

March 2014 Sales Conference Notes

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March 2014 Sales Conference Call
Tuesday, April 1, 2014

[March 2014 Sales Conference Call \(audio\)](#)

Hi everyone and thank you for joining us to review March and first quarter sales results for Toyota, Scion and Lexus.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division

Jeff Bracken, Lexus Group Vice President and General Manager, is traveling to an event today and scheduled to land right about now, so Bill will also cover the Lexus results, and hopefully Jeff will be able to join us for the Q&A.

Now as always, a transcript and recording of the call will be available at Toyota.pressroom.com about one hour after its conclusion.

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 March results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Carly.

Hello everyone, and thank you for joining us today.

The industry began to emerge from one of the harshest winters on record with a solid sales month in March that really took off in last two weeks.

In fact

- Toyota, Lexus and Scion dealers
- Had their two best sales weekends of the year

As a result

- TMS #1 manufacturer in retail sales
- At 215,348 vehicles
- A 4.9% volume increase
 - One less selling day
- 8.9% increase on a DSR basis
- Highest volume in seven months
 - (August of last year)
 - Best March since 2008

Overall Industry

- Also had a very good month

- Sales of about 1.5 million vehicles
- Up 4.5% on volume basis
- 8.5% on DSR basis

SAAR at 16.3 million

- Up from 15.3 last year
- Bring first quarter in at 15.6 million SAAR
- Pretty good overall
- Given weather conditions much of the country faced

- Toyota Division 186,755
 - Up two-and-a-half percent on volume
 - And six-and-a-half percent DSR
 - Repeated as industry brand leader in retail sales
 - Third straight month this year

- Lexus had another excellent month
 - Sales totaled 28,593
 - Up 23.3% on a volume basis
 - Or a 28% DSR improvement
 - The industry's biggest Y/Y increase by any brand

Volume Percentages from here on in.

For the Toyota Division

- Camry was volume leader
 - Sales of nearly 42,000
 - Up 11.5% from last year
 - Best month since last August
 - Best-selling car in America

Corolla

- Continues to perform well
- Sales of nearly 30,000
- Best month since last March

Hybrid Lineup

- Saw total Toyota Division hybrid sales of nearly 25,000
- Biggest hybrid month since last August
- Continue to account for more than half of all hybrid sales

- Prius led the way with sales of more than 18,500 vehicles

As we've seen every month this year

- Light trucks were the big winners
- Up 10% from last year
 - Posting the best March truck month in seven years

SUVs a big part of that increase

- RAV4 and the new Highlander and 4Runner
 - All posted big gains in March
- Pushed total Toyota SUV sales to best first quarter ever
 - RAV4 and Highlander also best-ever first quarters

On the pickup side

- Tundra and Tacoma sales topped 26,000
- First time since last August
- With Tundra alone up 25%

Toyota Certified Used

- Sold more than 31,000 vehicles in March
- Perhaps benefitting from Consumer Reports list best used cars more than a third of which were Toyota, Lexus and Scion models (11 of 28)

Now for a look at Lexus...

- As we mentioned earlier, Lexus had big month
- It was the best March in seven years (2007)
- Continues to benefit from some of industry's hottest products
- Lexus is off to one of the industry's best starts to the year with first quarter sales up nearly 15%

Passenger car and luxury utility vehicle sales

- Showed balanced increases in March
- With passenger car sales up 26%
- And the luxury utility vehicle lineup up 20%

IS topped the passenger car results

- Sales doubled to 4,900 vs. last March
- First quarter sales up more than 120%

New CT hybrid model

- Continues to be well received
- Sales up 40%

And the GS

- Featured along with the IS
 - In the Lexus “Command Performance” March marketing campaign
- Realized a 32% increase
- Up 31% for the first quarter

As for the luxury utility lineup

- RX continues to be the industry’s volume leader
 - March sales of nearly 10,000
 - Up 10%
- The new GX is showing continued strength
 - Sales more than doubled
 - To 1,900 units
 - Fifth straight month since launch of double digit gains
- Finally Lexus Certified Pre-owned
 - Set new March record at nearly 7,000 vehicles

For April

- Industry will be looking to build on the momentum that started in March
- Latest economic reports are encouraging, with:
 - Consumer confidence
 - Job growth
 - Housing
- All showing some improvement

Also expect to continue to recover some of the delayed purchases from earlier this year

Finally, we want to invite those of you who will be at the New York Auto Show to come by our press conference where we’ll have an important announcement regarding America’s best-selling car, the Camry.

Now I believe Jeff has joined the call so I’d like to see if he has anything to add and then we’ll open it up for questions. Jeff.