

January/February 2024 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

Average wholesale used vehicle prices rose in January and have continued to rise thus far in February. Despite this typical seasonal rise, prices remain down on a year-over-year basis, which is more reflective of weaker demand that was also evidenced by slow retail used vehicle sales.

Wholesale Market Trends*

According to ADESA US Analytical Services' monthly analysis of auction industry used vehicle prices by vehicle model class, wholesale prices in January averaged \$13,755 — up 3.5% compared to December, down 9.5% relative to January 2023, and up 26.5% versus pre-pandemic/January 2019, as shown below.

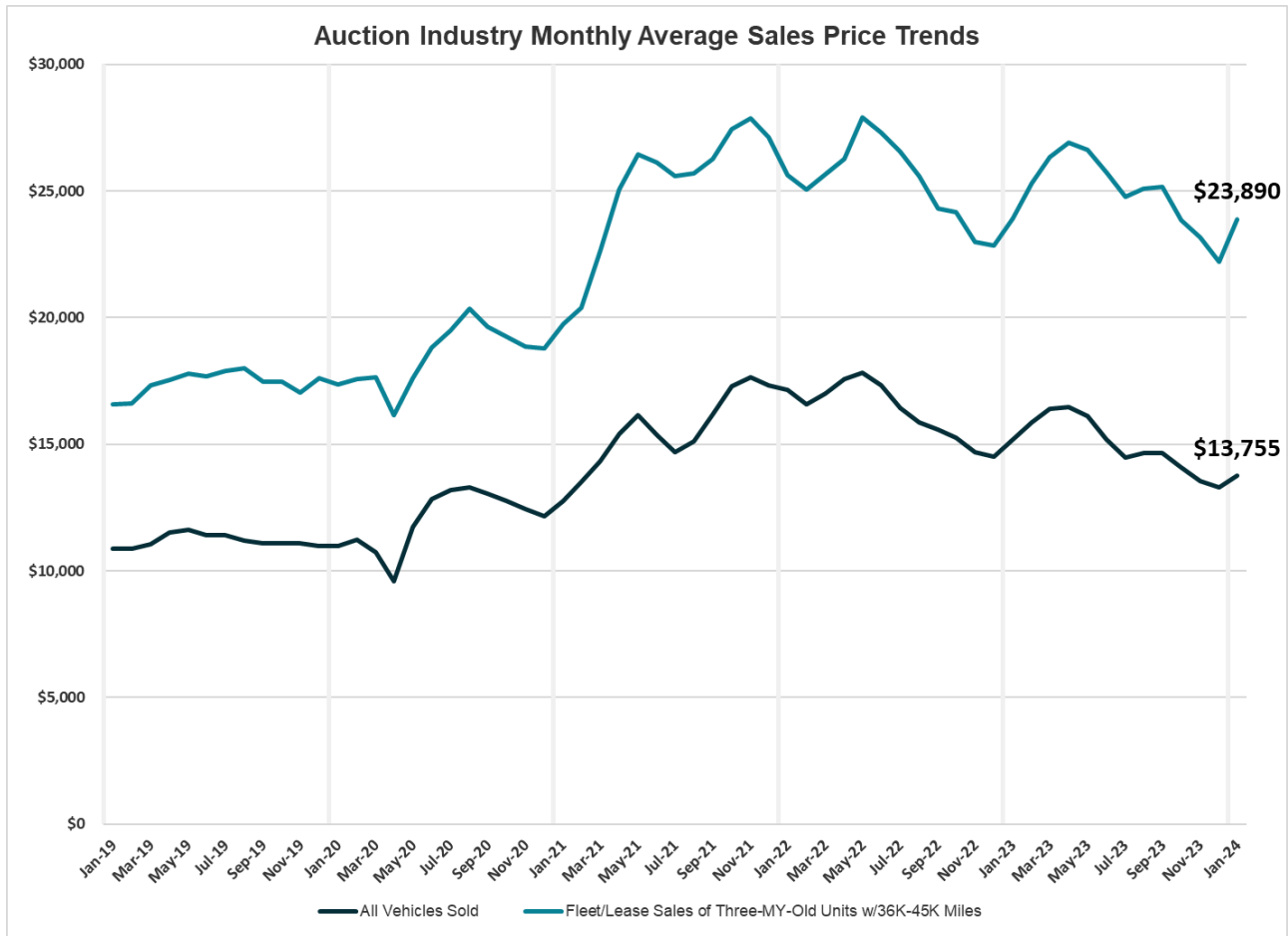
Wholesale Used Vehicle Price Trends

	Average Prices (\$/Unit)				Latest Month Versus:		
	Jan-24	Dec-23	Jan-23	Jan-19	Prior Month	Prior Year	Pre-pandemic
Total All Vehicles	\$13,755	\$13,290	\$15,205	\$10,870	3.5%	-9.5%	26.5%
Total Cars	\$9,698	\$9,291	\$10,935	\$8,506	4.4%	-11.3%	14.0%
Compact Car	\$7,112	\$6,833	\$8,396	\$6,555	4.1%	-15.3%	8.5%
Midsized Car	\$8,291	\$7,773	\$9,434	\$7,518	6.7%	-12.1%	10.3%
Fullsize Car	\$8,629	\$8,204	\$9,879	\$7,899	5.2%	-12.7%	9.2%
Luxury Car	\$14,721	\$14,564	\$16,090	\$12,964	1.1%	-8.5%	13.6%
Sporty Car	\$18,127	\$17,374	\$19,867	\$13,343	4.3%	-8.8%	35.9%
Total Trucks	\$16,217	\$15,796	\$18,087	\$12,979	2.7%	-10.3%	24.9%
Mini Van	\$9,949	\$9,493	\$11,467	\$8,636	4.8%	-13.2%	15.2%
Fullsize Van	\$17,572	\$17,071	\$22,258	\$13,196	2.9%	-21.1%	33.2%
Compact SUV/CUV	\$11,290	\$10,970	\$12,715	\$10,658	2.9%	-11.2%	5.9%
Midsized SUV/CUV	\$14,627	\$14,114	\$16,046	\$11,969	3.6%	-8.8%	22.2%
Fullsize SUV/CUV	\$20,324	\$19,488	\$21,643	\$14,230	4.3%	-6.1%	42.8%
Luxury SUV/CUV	\$22,575	\$22,515	\$24,645	\$18,180	0.3%	-8.4%	24.2%
Compact Pickup	\$18,845	\$18,585	\$19,197	\$9,902	1.4%	-1.8%	90.3%
Fullsize Pickup	\$21,041	\$20,544	\$23,767	\$15,762	2.4%	-11.5%	33.5%

All model class segments showed month-over-month increases, with the biggest gain registered by midsized cars. Average prices have continued to rise so far in February and stood at \$14,254 for the week ending February 11.

*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 all vehicles sold (the lower line in the graph below).

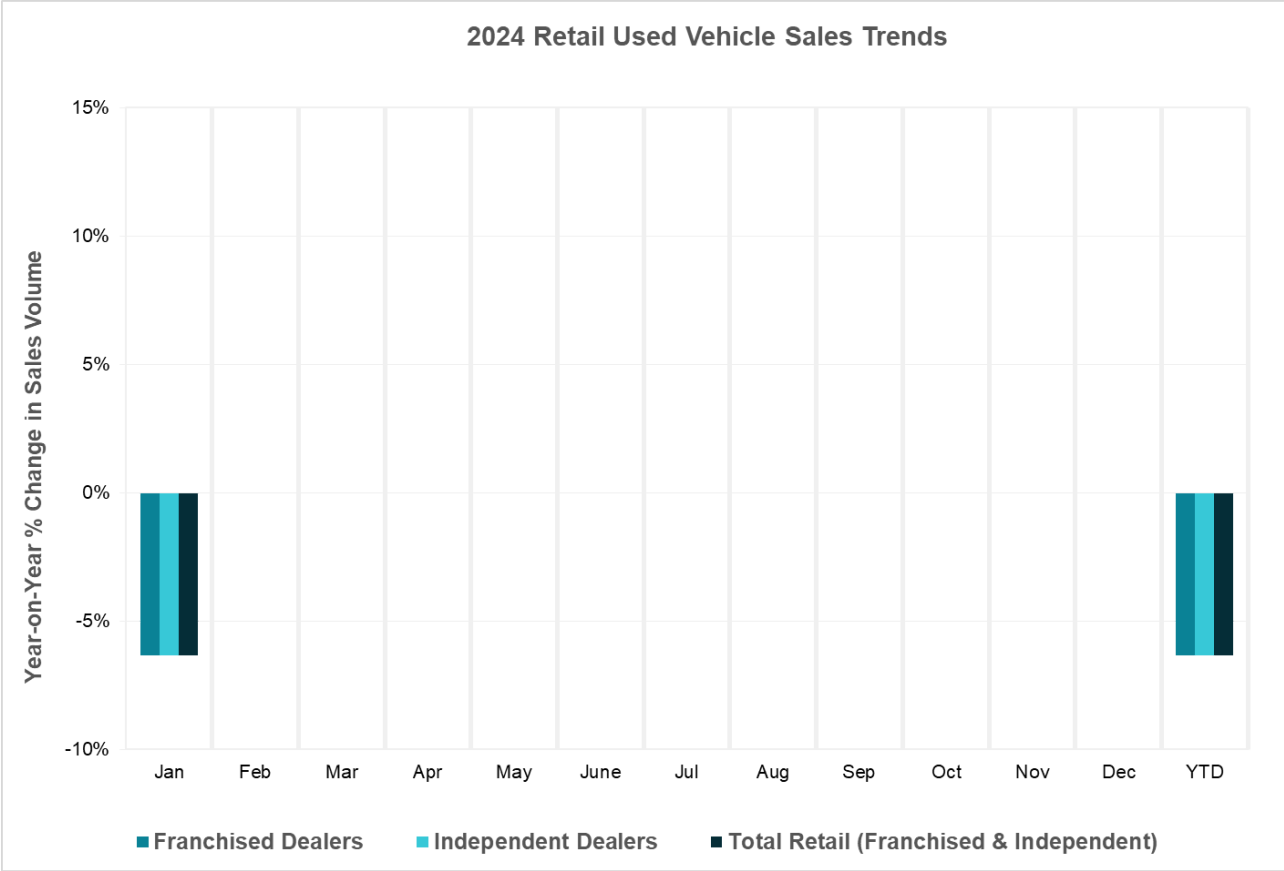


As the graph shows, average prices for “Late-Model” used vehicles as defined here rose even faster than overall prices in January. Average prices for these late-model vehicles have continued to rise in February and stood at \$24,117 for the week ending February 11.

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 ADESA US Analytical Services’ analysis of NADA data on retail used vehicle and certified pre-owned (CPO) sales in January.



YTD January	Franchised	Independent	Total Retail
2019	1,136,187	1,082,160	2,218,347
2020	1,154,628	1,145,734	2,300,362
2021	1,113,892	1,111,868	2,225,760
2022	1,070,287	1,083,711	2,153,998
2023	1,052,046	1,076,338	2,128,384
2024	985,325	1,008,076	1,993,401

2023 Variance (Units)			
vs. 2019	(150,862)	(74,084)	(224,946)
vs. 2020	(169,302)	(137,658)	(306,961)
vs. 2021	(128,567)	(103,791)	(232,358)
vs. 2022	(84,962)	(75,635)	(160,597)
vs. 2023	(66,721)	(68,261)	(134,982)

2023 Variance (%)			
vs. 2019	-13.3%	-6.8%	-10.1%
vs. 2020	-14.7%	-12.0%	-13.3%
vs. 2021	-11.5%	-9.3%	-10.4%
vs. 2022	-7.9%	-7.0%	-7.5%
vs. 2023	-6.3%	-6.3%	-6.3%

As the figures show, NADA's preliminary estimates of January retail used vehicle sales indicate that 2024 is off to a slower start than any of the previous five years.

Disclaimer: The views and analysis provided herein relate to the vehicle remarketing industry as a whole and may not relate directly to ADESA US. The views and analysis are not the views of ADESA US, its management, its subsidiaries or its parent companies; and their accuracy is not warranted.

Forward-Looking Statements: The statements contained in this report and statements that ADESA US, its management, its subsidiaries or its parent companies may make orally in connection with this report that are not historical facts (including, but not limited to, expectations, estimates, assumptions and projections regarding the industry and business) may be forward-looking statements. Words such as "could," "should," "may," "will," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "promises," "likely to," "outlook," "potential," "project" and similar expressions identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include those matters disclosed in the "Risk Factors" identified in Carvana Co.'s Securities and Exchange Commission filings. Neither ADESA US nor its subsidiaries or parent companies undertakes any obligation to update any forward-looking statements.

Copyright © 2024 ADESA US Auction LLC. All Rights Reserved.