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Autos & Mobility Industry Briefing -- 3rd August to 16th August 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)

- Reported Q2 2020 revenue of €20 billion, down (22)% versus prior year and an EBIT loss of €(666) million compared to a €2.2 billion profit in Q2 2019. BMW tried to stay positive by expressing confidence in complying with 2020 CO₂ regulations in Europe and sees the full year automotive EBIT margin between 0% - 3%. ([BMW](#))
- The Free Now ride hailing joint venture between BMW and Daimler is profitable in major European markets, including the UK, according to the boss of UK operations. ([Business Insider](#))

Daimler (history)

- Says that online tools for customers are going great guns, with increased use of chatbots and 98% of Chinese customers completing their finance contracts via the internet rather than in person. ([Daimler](#))
- Gave an overview of the MO360 software system that Daimler uses to link its factories. Mainly Daimler simply stated the obvious about how different elements of the factory are linked but they also revealed that each factory can save 10 tonnes of paper per year by going paperless. ([Daimler](#))
- Settled claims covering diesel emissions in 250,000 US vehicles in a class action lawsuit and agreed the level of fines it must pay the authorities. The total bill will be around \$3 billion (\$2.2 billion in fines and compensation plus an undetermined amount to ensure compliance). ([Daimler](#))
- Mercedes and CATL will collaborate on new battery technology. Mercedes is calling its approach to future vehicles “electric first”, perhaps inspired by the 2018 [E-FIRST](#) (electric first) paper written by Evercore ISI and Ad Punctum, which first coined the phrase? ([Daimler](#))
- The Free Now ride hailing joint venture between BMW and Daimler is profitable in major European markets, including the UK, according to the boss of UK operations. ([Business Insider](#))

FCA (history)

- Contemplating a recall of 1 million SUVs with engines that have excessive tailpipe emissions. ([Detroit Free Press](#))

Ferrari

- Ferrari reported Q2 2020 sales of 1,389 cars, down (48)% on a year-over-year basis. Revenue of \$571 million fell (42)% whilst adjusted EBIT of \$23 million fell (90)% versus 2019. The company assumes revenue and adjusted EBIT in the full year will be at the bottom end of expectations. ([Ferrari](#))

Ford (history)

- Announced the retirement of CEO Hackett and widely predicted promotion of COO Farley. The changes are effective 1st October but Hackett will remain on the payroll until 2021. ([Ford](#)) External reception to Farley's

appointment was mixed. Whilst [some media reported glowing praise](#) from peers and industry experts, others – claiming to represent the views of company insiders - [saw the move as a mistake](#).

- Put a sales stop on PHEV Kugas and told owners who have taken delivery of cars not to charge them. ([Autocar](#))
- Recalling 558,000 Edge and MKX SUVs because the brake hoses could leak. ([Detroit News](#))
- Gave a presentation to investors about opportunities in the European business, where the prepared materials focused almost entirely on improving the commercial vehicle unit. During the introduction, the head of IR was at pains to recognise the presence of Henry Ford III (a member of her team), despite him having no active role in the presentation. In the Q&A, the regional CEO said the Kuga PHEV makes up 50% of the vehicle's sales. He declined to say that electric vehicles would be profitable, even from the product shared with VW, instead preferring to commit to profitability from the overall business during the transition phase. The profit goal remains 6% margin with a commitment to reach the target even with lower volumes. ([Ford](#))
- Ford now claims over 165,000 orders for the Bronco. ([Ford](#))

Geely (includes Volvo) (history)

- Geely's first half 2020 revenue was 36.8 billion RMB (about \$5.3 billion), down (23)% on a year-over-year basis. The net profit was 2.3 billion RMB (about \$330 million), down (43)%. ([Geely](#))
- Geely unveiled the Preface, a sedan that sits on the same platform used for Volvo's XC40. ([Geely](#))
- Sharing the CMA platform with Geely and Lynk&Co has helped Volvo double the purchasing scale compared with building the vehicle alone (with manufacturing in different regions, some parts will be dual sourced). ([Volvo](#))
- Kandi Technologies reported Q2 2020 revenue of \$19 million and net income of \$4 million. ([Kandi](#))

General Motors (history)

- CFO Suryadevara left to work in the finance industry. An interim CFO was appointed, (John Stapleton, the regional finance chief for North America) whilst the company searches for a successor. ([GM](#))
- Has almost fulfilled the ventilator manufacturing contract imposed on the company by the US government, although Ventec, GM's partner, will continue to make them at GM's factory. ([Detroit Free Press](#))
- Unveiled the Cadillac Lyriq, the brand's first all-electric car. ([GM](#))

Honda (history)

- Reported Q2 2020 (Honda's fiscal Q1) revenue of 2.1 trillion JPY (about \$20 billion), down (47)% on a year-over-year basis. The operating loss was (114) billion (about \$1 billion), down from a profit of around \$2 billion in the prior year. Although motorcycles and financial services were profitable and other businesses were near breakeven, the automotive arm lost 195 billion JPY (about \$1.8 billion). In the full year, Honda hopes to make a profit of around 200 billion JPY (about \$1.8 billion). ([Honda](#))
- The Japanese government reportedly tried to matchmake Honda and Nissan, but Honda rejected the approach. ([FT](#))
- Recalling 1.6 million US vehicles to fix several problems including faulty sensor readouts on the instrument panel; rear cameras that don't turn on or suffer water damage; and sliding doors that won't close properly when it gets too cold. ([Detroit News](#))

Hyundai / Kia (history)

- Aptiv and Hyundai-Kia's autonomous technology joint venture will be called Motional. ([Motional](#))
- Kia unveiled the Sonet, a small value crossover that will be produced in India and exported globally. ([Kia](#))
- Kia showed off the facelifted Stinger. ([Kia](#))
- Hyundai will use "Ioniq", hitherto a vehicle name, as a sub-brand for all-electric cars. The first two models, Ioniq 5 and Ioniq 6, will be based off the 45 and Prophecy concept cars respectively. ([Hyundai](#))

Nissan and Mitsubishi (history)

- Carlos Ghosn says he will release a tell-all book at the end of the year. ([Car Advice](#))
- The Japanese government reportedly tried to matchmake Honda and Nissan, but Honda rejected the approach. ([FT](#))
- The chairman of Mitsubishi Motors is stepping down. ([Nikkei](#))

- Granted workers at the Barcelona, Spain factory cluster a temporary reprieve. The plant will now close at the end of 2021, one year later than planned. ([Nissan](#))

PSA (history)

- The head of the Free2Move mobility unit said that external investment might be welcomed in future, but at present the focus is on getting the organisation running properly. ([Reuters](#))

Subaru

- Reported Q2 2020 financial results (fiscal year Q1). Revenue of 457 billion JPY (about \$4.3 billion) fell (45)%, driven by volume halving from the previous year. An operating loss of 16 billion JPY (about \$150 million) compared to a healthy profit in Q2 2019. ([Subaru](#)) The firm has now provided full year guidance, expecting full year revenue of 2.9 trillion JPY (about \$27.5 billion) and operating profit of 80 billion JPY (about \$760 million). ([Subaru](#))

Tata (includes JLR) (history)

- Jaguar's classic department is making (via restoration) a special edition E-Type that matches the original 1966 Geneva Motor Show cars. Taking a leaf out of Aston Martin's book, you can only buy a double pack of a coupe and a convertible. ([JLR](#))
- Tata Motors denied that it was looking to offload 49% of the passenger car business saying that although the unit had been structured in a way to allow external investment, no immediate changes are on the horizon. ([Tata](#))

Tesla (history)

- A German case where a driver changing the windscreen wiper settings using the central screen was penalised under the rules designed for using mobile phones whilst driving received broad attention. Although the menu complexity was cited as an issue, the court put the onus on the driver to only adjust settings when it was safe to do so. ([BBC](#))
- Started offering an in-house wrapping service at Chinese dealerships. ([Electrek](#))
- Announced a 5:1 stock split, the main benefit of which is lowering the stock price for a single share for retail investors. ([TechCrunch](#))
- CEO Musk said that if it turns out people don't like the real life Cybertruck, Tesla can just build a more conventional looking one on the same running gear. ([Business Insider](#))

Toyota (history)

- Reported Q2 2020 (Toyota's fiscal Q1) revenue of 4.6 trillion JPY (about \$43.5 billion), down (40)% on a year-over-year basis. Operating income of 13.9 billion JPY (about \$130 million) as losses in North America and Europe were just offset by profitability in Japan and Asia. The full year forecast is revenue of 24 trillion JPY (about \$227 billion) and operating income of 500 billion JPY (about \$4.7 billion) from sales of 9.1 million vehicles, (13)% lower than 2019/20. ([Toyota](#))

VW Group (history)

- Porsche SE invested in connected car software firm Aurora Labs. ([Porsche SE](#))
- An employee reportedly at the centre of an investigation into spying on VW purchasing negotiations was found dead in suspicious circumstances. ([Manager Magazin](#))
- Porsche is reportedly planning a new plant in Slovakia to create car bodies. ([Reuters](#))

Other

- **Gordon Murray** took the covers off the T50 hypercar. ([Gordon Murray](#))
- **Hyperion** unveiled the XP1, a hydrogen powered supercar with a 2.2 second 0 - 60 mph time, that the firm hopes to have in production by 2022. ([Hyperion](#))
- **Nio** reported Q2 2020 sales of 10,331 cars, the company's best ever quarter. Revenues of 3.5 billion RMB (about \$500 million) rose 147% on a year-over-year basis. However the company continued to make an operating loss, of (1.16) billion RMB (about \$164 million). ([Nio](#))

- **XPeng** filed documents for an IPO. ([SEC](#))
- **Ineos** said that although it hasn't finalised a deal to take over **Daimler's** Hambach, France, plant, it is no longer planning to create new factories in Wales and Portugal to build the Grenadier. ([Business Live](#)) **Jaguar Land Rover** lost a court case to stop production of the Grenadier on the basis it was too similar to the Defender. ([Car and Driver](#))
- **Fisker** says that **Magna** will build the company's forthcoming Ocean SUV. ([Reuters](#))
- **Lucid's** CEO says he won't share the firm's technology with any other business. ([Green Car Reports](#))
- One of **Faraday Future's** early prototypes will go to auction. ([TechCrunch](#))
- **Nikola** reported a Q2 2020 loss of \$(87) million. The company isn't yet making any revenue. ([Nikola](#)) The company confirmed that it was interested in sharing technology with **Hyundai**, but the South Korean company was yet to reciprocate. ([Reuters](#)) Investors were massively cheered by an order for 2,500 refuse lorries. ([Reuters](#))
 - Significance: Investor interest in individual orders seems unpredictable. Whilst Nikola's order for rubbish trucks was applauded, no one seemed to care that [Piaggio won a contract for 5,000 scooters](#) from the Italian post office. What do these numbers prove?
- **Mullen Technologies** will list via a merger with special purpose vehicle **Net Element**. ([Net Element](#))
- **Workhorse** reported Q2 2020 financial results. Revenue was \$92,000 and the net loss was \$(131) million, mainly blamed on non-cash interest costs. The company hopes that the merger of **Lordstown and DiamondPeak** will value its 10% Lordstown stake at \$160 million. ([Workhorse](#))
- **Faraday Future** plan to offer a version of the FF91 all-electric car with a spa mode that features lie flat seats and a massive screen that flips down from the ceiling. ([Faraday Future](#))
- Online sleuths reckon there are about 30,000 orders for **Rivian's** debut pickup truck. ([Inside EVs](#))
- **Electromobility Poland** revealed the two all-electric cars it plans to build under the Izero brand. ([Izero](#))

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

[Economic / Political News](#)

- **US** light vehicle SAAR in July of 14.52 million units was (14)% lower than prior year. ([Wards](#))
- **German** passenger car registrations in July of 314,938 units fell (5.4)% versus prior year. ([KBA](#))
- **French** passenger car registrations of 178,982 units in July rose 3.9% versus 2019, with fewer selling days. ([CCFA](#))
- Passenger car registrations in **Spain** during July of 117,929 units rose 1.1% versus 2019. ([ANFAC](#))
- July saw 136,455 passenger cars registered in **Italy**, down (11)% on July 2019. ([UNRAE](#))
- July **UK** passenger car registrations of 174,887 grew 11.3% versus July 2019. ([SMMT](#))

[Suppliers](#)

- **Continental** reported Q2 2020 revenue of €6.6 billion and EBIT of €(829) million. ([Continental](#)) Continental formed a joint venture for fluid connectors with smaller specialist firm **aft Automotive**. ([Continental](#))
- **Veoneer** completed the sale of its US brakes business to **ZF**. ([Veoneer](#))
- **Adient** reported Q2 2020 revenue of \$1.6 billion and EBIT of \$(269) million. ([Adient](#))
- **BorgWarner** reported Q2 2020 revenue of \$1.4 billion and an operating loss of \$(78) million. ([BorgWarner](#))
- **Delphi** (soon to merge with **BorgWarner**) reported Q2 2020 revenue of \$628 million and an operating loss of \$(60) million. ([Delphi](#))
- **Bridgestone's** Q2 2020 revenue was 603 billion JPY (about \$5.7 billion) and adjusted operating loss was (1.5) billion JPY (about \$15 million). ([Bridgestone](#))
- **Lear** reported Q2 2020 revenue of \$2.4 billion and a net loss of \$(294) million. ([Lear](#))
- **Kongsberg** reported Q2 2020 revenue of €154 million and adjusted EBIT of €(33) million. ([Kongsberg](#))
- **Allison Transmission** reported Q2 2020 sales of \$377 million and net income of \$23 million. ([Allison](#))
- **Grammer's** Q2 2020 revenue was €281 million, EBIT was €(22) million. ([Grammer](#))
- **Martinrea** reported Q2 2020 revenue of \$461 million and a net loss of \$(147) million. Despite the loss the company plans to pay a dividend. ([Martinrea](#))
- **China Automotive Systems** reported Q2 2020 sales of \$83 million and an operating loss of \$(5) million. ([CAAS](#))
- **Schaeffler** reported Q2 2020 revenue of €2.3 billion and EBIT of €(150) million. ([Schaeffler](#))

- **Magna** reported Q2 2020 revenue of \$4.3 billion and an operating loss of \$(789) million. The company will still pay a dividend. ([Magna](#))

Dealers

- Used car marketplace **Spinny** acquired **Truebil**. ([Deal Street Asia](#))
- Used car marketplace **Carro** raised an additional \$11 million. ([Deal Street Asia](#))
- **CarParts.com** hopes to raise \$52 million through a rights issue. ([CarParts.com](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** reported Q2 2020 revenues of \$2.2 billion, a (29)% drop on a year-over-year basis. As revenues from ride hailing dropped (67)%, delivery rose 103%, and at \$1.2 billion accounted for more than half of the company's revenues, overtaking ride hailing for the first time. The company's preferred adjusted EBITDA was a loss of \$(837) million. ([Uber](#))
- **Lyft** reported Q2 2020 revenue of \$339 million, down (61)% versus prior year reflecting a (60)% drop in active riders. The net loss was \$(437) million. ([Lyft](#))
- **Uber** acquired taxi software maker **Autocab**. The plan is to use Autocab's platform to get taxi companies to bid on trips for Uber customers, in markets where Uber isn't active. ([Autocab](#))
- **Grab** reportedly raised \$200 million. ([Bloomberg](#))
- Ride hailing service **TADA's** owner raised \$5 million. ([Deal Street Asia](#))
- Specialist ride hailing insurance start-up **Buckle** raised \$31 million. ([Buckle](#))
- **Hertz's** revenues fell (70)% in Q2 2020 versus prior year, even as the US fleet size remained steady. ([Hertz](#))
- The Free Now ride hailing joint venture between **BMW** and **Daimler** is profitable in major European markets, including the UK, according to the boss of UK operations. ([Business Insider](#))

Driverless / Autonomy (history)

- Anthony Levandowski, the engineer at the centre of an intellectual property theft case that **Uber** lost to **Google**, was sentenced to 18 months in prison. The judge said he wanted to make an example of him. ([BBC](#))
- **Michigan** plans to create a 40 mile stretch of road with a lane dedicated to self-driving vehicles. ([Detroit Free Press](#))
- **Aptiv** and **Hyundai-Kia's** autonomous technology joint venture will be called Motional. ([Motional](#))

Electrification (history)

- Electric charging operator **ChargePoint** raised \$127 million. ([TechCrunch](#))
- The CEO of lithium supplier **Livent** called for automakers to offer lucrative longer term contracts to encourage investment in mining capacity. Although he called hopes for lower prices when capacity investments are required "voodoo economics", he didn't offer an opinion on the effect of higher prices on demand. ([Reuters](#))
- Battery materials developer **Coreshell Technologies** raised \$4 million. ([Reuters](#))

Other

- Electric scooter manufacturer **Veo** started fitting indicators to its products. ([Vevo](#))
- **Cocoa Motors** launched a four wheeled balance board that the firm calls a "car in a bag". ([Cocoa Motors](#))