

The US Automobile Industry

Retail cycles into the spotlight

VADA - June 2024

Kevin Tynan, Senior Analyst - Automotive
Bloomberg Intelligence

Bloomberg Intelligence

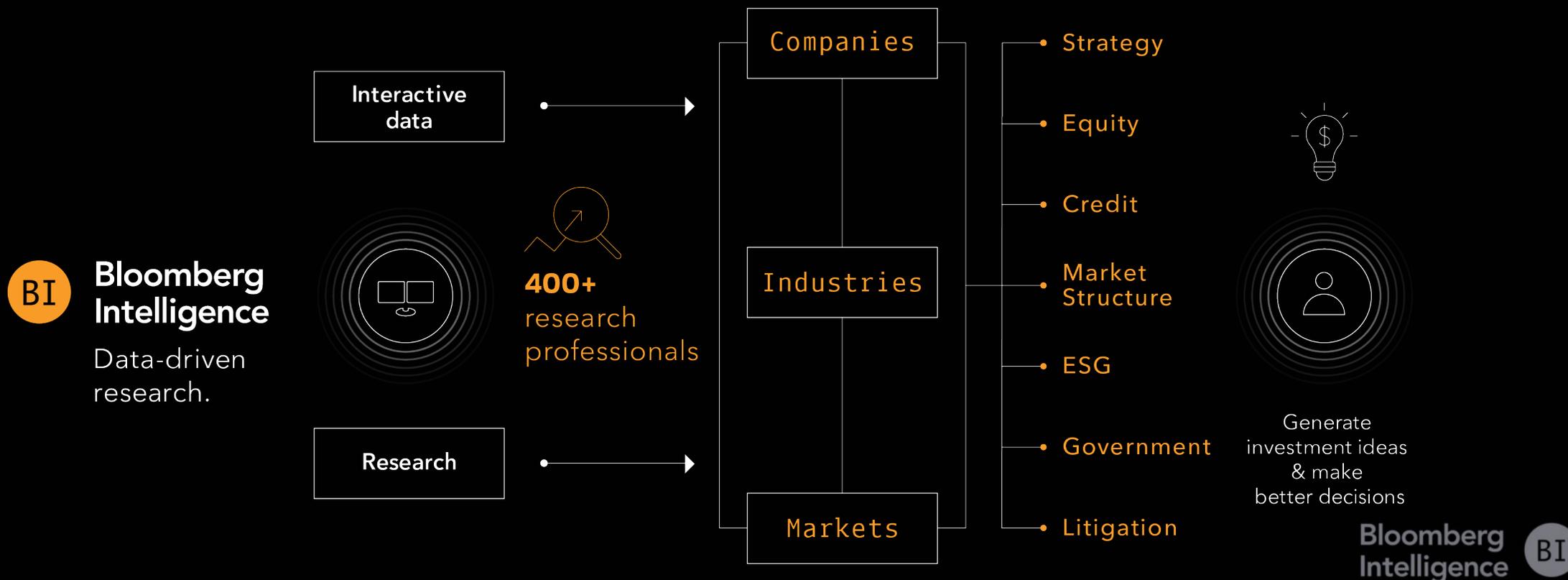
500+
data contributors

135+
industries

2,000+
companies

15yrs
avg. analyst experience

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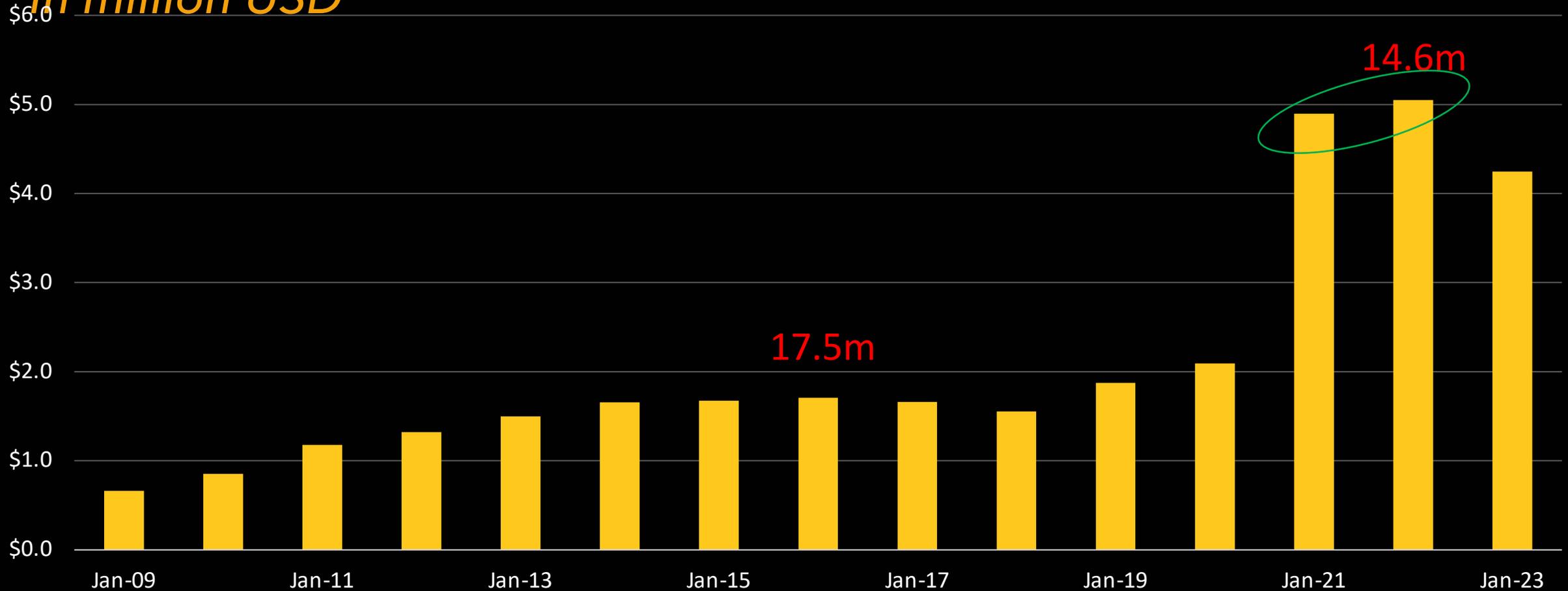


Supply/Demand Balance



PUBLIC DEALERGROUP ADJ PRETAX INCOME PER STORE

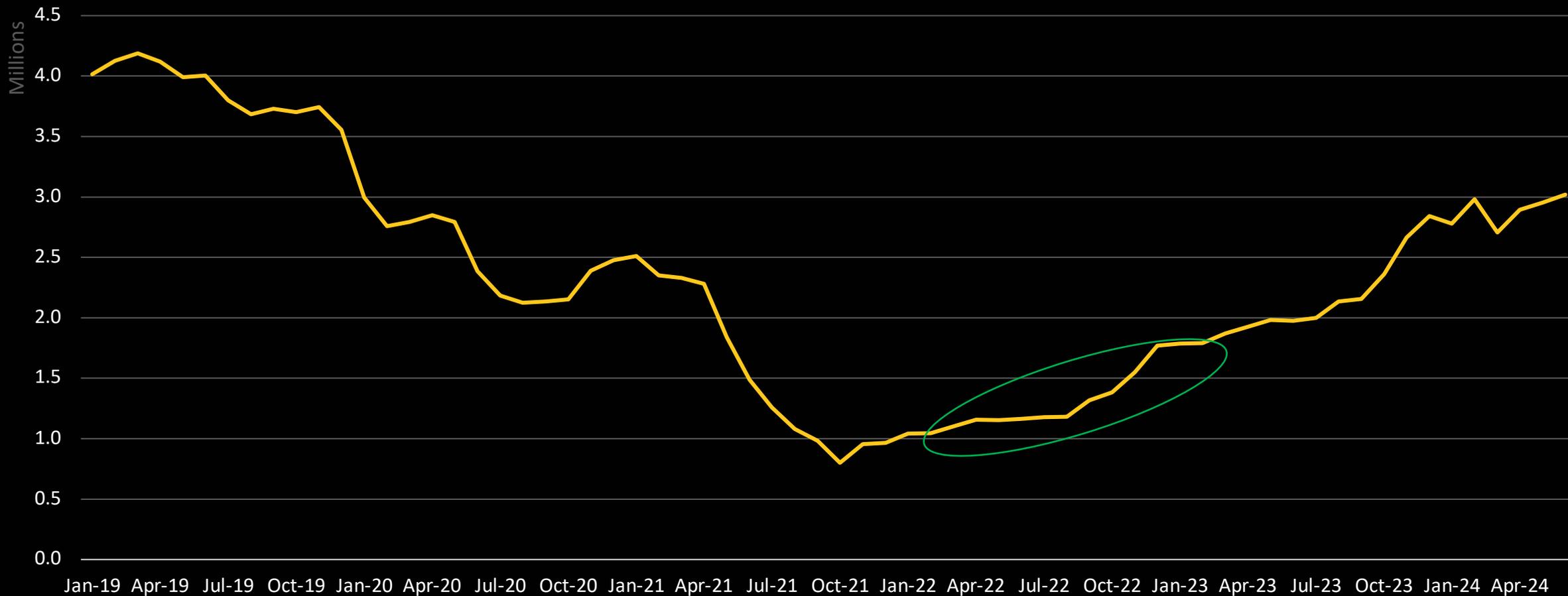
In million USD



Source: Company Data, Edmunds.com

US NEW VEHICLE INVENTORY

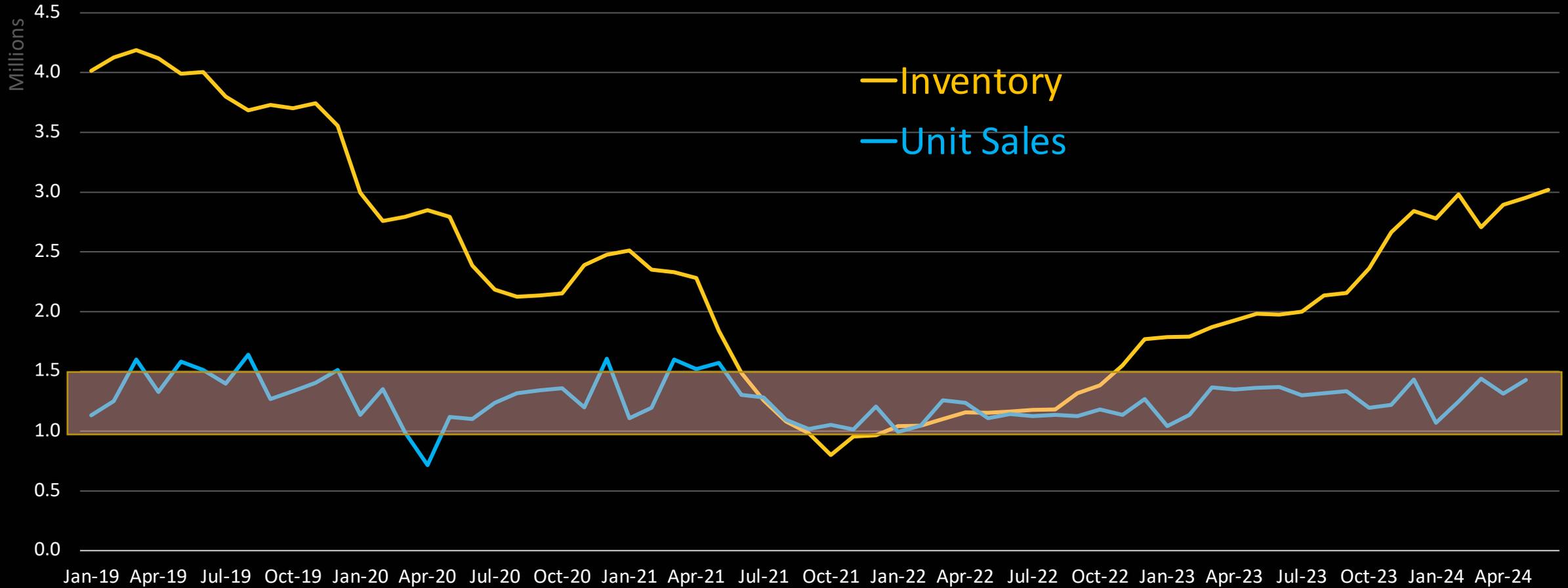
total unit volume



Source: Company Data, Crain Communications, LotLinx

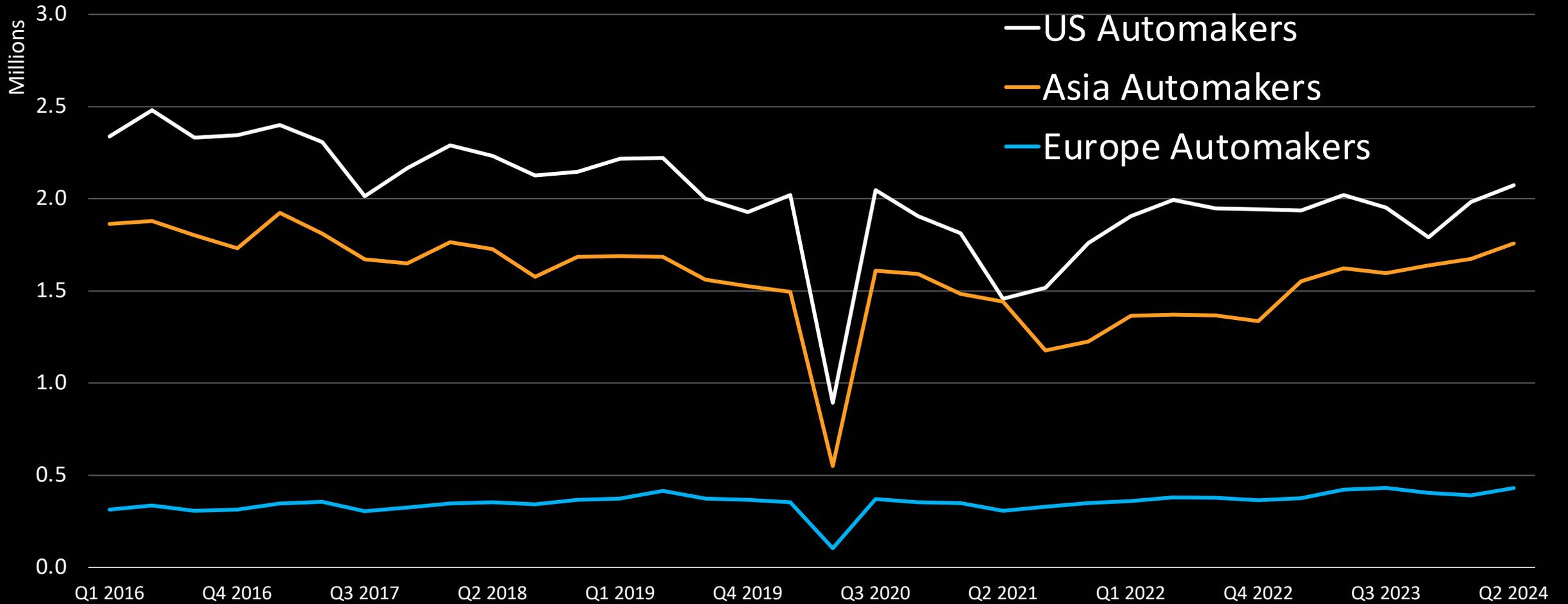
US NEW VEHICLE INVENTORY & SALES

total unit volume



NORTH AMERICA NEW VEHICLE PRODUCTION

total unit volume



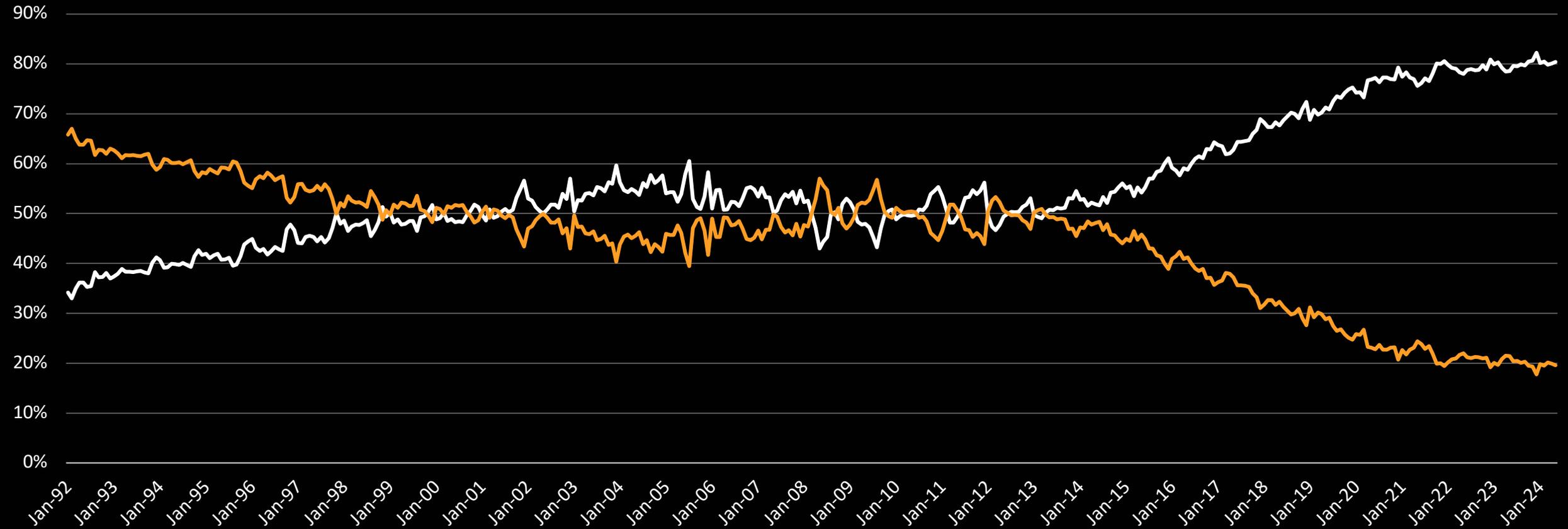


Car/Truck Mix Is Late Stage



US LIGHT TRUCK AND CAR SALES MIX

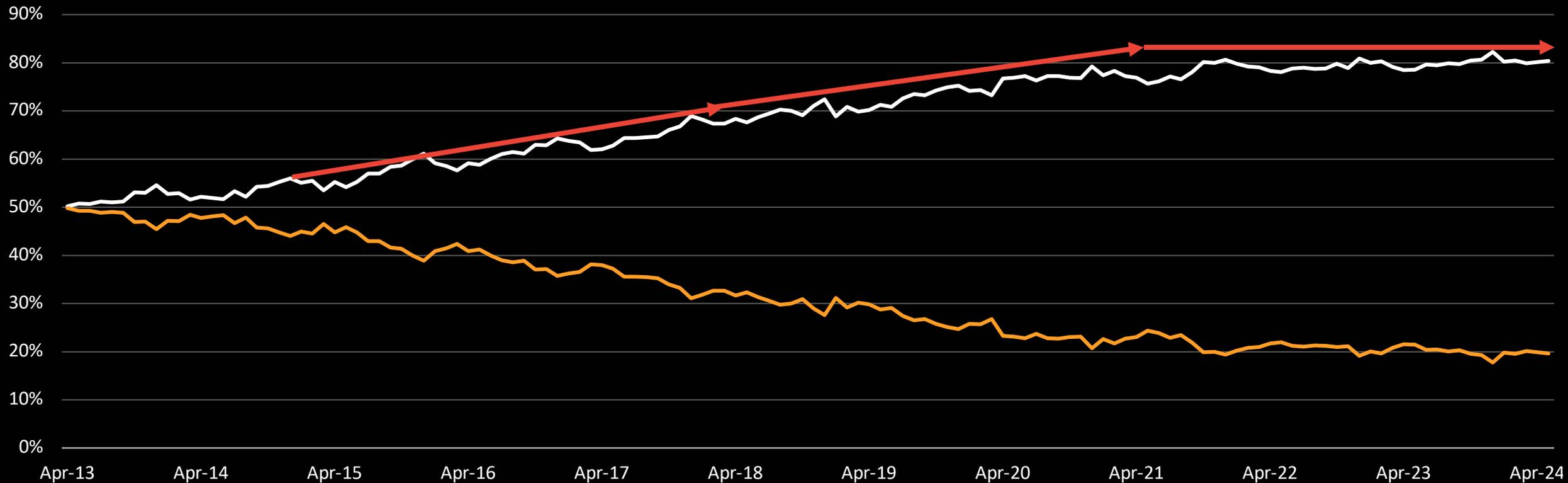
As % of total volume



Source: Wards Auto

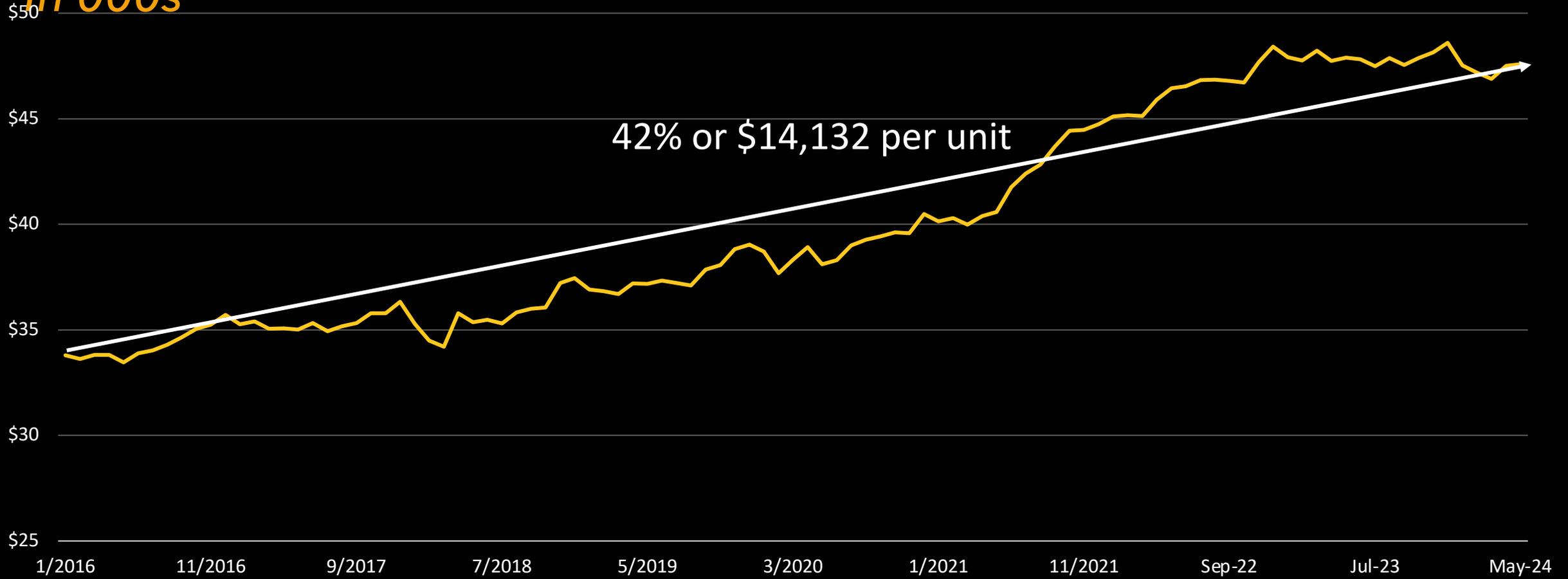
US LIGHT TRUCK AND CAR SALES MIX

Mix flattens, prices at risk of disinflation or deflation



US NEW VEHICLE AVERAGE TRANSACTION PRICE

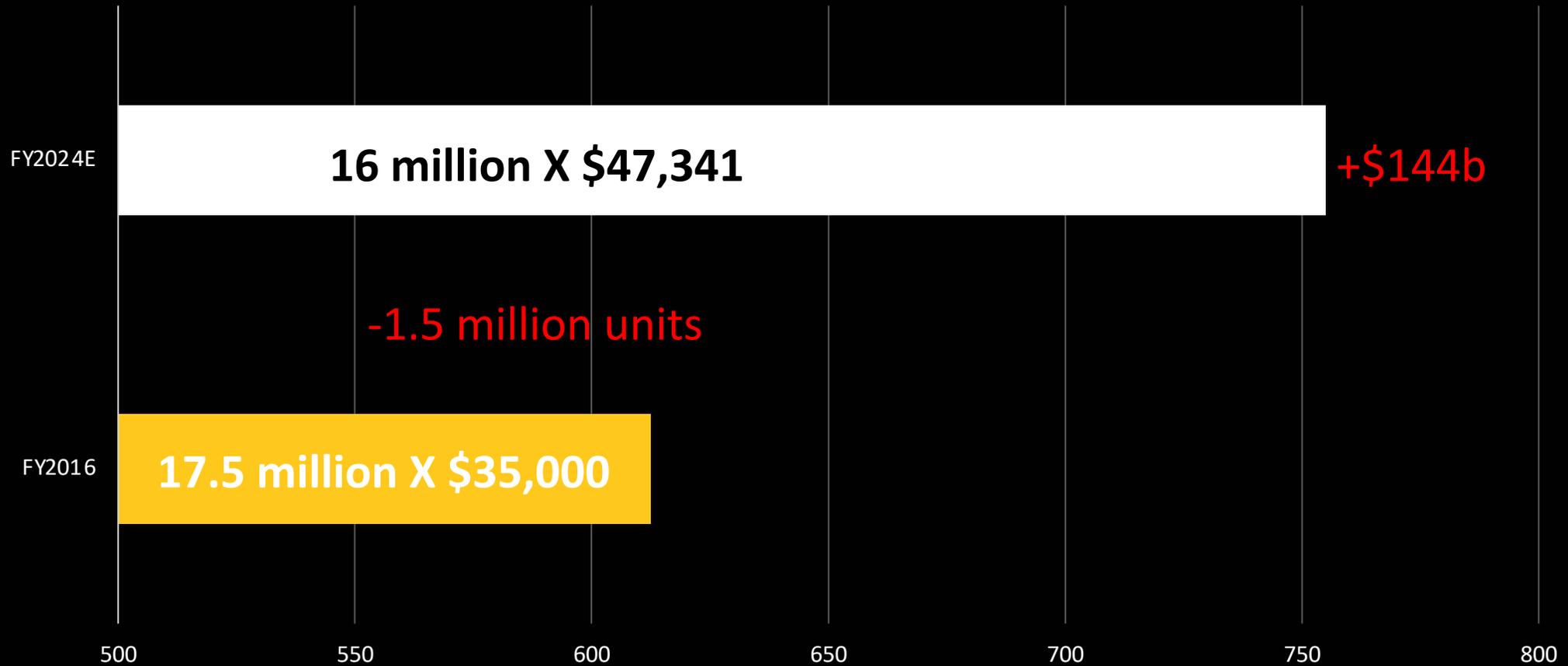
In 000s



Source: Company Data, Edmunds.com

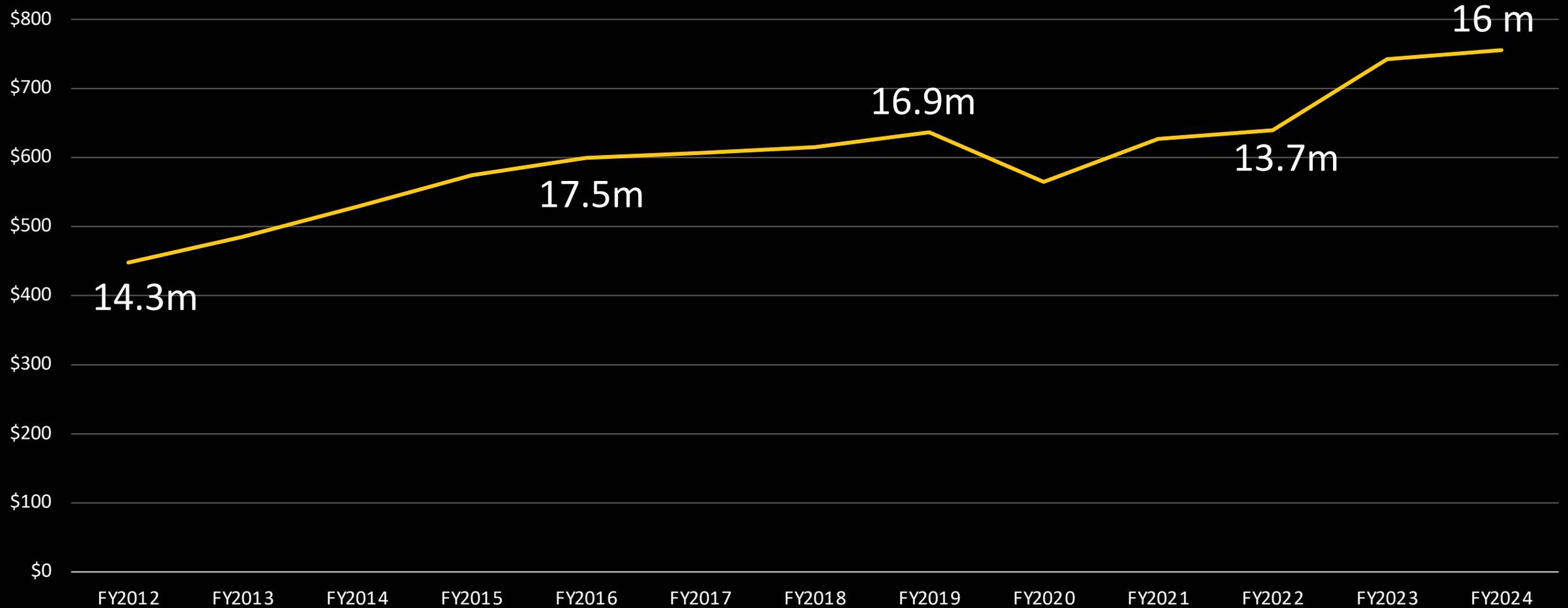
RETAIL REVENUE IN US

FY2016 vs. FY2023



US NEW VEHICLE RETAIL REVENUE POOL

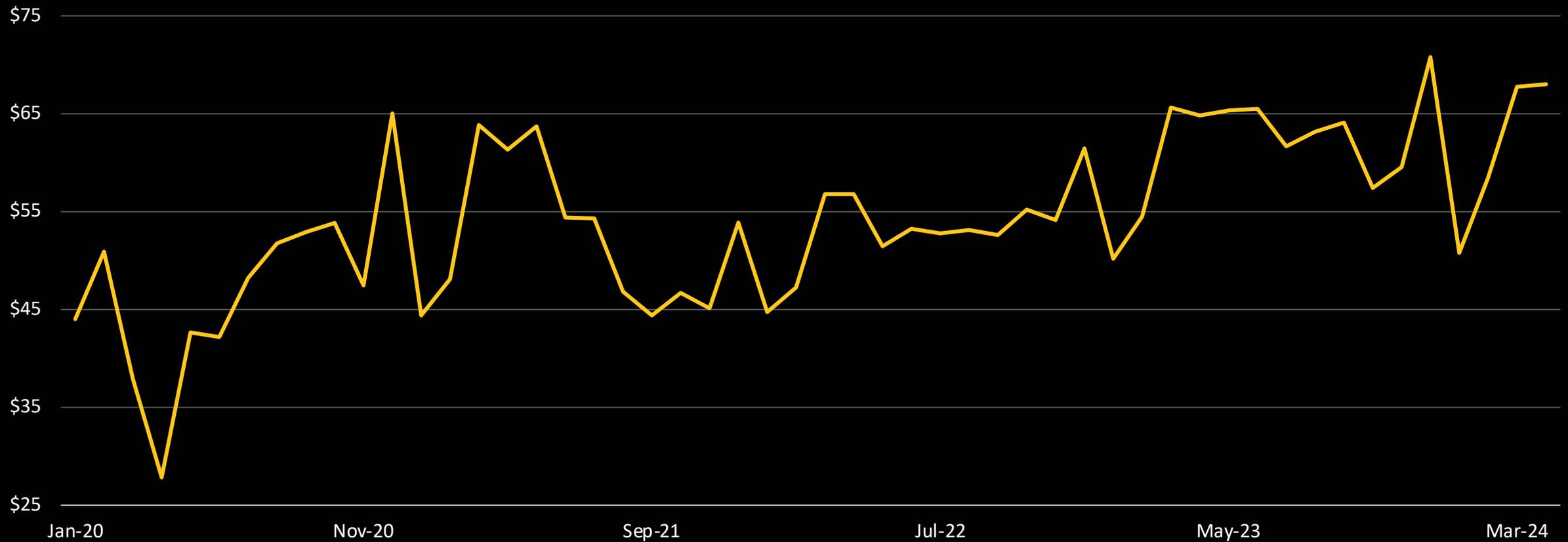
In billion USD



Source: Company Data, Edmunds.com

US NEW VEHICLE RETAIL REVENUE POOL

In billion USD



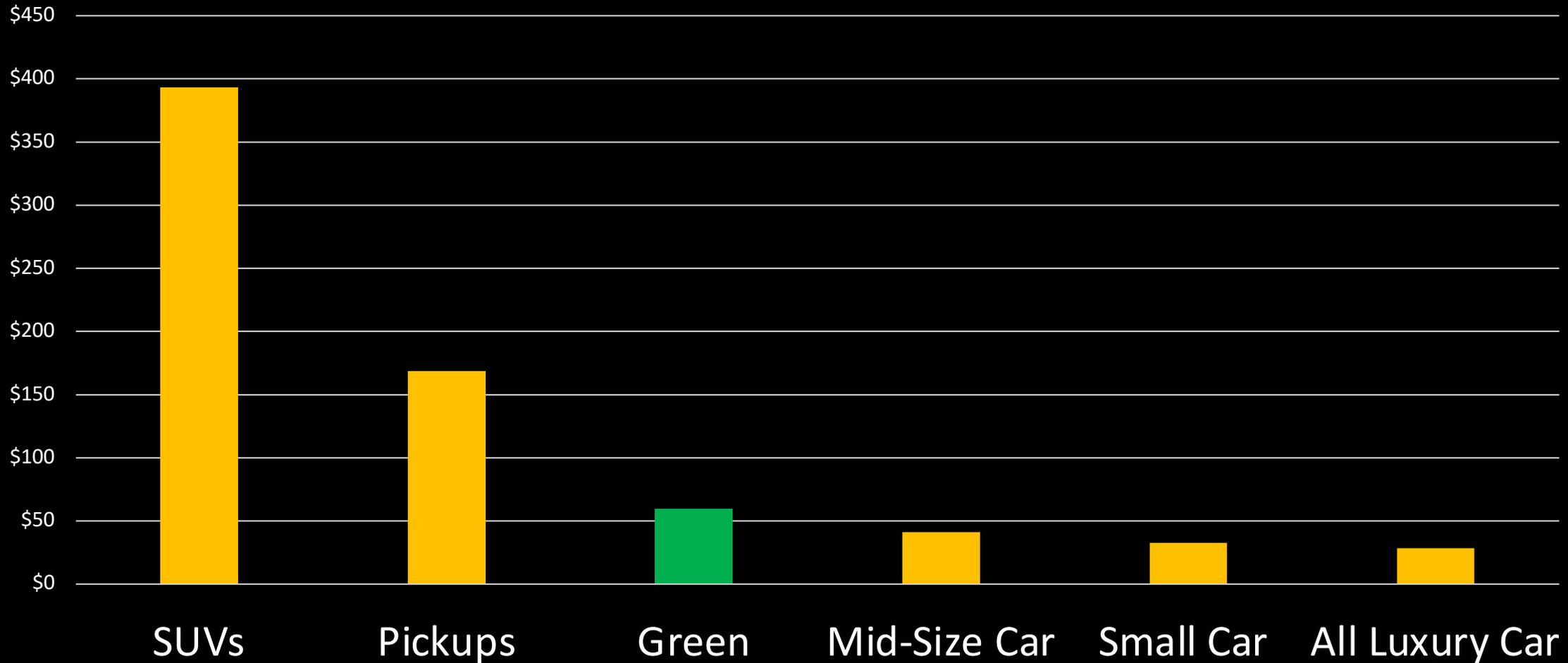
Source: Company Data, Edmunds.com

EV mix shift failing as a profitable growth driver



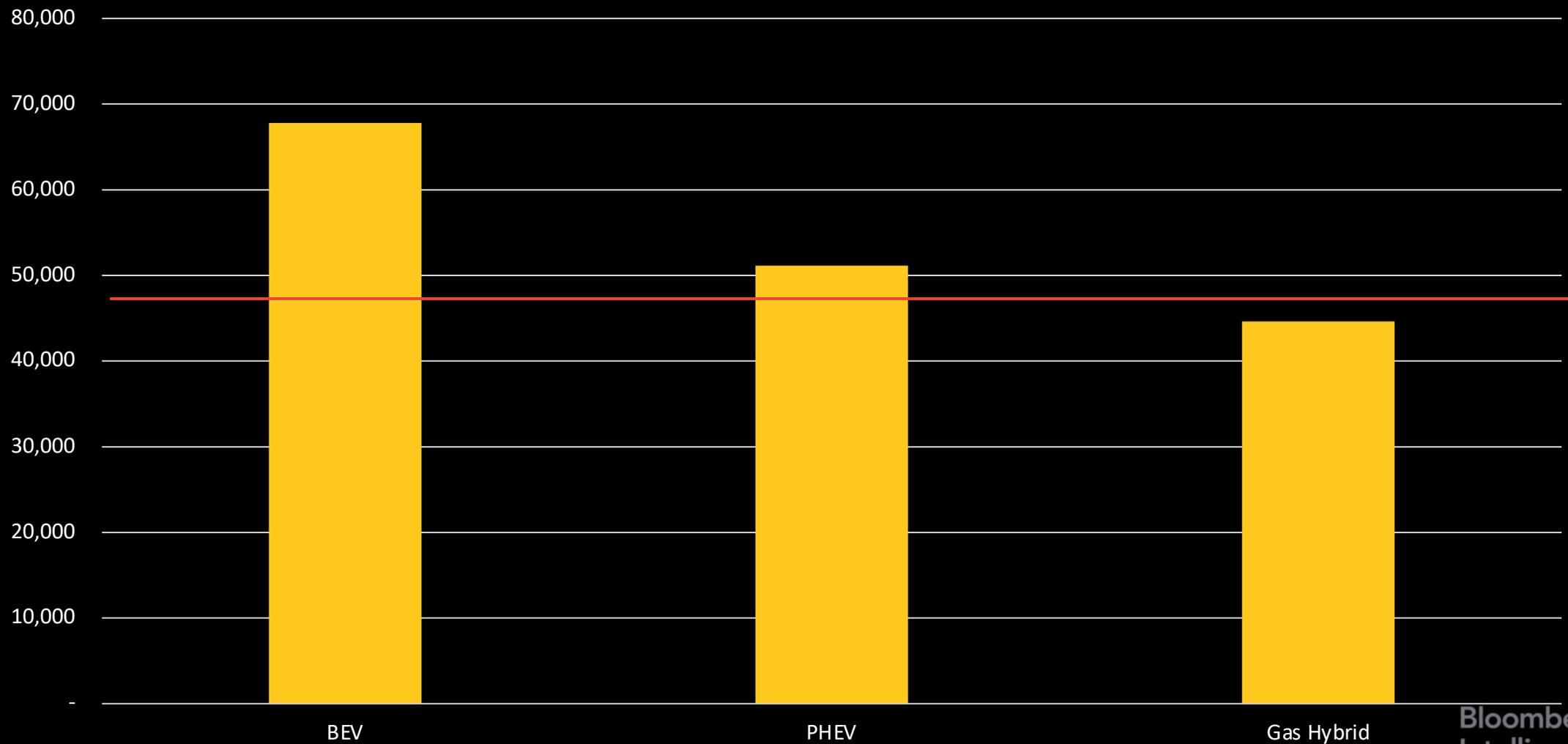
RETAIL REVENUE IN US

2023 - in billions USD



ATP BY DRIVETRAIN TYPE

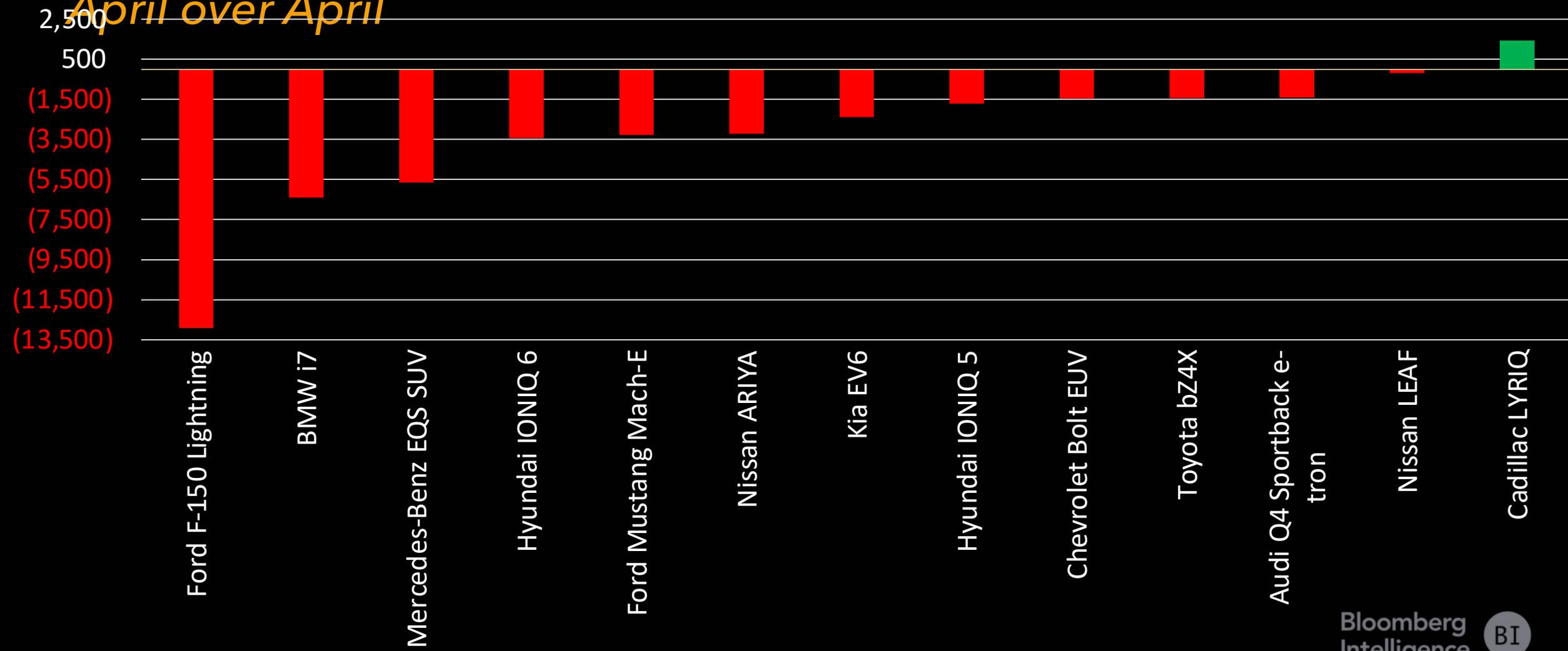
ATP in US - May 2024



Source: Company Data, Edmunds.com

\$ CHANGE IN NEW VEHICLE TRANSACTION PRICE

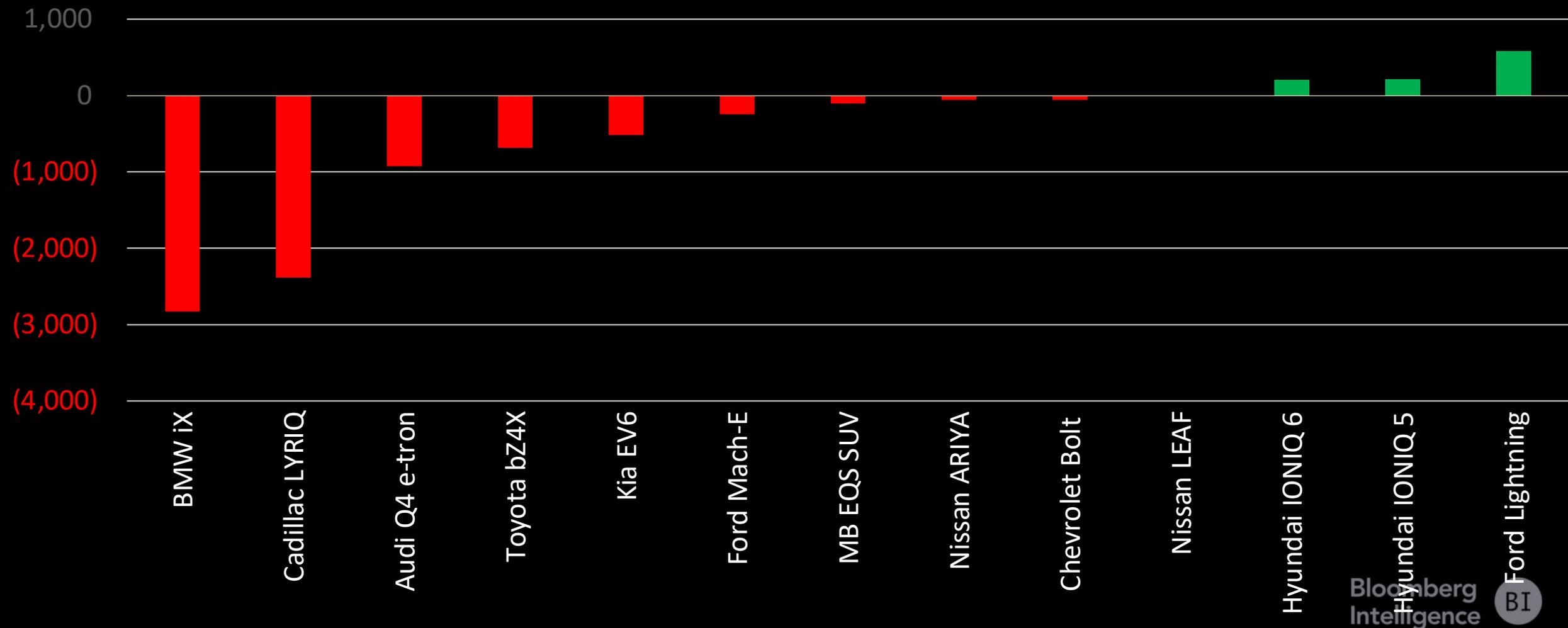
April over April



Source: Company Data, Edmunds.com, Bloomberg Intelligence

\$ CHANGE IN NEW VEHICLE DEALER GROSS PROFIT

March over March



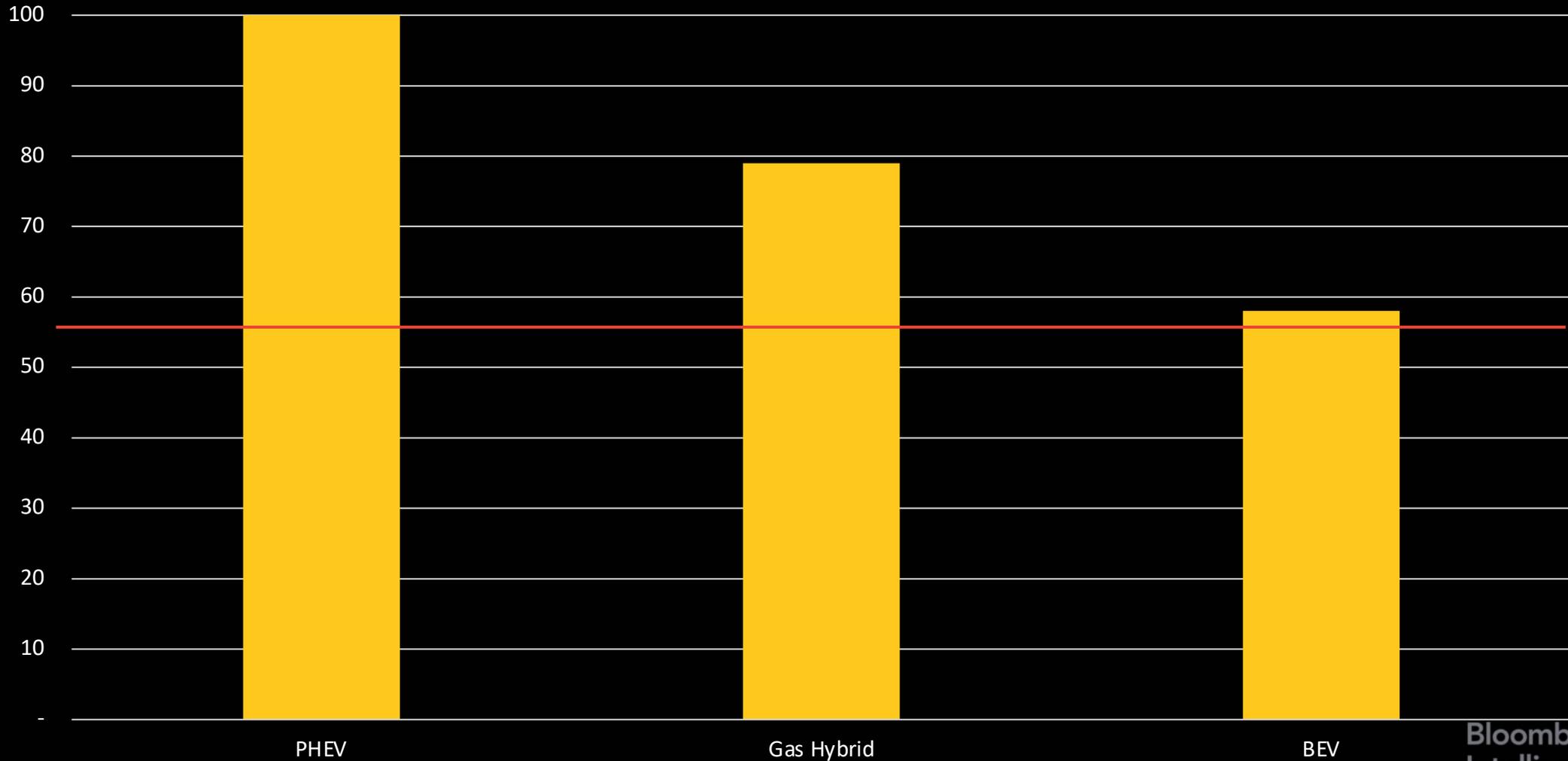
Source: Company Data, Edmunds.com, Bloomberg Intelligence

Bloomberg
Intelligence



DAYS TO TURN BY DRIVETRAIN TYPE

US - March 2024



Source: Company Data, Edmunds.com

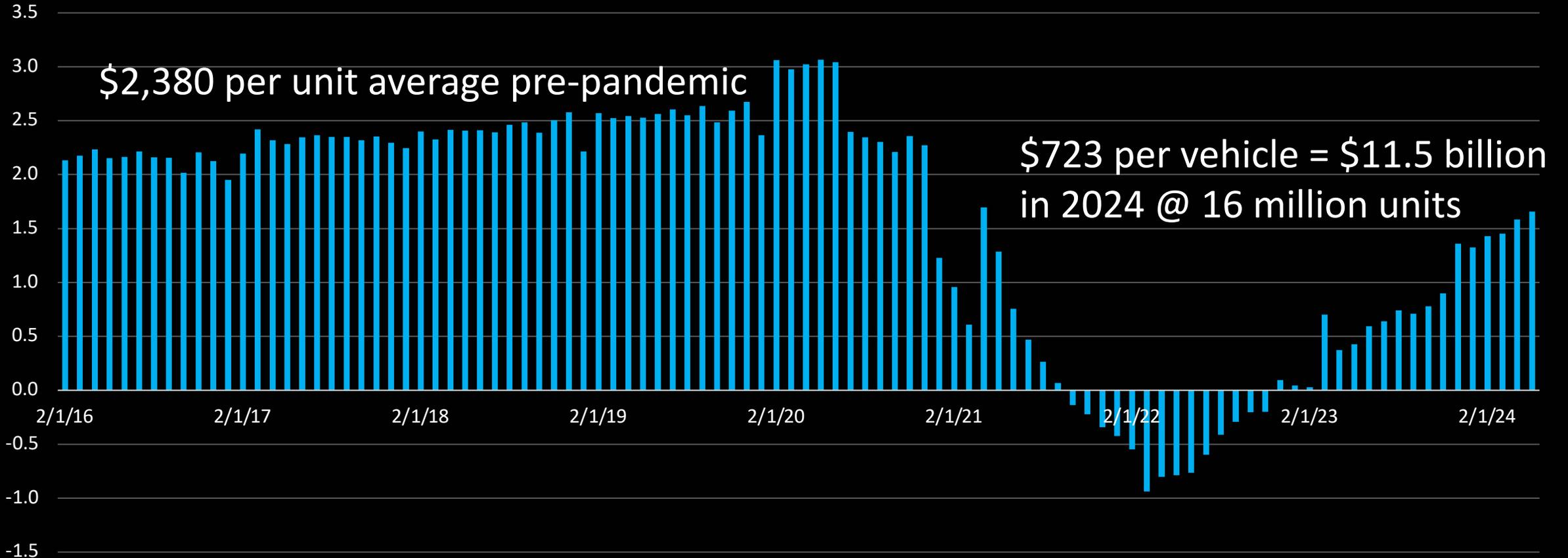


Affordability Challenges Consumers



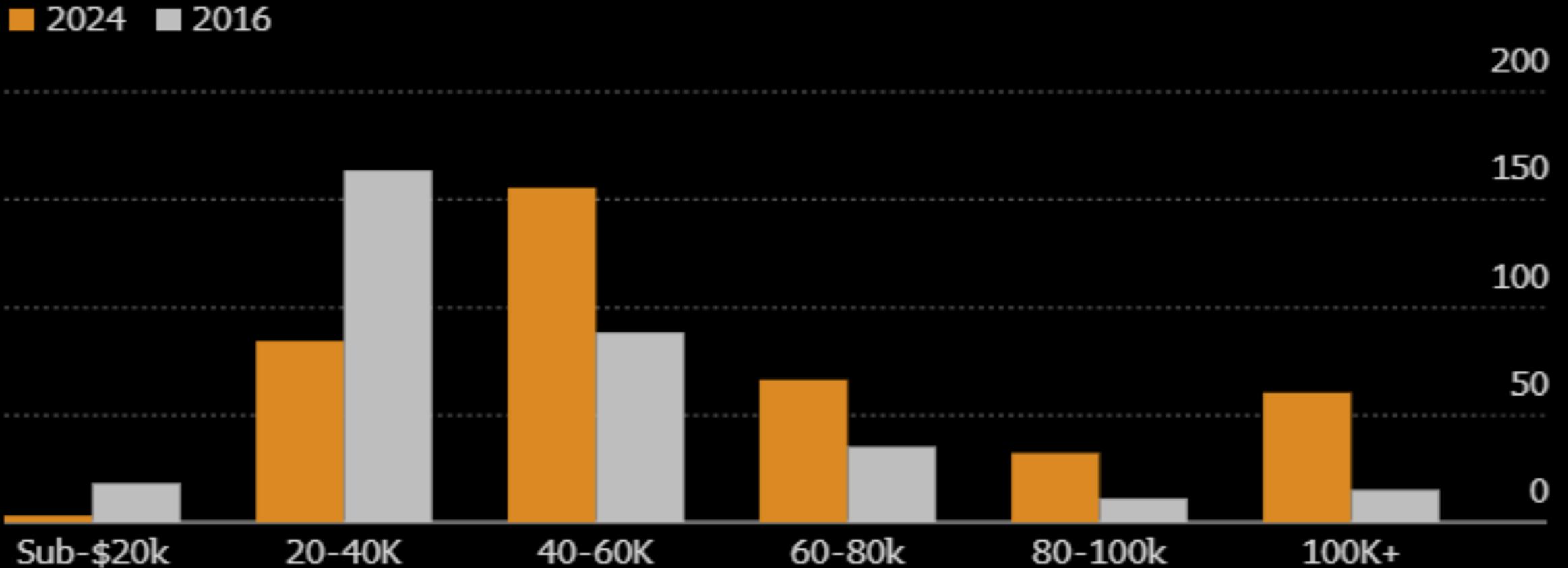
US NEW VEHICLE DISCOUNT \$

In USD



NAMEPLATES BY PRICE POINT 2016 vs. 2024

Shift upmarket difficult to reverse

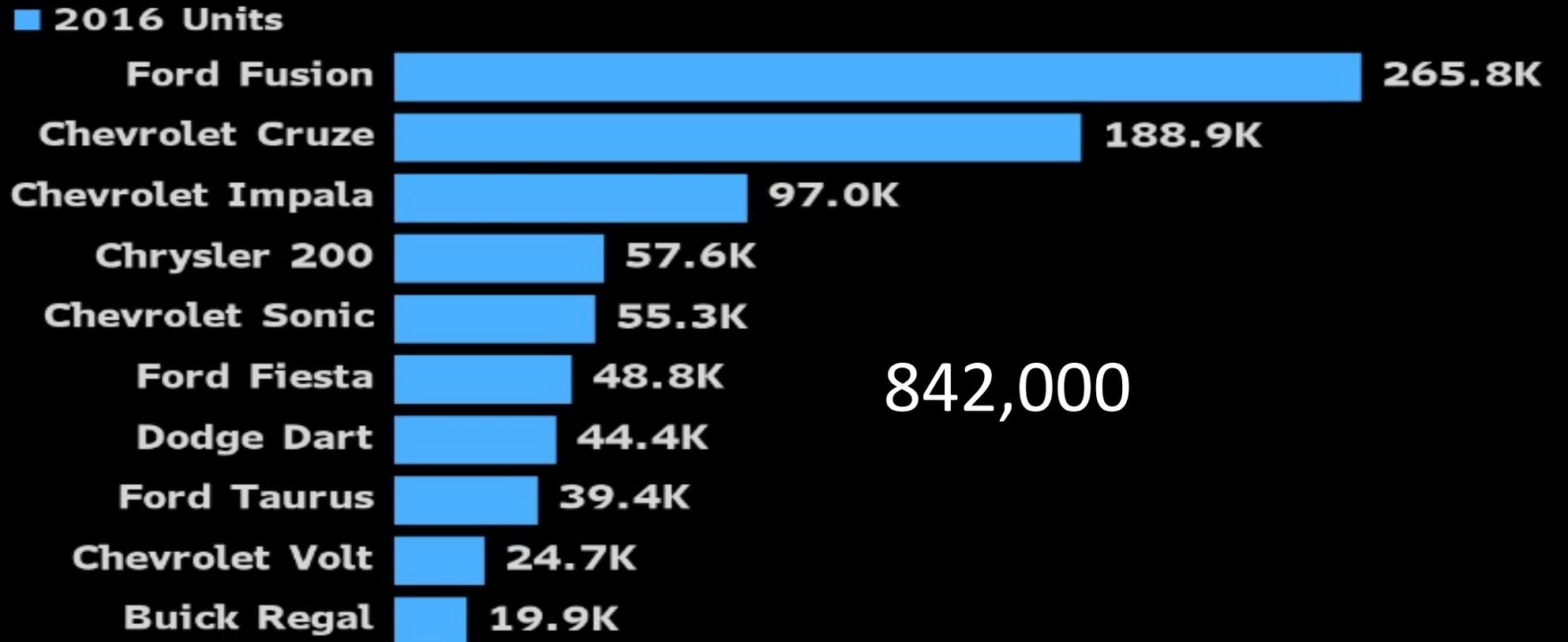


Source: Edmunds.com, Bloomberg Intelligence

Bloomberg

DISCONTINUED NAMEPLATES 2016 VOLUME

Shift upmarket difficult to reverse



Source: Company Filings



Used Vehicle Prices Remain Elevated



US USED VEHICLE WHOLESAL PRICE INDEX

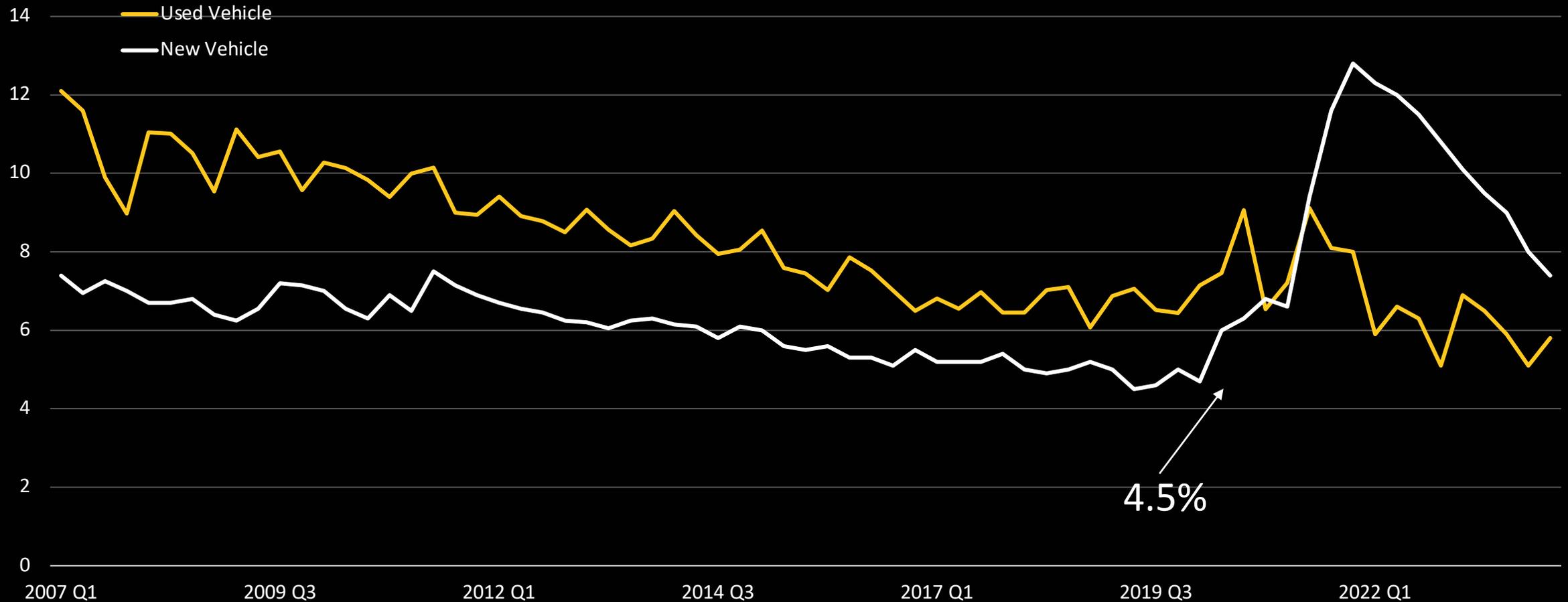
In '000 USD



2x base year
1997

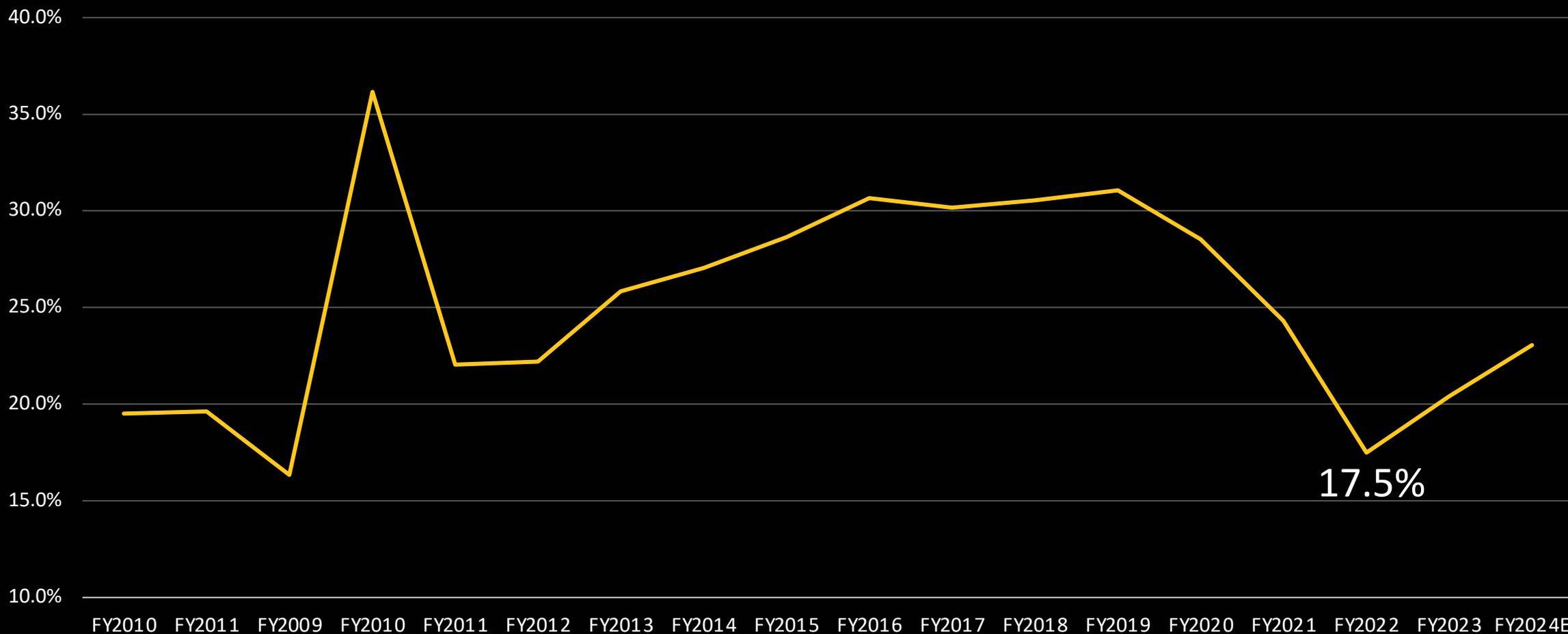
U.S. RETAIL GROSS MARGIN BY SEGMENT

In %



US LEASE PENETRATION

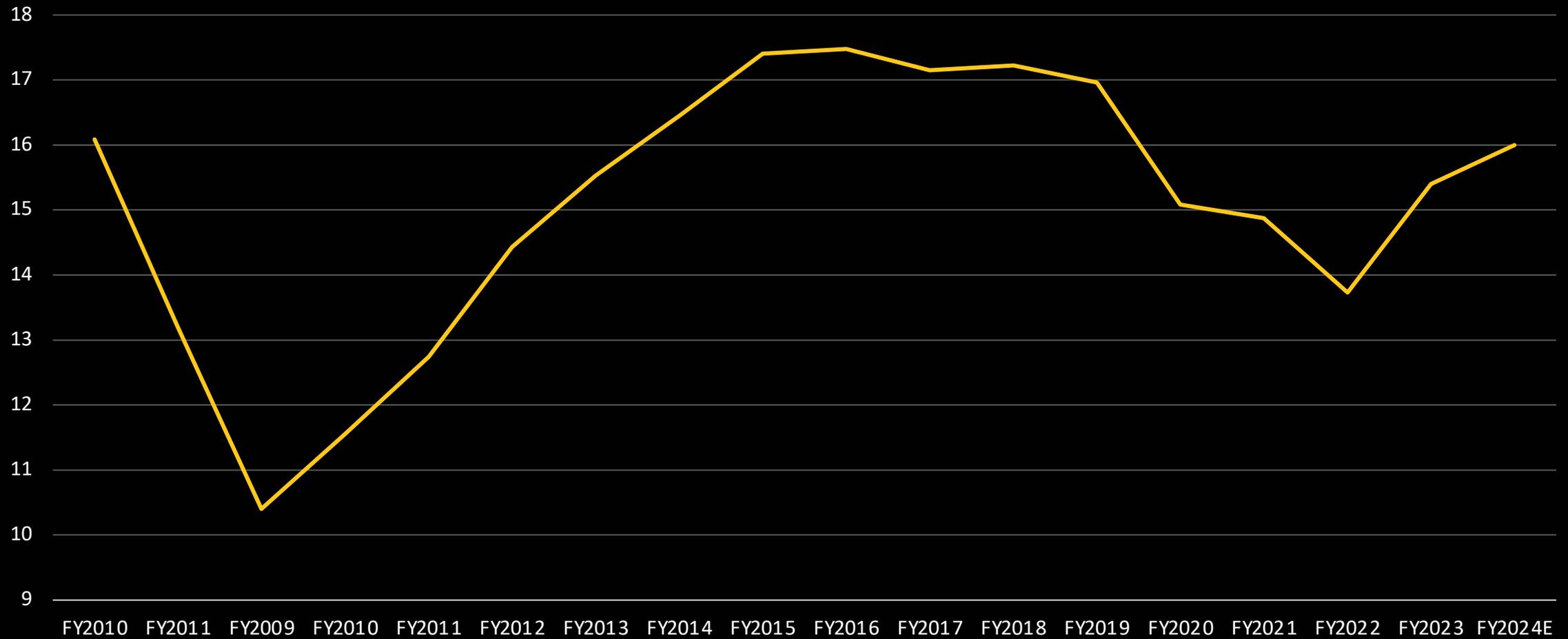
In %



Source: Company Data, Edmunds.com

US TOTAL VOLUME

In million units



Source: Company Data, Wards Auto

US OFF-LEASE RETURNS

In million units

Average lease term = 36 months





Franchise Model Addresses Risks



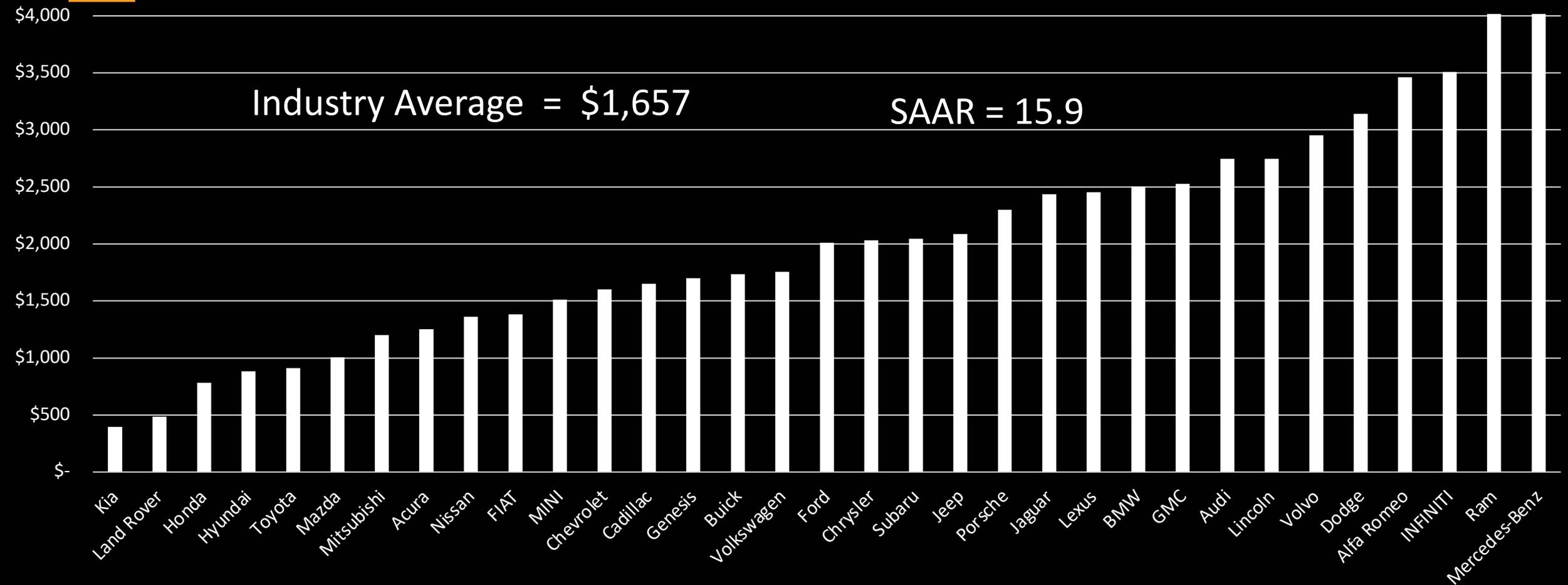


Retail Diffuses Overheated Pricing



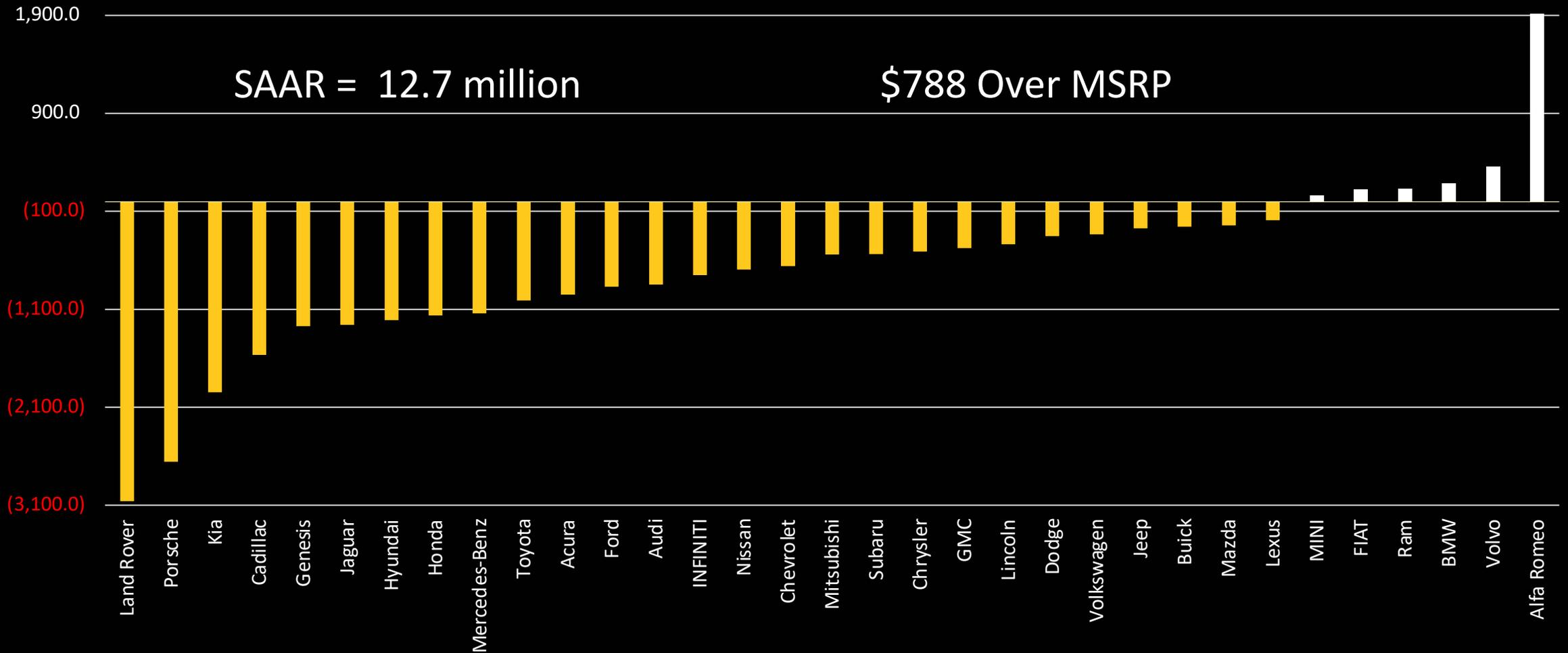
DISCOUNTING \$ BY BRAND

May 2024



U.S. NEW VEHICLE AVERAGE DISCOUNT

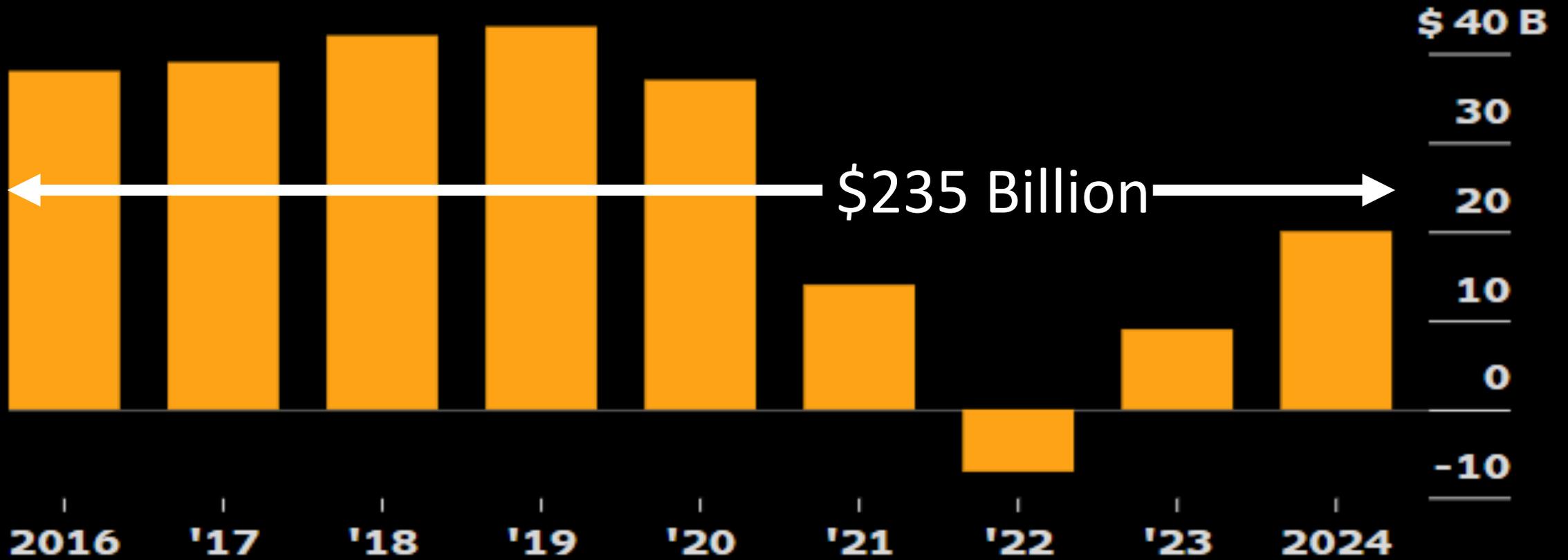
May 2022



Source: Company Data, Edmunds.com, Bloomberg Intelligence

DISCOUNTS FROM MSRP 2016-24E

In USD



Source: Company Data, Edmunds.com, Bloomberg Intelligence



EV Adoption Requires Distribution, Aftersales Scale



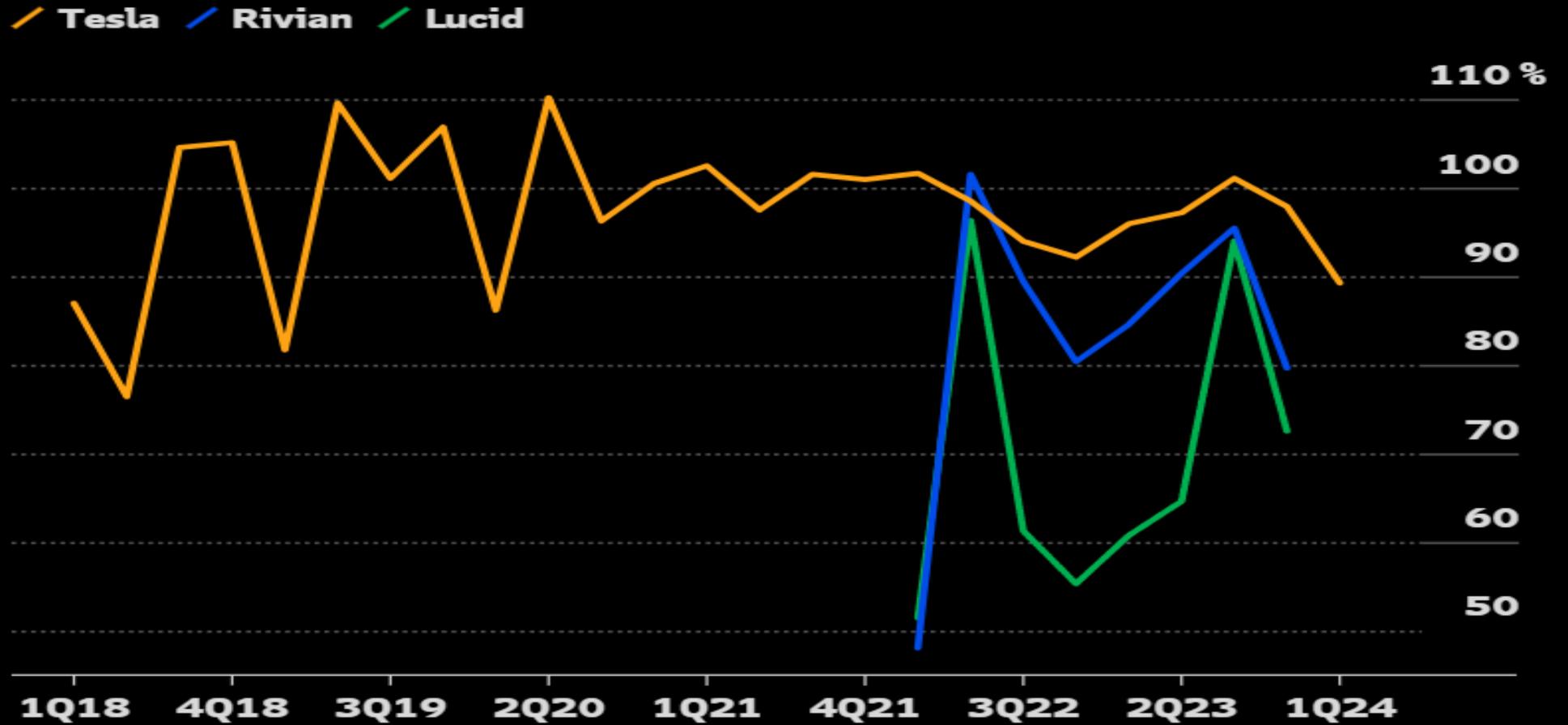


Throughput, COGS & Revenue



PRODUCTION THROUGHPUT

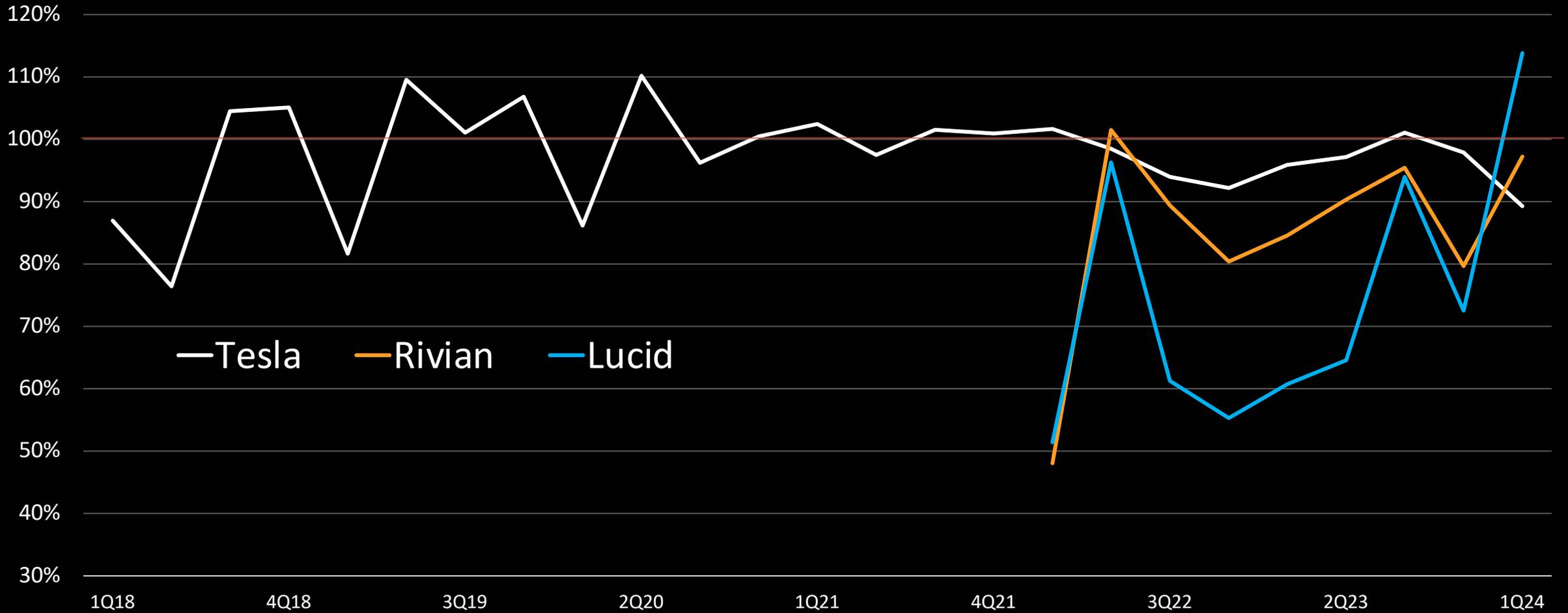
Pure-Play BEV direct sales model



Source: Company Filings

NORTH AMERICA NEW VEHICLE PRODUCTION

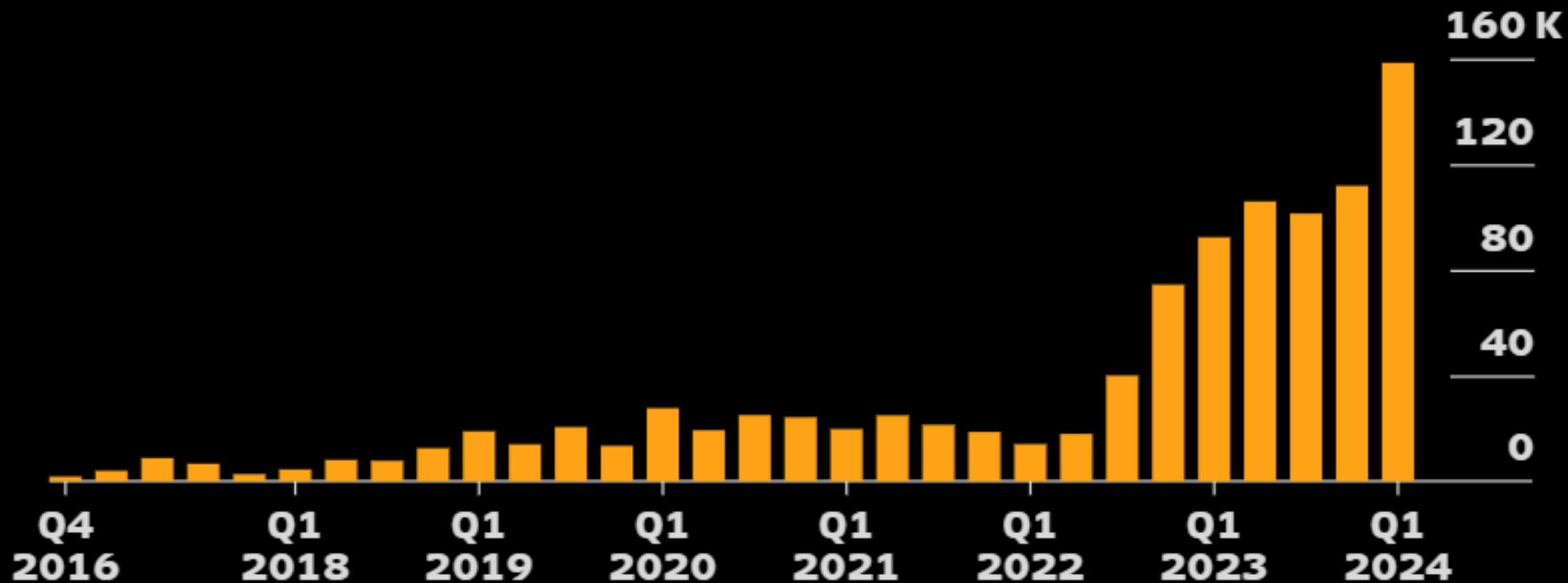
total unit volume



— Tesla — Rivian — Lucid

TESLA INVENTORY BUILD IN UNITS

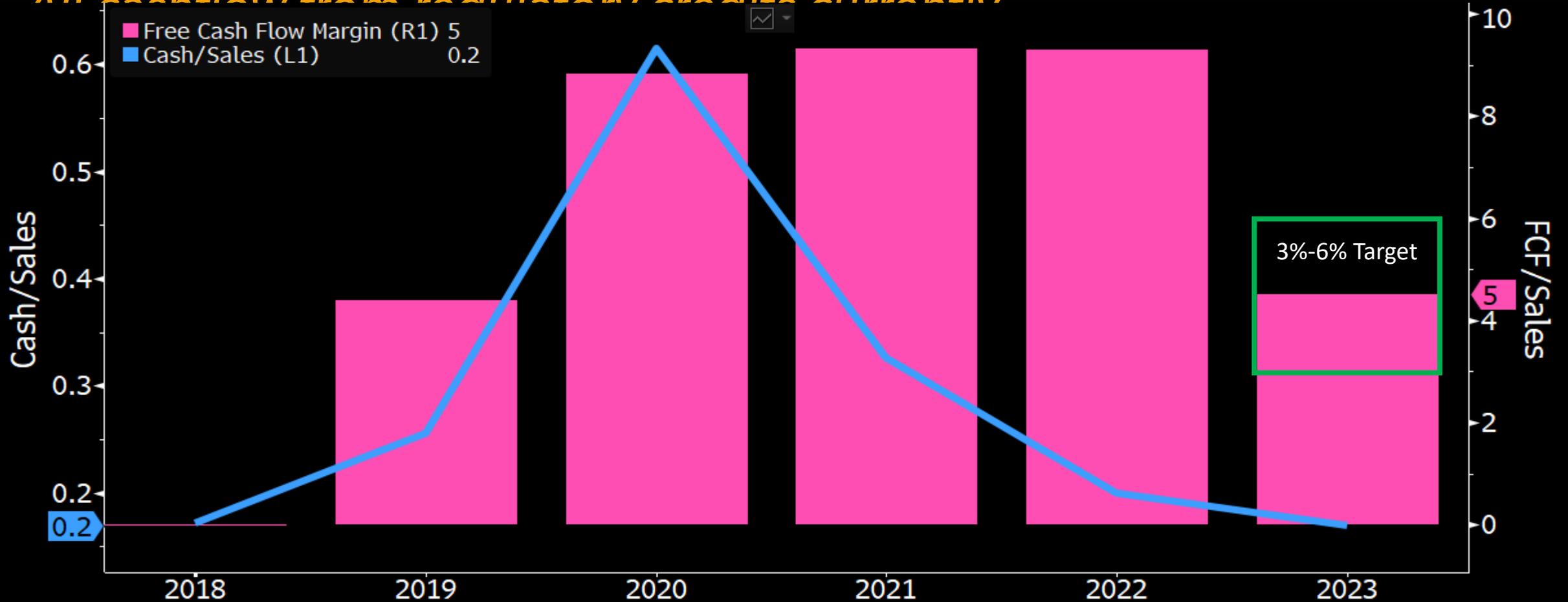
Inventory value stays on automaker balance sheet



Source: Company Filings, Bloomberg Intelligence

TESLA INVENTORY BUILD DAMAGING FINANCIAL METRICS

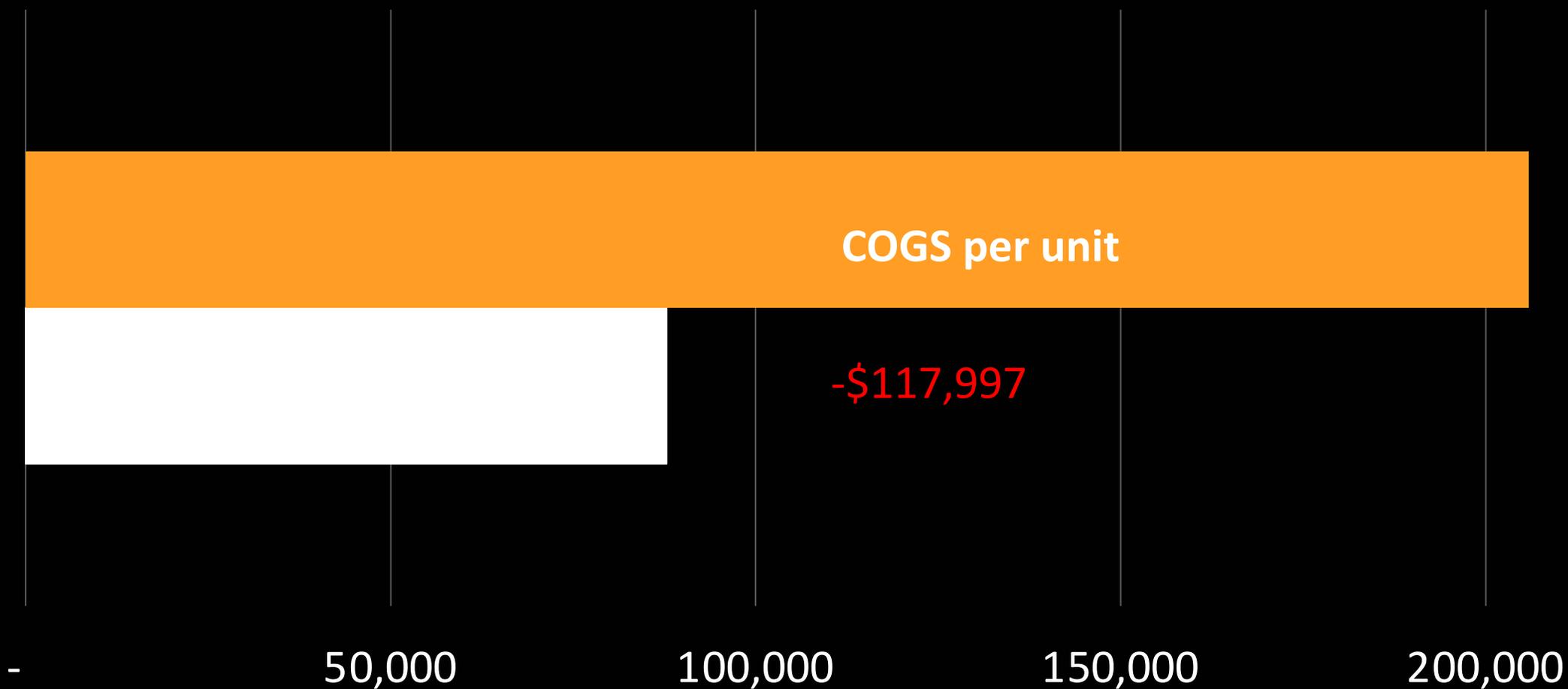
Att cashflow from regulatory credits currently



Source: Bloomberg Intelligence Credit Research

LUCID REVENUE & COGS PER UNIT

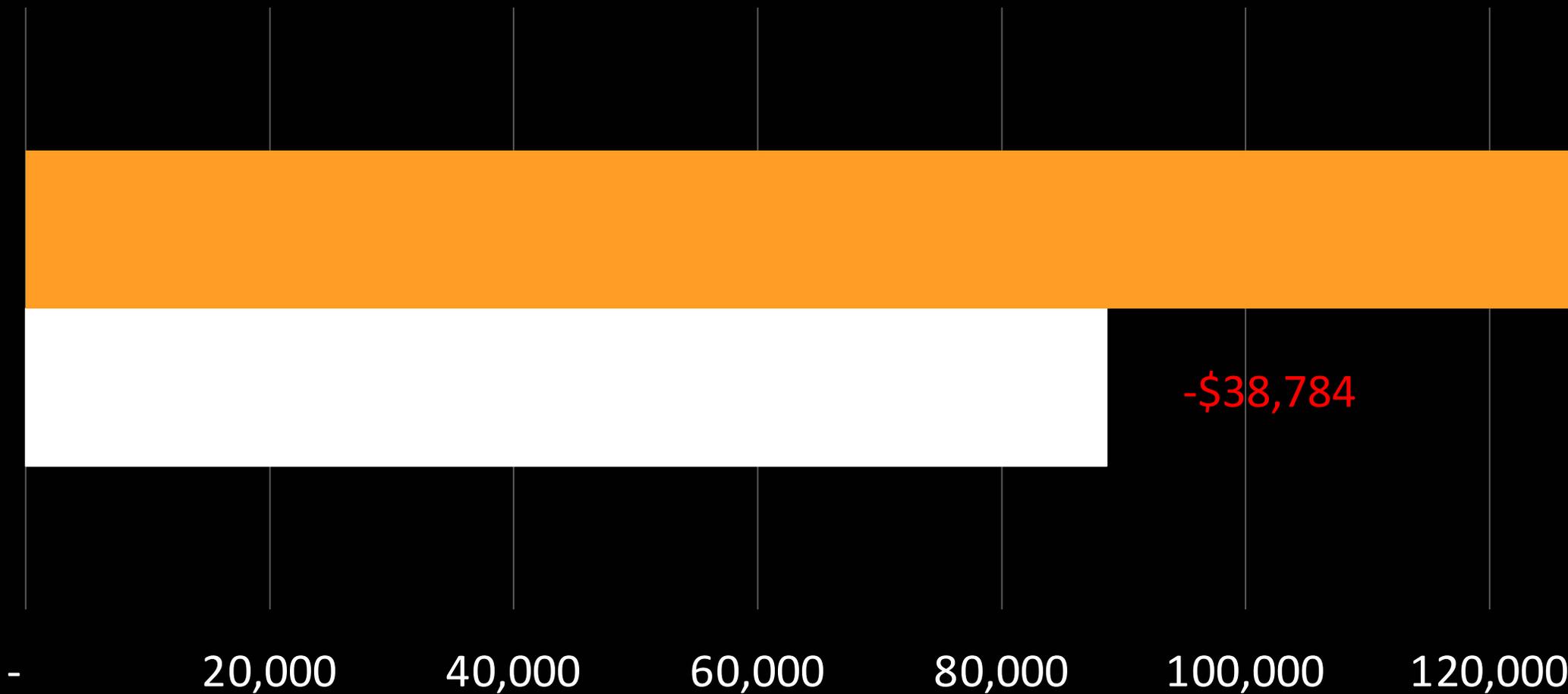
1Q24



Source: Company Filings, Bloomberg Intelligence

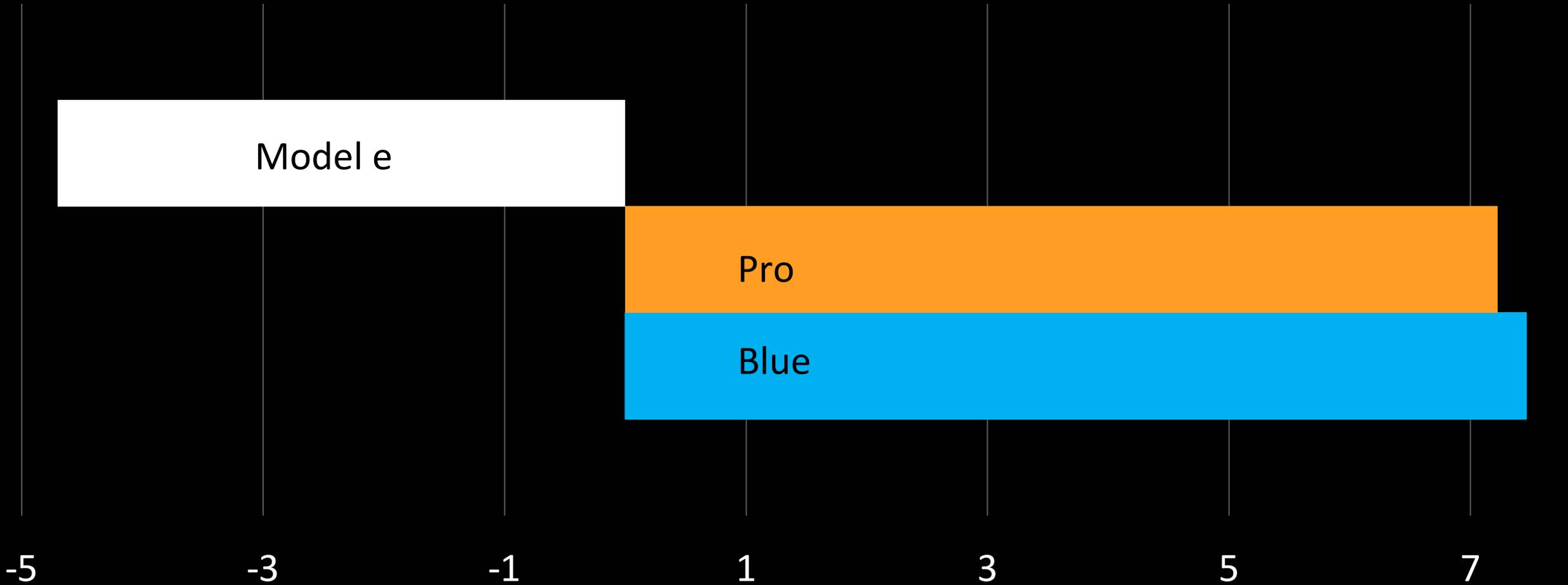
RIVIAN REVENUE & COGS PER UNIT

1Q24



FORD PRETAX INCOME BY BUSINESS UNIT

2023 - in billions USD



Source: Company Filings

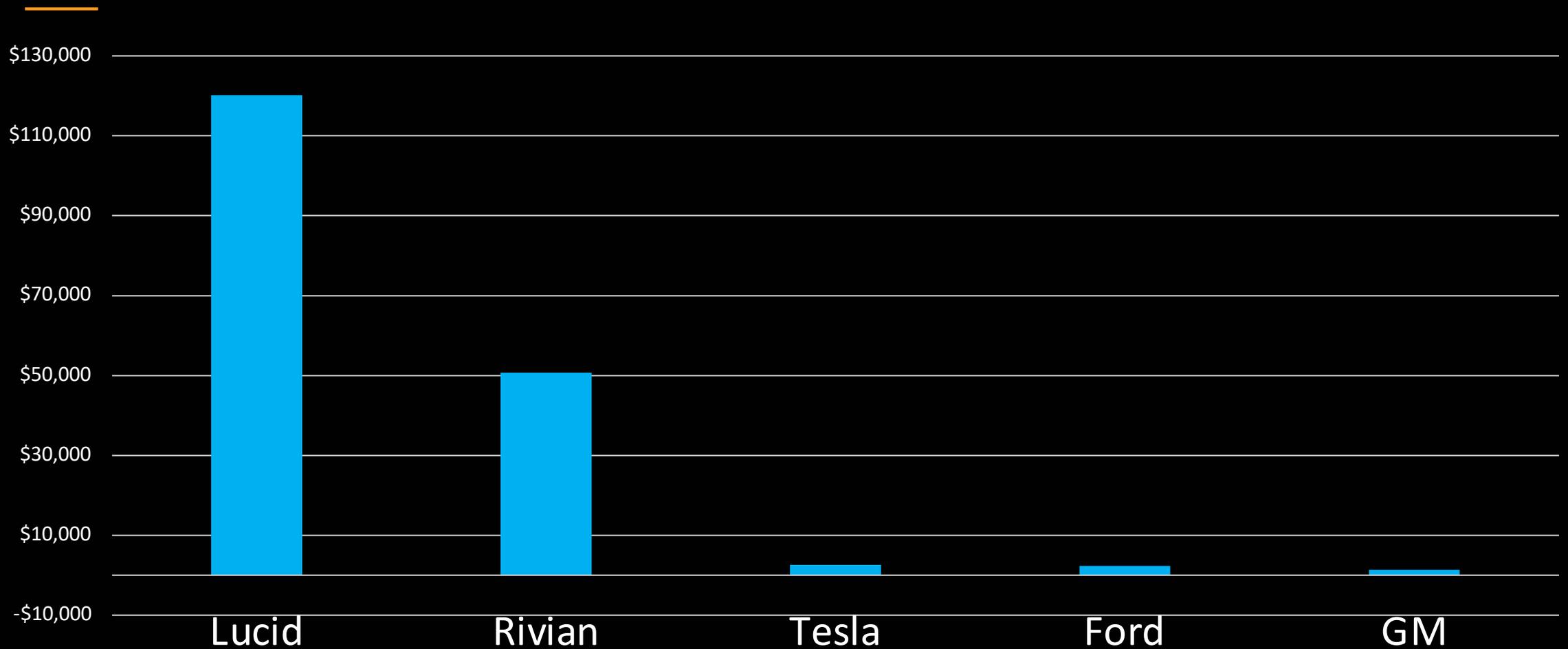


SG&A



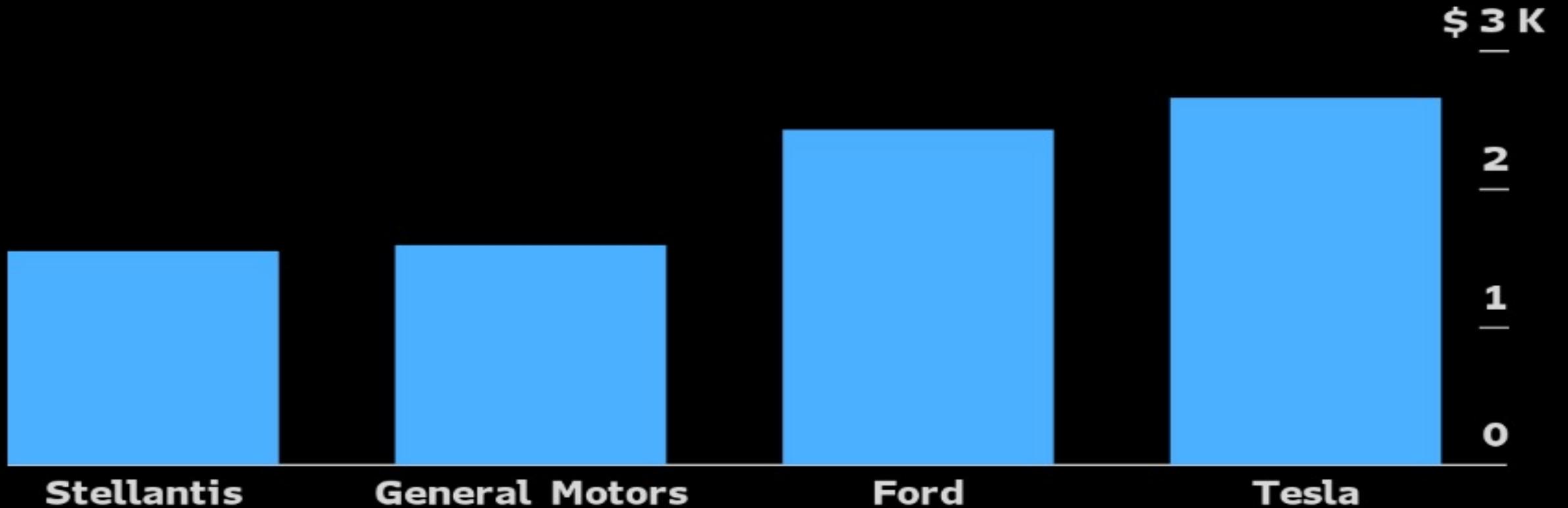
SG&A EXPENSE PER DELIVERY - MFG

1Q24 - in USD



SG&A EXPENSE PER DELIVERY - MFG

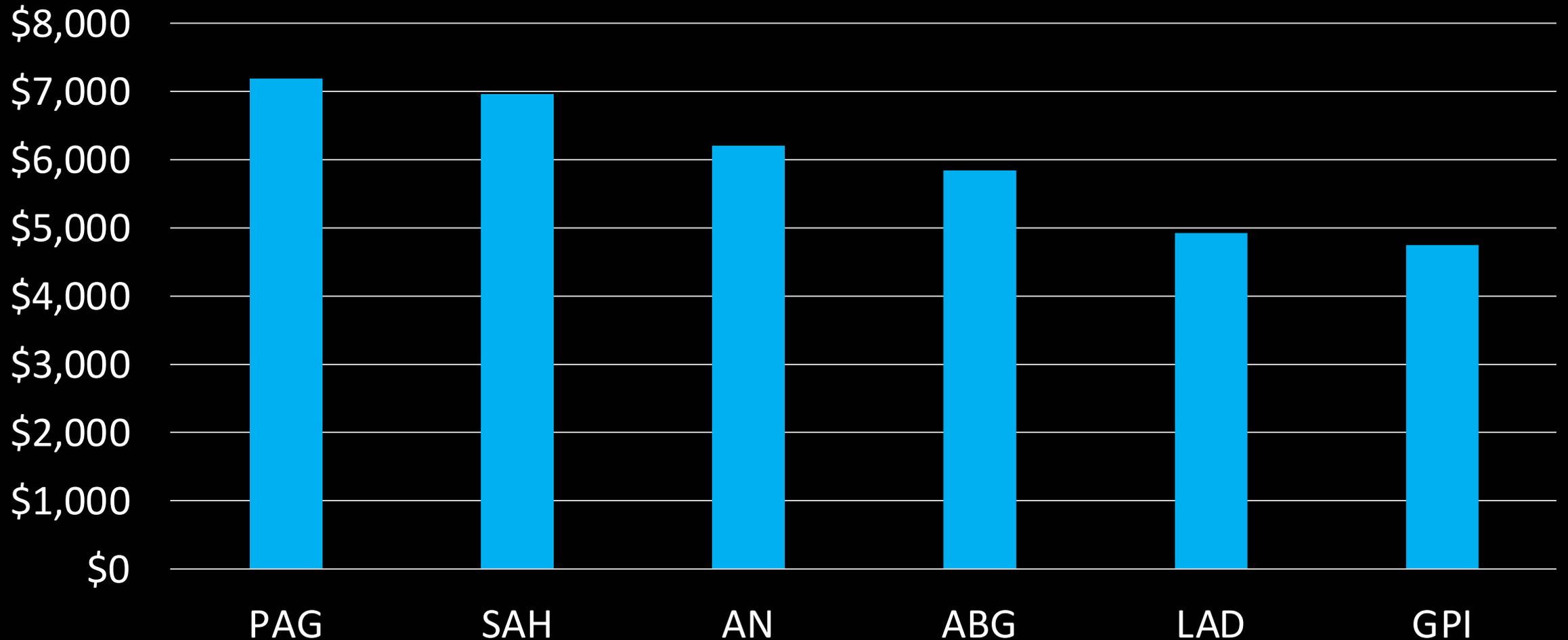
2023 - in USD



Source: Company Filings, Bloomberg Intelligence

SG&A EXPENSE PER DELIVERY - RETAIL

1Q24 - in USD



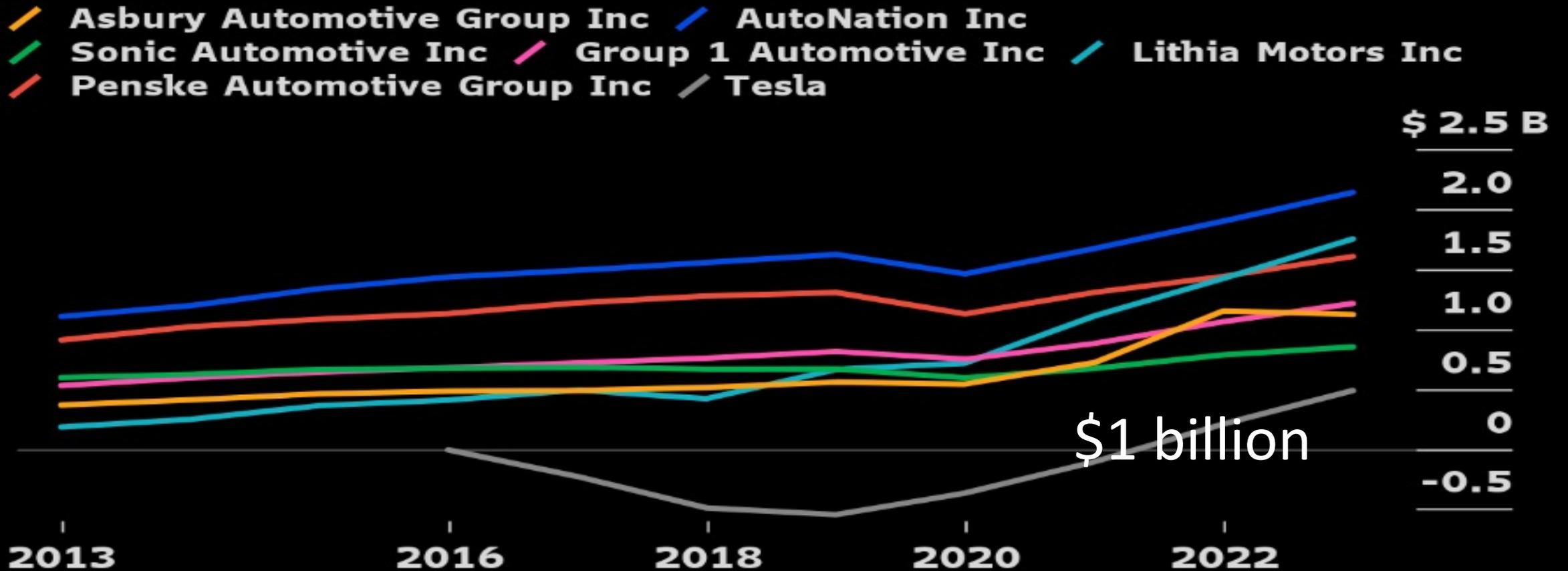


Fixed Ops



PARTS & SERVICE GROSS PROFIT

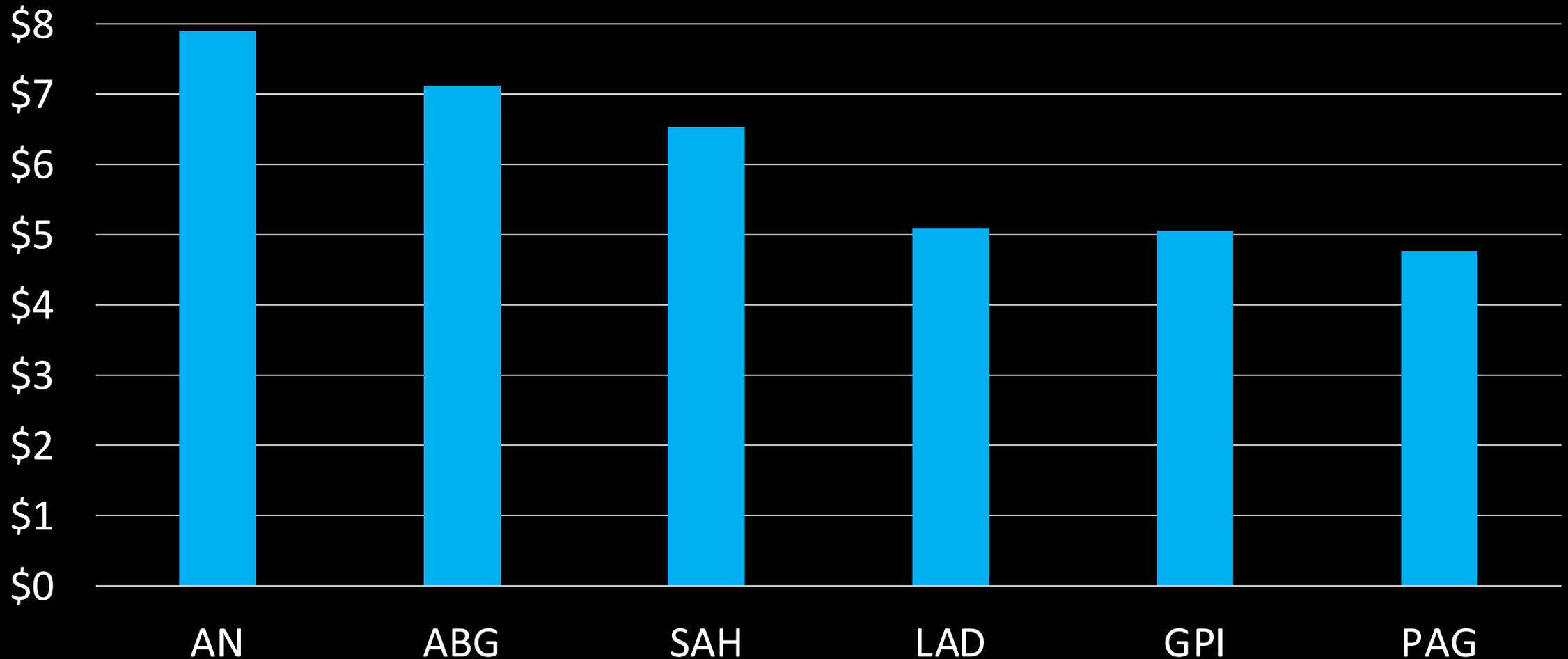
2013-2023



Source: Company Filings, Bloomberg Intelligence

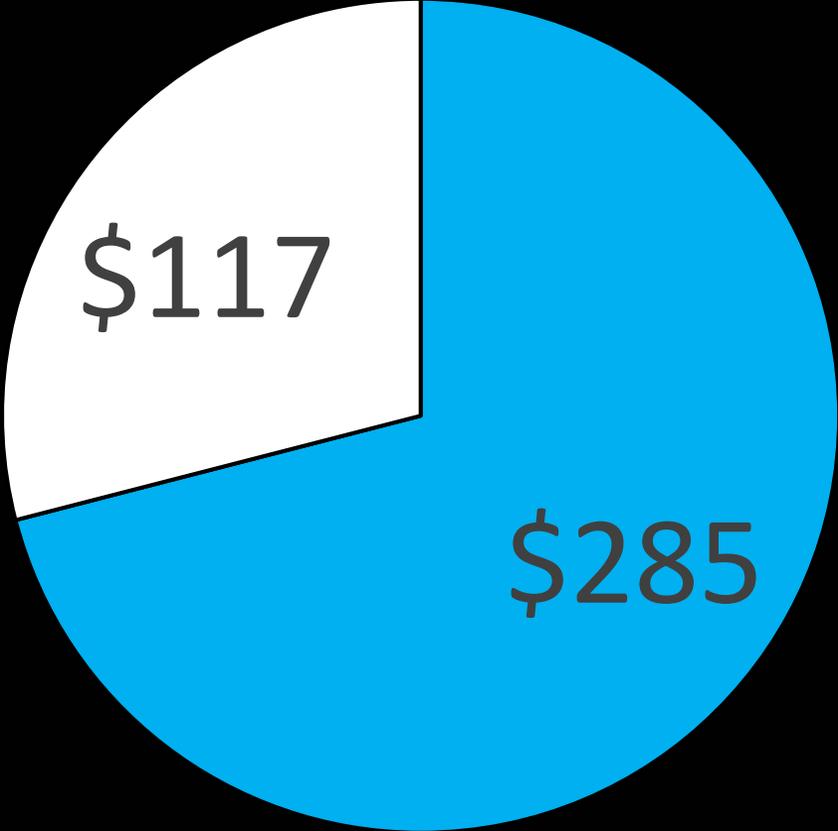
FIXED OPS GROSS PER STORE - RETAIL

2023 - in million USD



AUTOCARE REVENUE POOL

2025 - in billion USD



■ Independent ■ Franchised

Thank you

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