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Autos & Mobility Industry Briefing -- 25th January to 31st January 2021

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)

- Announced preliminary full year 2020 free cash of €3.4 billion (€2.8 billion coming in Q4 2020), BMW said full year operating profits would be around 3%. ([BMW](#))
- Invested in inventory management company Verusen. ([BMW](#))
- Mini has ceased the “Mini Yours” customisation option which offered customers a selection of parts to have personalised. ([3D Printing Industry](#))
- BMW’s motorbike division announced that although it will continue to attend some shows for promotion purposes, it has decided that it will no longer have a standing reservation at large shows. ([BMW](#))
 - Significance: Whilst the decision is purely about motorbikes, it seems inconceivable that BMW is not contemplating a similar move around auto shows.

Daimler (history)

- Released preliminary financial results for full year 2020 as they exceeded market expectations. Group EBIT was €6.6 billion (€8.6 billion on an adjusted basis). Industrial free cash was €8.3 billion. ([Daimler](#))

Ford (history)

- Confirmed that the all-electric Mustang Mach E will be locally manufactured in China. ([Ford](#))
- Ford’s scooter rental subsidiary Spin intends to launch operations with remotely piloted scooters soon. Renters will be able to have a scooter travel to them from “several blocks” away. As the scooters will move at mph or less, customers may be better off walking. ([Ford](#))
- Ford’s head of design is retiring. Ford will replace him with an external hire from Renault. ([Ford](#))

Geely (includes Volvo) (history)

- Lotus is getting a new managing director, Matt Windle, the current head of engineering. ([Lotus](#))
- Investing in Faraday Future’s listing and reportedly plans to contract manufacture cars for the start-up. ([Nikkei](#))

General Motors (history)

- Targeting carbon neutral manufacturing by 2040, and 100% light duty sales mix of zero emissions vehicles by 2035. GM’s press released implied that this means all-electric or fuel cell powered models, but the wording appeared to give some wiggle room for highly capable plug-in hybrids. ([GM](#))
 - Significance: If GM intends to be fully electric, or fuel cell, by 2035 without any fossil fuel content (e.g. plugin hybrids with high electric range), then the company will likely be unable to participate effectively in emerging markets.
- Will develop hydrogen powered trucks with Navistar. ([Detroit Free Press](#))

Hyundai / Kia (history)

- Hyundai's Q4 2020 revenue of 29.2 trillion KRW (about \$26.1 billion) rose 5.1% versus prior year. Operating profit of 1.6 trillion KRW (about \$1.5 billion) rose 41%. In the full year, revenue came to 104 trillion (about \$93 billion) and operating profit reached 2.8 trillion KRW (about \$2.5 billion). ([Hyundai](#))
- Kia's Q4 2020 revenue of 17 trillion KRW (about \$15 billion) rose 5% on a year-over-year basis. Operating profit of 1.3 trillion KRW (about \$1.1 billion) was up strongly compared to 2019. Kia attributed almost the entire profit improvement to mix and net pricing (lower incentives). In the full year, revenue was 59.2 trillion KRW (about \$53 billion) and operating profit was 2.1 trillion KRW (about \$1.9 billion). ([Kia](#))
- Hyundai and Kia will build customised vehicles for fleets using the recently unveiled all-electric platform. Customers will be able to choose from a range of options including body styles. It isn't fully clear whether this truly goes beyond existing special builds manufacturers do for high volume fleet customers. ([Nikkei](#))
- Hyundai has reportedly decided that, should a partnership with Apple proceed, the Kia brand will be the contract manufacturer, rather than Hyundai, fearing the negative association of being a contract manufacturer. ([Nikkei](#))

Nissan and Mitsubishi (history)

- Nissan wants to become carbon neutral by 2050 and says that by 2030 all vehicles it launches in major markets will have an electrified option. ([Nissan](#))
 - Significance: Compared with GM's statement, Nissan left itself plenty of wiggle room to sell traditional internal combustion engine powered models: the 2030 goal only applies to all-new product launches; plenty of vehicles might still be sold outside "major" markets; offering an electrified version doesn't preclude internal combustion engine powered derivatives. Despite being one of the first companies to believe in all-electric vehicles, Nissan seems strangely reluctant to embrace the technology.
- Nissan sold 4 million vehicles in 2020, (22)% lower than 2019. ([Nissan](#))
- Says that the updated version of the Note, featuring a motor as generator hybrid (e-Power in Nissan parlance) is exceeding expectations, and selling 20,000 units per month in Japan. ([Nissan](#))

Stellantis (formed via the merger of PSA and FCA)

- FCA in North America has been fined \$30 million for its part in a kickback scheme for union officials ([Stellantis](#))

Subaru

- Produced 885,000 cars in 2020, down (10)% versus prior year. ([Subaru](#))

Suzuki

- Recorded sales of 2.45 million cars in 2020, down (18)% on a year-over-year basis. The worst drops were in markets outside of Japan or India. ([Suzuki](#))

Tata (includes JLR) (history)

- Reported Q3 2020/2021 revenue of 75.7 Cr INR (about \$10.3 billion), up 5.5% versus prior year. PBT was 4.2 Cr INR (about \$570 million). ([Tata](#)) Within the overall results, JLR had PBT of £439 million and the company claimed £400 million of savings in the quarter from its turnaround program. ([JLR](#))

Tesla (history)

- Unveiled a minor refresh of the Model S exterior. There were more changes on the interior with the central screen changing to look more like the Model 3's display (although in the Model S, drivers will be treated to their own instrument cluster), and a steering wheel in the form of a yoke. Alongside the visual changes, Tesla introduced a new top-end powertrain, called Plaid which promises a 0-60 mph time of under 2 seconds and the ability to perform more demonstration runs before battery limits kick in. ([Tesla](#)) The car also apparently dispenses with the gear shift and will use context to decide whether it should be in forward, reverse or park mode. ([The Verge](#))
- Although Tesla's Q4 2020 revenue has grown by almost 50% on a year-over-year basis, customer deposits have remained fairly static (up less than 10%). It isn't yet clear whether there is an optimum deposit amount which reflects

a reasonable waiting time, or if indicates waning demand for Tesla's products (given that deposits include payments for finished vehicles in transit, as well as reservations for yet-to-be-released products such as Cybertruck, and a hefty portion of advance payments for self-driving capability). ([Tesla](#))

- Tesla's emphasis on the product that plants will build (e.g. Shanghai Model 3 and Model Y and Berlin Model Y) raises questions about the flexibility of the facilities. Without much reflection, Tesla has moved from a philosophy of everything under one roof to a broader footprint, with less regional flexibility (and reflecting fairly mainstream automotive production thinking). ([Tesla](#))
- Three quarters of Tesla's operating profit of \$2.0 billion came from sales of regulatory credits. Tesla's CFO said that he wasn't expecting it to be a material amount longer term. ([Seeking Alpha](#))
- CEO Musk thinks that Tesla's self-driving mode will achieve the reliability "of a human this year". Since the comments were made on the earnings call, there were no specifics about what this means in terms of safety, duration, weather conditions or geography. Overall Musk sees a system needing to be two to three times more reliable than a human to gain acceptance. He promised that subscription for self-driving features will become available in the next month or two. He is a bit worried about interest in the full self-driving option from Chinese customers, with only 2% choosing it. ([Seeking Alpha](#))
- CEO Musk is open to licencing self-driving software and charging to competitors and says some preliminary discussions have been held, but further advancement on the technology is necessary. He also downplayed the value of the next generation computer chip the company previously trumpeted at an investor event, saying the biggest developments in self-driving were coming from software, not hardware. ([Seeking Alpha](#))
- Tesla has reduced the frequency of service visits by one third in the last two years and is hoping to increase mobile servicing from 40% to 50% of all cases. 50% of these mobile jobs are completed within two hours. ([Seeking Alpha](#))
- Tesla is confident of meeting or beating the targets for reductions in battery cost published in the Battery Day presentation. ([Seeking Alpha](#))
- Tesla hasn't launched the Semi (even in small numbers) because of constraints on battery supply but says that, once more cells are available, the floodgates will open and an electric van could be in the works too. ([Seeking Alpha](#))
- Musk confirmed that the Roadster has been delayed until 2022. ([Electrek](#))

Toyota (history)

- Sold 9.5 million cars in 2020 across the Toyota, Lexus and Daihatsu brands, a drop of (11)% on a year-over-year basis. ([Toyota](#))

VW Group (history)

- Started a battery recycling plant in Salzgitter, Germany (alongside a pilot plant for battery systems). ([VW](#))
- Porsche invested in software firm Cresta. ([Porsche](#))

Other

- **Lordstown Motors** announced plans to make an all-electric van. ([Lordstown](#))
- **Lucid** reportedly plans to install a paint shop with capacity for 400,000 units annually, despite plans to start of smaller. ([Green Car Reports](#))
- **Faraday Future** will list via a merger with a special purpose entity in a deal that includes participation from **Geely**, who look set to contract manufacture the firm's vehicles. ([Caixin](#))
- **Isuzu** will purchase diesel engines from **Cummins**. ([Nikkei](#))
- **Vingroup** is raising around \$300 million for its automotive and smartphone businesses. ([Economic Times of India](#))
- **Mahindra's Ssangyong** brand lost \$155 million in Q4 2020. ([Yonhap](#))

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

Economic / Political News

- The **UK** is applying for membership of the **CPTPP** (Pacific nations) trade agreement. ([BBC](#))
- **European** light commercial vehicle sales in 2020 of 1.8 million fell (18)% versus prior year. ([ACEA](#))

Suppliers

- **Renesas** is reportedly making more semiconductors in-house to alleviate some of the pain caused by a shortage from suppliers. ([Nikkei](#))
- **Nidec's** chairman reckons that electric vehicles could drop in cost to \$3,000. ([Nikkei](#))
- **Autoliv** reported Q4 2020 revenue of \$2.5 billion and adjusted operating income of \$311 million. ([Autoliv](#))
- **Kongsberg** reported preliminary financial results. Revenue was €299 million and EBIT was €6 million. ([Kongsberg](#))
The company also announced a new CEO. ([Kongsberg](#))
- **LG** reported full year revenue of \$56.5 billion) and operating profit of \$2.9 billion. The automotive division had sales of \$5.2 billion and a \$(2) Million operating loss. ([LG](#))
- **Nidec** Q4 2020 revenue was 433 billion JPY (about \$4.1 billion), PBT was 43 billion JPY (about \$415 million). ([Nidec](#))
- **Goodyear** invested in delivery robot company **Starship**. ([Goodyear](#))
- **Veoneer** created a new brand for driver assistance systems called **Arriver**. ([Veoneer](#))
- German prosecutors are expanding a probe into **Continental**, raiding a further two offices. ([Handelsblatt](#))

Dealers

- Dealer software firm **Procar** was acquired by larger rival **Imaweb**. ([FINSMES](#))

Ride-Hailing, Car Sharing & Rental (history)

- Intel's **Moovit** released a report about public transport usage. ([Moovit](#))
- Mobility software provider **Vulog** raised \$31 million. ([FINSMES](#))

Driverless / Autonomy (history)

- Chinese start-up **Uisee** raised \$150 million. ([TechCrunch](#))
- CEO Musk thinks that **Tesla's** self-driving mode will achieve the reliability “of a human this year”. Since the comments were made on the earnings call, there were no specifics about what this means in terms of safety, duration, weather conditions or geography. Overall Musk sees a system needing to be two to three times more reliable than a human to gain acceptance. He promised that subscription for self-driving features will become available in the next month or two. He is a bit worried about interest in the full self-driving option from Chinese customers, with only 2% choosing it. CEO Musk is open to licencing self-driving software and charging to competitors and says some preliminary discussions have been held, but further advancement on the technology is necessary. He also downplayed the value of the next generation computer chip the company previously trumpeted at an investor event, saying the biggest developments in self-driving were coming from software, not hardware. ([Seeking Alpha](#))

Electrification (history)

- **Shell** agreed a deal to acquire charging network **Ubitricity**. ([Ubitricity](#))
- Battery developer **Sila Nanotechnologies** raised \$590 million. ([TechCrunch](#))
- Electric charging provider **FreeWire** raised \$50 million. ([FreeWire](#))
- Battery firm **Freyr** will list via a merger with a special purpose entity. ([Freyr](#))
- **Tesla** is confident of meeting or beating the targets for reductions in battery cost published in the Battery Day presentation. ([Seeking Alpha](#))

Connectivity

- Vehicle data company **Otonomo** will list through a merger with a special purpose vehicle. ([Otonomo](#))

Other

- All-electric scooter rental firm **Lime** will start offering mopeds. ([TechCrunch](#))