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Autos & Mobility Industry Briefing -- 6th April to 13th 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

BMW (history)

- Delivered 477,111 cars in Q1 2020, down (21)% versus prior year. ([BMW](#))

Daimler (history)

- Delivered 483,241 passenger cars in Q1 2020, a drop of (18)% on a year-over-year basis. ([Daimler](#))
- Daimler's CFO got the backs of the finance staff up by announcing a reorganisation (a combination of the corporate Daimler and car making finance teams) but withholding details until after the coronavirus passes. Insiders reportedly believe that this is the first step in a push to eliminate most of the 6,000 positions at the group holding company, citing massive duplication with Mercedes-Benz. ([Handelsblatt](#))
- CFO Wilhelm said that passenger car and van divisions will make a Q1 2020 profit, despite coronavirus. ([Reuters](#))

FCA (history)

- PSA and FCA are working hard to close their merger agreement ahead of schedule. ([Reuters](#))
- Recalling about 320,000 vehicles because the display from the rear view camera doesn't disappear quickly enough once drivers start moving forward. ([UPI](#))
 - Significance: This is exactly the type of fault that manufacturers should be fixing quickly and cheaply with over the air updates.

Ford (history)

- Issued a profit warning for Q1 2020 results. Revenue will be about \$34 billion and adjusted PBIT will be around \$(0.6) billion. Ford's latest net cash figure suggests net cash burn of over \$7 billion since the end of 2019. The CFO said the company has enough money for there to be zero production to the end of Q3 2020. ([Ford](#))
- Recalling about 68,000 trucks and large SUVs in North America because of a potential rollaway issue. ([Ford](#))
- Interested in raising even more money to cover potential cash burn. ([Bloomberg](#))

Geely (includes Volvo) (history)

- Geely's Chinese brands sold 206,027 units in Q1 2020, a (44)% drop on prior year. ([Geely](#))

Nissan and Mitsubishi (history)

- Nissan's forthcoming recovery plan will reportedly replace a long-standing sales target of around 6 - 7 million vehicles annually with a lower figure of around 5 million. ([Reuters](#))
- Nissan is apparently asking banks for a \$4.6 billion increase in its credit line. ([Reuters](#))

PSA (history)

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- The head of the Vauxhall brand in the UK believes that coronavirus will irrevocably change buying habits, with (retail) customers relying far more on websites and manufacturer call centres for initial enquiries, then being handed over to a dealer. ([Autocar](#))
- PSA and FCA are working hard to close their merger agreement ahead of schedule. ([Reuters](#))

Renault (history)

- Announced a new China plan. Renault will sell its shares in Dongfeng Renault to Dongfeng and the company will cease production and sales of Renault branded cars (although existing customers will be looked after). The brand will continue with commercial vehicles and electric cars through three other joint ventures (one of which is with Dongfeng). ([Renault](#))
- Cancelled the 2019 dividend. ([Renault](#))
- S&P downgraded Renault's corporate bonds to junk (BB+/B). ([Reuters](#))
- Reached a wage agreement with workers at Renault Samsung in South Korea. ([Yonhap](#))
- Hoping to raise an additional €4 billion - €5 billion. ([Reuters](#))

Toyota (history)

- Toyota Gosei invested in cloud computing service Uhuru. ([Toyota Gosei](#))
- Over 60,000 Toyota customers in North America have deferred lease payments as a result of coronavirus. Around one third of Toyota's dealers have suspended sales. ([Toyota](#))

VW Group (history)

- Reportedly contemplating withholding the (already promised) €3.3 billion dividend to shore up cash. ([Bloomberg](#))
- Agreed an eight-month contract with German unions to tide everyone over until the worst of coronavirus (hopefully). Pay is frozen but there was some minor adjustment to conditions. ([VW](#))
- Reckons that showroom traffic in Chinese dealers is about the same as this time last year. ([VW](#))
- Creating a joint venture in China with DU-POWER to build charging stations. ([VW](#))
- Created a four stage framework, with unions, for a staged return to normality in factories and offices. ([VW](#))

Other

- **Aston Martin** plans to use the coronavirus-enforced shutdown to shift to a build to retail order scheduling system, saying that it has worked well so far on DBX, and that it's how Ferrari do it (although he admits that this will increase waiting times). CEO Palmer also hopes to remain in position until at least 2025. ([Autocar](#))
- **McLaren's** CEO reckons that sports car manufacturers will offer a mix of powertrains (electric and traditional) for the next two to three decades. ([Autocar](#)) The firm is also hoping that it can help develop synthetic fuels that might make gas-guzzling more palatable (carbon capture issues notwithstanding) but stresses that the technology is only in the early stages of development. ([Autocar](#))
- **Mahindra's** boss told managers and union officials at **Ssangyong** that he wouldn't abandon the brand but stopped short of offering any more money. ([Yonhap](#))
- **Nio** delivered 3,838 cars in Q1 2020, a (4)% drop year-over-year, with the start of sales of the ES6 failing to offset seasonality, coronavirus and a drop in the popularity of the ES8. ([Nio](#))
- **Karma** showed off what the brand claimed was a prototype for a semi-autonomous all-electric van. The vehicle appeared to share much of its styling with a Ram ProMaster, but with much better wheels. ([Karma](#))
- **Mazzanti** started a crowdfunding campaign, offering 7% of the company if it can raise €300,000. ([Mazzanti](#))

News about other companies and trends ...

Economic / Political News

- European vehicle manufacturers' trade body **ACEA** called for a **UK-EU trade agreement** that looks almost identical to existing single market rules in almost all respects, with relaxed rules of origin requirements (except for batteries), special customs clearance measures and continuation of regulatory cooperation. There was a meek request for free movement of skilled personnel. ([ACEA](#))

Suppliers

- A **BorgWarner** plant in Seneca, USA suffered significant damage from a tornado, which killed a security guard. The company said customers would be unaffected (especially since so many are currently closed). ([Detroit Free Press](#))
- **Visteon** embarked on a fresh job-cutting spree, on top of a program announced in January. ([Visteon](#))
- **Bosch** has been having trouble restarting production at its factory in Rodez, France. Despite measures proposed by managers to minimise the risk of virus transmission, there is a high rate of absenteeism, apparently partly in protest at plans to wind down the site's workload in future. ([Les Echos](#))

Driverless / Autonomy (history)

- Autonomous trucking company **Einride** is experimenting with having a single remote operator monitor and control multiple vehicles at once. ([TechCrunch](#))

Electrification (history)

- Flexible solar panel maker **Armor** has come up with a way of integrating lots of solar cells without having to worry too much about the effect on the vehicle's styling. Instead of being permanently installed, they are part of a retractable cover that emerges from the rear bumper when the car is parked. ([Armor](#))
- Battery developer **ProLogium** raised \$100 million. ([Deal Street Asia](#))