The Global Automotive Outlook
The Evolving Competitive Landscape
Kentucky Automotive Industry Association

AutoVision 2018
Joseph McCabe, President
855.734.4590 ext. 1001
AutoForecast Solutions (AFS) provides vehicle, powertrain, and drivetrain production forecasting and advisory services to the global automotive industry.

Additionally, our suite of proprietary Automotive Business Intelligence Solutions provides a web-based, user-friendly environment for production and revenue planning at the part number level. These solutions are in-use, proven, and unmatched in the global automotive community today.

**AFS helps our customer...**

Understand the opportunities

Develop a value proposition to defend core operations

Identify areas for growth.
MARKET DISRUPTION
BALANCING RISK & OPPORTUNITY
Competing in a Disruptive Global Market

• Consumer preference vs. market direction
• Shareholder value
• Supply chain importance to the VM strategy
• Innovation in product and strategy
• Investment strategies
• Regulations and incentives
• Geo-political impact on globalization
• Future players
• Minimize risk and maximize opportunities
• Defend core operations and identify areas for growth
Disruptive Consumer Views: Brand & Domestic Production Loyalty

- Are consumers concerned about where their vehicle is built?
  - China - Buick Envision, Cadillac CT6 PHEV, and Volvo S60
  - Italy - Jeep Renegade
  - “Imported from Detroit” campaign – Chrysler Pacifica and 300 built in Canada

- Do consumers care about the parent company ownership?
  - Geely → Volvo
  - Tata → Jaguar/Land Rover
  - More to come!

- New players opening up the competitive landscape?
  - Tesla
  - Google
  - Apple
  - Dyson
  - Silicon Valley

- Is the landscape changing?
  - Uber
  - Lyft
  - Ride sharing
NORTH AMERICA LIGHT VEHICLE PRODUCTION
NA Growth Outlook and OEM Group Contribution

North America Y-O-Y Production Volume Impact

Calendar Year

Source: AutoForecast Solutions – June 2018

KAIA AutoVision 2018
August 14, 2018
North America Production Highlights

- Sales will soften but production will stabilize

- New Domestic Vehicles
  - Ford Ranger & Bronco
  - Expanded Jeep lineup
  - Continued expansion of CUV variants

- Investment from Chinese OEMs
  - JAC and BAIC (SKD) in Mexico for local
  - Anticipation for next player

- Mexico
  - Strong export hub
  - Multiple global free trade agreements
  - Establish supply base
  - Strong government support

- Import Substitution
  - Subaru Impreza
  - Lexus ES and RX
  - BMW passenger cars in Mexico

- New Energy
  - Tesla acceleration
  - Lucid
  - SF Motors
  - Rivian

- Global Export Hub
  - VW Atlas
  - Subaru Ascent
  - Audi Q5
  - BMW CUVs
US Sales & Population Trends

- Pre-recession % of population to US sales was 5.5% to 6% for over a decade.
- Current levels of 5.6% provides room for growth.
- AFS does not see the US returning to recessionary sales levels below 4% of the population.
NAFTA Greenfield Production Investment
(2017 – 2025)

**UNITED STATES**
- Daimler North Charleston, South Carolina (2018)
  - Freightliner/Mercedes Sprinter
- Faraday Future Hanford, California (2018)
  - Faraday large EV Plus
- Karma Automotive Moreno Valley, California (2017)
  - Karma Revero
  - Lucid (Air, D-SUV)
- Navistar Springfield, Ohio (2017)
  - Chevrolet Express, GMC Savana
- Rivian Automotive Normal, Illinois (2020)
  - Rivian (CUV, Pickup)
- Volvo (Geely) Berkeley County, South Carolina (2018)
  - Volvo (S60/S60L, XC90)
- SF Motors Mishawaka, Indiana (2020)
  - SF Motors (S5, S7)
- Mazda Toyota Huntsville, Alabama (2021)
  - Mazda CX-7, Toyota Corolla

**MEXICO**
- BMW San Luis Potosí, Mexico (2019)
  - BMW (2-Series Coupe, 3-Series)
- COMPAS (RNNS + Daimler) Aguascalientes, Mexico (2017)
  - Infiniti Q50
  - Daimler (A-Class, GLB)
- Giant Motors Hidalgo, Mexico (2017)
  - JAC (Refine S2, S3)
- Toyota Guanajuato, Mexico (2018)
  - Toyota Tacoma

**CANADA**
- Ford (via Multimatic) Markham, Ontario (2017)
  - Ford GT

Source: AutoForecast Solutions – June 2018
Short-Term Outlook (2018)

- New players include in forecast, not in graphic:
  - COMPAS
  - Giant Motors
  - Karma Automotive
  - Navistar Int’l

- BMW Spartanburg retooling for X5
- Daimler preparing for changeover over GLE and GLS
- Updates of Cherokee, Ram, Compass, and Wrangler.
- GM plants in 2017 for inventory adjustment/retool.
- New Cadillac products (XT4) and Oshawa assembly, and Equinox at SLP, Mexico
- New Hyundai Santa Fe and growth in Mexico
- Next generation Nissan Altima, restyled Leaf and improved output of small pickups
- Subaru Ascent!
- New Lexus ES, Toyota Avalon, and Camry - cannibalizing Accord sales.
- New VW Jetta

### Production Comparison (% Change over time)
2018 over 2017

<table>
<thead>
<tr>
<th>VM</th>
<th>H1 YOY Change Actuals</th>
<th>H2 YOY Change Forecast</th>
<th>Forecast 2018 vs. 2017</th>
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<tbody>
<tr>
<td>BMW</td>
<td>-3.5%</td>
<td>4.1%</td>
<td>-0.2%</td>
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<tr>
<td>Daimler</td>
<td>-15.1%</td>
<td>24.3%</td>
<td>3.5%</td>
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<tr>
<td>FCA</td>
<td>16.5%</td>
<td>19.2%</td>
<td>17.9%</td>
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<tr>
<td>Ford Motor</td>
<td>-6.8%</td>
<td>-3.5%</td>
<td>-5.3%</td>
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<tr>
<td>General Motors</td>
<td>6.0%</td>
<td>0.2%</td>
<td>-3.1%</td>
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<tr>
<td>Honda Motor</td>
<td>1.5%</td>
<td>6.1%</td>
<td>3.7%</td>
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<td>Hyundai Motor</td>
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<td>23.5%</td>
<td>10.4%</td>
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<tr>
<td>Mazda Motor</td>
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<td>-4.1%</td>
<td>-1.1%</td>
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<td>Renault-Nissan-Mitsubishi</td>
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<td>-2.1%</td>
<td>-9.5%</td>
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<td>Subaru</td>
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<tr>
<td>Tesla</td>
<td>71.8%</td>
<td>196.9%</td>
<td>133.6%</td>
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<tr>
<td>Toyota Motor</td>
<td>-2.8%</td>
<td>6.0%</td>
<td>1.2%</td>
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<tr>
<td>Volkswagen</td>
<td>-0.7%</td>
<td>3.0%</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-2.3%</strong></td>
<td><strong>7.4%</strong></td>
<td><strong>2.3%</strong></td>
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</tbody>
</table>

Source: AutoForecast Solutions – June 2018
North America – The Changing Product Mix

North America Segment Mix

Factors Driving Investment & Assembly Decisions
- Fuel Prices vs. Fuel Economy
- Funding Access
- Consumer Confidence
- New players / Brand loyalty
- Technology / Safety
- Market Stability
- Employment
- Pent-Up Demand
- Regulation
- Government Involvement

CONSUMER PREFERENCE!

Source: AutoForecast Solutions – June 2018
North America: Passenger Car Segment Contribution

- **Annual Volume**
  - 2018 = 5.7M
  - 2025 = 5.0M

- **2018**
  - Japan: 48%
  - European: 8%
  - Korea: 12%
  - D3: 24%
  - OTHER: 8%

- **2025**
  - Japan: 50%
  - European: 10%
  - Korea: 13%
  - D3: 17%
  - OTHER: 10%

- **Japanese OEMs** reduce footprint by 200K+
- **Korean OEMs** remain flat
- **European OEMs** gain 60K
- **D3** reduce car footprint by 500K+
- **Other** – primarily Tesla – adds 15K

Source: AutoForecast Solutions – June 2018
North America: Crossover Vehicle Segment Contribution

Annual Volume
- 2018 = 6.2M
- 2025 = 7.4M

- European OEMs add 400K+ units
- Japanese OEMs add 270K units
- Korean OEMs add 120K units
- The “Other” group includes Tesla, other EV players – adding about 200K
- D3 add 180K (but loses market share?)
  - Consider these imported models...
    - Jeep Renegade from Italy – 100K+
    - Buick Encore from Korea – 90K+
    - Ford EcoSport from India – 50K pace

Source: AutoForecast Solutions – June 2018
NORTH AMERICA SCENARIO ANALYSIS

COMMODITIES, TARIFF, AND FUEL ECONOMY
Steel/Aluminum Tariff Considerations

- **Automotive Steel Demand**
  - Automotive industry 26% (2017), 2\textsuperscript{nd} only to construction industry at 40%

- **Content**
  - Steel: $700-$850/car - 400lbs/vehicle on average
  - Aluminum: $400/car 80lbs/vehicle on average

- **Consumer Impact**
  - Average auto loan terms exceeding 60 month – cost impact to consumer <$10/month
  - Negative optics impact could be more damaging/influential

- **Suppliers**
  - Existing reseller agreements place less cost burden on suppliers in short-term
  - Long-term cost impact more of a threat

- **Overall**
  - Tariff’s raise prices across the board – impacting all consumers eventually

- **AFS Viewpoint**
  - Level heads will prevail. A persistent message from automotive stakeholders and consumers will drive change
Tariff Impact

• Brand Imports by Sales Volume (50K+/yr.)
  • Nissan, Toyota, Mazda, Subaru, Hyundai, Jeep, Kia, Buick, Honda, Mercedes
  • Represents over 1.8M units

• Canadian Footprint
  • GM product consolidation and plant closures
  • Future of dedicated capacity?

• Plant in Focus: Lordstown
  • Consolidate Global Delta platform?
  • Replace capacity with high volume imports?

European OEMs

• Luxury Vehicles
  • BMW and Daimler will be able to “afford” to subsidize tariffs

• Main Stream Vehicles
  • VW, which is more subject to compete on price, will have a more difficult time
  • Additional costs will limit investment
  • Powertrains imported

• US a threat to EU automotive industry?
  • European’s do not consume US-built vehicles
  • Emission standard softening will further enforce the lack of interest in US-built vehicles
NA Outlook – CAFE Shift and the Product Mix

- Newly proposed fuel economy standards to shift propulsion mix
- 400K units/year (2025) of Alternative Propulsion vehicles would be IC
- Significant reduction in electrification strategy investment
  - A shift to 35.7 mpg fleet standard would reduce PHEV sales need by over 80%
  - PRO: Cars would be less expensive
  - CON: 77 billion gallons additional fuel
SCORECARDS
NORTH AMERICA LIGHT VEHICLE PRODUCTION
Production Strength Analysis – Plant

Ranking Criteria
Utilization
Plant/Platform Flexibility
Product Mix/Brand Loyalty
Production Strength Analysis – OEM

Ranking Criteria
- Utilization
- Plant/Platform Flexibility
- Product Mix/Brand Loyalty

Toyota
Honda
Daimler
FCA
Volkswagen
Renault-Nissan-Mitsubishi
COMPAS
Ford Motor
Subaru
Navistar International
Hyundai Motor
General Motors
BMW
Faraday Future
Rivian Automotive
SF Motors
Lucid Motors
Tesla
Karma Automotive
Mazda Motor
Geely Group
Giant Motors
Zoox
Multimatic
GLOBAL VEHICLE OUTLOOK
# Global Light Vehicle Production

(2010 – 2025)

## Global Light Vehicle Production

<table>
<thead>
<tr>
<th>Region</th>
<th>2017 (Mil)</th>
<th>2018 Forecast (Mil)</th>
<th>2025 Fct (Mil)</th>
<th>CAGR (2017 – 2025)</th>
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<tbody>
<tr>
<td>NA</td>
<td>17.11</td>
<td>17.54</td>
<td>18.37</td>
<td>0.9%</td>
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<tr>
<td>SA</td>
<td>3.27</td>
<td>3.59</td>
<td>3.94</td>
<td>2.4%</td>
</tr>
<tr>
<td>WE</td>
<td>14.94</td>
<td>15.47</td>
<td>15.55</td>
<td>0.5%</td>
</tr>
<tr>
<td>EE</td>
<td>7.46</td>
<td>7.86</td>
<td>8.61</td>
<td>1.8%</td>
</tr>
<tr>
<td>AP</td>
<td>50.22</td>
<td>51.78</td>
<td>54.65</td>
<td>1.1%</td>
</tr>
<tr>
<td>ME/A</td>
<td>2.51</td>
<td>2.65</td>
<td>3.20</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>95.52</strong></td>
<td><strong>98.89</strong></td>
<td><strong>104.31</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: AutoForecast Solutions – June 2018
Global Segment Growth Analysis

2010 - 2017
21 Million Units Volume Growth

- CAR
- Pickup
- CUV
- SUV
- Light CV
- Minivan

2017 - 2025
9 Million Units Volume Growth

- CAR
- Pickup
- CUV
- SUV
- Light CV
- Minivan

Source: AutoForecast Solutions – June 2018
"1 Million Unit Club" Brand Owner Analysis (2017 vs. 2025)

21 Brand Owners in 2025 over 1 Million units of Annual Production
• 91% of total global output

Top 10 brand owners maintain 72% of the global automotive production volumes
• Renault/Nissan moves from 3rd (2016) to the lead by 2025 as a result of the Mitsubishi acquisition

Inductees since 2010
• Beijing Automotive Group
• Great Wall Automobile
• Geely Group (Leveraging Volvo purchase)
• Tata
• Subaru

Source: AutoForecast Solutions – June 2018
China – Vehicle Production Outlook

China Vehicle Production

China – Legacy and New Growth

• By 2025, China will be nearly twice the size of North America from a vehicle production perspective

• Growth comes in the form of both legacy and new vehicle manufacturers.

• The number of vehicle manufacturers by year are as follows:

  2010 = 95
  2018 = 113
  2025 = 119

Source: AutoForecast Solutions – June 2018
China: Fractured Decision Making

Competing in China requires a firm understanding of the customer base

- 30 million light vehicles to be produced in 2025
- 10 Brands representing 50% of the Chinese market will have annual production over 1 million units by 2025
- 22 Different Vehicle Manufacturers assemble these top 10 vehicle brands
- 60% of those brands have foreign ownership
- Decision Makers can be from a variety of sources and locations, creating a difficult competitive terrain to navigate

Source: AutoForecast Solutions – June 2018
NAFTA +
THE GLOBALIZATION IMPERATIVE
NAFTA+ (2025)

Light Vehicle Platforms containing NAFTA production and at least one other country in ROW

423 Platforms Produced Globally

61 NAFTA+ Platforms
14% of total

80% of North America vehicle volumes are part of NAFTA+

14.7 Million vehicles

Source: AutoForecast Solutions – June 2018
NAFTA+ Opportunity/Risk (2025)

52 Million NAFTA+ vehicles
Over 72% Produced OUTSIDE of NAFTA

43% of vehicles assembled OUTSIDE NAFTA are part of NAFTA+
37.4 Million vehicles

Source: AutoForecast Solutions – June 2018
POWERTRAIN TRENDS

THE IMPACT OF ALTERNATIVE PROPULSION
Global Light Vehicle Production by Fuel Type

**2010**
- Gas: 79.64%
- Diesel: 18.92%
- Hybrid - Gas: 0.94%
- Hybrid - Diesel: 0.01%
- Other Fuels: 0.45%
- EV: 0.03%
- EREV: 0.00%
- Fuel Cell: 0.00%

**2018**
- Gas: 76.40%
- Diesel: 18.47%
- Hybrid - Gas: 3.14%
- Hybrid - Diesel: 0.18%
- Other Fuels: 0.44%
- EV: 1.19%
- EREV: 0.01%
- Fuel Cell: 0.00%

**2020**
- Gas: 75.63%
- Diesel: 17.64%
- Hybrid - Gas: 3.85%
- Hybrid - Diesel: 0.00%
- Other Fuels: 0.01%
- EV: 2.04%
- EREV: 0.17%
- Fuel Cell: 0.00%

**2025**
- Gas: 73.84%
- Diesel: 16.84%
- Hybrid - Gas: 5.07%
- Hybrid - Diesel: 0.28%
- Other Fuels: 0.49%
- EV: 3.29%
- EREV: 0.18%
- Fuel Cell: 0.01%

Source: AutoForecast Solutions – June 2018

KAIA AutoVision 2018
August 14, 2018
Consumer Preference vs. EV Strategy

- Which strategy will be successful?
- Where is the tipping point of mass volume EV adoption?
- A global initiative with different approaches?
- Bridging the gap
- Tesla Model 3 production stability will be a significant driving factor
BEV Market Outlook

AFS Forecast vs. VM Announced Plans

2025 BEV Market
AFS = 3.4 Million
Announced Plans = 6.5 Million
Optimist View = 10.9 Million

Battery Price Parity

Variance to Optimist Viewpoint
Variance to Outlook
BEV Production Outlook

AFS Legacy VMs  AFS Start-Up  Legacy - Plan Variance  Start-Up Variance  Optimist Adds

Source: AutoForecast Solutions – June 2018
Global EV Analysis

Global BEV Nameplates

- Global EV market will remain highly fragmented in 2025
  - Several OEMs command bulk of the volume
    - Top 5 OEMs account for 48%
    - Top 10 OEMS account for 64%
  - Top OEMs still have significant proliferation of EVs
    - Top 5 OEMs account for 82 nameplates, averaging 18k units per nameplate
    - Top 10 OEMS account for 114 nameplates, averaging 17k units per nameplate
- Top 3 OEMS
  - Volkswagen expected to produce the most
    - 372k units in 2025, with 31 nameplates
  - Tesla expected to be a close second
    - 340k units in 2025, with 5 nameplates
  - Geely expected to be third
    - 296k units in 2025, with 22 nameplates

Source: AutoForecast Solutions – June 2018
China EV Analysis

China BEV Nameplates

- 63 EV OEMs in 2025
- 165 EV Nameplates in 2025
- Just over 9k units per nameplate in 2025

- Chinese EV market will remain highly fragmented in 2025
  - Several OEMs command bulk of the volume
    - Top 5 OEMs account for 47%
    - Top 10 OEMS account for 67%
  - Top OEMs still have significant proliferation of EVs
    - Top 5 OEMs account for 47 nameplates, averaging 15k units per nameplate
    - Top 10 OEMS account for 71 nameplates, averaging 14k units per nameplate

- Top 3 OEMS in China
  - Geely expected to produce the most
    - 292k units in 2025, with 22 nameplates
  - BAIC expected to be a close second
    - 187k units in 2025, with 10 nameplates
  - GAC Motors expected to be third
    - 81k units in 2025, with 5 nameplates

Source: AutoForecast Solutions – June 2018
China EV Market Sizing

63 Manufacturers Adding BEVs (# of EVs in 2025CY)

- BAIC Motor (10)
- BAIC-Yinxiang (2)
- Beijing Benz (4)
- Beijing Hyundai (1)
- Beiqi Foton (2)
- BMW Brilliance (5)
- Brilliance Jinbei (1)
- BYD (7)
- BYD Daimler (1)
- CH Auto (1)
- Changan Auto (5)
- Changan PSA (1)
- Changhe Suzuki (1)
- Chehejia (1)
- Chery (4)
- Chongqing Lifan (2)
- Dongfeng Honda (1)
- Dongfeng Liuzhou (1)
- Dongfeng Motors (3)
- Dongfeng Nanchong (1)
- Dongfeng PV (2)
- Dongfeng Renault (1)
- Dongfeng Yu’an (1)
- Dongfeng Yueda Kia (1)
- Dongfeng –Luxgen (1)
- Faw Haima (1)
- FAW Toyota (1)
- FAW Volkswagen (3)
- FGD Electric Vehicles (1)
- Fujian New Longma (1)
- Future Mobility (3)
- GAC Changfeng (2)
- GAC Honda (1)
- GAC Motor (5)
- Geely Group (22)
- Guojin Auto (3)
- Haiima Zhengzhou (2)
- Harmony Futeng (1)
- Hawtai (2)
- HK Motors (1)
- Hozon Auto (3)
- Jianghuai (8)
- Jiangjuai-VW (1)
- Jiangling Holdings (7)
- Kandi Electric Vehicles (1)
- LeapMotors (1)
- LeEco (2)
- Nanjing Iveco (1)
- NEVS (2)
- Qoros (2)
- SAIC Commercial (1)
- SAIC GM (1)
- SAIC Motor (2)
- SAIC VW (4)
- SAIC-GM-Wuling (1)
- Shanghai Maple (2)
- Sichuan Auto (3)
- South-east Automobile (2)
- WM Motor (1)
- Youxia (1)
- Yudo Auto (2)
- Zhengzhou Nissan (2)
- Zotye Auto (6)

Red Entries are OEMS that will only produce BEVs

Total EV models in 2025 = 165
KENTUCKY IN FOCUS
Top 5 North America Light Vehicle Production Jurisdictions

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>2018</th>
<th>Jurisdiction</th>
<th>2025</th>
</tr>
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<tbody>
<tr>
<td>Michigan</td>
<td>2.10M</td>
<td>Michigan</td>
<td>2.58M</td>
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<tr>
<td>Ontario</td>
<td>2.06M</td>
<td>Ontario</td>
<td>1.89M</td>
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<tr>
<td>Indiana</td>
<td>1.29M</td>
<td>Indiana</td>
<td>1.45M</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1.28M</td>
<td>Kentucky</td>
<td>1.25M</td>
</tr>
<tr>
<td>Ohio</td>
<td>1.27M</td>
<td>TOTAL</td>
<td>8.64</td>
</tr>
</tbody>
</table>

TOTAL 8.00M (46% of total NA)  
TOTAL 8.64 (47% of total NA)

• Alabama enters the space with the Mazda-Toyota JV
• Push for more US production will promote more investment internally and from abroad
• Successful jurisdictions produce the vehicles US consumers want
• Improved economies of scale through platform consolidation will promote stronger supply chain integration for share resources and long-term stability.

Source: AutoForecast Solutions – June 2018
## Kentucky Production Outlook - Ford

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<thead>
<tr>
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<tbody>
<tr>
<td>Lincoln</td>
<td>MKC/Corsair</td>
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<td>43K</td>
<td>51K</td>
<td>45K</td>
<td>50K</td>
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<td>46K</td>
<td>46K</td>
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<tr>
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<tr>
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<td>16K</td>
<td>18K</td>
</tr>
</tbody>
</table>

TOTAL 812K 810K 800K 761K 776K 779K 780K 789K

- Building the right products for the US consumer
- Reduction in CAFE requirement reinforces product mix
- Popularity of Escape/MKC will keep Louisville humming
- Success of New Expedition/Navigator secures plant’s future
- F-Series SuperDuty crucial part of Ford lineup – and main source

Source: AutoForecast Solutions – June 2018
Kentucky Production Outlook - GM

- GM halo vehicle – securing production future
- No expansion expected, but could produce other specialty products
- Assembly of GM specialty engines
- Reduction in CAFE requirements solidifies product

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<td>Bowling Green</td>
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<td>24K</td>
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Source: AutoForecast Solutions – June 2018
Kentucky Production Outlook - Toyota

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- TNGA - Flexible plants with cross segment production capability
- Increased domestic Lexus production should continue

Source: AutoForecast Solutions – June 2018
Highlight: Toyota NGA Platform

**North America Built/Sold:**
- Toyota Avalon, Corolla, Camry, RAV4, Highlander, Sequoia, Sienna, Tacoma, Tundra
- Lexus ES, RX

An integrated North America supply base can leverage production commonality for future global growth opportunities.

**North America Sold / Foreign-Built:**
- Toyota Prius, Corolla hatch, C-HR
- Lexus GS, IS, LS, LC, RC, CT200h, NX
FINAL THOUGHTS
The Need for a Proactive Solution

• Stakeholder Investment
  • A team-based effort: suppliers, vehicle manufacturers, local jurisdictions, government

• Supply Chain Transformation
  • Strengthen both the External and Internal communication chains through transparency/support/partnerships

• Shareholder Issues vs. Consumers
  • Balancing a fickle consumer with an impatient shareholder

• Education & development of the Labor Pool
  • A new way of thinking is needed to promote progress

• Innovation
  • Higher expectation in products, processes, and technologies to maintain core strengths while identifying areas for revenue growth

• Globalization
  • Constant border erosion in customers, opportunities, and competitive pressures

• The Long View
  • Balancing out short-term actions with long-term consequences
Disruption: The Fine Line Between Risk and Opportunity

All players are jockeying for position in a race with no clear finish line.

*The goal is to **understand** the opportunities, **develop** a value proposition to defend core operations, and **identify** areas for growth.*
The Global Automotive Outlook

The Evolving Competitive Landscape

Kentucky Automotive Industry Association

AutoVision 2018

Joseph McCabe, President

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