

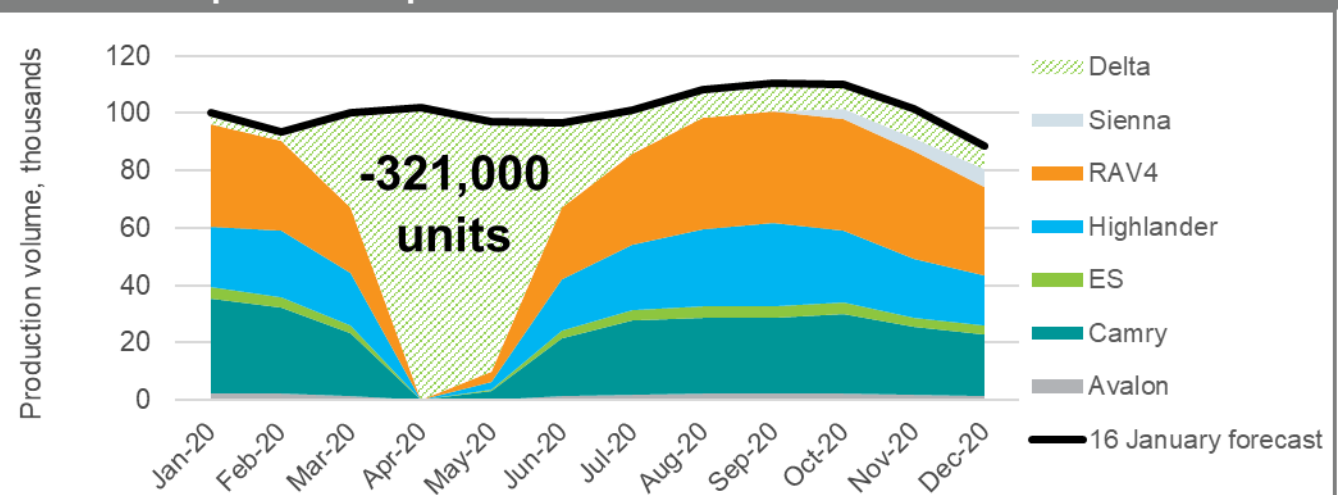
## Automotive Recovery Assessment Report | COVID-19

### Toyota GA-K platform profile

- ➔ The 2020 production forecast for the GA-K platform has been adjusted down 27% from January expectations.
- ➔ Near-term inventory pinch: Days-on-hand inventory declined for the RAV4 and Highlander on a year-on-year basis at the end of May.
- ➔ Launch of the GA-K platform-based Sienna is delayed from July to October 2020.

Toyota North American vehicle production halted on 23 March, 2020 in response to the coronavirus disease 2019 (COVID-19) virus. Plants remained closed through April before returning to a reduced output schedule on 11 May. June production volumes of Toyota's GA-K platform will remain under 2019 levels, resulting in an 18% year on year (y/y), or 53,403 unit, decrease in platform volume for the first five months of 2020 versus 2019.

#### Forecast impact: GA-K platform vehicles in 2020



Source: IHS Markit 16 January Light Vehicle Production E-File versus May Light Vehicle Production Forecast (released 1 June)

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GA-K platform-based production, which includes Toyota North American production volume leaders the RAV4 and Camry, was previously expected to reach **1.21 million units** in calendar year (CY) 2020 (January outlook). The current IHS Markit Light Vehicle Production forecast reflects **887,980 units**, a reduction of **320,732 units**, down **27%** from January 2020 expectations.

On 18 May 2020 Toyota revealed the all-new hybrid-only Sienna minivan using an online virtual event against the backdrop of COVID-19 distancing measures. The production launch of the 2021 Sienna at Toyota's Princeton East plant in Indiana was shifted from July to October owing to COVID-19-related delays.

Prior to the COVID-19 virus disruption, Days-on-hand (DoH) inventory for the RAV4, Camry, and Highlander trended below the industry average for car and truck segments.

Amid COVID-19 virus-related stay-at-home orders, April DoH inventory climbed as sales slipped to record lows. Sales have since begun their recovery, pushing May DoH for the RAV4, Camry, and Highlander below the 2019 industry average once again.

Without a steady supply of newly-produced stock since late March, dealer inventory for these key nameplates is dwindling. The trio comprised nearly half of Toyota brand US sales in 2019.

GA-K platform production recovery will continue over the coming months, reaching pre-shutdown levels in the July or August timeframe. Regaining these levels will be particularly important for the RAV4, the top selling nameplate for Toyota and the compact CUV segment in the US in 2019. DoH inventory for the nameplate dipped to 32, down 18% y/y, in May, the lowest among compact CUVs. With no shortage of competitors in the segment, dealer inventory can be key to making a sale. Increasing the production flow of the RAV4 will be critical to its sales volume recovery and defense of market share. The same is true for Highlander, which has regularly ranked as one of the top two midsize CUVs in the market with the Ford Explorer. The Explorer has opened a roughly 20,000-unit sales gap for the year to date. Low inventory may further threaten Toyota's ability to regain the top sales position.

## GA-K platform nameplate analysis

	Avalon	Camry	ES	Highlander	RAV4
North American production impact					
CY 2020 forecast	-38%	-27%	-31%	-24%	-20%
Adjustments since January	(11,395)	(97,655)	(15,827)	(71,024)	(83,794)
May and June year-on-year production forecast					
May 2019–2020 (y/y)	-94%	-91%	-91%	-90%	-90%
June 2019–June 2020 (y/y)	-52%	-42%	-37%	-22%	-29%
Selling days required to reach 2019 industry average days on hand					
Based on current estimated Sales rates*	67	(15)	10	(7)	(41)
2019 average DoH	Car*^: 60			Truck*^: 73	
May inventory					
Days on Hand*	127	45	70	66	32
May 2019–May 2020 (y/y)	90%	10%	-5%	-12%	-18%
Apr 2020–May 2020 (m/m)	-52%	-64%	-61%	-52%	-71%

Note: M/m = month on month











































Source: IHS Markit Light Vehicle Production Forecast May (June 1 release)

\*Source: MotorIntelligence (April). Days-on-Hand = Estimated Stock / daily average sell rate

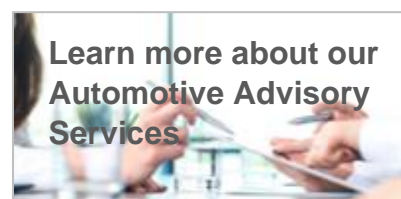
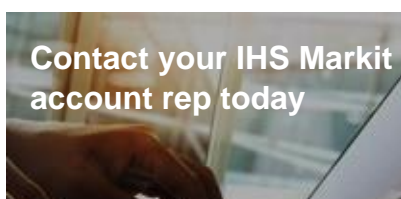
<sup>^</sup>Based on average 2019 monthly industry Car or Truck DoH = [ (Σ Jan-Dec DoH) / 12 months ]

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## Toyota GA-K North America – Assembly Plant Profiles

Cambridge North, ON 2020 % GA-K NA Production: 15%		Georgetown #1, KY 2020 % GA-K NA Production: 17%		Georgetown #2, KY 2020 % GA-K NA Production: 19%		Georgetown #3, KY 2020 % GA-K NA Production: 4%	
	GA-K Nameplates <b>RAV4</b>		GA-K Nameplates <b>Avalon Camry</b>		GA-K Nameplates <b>Camry RAV4</b>		GA-K Nameplates <b>ES</b>
	Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>
	Downtime Working Days (Forecast)† <b>35</b>		Downtime Working Days (Forecast)† <b>35</b>		Downtime Working Days (Forecast)† <b>35</b>		Downtime Working Days (Forecast)† <b>35</b>
	Lost Production (Forecast)*† <b>25k</b>		Lost Production (Forecast)*† <b>28k</b>		Lost Production (Forecast)*† <b>32k</b>		Lost Production (Forecast)*† <b>7k</b>
	Shift Structure <b>2S-5D-8H</b>		Shift Structure <b>2S-5D-8H</b>		Shift Structure <b>2S-5D-8H</b>		Shift Structure <b>2S-5D-7.5H</b>
	Straight Time Capacity (Annual)* <b>250k</b>		Straight Time Capacity (Annual)* <b>250k</b>		Straight Time Capacity (Annual)* <b>250k</b>		Straight Time Capacity (Annual)* <b>50k</b>
Princeton East, IN 2020 % GA-K NA Production: 10%		Princeton West, IN 2020 % GA-K NA Production: 17%		Woodstock, ON 2020 % GA-K NA Production: 18%		<p>Source: †IHS Markit North America LV Production Downtime Tracker, June 2, 2020. Adjustment from MARCH forecast.</p> <p>Source: *IHS Markit Vehicle Plant Capacity forecast for 2020 plant level Straight Time Capacity</p> <p>© 2020 IHS Markit</p>	
	GA-K Nameplates <b>Highlander Sienna</b>		GA-K Nameplates <b>Highlander</b>		GA-K Nameplates <b>RAV4</b>		
	Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		Downtime Dates (Forecast)† <b>23 Mar → 11 May</b>		
	Downtime Working Days (Forecast)† <b>35</b>		Downtime Working Days (Forecast)† <b>35</b>		Downtime Working Days (Forecast)† <b>35</b>		
	Lost Production (Forecast)*† <b>26k</b>		Lost Production (Forecast)*† <b>33k</b>		Lost Production (Forecast)*† <b>30k</b>		
	Shift Structure <b>2S-5D-8H</b>		Shift Structure <b>2S-5D-8H</b>		Shift Structure <b>2S-5D-8H</b>		
	Straight Time Capacity (Annual)* <b>210k</b>		Straight Time Capacity (Annual)* <b>210k</b>		Straight Time Capacity (Annual)* <b>200k</b>		

## Access more information and resources



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