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June Auto Sales Likely to Rebound From May's Shortfall on Buoyant Retail Demand

Industry volume may rise 5.4%, led by Subaru, FCA, Kia and Honda

SANTA MONICA, Calif.--(BUSINESS WIRE)-- TrueCar, Inc. (NASDAQ: [TRUE](#)) projects total new vehicle sales, including fleet deliveries, will reach 1,556,844 units in June, up 5.4 percent from a year ago, as consumers return to dealer lots this month after disappointing industrywide volume in May.

The seasonally adjusted annualized rate (SAAR) for total light vehicle sales in June is an estimated 17.2 million units, up from 17 million units a year ago. On a daily selling rate basis, overall sales may expand by 1.4 percent when adjusting for one additional sales day versus June 2015. Excluding sales to daily rental, commercial and government fleets, retail deliveries of new cars and light trucks will likely rise by 6.4 percent to 1,292,670 units.

"It's clear that the industry shortfall in May was a case of demand deferred to June," said Eric Lyman, TrueCar's vice president of industry insights. "July should also get off to a good start as Independence Day weekend typically sees aggressive sales promotions. The fact that new car and truck deliveries, after six consecutive years of growth, continue to rise half-way to seven years underscores the strength of retail demand."

Subaru may lead gains for the month with a 15 percent year-over-year rise in deliveries of its all-wheel-drive cars, wagons and crossovers, followed by Kia Motors with an 11 percent increase. FCA is estimated to rank third with a 9.7 percent increase for the month, followed by an 8.8 percent gain for Honda Motor, which is benefitting from demand for its revamped Civic compact car line.

Volume for non-luxury, mass-market brands will likely rise by 5.6 percent versus the year-ago month, and sales of luxury models may expand by 4.7 percent.

Incentive spending by automakers averaged an estimated \$3,116 per vehicle in June, up 8.6 percent from a year ago, but down 0.9 percent from May 2016.

"There may be exceptions, but it's reassuring that automakers as a group are keeping incentive spending within a reasonable range," said Oliver Strauss, vice president of forecasting for TrueCar's ALG unit. "The U.S. economic expansion has cooled, but we're optimistic that it can reaccelerate in the second half of the year - particularly with regard to the labor market."

The Federal Open Market Committee once again left [interest rates](#) unchanged this month, citing a softer jobs picture despite generally healthy U.S. economic conditions. May's [unemployment](#) rate narrowed to 4.7 percent, the lowest for the month in nine years, though job growth fell far short of expectations. Gasoline prices remain favorable for consumers, averaging \$2.325 per gallon nationwide as of June 21, according to [AAA's Daily Fuel Gauge Report](#), down from \$2.792 a year ago.

Other key findings for June:

- 1 Registration mix is expected to be 83 percent retail sales and 17 percent fleet versus 82.3 percent retail and 17.7 percent fleet last June.
- 1 Total used auto sales, including franchise and independent dealerships and private-party transactions, may reach 3,244,080 units, up 5.5 percent from June 2015.
- 1 Similarly, combined volume for new and used auto sales may reach 4,800,924 units, a 5.5 percent increase from June 2015.

Table 1: Forecasts for the 12 largest manufacturers by volume

Jun 2016	% Change vs. Jun 2015	% Change vs. (Daily Selling
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Manufacturer	Forecast	Jun 2015	May 2016	Jun 2015	Rate)
BMW	36,500	38,427	33,685	-5.0%	-8.7%
Daimler	32,800	31,260	32,567	4.9%	0.9%
FCA	204,065	186,009	205,397	9.7%	5.5%
Ford	234,464	224,681	234,748	4.4%	0.3%
GM	261,156	259,353	240,450	0.7%	-3.2%
Honda	146,250	134,397	147,108	8.8%	4.6%
Hyundai	71,666	67,502	71,006	6.2%	2.1%
Kia	60,120	54,137	62,926	11.1%	6.8%
Nissan	132,489	124,228	133,496	6.6%	2.5%
Subaru	51,100	44,335	50,083	15.3%	10.8%
Toyota	221,105	209,912	219,339	5.3%	1.3%
Volkswagen Group	51,070	53,226	52,291	-4.1%	-7.7%
Industry	1,556,844	1,476,675	1,536,276	5.4%	1.4%

Table 2: Total Market Share

Manufacturer	Jun 2016 Forecast	Jun 2015	May 2016
BMW	2.3%	2.6%	2.2%
Daimler	2.1%	2.1%	2.1%
FCA	13.1%	12.6%	13.4%
Ford	15.1%	15.2%	15.3%
GM	16.8%	17.6%	15.7%
Honda	9.4%	9.1%	9.6%
Hyundai	4.6%	4.6%	4.6%
Kia	3.9%	3.7%	4.1%
Nissan	8.5%	8.4%	8.7%
Subaru	3.3%	3.0%	3.3%
Toyota	14.2%	14.2%	14.3%
Volkswagen Group	3.3%	3.6%	3.4%

Table 3: Retail Unit Sales

Manufacturer	Jun 2016 Forecast	Jun 2015	May 2016	% Change vs. Jun 2015	
				(Daily Selling Rate)	Rate)
BMW	35,605	37,716	32,774	-5.6%	-9.2%
Daimler	30,625	29,129	30,616	5.1%	1.1%
FCA	159,065	147,125	162,022	8.1%	4.0%
Ford	154,464	144,907	169,459	6.6%	2.5%
GM	213,156	206,814	182,321	3.1%	-0.9%
Honda	144,334	133,203	144,939	8.4%	4.2%
Hyundai	53,884	49,571	58,063	8.7%	4.5%
Kia	50,903	45,534	52,819	11.8%	7.5%
Nissan	105,795	105,303	106,600	0.5%	-3.4%
Subaru	47,944	41,179	46,906	16.4%	12.0%
Toyota	201,105	182,458	194,052	10.2%	6.0%
Volkswagen Group	50,010	50,010	49,415	0.0%	-3.8%
Industry	1,292,670	1,215,483	1,277,011	6.4%	2.3%

Table 4: Incentive Spending

Manufacturer	Incentive per Unit Jun 2016 Forecast	Incentive per Unit Jun 2015	Incentive per Unit May 2016	Incentive per Unit % Change vs. Jun 2015	Incentive per Unit % Change vs. May 2016	Total Spending Jun 2016 Forecast
BMW	\$5,235	\$4,290	\$5,724	22.0%	-8.6%	\$190,688,496
Daimler	\$4,499	\$4,209	\$4,737	6.9%	-5.0%	\$147,560,240
FCA	\$4,101	\$3,393	\$4,115	20.9%	-0.3%	\$832,488,081
Ford	\$3,516	\$2,595	\$3,596	35.5%	-2.2%	\$824,384,514
GM	\$3,991	\$3,909	\$4,057	2.1%	-1.6%	\$1,050,340,539
Honda	\$1,845	\$1,915	\$1,756	-3.7%	5.1%	\$269,889,322
Hyundai	\$2,133	\$2,485	\$2,104	-14.2%	1.4%	\$152,831,133
Kia	\$2,725	\$2,686	\$2,734	1.5%	-0.3%	\$163,832,771
Nissan	\$3,208	\$3,398	\$3,242	-5.6%	-1.0%	\$425,020,652
Subaru	\$616	\$767	\$610	-19.6%	1.1%	\$31,501,367
Toyota	\$2,108	\$2,006	\$2,176	5.1%	-3.1%	\$466,194,758
Volkswagen Group	\$3,585	\$3,099	\$3,605	15.7%	-0.6%	\$182,205,842
Industry	\$3,116	\$2,871	\$3,146	8.6%	-0.9%	\$4,845,132,730

Note: This forecast is based solely on TrueCar's analysis of industry sales trends and conditions and is not a projection or reflection 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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