

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County New Vehicle Market Declines Slightly in First Half of 2017

Below is a list of 10 key trends and developments in the Los Angeles County new vehicle market:

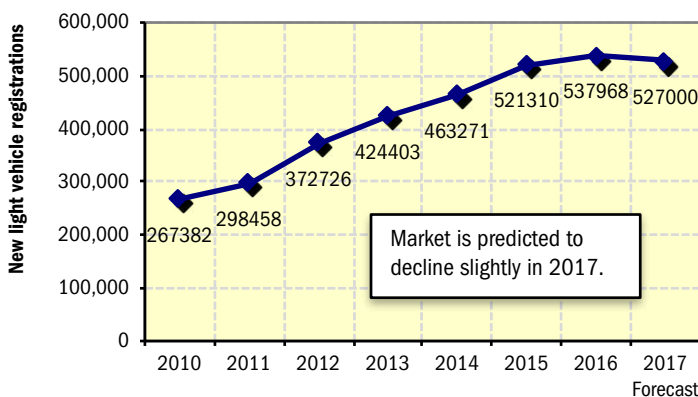
- 1. County new retail registrations declined by 3.3% in the first half of this year versus a year earlier, compared to the 1.3% drop in the Nation.
- 2. Despite the small decline, the market is still well above the low point in 2009. Registrations in the first half of this year were 261,349 units, up by nearly 150,000 compared to the first six months of 2009!
- 3. Auto Outlook's annual forecast for 2017 new retail light vehicle registrations: 527,000 units, down slightly from 2016.
- 4. Light truck market share increased from 38.5% during the first six months of 2016 to 43.5% this year.
- 5. Registrations for Detroit Three brands were off a slim 0.7% so far this year. Korean brands were down 9.8%
- 6. Alternative powertrain (hybrid and electric) market share was 6.3% thru June of this year, up from last year.
- 7. Three biggest segments in the county are Small Car, Mid Size/ Large Car, and Compact SUV.
- 8. Brands with the largest percentage increases in registrations during the first six months of this year (among top 30 brands): Jaguar, Chrysler, Subaru, FIAT, and Chevrolet.
- 9. County market share leaders in the first half of 2017 were Toyota, Honda, Chevrolet, Nissan, and Ford.
- 10. Top ten selling vehicles in county market: Honda Civic, Honda Accord, Toyota Camry, Toyota RAV4, Toyota Prius, Honda CR-V, Nissan Sentra, Nissan Rogue, and Kia Optima.

General Market Outlook for next two years: New vehicle sales likely to move lower; but should remain at healthy levels



After fully recovering from the low point in sales that occurred in 2009, the county new vehicle market is likely to soften during the next few years. But the healthy job market, strong consumer affordability, and significant advances in new vehicle technology and safety features should keep sales strong.

Annual Trend in LA County New Vehicle Market



The graph above shows annual new retail light vehicle registrations in the county from 2010 thru 2016 and Auto Outlook's projection for 2017.

Market Summary

	YTD '16 thru June	YTD '17 thru June	% Chg. '16 to '17	Mkt. Share YTD '17
TOTAL	270,382	261,349	-3.3%	
Car	166,398	147,676	-11.3%	56.5%
Light Truck	103,984	113,673	9.3%	43.5%
Domestic	53,410	53,028	-0.7%	20.3%
European	55,200	52,443	-5.0%	20.1%
Japanese	138,923	135,259	-2.6%	51.8%
Korean	22,849	20,619	-9.8%	7.9%

Domestic brands consist of vehicles sold by GM, Ford, Chrysler, and Tesla. Data source: AutoCount data from Experian.

MARKET TRACKER: QUARTERLY RESULTS

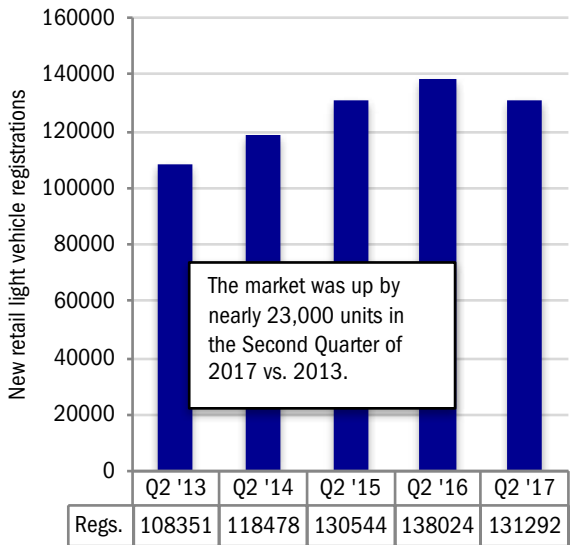
ANALYSIS: NEW VEHICLE SALES IN LA CITY

2Q Registrations Exceed 130K

LA City Sales Exceed 78,000 in '17

QUARTERLY PERSPECTIVE

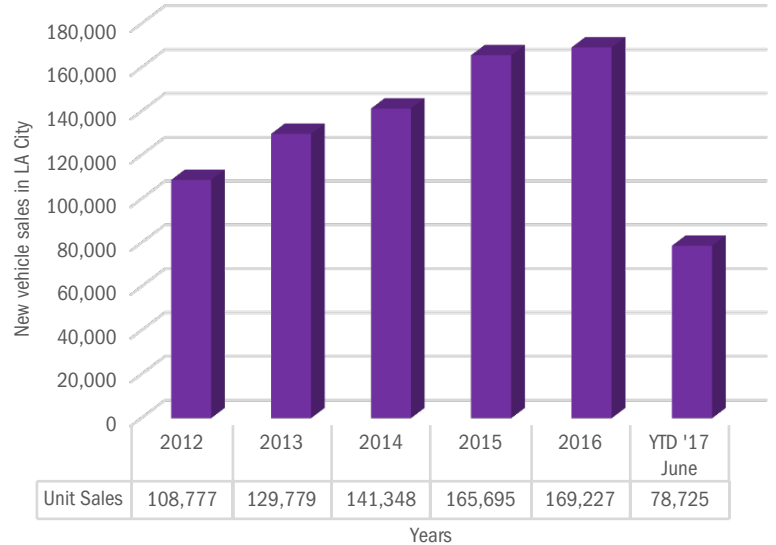
Five Years of Second Quarter Results in County Market



Second Quarter registrations during past five years

Source: AutoCount data from Experian.

New Vehicle Unit Sales in Los Angeles City



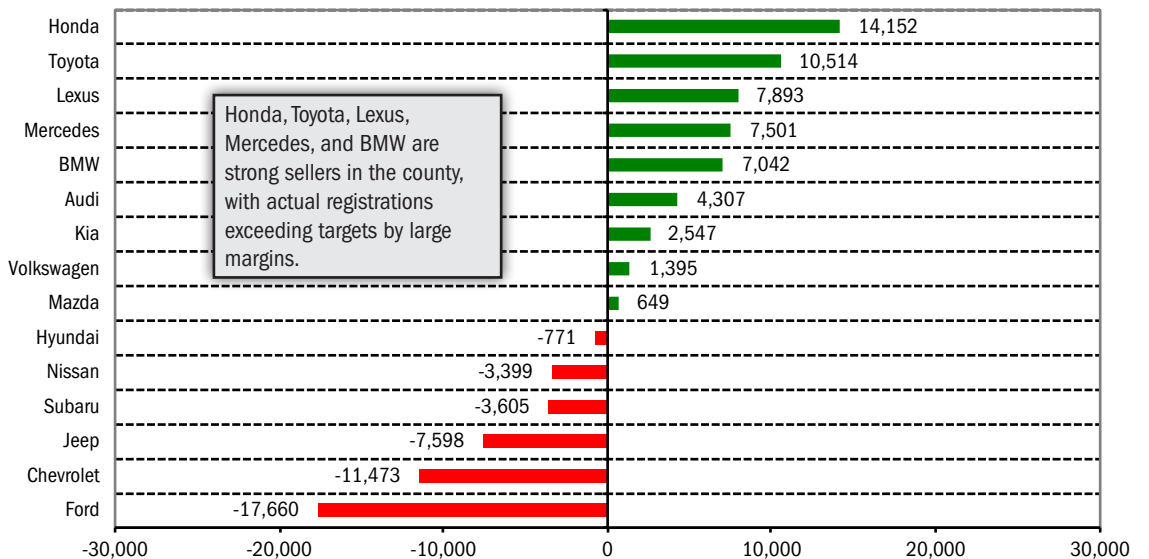
The graph above shows the level of new vehicle sales in the city of Los Angeles from 2012 through 2016 and the first half of '17. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: AutoCount data from Experian.

BRAND SALES PERFORMANCE

Honda and Toyota Relatively Strong Performers in County

The graph provides an indicator of brands that are popular in Los Angeles County. For the top 15 selling brands in the county, each brand's share of the U.S. market is multiplied by registrations in the county during the first half of 2017. This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph are relatively strong sellers in the county, with actual registrations exceeding calculated targets by large margins.

Los Angeles County Retail Market Performance based on registrations for YTD 2017 Actual registrations minus target (county industry registrations times U.S. market share)



BRAND SCOREBOARD

Light Truck Registrations Increase for Each of Top 20 Brands

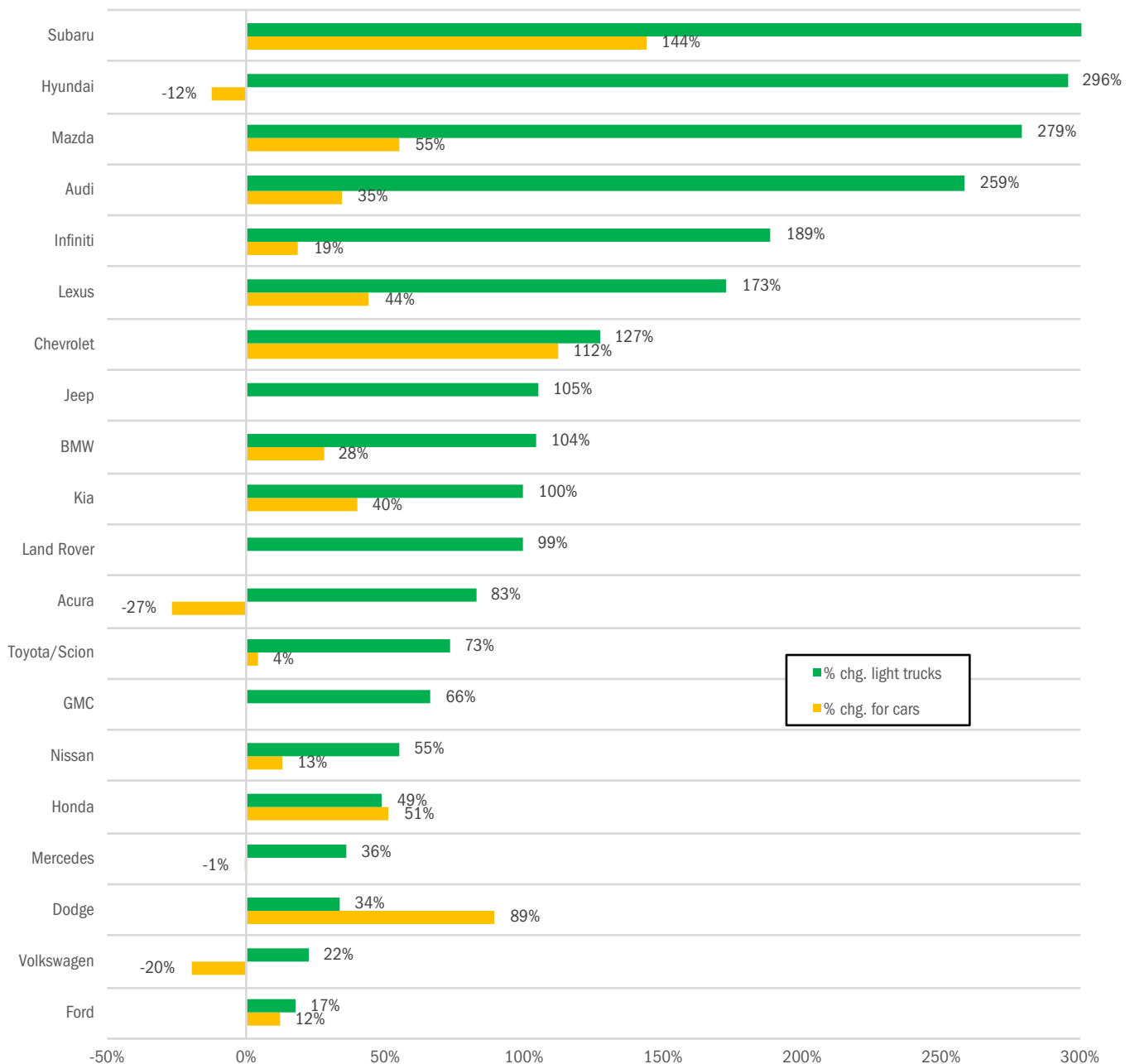
Hyundai light trucks were up 296% during past five years, while cars were off 12%

The graph below shows the percent change in new retail car and light truck registrations during the first six months of 2017 versus the same period in 2012 for the top 20 selling

brands in the county. Brands are positioned from top to bottom based on the change in truck registrations. Not surprisingly, trucks led the way, with increases of more than 100% for

several brands. Of the 17 brands that sell both types of vehicles, trucks out-performed cars for all brands, except for Honda and Dodge.

Five Year Percent Change in New Retail Car and Light Truck Registrations for Top 20 Selling Brands YTD 2017 thru June versus YTD 2012



Source: AutoCount data from Experian.

Los Angeles County New Retail Car and Light Truck Registrations												
	June						YTD thru June					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2016	2017	% change	2016	2017	Change	YTD '16	YTD '17	% change	YTD '16	YTD '17	Change
TOTAL	45,405	42,956	-5.4				270,382	261,349	-3.3			
Cars	26,995	23,825	-11.7	59.5	55.5	-4.0	166,398	147,676	-11.3	61.5	56.5	-5.0
Light Trucks	18,410	19,131	3.9	40.5	44.5	4.0	103,984	113,673	9.3	38.5	43.5	5.0
Domestic Brands	9,214	8,592	-6.8	20.3	20.0	-0.3	53,410	53,028	-0.7	19.8	20.3	0.5
European Brands	8,956	8,082	-9.8	19.7	18.8	-0.9	55,200	52,443	-5.0	20.4	20.1	-0.3
Japanese Brands	23,444	22,820	-2.7	51.6	53.1	1.5	138,923	135,259	-2.6	51.4	51.8	0.4
Korean Brands	3,791	3,462	-8.7	8.3	8.1	-0.3	22,849	20,619	-9.8	8.5	7.9	-0.6
Acura	448	442	-1.3	1.0	1.0	0.0	2,991	2,707	-9.5	1.1	1.0	-0.1
Audi	1,369	1,299	-5.1	3.0	3.0	0.0	7,823	7,896	0.9	2.9	3.0	0.1
BMW	1,928	1,645	-14.7	4.2	3.8	-0.4	13,300	12,035	-9.5	4.9	4.6	-0.3
Buick	165	146	-11.5	0.4	0.3	0.0	1,065	977	-8.3	0.4	0.4	0.0
Cadillac	274	217	-20.8	0.6	0.5	-0.1	1,573	1,309	-16.8	0.6	0.5	-0.1
Chevrolet	2,589	2,574	-0.6	5.7	6.0	0.3	15,372	17,725	15.3	5.7	6.8	1.1
Chrysler	137	190	38.7	0.3	0.4	0.1	777	1,020	31.3	0.3	0.4	0.1
Dodge	692	622	-10.1	1.5	1.4	-0.1	3,617	3,712	2.6	1.3	1.4	0.1
Fiat	240	247	2.9	0.5	0.6	0.0	1,624	1,939	19.4	0.6	0.7	0.1
Ford	2,972	2,491	-16.2	6.5	5.8	-0.7	16,518	13,948	-15.6	6.1	5.3	-0.8
GMC	485	364	-24.9	1.1	0.8	-0.2	2,845	2,635	-7.4	1.1	1.0	0.0
Honda	7,384	6,753	-8.5	16.3	15.7	-0.5	40,167	40,934	1.9	14.9	15.7	0.8
Hyundai	1,542	1,521	-1.4	3.4	3.5	0.1	8,337	8,899	6.7	3.1	3.4	0.3
Infiniti	523	581	11.1	1.2	1.4	0.2	3,756	3,971	5.7	1.4	1.5	0.1
Jaguar	184	216	17.4	0.4	0.5	0.1	670	1,382	106.3	0.2	0.5	0.3
Jeep	1,053	1,124	6.7	2.3	2.6	0.3	6,130	6,282	2.5	2.3	2.4	0.1
Kia	2,249	1,941	-13.7	5.0	4.5	-0.4	14,512	11,720	-19.2	5.4	4.5	-0.9
Land Rover	371	373	0.5	0.8	0.9	0.1	2,642	2,653	0.4	1.0	1.0	0.0
Lexus	2,050	2,132	4.0	4.5	5.0	0.4	13,529	12,860	-4.9	5.0	4.9	-0.1
Lincoln	167	189	13.2	0.4	0.4	0.1	1,135	1,073	-5.5	0.4	0.4	0.0
Maserati	121	99	-18.2	0.3	0.2	0.0	674	760	12.8	0.2	0.3	0.0
Mazda	919	954	3.8	2.0	2.2	0.2	5,451	5,617	3.0	2.0	2.1	0.1
Mercedes	2,374	2,035	-14.3	5.2	4.7	-0.5	14,642	13,298	-9.2	5.4	5.1	-0.3
MINI	354	304	-14.1	0.8	0.7	-0.1	2,021	1,611	-20.3	0.7	0.6	-0.1
Mitsubishi	111	156	40.5	0.2	0.4	0.1	938	886	-5.5	0.3	0.3	0.0
Nissan	2,974	2,524	-15.1	6.5	5.9	-0.7	19,022	15,853	-16.7	7.0	6.1	-1.0
Porsche	381	397	4.2	0.8	0.9	0.1	2,171	2,223	2.4	0.8	0.9	0.0
Ram	408	387	-5.1	0.9	0.9	0.0	2,250	2,340	4.0	0.8	0.9	0.1
smart	25	19	-24.0	0.1	0.0	0.0	139	157	12.9	0.1	0.1	0.0
Subaru	1,001	1,239	23.8	2.2	2.9	0.7	6,198	7,483	20.7	2.3	2.9	0.6
Tesla	270	288	6.7	0.6	0.7	0.1	2,120	2,007	-5.3	0.8	0.8	0.0
Toyota/Scion	8,034	8,039	0.1	17.7	18.7	1.0	46,871	44,948	-4.1	17.3	17.2	-0.1
Volkswagen	1,339	1,151	-14.0	2.9	2.7	-0.3	7,795	6,698	-14.1	2.9	2.6	-0.3
Volvo	207	172	-16.9	0.5	0.4	-0.1	1,252	1,160	-7.3	0.5	0.4	0.0
Other	65	125	92.3	0.1	0.3	0.1	455	631	38.7	0.2	0.2	0.1

Source: AutoCount data from Experian.

Top ten brands are shaded green.

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