



AD PUNCTUM

Autos & Mobility Industry Briefing -- 5th February to 11th February 2018

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)

- Invested in Fair.com -- the recent acquirers of Uber's leasing business. At the same time, Fair purchased Skurt, a fleet management company BMW had previously invested in. ([FINSMES](#))
- Long-rumoured talks for Hyundai to join BMW's self-driving alliance are reportedly in the final stages. ([Handelsblatt](#))

Daimler (history)

- Launched the new Sprinter, saying that the all-electric eSprinter version would go on sale in 2019. ([Daimler](#))
- Mercedes-Benz's VP of strategy said putting self-driving systems in a vehicle with an internal combustion engine "doesn't make sense" because of the negative impact on fuel economy. ([Wired](#))
- Came in for criticism in Europe after Mercedes used a Dalai Lama quote on its Instagram feed and then deleted it, fearing uproar in China. ([Manager Magazin](#))
- Executives said that a series production vehicle with a hybrid architecture based on the Formula One-derived Project One would be available in 2020/21. ([Autocar](#))

FCA (history)

- Unions said that the company plans to cut production at the Mirafiori plant, where the Maserati Levante is produced, by an equivalent of 60% in the first six months. There were also several down days at the end of last year. ([Reuters](#))
- Standard & Poors upgrades its rating for FCA to BB+ and maintained a positive outlook. ([FCA](#))

Ford (history)

- Reportedly applied for a banking licence in Germany to allow its Ford Credit business to operate in Europe in the event that passporting is lost due to Brexit. ([Reuters](#))

Geely (includes Volvo)

- Production of Polestar 1 hybrid cars might grow beyond 500 units per year if Volvo can find ways to increase capacity. ([Automotive News](#))
- Volvo cars reported 2017 financial results. Revenue of 210.9 billion SEK (about \$26.1 billion) was up 16.6% compared with 2016, while profit of 14.1 billion SEK (about \$1.75 billion) was up 27.7%. ([Volvo](#))

General Motors (history)

- Reported financial results for 2017; a net loss due to sale of Opel / Vauxhall and tax changes were not included in GM's headline adjusted EBIT of \$12.8 billion. ([GM](#))
- GM Ventures invested in Yoshi, a callout car maintenance and refuelling service. ([FINSMES](#))

Hyundai / Kia

- Long-rumoured talks for Hyundai to join BMW's self-driving alliance are reportedly in the final stages. Memo: Hyundai recently announced a collaboration with Aurora on driverless cars. ([Handelsblatt](#))
- Announced a goal of 10,000 hydrogen filled vehicles sold by 2022. ([Yonhap](#))

Mazda

- Reported Q4 2017 financial results; revenue of 2.5 trillion yen was up 8.5% on a year earlier, operating income of 107 billion yen was 5.1% up. ([Mazda](#))

Nissan (includes Mitsubishi)

- Nissan reported financial results for Q4 2018, revenue of 2,943 billion yen was down (2.2)% on a year-over-year basis, profit of 163.5 billion yen was down (15.1)%. Nissan held its forecast FY revenue but reduced the profit outlook by (12.4)%. ([Nissan](#))
- Mitsubishi reported financial results for Q4 2017, revenue of 1.5 trillion yen was up 13.1% on a year-over-year basis. Operating profit of 64 billion yen was a marked improvement from a (23) billion yen loss in 2016 Q4. ([Mitsubishi](#))
- Announced a new investment plan for its Chinese JV. The aim is to increase volumes from 1.52 million in 2017 to 2.6 million by 2022. The DFL Triple On plan will see new models launched, including 20 electrified models (not all BEVs) -- by 2022 the JV expects these models to make up 30% of sales. ([Nissan](#))
- Published a research report that said 37% of ASEAN customers planning to buy a car are open to an EV. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Said that there are now 600,000 Free2Move customers -- the service covers 30 services in 10 countries. ([PSA](#))
- Acquired a controlling interest in Chinese spare parts distributor Jian Xin. ([PSA](#))
- Production in Poissy was disrupted by heavy snow. ([France Info](#))

Renault (history)

- One of the two top executives believed to be in contention to succeed CEO Carlos Ghosn resigned; it is now likely that the chief competitive officer will be named COO and become CEO in time. ([Reuters](#))
- Said it was holding back on bringing an EV portfolio to India until it knows the government's infrastructure plan. ([Economic Times of India](#))
- Production in Flins was disrupted by heavy snow. ([France Info](#))

Suzuki

- Reported Q4 2017 financial results, revenue and profits continued to grow strongly but the company maintained its full year guidance (now looking conservative), citing concerns over exchange rate volatility. ([Suzuki](#))

Tata (includes JLR)

- Tata Motors announced Q4 2018 financial results, revenue of 74,157 Rs Cr (about \$11.1 billion) was up 16.1% year-over-year, mostly thanks to growth from Tata branded vehicles. PBT ws 2,029 Rs Cr (about \$300 million). ([Tata](#))
- JLR reported Q4 2018 financial results (included in the Tata figures above). Revenue of £6.3 billion rose 4.3% year-over-year and the business reported profits of £192 million. ([JLR](#))
- Tata intends to double its dealer footprint in India to 1,500 sites by 2020 -- covering around 90% of the market (from 70% today). ([Economic Times of India](#))

Tesla (history)

- Reported financial results for full year 2017, losing almost \$(2) billion on automotive revenues of \$8.5 billion. Tesla said that Model S and X were now constrained by supply of the 18650 form factor cell that they use -- a new excuse and slightly odd given Tesla's past projections of 150,000+ deliveries for the two models combined. Production problems don't seem to be putting customers off though -- deposits shot up 24% to \$854 million, but that could all be reservations for Founders Series Roadster (worth \$250 million if they were all taken, which they aren't yet). ([Tesla](#))

- Said that it a high profile coast-to-coast autonomous vehicle demonstration is delayed because it is waiting to use coding that could be used in many locations rather; than “game it” with specialised software. ([TechCrunch](#))
- Elon Musk wouldn't give firm answers on current Model 3 status, preferring to lay a big portion of the blame on 3rd parties suppliers of manufacturing facilities. Keen Tesla watchers will remember that Tesla cut out some parts of the normal prototype build phase to save time, that wasn't mentioned as a potential cause. ([Seeking Alpha](#))
- The head of sales and service is leaving the company (to go to Lyft) and will not be replaced; his responsibilities will be absorbed by the CEO. ([Seeking Alpha](#))
- Elon Musk said annual production of 100,000 trucks is a “reasonable” target and reiterated that he believes camera, lidar and ultrasonic sensors will be a sufficient sensor set for autonomous driving. He was particularly critical of 400nm to 700nm lidar -- slightly odd because it is not the area of focus for many suppliers who are instead working between 900nm - 1500nm. ([Seeking Alpha](#))
 - Implication: Our analysis indicates that Mr Musk is missing the point -- radar is the only sensor set Tesla will be fitting with a range beyond 100m, simply for purposes of redundancy we think additional sensor types will be required, regardless of how intelligent the neural net Tesla develops becomes (and it needs to be very clever indeed to do object recognition from contemporary radar sensors).

Toyota (history)

- Reported Q4 2018 financial results, revenue and profits continued to grow strongly, in part due to a weakened yen. The company revised its financial forecasts up, whilst keeping sales outlook flat, as a result. ([Toyota](#))
- Toyota will make an investment in cab company JapanTaxi and the two will work together on development of mobility services. ([Toyota](#))

VW Group (history)

- German prosecutors investigating manipulation of diesel emissions carried out new raids on Audi. ([Handelsblatt](#))
- Porsche said it would invest €6 billion in electrified vehicles by 2022, an increase of €3 billion from the prior plan. €500 million of this will be for additional variants of the MissionE (2-3 new top hats by our maths); €700 million is to be spent on non-vehicle projects such as infrastructure. ([Porsche](#))
 - Implication: if Porsche needs to spend €6 billion / \$7.3 billion on electrification by 2022, maybe Ford (\$11 billion by 2022) needs to take a second look at its plans.
- Porsche and Audi executives said that the two firms would save around 30% investment by sharing an EV platform, in development for launch around 2025. ([Engadget](#))
- Scania and Chinese truckmaker Haylion agreed a collaboration to work on autonomous trucks. ([Scania](#))

Other

- **Subaru** reported Q4 2017 financial results; revenue of 2.6 trillion yen was up 5.6% year-over-year but operating income slipped slightly to 306 billion yen. ([Subaru](#))
- **Aston Martin's** CEO said the company will “never make more than 7,000 sports cars a year”; SUVs are incremental to this -- the company hopes for sales of between 5,000 - 7,000 per year from its forthcoming model. ([Automobile](#))
- **McLaren's** CEO said that all future models, starting with the Sports Series replacement in 2019, will only be offered with hybrid engines (except possibly for some trackday specials). ([Autocar](#))
- UK hydrogen powered vehicle start-up **RiverSimple** launched a new crowdfunding round; aiming to create a test fleet driven by members of the public. ([Riversimple](#))

News about other companies and trends ...

Economic / Political News

- There were 269,429 passenger car registrations in **Germany** during January, an 11.6% year-over-year increase. ([KBA](#))
- **UK** passenger car registrations for January of 163,315 fell (6.3)% on a year earlier. The biggest declines were seen in business purchases, which fell (1.8)%. ([SMMT](#))

Suppliers

- **Continental** and **Nvidia** agreed a partnership for self-driving car technology, intending to integrate Continental's sensor technology with Nvidia's chips. The partners hope to be able to offer a Level 3 product in 2021. ([Continental](#))
 - Implication: a near-term timeline for offering a level 3 system somewhat undermines the insistence of multiple companies around developing their own bespoke solution. The partnership also highlights the increasing complexity of relationships: Continental is one of the integration partners for BMW / Intel and Nvidia is the chosen component supplier for VW.

Dealers

- US vehicle auctions technology provider **KAR** acquired fleet management start-up **Stratim**, saying that the two firms shared many of the same customers. ([Auto Rental](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Didi** announced a deal with 12 carmakers -- including the **Renault-Nissan-Mitsubishi** alliance; **KIA** and a series of Chinese manufacturers -- to work on a future electric car sharing network. ([Deal Street Asia](#))
- **Europcar** said it would start offering integrated taxi rides to and from the rental location into leasing offers; using the Brunel ride hailing service it acquired last year. ([Auto Rental International](#))
- **Fair.com** -- the recent acquirers of **Uber's** leasing business -- completed a new round of fund raising. At the same time, Fair purchased **Skurt**, a fleet management company **BMW** had previously invested in. ([FINSMES](#))
- Business expense company **Certify** said that 68% of US travel spending on its systems in 2017 was on ride hailing services, against 7% for taxi rides. ([Auto Rental](#))
- **Communauto** subsidiary **Vrtucar** acquired longstanding Canadian operator **Community CarShare**. ([Auto Rental](#))
- **Zoomcar** said that its revenue had grown 40% on a year-over-year basis and that it was launching a bike sharing scheme called PEDL ([Auto Rental](#))

Driverless / Autonomy (history)

- **Byton** announced a partnership with **Aurora** to develop level 4 and 5 self-driving vehicles. ([Byton](#))
- **Uber** and **Waymo** settled their ongoing case over stolen IP after a few days in court. The \$245 million settlement will be paid in Uber stock at a \$72 billion valuation. Google emails released during the trial confirmed that the company had tried to agree a tie-up with **Ford** (long rumoured but previously denied by both companies). ([Futurism](#))
- **Continental** and **Nvidia** agreed a partnership for self-driving car technology, intending to integrate Continental's sensor technology with Nvidia's chips. The partners hope to be able to offer a Level 3 product in 2021. ([Continental](#))
- Autonomous truck company **Embark** said it had completed a 2,400 mile journey from California to Florida to test its systems (with safety drivers). There were numerous disengagements but the company was encouraged that often the intervals were several hours at a time (not unexpected from highway driving if the system is competent). ([Engadget](#))
- **Uber's** CEO said that because some routes are "tricky" for autonomous vehicles, Uber expects to see "a mix of human-driven vehicles along self-driving ones for years to come". The company also thinks that self-driving cars "must" be shared, rather than individually owned. ([Uber](#))
- **Scania** and Chinese truckmaker **Haylion** agreed a collaboration to work on autonomous trucks. ([Scania](#))
- Long-rumoured talks for **Hyundai** to join **BMW's** self-driving alliance are reportedly in the final stages. Memo: Hyundai recently announced a collaboration with **Aurora** on driverless cars. ([Handelsblatt](#))
- **Mercedes-Benz's** VP of strategy said putting self-driving systems in a vehicle with an internal combustion engine "doesn't make sense" because of the negative impact on fuel economy. ([Wired](#))

Electrification (history)

- Lithium-ion battery maker **Farasis Energy** raised almost \$800 million. ([Deal Street Asia](#))
- Chinese electric car designer **SKIO Matrix** has reportedly raised \$159 million in funding ([China Money Network](#))
- Solid state battery developer **Ionic materials** received \$65 million in investment from **Alliance Ventures (Renault-Nissan-Mitsubishi)** amongst others. ([Deal Street Asia](#))

- The **Ionity** charging network, backed by a group of OEMs, released a (not very detailed) map of its intended charging network in Europe. ([Electrek](#))
- Several European carmakers are reportedly seeing growing waiting lists for their all-electric products. ([Golem](#))
- **Porsche** and **Audi** executives said that the two firms would save around 30% investment by sharing an EV platform, in development for launch around 2025. ([Engadget](#))

Other

- **ComfortDelGro** expanded its footprint in the UK ([buying a bus company](#)) and China ([buying a taxi company](#))
- Passenger carrying drone start-up **Ehang** released footage of what it says are some of the hundreds of test flights it has conducted with human beings in the cockpit. ([The Verge](#))
- Bicycle sharing company **Spin** has added electric scooters to its line-up. Inner children can be released at speeds of up to 15mph. ([TechCrunch](#))