



Auto Finance

Automotive Finance Digital Transformation Index Q3 2024

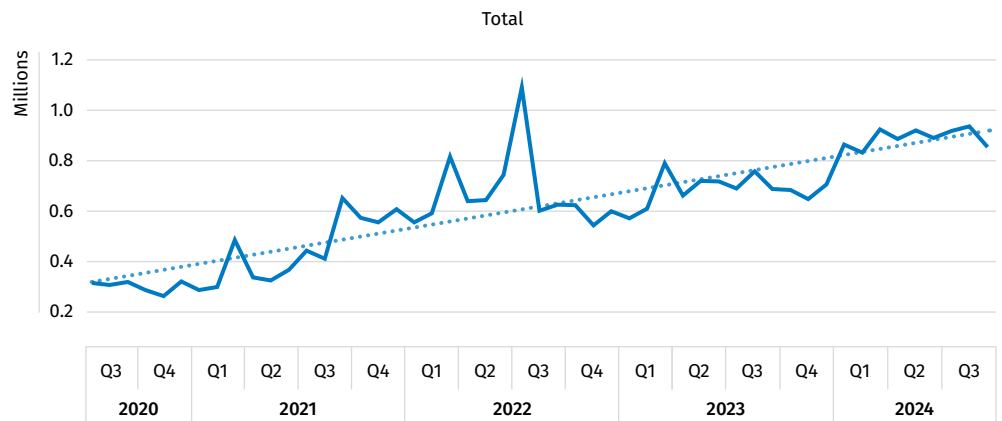
Wolters Kluwer, a global leader in professional information, software solutions, and services, announced the 2024 third-quarter results and analysis from its Auto Finance Digital Transformation Index. The key resource — which tracks the rate at which auto dealers, service providers, and lenders are advancing digitization from paper-based finance back-office processes — revealed a continued commitment to digital adoption despite a challenging sales environment.

Adoption rate for eContracting continues to accelerate from last year

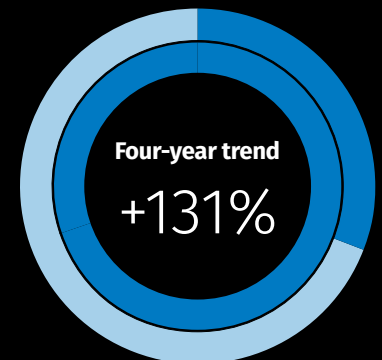
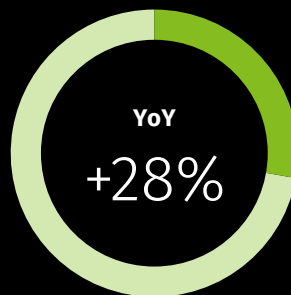
Amid sluggish overall sales for the auto industry, the rate of digitization adoption essentially stalled during the third quarter of 2024, remaining virtually unchanged with less than a 0.5 percent variance compared to last quarter. Yet despite the grim sales environment, which saw vehicle sales decline by approximately two percent, auto retailers and their lender partners continued to recognize the value in adopting digitized contracting and documentation workflows to increase back-office efficiency. Not only was the year-over-year adoption rate up 28 percent, but the four-year trend revealed a growth rate of 131 percent dating back to Q3 2020.

The challenging auto sales climate was sparked by affordability issues for consumers, with prospective buyers deterred by average vehicle prices remaining significantly higher than pre-pandemic levels, coupled with continued high interest rates as Federal Reserve rate cuts had not yet materialized in the auto loan market.

Auto eContracting volume Q3 2020 – Q3 2024



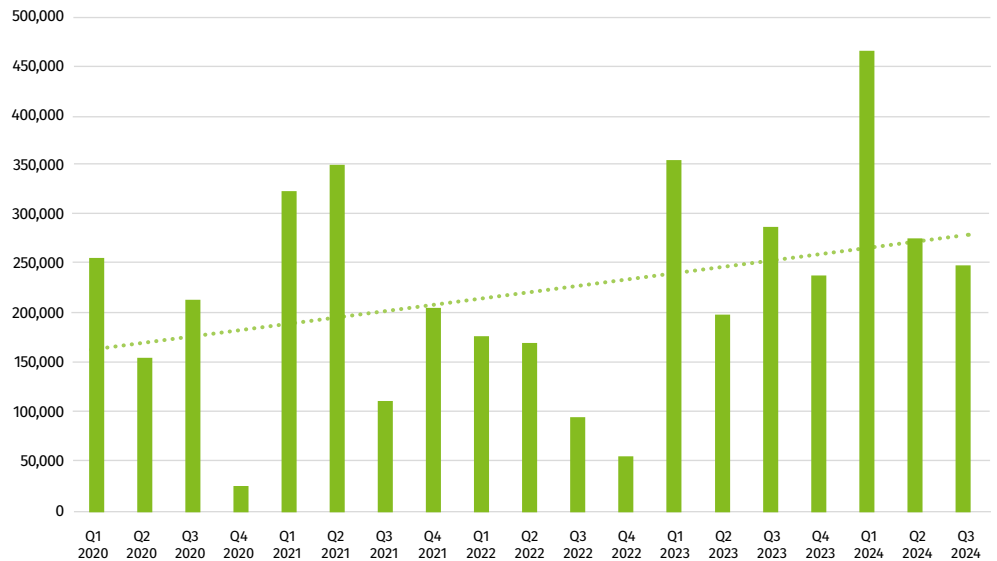
eContracting digital adoption rate



Digitization in securitization markets still trending up year-over-year

Although the rate of digital adoption within securitization markets slowed in the third quarter, the four-year trend increased by 73 percent, an indication of the sector's continued commitment to advancing digitization processes. The decrease of 10 percent from Q2 to Q3 mirrored the mixed overall environment for securitized market activity in automotive and asset-backed securities (ABS). While ABS issuance remained strong, auto loan and lease ABS issuance dropped off compared to previous quarters, reflecting the broader difficulties in auto sales. The market also saw growing demand for electric vehicle (EV) ABS, indicative of the industry's shift toward electrification. Yet despite these challenges, auto ABS delinquency rates remained largely stable, benefiting from high vehicle values that support recovery efforts.

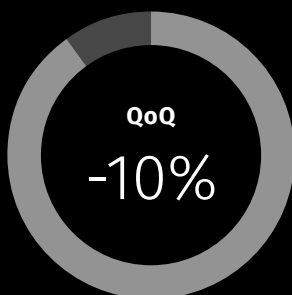
Auto securitization transactions by quarter



Tim Yalich
Head of Auto Strategy
for Wolters Kluwer

“Despite facing headwinds in the sales environment, our industry has demonstrated remarkable resilience and adaptability. While consumer demand softened due to economic pressures, we’ve leveraged this period to accelerate our digital transformation initiatives for auto brands. By implementing advanced workflow automation and data analytics in back-office operations, we’ve uncovered significant efficiency gains across the entire value chain. These digital solutions have not only helped the industry weather the current storm but have also positioned our partners to emerge stronger and more agile when market conditions improve. Our commitment to innovation and operational excellence remains unwavering, ensuring we can continue to deliver value to our customers and stakeholders even in challenging times.”

Securitization adoption rate





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. The third-quarter 2024 index results showed impressive year-over-year growth in eContracting and significant gains in the four-year trend for securitized markets.



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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