



ALG Revises 2020 New Vehicle Sales Forecast Scenarios Based on Latest Impact of COVID-19

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ALG to Provide Weekly Forecast Updates

SANTA MONICA, Calif., March 23, 2020 (GLOBE NEWSWIRE) -- [ALG](#), a subsidiary of [TrueCar](#), and the industry benchmark for determining the future resale value of a vehicle, is providing an updated 2020 new vehicle sales forecast to account for the quickly evolving Coronavirus (COVID-19) pandemic and the latest economic outlook. ALG will be revising its forecast weekly along with major new developments.

15.3M (Optimistic):

- o Movement restrictions lifted May 1
- o Stimulus packages deployed and having a positive impact

13.2M (Mixed):

- o Multiple social distancing periods limit out of home activity
- o Stimulus packages deployed and having a positive impact
- o Supply disruption due to production stoppages

11.2M (Cautious):

- o Ongoing social distancing and limited out of home activity through summer
- o Prolonged downturn, limited success of stimulus packages
- o Increased unemployment throughout 2020

"With the temporary closure of dealerships across the nation, continued declines in the stock market and ongoing uncertainty around the short/mid-term strategy to battle COVID-19, ALG expects further declines in our annual automotive sales forecast. While events continue to unfold daily, it seems the most likely outcome is vehicle sales landing in the mid 13 million range for 2020," said Eric Lyman, Chief Industry Analyst for ALG.

"A dependable personal automobile will continue to play a critical role in daily life. Even during 'stay at home' orders vehicles will be used to get essential employees to work, deliver food, run critical errands and provide a safe transport in a time when public transportation is limited or unavailable," continued Lyman.

"We cannot stress this enough, automotive sales will return," said Morgan Hansen, Vice President, Data Science at ALG. "The aging U.S. vehicle fleet and growth of millennial market are underlying pillars of strength in mid to long-term auto sales. Natural replacement demand remains steady at roughly 15.5 million vehicles per year. Sales below this figure are not 'lost,' but merely deferred until we see a return to our daily routine."

Added Lyman, "Online shopping and digital retailing will play a critical role in mitigating the drop in vehicle sales. Automakers are already rolling out innovative incentive products to stimulate consumer demand but the industry must iterate on existing sales practices and become more accommodating to shoppers in a 'stay at home' environment."

Note: All scenarios are absent severe impacts and "speculative pessimism" from:

- Widespread supply chain or vehicle production disruption
- Prolonged social distancing beyond 6 months
- Prolonged closure of auto dealerships beyond 45-60 days
- Stimulus packages delayed or ineffective
- Significant and sustained declines in macro-economic fundamentals (demand)

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 is a leading automotive digital marketplace that enables car buyers to connect to our network of 16,500 Certified Dealers. We are building the industry's most personalized and efficient car buying experience as we seek to bring more of the purchasing process online. Consumers who visit our marketplace will find a suite of vehicle discovery tools, price ratings and market context on new and used cars -- all with a clear view of what's a great deal. When they are ready, TrueCar will enable them to connect with a local Certified Dealer who shares in our belief that truth, transparency and fairness are the foundation of a great car buying experience. As part of our marketplace, TrueCar powers car-buying programs for over 250 leading brands, including AARP, Sam's Club, and American Express. Nearly half of all new-car buyers engage with TrueCar powered sites, where they buy smarter and drive happier. TrueCar is headquartered in Santa Monica, California, with offices in Austin, Texas and Boston, Massachusetts.

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