

# California Auto Outlook™

Comprehensive information on the California vehicle market

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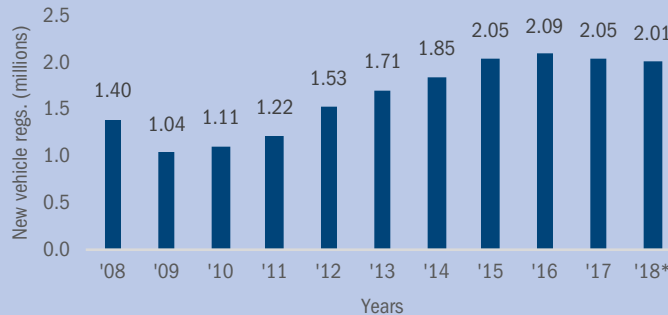


## New Vehicle Registrations in State Predicted to Exceed 2 Million Units Again in 2018

### ANNUAL TRENDS



California Annual New Light Vehicle Registrations - 2008 thru 2018



Historical data source: IHS Markit

\*2018 forecast by Auto Outlook.

New vehicle registrations in 2017 were above 2 million units for the third consecutive year.

The market has a chance to exceed that level in 2018, as well. Current forecast for 2018: 2.01 million units.

The market declined slightly last year, but the annual total exceeded 2009 levels by nearly 100 percent.

### TWO YEAR PERSPECTIVE



California and U.S. New Light Vehicle Registrations - 2016 and 2017

	California			U.S.		
	2016	2017	Change	2016	2017	Change
<b>Registrations</b>						
TOTAL	2,088,905	2,047,632	-2.0%	17,431,591	17,134,995	-1.7%
Car	1,110,220	996,287	-10.3%	6,891,593	6,133,743	-11.0%
Light Truck	978,685	1,051,345	7.4%	10,539,998	11,001,252	4.4%
Detroit Three	585,336	576,240	-1.6%	7,792,339	7,560,403	-3.0%
European	326,055	317,743	-2.5%	1,574,673	1,575,590	0.1%
Japanese	1,020,520	1,008,938	-1.1%	6,660,790	6,721,125	0.9%
Korean	156,994	144,711	-7.8%	1,403,789	1,277,877	-9.0%
<b>Market Share</b>						
Car	53.1	48.7	-4.4	39.5	35.8	-3.7
Light Truck	46.9	51.3	4.4	60.5	64.2	3.7
Detroit Three	28.0	28.1	0.1	44.8	44.1	-0.7
European	15.6	15.5	-0.1	9.0	9.2	0.2
Japanese	48.9	49.2	0.3	38.2	39.2	1.0
Korean	7.5	7.1	-0.4	8.1	7.5	-0.6

Source: IHS Markit

California new light vehicle market declined by 2 percent last year, in line with the 1.7 percent drop in the U.S.

Light truck registrations in the state increased 7.4 percent in 2017.

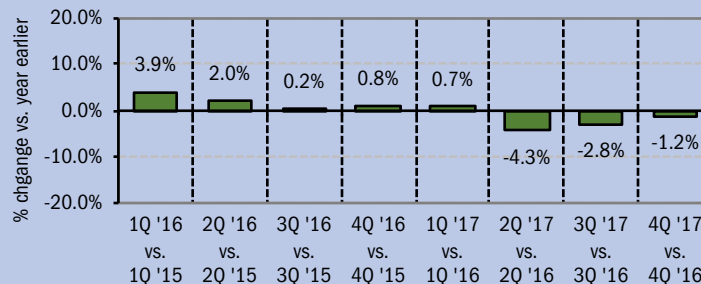
Truck market share in California was 51.3 percent vs. 64.2 percent in the Nation.

Japanese brand market share in the state increased slightly in '17, while Korean brand share fell by 0.4 points.

### QUARTERLY RESULTS



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



Source: IHS Markit

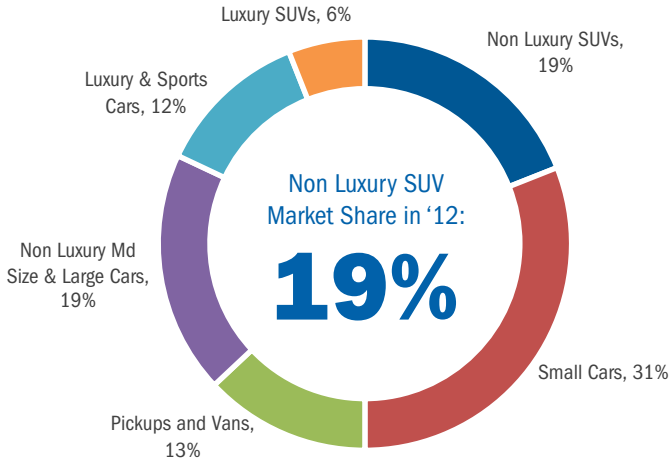
The California new vehicle market declined slightly in the Fourth Quarter of 2017 vs. a year earlier.

As shown on the graph, the market has plateaued after several years of big increases, but the rate of decline eased during 2017.

FIVE YEAR TREND IN SEGMENT MARKET SHARES

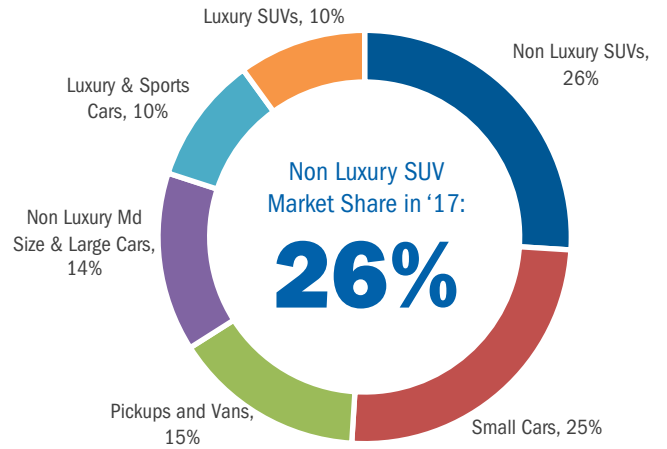
### Non Luxury SUV Segment Takes Over Top Spot in State Market

**Segment Market Shares in California 2012**



Source: IHS Markit.

**Segment Market Shares in California 2017**



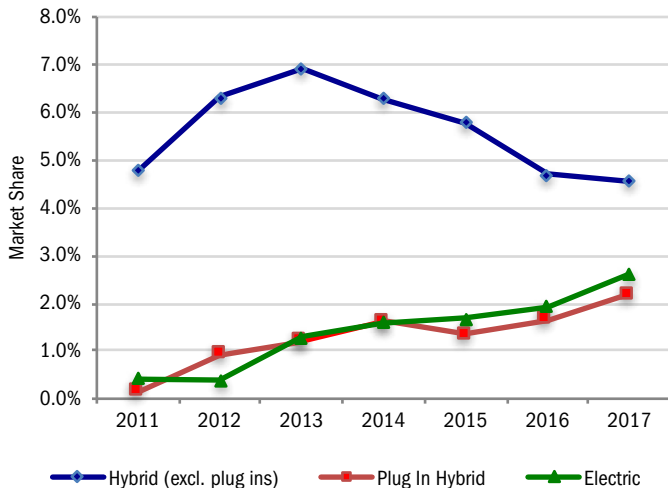
Source: IHS Markit.

The two graphs above show market shares for primary segments during 2012 and 2017. Non Luxury SUV market share increased sharply while Small Cars had the largest decline.

HYBRID AND ELECTRIC VEHICLES

### Electric Vehicle Market Share in State Reached 2.6 Percent in 2017

**Hybrid and Electric Vehicle Market Share**



Hybrid/electric vehicle market share in 2017: **9.4 percent**

Hybrid and Electric New Vehicle Registrations and Market Share					
	2013	2014	2015	2016	2017
Hybrid regs.(excl. plug ins)	118437	116217	118981	98083	93251
Hybrid share(excl. plug ins)	6.9%	6.3%	5.8%	4.7%	4.6%
Plug in hybrid regs.	20633	29949	27740	34727	44962
Plug in hybrid share	1.2%	1.6%	1.4%	1.7%	2.2%
Electric regs.	21912	29536	34477	40347	53549
Electric share	1.3%	1.6%	1.7%	1.9%	2.6%

Source: IHS Markit

MODEL RANKINGS

# Honda Civic Was Best Selling Model in California Market During 2017

The table below shows the top five selling models during 2017 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: Honda Accord
- Near Luxury Car: Mercedes C-Class
- Luxury Car: Mercedes E-Class
- Full Size Pickup: Ford F-Series
- Compact SUV: Toyota RAV4
- Mid Size SUV: Ford Explorer
- Luxury Mid Size SUV: Lexus RX

## Top Selling Models in Each Segment - New Light Vehicle Registrations (2017)

Cars											
Subcompact			Compact			Sports/Pony Cars			Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Chevrolet Bolt	13487	14.7	Honda Civic	94525	24.5	Ford Mustang	10907	29.2	Honda Accord	72037	28.6
Nissan Versa	12034	13.1	Toyota Corolla	55758	14.4	Chevrolet Camaro	9202	24.7	Toyota Camry	65671	26.1
Kia Soul	11974	13.1	Toyota Prius	40735	10.6	Dodge Challenger	8668	23.2	Ford Fusion	24594	9.8
Toyota Yaris	10100	11.0	Nissan Sentra	34143	8.8	Toyota 86	2177	5.8	Nissan Altima	23826	9.5
Honda Fit	9373	10.2	Hyundai Elantra	21903	5.7	Mazda MX5	2069	5.5	Kia Optima	19090	7.6
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	8759	34.6	Audi A3	6815	27.9	Mercedes C-Class	20129	19.0	Mercedes E-Class	12326	16.6
Toyota Avalon	3836	15.1	Mercedes CLA-Class	4866	19.9	BMW 3-Series	16913	16.0	Tesla Model S	11813	16.0
Chrysler 300	3727	14.7	BMW I3	4073	16.7	Lexus ES	11136	10.5	BMW 5-Series	10041	13.6
Nissan Maxima	3485	13.8	Lexus Ct200H	3183	13.0	BMW 4-Series	8650	8.2	Mercedes S-Class	4053	5.5
Chevrolet Impala	2092	8.3	BMW 2-Series	2506	10.3	Lexus IS	8650	8.2	Audi A6	3090	4.2
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	37478	58.3	Ford F Series	55249	33.8	Toyota Sienna	20373	41.4	Ford Transit Connect Van	14773	40.3
Chevrolet Colorado	11957	18.6	Chevrolet Silverado	42724	26.1	Honda Odyssey	13820	28.1	Mercedes Sprinter	5013	13.7
Nissan Frontier /Xe	7281	11.3	Ram Pickup	32877	20.1	Chrysler Pacifica	7665	15.6	Nissan NV	4685	12.8
Honda Ridgeline	3920	6.1	GMC Sierra	15051	9.2	Dodge Caravan	4410	9.0	Chevrolet Express	4267	11.7
GMC Canyon	3419	5.3	Toyota Tundra	14670	9.0	Kia Sedona	2308	4.7	Ram Promaster	4120	11.3
Subcompact SUV			Compact SUV			Mid Size SUV			Large SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Honda HR-V	14660	32.0	Toyota RAV4	51054	18.6	Ford Explorer	25663	13.4	Chevrolet Tahoe	8666	30.7
Jeep Renegade	7318	16.0	Honda CR-V	42449	15.5	Toyota Highlander	25022	13.0	Chevrolet Suburban	4070	14.4
Kia Niro	5165	11.3	Nissan Rogue	35345	12.9	Subaru Outback	21903	11.4	GMC Yukon	3641	12.9
Buick Encore	4555	10.0	Mazda CX-5	20333	7.4	Jeep Grand Cherokee	16589	8.6	Ford Expedition	2959	10.5
Toyota C-HR	4138	9.0	Subaru Forester	18091	6.6	Honda Pilot	16384	8.5	Ford Flex	2873	10.2
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
BMW X1	5858	34.8	Lexus NX	13704	19.2	Lexus RX	21019	23.0	Mercedes GLS/GL-Class	5325	29.0
Mercedes GLA-Class	5097	30.3	Audi Q5	10493	14.7	Mercedes GLE/M-Class	10279	11.2	Land Rover Range Rover	4879	26.5
Audi Q3	3783	22.5	Mercedes GLC/GLK-C	9559	13.4	BMW X5	9502	10.4	Cadillac Escalade	4263	23.2
Infiniti QX30	2098	12.5	BMW X3	8103	11.4	Acura MDX	8449	9.2	Mercedes G-Class	1125	6.1
			Acura RDX	7749	10.9	Tesla Model X	6910	7.6	Infiniti QX80/QX56	1048	5.7

Source: IHS Markit

BRAND REGISTRATIONS

Detailed Results for All Brands in California Market

California New Car and Light Truck Registrations											
	Fourth Quarter 2016 and 2017				Annual Totals				Annual Market Share		
	California			U.S.	California			U.S.	California		
	2016	2017	% chg.	% chg.	2016	2017	% chg.	% chg.	2016	2017	Chg.
TOTAL	508,365	502,441	-1.2%	0.9%	2,088,905	2,047,632	-2.0%	-1.7%			
Acura	6,442	6,393	-0.8%	-0.4%	25,296	24,332	-3.8%	-3.5%	1.2	1.2	0.0
Alfa Romeo	14	895	6292.9%	4797.7%	88	2,171	2367.0%	2032.7%	0.0	0.1	0.1
Audi	11,549	12,086	4.6%	12.8%	41,985	43,688	4.1%	6.7%	2.0	2.1	0.1
BMW	20,272	21,231	4.7%	2.1%	79,217	72,070	-9.0%	-6.5%	3.8	3.5	-0.3
Buick	2,816	2,887	2.5%	5.9%	11,292	9,261	-18.0%	-1.5%	0.5	0.5	0.0
Cadillac	4,378	3,171	-27.6%	-9.8%	13,591	11,753	-13.5%	-5.8%	0.7	0.6	-0.1
Chevrolet	42,810	41,891	-2.1%	0.3%	156,549	162,148	3.6%	-0.9%	7.5	7.9	0.4
Chrysler	2,720	2,857	5.0%	1.4%	11,953	12,744	6.6%	-19.5%	0.6	0.6	0.0
Dodge	8,467	6,772	-20.0%	-25.3%	39,329	32,582	-17.2%	-12.8%	1.9	1.6	-0.3
FIAT	2,681	1,384	-48.4%	-29.0%	10,088	8,174	-19.0%	-22.1%	0.5	0.4	-0.1
Ford	43,608	42,472	-2.6%	8.2%	198,877	191,502	-3.7%	-1.1%	9.5	9.4	-0.1
Genesis	632	801	26.7%	49.5%	896	3,072	242.9%	301.7%	0.0	0.2	0.2
GMC	9,707	10,388	7.0%	1.4%	35,831	36,012	0.5%	3.0%	1.7	1.8	0.1
Honda	66,546	65,080	-2.2%	0.7%	262,499	269,180	2.5%	1.1%	12.6	13.1	0.5
Hyundai	16,819	15,136	-10.0%	-8.1%	78,485	71,110	-9.4%	-11.7%	3.8	3.5	-0.3
Infiniti	6,168	5,543	-10.1%	-0.4%	21,279	21,952	3.2%	10.4%	1.0	1.1	0.1
Jaguar	1,826	1,821	-0.3%	-1.0%	5,670	7,979	40.7%	33.3%	0.3	0.4	0.1
Jeep	12,699	13,128	3.4%	-1.7%	57,355	56,400	-1.7%	-10.3%	2.7	2.8	0.1
Kia	16,900	15,912	-5.8%	-10.1%	77,613	70,529	-9.1%	-8.0%	3.7	3.4	-0.3
Land Rover	3,661	3,673	0.3%	3.3%	14,066	14,760	4.9%	0.6%	0.7	0.7	0.0
Lexus	19,438	17,898	-7.9%	-6.0%	72,575	66,558	-8.3%	-7.0%	3.5	3.3	-0.2
Lincoln	1,947	1,598	-17.9%	-5.7%	7,501	6,879	-8.3%	1.0%	0.4	0.3	-0.1
Maserati	1,046	862	-17.6%	-3.3%	3,366	3,315	-1.5%	15.5%	0.2	0.2	0.0
Mazda	11,528	10,986	-4.7%	-2.3%	51,870	48,889	-5.7%	-2.1%	2.5	2.4	-0.1
Mercedes	23,011	23,932	4.0%	1.2%	85,020	82,085	-3.5%	-3.0%	4.1	4.0	-0.1
MINI	2,581	2,380	-7.8%	-6.6%	11,468	10,175	-11.3%	-11.6%	0.5	0.5	0.0
Mitsubishi	1,609	1,845	14.7%	17.6%	7,405	7,636	3.1%	5.4%	0.4	0.4	0.0
Nissan	34,984	30,798	-12.0%	5.8%	167,075	143,602	-14.0%	-0.4%	8.0	7.0	-1.0
Other	1,161	941	-18.9%	-23.3%	4,512	3,896	-13.7%	-14.3%	0.2	0.2	0.0
Porsche	3,107	3,560	14.6%	9.6%	12,575	13,306	5.8%	6.2%	0.6	0.6	0.0
Ram	9,034	9,621	6.5%	-2.4%	34,958	36,997	5.8%	2.0%	1.7	1.8	0.1
Subaru	17,213	18,250	6.0%	4.3%	65,838	73,943	12.3%	6.3%	3.2	3.6	0.4
Tesla	4,412	6,003	36.1%	19.8%	17,615	19,598	11.3%	13.1%	0.8	1.0	0.2
Toyota	81,161	85,052	4.8%	2.5%	346,249	352,572	1.8%	1.3%	16.6	17.2	0.6
Volkswagen	13,024	12,038	-7.6%	-4.4%	49,687	47,330	-4.7%	2.7%	2.4	2.3	-0.1
Volvo	2,394	3,156	31.8%	26.5%	9,232	9,432	2.2%	0.5%	0.4	0.5	0.1

The table above shows new retail light vehicle (car and light truck) registrations in California. Figures are shown for the Fourth Quarters of 2016 and 2016, and annual totals for 2016 and 2017. The top ten ranked brands in each category are shaded yellow Source: IHS Markit.

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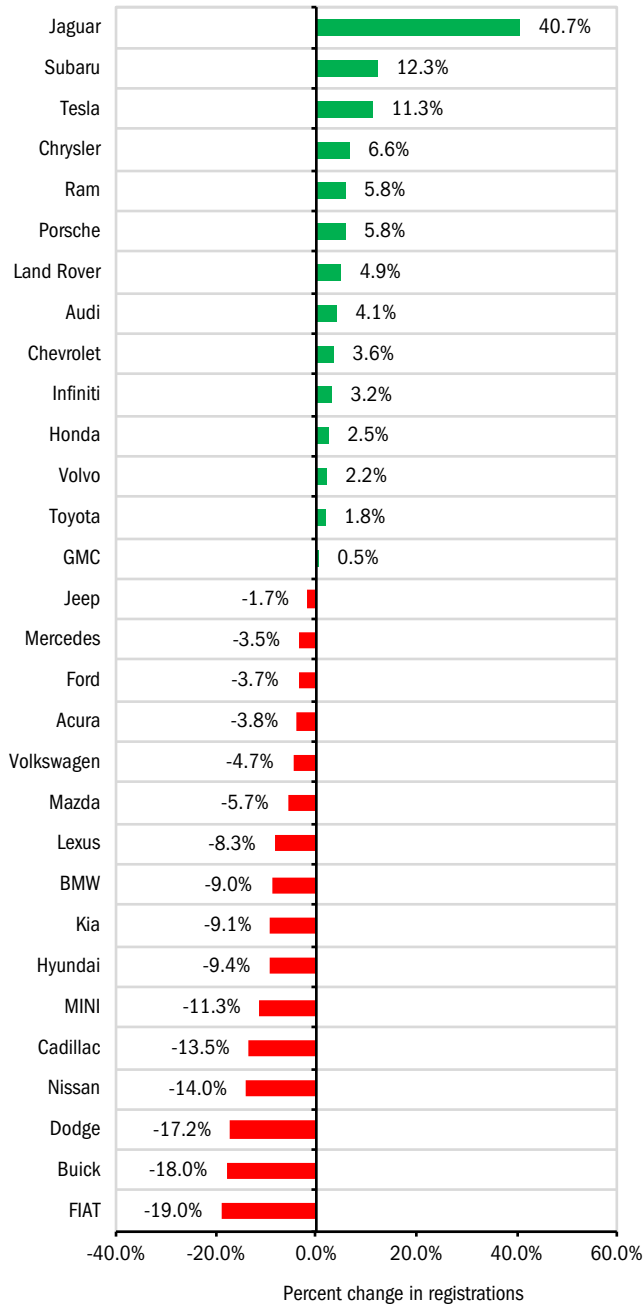
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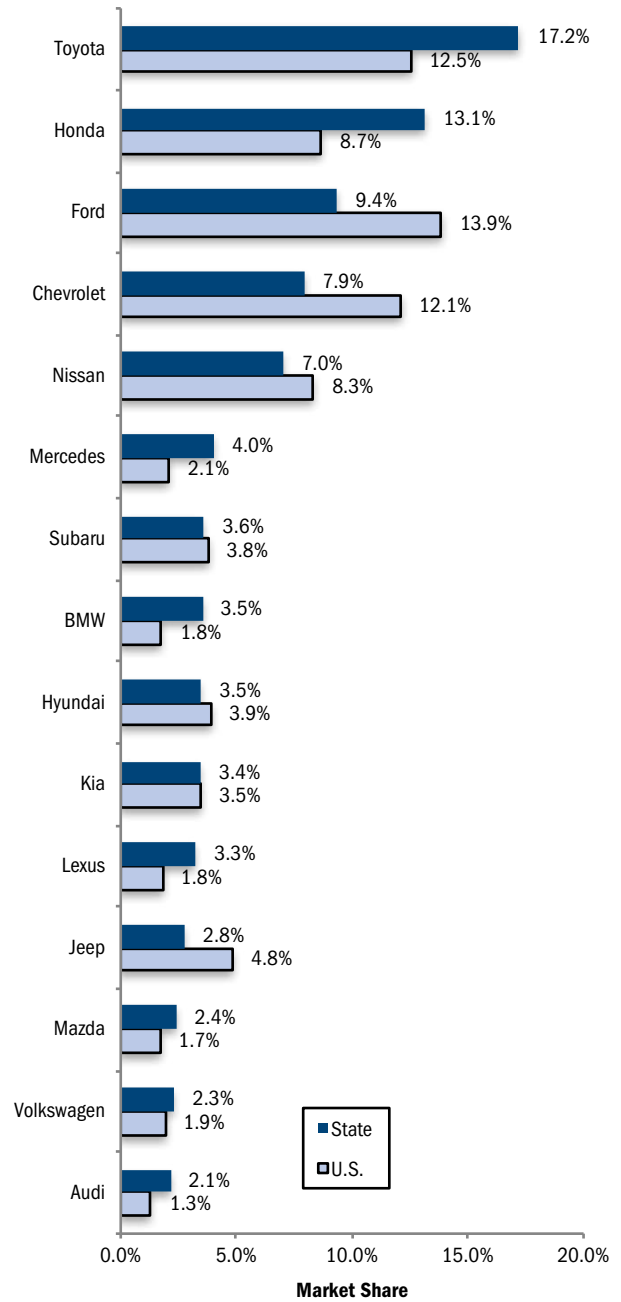
BRAND SUMMARY

# Jaguar Had Big Percentage Increase in 2017; Toyota is Market Leader

**Percent Change in Brand Registrations - 2017 vs. 2016  
(Top 30 selling brands in state)**



**California and U.S. Market Share - 2017  
(Top 15 selling brands in state)**



Registrations increased by more than 5% for Jaguar, Subaru, Tesla, Chrysler, Ram, and Porsche

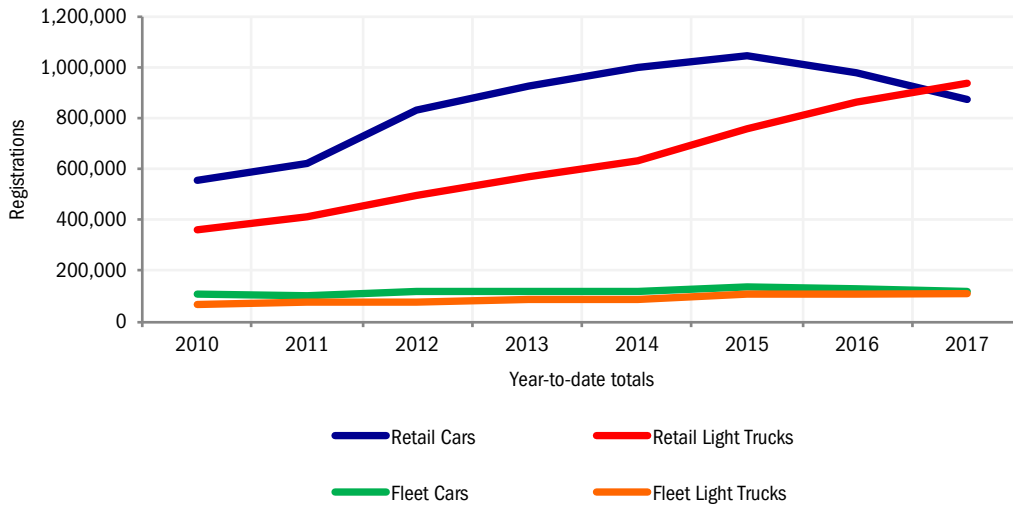


Toyota, Honda, Ford, Chevrolet, and Nissan were market share leaders in California

BREAKDOWN OF RETAIL AND FLEET MARKETS

### Retail Light Truck Registrations Surpass Cars in 2017

California New Car and Light Truck Retail and Fleet Registrations - 2010 thru 2017



Data Source: IHS Markit.



**PERCENT CHANGE:  
2017 VS. 2016**

- Retail cars: **DOWN 10.1%**
- Retail light trucks: **UP 8.3%**
- Fleet cars: **DOWN 10.3%**
- Fleet light trucks: **UP 7.4%**

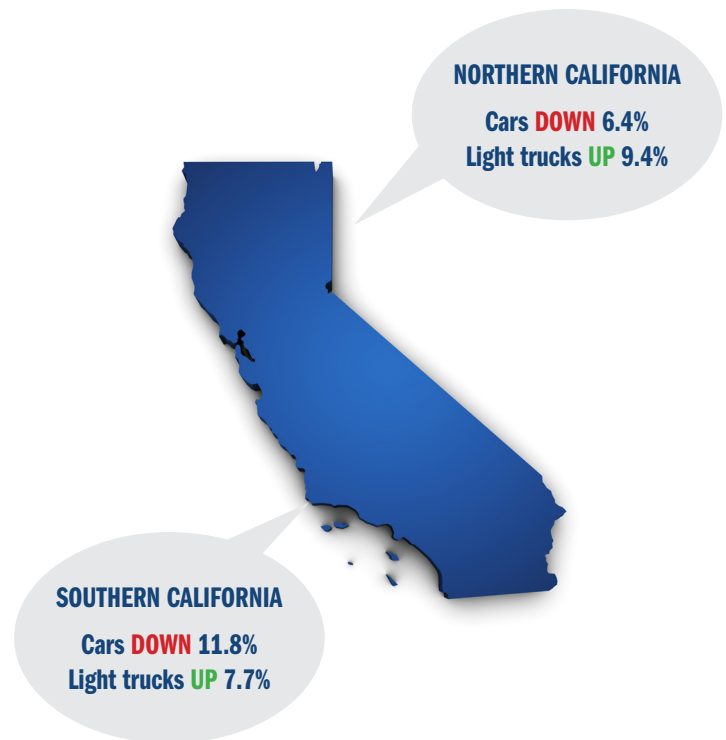
REGIONAL MARKETS IN CALIFORNIA

### Northern California Market Increased Slightly in 2017; South Declined 3.1 Percent

New Retail Light Vehicle Registrations (excluding fleets) Annual Totals			
North and South California	2016	2017	% chg.
Statewide Total	1,843,062	1,815,979	-1.5%
Cars	976,122	877,072	-10.1%
Light Trucks	866,940	938,907	8.3%
Northern California	613,733	624,306	1.7%
Cars	297,956	278,990	-6.4%
Light Trucks	315,777	345,316	9.4%
Southern California	1,229,329	1,191,673	-3.1%
Cars	678,166	598,082	-11.8%
Light Trucks	551,163	593,591	7.7%
Selected Regional Markets			
San Francisco Bay	349,441	354,638	1.5%
Cars	179,494	169,062	-5.8%
Light Trucks	169,947	185,576	9.2%
LA and Orange Counties	740,690	712,057	-3.9%
Cars	424,084	372,339	-12.2%
Light Trucks	316,606	339,718	7.3%
San Diego County	162,239	156,895	-3.3%
Cars	82,790	71,827	-13.2%
Light Trucks	79,449	85,068	7.1%

Data Source: IHS Markit.

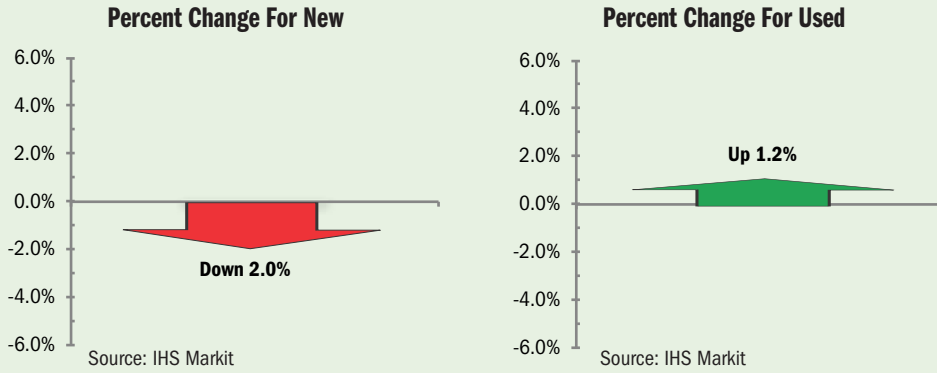
Percent Change in New Retail Registrations - 2017 vs. 2016



TRACKING THE CALIFORNIA USED VEHICLE MARKET

# Used Vehicle Market Posts Small Increase in 2017

Comparison of California New and Used Vehicle Markets -  
Percent change in registrations (2017 vs. 2016)



California Used Light Vehicle Registrations - Annual Totals					
	Registrations		% Change '16 TO '17	Market Share	
	2016	2017		2016	2017
TOTAL	3,691,484	3,735,975	1.2%		
Cars	2,218,484	2,208,534	-0.4%	60.1%	59.1%
Light Trucks	1,473,000	1,527,441	3.7%	39.9%	40.9%
Detroit Three	1,363,343	1,360,323	-0.2%	36.9%	36.4%
European	501,950	504,431	0.5%	13.6%	13.5%
Japanese	1,668,897	1,704,789	2.2%	45.2%	45.6%
Korean	157,294	166,432	5.8%	4.3%	4.5%

Source: IHS Markit

## 5 KEY TRENDS IN USED MARKET

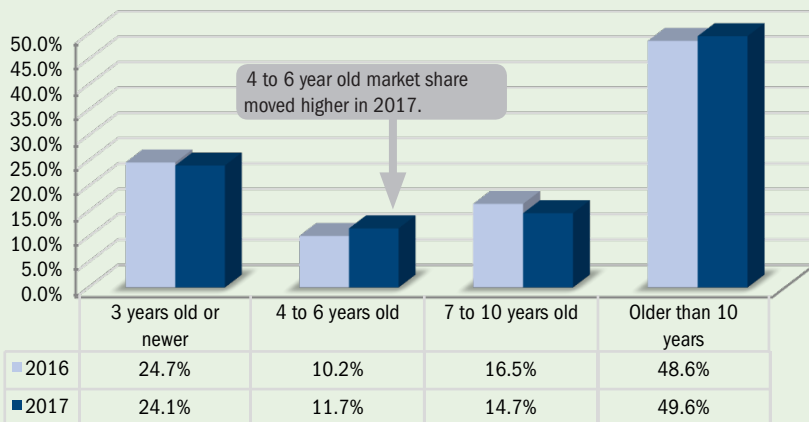


01. Used light vehicle registrations in the state increased 1.2 percent in '17.
02. Used light truck registrations were up 3.7 percent. Cars were down 0.4 percent.
03. Registrations for 4 to 6 year old vehicles were up sharply in 2017. Older vehicles declined.
04. Honda Civic was the best-seller in 2017 (only includes vehicles 6 year old or newer).
05. Toyota was the leader in the six year old or newer market. Ford was in second place.

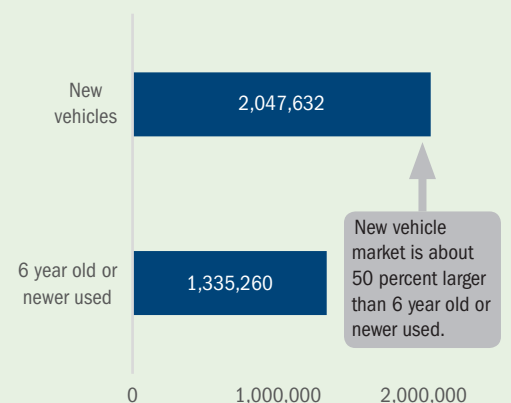
ANALYSIS OF USED VEHICLE REGISTRATIONS BY VEHICLE AGE

## 4 to 6 Year Old Vehicle Market Share Increased in 2017

Used Vehicle Market Share by Age of Vehicle  
2016 and 2017



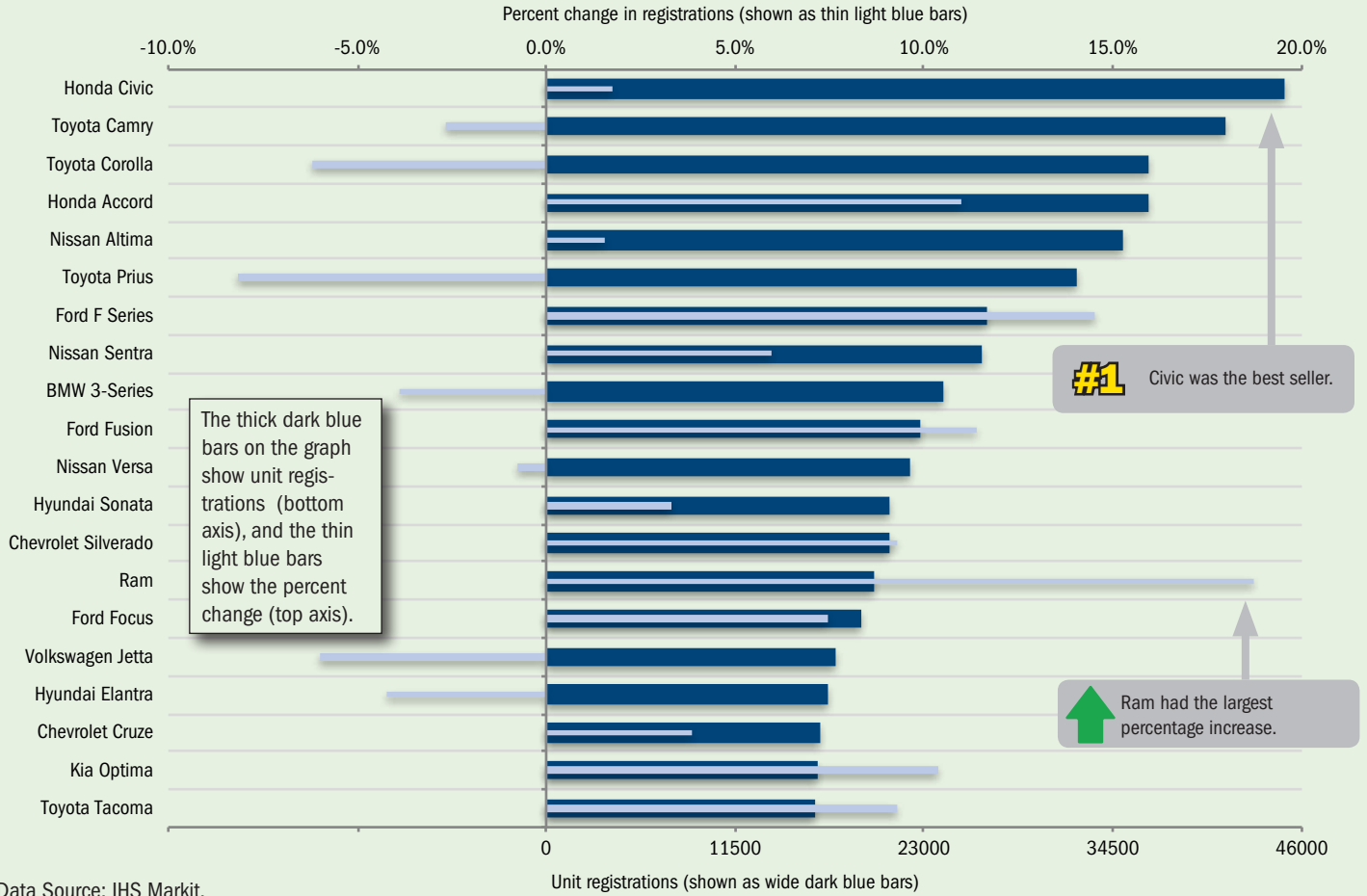
6 Year Old or Newer Used and New Vehicle Registrations  
2017 Annual Total



TOP SELLING USED VEHICLES

### Civic is Best Seller in California Used Vehicle Market; Ram Has Big Gain

Registrations (2017) and Percent Change in registrations (2017 vs. 2016)  
Top 20 Selling Models (6 years old or newer)

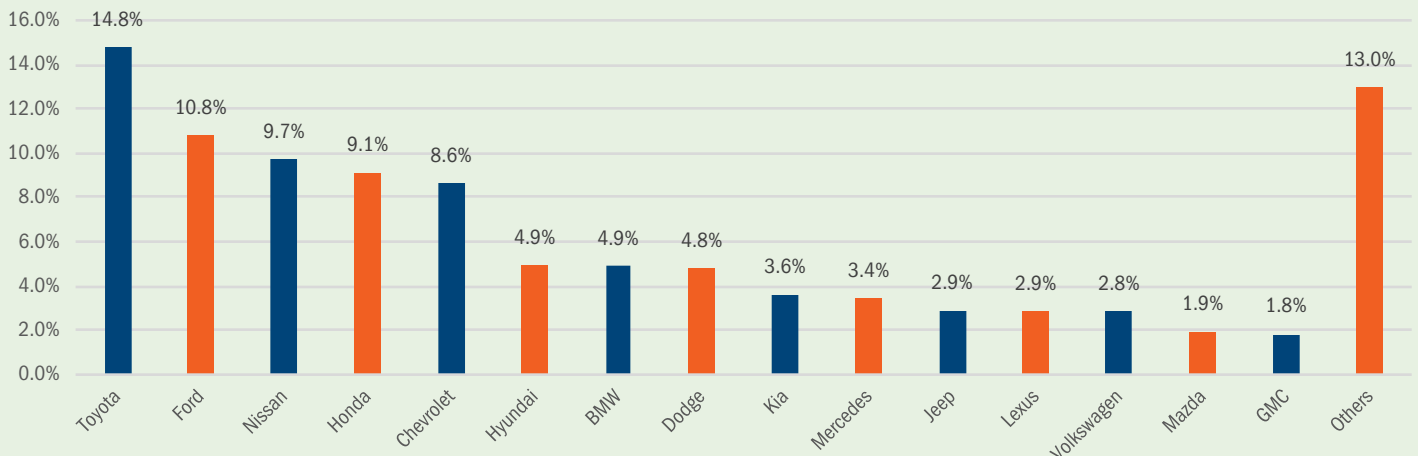


Data Source: IHS Markit.

TOP SELLING BRANDS

### Toyota and Ford Lead the Six Year Old or Newer Used Vehicle Market

Top 15 Selling Brands in California Used Vehicle Market (vehicles 6 years old or newer)  
2017 Annual



Data Source: IHS Markit.