



AD PUNCTUM

Autos & Mobility Industry Briefing -- 16th July to 22nd July 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)

- Launched a new version of the ReachNow service in Seattle which offers both car rental and ride hailing. ([Wired](#))
- Showed off a new non-destructive structural analysis system using X Ray scanners mounted on robots. ([BMW](#))

FCA (history)

- Announced that CEO Marchionne was stepping down early for health reasons and will be replaced by head of the Jeep and Ram brands Mike Manley. ([FCA](#))
- FCA's EMEA head resigned after being passed over for the CEO role. ([CNBC](#))
- Production of the Punto model will end in August. ([FAZ](#))
- Has reportedly begun setting up the legal entities that will be used for the spin-off of Magneti Marelli. ([Reuters](#))
- Announced a €420 million four year, low interest loan from the European Investment Bank. ([FCA](#))

Ferrari

- Announced that CEO and Chairman Marchionne was stepping down early for health reasons and will be replaced as Chairman by John Elkann and CEO by Louis Camilleri. ([Ferrari](#))

Ford (history)

- Reached a settlement that gives Ford \$299 million from Takata as partial compensation for recall costs. ([Reuters](#))
- Launching a chatbot, from Botnik.ai, to answer questions from French customers on social networks. ([Journal Auto](#))
- Set a sales target of 2,800 all-electric Transit van sales in Europe for 2018. ([Automotive News](#))
- Confirmed that it was still intending to build 1,000 examples of the GT, despite production being behind schedule, indicating a production run of longer than the initially planned four years. ([Motor Authority](#))
- Announced two safety recalls for around 550,000 vehicles in the US. One corrects potential gearchange issues that could allow the vehicle to roll away. The second is a much smaller recall of heavy trucks. ([Ford](#))

Geely (includes Volvo) (history)

- Volvo reported Q2 2018 revenues of 66 billion SEK (about \$7.5 billion), up 27% on the same period a year ago. EBIT of 4.2 billion SEK (about \$470 million) was up 29% YoY. The company has reduced its R&D as a % of revenue to 4.1%. ([Volvo](#))
- Will export XC60 SUVs to the USA from Europe rather than China in a bid to avoid tariffs. ([Reuters](#))
- Geely-owned Terrafugia said it was on track to launch its first flying car in 2019. ([Terrafugia](#))
- The Polestar 2 SUV will have a UK price of between £30,000 - £50,000 and range of up to 350 miles. Volvo has taken 600 orders for the Polestar 1, the company previously set a 500 units per year production target. ([Autocar](#))
- Announced a series of asset purchases in China between affiliates. ([Gasgoo](#))

Honda (history)

- Honda and Panasonic are planning a trial involving battery swapping for motorcycles. There will be several sites with chargers where customers can drop off depleted battery packs and put in a fully charged one. ([Business Leader](#))

Hyundai / Kia (history)

- Launched a digital showroom on Amazon that will let buyers browse Hyundai products and then directs them to a dealer for a final purchase. ([Hyundai](#))
- Reached a wage agreement with South Korean unions. ([Reuters](#))
- Will develop a standalone halo model for the N sports sub-brand, but hasn't yet finalised the design. ([Auto Express](#))

Mazda

- Will resume full production at plants disrupted by flooding on Monday 23rd July. ([NHK](#))

PSA (includes Opel/Vauxhall) (history)

- Faurecia reported financial results for the first half 2018. Sales of €9.0 billion were up 10.9% versus a year earlier when excluding currency effects. Operating income of €647 million was up 11% YoY. The company saw growth in revenue across segments and regions. Faurecia increased its full year guidance. ([Faurecia](#))
- Developed a shortlist of 15 US states and four Canadian provinces for a base of operations supporting PSA's re-entry into the US market. ([Motor1](#))

Tata (includes JLR) (history)

- Tata Motors has reportedly restarted talks to sell a share in its engineering arm. ([Hindustan Times](#))

Tesla (history)

- CEO Musk and Tesla PR said reports that Model 3 net orders were falling were false. They probably need to pay more careful attention to their own statements. In the Q2 2017 earnings call, he said there were roughly 455,000 orders, the other week Tesla said there were roughly 420,000 outstanding orders, having delivered 28,386 cars. $455,000 - 420,000 - 28,386 = 6,614$ missing, or cancelled, orders. Perhaps Tesla choose to measure net orders by their own definition? ([Business Insider](#))
- Panasonic suspending its relationship with a supplier over cobalt supplies that may be in breach of sanctions against Cuba. Batteries containing the affected material have been installed in Teslas since the beginning of the year but it is unclear whether there is any legal issue. ([Reuters](#))

Toyota (history)

- Will close a plant in Shizuoka, Japan due to low production volumes -- around 50,000 units per year. All workers being transferred to other nearby plants. ([Mainichi](#))

VW Group (history)

- New CEO Diess is reportedly setting elevated internal profit objectives. Audi has been told to achieve a return on sales of 12% and Porsche needs to maintain a level of 15%, with Diess pushing back on complaints that the brand cannot contain the costs of electrification in its business plan. ([Manager Magazin](#))
- VW Group delivered 2,839,200 vehicles in Q2 2018, an increase of 6.7% over the same period in 2017. ([VW](#))
- Reducing production in Brazil for a month, affecting around 1,000 factory workers. ([Reuters](#))
- Executives said a fourth Lamborghini model was unlikely before 2024. ([Autocar](#))
- Will localise production of the ID Buzz and ID Crozz in the USA. ([Autocar](#))
- Škoda invested in app-based AI developer Anagog. Porsche already has a stake in the company. ([VW](#))

Other

- Several OEMs including **FCA**, **Ford**, **GM**, **Toyota**, **VW** and **Tesla** were exposed to a data breach after it emerged a sub supplier had stored sensitive manufacturing technology documents on an unprotected server. ([Detroit News](#))

- **Pininfarina** revealed some of the intended performance specifications for the forthcoming PFO electric supercar. The top speed is expected to be 250 mph and the car will accelerate from 0 - 60 in under two seconds. The range of 300 miles and charging time of around 15 minutes is like **Porsche's** claims about the Mission e / Taycan, although the top speed and acceleration suggest a significantly larger battery pack could be required. ([The Verge](#))
- **Mahindra** sold 140,101 vehicles in Q2 2018, a 20% increase on the prior year. ([Mahindra](#))
- **Aston Martin** showed off a virtual concept for a small flying vehicle dubbed the Volante Vision. ([Aston Martin](#))
 - Implication: Although at this stage, the concept doesn't appear sufficiently developed to take seriously, it merits further thought as to the type of combined mobility offerings brands might need to offer to ensure private ownership remains compelling in a world of autonomous vehicles. Then again, the super rich have never insisted on buying boats from the same place as their cars. Perhaps Aston Martin executives have simply spent a lot of time watching Elysium, the 2013 action romp starring Matt Damon and featuring a Bugatti rocket pod?

[News about other companies and trends ...](#)

[Economic / Political News](#)

- **Germany's** chancellor hopes the government will make a final decision on whether to require diesel retrofits by the end of September. ([Reuters](#))
- **US** automakers complained that the Trump administration had asked for an unnecessarily large amount of commercially sensitive data in its probe into automotive tariffs. ([Detroit Free Press](#))

[Suppliers](#)

- **Continental** said it would split into three groups: rubber; automotive and powertrain. The powertrain operations will then have an IPO in mid-2019 but Continental said it does not intend to "relinquish control of the Powertrain business in the medium or long term". Part of the logic appears to be to attract external investment in new technologies, such as batteries. ([Continental](#))
- **Asahi Kasei** has agreed a takeover of interiors maker **Sage Automotive** for \$700 million. ([Asahi Kasei](#))
- Engineering services company **Segula** acquired plastics specialist **Activetech**. ([Segula](#))
- **UNO Minda** will acquire German automotive software supplier **iSYS RTS**. ([Autocar](#))
- **Faurecia** reported financial results for the first half 2018. Sales of €9.0 billion were up 10.9% versus a year earlier when excluding currency effects. Operating income of €647 million was up 11% YoY. The company saw growth in revenue across segments and regions. Faurecia increased its full year guidance. ([Faurecia](#))

[Dealers](#)

- US dealer group **Sonic Automotive** said Q2 results had been negatively affected by OEMs reducing the incentives they were offering dealers. ([Sonic](#))
- US short term leasing company **Mobiliti** acquired start-up rival **Condor**. ([Mobiliti](#))

[Ride-Hailing, Car Sharing & Rental](#) (history)

- **Didi** saw the owner of **booking.com** take a \$500 million stake. ([Fortune](#))
- **Didi** is reportedly looking to spin off its car services unit that provides cars, servicing and fuel, and raise around \$1.5 billion in the process. ([Economic Times of India](#))
- French car sharing operator **Totem** says that it can break even with monthly revenue of €450 per vehicle and believes this will help it expand through offering franchises. ([Journal Auto](#))
- **HyreCar** and **DriveItAway**, two companies that provide access to vehicles for ride sharing drivers said they were forming a strategic partnership. ([HyreCar](#))
- **Link Motion** sold a 58% stake in itself to a Chinese investment vehicle. ([Link Motion](#))
- **Lyft** executives said the reported \$250 million purchase price for bicycle rental firm **Motivate** was inaccurate, without providing further information. ([Fortune](#))
- **Uber** researchers said that after launching services that integrated the recently acquired Jump e-scooter rental offering, overall trip bookings increased but ride hailing's share fell, in preference to scooter rental. ([Uber](#))

- **Uber** lost the closest thing it had to a CFO when the finance leader left for another start-up. ([Fortune](#))
- **BMW** launched a new version of ReachNow in Seattle which offers both car rental and ride hailing. ([Wired](#))

Driverless / Autonomy (history)

- **ZF** executives said they expect take-up of private autonomous vehicles to lag commercial vehicles due to cost and reliability concerns. ([Journal Auto](#))
- **Waymo** has now reached 8 million miles driven on public roads in autonomous mode. ([The Verge](#))
- **Rinspeed** is putting a product based on the Snap Motion, an autonomous vehicle built on a flexible skateboard-type chassis into limited production for proof of concept applications. ([Rinspeed](#))
- **Zoox** is reportedly raising \$500 million in a round that will value the company at \$3.2 billion. ([TechCrunch](#))
- Self-driving truck start-up **Embark** raised \$30 million. ([Fortune](#))
- **Apple's** testing program has grown, with 66 self-driving cars registered for testing in California. ([9to5Mac](#))
- **Coast Automotive** unveiled its P-1 autonomous minibus. ([Venturebeat](#))
- The deputy head of US highways regulator **NHTSA** said it was too early to put rules in place for driverless vehicles but that the agency is continually trying to assess when it would be “appropriate” to do so. ([Automotive News](#))

Electrification (history)

- A recent article said there are 487 prospective electric vehicle makers in China. ([WSJ](#))
- **Panasonic** suspending its relationship with a supplier over cobalt supplies that may be in breach of sanctions against Cuba. Batteries containing the affected material have been installed in **Teslas** since the beginning of the year but it is unclear whether there is any legal issue. ([Reuters](#))
- **Honda** and **Panasonic** are planning a trial involving battery swapping for motorcycles. There will be several sites with chargers where customers can drop off depleted battery packs and put in a fully charged one. ([Business Leader](#))

Other

- **Geely-owned Terrafugia** said it was on track to launch its first flying car in 2019. ([Terrafugia](#))
- **Light**, a maker of sophisticated camera sensors, said it had raised \$121 million in a round led by **SoftBank** and that it was looking at automotive applications for the technology. ([Light](#))
- On-demand car care company **Spiffy** raised \$9 million. ([Spiffy](#))
- **Bird** said it will start a discounted scheme for customers who receive federal assistance. ([Bird](#))