



TrueCar's ALG introduces the Retail Health Index (RHI) to measure automaker brand health; Forecasts January auto sales to start 2019 strong

January 25, 2019

SANTA MONICA, Calif., Jan. 25, 2019 /PRNewswire/ -- TrueCar, Inc.'s (NASDAQ: TRUE) data and analytics subsidiary, ALG, is introducing the new Retail Health Index (RHI) to measure automaker brand health. RHI strips away the impact of price cuts, to show which OEMs are growing retail share due to increased consumer demand, versus which are "buying" share through higher incentives.

Looking at the industry overall, including fleet deliveries, TrueCar's ALG projects total new vehicle sales will reach 1,157,796 units in January, up 0.3% percent from a year ago. This month's seasonally adjusted annualized rate (SAAR) for total light vehicle sales is an estimated 17.0 million units for the month. Excluding fleet sales, U.S. retail deliveries of new cars and light trucks should increase 0.8% percent to 941,218 units.

"Consumer demand remains robust in January 2019, with positive economic indicators offsetting concerns over the government shutdown and market uncertainty," said Oliver Strauss, Chief Economist at TrueCar's ALG. "Retail sales are up while incentive spending is down, supporting ALG's position that 2019 will be another strong year for the retail auto industry," continued Strauss.

Incentive spending by automakers averaged an estimated \$3,642 per vehicle in January down \$33 dollars or 0.9% percent from a year ago, and down 3.1% percent from December 2018.

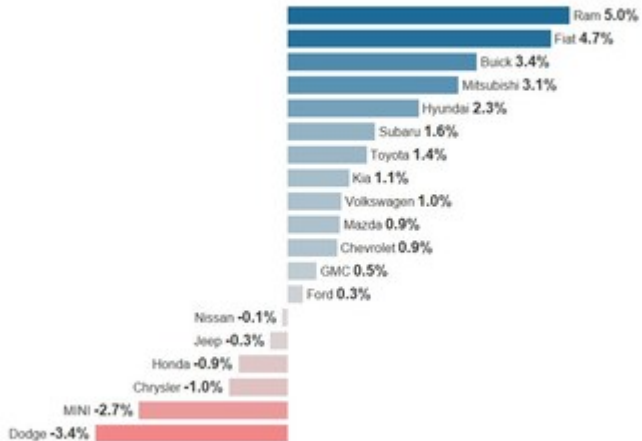
ALG also evaluates average transaction price (ATP) as an indicator for its Retail Health Index. For January, ALG estimates ATP for new light vehicles was \$34,274, up 1.9% from a year ago while incentives as a percentage of ATP was down 2.8%.

"Ram stampedes out of the gates in 2019 with solid retail share growth and declining incentives as a percent of average transaction price. The result is the industry's largest positive year-over-year change in ALG's Retail Health Index," said Eric Lyman, Chief Industry Analyst for TrueCar's ALG. "We're curious to see if 2019 will be the year Ram puts Chevy and Ford to the test while also siphoning off sales from historical or aspirational luxury buyers," added Lyman.

Retail Health Index (Forecast)

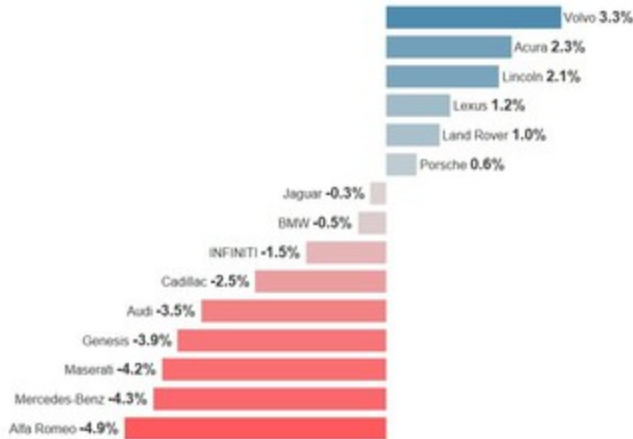
RHI measures the changes in retail market share relative to changes in incentive spending and transaction price to gauge whether OEMs are "buying" retail share through increased incentives, or whether share increases are largely demand-driven. An OEM with a positive RHI score is demonstrating a healthy balance of incentive spend relative to market share, either by holding incentive spending flat and increasing share or by increasing incentives with a higher positive increase in retail share.

Retail Health Index : Jan 2019
Year-over-year percent change among Mainstream Brands



Retail Health Index : Jan 2019

Year-over-year percent change among Luxury Brands



Forecasts for the 12 largest manufacturers by volume:

Total Unit Sales

Manufacturer	Jan 2019 Forecast	Jan 2018	YoY % Change
BMW	20,960	22,063	-5.0%
Daimler	24,509	27,603	-11.2%
FCA	131,445	133,700	-1.7%
Ford	179,010	160,411	11.6%
GM	192,411	198,386	-3.0%
Honda	107,031	104,542	2.4%
Hyundai	42,886	39,629	8.2%
Kia	37,557	35,628	5.4%
Nissan	105,088	123,538	-14.9%
Subaru	47,297	44,357	6.6%
Toyota	162,897	167,056	-2.5%
Volkswagen Group	40,942	44,341	-7.7%
Industry	1,157,796	1,154,885	0.3%

Incentive Spending

Manufacturer	Incentive per Unit Jan 2019 Forecast	Incentive per Unit % Change vs. Jan 2018	Incentive per Unit % Change vs. Dec 2018
BMW	\$5,297	-0.4%	-0.7%
Daimler	\$5,987	14.5%	-4.4%
FCA	\$4,573	6.7%	-2.3%
Ford	\$4,515	6.8%	0.4%
GM	\$5,056	-2.6%	0.0%
Honda	\$2,132	21.0%	-2.4%
Hyundai	\$2,839	1.4%	1.3%
Kia	\$3,388	-12.0%	0.0%
Nissan	\$4,188	0.7%	-4.7%
Subaru	\$1,072	-20.6%	0.7%
Toyota	\$2,349	-10.5%	-6.2%
Volkswagen Group	\$3,784	2.6%	-8.2%
Industry	\$3,642	-0.9%	-3.1%

Average Transaction Price (ATP)

Manufacturer	Jan 2019 Forecast	Jan 2018	Dec 2018	YOY % change	MOM % change
BMW	\$55,367	\$52,304	\$53,896	5.9%	2.7%
Daimler	\$62,343	\$61,978	\$60,360	0.6%	3.3%
FCA	\$36,299	\$34,528	\$36,190	5.1%	0.3%
Ford	\$38,901	\$37,980	\$39,729	2.4%	-2.1%
GM	\$36,692	\$36,527	\$37,620	0.4%	-2.5%
Honda	\$28,281	\$28,144	\$28,781	0.5%	-1.7%
Hyundai	\$23,022	\$22,709	\$22,887	1.4%	0.6%
Kia	\$22,766	\$23,094	\$22,870	-1.4%	-0.5%
Nissan	\$27,403	\$27,422	\$28,656	-0.1%	-4.4%
Subaru	\$29,076	\$27,848	\$29,275	4.4%	-0.7%
Toyota	\$32,192	\$31,895	\$32,733	0.9%	-1.7%
Volkswagen Group	\$36,858	\$35,922	\$37,404	2.6%	-1.5%
Industry	\$34,274	\$33,624	\$34,790	1.9%	-1.5%

For additional data visit the [ALG Newsroom](#).

(Note: This forecast is based solely on TrueCar's analysis of industry sales trends and conditions and is not a projection of the company's operations.)

About TrueCar

TrueCar, Inc. (NASDAQ: TRUE) is a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars and enables consumers to engage with TrueCar Certified Dealers who are committed to providing a superior purchase experience. TrueCar operates its own branded site and its nationwide network of more than 16,000 Certified Dealers also powers car-buying programs for some of the largest U.S. membership and service organizations, including USAA, AARP, American Express, AAA and Sam's Club. Over half of all new car buyers engage with the TrueCar network during their purchasing process. TrueCar is headquartered in Santa Monica, California, with offices in San Francisco and Austin, Texas. For more information, please visit www.truecar.com, and follow us on [Facebook](#) or [Twitter](#). TrueCar media line: +1-844-469-8442 (US toll-free) | Email: pressinquiries@truecar.com

About ALG

Founded in 1964 and headquartered in Santa Monica, California, ALG is an industry authority on automotive residual value projections in both the United States and Canada. By analyzing nearly 2,500 vehicle trims each year to assess residual value, ALG provides auto industry and financial services clients with market industry insights, residual value forecasts, consulting and vehicle portfolio management and risk services. ALG is a wholly-owned subsidiary of TrueCar, Inc., a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars. ALG has been publishing residual values for all cars, trucks and SUVs in the U.S. for over 50 years and in Canada since 1981.



View original content to download multimedia: <http://www.prnewswire.com/news-releases/truecars-alg-introduces-the-retail-health-index-rhi-to-measure-automaker-brand-health-forecasts-january-auto-sales-to-start-2019-strong-300784210.html>

SOURCE TrueCar, Inc.

Dominique Koudsi, TrueCar@theoutcastagency.com