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TrueCar Finds Automakers Achieve Record Revenue in October

Strong sales and steady average transaction prices offset increased incentive spending during the month

SANTA MONICA, Calif.--(BUSINESS WIRE)-- TrueCar, Inc. (NASDAQ: TRUE), the modern car-buying service, projects U.S. revenue from sales of new vehicles in October reached a record high for the month of \$46 billion, up 11.3 percent versus the same period last year.

While incentive spending likely grew 14.1 percent in October, robust sales and flat average transaction prices helped the industry net a \$4.7 billion gain in revenue compared to last year. TrueCar projects that new auto sales in October expanded 11.4 percent.

"October marks the 22nd consecutive month of record-setting revenue, and the industry remains healthy even with an uptick in incentives," said TrueCar Executive Vice President Larry Dominique, who also leads TrueCar's ALG unit. "Automakers are enjoying double-digit revenue gains in advance of the holiday season. Historically, December is a strong month for the industry in terms of both sales and revenue."

TrueCar estimates the average transaction price (ATP) for a new light vehicle in October will be \$32,529, unchanged from a year ago. Average incentive spending per unit grew \$383 to \$3,104. The ratio of incentive spending to ATP was 9.5 percent, up from 8.4 percent a year ago.

"The spike in incentive spending is a result of model year-end sales promotions continuing from September into October," said Stacey Doyle, TrueCar's senior industry analyst. "The incentive to average transaction price ratio remained at about the same level over the past three months, and although the October ratio is slightly high, it is not at the expense of revenue for most automakers that continue to sweeten deals while consumer demand is strong."

Utilities and pickup trucks remain popular among consumers on the TrueCar platform. Last month these two segments comprised 70 percent of the top 10 most-searched vehicles. Toyota's midsize Tacoma pickup makes the top five list with sales up 16.5 percent so far this year. FCA's Jeep Grand Cherokee and Wrangler models also make the top 10 list with year-to-date sales up 4.1 and 17.5 percent, respectively.

Following news of Volkswagen's diesel scandal, the Volkswagen Group boosted incentives 29 percent last month from a year ago, offering \$2000 of loyalty cash to retain brand owners.

"This is a strategic move since Volkswagen brand owners tend to be passionate about their vehicles," said Dominique. "If Volkswagen can rebuild trust with current owners, it has a better chance of brand success down the road."

Average Transaction Price (ATP)

Manufacturer	Oct. 2015 Forecast	Oct. 2014	Sep. 2015	Percent Change vs. Oct. 2014	Percent Change vs. Sep. 2015
BMW (BMW, Mini)	\$48,787	\$49,246	\$49,131	-0.9%	-0.7%
Daimler (Mercedes-Benz, Smart)	\$55,629	\$57,876	\$57,985	-3.9%	-4.1%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$32,788	\$32,421	\$32,600	1.1%	0.6%
Ford (Ford, Lincoln)	\$34,589	\$34,027	\$35,051	1.7%	-1.3%
GM (Buick, Cadillac, Chevrolet, GMC)	\$35,547	\$35,454	\$35,264	0.3%	0.8%
Honda (Acura, Honda)	\$27,257	\$27,281	\$27,504	-0.1%	-0.9%
Hyundai	\$23,510	\$24,867	\$23,876	-5.5%	-1.5%
Kia	\$23,029	\$23,533	\$23,675	-2.1%	-2.7%
Nissan (Nissan, Infiniti)	\$27,696	\$27,160	\$26,974	2.0%	2.7%
Subaru	\$27,273	\$27,023	\$27,705	0.9%	-1.6%
Toyota (Lexus, Scion, Toyota)	\$30,669	\$30,527	\$30,109	0.5%	1.9%
Volkswagen (Audi, Porsche, Volkswagen)	\$38,084	\$38,245	\$40,020	-0.4%	-4.8%

Industry	\$32,529	\$32,515	\$32,443	0.0%	0.3%
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TrueCar estimates the average incentive for light vehicles in October will increase \$383, or 14.1 percent, from a year ago, and decreasing \$38, or 1.2 percent, from September 2015.

Incentive per Unit Spending

Manufacturer	Oct. 2015 Forecast	Oct. 2014	Sep. 2015	Percent Change vs. Oct. 2014	Percent Change vs. Sep. 2015
BMW (BMW, Mini)	\$4,647	\$5,229	\$4,666	-11.1%	-0.4%
Daimler (Mercedes-Benz, Smart)	\$4,597	\$3,561	\$4,789	29.1%	-4.0%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$3,546	\$3,098	\$3,504	14.5%	1.2%
Ford (Ford, Lincoln)	\$3,659	\$3,202	\$3,671	14.3%	-0.3%
GM (Buick, Cadillac, Chevrolet, GMC)	\$3,842	\$3,301	\$4,016	16.4%	-4.3%
Honda (Acura, Honda)	\$2,093	\$1,845	\$2,067	13.4%	1.3%
Hyundai	\$2,408	\$1,379	\$2,402	74.6%	0.3%
Kia	\$2,826	\$2,491	\$2,817	13.5%	0.3%
Nissan (Nissan, Infiniti)	\$3,409	\$3,284	\$3,476	3.8%	-1.9%
Subaru	\$591	\$595	\$602	-0.6%	-1.8%
Toyota (Lexus, Scion, Toyota)	\$2,146	\$1,884	\$2,331	13.9%	-7.9%
Volkswagen (Audi, Porsche, Volkswagen)	\$3,363	\$2,598	\$3,168	29.4%	6.1%
Industry	\$3,104	\$2,721	\$3,142	14.1%	-1.2%

This month's ratio of incentive to ATP for light vehicles was 9.5 percent, up 14 percent from October 2014 and down 1.5 percent from September 2015, based on TrueCar analysis. BMW and Subaru show the most improvement in ATP ratio in October versus the year-earlier month.

Incentive Spending as a Percentage of ATP

Manufacturer	Oct. 2015 Forecast	Oct. 2014	Sep. 2015	Percent Change vs. Oct. 2014	Percent Change vs. Sep. 2015
BMW (BMW, Mini)	9.5%	10.6%	9.5%	-10.3%	0.3%
Daimler (Mercedes-Benz, Smart)	8.3%	6.2%	8.3%	34.3%	0.0%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	10.8%	9.6%	10.7%	13.2%	0.6%
Ford (Ford, Lincoln)	10.6%	9.4%	10.5%	12.4%	1.0%
GM (Buick, Cadillac, Chevrolet, GMC)	10.8%	9.3%	11.4%	16.1%	-5.1%
Honda (Acura, Honda)	7.7%	6.8%	7.5%	13.5%	2.2%
Hyundai	10.2%	5.5%	10.1%	84.7%	1.8%
Kia	12.3%	10.6%	11.9%	15.9%	3.1%
Nissan (Nissan, Infiniti)	12.3%	12.1%	12.9%	1.8%	-4.5%
Subaru	2.2%	2.2%	2.2%	-1.6%	-0.2%
Toyota (Lexus, Scion, Toyota)	7.0%	6.2%	7.7%	13.4%	-9.6%
Volkswagen (Audi, Porsche, Volkswagen)	8.8%	6.8%	7.9%	30.0%	11.5%
Industry	9.5%	8.4%	9.7%	14.0%	-1.5%

Total Net Revenue

Manufacturer	Oct. 2015 Forecast	Oct. 2014	Percent Change vs. Oct. 2014
BMW (BMW, Mini)	\$1,834,388,796	\$1,771,329,374	3.6%
Daimler (Mercedes-Benz, Smart)	\$1,785,705,635	\$1,812,560,568	-1.5%

FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$6,465,772,508	\$5,566,134,543	16.2%
Ford (Ford, Lincoln)	\$7,298,322,247	\$6,393,571,219	14.2%
GM (Buick, Cadillac, Chevrolet, GMC)	\$9,164,011,854	\$8,041,640,826	14.0%
Honda (Acura, Honda)	\$3,576,122,209	\$3,305,693,332	8.2%
Hyundai	\$1,351,809,024	\$1,245,364,227	8.5%
Kia	\$1,186,017,106	\$1,051,783,902	12.8%
Nissan (Nissan, Infiniti)	\$3,129,612,394	\$2,800,657,720	11.7%
Subaru	\$1,382,754,883	\$1,162,313,276	19.0%
Toyota (Lexus, Scion, Toyota)	\$6,106,264,244	\$5,512,565,660	10.8%
Volkswagen (Audi, Porsche, Volkswagen)	\$1,774,695,560	\$1,894,848,525	-6.3%
Industry	\$46,435,176,287	\$41,719,551,280	11.3%

About TrueCar

TrueCar, Inc. (NASDAQ: TRUE), the modern car-buying service, gives consumers transparent insight into what others paid and access to guaranteed savings off MSRP from TrueCar Certified Dealers. TrueCar's network of more than 10,000 trusted Certified Dealers is committed to providing upfront pricing information and a hassle-free buying experience. TrueCar powers car-buying programs for some of the largest U.S. membership and service organizations, including AARP, American Express, AAA, Sam's Club and USAA. Not all program features are available in all states. TrueCar is headquartered in Santa Monica, California, with offices in San Francisco and Austin, Texas. For more information about TrueCar and industry analysis please visit www.truecar.com and insights.truecar.com. Follow us on [Facebook](#) or [Twitter](#).

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