Vermont Auto Outlook™

Comprehensive information on the Vermont new vehicle market

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FORECAST

Vermont New Vehicle Market Predicted to Improve by 3.5% in 2024

Below is a list of eight key trends and developments in the Vermont new vehicle market:

1. Replenished inventories and pent-up demand helped the state new vehicle market in 2023. New retail registrations last year increased to 35,661 units, a 4.1% improvement from 2022. The uptick was identical to Outlook's projection early last year.

2. The state market should increase for the second consecutive year in '24. Auto Outlook is projecting that registrations this year will approach 37,000, up 3.5% from '23. And there is a good chance that the increase could be higher (see below).

3. The shaded box on the right reviews the primary forecast determinants. Pent-up demand is still significant, the state labor market is strong, and consensus is for economic growth to remain positive. Vehicle affordability is still an issue, but should improve as the year progresses. As always there are some risks (geopolitical uncertainties and the presidential election, for example), but if interest rates ease, the market could post a larger increase than expected this year.

4. BEV market share was up last year (6.5% vs. 4.3% in 2022) and it also increased from the Third to the Fourth Quarter. Hybrid share reached 9.3% in the Fourth Quarter of '23.

5. Honda's recovery from inventory shortages in '22 contributed to the 7.6% increase in Japanese brand registrations in '23. Korean brand registrations were up 16.6% (see below).

6. Tesla, Hyundai, Mazda, Honda, and Subaru had the largest percentage gains among the top 20 selling brands last year. Toyota, Ford, Subaru, Chevrolet, and Honda were market share leaders (see page 4).

7. Based on a comparison to U.S. market share, Subaru, Ford, Toyota, GMC, and Ram were the top performing brands in the state market (see page 5).

8. F-Series, RAV4, Crosstrek, Silverado, and Tacoma were top sellers last year. Tesla Model Y and Rogue posted big gains.

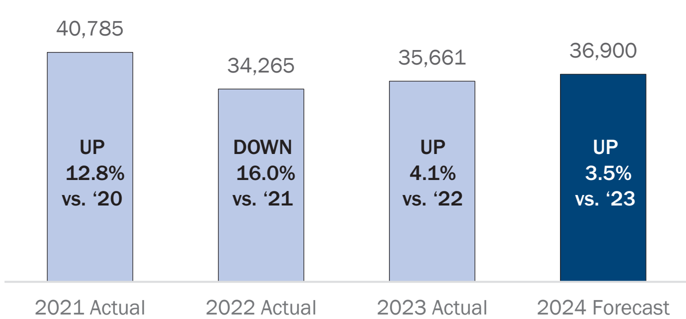
Primary Factors Driving the Vermont New Vehicle Market

» State unemployment rate was near 2% at the end of 2023, total employment increased, and household incomes have moved higher, all positive factors for the new vehicle market.

» Rising interest rates and tight vehicle supplies resulting in higher prices put a squeeze on affordability in 2022 and the first half of last year, but the pendulum is swinging back. Interest rates are predicted to ease this year, transaction prices are drifting lower, and income growth has been positive.

» Pent up demand is the biggest positive for the state market. Auto Outlook estimates that nearly 13,000 new vehicle purchases have been postponed since the onset of the pandemic and ensuing supply chain issues.

Forecast for State New Retail Light Vehicle Registrations



The graph above shows annual new retail light vehicle registrations from 2021 thru 2023 and Auto Outlook's projection for 2024. Historical data sourced from Experian Automotive. Some figures estimated by Auto Outlook.

Market Summary

	2022 Annual	2023 Annual	% Chg. '22 to '23	Mkt. Share 2023
TOTAL	34,265	35,661	4.1%	
Car	4,055	4,150	2.3%	11.6%
Light Truck	30,210	31,511	4.3%	88.4%
Domestic	14,364	14,437	0.5%	40.5%
European	2,942	2,805	-4.7%	7.9%
Japanese	15,049	16,191	7.6%	45.4%
Korean	1,910	2,228	16.6%	6.2%

Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), Tesla, Rivian, and Lucid. Figures for September 2023 are partially estimated. Data sourced from Experian Automotive.

KEY TRENDS IN VERMONT NEW VEHICLE MARKET

STATE MARKET VS. U.S.

% Change In New Retail Market 2023 vs 2022	Vermont	U.S.
	UP 4.1%	UP 7.5%

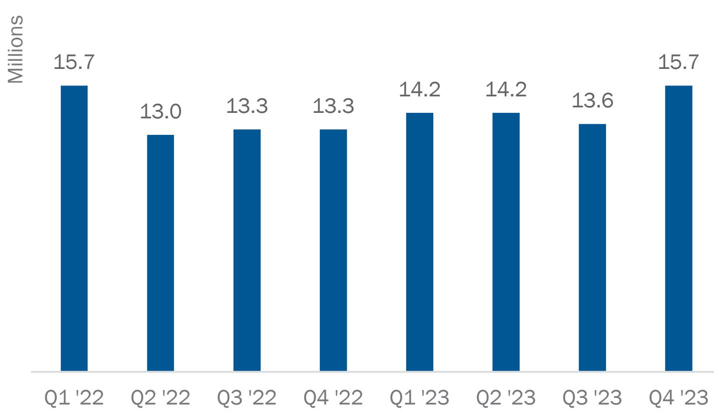
New retail light vehicle registrations in the state increased by **4.1%** from 2022 to 2023, below the **7.5%** improvement in the Nation.

Data sourced from Experian Automotive.

QUARTERLY RESULTS

Vermont 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 state 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 **13.6 million** in the Third Quarter of last year to **15.7 million** in the Fourth Quarter.

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

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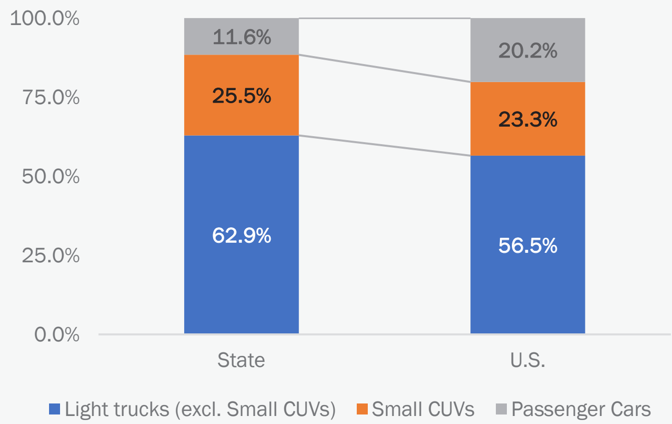
KEY TRENDS IN VERMONT NEW VEHICLE MARKET

VEHICLE AND BRAND SEGMENTS - STATE AND U.S.

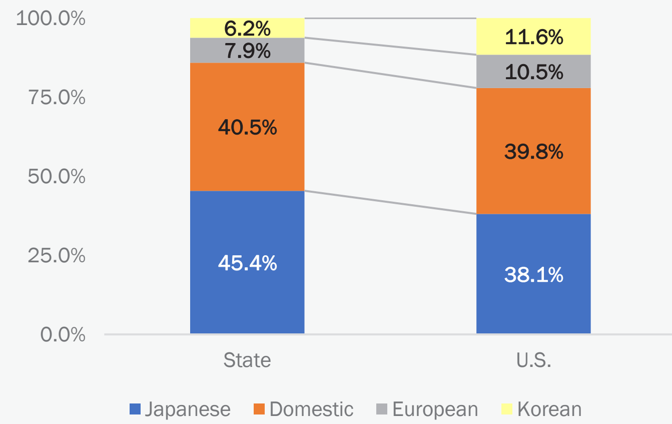
Market Share by Type of Vehicle



Combining the blue and orange sections in the graph above corresponds to the standard industry definition of light trucks. Small crossovers are broken out, however, since many are more similar to compact hatchbacks than to many trucks. Light truck share (excluding small CUVs) was **62.9%** last year, above the **56.5%** share in the U.S.

Data sourced from Experian Automotive.

Domestic, European, Japanese, & Korean Brand Share

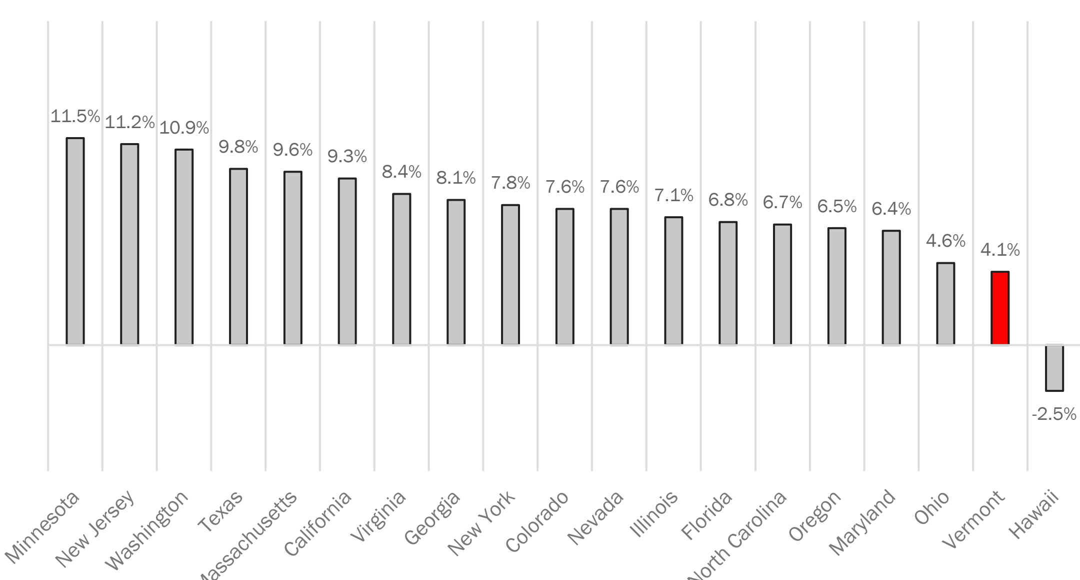


Japanese brand market share in the state was higher than U.S. levels: **45.4%** vs. **38.1%**. State Domestic brand share (which includes Tesla and Rivian) was **40.5%** in 2023. Korean and European brands accounted for a lower share of the state market last year than in the Nation.

Data sourced from Experian Automotive.

COMPARISON OF STATE MARKETS

Percent Change in New Retail Light Vehicle Registrations - 2023 vs. 2022



Data sourced from Experian Automotive.

Observations and Key Facts

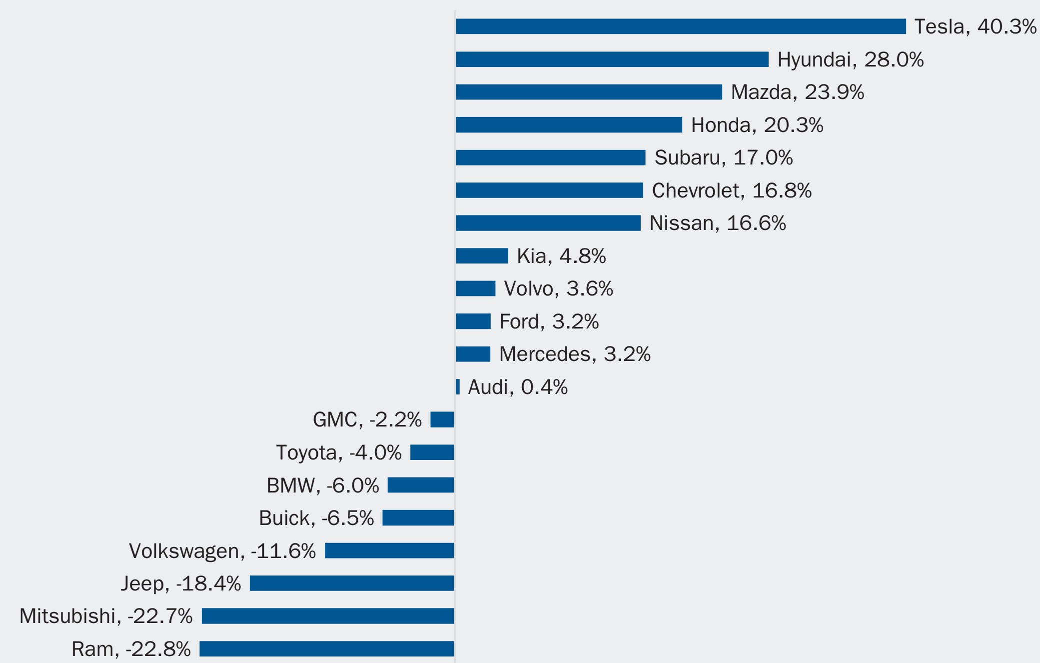
- Vermont registrations increased **4.1%** last year, below the average for other markets. The Minnesota market improved by **11.5%**.
- BEV market share in Vermont last year was **6.5%** vs. **8.2%** in the Nation. BEV penetration was highest in California- **22.6%.**
- Toyota was the best-selling brand in Vermont in 2023 and was the leader in 13 of the 19 markets.

BRANDS AND MODELS

WINNERS AND LOSERS

The graph below shows the percent change in Vermont new retail light vehicle registrations for the top 20 selling brands in the state. Tesla had the highest increase (40.3%), followed by Hyundai, Mazda, Honda, and Subaru

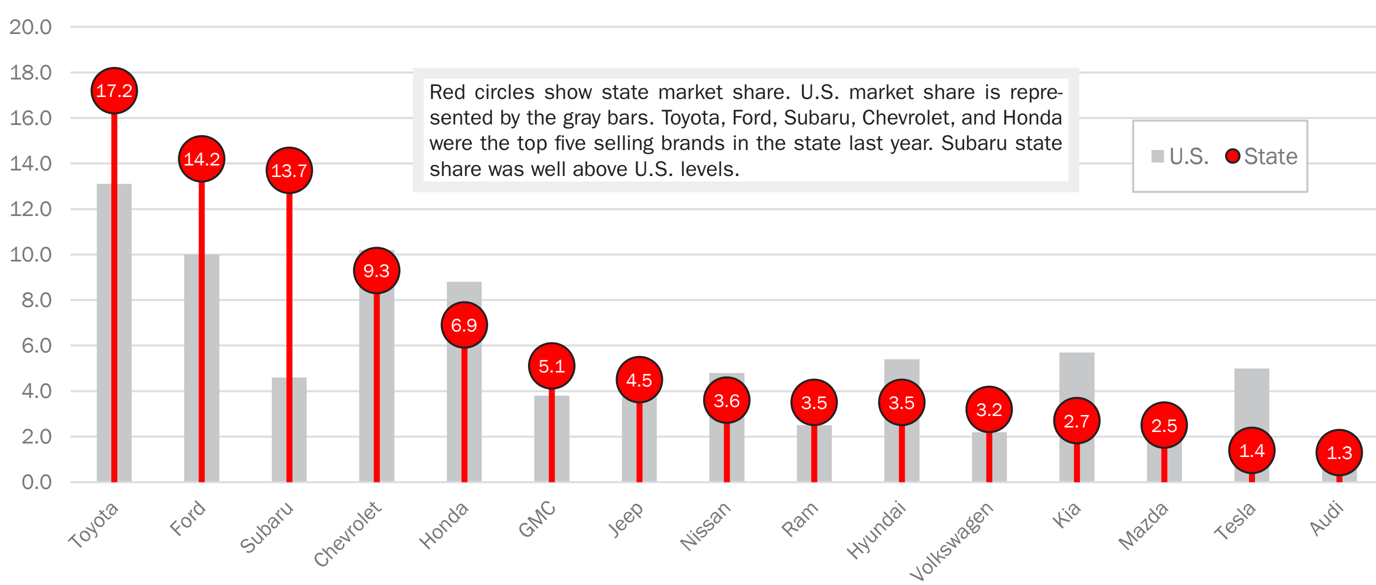
% Change in State Registrations for Top 20 Brands- 2023 (annual) vs. 2022



Data sourced from Experian Automotive.

TOP SELLING BRANDS

Vermont and U.S. Market Shares for Top 15 Brands in State - 2023



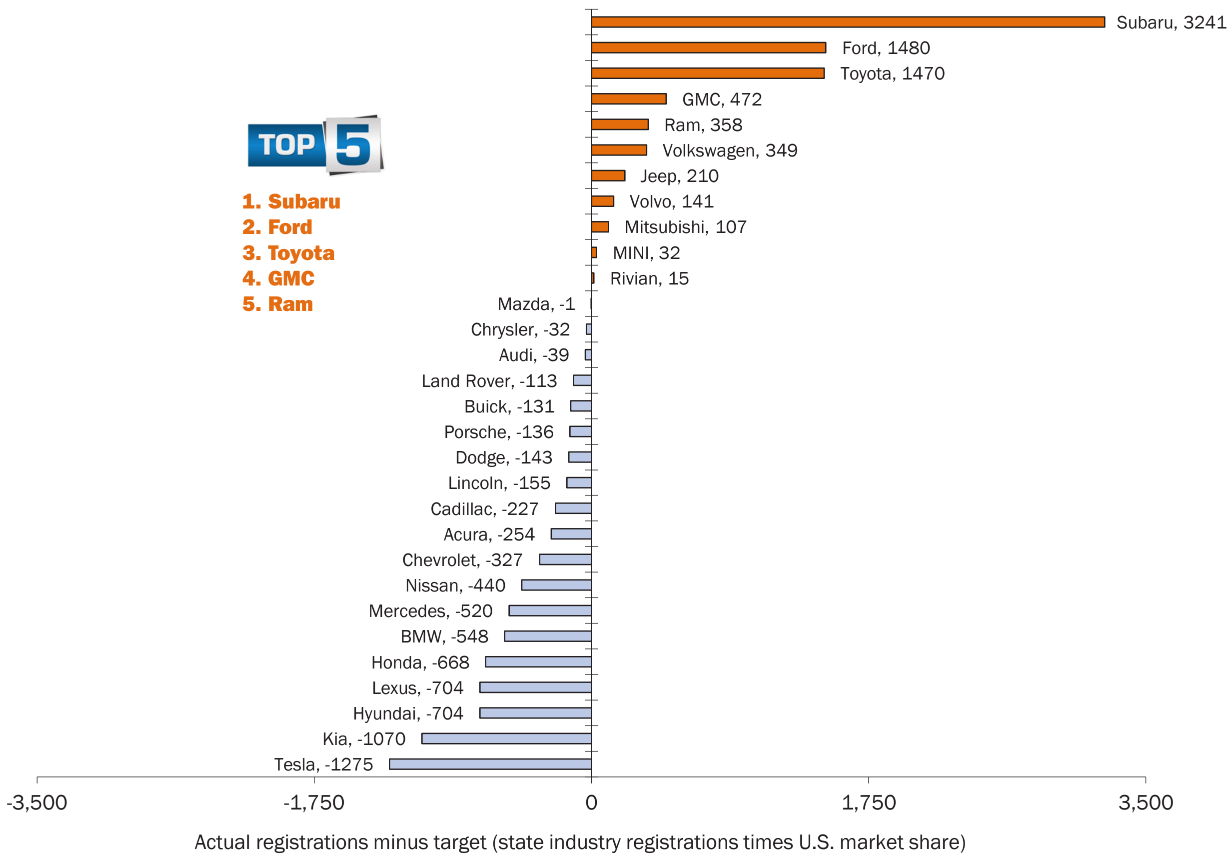
Data sourced from Experian Automotive.

BRANDS AND MODELS

BRAND SALES PERFORMANCE

The graph below provides an indicator of brands that are popular in Vermont (relative to the National standard), and those that are not. Here's how it works: For the top 30 selling brands, each brand's share of the U.S. market is multiplied by industry retail registrations in the state during 2023. This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph (i.e., Subaru, Ford, Toyota, GMC, and Ram) are relatively strong sellers in the state, with actual registrations exceeding calculated targets by large margins. For instance, Subaru registrations exceeded the target by 3,241 units.

Vermont Retail Market Performance based on registrations during 2023
Actual registrations minus target (state industry registrations times U.S. market share)



Data sourced from Experian Automotive.

TOP SELLING MODELS

Top 20 Selling Models - 2023 Annual Market Share and % Change in Registrations vs. 2022

Rank	Model	Area Share %	% chg. '22 to '23	Rank	Model	Area Share %	% chg. '22 to '23
1	Ford F-Series	6.5	17.9	11	Toyota Highlander	1.4	-35.8
2	Toyota RAV4	5.7	9.8	12	Jeep Wrangler	1.4	-2.6
3	Subaru Crosstrek	4.3	6.6	13	Toyota Tundra	1.2	8.4
4	Chevrolet Silverado	3.9	9.5	14	Ford Escape	1.2	-3.8
5	Toyota Tacoma	3.6	-12.1	15	Ford Bronco Sport	1.2	-11.1
6	GMC Sierra	3.5	7.5	16	Subaru Impreza	1.1	4.1
7	Subaru Forester	3.4	43.2	17	Toyota Corolla	1.1	-5.9
8	Ram Pickup	3.2	-24.9	18	Nissan Rogue	1.1	48.4
9	Subaru Outback	3.0	11.3	19	Ford Explorer	1.0	-19.7
10	Honda CR-V	2.7	26.6	20	Tesla Model Y	1.0	91.8

Table on the left presents the top 20 selling models in the state during 2023. Share of industry registrations and the percent change versus 2022 is also shown. Models with the five largest percentage increase are shaded blue.

Data sourced from Experian Automotive.

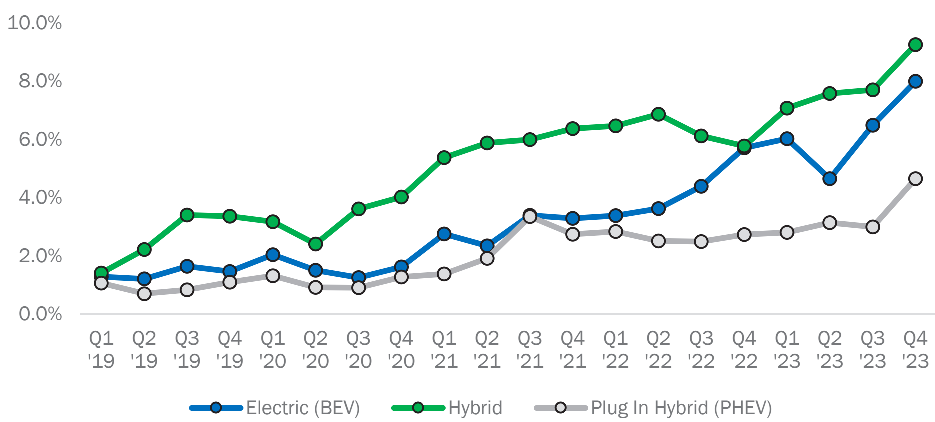
ALTERNATIVE POWERTRAIN MARKET

FIVE KEY TRENDS

1. BEV share increased from 4.3% in ‘22 to 6.5% in ‘23
2. BEV share increased by 1.5 points from 3Q ‘23 to 4Q.
3. Franchised dealer share of BEV market was 73.7% in ‘23 vs. 72.4% in ‘22.
4. Hybrid registrations increased 33% last year. Plug ins were up 39%.
5. Honda hybrid registrations were up 196% last year.

BEV, PHEV, AND HYBRID MARKET SHARE

Percent Share of Industry Registrations by Powertrain Type



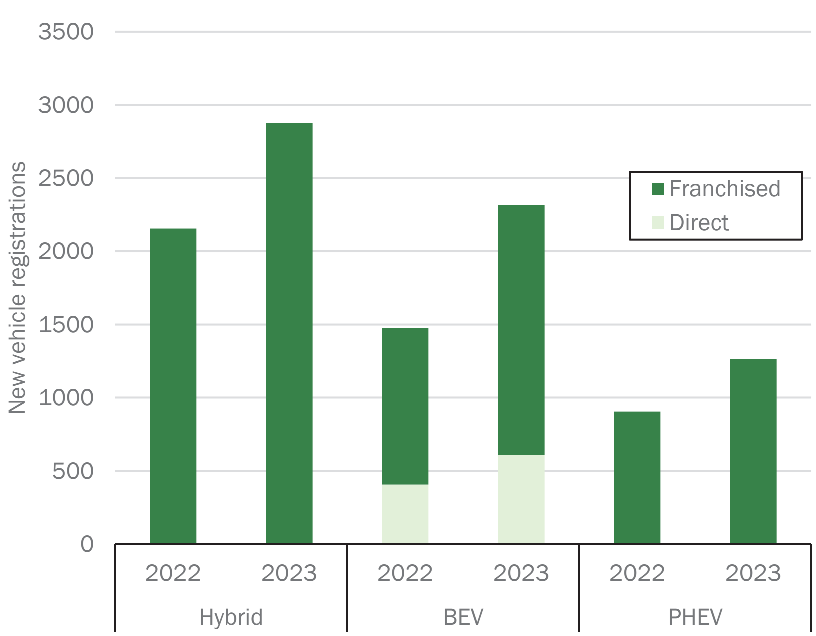
Annual		
	2022	2023
Hybrid	6.3%	8.1%
Electric (BEV)	4.3%	6.5%
Plug In Hybrid (PHEV)	2.6%	3.5%

Quarterly		
	3Q '23	4Q '23
Hybrid	7.7%	9.3%
Electric (BEV)	6.5%	8.0%
Plug In Hybrid (PHEV)	3.0%	4.6%

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

FRANCHISED DEALERSHIPS AND DIRECT SELLERS

New Hybrid, BEV, and PHEV Registrations in Vermont by Type of Selling Dealership



BEV Registrations and Market Share	Franchised Dealerships	Direct Sellers
2022 registrations	1,068	407
2023 registrations	1,707	609
% change	59.8%	49.6%
2022 market share %	72.4	27.6
2023 market share %	73.7	26.3
change	1.3	-1.3
3Q '23 registrations	402	137
4Q '23 registrations	734	233
% change	82.6%	70.1%
3Q '23 market share %	74.6	25.4
4Q '23 market share %	75.9	24.1
change	1.3	-1.3

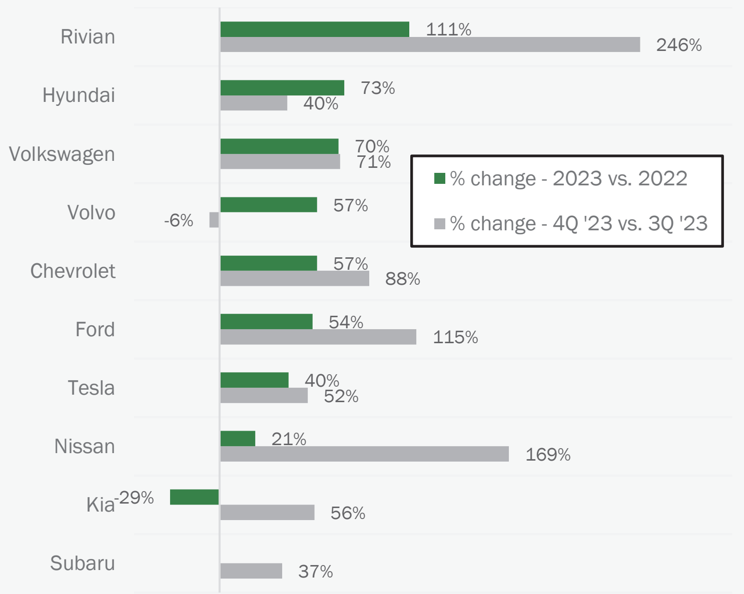
As depicted on the graph, franchised dealerships accounted for 91% of the combined Hybrid, BEV, and PHEV market. Franchised dealer share of the BEV market increased from 74.6% in 3Q ‘23 to 75.9% in 4Q.

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

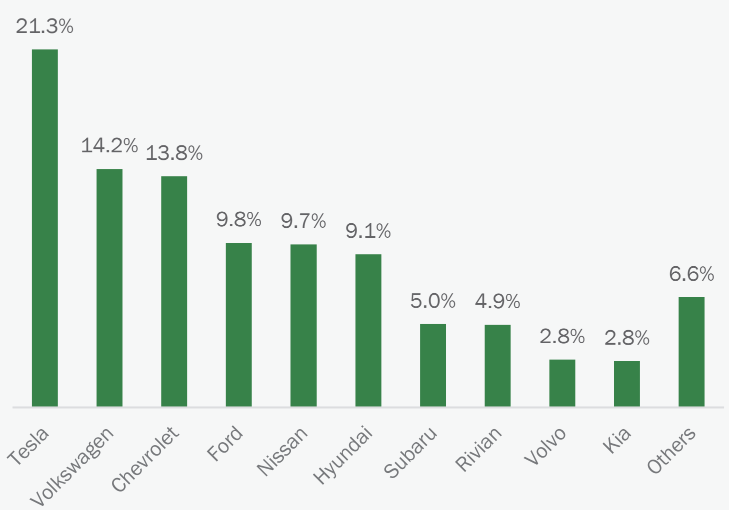
ALTERNATIVE POWERTRAIN MARKET

MAKES AND MODELS

% Change in Brand BEV Registrations for Top 10 Brands 2023 (annual) vs. 2022 and 4Q '23 vs. 3Q '23



Brand Share of Vermont BEV Market (%) 2023 Annual



Observations

- Rivian had the largest % increase in BEV registrations from 2022 to 2023 (up 111%).
- Subaru Solterra registrations began in 2023.
- Tesla share of the BEV market was 21.3% in 2023, well below National levels.

Data sourced from Experian Automotive. Hybrid registrations exclude mild hybrids.

Top Five Brands by type of Powertrain 2022 and 2023 Annual Registrations

	Rank	Brand	2022 Regs.	2023 Regs.	% chg.	2023 Share
BEV	1	Tesla	352	494	40.3%	21.3%
	2	Volkswagen	194	329	69.6%	14.2%
	3	Chevrolet	203	319	57.1%	13.8%
	4	Ford	147	227	54.4%	9.8%
	5	Nissan	186	225	21.0%	9.7%
PHEV	1	Toyota	437	430	-1.6%	34.0%
	2	Jeep	121	411	239.7%	32.5%
	3	Volvo	76	105	38.2%	8.3%
	4	Kia	42	78	85.7%	6.2%
	5	Hyundai	69	52	-24.6%	4.1%
HYBRID	1	Toyota	1,514	1,618	6.9%	56.2%
	2	Honda	194	574	195.9%	20.0%
	3	Ford	240	325	35.4%	11.3%
	4	Kia	89	167	87.6%	5.8%
	5	Hyundai	103	165	60.2%	5.7%

Market Share for Top 15 Selling BEVs, PHEVs, and Hybrids - 2023 Annual

Rank	Model	Type	2023 Share
1	Toyota RAV4	Hybrid	11.1%
2	Honda CR-V	Hybrid	7.5%
3	Tesla Model Y	BEV	5.5%
4	Toyota RAV4	PHEV	5.5%
5	Volkswagen ID.4	BEV	5.1%
6	Chevrolet Bolt	BEV	4.9%
7	Jeep Wrangler	PHEV	4.4%
8	Toyota Highlander	Hybrid	3.1%
9	Ford F-Series	Hybrid	2.8%
10	Hyundai Ioniq 5	BEV	2.3%
11	Nissan Leaf	BEV	2.3%
12	Toyota Sienna	Hybrid	2.2%
13	Ford F-Series Lightning	BEV	2.1%
14	Jeep Grand Cherokee	PHEV	2.0%
15	Tesla Model 3	BEV	1.8%

Brand Registrations Report
Vermont New Retail Car and Light Truck Registrations

	Fourth Quarter						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	4Q '22	4Q '23	% change	4Q '22	4Q '23	Change	2022	2023	% change	2022	2023	Change
TOTAL	9,354	12,100	29.4				34,265	35,661	4.1			
Cars	1,163	1,476	26.9	12.4	12.2	-0.2	4,055	4,150	2.3	11.8	11.6	-0.2
Light Trucks	8,191	10,624	29.7	87.6	87.8	0.2	30,210	31,511	4.3	88.2	88.4	0.2
Domestic Brands	3,639	4,638	27.5	38.9	38.3	-0.6	14,364	14,437	0.5	41.9	40.5	-1.4
European Brands	862	986	14.4	9.2	8.1	-1.1	2,942	2,805	-4.7	8.6	7.9	-0.7
Japanese Brands	4,263	5,760	35.1	45.6	47.6	2.0	15,049	16,191	7.6	43.9	45.4	1.5
Korean Brands	590	716	21.4	6.3	5.9	-0.4	1,910	2,228	16.6	5.6	6.2	0.6
Acura	28	32	14.3	0.3	0.3	0.0	123	117	-4.9	0.4	0.3	-0.1
Alfa Romeo	0	2		0.0	0.0	0.0	4	5	25.0	0.0	0.0	0.0
Audi	158	154	-2.5	1.7	1.3	-0.4	468	470	0.4	1.4	1.3	-0.1
BMW	96	100	4.2	1.0	0.8	-0.2	332	312	-6.0	1.0	0.9	-0.1
Buick	86	92	7.0	0.9	0.8	-0.1	309	289	-6.5	0.9	0.8	-0.1
Cadillac	42	43	2.4	0.4	0.4	0.0	127	133	4.7	0.4	0.4	0.0
Chevrolet	884	1,096	24.0	9.5	9.1	-0.4	2,839	3,317	16.8	8.3	9.3	1.0
Chrysler	20	39	95.0	0.2	0.3	0.1	69	110	59.4	0.2	0.3	0.1
Dodge	59	57	-3.4	0.6	0.5	-0.1	201	181	-10.0	0.6	0.5	-0.1
Ford	1,184	1,553	31.2	12.7	12.8	0.1	4,902	5,059	3.2	14.3	14.2	-0.1
Genesis	8	9	12.5	0.1	0.1	0.0	23	27	17.4	0.1	0.1	0.0
GMC	455	581	27.7	4.9	4.8	-0.1	1,871	1,830	-2.2	5.5	5.1	-0.4
Honda	547	898	64.2	5.8	7.4	1.6	2,058	2,476	20.3	6.0	6.9	0.9
Hyundai	325	417	28.3	3.5	3.4	-0.1	963	1,233	28.0	2.8	3.5	0.7
Infiniti	7	3	-57.1	0.1	0.0	-0.1	15	11	-26.7	0.0	0.0	0.0
Jaguar	5	0	-100.0	0.1	0.0	-0.1	10	4	-60.0	0.0	0.0	0.0
Jeep	426	538	26.3	4.6	4.4	-0.2	1,978	1,615	-18.4	5.8	4.5	-1.3
Kia	257	290	12.8	2.7	2.4	-0.3	924	968	4.8	2.7	2.7	0.0
Land Rover	6	28	366.7	0.1	0.2	0.1	42	72	71.4	0.1	0.2	0.1
Lexus	28	34	21.4	0.3	0.3	0.0	73	95	30.1	0.2	0.3	0.1
Lincoln	10	14	40.0	0.1	0.1	0.0	46	48	4.3	0.1	0.1	0.0
Maserati	1	0	-100.0	0.0	0.0	0.0	2	1	-50.0	0.0	0.0	0.0
Mazda	223	310	39.0	2.4	2.6	0.2	707	876	23.9	2.1	2.5	0.4
Mercedes	52	68	30.8	0.6	0.6	0.0	221	228	3.2	0.6	0.6	0.0
MINI	38	39	2.6	0.4	0.3	-0.1	129	114	-11.6	0.4	0.3	-0.1
Mitsubishi	95	107	12.6	1.0	0.9	-0.1	415	321	-22.7	1.2	0.9	-0.3
Nissan	255	467	83.1	2.7	3.9	1.2	1,090	1,271	16.6	3.2	3.6	0.4
Other	1	1	0.0	0.0	0.0	0.0	6	3	-50.0	0.0	0.0	0.0
Polestar	3	3	0.0	0.0	0.0	0.0	10	5	-50.0	0.0	0.0	0.0
Porsche	11	14	27.3	0.1	0.1	0.0	34	40	17.6	0.1	0.1	0.0
Ram	330	392	18.8	3.5	3.2	-0.3	1,615	1,246	-22.8	4.7	3.5	-1.2
Rivian	32	45	40.6	0.3	0.4	0.1	54	114	111.1	0.2	0.3	0.1
Subaru	1,206	1,642	36.2	12.9	13.6	0.7	4,172	4,883	17.0	12.2	13.7	1.5
Tesla	111	188	69.4	1.2	1.6	0.4	352	494	40.3	1.0	1.4	0.4
Toyota	1,874	2,267	21.0	20.0	18.7	-1.3	6,396	6,141	-4.0	18.7	17.2	-1.5
Volkswagen	363	429	18.2	3.9	3.5	-0.4	1,272	1,124	-11.6	3.7	3.2	-0.5
Volvo	128	148	15.6	1.4	1.2	-0.2	413	428	3.6	1.2	1.2	0.0

Source: AutoCount data from Experian.

The table shows new retail light vehicle (car and light truck) registrations in the Vermont market. Figures are shown for the 4th Quarters of '22 and '23, and annual totals. The top ten ranked brands in each change category are shaded yellow. Figures for Fourth Quarter of '23 are elevated, likely due to DMV processing delays earlier in the year.