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Hurricane Matthew Dampens Sales Growth in October

SANTA MONICA, Calif.--(BUSINESS WIRE)-- As Southeast dealerships reopen after Hurricane Matthew, TrueCar, Inc. (NASDAQ: [TRUE](#)) projects total new vehicle sales, including fleet deliveries, will reach 1,360,000 units in October, down by 6.6 percent from a year ago. However, adjusting for two fewer selling days this year than in October 2015, sales growth may be 0.6% percent on a daily selling rate (DSR) basis.

This month's seasonally adjusted annualized rate (SAAR) for total light vehicle sales is an estimated 17.86 million units for the month, down from an 18.16 million-unit SAAR a year ago. Excluding fleet sales, U.S. retail deliveries of new cars and light trucks should decline 1.7 percent to 1,160,400 adjusted for selling days.

"As retail demand plateaus automakers will be forced to make the critical decision to cut vehicle production or increase incentives," said Eric Lyman, TrueCar's chief industry analyst. "Planned reductions by FCA and Ford indicate a more disciplined approach to sales strategies going forward that will support a healthy automotive market."

Incentive spending by automakers averaged an estimated \$3,587 per vehicle in October, up 15.7 percent from a year ago, and down 2.6 percent from September 2016.

"On a daily selling rate October sales will surpass the blistering sales of one year ago, showing that there's still gas left in the tank for automobile sales that should remain strong through the rest of 2016," said Lyman.

Toyota retail market share should jump dramatically in October, buoyed by continued strength of the light truck portfolio.

The Conference Board [Consumer Confidence Index](#) declined in October at 98.6, down from 103.5 in September and overall U.S. economic conditions remain healthy. September's [unemployment](#) rate was 5.0 percent, the lowest for that month in eight years, while gasoline prices remain favorable for consumers, national average of [\\$2.22 per gallon](#) on October 25 shows steady decline on the week.

Other key findings for October:

- | Registration mix is expected to be 85 percent retail sales and 14.7 percent fleet versus 87.4 percent retail and 12.6 percent fleet last October.
- | Total used auto sales, including franchise and independent dealerships and private-party transactions, may reach 3,285,364 up 10.5 percent from October 2015.

Forecasts for the 12 largest manufacturers by volume:

Total Unit Sales

Manufacturer	October 2016 Forecast	October 2015	% Change vs. October 2015	YoY % Change (Daily Selling Rate)
BMW	30,000	33,591	-10.7%	-3.8%
Daimler	32,500	32,472	0.1%	7.8%
FCA	175,000	196,711	-11.0%	-4.2%
Ford	192,000	213,105	-9.9%	-3.0%
GM	239,500	262,993	-8.9%	-1.9%
Honda	128,000	131,651	-2.8%	4.7%
Hyundai	55,800	60,005	-7.0%	0.1%
Kia	49,000	50,044	-2.1%	5.4%
Nissan	113,000	116,047	-2.6%	4.9%

Subaru	52,000	51,629	0.7%	8.5%
Toyota	201,000	204,045	-1.5%	6.1%
Volkswagen Group	43,500	52,343	-16.9%	-10.5%
Industry	1,360,000	1,455,516	-6.6%	0.6%

Total Market Share

Manufacturer	October 2016 Forecast	October 2015	September 2016
BMW	2.2%	2.3%	2.1%
Daimler	2.4%	2.2%	2.3%
FCA	12.9%	13.5%	13.5%
Ford	14.1%	14.6%	14.2%
GM	17.6%	18.1%	17.4%
Honda	9.4%	9.0%	9.3%
Hyundai	4.1%	4.1%	4.6%
Kia	3.6%	3.4%	3.4%
Nissan	8.3%	8.0%	8.9%
Subaru	3.8%	3.5%	3.8%
Toyota	14.8%	14.0%	13.7%
Volkswagen Group	3.2%	3.6%	3.2%

Retail Unit Sales

Manufacturer	October 2016 Forecast	October 2015	YoY % Change	YoY % Change (Daily Selling Rate)
BMW	28,500	31,085	-8.3%	-1.3%
Daimler	30,800	30,962	-0.5%	7.1%
FCA	131,400	162,535	-19.2%	-12.9%
Ford	145,000	170,677	-15.0%	-8.5%
GM	194,500	213,057	-8.7%	-1.7%
Honda	126,600	130,609	-3.1%	4.4%
Hyundai	41,300	46,640	-11.4%	-4.6%
Kia	41,500	43,780	-5.2%	2.1%
Nissan	97,400	102,827	-5.3%	2.0%
Subaru	50,000	50,427	-0.8%	6.8%
Toyota	187,300	190,649	-1.8%	5.8%
Volkswagen Group	41,300	49,451	-16.5%	-10.1%
Industry	1,160,400	1,271,664	-8.7%	-1.7%

Incentive Spending

Manufacturer	Incentive per Unit October 2016 Forecast	Incentive per Unit % Change vs. October 2015	Incentive per Unit % Change vs. September 2016	Total Spending October 2016 Forecast
BMW	\$6,671	33.5%	-6.0%	\$199,656,622
Daimler	\$4,548	-7.3%	-1.3%	\$147,819,162
FCA	\$4,388	22.9%	-1.0%	\$763,502,912
Ford	\$4,404	29.9%	-1.1%	\$845,543,104
GM	\$4,417	13.8%	-4.6%	\$1,057,820,660

Honda	\$1,952	2.2%	2.2%	\$249,824,774
Hyundai	\$2,329	12.4%	-0.6%	\$131,590,915
Kia	\$3,171	7.8%	0.9%	\$156,974,595
Nissan	\$4,109	15.3%	-3.0%	\$464,357,273
Subaru	\$1,130	62.6%	3.8%	\$58,753,582
Toyota	\$2,504	10.2%	-5.2%	\$503,378,421
Volkswagen Group	\$4,035	4.8%	-2.7%	\$174,515,096
Industry	\$3,587	15.7%	-2.6%	\$4,862,695,584

(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 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 11,000 Certified Dealers 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. Over one third of all new car buyers engage with the TrueCar network during their purchasing process. TrueCar is headquartered in Santa Monica, California, with offices in San Francisco and Austin, Texas. For more information, go to www.truecar.com. Follow us on [Facebook](#) or [Twitter](#).

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