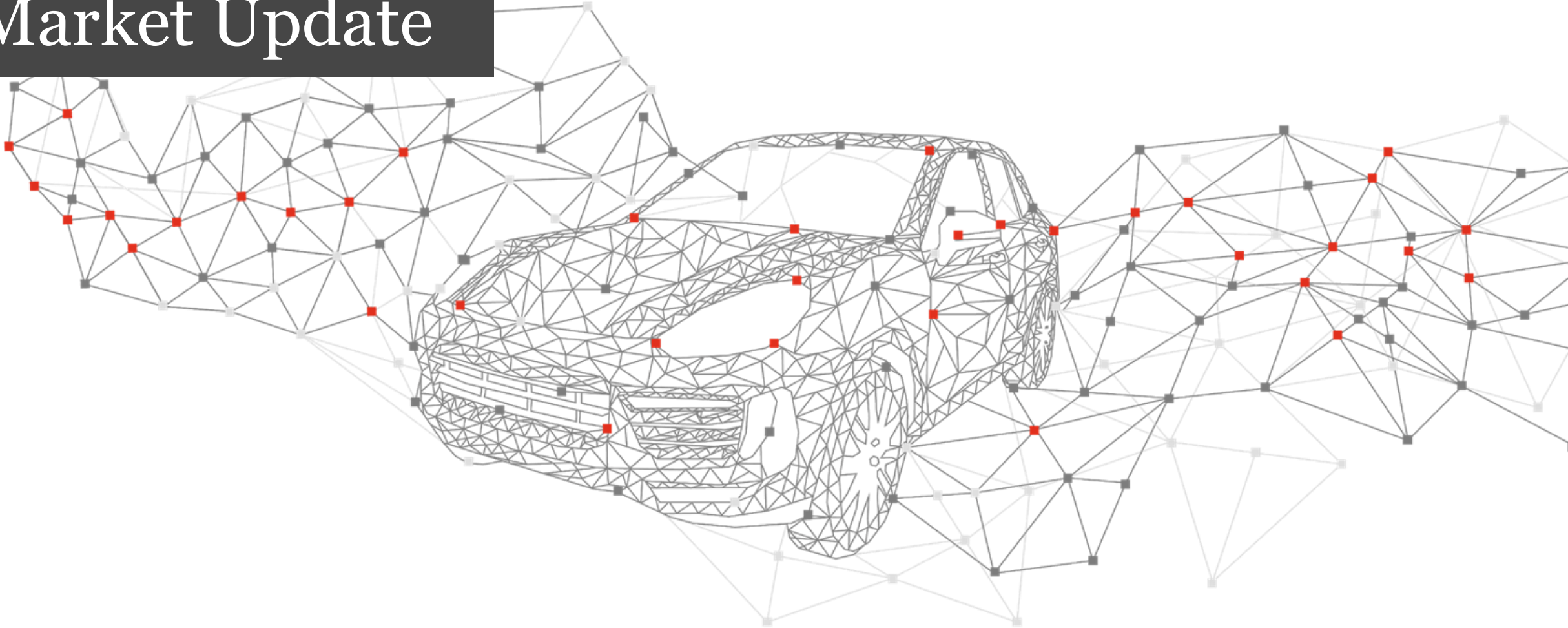


Market Update



PwC – one of the top 4 services firms globally

PwC and Strategy& at a glance

PwC global



\$42.2 B
revenue

157
Countries

276,000+ Employees
(incl. support)

Advisory

\$14.4 B

68,000+ Employees

Consulting

- Strategy strategy&
- Operations customer
- Finance
- People and change
- Technology
- PPM
- Risk

Deals

- Transaction Services
- Corporate finance
- Business recovery services
- Valuations & economics
- Delivering deal value

Assurance
\$17.1 B

Tax
\$10.7 B

115,000+ Employees

55,000+ Employees

Global reach
157 countries, 742 locations

Industry coverage
Clients in 15+ industries

1

The only of the big 4 with at scale integrated strategy consulting



Recognition – (selection)

Leader: Worldwide Business Consulting Services

IDC MarketScape, 2018

Vanguard Leader: Sourcing Strategy Consulting

ALM, 2018

Leader: Digital Products & Services

IDC MarketScape

Agenda

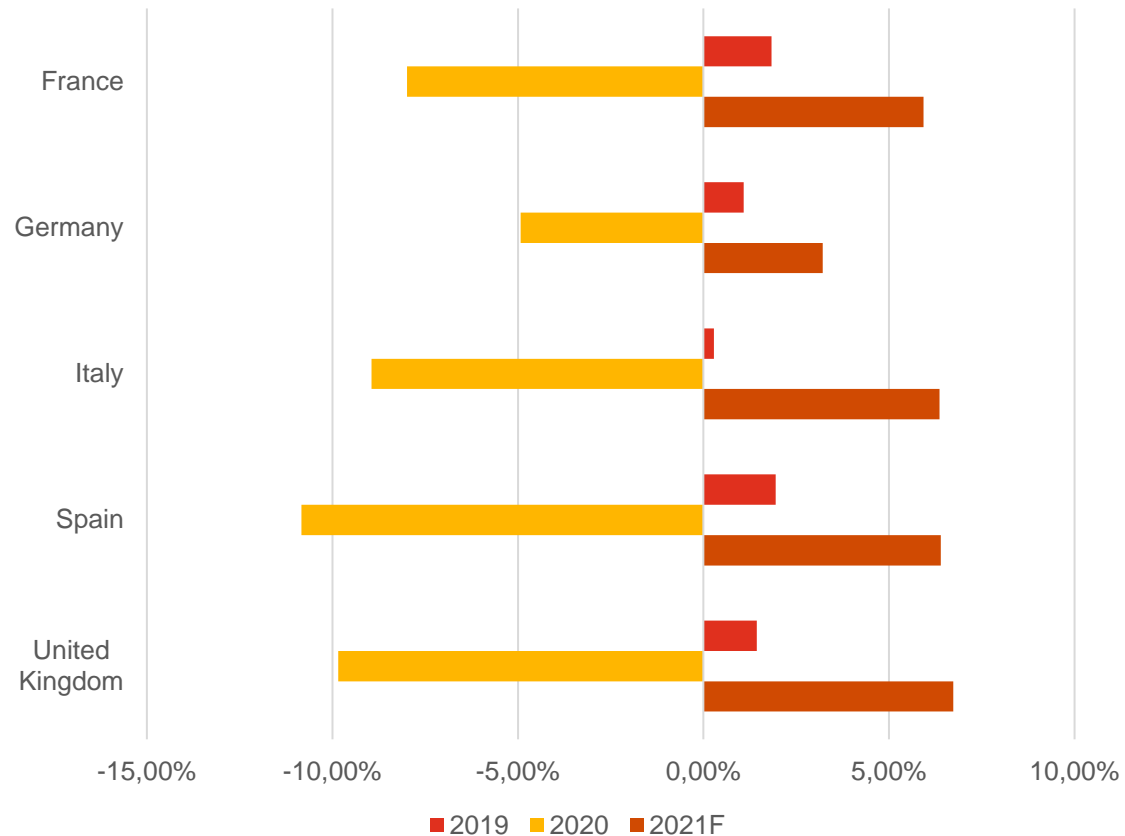
1. Current Forecast/ Market Drivers
2. Sales and Production Update
3. Recovery Paths

Current Impact: Real GDP and Economic Sentiment Indicator

Markets have recovered significantly in 2021 vs. 2020, but the momentum has begun to slow

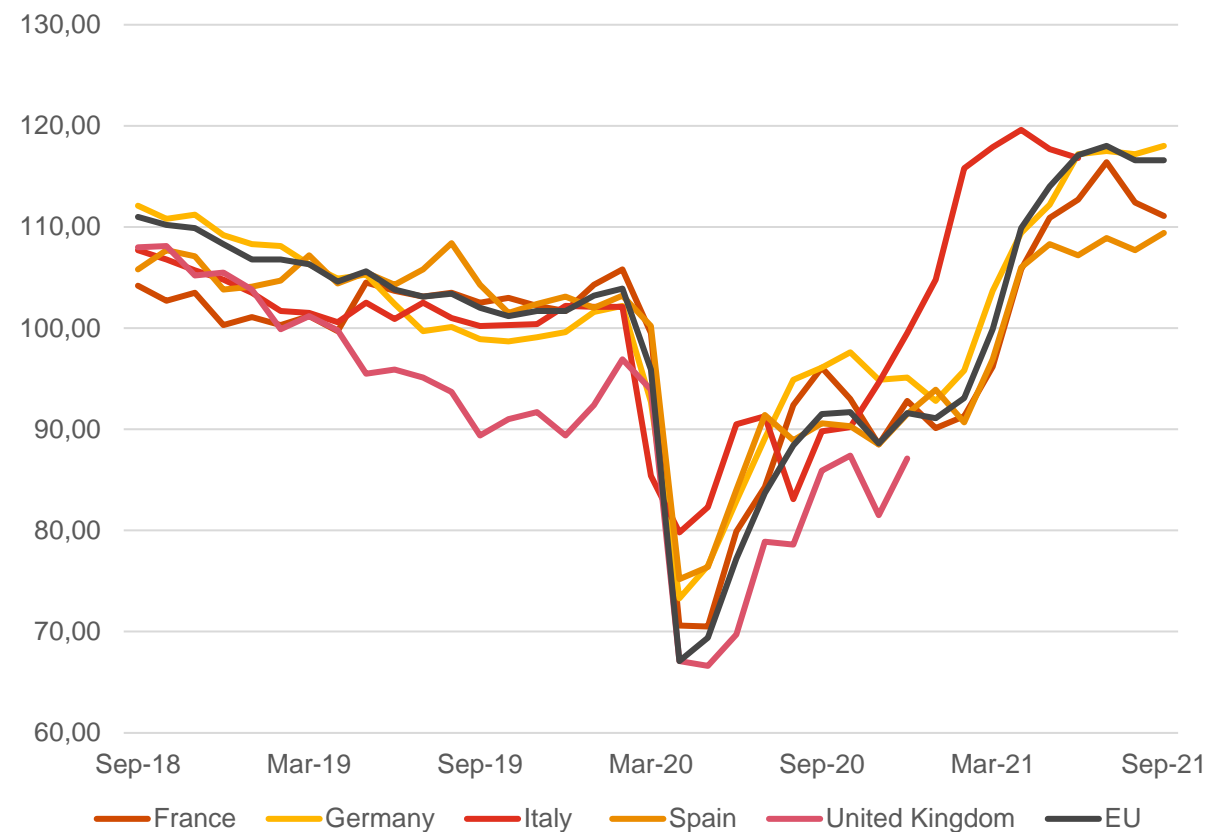
EU & Top 5: Real GDP Annual Growth

2019 – 2021F (percentage change)



EU Top 5: Economic Sentiment Indicator

Sept. 2018 - Sept. 2021 (balance, percentage)

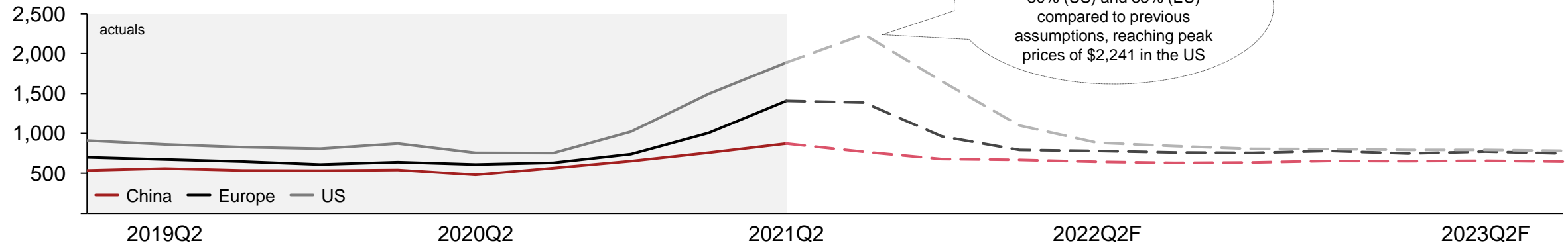


Current Impact: Key Commodity Prices

Automotive steel and aluminum spot prices move towards record highs - albeit conditions on the supply side of markets could improve rapidly

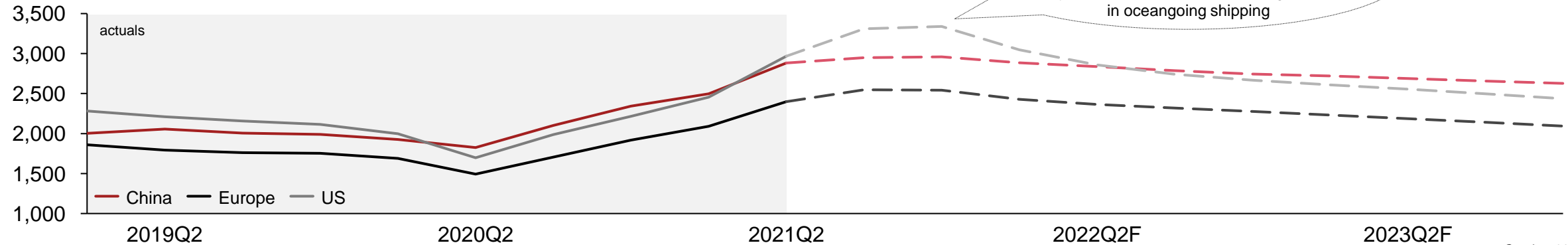
Cold-rolled steel sheet

(\$US/Metric Ton)



Aluminum

(\$US/Metric Ton)

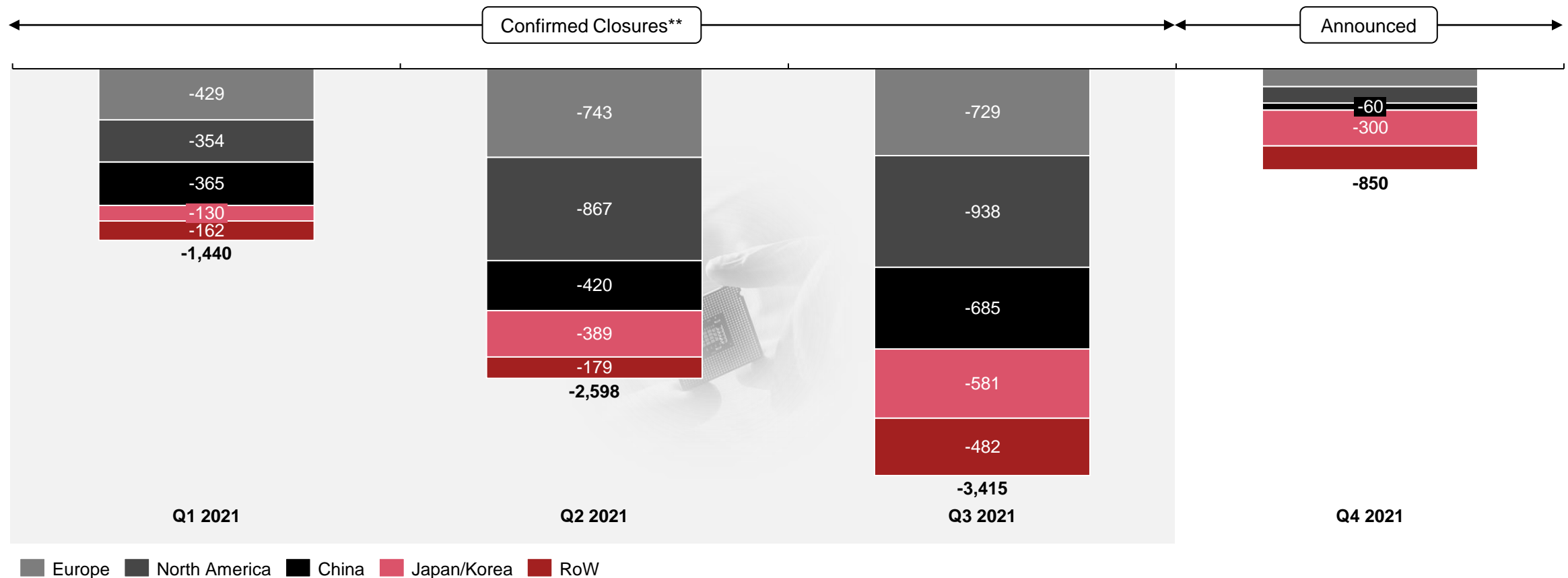


Current Impact: Semiconductor Shortage

Confirmed and expected volume losses due to the global ICU microchip shortage range between 9.5 – 11.0 million units for the full year 2021

LV*: Impact of ICU semiconductor volume losses

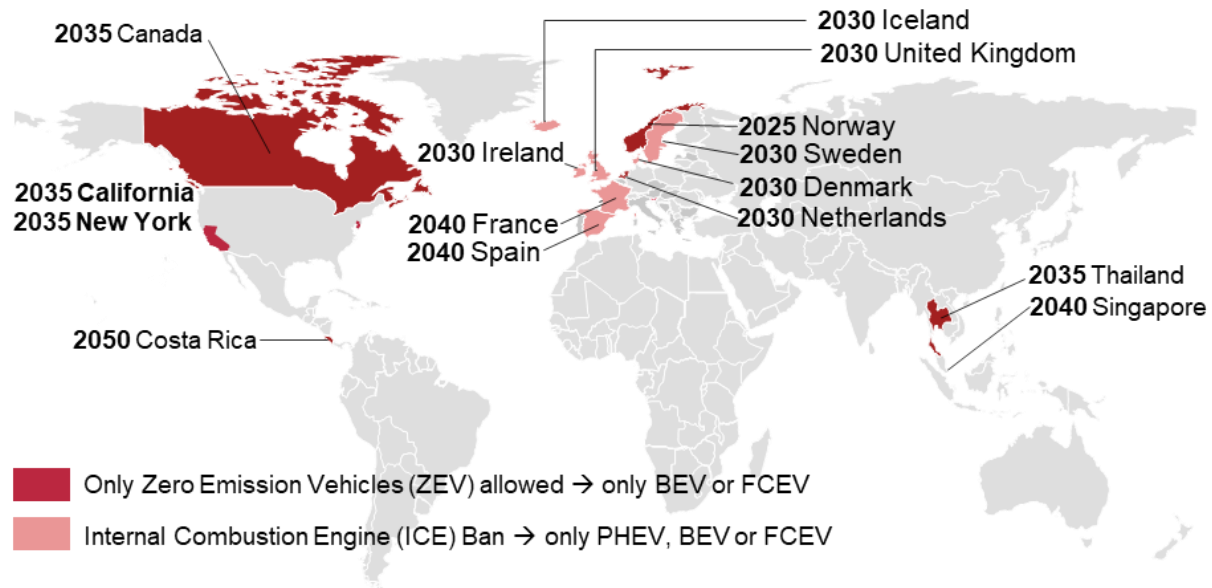
(In thousand units, Global)



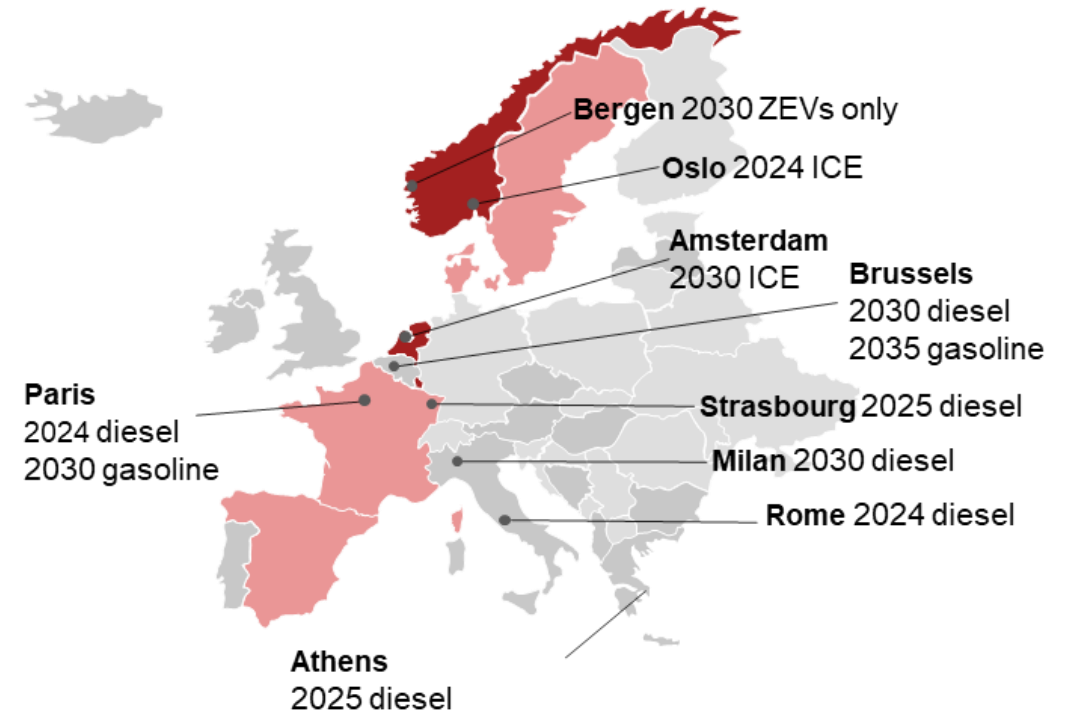
Upcoming Impact: ICE Bans

More and more countries are committing to sustainability goals and plan to ban ICE powertrains

Planned ICE - Registration Bans and ZEV only allowances around the world*



Selected European Cities which planned an ICE - vehicle phase out



Upcoming Impact: End of ICE

Some OEMs have ambitious goals for “Fit for 55” and plan to stop ICE sales faster than required

Key Insights

The EU Commission has recently presented the “Fit for 55” – program, proposing only Zero-Emission-Vehicles sales as of 2035. Some countries have already set ICE-Bans or ZEV only sales deadlines in advance of this proposal.

Most OEMs have committed to company-wide carbon neutrality by 2050. Many also already announced a concrete share of electrified vehicles by 2030, ranging from 40 to 100%.

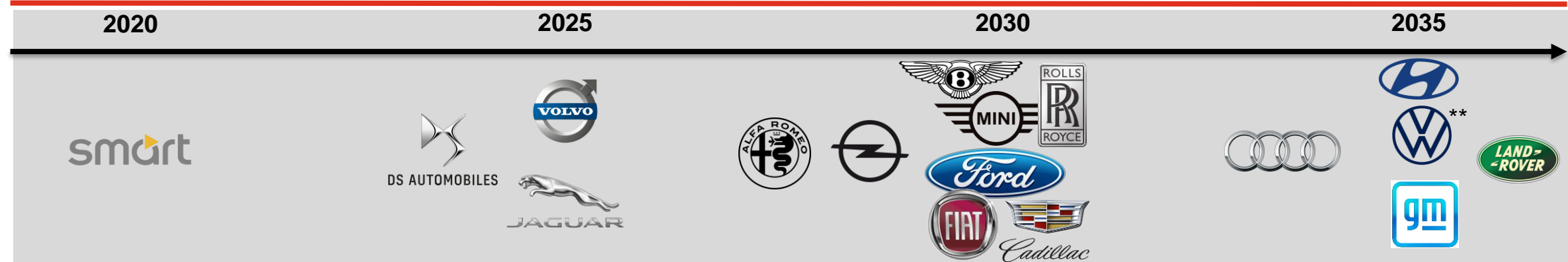
Daimler recently announced a shift from electric only to electric first, aiming for carbon neutrality in 2039 and 100% electrified sales in 2030, where market conditions allow.

Number of BEV Models produced in Europe for 2021

Brand*	BEV Models	Total Models
VW	3	20
MB	7	25
Peugeot	4	12
Audi	5	20
BMW	3	18

*Sorted by top 5 brands in Europe

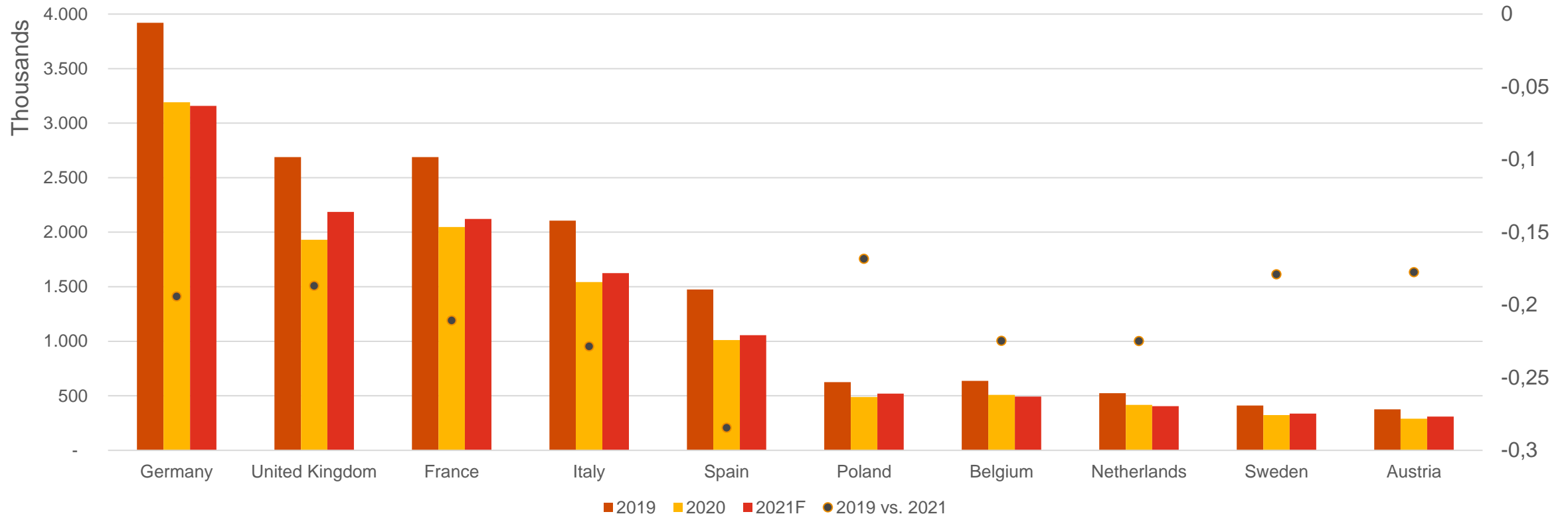
Phase out targets of ICEs* in Europe announced by OEM



2021 sales are well below 2019 and in some cases even below 2020.
Results range from -16% to -28% between 2019 and 2021.

EU+EFTA – New Car Registrations by Top 10 Markets

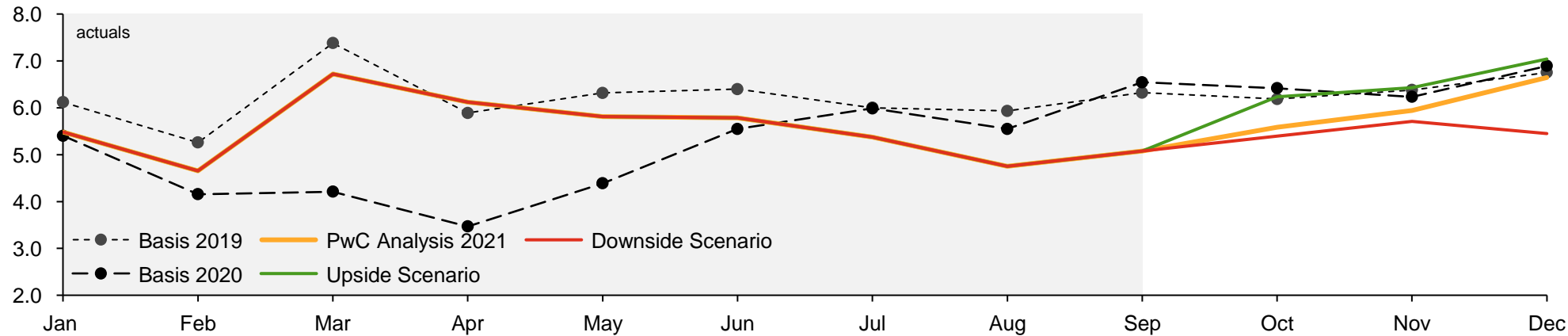
2019 - 2021F (millions)



The ongoing ICU shortage, expensive commodities and a possible fourth wave of COVID infections put a strain on global auto demand in 2021

Passenger Vehicle Sales*: Scenarios for 2021

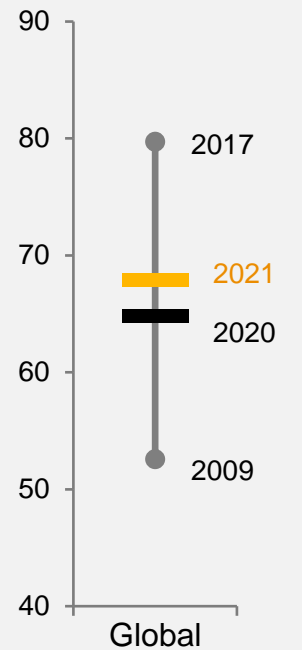
(in million units, Global)



Analysis	Sales (M)	Effect	Result
2019	74.9	-	-
2020	64.8	-13.5%	Basis of comparison
Upside Scenario	69.5	+7.2%	-0.8% in Q4 '21 vs. Q4 '20
2021 - PwC Base	67.9	+4.9%	-7.0% in Q4 '21 vs. Q4 '20
Downside Scenario	66.3	+2.4%	-15.3% in Q4 '21 vs. Q4 '20

Vehicle Sales* - Variance

(in million units, Global, 2009-21)



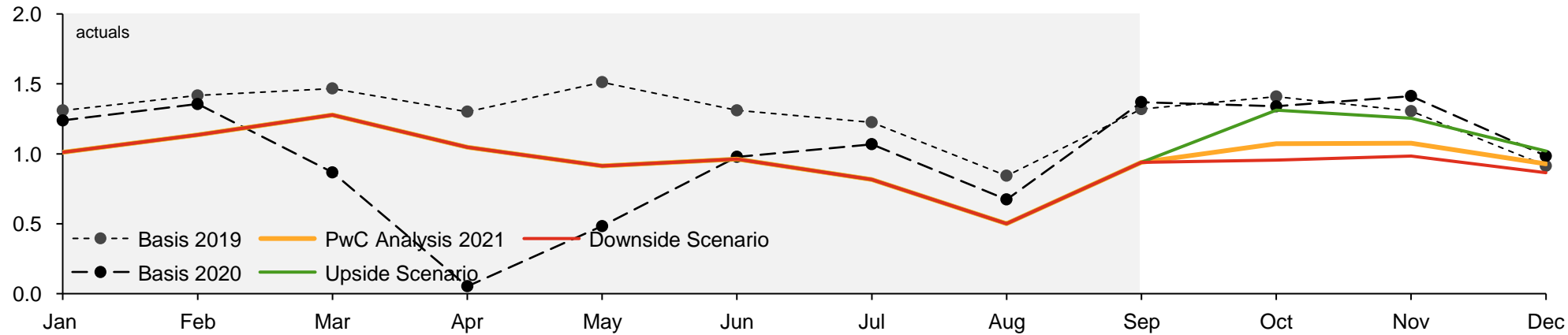
*Passenger Vehicles = Passenger Cars, in NA LV w/o heavy pickups, commercial vans

Focus Europe: Production

Supply chain issues remain highly unpredictable and are currently the strongest downside risk for production

PV Production*: Scenarios for 2021

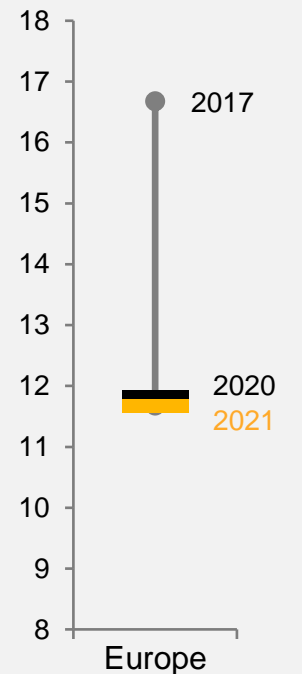
(in million units, Europe**)



Analysis	Prod (M)	Effect	Result
2019	15.3	-	-
2020	11.8	-22.9%	Basis of comparison
Upside Scenario	12.2	+3.1%	-4.0% in Q4 '21 vs. Q4 '20
2021 - PwC Base	11.7	-1.2%	-17.7% in Q4 '21 vs. Q4 '20
Downside Scenario	11.4	-3.5%	-24.9% in Q4 '21 vs. Q4 '20

Vehicle Prod.* - Variance

(in million units, Europe, 2009-21)



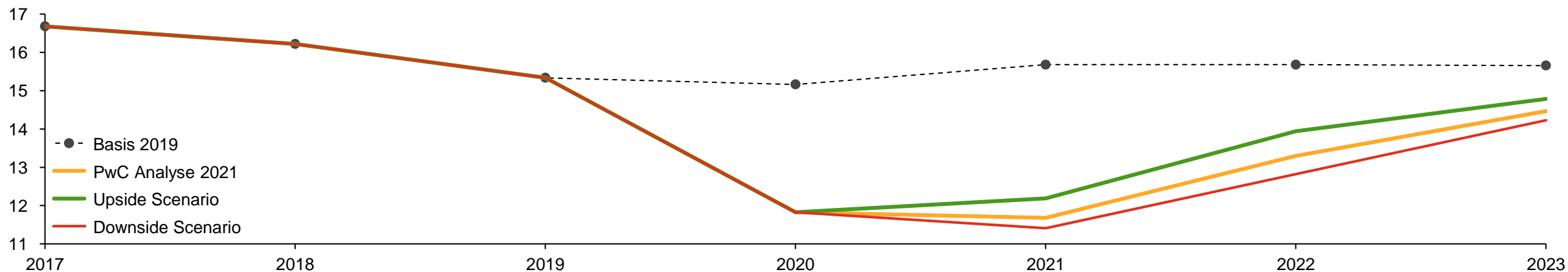
*Vehicle Production = passenger car according to M1-classification ** - Europe = EU + UK + EFTA

Medium-term Production Europe**

Production remains below the 2019 basis due to supply issues and factories shifting to BEV production

PV Production*: Scenarios until 2023

(in millions, Europe)



Change year to year

Analysis	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
Upside Scenario	-22.9%	3.1%	14.4%	6.1%
PwC Base	-22.9%	-1.2%	13.9%	8.8%
Downside Scenario	-22.9%	-3.5%	12.4%	10.9%

*Vehicle Production = In the US incl. Light trucks, without Light Commercial Vans

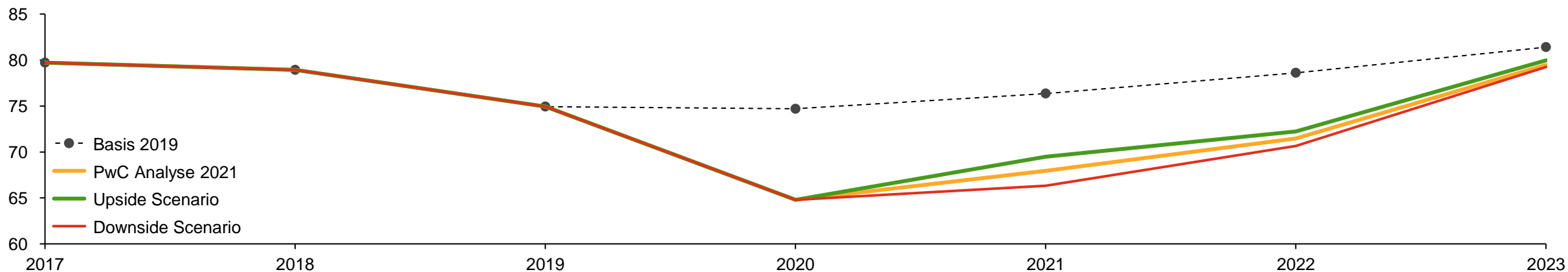
** - modelled countries: Germany, UK, France, Spain, Italy

Medium-term Sales Global**

PwC top-down scenario modelling points to a gradual global recovery but short of 2019 expectations

Passenger Vehicle Sales*: Scenarios until 2023

(in millions of units, Global)



Change year to year

Analysis	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
Upside Scenario	-13.5%	7.2%	4.0%	10.7%
PwC Base	-13.5%	4.9%	5.2%	11.2%
Downside Scenario	-13.5%	2.4%	6.5%	12.1%

* - Passenger Vehicles = Passenger Cars, in NA LV w/o heavy pickups, commercial vans

** - modelled countries: China, USA, Germany, UK, France, Spain, Italy, Turkey

Market Update

Thank you

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