

MARCH 2023 COMMERCIAL VEHICLE MARKET UPDATE

CLASS 8 AUCTION UPDATE

The auction market opened back up in February 2023 with healthy volume. Buyers are still paying a premium for trucks with low mileage.

Looking at two- to six-year-old trucks, average pricing for our benchmark truck in February was:

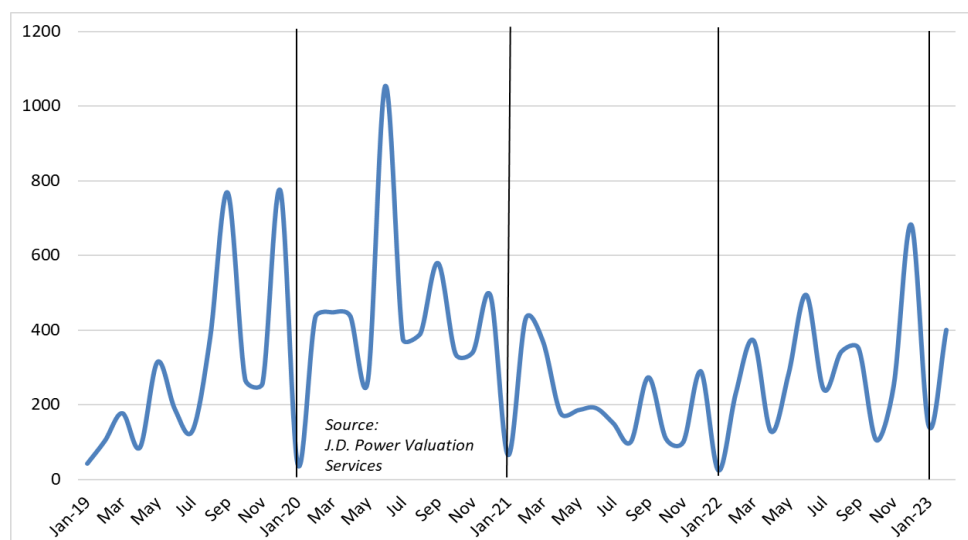
- Model year 2021: \$122,000; no basis of comparison with January
- Model year 2020: \$80,100; \$1,650 (2.0%) lower than January
- Model year 2019: \$55,018; \$6,800 (11.0%) lower than January
- Model year 2018: \$41,139; \$25 (0.3%) higher than January
- Model year 2017: \$29,215; \$8,035 (21.6%) lower than January

In February, late-model trucks averaged 4.5% less money than January, and 34.9% less money than February 2022. In 2023 to date, late-model sleepers are bringing 39.2% less money than the same period of 2022. Monthly depreciation in 2023 is currently averaging 4.5%. Trucks with under 400,000 miles continue to bring a substantial premium.

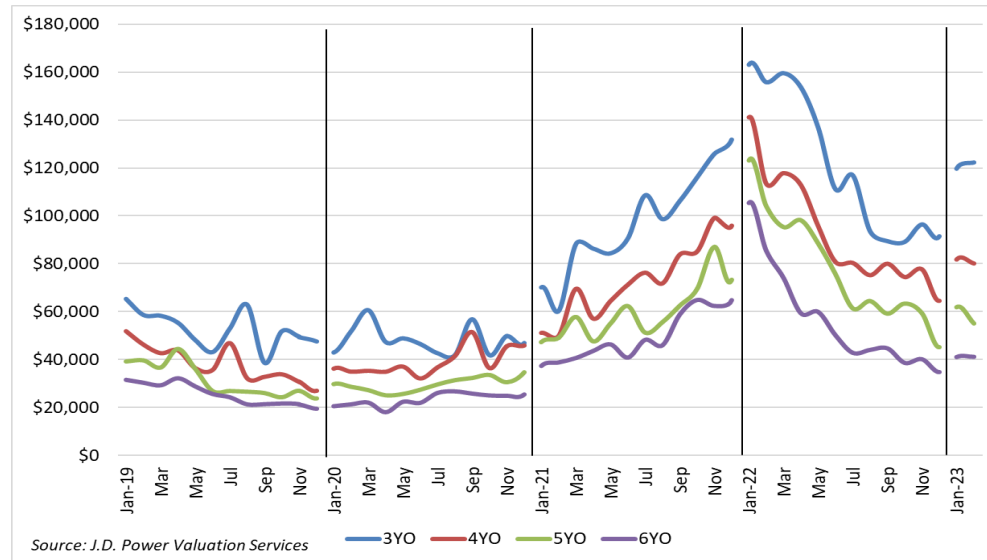
The newest model years available in the marketplace are bringing about 55% more money than the strong pre-pandemic period of 2018, assuming average mileage per year. If we adjust values over time to 2023 dollars, that difference drops to about 37%.

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 February 2023 was 73 months old, had 470,838 miles and brought \$79,157. Compared with January, this average sleeper was identical in age, had 1,163 (0.2%) 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 \$2,402 (2.9%) less money.

February's average pricing for two- to six-year-old trucks was as follows:

- Model year 2022: \$162,668; \$8,537 (5.5%) higher than January
- Model year 2021: \$121,816; \$9,209 (7.0%) lower than January
- Model year 2020: \$94,863; \$10,018 (9.6%) lower than January
- Model year 2019: \$82,459; \$687 (0.8%) lower than January
- Model year 2018: \$63,747; \$795 (1.2%) lower than January

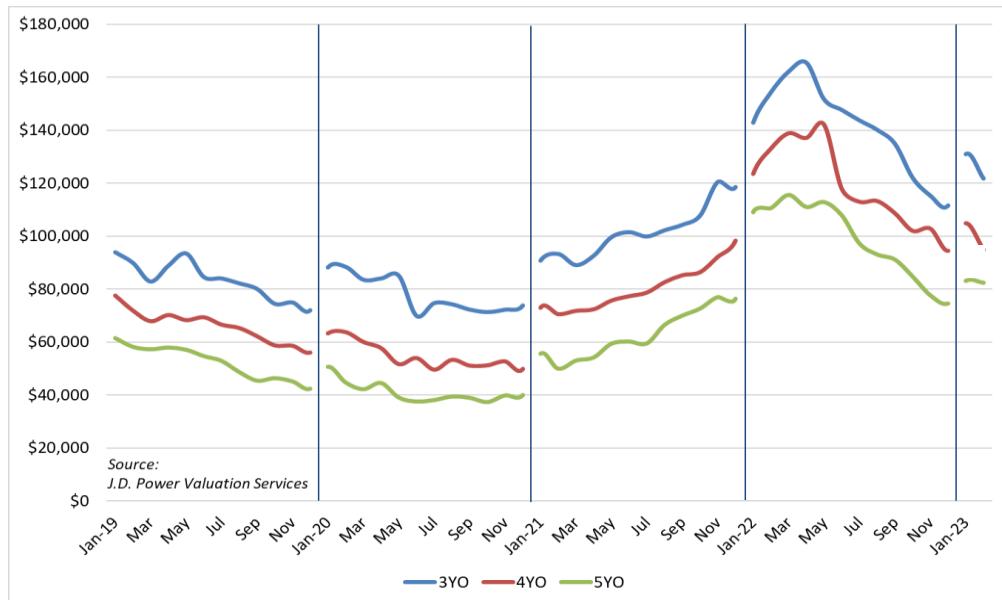
Three- to five-year-old trucks brought an average of 6.2% less money than January, and 24.8% less than February 2022. The first two months of 2023 averaged 20.1% less money than the same period in 2022. Late-model sleepers are still bringing about 35% more money than the last strong pre-pandemic period of 2018, assuming average mileage per year. If we adjust values over time to 2023 dollars, that difference drops to about 19%.

Note the new graph comparing retail selling prices of daycabs and sleepers going back to January of 2022. This is a general thumbnail sketch of all highway tractors intended to show the relative difference

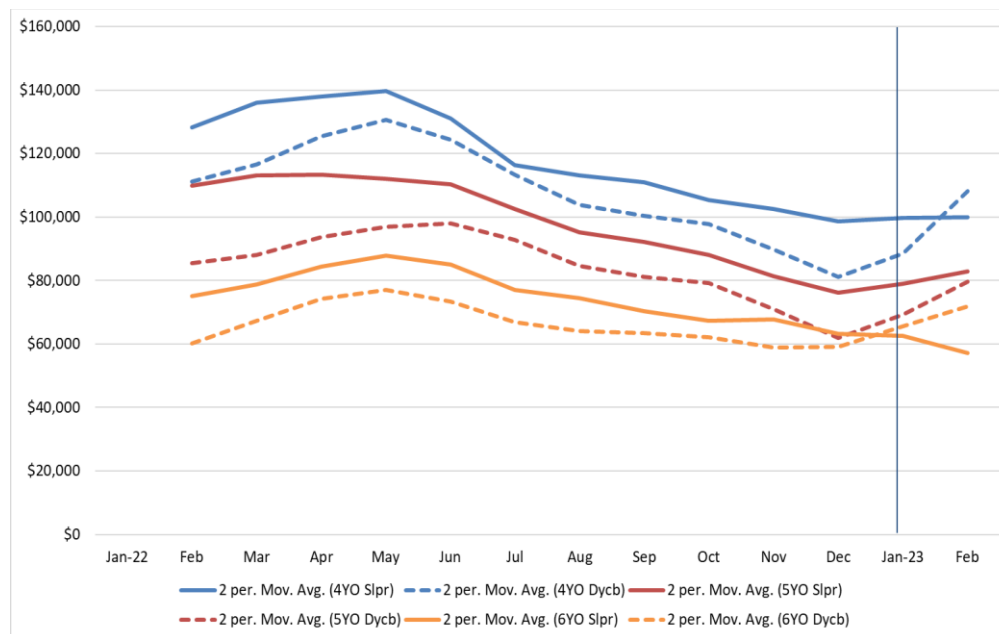
between the two types. In 2022, daycabs depreciated less dramatically than sleepers, which was expected. This difference is even more evident in the most recent period.

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

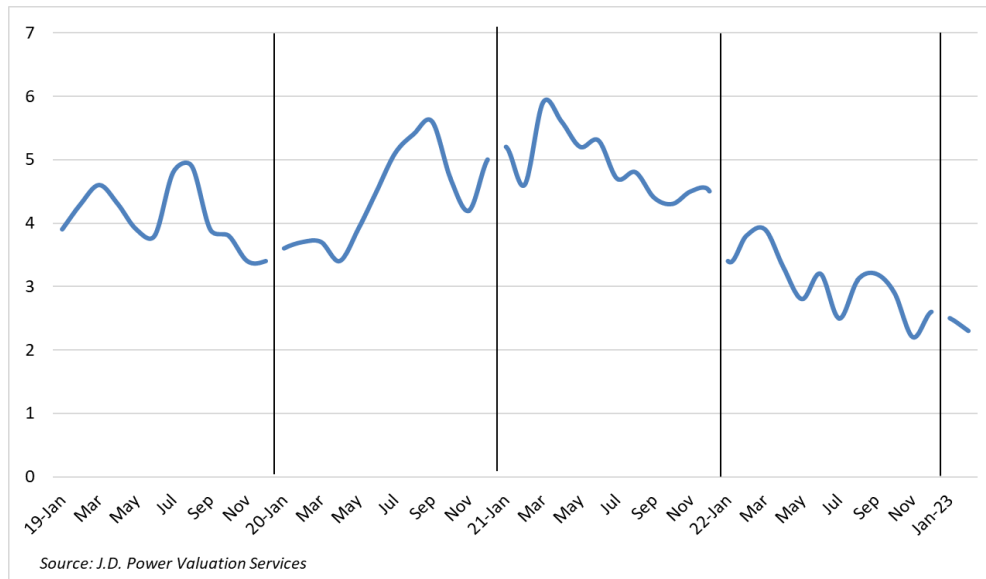


Average Retail Selling Price: 4- to 6-Year-Old Sleepers and Daycabs, Adjusted for Mileage

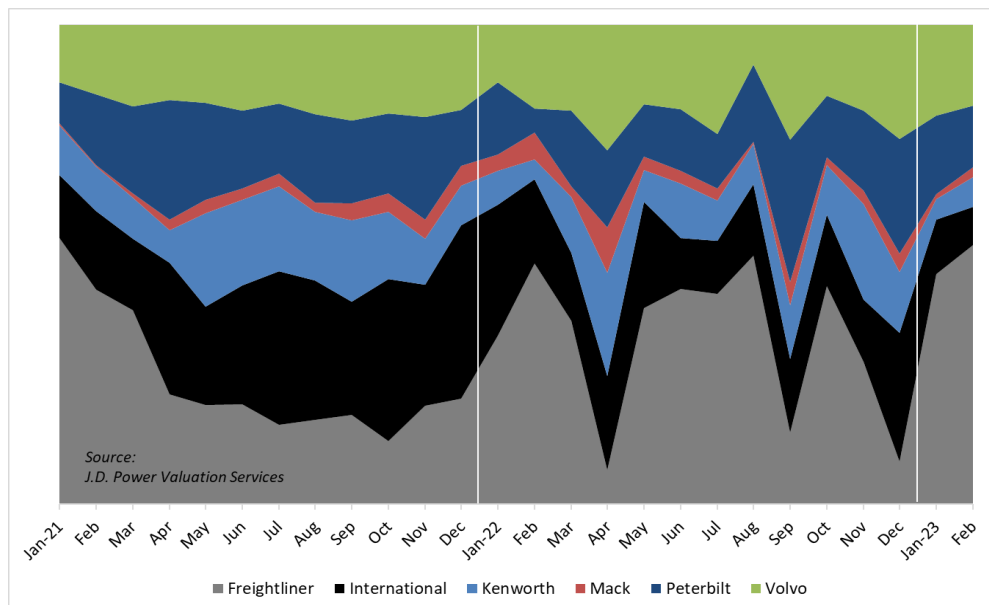


February's retail sales per rooftop averaged 2.3 trucks, 0.2 truck less than January and the second-lowest result we've recorded since the Great Recession. The cooler freight environment, higher supply of trades, declining equity, and tougher credit are headwinds that will limit used-truck pricing for the next few months.

Number of Trucks Retailed per Dealership Rooftop



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

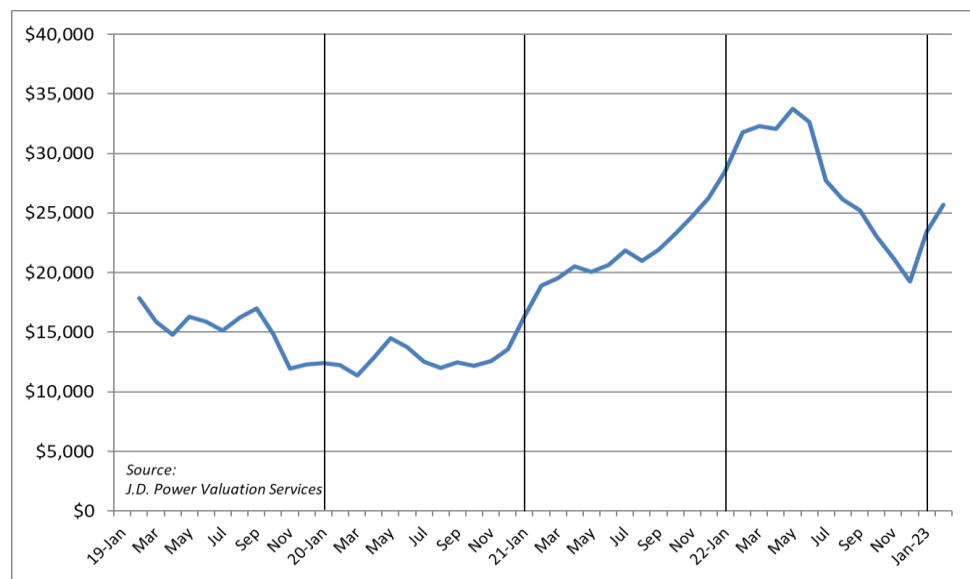


MEDIUM DUTY UPDATE

The medium duty market was mixed in February, with the light-GVW conventional segment performing strongest.

Starting with Class 3-4 cabovers, the benchmark group averaged \$23,119 in February. This figure is \$5,139 (18.2%) lower than January, and \$9,572 (29.3%) lower than February 2022. Trucks sold in the first two months of 2023 brought 19.2% less money than the same period of 2022. A higher-mileage mix of trucks was partially responsible for the substantially lower month-over-month average pricing. However, trucks of similar mileage brought less money than January, so some of this downward movement was the market speaking.

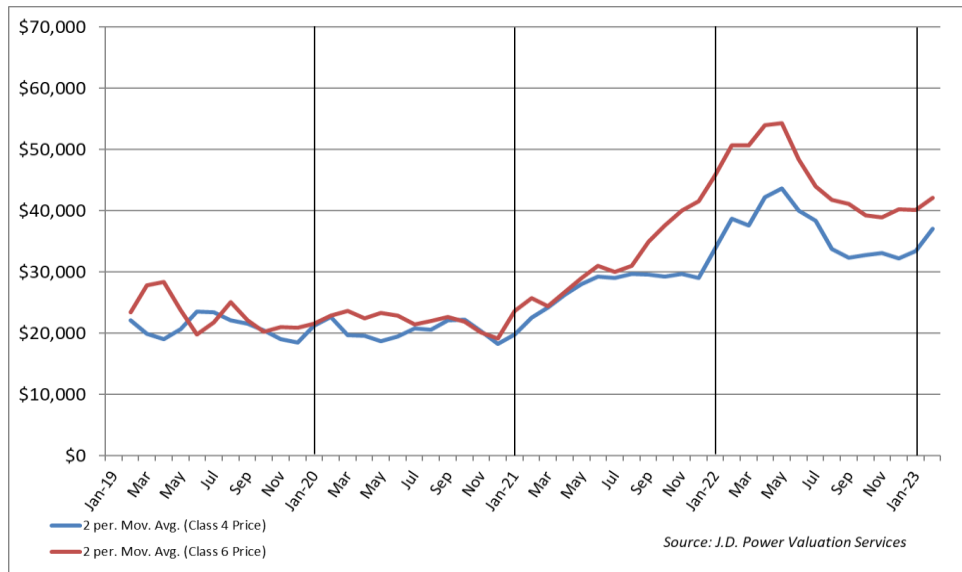
Average Wholesale Selling Price: 4- to 7-Year-Old Class 3-4 Cabovers, Adjusted for Mileage



Average pricing for our benchmark group of Class 4 conventionals was \$37,179 in February, \$258 (0.7%) higher than January, and \$1,155 (3.0%) lower than February 2022. Trucks sold in the first two months of 2023 brought 4.2% less than the same period of 2022.

Class 6 conventionals averaged \$44,678 in February, \$5,239 (13.3%) higher than January, and \$7,003 (13.6%) lower than February 2022. Trucks sold in the first two months of 2023 brought 17.0% less than the same period of 2022. There were no obvious reasons for the substantial month-over-month jump in pricing, so we'll wait to see if next month's results provide some clarity.

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



FORECAST

At the time of this writing, the collapse of Silicon Valley Bank is introducing a big dose of uncertainty into the macroeconomy. The fallout could be felt in several different ways, few of them positive. At this point we'll note that the freight environment was stable to cooling in February while the supply of available trucks increases. Downward pressure on sleeper tractor pricing will continue to increase during the next few months, at least.

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.