



AD PUNCTUM

Autos & Mobility Industry Briefing -- 30th November to 6th December 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 will exit Formula E (the all-electric single seater championship) saying it had “essentially exhausted the opportunities for... technology transfer”. [\(BMW\)](#)
- As it withdraws from one category of physical motorsport, BMW says it will increase investment in, and technical support for, sim racing. [\(BMW\)](#)
- Mini soon plans to launch souped-up Cooper Works versions of its all-electric Mini range. [\(Mini\)](#)
 - Significance: Many of the core attributes of electric vehicles lending themselves to a sporty driving experience: fast acceleration (thanks to instant torque); independent control of wheel speeds (if the car is dual motor); and a low centre of gravity (assuming the battery pack in the floor isn't too much of a weight penalty). Therefore more manufacturers are likely to reposition their offerings as sports versions to drive incremental revenue.

Daimler (history)

- Daimler nominated a new chairman: ex-BMW and VW boss Bernd Pischetsrieder (who has been a board member since 2014). If shareholders approve, he will take over at the beginning of April 2021. [\(Daimler\)](#)
- Will start building trucks in China with existing joint venture partner Foton. [\(Daimler\)](#)
- Daimler is selling off most of its Lab1886 in-house VC / start-up incubator. An investment firm will take a majority stake in the business and the digital services arm will be sold to Deloitte. [\(Daimler\)](#)
- Agreed with German unions to create a €1 billion transformation fund. Although the press release was unclear about the exact intent, it appears to be to subsidise implementations of new technologies in German factories. [\(Daimler\)](#)
- CEO Källenius says that Daimler wants to insource more components, believing that Daimler can make the parts more cheaply and free up money for investment in software. [\(FT\)](#)
- Will pay German workers a €1,000 bonus for coping admirably with coronavirus. [\(Reuters\)](#)

Ford (history)

- Creating a performance version of the Mustang Mech-E all-electric SUV. With a more powerful motor, Ford reckons the car can do 0-60 mph in 3.5 seconds. Ford doesn't say how much the upgrade will cost and some buyers might be underwhelmed by the range compared, which drops over (20)% compared to other models in the range. [\(Ford\)](#)
- Said it had met its buyout goal for US salaried employees and cut a load of agency workers. [\(Detroit Free Press\)](#)
- Ford says that its platform strategy, which involves sharing components over a smaller number of vehicles than rivals such as VW's MQB, but across products which are more similar in size, allows capital expenditure savings of 75% for follow-on programs. [\(Ford p.15\)](#)
 - Significance: Unfortunately, since Ford's presentation didn't adjust for volume (i.e. fewer cars means less expensive tooling -- although not in an exactly linear way), it isn't clear that these savings are real on a like-for-like basis.

- Delayed the launch of Bronco by about three months, blaming problems at suppliers suffering from staff with coronavirus. ([Detroit Free Press](#))
- Unions say that production at the Valencia engine plant is rising, indicating that demand in North America (where almost all the plant's production goes) is picking up. ([Europa Press](#))

Geely (includes Volvo) (history)

- Kandi saw the same investor whose report proved to be the undoing of Nikola's founder published claims that Kandi was overstating sales. ([Reuters](#))

General Motors (history)

- After GM gave Cadillac dealers the choice of either investing in facilities for electric vehicles or handing back their franchises, sources said about 150 sites took them up on their offer. ([CNBC](#))
- Cadillac had to revise online adverts for its Super Cruise driving assistance system after it told consumers they could "experience autonomous driving" if they bought it. ([Automotive News](#))
- Suffered a setback in labour negotiations with South Korean unions as members rejected a tentative deal. ([Reuters](#))
- Dealer contracts for selling the all-electric GMC Hummer reportedly contain provisions preventing dealers from using customer leads sourced from GM's website for any purpose other than selling the truck to them. It isn't clear whether this is for data protection reasons, or GM is trying to muscle in on dealer's turf. ([Automotive News](#))

Hyundai / Kia (history)

- Gave an overview of the e-GMP platform that will underpin Hyundai's forthcoming electric models. Hyundai touted the ability of the components to charge at 800V -- currently the state of the art -- indicating that the firm intends to release mainstream models that can charge at rates of up to 350 kW at a time when many rivals are producing cars capped at lower speeds. ([Hyundai](#))

PSA (history)

- Opel announced a slightly revised brand identity, complete with a new corporate colour -- neon yellow. ([Opel](#))

Renault (history)

- CEO de Meo warned that small cars without battery electric powertrain could soon be a thing of the past. ([Autocar](#))

Tesla (history)

- CEO Musk says he is open to merging with a legacy auto maker, providing the terms were friendly. ([TechCrunch](#))
 - Significance: Given Musk's criticisms of the rest of the industry in the past, and Tesla's seeming belief that in time it will capture a market the size of Toyota and VW Group combined, the interest in becoming something other than a pure play electric vehicle company seems odd... unless you want a source of cash.
- Elon Musk implored employees to continue to cut costs, saying that if Tesla failed to meet market expectations for new products and profitability, its stock price could get crushed. ([Business Insider](#))
- Released a new diversity report. ([TechCrunch](#))

Toyota (history)

- Hopes that the new version of the hydrogen fuel cell powered Mirai will sell ten times as well as the outgoing model, partly because the price has dropped 20% but mostly because customers will want it more. ([Toyota](#))
- Announced a wide-ranging series of management moves, the biggest of which sees the CEO relinquishing his brand roles, which have been handed over to the head of the Lexus brand. ([Toyota](#))

VW Group (history)

- Like BMW, Audi is leaving the Formula E (all-electric single seater championship). It wants to enter the Dakar rally with an electric car instead. ([Audi](#))

- Says that re-using the factory design for all-electric vehicles, the latest plant in China cost 5% less than earlier installations, more than offsetting higher site specific spending. ([VW](#))
- Porsche is part of a group hoping to start production of synthetic fuels at a plant in Chile which will have capacity for 550 million litres per year by 2026, if everything goes according to plan. ([Porsche](#))
- The VW brand is stopping all forms of motorsport, and will dissolve the legal entity responsible for production and preparation of racing cars. Staff will be reassigned to mainstream roles. ([VW](#))
- Bentley says it has a retainer on five cargo jets to continue parts supply in the event of a hard Brexit. ([The Guardian](#))
- The head of VW's Project Artemis (a forthcoming electric car that is set to wow us all) thinks that the complexity of electric cars will force industry consolidation -- taking an opposing view to start-ups who think that there is no better time to muscle in. ([Reuters](#))

Other

- **Aston Martin** Chairman Stroll said that the firm will continue producing purely internal combustion engine powered cars well beyond 2030, speculating that they might make up 5% of sales mix. He said the first electric products will come out mid-decade. ([FT](#)) Aston Martin's CEO promised to investigate how a dubiously sourced report questioning the environmental value of electric cars came to be associated with the brand. ([The Guardian](#))
- In **Nio's** latest sales report (November), the company stopped giving model line detail. ([Nio](#))
- **Aptera** started taking deposits for its three wheeler all-electric car covered in solar panels. ([Aptera](#))
- The boss of **Rimac** said he is nervous about the rash of listings for electric car start-ups via mergers with special purpose entities. He believes that if they are not successful, it will make investors less receptive to his plans to list at a later date. ([FT](#))
- **Dongfeng** has created a \$240 million investment fund with its partners. ([Deal Street Asia](#))
- **Lucid** says its factory will have 400,000 units of capacity by 2028. ([Lucid](#))
- Electric truck maker **Lion Electric** is going public via a merger with a special purpose vehicle in a \$1.9 billion deal. The company expects to sell 6,000 vehicles over the next four years. ([Northern Genesis](#))

News about other companies and trends ...

Economic / Political News

- **US** light vehicle SAAR of 15.55 million in November fell (9)% versus prior year. ([Wards](#))
- **German** sales of 290,150 passenger cars in November fell (3.0)% on a year-over-year basis. ([KBA](#))
- **French** registrations of 126,047 passenger cars in November fell (27)% versus prior year. ([CCFA](#))
- **UK** passenger car sales of 113,781 units in November fell (27.4)% versus prior year. ([SMMT](#))
- **Italian** passenger car sales of 138,405 units in November fell (8.3)% versus prior year. ([UNRAE](#))
- **Spanish** sales of 75,708 passenger cars in November fell (18.7)% on a year-over-year basis. ([ANFAC](#))

Suppliers

- **Adient** reported Q3 2020 (fiscal Q4) financial results. Revenue was \$3.6 billion and EBIT was \$50 million. ([Adient](#))

Dealers

- Indonesian online service booking start-up **Otoklix** raised \$2 million. ([Deal Street Asia](#))

Ride-Hailing, Car Sharing & Rental (history)

- Major rental firm **Europcar** agreed a deal with creditors to cut its debt load. ([Auto Rental News](#))
- **Uber** sold its self-driving unit to **Aurora** ([The Verge](#)) and is rumoured to be in talks to sell its air taxi unit. ([Reuters](#))
- Whitelabel fleet management operator **Ridecell** raised \$45 million from investors including **Denso**. ([Ridecell](#))
- **Hertz** is selling its fleet management arm, Donlen, to raise cash. ([Automotive Fleet](#))
- **Grab** is reportedly set to merge with regional rival **Gojek**. ([Reuters](#))

Driverless / Autonomy (history)

- **Scale.ai**, which builds software used by autonomous developers for sensor fusion raised \$155 million. ([FINSMES](#))

Electrification (history)

- The **US Postal Service** delayed the decision over a massive electric vehicle fleet order until sometime in early 2021, hurting the stock market value of several companies including Workhorse. ([USPS](#))

Connectivity

- **Bosch** invested in **Sfara**, a company that creates software that turns smartphones into diagnostics kit. ([Bosch](#))

Other

- Electric scooter rental firm **Voi** raised \$160 million. ([Voi](#))
- Electric scooter rental firm **Revel** is scaling back. ([TechCrunch](#))