# FEBRUARY 2023 COMMERCIAL VEHICLE MARKET UPDATE

## CLASS 8 AUCTION UPDATE

A typically small number of auctions on the calendar in January 2023 meant a low volume of trucks were sold. Limited data pointed to a continuation of market conditions established early in 2022.

Manufacturers generally begin the new model year in January, so 2024 is now the current model year. As such, we now consider 2021 model-year trucks three years old. With that in mind, pricing for our benchmark truck in January 2023 was:

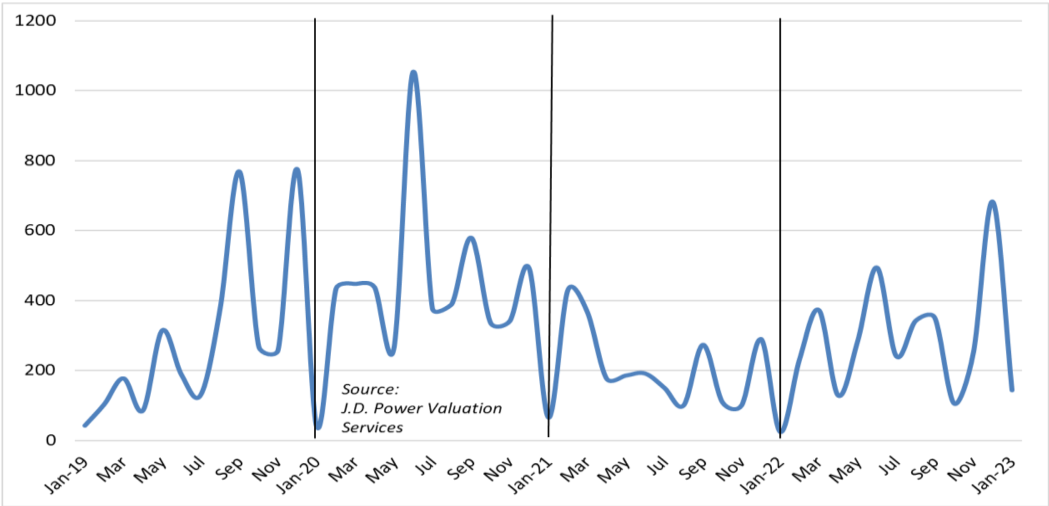
- Model year 2021: No sales in January
- Model year 2020: $81,750; $9,618 (10.5%) lower than December
- Model year 2019: $61,818; $2,727 (4.2%) lower than December
- Model year 2018: $41,014; $4,099 (9.1%) lower than December
- Model year 2017: $37,250; $2,491 (7.2%) higher than December

In January, late-model trucks averaged 45.6% less money than January 2022. Month-over-month and monthly depreciation figures will return next month when we have two months of 2023 sales in our database.

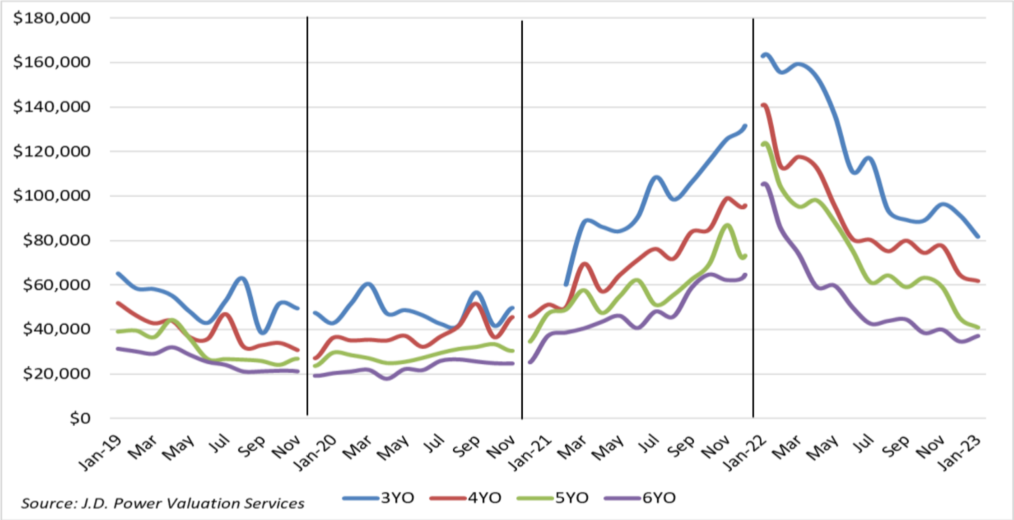
With more auctions on the calendar, February 2023 results will provide a clearer picture of market conditions. We expect mileage to remain the most critical factor in a truck's value as the market correction continues.

See the graphs on the next page and the Forecast section at the end of this document for additional analysis.

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




## CLASS 8 RETAIL UPDATE

The average sleeper tractor retailed in January 2023 was 73 months old, had 468,442 miles and brought $81,701. Compared with December 2022, this average sleeper was identical in age, had 28,931 (6.6%) more miles, and brought $8,022 (8.9%) less money. Compared with January 2022, this average sleeper was five months older, had 16,223 (3.6%) more miles, and brought $18,360 (18.3%) less money.

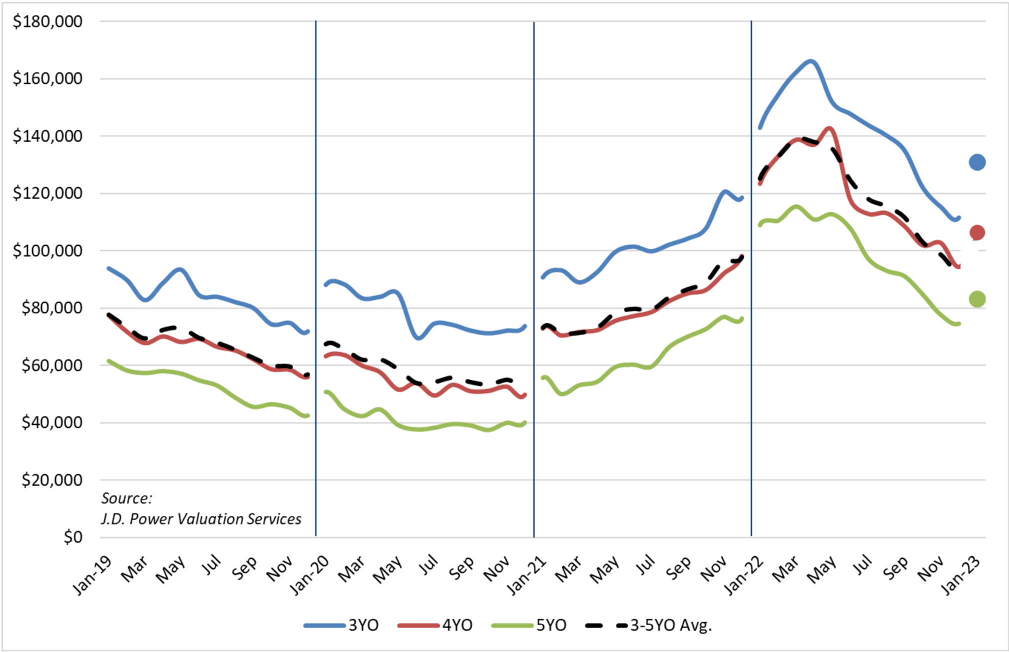
As of January, we consider 2024 the current model year. As such, each model year below is one model year older than it was in December. This aging results in a different mileage adjustment in January than in December which, in this case, results in lower figures. With that in mind, January's average pricing for two- to six-year-old trucks was as follows:

- Model year 2022: $154,131; $34,088 (18.1%) lower than December
- Model year 2021: $131,025; $18,702 (12.4%) lower than December
- Model year 2020: $104,881; $6,710 (6.0%) lower than December
- Model year 2019: $83,146; $11,341 (12.0%) lower than December
- Model year 2018: $64,542; $10,074 (13.5%) lower than December

January's mileage revision resulted in pricing averages roughly 3-5% lower than if we had used the December adjustment. Three- to five-year-old trucks brought an average of 13.2% more money than December 2022, but 15.4% less than January 2022. Monthly depreciation and year-to-date comparisons will return next month when we have a full two months of 2023 data.

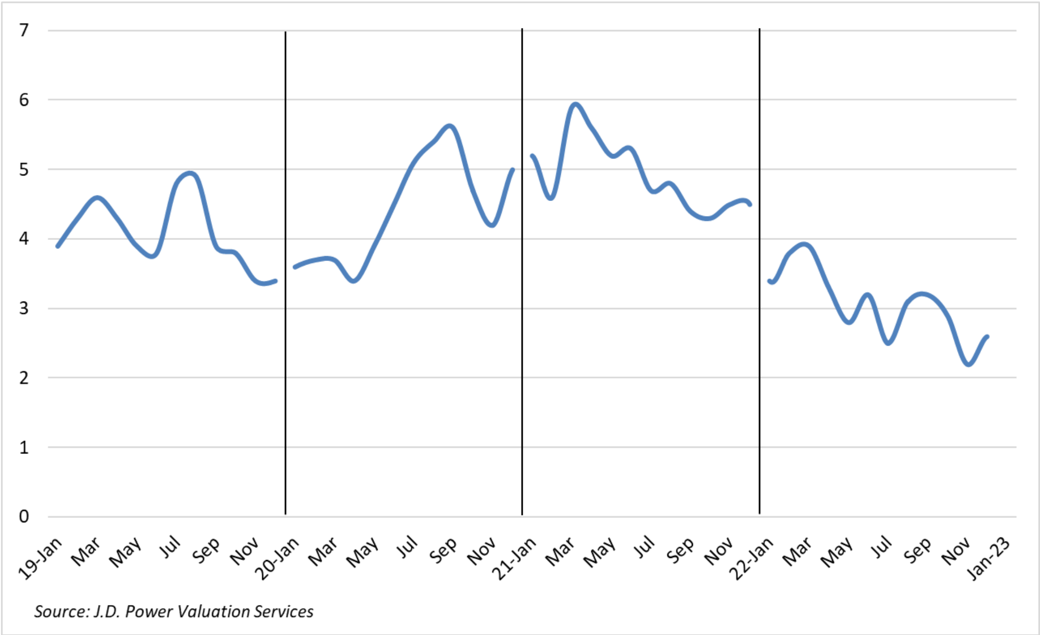
See the graphs on the next page and the Forecast section at the end of this document for additional analysis.

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

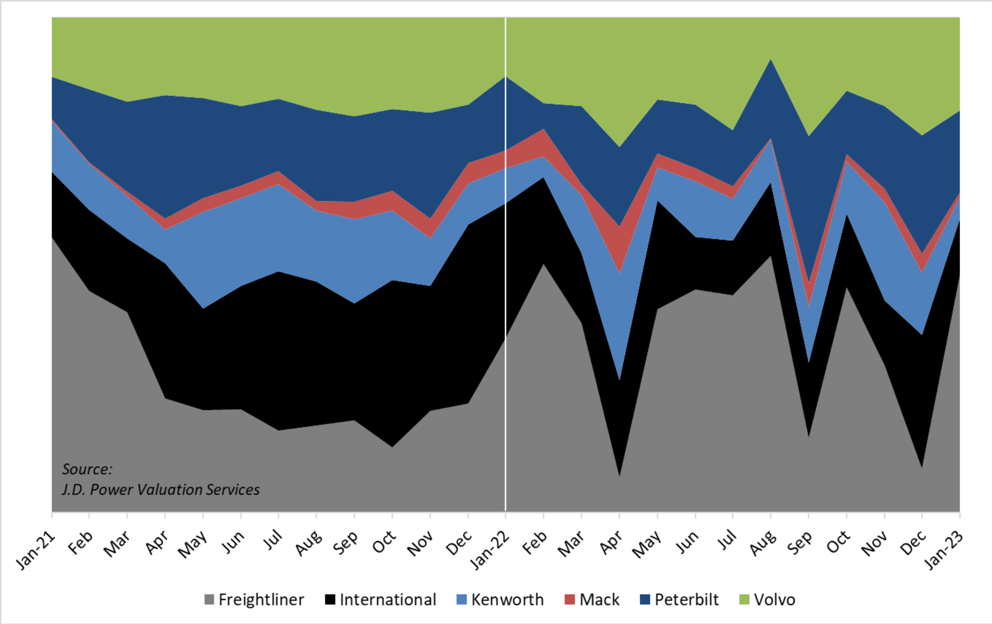



January's retail sales per rooftop averaged 2.5 trucks, 0.1 truck less than December and about half the pre-pandemic long-term average. In addition to the ongoing challenges of declining equity, tougher credit and a cooler freight market, January is traditionally a weak month for retail sales.

Number of Trucks Retailed per Dealership Rooftop



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

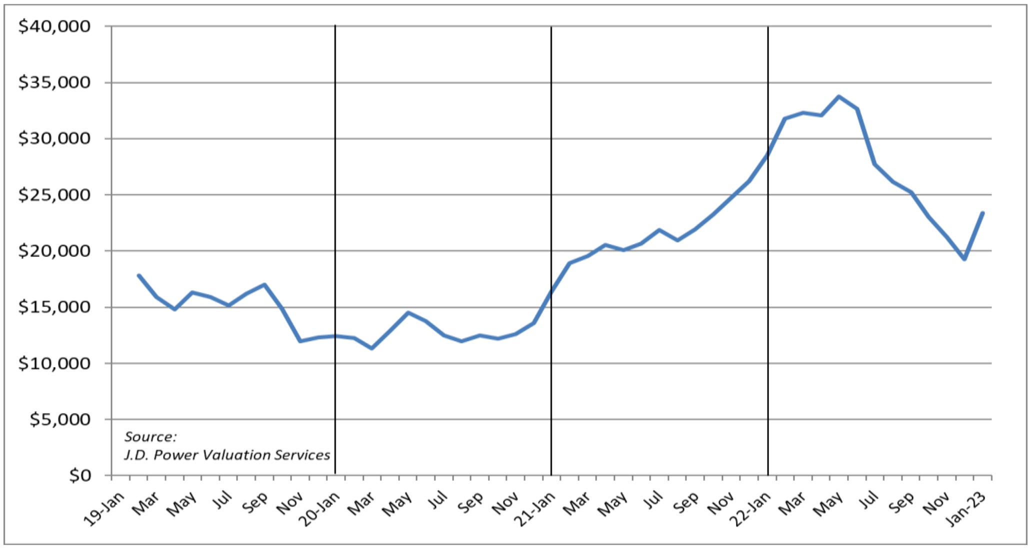



## MEDIUM DUTY UPDATE

Medium duty segments brought relatively strong money in January, particularly for lighter-GVW models.

Starting with Class 3-4 cabovers, the benchmark group averaged $28,258 in January. This figure is $2,647 (8.6%) lower than January 2022. While lower than a year ago, this month was the second-highest start to a year since we started tracking this group in 2008. Month-over-month and monthly depreciation figures will return in the next edition when we have two full months of data.

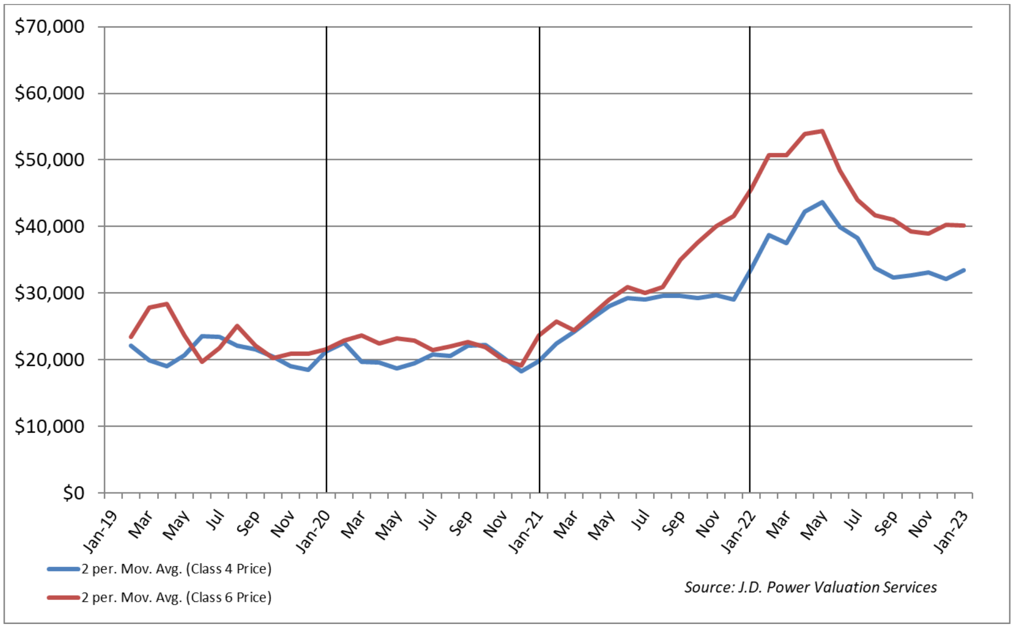
Average Wholesale Selling Price: 4- to 7-Year-Old Class 3-4 Cabovers, Adjusted for Mileage



Average pricing for our benchmark group of Class 4 conventionals was $36,921 in January, $2,125 (5.4%) lower than January 2022. Depreciation for Class 4s was relatively light in 2022, and this segment is off to a solid start in 2023.

Class 6 conventionals averaged $39,439 in January, $10,230 (20.6%) lower than January 2022. This result was somewhat lower than expected, but still reflects the substantial premium over Class 4s established during the pandemic.

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




## FORECAST

With few auctions on the calendar and subdued retail traffic, January results are never particularly enlightening. This January was no exception, with auction pricing suggesting a continuation of conditions established in 2022 and retail pricing somewhat weaker than expected. As the year begins, an increasing number of trades continues to be returned into a market demanding fewer trucks. This dynamic—combined with declining equity and tougher credit availability—points to continued correction towards the pre-pandemic trend.

***Our residual forecast products incorporate all possible scenarios and provide a detailed look at how we see the market unfolding in the next five years. 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.***