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Rush Enterprises, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. The question and answer session will be conducted electronically. (Operator instructions) We'll go to Jamie Cook of Credit Suisse.

Jamie Cook – Credit Suisse

Hi. Good morning and good quarter despite a tough market. Can you guys just – I mean, you gave some color on what you thought the 2008 outlook would be, but could you give a little more – I think last time you said how heavy duty [ph] deliveries would be off about 10%, where you think that – or where do you think the new numbers are and I guess also, how big of a pre-buy do you think you'll realistically have in 2009 given the macro environment?

Rusty Rush

Good morning, Jamie. It's Rusty.

Jamie Cook – Credit Suisse

Hey Rusty.

Rusty Rush

I would basically stick – I'll sit around the 140,000 retail deliveries for US. I think for six months, it is around 69,000, so it's tracking right on that and I've seen nothing that's really going to change it right now. To be honest with you, the market really hasn't changed a whole lot in total. It's still a depressed truck market out there. As far as in outlook, I mean, I would tell you, outlook for '09 pre-buy, we still believe there will be a pre-buy, so obviously the magnitude and the size of it for us, we are not quite sure where that – where it is going to land out. But it is nice that as you look at some of the earnings reports coming out right now, some of the companies, some of freight companies out there, it's nice to see that they've stabilized and may be we are giving a better balance in supply and demand out there as far as freight tonnage goes. So, that would obviously bode well for an upside in the marketplace next year, for the '09 pre-buy.

Jamie Cook – Credit Suisse

I mean, is it a 30% increase? I mean, I know I don't want to hold you to, but I feel like it has been a pretty good indicator so far on what's happening. You've called that right so far, Rusty.

Rusty Rush

I don't know right now it is good, but we are trying to manage to it. I would say, you're probably looking at 35% to 40% – if I was going to say if we are 140,000 this year in the US retail deliveries, one might expect at 190,000. I could believe that and probably even loaded more towards the second quarter and out would be my thoughts.

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