

OCTOBER, 2014

MEXICO AUTOMOTIVE OUTLOOK FORO AUTOMOTOR 2014

Mexico, D.F.

Guido Vildoza, Manager Latin America Light Vehicle Sales
Forecasts, IHS



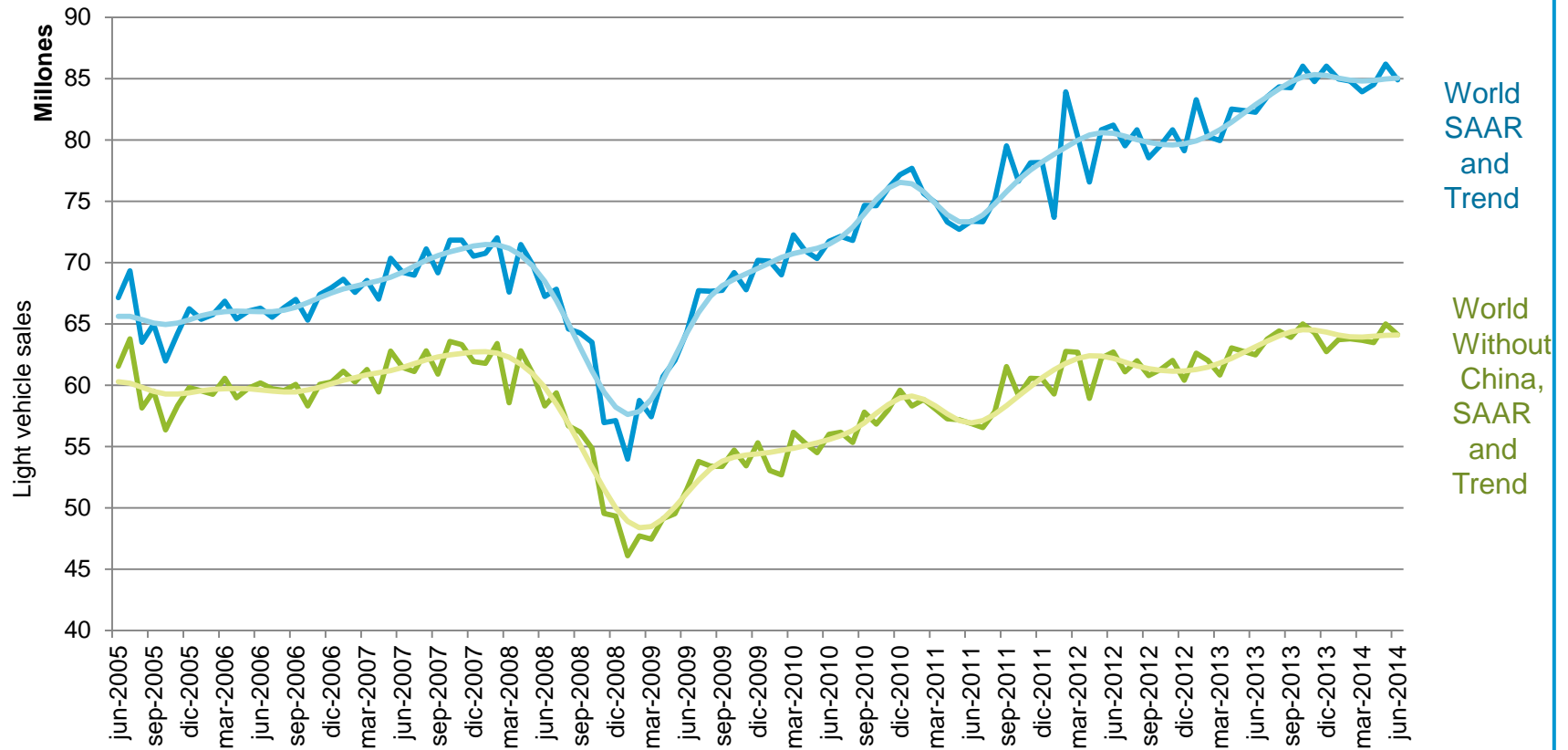
Agenda

- **Global Outlook**
- **Global Cadence**
- **Regional Sales per Dealer Comparison**
- **Mexico Sales**
- **Mexico Production**
- **Key Takeaways**



World auto sales on a roll

... World Sales on a roll ... But the strong climb has “tapered off” in recent months



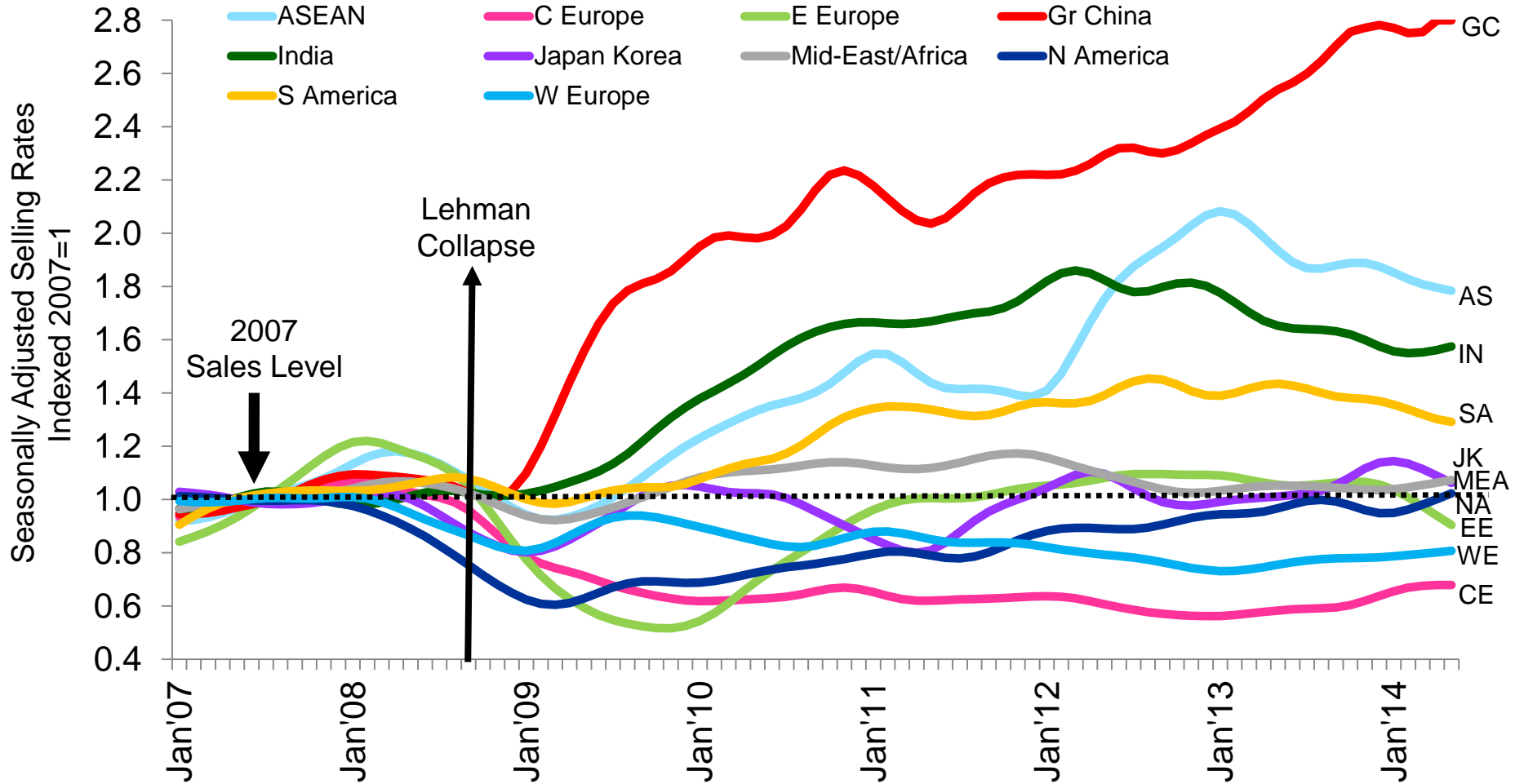
Source: IHS

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Region light vehicle selling rates

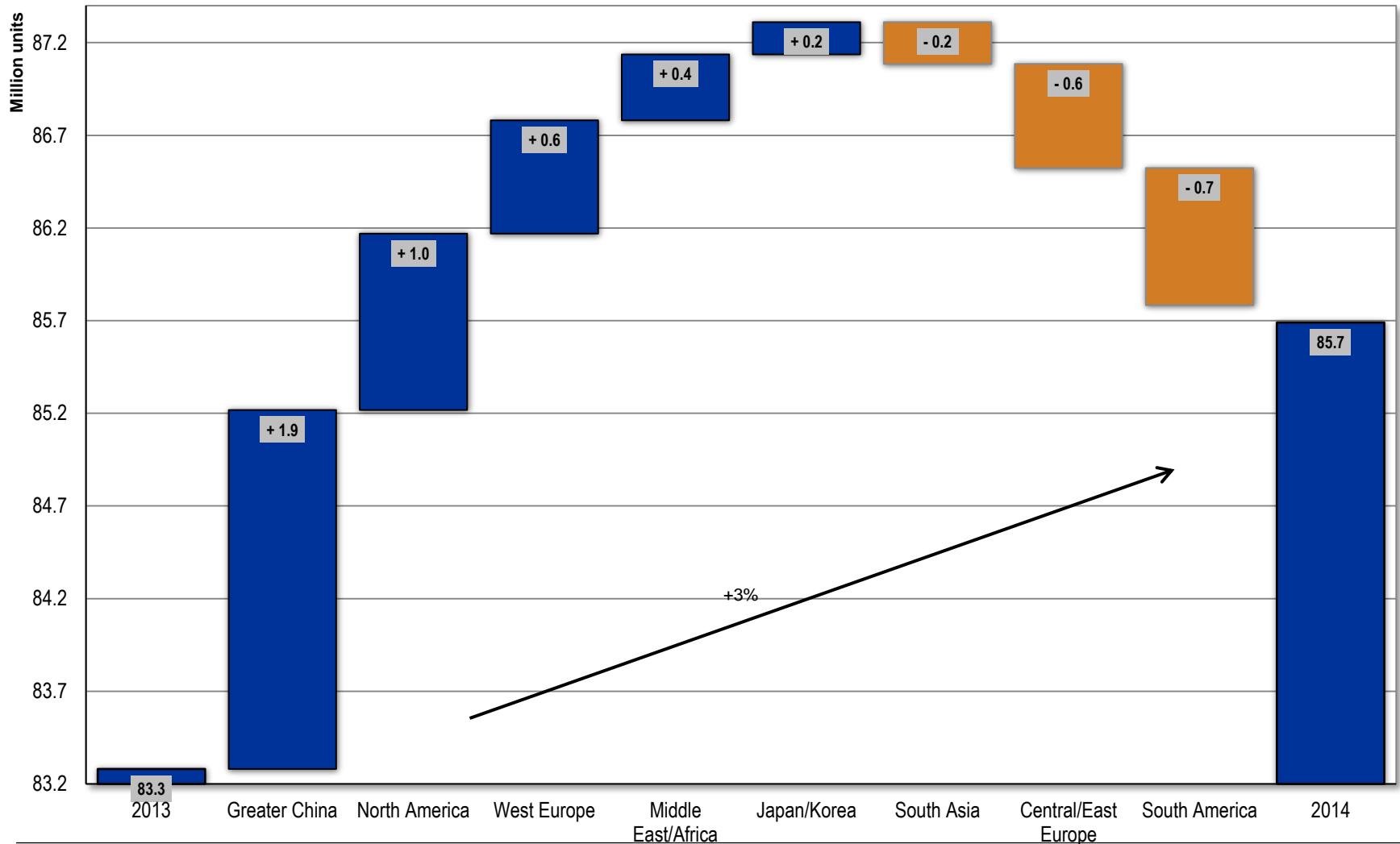


China remains on different path than other developing markets



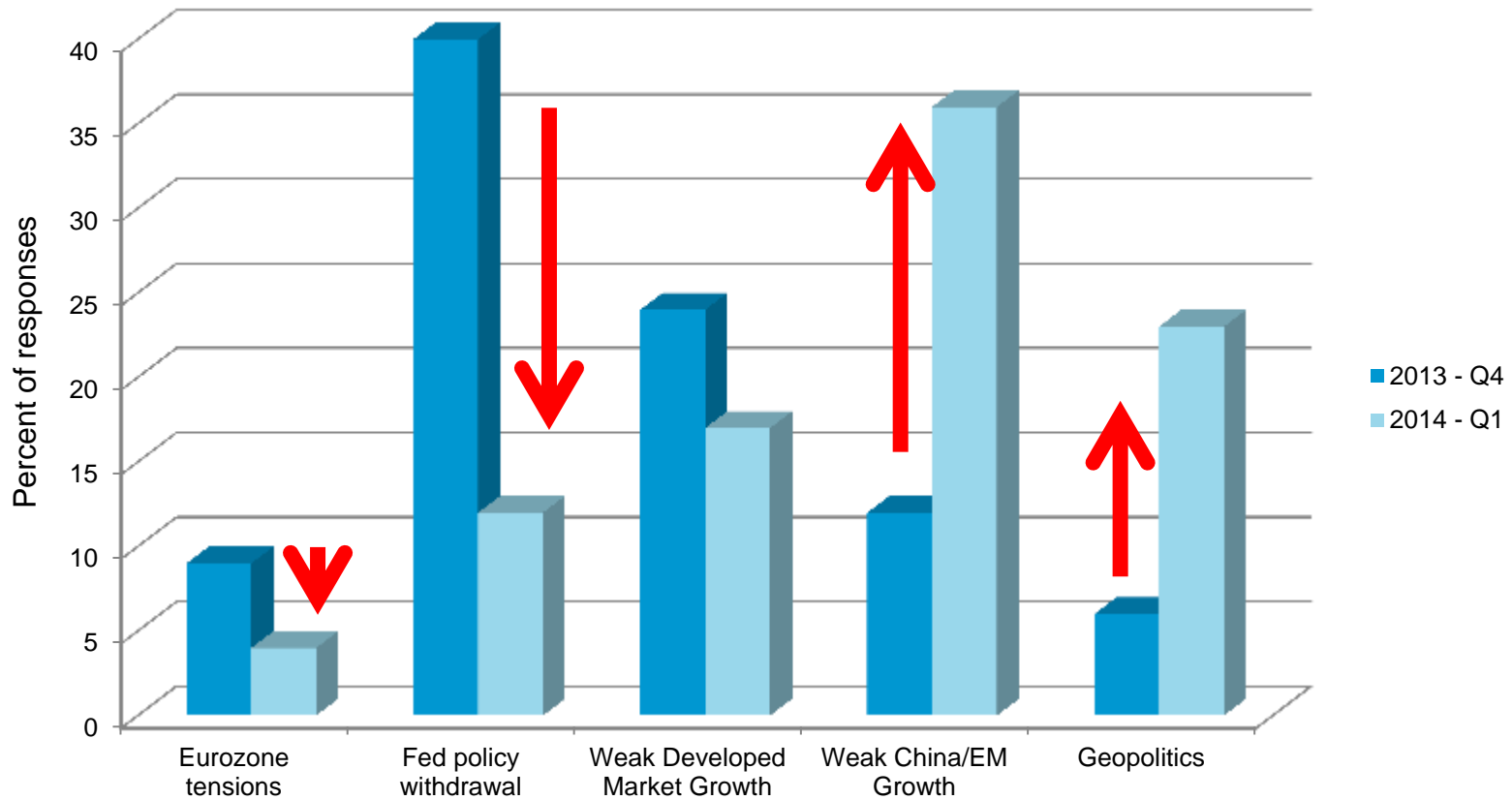
Source: IHS Analysis, X12 Seasonal Adjustment

Global light vehicle sales outlook 2013-14 sales volume



The financial markets are questioning if emerging market weakness is more than just fall-out from tapering

What is the most important risk to financial markets in the next 12 months?

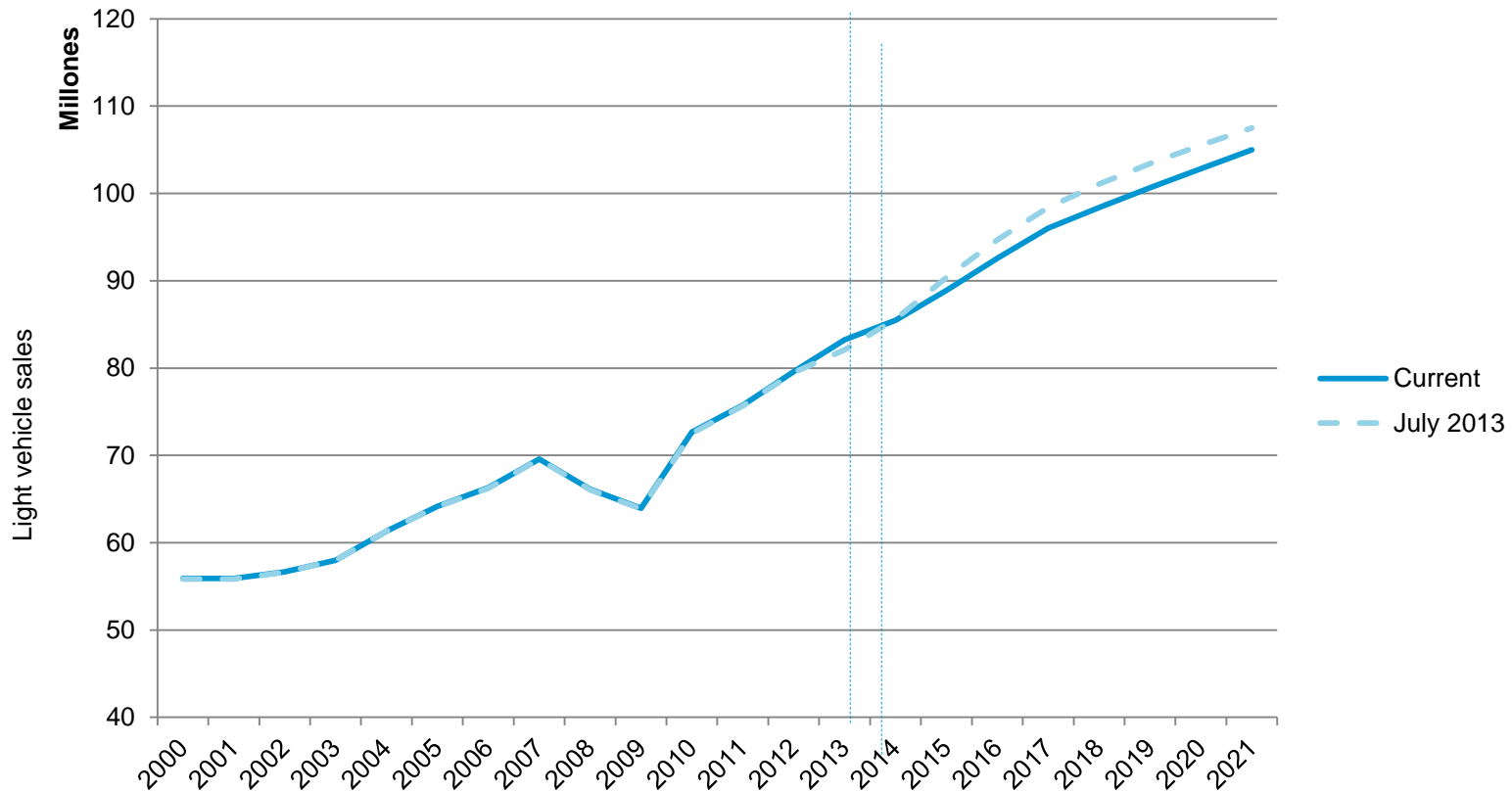


Source: Barclays Research - Quarterly Survey of Financial Institutions, other risks not included

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Global Light Vehicle Sales

Long term forecast has been lowered – despite sales overshoot in 2013



Source: IHS

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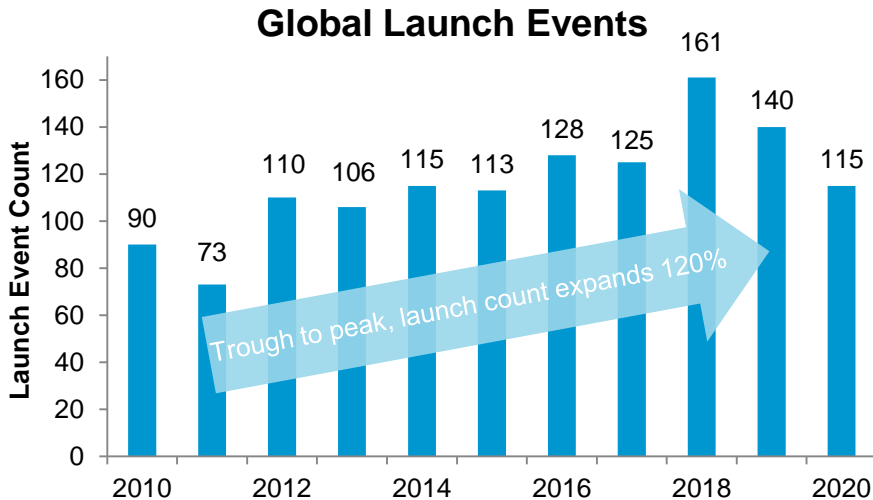
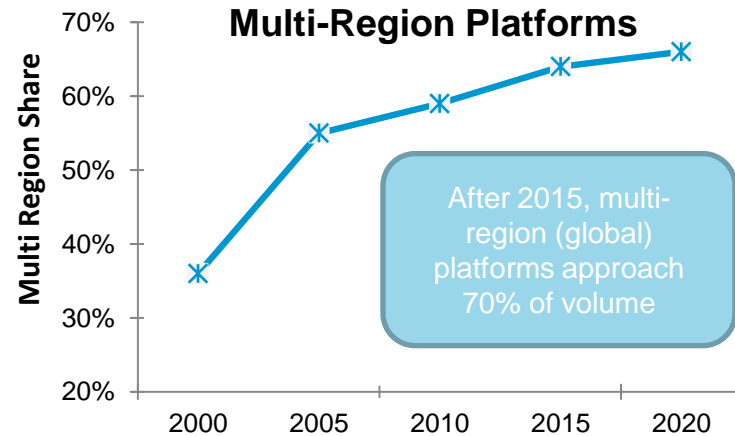
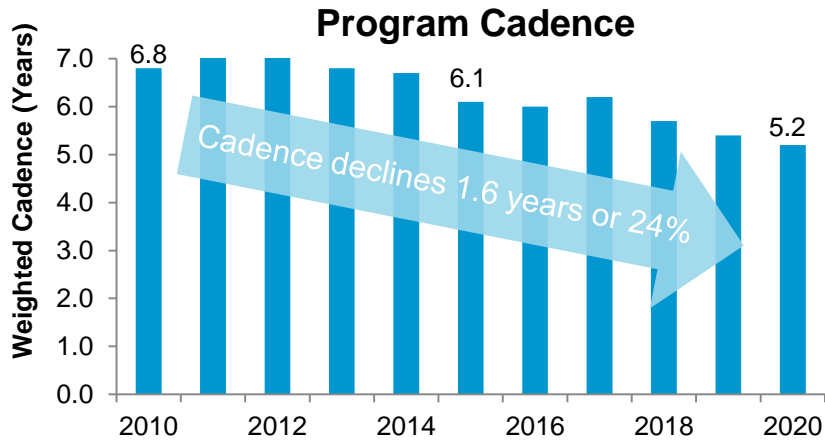
July 14

Average Cycle Time by Region

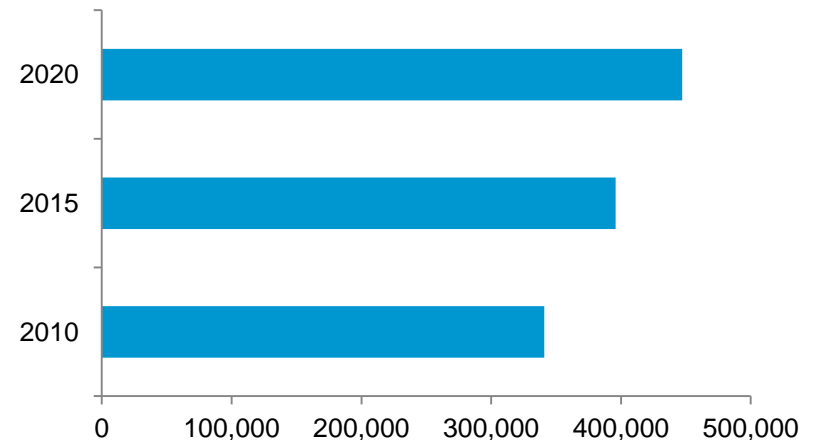
Region	2000	2005	2010	2015	2020
Europe	7.0	7.1	6.0	6.3	6.0
Greater China	8.7	7.7	5.8	7.8	7.1
Japan/Korea	3.8	6.0	5.1	7.1	5.2
North America	5.6	5.2	5.5	5.5	4.9
South America	11.3	3.1	8.4	6.9	5.5

- Integration of global platforms into NA, China and South America increases ‘cycle velocity’
- Global cycle timing is declining towards sub 6 years as all regions move lockstep with global platform timing
- Impact of delayed timing for several European mass market offerings reflective of extended timing. For China, growth of domestic players with longer cadence underscore the shift.

Faster, Greater Scale & Integrated Industry Pace and Risk Rises ...

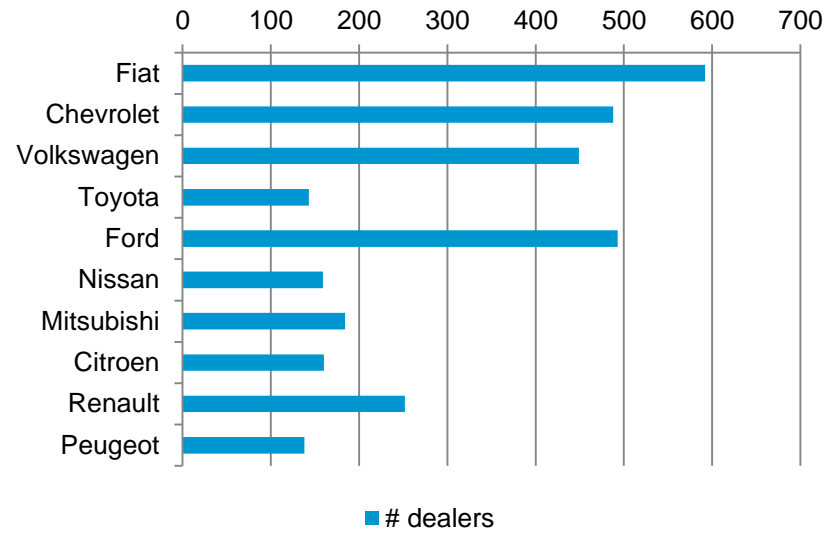
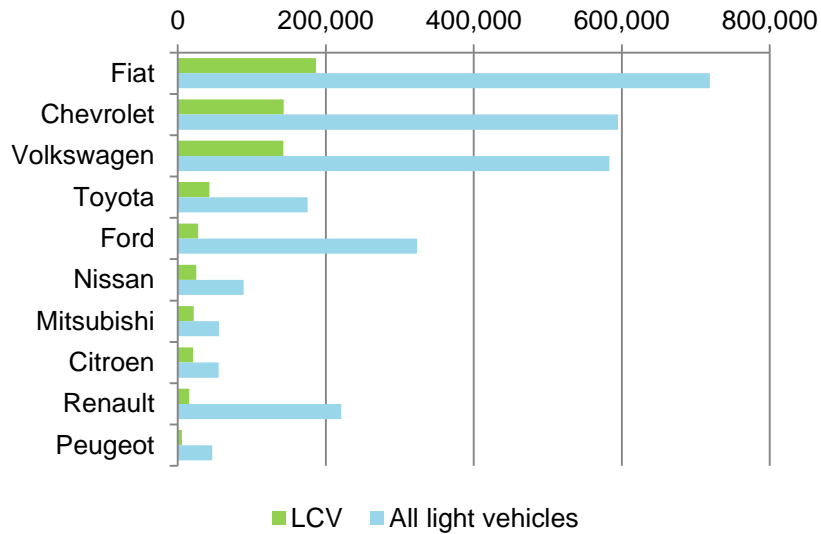


Average Platform Volume (Over 50K/Year)



Brazil Summary

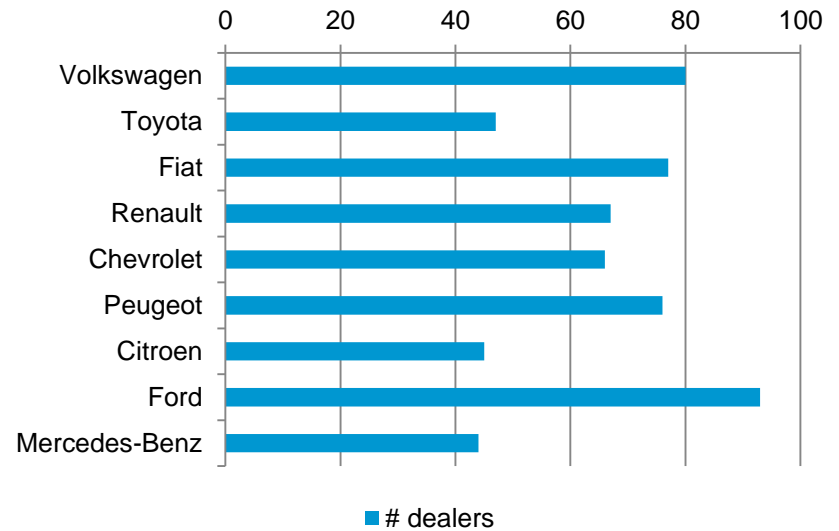
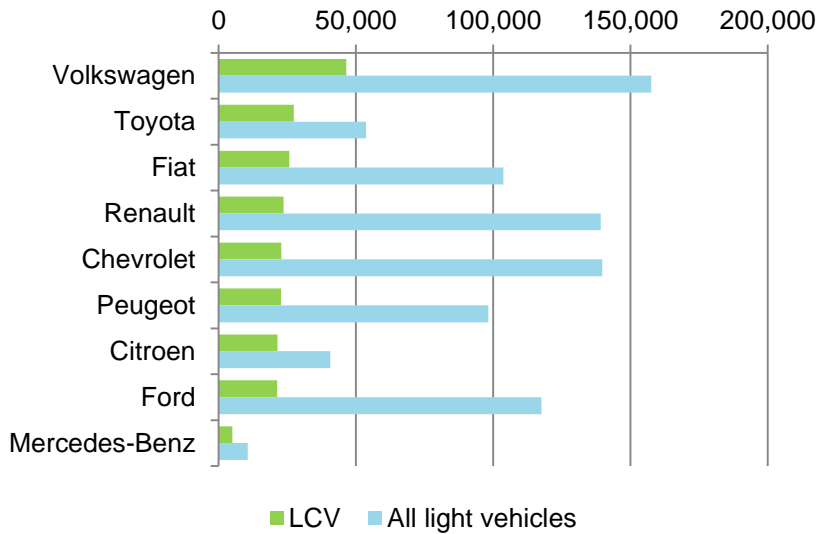
Sales vs. Dealers



Brand	Sales Network	Sales 2013 (LCV)	LCV Sales per Dealer	Sales 2013 Total	Total Sales per Dealer
Fiat	592	186,708	315	719,225	1,215
Chevrolet	488	142,993	293	594,944	1,219
Volkswagen	449	142,460	317	583,171	1,299
Toyota	143	42,630	298	175,505	1,227
Ford	493	27,413	56	323,258	656
Nissan	159	25,139	158	88,921	559
Mitsubishi	184	21,376	116	55,781	303
Citroen	160	20,497	128	55,480	347
Renault	252	15,566	62	220,972	877
Peugeot	138	5,752	42	46,463	337

Argentina Summary

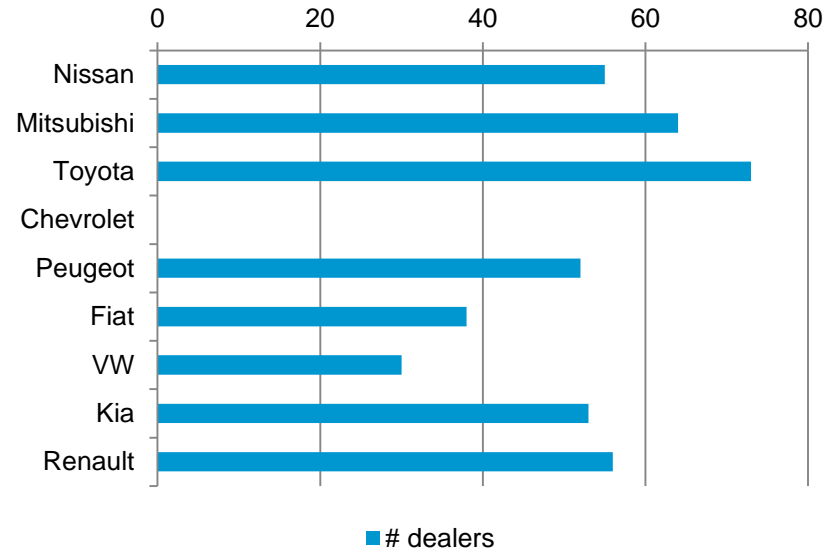
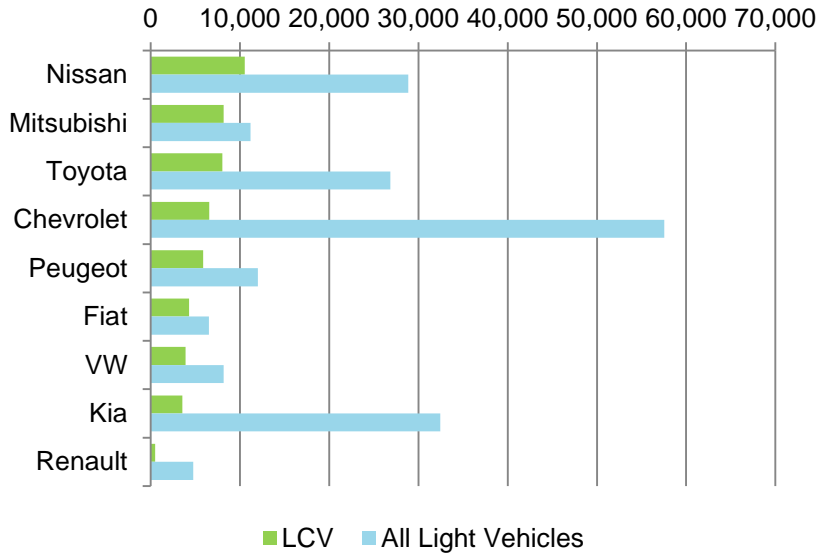
Sales vs. Dealers



Brand	Sales Network	Sales 2013 (LCV)	LCV Sales per Dealer	Sales 2013 Total	Total Sales per Dealer
Volkswagen	80	46,432	580	157,572	1970
Toyota	47	27,400	583	53,708	1143
Fiat	77	25,713	334	103,678	1346
Renault	67	23,659	353	139,151	2077
Chevrolet	66	22,825	346	139,771	2118
Peugeot	76	22,640	298	98,183	1292
Citroen	45	21,386	475	40,626	903
Ford	93	21,338	229	117,611	1265

Chile Summary

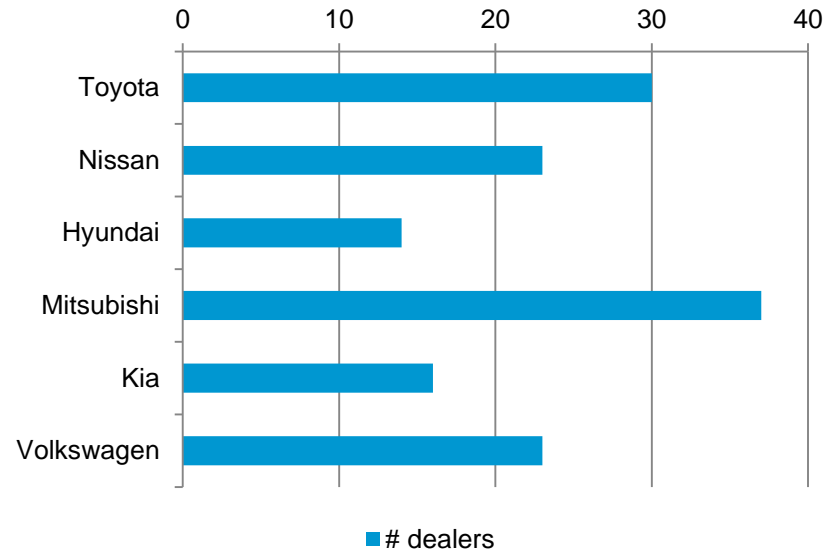
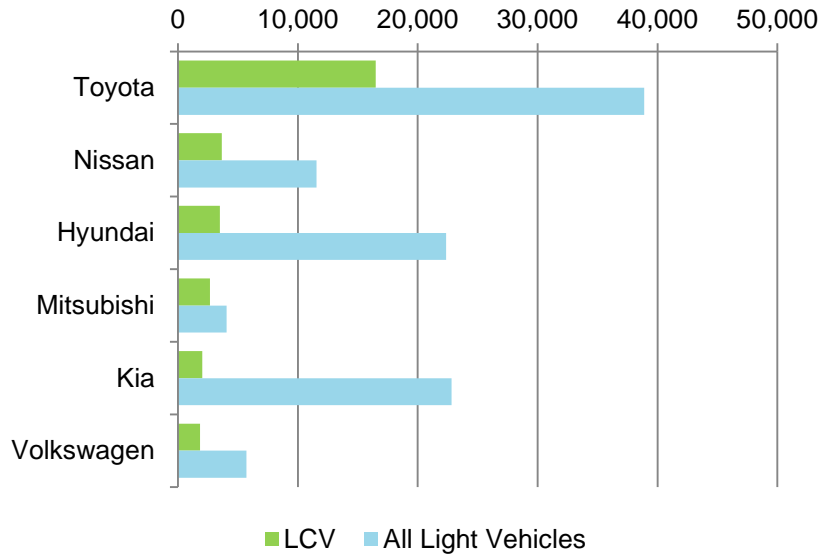
Sales vs. Dealers



Brand	Sales Network	Sales 2013 (LCV)	LCV Sales per Dealer	Sales 2013 Total	Total Sales per Dealer
Nissan	55	10,549	192	28,858	525
Mitsubishi	64	8,164	128	11,185	175
Toyota	73	8,025	110	26,843	368
Chevrolet	n.a.	6,568	n.a.	57,554	n.a.
Peugeot	52	5,865	113	12,006	231
Fiat	38	4,277	113	6,506	171
VW	30	3,884	129	8,149	272
Kia	53	3,550	67	32,444	612
Renault	56	501	9	4,768	85

Peru Summary

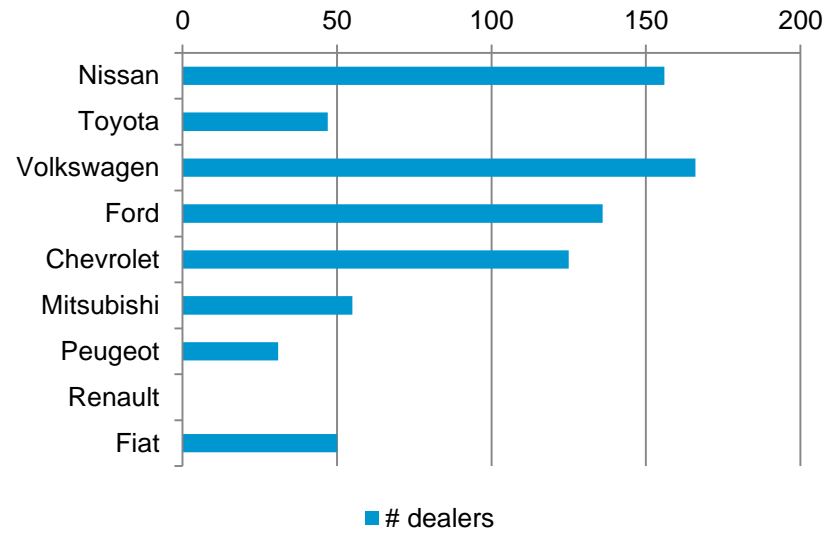
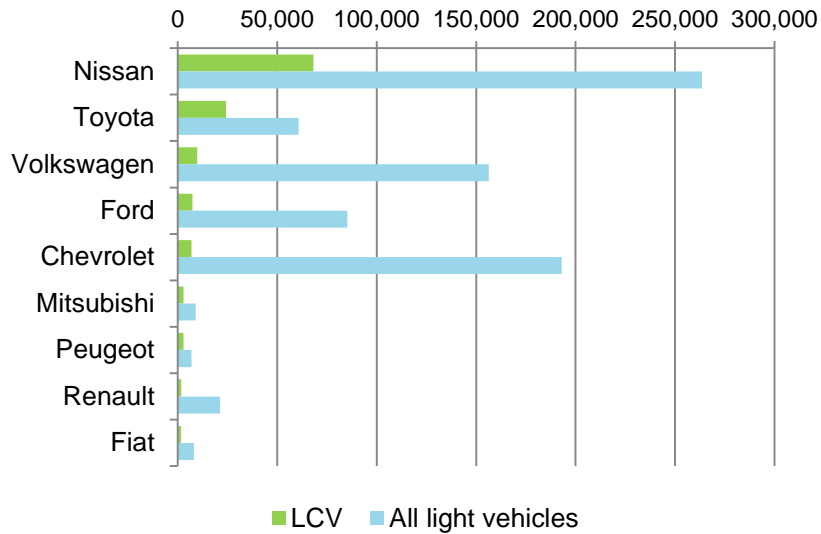
Sales vs. Dealers



Brand	Sales Network	Sales 2013 (LCV)	LCV Sales per Dealer	Sales 2013 Total	Total Sales per Dealer
Toyota	30	16,491	550	38,900	1,297
Nissan	23	3,646	159	11,550	502
Hyundai	14	3,484	249	22,359	1,597
Mitsubishi	37* (incl. Fuso)	2,667 (w/o Fuso)	72	4,042 (w/o Fuso)	109
Kia	16	2,022	126	22,808	1,426
Volkswagen	23	1,840	80	5,719	249

Mexico Summary

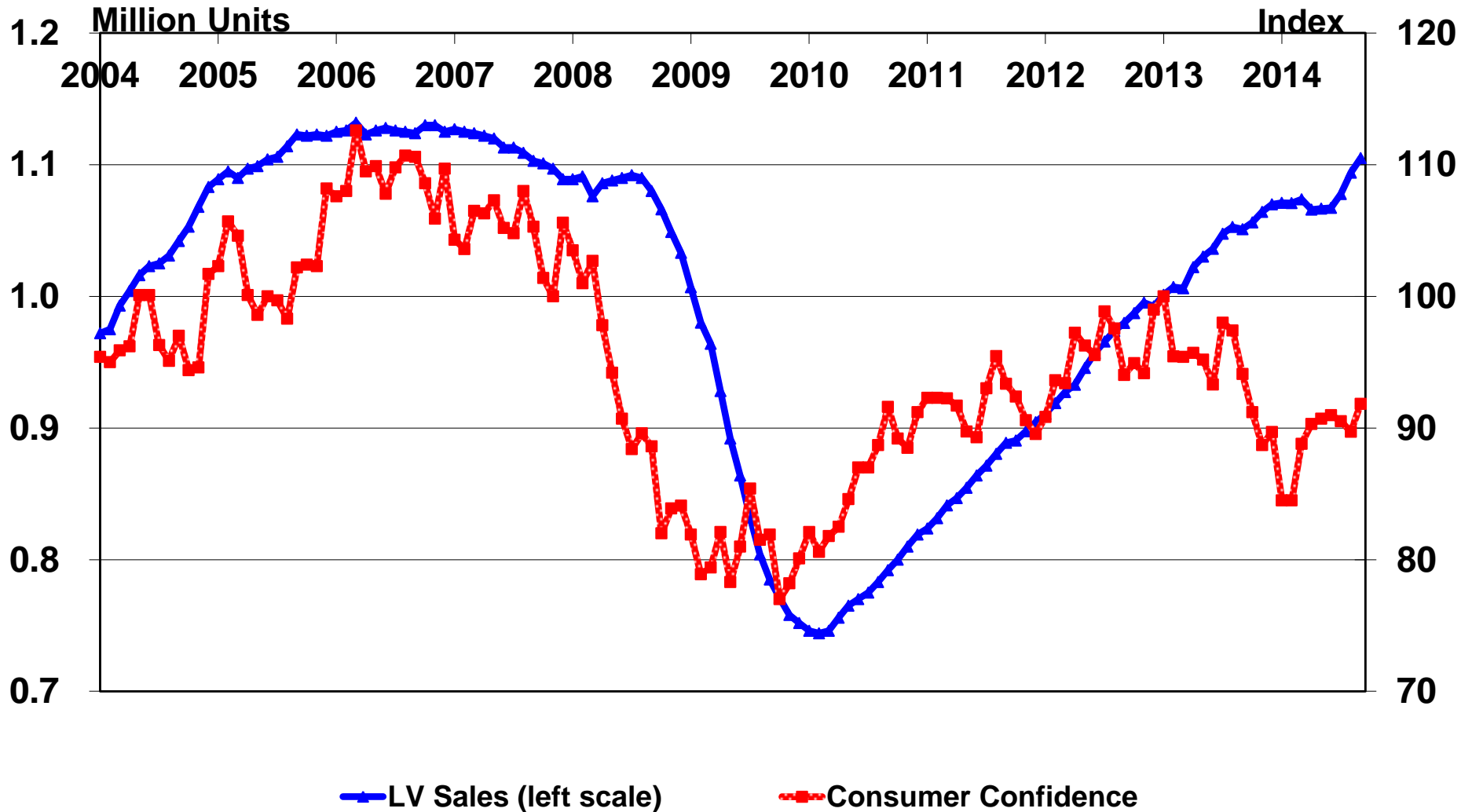
Sales vs. Dealers



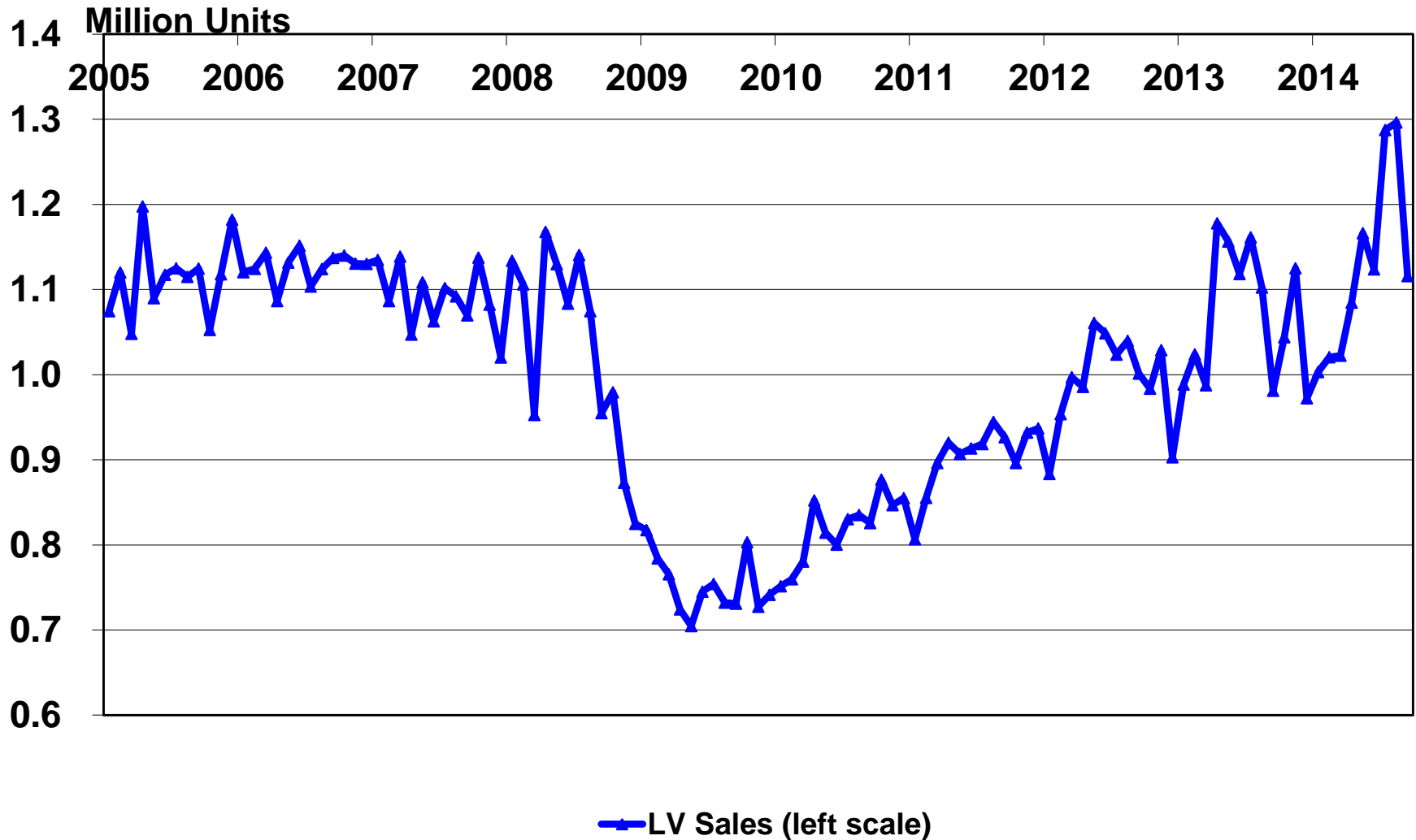
Brand	Sales Network	Sales 2013 (LCV)	LCV Sales per Dealer	Sales 2013 Total	Total Sales per Dealer
Nissan	156	68,212	437	263,477	1689
Toyota	47	24,204	515	60,740	1292
Volkswagen	166	9,854	59	156,313	942
Ford	136	7,347	54	85,194	626
Chevrolet	125	6,965	56	193,072	1545
Mitsubishi	55	2,807	51	8,997	164
Peugeot	31	2,802	90	6,941	224
Renault	n.a.	1,828	n.a.	21,187	n.a.
Fiat	50	1,592	32	8,228	165

Mexico Light Vehicle Sales

SAAR vs. Consumer Confidence



Mexico Light Vehicle Sales SAAR



Mexico Light Vehicle Sales

2014/15 Outlook (Dec '13 forecast)

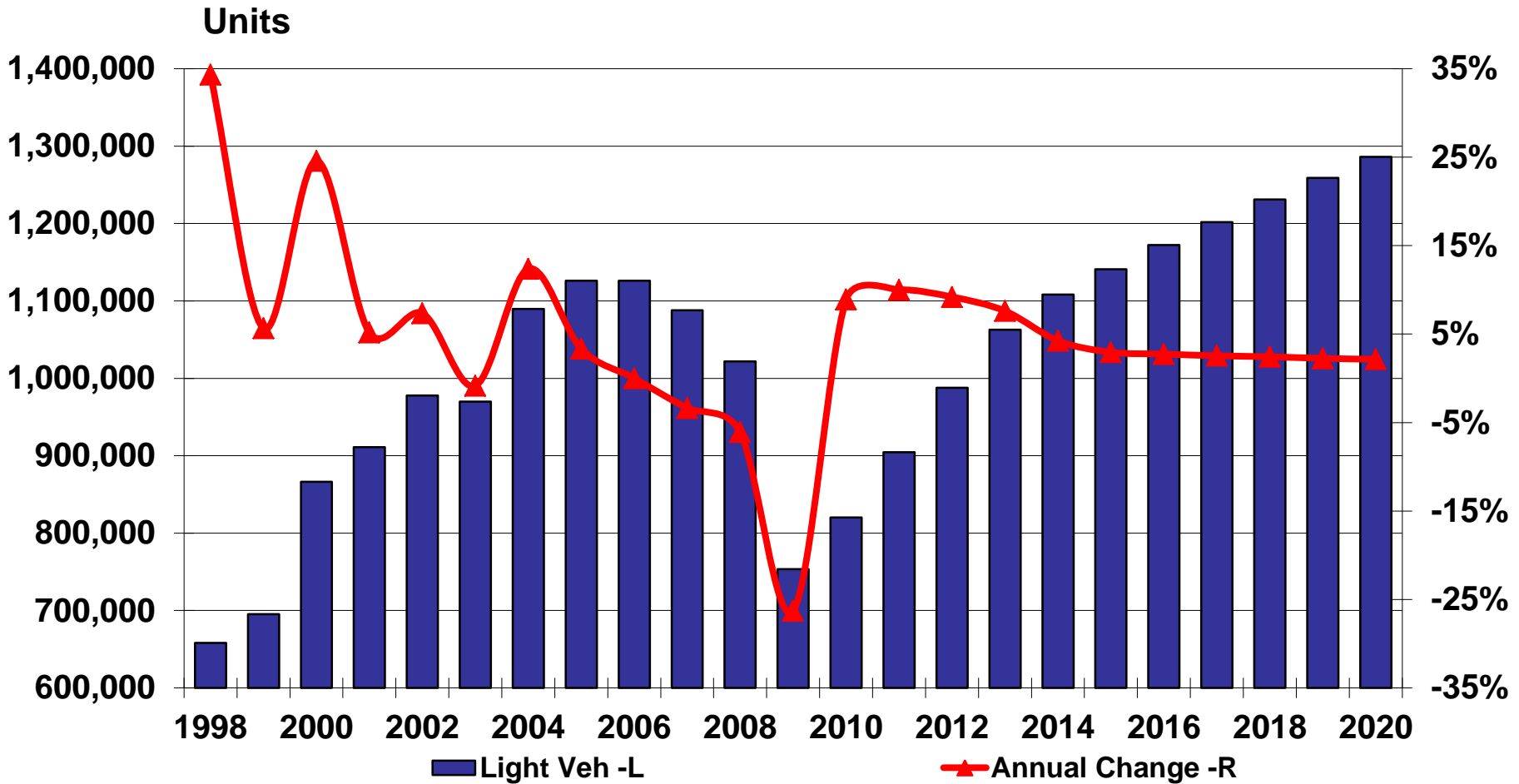
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CY
FCST	87,450	81,293	88,267	82,007	89,250	88,750	88,750	91,332	90,510	94,561	103,423	125,305	1,110,898
ACT	85,504	79,938	85,682	76,907	88,244	84,127	96,050	103,881	89,116				
moe	-2.2%	-1.7%	-2.9%	-6.2%	-1.1%	-5.2%	8.2%	13.7%	-1.5%				
EST 14*										92,061	101,823	124,705	1,108,038
EST 15*	93,102	85,930	91,808	79,869	91,006	91,079	91,902	94,133	92,853	95,851	105,251	127,253	1,140,037
YOY	8.9%	7.5%	7.1%	3.9%	3.1%	8.3%	-4.3%	-9.4%	4.2%	4.1%	3.4%	2.0%	2.6%

Deceleration to be expected and getting there will not be that easy

Mexico Light Vehicle Sales

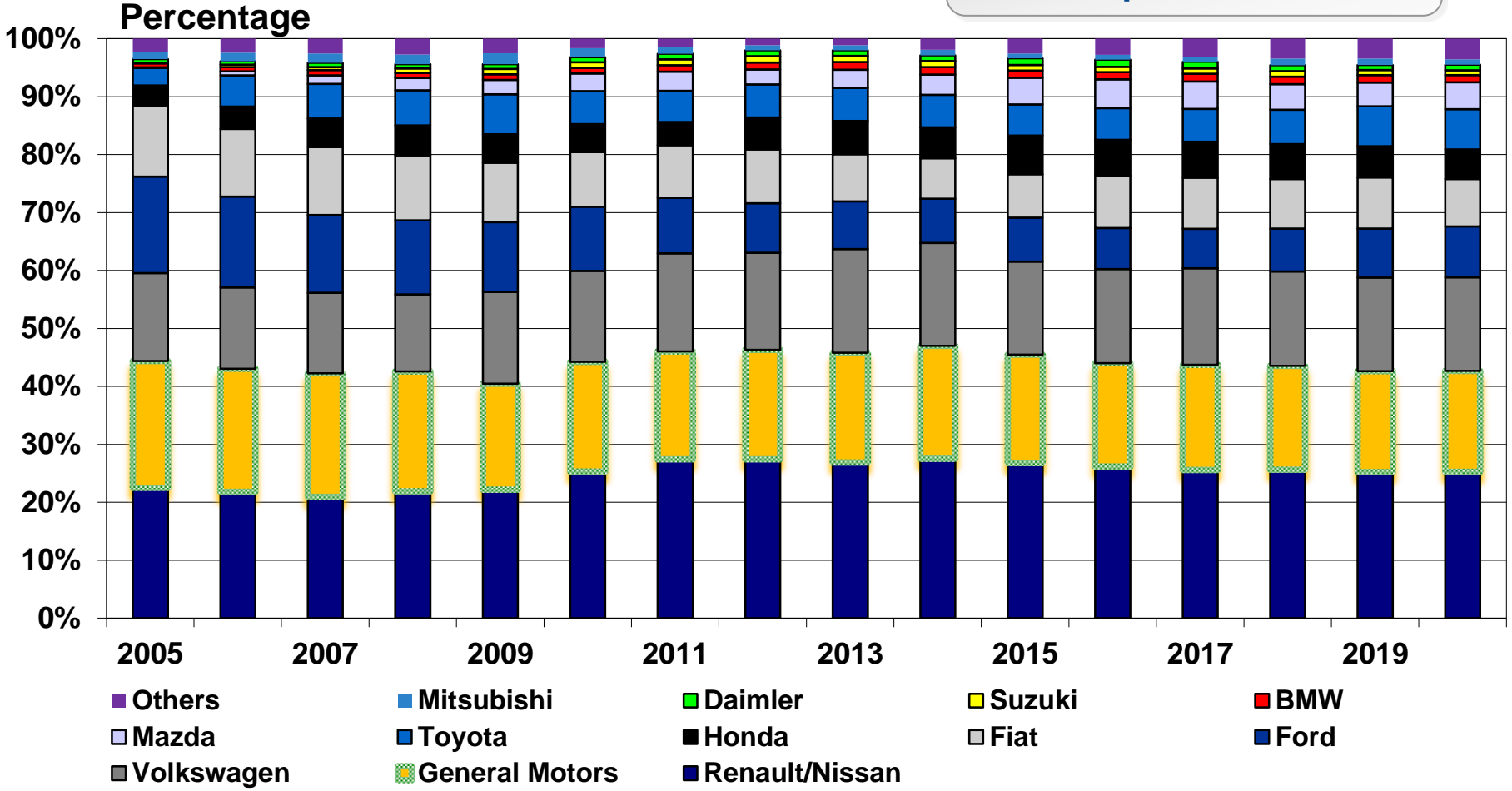
More manufacturing bring us to new highs?

Forecast calls for increased competition and more credit



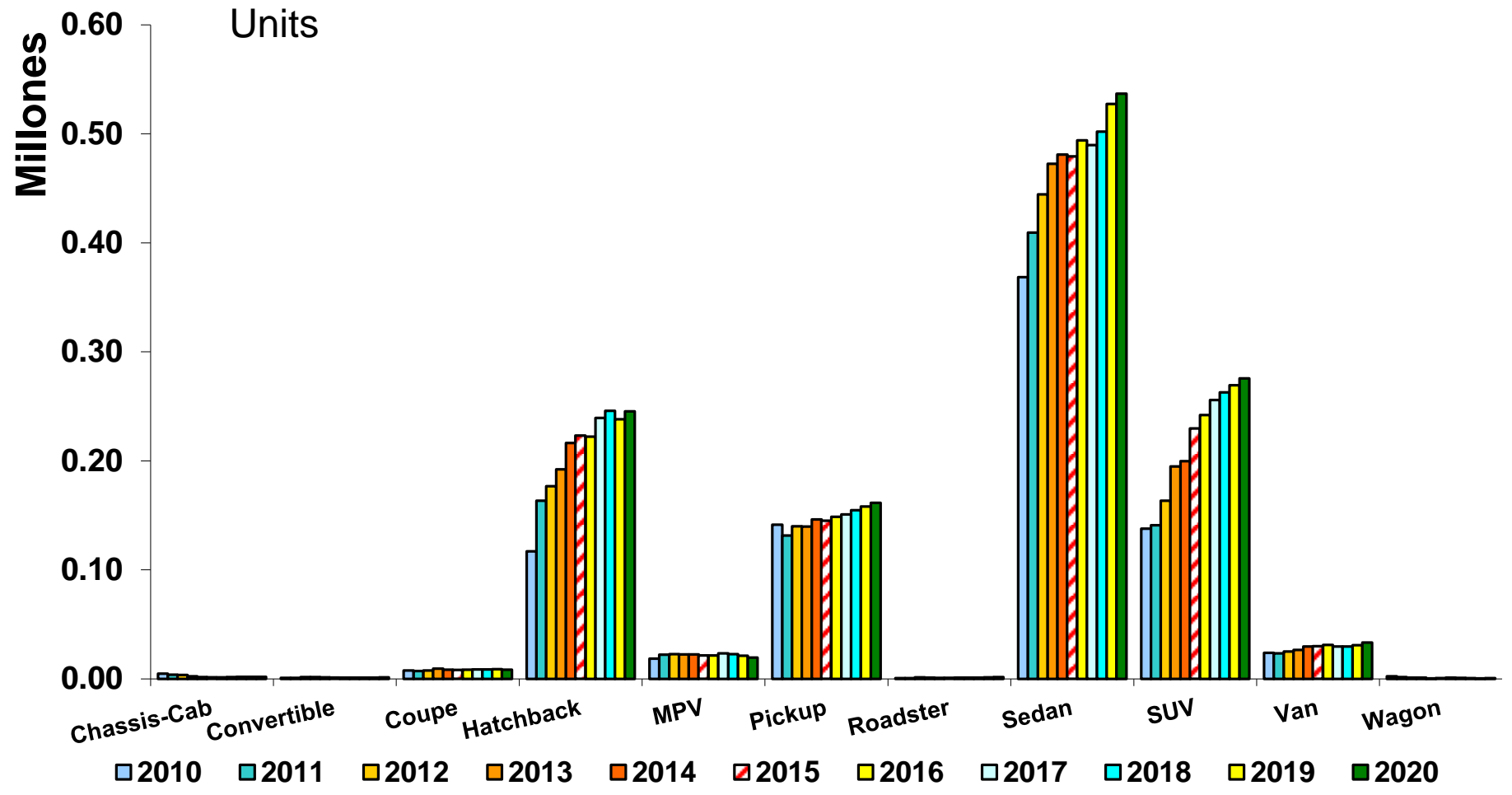
Mexico Light Vehicle Sales Market Share

Nissan, GM and VW will face competition



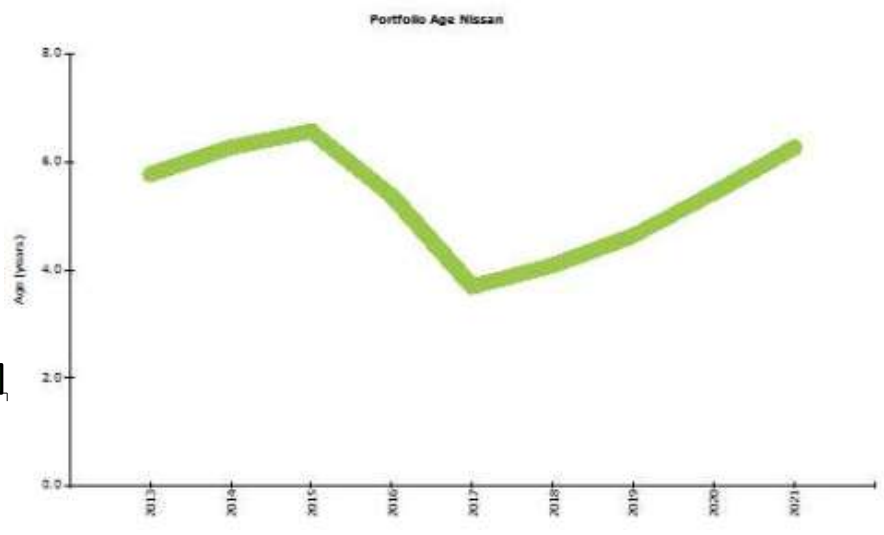
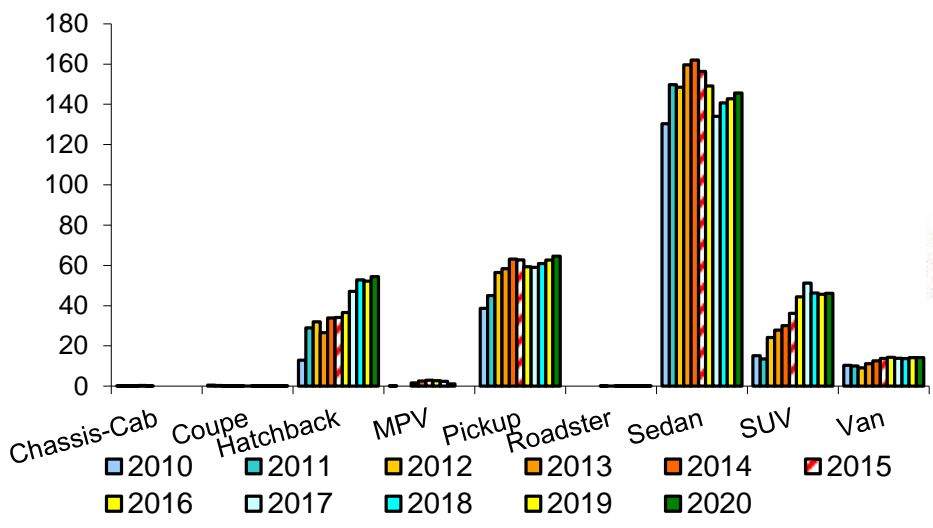
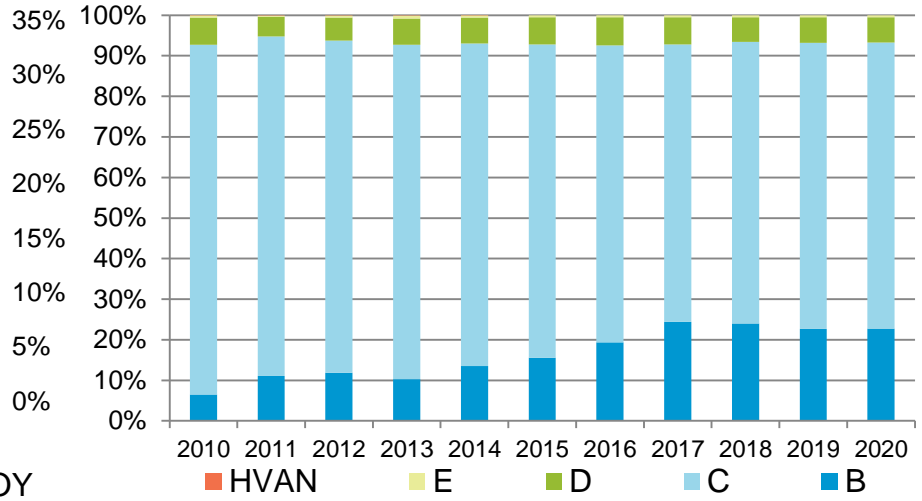
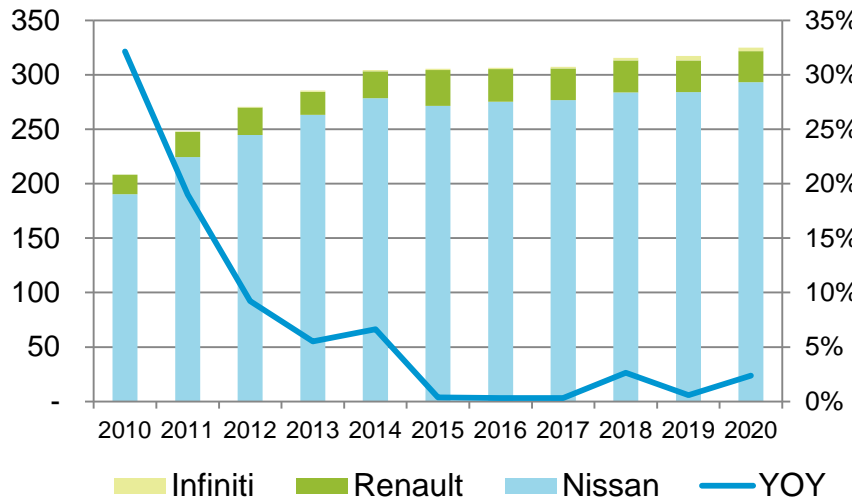
Mexico Light Vehicle Sales

Bodytype



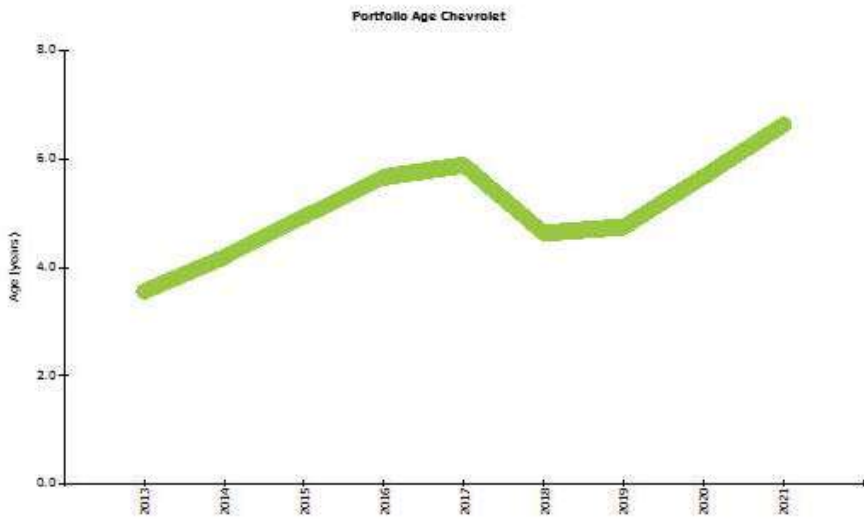
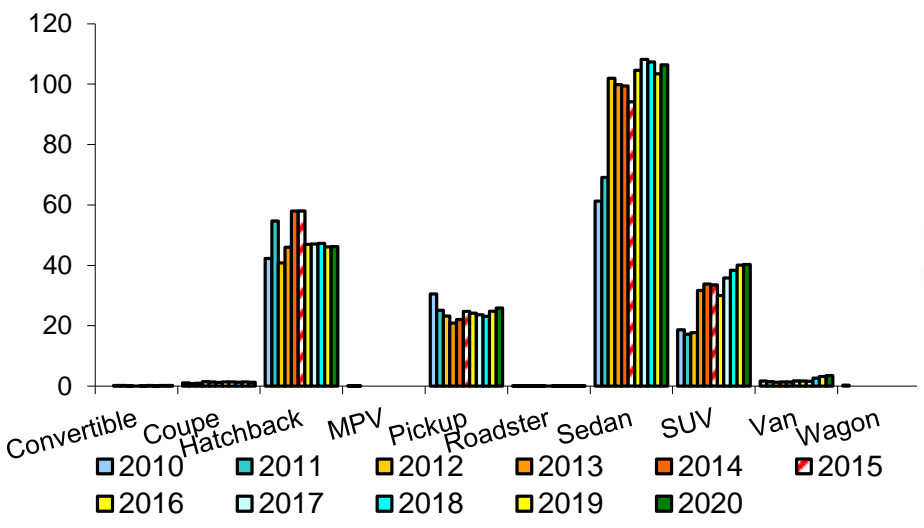
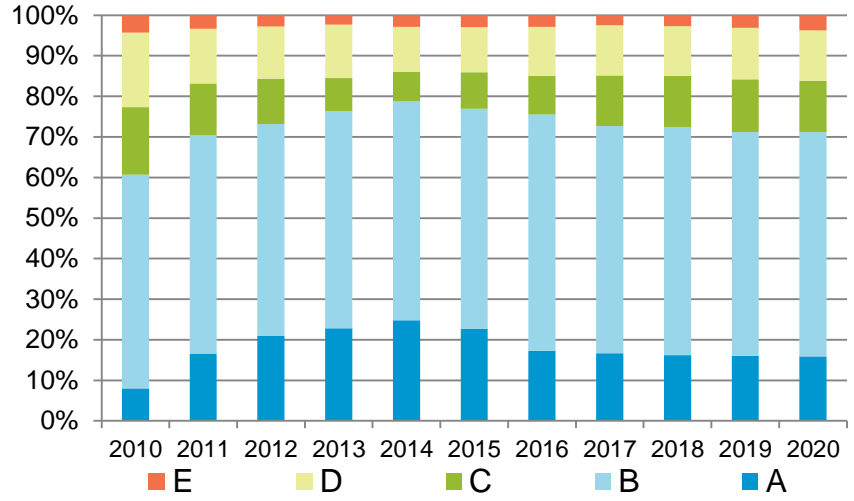
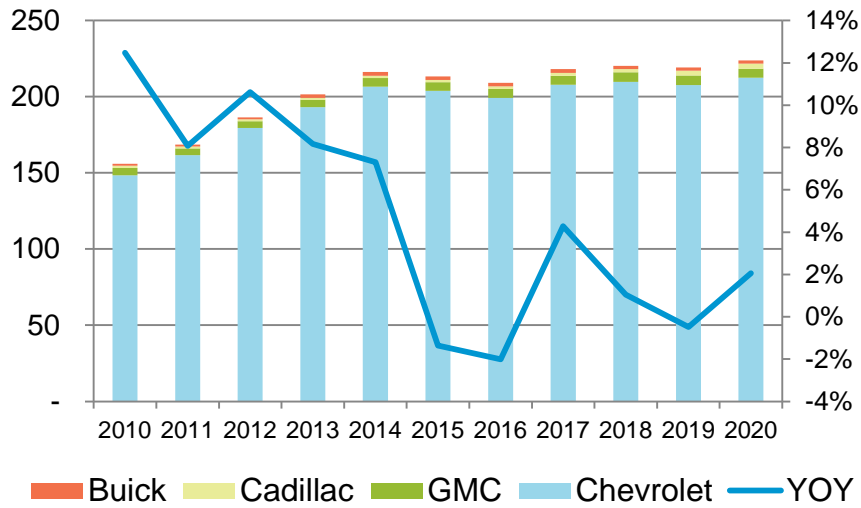
Mexico Light Vehicle Sales

Renault-Nissan Alliance



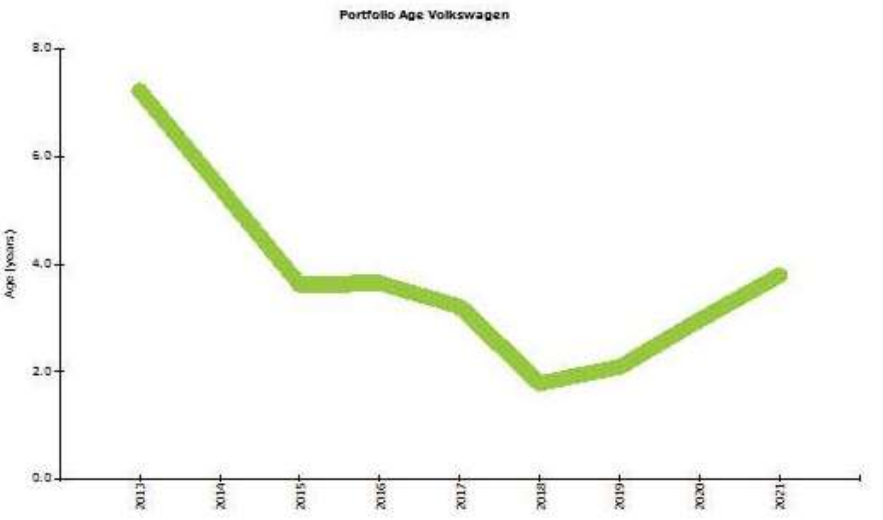
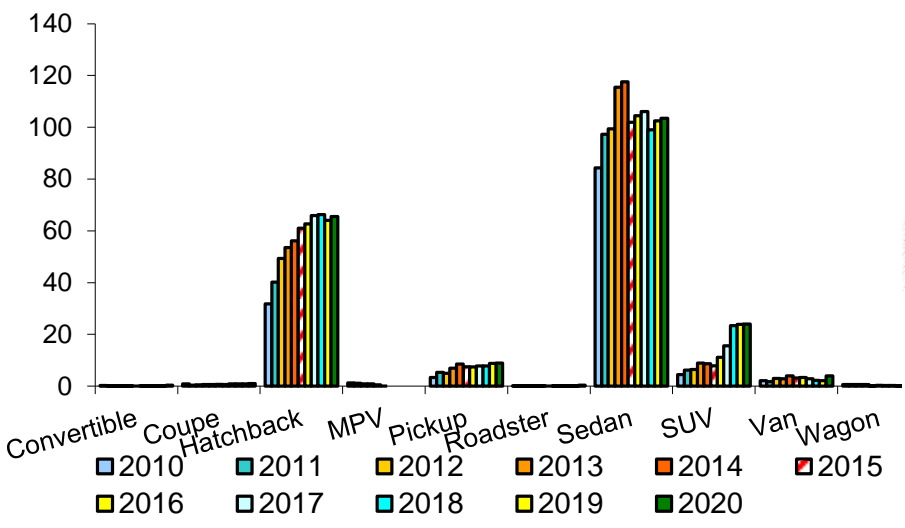
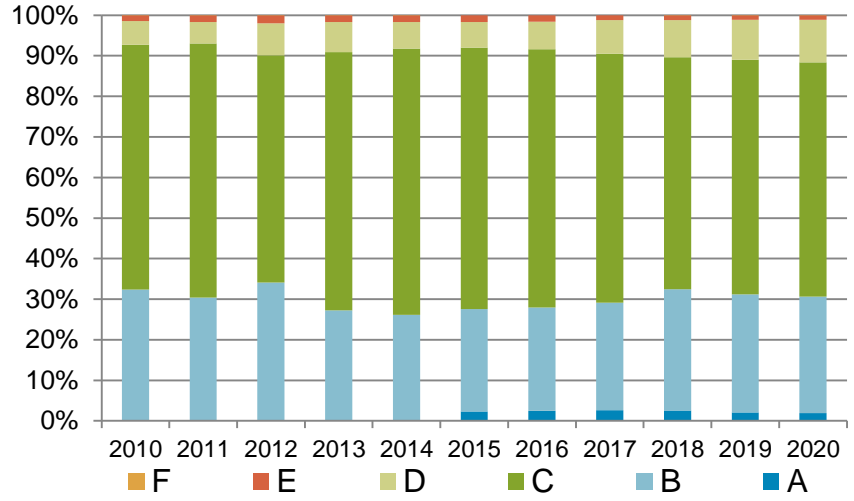
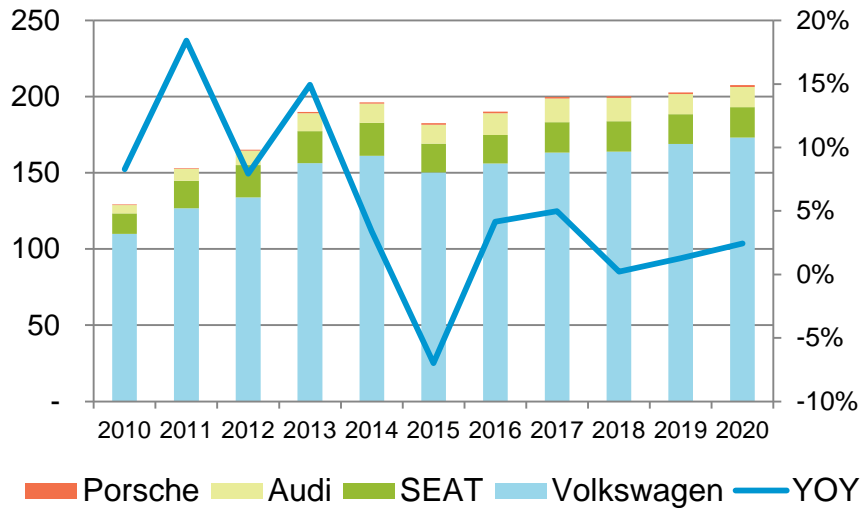
Mexico Light Vehicle Sales

General Motors



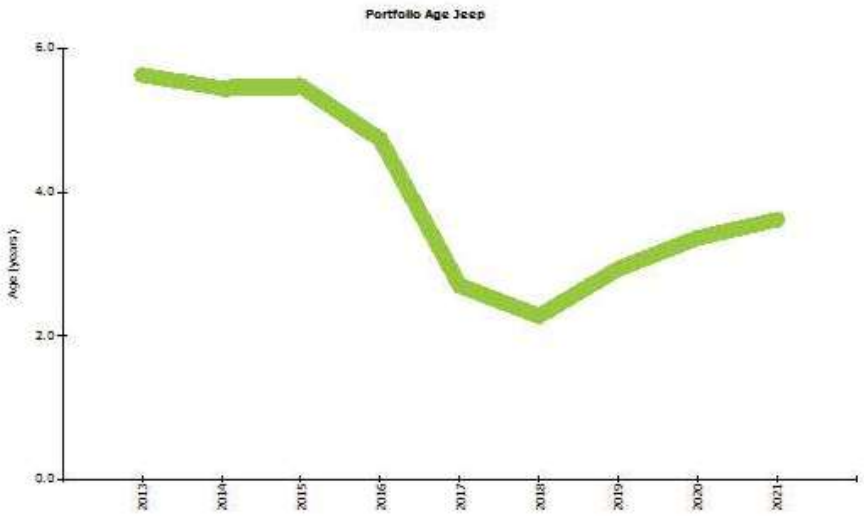
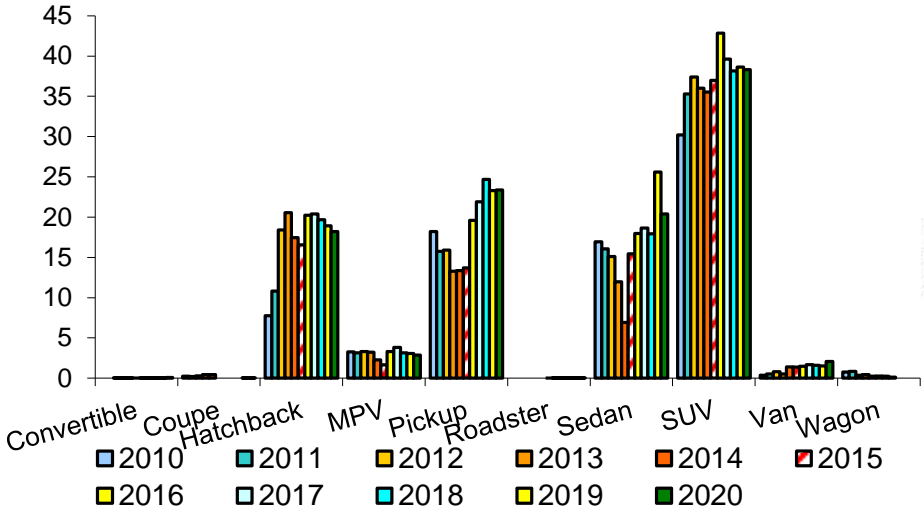
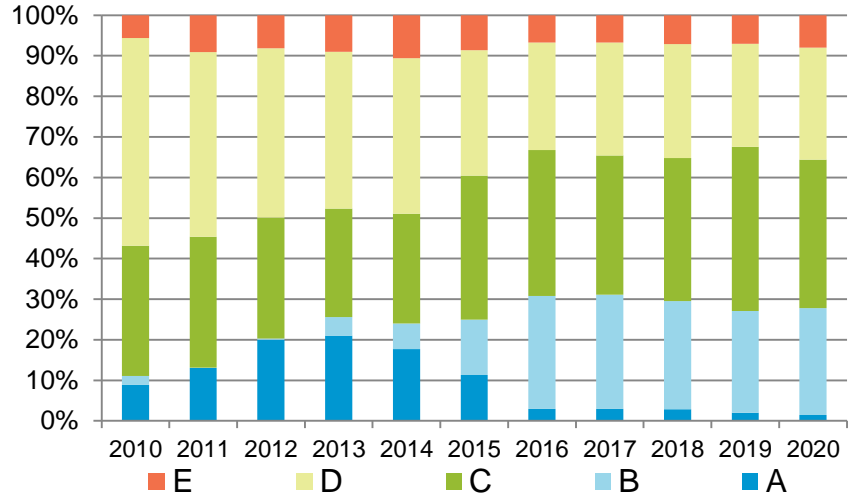
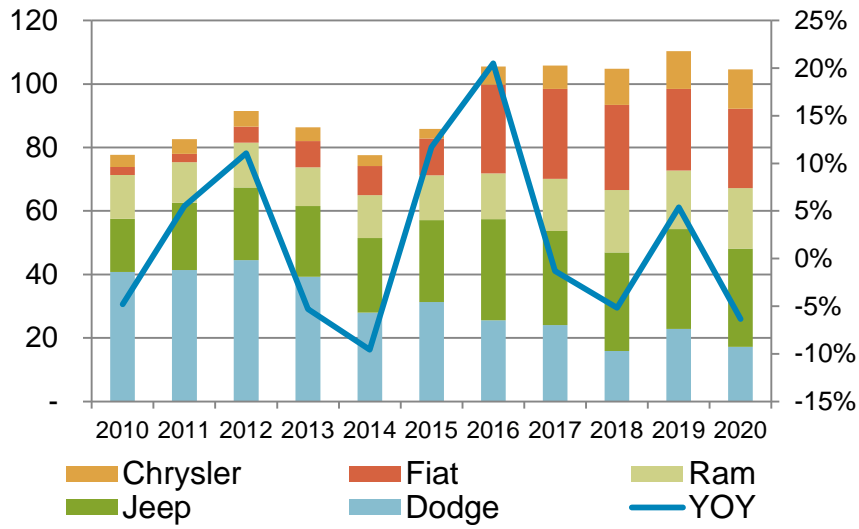
Mexico Light Vehicle Sales

Volkswagen Group



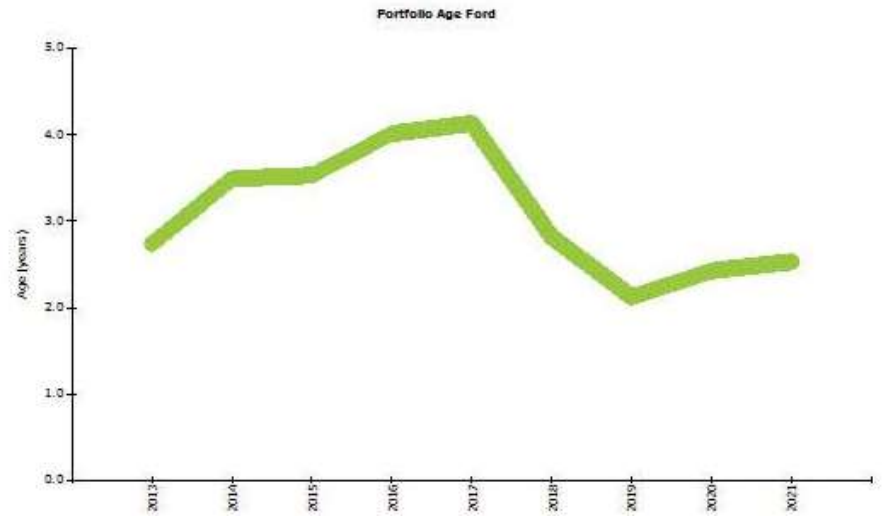
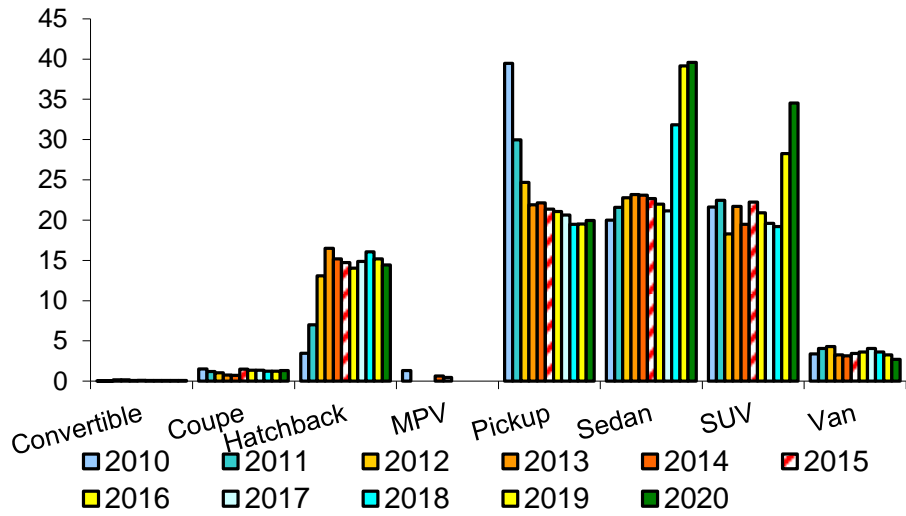
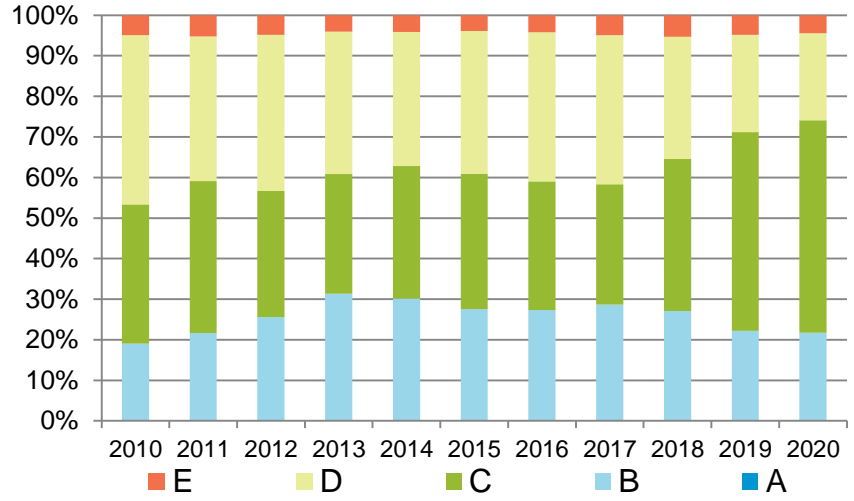
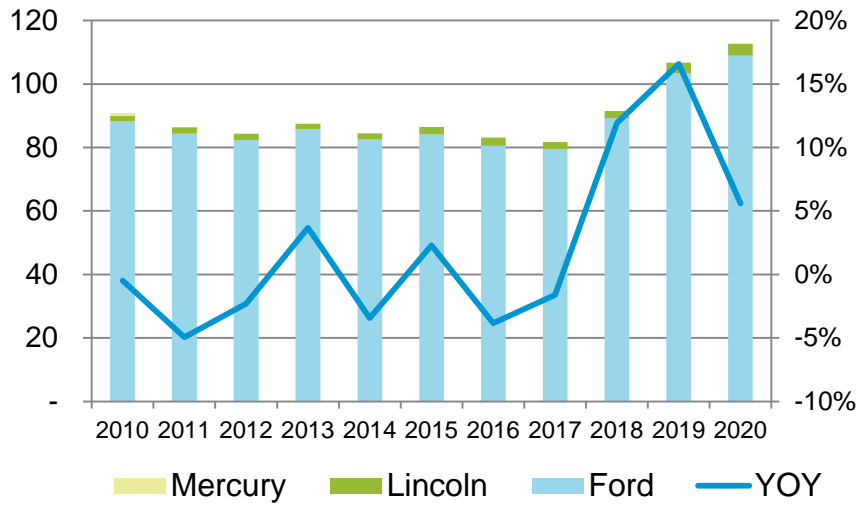
Mexico Light Vehicle Sales

Fiat Chrysler Automobiles



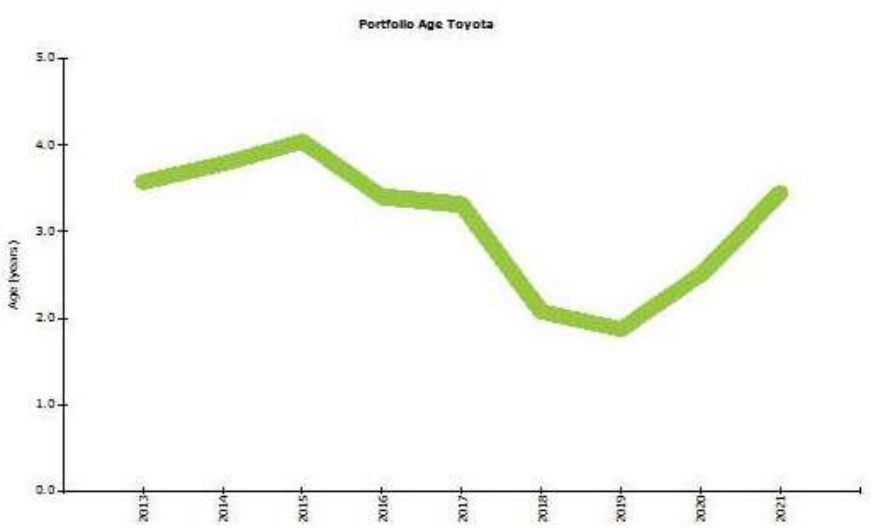
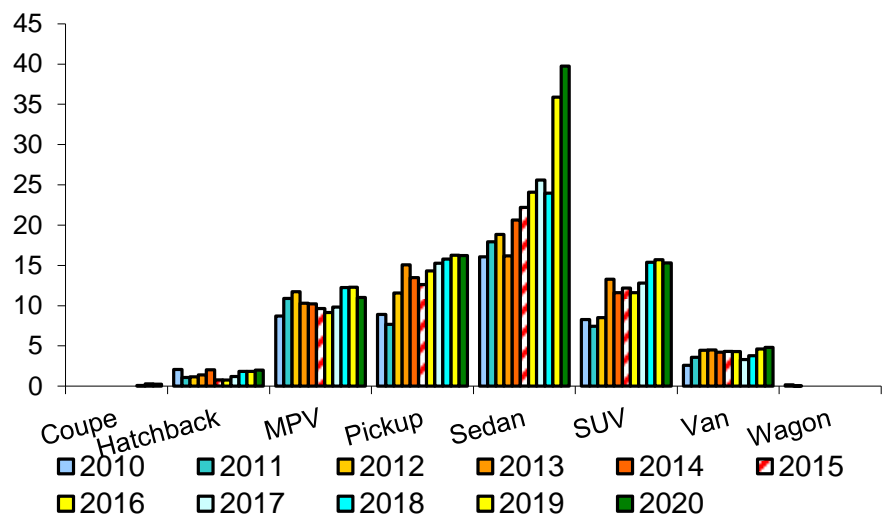
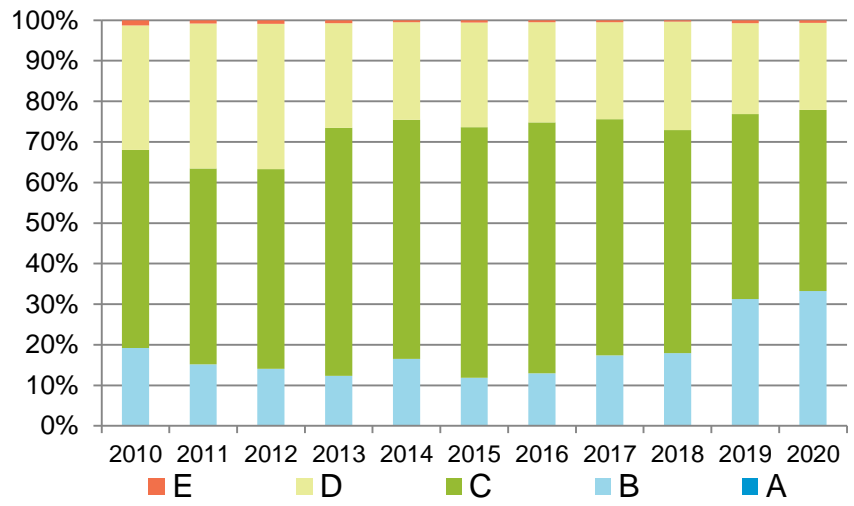
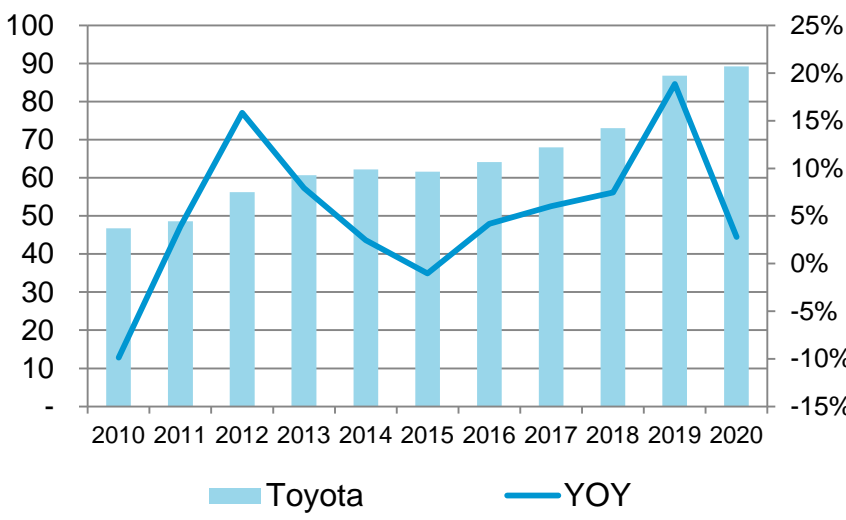
Mexico Light Vehicle Sales

Ford Motor Company



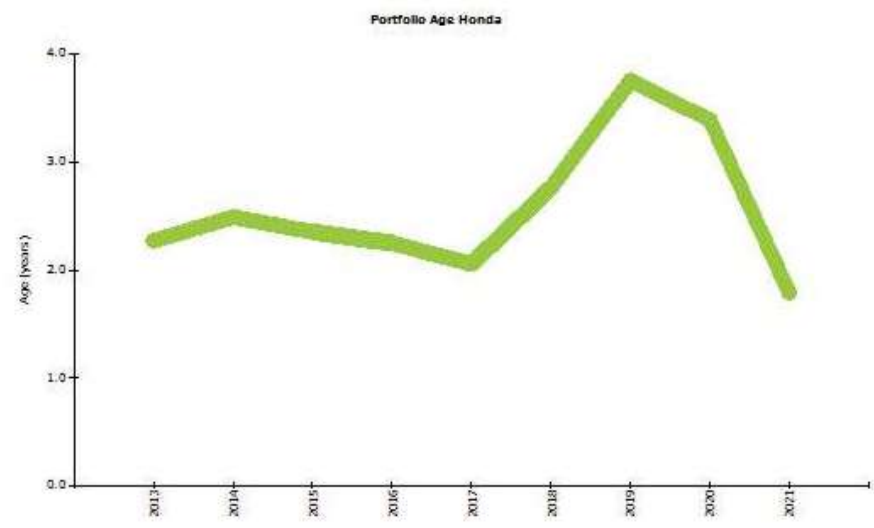
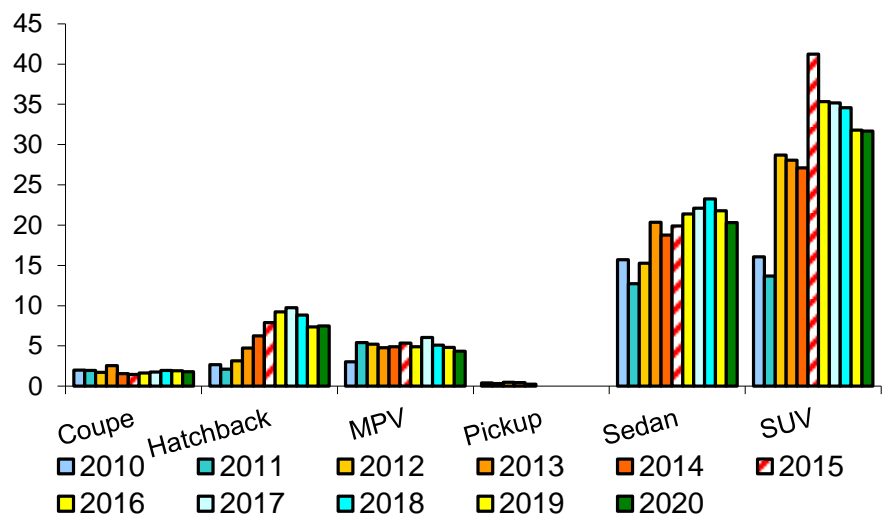
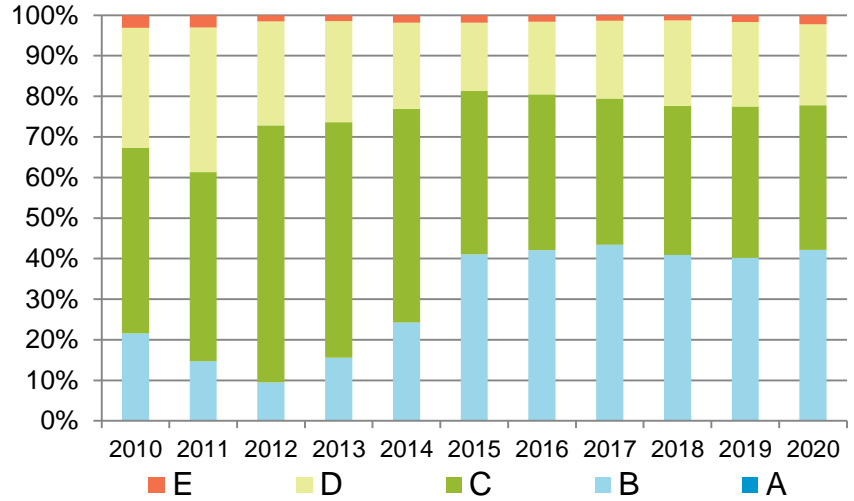
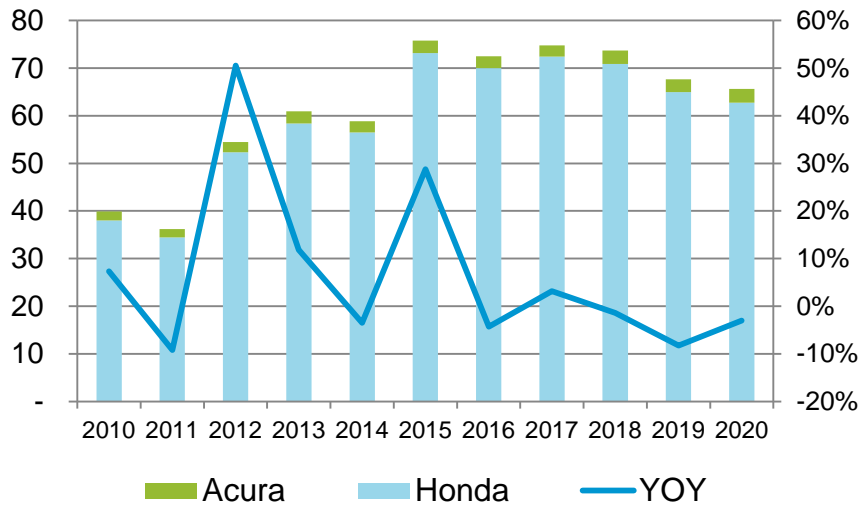
Mexico Light Vehicle Sales

Toyota Motor Corporation



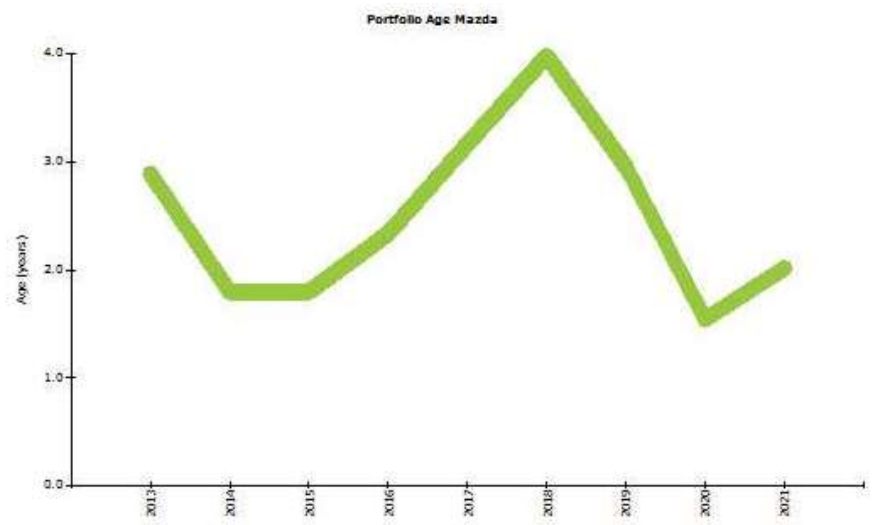
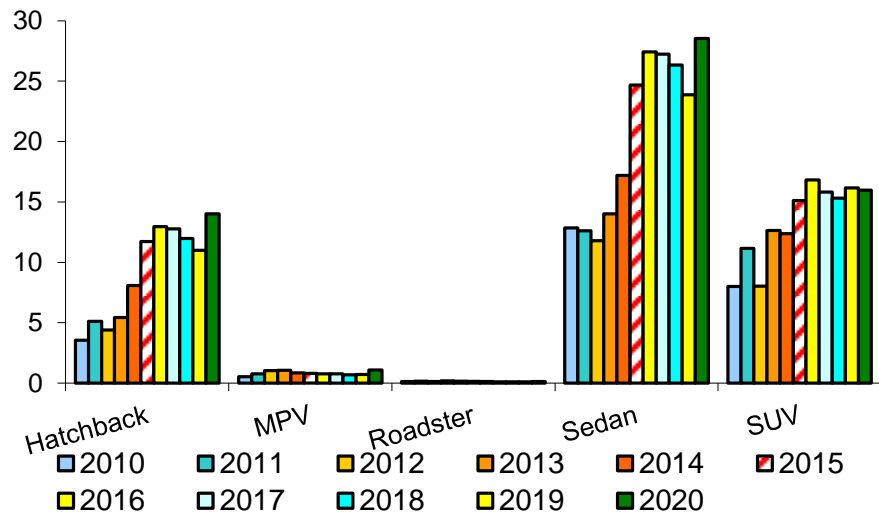
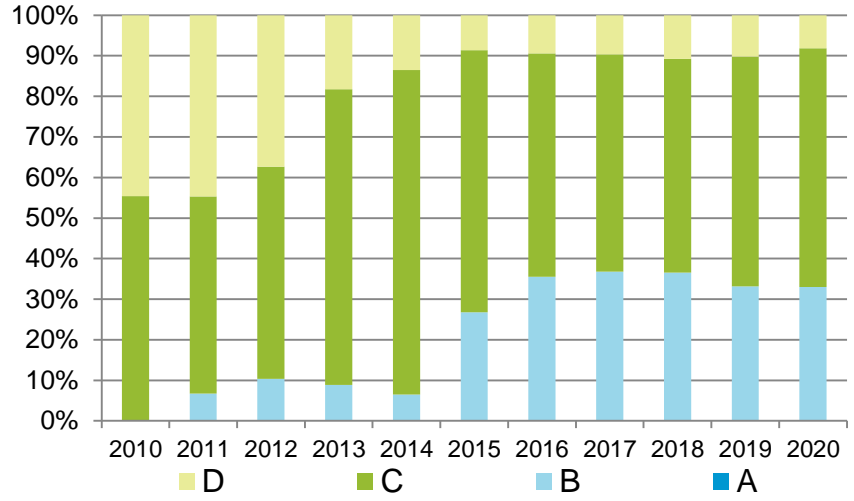
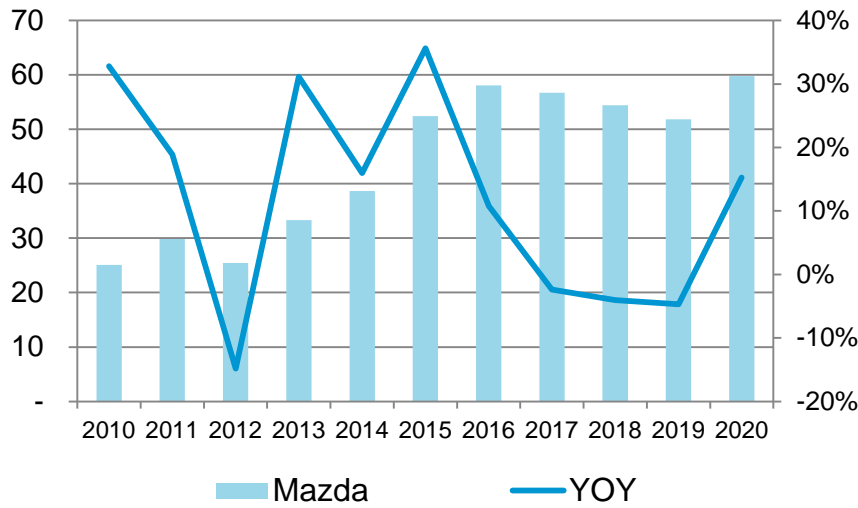
Mexico Light Vehicle Sales

Honda Motor Company



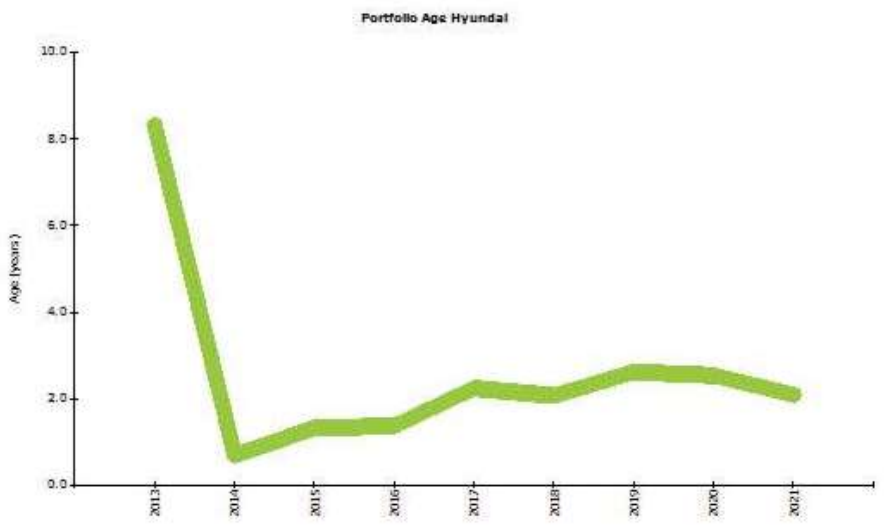
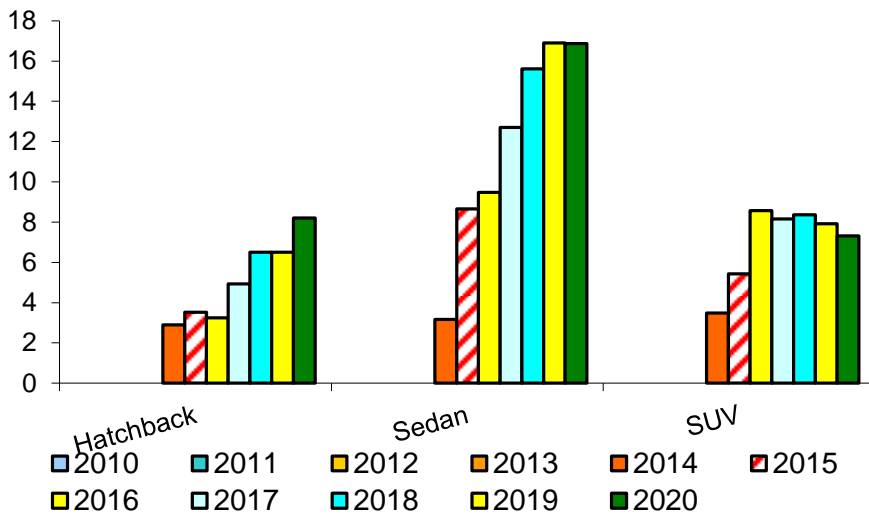
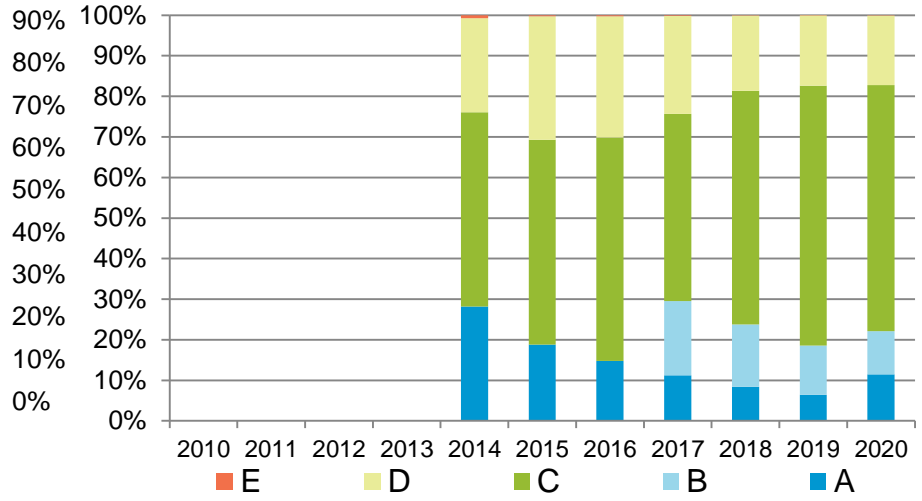
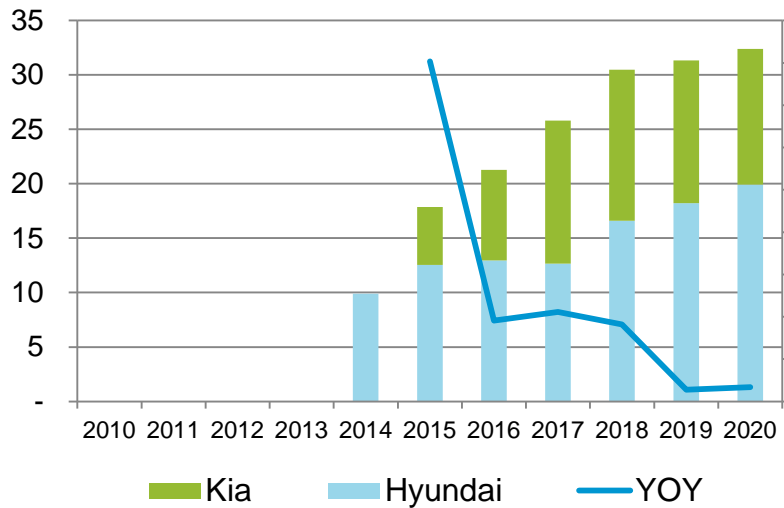
Mexico Light Vehicle Sales

Mazda Motor Corporation



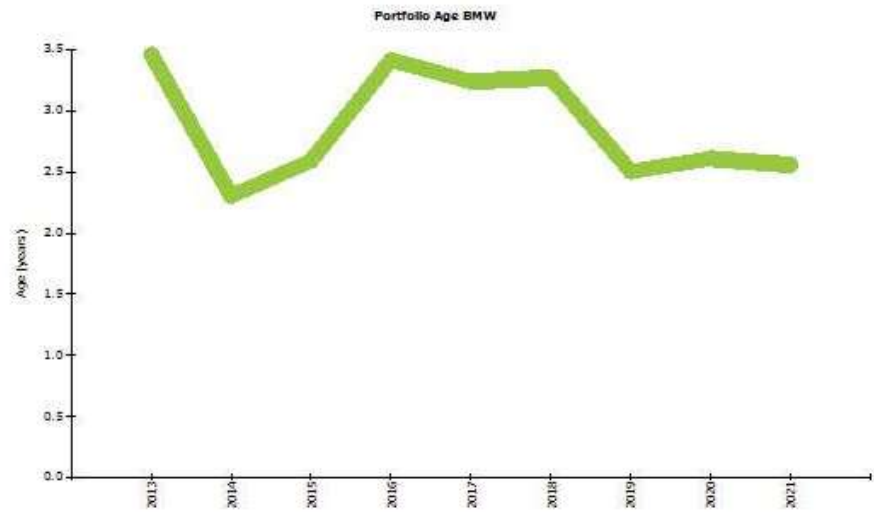
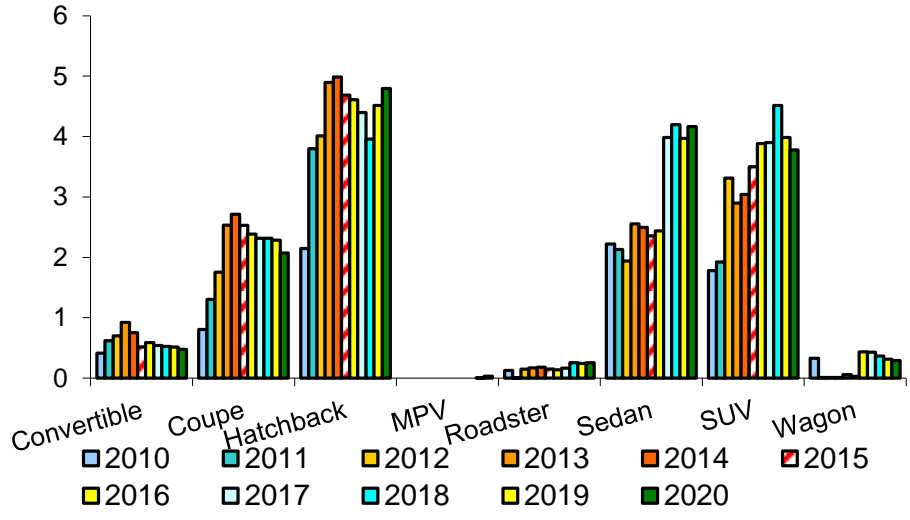
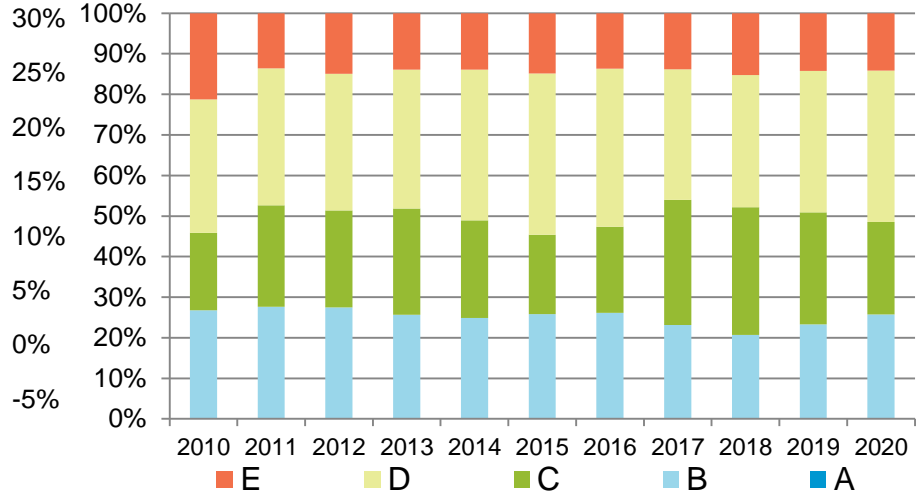
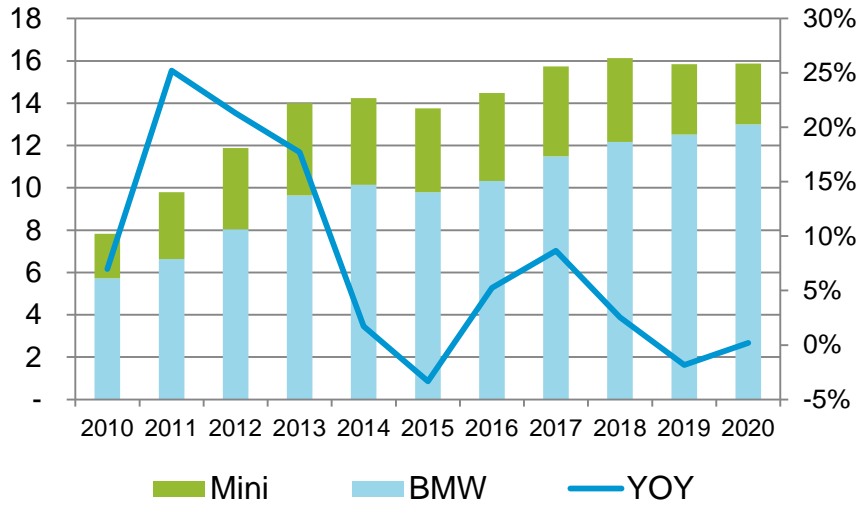
Mexico Light Vehicle Sales

Hyundai Motor Company



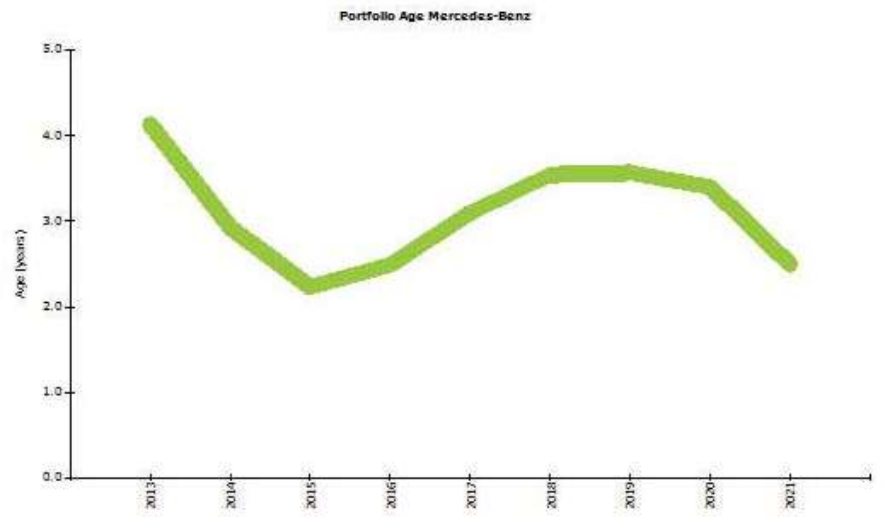
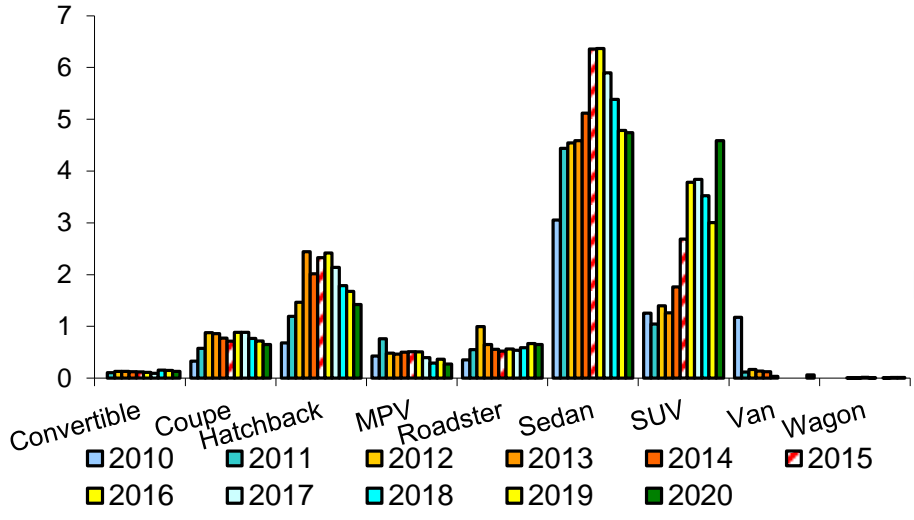
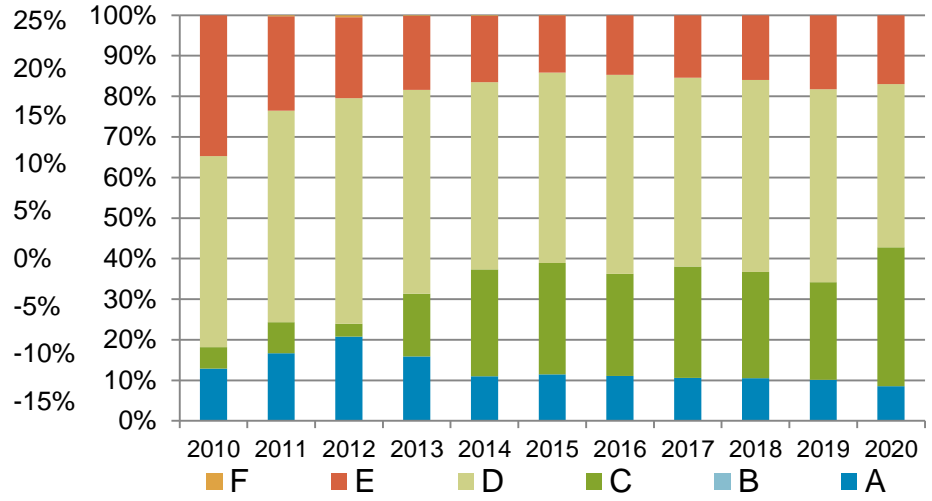
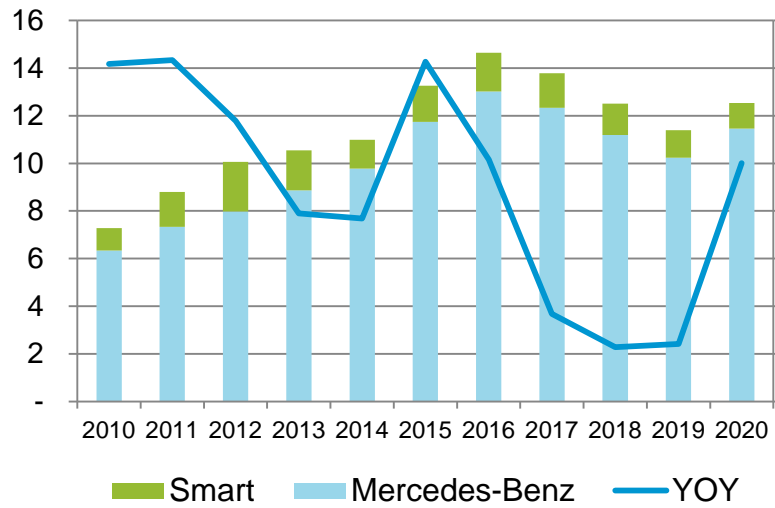
Mexico Light Vehicle Sales

Bayerische Motoren Werke AG



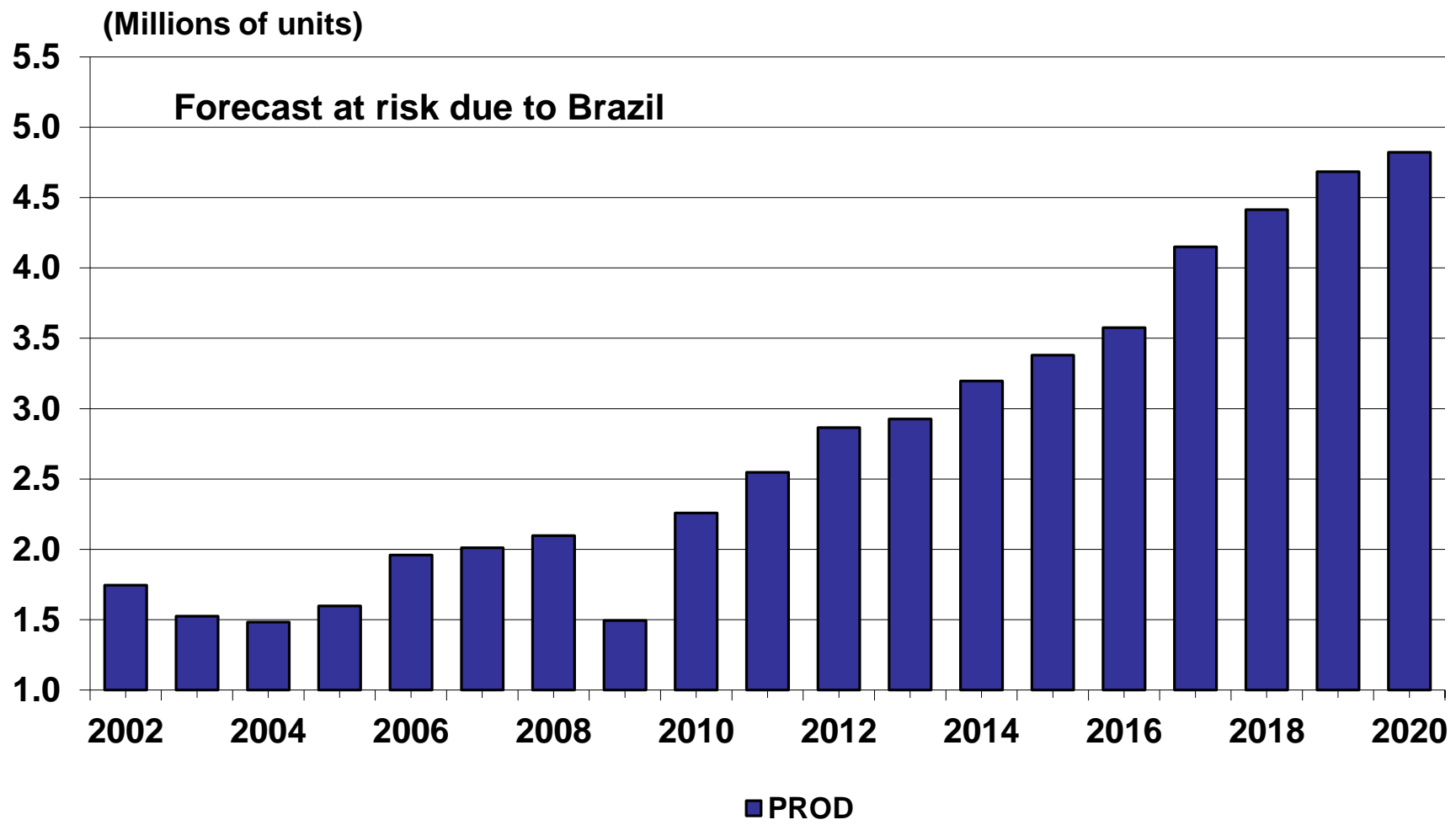
Mexico Light Vehicle Sales

Daimler AG



Mexico Light Vehicle Production

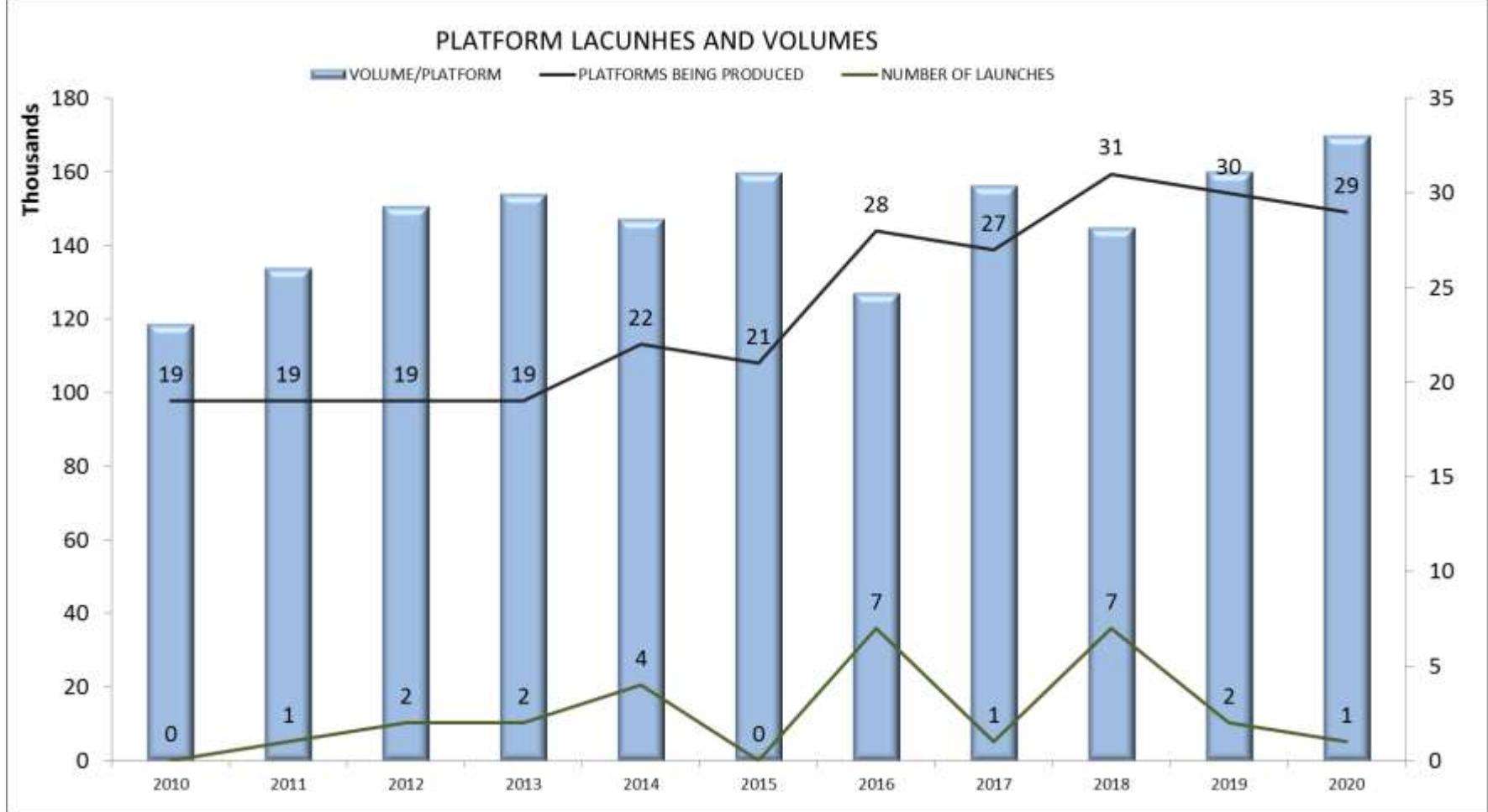
More growth to come





	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL VOLUME	2,258,727	2,547,270	2,865,872	2,926,860	3,243,398	3,360,884	3,562,545	4,225,453	4,492,197	4,802,667	4,930,505
PLATFORMS BEING PRODUCED	19	19	19	19	22	21	28	27	31	30	29
NUMBER OF LAUNCHES	0	1	2	2	4	0	7	1	7	2	1

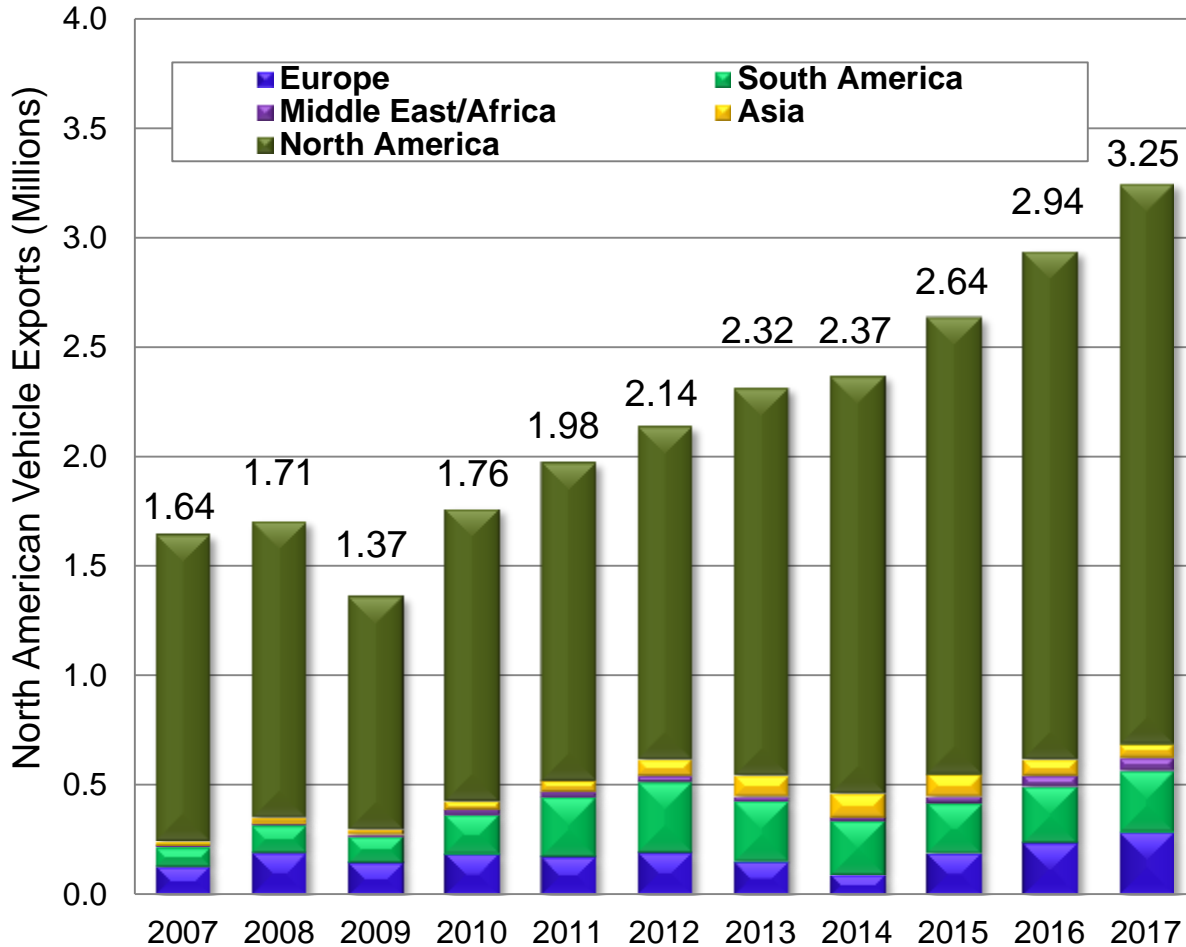
VOLUME/PLATFORM	118,880	134,067	150,835	154,045	147,427	160,042	127,234	156,498	144,910	160,089	170,017
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North America Light Vehicle Production

Exports bolster prospects

Mexico Vehicle Exports by Region



Source: IHS Automotive Light Vehicle Forecast

- Greater use of global platforms allows for more “export ready” product
- 40+ Free trade agreements drive Mexican output
- Expansion of luxury segment capability across the region into Mexico
- SA exports hurt by Brazil and Argentina
- Sourcing patterns favor NA expansion as a safe haven; with currency hedge & export prospects

Global Top 10 Production Countries

	2010	2014	2015	2020
1	China	China	China	China
2	Japan	United States	United States	United States
3	United States	Japan	Japan	Japan
4	Germany	Germany	Germany	India
5	South Korea	South Korea	India	Germany
6	India	India	South Korea	Mexico ▲
7	Brazil	Mexico ▲	Mexico	Brazil
8	Spain	Brazil	Brazil	South Korea
9	Mexico ▲	Thailand	Spain	Thailand
10	France	Canada	Thailand	Spain

- Mexico is definitely on the industry's radar
- Will continue to ascend among Top 10 in the 2015-2020 time period
- Could build more than Brazil!

Agenda

- Global Outlook
- NAFTA Sales
- NAFTA Production
- Mexico Production
- **Key Takeaways**

Key Takeaways

- Global growth is driven by TRIAD as opposed to emerging nations in 2014
- Mexico sales per dealer fare well vs rest of region
- July/August Mexico sales could herald potential of the market
- Used car imports should hold momentum
- New players will erode Nissan's, GM and VW's volume
- SUVs will diversify, here comes the wave of B-SUVs
- Luxury Segment is key
- Production is at 3 million unit mark quickly ascending to 5 million units!
- Continues to rely heavily on the US

Thank you! Muchas Gracias! Muito Obrigado!

IHS Automotive

DRIVEN BY **POLK**

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