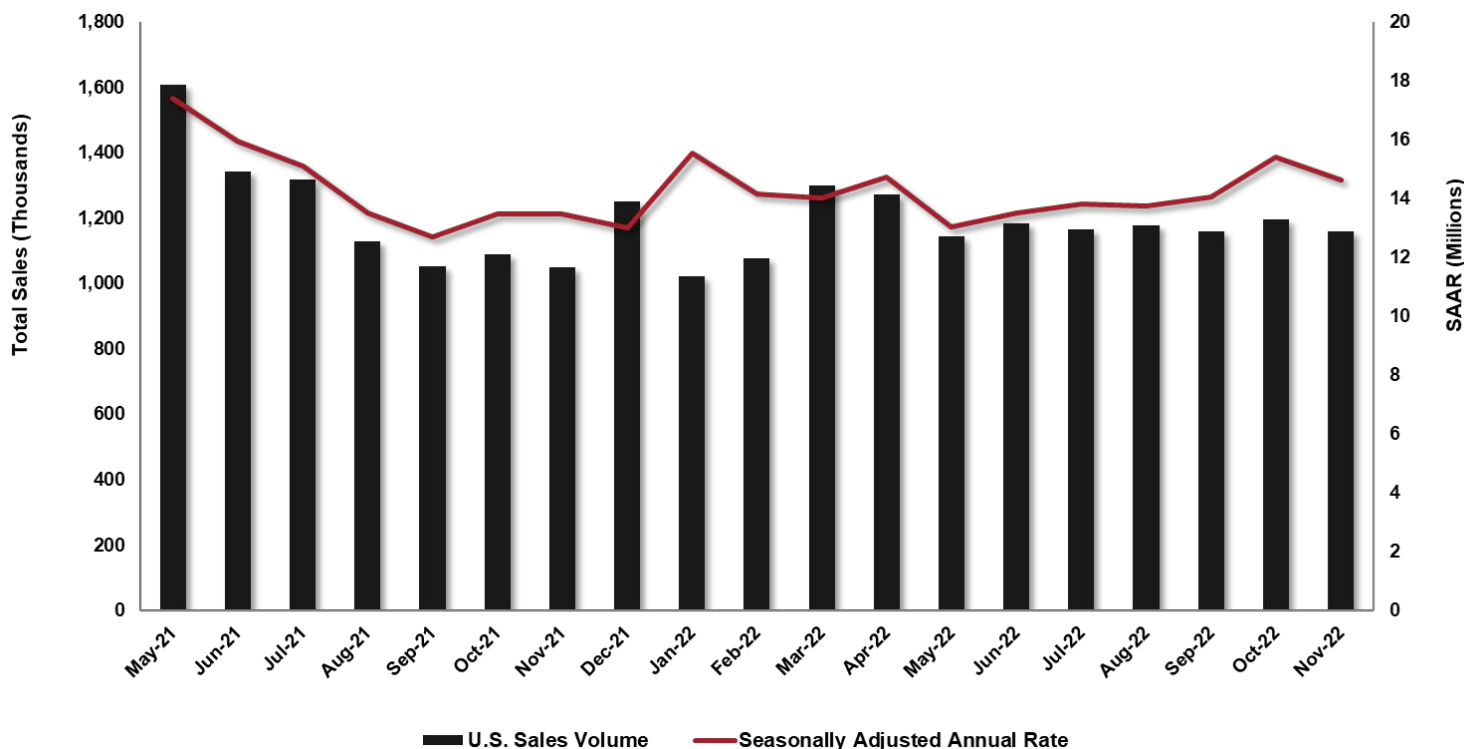


Industry Trends

December 22 – January 23

ACQUISITION

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



All US Sales

- November's sales decreased by 6.5% M/M
- Passenger vehicles sales decreased by 1.9% M/M, and light truck decreased by 7.6% M/M
- November's light trucks sales accounted for 79.% of all sales

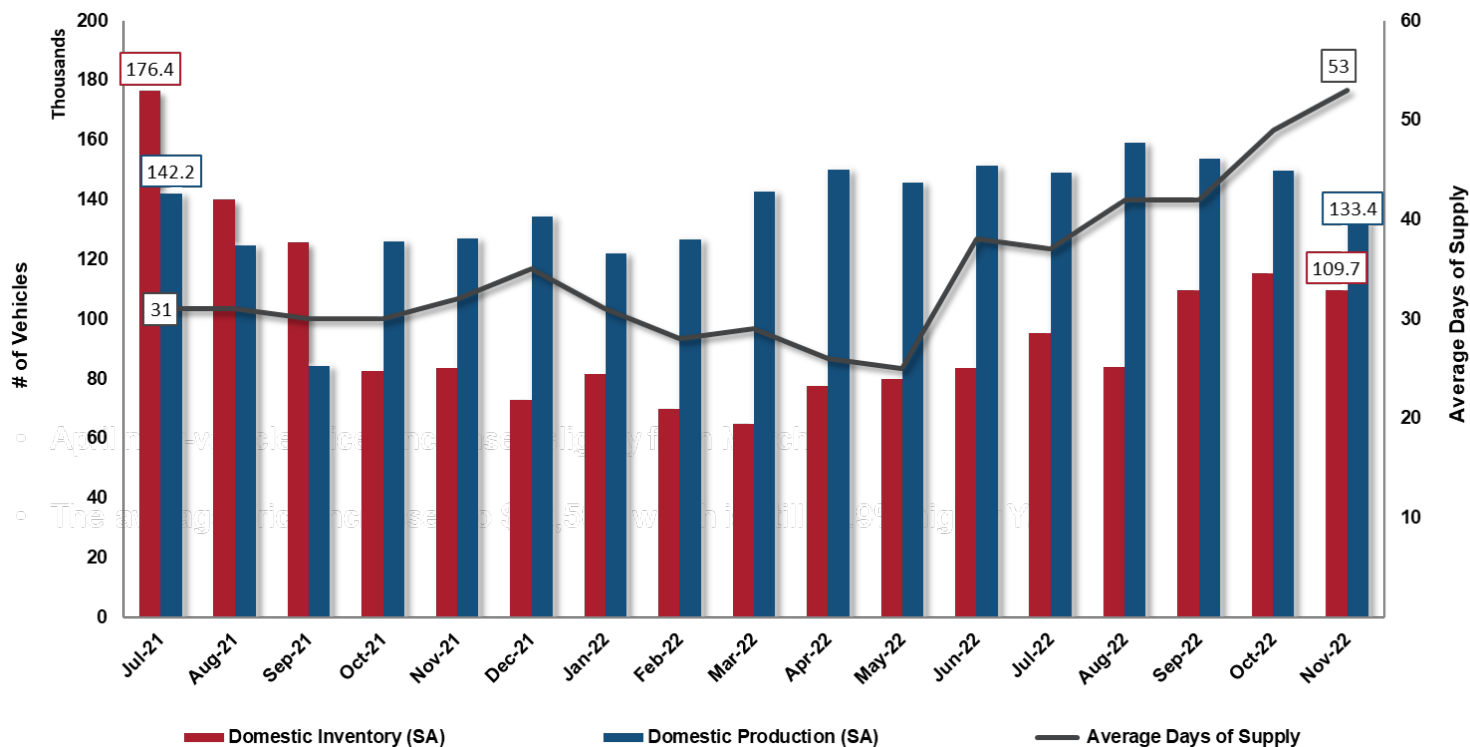
Fleet Sales Only

- In November, 160,989 total fleet units were sold, an 8.2% M/M increase.
- November's new vehicle purchases is almost a 55% increase from 2021, this is the 5th consecutive month of double-digit Y/Y increases

Source: FRED; TD Economics; COX Automotive

ACQUISITION

Dealer Inventory & Days of Supply



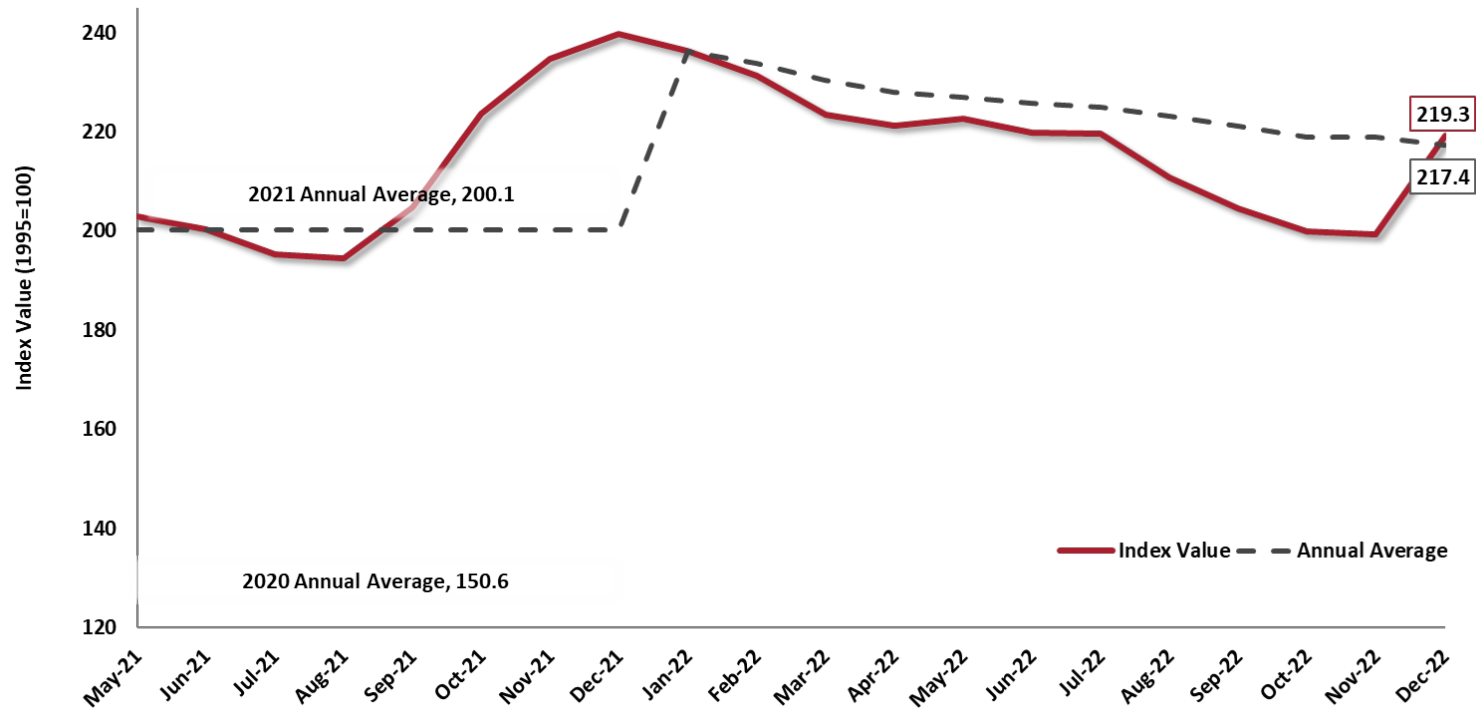
- April new-vehicle sales increased slightly from March
- The average price increased to \$49,507 which is 1.9% higher Y/Y

- November new vehicle inventories were at the highest levels since Mar 2021, and Domestic inventory for October is up 52% Y/Y.
- The average dealership days' supply increased to 53 compared with 65 days in September 2020.
- New vehicle production decreased slightly M/M, but Y/Y production is up 5%

- November's new-vehicle prices increased M/M
- The average price increased to \$49,507 which is 1.9% higher Y/Y

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index

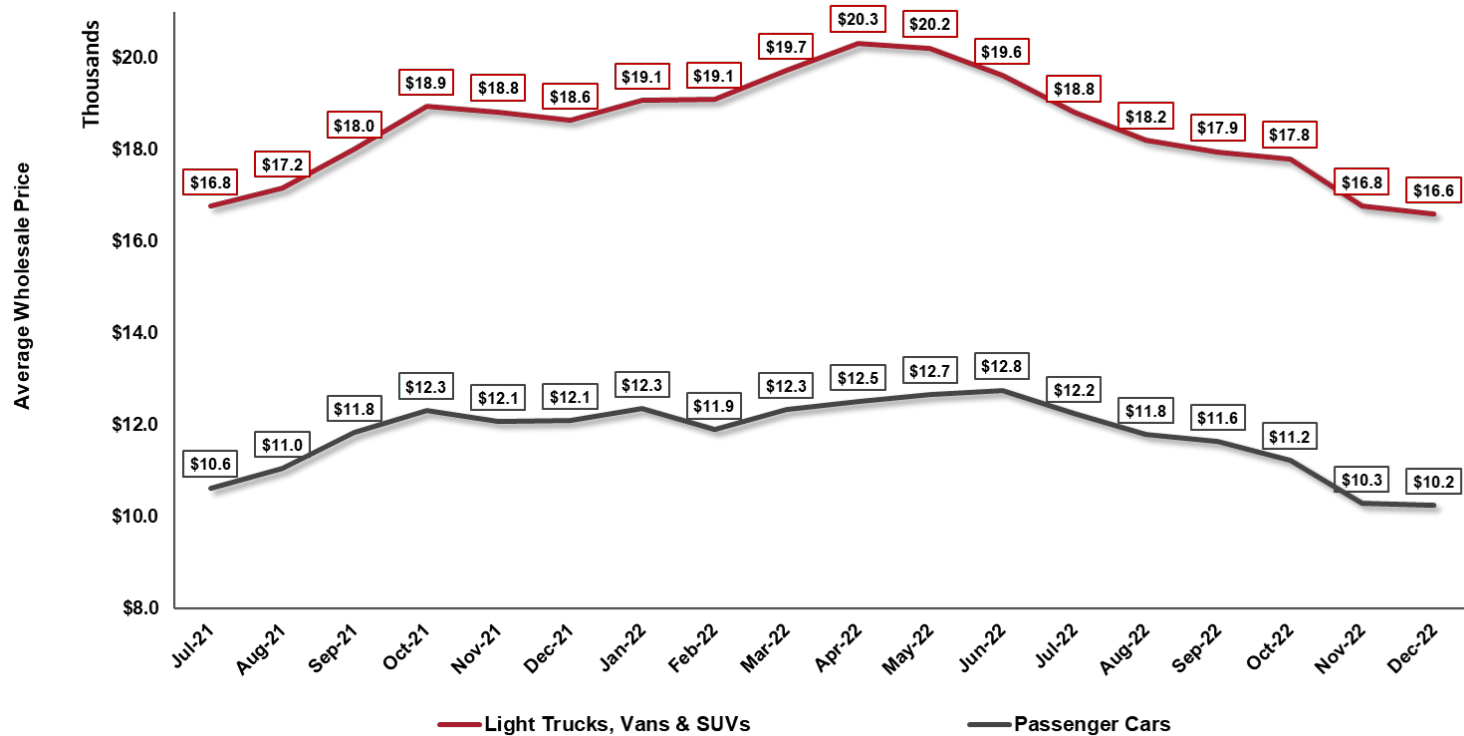


- Wholesale used vehicle prices decreased .9% M/M in December
- The Manheim Used Vehicle Value Index increased by 10% Y/Y.
- Total volume of used vehicle sales were down for the 12th straight month, 4.2% Y/Y in Dec.

- All major market segments saw seasonally adjusted price decrease in Dec. Y/Y.
- Smallest decreases were realized by compact cars, vans and pickups, with sedans, SUV's and luxury cars having greater decreases.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices decreased for the 6th straight month in December, down .86% M/M.
- Wholesale prices are now down 13.4% Y/Y

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

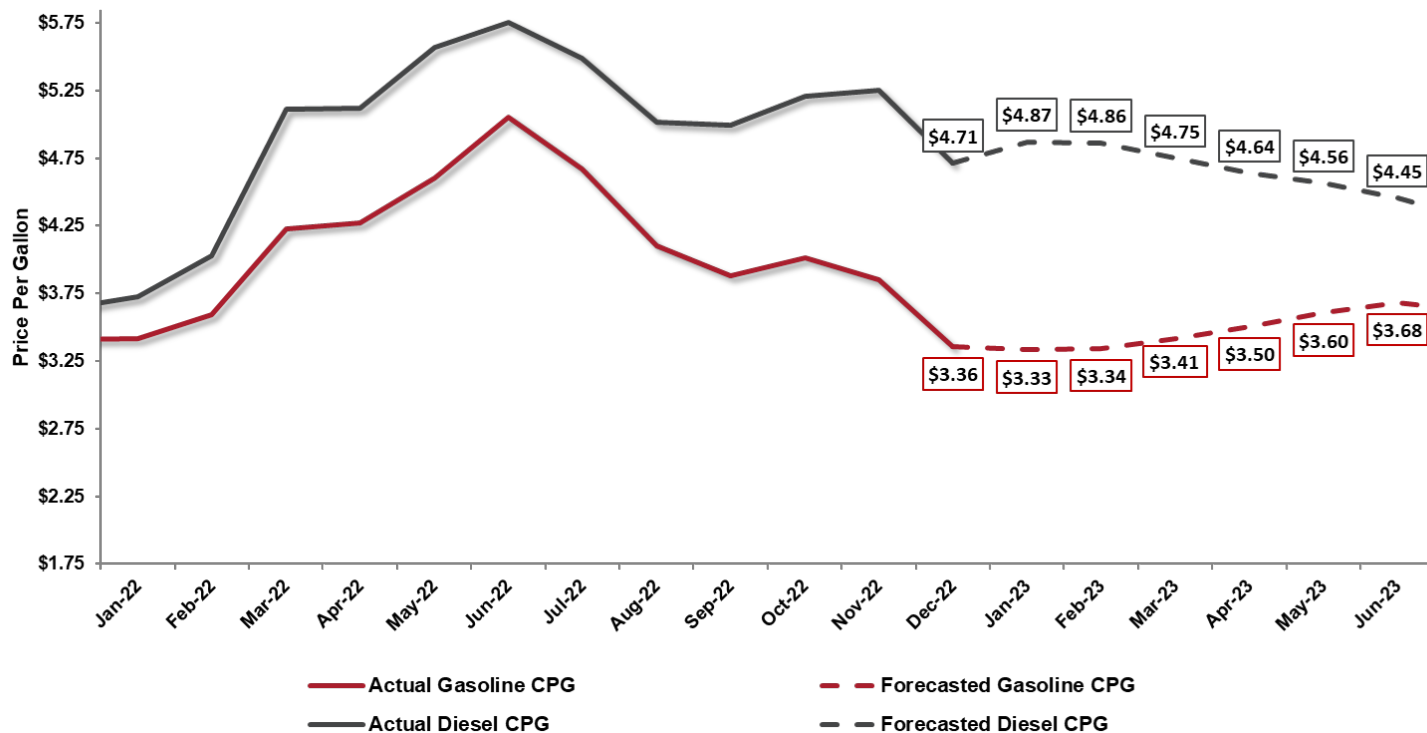
• Recommendation:

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

Source: ADESA; Kontos Commentary

FUEL

National Average Cost per Gallon Regular Grade & Diesel



- U.S. regular gasoline prices decreased from the previous month and averaged \$3.36/gal. in December
- U.S. diesel retail prices decreased from the previous month and averaged \$4.71/gal.

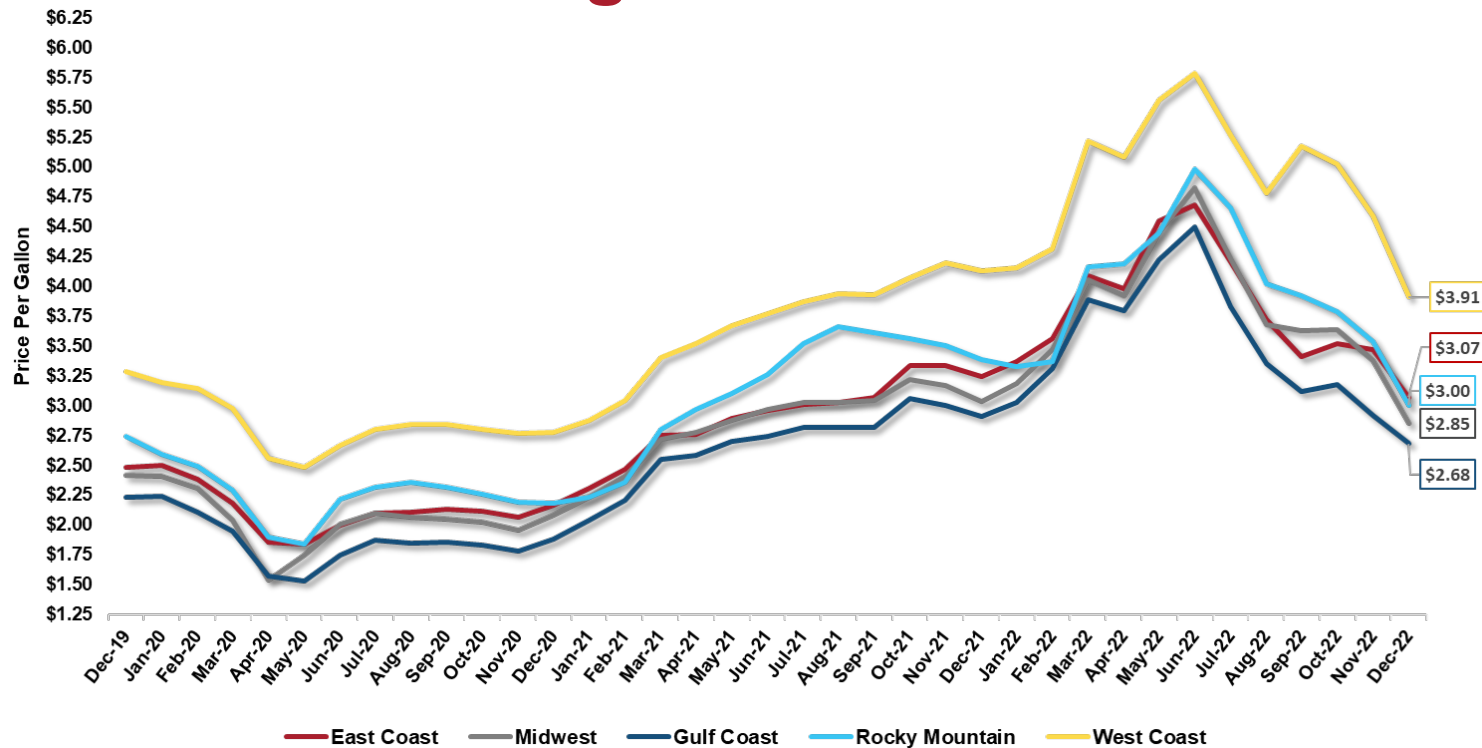
- December was down 2% gasoline and diesel was up 30 Y/Y.
- Feb. 2022 forecast for gasoline retail price is \$3.34/gal. and diesel retail price of \$4.86/gal.

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

Source: U.S. Energy Information Administration; FRED

FUEL

Regional Average Cost per Gallon – Regular Grade



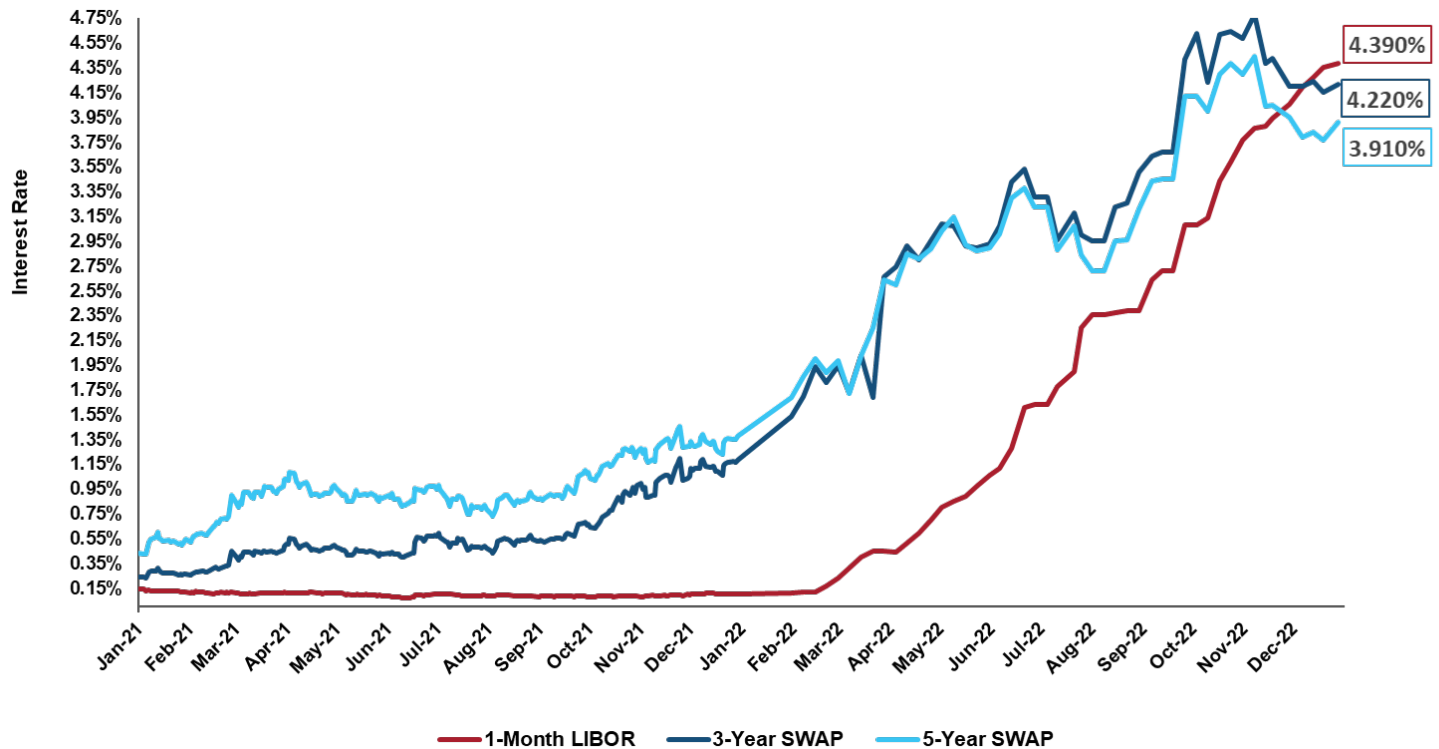
- Fuel prices decreased from the previous month
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

Recommendation:

Closely monitor fuel prices for accurate fuel budget forecasting.

INTEREST

Interest Rates



- 1-Month LIBOR rate is currently at 4.390% and this is the 11th month in a row that it is above 0.20% since June 2020.
- The 5-Year SWAP rate decreased and is currently 3.910%.

- All rates are expected to increase through at least the first portion of 2023.