



## CASE STUDIES: Automotive Scenarios

To get a real feel for the financial impact of a Like-Kind Exchange (LKE) program, it is best to review the 5-year cash flow benefit for certain volume levels. Every business is unique so each implementation of an LKE program is slightly different; however, these examples should provide a general understanding of the benefits.

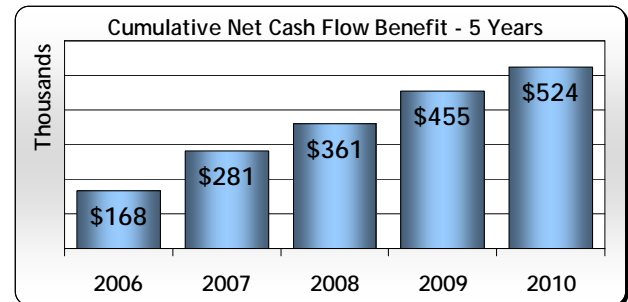
### Scenario 1: 100 Cars Sold per Year

#### ASSUMPTIONS

Annual Rental Car Sales: \$1,800,000

- Tax Life: 5 Years
- Average Age at Sale: 1 Year
- Income Tax Rate: 35%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

**5-Yr Bottom-Line Benefit: \$524,000**

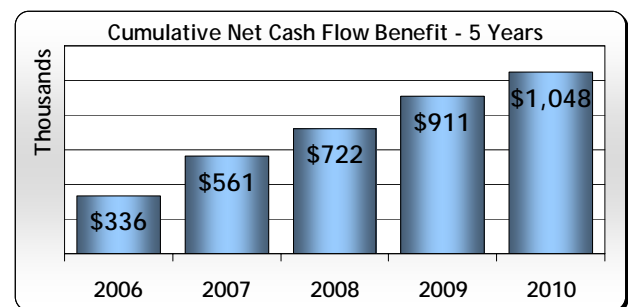


### Scenario 2: 200 Cars Sold per Year

#### ASSUMPTIONS

- Annual Rental Car Sales: \$3,600,000
- Tax Life: 5 Years
- Average Age at Sale: 1 Year
- Income Tax Rate: 35%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

**5-Yr Bottom-Line Benefit: \$1,048,000**



**Scenario 3: 1,000 Cars Sold per Year**

**ASSUMPTIONS**

- Annual Rental Car Sales: \$18,000,000
- Tax Life: 5 Years
- Average Age at Sale: 1 Year
- Income Tax Rate: 35%
- Exp. Annual Growth: 5%
- Exp. Annual Inflation: 2%

**5-Yr Bottom-Line Benefit: \$5,240,000**

