

J.D. POWER



USED CAR AND LIGHT TRUCK GUIDELINES

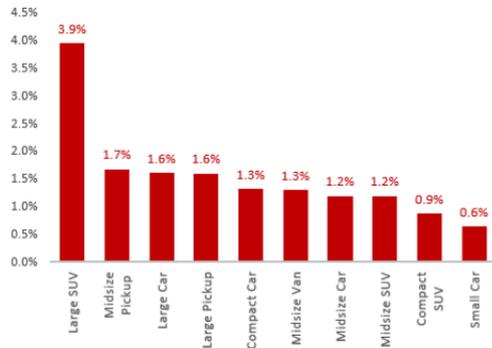
MAY 2019 INDUSTRY REVIEW

J.D. Power Valuation Services

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Mainstream M/M Wholesale Price Δ



Premium M/M Wholesale Price Δ



AUCTION VOLUME TRENDS

Auction volume for units up to 5 years in age declined by 5.3% relative to March 2019, however, volume did increase by 8.1% compared to April 2018. As a result, CYTD volume is now 6.5% above 2018's level. So far this year the largest volume increases have been observed among SUV segments. This is a trend that will continue as more of these models are sold on the new side of the market. For example, compact utility volume is up by 30.2% and mid-size utility is up 14.6% so far this year. In terms of volume share, truck share represents 51.3% while car share represents 48.7%. Used supply for units up to five years in age is expected to increase by around 3% and peak in 2019, before leveling off in 2020 and 2021. The anticipated increase will be fueled by increases in off-lease volume. Retail, rental and commercial volumes are also expected to increase in 2019, however, not nearly to the same degree as off-lease volume.

Segment	CYTD '18	CYTD '19	CYTD Change
Compact Car	204,517	214,379	▲ 4.8%
Compact SUV	191,049	248,749	▲ 30.2%
Large Car	35,678	36,143	▲ 1.3%
Large Pickup	120,785	136,435	▲ 13.0%
Large SUV	23,431	24,414	▲ 4.2%
Large Van	7,614	7,031	▼ -7.7%
Midsize Car	260,661	238,592	▼ -8.5%
Midsize Pickup	14,240	18,911	▲ 32.8%
Midsize SUV	136,486	156,438	▲ 14.6%
Midsize Van	50,246	41,215	▼ -18.0%
Small Car	68,876	67,007	▼ -2.7%
Sporty Car	27,955	24,311	▼ -13.0%
Compact Premium Car	57,171	57,422	▲ 0.4%
Compact Premium SUV	25,972	32,623	▲ 25.6%
Large Premium Car	8,135	7,315	▼ -10.1%
Large Premium SUV	10,327	12,986	▲ 25.7%
Midsize Premium Car	18,021	18,393	▲ 2.1%
Midsize Premium SUV	37,572	40,455	▲ 7.7%
Premium Sporty Car	17,275	18,787	▲ 8.8%
Industry	1,316,011	1,401,606	▲ 6.5%

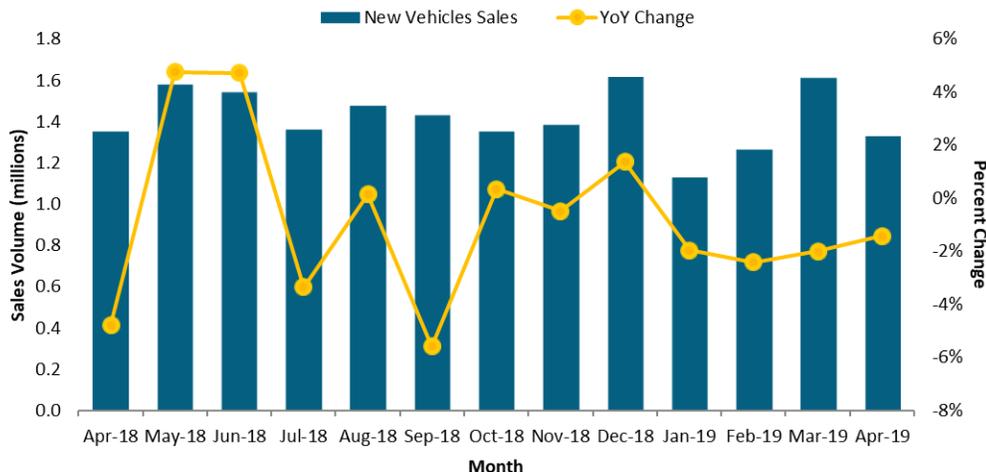
2019 FORECAST

In terms of full-year 2019 expectations, with March and April's stronger than expected performances the used market is expected to remain relatively flat in 2019 relative to 2018. J.D. Power Valuation Services' 2019 forecast expects used prices for vehicles up to 8 years in age to decline by 0.1%. As new vehicle prices rise, and affordability concerns increase, consumers will continue turning to used vehicles as alternatives to their new counterparts. Even with increasing levels of used supply, healthy consumer appetite for used vehicles will help bolster values.

NEW VEHICLE SALES

In April, the new vehicle market turned in another disappointing performance. New sales reached 1.33 million units for the period, down 5.6% relative to April 2018. The seasonally adjusted annual rate (SAAR) was reduced to 16.43 million, the lowest level for the month of April since 2014. April's performance was driven by declines in both retail and non-retail sales, non-retail sales fell for the first time since January 2018. Ultimately, the month's result brought 2019's tally to 5.32 million units, down 2.2% compared to YTD 2018.

New Vehicle Sales



Source: WardsAuto

Mainstream Brand Performance (Units Sold)

	Apr-19	Apr-18	CYTD-19	CYTD-18	Y/Y	CYTD/CYTD
Buick	16,590	17,370	68,457	74,174	-4.5%	-7.7%
Chevrolet	153,819	164,838	605,432	655,369	-6.7%	-7.6%
Chrysler	8,987	14,189	40,578	60,422	-36.7%	-32.8%
Dodge	31,262	40,994	141,779	157,965	-23.7%	-10.2%
Fiat	1,522	2,450	3,736	6,464	-37.9%	-42.2%
Ford	180,441	190,071	728,173	748,974	-5.1%	-2.8%
GMC	47,292	42,350	172,869	173,694	11.7%	-0.5%
Honda	114,088	113,813	447,490	442,890	0.2%	1.0%
Hyundai	55,420	55,035	203,005	199,550	0.7%	1.7%
Jeep	134,726	142,344	347,530	370,449	-5.4%	-6.2%
Kia	51,385	50,585	187,981	177,530	1.6%	5.9%
Mazda	19,702	23,056	90,535	107,051	-14.5%	-15.4%
Mini	2,621	3,731	11,526	14,264	-29.8%	-19.2%
Mitsubishi	6,963	7,990	49,030	43,762	-12.9%	12.0%
Nissan	87,207	78,804	418,743	453,920	-10.7%	-7.7%
Ram	91,360	73,216	225,660	183,387	24.8%	23.1%
Subaru	57,288	53,170	214,042	202,873	7.7%	5.5%
Toyota	162,506	170,706	639,429	678,529	-4.8%	-5.8%

Luxury Brand Performance (Units Sold)

	Apr-19	Apr-18	CYTD-19	CYTD-18	Y/Y	CYTD/CYTD
Acura	11,687	11,888	48,072	45,302	-1.7%	6.1%
Alfa Romeo	1,584	1,847	5,870	7,639	-14.2%	-23.2%
Audi	15,024	19,104	63,139	69,156	-21.4%	-8.7%
BMW	23,816	23,482	97,704	97,317	1.4%	0.4%
Cadillac	13,337	13,033	49,332	49,760	2.3%	-0.9%
Genesis	1,605	1,028	5,808	5,390	56.1%	7.8%
Infiniti	8,491	8,960	42,806	49,847	-5.2%	-14.1%
Jaguar	5,225	4,623	15,447	12,672	13.0%	21.9%
Land Rover	11,193	10,360	36,221	34,606	8.0%	4.7%
Lexus	21,360	21,642	88,151	85,859	-1.3%	2.7%
Lincoln	7,986	8,518	32,961	30,980	-6.2%	6.4%
Mercedes-Benz	25,631	30,022	104,278	116,682	-14.6%	-10.6%
Porsche	5,018	5,570	20,042	19,524	-9.9%	2.7%
Tesla	20,605	9,558	74,001	25,225	115.6%	193.4%
Volvo	8,367	8,333	30,425	28,416	0.4%	7.1%

Source: WardsAuto

INCENTIVE SPENDING

Automakers decreased incentive spending once again in April. According to Power Information Network (PIN) data from J.D. Power, incentive spending per unit fell on a year-over-year basis for the tenth consecutive month in April. This comes after 54 months of increases. In April spending fell 6.8% to \$3,561 per unit. Incentive spending as a percent of MSRP fell to 8.9%, receding below the 9% threshold for the first time since April 2016.

INVENTORY

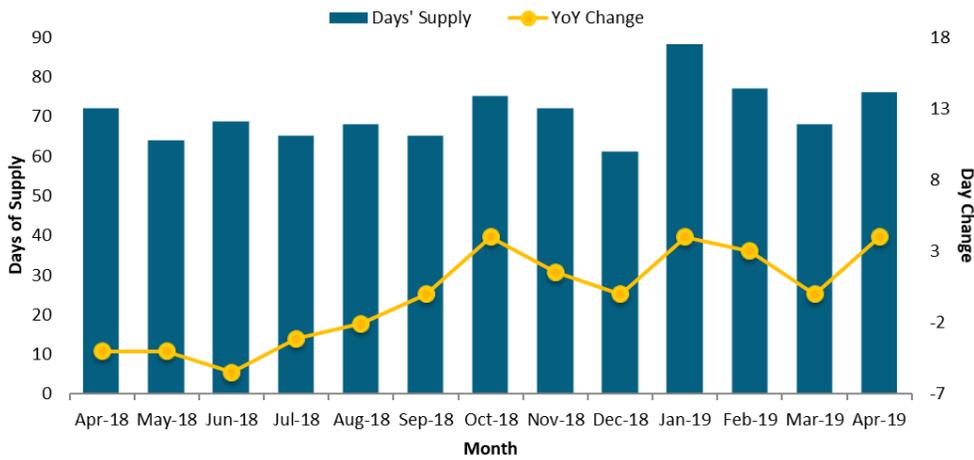
According to WardsAuto total supply increased to 76 days in April, 4 days more than April 2018. On a month-over-month basis, supply grew by 7 days relative to March.

General Motors' inventory increased from March's 81 day figure to 87 days in April. Ford Motor Company's supply grew to 90 days, up from 84 days in March, while FCA's inventory ticked up 1 day to 92 days. On the import side, Toyota

Motor Sales' supply increased to 66 days, up from 68 in March. Inventory for American Honda Motors increased to 86 days, while Nissan North America's supply grew to 80 days.

Subaru's 33 days of supply remained lowest on the mainstream side of the industry, however, Kia supply was also lean at 36 days.

New Vehicle Days' Supply



Source: WardsAuto

AT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

WHAT'S NEW

You already use NADA Values Online to see all sides of every vehicle's story. Now you can gain even greater insight with our new VIN Based Option feature, which provides a precise, uniquely adjusted valuation for specific used cars and light-duty trucks. The VIN Based Option utilizes packaging, content and descriptive features specific to each 17-character VIN, rather than just the 11-character VIN, to enhance and customize a vehicle's valuation. This way, you can understand the valuable differences between two identical-seeming vehicles of the same year, make and model. Rely on the new VIN Based Option to:

- Reveal valuable vehicle equipment, trim and options
- Increase valuation accuracy and reduce risk
- Make more-informed business decisions

ABOUT J.D. POWER

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics to help clients measure and improve the key performance metrics that drive growth and profitability. J.D. Power's industry benchmarks, robust proprietary data, advanced analytics capabilities, and reputation for independence and integrity has established the company as one of the world's most well-known and trusted providers of consumer and market insights for more than a dozen industries. Established in 1968, J.D. Power is headquartered in Costa Mesa, California, and has 17 global locations serving North/South America, Asia Pacific, and Europe.

ABOUT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

J.D. Power Valuation Services, formerly NADA Used Car Guide, is a leading provider of vehicle valuation products, services and information to businesses. Its team collects and analyzes over 1 million combined automotive and truck wholesale and retail transactions per month, and delivers a range of guidebooks, auction data, analysis and data solutions. J.D. Power acquired NADA Used Car Guide in 2015, forming a powerful combination that brings the automotive industry rich data sets, strong analytics and over 130 years of market experience.

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CONSULTING SERVICES

J.D. Power Valuation Services' market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by J.D. Power Valuation Services' analytics team, which maintains and advances its internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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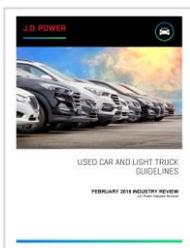
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ADDITIONAL RESOURCES



Guidelines

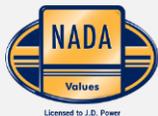
Updated monthly with a robust data set from various industry sources and J.D. Power Valuation Service's proprietary analysis, Guidelines provides the insight needed to make decisions in today's market



Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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