



Nevada Auto Outlook™

Sponsored by: Nevada Franchised Auto Dealers Association

NEW VEHICLE MARKET FORECAST

Recovery Gains Momentum; 2Q '23 Registrations Up 6.7% vs. 2Q '22

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

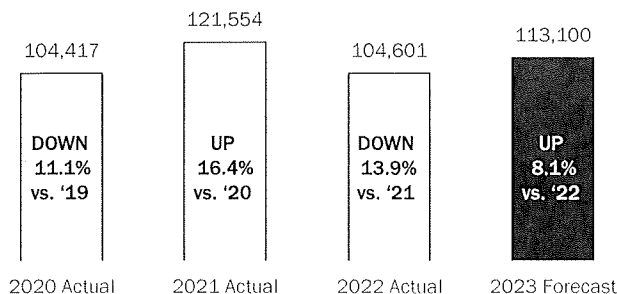
- 1. State new retail light vehicle registrations increased 3.5% in the first half of this year versus year-earlier levels. The U.S. market was up by 3.9%.
- 2. The pace of improvement should pick up steam in the second half of the year. The Nevada market is predicted to increase 13% from July through 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 113,000 units and improve 8.1% from 2022.
- 4. Light truck market share declined slightly from 77.0% during the first six months of 2022 to 76.2% this year.
- 5. Registrations for Japanese brands were up 6.5% so far this year and market share reached 38.8%
- 6. Battery electric vehicles accounted for 12.2% of the market in the first half of this year, up from 7.3% last year. However, BEV share declined slightly from the first to the second quarter of '23.
- 7. Brands with the largest percentage increases in registrations during the first six months of this year (among top 30 brands): Buick, Tesla, Cadillac, MINI, Subaru, Land Rover, GMC, Genesis, BMW, and Honda.
- 8. Three biggest segments in the state are Compact SUV, Full Size Pickup, and 3 Row Mid Size SUV.
- 9. State market share leaders in the first half of 2023 were Toyota, Ford, Chevrolet, Tesla, and Honda.
- 10. Top ten selling vehicles in Nevada market: Tesla Model Y, Tesla Model 3, Ford F-Series, Toyota RAV4, Chevrolet Silverado, Toyota Tacoma, Ram Pickup, Toyota Camry, Toyota Highlander, and GMC Sierra.



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 state market has reached 41,628 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 6.7% 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 State New Retail Light Vehicle Registrations



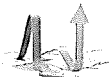
The graph above shows annual new retail light vehicle registrations from 2020 through 2022 and Auto Outlook’s projection for 2023. Historical data sourced from Experian Automotive.

Market Summary

	YTD '22 June	YTD '23 June	% Chg. '22 to '23	Mkt. Share YTD '23
TOTAL	52,503	54,366	3.5%	
Car	12,086	12,943	7.1%	23.8%
Light Truck	40,417	41,423	2.5%	76.2%
Domestic	20,702	21,034	1.6%	38.7%
European	6,079	6,249	2.8%	11.5%
Japanese	19,790	21,069	6.5%	38.8%
Korean	5,932	6,014	1.4%	11.1%

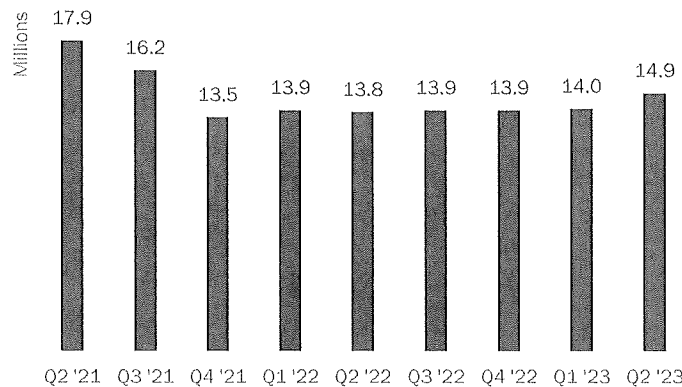
Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Data sourced from Experian Automotive.

Nevada New Vehicle Market Dashboard



MARKET PERFORMANCE DURING PAST TWO YEARS

Nevada 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 Nevada 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 state market is strong, 15 million is about average, and below 13 million is weak. Equivalent SAAR levels in the state increased from 14.0 million in the First Quarter of this year to 14.9 million in the Second Quarter.

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



NEVADA MARKET VS. U.S.

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

Nevada
UP 3.5%

U.S.
UP 3.9%

New retail light vehicle registrations in the state were up 3.5% during the first six months of this year, in line with the 3.9% increase in the Nation.

Data sourced from Experian Automotive.

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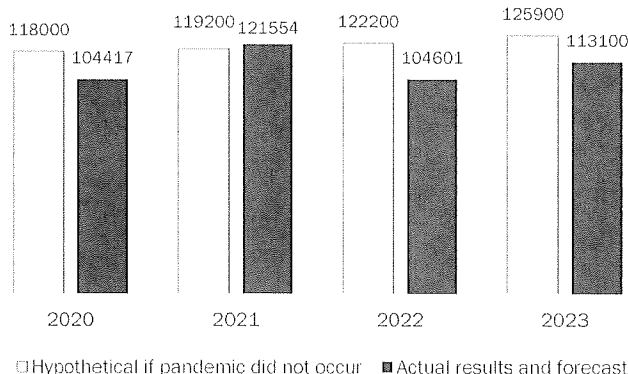
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Nevada New Vehicle Market Dashboard



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
41,628
new vehicle purchases
will be postponed
between 2020 & 2023
representing

40%

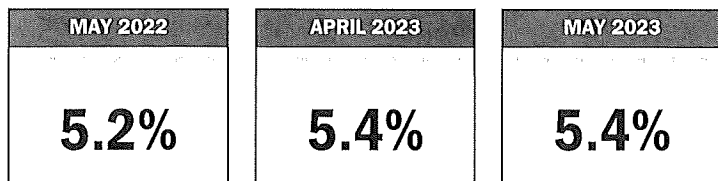
of sales in
an average year

Data sourced from Experian Automotive. Projections: Auto Outlook.

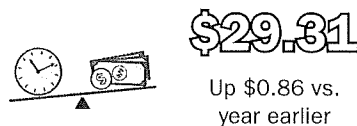


TRACKING ECONOMIC INDICATORS

Monthly Unemployment Rates in Nevada



Average Hourly Earnings for All Workers in State - May 2023



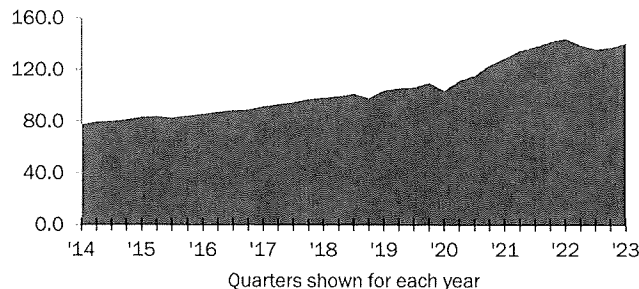
The Nevada unemployment rate was 5.4% in May of this year. Wages were up versus year earlier. Consumer sentiment has stabilized and total household wealth moved higher in the First Quarter of this year.

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



10 year high - 101.4 (Mar. 2018)
12 month high - 67.0 (Feb. 2023)
Most recent - 63.9 (June 2023)
10 year low - 50.0 (Jun. 2022)

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



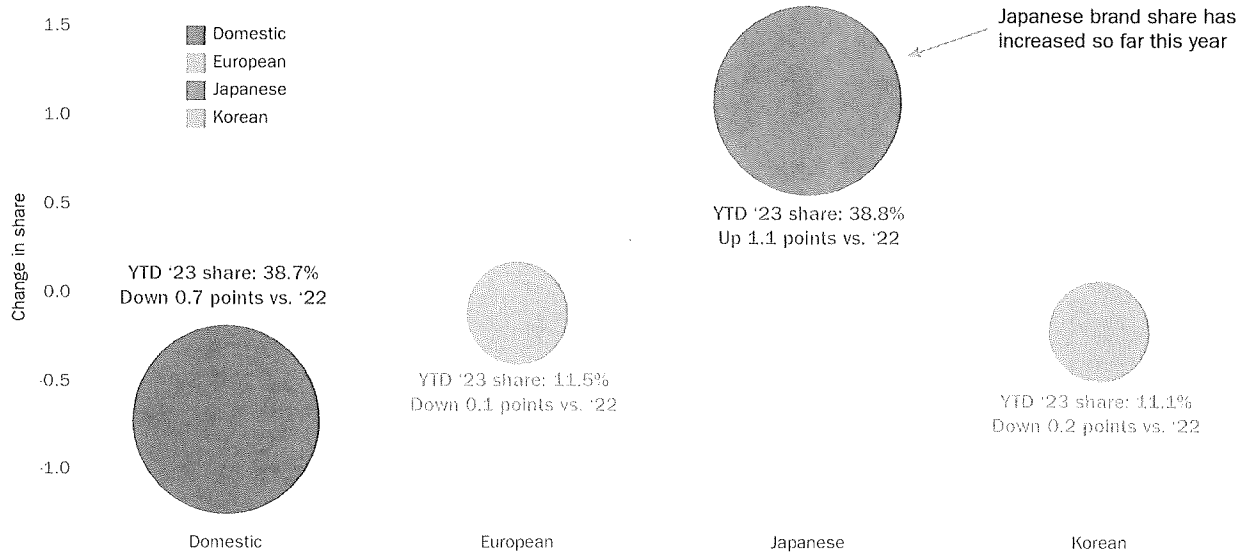
Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.

Nevada New Vehicle Market Dashboard



MARKET SHARES BY BRAND SEGMENT

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

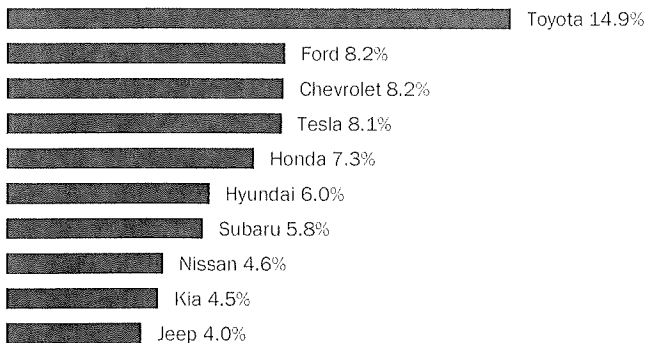


The graph above presents market share by brand category during the first six months of this year and the change in share versus the same period in 2022. Market share this year is reflected by the relative size of the circles (Japanese brands were highest at 38.8%). Change in share is depicted based on the location of the circles - increasing share is higher on the graph (i.e. Japanese brands). Data sourced from Experian Automotive.

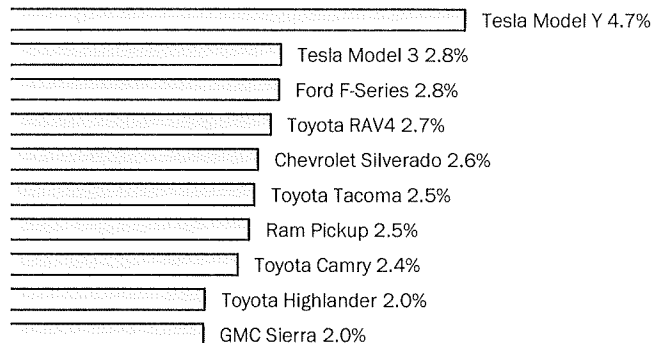


TOP TEN RANKINGS IN STATE MARKET

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



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

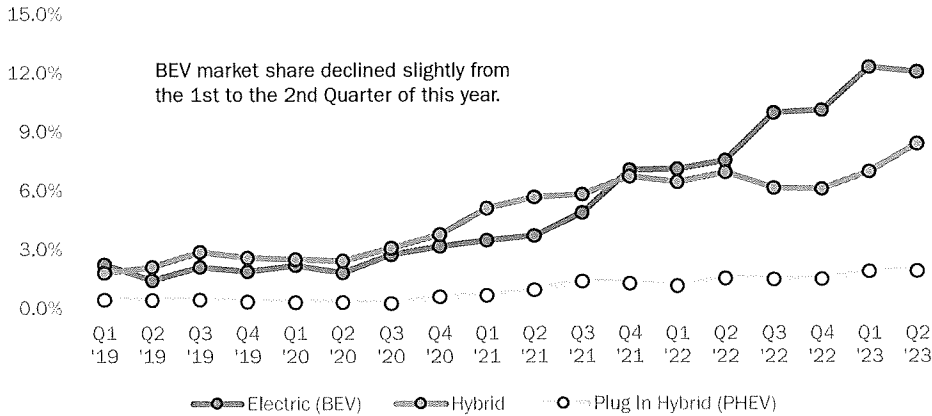


Data sourced from Experian Automotive.

Vehicle Powertrain Dashboard



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

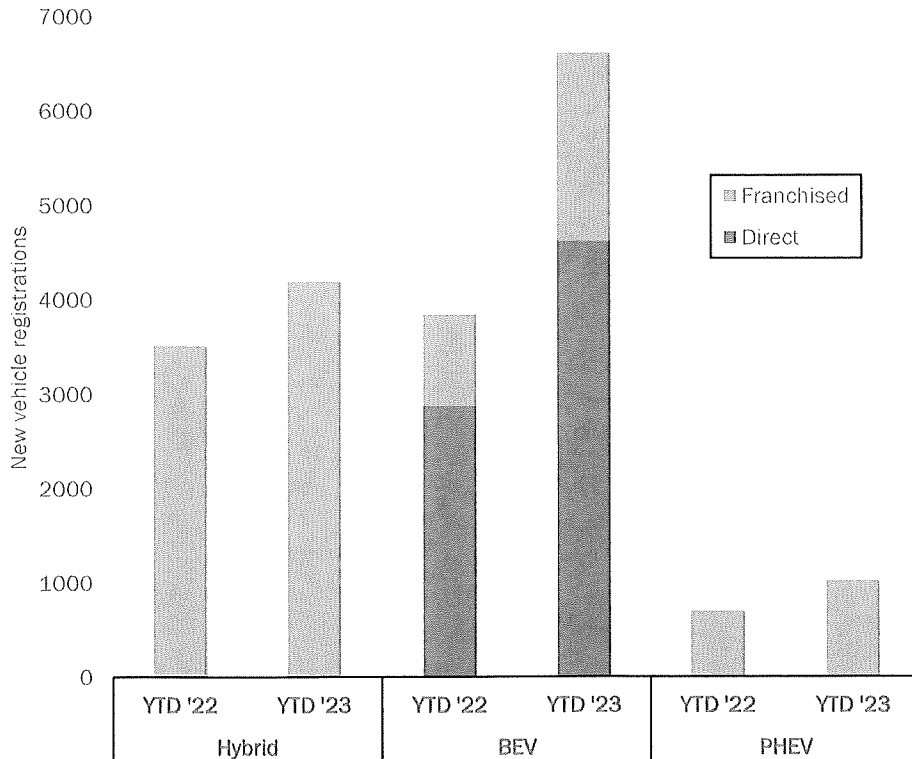


YTD Share by Engine Type (2022 and 2023, thru June)

	YTD '22	YTD '23	
Electric (BEV)	7.3%	12.2%	↑
Hybrid	6.7%	7.7%	↑
Plug In Hybrid (PHEV)	1.3%	1.9%	↑

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

New Hybrid, BEV, and PHEV Registrations in Nevada by Type of Selling Dealership - YTD 2022 and 2023 thru June



The graph above shows new vehicle registrations for hybrids, BEVs, and PHEVs during the first six months of 2022 and 2023. Orange shaded areas represent vehicles sold by franchised dealerships and blue areas for direct sellers. Data sourced from Experian Automotive.

KEY FACTS



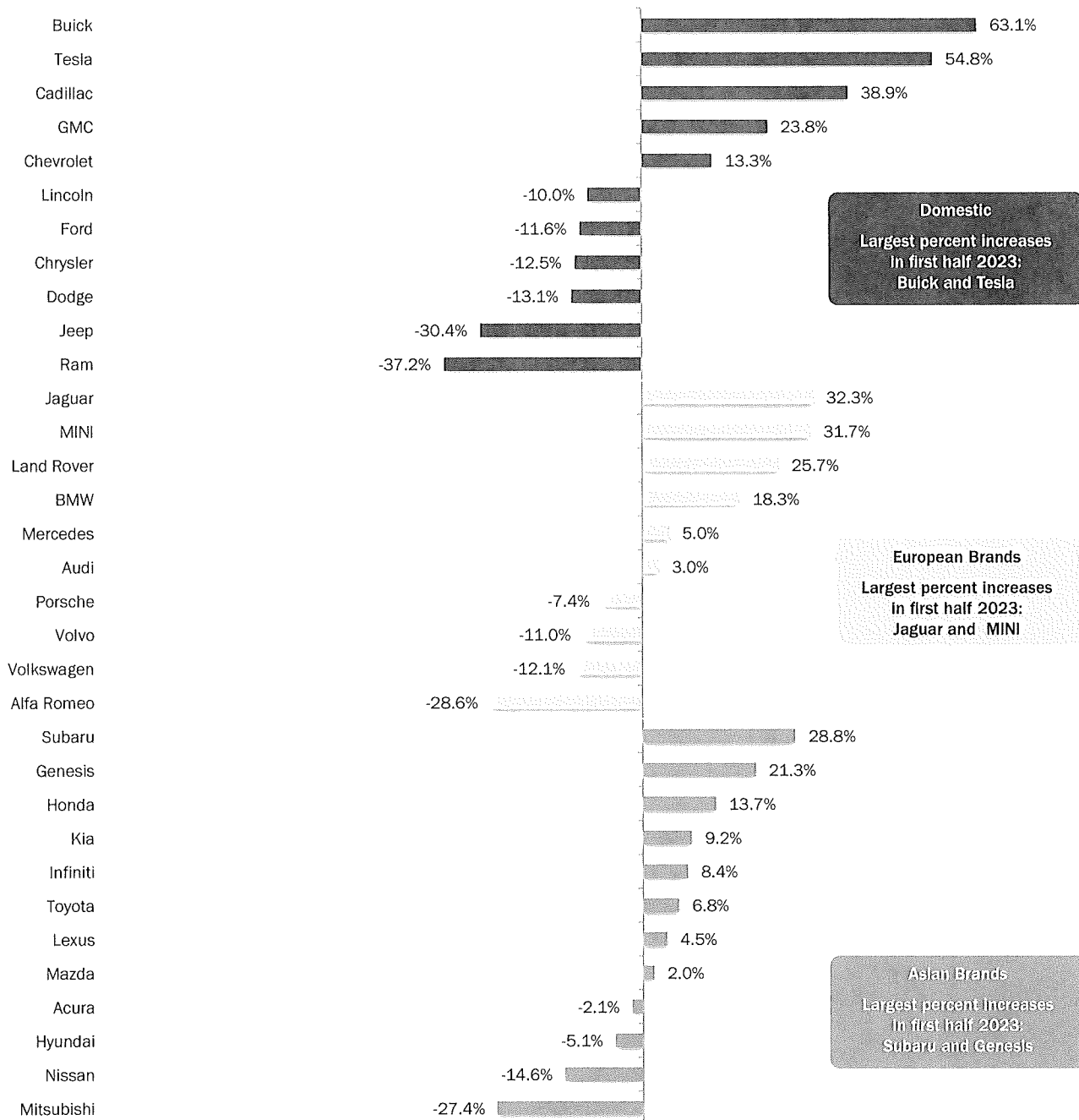
- Battery electric vehicle market share increased from 7.3% in the first half of '22 to 12.2% in 2023, but declined from the First to the Second Quarter of this year.
- The industry is almost singularly focused on growth in BEV sales and market share. As a result, sales gains for hybrids have been largely ignored, which should not be the case. Hybrid vehicles provide a valuable “bridge” as the industry transitions to BEVs. They have better fuel economy than ICE vehicles, reduced emissions, and are less costly than BEVs.
- As shown above, hybrid vehicle market share in Nevada increased from 6.7% in the first half of last year to 7.7% this year. And 100% of hybrids were sold by franchised dealerships.
- The graph on the left shows new vehicle registrations for Hybrids, BEVs, and PHEVs broken down by type of selling dealership. Franchised dealerships accounted for more than 61% of combined sales for all three alternative powertrain types.
- Franchised dealership share of the BEV-only market increased to 30.1% in the first half of this year.

BRAND SCOREBOARD

Registrations Increased for 19 Brands in First Half of 2023

The graph below provides a comparative evaluation of brand sales performance in the Nevada market. It shows the percent change in registrations during the first six months of this year versus year-earlier for each brand, organized by category (i.e., Domestic, European, and Asian). Although supply chain issues are easing, results for some brands have been impacted by restricted inventories during the past 18 months.

**Percent Change in Nevada New Retail Light Vehicle Registrations
YTD 2023 thru June vs. YTD 2022**



Data sourced from Experian Automotive.

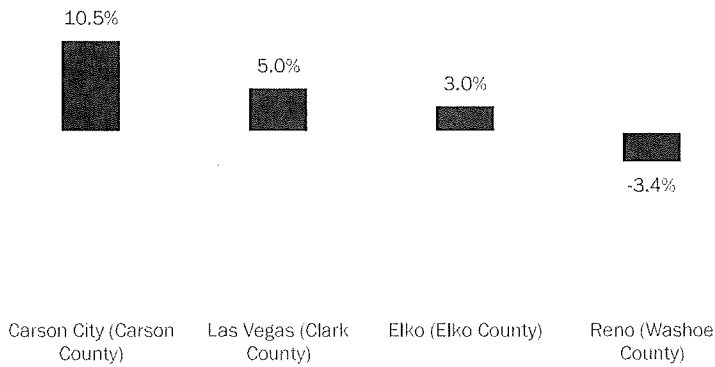
Review of Regional New Vehicle Markets in Nevada



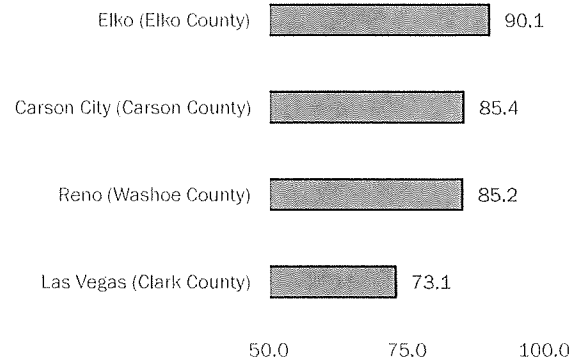
New Retail Light Vehicle Registrations in Regional Markets											
	YTD thru June			Light truck market share (%)			Market share for top 5 selling brands in state				
	YTD '22	YTD '23	% change	YTD '22	YTD '23	change	Toyota	Ford	Chevrolet	Tesla	Honda
Carson City (Carson County)	788	871	10.5%	87.3	85.4	-1.9	15.3	9.6	6.1	3.0	6.2
Elko (Elko County)	872	898	3.0%	89.3	90.1	0.8	22.7	19.4	11.8	0.2	1.8
Las Vegas (Clark County)	38,926	40,885	5.0%	74.1	73.1	-1.0	15.1	7.4	8.2	9.0	8.2
Reno (Washoe County)	8,353	8,065	-3.4%	84.2	85.2	1.0	13.1	9.1	6.1	7.5	5.3

Data sourced from Experian Automotive.

**Percent Change In New Vehicle Registrations
YTD 2023 thru June vs. YTD 2022**



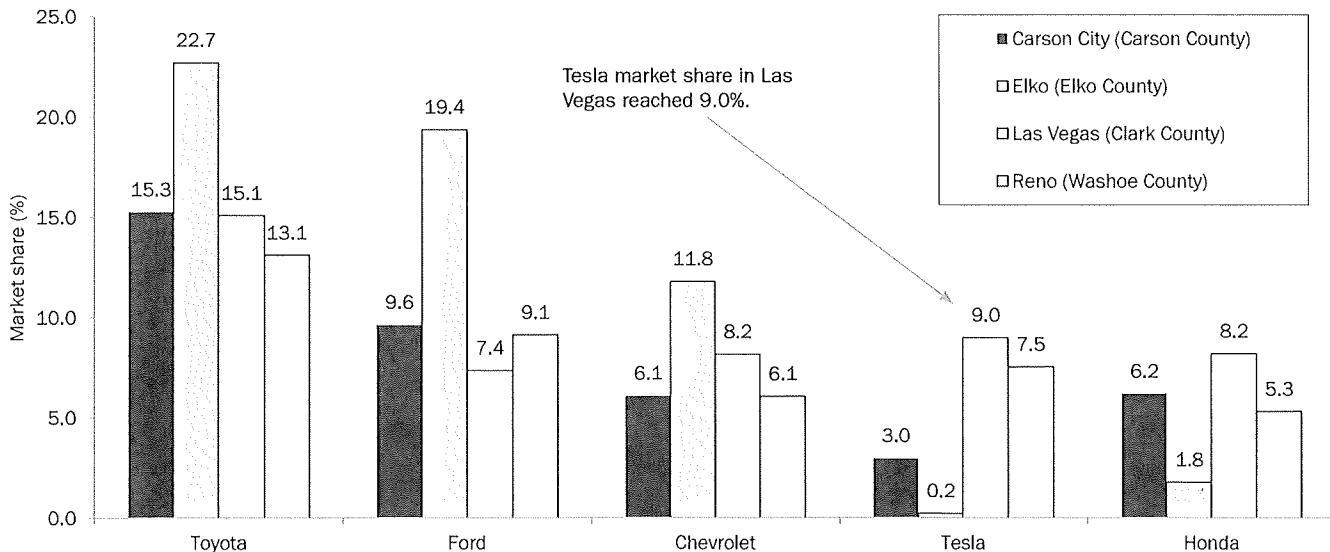
**Light Truck Share in
Regional Markets
YTD 2023 thru June**



Data sourced from Experian Automotive.

Data sourced from Experian Automotive.

Regional Market Share for Top 5 Selling Brands in State - YTD 2023 thru June

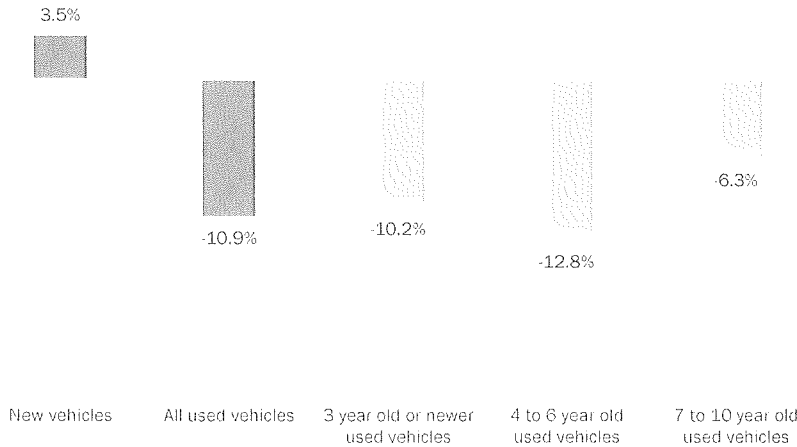


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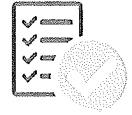
USED VEHICLE MARKET

Nevada Used Vehicle Market Declined by 10.9% in First Half of 2023

**Percent Change in New and Used Vehicle Registrations
YTD 2023 thru June vs. YTD 2022**



**THREE KEY TRENDS IN
USED VEHICLE MARKET**



- 01.** The Nevada used vehicle market declined 10.9% during the first six months of this year versus a year earlier, compared to the 3.5% improvement in new vehicle registrations.
- 02.** As shown on the graph to the left, the 7 to 10 year old market held up relatively well in the first half of this year. Used registrations of 7 to 10 year old vehicles declined 6.3%. The 4 to 6 year old market fell 12.8% and the 3 year old or newer market was off 10.2%.
- 03.** Top five selling brands in the state market during the first six months of 2023 were Toyota, Ford, Chevrolet, Nissan, and Honda. Ram Pickup, Ford F-Series, Chevrolet Silverado, Honda Civic, and Toyota Corolla were the top five selling models. Rankings are for 8 year old or newer vehicles only.

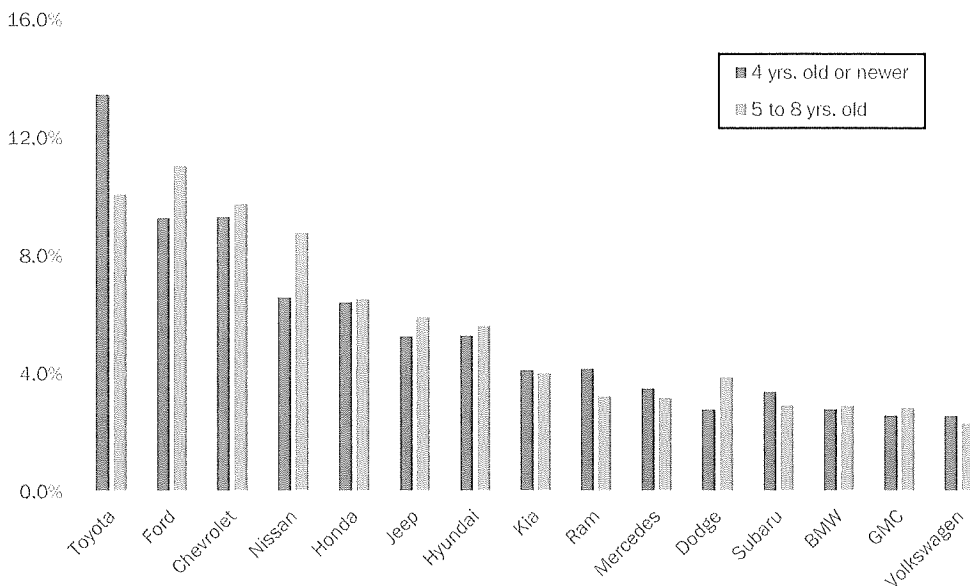
Data sourced from Experian Automotive.

USED VEHICLE BRAND REGISTRATIONS

Toyota and Ford Are Top Sellers in Nevada Used Vehicle Market

The graph below shows used light vehicle registrations by brand for two age categories: vehicles newer than four years old, and vehicles five to eight years old. Brands are positioned from left to right based on total market share. The table below shows the percent change in used registrations during the first six months of '23 versus year earlier for top-selling brands. Data sourced from Experian Automotive.

Brand Market Share for Top 15 Selling Brands, by Vehicle Age (YTD '23 thru June)



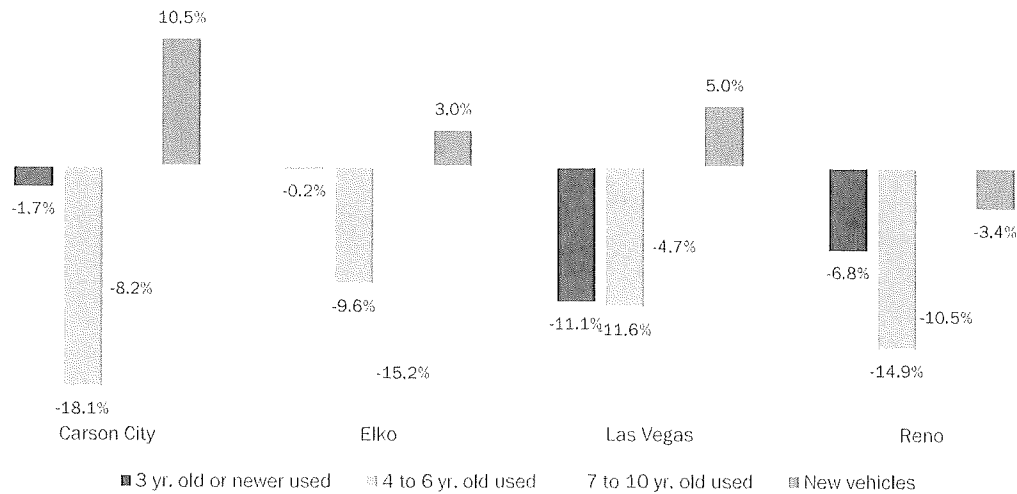
**% Change in Registrations
YTD '23 thru June vs. YTD '22
8 yr. old or newer vehicles**

Brand	% change
Kia	-1.2%
Hyundai	-5.7%
Honda	-6.7%
Subaru	-9.7%
Mercedes	-10.4%
GMC	-10.7%
Jeep	-11.2%
Ram	-11.3%
BMW	-11.6%
Chevrolet	-11.8%
Ford	-14.7%
Toyota	-15.1%
Volkswagen	-15.8%
Nissan	-18.8%
Dodge	-22.3%

USED REGISTRATIONS IN REGIONAL MARKETS

New Vehicle Markets Out-Perform Used in All Four Regions

Percent Change in Used and New Vehicle Registrations by Region - YTD 2023 vs. YTD 2022

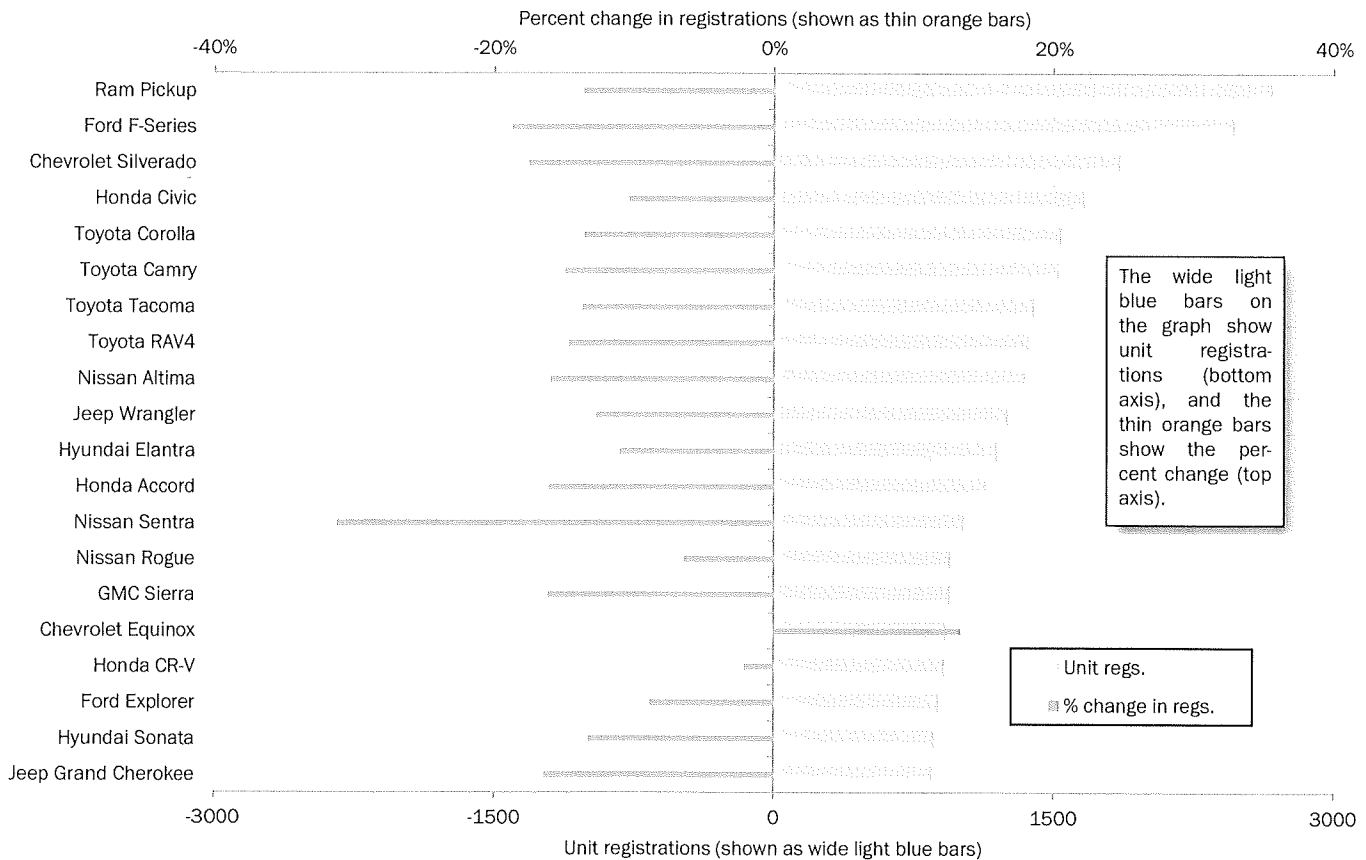


The graph on the left compares results for new and used vehicle registrations in four regional markets in the state. 3 year old or newer registrations declined by a slim 0.2% in Elko County. The 4 to 6 year old market had the largest decline in three of the four regions.

TOP SELLING MODELS IN NEVADA USED VEHICLE MARKET

Ram Pickup Leads State Market; Equinox Registrations Increase

Registrations (YTD 2023 thru June) and Percent Change in registrations (YTD '23 vs. YTD '22)
Top 20 Selling Models (Eight years old or newer)



The wide light blue bars on the graph show unit registrations (bottom axis), and the thin orange bars show the percent change (top axis).

Unit regs.
% change in regs.

Brand Registrations Report												
Nevada New Retail Car and Light Truck Registrations												
	Second Quarter						YTD thru June					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2Q '22	2Q '23	% change	2Q '22	2Q '23	Change	YTD '22	YTD '23	% change	YTD '22	YTD '23	Change
TOTAL	27,028	28,833	6.7				52,503	54,366	3.5			
Cars	6,100	7,014	15.0	22.6	24.3	1.7	12,086	12,943	7.1	23.0	23.8	0.8
Light Trucks	20,928	21,819	4.3	77.4	75.7	-1.7	40,417	41,423	2.5	77.0	76.2	-0.8
Domestic Brands	10,344	11,189	8.2	38.3	38.8	0.5	20,702	21,034	1.6	39.4	38.7	-0.7
European Brands	3,030	3,213	6.0	11.2	11.1	-0.1	6,079	6,249	2.8	11.6	11.5	-0.1
Japanese Brands	10,215	11,279	10.4	37.8	39.1	1.3	19,790	21,069	6.5	37.7	38.8	1.1
Korean Brands	3,439	3,152	-8.3	12.7	10.9	-1.8	5,932	6,014	1.4	11.3	11.1	-0.2
Acura	278	272	-2.2	1.0	0.9	-0.1	486	476	-2.1	0.9	0.9	0.0
Alfa Romeo	34	23	-32.4	0.1	0.1	0.0	56	40	-28.6	0.1	0.1	0.0
Audi	542	495	-8.7	2.0	1.7	-0.3	953	982	3.0	1.8	1.8	0.0
BMW	565	699	23.7	2.1	2.4	0.3	1,175	1,390	18.3	2.2	2.6	0.4
Buick	119	213	79.0	0.4	0.7	0.3	225	367	63.1	0.4	0.7	0.3
Cadillac	264	336	27.3	1.0	1.2	0.2	457	635	38.9	0.9	1.2	0.3
Chevrolet	2,084	2,269	8.9	7.7	7.9	0.2	3,931	4,452	13.3	7.5	8.2	0.7
Chrysler	91	90	-1.1	0.3	0.3	0.0	208	182	-12.5	0.4	0.3	-0.1
Dodge	356	389	9.3	1.3	1.3	0.0	793	689	-13.1	1.5	1.3	-0.2
Ford	2,427	2,357	-2.9	9.0	8.2	-0.8	5,059	4,473	-11.6	9.6	8.2	-1.4
Genesis	113	148	31.0	0.4	0.5	0.1	249	302	21.3	0.5	0.6	0.1
GMC	779	871	11.8	2.9	3.0	0.1	1,363	1,687	23.8	2.6	3.1	0.5
Honda	1,732	2,208	27.5	6.4	7.7	1.3	3,501	3,982	13.7	6.7	7.3	0.6
Hyundai	2,088	1,704	-18.4	7.7	5.9	-1.8	3,443	3,266	-5.1	6.6	6.0	-0.6
Infiniti	54	59	9.3	0.2	0.2	0.0	95	103	8.4	0.2	0.2	0.0
Jaguar	15	20	33.3	0.1	0.1	0.0	31	41	32.3	0.1	0.1	0.0
Jeep	1,597	1,185	-25.8	5.9	4.1	-1.8	3,136	2,184	-30.4	6.0	4.0	-2.0
Kia	1,238	1,300	5.0	4.6	4.5	-0.1	2,240	2,446	9.2	4.3	4.5	0.2
Land Rover	153	165	7.8	0.6	0.6	0.0	303	381	25.7	0.6	0.7	0.1
Lexus	610	755	23.8	2.3	2.6	0.3	1,224	1,279	4.5	2.3	2.4	0.1
Lincoln	133	156	17.3	0.5	0.5	0.0	289	260	-10.0	0.6	0.5	-0.1
Maserati	24	28	16.7	0.1	0.1	0.0	46	40	-13.0	0.1	0.1	0.0
Mazda	717	688	-4.0	2.7	2.4	-0.3	1,270	1,296	2.0	2.4	2.4	0.0
Mercedes	574	649	13.1	2.1	2.3	0.2	1,195	1,255	5.0	2.3	2.3	0.0
MINI	52	105	101.9	0.2	0.4	0.2	142	187	31.7	0.3	0.3	0.0
Mitsubishi	135	87	-35.6	0.5	0.3	-0.2	237	172	-27.4	0.5	0.3	-0.2
Nissan	1,612	1,441	-10.6	6.0	5.0	-1.0	2,958	2,525	-14.6	5.6	4.6	-1.0
Other	74	74	0.0	0.3	0.3	0.0	126	150	19.0	0.2	0.3	0.1
Polestar	9	5	-44.4	0.0	0.0	0.0	15	9	-40.0	0.0	0.0	0.0
Porsche	161	155	-3.7	0.6	0.5	-0.1	324	300	-7.4	0.6	0.6	0.0
Ram	1,097	823	-25.0	4.1	2.9	-1.2	2,363	1,485	-37.2	4.5	2.7	-1.8
Rivian	8	82		0.0	0.3	0.3	11	154		0.0	0.3	0.3
Subaru	1,220	1,695	38.9	4.5	5.9	1.4	2,455	3,161	28.8	4.7	5.8	1.1
Tesla	1,378	2,389	73.4	5.1	8.3	3.2	2,854	4,419	54.8	5.4	8.1	2.7
Toyota	3,857	4,074	5.6	14.3	14.1	-0.2	7,564	8,075	6.8	14.4	14.9	0.5
Volkswagen	635	651	2.5	2.3	2.3	0.0	1,353	1,189	-12.1	2.6	2.2	-0.4
Volvo	203	173	-14.8	0.8	0.6	-0.2	373	332	-11.0	0.7	0.6	-0.1

Data sourced from Experian Automotive.

The table shows new retail light vehicle (car and light truck) registrations in the Nevada market. Figures are shown for the 2nd Quarters of '22 and '23, and year to date totals thru June. The top ten ranked brands in each change category are shaded yellow.