November/December 2023 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

Average wholesale used vehicle prices fell for the second month in a row in November and into December, which is not unusual for the year-end/holiday season period. Dealers appear to be amply stocked for the softer retail demand they face.

*Wholesale Market Trends**

According to ADESA US Analytical Services' monthly analysis of auction industry used vehicle prices by vehicle model class, wholesale prices in November averaged $14,012 — down 4.0% compared to October, down 4.6% relative to November 2022, and up 26.5% versus pre-pandemic/November 2019, as seen below.

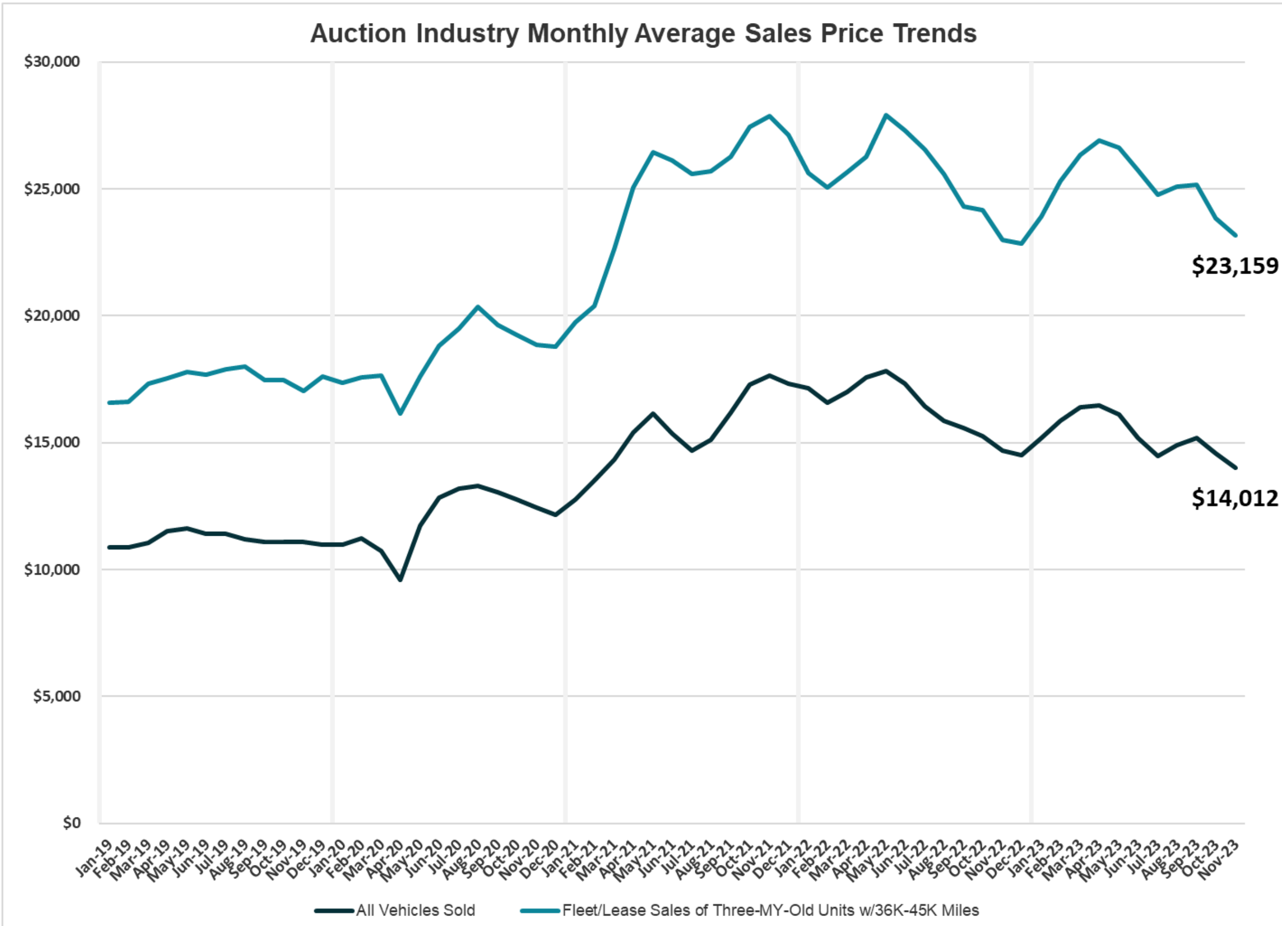
Wholesale Used Vehicle Price Trends

	Average Prices ($/Unit)				Latest Month Versus:		
	Nov-23	Oct-23	Nov-22	Nov-19	Prior Month	Prior Year	Pre-pandemic
Total All Vehicles	**$14,012**	**$14,590**	**$14,688**	**$11,074**	**-4.0%**	**-4.6%**	**26.5%**
Total Cars	**$10,106**	**$10,657**	**$10,587**	**$8,347**	**-5.2%**	**-4.5%**	**21.1%**
Compact Car	$7,833	$8,260	$8,435	$6,199	-5.2%	-7.1%	26.3%
Midsize Car	$8,320	$8,897	$9,245	$7,201	-6.5%	-10.0%	15.5%
Fullsize Car	$8,621	$9,289	$9,545	$7,895	-7.2%	-9.7%	9.2%
Luxury Car	$14,563	$15,235	$15,445	$13,052	-4.4%	-5.7%	11.6%
Sporty Car	$18,983	$19,918	$18,869	$13,761	-4.7%	0.6%	37.9%
Total Trucks	**$16,197**	**$16,840**	**$17,555**	**$13,220**	**-3.8%**	**-7.7%**	**22.5%**
Mini Van	$9,727	$10,593	$11,136	$8,083	-8.2%	-12.7%	20.3%
Fullsize Van	$17,442	$17,959	$21,707	$12,791	-2.9%	-19.6%	36.4%
Compact SUV/CUV	$11,323	$11,795	$12,689	$10,220	-4.0%	-10.8%	10.8%
Midsize SUV/CUV	$14,539	$15,189	$15,461	$12,548	-4.3%	-6.0%	15.9%
Fullsize SUV/CUV	$20,363	$21,393	$20,260	$14,429	-4.8%	0.5%	41.1%
Luxury SUV/CUV	$22,575	$23,531	$24,259	$18,855	-4.1%	-6.9%	19.7%
Compact Pickup	$19,780	$20,559	$18,735	$11,241	-3.8%	5.6%	76.0%
Fullsize Pickup	$20,997	$21,675	$23,020	$16,214	-3.1%	-8.8%	29.5%

All vehicle model-class segments showed month-over-month declines. Average prices have continued to fall in December and stood at $13,905 for the week ending December 17.

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, which represents "Late-Model" units), as well as price trends for <u>all</u> vehicles sold (the lower line in the graph below).

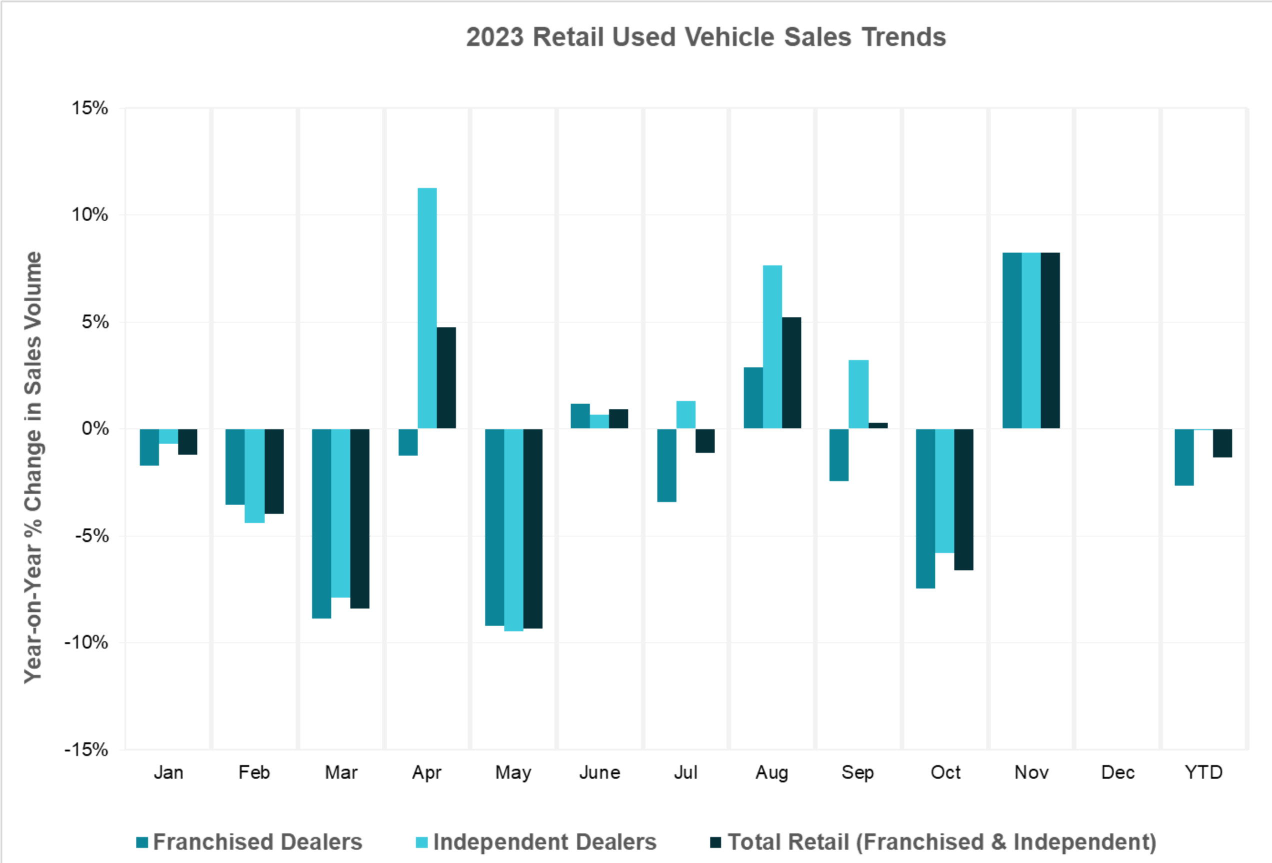


As the graph shows, average prices for "Late-Model" used vehicles as defined here fell at a clip that was similar to the fall in overall prices in November. Prices for these late-model vehicles have also fallen further in December and stood at $22,600 for the week ending December 17.

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.

Retail Market Trends

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



YTD November	Franchised	Independent	Total Retail	CPO Sales
2019	13,913,583	12,978,741	26,892,325	2,576,879
2020	10,474,624	10,084,881	20,559,505	2,380,232
2021	13,805,705	13,334,285	27,139,990	2,561,480
2022	11,982,215	11,787,973	23,770,188	2,242,716
2023	11,666,507	11,785,647	23,452,154	2,413,894
2023 Variance (Units)				
vs. 2019	(2,247,076)	(1,193,095)	(3,440,171)	(162,985)
vs. 2020	1,191,883	1,700,765	2,892,648	33,662
vs. 2021	(2,139,198)	(1,548,638)	(3,687,836)	(147,586)
vs. 2022	(315,708)	(2,327)	(318,035)	171,178
2023 Variance (%)				
vs. 2019	-16.2%	-9.2%	-12.8%	-6.3%
vs. 2020	11.4%	16.9%	14.1%	1.4%
vs. 2021	-15.5%	-11.6%	-13.6%	-5.8%
vs. 2022	-2.6%	0.0%	-1.3%	7.6%

As the table shows, CPO sales continue to outperform total used vehicle sales, the latter of which remain down year-to-date despite year-over-year sales gains in November. November total used vehicle and CPO sales were both down month-over-month (not shown).

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