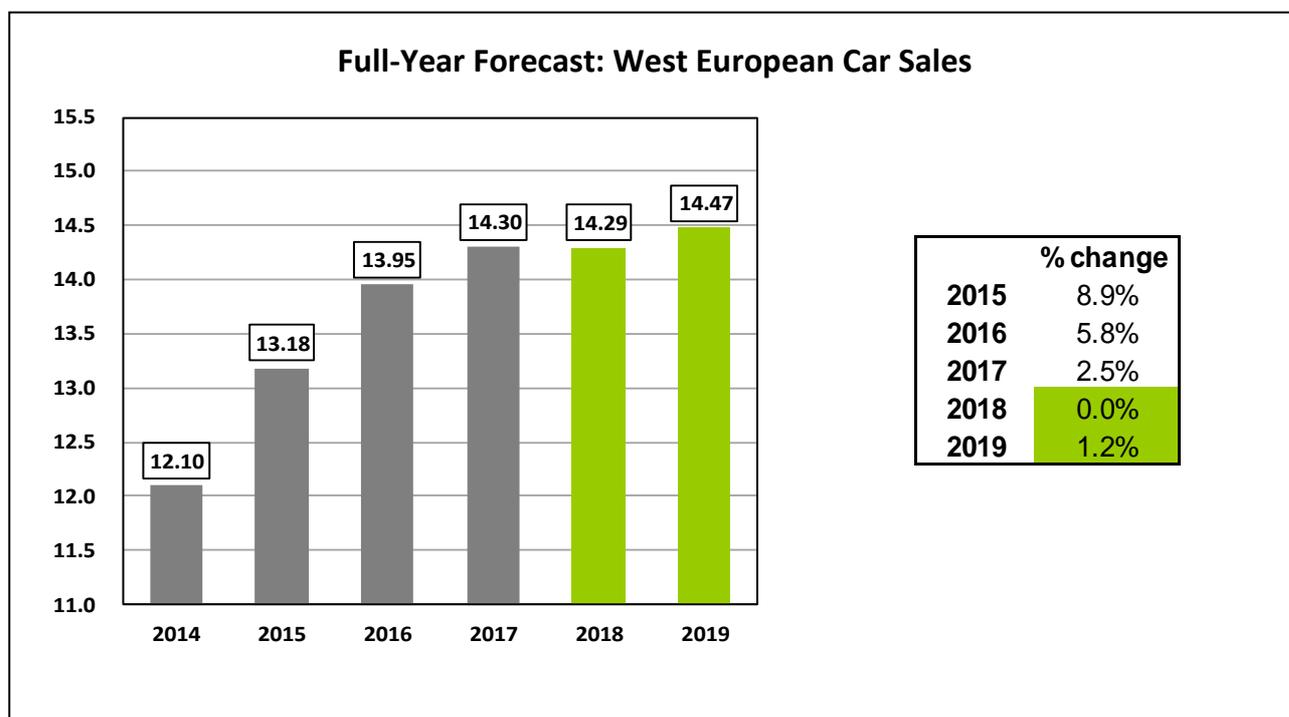




Western European Passenger Car Sales Update

Summary

- West European car registrations fell by 8.3% year-on-year (YoY) in November, a disappointing result which tipped Western Europe slightly into negative territory in year to date (YTD) terms. The selling rate improved to 13.3 mn units/year in November, compared to October's 12.6 mn units/year, but it is somewhat concerning that the pace of recovery appears to be slowing after the WLTP-induced slump earlier in the autumn.
- In Germany, registrations were down 9.9% YoY, as the selling rate picked up, but not as strongly as hoped, to 3.2 mn units/year. Spain recorded a sharp YoY fall of 12.6%, even though the selling rate continued to gradually climb from its previously depressed level. The Italian market also declined YoY, by 6.3%, with the selling rate edging up to 1.9 mn units/year.
- UK car sales declined by 3% YoY in November, a modest drop compared to some of its neighbours, but with YTD sales still down by 6.9% YoY, there is little cause for celebration. In France, sales were down 4.7% YoY in November, but the selling rate continued to recover, reaching almost 2.1 mn units/year.
- Following a slower than expected end to 2018, we see 2019 Western European growth at a little over 1%. There remains scope for improvement in a number of markets, including Spain and Italy, though economic headwinds are likely to curtail the latter country's stalling car market recovery.



5th December 2018

For further information contact Jonathon Poskitt or David Oakley

Phone +44 1865 791737, jposkitt@lmc-auto.com or doakley@lmc-auto.com



Western European Passenger Car Sales Update

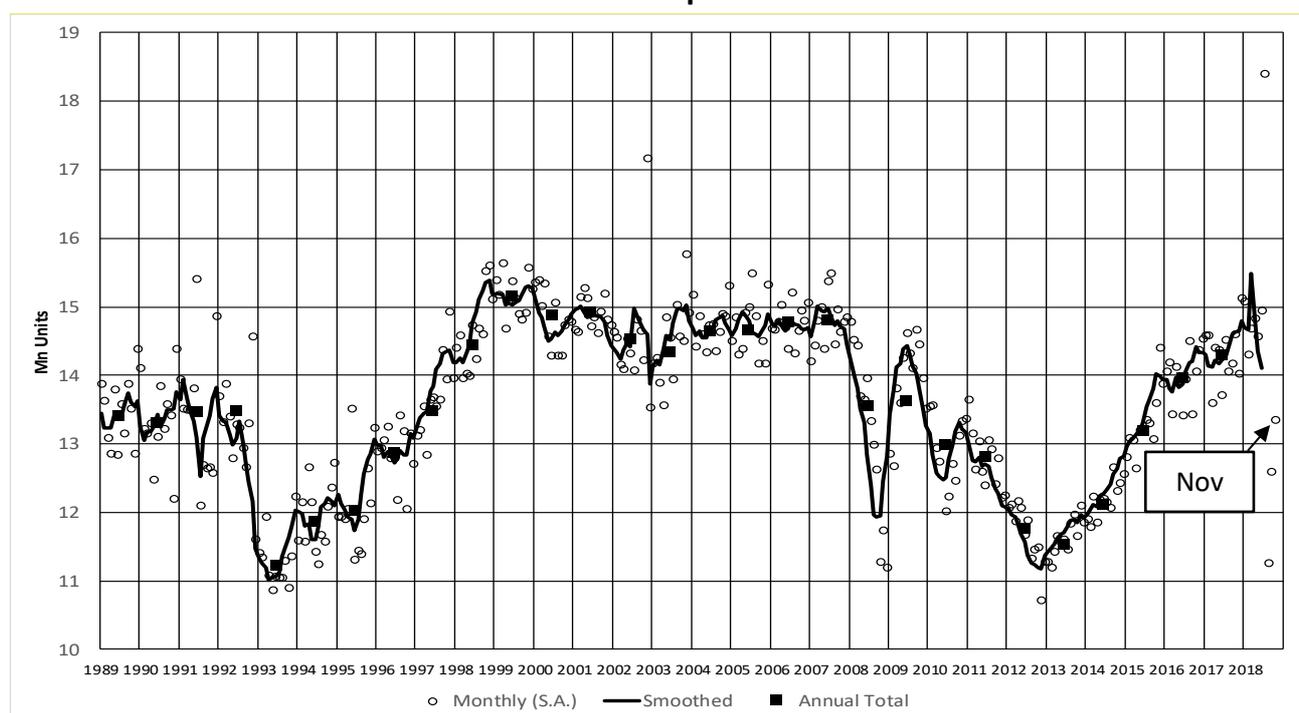
Commentary

November's new car registration data appears to have revealed a consistent trend across Western Europe. After the disruption caused by WLTP earlier in the year, with sales pulled forward to August followed by a slump in September, markets have been slow to recover. Selling rates in all the major markets continued to climb in November, but at a rather lacklustre rate, leading to YoY sales being down in every case. Overall, sales dropped by 8.3% YoY in November, and by 0.1% for the YTD, with November's selling rate increasing to 13.3 mn units/year, from 12.6 mn units/year in October. With the selling rate having averaged 14.8 mn units/year in H1 2018, there is still some way to go before the recovery is complete. However, slowing European economies may make a return to those levels unattainable in the near-term.

In Germany, sales were down 9.9% YoY, although the selling rate accelerated from the sub-3 mn units/year seen over the previous two months, to a more respectable 3.2 mn units/year in November. We cannot rule out the possibility that the disappointing sales are still at least partly a result of delays experienced by some models in receiving approval under WLTP. Italy has been one of Europe's weaker markets for much of the year, and there is currently little sign of improvement, with a 6.3% YoY fall in November. The selling rate increased slightly to 1.9 mn units/year, but a substantial full-year decline is now inevitable.

The French car market was down 4.7% YoY in November, in line with expectations, with the selling rate returning to near-normal levels of 2.1 mn units/year. However, upcoming tax changes may encourage buyers to delay purchases until January; therefore the selling rate could dip again in December. Spanish sales fell 12.6% YoY in November, although November 2017 was a particularly strong month, and therefore base effects contributed to the double-digit YoY decline. Nevertheless, concerns are starting to be expressed around economic slowdown and uncertainty over future restrictions on combustion-engine vehicles. In the UK, registrations were down 3% YoY. Whilst this was not a disastrous result, with the selling rate improving to 2.3 mn units/year, both consumer and business confidence are low due to Brexit-related uncertainty, and therefore any great resurgence in the market seems far-fetched for the time being.

West European Car Sales





Western European Passenger Car Sales Update

West European Car Sales

| | Sales (units) | | | | | | Selling rate (Units/year) | | | |
|----------------|---------------|-----------|----------------|-------------------|-------------------|----------------|---------------------------|-------------------|------------|----------------|
| | Nov 2018 | Nov 2017 | Percent change | Year-to-date 2018 | Year-to-date 2017 | Percent change | Nov 2018 | Year-to-date 2018 | Year 2017 | Percent change |
| WESTERN EUROPE | 1,049,659 | 1,144,190 | -8.3% | 13,253,249 | 13,271,505 | -0.1% | 13,346,228 | 14,464,006 | 14,300,892 | 1.1% |
| AUSTRIA | 23,660 | 29,612 | -20.1% | 322,728 | 328,484 | -1.8% | 309,037 | 345,800 | 354,174 | -2.4% |
| BELGIUM | 33,819 | 39,645 | -14.7% | 526,435 | 518,486 | 1.5% | 447,620 | 568,703 | 546,558 | 4.1% |
| DENMARK | 17,918 | 18,029 | -0.6% | 204,625 | 205,281 | -0.3% | 218,646 | 221,908 | 221,797 | 0.1% |
| FINLAND | 8,662 | 9,670 | -10.4% | 114,336 | 110,507 | 3.5% | 114,155 | 121,363 | 118,575 | 2.4% |
| FRANCE | 171,611 | 180,009 | -4.7% | 2,008,133 | 1,917,376 | 4.7% | 2,091,690 | 2,242,044 | 2,110,751 | 6.2% |
| GERMANY | 272,674 | 302,630 | -9.9% | 3,198,774 | 3,187,316 | 0.4% | 3,222,842 | 3,468,013 | 3,441,266 | 0.8% |
| GREECE | 7,970 | 6,762 | 17.9% | 97,634 | 81,241 | 20.2% | 101,543 | 106,587 | 88,298 | 20.7% |
| IRELAND | 643 | 682 | -5.7% | 125,452 | 131,173 | -4.4% | 97,374 | 111,596 | 131,333 | -15.0% |
| ITALY | 146,991 | 156,886 | -6.3% | 1,785,355 | 1,849,653 | -3.5% | 1,870,484 | 1,924,298 | 1,971,342 | -2.4% |
| LUXEMBOURG | 3,529 | 4,389 | -19.6% | 50,192 | 49,929 | 0.5% | 46,716 | 53,423 | 52,773 | 1.2% |
| NETHERLANDS | 34,785 | 37,569 | -7.4% | 423,938 | 396,943 | 6.8% | 387,199 | 469,064 | 414,471 | 13.2% |
| NORWAY | 12,313 | 13,743 | -10.4% | 135,468 | 142,573 | -5.0% | 144,771 | 147,688 | 158,650 | -6.9% |
| PORTUGAL | 15,466 | 17,626 | -12.3% | 212,099 | 205,076 | 3.4% | 210,014 | 229,301 | 222,129 | 3.2% |
| SPAIN | 91,063 | 104,164 | -12.6% | 1,222,116 | 1,131,932 | 8.0% | 1,196,533 | 1,339,835 | 1,234,875 | 8.5% |
| SWEDEN | 25,813 | 32,484 | -20.5% | 330,729 | 344,435 | -4.0% | 291,296 | 352,849 | 379,255 | -7.0% |
| SWITZERLAND | 24,103 | 26,749 | -9.9% | 272,177 | 282,956 | -3.8% | 290,230 | 302,226 | 314,028 | -3.8% |
| UK | 158,639 | 163,541 | -3.0% | 2,223,058 | 2,388,144 | -6.9% | 2,306,079 | 2,459,308 | 2,540,617 | -3.2% |

Notes:

Greece: estimate for latest month.

Greece data source has changed to Sales from Registrations.

The percent change in the final column compares the average selling rate in the year-to-date with the last full year.

The average of the seasonally adjusted selling rate for an entire year is by definition the total of sales in the year.



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