Automotive Forum

U.S. AUTOMOTIVE OUTLOOK

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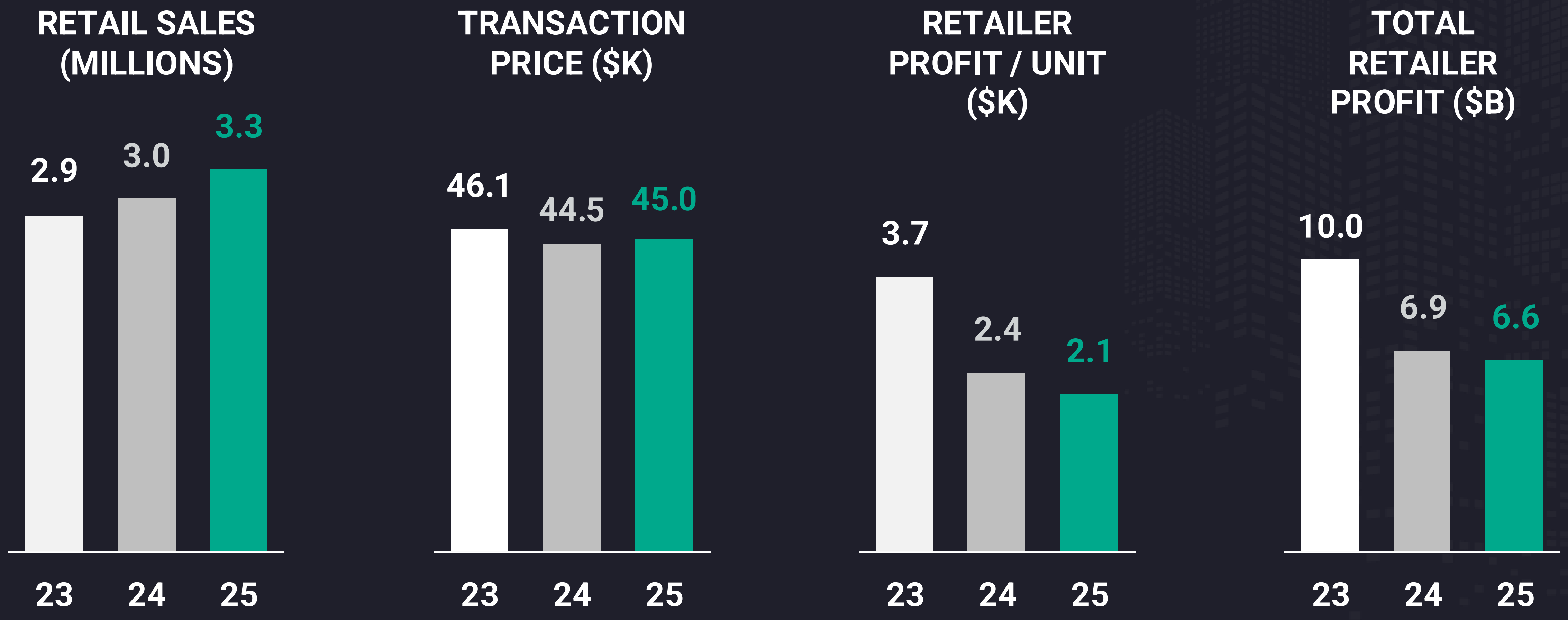
Q1 2025 RESULTS

1st QUARTER RESULTS



NOTE: FINANCIAL METRICS EXCLUDE NON-FRANCHISED BRANDS

TARIFF EXPOSURE

CURRENT TARIFFS BY COUNTRY OF PRODUCTION

REST OF WORLD

25% ON VEHICLE

CANADA & MEXICO

25% ON VEHICLE LESS U.S. PARTS CONTENT

UNITED STATES

25% ON REST OF WORLD PARTS CONTENT

VEHICLE TARIFF EXPOSURE (U.S. RETAIL SALES)

$62Bn

INDUSTRY TARIFF EXPOSURE

$4,782

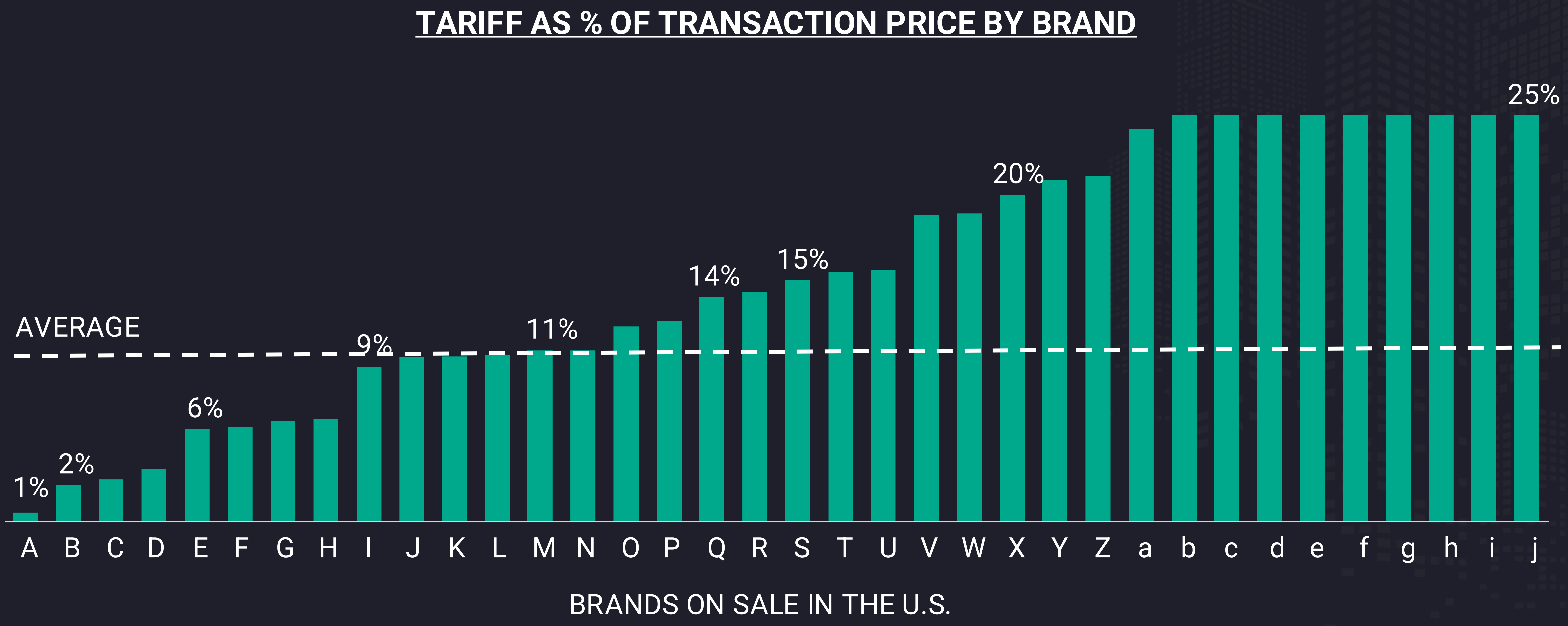
AVERAGE PER VEHICLE

10.6%

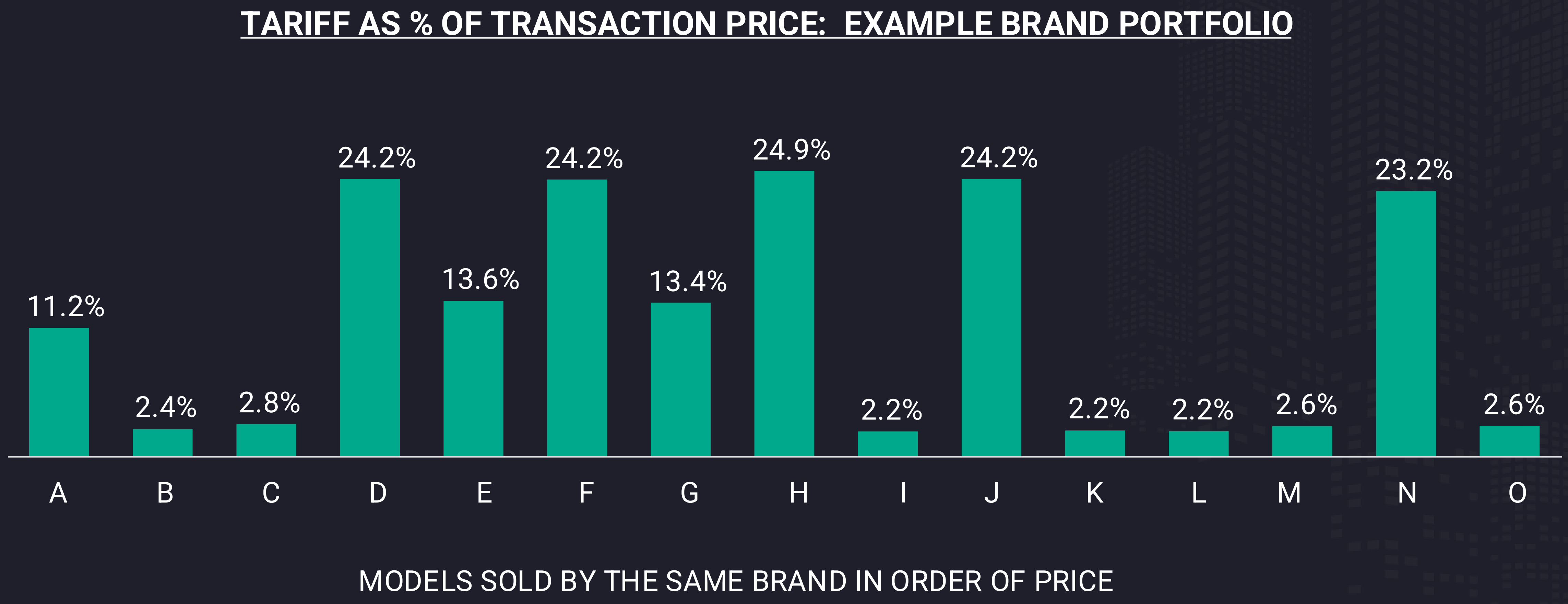
TARIFF AS % OF PRICE

AVERAGES HIDE MASSIVE ASYMMETRY

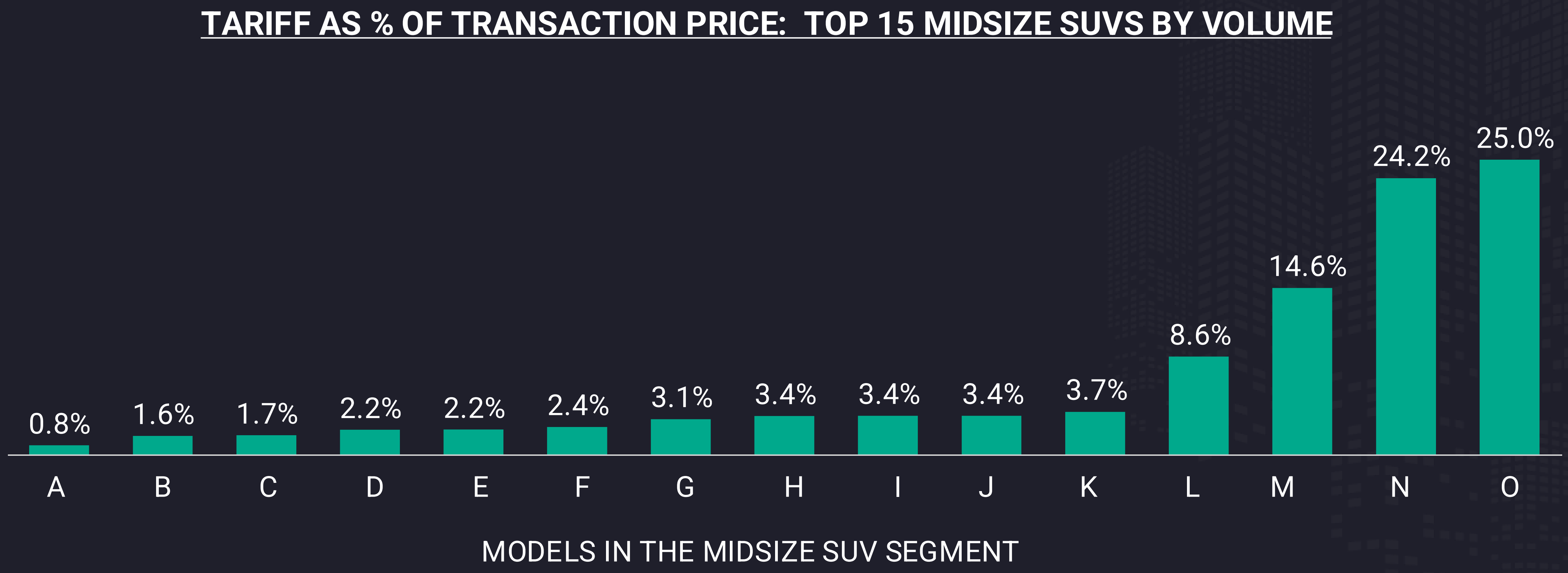
ASYMMETRY ACROSS BRANDS



ASYMMETRY WITHIN A BRAND PORTFOLIO



ASYMMETRY WITHIN A SEGMENT



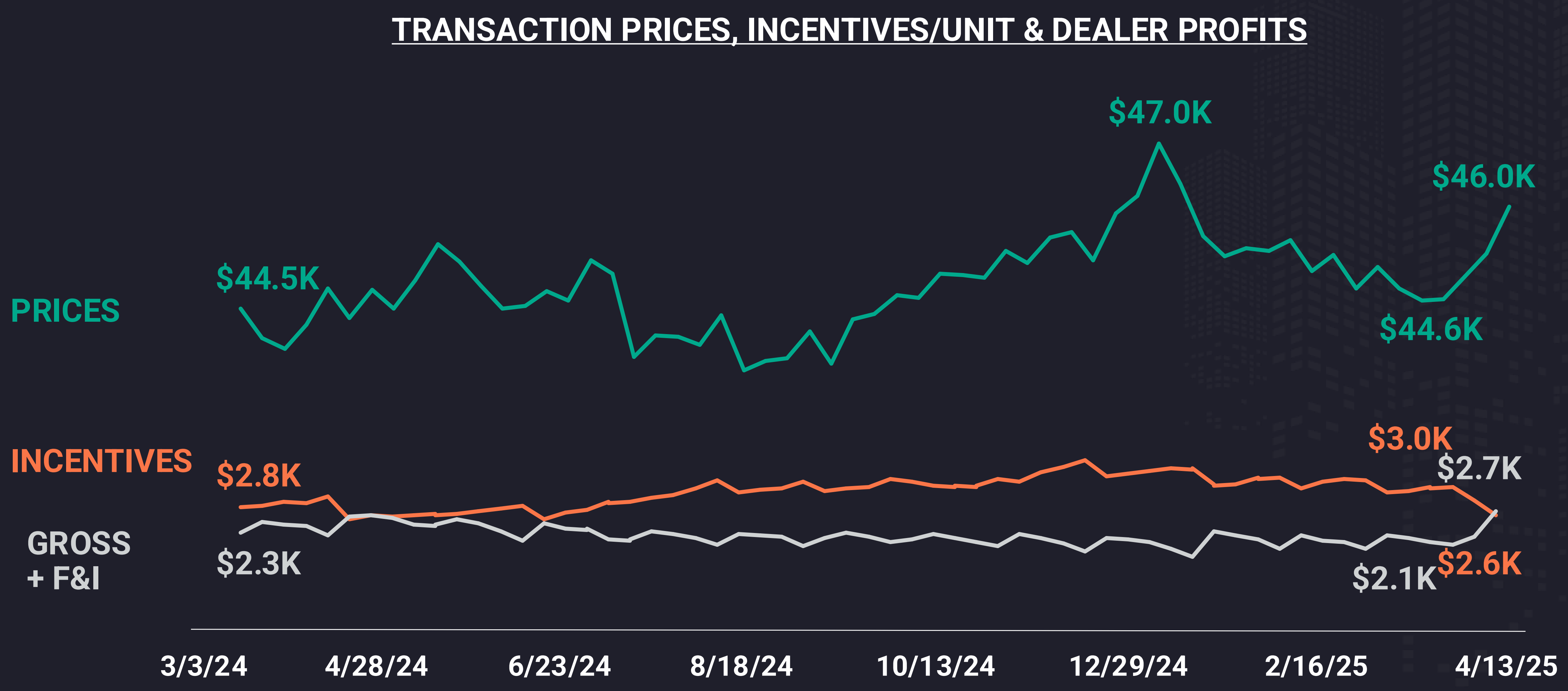
IMPLICATION

"ASYMMETRY MAKES IT ALMOST IMPOSSIBLE FOR HIGHLY TARIFFED BRANDS & MODELS TO INCREASE PRICES WITHOUT LARGE VOLUME DECLINES…

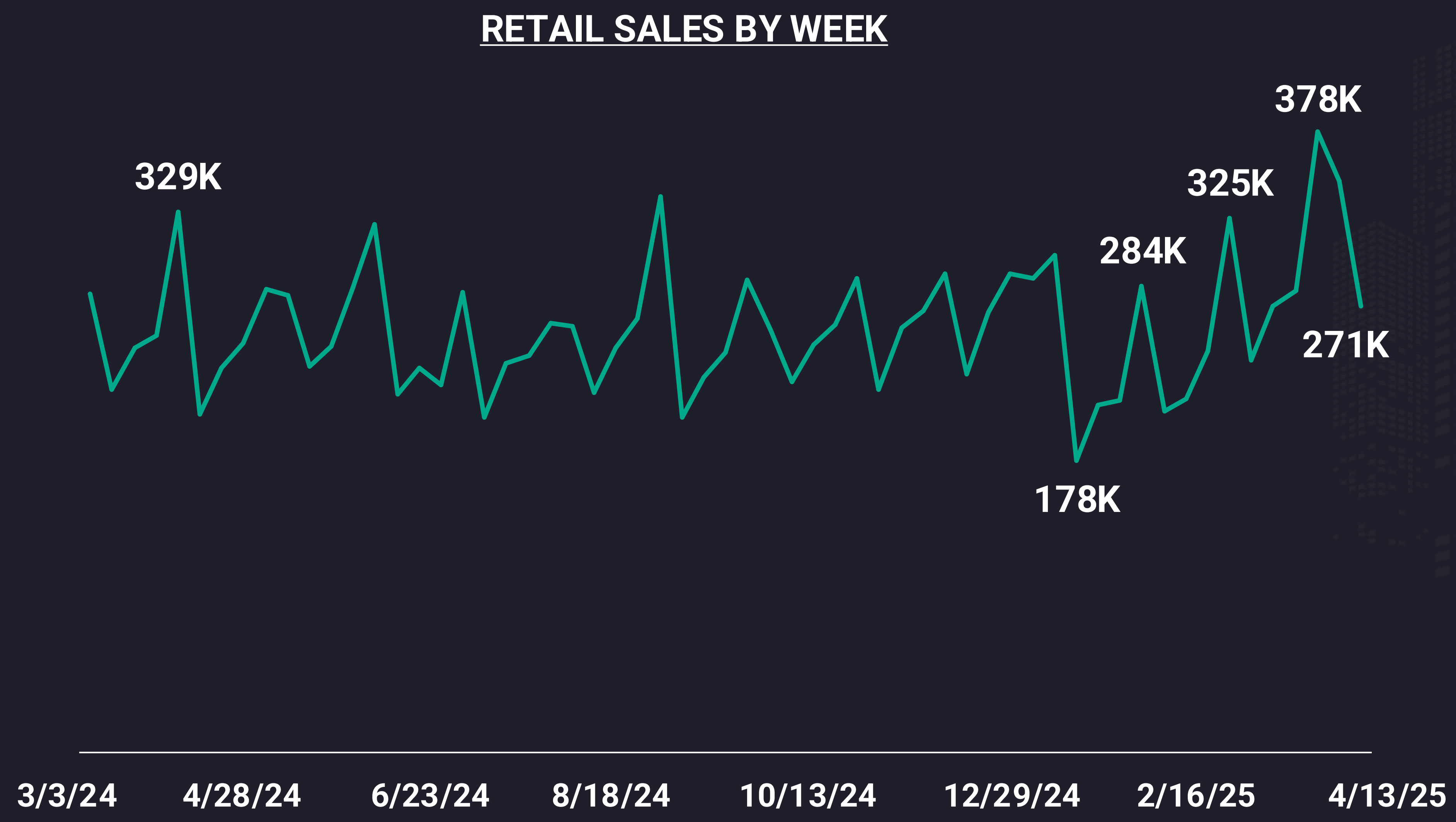
…SO, TO MAINTAIN REASONABLE VOLUMES, A LARGE PORTION OF TARIFFS MUST BE ABSORBED"

HOW WILL OEMS, DEALERS & CONSUMERS RESPOND?

OEMS & DEALERS: MODEST MOVEMENT (FOR NOW)



CONSUMERS: ACCELERATING PURCHASES



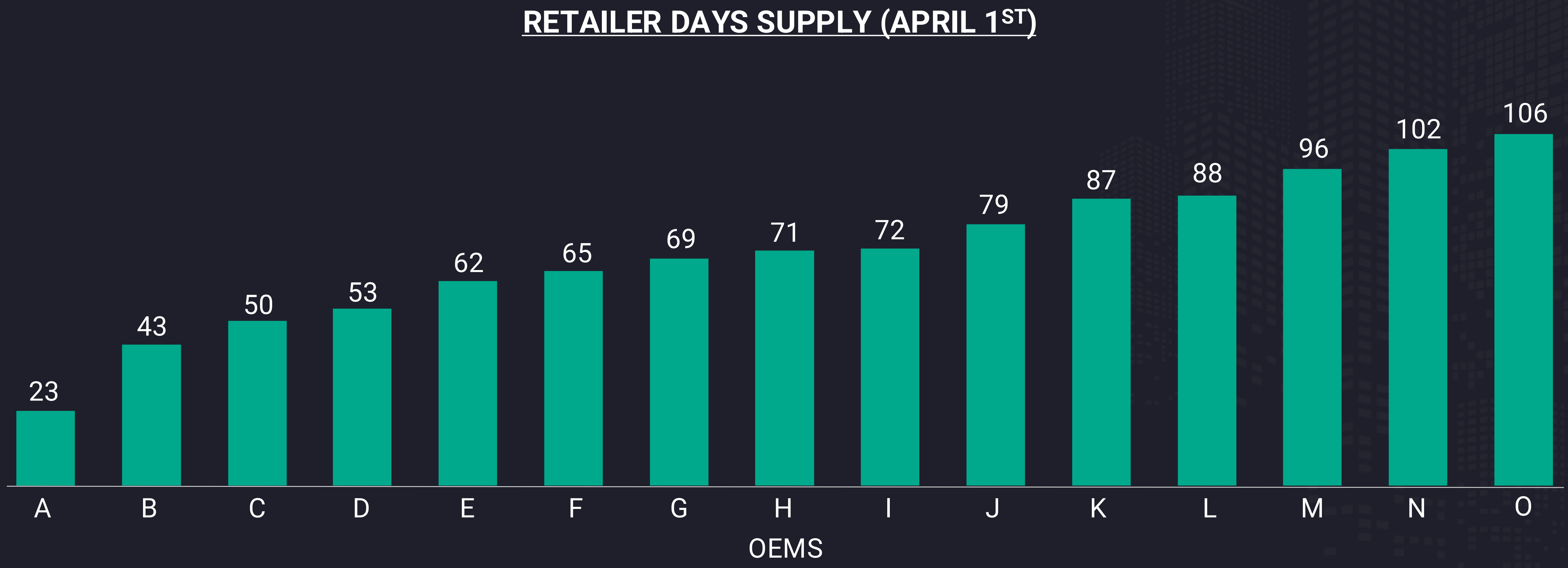
+155K

EXTRA SALES IN 2.5 WEEKS

18.5M

SALES PACE SO FAR IN APRIL

PRESSURE ON OEMS TO RESPOND (ALSO ASYMMETRIC)



KEY OEM DECISIONS TO BE MADE

IMMEDIATE IMPACT → LONG TERM IMPACT

PRICING, INCENTIVES, PRODUCTION, SHIPPING

RATIONALIZE PORTFOLIO
- DEFENSIVE
- TARIFFS STAY OR GO?
- FOREIGN GOV. HELP?

LEVERAGE GLOBAL SALES FOOTPRINT
- ELIMINATE LOW MARGIN, HIGH TARIFF MODELS?
- CARB/CO_2/CAFE COMPLIANCE?

RIGHT-SIZE LOCAL PRODUCTION
- REALLOCATE TO OTHER MARKETS?

OPTIMIZE PARTS SOURCING
- LEVERAGE EXCESS CAPACITY TO INCREASE U.S. PRODUCTION

NEW PRODUCTION FACILITIES
- BALANCE PARTS COST VS TARIFFS

LIKELY AUTO TARIFF NET IMPACT BY YEAR END

AVERAGE NEW VEHICLE PRICE INCREASE

+5%

(+$2,300)

RANGE:
+3% to +7%
$1,400 to $3,200 UNIT

ANNUALIZED RETAIL SALES PACE (SAAR)

-8%

(-1.1M)

RANGE:
-5% to -12%
-0.7M to -1.6M SALES

FROM TARIFFS CURRENTLY ANNOUNCED

EXCLUDES ANY GENERAL ECONOMY EFFECTS

IMPLICATIONS FOR 2025?

2025 CY IMPACT: EVOLUTION THROUGHOUT THE YEAR

"AS EXPECTED" — Q1

- Volume improved
- Financials softened

"PRE-TARIFF BUMP" — Q2

- Elevated sales while pre-tariff inventory exists
- Initial price increases (May/June)

"EMERGING CLARITY" — Q3

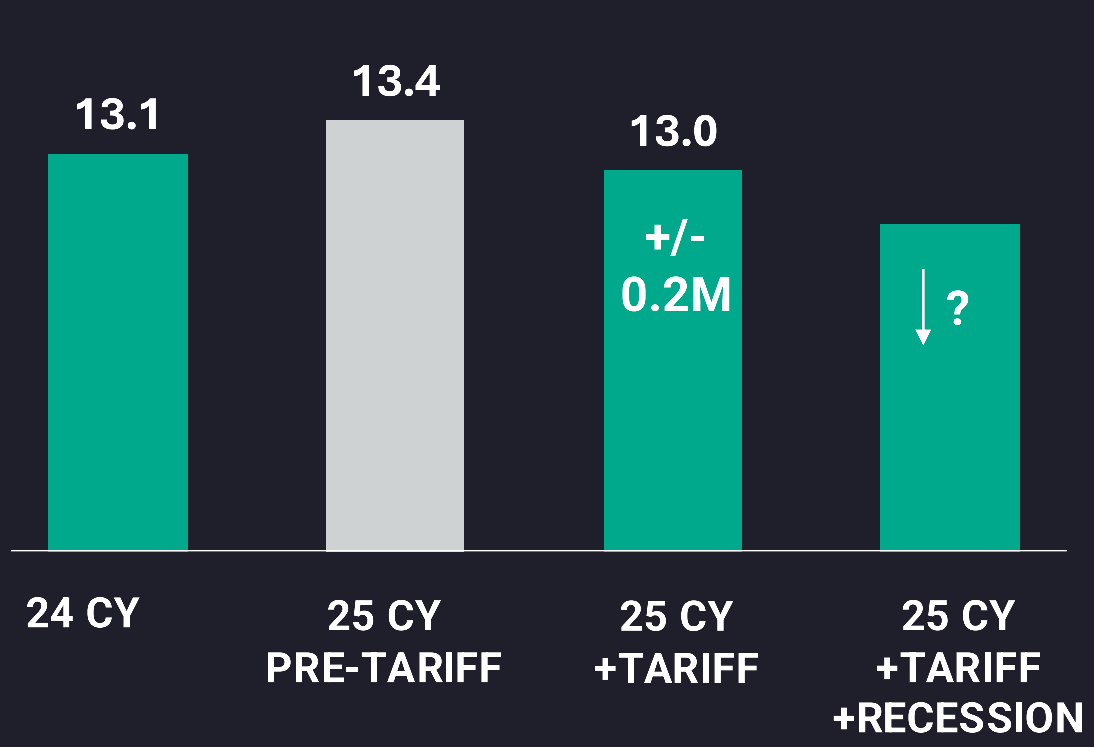
- OEM strategies revealed
- Payback from pre-tariff bump
- Prices up 3-5%
- General economic impact emerges

"NEW NORMAL" — Q4

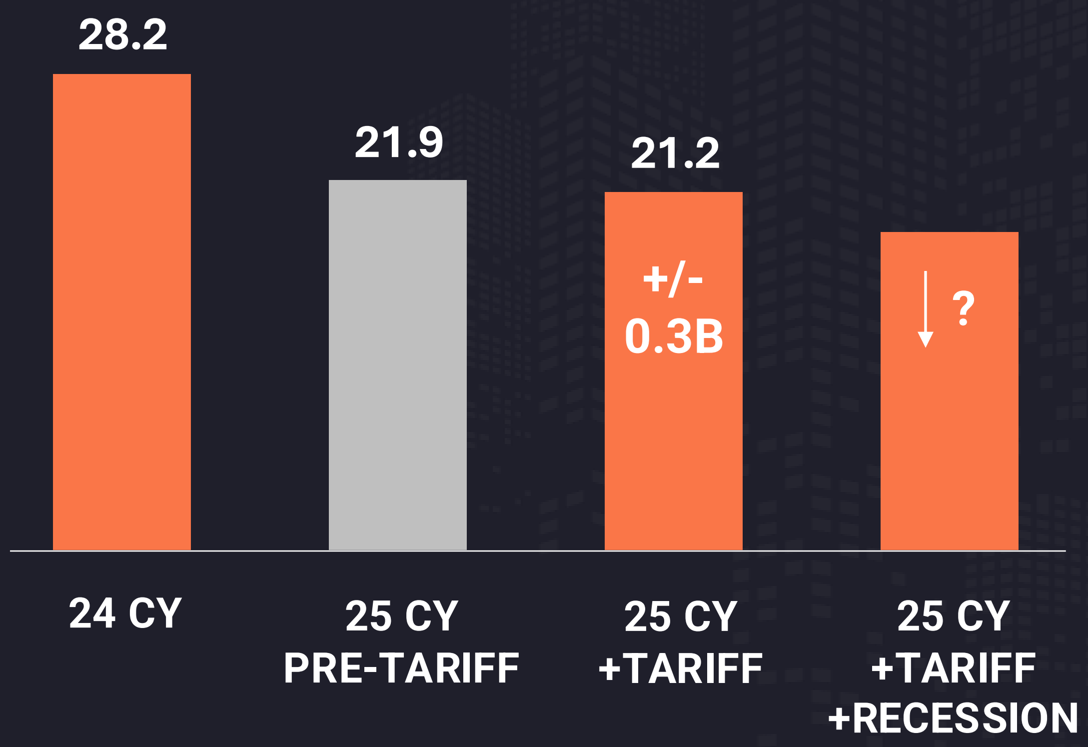
- OEMs react to respective strategies
- Tariff mitigation benefits emerge
- Prices up 5%
- General economic impact clearer

2025 CY OUTLOOK:

RETAIL SALES (M)



TOTAL RETAILER PROFIT ($B)



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Thank You

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