

6 JULY 2022

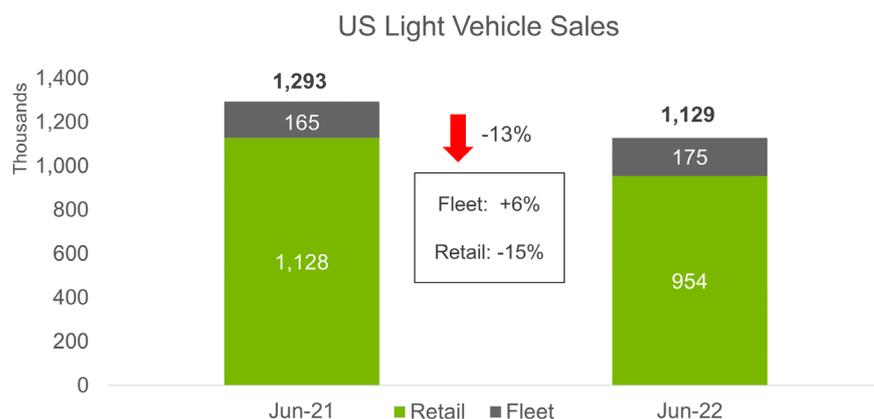
US Light Vehicle sales fell by 13% in June, shrinking the market by 1.5 million units in the first half of 2022 from last year

- The quarter ended on a weak note, with 1.13 million Light Vehicles sold in the month of June. Only 43,500 vehicles/selling day were sold, marking the lowest average since January. There was, however, a slight uptick in the selling rate from 12.7 million units/year in May to 13 million units/year.
- General Motors kept the market leadership position, and Toyota was the bestselling brand in both June and Q2. Thanks to Tesla, Premium accounted for more than 16% of sales for the third consecutive month.
- Global outlook – Global light-vehicle sales in May were 6.2 million units, down by 10% YoY, but an improvement from a 26% drop in April thanks to strength in Asia and some base effect from a weak May 2021. Yet, the selling rate was just 75.7 million units, 7 million lower than in May 2021. The outlook for 2022 remains subdued at 80.9 million units, a decline of 0.6%, despite China now expected to grow by 2% on new incentives.

(DETROIT, MI): As OEMs continue to struggle to build enough vehicles to meet demand, US Light Vehicle sales fell by 13% YoY in June, according to LMC Automotive, a leading automotive forecasting and market intelligence firm and GlobalData company. June volumes added 1.13 million units to the YTD total, while the annualized rate of 13.0 million units was slightly better than May's 12.7 million. The 13% drop in volume was an improvement from May's 29%, but it is important to keep in mind that sales started cooling down in June 2021 so there is some base effect.

The supply constraint caused the number of vehicles sold per selling day to be the lowest of the year, except for January. OEMs sold 43,500 units/selling day in June, while the average was around 46,000 units in the last three months. While it remains a supply disruption story, transaction prices at record highs and higher interest rates have impacted some consumers and retail sales are starting to show signs of weakness. Retail volumes were somewhat flat from May, at an estimated 954,000 units, giving fleet deliveries a 15.5% share. This would be the highest percentage since February 2021.

June's result brought total Light Vehicle sales in the first half of 2022 to 6.78 million units, a 1.5-million-unit loss from the same period in 2021. Since 2000, January-June volume has only been this weak in the recession years of 2009-2011 and the pandemic-induced low of 2020.

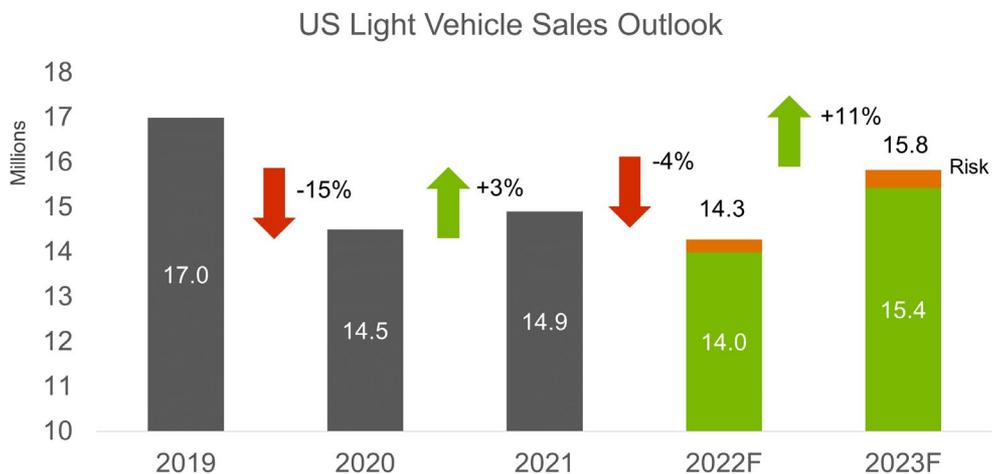




Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive, adds:

“While June tends to gain momentum as part of the robust summer selling season, that clearly has not happened this year, and we remain well below normal levels. General Motors led the market, ahead of Toyota by 26,000 units. Yet, the Toyota brand remained the market leader, outselling Ford by 8,000 units. At a model level, the F-150 was ahead of the RAV4 by just 200 units to reclaim the title of bestselling Light Vehicle. Tesla once again had the best YoY growth, helping the Premium segment account for 16.5% of sales, a record for June – and the third consecutive month above 16%. However, key players returning to their normal spots in the sales ranking are not an indication that disruptions are over. Supply chain disruptions in Asia continue to impact volumes disproportionately. Acura, Mazda, Honda, Buick and Infiniti sold at least 45% fewer vehicles this June from last June, while base effect and fleet deliveries helped sales of 12 brands to grow this year.”

Compact Non-Premium SUV and Midsize Non-Premium SUV were the two most popular segments, accounting for 17.7% and 15.7% of sales, respectively. However, while SUVs continue to dominate the market, their growth has slowed down. SUV share of the market was 54.2%, just 0.3 pp higher than in June 2021. Cars lost 3 pp of share, and Pickups gained 2 pp. However, most of this gain was due to a weak June a year ago.



Continued weakness in vehicle sales brings the YTD selling rate down to 13.8 million units, triggering another cut to the sales outlook for the US market. Our 2022 forecast for US Light Vehicle sales has been cut from 15.0 million units to 14.3 million units, now more than 600,000 units below the sales level in 2021. Even with that cut, there remains downside risk given that is still a 500,000 improvement in the selling rate by year-end.

The estimated first half of the year production level is about 20,000 below the forecast volume last month, so production remains below expectations even if some marginal improvement in volume has been recorded with some OEMs. In addition, disruptions in North American production have ticked up to 1.5 million units, from 1.4 million last month. Recovery in supply and inventory is not expected in 2022 or even early 2023 and normalized levels are not expected before 2024. A lower 2022 forecast, continued disruption and the increased likelihood of a recession has also cut our outlook for US sales in 2023 from 16.1 million unit to 15.8 million, an increase of 11% from 2022.



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

“As we move into the second half of the year, there is no evidence or expectation that the supply shortage will improve enough to generate growth in 2022. In fact, our current forecast has now fallen below our previous risk forecast. The combination of supply constraints with an economy teetering on a recession increases the risk of US Light Vehicle sales falling to 14.0 million units or lower. There just is not a good reason to be optimistic with the near-term outlook at this time.”

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.

LMC Automotive was acquired by GlobalData in December 2021 and now forms one of GlobalData’s wide range of high quality B2B data and information providers. The acquisition also included LMC Automotive’s sister companies – LMC Tyre & Rubber and LMC International – with specialisms in the tyre and rubber sectors, and in agribusiness, including agricultural commodities, foods, industrial materials, biofuels and their end-markets.

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.

Media Contact:

Emmie Littlejohn: elittlejohn@lmc-auto.com