



# AD PUNCTUM

## Autos & Mobility Industry Briefing -- 26<sup>th</sup> July to 1<sup>st</sup> August 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)

- Developing scooters that fold into the boot of small cars believing that they have “firmly established themselves in the urban mobility mix”. ([BMW](#))

#### **Daimler** (history)

- Says that the trade in counterfeit car parts is a big problem, with over 1.7 million fake Daimler components confiscated in 2020 in raids the firm has supported. Daimler’s claim that fakers make higher margins than counterparts in the drug industry highlights the profitability of official manufacturers. ([Daimler](#))

#### **Ferrari**

- Ferrari raised €150 million in debt. Competitors will wince at the pitifully low interest rate – less than 1%. ([Ferrari](#))

#### **Ford** (history)

- Reported Q2 2021 financial results. Revenue of \$26.8 billion rose 38% versus prior year, outstripping wholesales which rose 18%. Net income of \$0.6 billion fell to almost half the level of a year earlier. Adjusted EBIT of \$1.1 billion improved from a \$(2) billion loss in prior year. ([Ford](#))
- Ford says that the all-electric F-150 has now reached 120,000 reservations. ([Ford](#))
- Ford says it has met with over 2,000 Silicon Valley start-ups since 2016, a figure less impressive than it would have seemed two weeks ago before Daimler claimed to have met 5,000. ([Ford](#))
- CEO Farley says that the company is “wasting money on incentives. I just don’t know where”. He hopes to overcome the problem by trying to move towards build to order. He also said that Mach E was profitable at the bottom line. ([Ford](#))
- Expects \$1 billion in revenue from subscriptions to the Ford Pro service by 2025. ([Ford](#))

#### **Geely (includes Volvo)** (history)

- Geely is aiming to make a sales push in South America by signing up Inchcape as a regional importer. ([Geely](#))

#### **General Motors** (history)

- Appointed a new CTO, Kent Helfrich, through an internal promotion. ([GM](#))
- Released details on US workforce diversity that it submits to the government. Within the information, GM revealed the structure of its workforce, and the number of senior executives (almost 200). ([GM](#))

#### **Honda** (history)

- Produced 1.05 million vehicles in Q2 2021, an increase of 27% on prior year. ([Honda](#))

## Hyundai / Kia (history)

- Working with Next Hydrogen Corporation to develop low CO2 methods of creating hydrogen using alkaline water electrolysis. The machines created to perform the electrolysis will incorporate Hyundai parts. ([Hyundai](#))
- Hyundai and LG Chem are creating a battery joint venture plant in Indonesia. ([Economic Times of India](#))

## Nissan and Mitsubishi (history)

- Reported Q2 2021 revenue of 2 trillion JPY (about \$18.4 billion), 71% better than prior year. Operating profit of 76 billion JPY (about \$690 million) rose from a prior year loss. ([Nissan](#))
- Sold 1,046,700 vehicles in Q2 2021, up 27% on a year-over-year basis. ([Nissan](#))
- Nissan issued its annual sustainability report. ([Nissan](#))

## Renault (history)

- Renault reported 1<sup>st</sup> half 2021 financial results. Revenue of €23.4 billion rose 27% from prior year while operating profit of €654 million rose from a €(1.2) billion loss a year earlier. ([Renault](#))

## Subaru

- Produced 184,000 cars in Q2 2021, almost double the figure in prior year. ([Subaru](#))

## Tata (includes JLR) (history)

- Reported Q1 2021 revenue of 66,406 Cr INR (about \$9 billion), up 108% on a year-over-year basis. Within this, JLR revenue of £5 billion rose 74% year-over-year. Both JLR and Tata Motors made an EBIT loss. ([Tata](#))
- JLR says it has the highest ever retail order pipeline in its history. ([JLR](#))

## Tesla (history)

- Reported Q2 2021 automotive revenue of \$10.2 billion, up 97% on a year over year basis (deliveries rose over 120% on the same basis). Operating income was \$1.3 billion, a fourfold increase from the same period last year and more than double the prior quarter, primarily because operating expenses were nearly flat whilst revenue and variable margin grew. Tesla expects says to grow on average 50% per year, a forecast that seems to be driven more by expanded market access than product, and rely heavily on Model Y. ([Tesla](#))
- CEO Musk thinks chip supply is already improving – which in part he attributes to efforts by Tesla and suppliers to source alternative hardware and then rewrite the controlling software. It isn't clear if Tesla have done anything out of the ordinary here since no quantification was given. He also believes that Tesla is scaling faster than any company of large manufactured objects in history. ([Seeking Alpha](#))
- CEO Musk claimed that he won't attend earnings calls in future, unless he has something to say.
- Comments by Tesla engineering staff suggested that the Cybertruck will share components with the Model Y. If correct, this implies that the vehicle may not be a full-size pickup. ([Seeking Alpha](#))
- Reportedly planning to move retail locations to cheaper buildings with lower foot fall in a bid to cut costs. ([Electrek](#))
- Agreed a settlement with disgruntled Model S owners who sued Tesla because of software updates that reduced battery capacity in the name of extending battery life. They will each receive just over \$600. ([Electrek](#))

## Toyota (history)

- Reported Q2 sales of 2.5 million vehicles, up 50% on prior year. ([Toyota](#))

## VW Group (history)

- Porsche launched a minor facelift of the Macan SUV. ([Porsche](#))
- Reported Q2 2021 group revenue of €67.3 billion, up 64% versus prior year as sales rose 29%. Earnings before tax of €6.7 billion rose from a €(2) billion loss in prior year. ([VW](#))
- A consortium led by VW agreed terms to take over rental firm Europcar. VW will own a majority shareholding but says it will not have control. ([VW](#))
- Established a joint venture with software firm TraceTronic, called neocx, to develop automated software testing routines. ([VW](#))
- VW's CFO says that the firm is looking for "strong partners" to share the investment burden necessary to ready the company for emerging technologies and profit pools. ([Handelsblatt](#))

## Other

- **Aston Martin** reported Q2 2021 revenue of £274 million, up almost fourfold from prior year. The operating loss of £(23) million was one quarter of the same figure a year earlier. The difference was mainly explained by volume which shot up from 317 cars in Q2 2020 to 1,548 this quarter. ([Aston Martin](#)) CEO Moers feels relatively bullish about the outlook for fully-electric luxury cars because "you don't see the impact on margin" that lower priced carmakers experience. He also believes that brand will be the most important differentiator for EVs. ([Aston Martin](#))
- **Workhorse** have a new CEO, former Delphi boss Richard Dauch. ([Workhorse](#))
- **Rivian** is reportedly in talks to create a UK factory. ([Reuters](#))
- **Canoo** appointed one of its board members, a (professional) lifelong diplomat, as president. ([Canoo](#))
- **Evergrande** is selling internet assets to raise cash. ([Deal Street Asia](#))
- **GAC** and **Huawei** confirmed that they will build an SUV together. GAC will provide the hardware whilst Huawei will concentrate on connected vehicle technology. ([GAC](#))
- **Nikola's** ex-CEO has been charged with securities fraud. ([Manager Magazin](#))
- Former **Opel** CEO Lohscheller has been appointed to lead **VinFast**. ([VinGroup](#))

## News about other companies and trends ...

### Suppliers

- **Lesjöfors** acquired spring specialist **Alcomex**. ([Lesjöfors](#)) The firm is also [selling off](#) subsidiary S&P Federnwerk.
- **Marelli** and **Motherson** will collaborate on body parts with integrated lighting. ([Marelli](#))
- **Faurecia** reported 1<sup>st</sup> half 2021 revenue of €7.8 billion and operating income of €510 million. ([Faurecia](#))
- **Dana** reported Q2 2021 revenue of \$2.2 billion and net income of \$53 million. ([Dana](#))
- **Michelin** reported 1<sup>st</sup> half 2021 revenue of €11.2 billion and operating income of €1.4 billion. ([Michelin](#))
- **American Axle** reported Q2 2021 revenue of \$1.3 billion and net income of \$16 million. ([AAM](#))
- **Allison Transmission** reported Q2 2021 revenue of \$603 million and net income of \$110 million. ([Allison](#))
- **Denso** reported Q2 2021 revenue of \$12.3 billion and operating profit of \$970 million. ([Denso](#))
- **Kongsberg** reported Q2 2021 revenue of €296 million and adjusted EBIT of €5 million. ([Kongsberg](#))
- **LG's** automotive division had \$1.7 billion of revenue in Q2 2021, with a \$(92) million loss. ([LG](#))
- **Visteon** reported Q2 2021 sales of \$610 million and a net loss of \$(11) million. ([Visteon](#))

### Dealers

- Norwegian all-inclusive leasing firm **imove** raised \$22 million. ([TechCrunch](#))
- UK all-inclusive leasing firm **Onto** raised \$175 million in equity and debt. ([TechCrunch](#))

## Ride-Hailing, Car Sharing & Rental (history)

- **UK** politicians are worrying that consumers without access to private charging will have to pay too much. ([BBC](#))
- Egyptian ride hailing firm **Swvl** is listing through a merger with a special purpose entity in a deal that will value it at \$1.5 billion. ([TechCrunch](#))
- Peer-to-peer rental operator **Getaround** was fined almost \$1 million by regulators in Washington, D.C. because it did not have the requisite licences. ([TechCrunch](#))
- A consortium led by **VW** agreed terms to take over rental firm **Europcar**. VW will own a majority shareholding but says it will not have control. ([VW](#))

## Electrification (history)

- **Johnson Matthey** acquired the intellectual property of defunct UK battery developer **Oxis Energy**. ([JM](#))
- **TotalEnergies** acquired the Singaporean charging assets of **Bollore**. ([Economic Times of India](#))
- Battery firm **SVOLT** raised 10.3 billion RMB (about \$1.6 billion). ([SVOLT](#))
- Battery recycling firm **Redwood** (led by **Tesla's** former battery czar) raised \$700 million. ([Reuters](#))
- Charging firm **Allego** is listing through a merger with a special purpose vehicle. ([Reuters](#))