

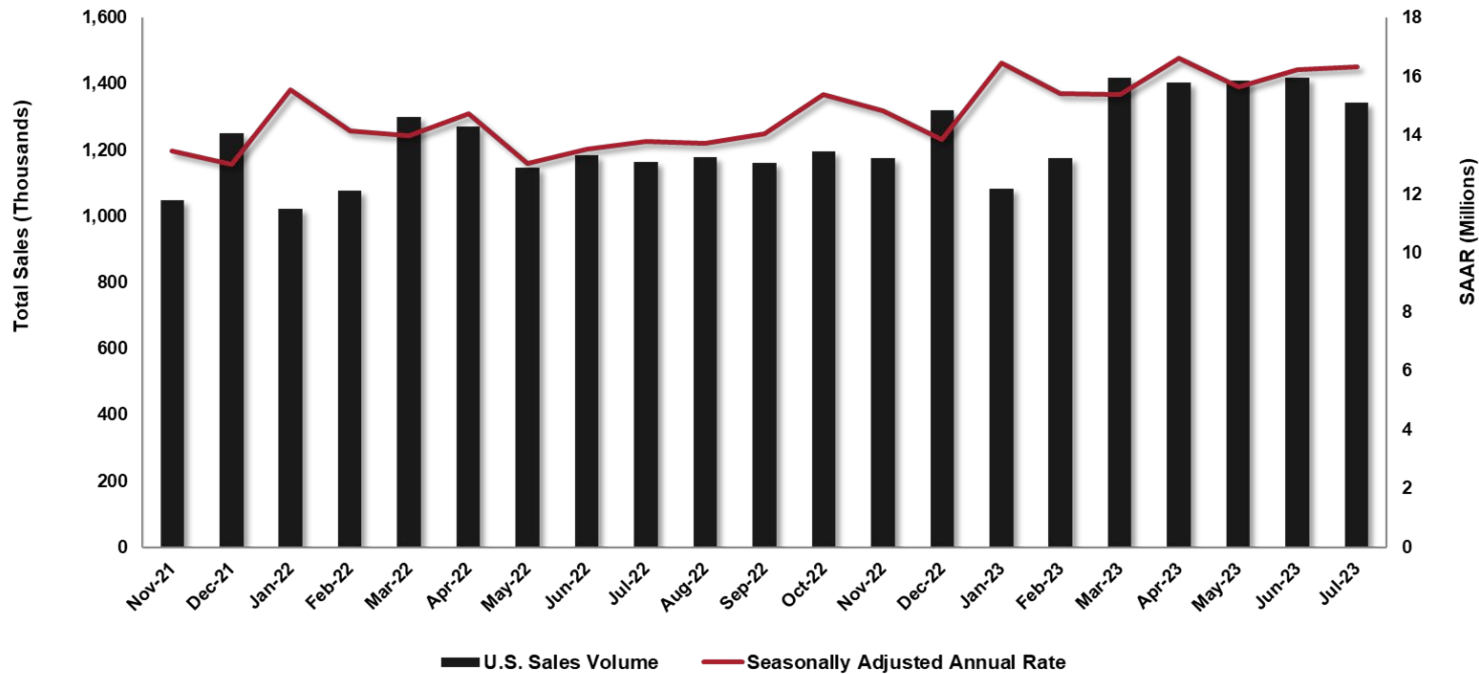
Industry Trends

July - August 2023


Merchants
FLEET

ACQUISITION

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



All US Sales

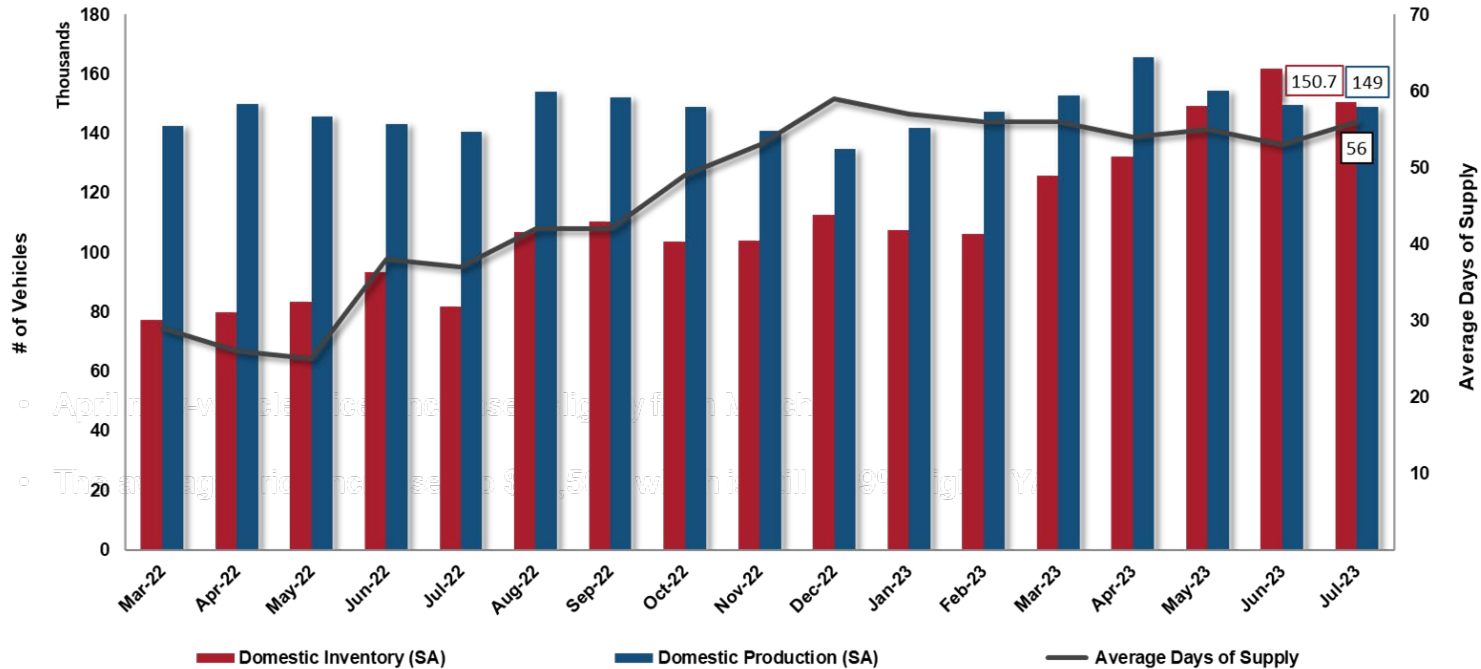
- August's sales increased by 4.5% M/M.
- Passenger vehicles sales increased by 12.4% Y/Y, and light truck increased by 18.4% Y/Y.
- August's light truck sales accounted for 80% of all sales.

Fleet Sales Only

- In August, 172,075 total fleet units were sold, a 33.9% Y/Y increase.

ACQUISITION

Dealer Inventory & Days of Supply

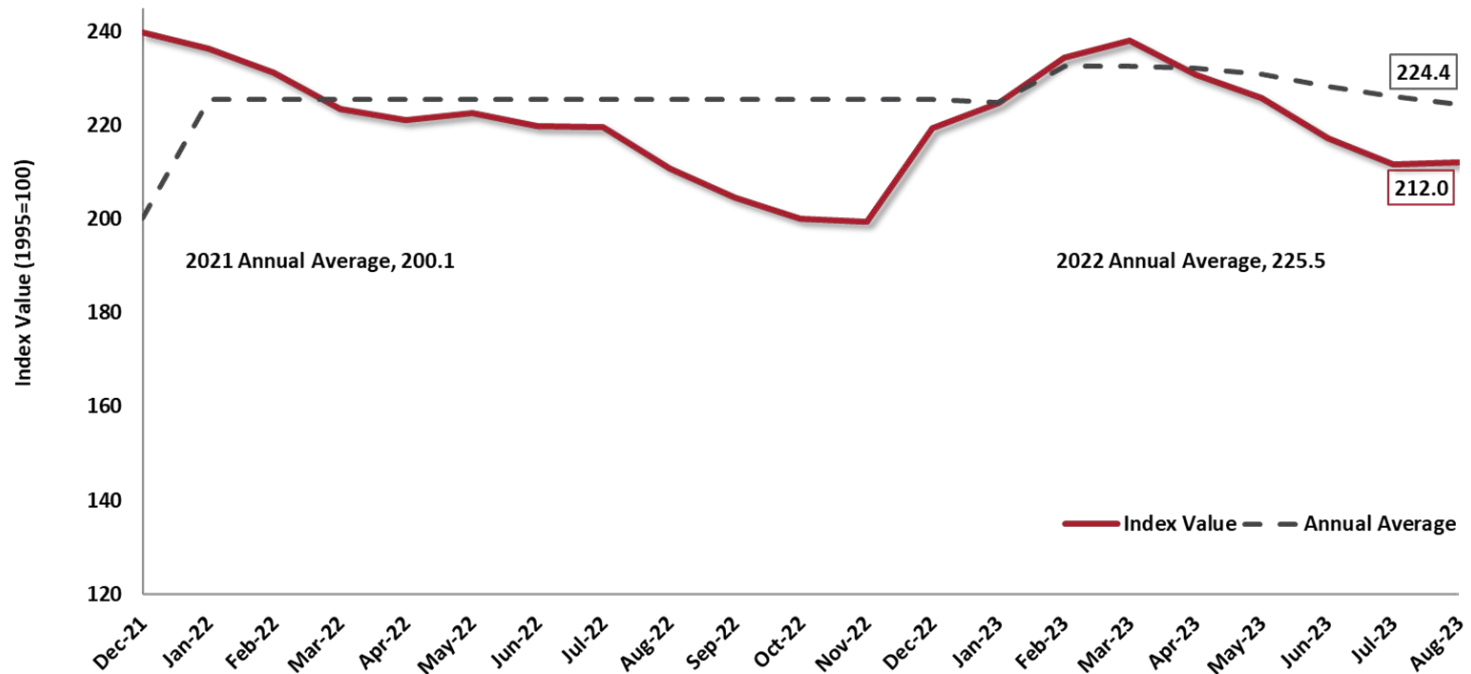


- July's new vehicle inventories decreased slightly M/M, and Domestic inventory for July is up 84% Y/Y.
- The average dealership days' supply increased to 56. Still lower compared with 59 days in March 2021
- New vehicle production decreased 0% M/M, and Y/Y production increased 6%.

- July's new-vehicle prices decreased M/M.
- The average price decreased to \$47,048 which is 0.9% lower Y/Y.

WHOLESALE RESALE MARKET

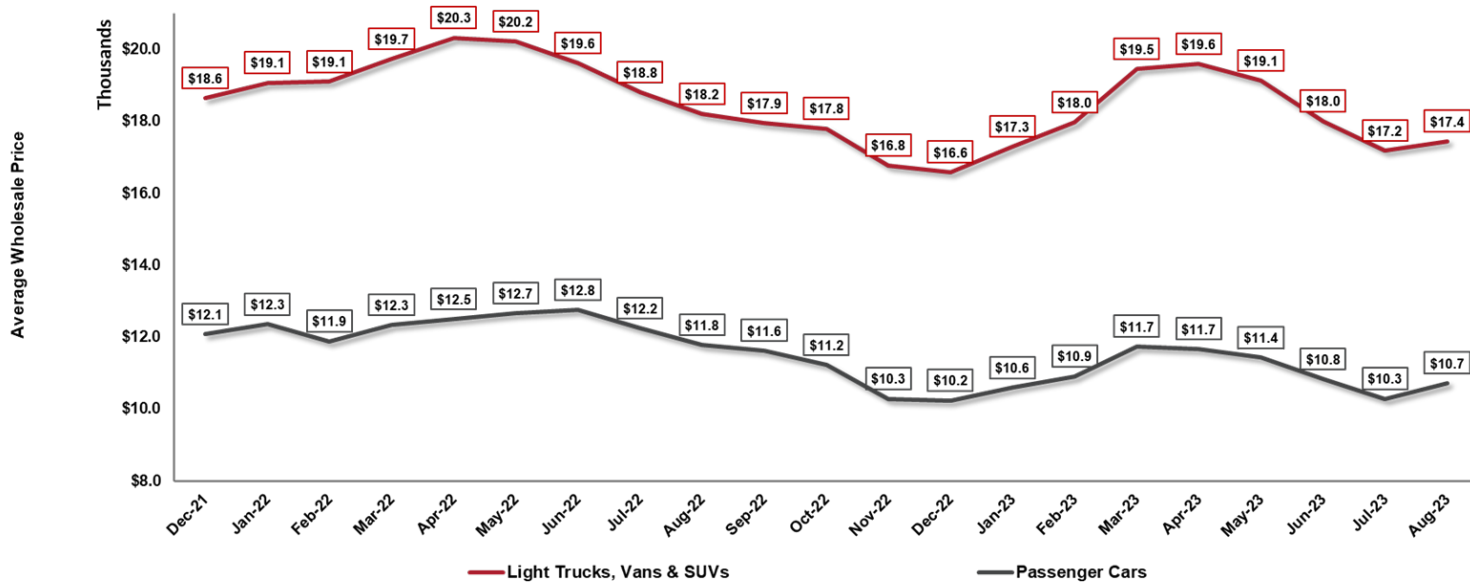
Manheim Used Vehicle Value Index



- Wholesale used vehicle prices increased 0.2% M/M in August.
- The Manheim Used Vehicle Value Index decreased by 7.7% Y/Y.
- Total volume of used vehicle sales increased 0.8% Y/Y in August.
- All major market segments saw lower seasonally adjusted prices Y/Y.
- In August, all major segments saw overall price increases M/M, with vans having the largest increase at 1.2%

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices increased 3.0% M/M compared to July.
- Wholesale prices are now down 6.0% Y/Y.
- August wholesale prices are 33.1% above pre-pandemic prices.

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

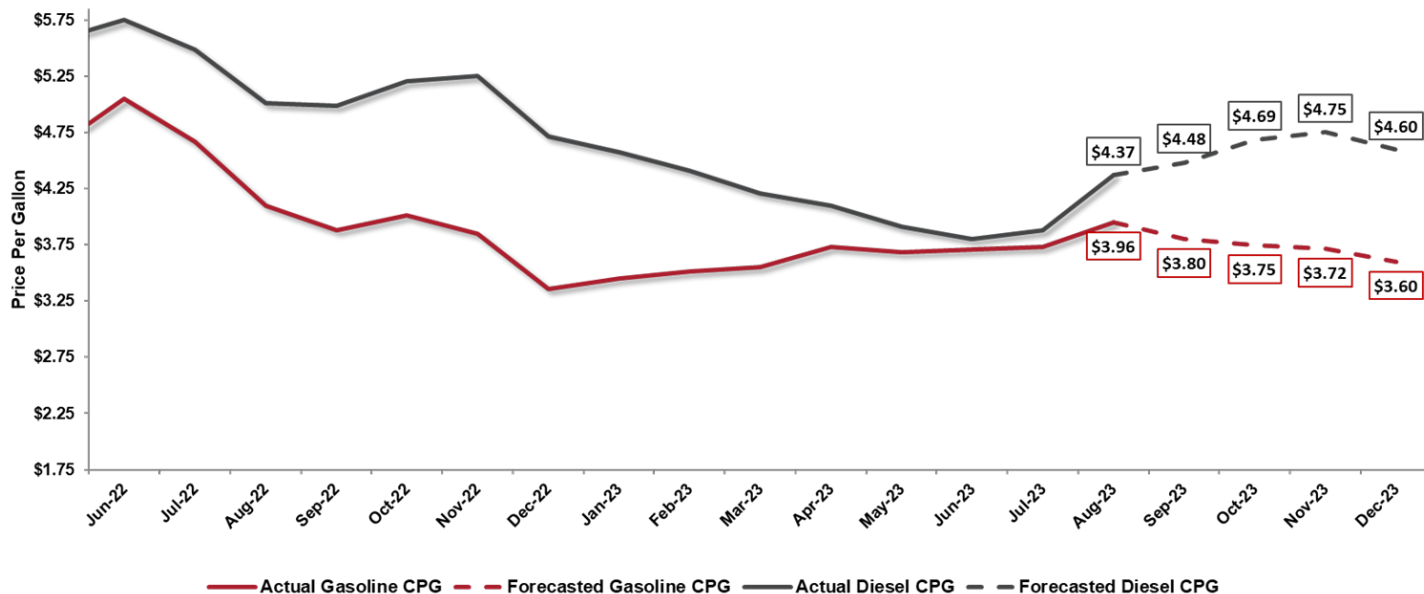
• Recommendation:

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

Source: ADESA; Kontos Commentary

FUEL

National Average Cost per Gallon Regular Grade & Diesel

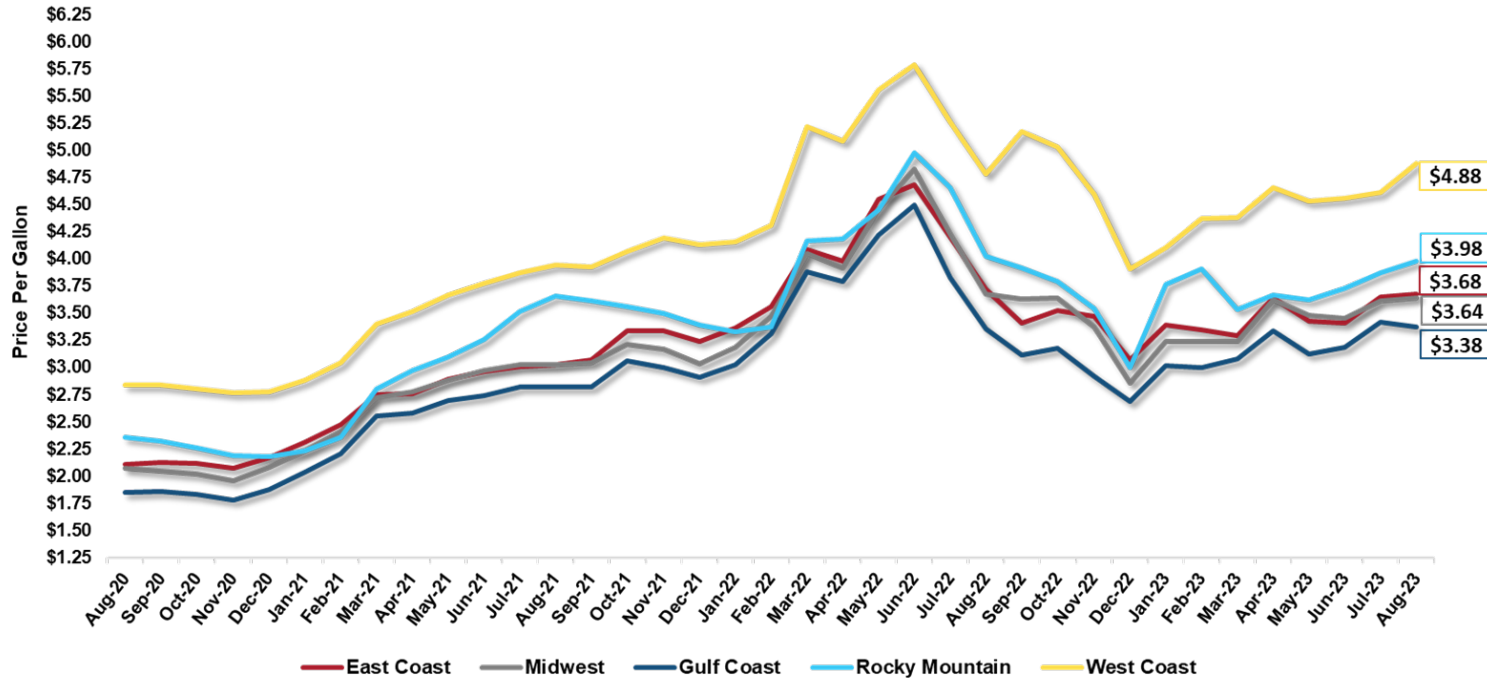


- U.S. regular gasoline prices increased from the previous month and averaged \$3.96/gal. in August.
- U.S. diesel retail prices increased from the previous month and averaged \$4.37/gal.

- August was down 4% gasoline and diesel was down 13% Y/Y.
- September forecast for gasoline retail price is \$3.80/gal. and diesel retail price of \$4.48/gal.
- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.

FUEL

Regional Average Cost per Gallon – Regular Grade



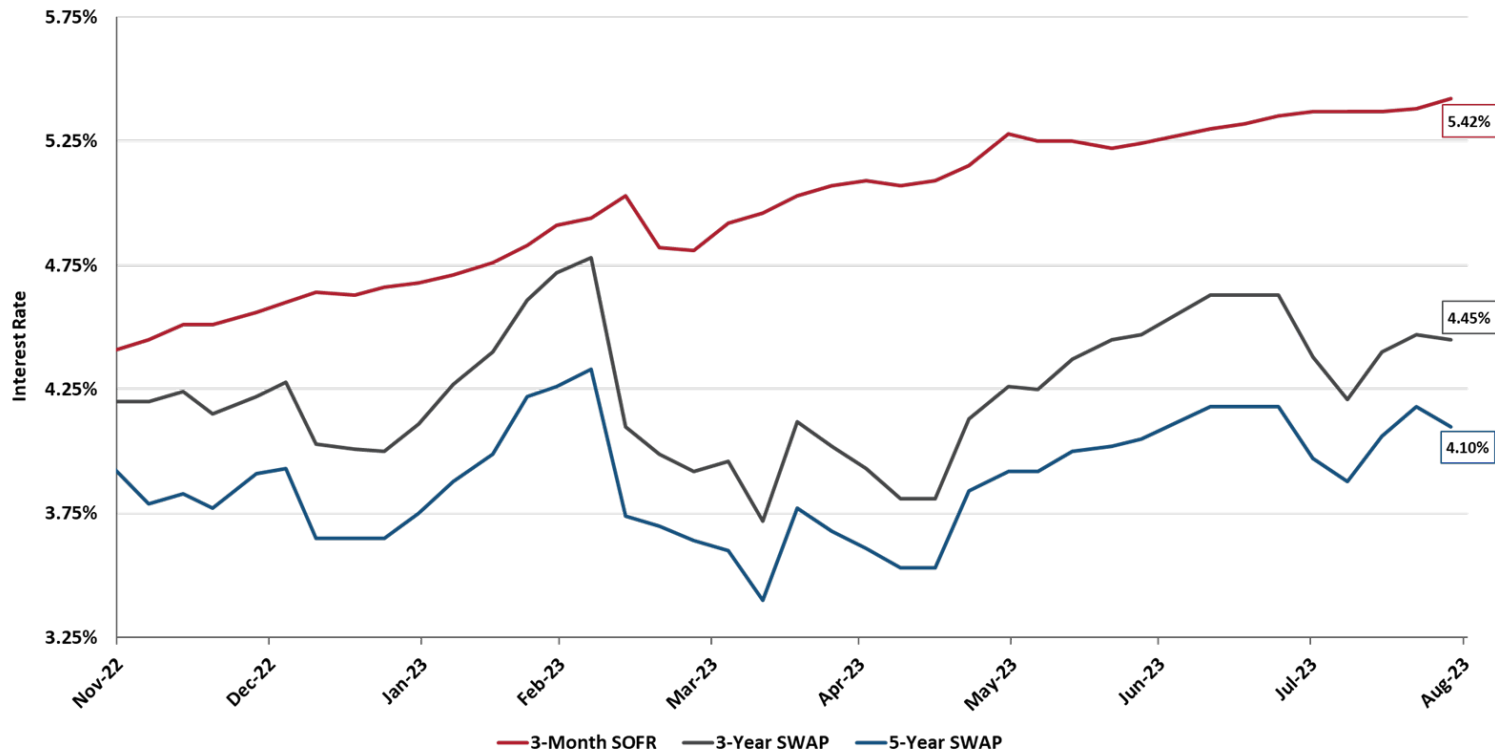
- Overall, August fuel prices increased ~\$0.09 M/M.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

• Recommendation:

Closely monitor fuel prices for accurate fuel budget forecasting.

INTEREST

Interest Rates



- 3-Month SOFR rate is currently at 5.42%, a M/M increase of 0.05%.
- The 3-Year SWAP rate has increased to 4.45%.
- The 5-Year SWAP rate increased and is currently 4.10%.

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