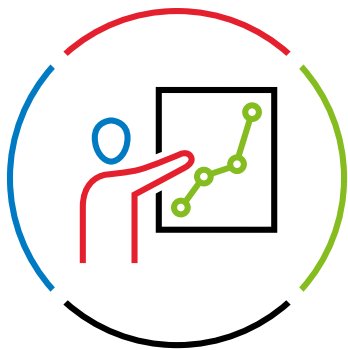




Auto Finance

Automotive Finance Digital Transformation Index Q2 2024

Wolters Kluwer, a global leader in professional information, software solutions, and services, announced 2024 second 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 that the industry remains focused on the importance of adopting digital solutions.



Auto Finance Digital Transformation Index

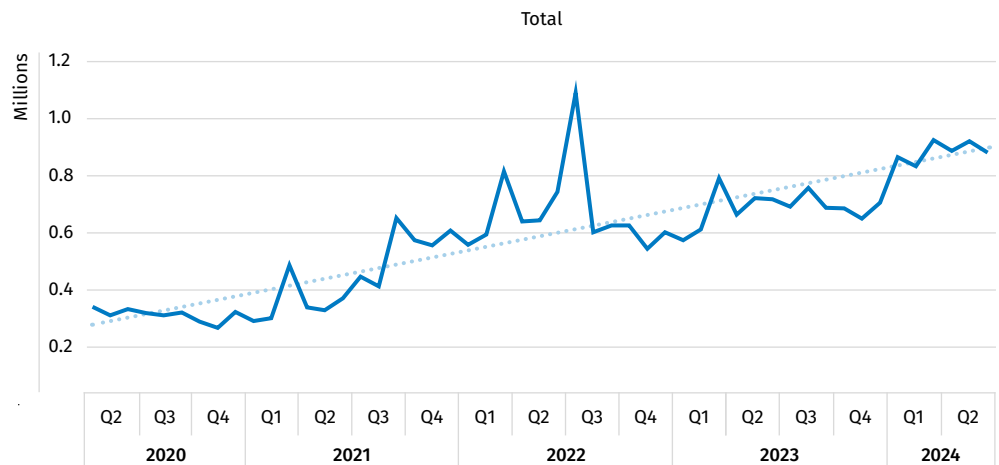
Helping to identify and track adoption drivers, the Wolters Kluwer Auto Finance Digital Transformation Index provides valuable insights into market shifts that may impact digital evolution within the automotive ecosystem. While results of the second quarter 2024 Index showed a modest three percent increase for eContracting compared to Q1, the adoption rate in securitization markets increased by 41 percent. Even more, both categories saw double-digit upturns when comparing year-over-year results.

Q2 year-over-year rate surges for eContracting

Following record growth in the first quarter of 2024, auto retailers and their lender partners continued to embrace digitized contracting and documentation workflows to increase back-office efficiency. Although the adoption rate ticked up just three percent in the second quarter compared to the first — in line with the auto industry’s typical seasonal patterns — the percentage jumped 29 percent year-over-year between 2023 and 2024. When measuring the four-year trend dating back to the second quarter of 2020, the digital adoption rate grew by 165 percent.

The results come amid a quarter that saw new vehicle sales in the US [remain relatively flat](#), with an estimated 4.1 million new cars and trucks sold. The period from April to June 2024 was also impacted by continued global economic uncertainty and a near-industry-wide ransomware attack that disrupted sales.

Vehicle eContracting volume Q2 2020 – Q2 2024





Securitization markets continue to put pedal to metal on digital adoption

Digital adoption rates in securitization markets accelerated significantly compared to the same time last year, with the growth rate jumping 39 percent. In addition, an upward trend of 70 percent has been logged over the past four years. These gains were achieved despite the digital auto loan volume for securitization markets decreasing 41 percent compared to the first quarter, in line with seasonal expectations.

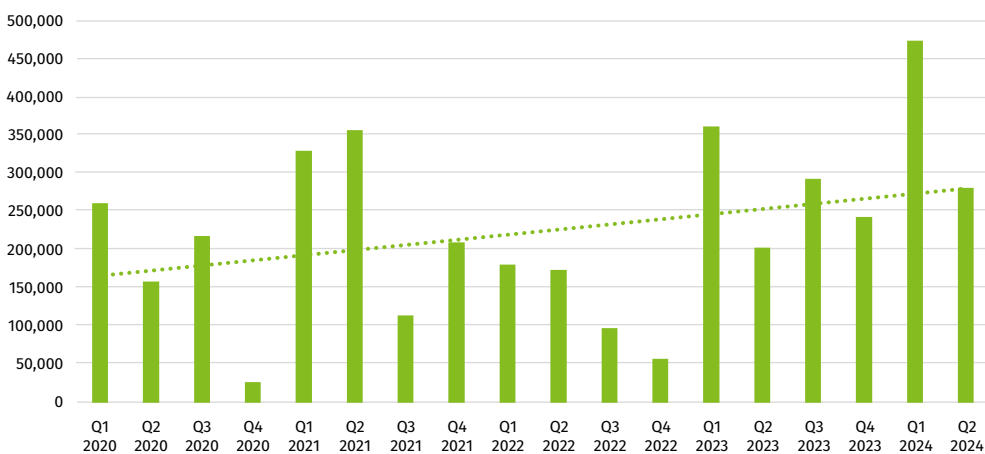
Continued growth in digital adoption rates for securitized and secondary markets is being attributed, in part, to other market trends, including improved month-over-month performance for prime and subprime auto loan ABS in March 2024, which coincides with the tax refund season, according to [S&P Global](#). Another contributing factor is that the year-to-date auto asset-backed securitization volume is [38.3 percent higher than a year ago](#), driven largely by an increase in prime issuances.



Tim Yalich
Head of Auto Strategy
for Wolters Kluwer

“As we’ve reached the midway point of 2024, we’re reminded of the true strength of digital adoption across an industry that is still operating on legacy philosophies. A growing number of automotive businesses and professionals continue to adopt digital strategies for their back-office workflows and documentation. More impressively, despite a ransomware attack that threatened many businesses in a paper-based environment, many saw opportunities to pivot and remain digital, validating the need for and importance of digitizing their entire workflow operations to meet customer needs.”

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 automotive industry digitization. Results of the second quarter 2024 Index showed a nominal increase in eContracting and a healthy gain in securitization markets compared to Q1. However, both segments continued to achieve double-digit gains year-over-year, signifying the industry's recognition of the importance of converting paper-based finance back-office processes to digitization.



About Wolters Kluwer Financial & Corporate Compliance

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

Wolters Kluwer reported 2023 annual revenues of €5.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,400 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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