

Navistar Financial Leverages History to Support Everchanging Customer Needs



By Koen Knoops

Money is a commodity, but financing is built on trust and loyalty. That statement rings true for Navistar Financial Corporation (“Navistar Financial”), which has now been in operation for 75 years. Navistar Financial is a captive financial services provider for Navistar, Inc.

(“Navistar”) serving International® truck and IC Bus® vehicle customers and dealers. We provide customers with tailor-made financial services to support the purchase of new and used business models as we work toward our mission to accelerate the impact of sustainable mobility.

A Historical Honor

The seeds of Navistar Financial were sowed under the International Harvester Credit Company and affirm our roots in U.S. commercial trucking. What started with a \$25 million capital set-up and a handful of customers in 1949 gradually grew to a billion-dollar operation across the country. Throughout that time, the company remained committed to the commercial transportation industry as it evolved through de-regulation, technological evolutions, and consolidations.

Today, following the acquisition of Navistar by the TRATON Group and the

relaunch of Navistar Financial's retail finance business in 2023, we are a part of TRATON Financial Services and bring industry-leading expertise, robust financial strength, and the viewpoint of true captive that looks at each transaction differently than a bank. With access to TRATON's financial support and our strong network, we develop the best, most innovative solutions for our customers and foster loyalty as we assist them with the most important financial decisions of their business.

The Value of Loyalty

Just like a truck is a tool, so is money, but financing partnerships are based on the relationships and loyalty created outside of the transaction. For example, we get deep into the nitty gritty of how a truck financed through us is operated, its specific use case, the insurance it will require, the warranties it carries, and the services to which it is subscribed. Navistar Financial's goal is to assist customers through every season of their business, evolving our support as their operations change, and nurturing our relations in a way traditional banks cannot.

An additional benefit of a captive finance operation is the deep knowledge we have of our customers and their products. With banks, the surface-level knowledge gets them through the basic coverage and transactions needed, but Navistar Financial has access to every piece of knowledge when financing our products. We work closely with other organizations within Navistar to ensure customers are completely set with warranties, services and maintenance from the time of purchase.

An important component of Navistar Financial is the unique ability to offer residual value to customers. When the industry has large technology shifts and customers want to try something new, they tend to lean toward leases to try a vehicle in their fleet. We have the tools for this option with both electric vehicles ("EVs") and our International® S13 Integrated Powertrain.

The goal is to mitigate customers' uncertainty around new technologies with knowledgeable finance background and options. Looking across commercial

transportation, due to inflation fluctuations, increased cost of goods, and supply chain challenges, the price of trucks and buses is increasing; particularly EVs. Given the larger investment required of customers, Navistar Financial can draw upon its financial resources to craft customized financing for our dealers and customers which works within their budgets and facilitates a vehicle purchase or lease. This industry expertise differentiates Navistar Financial from a traditional bank or other financiers, who lack the intricate knowledge of commercial transportation or the marked transition facing our industry.

Looking to the Future

With the recent deliveries of the International S13 Integrated Powertrain, Navistar Financial will help dealers and customers succeed with the ability to bundle warranties and other service costs into loan and lease payments. We are moving into solution sales, supplementing the initial vehicle purchase and facilitating its care through a range of warranty and bundled maintenance packages. By leveraging the vehicles' data, dealers can proactively schedule maintenance, identify potential service issues, and improve customer uptime. With an enhanced understanding of vehicle performance and the service supporting it, Navistar Financial can offer fair market value leases which are integral to increasing adoption of EVs and mitigating owners' risks related to these new technologies.

As a finance company, we are the architect of the solutions that hold all our sales and services together. We have the vision to be the leading partner for future transportation solutions, so our customers get a superior one-stop shopping experience. What makes a captive really a captive is the pure dedication to our brand, our dealers, and our customers. We know commercial transportation like no other, we know our products, and above all we are committed to the success of our dealer and customer partners.

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