

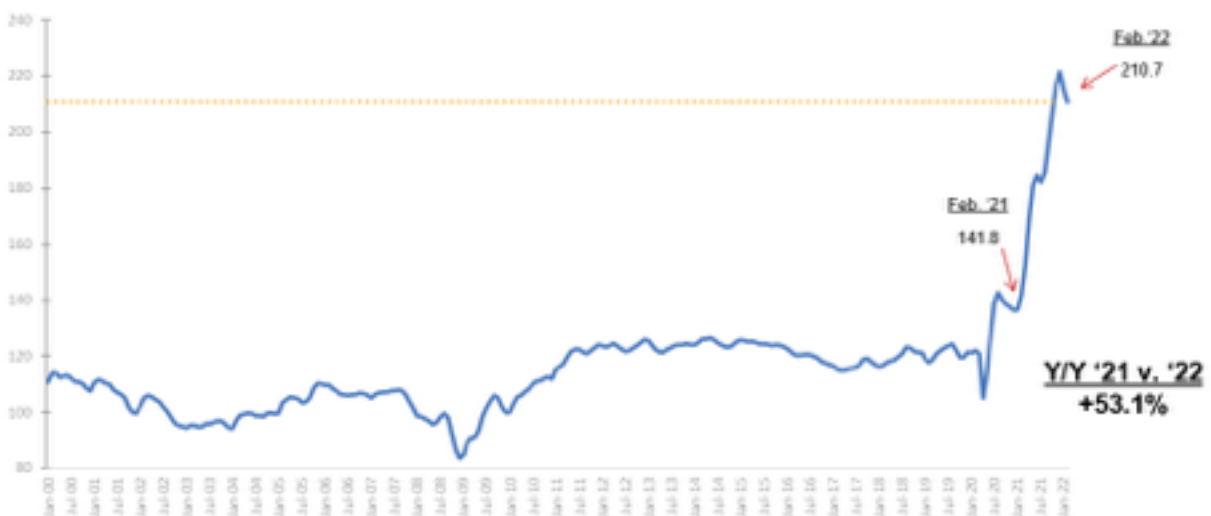
FEBRUARY 2022 WHOLESALE MARKET UPDATE

USED VEHICLE PRICE INDEX

Wholesale prices were down for the second consecutive month in February 2022, which brought the J.D. Power Valuation Services Used Vehicle Price Index down approximately 5 points to 210.7. February's decline marks only the second time the index has fallen since Summer 2021. Similar to January 2022, wholesale values experienced steady weekly declines in February. Despite the small pullback, used prices remain exceptionally strong, and ended the period 53% higher than they were through the first two months of 2021.

Wholesale prices at the industry level fell 2.6% in February, which was one of the softer performances for the period. Historically, wholesale prices in February are flat to slightly up. In February 2021, used prices increased nearly 3.5% and, before that, the market consistently experienced healthy used prices during February. On the retail side, PIN data showed used retail prices increased approximately \$100 in February, which comes after a slight decline of \$120 in January. In February, used retail prices nearly returned to their all-time high of approximately \$30,800 in December 2021. Also on the retail side, the used-to-new ratio jumped to 116.2%, its highest level since October 2021, and used days to turn dropped one day to 41 days, indicating used vehicles continue to be important for franchised dealers and continue to sell very quickly.

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



SEGMENT PRICE PERFORMANCE

Following the industry trend, both mass market and premium segment prices were down across the board in February. Pickup truck losses were some of the leanest in the industry, down between 0.5% for midsize to 1% for large. Passenger car losses in both segments were near or slightly more than the overall industry average. Small and compact car prices fell slightly more than 2.5%, while SUV segments each fared slightly worse than the industry average. On the premium side, losses across most vehicle segments were generally softer than their mass market counterparts, with the exception of large premium car and compact premium SUV prices.

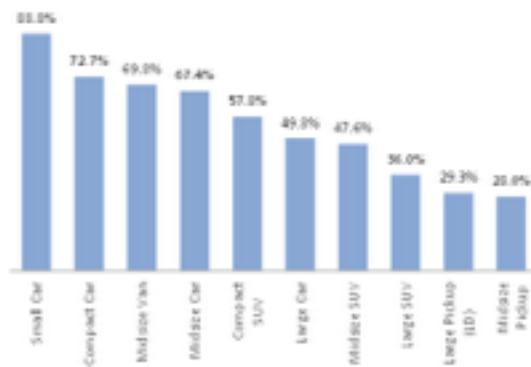
January 2022 vs. February 2022 Segment Wholesale Price Performance



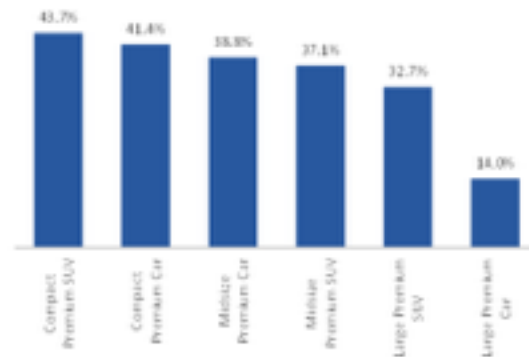
When comparing where wholesale prices were in January with where they were in February 2021, we see just how strong used prices continue to be. This is especially true for more affordable segments such as small, compact and midsize cars. Prices for these segments are currently up from 73% to 89% as dealers fight over a shrinking pool of these vehicles in the wholesale lanes. Popular mass market and premium segment prices are up from 33% to 70%, while large premium car prices are still a healthy 14% higher than a year ago.

Year-Over-Year Segment Wholesale Price Performance

Mass Market Wholesale Price Y/Y YTD Δ



Premium Wholesale Price Y/Y YTD Δ



WHOLESALE VOLUME UPDATE

Competition in the wholesale marketplace remains fierce. Traditional dealers continue to compete against newer entrants, as well as rental vehicle companies coming to bid and buy vehicles for their portfolios. Year to date, industry auction sales are 15% below the February 2021 level, the mass market segment volume is down approximately 10% and premium wholesale sales are a little more constrained, declining 39%. This trend will continue for the foreseeable future as used supply is expected to tighten during the next few years, ultimately bottoming out in 2024, which will help support used prices.

Wholesale Auction Sales (000s)

Segment	Feb. '21	Jan. '22	Feb. '22	M/M Change %	Y/Y Change %	CYTD '21	CYTD '22	CY Change %
Mass Market Total	282	193	251	▲ 30%	▼ -11%	581	525	▼ -10%
Premium Total	55	34	32	▼ -4%	▼ -41%	114	69	▼ -39%
Industry Total	338	227	284	▲ 25%	▼ -16%	695	594	▼ -15%

Note: Vehicles up to eight years in age.

J.D. POWER

VALUATION SERVICES

