

CONSEQUENCES OF THE CORONA CRISIS IN THE AUTOMOTIVE AND SUPPLY INDUSTRY

15th of June, 2020

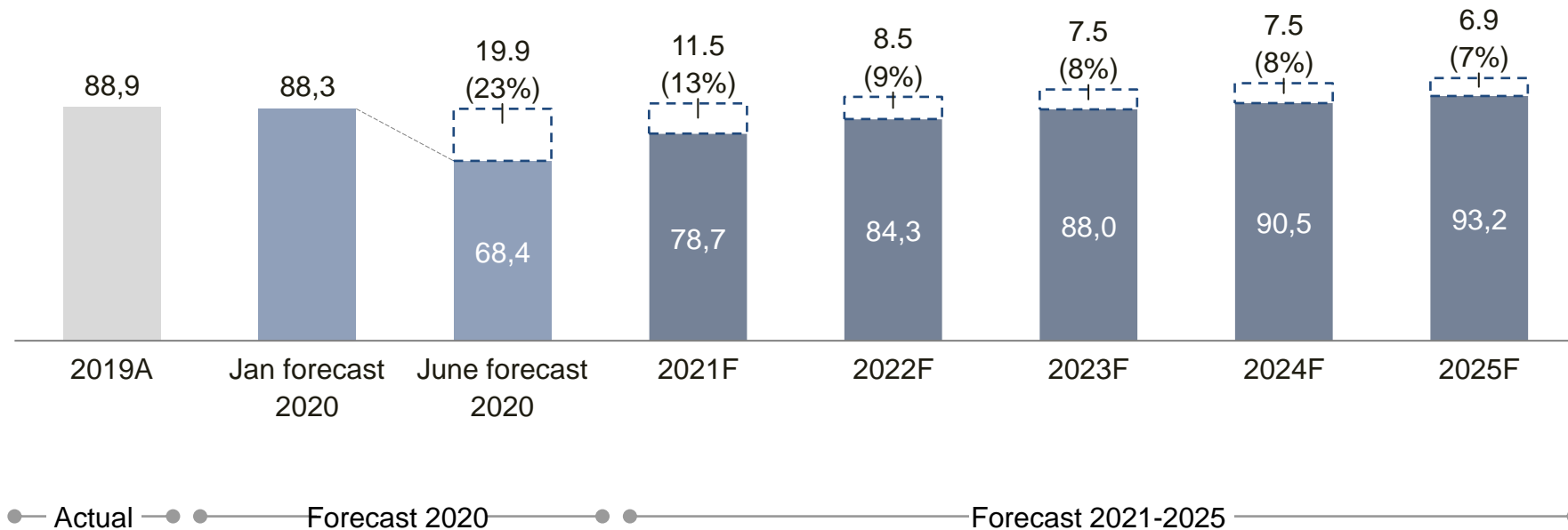
Dietmar Schäfer

GLOBAL MARKET: OVER THE NEXT 6 YEARS ALMOST ~65M CARS LESS EXPECTED THAN FORECASTED IN JAN-2020 (PRE-COVID)

Global light vehicle production (m vehicles)

Gradual downward adjustment of forecast for 2020 – latest estimate: ~20m cars less produced

Downward adjustment of ~45m cars in 2021-2025 compared to January '20 forecast



Historic production
 Global production forecast 2020
 Global production forecast 2021-2025
 Volume taken out since January 2020

WHAT WE LEARNED TO KNOW

- the industry had no experience with a pandemic crisis before 2020 and was not prepared for what happened since early 2020 with Covid-19
- disrupting industrial production due to not synchronized national lockdowns challenged every part of the global supply chains
- due to the shipment lead time and the related stocks in transit, shortages as a consequence out of the China lockdown were scheduled to show up in Europe end of March 2020
- in general, a reconsideration of the global supply chains is taking place, not just due to the new USMCA
- the automotive industry will suffer globally under a downwards adjustment in sales of approx. 23% in 2020
- Covid-19 will have a significant negative impact on the balance sheets of the automotive industrie along the supply chains
- the long political discussion about buyers premiums for cars did certainly not support a quick recovery of car sales

WHAT WE NEED TO CONSIDER FOR THE TIME AHEAD

- how long and how intense will Covid-19 have an ongoing impact on the supply chains while tremendous efforts are done in order to develop a vaccination
- how will Covid-19 change the demand of individual mobility, how do regional differences look like
- how will the foreseeable crisis related acceleration of digital transformation and change to more sustainable mobility technologies effect the automotive industrie of today
- how will the financing border conditions for the industry look like down the road and during recession, especially after 2020 and after first aid measures of the national governments during the outbreak

COVID-19

A CRISIS COMING INTO CHALLENGING TIMES IN THE AUTOMOTIVE INDUSTRY

thank you
for your attention
...and stay healthy