



AD PUNCTUM

News Review -- 12th June to 18th June

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

Our latest research

We thought it would be interesting (and fun) to look at Automotive OEM M&A history -- and the implications for who might be next in line for a deal. Although everyone loves to talk about potential mega-deals, more often it is smaller transactions -- brands being bought and sold (with or without production and R&D resources).

- [Find the presentation here \(19 slides\)](#)

Company-by-company rundown

BMW

- UK workers rejected BMW's latest offer in an ongoing dispute over a new pension structure. The Unite union had suspended strike action whilst the ballot went ahead. ([More...](#))
- Released sales figures for May. 208,447 vehicles were delivered, an increase of 5.1% year-over-year. ([More...](#))
- Announced that IBM has signed up to BMW's CarData program. This will allow vehicle data to be assessed with IBM's Watson AI. ([More...](#))
- Announced that it was making an investment in Proterra, a US manufacturer of heavy-duty electric vehicles for mass transport. ([More...](#))
- Announced the ground-breaking for their new plant in Mexico. The plant is scheduled to commence production of 3 Series vehicles in 2019. ([More...](#))

Daimler

- Participated in a fund-raising round for Middle East ride-hailing firm Careem. ([More...](#))

FCA

- CEO Sergio Marchionne has confirmed that that he will be stepping down in early 2019, the search is now on for his replacement with a list of internal candidates being mentioned. ([More...](#))
- Launched a recall of 209,135 vehicles to correct wiring problems that could lead to deployment of the airbags. ([More...](#))
- Reported May European sales. 109,800 vehicles were sold, an increase of 11.9% year-over-year. ([More...](#))

Ford

- Announced a collaboration with Deutsche Post's subsidiary Streetscooter (maker of the eponymous light delivery vehicle) to make an all-electric version of the Transit chassis cab (it will have a purpose built box installed on the back). Production will begin in July 2017 with an aim of building 2,500 units by the end of 2018. ([More...](#))
- Said that it will open an office dedicated to European mobility solutions in London. The office space chosen can accommodate up to 40 people. ([More...](#))
- Reported European sales for May 2017. Ford sold 118,000 vehicles, an increase of 6% year-over-year. Ford saw increases in SUVs and CVs with decreased sales of traditional passenger vehicles. ([More...](#))
- New CEO Jim Hackett had a wide-ranging interview in which he talked about his 100 day plan which has four key elements: Re-evaluate revenue opportunities; evaluate the fitness of the company; re-evaluate capital deployment; renew focus on innovation. Hackett appeared to take personal credit for recruiting Ford's head of autonomous vehicles (a move announced only 3 days after he became CEO). ([More...](#))

Geely (includes Volvo)

- Volvo said that it will launch a Volvo branded home charger for EVs. The charger is a re-packaged AeroVironment unit. ([More...](#))

General Motors (includes Opel / Vauxhall)

- As rumoured, the CEO of Opel confirmed that he will be stepping down. Although he remains with Opel for a transitional period, he is no longer the CEO and has been replaced by the CFO Michael Lohscheller. ([More...](#)). PSA support the appointment. ([More...](#))
- PSA CEO Tavares gave an interview where he said that following the closure of the deal to buy Opel and Vauxhall, a profitability plan would be created within the first 100 days and the incumbent team would be told to implement it. It was speculated that this could mean presentation of the plan at the Frankfurt motorshow in September. Tavares said that the only way that employees could be protected was by being profitable. ([More...](#))
- Opel unveiled a new "credo", defining the brand in five simple words: "the future is everyone's". Alongside this, the brand has also updated its logo, there is a new Opel Blitz. Both changes coincide with the launch of the Insignia CD car. ([More...](#))
- Will reportedly extend shutdown at two US factories due to lower demand. Lordstown, Ohio (Chevrolet Cruze), and Kansas City (Chevrolet Malibu) will close for up to 5 weeks versus the normal two week shutdown period. ([More...](#))
- Is reportedly in discussions with Mahindra & Mahindra to have them take over servicing of legacy GM vehicles once it stops sales operations in India and closes its dealerships. ([More...](#))
- Declared itself to be the first company to "use mass-production methods" to build autonomous vehicles as it completed a batch of 150 Bolt cars. ([More...](#))
- Will change the way it manages charitable donations. The General Motors Foundation will close and efforts will be directed through GM Global Corporate Giving. ([More...](#))
- Confirmed that it has a nominal selling price for a replacement Bolt battery pack. The cost is set at \$15,734.29. GM does not expect battery packs to be sold, citing its warranty policy for Bolt vehicles. ([More...](#))
- Said that 100% of GM India employees who were offered separation packages have accepted. ([More...](#))
- Saw media speculation that Cruise is seeking to build its own high definition maps. The story is based on vacancies posted by the company and could be around mapping integration. ([More...](#))

Hyundai / Kia

- Said that it had no plans to buy other car companies but does want to have more cooperation with technology companies. ([More...](#))

Nissan

- Announced that it had reached an agreement with unions at its factory in Avila, Spain that will see the plant remain open but convert from vehicle production to a parts depot. ([More...](#))
- Following on from its announcements around a US charging network with stations of up to 150kW, Nissan has signed a contract with DBT to upgrade its European network to 150kW in the coming years. ([More...](#))

PSA (excludes Opel/Vauxhall)

- PSA's director in Spain and Portugal said that gasoline vehicles will shortly overtake diesels in popularity in Spain. He believes that as current leases are renewed the market will mostly choose gasoline or (gasoline-based) hybrid products. ([More...](#))
- CEO Tavares gave an interview where he said that following the closure of the deal to buy Opel and Vauxhall, a profitability plan would be created within the first 100 days and the incumbent team would be told to implement it. It was speculated that this could mean presentation of the plan at the Frankfurt motorshow in September. Tavares said that the only way that employees could be protected was by being profitable. ([More...](#))
- Production of Peugeot 308 vehicles was halted temporarily due to a shortage of parts from Benteler, according to union sources. ([More...](#))

Renault

- Is reportedly studying the creation of a company that would be paid a share of Renault-Nissan-Mitsubishi alliance savings and pay bonuses to executives over and above their employment contracts with the alliance companies (and possibly with different disclosure rules). The companies refused to give any details but stopped short of denying the scheme was under consideration. ([More...](#))
- Saw an attempted viral marketing effort result in a #epicfail as the attempt to suggest that a new range of nail polishes could be used by women on their hands and to touch up scratches on their cars met with accusations of sexism. ([More...](#))

Tata (includes JLR)

- JLR said that it had made a \$25 million investment in Lyft via its InMotion subsidiary. The investment includes a technology collaboration and the supply of some JLR vehicles to Lyft. Although only announced now, the investment is part of a fund raising round that closed in April. Whilst JLR touted a multitude of benefits, Lyft said only that it was "excited to join forces". ([More...](#))
- JLR will reportedly announce plans to hire 5,000 engineers and technical staff with a focus on electronic and software engineers. JLR made no comment but it is rumoured that an official statement could be made this week. ([More...](#))
- Some of the shareholdings within the Tata group are being re-organised. Tata Motors is selling a significant minority stake in Tata technologies to Warburg Pincus ([More...](#)) whilst Tata Steel is selling its 2.9% stake in Tata Motors to Tata Sons. ([More...](#))

Tesla

- Tesla clarified that the recent scheme it unveiled to give free supercharging on vehicles purchased by current Tesla owners will only run until the end of 2017 (unless they extend it again). ([More...](#))
- Tesla has won a contract to supply Australian electricity company Transgrid with Powerpack batteries in order to create energy storage that can be used in times of peak demand. ([More...](#))

Toyota

- Daihatsu is intending to enter the Brazilian market, citing the demand for the type of compact cars in which the brand specialises. ([More...](#))
- Says it is open to more M&A to obtain new automotive technologies, including in the field of autonomy. Memo: Toyota's surplus cash pile is larger than its four nearest rivals combined. ([More...](#))
- Wholly owned subsidiary Toyota Financial Services announced a strategic investment in Finnish company MaaS Global, a start-up intending to build "the world's first mobility ecosystem". ([More...](#))

- Said that it was working with Line (Japanese messaging app) and NAVER (South Korean search portal) to develop a personal assistant AI that could be used in Cars (Line already has a system called Clova). ([More...](#))

VW Group

- Unveiled the next (6th) generation of its Polo B-sized car. The Polo will be available to customers around the end of 2017. ([More...](#))
- Employees in Slovakia intend to go on strike as of the 20th June due to a pay dispute. Union demands for a 16% pay rise have been rejected by VW. ([More...](#))
- According to the European Commission, VW has agreed to give an additional two years warranty period to customers affected by the diesel emissions scandal but will not pay compensation. ([More...](#))
- South Korean newspapers reported that VW was going to sign a \$6 billion battery supply deal with LG Chem. LG Chem did not deny that the companies were in discussion but said that no deal had been signed. ([More...](#))
- Showcased SEAT's efforts to prepare its employees for "industry 4.0" technologies by developing a training program which it intends to roll out to all staff. ([More...](#))
- Has agreed an engine supply arrangement with GAZ. VW will supply 200,000 diesel engines between 2019 and 2024 from its Salzgitter plant. VW's press release quoted Works Council representatives saying that the deal would "more than compensate" for production cuts stemming from the pact for the future turnaround plan. ([More...](#))

Other

- **Pininfarina** has announced that it intends to raise up to €26.5 million of capital via a new share issue. ([More...](#))
- **McLaren Automotive's** CEO appeared to suggest in an interview that the company is looking at the right conditions for an IPO. ([More...](#))
- The Financial Times reported comments by **Chang'an** President Zhu Huaron saying that a massive consolidation of car brands in China was due. He mentioned a future figure of five large groups. ([More...](#))

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

Economic / Political News

- Overall **European** passenger car sales figures for May were released by ACEA. Registrations of 1.387 million units was an increase of 7.6% year-over-year. On a YTD basis the market is up 5.3%. ([More...](#))
- **Germany's** transport ministry said that it sees city-by-city diesel bans as "the wrong approach". ([More...](#))
- Brexit talks between the UK government and the EU will start on June 19th -- UK has agreed to discuss separation terms ahead of trade talks, with the possibility of no parallel talks remaining. [Read our analysis of how Brexit could impact industry here.](#)

Suppliers

- The European Commission announced that it will carry out an in-depth investigation into the acquisition of chipmaker **NXP** by rival **Qualcomm**. ([More...](#))
- **Continental** announced its Remote Vehicle Data platform. This allows data to be drawn from the vehicle wirelessly (e.g. for servicing). The hardware options include retrofit devices for older cars and factory-fit options. ([More...](#))
- **Gestamp** announced the opening of a new R&D centre in Tokyo, Japan. A team of around 60 employees will work on chassis and body technologies. ([More...](#))
- **Intel** announced that it had invested in 3 companies: **CognitiveScale** (machine intelligence); **AEye** (machine vision); and **Element AI** (an AI platform provider). Intel sees at least some of these technologies as being relevant to autonomous vehicles. ([More...](#))
- **Bosch** is reportedly planning to announce a €1 billion investment in a new plant in Dresden that will make chips for autonomous cars and employ 700 people. ([More...](#))
- **Valeo** announced the launch of valeo.ai, an "open community network" that they hope will build leadership in artificial intelligence and act as a bridge between traditional companies, academia and start-ups. It sounds a bit similar to Continental's 2025AD.com. ([More...](#))

- **Xee** and **HERE** announced a partnership to provide retrofit connected car hardware including GPS and mapping. The system has both private and fleet management applications. ([More...](#))

Ride-Hailing, Car Sharing & Rental

- **Uber** published the recommendations of a US law firm that had conducted an investigation into its culture. Among the suggestions were to appoint a strong COO and to have more independence on the board of directors. ([More...](#))
- As rumoured, **Uber's** CEO is stepping down for an unspecified period. Within just a few days, SVP Emil Michael left and a board member resigned after making a sexist joke ([More...](#))
- **Alibaba** is reportedly in talks to invest in **Grab's** latest fund-raising round which has a target of \$1.5 billion. ([More...](#))
- Rental company **EuropCar** has made an investment in peer-to-peer car sharing firm **SnappCar** and now owns 20% of the start-up. ([More...](#))
- Chinese EV-only car sharing firm **Ponycar** is said to have raised \$22 million. Rival **Yibuyongche** raised \$19 million days earlier. Ponycar has around 2,000 vehicles in use and has said that currently its payback period for a new vehicle investment is 700 days. ([More...](#))
- **JLR** said that it had made a \$25 million investment in **Lyft** via its InMotion subsidiary. The investment includes a technology collaboration and the supply of some JLR vehicles to Lyft. Although only announced now, the investment is part of a fund raising round that closed in April. Whilst JLR touted a multitude of benefits, Lyft said only that it was “excited to join forces”. ([More...](#))
- French car sharing firm **Karos** announced a white label partnership with a property developer that will allow the developer to create a fleet of vehicles in a business park it owns that can be used by tenants. ([More...](#))
- **Lyft** announced an updated set of climate goals following president Trump’s intention to leave the Paris climate agreement. Lyft is targeting 100% use of renewable energy for its electric fleet and that by 2025 Lyft will provide at least 1 billion rides per year in electric autonomous vehicles. ([More...](#))
- Car sharing firm **Split** said it was in talks with an OEM to launch on-demand car sharing through the manufacturer’s connectivity suite. Split currently provides a platform for co-workers to share lifts but is hoping to build a presence in consumer services. The potential OEM wasn’t mentioned by JLR are already an investor. ([More...](#))
- Middle East ride-hailing firm **Careem** said it had completed a \$150 million fund raising, in addition to \$350 million earlier in the year. Investors included **Daimler**. ([More...](#))
- Spanish ride sharing start-up **Cabify** is reportedly seeking a new funding round of \$300 million, having raised \$100 million in April ([More...](#))
- Saw media profiling US ride sharing start-up **Sitbaq**. The service is similar to BlaBla in that rides are requested between two hours to seven days in advance. ([More...](#))
- Canadian car rental company **Via Route** said that it was buying rival **Bleu Pelican**. ([More...](#))
- **Toyota** subsidiary TFS announced a strategic investment in Finnish company **MaaS Global**, a start-up intending to build “the world’s first mobility ecosystem). ([More...](#))

Driverless / Autonomy

- **Apple** CEO Tim Cook gave an interview where he acknowledged the company’s interest in autonomous cars for the first time saying that Apple was focusing on “autonomous systems” and that a major disruption is looming. Cook was also keen to link autonomy and electrification. He declined to say what type of product this might mean Apple would offer. ([More...](#))
- **German** chancellor Merkel speculated that within 20 years, it might be necessary to own a special licence in order to drive a car manually. ([More...](#))
- **Lyft** intends that by 2025 it will provide at least 1 billion rides per year in electric autonomous vehicles. ([More...](#))
- **GM** declared itself to be the first company to “use mass-production methods” to build autonomous vehicles as it completed a batch of 150 Bolt cars. ([More...](#))
- **Waymo** announced the retirement of its self-built driverless vehicles as its new FCA supplied Pacifica minivans are more capable. ([More...](#))
- Machine vision and LIDAR maker **AEye** announced a \$16 million fund raising round with investors including Intel and Airbus. ([More...](#))

- The autonomous car field became ever more crowded as Iranian business **Persian Gulf Intelligent Technology and Industry Company** announced that it had been testing a system it had developed using a 25km test track. ([More...](#))
- US start-up **Optimus Ride** is planning to start testing vehicles on the roads of Boston. It hopes to turn its test program into one that takes passengers, similar to the Lfy/Nutonomy tie up. ([More...](#))
- Japanese start-up **ZMP** announced that it would partner with one of Tokyo's top ten taxi fleets by size to try and develop a self-driving taxi in time for the 2020 Olympics. ([More...](#))
- **US lawmakers** are developing a series of rules to govern the implementation of self-driving vehicles. Proposals being considered include making all states conform to the same regulations and removing the regulatory agency's power to block new entrants until it is satisfied that they can operate safely. ([More...](#))
- **Valeo** and **Cisco** unveiled a smart parking service based on Valeo's vehicle control technology and Cisco's car park monitoring systems. The system enables vehicles that are in suitable car parks to be parked autonomously. ([More...](#))
- **Vedecom** (a self-driving consortium including PSA and Renault) announced a tie-up with **Karamba Security** to create vehicles that are protected from cyber attacks. They plan to operate vehicles commercially starting in late 2017. ([More...](#))
- **Helsinki** will reportedly launch a public fully autonomous bus service (likely to have a conductor on board) later than year, following successful demonstration trials. ([More...](#))

Electrification

- Despite earlier reports that **China** would relax quota implementation timings for electric vehicles following discussion with the German government, draft rules published later did not include any revisions. ([More...](#))
- Chinese electric car start-up **Xiaopeng Motors** has raised \$320 million. The investment was led by **Ucar Group**, itself a (ride-hailing) start-up. ([More...](#))
- **Fisker** has reportedly decided that its initial EMotion vehicles will ship with industry-standard lithium ion battery cells rather than the more revolutionary solid state units it has previously talked about. ([More...](#))
- **GM** confirmed that it has a nominal selling price for a replacement Bolt battery pack. The cost is set at \$15,734.29. GM does not expect battery packs to be sold, citing its warranty policy for Bolt vehicles. ([More...](#))
- The **Indian Oil Company** said that it was planning an entry into the energy storage business. Their current proposal is based on using lead-acid batteries with lithium-ion seen as a potential for improved performance. ([More...](#))
- South Korean newspapers reported that **VW** was going to sign a \$6 billion battery supply deal with **LG Chem**. LG Chem did not deny that the companies were in discussion but said that no deal had been signed. ([More...](#))
- Following on from its announcements around a US charging network with stations of up to 150kW, **Nissan** has signed a contract with DBT to upgrade its European network to 150kW in the coming years. ([More...](#))
- German **battery researchers** unveiled a layered battery that they claim could double energy density. A prototype isn't planned until 2020. ([More...](#))
- **Samsung** said that it had completed its battery plant in Hungary. The facility reportedly has an annual capacity of 50,000 packs and will begin production in Q2 2018. Batteries from the facility will supply BMW and Audi plants. ([More...](#))
- Researchers looking at **vehicle to grid** systems reached a worrying conclusion: regular usage (1 or 2 times a day) led to a considerable drop over time in the battery capacity and increase in resistance. ([More...](#))

Other

- Chinese company **Mobike**, provider of dockless shared bikes, received \$600 million in funding ([More...](#)) and also announced that it will launch in the UK with an initial fleet of 1,000 bikes. ([More...](#))