NEWS RELEASE

The US Light Vehicle market grows again in November, but headwinds continue to paint a mixed picture

- LV sales grew by 10.5% YoY in November, to 1.11 mn units. The YoY comparison was boosted by the fact that sales were extremely weak a year earlier in the midst of the chip shortage. In addition, November 2022 had one extra selling day compared to November 2021.

- General Motors was the number one OEM in November, finishing the month around 27k units ahead of Toyota Group, a wider margin than has typically been seen in recent months. Still, the Toyota brand retained its title as the market's bestselling make in November, around 17k units ahead of Ford. For the first time since August, the Ford F-150 outsold the Toyota RAV4 to be the country's most popular model, while the Chevrolet Silverado displaced the Toyota Camry for third place.

- Global outlook – October Light Vehicle sales were in line with expectations and were up nearly 8 million units from October 2021 to a selling rate of 85.1 million units. Sales volume increased 9% from a year ago but year-to-date volume was down 1%. Recovery markets include India (27%), North America (11%) and Western Europe (12%). China saw a cooling of the growth rate for a third consecutive month but was still up 8% from a year ago. The outlook for 2022 has slipped to 81.4 million units, now 50,000 units below 2021. 2023 is still expected to return to growth with volume at 84.4 million units, but risk is increasing.
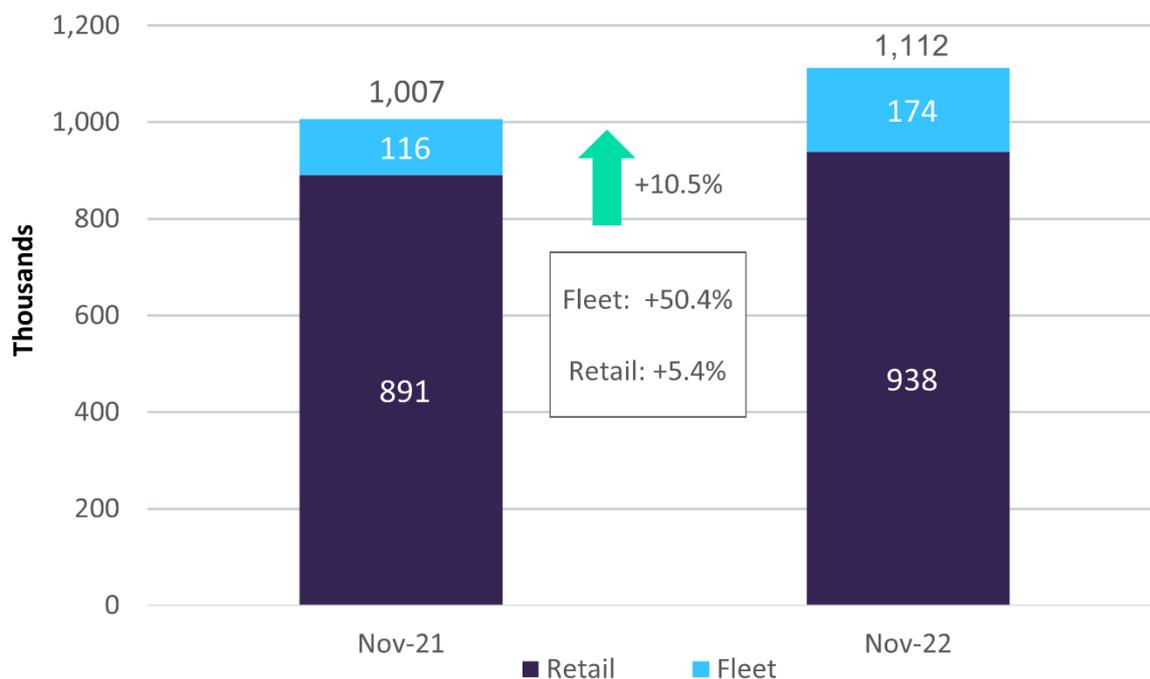
(DETROIT, MI): US Light Vehicle sales totaled 1.11 million units in November, according to LMC Automotive, a GlobalData Company. This translates to a YoY gain of 10.5% - without adjusting for the number of selling days – but results continue to be flattered by a low base, as November 2021 was one of the worst months for inventory shortages due to the semiconductor crisis. Volumes were down by 6.9% when compared with November 2020.

The November selling rate was 14.0 mn units/year, down from 15.2 mn units/year in October. Although this does represent something of a slowdown from the prior

month, November's result was still the fourth-highest of the year to date. The daily selling rate is estimated at around 44,500 units/selling day, down from 45,200 units/selling day in October. According to preliminary estimates, retail sales totaled around 938,000 units, compared to 983,000 units in October, meaning that retail sales accounted for 84.4% of the market in November, up slightly from the 83.7% share in October. Still, fleet sales appear to have been gaining ground in recent months.

Through the first 11 months of the year, total sales are down by 9.2% YoY, as some recent YoY gains have arrived too late to change the overall story for the year. Compared to average November sales over the past decade, last month was still rather weak.

US light vehicle sales

Fleet: +50.4%

Retail: +5.4%

+10.5%

Nov-21: Retail 891, Fleet 116, Total 1,007
Nov-22: Retail 938, Fleet 174, Total 1,112

■ Retail ■ Fleet

David Oakley, Manager, Americas Sales Forecasts, LMC Automotive, A GlobalData Company, said: "November was a rather mixed bag of results, although this is perhaps not surprising given the combination of different factors at play in the Light Vehicle market at present. While positive year-on-year comparisons always make for a more upbeat mood in the industry, this is less meaningful at the moment due to the anomalous results a year ago. November's selling rate, at 14.0 mn units/year, was one of the better results of 2022 to date, but is still rather mediocre when we take a longer-term view. While inventory levels are improving, some OEMs are still facing logistical challenges, while consumer confidence is depressed in the context of high inflation.

With interest rates continuing to increase, some buyers are likely finding it more difficult to finance vehicle purchases, while average transaction prices are still at near-record highs. Under these conditions, some potential buyers are surely waiting on the sidelines, or turning to the used vehicle market. One positive for the industry is that fleet sales seem to be picking up some of the slack in the market, having been very weak since the onset of the pandemic.

Looking at the market by OEM, General Motors enjoyed the strongest YoY growth of any of the major manufacturers, seeing sales rise by an estimated 42.2% YoY, albeit from a low base. Unsurprisingly, GM also led the market, with a 17.6% share, 2.4 pp ahead of Toyota Group. Stellantis saw the largest YoY decline of the major OEMs, down by 13.2% YoY, while Honda Group continued to struggle with a 6.1% YoY fall.

Compact Non-Premium SUV was again the bestselling segment in November, with a 17.8% market share, up by 3.0 pp, YoY. Midsize Non-Premium SUV was second in the rankings, at 16.7%, down by 1.8 pp, YoY. Large Pickups held a 14.3% market share in November, a loss of 1.1 pp, YoY, but this was one of the better performances for the segment this year. Pickups outsold Cars for a seventh consecutive month in November, but a relatively strong month for Cars kept the gap to a modest 5.5k units.

US light vehicle sales outlook
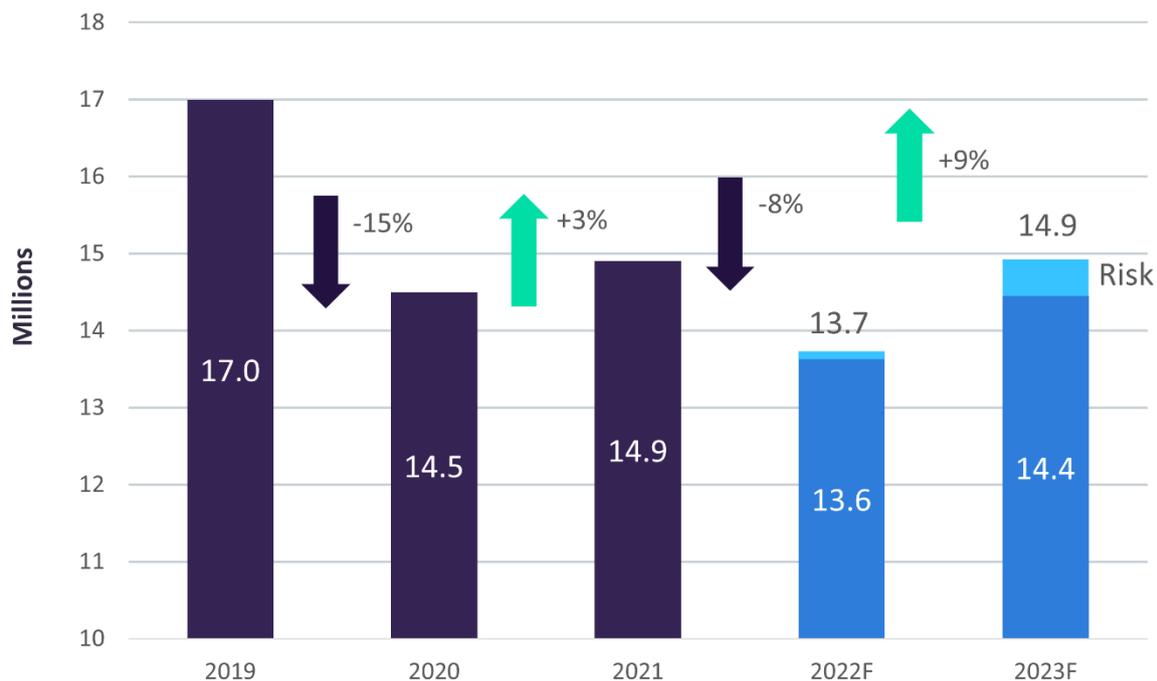
GlobalData Automotive Intelligence Center   GlobalData.

As we close in on the end of 2022, the forecast for Light Vehicle sales remains unchanged from last month, at 13.7 million units, a decline of 8% from 2021. While the Fed raised rates by another 75bps in November, signalling from chairman Powell

suggests that they will begin to slow the level of increase as early as the December meeting, which should be good news for Autos. However, the economy is not out of the woods as a contraction of 0.4% is expected in 2023, which could test the level of pent-up demand as supply continues to recover. Given the fluid risk factors, the 2023 outlook has been cut by another 200,000 to 14.9 million units, an increase of 9% from 2022.

Vehicle inventory continues to improve with the expectation that November will see a marginal rise in days' supply to 36-38 days from 35. Total disruption for 2022 in North America is up slightly to 1.9 million units, which has reduced the production forecast for 2022 by 100,000 to 14.2 million units, still an improvement of 2.2 million units from 2021.

Jeff Schuster, President, LMC Automotive, A GlobalData Company, said: "Risk and uncertainty remains elevated, and a recession will have an impact on some consumers' ability to purchase a new vehicle. However, with underlying demand still expected to be stronger than supply and inventory, the market is still expected to post a gain of more than 1-million units in 2023. Next year should provide a stronger indication to the level of demand destruction relative to unfulfilled demand."

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About LMC Automotive

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About GlobalData

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