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Autos & Mobility Industry Briefing -- 1st February to 7th February 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)

- Invested in software code sharing platform Vendia. ([BMW](#))
- Trumpeted an annual contract to purchase 43,000 tonnes of aluminium (as a raw material for use in BMW's own foundry, rather than finished components) produced using solar power. Since the order is only around half of the foundry's needs, BMW is on the lookout for more. ([BMW](#))
- FAW is reportedly sniffing around China Brilliance, BMW's joint venture partner. ([Reuters](#))

Daimler (history)

- Intends to spin off the Daimler trucks business by the end of 2021 and rename the remaining company Mercedes-Benz. The finance arm will be split between the two firms and Mercedes-Benz will retain a minority shareholding in the trucks business. ([Daimler](#)) CEO Källenius says the stake will be large enough to keep a "protective hand" over the trucking business. ([Reuters](#))

Ford (history)

- Reported full year 2020 revenue of \$127 billion and an operating loss of \$(4.4) billion. Rather than dwell on the past, the Ford management team announced increased spending on electric vehicles and autonomy. In Q4, North America and Europe were profitable on an operating EBIT basis, with the European business achieving a 5.8% margin -- Ford sees this as evidence that a turnaround has taken hold. ([Ford](#))
- Ford is feeling bullish about the prospects for F-150 and Mustang Mach-E, pointing to a high series mix of the former (20% above average) and level of conquest of the latter (70% new customers). Bronco also has very high series mix and the average Bronco Sport sells in six days. ([Ford](#))
- Analysts asked Ford management questions about how long they think the transition to electric vehicles will be, what the portfolio will look like and how rapidly costs will fall to \$55 - \$80 per kWh. Executives declined to properly answer the questions but promised more specifics in a forthcoming investor event. ([Ford](#))
- Ford has returned to monthly reporting of US sales. ([Ford](#))
- Invested \$1 billion to launch the new Ranger, and its VW sibling, at the Silverton, South Africa plant. As part of the works, the factory will reach energy self-sufficiency in 2024 ("island mode" in Fordspeak). ([Ford](#))
- Will use Google's Android software as the underpinning for infotainment systems from 2023 under a six year deal that will see Ford abandon its own in-house efforts (despite recently using a newly developed system upgrade as an example of Ford's design thinking). Ford will also use Google as a provider of computing services and the two companies will form a collaborative team called Team Upshift. ([Ford](#))
- Announced the cancellation of a deal with Chinese company Zotye to build electric cars together. The arrangement had been rumoured to be under threat for a while. ([Detroit Free Press](#))
- Said that US regulators had closed investigations into emissions cheating. ([Reuters](#))

Geely (includes Volvo) (history)

- Volvo reported 2020 revenue of 263 billion SEK (about \$ 31.3 billion), down (4)% on a year-over-year basis and operating EBIT of 8.5 billion SEK (about \$1 billion), down (41)% versus prior year. Volvo said that in the second half sales had risen about prior year and EBIT margin was 6.3%. ([Volvo](#))

Hyundai / Kia (history)

- Said that it is not in talks with Apple about developing autonomous vehicles, but kept quiet about the potential for everything else. ([Reuters](#))

Mazda

- Reported Q4 2020 sales of 2.0 trillion JPY (about \$18.6 billion), down (23)% from prior year, with an operating loss of (32) billion JPY (about \$(305) million), down from a profit of around \$300 million last year. ([Mazda](#))

Nissan and Mitsubishi (history)

- Mitsubishi reported Q4 2020 revenue of 953 billion JPY (about \$9 billion), down (43)% from prior year. An operating loss of (87) billion JPY (about \$825 million), compared to a small profit the year before. ([Mitsubishi](#))

Subaru

- Reported financial results for the nine months ending December 2020. Revenue of 2.0 trillion JPY (about \$19.5 billion) fell (17)% from prior year. PBT of 98 billion JPY (about \$(940) million) fell (31)%. ([Subaru](#))

Suzuki

- Reported financial results for the nine months ending December 2020. Sales of 2.17 trillion JPY (about \$20.7 billion) fell (17)% which operating income of 139 billion JPY (about \$1.3 billion) fell (20)%. ([Suzuki](#))

Tesla (history)

- CEO Musk says he advises his friends not to buy a new model Tesla when the car is in launch mode -- difficult advice to follow if you are in a queue of reservation holders and have to take your slot when it appears. ([The Verge](#))
- CEO Musk says that the underbody could become a single casting in future, but that he needs to launch the other products in the pipeline first. ([Jalopnik](#))
- Reportedly wants to begin operating in Indonesia to access the country's substantial nickel reserves. ([Nikkei](#))
- Agreed to recall vehicles with problematic touch screens caused by the failure of the memory card but argued that the memory was never going to last the entire lifetime of the vehicle anyway. ([Business Insider](#))
 - Significance: Regulators may take a dim view of Tesla's argument since it was the company's decision to put so much safety critical hardware within the central screen.

VW Group (history)

- Porsche's boss reckons that synthetic fuels could cost under \$2 per litre within a decade. ([Porsche](#)) He says that by 2030, he hopes that 80% of the company's sales mix will be electric models (PHEV and BEV). ([Handelsblatt](#))
- Apple has reportedly tapped one of Porsche's vehicle line directors for its car program. ([Manager Magazin](#))
- Porsche is rumoured to be setting up a factory in Malaysia. ([Reuters](#))

Other

- **REE Automotive** is listing via a merger with a special purpose vehicle in a deal that values the electric vehicle specialist at around \$3.6 billion. ([Reuters](#))
- **Amazon** is publicly testing its purpose-built all-electric **Rivian** vans. Amazon says that mass production should begin at the end of the year. ([Amazon](#))
- **FAW** is reportedly sniffing around **China Brilliance**, **BMW's** joint venture partner. ([Reuters](#))
- **Faraday Future's** CEO says he is confident that his firm can reach 100,000 units by 2025 because he under promises and over delivers. ([Yahoo](#))

- **Mahindra & Mahindra** appointed a new CEO, current CFO Anish Shah. ([Economic Times of India](#))
- French car maker **Hopium** raised €5 million from investors. ([Hopium](#))
- **Triton EV**, an offshoot of a solar power company, is aiming to make a range of all-electric vehicles in India, in partnership with **Bharat Electronics**. ([Economic Times of India](#))
- **Karma** appears set to launch a fuel cell vehicle, incorporating cells from **Blue World**. Unlike many systems that fill up with hydrogen, the Blue World system uses methanol. The claimed benefits are that the methanol can be produced with renewable energy and easily transported. ([Karma](#))
 - Significance: The same arguments that can be made for methanol production can be made for producing hydrogen too. Some refuelling stations even have solar-powered hydrogen extraction machines (that work too slowly to refuel more than a handful of vehicles). The exception is that methanol can be used in conventional internal combustion engine powertrains -- great news IF you can convince people to convert.

News about other companies and trends ...

Economic / Political News

- The **European** car manufacturers trade body ACEA expects sales in the region to increase more than 10% over 2020 levels this year. ([ACEA](#))
- Battery electric vehicles made up 10% of **European** passenger car sales in Q4 2020 and plugin hybrids accounted for a further 8%. ([ACEA](#))
- **US** light vehicle SAAR of 16.63 million units in January was (1)% worse than a year ago. ([Wards](#))
- **UK** passenger car registrations in January of 90,249 units fell (12)% versus prior year. ([SMMT](#))
- **German** passenger car registrations in January of 169,754 units fell (31)% compared to a year earlier. ([KBA](#))
- **Spanish** sales of passenger cars in January of 41,966 units plummeted (52)% versus prior year. ([ANFAC](#))
- **Italian** passenger car registrations of 134,001 units dropped (14)% from prior year. ([UNRAE](#))
- **French** passenger car registrations in January of 126,381 cars slipped (6)% from prior year. ([CCFA](#))

Suppliers

- Supplier **Xilinx** says that semiconductors aren't the only potential bottleneck in the automotive supply chain and that raw materials will soon be under pressure. ([Nikkei](#))
- **Denso** hopes to be carbon neutral by 2035. ([Denso](#))
- **Valeo** aims to be carbon neutral by 2050, including "end use of its products", suggesting that it could refuse to tender for business with polluting OEMs, or even non-electric cars. ([Valeo](#))
- **Visteon** is collaborating with **ECARX** for next generation cabin electronics. ([Visteon](#))
- **Nidec** is buying the tool making business of **Mitsubishi Heavy**. ([Nidec](#))
- **Renesas** is in talks to buy chipmaker **Dialog Semiconductor**. ([Reuters](#))
- **Mando** is buying out **Hella's** share in their electronics joint venture. ([Mando](#))
- **TomTom** reported Q4 2020 revenue of \$125 million and a net loss of \$(65) million. ([TomTom](#))
- **Lear** reported Q4 2020 revenue of \$5.2 billion and core earnings of \$330 million. ([Lear](#))
- **Meritor** reported Q4 revenue of \$889 million and operating income of \$44 million. ([Meritor](#))
- **Aptiv** reported Q4 2020 revenue of \$4.2 billion and operating income of \$446 million. ([Aptiv](#))
- **Veoneer** reported Q4 2020 sales of \$455 million and an operating loss of \$(77) million. ([Veoneer](#))
- **Adient** reported Q4 2020 revenue of \$3.8 billion and EBIT of \$282 million. ([Adient](#))
- **Denso** reported Q4 2020 revenue of \$34 billion and operating profit of \$644 million. ([Denso](#))

Dealers

- On-demand car maintenance service **Vroomly** raised €5 million. ([Les Echos](#))

Ride-Hailing, Car Sharing & Rental (history)

- Multi modal operator **Hip** raised \$12 million. ([TechCrunch](#))
- **Didi** is rumoured to be looking to raise \$4 billion to plough into delivery services. ([Deal Street Asia](#))

- **Grab** raised \$2 billion in debt. ([Grab](#))
- **Uber** is buying alcohol delivery firm **Drizly** for \$1.1 billion. ([Uber](#))

Driverless / Autonomy (history)

- **Pony.ai** has raised \$100 million in its latest round. ([Deal Street Asia](#))

Other

- Truck startup **Hyzon Motors** will list through a merger with a special purpose vehicle. ([Detroit News](#))
- Electric bike maker **Rad Power Bikes** raised \$150 million. ([TechCrunch](#))
- **Alauda Aeronautics** unveiled a high speed drone that the company hopes will become a sporting sensation when a one make racing series kicks off. ([Alauda](#))