GENERAL MOTORS

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GM Gains Half a Point of Market Share as Chevrolet and GMC Second Quarter Deliveries Soar

Double-digit gains or better for 14 vehicle lines, including every single Chevrolet and GMC pickup and SUV nameplate

Strong Commercial sales growth continues

Average transaction prices set a new second quarter record

Chevrolet Bolt EV production to increase more than 20 percent

DETROIT — Very strong truck sales and a wave of all-new crossovers helped General Motors Co. (NYSE: GM) deliver more than 758,000 vehicles in the United States in the second quarter of 2018.

Second quarter sales at Chevrolet and GMC far outpaced the industry on a year-over-year basis, growing 6 percent and 7 percent, respectively, while industry sales are estimated to be up 1 to 2 percent. Cadillac sales were up 3 percent and GM's overall sales were up 5 percent for an estimated market share of 16.6 percent, up 0.5 percentage points.

"Customers are buying with confidence because the economy is strong and they expect it to remain strong," said Kurt McNeil, U.S. vice president, Sales Operations. "GM is in a fantastic position with so many new crossovers at all four of our brands, the industry's only three-truck pickup strategy and clear leadership in large SUVs."

Highlights

- GM's average transaction prices (ATPs) rose by about $300 year over year to a second quarter record of $35,500 on the strength of new crossovers such as the Chevrolet Traverse and Buick Enclave.
- Chevrolet saw record crossover deliveries in the second quarter and first half of 2018. It was the best-ever second quarter and first half for the Trax and Traverse, and the best first half ever for the Equinox.
- Chevrolet and GMC delivered industry-leading pickup sales for the second quarter and first half of 2018. Sales were up 21 percent in the second quarter versus a year ago, and up 12 percent in the first half.

- Chevrolet and GMC's clear leadership in the large SUV segment continued, with deliveries up 22 percent in the second quarter versus a year ago, and up more than 10 percent in the first half.
- Combined sales of pickups, large vans and SUVs increased 18 percent year over year to more than 366,000 units, the highest for any second quarter since 2007. They were up 11 percent in the first half to almost 665,800 units.
- In the second quarter, the all-new Buick Enclave and Regal were up 25 percent and 42 percent respectively. The Buick Encore had its best second quarter and first half sales ever.
- The all-new GMC Terrain posted double-digit year-over-year gains for both the second quarter and first half of 2018. It was the best first half ever for the Terrain.
- Year over year, sales of the Cadillac Escalade increased 1 percent in the second quarter and they were up 4 percent in the first half. XTS deliveries were up 36 percent in the second quarter and 16 percent in the first half.

Strong U.S. Demand

The U.S. light vehicle SAAR for the second quarter and first half are both expected to be about 17.2 million units. The outlook for the second half of the year also looks strong, according to GM Chief Economist Elaine Buckberg.

"Tax reform raised take-home pay, consumer confidence is high and household balance sheets are healthy," Buckberg said. "All of this plus a strong job market makes consumers more willing to commit to major purchases like vehicles."

Gross domestic product is expected to grow more than 4 percent in the second quarter, according to the Federal Reserve Bank of Atlanta, which would make it the strongest second quarter since 2014. In addition, the economy has seen 92 consecutive months of job creation through May, according to the U.S. Bureau of Labor Statistics.

Cadillac Sets Stage for Growth

Cadillac delivered record calendar year-to-date crossover deliveries, with the XT5 showing year-over-year sales growth in 14 of the last 15 months.

To build on this momentum, Cadillac will launch the XT4, its next all-new crossover, this fall. After that, Cadillac will introduce a new model roughly once every six months through the end of 2021.

GM has already begun installing new tooling and equipment at its Lansing Grand River Assembly plant to build the next generation of Cadillac luxury cars, part of a more than half-billion-dollar manufacturing investment in the United States over the last two years to grow the brand's sales in North America. In addition, GM has confirmed that its Spring Hill Assembly plant will build another new Cadillac crossover.

Chevrolet Traverse Momentum

Chevrolet's newest crossover, the 2018 Traverse, stands out as one of the most successful redesigns of any vehicle in the industry this year.

- Sales in the first half of 2018 increased by more than 17,000 units, year over year.
- ATPs in the first half increased nearly $7,000 year over year, or more than 20 percent, while the segment average was up just 1 percent.
- Retail segment share in the first half climbed almost 3 percentage points year over year — the biggest gain of any midsize crossover or SUV.

"The Chevrolet Trax, Equinox and Traverse all saw record sales in the first half of the year, which means the brand has three home runs in the industry's three fastest-growing segments," McNeil said. "Of the three, Traverse stands out because it has made huge inroads in such a large and hotly contested segment."

Chevrolet Bolt EV Production to Increase More Than 20 Percent

U.S. and global demand for the Chevrolet Bolt EV has been very strong in 2018, with global sales estimated to be up more than 35 percent year over year in the second quarter and up more than 40 percent in the first half. In response, GM is increasing fourth quarter production by more than 20 percent compared to the average of the first three quarters.

"Demand for the Chevrolet Bolt EV, especially in the United States, Canada and South Korea, has outstripped production," McNeil said. "The extra production coming on line should be enough to help us keep growing global Bolt EV sales, rebuild our U.S. dealer inventory and bring us another step closer to our vision of a world with zero emissions."

Strong Commercial Sales Growth

The Commercial segment has been a source of significant growth for GM. Since 2012, sales to these fleet customers have grown 42 percent, which is an average annual rate of 7 percent. Commercial deliveries in the second quarter of 2018 were up 4 percent year over year and up 14 percent in the first half, thanks in part to very strong mid-size and large pickup sales.

"Commercial customers tell us they prefer to do business with a company that can satisfy all their vehicle needs, and sedans are an important part of the mix because they typically offer very good safety, comfort, fuel economy and a lower total cost of ownership than other vehicle choices," said McNeil. "Some automakers are scaling back their car offerings at the same time we are investing in the Chevrolet Cruze and Malibu, and expanding our truck and crossover portfolio. We see a terrific opportunity to forge new and stronger customer relationships with such a broad portfolio."

Other GM Highlights

- GM's incentive spending as a percentage of ATP was 13.4 percent in the second quarter, down from 13.8 percent in the first quarter. The industry average for the second quarter was 11.8 percent.
- At the end of the second quarter, GM's dealer inventory was approximately 787,500 units, down 193,000 units versus a year ago.
- GM's fleet mix for the second quarter was 22 percent, reflecting strong Commercial demand and higher deliveries to daily rental companies due to the timing of customer orders. For the calendar year, daily rental deliveries are expected to be about 10 percent of total sales, in line with 2017.

General Motors Co. (NYSE: GM) is a global company committed to delivering safer, better and more sustainable ways for people to get around. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Chevrolet, Buick, GMC, Cadillac, Holden, Baojun, Wuling and Jiefang brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, and Maven, its personal mobility brand, can be found at http://www.gm.com.

Forward-Looking Statements

This press release and related comments by management may include forward-looking statements. These statements are based on current expectations about possible future events and thus are inherently uncertain. Our actual results may differ materially from forward-looking statements due to a variety of factors, including: (1) our ability to deliver new products, services and experiences that attract new, and are desired by existing, customers and to effectively compete in autonomous, ride-sharing and transportation as a service; (2) sales of crossovers, SUVs and full-size pick-up trucks; (3) our ability to reduce the costs associated with the manufacture and sale of electric vehicles; (4) the volatility of global sales and operations; (5) our significant business in China which subjects us to unique operational, competitive and regulatory risks; (6) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (7) changes in government leadership and laws (including tax laws), economic tensions between governments and changes in international trade policies, new barriers to entry and changes to or withdrawals from free trade agreements, changes in foreign exchange rates, economic downturns in foreign countries, differing local product preferences and product requirements, compliance with U.S. and foreign countries' export controls and economic sanctions, differing labor regulations and difficulties in obtaining financing in foreign countries; (8) our dependence on our manufacturing facilities; (9) the ability of suppliers to deliver parts, systems and components without disruption and on schedule; (10) prices of raw materials; (11) our highly competitive industry; (12) the possibility that competitors may independently develop products and services similar to ours despite our intellectual property rights; (13) security breaches and other disruptions to our vehicles, information technology networks and systems; (14) compliance with laws and regulations applicable to our industry, including those regarding fuel economy and emissions; (15) costs and risks associated with litigation and government investigations; (16) compliance with the terms of the Deferred Prosecution Agreement; (17) the cost and effect on our reputation of product safety recalls and alleged defects in products and services; (18) our ability to successfully and cost-efficiently restructure operations in various countries, including Korea, with minimal disruption to our supply chain and operations, globally; (19) our ability to realize production efficiencies and to achieve reductions in costs; (20) our ability to develop captive financing capability through GM Financial; and (21) significant increases in pension expense or projected pension contributions. A further list and description of these risks, uncertainties and other factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and our subsequent filings with the Securities and Exchange Commission. GM cautions readers not to place undue reliance on forward-looking statements. GM undertakes no obligation to update publicly or otherwise revise any forward-looking statements.

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