Press release

2 SEPTEMBER 2022

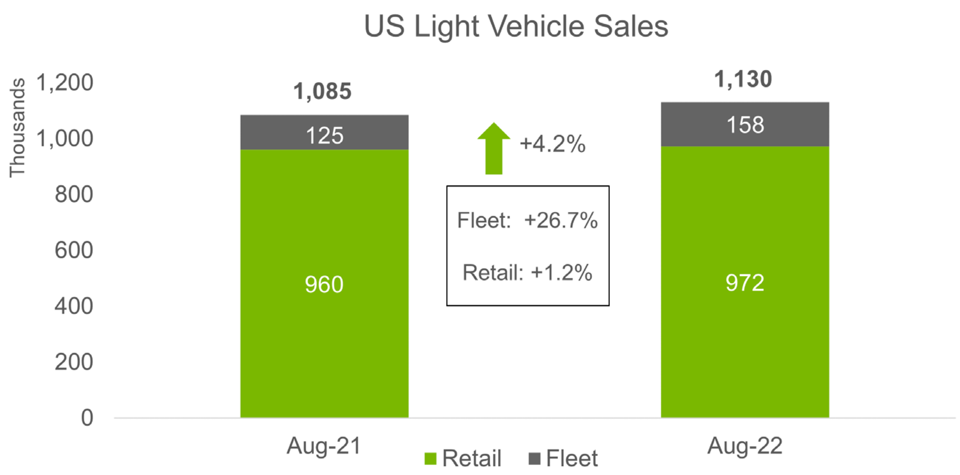
Sales in August register the first positive result in more than a year thanks to a weak 2021, but volumes remain flat for the third consecutive month

- **Compared to August 2021, LV sales were up by 4% YoY. However, this positive result comes from a weak 2021 base and an extra selling day, instead of a real recovery of the market. Volumes in the last three months have been flat around 1.13 million units.**
- **The sales ranking resembled normal times, with General Motors, Toyota and the Ford F-150 leading the sales charts by OEM, brand and model, respectively. This was Kia's best-ever August, and the brand moved into the fourth position in terms of sales volume last month. Trucks accounted for 79% of sales.**
- **Global outlook – The global Light Vehicle selling rate in July hit 90.3 million units/year and crossed the 90-million mark for the first time since December 2020. Volume increased by 5.1% to 6.9 million thanks to another record selling rate in China (37 million units/year). Other Asian markets helped drive the gains in July, with the ASEAN market up by 51% YoY and India and Korea both increasing by 17%. A continuing boost from China has increased the outlook for 2022 global Light Vehicle sales by 1 million units to 81.8 million, an increase of 0.4% from 2021.**

(DETROIT, MI): For the third consecutive month, US Light Vehicle sales totaled 1.13 million units, according to LMC Automotive, a leading automotive forecasting and market intelligence firm, a GlobalData company. However, a weak August in 2021 and an extra selling day in 2022 made the month register the first positive yearly comparison since July 2021. Sales grew by 4% YoY, still constrained by lean inventories and affected by record-high transaction prices.

The August sales rate fell slightly to 13.2 million units/year, about 110,000 units lower than in July. The daily selling rate was also in line with the previous month's results, but it was slightly up to 43,500 units/selling day. Retail sales remained under 1 million units for the fourth consecutive month and again were in line with the July results, at just under 980,000 units, according to preliminary numbers. Retail sales accounted for 86% of total sales last month.

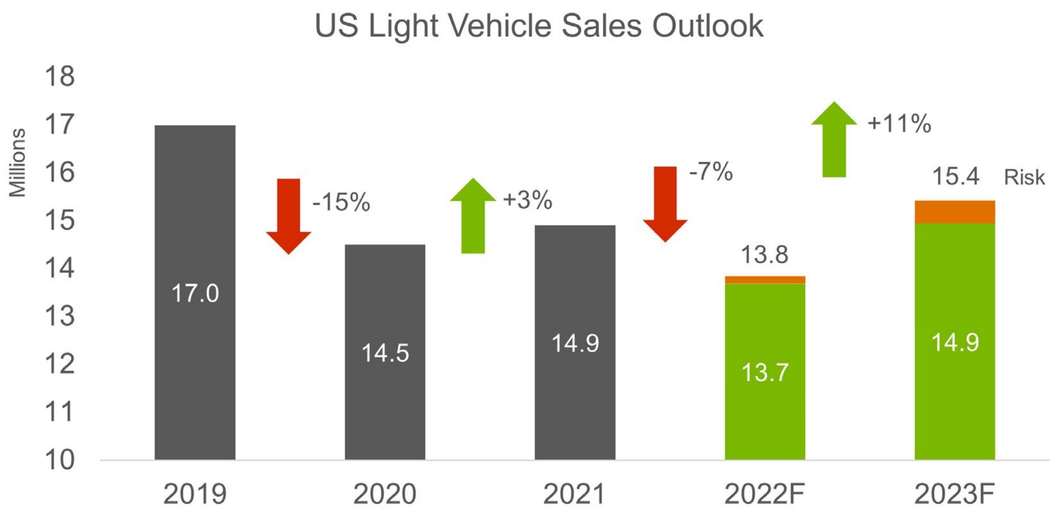
Despite the overall flat environment, this August – traditionally one of the strongest months of the year – was weak from a historical perspective. Sales were lower just in 2010, 2011 and 2021. The month brought the accumulated sales volume to just over 9 million units, a decline of 15% from the first eight months of 2021.



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

"*The industry is still struggling with the combination of lean inventories, very expensive vehicles, and higher interest rates. Yet, stable sales for three months are not a bad sign considering all these negatives factors and suggest that demand remains higher than supply. Nevertheless, OEMs are performing very differently. Honda faced the steepest decline in sales in August, down by 38% YoY, while Tesla sales soared by 86% from August 2021. General Motors and Hyundai had better results than in July, but Toyota, Ford and Stellantis sold fewer vehicles in August from the previous month. GM was ahead of Toyota by more than 18,000 units last month and led the market with a 16.7% share. However, Toyota remained the most popular brand, outselling Ford by just 2,600 units*."

Compact Non-Premium SUV was the most popular segment in the country, accounting for 17.7% of sales – it gained 1.4 pp of share, more than any other segment. While Midsize Non-Premium SUV remained the second-largest segment and kept its share just over 16%, some of its key players continue to struggle with lean inventories. Large Pickup was the third-largest segment in August, accounting for 15% of total sales. Overall, Pickup sales were ahead of Car volumes by about 20,000 units.



After three months of flat volume and the daily selling rate hovering at 43,500 over the summer, little has changed at the US topline level since earlier this year. The market remains constrained by supply, while some level of demand has also been pulled back. We now expect only a mild increase in the daily selling rate through the end of the year, which has triggered a further 200,000-unit cut to the 2022 forecast. 2022 US Light Vehicle volume is now at 13.8 million units, a decline from 2021 of 7%. As we progress toward the end of 2022, there is still 150,000 units of risk to the forecast. The weaker outlook continues into early 2023, resulting in a slight cut in the forecast to 15.4 million units from 15.5 million. Risk of nearly 500,000 units remains concentrated in the first half of 2023, given the high level of uncertainty.

North American production is still not keeping pace with demand or expectations, as YTD August volume was lower by 30,000 units from last month's view of the same period. The full-year forecast was lowered by 20,000 units, but it still rounds up to 14.4 million, an increase of 11% from 2021. Supply disruption in the region is now at nearly 1.9 million units with additional risk factors holding in the remainder of the year which could lower volume by as much as 250,000 units.

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

"*The US auto market is not expected to see much relief before the end 2022 or into early 2023. While the Fed walks a tightrope to keep the economy out of a traditional recession, risks are elevated throughout 2023. However, even if the market moves into recession, the auto industry is somewhat insulated from a pullback given the ongoing supply constraints. Capacity utilization is well below normal levels at 61% though as supply of parts improves, we could see an initial overbuild until the market finds the true level of underlying demand.*"

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.

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