



TrueCar's ALG Forecasts New Car Auto Sales Dip in February Spurred by Weather and Tax Refund, Government Shutdown Uncertainty

February 22, 2019

Hyundai and Volvo expected to show strong Retail Health Index Performance

SANTA MONICA, Calif., Feb. 22, 2019 /PRNewswire/ -- TrueCar, Inc.'s (NASDAQ: TRUE) data and analytics subsidiary, ALG, projects total new vehicle sales will reach 1,268,141 units in February, down 2.6% from a year ago. This month's seasonally adjusted annualized rate (SAAR) for total light vehicle sales is an estimated 16.6 million units for the month. Excluding fleet sales, U.S. retail deliveries of new cars and light trucks should decrease 2.6% from a year ago to 1,001,149 units, yet up 9.8% from last month.

"The U.S. economy remains robust on many fronts, such as unemployment rate and consumer confidence, keeping vehicle sales at a healthy pace," said Oliver Strauss, Chief Economist for TrueCar's ALG. "Record snow and rainfall across the country, including the west coast, plus anxieties over tax refund size and the potential for another government shutdown contributed to the year-over-year decline."

Given the overall health of vehicle sales, ALG expects OEMs are pulling back on incentives while maintaining retail market share. Average incentive spending by automakers will reach an estimated \$3,653 per vehicle in February down \$30 or 0.8% from a year ago, and up 3.0% or \$108 from January 2019.

ALG also assessed automaker brand health with its Retail Health Index (RHI). 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.

"Hyundai and Volvo are validating their ALG Redesign of the Year awards with strong performances expected in the Retail Health Index, driven by the all new Santa Fe and S60 respectively," said Eric Lyman, Chief Industry Analyst for TrueCar's ALG. "Both brands are in the midst of a product renaissance showcasing stylish designs in new segments, especially utilities, which continue to resonate with new vehicle shoppers."

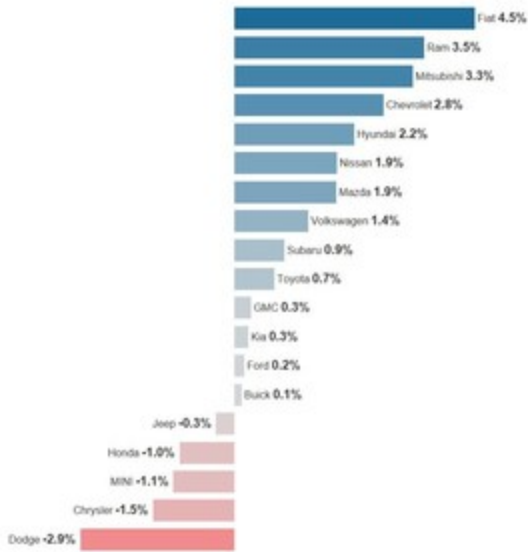
ALG also evaluates average transaction price (ATP) as an indicator for its Retail Health Index. For February, ALG estimates ATP for new light vehicles was \$34,565, up 3.0% from a year ago while incentives as a percentage of ATP was at 10.6% down 3.7% year-over-year.

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.

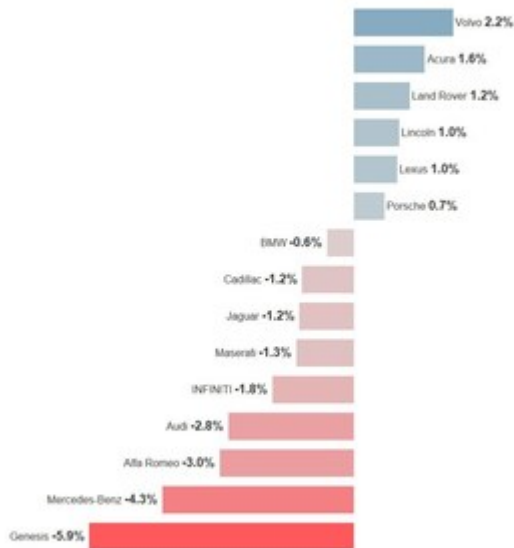
Retail Health Index : Feb 2019

Year-over-year percent change among Mainstream Brands



Retail Health Index : Feb 2019

Year-over-year percent change among Luxury Brands



Forecasts for the 12 largest manufacturers by volume:

Total Unit Sales

Manufacturer	Feb 2019 Forecast	Feb 2018	YoY % Change
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BMW	25,117	26,673	-5.8%
Daimler	25,675	27,894	-8.0%
FCA	164,528	166,834	-1.4%
Ford	188,215	193,362	-2.7%
GM	211,503	220,740	-4.2%
Honda	119,057	115,557	3.0%
Hyundai	44,456	44,732	-0.6%
Kia	39,373	40,672	-3.2%
Nissan	111,058	129,930	-14.5%
Subaru	48,570	47,249	2.8%
Toyota	175,290	182,195	-3.8%
Volkswagen Group	45,252	46,769	-3.2%
Industry	1,268,141	1,302,128	-2.6%

Incentive Spending

Manufacturer	Incentive per Unit Feb 2019 Forecast	Incentive per Unit % Change vs. Feb 2018	Incentive per Unit % Change vs. Jan 2019
BMW	\$5,432	-4.2%	4.4%
Daimler	\$6,031	26.6%	3.2%
FCA	\$4,524	4.1%	3.7%
Ford	\$4,139	1.7%	2.8%
GM	\$4,538	-10.3%	1.8%
Honda	\$2,420	34.9%	3.0%
Hyundai	\$2,659	-0.9%	3.6%
Kia	\$3,836	0.6%	3.4%
Nissan	\$3,980	-4.3%	1.7%
Subaru	\$1,353	10.9%	3.2%
Toyota	\$2,464	0.4%	3.4%
Volkswagen Group	\$3,727	2.6%	4.8%
Industry	\$3,653	-0.8%	3.0%

Average Transaction Price (ATP)

Manufacturer	Feb 2019 Forecast	Feb 2018	Jan 2019	YOY % change	MOM % change
BMW	\$56,394	\$52,486	\$55,206	7.4%	2.2%
Daimler	\$65,901	\$61,609	\$62,182	7.0%	6.0%
FCA	\$35,910	\$34,406	\$35,843	4.4%	0.2%
Ford	\$38,482	\$37,230	\$38,781	3.4%	-0.8%
GM	\$37,454	\$36,192	\$36,927	3.5%	1.4%
Honda	\$28,576	\$28,082	\$28,336	1.8%	0.8%
Hyundai	\$23,366	\$22,818	\$23,432	2.4%	-0.3%
Kia	\$22,560	\$23,163	\$22,746	-2.6%	-0.8%
Nissan	\$27,458	\$27,766	\$28,096	-1.1%	-2.3%
Subaru	\$29,339	\$27,905	\$29,061	5.1%	1.0%
Toyota	\$32,536	\$32,033	\$32,279	1.6%	0.8%
Volkswagen Group	\$38,092	\$35,823	\$37,720	6.3%	1.0%
Industry	\$34,565	\$33,552	\$34,318	3.0%	0.7%

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.



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