

MARCH 2024 COMMERCIAL VEHICLE MARKET UPDATE

SUMMARY

Auction volume for February 2024 was similar to January 2024, but pricing turned unexpectedly downward. Retail pricing was stable.

CLASS 8 AUCTION UPDATE

The bankruptcy liquidation of Yellow Corporation’s (YRC Freight) trucks and trailers is affecting market conditions, particularly for trailers and the single-axle daycabs that comprised the majority of Yellow’s fleet. The first major sale of Yellow’s equipment took place March 5, and pricing was what you might expect for so many trucks and trailers released into the market in a short time. Prior to that date, it was unusual to see a notable number of late-model, single-axle daycabs in the marketplace, and selling prices reflected this increased supply. We’ll provide more observations next month when the liquidation’s effect on other segments, if any, is better understood.

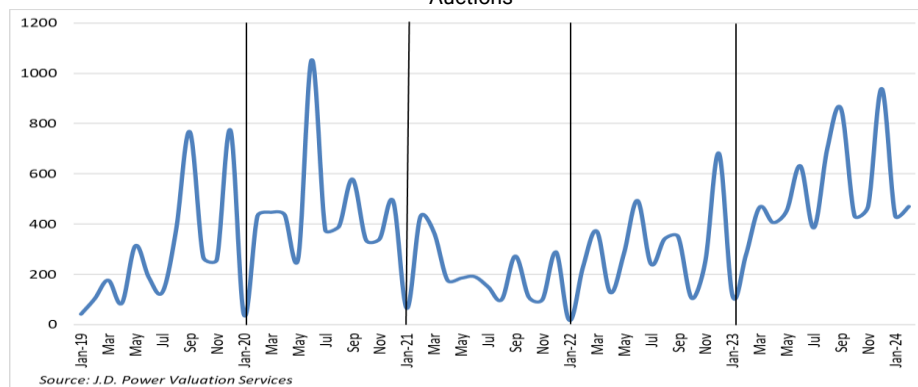
Shifting focus to late-model sleepers, the number of those trucks sold at auction in February was comparable to January. In a change from the past 4-5 months, pricing dropped noticeably, particularly for the trucks that turned five years old in January. We’re watching March’s activity to see if volatility increased.

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

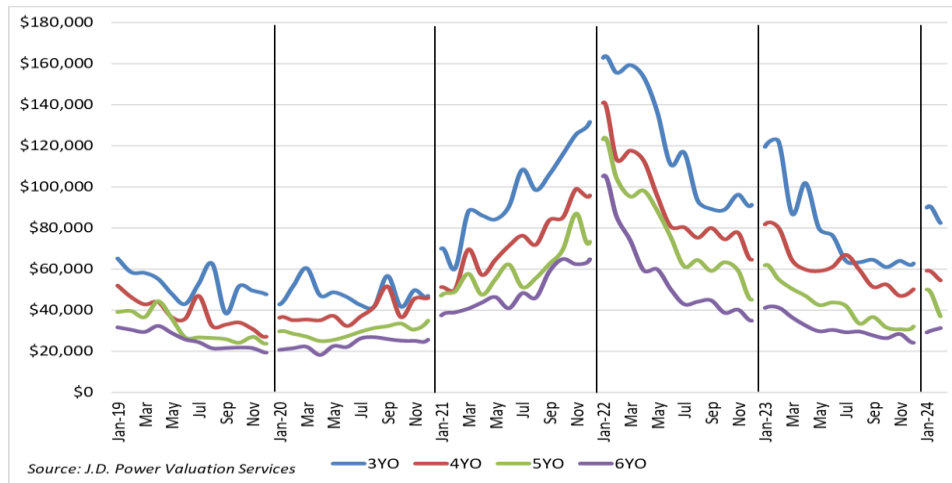
- Model year 2022: \$82,500 (no basis for comparison with January)
- Model year 2021: \$54,477; \$4,698 (7.9%) lower than January
- Model year 2020: \$37,064; \$12,961 (25.9%) lower than January
- Model year 2019: \$31,117; \$2,097 (7.2%) higher than January
- Model year 2018: \$24,791; \$244 (1.0%) lower than January

The group above brought 11.3% less money than in January, and 30.4% less money than February 2023. Keeping in mind the model years in our age cohorts advanced by one year in January, values for the newest model years available in the marketplace are now about 6% higher than the strong pre-pandemic period of 2018 in nominal figures, or about 13% less if adjusted for inflation. Current pricing is now about 65% higher than the last market nadir in late 2019, or about 37% higher 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

The average sleeper tractor retailed in February 2024 was 71 months old, had 435,808 miles and brought \$62,400. Compared with January, this average sleeper was identical in age, had 7,165 (1.6%) fewer miles and brought \$98 (0.2%) more money. Compared with February 2023, this average sleeper was two months newer, had 34,813 (7.4%) fewer miles and brought \$16,765 (21.2%) less money.

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

- Model year 2023: \$145,461; \$3,811 (2.7%) higher than January
- Model year 2022: \$128,768; \$25,651 (24.8%) higher than January
- Model year 2021: \$77,939; \$1,504 (2.0%) higher than January
- Model year 2020: \$60,939; \$1,955 (3.1%) lower than January
- Model year 2019: \$45,424; \$3,392 (6.9%) lower than January
- Model year 2018: \$35,025; \$6,143 (14.9%) lower than January

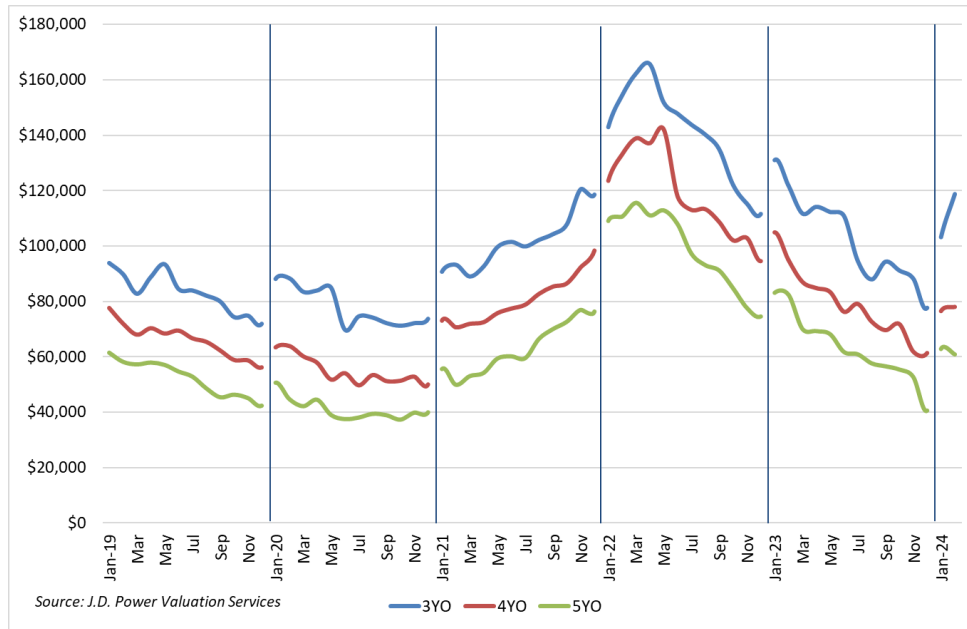
Three- to five-year-old sleeper tractors brought 10.4% more money in February of 2024 than January, but February's average was artificially inflated by a relatively large number of three-year-old owner-operator trucks. Eliminating those trucks from the equation results in a 2.8% increase. That group brought 10.5% less money in February of 2024 compared with February of 2023. Keeping in mind the model years in our age cohorts advanced by one year in January, late-model sleepers are now 13% higher than the last strong pre-pandemic period of late 2018 in nominal dollars, or about 6% less when adjusted for inflation. Compared with the last weak pre-pandemic period, late-model sleeper values are now running 45% higher in nominal dollars or 26% higher in real dollars. As always, this is just a broad average. Our published values and consulting services provide more focused detail on individual makes and models.

Daycabs continue to bring equal or better money than sleepers after only 3-4 years of age. Compared with January 2024, late-model daycabs brought 1.0% more money in February. Compared with February 2023, this segment brought 16.0% less money. These figures are an average of all makes and models in the segment and do not

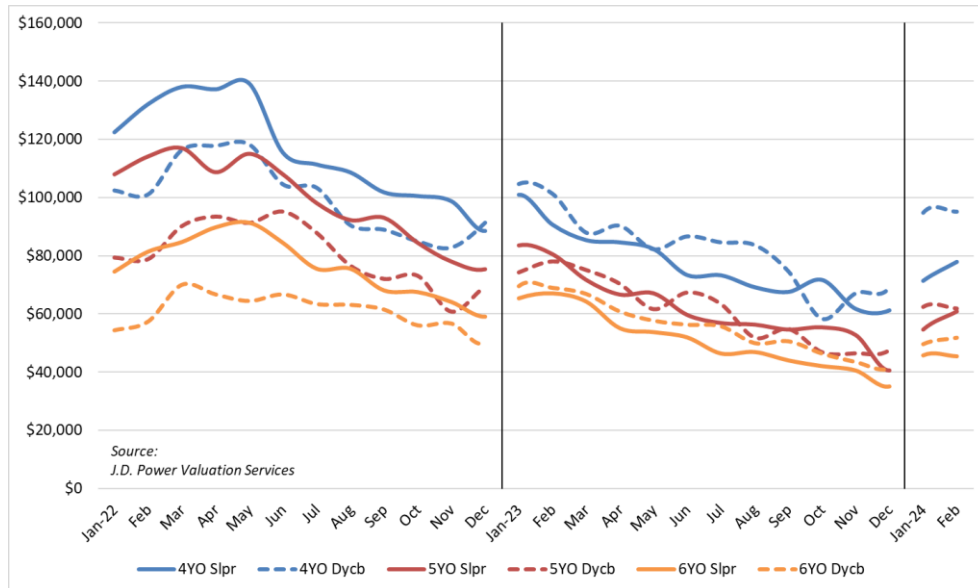
necessarily reflect actual market movement of individual models. Late-model daycabs should continue to bring more money than their aerodynamic counterparts (all else being equal) for the foreseeable future.

Note the current auction liquidation of Yellow Corp. equipment was not a factor in February's retail data. We are monitoring that activity and will provide observations in next month's report.

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

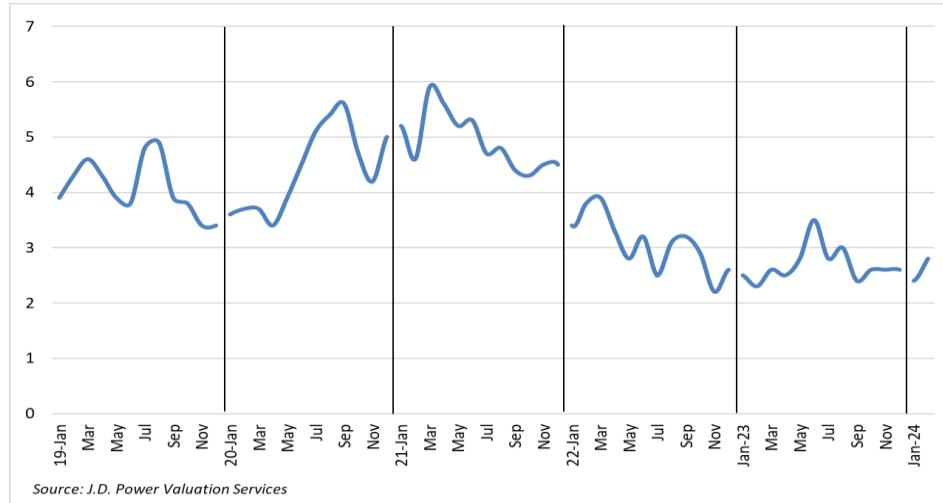


Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)

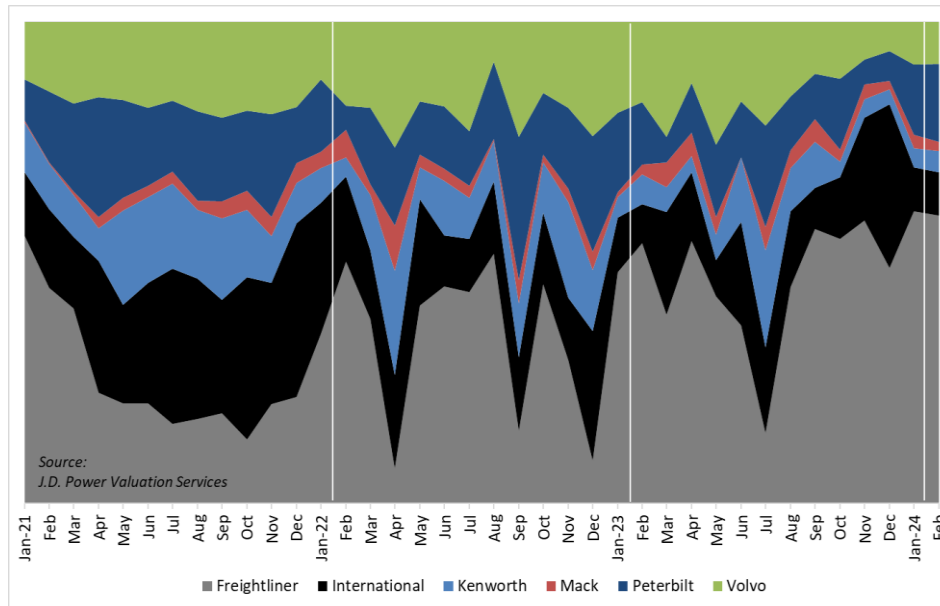


February's retail sales per rooftop increased slightly to 2.8 trucks. Equity, financing and supply will remain as headwinds in 2024. Finance rates could improve later this year, coinciding with a somewhat more favorable volume of incoming trades.

Number of Trucks Retailed per Dealership Rooftop



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



This monthly update is a broad and general sample of J.D. Power analytical capabilities. For information about our valuation products, residual forecasting, make and model benchmarking, raw data and other services, contact Chris Visser at chris.visser@jdpa.com, or visit our website at jdpowervalues.com.