



AD PUNCTUM

Autos & Mobility Industry Briefing -- 14th April to 19th 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

FCA (history)

- Released its annual sustainability report. ([FCA](#))
- Recalling 425,588 vehicles to fix windscreen wipers that might fall off. ([FCA](#))

Ford (history)

- Prompted by an intensive study led by new COO Farley, Ford announced an executive reshuffle: The head of the Americas will now run all markets except China and Europe, receiving extra help from a new North America COO and an expanded role for the leader of the South America unit. The head of Ford's much-vaunted Team Edison electric car project will run commercial vehicles in North America, without a clear replacement. Two lower-tier external recruitments were made in data analytics and digital experiences. ([Ford](#))
 - Significance: Ford's external recruitment highlights the firm's dearth of under 45s with significant leadership experience, perhaps in part explaining the tardiness on upgrading the portfolio for electrification and connectivity. The last [major hire](#) at a similar age didn't fare too well, leaving relatively quickly citing an unease with the company's culture.
- Raised \$8 billion in bonds that mature between 2023 - 2030. Analysts noted the high interest rates -- 9.625% for the longest-dated debt. ([Ford](#))

General Motors (history)

- Raised an additional \$1.95 billion credit line. GM said it would only be used for the captive finance company (although the terms aren't so prescriptive). ([GM](#))

PSA (history)

- PSA's Q1 sales of 627,024 vehicles fell (20%) on a year-over-year basis. ([PSA](#))

Tata (includes JLR) (history)

- JLR's fiscal full year (April 2019 to March 2020) retail sales of 508,659 units fell (31)% year-over-year. ([JLR](#))

Tesla (history)

- CEO Musk says the use of large castings to replace traditional stampings in the Model Y subframe had been so successful that the company is going forward with a plan to replace components with even bigger castings, and to roll some of the changes into the Model 3, but not for some time. ([Clean Technica](#))

VW Group (history)

- Announced preliminary financial results for Q1 2020. Revenue was around €55 billion, with an operating profit of €0.9 billion with VW saying it lost €(1.3) billion on commodity and currency hedging. Cash flow was €(2.5) billion. Financial guidance for the full year was withdrawn. ([VW](#))
- Bugatti engineers saying that working restrictions in place to prevent virus transmission have led to a 30% increase in the time it takes to complete calibration drives but they are still having fun. ([VW](#))

News about other companies and trends ...

Economic / Political News

- The recently appointed head of the **IMF** expects a massive global recession to follow coronavirus. ([BBC](#))
- **French** president Macron believes that people will want to push harder on clean air and climate change related regulations. ([FT](#))
- **European** passenger car registrations in March of 853,077 units fell (52)% on a year-over-year basis. ([ACEA](#))
- European car makers trade body **ACEA** explicitly called for a financial stimulus to encourage “fleet renewal” by customers who might otherwise keep their cars. ([ACEA](#))

Suppliers

- **Motherson** says customer (OEMs) are suggesting financially distressed suppliers as potential takeover targets and it will share some plans in October. ([Autocar](#))
- **Tenneco** has outsourced some engine components that it (or previously Federal Mogul) traditionally supplied to **Burgess Norton**. It is unclear whether any asset transfer is involved. ([Burgess Norton](#))
- **Bharat Forge** thinks that as a result of coronavirus, OEMs are more likely to diversify their supply bases so that they are better placed to weather similar shocks in future. ([Autocar](#))
- **Endurance Technologies** acquired Italian clutch specialist **Adler**. ([Endurance](#))
- **Michelin** took a 20% stake in recycling company **Enviro**, developers of a promising process that can break down used tyres to their constituent raw materials. ([Michelin](#))
- **TomTom** reported Q1 2020 revenue of €131 million and a net loss of €(63) million. ([TomTom](#))
- **Kongsberg's** worst-case scenario for a coronavirus recovery is that factories restart en masse in May but take until mid-July to get up to normal speed. Even in the company's best case, in 2021 industry would be (9)% - (11)% worse than 2019. ([Kongsberg p.13](#))
- **Goodyear** issued preliminary Q1 2020 financial results. Revenue was \$3 billion and the PBT loss will be in the range \$(185) million to \$(195) million. ([Goodyear](#))

Dealers

- **Mazda** started giving quotes for bodywork repair based on photographs uploaded by the owner. ([Mazda](#))

Ride-Hailing, Car Sharing & Rental (history)

- **BMW** and **Daimler's FREE NOW** ride hailing service absorbed **Kapten**. ([Kapten](#))
- Fleet management software developer **Autofleet** raised \$7.5 million. ([FINSMES](#))
- **Uber** says coronavirus has caused a write down of investments in other companies totalling around \$2 billion. ([Uber](#))

Driverless / Autonomy (history)

- **Zoox** and **Tesla** settled a lawsuit over documentation (about parts ordering and how to run a warehouse) ex-Tesla employees had taken with them when they joined the self-driving start-up. ([The Verge](#))

Electrification (history)

- **APB Corporation** licenced **Nissan's** battery technology for use in stationary storage applications. ([Autocar](#))
 - Significance: With stationary storage producers (obviously) looking to use the most up to date technology, it remains to be seen how much revenue used batteries will capture when in direct competition with brand new products.

Other

- **Lime** acquired the remnants of electric skateboard maker **Boosted**. ([The Verge](#))