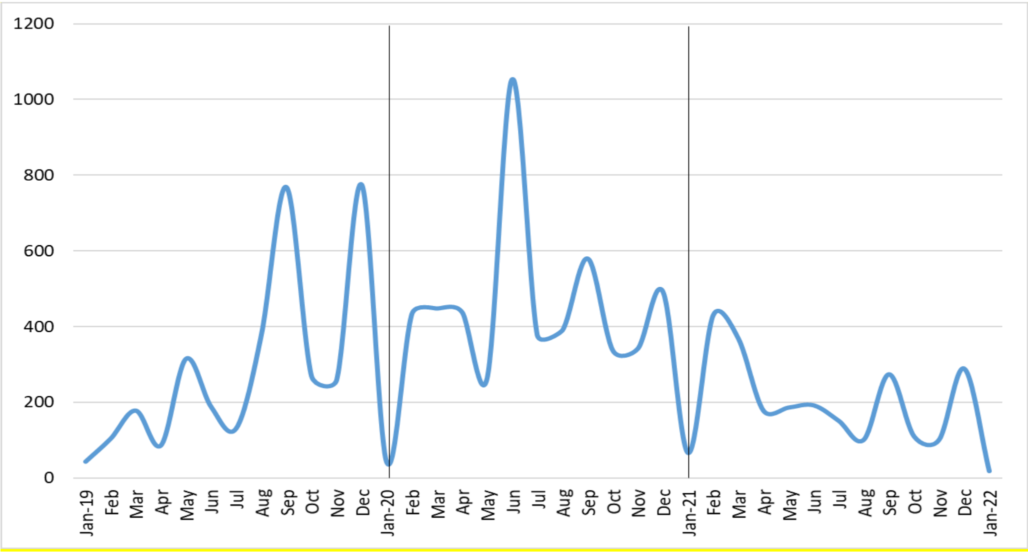
FEBRUARY 2022 COMMERCIAL VEHICLE MARKET UPDATE

CLASS 8 AUCTION UPDATE

As is typical for January, there were very few auctions on the calendar, so sales volume was extremely low. Early February auctions suggest an increase in number of available late-model trucks, but this is probably a one-month anomaly. In any case, as of now, sleeper tractor auction pricing remains astronomical, with anything newer than five years old bringing six figures! Due to low sales volume in January 2022, there was not enough data to return meaningful averages. We will provide the usual statistics next month.

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



CLASS 8 RETAIL UPDATE

January 2022 exploded out of the gate, with the universal average retail price of all sleeper tractors reported sold breaking six figures for the first time. Month-over-month pricing for late-model sleepers also saw a solid gain.

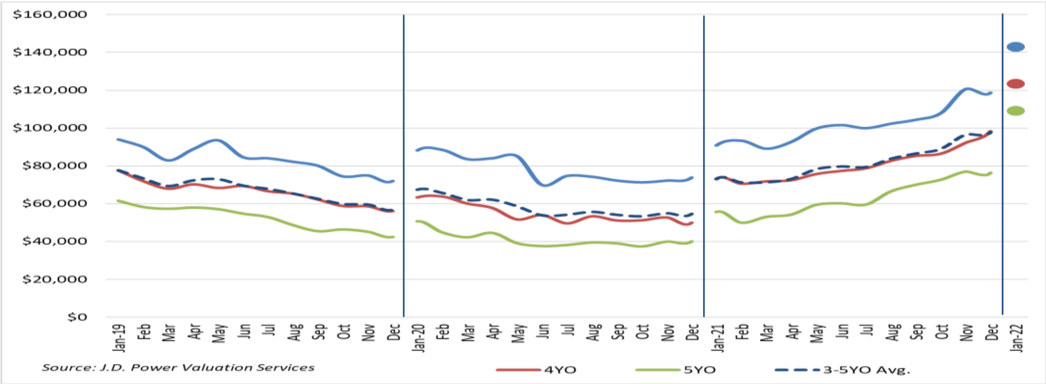
The average sleeper tractor retailed in January was 68 months old, had 451,953 miles and brought $100,096. This is the first time in our 14 years of tracking this metric that the overall average retail price figure broke six figures. Compared with December 2021, this average sleeper was five months newer, had 16,332 (3.5%) fewer miles and brought $9,698 (10.7%) more money. Compared with January 2021, this average sleeper was one month newer, had essentially equal miles and brought $52,020 (108.2%) more money.

Looking at two- to six-year-old trucks, January's average pricing was as follows:

- Model year 2021: $174,642; no basis for comparison in December
- Model year 2020: $142,935; $533 (0.4%) lower than December
- Model year 2019: $123,500; $4,923 (4.2%) higher than December
- Model year 2018: $109,071; $10,778 (11.0%) higher than December
- Model year 2017: $74,828; $1,568 (2.1%) lower than December

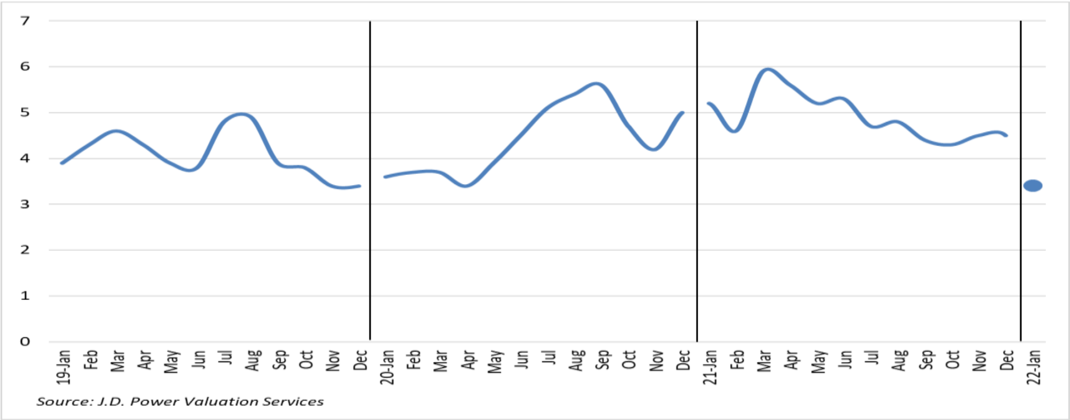
Model years 2019-2017 averaged 4.8% more money in January 2022 than December 2021. Starting with next month's update, we will use model years 2020-2018 to represent the three- to five-year-old cohort.

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



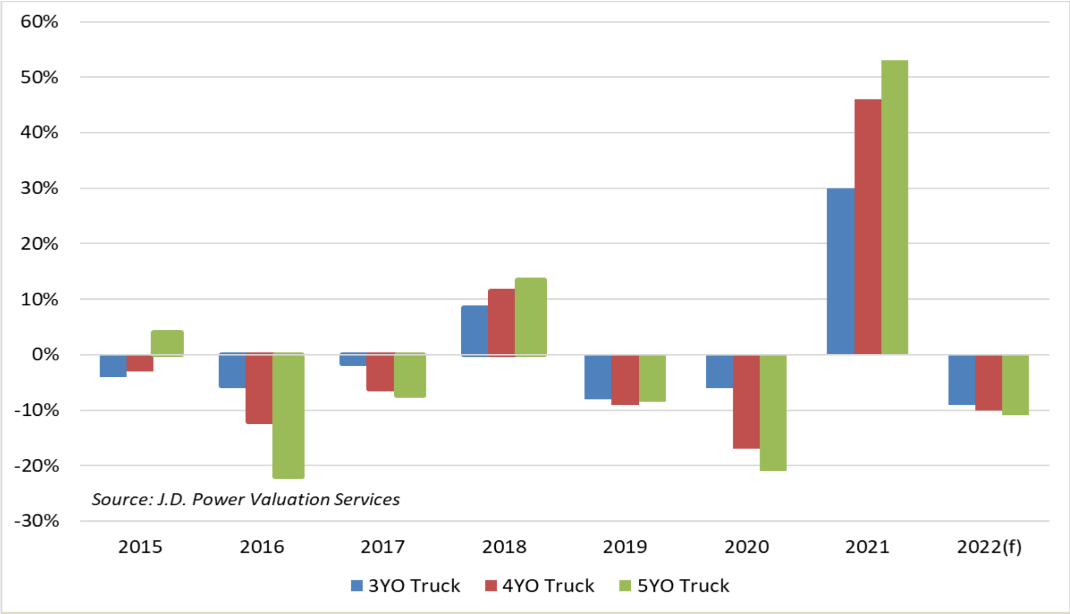
Dealers retailed an average of 3.4 trucks per rooftop in January, the lowest since the brief market depression of April 2020. January is historically a low-volume month, so this seasonality combined with the ongoing shortage of desirable used trucks resulted in the mediocre figure.

Number of Trucks Retailed per Dealership Rooftop

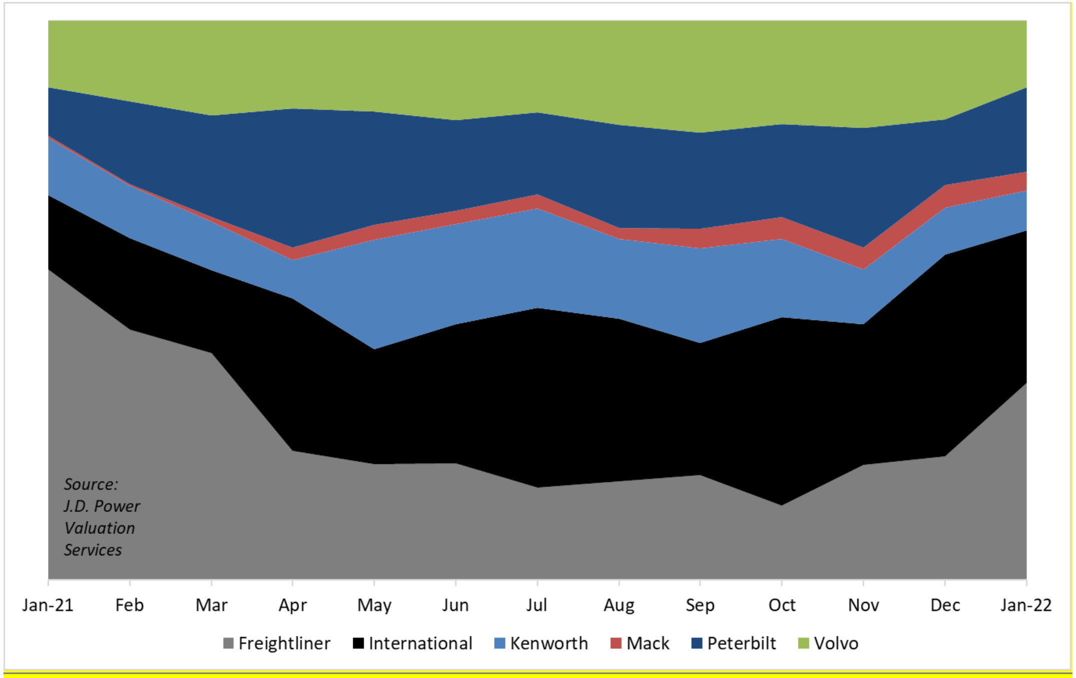


As we said throughout 2021, we expect pricing to plateau and then pull back as 2022 progresses. Most movement will be seen in the second half of the year. By year's end, we predict average pricing for the calendar year to come in 10% lower than 2021. See the Forecast at the end of this document for additional commentary.

Retail Price History/Forecast: Percent Change Year Over Year



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

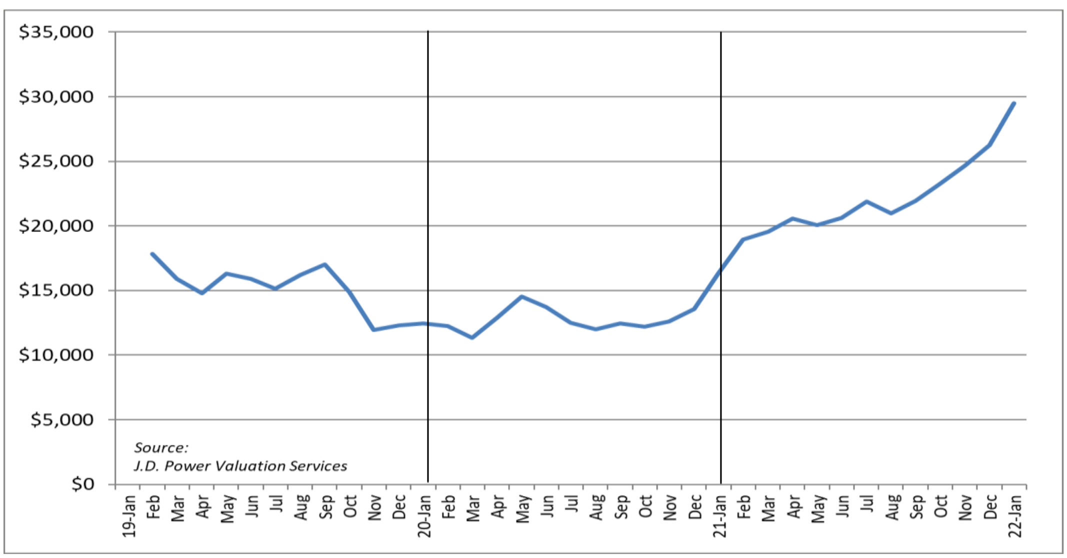


MEDIUM DUTY UPDATE

The medium duty groups we track are stronger than ever, with pricing increasing notably month over month. Other medium duty segments may be starting to see a somewhat higher volume of available trucks but, so far, we're not seeing any notable changes to the post-pandemic bull market.

Starting with Class 3-4 cabovers, our benchmark group averaged $32,896 in January 2022. This figure is $6,771 (25.9%) higher than December 2021 and $14,086 (74.9%) higher than January 2021. Keep in mind that, as of January 2022, we're using model years 2019-2016 to represent four- to seven-year-old trucks, as opposed to model years 2018-2015 that were used in December 2021. Due to this change, the month-over-month comparison is artificially inflated. Still, individual trucks are bringing stronger money than a month ago.

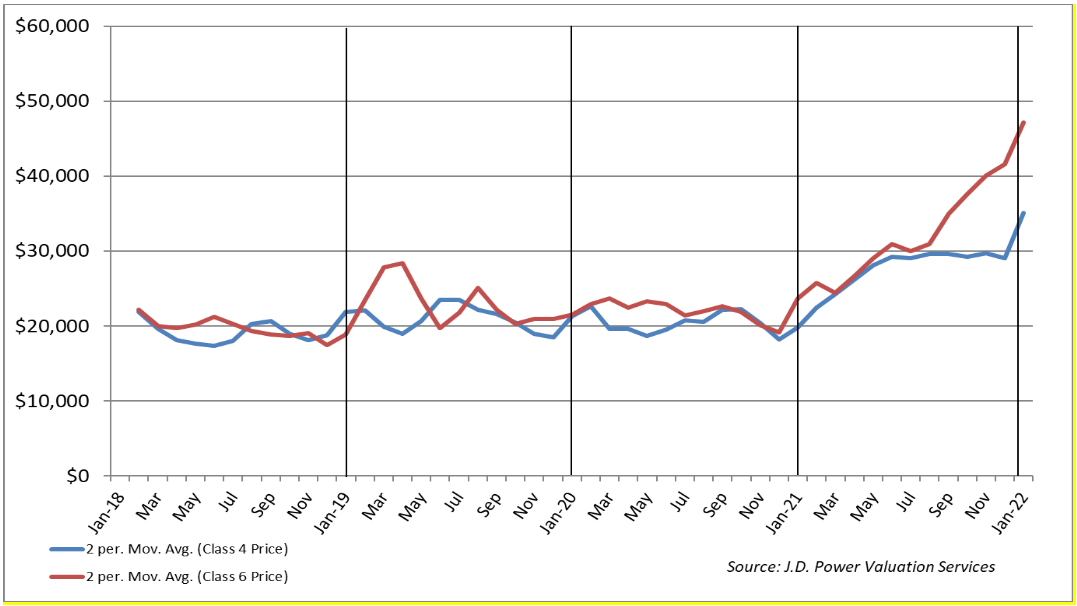
Average Wholesale Selling Price: 4- to 7-Year-Old Class 3-4 Cabovers, Adjusted for Mileage



Looking at Class 4 conventionals, average pricing for our benchmark group was $41,803 in January 2022, $13,413 (47.2%) higher than December 2021 and $19,586 (88.2%) higher than January 2021. As with the cabover group, we're now using model years 2019-2016 as our cohort, so this comparison is a bit of apples to oranges. Also, like the cabover group, individual trucks are bringing strong money.

Class 6 conventional pricing averaged $52,503 in January 2022, $10,808 (25.9%) higher than December 2021 and $24,031 (84.4%) higher than January 2021. We changed our benchmark group in January like we did for the other two medium duty groups, so don't read too much into these month-over-month figures. But as the graph shows, heavier conventionals continue to trend upward.

Average Wholesale Selling Price: 4- to 7-Year-Old Conventionals by GVW Class, Adjusted for Mileage



FORECAST

New Class 8 deliveries in January 2022 were back down to a level typical of the parts-shortage era, suggesting December 2021's unexpectedly strong result was a year-end anomaly. Other than some early signs of a potentially maturing market in selected medium duty segments, price and volume figures still indicate the used truck market is supply constrained. As for the demand side, we've been mentioning for a while now that the macroeconomic effect of inflation and rising interest rates will apply downward pressure in upcoming months. Overall, the used truck market will remain strong in the first quarter as the boom market matures.

For further information about J.D. Power residual forecasting, make and model benchmarking, raw data products and other services, contact Chris Visser at chris.visser@jdpa.com.