



AD PUNCTUM

Autos & Mobility Industry Briefing -- 23rd April to 29th April 2018

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)

- Showed the iX3 concept in Beijing and said the vehicle will be produced in China. ([BMW](#))

Daimler (history)

- Q1 2018 revenue of €39.8 billion was up 3% versus the prior year (damped by exchange). Group EBIT of €3.3 billion was down versus prior year which Daimler attributed to no-recurring special items.
- Ford C-Suite executives will have been choking on their cognac reading page 26 of Daimler's Q1 earnings presentation which sported a near philosophically identical core-to-new-business relationship to Ford's short-lived "infinity" symbol (as revenge, Ford might rip off slide 34 to explain their modular platform strategy -- basically all modules across all platforms). ([Daimler](#))
- BAIC Motor will raise \$422 million through a sale of new shares. Daimler's stake will be reduced from 10.08% to 9.55%. ([Economic Times of India](#))

FCA (history)

- Reported financial results for Q1 2018. Revenue of €27.0 billion was down (2)% on a year-over-year basis, despite shipments increasing 7%. FCA blamed exchange rates. Adjusted EBIT of €1.6 billion was 5% better than prior year and the company's net debt of €1.3 billion looks set to be eradicated by year end. ([FCA](#))
- CEO Marchionne said that fines and penalties that would result from missing 2020+ EU CO₂ targets "need to be avoided like the black plague". ([Seeking Alpha](#))

Ford (history)

- Announced Q1 2018 financial results. Revenue of \$42 billion was up 7% on a year-over-year basis. Ford called adjusted EBIT of \$2.2 billion "solid", despite a (10)% YoY drop which Ford said was all due to commodity costs. In a bid to mollify investors, the company pulled forward its target year for 8% EBIT margin to 2020. Ford also announced that by 2020 it will only sell two pure cars in North America: Mustang and the active version of the new Focus. The confirmation that the company will no longer offer Fusion in North America beyond 2020 (in line with previously leaked letters to suppliers) fuelled speculation about the future of the Mondeo in Europe (also mentioned in the leaked supplier letter). ([Ford](#))
 - Implication: Although the reduction in the "car" portfolio attracted headlines, all but the largest SUVs migrated several years from body-on-frame architectures to unibody construction, blurring the historically relevant point of distinction (larger trucks remain body on frame)
- Executives said that the company would still offer "affordable" products in North America once it has phased out existing entry level products. ([Detroit News](#))
- Announced a series of executive moves and external hires in Middle East, Africa and China. ([Ford](#))

- Reportedly will not unveil full details of its “fitness” plan until September, after a planned July review with the company’s board. ([New York Times](#))
- When production of the Taurus stops at the Chicago plant in 2020, Ford will begin building the Lincoln Aviator and expects that no redundancies will be necessary. ([Chicago Tribune](#))

Geely (includes Volvo) (history)

- Volvo announced financial results for Q1 2018, sales and revenue were both up by over 14% but operating profit rose less strongly, by 3.6% on a year-over-year basis. Net income was down. ([Volvo](#))
- Volvo announced that by 2025 it is targeting 50% of sales mix to be fully electric. The press release wasn’t clear on the exact nature of the goal -- the context implied this was a China-market target for heavily electrified vehicles (BEVs and PHEVs) whilst the headlines read as though the intent is for global sales to be 50% BEVs. ([Volvo](#))
- Geely’s design boss implied that Lotus will be launching more than one SUV. ([Autocar](#))
- Established a JV for 6 speed automatic transmissions with Aisin. Geely is taking a 40% share in the factory which will have a capacity of 400,000 units per year. ([China Daily](#))

General Motors (history)

- Reported Q1 2018 financial results. Revenue of \$36.1 billion was down (3.1)% from prior year (excluding the loss of Opel / Vauxhall) and adjusted EBIT of \$1.1 billion was down (58.7)%. The company mainly blamed planned production stoppages in North America to allow launch of a new range of pick up trucks. ([GM](#))
- Launching an additional (third) shift -- about 700 jobs -- at Spring Hill from September 2018 in response to the popularity of the GMC Acadia and Cadillac XT5 products built there, reversing the elimination of the same shift about a year ago. ([GM](#))

Honda (history)

- Released the results for the 2017/18 financial year. Revenue of 14 trillion yen (about \$128 billion) was up 9% on a year earlier but profits were down -- Honda explained this as a series of one-times: exchange; pension accounting and legal expenses. ([Honda](#))
- Launched a China-market EV brand with JV partner GAC, called Everus. ([Autocar](#))

Hyundai / Kia (history)

- Hyundai and KIA both reported financial results for Q1 2018. Hyundai saw revenue and profit drop, by (4)% and (45)% respectively. ([Hyundai](#)) KIA fared a bit better, revenue was down (2.2)% and operating profit dropped (20)%. ([KIA](#)). Taking both affiliates together, revenue was 35 trillion KRW (\$32.7 billion) and operating profit was 987 billion KRW (about \$920 million).
- The South Korean Fair Trade Commission appeared to side with Hyundai in an ongoing battle with an activist shareholder over the motor group’s structure. ([Bloomberg](#))

Mazda

- Global production in Q1 2018 was 419,181 vehicles, an increase of 2.9% on the prior year. ([Mazda](#))

Nissan (includes Mitsubishi) (history)

- Nissan Q1 2018 global sales totalled 1,496,573 vehicles, a (1.5)% drop versus a year earlier. ([Nissan](#))
- Mitsubishi Q1 2018 global production totalled 378,489 units, an increase of 18% on Q1 2017. ([Mitsubishi](#))
- Nissan’s CEO said there was “no merit” in a full merger with longtime partner Renault, citing unspecified “side effects”. ([Economic Times of India](#))
- The Renault-Nissan-Mitsubishi alliance has joined Didi Chuxing’s project to increase availability of BEV and PHEV vehicles for ride sharing drivers. ([Nissan](#))
- Showed the China-market only Sylphy electric vehicle, derived from the Leaf. ([Nissan](#))

PSA (includes Opel/Vauxhall) (history)

- Reported Q1 2018 automotive vehicle division revenue of €15.1 billion, a 67% increase primarily due to the inclusion of Opel and Vauxhall. ([PSA](#))
- Will switch some production of 5008 to Sochaux -- partly because of the vehicle's sales success but also to allow Rennes to create capacity for the C5 Aircross. ([France Info](#))
- Opel's works council withdrew its support for the German voluntary redundancy scheme, saying that Opel was trying to separate more people than had been agreed. Opel countered that if extra people wanted to join the scheme, the unions should not be blocking them. ([Reuters](#))
- German regional politicians said that they were prepared to offer support for energy and property costs at German Opel plants, but would not submit to "blackmail". ([Reuters](#))
- In contrast to German Opel unions, British representatives of Vauxhall workers said their "focus" was on the long term future of factories in the UK as they agreed a relatively paltry pay rise -- a £750 lump sum in 2018 and a 1.5% increase in 2019. ([Reuters](#))
- Vauxhall has withdrawn diesel powered versions of the Corsa in the UK due to falling sales. ([Autocar](#))
- PSA Chairman Louis Gallois said he will retire in 2020. ([Les Echos](#))

Renault (history)

- Reported Q1 2018 revenues of €13.2 billion, about flat with the prior year. Registrations were up 4.8% from Q1 2017 to 935,041. Renault blamed exchange (stronger euro) for the difference. ([Renault](#))
- The Renault-Nissan-Mitsubishi alliance has joined Didi Chuxing's project to increase availability of BEV and PHEV vehicles for ride sharing drivers. ([Nissan](#))
- Renault announced an agreement with IKEA in France to provide a fleet of vehicles for short term rental from IKEA stores. The plan is for all vehicles to be electric by 2020. ([Renault](#))

Suzuki

- Reported Q1 global production of 897,993 units, an increase of 4.3% on a year-over-year basis. ([Suzuki](#))

Tata (includes JLR) (history)

- When asked about all-electric Land Rover models, CEO Speth told journalists to "watch this space". ([Bloomberg](#))

Tesla (history)

- Lost a key electronics executive with Autopilot responsibility to Intel; the move appears to be focused on Intel's core business rather than a defection to Intel's self-driving effort. ([Intel](#))

Toyota (history)

- Produced 2,658,940 vehicles worldwide in Q1 2018, a decrease of (1.8)% on the same period in 2017. ([Toyota](#))
- Announced a battery electric C-HR as part of its 10 electrified vehicle portfolio for China. ([Toyota](#))
- Unveiled the new Lexus ES. The car will be on sale from September 2018. ([Toyota](#))
- Announced an investment of \$170 million in the Mississippi factory to produce the new Corolla. ([Toyota](#))
- Created a European mobility group in London with a plan to recruit between 35 and 50 team members. ([Toyota](#))

VW Group (history)

- Announced financial results for Q1 2018. Although sales rose by about 6.1%, revenue was up only 3.6% and operating income of €4.2 billion was down (3.6)% on a year-over-year basis. The company blamed a change in accounting rules for derivatives for the profit drop. ([VW](#))
- Audi is recalling 1.2 million cars globally to correct problems with coolant pumps. ([Economic Times of India](#))
- Porsche's Chinese market sales could reach 50% PHEV and BEV by 2025 according to sales executives. ([Bloomberg](#))
- Introduced three new engines at a technical symposium: a 48V gasoline, a new natural gas powered engine and a mild hybrid diesel equipped with a 12V system. ([VW](#))

- VW's head of electrification said that the ID's initial production volume will be 100,000 units per year when it launches in 2019 -- the company has already said it will install capacity for around 330,000 vehicles for the ID range from 2020 onwards. ([Ecomento](#))
- Announced an electrified vehicle brand for the Chinese market called SOL, in collaboration with joint venture partner JAC. The first product is a BEV SUV with a range of more than 300km. ([VW](#))
- VW will only be allowed to increase their fleet of Moia vehicles in Hamburg from 500 to 1,000 if they can show that public transport has not been disrupted. ([Manager Magazin](#))
- Audi announced a collaboration with Airbus's Voom helicopter taxi business to offer a seamless door to door urban mobility service for the exceptionally well-heeled in traffic hotspots such as Mexico City. ([Usine Nouvelle](#))

Other

- **MG** showed the near production-ready X-Motion concept SUV, a vehicle with a design that appears to have been significantly inspired by the Jaguar F-Pace. ([Autocar](#))
- **BAIC Motor** will raise \$422 million through a sale of new shares. **Daimler's** stake will be reduced from 10.08% to 9.55%. ([Economic Times of India](#))
- **NIO** showed a 2+2+2 version of the ES8 crossover, a 7 seater is still planned. ([NIO](#))
- **Elio Motors** announced \$2.5 million in fresh funding and a new cryptocurrency called the ElioCoin. ([Elio Motors](#))

News about other companies and trends ...

Economic / Political News

- The **EU** said average emissions for passenger vehicles increased in 2017, confirming previous forecasts. The announcement is based on preliminary data -- a final analysis will be released later in the year. ([ACEA](#))

Suppliers

- **Lear's** Q1 2018 revenue was \$5.7 billion, up 15% on a year-over-year basis. Net income was \$345 million. ([Lear](#))
- **Borg Warner** reported revenue of \$2.8 billion and operating income of \$334 million in Q1 2018. ([Borg Warner](#))
- **Autoliv** reported revenues of \$2.8 billion in Q1 2018 and operating margin of 8.0%. ([Autoliv](#))
- **Valeo** saw sales rise 3% year-over-year to €4.9 billion in Q1 2018. ([Valeo](#))
- **Denso** reported financial results for its full fiscal year. Revenue of \$48 billion was up 12.8% versus the prior year whilst operating profit of \$4 billion rose 24.8% -- Denso said cost reductions had a big effect. ([Denso](#))
- **Visteon** announced Q1 2018 financials. Sales (\$814 million) and net income rose slightly versus prior year. ([Visteon](#))
- **Plastic Omnium** reported revenue of €1.9 billion in Q1 2018, up 2.8% on the prior year. ([Plastic Omnium](#))
- **Mahle** reported full year financial results. Revenue was €12.8 billion and net income was €102 million. ([Mahle](#))
- **Michelin** reported revenue of €5.2 billion in Q1 2018, down on the prior year due to stronger euro. ([Michelin](#))
- **Continental** is considering a spin-off of its powertrain business. ([Manager Magazin](#))
- **Bosch** announced a new exhaust gas recirculation (EGR) technology that it says can drastically reduce NOx emissions (Bosch claim a near 90% reduction from current levels but [this recent study](#) indicates several OEMs are already near to Bosch's level). ([Bosch](#))
- **LG** acquired lighting supplier ZKW Group in a €1.1 billion deal. ([LG](#))
- **Magna** has created a joint venture for door modules in China with **BHAP**. ([Magna](#))
- Chinese battery supplier **Tianjin Lishen** is reportedly planning a European sales office as it chases electric vehicle contracts with **Daimler** and **VW**. ([Economic Times of India](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Didi Chuxing** reportedly wants a valuation of between \$70 billion and \$80 billion in a forthcoming IPO. ([CNBC](#))
- **Didi Chuxing** has created in-house teams to develop purpose-built vehicles, although the company also praised the knowledge of "traditional" OEMs. ([Reuters](#))
- **Uber's** COO said the firm was going to "double down" in India, Middle East and North Africa and is prepared to make "indefinite" investments in chosen regions. ([Forbes](#))

- **Go-Jek** and **ComfortDelGro** are reportedly in talks to collaborate in the Singaporean market. ([TechCrunch](#))
- **Careem** suffered a data breach in January in which hackers gained access to data on 14 million customers; their credit card and password information was spared. ([Careem](#))
- Carpooling firm **BlaBlaCar** acquired smaller rival **Less**. ([TechCrunch](#))
- Peer to peer car rental start-up **HiyaCar** raised more than £1 million in a crowdfunding drive. ([Crowdfund Insider](#))
- The **Renault-Nissan-Mitsubishi** alliance has joined **Didi Chuxing's** project to increase availability of BEV and PHEV vehicles for ride sharing drivers. ([Nissan](#))

Driverless / Autonomy (history)

- A British **Tesla** owner was convicted of dangerous driving after putting his vehicle on Autopilot and climbing into the passenger seat whilst on a motorway. The owner told police he was the “unlucky one who got caught”. ([BBC](#))
 - Implication: The driver in question is a perfect example of over-confident owners who misunderstand the capability of their ADAS equipped vehicles. The driver’s remarks after getting stopped are very worrying and the stunt indicates that Tesla’s efforts to stop abuse of the L2 system are failing. Will their come a time when the manufacturer is accused of negligence for giving people a system that they can misuse?
- **BMW** will use a solid state lidar sourced from **Innoviz** and **Magna** for autonomous vehicles -- by extension, presumably FCA vehicles will too; given that they are developing a shared self-driving platform. If rumours are to be believed then you can add **Hyundai-Kia** to the list too. ([Magna](#))
- Self-driving start-up **Voyage** announced an open source safety library comprising code and scenarios. The company hopes it can become a widely-used foundation for autonomous vehicle software. ([Voyage](#))

Electrification (history)

- Solid state battery supplier **Ionic Materials** announced that including the (previously announced) investment from **Renault-Nissan-Mitsubishi**, it raised \$65 million in its latest round. ([Inside EVs](#))
- **Dana** launched a series of powertrain modules aimed at off-highway applications. ([Dana](#))

Connectivity

- **Amazon** has partnered with **GM** and **Volvo** to offer deliveries into the boot / trunk of owners’ cars in select US cities. GM CEO Mary Barra suggested that Amazon was paying GM for each delivery made. ([Bloomberg](#))
- **Savari** raised \$12 million to develop V2X solutions. ([Xconomy](#))
- **ZF** joined the **eSync** open platform for over the air updates. ([ZF](#))