



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 20<sup>th</sup> April to 26<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)

- Preliminary Q1 2020 group EBIT was €617 million. Daimler burned through €(2.3) billion of cash in the quarter and wouldn't venture an opinion on full year results except to say that they would be worse than 2019. ([Daimler](#))
- Daimler Trucks and Volvo Trucks intend to form a joint venture for fuel cells with Daimler receiving €600 million in return for contributing its fuel cell IP. ([Daimler](#))
- The JV with Volvo Trucks reflects Daimler's belief that fuel cells have already lost the battle with batteries and the firm has no plans to produce another fuel cell model. ([Automotive News](#))
- Released its 2019 sustainability report. ([Daimler](#))

#### FCA (history)

- Drew €6.25 billion from its agreed credit lines. ([Nasdaq](#))

#### Ford (history)

- CEO Hackett hopes that door handles and steering wheels of future models will contain antimicrobial properties to prevent transmission of diseases. ([Detroit News](#))
- Decided that developing the powertrain for a new Focus RS would be too expensive. ([Autocar](#))
- Corporate espionage experts looking to get their hands on a Mustang Mach E, and associated technology, had their lives made easier thanks to this helpful guide to which engineers have taken them home during the coronavirus lockdown. ([CNN](#))
- Recalling around 1,400 SUVs because the seat belt sensors might not register the occupant properly. ([Ford](#))

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

- LEVC invoked a force majeure clause in supplier contracts, enabling the firm to suspend payments. ([Sky News](#))
- Lotus's boss says a forthcoming entry-level sportscar will be the firm's last with a combustion engine. ([Bloomberg](#))

#### General Motors (history)

- Shuttered the Maven short term car rental service with immediate effect. A relatively short time ago, GM was saying everything was going brilliantly. The firm now says it learned lots. ([Detroit Free Press](#))

#### Hyundai / Kia (history)

- Kia reported Q1 2020 sales of 648,685 cars, down (1.9)% versus prior year. Revenue of 14.6 trillion KRW (about \$12 billion) rose 17% year-over-year thanks to exchange rates and mix. Operating profit of 446 billion KRW (about \$360 million) fell (25)%. Kia hopes that a new line of SUVs will help offset some of coronavirus. ([Kia](#))

- Hyundai reported Q1 2020 revenue of 25.3 trillion KRW (about \$21 billion), up 6% on a year-over-year basis. Operating profit of 864 billion KRW (about \$710 million). ([Hyundai](#))
- Recalling vehicles fitted with the remote parking feature because the car might move even when the driver hasn't asked it to. ([Fox](#))

#### Nissan and Mitsubishi (history)

- The alliance partners are reportedly planning a slew of new shared programs, with a focus on electric cars and self-driving technology. ([Reuters](#))
- Mitsubishi issued a profit warning for the 2019/20 fiscal year (which just ended). Preliminary revenue is 2.3 trillion JPY (about \$21.3 billion) and operating profit is 12 billion JPY (about \$112 million). ([Mitsubishi](#))

#### PSA (history)

- Reported Q1 2020 revenue of €15.2 billion. Automotive revenue of €11.9 billion fell (16)% versus prior year. Pricing and production mix gains were more than offset by volume drops. PSA reports full financial figures every six months. The company expects European industry to be 25% lower than 2019 levels but didn't give a view on 2021. ([PSA](#))
- Faurecia formed a joint venture with Xuyang Group to develop display systems. ([Faurecia](#))

#### Renault (history)

- Reported quarterly revenue of €10.1 billion in Q1 2020, a drop of (19.2)% on a year-over-year basis, from sales of 672,962 vehicles, down (25.9)%. Renault only reports full financial results every six months. Renault said the effects of coronavirus were "impossible to assess". ([Renault](#))
- Expects to have a multi-billion euro loan, backed by the French state, lined up by the end of May. ([Reuters](#))

#### Tata (includes JLR) (history)

- Global wholesales in Q1 2020 (fiscal Q4) were 231,929 units (of which JLR was 126,979 cars), down (35)% on a year-over-year basis. ([Tata](#))

#### Tesla (history)

- CEO Musk said that the Cybertruck could float as a method of increasing the wading depth. ([Twitter](#))

#### Toyota (history)

- Unveiled a new B-sized crossover for the European market. Rather than tie into the existing crossover nomenclature with B-HR, Toyota opted for Yaris Cross. The car will launch in 2021. ([Toyota](#))

#### VW Group (history)

- Škoda says that 2019 options take rate data shows customers really want larger windows. ([Škoda](#))

#### Other

- **Karma** says that, thanks to its new platform, it can develop supercars with a 0-60 mph time under two seconds with 400 miles of range, plus 21 other types of car. ([Karma](#)) On the other hand, unnamed insiders claim that many of the recent product reveals have been half-baked and the company is about to implement drastic cuts. Karma strenuously denied the claims. ([Jalopnik](#))
- **FAW** and hitherto little-known start-up **Silk EV** plan to make a Hongqi branded sports car. ([Reuters](#))
- **BYD** and **Hino** will work together on electric commercial vehicles. ([Inside EVs](#))

## News about other companies and trends ...

### Economic / Political News

- **EU** negotiators said that poor progress was being made in **post-Brexit** trade agreement talks, with part of the problem being that the **UK** kept insisting it was an equal-strength partner. ([BBC](#))
- **European** light commercial vehicle sales in Q1 2020 of 422,681 units fell (24.7)% year-over-year. ([ACEA](#))
- The **US** Government has granted manufacturers five years (from three) to meet the requirements of the renewed **NAFTA / USMCA**. ([Detroit News](#))
- As European car making plants gingerly restarted production, measures implemented by **VW** in Germany were typical: temperature checks; greater distance between workstations and freely available hand sanitiser and face masks. Critically, volumes are drastically reduced because of lower employee densities (for instance, in Wolfsburg, even once everyone is back at work, volumes will be only 40% of “normal” levels). ([VW](#))
- Leaders of the UAW union in the **US** are sceptical that manufacturers know what the right level of preventative measures required are. ([Detroit Free Press](#))
- **Oil prices** fell into negative territory as traders scrambled to cover futures contracts. It isn't clear how much this will flow to prices at the pump. ([Reuters](#))

### Suppliers

- **Veoneer** agreed to sell most of its brake control division to a mysterious “well-established automotive supplier”. The deal is expected to close by mid-year. ([Veoneer](#)) Q1 2020 revenue was \$362 million. ([Veoneer](#))
- **Kongsberg's** Q1 2020 revenue was €262 million and adjusted EBIT was €8 million. ([Kongsberg](#))
- **Autoliv** reported Q1 2020 revenue of \$1.8 billion and operating income of \$134 million. ([Autoliv](#))
- **Adient** reported preliminary Q1 2020 revenue of \$3.5 billion. ([Adient](#))
- **Valeo's** Q1 2020 revenue was €4.5 billion. The firm says it has enough money to pay a dividend. ([Valeo](#))

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

- **Uber** launched new contactless delivery services to try and make up for the drop in taxi business. Uber Direct is like Uber Eats, but for things that aren't food. Uber Connect is a peer-to-peer courier service. ([Uber](#))
- **Hertz** laid off 1,000 staff as part of moves to weather an impending recession. ([Auto Rental News](#))
- **GM** shuttered the Maven short term car rental service with immediate effect. A relatively short time ago, GM was saying everything was going brilliantly. The firm now says it learned lots. ([Detroit Free Press](#))

### Driverless / Autonomy (history)

- **Venti Technologies** and **Aerosun Corporation** hope to develop a range of driverless cleaning vehicles. ([Venti](#))

### Electrification (history)

- Portable charger maker **SparkCharge** raised \$3.3 million. ([Charged EVs](#))
- Charger developer **FreeWire** raised \$25 million from **BP** and others. ([FreeWire](#))

### Connectivity

- **US** car makers, desperate to preserve a radio spectrum reservation, said they would put 5 million connected cars and pieces of roadside infrastructure within the next five years if the government abandoned plans to reallocate most of the capacity to other user groups. ([Bloomberg](#))

### Other

- An exposé of scooter rental service **Bird's** culture and operations suggested that insiders believe the company is destined to fail (soon). ([The Verge](#))
- **Didi Chuxing's** bicycle rental unit Qingju reportedly raised \$1 billion, some of it apparently from right under the noses of rival **Hellobike**. ([Technode](#))