CV Link™ Update *Bulletin*

September 30, 2025

Q3 2025 REVIEW AND FORECAST

Power Systems Research
Data · Forecasting · Solutions™

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CV Link™ is a comprehensive market database containing forecasted commercial vehicle production volumes and original equipment manufacturers, vehicle platforms and regional economic analysis. This document outlines important forecast trends as well as the additions and enhancements applied to the database in the third quarter of 2025.

Inside

Someone once said,

Data Without Analysis Is Just a Bunch of Numbers.

We agree. That's why our proprietary databases are only the starting point for the way we serve you.

We start with our numbers, and they drive our solid analysis, forecasting and strategic solutions to give you the results you need.

Solid data. It's the starting point that makes our business intelligence different from most consultants.

Since 1976, we've been building and maintaining databases that track global production of equipment powered by engines and alternative sources, such as electric motors and hybrid packages.

If you need data, forecasting or strategic market analysis for key power industry segments, let's talk.

You can reach us at info@powersys.com or www.powersys.com, or +1 651.905.8400.

Do it today. Why wait for success?

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I. Executive Notes

Components & Consumables Modules Provide Enhanced Data Insights

In this column, we will highlight the information available from our database component modules. Especially for those clients who are new or tend to maintain a consistent scope year-to-year, you may not be aware of the current scope of coverage available with our component modules.

Our Component Module data covers components and consumables and relates their attributes down to model level within ***EnginLink***, ***OE Link™***, ***CV Link™*** and/or ***PartsLink™*** as applicable. There are three key types of components modules available: specifications, components and consumables. Here is a brief overview of the available module types:

Specifications: Engine Oil Specifications, Engine Oil Capacity, Engine Oil Change Intervals, Engine Oil Consumption, Emissions and Electrical System Voltage.

Components: Brake Type, Cylinder Block Material, Cylinder Head Material, Fuel Injection Equipment (FIE), Generators (Alternators), Axle Configuration, Transmissions and Turbos.

Consumables: Batteries, Spark/Glow Plugs and Tires.

You can find the fields associated with each of these module types as well as further information at the following link:

PSR Components & Consumables Module Directory

When relating components and consumables information to our data, many clients find this information valuable in estimating the market for

components as well as for gaining insight into product details and specifications. If you are interested in learning more, please inquire with your Power Systems Research (PSR) account manager.

As we finish the third quarter of 2025, we are confident that this Update Bulletin will offer you a chance to corroborate and validate your overall picture and complement the existing data and the information you are receiving from Power Systems Research.

If you need information on any of these points, please reach out to your account manager and they will be able to help you gain further clarification.

Today, there are many forces at play in the worldwide production of powered equipment. As we move forward, you can be assured that Power Systems Research will continue to monitor developments and reflect this knowledge in our data and intelligence. Our mission is to keep you as informed as possible while we support your market planning and forecasting initiatives.

As we prepared this Q3 2025 update, we incorporated important insights we have gathered during the third quarter to provide our best outlook for 2025 as well as our five-year forecast.

We hope you find this database update of value at this important time. As always, we appreciate your feedback and continued dialogue as you review this latest update.

If you are facing new challenges or issues that require data-driven solutions, talk to us. We can be an important resource.

Thanks for reading and for being a valued client of Power Systems Research. **PSR**

Author

Joe Zirnhelt is President and CEO of Power Systems Research.

II. Introduction

Power Systems Research (PSR) has developed and maintained comprehensive market data specific to the power products and drivetrain industry since 1976. Because accurate and reliable market data has always been at the heart of its activities, PSR has developed a unique family of highly specialized databases. These core databases include:

- **EnginLink™** – Engine Production and Forecast Database
- **OE Link™** – Original Equipment Production and Forecast Database
- **CV Link™** – Commercial Vehicle Production and Forecast Database
- **PartsLink™** – Original Equipment Population Database

The **PowerLink™ 3.0** dashboard effectively combines all market databases into one Internet-based tool. Using this system, subscribers can easily access, organize and download the latest engine-powered market data anytime, anywhere in the world.

The PowerLink™ 3.0 dashboard has extensive reporting capabilities and allows for customization and report distribution within your organization. This innovative system sharpens your business and planning strategies by finding hidden opportunities and targeting potential customers. The PowerLink™ 3.0 dashboard is your link to a competitive advantage in the marketplace.

CV Link™ is continuously updated; this Update Bulletin reflects changes made to CV Link™ during the previous quarter. Included in this Update Bulletin are CV Link™ database notes listing significant data modifications and an explanation of our research and forecast methodology. Additional Power Systems Research initiatives also are outlined here.

Please feel free to circulate these research notes to your colleagues and internal data users

If you have any questions regarding this update, please contact us via email at support@powersys.com or by phone at 651-905-8400. Our support email account is monitored 8-5 CDT M-F by associates at our corporate offices and at our data center.

Thank you for your continued support of Power Systems Research. **PSR**

III. CV Link™ Data Update Notes

New Assumptions for Q3 2025 Medium/Heavy Vehicle Forecast

NORTH AMERICA

Van Chassis: **Blue Bird** introduced a propane version of their van chassis. The Blue Bird Commercial Chassis is equipped with a Ford 7.3 liter propane engine and is available in a class 7 weight configuration.

Emergency One: Fire Truck Chassis: E-One superseded the Cummins ISL engine with the new L9 engine for their multiple fire truck chassis.

Harbinger Motors: Medium Duty Stripped Chassis: In 2025, Harbinger Motors began series production of their medium-duty battery electric stripped chassis at their Garden Grove plant in California. The chassis is designed specifically for medium-duty vehicles, such as walk-in vans, box trucks, recreational vehicles (RVs), delivery vans, emergency and disaster response vehicles. Once Harbinger assembles its electric stripped chassis, a dealer or customer works with a third party to upfit the chassis with a commercial or specialty body.

International: Escobedo Plant: In late April 2025, Traton laid off 900 employees at their Escobedo plant in Mexico. This layoff eliminated their second shift. As a result, production dropped off in May to less than 400 vehicles compared to a monthly average of approximately 3,500 vehicles. However, production did increase in June to approximately 3,700 vehicles. Low order rates and concerns about the costs associated with tariffs were the driving factors behind this decision.

Author

Chris Fisher is the Senior Commercial Vehicle Analyst at Power Systems Research.

PACCAR Layoffs: **PACCAR** is laying off 175 workers at its Sainte-Thérèse, Quebec plant, effective Aug. 4, 2025. These layoffs are in addition to 250 job losses announced in December. The cuts are attributed to a decline in truck demand and an uncertain economic climate, potentially exacerbated by US tariffs. The Sainte-Thérèse plant has the capacity to produce 90 trucks per day but was down to 60 per day at the end of June and will drop further to 50 per day after layoffs in August.

Spartan Motors: Fire Truck Chassis: Spartan superseded the Cummins ISL engine with the new L9 engine for their Gladiator and Metro Star fire truck chassis.

WORKHORSE Motiv Merger: **Workhorse** and Motiv Electric plan to merge operations in Q4 2025. Under terms of the merger agreement, following the completion of the all-stock transaction, Motiv's controlling investor will become the majority owner of the combined company, and Workhorse shareholders will maintain a significant equity stake. Motiv will own a 62.5% share and Workhorse will control 27.5% of the company.

EUROPE

IVECO **Iveco:** Tata: Tata plans to purchase the Iveco commercial vehicle business for $4.4 billion. The sale of Iveco would not include the company's defense business. The Iveco headquarters would remain in Turin, Italy, and the deal is expected to close early next year.

KAMAZ 4308 EV: **Kamaz** is no longer producing the 4308 medium electric truck. Production in 2020 and 2021 were likely prototypes for fleet testing.

SCANIA Ragao Plant: **Scania** established a truck and engine production plant in Ragao, China. Series production is scheduled to begin in Q4 2025. The plant capacity is 50,000 trucks per year and will serve China as well as the Asian and Oceana export demand. This will result in lower truck exports from Europe.

SISU Crane Truck: **Sisu** updated their Crane truck platform to supersede the Mercedes OM502 engine with the OM473 engine platform.

U8.9 Bus: **Solaris** superseded the U8.9 battery electric bus with the U9 battery electric bus which was introduced in 2021.

Bankruptcy: **Ursus** declared bankruptcy and sold their assets and factories to the Ukranian company M.I. Crow.

Volvo: Isuzu Collaboration: Isuzu and Volvo have signed a strategic agreement that will support the joint development by Isuzu Motors and UD Trucks of a common platform, using Volvo Group technology, for medium heavy-duty truck models for the Japanese and other Asian markets. This new agreement includes provisions for the continued supply of key components, particularly powertrains from the Volvo Group.

SOUTH AMERICA

HD 80: **Hyundai** ended production of their HD 80 medium truck in 2025. The truck was assembled in Brazil by Hyundai CAOA do Brasil Ltda.

Axor 2026: **Mercedes** introduced the Axor 2026 into production in Brazil in 2025.

Ragao Plant: **Scania** established a truck and engine production plant in Ragao, China. Series production is scheduled to begin in Q4 2025. The plant capacity is 50,000 trucks per year and will serve China as well as the Asian and Oceana export demand. This will result in lower truck exports from Brazil.

SOUTH ASIA

Tata: Iveco Acquisition: Tata plans to purchase the Iveco commercial vehicle business for $4.4 billion. The sale of Iveco would not include the company's defense business. The Iveco headquarters would remain in Turin, Italy, and the deal is expected to close early next year.

GREATER CHINA

Ragao Plant: **Scania** established a truck and engine production plant in Ragao, China. Series production is scheduled to begin in Q4 2025. The plant

capacity is 50,000 trucks per year and will serve China as well as the Asian and Oceana export demand. The initial platform will be the R Series equipped with the new CBE "Super 13" engine platform. Other models will follow.

JAPAN AND KOREA

Isuzu: Volvo Collaboration: Isuzu and Volvo have signed a new strategic agreement that will support the joint development by Isuzu Motors and UD Trucks of a common platform, using Volvo Group technology, for medium heavy-duty truck models for the Japanese and other Asian markets. This new agreement includes provisions for the continued supply of key components, particularly powertrains from the Volvo Group.

Rizon: Medium Duty Electric Trucks: Power Systems Research (PSR) has revised production history (2023 and 2024) and the short term forecast downward mostly as a result of the trade tariffs with the United States and the cancellation of the CARB mandates. Rizon is a brand of Daimler Truck that is assembled by Mitsubishi Fuso in Japan. The Rizon brand currently targets sales for the United States and Canada and only sells battery electric medium duty trucks. **PSR**

IV. Forecast Trends

North America

Medium and heavy truck production in North America is expected to decline by 15.8% this year compared with 2024. The commercial truck market in North America remains in a "wait and see" mode with regard to truck sales this year.

Uncertainty about the economy and the impact of the trade tariffs moving forward is causing hesitancy among many fleets. Many fleet owners also believe the EPA will modify or outright cancel the phase 3 GHG emission regulations thus significantly reducing the cost of the MY 2027 vehicles and effectively eliminating any significant 2026 truck pre-buy.

At the time of this writing, Power Systems Research (PSR) believes there will be no significant truck pre-buy through the rest of this year and a significantly reduced pre-buy if any, in 2026. Demand is expected to be strong in 2027 – 2029 as the fleets replace their aging trucks purchased in the 2022 – 2024 time-cycle.

Europe

Medium and heavy truck production in Europe is expected to decline by 7.8% this year compared to 2024. The general state of the European economy and concerns about the impacts of tariffs are causing uncertainty within the market. However, it does appear that demand may have bottomed out and is set to start improving throughout the rest of the year. Order bookings in the third quarter generally improved over the previous few quarters and are now at levels comparable to the third quarter of last year.

Truck demand in Western Europe is expected to improve in 2026 and 2027 as the fleets will need to replace their older trucks purchased in 2022 and 2023. Expansion in the truck segment is also expected to

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begin in mid-2026 and most of 2027 as the general state of the economy improves and the freight market picks up.

Greater China

Medium and heavy commercial vehicle production is expected to increase by 4.2% in 2025 over 2024. Vehicle demand has stabilized and has been improving.

The Chinese economy will continue to face economic headwinds during the next few years. The economic issues are primarily fueled by deflation, bankrupt property developers and local government debt.

In Taiwan, medium and heavy vehicle production is down sharply during the first five months of 2025 compared with the same period last year. Commercial vehicle production in China is expected to increase by 4.3% while production in Taiwan is on track to decline by 45% this year.

South America

Medium and heavy commercial vehicle production is expected to decrease by 0.4% this year after a very strong 2024. Production in Argentina is expected to increase by 45.6% as the economy is improving and inflation is down significantly from a year ago. MHCV production in Brazil is expected to decrease by 1.7% in 2025. Vehicle production in Columbia is forecasted to decline by 26% in 2025 as General Motors has ceased operations due to plant overcapacity and unprofitability.

Japan/Korea

Medium and heavy commercial vehicle production in Japan and South Korea is expected to increase by 7.1% in 2025 over last year. Commercial vehicle production is expected to increase by 8.4% in Japan and decline by 2.8% in South Korea this year.

In Japan, infrastructure spending and the need for the fleets to replace older trucks will be the primary reasons for increased truck demand this year. For both Japan and South Korea, the trade tariff uncertainty will place pressure on OEMs in their various export markets for at least the rest of this year.

South Asia

After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by 0.7% this year compared with 2024.

In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 2% this year compared with 2024. Demand is expected to grow in mid-term owing to a strong macroeconomic environment, healthy fleet utilization levels, Government capex on infrastructure projects, and stable freight demand.

Production in Australia, Indonesia and Malaysia is expected to decline this year while Pakistan, the Philippines, Thailand and Vietnam production is expected to increase modestly this year compared with 2024. **PSR**

V. Research Methodology

Power Systems Research (PSR) Research Methodology

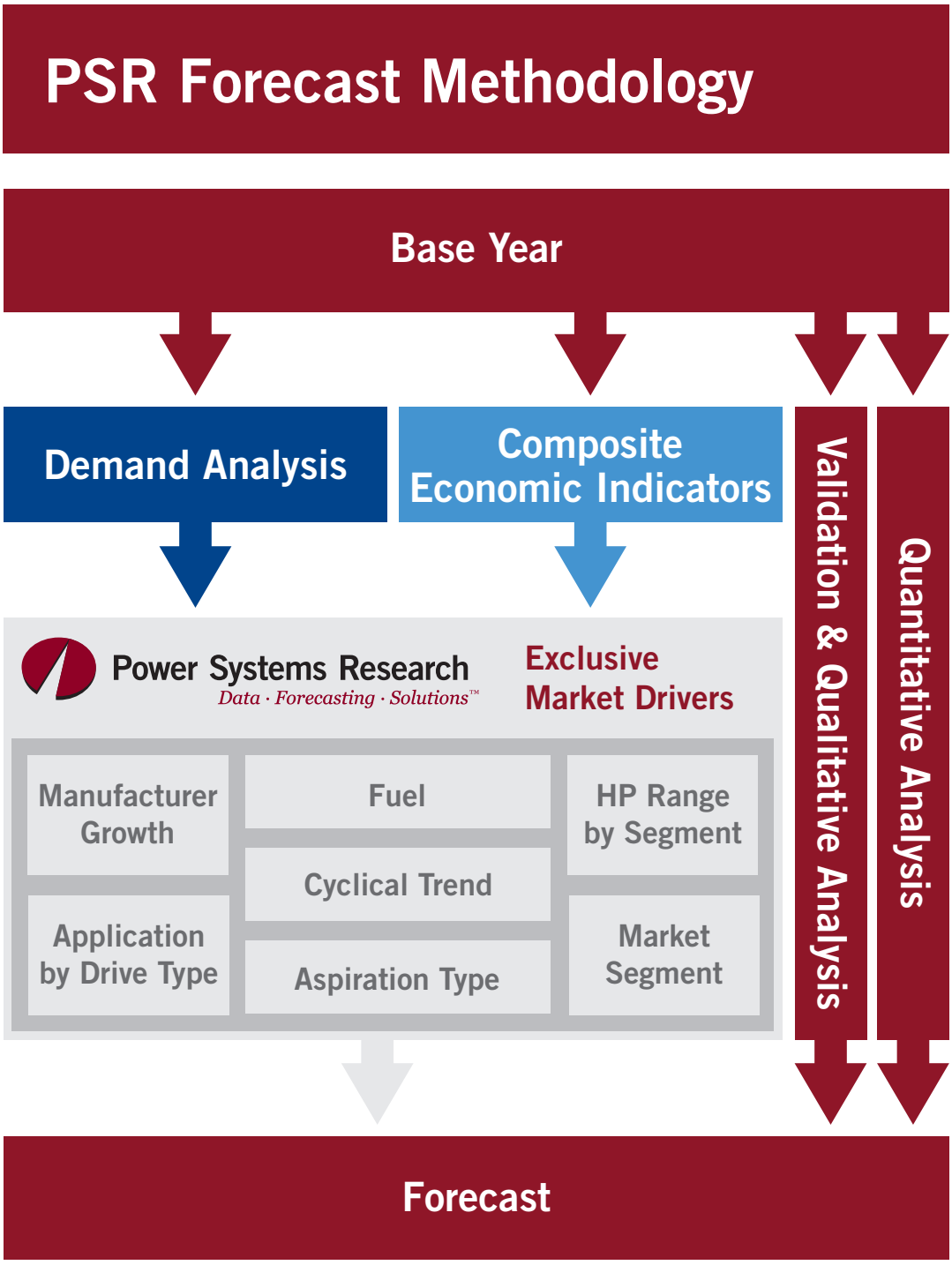
Research begins with the gathering of information from primary and secondary sources. Next, the PSR analyst team reviews and validates all data against industry benchmarks. If our analysts discover anomalies in the data, additional research and validation is performed before publishing.

PSR RESEARCH METHODOLOGY

VI. Forecast Methodology

Power Systems Research (PSR) Forecast Methodology

The analysis begins with the Base Year and key historical data then adds current and future economic indicators and market demand. Next, our exclusive market drivers are entered and the Power System Research proprietary algorithm is applied. Extensive analysis and discussion by our PSR Analyst team validates and produces the forecast.



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About Power Systems Research

Power Systems Research (PSR), established in 1976, is the leading source of data, analysis and forecasting on the global production of engines and engine-powered equipment, including class 8 vehicles. One of its databases, EnginLink,™ includes production figures down to the model level for OEMs in key market segments, such as commercial vehicles. PSR's global research network includes eight offices and stretches across 200 countries and four continents.

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