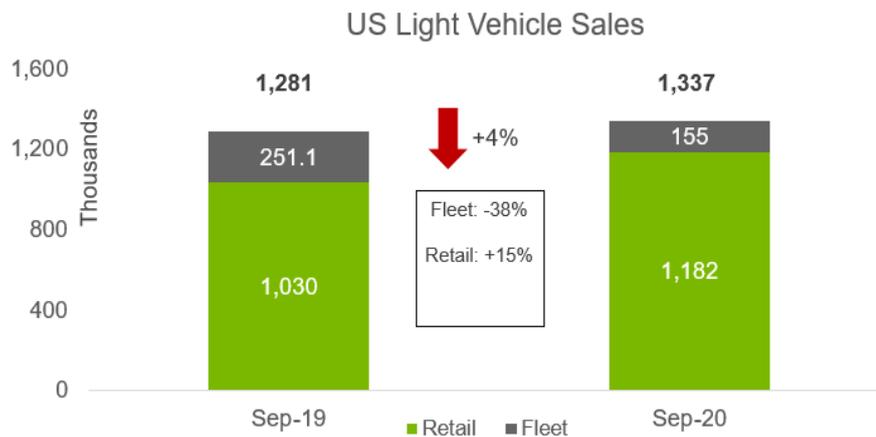


DESPITE RISKS AND UNCERTAINTIES, US AUTO SECTOR FLEXES ITS MUSCLES WITH A 4% YEAR-ON-YEAR INCREASE IN SEPTEMBER

- September’s volume drives Q3 to best quarter of 2020 thus far, with retail sales performance exceptionally strong.
- The Labor Day promotion and the benefit of two extra selling days this month drove demand for SUVs and Pickups.
- LMC’s 2020 Global Light Vehicle demand forecast has been increased by nearly 1 million units to 76 million units, on upgrades to several key markets.

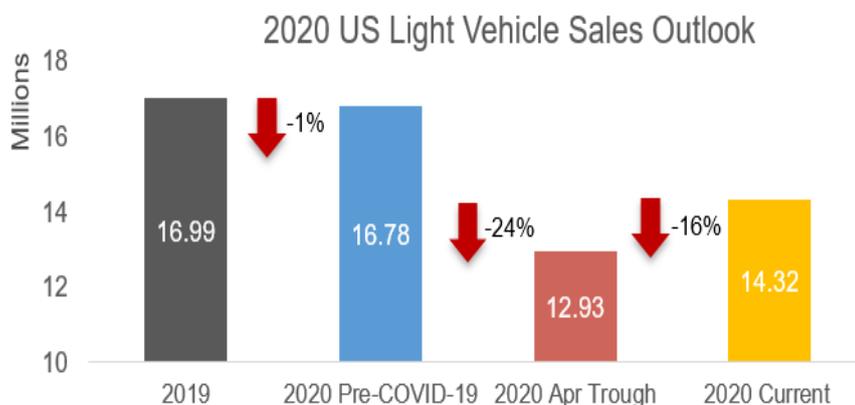
(TROY MI.) US September Light Vehicle sales grew by 4% YoY, to 1.34 mn units, pushing the selling rate to 16.3 mn units and marking the first month above the 16 mn threshold since the start of the pandemic, according to actuals from LMC Automotive, the leading independent automotive global forecasting and market intelligence company. The September result also made Q3 the best performing quarter, down by 10%, compared to a decline of 13% in Q1 and a plunge of 33% in Q2.

September benefited from two additional selling days in addition to the Labor Day holiday weekend, which was included in the August results in 2019, but remained ahead of expectations. Combined, August and September sales dropped by 9% over the same months last year, still showing marked improvement over previous months. As has been the case in previous months, the strength of the market came from retail sales, which totalled 1.18 mn units, up by 15% from September 2019. Fleet deliveries remained constrained and fell by 38% YoY, to 155,000 units. They accounted for just 12% of total sales, 8 pp behind last year’s percentage.



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

“We continue to see the market recovering, and September brought the YTD decline to 19% YoY from 22% in August. Consumer preference for Compact SUVs, Midsize SUVs and Large Pickups remained strong. These segments combined accounted for nearly 50% of the September total volume. Fuelled by new models, Small SUVs were the fourth largest segment and are solidifying the position of the entry-level segment in the US. However, the surge in activity has not lowered the average transaction price, which ended the month above USD35,600.”



LMC currently see further progression toward pre-COVID-19 levels through the end of the year and into 2021. Our LV forecast for October is 1.30 mn Light Vehicles, down by 2% from a year ago. Retail sales are expected to be 4% higher than last year but with one additional selling day. Q4 sales are expected to total 4.00 mn units, a 6% decline from the same period last year.

Full-year 2020 is now projected at 14.3 mn units, an increase of 400,000 from last month. While the rebound in retail sales is the force behind the recovery, with volume projected down just 10% to 12.3mn units. Fleet sales, down 40% for the year, are starting a slow trek to higher volumes, but it will be at least 12-months before we see any noticeable movement in rental vehicle sales.

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

“Unexpected strength remains the theme in auto sales around the world and the US is no exception. Even as it is unclear if a needed second stimulus will happen before the election, consumers continue to purchase vehicles, suggesting pent-up demand has not fully been exhausted. A small improvement in raw inventory levels, even as days supply fell to 50 days, is a good signal that increased vehicle production may finally be able to replenish the consumer-hungry dealer lots.”

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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