

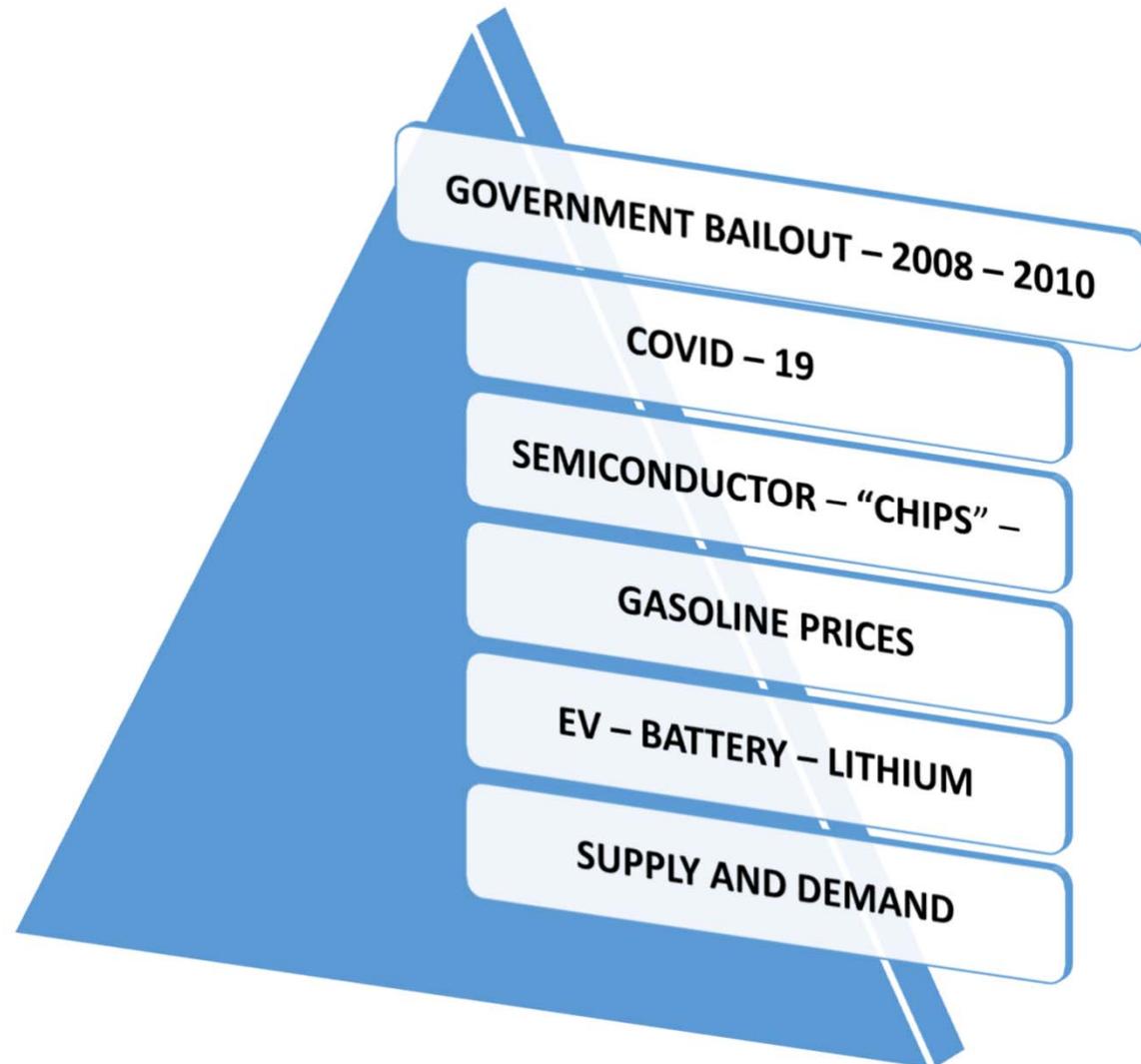
ACCCI – MAY -2022



SHARON B. PARKER
VICE PRESIDENT
COKE SALES/PRODUCTION
PLANNING OF ABC COKE
AUTOMOTIVE PRESENTATION

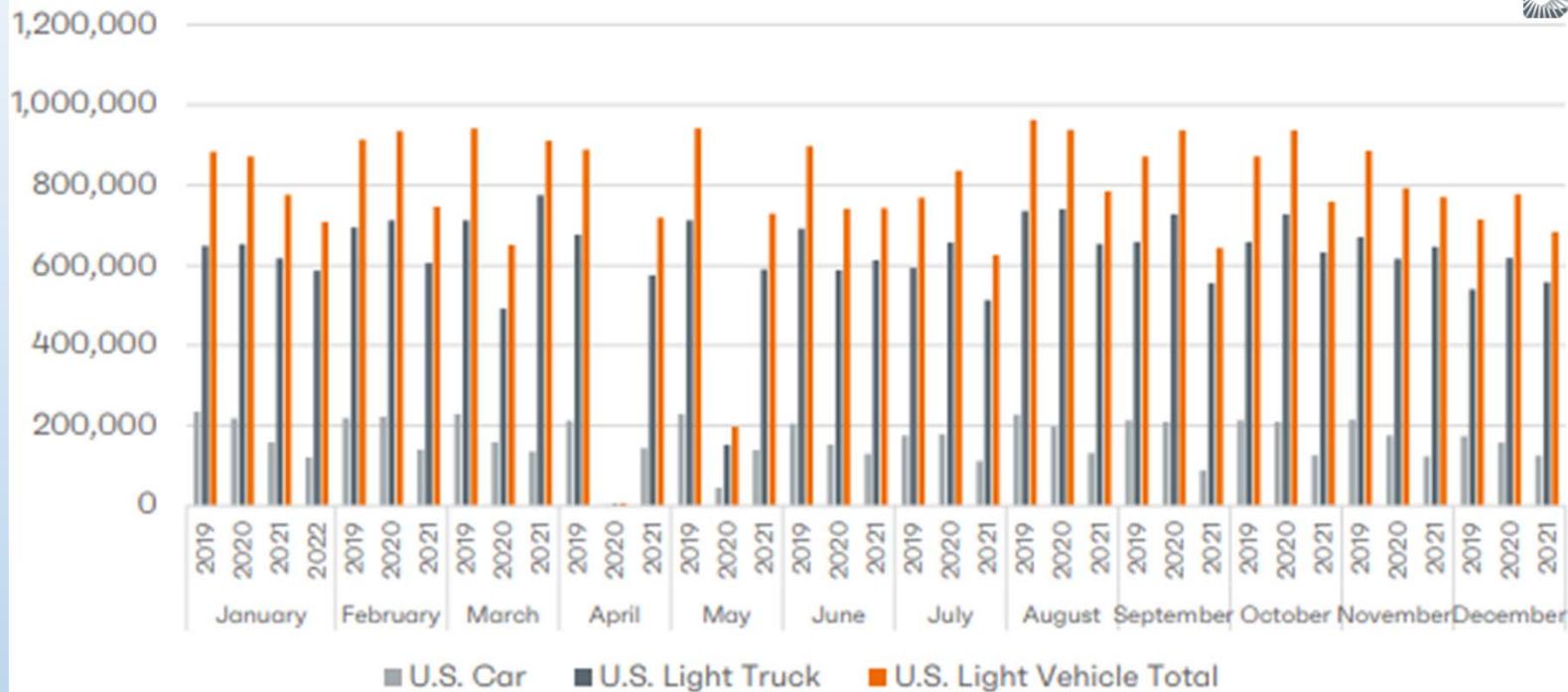


The Automotive World



U.S. Light Vehicle Production

U.S. Light Vehicle Production: Monthly 2019-2022

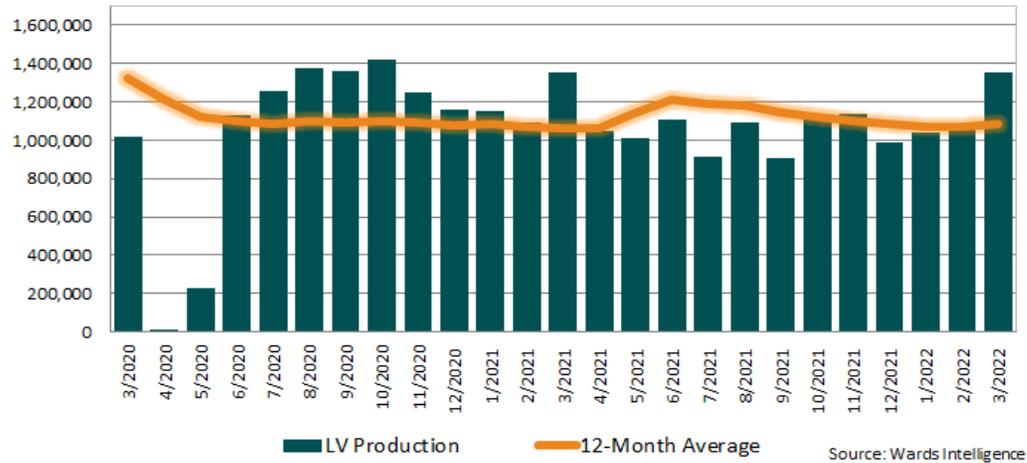


WardsIntelligence Inventory Update (3/3) 23: “U.S. light-vehicle inventory at the end of February was relatively flat with January, which puts a damper on the sales outlook for March. Inventory typically rises from January to February, and the diversion from the seasonal trend can be pegged to the ongoing chaos in the supply chain – a situation that generally is improving but could worsen due to Russia’s invasion of Ukraine.

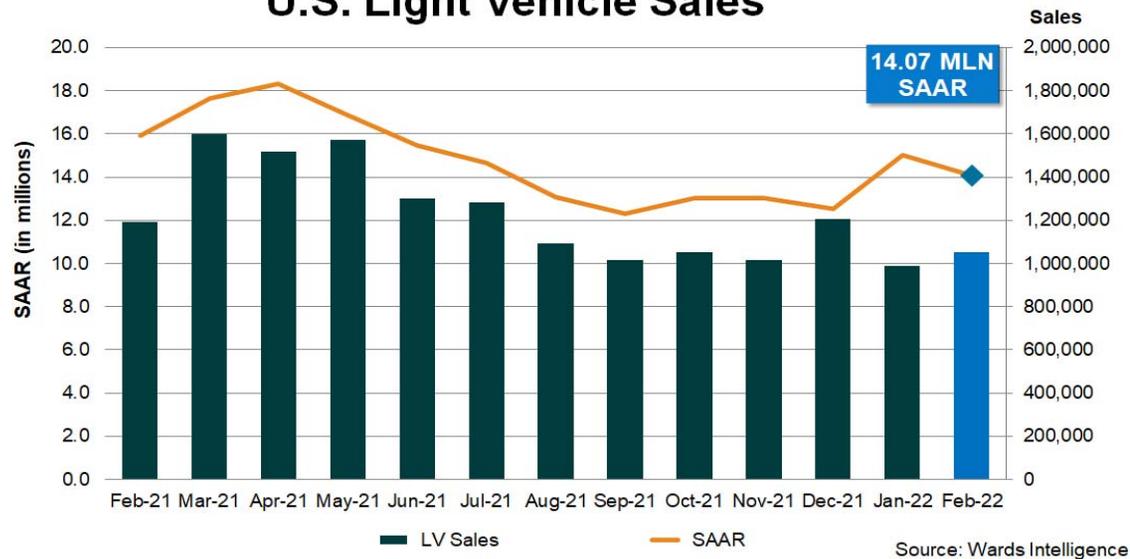
Inventory ended February at 1.07 million units, 60% below like-2021. Days’ supply was 24, a slight decline from January’s 26, but well below same-month 2021’s 54. PreCovid, or prior to 2020, February’s days’ supply typically averaged 73. Based on expected production for the U.S., and the initial sales outlook, inventory should rise slightly in March, although current geopolitical tensions could put a damper on that possibility.”

WARDS U.S. LIGHT VEHICLE PRODUCTION & SALES

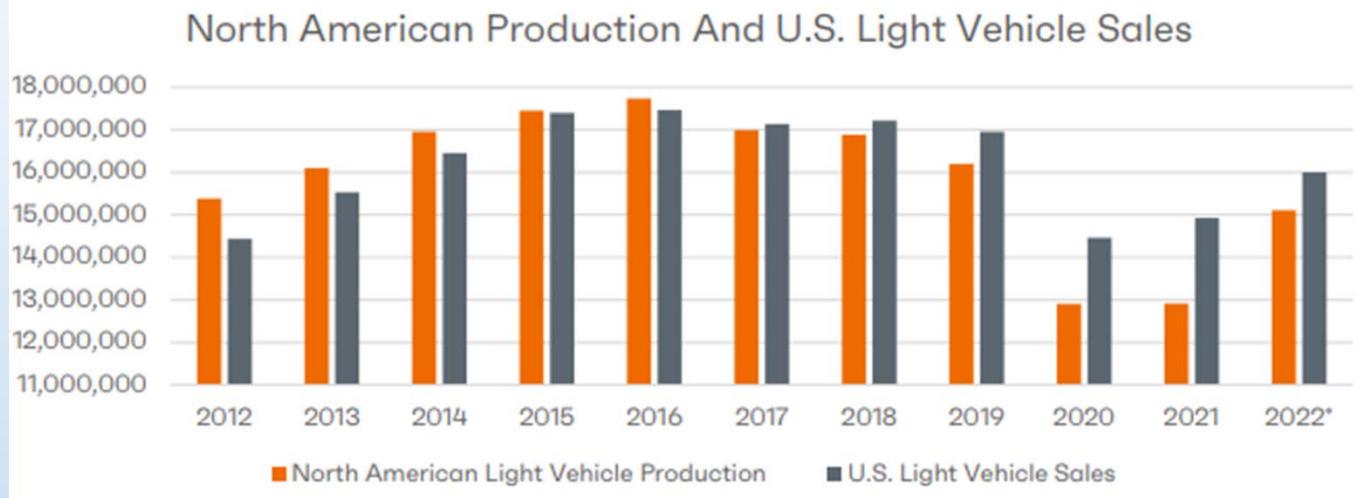
North America Light Vehicle Production



U.S. Light Vehicle Sales



North American Production and Sales

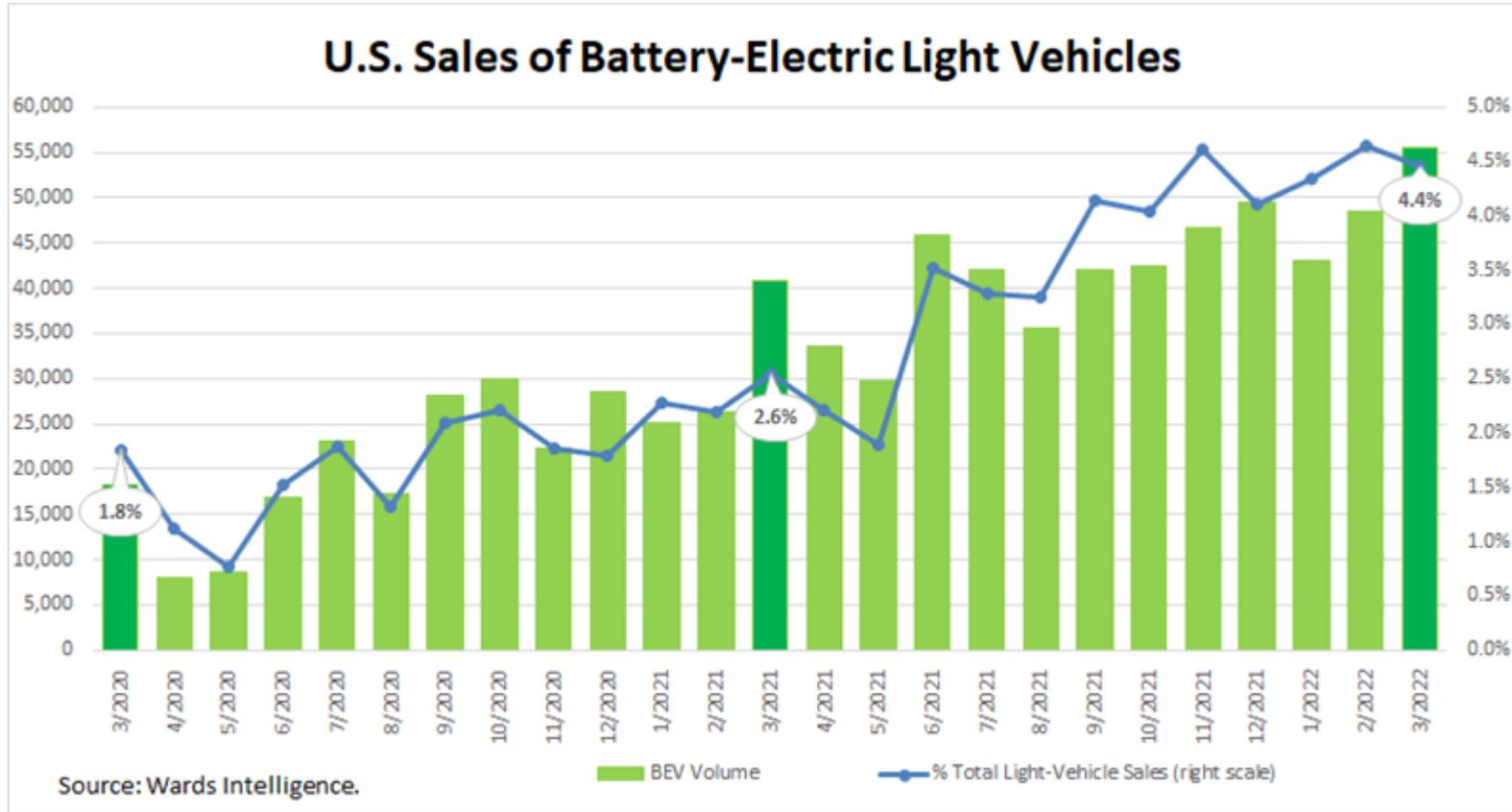


Wards Intelligence February Outlook (3/3) 4: “U.S. light-vehicle inventory at the end of February was relatively flat with January, which puts a damper on the sales outlook for March.

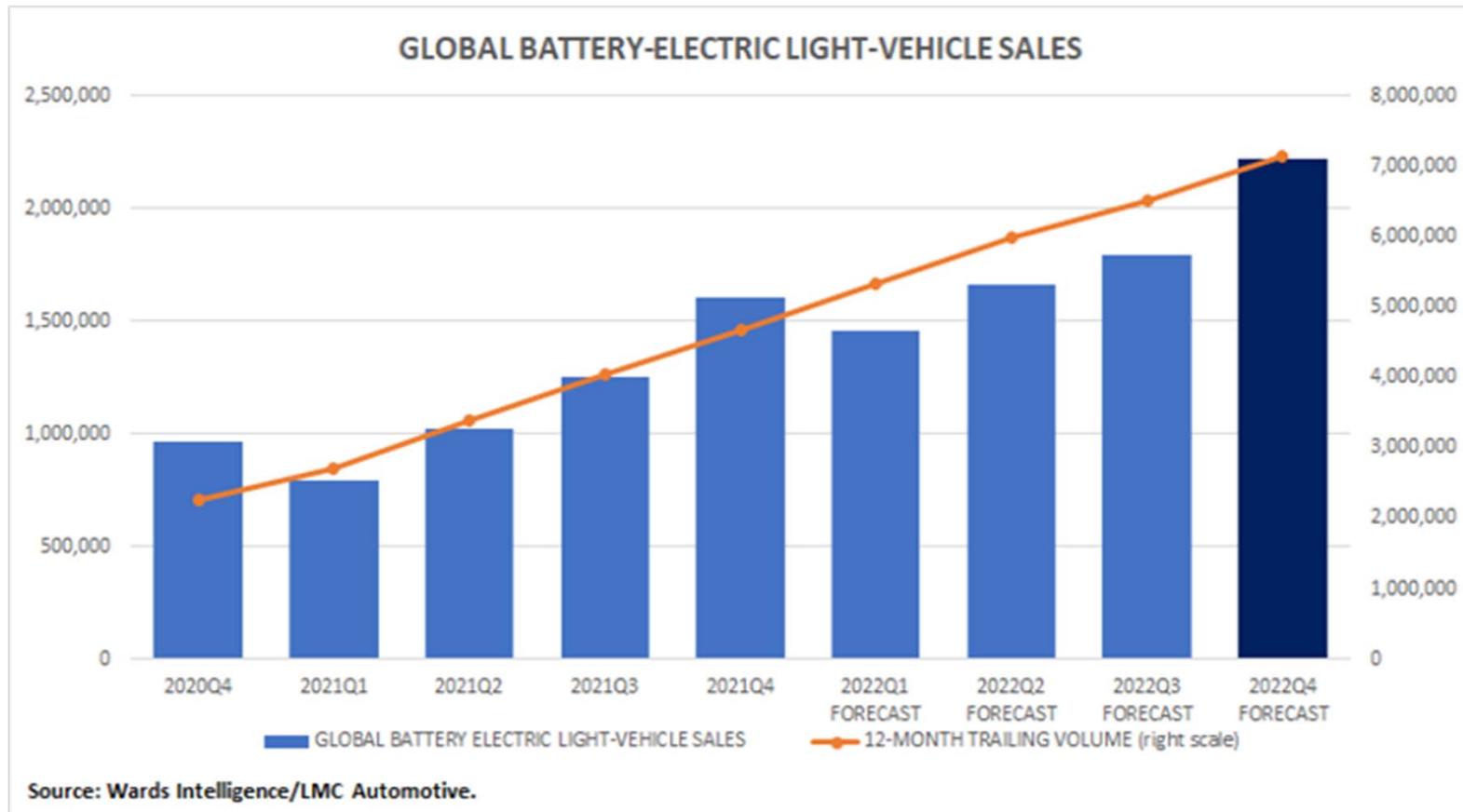
“Inventory typically rises from January to February, and the diversion from the seasonal trend can be pegged to the ongoing chaos in the supply chain – a situation that generally is improving but could worsen due to Russia’s invasion of Ukraine. “A first pass signals March light-vehicle sales equal to a 14.0 million-unit seasonally adjusted annual rate, the same as February’s revised total, but well below January’s 15.0 million.

That would put the quarter at 14.3 million units, which would be an any-quarter high since Q2-2021’s 16.9 million, but somewhat a disappointment after January’s start.

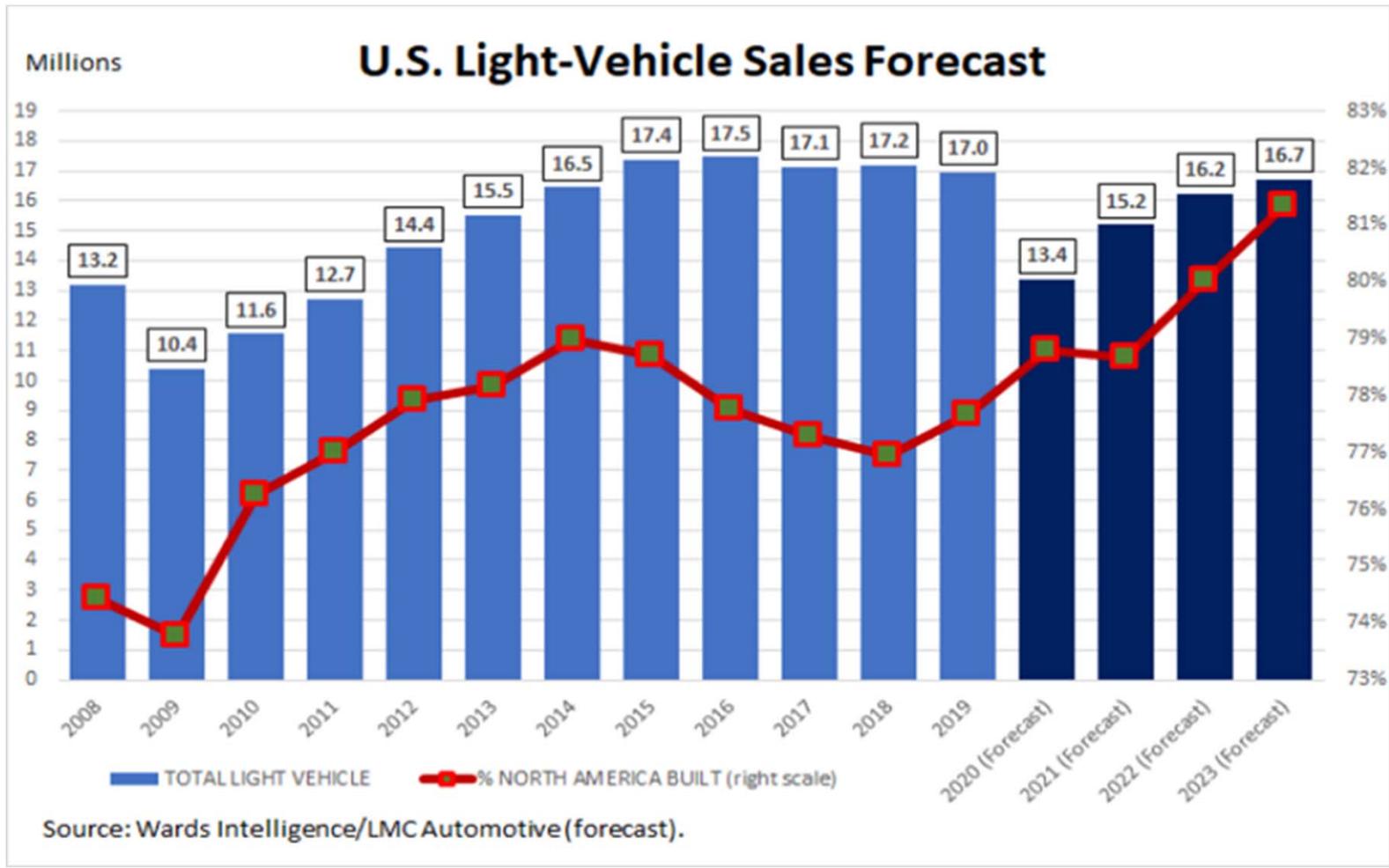
WARD'S U.S. SALES OF BEV'S



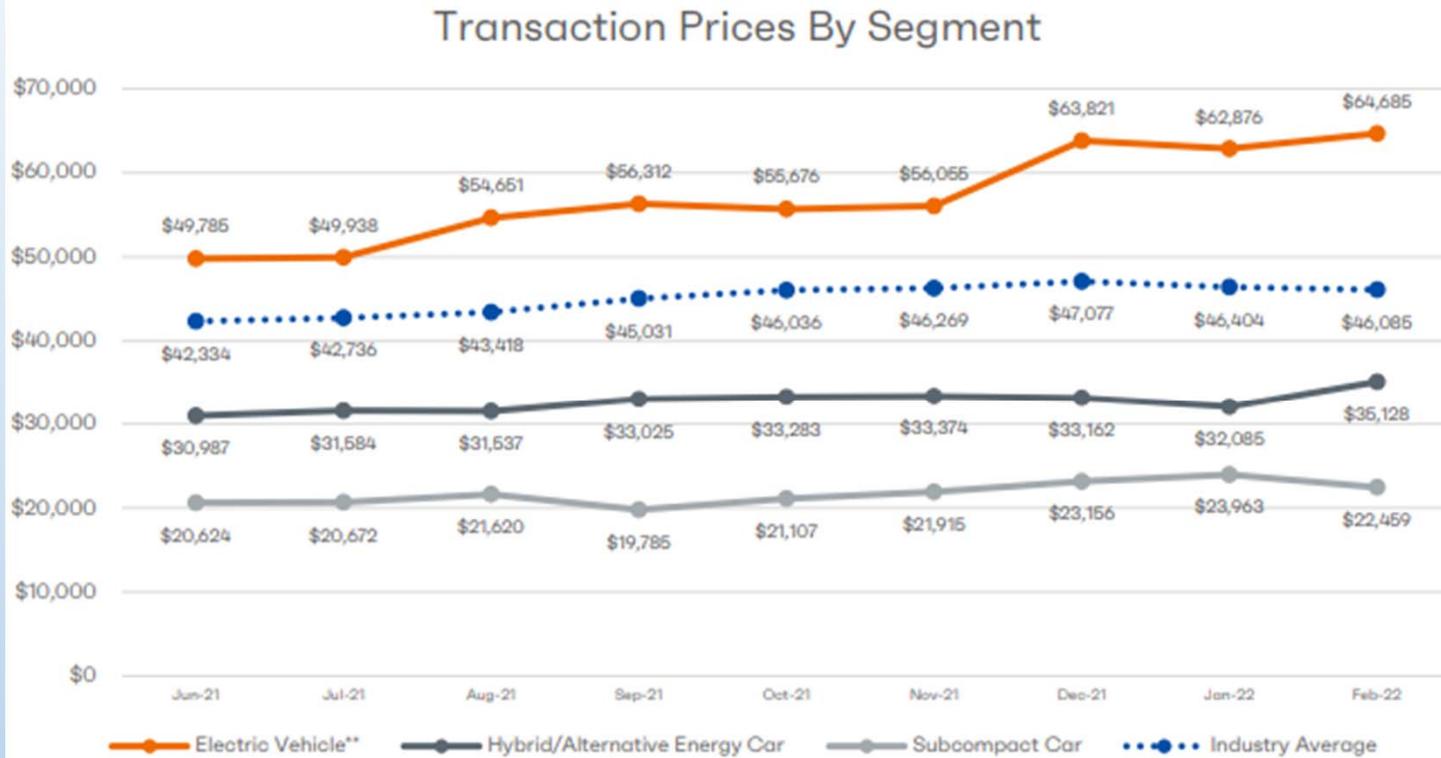
WARD'S GLOBAL SALES OF BEV'S



Light Vehicle Sales Forecast



Transaction Prices by Segment



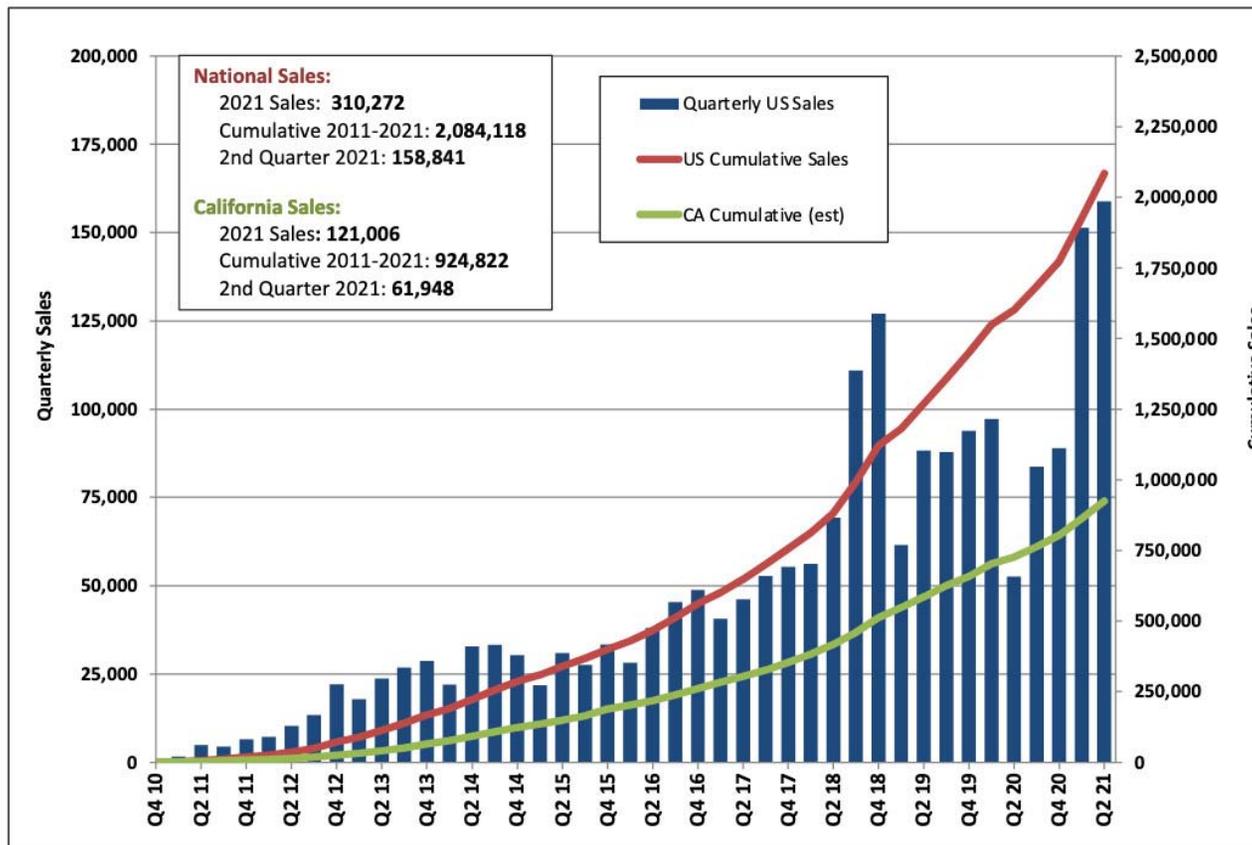
Due to reporting errors with Tesla Motors, the Electric Vehicle ATP is likely higher than Kelley Blue Book estimates.

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
3/10/2021	4.15%	4.15%	4.49%
3/2/2022	3.97%	4.99%	4.40%
3/10/2022	3.98%	4.99%	4.41%
One Week Change	0.01%	0.00%	0.01%
Two Week Change	-0.01%	0.99%	-0.01%
Change since 1/3/20	-0.62%	0.44%	-0.69%
One Year Change	-0.17%	0.84%	-0.08%

EV Sales California



Electric Vehicle Sales in California and the U.S.



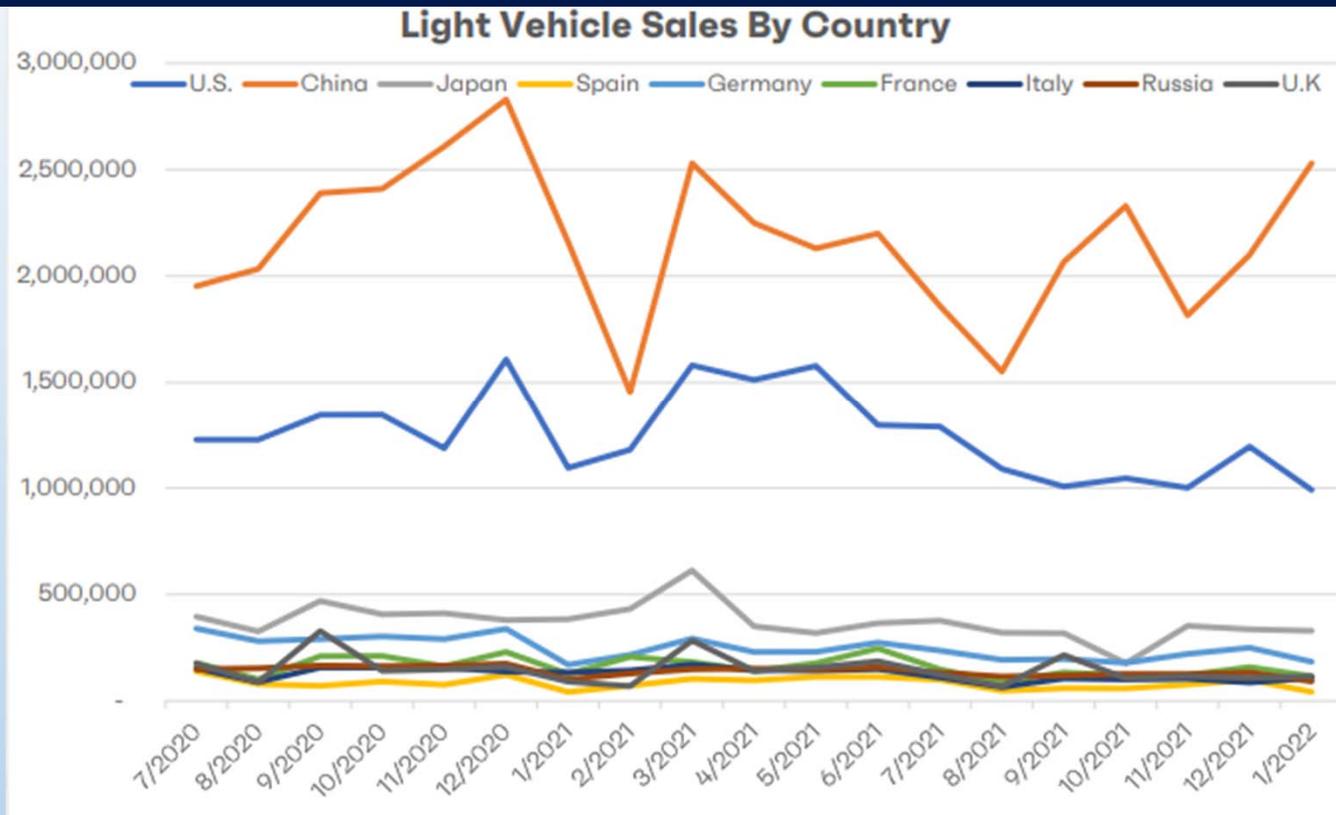
Note: CA sales are 39% of national sales.
 Data Source: California Energy Commission (2021).
 Retrieved August 3, 2021 from <http://www.energy.ca.gov/zevstats>

Q2 2021 Data Update.

MOTOR VEHICLE PRODUCTION - WARDS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
U.S.	5,709,431	7,743,093	8,655,003	10,335,765	11,066,432	11,660,702	12,105,988	12,198,137	11,189,985	11,314,705	10,880,019	8,822,399	9,167,214
MEXICO	1,561,052	2,345,104	2,681,386	3,001,814	3,054,849	3,368,010	3,565,218	3,597,462	4,069,389	4,100,770	3,986,794	3,176,600	3,145,653
CANADA	1,490,482	2,068,189	2,135,121	2,463,364	2,379,834	2,394,154	2,283,307	2,370,271	2,194,003	2,020,840	1,916,585	1,376,623	1,115,002
NORTH AMERICA	8,760,965	12,156,386	13,471,510	15,800,943	16,501,115	17,422,866	17,954,513	18,165,870	17,453,377	17,436,315	16,783,398	13,375,622	13,427,869
CHINA	13,648,553	18,264,667	18,418,876	19,271,808	22,116,825	23,722,890	24,503,326	28,118,794	29,015,633	27,809,196	25,720,665	25,225,242	26,082,220
JAPAN	7,934,516	9,625,940	8,398,654	9,942,711	9,630,070	9,774,558	9,278,238	9,204,490	9,690,201	9,728,528	9,684,298	8,067,557	7,846,955
INDIA	2,642,502	3,553,803	3,940,360	4,148,969	3,896,088	3,864,560	4,150,284	4,488,964	4,782,916	5,174,945	4,516,017	3,490,000	4,399,112
WORLD	60.2 Million	76.3 Million	78.7 Million	83.4 Million	86,953,215	90.7 Million	88,969,865	95.1 Million	97.3 Million	95.6 Million	91.8 Million	77.6 Million	80.1 Million

Light Vehicle Sales by Country

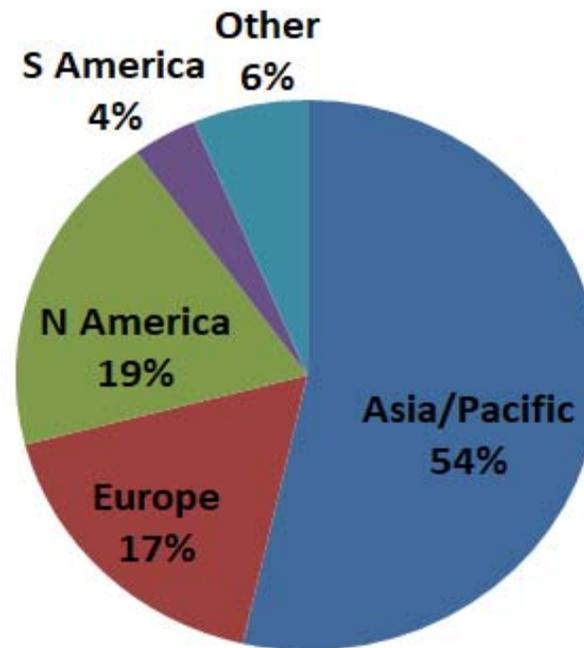


Wards Intelligence 24: “Kicking off the new year on a disappointing note, global vehicle sales totaled 6.85 million in January, 3.8% behind like-2021’s 7.12 million. Whereas last year the global microchip shortage hadn’t taken full effect, and sales had begun to recover from the initial hit of the pandemic, January 2022 faced both spiking COVID cases as well as ongoing inventory issues. . . . Though 2022 got off to a rough start in January, the rest of the year holds hope for a recuperation from the past two years’ setbacks.”

World Vehicle Sales By Region

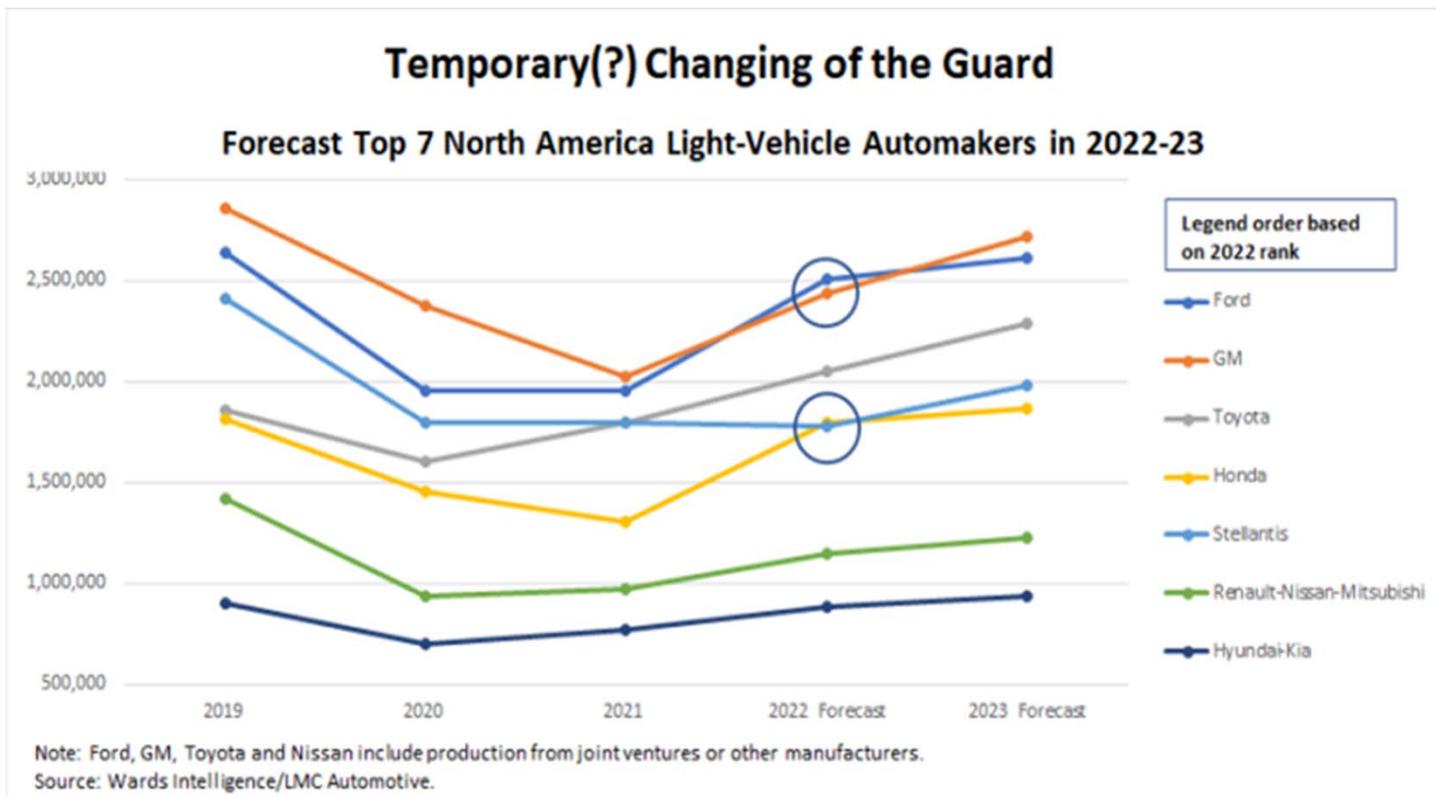
World Vehicle Sales by Region

Feb 2022



Source: Wards Intelligence

Top 7 North America Light-Vehicle Automakers



Ford F –Series – US – By year

Year	sold
2005	901,463
2006	796,039
2007	691,589
2008	515,513
2009	413,625
2010	528,349
2011	584,917
2012	692,589
2013	764,402
2014	753,851
2015	780,354
2016	820,799
2017	896,764
2018	909,330
2019	896,526
2020	787,372
2021	726,003
2022	140,701

Ford F –150 Lightning



Ford beefs up F-150 Lightning production in a forceful bid to dominate the electric pickup market

Ford Motor is set to be the first automaker to bring a mainstream, full-size electric pickup to the U.S. market.

Ford expects to increase production of the F-150 Lightning to 150,000 units in the next year or so, up from an initial target of 40,000 vehicles.

Ford's F-Series pickup will remain America's best-selling vehicle for a 40th straight year and the industry's top-selling truck for the 45th consecutive year.

Make Sure the Desired Features Are on the Car Keep Production Rolling



Ford decided to delete the SUV's rear seat climate controls “to get Explorers out to customers faster. It took a similar approach late last year when it deleted the stop-start feature – which automatically shuts off a vehicle’s engine, rather than idling – from some F-150 pickups.

- [BMW](#) removed touchscreen functionality and its Park Assist system from more than a half-dozen models,
- General Motors deleted heated and vented seats on several SUV and truck models, auto stop/start on some pickups, HD radio on other trucks, and hands-free [Super Cruise](#) from the [Cadillac Escalade](#).

Make Sure the Desired Features Are on the Car Keep Production Rolling

- [Mercedes-Benz](#) deleted a variety of features, including wireless smartphone charging and premium audio on some vehicles.
- [Porsche](#) removed the 18-way power seat adjuster on the [Porsche Macan](#), and power steering wheel adjuster on some vehicles.

If you're shopping for a vehicle it's well advised to check with the dealer to be sure you'll be able to get all the advertised features

Chip shortages expected to last into 2023, auto execs say



- The global shortage of computer chips that is dragging down vehicle production is expected to last into 2023.
- With more than 1,000 semiconductor chips used in the average new vehicle, the shortage has also led OEMs to leave certain features off the vehicles they ship to dealers – potentially [creating difficulties for repairers](#), who must figure out if parts that show up in relation to VINs are actually on the vehicles or not.

- OEMs have also been competing with increased semiconductor demand by consumer electronic companies throughout the pandemic as [employees shifted to working from home and students largely attended classes remotely](#). In addition to that, the Russian invasion of Ukraine has recently shut down European factories that produce automotive components...

Chip makers feel labor market squeeze

- Growing global demand for chips has semiconductor companies scrambling to hire engineers and other skilled workers in the U.S. amid a nationwide labor shortage and international supply chain disruptions.
- Intel has nearly 2,500 job postings for engineers in the U.S., and that need is expected to increase if Congress passes a \$52 billion funding package for domestic semiconductor manufacturing.

Why A Lithium Battery Shortage May Wreck The Great EV Race



- Automakers like General Motors and Ford have wowed Wall Street with flashy EV designs, technical prowess and plans to invest tens of billions of dollars. Yet they've literally put the cart before the horse: the lithium batteries needed to power the electric vehicle revolution.
- With a single lithium mine operating in the U.S., one nickel mine, and one major source of rare earth magnets — MP Materials' Mountain Pass, Calif., site — EV and battery capacity is being planned without regard to the serious shortage of necessary raw materials.

Why A Lithium Battery Shortage May Wreck The Great EV Race

- Automakers, anxious to avoid a replay of the production halts forced by the chip shortage, are in "a quiet mad rush" to line up lithium, permanent magnets and other key materials for EVs.
- China is by far the biggest processor of lithium chemicals. But it gets most of its feedstock from Western Australia. Now, as processing capacity comes online in Australia, Chinese battery makers may be getting nervous about future lithium needs. Some are joining bidding wars for lithium mining operations to secure supplies that are seen as part of a broader geopolitical and technological contest between the West and China.
- In coming years, EV winners and losers will depend much less on who has the best technology than on who has the materials needed to get their cars to market.

Filling vs. Charging

- **Filling vs. charging: Gas vehicles cost up to six times more than Evs** Comparing the average costs of charging EVs with filling up gasoline vehicles, EVs cost less—with the difference exaggerated in some states.



An advocacy group compared operating costs of EV and gasoline cars, including the average costs of charging and filling up with gasoline. As of March 2022, EVs are three to five times cheaper to drive per mile than gasoline cars.

But price premiums for EVs are no longer the norm, ZETA claims. The group also noted that gas prices are much more volatile than electricity prices, citing the recent spike in prices related to the Russian invasion of Ukraine.

How much does it cost to charge an electric car?

The cost of charging your electric car at a public charge point depends on the charge point network and the [location of charge points](#). Many local authorities offer a pay per session approach to on-street chargers. Occasionally they can be free to use if you have access to a network subscription

“The cheapest way to charge your electric car is almost always at home, overnight. Some utilities have special low rates for the overnight period when their demand is lightest.”



The Automotive World



With some of the world's most prominent car manufacturers announcing plans to phase out petrol and diesel-powered vehicles entirely within the next decade and a half, electric vehicles (EVs) are no longer a dream of the future.

General Motors in the US have stated their intentions to sell only [EVs by 2035](#), while the [global growth in sales](#) of EVs and President Biden's pledge to reach 50% electrification by 2030 prove that EV adoption is finally reaching the mainstream.

CAFÉ: The most recent federal efficiency standards are projected to increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by model year 2025, while also reducing CO2 emissions.

Electric vehicle sales surge in 2021



- Electric vehicle sales have surged, with growth in all three top auto markets: China, the US, and Europe
- Electric vehicle (EV) sales have surged, with growth in all three top auto markets: China, the US, and Europe. Sales increased by 160% in the first half of 2021 from a year earlier, to 2.6 million units, representing 26% of new sales in the global automotive market.
- China remained the world's top EV market, with 1.1 million vehicles sold in the first half, accounting for 12% of sales. In the US, EVs have been less popular. Only 250,000 units were sold, accounting for 3% of sales.

REUSE AND RECYCLE

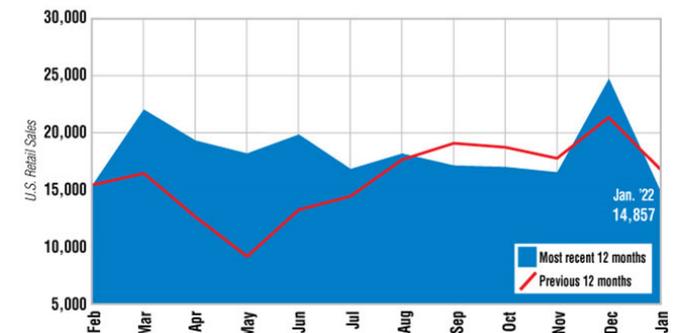


A frequently asked question is whether L-ion batteries can be recycled. With expected battery lifetimes of around ten to 15 years for passenger vehicles, and the possibility of extending EV battery life through use in the energy-storage sector, battery recycling is expected to increase during the current decade, but not to game-changing levels. Depending on the recycling process employed, it is possible to recover between zero and 80 percent of the lithium contained in end-of-life batteries. By 2030, such secondary supply is expected to account for slightly more than 6 percent of total lithium production

Class 8 Trucks



Class 8 (more than 33,000 pounds)



Supply chain issues continue to defy normal operations, and it was a mixed month for the truck makers — three improved sales and four did not, with two of those falling sharply, compared with a year earlier.

Drivers are very hard to get and trucks are even tougher

New truck availability is increasing the percentage of trucks not covered by chassis warranties, “which is increasing our truck maintenance expenses.”

The truck makers were very aggressive with production in December. They shipped everything they could possibly ship. They pushed incomplete trucks out there — for instance, no cabinets, no curtain for the sleeper berth, no passenger seat — with the owners’ approval. They got the truck, an invoice and an IOU.”



AUTONOMOUS NEWS

Cadillac's Halo self-driving car COURTESY OF
CADILLAC

Self-Driving Cars

Pros

- Machines don't get tired
- Robots make fewer mistakes
- Systems do not have emotions
- No risk of drunk driving
- Robots are able to constantly focus
- Self-driving cars follow traffic rules
- Robots have higher attention spans
- Improvements in mobility for people who can't drive
- More convenient driving experience
- Potential lower insurance costs
- May be faster on average
- Makes working while driving possible
- Savings on fuel
- Improvements in air quality
- Reduction in car thefts
- Reduction of fatalities due to driver mistakes
- Economic advantages

Cons

- Higher unemployment rate since less cab drivers are needed
- People may unlearn how to drive manually
- Higher congestion levels
- High R&D costs
- High initial purchase price
- Maintenance may be difficult and costly
- Privacy concerns
- Fun of driving may decrease
- Moral concerns
- Technical errors
- Hacking issues
- Bad weather may prevent technical systems to work properly
- People may not be willing to accept this technology
- High regulatory restrictions
- Insurance issues

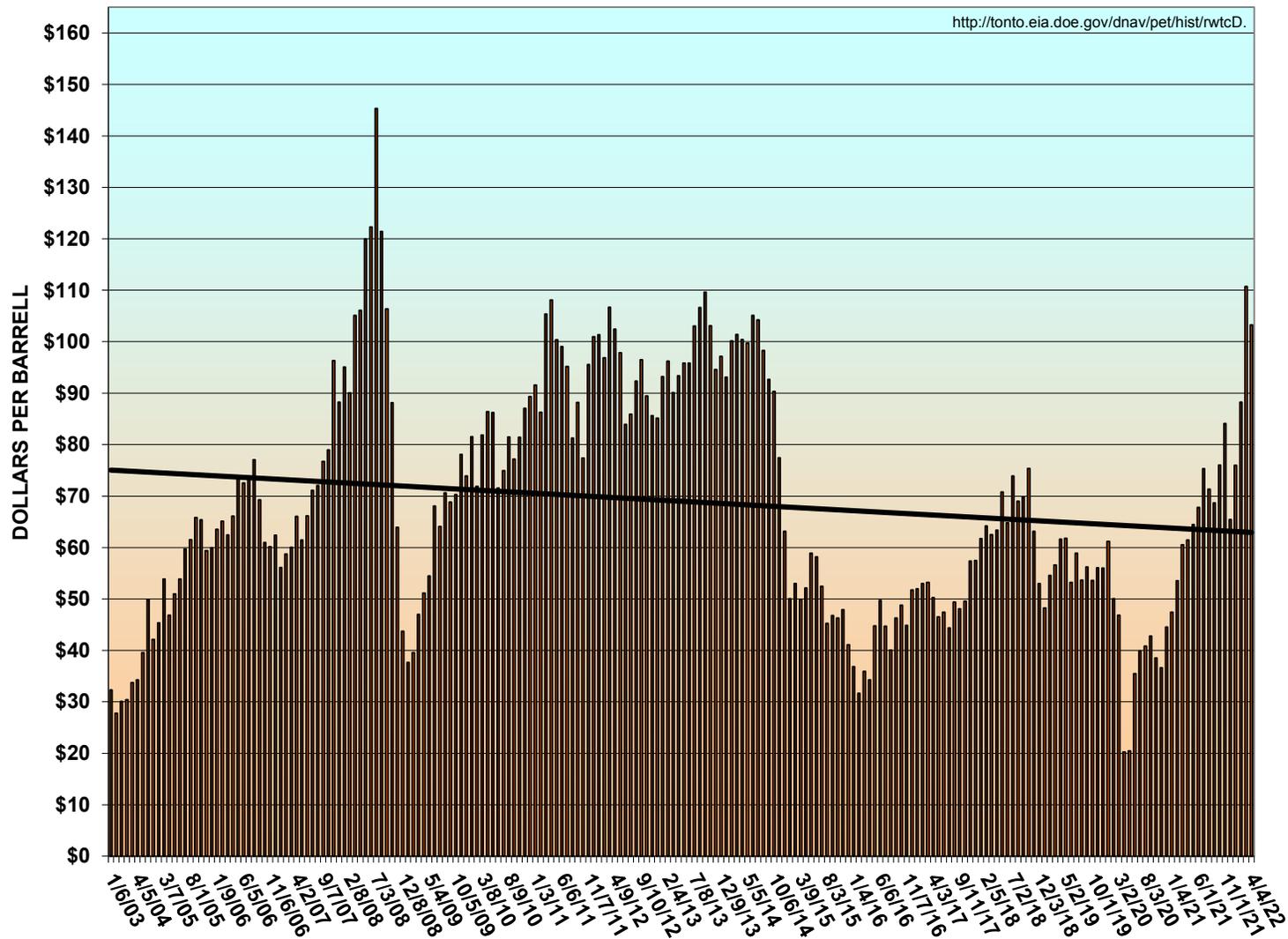
“Flying taxis will happen; it’s a question of ‘when,’ not ‘if’”



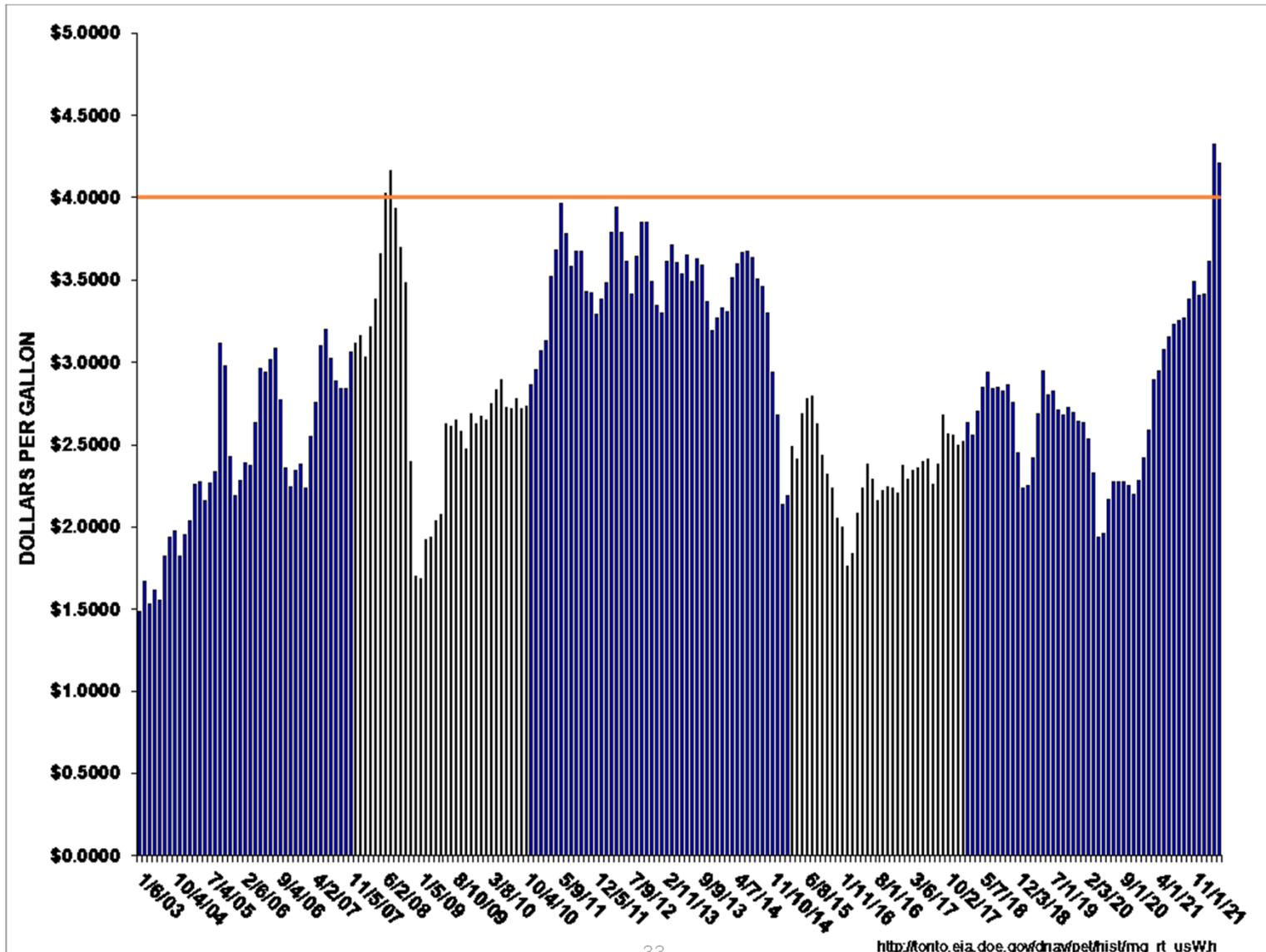
Look! Up in the sky! Not a bird ... or a plane ... it’s an eVTOL! An eVTOL (pronounced “ee-vee-tol”) is an electric vertical takeoff and landing aircraft—and thousands of them could be flying above cities by 2030.

Over the coming decade (or soon after), electric aircraft could become a popular mode of transportation and a viable alternative to traditional taxis. For unpiloted passenger drones, however, gaining public acceptance may take longer. Take off and land vertically, seat two to six passengers, and have a 30-to-300-mile range.

WTI, OKLAHOMA CRUDE OIL SPOT \$/BARREL

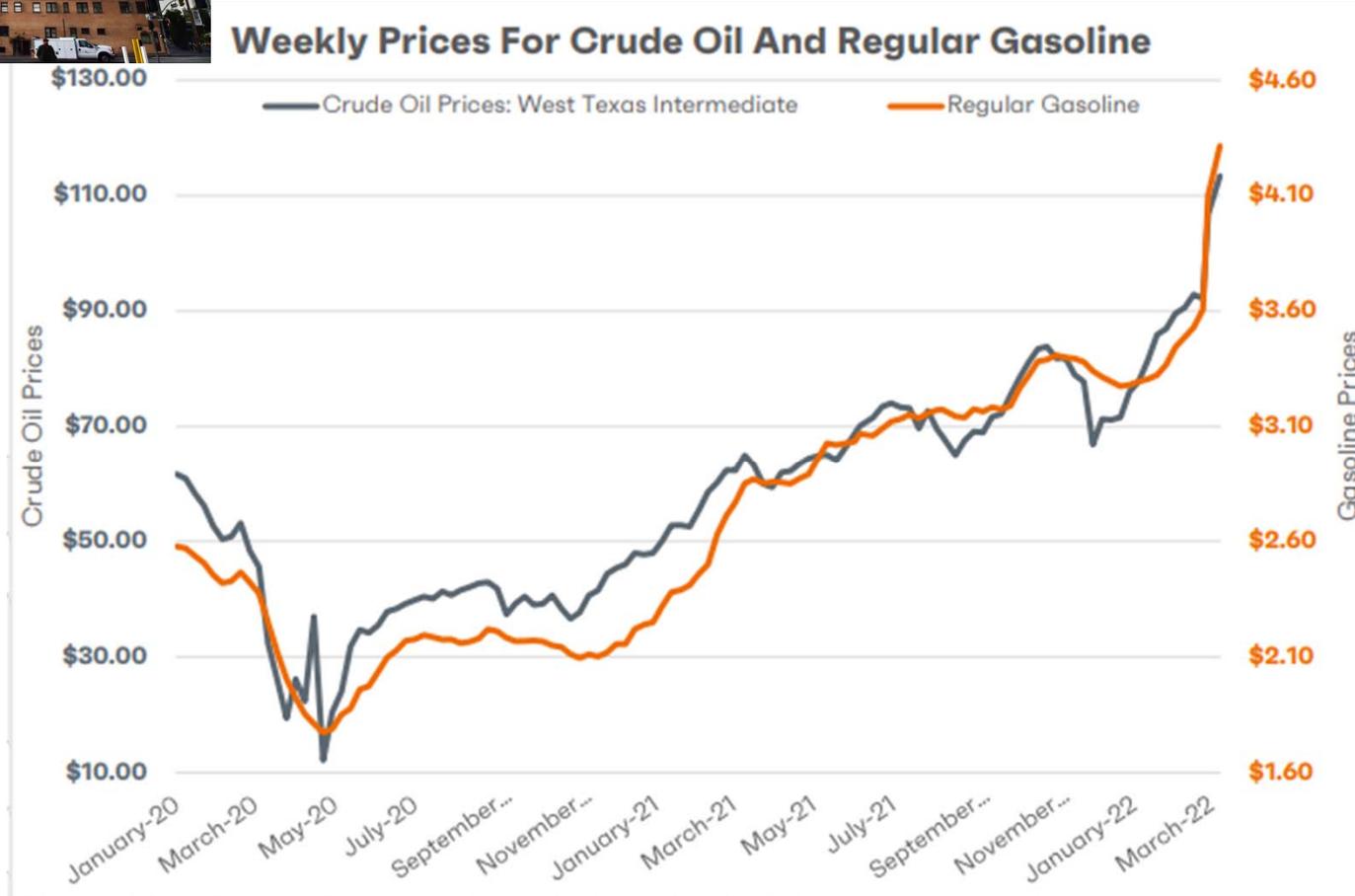


U.S. REGULAR ALL FORMULATIONS RETAIL GASOLINE PRICES





Weekly Crude Oil and Regular Gasoline Prices



“U.S. regular gasoline retail prices averaged \$3.52 per gallon (gal) in February, up 20 cents/gal from January and up \$1.02/gal from February 2021. Retail diesel prices averaged \$4.03/gal in February—the highest average price (not adjusted for inflation) for any month since March 2013. Product prices have risen compared with year-ago levels because of rising crude oil prices and high refining margins.