

California Auto Outlook™

Comprehensive information on the California vehicle market

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Covering Second Quarter 2019

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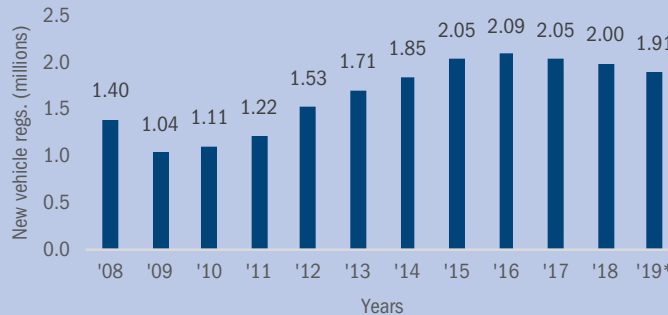


New Vehicle Registrations in State Predicted To Fall Below Two Million Units in 2019

ANNUAL TRENDS



California Annual New Light Vehicle Registrations - 2008 thru 2019



Historical data source: IHS

*2019 forecast by Auto Outlook.

New vehicle registrations in California are expected to slip below 2 million units in 2019.

The state's new vehicle market is predicted to decline 4.6 percent from 2018 to 2019, which would be the third consecutive annual decline.

Although the market is shifting lower, new vehicle registrations are well above average, based on historical standards.

TWO YEAR PERSPECTIVE



California and U.S. Total New Light Vehicle Registrations - YTD thru June

	California			U.S.		
	YTD '18	YTD '19	Change	YTD '18	YTD '19	Change
Registrations						
TOTAL	1,004,670	948,563	-5.6%	8,581,006	8,384,457	-2.3%
Car	461,222	411,274	-10.8%	2,777,045	2,487,547	-10.4%
Light Truck	543,448	537,289	-1.1%	5,803,961	5,896,910	1.6%
Domestic	299,902	296,882	-1.0%	3,820,726	3,770,224	-1.3%
European	153,510	144,636	-5.8%	786,292	772,479	-1.8%
Japanese	485,303	443,204	-8.7%	3,337,458	3,194,120	-4.3%
Korean	65,955	63,841	-3.2%	636,530	647,634	1.7%
Market Share						
Car	45.9	43.4	-2.5	32.4	29.7	-2.7
Light Truck	54.1	56.6	2.5	67.6	70.3	2.7
Domestic	29.9	31.3	1.4	44.5	45.0	0.5
European	15.3	15.2	-0.1	9.2	9.2	0.0
Japanese	48.3	46.7	-1.6	38.9	38.1	-0.8
Korean	6.6	6.7	0.1	7.4	7.7	0.3

Source: IHS

California new light vehicle market declined 5.6 percent during the first six months of this year, while the U.S. market fell 2.3 percent.

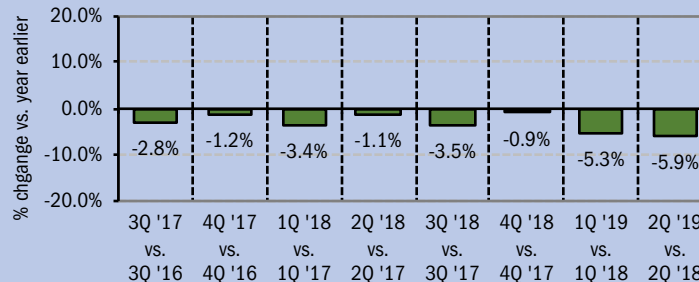
Light truck registrations in the state slipped 1.1 percent, while passenger cars fell 10.8 percent.

Passenger car market share in California was 43.4 percent vs. 29.7 percent in the Nation.

QUARTERLY RESULTS



California Quarterly New Light Vehicle Registrations
Percent Change vs. Year Earlier



Source: IHS

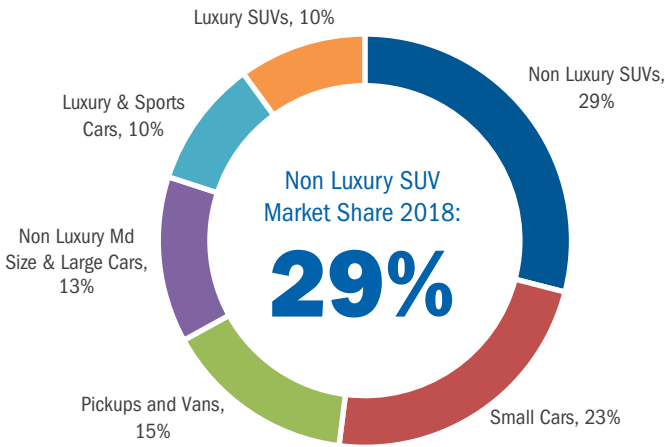
The California new vehicle market recorded its ninth consecutive year-over-year decline in the second Quarter of 2019.

As shown on the graph, the market is posting mild declines, following several years of big increases.

SEGMENT MARKET SHARE TRENDS

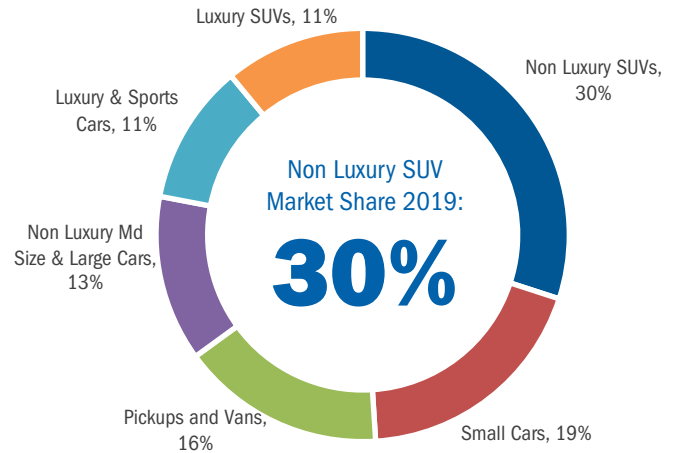
Small Car Market Share in California Declined to 19% During First Half of 2019

**Segment Market Shares in California
YTD 2018 thru June**



Source: IHS.

**Segment Market Shares in California
YTD 2019 thru June**

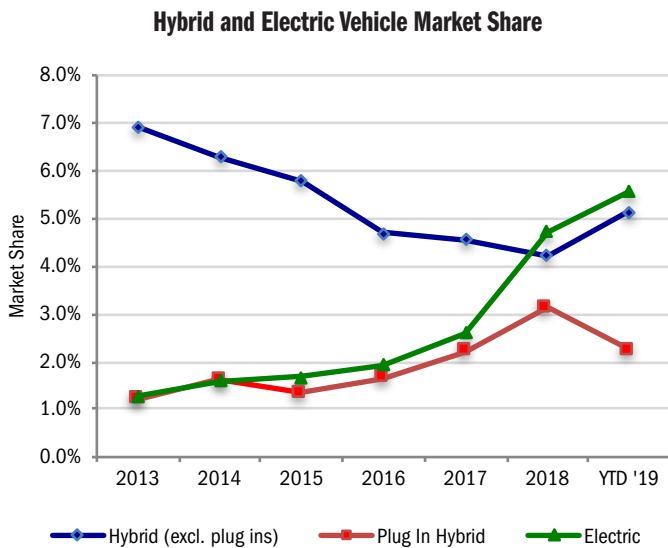


Source: IHS.

The two graphs above show market shares for primary segments during the first six months of 2018 and 2019.

HYBRID AND ELECTRIC VEHICLES

Electric Vehicle Registrations On Pace to Exceed 100,000 Units in 2019



Hybrid/electric vehicle market share, YTD '19 thru June: **13.0 percent**

Hybrid and Electric New Vehicle Registrations and Market Share					
	2015	2016	2017	2018	YTD 2019
Hybrid regs.(excl. plug ins)	118981	98083	93338	84322	48861
Hybrid share(excl. plug ins)	5.8%	4.7%	4.6%	4.2%	5.2%
Plug in hybrid regs.	27740	34727	45040	62847	21193
Plug in hybrid share	1.4%	1.7%	2.2%	3.1%	2.2%
Electric regs.	34477	40347	53500	94801	52807
Electric share	1.7%	1.9%	2.6%	4.7%	5.6%

Source: IHS

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MODEL RANKINGS

Honda Civic Stays on Top of California Market; F-Series is Best-Selling Light Truck

The table below shows the top five selling models during the first six months of 2019 in 20 segments. In addition to unit registrations, it also shows each model's market share in its respective segment.



BEST SELLERS IN PRIMARY SEGMENTS

- Compact Car: Honda Civic
- Mid Size Car: Toyota Camry
- Near Luxury Car: Tesla Model 3
- Luxury Car: BMW 5-Series
- Full Size Pickup: Ford F-Series
- Compact SUV: Toyota RAV4
- Mid Size SUV: Toyota Highlander
- Luxury Mid Size SUV: Lexus RX

Top Selling Models in Each Segment - New Light Vehicle Registrations (YTD '19 thru June)

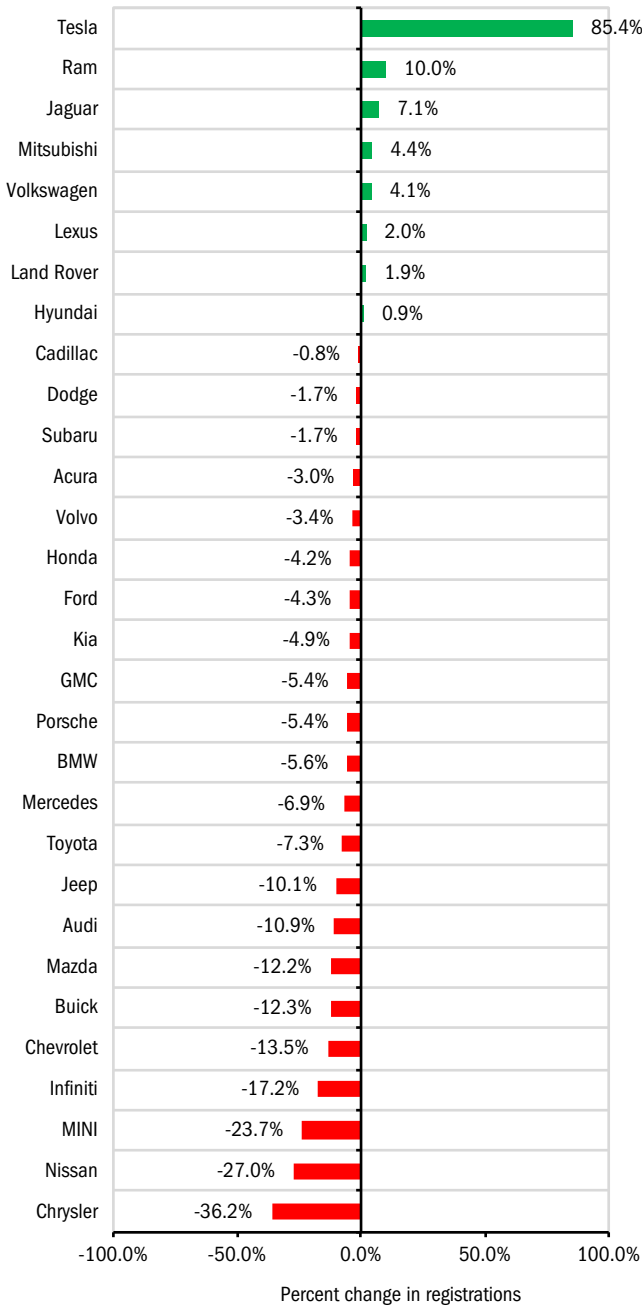
Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Soul	5119	16.4	Honda Civic	39018	28.4	Ford Mustang	4510	30.8	Toyota Camry	33638	31.3
Chevrolet Bolt	4482	14.3	Toyota Corolla	25673	18.7	Dodge Challenger	3773	25.8	Honda Accord	27727	25.8
Ford Fiesta	4268	13.6	Nissan Sentra	10826	7.9	Chevrolet Camaro	2759	18.8	Ford Fusion	13190	12.3
Nissan Versa	4102	13.1	Toyota Prius	10300	7.5	Hyundai Veloster	1624	11.1	Nissan Altima	8478	7.9
Honda Fit	3345	10.7	Hyundai Elantra	8204	6.0	Mazda MX5	701	4.8	Kia Optima	6398	6.0
Large			Entry Luxury			Near Luxury			Luxury and High End Sports Cars		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Dodge Charger	5622	44.7	Mercedes CLA-Class	2471	30.3	Tesla Model 3	33005	46.2	BMW 5-Series	5084	17.7
Chevrolet Impala	2419	19.2	Audi A3	1384	17.0	Mercedes C-Class	7591	10.6	Mercedes E-Class	4534	15.8
Toyota Avalon	1629	12.9	Mercedes A-Class	1376	16.9	Lexus ES	5298	7.4	Tesla Model S	3390	11.8
Chrysler 300	1534	12.2	Acura ILX	1192	14.6	BMW 3-Series	4874	6.8	BMW 7-Series	1543	5.4
Nissan Maxima	695	5.5	BMW I3	1013	12.4	BMW 4-Series	3666	5.1	Audi A6	1493	5.2
Light Trucks											
Compact/Mid Size Pickup			Full Size Pickup			Mini Van			Large Van		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	22336	61.0	Ford F Series	25036	34.6	Honda Odyssey	6128	30.6	Ford Transit Connect Van	8379	45.8
Chevrolet Colorado	5552	15.2	Chevrolet Silverado	17706	24.5	Toyota Sienna	5883	29.4	Ram Promaster	2685	14.7
Ford Ranger	2864	7.8	Ram Pickup	16872	23.3	Chrysler Pacifica	3709	18.5	Mercedes Sprinter	2230	12.2
Nissan Frontier /Xe	2678	7.3	GMC Sierra	6208	8.6	Dodge Caravan	3584	17.9	Nissan NV	2100	11.5
GMC Canyon	1471	4.0	Toyota Tundra	5671	7.8	Kia Sedona	694	3.5	Chevrolet Express	1838	10.1
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda HR-V	6484	18.7	Toyota RAV4	24398	17.6	Toyota Highlander	12098	12.3	Chevrolet Tahoe	3790	27.2
Toyota C-HR	5575	16.1	Honda CR-V	19904	14.4	Subaru Outback	10134	10.3	Chevrolet Suburban	2549	18.3
Nissan Kicks	4155	12.0	Nissan Rogue	11539	8.3	Ford Explorer	9099	9.2	Ford Expedition	2205	15.8
Hyundai Kona	4074	11.8	Jeep Wrangler	10368	7.5	Jeep Grand Cherokee	7792	7.9	Ford Flex	1724	12.4
Kia Niro	3382	9.8	Mazda CX-5	10196	7.4	Honda Pilot	7604	7.7	GMC Yukon XL	1371	9.9
Luxury Subcompact SUV			Luxury Compact SUV			Luxury Mid Size SUV			Luxury Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Mercedes GLA-Class	2238	23.1	Mercedes GLC-Class	7499	17.7	Lexus RX	9770	23.0	Land Rover Range Rover	1988	20.6
Lexus UX	2050	21.2	Lexus NX	6665	15.8	BMW X5	3795	8.9	Cadillac Escalade	1565	16.2
BMW X1	1804	18.6	Audi Q5	5905	14.0	Tesla Model X	3690	8.7	Mercedes GLS-Class	1335	13.8
BMW X2	1607	16.6	BMW X3	5392	12.7	Mercedes GLE-Class	3134	7.4	BMW X7	1099	11.4
Volvo XC40	1035	10.7	Acura RDX	4259	10.1	Acura MDX	2985	7.0	Audi Q8	989	10.2

Source: IHS

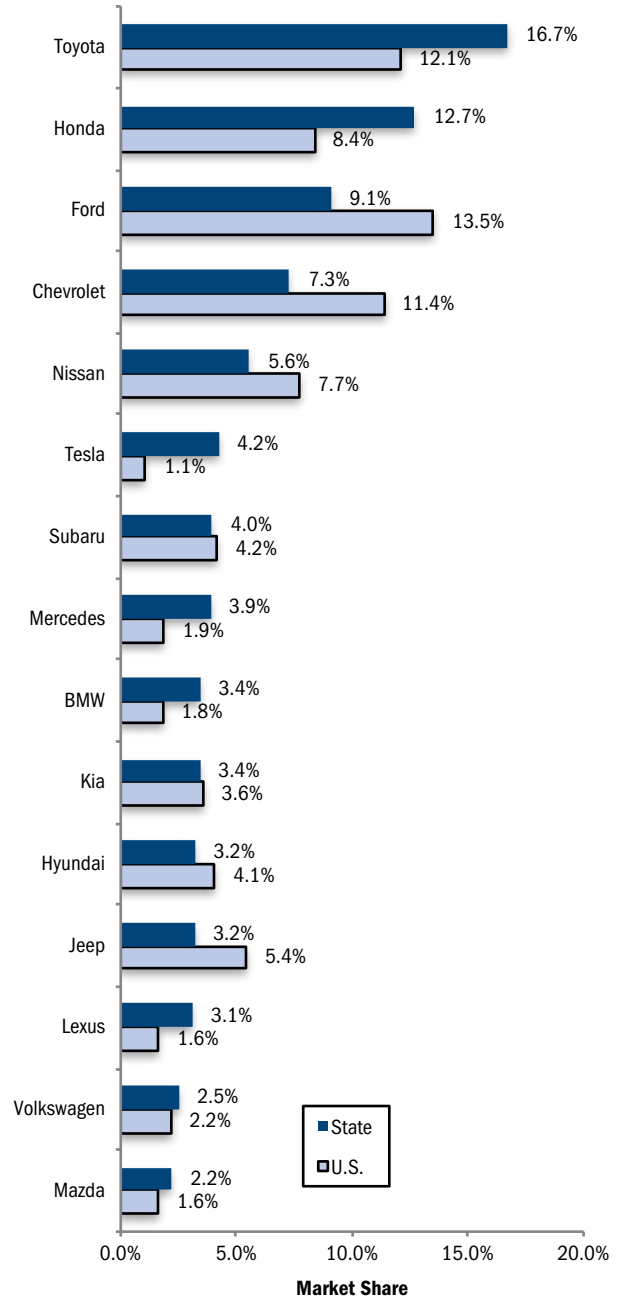
BRAND SUMMARY

Registrations Increased for Eight Brands in First Half of 2019

Percent Change in Brand Registrations - YTD '19 thru June vs. YTD '18
(Top 30 selling brands in state)



California and U.S. Market Share - YTD '19 thru June
(Top 15 selling brands in state)



Registrations increased for Tesla, Ram, Jaguar, Mitsubishi, Volkswagen, Lexus, Land Rover, and Hyundai



Toyota, Honda, Ford, Chevrolet, and Nissan were market share leaders in California

BRAND REGISTRATIONS

Detailed Results for All Brands in California Market

California New Car and Light Truck Registrations											
	Second Quarter 2018 and 2019				Year-to-date thru June				YTD Market Share		
	California			U.S.	California			U.S.	California		
	2Q '18	2Q '19	% chg.	% chg.	YTD '18	YTD '19	% chg.	% chg.	YTD '18	YTD '19	Chg.
TOTAL	514,856	484,638	-5.9%	-1.7%	1,004,670	948,563	-5.6%	-2.3%			
Acura	5,741	5,076	-11.6%	-5.1%	10,708	10,382	-3.0%	1.5%	1.1	1.1	0.0
Alfa Romeo	1,431	884	-38.2%	-29.1%	2,558	1,819	-28.9%	-23.1%	0.3	0.2	-0.1
Audi	10,628	9,560	-10.0%	-6.5%	20,608	18,367	-10.9%	-6.4%	2.1	1.9	-0.2
BMW	18,368	18,103	-1.4%	7.8%	34,458	32,540	-5.6%	5.2%	3.4	3.4	0.0
Buick	1,971	1,849	-6.2%	4.5%	4,436	3,892	-12.3%	-2.3%	0.4	0.4	0.0
Cadillac	2,663	2,769	4.0%	-0.1%	5,355	5,314	-0.8%	0.5%	0.5	0.6	0.1
Chevrolet	41,363	34,440	-16.7%	-5.2%	80,131	69,325	-13.5%	-6.2%	8.0	7.3	-0.7
Chrysler	3,726	2,531	-32.1%	-23.3%	8,223	5,243	-36.2%	-25.5%	0.8	0.6	-0.2
Dodge	9,220	9,302	0.9%	-6.4%	18,580	18,266	-1.7%	-4.7%	1.8	1.9	0.1
FIAT	512	358	-30.1%	-38.5%	1,231	709	-42.4%	-40.0%	0.1	0.1	0.0
Ford	46,251	46,499	0.5%	-4.5%	90,178	86,315	-4.3%	-4.2%	9.0	9.1	0.1
Genesis	796	648	-18.6%	36.2%	1,537	797	-48.1%	-1.0%	0.2	0.1	-0.1
GMC	7,759	8,293	6.9%	10.3%	16,280	15,409	-5.4%	1.6%	1.6	1.6	0.0
Honda	66,379	60,892	-8.3%	-5.2%	126,055	120,749	-4.2%	-2.3%	12.5	12.7	0.2
Hyundai	15,544	15,766	1.4%	1.5%	30,273	30,556	0.9%	2.6%	3.0	3.2	0.2
Infiniti	4,185	3,333	-20.4%	-8.9%	9,562	7,921	-17.2%	-13.6%	1.0	0.8	-0.2
Jaguar	1,306	1,258	-3.7%	-12.0%	2,805	3,003	7.1%	2.3%	0.3	0.3	0.0
Jeep	18,186	15,789	-13.2%	-8.9%	33,750	30,334	-10.1%	-6.0%	3.4	3.2	-0.2
Kia	17,176	16,415	-4.4%	-3.0%	34,145	32,488	-4.9%	0.9%	3.4	3.4	0.0
Land Rover	4,414	4,122	-6.6%	-3.9%	8,764	8,930	1.9%	-0.2%	0.9	0.9	0.0
Lexus	14,581	14,841	1.8%	0.3%	28,850	29,438	2.0%	0.4%	2.9	3.1	0.2
Lincoln	1,742	1,472	-15.5%	-7.5%	3,374	2,911	-13.7%	-0.9%	0.3	0.3	0.0
Maserati	618	298	-51.8%	-37.8%	1,236	739	-40.2%	-34.1%	0.1	0.1	0.0
Mazda	11,333	9,882	-12.8%	-14.9%	23,963	21,037	-12.2%	-15.2%	2.4	2.2	-0.2
Mercedes	21,259	19,003	-10.6%	-6.3%	39,566	36,848	-6.9%	-6.0%	3.9	3.9	0.0
MINI	2,354	1,693	-28.1%	-22.7%	4,841	3,695	-23.7%	-20.2%	0.5	0.4	-0.1
Mitsubishi	1,994	1,676	-15.9%	-3.8%	4,646	4,852	4.4%	7.0%	0.5	0.5	0.0
Nissan	35,086	26,014	-25.9%	-7.3%	72,491	52,927	-27.0%	-11.4%	7.2	5.6	-1.6
Other	930	1,028	10.5%	7.6%	1,848	2,035	10.1%	3.9%	0.2	0.2	0.0
Porsche	3,497	2,893	-17.3%	-4.0%	6,938	6,561	-5.4%	1.4%	0.7	0.7	0.0
Ram	9,572	10,572	10.4%	36.9%	17,787	19,557	10.0%	30.8%	1.8	2.1	0.3
Subaru	19,377	19,673	1.5%	8.4%	38,126	37,477	-1.7%	6.1%	3.8	4.0	0.2
Tesla	14,091	19,594	39.1%	70.1%	21,621	40,085	85.4%	110.2%	2.2	4.2	2.0
Toyota	85,873	82,621	-3.8%	-0.7%	170,775	158,351	-7.3%	-3.4%	17.0	16.7	-0.3
Volkswagen	11,563	12,353	6.8%	6.0%	22,873	23,802	4.1%	4.7%	2.3	2.5	0.2
Volvo	3,367	3,138	-6.8%	-6.0%	6,098	5,889	-3.4%	-3.1%	0.6	0.6	0.0

The table above shows new retail light vehicle (car and light truck) registrations in California. Figures are shown for the Second Quarters of 2018 and 2019, and ytd totals. The top ten ranked brands in each category are shaded yellow Source: IHS Markit.

California Auto Outlook

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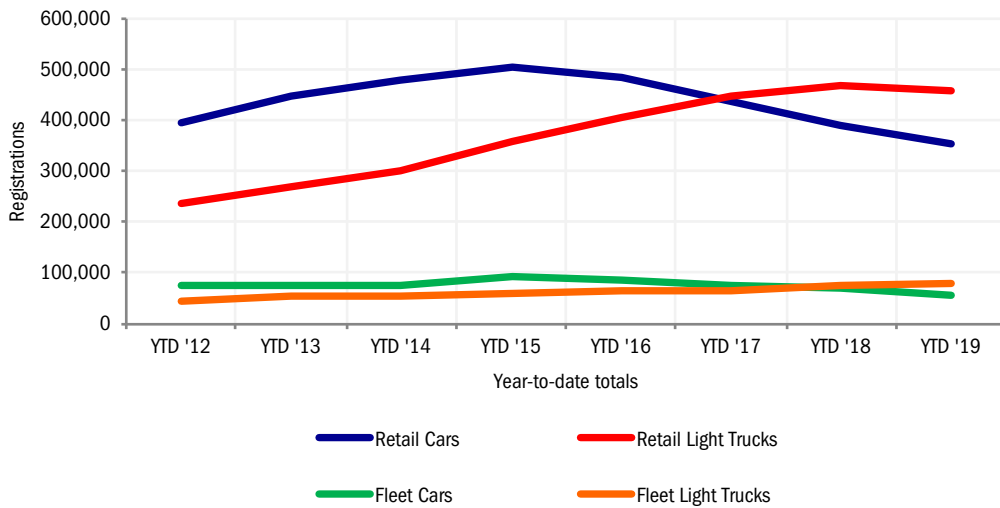
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BREAKDOWN OF RETAIL AND FLEET MARKETS

Retail Light Truck Registrations Declined Slightly During First Half of 2019

California New Car and Light Truck Retail and Fleet Registrations - 2012 thru 2019, YTD thru June



Data Source: IHS.

PERCENT CHANGE:
YTD '19 vs. YTD '18 (June)

Retail cars: **DOWN 9.6%**

Retail light trucks: **DOWN 2.5%**

Fleet cars: **DOWN 17.8%**

Fleet light trucks: **UP 7.4%**

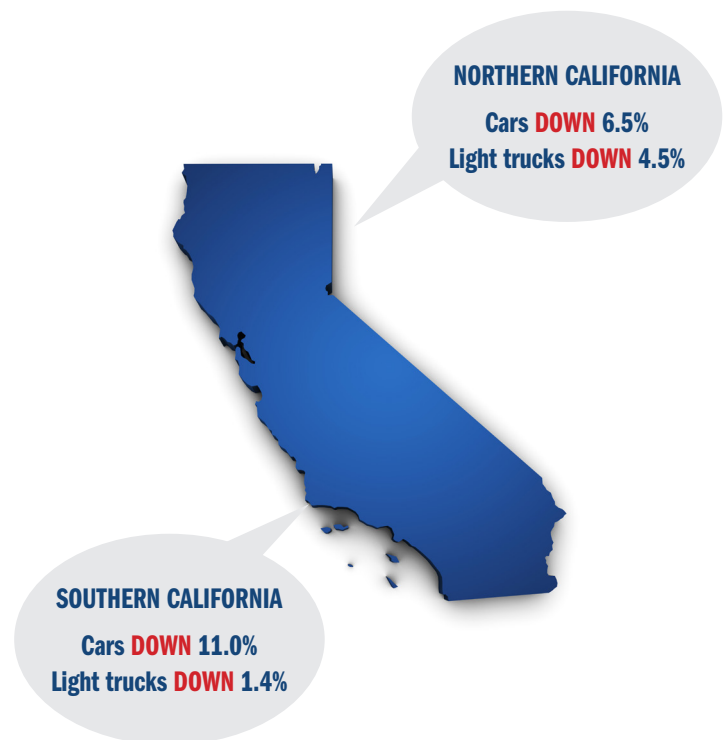
REGIONAL MARKETS IN CALIFORNIA

San Francisco Bay Retail Market Declined by Less Than 5%

New Retail Light Vehicle Registrations (excluding fleets) YTD thru June			
North and South California	YTD '18	YTD '19	% chg.
Statewide Total	860,773	811,499	-5.7%
Cars	391,942	354,355	-9.6%
Light Trucks	468,831	457,144	-2.5%
Northern California	291,622	275,901	-5.4%
Cars	124,020	115,912	-6.5%
Light Trucks	167,602	159,989	-4.5%
Southern California	569,151	535,598	-5.9%
Cars	267,922	238,443	-11.0%
Light Trucks	301,229	297,155	-1.4%
Selected Regional Markets			
San Francisco Bay	165,131	157,437	-4.7%
Cars	75,016	71,909	-4.1%
Light Trucks	90,115	85,528	-5.1%
LA and Orange Counties	340,840	321,787	-5.6%
Cars	166,843	148,673	-10.9%
Light Trucks	173,997	173,114	-0.5%
San Diego County	73,688	69,200	-6.1%
Cars	31,915	28,048	-12.1%
Light Trucks	41,773	41,152	-1.5%

Data Source: IHS .

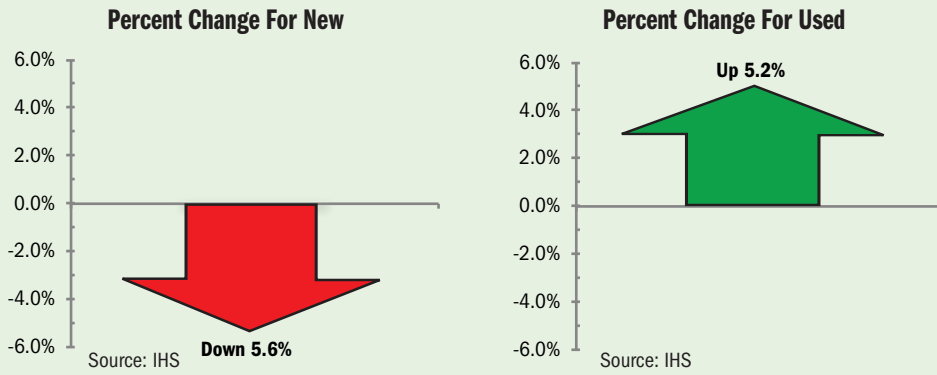
Percent Change in New Retail Registrations - YTD '19 vs. YTD '18



TRACKING THE CALIFORNIA USED VEHICLE MARKET

Used Vehicle Market Posts Solid Increase During First Six Months of 2019

Comparison of California New and Used Vehicle Markets - Percent change in registrations (YTD '19 thru June vs. YTD '18)



5 KEY TRENDS IN USED MARKET



01. Used light vehicle registrations in the state were up 5.2 percent thru June of 2019.
02. Used light truck registrations were up 8.5 percent. Cars were up by less than 3 percent.
03. Registrations for 6 year old or newer vehicles were up 10.2 percent so far this year.
04. Honda Civic was the best seller in the six year old or newer market, while Toyota RAV4 had a big increase.
05. Toyota was the brand leader in the six year old or newer market. Ford was second.

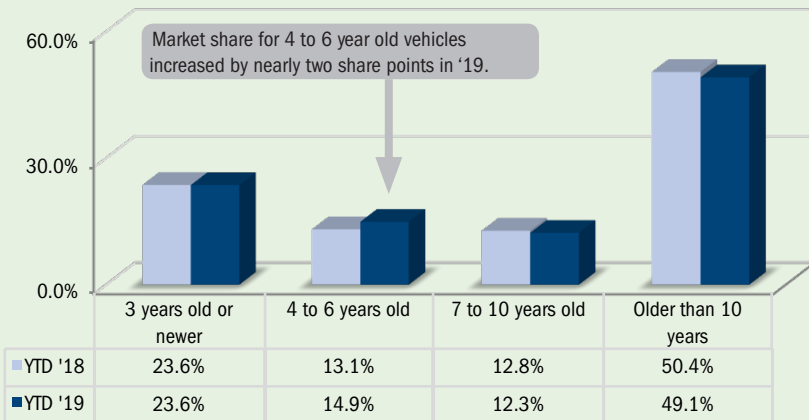
California Used Light Vehicle Registrations - YTD thru June					
	Registrations		% Change '18 TO '19	Market Share	
	YTD '18	YTD '19		YTD '18	YTD '19
TOTAL	1,925,299	2,025,239	5.2%		
Cars	1,127,173	1,159,615	2.9%	58.5%	57.3%
Light Trucks	798,126	865,624	8.5%	41.5%	42.7%
Domestic	686,247	711,266	3.6%	35.6%	35.1%
European	267,612	289,404	8.1%	13.9%	14.3%
Japanese	880,798	929,287	5.5%	45.7%	45.9%
Korean	90,642	95,282	5.1%	4.7%	4.7%

Source: IHS

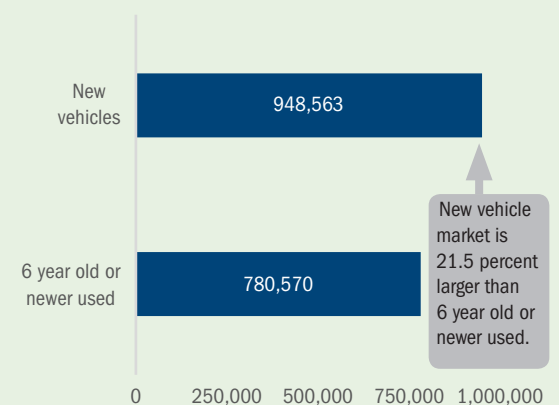
ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

Market Share for 4 to 6 Year Old Vehicles Nears 15 Percent

Used Vehicle Market Share by Age of Vehicle YTD '19 thru June vs. YTD '18



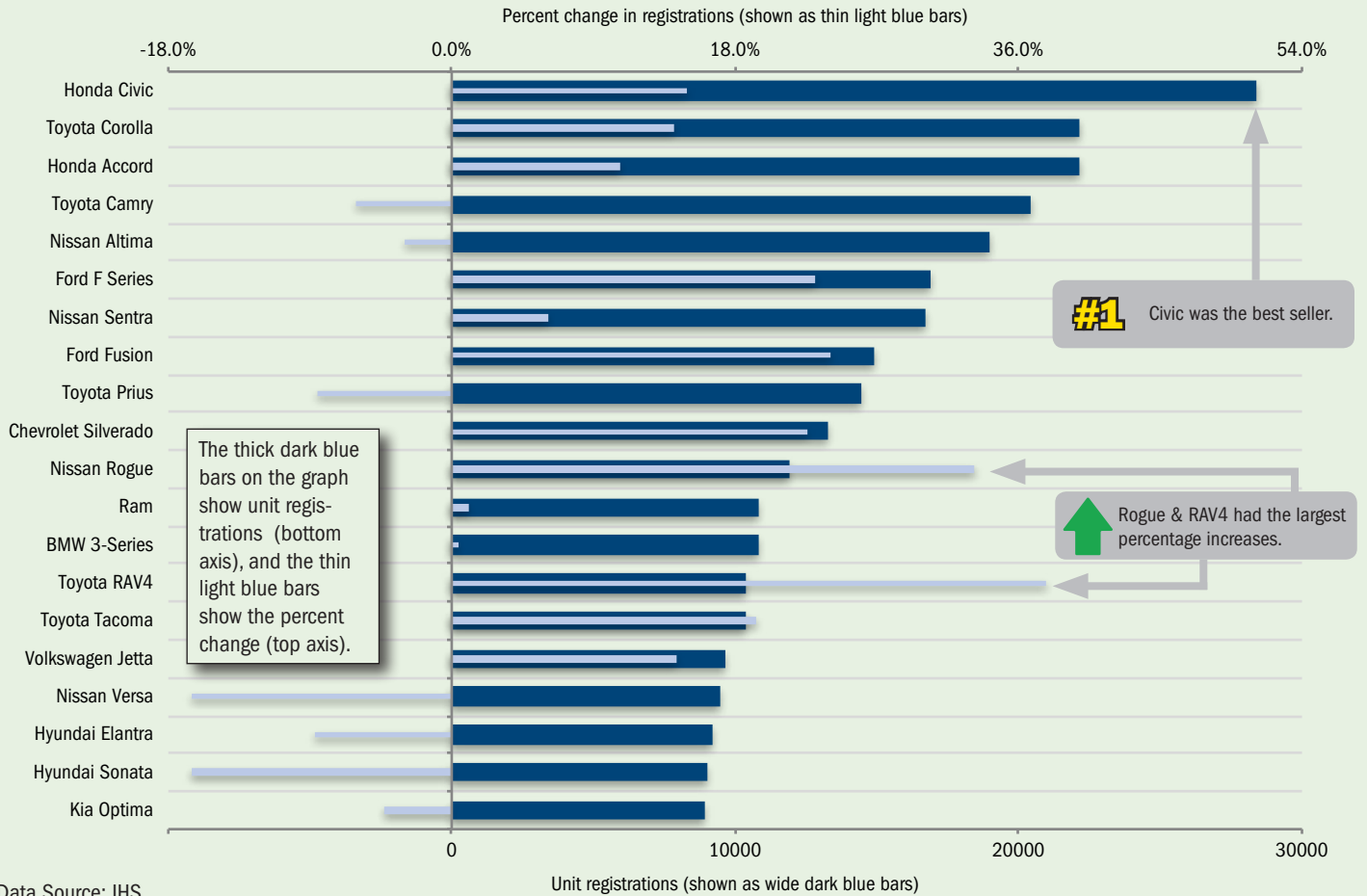
6 Year Old or Newer Used and New Vehicle Registrations YTD '19 thru June



TOP SELLING USED VEHICLES

Civic is Best-Seller in State Used Vehicle Market; RAV4 and Rogue Had Largest Percentage Gains

Registrations (YTD '19 thru June) and Percent Change in registrations (YTD '19 thru June vs. YTD '18)
Top 20 Selling Models (6 years old or newer)



TOP SELLING BRANDS

Top Five Selling Brands Account for Over 50% of Six Year Old or Newer Used Vehicle Market

Top 15 Selling Brands in California Used Vehicle Market (vehicles 6 years old or newer)
YTD '19 thru June

