AUGUST 2024 COMMERCIAL VEHICLE MARKET UPDATE

SUMMARY

Auction volume decreased in July 2024 and pricing continues to bounce along the floor. Retail volume returned to a typical level and depreciation was normal.

CLASS 8 AUCTION UPDATE

Sales volume at auctions in July 2024 was down significantly from June, which is typical for the month. Selling prices increased notably, although the small sample size means we are not drawing any conclusions from this month's results just yet.

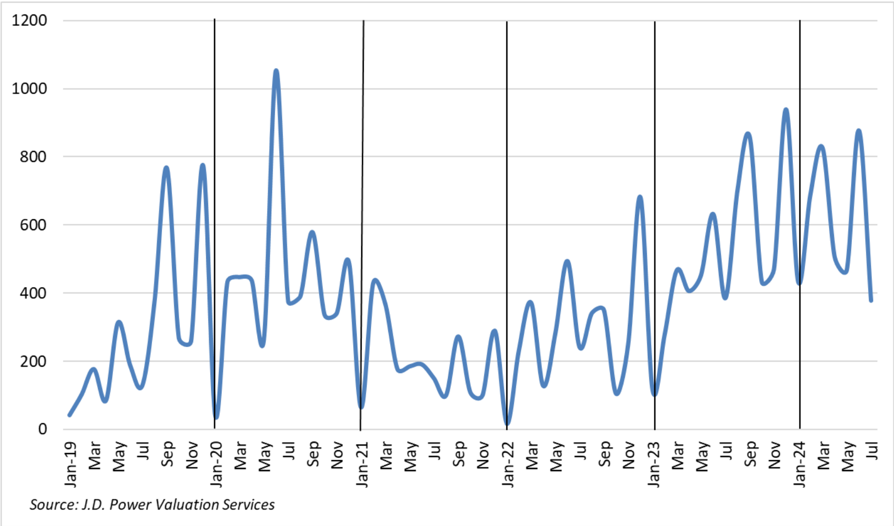
Looking at late-model sleeper tractors, average pricing for our benchmark truck in July was:

- Model year 2021: $49,075; $5,406 (12.4%) higher than June
- Model year 2020: $40,065; $2,103 (5.5%) higher than June
- Model year 2019: $33,911; $7,333 (27.6%) higher than June
- Model year 2018: $22,173; $5,418 (32.3%) higher than June

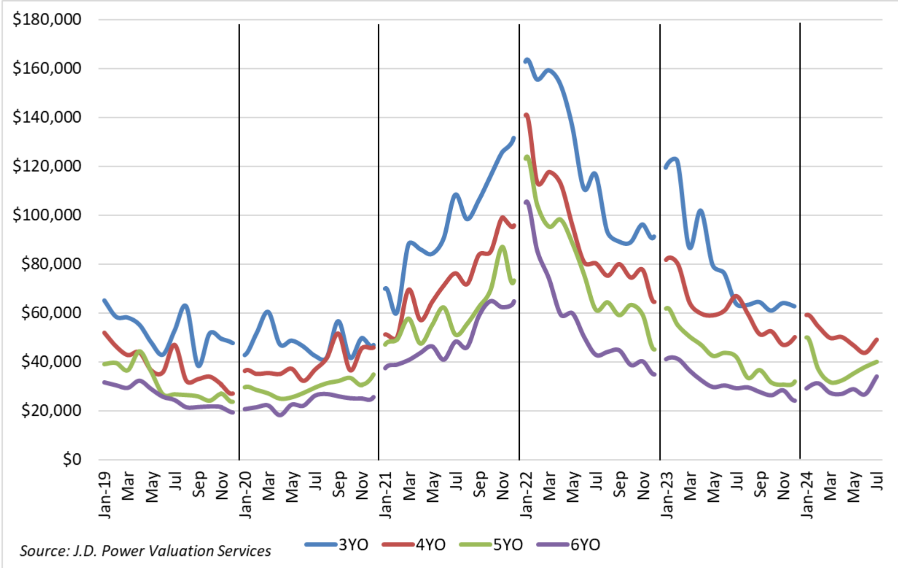
In July, selling prices for four- to six-year-old sleepers were 13.7% higher than June. July's upward bump brought pricing back into parity with the strong pre-pandemic period of 2018 in nominal figures, or about 21% lower if adjusted for inflation. Current pricing is now about 55% higher than the last market nadir in late 2019, or about 27% higher if adjusted for inflation. Depreciation in 2024 is now averaging 1.9% per month, lower than the historical average.

One thing we can say for certain about July's results is trucks didn't lose value compared with June. In that respect, the figures represent more evidence of a price floor, at least in the auction lanes.

Volume of the Three Most Common Sleeper Tractors (3- to 7-Year-Old) Sold Through the Two Largest Nationwide No-Reserve Auctions



Average Auction Hammer Price: 3- to 6-Year-Old Benchmark Sleeper Tractor (Nominal Numbers)



CLASS 8 RETAIL UPDATE

Retail sales volume recovered June's dip and pricing was incrementally lower.

Overall, the average sleeper tractor retailed in July was 64 months old, had 439,782 miles and brought $61,632. Compared with June, this average sleeper was four months newer, had 8,992 (2.0%) fewer miles and brought $5,185 (9.2%) more money. Compared with July 2023, this average sleeper was ten months newer, had 24,779 (5.3%) fewer miles and brought $5,008 (7.5%) less money.

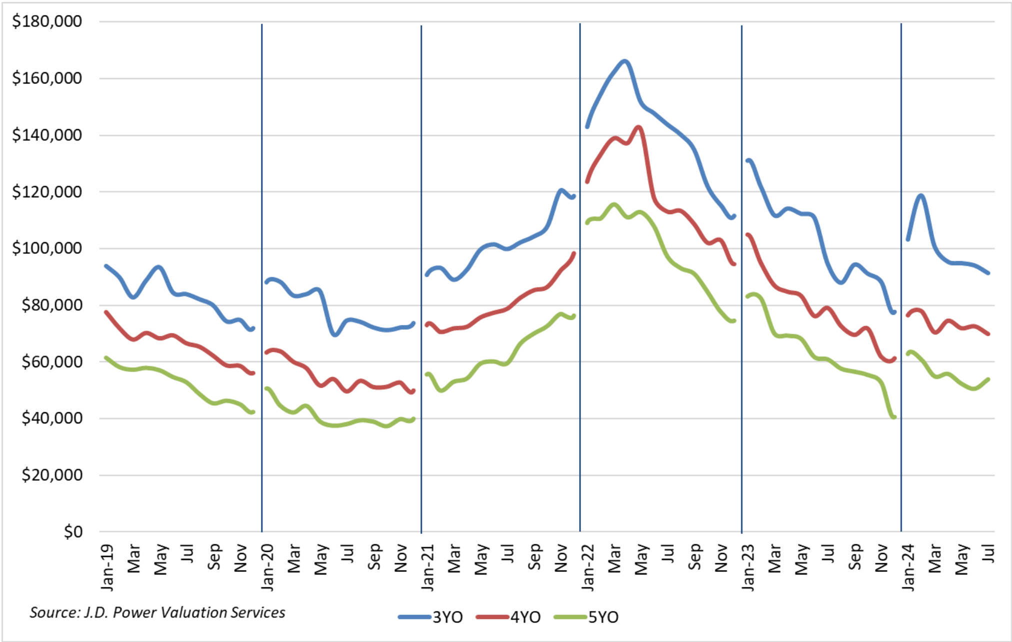
July's average pricing for late-model trucks was as follows:

- Model year 2023: $110,092 $10,861 (9.0%) lower than June
- Model year 2022: $91,377; $2,665 (2.8%) lower than June
- Model year 2021: $69,828; $2,731 (3.8%) lower than June
- Model year 2020: $50,627; $3,313 (6.1%) higher than June
- Model year 2019: $41,856; $1,359 (3.2%) higher than June
- Model year 2018: $29,078; $312 (1.1%) higher than June

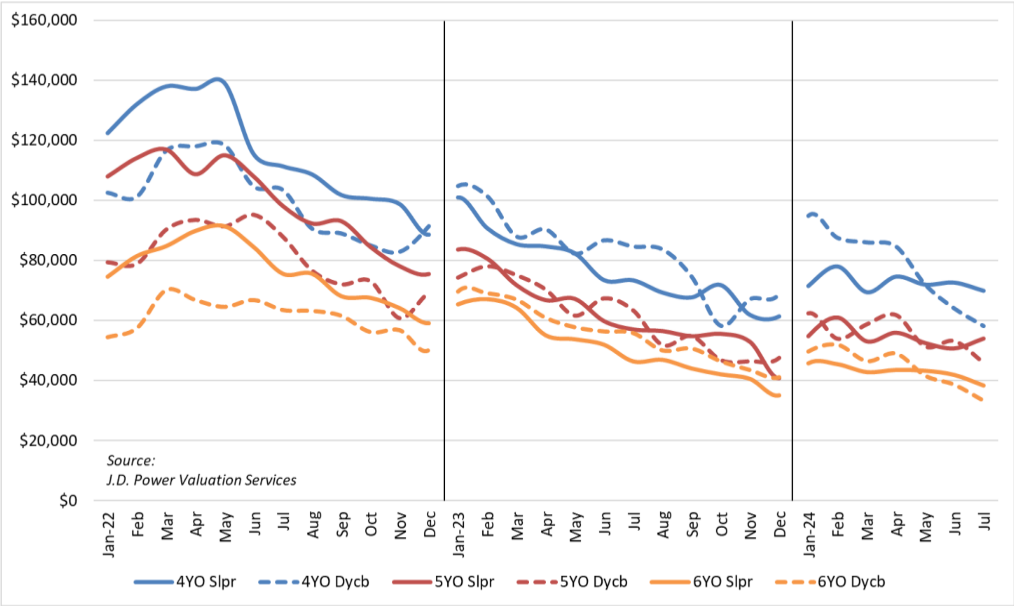
Three- to five-year-old sleeper tractors brought 1.0% less money in July than June, and 8.3% less than July 2023. Late-model sleepers are bringing slightly less money than the last strong pre-pandemic period of early 2019 in nominal dollars, or 21% less when adjusted for inflation. Compared with the last weak pre-pandemic period, late-model sleeper values are running 22% higher in nominal dollars or essentially equal money in real dollars. Depreciation in 2024 is averaging 2.3% per month, which is historically typical.

Moving to the daycab segment, a comparatively low volume of retail sales reported makes it difficult to clearly identify month-over-month market movement, but a review of auction data supports our assessment that this segment is in a correction. In July, late-model daycabs brought 11.8% less money than June (retail). Compared with July 2023, this segment brought 32.6% less money. Average monthly depreciation in 2024 for this segment is now substantially higher than historical trend as well as the sleeper segment, at 4.1%. Heavier-spec tractors and those with low mileage are still bringing strong money, but typical highway-spec, 13L units with average mileage have depreciated heavily in the 3rd quarter.

Average Retail Selling Price: 3- to 5-Year-Old Sleeper Tractors, Adjusted for Mileage (Nominal Numbers)

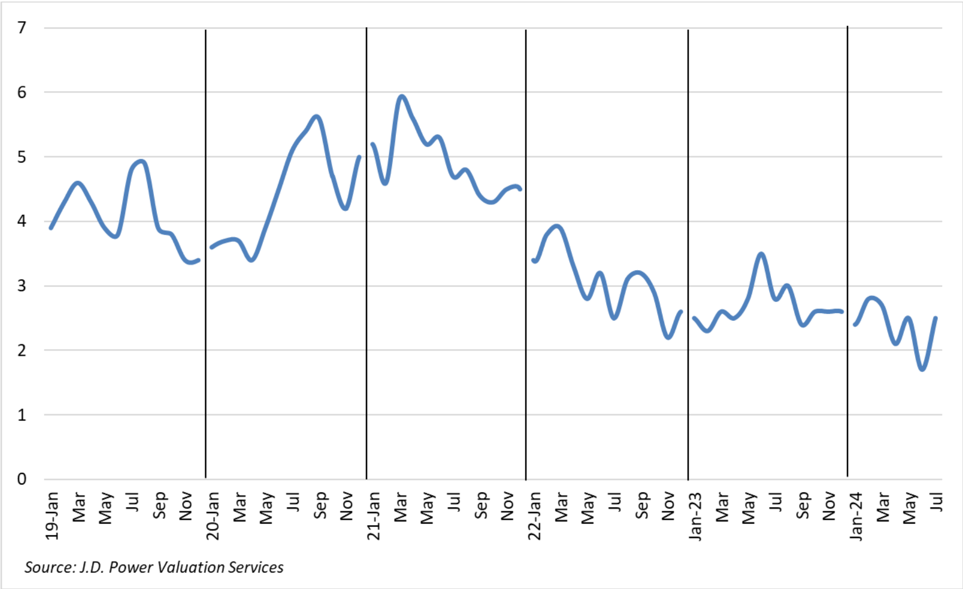


Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)

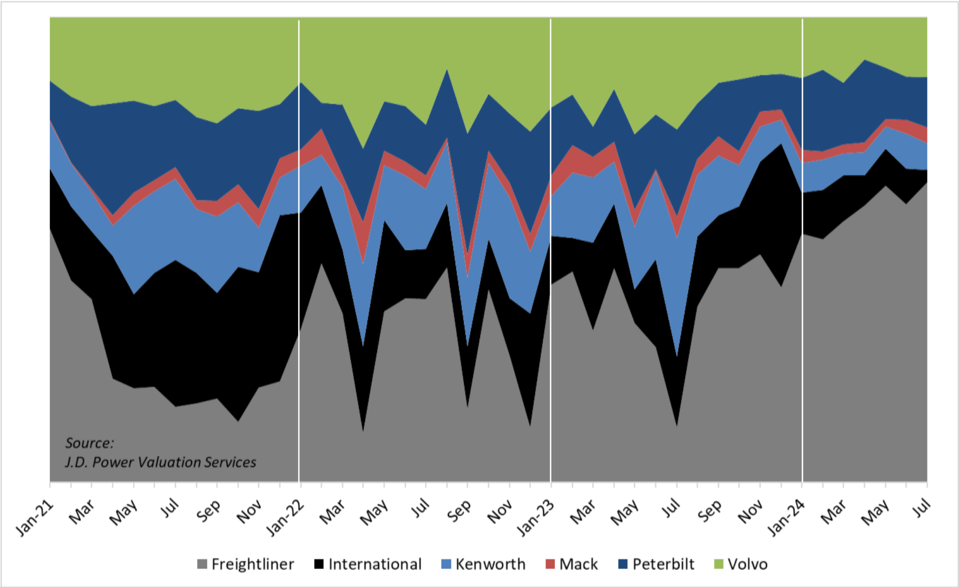


Dealers sold 2.5 trucks per rooftop in July, 0.8 higher than June, and equal to May. Overall, 33% more trucks were reported sold retail in July vs. June. The CDK Global hack/outage was partly responsible for June's low volume and caused many sales to be recorded in July. As such, we expected July's results to be slightly higher than they were.

Number of Trucks Retailed per Dealership Rooftop



Relative Proportion of Retail Sales Reported by Make (3- to 5-Year-Old Sleeper Tractors)



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