

Quarterly Review

Q1 2024



Q1 trends

1

Price shifts

It's harder than ever to find an affordable vehicle and consumers are searching harder for them. Thankfully vehicle prices have further room to come down.

2

Inventory bounceback

New inventory continues to recover with the question now of where it will level off. However the hangover of the semiconductor shortage is lingering for used vehicles.

3

Rising demand

The spring selling season has been strong, leading to rising sales and consumer search trends. Models like the Cybertruck have been drawing a lot of eyeballs.

4

Green interest increasing

Interest in green vehicles is rising, although moderating gas prices have tempered some interest.

Key data points from the quarter

+270%

Inventory increase from Nov. 2021 low point to current

+146%

Increase in used vehicles priced over \$40k vs 1Q20

+35.6%

Increased in used EV views vs 1Q23

-95%

Decrease in new vehicles priced under \$20k vs 1Q20

-13.7%

Potential further used price declines

-7.4%

Potential further new price declines

Price changes

Buyers are searching for a deal or an upgrade

+20.5%

Used searches under \$10k

Buyers looking for a used vehicle strongly increased their searches for vehicles price under \$10k compared to this time last year, showing resurgent interest in affordable used vehicles - a segment that is seeing increasing inventory levels.

+33.3%

New searches under \$30k

Consumers increased their searches for new vehicle priced under \$30k by a third in Q1 2024 compared to Q1 2023. Buyers are clearly looking for the elusive 'cheap' new vehicle that is becoming more rare.

+13.4%

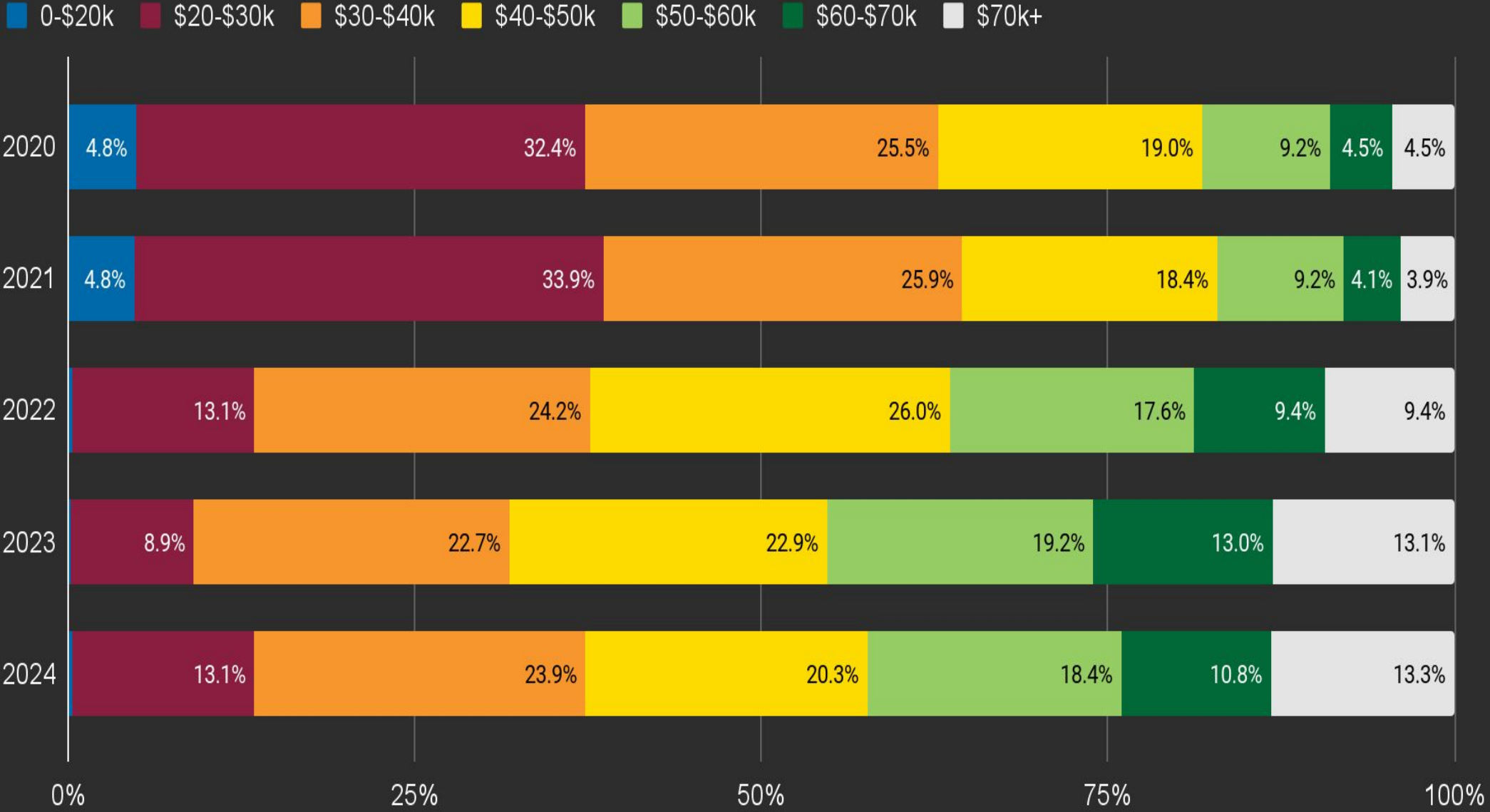
New searches over \$50k

New car searches also increased year-over-year (YoY) for vehicles priced over \$50k showing the dichotomy between value and models with more premium features.

Redefining affordable

Slight increase in new inventory in the \$20-\$30k range YoY

New inventory by price bucket
March month-end inventory 2020 - 2024



-95%

Decrease vehicles priced under \$20k 1Q24 vs 1Q20

-59%

Decrease in vehicles priced between \$20-\$30k 1Q24 vs 1Q20

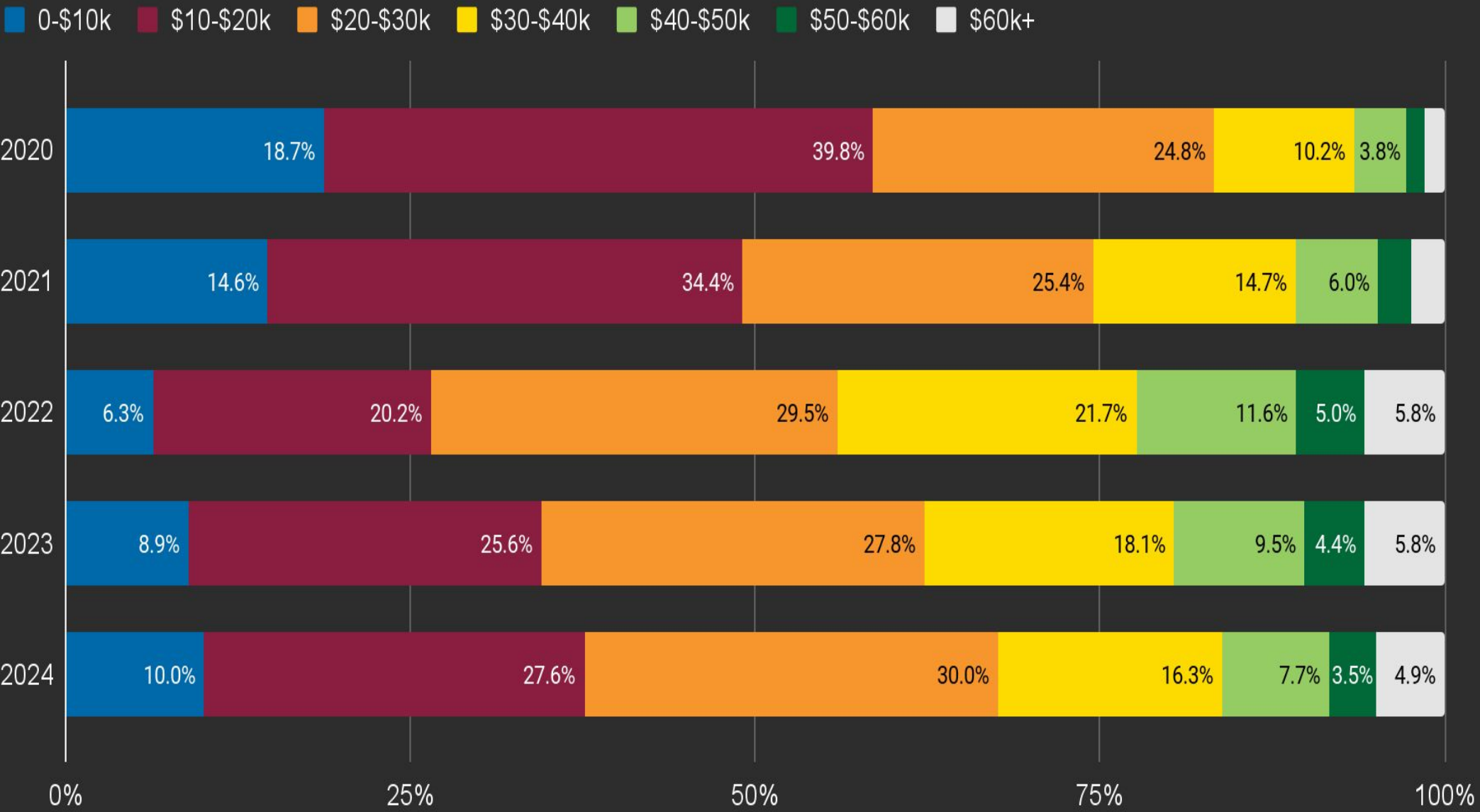
+133%

Increase in vehicles priced over \$50k 1Q24 vs 1Q20

Hope on the horizon?

Quantity of lower priced inventory is improving, but quality has changed

Used inventory by price bucket
March month-end inventory 2020 - 2024



-46%

Reduction in used vehicles priced under \$10k 1Q24 vs 1Q20

+146%

Increase in vehicles priced over \$40k 1Q24 vs 1Q20

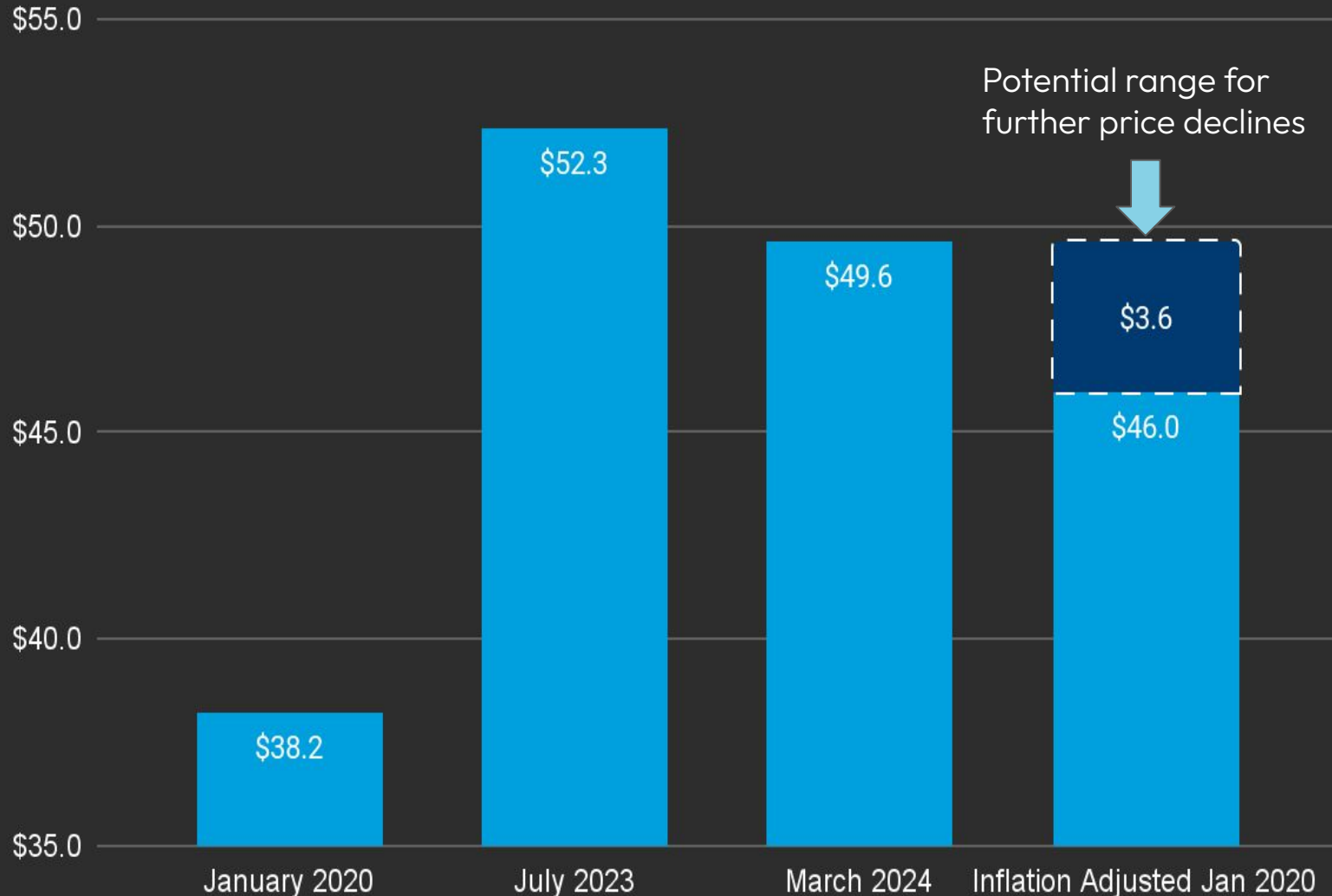
+10.4%

Increase in avg mileage for cars under \$10k 1Q24 vs 1Q20

Prices have room to come down, but unlikely to pre-COVID levels

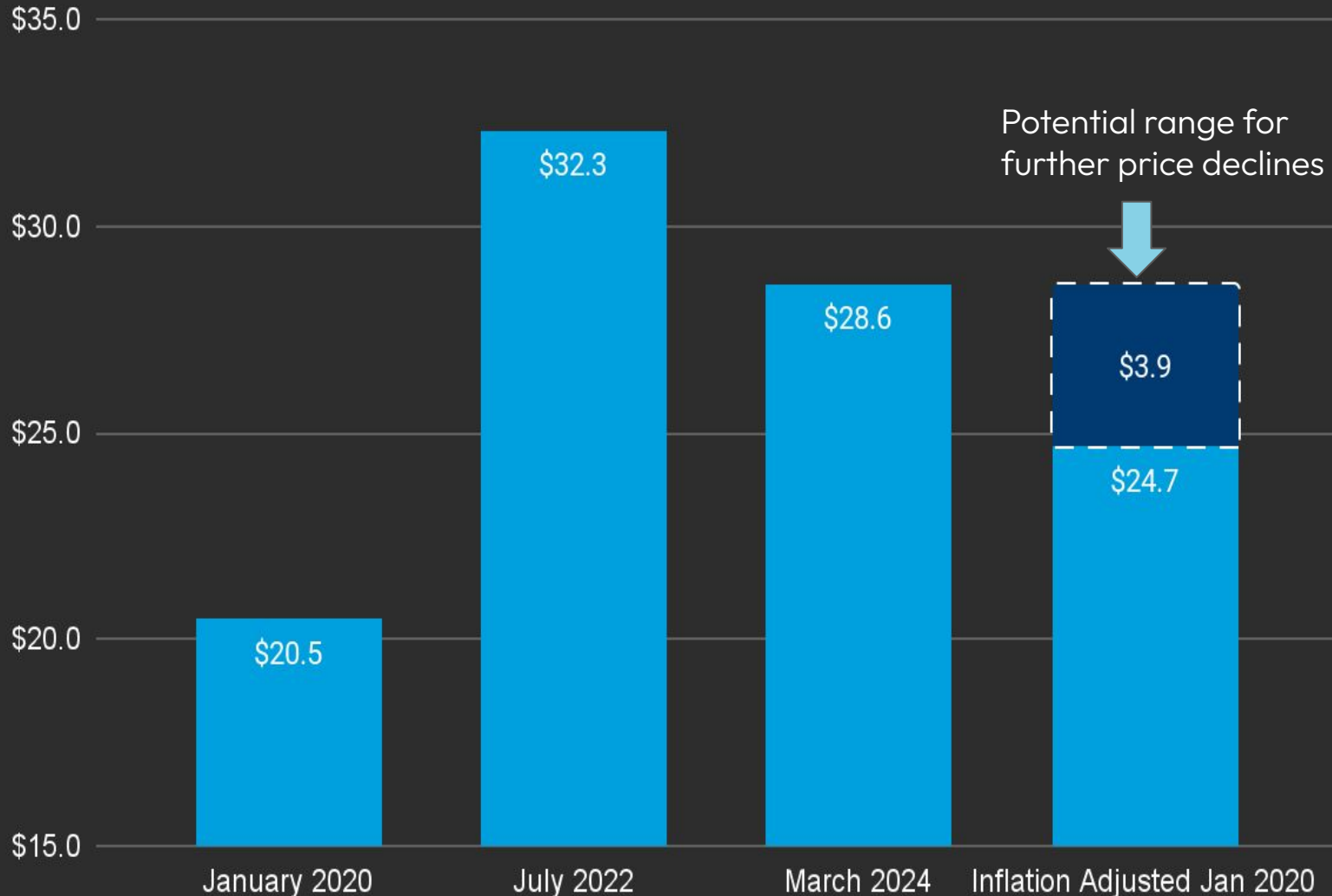
New prices have \$3.6k in room to decline

New average list price journey
January 2020 - March 2024



Used prices have \$3.9k in room to decline

Used average list price journey
January 2020 - March 2024



These models saw the largest price declines during Q1

EV price cuts are having an impact

Top 10 quarterly price declines new models
March 2024 vs December 2023

Make/Model	March 2024 ALP	% Decline
Chrysler Voyager	\$39,699	-18.1%
Chevrolet Blazer EV	\$51,187	-14.8%
Ford E-Transit	\$50,091	-10.7%
Hyundai Kona Electric	\$35,669	-9.6%
Ford Mustang Mach-E	\$51,040	-9.5%
RAM 5500 Chassis	\$79,159	-9.3%
Mercedes-Benz G-Class	\$214,517	-8.1%
GMC Hummer EV Pickup	\$111,748	-7.6%
Lexus RZ	\$59,076	-7.6%
Volkswagen ID.4	\$45,746	-7.4%

New EV price cuts are rolling through to used

Top 10 quarterly price declines used models*
March 2024 vs December 2023

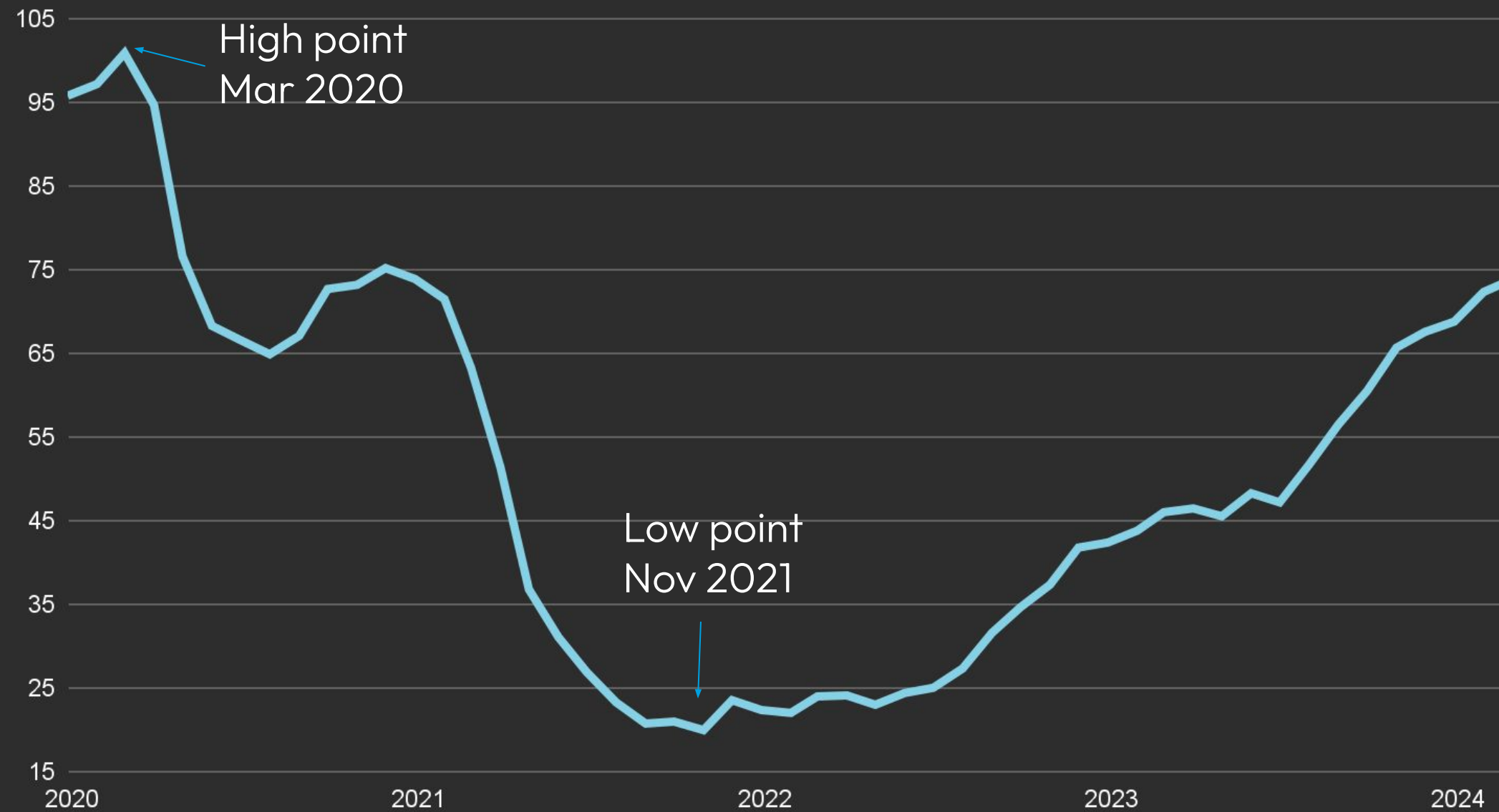
Make/Model	March 2024 ALP	% Decline
Chevrolet Bolt EUV	\$21,444	-20.1%
Tesla Model 3	\$26,487	-16.6%
Kia EV6	\$34,208	-14.8%
Tesla Model Y	\$34,861	-14.5%
Mercedes-Benz EQS	\$80,055	-14.3%
Subaru Solterra	\$34,388	-14.0%
Hyundai Ioniq Electric	\$16,544	-12.7%
Ford F-150 Lightning	\$55,651	-12.5%
Mercedes-Benz Sprinter Cargo	\$56,843	-12.4%
Hyundai Ioniq 6	\$36,422	-11.7%

Inventory bounceback

A long and winding road with an uncertain ending

Days-on-market is surging, when will inventory level out?

CarGurus New Vehicle Availability Index
January 2020 - March 2024



-26.9% Inventory decline
from high point to
current

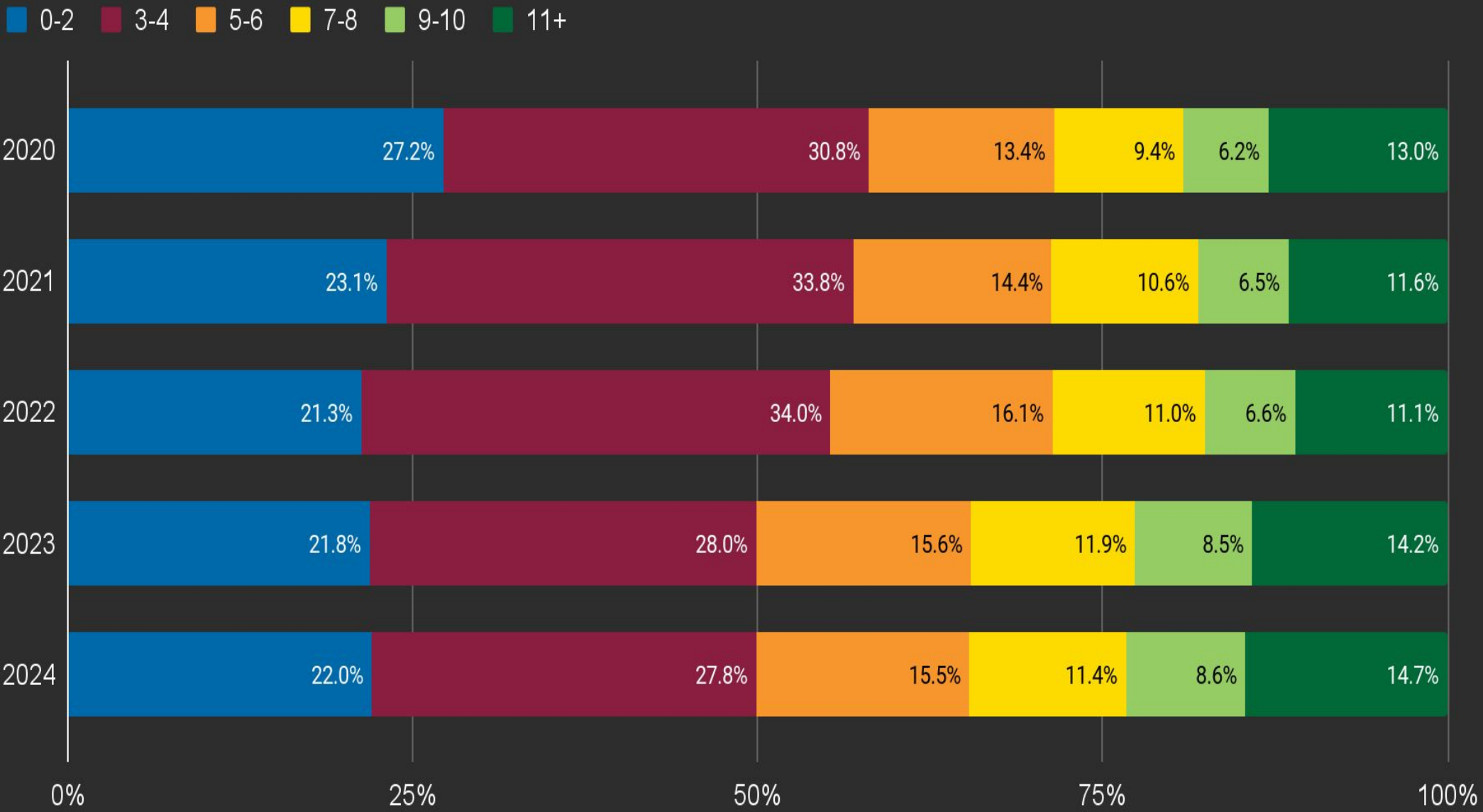
+270% Inventory increase
from low point to
current

+29% Increase in
days-on-market
over the past year

Finding late model year vehicles is getting harder

Depressed new production/sales impacting used inventory

Used inventory by age
March month end inventory 2020 - 2024



-19%

Decrease in used inventory 2 years or younger 1Q24 vs 1Q20

-10%

Decrease in used inventory 3-4 years old 1Q24 vs 1Q20

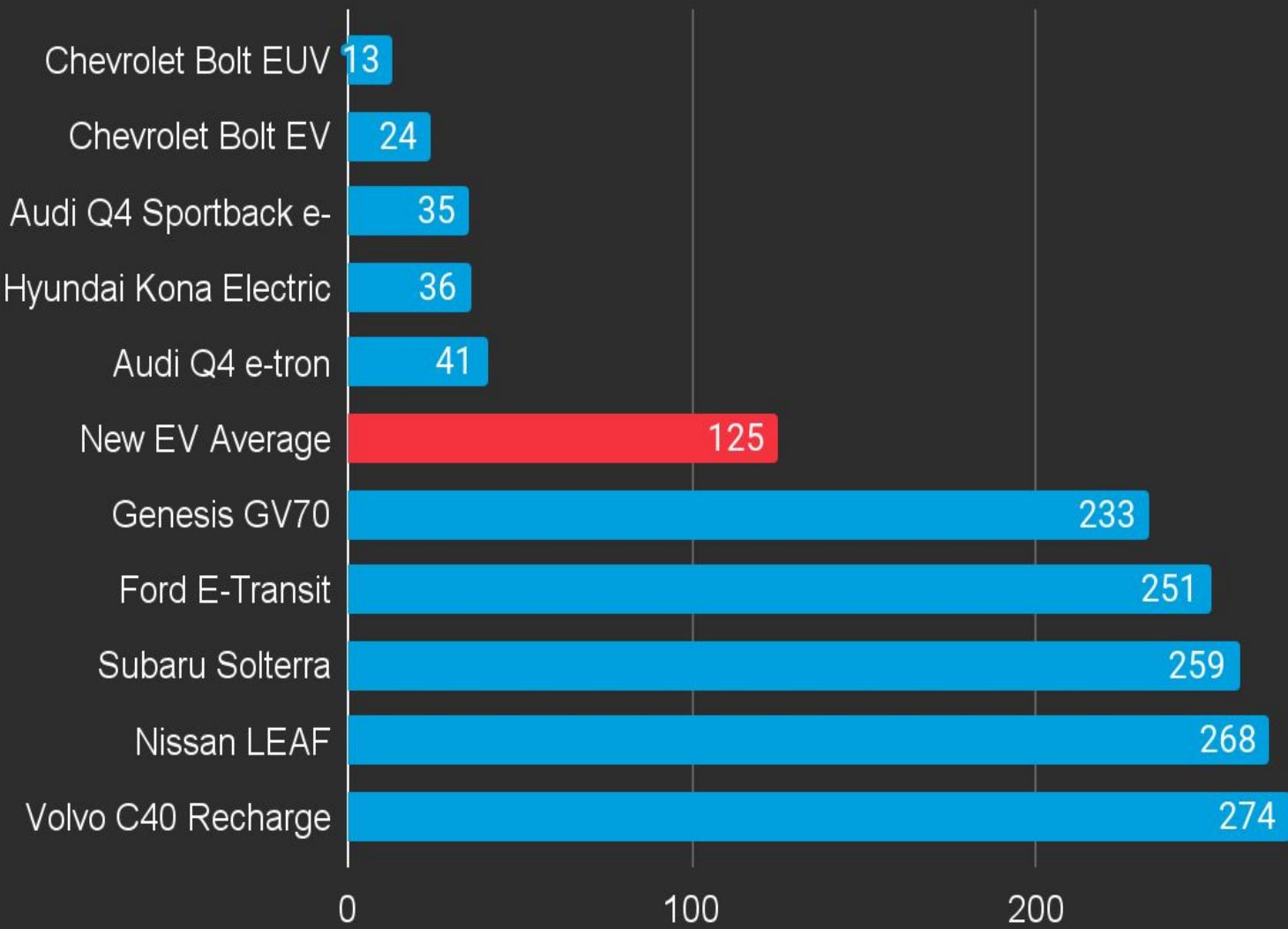
+19%

Increase in inventory aged 5 years or older 1Q24 vs 1Q20

New electric vehicles (EVs) look to have an oversupply

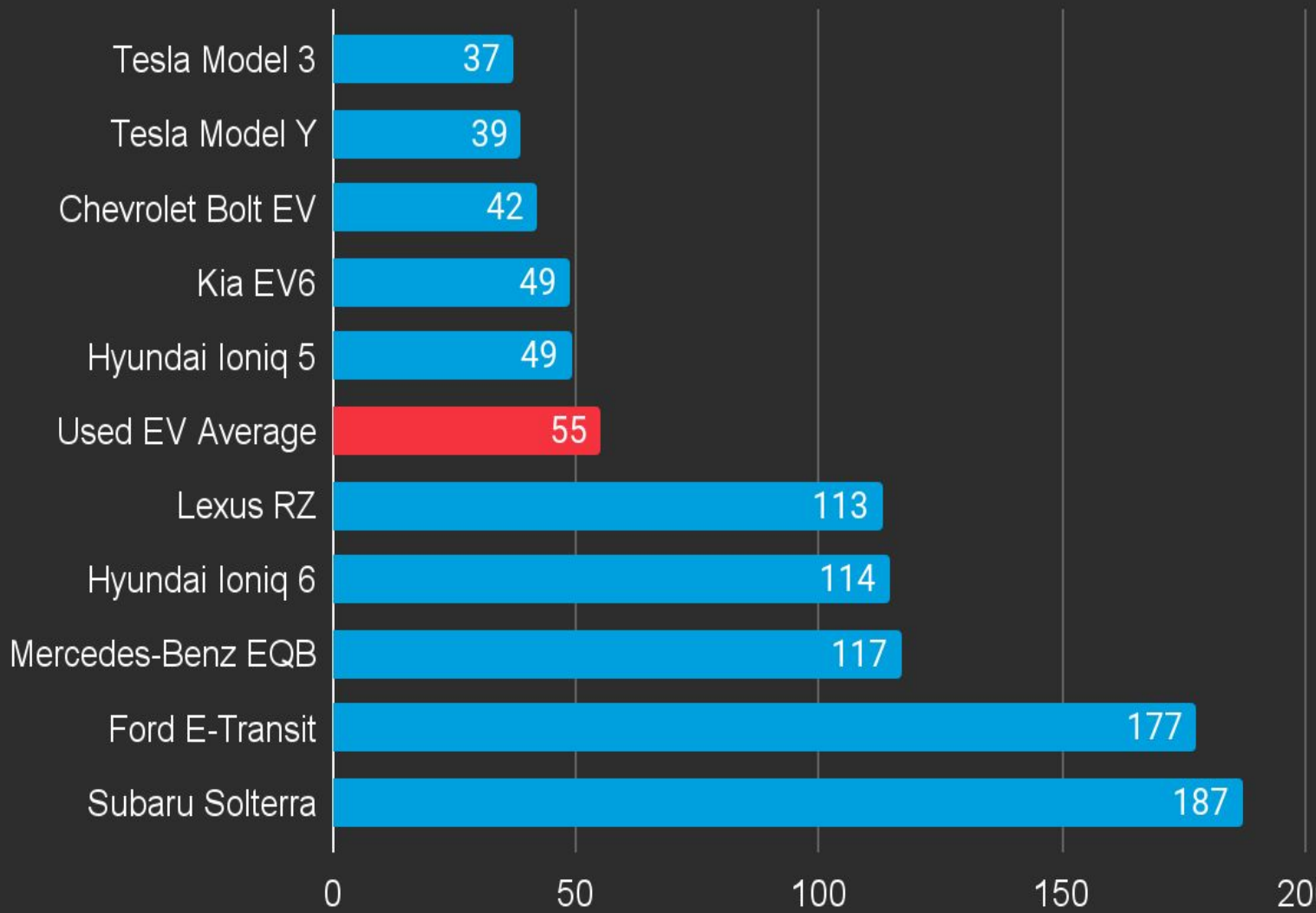
Bolt sell-down has limited supply

New days supply
1Q24



Price declines look to have Teslas in demand

Used days supply
1Q24



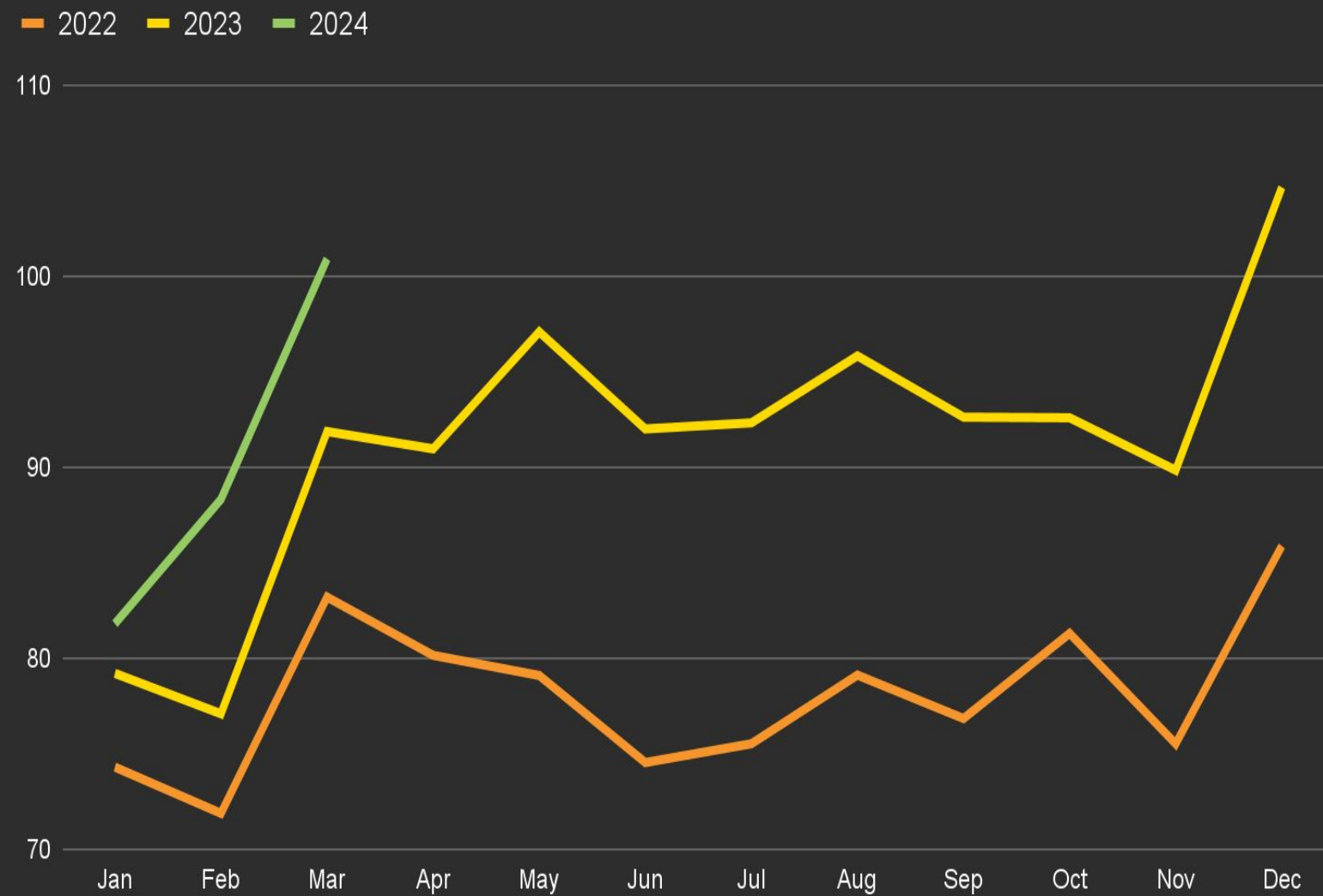
Rising demand

Vehicle demand on the rebound this spring

New sales rising as inventory rebounds

New VDI

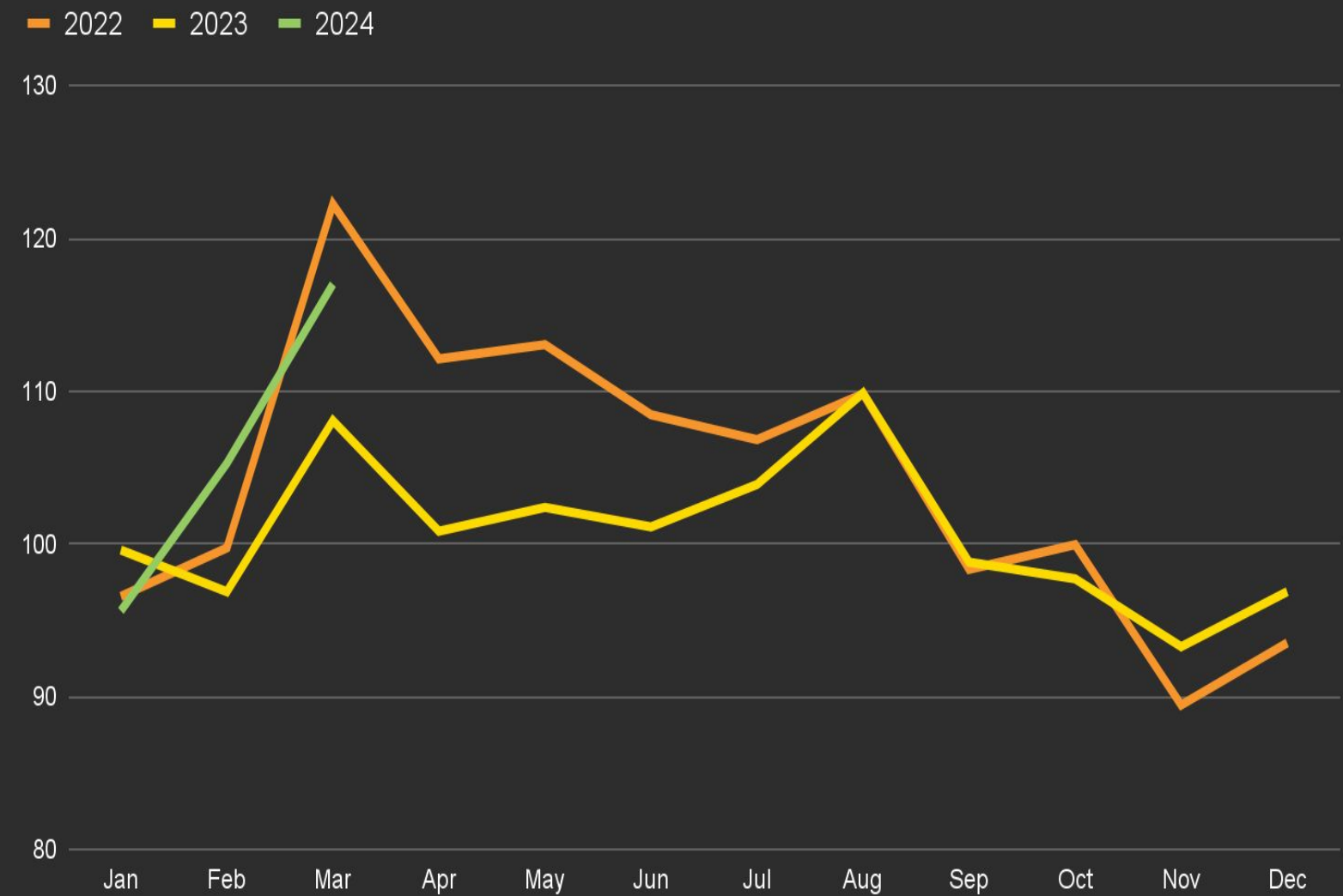
January 2020 - March 2024



Higher tax refunds look to be boosting used sales

Used VDI

January 2020 - March 2024



A mix of value, features, and performance looks to drive interest

Features and performance drove new interest

Top 10 increase in total new views
1Q24 vs 4Q23

Rank	Make	Model
1	Hyundai	Santa Fe
2	Ford	Bronco
3	Toyota	Tacoma
4	Chevrolet	Corvette
5	Lincoln	Nautilus
6	Ford	Mustang
7	Dodge	Challenger
8	Hyundai	Sonata
9	Ford	Ranger
10	Toyota	Tundra

Increasing value and features drove used interest

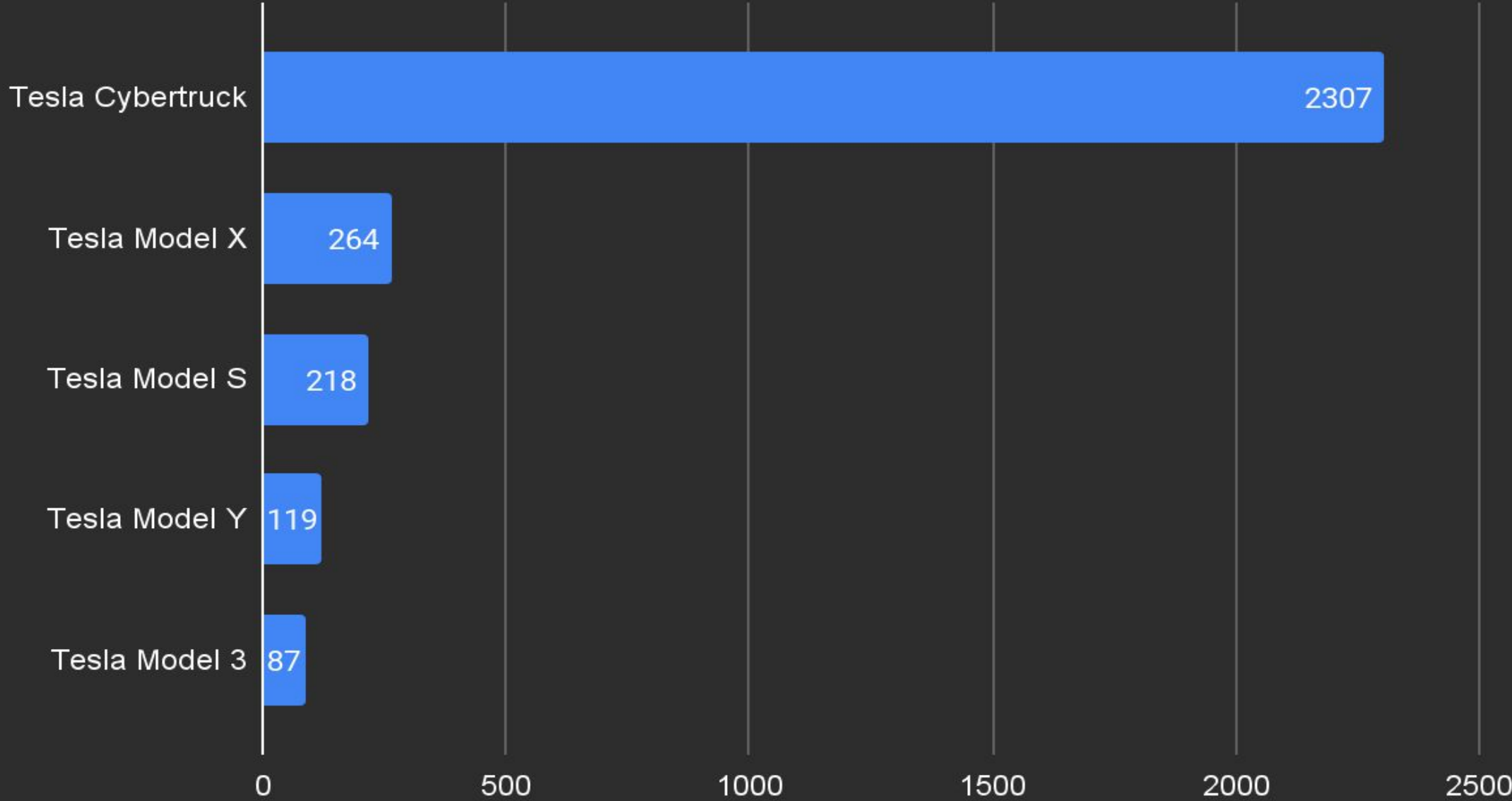
Top 10 increase in total used views
1Q24 vs 4Q23

Rank	Make	Model
1	Chevrolet	Silverado 1500
2	Toyota	Tacoma
3	Honda	Accord
4	Toyota	4Runner
5	Toyota	Tundra
6	Chevrolet	Tahoe
7	Jeep	Wrangler
8	Honda	Civic
9	Toyota	Camry
10	Tesla	Model 3

Interest in the new Tesla Cybertruck has been high in March

The Cybertruck has seen significant views to limited inventory

Views to inventory by used Tesla Make/Model
March 2024



17x

Cybertruck views to inventory compared to other Teslas

9x

Cybertruck views to inventory vs. the Model X

0.3%

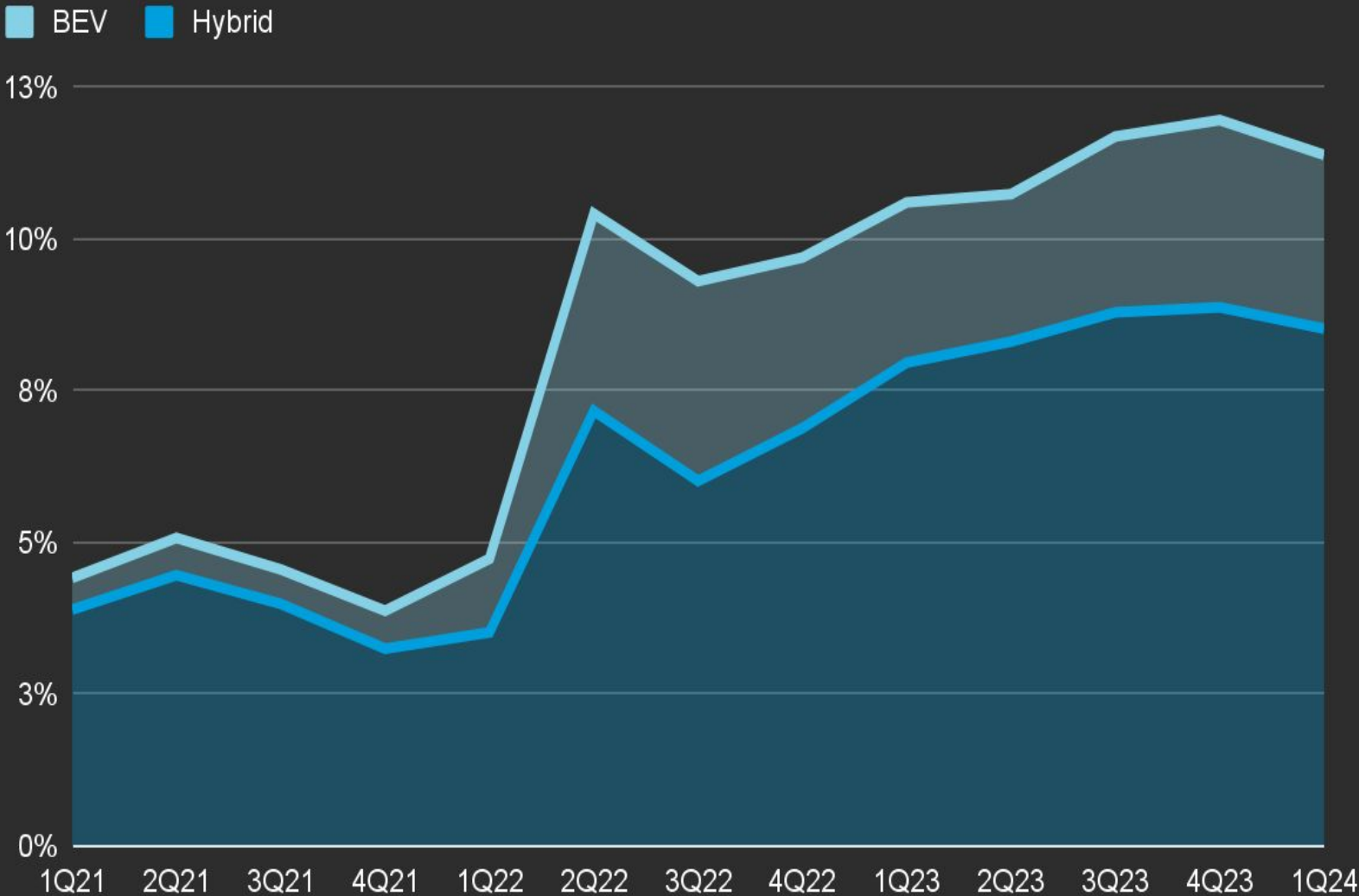
Cybertruck percentage of total used Tesla inventory

**Green interest
increasing**

Interest in EVs and hybrids on the rise, although the paths vary

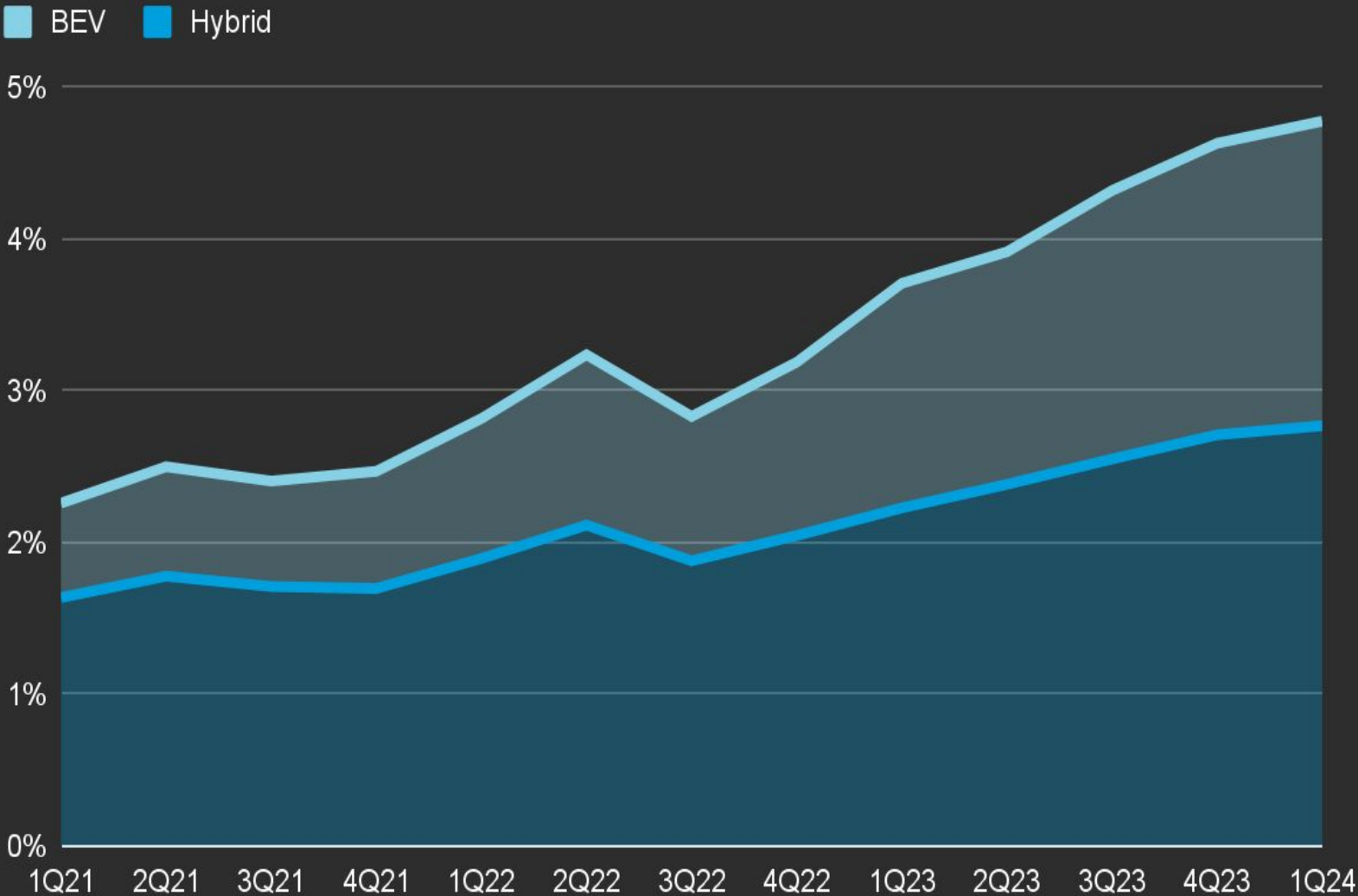
New EV interest is highly tied to gas prices

New EV/Hybrid % of total views
1Q21 - 1Q24



Used EV views are closing the gap on hybrids

Used EV/Hybrid % of total views
1Q21 - 1Q24



California, Florida, and Texas lead on increasing green vehicle inventory

California accounts for nearly 20% of green delta

The used market is seeing a wider range of states

Top 10 states increasing new EV/hybrid inventory

1Q24 vs 1Q23

Rank	State	% of Variance
1	California	19.5%
2	Florida	7.5%
3	Texas	7.2%
4	New York	5.1%
5	New Jersey	4.3%
6	Washington	3.6%
7	Colorado	3.5%
8	Pennsylvania	3.4%
9	Maryland	3.3%
10	Illinois	3.3%

Top 10 states increasing used EV/hybrid inventory

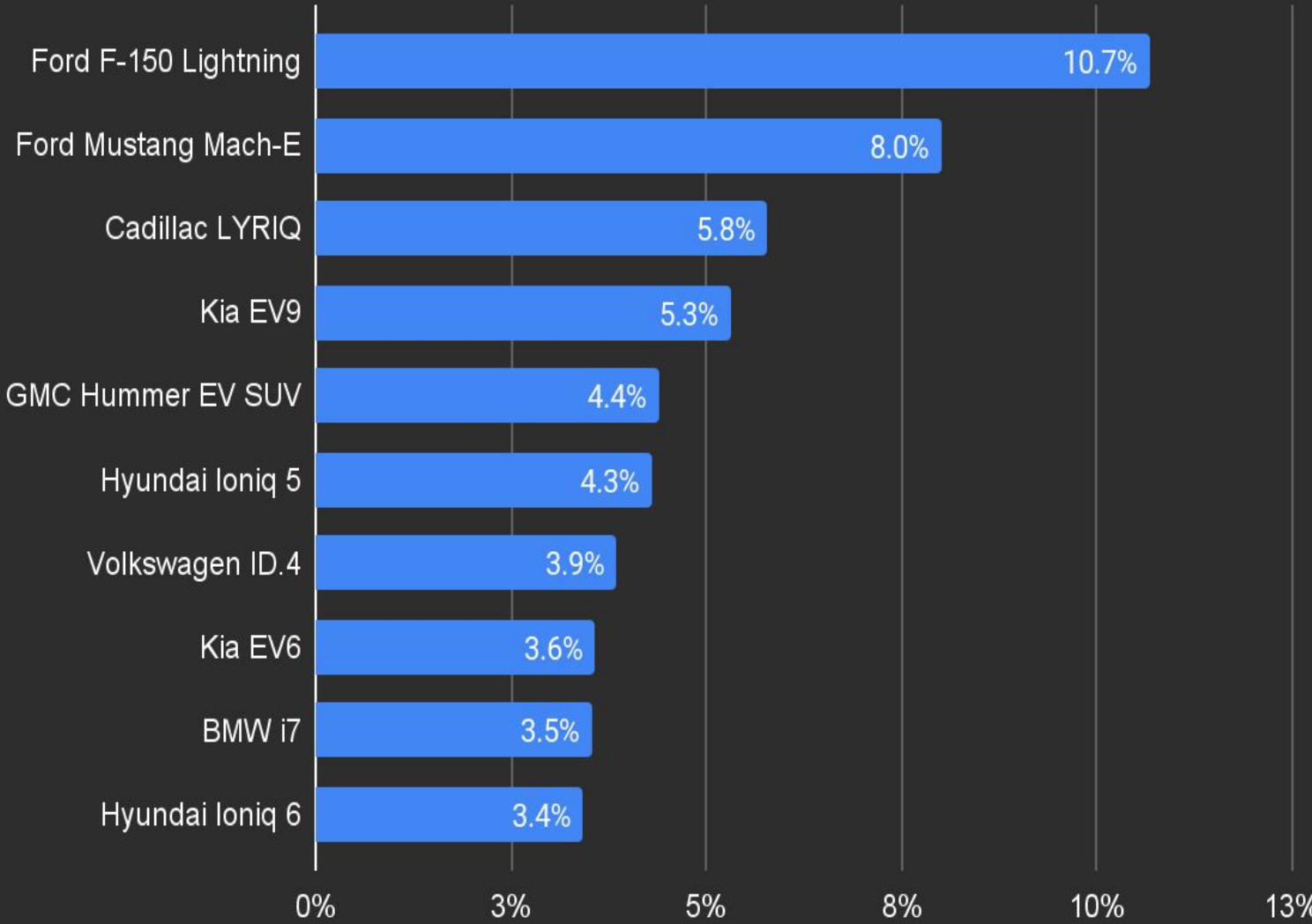
1Q24 vs 1Q23

Rank	State	% of Variance
1	California	11.6%
2	Florida	10.2%
3	Texas	6.4%
4	New York	5.9%
5	Ohio	4.7%
6	New Jersey	4.4%
7	Illinois	4.1%
8	Maryland	3.9%
9	Washington	3.7%
10	North Carolina	3.5%

Most viewed EV models reflect the growing mix of options available

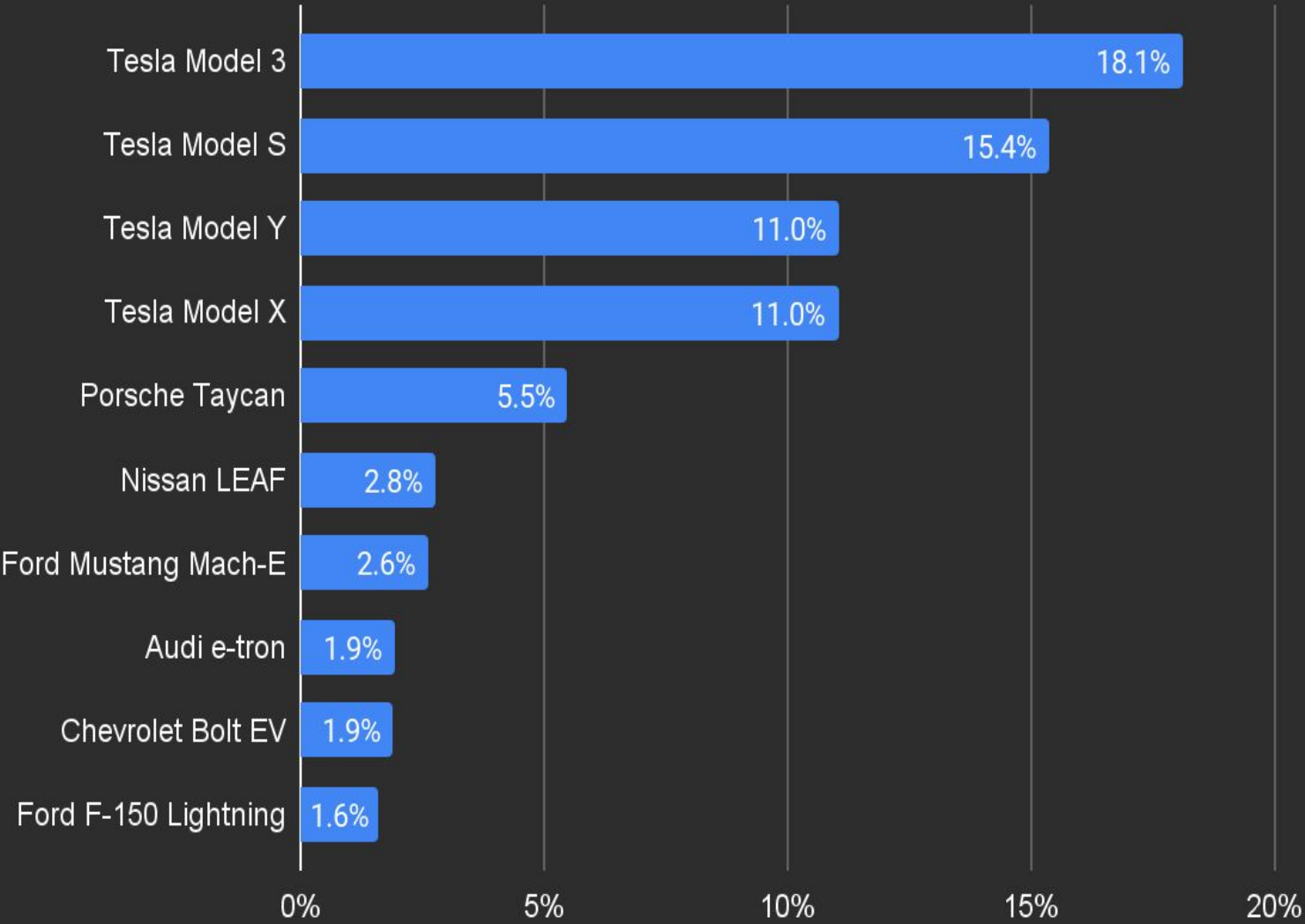
Ford takes the top two spots for new views

New most viewed EV
1Q24



Tesla dominates on used EV views

Used most viewed EV
1Q24



A look around the bend

what we're watching for the remainder of the year

1

Interest rates

Inflation has remained stubbornly high, exceeding expectations and raising questions about the Federal Reserve's ability to cut interest rates in 2024.

2

Return of leasing

New inventory levels and rising incentives are creating a potential return for leasing. With vehicle prices still high, leasing could be an attractive option.

3

How long can it go?

The spring selling season has been a welcome surprise, but with interest rates still high, there are questions about how long this momentum can be sustained.

4

Plateau or peak?

With inventory already at roughly three-quarters of the way back to pre-COVID levels, the question remains: will inventory stabilize or climb higher?

About this Presentation

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