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Autos & Mobility Industry Briefing -- 3rd February to 9th February 2020

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)

- Expanding in-house production of electric motors and battery modules thanks to rising demand for plug-in hybrids. Staff numbers will more than triple and floor space will increase tenfold. ([BMW](#))

Daimler (history)

- Rumoured to be about to announce 15,000 job losses. ([Handelsblatt](#))
- Stopping production of the X-Class in May. ([Autocar](#))

FCA (history)

- Reported full year net revenue of €108 billion, down (2)% on a year-over-year basis. Adjusted EBIT of €6.7 billion was about in line. FCA expects things to improve slightly in 2020. ([FCA](#))
- Reckons that European production could be affected by coronavirus within two to four weeks. ([Reuters](#))
- Settled a tax dispute with Italian authorities over Chrysler's value. FCA agreed to a higher taxable gain, but the availability of losses carried forward and offsets mean there is no net impact. ([Reuters](#))

Ferrari

- Reported full year shipments of 10,131 cars, up 9.5% on 2018. Revenue of €3.8 billion rose 10.1% and EBIT of €917 million rose 11%. Ferrari upgraded the outlook for 2020. ([Ferrari](#))

Ford (history)

- Reported Q4 and full year financial results. In Q4 2019 revenue of \$39.7 billion fell (5)% versus prior year whilst adjusted EBIT of \$0.5 billion fell two thirds. Full year revenue of \$155.9 billion was (3)% worse year-over-year and adjusted EBIT dropped (9)%. Q4 saw a net loss of \$(1.7) billion and only just above breakeven in the full year. Ford blamed launch delays on Explorer and big bonuses to UAW workers. ([Ford](#))
- Promoted Jim Farley (hitherto Ford's joint number two) to chief operating officer and announced the "retirement" of 53-year-old Joe Hinrichs (his slightly more powerful counterpart). Ford also beefed up the already expansive role of its product supremo (53, but not yet ready to retire). ([Ford](#))
 - Significance: In the last two decades, Ford has only had a chief operating officer position twice: under Bill Ford when de facto CEOs couldn't be given the title because he had claimed it for himself and; Mark Fields was COO whilst being groomed to take over from Alan Mulally. In this context, Farley appears to be a shoe-in for the top job when Hackett goes.
- A puff piece on Farley, timed to coincide with the announcement of his promotion, was long on promises of unspecified action and short on gushing quotes from underlings. It also debuted a new phraseology for improving

profits: “bending the curve” of financial performance. Hopefully it won’t catch on. ([Detroit Free Press](#)) A cryptic [post on LinkedIn](#) by a former Ford marketing executive hinted at what some insiders think.

Geely (includes Volvo) (history)

- Volvo had full year 2019 revenue of 274.1 billion SEK (about \$28 billion) and operating profit of 14.3 billion SEK (about \$1.5 billion). ([Volvo](#))
- Announced a project to merge Geely and Volvo with a view to a joint listing and the creation of a group that “could realise synergies”. ([Geely](#))

General Motors (history)

- Reported Q4 2019 and full year financial results. Q4 revenue of \$30.8 billion fell (20)% on a year-over-year basis, entirely due to North America (and the UAW strike). Adjusted EBIT of \$105 million was (96)% worse. Full year revenue of \$137 billion was (7)% down whilst adjusted EBIT of \$8.4 billion dropped (29)%. ([GM](#))
- Took the wraps off the next generation Cadillac Escalade large SUV. ([GM](#))
- Reportedly blames an initiative to only offer downsized three cylinder engines on some models for a slump in Chinese sales and plans to reverse course. ([Reuters](#))
- Despite recently disparaging the measure of miles between reportable disengagements, GM used it in an investor presentation to show how much Cruise had improved. ([GM - CMD presentation p108](#))

Honda (history)

- Reported financial results for Q4 2019 (fiscal Q3). Revenue of 3.75 trillion JPY (about \$34 billion) fell (5.7)% from a year earlier. Operating profit of 167 billion JPY (about \$1.5 billion) fell (2.1)%. ([Honda](#))

Hyundai / Kia (history)

- Kia is rumoured to be considering moving its recently opened Indian factory to another part of the country in response to state-level changes to employment laws and incentives. ([India Today](#))
- Kia unveiled the Sonet, a compact SUV due to start sales later in 2020. ([Kia](#))
- Says that almost half of its operations (by revenue) will be impacted by coronavirus-related stoppages. ([Hyundai](#))

Mazda

- Reported Q4 2019 (fiscal Q3) revenue of 849.7 billion JPY (about \$7.7 billion), down (5)% versus prior year. Operating profit of 6.5 billion JPY (about \$60 million) fell (76)%. ([Mazda](#))

Nissan and Mitsubishi (history)

- Moving to quarterly sales reporting in the US, following the lead of GM, Ford and FCA. ([Nissan](#))
- A UK consortium headed by Nissan completed a 230 mile “self-navigated” trip on public roads. ([Nissan](#))

PSA (history)

- The DS brand will be a net positive for PSA’s European fleet average CO₂. ([Automotive News](#))

Renault (history)

- Unveiled the next generation Mégane, which includes a plug-in hybrid. ([Renault](#))
- Renault Samsung was forced to take down days because of coronavirus-related parts shortages. ([Reuters](#))

Subaru

- Reported Q4 2019 (fiscal Q3) revenue of 2.485 trillion yen (about \$22.6 billion) rose 4% versus prior year but operating profit of 153 billion JPY (about \$1.4 billion) fell (2)%. ([Subaru](#))

Suzuki

- Reported Q4 2019 (fiscal Q3) revenue of 871 billion JPY (about \$7.9 billion), down by (4.3)% on a year-over-year basis. Operating income of 52 billion JPY (about \$470 million) dropped (11)%. ([Suzuki](#))
- Building a battery recycling facility in India. ([Autocar](#))
- Taking steps to resource components currently made by suppliers in China for Maruti Suzuki. ([Reuters](#))
- Maruti Suzuki is focused more on the improvement of internal combustion engines than electric vehicles because internal forecasts are that even by 2030, only 8% of the local industry will be electric cars. ([Bloomberg](#))
 - Significance: Whilst it is dangerous to read too much into such comments, it is worth noting that a considerable portion of contemporary fuel economy savings are coming from electrification (i.e. anything from 48V to plug-in hybrids). Therefore there is a path where electric vehicle-led improvements can benefit those with internal combustion engines.

Tata (includes JLR) (history)

- Tata unveiled an array of new products at the Indian Auto Expo, including the Sierra Concept, an all-electric SUV and the production version of the Gravitas. ([Tata](#))
- JLR will reportedly take several down days at Solihull and Castle Bromwich before the end of March. ([Reuters](#))

Tesla (history)

- Filed patents that indicate the firm is seriously considering steering wheels that contain touchscreens in future vehicle generations. ([Electrek](#))
- Received negative publicity after it downgraded the capabilities of a car Tesla had offloaded to a dealer, who then re-sold it to an end customer. Although the car had driver assistance features enabled at the time of delivery, Tesla subsequently decided this was an error and removed them, demanding \$8,000 for reinstatement. ([Business Insider](#))
 - Significance: Currently an isolated case, and hopefully it stays that way otherwise Tesla could find itself developing a reputation for tin-eared customer service.
- Elon Musk implied that Autopilot would create maps of features including potholes to help subsequent vehicles avoid them. If true, this further blurs Musk's criticism of rivals in the self-driving race for relying on maps, when Tesla would be doing much the same (the subtlety may lie in the degree to which the maps decide, rather than merely influence, the vehicle's route). ([Electrek](#))

Toyota (history)

- Reported financial results for Q4 2019 (fiscal Q3). Revenue of 7.5 trillion JPY (about \$68.7 billion) fell (3.3)% on a year-over-year basis and operating income of 654 billion JPY (about \$6 billion) was also down slightly. Net income was way up, aided by gains on equities. ([Toyota](#))
- In 2019, half of Toyota's sales in Europe were hybrids (p4 of the competitiveness presentation). ([Toyota](#))
- Data collected from 10 million vehicles fitted with Toyota's safety system comprising emergency braking, lane departure alert and automatic high beam, says that rear end collisions can be reduced by 70% - 90%. ([Toyota](#))
 - Significance: Although not a complete surprise, Toyota's figures will put pressure on self-driving vehicle developers who currently assume that anything better than today's average accident level is a threshold of safe driving at which autonomy has a business case. In short - if the new standard is a near tenfold reduction from figures they have been assuming, they need to aim higher.
- Working on an all-electric compact car powered by a battery pack that is designed for a second life -- in this case, electricity storage in the home as part of a system built by 3rd parties such as Panasonic. ([Nikkei](#))
- Has now acquired enough shares for 20% voting rights in Subaru. ([Subaru](#))

VW Group (history)

- Škoda won't launch a next-generation city car unless it can offer an affordable price. The company is convinced that the only way forward is fully electric, which will drive costs upward from the current model. ([Autocar](#)) The brand hopes to introduce more compact models in India, with an SUV and hatchback, both under 4 metres in length, under discussion. ([Autocar](#))

- Porsche invested in business back office payments start-up Nitrobox. ([Porsche](#))
- VW is dropping diesel from its small car line-up in India, saying that the next stage of emissions regulations will demand an expensive SCR system, so it is getting out whilst the going is relatively good. ([Autocar](#))

Other

- **Aston Martin's** CEO blamed a market slump for the firm's cash shortages (which he hopes a recent investment have now laid to rest) saying the costs of the DBX SUV were "fixed in a bullish market that turned to crap", indicating that the decision to build a new factory for the car might not be repeated if taken today. He feels comfortable with delaying an all-electric car until 2025, believing that no competitor except Porsche will have a car until then. ([Autocar](#))
- **Lucid** says the production model of the Air will have a 900V system. ([Electrek](#))
- After missing earlier targets, **Ariel** will reportedly unveil the Hipercar in summer 2020. ([Autoblog](#))
- **Ssangyong** released full year 2019 results. Total vehicle sales were 135,235 units, down (6)% on a year-over-year basis. Revenue of 3.6 trillion KRW (about \$3.1 billion) fell (2.2)% YoY and operating loss of (281) billion KRW (about \$(240) million) more than quadrupled. ([Ssangyong](#))
- **Mahindra** (Ssangyong's owner) reported Q4 2019 (fiscal Q3) revenue of 121 billion INR (about \$1.7 billion) down (6)% versus prior year. PBT of 3.8 billion INR (about \$53 million) fell (34)%. ([Mahindra](#))
- **Nio** will raise \$100 million in debt. ([Nio](#))

News about other companies and trends ...

Economic / Political News

- The **UK** government announced a plan to cease sales of all combustion engine powered new cars (including standalone hybrids but not the plug in-kind) from 2035 onwards. This is not a law, or a draft law and replaces an earlier target, also not a law, to ban internal combustion engines by 2040. ([BBC](#)) Manufacturers accused the government of "moving the goalposts" -- as if their 2035 product plans were already fixed. ([SMMT](#))
- **European** passenger car sales by fuel type for Q4 2019 were released. Overall, sales of battery and hybrid vehicles rose strongly on a year-over-year basis, with some exceptions. Norway, normally quoted as a poster child for electric vehicle take-up, saw battery electric vehicle sales fall (26)% versus Q4 2018. Although the market was down overall, mix still fell from 40% of sales in Q4 2018 to 34% in Q4 2019 -- still high though. ([ACEA](#))
- **US** light vehicle SAAR in January of 16.84 million units improved 1.4% from a year ago. ([Wards](#))
- **German** passenger car registrations of 246,300 units in January were (7.3)% lower than 2019. ([KBA](#))
- Passenger car sales in the **UK** during January of 149,279 units fell (7)% from a year earlier. PHEV and BEV share of total sales leapt from 2.2% in January 2019 to 5.9% last month. ([SMMT](#))
- Sales of passenger cars in **France** during January fell (13.4)% on a year-over-year basis to 134,230 units. ([CCFA](#))
- January passenger car sales in **Italy** of 155,528 units fell (6)% from prior year. ([UNRAE](#))
- **Spanish** passenger car sales in January of 86,443 units dropped (7.6)% versus the same month last year. ([ANFAC](#))

Suppliers

- **TomTom** reported full year 2019 revenue of €701 million, up 2% year-over-year. ([TomTom](#)) The firm celebrated an extension to its supply deal with **PSA**. ([TomTom](#))
- **Veoneer** reported full year sales of \$1.9 billion and an operating loss of \$(460) million. ([Veoneer](#))
- **Grammer Group** reported full year 2019 revenue of €2 billion and operating EBIT of €77 million. ([Grammer](#))
- **Anand Group** reckons that composites are ready for use in low-cost vehicles in India and has enlisted the help of UK firm Far to help prove it. ([Autocar](#))
- **Nidec** announced a stock split. ([Nidec](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** reported full year revenue of \$14.1 billion on \$65 billion of gross bookings. The net loss was \$(8.5) billion. The firm says it recognises that the "era of growth at all costs is now over". ([Uber](#))

- **Fair** is stopping its program of leasing to ride hailing drivers (which the company acquired from **Uber**), blaming insurance costs. ([TechCrunch](#))
- Child-focused ride hailing service **HopSkipDrive** raised \$22 million. ([TechCrunch](#))
- Enterprising car thieves in Washington, DC, are using peer-to-peer app **Getaround** to identify suitable targets because they know the vehicle will contain keys. ([Auto Rental News](#))
- Ride hailing has become so important to **Indonesia's** economy that prices from **Gojek** and **Grab** are now included in the basket used to calculate inflation. ([Tech In Asia](#))
- **Didi** and **ThunderSoft** are collaborating to produce a whitelabel fleet management system that they hope to sell to third parties. ([ThunderSoft](#))
- **Uber** invested in logistics start-up **ClearMetal**. ([FINSMES](#))
- **ViaVan's** Berlin service, named BerlKönig, is reportedly in financial trouble with the operator and Berlin's public transport provider arguing over who should fund it in future. ([Autonomes Fahren](#))

Driverless / Autonomy (history)

- US authorities gave **Nuro** permission to test self-driving vehicles on the road. The approval contained a series of obvious, but previously unauthorised design changes from normal vehicles: there are no external mirrors (cameras are used instead); the windscreen is opaque and; the rear camera is on all the time (forbidden in passenger vehicles where it could prove distracting). ([Nuro](#))
- **Lyft's** team discussed the trade-offs between developing self-driving cars that can quickly learn how to drive well in a specific location versus creating AI that can drive in many places ("generalizing" in Lyft's terminology). ([Lyft](#))
- Data collected from 10 million vehicles fitted with **Toyota's** safety system comprising emergency braking, lane departure alert and automatic high beam, says that rear end collisions can be reduced by 70% - 90%. ([Toyota](#))
- Despite recently disparaging the measure of miles between reportable disengagements, **GM** used it in an investor presentation to show how much Cruise had improved. ([GM - CMD presentation p108](#))

Electrification (history)

- A survey by Deloitte reckons one in ten UK customers want their **next car to be electric**. ([Motor Trader](#))
- Battery developer **Forever New Energy** raised \$20 million. ([Deal Street Asia](#))
- **Lucid** says the production model of the Air will have a 900V system. ([Electrek](#))

Connectivity

- A beta release of **Apple's** updated iPhone operating system suggested that the company is working on a keyless entry app that could be used across brands. ([The Verge](#))

Other

- **Boeing-backed** flying taxi start-up **Wisk** is going to conduct trials in New Zealand. ([The Verge](#))