

Press release¹

November 5, 2020

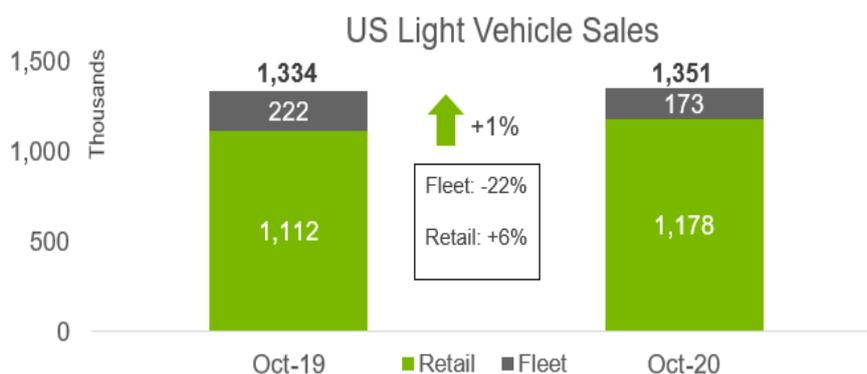
October Light Vehicle sales hit 1.35 million units, keeping road to recovery steady but pace going forward is still uncertain

- With 1.35 mn units sold, October was 7,000 units shy from outselling February, the highest volume month of 2020 thus far. The annualized rate was above 16 mn units for the second consecutive month.
- Midsize Non-Premium SUVs led the market for the first time, with a 16.2% share. Total SUV sales grew by 8% and accounted for 52.9% of overall sales.
- LMC’s 2020 Global Light Vehicle demand forecast has been increased to 76.5 million units, but an increased number of COVID-19 cases threatens the pace of the recovery in the coming months.

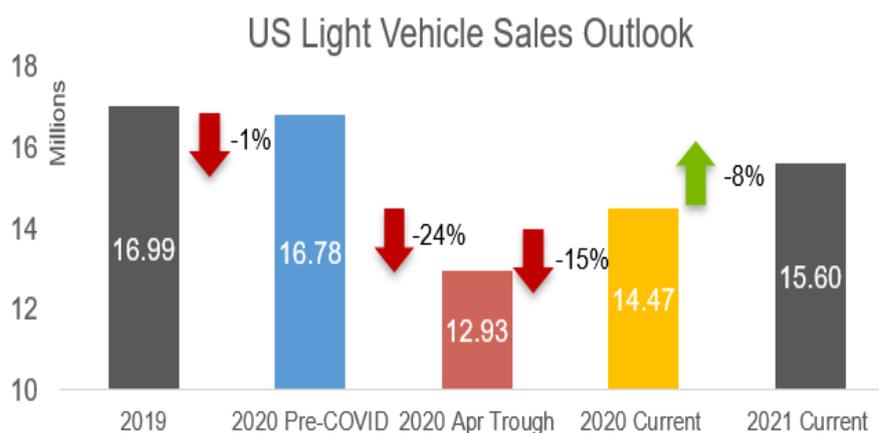
(TROY, MI.) As the US market remains on the recovery path, October was the third consecutive month to sell more than 1.3 mn Light Vehicles, according to actuals from LMC Automotive, the leading independent automotive global forecasting and market intelligence company. With a volume of 1.35 mn units, October outperformed initial expectations as the month progressed, keeping the recovery moving forward. With an extra selling day from 2019, October was up by 1.3% YoY, but recorded a lower percent change from the 4.4% YoY growth in September.

The annualized rate reached 16.3 mn units, on par but slightly higher than the September rate. However, it was the second month in a row that it was above 16 mn units, a rate the US has not witnessed since the pandemic started.

As it has been the case in previous months, retail is showing exceptional resilience in 2020. In October, retail sales grew by 5.9% YoY, while fleet was down by 22.0%. Nevertheless, fleet sales are starting to show some improvement from the 38% decline in September. Fleet also helped some segments, with Midsize Cars growing by 7% YoY in October.



Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive adds: “Midsize SUVs led the market for the first time ever in October, with a 16.2% market share. The contrast between last October and now could not be greater. Last year, some models were going through a not-so-smooth changeover and others were still ramping up, and of course GM sales were hurt from the strike. This low base of comparison has particularly benefitted GM Pickups this year. Overall, Pickup sales were up by 4% YoY, but GM sold 20% more. More expensive trucks and pronounced recovery in the Premium market helped average transaction prices to reach a new record of more than US\$36,000. Premium vehicles grew twice as fast as Non-Premium models last month.”



Given the positive performance in October, the automotive sales recovery remains on track, though selling day variability is muddying the year-over-year comparisons (3 fewer days in November and 3 more days in December). LMC’s Light Vehicle forecast for November is 1.20 mn units, down by 15% from the previous year. Retail sales are expected to be off by 10% and fleet sales are projected down 44%. Q4 sales are expected to total 4.2 mn units, a 3% decline from the same period last year.

2020 is forecast to finish at 14.5 mn units, down 15% from 2019. Retail sales remain the area of strength and are leading the recovery, now off just 9% from a year ago. For comparison, retail sales fell an average of 18% for the two-year period from 2007-2009. Fleet sales remain down 40% for the year and will remain a drag on the recovery through most of 2021. Inventory shortages saw some relief in October as US inventory rose by 6% from September but remains on watch as it was still below a year ago October by 22%. Days’ supply increased from 50 in September to 59 in October.

Jeff Schuster, President, Americas Operations and Global Vehicle Forecasts, LMC Automotive said: “Election uncertainty still has not fully taken a backseat and could linger on, but the COVID-19 resurgence and the announcement of some additional restrictions will play a leading role in driving consumer behavior and could temper the sales pace for the remainder of 2020 and the start of 2021. While we don’t expect an impact nearly as severe as the pullback experienced in April, this is a reminder that the path to pre-COVID-19 levels could be a bumpy one. In addition, policy, including a second stimulus, will color the pace further into the mid-term outlook.”

ENDS



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.

For more information about LMC Automotive, visit www.lmc-auto.com, email us at media@lmc-auto.com or follow @LMCAutomotive on Twitter and LinkedIn.

Media Contact:

Charlotte Mackenzie: cmackenzie@lmc-auto.com