March/April 2024 Kontos Kommentary

Current Used Vehicle Market Conditions

Summary

The 2024 tax season still had some “Spring” in its step (please pardon the pun), as exhibited by wholesale price rises and solid retail sales in March. But that bounce may be waning in April, as wholesale prices plateaued and dealers became more selective when restocking their inventories.

*Wholesale Market Trends**

According to ADESA US Analytical Services’ monthly analysis of auction industry used vehicle prices by vehicle model class, wholesale prices in March averaged $14,603 — up 2.0% compared to February, down 10.9% relative to March 2023, and up 32.2% versus pre-pandemic/March 2019, as shown below.

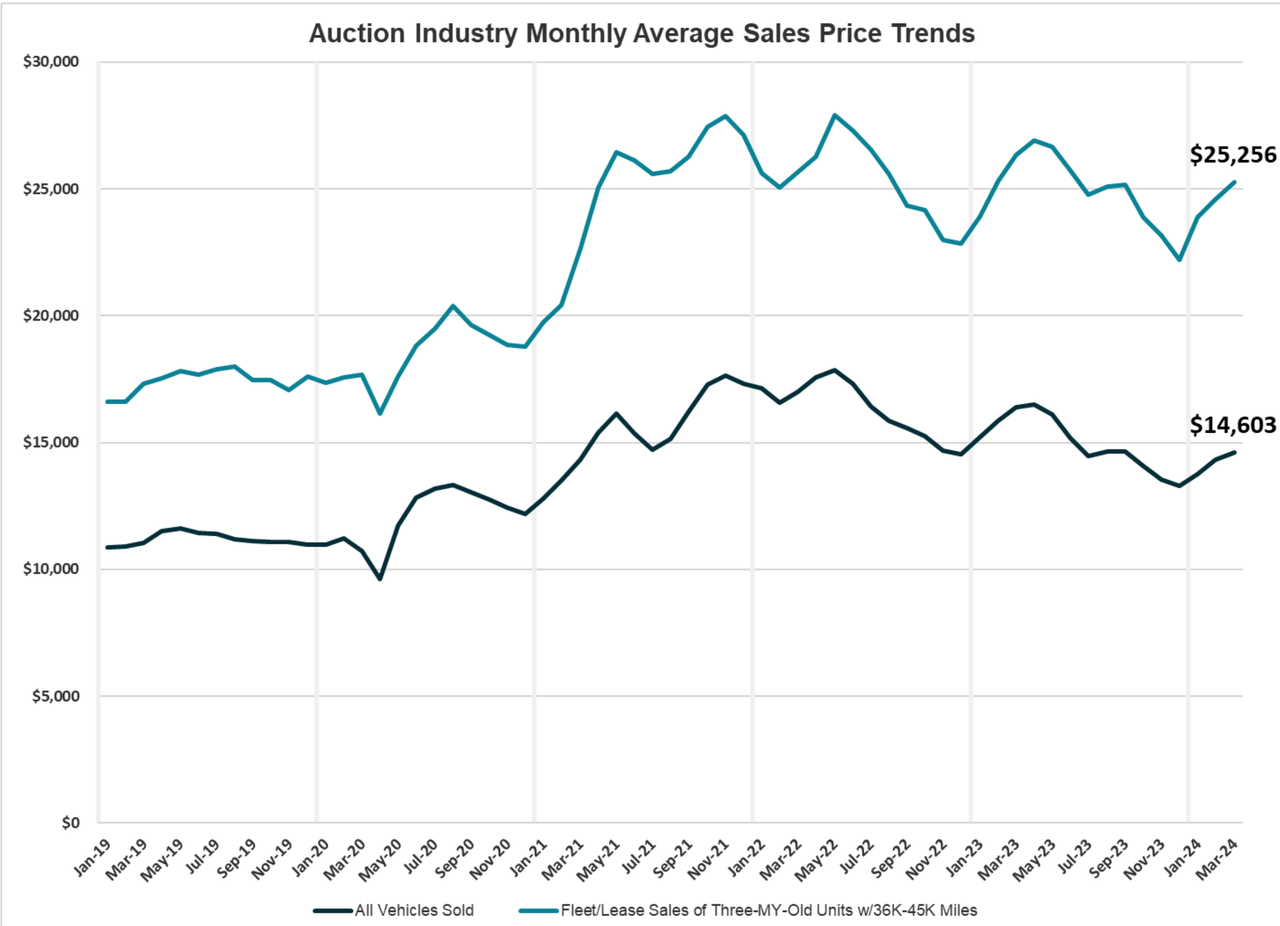
Wholesale Used Vehicle Price Trends

	Average Prices ($/Unit)				Latest Month Versus:		
	Mar-24	Feb-24	Mar-23	Mar-19	Prior Month	Prior Year	Pre-pandemic
Total All Vehicles	**$14,603**	**$14,312**	**$16,385**	**$11,046**	**2.0%**	**-10.9%**	**32.2%**
Total Cars	**$10,425**	**$10,049**	**$11,741**	**$8,659**	**3.7%**	**-11.2%**	**20.4%**
Compact Car	$7,490	$7,261	$9,014	$6,717	3.2%	-16.9%	11.5%
Midsize Car	$8,689	$8,483	$9,930	$7,568	2.4%	-12.5%	14.8%
Fullsize Car	$9,155	$8,951	$10,725	$8,010	2.3%	-14.6%	14.3%
Luxury Car	$15,473	$15,320	$16,766	$13,152	1.0%	-7.7%	17.6%
Sporty Car	$20,873	$19,356	$22,382	$14,306	7.8%	-6.7%	45.9%
Total Trucks	**$17,031**	**$16,782**	**$19,456**	**$13,161**	**1.5%**	**-12.5%**	**29.4%**
Mini Van	$10,400	$10,496	$11,414	$8,409	-0.9%	-8.9%	23.7%
Fullsize Van	$17,465	$17,828	$21,640	$13,312	-2.0%	-19.3%	31.2%
Compact SUV/CUV	$12,042	$11,773	$13,760	$10,786	2.3%	-12.5%	11.6%
Midsize SUV/CUV	$15,346	$15,125	$17,196	$12,092	1.5%	-10.8%	26.9%
Fullsize SUV/CUV	$21,684	$21,114	$22,958	$14,194	2.7%	-5.5%	52.8%
Luxury SUV/CUV	$23,512	$23,040	$26,702	$18,722	2.0%	-11.9%	25.6%
Compact Pickup	$19,760	$19,452	$21,020	$10,084	1.6%	-6.0%	96.0%
Fullsize Pickup	$22,082	$21,849	$25,594	$16,256	1.1%	-13.7%	35.8%

Mini and fullsize vans were the only model class segments that showed month-over-month price decreases. Average prices have plateaued in April and stood at $14,530 for the week ending April 14.

****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).

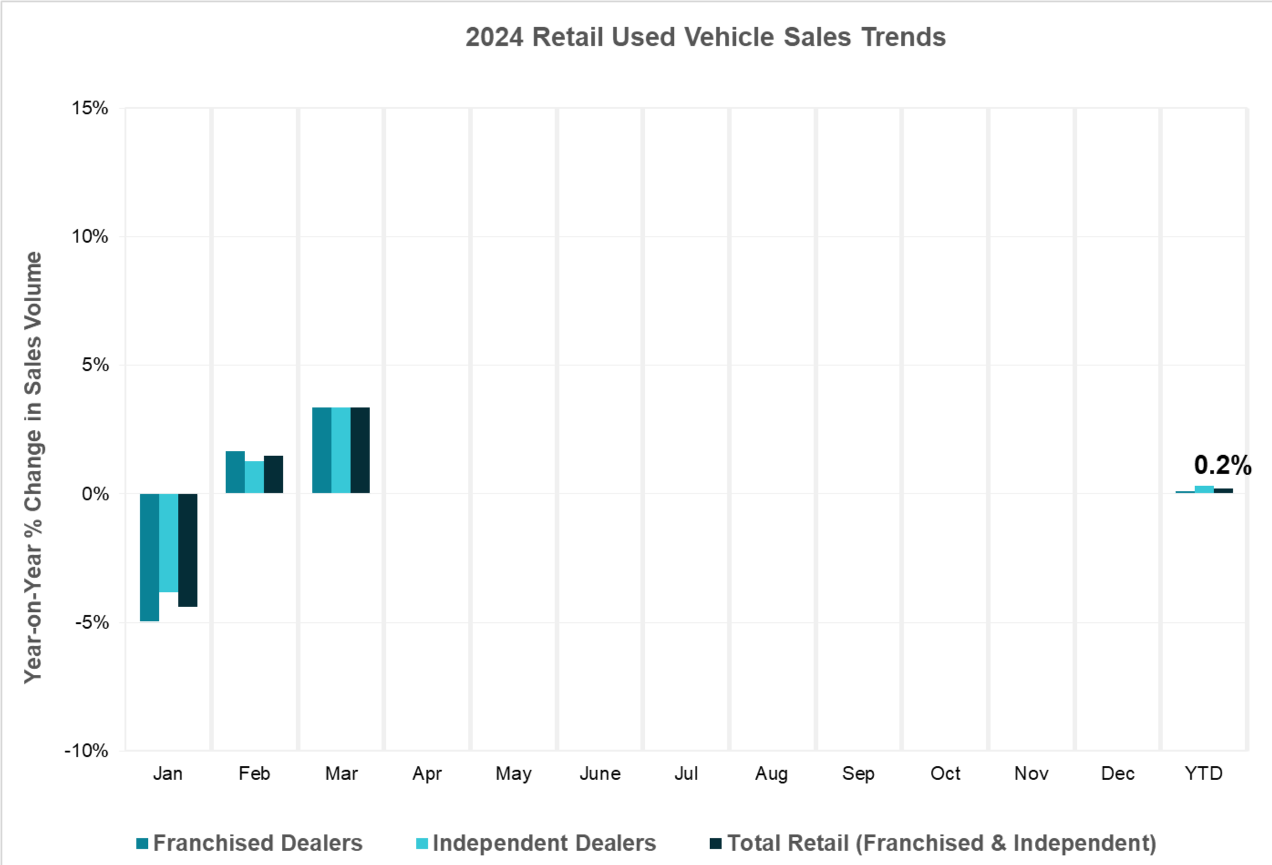


As the graph indicates, average prices for "Late-Model" used vehicles as defined here rose faster than overall prices through March. However, average prices for these late-model vehicles have fallen in April and stood at $24,517 for the week ending April 14.

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 and Motor Intelligence data, respectively, on retail used vehicle and certified pre-owned (CPO) sales in March.



YTD March	Franchised	Independent	Total Retail	CPO Sales
2019	3,847,493	3,584,372	7,431,865	677,020
2020	3,186,131	3,064,834	6,250,965	612,754
2021	3,743,194	3,717,834	7,461,028	696,809
2022	3,406,735	3,472,767	6,879,502	578,329
2023	3,242,479	3,319,597	6,562,076	637,485
2024	3,245,875	3,330,586	6,576,461	644,289
2023 Variance (Units)				
vs. 2019	(601,618)	(253,786)	(855,404)	(32,731)
vs. 2020	59,744	265,752	325,496	31,535
vs. 2021	(497,319)	(387,249)	(884,567)	(52,520)
vs. 2022	(160,859)	(142,181)	(303,041)	65,960
vs. 2023	3,396	10,989	14,385	6,804
2023 Variance (%)				
vs. 2019	-15.6%	-7.1%	-11.5%	-4.8%
vs. 2020	1.9%	8.7%	5.2%	5.1%
vs. 2021	-13.3%	-10.4%	-11.9%	-7.5%
vs. 2022	-4.7%	-4.1%	-4.4%	11.4%
vs. 2023	0.1%	0.3%	0.2%	1.1%

Based on the strength of March's preliminary results, year-to-date retail used vehicle sales are now slightly (0.2%) above year-ago levels, though still below pre-pandemic levels. CPO sales are more impressive at a 1.1% year-over-year increase, as consumers shop for affordable new-vehicle substitutes.

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