

4 MAY 2021

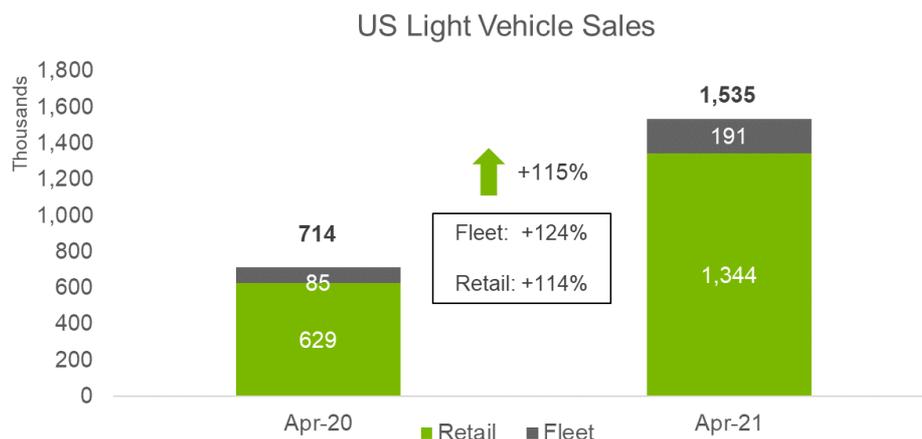
## US Light Vehicle sales shatter expectations in April hitting an annual selling rate above 18 million units for the second consecutive month.

- Despite lean inventories and record high transaction prices, April sales of 1.54 million Light Vehicles were driven by extraordinary retail demand. Fleet sales fell to just 12% of sales. The annualized rate of 18.8 million units was the highest monthly level since 2005.
- Compact and Midsize Non-Premium SUVs continue to lead the market, helping SUVs to achieve another market share record of 55%. Large Pickups were the third main segment, with a 13% share.
- Global update – The outlook for global Light Vehicle sales in 2021 has improved to 88.0 million units from 87.4 million units last month. Stronger global economic recovery, with GDP growth of 6%, sets the foundation for this stronger auto sales growth. US sales accelerating, and the likelihood of Western Europe improving and opening up after prolonged restrictions, has also contributed to the increase.

(DETROIT, MI): US Light Vehicle sales broke records once again in April, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company. Light Vehicle sales totalled 1.54 million units, the highest volume for the month of April ever. At 18.8 million units, the annualized rate fell behind just the incentive-driven levels registered in February 2000, October 2001 and July 2005. Last April was the weakest month of 2020, given the lockdowns, so the year-on-year comparison was a startling 115% increase. However, brands that were affected the most at the beginning of the pandemic saw increases of more than 300% YoY.

Once again, retail was behind the market's volume surge, even as part shortages make inventories extremely lean. Retail sales totalled 1.34 million units, up by 114% YoY, despite transaction prices being the highest ever for the month of April, the second highest on record, and just behind those of December 2020. Incentives were on track to fall below a US\$3,200 average per vehicle. Although fleet sales soared by 124% YoY, they accounted for just 12% of the total market in April, down from 14% in March and well below the 20-22% historical average.

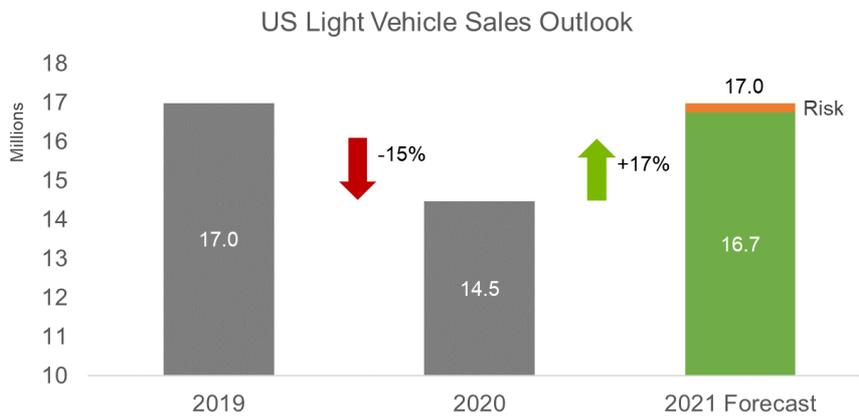
Stimulus checks, tax returns, and higher confidence were the main factors driving this stellar sales performance.





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

“While last April saw some anomalies, with Large Pickups leading in terms of market share, segment performance returned to normal this year. SUVs hit another record share of 55% of the market for the month, with Compact Non-Premium SUVs topping all other segments. However, Midsize Non-Premium SUVs came in at a close second place, with just a 1,560-unit difference. Large Pickups saw their share plunge to 13% from 21% a year ago, but the 203k units sold was good enough for the third position in market share terms and was aligned with our forecast. Inventory shortages were hardest on the Midsize Pickup segment. Its share was below 4% for the first time since June 2020.”



Since April has exceeded expectations, we have increased the outlook for May, despite the critically low inventory levels. Days’ supply is expected to be at or near the lowest level on record at the start of May. The previous low was in August 2009, at 29 days. We project May’s selling rate to pull back some but remain strong at 17.3 million units, double the 8.7 million units recorded last April, which was the low point of the pandemic. May’s volume is projected at 1.61 million units, up 39% from a year ago. While risks to the forecast have been skewed to the upside, the level of uncertainty is still elevated and there are concerns that other part shortages may impact production levels and prevent enough supply to feed the high level of demand.

The ongoing strength in vehicle sales has prompted yet another increase to our 2021 US Light Vehicle sales forecast. Total light vehicle sales are now expected to be at 17.0 million units for the year, up by 17% from 2020 and 400,000 units higher than our previous forecast. Retail sales continue to be the driver of the increase and are now expected to grow by 18% to an all-time high of 14.6 million units, besting the previous high of 14.3 million units in 2015. The wildcard continues to be the fleet side of the market, which has a constrained recovery, as inventory is diverted to retail sales. If vehicle manufacturers can replenish inventory, sales will be stronger in the second half of the year, with some additional fleet recovery.



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

“The current sales environment has created what may be the most efficient market we have ever seen in terms of inventory management. Consumers are searching vehicles online and buying sight unseen those that match their criteria, even if the dealership location is hours away or in a different state altogether. Inventory in a smaller market that may have otherwise remained on a dealer’s lot for a longer period is being sold as fast as it comes in today. While this may be a rare situation when both volume and margins are at record levels, it is unsustainable much longer. The combination of 1-part robust economic recovery, 1-part hysteria and 1-part vehicle pricing inflation could end up being a dangerous recipe for sales later this year if the market doesn’t find a workaround for the shortage of parts and rising commodity prices.”

**ENDS**

**About LMC Automotive:** For over 30 years, LMC’s mission has been to provide the most comprehensive, timely and actionable services to all sectors of the auto industry. Focusing exclusively on this sector, while being highly responsive to our large and growing client base of car and truck makers, component manufacturers and suppliers, and financial and government institutions, has fostered our rapid growth. Today, from offices in all the major automotive markets, LMC provides insights and forecasts for both the Light Vehicle and Commercial Vehicle sectors, with specific emphasis on vehicle sales, production and propulsion systems. Our experts examine global industry dynamics from every angle – be they macroeconomic trends, market and production developments or regulatory and technological changes. These insights are shaped into a comprehensive suite of services that can be tailored to an individual client’s needs and are delivered in a range of flexible and sophisticated formats.

As a company, we pride ourselves on the quality of our products, as well as our commitment to customer service. Our team, and our carefully selected partner companies, are dedicated to what they do – bringing the most accurate information to market and helping our clients to gain maximum benefit from our insights.

For more information about LMC Automotive, visit [www.lmc-auto.com](http://www.lmc-auto.com), email us at [media@lmc-auto.com](mailto:media@lmc-auto.com) or follow [@LMCAutomotive](https://twitter.com/LMCAutomotive) on Twitter and LinkedIn.

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