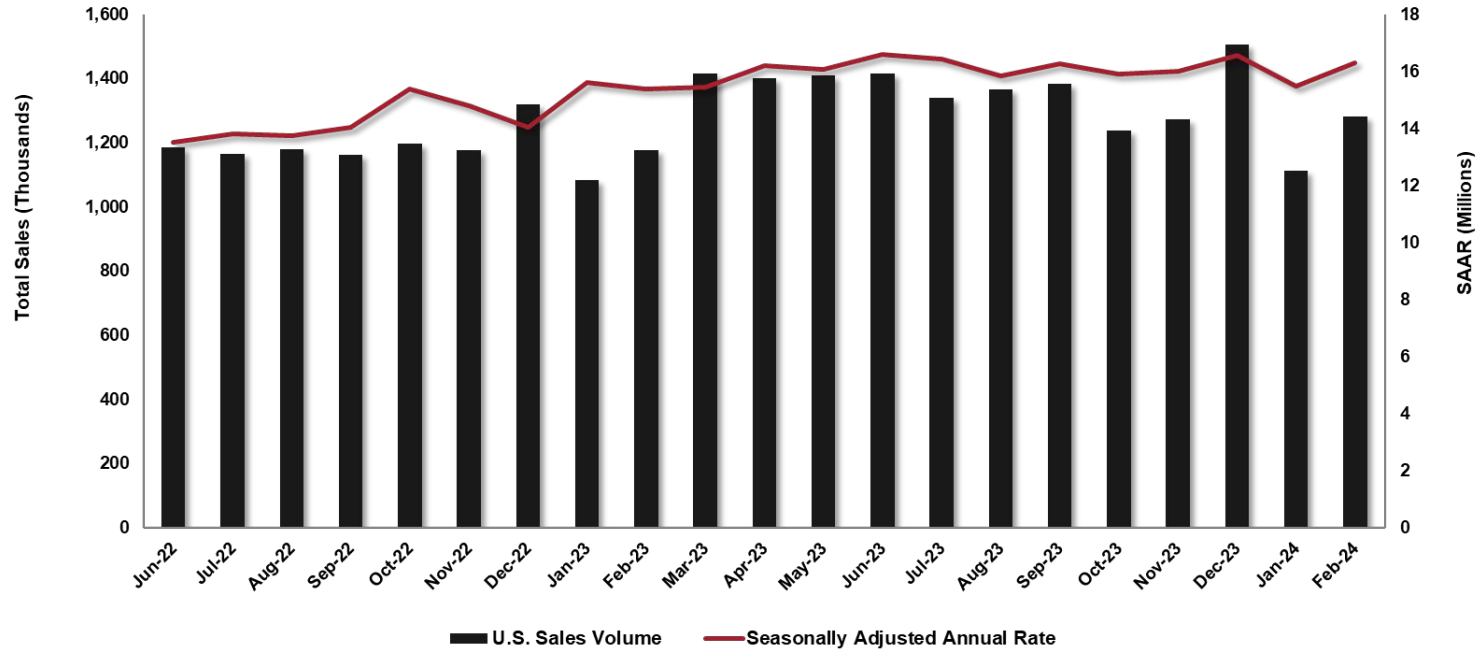


Industry Trends

February 2024 – March 2024

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



US Sales – All Channels

- February's sales increased by 6% month over month.
- Passenger vehicles sales increased by 8.8% year over year, and light truck increased by 9.7% year over year.
- February's light truck sales accounted for 80% of all sales.

- On a seasonally adjusted annualized basis, sales are up 6% month over month and 12% year over year.

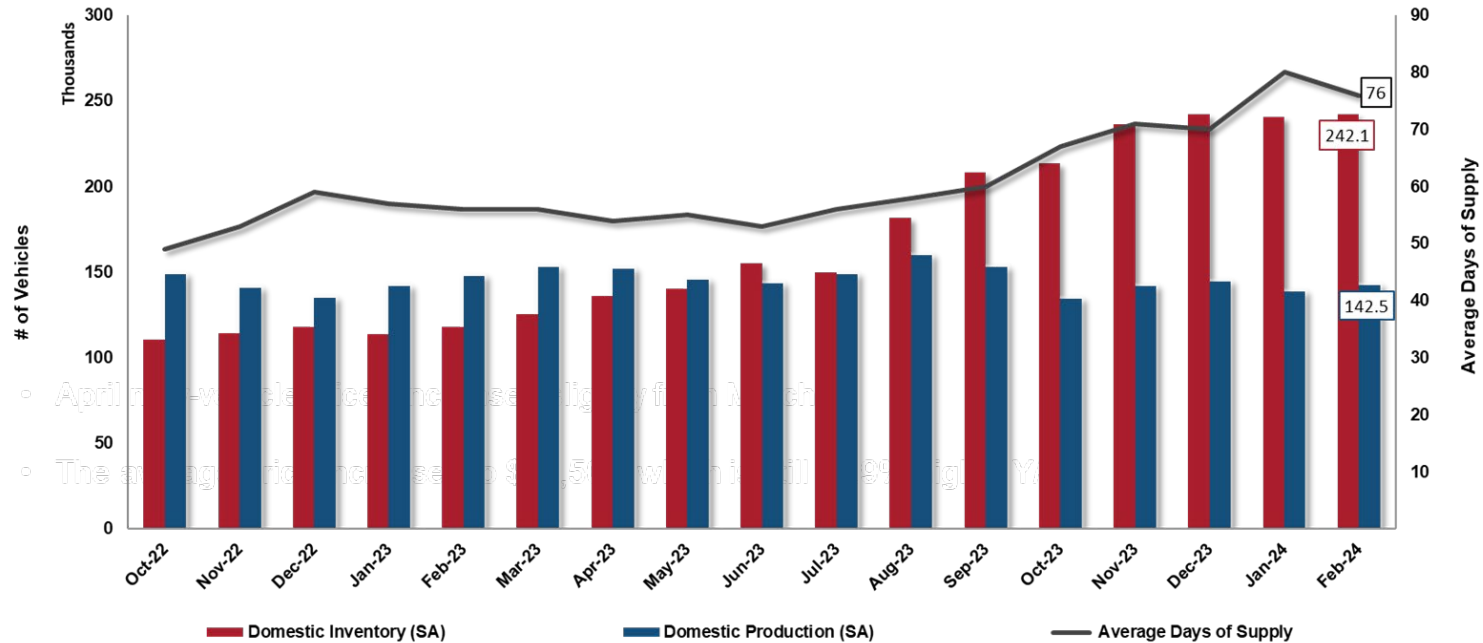
Fleet Sales

- In February, 233,279 total fleet units were sold, a 7.7% year over year decrease.

Source: FRED; TD Economics; COX Automotive; JD Power

ACQUISITION

Dealer Inventory & Days of Supply



- February’s new vehicle inventories ended with 242,085, a 1% month over month increase and a 105% year over year increase.
- The average dealership supply decreased to 76 days compared to 80 the month prior.
- New vehicle production increased 3% month over month and decreased 3% year over year.

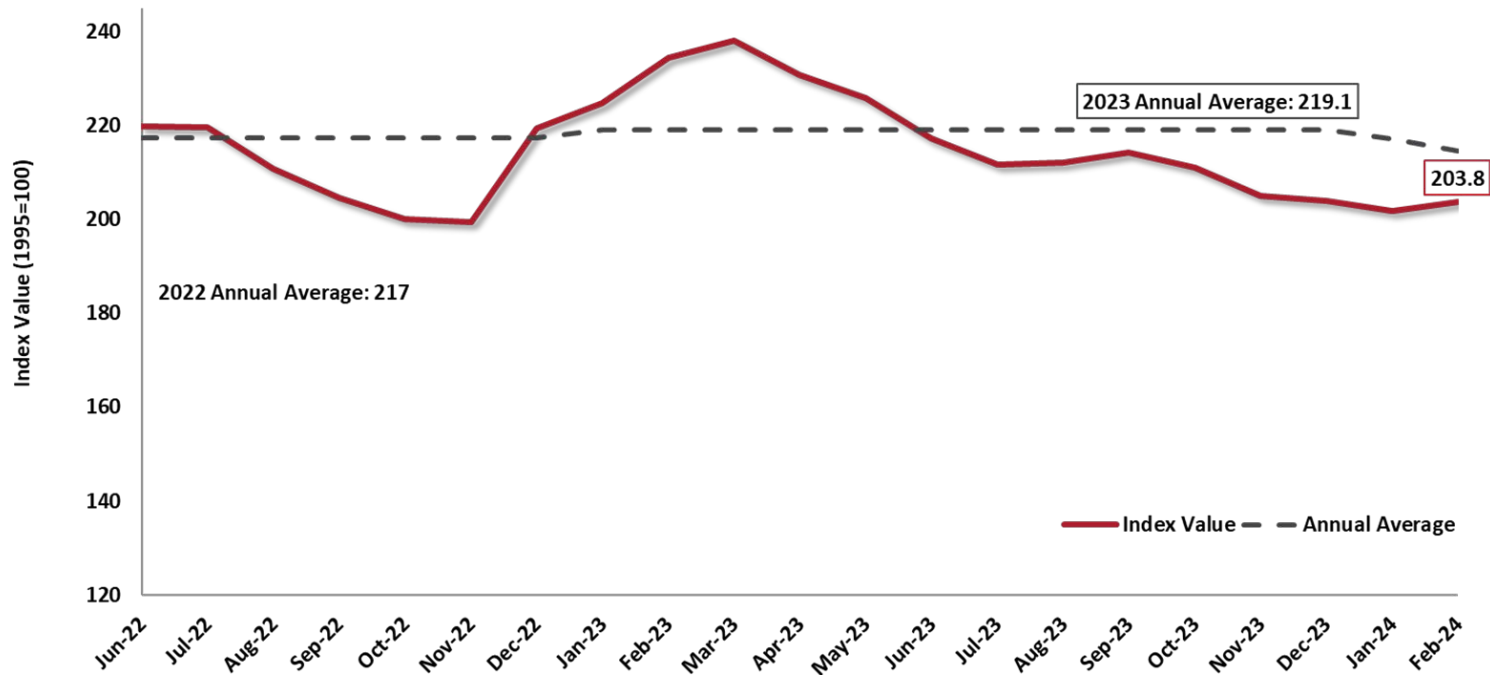
- February’s new vehicle price averaged \$47,285, a 0.3% increase month over month and 0.6% year over year.

Recommendations:

- Place orders as soon as possible and consider ReadyFleet with current component shortages and production lags.
- Take advantage of opportunities for negotiation leverage as inventory increases.

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index



- Total volume of used vehicle sales increased 10.7% year over year in February.
- The Manheim Used Vehicle Value Index decreased by 13.1% year over year.
- 2019 (pre-pandemic) Annual Average was 138.9
- All major market segments saw lower seasonally adjusted prices year over year in February.

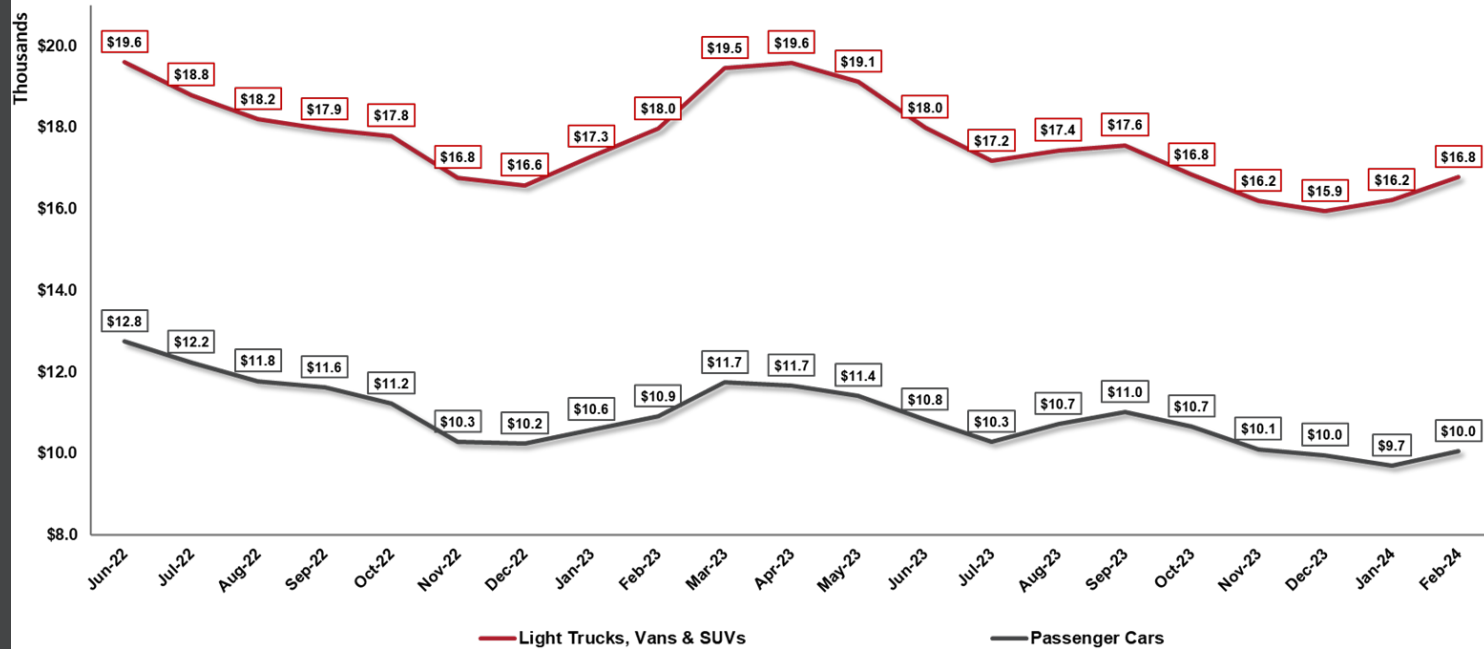
- All major segments saw price increases month over month, but pickups were down 0.8%

Recommendation:

- While resale values have softened, prices remain well above pre-pandemic levels. Utilize Merchants' GuaranteeBUY program to capture that increased equity.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



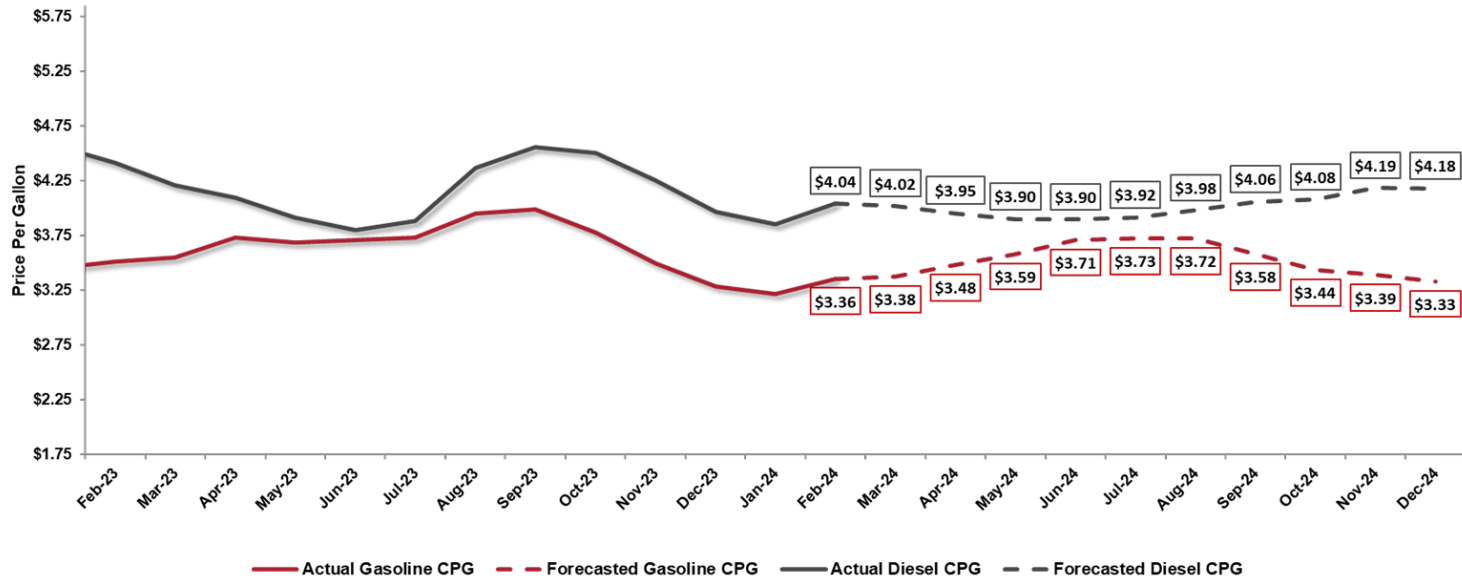
- Wholesale prices increased 4% month over month compared to January.
- Wholesale prices saw a decrease of 9.8% year over year.
- February wholesale prices are 31.5% above pre-pandemic prices.

Recommendation:

- Use GuaranteeBUY for under-utilized assets when resale values tend to peak, typically between March and May.

FUEL

National Average Cost per Gallon Regular Grade & Diesel



- U.S. regular gasoline prices increased from the previous month and averaged \$3.36 per gallon in February.
- U.S. diesel retail prices increased from the previous month and averaged \$4.04 per gallon.

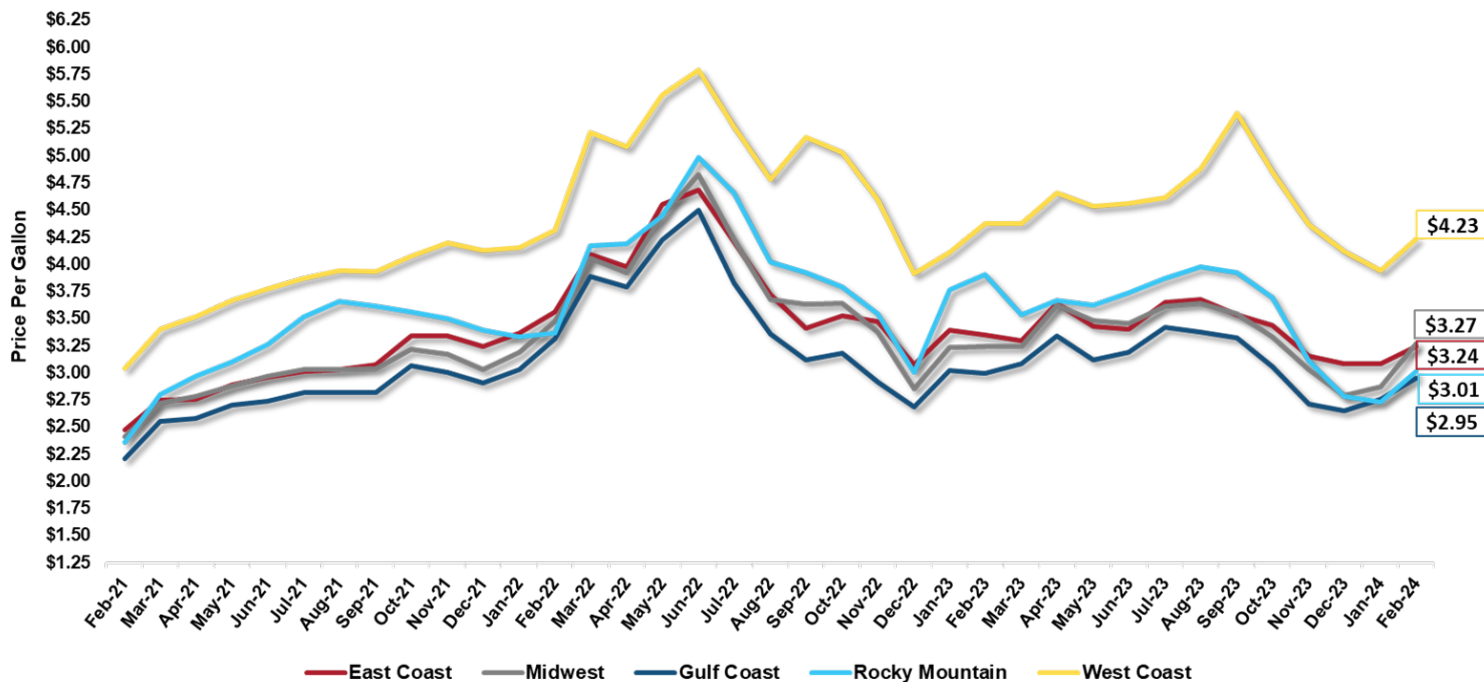
- March's forecasted gasoline price is \$3.38 per gallon, and diesel has a forecasted price of \$4.02 per gallon.

Recommendations:

- Closely monitor fuel prices for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.

FUEL

Regional Average Cost per Gallon – Regular Grade



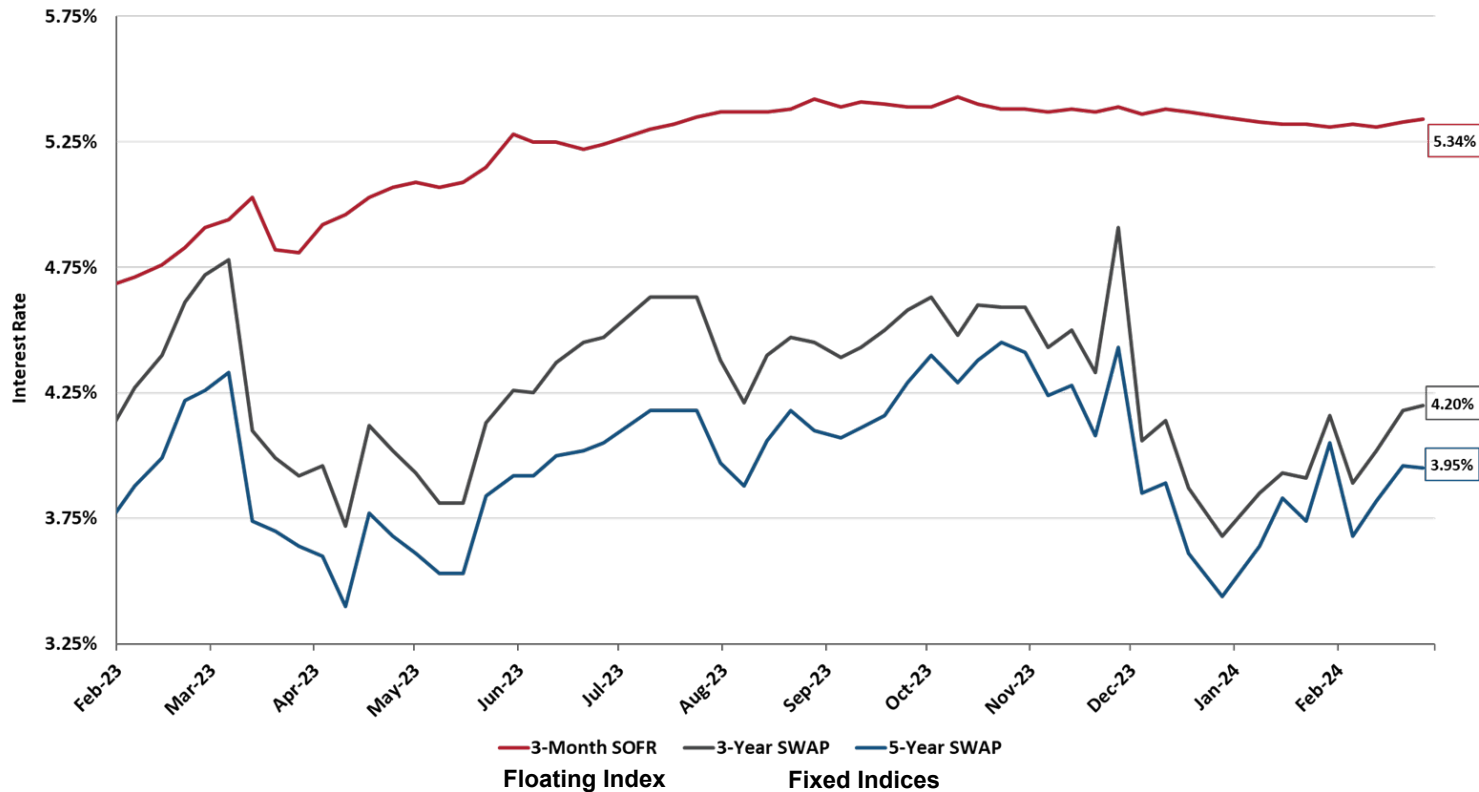
- Overall, Regular Grade Fuel prices have increased in February with a U.S. average of \$3.35 per gallon.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

Recommendations:

- Closely monitor fuel prices and vehicle location changes for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.

INTEREST

Interest Rates



- 3-Month SOFR rate is currently at 5.31%, a month over month decrease of 0.04%
- The 3-Year SWAP rate has increased to 4.16%
- The 5-Year SWAP rate increased and is currently 4.05%

Recommendations:

- Consider using floating rates for leases going forward to take advantage of the expected decrease in future interest rates.
- A fixed rate lease locks in the current, escalated interest rate for the duration of a lease.