



GM Strike and Lower Automaker Incentive Spend Contribute to Dip in October New Car Auto Sales, TrueCar's ALG Forecasts

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SANTA MONICA, Calif., Oct. 28, 2019 (GLOBE NEWSWIRE) -- TrueCar, Inc.'s (NASDAQ: TRUE) data and analytics subsidiary, ALG, projects total new vehicle sales will reach 1,339,420 units in October 2019, down 4.7% from a year ago when adjusted for the same number of selling days. This month's seasonally adjusted annualized rate (SAAR) for total light vehicle sales is an estimated 16.6 million units. Excluding fleet sales, ALG expects U.S. retail deliveries of new cars and light trucks to be 1,136,920 units, a decrease of 4.3% from a year ago when adjusted for selling days.



ALG is an industry authority on automotive residual value projections in both the United States and Canada.

"Even though consumer sentiment has improved month-over-month, lower incentive spend this month compared with September and the GM strike are contributing to lower sales in October," said Oliver Strauss, Chief Economist for ALG, a subsidiary of TrueCar.

Additional Insights: (Forecast by ALG)

- Among mainstream brands, Hyundai and Kia continue to show year-over-year sales growth and are expected to be up 9.8% and 5.4% respectively on total sales with lower incentives.
- For luxury brands, Mercedes-Benz stands out and is expected to be up 7.3% year-over-year in total sales, and 12.4% in retail sales with incentives flat year-over-year.
 - Mercedes is expected to have a sales edge over BMW of close to 5,000 total unit sales for October as the race for the luxury sales leader ramps up moving toward the end of the year.
- Tesla's sales momentum continues to hold up despite difficult compares after last summer's Model 3 ramp up. The electric automaker is expected to be up 18.4% in total units year-over-year.
- GM and Nissan are forecast to be down 11.4% and 10.6% respectively in total unit sales compared to a year ago.
 - GM's sales decline may be due to inventory availability related to the strike and shutdown of their factories.
 - Even with the largest expected dollar decline in incentives month-over-month, Nissan is still about 50% higher on incentives as a percentage of average transaction price than industry. Nissan's fleet share is expected to reach 28% this month.
- Average automaker incentive spend is expected to reach \$3,767, up 4.7% or \$170 dollars year-over-year, but down 5.1% or \$204 from September 2019.

- o The most notable YoY declines in incentive spend are expected from Kia, Hyundai, and Nissan. Meanwhile FCA, GM, and Honda are expected to have double-digit incentive increases.
- Used vehicle sales for October 2019 are expected to reach 3,439,074 up 3.7% from a year ago and up 0.2% from September 2019.

"The UAW strike has created a tricky sales landscape for GM. Incentives are down versus last month but are still elevated as the automaker competes for lucrative Fullsize Pickup share," said Eric Lyman, Chief Industry Analyst at ALG, a subsidiary of TrueCar. "With the strike just ended, GM isn't out of the woods yet as dealers must work with aging inventory ahead of ramped up production to refresh their showrooms going into the busy end of year selling season."

October 2019 forecasts for the 13 largest manufacturers by volume: (Adjusted for same selling days as October 2018.) For additional data visit the [ALG Newsroom](#).

Total Unit Sales

Manufacturer	Oct 2019	Oct 2018	YoY % Change (Days selling rate)
BMW	29,157	26,522	5.9%
Daimler	34,129	31,814	3.3%
FCA	172,913	177,391	-6.1%
Ford	183,394	191,682	-7.9%
GM	219,764	238,953	-11.4%
Honda	130,014	122,182	2.5%
Hyundai	58,220	53,025	5.7%
Kia	47,550	45,102	1.5%
Nissan	102,096	109,962	-10.6%
Subaru	55,702	55,394	-3.2%
Tesla	17,526	14,800	14.0%
Toyota	190,895	191,102	-3.8%
Volkswagen Group	51,527	50,251	-1.3%
Industry	1,339,420	1,353,846	-4.7%

Retail Unit Sales

Manufacturer	Oct 2019	Oct 2018	YoY % Change (Days selling rate)
BMW	26,814	25,623	4.6%
Daimler	33,056	29,412	12.4%
FCA	132,939	140,224	-5.2%
Ford	135,579	141,573	-4.2%
GM	181,242	184,321	-1.7%
Honda	127,012	120,085	5.8%
Hyundai	46,082	41,843	10.1%
Kia	42,167	38,337	10.0%
Nissan	73,694	87,270	-15.6%
Subaru	53,827	54,438	-1.1%
Tesla	17,526	14,800	18.4%
Toyota	172,264	173,131	-0.5%
Volkswagen Group	49,132	48,852	0.6%
Industry	1,136,920	1,143,761	-0.6%

Incentive Spending (Per Unit)

Manufacturer	Oct 2019	Oct 2018	YoY % Change
BMW	\$5,683	\$5,549	2.4%
Daimler	\$5,808	\$5,806	0.0%
FCA	\$4,835	\$4,356	11.0%
Ford	\$4,576	\$4,400	4.0%
GM	\$4,683	\$4,229	10.7%
Honda	\$2,167	\$1,965	10.3%
Hyundai	\$2,565	\$2,669	-3.9%
Kia	\$3,523	\$3,749	-6.0%
Nissan	\$4,196	\$4,326	-3.0%
Subaru	\$1,242	\$1,165	6.6%

Toyota	\$2,458	\$2,495	-1.5%
Volkswagen Group	\$3,824	\$3,760	1.7%
Industry	\$3,767	\$3,596	4.7%

(Note: This forecast is based solely on ALG'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 16,500 Certified Dealers, and 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. Nearly half of all new car buyers engage with the TrueCar network during their purchasing process. TrueCar is headquartered in Santa Monica, California, with an office in Austin, Texas.

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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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Source: TrueCar, Inc.