

August 2013 Sales Conference Notes

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August 2013 Sales Conference Call
Wednesday, September 4, 2013

[August 2013 Sales Conference Call \(audio clip\)](#)

Toyota Motor Sales Vice President of Corporate Communications Mike Michels:

Hello everyone and thank you for joining us to review Toyota's August sales results.

Speaking today will be:

- Bill Fay, Toyota Division Group Vice President and General Manager;
- And Steve Hearne, Lexus Vice President for sales and dealer development.

Following the call, our communications team will be available to field any additional questions you may have.

Now I'd like to turn it over to Bill for a look at August results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Mike... and thanks everyone for joining us today.

I hope you had a good Labor Day Weekend...because I *know* the industry did.

We all benefitted in August from having an extra selling day and the unusual situation of Labor Day Weekend falling into the month's totals.

We may see some give back in September, but for now, we're going to enjoy the August results.

In fact, Toyota, Lexus and Scion

- Best month in more than five years (May 2008)
- Combined sales of 231,537
- Up 22.8% from last year
 - Volume basis
- Well ahead of the industry pace

From our point of view, it was a remarkable month

- Toyota #1 retail manufacturer
 - #2 overall brand
 - Fleet sales making up just 2% of our mix
- Camry #1 selling car

- Toyota Division #1 selling retail brand
- Toyota #1 in certified used vehicle sales

Sold 34,000 vehicles in California alone

- Up 40% from last year
- Accounting for 18% of retail market

Overall industry also had an excellent month

- Sales of about 1.5 million
- Up nearly 17% from last year
- Best month in six years (Aug. 2007)
- Second straight month retail sales about 90% of total
- SAAR 16.1 million (first time since Nov. 2007)

August capped a solid summer for the industry

- While we've seen fluctuations in some economic indicators
- One thing has remained consistent...the overall strength of the U.S. auto industry

For June, July and August

- Industry cruised along at a seasonal rate of 15.9 million vehicles

Brings the YTD SAAR to 15.5 million

- In line with our expectations

This stability in the marketplace

- Combined with the response to our new models
 - Including the RAV4 and Avalon
- Continued strong performances by Camry, Prius and Tacoma
- And the arrival of the new Corolla and Tundra
- Push Toyota Division target for the year
 - To more than two million
- Combined with Lexus,
 - which announced an increase in its target last month
- Brings our TMS goal for the year to two and a quarter million vehicles

Toyota Division in August

- Sales of 201,745
- Up nearly 23% from last year

- Best month since August of 2009

Camry

- Camry recorded its second-best August ever
- Sales of more than 44,700
- Up 22%

Prius Family

- Prius family second best month *ever*
- More than 27,000
- Up 30%
- Also best-ever Prius month in California
- Sales of more than 8,100 units

Avalon

- More than tripled to 6,200
- Nearly 20% were hybrid models
- BTW, Avalon hybrid
 - named the top hybrid of 2013 by AutoPacific last month (AutoPacific Ideal Vehicle Awards)

Hybrids

- Avalon hybrid combined with Prius
 - 18% increase in Camry hybrid sales
 - Pushed total Toyota Division hybrid sale up 30%
 - To more than 34,000
- We've got more on the way

Finally on the car side

- Sold nearly 27,000 Corollas
- Up 10 and half percent
- Includes about 1,100 all-new 2014 Corolla models
- With the sell-down of the 2013 model going well
- And smooth production start-up of the 2014 model
- Able to move up the on-sale date of the new Corolla
- To final days of August
- Have more on the new Corolla in a few minutes

On the truck side

- Sales up 20.5%

RAV4 volume leader

- More than 23,500
- Up 50%
- Second-best month ever for RAV4

Combined pickup truck sales of more than 26,500

- Best month in five years
- Led by Tacoma +25%

Toyota Certified Used Vehicles

- Best month ever
- Sold more than 36,000 vehicles
- Up nearly 27%
- Further indication
 - strength of the overall market
 - and Toyota's product lineup

Looking Ahead

- September will mark the first full month of sales for the new Corolla and Tundra
- Latest of 9 all-new or significantly updated new products
 - Introduced over past two years
 - Beginning with Camry
 - That have accounted for much of our growth

We've elevated the Corolla experience in every way

- Dramatic new design
- Significantly upgraded interior
- Added content, features and value

Expect new Corolla

- To push 2013 calendar year Corolla sales to about 300,000
- And to about 330,000 in 2014

Marketing launches...for both the Corolla and Tundra get underway in September

Thank you again for joining us today.

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

Lexus Vice President for sales and dealer development Steve Hearne:

Thank you Bill.

August is traditionally big for Lexus

- Was again this year

- Recorded our best month of 2013
- Sales of 29,792
- Up 23% from year-ago levels

Much of the attention has been on the all-new IS

- Continues its great launch
- Sales up 88%
- To more than 4,400 units
- On sale for a little more than two months
- We have some initial IS buyer information
- One goal was to attract more male buyers
- Nearly 60% male (compared to about 45% for '13 model)
- Nearly half the buyers (45%) are opting for the F-Sport
 - Like aggressive styling
 - And performance benefits
 - Compared to about 10% for the 2013 model year
- Median age 44
 - More than a third of buyers under 35
- Nearly half are conquest sales and buyers new to Lexus lineup
 - Mostly from BMW, Audi and Acura

And the IS isn't only performing in the showroom

- Having topped Car and Driver Magazine's luxury sports sedan comparison test against many of those competitors

But IS wasn't the only story for Lexus in August

- Every car in our lineup posted year-over-year gains
- Led by new models introduced within the past year
- ES volume leader
 - More than 7,600
 - ES hybrid sales doubled
 - YTD ES sales now up 60% (nearly 50,000 for the year)
 - Named Ideal luxury mid-size car by AutoPacific
 - Same survey Bill mentioned earlier
- LS up for the month
- 56% for the year

Rounding out the car lineup

- GS up 22%
- CT up 21%

RX sales also jumped 32%

- RX sales jumped 32%
- More than 11,000

The luxury SUV segment remains of the hottest in the industry

- And Lexus International announced today
- Plans to unveil the LF-NX crossover concept
- Next week at Frankfurt Auto Show
- Explore the potential for a compact crossover in the Lexus lineup

And finally Lexus Certified Pre-Owned

- August record

Obviously very happy with the August results

For September

- Look to keep momentum going
- Continue focus on IS
 - Full marketing launch started yesterday
 - Run through early October

Thank you very much for joining us today and now I'd like to open up the call for questions.