



Manheim Market Insights

November Mid-Month

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COX AUTOMOTIVE

Wholesale Market Trend Summary

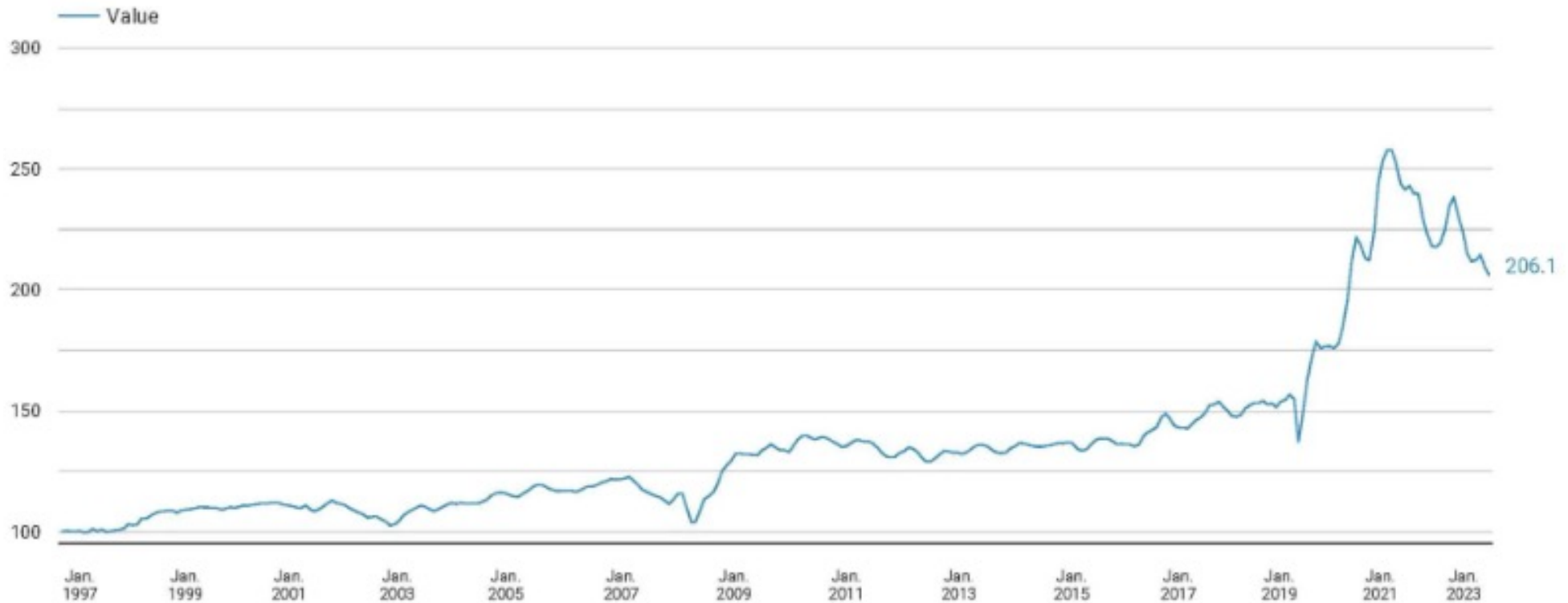


- Wholesale values decreased again in the 1st half of November as values have been lower over the last 6 weeks. Since the beginning of the month, Sales Conversion has risen as demand begins to firm up.
- MMR Index values accelerated their declines over the last several weeks – depreciating more than is normal at this time of year.
- Wholesale market supply remains tighter than last year and against 2019 levels.
- Affordability continues to be an issue as price declines at retail have been offset with financing rate increases.
- Lease Equity or CALE has dropped substantially since hitting a high at the end of 2021. Pay attention to this for lease returns in 2024.

November Mid-Month MUVVI



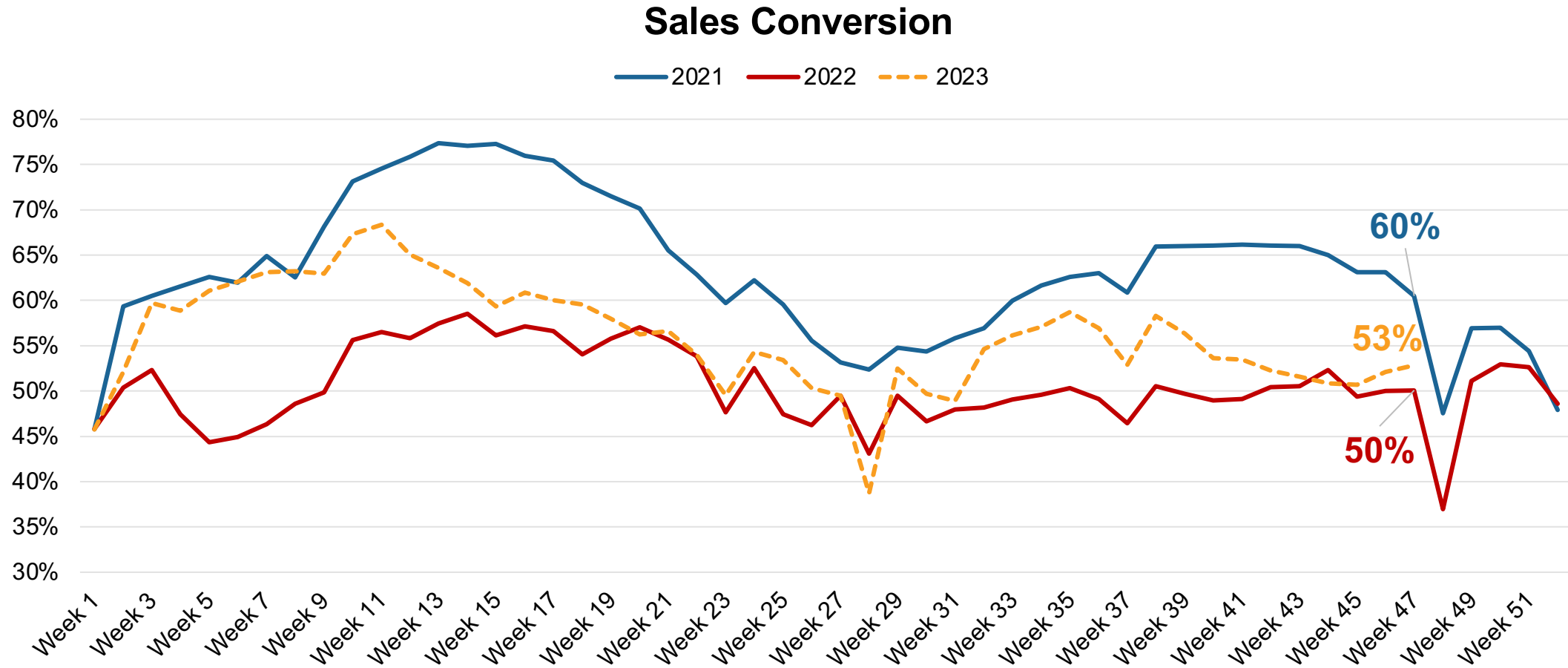
MANHEIM USED VEHICLE VALUE INDEX
Mid-November 2023



Wholesale Sales Conversion



Sales conversion has risen over the last couple of weeks, now about 3 points above 2022 levels



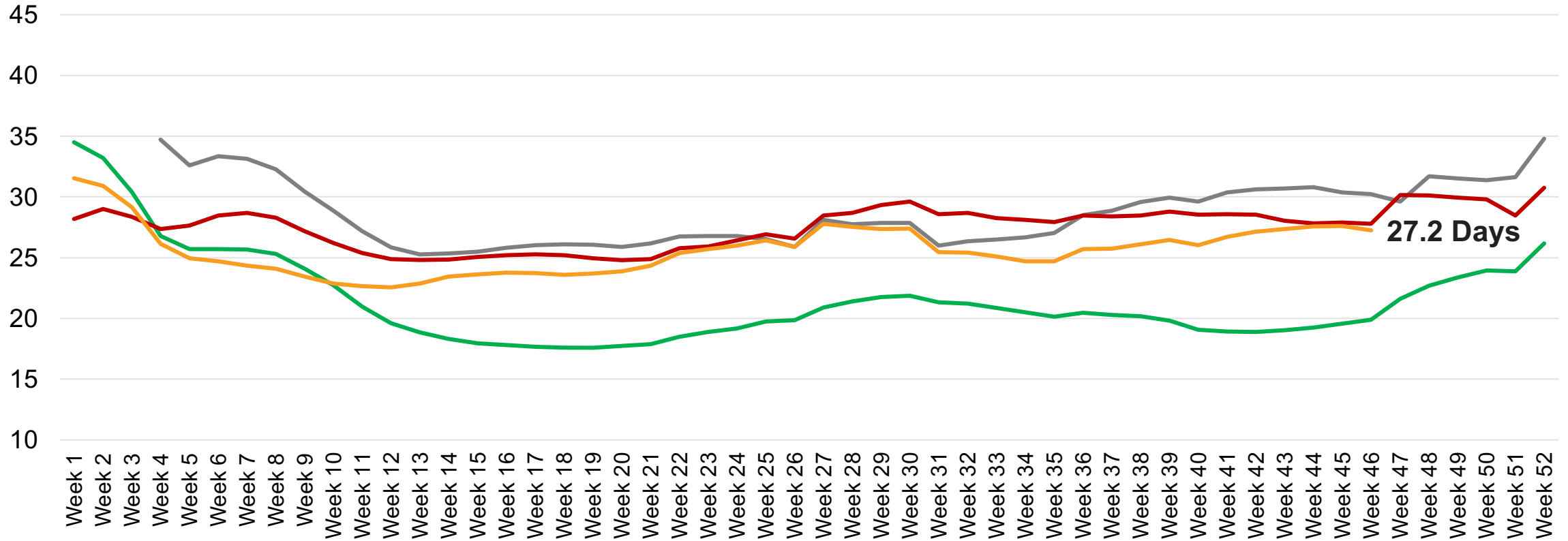
Wholesale Days Supply



Wholesale Inventory is 7% higher vs 2022 but Sales are up 9%, moving Days Supply a bit lower

Wholesale Days of Supply

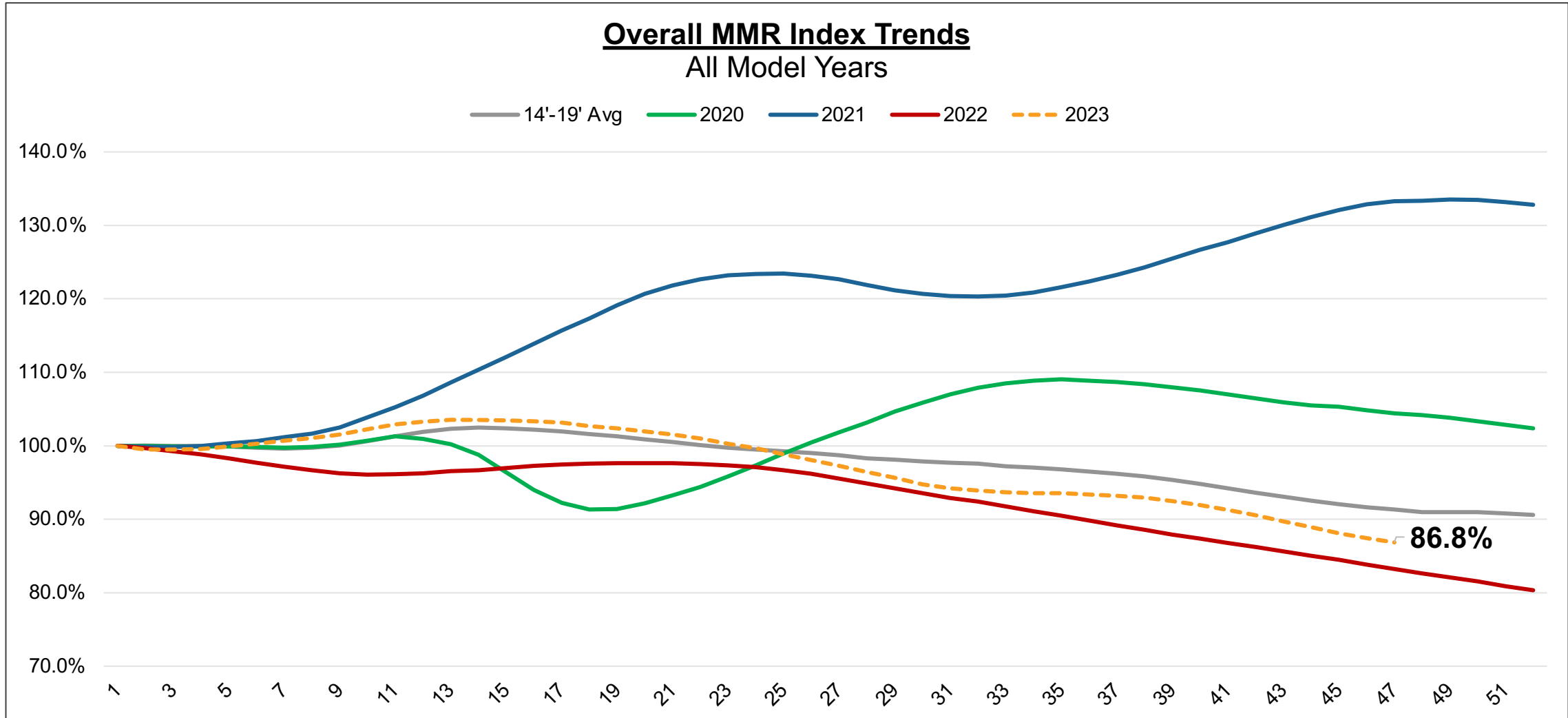
— 2019 — 2021 — 2022 — 2023



Wholesale MMR Index



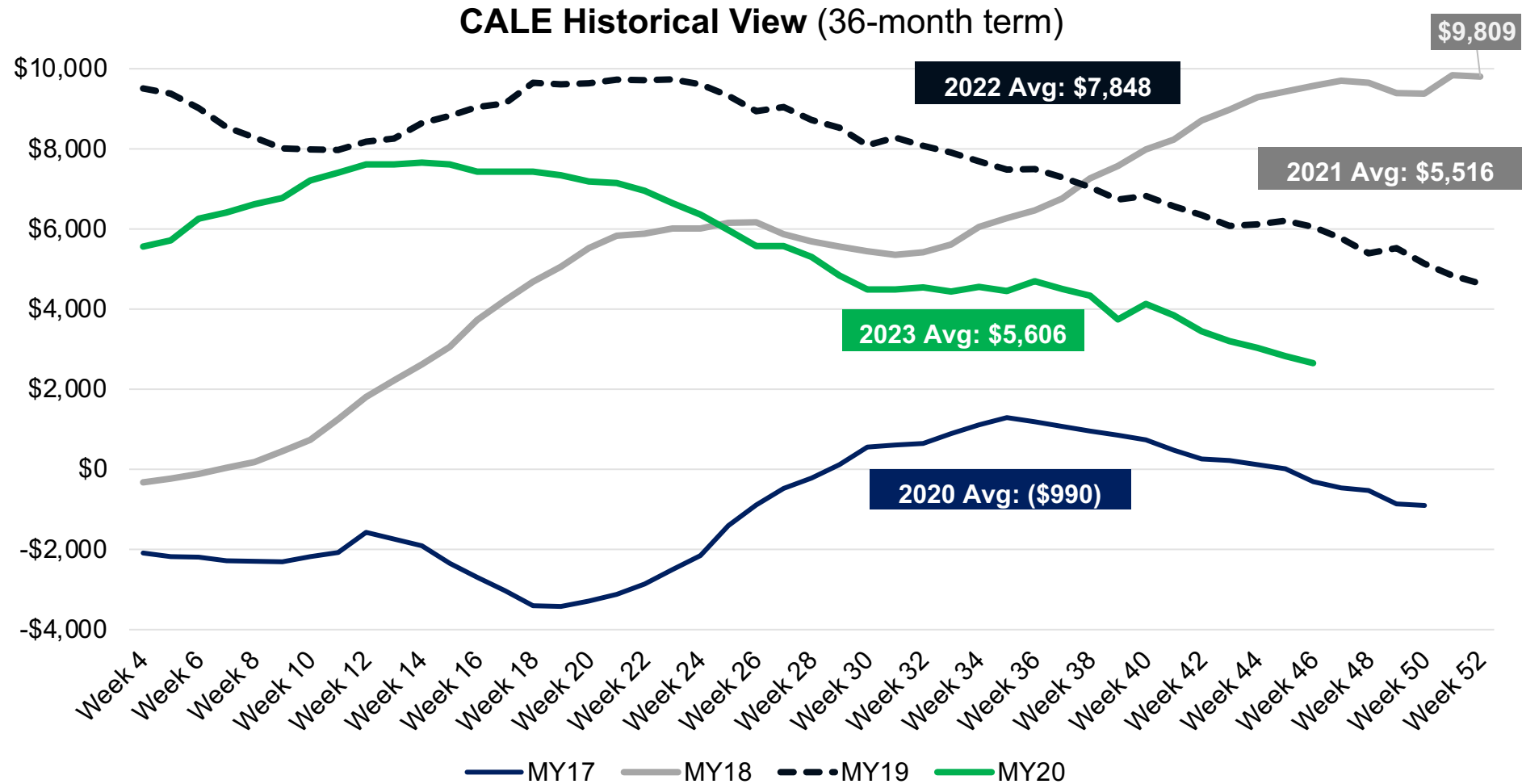
After flattening in late Summer, weekly declines in wholesale values increased through the 1st half of November



CALE: Lease Equity Positive Yet Trending Lower



2023 was flatter in August and September but CALE began declining again from October onward



Closing Comments



As we move into a time of the year when there's always a lot going on, we are starting to see more normal overall trends play out. Wholesale values have declined and they moved down a bit more than are normal. On the other hand, we are at a spot where some dealers need to replenish a bit more inventory. So – in a word – we are looking at some balancing forces in our markets.

As Q4 races by us, let's keep watching the data each week. We are close to the time of the year where more dealers start prepping for Q1 of 2024 – and that's something we look out for weekly.

