

# Industry Overview and Trends

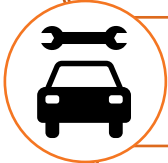
Wednesday, June 21, 2023

Michael Chung  
Director, Market Intelligence  
[Auto Care Association](#)

# Around the world in 30 minutes or less ...



The Economy



Industry Overview



E-commerce

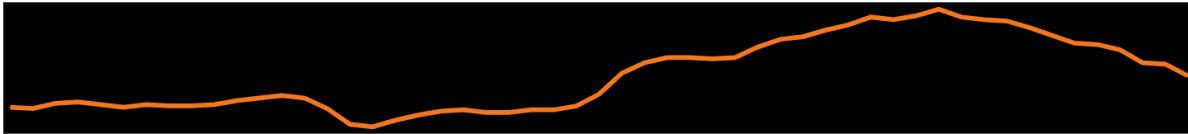


The Electric Vehicle

# The Economy

# A choppy environment ...

Inflation: 4.0%



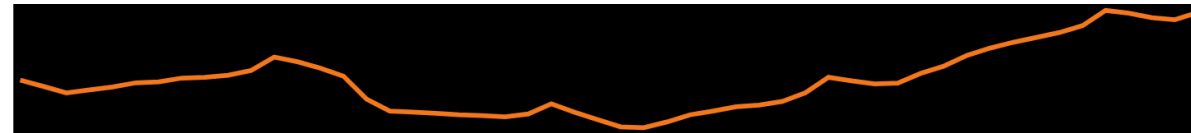
Disposable Income: \$1.6T



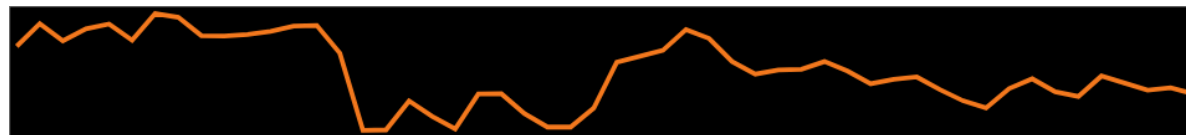
Prime Interest Rate: 8.25%



Consumer Loans: \$965B

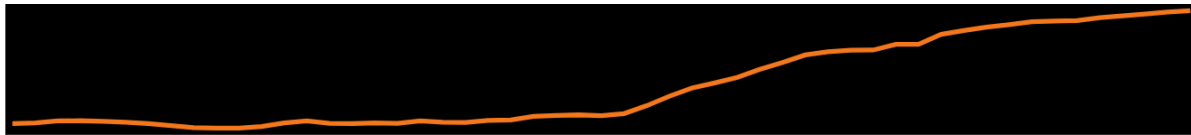


Consumer Confidence: 101.30

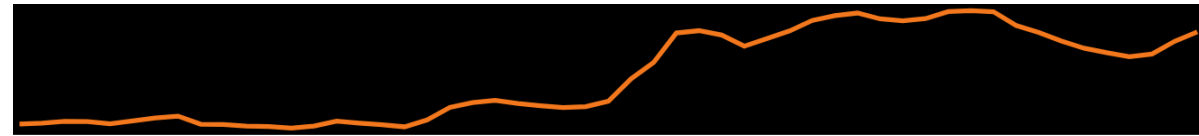


... that whispers, *“Keep that car longer ...”*

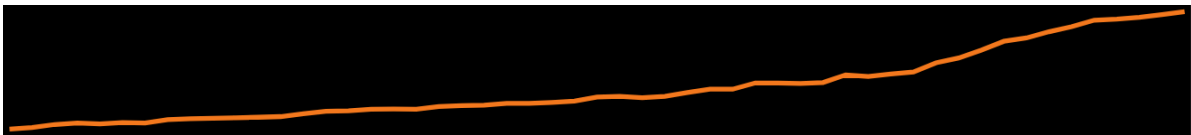
New vehicle price: \$48,008



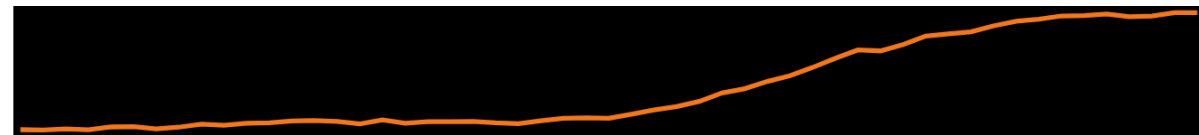
Used vehicle price: \$29,662



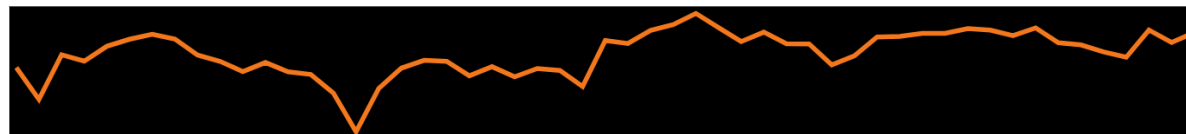
Maintenance/Repair: 378.18



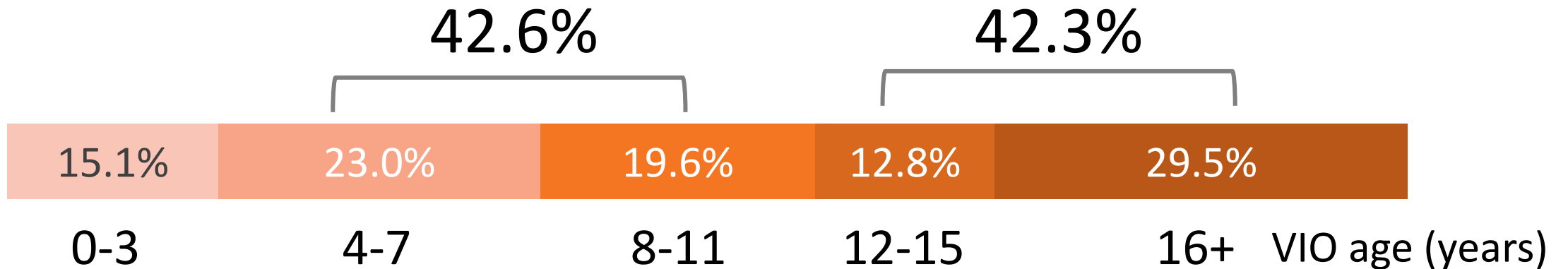
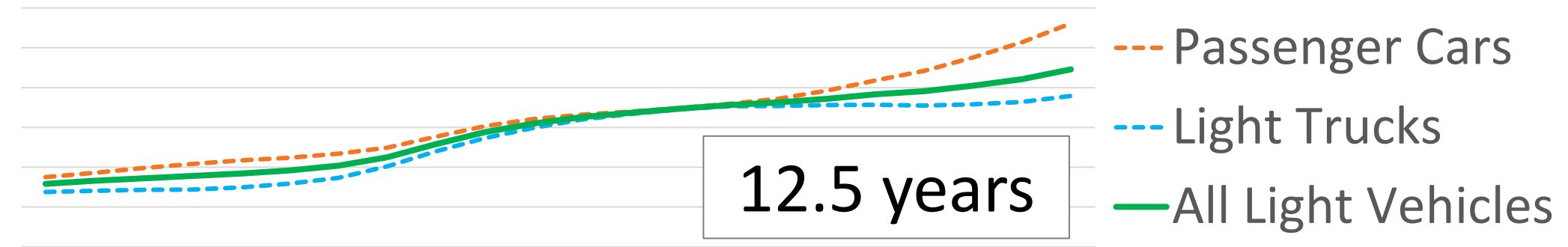
Parts & Equipment: 182.36



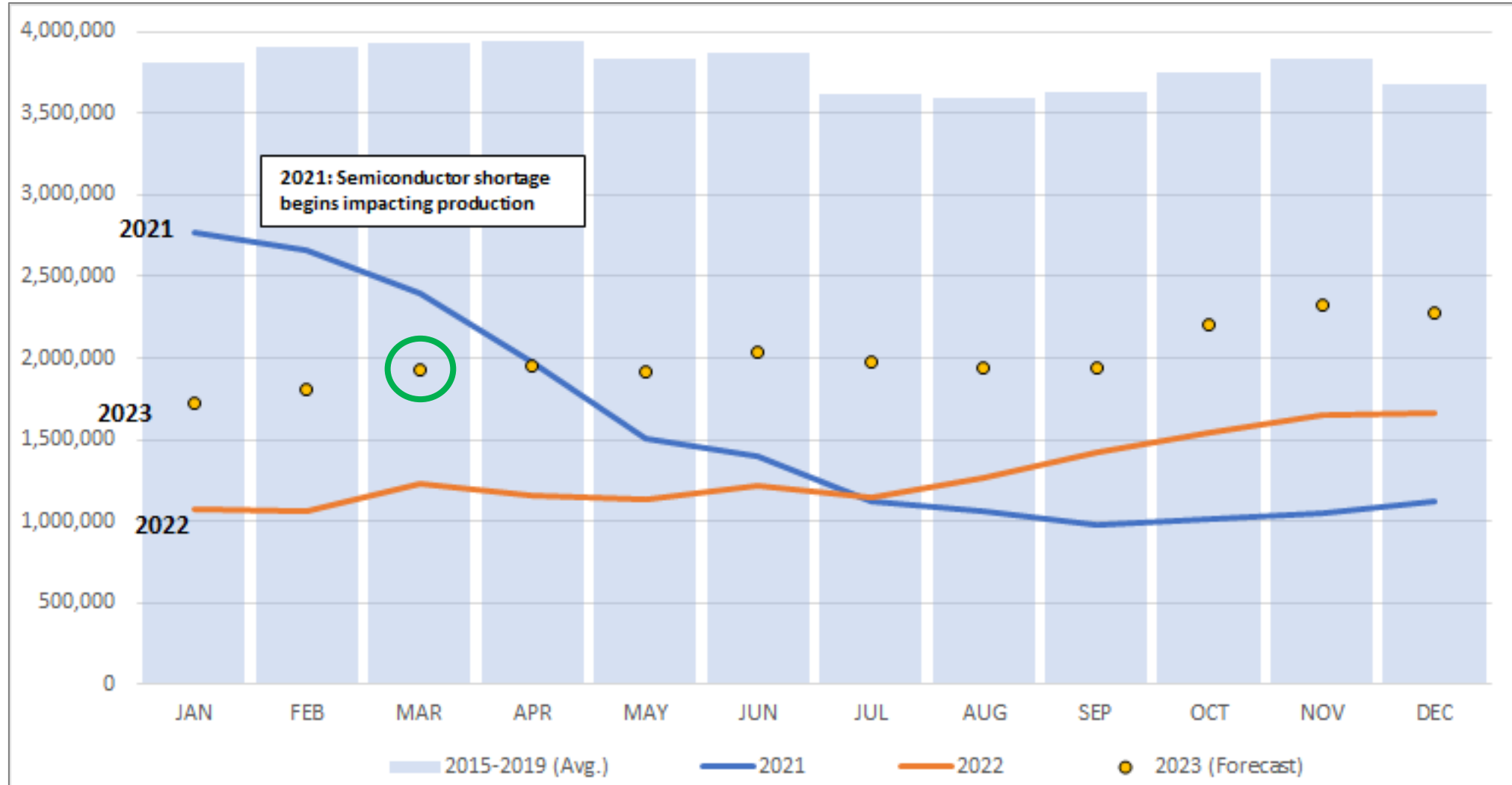
Vehicle Miles Traveled: 3.66T (LTM)



# Reflected in vehicle population ...



... and likely to persist



# Likely questions ...

What are drivers buying?

Where are they shopping?

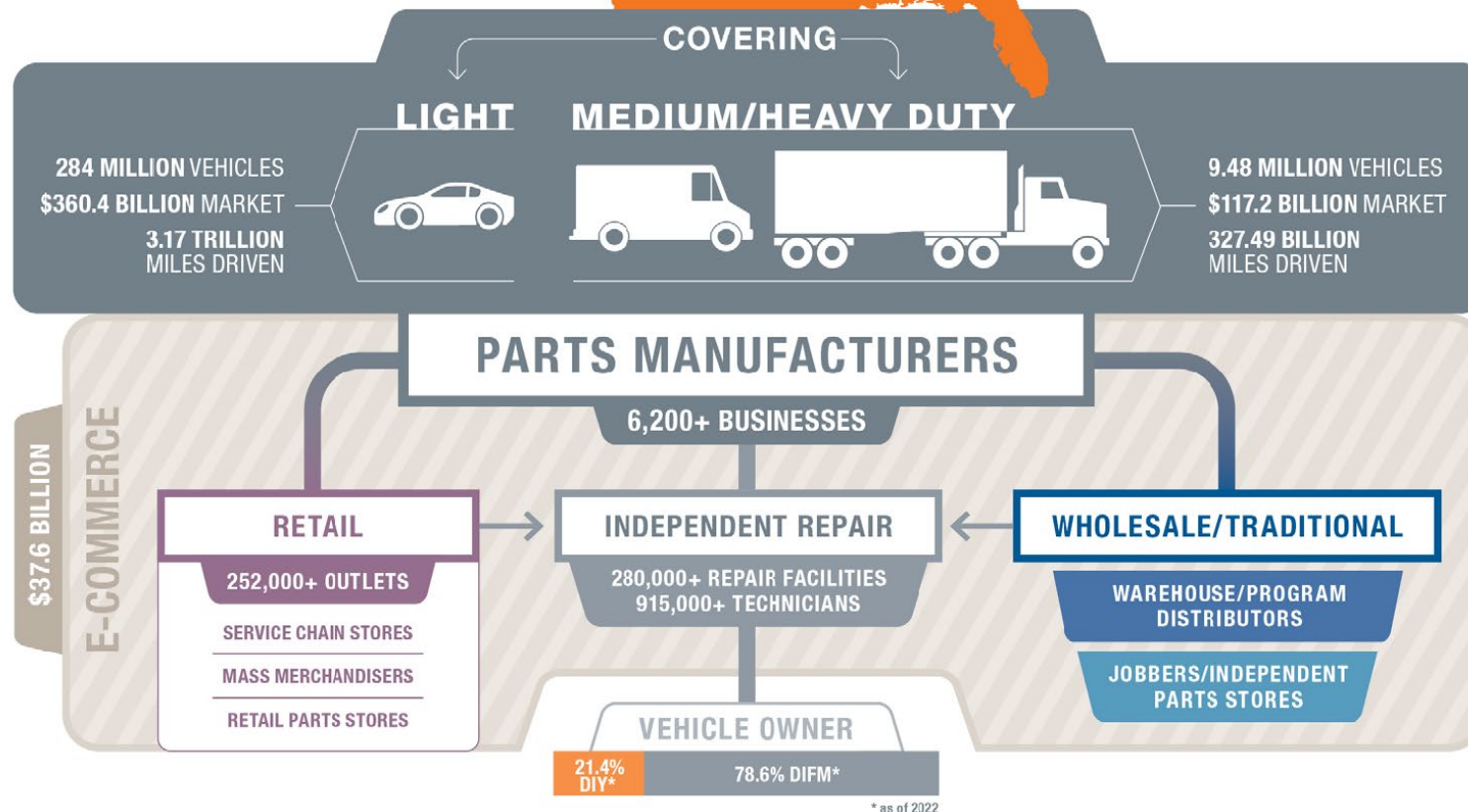
How sticky are those DIY trends?



# Industry Overview

# OVERALL U.S. INDUSTRY

\$477.6 BILLION 539,000+ BUSINESSES 4.77M PROFESSIONALS



GLOBAL > 1.5 BILLION VEHICLES >

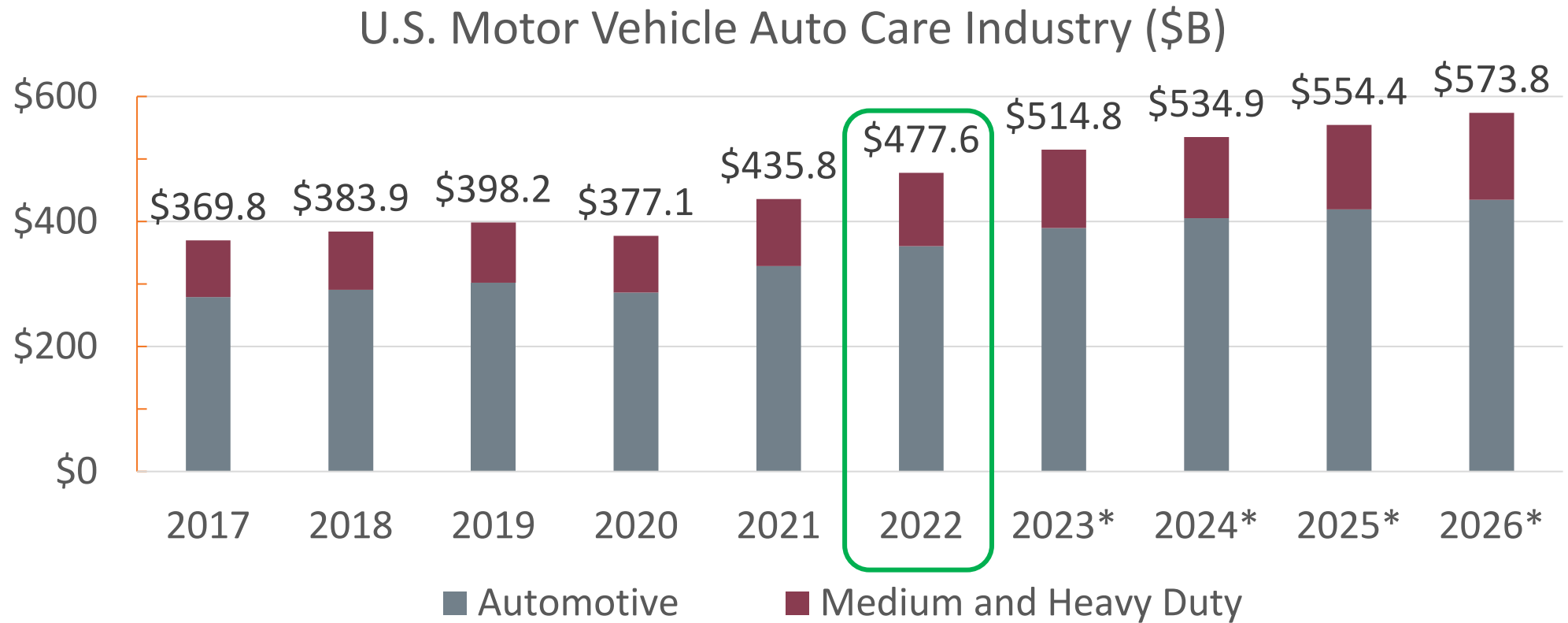
\$1.8 TRILLION > 20.6 TRILLION MILES DRIVEN

## 1.9%

Automotive aftermarket contribution to 2022 U.S. GDP (light, medium and heavy duty vehicles)

**autocare**<sup>®</sup>  
ASSOCIATION  
Independence drives us.

# “The state of the aftermarket is strong”

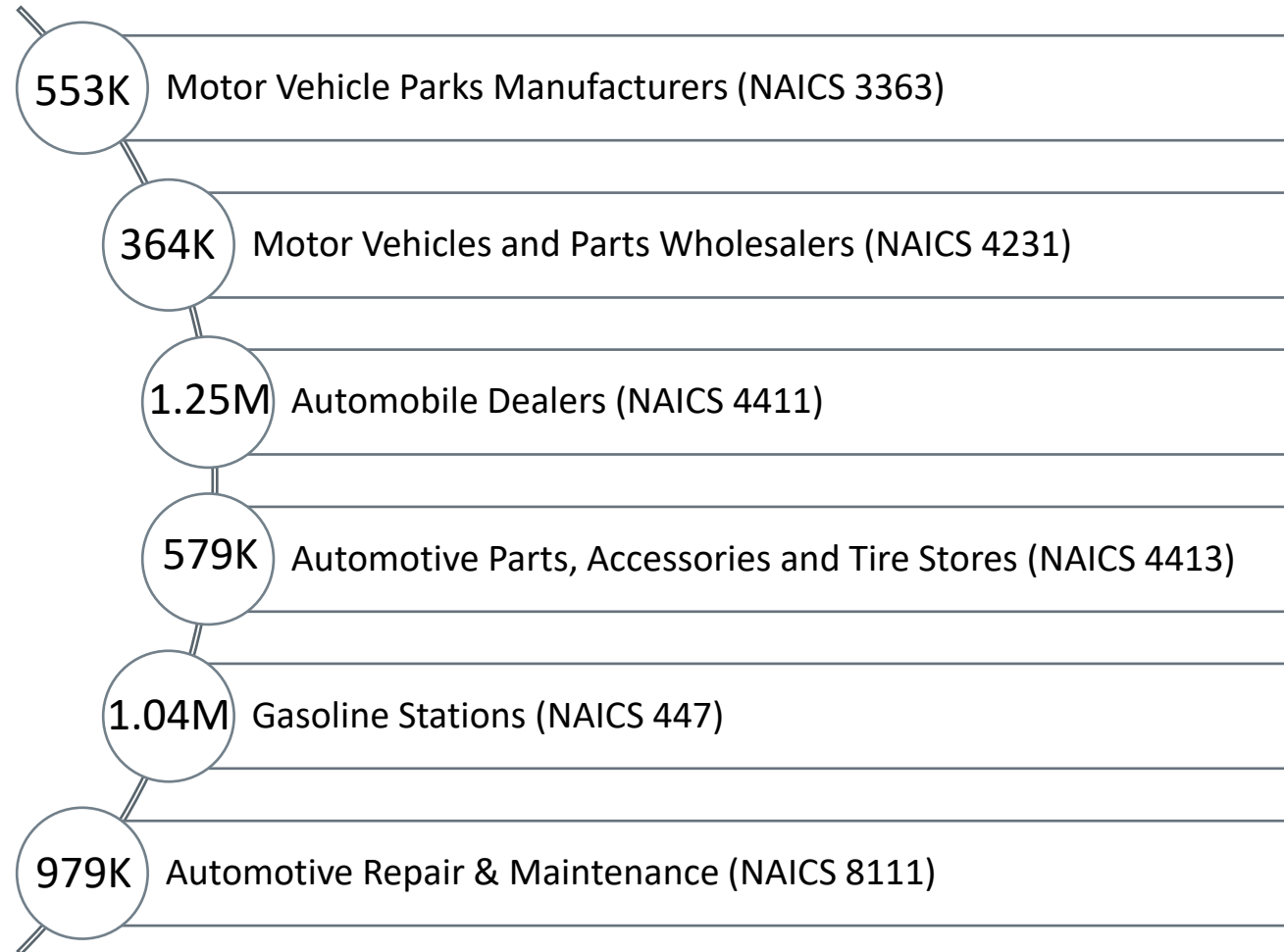


\*: Forecast

Non-warranty sales of parts, service, labor and accessories

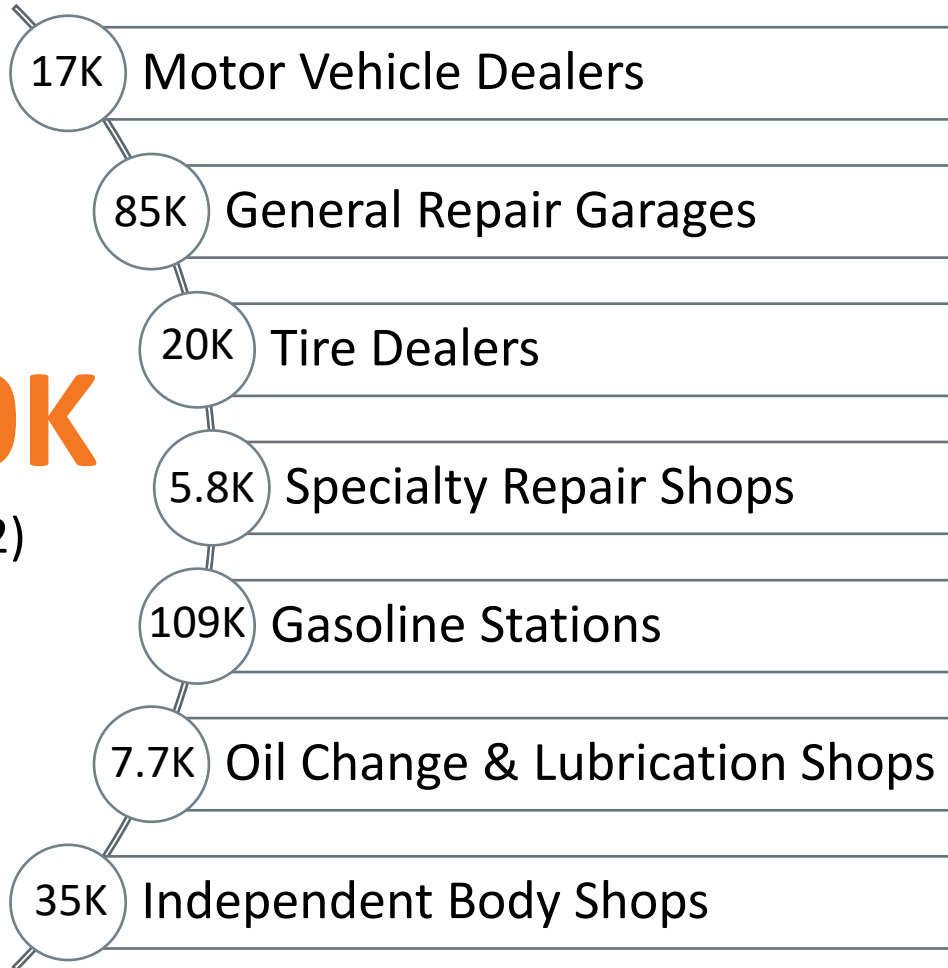
# Industry employment

**4.77M**  
(2022)

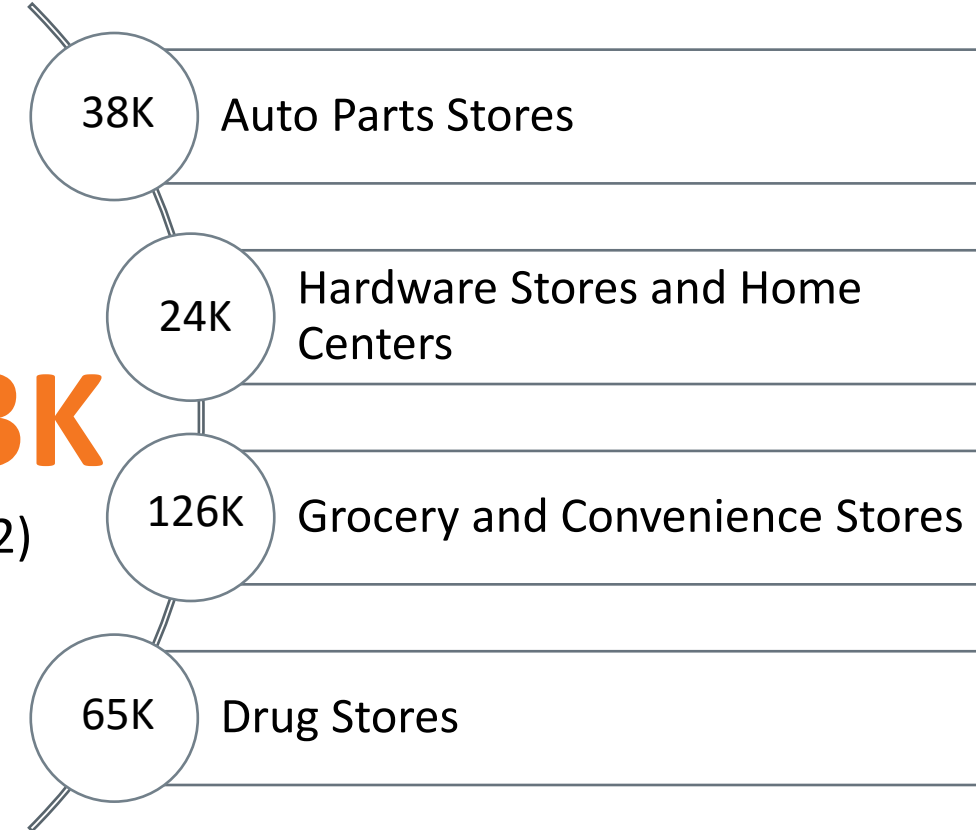


# Service and Retail Outlets

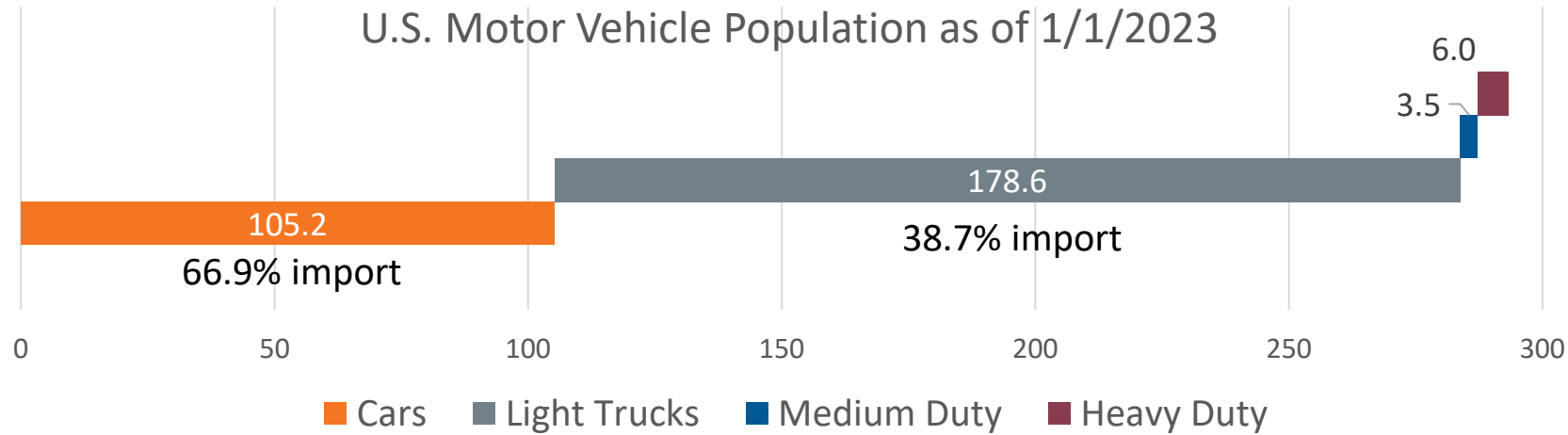
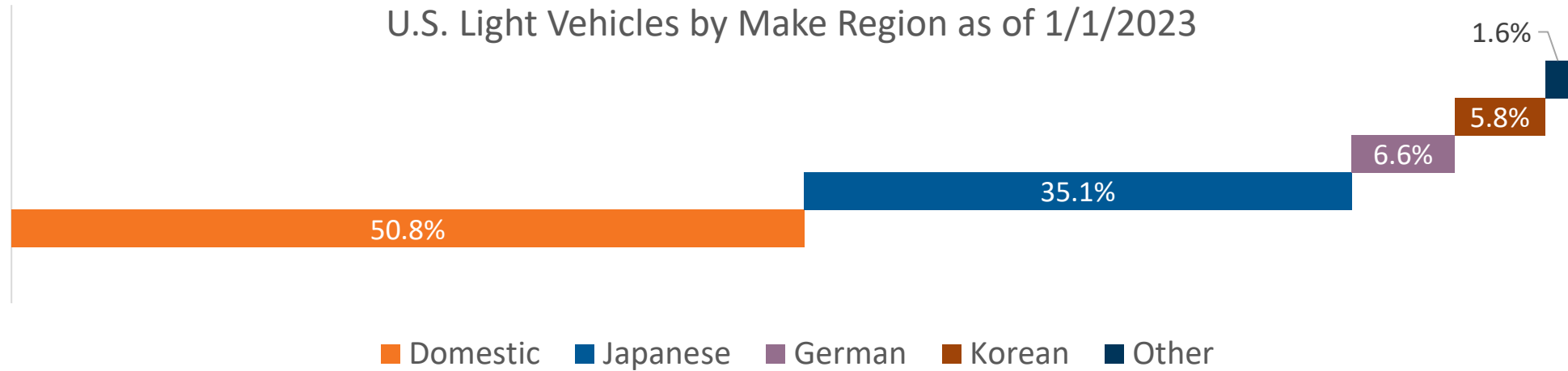
**280K**  
(2022)



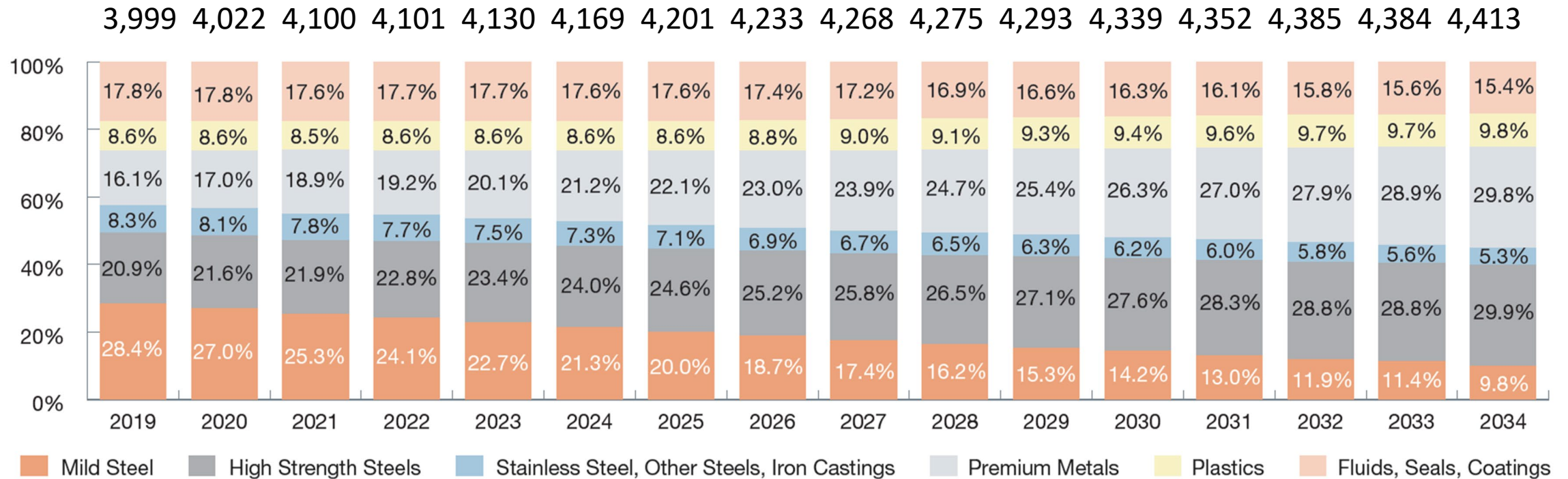
**253K**  
(2022)



# Vehicle Make Region and Vehicle Type



# Average materials content and vehicle weight of N.A. light vehicles



Notes: "Premium metals" include aluminum, magnesium, copper and brass, lead, zinc castings, powder metal and other metals (platinum, nickel, cobalt, lithium, manganese, graphite, neodymium, silicon). "Plastics" include polypropylene, polyurethanes, nylon, polyvinyl chloride, ABS, polyethylenes, polycarbonate, other engineering resins, polyvinyl butyral and other polymers. "Fluids, Seals, Coatings" include rubber, coatings, textiles, fluids and lubricants, glass and other.

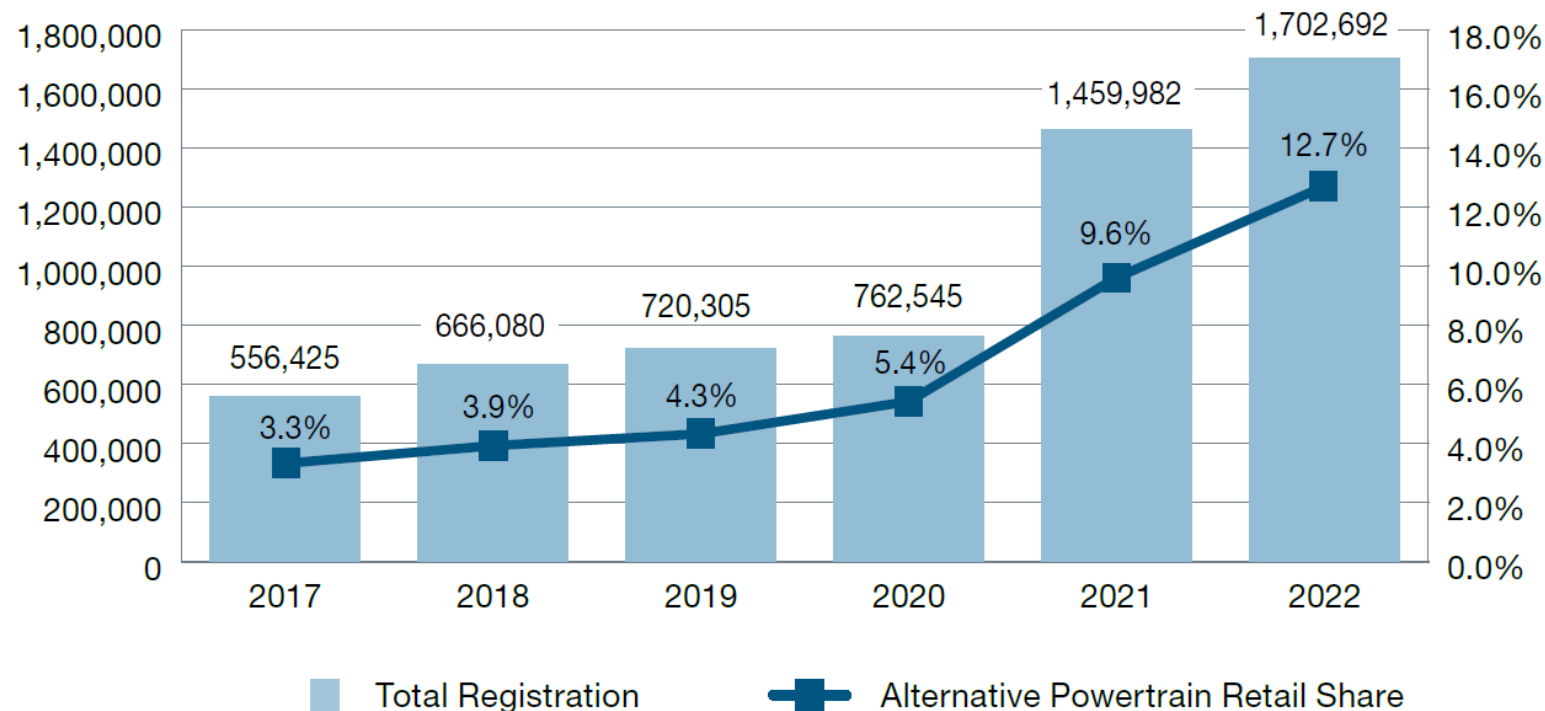
Source: © 2023 S&P Global Mobility. Reproduction in whole or in part is prohibited without written permission of S&P Global Mobility, 248-728-7000, spglobal.com.



Independence drives us.

# Increased Adoption of Alt. Powertrain Vehicles

## Alternative Powertrain Vehicles: New Registrations and Retail Share, 2017–2022



**6.9M**

Electric and Hybrid  
Vehicle Registrations

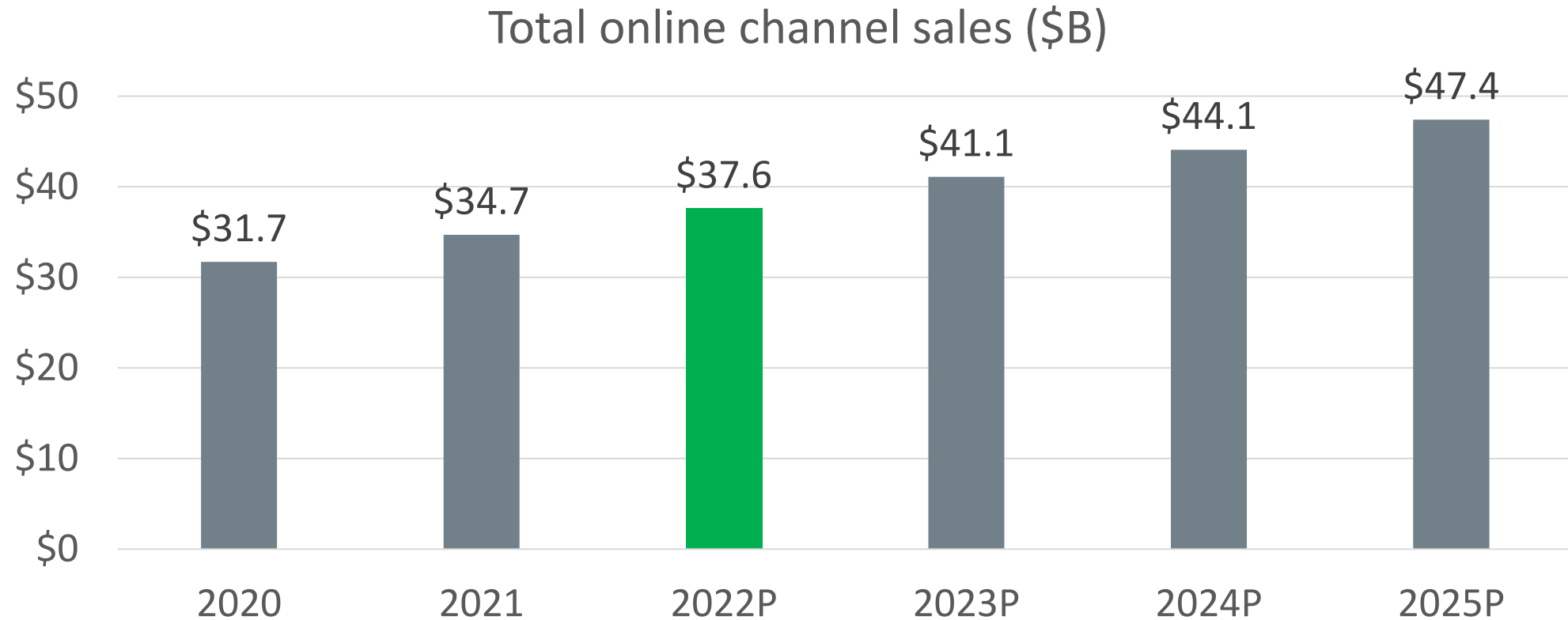
**24.7%**

California Share

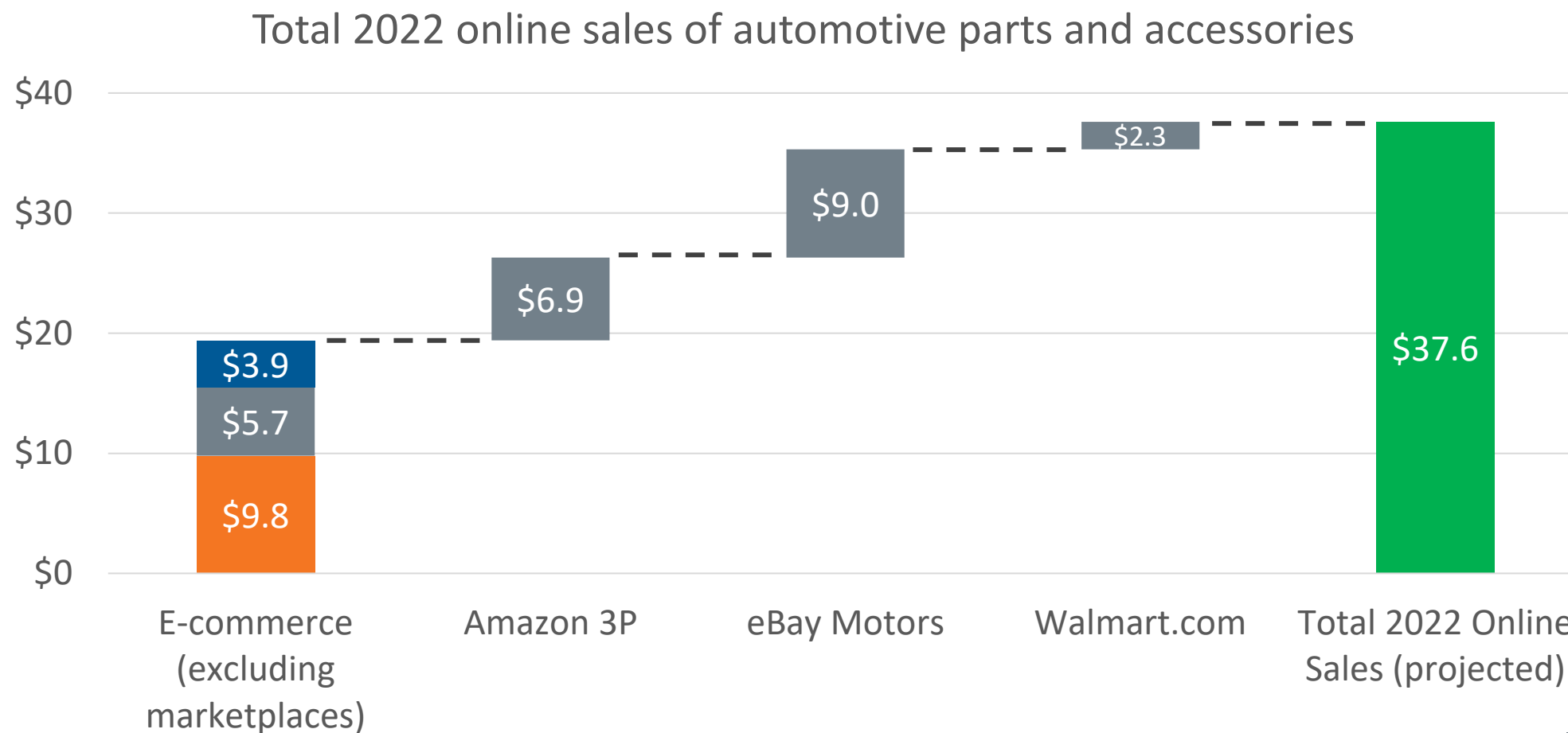


# E-commerce

# E-commerce parts sales and growth trend

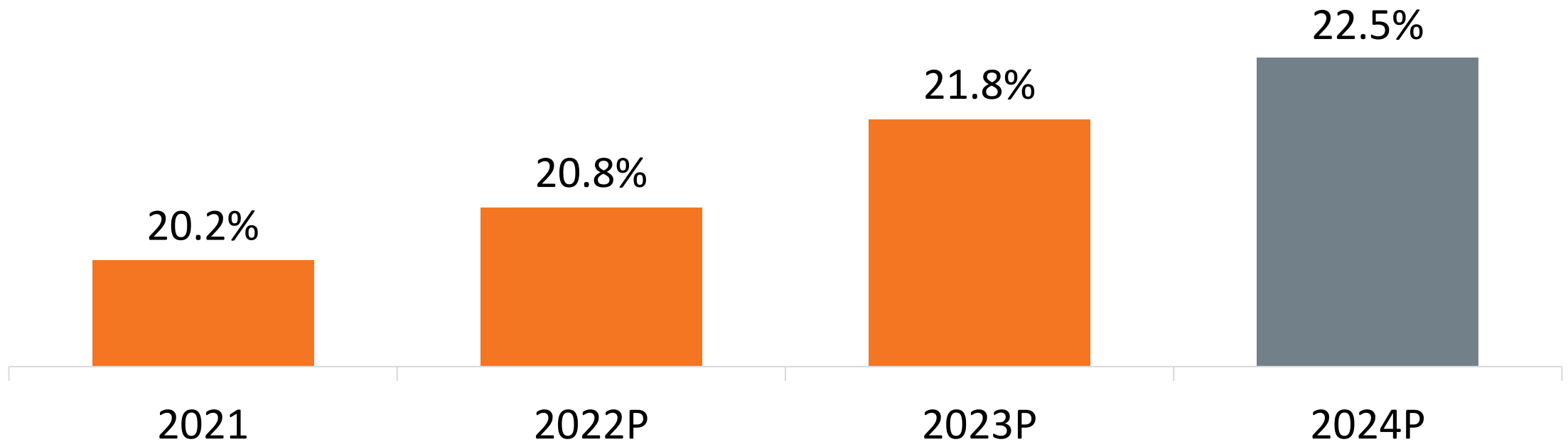


# Industry sites & e-commerce “marketplaces”

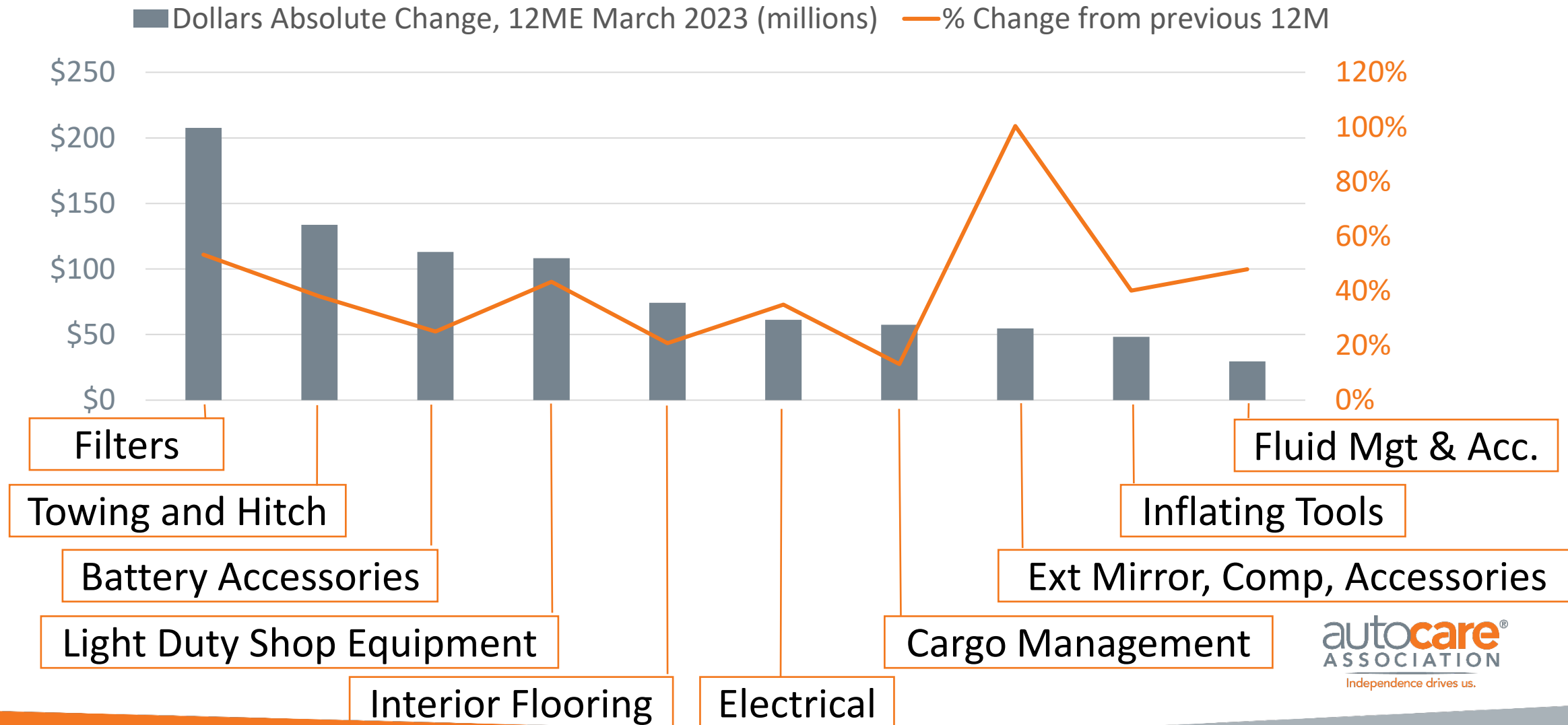


# E-commerce penetration is significant

Dollar value of parts purchased online vs. in-store



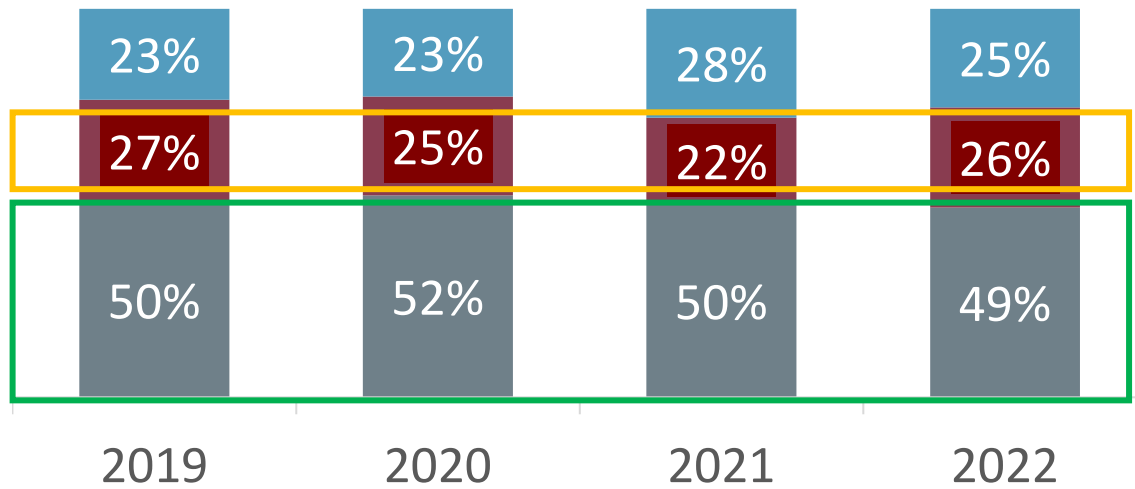
# Online sales categories vary each year



# Pre-purchase research involves websites

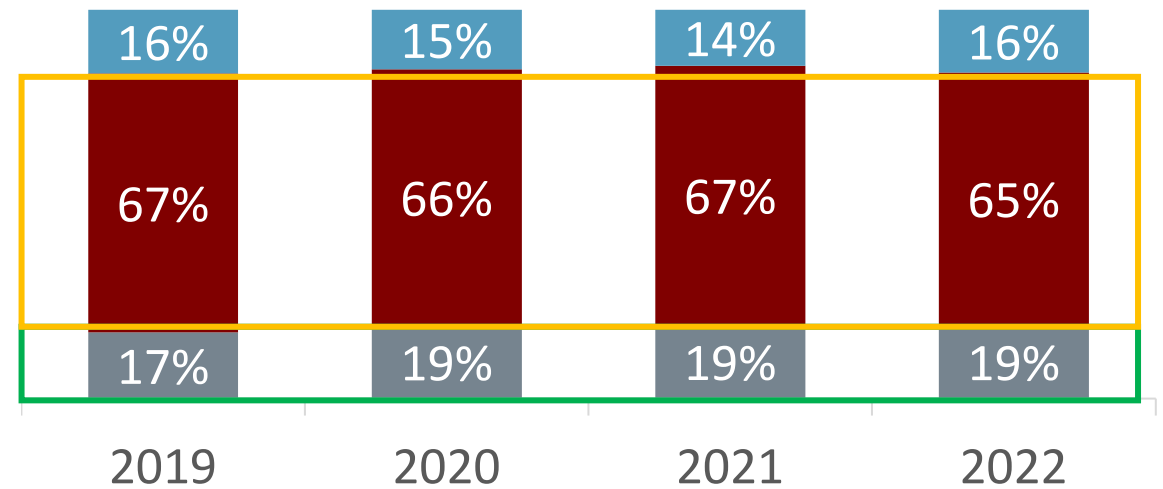
What customers do first when purchasing:

Online



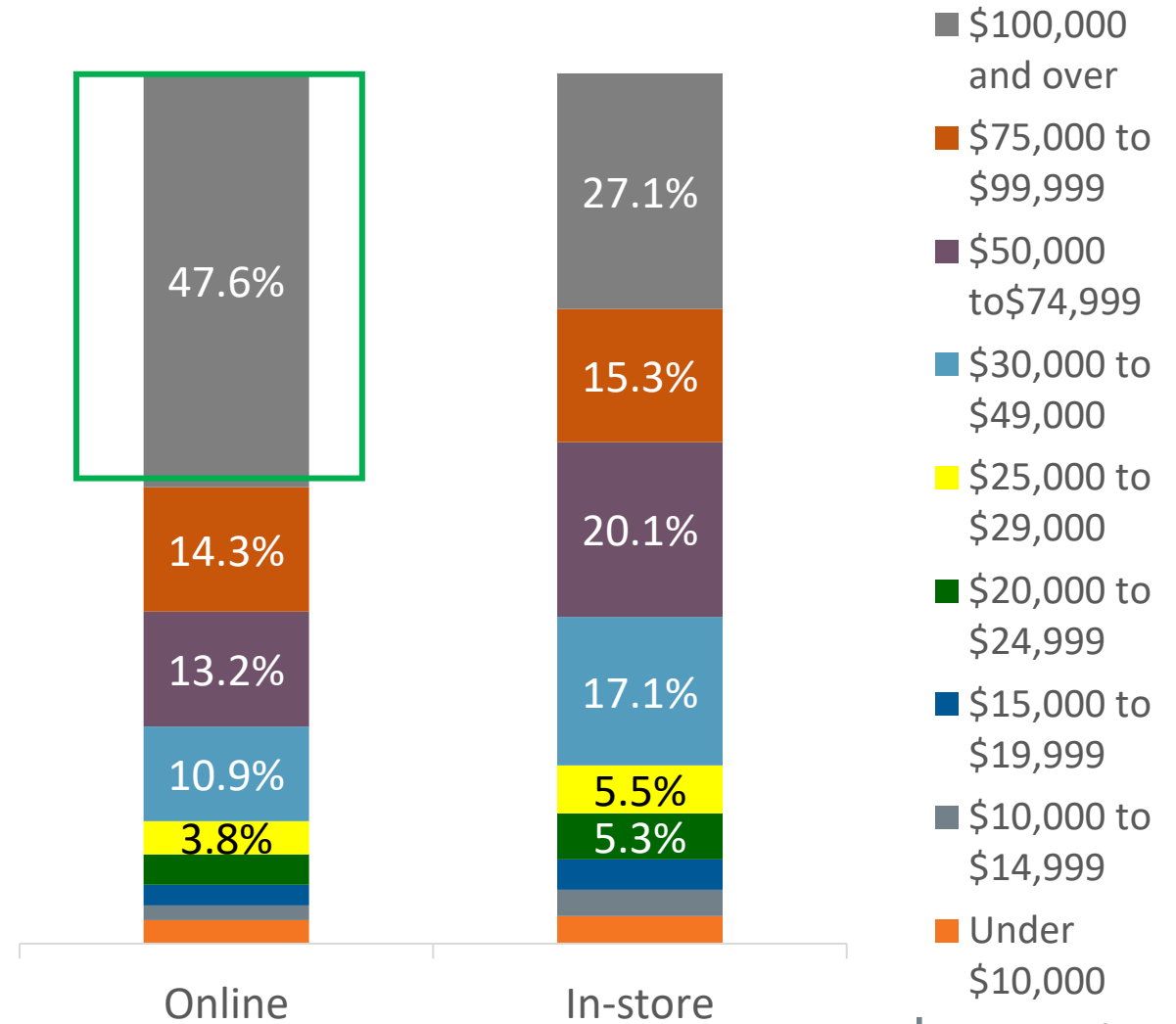
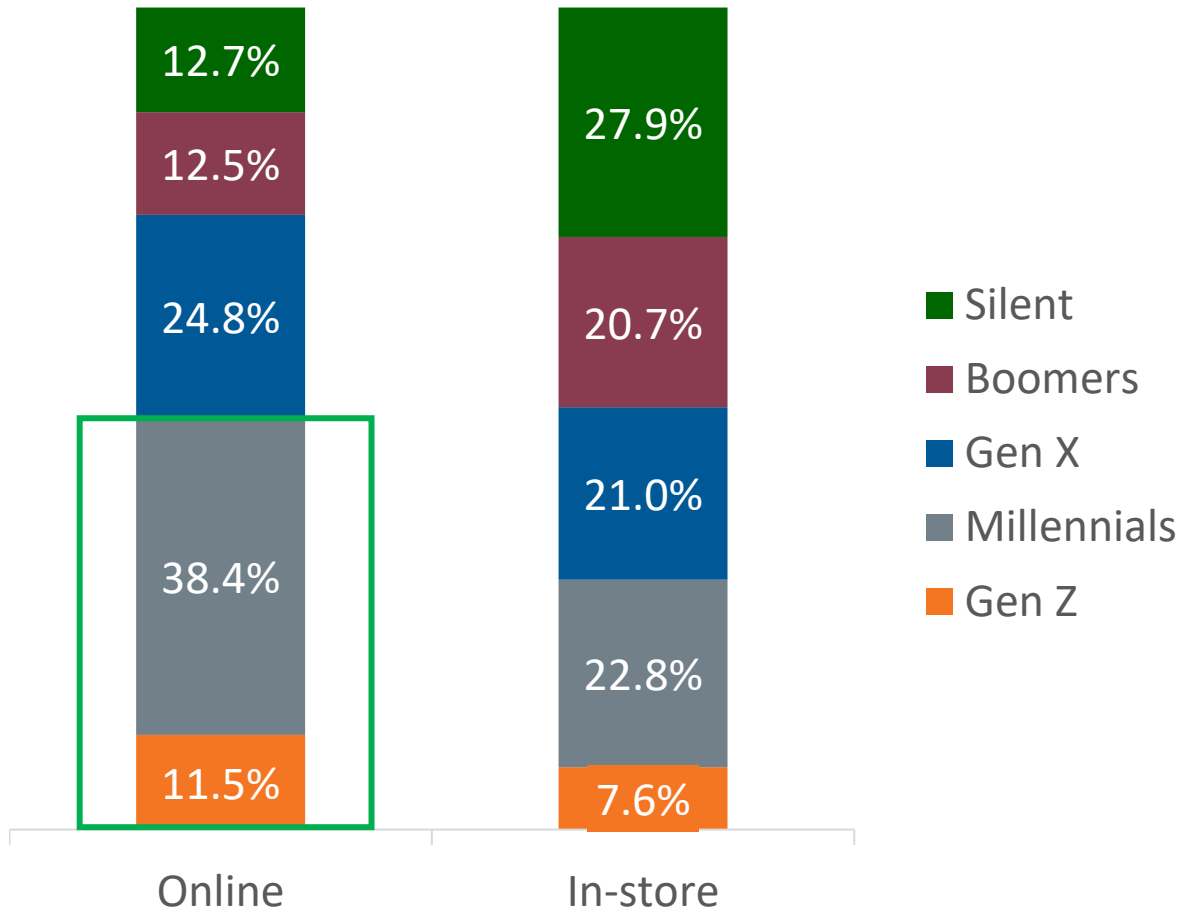
■ Visited Website ■ Visited Store ■ Called Store

In-store



■ Visited Website ■ Visited Store ■ Called Store

# Customer snapshot



# Other considerations



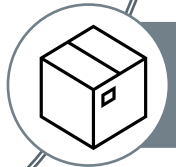
M&A activity



Shopper experience



Content descriptions



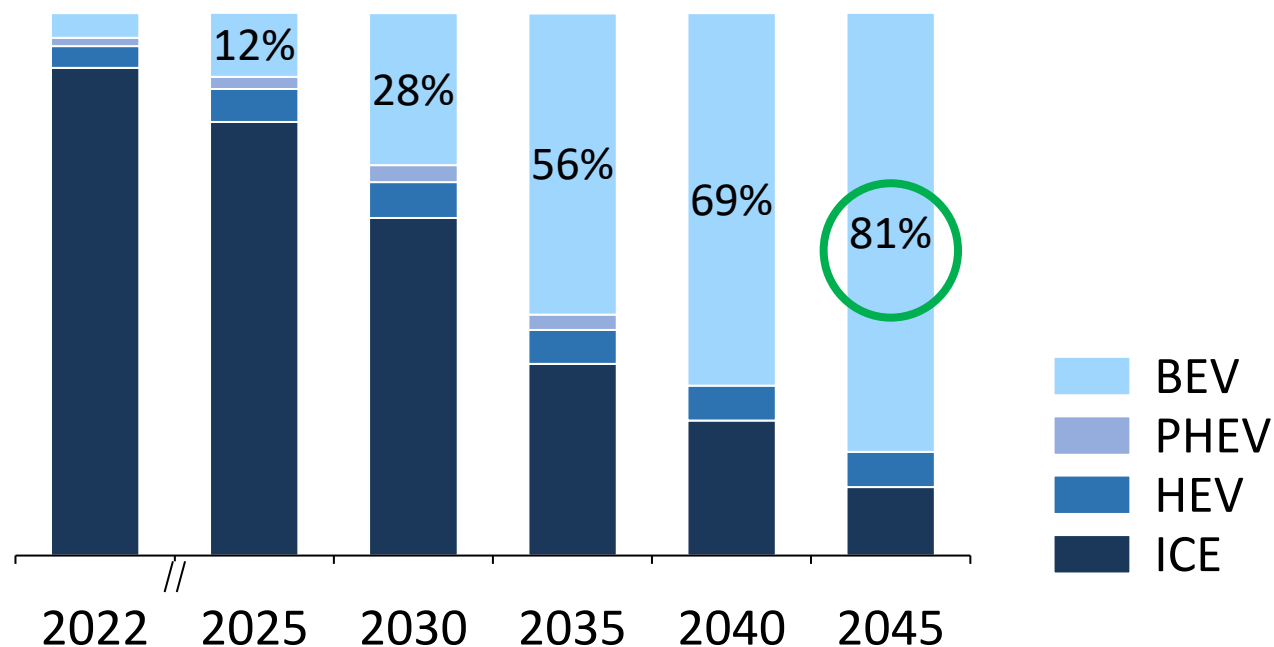
Return policies



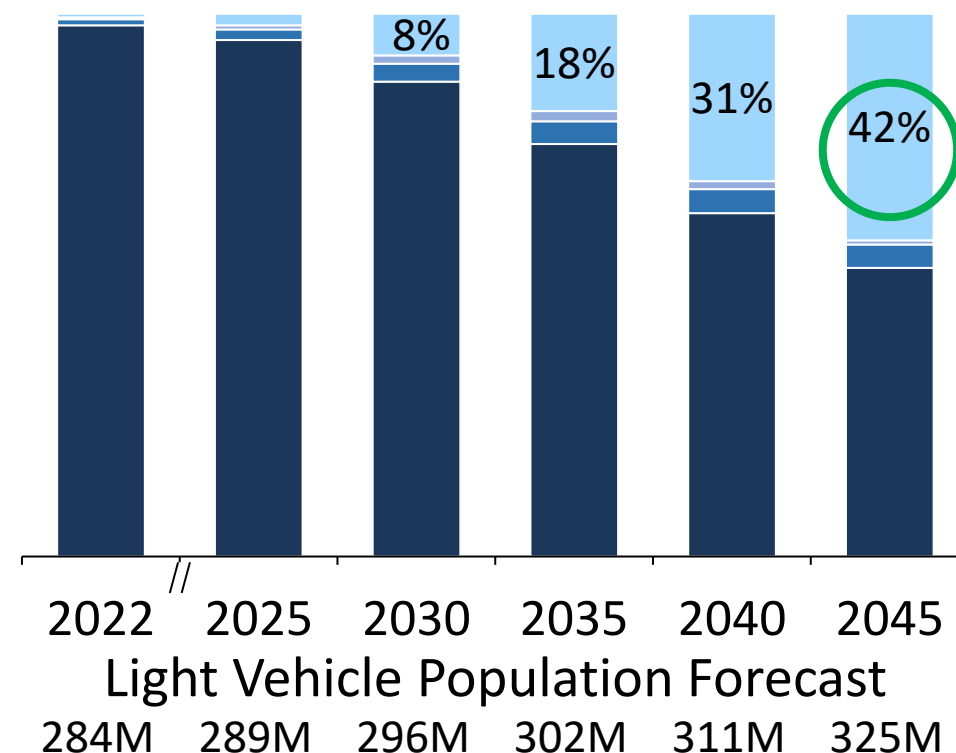
# The Electric Vehicle

# Adoption and penetration forecasts to 2045

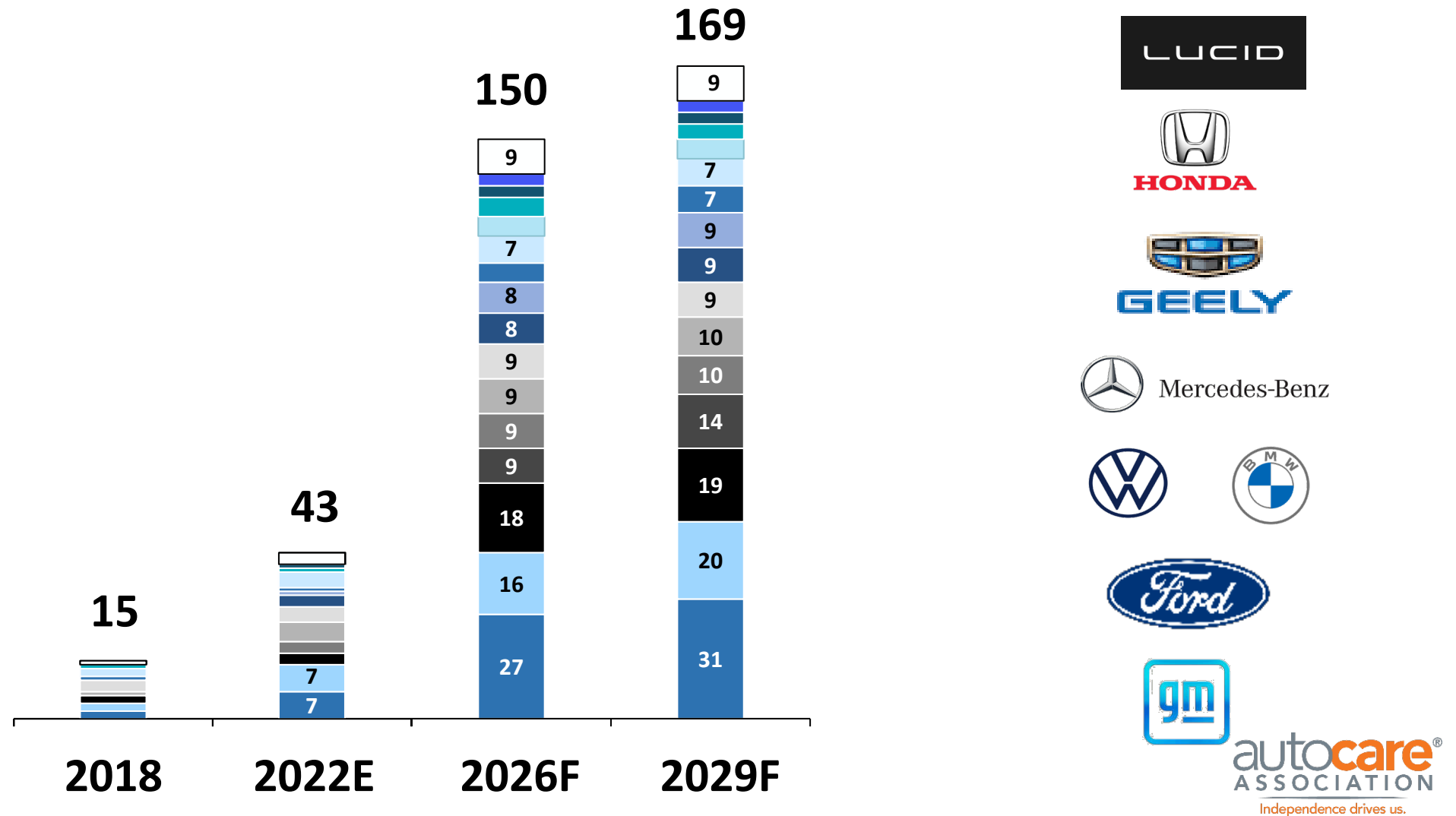
## U.S. new car sales by propulsion type



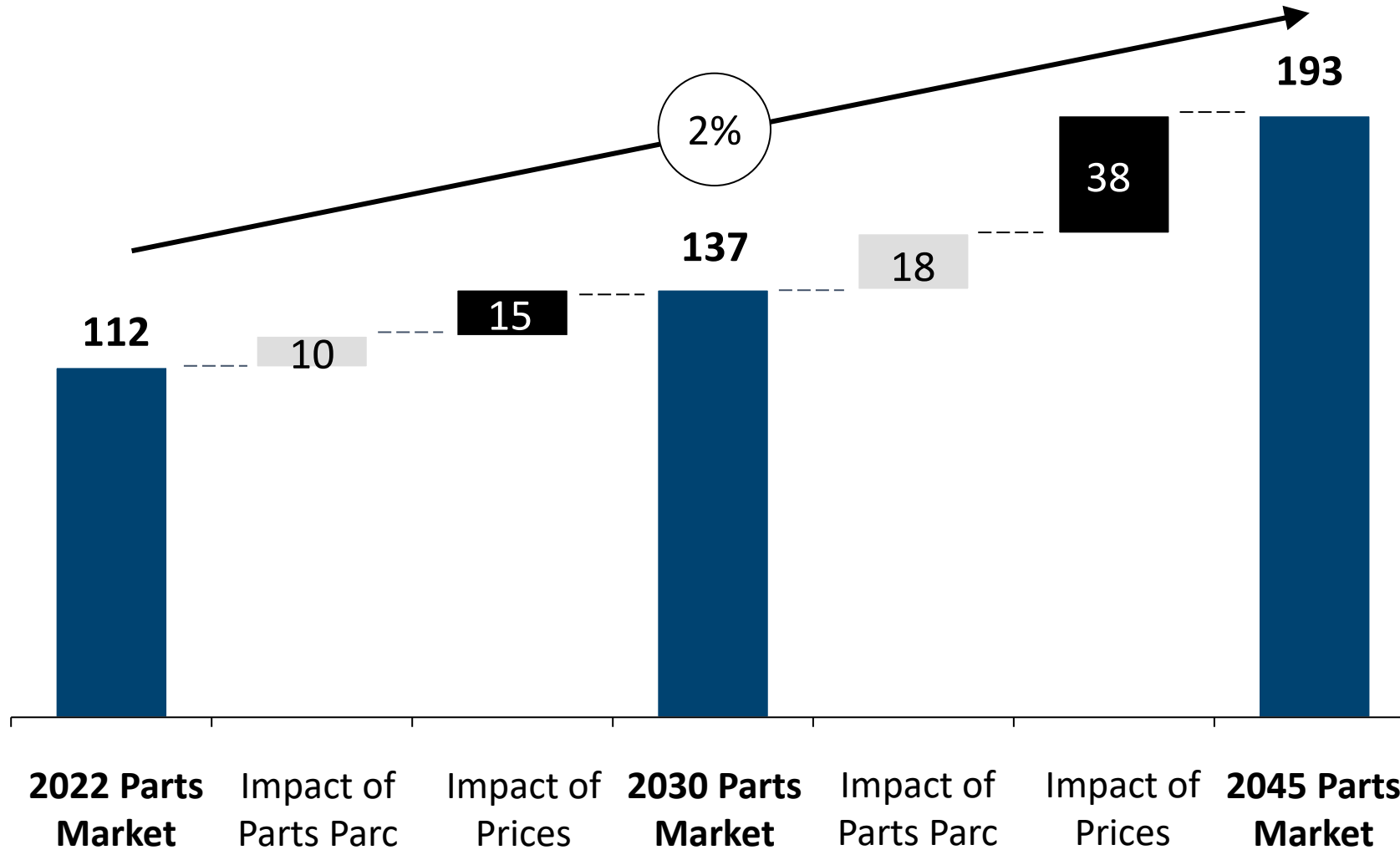
## U.S. Parc Penetration



# Rapid growth of BEV models and providers

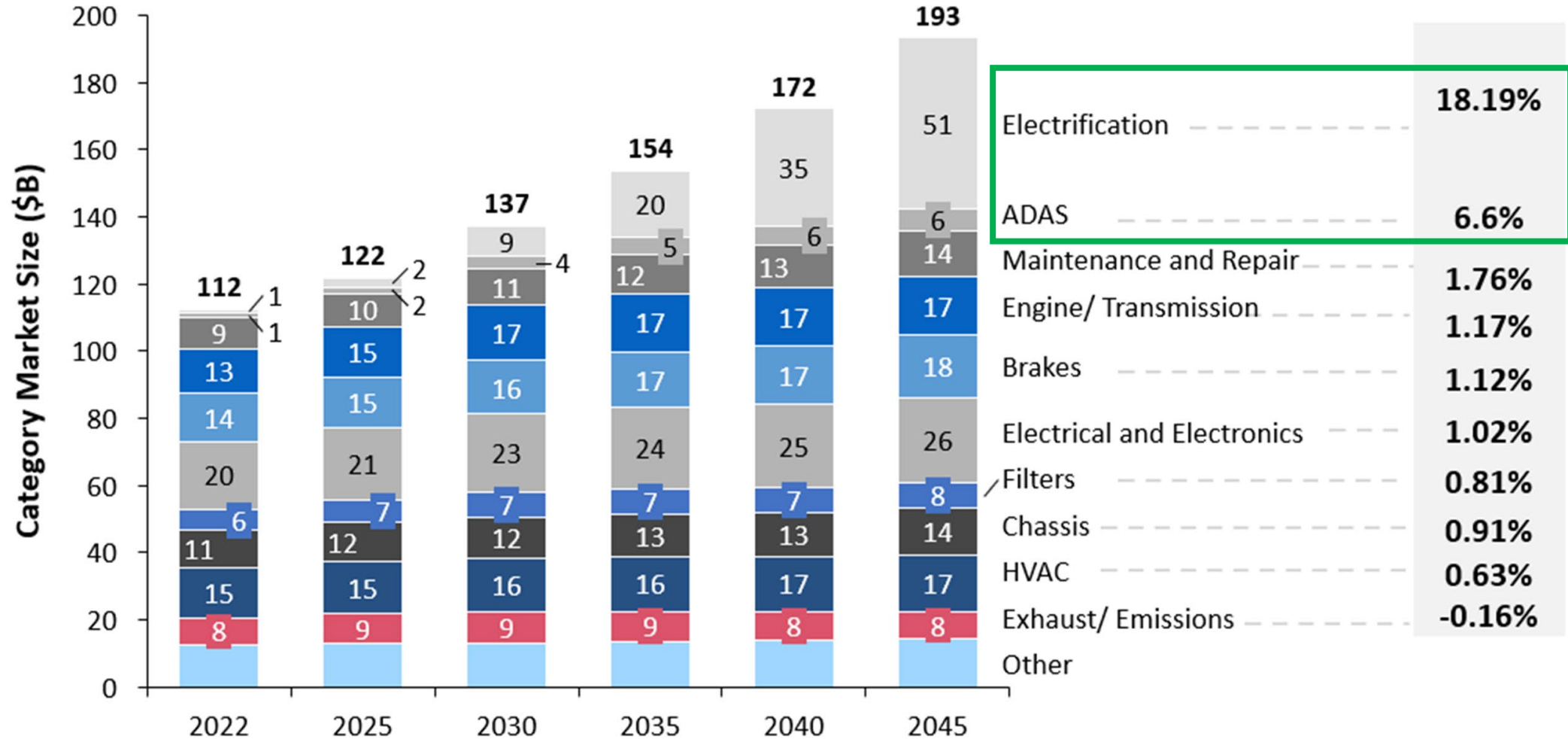


# Parts market fueled by new parts, car parc growth and higher costs



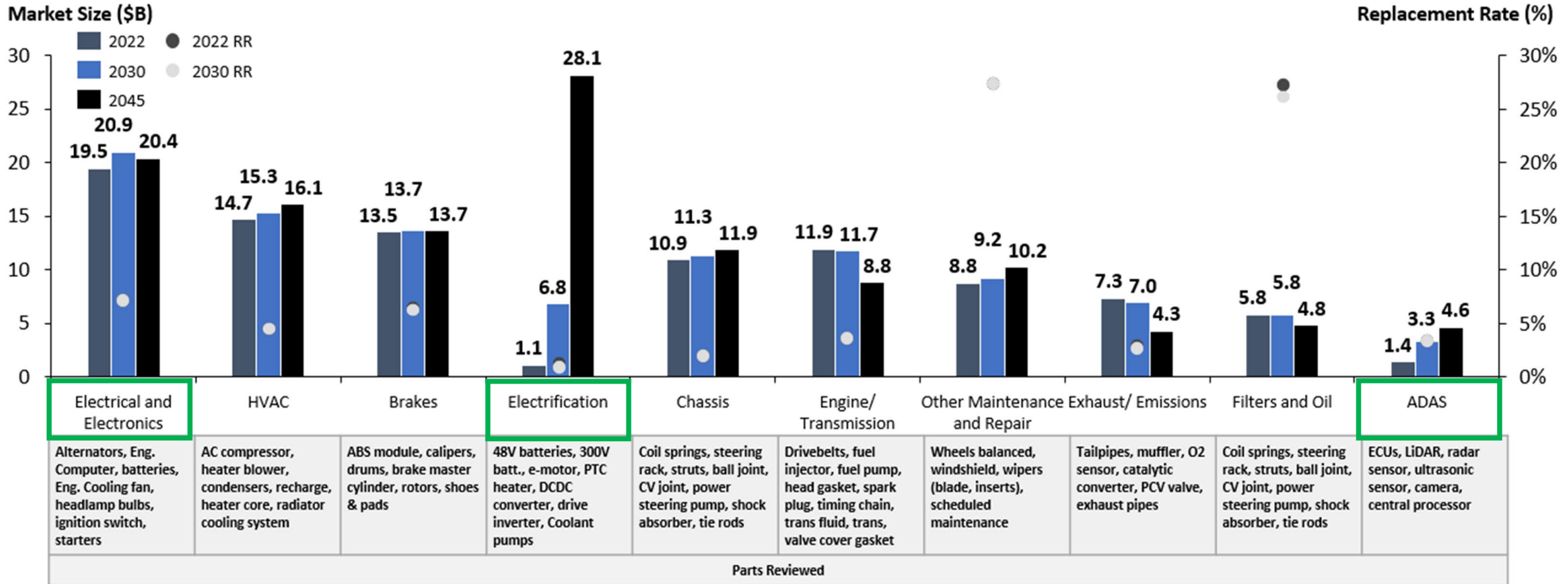
# Parts size growth by product category

2022-2045 CAGR



# A closer look at category components

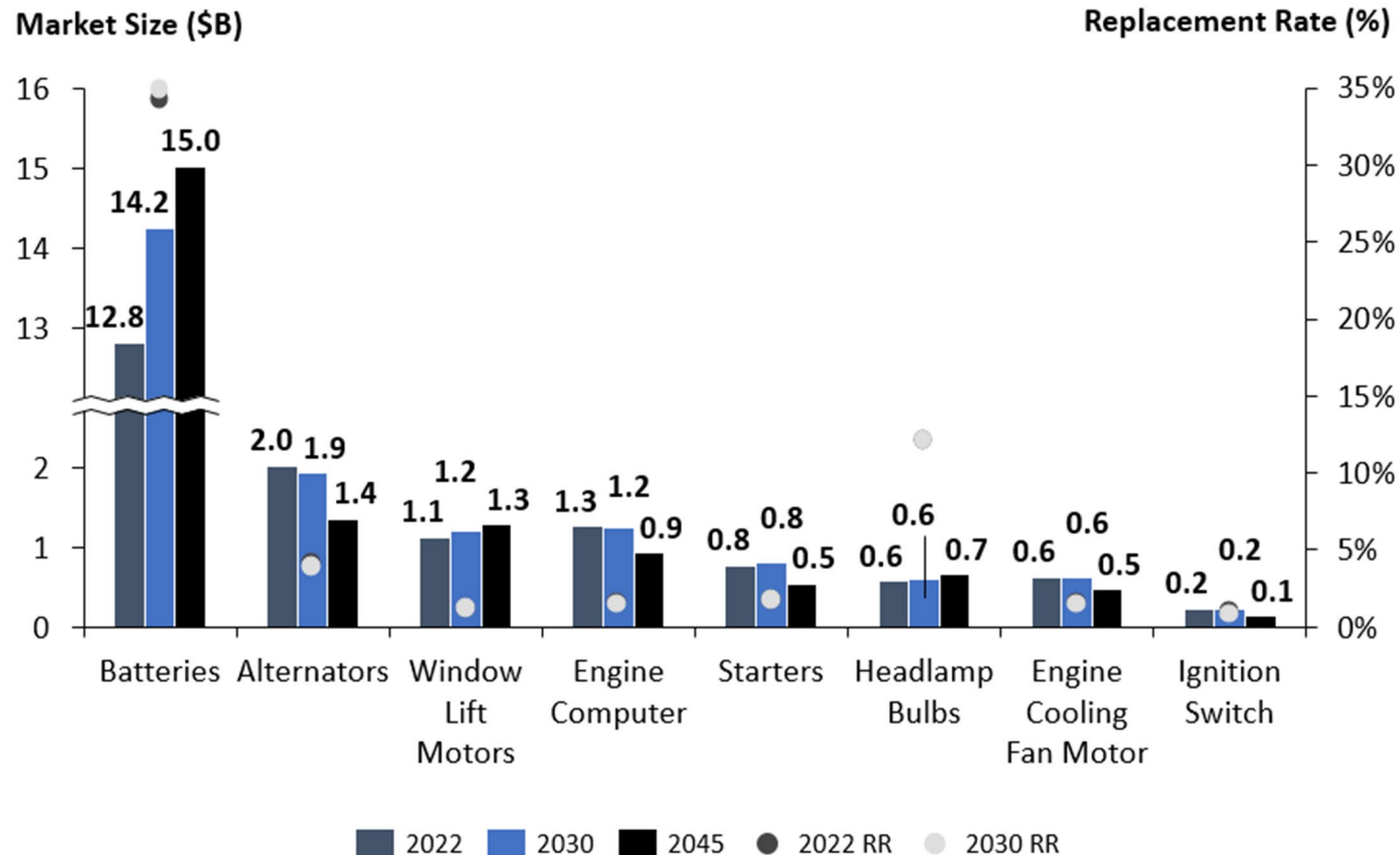
**2022, 2030 & 2045 MARKET SIZE BY PART CATEGORY AND CHANGES IN AVERAGE REPLACEMENT RATE<sup>1</sup>**  
[USD, BILLIONS]



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# Electrical and electronic components

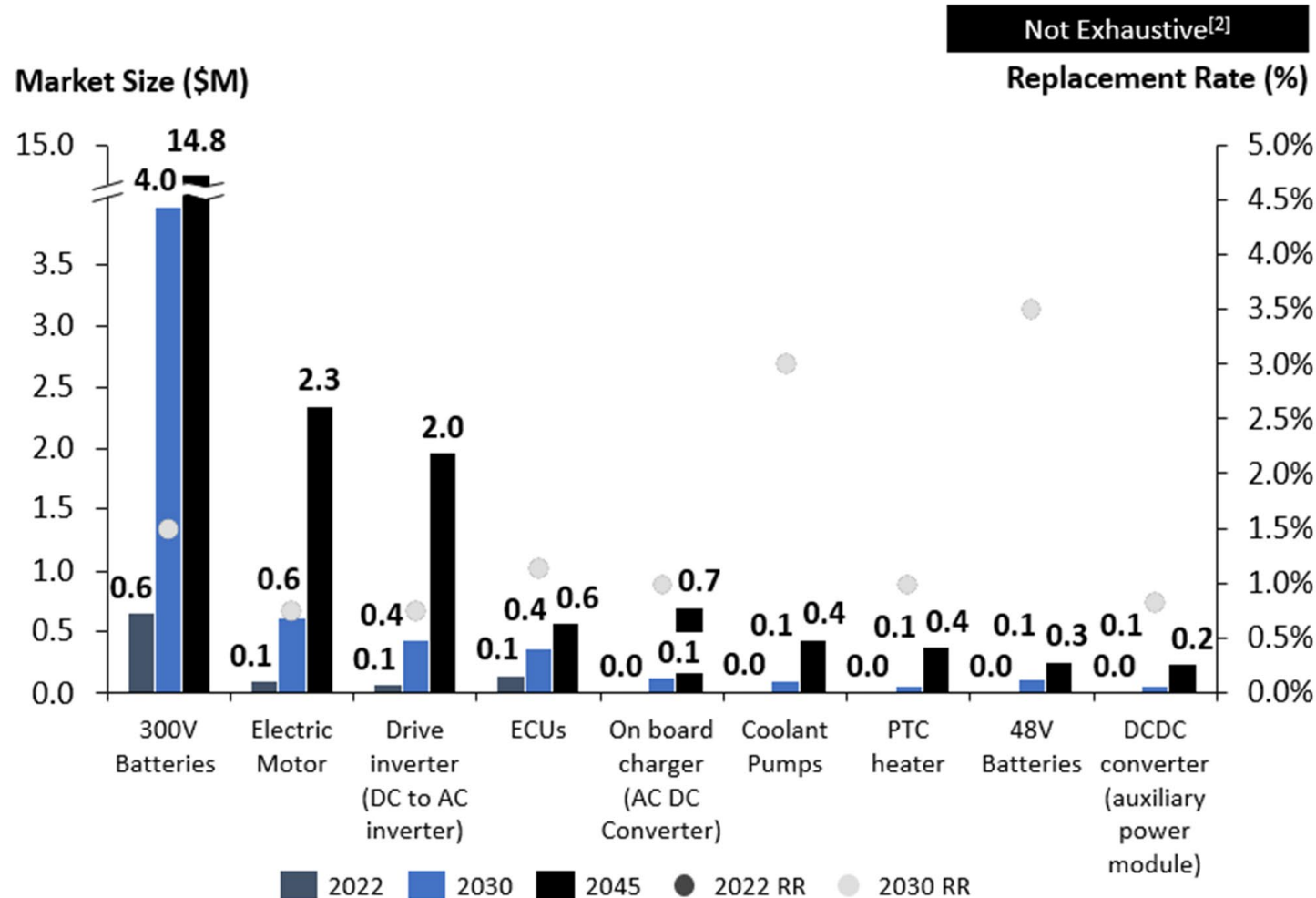
## 2022, 2030 & 2045 MARKET SIZE AND FORECASTED REPLACEMENT RATE [USD, BILLIONS]



- Electrical and Electronics Components show a large increase while other components are steady, if not declining
- Due to increased parc of EVs, the market size of battery is expected to increase

# Electrification parts

## 2022, 2030 & 2045 MARKET SIZE AND FORECASTED REPLACEMENT RATE [USD, BILLIONS]

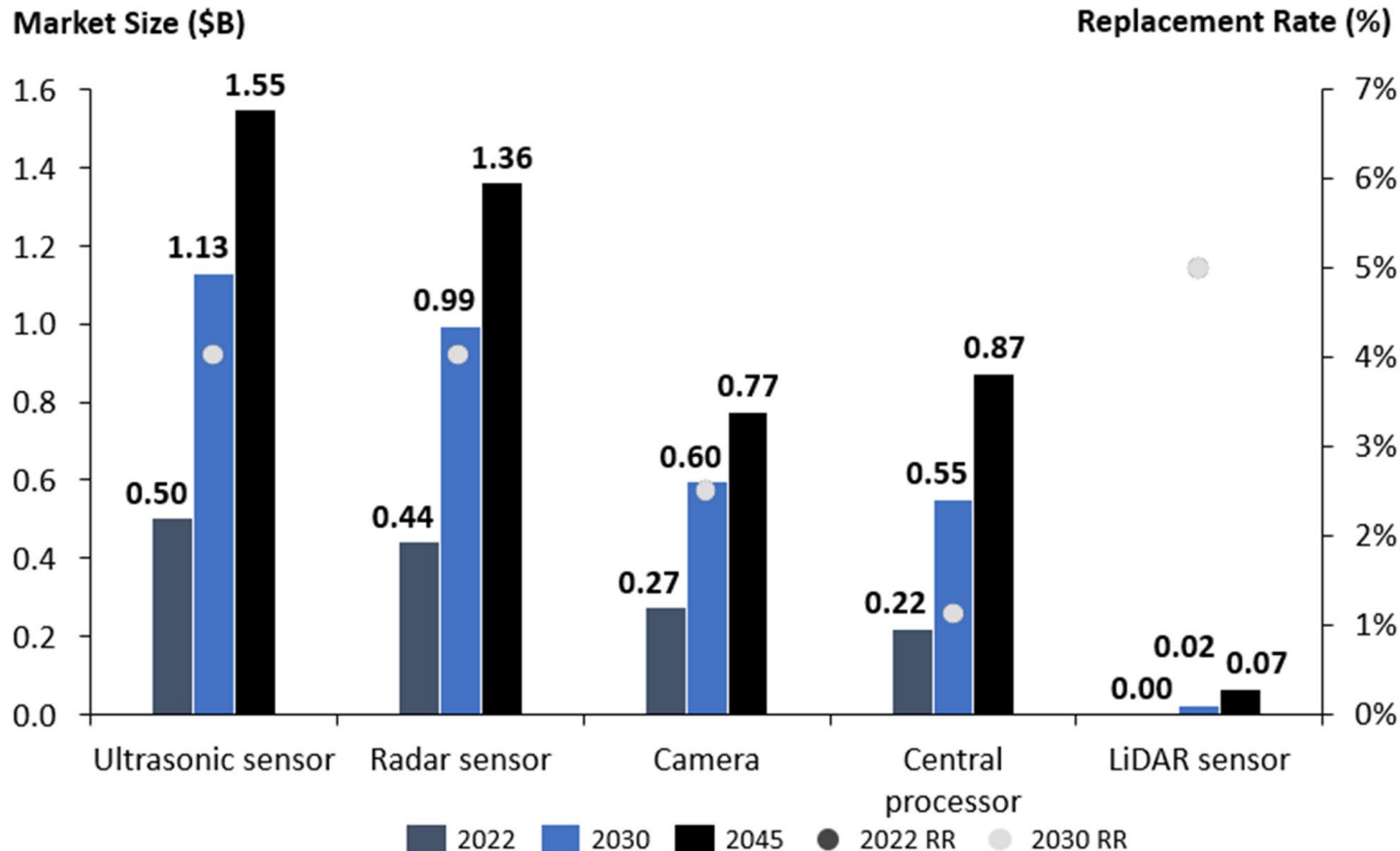


- 300V batteries are the highest contributors in Electrification market size growth owing to increase in EV car parc and high prices
- Electric motors contribution has increased almost 4-fold from 2030 to 2045 with increased EV parc of 128M in the same time period
- Market size of Drive Inverters has also increased due to incremental EV parc



# ADAS components

## 2022, 2030 & 2045 MARKET SIZE AND FORECASTED REPLACEMENT RATE [USD, BILLIONS]



- ADAS component markets grow across the board as L1-L3 technology becomes more widely adopted
- Growth in the Parc of autonomous vehicles (A1, A2 & A3) from 2022 onwards is expected to drive the market size of ADAS components
- CAGR of all the components range from 5-6% except for LiDAR sensor which is expected to witness a CAGR ~ 50% from 2024 to 2045

# Additional considerations

- Regulatory developments (proposed emission standards)
- Cost of vehicles, materials sourcing
- Other technologies, e.g., hydrogen
- Right to repair

# Wrap-Up / Questions & Answers

# Take-Aways

- Automotive aftermarket is robust – steady growth, attractive to investors
- Change is afoot due to electric vehicle implementation goals
- Industry continues to adapt with innovation, agility and wisdom

**Q&A**



Independence drives us.

**Thank you!**

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