

APRIL 2024 COMMERCIAL VEHICLE MARKET UPDATE

SUMMARY

Auction volume remains high and pricing decreased again in March 2024. Retail sales volume remains depressed, but depreciation in that channel has scaled back.

CLASS 8 AUCTION UPDATE

Auction volume increased for another month, and most sleeper tractors brought noticeably less money than February 2024. Most late-model sleepers moving through auction channels are marked by extremely high mileage for their age.

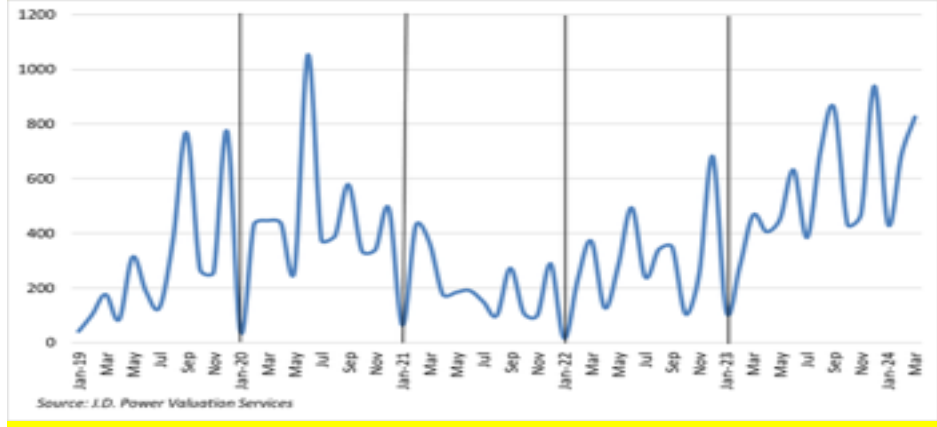
Looking at late-model sleeper tractors, average pricing for our benchmark truck in March was:

- Model year 2022: \$96,970; \$12,220 (14.4%) higher than February
- Model year 2021: \$49,816; \$4,661 (8.6%) lower than February
- Model year 2020: \$31,793; \$5,271 (14.2%) lower than February
- Model year 2019: \$27,206; \$3,911 (12.6%) lower than February
- Model year 2018: \$21,498; \$3,293 (13.3%) lower than February

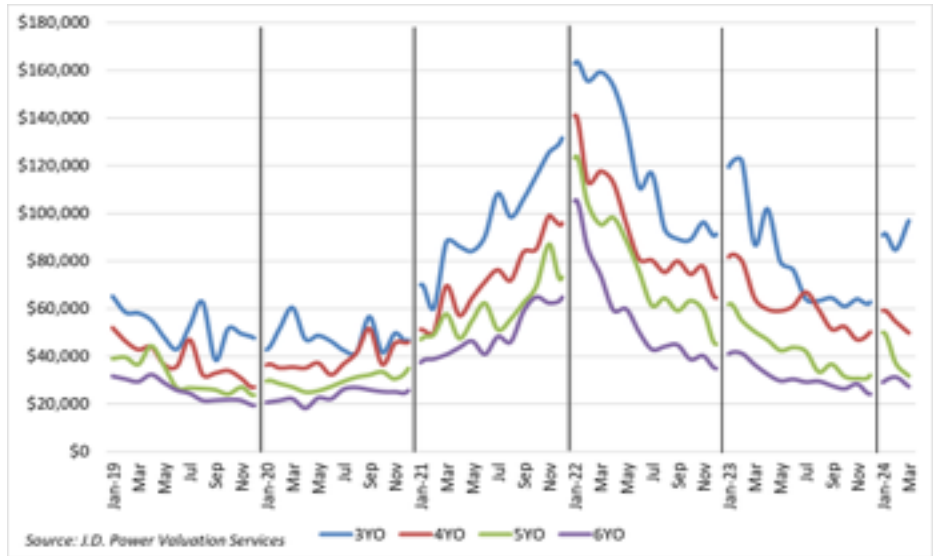
Note that the very small number of model-year 2022 trucks sold each month means our average will fluctuate widely, and the figure above is not representative of actual market movement. Otherwise, late-model sleepers brought 7.2% less money than in February, and 34.0% less money than in March 2023. Values for the newest model years available in the marketplace are now about 6% lower than the strong pre-pandemic period of 2018 in nominal figures, or about 24% lower if adjusted for inflation. Current pricing is about 51% higher than the last market nadir in late 2019, or about 24% higher if adjusted for inflation. Depreciation in 2024 is averaging 7.2% per month.

Market performance in the first quarter of 2024 was defined by a return to depreciation after a stable period of 4-5 months. This second wave of devaluation appears to be a combination of individuals and small fleets leaving the industry—frequently a result of loan default—and ongoing trade activity as new equipment is received. Late in 2023, price stabilization suggested the market was absorbing this increased inventory. That dynamic changed as the 2024 market opened up in February. Note the ongoing liquidation of Yellow Corp. single axle daycabs did not appear to have affected the value of tandem axle daycabs in March.

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

Four- and five-year-old trucks have been selling in greater numbers since December, largely through OEM retail outlets as opposed to traditional franchised or independent dealerships. As is typical in a volume-driven market, the price variance between competing models has increased, particularly when looking at specific drivetrain specs.

Overall, the average sleeper tractor retailed in March 2024 was 71 months old, had 437,280 miles and brought \$60,087. Compared with February, this average sleeper was identical in age, had 1,472 (0.3%) more miles and brought \$2,313 (3.7%) less money. Compared with March 2023, this average sleeper was identical in age, had 18,226 (4.0%) fewer miles and brought \$16,105 (21.0%) less money.

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

- Model year 2023: \$137,717; \$2,196 (1.6%) lower than February
- Model year 2022: \$100,746; \$23,609 (19.0%) lower than February
- Model year 2021: \$70,430; \$3,707 (5.0%) lower than February

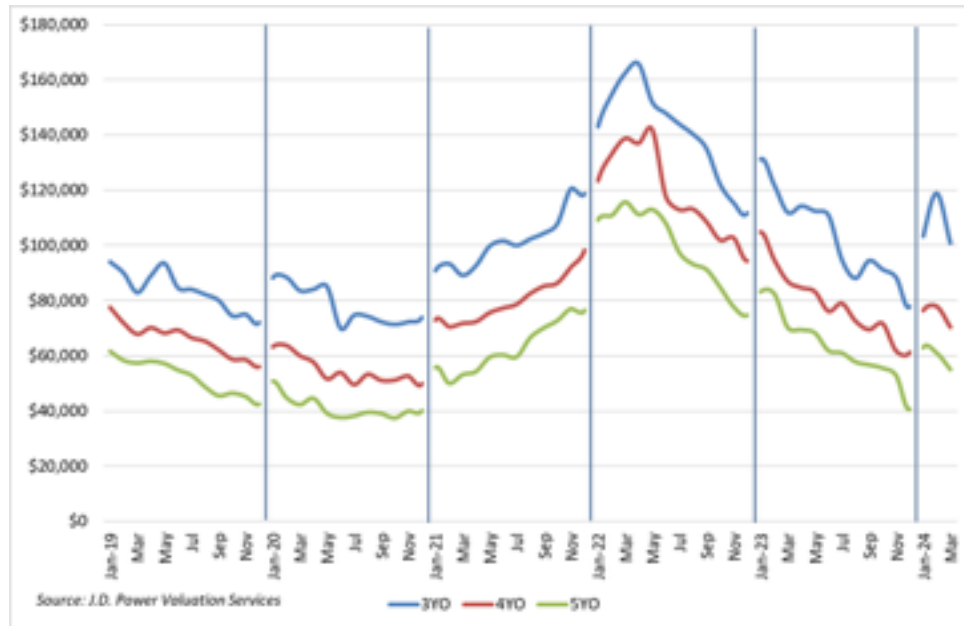
- Model year 2020: \$54,985; \$372 (0.7%) lower than February
- Model year 2019: \$43,774; \$1,650 (3.6%) lower than February
- Model year 2018: \$34,587; \$438 (1.3%) lower than February

Three- to five-year-old sleeper tractors brought 10.9% less money in March of 2024 than February, 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 3.1% decrease, which we consider representative of actual market movement. That group brought 15.9% less money in March of 2024 compared with March 2023. Late-model sleepers are now bringing money comparable to the last strong pre-pandemic period of late 2018 in nominal dollars, or about 19% less when adjusted for inflation. Compared with the last weak pre-pandemic period, late-model sleeper values are now running 30% higher in nominal dollars or 7% higher in real dollars. Depreciation in 2024 is averaging 2.4% per month.

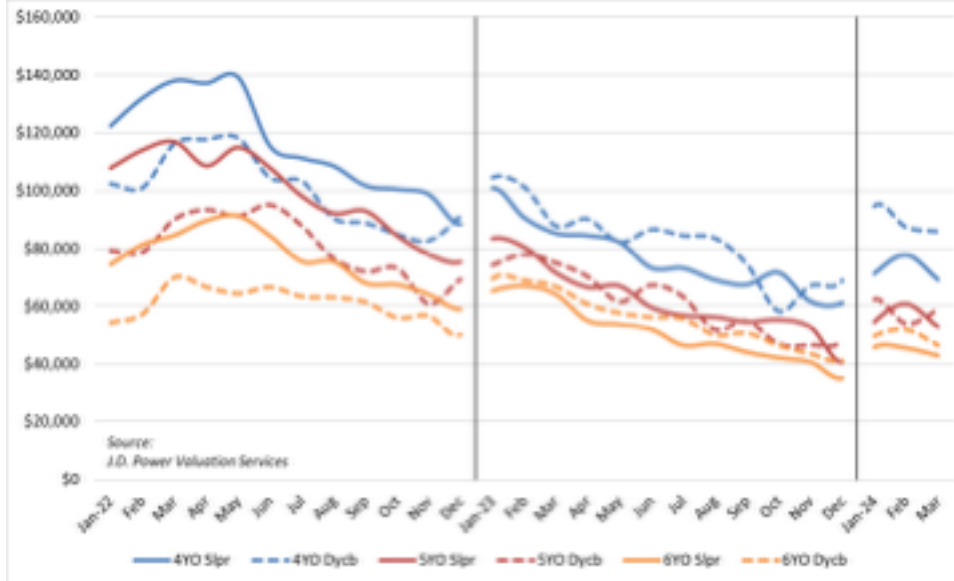
As always, this is just a broad average. Our published values and consulting services provide more focused detail on individual makes and models.

Daycabs continue to bring equal or better money than sleepers after three years of age, apples-to-apples. Compared with February 2024, late-model daycabs brought 1.2% less money in March. Compared with March 2023, this segment brought 16.9% less money. Depreciation in 2024 is averaging 2.5% per month. As mentioned earlier, the sell-off of Yellow Corp. single axle daycabs did not appreciably impact the market for tandem axle units in March.

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

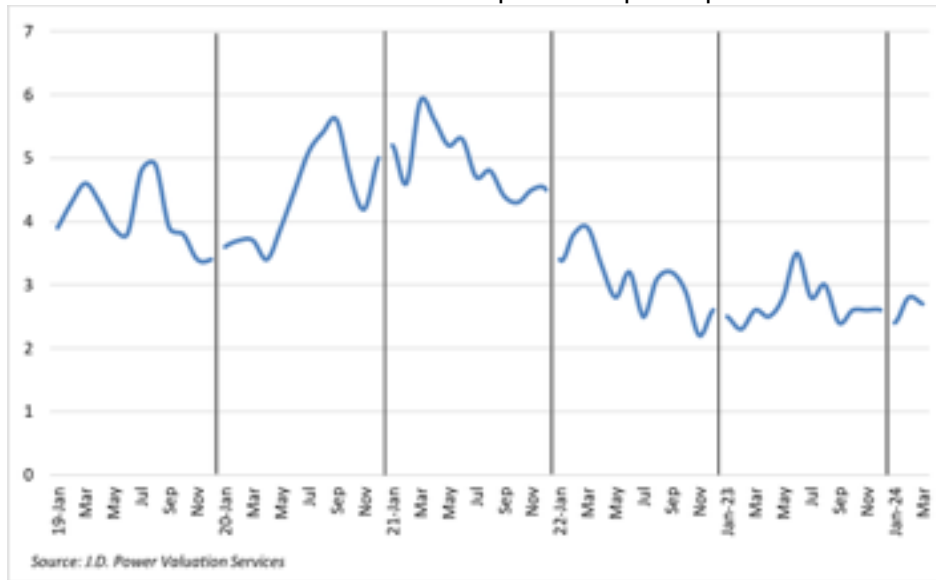


Avg. Retail Selling Price: 4- to 6-Year-Old Aerodynamic Sleepers and Daycabs, Adj. for Mileage (Nominal Numbers)

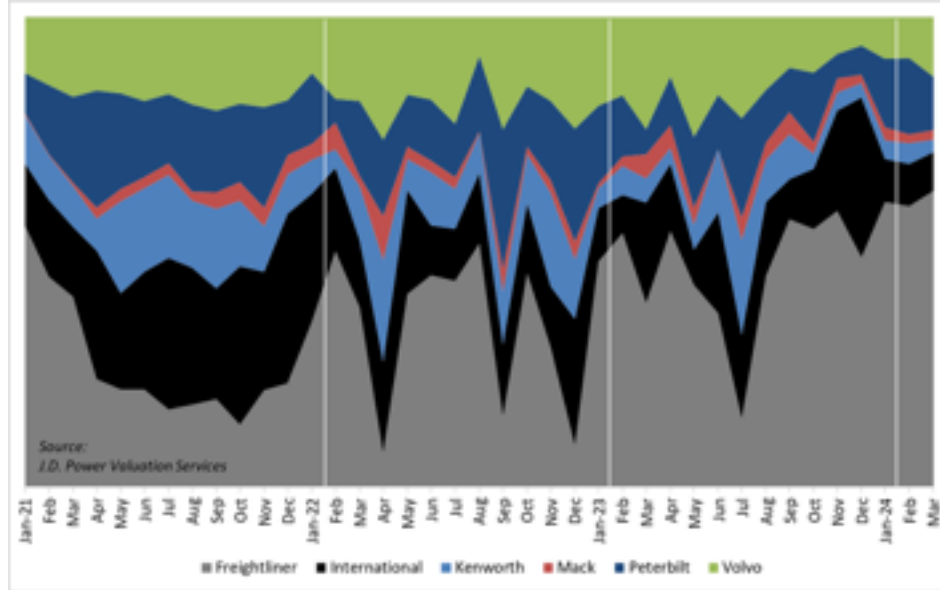


March's retail sales per rooftop were just 0.1 truck lower than February, at 2.7. Equity, financing and supply continue to make the current environment tough for dealers, but increased sales of late-model trucks suggest check writers are out there.

Number of Trucks Retailed per Dealership Rooftop



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



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