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Autos & Mobility Industry Briefing -- 24th February to 1st March 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

Daimler (history)

- Electric bus maker Proterra is teaming up with Daimler's Freightliner unit to develop an electric truck. ([Proterra](#))

Ford (history)

- Argo AI's CEO confirmed that Ford's initial plans for self-driving cars still exclude all-electric vehicles (Ford has earlier talked about plug-in hybrids). He had two reasons for pursuing the course, even as rivals choose all-electric vehicles, or at least hedge their bets: that electric vehicles cost more so profitability is harder and; that fast charging the battery to keep the vehicle in use would reduce its life expectancy too much. ([The Verge](#))
- Recalling about 250,000 F-150 trucks to fix problems with auxiliary heaters and headlamps. ([Ford](#))
- Ford's Spin electric scooter rental subsidiary is starting operations in Europe with plans to launch in Germany and France (it would like to be in the UK too if the law changes). ([Ford](#))
- Aston Martin will produce its own V12 engines from 2021 onwards, creating a (small) surplus labour problem at Ford's Cologne factory. ([AML](#))

Geely (includes Volvo) (history)

- Polestar unveiled the Precept concept car, it what looks like a preview of a Model 3 fighter. ([Polestar](#))
- Volvo reportedly told dealers about two new products: a sleek coupe-ish SUV (dubbed the C40) and a massive SUV given the working title of XC100 (although the sequence XC40, XC60, XC90, XC100 feels odd). ([Automotive News](#))

General Motors (history)

- Adding shifts at two Michigan, USA plants to meet increased demand for SUVs and Cadillac cars. ([GM](#))
- VinFast implied an interest in the design and testing facilities GM will vacate when it closes Holden's operations in Australia. ([Motoring](#))
- Sold the Turin powertrain engineering centre to Punch Group. ([GM](#))

Hyundai / Kia (history)

- Recalling 193,000 cars in the USA to fix leaking fuel hoses, ([Detroit News](#))
- Suspended production in Ulsan, South Korea (Hyundai's main plant) because a worker tested positive for Coronavirus. ([Nasdaq](#))
- In the process of deciding where to locate a fuel cell plant capable of supporting 100,000 vehicles per year. ([Reuters](#))

PSA (history)

- Reported 2019 full year revenue of €74.7 billion, up 1% on a year-over-year basis. Automotive revenue of €58.9 billion improved 0.7% YoY. Operating income of €4.7 billion rose 6% YoY. Automotive adjusted operating income

was €5.0 billion with PSA claiming an 8.5% margin. The year over year performance was more than explained by positive mix and cost reductions. PSA says its European breakeven point (a somewhat fuzzy measure since pricing often deteriorates with industry weakness) is now 1.8 million units, 2019 European sales were 3 million units. ([PSA](#))

- CEO Tavares is contemplating an all-electric platform, but thinks it won't be worthwhile until 2024. ([Seeking Alpha](#))
- Citroën unveiled the AMI all-electric city car. Seemingly sprung of a desire to merge the philosophies behind the Smart ForTwo, Bolloré Blucar and Renault Twizy, the AMI is a two-seat quadricycle (which means that in France 14 year-olds can drive it) with a low price -- €6,000 -- and citybound range (70km). ([PSA](#))
 - Significance: Citroën has taken a brave approach to marrying the two seemingly incompatible needs of future city cars: to be small and cheap whilst accommodating an (assumed to be expensive) electric drive system. Citroën's answer had been to create a decidedly no-frills, performance compromised (outside the city) car, but counterbalance that with great inner city practicality and expand the potential customer base by making it as a quadricycle. Where the windowless Twizy (I know you could get ill-fitting fixed panels) was perhaps too revolutionary, this might be the right mix.

Renault (history)

- Renault's wholly owned European dealer group is slightly downsizing, offloading ten sites. ([Renault](#))
- Stressed that a recovery plan (with headline targets if €2 billion in structural cost savings) was still under development and firm decisions wouldn't be taken until just before the plan is announced in May. ([Renault](#))

Subaru

- Spending \$158 million to add a transmission and spare parts warehouse at the Lafayette, USA, plant. ([AP](#))

Tata (includes JLR) (history)

- Supplier AAM said the all-electric I-Pace was selling only half of Jaguar's initial forecasts. ([Bloomberg](#))
- Looking to sell off wholly owned Indian dealer group Concorde Motors. ([Livemint](#))

Tesla (history)

- US regulators complained that Tesla had been less cooperative than rival carmakers in implementing their recommendations to risk the risk of drivers becoming overly reliant on driver assistance features. ([CNBC](#))
- Panasonic is pulling out of Tesla's solar panel factory but says it has no impact on the partnership to build batteries for cars. ([Reuters](#))

Toyota (history)

- Investing \$400 million in Chinese self-driving developer Pony.ai. ([Pony.ai](#))
- Rebranded the recently acquired fleet leasing arm of Inchcape as Kinto. ([Toyota](#))
- Toyota Tsusho invested in emerging market multimodal developer WhereIsMyTransport. ([EU Startups](#))

VW Group (history)

- Reported full year 2019 group revenue of €252.6 billion, up 7.1% on a year-over-year basis. Earnings before tax of €18.4 billion rose 17.3%. VW will release detailed financial results in mid-March. ([VW](#))
- Will buy out Audi's minority shareholders (0.36% of the Audi's shares), after this is completed, Audi's legal entity status won't change and it will remain as a stock corporation at the behest of unions who feel it is protection against the brand's independence being eroded. ([VW](#))
- Truck making unit Traton will buy up the remaining 5.64% of MAN's stock that it doesn't own. ([VW](#))
- Porsche has been testing low speed camera-based autonomous driving to move vehicles around workshop areas. Longtime observers of ponderous self-parking technologies and laidback garage mechanics will wonder whether there is any real world benefit to be achieved. Slightly more interesting is Porsche's belief that it could be a rich source of training data for on the road driverless applications. ([Porsche](#))
- Škoda is very pleased with the initial results from its BeRider electric scooter rental scheme and is expanding the fleet to 700 units, to be scattered across Prague, Czech Republic. ([Škoda](#))

- Audi is working on a way for shopfloor personnel to create special 3D-printed tools without having to create CAD models manually, saving time and reducing the skill level required to implement new ideas. Detail on how this is accomplished is thin on the ground and photos show staff carefully examining... CAD models. ([Audi](#))
- VW has 60 different types of authority to approve funds, with 25 levels of secondary signature. To make things easier it has created a website to guide users, but might want to work on the bureaucracy itself. It seems managers are not even trusted to approve their own travelcards (they can do so for others, but not themselves). Since this example is selected by VW, more ludicrous ones almost certainly abound. ([VW](#) page 2)
- Although VW is impressed by the high finishing standards of modern 3D printing, the company doesn't see the technology as cost effective for mass production yet -- with cylinder blocks taking 12 days to print -- but has plenty of potential for prototype and small series runs. ([VW](#) Page 4)
- An employee at VW's ItalDesign subsidiary contracted coronavirus, shutting operations there for three days (although diligent staff worked from home). ([VW](#))
- CEO Diess is looking to shake things up by hiring a climate change activist to speak truth to power and "aggressively" challenge the company's plans for improving its environmental impact. ([FT](#))
- Reached an agreement with German consumers that will see VW pay €830 million in compensation for losses suffered as a result of the diesel scandal. ([VW](#))
- Porsche unveiled the next step in personalisation. A customer's fingerprint can be painted onto the bonnet (would-be identity thieves will sadly have to stick to applying blusher to the door handles as the image appears to cover too small a surface area to unlock a smartphone). The cost? A cool €7,500. Porsche haven't said how the next owner can get rid of it. ([Porsche](#))
 - Significance: Although having your fingerprint on the front of your car seems gauche, the application of specially painted personalisation is notable, albeit at a price point few will probably find bearable.

Other

- **Aston Martin** reported full year 2019 results. Sales of 5,862 cars, down (9)% year-over-year, resulted in revenues of £997 million, also down (9)%. A profit warning had presaged the operating loss of £(37) million, down from £73 million in 2018. The CFO will step down in April. Aston Martin's outgoing Chairwoman said the company had suffered from an "unexpectedly large downside risk of underperformance". The company expects 2020 to be tough, with the new DBX coming at the same time as a reduction in sportscar sales, but wouldn't be drawn on roughly how many cars it hopes to sell. ([AML](#))
- **Aston Martin** will produce V12 engines in the UK from 2021, relocating production from Ford's Cologne site. It wasn't clear where the factory will be and whether Aston Martin is planning to machine the main components, or buy them in. ([AML](#))
- **Nio** received a boost by agreeing a deal with the local government in Hefei, China that will see Nio relocate its headquarters there in exchange for funding (said to be almost \$1.5 billion). ([Nio](#))
- **Lucid** will use battery cells sourced from **LG Chem**. ([Lucid](#))
- Polish consortium **ElectroMobility Poland** plans on having two vehicles in production by 2023. ([BBJ](#))
- **Deutsche Post** announced that it was shutting electric van maker **StreetScooter** and was no longer looking for a buyer. Although the brand is relatively young, the shutdown is ultimately expected to cost €300 million to €400 million - some of which may be vehicles in inventory. ([Handelsblatt](#))
 - Significance: The closure of StreetScooter raises a number of difficult questions for emerging electric vehicle makers: how big does an anchor customer need to be to ensure viability (since Deutsche Post ordered thousands of vans)? Is the delivery vehicle market less lucrative than many think? If the IP of a company with several years of production experience was considered worthless, what is the value of their assets?

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

Economic / Political News

- The **Geneva** show was cancelled as the Swiss government banned events with more than 1,000 people. Many manufacturers announced plans to use online reveals of new products instead. ([The Guardian](#))

Suppliers

- Plastics supplier **OK Play** is selling its automotive business to **Lumax**. ([Autocar](#))
- **Gestamp** reported 2019 revenue of €9.1 billion and EBIT of €504 million. ([Gestamp](#))
- **Grammer** agreed a series of new loans to expand its credit line and fund the final payment for the acquisition of TMD (which took place in 2018). ([Grammer](#))
- **CATL** is hoping to raise \$2.85 billion for new battery factories. ([Reuters](#))
- **Kongsberg** reported full year 2019 revenue of €1.16 billion and PBT of €43.5 million. ([Kongsberg](#))
- **Bosch** invested in internet of things software developer **FogHorn**. ([FINSMES](#))
- **Magna** held an investor day. Despite a weak outlook for industry growth in North America and Europe (Magna thinks Europe will be slightly higher by 2022), Magna expects all business units except completed vehicles to see revenue and EBIT margin improvements. ([Magna](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** is reportedly planning to pay drivers who put an advertising screen on top of their car a \$300 one-off fee, plus \$100 per week (if they are on the road for 20 hours or more). The firm plans to offer advertisers intelligent swarms of screens which can show the same messages as nearby fixed display boards. ([Business Insider](#))
- Chinese ride hailing company **Shouqi Limousine** is trying to reassure coronavirus-obsessed customers by installing ultraviolet air purifiers in its cars. ([Shouqi](#))
- **Grab** and **Gojek** denied that they were in merger talks but journalists, urged on by their sources, remain convinced that something is afoot. ([TechCrunch](#))

Driverless / Autonomy (history)

- **Zoox** promises to show everyone “what we’ve been up to” this year, less clear is whether this will be before or after a hoped-for mega fundraising round. ([Axios](#))
- US regulators suspended all passenger services using **EasyMile** vehicles after a passenger was hurt during an emergency stop. ([Reuters](#))
- **Bosch** invested in **UISEE**, a Chinese developer of autonomous off-highway products. ([Bosch](#))
- A research team is experimenting with **ground penetrating radar** to help drive in poor conditions. The unit is presently far too expensive and large for production vehicles and it is unclear what benefit it offers if a vehicle is already equipped with frequently updated maps because the sensor’s primary purpose seems to be detection of the road surface, rather than creating any useful semantic understanding of driving conditions (partly because the sensor is located so close to the vehicle). ([ZDNet](#))
- **Idriverplus**, a developer of self-driving vehicles ranging from street sweepers to cars said it will use Velodyne lidar sensors. ([Velodyne](#))
- **California** released self-driving statistics for 2019, this time in a database file, rather than electronic copies of the detailed reports. ([CA DMV](#))
- **Toyota** is investing \$400 million in Chinese self-driving developer **Pony.ai**. ([Pony.ai](#))
- Argo AI’s CEO confirmed that **Ford’s** initial plans for self-driving cars still exclude all-electric vehicles (Ford has earlier talked about plug-in hybrids). He had two reasons for pursuing the course, even as rivals choose all-electric vehicles, or at least hedge their bets: that electric vehicles cost more so profitability is harder and; that fast charging the battery to keep the vehicle in use would reduce its life expectancy too much. ([The Verge](#))
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Electrification (history)

- **Magna** says that next generation electric drives, transmissions and ancillaries could boost electric vehicle range by up to 120km over today’s models. ([Magna](#))

Connectivity

- Driverless car developer **Oxbotica** and communications infrastructure provider **Cisco** are undertaking a pilot project to explore the practicalities of using a network of wifi hotspots for data exchange between vehicles instead of relying on onboard modems. ([The Engineer](#))

Other

- Electric moped rental start-up **CityScoot** is raising €24 million. ([TechCrunch](#))
- Electric scooter rental firm **Vogo** raised an additional \$19 million. ([Deal Street Asia](#))
- Flush with new cash, **Tier** has acquired the physical assets of shuttered moped rental firm **Coup**. ([TechCrunch](#))
- Mobile servicing service **RepairSmith** acquired rival **CarDash**. ([Tech Startups](#))