



AD PUNCTUM

News in review -- 24th April to 30th April

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

Company-by-company rundown

BMW

- The USA (through the United States International Trade Commission -- USITC) said it will investigate whether patents owned by US companies have been infringed by plastic sub-components used by BMW and others. ([More...](#))

Daimler

- Released its detailed financials for Q1 2017. Revenue was up 11% year over year to €38.8 billion and net profit doubled to €2.8 billion. Daimler had already pre-released headline figures on 11th April. ([More...](#))
- Whilst reporting Q1 results, Daimler said that it cannot rule out fines relating to diesel emissions. ([More...](#))
- Daimler's CFO said that they expect currency tailwinds of more than €500 million in 2017. ([More...](#))
- Announced an expansion of peer-to-peer car-sharing service Croove to additional German cities. ([More...](#))
- Was told by the KBA (German regulator) to recall 134,000 vehicles to replace air-conditioning refrigerant. ([More...](#))

Ferrari

- CEO Sergio Marchionne said that the Ferrari line-up will continue to feature naturally aspirated V12 engines (i.e. no turbo chargers), although they will be augmented with hybrid systems. ([More...](#))

FCA

- Reported Q1 2017 results; revenue was €27.7 billion, up 4% year-over-year. Adjusted net profit was €671 million, up 27%. ([More...](#))
- Alphabet's (Google) Waymo announced that its driverless car program had begun operating with (chosen) members of the public in Phoenix, Arizona (USA). The scheme uses 500 of the Chrysler Pacifica minivans Waymo has recently taken delivery of from FCA. ([More...](#))

Ford

- Reported Q1 2017 revenue of \$39.1 billion, a year-over-year increase of 4%. Net income of \$1.6 billion was down 35% from the prior year. ([More...](#))
- Announced five test fleets would trial 20 Transit plug-in hybrid vehicles (PHEV) in London for the next 12 months. Ford did not provide specific details on range but said that there would be sufficient electric power for "the majority of inner-city trips". The PHEV version of the Transit is scheduled for launch in 2019. ([More...](#))
- Ford and GM expressed public support for President Donald Trump's proposed tax reforms. ([More...](#))

Geely (includes Volvo)

- Volvo reported Q1 profits of 3.5 billion SEK, an 11% year-over-year increase. Retail sales of 129,148 vehicles were up 7.1% year-over-year. ([More...](#))

General Motors (includes Opel / Vauxhall)

- Reported Q1 2017 revenue of \$41.2 billion, up 10.6% year-over-year and adjusted EBIT of \$3.4 billion, up 27.9%. ([More...](#))
- Ford and GM expressed public support for President Donald Trump's proposed tax reforms. ([More...](#))
- CEO Mary Barra tried to dampen speculation about her future (political posts may beckon) by saying she was "150%" committed to GM. ([More...](#))
- UK unit Vauxhall was criticised by UK MPs for its slow recall of vehicles at risk of fires. ([More...](#))

Honda

- Forecast that operating profits would fall in the current financial year by around 16% citing a stronger yen, pension plan and R&D costs. Honda expects sales volumes to rise. ([More...](#))

Hyundai / Kia

- Reported Q1 2017 net profit of 1.33 trillion won, above analyst expectation but down year-over-year. ([More...](#))

Mazda

- Said that it expects full year operating profit to improve 19% versus prior year. Mazda expects sales volumes to rise. ([More...](#))

Nissan

- Carlos Ghosn ruled out a full merger of Nissan and Mitsubishi. ([More...](#))
- Said that Nissan's global sales and production set new records between April 2016 and March 2017. Sales and market share in Latin America were a highlight with a 6% year-over-year volume increase. ([More...](#))
- Announced that Nissan will join Mobileye's Road Experience Management platform that provides high-quality real time maps. The partnership has been speculated about for a while. ([More...](#))

PSA (excludes Opel/Vauxhall)

- PSA reported Q1 revenues (PSA only reports profits every six months) of €13.6 billion, €9.0 billion of which was generated by the automotive division (excludes the Faurecia parts division). Overall revenues were up 4.9% year over year and automotive revenue was up 2.5% (product mix of 3.7% partially offset by exchange deterioration). Vehicle sales of 729,424 were up 4.2% versus Q1 2016. ([More...](#))
- Saw French investigating judges begin a case against it relating to diesel emissions, PSA denies any wrongdoing. ([More...](#))
- Will reportedly recruit even more temporary employees at the Rennes plant. The number is now forecast to be around 500 people rather than the figure of 400 previously announced. ([More...](#))
- Production of the 3008 SUV was reportedly disrupted due to a lack of parts from Czech supplier Recticel. Around 2,000 vehicles were said to have been lost with 8 half-shifts cancelled. ([More...](#))
- Saw German media speculation that leaders of its German marketing and sales arm have been replaced because of overly-aggressive discounting. ([More...](#))

Renault

- Q1 2017 revenues (Renault only reports profits every six months) of €13.1 billion were up 25.2% year-over-year (excluding the effect of consolidating Russian unit AVTOVAZ, like-for-like sales increased 19.7%). ([More...](#))

Tata (includes JLR)

- Fitch upgraded the credit rating of Tata Motors to BB+ with a stable outlook. ([More...](#))

Tesla

- Announced that it would double the charging network in 2017 and upgrade existing stations. By the end of the year, Tesla aims to have 10,000 superchargers and 15,000 destination chargers worldwide. ([More...](#))

- Lost its Consumer Reports top rating because it has not installed emergency braking and collision avoidance as standard. Tesla has said that it will install the capability via over the air updates and Consumer Reports may revisit its rating if that happens. ([More...](#))
- At the Vancouver TED conference, Elon Musk teased some details of the Tesla heavy truck and said that four new Gigafactory sites could be announced in 2017. ([More...](#))
- The founder of Grohmann (the German manufacturing engineering company that Tesla recently purchased) has left, reportedly over a dispute about the strategy for the division become exclusive to Tesla and drop existing clients including Daimler and BMW. ([More...](#))
- Saw media speculation that it is putting the launch of the Model 3 at risk by ordering final production tools ahead of the completion of production verification steps. ([More...](#))

Toyota

- Reported March 2017 and full year production figures. Overall production of 10.4 million vehicles was down 3.6% year-over-year. ([More...](#))
- Announced a recall of approximately 228,000 Tacoma trucks in North America. ([More...](#))
- Announced a relationship with the Tokyo Hire-Taxi Association to gather data that will enable the introduction of connected taxis. ([More...](#))

VW Group

- Saw speculation that it might sell its Ducati motorbike business (a part of the Audi group), a move that was reportedly criticised by union representatives on the Works Council ([More...](#))
- Said that it would spend about €10 billion between now and 2022 to make a 10 to 15% improvement in the fuel efficiency of internal combustion engines. It will also triple its investment in electric vehicles to €9 billion. ([More...](#))
- Audi began taking pre-orders for its electric SUV in Norway. Although the advert mentions some technical specifications, no final price is given. The deposit amount (fully refundable) is 20,000 NOK (about €2,150). ([More...](#))
- Saw considerable lobbying by other carmakers and interest groups around the use of funds VW has committed to improve electric vehicle charging in California as part of its diesel settlement. ([More...](#))
- VW will test electric powered heavy trucks with some autonomous capabilities by using them for internal logistics. ([More...](#))
- Gett (in which VW has a substantial stake) will buy New York based ride sharing company Juno for \$250 million (the final value will reportedly depend on future performance of the combined entity). ([More...](#))
- German fish distributor Deutsche See will purchase a fleet of 80 Streetscooter vans. In public comments the company was openly critical of VW's failure to provide them with an all-electric van. ([More...](#))

Other

- Isuzu acquired a 9.9% stake in Apple International (a Japanese used car company unrelated to the smartphone manufacturer) and agreed to form a joint venture with Apple International to expand its aftersales business. ([More...](#))
- Suzuki reported March, Q1 2017 and Fiscal Year 2016 production figures. Full year production of 3.1 million units was 4.2% higher than the prior year. Q1 2017 global production of 863,275 units was a year-over-year increase of 17.7%. ([More...](#))

[And now for the other news...](#)

Economic / Political News

- French car registrations were down 6% year-over-year in April 2017. ([More...](#))
- Ally Financial's CFO said that the company is concerned about the level of inventory US dealers are carrying. ([More...](#))
- China is looking at relaxing its rules on foreign ownership of domestic carmakers so that foreign companies could have stakes larger than 50%. ([More...](#))

- UK trade body the SMMT said that UK domestic production was 170,691 vehicles in March, a 7.3% year-over-year increase and the highest Q1 production since 2000, CVs were slightly down. ([More...](#))
- European trade body ACEA issued a press release stating its priorities for a Brexit settlement. The request is essentially for a continuation of today's trading conditions. ([More...](#))
- The USA (through the United States International Trade Commission -- USITC) said it will investigate whether patents owned by US companies have been infringed by plastic sub-components used by several non-US automakers, including BMW, Toyota and Honda. ([More...](#))
- Les Echos published an article about the decline in diesel sales, including speculation about potential citywide bans in future. ([More...](#))

Suppliers

- Continental announced that following a strategic review of its powertrain division, it will invest more in electrification, particularly 48V add-ons for internal combustion engines. ([More...](#))
- Denso announced its full year financial results (Denso's financial year runs from March to March) with revenue of \$40 billion, about flat from prior year and operating profit of \$2.9 billion, a 4.9% year over year increase. ([More...](#))
- Denso announced a collaboration with electronics and ceramics company IBIDEN to develop high performance and low cost exhaust systems. ([More...](#))
- Johnson Controls announced Q1 2017 results. Net income of \$473 million is about 10% improved year-over-year. ([More...](#))
- Visteon reported Q1 sales of \$810 million (slightly up on prior year) and net income of \$63 million, more than triple the \$19 million from the same period in 2016. Visteon reported it had won \$1.5 billion in new business, mainly infotainment. ([More...](#))
- Borg Warner reported Q1 2017 financial results. Revenue of \$2.4 billion was up 6.1% year-over-year. Full year guidance of revenue in the range \$8.2 - \$9.0 billion was reaffirmed. ([More...](#))
- Honeywell issued a rebuttal to calls from an activist shareholder to separate its aerospace division. ([More...](#))
- Michelin said that it would recruit 250 employees in France -- the recruitment is mainly to replace retirements. ([More...](#))
- Nissan and Mobileye announced that Nissan will join Mobileye's Road Experience Management platform that provides high-quality real time maps. The partnership has been speculated for a while. ([More...](#))
- Pirelli said that it had moved forward its planned IPO to Q4 2017 and its current owner, China National Chemical Corp, may reduce its stake below 50%. ([More...](#))
- SNCF intends to sell STVA the automotive logistics business that it owns. ([More...](#))
- Schaeffler said that it was expecting its industrial division to show improved growth in Q1 2017. ([More...](#))
- SiriusXM will purchase Automatic Labs Inc, a supplier of connected vehicle services. ([More...](#))
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Ride-Hailing & Car Sharing

- Didi Chuxing said that it has raised a further \$5.5 billion, valuing it at more than \$50 billion. ([More...](#))
- Uber has reportedly changed the role of Anthony Levandowski (Otto founder, ex-Google employee and current lawsuit target). Although he will remain with Uber he will not be working on LIDAR (one of the key areas where Google says its IP has been infringed). ([More...](#))
- Recently launched Californian ride sharing app RydenGo was issued with a cease-and-desist order because of improper licencing, even though it has not yet commenced operations (it is allowing users to sign up). ([More...](#))
- Daimler announced an expansion of peer-to-peer car-sharing service Croove to additional German cities. ([More...](#))
- Uber announced plans for airborne ride-sharing in Dallas and Dubai in 2020. There are 5 companies who are competing to supply the vehicles. ([More...](#))
- Gett will buy New York based ride sharing company Juno for \$250 million (the final value will reportedly depend on future performance of the combined entity). ([More...](#))

Driverless / Autonomy

- Alphabet's (Google) Waymo announced that its driverless car program had begun operating with (chosen) members of the public in Phoenix, Arizona (USA). The scheme uses 500 of the Chrysler Pacifica minivans Waymo has recently taken delivery of from FCA. ([More...](#))
- Amazon has reportedly created an in-house team to look at driverless technologies. ([More...](#))
- Autonomous vehicle manufacturer Navya (specialising in driverless mini-buses so far) announced it will open a new factory in Lyon. Factory capacity will be around 200 vehicles per year (against 2016 actuals of 25 vehicles). ([More...](#))
- Amber Mobility, a Dutch start-up, wants to begin operation of driverless vehicles for business-to-business use in Eindhoven (Netherlands) by mid-2018. ([More...](#))
- An autonomous testing consortium in the UK said that it will trial driverless cars on UK roads and motorways in 2019. ([More...](#))
- VW will test electric powered heavy trucks with some autonomous capabilities by using them for internal logistics. ([More...](#))

Electrification

- Saw considerable lobbying by other carmakers and interest groups around the use of funds VW has committed to improve electric vehicle charging in California as part of its diesel settlement. ([More...](#))
- Media speculation on the impact of the intended tapering on US EV purchase incentives (currently \$7,500 per vehicle) as EVs become widespread (the tapering is on a manufacturer-by-manufacturer basis). One analyst was quoted as saying that incentives were supporting up to 3/8 of the market volume. ([More...](#))
- The chief economist of French oil company Total said that EVs may be almost a third of car sales by the end of the 2020s, causing demand for oil-based fuels to peak in the 2030s. ([More...](#))
- VW said that it will triple its investment in electric vehicles to €9 billion by 2022. ([More...](#))
- Charging network Fastned has launched its first 14 sites in Germany. ([More...](#))
- Austrian energy and fuel station company OMV intends to buy a 40% share of charging supplier Smatrics. ([More...](#))
- German fish distributor Deutsche See will purchase a fleet of 80 Streetscooter vans. In public comments the company was openly critical of VW's failure to provide them with an all-electric van. ([More...](#))

Other

- US car sales company Carvana (which allows customers to buy cars in "no hassle" transactions from a website and giant vending machines) saw its price drop in post-IPO trading. ([More...](#))