

📅 2 DECEMBER 2021

US Light Vehicle sales decline eases slightly in November, but lean inventories continue to severely impact the market's selling rate

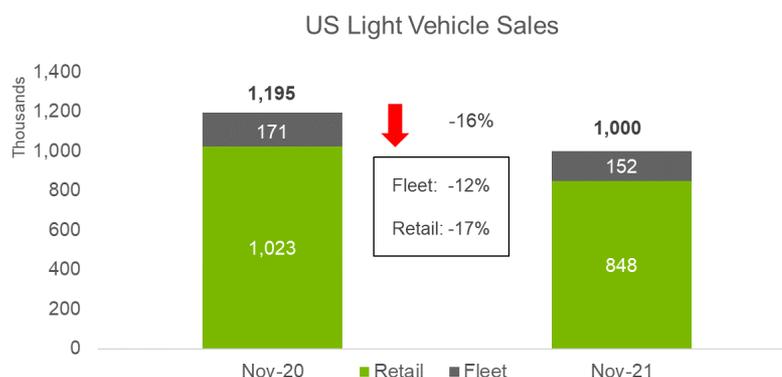
- The 16% YoY decline in November was better than registered in the previous two months but volume fell to 1 million units and the annualized selling rate fell to under 13 million units.
- Toyota led the market for the 7th time this year, as did Midsize Non-Premium SUVs. SUVs accounted for 55% of total sales, although Minivan was the only body type to increase from November 2020, up by 22% on strong sales at Chrysler.
- Global update – After months of downward revisions to the outlook for Global Light Vehicle sales in 2021, a slight improvement is expected at the close of the year, with sales now projected at 80.6 million units, up just 400,000 from last month. While this is a good signal, most of the revision has been concentrated in China and India. The upward revision is more pronounced in 2022, with Light Vehicle sales expected to improve to 85.4 million units, an increase of 600,000 from our previous forecast.

(DETROIT, MI): The month of November started strong, signalling that the worst impact of lean inventories on sales may be over, but the month ended with the reality that dealers are still struggling to meet demand. Sales ended the month at 1 million Light Vehicles, a 16% YoY decline, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company. Sales were down by more than 20% in September and October compared with the previous year.

The annualized rate fell to 12.8 million units, down 200,000 units from October and the second lowest rate of the year, behind September. However, the daily selling rate grew to 41,700 vehicles, up from 39,000 units in October. November had 24 selling days, one more than in 2020. Black Friday deals may have helped slightly, but the close of the month was not as strong as the pace at the beginning of the month, suggesting there may have been batch releasing of vehicles to sell.

Retail sales were below the 1 million threshold for the fourth consecutive month and fell to their lowest level so far this year, at an estimated 850,000 units. Average transaction prices continue to break records and were above US\$40,000 for the sixth consecutive month, adding additional risk to demand. Retail demand fared worse than fleet, with both falling 17% and 12% respectively. Fleet deliveries likely accounted for 15% of total sales, the highest level since February.

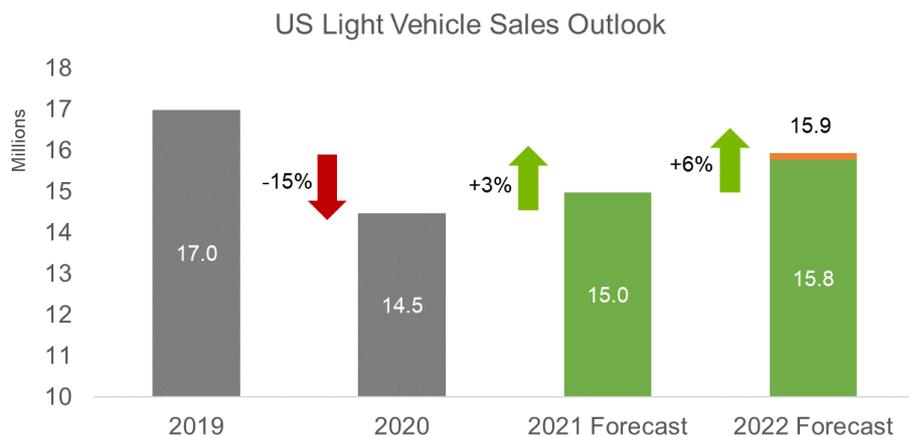
YTD sales remain in positive territory, up by 6% YoY, but that is 3 pp below the January-October result. In total, 13.7 million vehicles have been sold so far in 2021, the seventh lowest volume for the period in the last 20 years.





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

“Toyota regained the market leadership in November and has been the bestselling OEM in the US in seven months so far this year. It is ahead of GM by more than 120,000 units, so will retain the top position for the year. Despite a very challenging market, several OEMs, including Hyundai, Honda and Nissan-Renault-Mitsubishi have already surpassed their 2020 sales. Nevertheless, there are several anomalies that illustrate the continuing high level of disruption. In November, Kia outsold Hyundai for just the 10th time in history, and Honda sold more Accords than Civics. A weak performance of the Civic impacted total Car sales, which accounted for 17% of the market, the second lowest share this year. SUVs had a 55% share, with Midsize Non-Premium SUVs leading the market.”



With just one month remaining, Light Vehicle sales in 2021 appear locked in at 15.0 million units. The month of December is expected to be more of the same, in terms of a selling rate -13.1 million units - the average that the market has been stuck at since June. December’s volume is projected to be at 1.2 million units, down 23% (with one less selling day) from a very strong December 2020.

The pace of plant shutdowns in North America has slowed from previous months and we have reduced the expected production loss in Q4, due to chip shortages and other disruptions, by 100,000. However, vehicle manufacturers are choosing to slow the daily build rate instead of shutting down the entire plant, reducing the visibility of output downtime. With the slight improvement, the 2021 production forecast remains at 12.9 million units, 6,000 units lower than 2020.

With some additional stability in production, the outlook for US auto sales has improved slightly for 2022 – from 15.7 million units to 15.9 million units, an increase of 6% over 2021. The improvement is expected to be more pronounced on the fleet side of the business, which is expected to recover to 15% of total Light Vehicle sales. Retail sales are also expected to improve next year but by just 4%.



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

“A slight improvement in production is welcome news for the industry, though we continue to expect 2021 to have lost 2.4 million units due to the semiconductor shortage. 2022 will most certainly be challenging but if the consumer remains optimistic and demand continues, the recovery is expected to remain intact. Other risks remain elevated, including concerns with the Omicron variant and lingering inflation, keeping the current environment very dynamic.”

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, email us at media@lmc-auto.com or follow @LMCAutomotive on Twitter and LinkedIn.

Media Contact:

Volker Krueger: vkruieger@lmc-auto.com