



AD PUNCTUM

Autos & Mobility Industry Briefing -- 28th September to 4th October 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)

- Uber has been rumoured as a future owner of BMW and Daimler's ride hailing joint venture. ([Business Times](#))

Daimler (history)

- Uber has been rumoured as a future owner of BMW and Daimler's ride hailing joint venture. ([Business Times](#))
- The head of Daimler's trucks division is retiring, to be replaced by a recruit from Scania. ([Daimler](#))

FCA (history)

- Sold 507,351 vehicles in the USA during Q3, down (10)% versus a year earlier. ([FCA](#))
- Agreed to pay a \$9.5 million fine to settle an investigation by the US SEC into how FCA reported emissions compliance at the beginning of 2016. ([FCA](#))
- PSA and FCA announced the intended membership of Stellantis, the company they will form by merging. The board will be made up of 11 members, with five nominated by each company, plus CEO-designate Tavares. ([PSA](#))

Ferrari

- Unveiled a minor refresh to the Portofino convertible. ([Ferrari](#))

Ford (history)

- Sold 551,796 vehicles in the USA during Q3 2020, down (5)% on a year-over-year basis. ([Ford](#))
- Announced a series of executive changes, one of which sees still relatively recent CFO Stone leave the company to be replaced by long time finance insider John Lawler. CEO Farley promised that Ford will have a much more disciplined approach to capital allocation saying the firm would act "like a challenger". He will announce a new CIO and CMO, plus backfill for Lawler as head of new businesses in due course. ([Ford](#))
- Cut the prices of the all-electric Mustang Mach E, even though the model hasn't yet launched. Ford said it was to remain "fully competitive", observers were confused as to why there would be price reductions when Ford claims massive retail interest. ([Detroit Free Press](#))
- Recalling over 700,000 vehicles in North America because the rear-view cameras sometimes blank out and about 10,600 trucks to fix steering problems. ([Ford](#))
- Introducing mobile servicing in certain Indian cities. ([Autocar](#))

Geely (includes Volvo) (history)

- Polestar is recalling 2,200 cars to fix software problems that have led to vehicles unexpectedly losing power, even when in motion. The software has to be updated manually, rather than over the air. ([Reuters](#))
- Volvo sold 181,163 cars during Q3 2020, up 9% versus prior year. ([Volvo](#))

General Motors (history)

- GM and Nikola has reportedly returned to the negotiating table to hammer out the finer points of their technology sharing and contract manufacturing deal, especially since the present value of GM's stake in Nikola has dropped since the initial agreement was announced. ([Detroit Free Press](#))
- Sold 665,192 vehicles in the US during Q3 2020, down about (10)% on a year-over-year basis. The firms said that dealers were doing "exceptionally well". ([GM](#)) Sales in Canada were down (10)% YoY too. ([GM](#))
- Investing \$71 million in a transmission and casting plant. ([GM](#))
- Buick unveiled the Electra concept car, an all-electric low-riding crossover, ([GM](#))

Honda (history)

- Will withdraw from supplying F1 engines at the end of 2021. Honda says it wants to redeploy the team currently charged with building the high power motors to develop zero emission technologies instead. The firm will continue to provide engines for IndyCar. ([Honda](#))

Hyundai / Kia (history)

- Giving European electric vehicle customers membership of a pan-European charging card that uses BMW and Daimler's Change Now service. ([Hyundai](#))

PSA (history)

- PSA and FCA announced the intended membership of Stellantis, the company they will form by merging. The board will be made up of 11 members, with five nominated by each company, plus CEO-designate Tavares. ([PSA](#))

Renault (history)

- French unions said that, whilst they understood why Renault says it needs to cut costs, they don't agree with the process the company is using. ([Reuters](#))

Tesla (history)

- Reported Q3 2020 deliveries of 139,300 cars, up 44% on a year-over-year basis. Observers were slightly disappointed by the performance of Model 3 and Model Y because deliveries of 124,100 units were only around 35% higher than Q4 2019's figure of 92,500, despite the addition of a much vaunted new factory in China and the availability of the Model Y. ([Tesla](#))
 - Significance: Tesla's overall volume growth seems slightly lacklustre given the additions. The analysis is made problematic by Tesla's lack of transparency. Despite being the largest car maker by market capitalisation, the company blends model line sales rather than reporting them separately, and doesn't talk about production levels at its various sites.
- Reportedly plans to acquire battery manufacturing line expert ATW Automation. ([Reuters](#))
- Tesla's Autopilot received an underwhelming performance score compared with rivals in a test organised by the NCAP program – although it was rated best for avoiding accidents. ([Reuters](#))
- Rumoured to be interested in taking a minority stake in LG's battery unit. ([Reuters](#))

Toyota (history)

- An executive said at a conference that Toyota might meet its [existing target](#) of selling 5.5 million electrified vehicles each year in 2025, five years ahead of schedule. Toyota said it wasn't a formal target restatement. ([Reuters](#))

VW Group (history)

- Scania made a further investment in battery producer Northvolt. ([VW](#))
- Audi launched a new brand campaign, supplementing "Vorsprung durch Technik" with "future is an attitude". ([Audi](#))
- Agreed a deal to acquire Hella's forward facing machine vision unit. ([VW](#))
- Experimenting with a Tesla-like approach of building all cars (of selected model lines) in Germany and Norway with high series lighting and infotainment, and then downgrading the performance through software unless the customer

pays a fee (which they can do via a mobile phone app or website). Customers can even try out the functionality for a month before committing to the purchase. ([Audi](#))

- Significance: Audi is betting that the additional cost to install the package on all cars, even if customers don't activate the features, is likely outweighed by: production simplification, economies of scale, better residual values and higher take rates.
- Despite restrictions on work due to coronavirus, 317 VW Group employees got themselves fired in the first six months of 2020. It isn't easy to do so -- a group of employees who stopped production by having a barbeque in the middle of the factory got away with a warning and a fine. ([VW p. 4](#))
- Reportedly making Lamborghini operate on an arms-length basis with a view to a public listing. ([Reuters](#))
- CEO Diess says the firm will make a series of important decisions about the future during 2020. ([Manager Magazin](#))

Other

- **GM** and **Nikola** has reportedly returned to the negotiating table to hammer out the finer points of their technology sharing and contract manufacturing deal, especially since the present value of GM's stake in Nikola has dropped since the initial agreement was announced. ([Detroit Free Press](#)) Nikola's recently departed founder is now mired in sexual assault allegations (unrelated to his time at the firm), which he denies. ([Economic Times of India](#)) The company tried to battle the doubters by publishing a set of milestones that will see battery electric and fuel cell powered heavy trucks in production by 2023. The Badger pickup wasn't mentioned, indicating perhaps that delivery is dependent on support from GM. ([Nikola](#))
- **Piëch** recruited former Porsche boss Matthias Müller to be chairman. ([Handelsblatt](#))
- **HAAH's** bid for **Ssangyong** might attract support from a South Korean state bank. ([Korea Times](#))
- **Evergrande's** parent agreed a restructuring deal that avoids a massive share repurchase which was threatening its property development business. ([Reuters](#))
- **FAW** has reportedly cooled its interest in truck maker **Iveco**. ([Reuters](#))
- **Karma** will contract manufacture electric vehicles for **AYRO**. The plan is to build over 20,000 vehicles with a reported contract value of \$300 million, suggesting that parts supply is involved too. ([Karma](#))

News about other companies and trends ...

Economic / Political News

- Several premium manufacturers including **BMW**, **Daimler** and **JLR** found themselves unable to refute allegations that their cars use leather from cattle ranches in Paraguay that are accused of destroying the local environment, because they could only trace their supply chain back to the tannery. ([Economic Times of India](#))
- The **UK** auto makers' trade body expressed disappointment at the direction of **post-Brexit** trade talks with the **EU** saying that the industry should be "prioritised in negotiations, not traded off against other industries". ([SMMT](#))

Suppliers

- **Mahle** and **Ballard** will collaborate on fuel cell systems for commercial vehicles. ([Mahle](#))
- Bodybuilder **Shyft** acquired smaller rival **F3 MFg**. ([Shyft](#))
- **Adient** completed the sale of its fabrics business to an **Asahi Kasei** subsidiary. ([Adient](#))
- **BorgWarner** completed the acquisition of **Delphi**. ([BorgWarner](#))
- **Grammer** and **Samsung's Harman** are collaborating on seat headrests that incorporate speakers. ([Grammer](#))
- **Continental's** board approved a restructuring program that will see two German plants close. ([Continental](#))
- Electronics supplier **Pateo** is hoping to raise almost \$150 million ahead of a public listing. ([Reuters](#))
- **VW** agreed terms for the acquisition of **Hella's** forward facing machine vision unit. ([VW](#))

Dealers

- UK online used car seller **Cazoo** raised £240 million. ([TechCrunch](#))
- Indian online car marketplace **Droom** acquired augmented reality firm **Visiolab Ideas**. ([Autocar](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Via** acquired fleet management software developer **Fleetonomy**. ([Via](#))
- **Uber** is rumoured to be a future owner of **BMW** and **Daimler's** ride hailing joint venture. ([Business Times](#))
- **Uber** was allowed to renew its licence in London after a court ruled against a decision by the city's transport regulator. It was then rival service **Ola's** turn, as the regulator identified the company an operating licence for similar, safety, reasons. Ola is likely to appeal. ([BBC](#))
- A private equity firm invested \$500 million in **Uber's** freight division. ([Reuters](#))
- Ride hailing firm **Bykea** raised \$13 million. ([Deal Street Asia](#))
- South Korean firm **Humax** is launching a white label fleet mobility service incorporating fleet management, servicing and charging. ([Humax](#))

Driverless / Autonomy (history)

- Autonomous delivery vehicle developer **Einride** raised €8.5 million. ([EU Startups](#))

Electrification (history)

- In-wheel motor developer **Elaphe Propulsion Technologies** raised €4 million. ([Elaphe](#))
- **Total** is buying **Bollore's** charging network in London. ([Reuters](#))
- Battery maker **SVOLT**, a spin-off from **Great Wall**, is hoping to raise up to \$440 million. ([Reuters](#))
- **Mahle** and **Ballard** will collaborate on fuel cell systems for commercial vehicles. ([Mahle](#))
- **Northvolt** raised \$600 million. ([PV Magazine](#))

Other

- Electric scooter rental firm **Neuron Mobility** raised \$12 million. ([Deal Street Asia](#))