

February 2015 Sales Conference Notes

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February 2015 Sales Conference Call
Tuesday, March 3, 2015

February 2015 Sales Call (Audio Clip)

Good day and thank you for joining us to review February sales results for Toyota, Scion and Lexus.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division
- And Jeff Bracken, Lexus Group Vice President and General Manager

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 February results.

Toyota Division Group Vice President and General Manager Bill Fay:

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

The auto industry continued its fast start to 2015

- With February sales of about
 - 1,257,000 vehicles
- Up 5.3% from last year
- That's the 12th straight month the industry has posted year-over-year gains

The Seasonally Adjusted Annual Rate

- Is coming in at about 16.2 million
- And combined with January, gives the industry its best start since 2007
 - At a 16.4 million YTD pace

For Toyota, Scion and Lexus dealers

- The results were even more impressive
- With sales of 180,467 vehicles
- Up 13.3%
- For our best February since 2008

It was a record-setting month for us

- As total light truck and SUV sales had their best February ever
 - RAV4 set a new mark for the month
- And Lexus also hit a new February high

February also is awards month

- With both the Consumer Reports annual automotive rankings and J. D. Power's Vehicle Dependability Study being released
- Lexus finished as the #1 brand in both
- While Toyota was the #1 full-line brand
 - Scion showed the most improvement of any brand in Power study
 - As Toyota, Scion and Lexus models topped 7 of the 10 vehicle segments
- Camry, Sienna and Highlander also were named to the Kelley Blue Book list of Top 15 family cars

Now for the Toyota Division in February

- Total sales of 157,472
- Were up 12% from last year
- As Toyota was again the best-selling retail brand

RAV4 record sales

- Of nearly 22,000
- Were up 33 and a half percent
- While Sienna was up 50%
- 4Runner 38%
- And Tundra and Tacoma
 - 14 and 13 percent respectively
- Pushing the light truck record for the month to 75,343
 - Up 17% from last year

Camry led our passenger car increase

- With sales up 13 ½ percent
- At nearly 33,000
- Making it the best-selling car in America

While Corolla sales

- Of nearly 28,000
- Were up 10% from last year
- Making it the best-selling compact car

Helping meet strong Corolla demand

- Has been our Mississippi plant that opened in 2011
- And last month produced Corolla number 500,000
- The fastest any plant in the U.S. has reached that mark

Avalon added to the growth

- With sales up 34% last month
- Helping push total passenger car sales up 8% for the month

With the industry already off to a fast start this year

- We're looking forward to the spring selling season
- Which traditionally gets underway in March

To keep the momentum going

- We'll launch our first national marketing campaign of the year
- Featuring a combination of low interest rates
- And excellent lease offers
- Backed by good inventories across the board

Thanks again for joining us today. Now I'd like turn this over to Jeff Bracken for a look at the Lexus results.

Lexus Group Vice President and General Manager Jeff Bracken:

Thanks Bill, and hello everyone.

Not only was February

- A record-setting month for Lexus
- It was our 4th *straight* record month
- With total sales of 22,995
- Up 22% from last year
- And topping the previous mark for the month set back in 2007

Our results are being driven

- By strong demand for our two all-new models
 - The RC coupes and NX entry-level luxury utility vehicles
- Along with a solid month for our volume leaders
 - Including the ES and RX

As you might expect

- Our luxury utility vehicle lineup had a big month in February
- With record total sales of 11,100
 - (current record of 10,619 set in 2004)
- Up 46 ½ percent from last year

The RX

- Continues to be the segment's volume leader

- With sales up 14% from last year
- At 6,500 vehicles
- While the GX was up 4%

The all-new NX line

- Continues to exceed our targets
- Adding another 2,600 units to the total

Not only are NX sales off to a great start

- Early buyer information indicates
 - Just over half are male
 - And nearly 20% are 35 or younger
 - In addition, about half are new to Lexus
- So we're pleased not only with the sales figures
- But also with the new customers the NX is bringing into dealerships

Looking at our passenger car results

- Total sales were up 5.5%
- Led by a 17 ½ percent gain for the GS...
- ES was the volume leader at 4,200
- While the IS was close behind at nearly 3,400
- And combined RC and RC F
 - Sales totaled of nearly 1,000

Finally, Lexus Certified Pre-owned

- Continued its string of all-time, best-ever results
- Setting a new record for the 7th consecutive month

As happy as we are with the record February sales results

- Perhaps even more gratifying were the honors Bill mentioned earlier

Consumer Reports recognized Lexus as the #1 brand

- Citing a combination of road test results and reliability

While it was the 4th straight year

- Lexus has topped J.D. Power VDS results

Looking ahead

- We got an early start to the spring selling season
- Launching our Command Performance national sales event prior to President's Day
- It will continue to focus on the NX and RC along with our core models
- And will run through March with good availability for all for all product lines

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