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Autos & Mobility Industry Briefing -- 6th May to 12th May 2019

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

News about the major automakers

BMW (history)

- Reported Q1 2019 results. Automotive revenue of €19.2 billion fell (0.6)% year-over-year and automotive EBIT was a loss of €(310) million, a sharp decline from a €1.8 billion profit a year earlier. BMW said most of the drop was due to making a provision for a fine from the EU (that it previously reported). ([BMW](#))
- After trumpeting a plan to save \$12 billion, BMW's CFO admitted that since this was a gross number he couldn't be sure how much would flow to the bottom line. He also said that BMW has made a "low to mid three-digit million" budget provision for Brexit as part of current guidance. ([Seeking Alpha](#))
- CEO Harald Krueger dismissed the idea of taking a stake in Daimler, even as the two companies discuss component sharing projects. ([Reuters](#))

Daimler (history)

- Announced that by 2039 Daimler wants all of the cars it sells to be either battery electric or a plug-in hybrid. Daimler says that by 2030, these cars will be more than 50% of the mix. ([Daimler](#))
- Outgoing CEO Zetsche backs the German automakers to stay ahead of the competition saying "for the past 40 years I have heard that German manufacturers have missed all the important trends". ([Economic Times of India](#))
- EQC production began in Bremen, Germany. ([Daimler](#))
- Daimler's Chinese joint venture partner BAIC is said to want a 5% stake in the German firm. ([Reuters](#))

Ferrari

- Reported Q1 2019 revenue of €940 million, up 13% on a year-over-year basis on shipments of 2,610 cars (up 23%) and EBIT of €232 million, up 11%. Ferrari said the portfolio of cars were performing nicely, and the revenue growth included lower engine sales to Maserati. ([Ferrari](#))

Ford (history)

- Ford's in-house accelerator program targets new businesses ideas that can launch in 90 days, with under \$500,000 investment. ([Ford](#))
- Making about 550 non-manufacturing staff in the UK redundant as part of wider European restructuring plans already announced. ([City AM](#))
- Talks between Ford and Ineos for the latter's new 4x4 to built at the Bridgend, UK, plant are apparently going nowhere. ([Mail on Sunday](#))

Geely (includes Volvo) (history)

- All-electric brand Polestar is setting up an engineering base in the UK. ([Polestar](#))
- Volvo is reportedly cutting staff in Sweden, starting with consultants. ([Reuters](#))

- Lotus wants to recruit 200 staff and increase annual sales to 5,000 units. ([Telegraph](#))
- Geely's design head believes the design quality of Chinese automakers has overtaken western brands. ([Deezen](#))

General Motors (history)

- Received a further round of investment in Cruise, providing \$1.15 billion and valuing the unit at \$19 billion. ([GM](#))
- Working on a deal to sell the Lordstown, USA plant to EV developer Workhorse under a complicated deal where GM would continue to own the much of the factory through a new entity that Workhorse will have a stake in. ([GM](#))
- Reportedly will no longer shut the Ontario, Canada plant, instead choosing to reduce operations so that it becomes a standalone stamping facility. ([Reuters](#))

Honda (history)

- Reported financial results for the fiscal year ended March 2019. Revenue of 15.9 trillion JPY (about \$144 billion) rose 3% on a year-over-year basis, mainly down to an increase in automotive sales. Profit before tax of 979 billion JPY (about \$9 billion) fell (2.7)% -- with operating margin of only 1% in the final quarter -- Honda said it would do more to improve profitability. ([Honda](#))
- Plans to overhaul the way it approaches product development through the introduction of a shared architecture that Honda claims will reduce development time by 30% by 2025. At the same time, Honda wants to improve capacity utilisation so that factories are fully utilised by 2022. Trim levels will be simplified and the claimed total benefit of all these actions will be a 10% reduction in the cost base by 2025. ([Honda](#))
- The cost of Honda's hybrid system will drop 25% between 2018 and 2022. ([Honda](#))

Mazda

- Mazda's released full year results for the year to the end of March. Revenue from global sales of 1,561,000 vehicles was 3.6 trillion yen (about €28 billion) and operating profit was 83 billion (about €650 million). ([Mazda](#))
- Re-shuffled senior roles to create new audit and supervisory committees, a move Mazda says will speed up decision making. ([Mazda](#))
- Will develop a new generation of inline six-cylinder engines, including a diesel version. ([Auto Express](#))

Nissan (includes Mitsubishi) (history)

- The Alliance Ventures VC unit is partnering with Plug and Play China to reach start-ups in the country. ([Renault](#))
- Will cut 600 jobs at the Barcelona factory. ([Economic Times of India](#))
- The head of the Infiniti brand left to join FCA. ([Nissan](#))
- Mitsubishi reported financial results for the full fiscal year to March 2019. Revenue of 2.5 trillion JPY (about \$22 billion) and operating profit was 119.9 billion JPY (about \$1.1 billion). Although Mitsubishi expects revenue to increase in the next year, profit is forecast to decline. ([Mitsubishi](#))
- Will re-organise the board structure. ([Mitsubishi](#))

PSA (includes Opel/Vauxhall) (history)

- Will start producing large commercial vans at Opel's Gliwice plant in Poland, they will continue to be produced in FCA's Sevel Sud plant too. ([PSA](#))
- After the leaking of a document purporting to show how JLR would be integrated into PSA post-sale, PSA said it was open minded on the move but Tata immediately flatly denied that a sale was contemplated. ([Reuters](#))

Renault (history)

- The Alliance Ventures VC unit is partnering with Plug and Play China to reach start-ups in the country. ([Renault](#))

Suzuki

- Released financial results for the fiscal year ended March 2019. Revenue of 3.87 trillion JPY (about \$35 billion) rose 3% year-over-year but operating income of 324 billion JPY (about \$3 billion) fell (13.3)%. ([Suzuki](#))

Tata (includes JLR) (history)

- After the leaking of a document purporting to show how JLR would be integrated into PSA post-sale, PSA said it was open minded on the move but Tata immediately flatly denied that a sale was contemplated. ([Reuters](#))

Tesla (history)

- After the recent demonstration of how amazing Tesla's progress in self-driving technology is, reports emerged of an internal restructuring that suggest all was not so rosy. ([Electrek](#))

Toyota (history)

- Reported financial results for the fiscal year to the end of March 2019. Revenue of 30.2 trillion JPY (about \$272 billion), up 2.8% on a year-over-year basis. Net income of 1.88 trillion JPY (about \$17 billion) was down almost (25)% versus prior year. ([Toyota](#))
- Toyota believes that by expanding into new types of services it can offset some of the pressure to reduce the manufacturing and retail base. ([Toyota](#))
- Establishing a joint venture with Panasonic to work on technologies for homes and towns. ([Toyota](#))

VW Group (history)

- VW announced that the Golf-sized all-electric car will be called ID3 when launched, implying a numbering system consistent with age-old alphabetical segment nomenclature (e.g. Golf is c-segment). ([VW](#))
- VW booked 10,000 fully refundable orders for the launch variant of the ID3 (with up to 30,000 on offer) unfortunately, the IT systems struggled to cope with interest in the ID and kept crashing. ([VW](#))
- Porsche has agreed to pay German authorities a €535 million over the diesel scandal. ([Porsche](#))
- Despite long delays in getting eTron vehicles to customers, Audi reportedly is threatening them with huge break fees of over \$5,000 if they cancel. ([Teslerati](#))
- Audi says the eTron can charge quicker than all its competitors (although it doesn't explicitly say who the competition are). ([Audi](#))
- Reportedly casting around for buyers of MAN's large engines division, according to sources who sound exactly like investment bankers trying to drum up interest in the sale. ([Reuters](#))

Other

- A release of patent filings by **Dyson** gave a potential glimpse of the car the company wants to build. ([Autocar](#))
- US start-up **Neuron** wants to create pod-like electric vehicles. ([Neuron](#))
- **Workhorse** reported Q1 2019 revenue of \$364,000 and a net loss of \$(6.4) million. ([Workhorse](#))
- **Byton** wants to raise \$500 million and says that its Nanjing, China, plant is almost ready to go. ([Byton](#))
- **Subaru** reported fiscal full year financial results. Revenue of 3.16 trillion JPY (about \$30 billion) fell (2.2)% on a year-over-year basis. Operating income of 195 billion JPY (about \$1.8 billion) fell (49)%. ([Subaru](#))
- **SAIC's** MG brand is reportedly planning a drastic downsizing at its UK operations. ([Autocar](#))
- **DHL** apparently wants to sell the StreetScooter electric vehicle division. ([Handelsblatt](#))

News about other companies and trends ...

Economic / Political News

- **US** president Trump said he would implement much-threatened tariffs on **Chinese** imports, importers into China braced for impact. ([Reuters](#))
- Electric vehicles continued to gain ground in **Europe**. During Q1 2019, plug-in hybrids and battery electric vehicles accounted for 2.5% of overall sales. Diesel had a 32% share. ([ACEA](#))
- **UK** passenger car registrations in April came to 161,064 units, down (4.1)% on 2018. ([SMMT](#))

Suppliers

- **ZF** is buying occupant monitoring firm **Simi Reality Systems**. ([Autocar](#))
- **Meritor** will acquire **AxleTech** for \$175 million. ([Meritor](#))
- **China Automotive Systems** reported Q1 2019 revenue of \$109 million, down (18)% from prior year. ([CAS](#))
- **BorgWarner** is taking a 60% stake in a joint venture with battery developer **Romeo Power**. ([BorgWarner](#))
- **Adient** announced Q1 2019 revenue of \$4.2 billion and EBIT of \$(22) million. ([Adient](#))
- **Magna's** Q1 revenue was \$10.6 billion, with adjusted EBIT of \$720 million. ([Magna](#))
- **Allison Transmission** announced a buyback program to get an active investor off their board. ([Allison](#))
- **Schaeffler** is buying **XTRONIC** ([Schaeffler](#)) and offloading a UK plant it previously planned to close. ([Schaeffler](#))
- **Continental** reported Q1 2019 revenue of €11 billion and EBIT of \$823 million. ([Continental](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber's** IPO was a bit of a damp squib. After debuting with a valuation north of \$80 billion, the stock failed to maintain its price. ([Fortune](#))
- Ugandan ride hailing firm **SafeBoda** received investment from **GoJek**. ([Deal Street Asia](#))
- **Grab** is considering spinning off the payments and financial divisions from the ride hailing business. ([FT](#))
- **Gett** raised \$200 million and probably won't want any more before an IPO planned for early 2020, saying that operations have reached profitability, on an EBITDA basis. ([TechCrunch](#))
- French ride hailing service **Heetch** raised \$38 million. The CEO says it is close to profitability. ([TechCrunch](#))
- **Ford** will expand the GoRide Health non-emergency hospital transfer service to a second US location. ([Ford](#))

Driverless / Autonomy (history)

- **Waymo** executives called **Tesla's** reliance on cameras for driverless cars "very risky". ([Business Insider](#))
- **Uber's** CEO poured scorn on **Tesla's** timeline for driverless cars saying that they will arrive several years later than Elon Musk believes (in 2020). ([CNBC](#))
- Some of the driverless vehicles operated by **Waymo** in Phoenix will be available via **Lyft**. ([Waymo](#))
- Intel's **Mobileye** division is undertaking a mapping project with the UK's **Ordnance Survey** to create an official register of roadside infrastructure. ([Intel](#))

Electrification (history)

- **Farasis Energy** is planning a 6 GWh battery factory in Germany. ([Sachsen-Anhalt](#))
- **Bosch** says next generation fuel cells will use the same amount of platinum as a diesel catalytic converter. ([Reuters](#))
- The cost of **Honda's** hybrid system will drop 25% between 2018 and 2022. ([Honda](#))

Connectivity

- Over the air updates had a bed week. **BMW** seemingly managed to wipe Apple smartphone integration from vehicles because of a server migration issue ([Engadget](#)), whilst **Tesla** owners who shelled out Ludicrous amounts of money to enable super acceleration modes found a recent update has removed the big red button they use to access it. Tesla said the feature removal was inadvertent. ([Inside EVs](#))
 - Significance: In both cases, the removal of content is not simply incompetence, these are features that customers have paid extra for.