

4 OCTOBER 2021

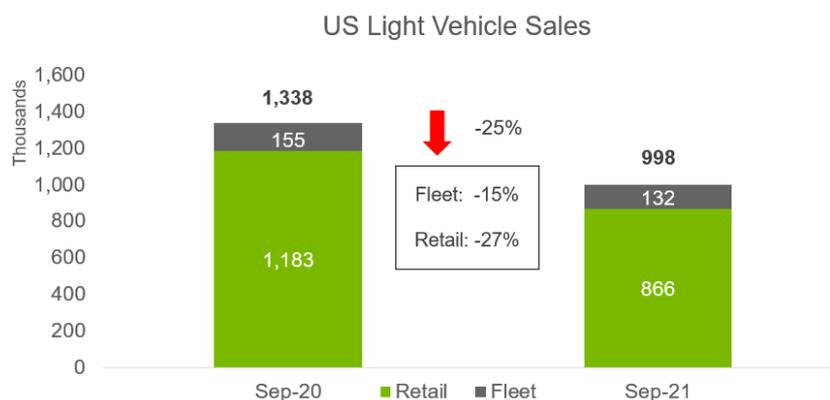
## Vehicle supply crisis causes September US auto sales to fall to their lowest level in 2021, bringing the recovery to a halt

- US Light Vehicle sales fell to under 1 million units in September, down by 25% YoY, and the annualized selling rate dropped to 12 million units, the same level last seen in May 2020.
- Toyota was the bestselling OEM in Q3, with sales up by 28% YoY. GM volumes were flat, but in September alone they collapsed by 54% YoY to their lowest level for the month of September this century. SUVs accounted for 55% of all sales in Q3, the same as in Q2.
- Global update – the outlook for global Light Vehicle sales has been downgraded substantially for 2021 and 2022. We expect 2021 volumes to be 3 million units lower than our forecast a month ago – now just 80.6 million units, an increase of 4% from 2020. With the extension of the chip shortage, our forecast for 2022 has been cut by 6.5 million units to 85.2 million. The situation remains extremely fluid and additional downside risk of 5 million units remains for 2022.

(DETROIT, MI): Greatly depleted inventories dragged down US vehicle sales to their lowest level for the month of September since 2010, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company. Automakers sold just under 1 mn Light Vehicles this September, down by 25% YoY. The annualized rate fell to 12 million units, the same level registered in May 2020 and 1 mn units under the August SAAR.

September had the same 25 selling days from a year ago, and not even the typically strong selling Labor Day weekend could pull up volume. Retail sales of 866,000 units drove the decline in the month, while fleet sales are estimated to have fallen by 15% YoY. Average transaction prices broke the US\$42,000 threshold for the first time and incentives remained below the US\$2,000/unit. Even though dealers are paying premiums for trade-in vehicles, affordability is adding an extra barrier to new vehicle sales as rising prices may not be offset by higher trade-in values, pushing some consumers out of the new vehicle market.

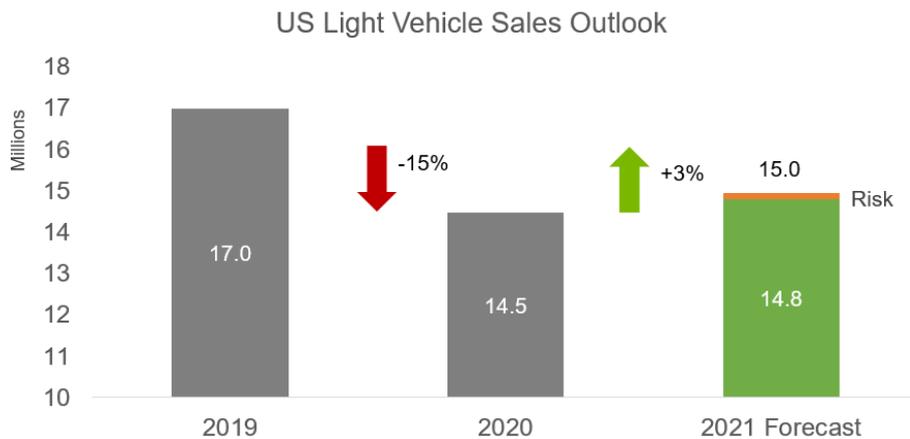
Q3 Light Vehicle sales totalled 3.36 million units, down by 14% YoY and the lowest Q3 since 2011. Q3 volumes plunged 22% from the pre-pandemic level in Q3 2019.





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

“The quarter ended with some important changes in sales ranking. Toyota outsold General Motors by 123,000 units. September was such a weak month for GM that four other OEMs had stronger volume performance, with Hyundai topping GM for the first time ever. Stellantis ended the quarter ahead of Ford, and Hyundai outsold Honda. The Ford F-150 was the only model to sell more than 100,000 units in Q3, followed by the Toyota RAV4 and Chevrolet Silverado. The surprise was that the Jeep Grand Cherokee and Toyota Camry were also among the bestselling top 5 models. As the Detroit 3 have been hit particularly hard by the parts shortages, imported vehicles have gained ground in the US. They accounted for 25% of sales so far this year, up by 2 pps from a year ago.”



The US market has not been immune to the downward spiral in sales seen elsewhere around the world. The near-term outlook for both sales and production have been cut further. Specifically, October sales are expected to be down 24% from October last year and the daily retail selling rate is expected to hold at around 34,000 units, the same level as September but down from 42,000 units in October 2020. The selling rate is expected to get a boost to 12.8 million units but remains severely depressed from normal levels. Q4 is now expected to average 13 million units.

The recovery in vehicle production is not expected to start replenishing inventory levels until late 2022 or early 2023, lending to another significant cut in our sales forecast for 2021. The outlook has been cut by 700,000 units to just under 15.0 million units and only 500,000 units higher than 2020. Retail sales account for most of the reduction, and our forecast is now at 13.0 million units, down from 13.7 million. Fleet sales were cut by 4% to 1.9 million units, 13% of total Light Vehicles, lowest fleet share since we started tracking the retail and fleet split 15 years ago.



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

“While some assembly plants are slated to come back online, other plants have had downtime extended and new stoppages have been added, creating a chaotic environment in manufacturing in North America and globally. Risk remains elevated well into 2022 given the short supply of semiconductors and other parts. While the recovery, in terms of volume and timeframe, has been downgraded several times over the past three months, volumes are projected to gradually improve over the next 12-18 months, and the market may finally be closing in on the peak lows.”

**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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