



IHS Markit®

Navigating Opportunities in the New Aftermarket Normal

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Associate Director of Aftermarket Solutions
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Agenda

- **Aftermarket Forecast**
- **Vehicle miles traveled**
- **New Vehicle Sales and VIO**
- **Average Vehicle Age**
- **Electric Vehicle progress and challenges**
- **What does it all mean to remanufacturers?**



Aftermarket proves resilient once again

-5.3%
**2020 Total US
Aftermarket
Sales Growth**

Source: Aftermarket Joint Channel Forecast



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2020 Total US
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11.2%

2021 Total US
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Source: Aftermarket Joint Channel Forecast



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4%

2022 and 2023
Total US
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Source: Aftermarket Joint Channel Forecast



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2022 and 2023
Total US
Aftermarket
Sales Growth

3.8% CAGR

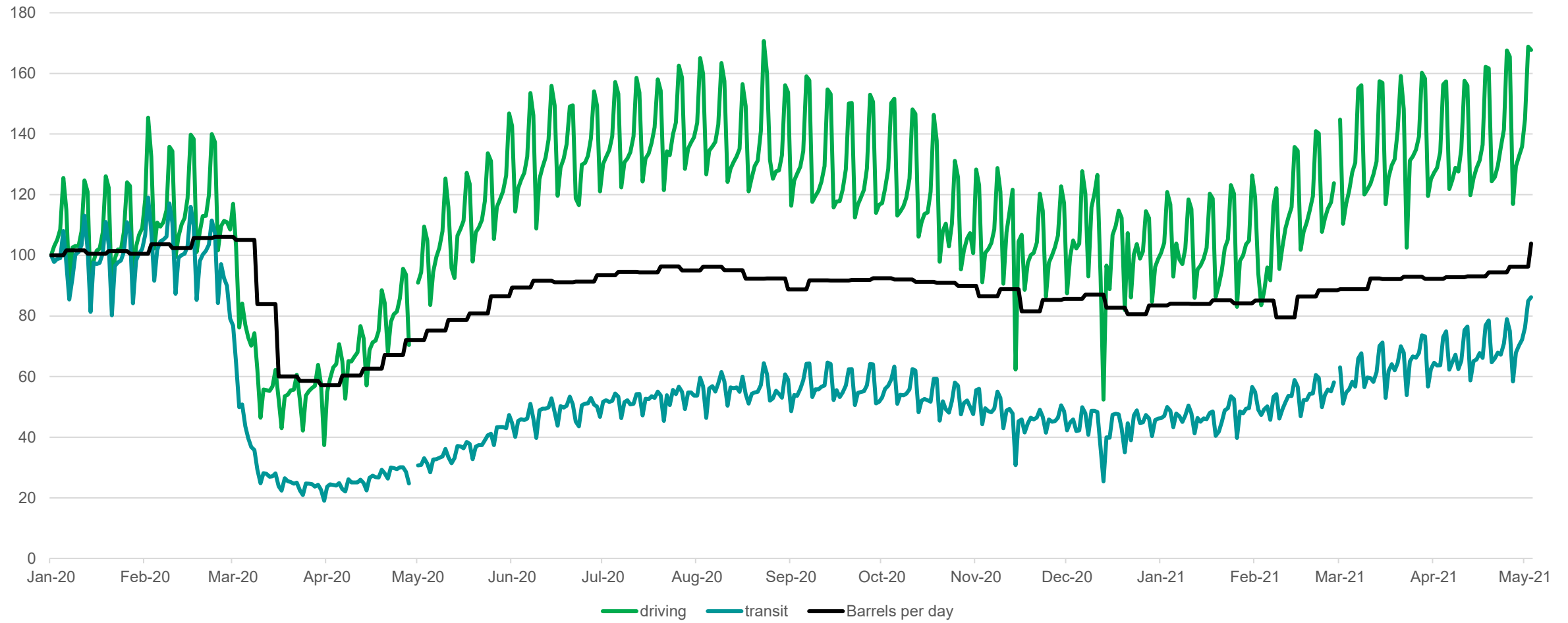
2019

2024

Source: Aftermarket Joint Channel Forecast



Mobility trends and fuel consumption show improvement



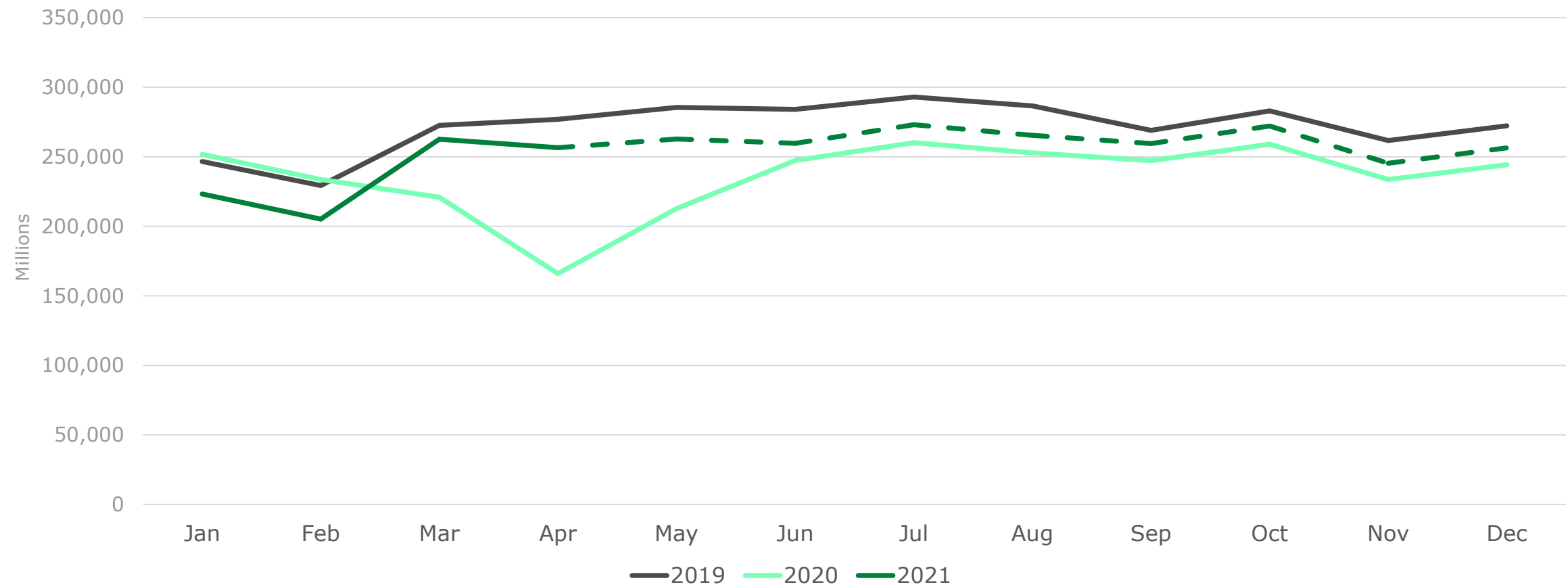
Indexed to January 13, 2020

Source: Apple Mobility Trends, IHS Markit OPIS



US Driving Volume headed back to 3T annually

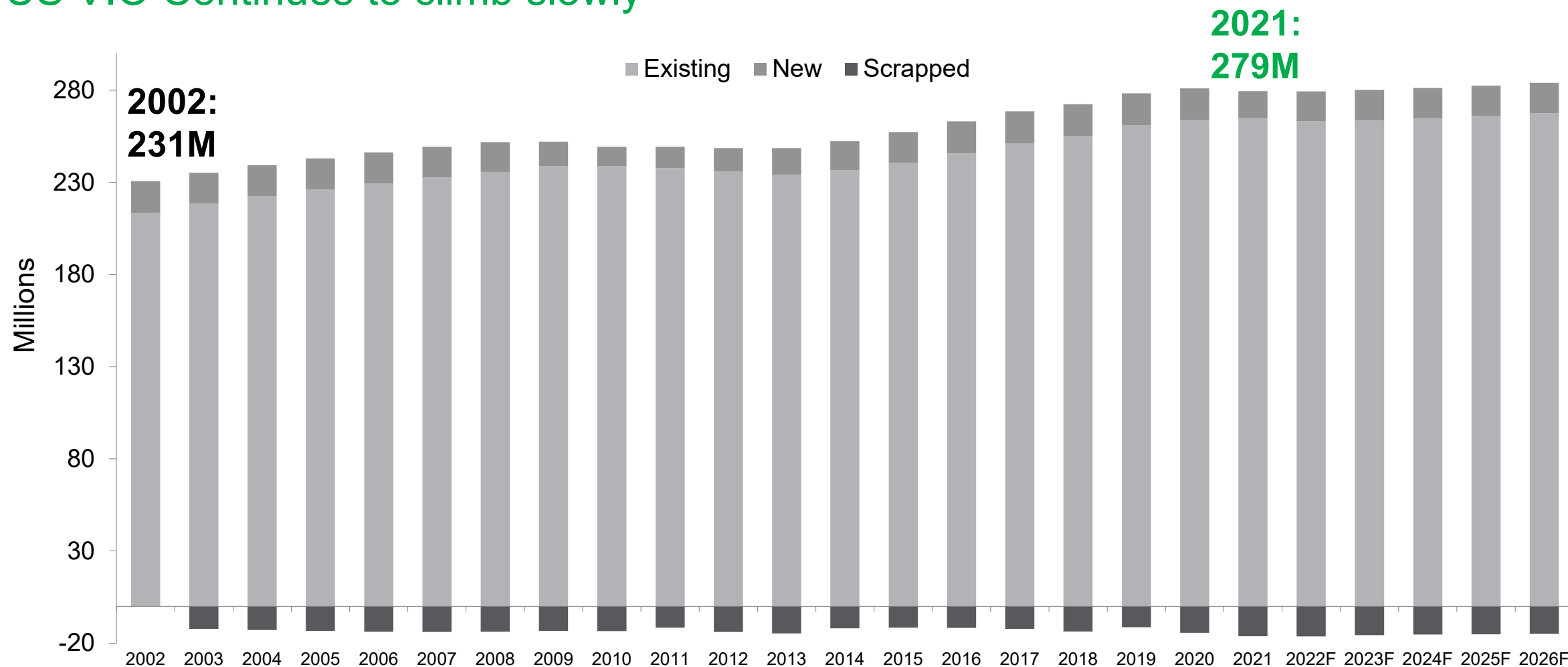
Monthly vehicle miles traveled



Source: US Department of Transportation (DOT) and Federal Highway Administration (FHWA), IHS Markit analysis



US VIO Continues to climb slowly

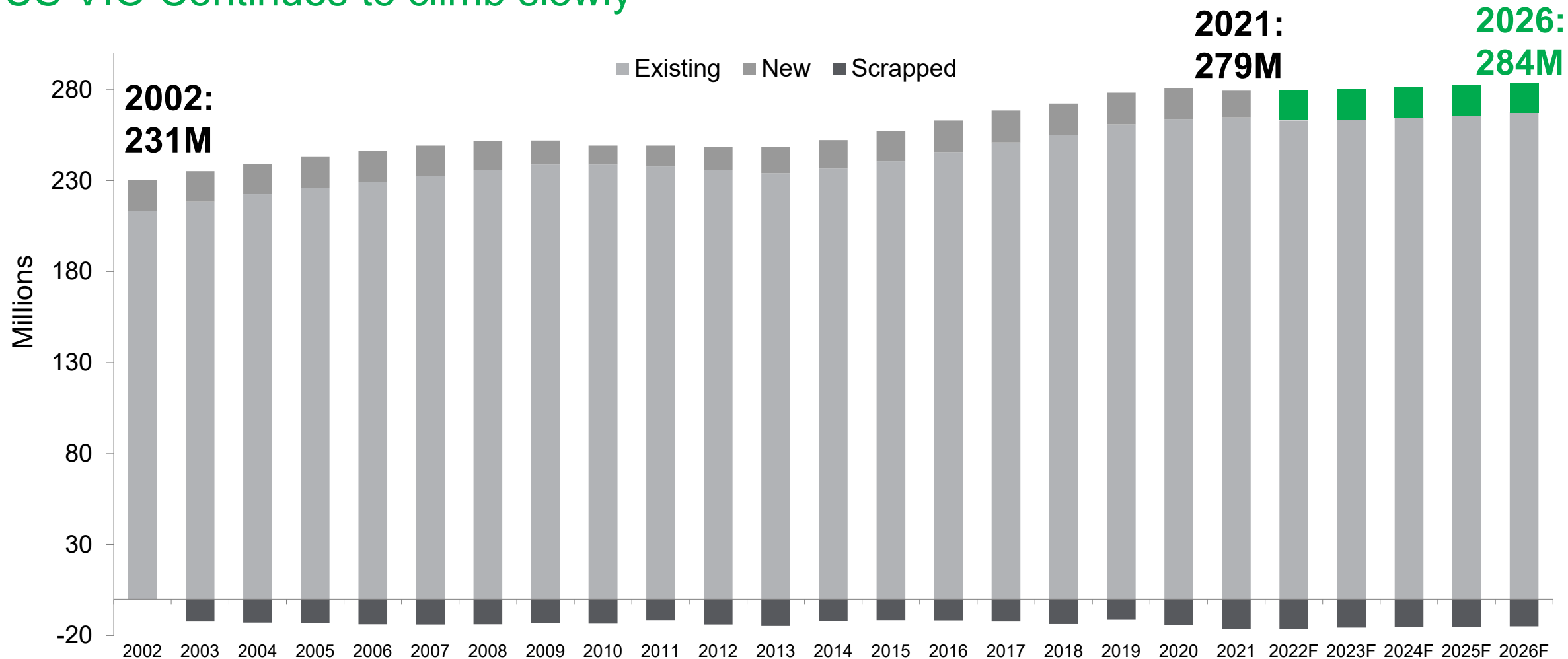


Note: Data as of 1 January each year. Passenger Cars and Light Trucks

Source: IHS Markit



US VIO Continues to climb slowly

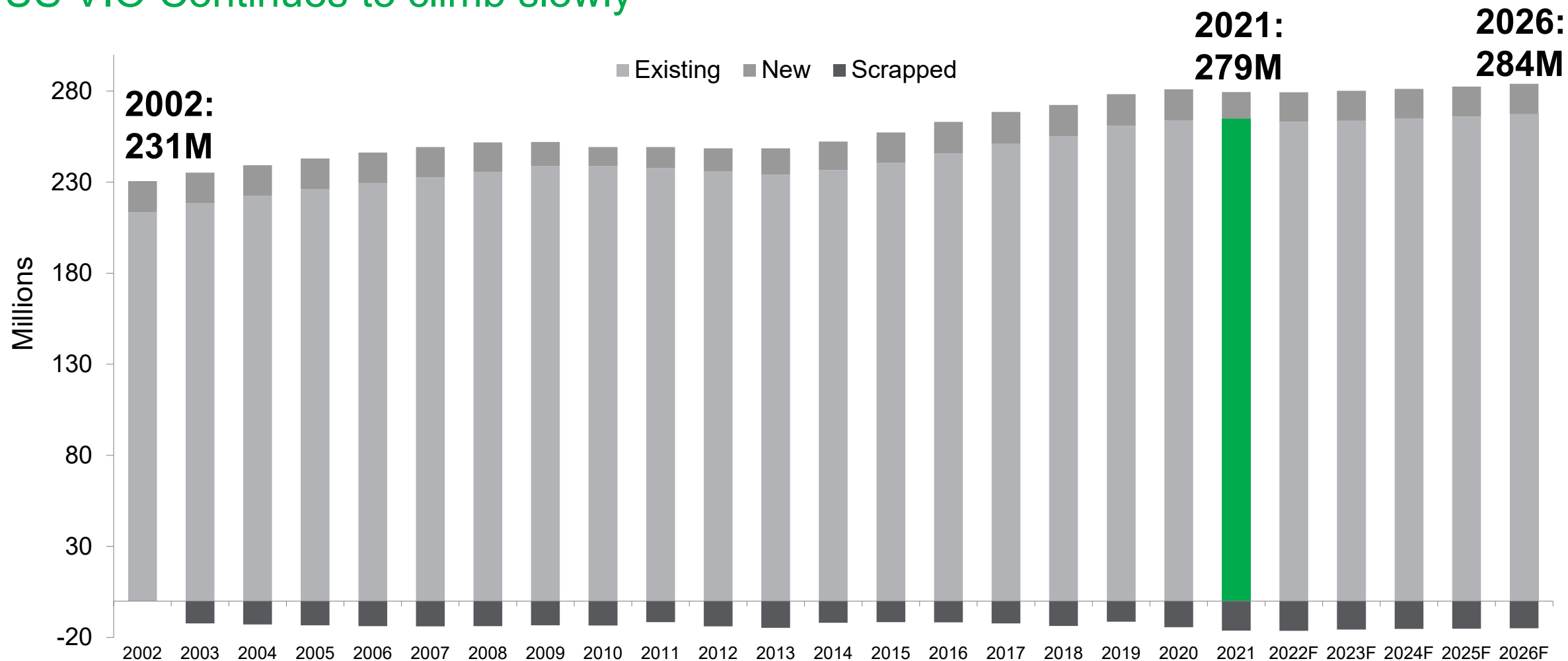


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US VIO Continues to climb slowly

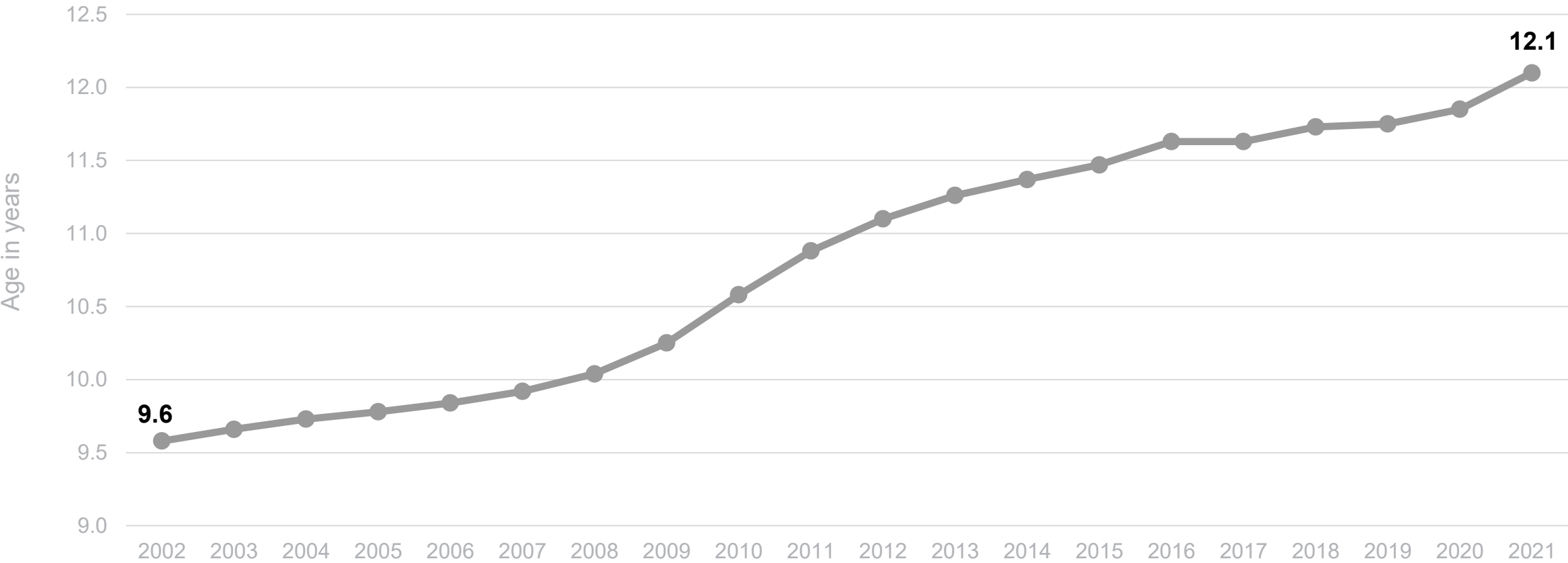


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Source: IHS Markit



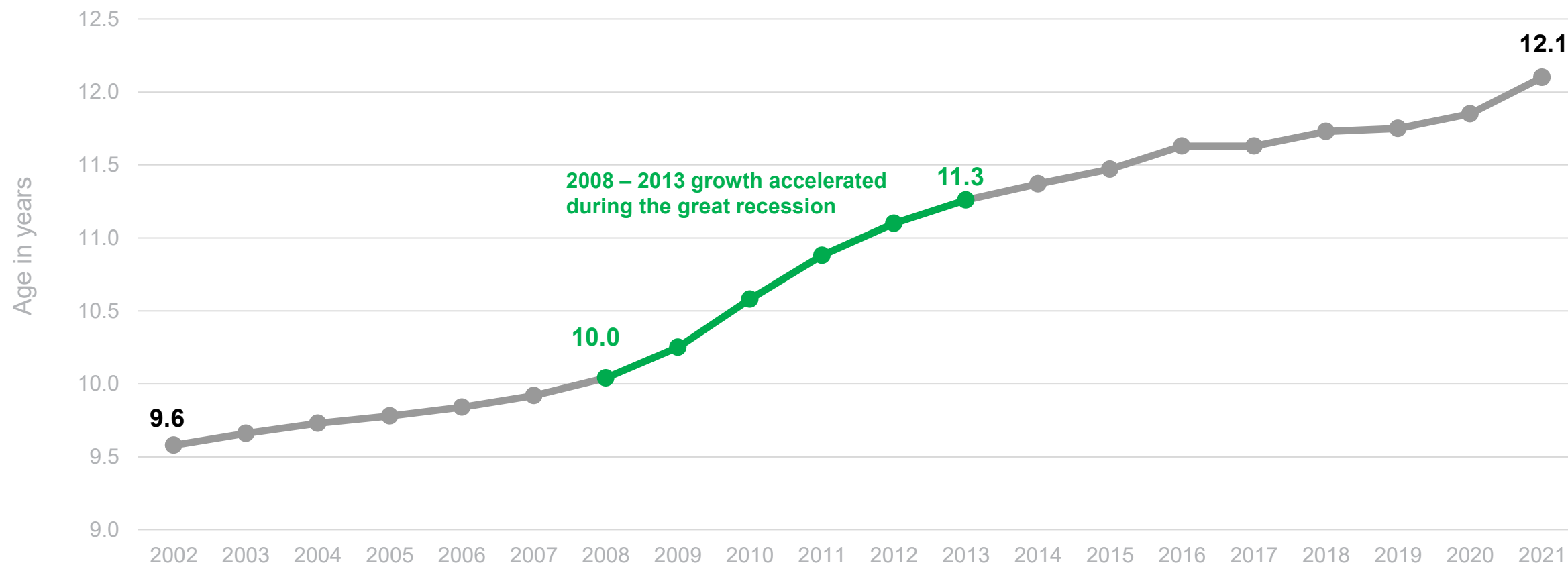
Pandemic drives US Light Vehicle Average Age



Passenger Cars and Light Trucks Combined
Source: IHS Markit



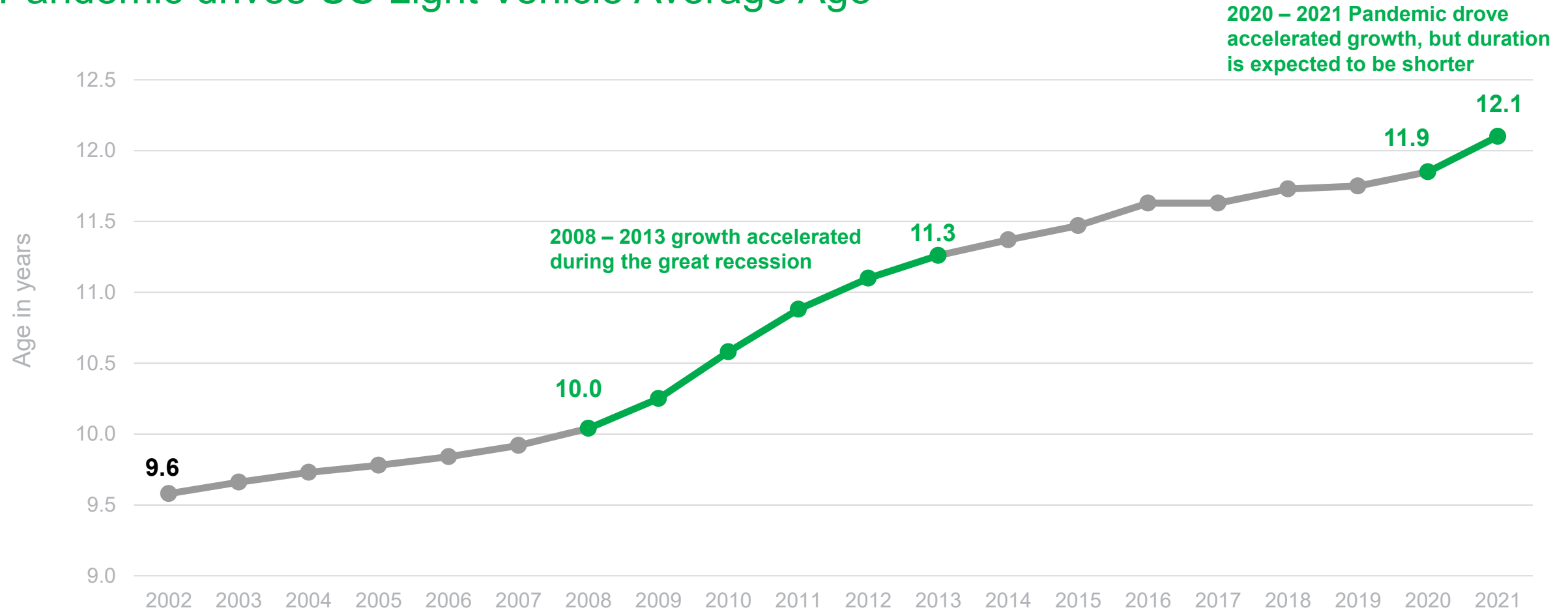
Pandemic drives US Light Vehicle Average Age



Passenger Cars and Light Trucks Combined
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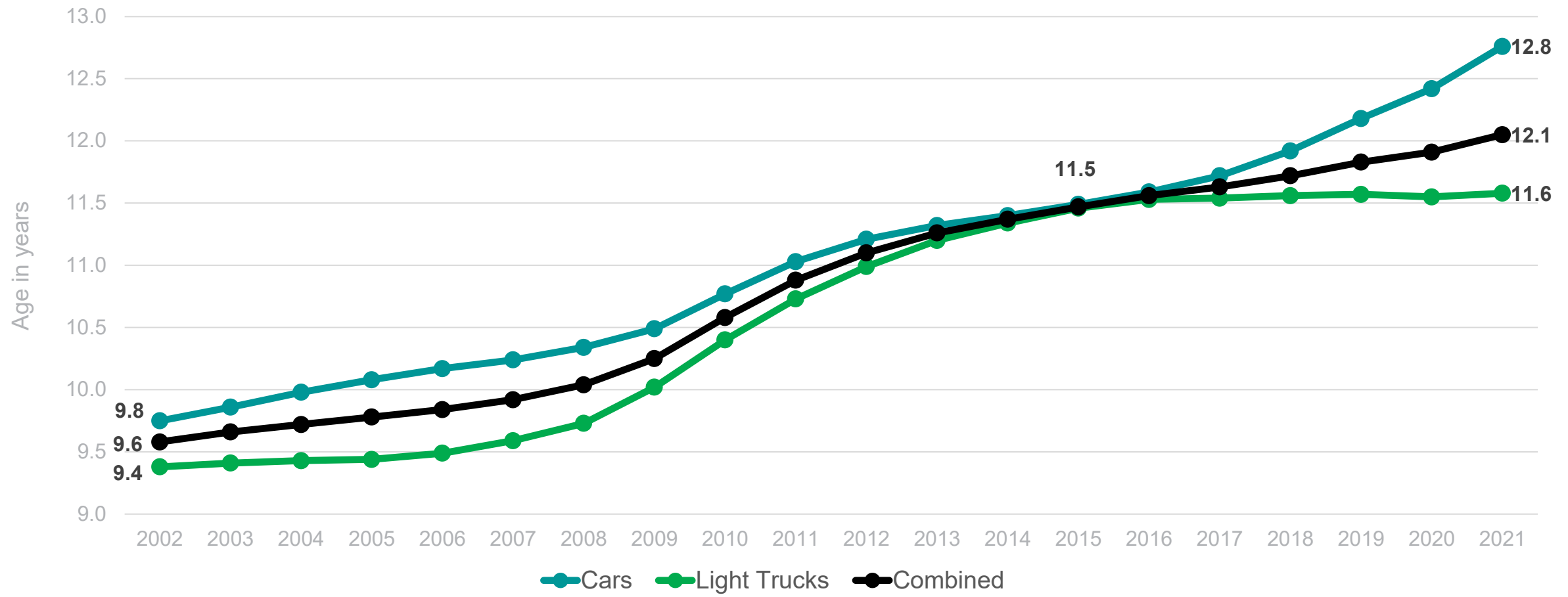
Pandemic drives US Light Vehicle Average Age



Passenger Cars and Light Trucks Combined
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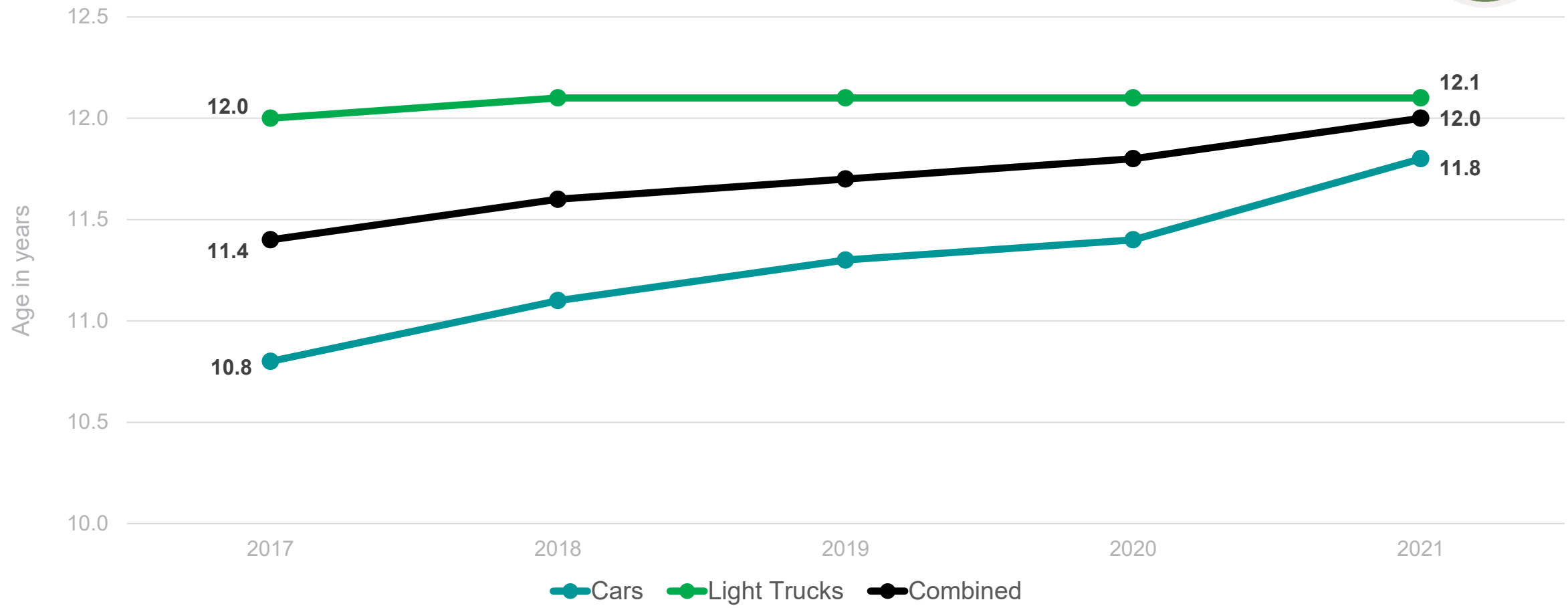


Average Age by vehicle type continue to diverge



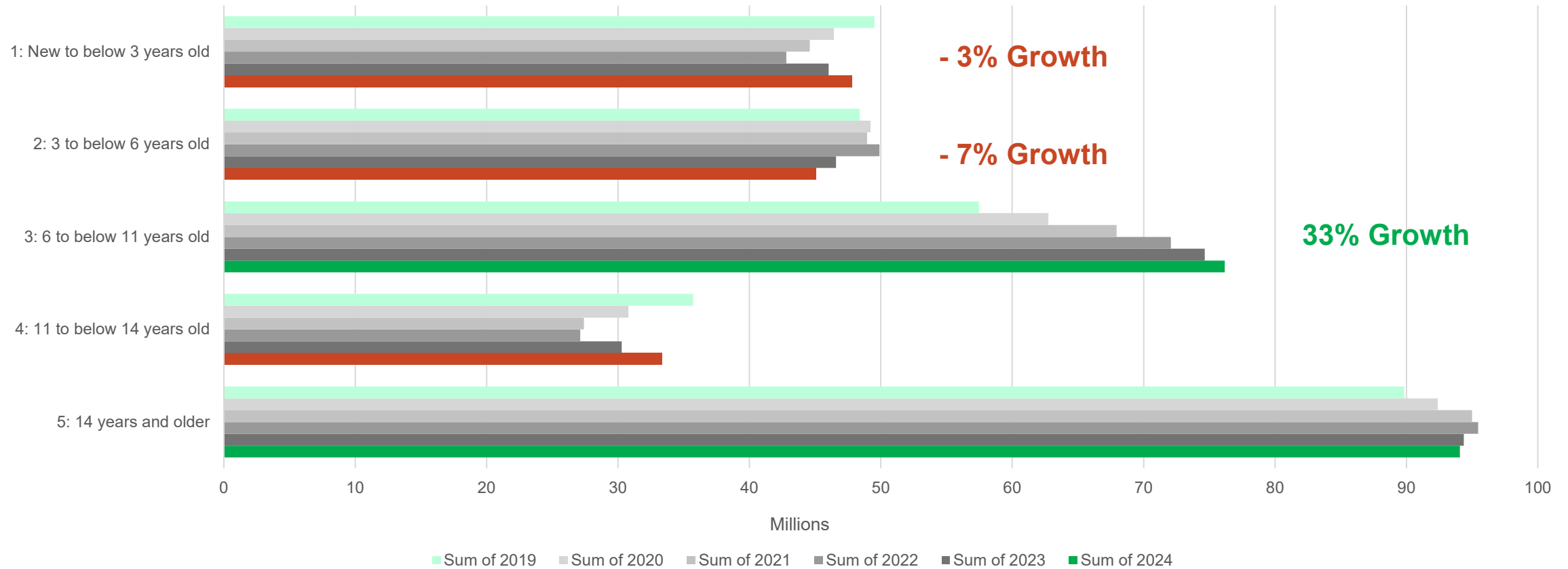


CAWA's Regional Average Age is converging and trends toward national norms





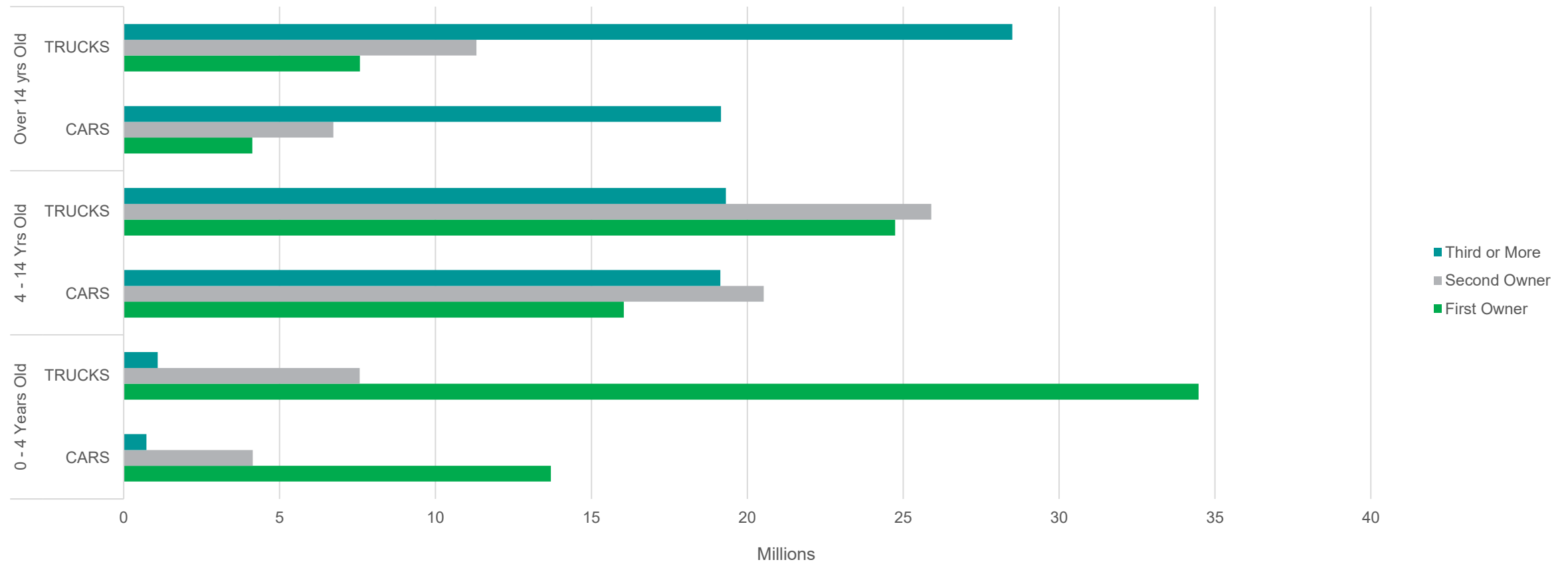
Changing Age distribution to drive aftermarket growth 2019 - 2024



Passenger Cars and Light Trucks Combined
Source: IHS Markit



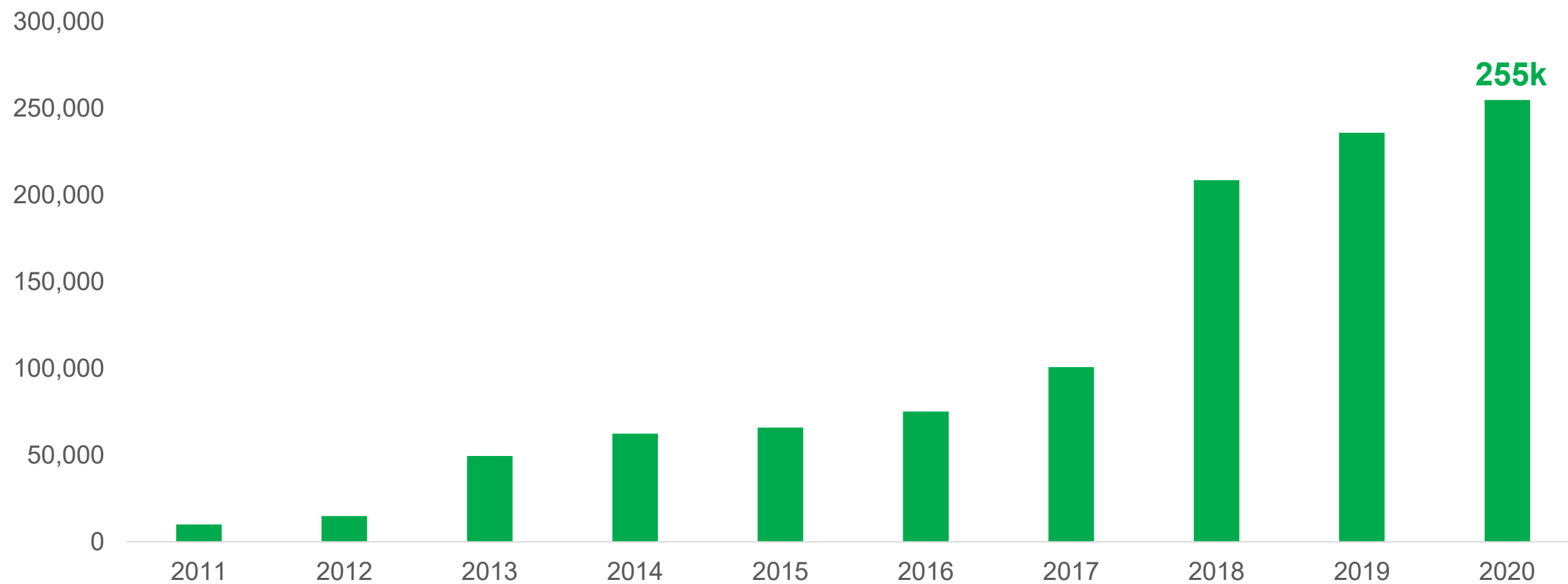
Aftermarket opportunity is realized as vehicles move through their lifecycle



Passenger Cars and Light Trucks Combined 2020 year end VIO
Source: IHS Markit



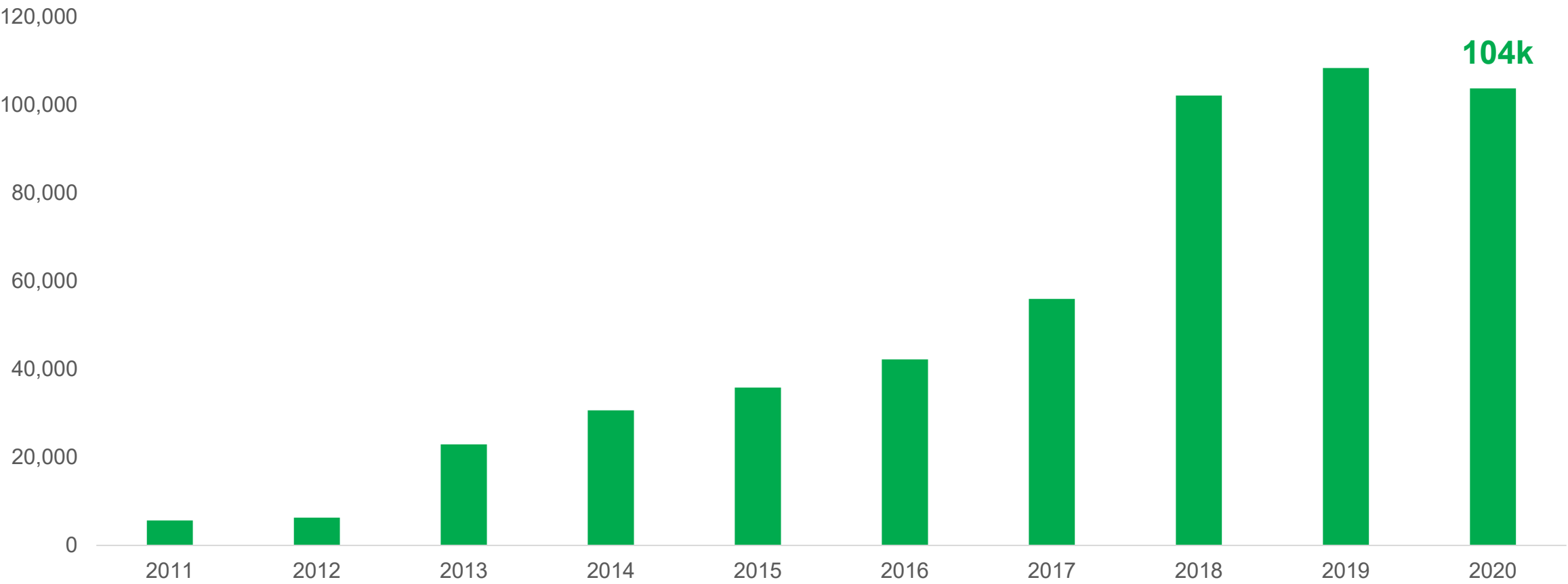
Electric Vehicle New Registrations continue to grow



Source: IHS Markit



In CAWA's region EV New Registrations have plateaued



Source: IHS Markit



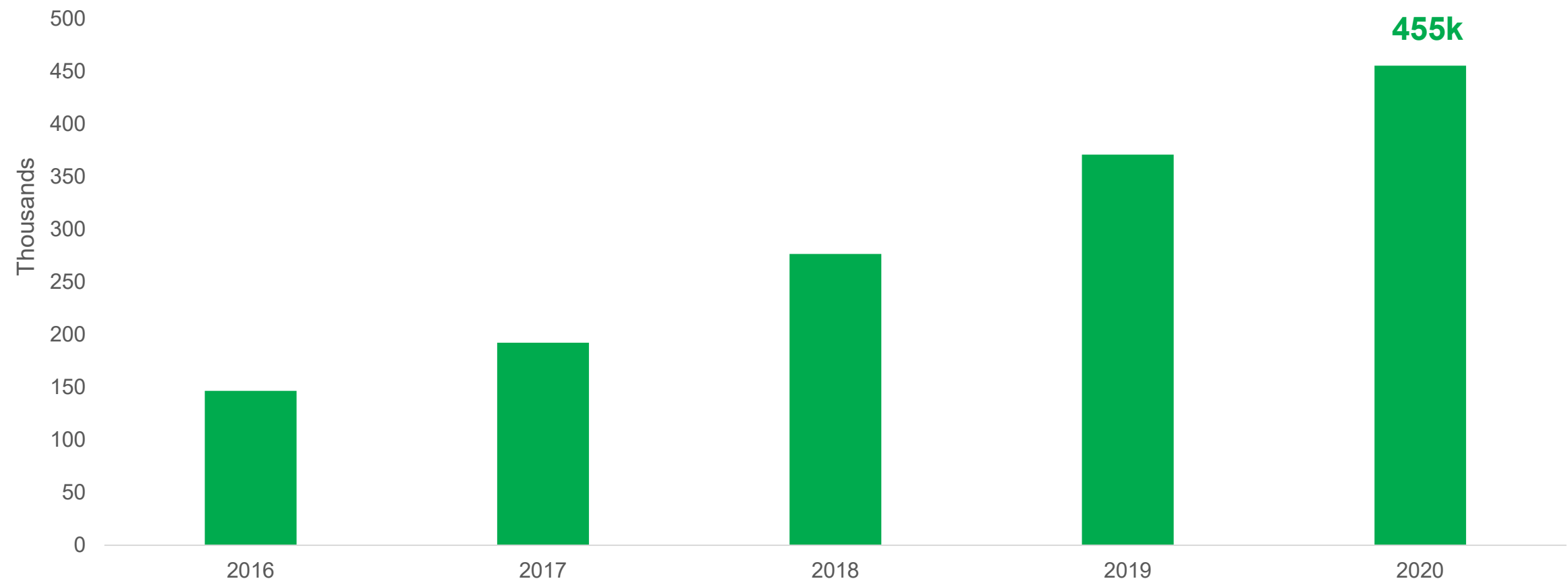
Volume of Electric Vehicles in Operation is growing too



Vehicles in operation as of January 1
Source: IHS Markit



In CAWA's region volume of Electric Vehicles in Operation is growing steadily but slower



Vehicles in operation as of January 1
Source: IHS Markit



Challenges to sustainability of Electric Vehicles provide headwinds

2020 Metric	Electric Vehicles	Gasoline Vehicles
Still owned by original owner (2011 – Current model years only)	82%	54%

Source: IHS Markit WorldView VIO, Catalyst New and Used Registration and Loyalty Analytics Tool



Challenges to sustainability of Electric Vehicles provide headwinds

2020 Metric	Electric Vehicles	Gasoline Vehicles
Still owned by original owner (2011 – Current model years only)	82%	54%
Return to Market Loyalty	63%	92%

Source: IHS Markit WorldView VIO, Catalyst New and Used Registration and Loyalty Analytics Tool





Challenges to sustainability of Electric Vehicles provide headwinds

2020 Metric	Electric Vehicles	Gasoline Vehicles
Still owned by original owner (2011 – Current model years only)	82%	54%
Return to Market Loyalty	63%	92%
Used Sales, percent of VIO (2011 – Current model years only)	7%	13%

Source: IHS Markit WorldView VIO, Catalyst New and Used Registration and Loyalty Analytics Tool





Challenges to sustainability of Electric Vehicles provide headwinds

2020 Metric	Electric Vehicles	Gasoline Vehicles
Still owned by original owner (2011 – Current model years only)	82%	54%
Return to Market Loyalty	63%	92%
Used Sales, percent of VIO (2011 – Current model years only)	7%	13%
Sustainability*	91%	95%

**Sustainability - how many vehicles are still on the road at the end of 2020 compared to New Registration 2011 – 2020
Source: IHS Markit WorldView VIO, Catalyst New and Used Registration and Loyalty Analytics Tool*

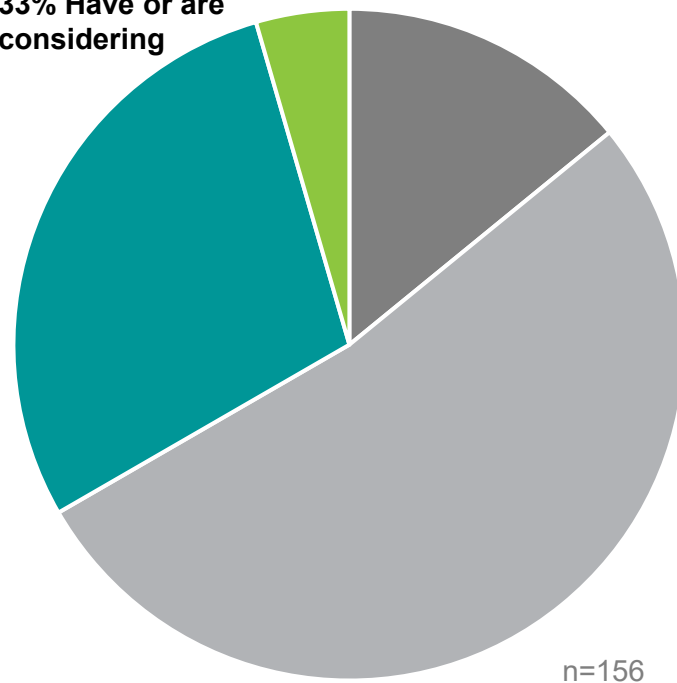




Aftermarket EV Survey

Where do you consider yourself when it comes to purchasing an EV?

33% Have or are considering

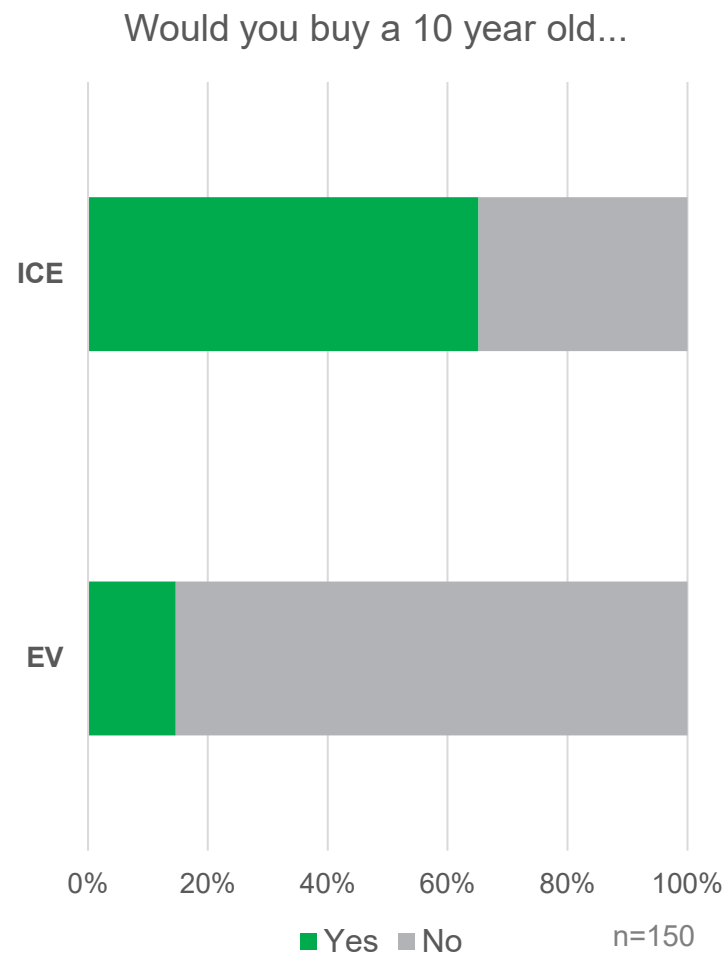
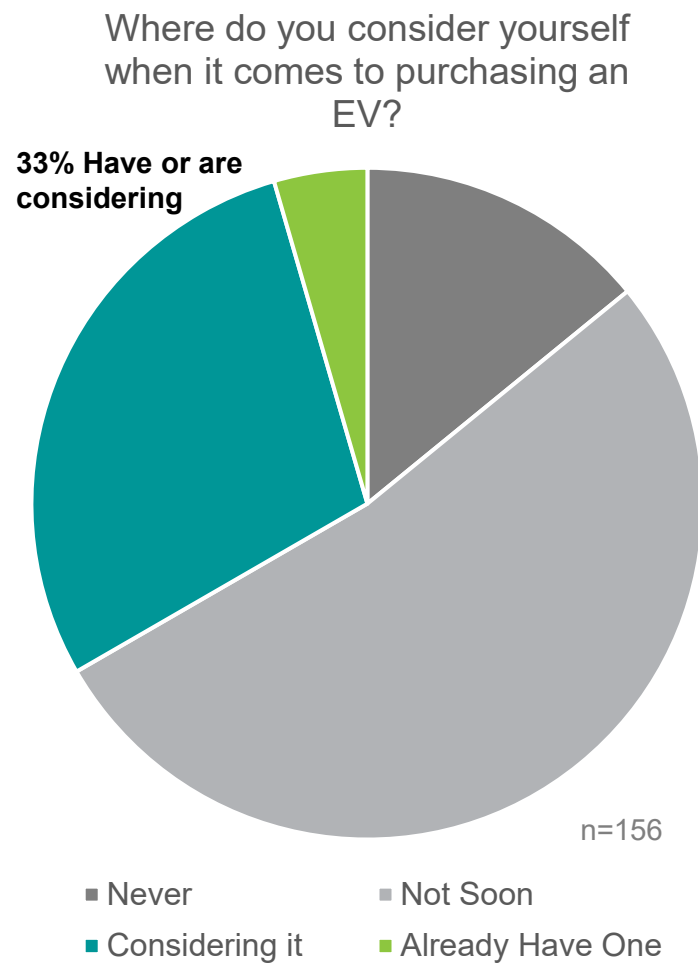


- Never
- Not Soon
- Considering it
- Already Have One

Source: IHS Markit interactive survey performed at ACPN and YANG virtual conference 2021



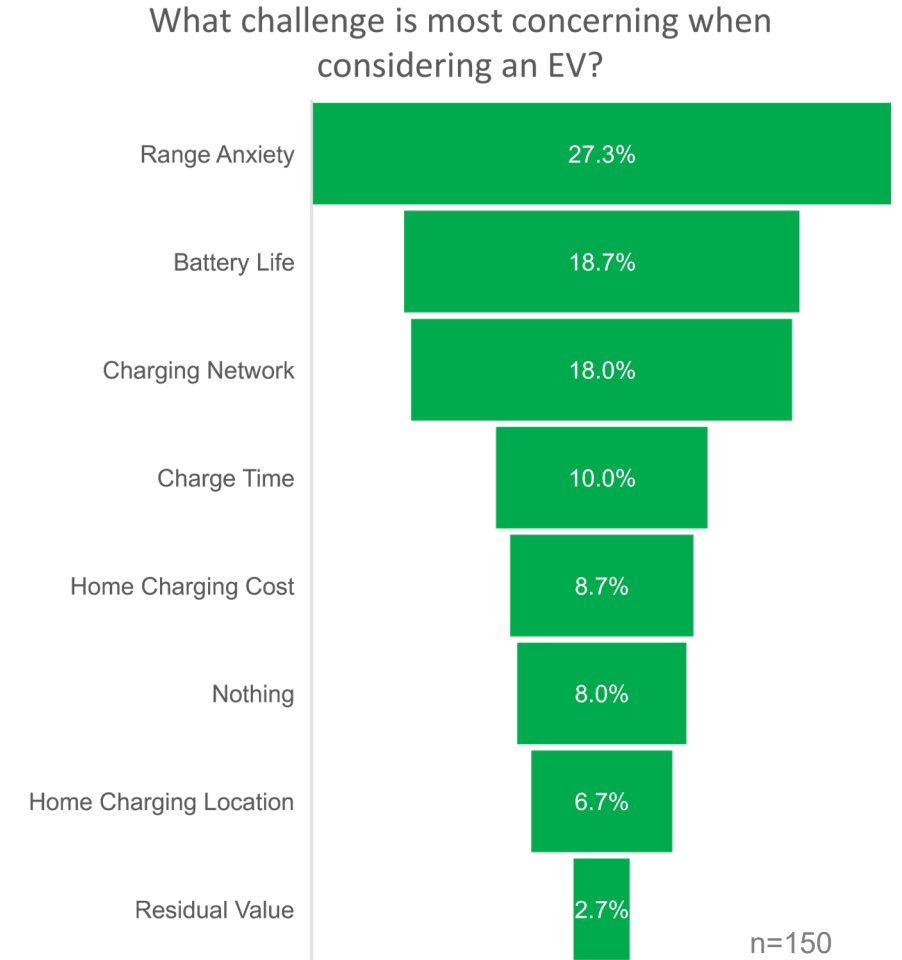
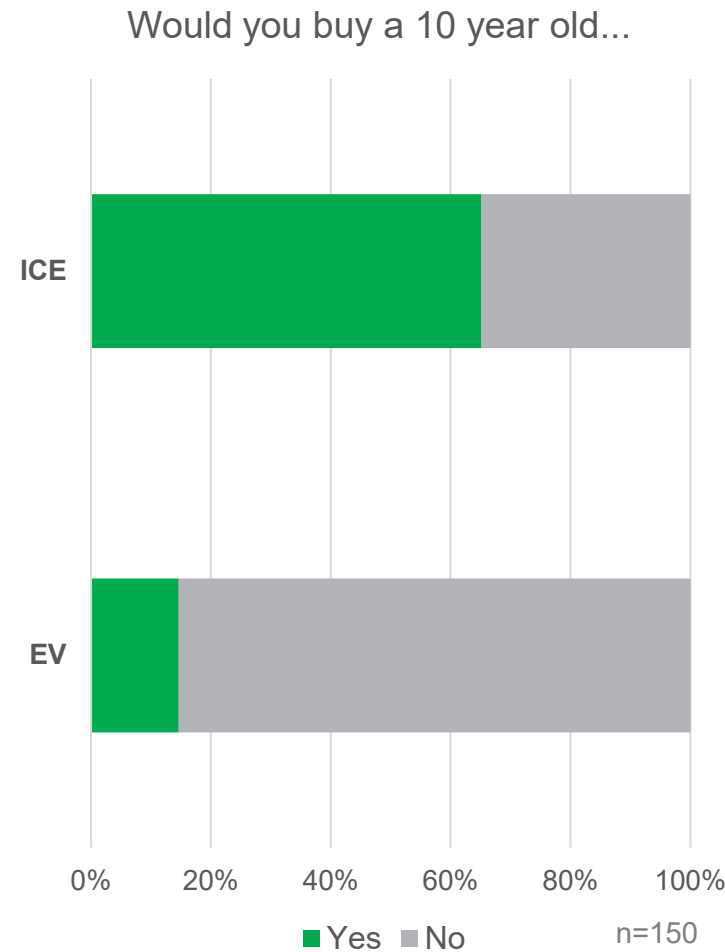
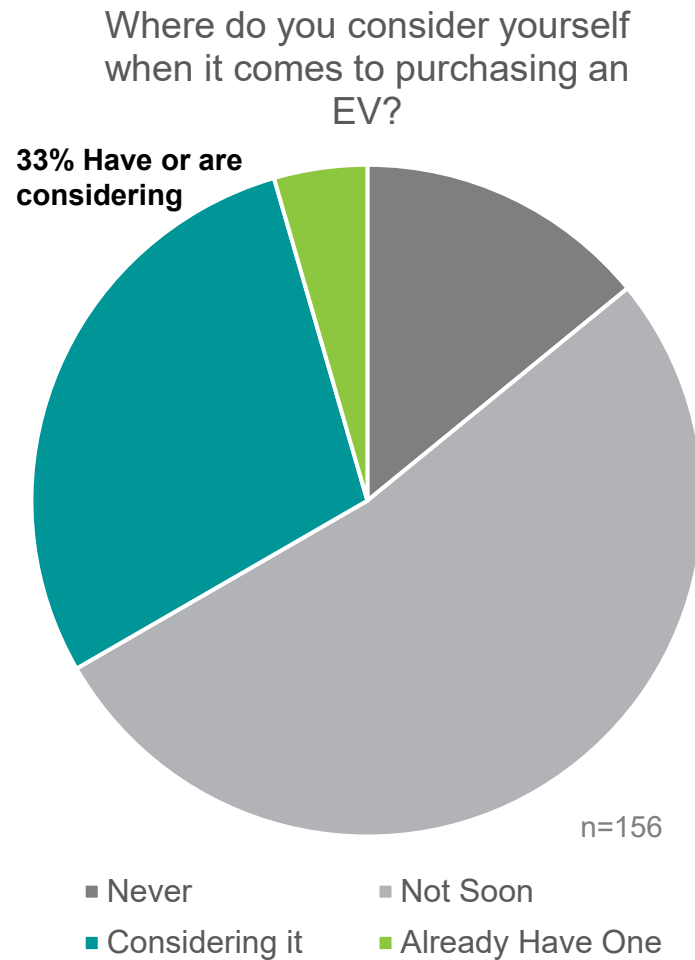
Aftermarket EV Survey



Source: IHS Markit interactive survey performed at ACPN and YANG virtual conference 2021



Aftermarket EV Survey



Source: IHS Markit interactive survey performed at ACPN and YANG virtual conference 2021

Electric Vehicle Challenges – are the right vehicles being built?



6

The number of EV Truck models through 2017 model year, by contrast there were 29 car models during the same period.

Source: IHS Markit



Electric Vehicle Challenges – are the right vehicles being built?



6

The number of EV Truck models through 2017 model year, by contrast there were 29 car models during the same period.

9

The number of EV Truck models through 2018 model year to current, by contrast there were 19 car models during the same period.

Source: IHS Markit



Electric Vehicle Challenges – changing offering to better meet customer preference

75%

of new registrations across all fuel types are light trucks since January 2020

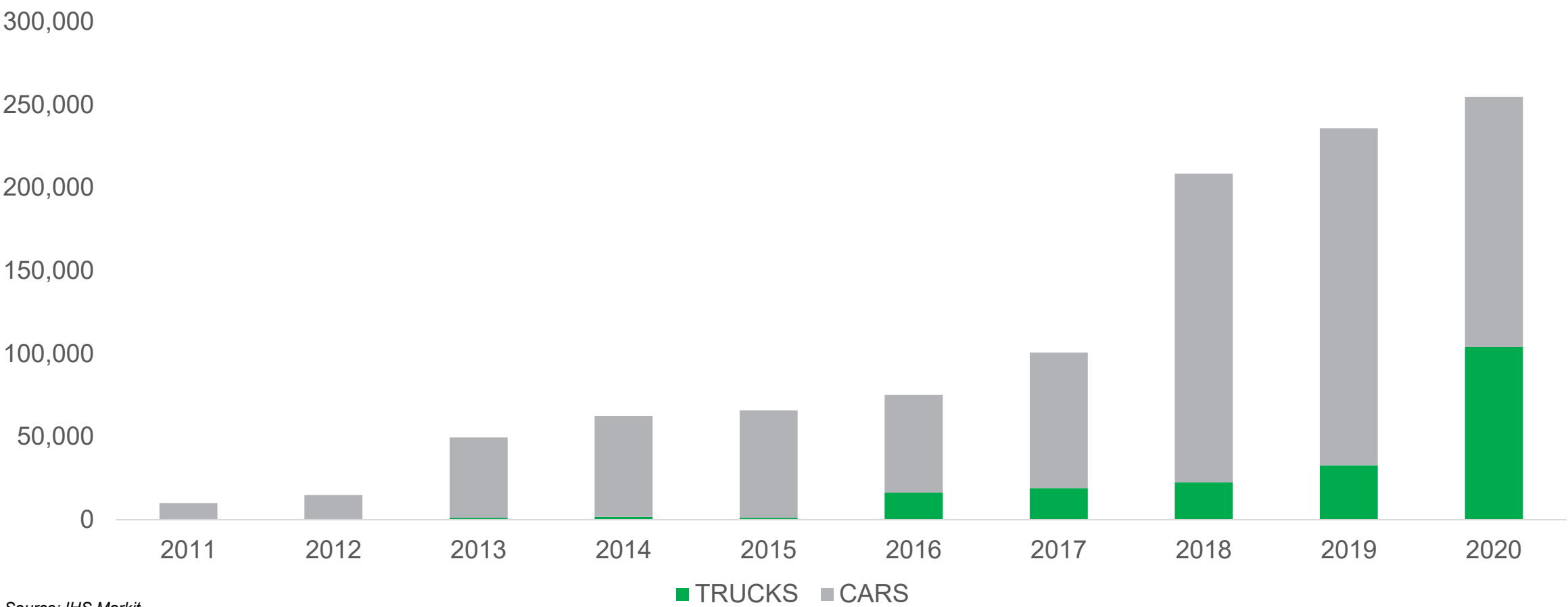
*New Registrations January 2020 thru March 2021
Source: IHS Markit*





Electric Vehicle Challenges – Truck registrations are growing rapidly

New Registrations by Vehicle Type



Source: IHS Markit



Changing characteristics in the vehicle fleet that could impact the aftermarket

1. **Electric Vehicle** model count will be **9 times** larger in model year 2025 than it was in 2020
2. **Flexible fuel** (E85 for instance) powertrains will virtually **disappear** by model year 2025
3. **Gasoline vehicles** will add nearly **20% more** model to engine combinations, many of which will have some degree of hybridization or advanced efficiency features.
4. All the while **average age is 12.1 years old**, and the **number of model years** in the active fleet continue to grow.