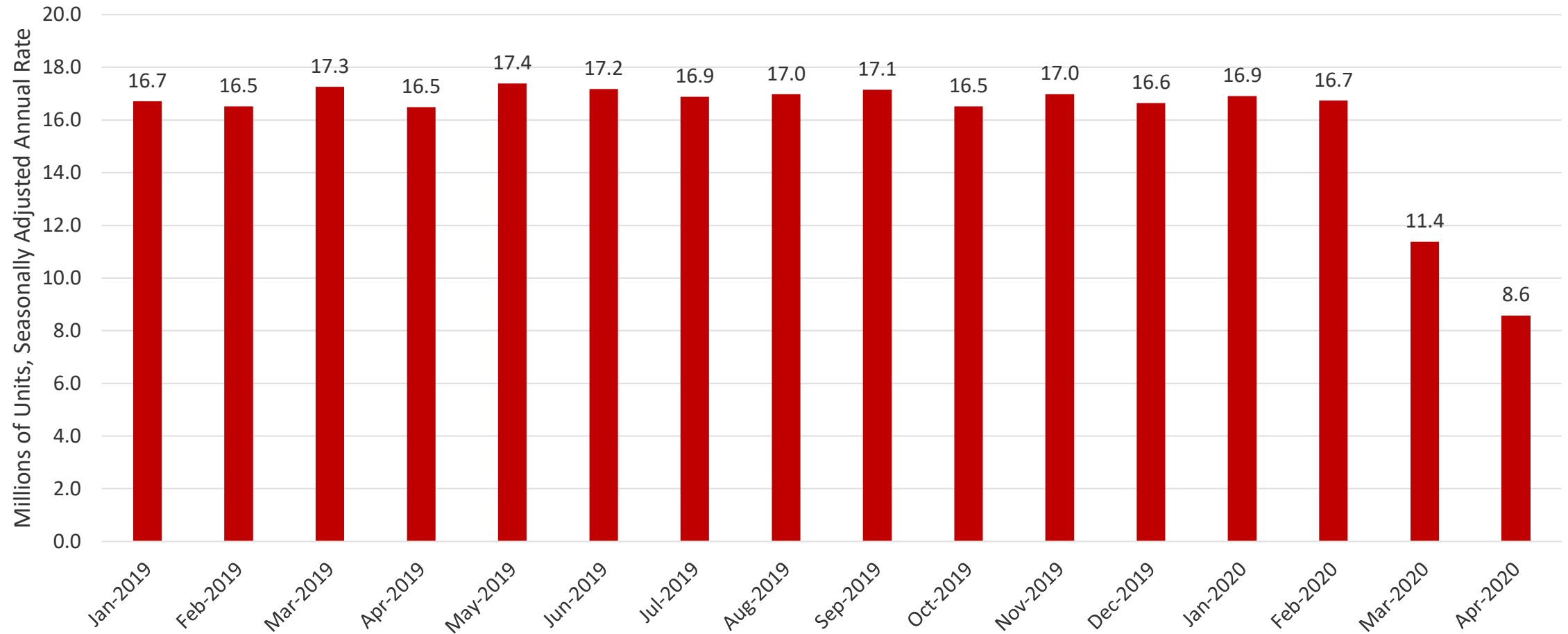


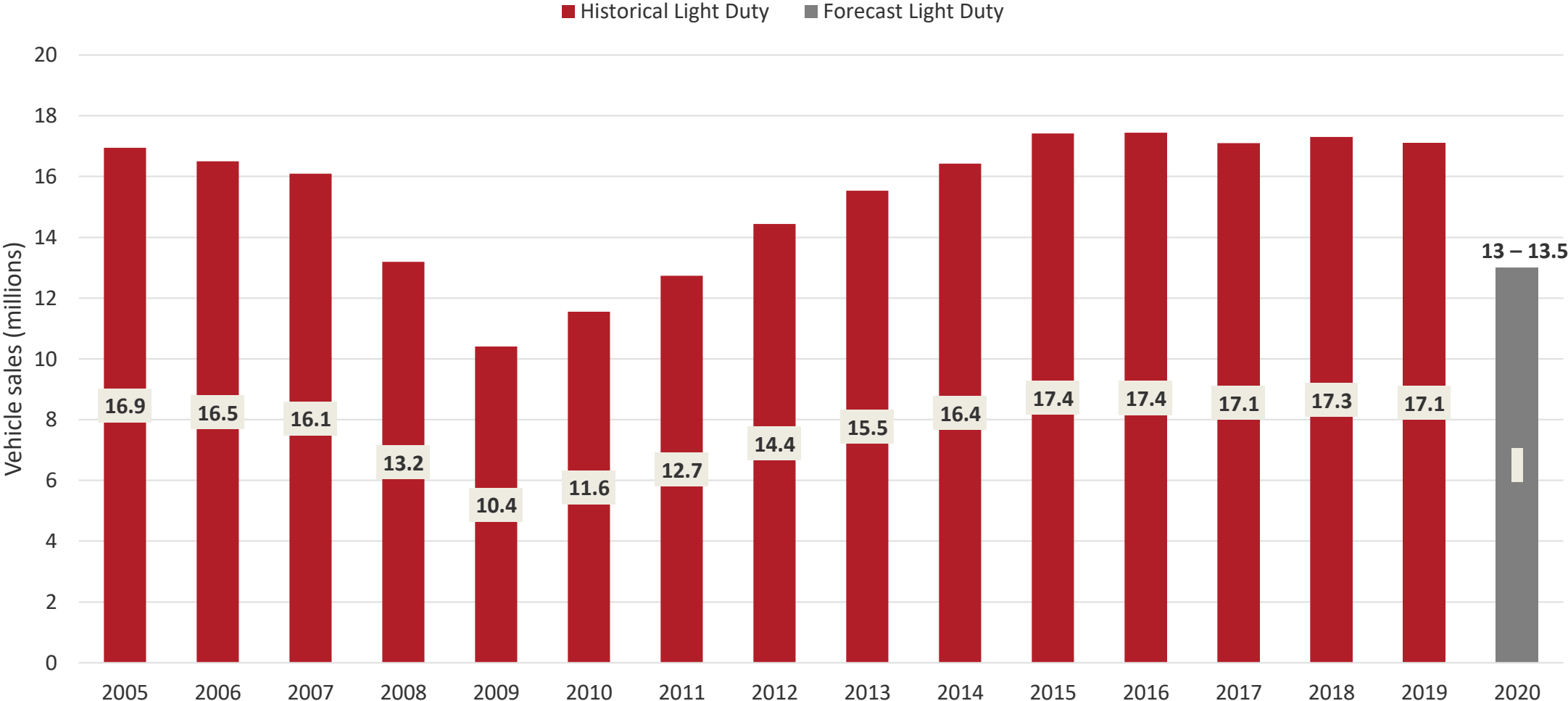
COVID-19 and Impact to Dealerships

Monthly New Light-Vehicle Sales



Source: U.S. Bureau of Economic Analysis, NADA

New Vehicle Sales



Source: Wards Auto; NADA

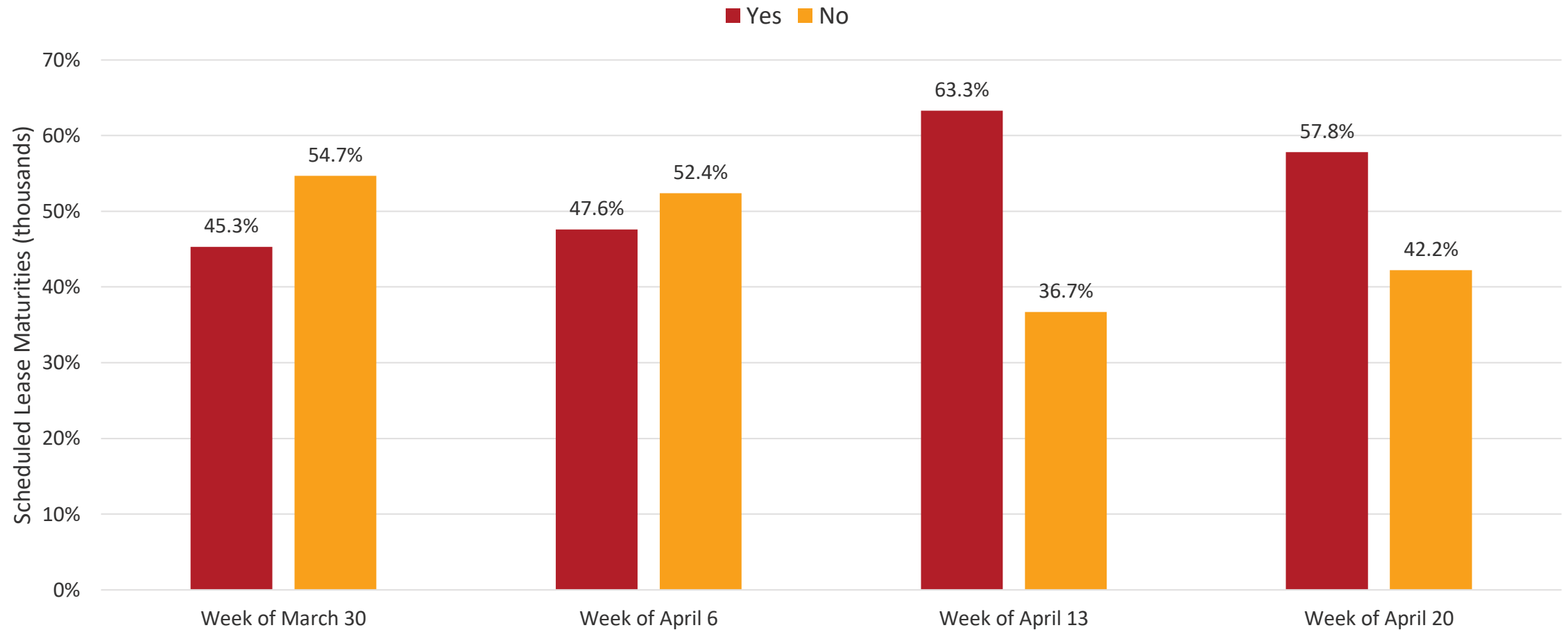
Sales and General Operational Changes

- Store operating hours cut
- Nationwide, dealerships offering online sales with delivery
- Where still open, in person sales done by appointment only
- In stores with layoffs, dealers are using skeleton crews to run the store
 - Staff split into two teams that alternate days in case one team member gets sick, the whole staff isn't exposed.

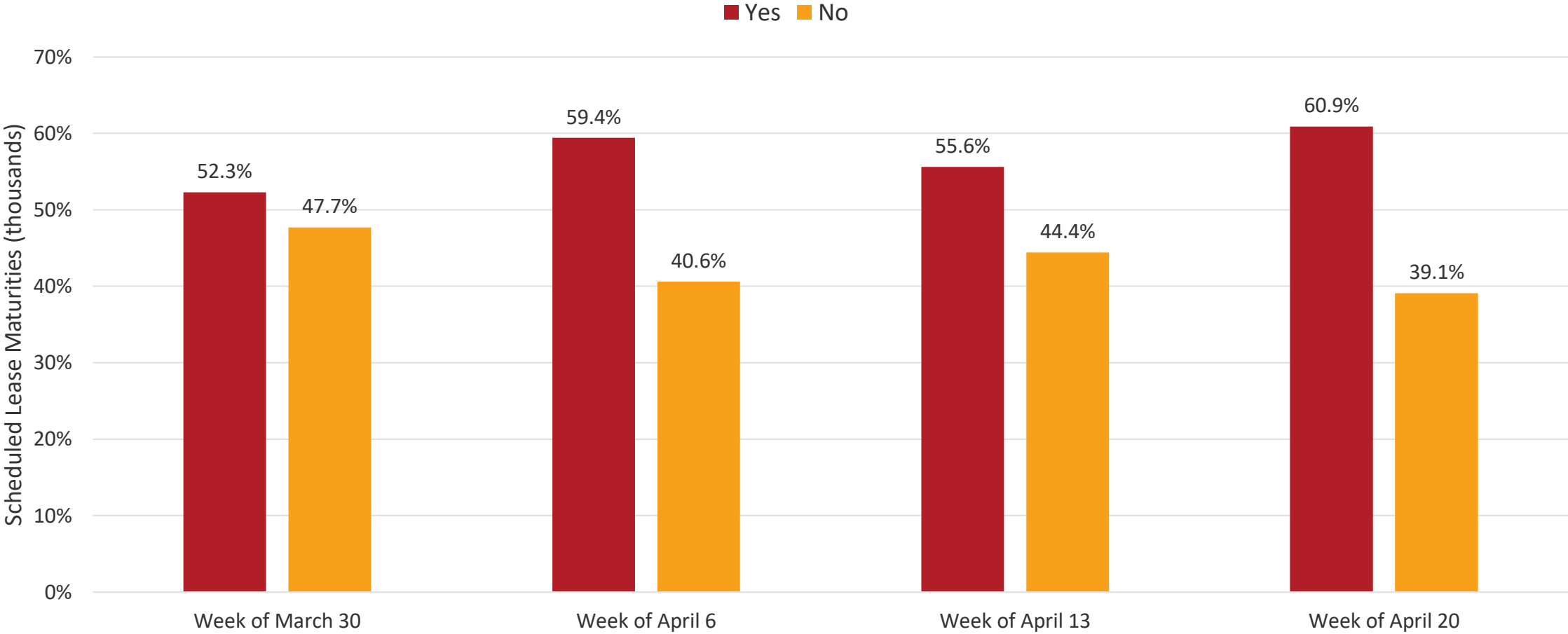
Service Department Changes

- Online service scheduling with vehicle pickup and drop off
- Vehicle sanitizing services offered as well
 - Pre- and post-service visit
- Several dealers commented about the need to retain service techs due to the industry's high demand and difficulty finding new techs
 - Customer pay and warranty work off dramatically

Do you believe there is increased demand for full online buying with delivery?



Do you believe there is increased demand for online service scheduling with vehicle pickup and drop off?



Source: NADA

Incentives

- 0% finance offers for up to 84 months have helped drive sales despite lockdowns
- Gives consumers more buying power and has continued to push average transaction prices higher
- A \$460 monthly payment will get you
 - \$25,000 CPO vehicle financed at 3.9% for 60 months
 - \$38,500 new vehicle financed at 0% for 84 months

New Vehicle Inventory

- End of April – 3.28 million new units on the ground
- 120-day supply based on reduced selling rate
 - Pickup supply at 92 days
- Pickup supplies will be tight in certain parts of the country following relatively strong sales throughout April
- 60-day supply is normal/healthy for industry

Used Vehicle Inventory

- Used vehicle wholesale values down around 14-15%
- Auction conversions down significantly due to closures of physical auctions and value uncertainty
- Opportunity for dealers with the cashflow to buy at a good price
 - Current owned inventory likely to take a hit though

