U.S. AUTO OUTLOOK

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J.D. Power
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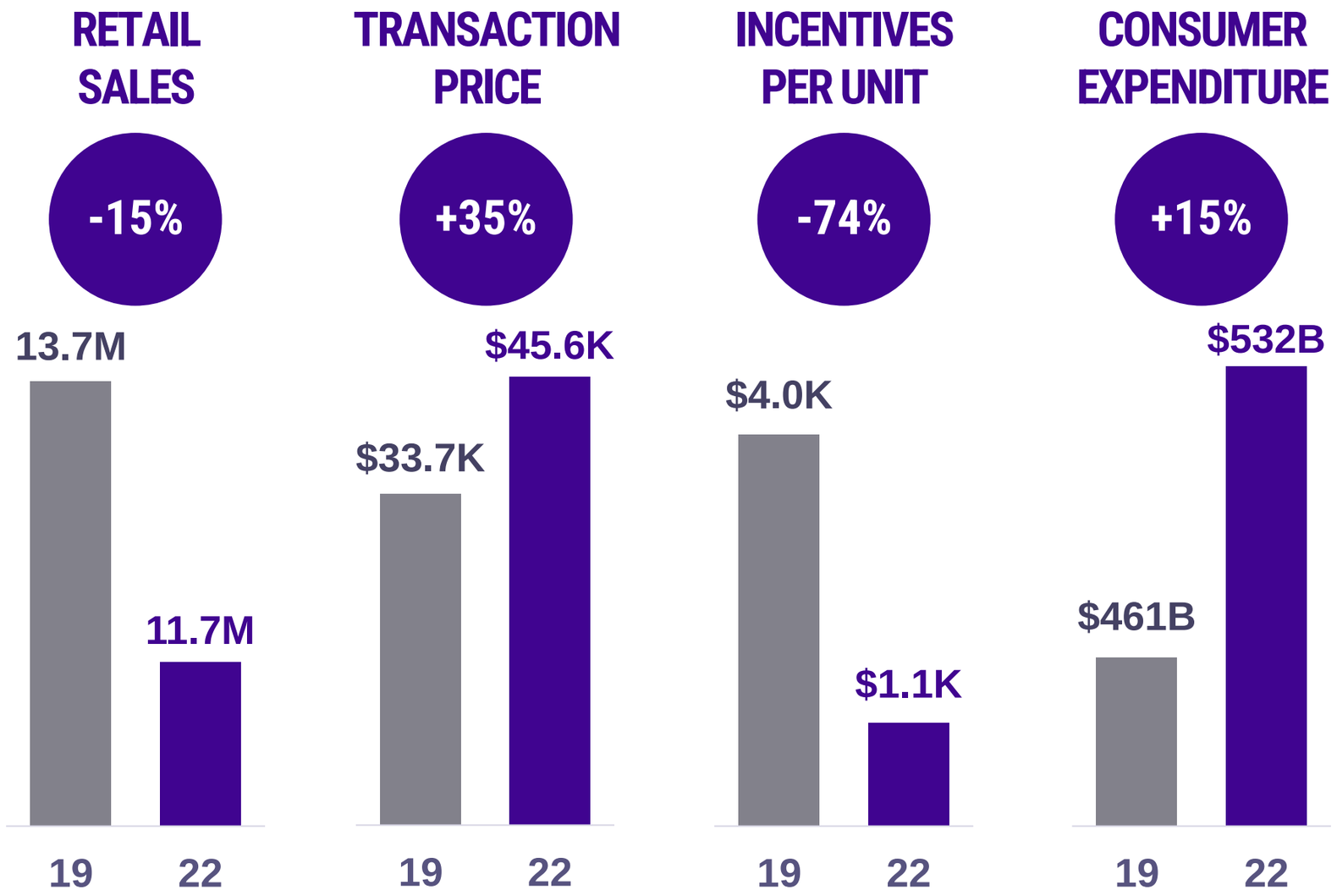
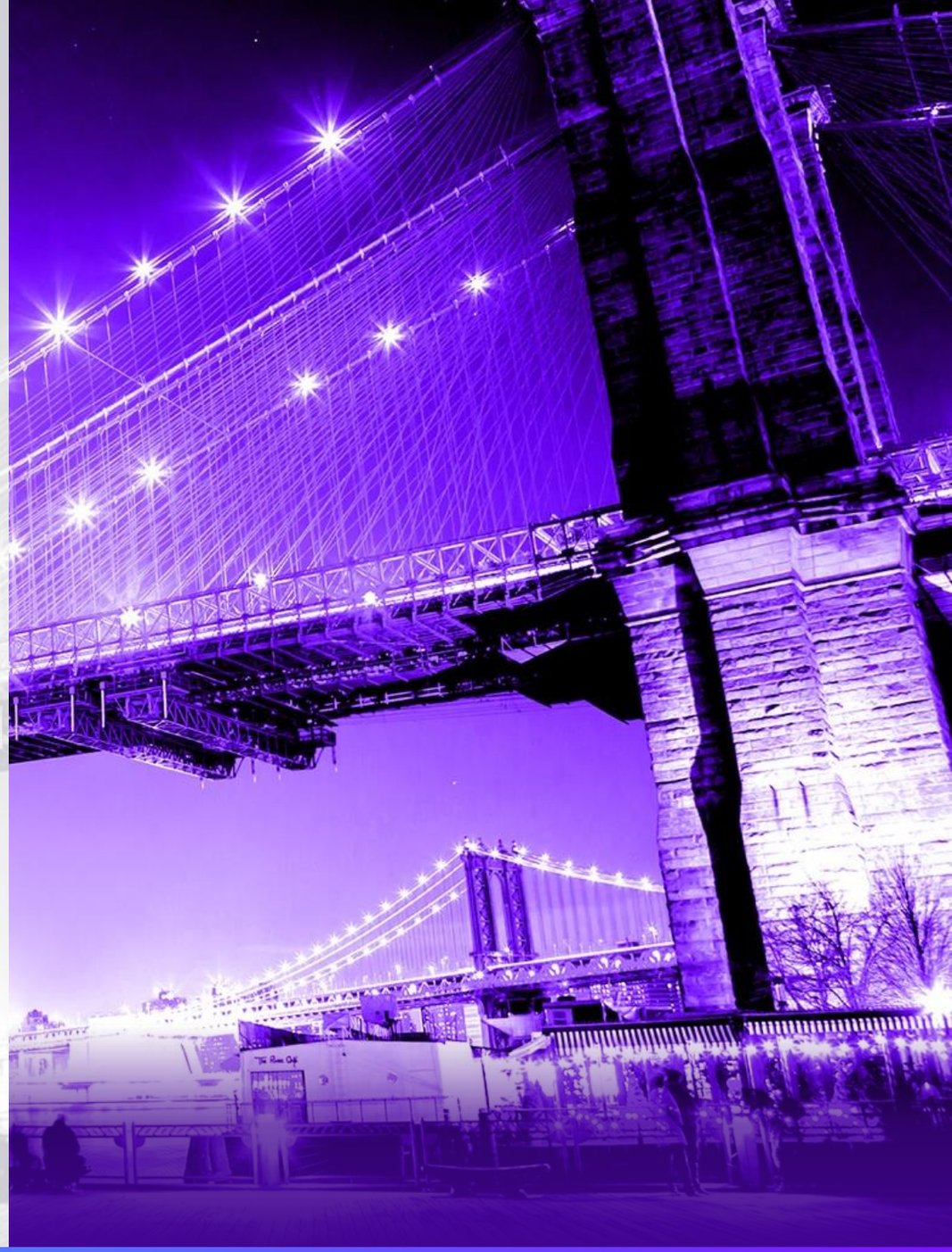
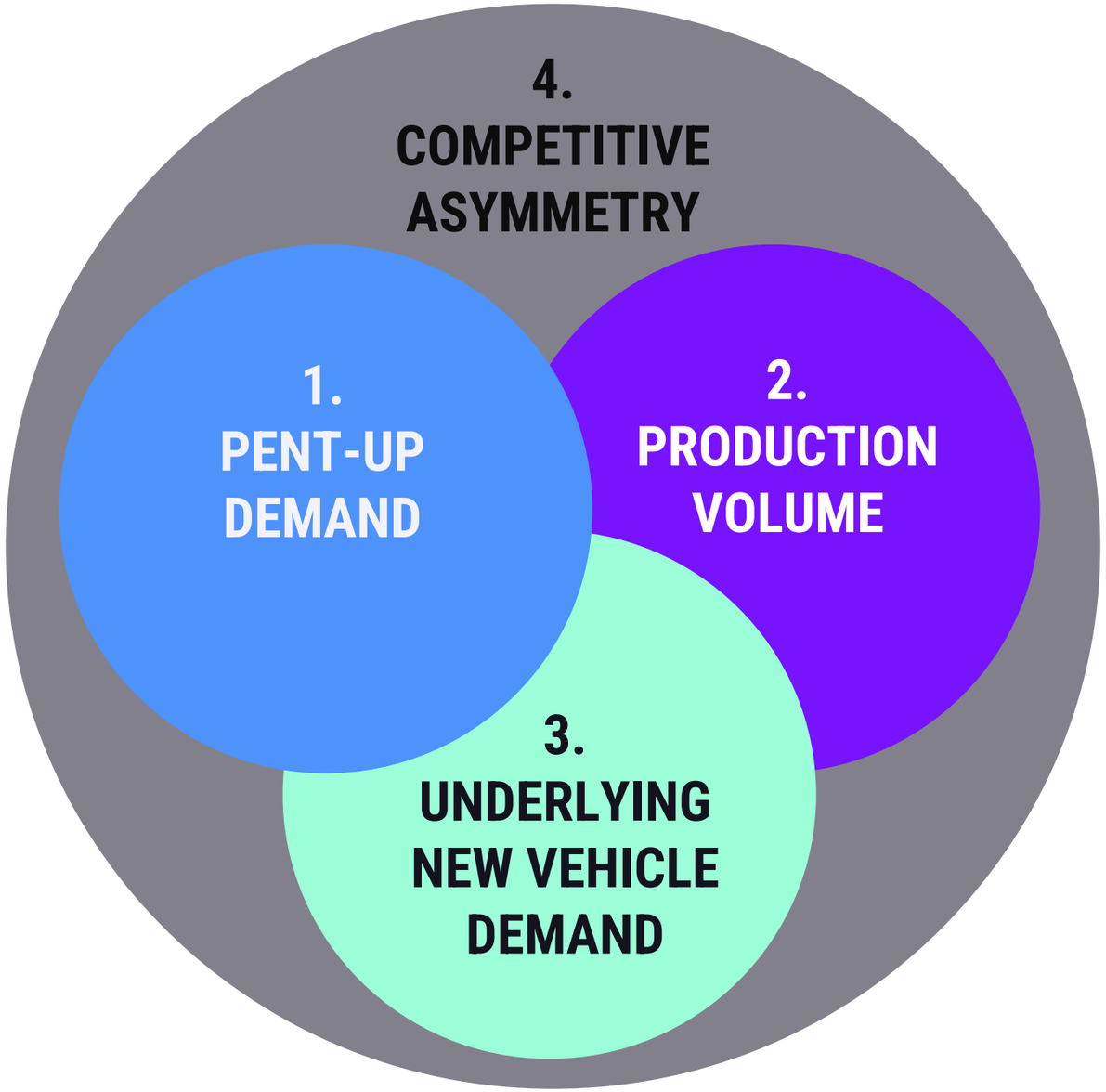
2022: MOST PROFITABLE YEAR EVER



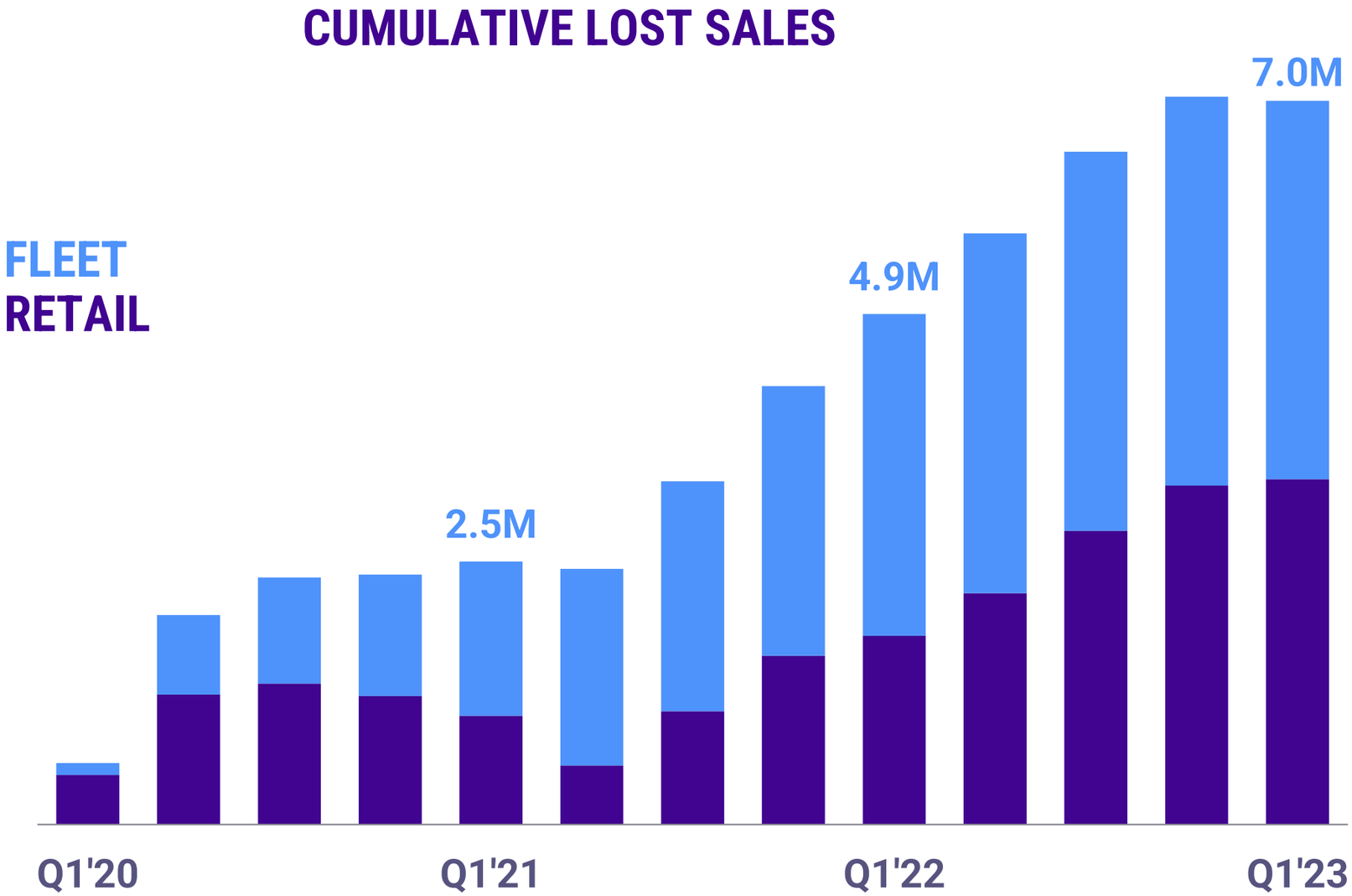
WHAT WILL SHAPE THE YEAR AHEAD?



4 KEY VARIABLES WILL SHAPE 2023



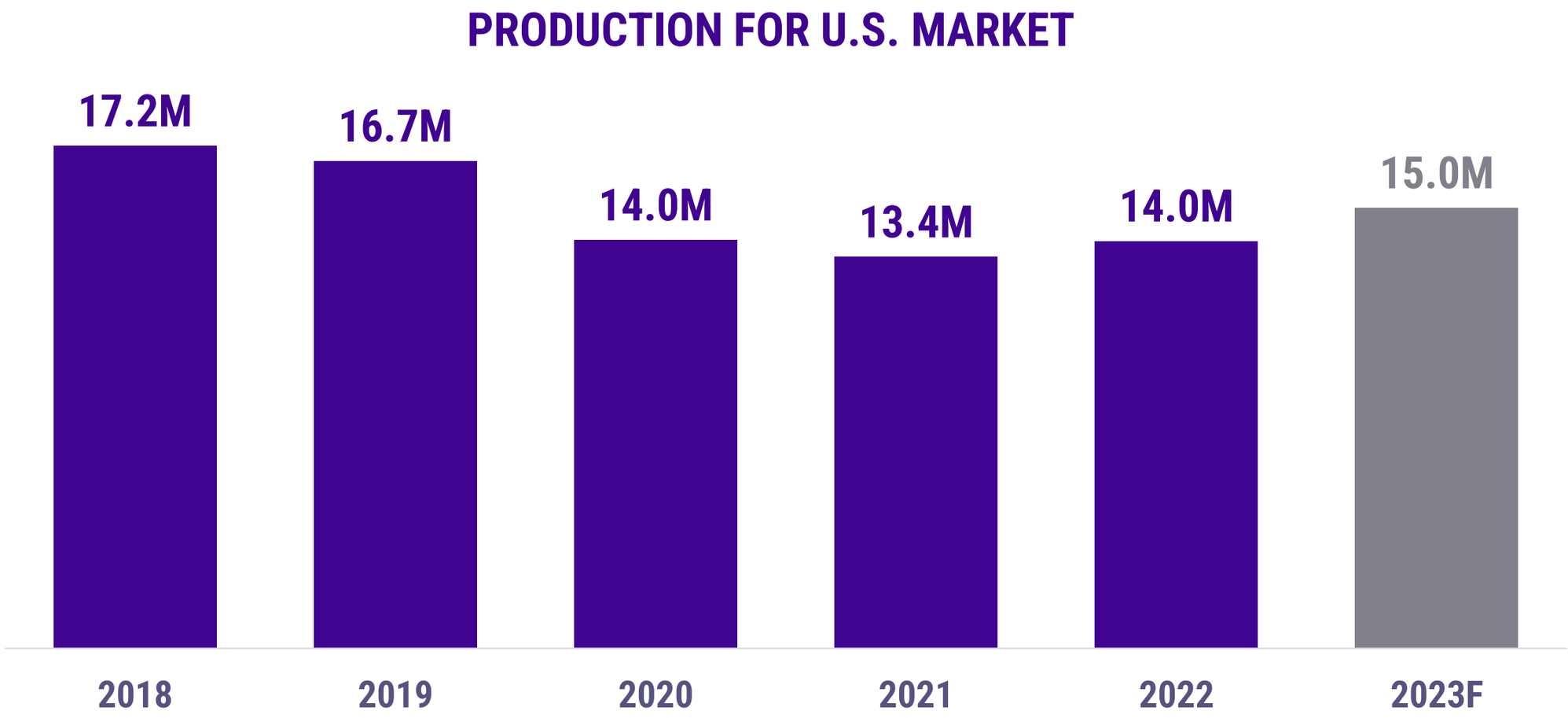
1. INCREASED SUPPLY, LOWER PRICES CAN “UNLOCK” PENT-UP DEMAND



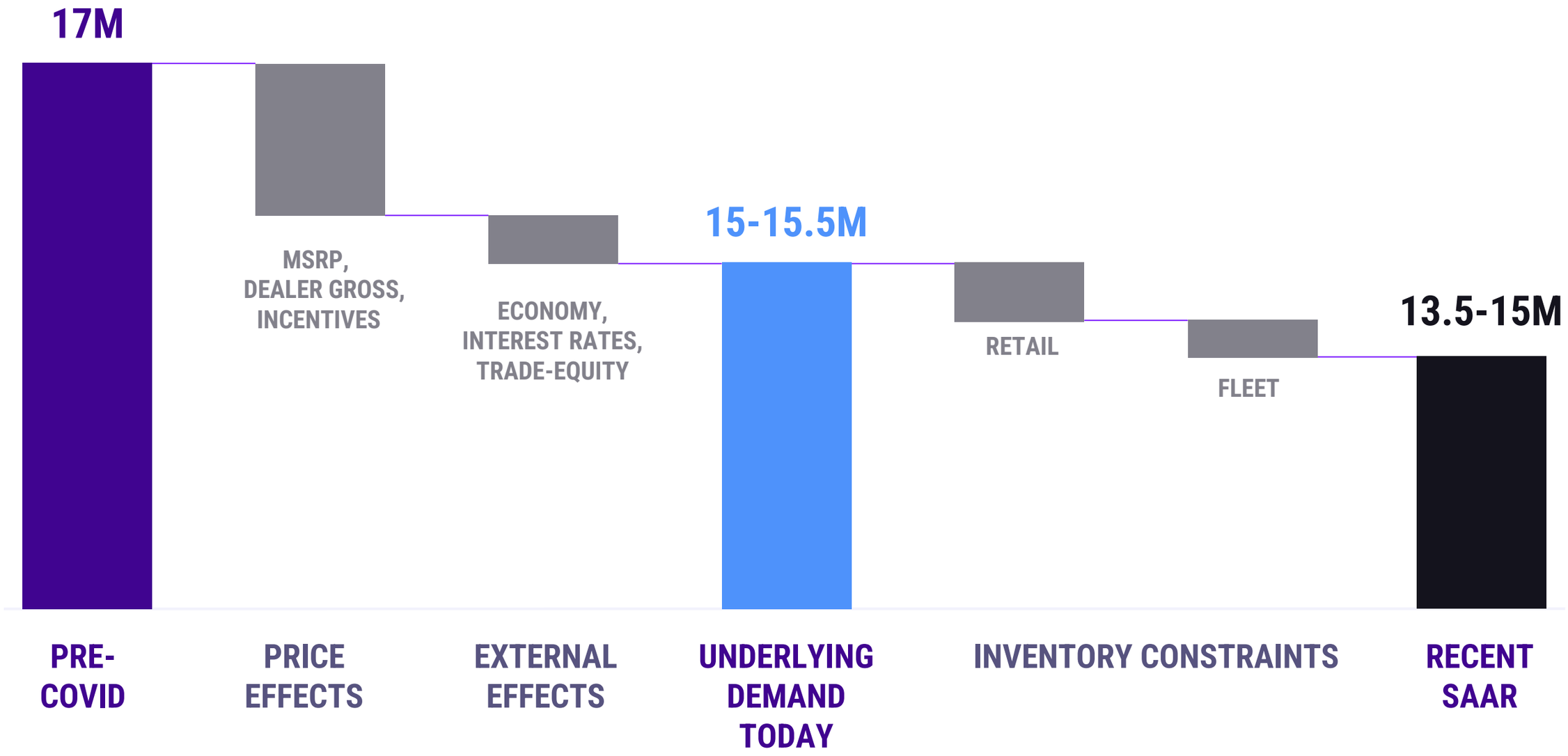
2.4M

RETAIL AND FLEET SALES WAITING ON RIGHT VEHICLE AND PRICE

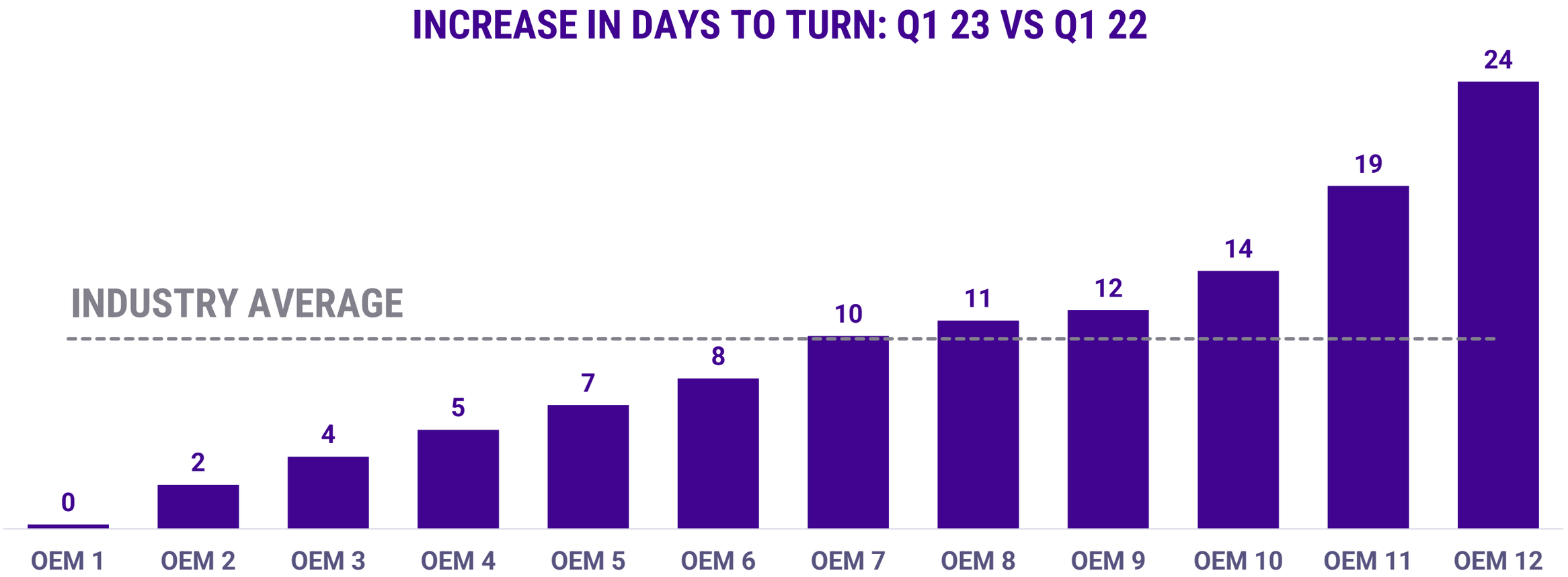
2. SUPPLY WILL INCREASE (BUT REMAINS VOLATILE)



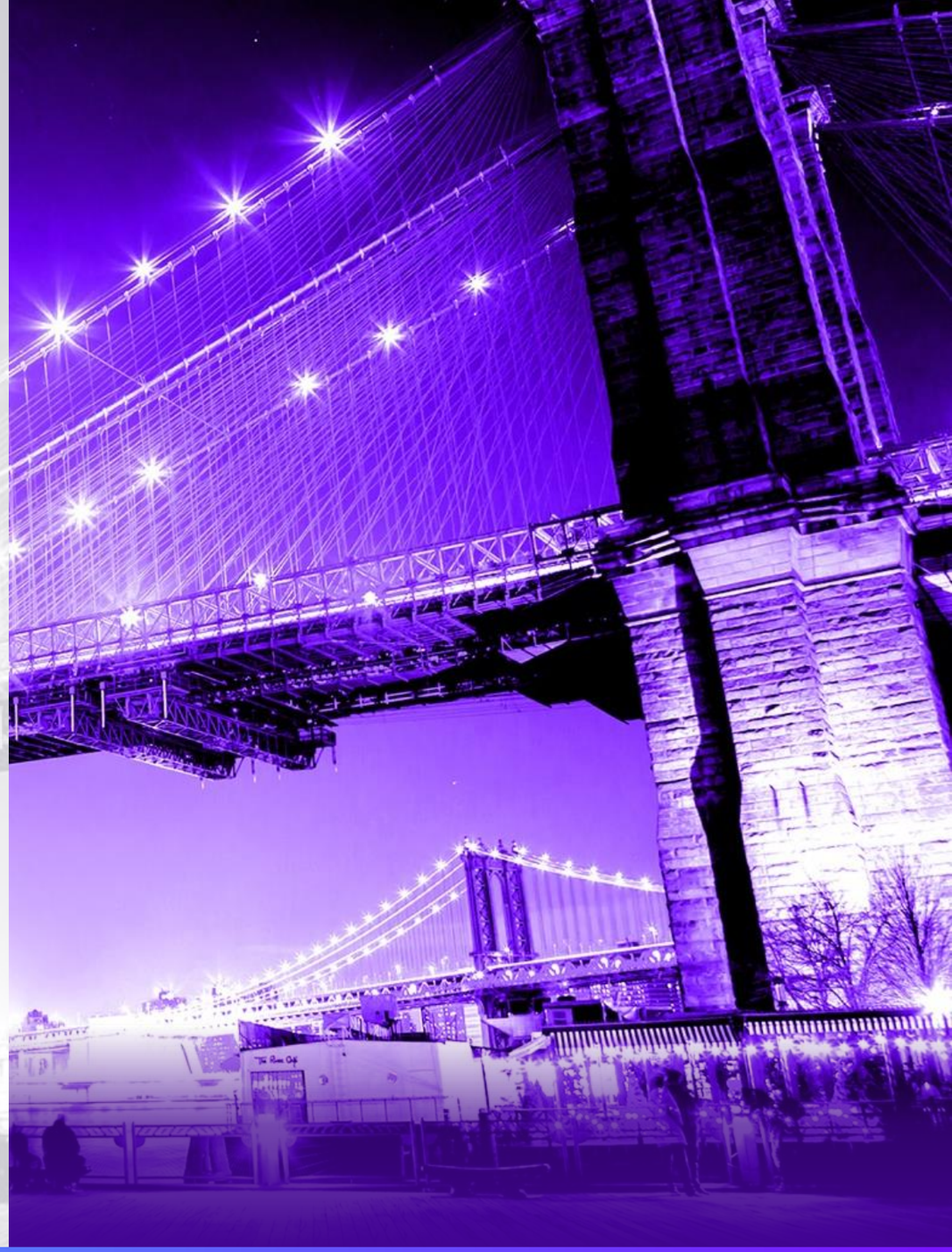
3. DEMAND HAS FALLEN, SALES STILL SUPPLY CONSTRAINED



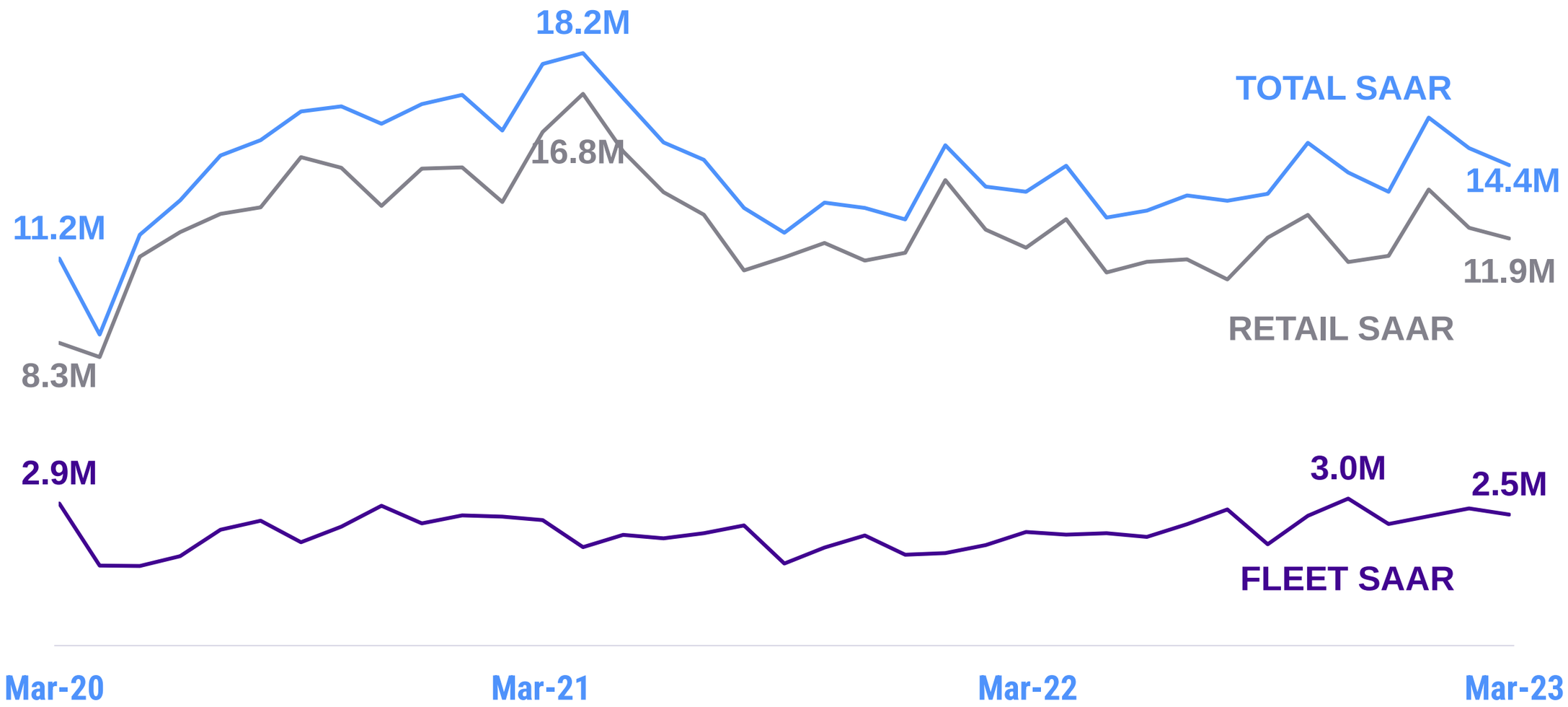
4. COMPETITIVE ASYMMETRY IS SIGNFICANT



WHAT HAPPENED IN Q1 23?



THE YEAR SO FAR...



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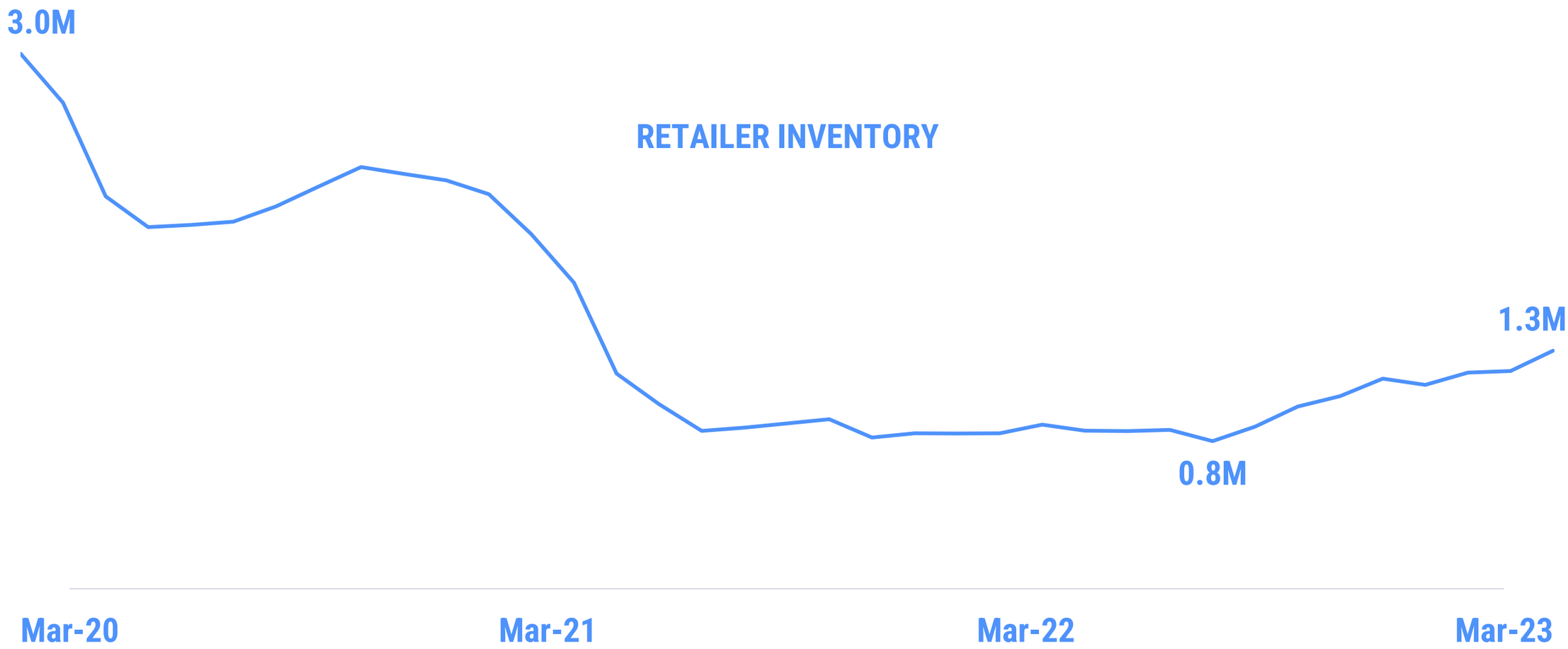

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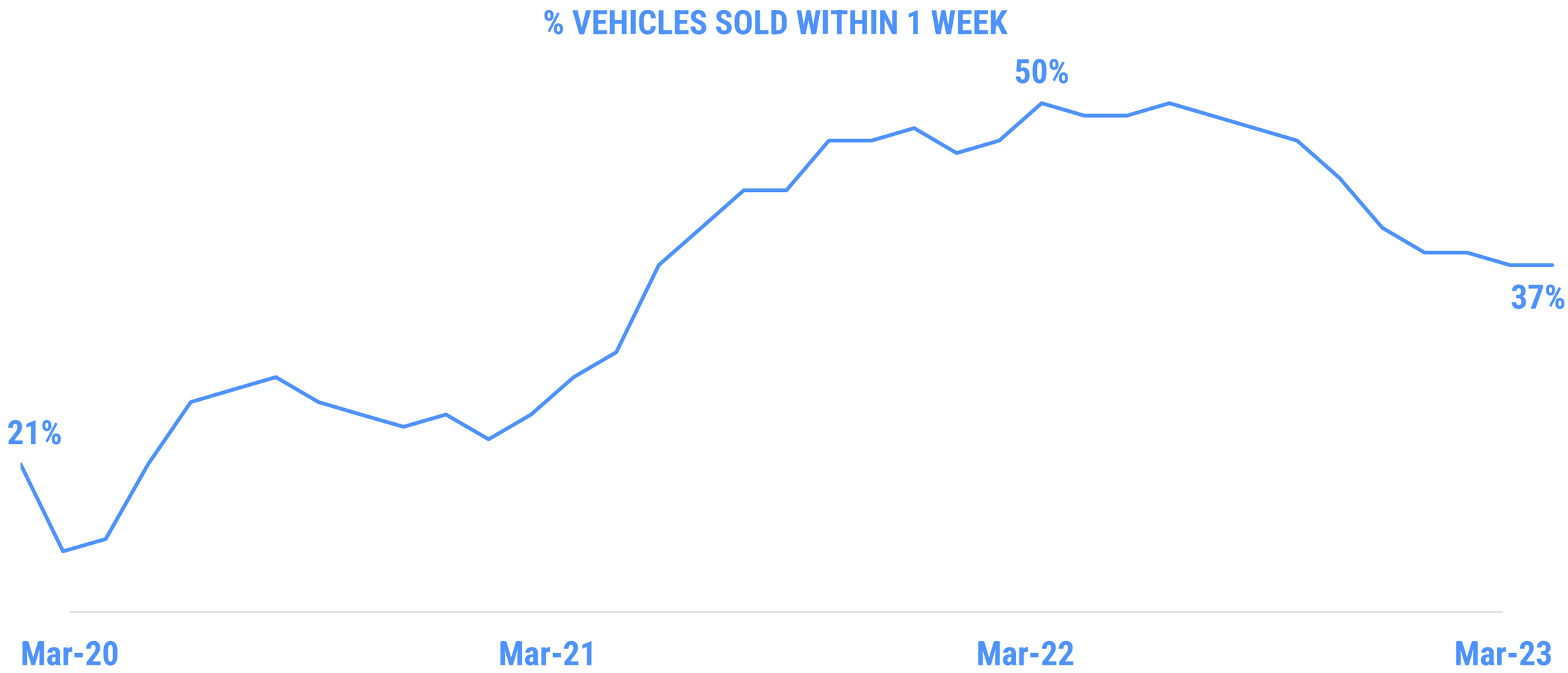

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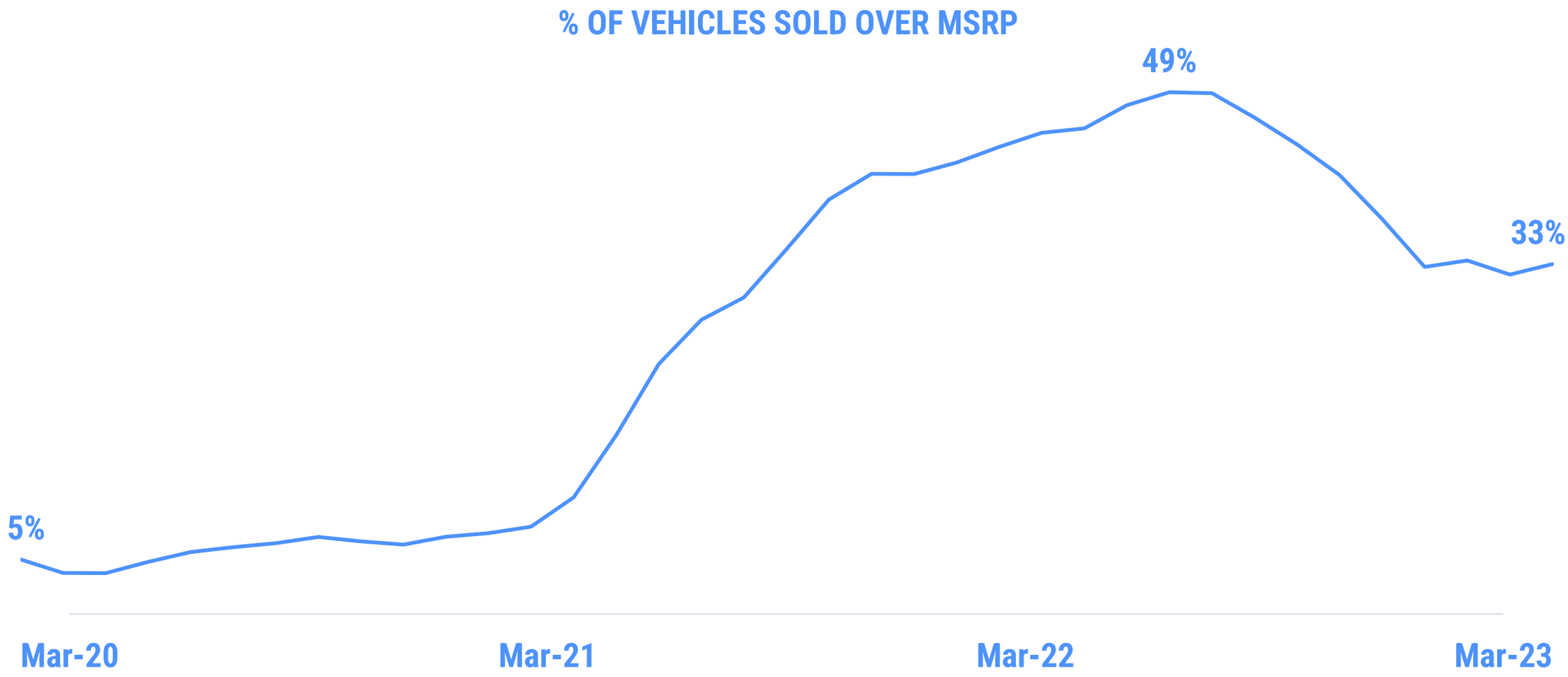

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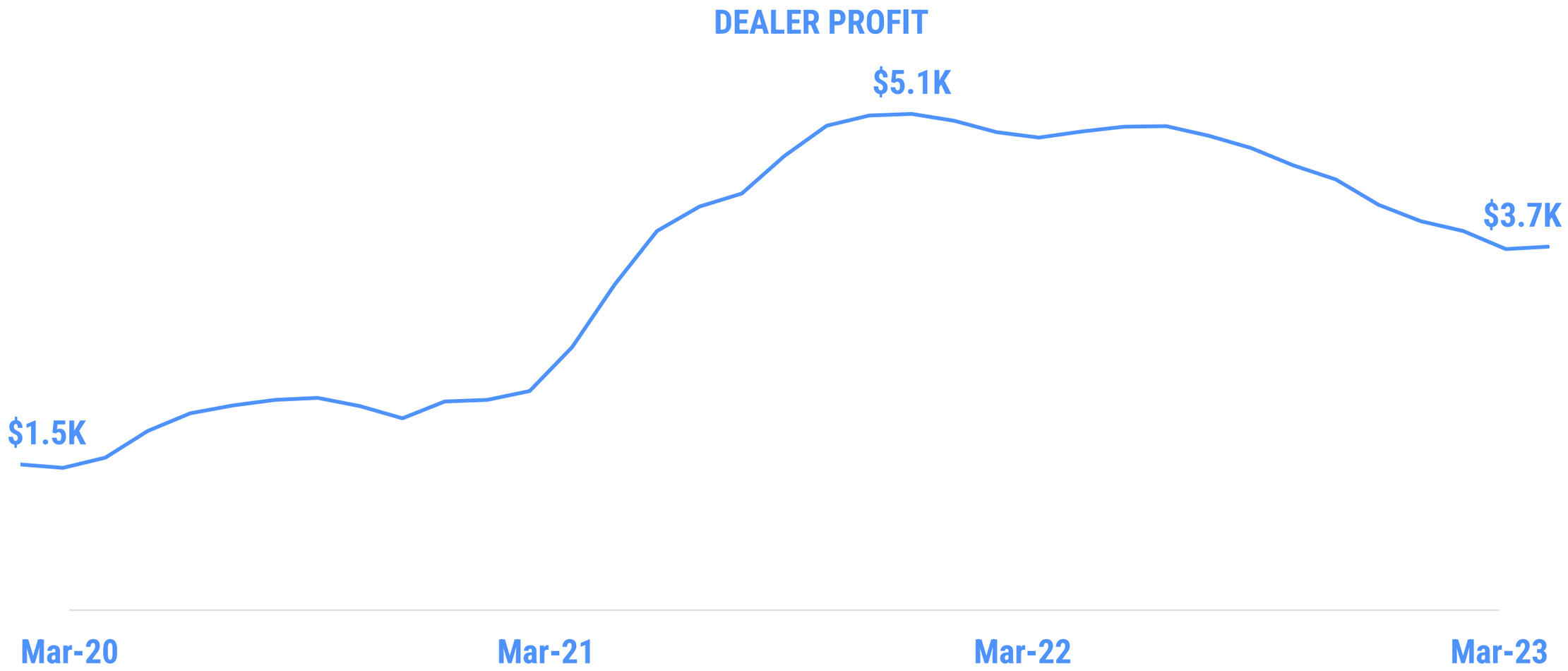

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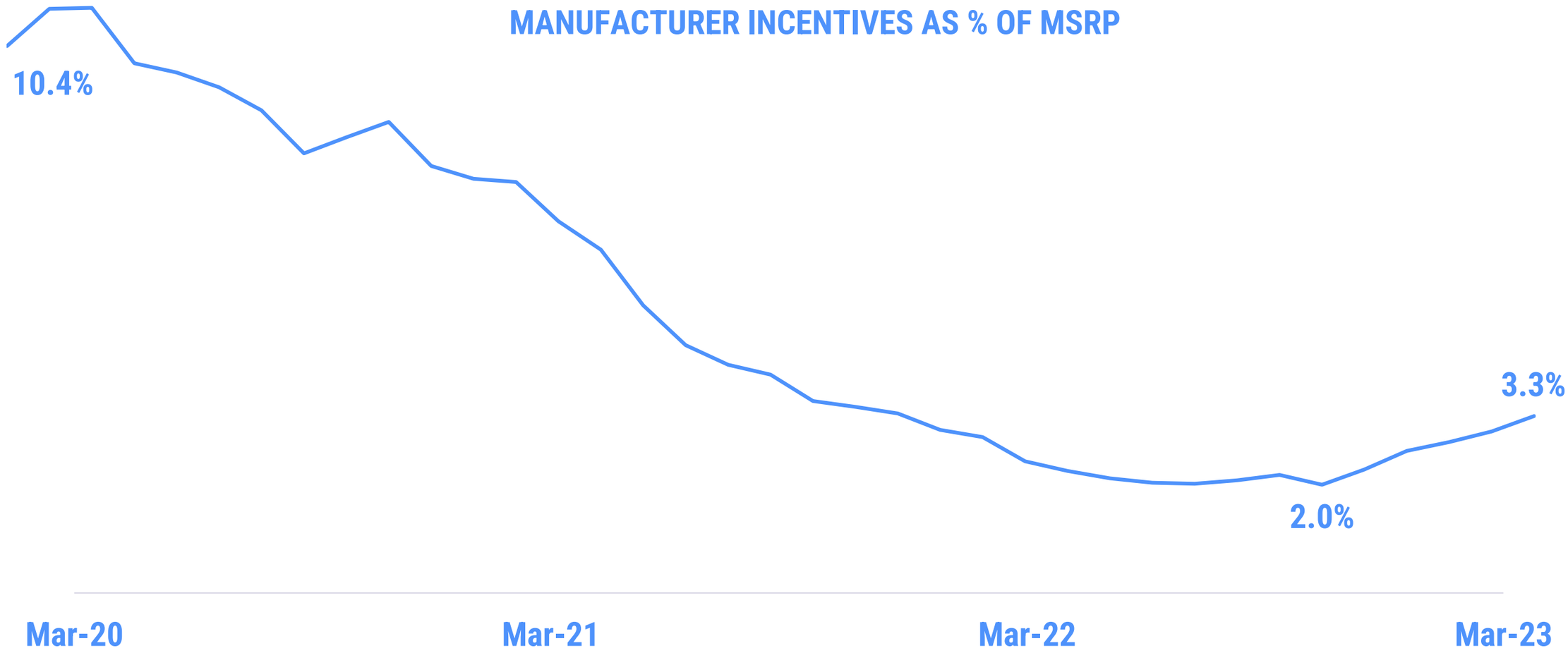

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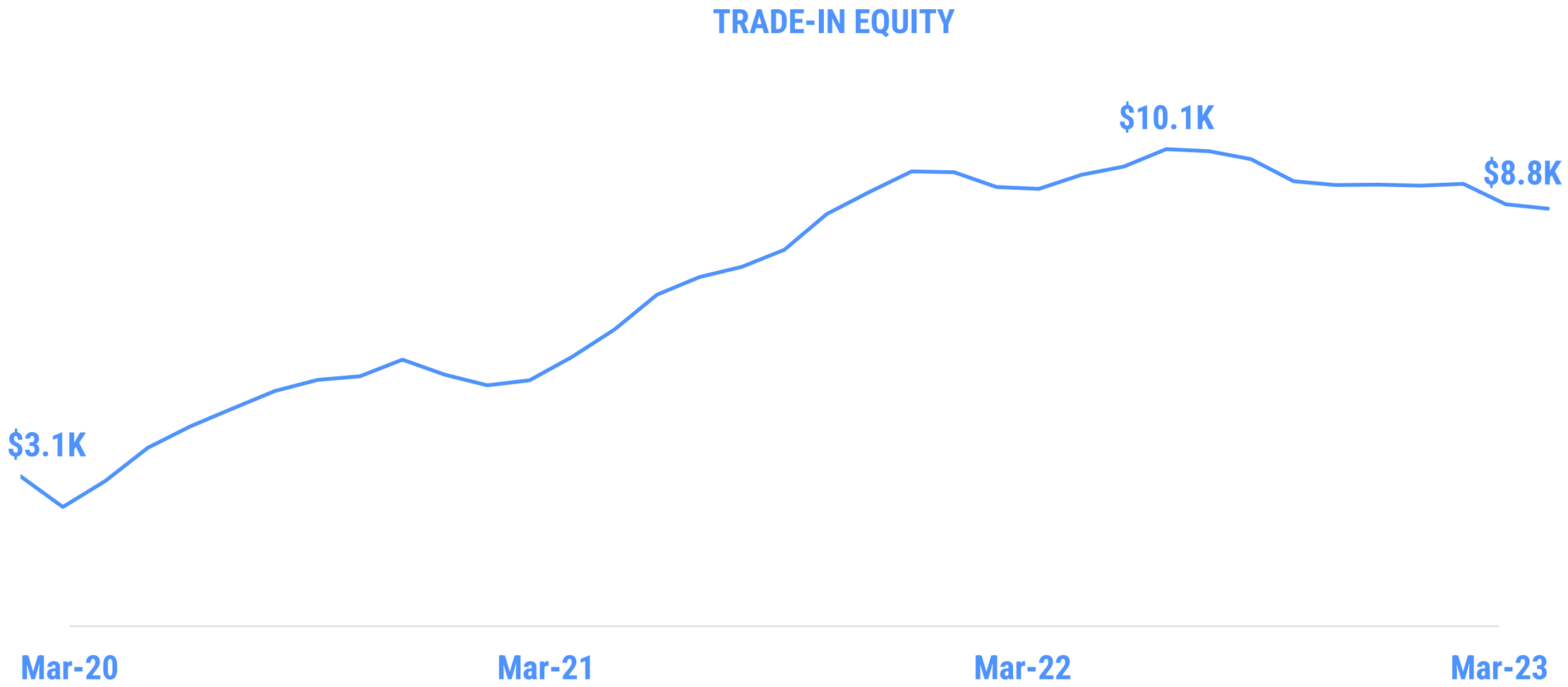

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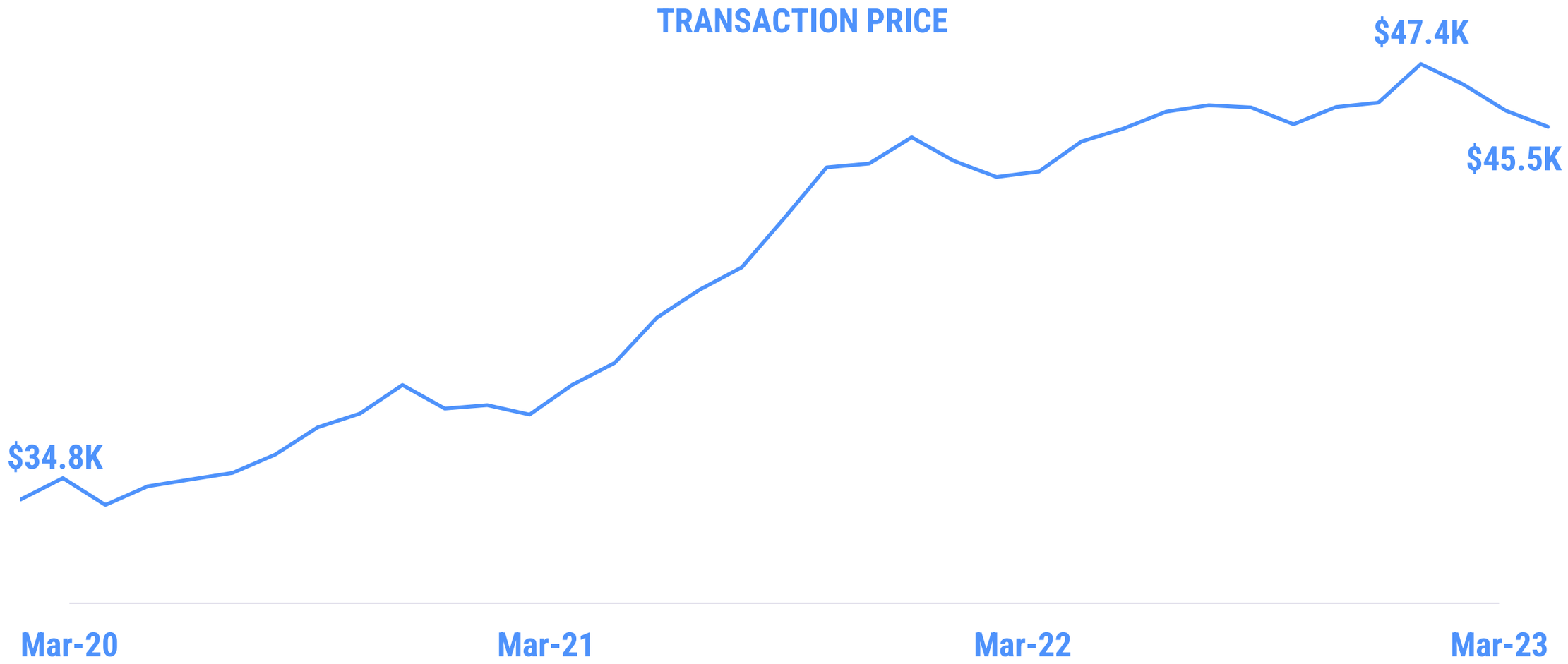
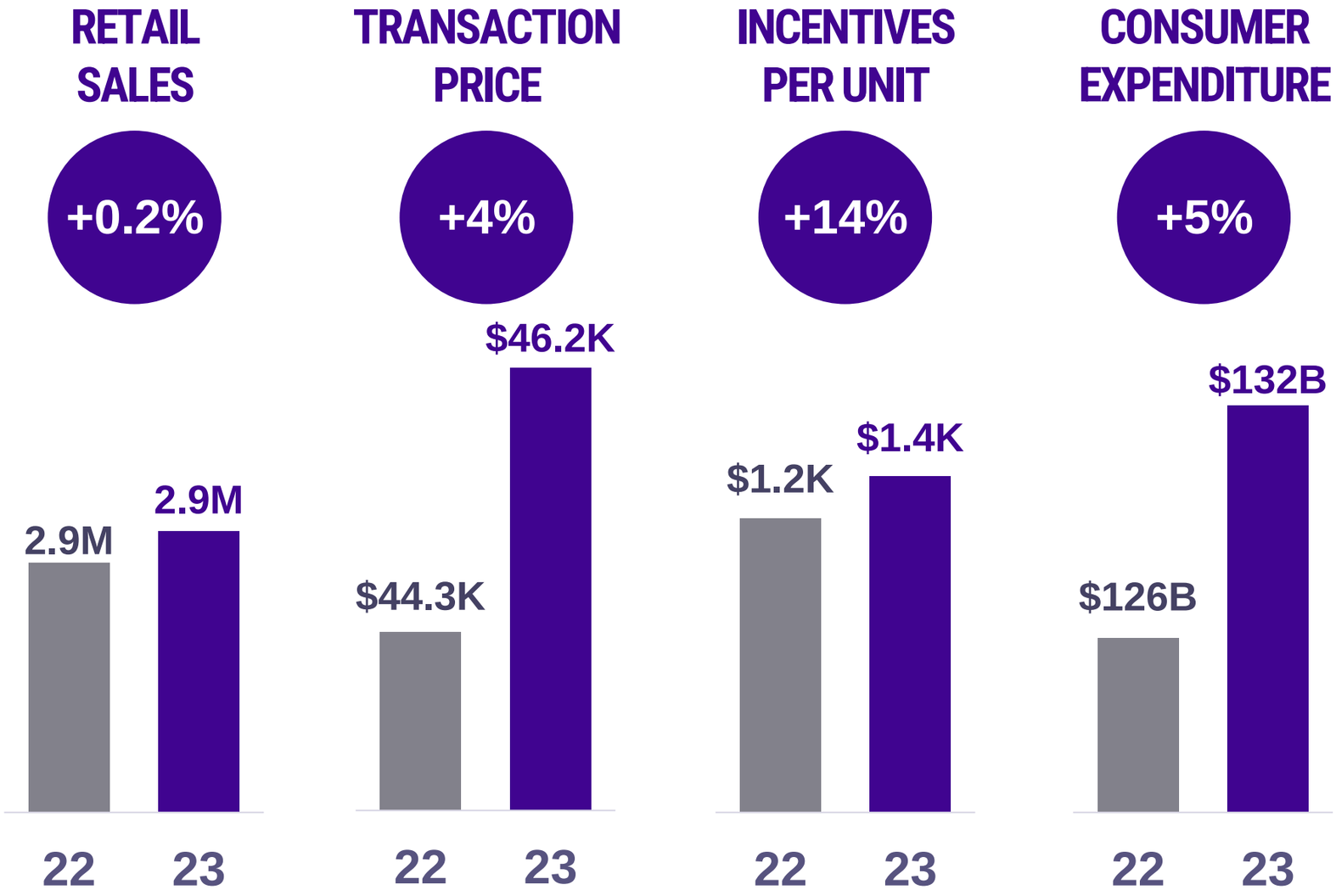
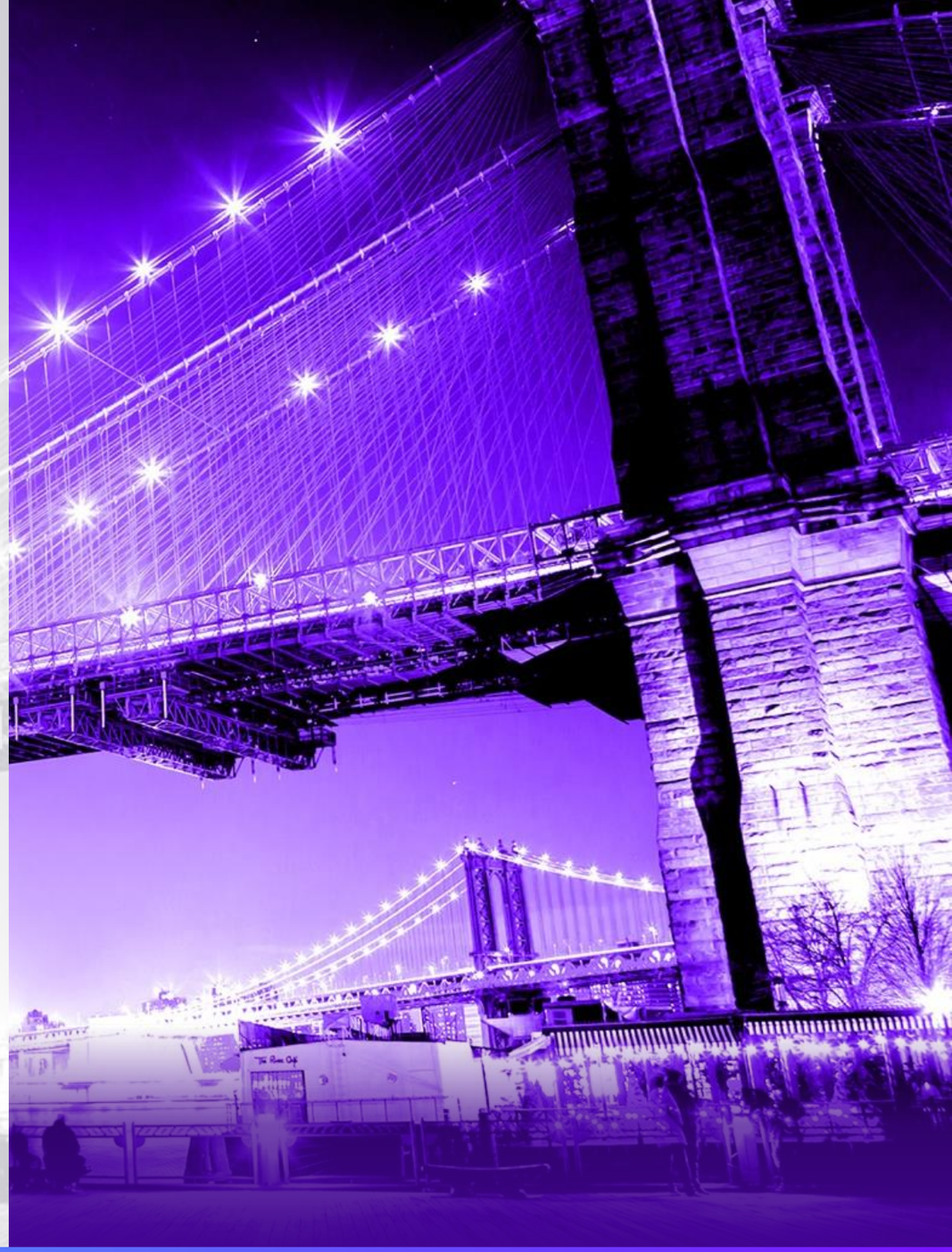


2023 Q1 RETAIL PERFORMANCE vs Q1 22

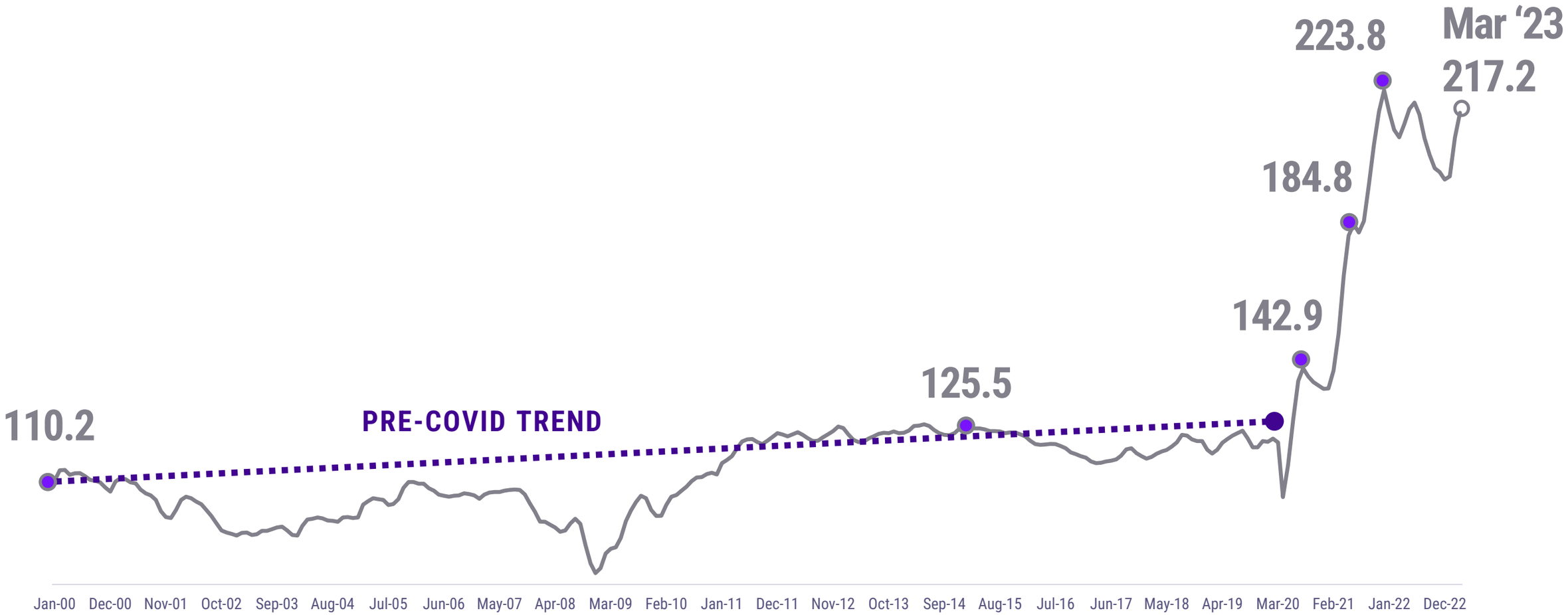


WHAT ABOUT THE USED MARKET?



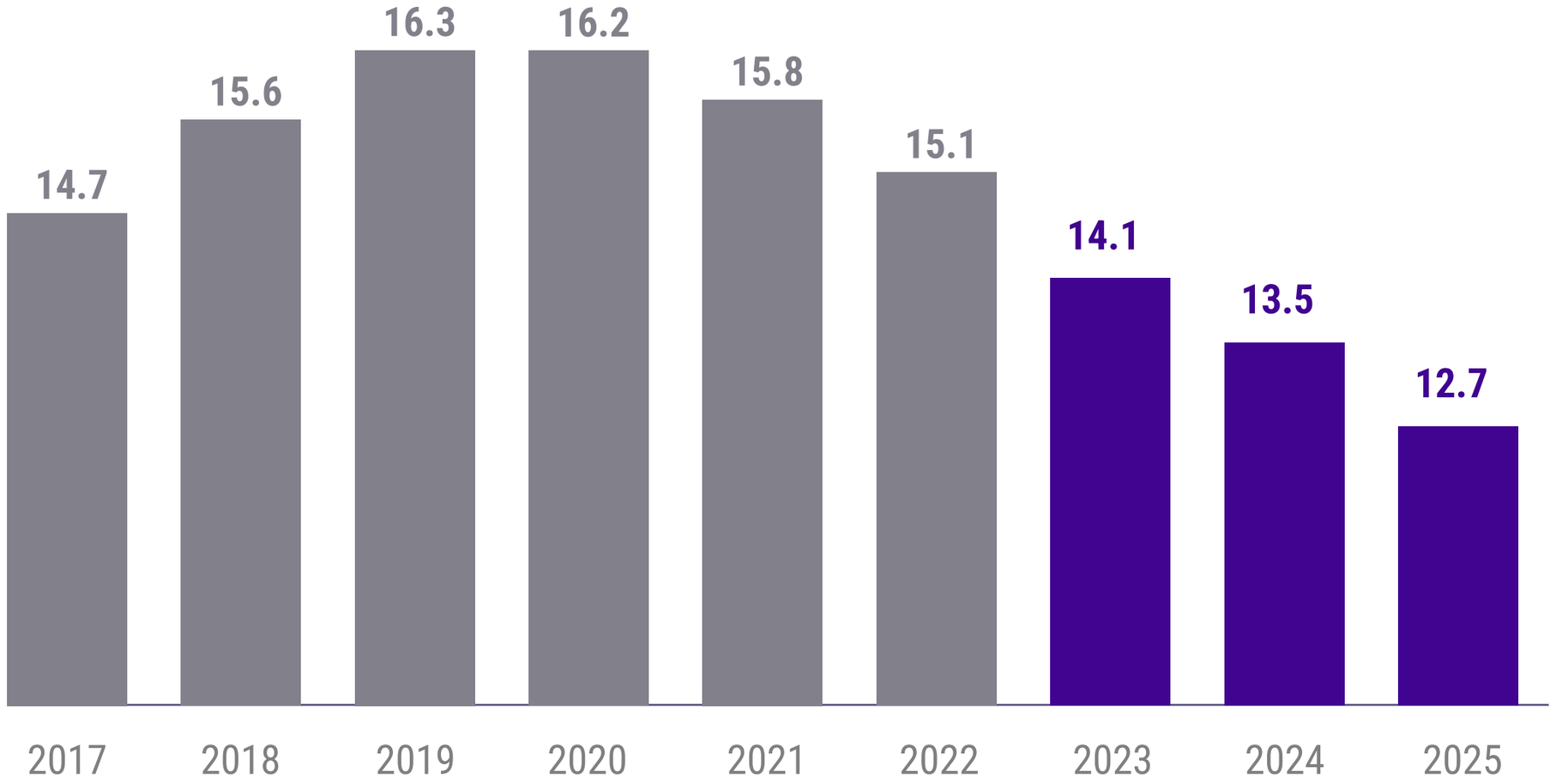
…RESULTING IN A REVERSAL OF RECENT USED PRICE DECLINES

J.D. POWER VALUATION SERVICES USED VEHICLE PRICE INDEX



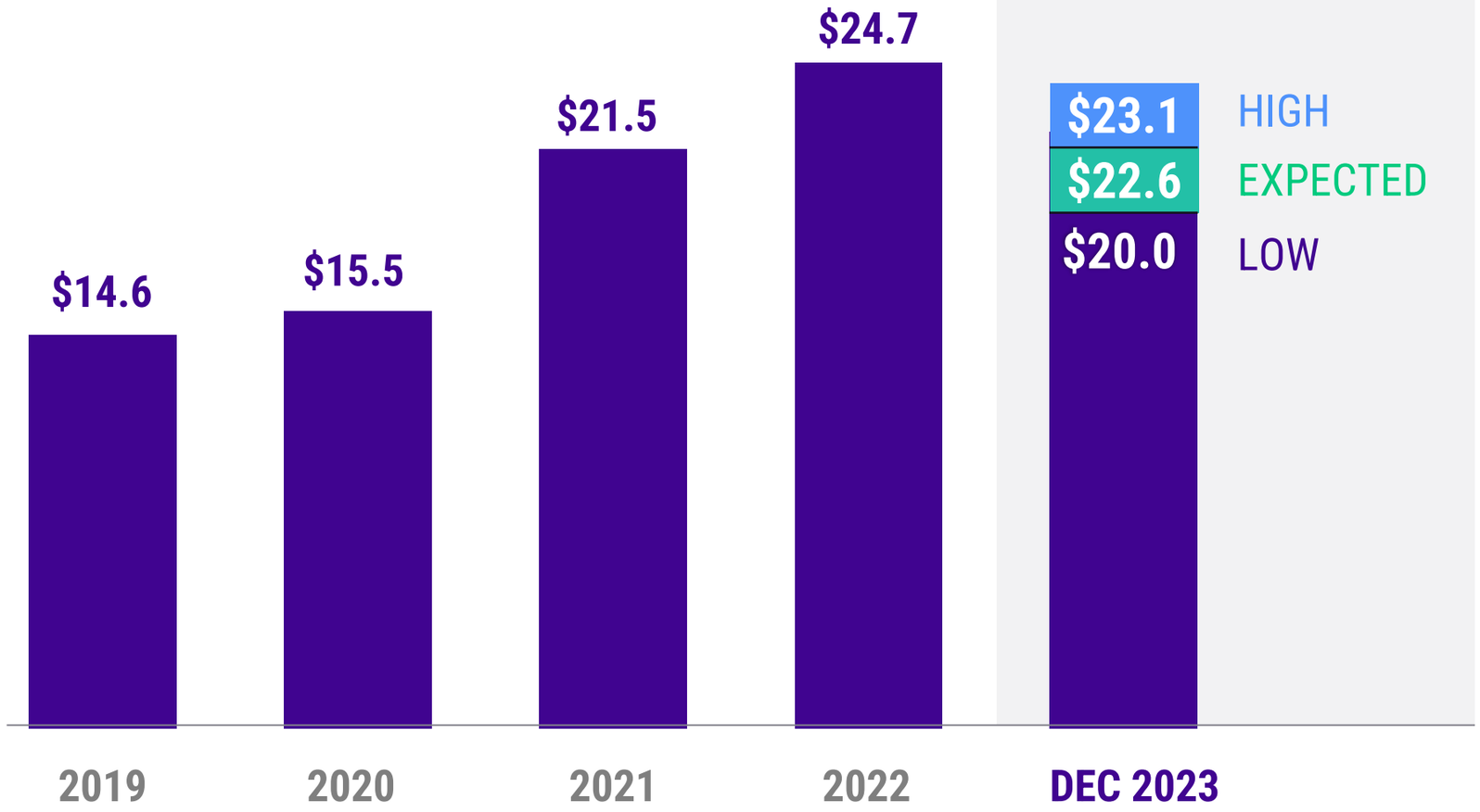
DIMINISHED USED SUPPLY = PERSISTENT TAILWIND FOR USED PRICES…

SUPPLY OF 0-5 YEAR OLD USED VEHICLES (MILLIONS)



BUT DEPRECIATION IS EXPECTED TO RESUME OVER BALANCE OF ‘23

ANNUAL VALUATION SERVICES WHOLESALE PRICE FORECAST(THOUSANDS)



9%

DECLINE
BY YEAR END
COMPARED TO 2022

THANK YOU