

Automotive

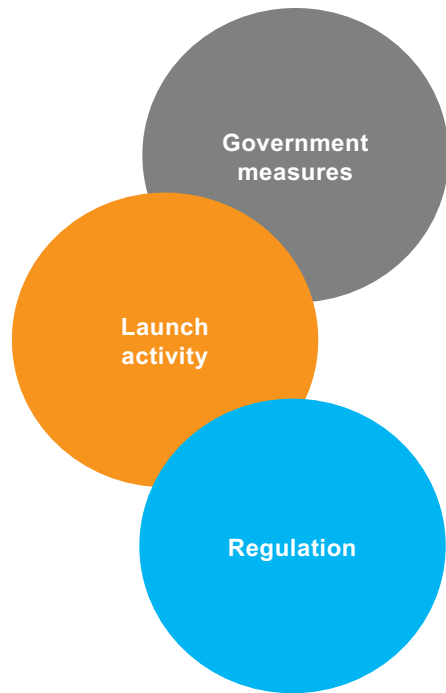
Automotive Logistics – Livestream Coronavirus Series

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COVID-19: a generational event's impact on Autos sector



- Will government asymmetrical response to “Return to normal” exacerbate any existing asymmetry in supply and demand of parts and vehicles for several months?
- How exposed are OEMs and suppliers exposed to product launches delays?
- What does COVID-19 entail for the regulatory environment?



Automotive Manufacturing Disruption (AMD) Index

Outlining OEMs and suppliers' manufacturing exposure to government's COVID-19 measures.

Measures considered

- Workplace Closures
- School Closures
- Public Transport Restrictions
- Internal Movement Restrictions
- International Travel Restrictions



Severity level

- No measures
- Recommended/Advisory
- Compulsory

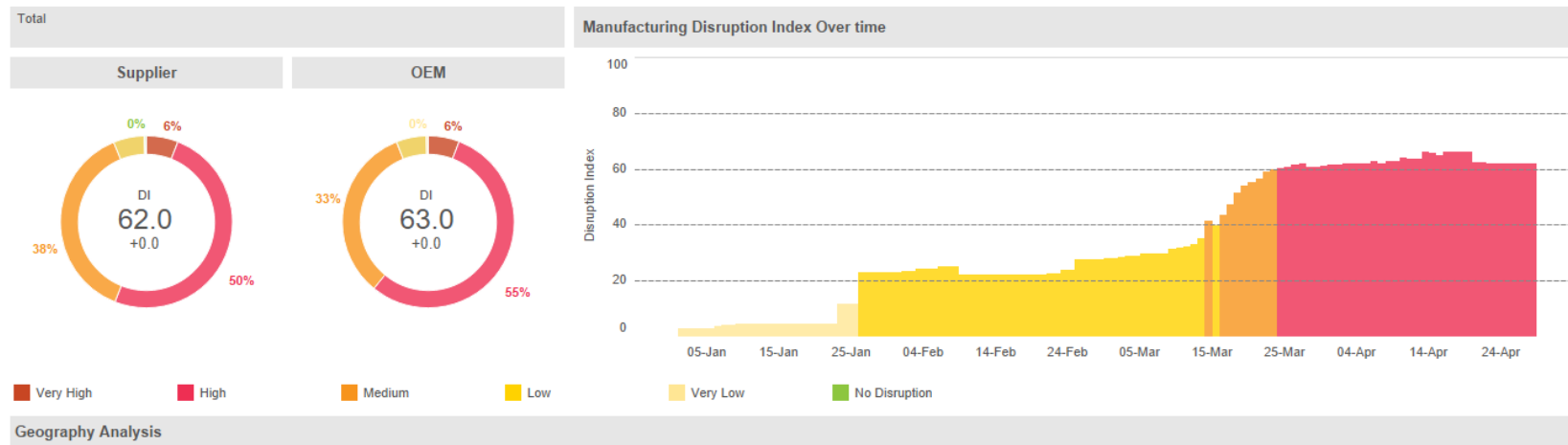


Geographic scope

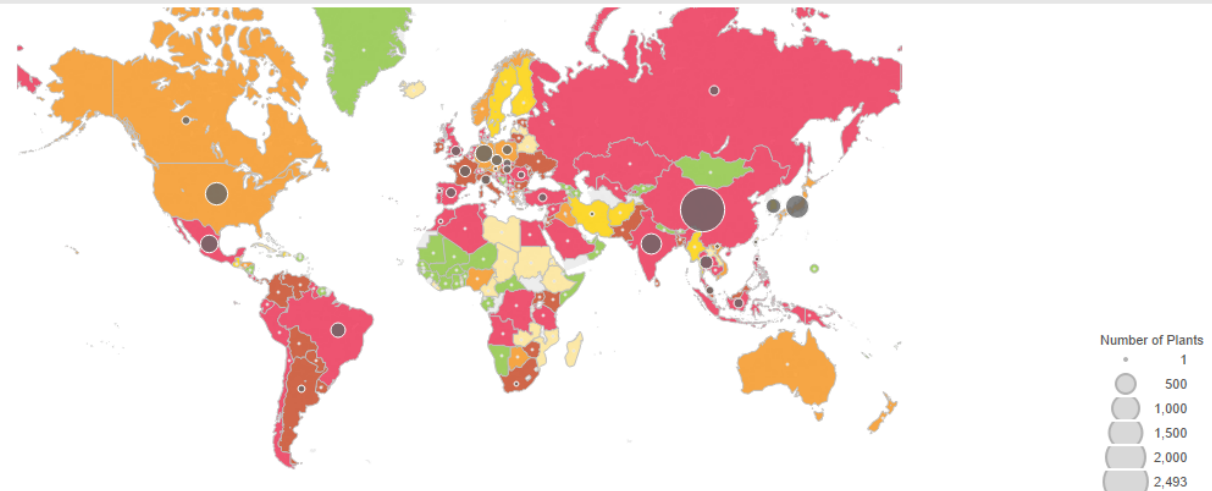
- Targeted
- Generalized

COVID-19 Automotive Manufacturing Disruption Index

28-Apr-2020



Geography Analysis



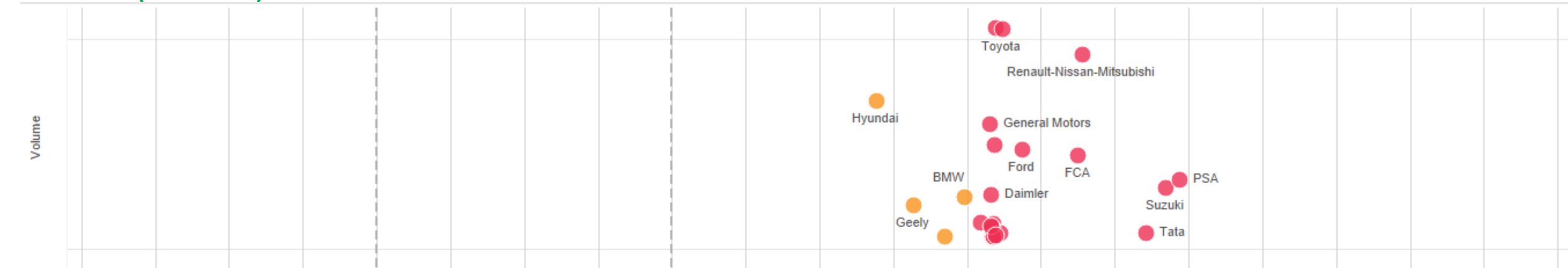
Source: IHS Markit Component Forecast Analytics, Light Vehicle Production Forecast, OxCGRT



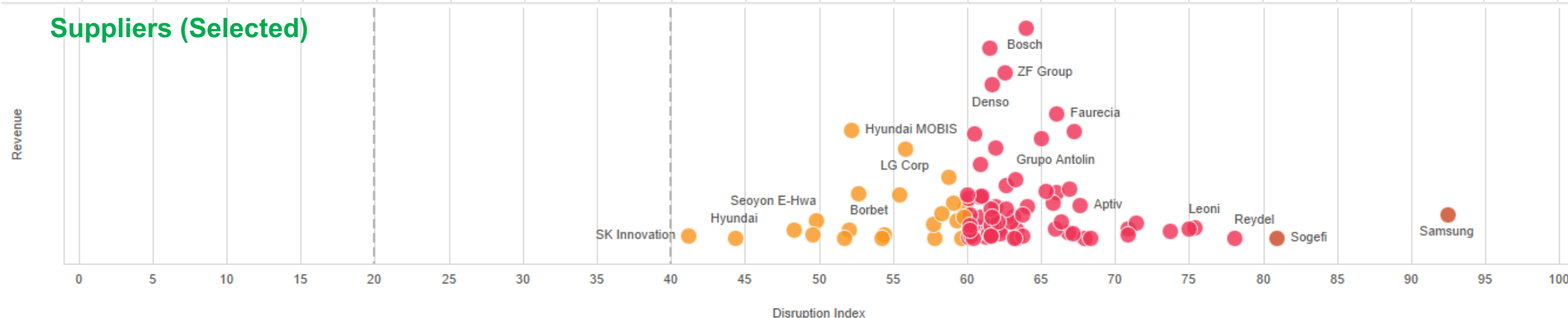
AMD Index by OEM and suppliers (volume and revenue weighted)

A greater exposure to China, Germany and Mexico favours different manufacturers.

OEMs (Selected)



Suppliers (Selected)



COVID-19 impact on launch activity (delays measured as per IHSM fcst)

Some OEMs' with more intense launch activity are more impacted that others



153

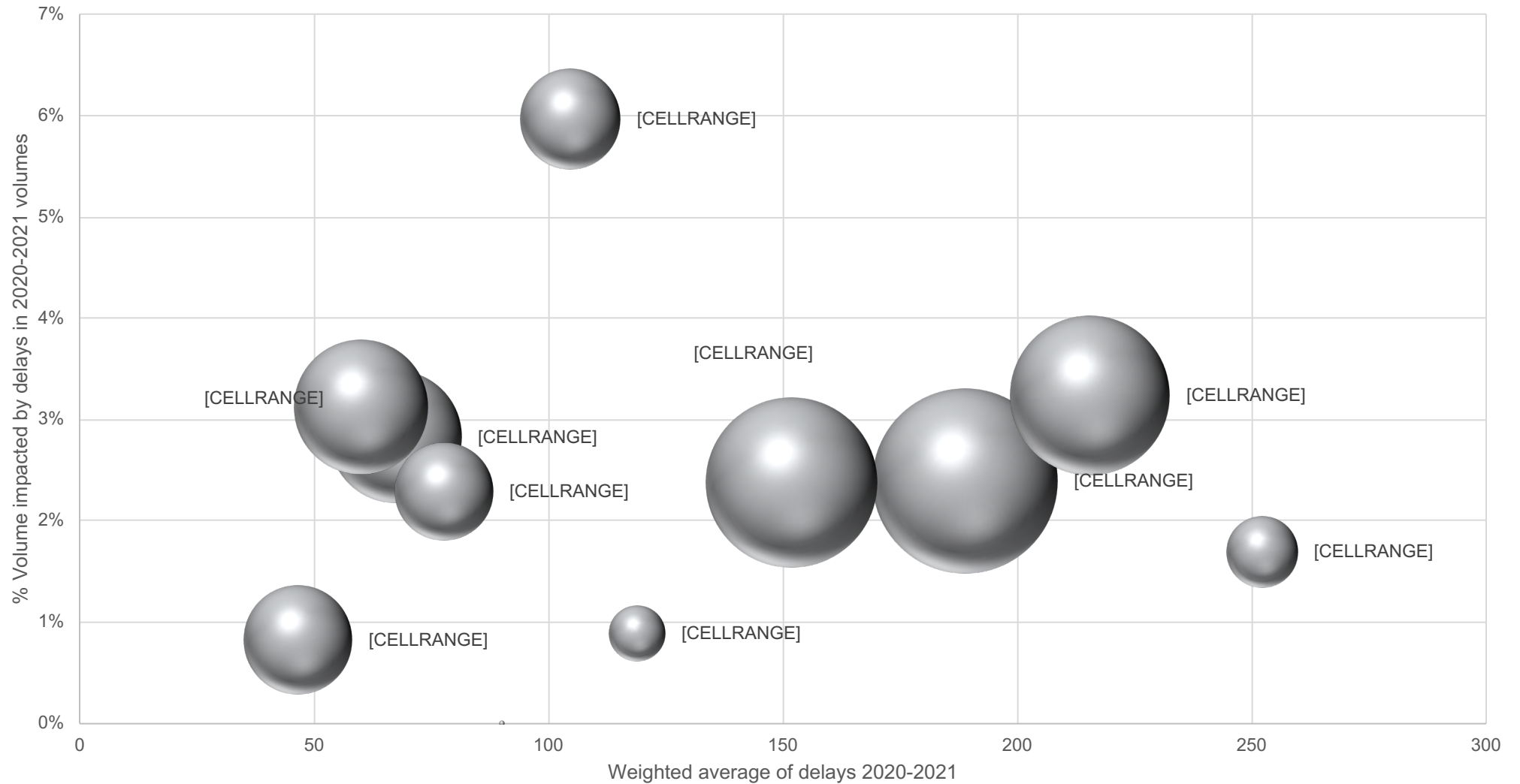
Programs are impacted in the last two weeks

~1.3%

Of programs impacted

4.9 months

Average delay of impacted programs



COVID-19 impact on launch activity (delays measured as per IHSM fcst)

Delays on EV launches having a major impact on CATL and BYD



560M

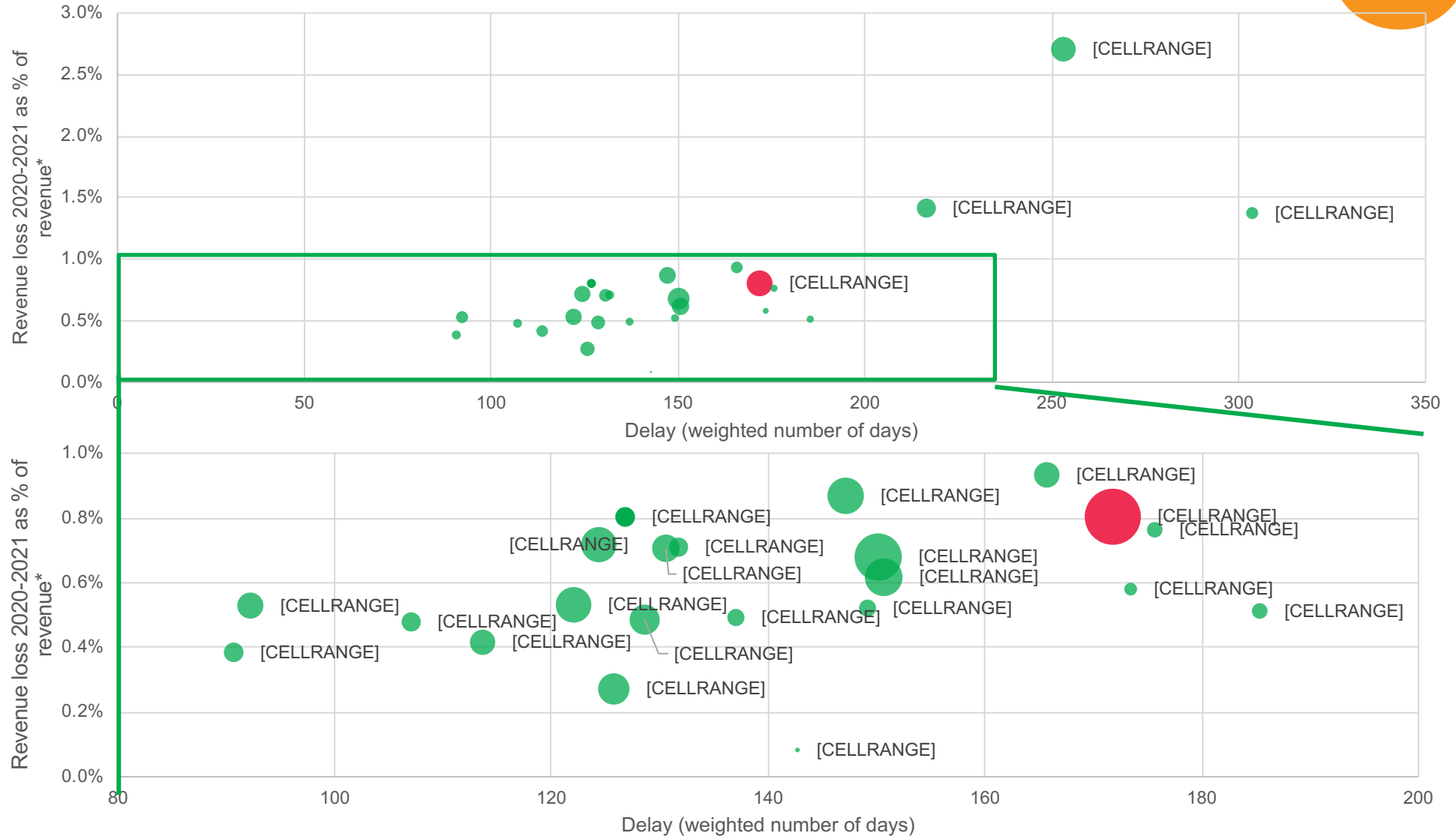
Revenue impact of delays for Bosch

107M\$

Average loss per supplier among top 50 suppliers

128 days

Average SOP slippage impact for top 50 suppliers

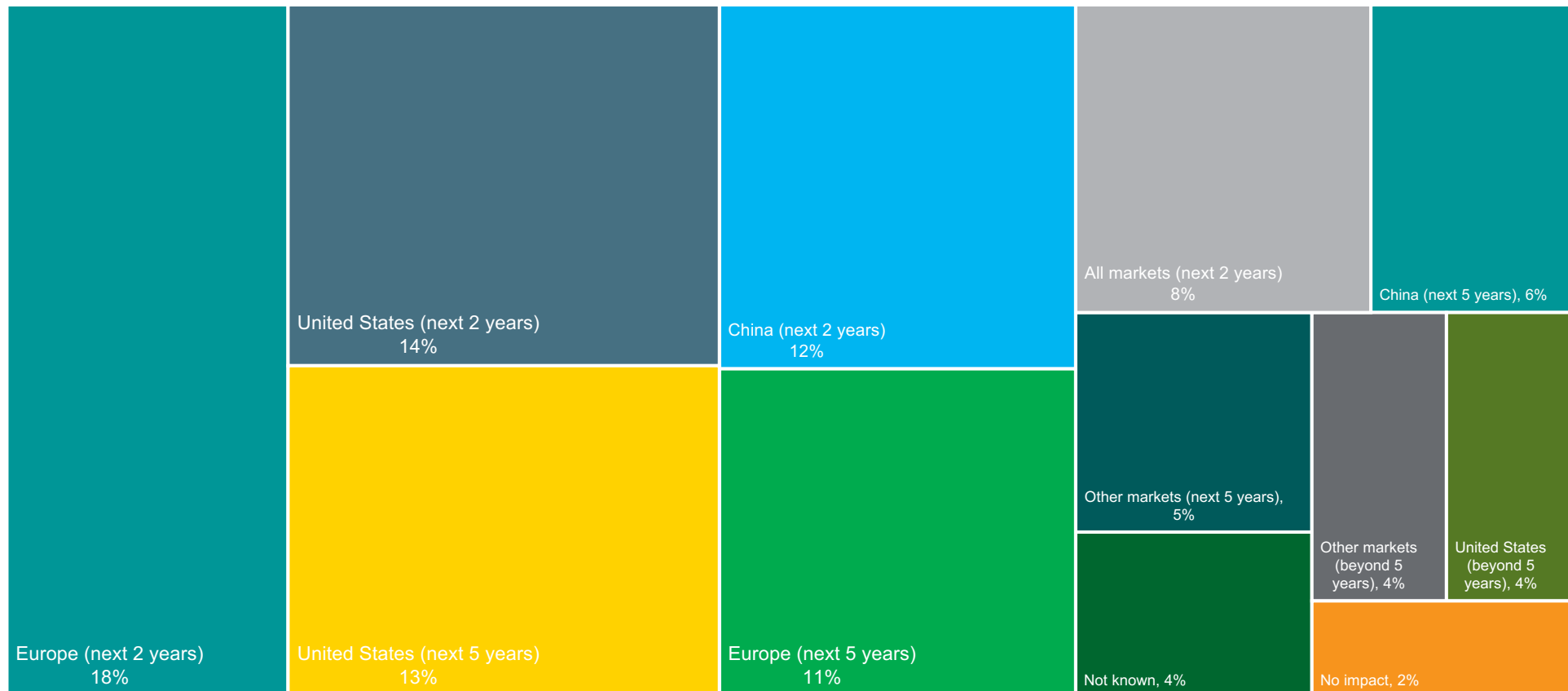




Regulatory implications

Industry consensus on a softening of EU CO₂ seems clear, however less clear what lever will be used

IHSM Survey*: Will the COVID-19 related industry disruption result in delays of new regulation or relaxation of current regulation on CO₂ and Fuel economy? If yes, which regions are impacted and for how long?



*140 respondents in early April (global OEMs and suppliers)

Summary

- Asymmetry of market cycle likely to materialize between regions and countries as a function of restrictions, economic policies and disruption.
- Risk of extended period of supply chain disruption is therefore heightened.
- Forecast risks remain overwhelmingly on the downside given the uncertainty surrounding the pandemic & policy responses
- Industry consensus around delays to e-mobility and autonomy technology deployment is gaining momentum, however uncertainty still weighs on potential adjustments to the regulatory environment.

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