

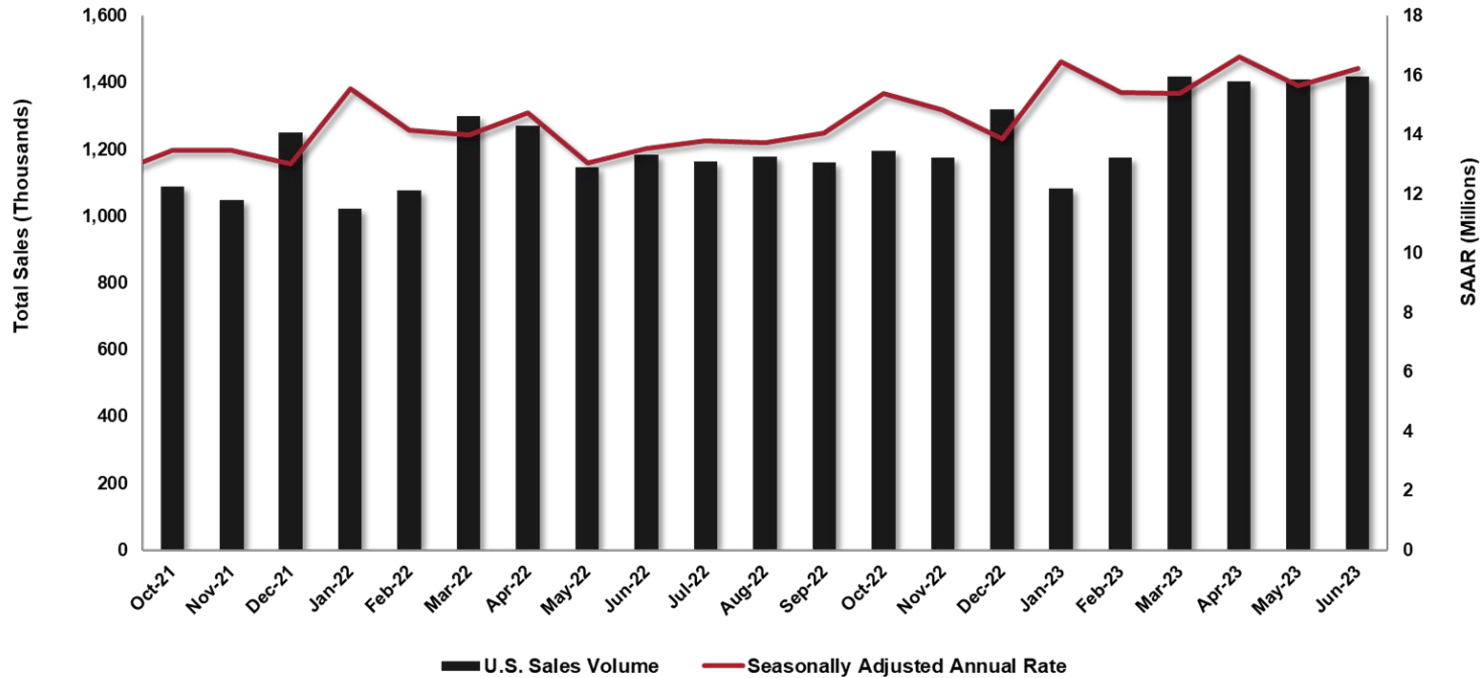
Industry Trends

June - July 2023


Merchants
FLEET

ACQUISITION

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



All US Sales

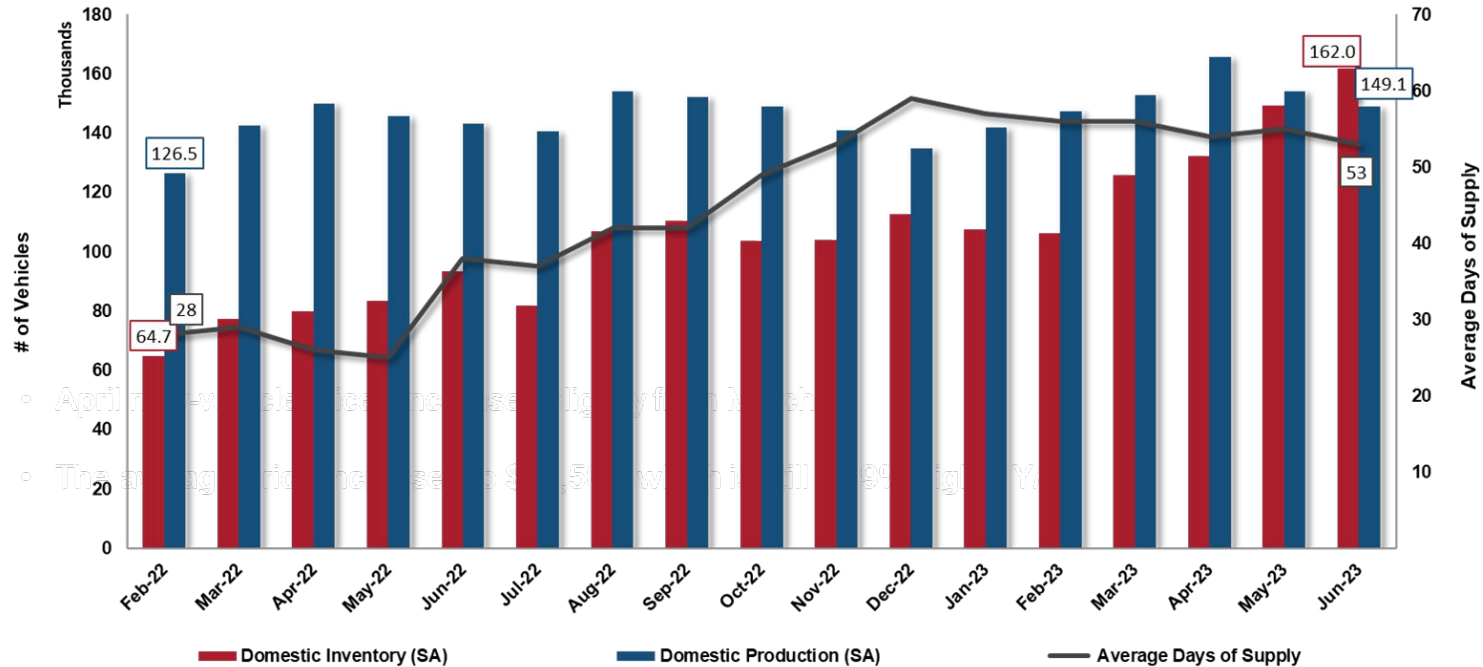
- July's sales increased by 0.5% M/M.
- Passenger vehicles sales increased by 15.1% Y/Y, and light truck increased by 15.4% Y/Y.
- July's light truck sales accounted for 80% of all sales.

Fleet Sales Only

- In July, 171,464 total fleet units were sold, a 34.5% Y/Y increase.

ACQUISITION

Dealer Inventory & Days of Supply

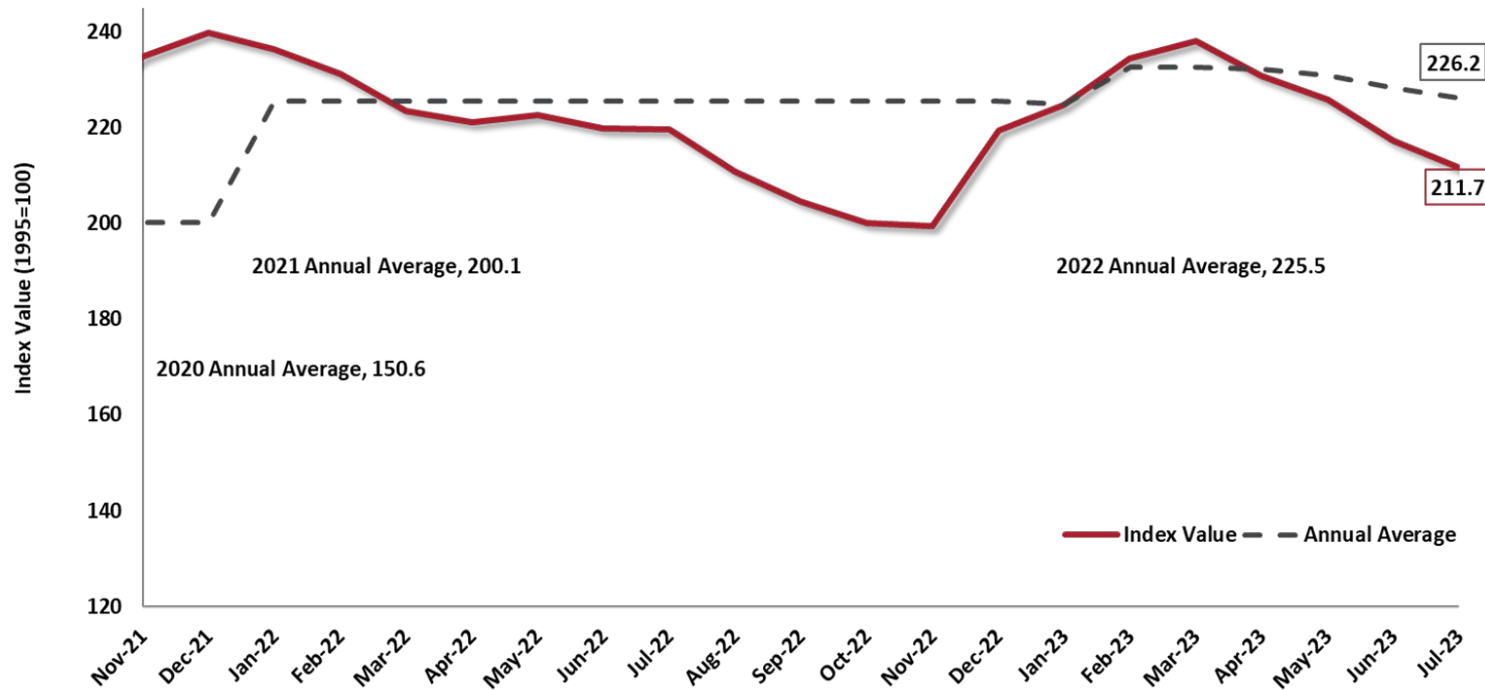


- June's new vehicle inventories increased M/M, and Domestic inventory for June is up 74% Y/Y.
- The average dealership days' supply decreased to 53 compared with 59 days in March 2021.
- New vehicle production decreased 3% M/M, and Y/Y production increased 4%.

- June's new-vehicle prices decreased M/M.
- The average price increased to \$47,162 which is 3% higher Y/Y.

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index

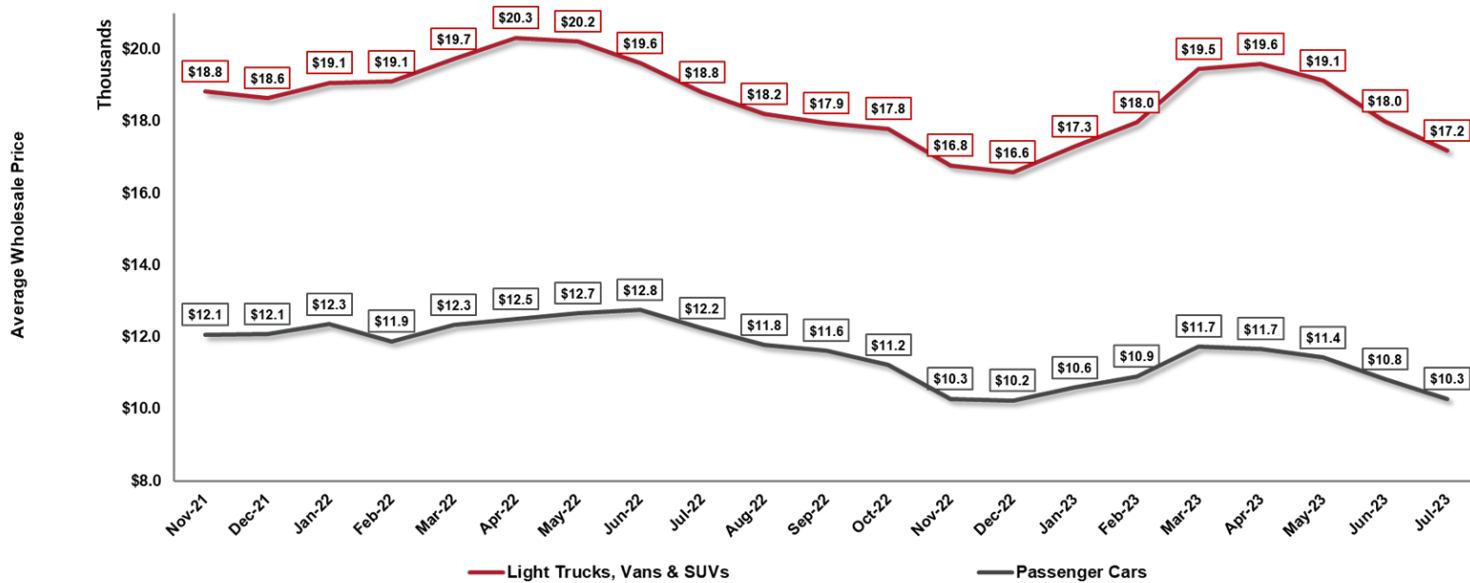


- Wholesale used vehicle prices decreased 1.6% M/M in July.
- The Manheim Used Vehicle Value Index decreased by 11.6% Y/Y.
- Total volume of used vehicle sales decreased 0.5% Y/Y in July.

- 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 vans having the biggest decrease at 3.2%.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices decreased 4.7% M/M compared to June.
- Wholesale prices are now down 11.9% Y/Y.
- July wholesale prices are 26.7% above pre-pandemic prices.

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

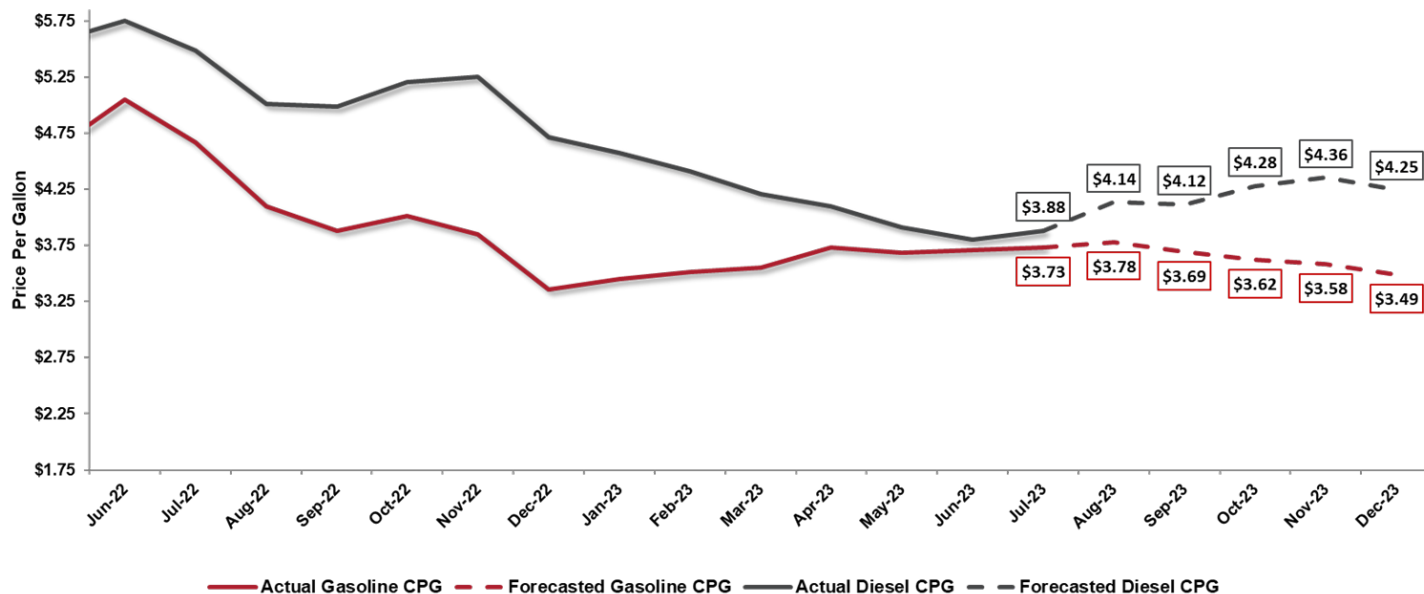
• Recommendation:

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

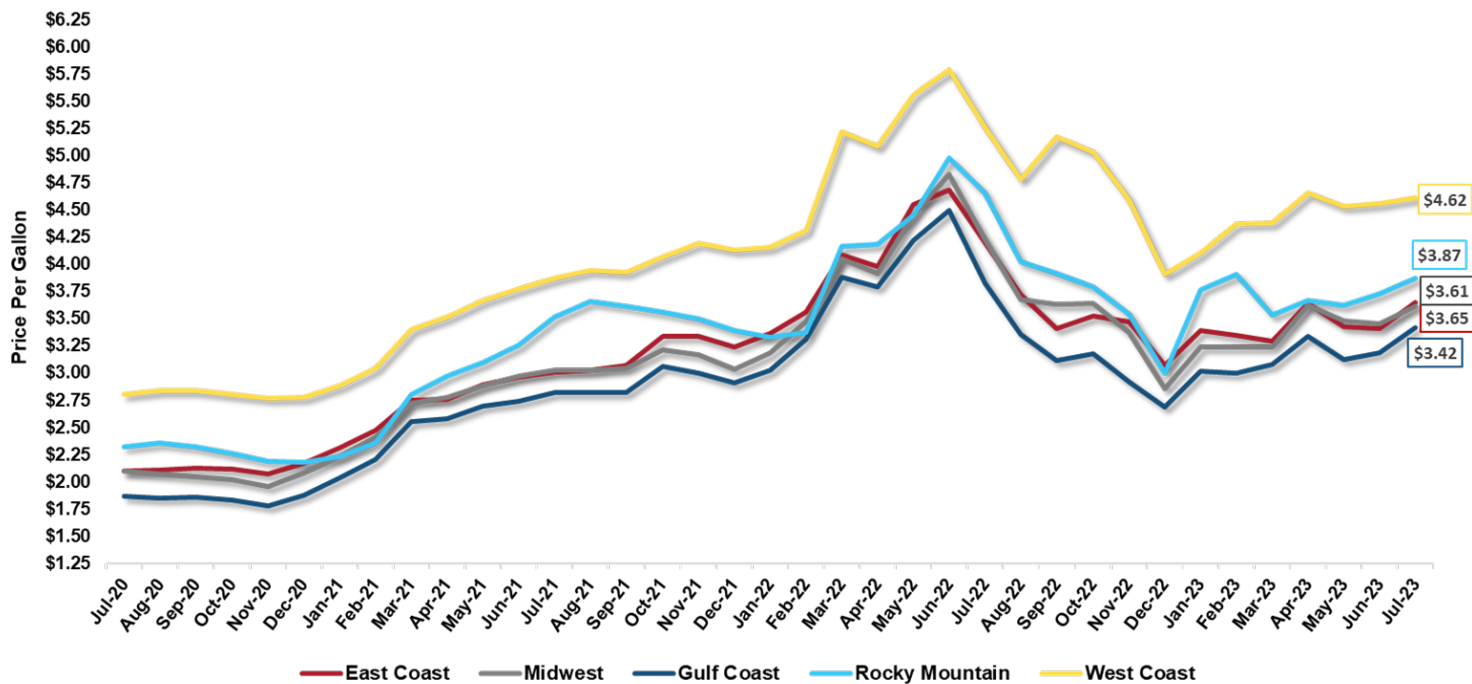


- U.S. regular gasoline prices increased from the previous month and averaged \$3.73/gal. in July.
- U.S. diesel retail prices increased from the previous month and averaged \$3.88/gal.

- July was down 20% gasoline and diesel was down 29% Y/Y.
- August forecast for gasoline retail price is \$3.78/gal. and diesel retail price of \$4.14/gal.
- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.

FUEL

Regional Average Cost per Gallon – Regular Grade



- Overall, July fuel prices increased ~\$0.16 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 5.37%, a M/M increase of 0.13%.
- The 3-Year SWAP rate has decreased to 4.21%.
- The 5-Year SWAP rate decreased and is currently 3.97%.

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