



BLACK BOOK

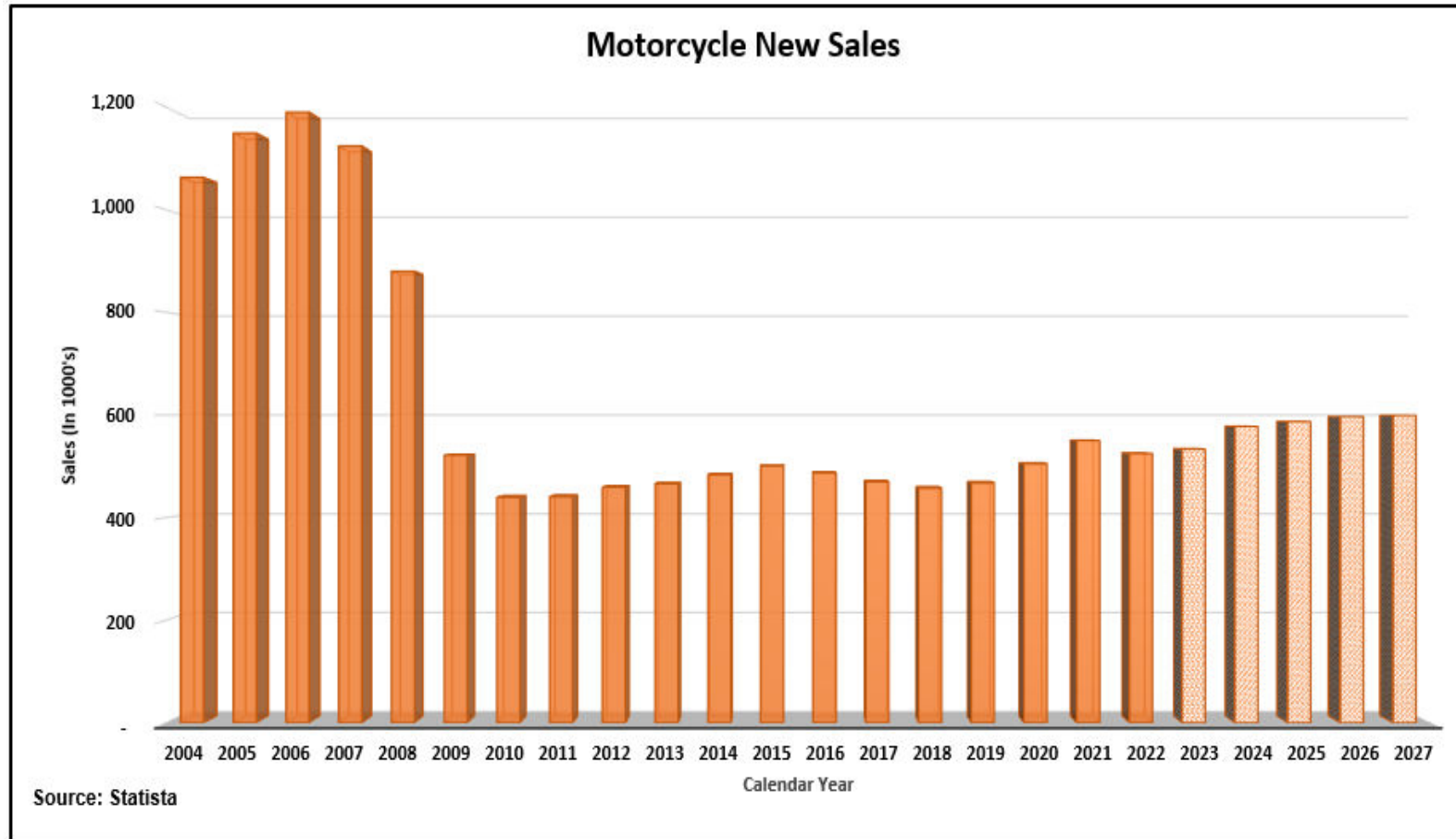
Scott Yarbrough

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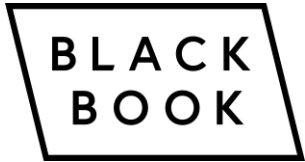
Motorcycle New Sales

Post-Great Recession, the motorcycle industry stabilized but never regained early and mid 2000's pre-recession sales levels

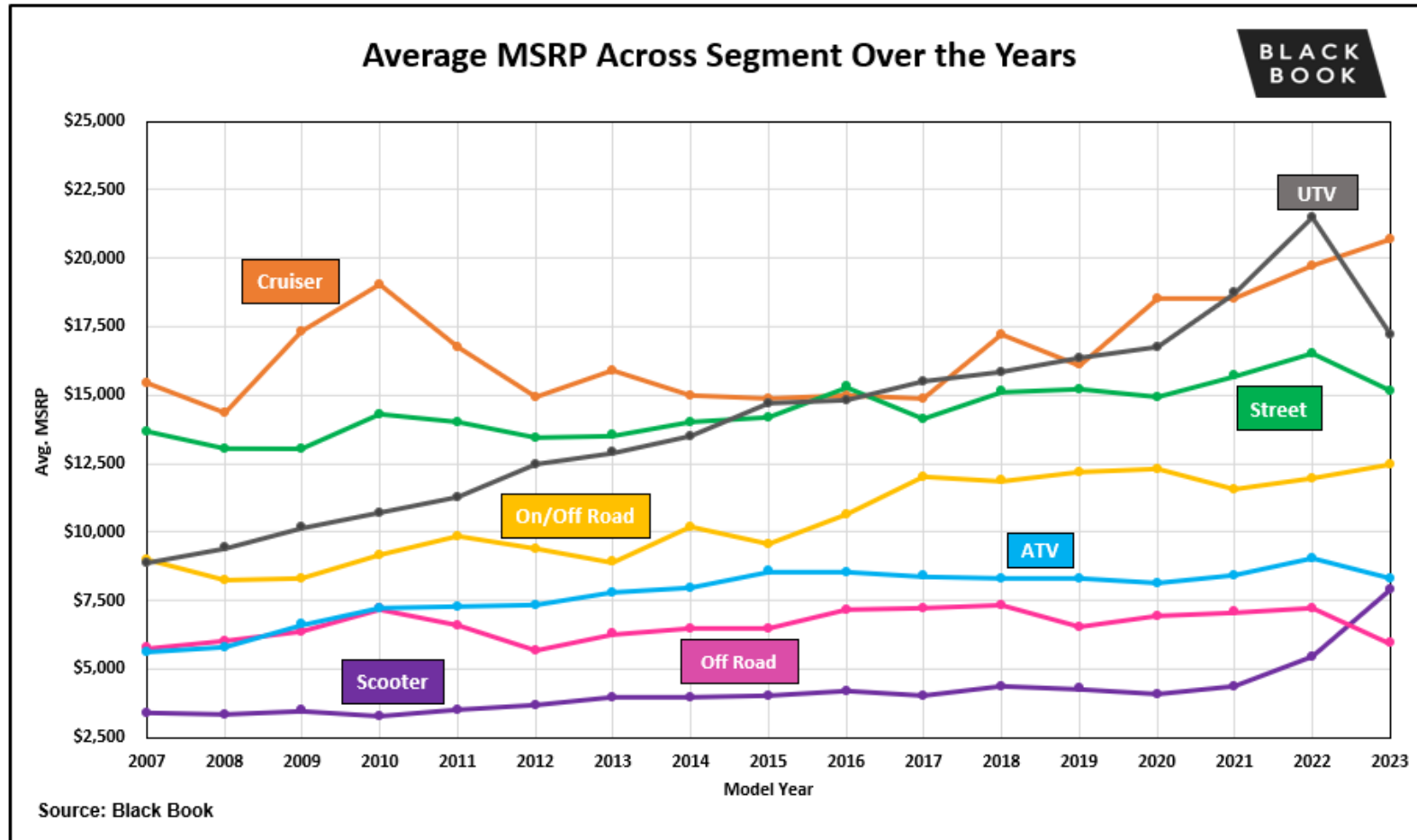


- Even after economic recovery, new sales never reached pre-Great Recession levels.
- Reduced interest and participation in the industry by Millennials, unlike previous generations' buying trends, contributed to decreased demand.
- New sales projections are predicted to rise, but not expected to reach pre-Great Recession levels.

MSRP Trends Across Years

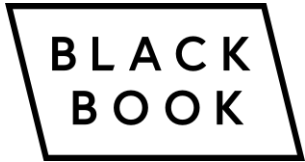


Post-COVID Era Witnessed an Uptick in Average MSRPs

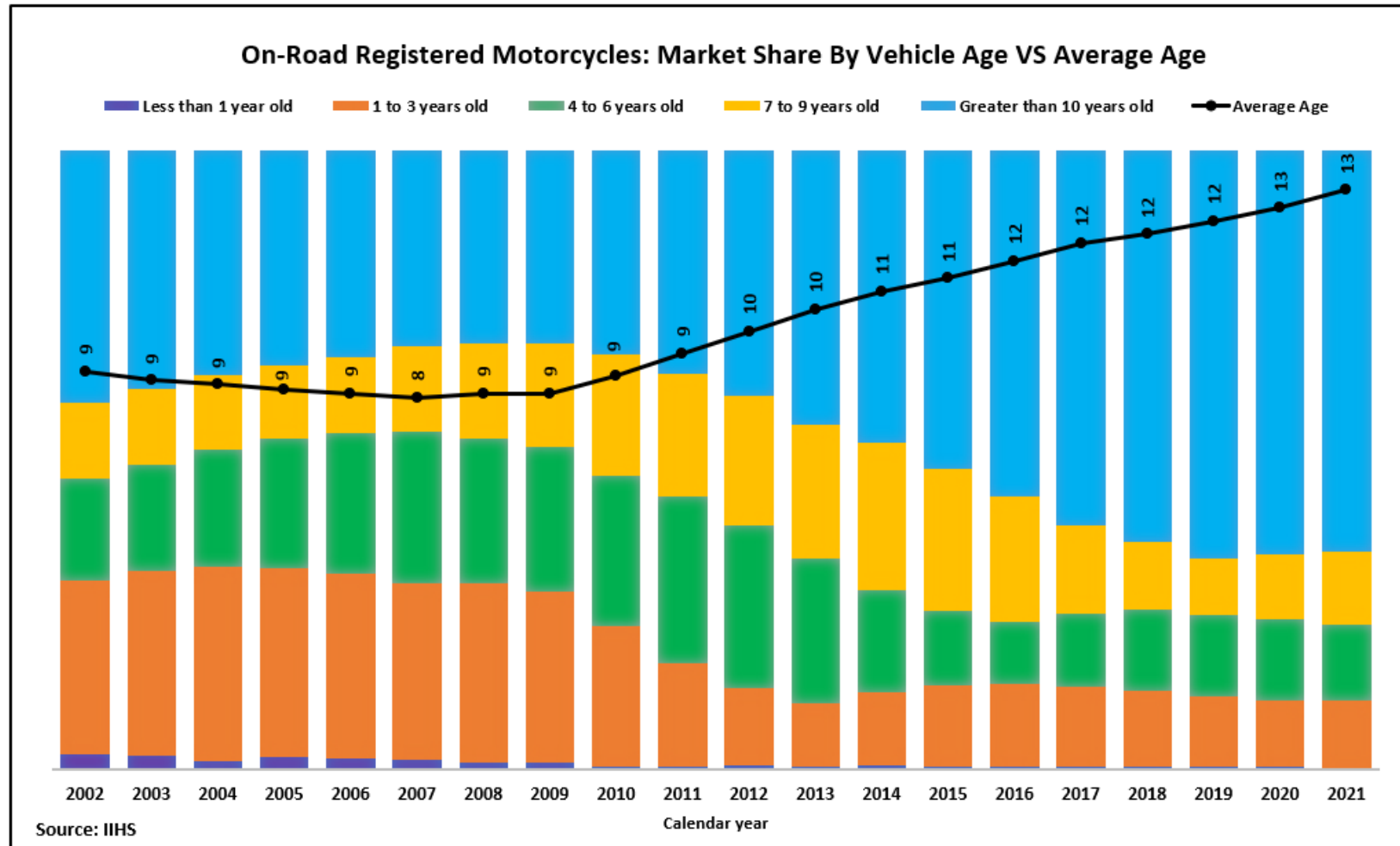


- Utility Vehicles and Cruisers have seen a consistent increase in MSRPs over the past decade.
- Continual increase in MSRPs seen for Scooter and Dual Sport segments since 2021.
- Following a post-Covid surge, the MSRPs of Utility Vehicles and Street bikes have returned to their pre-Covid range, as observed in 2023.

Motorcycle Market Share by Age



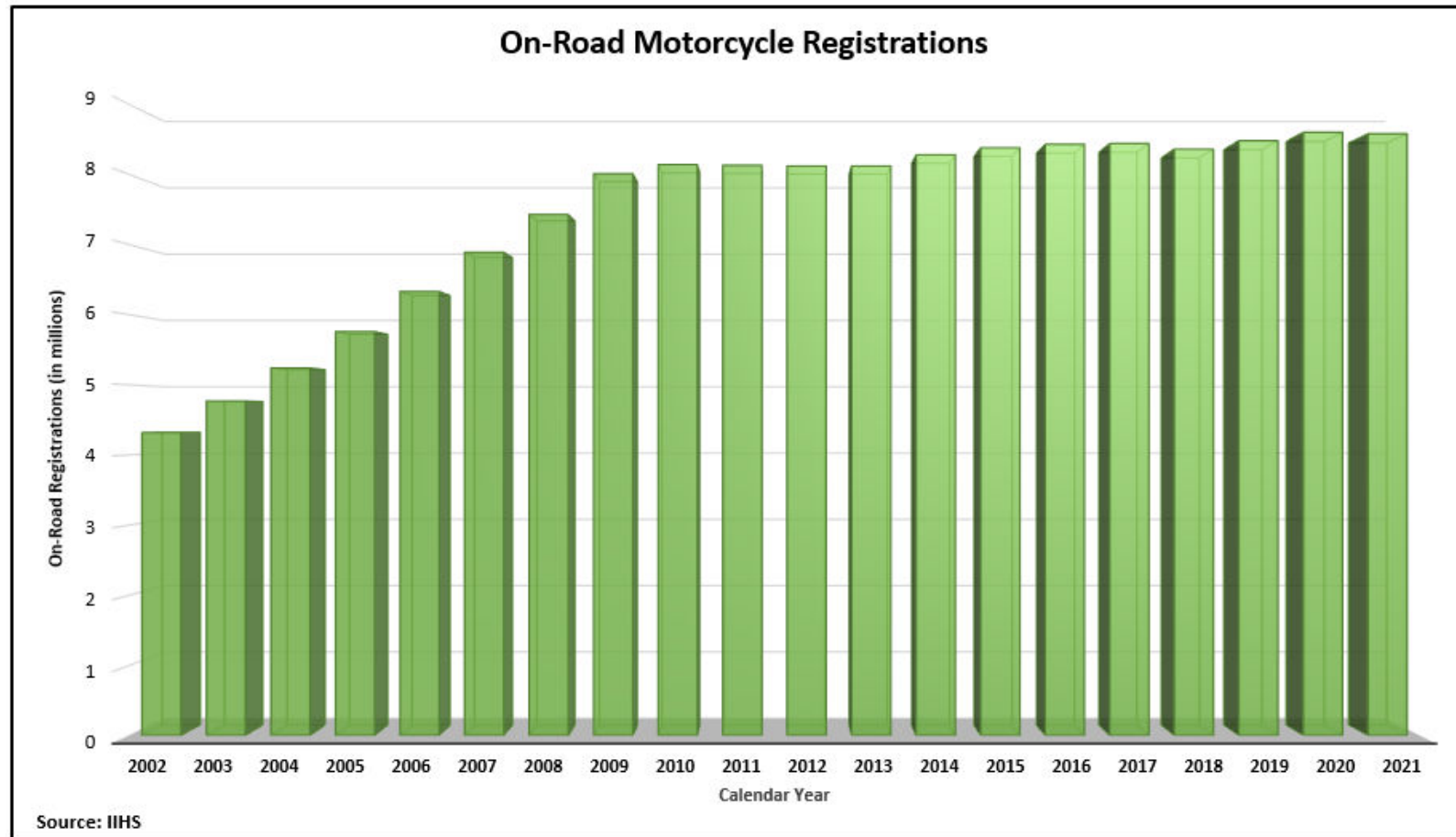
Market Shifts Towards Older and Used Motorcycles signifying a longer average life cycle



- Average age of registered motorcycles has risen from 9 to 13 years in the past two decades.
- Market behavior suggests a trend towards longer ownership and/or increased second-hand purchases.

Motorcycle On-Road Registrations

Increased on-road motorcycle registrations highlight a thriving used market

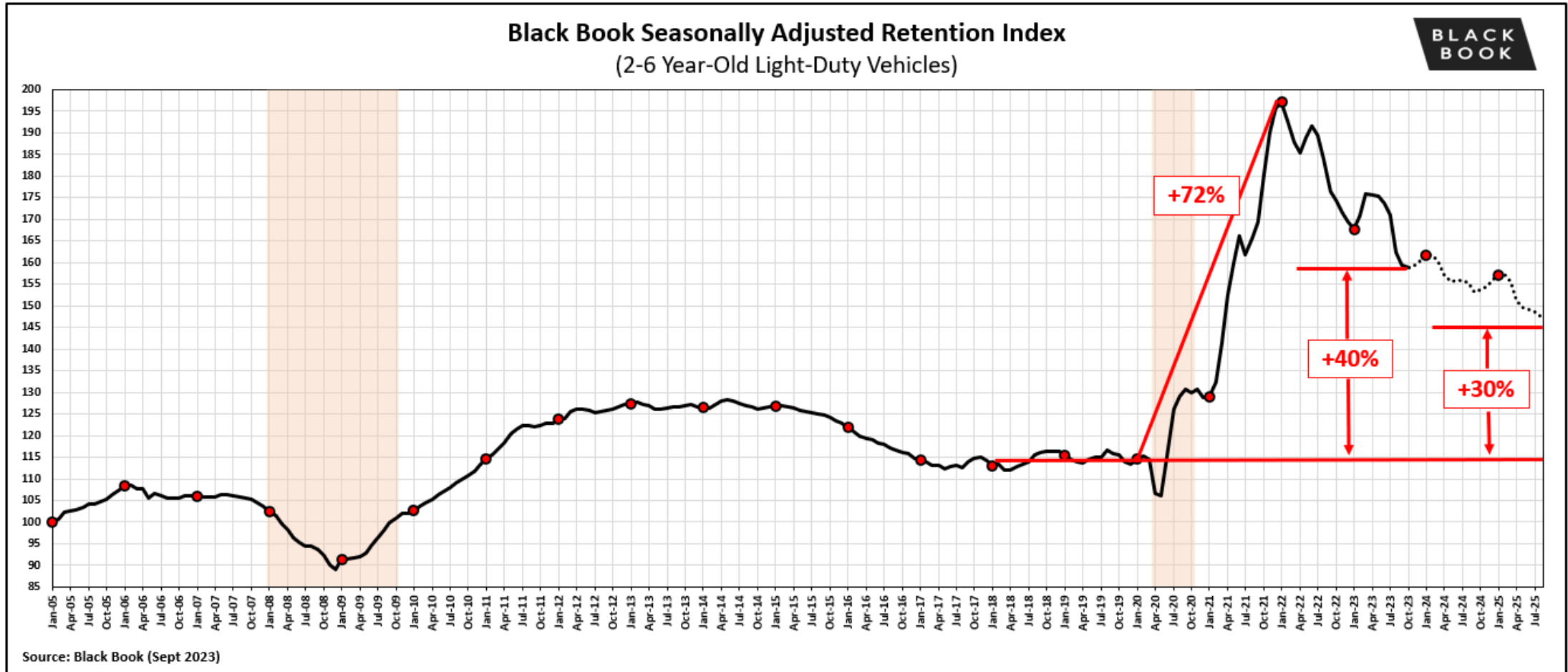


- On-road motorcycle registrations rose post-Great Recession and remain relatively stable.
- Declining new sales post-Great Recession contrast with robust used market trends.
- Data shows significant consumer increases in used motorcycle market transactions.

Black Book's Used Vehicle Retention Index



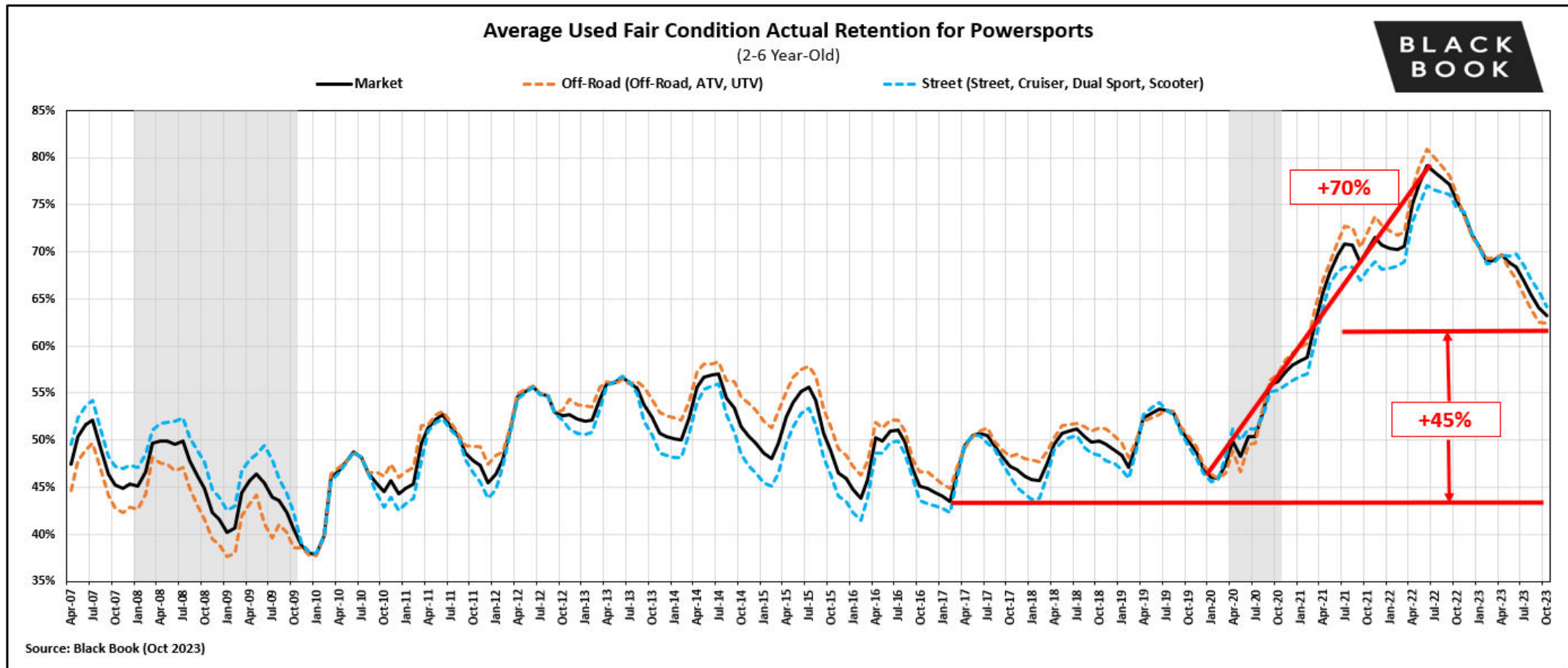
Prices Are Projected To Decline But Will Remain At Elevated Levels



Black Book Average Used Motorcycle Retention



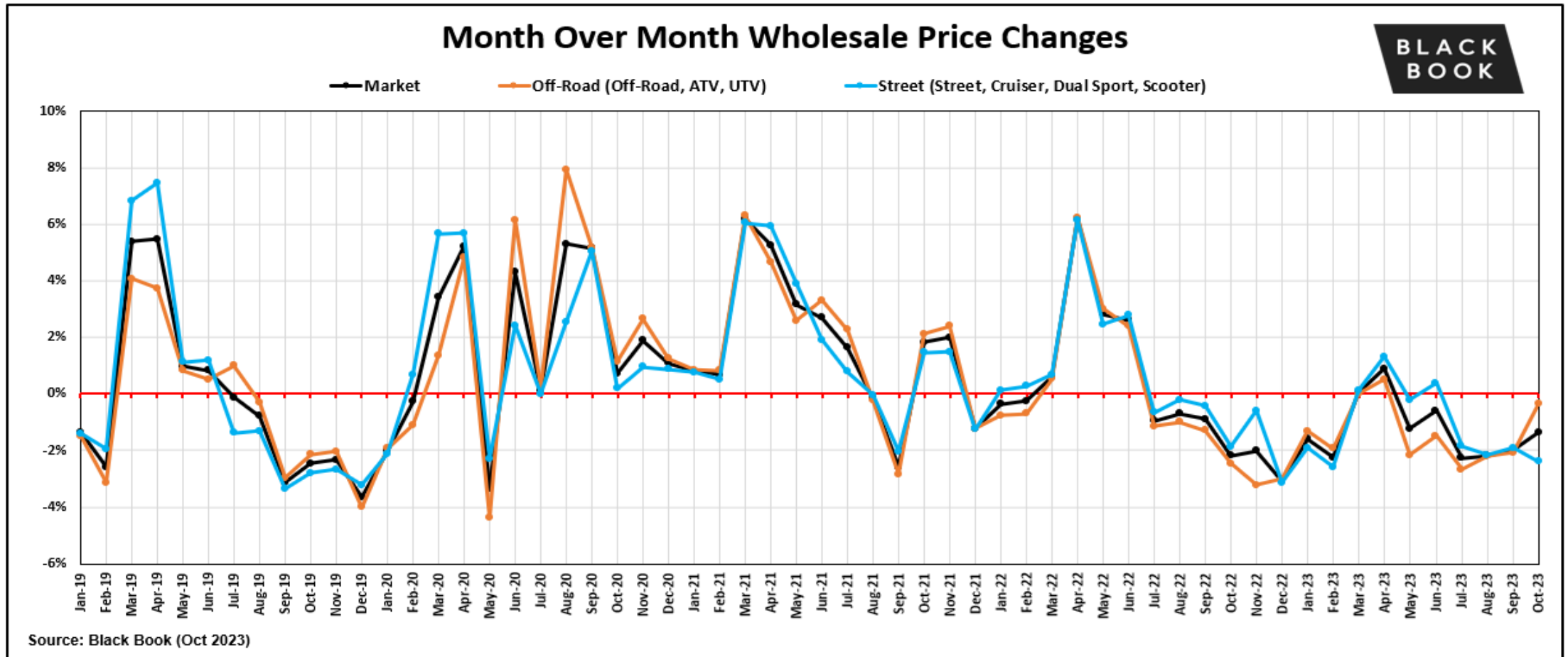
Retention is currently declining but will likely remain elevated in the near to medium term as markets return to "normal" seasonally adjusted values after post-COVID anomaly



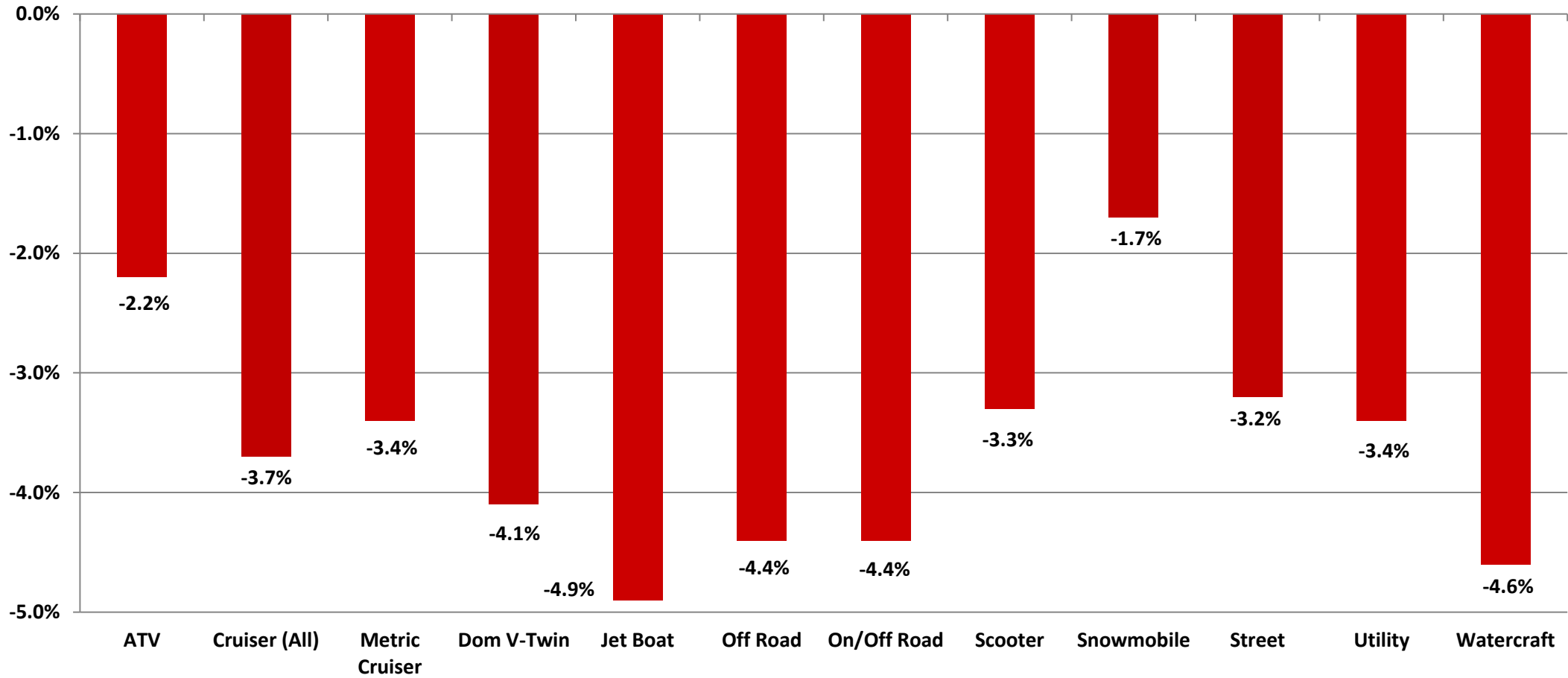
Monthly Price Fluctuation 2019 to Present

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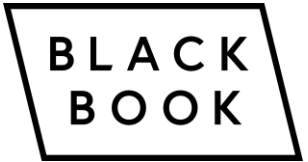
Rollercoaster Continues



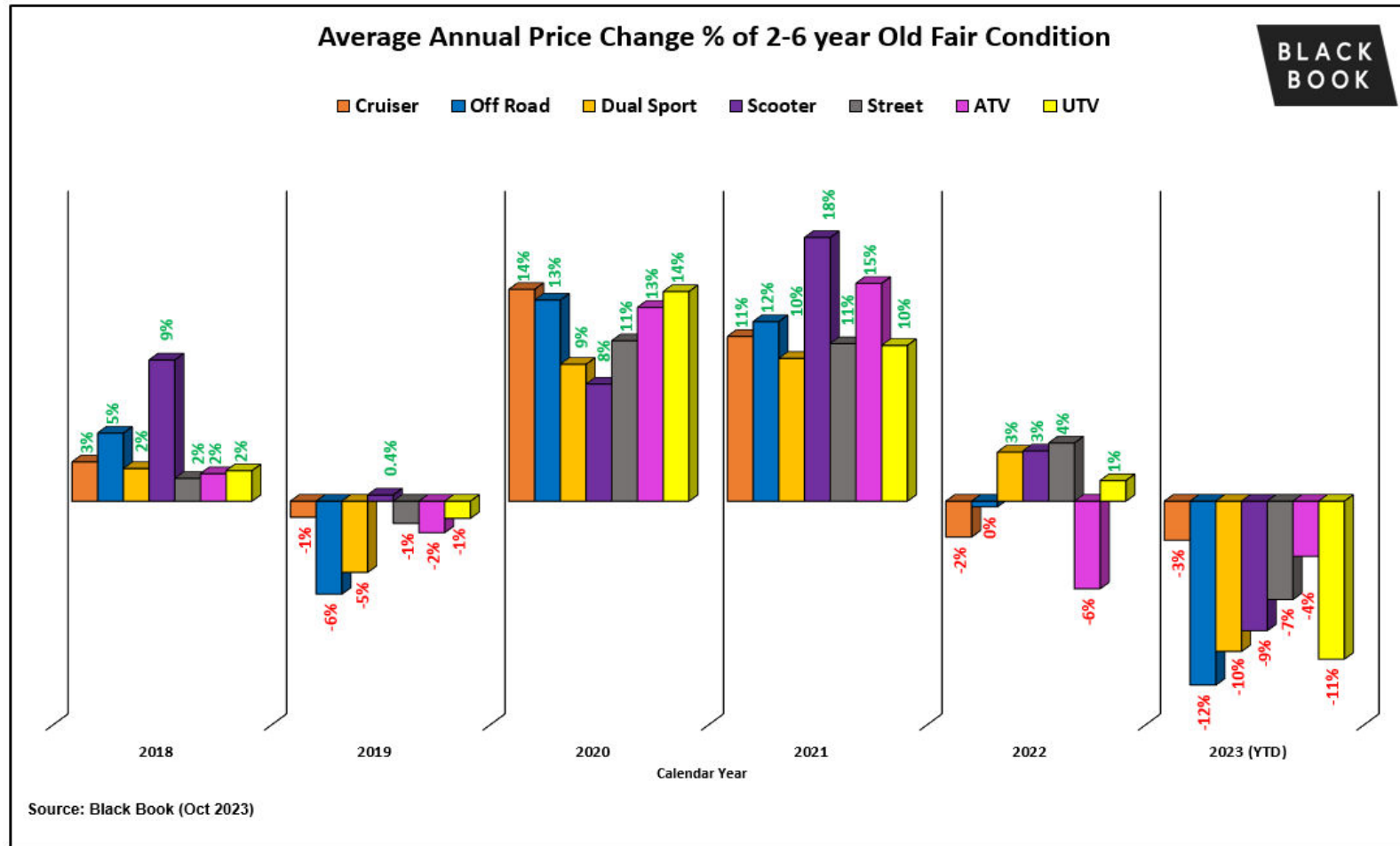
Powersports October to November Segment Change in Value



Annual Price Fluctuation 2018 to Present



Rapid Depreciation in 2023 After Two Years of Strong Growth

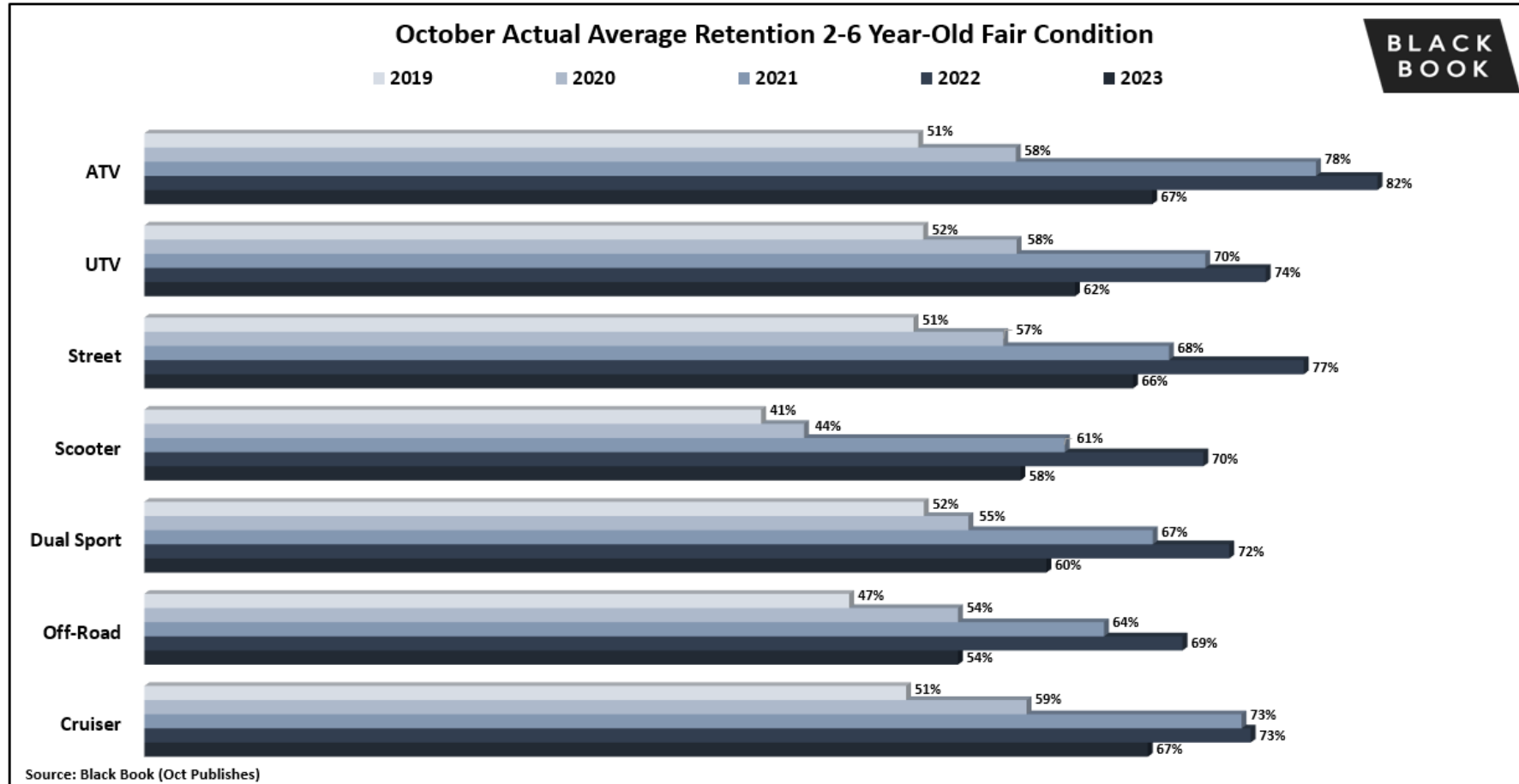


- Across all powersports segments, 2020 and 2021 marked a period of strong appreciation.
- In 2022, all segments, except the Cruiser, Off-Road, and ATV segments, witnessed continuous appreciation.
- 2023 is witnessing a pronounced depreciation trend across all segments.

Comparative Insights of October Trends



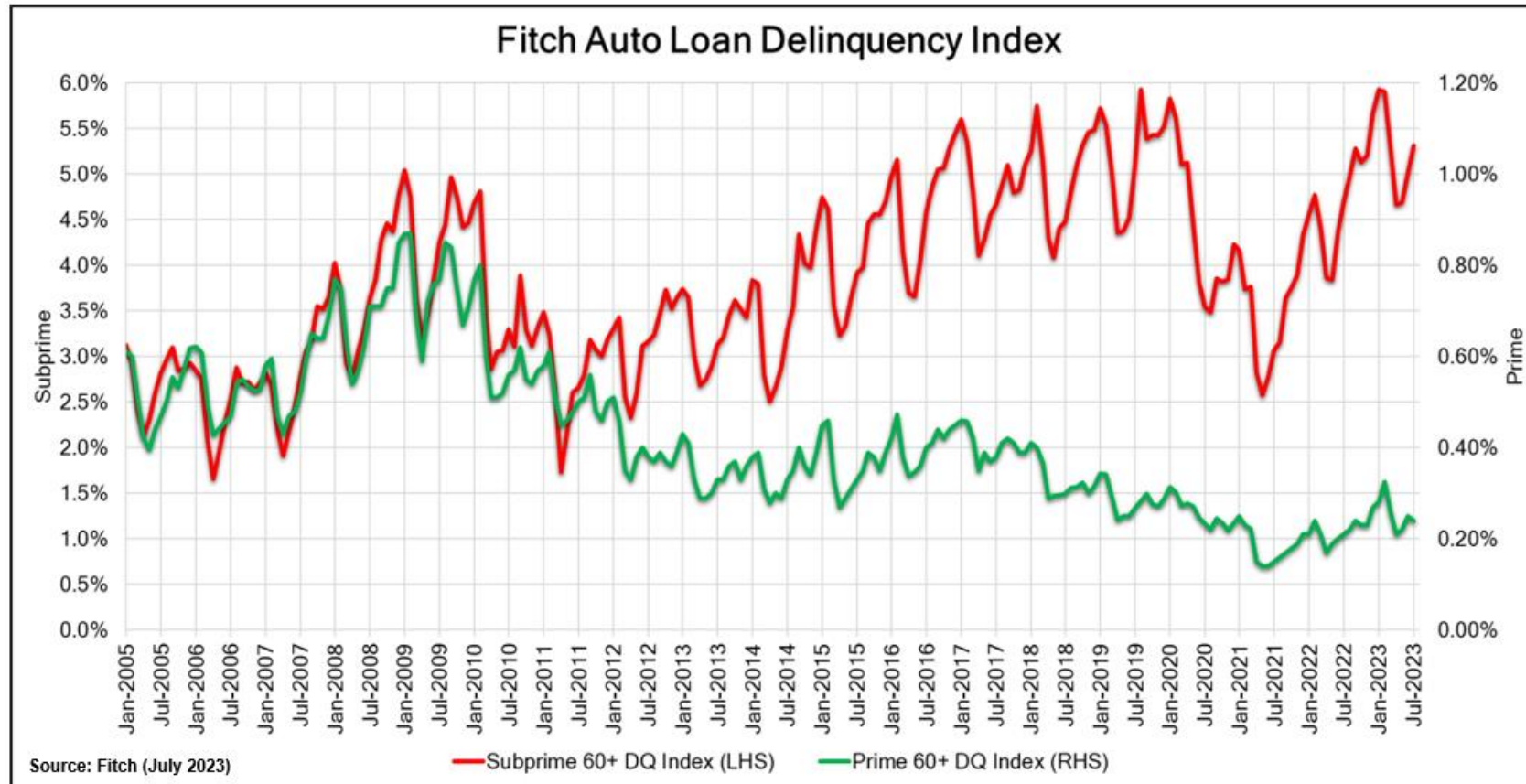
October 2023 retained value average lower than 2022 and 2021, yet surpasses levels seen in pre-COVID years across all market segments



Auto Delinquencies



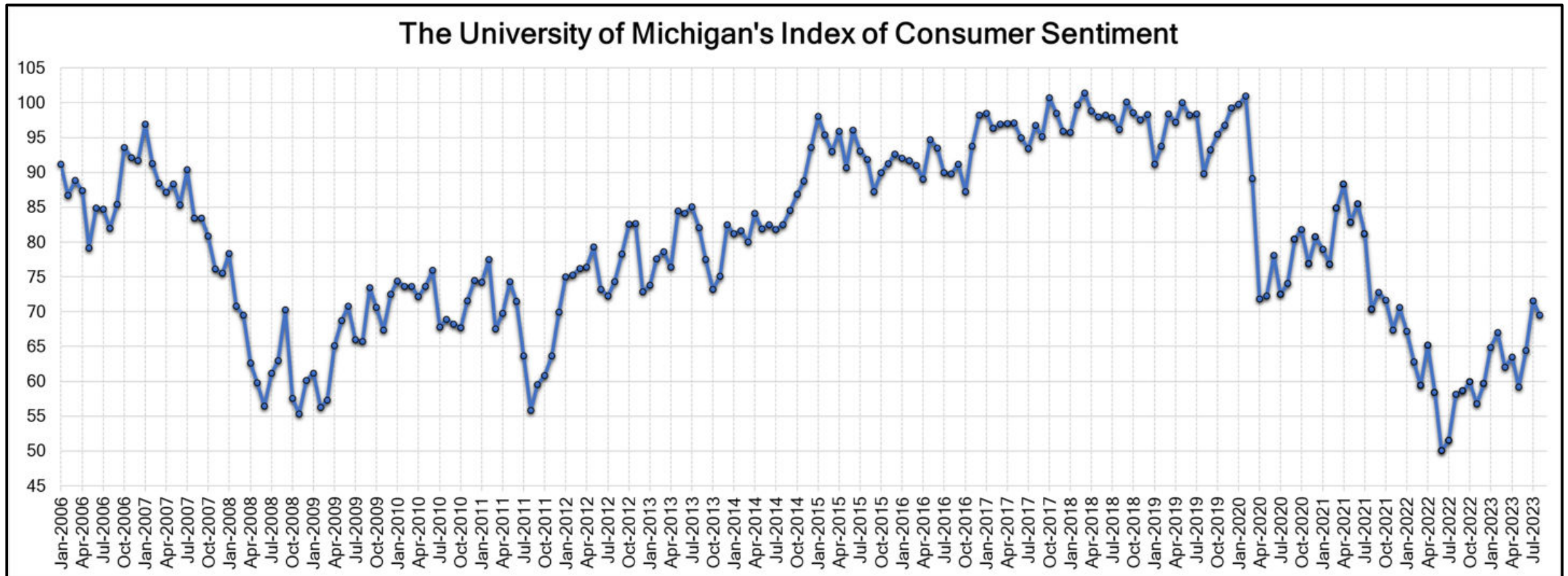
Metrics From Various Sources Point To An Increase In Repossessions In 2023



- Higher auto loan delinquencies indicate more borrowers are defaulting on payments.
- Economic uncertainties can further aggravate these delinquencies, pointing to a likely increase in repossessions.

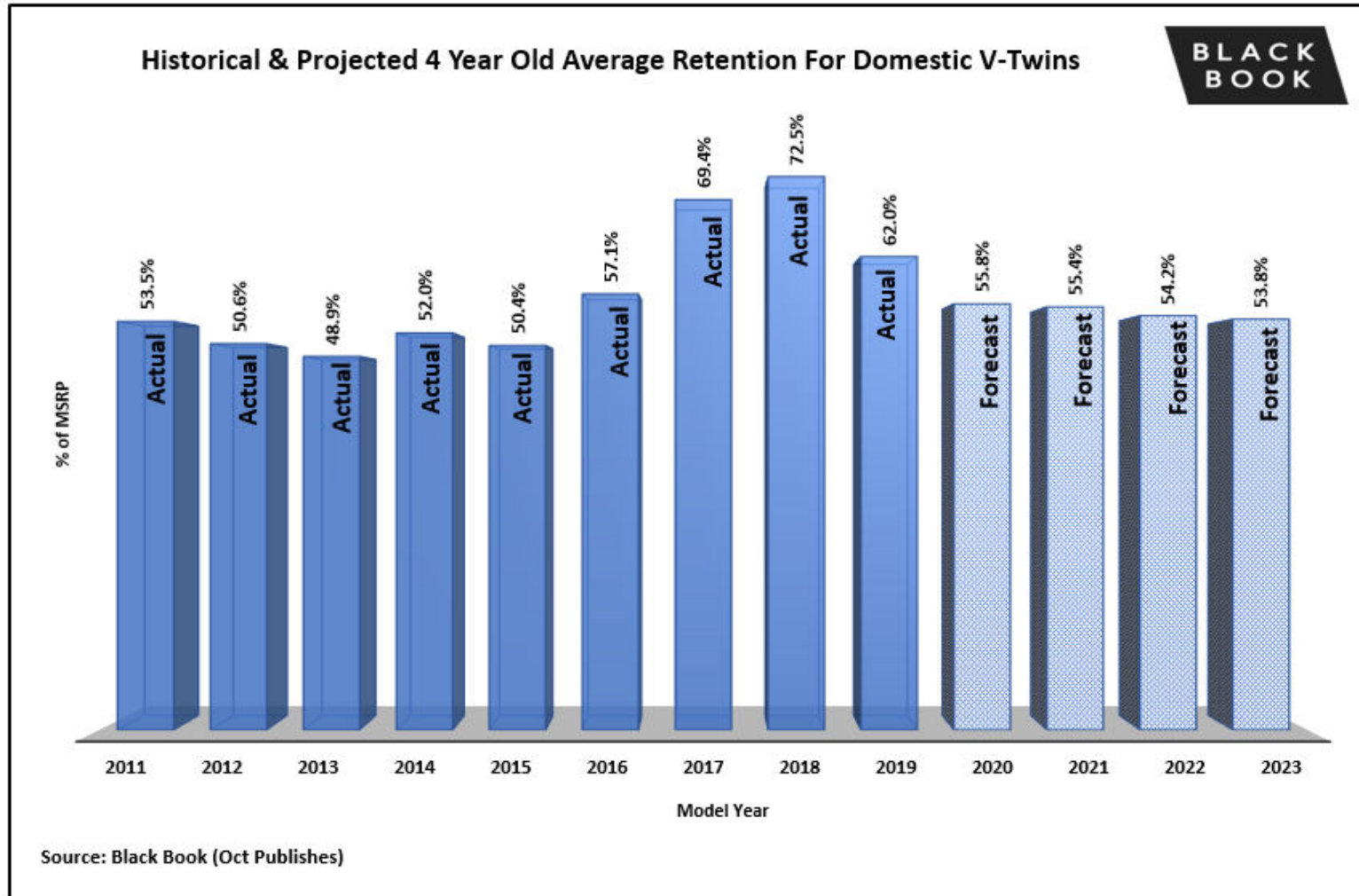
Consumer Confidence Index

After rising sharply for the past several months, consumer sentiment leveled off in August with a small decline that is not statistically different from July



Retention For Domestic V-Twins

Forecasted Return to Near Normal Retention for 4-Year-Old Domestic V-Twins

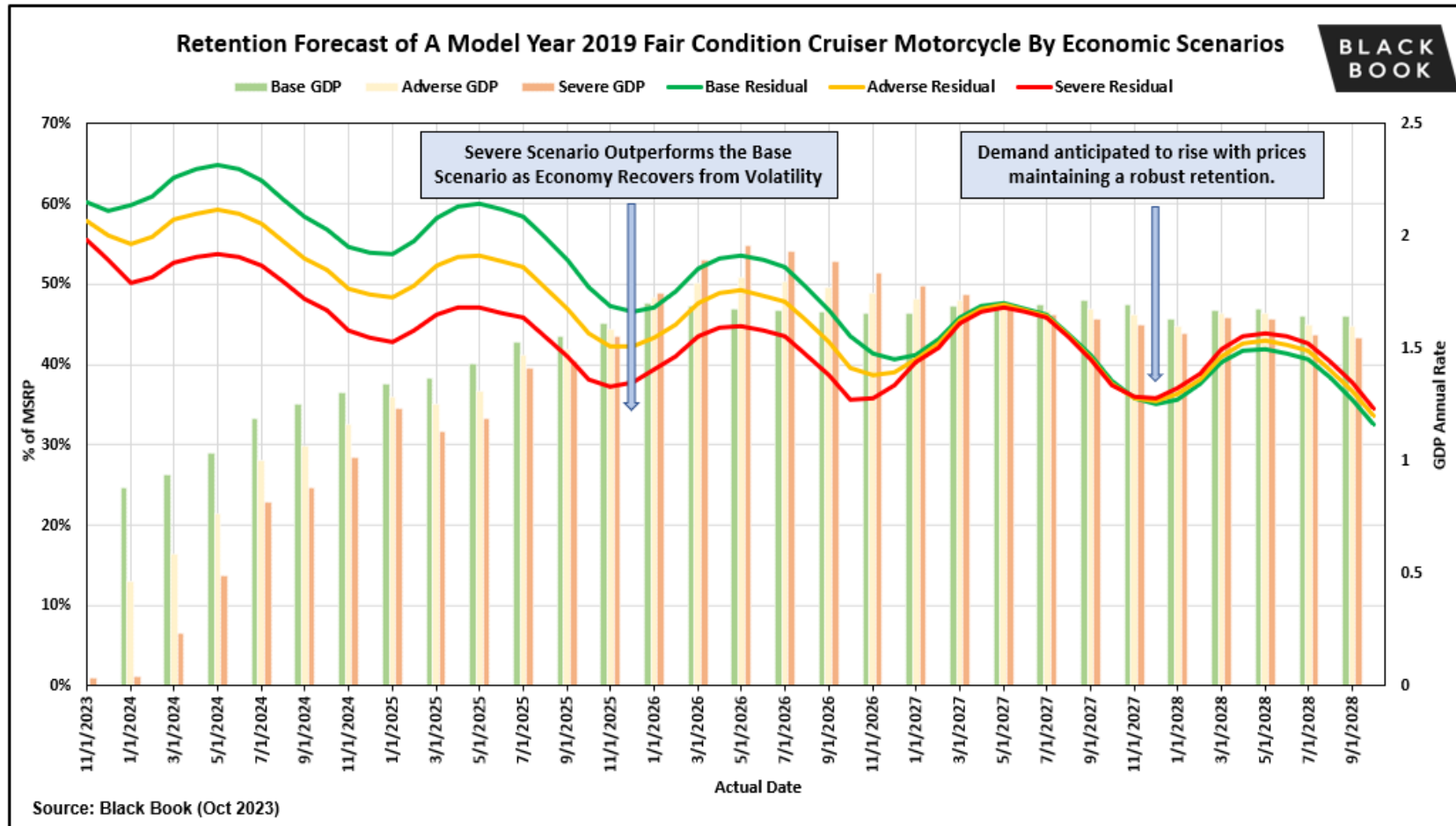


- Actual and forecasted average retention for 4-year-old Domestic V-Twins illustrating the value shift over time relative to their MSRP.
- Forecast reveals lower, yet steady, retention over the next 4 years for 4-Year-Old domestic V-Twins.

Residual Value Forecasting

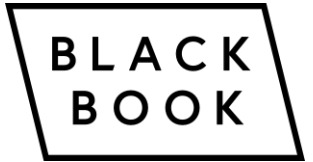


Futureproofing with Residual Value Forecasting in an era of economic uncertainty



- Leveraging Residual Value Forecasting is essential for robust financial planning, vulnerability identification, and maintaining long-term success for gaining a competitive edge.
- Recession typically lasts 2-3 years with declining market conditions.
- Economic recovery is expected within 3 years post-recession, with severe scenario seen to surpass base scenario, as illustrated by the GDP annual rate and motorcycle Residual Curves.

Envisioning the Future of the Powersports Market



Data, Today's Oracle

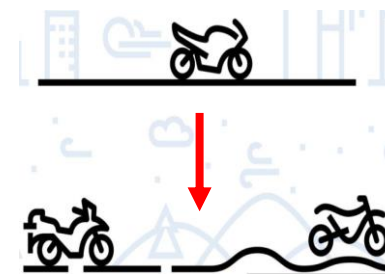


Data Analytics & Machine Learning
Industries' Game-Changers

Staying Current with Accurate Data
The Crucial Pulse to Succeed



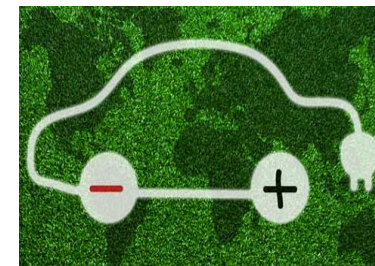
The Leasing Boom
Significant Shift toward Leasing in
Automotive, is Powersports next?



Tuning into the Consumer's Tune
Large Shifts in Consumer
Preferences as Newer
Generations enter market



The Tech Tsunami
Innovative Technologies
Transforming both Riding and
Driving capabilities



Say Hello to Electric
Electric Revolution just
getting started in the
Powersports market





INTELLIGENT
DECISIONS

Thank You!

