

ORANGE COUNTY AUTO OUTLOOK™

1st Quarter, 2021

Orange County New Retail Automotive Market Data - Retail Sales *Does Not Include Fleet Sales

FORECAST

Market Gets off to Good Start in 2021; 8.2% increase Predicted for Entire Year

Below is a summary of five key trends in the Orange County new vehicle market.

County new retail light vehicle registrations fell by less than 1% in First Quarter of 2021

The market declined slightly during the first three months of this year versus a year earlier, and there would have been an increase were it not for the typical lag in measuring registrations. The recording of registrations can occur 15 days, or more, after the date of sale. So the March 2020 total likely reflects vehicles that were sold from around the middle of February to the middle of March, when COVID was barely a factor. The full impact of the pandemic will be evident in the Second Quarter, when the market could improve by more than 50%.

Orange county new vehicle market predicted to increase by 8.2% for all of 2021

Here is the scenario that was hoped for in 2021: the vaccine rollout would expand as the year progressed, COVID would abate, full re-opening would occur, economic recovery would gain steam, and new car sales would head higher. But this scenario is far from guar-

anteed and the microchip shortage, and other supply-related bottlenecks have added some uncertainty. If the outlook for 2021 was only a function of demand, vehicle sales would likely be off to the races in the second half of the year, but lean inventories will act as a speed bump that will slow the pace of the recovery.

Light truck market share moves above 66%

Combined SUV, pickup, and van sales continued to improve. Higher gas prices might give a temporary boost to passenger car sales, but demand for trucks and SUVs should continue to fuel increases in light truck share.

Alternative powertrain market improves

Hybrid and electric vehicle registrations were up 40% during the first three months of '21 versus the small decline in the overall market.

Toyota, Honda, Tesla, Mercedes, and Ford are leaders in county market

Toyota was the best selling brand in the First Quarter, with a 17.9% share. Honda's county share was 11.0%, well above its 9.0% share in the U.S.

Key Factors Driving the County New Vehicle Market



Low interest rates: Interest rates should remain at historically low levels for the foreseeable future, supporting consumer affordability.

Pent up demand: Delayed purchases accrued due to the pandemic will give sales a boost for at least the next two years.

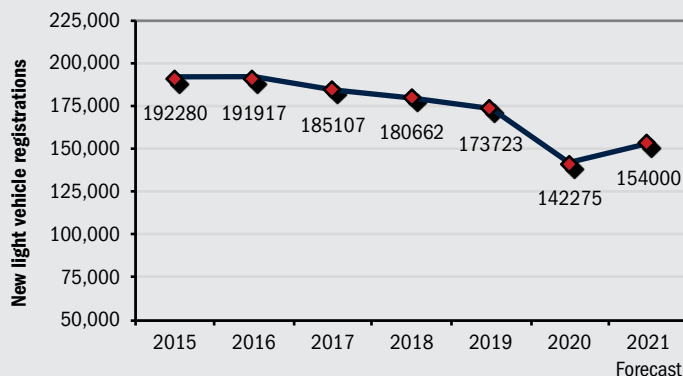
Employment: Hiring has accelerated and it's possible that jobs lost during the pandemic could be recovered by the middle of 2022.

Economic stimulus: The Federal government has continued to support the economy, which will boost growth well into next year.

Tight inventories: Supply-induced production cutbacks will hold back the rate of growth in new vehicles sales during 2021.

Rising gas prices: Higher fuel prices reduce disposable income, but will spur interest in the bevy of electric vehicles hitting the market.

Annual Trend in County Market



Historical Data Source: AutoCount data from Experian.

The graph above shows annual new retail light vehicle registrations from 2015 thru 2020 and Auto Outlook's projection for 2021.

Market Summary

	YTD '20 thru Mar.	YTD '21 thru Mar.	% Chg. '20 to '21	Mkt. Share YTD '21
TOTAL	40,820	40,524	-0.7%	
Car	16,483	13,486	-18.2%	33.3%
Light Truck	24,337	27,038	11.1%	66.7%
Domestic	9,629	11,239	16.7%	27.7%
European	7,730	8,281	7.1%	20.4%
Japanese	19,768	17,805	-9.9%	43.9%
Korean	3,693	3,199	-13.4%	7.9%

Data Source: AutoCount data from Experian.

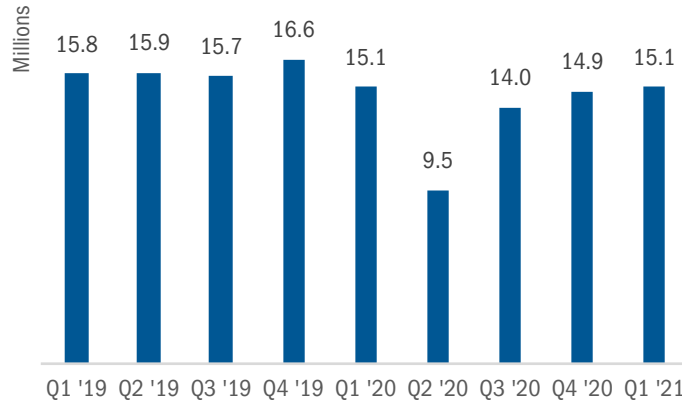
Domestics consist of vehicles sold by GM, Ford, FCA (excluding Alfa and FIAT), and Tesla.

Orange County New Vehicle Market Dashboard



MARKET PERFORMANCE DURING PAST TWO YEARS

Orange County Quarterly Registrations
Seasonally Adjusted Annual Rate, Converted to Equivalent U.S. New Vehicle Market SAAR (millions of units)



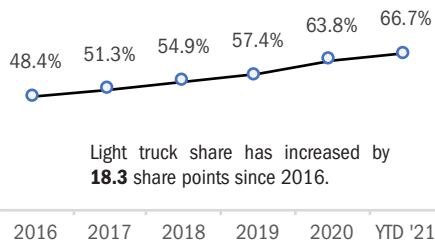
The graph on the left provides an easily recognizable way to gauge the strength of the county market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when the quarterly SAAR is above 17 million units, the county market is strong, 15 million is about average, and below 13 million is weak. Quarterly registrations in the county recovered to a U.S. equivalent level of 15.1 million units in the First Quarter of 2021, up slightly from the Fourth Quarter of last year.

Data Source: AutoCount data from Experian.

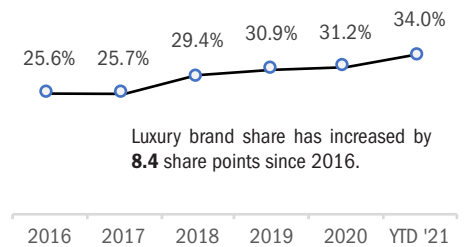


KEY TRENDS DURING PAST 5 YEARS

Light Truck Market Share 2016 thru 2020 and YTD '21 (March)



Luxury Brand Market Share 2016 thru 2020 and YTD '21 (March)



Data Source: AutoCount data from Experian.

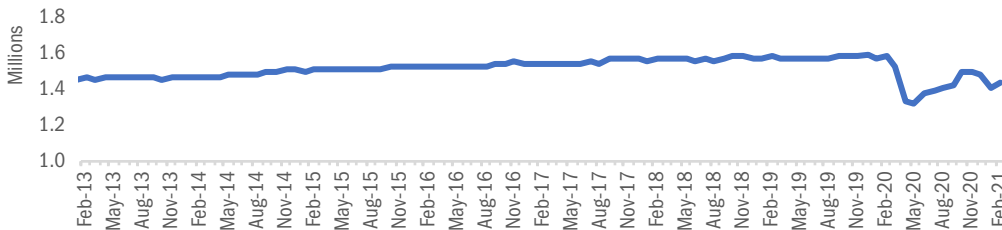
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Orange County New Vehicle Market Dashboard



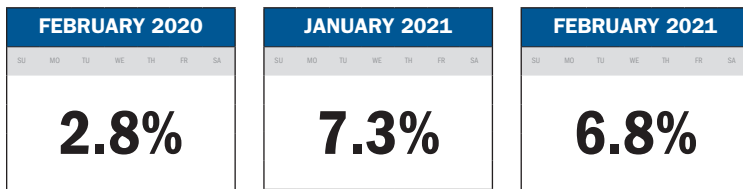
TRACKING ECONOMIC INDICATORS

Total Employment in Orange County



Total employment in Orange County was 1.44 million in February of this year, down 9% from a year earlier. Employment has drifted higher following the low-point in April of last year. The county unemployment rate was 6.8% in February of 2021, up from 2.8% a year earlier. Consumer sentiment has improved during the past several months.

Monthly Unemployment Rates in Orange County



Average Hourly Earnings for All Workers in County - Feb. 2021



University of Michigan Consumer Sentiment (U.S.)



10 year high - 101.4 (Mar. 2018)
12 month high - 101.0 (Feb. 2020)

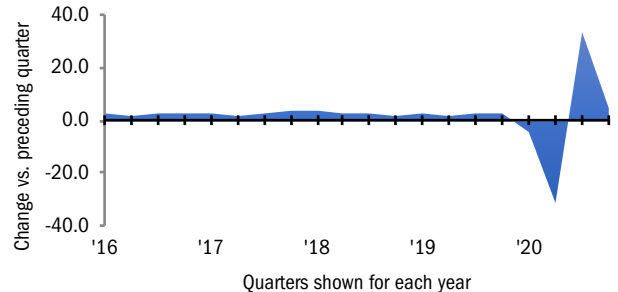
Most recent - 84.9 (Mar. 2021)

10 year low - 55.7 (Aug. 2011)

Key Values During Past 10 Years

Percent Change in U.S. Gross Domestic Product

Change vs. previous quarter

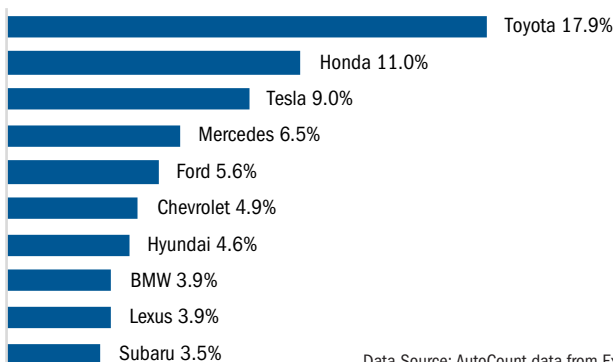


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. analysis.



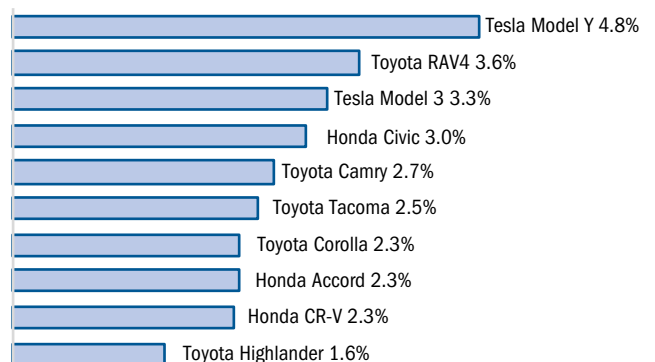
TOP TEN RANKINGS IN COUNTY MARKET

Market Share for Top Ten Selling Brands in County Market YTD 2021 thru March



Data Source: AutoCount data from Experian.

Market Share for Top Ten Selling Models in County Market YTD 2021 thru March



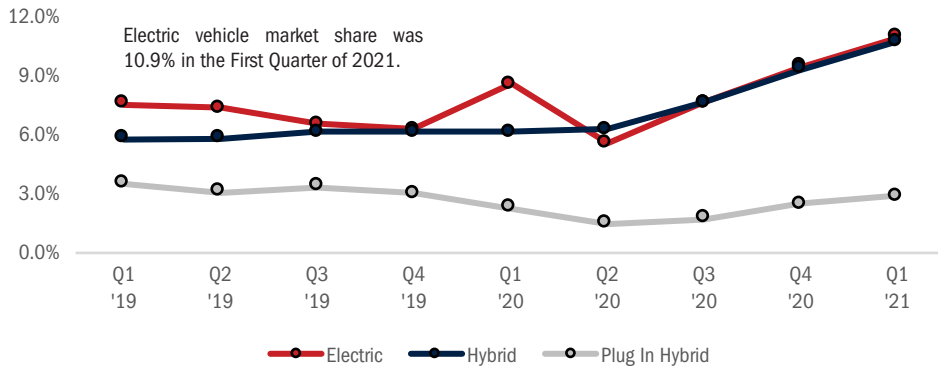


Orange County New Vehicle Market Dashboard



TRACKING ELECTRIC AND HYBRID VEHICLE SALES

Estimated Quarterly Alternative Powertrain Market Share (includes hybrid and electric vehicles)



YTD Share by Engine Type (2020 and 2021, thru March)

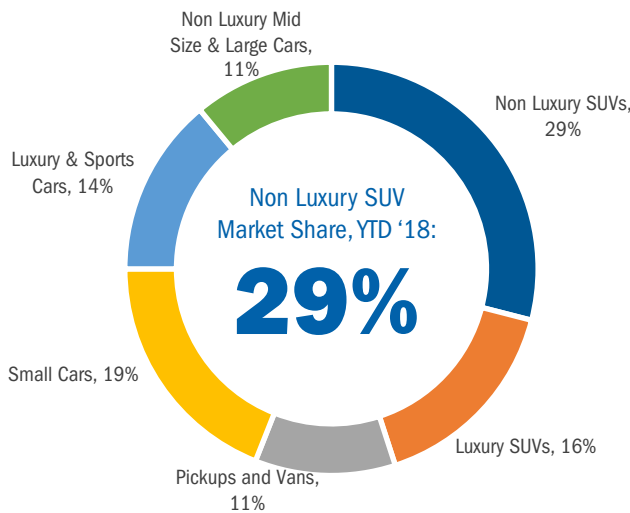
Engine Type	YTD '20	YTD '21	Change
Electric	8.6%	10.9%	↑
Hybrid	6.2%	10.8%	↑
Plug In Hybrid	2.3%	2.9%	↑

The graph above shows estimated hybrid powertrain and electric vehicle market share. Registrations by powertrain for vehicles equipped with multiple engine types were estimated by Auto Outlook. The estimates are based on model registrations compiled by Experian, and engine installation rates collected from other sources.



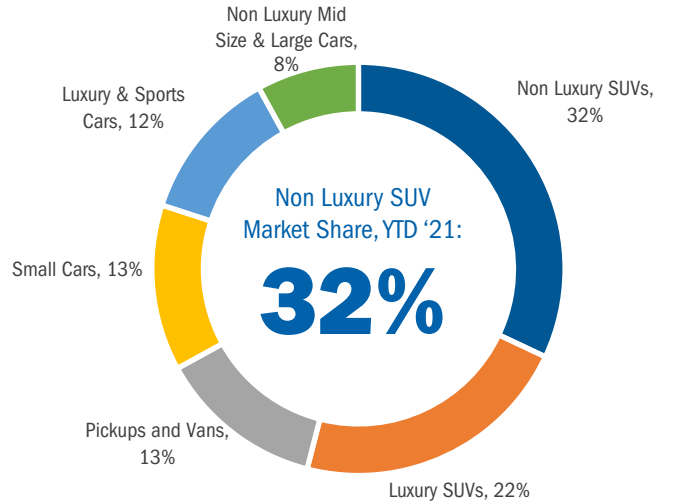
THREE YEAR CHANGE IN SEGMENT MARKET SHARES

Segment Market Shares in County YTD 2018 thru March



Data Source: AutoCount data from Experian.

Segment Market Shares in County YTD 2021 thru March



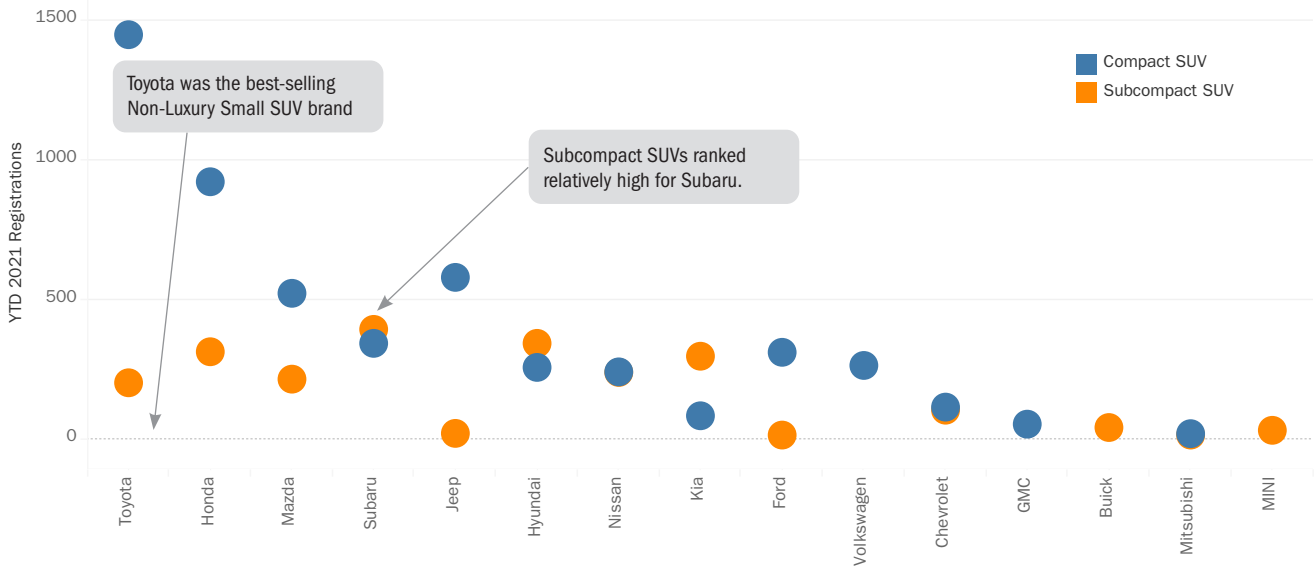
Data Source: AutoCount data from Experian.

SMALL SUV CLOSE UP

Toyota is Top Selling Non-Luxury Small SUV Brand

The graph below shows new retail light vehicle registrations for Small Non-Luxury SUV brands. Brands are positioned from left to right based on the combined total for Subcompact and Compact models. Each circle corresponds to brand registrations for Subcompact SUVs (orange circle) and Compact SUVs (blue circle).

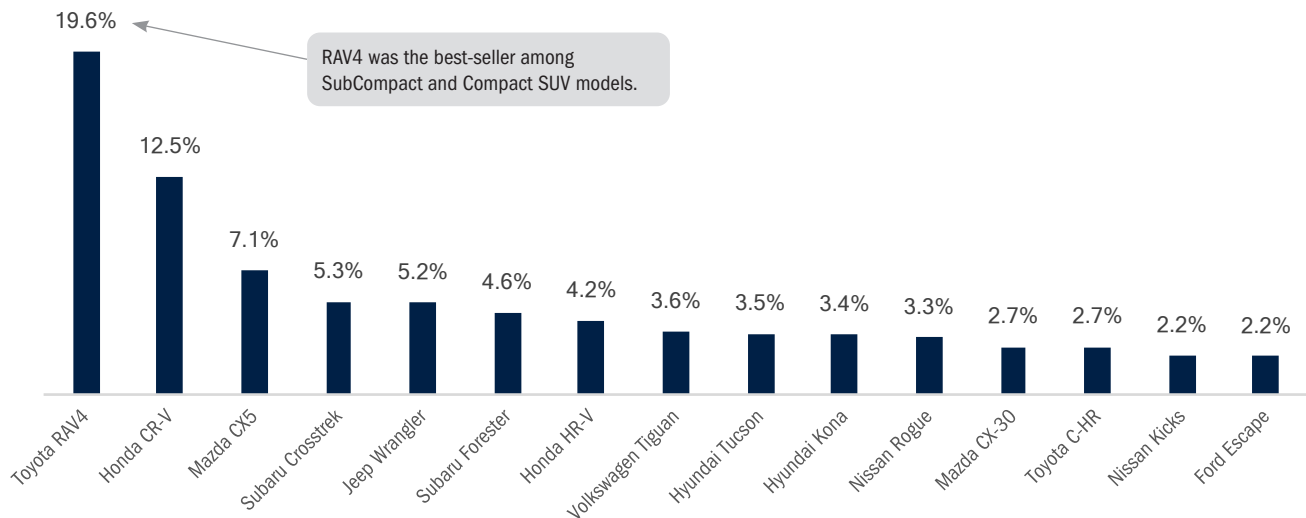
New Retail Light Vehicle Registrations in Non-Luxury Small SUV Segments - YTD 2021 thru March



Data Source: AutoCount data from Experian.



Top 15 Selling Small SUVs in Orange County YTD 2021 thru March (Includes Subcompact and Compact Models)



Data Source: AutoCount data from Experian.

BRAND SCOREBOARD

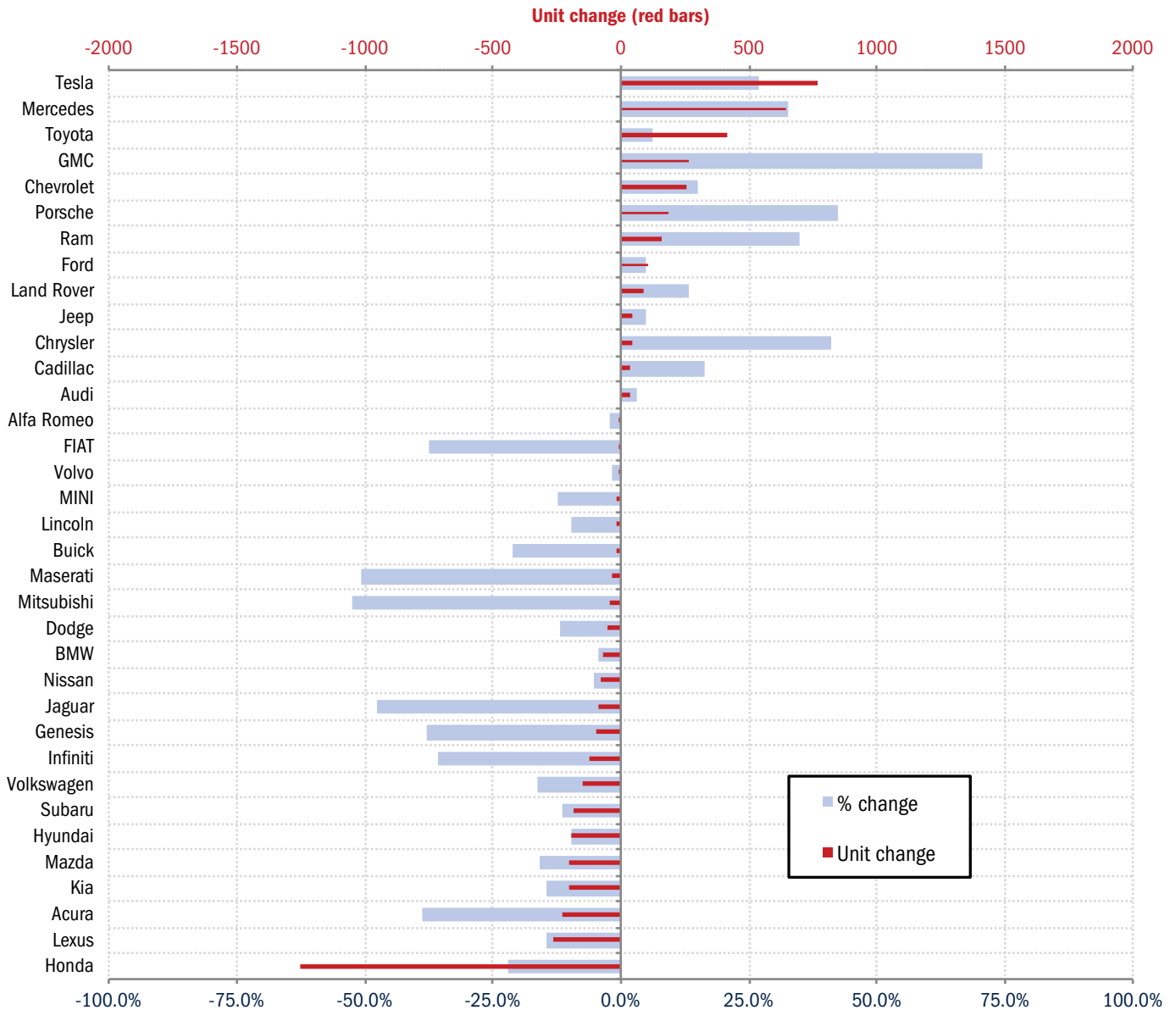
Registrations Increased for 13 Brands in First Quarter of '21

The graph below presents a comprehensive picture of brands that are gaining (or losing) ground in the county market. It shows both the unit and percent change in registrations during the first three months of this year versus a year earlier. Viewing both measures on the same graph provides a more clear-cut signal on how each brand is doing.

Registrations increased for:

Tesla	Ford
Mercedes	Land Rover
Toyota	Jeep
GMC	Chrysler
Chevrolet	Cadillac
Porsche	Audi
Ram	

Change in New Retail Light Vehicle Registrations (YTD 2021 thru March vs. YTD 2020)



Source: AutoCount data from Experian.

BRAND MARKET SHARES

Brand Market Share Leaders in Primary Segments



Leading Car Brands

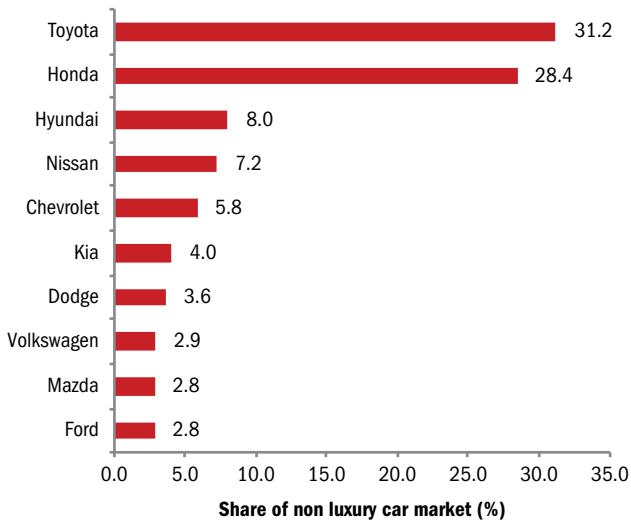
Non Luxury: Toyota, Honda, and Hyundai
 Luxury: Tesla, Mercedes, and BMW



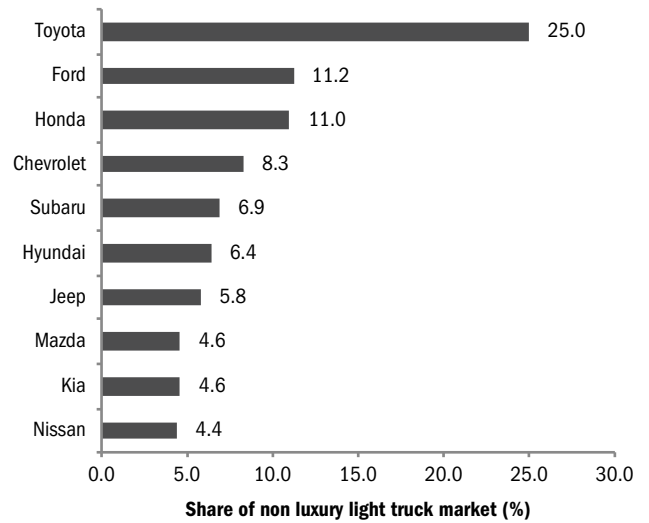
Leading Light Truck Brands

Non Luxury: Toyota, Ford, and Honda
 Luxury: Tesla, Mercedes, and Lexus

**Top 10 Non Luxury Car Brands in County Market
 YTD 2021 thru March**

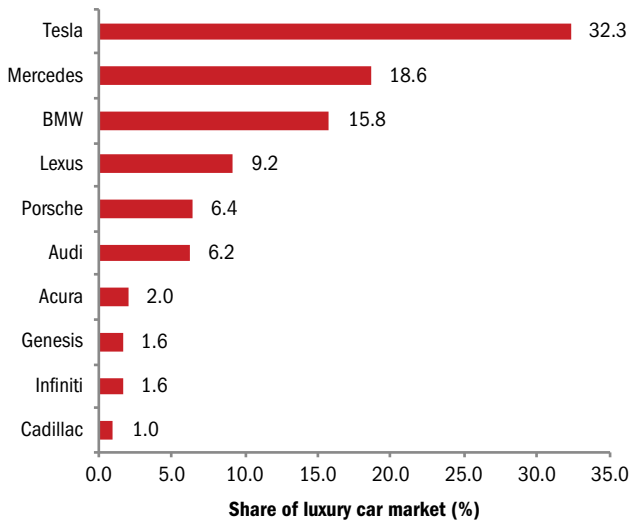


**Top 10 Non Luxury Truck Brands in County Market
 YTD 2021 thru March**

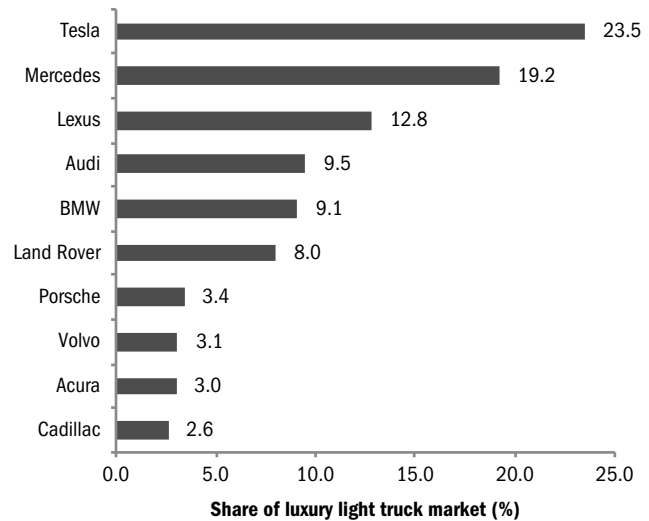


Data Source: AutoCount data from Experian.

**Top 10 Luxury Car Brands in County Market
 YTD 2021 thru March**



**Top 10 Luxury Light Truck Brands in County Market
 YTD 2021 thru March**



Data Source: AutoCount data from Experian.

Orange County New Retail Car and Light Truck Registrations									
	March			YTD thru March			YTD Market Share (%)		
	2020	2021	% chg.	YTD '20	YTD '21	% chg.	YTD '20	YTD '21	Chg.
MARKET SUMMARY									
TOTAL	13,883	15,412	11.0%	40,820	40,524	-0.7%			
Cars	5,607	5,030	-10.3%	16,483	13,486	-18.2%	40.4	33.3	-7.1
Light Trucks	8,276	10,382	25.4%	24,337	27,038	11.1%	59.6	66.7	7.1
Domestic	3,179	4,099	28.9%	9,629	11,239	16.7%	23.6	27.7	4.1
European	2,467	2,992	21.3%	7,730	8,281	7.1%	18.9	20.4	1.5
Japanese	6,887	7,056	2.5%	19,768	17,805	-9.9%	48.4	43.9	-4.5
Korean	1,350	1,265	-6.3%	3,693	3,199	-13.4%	9.0	7.9	-1.2
BRAND REGISTRATIONS									
Acura	173	108	-37.6%	598	366	-38.8%	1.5	0.9	-0.6
Alfa Romeo	30	28	-6.7%	102	100	-2.0%	0.2	0.2	0.0
Audi	339	471	38.9%	1,115	1,148	3.0%	2.7	2.8	0.1
BMW	554	580	4.7%	1,662	1,591	-4.3%	4.1	3.9	-0.2
Buick	30	19	-36.7%	80	63	-21.3%	0.2	0.2	0.0
Cadillac	68	111	63.2%	238	277	16.4%	0.6	0.7	0.1
Chevrolet	598	795	32.9%	1,738	1,996	14.8%	4.3	4.9	0.6
C/D/J/R	713	885	24.1%	1,964	2,163	10.1%	4.8	5.3	0.5
Chrysler	32	59	84.4%	100	141	41.0%	0.2	0.3	0.1
Dodge	142	175	23.2%	418	369	-11.7%	1.0	0.9	-0.1
Jeep	373	423	13.4%	992	1,040	4.8%	2.4	2.6	0.2
Ram	166	228	37.3%	454	613	35.0%	1.1	1.5	0.4
FIAT	4	4	0.0%	8	5	-37.5%	0.0	0.0	0.0
Ford	759	951	25.3%	2,175	2,285	5.1%	5.3	5.6	0.3
Genesis	69	68	-1.4%	249	155	-37.8%	0.6	0.4	-0.2
GMC	108	209	93.5%	376	641	70.5%	0.9	1.6	0.7
Honda	1,920	1,804	-6.0%	5,706	4,452	-22.0%	14.0	11.0	-3.0
Hyundai	746	721	-3.4%	2,040	1,845	-9.6%	5.0	4.6	-0.4
Infiniti	114	92	-19.3%	349	224	-35.8%	0.9	0.6	-0.3
Jaguar	80	45	-43.8%	176	92	-47.7%	0.4	0.2	-0.2
Kia	535	476	-11.0%	1,404	1,199	-14.6%	3.4	3.0	-0.4
Land Rover	232	249	7.3%	643	728	13.2%	1.6	1.8	0.2
Lexus	599	588	-1.8%	1,840	1,574	-14.5%	4.5	3.9	-0.6
Lincoln	47	58	23.4%	177	160	-9.6%	0.4	0.4	0.0
Maserati	25	11	-56.0%	69	34	-50.7%	0.2	0.1	-0.1
Mazda	415	448	8.0%	1,276	1,075	-15.8%	3.1	2.7	-0.4
Mercedes	531	953	79.5%	1,975	2,617	32.5%	4.8	6.5	1.7
MINI	45	33	-26.7%	123	108	-12.2%	0.3	0.3	0.0
Mitsubishi	25	16	-36.0%	88	42	-52.3%	0.2	0.1	-0.1
Nissan	566	547	-3.4%	1,477	1,401	-5.1%	3.6	3.5	-0.1
Porsche	136	206	51.5%	432	615	42.4%	1.1	1.5	0.4
Subaru	557	577	3.6%	1,601	1,419	-11.4%	3.9	3.5	-0.4
Tesla	856	1,071	25.1%	2,881	3,654	26.8%	7.1	9.0	1.9
Toyota	2,518	2,876	14.2%	6,833	7,252	6.1%	16.7	17.9	1.2
Volkswagen	303	245	-19.1%	930	777	-16.5%	2.3	1.9	-0.4
Volvo	127	109	-14.2%	315	310	-1.6%	0.8	0.8	0.0
Other	61	58	-4.9%	180	156	-13.3%	0.4	0.4	0.0

Other includes Aston Martin, Bentley, Ferrari, Freightliner, GEM, Isuzu, Lamborghini, Lotus, McLaren, and Rolls Royce.

Orange County Auto Outlook

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Explanation of Data

Data presented in Auto Outlook measures new vehicle registrations in Orange County. Monthly recording of registrations occurs when vehicle title information is processed.

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