

ALG Forecasts Average New Vehicle Transaction Price Up 3.2% for June 2020

Automaker revenue down 25% due to continued COVID-19 impact

SANTA MONICA, Calif., July 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 3.2% or \$1,117 from a year ago but down 0.2% or \$88 from May 2020.

"Average transactions prices continue to tick up year-over-year, but we are seeing signs of decline and expect a small dip in average transaction price month-over-month as automakers slowly pull back from zero percentage financing over 84 months that helped spur demand for higher price models and trim levels," said Eric Lyman, Chief Industry Analyst for ALG, a subsidiary of TrueCar.

"While incentives are still up year-over-year, the aggressive incentives that came out fast and furiously in April and May to help alleviate sales pains are beginning to soften due to low inventory and assembly plants that are still not back to full production," added Lyman. "Retail sales over the Fourth of July holiday weekend will be the next big test of industry's strength and resiliency and will be a litmus test for automakers in deciding to further pull back on incentives."

ALG projects that U.S. revenue from new vehicle sales will reach more than \$39.9 billion for June 2020, down 25% (based on a non-adjusted daily selling rate) from a year ago and down 1.4% from last month.

"Due to seasonality, we typically see June new vehicle sales come in five to seven percent lower than May, so the fact that we are basically at parity month-over-month is actually demonstrating growth," said Nick Woolard, Director of OEM and Affinity Partner Analytics for TrueCar. "That being said, we do not believe that 'normal seasonality' will probably apply for the rest of the year, especially with tax season being deferred to July."

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

Average Transaction Price (ATP)

Manufacturer	Jun 2020 Forecast	Jun 2019 Actual	May 2020 Actual	YOY	MOM
BMW	\$59,654	\$57,910	\$60,055	3.0%	-0.7%
Daimler	\$59,231	\$58,061	\$60,116	2.0%	-1.5%
FCA	\$41,924	\$40,221	\$42,373	4.2%	-1.1%
Ford	\$43,669	\$38,667	\$43,036	12.9%	1.5%
GM	\$39,961	\$40,162	\$40,392	-0.5%	-1.1%
Honda	\$30,036	\$28,981	\$29,738	3.6%	1.0%
Hyundai	\$28,814	\$23,975	\$28,294	20.2%	1.8%
Kia	\$24,896	\$25,575	\$24,936	-2.7%	-0.2%
Nissan	\$29,457	\$28,631	\$29,268	2.9%	0.6%
Subaru	\$30,196	\$29,704	\$30,559	1.7%	-1.2%
Toyota	\$34,411	\$33,214	\$34,260	3.6%	0.4%
Volkswagen Group	\$40,744	\$41,623	\$40,853	-2.1%	-0.3%
Industry	\$36,332	\$35,215	\$36,420	3.2%	-0.2%

Incentive Spending

Manufacturer	Jun 2020 Forecast	Jun 2019 Actual	May 2020 Actual	YOY	MOM
BMW	\$6,117	\$5,756	\$6,074	6.3%	0.7%
Daimler	\$6,614	\$5,294	\$7,289	24.9%	-9.3%
FCA	\$5,434	\$4,621	\$5,408	17.6%	0.5%
Ford	\$4,138	\$4,513	\$4,352	-8.3%	-4.9%
GM	\$5,685	\$5,140	\$5,833	10.6%	-2.5%
Honda	\$2,952	\$2,052	\$2,819	43.8%	4.7%
Hyundai	\$2,571	\$2,859	\$2,730	-10.1%	-5.8%
Kia	\$3,827	\$3,574	\$4,016	7.1%	-4.7%
Nissan	\$4,642	\$4,020	\$4,781	15.5%	-2.9%
Subaru	\$1,737	\$1,528	\$1,765	13.7%	-1.6%
Toyota	\$2,746	\$2,436	\$2,453	12.7%	11.9%
Volkswagen Group	\$4,378	\$3,426	\$4,828	27.8%	-9.3%
Industry	\$4,121	\$3,773	\$4,142	9.2%	-0.5%

Incentives as a Percentage of Average Transaction Price (ATP)

Manufacturer	Jun 2020 Forecast	Jun 2019 Actual	May 2020 Actual	YOY	MOM
BMW	10.3%	9.9%	10.1%	3.2%	1.4%
Daimler	11.2%	9.1%	12.1%	22.5%	-7.9%
FCA	13.0%	11.5%	12.8%	12.8%	1.6%
Ford	9.5%	11.7%	10.1%	-18.8%	-6.3%
GM	14.2%	12.8%	14.4%	11.2%	-1.5%
Honda	9.8%	7.1%	9.5%	38.8%	3.7%
Hyundai	8.9%	11.9%	9.6%	-25.2%	-7.5%
Kia	15.4%	14.0%	16.1%	10.0%	-4.6%
Nissan	15.8%	14.0%	16.3%	12.2%	-3.5%
Subaru	5.8%	5.1%	5.8%	11.8%	-0.4%
Toyota	8.0%	7.3%	7.2%	8.8%	11.4%
Volkswagen Group	10.7%	8.2%	11.8%	30.6%	-9.1%
Industry	11.3%	10.7%	11.4%	5.8%	-0.3%

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

June 2020 Forecast	YOY Change	MOM Change
BMW	0.8%	4.2%
Daimler	-4.0%	-1.4%
FCA	-2.0%	-0.2%
Ford	1.9%	-0.4%
GM	-1.6%	0.7%
Honda	-3.1%	-1.2%
Hyundai	4.1%	1.1%
Kia	-0.9%	1.3%
Nissan	-2.6%	1.0%
Subaru	0.3%	0.9%
Toyota	-1.0%	-2.0%
Volkswagen	-0.9%	2.5%

Mainstream

June 2020 Forecast	YOY Change	MOM Change
Buick	-2.4%	-0.3%
Chevrolet	-2.0%	0.9%
Chrysler	-3.0%	-1.8%
Dodge	0.0%	-0.5%

Ford	1.9%	-0.4%
GMC	-1.5%	-0.5%
Honda	-3.0%	-1.0%
Hyundai	4.1%	1.1%
Jeep	-2.5%	-0.8%
Kia	-0.9%	1.3%
Mazda	-2.0%	-0.6%
Mitsubishi	-1.0%	0.3%
Nissan	-2.7%	1.1%
Ram	-2.2%	1.0%
Subaru	0.3%	0.9%
Toyota	-1.2%	-1.9%
Volkswagen	-0.6%	1.7%

Luxury		
June 2020 Forecast	YOY Change	MOM Change
Acura	-3.4%	-2.4%
Audi	-1.5%	3.7%
BMW	0.8%	4.4%
Cadillac	3.5%	3.5%
INFINITI	-1.0%	-0.1%
Land Rover	-2.5%	0.8%
Lexus	0.4%	-2.3%
Lincoln	1.8%	1.0%
Mercedes-Benz	-4.0%	-1.4%
Porsche	-0.7%	0.1%
Volvo	-2.4%	-2.4%

(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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