

## February 2020 Kontos Kommentary

### Current Used Vehicle Market Conditions

#### Summary

The strong start to 2020 continued in February as average wholesale prices were up again month-over-month and year-over-year. Both car and truck prices were up.

#### Details<sup>1</sup>

According to KAR Global Analytical Services' monthly analysis of wholesale used vehicle prices by vehicle model class, wholesale prices in February averaged \$11,339 – up 2.2% compared to January and up 5.2% relative to February 2019, as seen in the following table:

**Wholesale Used Vehicle Price Trends**

	Average Prices (\$/Unit)			Latest Month Versus:	
	Feb-20	Jan-20	Feb-19	Prior Month	Prior Year
<b>Total All Vehicles</b>	<b>\$11,339</b>	<b>\$11,096</b>	<b>\$10,775</b>	<b>2.2%</b>	<b>5.2%</b>
<b>Total Cars</b>	<b>\$8,363</b>	<b>\$8,269</b>	<b>\$8,339</b>	<b>1.1%</b>	<b>0.3%</b>
Compact Car	\$6,538	\$6,277	\$6,484	4.1%	0.8%
Midsize Car	\$7,320	\$7,278	\$7,352	0.6%	-0.4%
Fullsize Car	\$7,771	\$7,462	\$7,780	4.1%	-0.1%
Luxury Car	\$12,660	\$12,649	\$12,633	0.1%	0.2%
Sporty Car	\$13,880	\$13,779	\$13,412	0.7%	3.5%
<b>Total Trucks</b>	<b>\$13,527</b>	<b>\$13,165</b>	<b>\$12,820</b>	<b>2.8%</b>	<b>5.5%</b>
Mini Van	\$8,289	\$7,933	\$8,367	4.5%	-0.9%
Fullsize Van	\$13,168	\$12,864	\$12,287	2.4%	7.2%
Compact SUV/CUV	\$10,995	\$10,866	\$11,095	1.2%	-0.9%
Midsize SUV/CUV	\$12,279	\$11,897	\$11,234	3.2%	9.3%
Fullsize SUV/CUV	\$16,348	\$13,767	\$13,628	18.7%	20.0%
Luxury SUV/CUV	\$18,690	\$18,394	\$17,788	1.6%	5.1%
Compact Pickup	\$11,279	\$11,063	\$9,692	1.9%	16.4%
Fullsize Pickup	\$16,382	\$16,168	\$15,662	1.3%	4.6%

Average prices for Fullsize SUV/Crossovers were considerably higher than last February, as a higher percentage of younger, low-mileage units were sold.

When holding constant for sale type, model-year-age, mileage, and model class segment -- using criteria that characterize off-lease units -- prices were up on a year-over-year basis for both midsize cars and midsize SUV/CUVs, as seen in the following table:



### Fleet/Lease Sales of Three-MY-Old Units w/36K-45K miles

Model Class	Average Prices		Y/Y Variance	
	Feb-20	Feb-19	\$	%
Midsize Car	\$12,820	\$11,967	\$854	7.1%
Midsize SUV/CUV	\$20,785	\$20,120	\$664	3.3%

Prices for midsize cars continue to outperform SUVs/Crossovers in year-over-year growth within this market segment, but both model classes registered strong gains.

Average wholesale prices for used vehicles remarketed by manufacturers were up 2.3% month-over-month and up 7.7% year-over-year. Prices for fleet/lease consignors were down 1.2% sequentially but up 5.0% annually. Average prices for dealer consignors were up 3.8% versus January and were up 7.8% relative to February 2019.

February CPO sales were up 10.3% from the prior month and up 12.5% year-over-year, according to figures from Autodata. Year-to-date sales are up 10.4%.

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

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<sup>1</sup>Source: Analysis is based on over seven million annual sales transactions from over 250 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. KAR Global Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc.