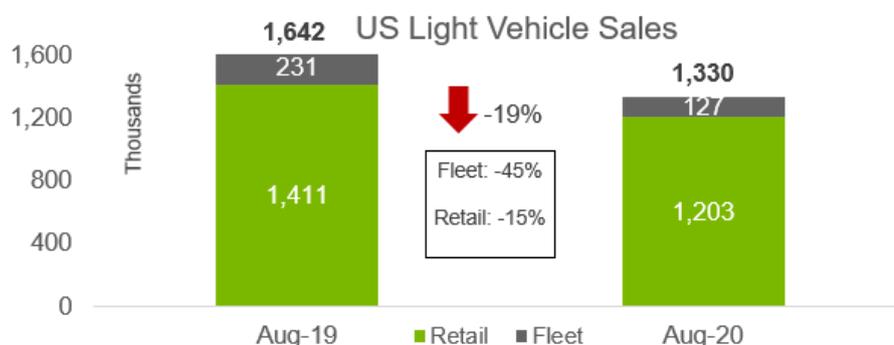


AUGUST US LIGHT VEHICLE SALES BEAT EXPECTATIONS AS FULL-YEAR RECOVERY MARCHES ON, DESPITE ROTATING COVID-19 REGIONAL HOTSPOTS AND LACK OF A SECOND STIMULUS

- In August, LV sales record second-best totals since February.
- SUVs and Pickups drive demand, despite reduced incentives for cash-strapped consumers.
- Strong global recovery – fuelled by China – could see Light Vehicle Sales at 75 million units by end of 2020.

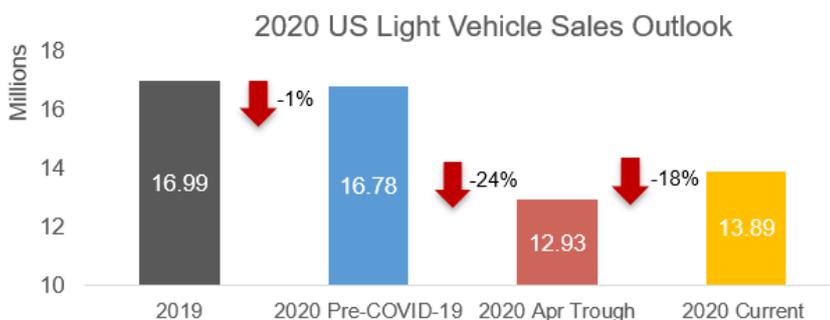
(TROY MI.) US August Light Vehicle sales recorded the second-best month this year, with a volume of 1.33 mn units and a selling rate of 15.2 mn units/year. Despite the higher absolute volume, August faced a steeper decline over a year ago. Sales fell by 19% YoY, compared to 11% YoY in July, according to actuals from LMC Automotive, the leading independent automotive global forecasting and market intelligence company.

LMC points out that this decline was caused by two fewer sales day than last August and, most importantly, the typically strong Labor Day weekend shifting back to September this year. Selling days adjusted, improvement from the low at the beginning of the pandemic continued in both retail and fleet volumes. The retail volume of 1.20 mn Light Vehicles indicates a 12.9 mn SAAR, up by 400k units from last month, while the fleet annualized rate grew to 2.3 mn from 2.0 mn units in July.



Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive adds:

“August exhibited some continued signs of a market returning to normal volume levels. The month was led by the usual suspects, with Compact SUVs, Midsize SUVs and Large Pickups all selling more than 200,000 units, something that had happened only in February. Combined, these segments accounted for 47.2% of sales last month. These more expensive vehicles led to the highest transaction prices ever seen, while OEMs cut incentives. August was the first time in 16 months that incentives fell on a YoY basis. With low inventory levels, OEMs were forced to save higher incentives for the upcoming Labor Day weekend, which will benefit September sales.”



LMC expects the current recovery trend to continue through the remainder of the year. Our LV forecast for September is 1.17 mn units, down by 16% from September 2019, with two more selling days in September 2020.

Looking at full-year 2020, LMC expects US Light Vehicle sales to be down by 18% to 13.89mn units. The recovery in retail sales is expected to continue, as resilient consumers drive volume to 11.9mn units, a decline of 13% from 2019. Fleet sales are not expected to fare nearly as well, with the year forecast to be down by 40% to 2.0mn units.

Jeff Schuster, President, Americas Operations and Global Vehicle Forecasts, LMC Automotive said:

“The US market, along with much of the world, has surprised on the upside. The outlook for the US has improved by 1 million units since the trough in April. Looking forward, uncertainty is holding at an elevated level, as the virus itself remains the main risk. However, the second stimulus stalemate could also have a negative impact on vehicle sales in the coming months. Lastly, we are closely monitoring vehicle inventory, as many assembly plants are running at or near capacity, which could constrain vehicle choices in dealerships.”

ENDS

PRESS RELEASE



About LMC Automotive: LMC Automotive is the leading independent and exclusively automotive focused provider of global forecasting and market intelligence in the areas of vehicle sales, production, powertrains and electrification. Highly respected for its responsive customer support, the company's client base from around the globe includes car and truck makers, component manufacturers and suppliers, financial, logistics and government institutions. LMC Automotive is part of the LMC group. LMC is the world's leading economic and business consultancy for the agribusiness sector.

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