
# Outlook

## North America Light Vehicle Market

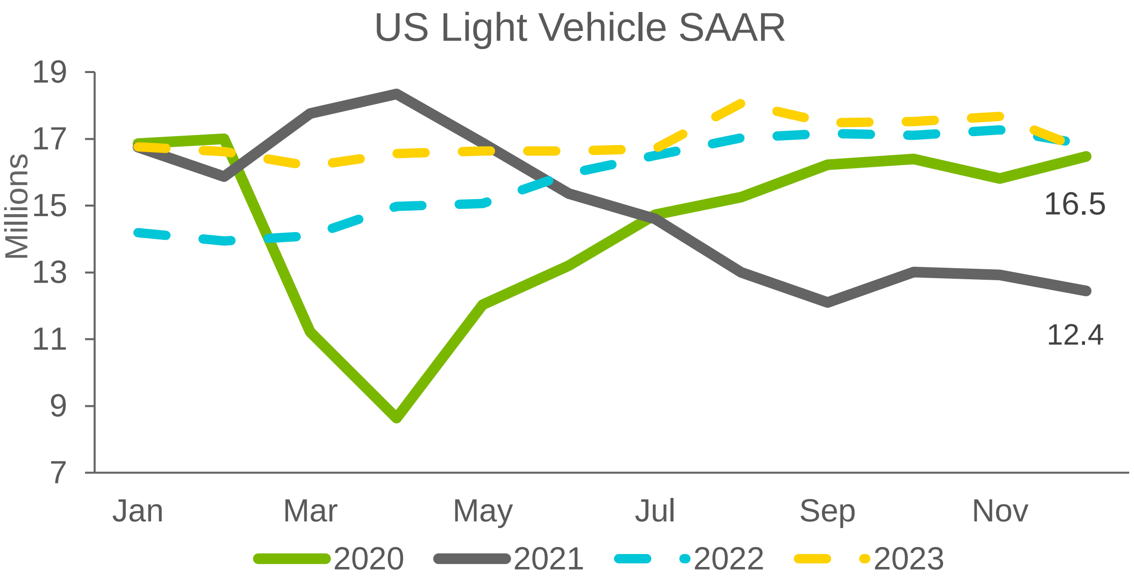
Bill Rinna
Director, Americas Vehicle Forecasts

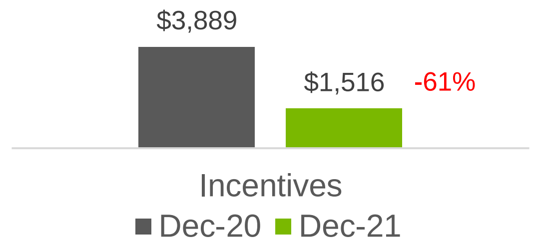
January 21, 2022

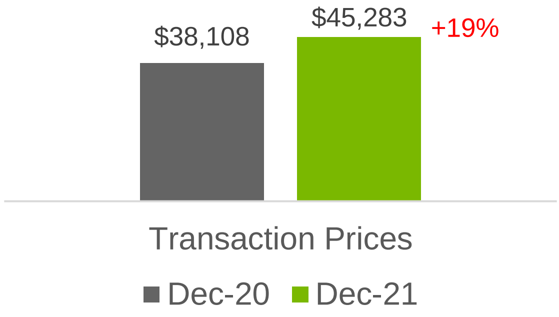
# Outline

- **North America Light Vehicle Outlook**
- Illinois OEM Outlook

# US sales SAAR pattern



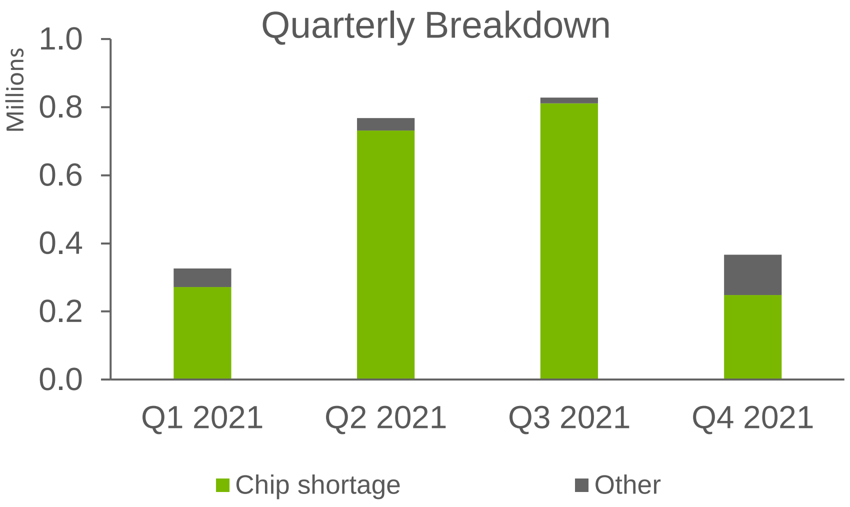



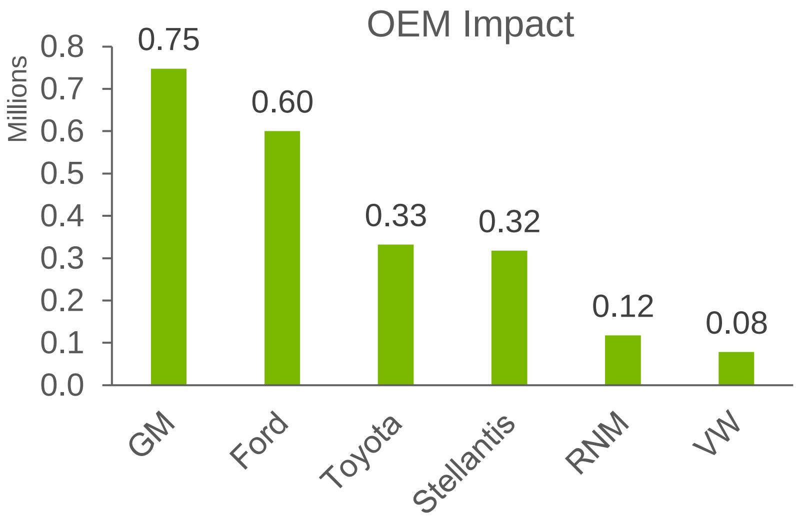


| US LV Forecast | Retail % |
|---|---|
| 2020 – 14.5mn | 85.5% |
| 2021 – 14.9mn +3% | 87.2% |
| 2022 – 15.9mn +7% | 85.3% |
| 2023 – 16.9mn +7% | 83.4% |

Source: LMC Automotive, J.D. Power

# 2021 North America production disruption impact

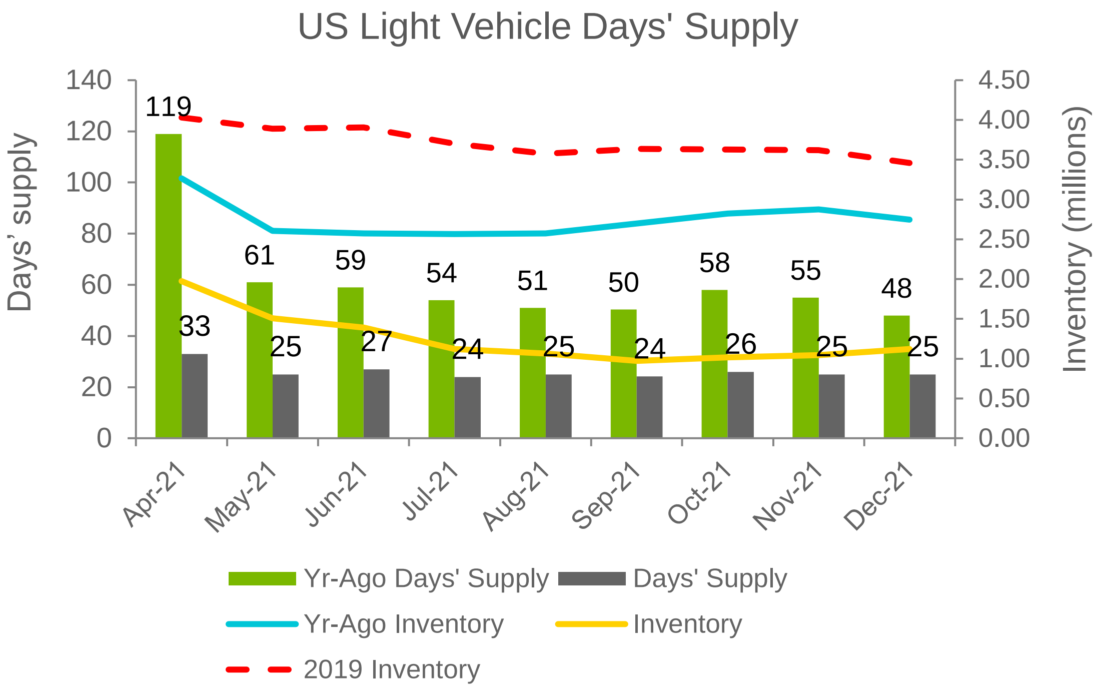



- In 2021, North America lost nearly 2.3 mn units from planned production.
- Semiconductor shortages account for 90% of the disruption in 2021, followed by COVID-19, other material and parts shortage plus various other causes.
- Ford model impact far different from GM and Stellantis.

Source: LMC Automotive

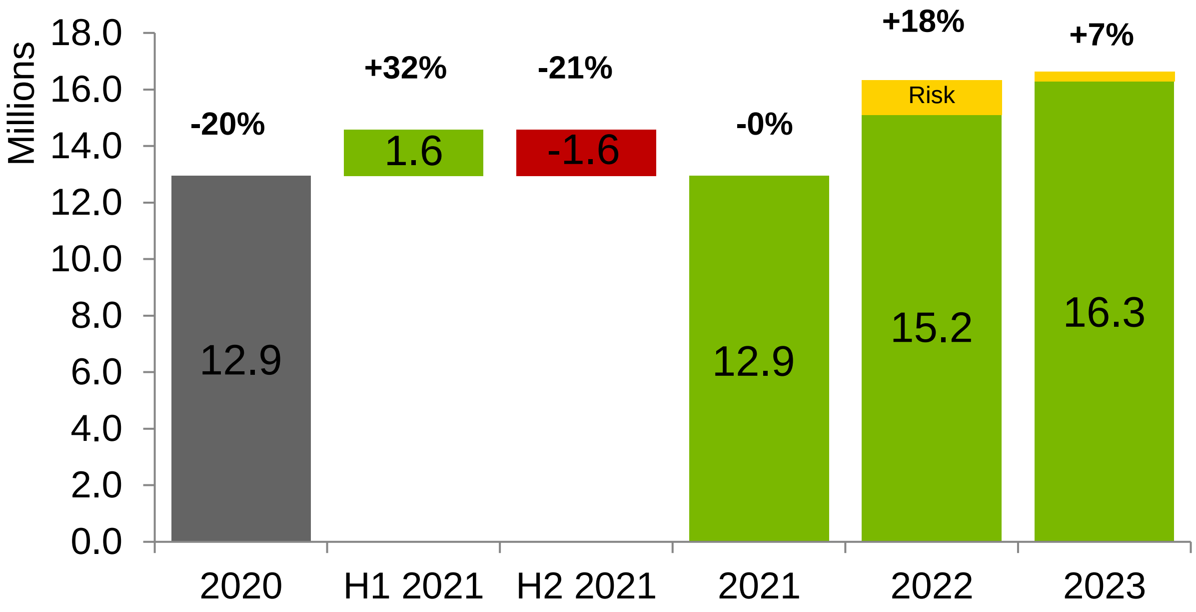
# US inventory and days' supply




- Disruptions led inventory to fall below the 1 mn mark for the first time in decades.
- Inventory 59% below December 2020 and 68% below Dec 2019.
- Typical "normal" days' supply had been 60-65 days prior to 2020.
- Will industry return to normal?

Source: Wards Intelligence

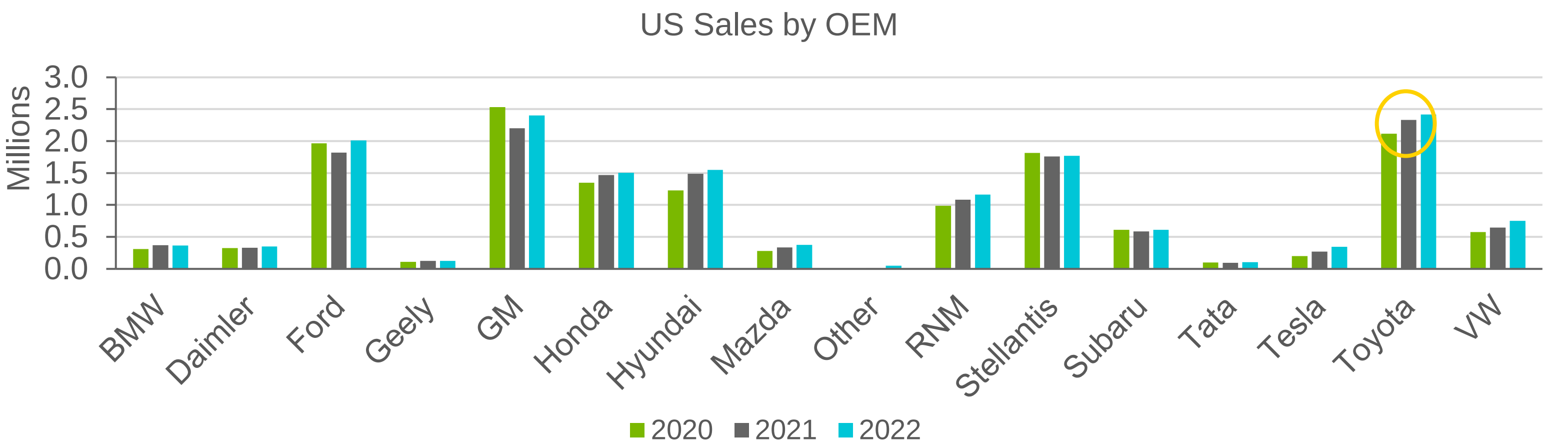
# Short-term North America Light Vehicle production

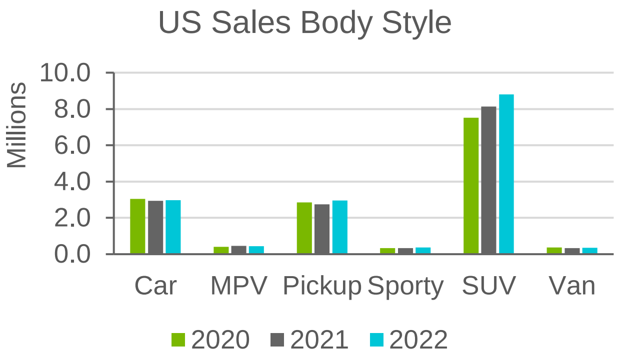


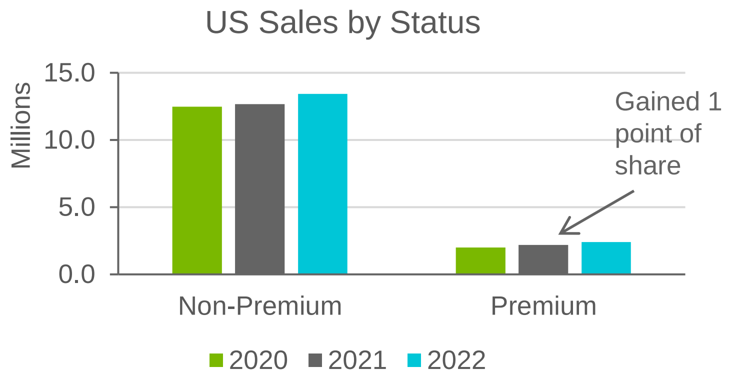

- 2021 volume remains at 12.9 mn as non-demand factors inhibit growth.
- Expect improvement in 2022, but risk skewed to the downside.
- 2022 assumes limited unique disruptions that occurred in 2021.
- Inventory remains under pressure through at least 2022.

Source: LMC Automotive

# US Light Vehicle Sales Breakdown



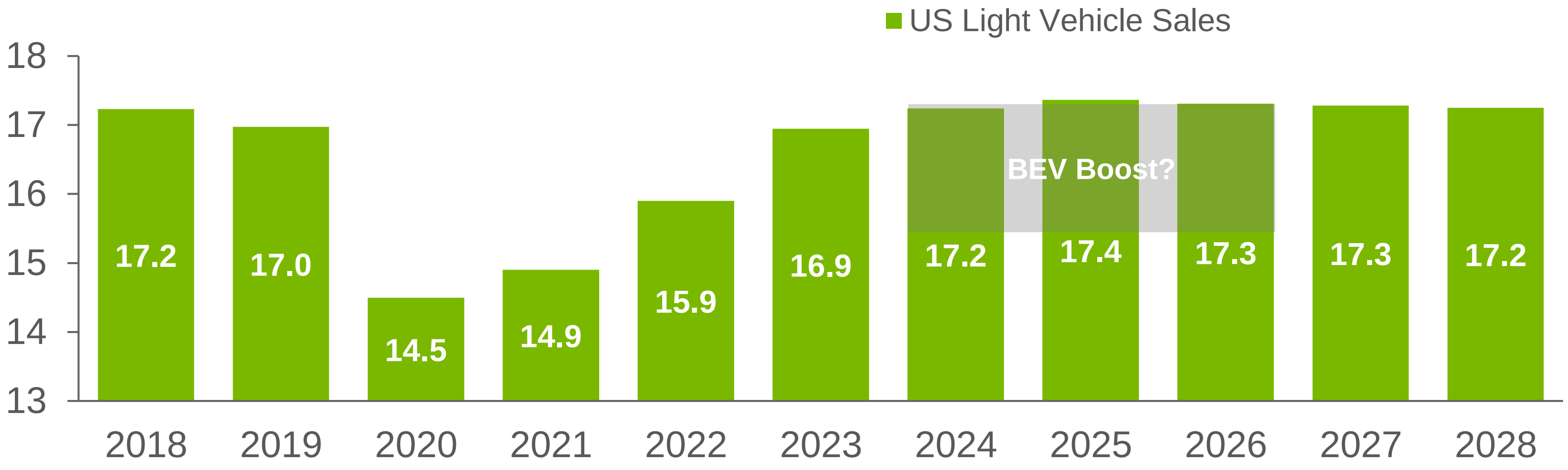






Source: LMC Automotive

# Long-term US Light Vehicle sales

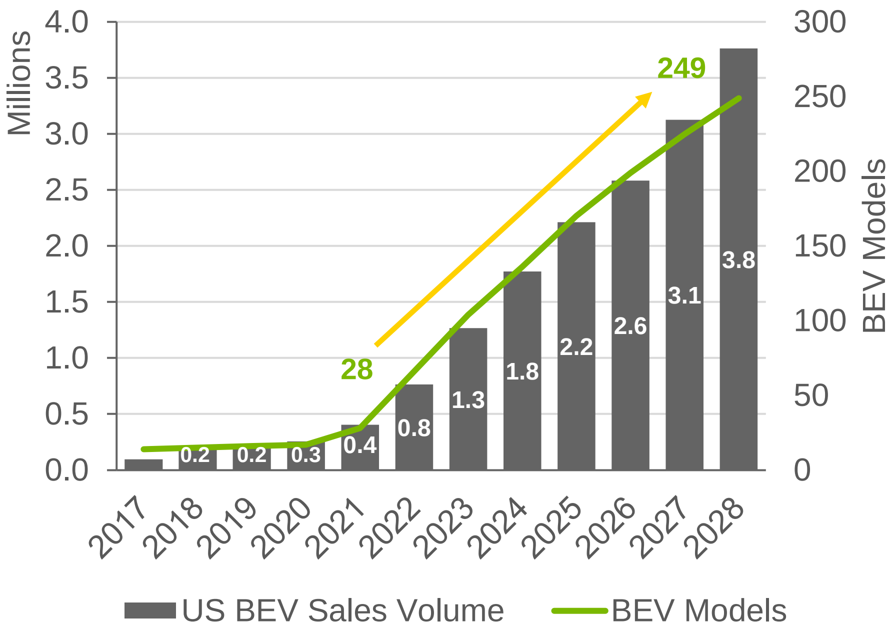



- Economic growth cools to around 1.8% in 2024+ as the fiscal impulse fades. Slower population growth expected.
- Improvement in dealer inventory expected by 2023, with fleet sales recovering as well.
- Mid-term forecast could get boost from BEV conversion; vehicle sharing is long-term risk.



Source: LMC Automotive

# US BEV model growth





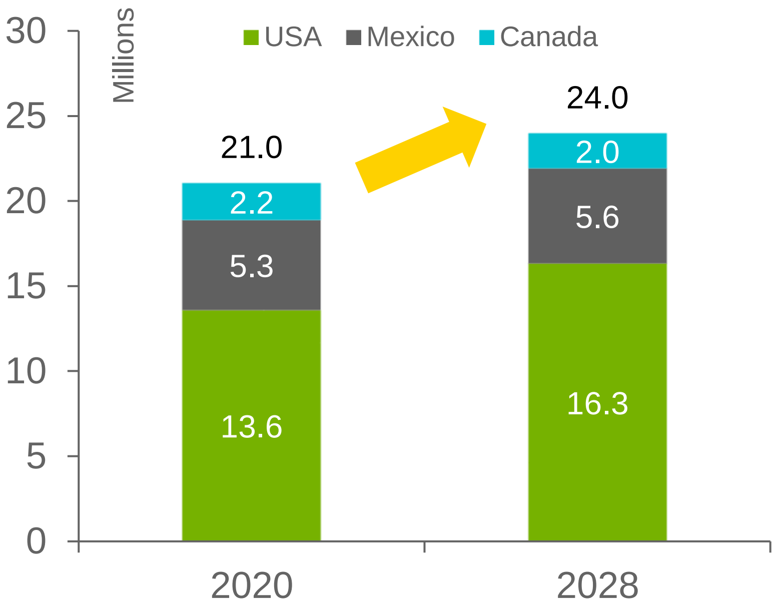




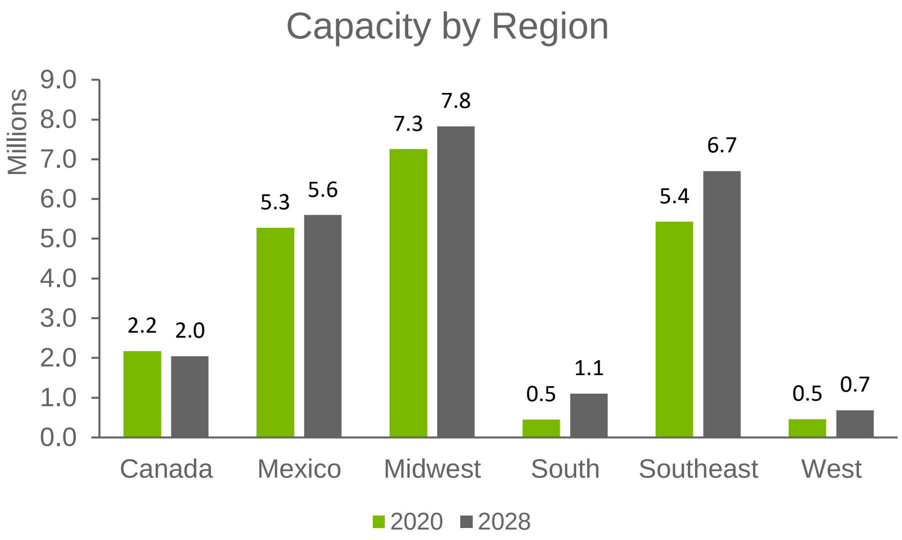


Source: LMC Automotive

# North America Light Vehicle Capacity

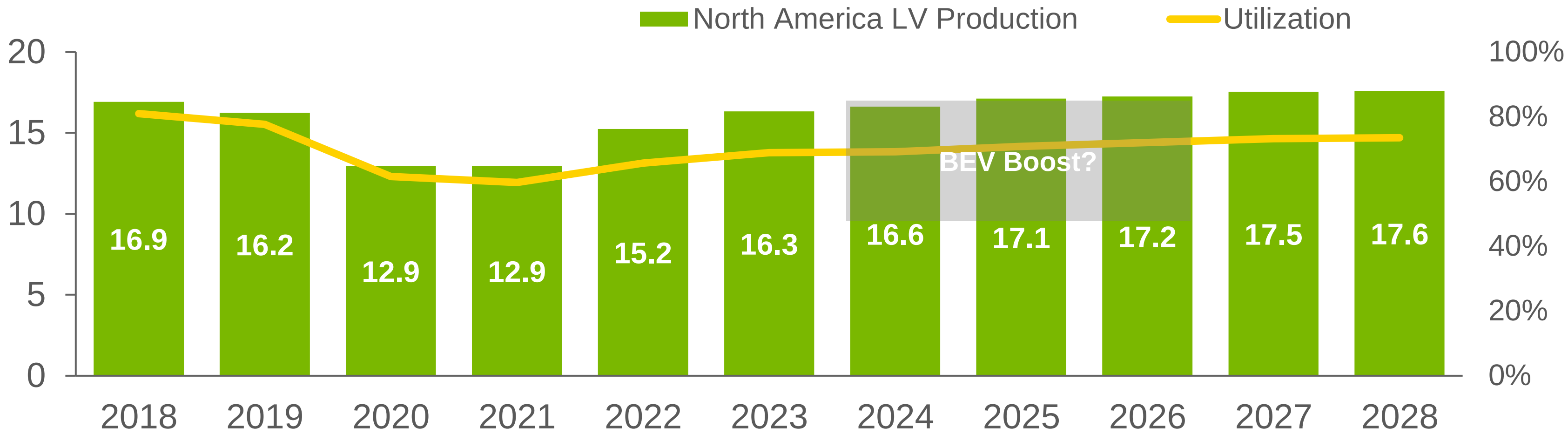



| | Δ 1000s | Growth % Δ |
|---|---|---|
| Canada | -129 | -6% |
| Mexico | 317 | 6% |
| USA | 2,727 | 20% |
| **Total Capacity** | **2,914** | **14%** |




Source: LMC Automotive

# Long-term North America Light Vehicle production



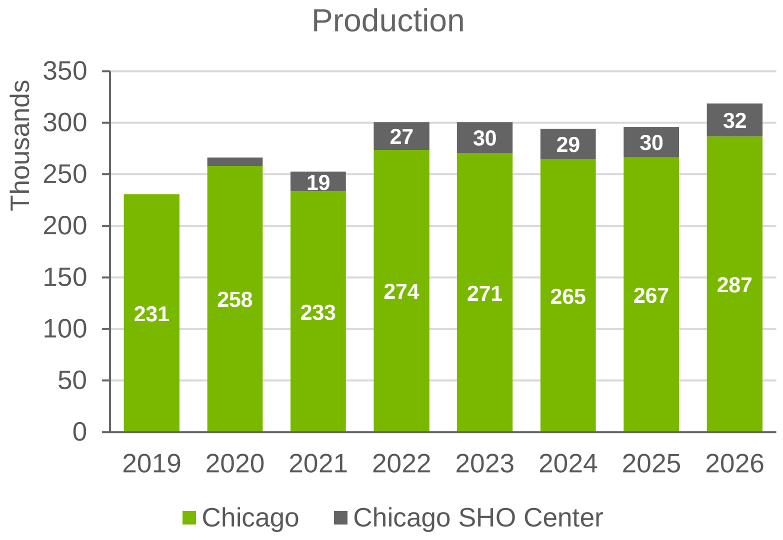

- NA production rebounds – but below previous expectations – on demand recovery, localization and growth in non-Detroit brands. Utilization remains below 80%.
- Forecast risk is highest in 2022 but signaling does suggest some improvement. Risks include, Covid-19 variants, parts shortages, logistic issues, labor shortages and economic activity.
- Mid-term forecast could get boost from BEV conversion; vehicle sharing is long-term risk.

Source: LMC Automotive

# Outline

- North America Light Vehicle Outlook
- **Illinois OEM Outlook**

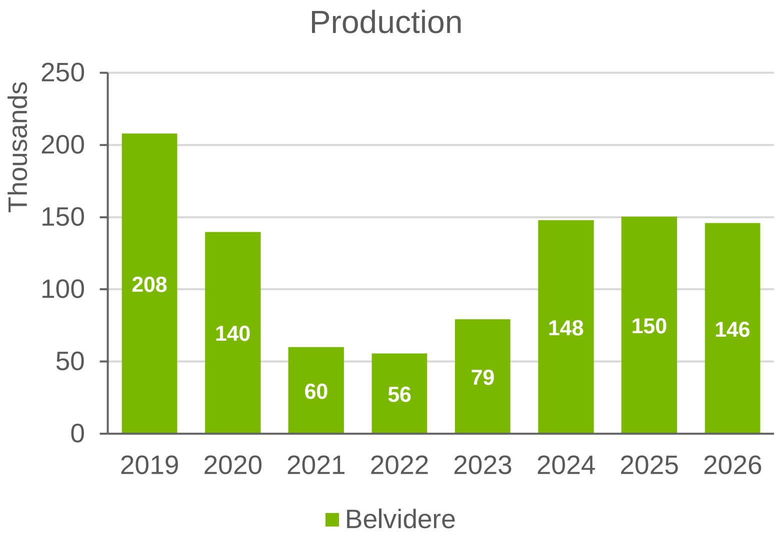
# Illinois OEM Overview: Ford Chicago




- Produces the Ford Explorer and Lincoln Aviator. Redesign of models expected in 2025. Plants have a 300k combined annual capacity.
- Shut down for 90 days in 2021 due to the chip shortage – along with short-term shift cuts. Estimated volume loss of 84k units.
- EVs to Canada?
- Ford long-term growth strategy to focus on EVs, Pickups and SUVs.

Source: LMC Automotive

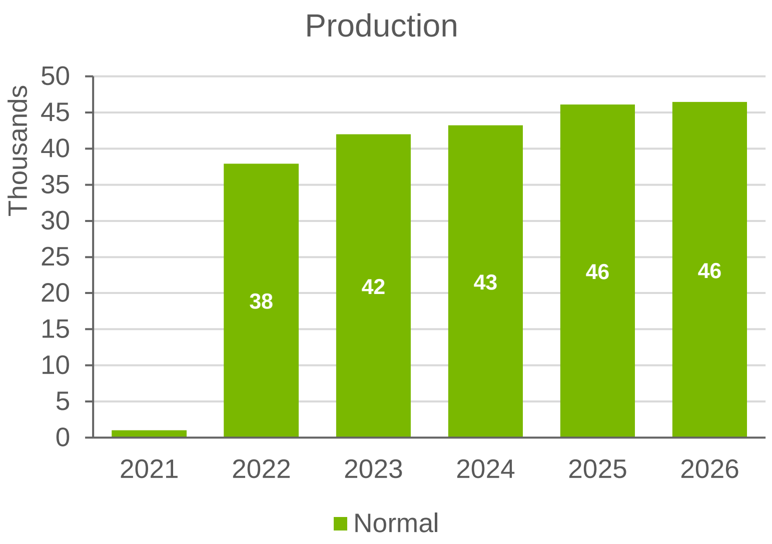
# Illinois OEM Overview: Stellantis Belvidere




- Currently produces Jeep Cherokee but Cherokee expected to shift to Toluca in 2023. Replaced by Dodge Challenger and Charger?
- Major disruptions due to chip shortage: 128 down days and 67k estimated volume loss. Also impacted by slowing demand for the Cherokee.
- Production reduced to one shift in July 2021. 300k annual capacity plant is highly underutilized.

Source: LMC Automotive

# Illinois OEM Overview: Rivian Normal




- Currently produces the R1T, R1S and EDV. Annual capacity 150k, increasing to 200k by 2023.
- Volume under pressure due to competition, price and unforeseen product risks.
- Planning on second plant in Georgia with 400k unit to expand lineup.

Source: LMC Automotive


**For experts by experts**

BRinna@lmc-auto.com

lmc-auto.com

| | |
|---|---|
| Oxford | +44 1865 791737 |
| Detroit | +1 248 817-2100 |
| Bangkok | +662 264 2050 |
| Shanghai | +86 21 5283 3526 |

# Thank you