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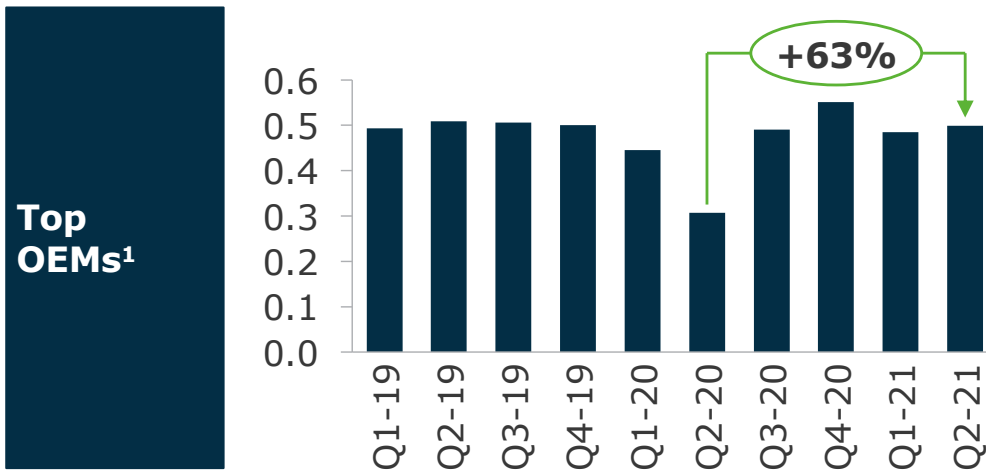
International Insolvency Trends in the Automotive Sector

December 1, 2021

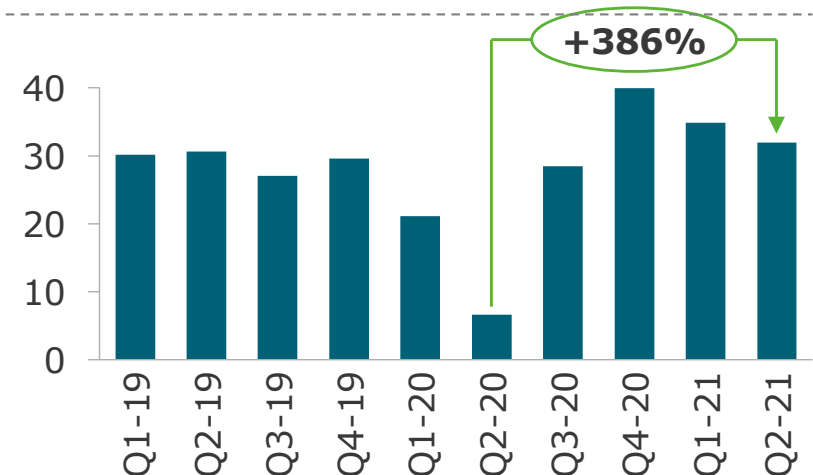
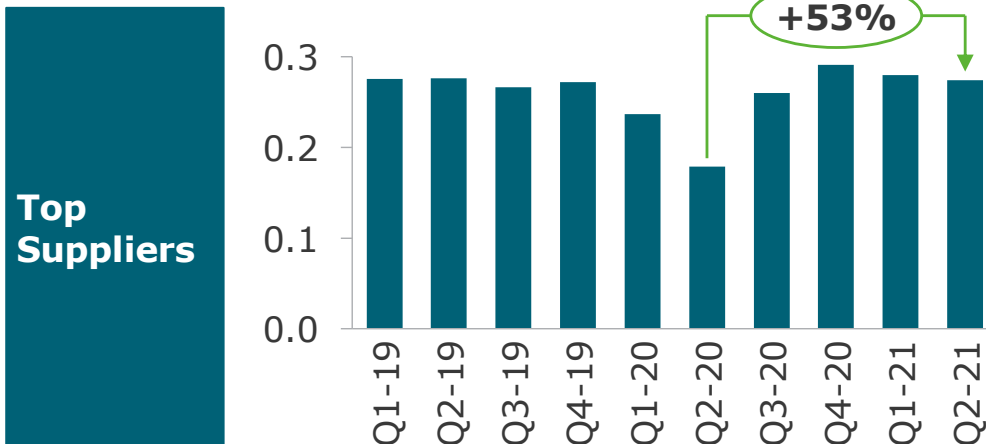
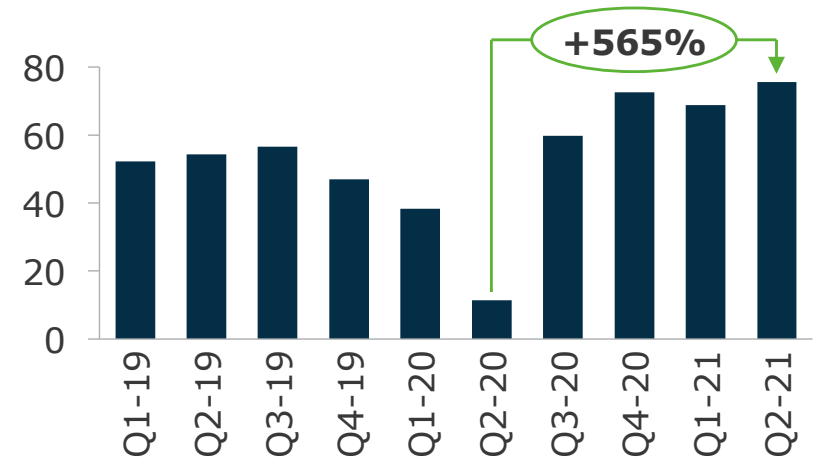


The financial recovery from COVID-19 was quick, but OEMs fare better than suppliers with major price gains offsetting costs & vol

Revenues (\$ trillion)



EBITDAR² (\$ billion)



1) Considers Fiat and PSA individually prior to merger - # of Top OEMs decreases subsequently (no new add to maintain 25 distinct OEMs)

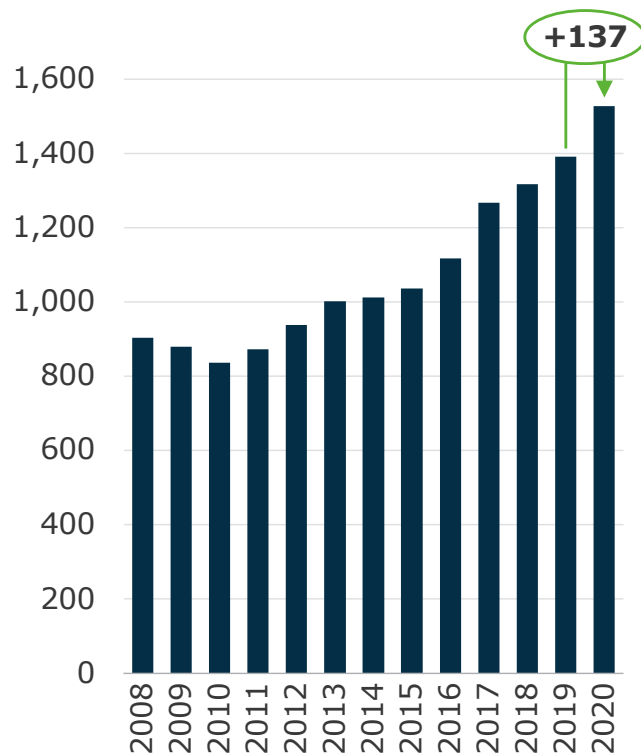
2) EBITDAR = EBITDA before Restructuring Charges



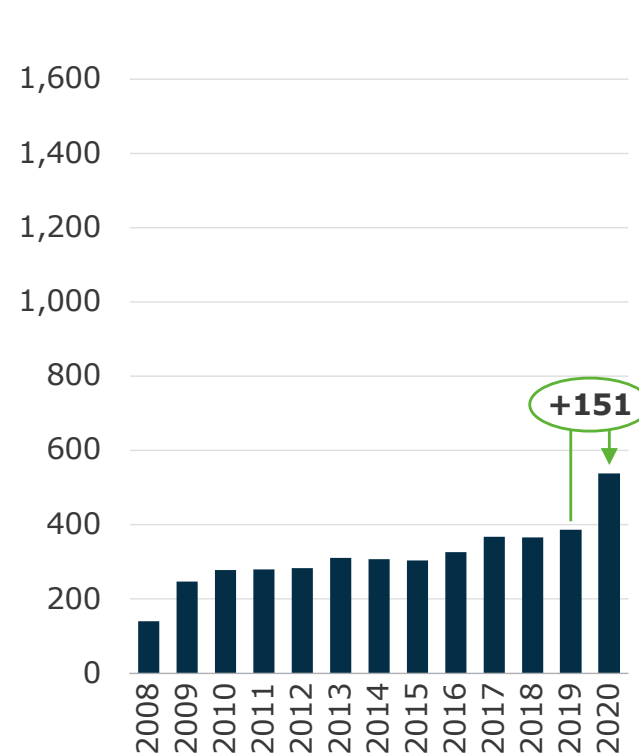
Automakers issued more debt and managed cash aggressively in 2020, yielding \$14 billion less net debt despite lower sales

Largest 25 OEMs (including Finance Companies) Balance Sheets

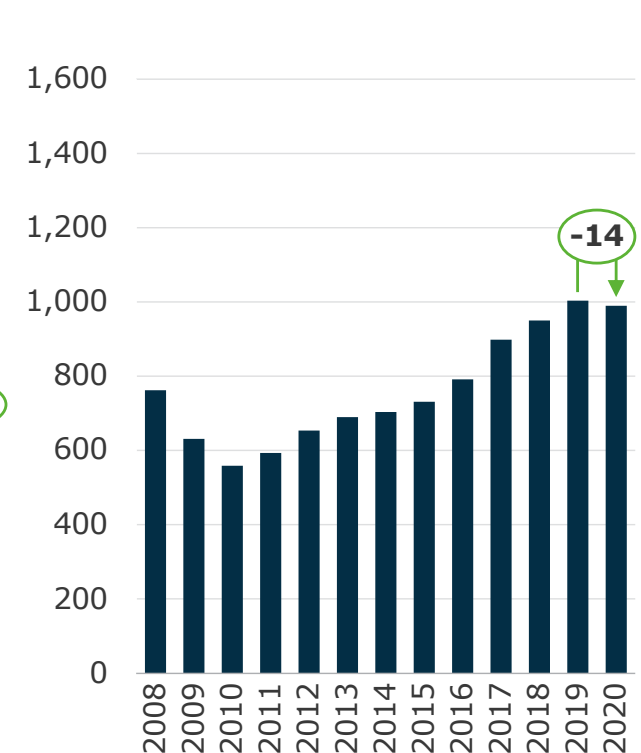
Total debt (\$ billion)



Total cash (\$ billion)



Net debt¹ (\$ billion)



1) Net debt = Short-term plus long-term liabilities less cash and cash equivalents

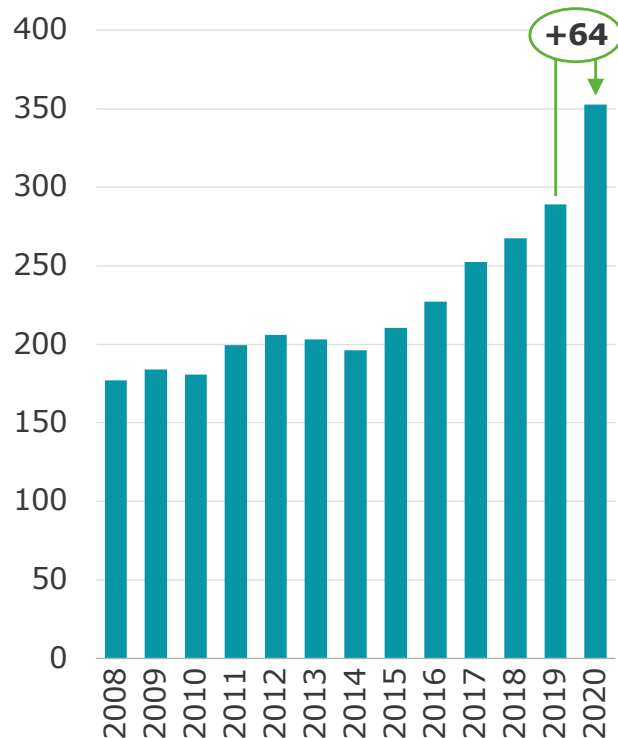
Source: S&P Capital IQ, Company annual reports, AlixPartners' analysis



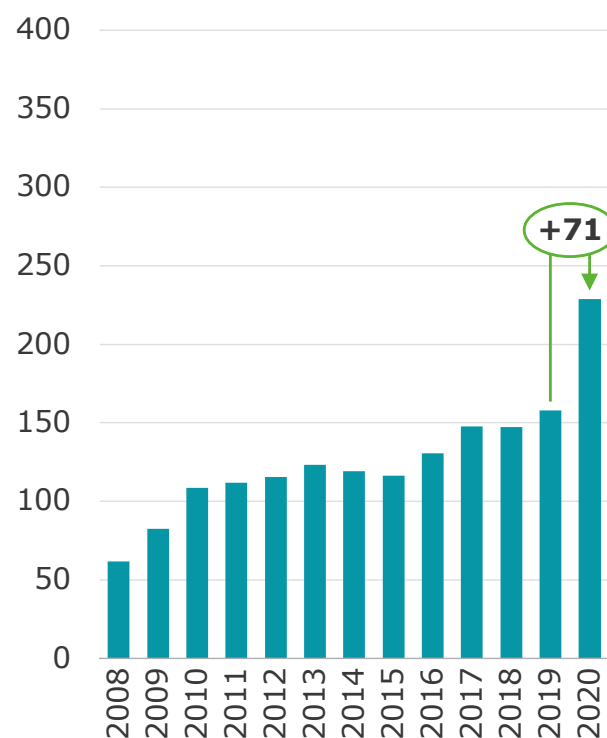
Suppliers also issued more debt and managed cash aggressively - leading to lower net debt despite lower sales as well

Largest 200 Suppliers Balance Sheets

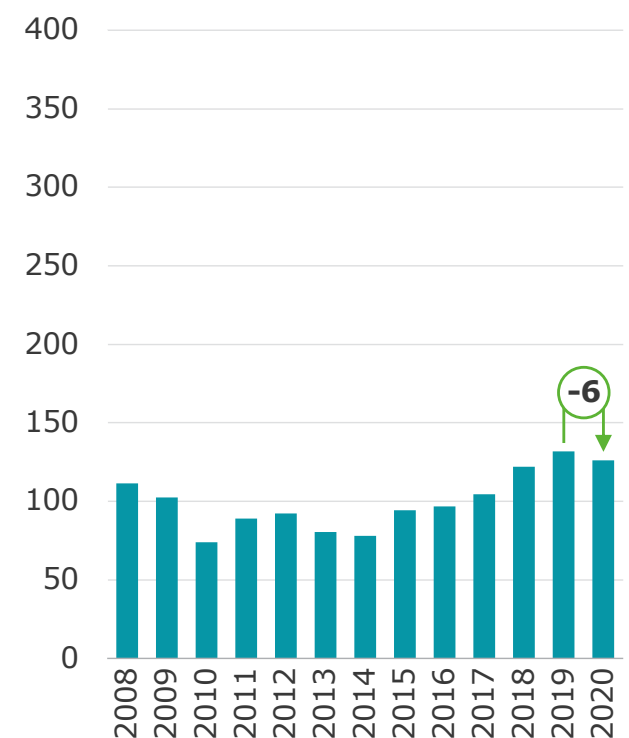
Total debt (\$ billion)



Total cash (\$ billion)



Net debt¹ (\$ billion)

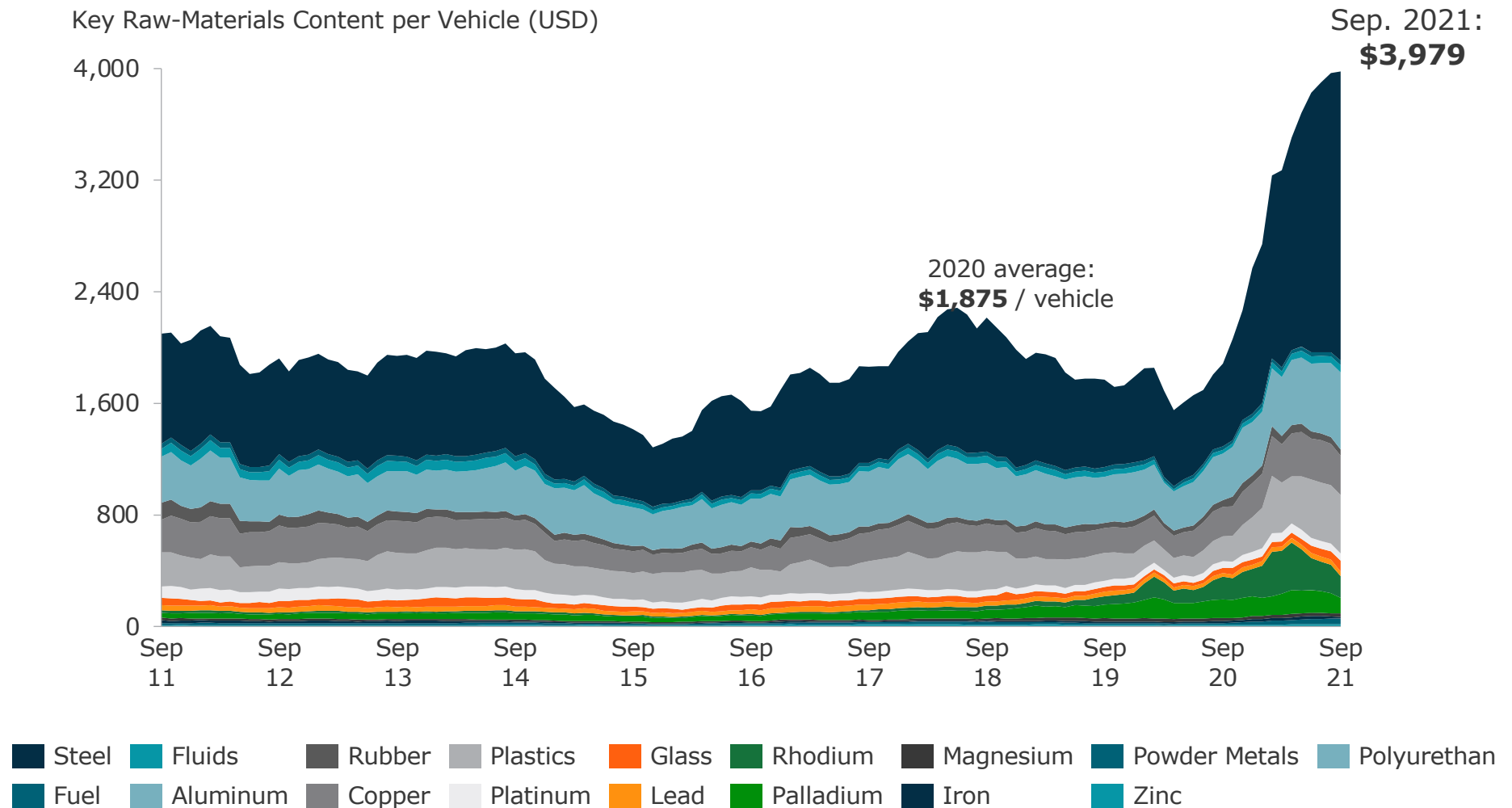


1) Net debt = Short-term plus long-term liabilities less cash and cash equivalents



At \$3,979 per vehicle, raw-materials prices are at historical highs

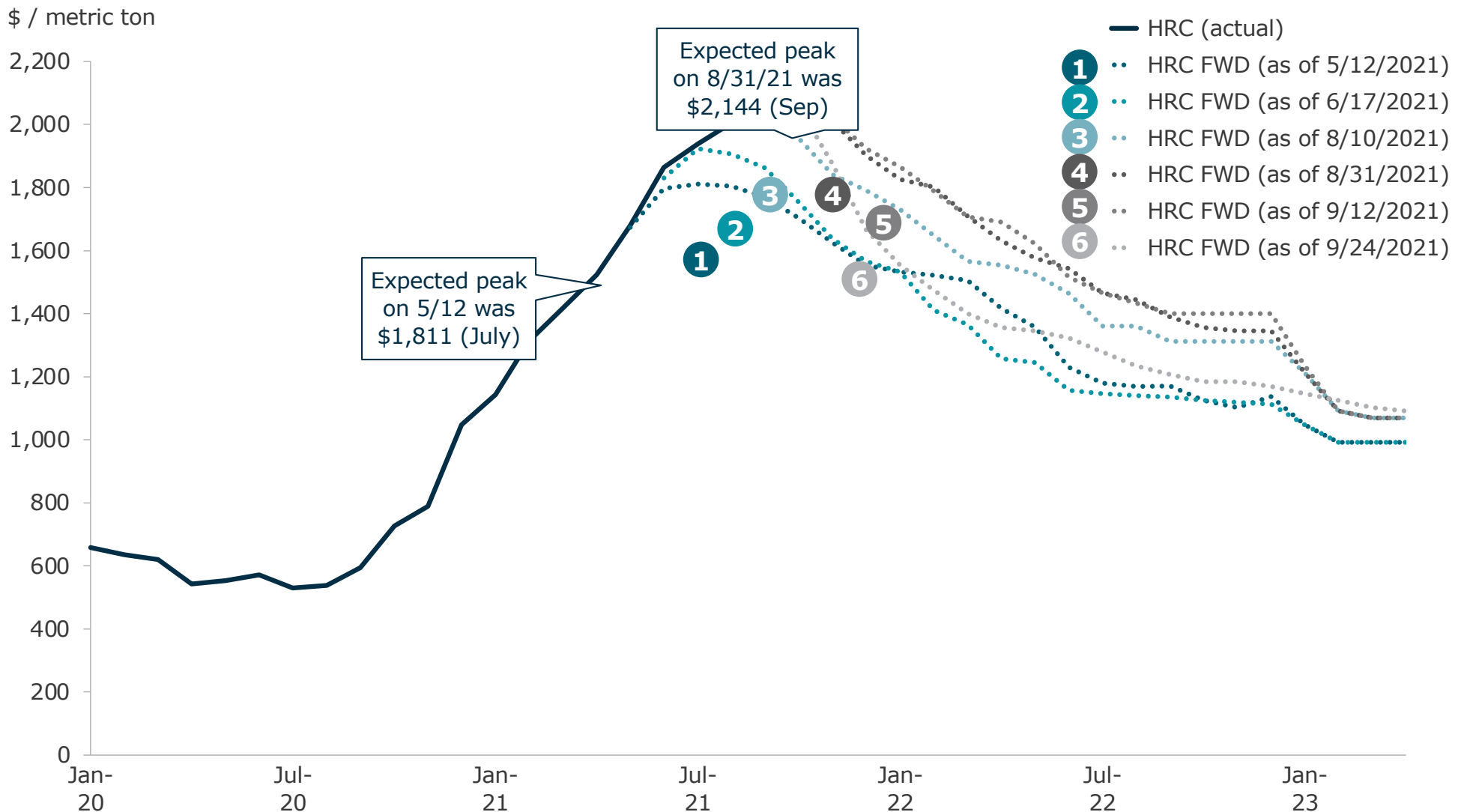
North American ICE-Vehicle Raw-Materials Costs (Sep 2011 to Sep 2021)





While steel prices are downward trending for 2022, the expected peak price in 2021 moved by \$300+/ton between July and Sept.

U.S. Midwest Domestic Hot-Rolled Coil Steel Prices (CRU) – actual & forward (between 5/12/21 and 9/24/21)



Source: CRU, AlixPartners Analysis



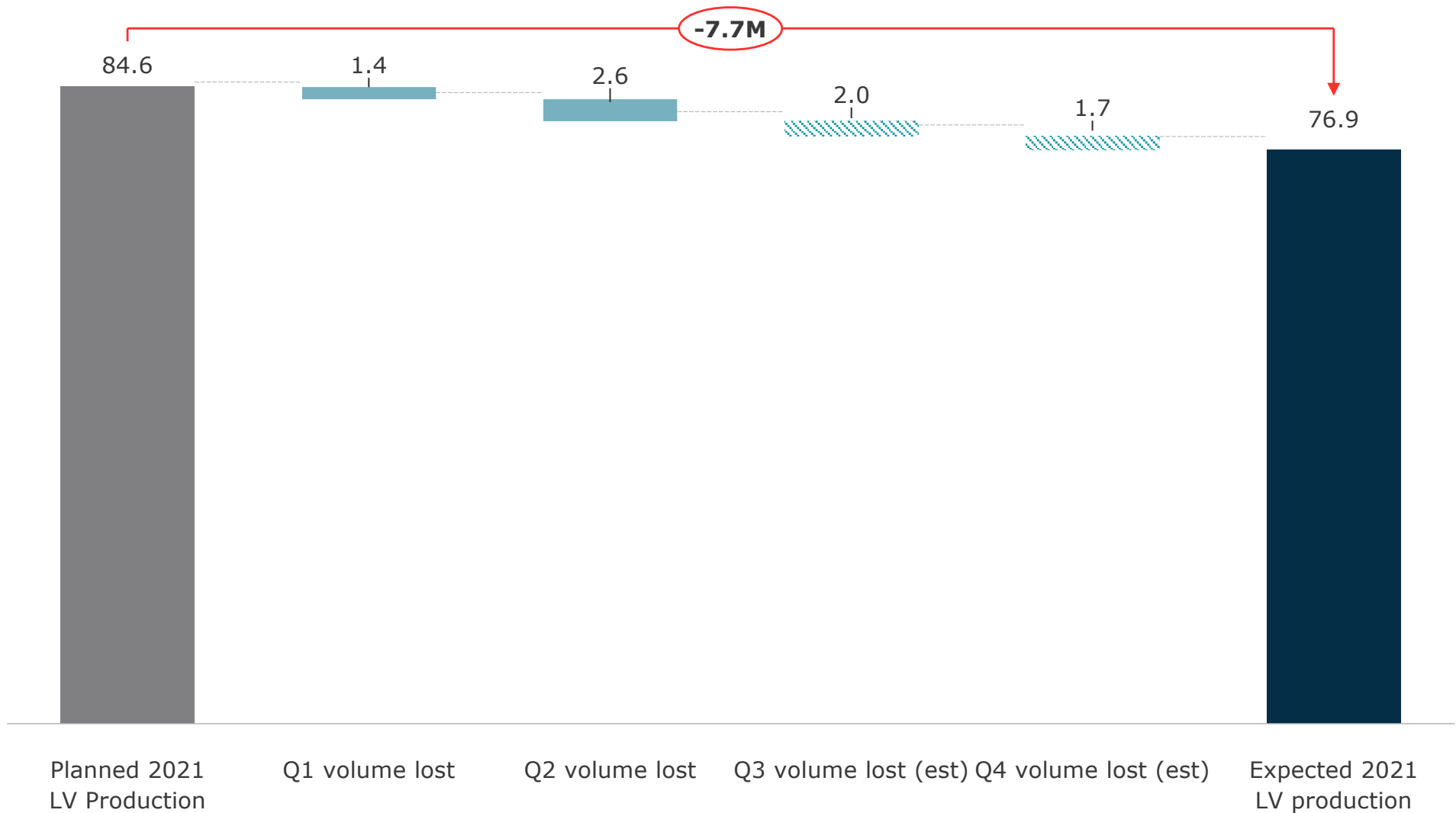
Freight has become more difficult to secure and US domestic trucking and ocean freight rates continue to increase





Updated forecast: 7.7 million units of lost vehicle production in 2021, worth \$210 billion in lost production (up from 3.9M/\$110B)

Global Light-Vehicle (LV) Production Outlook (millions of units)

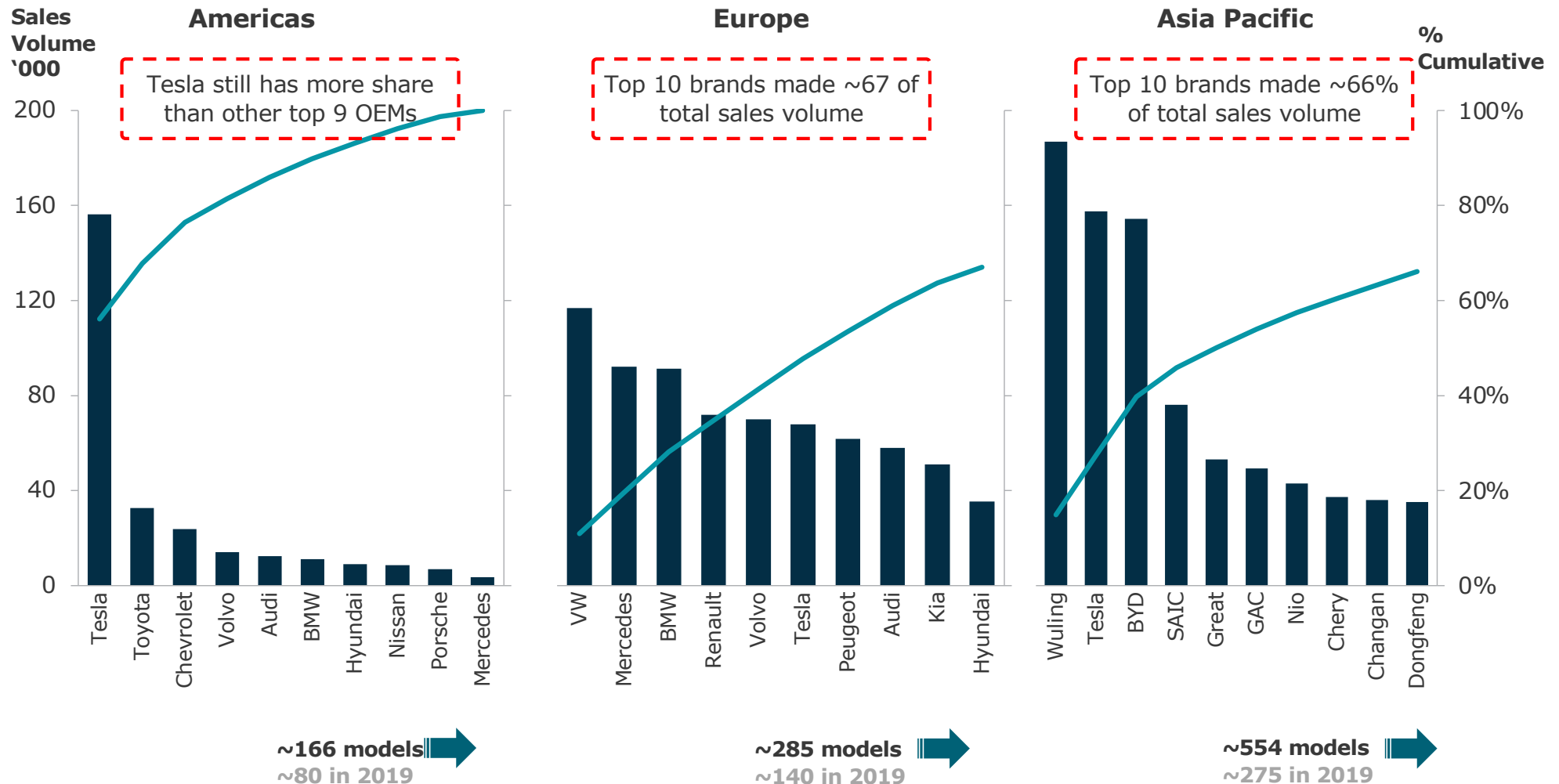


Source: AlixPartners Sales Forecast 2021 (Brazil, China, France, Germany, India, Italy, Japan, South Korea, UK, US), IHS Markit, News announcements and company statements as of Sept 4, 2021



EV sales in Europe and China show a more competitive market, whereas Tesla dominates the US

Regional EV Sales Volume by Brand – Top 10 Brands (H1 2021)

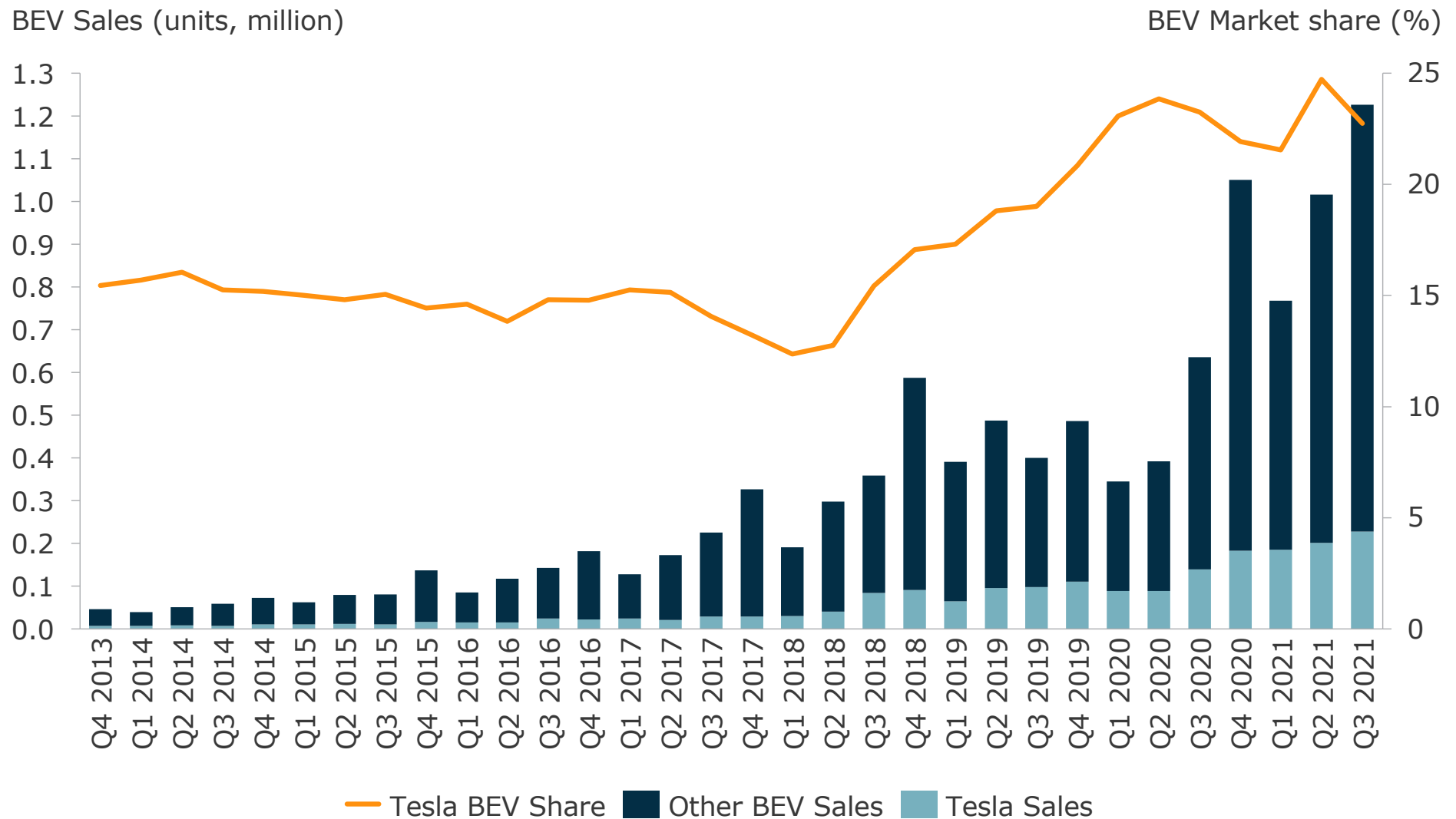


Source: IHS Markit Sales data, EV-volumes.com



Tesla has real competition in China and Europe but still has > 20% of the global market share of BEVs

Tesla's global market share evolution (2013-2021)

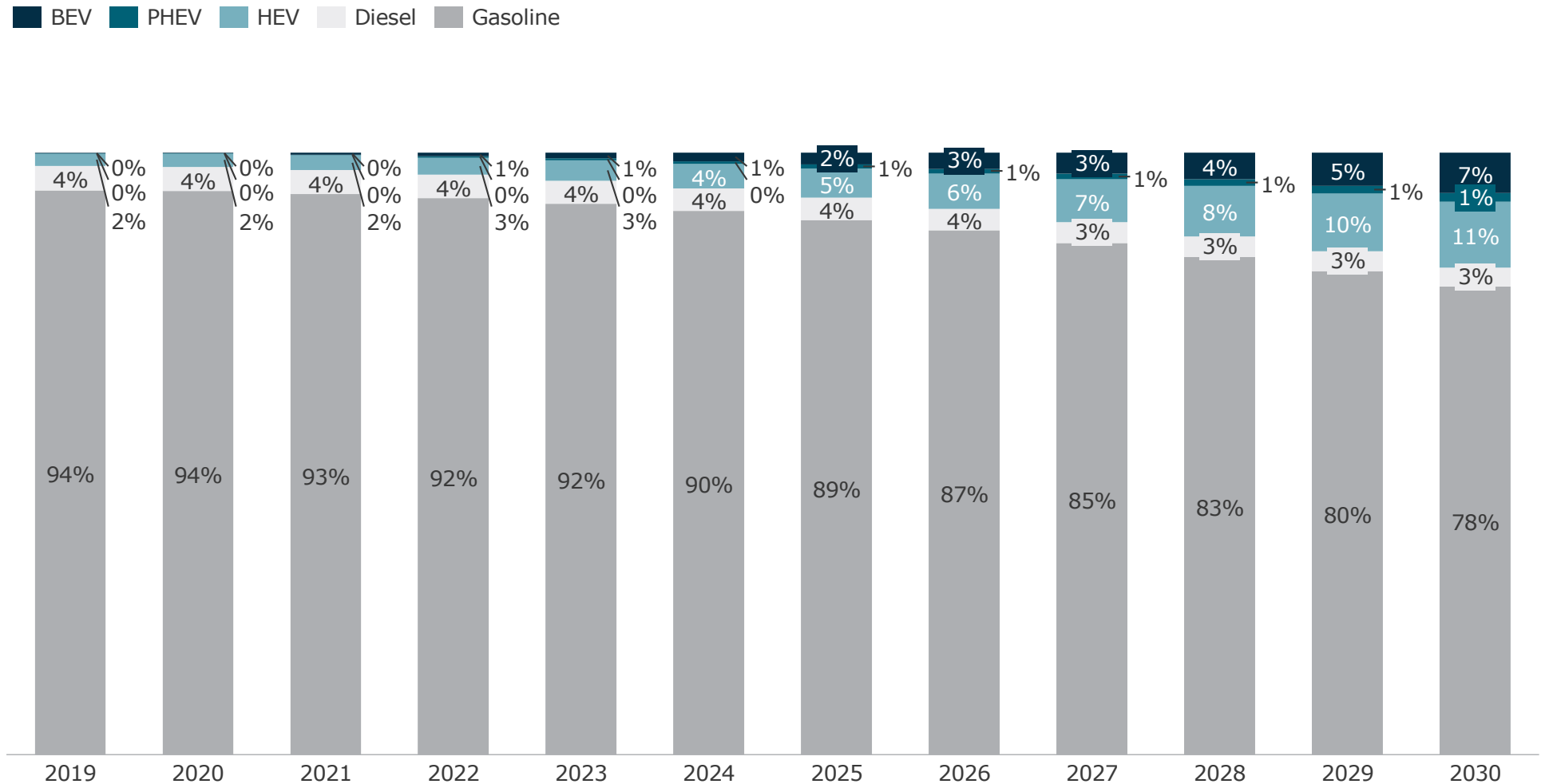


Source: IHS Markit, EV-volumes, Company financials, AlixPartners analysis



But even with accelerated electrification of new car sales, the overall vehicle parc will take decades to fully turn over

US - Expected evolution of Vehicle Parc's Powertrain distribution of Light Vehicle, [% of vehicles]



Baseline

1) The total number of cars in use within region / country

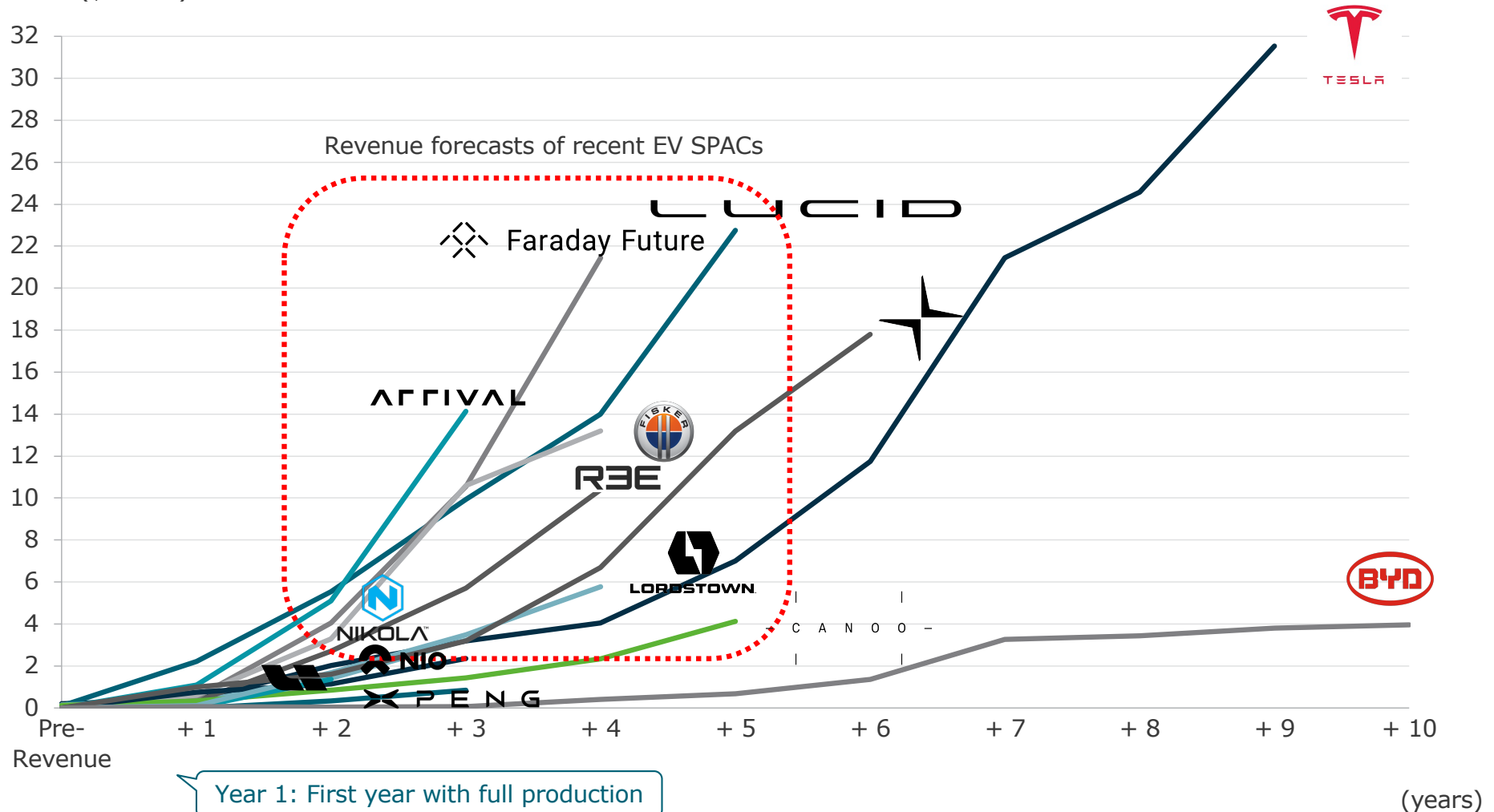
Source: ACEA "ACEA_Report_Vehicles_in_use-US_2019" - AlixPartners Analysis



High SPAC transaction values were premised on growth assumptions, some 2-4x faster than Tesla's actual growth

Comparison of sales development and forecasts based on first year of recorded revenues

Sales (\$ billion)



Note: Tesla historical revenues from 2011 (first delivery of Model S in June 2012); de-SPACed companies' revenue forecasts commence from 2021

Source: CapitalIQ, Company reports, AlixPartners analysis

Faculty: International Insolvency Trends in the Automotive Sector

Joe Bannister is a partner in the London office of Hogan Lovells and an international restructuring and insolvency lawyer. For nearly 30 years, he has helped the entire range of restructuring stakeholders address and resolve the most difficult restructurings and insolvencies. Mr. Bannister has experience across all industry sectors, ranging from manufacturing and transportation to the services sector, and he has dealt with cases in the U.K., Europe, Asia and the U.S. His work also includes a number of reorganizations or bankruptcies in the financial institutions sector, especially insurers and banks. Mr. Bannister is admitted as a solicitor in London and Hong Kong, where he worked between 1998 and 2002 and again in 2014 and 2015 as the partner in charge of the firm's business restructuring and insolvency practice in Hong Kong and China. He has written and spoken extensively on industry and technical matters. Between 2012 and 2014, he was co-editor of *INSOL World*, and he writes regularly for industry and legal publications in the restructuring field. Mr. Bannister is a regular speaker at external and internal conferences and is listed in *Chambers* and *Legal 500*. He received his B.A. in 1984 and his M.A. in 1988 from Magdalene College in Cambridge.

Jim Bienias, CTP, CIRA, CFP is a managing director with AlixPartners, LLP in Chicago and has more than 20 years of experience in serving as an advisor or interim officer for large and middle-market clients by partnering with all levels of an organization, including C-suite executives and boards of directors, as well as with external stakeholders such as lenders, bondholders and private-equity sponsors. He helps companies use financial and operational information to make data-driven decisions that support restructuring strategies, financial forecasts and cost-reduction programs. Mr. Bienias received his M.B.A. from the University of Michigan's Ross School of Business.

Tamar Donikyan is a partner in the New York office of Kirkland & Ellis LLP, where she represents public and private companies in a range of corporate and securities matters, including initial and follow-up public offerings, mergers and acquisitions, SEC reporting and compliance, and corporate governance matters. She also has an active practice representing SPACs in their IPOs and in their business combination transactions, as well as in PIPE transactions concurrent to the closing of a SPAC business combination. Ms. Donikyan received her J.D. from Cardozo School of Law.

Vincent Vroom chairs Loyens & Loeff's Litigation and Risk Management Group in Amsterdam, The Netherlands, where his clients include investors, debtors and financial institutions. He often works on complex matters in international settings and has worked on groundbreaking cases where Dutch entities were involved in U.S. chapter 11 proceedings, schemes of arrangement and other foreign restructuring and insolvency

proceedings (including Brazilian RJ proceedings). He also has broad experience in financing transactions. Previously, Mr. Vroom headed the London office of Loyens & Loeff from 2014-18. He regularly contributes to both Dutch and international publications, and he is a Fellow of International Association of Insolvency Practitioners (INSOL International). Mr. Vroom received degrees in Dutch law and economics from the University of Amsterdam, and completed post-graduate work with honors at the Grotius Academie.