

3 JUNE 2022

US Light Vehicle sales deteriorate in May as vehicle inventory remains scarce and transaction prices are at record levels

- Traditionally one of the strongest months of the year, May, and its Memorial Day sales could not compensate for lean inventories and transaction prices above US\$40,000. Sales fell to 1.11 million Light Vehicles, down by 29% YoY. The annualized rate plummeted to 12.7 million units, down by 1.8 million units from April.
- General Motors kept the market leadership, but its gap with Toyota shrank to approximately 5,000 units. The Chevrolet Silverado was the bestselling Light Vehicle, but three out of the five most popular models carried a Toyota badge.
- Global outlook – The Global Light Vehicle selling rate plunged to 67.6 million units, the lowest level since May 2020. Sales volume fell by 24% from April 2021 to 5.5 million units, as the auto industry remains significantly impacted by a multitude of disruptions, including supply constraints, war in Ukraine and the aftermath of the China lockdowns. The outlook was adjusted down in most markets, but without China's new incentive scheme, the global market outlook would have been cut by nearly 1.5 million units from last month.

(DETROIT, MI): May normally marks an uptick in sales with the strong Memorial Day weekend, but disruptions continue to upset normal patterns and US Light Vehicle sales fell back to their level in May 2020. According to LMC Automotive, a leading automotive forecasting and market intelligence company, now part of GlobalData, May volume totaled 1.11 million units, down by 29% YoY. The annualized rate dropped by nearly 2 million units to 12.7 million units from 14.5 million in April.

May lost two selling days this year, and adjusting for this difference, sales still fell by 14% YoY. However, the number of vehicles sold by selling day fell to 51,900 units from 60,400 units a year ago. With prices remaining at record high levels and monthly payments increasing as interest rates go up, retail sales are starting to show some weakness. Retail sales fell to just over 945,000 units, down by 32% YoY. Fleet sales were also down in the yearly comparison; however, they accounted for 14.9% of total sales, up from 11.6% a year ago.

While still higher than in January and February, the weak May results brought down accumulated sales in the first five months of the year to 5.65 million units, a decline of 19% YoY. May year-to-date sales are well below the nearly 7 million units at this point last year but remain above 2020 by just 340,000 units.

US Light Vehicle Sales

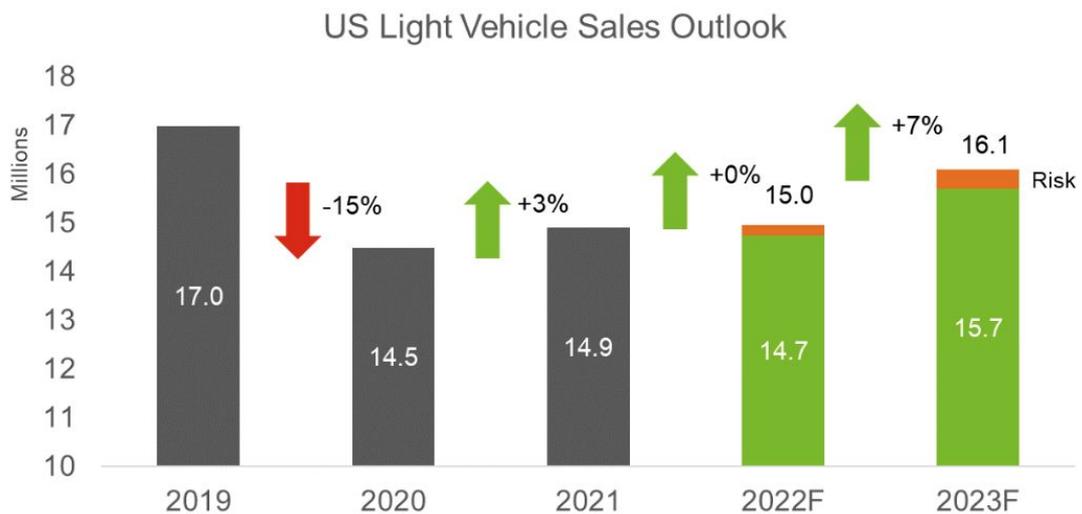




Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive, adds:

“We really saw sales deteriorate in May, but again the impact was uneven across the industry. Sales of imported vehicles – especially those built in Asia – fell by 44% YoY, while those of domestic models were down by 24%, illustrating the added logistical delays. Thanks again to Tesla’s strong performance and the arrival of new products, Premium outperformed the total industry, and Premium share grew to 16.1%, a record for the month of May. General Motors led the market once again, but Toyota is closing in. The difference between the two groups was just 5,000 units, down from 16,000 in April. Among the main OEMs, Ford had the best performance, but mainly due to the weak May 2021 results. That said, Ford has still fallen behind its competitors in the sales ranking. The Chevrolet Silverado was the bestselling model for the second consecutive month, and the Toyota brand was ahead of Ford by more than 12,000 units. Through May, Toyota is in front of Ford by more than 65,000 units.”

Large Pickups remained the third largest segment of the industry – behind Midsize SUV and Compact SUV – but helped Pickups to gain the most share YoY. Compact models also gained ground, contributing to the body type accounting for 19% of May sales, up by 1.5 pp YoY. Cars lost the most share in May, down by 2.0 pp, as both Honda and Nissan had weak performance during the month. SUVs continue to dominate the market with a 55% share.



The US selling rate for May YTD was just 13.9 million units, putting more pressure on the outlook for 2022. With the supply constraints not expected to ease significantly this year, a pronounced increase in the selling rate during the remainder of 2022 is now less likely. Therefore, we have cut the 2022 forecast for US Light Vehicle sales to 15.0 million units, just 60,000 units higher than in 2021. North American production volume in April was slightly better than expected, but we have cut about 50,000 units out of Q2, contributing to the decision to trim demand.

The extension of disruption in North American production is expected to total 1.4 million units in 2022, pushing out the inventory recovery to late 2023. In addition, consumers continue to struggle with vehicle price inflation. The combination of negative variables has caused a cut to our 2023 US sales forecast by 450,000 units to 16.1 million unit, an increase of 7% from 2022.



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

“Headwinds continue to stack against a sustained market recovery and stability in vehicle supply. We expect the economy and auto market to remain plagued by volatility for the foreseeable future. Given the elevated risk, it is plausible for 2022 to turn to negative from the 2021 level, with volume down to 14.7 million units. The auto industry will continue to have to manage lean inventory and an increasing possibility of a recession in 2023, so the near-term outlook has once again tilted negative.”

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 on Twitter and LinkedIn.

Media Contact:

Volker Krueger: vkruieger@lmc-auto.com