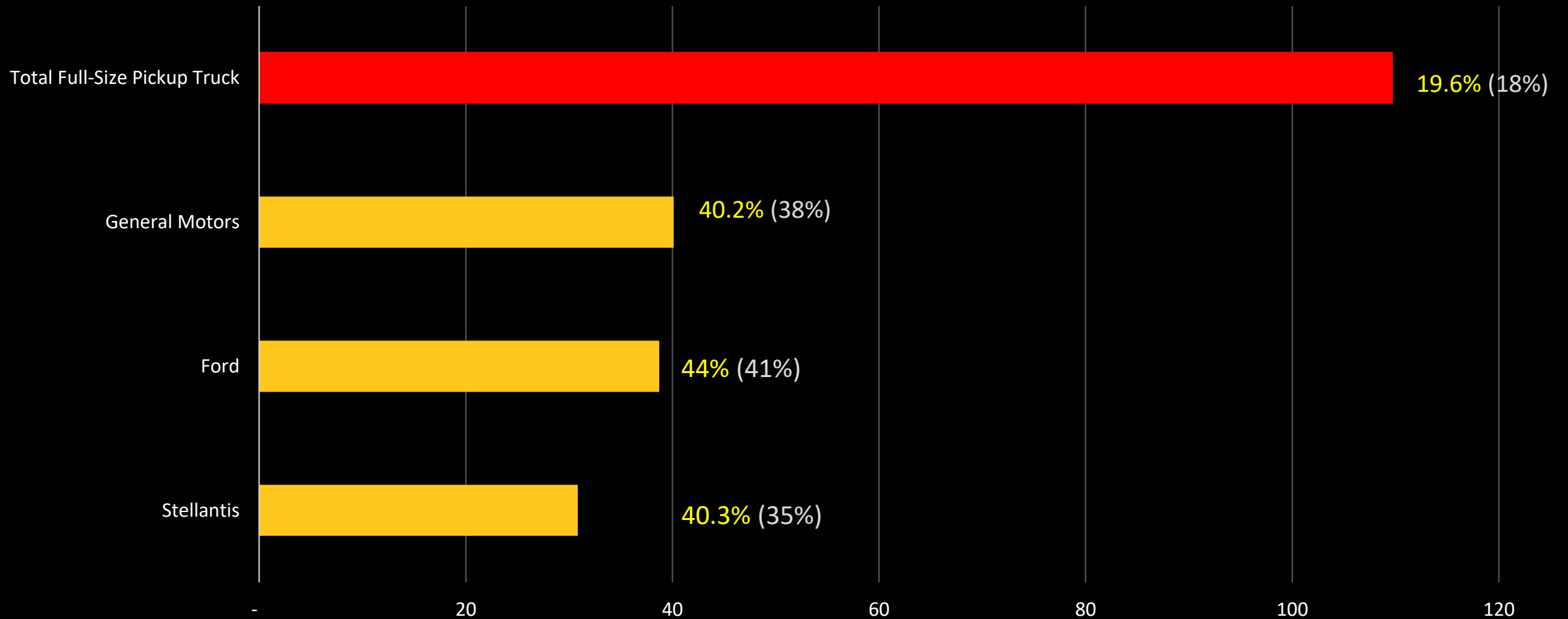
In 000s



Source: Company Data

LARGE PICKUP RETAIL REVENUE BY AUTOMAKER

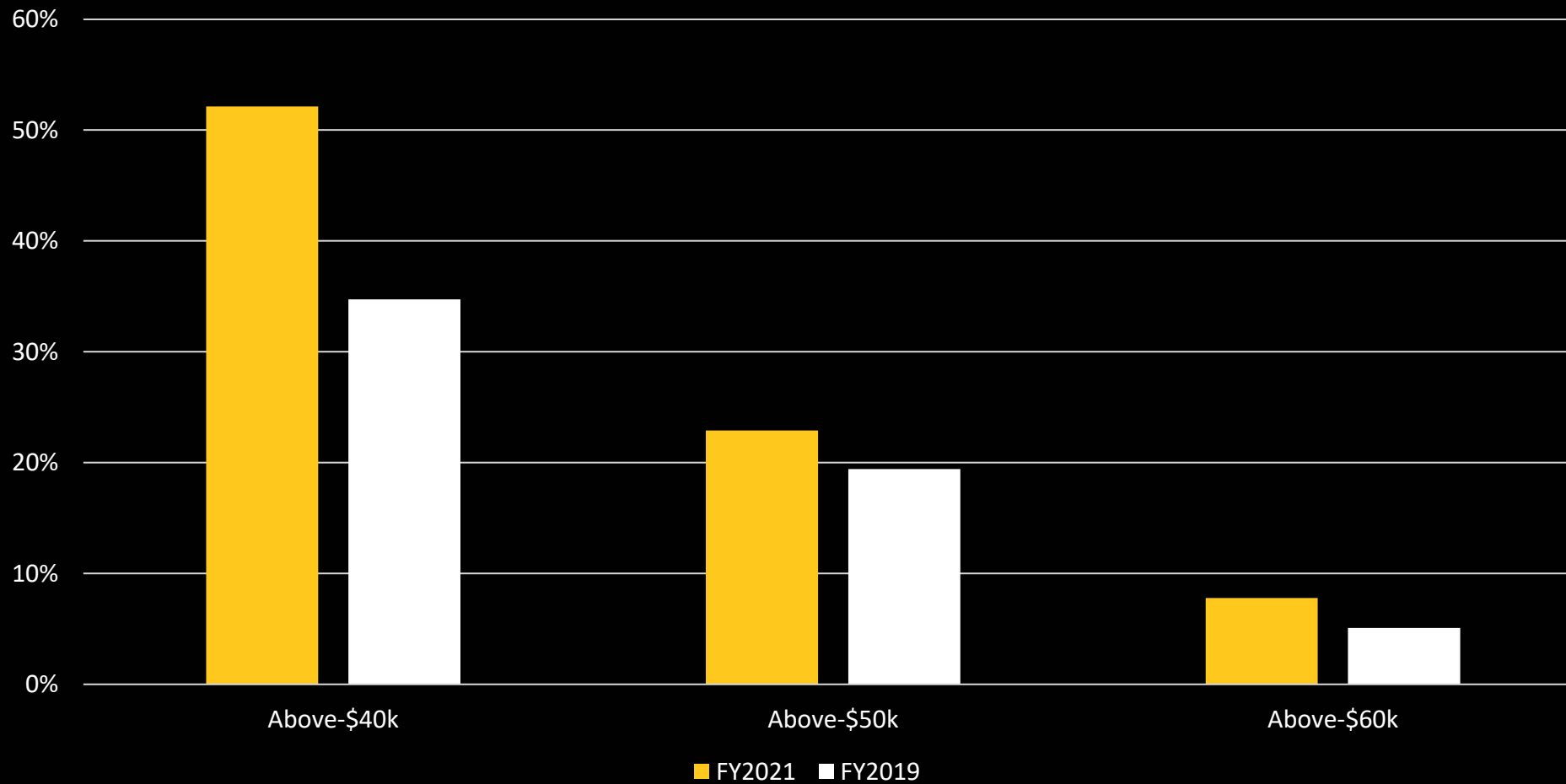
FY2021



Source: Company Data, Edmunds.com, Bloomberg Intelligence

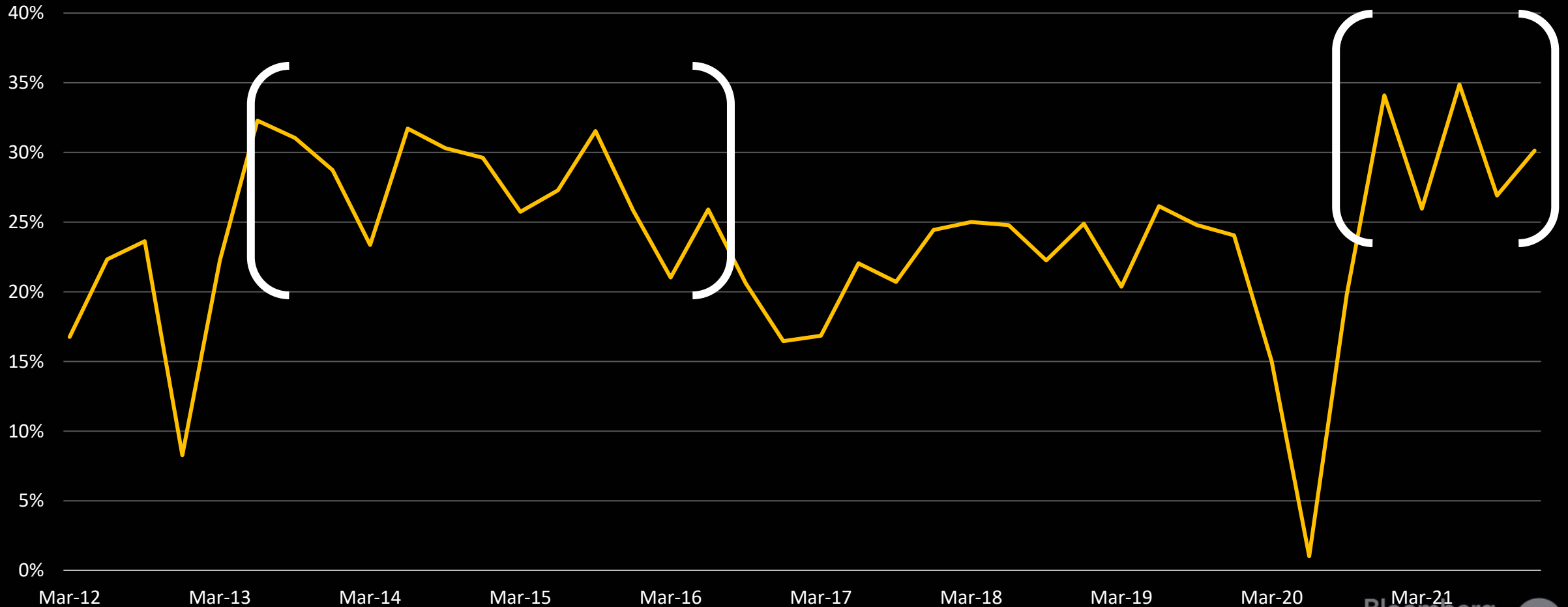
% OF U.S. NEW VEHICLES ABOVE \$40,000 ATP

More than half the market above \$40k



OPERATING MARGIN – TOYOTA NORTH AMERICA

Next step in cost rationalization aligns with price power



Source: Company Filings

Used Vehicle Supply

The Affordability Gap Impact on Demand

U.S. USED VEHICLE AVERAGE PRICE

In '000 USD



U.S. USED VEHICLE WHOLESAL PRICE INDEX

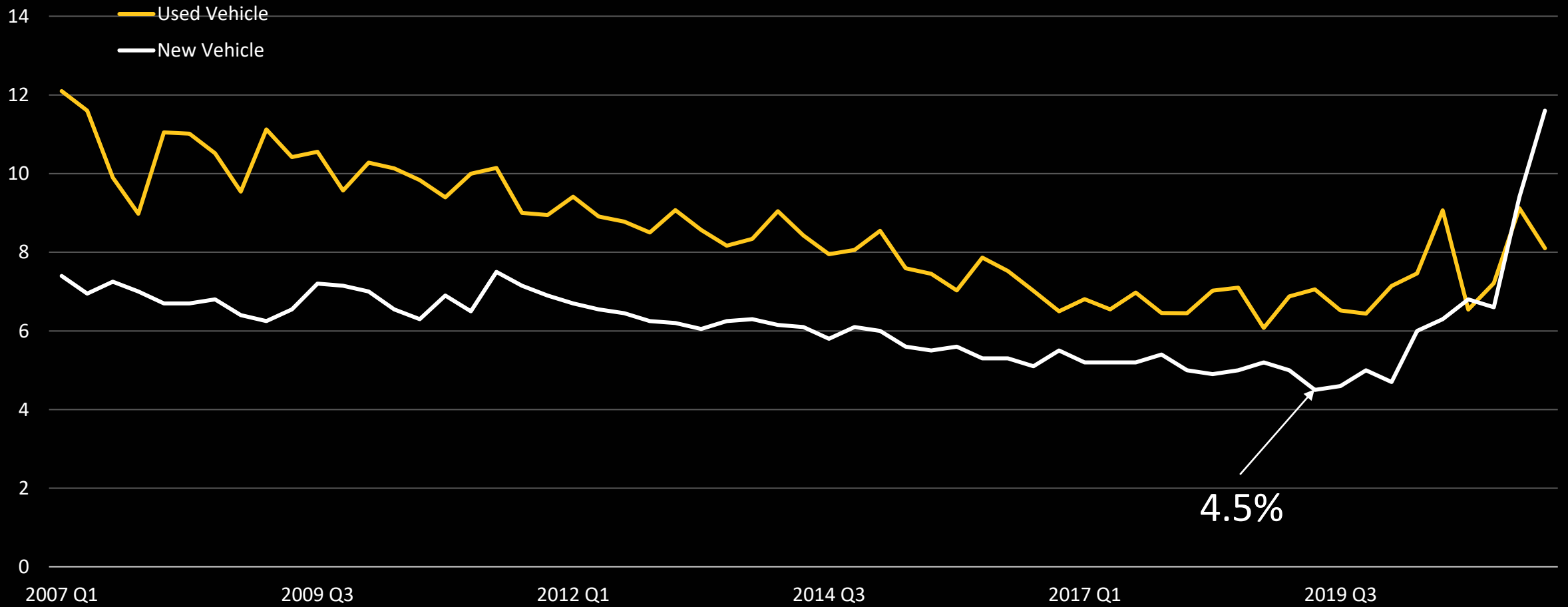
In '000 USD



Source: Manheim Auctions

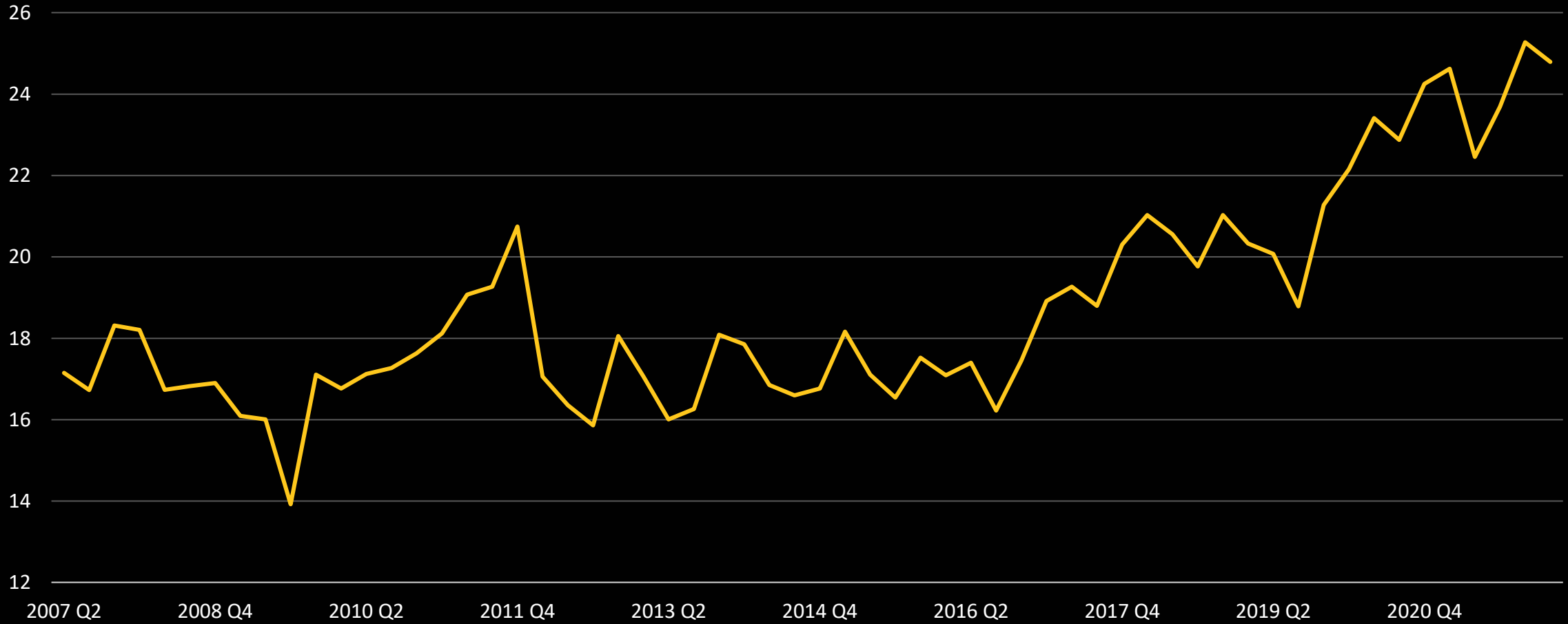
U.S. RETAIL GROSS MARGIN BY SEGMENT

In %



U.S. AFFORDABILITY GAP BETWEEN NEW AND USED VEHICLES

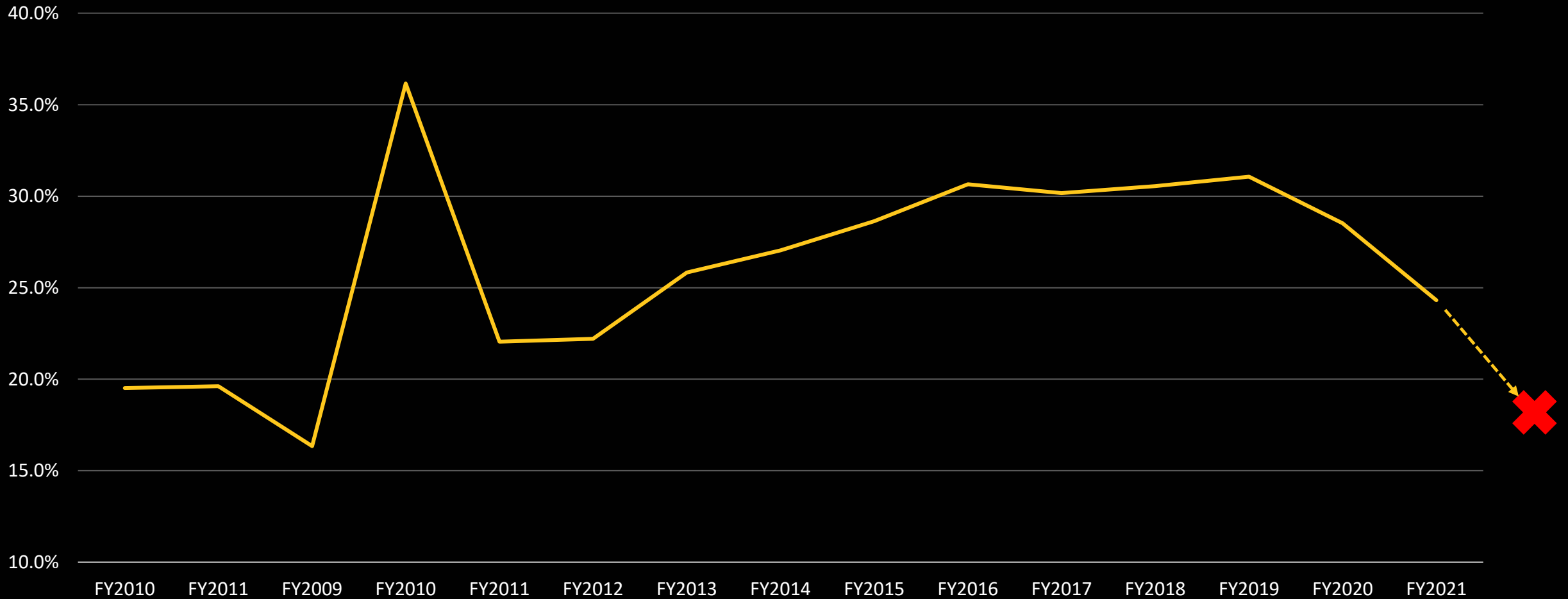
In '000 USD



Source: Company Data, Bloomberg Intelligence

U.S. LEASE PENETRATION

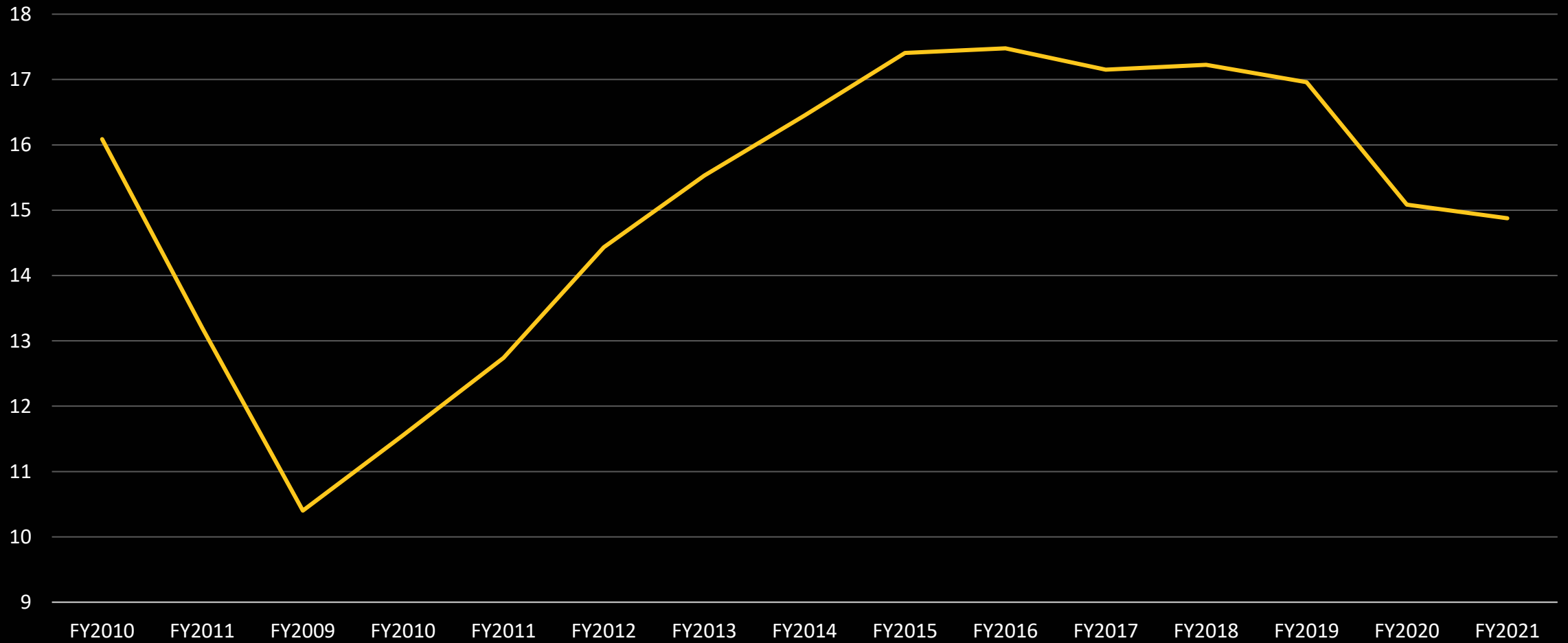
In %



Source: Company Data, Edmunds.com

U.S. TOTAL VOLUME

In million units

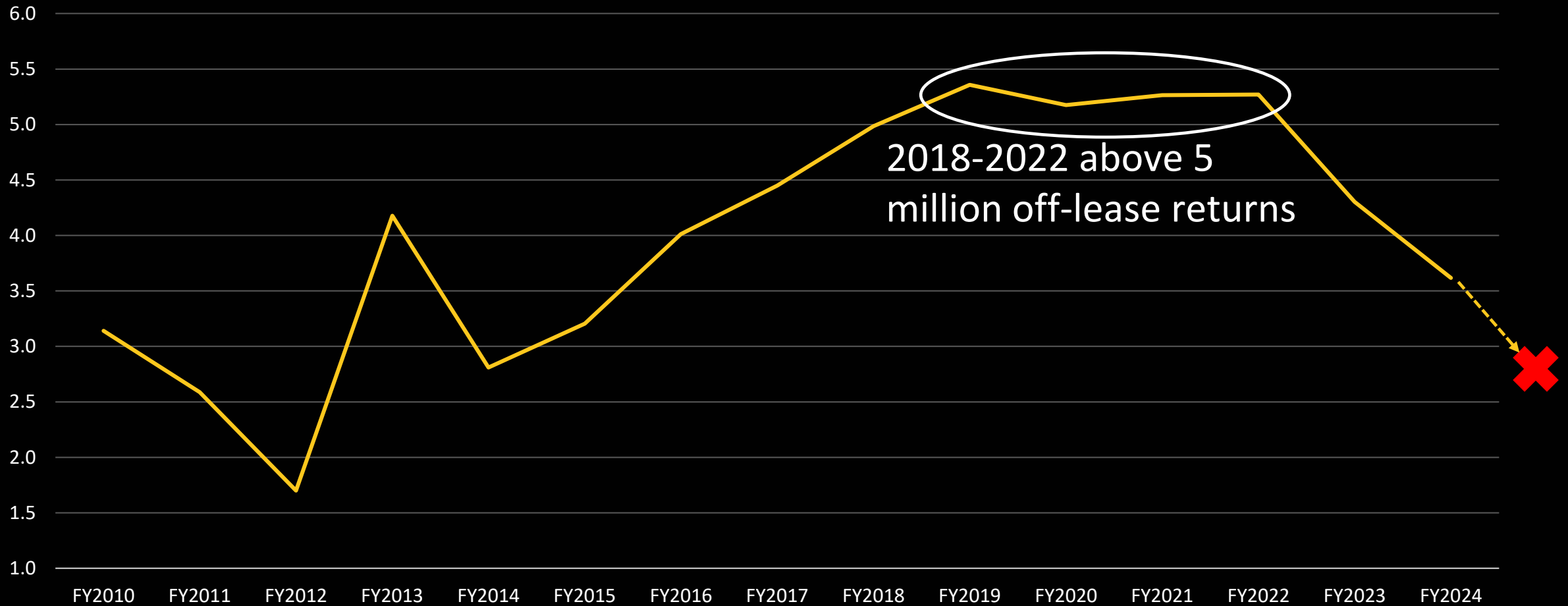


Source: Company Data, Wards Auto

U.S. OFF-LEASE RETURNS

In million units

Average lease term = 36 months

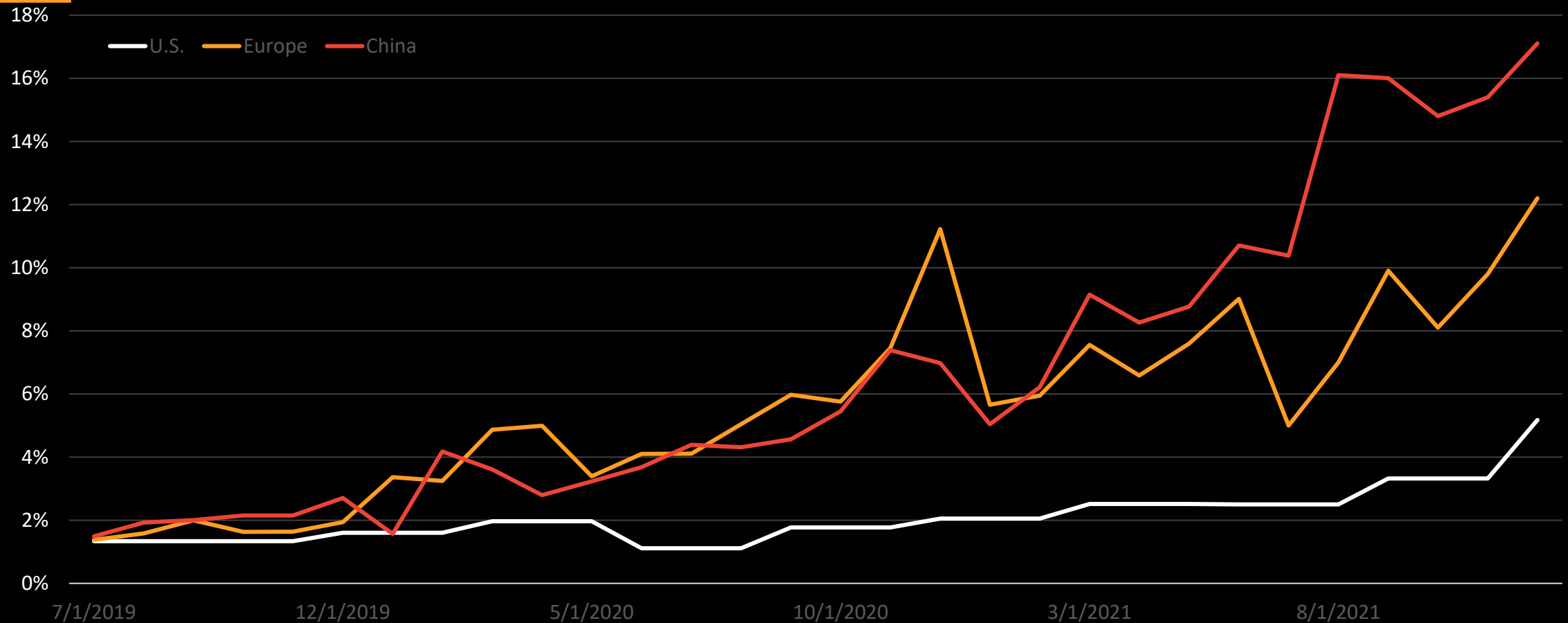


EV ADOPTION

Manufacturers, Governments and Consumers

CHINA, EUROPE 5, U.S. BEV SALES

As % of total volume

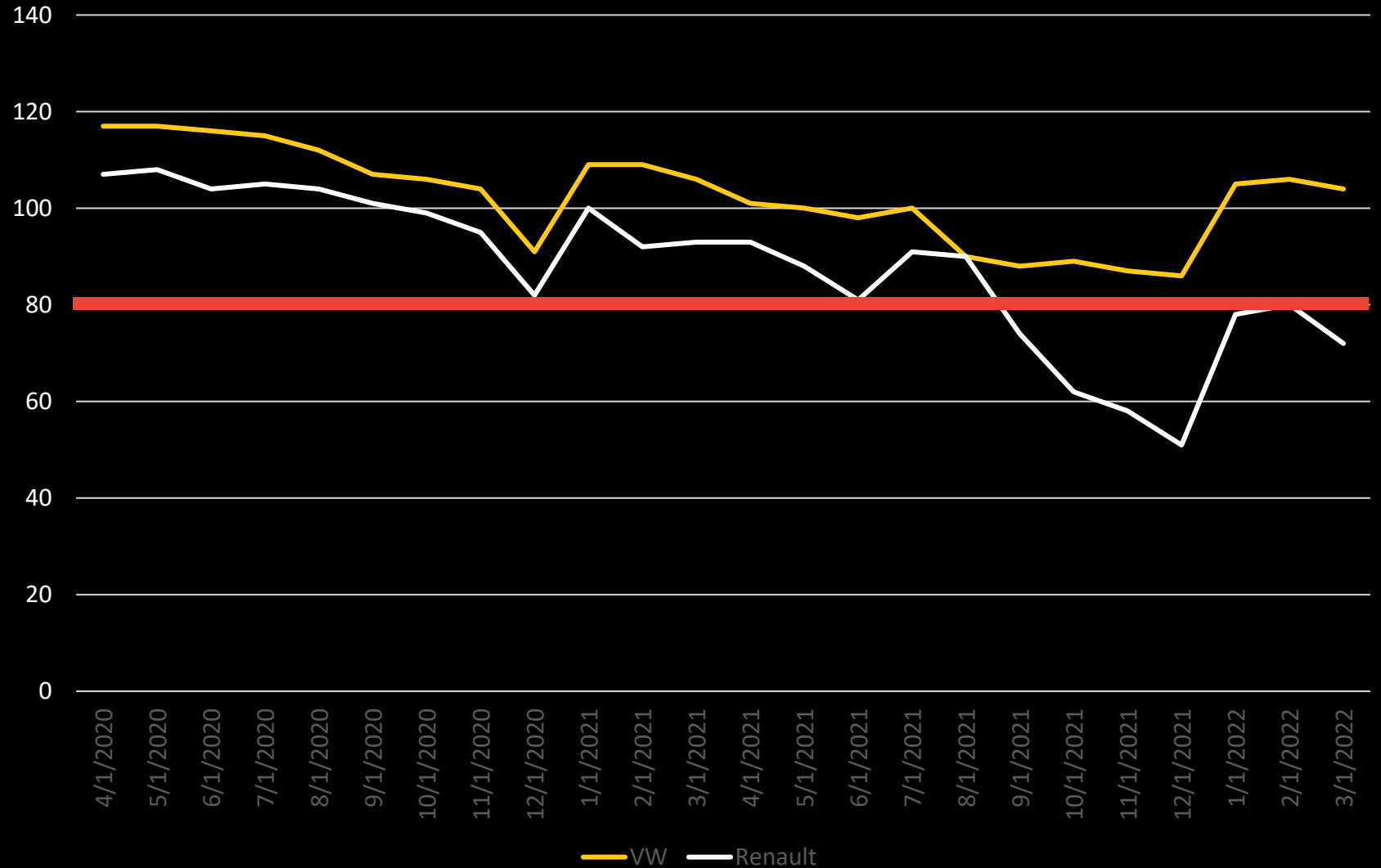


Source: Company Data, JATO, CAIN

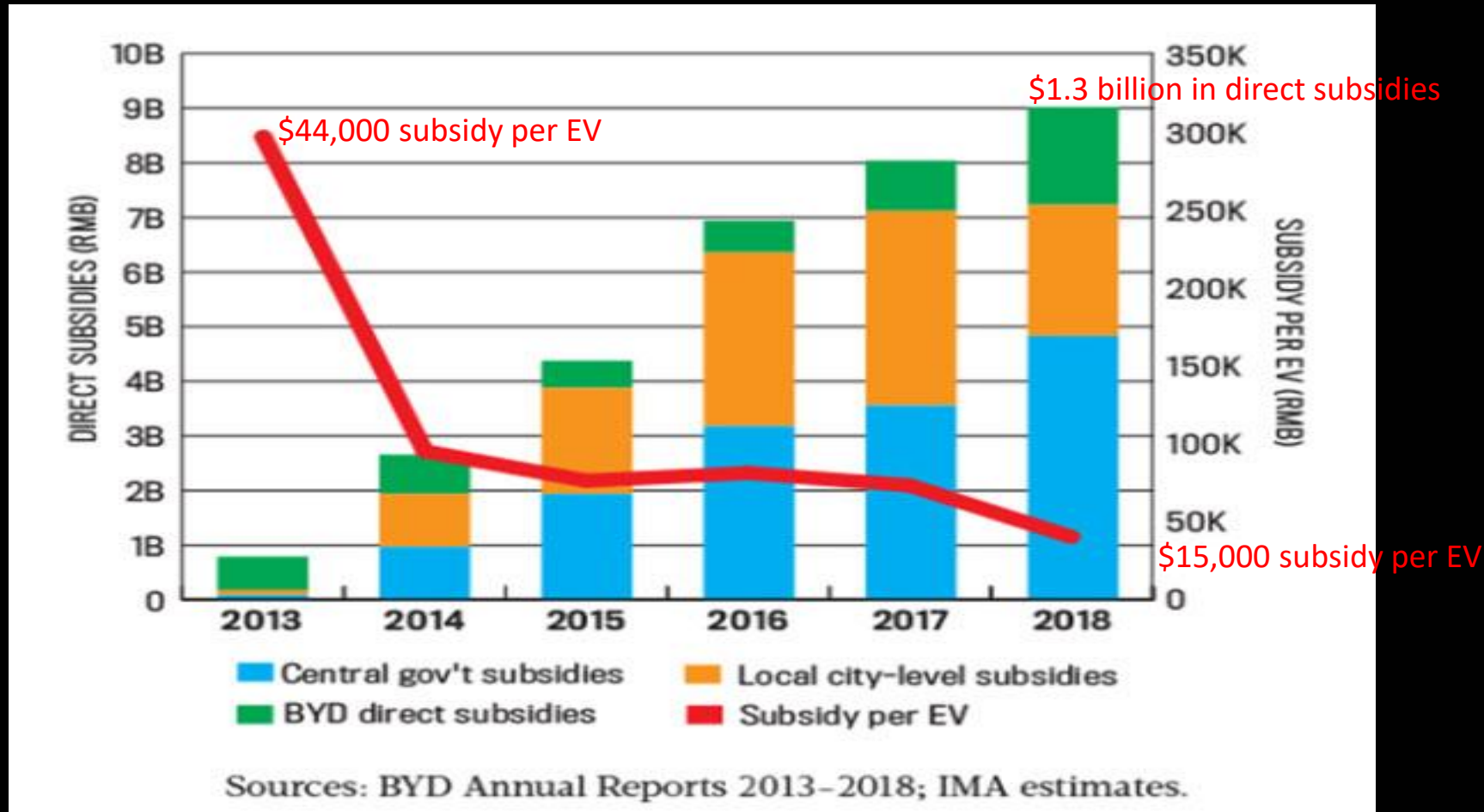
EUROPE EMISSIONS REDUCTION

Fines = \$106 USD per CO₂g/km that exceeds the target, multiplied by unit sales.

~\$300 million fine for every CO₂g/km miss

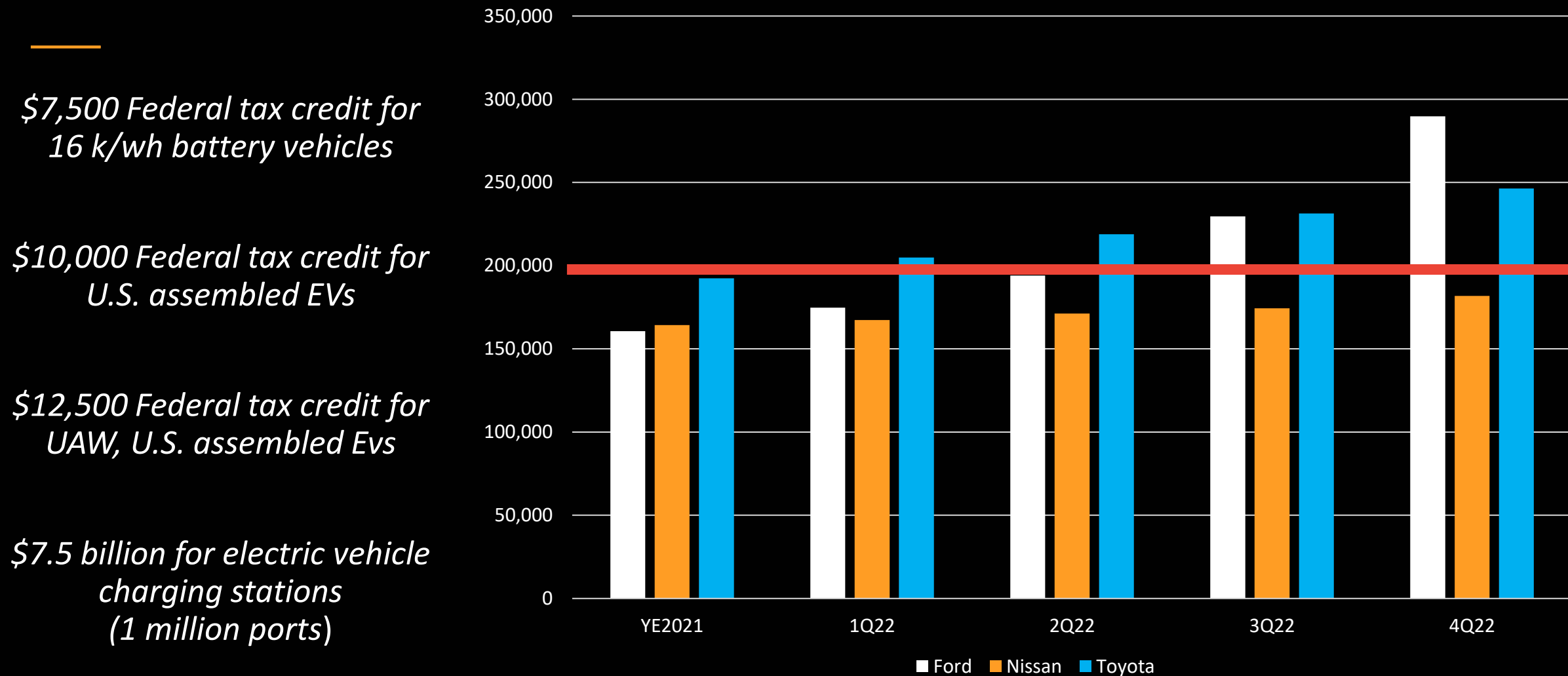


BYD TOTAL DIRECT EV SUBSIDIES RECEIVED VS. SUBSIDY PER EV



CUMULATIVE PLUG-IN UNIT SALES IN U.S. SINCE 2014

Automakers with eligible federal tax credits



LITHIUM CARBONATE COST PER VEHICLE

In USD/kilogram

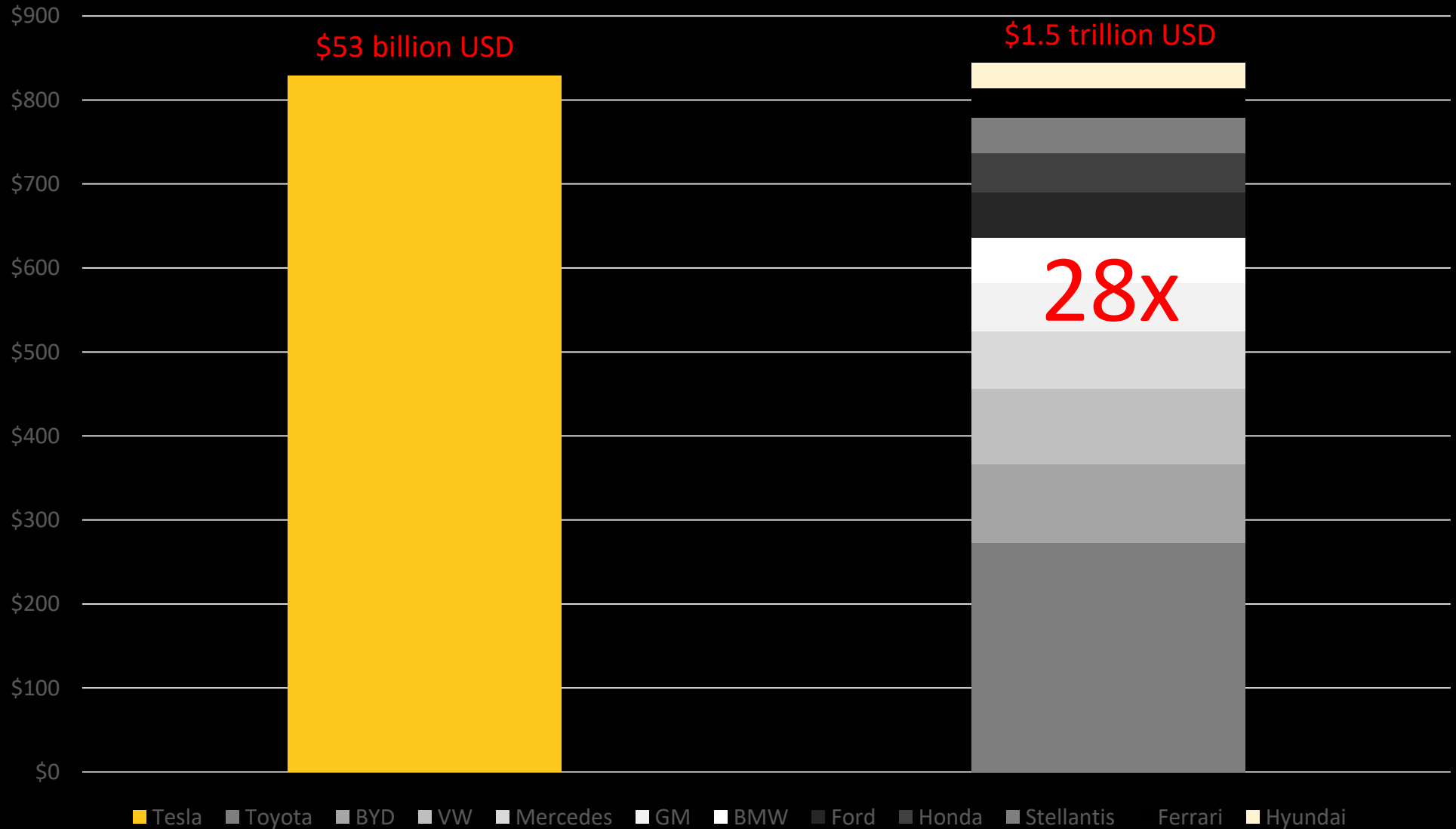


The Advantages of Scale

The Case For Large Automakers

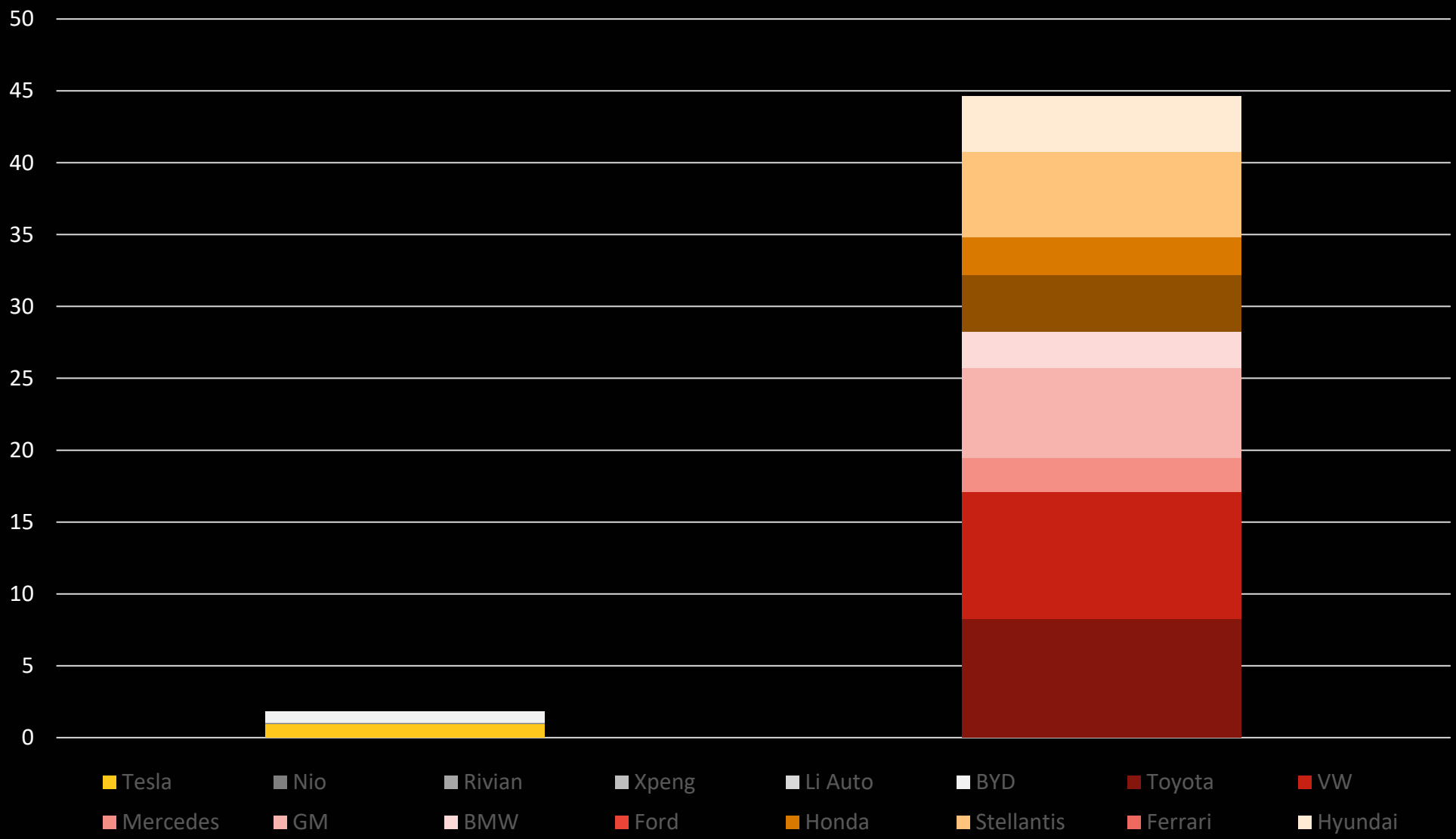
MARKET CAP OF GLOBAL AUTOMAKERS

In billion USD



GLOBAL UNIT VOLUME COMPARISON

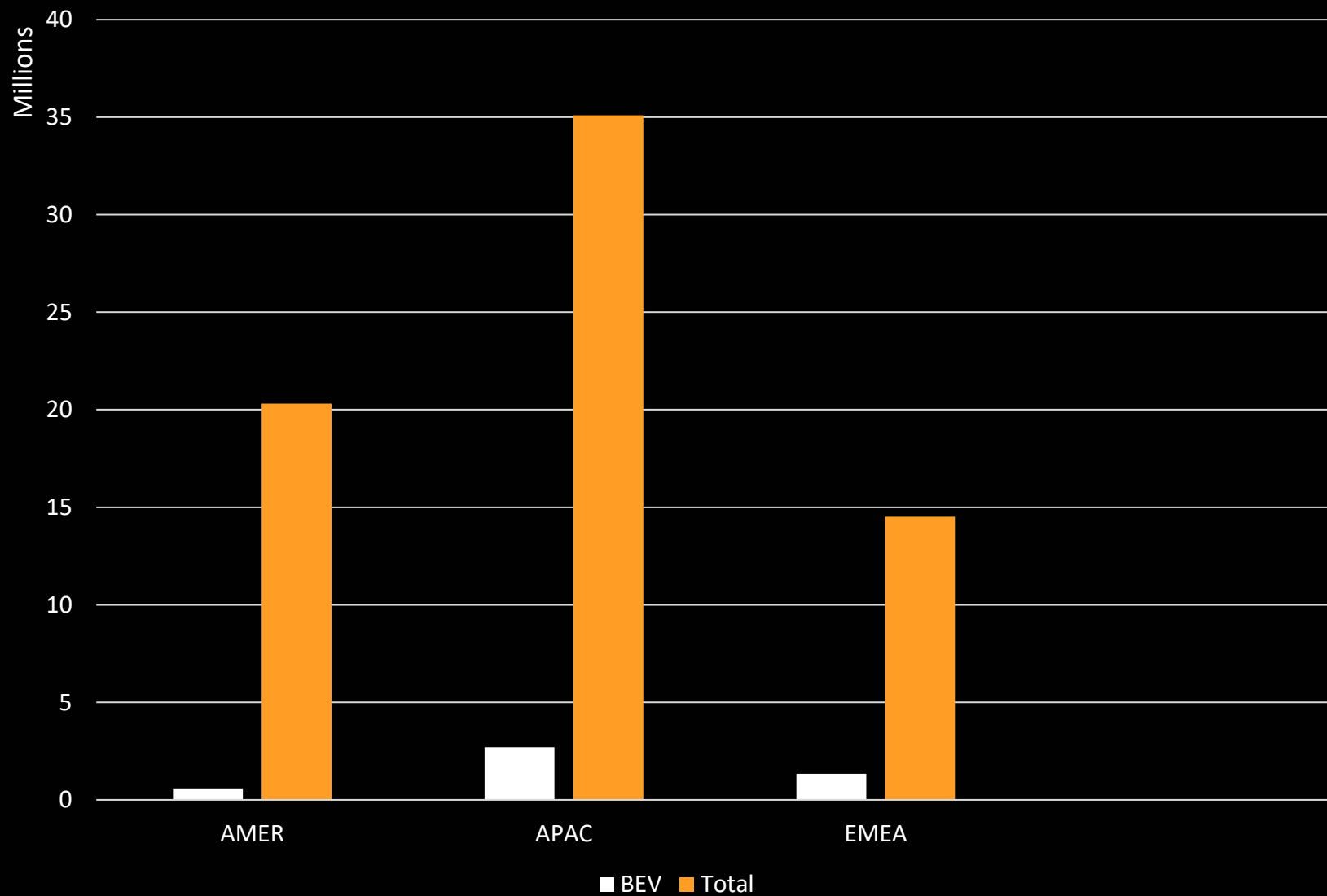
In million units



Source: Bloomberg Data

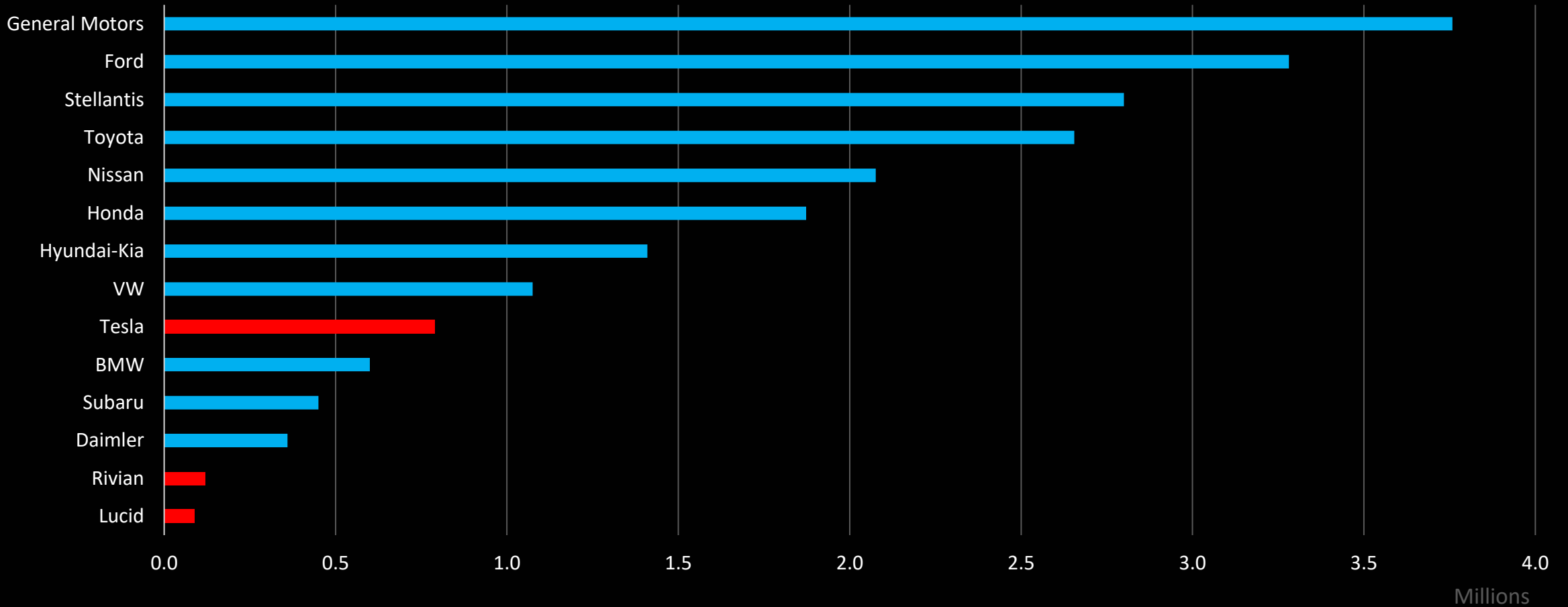
BEV VOLUME BY REGION

In million units



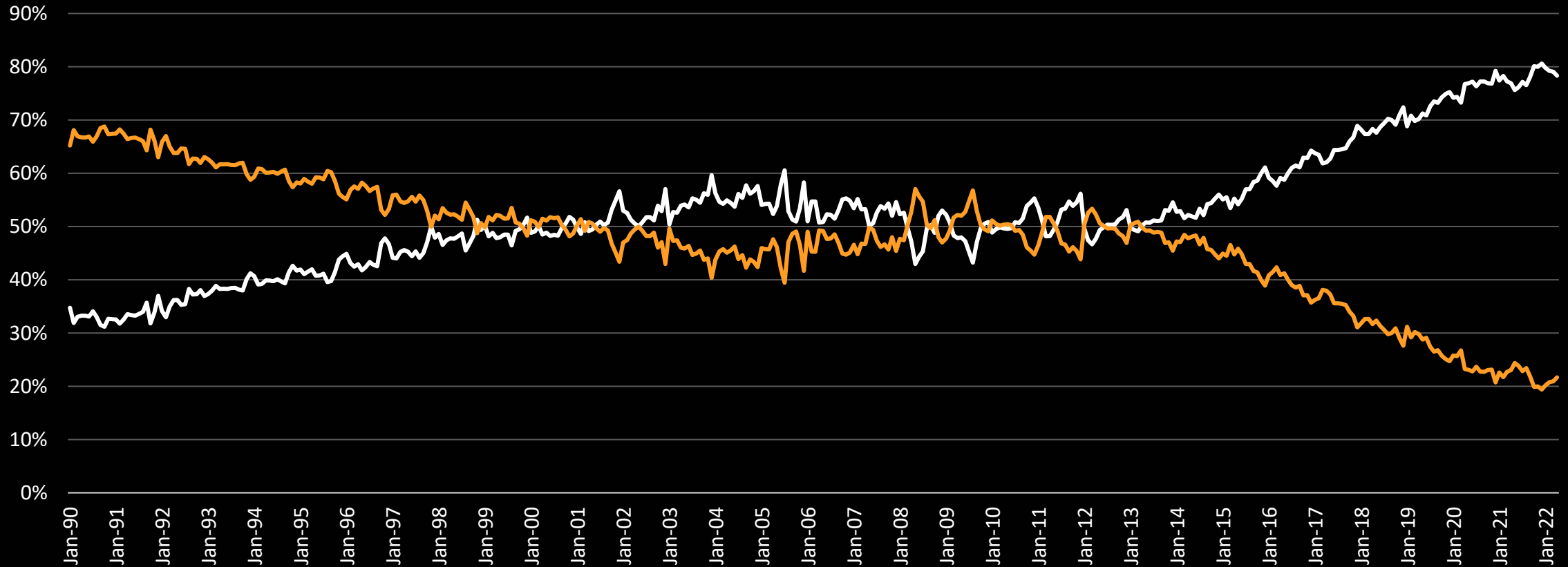
NORTH AMERICA PRODUCTION CAPACITY FORECAST

FY2025 – in millions



U.S. LIGHT TRUCK AND CAR SALES

As % of total volume



Thank you

Kevin Tynan – Global Director, Automotive
ktynan1@bloomberg.net

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