

Used Truck Market Update

Steve Tam, Vice President

Student and analyst of the commercial vehicle market since 1993

Frequent speaker at industry and private company events

Often quoted in trade press, the Wall Street Journal, and even on the radio

Transcend boundaries to dialogue with participants from every facet of the industry

Relish opportunity to impart knowledge and understanding of this crazy industry



Used Truck Market Update

- Market Performance
- Slice & Dice
- Exports
- Outlook



Used Truck Database Overview

- Collecting data from ≈900 unique sellers
- Sales averaged 6,000 Cl8 units in 2022
- Coverage
 - US, limited CAN volumes
 - LD (GVW 3-5), MD (GVW 6-7), HD (GVW 8)
 - Retail, wholesale, auction channels
 - Units sold, total sales \$, average sale price, miles, and age
 - Industry estimates for sales and inventory
- Continue to expand participation



Why Used Trucks Are Important

- Used truck activity impact on new truck demand
 - Relationship to new truck sales
 - Empirical data on how trucks are being utilized
- Used truck activity as a stand-alone market
 - Used Truck Dealers/Sellers
 - Identify equipment and industry trends
 - Optimize inventory/reduce inventory carrying costs
 - Benchmarking
 - Aftermarket parts and service
 - Market sizing
 - Finance and insurance



The State of Used Vehicles (Current Market)

Takeaway: A Market In Flux

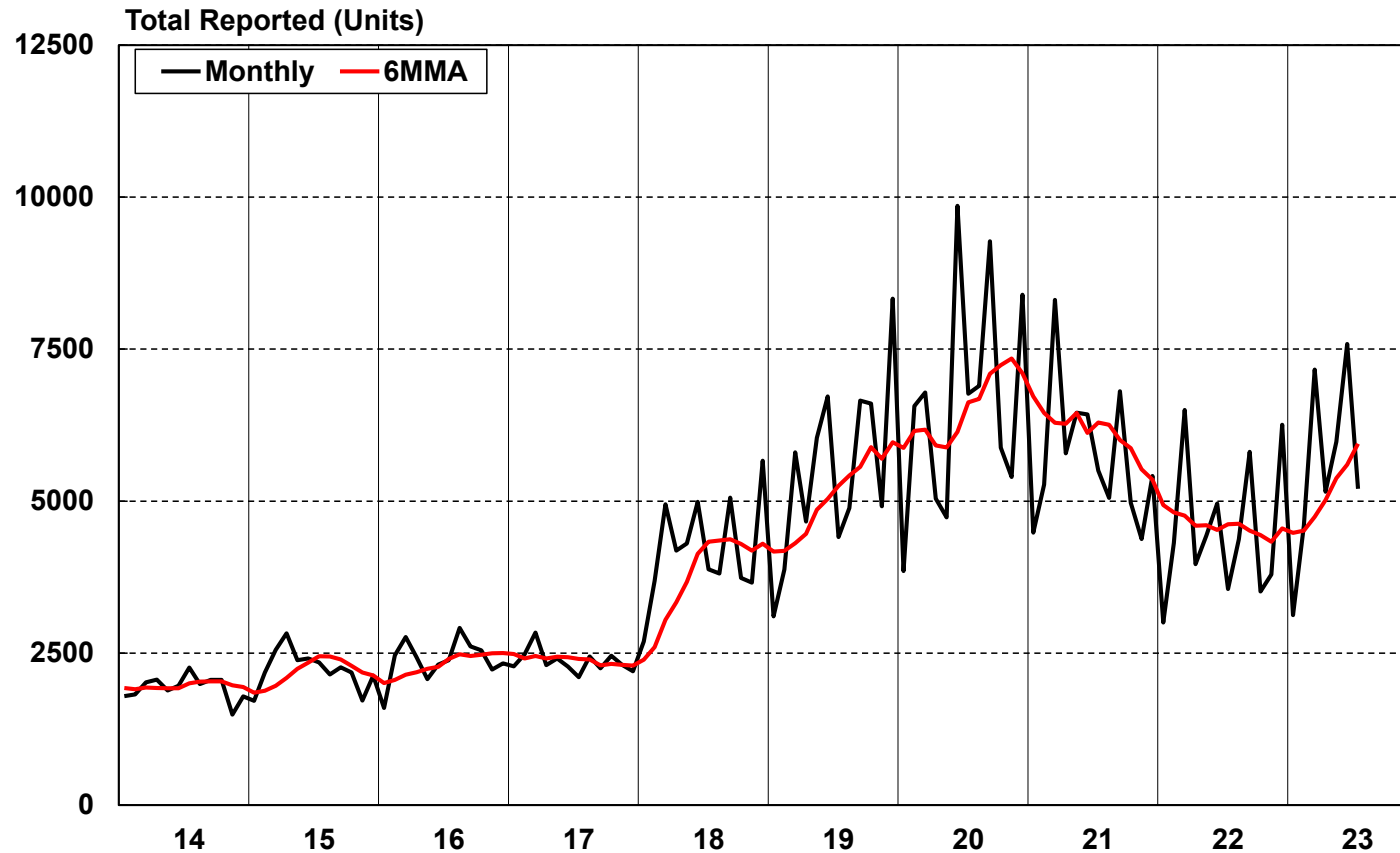


Same Dealer Sales Trending Up On ↑ Inventory

Class 8: U.S. Used Truck Sales

January 2014 - Preliminary July 2023

Same Dealer Sales



5,202 units

-31% m/m

+46% y/y

+26% ytd

62,425 units - AR

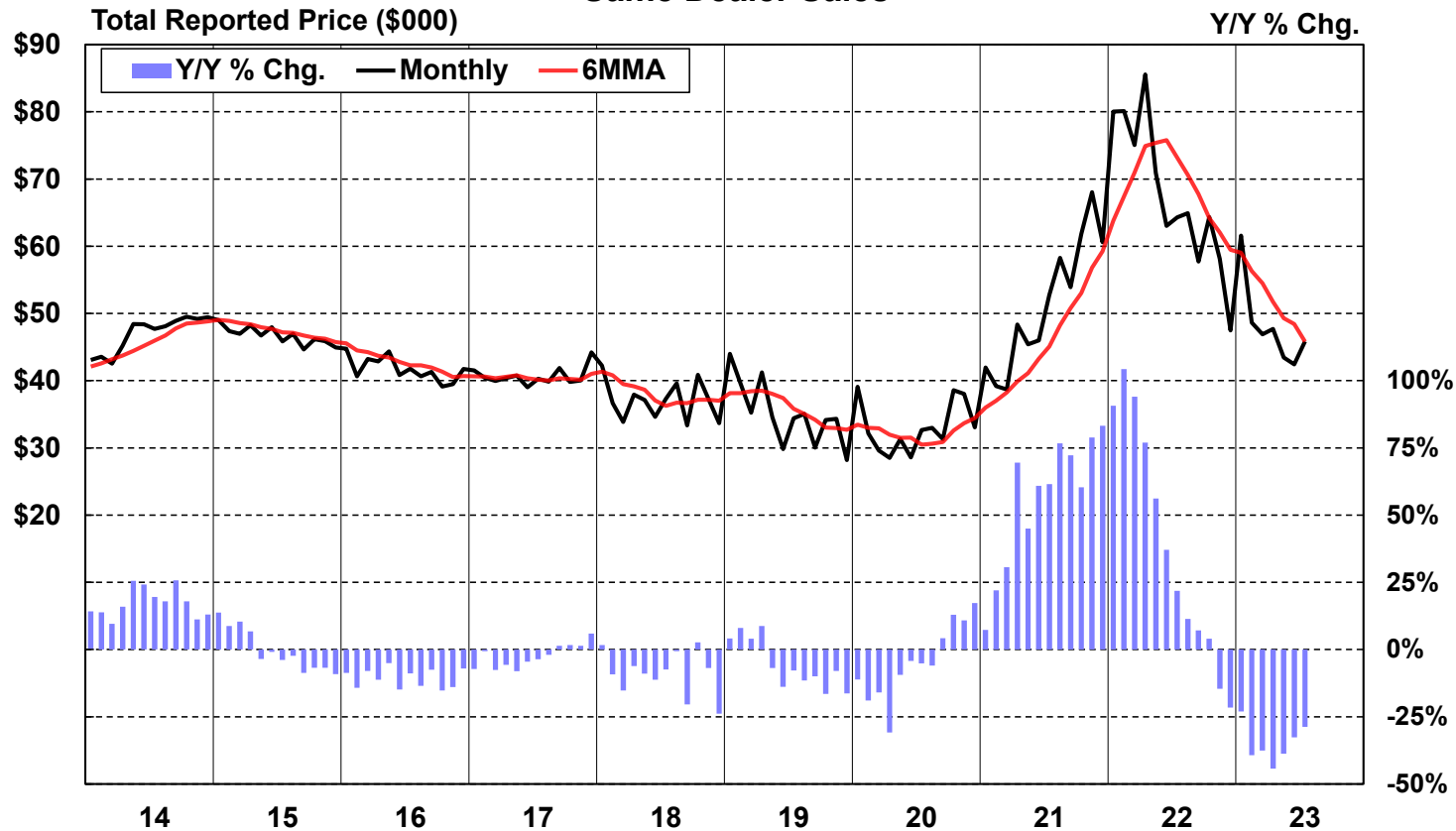
Source: ACT Research Co. © 2023

Values Still Falling, But “Less Worse”

Class 8: U.S. Used Truck Average Sale Price

January 2014 - Preliminary July 2023

Same Dealer Sales



\$45,850

+8% m/m

-29% y/y

-37% ytd

\$46,825 - YTD

Source: ACT Research Co. © 2023

Simpson's Paradox



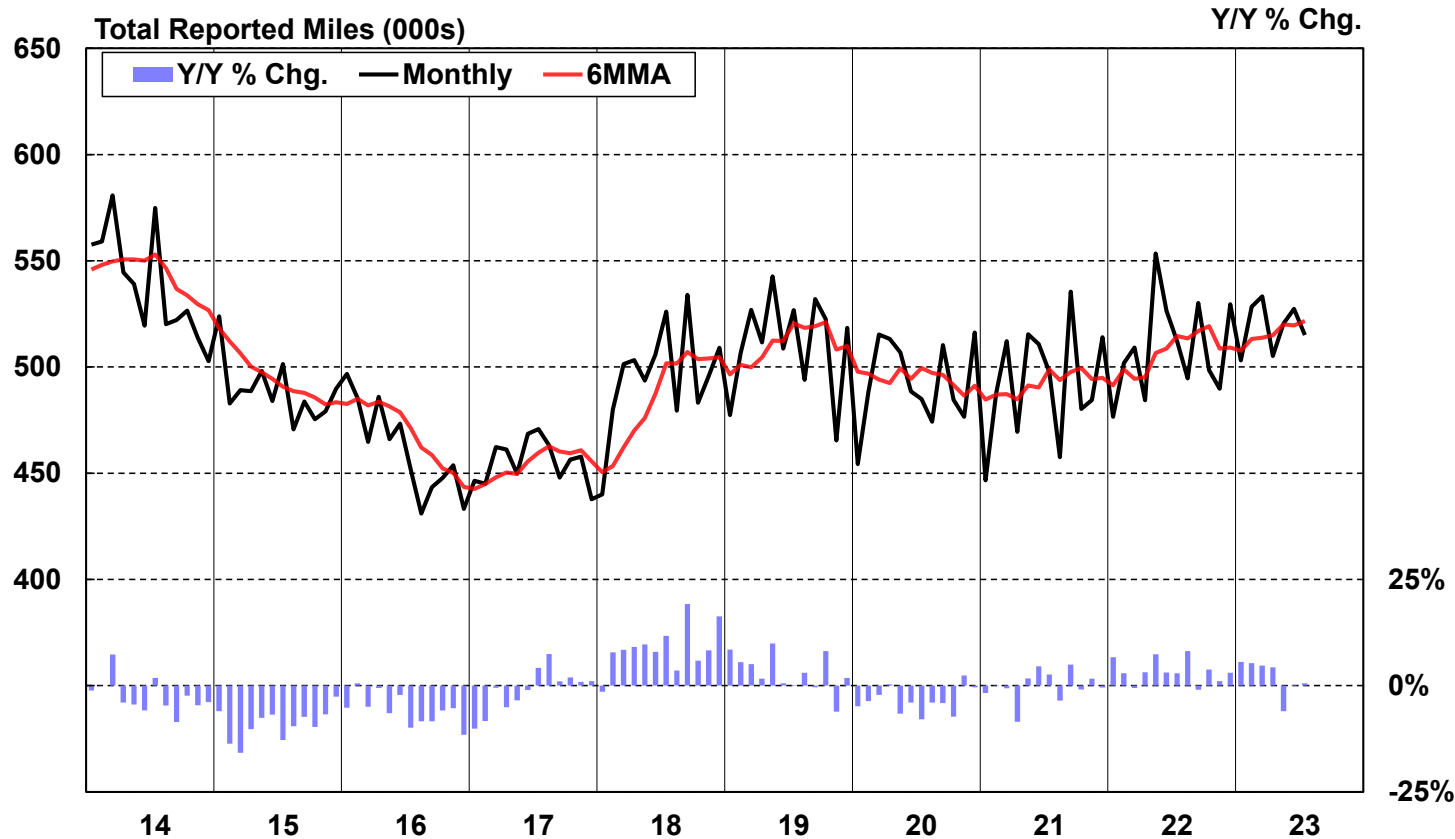
	1995			1996			1997			Combined		
	Hits	@Bats	Avg	Hits	@Bats	Avg	Hits	@Bats	Avg	Hits	@Bats	Avg
Jeter	12	48	.250	183	582	.314	190	654	.291	385	1284	.300
Justice	104	411	.253	45	140	.321	163	495	.329	312	1046	.298

Miles on the Rise

Class 8: U.S. Used Truck Average Miles

January 2014 - Preliminary July 2023

Same Dealer Sales



515,000

-2% m/m

+1% y/y

+3% ytd

532,100 - YTD

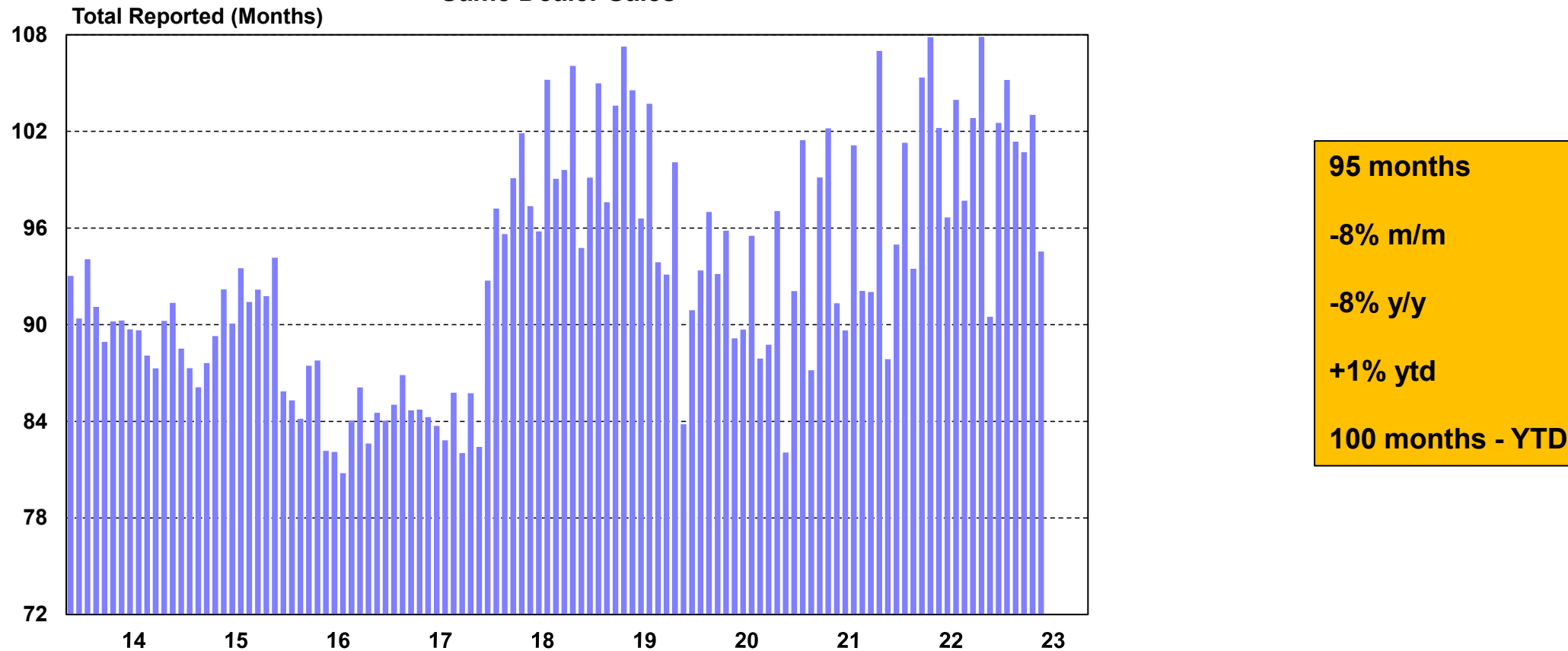
Source: ACT Research Co. © 2023

Younger Trades Beginning to Appear

Class 8: U.S. Used Truck Average Age

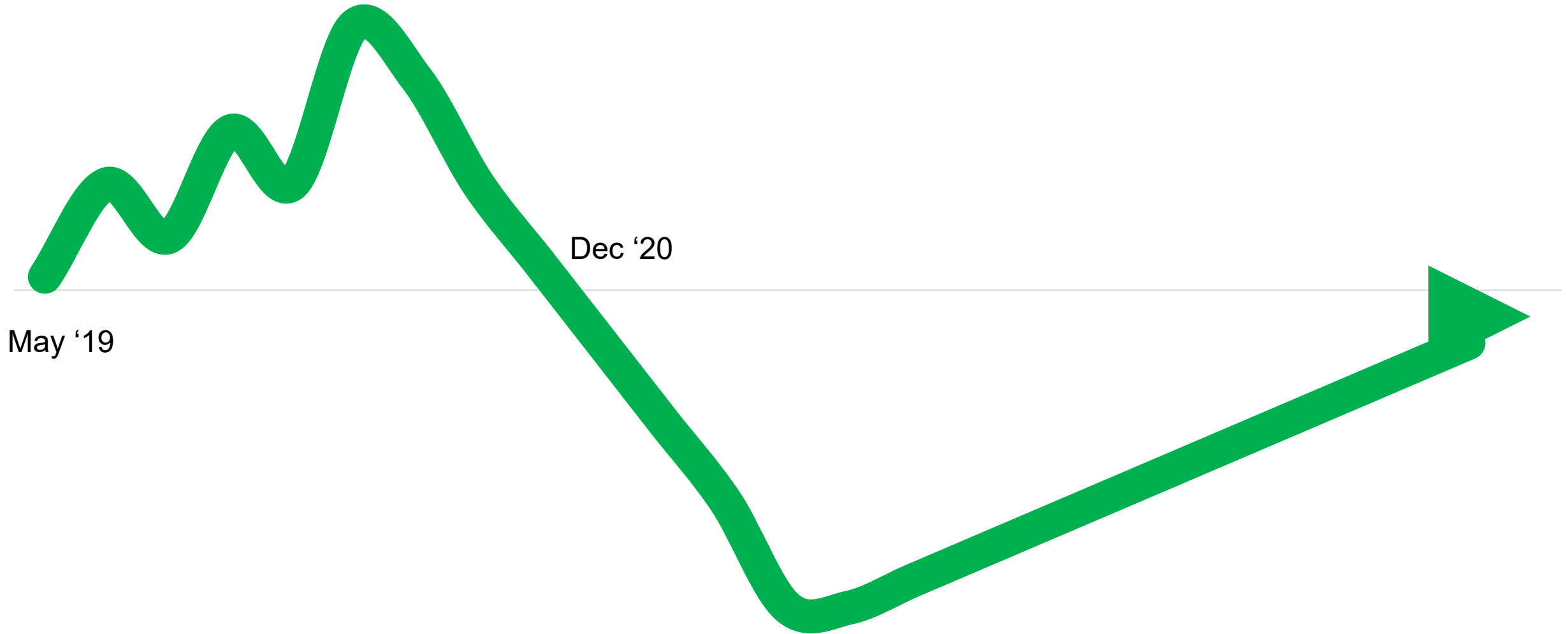
January 2014 - Preliminary July 2023

Same Dealer Sales



Source: ACT Research Co. © 2023

We Have Been Here Before – A While Ago



Yellow Impact On Used Market










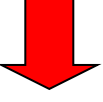


14,000+ Trucks



≈45,000 Trailers

Key will be disciplined, methodical, and orderly transition

Used Truck RETAIL Dashboard

ACT's USED CLASS 8 RETAIL SUMMARY – JULY (P) 2023				
TOTAL CLASS 8	UNITS	AVERAGE PRICE	AVERAGE MILES	AVERAGE AGE
MONTH/ MONTH	 -4%	 -4%	 -2%	 -2%
YEAR/ YEAR	 34%	 -28%	 -4%	 -9%
YTD/ YTD	 3%	 -28%	 2%	 -4%

July (P) UT Stats

ASP = \$63,125

Miles = 434,000

Age = 75 months

Est. Units = 19,500

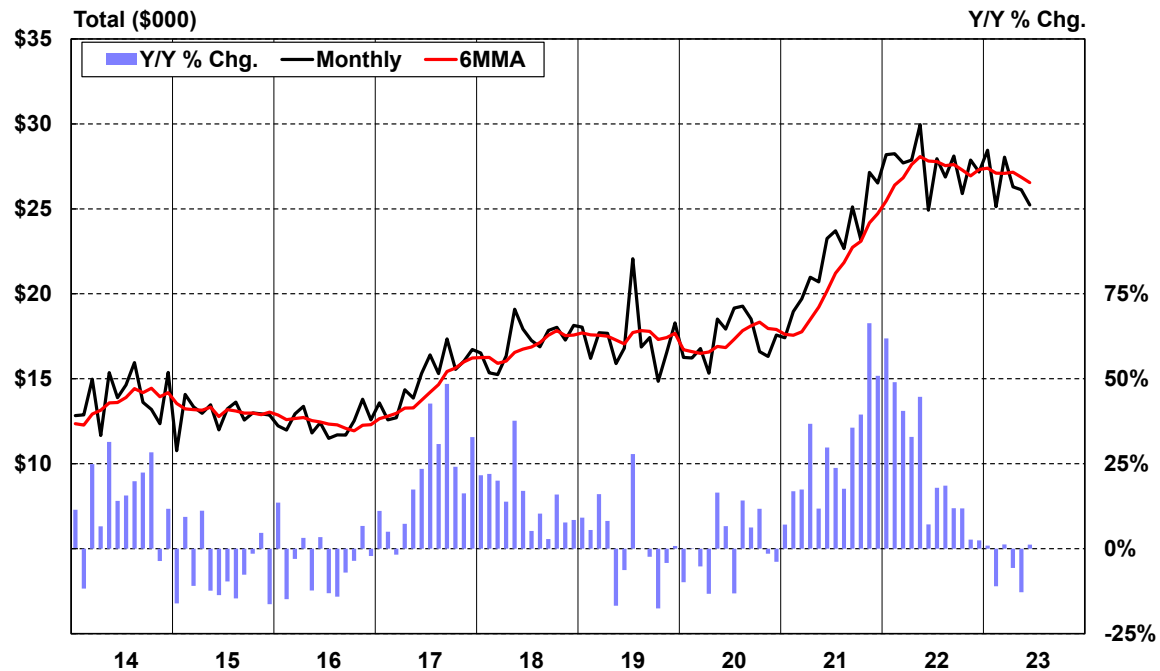
250,000 - FY Est.



LD Price/Volume

Classes 3-5: U.S. Used Truck Average Sale Price

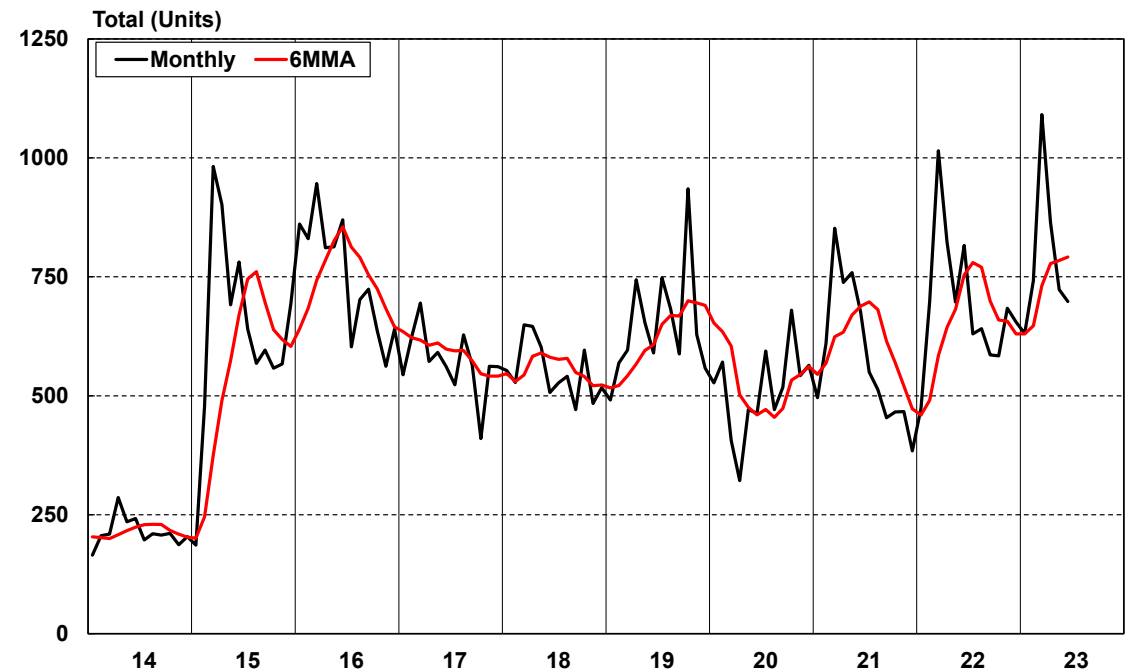
January 2014 - June 2023 (Not Seasonally Adjusted)



Source: ACT Research Co. © 2023

Classes 3-5: U.S. Used Truck Sales

January 2014 - June 2023 (Not Seasonally Adjusted)

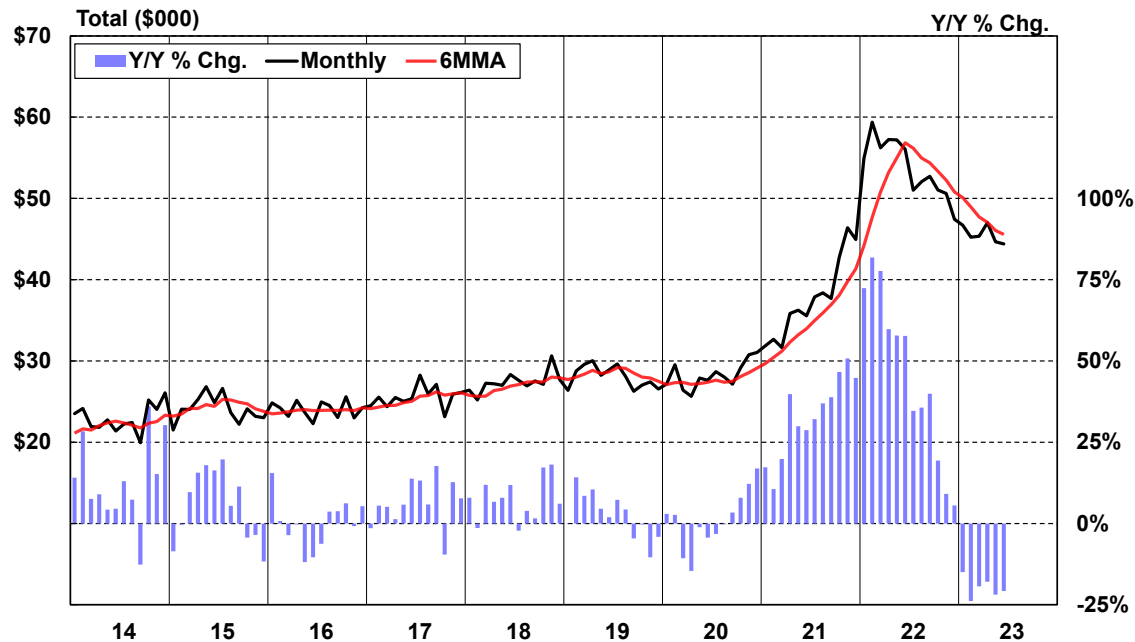


Source: ACT Research Co. © 2023

MD Price/Volume

Classes 6-7: U.S. Used Truck Average Sale Price

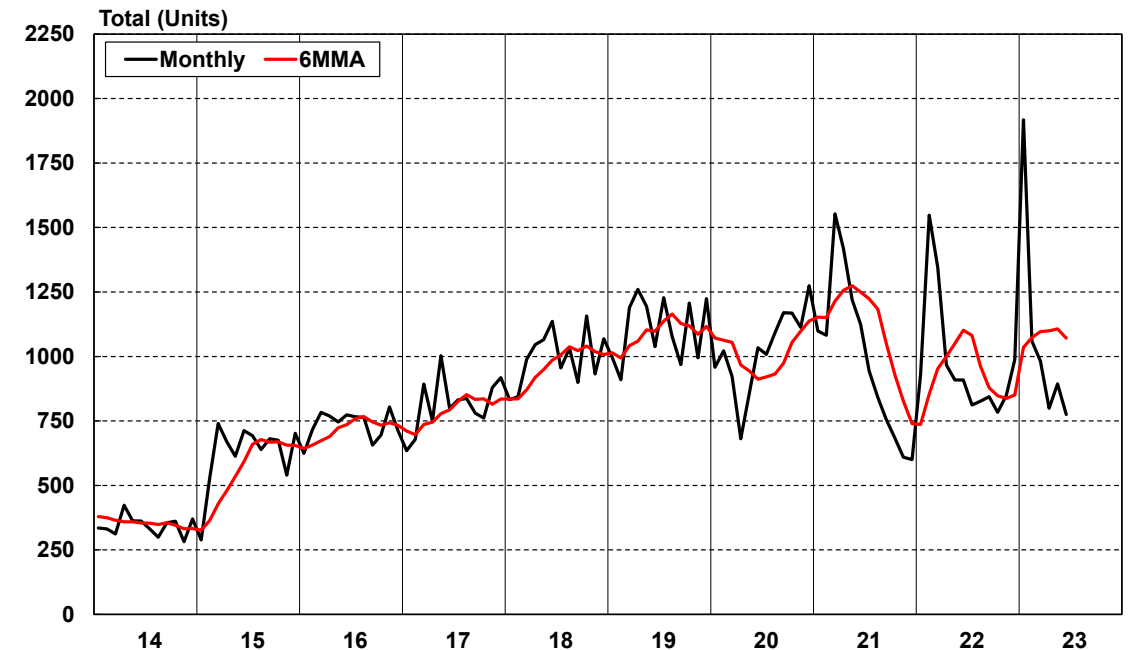
January 2014 - June 2023 (Not Seasonally Adjusted)



Source: ACT Research Co. © 2023

Classes 6-7: U.S. Used Truck Sales

January 2014 - June 2023 (Not Seasonally Adjusted)

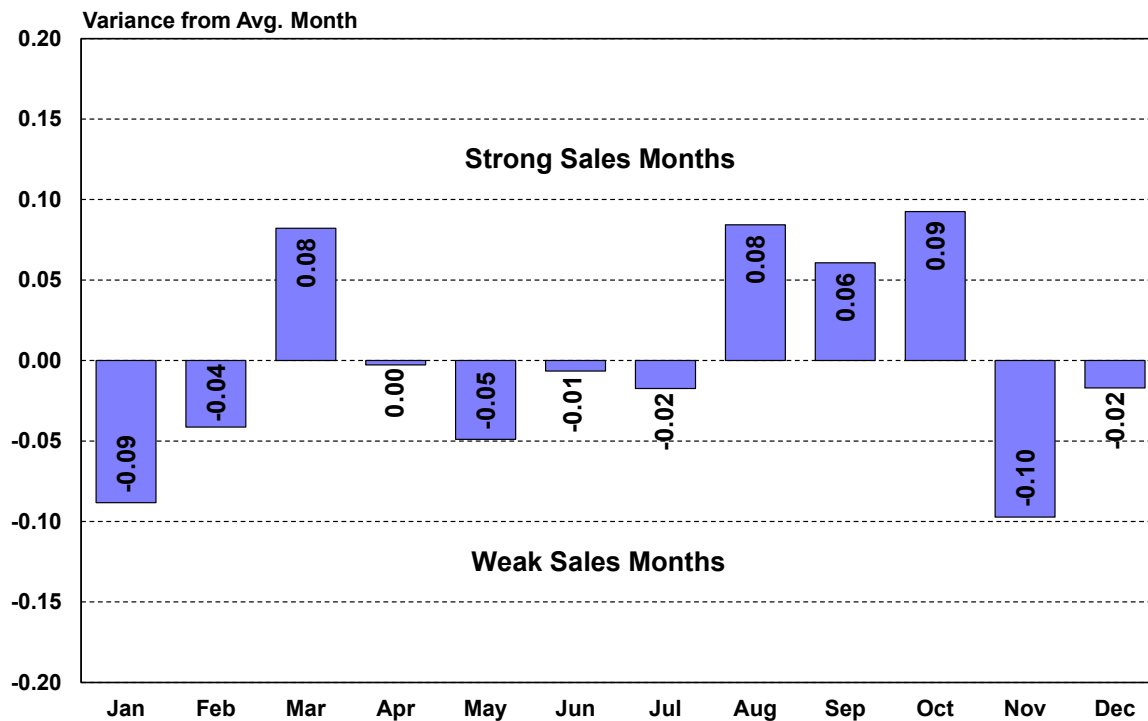


Source: ACT Research Co. © 2023

Slice & Dice

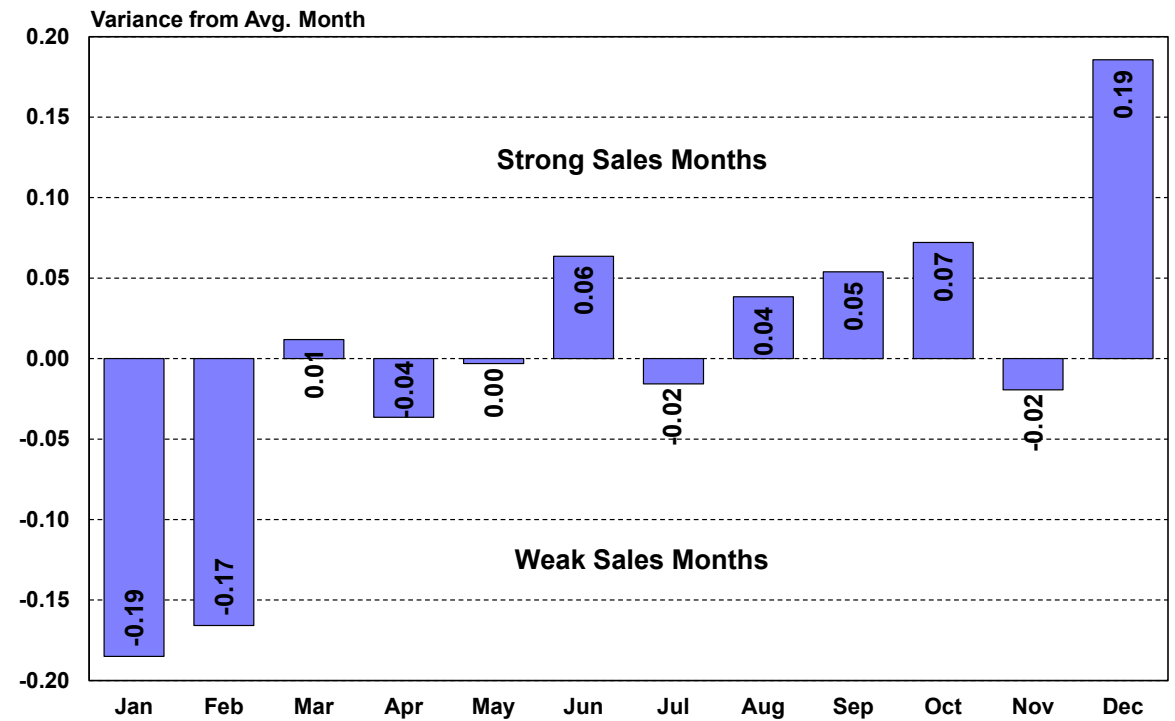
Used Truck Seasonality – Sales Volume

U.S. Class 8 Used Truck Retail Sales Seasonals: 2023



Source: ACT Research Co. © 2023

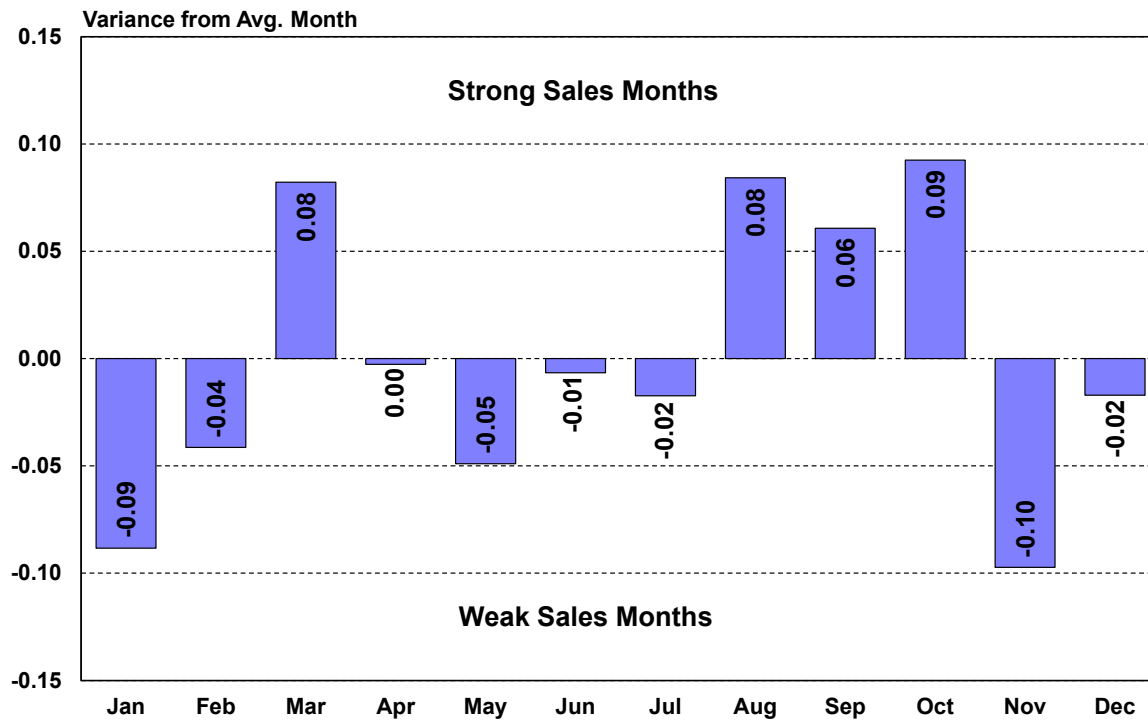
U.S. Class 8 New Truck Retail Sales Seasonals: 2023



Source: ACT Research Co. © 2023

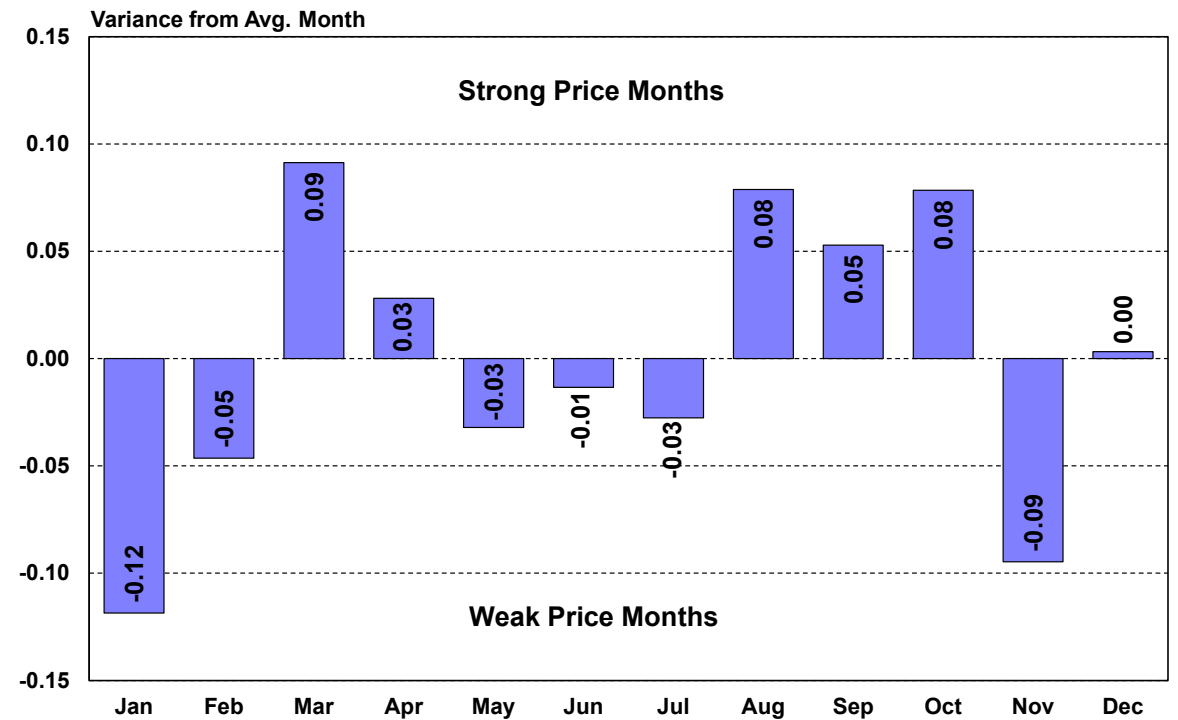
Used Truck Seasonality – Price vs. Sales

U.S. Class 8 Used Truck Retail Sales Seasonals: 2023



Source: ACT Research Co. © 2023

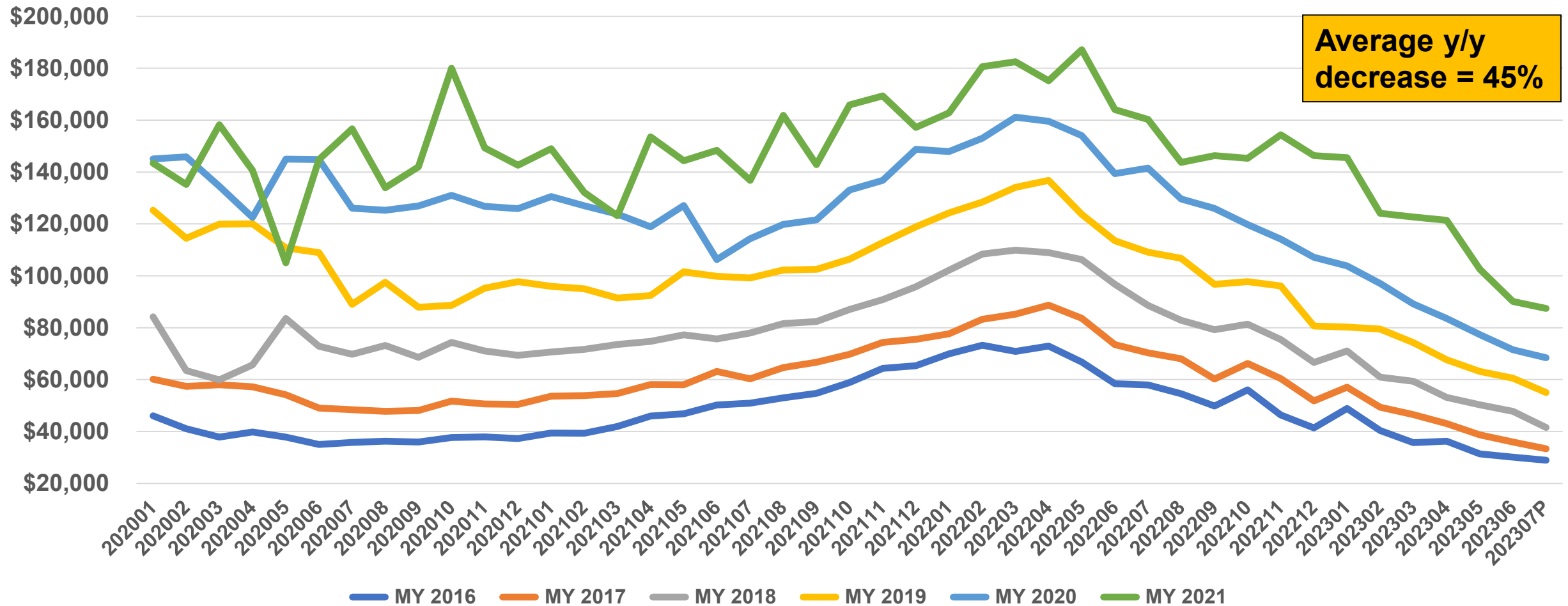
U.S. Class 8 Used Truck Retail Sales Price Seasonals: 2023



Source: ACT Research Co. © 2023

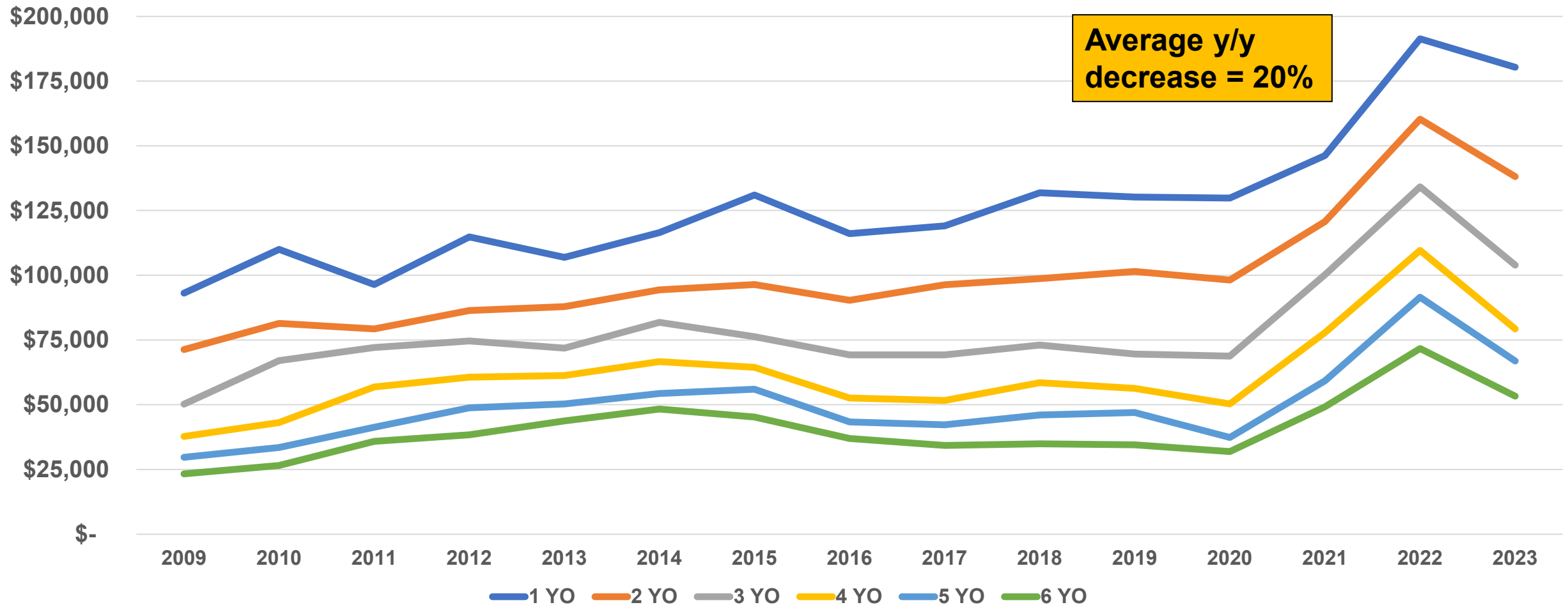
Class 8: US Used Truck Average Sale Price

By Select Model Years



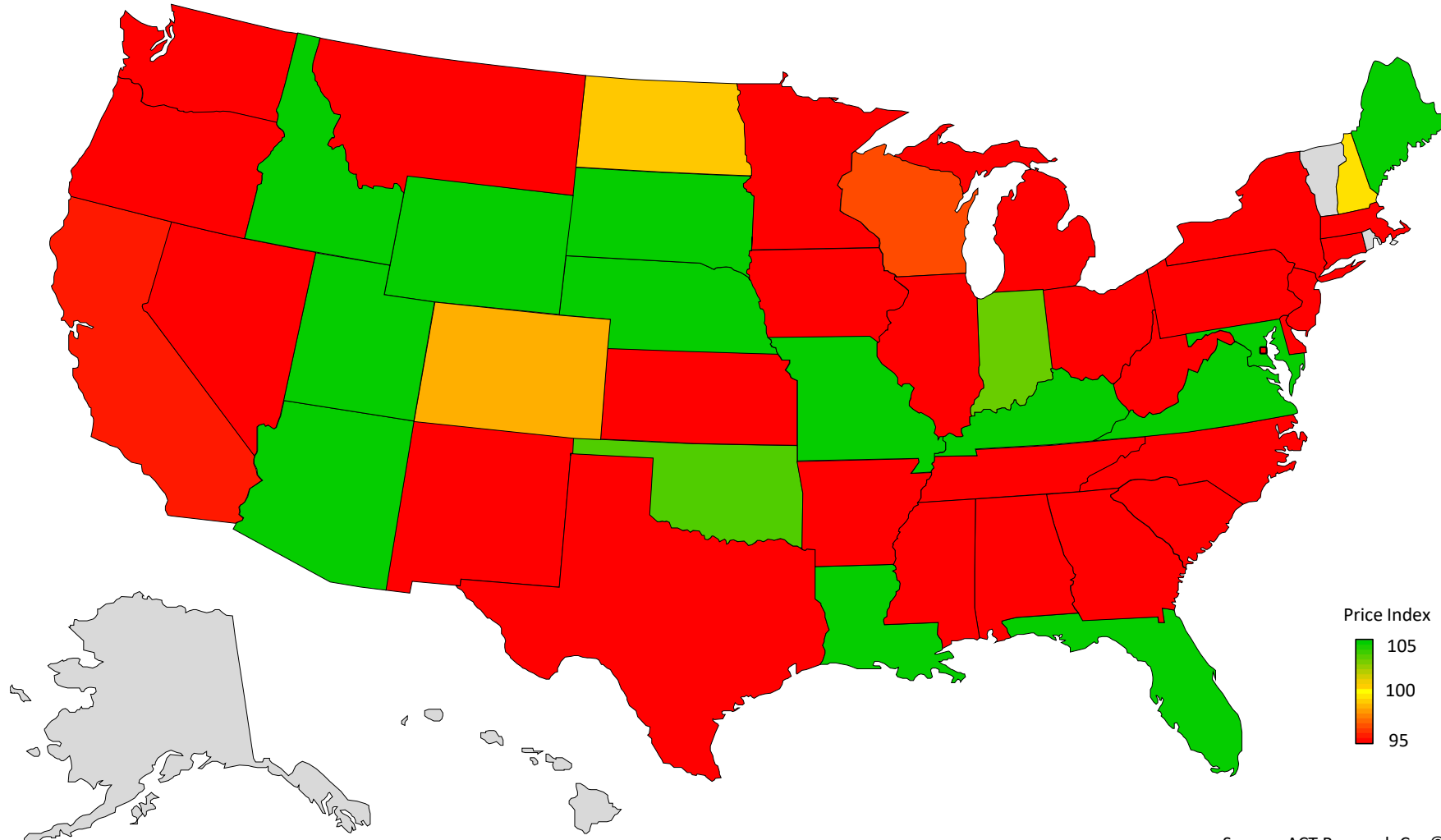
Class 8: US Used Truck Average Sale Price

By Select Ages



Class 8: U.S. Used Truck Price Dashboard

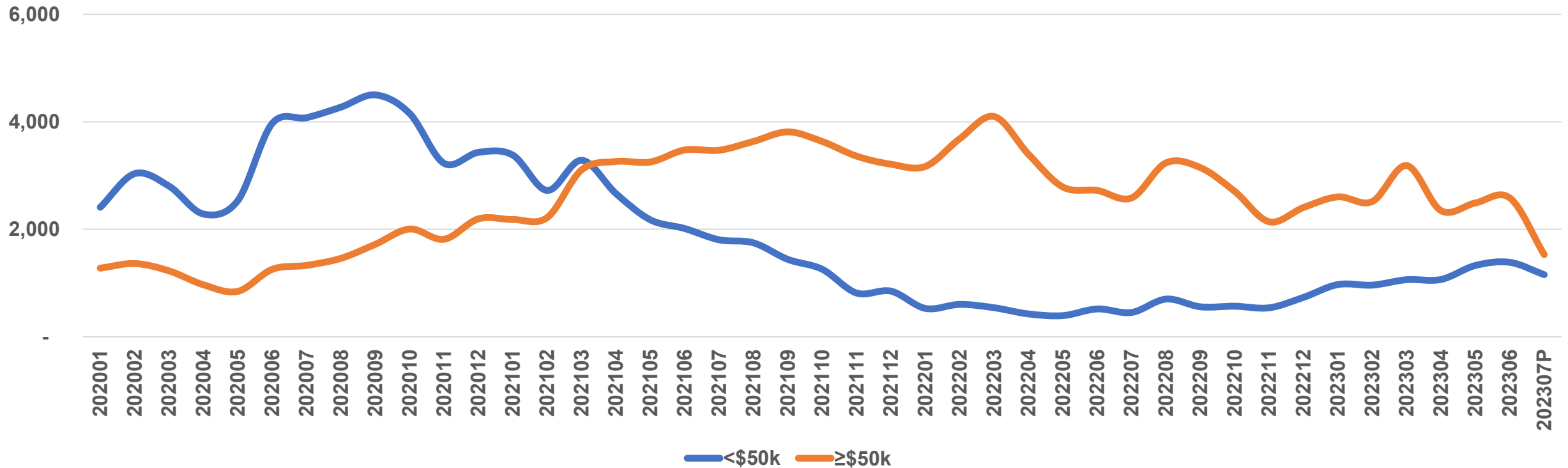
May 2023 to June 2023 Change



Source: ACT Research Co. © 2023

Price Point Mix Reversion Impacts Trucks ASP

U.S. Class 8 Used Truck Retail Sales
by Price Point



Export Market

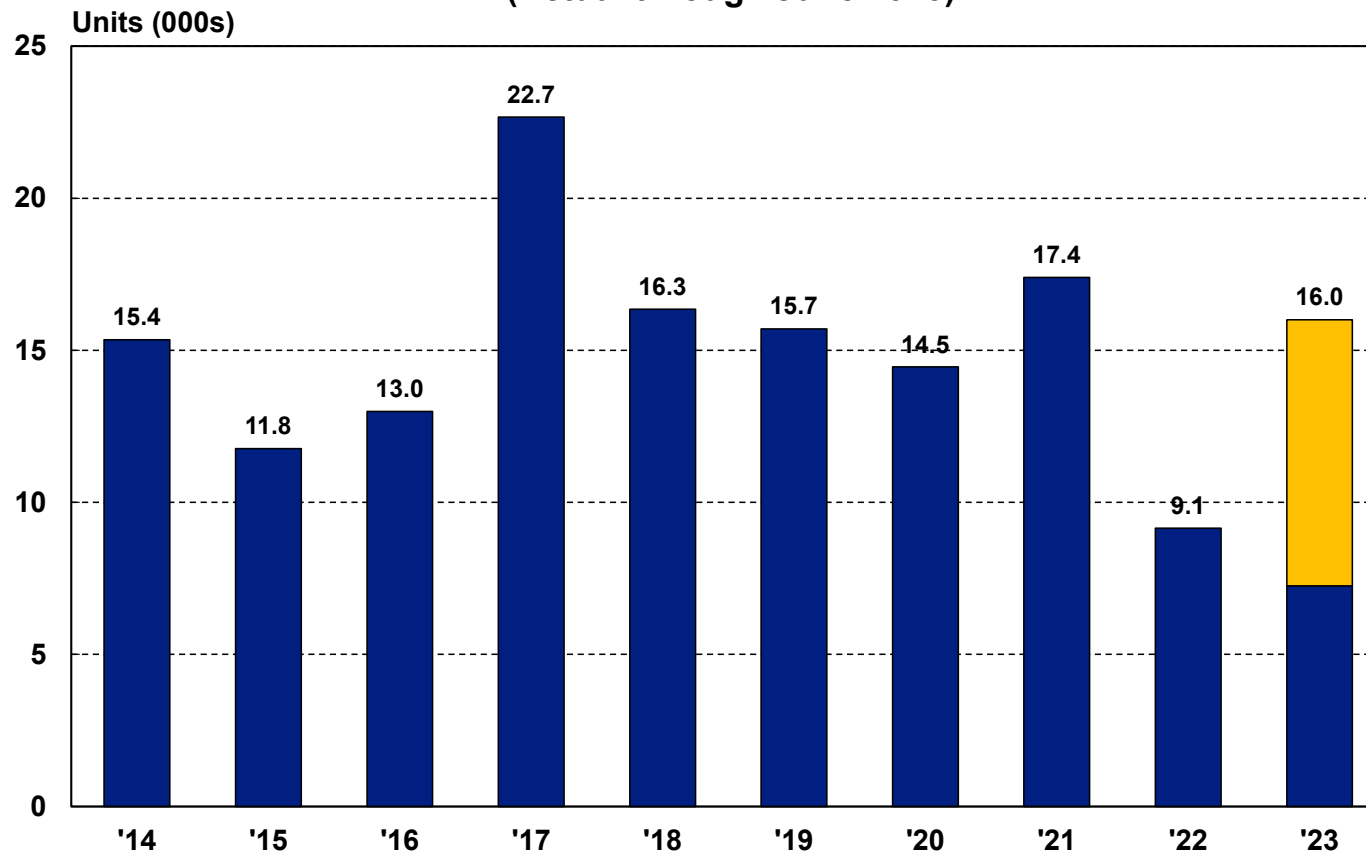


Exports Gain on Availability

Used Class 8 Tractor Exports

2014 - 2023

(Actual through June 2023)



Month	Y/Y Δ
Jul	- 58%
Aug	- 49%
Sep	- 33%
Oct	- 29%
Nov	- 32%
Dec	- 34%
Jan	+ 35%
Feb	+ 33%
Mar	+ 84%
Apr	+ 95%
May	+121%
Jun	+106%

Source: ITC, ACT Research Co. © 2023

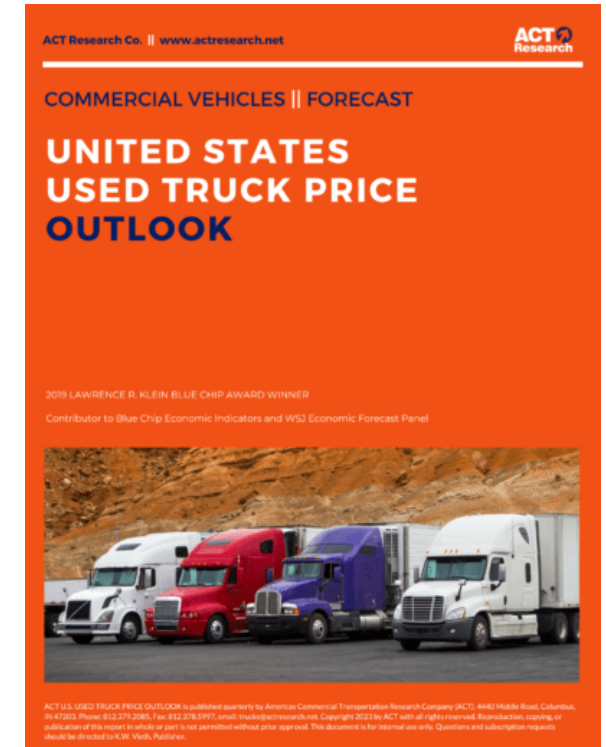
The Future of Used Trucks (Forecast)

Takeaway: The Bottom Is In Sight

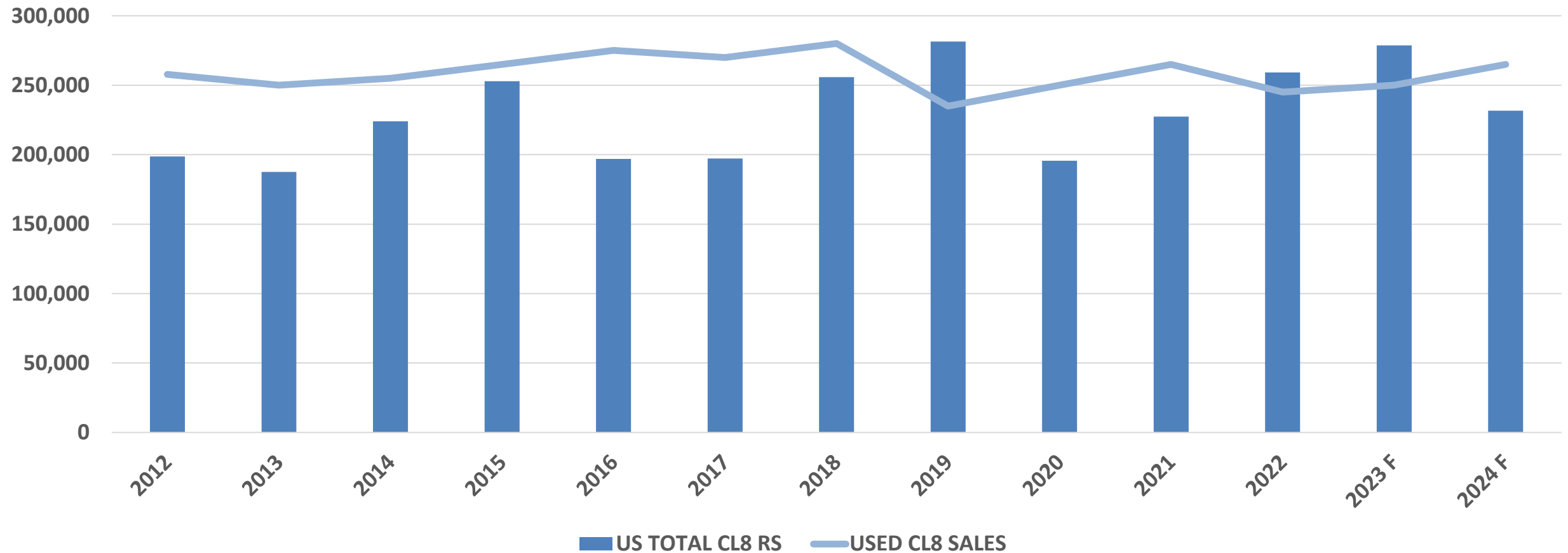


Used Truck Price OUTLOOK

- Robust Input
- Vetted Output
- Numerous Age- & Mileage-Based Outputs
- Five-Year Forecast Horizon



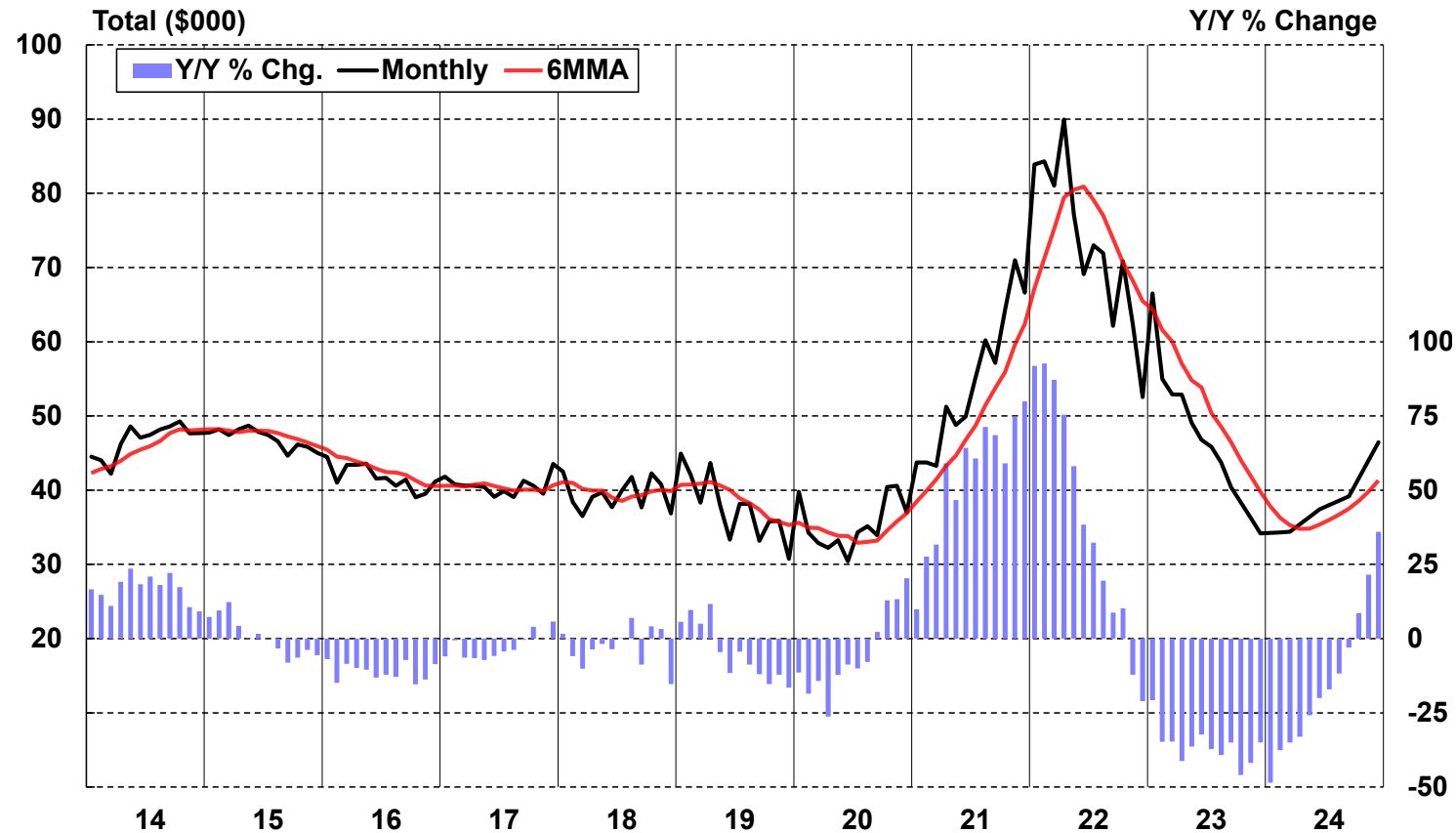
US Class 8 New & Used Truck Sales Estimate



ASP Illustration – What It Will Look Like

Class 8: U.S. Used Truck Average Sale Price

January 2014 - Preliminary July 2023



Source: ACT Research Co.: Copyright 2023

US Class 8 Used Truck Guidance

Estimated used Class 8 sales

- 2022 down 8% (245,000)
- **2023 up 2% (250,000)**
- **2024 up 6% (265,000)**

Inventory has increased, but market is not oversupplied, yet...keep an eye on bankruptcies

Mileage and age at/near peak

Average retail selling price

- Ended 2022 (full year) up 36% at \$72,750
- **Softening demand/rising inventory pull 2023 FY prices down 30-35%**
- **Marginally better demand/elevated stocks keep downward pressure on '24 prices**



THANK YOU



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