

# BUY

A man and a woman are shaking hands in front of a fleet of white vans. The man is wearing a light blue button-down shirt and dark trousers. The woman is wearing a dark blue sweater over a light blue collared shirt and dark trousers. They are both smiling. In the background, there are several white vans parked in front of a building. One van has a 'Holman' logo on its side.

**Holman**

---

**FLEET BY THE  
NUMBERS | 2023**



## ABOUT HOLMAN

Holman is a global automotive leader that serves both commercial and consumer clients The Holman Way by always doing the right thing for our people, our customers, and the community since 1924. The Holman story began nearly a century ago as a single Ford dealership in New Jersey. Today, Holman, headquartered in Mount Laurel, New Jersey, is one of the largest family-owned automotive service organizations in North America with more than 6,500 employees across North America, the UK, and Germany.

Holman delivers a unique range of automotive-centric services including industry-leading fleet management and leasing; vehicle fabrication and upfitting; component manufacturing and productivity solutions; powertrain distribution and logistics services; commercial and personal insurance and risk management; and retail automotive sales as one of the largest privately owned dealership groups in the United States. Guided by its deeply rooted core values and principles, Holman is continuously Driving What's Right. For additional information, please visit [Holman.com](https://www.holman.com) and connect with Holman on [LinkedIn](#), [Instagram](#), and [Facebook](#).



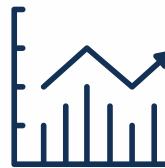
# BUY

## FUNDING

As interest rates and inflation rise, fleets find themselves also coping with the rise in acquisition costs. The economic pressures of today are pushing everyday expenses to even higher capacities.



Interest costs are up **109%** over 2020



Vehicle pricing is up **9-14%** over 2020



OEM discounts have been reduced by **more than 50%** from 2020 discount levels

Source: Holman Internal Data Team

Interest rates and inflation go hand-in-hand. The height at which interest rates rise will depend on how inflation reacts. Experts suggest a slowdown in spending is inevitable as rates continue to increase across all lenders.

## DOES INFLATION CHANGE OUTLOOK ON THE SUPPLY CHAIN?

Regardless of inflation or interest rate hikes, the supply chain constraints felt throughout the pandemic and post-pandemic will continue throughout 2023. However, if the economy falls into a recession, banks may start to constrict lending, and the domino effect of a recession will likely increase lending costs as well. Nevertheless, Holman is well-positioned to support our customers' funding needs as these changes transpire.

## OPTIONS TO IMPROVE CASH FLOW AND INCREASE FLEET EQUITY

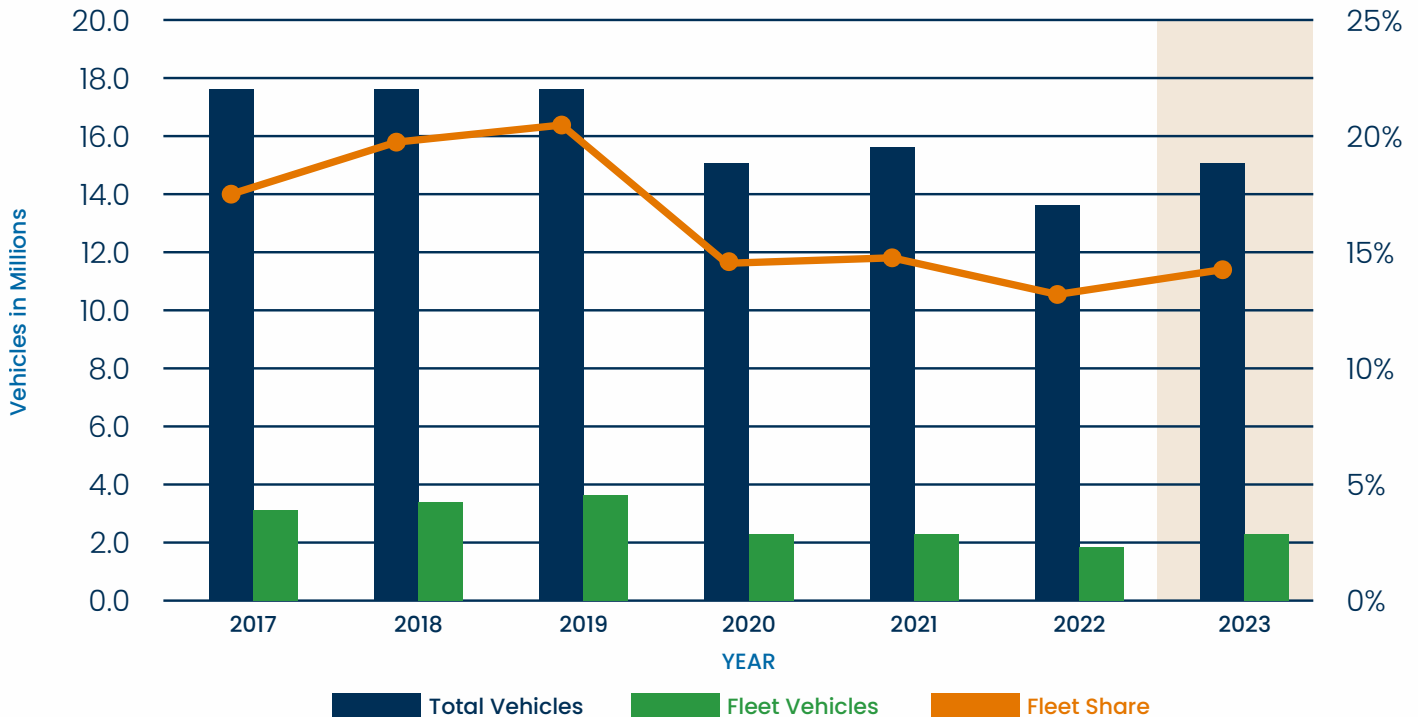
Despite the prolonged constraints that are expected on the supply chain, the resale market is expected to remain strong in 2023. For many businesses, sales leaseback programs may provide an avenue to infuse cash into the business.

Supply chain issues have forced businesses to hold their assets longer. Holman can support proactive evaluations of your fleet to identify equity or other cash flow opportunities that may exist. For example, sales leasebacks create additional ways to get equity out of assets. For companies and fleet managers needing additional capital, this may be a road worth traveling.



# SUPPLY CHAIN OUTLOOK

The status of the supply chain is a key concern across the entire automotive industry. 2023's projections show marginal improvement over 2022. However, the number of vehicles produced for fleet purchase is still projected to be down 19% compared to pre-pandemic production levels as OEMs continue to pipeline inventory to retail.



## VEHICLE AVAILABILITY



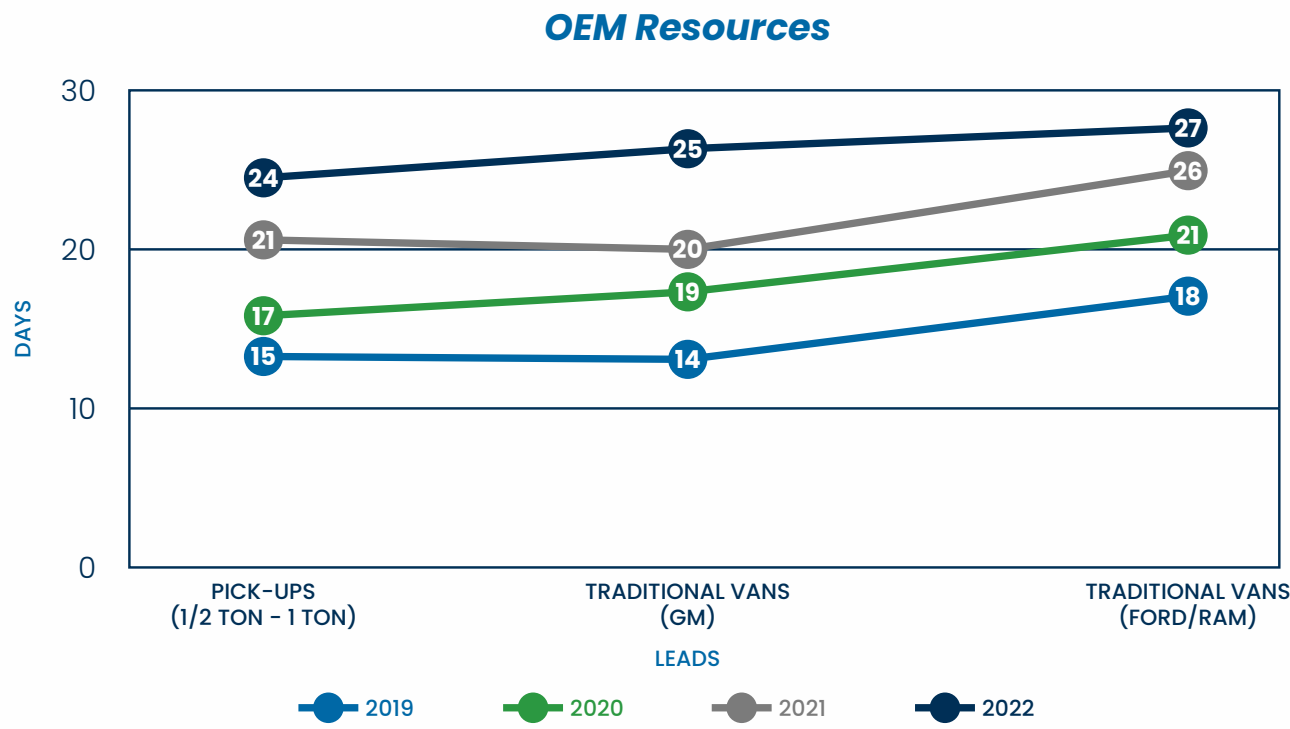
Although production levels are improving, there are still about 8 million fleet vehicles that were never produced due to disruptions in 2020.

Highly coveted fleet vehicles, like pickup trucks and vans, will likely continue to be allocated, limiting the amount customers can order at one time.

To mitigate the impact of restricted availability, you can take measures to extend the life of your current fleet vehicles. For example, try repowering an existing vehicle with an OEM remanufactured engine.

# SHIPPING DELAYS

In 2023, lead times are expected to remain more than **50% longer than pre-pandemic levels.**



Supply of components and labor are also impacting upfitting, with manufacturing locations facing a record backlog of work, resulting in increased lead times.

## INSTANCES OF PAST DUE AND MISSED SHIPMENTS ARE UP 110% FROM PRE-PANDEMIC NUMBERS



Inbound freight costs and delivery are beginning to level out



Railroad strikes and capacity restrictions slow the upfitting and delivery process



Lack of skilled laborers adds to shipping hurdles

# IMPACT OF THE WAR IN UKRAINE

The ongoing war in Ukraine has impacted the availability of neon and palladium – both materials used to manufacture semiconductors. With supply disrupted, costs increase, and the ability to produce chips decreases. Moreover, palladium is also used to produce catalytic converters, which means that multiple aspects of vehicle production are being affected.

10

Ne

[He]2s<sup>2</sup>2p<sup>6</sup>

neon

Neon

70–80%

of the world’s supply

is produced by Ukraine

46

Pd

[Kr]4d<sup>10</sup>

palladium

Palladium

35–45%

of the world’s supply

is produced by Russia

US semiconductor fabrication plants are underway; however, because it generally takes a minimum of two years to complete their construction, these facilities will not be operational in 2023. The first plant, located in Phoenix, Arizona, is expected to begin producing 4 nanometer chips by 2024.

US Chip Facility Projections	
Location	Operational Year
Arizona	2024
Ohio	2025
New York	2026 – 2030

Source: [CNN](#)

# IMPACT OF INFLATION

Higher acquisition costs can be expected in 2023, especially concerning chassis, parts, and labor. Likewise, the average price for a new vehicle will reach about \$13,000 above than the average price in 2020.



# AVERAGE PRICE FOR A NEW VEHICLE



- 2022 Price - **\$47,000**

- 2023 Price - **\$50,050**

**Inflation has increased the cost of labor and raw material by 31.3% since September 2021.**

Overall, an inflationary environment will persist, but rather than experiencing significant spikes every quarter, you can expect to see gradual increases as the year progresses.

Source: Holman Internal Data Team

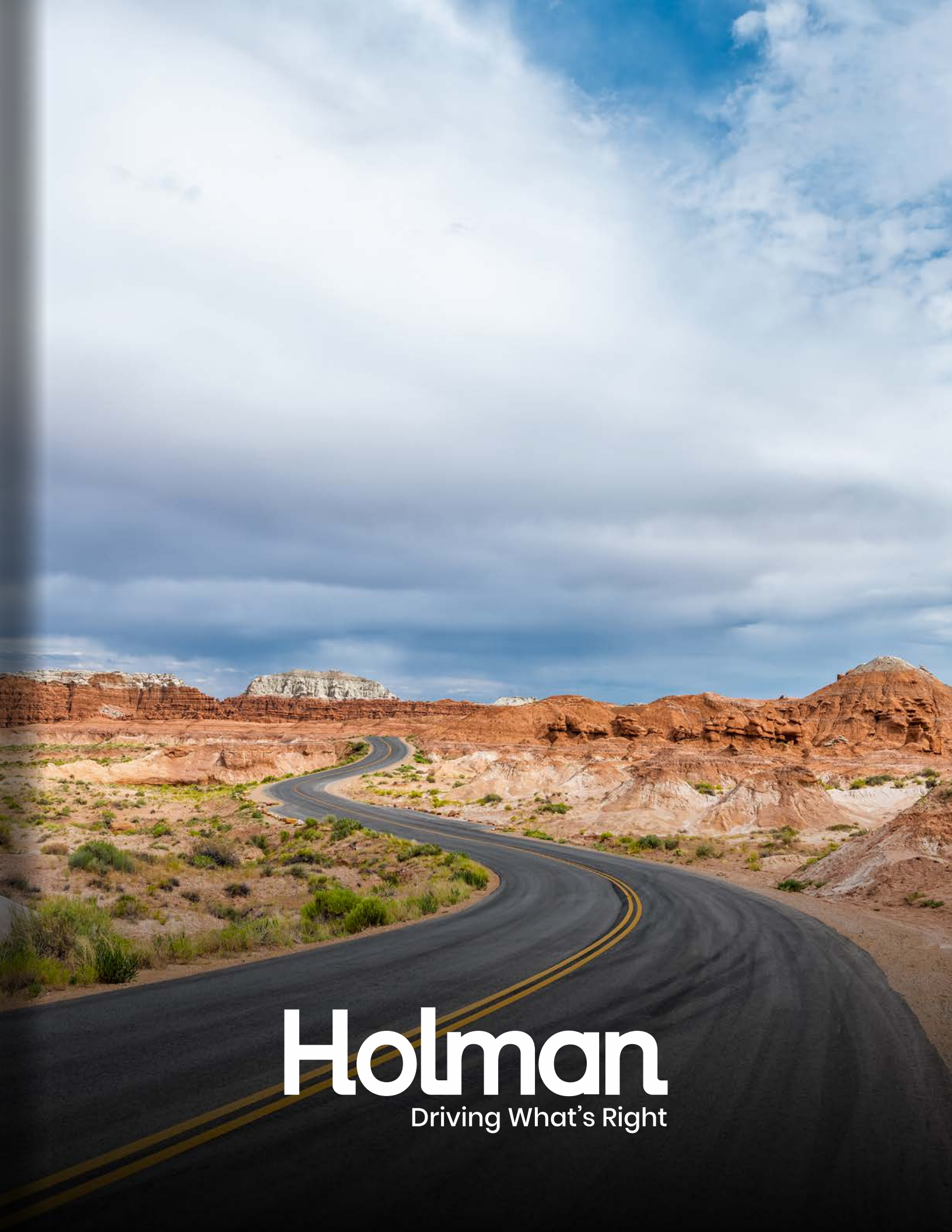






## YOUR ACTION PLAN:

- Keep flexibility at the forefront of your fleet plans.
- Consider incorporating [remanufactured OEM parts](#) and other methods to extend vehicle lifespan.
- Involve all stakeholders to get a holistic picture of your business, budget, and fleet needs.
- Keep your [OEM partners engaged](#).
- Leverage Holman to explore your needs vs. options and make a plan.
- Minimize the number of vendors in your chain to avoid [decentralized management](#).



**Holman**  
Driving What's Right