

LIVESTREAM HOUR

AFTERMARKET: KEEPING THE WHEELS MOVING

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AUTOMOTIVE
FESTIVAL of TRANSFORMATION
SURVIVING AND THRIVING IN 2020

from

Automotive
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Aftermarket and service parts special guests



Michael Schad
General Manager,
Parts Distribution & Accessory
Development (PDAD)
Fulfillment
Toyota Motor North America



Ryan Grimm
General Manager, PDAD
Aftersales Supply
Toyota Motor North America



Frank Schlehuber
Senior Consultant
Market Affairs
CLEPA

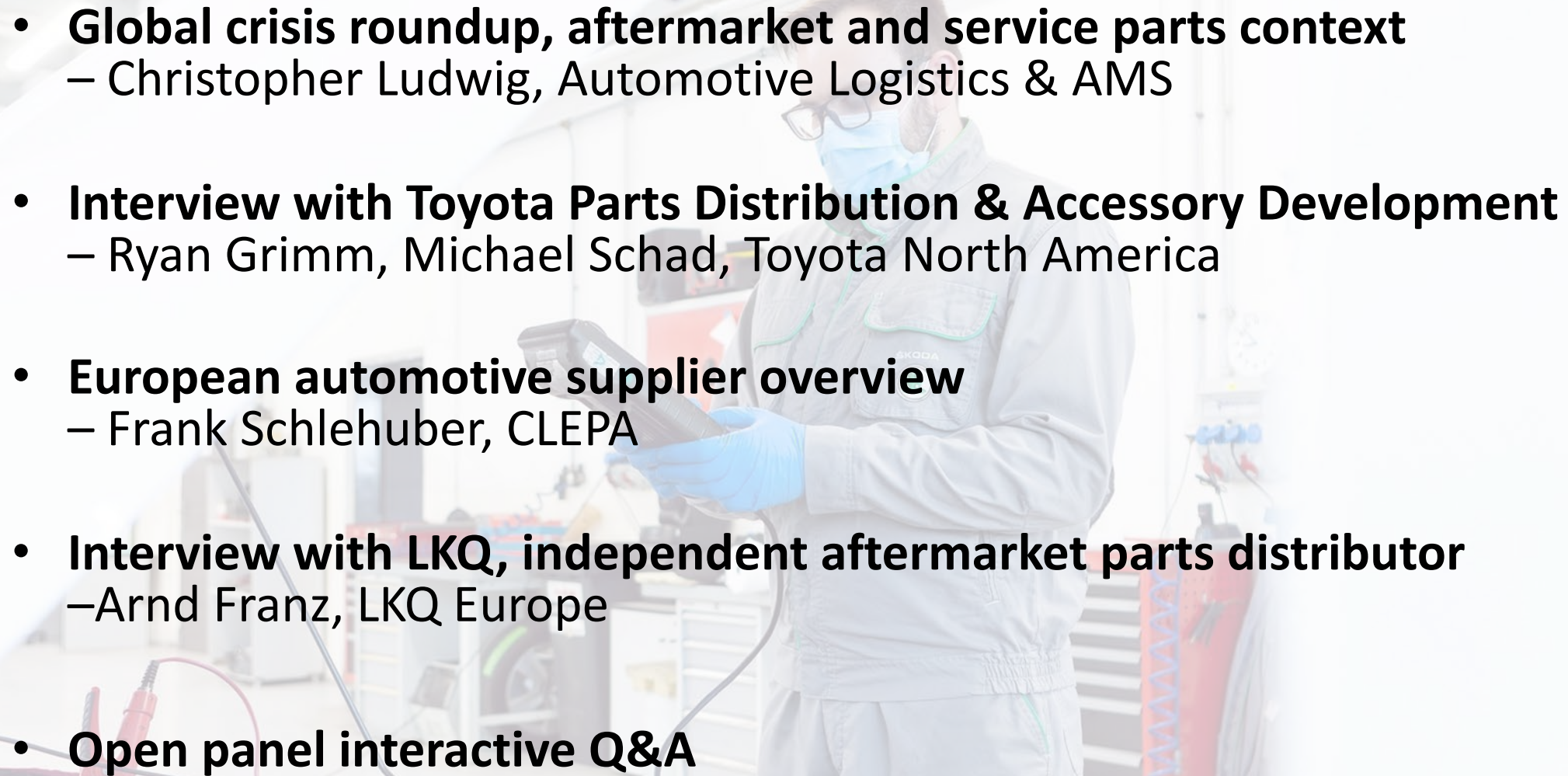


Arnd Franz
Chief Executive Officer
LKQ Europe



Host:
Christopher Ludwig,
Editor-in-Chief
Automotive Logistics
AMS

Running order – 90 minutes

- **Global crisis roundup, aftermarket and service parts context**
– Christopher Ludwig, Automotive Logistics & AMS
 - **Interview with Toyota Parts Distribution & Accessory Development**
– Ryan Grimm, Michael Schad, Toyota North America
 - **European automotive supplier overview**
– Frank Schlehuber, CLEPA
 - **Interview with LKQ, independent aftermarket parts distributor**
– Arnd Franz, LKQ Europe
 - **Open panel interactive Q&A**
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Asian resilience



- Production growing – easing social distancing
- Sales: April +4%, but recovery might be slipping
- Move to online sales & delivery process
- Regional EV incentives and OEM support
- Global supplier risks and disruption



- Never went into lockdown – sales mostly positive in March and April
- Production disruption for parts and components
- Hyundai-Kia resilient – strong product push despite crisis



- State of emergency lifting in all but 8 prefectures
- Some OEM plants still shut – Toyota reducing shifts and planning stops on lower demand
- Domestic sales -29% in April – exports worse
- OEM acquisition of suppliers may accelerate



European – uncertain opening



**Different stages
of recovery & risk**



- May 18: **BMW** (Munich, Leipzig, Regensburg, Oxford), **JLR** (Solihull, Nitra), **FCA** (Melfi)
- May 25 – June 4: **Toyota, PSA, Renault, Nissan, Honda**
- **Production stops/slowing: VW** Wolfsburg on demand, **Nissan** Barcelona on strike, **Renault** Sandouville on safety; **Mercedes/Magna** Graz supplier issue
- 5-6 suppliers facing insolvency each week
- Dealerships opening, but early demand looks weak
- VW/Skoda delivery stop on software issue – non-Covid
- Calls for vehicle incentive measures – €100bn EU programme reportedly under review
- Logistics disruption has improved
- Brexit uncertainty mounting again...UK unveils lower import tariff schedule



North America – it ain't easy starting over



**Detroit gets moving,
Mexican confusion**



- May 18th: Most **FCA, GM, Ford, Volkswagen**
- Next two weeks: **Nissan, FCA** (Belvidere), **Ford** (Flat Rock)
- Canada reopening in line or gradually after US
- **Plant stops: Mercedes-Benz** Alabama on Mexico parts shortage; **Volvo Cars** South Carolina on parts shortage
- **Mexico:** Govt. allows restart May 18, then June 1, then earlier if right protocols are met
- **Mexico openings subject to approval:** May 18: **Nissan, Ford, GM, FCA, Honda.** June 1: **Audi, VW**
- USMCA implementation July 1st, but in practice Nafta status quo could remain for 18 months
- Mexico is key for stable continuation of production and service parts supply – not just US, but globally



Service parts & aftermarket: Essential Business

- Maintaining operations through crisis – first to adapt facilities and process to protocols
- Order backlogs from supplier disruption – risk of competing with production restarts?
- Liquidity risks among suppliers, dealers, distributors – leading to consolidation?
- Impacts on inventory management, order and delivery cycles – logistics is competitive factor
- Rise/potential/risks of online service channels
- Challenges in demand planning – potential delayed service/repair peak later in year



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06 MAY THE LIVESTREAM HOUR:
TIER SUPPLIERS ON THE ROAD TO RECOVERY

13 MAY THE LIVESTREAM HOUR:
MEXICAN AUTO SUPPLY CHAIN IN FOCUS

20 MAY THE LIVESTREAM HOUR:
AFTERMARKET: KEEPING THE WHEELS MOVING

27 MAY MAIN STAGE:
AUTOMOTIVE SUPPLY CHAIN MAY UPDATE

LIVESTREAM

The Coronavirus Series Automotive Supply Chain

May Monthly Update

Wednesday 27th May 2020

09:30 (EST) | 14:30 (BST) | 15:30 (CET)

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Get in touch with news, ideas and comments

The Automotive Livestream hour is produced by:

Christopher Ludwig christopher.ludwig@ultimamedia.com

Neemish Ladwa: neemish.ladwa@ultimamedia.com

Richard Logan: richard.logan@ultimamedia.com

Victoria Johns: victoria.johns@ultimamedia.com

And our teams at

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