

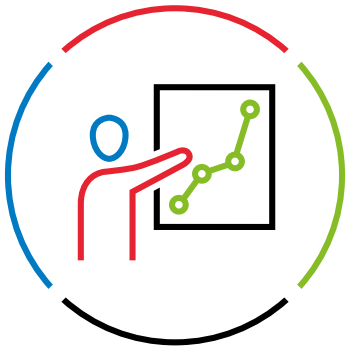


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**Auto Finance**

# Automotive Finance Digital Transformation Index Q1 2024

Wolters Kluwer, a global leader in professional information, software solutions, and services, announced first quarter results and analysis from its Auto Finance Digital Transformation Index. The key resource, which tracks the rate at which auto dealers, service providers, and lenders are advancing digitization from paper-based finance back-office processes, revealed the largest quarterly increase since the company first began tracking data in 2020.



## Auto Finance Digital Transformation Index

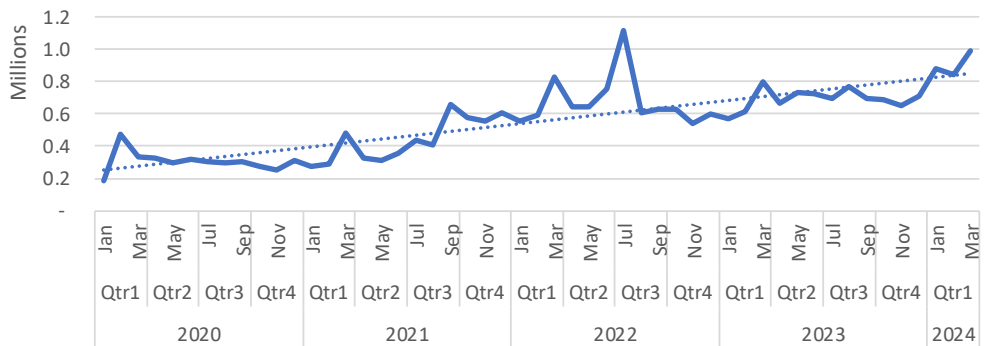
Helping to identify and track adoption drivers, the Wolters Kluwer Auto Finance Digital Transformation Index provides insights into market shifts that may impact the digital evolution within the automotive ecosystem. Results of the first quarter Index showed record increases of 32% for eContracting and 70% in securitization markets compared to the fourth quarter of 2023.

### Q1 boasts record acceleration rate for eContracting

Auto retailers and their lender partners took digital adoption off of cruise control during the first quarter of 2024, with eContracting registering a record 32% growth rate compared to the fourth quarter of 2023. In addition to representing the highest quarterly growth rate since Wolters Kluwer first began tracking digital adoption rates at the beginning of 2020, the Q1 jump denotes a year-over-year increase of 37% and an upsurge of 138% when considering the four-year trend.

A boost in new vehicle sales accompanied the auto industry's continued drive toward the adoption of digitized contracting and documentation workflows to increase back-office efficiency, documentation compliance, and transactional accuracy. Despite high interest rates, new vehicle sales in the that U.S. increased 5.1% during the first quarter, which Wolters Kluwer attributes to buyers leveraging tax return money during the seasonal tax-buying period. Industry analyst firms reported U.S. sales reached 3.8 million vehicles in the first quarter compared with 3.5 million a year ago, with an annual rate of 15.4 million sales expected for the remainder of this year.

Vehicle eContracting volume Q1 2020 - Q1 2024





## Digital adoption revs up significantly in securitization markets

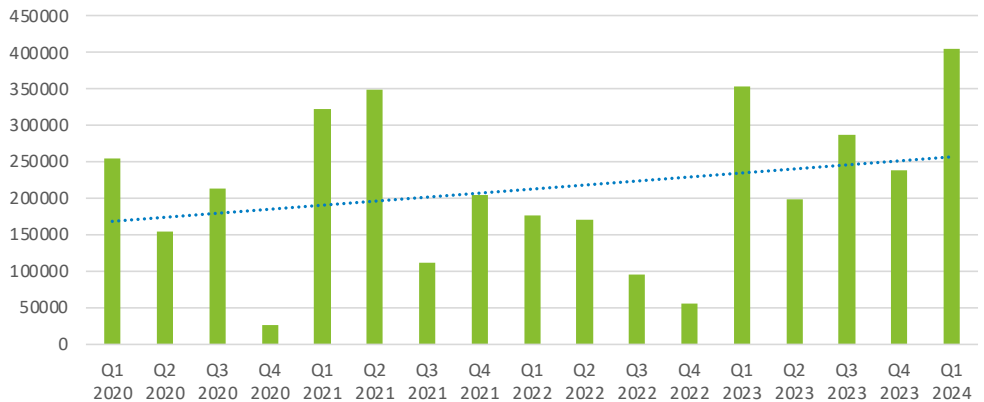
The Q1 Auto Finance Digital Transformation Index also found that securitization markets really put the pedal to the metal on digital adoption in the first quarter, increasing 70% over the fourth quarter of 2023. Like eContracting, the quarterly jump is the largest on record since the inception of the Index. When measured against the same period last year, the adoption rate in securitized markets grew 14%, while a 53% uptick was recorded for the four-year trend.

Media reports show that new originations rose across all asset classes, with auto loan-backed securitizations increasing nearly 45% over Q1 2023. Experts tend to be optimistic about auto securitizations because of their user-friendly bond structures and shorter durations, with the continued increase prompting lenders to adopt additional digitization strategies for their document workflows.

*“The first quarter marked a significant milestone, with record-breaking rates of auto professionals embracing digital workflows for transaction documentation. This adoption reflects a pivotal realization among industry leaders – the increased need to harness digital technologies to enhance speed, efficiency, and accuracy in their operations. As we navigate an increasingly dynamic marketplace, leveraging digital contract solutions enables us to streamline processes and elevate customer experiences.”*

**Tim Yalich**  
Head of Auto Strategy for Wolters Kluwer

Auto securitization transactions by quarter



## Summary

The Wolters Kluwer Auto Finance Digital Transformation Index helps identify and track adoption drivers while providing insights into market shifts that may impact the digitization of the automotive ecosystem. Results of the first quarter 2024 Index showed record increases of 32% in eContracting and 70% in securitization markets compared to the fourth quarter of 2023, representing the biggest gains since Wolters Kluwer first began tracking digital adoption rates at the beginning of 2020.



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## About Wolters Kluwer Financial & Corporate Compliance

Wolters Kluwer (EURONEXT: WKL) is a global leader in information, software, and services for professionals in healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2022 annual revenues of €5.5 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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