

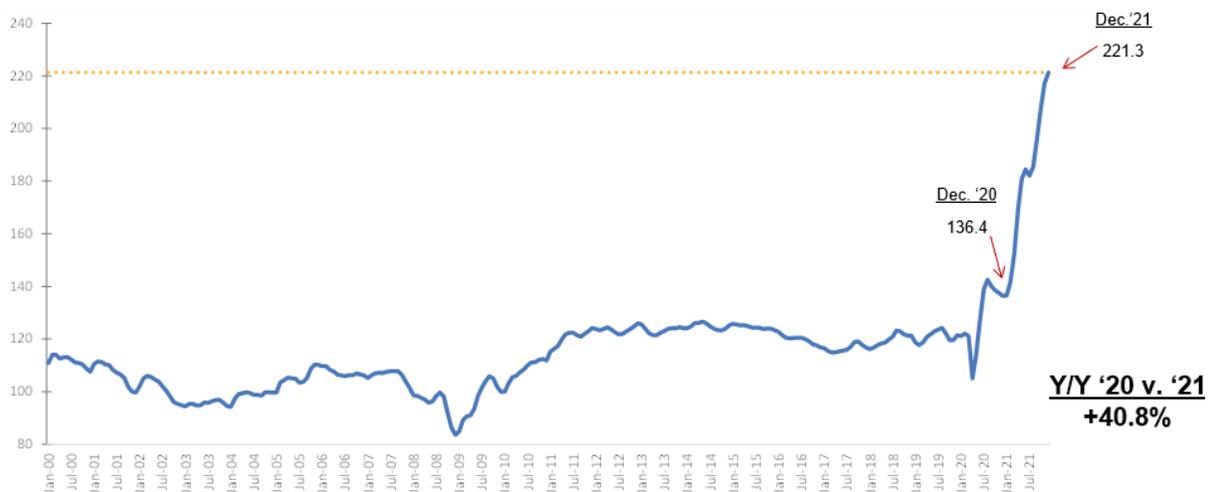
DECEMBER 2021 WHOLESALE MARKET UPDATE

USED VEHICLE PRICE INDEX

The used vehicle market remained hotter than ever in December 2021 as used prices closed the year nearly 41% higher than in 2020. Ultimately, the J.D. Power Valuation Services Used Vehicle Price Index reached 221.3, its highest level on record. Used prices during the fall months of 2021 were uncharacteristically strong, supported by new-vehicle production and inventory constraints; elevated levels of new vehicle customer-facing transaction prices; tightening levels of used supply; and increased dealer focus on used-vehicle operations. As a result of the used market's support in December, the index grew approximately four points compared with November 2021 and closed the year nearly 85 points higher than in December 2020.

Wholesale prices at the industry level were flat in December (relative to November), which was still one of the best performances ever for the period and a significant improvement vs. the previous five-year average decline of nearly 2%. While wholesale prices were still robust in December, it was the third consecutive month of slowing used-price growth. In terms of retail prices, PIN data for used vehicles showed that used prices at franchised dealers were up 3% in December from November and were nearly 23% above prices from December 2020. Also, used days to turn was a lean 41 days in December 2021 compared with 52 days a year prior.

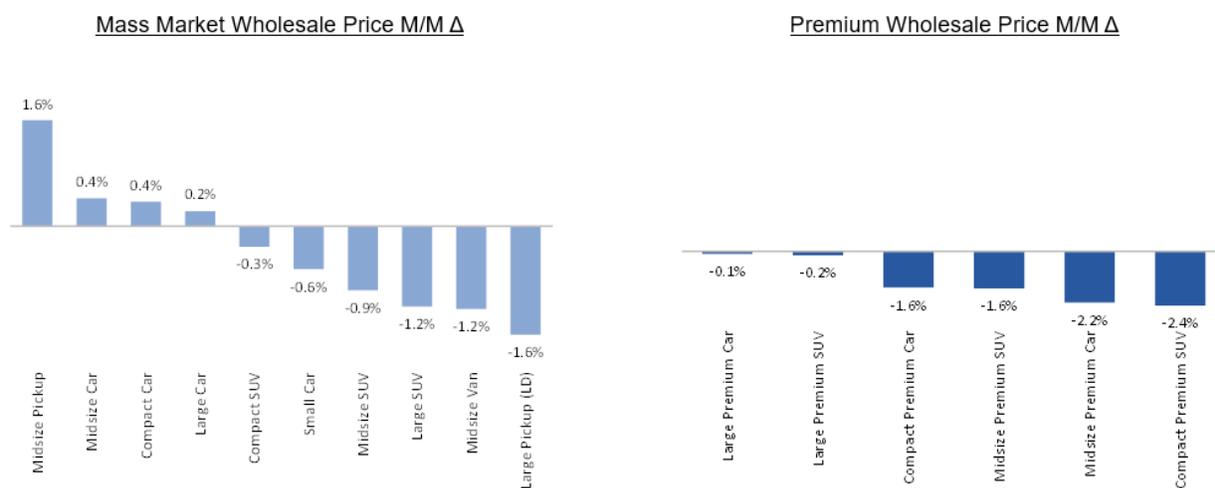
J.D. Power Valuation Services Used Vehicle Price Index (seasonally adjusted)



SEGMENT PRICE PERFORMANCE

In terms of segment wholesale price performance, there were no surprises in December. With industry prices flat, mainstream price movement was split with passenger car prices generally outperforming SUV counterparts, which continues to be due to the ongoing supply and demand imbalance created by manufacturers pulling back passenger car product offerings on the new side of the market during the past few years. Premium segments continue to perform exceptionally well, however, prices were flat to down slightly across the board in December. Large premium car and SUV prices were some of the strongest on the premium side of the market, wholesale sales volume for the pair was down 6%-8% relative to November, which likely increased competition in the lanes and bolstered prices.

November vs. December 2021 Segment Wholesale Price Performance

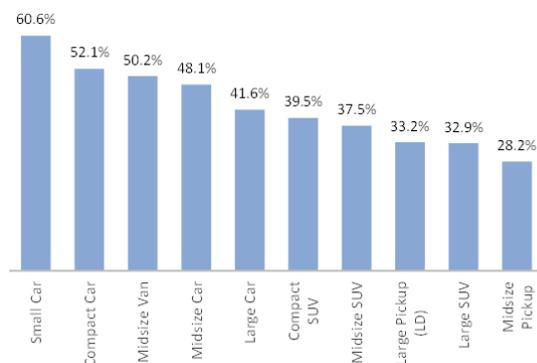


Overall industry prices closed out 2021 nearly 41% higher than in 2020. The massive year-over-year price increase was driven primarily by sizeable gains in the mass market segment, particularly passenger cars which experienced increases ranging from nearly 61% for small cars to 42% for large cars. Pickup truck and SUV gains were not quite as sizeable. However, year-over-year increases for these segments ranged from 40% to 28%.

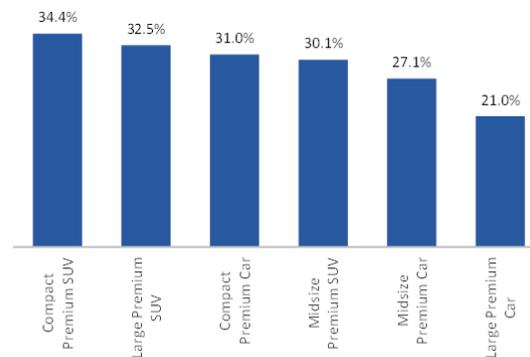
Price growth in the premium sector continued to lag that of mass market. However, increases were impressive from a historical perspective as premium prices are not often as strong as their mass market counterparts. For example, compact SUV prices grew the most, increasing more than 34%, while even large car prices ended the year up 21% compared with 2020. Premium prices continue to be under more pressure because wholesale sales activity hasn't been nearly as limited as mass market auction sales.

Year-Over-Year Segment Wholesale Price Performance

Mass Market Wholesale Price Y/Y Δ



Premium Wholesale Price Y/Y Δ



WHOLESALE VOLUME UPDATE

In terms of wholesale sales, volume at the industry level closed out the year 13% lower than 2020. However, when compared with pre-pandemic levels, auction sales trended 25%-30% lower during the course of 2021. Mass market sales were more constrained closing out the year more than 15% lower than 2020, which is being amplified by large reductions in passenger car wholesale volume. Premium wholesale sales fared better than their mass market counterparts last year. However, wholesale sales were still nearly 2% lower than in 2020. This was a major contributing factor as to why premium prices weren't up quite as much as mass market in 2020.

Wholesale Auction Sales (000s)

Segment	Dec. '20	Nov. '21	Dec. '21	M/M Change %	Y/Y Change %	CYTD '20	CYTD '21	CY Change %
Mainstream Total	292	227	218	▼ -4%	▼ -25%	3,892	3,297	▼ -15%
Premium Total	52	41	40	▼ -2%	▼ -23%	627	615	▼ -2%
Industry Total	344	268	258	▼ -4%	▼ -25%	4,520	3,912	▼ -13%

Note: Vehicles up to eight years in age.