

DECEMBER 2023 COMMERCIAL VEHICLE MARKET UPDATE

CLASS 8 AUCTION UPDATE

Depreciation is relaxing as 2023 comes to an end. Late-model trucks with average or lower mileage for their age have lost less than 4% of their value each month in the fourth quarter, and trucks with higher mileage have probably seen the worst of their devaluation.

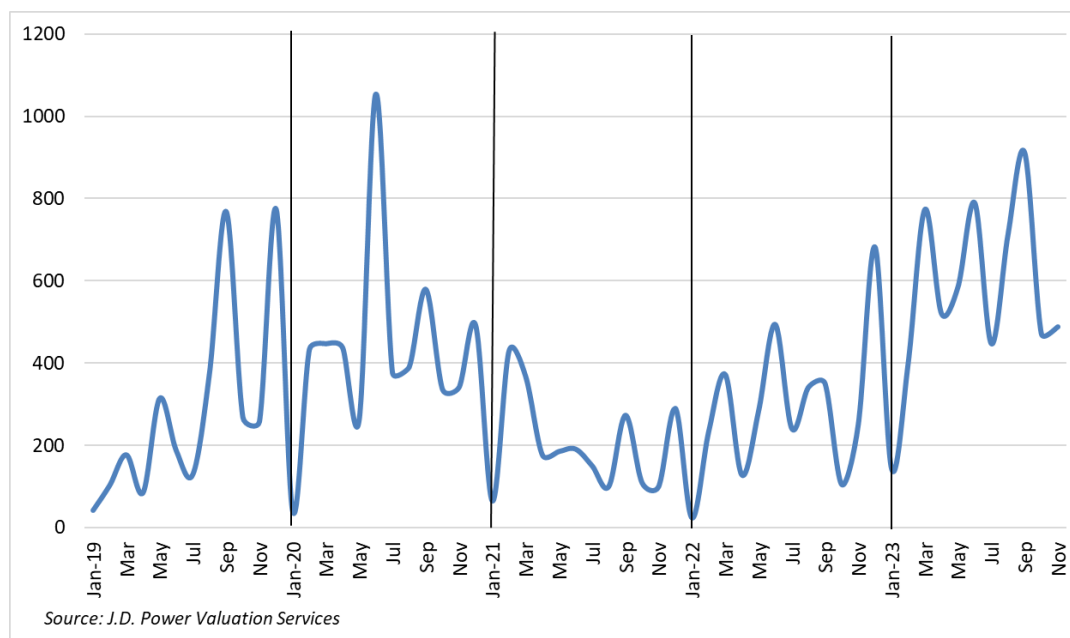
Looking at three- to seven-year-old trucks, average pricing for our benchmark truck in November was:

- Model year 2021: \$64,105; \$3,080 (5.1%) higher than October
- Model year 2020: \$46,911; \$5,562 (10.6%) lower than October
- Model year 2019: \$30,740; \$825 (2.6%) lower than October
- Model year 2018: \$28,236; \$2,047 (7.8%) higher than October
- Model year 2017: \$19,189; \$3,328 (21.0%) higher than October

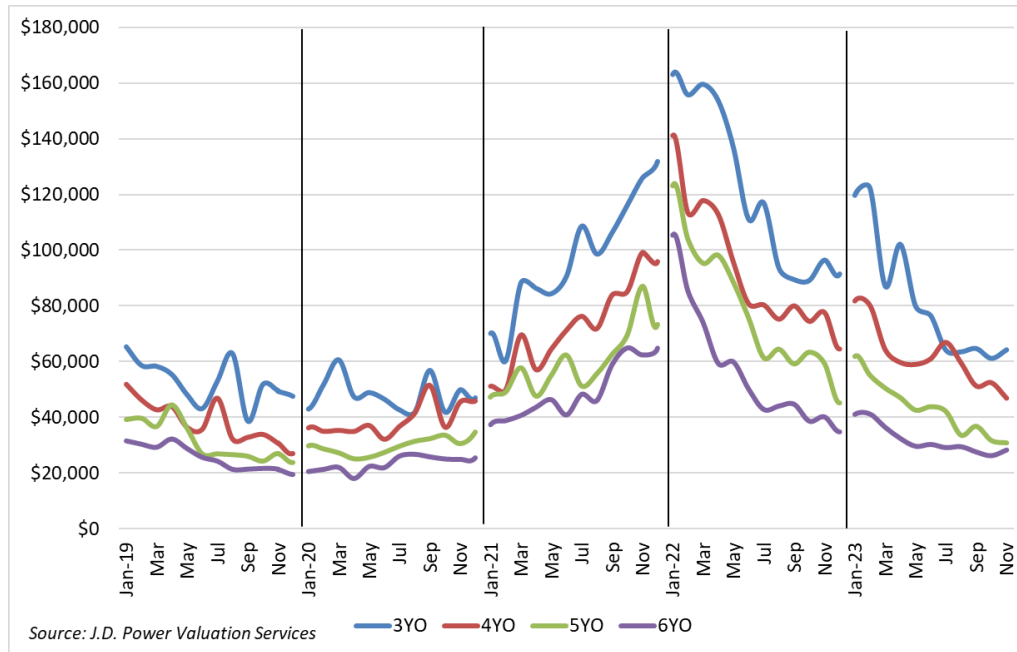
Four- to six-year-old trucks brought 3.9% less money than in October, and 40.2% less money than November 2022. In the first 11 months of 2023, late-model sleepers brought 41.6% less money than the same period of 2022. Monthly depreciation in 2023 is now down to 4.0%. Values for the newest model years available in the marketplace remain just under the strong pre-pandemic period of 2018 in nominal figures, or just more than 20% less if adjusted for inflation.

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 (Nominal Numbers)



CLASS 8 RETAIL UPDATE

End-of-year sales of trucks with identical specifications dragged down the averages in November. The universal and model-year averages below all show substantial declines, but actual market conditions for individual models was more nuanced. Our published values and consulting products dive deeper into market trends for individual makes and models and provide more clarity.

With that in mind, the average sleeper tractor retailed was 71 months old, had 429,243 miles and brought \$62,252. Compared with October 2023, this average sleeper was identical in age, had 7,984 (1.8%) fewer miles and brought \$5,189 (7.7%) less money. Compared with November 2022, this average sleeper was two months newer, had 40,249 (8.5%) fewer miles and brought \$27,558 (30.7%) less money.

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

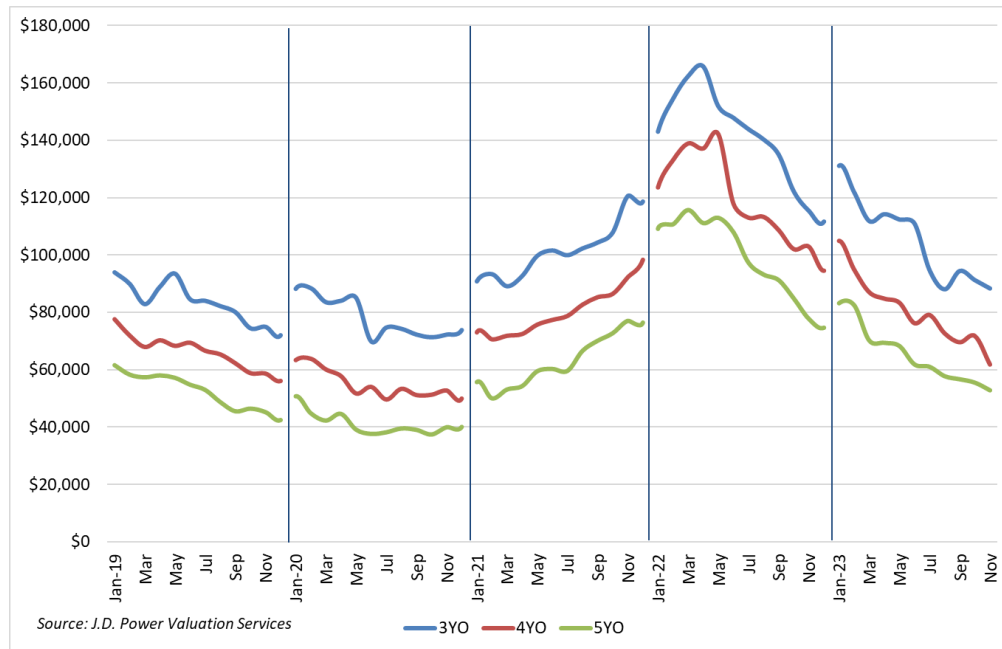
- Model year 2022: \$109,962; \$8,071 (6.8%) lower than October
- Model year 2021: \$88,264; \$2,902 (3.2%) lower than October
- Model year 2020: \$61,792; \$9,940 (13.9%) lower than October
- Model year 2019: \$52,811; \$2,663 (4.8%) lower than October
- Model year 2018: \$40,543; \$1,514 (3.6%) lower than October

Three- to five-year-old trucks brought an average of 7.1% less money than October, and 31.4% less than November 2022. The first 11 months of 2023 averaged 31.4% less money than the same period of 2022. Monthly depreciation in 2023 is currently averaging 3.2%. Late-model sleepers are just under last strong pre-pandemic period of 2018 in nominal dollars, or just more than 20% less when adjusted for inflation.

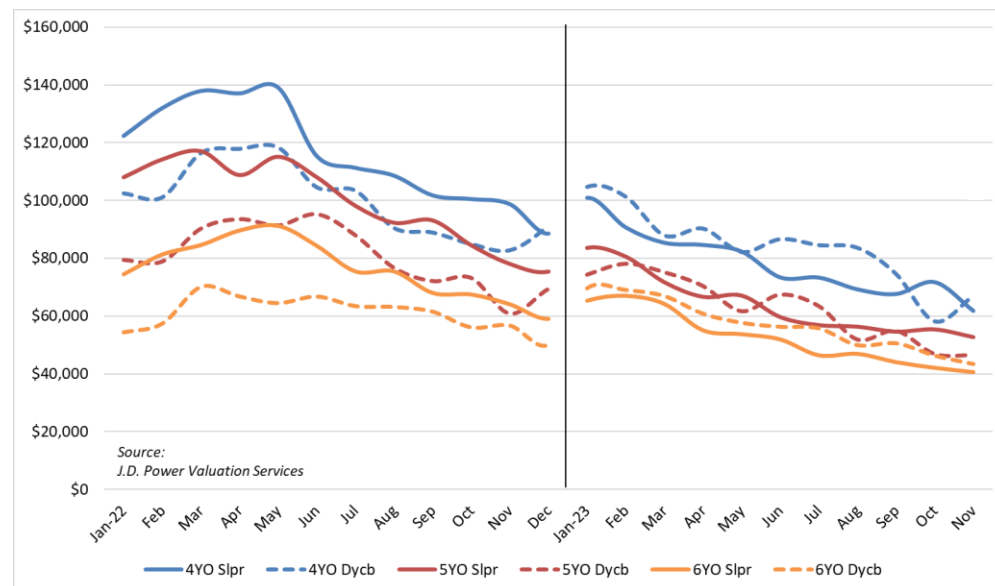
Daycabs continue to depreciate at a slightly higher rate than sleepers, as a higher volume of these trucks cycles through the market. That said, daycabs continue to return better residuals than sleepers in 2023, bringing equal or better money after only 3-4 years of age. Daycabs are averaging 3.5% per month depreciation in 2023 to date.

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 Aero Sleeper Tractors, Adjusted for Mileage (Nominal Numbers)

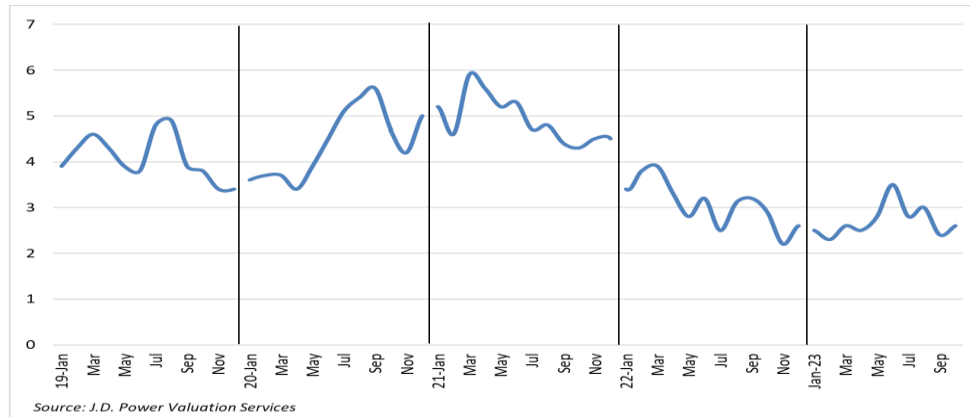


Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)

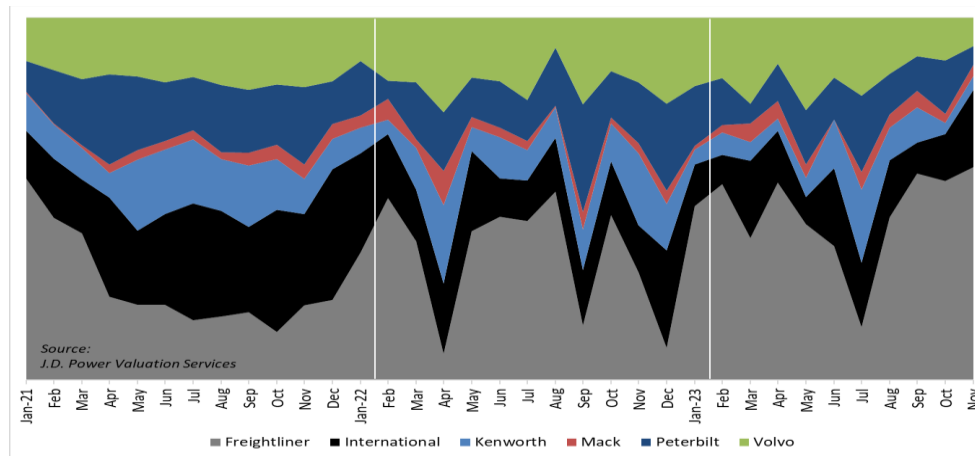


Due to missing data from one of our providers, we were unable to calculate a retail sales per rooftop figure for November. Judging by total volume of sales reported, we are confident there was little change from October.

Number of Trucks Retailed per Dealership Rooftop



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



FORECAST

In the auction market, depreciation relaxed for the third consecutive month, which we consider a trend. The freight market is showing signs of a bottom, partially due to seasonality, but also partially due to leaner business/industry inventories. Used-truck pricing is still 20% higher than the lowest month of 2019, which was the weakest pre-pandemic point. Excess truck inventory will continue to filter through auction, wholesale and retail channels through the first half of 2024, but the post-pandemic correction looks to be maturing.

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.