

ORANGE COUNTY AUTO OUTLOOK™

1st Quarter, 2023

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

NEW VEHICLE MARKET FORECAST

County Market Predicted to Increase 6.8% for Remainder of 2023

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

Results during 1Q 2023

County new light vehicle registrations increased 2% during the first three months of 2023 vs. weak year-earlier levels. National retail market fell 1.0%. As shown on page 2, equivalent U.S. SAAR levels stayed below 14.5 million units, an indicator that county new vehicle sales remained subdued.

2023 Forecast

According to the baseline forecast, registrations are expected to exceed 160,000 units this year, a 5.2% improvement from 2022. See sidebar to right for alternative upside and downside projections. Registrations are predicted to increase 6.8% from April thru December of this year versus the same period in 2022.

Key determinants for the market

During the past three years, the new vehicle market has been impacted by a series of speed bumps that have put the brakes on sales. The pandemic, supply chain issues, depleted inventories, rising interest rates, weakening consumer affordability, and concern over the banking system have pushed sales below trend levels. Despite this lengthy list, primary factors driving the

market during 2023 are fairly evident. Following three years of below average sales, pent-up demand is at elevated levels as the volume of postponed purchases continues to grow. Weakening consumer affordability will hold back the release of pent-up demand, but improving vehicle inventories should be sufficient to push sales above current levels.

Battery Electric Vehicle sales gains

BEV market share in the county increased to 25.0% in the First Quarter of 2023, up from 19.9% a year earlier. Franchised dealership share of the BEV market improved by 11.3 share points so far this year (see page 4).

Light truck sales

There are signs that the climb in light truck market share could be reaching its peak. Light trucks (consisting of SUVs, pickups, and vans) accounted for 38.5% of the market in 2012, and increased to 69.1% last year. In the First Quarter of 2023, however, light truck share was up just 1.7 points versus year earlier.

Brands that fared best in early 2023

Among the top 25 sellers in the county market, Land Rover, Chevrolet, Rivian, Audi, and Genesis had the largest percentage gains in the First Quarter of this year.

Tesla, Toyota, Honda, Ford, and Mercedes were market leaders.

Top selling models in Orange County

Tesla Model Y, Tesla Model 3, Toyota RAV4, Toyota Camry, Toyota Tacoma, Ford F-Series, Honda Civic, Toyota Corolla, Honda Accord, and Honda CR-V were the top 10 sellers so far this year.

County economic conditions

Total employment in Orange County was 1.55 million, slightly below pre-pandemic levels. Unemployment rate was 3.4% (see page 3).

Outlook for Orange County New Retail Light Vehicle Market



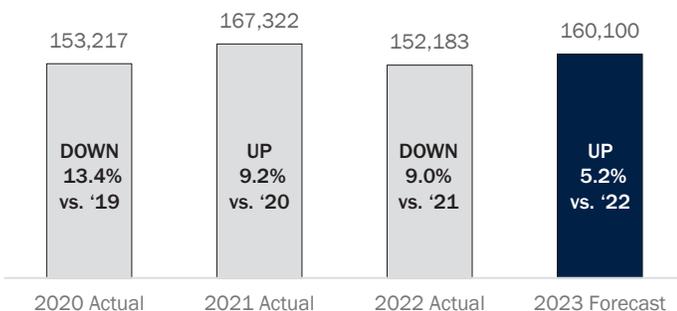
2023 Annual Forecast

Baseline scenario: 160,100
up 5.2% vs. '22

Alternative upside: 168,200
up 10.5% vs. '22

Alternative downside: 152,300
up 0.1% vs. '22

Forecast for County New Retail Light Vehicle Registrations



The graph above shows annual new retail light vehicle registrations from 2020 through 2022 and Auto Outlook's baseline projection for 2023. Historical data sourced from Experian Automotive.

Market Summary

	YTD '22 March	YTD '23 March	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	39,349	40,133	2.0%	
Car	12,246	11,796	-3.7%	29.4%
Light Truck	27,103	28,337	4.6%	70.6%
Domestic	13,274	14,212	7.1%	35.4%
European	7,514	7,815	4.0%	19.5%
Japanese	15,149	14,358	-5.2%	35.8%
Korean	3,412	3,748	9.8%	9.3%

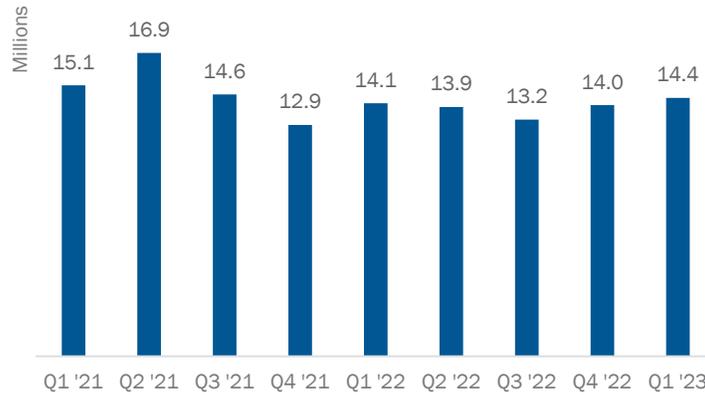
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

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. Equivalent SAAR levels in the county increased from 14.0 million in the Fourth Quarter of last year to 14.4 million in the First Quarter of this year.

Data sourced from Experian Automotive. SAAR estimates: Auto Outlook.



COUNTY MARKET VS. U.S.

% Change In New Retail Market YTD 2023 thru March vs. YTD 2022

Orange County
UP 2.0%

U.S.
DOWN 1.0%

New retail light vehicle registrations in the county increased 2.0% in the First Quarter of this year versus the 1% drop in the Nation.

Data sourced from Experian Automotive.

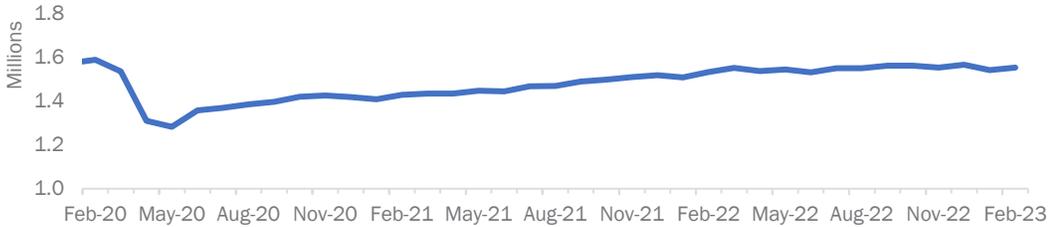
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Orange County New Vehicle Market Dashboard



TRACKING ECONOMIC INDICATORS

Total Employment in Orange County



High inflation and rising interest rates have raised some concerns that the economy might be headed for recession, but at least so far, most indicators have remained relatively strong. County employment is close to pre-pandemic levels and the unemployment rate was below 3.5% early this year. GDP growth has remained positive in each of the past two quarters and county wages are up considerably compared to year-earlier.

Monthly Unemployment Rates in Orange County



Average Hourly Earnings for All Workers in County - Feb. 2023



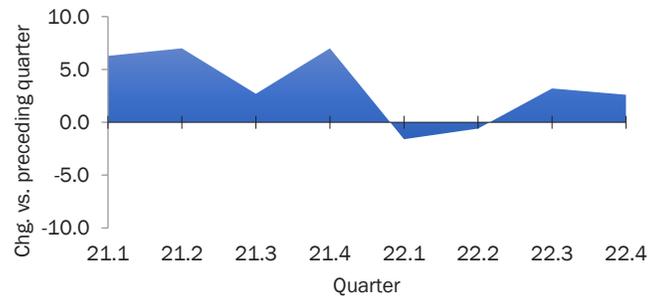
University of Michigan Consumer Sentiment (U.S.)



10 year high - 101.4 (Mar. 2018)
12 month high - 67.0 (Feb. 2023)
Most recent - 62.0 (Mar. 2023)
10 year low - 50.0 (Jun. 2022)

Key Values During Past 10 Years

Percent Change in U.S. Gross Domestic Product

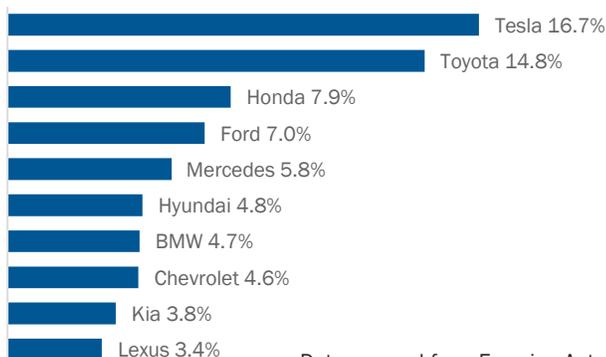


Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.



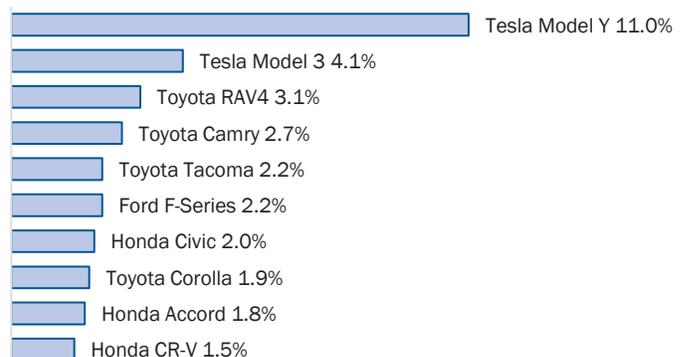
TOP TEN RANKINGS IN ORANGE COUNTY MARKET

Market Share for Top Ten Selling Brands in County Market YTD 2023 thru March



Data sourced from Experian Automotive.

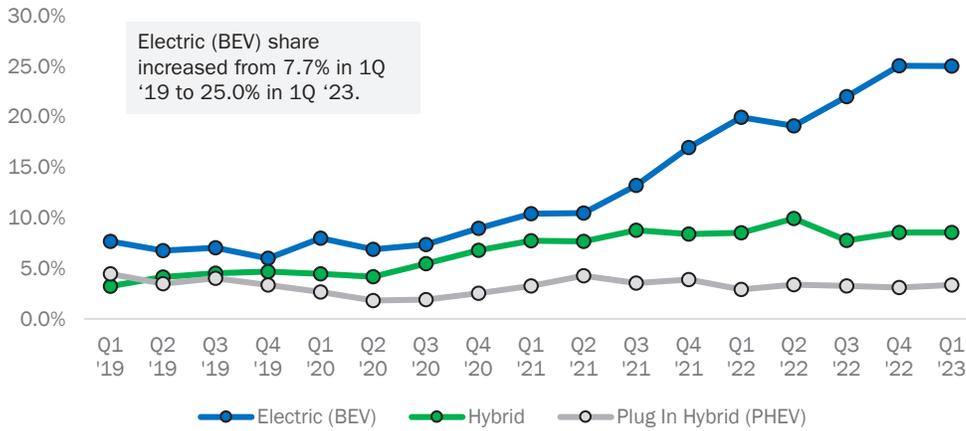
Market Share for Top Ten Selling Models in County Market YTD 2023 thru March





Vehicle Powertrain Dashboard

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



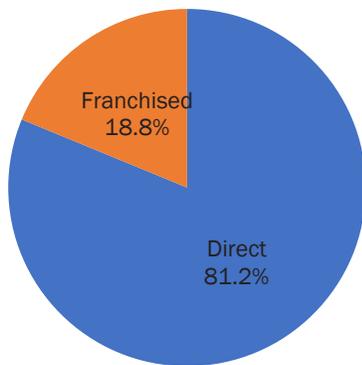
YTD Share by Engine Type (2022 and 2023, thru March)

	YTD '22	YTD '23	
Electric (BEV)	19.9%	25.0%	↑
Hybrid	8.5%	8.5%	FLAT
Plug In Hybrid (PHEV)	2.9%	3.3%	↑

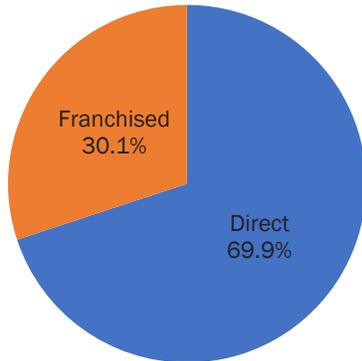
Data sourced from Experian Automotive. Hybrid vehicle market share excludes mild hybrids.

Share of County BEV Market for Franchised Dealerships and Direct Sellers

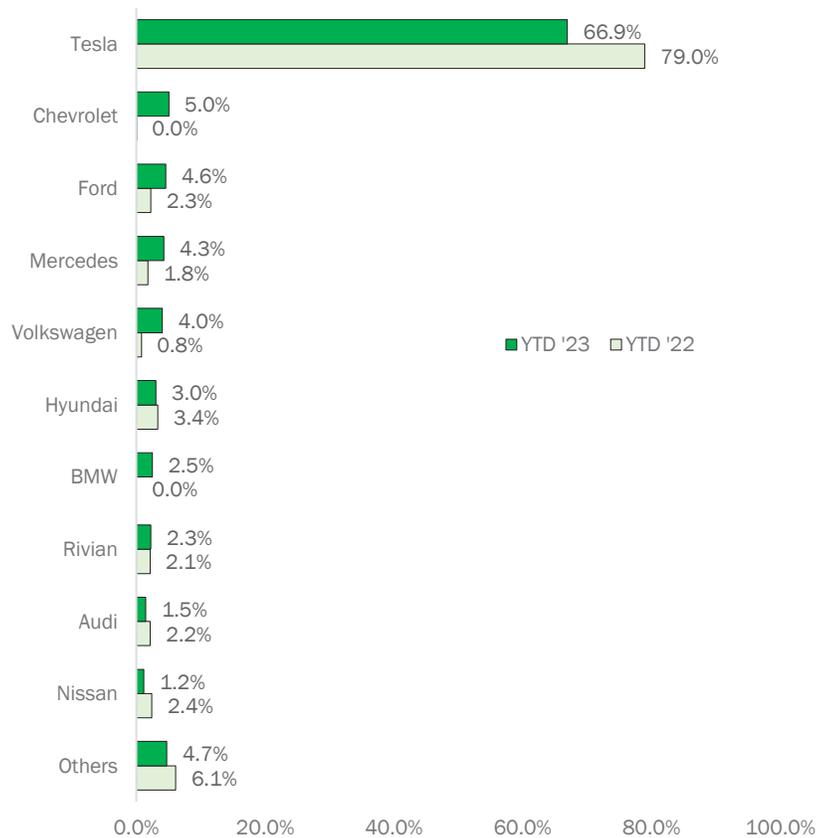
YTD 2022 thru March



YTD 2023 thru March



Brand Share of County BEV Market YTD 2022 and YTD 2023 thru March



Observations: Franchised dealership share of the county BEV market increased from 18.8% during the first quarter of 2022 to 30.1% this year. Franchised dealership brand registrations were up 105% vs. the 10% increase for direct sellers. Tesla BEV market share declined 12.1 points, while registrations improved by 8.5%. Chevrolet was the second best-selling BEV brand so far this year. Data sourced from Experian Automotive.

Comparison of Selected Metro Area Markets



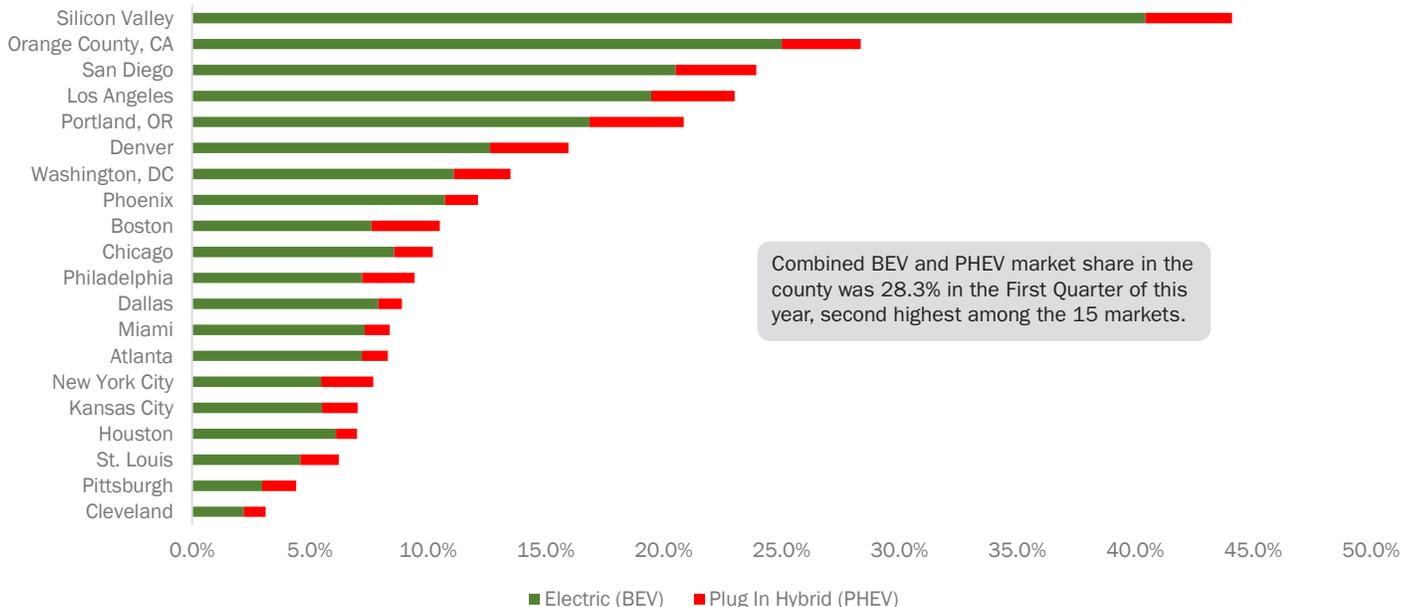
Percent Change in New Vehicle Registrations from 2021 to 2022, and from 1Q 2022 to 1Q 2023



The graph above provides a comparison of how metro area new vehicle markets performed last year and in the First Quarter of this year. The blue dots on the graph represent the percent change in new vehicle registrations from 2021 to 2022, and the orange dots show the change from the First Quarter of 2022 to the First Quarter of this year. Orange dots are higher for all markets, reflecting relative improvement in sales early this year compared to results last year. Data sourced from Experian Automotive.



Electric (BEV) and Plug in Hybrid (PHEV) Market Share During 1Q '23



Combined BEV and PHEV market share in the county was 28.3% in the First Quarter of this year, second highest among the 15 markets.

Data sourced from Experian Automotive.

BRAND SEGMENT MARKET SHARES

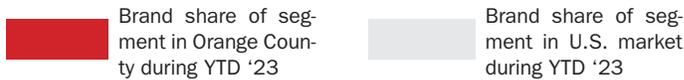
Top Selling Brands in 7 Primary Segments



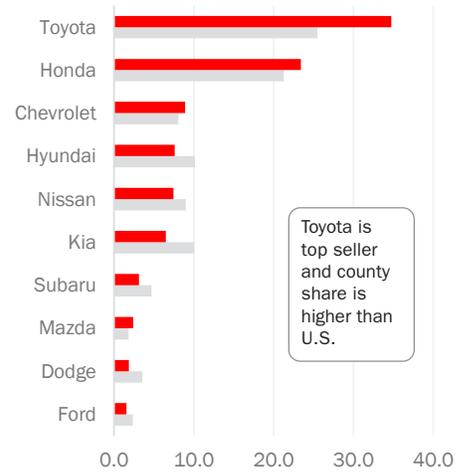
The seven graphs on this page show brand market share in seven key segments in the First Quarter 2023 in both the Orange County and U.S. markets. County percent share is depicted by the red bars, U.S. share is light gray. Top ten brands in each segment are ranked from top to bottom based on Orange County market share.

Segments were defined based on model classifications instead of overall brand positioning. For instance, Chevrolet appears on the Luxury and Sports cars graph because of the Corvette. Small SUVs consists of both Sub Compact and Compact models.

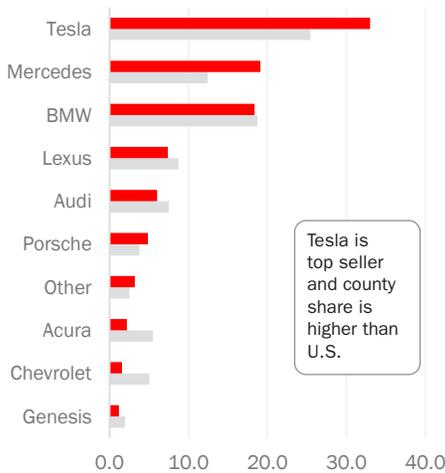
Legend for all graphs



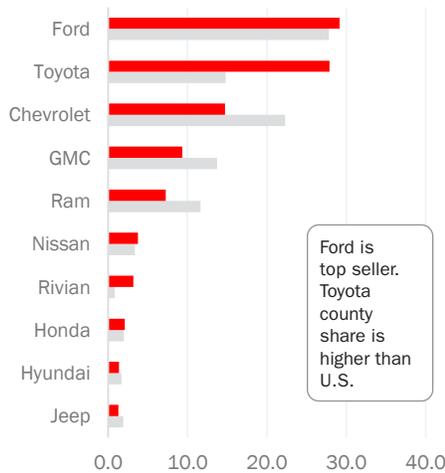
Non Luxury Cars



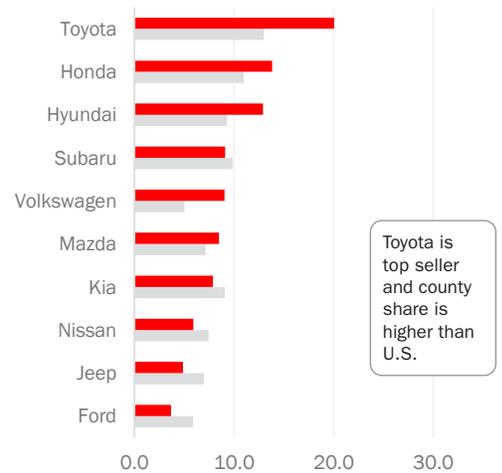
Luxury and Sports Cars



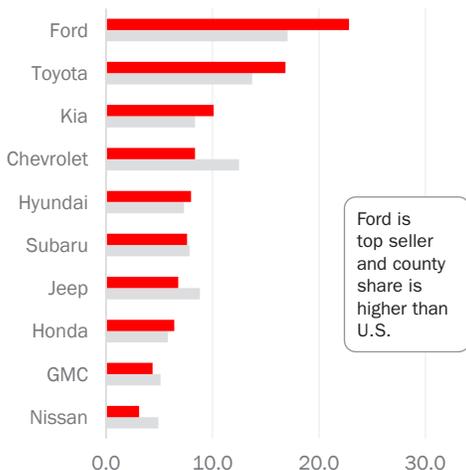
Pickups



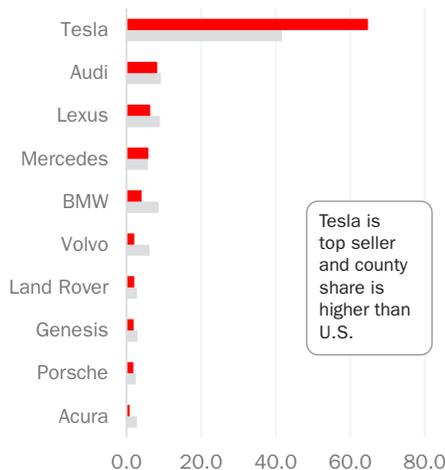
Small Non Luxury SUVs



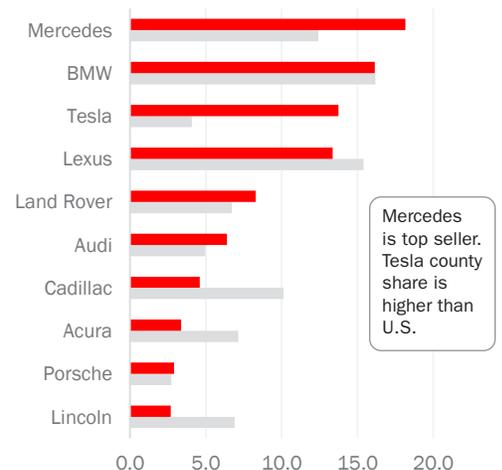
Mid and Full Size Non Luxury SUVs



Small Luxury SUVs



Mid and Full Size Luxury SUVs



COMPARISON OF ORANGE COUNTY AND U.S. MARKET

Domestic Brand Share in Orange County Market Reached 35.4%

	Orange County Retail Market	U.S. Retail Market
% change in registrations		
YTD '23 thru March vs. YTD '22	2.0%	-1.0%
Car share of industry retail light vehicle market		
YTD '23 thru March	29.4%	20.1%
Domestic brand market share		
YTD '23 thru March	35.4%	40.4%

Brand	New Retail Registrations and U.S. Sales-YTD '23 thru March				Market Share (YTD 2023)		
	Orange County		U.S.		Orange County	U.S.	Variance
	Regs.	% ch. vs. YTD '22	Regs.	% ch. vs. YTD '22			
Acura	309	-3.4%	27,099	7.7%	0.8	1.0	-0.2
Alfa Romeo	37	-5.1%	1,905	-36.7%	0.1	0.1	0.0
Audi	1,130	25.0%	39,265	23.7%	2.8	1.4	1.4
BMW	1,883	-2.2%	76,037	-2.9%	4.7	2.7	2.0
Buick	53	39.5%	28,954	65.9%	0.1	1.0	-0.9
Cadillac	265	6.4%	29,186	20.7%	0.7	1.0	-0.3
Chevrolet	1,866	40.0%	293,694	21.1%	4.6	10.5	-5.9
Chry Dodge Jeep Ram	1,423	-27.8%	209,521	-33.9%	3.5	7.5	-4.0
Chrysler	87	16.0%	10,194	-16.4%	0.2	0.4	-0.2
Dodge	165	-27.0%	22,372	-24.9%	0.4	0.8	-0.4
Jeep	752	-24.6%	109,196	-34.9%	1.9	3.9	-2.0
Ram	419	-37.8%	67,759	-36.9%	1.0	2.4	-1.4
Ford	2,809	5.9%	301,492	-5.9%	7.0	10.8	-3.8
Genesis	280	21.2%	13,202	13.2%	0.7	0.5	0.2
GMC	646	19.6%	112,186	7.6%	1.6	4.0	-2.4
Honda	3,182	7.4%	225,032	-0.6%	7.9	8.0	-0.1
Hyundai	1,924	11.1%	156,795	4.4%	4.8	5.6	-0.8
Infiniti	113	-16.9%	12,452	20.6%	0.3	0.4	-0.1
Jaguar	28	-39.1%	1,965	-4.9%	0.1	0.1	0.0
Kia	1,544	6.6%	158,586	20.4%	3.8	5.7	-1.9
Land Rover	463	46.1%	17,324	22.3%	1.2	0.6	0.6
Lexus	1,346	-5.2%	58,926	-4.7%	3.4	2.1	1.3
Lincoln	129	12.2%	17,151	-2.0%	0.3	0.6	-0.3
Maserati	26	-46.9%	1,379	-24.7%	0.1	0.0	0.1
Mazda	907	-31.9%	66,651	0.8%	2.3	2.4	-0.1
Mercedes	2,340	5.7%	61,498	-2.4%	5.8	2.2	3.6
MINI	114	-20.8%	7,048	-4.3%	0.3	0.3	0.0
Mitsubishi	48	-18.6%	18,296	-11.5%	0.1	0.7	-0.6
Nissan	1,243	-15.4%	134,367	-11.0%	3.1	4.8	-1.7
Polestar	20	-74.0%	814	-58.8%	0.0	0.0	0.0
Porsche	502	7.0%	15,973	23.0%	1.3	0.6	0.7
Rivian	226	35.3%	6,408	735.5%	0.6	0.2	0.4
Subaru	1,267	-11.6%	133,473	-0.8%	3.2	4.8	-1.6
Tesla	6,720	8.5%	132,054	23.5%	16.7	4.7	12.0
Toyota	5,943	-1.2%	357,879	-6.1%	14.8	12.8	2.0
Volkswagen	866	-0.8%	55,774	-14.7%	2.2	2.0	0.2
Volvo	281	-11.6%	22,180	-0.1%	0.7	0.8	-0.1
Other	200	33.3%	4,835	47.6%	0.5	0.2	0.3

The two tables above provide a comparison of the Orange County and U.S. new light vehicle markets. Data sourced from Experian Automotive.

Orange County New Retail Car and Light Truck Registrations									
	March			YTD thru March			YTD Market Share (%)		
	2022	2023	% chg.	YTD '22	YTD '23	% chg.	YTD '22	YTD '23	Chg.
MARKET SUMMARY									
TOTAL	12,305	12,066	-1.9%	39,349	40,133	2.0%			
Cars	3,892	3,501	-10.0%	12,246	11,796	-3.7%	31.1	29.4	-1.7
Light Trucks	8,413	8,565	1.8%	27,103	28,337	4.6%	68.9	70.6	1.7
Domestic	4,108	4,104	-0.1%	13,274	14,212	7.1%	33.7	35.4	1.7
European	2,238	2,251	0.6%	7,514	7,815	4.0%	19.1	19.5	0.4
Japanese	4,755	4,530	-4.7%	15,149	14,358	-5.2%	38.5	35.8	-2.7
Korean	1,204	1,181	-1.9%	3,412	3,748	9.8%	8.7	9.3	0.7
BRAND REGISTRATIONS									
Acura	88	126	43.2%	320	309	-3.4%	0.8	0.8	0.0
Alfa Romeo	19	17	-10.5%	39	37	-5.1%	0.1	0.1	0.0
Audi	289	404	39.8%	904	1,130	25.0%	2.3	2.8	0.5
BMW	586	470	-19.8%	1,926	1,883	-2.2%	4.9	4.7	-0.2
Buick	9	16	77.8%	38	53	39.5%	0.1	0.1	0.0
Cadillac	84	72	-14.3%	249	265	6.4%	0.6	0.7	0.1
Chevrolet	384	500	30.2%	1,333	1,866	40.0%	3.4	4.6	1.2
C/D/J/R	617	469	-24.0%	1,972	1,423	-27.8%	5.0	3.5	-1.5
Chrysler	20	18	-10.0%	75	87	16.0%	0.2	0.2	0.0
Dodge	59	58	-1.7%	226	165	-27.0%	0.6	0.4	-0.2
Jeep	344	243	-29.4%	997	752	-24.6%	2.5	1.9	-0.6
Ram	194	150	-22.7%	674	419	-37.8%	1.7	1.0	-0.7
Ford	797	834	4.6%	2,653	2,809	5.9%	6.7	7.0	0.3
Genesis	59	82	39.0%	231	280	21.2%	0.6	0.7	0.1
GMC	188	181	-3.7%	540	646	19.6%	1.4	1.6	0.2
Honda	924	1,049	13.5%	2,964	3,182	7.4%	7.5	7.9	0.4
Hyundai	607	585	-3.6%	1,732	1,924	11.1%	4.4	4.8	0.4
Infiniti	43	31	-27.9%	136	113	-16.9%	0.3	0.3	0.0
Jaguar	17	8	-52.9%	46	28	-39.1%	0.1	0.1	0.0
Kia	538	514	-4.5%	1,449	1,544	6.6%	3.7	3.8	0.1
Land Rover	81	119	46.9%	317	463	46.1%	0.8	1.2	0.4
Lexus	396	499	26.0%	1,420	1,346	-5.2%	3.6	3.4	-0.2
Lincoln	29	29	0.0%	115	129	12.2%	0.3	0.3	0.0
Maserati	14	10	-28.6%	49	26	-46.9%	0.1	0.1	0.0
Mazda	465	276	-40.6%	1,332	907	-31.9%	3.4	2.3	-1.1
Mercedes	594	637	7.2%	2,214	2,340	5.7%	5.6	5.8	0.2
MINI	33	27	-18.2%	144	114	-20.8%	0.4	0.3	-0.1
Mitsubishi	23	15	-34.8%	59	48	-18.6%	0.1	0.1	0.0
Nissan	472	440	-6.8%	1,469	1,243	-15.4%	3.7	3.1	-0.6
Polestar	14	7	-50.0%	77	20	-74.0%	0.2	0.0	-0.2
Porsche	109	149	36.7%	469	502	7.0%	1.2	1.3	0.1
Rivian	27	77	185.2%	167	226	35.3%	0.4	0.6	0.2
Subaru	430	376	-12.6%	1,433	1,267	-11.6%	3.6	3.2	-0.4
Tesla	1,969	1,914	-2.8%	6,195	6,720	8.5%	15.7	16.7	1.0
Toyota	1,914	1,718	-10.2%	6,016	5,943	-1.2%	15.3	14.8	-0.5
Volkswagen	329	272	-17.3%	873	866	-0.8%	2.2	2.2	0.0
Volvo	109	92	-15.6%	318	281	-11.6%	0.8	0.7	-0.1
Other	48	51	6.3%	150	200	33.3%	0.4	0.5	0.1

Other includes Aston Martin, Bentley, Ferrari, Freightliner, GEM, Lamborghini, Lotus, Lucid, 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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