

5 JANUARY 2022

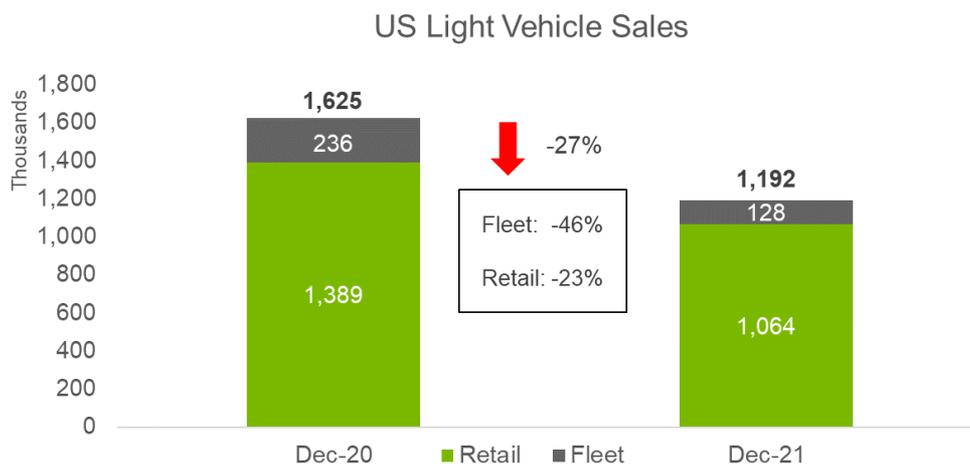
US Light Vehicle sales in December fall by 27% YoY, closing a turbulent 2021 at 14.9 million units

- Traditionally one of the strongest months of the year, December failed to provide any boost in 2021 and, in fact, registered the steepest YoY decline of the year. Sales, in percentage and YoY terms, have now fallen by double digits in each of the last five months and the full year volumes have again, for the 7th time since 2000 failed to hit 15million units.
- General Motors' sales for the year not only fell more than those of any other automaker but the company also saw its top selling position tumble for the first time in more than 80 years, as Toyota outsold GM for the first time ever. Hyundai sold more than Honda, and Tesla was the fastest-growing OEM. SUVs reached a record 55% share in 2021.
- Global update – Thanks to the better-than-expected sales performance in China and recent improvement in Europe, Global Light Vehicle sales are now expected to have finished at nearly 82 million units, an increase of 4% over 2020. A slowly improving supply environment has also lifted the forecast for 2022 by 600,000 to 86 million units, an increase of 6% over 2021. However, the current surge of the Omicron variant does have the ability to derail the recent progress in both supply and demand and is a formidable risk in the near-term.

(DETROIT, MI): Although there were some signs of recovery through the month, lean inventories dragged December sales down to 1.19 million Light Vehicles, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company. This volume was 27% below sales in December 2020, albeit the strongest month last year at 1.62 million units. One less selling day in 2021 and base effect also contributed to the weaker performance.

The annualized selling rate fell to 12.4 million units, the second weakest rate of the year behind September's 12.1 million-unit pace. However, there was a positive sign as OEMs sold 44,000 units/day, up from 42,000 units/day in November. Yet, this result is still well below the average of 62,000 vehicles in March. Also, retail sales finally returned to the 1-million-unit level, a threshold last achieved in July. Fleet sales remain depressed and are estimated to have accounted for just 11% of December's total sales.

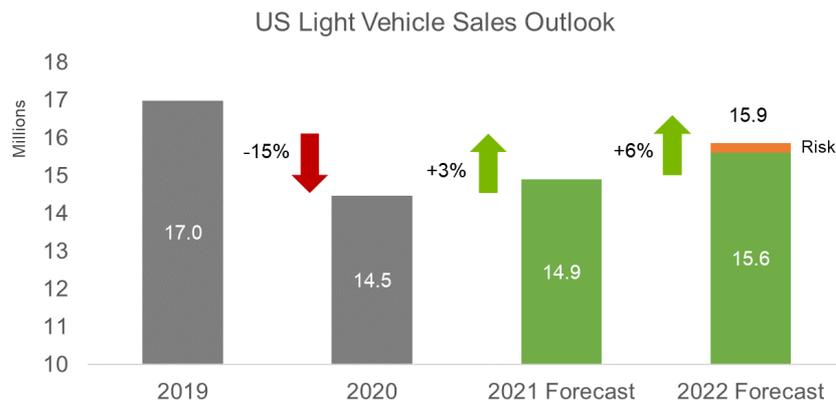
December's result brought the 2021 total down to 14.9 million units, an increase of just 3% YoY. This was just the seventh time that sales did not reach 15 million units since 2000 – the impacted years were linked to The Great Recession and of course the pandemic.





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

“There were several notable changes in the sales ranking and competitive landscape in the disrupted 2021. As we expected, a stockpile of chips led Toyota to outsell General Motors for the first time ever by a margin of 130,000 units. The Hyundai/Kia group was ahead of Honda by 22,500 units, helped by an expanding Genesis brand. BMW held the top position in the Premium segment and Tesla held the strongest growth rate in 2021, putting the brand just 15,000 units behind Mercedes-Benz. Tesla also helped the Premium and Super-Premium segments to reach a record 15% share of the US market. SUVs also registered a record, accounting for 55% of total sales, while Cars fell to under 20% for the first time. Midsize Non-Premium SUV was the most popular segment in 2021, with a 17% share. Compact Non-Premium SUV and Large Pickup were the only two other segments that sold more than 2 million units.”



As 2021 closed, the level of disruption from the semiconductor shortage and other stoppages continued to trend downward, with only 54,000 units of lost output added since last month. We estimate that a total of 2.3 million units have been lost in North America in 2021 due to the lack of chips and other disruptions resulting in a total production figure of 12.9 million units, the same level as 2020. The improving situation should set up 2022 for better results.

Our Sales forecast for 2022 remains at 15.9 million units, an increase of 6% from 2021. While we are still anticipating that fleet sales will increase by more than 20%, there is expected to be continued focus on retail in the near-term, as dealerships attempt to replenish inventory. Retail sales are expected to improve by 4% to 13.5 million units with additional recovery spilling into 2023. For 2023, more normal levels of demand are currently expected, with sales projected at 16.8 million units and retail sales at 13.9 million units. Taking a more optimistic line, there is some upside potential to 2023’s forecasts.



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

“While December’s performance ended 2021 on a weak note, it does not change the expected improvement in 2022, with a strong H2 outlook. We continue to expect H1 of 2022 to be volatile, especially with the risk of further disruption from the Omicron variant. The risks to 2022 volume include the production environment, with nearly ¾ of the estimated 1.1 million units of lost volume due to the chip shortage concentrated in H1. While the industry will most certainly face challenges this year, experience from the last two years should increase the industry’s ability to weather the uncertainty.”

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](https://twitter.com/LMCAutomotive) on Twitter and LinkedIn.

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