

Experian Automotive Quarterly Briefing

Third quarter 2018 automotive market share,
trends and registrations

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Today's presentation



What's on the Road

VIO by model year, segment, age and market share

U.S. light duty vehicles through September 30, 2018

New, Used and other market changes

Industry news and special market analysis:

- General Motors announcement
- Alternative fuel analysis



Experian Automotive

Driving the automotive industry forward

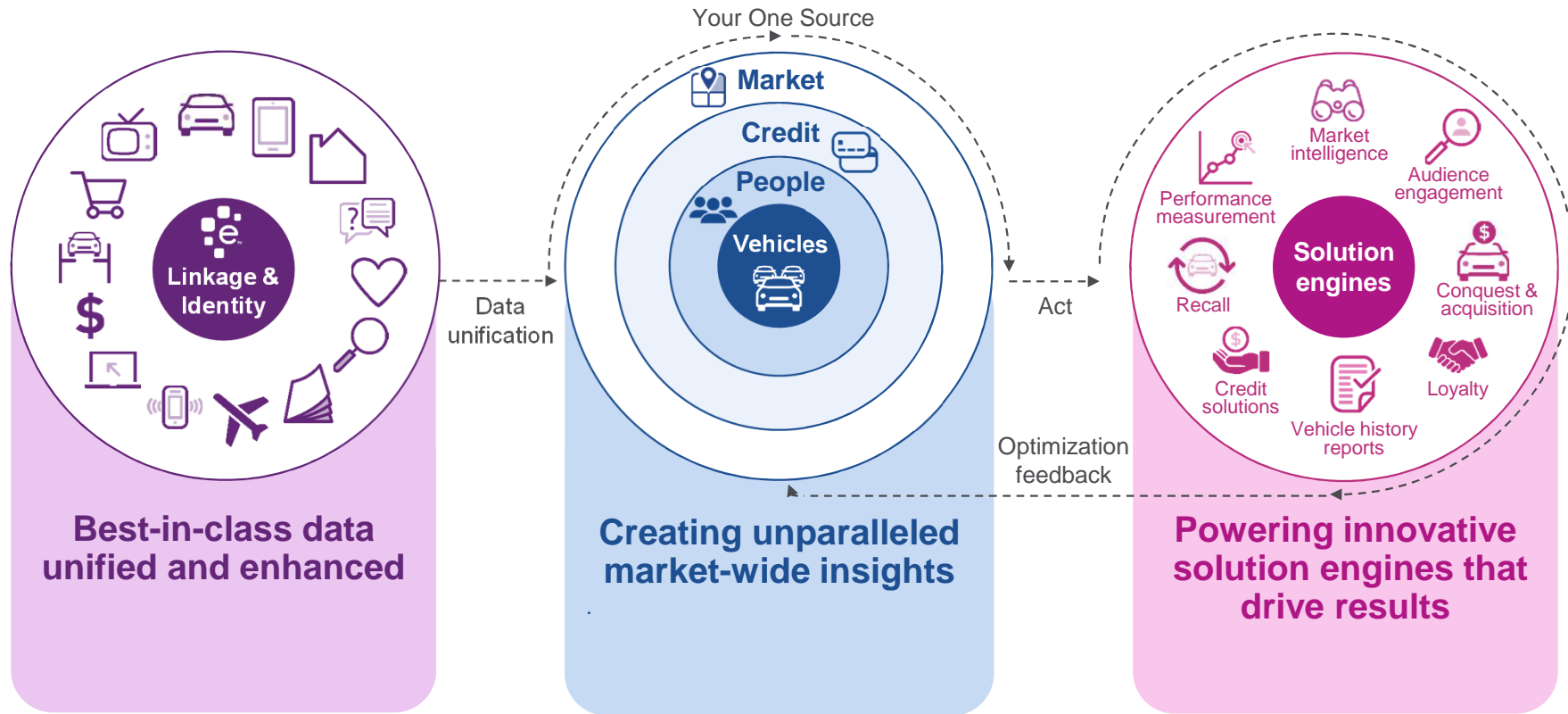
The right vehicles. The right customers.
The right data to know the difference.

- We deliver an integrated perspective using the highest quality automotive information and market intelligence focused on these key areas:
 - Automotive Credit
 - Automotive Marketing
 - Vehicle Market Statistics
 - AutoCheck® Vehicle History
- Our success comes from delivering actionable insights and lasting partnerships with our clients

<https://www.experian.com/automotive/auto-data>

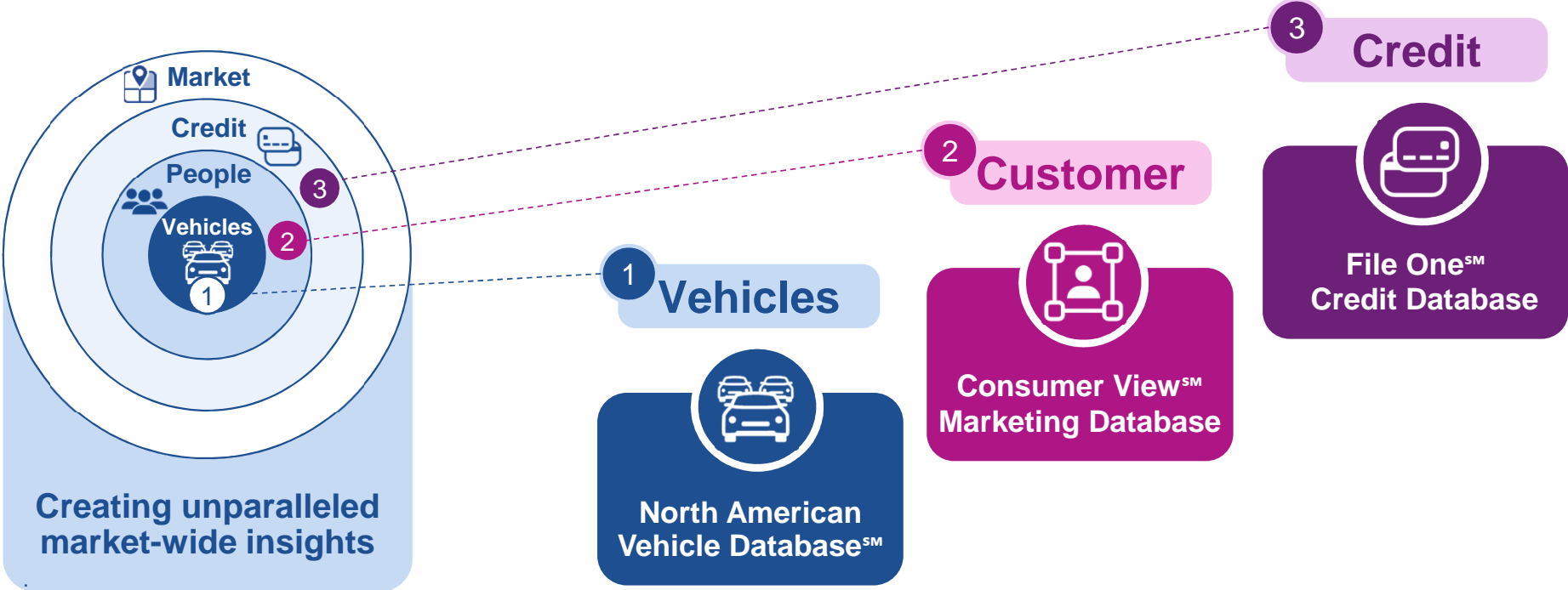
The power of Experian data

Your unified source of automotive data enabling you to link insight into action



It takes 3 things to sell a vehicle...

Only Experian provides all three data sources under one roof



U.S. and Canada total Vehicles in Operation = 321.6M

Light Duty

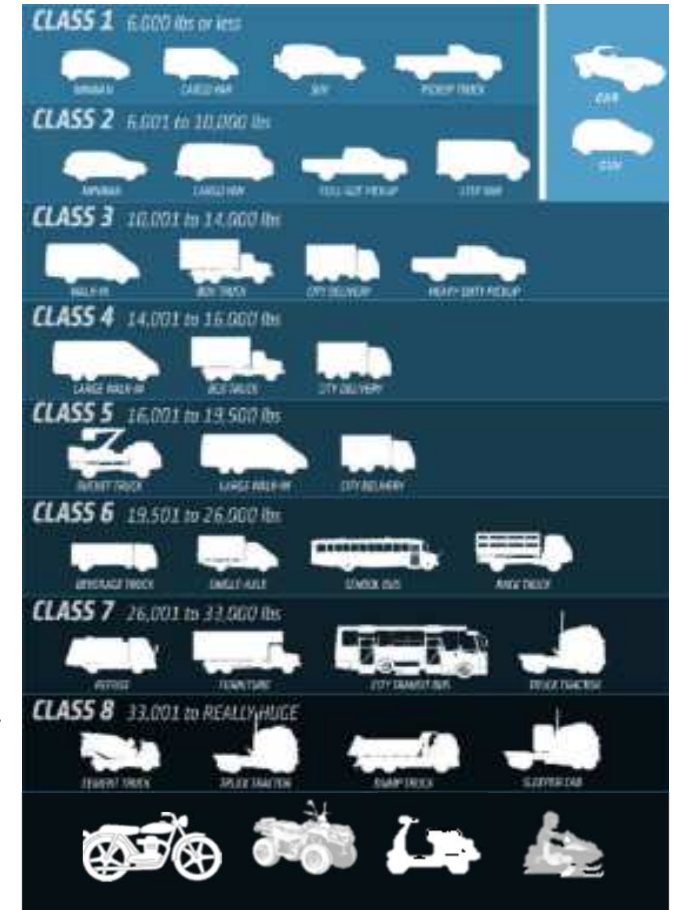
Passenger Cars, Light Trucks, Vans
Cars and GVW Class 1 – 3

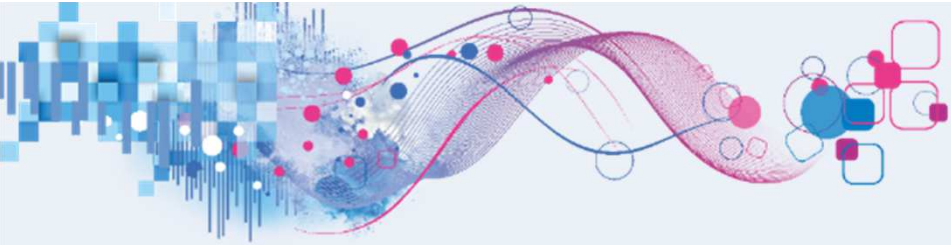
Medium & Heavy Duty

Large Vans, Delivery Trucks, Buses, RVs,
Cement Trucks, Semi-Tractors
GVW Class 4 - 8

Power Sports

Motorcycles, All-Terrain,
Utility Task, Snowmobiles



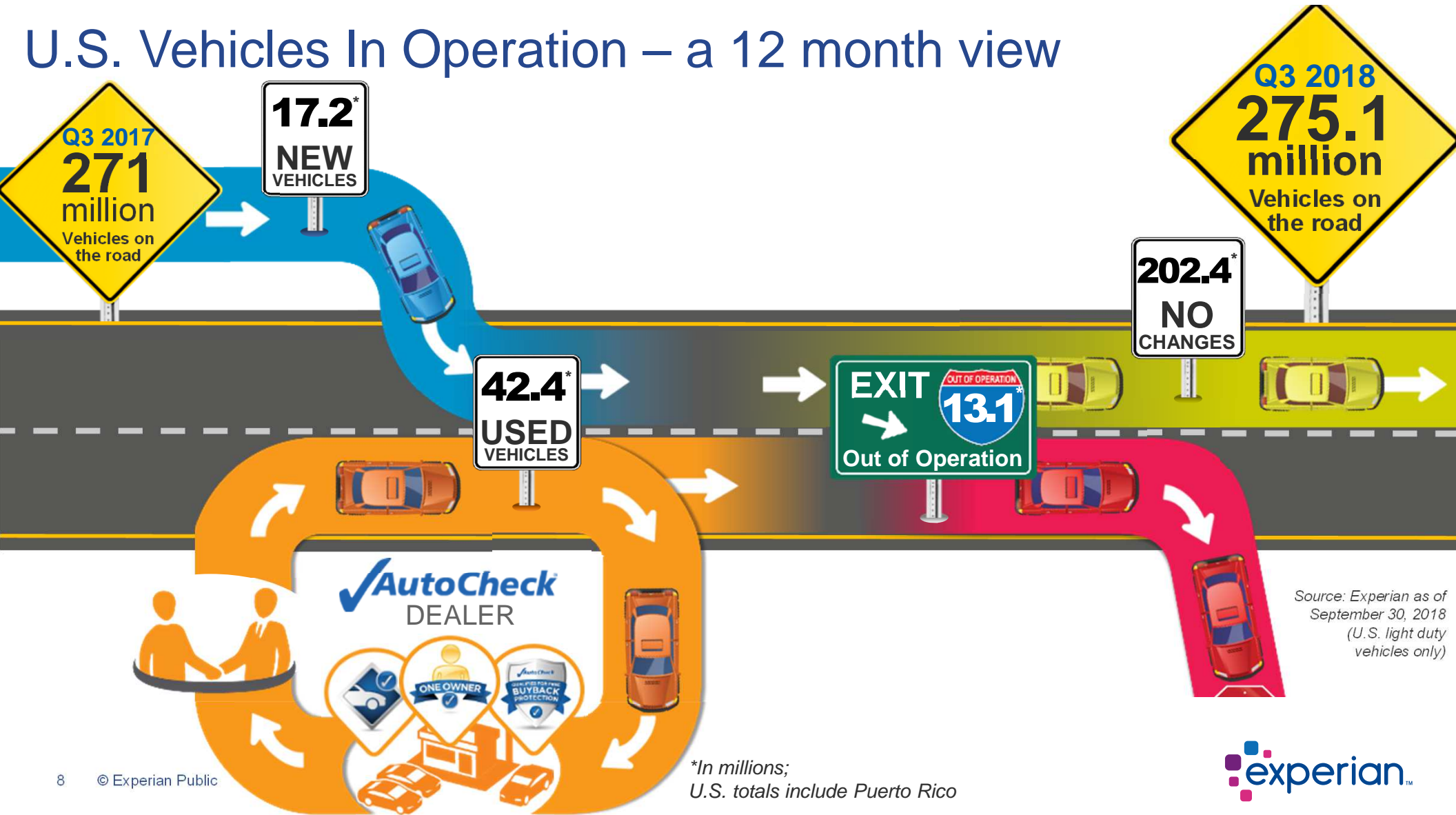


Vehicles in Operation

What's on the road today?
Light Duty Vehicles



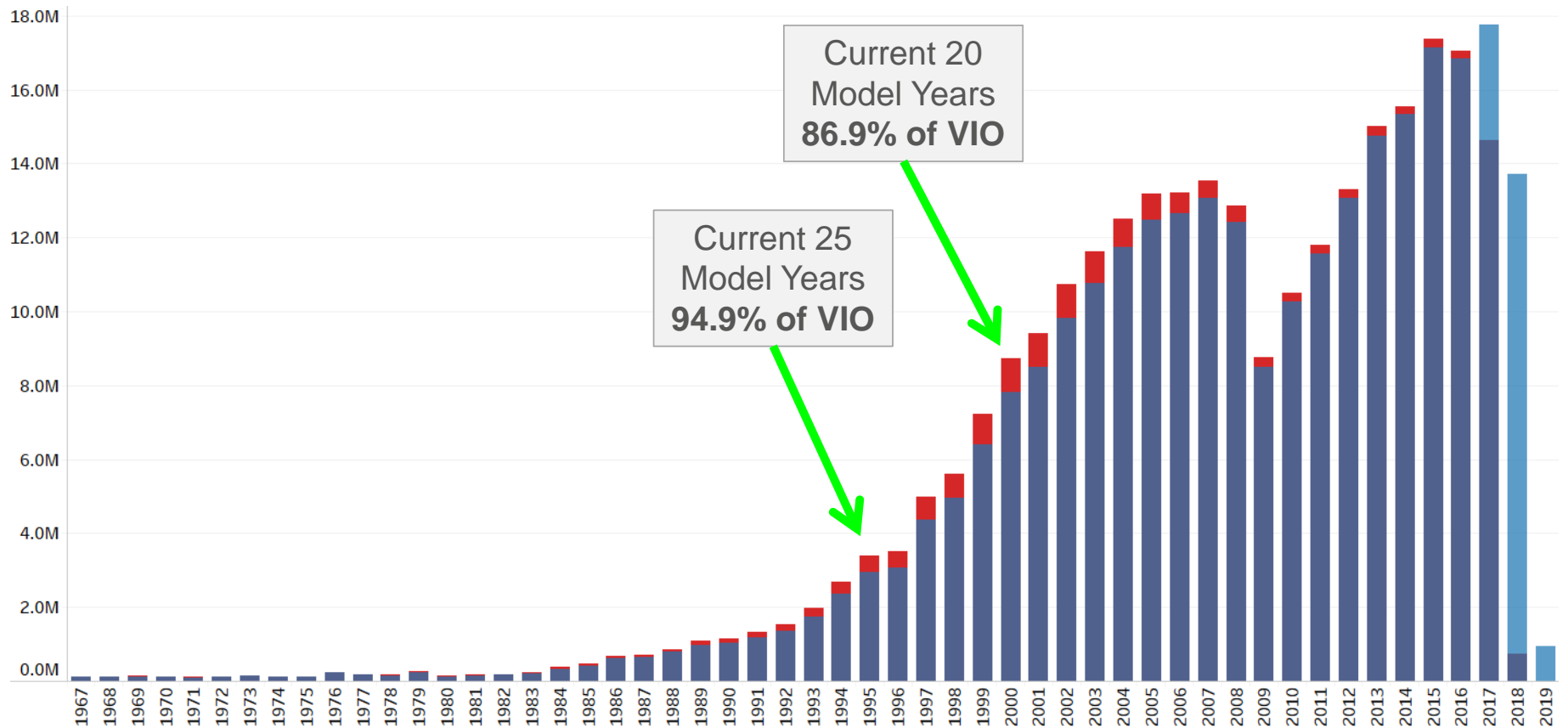
U.S. Vehicles In Operation – a 12 month view



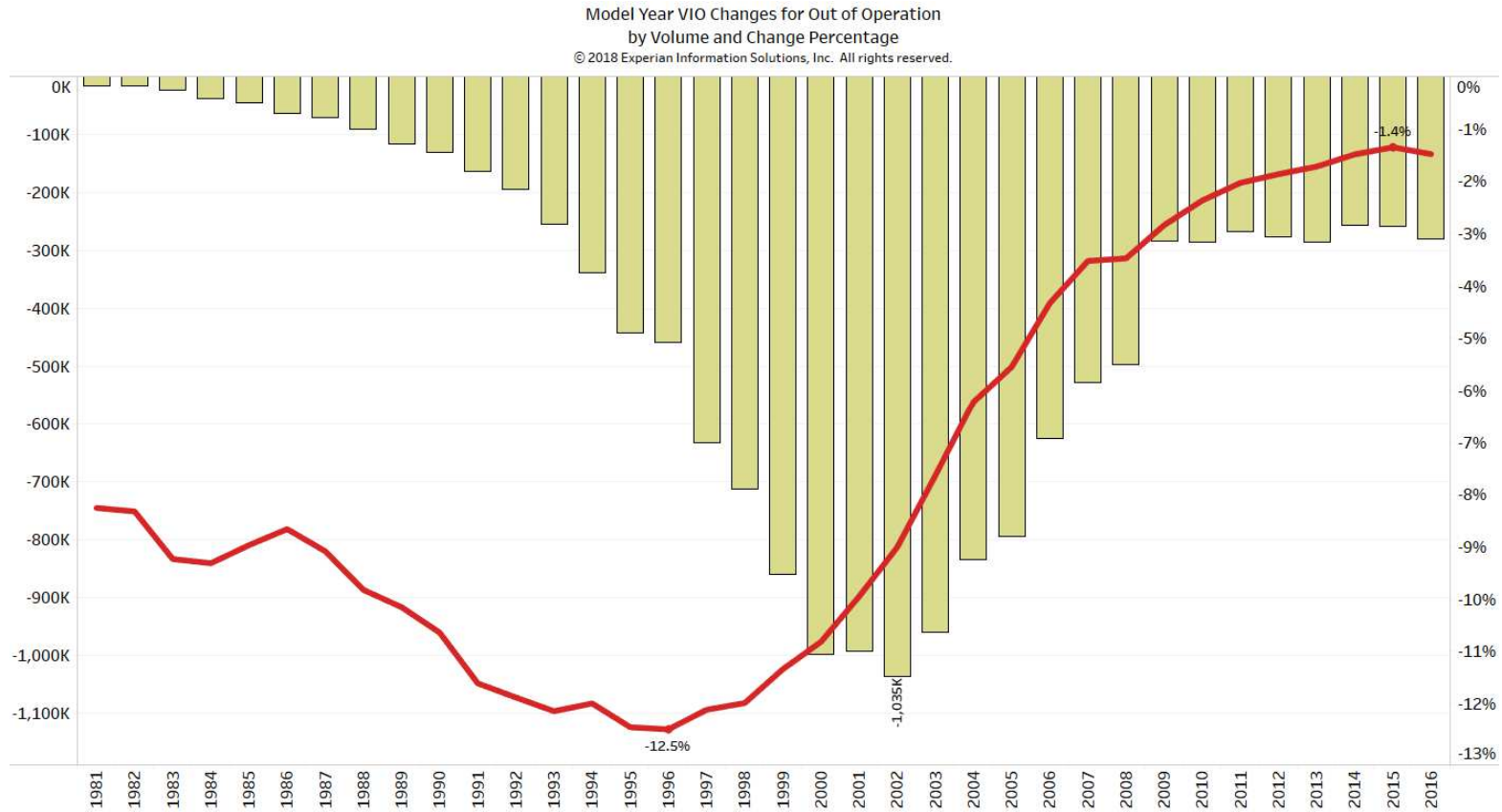
U.S. VIO change by Model Year (in millions)

Q3 2017 to Q3 2018

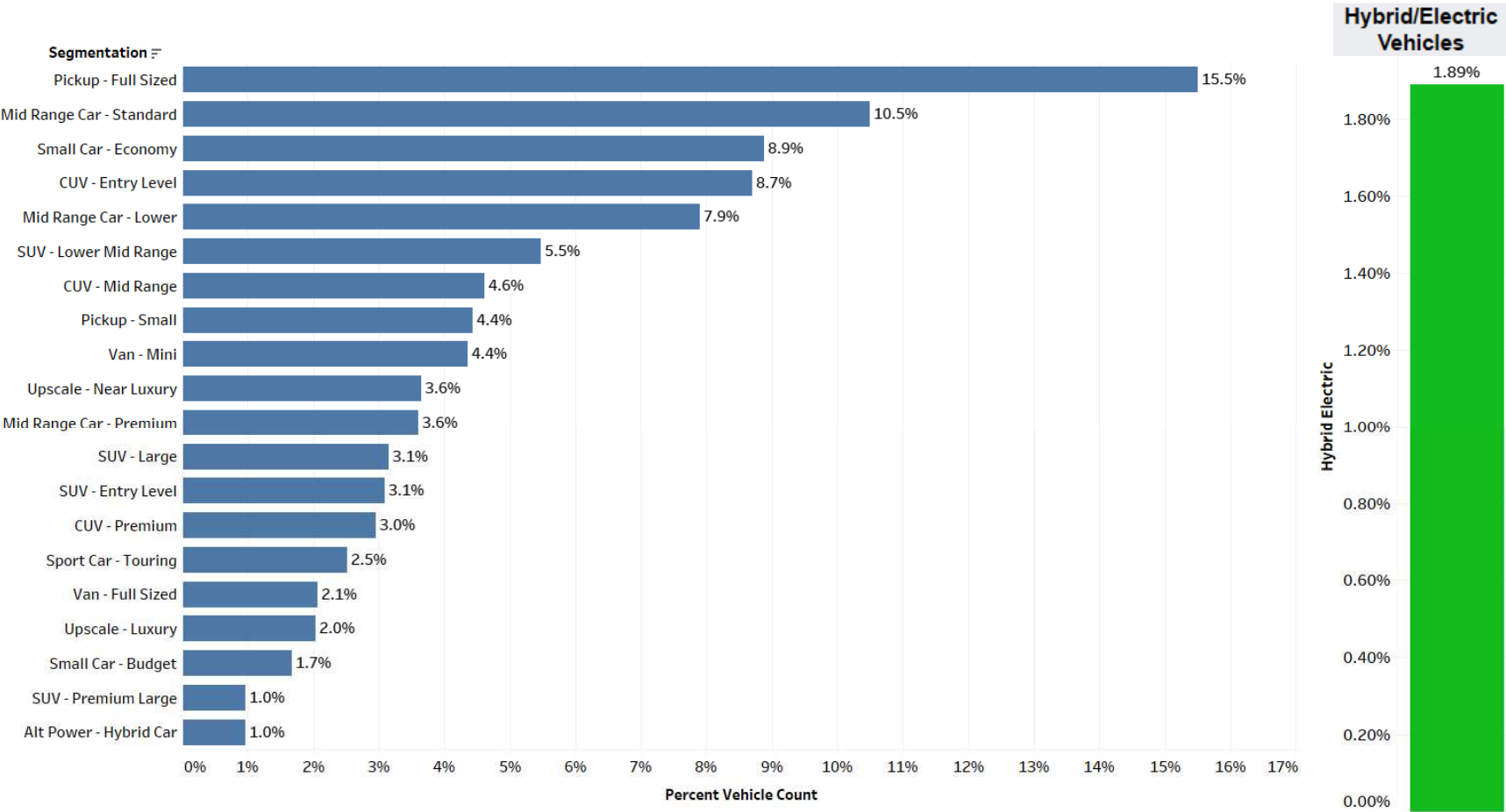
Out of operation
New vehicle sales
Carryover vehicles



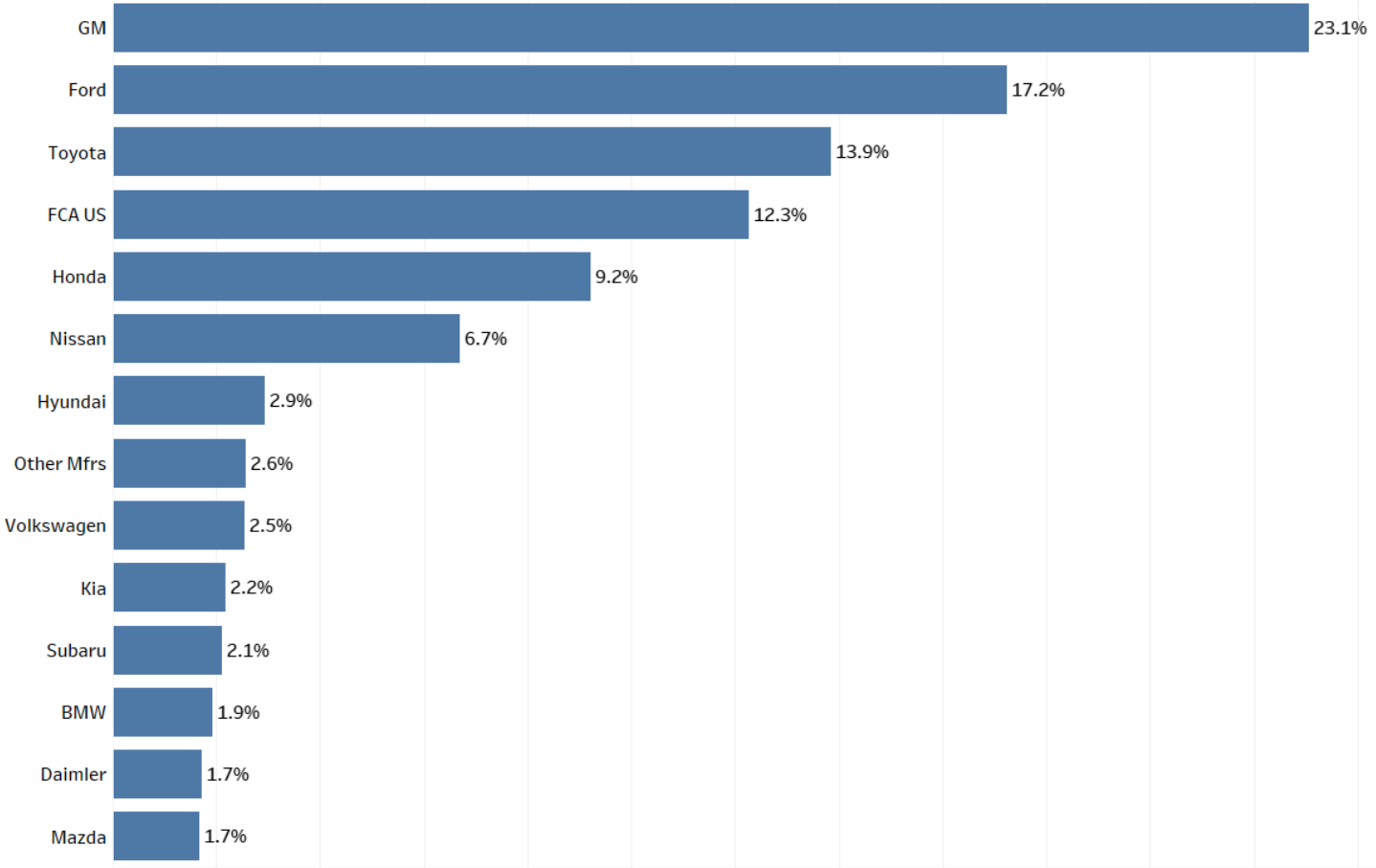
U.S. VIO Q3 2017 to Q3 2018 out of operation by volume and percentage of total Model Year



U.S. VIO Top 20 segments on the road market share



U.S. VIO by manufacturer market share



The aftermarket “Sweet Spot” overview

“Post” and “Pre” Sweet Spot defined

The Aftermarket “*Sweet Spot*”

- 6 to 12 model year old vehicles
- Aged out of general OEM manufacturer warranties for any repairs
- Likely require more part replacement & services (e.g. shocks, timing belt service, engine repairs) that may be performed by aftermarket service shops using parts from aftermarket part manufacturers
- Sizing the Sweet Spot helps identify overall market potential and changes can have implications to those that service it

“*Post Sweet Spot*” vehicles

- 13 model years old & older
- Less costs may be spent to service them due to their age and vehicle value

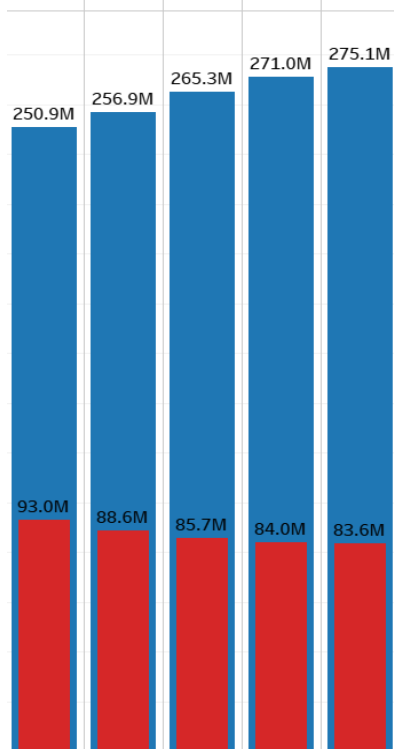
“*Pre Sweet Spot*” vehicles

- 5 model years old & newer; many covered by the vehicle’s manufacturer warranty
- Identifies models coming into the Sweet Spot

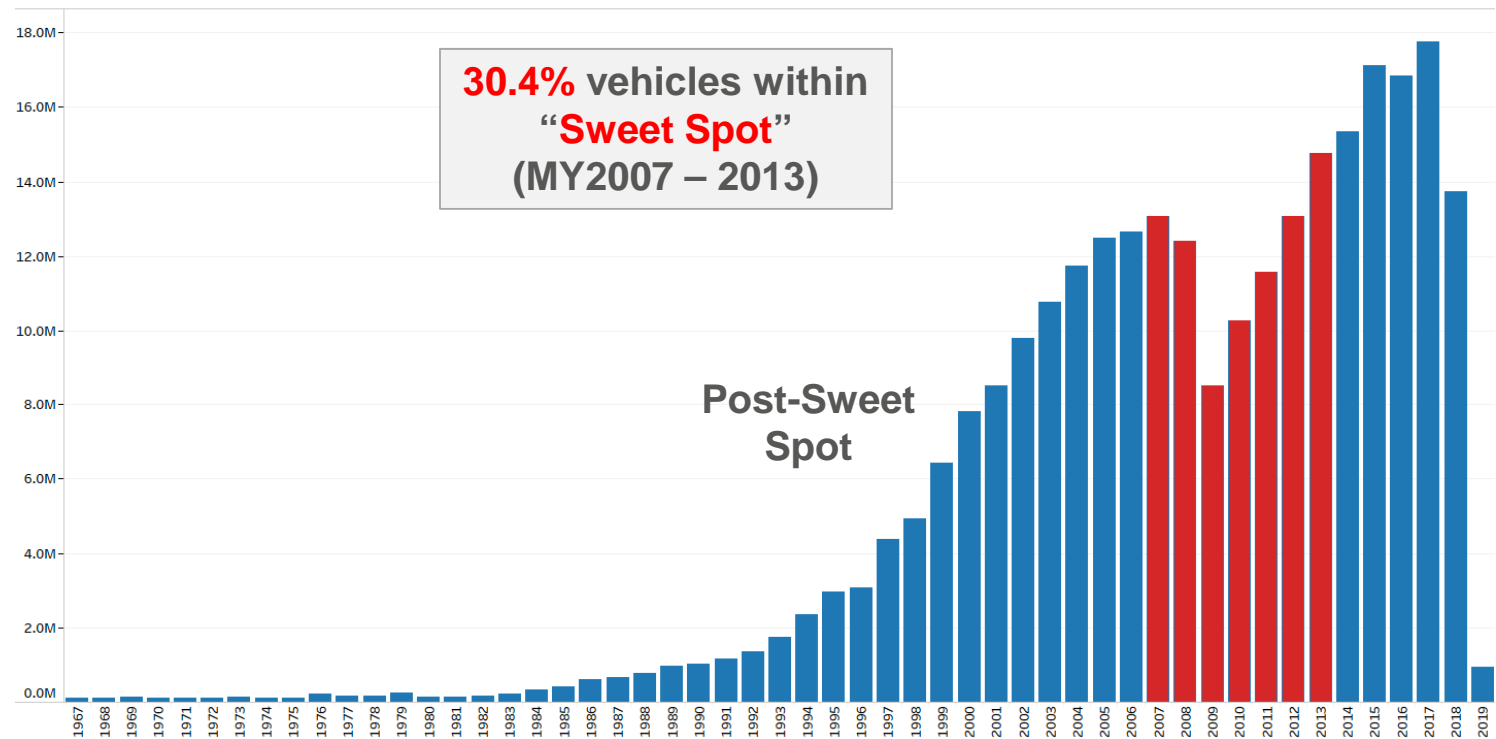
U.S. trend of total VIO compared to sweet spot volumes

VIO by model year (in millions)

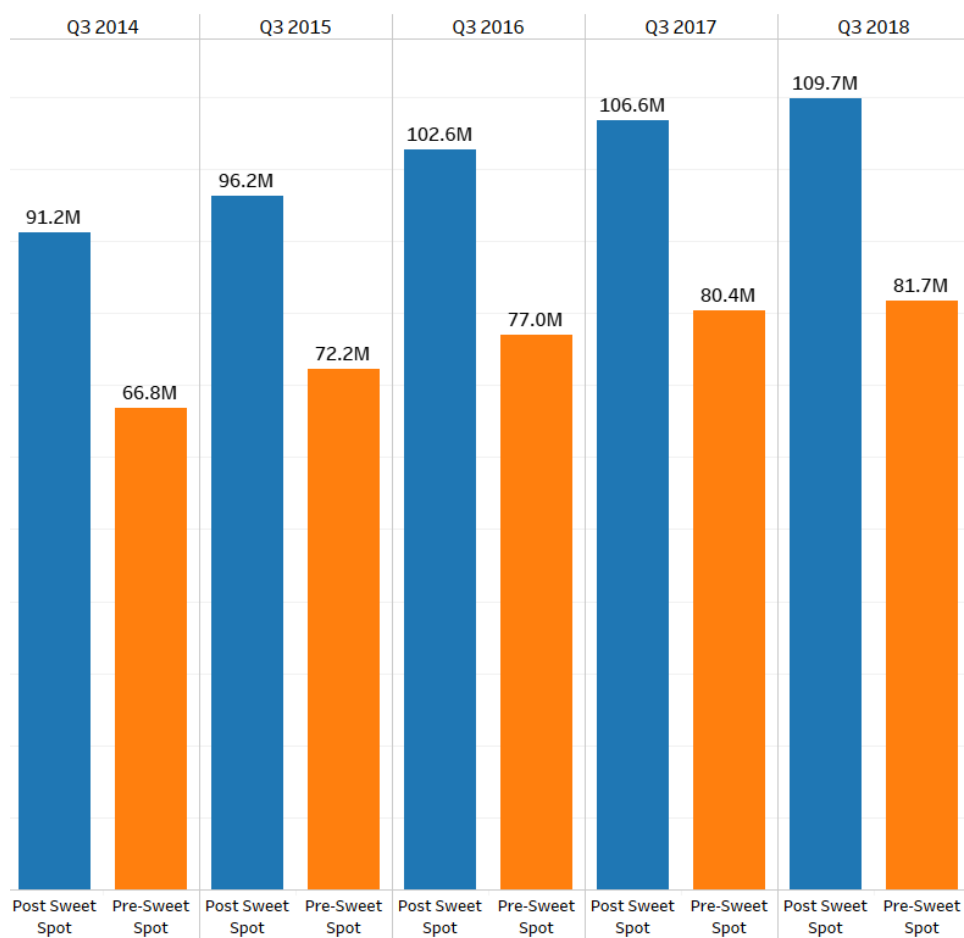
Total VIO vs Sweet Spot total
Q3 2014 Q3 2015 Q3 2016 Q3 2017 Q3 2018

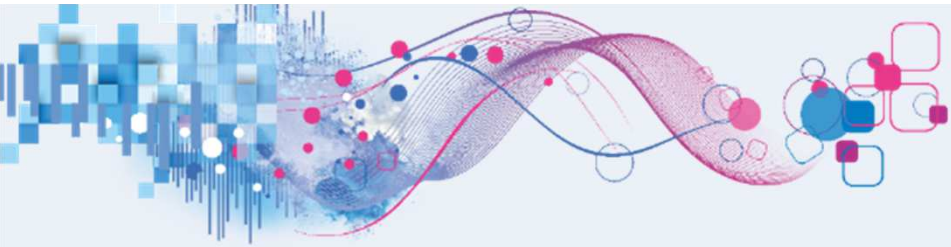


Model Year VIO Volumes as of Q3 2018
Sweet Spot Total: 83.6M
All Vehicles for the United States Market



Pre-Sweet Spot and Post Sweet Spot trend





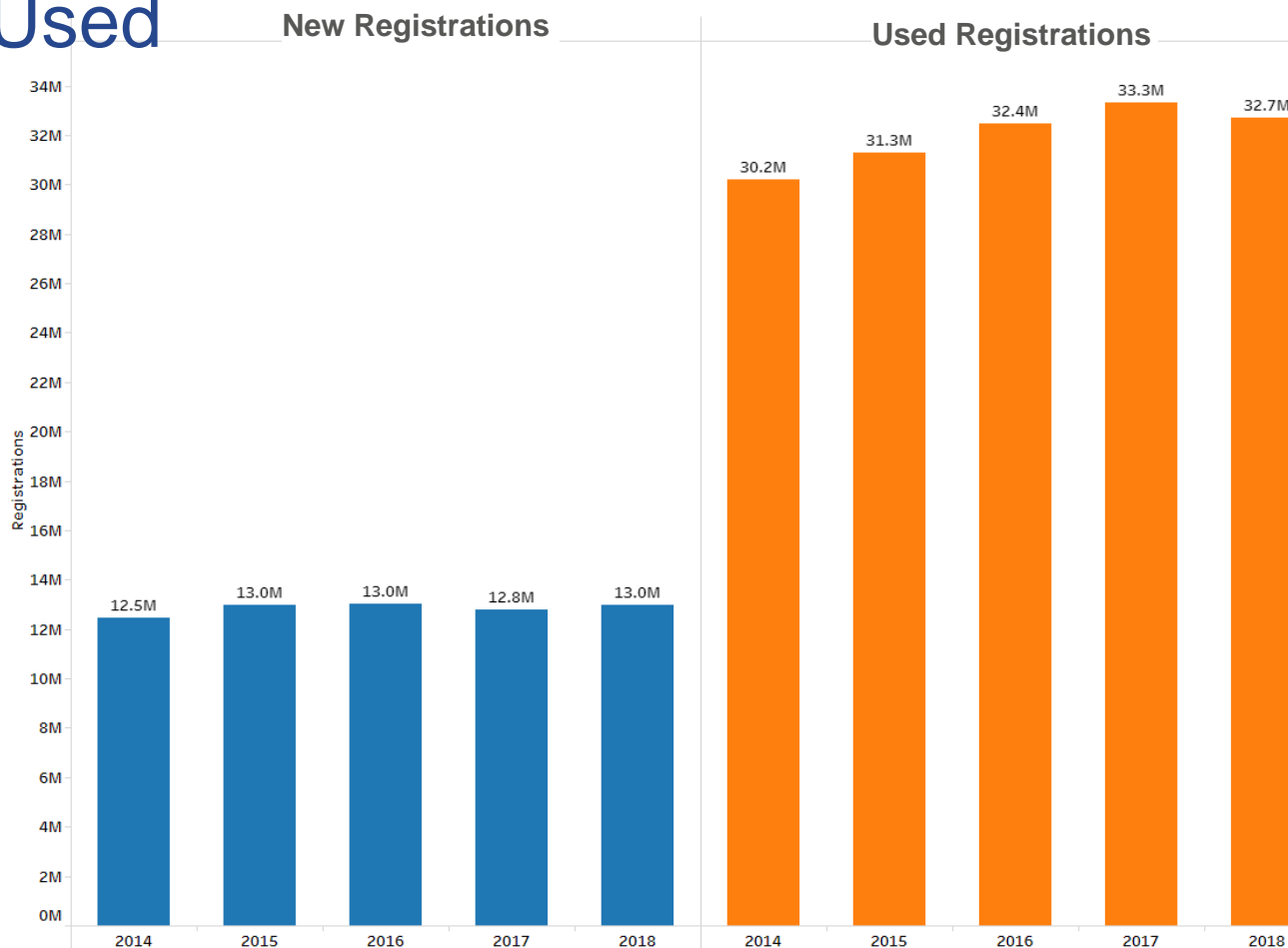
New and Used Vehicles

Volumes and market share through the 3rd quarter (January through September)

Alternative fuels analysis

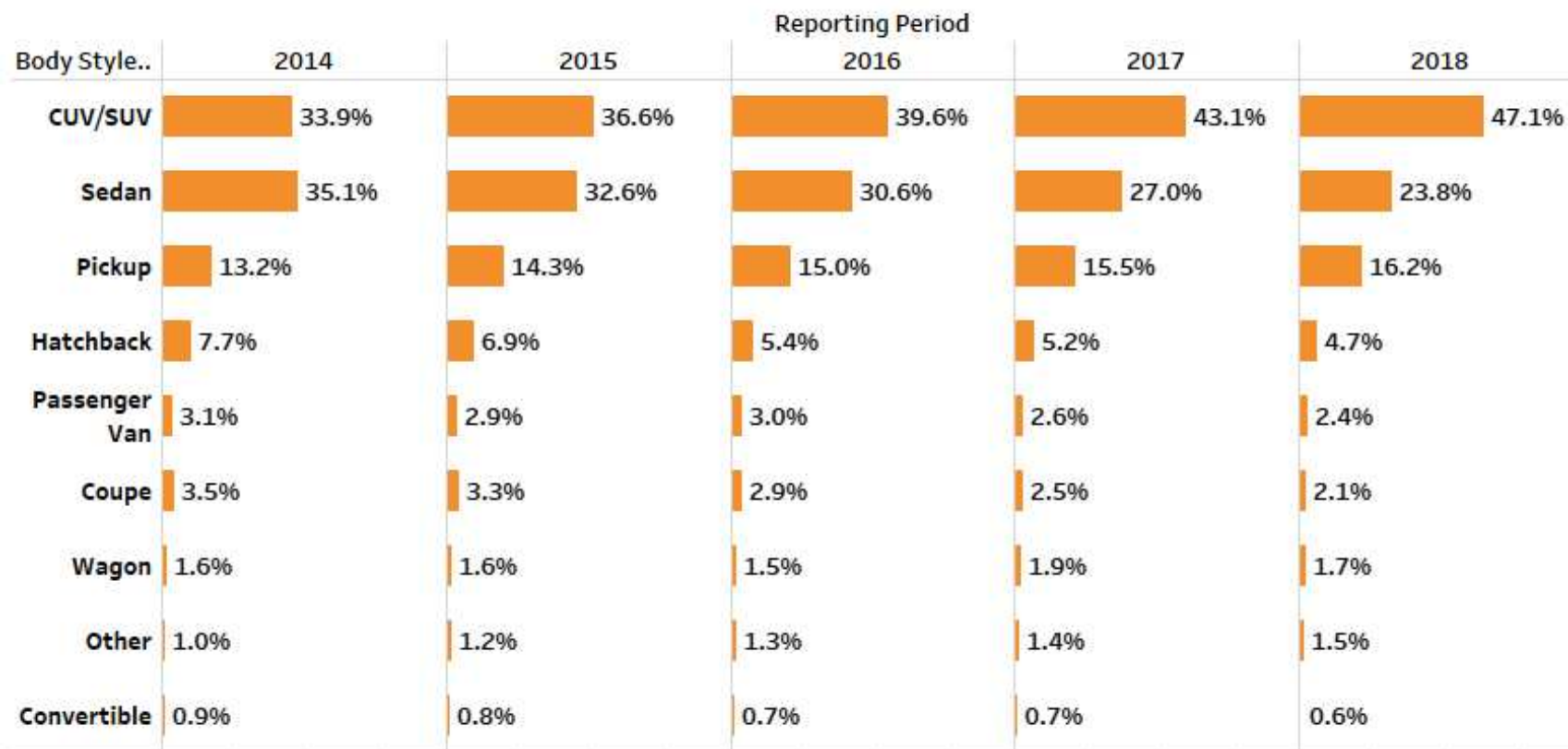
GM announcement

New vs Used vehicle registrations - 3rd quarters of New vs Used

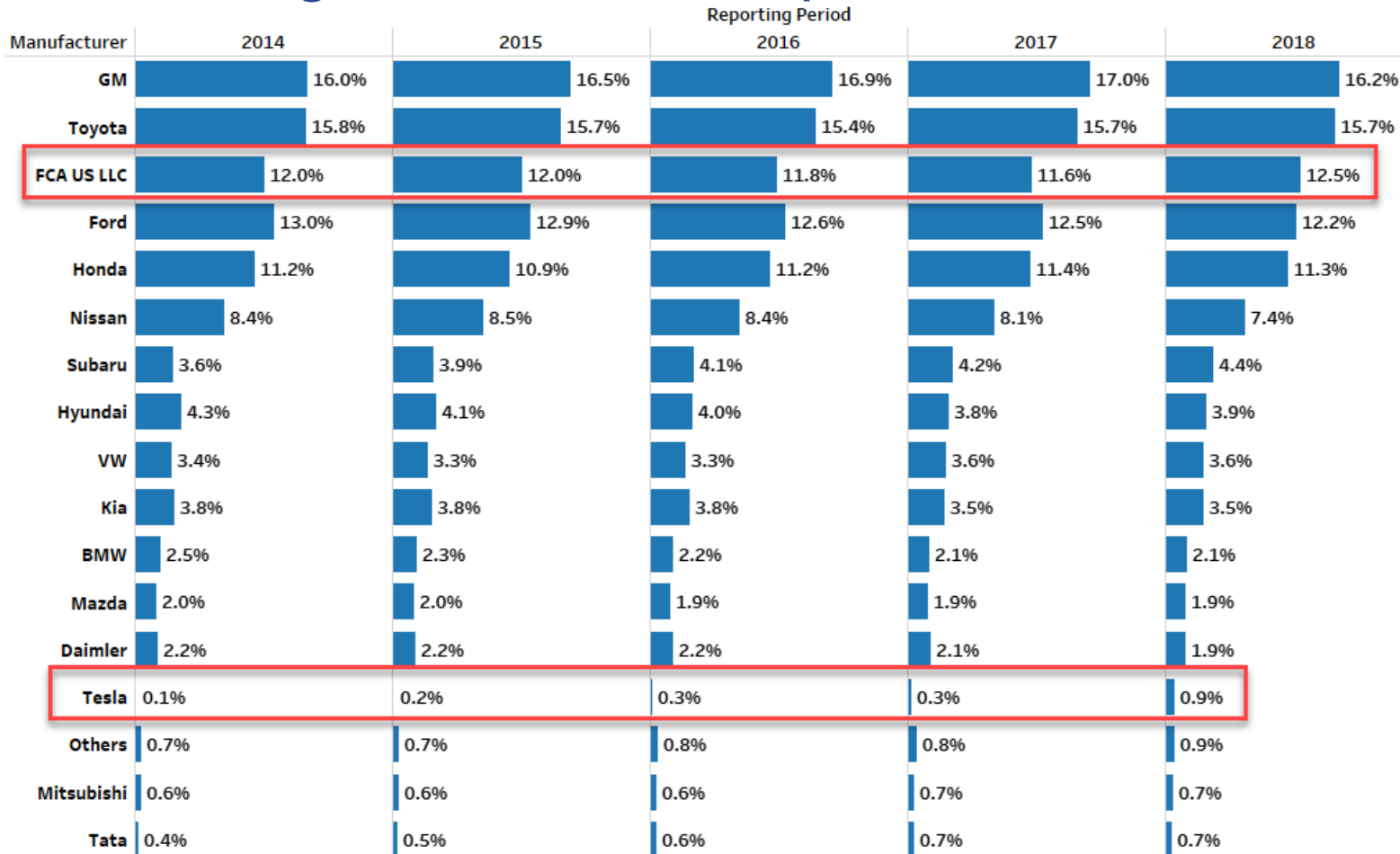


Source: Experian Automotive as of January through September of each year (light duty vehicles only)

New vehicle registrations - 3rd quarters of Body Style

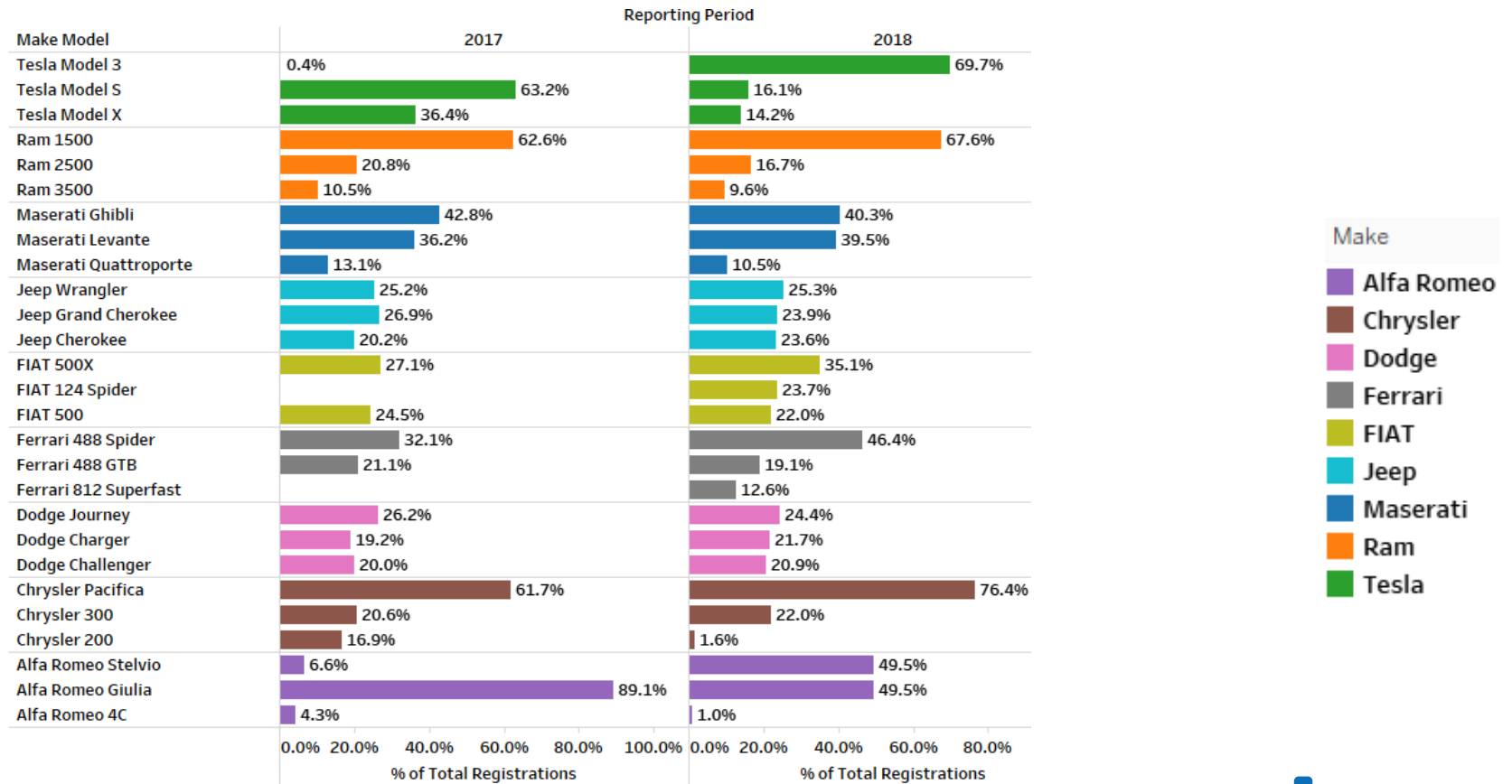


New vehicle registrations - 3rd quarters of Manufacturer

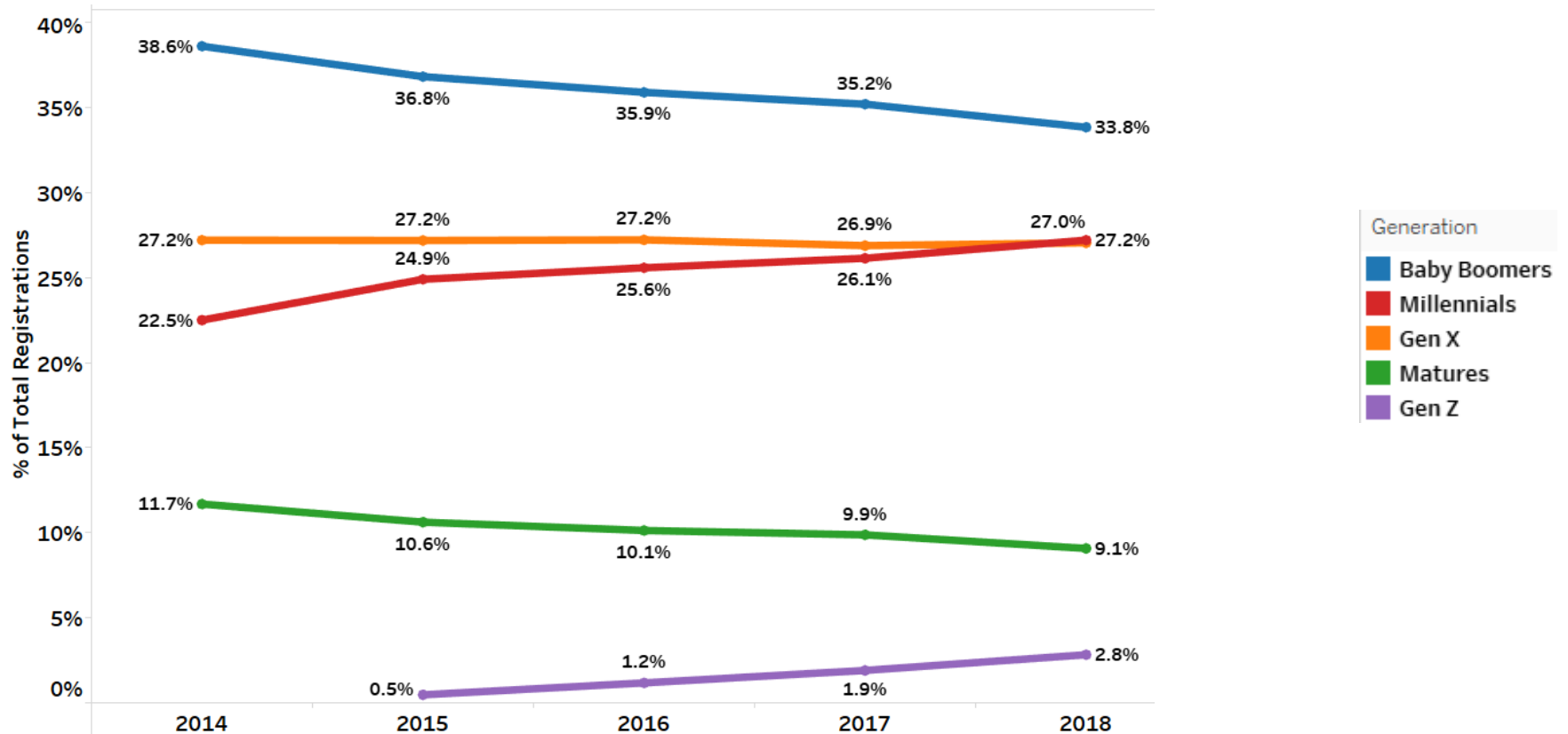


New vehicle registrations through the 3rd quarter

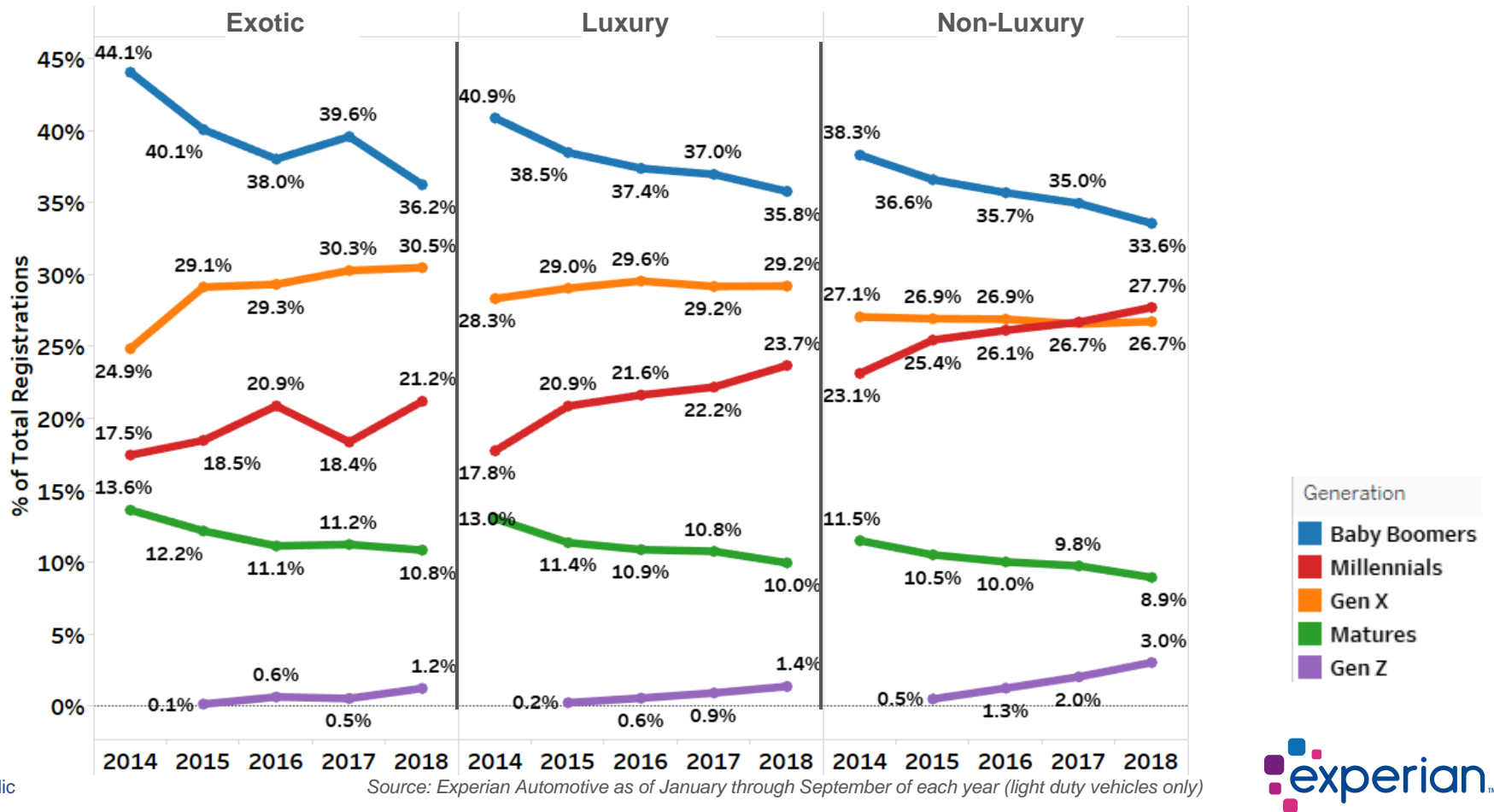
Top 3 Models by brand for Tesla and FCA

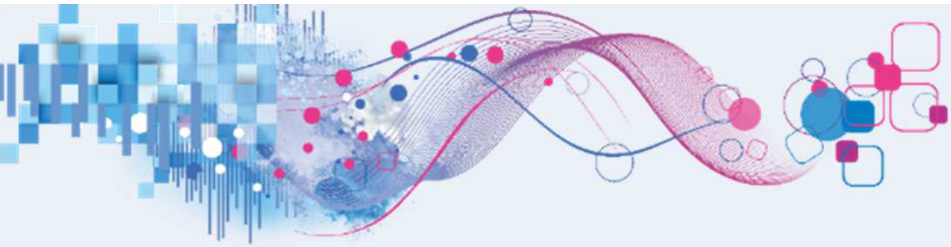


New vehicle registrations demographic generation through 3rd quarter trend



New vehicle registrations generations by class type through 3rd quarter trend





Automotive Analysis

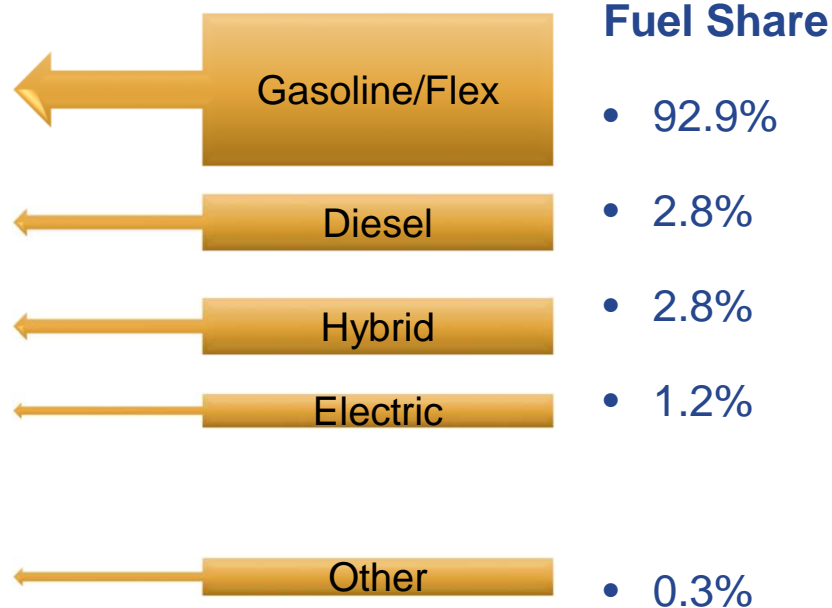
Alternative Fuels



Alternative Fuel Types – January through September 2018

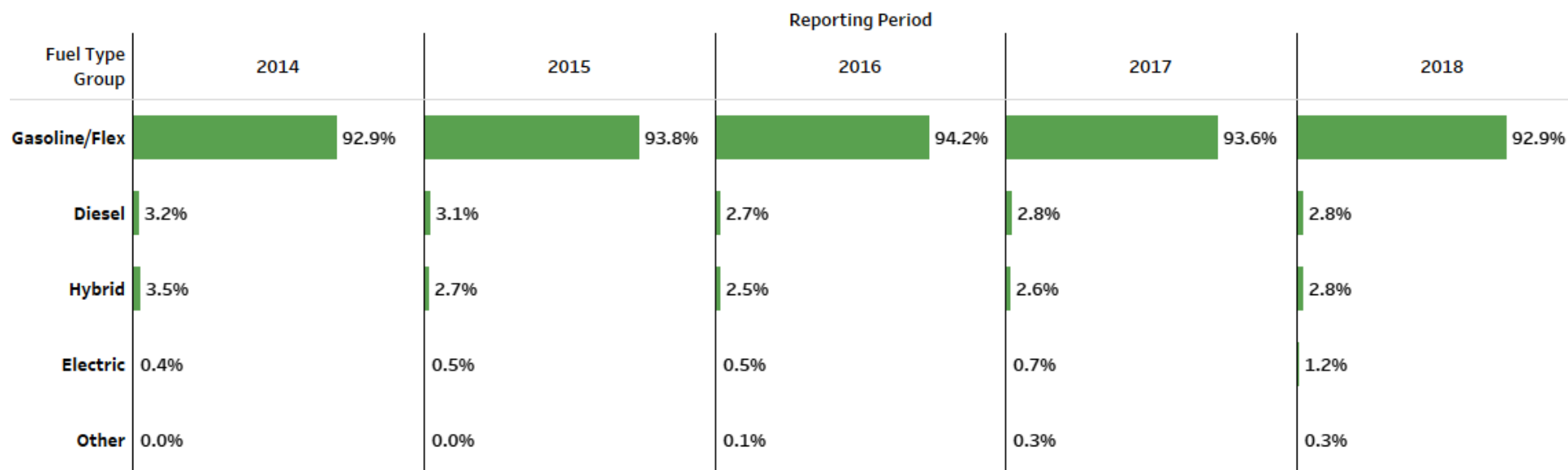
Fuel Types

- Gasoline
- Flex / E85 (Ethanol, Biofuel mixes)
- Diesel
- Gasoline Hybrid
- Plug-in Hybrid
- Electric Hybrid
- Electric (pure)
- CNG
- LPG
- Methanol
- Hydrogen
- Other variations
- Future TBD



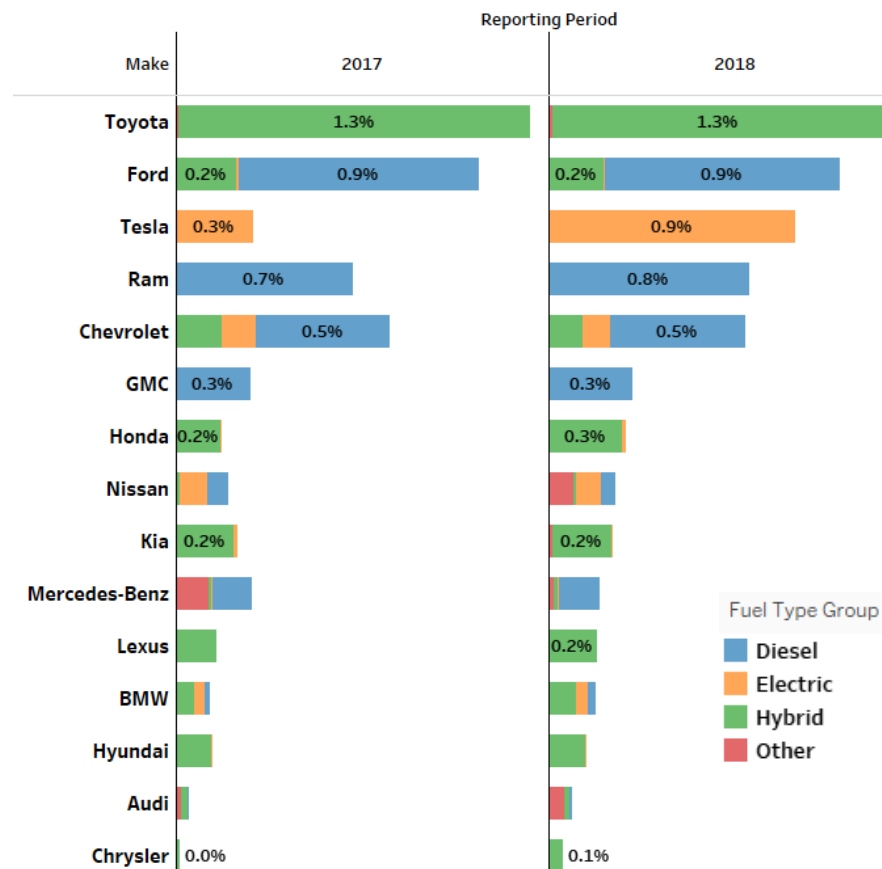
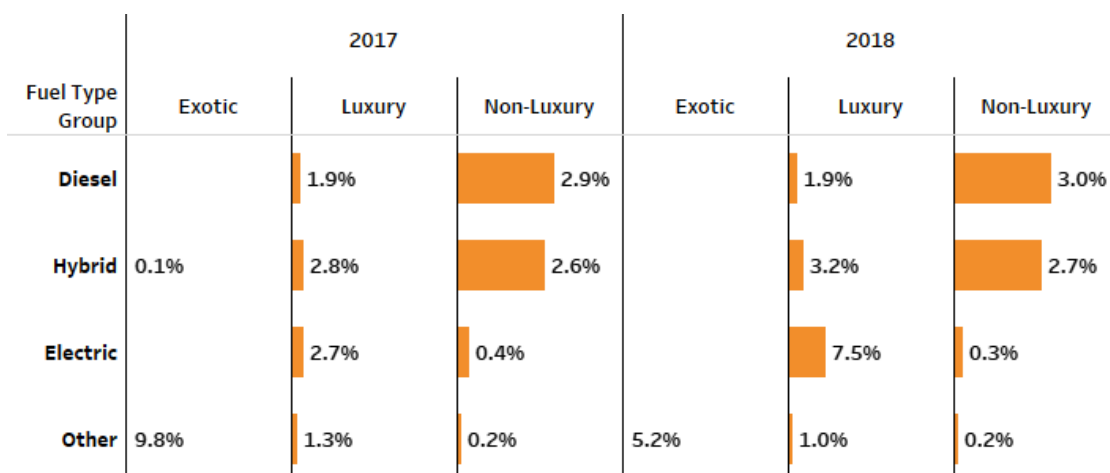
Alternative Fuel Types – where we are heading

January through September of each Report Period



Alternative Fuel Types – Who is selling them?

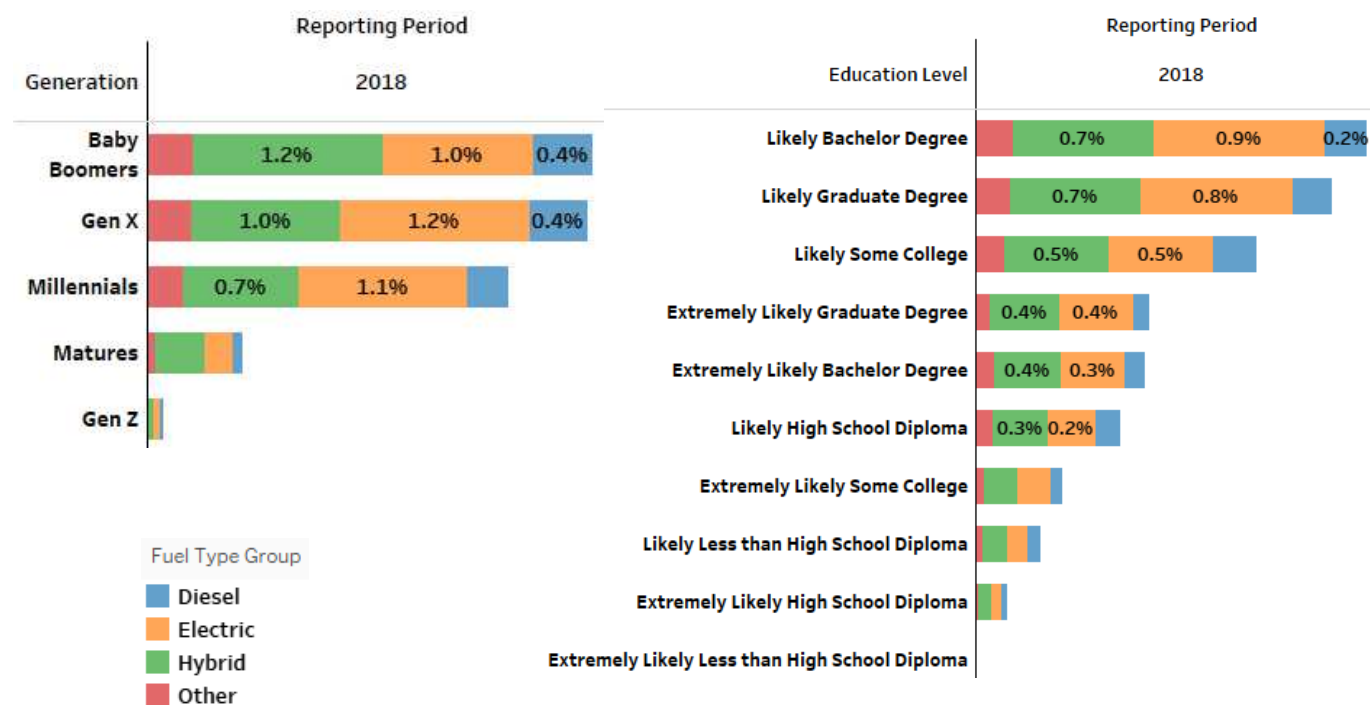
January through September of each Report Period

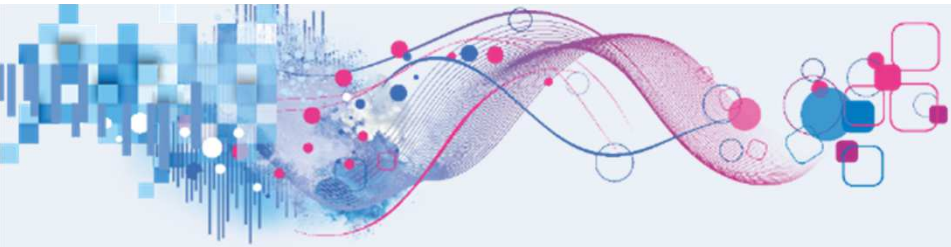


Alternative Fuel Types – Who is buying them?

Most buyers are:

- College educated
- Baby Boomers or Gen X
- Married
- Home value \$450k+
- Single family home owners
- Less likely to have children
- Work in Management, Business or at a Professional level





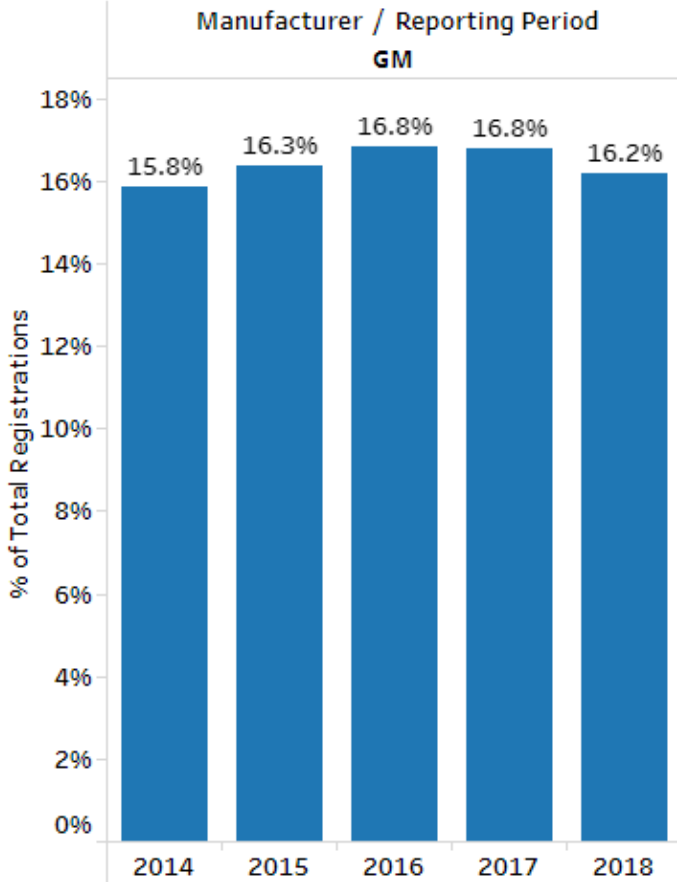
Automotive Market News

GM layoffs and plant closing announcements



GM Overview – Total market share by calendar year

New vehicle registrations trend of January through September

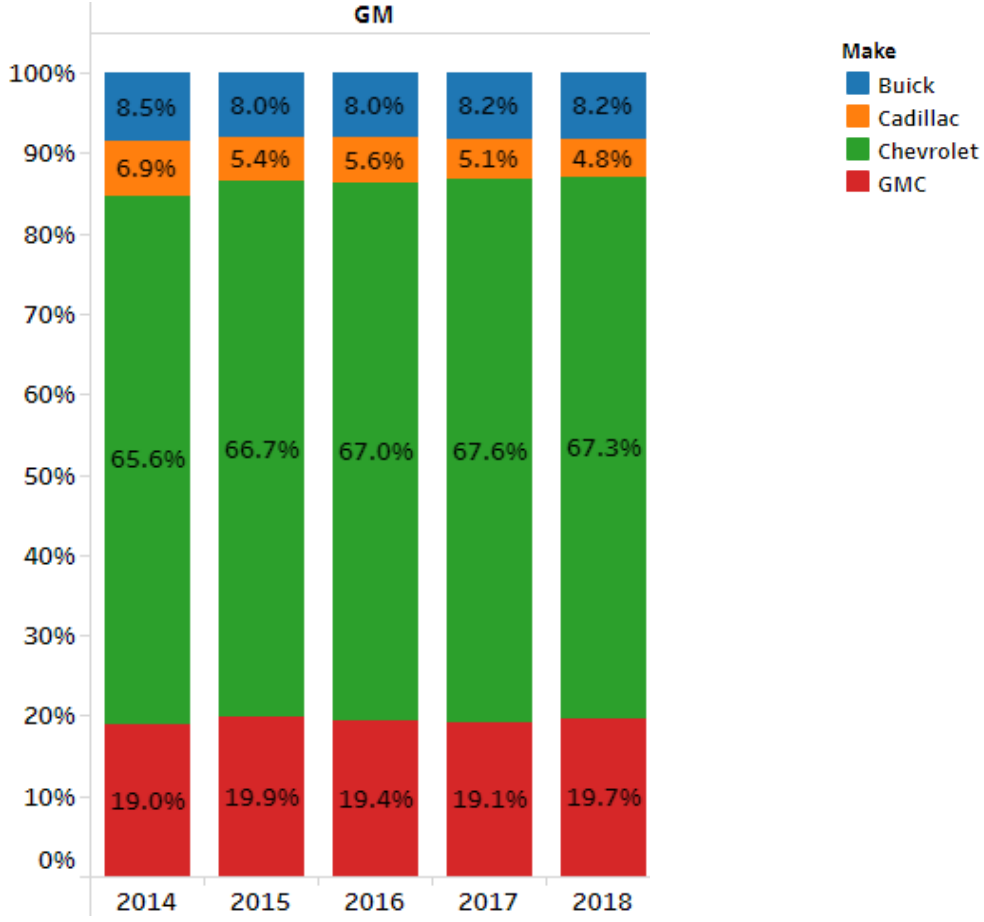


Source: Experian Automotive as of January through September of each year (light duty vehicles only)



GM Overview – Brand share within manufacturer

New vehicle registrations trend

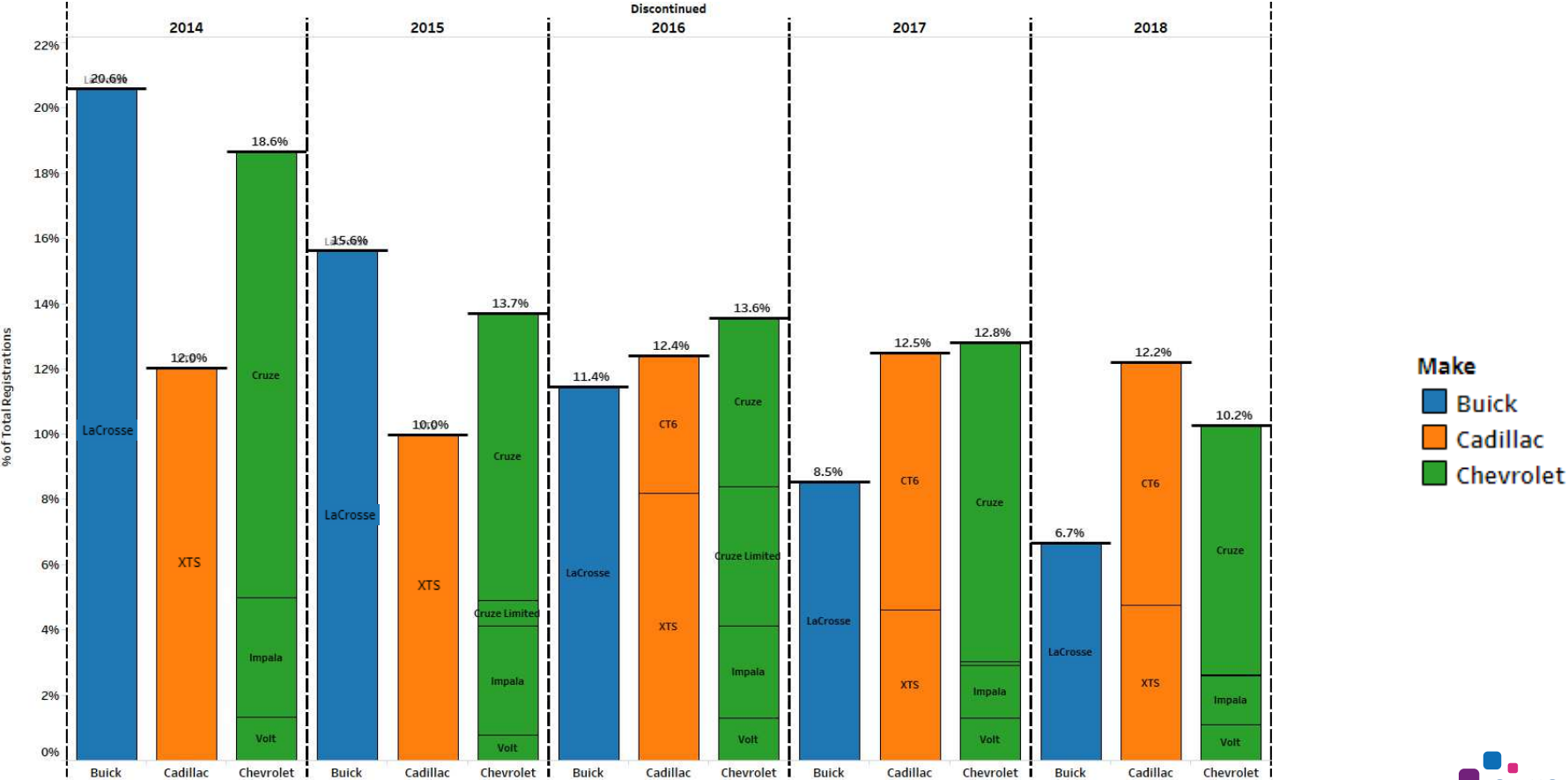


Source: Experian Automotive as of January through September of each year (light duty vehicles only)



GM Overview – 6 discontinued GM models

New vehicle registrations trend – share of model within brand

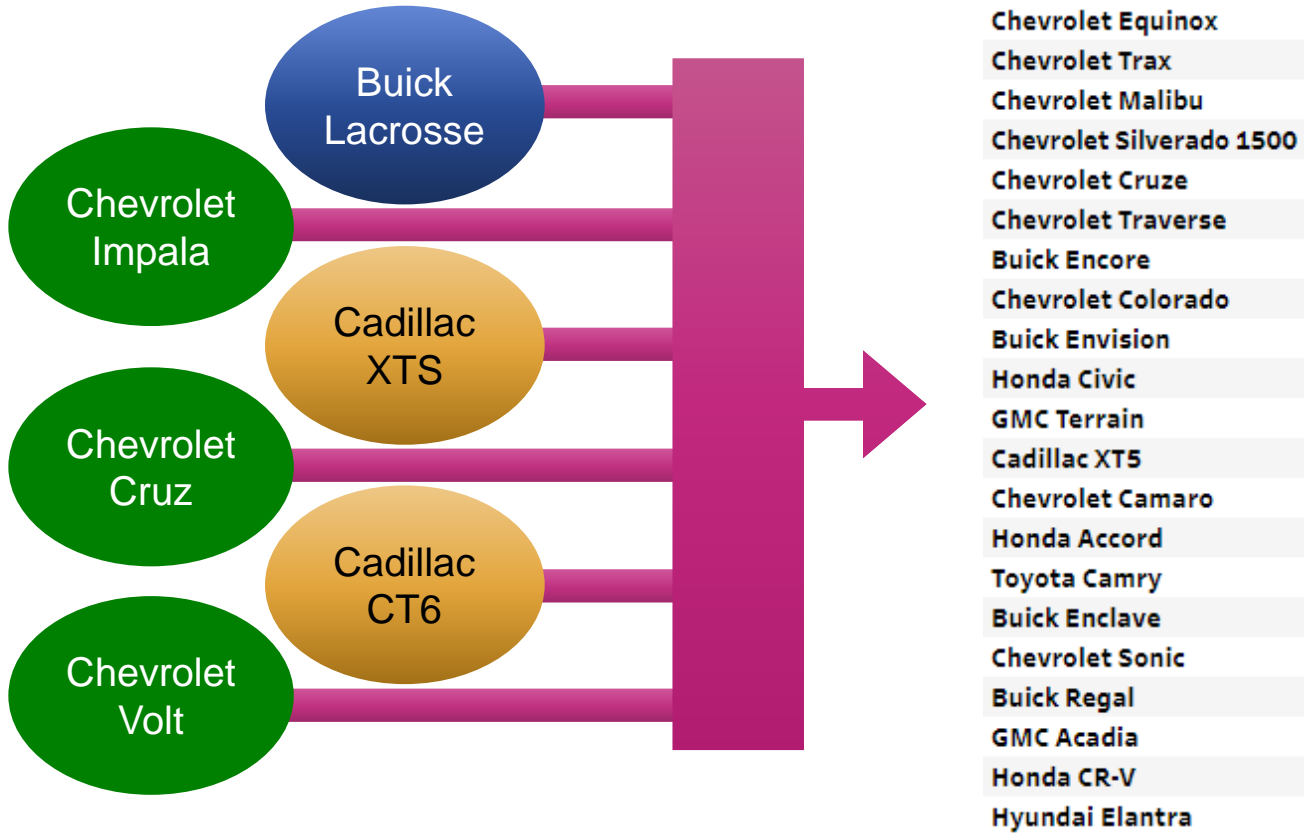


Source: Experian Automotive as of January through September of each year



GM Overview – 6 discontinued models – what alternatives?

Disposal Loyalty model defection – top Make/Models



Summary

- Total light duty VIO continues to grow to 275.1 million in the U.S. market
- The Aftermarket Sweet Spot has stopped falling and has settled before seeing a growth that is expected to continue for several years
- New registrations have increased slightly and Used vehicle registrations have dipped slightly
- Cross-overs registrations of new vehicles continue to increase in sales over prior time periods
- FCA and Tesla increase market share while GM continues to struggle.
- Millennial and Gen Z buyers continues to increase in registration share for all vehicle class types.
- Alternative Fuels registrations increase, and it is the educated, married, professional and upscale homeowners who are the buyers.
- GM announces employee cutbacks and will halt production of 6 models – will all current owners stay with GM?



Today's presentation



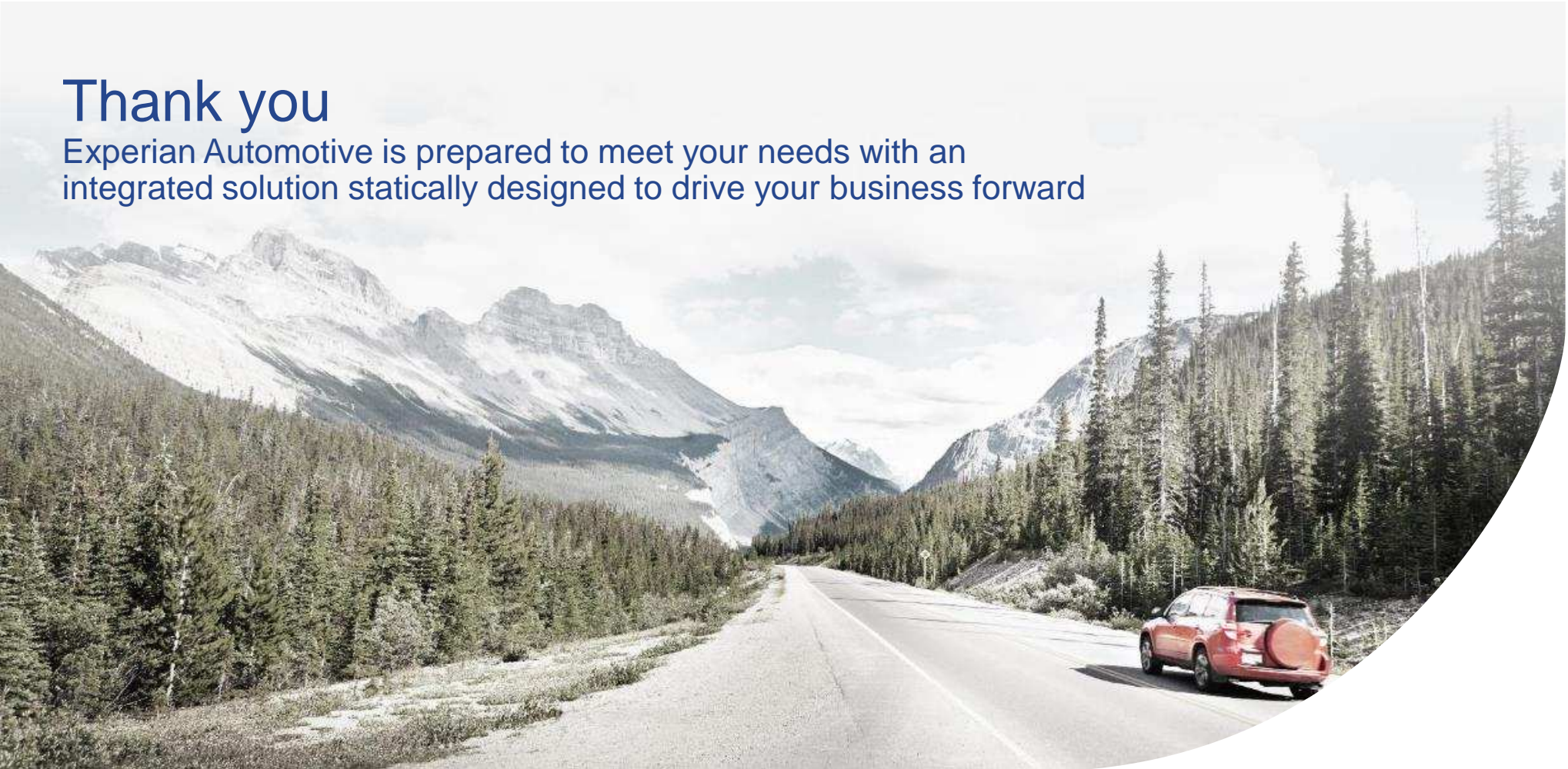
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