



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 30<sup>th</sup> March to 5<sup>th</sup> April 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)

- Believes that in eight to ten years recycled batteries will become a significant source of raw materials and says that solid state batteries won't be any good for passenger cars, even by the late 2020s, although it does see the technology as suitable for commercial vehicles. ([Daimler](#))
- Negotiated an additional €12 billion credit line. ([Reuters](#))

#### **FCA** (history)

- US sales of 44+,768 units in Q1 2020 fell (10)% from a year earlier. ([FCA](#))

#### **Ferrari**

- Stopped share repurchases to conserve cash. ([Ferrari](#))

#### **Ford** (history)

- Reported Q1 2020 US sales of 516,330 units, (12.5)% down on prior year. ([Ford](#))
- Called for a stimulus to boost demand once coronavirus recedes and thinks that the shutdown has permanently accelerated a move towards online sales, at least in the USA. ([Reuters](#))
- Invested in autonomous driving software provider Phantom AI. ([FINSMES](#))

#### **Geely (includes Volvo)** (history)

- Geely reported 2019 full year financial results (excluding Volvo). Revenue of 97.4 billion RMB (about \$13.7 billion), down (9)% versus prior year. Net profit of 8.3 billion RMB (about \$1.2 billion) fell (35)%, blamed on intense competition in China. ([Geely](#))
- Volvo sold 131,889 cars in Q1 2020, a drop of (31.2)% from prior year. ([Volvo](#))
- Volvo and Veoneer agreed to dissolve the Zenuity driver assistance technology joint venture. Volvo will take on the bits that developed self-driving and Veoneer will get the simpler, but closer to production, L1 - L3 driver assistance technologies. ([Veoneer](#))

#### **General Motors** (history)

- Honda will engineer two new vehicles using GM's electric vehicle platform, and GM will build the finished products in North America under a deal that strengthens an existing agreement to share battery technology. ([Honda](#))
- Sold 618,335 vehicles in the USA during Q1 2020, down (7)% on a year earlier. ([GM](#))
- Sold 461,716 vehicles in China during Q1 2020, a drop of (43.4)% on prior year. ([GM](#))

- GM's decision to draw a \$16 billion credit line appears to have imperilled discussions aimed at extending and slightly raising the amount on offer. Banks stung by the move are reportedly only willing to negotiate an extension of the credit that is soon to expire, not the full amount. ([Reuters](#))

#### Honda (history)

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#### Hyundai / Kia (history)

- Hyundai's Q1 2020 sales were 904,726 units, (11.4)% worse than a year earlier. ([Hyundai](#))
- Kia's Q1 2020 sales were 644,102 units, a drop of (0.9)% from Q1 2019. ([Kia](#))
- Constructing a new facility in Singapore that will include a pilot plant for electric vehicles and develop an automated production philosophy similar to that proposed by recent investment Arrival. ([Business Times](#))

#### Mazda

- Toyota's financial arm started providing leasing deals to US Mazda dealers on a white label basis. ([Toyota](#))

#### PSA (history)

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- Negotiated an additional €3 billion credit line. ([Reuters](#))
- Dongfeng said plans to reduce its stake in PSA -- a pillar of the PSA / FCA merger plan -- were under review following the drop in PSA's share price. ([Reuters](#))

#### Tesla (history)

- Reported Q1 2020 deliveries of 88,400 units, a 40% rise on a year-over-year basis. Production fell (2)% quarter-over-quarter, as the addition of Model Y and the Shanghai plant failed to offset lost production from coronavirus. Tesla stopped reporting Model 3 sales figures independently, combining them with Model Y. ([Tesla](#))

#### Toyota (history)

- Created a joint venture to supply electricity from renewable sources to Toyota in Japan. ([Toyota](#))
- Formally established a joint venture with BYD to develop electric vehicle technology. ([Toyota](#))
- Toyota's financial arm started providing leasing deals to US Mazda dealers on a white label basis. ([Toyota](#))

#### VW Group (history)

- Says that in Germany 50% of customers are now ordering all-electric versions of the Up! city car and one in seven Passat sales are for the plug-in hybrid powertrain. ([VW](#))
- Audi has apparently decided not to develop an all-electric version of the A8 and will only offer the car as a plug-in hybrid. ([Automotive News](#))

#### Other

- **Mahindra** rejected pleas from South Korean subsidiary **Ssangyong** for a \$400 million cash infusion, saying the brand should find alternative sources, but that it might be prepared to chip in \$30 million. ([Times of India](#))
- Despite **Nio's** financial troubles, the company's VC arm invested in Chinese cloud computing provider **BoCloud**. ([China Money Network](#))

## News about other companies and trends ...

### Economic / Political News

- **ACEA** says 1.1 million workers directly employed by car and truck makers have been laid off as a result of coronavirus, and 1.2 million units have been lost. ([ACEA](#))
- **US** light vehicle SAAR in March of 11.37 million units fell (35)% on a year-over-year basis. ([Wards](#))
- March passenger car registrations in **Germany** of 215,119 units fell (37.7)% from prior year. ([KBA](#))
- **UK** passenger car registrations in March dropped (44)% versus 2019 to 254,684 units. ([SMMT](#))
- **Spanish** March registrations of 37,644 units fell (69.3)% from a year earlier. ([ANFAC](#))
- **Italian** passenger car registrations for March of 28,326 units fell (85.4)% from prior year. ([UNRAE](#))
- Passenger car registrations in **France** during March fell (72.2)% to 62,668 units. ([CCFA](#))
- **German** car making bosses reportedly warned chancellor Merkel that many suppliers could go to the wall and restarting production will not be easy without all EU countries being given the all clear, due to the spread of the supply base across the economic bloc. ([Handelsblatt](#))

### Suppliers

- **BorgWarner** said **Delphi** has materially breached the merger agreement by drawing a \$500 million credit line. The announcement appeared to be positioning to improve the deal terms. ([BorgWarner](#))
- **Nidec** bought part of **Secop's** non-automotive business. ([Nidec](#))
- **Toyota Gosei** is putting all its Indian assets into the joint venture with **Minda**. ([Toyota Gosei](#))
- **Valmet Automotive's** 2019 FY revenue was €652 million and operating profit was €18 million. ([Valmet](#))
- **Volvo** and **Veoneer** agreed to dissolve the **Zenuity** driver assistance technology joint venture. Volvo will take on the bits that developed self-driving and Veoneer will get the simpler, but closer to production, L1 - L3 driver assistance technologies. The Zenuity brand will continue, but only as a passive IP holding company. ([Veoneer](#))

### Dealers

- **Ford** thinks that the shutdown has permanently accelerated a move towards online sales in the USA. ([Reuters](#))

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

- Ride hailing firm **Via** says it is worth \$2.25 billion after a Series E funding round that included investment by **FCA's** controlling shareholder **EXOR**, which forked out \$200 million. ([Via](#))
- **Grab** appointed a new CFO. ([Grab](#))

### Driverless / Autonomy (history)

- Autonomous vehicle simulation firm **Qcraft** raised \$24 million. ([VentureBeat](#))
- Self-driving warehouse robot developer **Seegrid** raised \$25 million. ([VentureBeat](#))
- Lidar firm **Quanergy** raised an undisclosed amount and appointed a new CEO. ([Quanergy](#))
- **Waymo** shared a blog post explaining how it creates new images, even lidar point clouds, to improve object identification. ([Waymo](#))
- **Yamaha** and **Tier IV** created a joint venture, evo autonomy, to offer autonomous logistics to factories. ([Autocar](#))
- **Ford** invested in autonomous driving software provider **Phantom AI's** \$22 million round. ([FINSMES](#))

### Electrification (history)

- Battery technology developer **Addionics** raised \$6 million. ([TechCrunch](#))
- **Daimler** believes that in eight to ten years recycled batteries will become a significant source of raw materials and says that **solid state** batteries won't be any good for passenger cars, even by the late 2020s, although it does see the technology as suitable for commercial vehicles. ([Daimler](#))