

ORANGE COUNTY AUTO OUTLOOK™

2nd Quarter, 2023

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

NEW VEHICLE MARKET FORECAST

Recovery Gains Momentum; 2Q '23 Registrations Up 19.5% vs. 2Q '22

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

1. County new retail light vehicle registrations increased 10.6% in the first half of this year versus year-earlier levels. The U.S. market was up by 3.9%.
2. The pace of improvement should pick up steam in the second half of the year. The county market is predicted to increase 13% from July through December of 2023 versus weak results in the second half of 2022 when supply chain interruptions significantly impacted sales.
3. As shown on the graph below, registrations for all of this year are projected to exceed 170,000 units and improve 12.1% from 2022.
4. Light truck market share increased from 69.3% during the first six months of 2022 to 70.7% this year.
5. Fueled by gains from Tesla, Domestic brand registrations were up 26.4% so far this year and market share reached 37.3%.
6. Battery electric vehicles accounted for 28.0% of the market in the first half of this year, up from 19.5% last year.
7. Brands with the largest percentage increases in registrations during the first six months of this year (among top 30 brands): Rivian, Tesla, Land Rover, Honda, Chevrolet, Audi, Genesis, Cadillac, Chrysler, and BMW.
8. Three biggest segments in the county are Luxury Compact SUV, Compact SUV, and Near Luxury Car.
9. County market share leaders in the first half of 2023 were Tesla, Toyota, Honda, Ford, and Mercedes.
10. Top ten selling vehicles in Orange County market: Tesla Model Y, Tesla Model 3, Toyota RAV4, Toyota Camry, Toyota Tacoma, Honda CR-V, Honda Civic, Honda Accord, Ford F-Series, and Toyota Corolla.

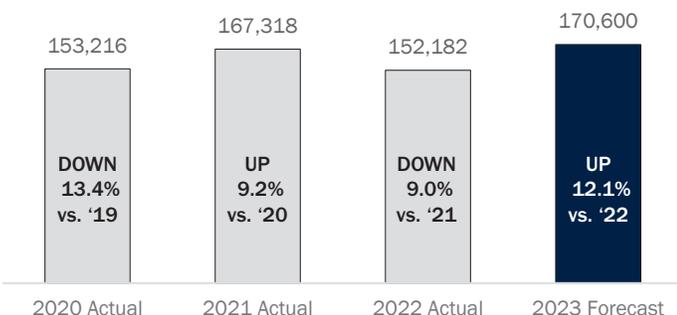


**Outlook for next two years:
New vehicle market predicted
to improve, but sales should
remain close to average levels**

A significant number of new vehicle purchases have been postponed since the onset of the pandemic in 2020. Estimated pent-up demand in the county market has reached 64,584 units, approximately 40% of average annual registrations (see page 3). It has been our contention that once vehicle production recovered, this “stored potential” would more than offset the drag on sales resulting from higher interest rates, a slowing economy, and weakening vehicle affordability. And the 19.5% year-over-year increase in 2Q registrations sends a strong signal that this is indeed the case. The market should have enough gas in the tank to move higher this year, with recovery almost certainly lasting into 2024.

Forecast for County New Retail Light Vehicle Registrations

Market Summary



	YTD '22 June	YTD '23 June	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	77,355	85,568	10.6%	
Car	23,773	25,037	5.3%	29.3%
Light Truck	53,582	60,531	13.0%	70.7%
Domestic	25,254	31,922	26.4%	37.3%
European	15,043	16,017	6.5%	18.7%
Japanese	29,745	29,886	0.5%	34.9%
Korean	7,313	7,743	5.9%	9.0%

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

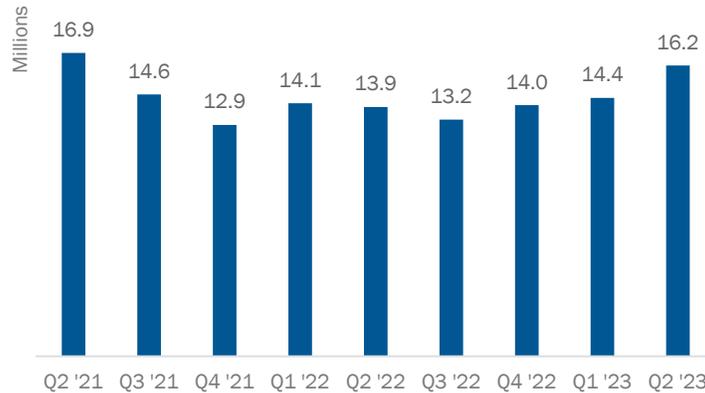
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

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 14.4 million in the First Quarter of this year to 16.2 million in the Second Quarter.

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



COUNTY MARKET VS. U.S.

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

Orange County
UP 10.6%

U.S.
UP 3.9%

New retail light vehicle registrations in the county were up 10.6% during the first six months of this year, better than the 3.9% increase in the Nation.

Data sourced from Experian Automotive.

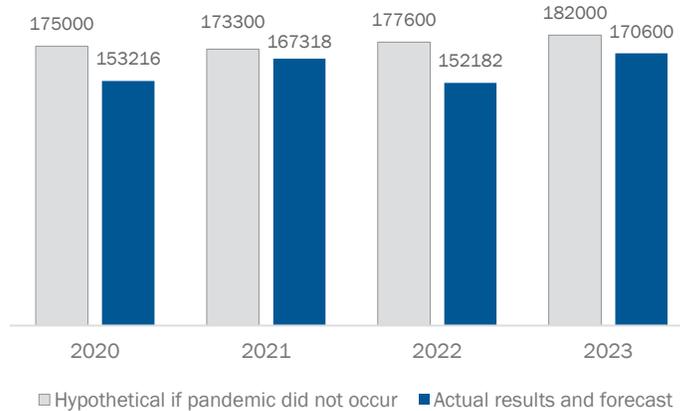
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Orange County New Vehicle Market Dashboard



PENT-UP DEMAND

Actual and forecast new retail light vehicle registrations versus hypothetical levels if pandemic and ensuing supply chain shortages had not occurred



Estimated
64,584
new vehicle purchases
will be postponed
between 2020 & 2023
representing

40%

of sales in
an average year

Data sourced from Experian Automotive. Projections: Auto Outlook.



TRACKING ECONOMIC INDICATORS

Monthly Unemployment Rates in Orange County

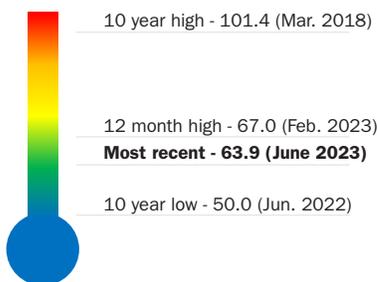


Average Hourly Earnings for All Workers in County - May 2023

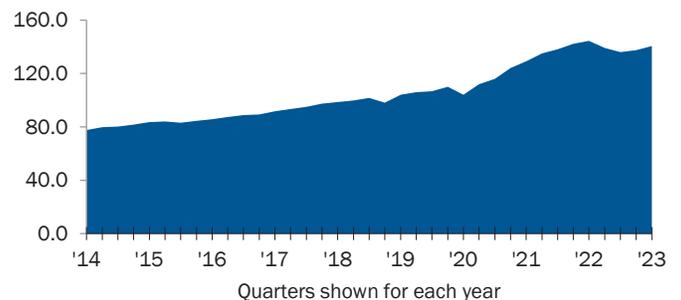


The county unemployment rate was less than 3.5% in May of this year. Wages were up versus year earlier. Consumer sentiment has stabilized and total household wealth was up in 1Q '23.

University of Michigan Consumer Sentiment (U.S.)
Key Values During Past 10 Years



Household Net Worth Trillions of \$ (U.S.)

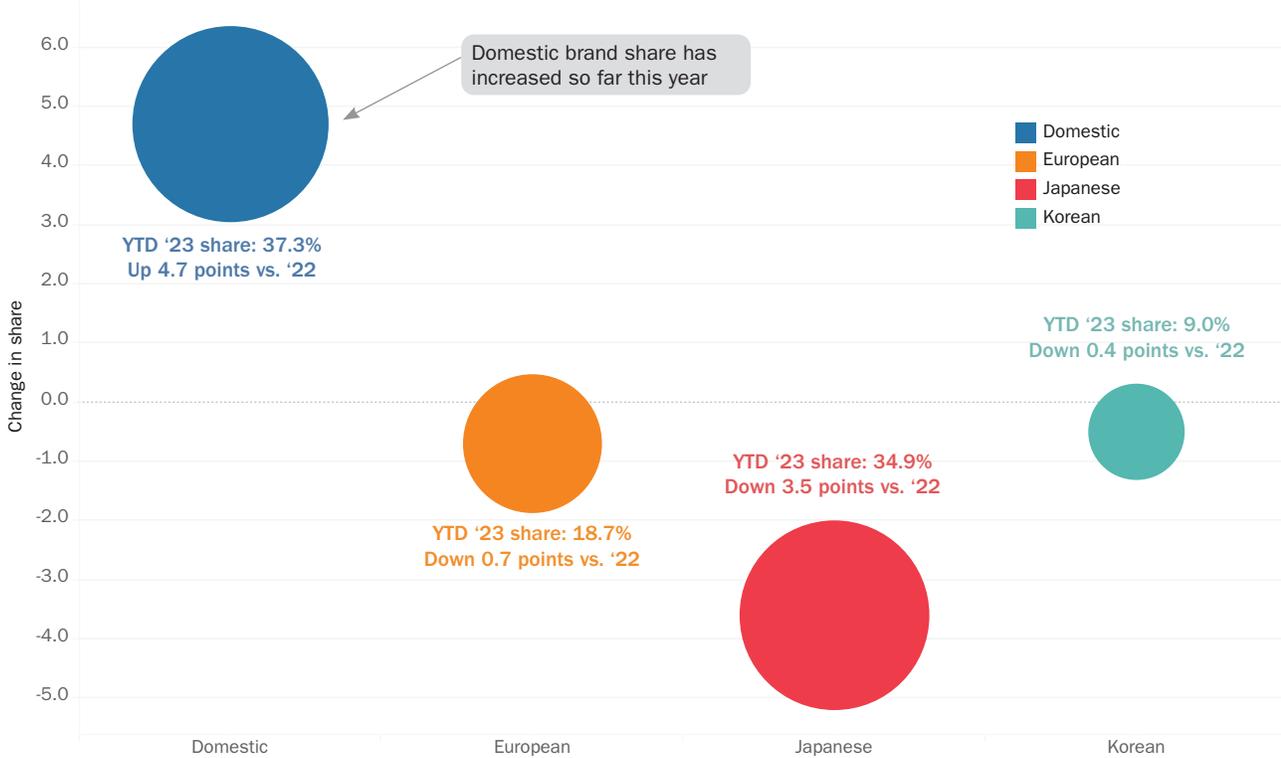


Orange County New Vehicle Market Dashboard



MARKET SHARES BY BRAND SEGMENT

County Market Shares for Domestic, European, Japanese, and Korean Brands in First Half of '23 and change vs. 2022

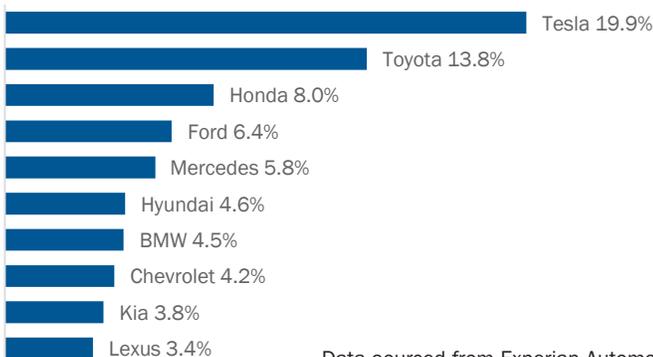


The graph above presents market share by brand category during the first six months of this year and the change in share versus the same period in 2022. Market share this year is reflected by the relative size of the circles (Domestic brands were highest at 37.3%). Change in share is depicted based on the location of the circles - increasing share is higher on the graph. Sales gains for Tesla led to the increase for Domestic brands. Data sourced from Experian Automotive.

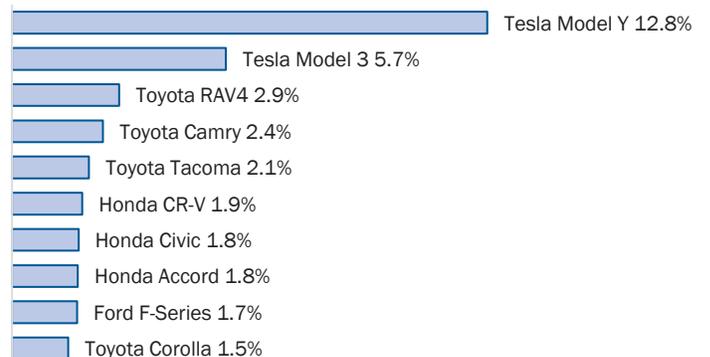


TOP TEN RANKINGS IN ORANGE COUNTY MARKET

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



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

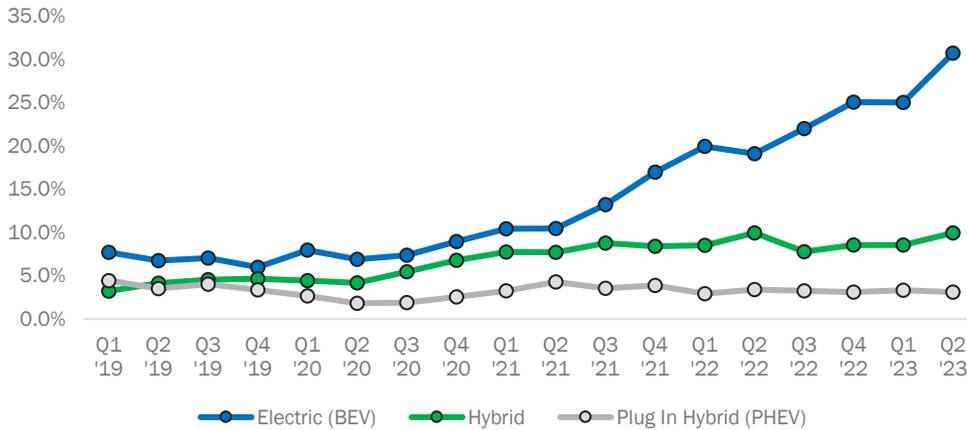


Data sourced from Experian Automotive.



Vehicle Powertrain Dashboard

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



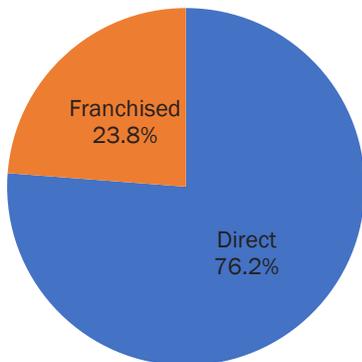
YTD Share by Engine Type (2022 and 2023, thru June)

	YTD '22	YTD '23	
Electric (BEV)	19.5%	28.0%	↑
Hybrid	9.2%	9.3%	↑
Plug In Hybrid (PHEV)	3.1%	3.2%	↑

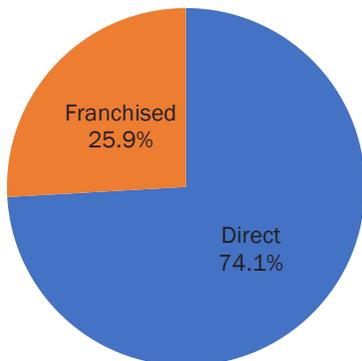
Data sourced from Experian Automotive. Hybrid vehicle market share excludes mild hybrids.

Share of County BEV Market for Franchised Dealerships and Direct Sellers

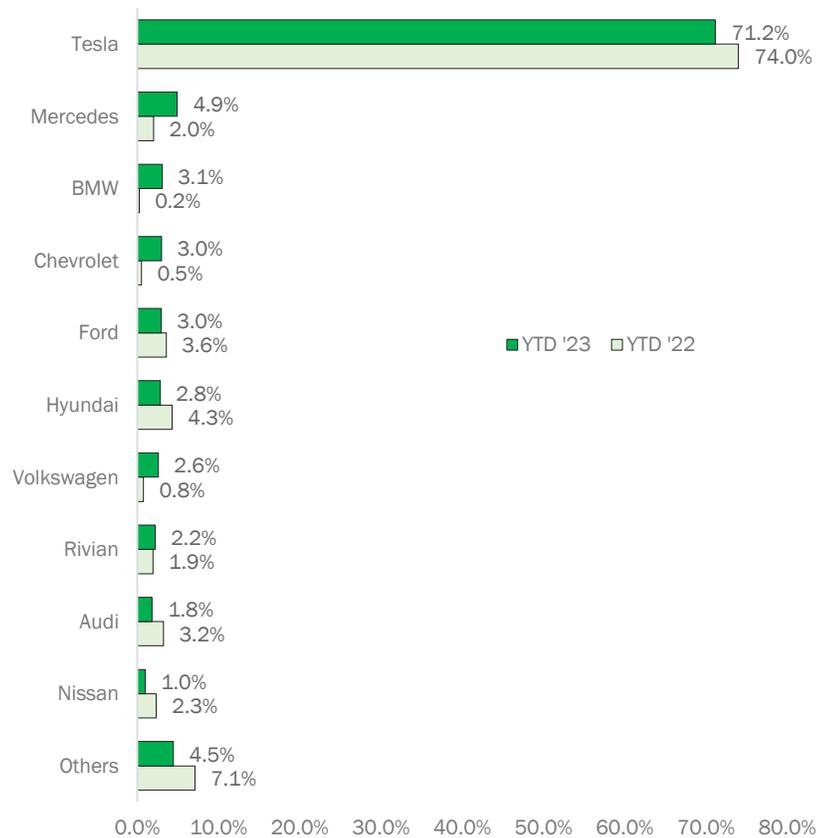
YTD 2022 thru June



YTD 2023 thru June



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



Observations: Franchised dealership share of the county BEV market increased from 23.8% during the first half of 2022 to 25.9% this year. Franchised dealership brand registrations were up 73% vs. the 54% increase for direct sellers. Tesla BEV market share declined slightly, but remained above 70%. Mercedes was the second best-selling BEV brand so far this year. Data sourced from Experian Automotive.

BRAND PERFORMANCE IN ORANGE COUNTY MARKET

Tesla, Mercedes, BMW, & Toyota Strong Performers in County

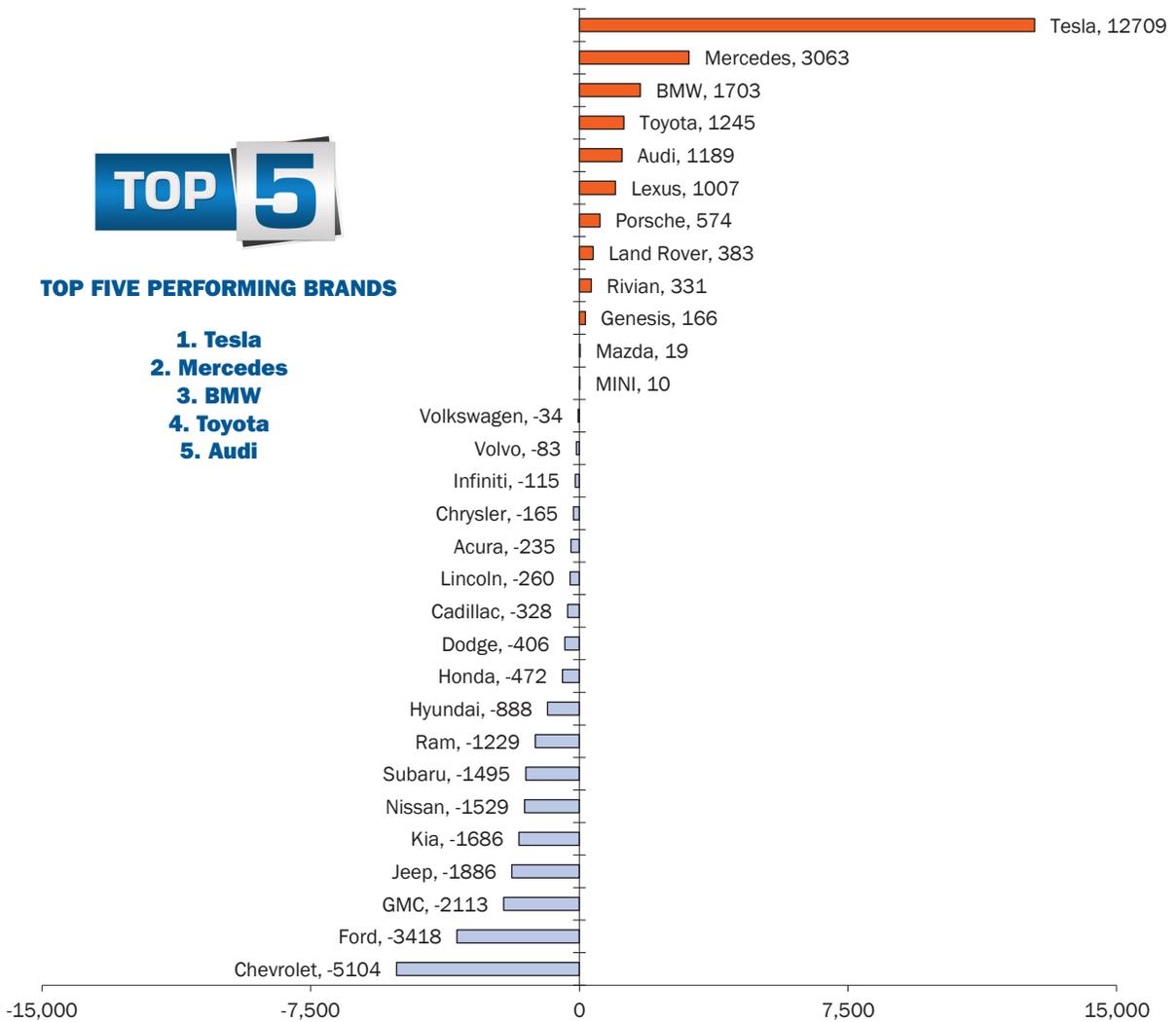
The graph below provides an indicator of brands that are popular in Orange County (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by retail registrations in the county during the first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

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

Brands at the top of the graph (i.e., Tesla, Mercedes, BMW, and Toyota) are relatively strong sellers in the county, with actual reg-

istrations exceeding calculated targets by large margins. For instance, Tesla registrations exceeded the target by 12,709 units.

Orange County Retail Market Performance based on registrations during YTD 2023 thru June
Actual registrations minus target (county industry registrations times U.S. market share)



Actual registrations minus target (area industry registrations times U.S. market share)

Data sourced from Experian Automotive.

COMPARISON OF ORANGE COUNTY AND U.S. MARKET

Domestic Brand Share in Orange County Market Reached 37.3%

	Orange County Retail Market	U.S. Retail Market
% change in registrations		
YTD '23 thru June vs. YTD '22	10.6%	3.9%
Car share of industry retail light vehicle market		
YTD '23 thru June	29.3%	20.4%
Domestic brand market share		
YTD '23 thru June	37.3%	40.4%

Brand	New Retail Registrations and U.S. Sales-YTD '23 thru June				Market Share (YTD 2023)		
	Orange County		U.S.		Orange County	U.S.	Variance
	Regs.	% ch. vs. YTD '22	Regs.	% ch. vs. YTD '22			
Acura	663	2.2%	62,922	18.2%	0.8	1.0	-0.2
Alfa Romeo	59	-27.2%	3,803	-34.8%	0.1	0.1	0.0
Audi	2,373	21.3%	82,995	22.7%	2.8	1.4	1.4
BMW	3,884	9.3%	152,805	0.6%	4.5	2.5	2.0
Buick	120	33.3%	68,164	58.3%	0.1	1.1	-1.0
Cadillac	562	13.1%	62,381	16.0%	0.7	1.0	-0.3
Chevrolet	3,579	24.7%	608,444	16.8%	4.2	10.1	-5.9
Chry Dodge Jeep Ram	3,021	-16.7%	469,930	-23.6%	3.5	7.8	-4.3
Chrysler	182	13.0%	24,298	0.6%	0.2	0.4	-0.2
Dodge	370	-11.1%	54,380	-8.8%	0.4	0.9	-0.5
Jeep	1,582	-15.0%	242,990	-27.0%	1.8	4.1	-2.3
Ram	887	-25.3%	148,262	-25.1%	1.0	2.5	-1.5
Ford	5,461	3.0%	622,196	-2.6%	6.4	10.4	-4.0
Genesis	558	21.0%	27,462	12.6%	0.7	0.5	0.2
GMC	1,201	5.4%	232,213	5.3%	1.4	3.9	-2.5
Honda	6,830	25.3%	511,633	13.4%	8.0	8.5	-0.5
Hyundai	3,934	1.2%	337,901	5.5%	4.6	5.6	-1.0
Infiniti	270	3.1%	27,007	29.1%	0.3	0.5	-0.2
Jaguar	52	-38.8%	3,528	-11.6%	0.1	0.1	0.0
Kia	3,227	8.9%	344,280	18.7%	3.8	5.7	-1.9
Land Rover	839	35.1%	31,925	24.6%	1.0	0.5	0.5
Lexus	2,884	3.0%	131,493	5.3%	3.4	2.2	1.2
Lincoln	235	5.4%	34,677	-10.7%	0.3	0.6	-0.3
Maserati	72	-20.9%	2,875	-16.0%	0.1	0.0	0.1
Mazda	2,162	-9.4%	150,194	7.6%	2.5	2.5	0.0
Mercedes	4,921	5.5%	130,194	-2.7%	5.8	2.2	3.6
MINI	212	-7.8%	14,180	14.4%	0.2	0.2	0.0
Mitsubishi	103	-25.4%	38,167	-13.3%	0.1	0.6	-0.5
Nissan	2,717	-5.5%	297,497	-1.5%	3.2	5.0	-1.8
Polestar	36	-78.2%	1,396	-68.3%	0.0	0.0	0.0
Porsche	1,021	-4.8%	31,307	8.4%	1.2	0.5	0.7
Rivian	530	80.9%	13,931	465.4%	0.6	0.2	0.4
Subaru	2,415	-7.5%	273,991	6.1%	2.8	4.6	-1.8
Tesla	17,062	52.7%	305,046	50.6%	19.9	5.1	14.8
Toyota	11,842	-5.8%	742,523	-5.3%	13.8	12.4	1.4
Volkswagen	1,698	6.5%	121,384	-7.9%	2.0	2.0	0.0
Volvo	594	-8.2%	47,418	1.8%	0.7	0.8	-0.1
Other	431	33.0%	9,988	34.0%	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									
	June			YTD thru June			YTD Market Share (%)		
	2022	2023	% chg.	YTD '22	YTD '23	% chg.	YTD '22	YTD '23	Chg.
MARKET SUMMARY									
TOTAL	14,702	16,688	13.5%	77,355	85,568	10.6%			
Cars	4,563	4,556	-0.2%	23,773	25,037	5.3%	30.7	29.3	-1.5
Light Trucks	10,139	12,132	19.7%	53,582	60,531	13.0%	69.3	70.7	1.5
Domestic	4,690	6,064	29.3%	25,254	31,922	26.4%	32.6	37.3	4.7
European	3,066	3,126	2.0%	15,043	16,017	6.5%	19.4	18.7	-0.7
Japanese	5,499	5,930	7.8%	29,745	29,886	0.5%	38.5	34.9	-3.5
Korean	1,447	1,568	8.4%	7,313	7,743	5.9%	9.5	9.0	-0.4
BRAND REGISTRATIONS									
Acura	99	114	15.2%	649	663	2.2%	0.8	0.8	0.0
Alfa Romeo	15	8	-46.7%	81	59	-27.2%	0.1	0.1	0.0
Audi	447	468	4.7%	1,956	2,373	21.3%	2.5	2.8	0.3
BMW	672	723	7.6%	3,553	3,884	9.3%	4.6	4.5	-0.1
Buick	23	24	4.3%	90	120	33.3%	0.1	0.1	0.0
Cadillac	82	117	42.7%	497	562	13.1%	0.6	0.7	0.1
Chevrolet	600	663	10.5%	2,869	3,579	24.7%	3.7	4.2	0.5
C/D/J/R	656	614	-6.4%	3,627	3,021	-16.7%	4.7	3.5	-1.2
Chrysler	48	40	-16.7%	161	182	13.0%	0.2	0.2	0.0
Dodge	77	83	7.8%	416	370	-11.1%	0.5	0.4	-0.1
Jeep	336	310	-7.7%	1,862	1,582	-15.0%	2.4	1.8	-0.6
Ram	195	181	-7.2%	1,188	887	-25.3%	1.5	1.0	-0.5
Ford	1,132	1,137	0.4%	5,300	5,461	3.0%	6.9	6.4	-0.5
Genesis	78	93	19.2%	461	558	21.0%	0.6	0.7	0.1
GMC	255	217	-14.9%	1,140	1,201	5.4%	1.5	1.4	-0.1
Honda	874	1,408	61.1%	5,453	6,830	25.3%	7.0	8.0	1.0
Hyundai	771	733	-4.9%	3,889	3,934	1.2%	5.0	4.6	-0.4
Infiniti	54	62	14.8%	262	270	3.1%	0.3	0.3	0.0
Jaguar	11	11	0.0%	85	52	-38.8%	0.1	0.1	0.0
Kia	598	734	22.7%	2,963	3,227	8.9%	3.8	3.8	0.0
Land Rover	104	138	32.7%	621	839	35.1%	0.8	1.0	0.2
Lexus	527	548	4.0%	2,801	2,884	3.0%	3.6	3.4	-0.2
Lincoln	54	30	-44.4%	223	235	5.4%	0.3	0.3	0.0
Maserati	16	11	-31.3%	91	72	-20.9%	0.1	0.1	0.0
Mazda	279	452	62.0%	2,385	2,162	-9.4%	3.1	2.5	-0.6
Mercedes	1,020	987	-3.2%	4,666	4,921	5.5%	6.0	5.8	-0.2
MINI	33	37	12.1%	230	212	-7.8%	0.3	0.2	-0.1
Mitsubishi	30	15	-50.0%	138	103	-25.4%	0.2	0.1	-0.1
Nissan	451	539	19.5%	2,875	2,717	-5.5%	3.7	3.2	-0.5
Polestar	41	4	-90.2%	165	36	-78.2%	0.2	0.0	-0.2
Porsche	240	222	-7.5%	1,073	1,021	-4.8%	1.4	1.2	-0.2
Rivian	66	117	77.3%	293	530	80.9%	0.4	0.6	0.2
Subaru	504	474	-6.0%	2,611	2,415	-7.5%	3.4	2.8	-0.6
Tesla	1,818	3,128	72.1%	11,171	17,062	52.7%	14.4	19.9	5.5
Toyota	2,681	2,318	-13.5%	12,571	11,842	-5.8%	16.3	13.8	-2.5
Volkswagen	298	319	7.0%	1,595	1,698	6.5%	2.1	2.0	-0.1
Volvo	114	137	20.2%	647	594	-8.2%	0.8	0.7	-0.1
Other	59	86	45.8%	324	431	33.0%	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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