

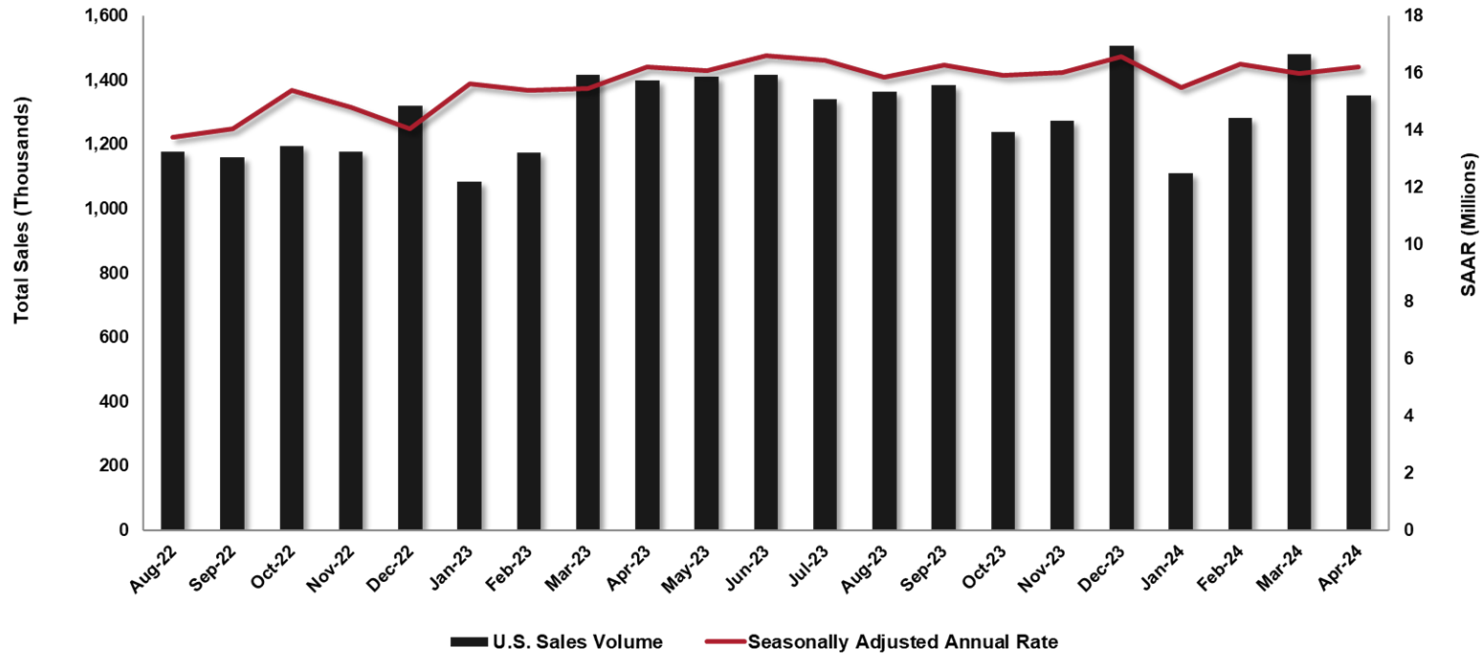


Industry Trends

April 2024 – May 2024


Merchants
FLEET

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



US Sales – All Channels

- April's sales increased by 1.2% month over month.
- Passenger vehicles sales decreased by 9% year over year, and light truck decreased by 1.7% year over year.
- April's light truck sales accounted for 80% of all sales.

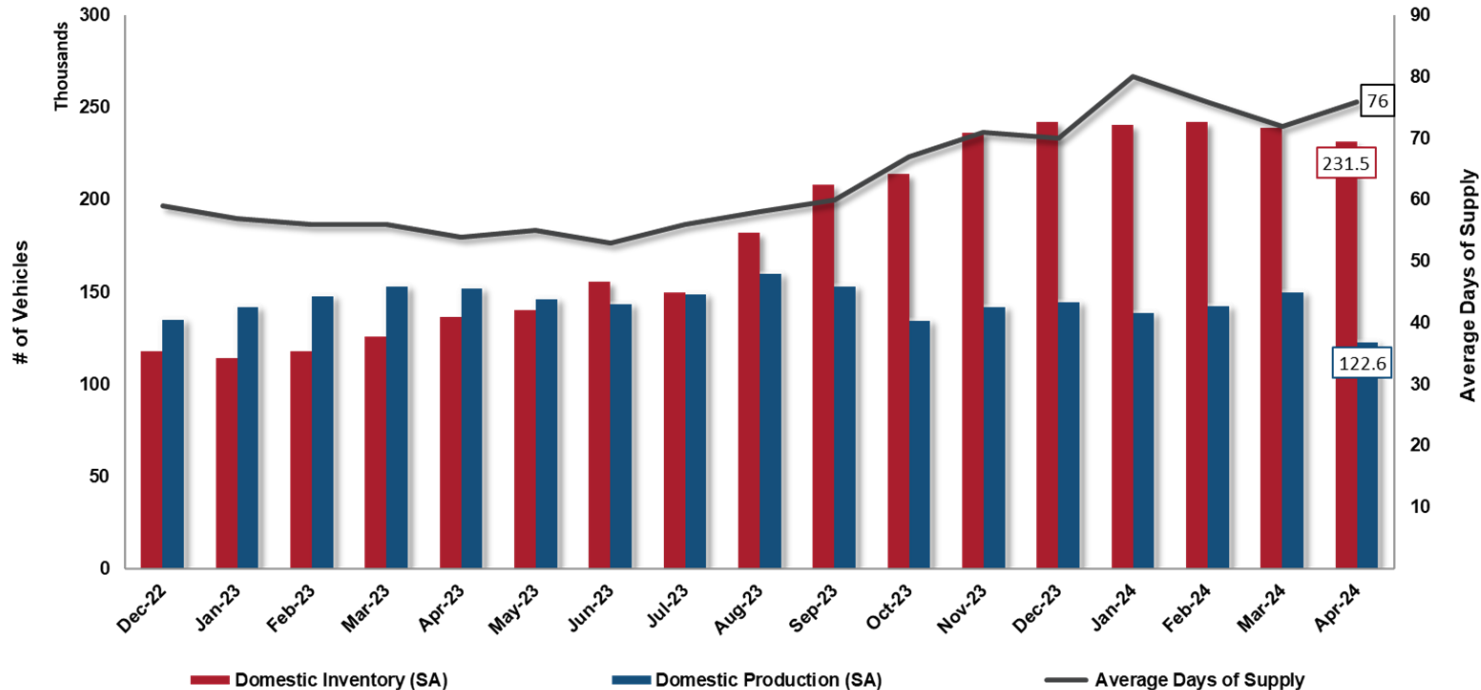
- On a seasonally adjusted annualized basis, sales dropped 8.7% month over month and 3.5% year over year.

Fleet Sales

- In April, 219,687 total fleet units were sold, a 13.6% year over year decrease.

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

Dealer Inventory & Days of Supply



- April's new vehicle inventories ended with 231,461, a 3.2% month over month decrease and a 69.8% year over year increase.
- The average dealership supply increased to 76 days compared to 72 the month prior.
- New vehicle production decreased 18.3% month over month and 19.4% year over year.

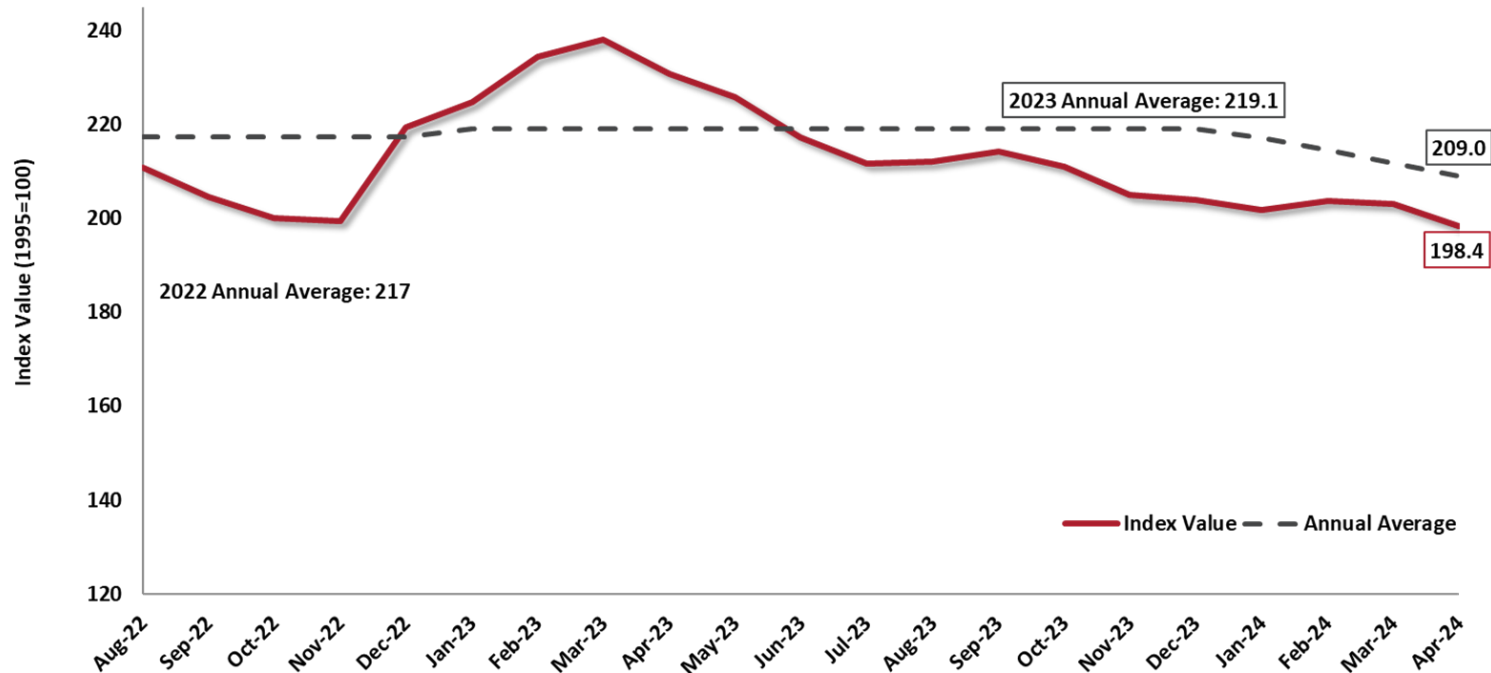
- April's new vehicle price averaged \$47,433, a 0.41% increase month over month and 0.14% year over year.

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 decreased 5.6% year over year in April.
- The Manheim Used Vehicle Value Index decreased by 14% year over year.
- 2019 (pre-pandemic) Annual Average was 138.9
- All major market segments saw lower seasonally adjusted prices year over year in April.

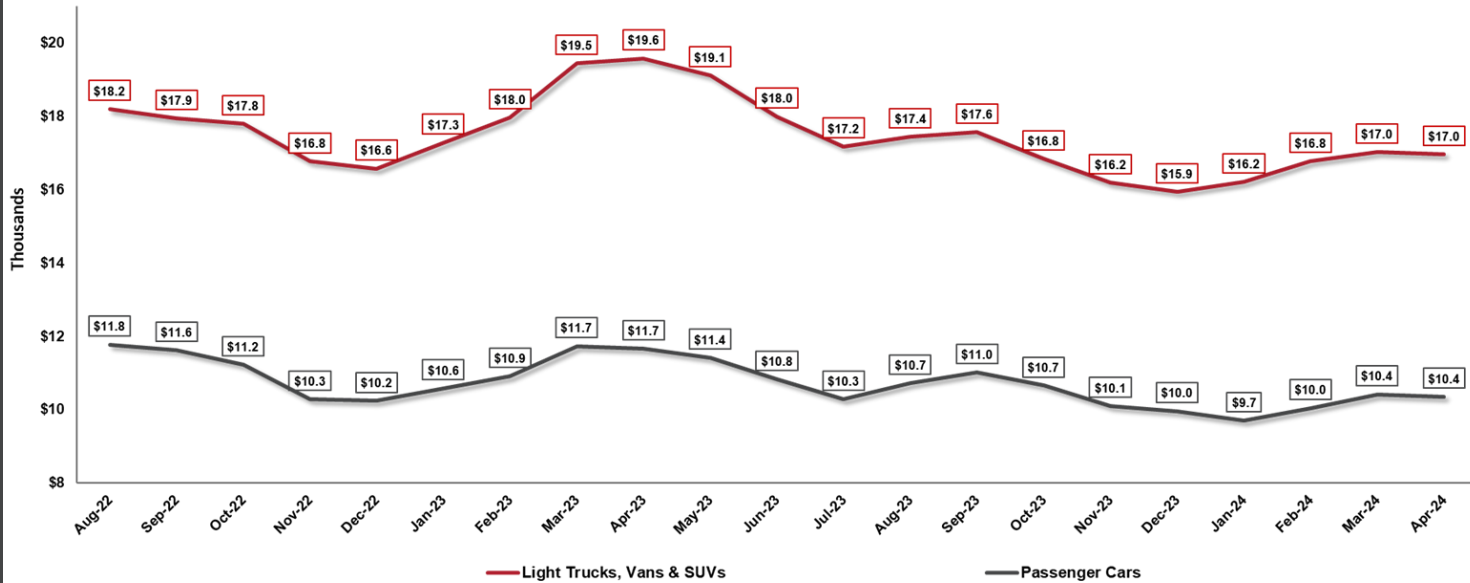
- All major segments saw overall price decreases month over month, with pickups down 1.3%

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



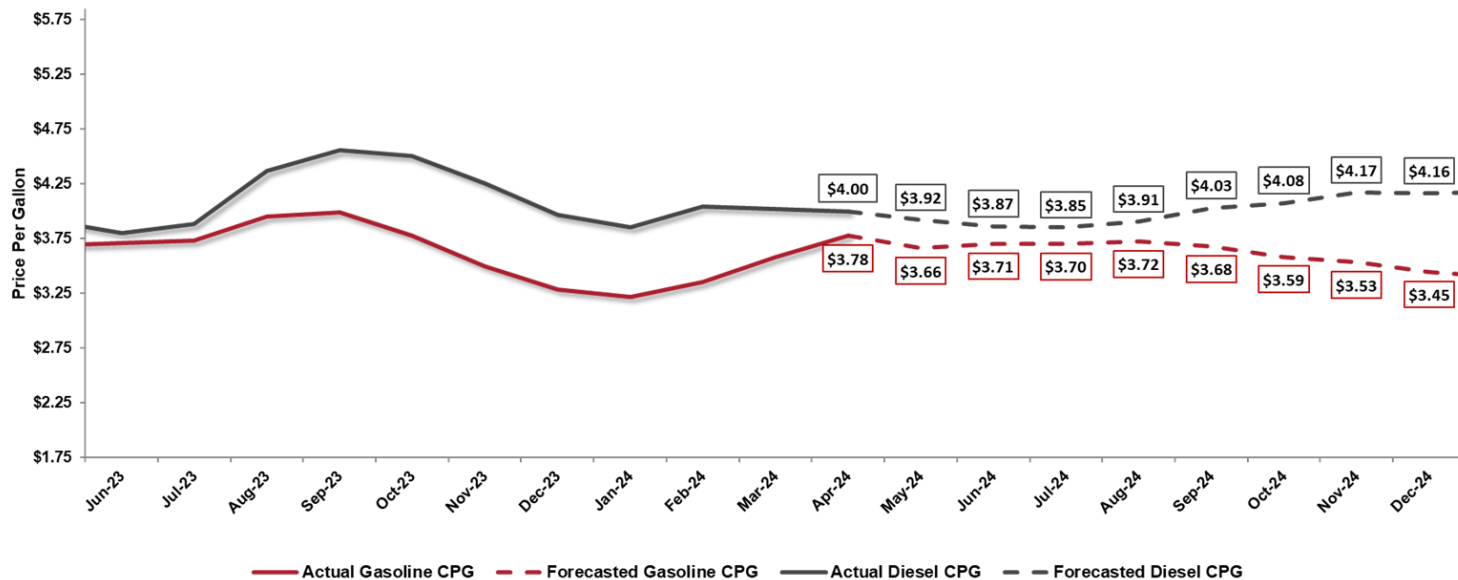
- Wholesale prices decreased 0.3% month over month compared to March.
- Wholesale prices saw a decrease of 11.7% year over year.
- April 2024 wholesale prices are 26.6% above pre-pandemic prices.

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 5.4% from the previous month and averaged \$3.78 per gallon in April.
- U.S. diesel retail prices decreased 0.5% from the previous month and averaged \$4.02 per gallon.

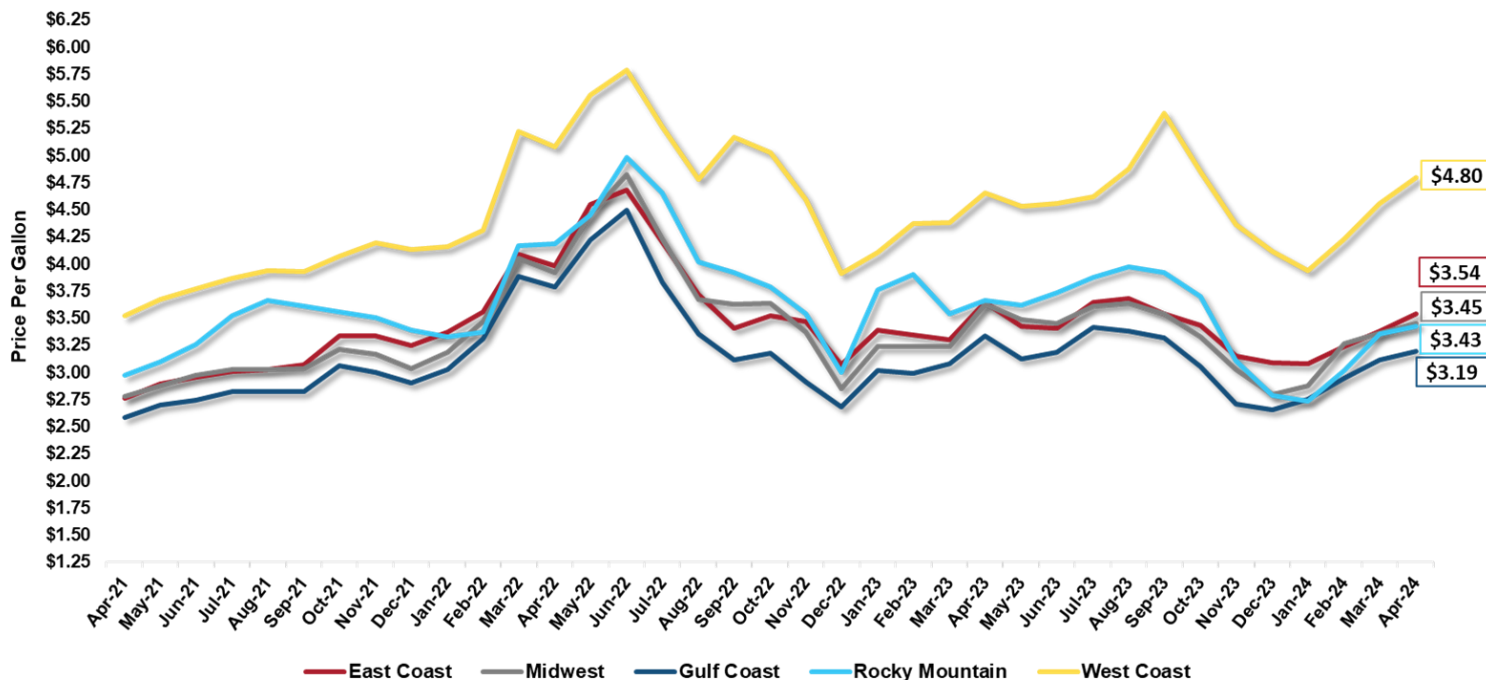
- May's forecasted gasoline price is \$3.66 per gallon, and diesel has a forecasted price of \$3.92 per gallon.

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



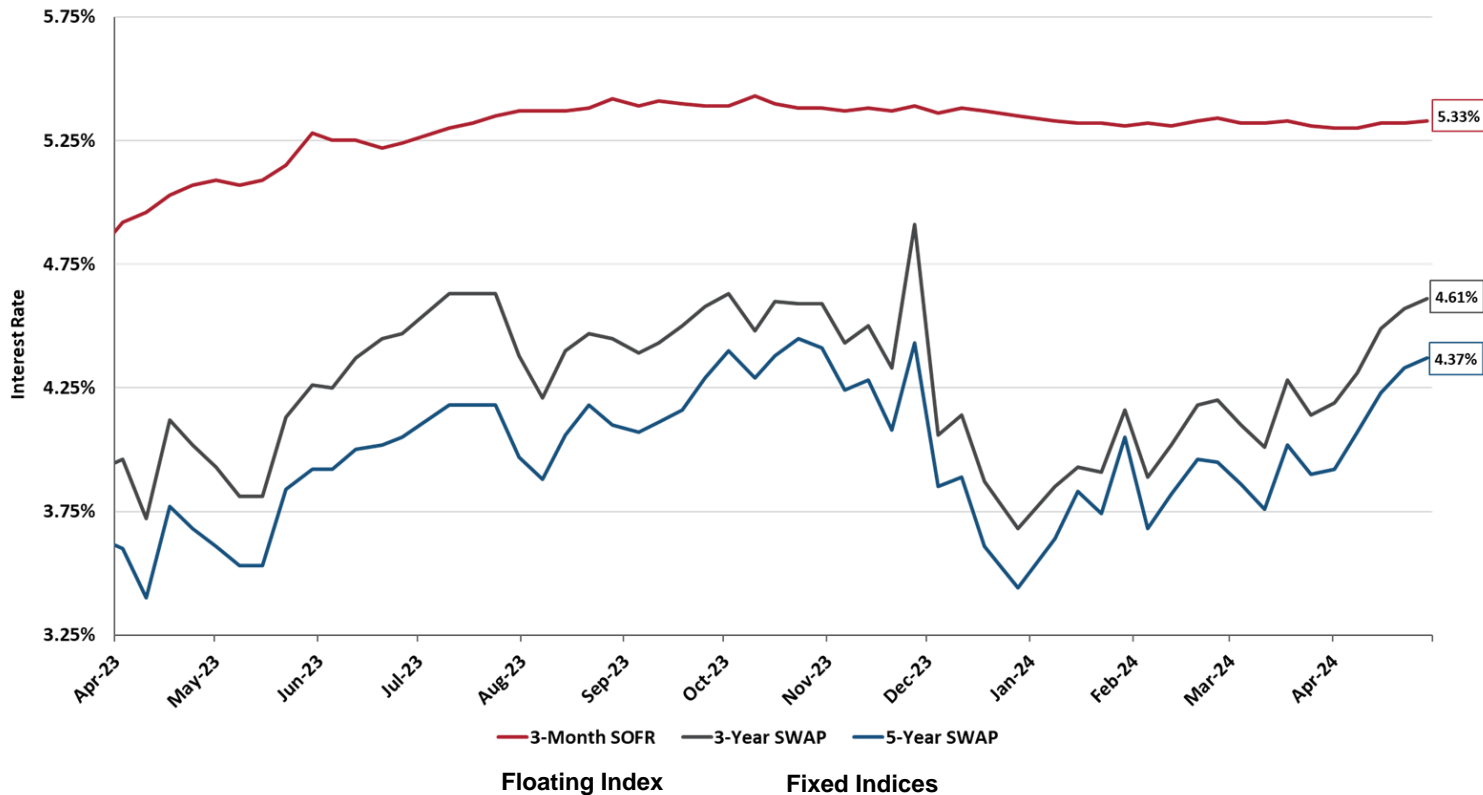
- Overall, Regular Grade Fuel prices have increased in April with a U.S. average of \$3.65 per gallon.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

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 5.33%, a month over month increase of 0.02%
- The 3-Year SWAP rate has increased to 4.61%
- The 5-Year SWAP rate increased and is currently 4.37%

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.