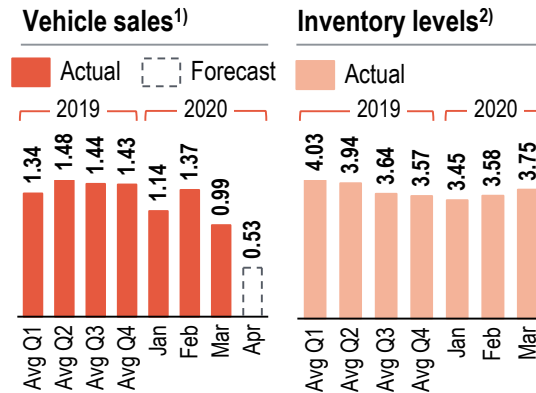


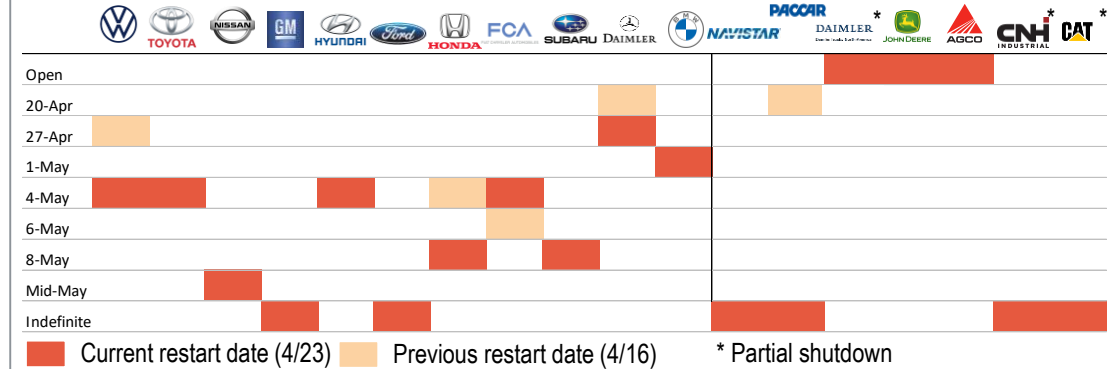
## Situation summary

- > **Sales forecast:** April sales forecast dropped slightly to a 47% decrease vs April 2019, per JD Power, however week over week volume grew in all top 25 US markets showing an initial rebound in demand. IHS is forecasting a full year drop of -27% YoY as of April 16.
- > **OEM response:** 100% of light vehicle assembly facilities remain closed with many targeting a May 4th soft-reopening date. With China reopen and European plants restarting as soon as next week, OEM's have been shifting focus towards preparing guidelines and procedures to ensure safe restart. Reopening efforts will be on a site by site basis with a slow ramp up of single-shift reduced work week to start. Additional executive pay cuts were announced this week, with most major OEM's continuing to take steps to secure cash flows.
- > **Supplier response:** Continued cost cutting measures are taking effect with several suppliers announcing labor reductions and executive pay cut measures. Even well diversified suppliers are no longer sheltered from the slowing effects of shutdown OEM's. At the same time OEMs are pushing some suppliers to reopen next week to be ready for May 4th tentative relaunch.
- > **CV & Off-highway player response:** Incremental layoffs and furloughs continue while CV and off-highway OEM's further build up cash reserves and are still protected from plant closures by being deemed "essential business." Slowed production and shutdowns are mostly driven by low demand.

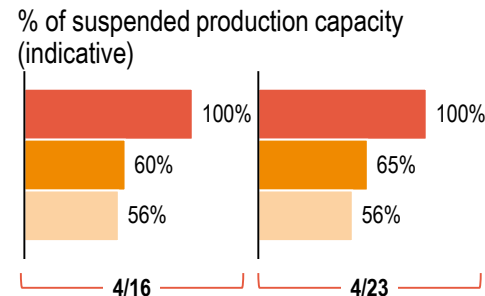
## US LV market [m vehicles]



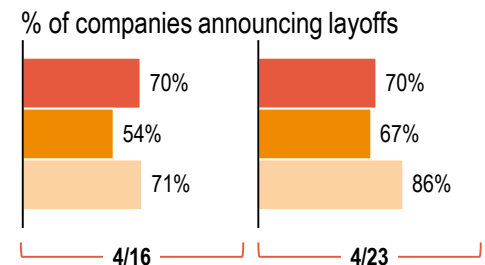
## OEM plant target re-open dates<sup>3)</sup>



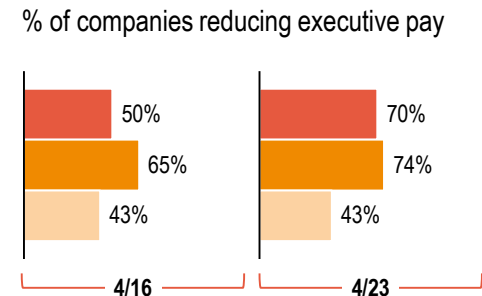
## Plant closures<sup>4)</sup>



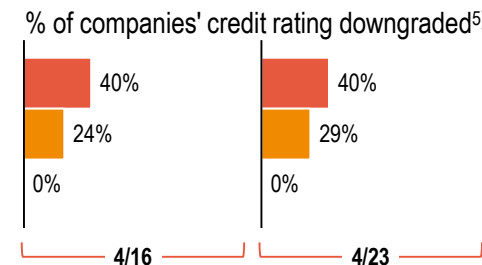
## Layoffs and furloughs<sup>4)</sup>



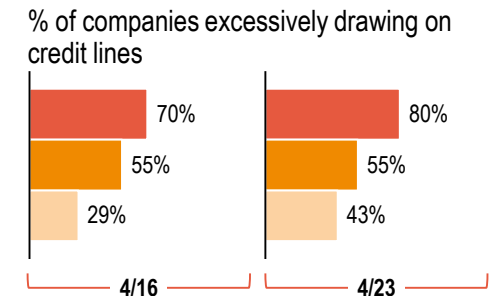
## Executive pay cut<sup>4)</sup>



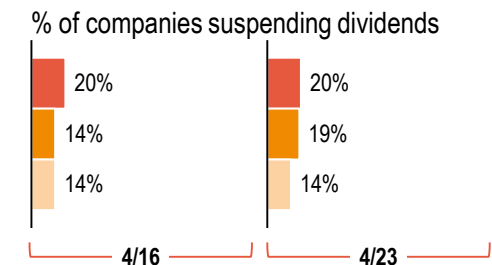
## Credit rating downgrades<sup>4)</sup>



## Cash reserves<sup>4)</sup>



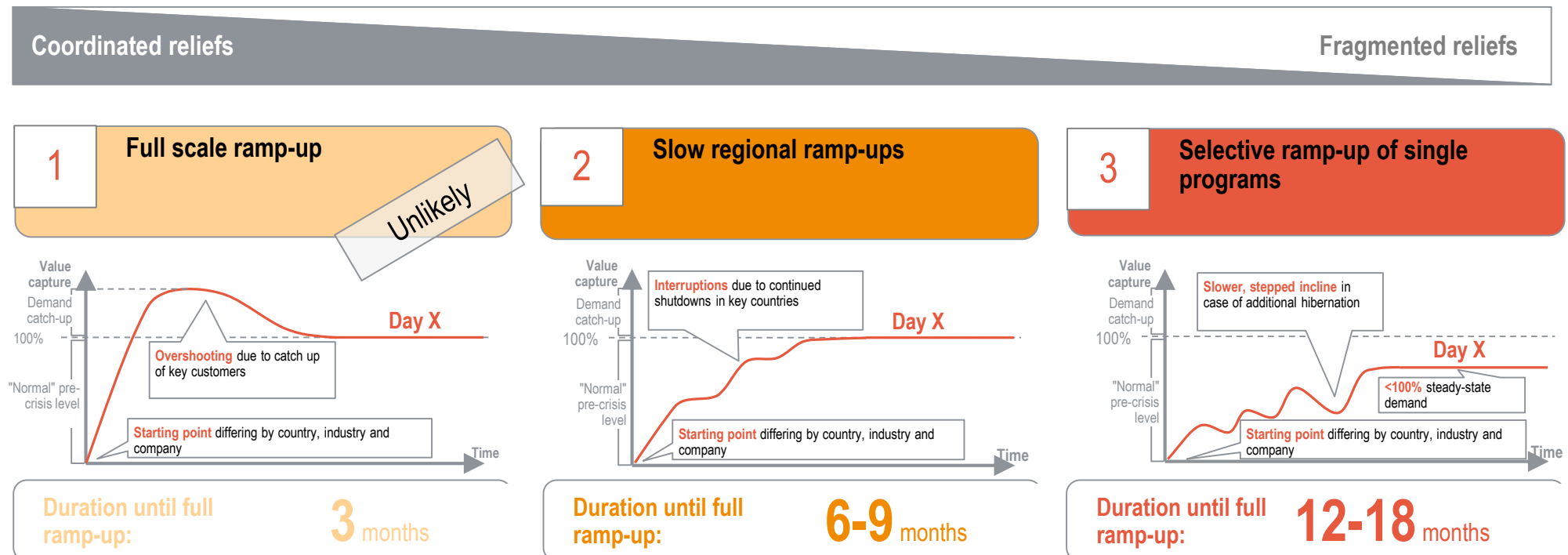
## Dividend suspensions<sup>4)</sup>



# The overall ramp-up process will depend on a coordinated lift of the economic lockdown across regions

## Ramp-up scenarios and duration to pre-COVID levels

Level of regional  
coordination



Level of economic  
disruption



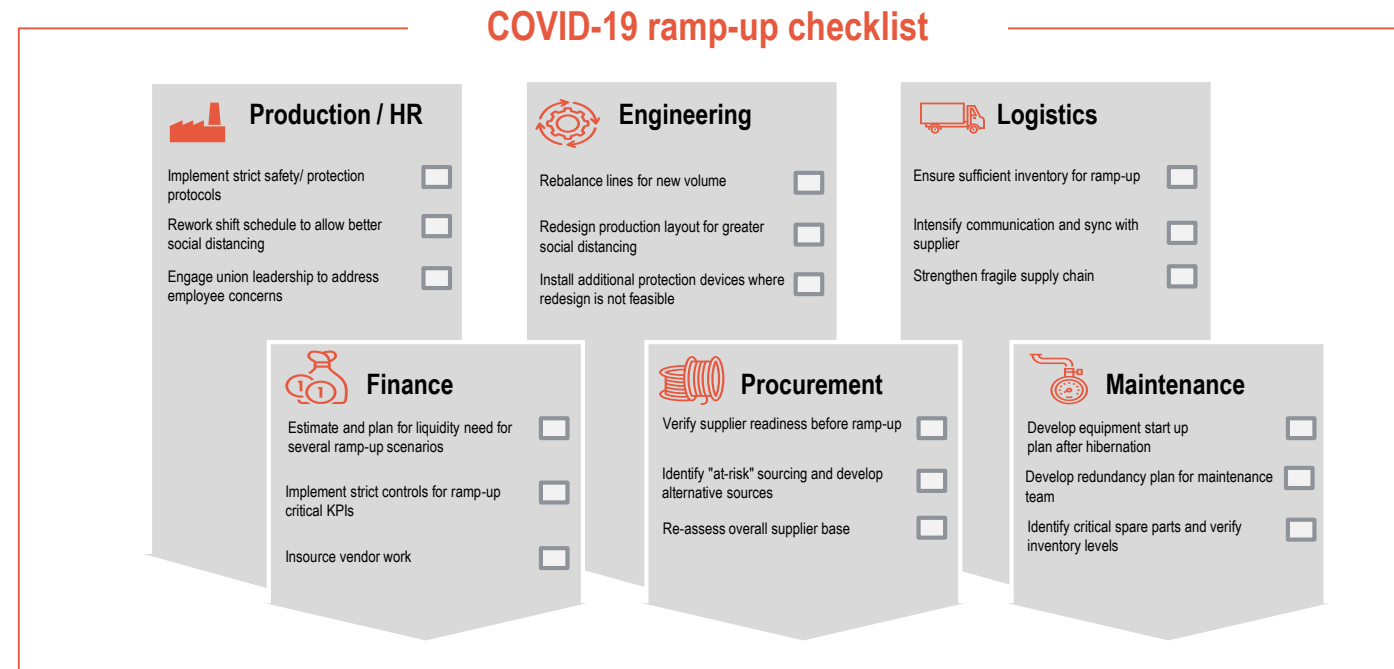
# A more detailed ramp-up checklist and playbook is available upon request

## Roland Berger COVID-19 ramp-up checklist

» Roland Berger developed an extensive menu of actions plants can take to address the COVID-19 crisis

» Approximately 200 actions sorted by function and value chain step

» Individual actions range in priority from A – Imperative to perform prior to Day X, to C – Optional after Day X



**Long list of ramp-up actions available upon request!**

Please send an email to [COVID-19AutoIndustryUpdate@rolandberger.info](mailto:COVID-19AutoIndustryUpdate@rolandberger.info) with subject "Ramp-up checklist" or reach out to your Roland Berger contact to get in touch with us