

Comprehensive Information on the Orange County Automotive Market

MARKET OUTLOOK

New Vehicle Registrations Exceeded 85K in First Half of '19

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

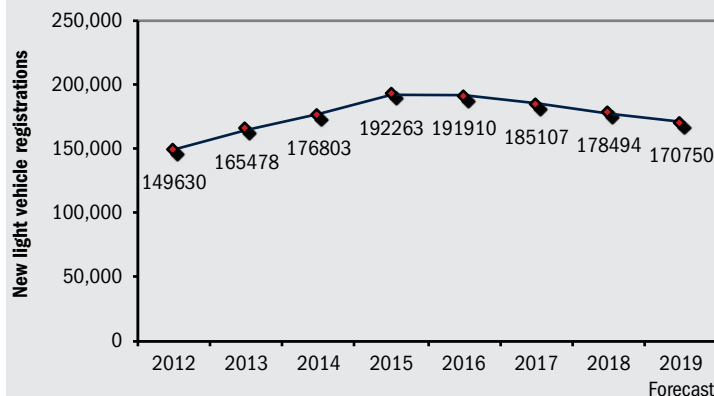
1. County new retail registrations declined 5.1% in the first half of this year versus a year earlier. The U.S. market was off by 4.3%.
2. As shown on the graph below, the market has levelled off during the past several years, but sales have remained at above average levels.
3. Auto Outlook's annual forecast for 2019 new retail light vehicle registrations: 170,750 units, down 4.3% from 2018.
4. Light truck market share increased from 52.9% during the first six months of 2018 to 55.0% this year.
5. Registrations for Domestic brands (including Tesla) increased by less than 1% so far this year, better than the 5.1% overall industry decrease.
6. Alternative powertrain (hybrid and electric vehicle) market share was 15.5% thru May of this year, up from last year.
7. Three biggest segments in the county are Compact SUV, Sub Compact Car, and Near Luxury Car.
8. Registrations increased for the following brands during the first six months of this year (among top 30 brands): Volvo, Ram, Subaru, Porsche, and Lexus.
9. County market share leaders in the first half of 2019 were Toyota, Honda, Ford, Mercedes, and Chevrolet.
10. Top ten selling vehicles in county market: Tesla Model 3, Honda Civic, Toyota Camry, Honda Accord, Toyota RAV4, Toyota Tacoma, Honda CR-V, Toyota Corolla, Lexus RX, and Mazda CX-5..

Outlook for next two years: New vehicle market likely to decline, but sales should remain above average



Strong economic growth, rising employment, and increasing incomes have helped keep new vehicle sales at elevated levels. However, several years of strong sales, softening used vehicle prices, and weakening consumer affordability are headwinds that are likely to push the market lower in 2019 and 2020.

Annual Trend in County Market



The graph above shows annual new retail light vehicle registrations in the county from 2012 thru 2018 and Auto Outlook's projection for 2019.

Market Summary

	YTD '17 thru June	YTD '18 thru June	YTD '19 thru June	% ch. '18 to '19
TOTAL	93,542	89,793	85,200	-5.1%
Car	48,089	42,308	38,372	-9.3%
Light Truck	45,453	47,485	46,828	-1.4%
Domestic	20,399	20,666	20,723	0.3%
European	17,990	18,253	16,471	-9.8%
Japanese	47,219	44,868	42,332	-5.7%
Korean	7,934	6,006	5,674	-5.5%

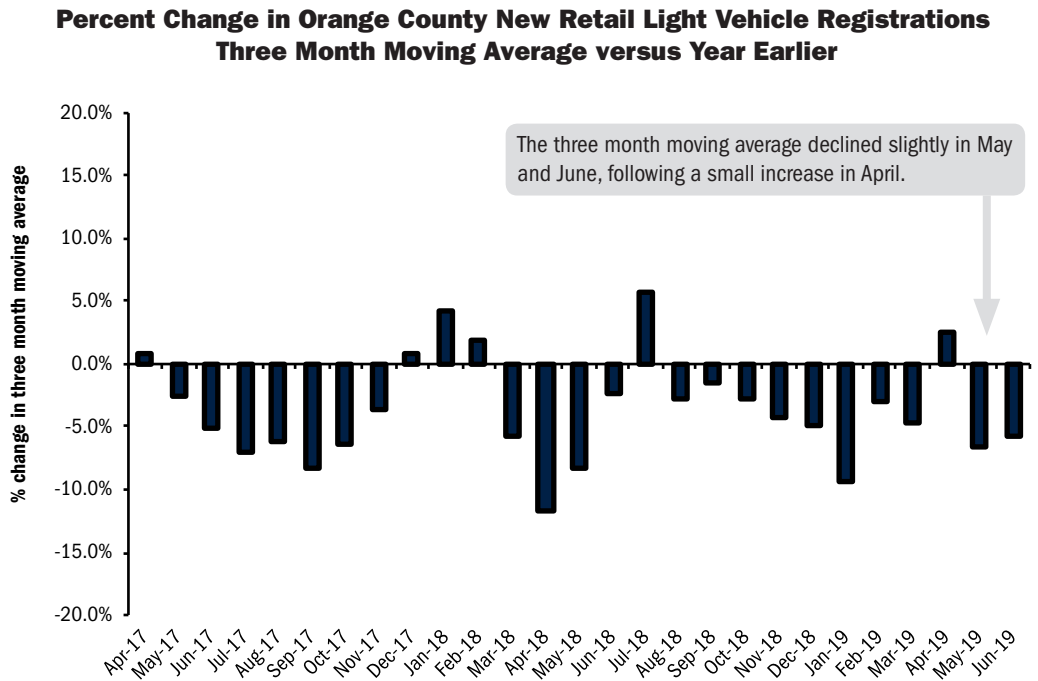
Domestic consists of vehicles sold by GM, Ford, FCA domestic brands, and Tesla.

Data Source: AutoCount data from Experian.

MARKET TRACKER: MONTHLY MOVING AVERAGE

Market Drifts Lower During Spring of 2019

The graph to the right provides a clear picture of the general trending direction of the Orange County new retail light vehicle market. The graph shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average provides a clearer picture of the trending direction than individual monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather, and vehicle title processing delays by governmental agencies.

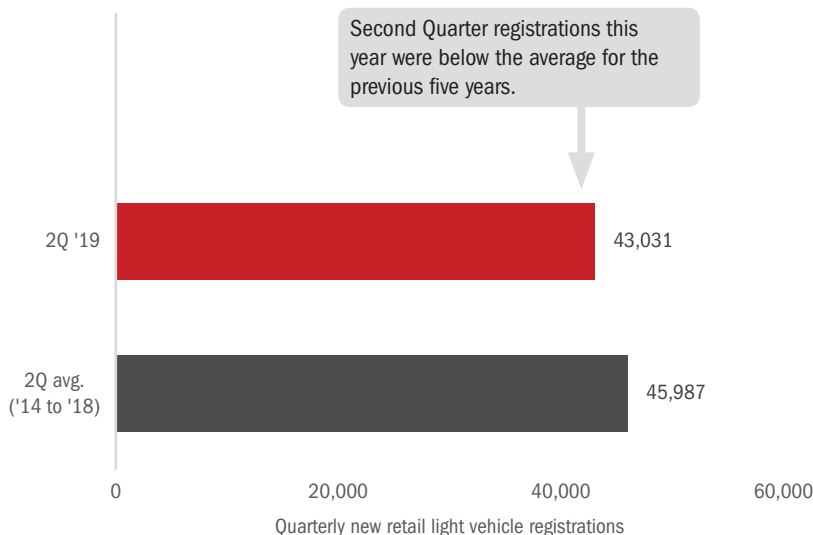


MARKET TRACKER: QUARTERLY PERSPECTIVE

2Q '19 Total Trails 5 Year Average

QUARTERLY PERSPECTIVE

2Q 2019 Registrations Versus Average for Previous Five Years



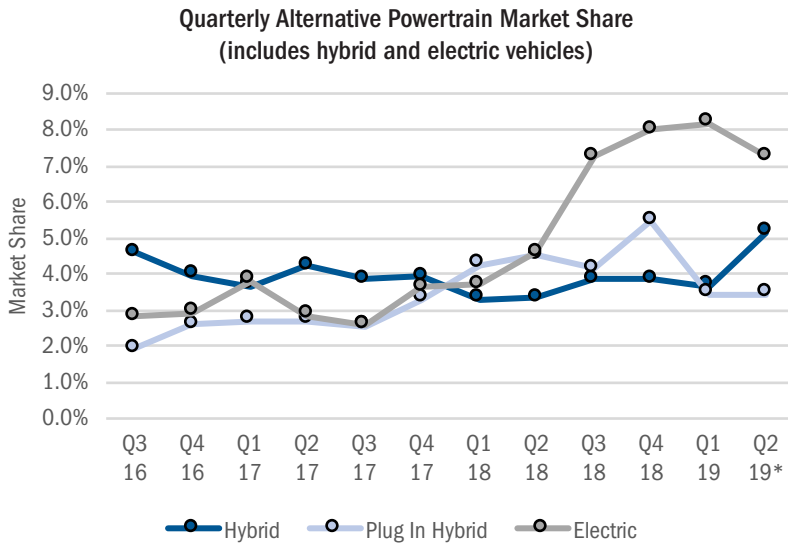
Details on Data

Data presented measures new vehicles registered to purchasers (or lessees) residing in Orange County. Monthly recording of registrations occurs when vehicle title is processed.

Data Source: AutoCount Data from Experian.

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Hybrid Vehicle Market Share Increased in 2Q '19



Hybrid/electric vehicle market share, YTD '19 thru May

Orange County: 15.5%

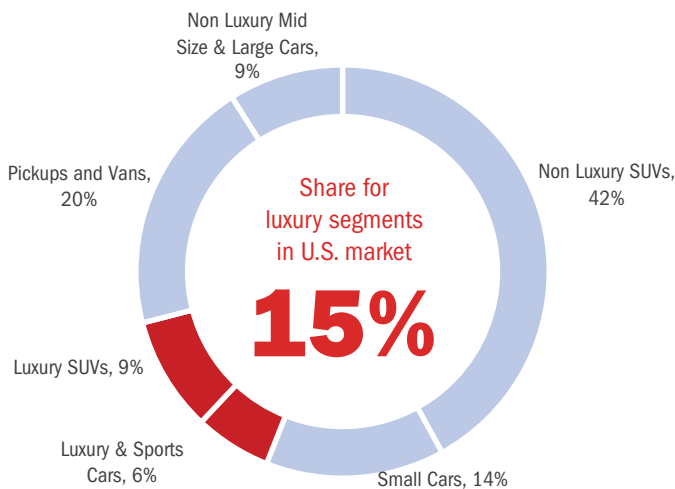
U.S. : 5.2%

The graph above shows hybrid powertrain and electric vehicle quarterly market share in the county. *Second Quarter 2019 includes April and May. Source: IHS Markit.

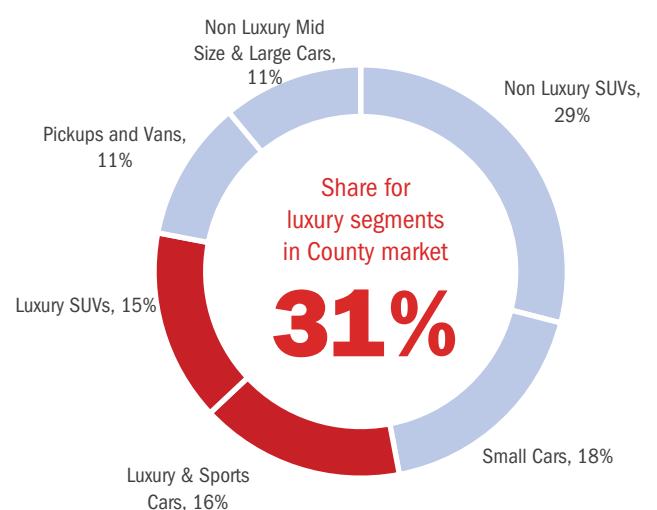
MARKET TRACKER: SEGMENT SHARES

Luxury Vehicles Account for 31% of County Market vs. 15% in U.S.

Segment Market Shares in U.S. YTD 2019 thru June



Segment Market Shares in Orange County YTD 2019 thru June



Data source: AutoCount data from Experian.


The two graphs above show market shares for primary segments in the U.S. and Orange County markets during the first six months of 2019.

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BRAND SCOREBOARD - PART ONE

Registrations Declined for the Majority of Brands

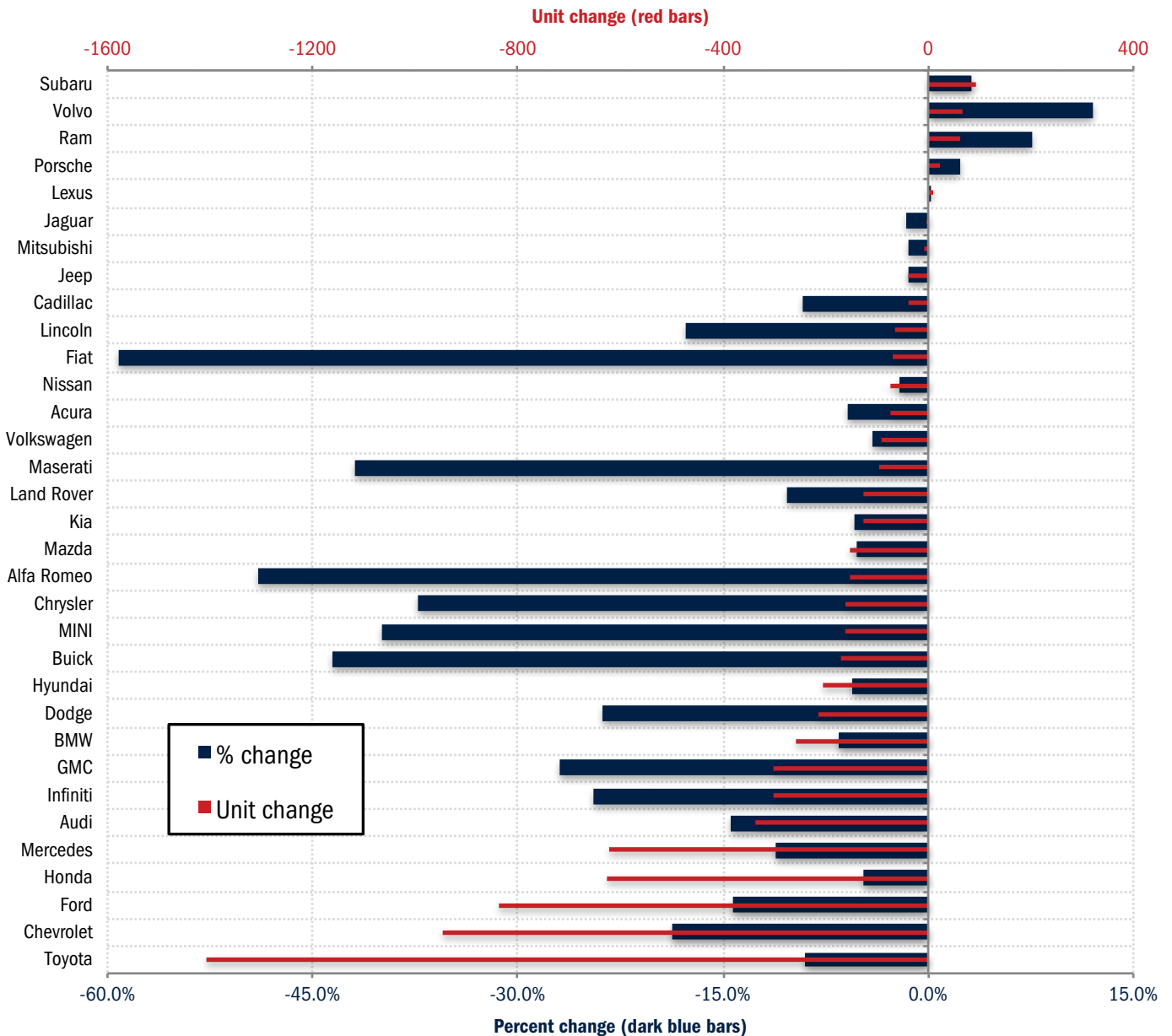
The graph below presents a comprehensive picture of brands that are gaining (or losing) ground in the county market. It shows both the unit and percent change in registrations during the first six months of this year versus a year earlier. Viewing both measures on the same graph provides a more clear-cut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



Five brands posted increases:

- Subaru
- Volvo
- Ram
- Porsche
- Lexus

Change in New Retail Light Vehicle Registrations (YTD '19 thru June vs. YTD '18)



Source: AutoCount data from Experian.

BRAND SCOREBOARD - PART TWO

Honda, Mercedes, Toyota, and Lexus Are Strong Performers

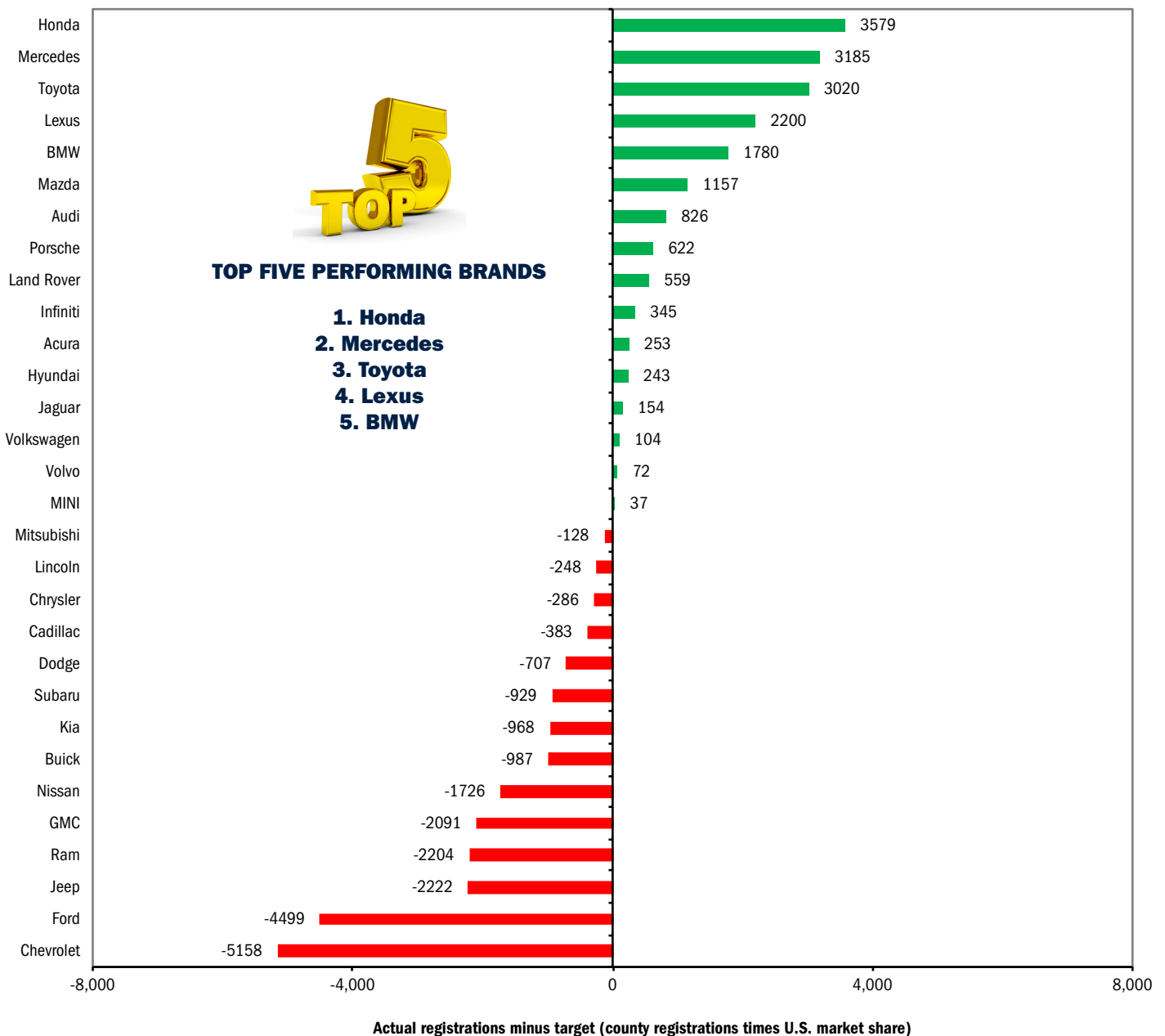
The graph below provides an indicator of brands that are popular in Orange County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by retail registrations in the county during the first six months of

2019. This yields a "target" for the county market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance.

sellers in the county, with actual registrations exceeding calculated targets by large margins. For instance, Honda registrations exceeded the target by 3,579 units.

Brands at the top of the graph (i.e., Honda, Mercedes, and Toyota) are relatively strong

Orange County Retail Market Performance based on registrations for YTD '19 thru June
Actual registrations minus target (county industry registrations times U.S. market share)



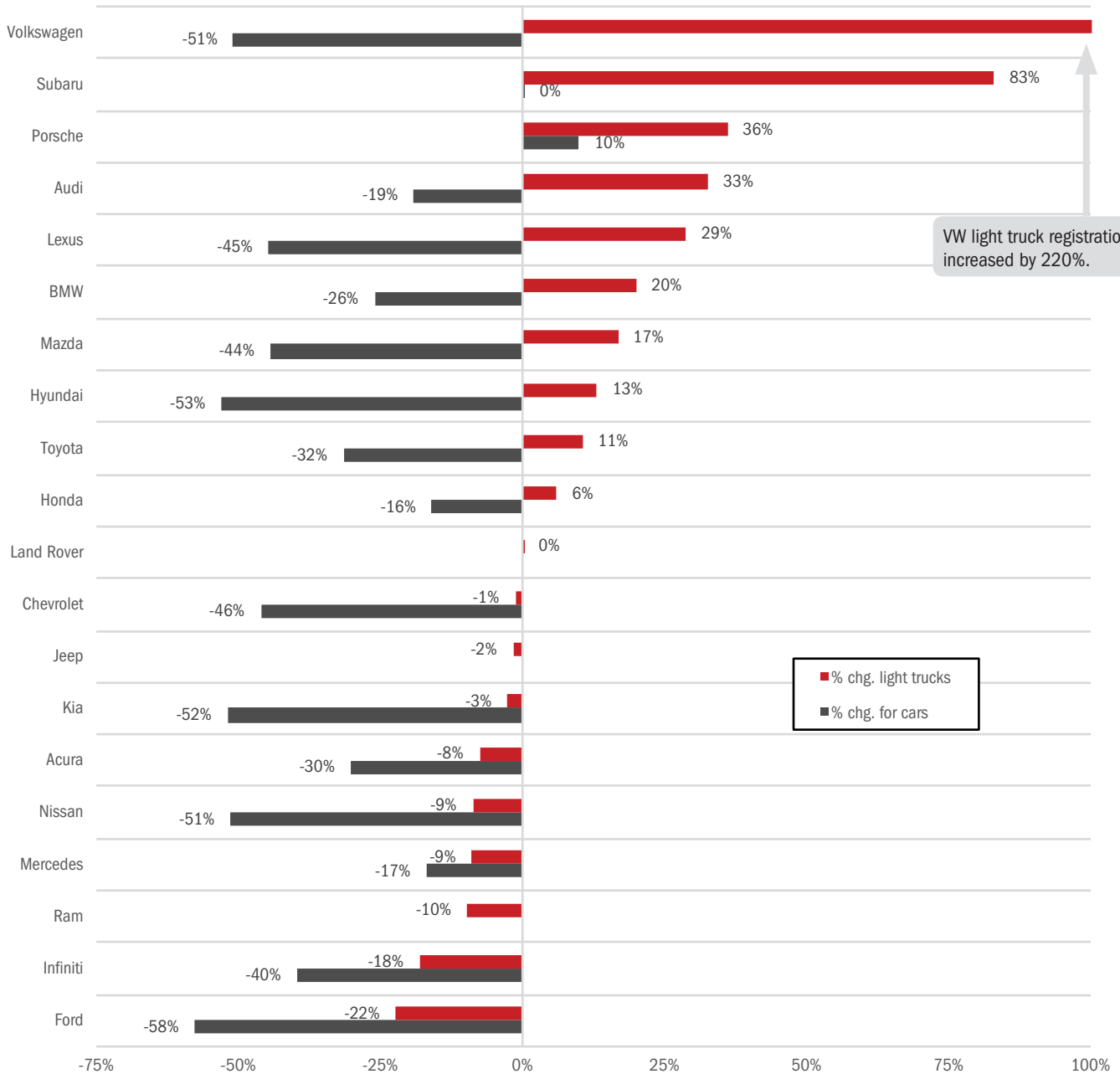
Data Source: AutoCount data from Experian.

BRAND SCOREBOARD - PART THREE

Light Truck Registrations Increased for 11 of Top 20 Brands

The graph below shows the percent change in new retail car and light truck registrations during the first six months of 2019 versus the same period in 2016 for the top 20 selling brands in the county. Brands are positioned from top to bottom based on the change in truck registrations.

Three Year Percent Change in New Retail Car and Light Truck Registrations for Top 20 Selling Brands YTD 2019 thru June versus YTD 2016



VW light truck registrations increased by 220%.

■ % chg. light trucks
■ % chg. for cars

Data Source: AutoCount data from Experian.



Passenger car registrations declined for 15 of the 17 brands that sell cars



Light truck registrations increased for 11 of the top 20 brands

COMPARISON OF ORANGE COUNTY AND U.S. MARKETS

Orange County and U.S. Markets Post Similar Results in 2019

	Orange County Retail Market	U.S. Retail Market
% change in registrations YTD 2019 thru June vs. YTD '18	-5.1%	-4.3%
Car share of industry retail light vehicle market YTD '19 thru June	45.0%	29.4%
Domestic brand share of industry retail light vehicle market YTD '19 thru June	24.3%	41.3%

Brand	New Retail Registrations - YTD 2019, thru June				Market Share (YTD '19)	
	Orange County		U.S.		Orange County	U.S.
	Regs.	% ch. vs. 2018	Regs.	% ch. vs. 2018		
Acura	1,173	-5.9%	70,325	1.6%	1.4	1.1
Alfa Romeo	157	-49.0%	8,438	-27.1%	0.2	0.1
Audi	1,991	-14.5%	89,085	-6.0%	2.3	1.4
BMW	3,627	-6.6%	141,166	3.2%	4.3	2.2
Buick	222	-43.5%	92,409	-3.5%	0.3	1.4
Cadillac	376	-9.2%	58,008	-1.7%	0.4	0.9
Chevrolet	4,093	-18.8%	707,224	-7.1%	4.8	10.9
Chry Dodge Jeep Ram	4,528	-7.1%	760,341	-7.2%	5.3	11.7
Chrysler	271	-37.3%	42,609	-27.9%	0.3	0.7
Dodge	682	-23.8%	106,146	-22.5%	0.8	1.6
Jeep	2,666	-1.4%	373,640	-10.3%	3.1	5.7
Ram	909	7.6%	237,946	15.2%	1.1	3.7
Fiat	49	-59.2%	4,842	-40.2%	0.1	0.1
Ford	5,008	-14.3%	726,731	-9.2%	5.9	11.2
GMC	816	-26.9%	222,242	-2.1%	1.0	3.4
Honda	12,524	-4.8%	683,831	-2.3%	14.7	10.5
Hyundai	3,495	-5.6%	248,599	0.5%	4.1	3.8
Infiniti	932	-24.5%	44,879	-17.0%	1.1	0.7
Jaguar	315	-1.6%	12,303	-0.5%	0.4	0.2
Kia	2,179	-5.5%	240,575	0.2%	2.6	3.7
Land Rover	1,078	-10.4%	39,701	-1.8%	1.3	0.6
Lexus	3,870	0.2%	127,636	-1.0%	4.5	2.0
Lincoln	311	-17.7%	42,739	-3.6%	0.4	0.7
Maserati	132	-41.9%	3,644	-25.9%	0.2	0.1
Mazda	2,725	-5.3%	119,880	-10.3%	3.2	1.8
Mercedes	4,978	-11.1%	137,099	-8.1%	5.8	2.1
MINI	243	-40.0%	15,713	-22.5%	0.3	0.2
Mitsubishi	418	-1.4%	41,722	-8.3%	0.5	0.6
Nissan	3,358	-2.1%	388,682	-11.3%	3.9	6.0
Porsche	964	2.3%	26,129	1.3%	1.1	0.4
Subaru	3,179	3.1%	314,014	5.6%	3.7	4.8
Toyota	14,153	-9.0%	851,073	-5.9%	16.6	13.1
Volkswagen	2,065	-4.1%	149,899	-2.4%	2.4	2.3
Volvo	631	12.1%	42,768	0.9%	0.7	0.7
Other	5,610	100.1%	101,445	80.5%	6.6	1.6

The two tables above provide a comparison of the Orange County and U.S. new retail light vehicle markets.

Data Source: AutoCount data from Experian. Note: some time periods for U.S. data were estimated due to incomplete reporting by some states.

Orange County New Retail Car and Light Truck Registrations									
	June			YTD thru June			YTD Market Share		
	Orange County			Orange County			Orange County		
	2018	2019	% chg.	2018	2019	% chg.	2018	2019	Chg.
MARKET SUMMARY									
TOTAL	14,679	14,108	-3.9%	89,793	85,200	-5.1%	0.0	0.0	0.0
Cars	6,838	6,191	-9.5%	42,308	38,372	-9.3%	47.1	45.0	-2.1
Light Trucks	7,841	7,917	1.0%	47,485	46,828	-1.4%	52.9	55.0	2.1
Domestic	3,495	3,573	2.2%	20,666	20,723	0.3%	23.0	24.3	1.3
European	2,808	2,591	-7.7%	18,253	16,471	-9.8%	20.3	19.3	-1.0
Japanese	7,400	6,941	-6.2%	44,868	42,332	-5.7%	50.0	49.7	-0.3
Korean	976	1,003	2.8%	6,006	5,674	-5.5%	6.7	6.7	0.0
BRAND REGISTRATIONS									
Acura	187	179	-4.3%	1,246	1,173	-5.9%	1.4	1.4	0.0
Alfa Romeo	61	28	-54.1%	308	157	-49.0%	0.3	0.2	-0.1
Audi	347	311	-10.4%	2,329	1,991	-14.5%	2.6	2.3	-0.3
BMW	575	619	7.7%	3,883	3,627	-6.6%	4.3	4.3	0.0
Buick	44	28	-36.4%	393	222	-43.5%	0.4	0.3	-0.1
Cadillac	61	52	-14.8%	414	376	-9.2%	0.5	0.4	-0.1
Chevrolet	767	721	-6.0%	5,040	4,093	-18.8%	5.6	4.8	-0.8
C/D/J/R	904	739	-18.3%	4,876	4,528	-7.1%	5.4	5.3	-0.1
Chrysler	64	48	-25.0%	432	271	-37.3%	0.5	0.3	-0.2
Dodge	163	109	-33.1%	895	682	-23.8%	1.0	0.8	-0.2
Jeep	533	438	-17.8%	2,704	2,666	-1.4%	3.0	3.1	0.1
Ram	144	144	0.0%	845	909	7.6%	0.9	1.1	0.2
Fiat	12	3	-75.0%	120	49	-59.2%	0.1	0.1	0.0
Ford	1,072	1,014	-5.4%	5,843	5,008	-14.3%	6.5	5.9	-0.6
GMC	128	151	18.0%	1,117	816	-26.9%	1.2	1.0	-0.2
Honda	2,277	2,020	-11.3%	13,152	12,524	-4.8%	14.6	14.7	0.1
Hyundai	628	629	0.2%	3,701	3,495	-5.6%	4.1	4.1	0.0
Infiniti	189	149	-21.2%	1,234	932	-24.5%	1.4	1.1	-0.3
Jaguar	40	42	5.0%	320	315	-1.6%	0.4	0.4	0.0
Kia	348	374	7.5%	2,305	2,179	-5.5%	2.6	2.6	0.0
Land Rover	202	115	-43.1%	1,203	1,078	-10.4%	1.3	1.3	0.0
Lexus	611	606	-0.8%	3,862	3,870	0.2%	4.3	4.5	0.2
Lincoln	53	60	13.2%	378	311	-17.7%	0.4	0.4	0.0
Maserati	31	17	-45.2%	227	132	-41.9%	0.3	0.2	-0.1
Mazda	481	455	-5.4%	2,876	2,725	-5.3%	3.2	3.2	0.0
Mercedes	877	831	-5.2%	5,601	4,978	-11.1%	6.2	5.8	-0.4
MINI	60	40	-33.3%	405	243	-40.0%	0.5	0.3	-0.2
Mitsubishi	66	54	-18.2%	424	418	-1.4%	0.5	0.5	0.0
Nissan	527	496	-5.9%	3,431	3,358	-2.1%	3.8	3.9	0.1
Porsche	135	128	-5.2%	942	964	2.3%	1.0	1.1	0.1
smart	3	2	-33.3%	25	24	-4.0%	0.0	0.0	0.0
Subaru	521	551	5.8%	3,084	3,179	3.1%	3.4	3.7	0.3
Toyota	2,541	2,431	-4.3%	15,559	14,153	-9.0%	17.3	16.6	-0.7
Volkswagen	329	296	-10.0%	2,154	2,065	-4.1%	2.4	2.4	0.0
Volvo	109	125	14.7%	563	631	12.1%	0.6	0.7	0.1
Other	493	842	70.8%	2,778	5,586	101.1%	3.1	6.6	3.5

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

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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Data Source: AutoCount data from Experian.