



AUTOMOTIVEBUSINESS®

Commercial Vehicles and Off Road Machines - Brazil

April, 30th 2020

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Power Systems Research
Powerful Possibilities™

About us

Global Leader in Market Intelligence in Power Products since 1976



Detroit - MI - USA

Pune - India

Campinas - SP - Brasil

Beijing - China

Brussels – Belgium

HQ: St. Paul – MN

Moscow – Russia

Tokyo - Japan



Products and Services

- Databases
- Proprietary Studies
- Researches
 - Customized
 - Syndicated



13 segments:

Light Commercial Vehicles – Medium-Heavy Vehicles
Power Gen – Agricultural Machines – Construction Machines
Passenger Cars - Minivans & SUVs - Motorcycles
Industrial – Marine – Railway – Lawn & Garden – Recreational

Content

- **Power Systems Research**
- **Overview**
- **Volumes – actual/fcst**
 - Commercial Vehicles - > 6 ton
 - Agricultural Machines
 - Construction Machines



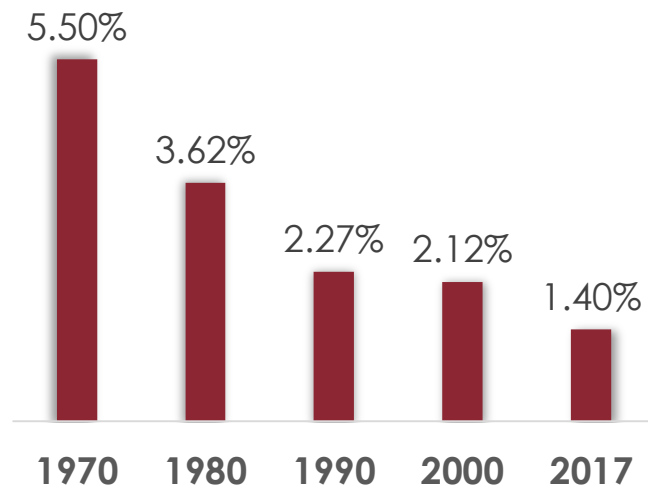
Overview

- 2020 – LARGEST GRAIN CROPS OF THE HYSTORY
- GOOD PRICES PRICES FOR AGRICULTURAL AND MINING COMMODITIES: Soyo Bean and Iron Ore
- POTENTIAL INFRASTRUCTURE INVESTMENT
- ROAD TRANSPORTATION ESSENTIAL ACTIVITIY IN THE CRISIS
- RECOVERY EXPECTATION : Starting Q3/20, Normal activities: Q4/20
- REDUCTION OF INTERESTED RATE TO LOWEST LEVEL OF THE HYSTORY
- CREDIT AVAILABILITY FOR AGRICULTURE
- OEM's PRODUCTION LOCKDOWN
- CASH SHORTAGE – Mainly in the Tier 2&3 Sypply Chain
- GDP: Reduction of 4/5% in 2020. Recovery of 2/3% em 2021
- INCREASE OF PUBLIC DEFICIT : Restriction of government investment
- INCREASE OF UNEMPLOYMENT
- HEALTHY/ECONOMIC/POLITICAL CRISIS – “PERFECT STORM”
- CONFIDENCE IMPACTED BY UNCERTANTIES
- GLOBAL RECESSION IMPACTING VEHICLES AND MACHINES EXPORT

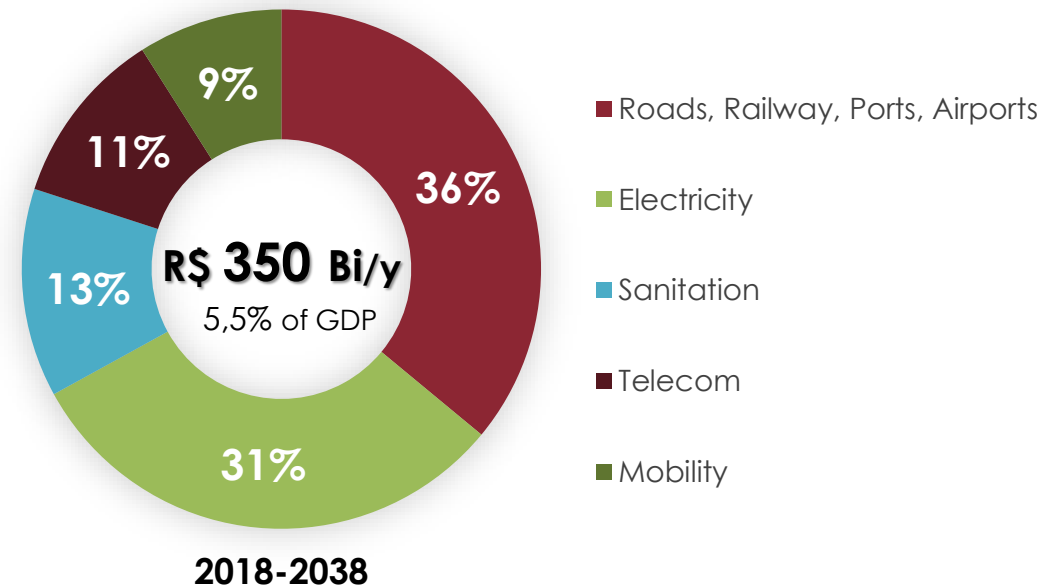


Infrastructure Investment in Brazil

Infrastructure Investment (% GDP)



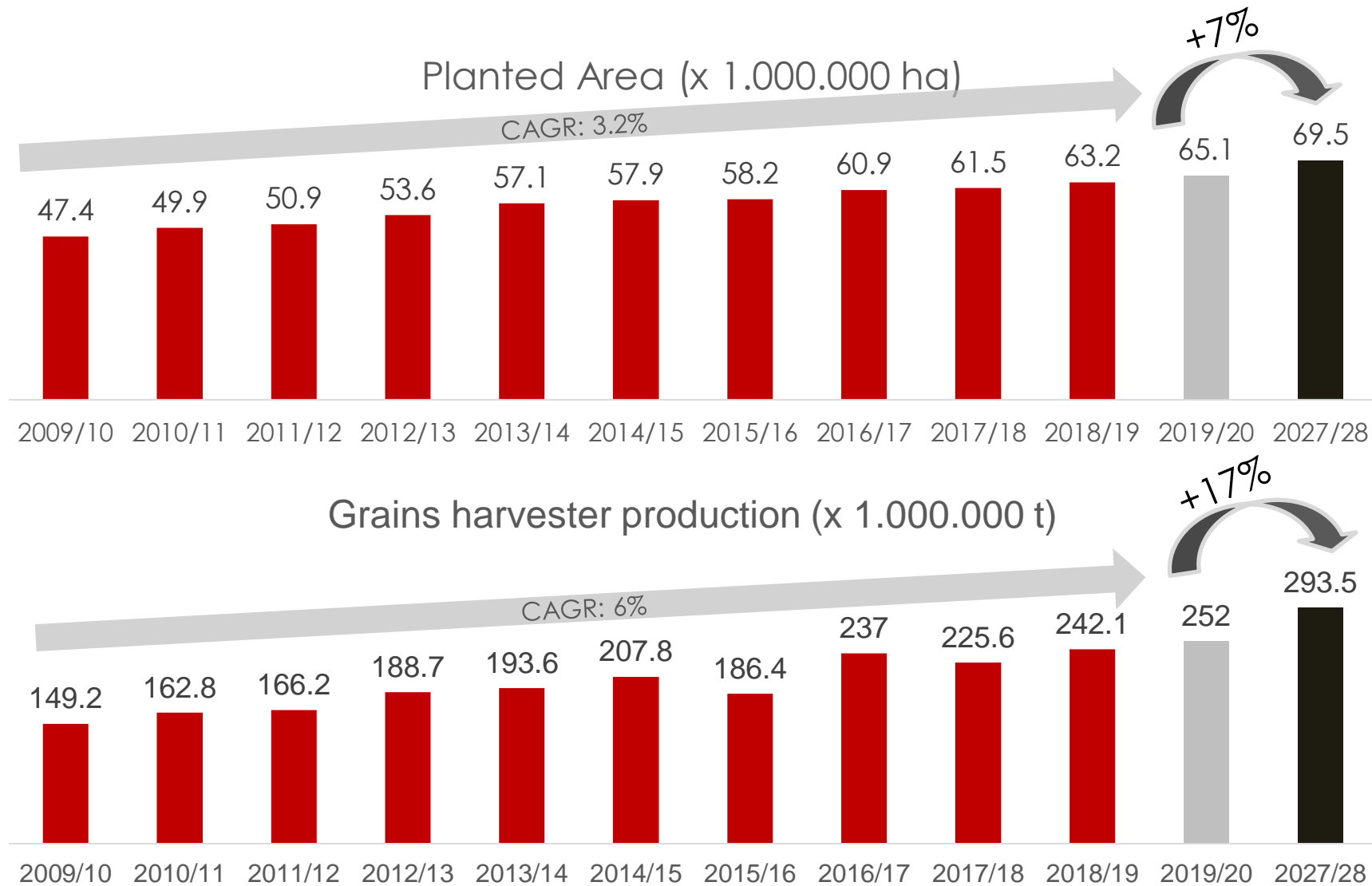
Infrastructure Investment Pent Demand



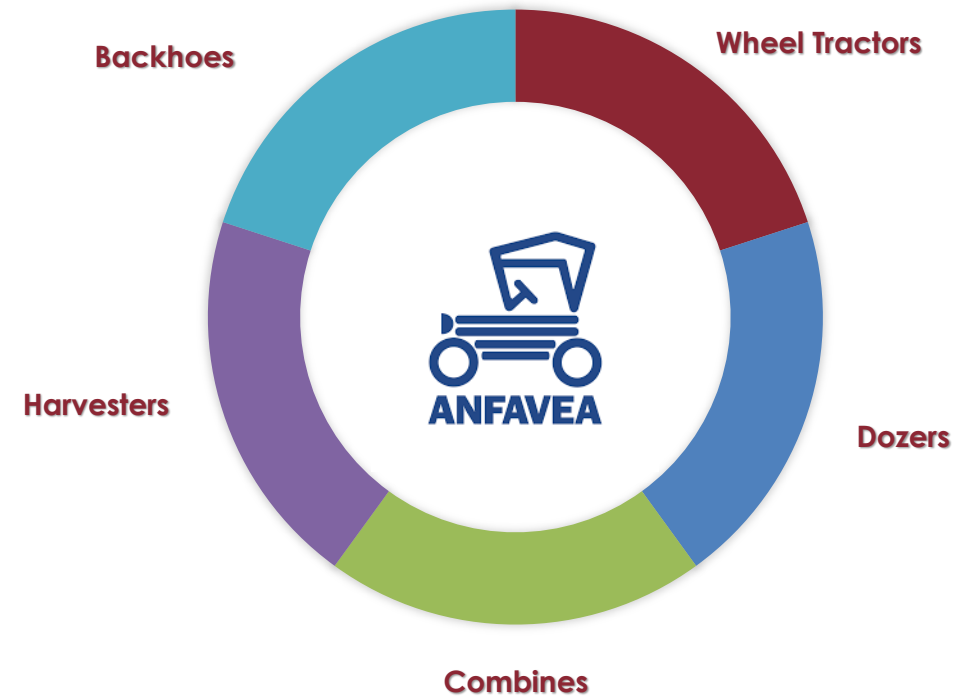
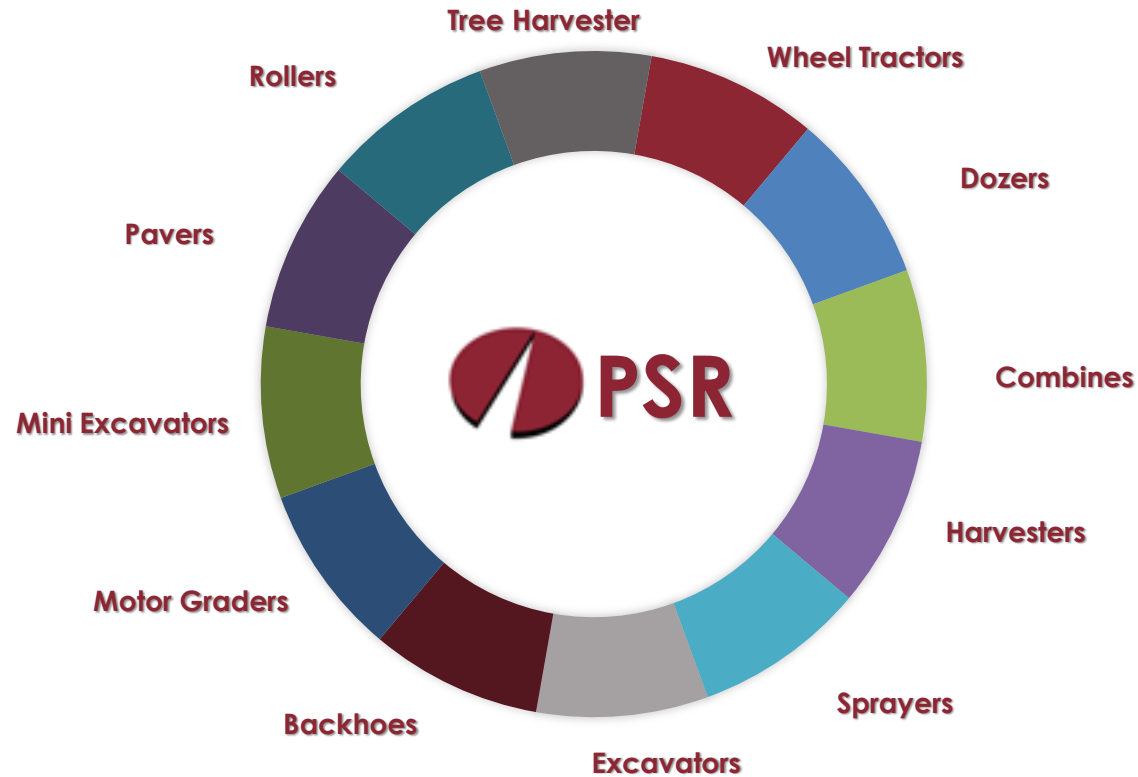
2019
GDP – R\$ 7,44 trilhões
Infrastructure – R\$ 135 bilhões (1,88%)

Action Plan in the crisis
Government Investment: R\$ 30 bilhões
Search for private/foreign investment: R\$ 600 bilhões

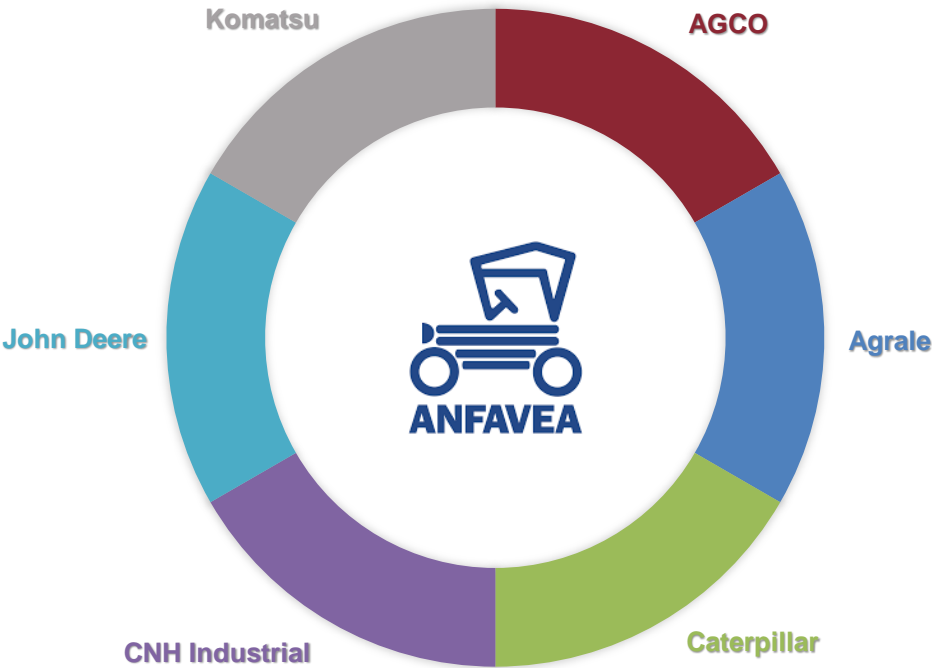
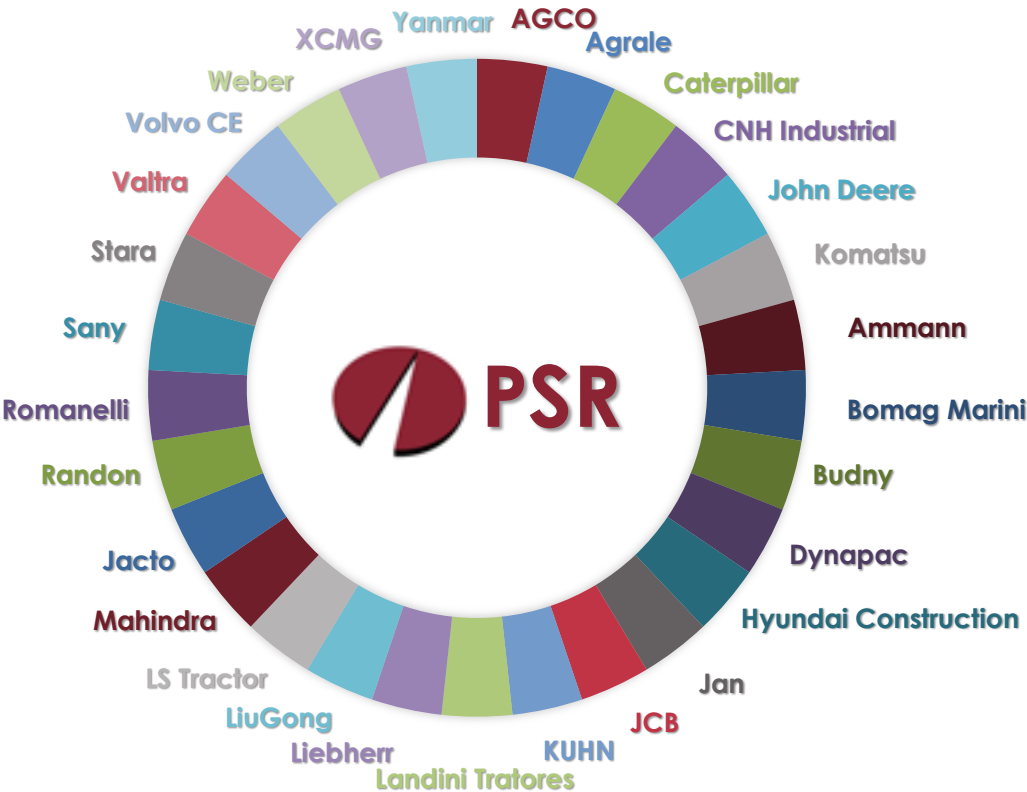
Brazil – Agribusiness Productivity



Off Road Machines – PRODUCTS COVERAGE



Off Road Machines – OEM's COVERAGE



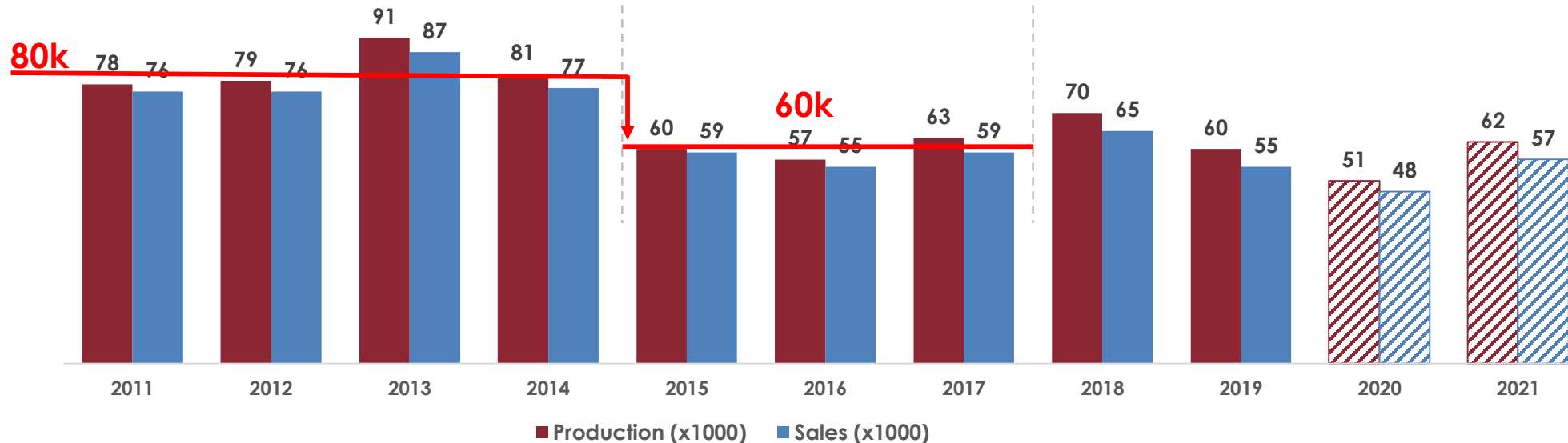
Agricultural Machines – Production & Sales

Act/Fcst

- Productivity
- Low interest rate
- Credit availability
- High commodities price
- Potential pre-buy due credit and interest rate

- Political and economical crisis
- Credit restriction
- Fertilizers cost going up
- Commodities prices going down

- Agribusiness keeping productivity and growth
- Reduction in 2019 due credit constrain
- COVID 19 in 2020 impacting normal business
- Tight cash control during crisis
- Anticipation of fertilizers purchase
- Global recession impacting machines export



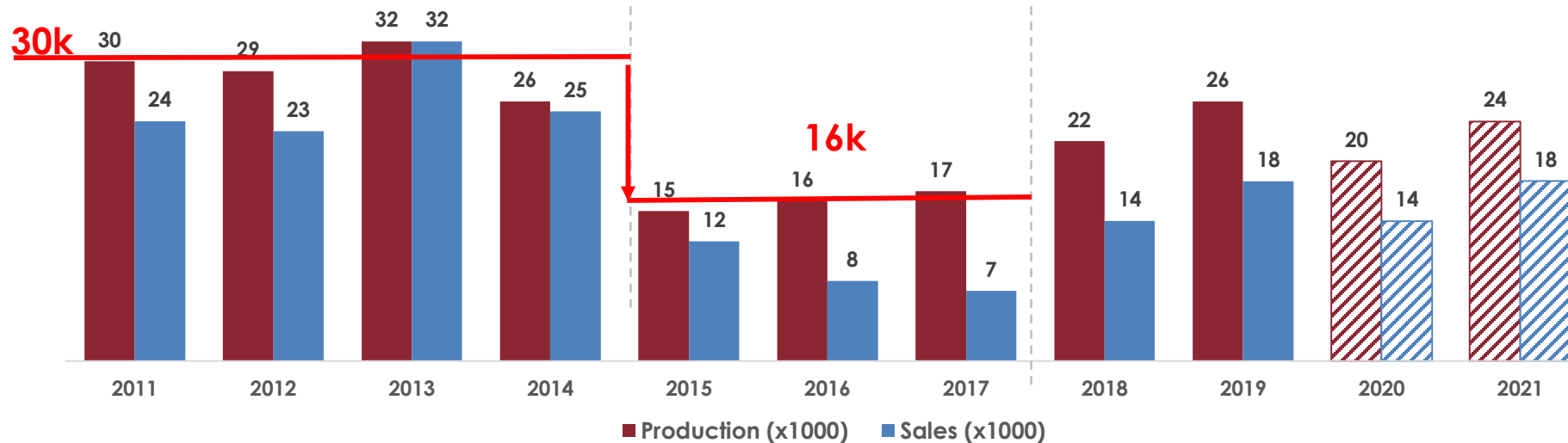
Construction Machines: Production & Sales

Act/Fcst

- World Cup
- Olympic games
- Government incentive program
- 6,000 machines donated to town halls
- Low interest rate
- Newcomers
- OEMs Capacity Expansion
- Market of 32000 units

- Political and economical crisis
- Infrastructure on hold
- Some newcomers phasing out
- Mining – commodities prices down
- Credit restriction
- Interest rate raising

- Recovery started with exports in 2017
- Utilization of CE machines in Agriculture
- Construction moving down after recovering in 2019
- Covid19 in 2020 impacting normal business
- Potential investment in infrastructure would accelerate recovery
- Global recession impacting machines exports



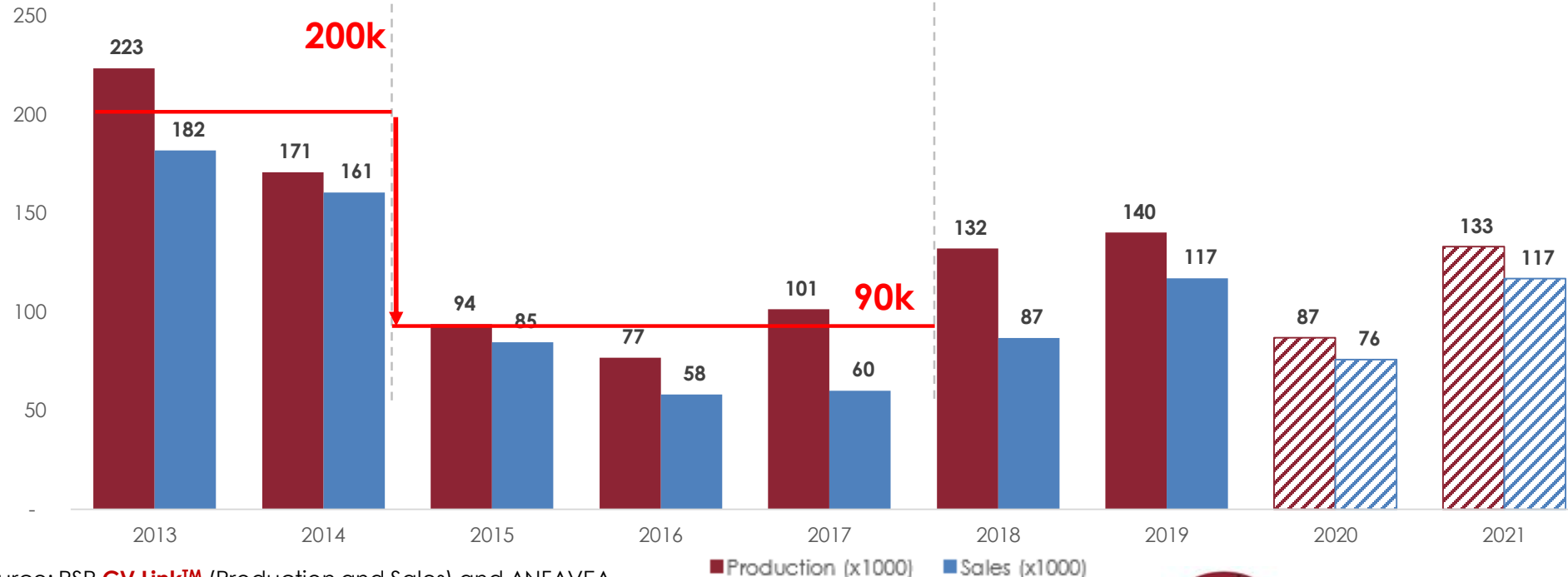
Commercial Vehicles: Production & Sales

Act / Fcst

- Interest rate below inflation
- Credit availability
- Potential pre-buy

- Political and economical crisis
- Infrastructure on hold
- Some newcomers phasing out
- Currency depreciation
- Credit restriction
- Interest rate raising

- Recovery started in 2018
- Covid19 impacting normal business in 2020
- Bus segment more impacted than Heavy trucks
- Global recession impacting vehicles export
- Potential recovery in 2021 to the same Sales level of 2019.



Source: PSR CV Link™ (Production and Sales) and ANFAVEA



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Thank you!



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