Automotive

Automotive Logistics – Livestream Coronavirus Series

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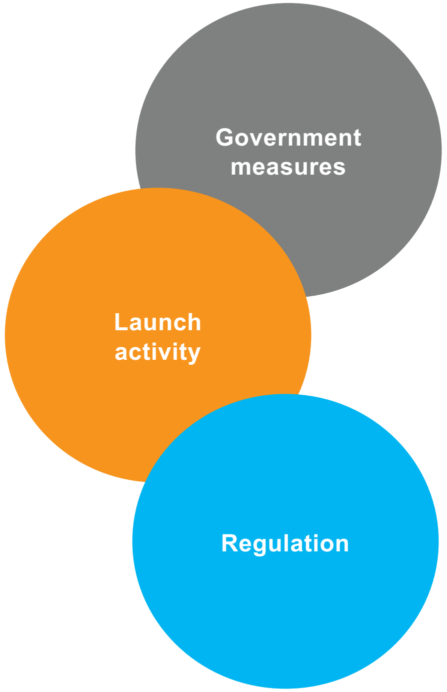
Matteo Fini

Executive Director

Automotive Supply Chain and Technology

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?

Govern ment

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

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Severity level

- No measures
- Recommended/Advisory
- Compulsory

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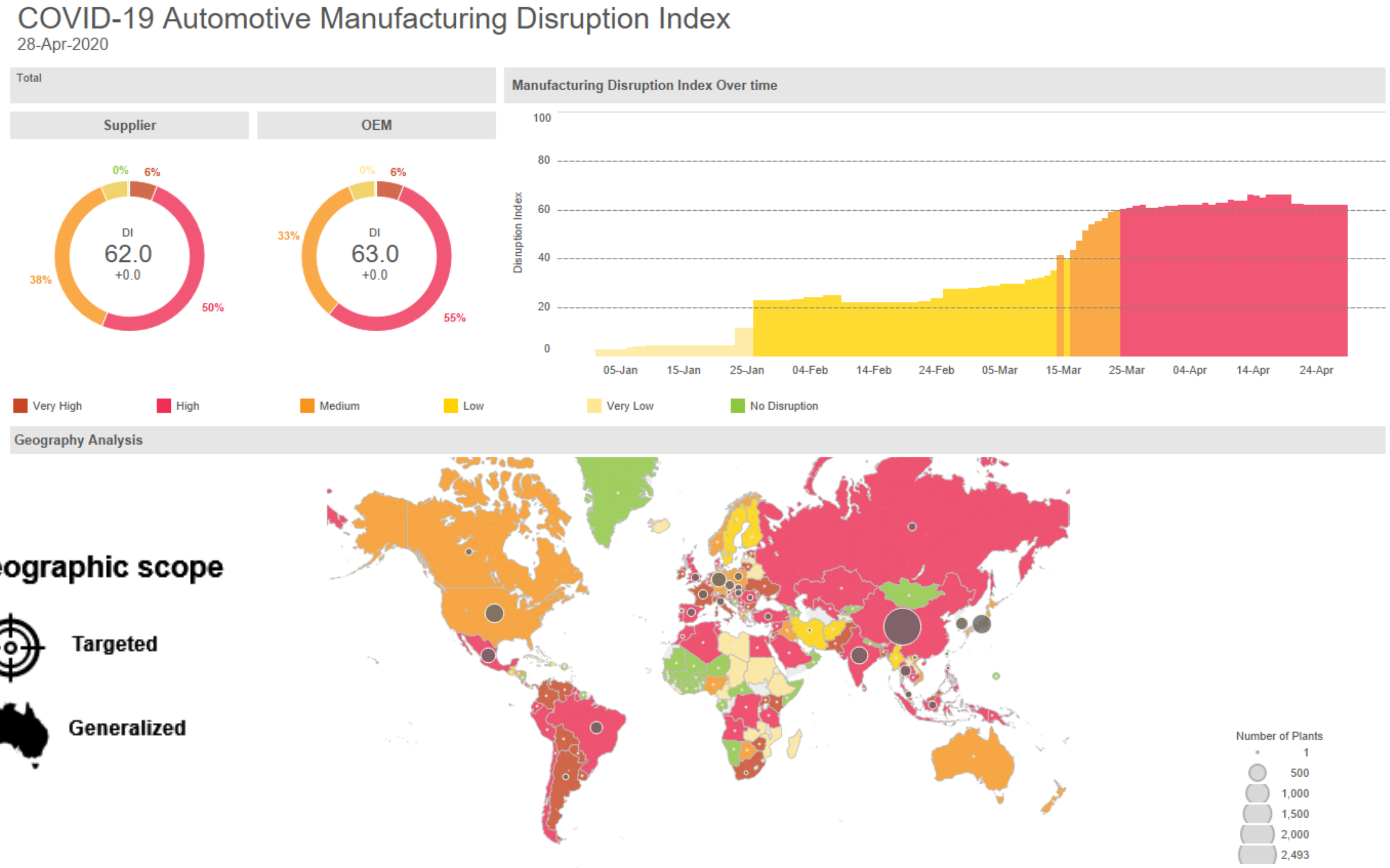
Geographic scope

- Targeted
- Generalized



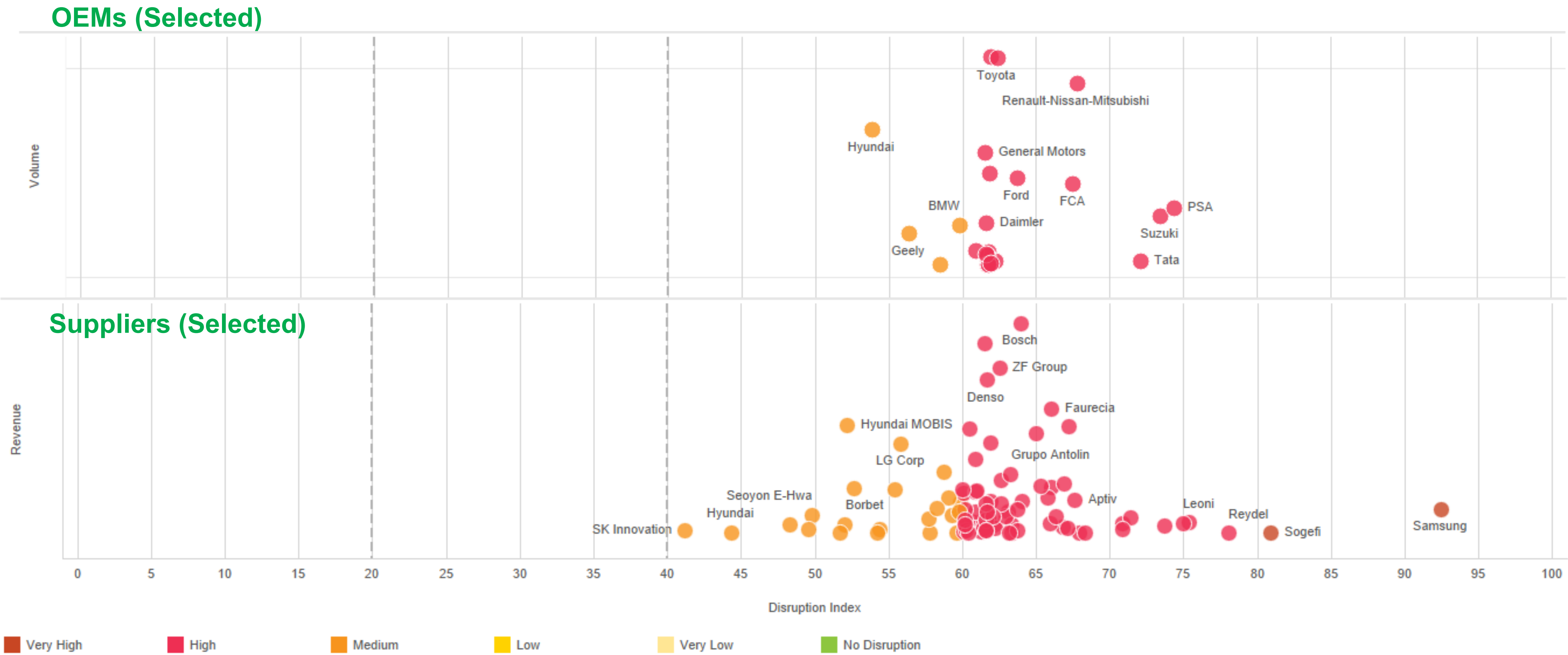
Source: IHS Markit Component Forecast Analytics, Light Vehicle Production Forecast, OxCGRT

More on autotechinsight.ihsmarkit.com/

Govern ment

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

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



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

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

Launch activity

153

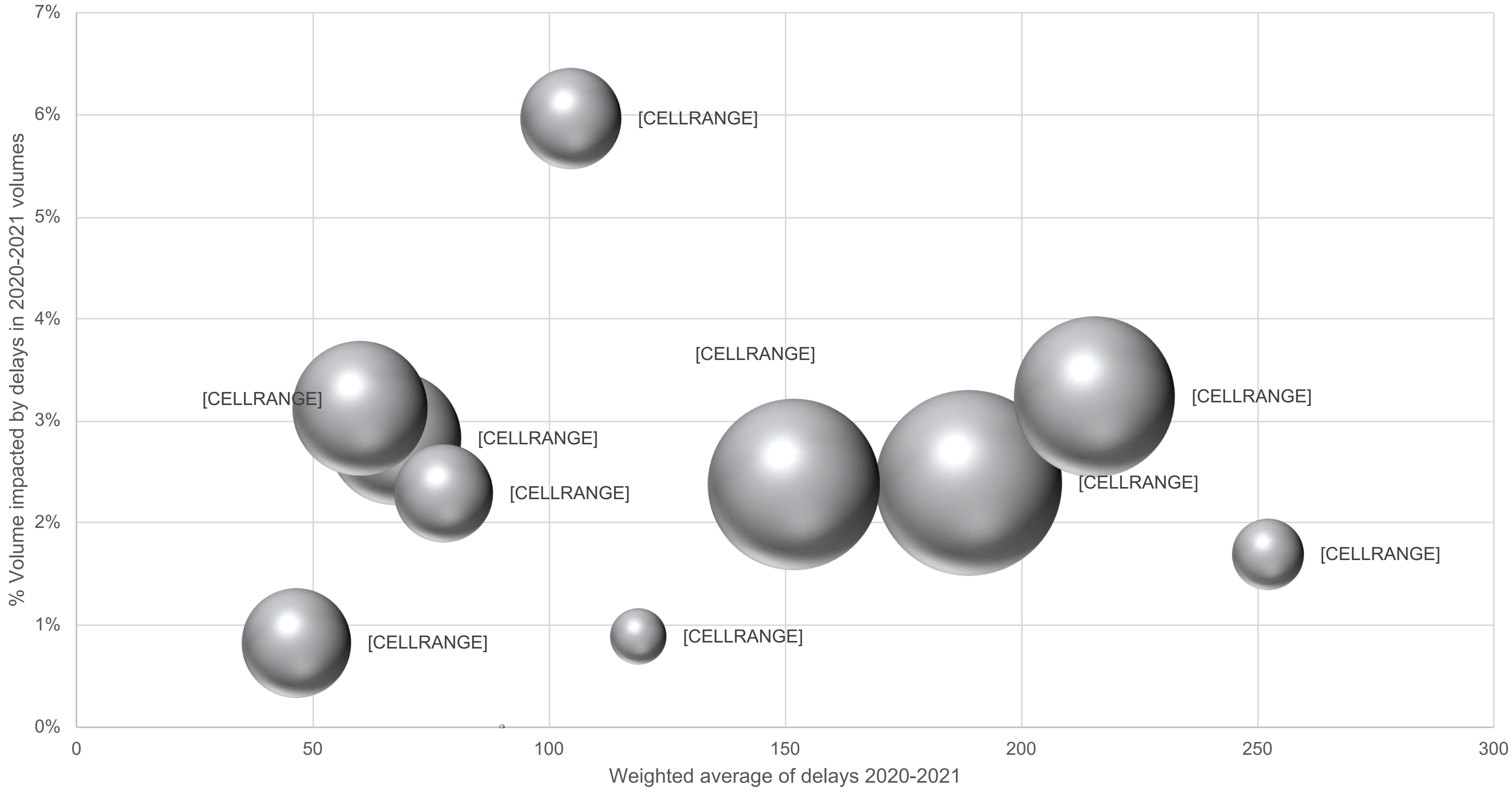
Programs are impacted in the last two weeks

~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

Launch activity

560M

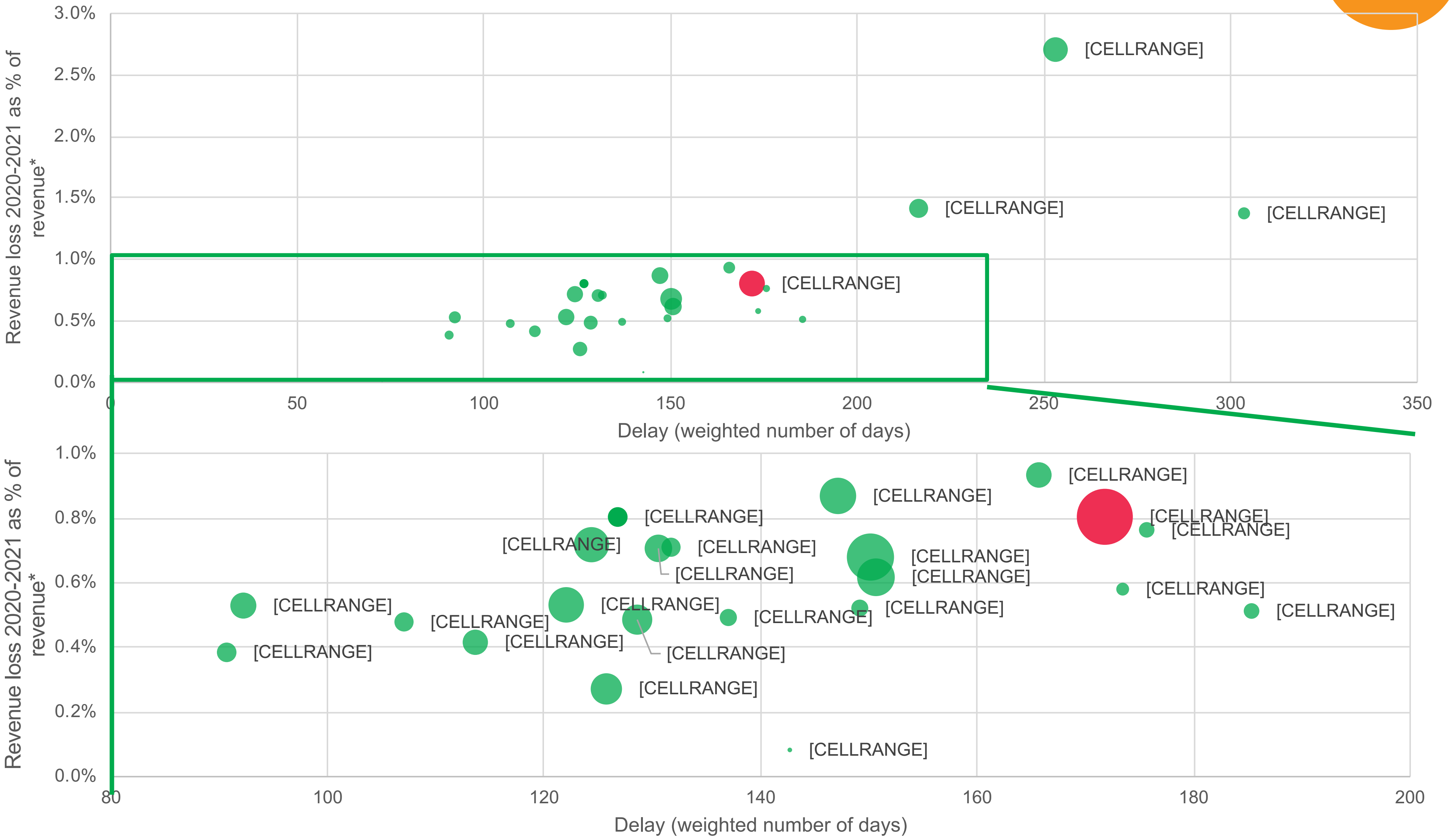
Revenue impact of delays for Bosch

107M$

Average loss per supplier among top 50 suppliers

128 days

Average SOP slippage impact for top 50 suppliers



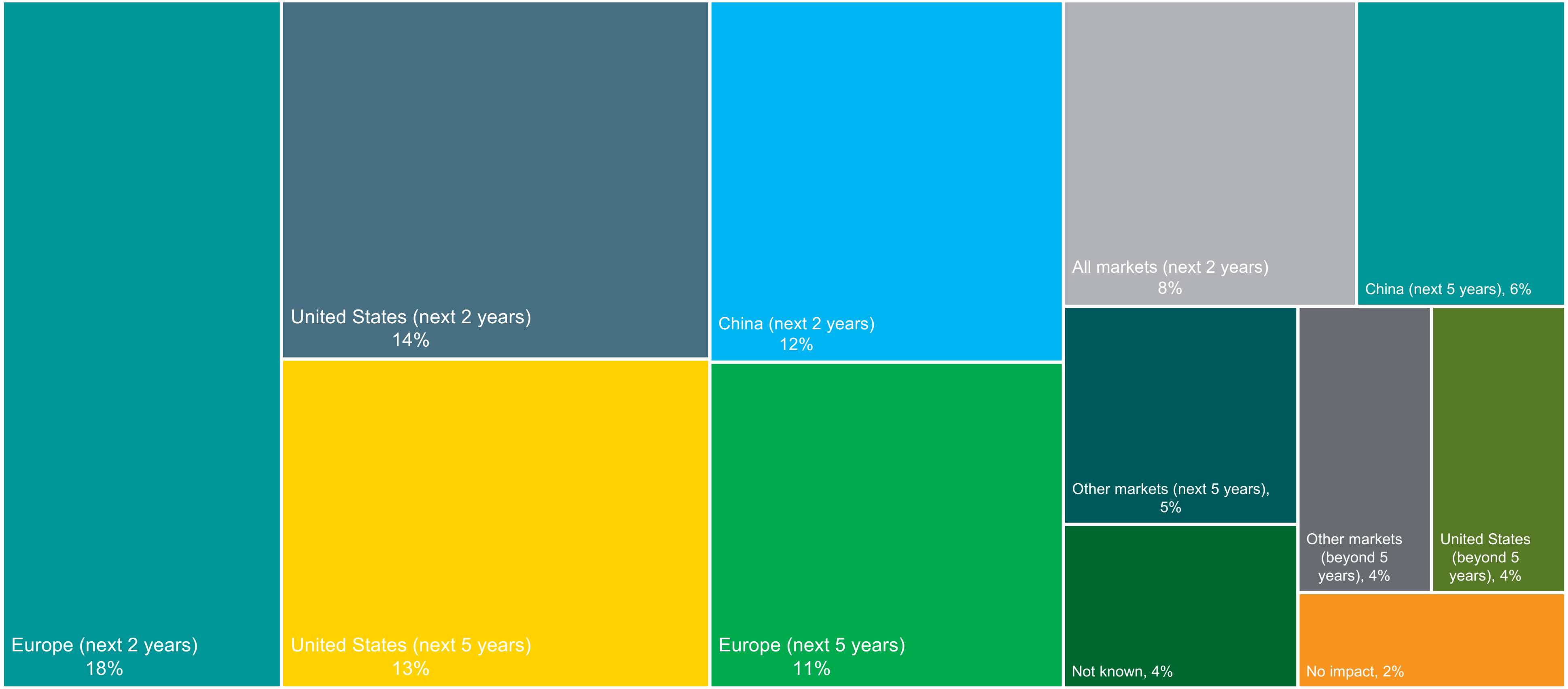
* Revenues as covered by IHSM component forecasts

Regulatory implications

Industry consensus on a softening of EU CO_2 seems clear, however less clear what lever will be used

Regula
tion

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.

IHS Markit Customer Care

CustomerCare@ihsmarkit.com

Americas: +1 800 IHS CARE (+1 800 447 2273)

Europe, Middle East, and Africa: +44 (0) 1344 328 300

Asia and the Pacific Rim: +604 291 3600

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