



TrueCar's ALG Forecasts 16.9 Million New Vehicle Sales for 2020

January 14, 2020

ALG's 2019 Forecast within 0.01% of Actual New Vehicle Sales

SANTA MONICA, Calif., Jan. 14, 2020 (GLOBE NEWSWIRE) -- ALG, the benchmark for forecasting future vehicle values, and the analytics subsidiary of TrueCar, Inc. (NASDAQ: TRUE) projects 16.9 million total new light vehicle sales for 2020, a decrease of 0.8% from the prior year. In January of last year, ALG published its 2019 forecast of 17,049,661 million new vehicles and came in at only a 0.01% difference or 1,936 units, making it the most accurate publicly available forecast in the industry.

"While sales will dip below the 17 million mark for the first time since 2014, when you look at the broader picture, 16.9 million vehicle sales are healthy," said Eric Lyman, Chief Industry Analyst for ALG, a subsidiary of TrueCar. "2016 was a record sales year fueled by pent up demand following the great recession, so the decline we're seeing indicates the exhaustion of that excess demand and a market correction closer to organic supply and demand levels," added Lyman.

The auto industry remains resilient and showing positive economic fundamentals such as record low [unemployment rates](#) and steady [consumer confidence](#).

While new vehicle sales are projected to soften slightly for 2020, the average transaction price for a new vehicle is expected to rise by 2.5 percent year-over-year to \$36,348.

"As consumers continue to shift from cars to trucks and SUVs, and opt for valuable new safety technology features such as adaptive cruise control and automatic emergency braking, we're seeing an increase in new-vehicle transaction prices which have steadily risen year-over-year since 2014," said Lyman.

ALG predicted manufacturer incentive per unit spending to increase by 3.3 percent year-over-year at \$3,863 per unit.

"In an environment with more supply than natural demand, we expect automakers to increase incentives as a way to entice consumers into new products. These attractive deals invite buyers to upgrade their current vehicle at a faster rate," added Lyman.

Total Sales	Forecast 2020	Actual 2019	YOY
Industry	16,914,206	17,047,725	-0.8%
Average Transaction Price (Average Transaction Price)	ATP 2020	ATP 2019	YOY
Industry	\$36,348	\$35,475	2.5%
Incentive per Unit Spending	Incentives 2020	Incentive 2019	YOY
Industry	\$3,863	\$3,740	3.3%

(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 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 55 years and in Canada since 1981.

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.

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: pr@truecar.com

Source: TrueCar, Inc.