

June 2015 Sales Conference Notes

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June 2015 Sales Conference Call
Wednesday, July 1, 2015

[June 2015 Sales Conference Call \(audio clip\)](#)

Toyota Chief Communications Officer Scott Vazin:

Good morning and thank you for joining us to review Toyota, Scion and Lexus sales results for June and the first six months of 2015.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division
- And Brian Smith, Lexus Marketing Vice President

A recording of the call will be available at pressroom.Toyota.com about one hour after its conclusion and of course our communications team also is available to field any additional questions you may have @ (310) 468-5297.

Now I'd like to turn it over to Bill for a look at the first half and June results.

Toyota Division Group and General Manager Vice President Bill Fay:

Thank you Scott.

Good morning everyone, and thank you for joining us today.

The auto industry posted strong June sales

- Of more than 1,484,000 vehicles
- Up 4 and half percent from last year

The Seasonally Adjusted Annual Rate

- Is tracking at about 17.2 million
- The second straight month we've topped 17 million
- And the industry's best June pace since 2005

The Year-to-date SAAR

- Now stands at 16.9 million
- With the industry right on track
- To hit our projection of 17 million vehicles for the year

For Toyota, Lexus and Scion

- Total sales of 209,912
- Were up 4.1% on a volume basis

Total light truck sales

- Set a new June record at more than 102,000 sold
 - Reflecting surging consumer demand in that area
- While Lexus sales rose more than 10%
 - One of the biggest gains by any brand during the month

And at the halfway point of 2015

- Combined Toyota, Lexus and Scion sales of more than 1,230,000
- Are up 5 ½ percent from last year

Toyota Division sales in June

- Of 183,791
- Were up 3%
 - Including a 6.8% increase for division retail sales
- Making Toyota once again the retail brand leader

Divisional light truck sales

- Also set a June record of more than 89,000
- Including best-ever June results for:
 - RAV4, up 15% to nearly 25,000
 - And Highlander, up 20% to 13,800
 - 4Runner also had a big month with sales up 42% to 8,200 plus
 - While Sienna rose 10% to nearly 13,000

Combined pickup truck sales

- Topped 25,000 for the 4th consecutive month
- As Tacoma increased 31%
- And Tundra rose 10 ½ percent

Camry was our passenger car leader

- And the best-selling car in America at more than 37,400
- While Corolla finished at 30,645

Midway through the year

- Toyota Division sales of 1,072,000 vehicles
- Are up 4.4%

Toyota is the industry's #1 retail brand after six months

- With Camry the best-selling car in America
- And Corolla the best-selling sub compact
 - And second-best selling car overall
- Tacoma is the best-selling small truck
- And Sienna, is the best-selling van
- While RAV4 has been one of the leaders in the surging small SUV segment

- With sales of more than 143,000, up 23%
 - And on a record-breaking pace for the year

Looking ahead, there is every reason to believe

- The auto industry will maintain its pace through the second half of 2015
- Hitting and possibly exceeding our projection of 17 million vehicles for the year

Consumer sentiment took a big jump in June

- To a 5-month high
- And consumers are responding with spending showing its biggest gain in six years
- According to the latest data...
- With stable gas prices and interest rates
- The industry looks well on its way to its best year since 2005 and possibly even 2001

At Toyota we're looking forward

- To riding this wave with several new models coming in the months ahead
- Including the new Scions...
- The iA and iM
- Which go on sale Sept. 1
- With base prices under \$20,000
- The RAV4 SE and hybrid models
- And an all-new Tacoma that will be out this fall

Thanks again for joining us today.

Now I'd like turn this over to Brian Smith for a look at the Lexus results.

Lexus Marketing Vice President Brian Smith:

Thank you Bill, and good morning everyone.

Lexus June sales

- Of more than 26,000 vehicles
- Were up 11% from last year

While year-to-date sales

- Of nearly 160,000
- Are up 14 ½ percent
- That's the largest gain for the year by any luxury brand

And the best first half *ever* for Lexus

- As we continue on pace for an all-time record sales year

In addition...

- The latest industry retail registration data
- Also shows Lexus topping the luxury segment through April

While our June passenger car sales

- Were pretty much on a par with last year
- At 13,000

Lexus luxury utility vehicle sales

- Were up nearly 25%
 - At more than 13,000
- Reflecting the industry-wide demand
 - For crossovers and compact SUVs
- That is also very much a part of the luxury segment's growth

One of the leaders of this growth

- Continues to be the new Lexus NX
- With June sales of more than 3,500
- And more than 20,000 sold year-to-date

Not only is NX exceeding our sales projections...

- And already challenging for segment leadership
- It is bringing in a much younger buyer
 - With a median age 15-years younger than the RX
- And nearly 60% of the buyers are trading in something other than a Lexus
- With the BMW 3-series the top conquest model

As a result

- Our total luxury utility vehicle sales
- Now stand at 77,686 for the year
 - Up more than 30 percent

Lexus car sales are up 2 ½ percent for the year

- At more than 81,000 vehicles
- Led by the ES at 29,000
- The IS at 23,000
- And the new RC providing the growth
 - With sales of more than 6,700 YTD

Looking at the second half of 2015

- We share Bill's optimism for the industry and especially for Lexus

Not only are the economic indicators upbeat

- Lexus has historically
 - Been a second half team
 - Normally posting a higher sales volume
 - During the final six months of the year
 - And peaking in December

This year we'll have the added benefit

- Of a number of model updates
- Including a freshened ES coming in August
- And an all-new RX slated for November
- Combined with new engine offerings including
 - The IS 200t and IS 300 AWD models

To take advantage

- Of the momentum in the marketplace
 - And the best selection of models we've ever had
- We're launching our annual Golden Opportunity sales event
 - Later this month
 - One of our biggest events of the year...
- So hope I you can see why we're looking forward to the second half of this year

Thank you for joining us today, and now we'd like to open the call up to any questions you may have.