



ALG Forecasts Average New Vehicle Transaction Price Up 4.6% Year-Over-Year for May 2020 Driven by 0% Interest Rate Offers

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Automaker revenue down 29% year-over-year due to COVID-19 impact

SANTA MONICA, Calif., June 01, 2020 (GLOBE NEWSWIRE) -- [ALG, Inc.](#), a subsidiary of [TrueCar, Inc.](#) and the industry benchmark for determining the future resale value of a vehicle, projects average transaction prices (ATP) to be up 4.6% or \$1,607 from a year ago but down -1.7% or \$639 from April 2020.

"Every brand, with the exception of Kia, has increased their average transaction price year-over-year in May mainly attributed to ongoing 0% interest rates. Kia is down likely due to lower inventory levels on their popular Telluride model, which carries one of the highest MSRPs in their lineup," said Eric Lyman, Chief Industry Analyst at ALG, a subsidiary of TrueCar.

"It's important to note that while average transaction prices have increased year-over-year, they are down month-over-month," added Lyman. "We can expect a trend of lower inventory on popular models across automakers as production stoppages and higher than expected demand are taking shape based on geography. As a result, we expect automakers to continue to not only pull back, but also shift their incentive strategies from nationally based to regionally and locally based in order to offset those supply shortages. We expect the highly incentivized and in-demand SUVs and trucks to be affected more than other segments."

ALG projects that U.S. revenue from new vehicle sales will reach more than \$39.4 billion for May 2020, down 29% (based on a non-adjusted daily selling rate) from a year ago and up 49% from last month.

"Ford and Hyundai have seen the biggest gains in average transaction price year-over-year with their aggressive and ongoing incentives," said Nick Woolard, Director of OEM and Affinity Partner Analytics for TrueCar.

"For Ford, the combination of discontinuation of sedans as well as strong performance by the new Explorer are leading to higher transaction prices year-over-year for the brand overall," said Woolard. "Meanwhile, Hyundai has shown both strength in sedans, especially with the all-new Sonata, as well as growth at the top of their product line with the Palisade. These new products as well as strong performance with financing offers that are resonating with today's shoppers have resulted in strong performance year-over-year in average transaction prices."

"On the Retail Health Index, which measures automaker brand health on a month-to-month basis, the brands that had the biggest declines in March and April are springing back this month. Luxury automakers such as Audi and BMW are making a comeback month over month as high-lease volume parts of the country are easing stay at home restrictions," added Woolard.

May 2020 forecasts for the 12 largest manufacturers by volume. For additional data visit the [ALG Newsroom](#).

Average Transaction Price (ATP)

Manufacturer	May 2020 Forecast	May 2019 Actual	Apr 2020 Actual	YOY	MOM
BMW	\$59,794	\$58,544	\$59,169	2.1%	1.1%
Daimler	\$61,176	\$58,232	\$60,768	5.1%	0.7%
FCA	\$43,154	\$40,085	\$43,162	7.7%	0.0%
Ford	\$43,267	\$38,526	\$42,996	12.3%	0.6%
GM	\$41,031	\$40,609	\$41,666	1.0%	-1.5%
Honda	\$29,536	\$28,752	\$29,683	2.7%	-0.5%
Hyundai	\$28,532	\$24,391	\$27,586	17.0%	3.4%
Kia	\$25,214	\$25,638	\$25,718	-1.7%	-2.0%
Nissan	\$29,956	\$29,379	\$30,002	2.0%	-0.2%
Subaru	\$30,495	\$29,821	\$31,154	2.3%	-2.1%
Toyota	\$33,913	\$32,361	\$33,941	4.8%	-0.1%
Volkswagen Group	\$39,108	\$38,877	\$39,644	0.6%	-1.4%
Industry	\$36,511	\$34,903	\$37,150	4.6%	-1.7%

Incentive Spending

Manufacturer	May 2020 Forecast	May 2019 Actual	Apr 2020 Actual	YOY	MOM
BMW	\$6,330	\$5,755	\$6,031	10.0%	5.0%
Daimler	\$7,470	\$5,301	\$7,289	40.9%	2.5%

FCA	\$5,907	\$4,439	\$5,622	33.1%	5.1%
Ford	\$5,022	\$4,500	\$4,321	11.6%	16.2%
GM	\$6,374	\$5,100	\$5,809	25.0%	9.7%
Honda	\$3,039	\$2,063	\$2,825	47.3%	7.6%
Hyundai	\$3,025	\$2,883	\$2,731	4.9%	10.8%
Kia	\$4,388	\$3,574	\$4,016	22.8%	9.3%
Nissan	\$5,386	\$4,017	\$4,774	34.1%	12.8%
Subaru	\$1,848	\$1,528	\$1,765	21.0%	4.7%
Toyota	\$2,753	\$2,424	\$2,419	13.6%	13.8%
Volkswagen Group	\$4,510	\$3,397	\$4,480	32.8%	0.7%
Industry	\$4,526	\$3,732	\$4,297	21.3%	5.3%

Incentives as a Percentage of Average Transaction Price (ATP)

Manufacturer	May 2020 Forecast	May 2019 Actual	Apr 2020 Actual	YOY	MOM
BMW	10.6%	9.8%	10.2%	7.7%	3.9%
Daimler	12.2%	9.1%	12.0%	34.1%	1.8%
FCA	13.7%	11.1%	13.0%	23.6%	5.1%
Ford	11.6%	11.7%	10.1%	-0.6%	15.5%
GM	15.5%	12.6%	13.9%	23.7%	11.4%
Honda	10.3%	7.2%	9.5%	43.4%	8.1%
Hyundai	10.6%	11.8%	9.9%	-10.3%	7.1%
Kia	17.4%	13.9%	15.6%	24.8%	11.4%
Nissan	18.0%	13.7%	15.9%	31.5%	13.0%
Subaru	6.1%	5.1%	5.7%	18.3%	7.0%
Toyota	8.1%	7.5%	7.1%	8.4%	13.9%
Volkswagen Group	11.5%	8.7%	11.3%	32.0%	2.1%
Industry	12.4%	10.7%	11.6%	15.9%	7.2%

Retail Health Index

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.

RHI, Top 12 Manufacturers

Mat 2020 Forecast	YOY Change	MOM Change
BMW	-2.5%	2.0%
Daimler	-4.1%	-1.5%
FCA	-2.7%	-1.6%
Ford	0.0%	-4.3%
GM	-3.2%	-3.3%
Honda	-3.4%	1.6%
Hyundai	1.6%	0.1%
Kia	-3.3%	-2.1%
Nissan	-5.5%	-2.1%
Subaru	-1.2%	-0.6%
Toyota	0.2%	3.0%
Volkswagen	-1.8%	1.1%

Mainstream

May 2020 Forecast	YOY Change	MOM Change
Buick	-3.4%	-1.8%
Chevrolet	-4.2%	-4.2%
Chrysler	0.8%	2.1%
Dodge	0.1%	-0.9%
Ford	0.1%	-4.4%
GMC	-1.0%	-1.6%
Honda	-3.3%	1.9%
Hyundai	1.5%	0.1%
Jeep	-3.3%	-0.5%
Kia	-3.3%	-2.1%
Mazda	-2.5%	-0.4%
Mitsubishi	-3.2%	-0.7%
Nissan	-5.9%	-2.1%
Ram	-3.1%	-3.7%
Subaru	-1.2%	-0.6%
Toyota	0.5%	3.6%
Volkswagen	-0.8%	0.7%

Luxury

Apr 2020 Forecast	YOY Change	MOM Change
Acura	-3.8%	-1.4%
Audi	-4.2%	1.9%
BMW	-2.5%	2.5%
Cadillac	-0.2%	-0.8%
INFINITI	-2.3%	-1.7%
Land Rover	-2.2%	1.2%
Lexus	-2.6%	-3.4%
Lincoln	-2.4%	-4.0%
Mercedes-Benz	-4.1%	-1.5%
Porsche	0.4%	0.9%
Volvo	-2.5%	-0.6%

(Note: This forecast is based solely on ALG's analysis of industry sales trends and conditions and is not a projection of TrueCar, Inc.'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 is a leading automotive digital marketplace that enables car buyers to connect to our nationwide network of 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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