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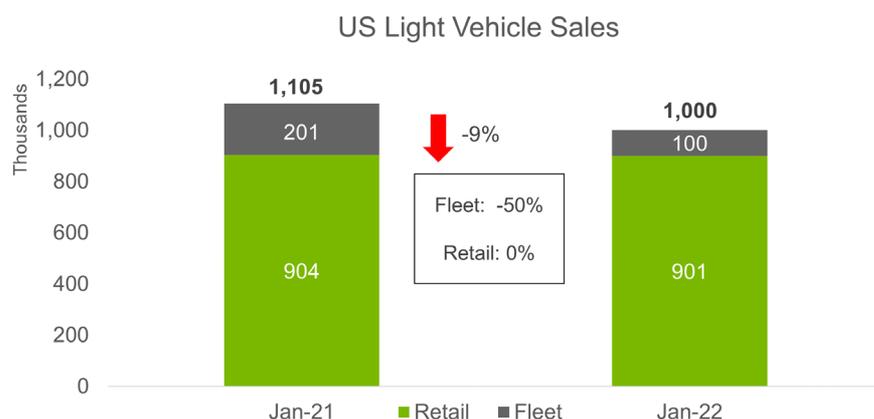
US Light Vehicle sales were down by 9% YoY in January as lean inventories continue to hold auto sales below real demand

- January Light Vehicle sales volume was just above 1 million units but outperformed expectations and, while still declining, had the best YoY performance since July 2021. The SAAR returned to the 15 million-level for the first time since June 2021.
- Lean inventories remain the cause of weaker demand, but the parts shortage crisis is affecting OEMs disproportionately. General Motors' sales fell more than those of any other automaker during January and Toyota, once again, was the bestselling group. Tesla made history during the month by becoming the top selling make in the Premium segment.
- Global update – Global Light Vehicle sales in 2021 finished at 81.3 million units, up by 5% from 2020. China and India both outperformed expectation in December and remain key to continued recovery. Risk remains elevated in 2022 but the forecast is holding steady at a 6% improvement to 86.2 million units.

(DETROIT, MI): The calendar indicates a new year, but the overall market conditions remain quite similar to the end of 2021. Lean inventories dragged down US sales in January to just over 1 million units, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company. This was the weakest January since 2014, but the 9% YoY decline marks the smallest percentage loss since monthly sales turned negative in the summer of 2021.

January saw the annualized selling rate improve substantially from the average during the last six months. At 15.2 million units/year, this was the strongest SAAR since the 15.4-million-unit level in June 2021. Nevertheless, the average daily volume fell shy of 42,000 units, but was consistent with the average daily volume of Q4 2021.

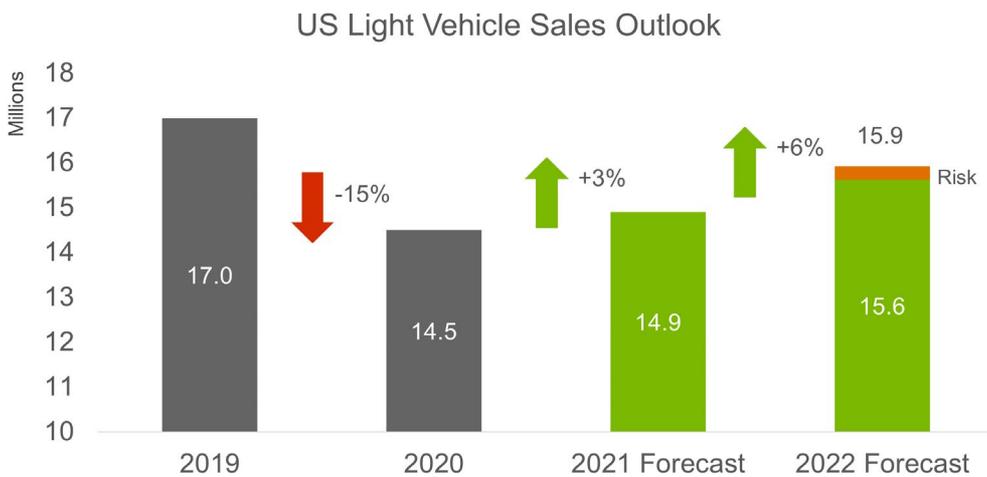
Even with the average transaction price holding at US\$45,000, retail demand remained the driving force of the market. Initial data indicates that retail sales totalled approximately 900,000 units, pushing fleet sales to the lowest level since the pandemic started. Fleet deliveries have been losing share since October, and January was not an exception.





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

“Several of the changes in the sales ranking that happened last year remained in place in January. Even with extremely low days’ supply of its core products, Toyota remained the market leader, while GM faced the steepest YoY decline of any OEM. The Hyundai Group continues to outsell the Honda Group, which had its weakest month since April 2020. Tesla achieved a significant milestone in January by taking the sales lead in the Premium segment. Among the main OEMs, Tesla’s 42% YoY growth was the strongest, driving Premium vehicle sales to more than 16% of total sales. This is the second-highest share ever, just behind December’s. Another record was set in January as SUVs reached 57% of total sales for the first time, even with some high-volume models, such as the Chevrolet Equinox and Honda CR-V, having a weak month. Pickups were the second most popular body type, at a distant 20%.”



The improvement in the Light Vehicle selling rate in January was a good signal, and consistent with our forecast recovery pace for the year. As a result, our 2022 US sales forecast remains at 15.9 million units, an improvement of 7% from 2021. However, we have altered the retail and fleet mix and have pushed some of the fleet recovery into 2023. Fleet sales are slated to increase by 12% in 2022, while retail is expected to improve by 6%. The level of recovery is still dependent on the inventory shortage in the US easing further, but the impact from the chip and other parts shortage does appear to be past the Q3 2021 peak of 800,000 units of lost production volume across North America. Volume disruption in Q1 2022 is projected to be at half of the level at the peak and we expect continued improvement throughout the year.

With risk still concentrated in 2022, the outlook for 2023 has been increased by 125,000 to 16.9 million units. Most of the increase is concentrated in retail sales, with volumes projected at 14.1 million units. Fleet sales is forecast to increase to nearly 17% of total Light Vehicle sales but remain below the 19% average of the five years prior to the pandemic.



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

“As we push into 2022, the economy and auto industry continue to face a wide array of risks, including continuing manufacturing stress from supply chain disruptions and labor shortages. The addition of headwinds from inflation concerns, COVID-19 variants and restrictions, and even a geopolitical shock could mark 2022 as the third year in a row with the natural balance of supply and demand negatively impacted by outside variables. However, we remain optimistic that improvements will continue and expect the auto industry to rise to the challenges through innovation and adapting to the dynamic environment.”

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.

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