



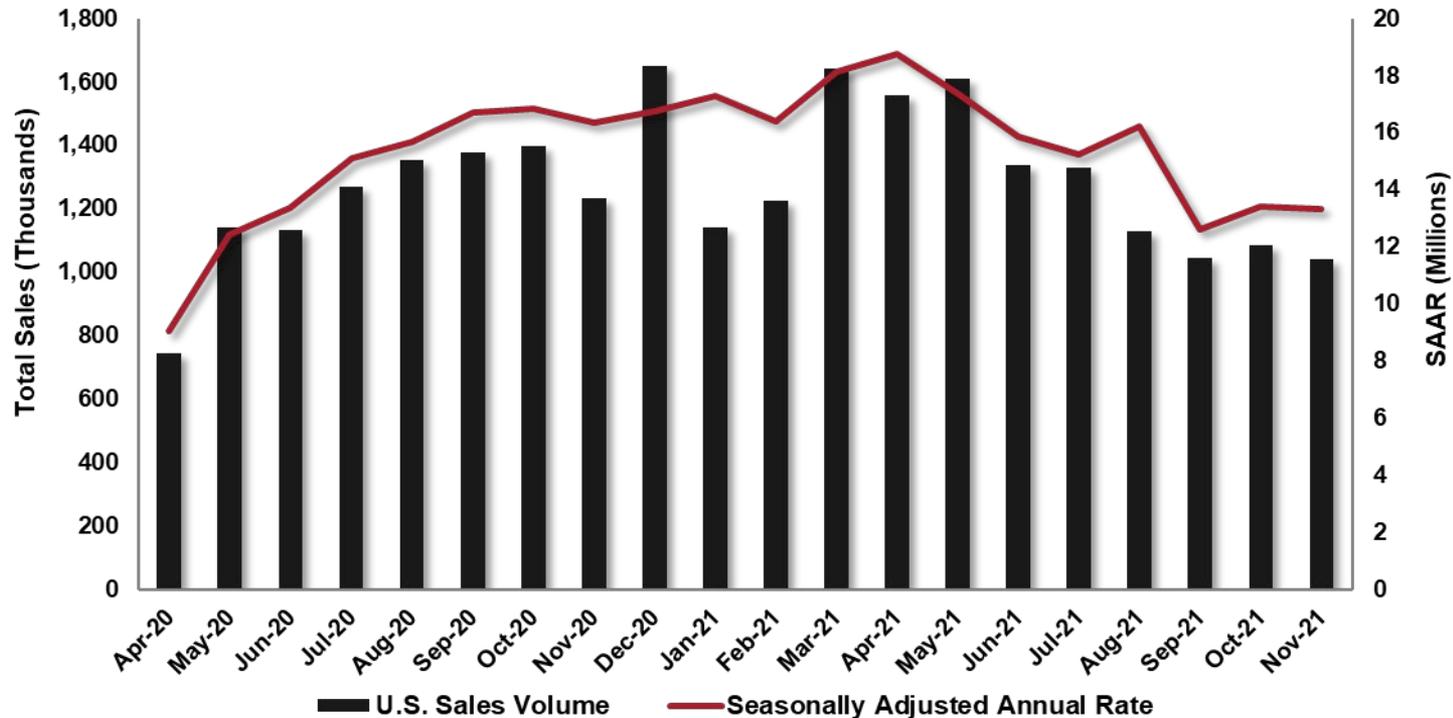
Industry Trends

December 2021- January 2022


Merchants
FLEET

ACQUISITION

U.S. Sales Volume by Month & SAAR All Manufacturers



All US Sales

- December's US vehicle sales decreased by 3.2% M/M
- Passenger vehicles sales decreased slightly by 1.5% M/M, and light truck sales were down by 4.2% M/M
- December, light trucks sales accounted for 78.9% of all sales

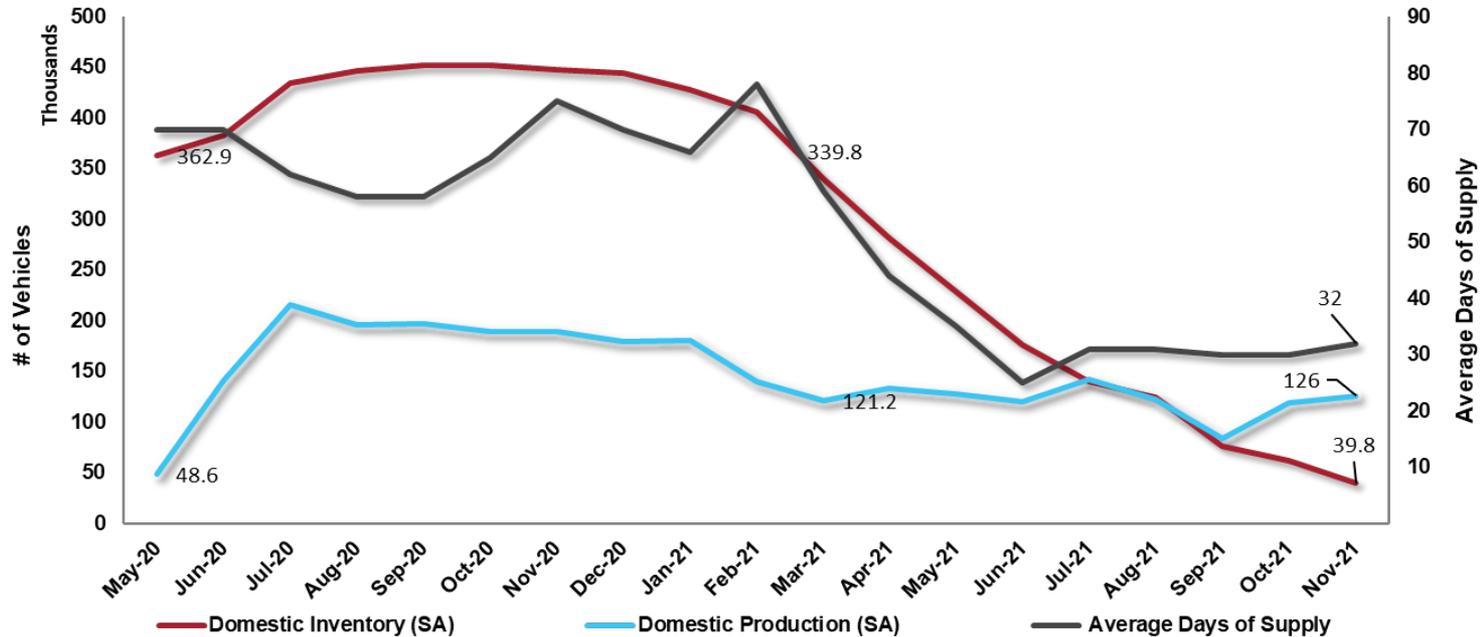
Fleet Sales Only

- In December 113,195 total fleet units were sold, a 9% M/M increase.
- YTD new vehicle purchases is 1.6 million units, a 42% decrease from December 2019



ACQUISITION

Dealer Inventory & Days of Supply

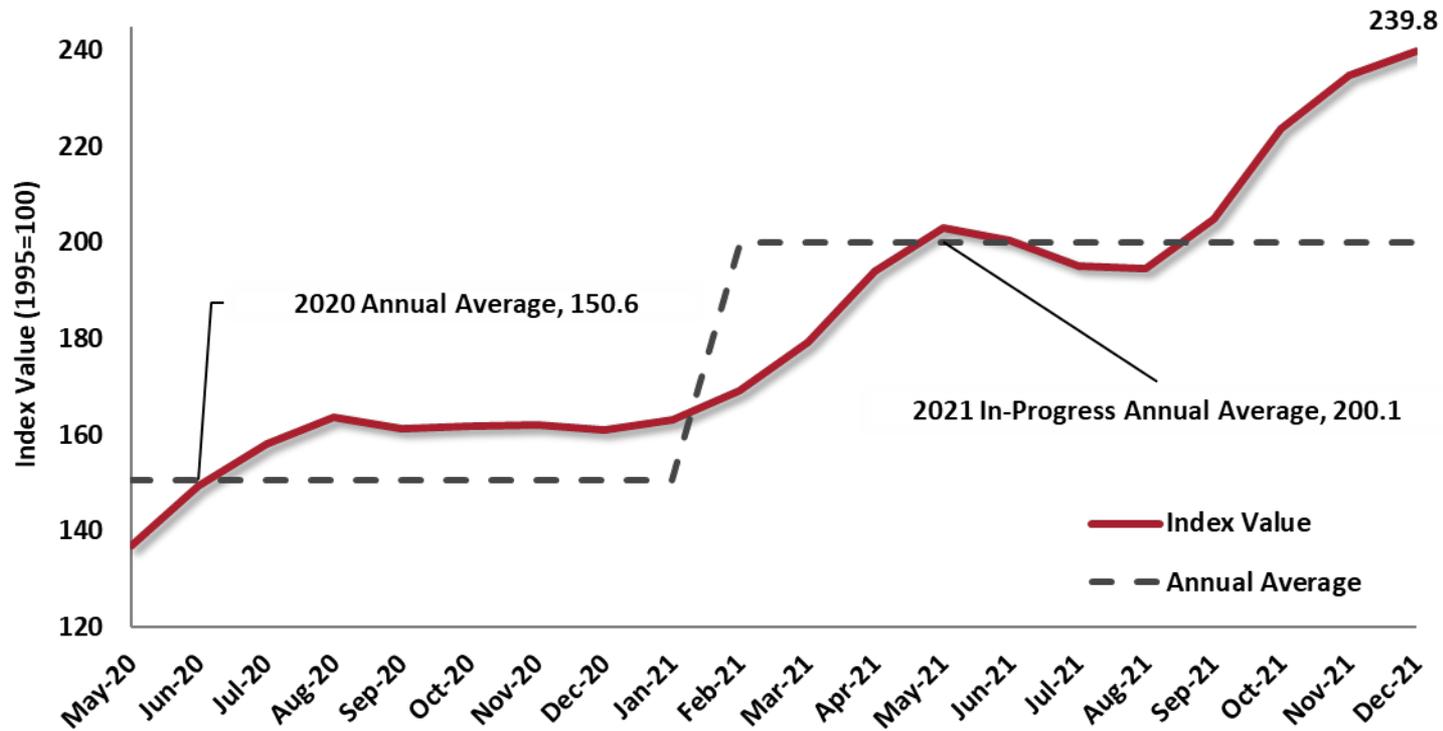


- New vehicle inventories remain historically low; Domestic inventory for November 2021 fell 91% Y/Y.
- The average dealership days' supply has increased slightly to 30 compared with 75 days in November 2020.
- New vehicle production increased by 5.40% M/M, but Y/Y production is still down 34%

- December new-vehicle prices hit another all-time high, the 9th straight month.
- The average price rose to \$47,077, which is 14% higher Y/Y

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index



- Wholesale used vehicle prices increased 1.6% M/M in December.
- The Manheim Used Vehicle Value Index increased by 48.9% Y/Y.
- Total volume of used vehicle sales were down for the 2nd straight month, 4% Y/Y in December.

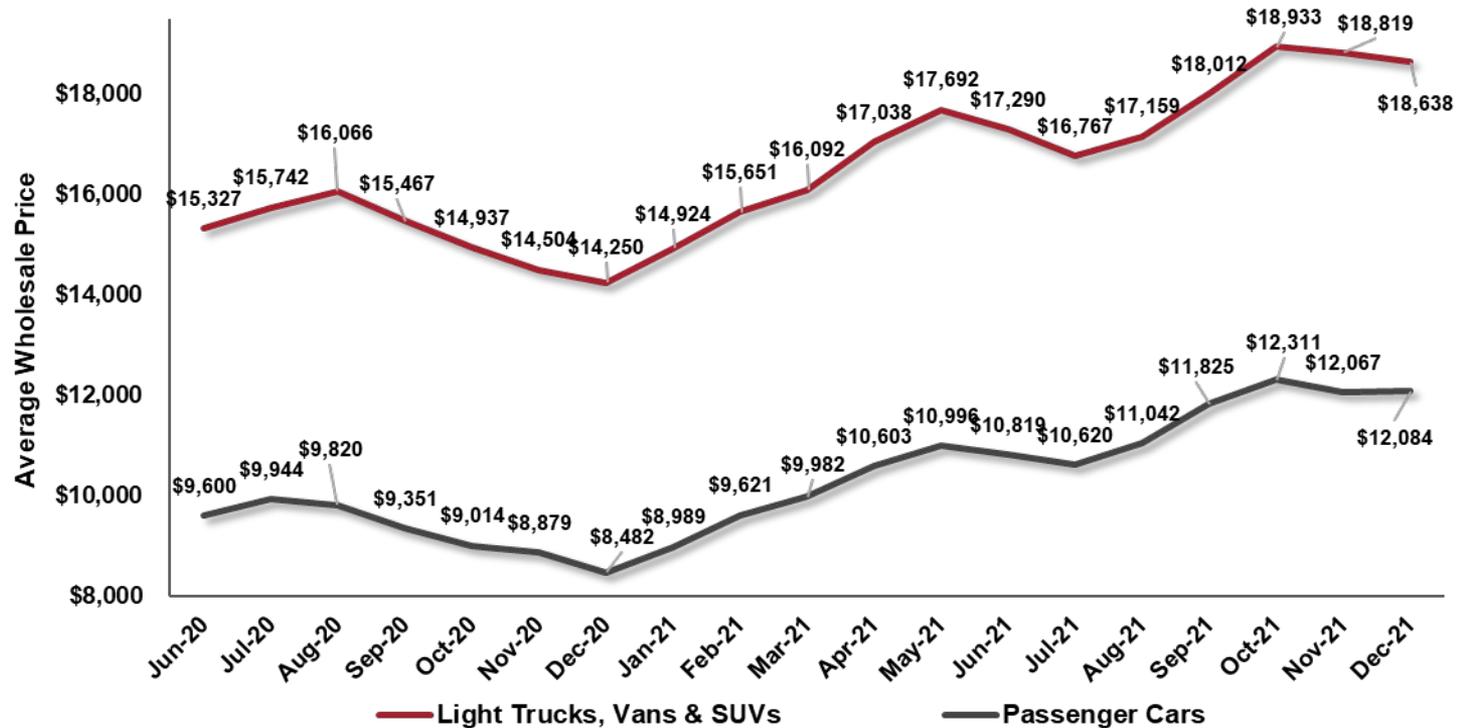
- All major market segments saw seasonally adjusted price increases in December, Y/Y.
- Highest Y/Y gains were realized by vans and midsize cars with SUV's, luxury cars and pickups taking the bottom spots.

- 2019 Annual Average was 138.9

Source: Manheim Consulting

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices decreased slightly in December down .08% M/M.
- The chip shortage on the new-car side & decrease in used car supply are the main reasons for this.

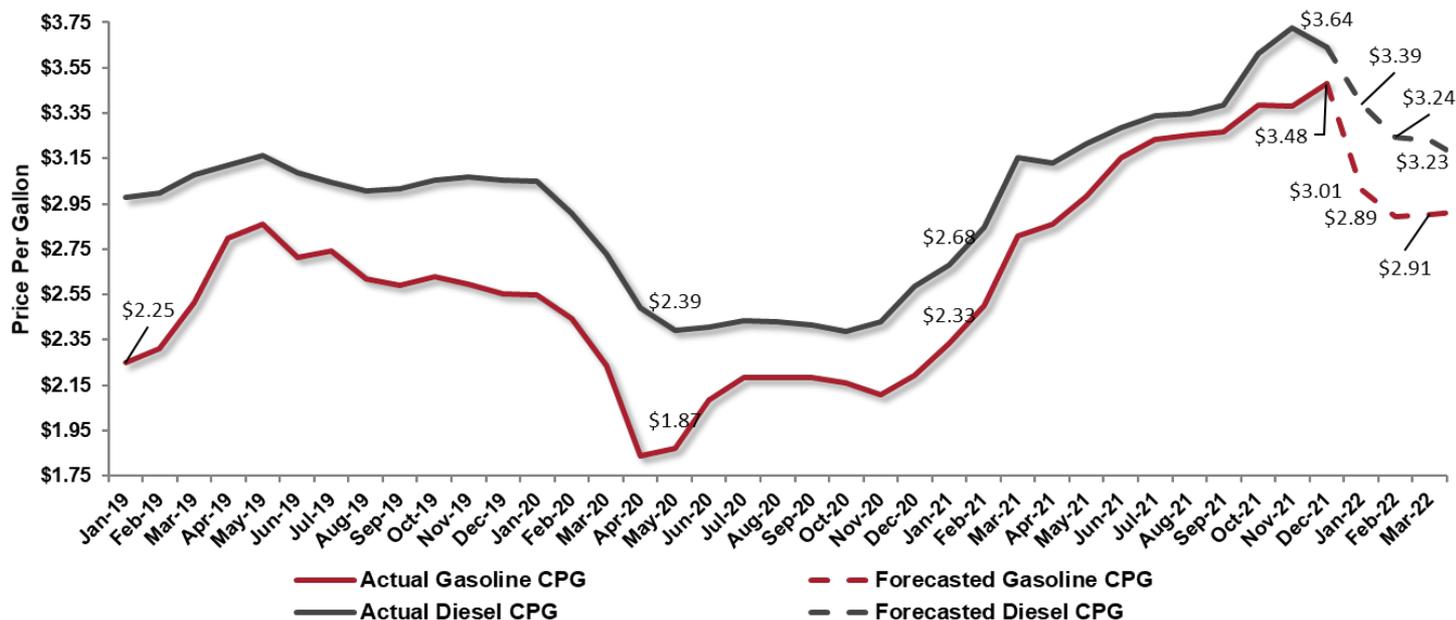
- 2021 average prices were up more than 45% above pre-COVID19.

• Recommendation:

Review current inventory for any under utilized vehicles that can be sold, to take advantage of the high market.

FUEL

National Average Cost per Gallon Regular Grade & Diesel



- U.S. regular gasoline prices rose slightly and averaged \$3.48/gal. in December
- U.S. diesel retail prices decreased and averaged \$3.64/gal

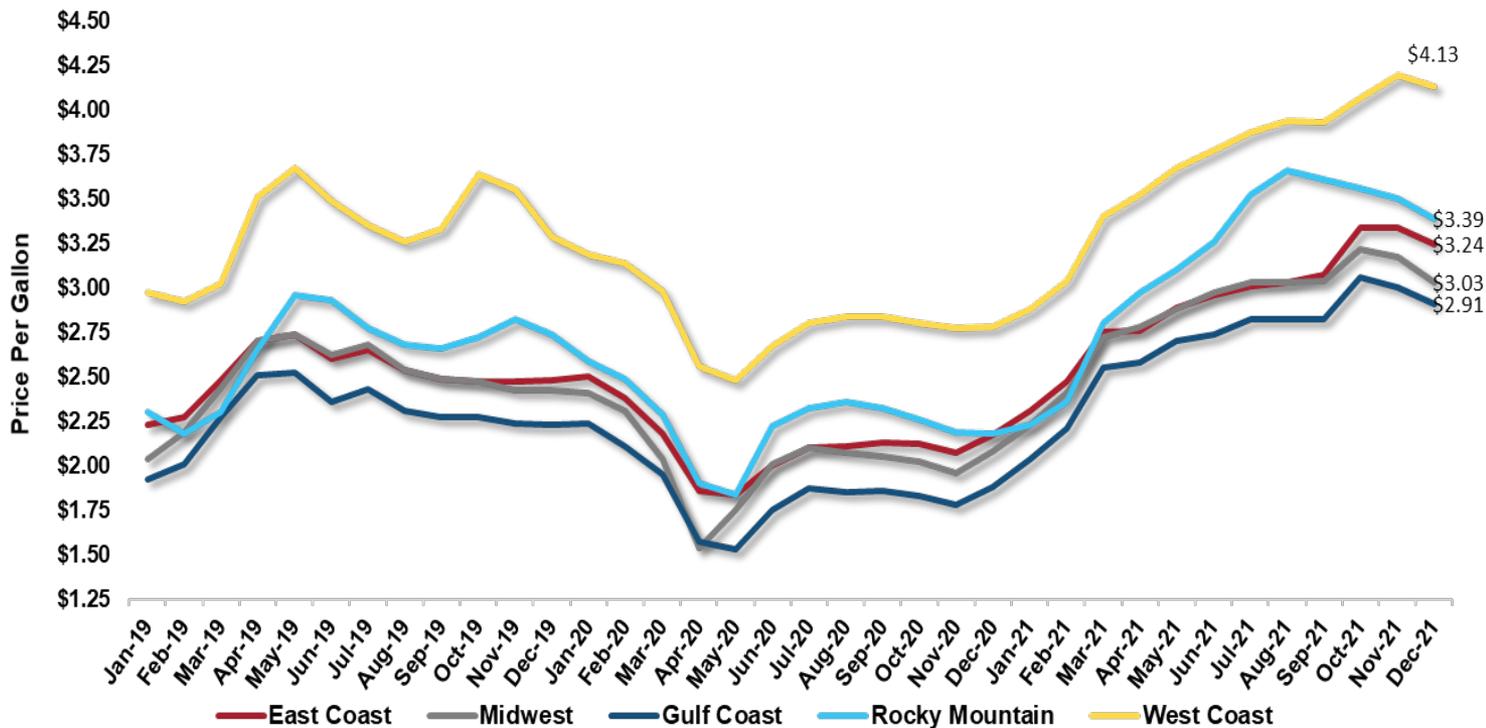
- December 2021 was up 59% gasoline and 41% diesel Y/Y.
- January 2022 forecast for gasoline retail price is \$3.01/gal. and diesel retail price of \$3.39/gal.

- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.



FUEL

Regional Average Cost per Gallon – Regular Grade



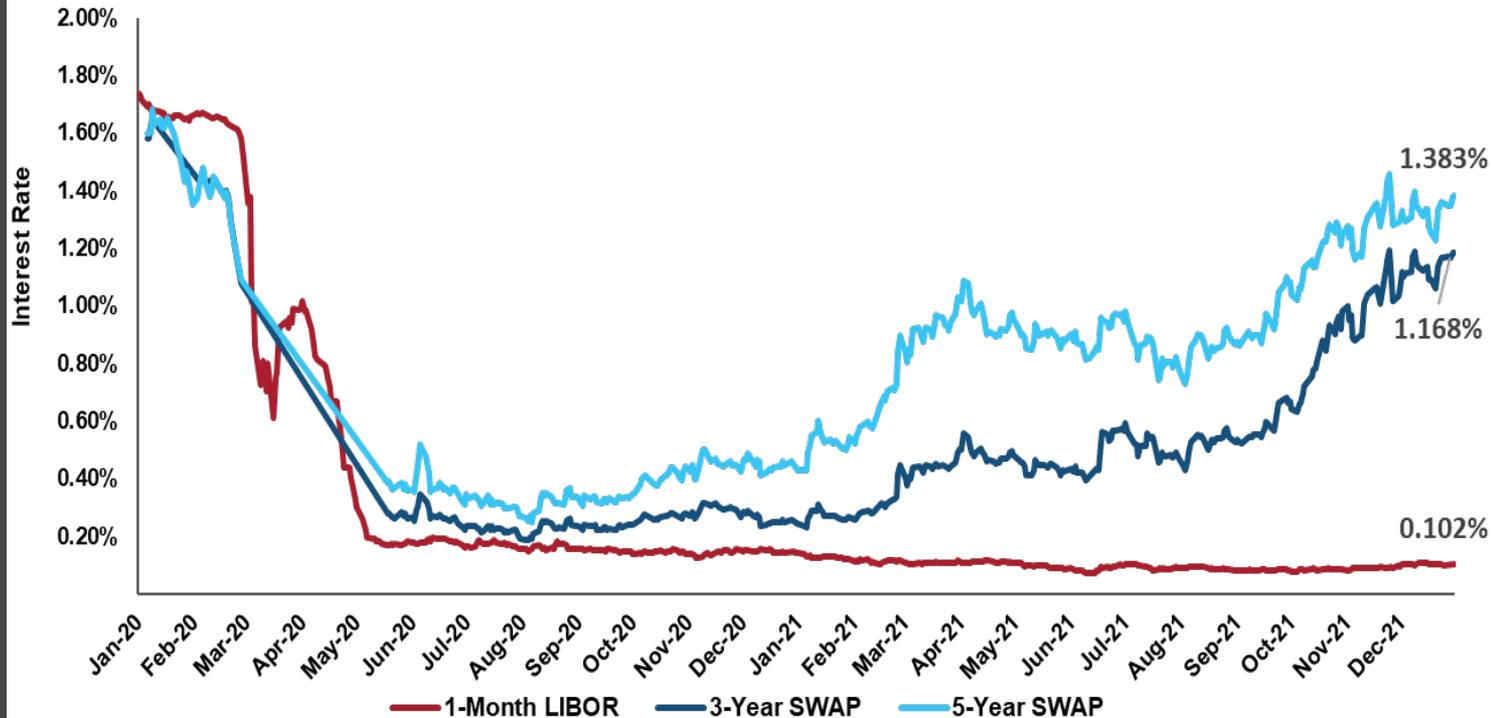
- Some factors that contribute to regional gas price differences:

- Distance from supply
- Transportation costs
- State and local taxes
- Retail Competition

- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.

INTEREST

Interest Rates



- 1-Month LIBOR rate is currently at 0.102% and has held below 0.20% since June 2020.
- The 5-Year SWAP rate has increased and is currently 1.383%.

- All rates are expected to increase at least into the middle of 2022.