



AD PUNCTUM

Autos & Mobility Industry Briefing -- 26th October to 1st November 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)

- BMW's joint venture partner, Brilliance, failed to repay a \$150 million bond. BMW may find the company to be a willing seller of more of the joint venture (or it could cling on even more tightly!). ([Reuters](#))
- Mini announced a forthcoming portfolio expansion that will see further products get all-electric versions, along with a new model that will only be available as a battery electric car. ([Mini](#))

Daimler (history)

- Daimler has signed an updated supply agreement that will give Aston Martin access to a wider range of parts from the Mercedes-Benz parts bin. In return, Daimler will get enough shares in Aston Martin to increase its stake to 20%, or £286 million -- whichever is lower -- by 2023, subject to certain performance criteria being met. The implication is also that Aston Martin will pay less for the parts from now on. Daimler stressed that it has no interest in increasing its shareholding beyond 20%. ([Daimler](#))
- Daimler Trucks' Torc self-driving division will develop products that use Luminar's lidar. Daimler has taken a stake in the lidar firm as part of the deal. ([Daimler](#))
- Despite its in-house Torc Robotics self-driving division, Daimler Trucks is collaborating with Waymo to develop autonomous trucks. ([Daimler](#))
- Acquired Korean rental company Star-Rent-A-Car. ([Daimler](#))
- Daimler and Volvo Group officially signed off on their fuel cell joint venture. ([Daimler](#))

FCA (history)

- Reported Q3 2020 financial results. Revenue of €25.8 billion fell (6)% from prior year whilst net profit of €1.2 billion was strongly improved from Q3 2020. Adjusted EBIT of €2.3 billion was more than explained by North America, which delivered adjusted EBIT of €2.5 billion. ([FCA](#))
- CEO Manley all but confirmed that there will soon be an all-electric version of the Ram pick-up, asking analysts to "stay tuned" for details. ([Seeking Alpha](#))
- FCA and PSA's boards signed some of the merger paperwork and confirmed that they expect the merger to be complete by the end of Q1 2021. ([FCA](#))
- Honda is joining FCA's European CO₂ pool. ([EU](#))

Ford (history)

- Reported financial results for Q3 2020. Revenue of \$37.5 billion rose 1% versus prior year. Net income of \$2.4 billion strongly improved versus a \$0.4 billion profit in Q3 2020. Automotive EBIT of \$2.6 billion was entirely explained by North America earnings of \$3.2 billion, Europe lost \$(400) million. ([Ford](#))
- Buying 2020 European CO₂ target relief from Volvo. ([Volvo](#))

- Sold the Sao Bernardo do Campo, Brazil, site. ([Reuters](#))
- Intends to sell 100,000 vehicles equipped with the new driver assistance suite that enables hands-off, but not eyes-off, motoring in 2021. Initially, customers will only get the hardware and will have to wait for a software upload later in the year before everything actually works. The cars will only work on 100,000 miles of specially analysed sections of road. ([Ford](#))
- Hired a new IT and software chief from the banking industry. Ford played up his ex-Fordie credentials. ([Ford](#))
- New CEO Farley admitted that “flexibility between battery electric [and] plugin [hybrids] is not very high”. ([Ford](#))
- Ford plans to hold a capital markets day in the spring. On the earnings call, Ford executives studiously batted away all detailed questions, leaving analysts to wonder aloud what had happened to a promise of greater transparency. ([Ford](#))

Geely (includes Volvo) (history)

- Polestar issued another recall for the Polestar 2 to replace faulty power electronics and cooling systems. ([Polestar](#))
- Kandi Technologies created a ride hailing company, Zhejiang Ruiheng Technology Company, as a joint venture with two other partners. Kandi will own 10% of the business. ([Kandi](#))
- Volvo will beat its 2020 European CO₂ target, meaning that it can sell the benefit of the surplus to Ford. ([Volvo](#))
- ECARX, a technology developer founded by Geely, raised \$194 million. ([Deal Street Asia](#))
- Kandi Technologies is listing its battery swapping subsidiary. ([Kandi](#))

General Motors (history)

- Announced a new CFO, Paul Jacobson, recruited from Delta Air Lines. ([GM](#))
- Will start selling electric car conversion kits in 2021, aimed at classic GM models and based on the Chevrolet Bolt parts bin. ([GM](#))

Honda (history)

- Produced 1.286 million vehicles in Q3 2020, up 1% on a year-over-year basis. ([Honda](#))
- Honda is joining FCA’s European CO₂ pool. ([EU](#))

Hyundai / Kia (history)

- Announced Q3 2020 financial results. Revenue of 27.6 trillion KRW (about \$24.3 billion) rose 2.3% on a year-over-year basis. A loss before tax of (362) billion KRW (about -\$320 million) fell from a loss in the prior year. ([Hyundai](#))

Mazda

- Produced 327,485 cars in Q3 2020, down (11)% on a year-over-year basis. ([Mazda](#))

PSA (history)

- Reported Q3 2020 automotive revenue of €12 billion, up 1.2% on a year-over-year basis. Unit sales were down, but product mix more than compensated. ([PSA](#))
- PSA sold down 7% of its Faurecia stake sell down, taking the company to 39%. Once PSA merges with FCA, the plan is to distribute the remaining shares to the new entity’s stockholders. ([PSA](#))
- FCA and PSA’s boards signed some of the merger paperwork and confirmed that they expect the merger to be complete by the end of Q1 2021. ([FCA](#))
- The Citroën brand is resetting its UK prices, revising them sharply downwards, in a bid to reflect transactional amounts and get away from heavy discounting. Sales to rental companies will also be cut. ([Autocar](#))

Subaru

- Sold 261,651 vehicles in Q3 2020, up 11% on a year-over-year basis. ([Subaru](#))

Tata (includes JLR) (history)

- Reported financial results for Q3 2020 (Tata's fiscal Q2). Revenue of 52,530 Cr. INR (about \$7.2 billion) fell (18.2)% versus prior year, of which JLR's revenue was £4.35 billion, down (28.5)%. There was a loss before tax of (815) Cr. INR (about -\$110 million), with JLR's £65 million failing to offset the wider group. ([Tata](#))
- Unveiled a facelift for the Jaguar E-Pace. The car's seats incorporate a Jaguar tag, a design detail seemingly taken from JLR's former stablemate Volvo (it's even in nearly the same place). ([JLR](#))

Toyota (history)

- Sold 2.52 million vehicles in Q3 2020, down (8)% versus prior year, although September was up on a year-over-year basis. ([Toyota](#))
- Expanded a recall for faulty fuel pumps -- 5.84 million cars will now have replacement parts fitted. ([Reuters](#))
- Slightly increased its shareholding in KDDI Corporation, a mobile phone network and the carrier for Toyota's telematics network in Japan via an investment of around \$500 million. ([Toyota](#))
- Invested in Spanish car subscription startup Bipi. ([Toyota](#))
- The Hino truckmaking division agreed a joint venture for electric vehicles with VW's Traton, building on an existing collaboration. ([Traton](#))
- Starting an investment fund focused on manufacturing technology. Toyota won't say how large the investment will be until early December. ([Toyota](#))

VW Group (history)

- Sold 2.6 million vehicles in Q3 2020, down (1)% on a year-over-year basis. ([VW](#))
- Reported financial results for Q3 2020. Revenue of €59.4 billion fell (3)% versus prior year. Profits of €3.2 billion fell (30)% versus Q3 2019. ([VW](#))
- Ducati published financial results on a major newswire -- possibly part of a plan to raise the brand's profile within the investment community as part of a rumoured sale. ([Ducati](#))
- The Traton truckmaking division agreed a joint venture for electric vehicles with Toyota's Hino, building on an existing collaboration. ([Traton](#))
- Bugatti unveiled the Bolide, a track-only hypercar. The company says it hasn't yet decided whether or not to put the car into series production. ([Bugatti](#))

Other

- Aston Martin signed an updated supply agreement that will provide access to a wider range of parts from the **Mercedes-Benz** parts bin. In return, Daimler will get enough shares in Aston Martin to increase its stake to 20%, or £286 million -- whichever is lower -- by 2023, subject to certain performance criteria being met. The implication is also that Aston Martin will pay less for the parts from now on. Daimler stressed that it has no interest in increasing its shareholding beyond 20% ([Daimler](#)) Aston Martin is raising \$1 billion in debt, and looks set to incur an interest rate of over 10%. ([Reuters](#))
- **Berkley Coachworks** announced a limited edition two seat roadster, which the firm hopes to start producing in 2021. ([BBC](#))

News about other companies and trends ...

Economic / Political News

- By 2035, 50% of new cars sold in **China** will have to be fuel cell, plugin hybrid or battery electric. The remainder must be full hybrids, capable of at least some electric-only range. ([Nikkei](#))

Suppliers

- **Stoneridge** reported Q3 2020 sales of \$176 million and operating income of \$8 million. ([Stoneridge](#))
- **Lear** reported Q3 2020 revenue of \$4.9 billion and net income of \$174 million. ([Lear](#))

- **Nidec's** Q3 2020 sales were 414 trillion JPY (about \$4 billion), with operating profit of 41 billion JPY (about \$400 million). ([Nidec](#))
- **Visteon** reported Q3 2020 sales of \$747 million and net income of \$6 million. ([Visteon](#))
- **Kongsberg** reported Q3 2020 revenue of €255 million and EBIT of €14 million. ([Kongsberg](#))
- **Grammer** reported Q3 2020 revenue of €462 million and operating EBIT of €22 million. ([Grammer](#))
- **AAM** reported Q3 2020 revenue of \$1.4 billion and net income of \$117 million. ([AAM](#))
- **BorgWarner** reported Q3 2020 sales of \$2.5 billion and operating income of \$284 million. ([BorgWarner](#))
- **Gestamp** reported Q3 2020 revenue of €2.1 billion and EBIT of €94 million. ([Gestamp](#))
- **Goodyear's** Q3 2020 sales were \$3.5 billion, with a net loss of \$(2) million. ([Goodyear](#))
- **Aptiv's** Q3 2020 sales were \$3.7 billion, operating income was \$364 million. ([Aptiv](#))
- **Valmet** says car demand is so high that it urgently needs 400 new staff for its Finnish plant, indicating that it wants to add a shift. ([Valmet](#))
- **Continental's** CEO is stepping down. ([Continental](#))
- **Continental** took a minority stake in lidar developer **AEye**. ([AEye](#))
- **Dana** announced an investment in electronic controls company **Pi Inno**. ([Dana](#))
- **Shiloh** reached a deal to sell itself and emerge from bankruptcy protection. ([Shiloh](#))
- **PSA** sold down 7% of its **Faurecia** stake sell down, taking the company to 39%. Once PSA merges with FCA, the plan is to distribute the remaining shares to the new entity's stockholders. ([PSA](#))

Dealers

- Malaysian car sales website **iCar Asia** has received a \$150 million takeover offer. ([Deal Street Asia](#))
- **Toyota** invested in Spanish car subscription startup **Bipi**. ([Toyota](#))

Driverless / Autonomy (history)

- **Waymo** released a new safety report, made up of the usual PR-speak about how the company was developing autonomous cars. In addition, the company published safety statistics showing a series of actual crashes and near misses avoided by the intervention of the safety driver. There was a single accident in a completely driverless vehicle and one 50:50 where there was an airbag deployment. In all other situations either the Waymo vehicle was not at fault, or the avoiding actions of the safety driver prevented a collision. ([Waymo](#))
- Autonomous vehicle simulation company **Applied Intuition** raised \$125 million. ([Applied Intuition](#))
- Lidar supplier **Aeva** is going public via a merger with a special purpose vehicle. ([Aeva](#))
- **Daimler** Trucks' Torc self-driving division will develop products that use **Luminar's** lidar. Daimler has taken a stake in the lidar firm as part of the deal. ([Daimler](#)) At almost exactly the same time, Daimler Trucks announced a collaboration with **Waymo** to develop autonomous trucks, seemingly separate from the first initiative. ([Daimler](#))
- **Continental** took a minority stake in lidar developer **AEye**. ([AEye](#))

Connectivity

- **ECARX**, a technology developer founded by **Geely**, raised \$194 million in a round valuing it at \$1.5 billion. Investors included **Baidu**. ([Deal Street Asia](#))

Other

- **Triton EV** showed off a hydrogen powered heavy truck. The firm said it had brushed aside the counsel of experts who told them it was a five year, \$100 million+ effort and built the vehicle in 35 days. If the company had listened more carefully it might have discovered that this was timeline and cost to industrialise a design. ([Triton](#))
- **Volvo Group** and **Isuzu** finalised the terms of their strategic alliance. ([Volvo Group](#))