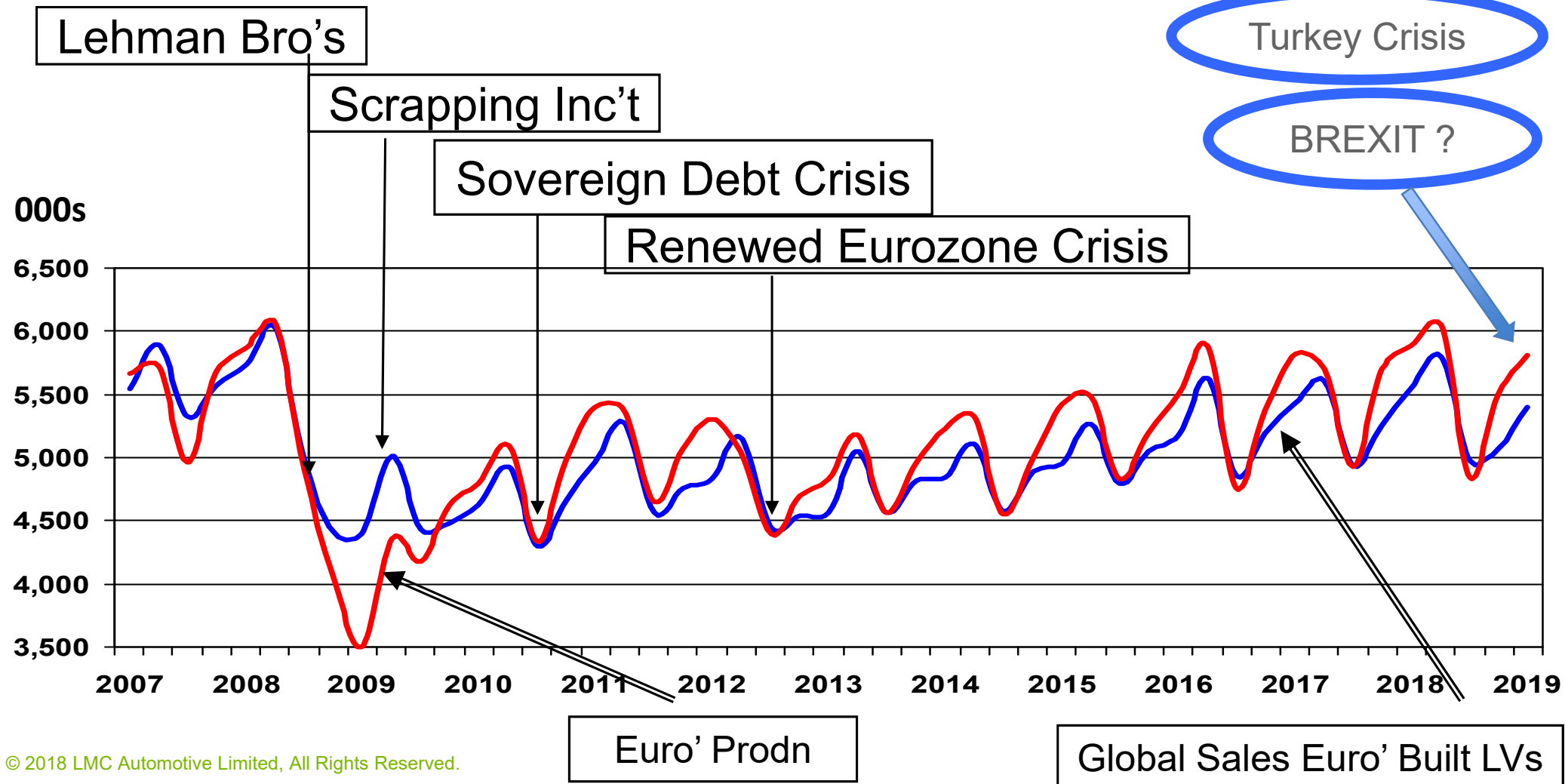


European Trade Flows : Planning for the Unexpected

Arthur Maher, Director of Research
October 2018

European Sales-Production Dynamics

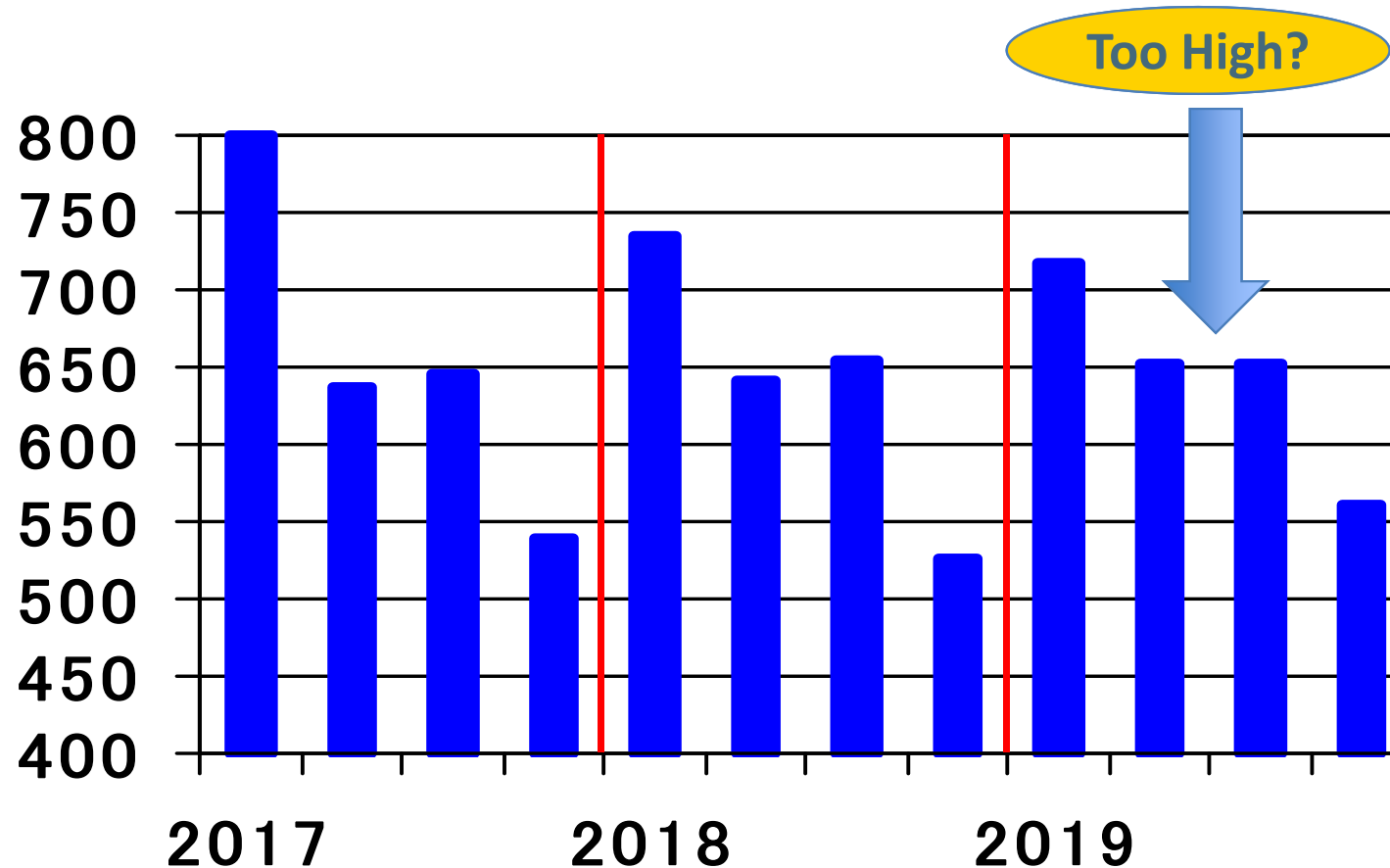




Presentation Outline

- Global Shocks have, over time....
 - ***Increased in severity***
 - ***Increased in frequency***
- How do we plan for such shocks ?
 - ***Have Good, Clear and Concise data***
- *Today I'm going to discuss our new European Trade Flow database which traces Model Line sales (past, current and future) back to the originating plant.*
- *The main area I will discuss today is BREXIT*

BREXIT: UK-EU Two-way LV Trade ('000)



2017

UK exports 710k

UK imports 1,910k

Total 2,620k

Hard Brexit Threat

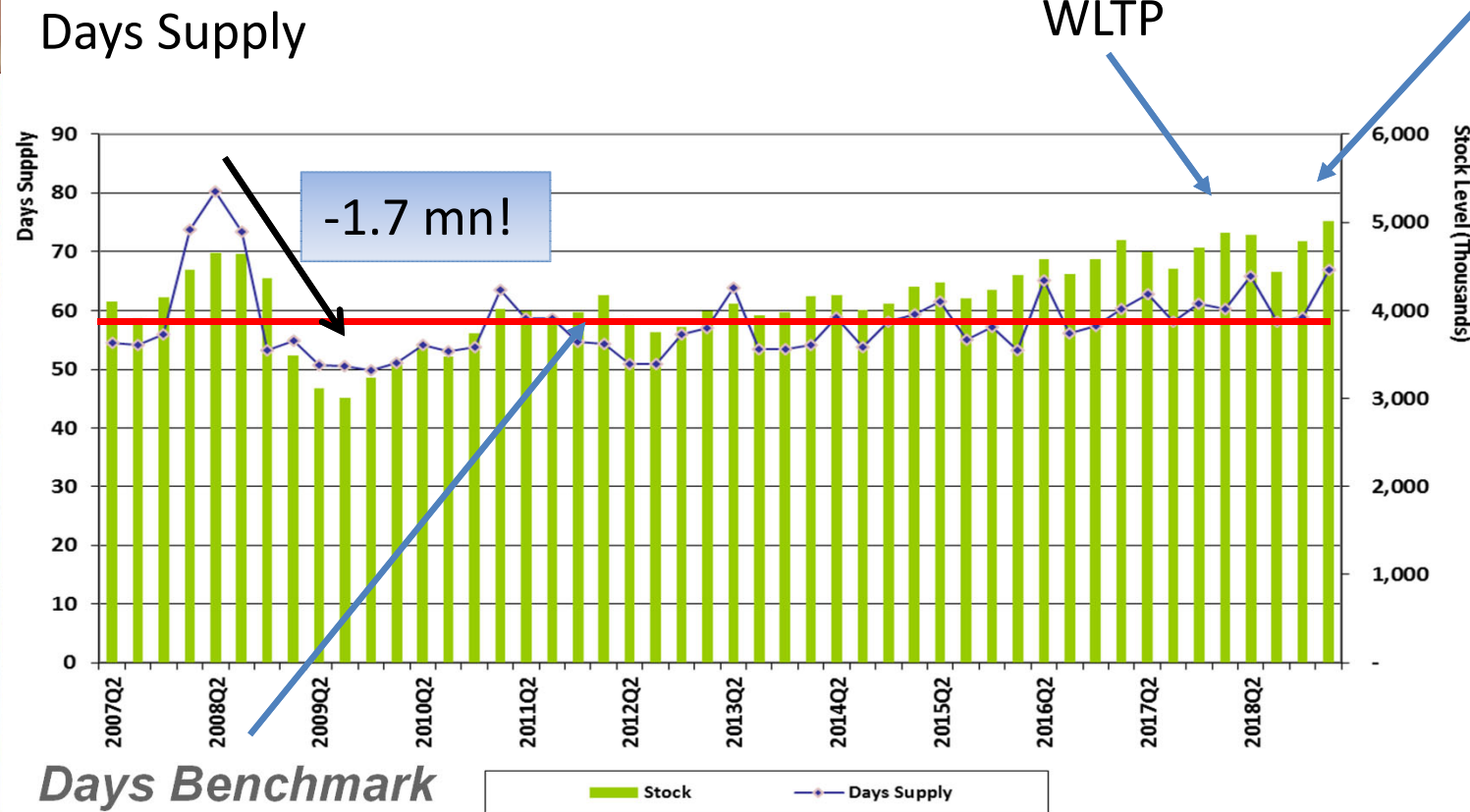
2019 Q1

UK market
weakens further.

'Hard border'
threat from Q2

Contingency
stocks rise Q1?

European Days Supply Rebound in Q2...Again in 2019?



UK-EU 
disruption

Contingency plans
prompt stock cover
from 2019 Q1.

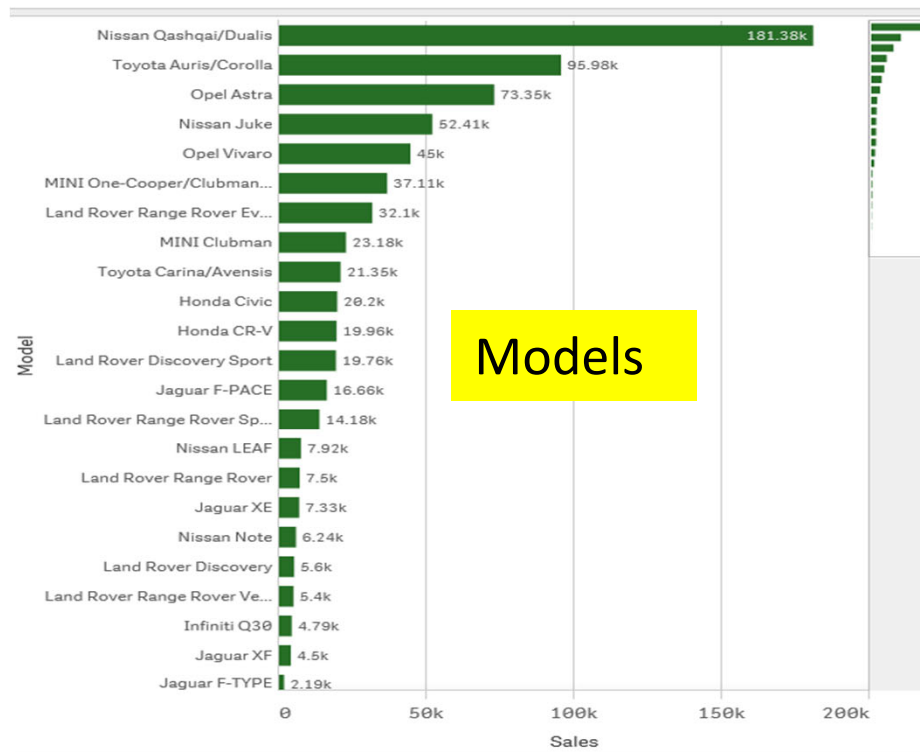
+200k (?) boost Days
supply to 63 days.

Which OEMs/Plants
Exposed?

UK Exports to EU 27 : 2017

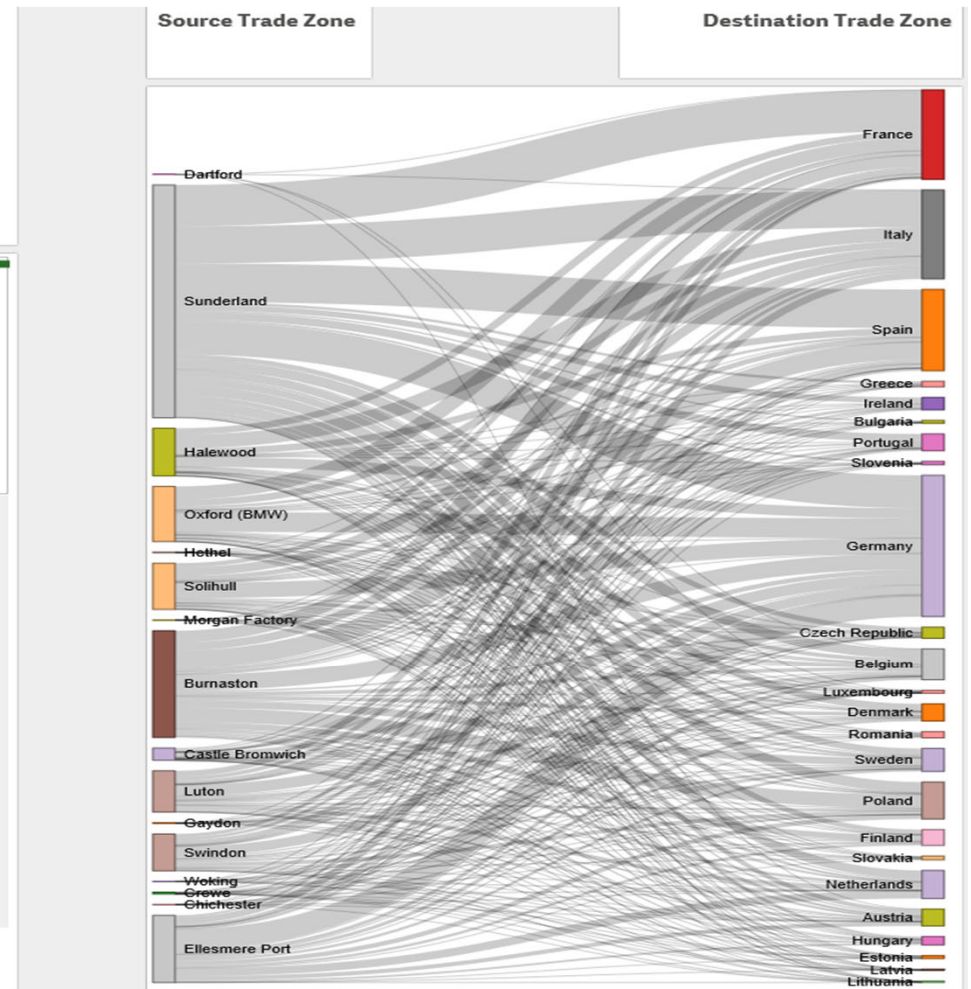
2017 Volume

710.3k



UK Plant

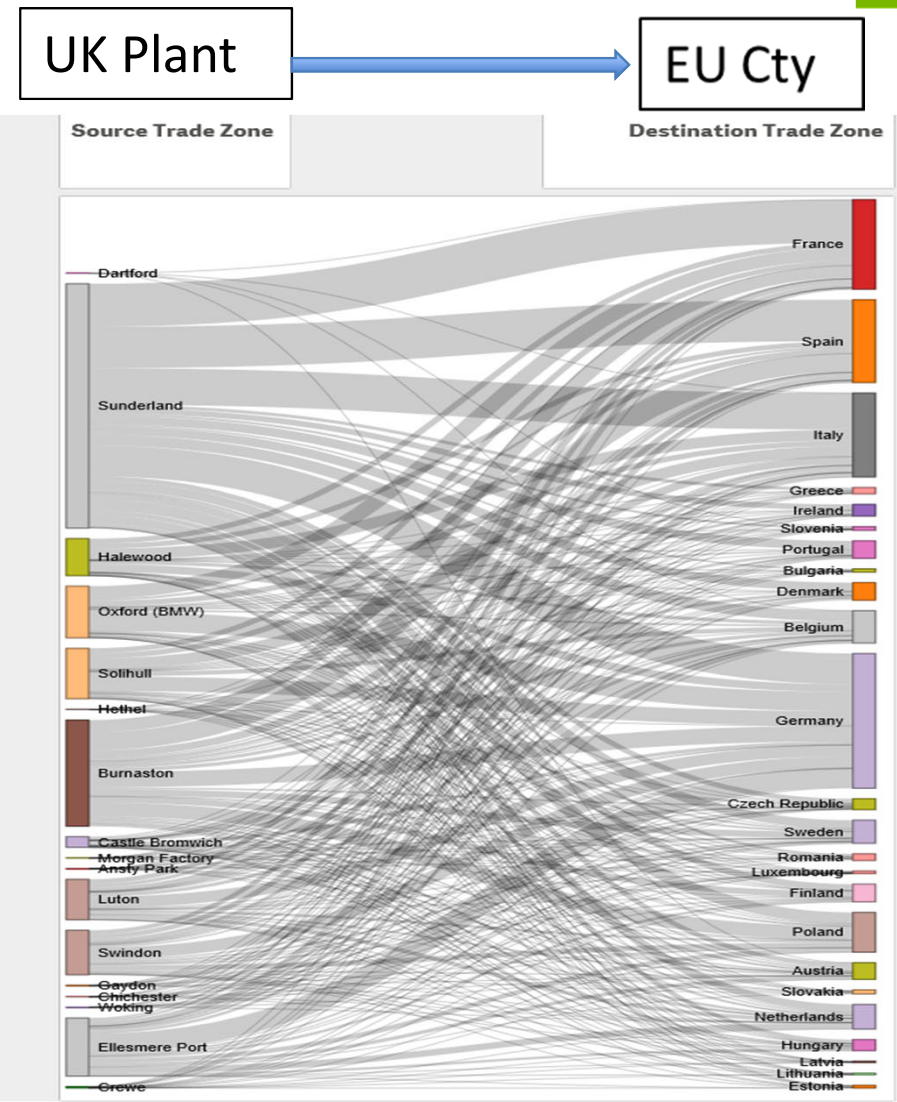
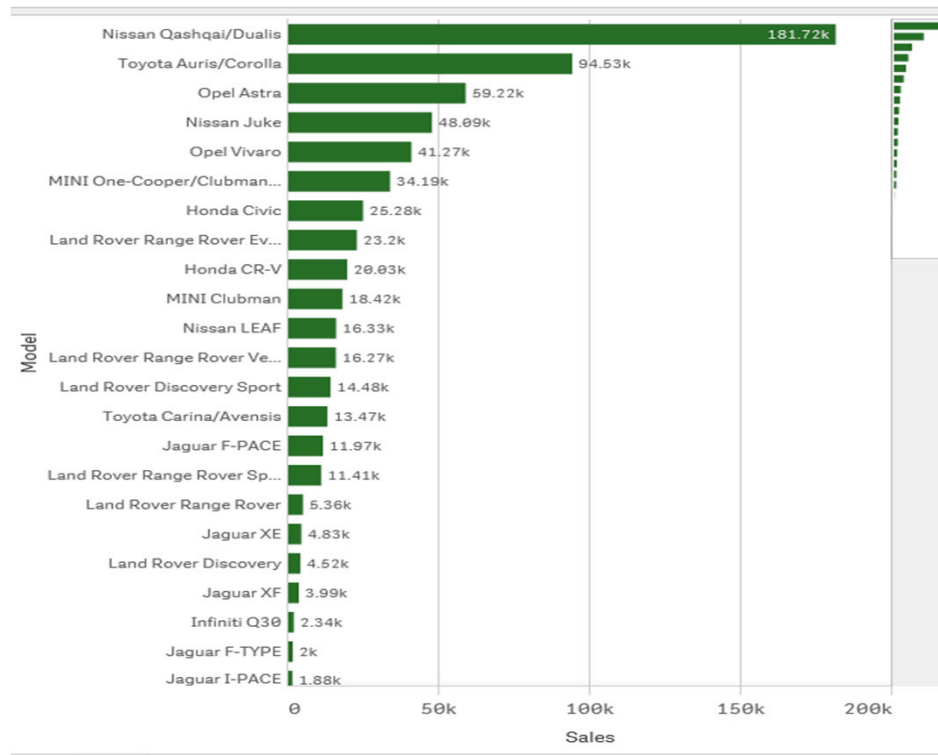
EU Cty



UK Exports to EU 27 : 2018

2018 Volume

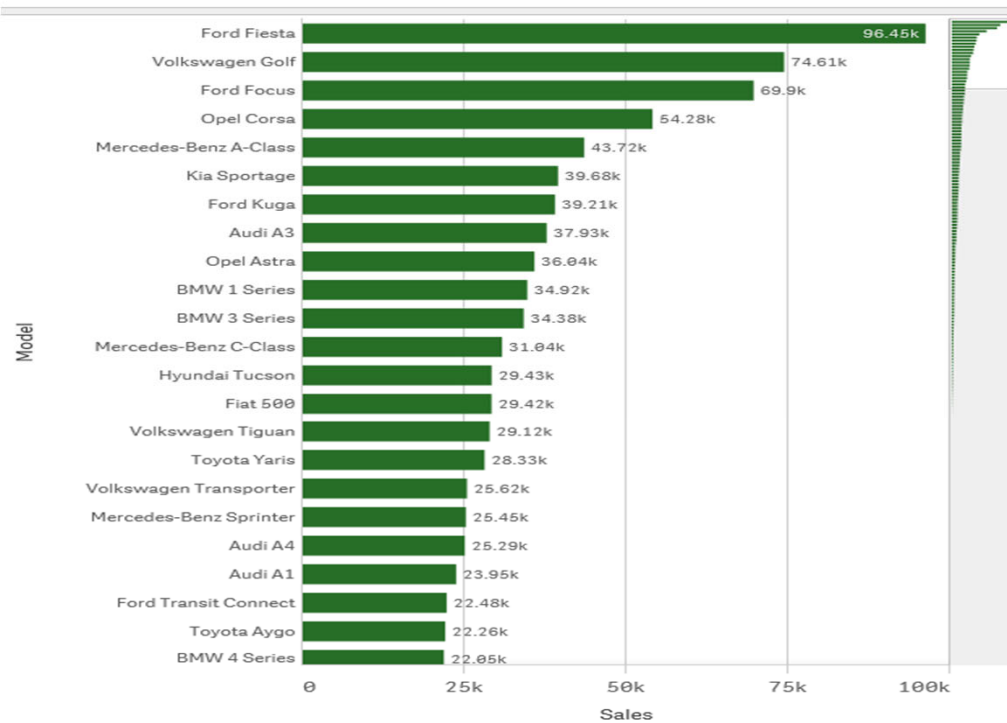
659.3k



EU 27 Exports to UK : 2017

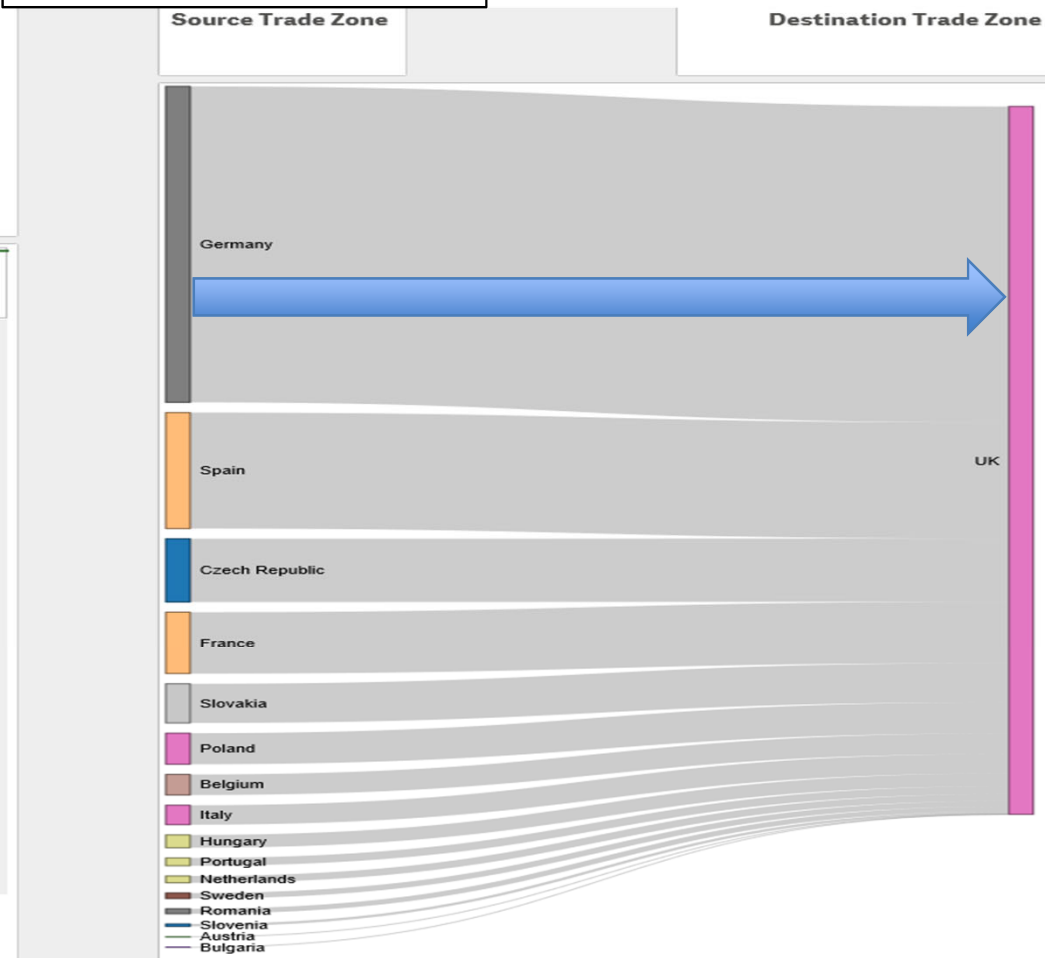
2017 Volume

1.91M



Source Country

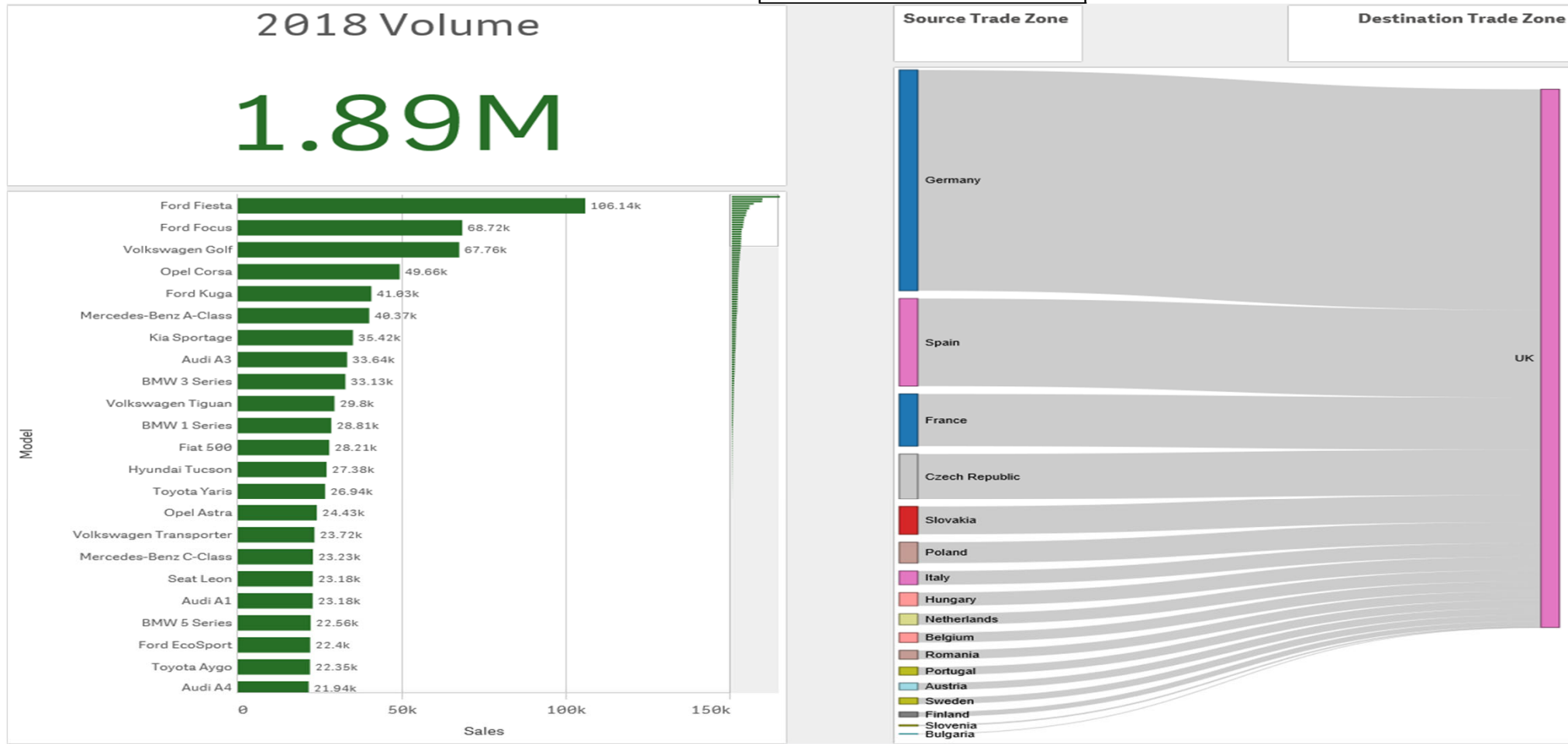
Destination : UK



EU 27 Exports to UK : 2018

Source Country

Destination : UK

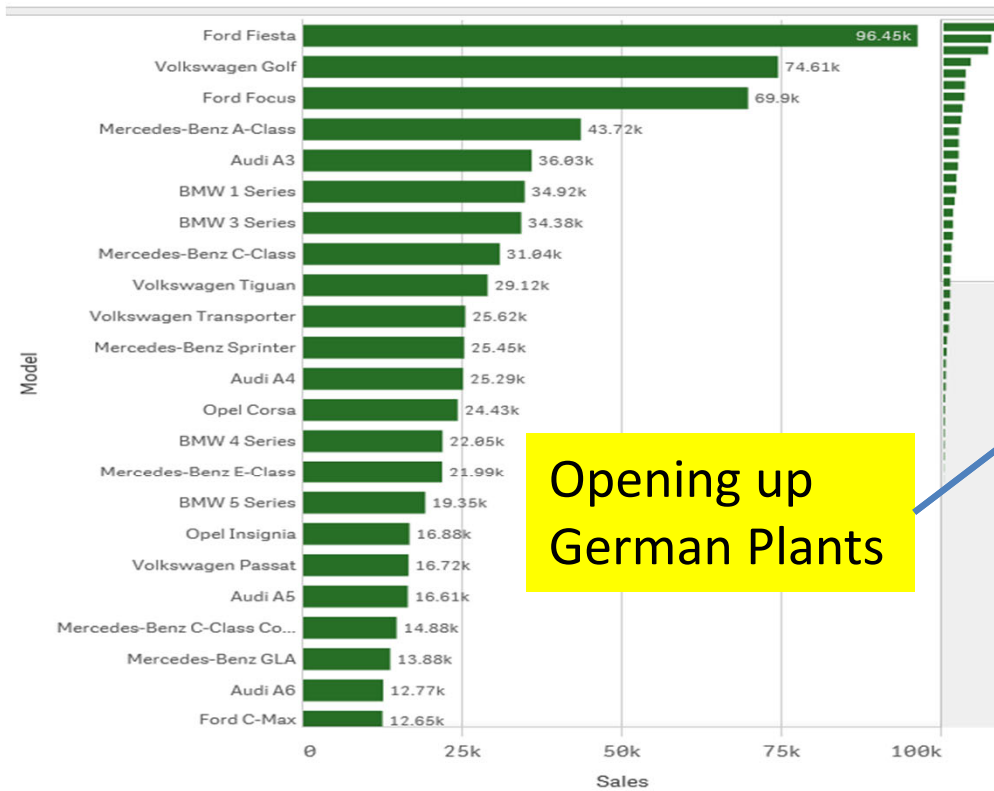


© 2018 LMC Automotive Limited, All Rights Reserved.

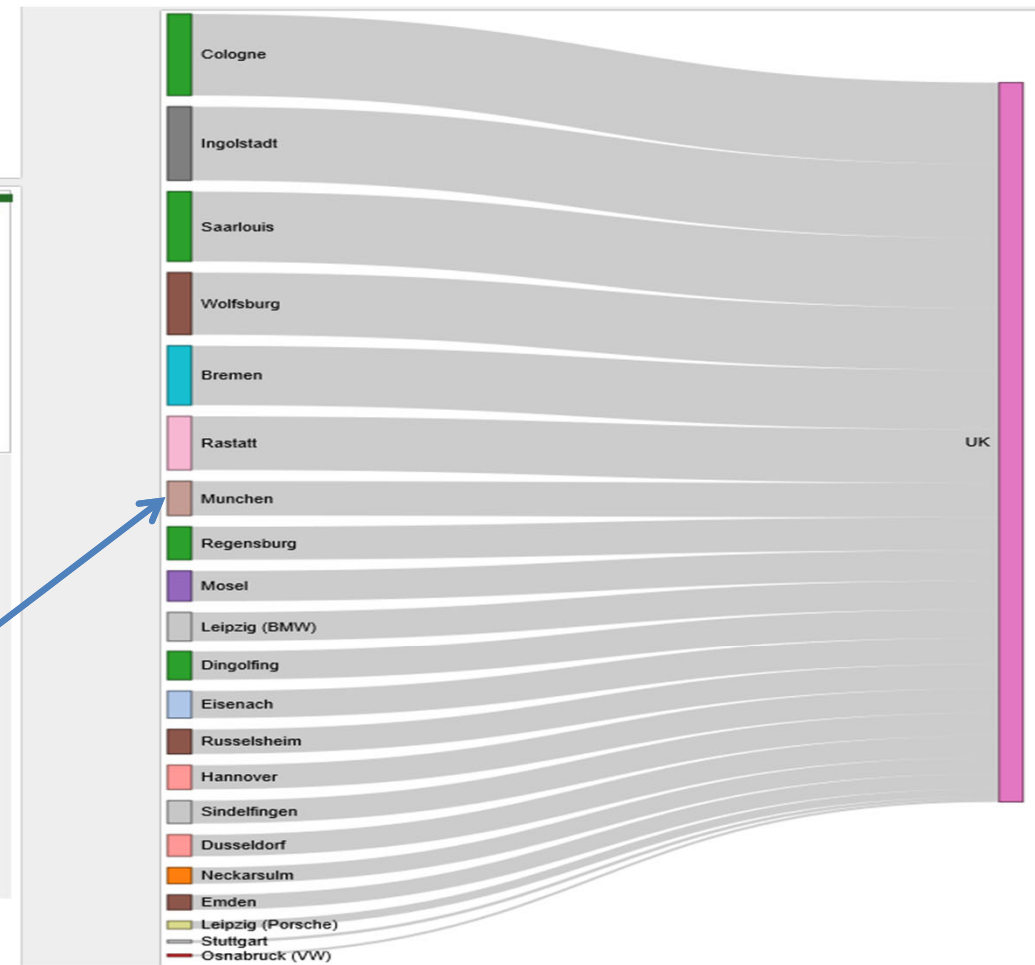
(Source: Compass, ELVTFF.)

...drilling down to German Exports to the UK : 2017

851.2k

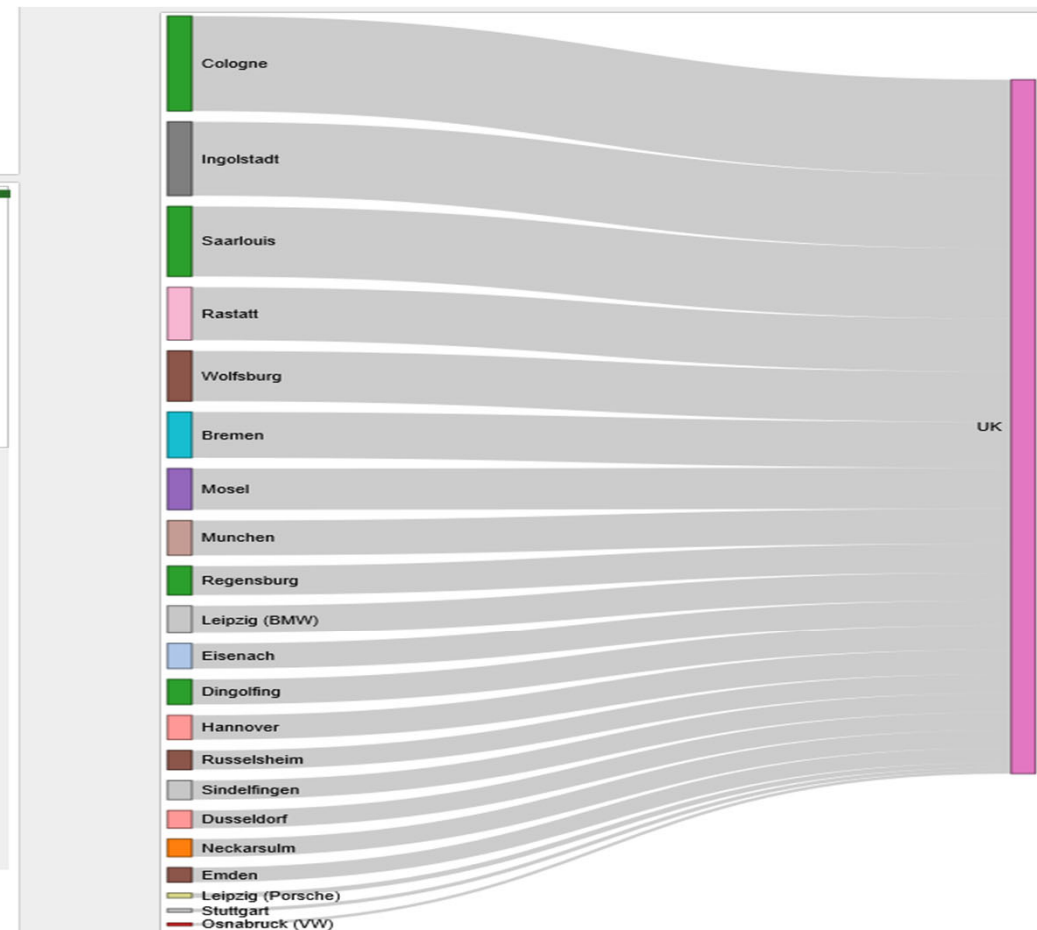
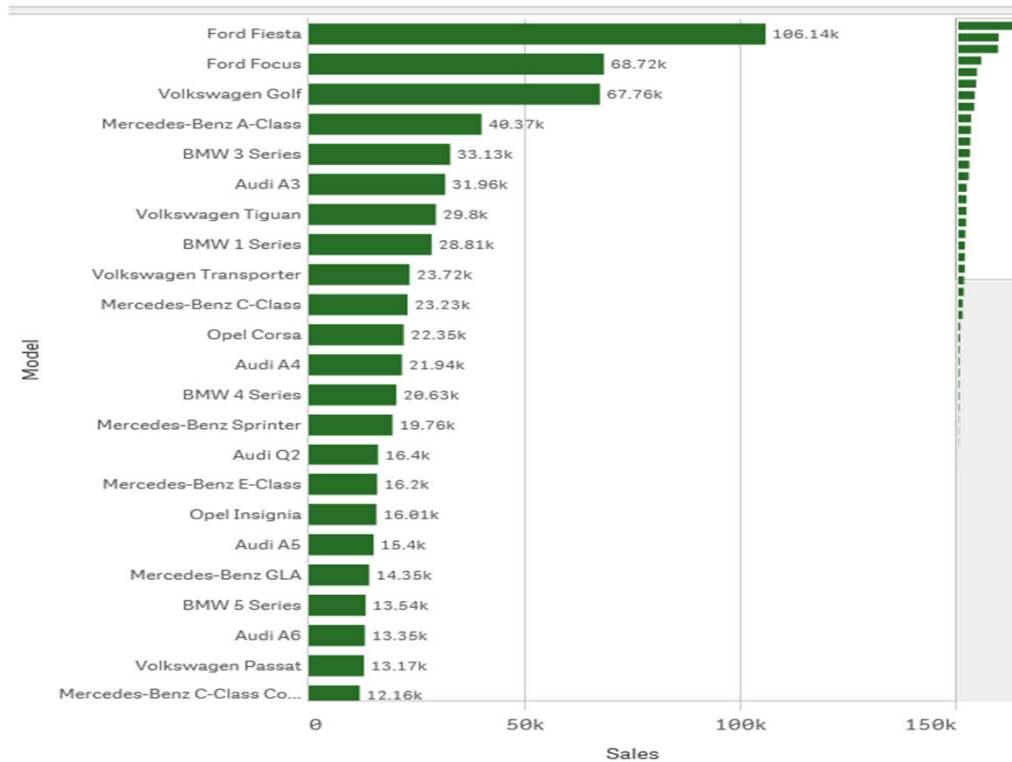


Opening up
German Plants

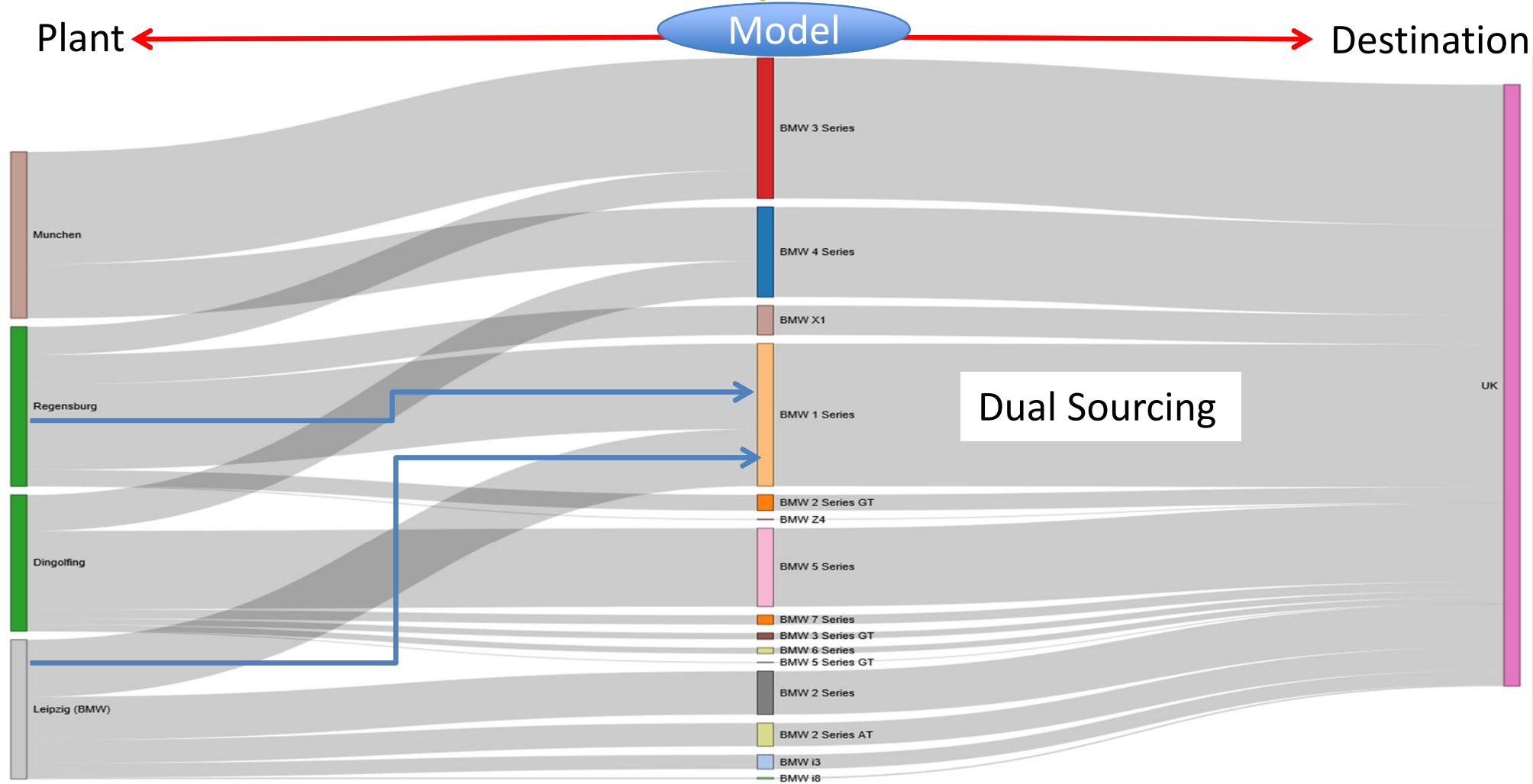


...again German Exports to the UK : 2018

776.1k



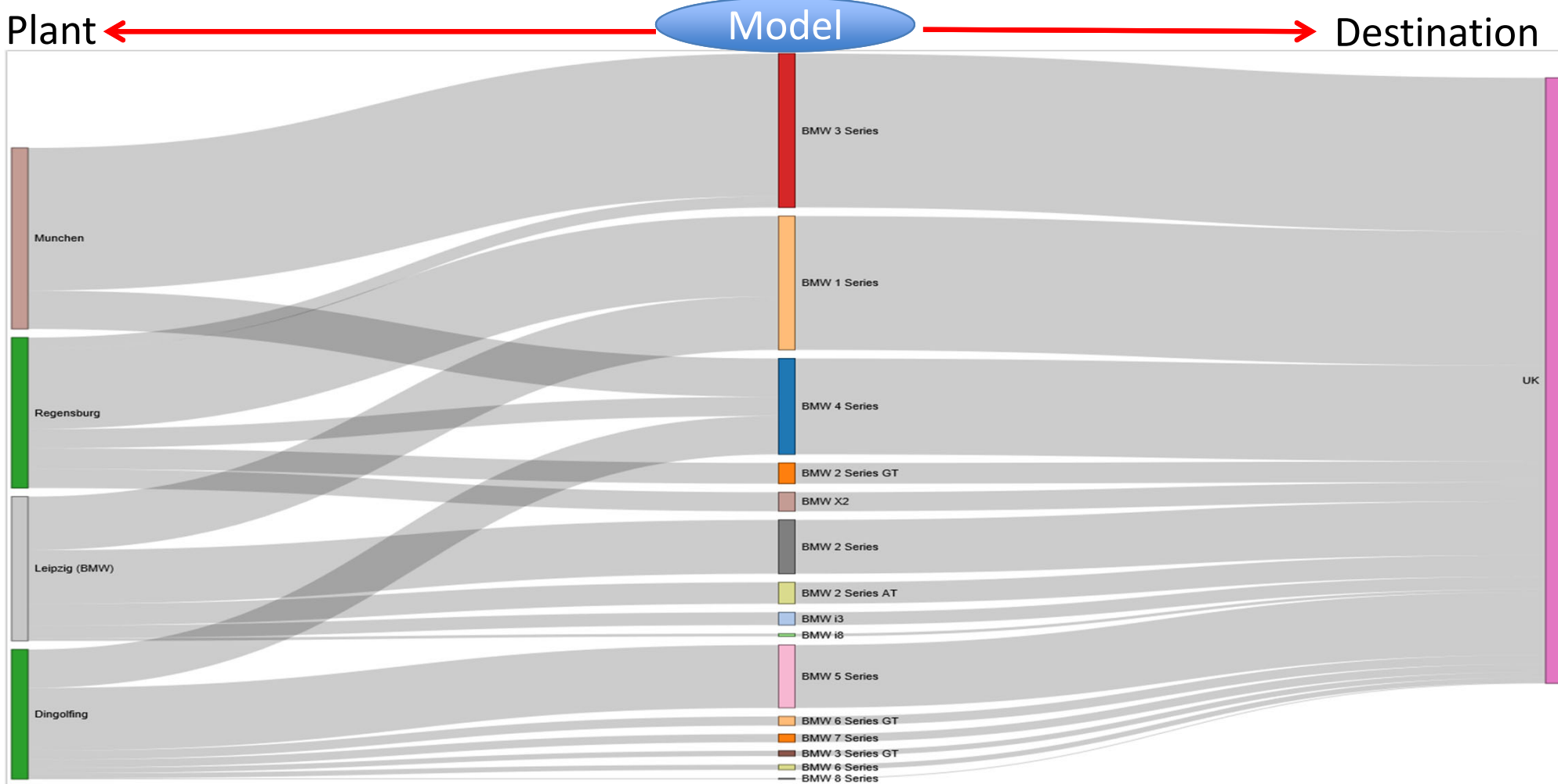
....and now BMW German Exports to UK 2018 : **147K**



© 2018 LMC Automotive Limited, All Rights Reserved.

(Source: Compass, ELVTFF.)

....and now BMW German Exports to UK 2018 : **130K**

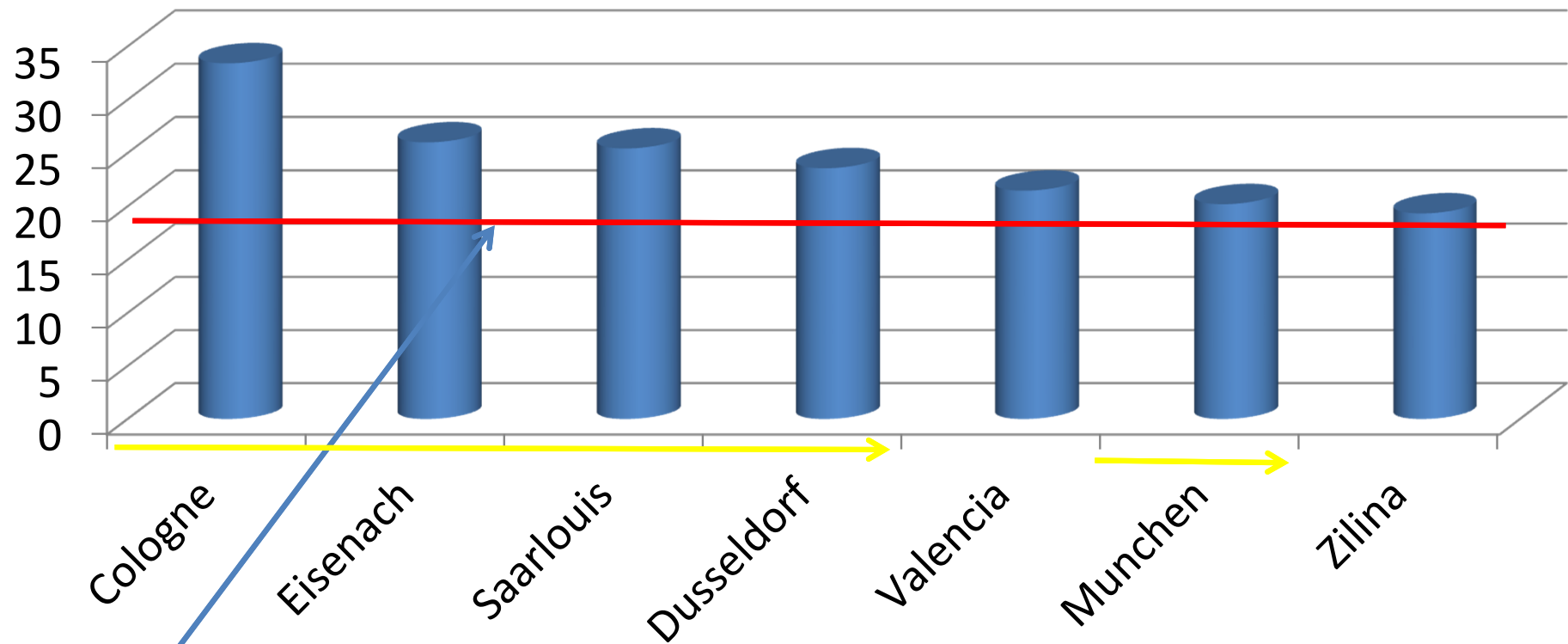


© 2018 LMC Automotive Limited, All Rights Reserved.

(Source: Compass, ELVTFF.)

Share of **EU Production** allocated for Export to UK : 2017

Core Model : Fiesta Corsa Focus Sprinter Kuga 3/4 Series Sportage



EU Average of Plants Trading with the UK

German Plants !

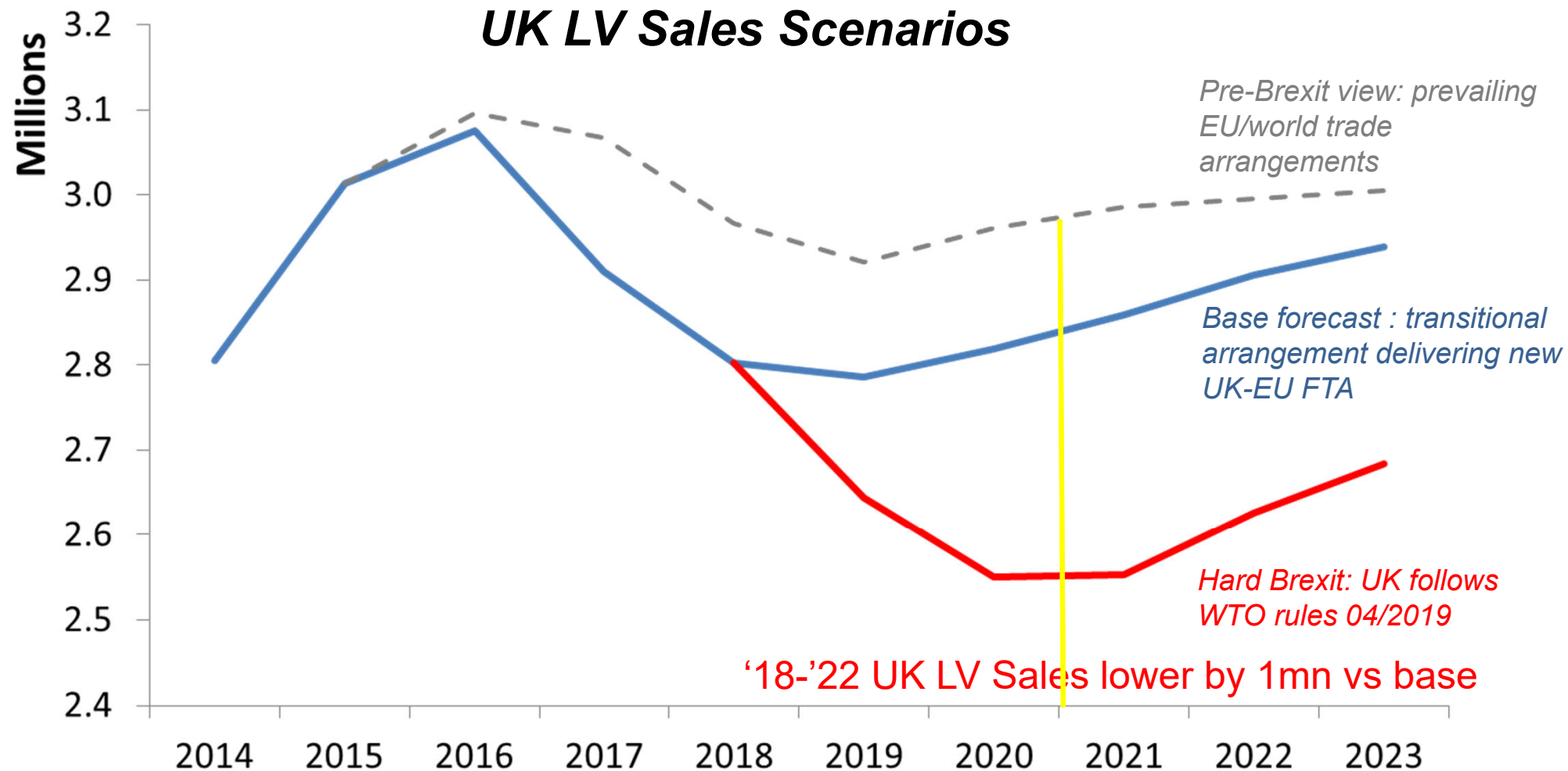
Share of **UK Production** allocated for Export to EU 27 : 2017

Core Model : Auris Astra Vivaro Qashqai RR Mini Civic XE LR



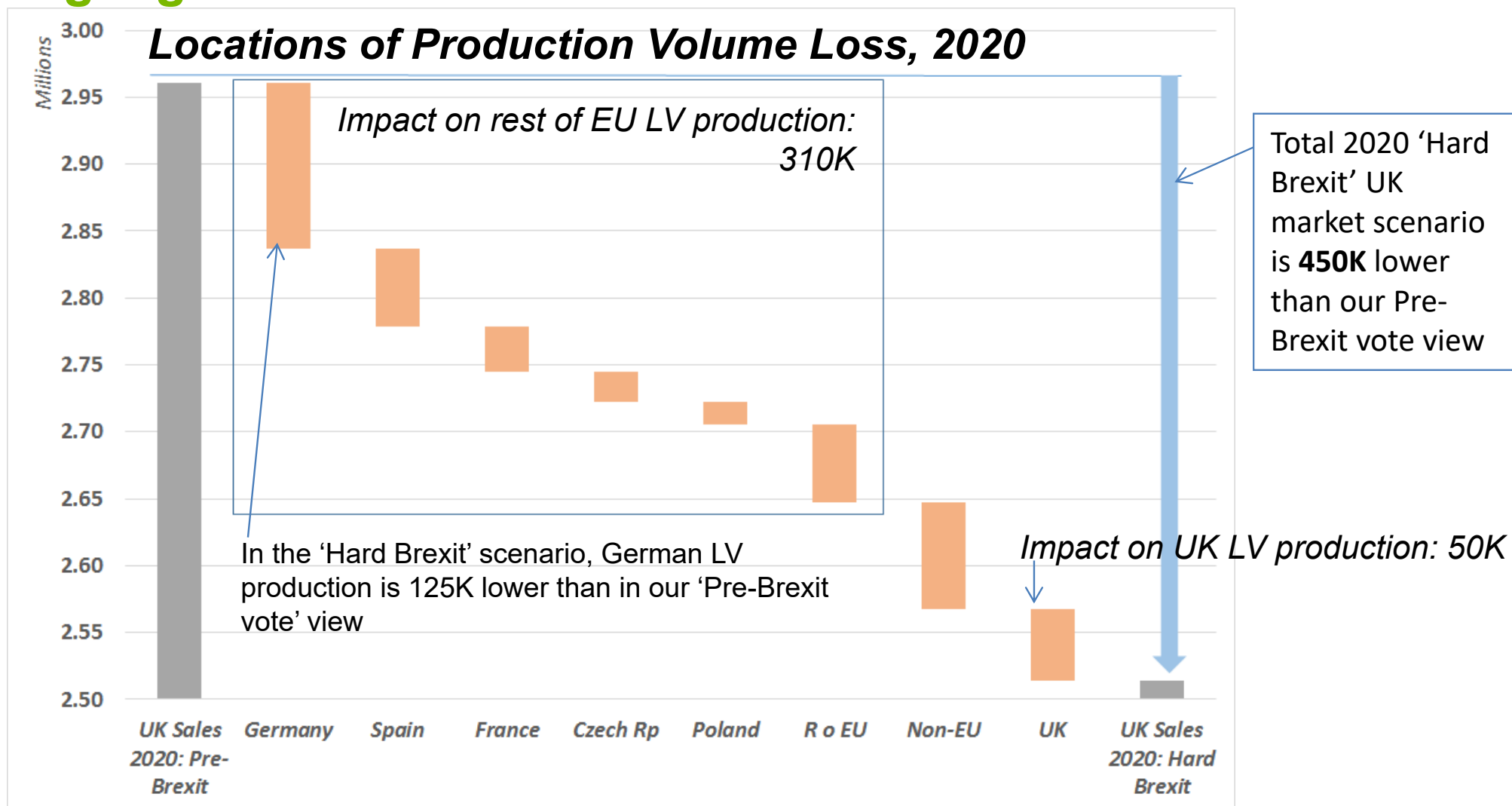
UK Average of Plants Trading with EU 27

Highlights : Brexit Risk



Highlights: Brexit Risk

'Hard Brexit' Scenario: 7





Summary

- Shocks have increased in intensity and frequency.
- Planning requires :-
 - ✓ ***Understanding your 'base case' and thus exposure to risk***
 - ✓ ***Tracking the evolution of events down to plant specifics***
- Scenario planning a useful tool!



For experts^L
by experts

forecasting@lmc-auto.com

lmc-auto.com

Oxford	+44 1865 791737
Detroit	+1 248 817-2100
Bangkok	+662 264 2050
Shanghai	+86 21 5283 3526

Thank you