ADESA | ANALYTICAL SERVICES

July 2022 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

Wholesale used vehicle prices in July were down for the second month in a row from their spring/tax-refund seasonal peaks, but they remain near their historical highs. Tight supplies continue to minimize the impact of dampening demand.

Retail used vehicle and certified pre-owned (CPO) sales continue to be soft, as inflation-conscious shoppers refrain from purchasing vehicles at historically high prices.

*Wholesale Market Trends**

According to ADESA US Analytical Services' monthly analysis of auction industry used vehicle prices by vehicle model class, wholesale prices in July averaged $16,284 – down 4.3% compared to June, but up 14.3% relative to July 2021, and up 42.2% versus pre-pandemic/July 2019, as seen in the table below.

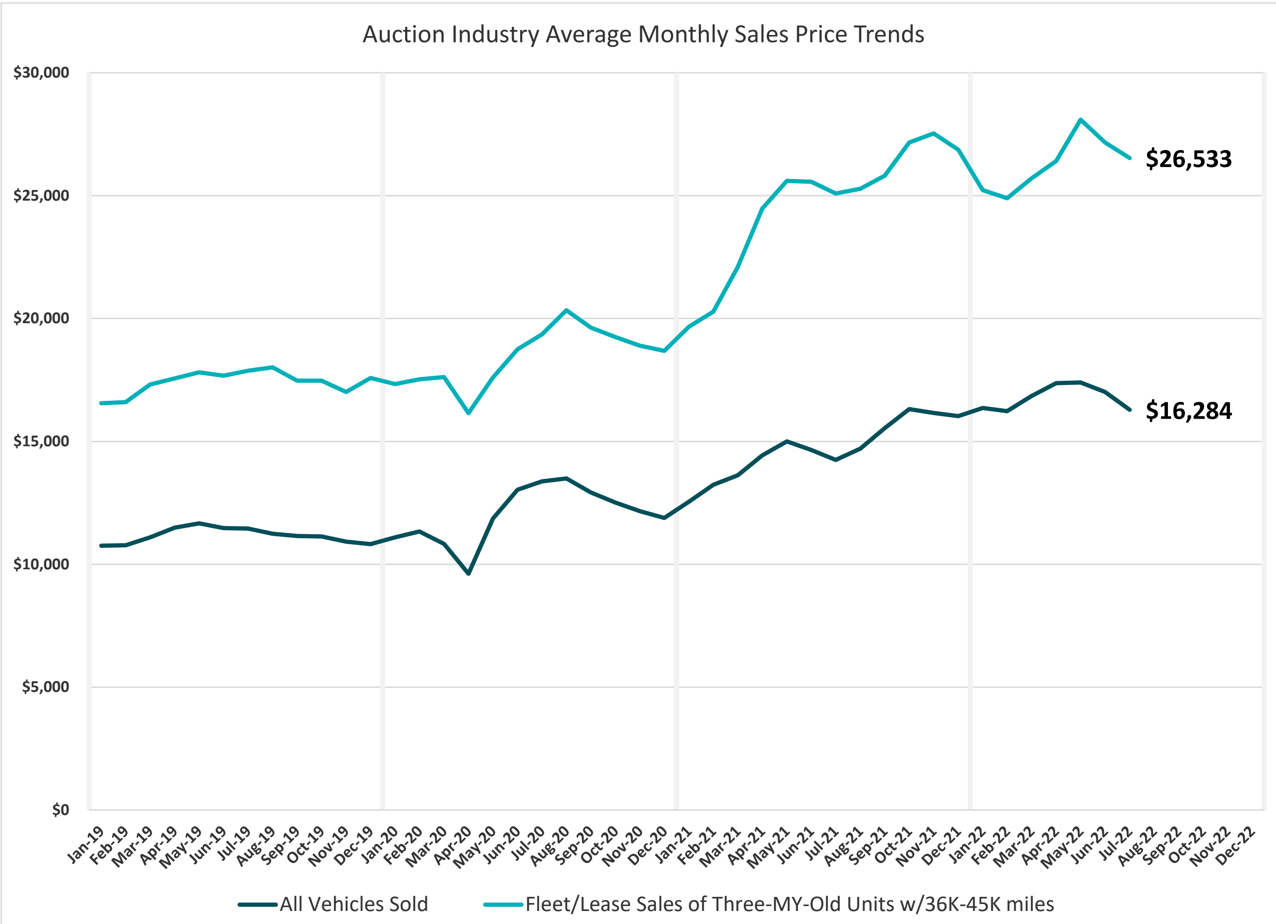
Wholesale Used Vehicle Price Trends

	Average Prices ($/Unit)				Latest Month Versus:		
	Jul-22	Jun-22	Jul-21	Jul-19	Prior Month	Prior Year	Pre-pandemic
Total All Vehicles	**$16,284**	**$17,014**	**$14,250**	**$11,452**	**-4.3%**	**14.3%**	**42.2%**
Total Cars	**$12,235**	**$12,750**	**$10,632**	**$8,654**	**-4.0%**	**15.1%**	**41.4%**
Compact Car	$9,109	$9,264	$7,857	$6,609	-1.7%	15.9%	37.8%
Midsize Car	$10,527	$11,016	$8,935	$7,444	-4.4%	17.8%	41.4%
Fullsize Car	$10,694	$10,998	$9,087	$7,886	-2.8%	17.7%	35.6%
Luxury Car	$18,886	$19,850	$16,590	$13,347	-4.9%	13.8%	41.5%
Sporty Car	$21,791	$22,738	$20,690	$14,673	-4.2%	5.3%	48.5%
Total Trucks	**$18,782**	**$19,607**	**$16,777**	**$13,618**	**-4.2%**	**12.0%**	**37.9%**
Mini Van	$11,640	$12,220	$9,261	$8,404	-4.8%	25.7%	38.5%
Fullsize Van	$23,687	$25,031	$17,516	$13,082	-5.4%	35.2%	81.1%
Compact SUV/CUV	$14,343	$14,903	$12,823	$11,173	-3.8%	11.9%	28.4%
Midsize SUV/CUV	$17,358	$18,126	$14,680	$11,774	-4.2%	18.2%	47.4%
Fullsize SUV/CUV	$20,530	$21,860	$19,139	$14,084	-6.1%	7.3%	45.8%
Luxury SUV/CUV	$27,285	$28,973	$24,847	$18,839	-5.8%	9.8%	44.8%
Compact Pickup	$20,062	$20,585	$16,997	$11,345	-2.5%	18.0%	76.8%
Fullsize Pickup	$22,688	$23,366	$21,453	$17,479	-2.9%	5.8%	29.8%

Average prices in July were down on a month-over-month basis for all vehicle model class segments, with compact cars showing the smallest decline and full-size SUVs/CUVs showing the largest decline.

****Source:*** Analysis in this section is based on over six million annual sales transactions from over 250 of the largest U.S. wholesale auto auctions, including those of ADESA US as well as other auction companies. ADESA US Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc.

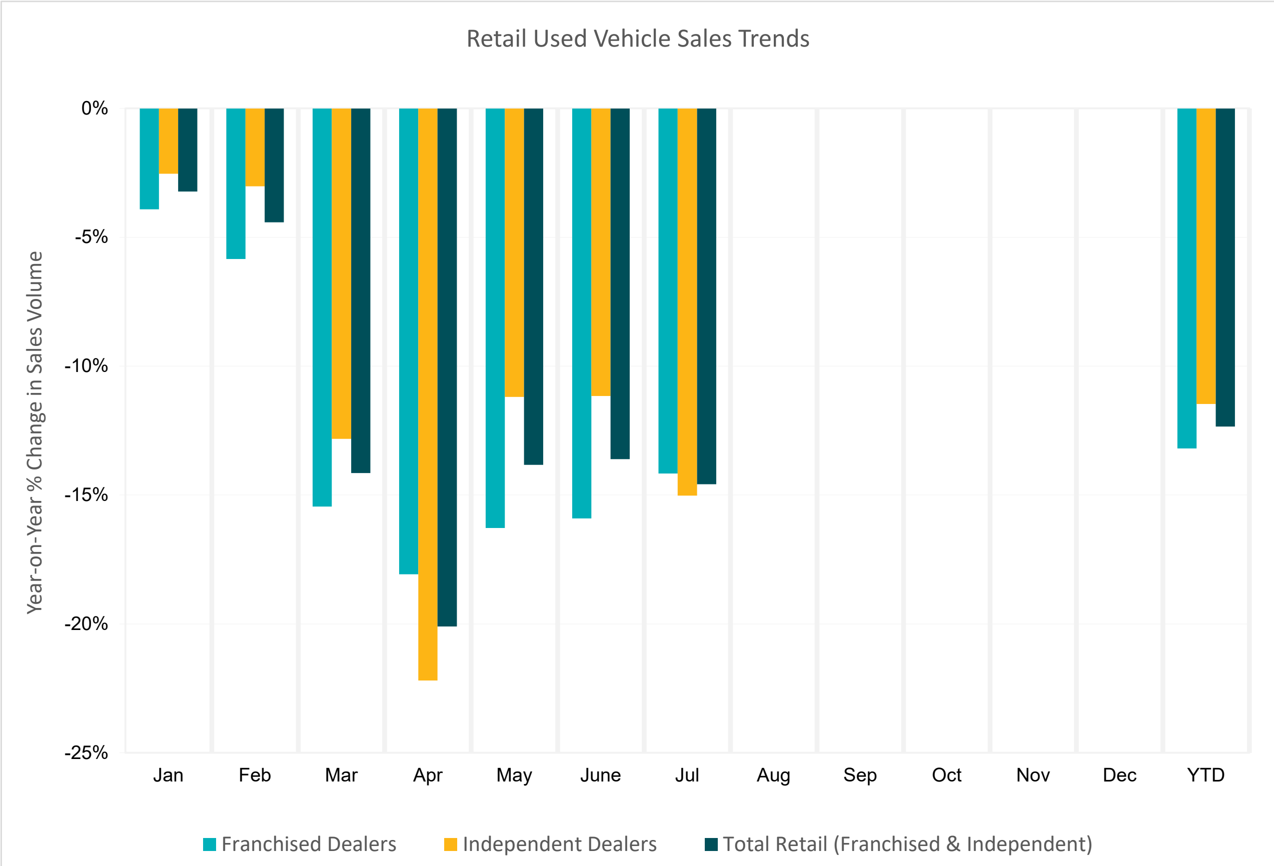
Further insights on wholesale price trends can be gained by holding constant for auction sale type, model-year age and mileage (the upper line in the following graph), as well as price trends for all vehicles sold (the lower line in the graph below). Prices have clearly fallen for both groups from their spring/tax-refund seasonal peaks, though they remain at historically high levels.



A spreadsheet with historical data broken out by model class for the table and graph in this section has been provided with this report for your convenience in tracking these trends going forward.

Retail Market Trends

The following graph and table summarize data on retail used vehicle and certified pre-owned (CPO) sales through July based on ADESA US Analytical Services analysis of data from NADA and Motor Intelligence, respectively.



YTD Jul	Franchised	Independent	Total Retail	CPO Sales
2019	9,154,318	8,379,984	17,534,301	1,640,083
2020	7,940,416	7,602,282	15,542,698	1,495,170
2021	9,094,107	8,757,994	17,852,101	1,712,384
2022	7,894,235	7,753,915	15,648,151	1,422,740
Var - Amt				
vs. 2019	(1,260,082)	(626,068)	(1,886,151)	(217,343)
vs. 2020	(46,180)	151,633	105,453	(72,430)
vs. 2021	(1,199,872)	(1,004,079)	(2,203,951)	(289,644)
Var - %				
vs. 2019	-13.8%	-7.5%	-10.8%	-13.3%
vs. 2020	-0.6%	2.0%	0.7%	-4.8%
vs. 2021	-13.2%	-11.5%	-12.3%	-16.9%

Retail used vehicle and CPO sales continued to show significant declines this year compared to last year and pre-pandemic levels in July and year-to-date.

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