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August Auto Sales Poised to Reach \$50 Billion

Average transaction prices likely to rise 0.4 percent

SANTA MONICA, Calif.--(BUSINESS WIRE)-- [TrueCar](#), Inc. (NASDAQ: [TRUE](#)) projects U.S. revenue from new vehicle sales reached \$50 billion for the month of August, down 1.7 percent from a year ago.

Despite higher average transaction prices, automakers should post an \$866 million loss in revenue compared to last year.

Honda Motor Co. continues to lead the industry in lowering their incentive to average transaction price ratio. The ratio dropped to 6.7 percent in August, down from 7.8 percent a year earlier. This decline was driven by Honda's move to pull back on incentive spending. The August incentive spend was likely down by 17.4 percent compared to last year.

"Honda's disciplined approach to incentive spending is primarily driven by the success of two all new products, the Pilot in the red hot Midsize Utility segment and the Civic, which is defying sales declines in the Compact car segment," said Eric Lyman, TrueCar's chief industry analyst.

While Honda shows positive signs on incentive spend, overall consumer demand continues to soften for car based automakers with lower than average transaction prices compared to trucks and utilities.

"Automakers that are traditionally associated with strong truck and utility portfolios attained the biggest growth in average transaction price year over year, especially those with full-size pickups who show the most consistent gains," Lyman said.

TrueCar estimates the average transaction price (ATP) for a new light vehicle was \$32,339 in August, up 0.4 percent from a year ago. Average incentive spending per unit rose by \$237 to \$3,331. The ratio of incentive spending to ATP was 10.3 percent, up from 9.6 percent a year ago.

"Trucks continue to carry the weight for the industry," said Patrick Min, TrueCar's senior industry insights analyst. "Increasing transaction prices driven by richer mix of trucks and utilities is helping to mitigate the loss in revenue."

Average Transaction Price (ATP)

Manufacturer	Aug. 2016			Percent	Percent
	Forecast	Aug. 2015	Jul. 2016	Change vs. Aug. 2015	Change vs. Jul. 2016
BMW (BMW, Mini)	\$ 49,135	\$ 48,908	\$ 49,541	0.5%	-0.8%
Daimler (Mercedes-Benz, Smart)	\$ 60,064	\$ 57,480	\$ 59,068	4.5%	1.7%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$ 33,042	\$ 32,980	\$ 33,141	0.2%	-0.3%
Ford (Ford, Lincoln)	\$ 36,558	\$ 34,870	\$ 36,391	4.8%	0.5%
GM (Buick, Cadillac, Chevrolet, GMC)	\$ 36,788	\$ 35,459	\$ 35,266	3.7%	4.3%
Honda (Acura, Honda)	\$ 26,330	\$ 27,193	\$ 26,844	-3.2%	-1.9%
Hyundai	\$ 22,858	\$ 23,664	\$ 23,175	-3.4%	-1.4%
Kia	\$ 21,963	\$ 23,183	\$ 22,098	-5.3%	-0.6%
Nissan (Nissan, Infiniti)	\$ 27,465	\$ 27,111	\$ 27,396	1.3%	0.3%
Subaru	\$ 25,033	\$ 26,855	\$ 26,398	-6.8%	-5.2%
Toyota (Lexus, Scion, Toyota)	\$ 31,318	\$ 30,449	\$ 31,106	2.9%	0.7%
Volkswagen (Audi, Porsche, Volkswagen)	\$ 38,959	\$ 39,220	\$ 38,164	-0.7%	2.1%
Industry	\$ 32,339	\$ 32,222	\$ 32,226	0.4%	0.4%

Incentive per Unit Spending

Manufacturer	Aug. 2016 Forecast	Aug. 2015	Jul. 2016	Percent Change vs. Aug. 2015	Percent Change vs. Jul. 2016
BMW (BMW, Mini)	\$ 5,670	\$ 4,496	\$ 5,831	26.1%	-2.8%
Daimler (Mercedes-Benz, Smart)	\$ 4,528	\$ 4,601	\$ 4,685	-1.6%	-3.4%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	\$ 4,146	\$ 3,587	\$ 4,168	15.6%	-0.5%
Ford (Ford, Lincoln)	\$ 4,084	\$ 3,470	\$ 4,144	17.7%	-1.4%
GM (Buick, Cadillac, Chevrolet, GMC)	\$ 4,355	\$ 4,036	\$ 4,564	7.9%	-4.6%
Honda (Acura, Honda)	\$ 1,751	\$ 2,119	\$ 1,670	-17.4%	4.9%
Hyundai	\$ 2,595	\$ 2,539	\$ 2,570	2.2%	1.0%
Kia	\$ 2,714	\$ 2,913	\$ 2,718	-6.8%	-0.1%
Nissan (Nissan, Infiniti)	\$ 3,475	\$ 3,437	\$ 3,613	1.1%	-3.8%
Subaru	\$ 717	\$ 605	\$ 667	18.5%	7.5%
Toyota (Lexus, Scion, Toyota)	\$ 2,370	\$ 2,208	\$ 2,416	7.3%	-1.9%
Volkswagen (Audi, Porsche, Volkswagen)	\$ 3,793	\$ 3,061	\$ 3,882	23.9%	-2.3%
Industry	\$ 3,331	\$ 3,094	\$ 3,404	7.7%	-2.2%

Incentive Spending as a Percentage of ATP

Manufacturer	Aug. 2016 Forecast	Aug. 2015	Jul. 2016	Percent Change vs. Aug. 2015	Percent Change vs. Jul. 2016
BMW (BMW, Mini)	11.5%	9.2%	11.8%	25.5%	-2.0%
Daimler (Mercedes-Benz, Smart)	7.5%	8.0%	7.9%	-5.8%	-5.0%
FCA (Chrysler, Dodge, Jeep, Ram, Fiat)	12.5%	10.9%	12.6%	15.3%	-0.2%
Ford (Ford, Lincoln)	11.2%	10.0%	11.4%	12.3%	-1.9%
GM (Buick, Cadillac, Chevrolet, GMC)	11.8%	11.4%	12.9%	4.0%	-8.5%
Honda (Acura, Honda)	6.7%	7.8%	6.2%	-14.7%	6.9%
Hyundai	11.4%	10.7%	11.1%	5.8%	2.4%
Kia	12.4%	12.6%	12.3%	-1.6%	0.5%
Nissan (Nissan, Infiniti)	12.7%	12.7%	13.2%	-0.2%	-4.1%
Subaru	2.9%	2.3%	2.5%	27.2%	13.4%
Toyota (Lexus, Scion, Toyota)	7.6%	7.3%	7.8%	4.4%	-2.6%
Volkswagen (Audi, Porsche, Volkswagen)	9.7%	7.8%	10.2%	24.7%	-4.3%
Industry	10.3%	9.6%	10.6%	7.3%	-2.5%

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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