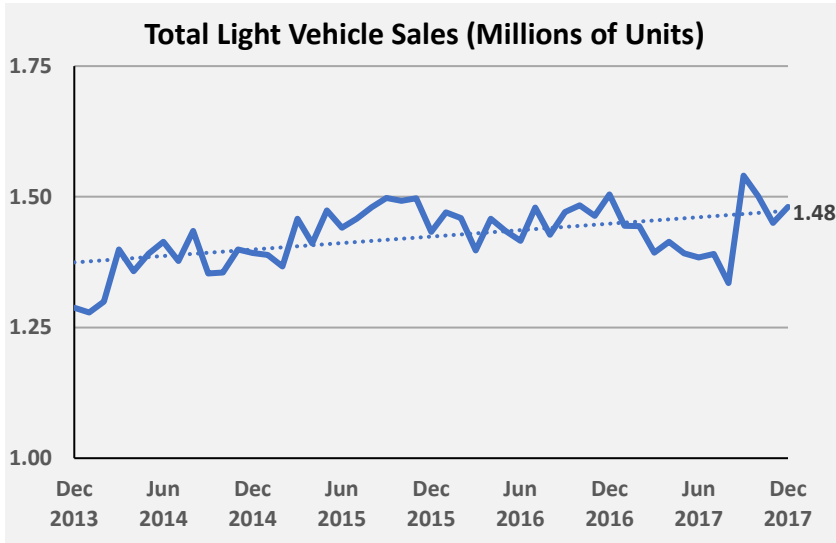


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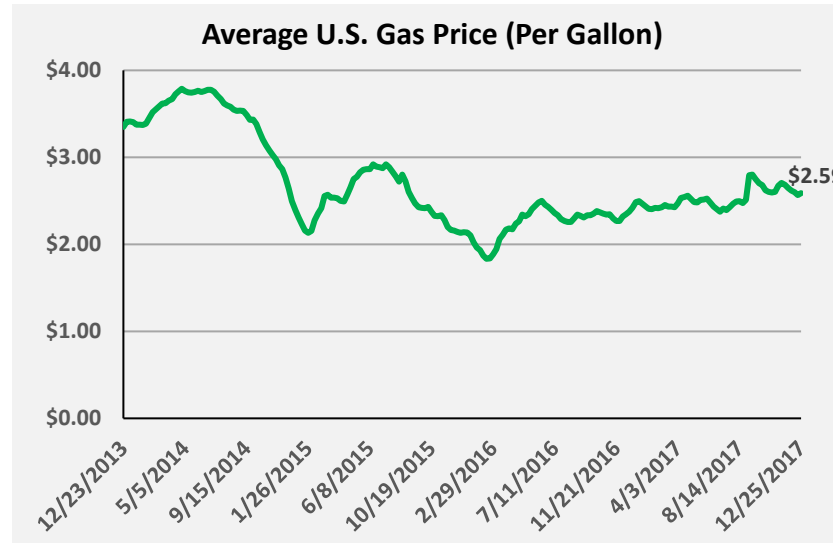
December 2017



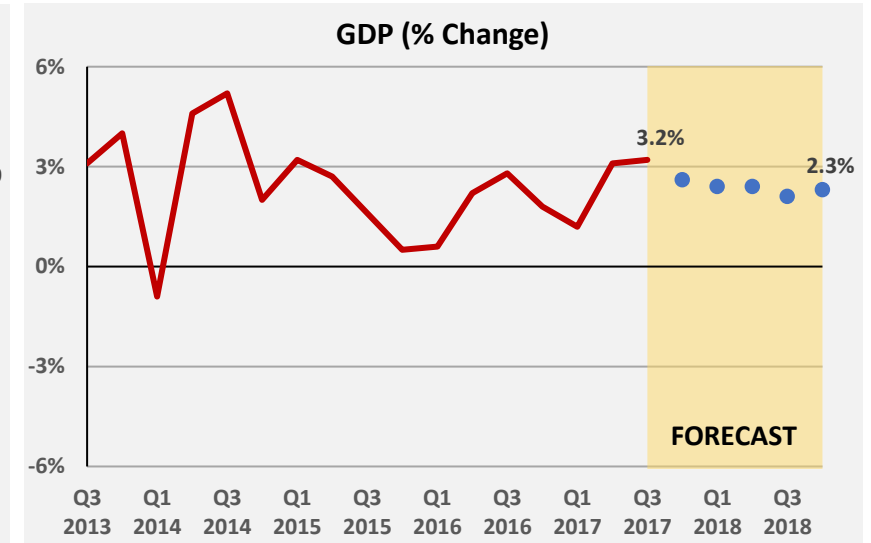
Overall, the U.S. economy remains strong entering the new year, with the lowest rate of unemployment in recent years. GDP continues to rise and is forecast to grow at a rate of 2-3%. New auto sales are beginning to even out after increases in September and October, and overall 2017 yearly sales appear flat. Consumer confidence continues to grow, with consumption continuing to climb, despite a slight decline in disposable income growth. This month, SEMA Market Research highlights key insights from its recent Advanced Vehicle Technology Opportunity Study.



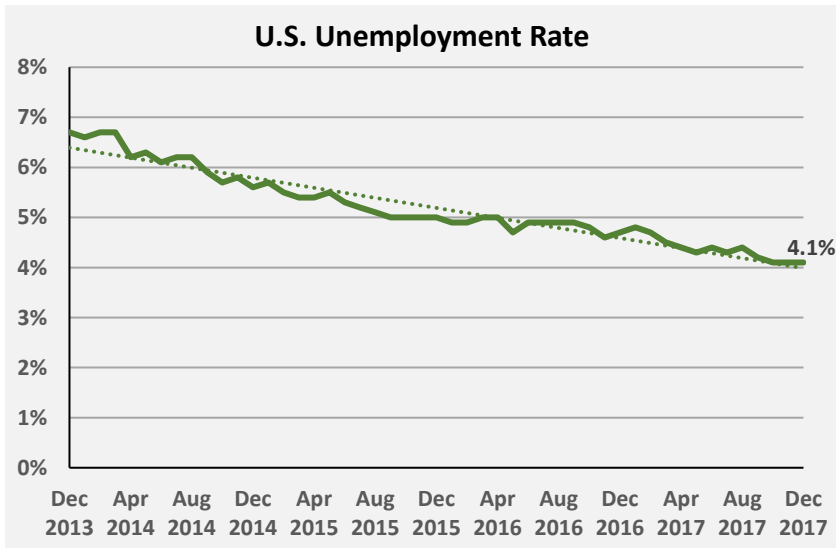
Source: U.S. Bureau of Economic Analysis



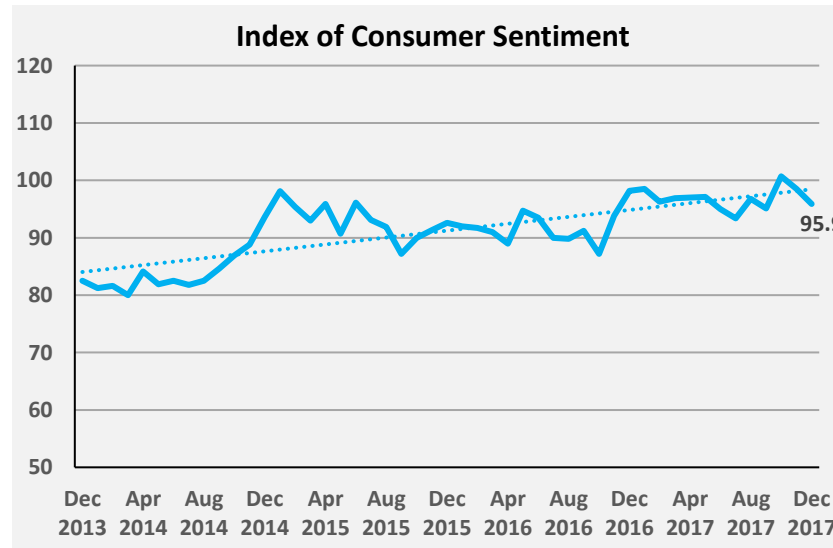
Source: U.S. Energy Information Administration



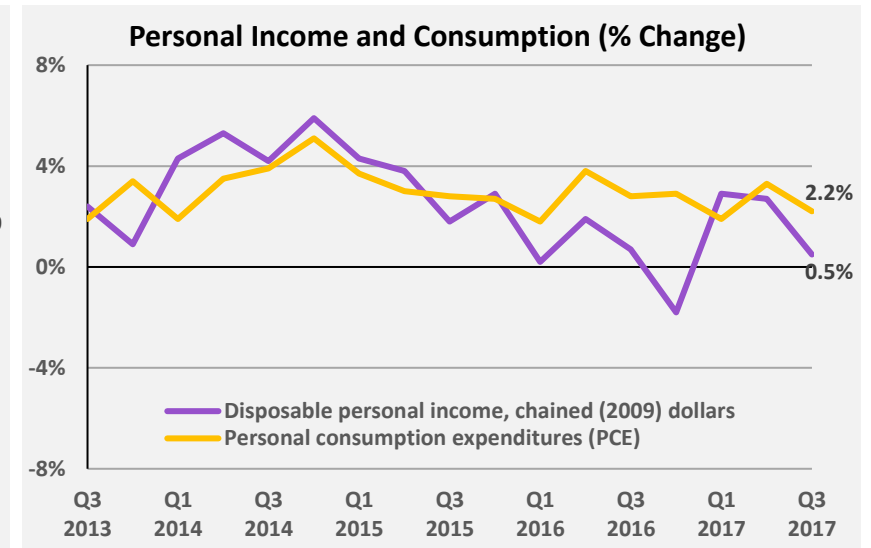
Source: U.S. Bureau of Economic Analysis, Philadelphia Federal Reserve



Source: U.S. Bureau of Labor Statistics



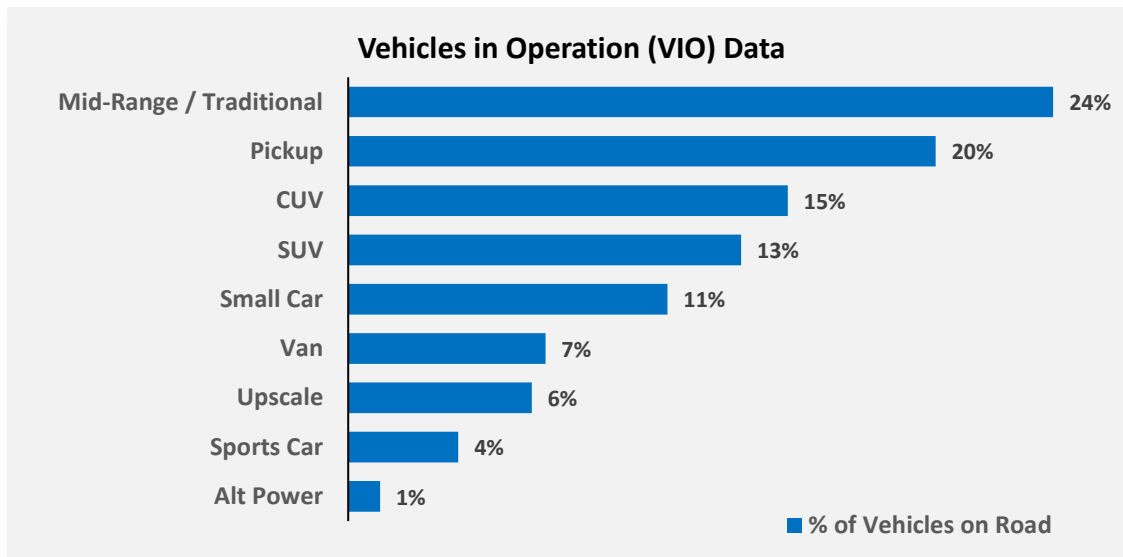
Source: University of Michigan, Survey of Consumers



Source: U.S. Bureau of Economic Analysis

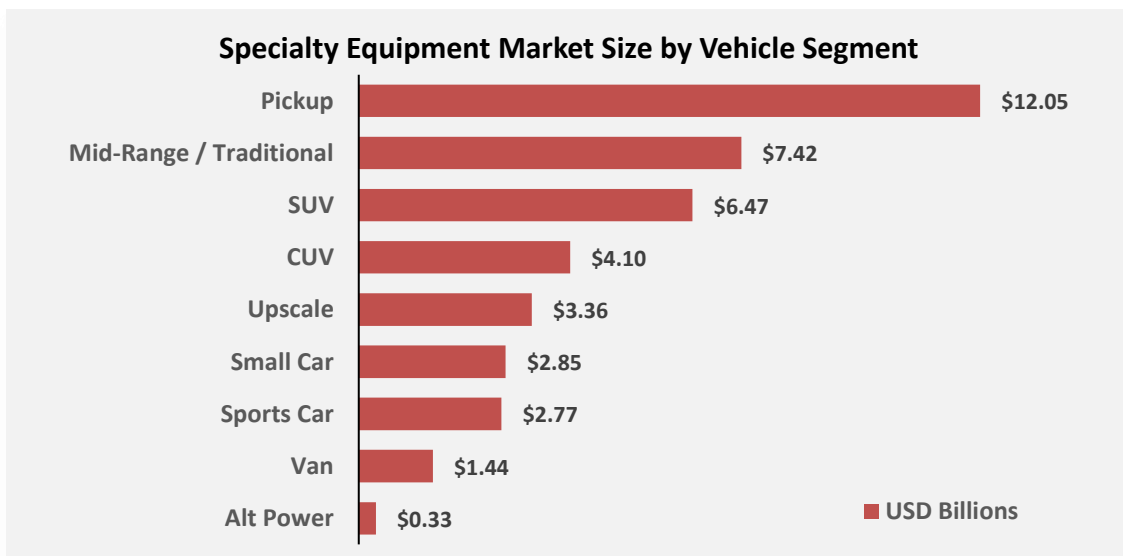
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Source: SEMA Member VIO, Powered by Experian, Data as of September 30, 2017

\$41.16 Billion → Specialty Equipment Retail Sales in 2016

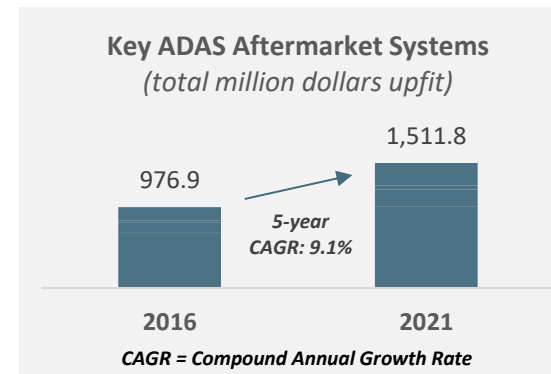


Source: 2016 SEMA Consumer Market Data

Advanced Driver Assistance Systems (ADAS) Retrofit Market Forecast

New vehicles are increasingly shipping with ADAS installed. However, a new report from SEMA looks at the opportunity to supply ADAS in the aftermarket.

\$1.51 Billion → Projected market size for retrofitting vehicles with ADAS by 2021



Leading Aftermarket ADAS Systems 5-Year CAGR

Blind-Spot Warning	14%
Lane-Departure Warning	11%
Passive Park Assist	8%
Passive FCW*	14%
Heads-Up Display	12%

*FCW = Forward Collision Warning

Key Drivers of Aftermarket Adoption of ADAS Systems:

- Lower cost of systems** relative to OEM products which are often included in a higher trim level
- Ability to utilize ADAS systems on older vehicles** and lower trim levels that did not offer the option
- Increased interest in safety systems** among end users
- Some systems have the ability for **easy do-it-yourself installation** (e.g., passive parking assistance)

Want to find out more?

Download the **2017 SEMA Advanced Vehicle Technology Opportunity Study**. Available now at: www.sema.org/research

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Explanation of Industry Trend Metrics

Total Light Vehicle Sales (Millions of Units): Total U.S. cars and light trucks sold per month, including both domestic and foreign brands.

Average U.S. Gas Price (Per Gallon): Weekly average U.S. retail gasoline prices per gallon. This includes all grades and formulations.

GDP (% Change): Gross Domestic Product, or GDP, is a measure of a country's total economic activity. It represents the value of all goods and services produced within a country. More simply, it's the sum of a country's consumption, government expenditures, investments, and exports (subtracted by imports). This graph shows the percent change per quarter in the U.S.

U.S. Unemployment Rate: Overall unemployment rate of the U.S. population, age 16 years and over.

The Index of Consumer Sentiment: The "Index of Consumer Sentiment" comes from the University of Michigan's "Survey of Consumers." This project captures opinions on a variety of factors, such as how their current financial situation compares to a year ago, how they expect their financial situation to change, whether the next 12 months are a good time to buy a new vehicle, and more. Certain metrics are then averaged into the overall index. A score above 100 indicates that people are generally optimistic about their situation, the U.S. economy as a whole, and their future expectations. A score below 100 indicates that more people are pessimistic than optimistic.

Personal Income and Consumption (% Change): Disposable personal income is the amount of money that households have available to spend and save after taxes. To account for inflation, dollar figures are based on a single year (2009). Personal consumption expenditures (PCE) is the primary measure of consumer spending on goods and services in the U.S. economy. This chart measures the percent change in both metrics.