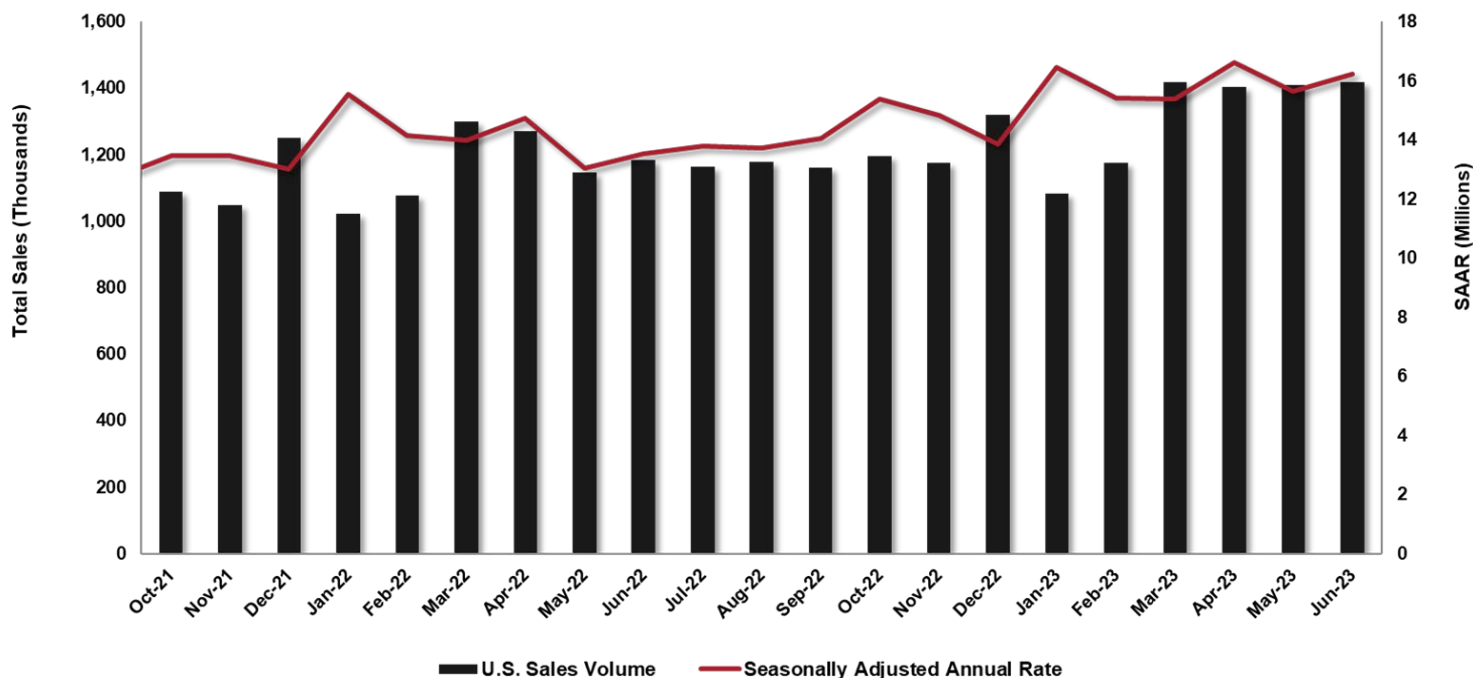


Industry Trends

May – June 2023

ACQUISITION

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



All US Sales

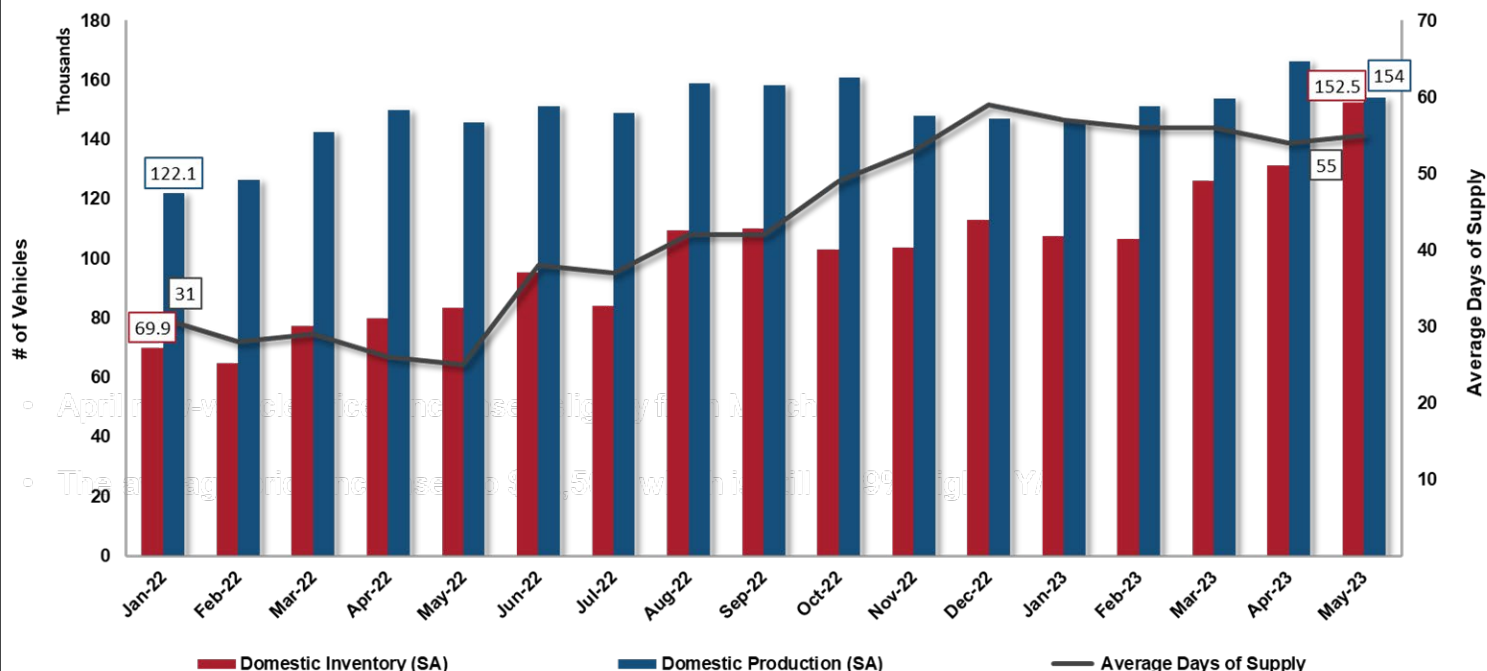
- June's sales increased by 4.0% M/M.
- Passenger vehicles sales increased by 13.0% Y/Y, and light truck increased by 21.7% Y/Y.
- June's light truck sales accounted for 80% of all sales.

Fleet Sales Only

- In June, 217,572 total fleet units were sold, a 44.6% Y/Y increase.

ACQUISITION

Dealer Inventory & Days of Supply



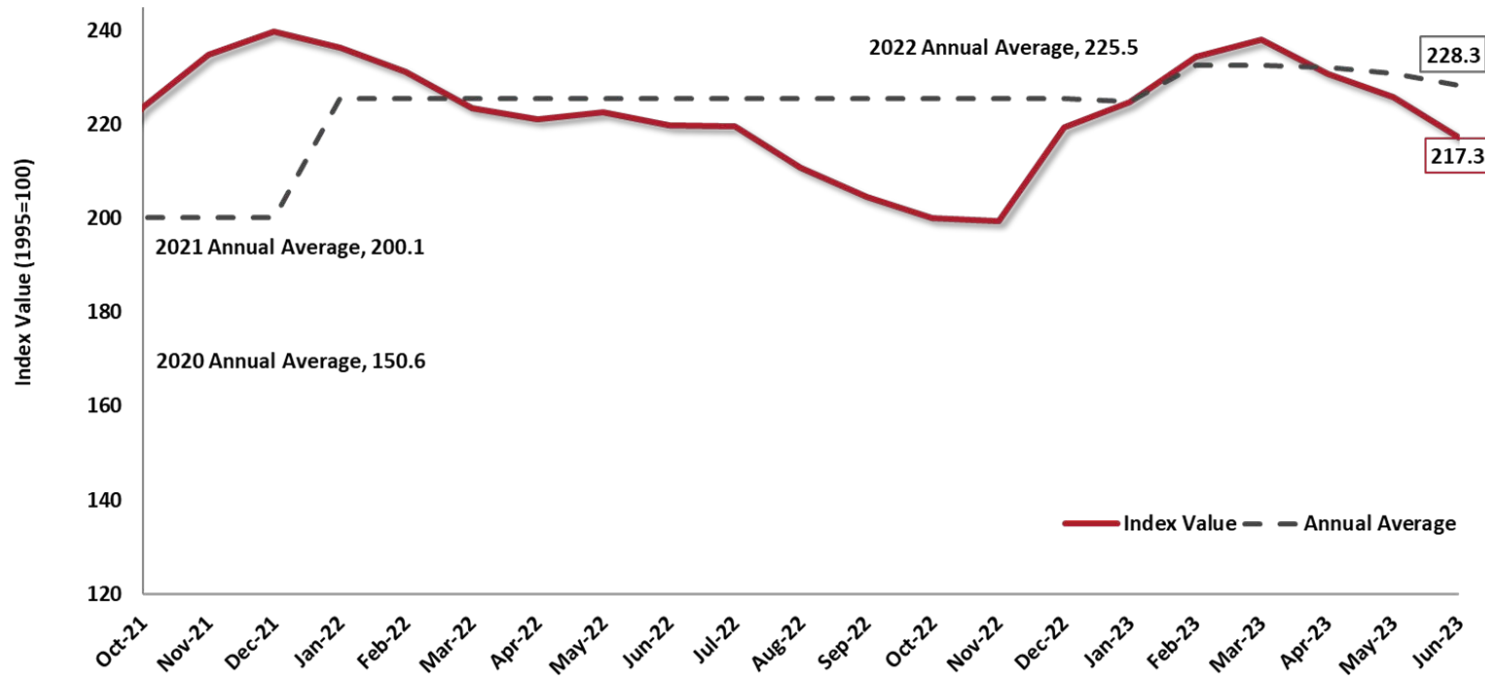
- April's new-vehicle prices decreased slightly from March.
- The average price decreased to \$47,500, which is 9% higher Y/Y.

- May's new vehicle inventories increased M/M, and Domestic inventory for May is up 82% Y/Y.
- The average dealership days' supply increased to 55 compared with 59 days in March 2021.
- New vehicle production decreased 7% M/M, and Y/Y production increased 6%.

- May's new-vehicle prices decreased M/M.
- The average price decreased to \$47,135 which is 4% higher Y/Y.

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index

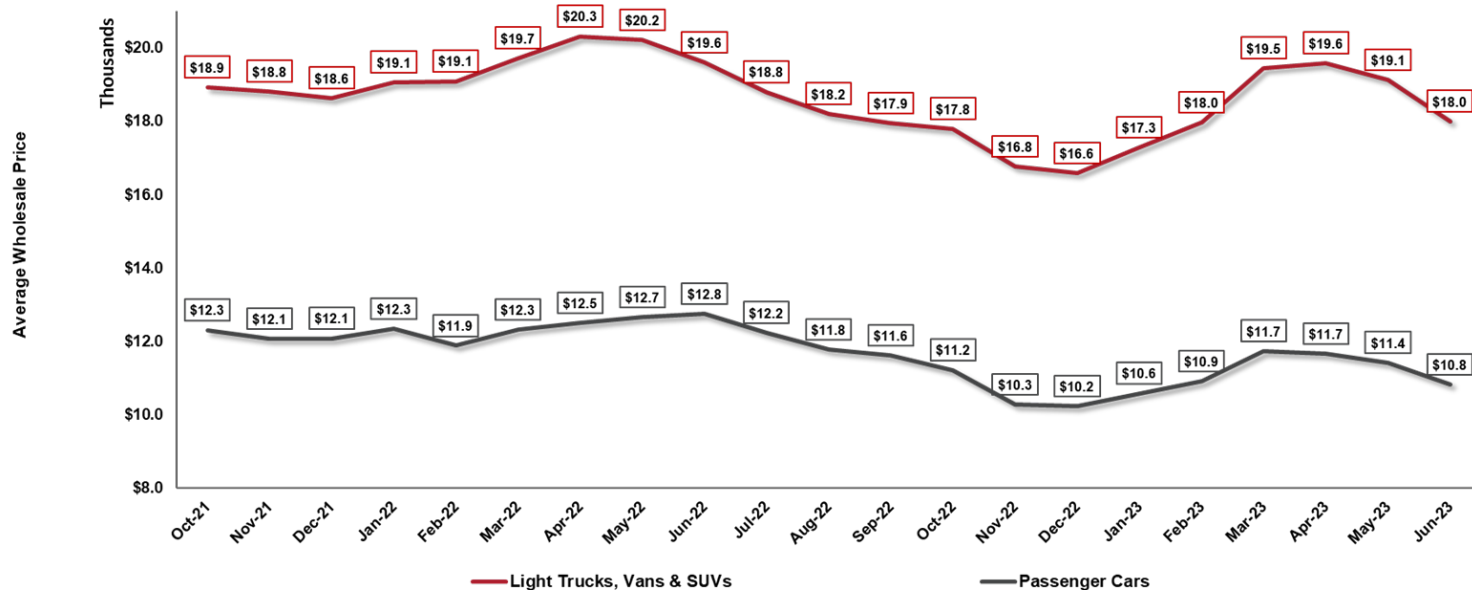


- Wholesale used vehicle prices decreased 4.2% M/M in June.
- The Manheim Used Vehicle Value Index decreased by 10.3% Y/Y.
- Total volume of used vehicle sales increased 2.9% Y/Y in June.

- Maintaining the trend that began in March, all major market segments saw lower seasonally adjusted prices Y/Y.
- All major segments saw overall price decreases M/M, with compact and midsize cars losing the most with declines of 6.6% and 6.7%.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices decreased 5.8% M/M compared to May.
- Wholesale prices are now down 12.3% Y/Y.
- June wholesale prices are 32.9% above pre-pandemic prices.

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

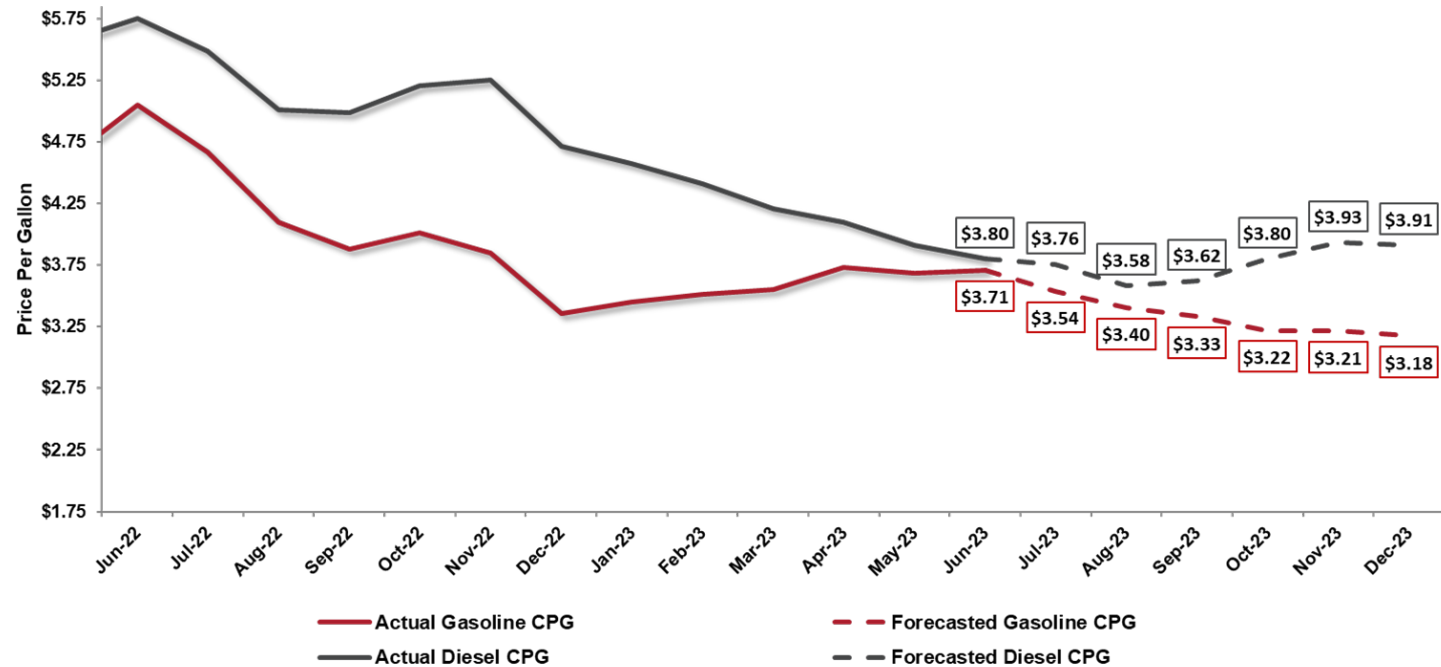
• Recommendation:

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

Source: ADESA; Kontos Kommentary

FUEL

National Average Cost per Gallon Regular Grade & Diesel

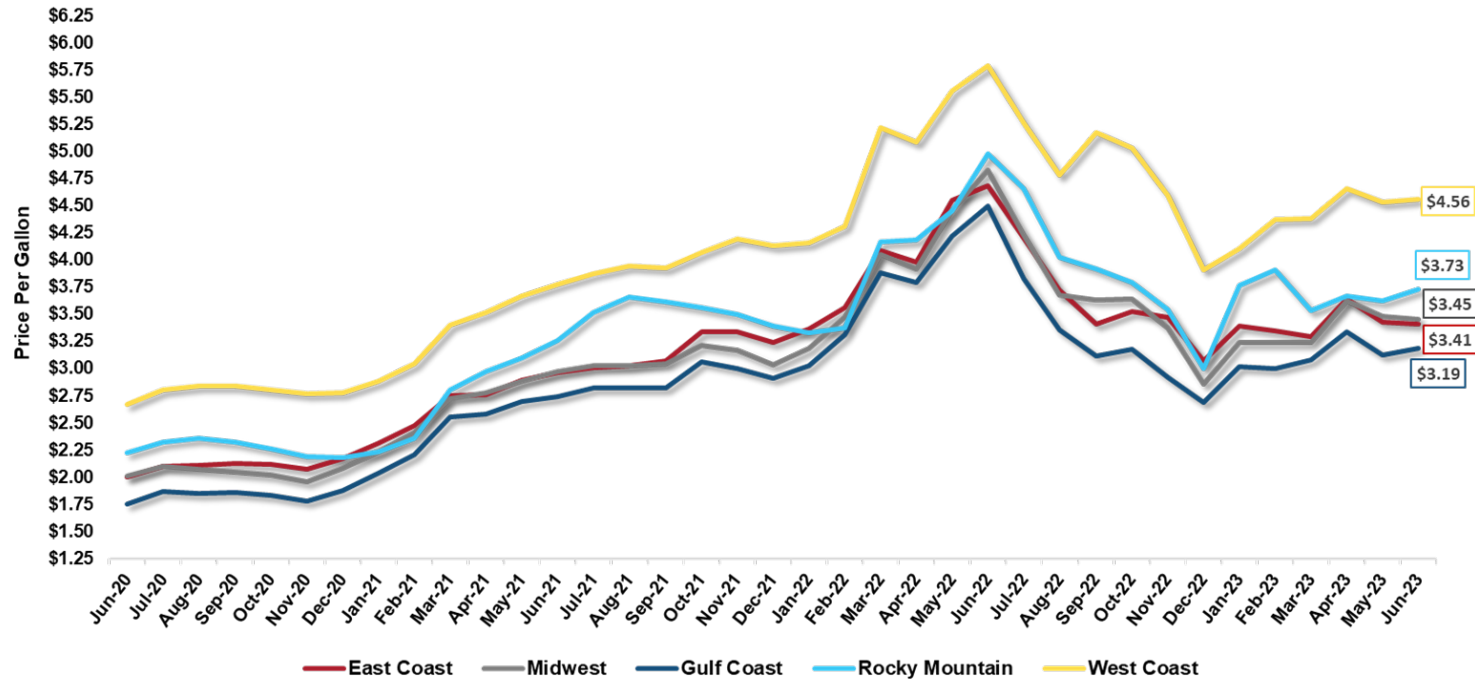


- U.S. regular gasoline prices increased from the previous month and averaged \$3.71/gal. in June.
- U.S. diesel retail prices decreased from the previous month and averaged \$3.80/gal.

- June was down 26% gasoline and diesel was down 34% Y/Y.
- July forecast for gasoline retail price is \$3.54/gal. and diesel retail price of \$3.76/gal.
- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.

FUEL

Regional Average Cost per Gallon – Regular Grade



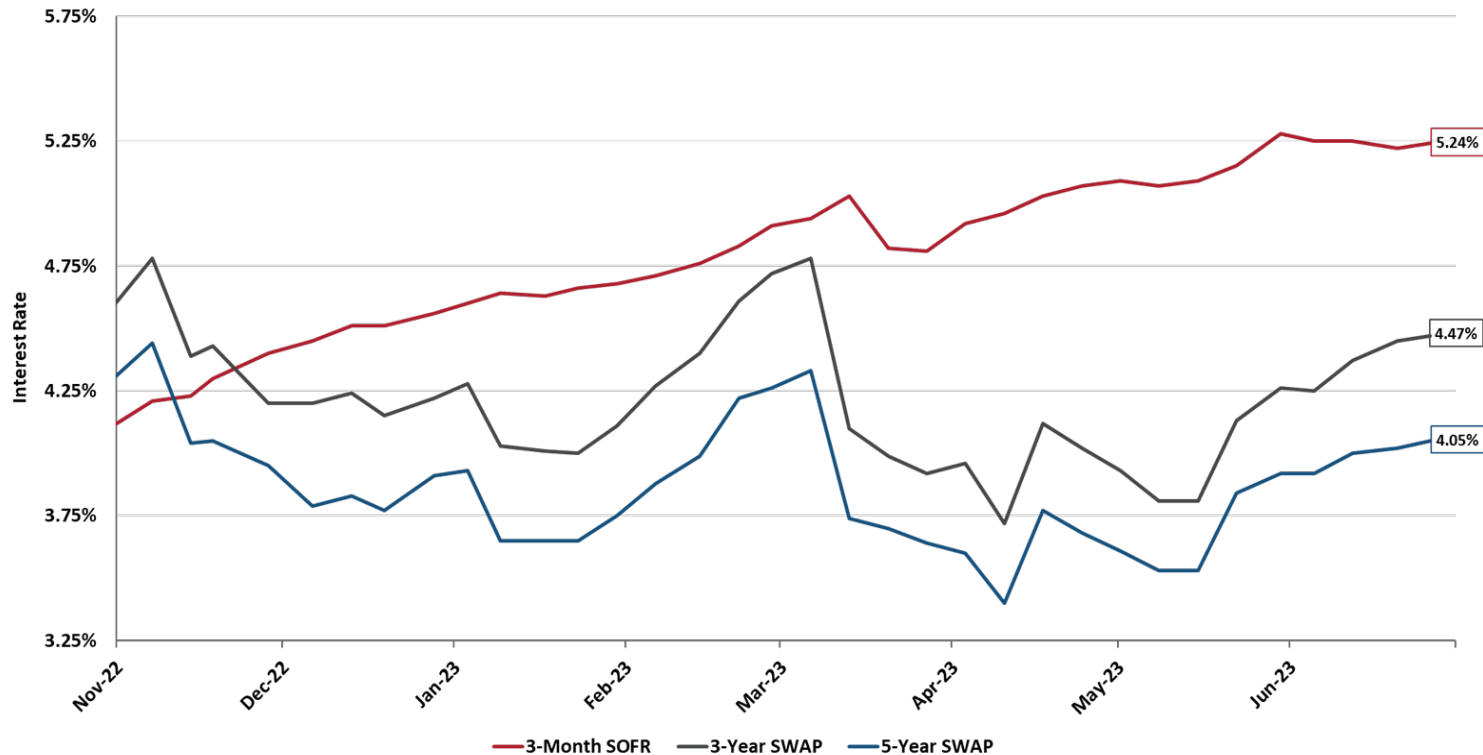
- Overall, June fuel prices increased ~\$0.02 M/M.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

Recommendation:

Closely monitor fuel prices for accurate fuel budget forecasting.

INTEREST

Interest Rates



- 3-Month SOFR rate is currently at 5.24%, a M/M decrease of 0.04%.
- The 3-Year SWAP rate has increased to 4.47%.
- The 5-Year SWAP rate increased and is currently 4.05%.

- All rates are expected to continually increase throughout the rest of 2023.