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Rush Enterprises Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). And we'll go first to Peter Nesvold with Bear Stearns.

Peter Nesvold - Bear Stearns

Good morning, guys.

Marvin Rush

Good morning Peter.

Peter Nesvold - Bear Stearns

First, just a quick housekeeping item, what was the pricing by different products?

Rusty Rush

Pricing by, you want to talk about Class 8 average sales price Peter?

Peter Nesvold - Bear Stearns

Exactly, yeah, so we can just factor it into the model.

Rusty Rush

Sure. Average sales price was \$120,289.

Peter Nesvold - Bear Stearns

Okay.

Rusty Rush

On Class 8 new, and medium was \$56,756 and used was \$47,323.

Peter Nesvold - Bear Stearns

Great, that's helpful.

Rusty Rush

Yeah.

Peter Nesvold - Bear Stearns

Maybe can I ask a little bit on construction equipment here, which is usually kind of an afterthought in the model, but really pretty surprised that it came in flat year-over-year, given you guys that dealership I believe is down in Houston, which I would think is, we are really benefiting from continued rises in oil prices. So what's going on with the construction equipment dealership that you see and do you think, what's going on with the construction equipment, dealership that you see, and do you think it would remain flat year-over-year or was this something one-timish about some softness here in the quarter?

Marty Naegelin

Yeah Peter, this is Marty. Let's talk about the different segment that effect that store. You've got oil and gas, which is obviously big piece of growth right now, you've got non-residential construction and then you've got residential construction.

The market in total right now for the first quarter not that -- just our calendar first quarter is down about 8%. It was up pretty good last year and that 8% decline is really a mix issue between residential construction and non-residential.

Pipeline business is still strong. I would say it's relatively constant with what it was a year ago. Non-residential construction is holding its own. However, the residential construction is down significantly, the housing starts and applications for housing in Houston are down very substantially.

So the reality is any revenue growth that we experienced out of that store, we've forecasted very modest revenue growth at that store because the housing construction piece is a big piece of our sales model. So, our growth in the first quarter actually we are pretty pleased with, given the [downturn] in the market.

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