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6 MAY 2026

# A&M Auto Breakfast Seminar

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ALVAREZ & MARSAL  
Confidential



# OUR SPEAKERS



**RICHARD HELL**

A&M

Richard heads the European Automotive practice, bringing more than 30 years of industry experience. He has deep expertise in e-mobility, battery electric vehicles, electric powertrains, along with extensive experience in launch management and the turnaround of critical programs across multiple segments.



**RUPERT PONTIN**

Brego

Rupert is deputy chairman of the Vehicle Remarketing Association (VRA) and brings more than 40 years' experience spanning dealer car sales, online vehicle auctions, remarketing, and leadership roles with vehicle data provider.



**OMAR MIRZA**

A&M

With more than 25 years of restructuring and transaction experience advising boards and financial stakeholders in stressed and distressed situations, Omar has extensive expertise in the manufacturing sector, particularly in automotive, aerospace and defence.



## Agenda

<b>8:30</b>	<b>Disruption in the European Auto Market, Richard Hell A&amp;M</b>
<b>8:45</b>	<b>Trends in Auto Retail, Rupert Pontin – Brego</b>
<b>9:00</b>	<b>Driving the Future, Omar Mirza A&amp;M</b>
<b>9:15</b>	<b>Panel Q&amp;A</b>



# Disruptive Markets 2026-28

## – Transformation Next Level of BTOM

Richard Hell

London | 6 May 2026

# “FIGHT FOR SURVIVAL” IN A DISCOUNTED MARKET

The 2026–28 period is marked by stagnation, driven by primary and shock effects from China and the U.S., but growth is expected to follow.

**SURVIVAL IN  
A SHORT &  
INTENSIVE  
DOWN UP  
CYCLE**

**OVER-  
CAPACITY  
DRIVEN BY  
CHINA /  
USA**

**DECLINE IN  
DEMAND /  
COST DOWN-  
SPEEDUP  
INNOVATION**

**BEV ONLY  
IS DEAD –  
DEMAND  
FOR OPEN  
TECH**

**SUPPLY  
CHAIN  
SWIFT  
REGION-TO-  
REGION**

**SCALING  
NEW TECHS  
ACROSS  
MARKET  
SECTORS**

**>40%**

**Price  
reduction on  
all BEVs China  
/ USA**

**The battle to secure  
market share  
has begun!**

**7.5m**

**Cars and Vans  
expected on  
stock in Q3/26  
China**

**Export of distribution  
surplus and export of  
production capacity**

**>5%**

**Consumer rate /  
demand downfall  
sales 12/26  
China / USA**

**Fast / low-cost value  
chain due to robotic /  
automated processes**

**>4**

**Different  
conversion  
types China /USA**

**Fuel- and Powertrain-  
mix lead to energy-mix /  
growth in transportation**

**>25%**

**Carve out of  
supply chain value  
to India / Greater  
Asia**

**Value creation with  
R2R sourcing /  
growth in infrastructure**

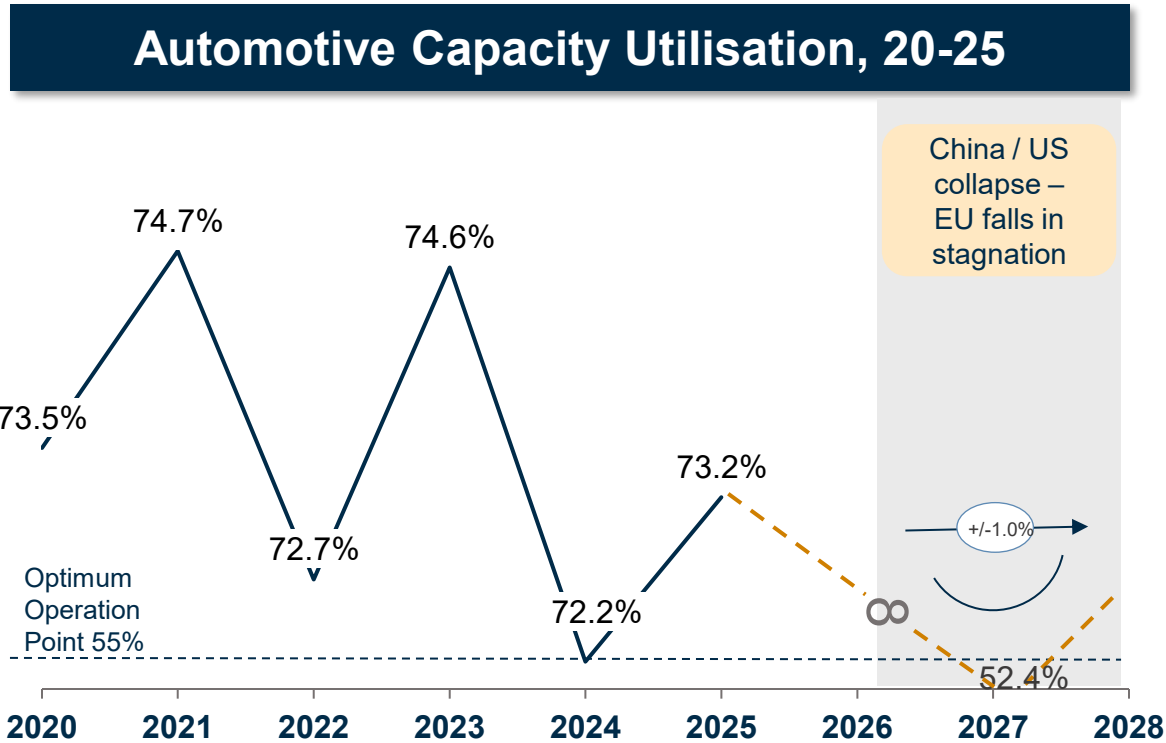
**>80%**

**Data / SW volume  
for data floating  
back / frontend**

**Fast scaling revenues  
speed up with platform  
business and services**

# UTILISATION IS DECLINING WORLDWIDE ...RADICAL IN CHINA

Chinese vehicles are flooding the market and causing disruption to export markets – Bathtub curve for 2026-28 already started



“ Over the past two years, capacity utilisation for domestic Chinese brands dropped down from 88%, to 58% while utilisation for foreign brands fell to 45% from 73% ”

---S&P Market Research,  
German Chamber of  
Commerce China factbook

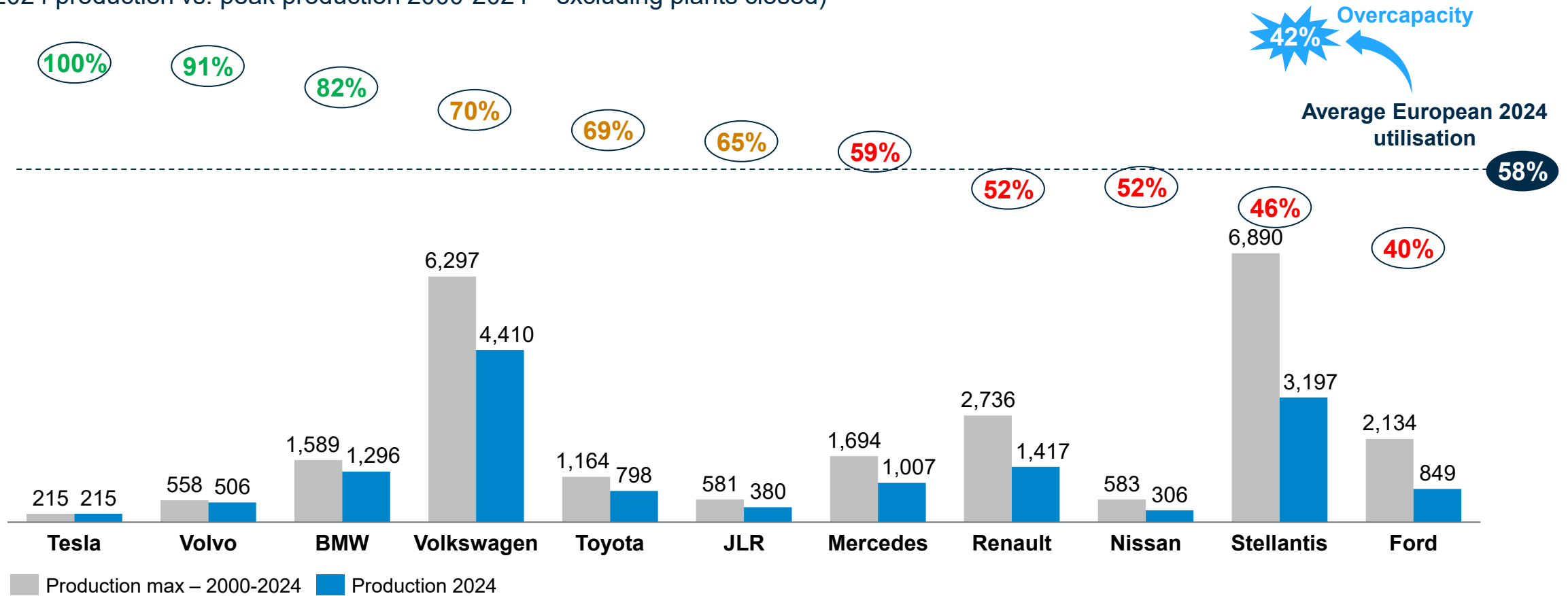
Source: Alvarez & Marsal, China Data German Chamber of Commerce China; China's 15-5 plan; Interviews with China minister of Energy and Transportation

# DOWN CYCLE IN EUROPE

There is an estimated 42% production over-capacity in Europe, or an equivalent 14 OEM plants

## Estimate of European OEMs' EU plants' utilisation

(2024 production vs. peak production 2000-2024 – excluding plants closed)



# WATCH OUT FOR THE MASTERPLAN

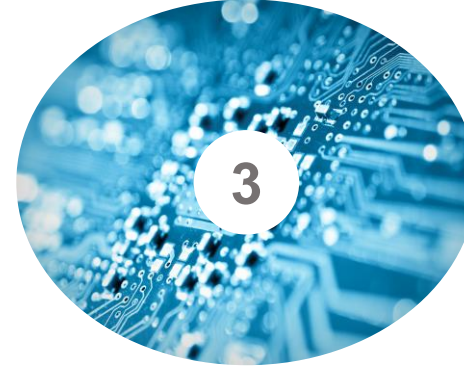
Eight derived Transition Success Factors are to run market by regions and get out bathtub market cycle quickly



*Increase Flexible RD, MO and Sales / Services Footprint to Regions*



*Balance OEM Business with Innovative supply push*



*Adapt to New Price- Value ratio in the Auto market*



*Shrink down to new full vehicle cost baseline*



*Co-operate for worldclass innovative and education labs*



*Focus on Computer embedded Intelligence*



*Engage in next infrastructure / transportation / energy roadmap*



*Enable to get a strong FSD mobility player*



# UK Auto Retail Brief

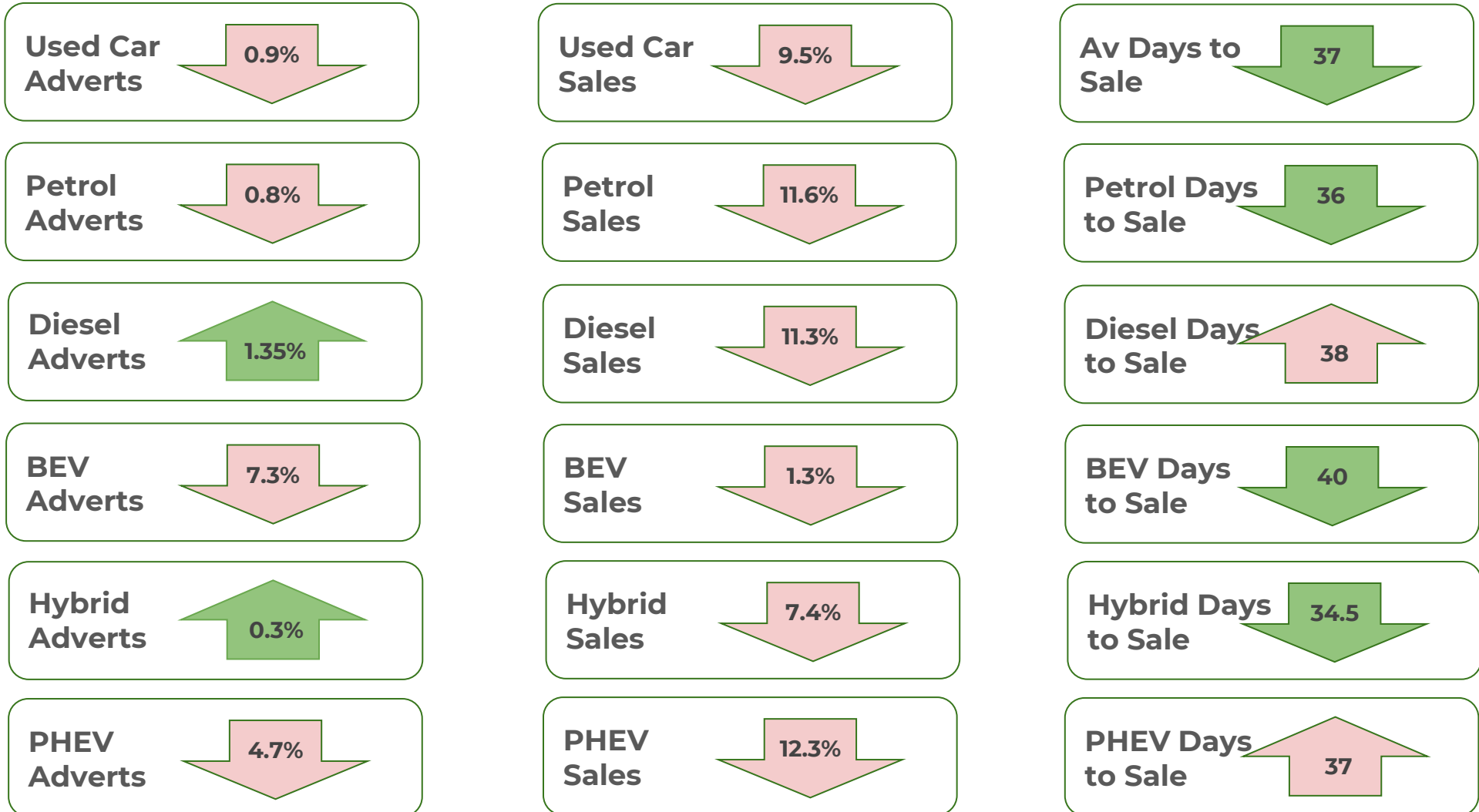
May 6th 2026

## Introduction to Brego

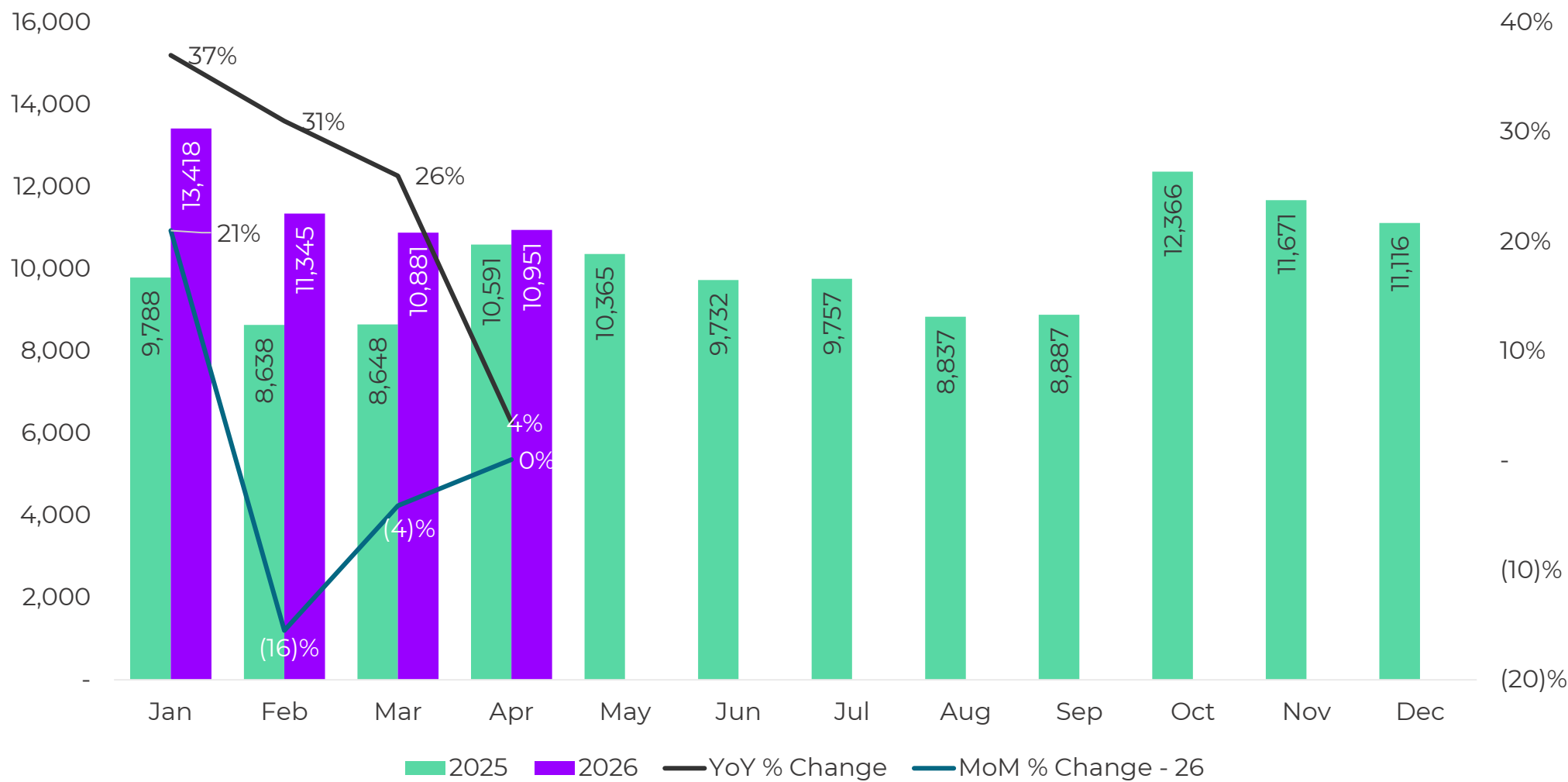
- **Founded in 2019**
- **Empower the Auto Industry to make better decisions**
- **Neural Network based methodology**
- **World Class valuations and forecasts**
- **AI driven insight**
- **Multiple asset types**
- **Relentless innovation transforming the UK Auto Industry**

**Vehicles valuations and analytics -  
powered by the most advanced artificial  
intelligence on the market**

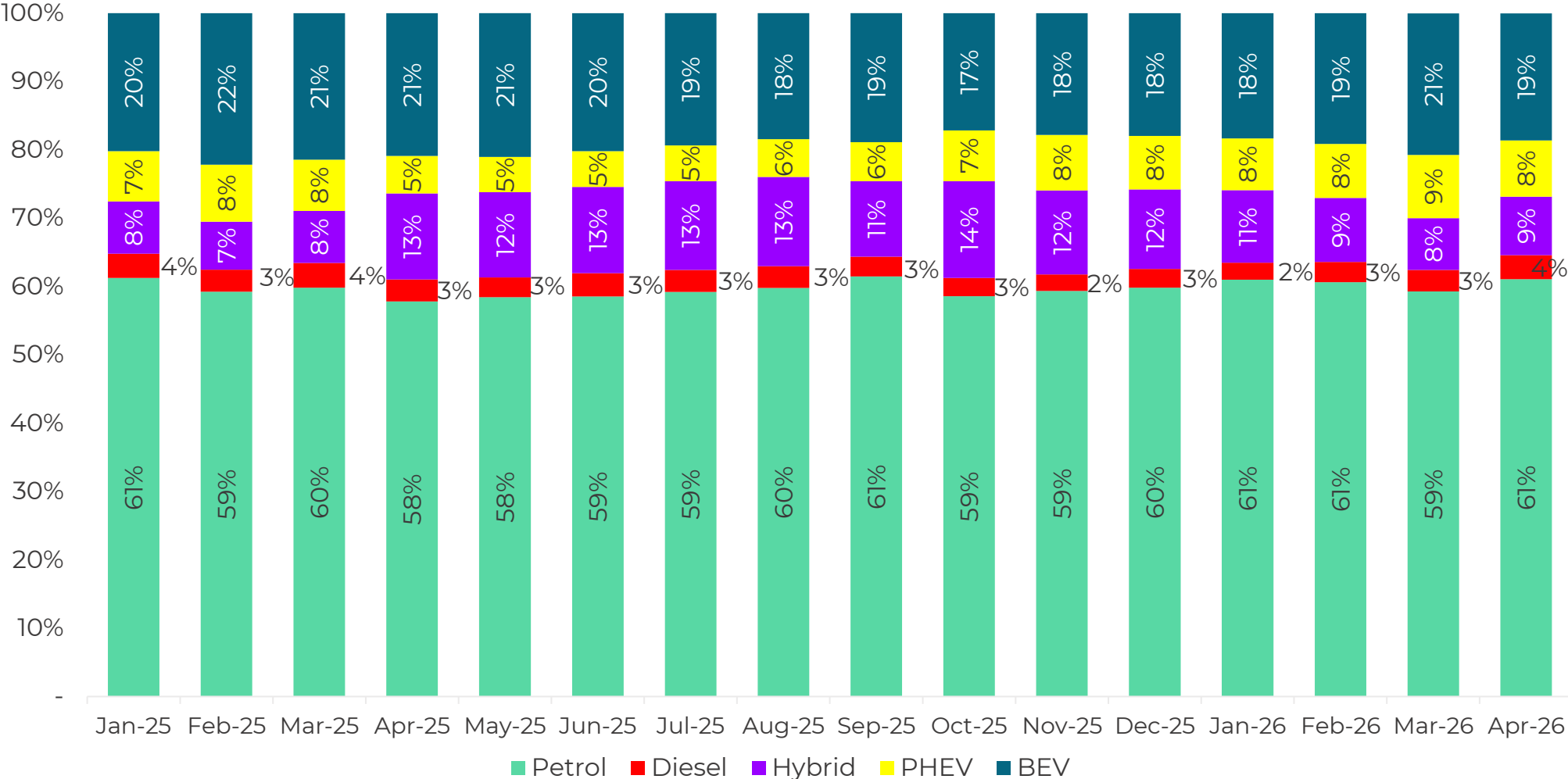
# April Headlines



# Pre Reg Data - April 2026



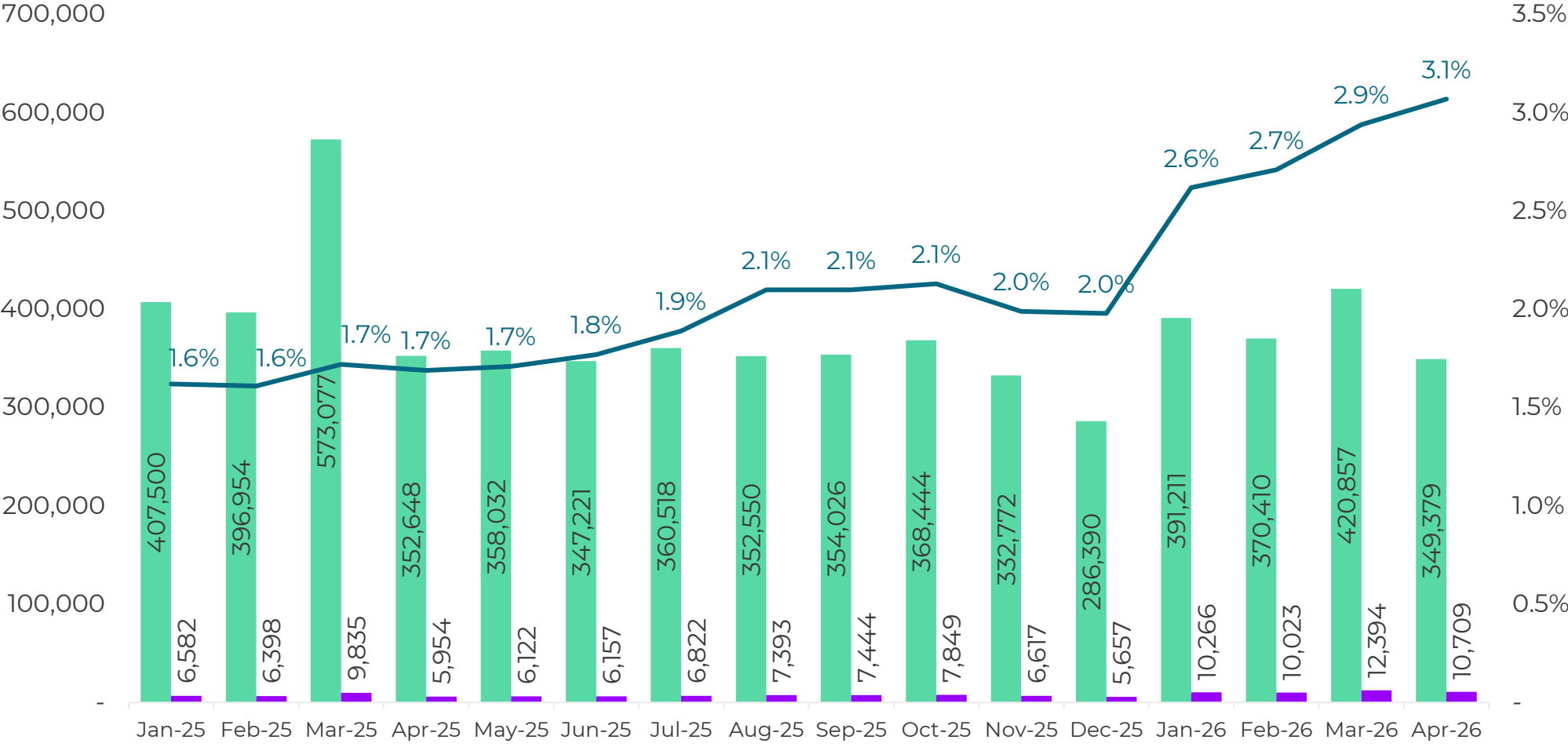
# Pre Reg by Fuel Type - April 2026



# Registrations of New Cars in the UK - by Marque

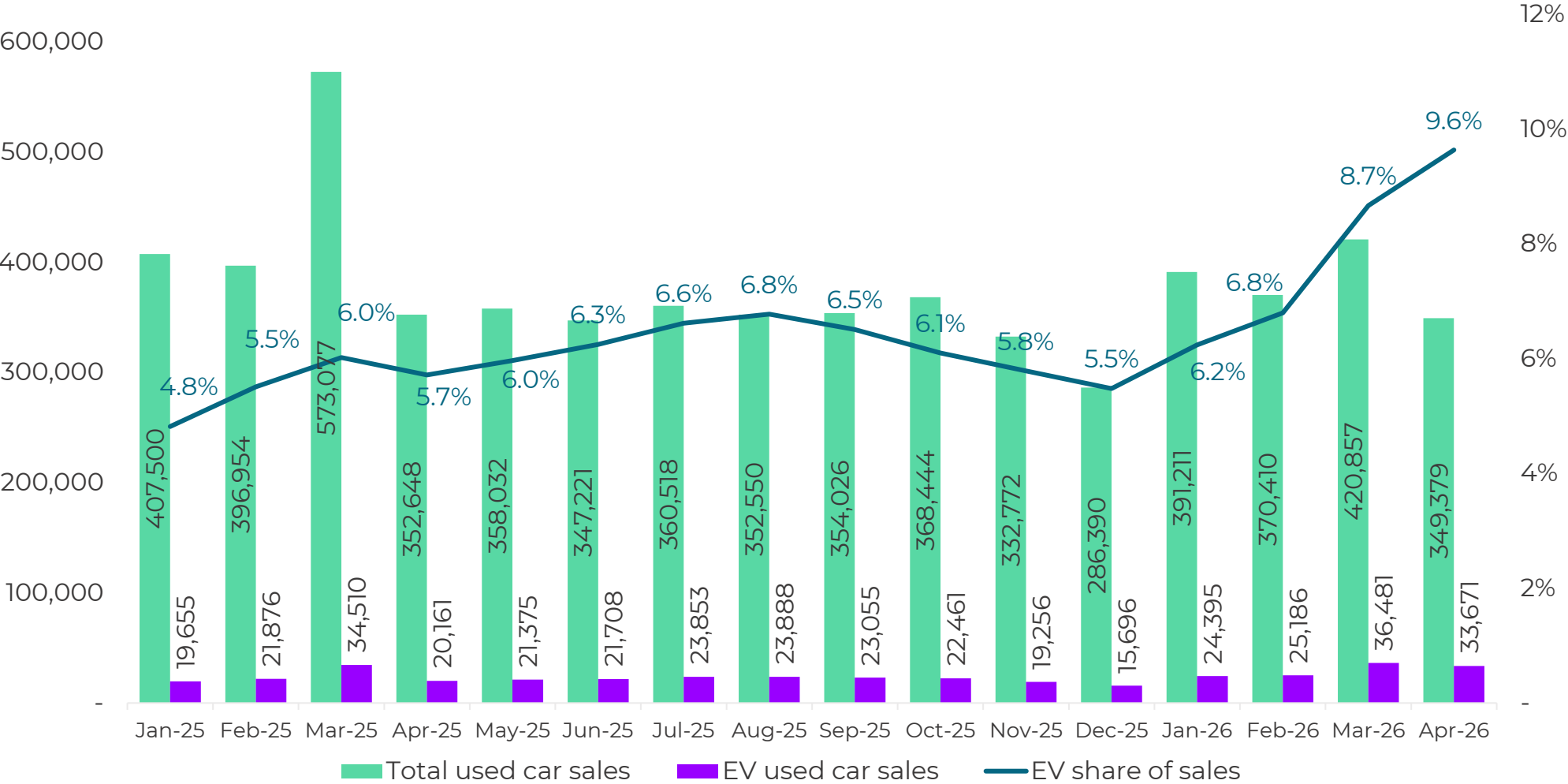
MARQUE	March				% Change	YEAR-TO-DATE				
	2026	% Market share	2025	% Market share		2026	% Market share	2025	% Market share	% Change
<b>Byd</b>	15,162	3.98	6,480	1.81	133.98	21,337	3.47	9,271	1.60	130.15
<b>Changan</b>	540	0.14	0	0.00		753	0.12	0	0.00	
<b>Chery</b>	4,544	1.19	0	0.00		8,077	1.31	0	0.00	
<b>Geely</b>	1,305	0.34	0	0.00		1,595	0.26	0	0.00	
<b>Gwm</b>	94	0.02	29	0.01	224.14	109	0.02	86	0.01	26.74
<b>Jaecoo</b>	12,034	3.16	1,786	0.50	573.80	18,912	3.08	3,235	0.56	484.61
<b>Kgm</b>	324	0.09	367	0.10	-11.72	578	0.09	513	0.09	12.67
<b>Leapmotor</b>	1,891	0.50	193	0.05	879.79	3,096	0.50	193	0.03	1,504.15
<b>Maxus</b>	0	0.00	10	0.00	-100.00	0	0.00	31	0.01	-100.00
<b>Mg</b>	15,720	4.13	15,876	4.45	-0.98	23,878	3.88	24,641	4.24	-3.10
<b>Omoda</b>	5,917	1.55	2,082	0.58	184.20	9,049	1.47	3,194	0.55	183.31
<b>Polestar</b>	2,406	0.63	2,434	0.68	-1.15	4,151	0.68	3,695	0.64	12.34
<b>Skywell</b>	5	0.00	6	0.00	-16.67	15	0.00	7	0.00	114.29
<b>Xpeng</b>	331	0.09	36	0.01	819.44	353	0.06	36	0.01	880.56
<b>Grand Total</b>	<b>60,273</b>	<b>15.84</b>	<b>29,299</b>	<b>8.20</b>	<b>105.72</b>	<b>91,903</b>	<b>14.95</b>	<b>44,902</b>	<b>7.74</b>	<b>104.67</b>

# Used Chinese Car Sales - April 2026



■ Total UK used car sales 
 ■ Chinese-brand sales 
 — Chinese-brand sales share

# Used EV Sales - April 2026





# Thanks

Get in touch

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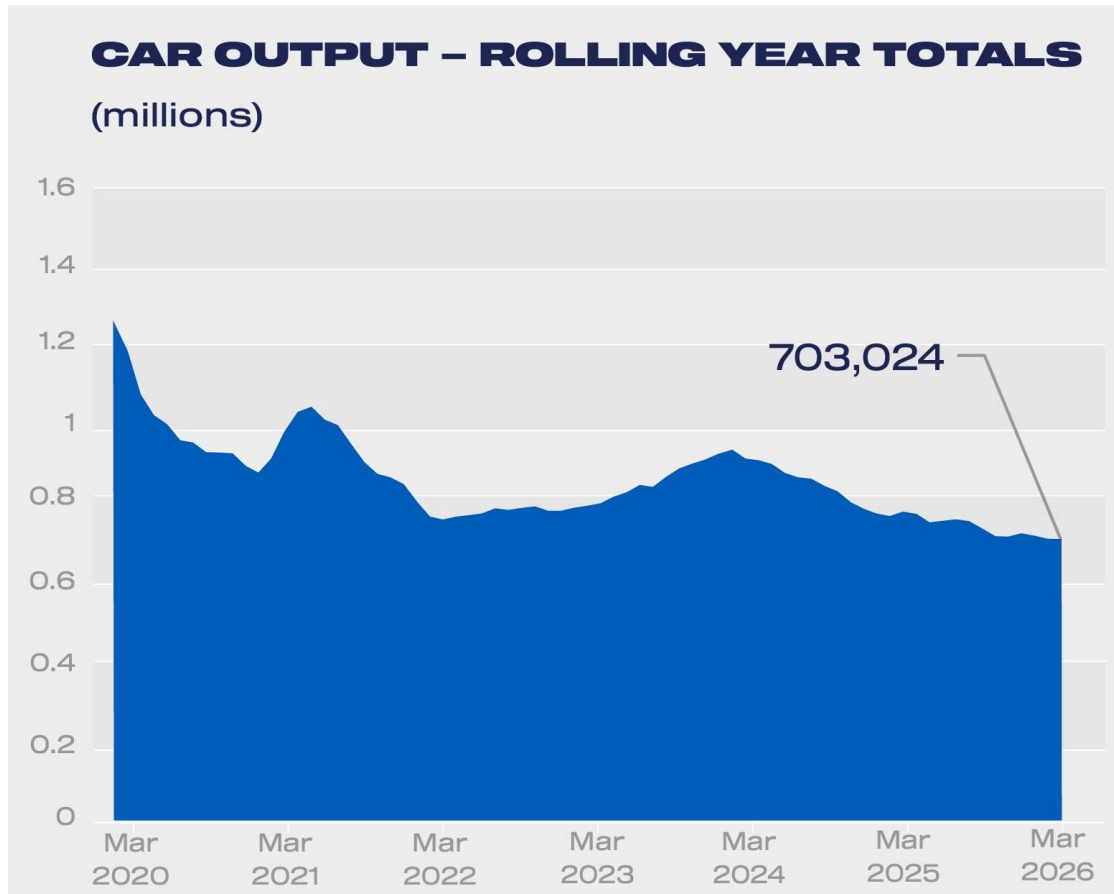
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# Driving the Future

Disruptive trends which are transforming the UK automotive industry: challenges & responses

# RECENT SECTOR PERFORMANCE – PRODUCTION

UK production of cars has roughly halved when compared to pre-Covid output, this is before the impact of US tariffs



- UK OEMs relatively small volumes compared to Global producers
- Still some short term impact of supply chain disruption – e.g. JLR supplier fire
- Brexit unhelpful
- Highlights the importance of critical suppliers
- Suppliers have been reducing capacity but OEMs until recently have been promising increased volumes
- Consolidation as fewer work packages shared amongst suppliers

**CAR MANUFACTURING**

	Mar-25	Mar-26	% change	YTD-25	YTD-26	% change
<b>Total</b>	70,318	69,755	-0.8%	215,236	200,889	-6.7%
<b>Home</b>	18,779	20,416	8.7%	46,523	47,041	1.1%
<b>Export</b>	51,539	49,339	-4.3%	168,713	153,848	-8.8%
<b>% export</b>	73.3%	70.7%		78.4%	76.6%	

# CAUSES OF STRESS – FROM THE COAL FACE

Market headwinds compound supplier-side errors, creating a perfect storm of stress

## MARKET & STRUCTURAL HEADWINDS

### Volume depression

- Auto sector entered Covid with soft balance sheets – less resilient than peers
- JLR targeted 600k units in 2020; actual output ~350k; still only ~420k today
- Suppliers have absorbed surplus fixed cost for years; OEMs and Tier 1s pulling work packages in-house

### Sporadic OEM demand schedules

- Short-notice schedule changes make production, working capital and cash flow management extremely difficult
- Demand volatility prevents efficient factory planning and forces costly production adjustments

### Over-gearing

- Years of easy debt availability: senior debt + secondary secured + sponsor loan notes is now common – servicing costs crowd out capex and investment
- Extended loss-making funded by debt; balance sheets lack the flexibility to absorb further shocks

## SUPPLIER-SIDE “OWN GOALS”

- **No part-level profitability visibility** – failure to record labour hours or buy-in pricing accurately; new ERP implementations a major risk event
- **Late price renegotiation** – fear of losing future work packages drives “live today, die tomorrow” behaviour
- **Excess stock-building** – speculative inventory ahead of month-end call-offs; customers not pressured to take stock
- **Poorly structured customer funding** – OEM loans accepted without legal review; no offset, repayment or intercreditor provisions; triggers immediate distress with lenders
- **Equity holders not providing support** – volume uncertainty makes equity unattractive for PE; debt triggers stress where equity would have provided buffer

# CRITICAL SUPPLIERS & SOLUTIONS THAT WORK

Criticality and leverage – not asset value – drive outcomes in supplier distress

## WHAT MAKES A SUPPLIER CRITICAL?

- Sole or single-source supplier for a platform
- OEM inability to re-tool quickly or at acceptable cost
- Direct-to-line supply – any disruption stops the production line
- Ownership of manufacturing IP or critical software

• **Lesson:** value to the customer – not asset value – is the critical variable; increasingly OEMs must be part of the solution

## SOLUTIONS WE HAVE SEEN WORK

- Multi-stakeholder funding packages – senior lender, secondary lender, shareholder and OEM customer working through the creditor waterfall in priority order
- Customer-directed trade sale or customer taking ownership as the natural economic owner
- Capacity shrinkage creating volume consolidation opportunities – shrewd acquirers (e.g. WHS Plastics) taking on new work selectively and on their own terms
- Nearshoring benefiting European supply chains; Indian, Chinese and US interest in UK assets (favourable FX) – e.g. Paintbox acquired by Sanko Gosi
- End-market diversification improving resilience – off-highway, aerospace and adjacent sectors reducing pure-auto exposure

*“Solutions exist that protect companies, employment and stakeholders – but identifying criticality and acting early are essential”*



## Panel Q&A

# CONTACT US



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Richard brings over 30 years of experience in e-mobility, BEVs, and powertrains and restructurings for major OEMs and suppliers. He has led programs across relevant segments including Porsche, Bugatti Rimac, Yasa, Mercedes, ZF, Conti, Bosch, Valeo.



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Roger specialises in turnarounds and transformations with a track record of delivering significant P&L and cashflow improvements. He has led the turnaround of a global premium automaker, advised on restructurings for Visteon, First Brands, Marelli, and led recovery programs for first-tier suppliers like Huf and Rieter.



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Head of Special Situations M&A  
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Omar brings over 20 years of experience in restructuring and transaction advisory, specialising in liquidity management, debt restructurings and accelerated M&A processes. He has extensive experience in the manufacturing sector, particularly automotive supply chain.



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30+ years of experience in performance improvement in the automotive industry. Steffen has held management positions across Japan, USA and Greater Asia including roles at Daimler Chrysler, Mercedes Benz Group and GM / Toyota.



**Don Featherstone**  
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Don has 30+ years' global restructuring experience, serving as CRO and advisor across industries and leading complex cross-border turnarounds. His recent experience includes a motorcycle manufacturer and car dealership.



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25+ years of turnaround experience and has held several board and senior executive roles. He has supported multiple automotive suppliers on the design and implementation of comprehensive restructuring programs. Current CRO at Webasto



**Joachim Lubczyk**  
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Joachim brings over 20 years experience in corporate restructuring, business planning, and valuation, with a focus on the automotive sector. He has led the restructuring of a major turnaround for a Tier-1 automotive supplier and supported clients in distressed M&A processes.



**Kevin Lamb**  
Senior Director  
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Kevin ran a multi franchise motor retailer delivering a business rescue and recovery programme and debt reduction strategy for stakeholders. He has over 20 years experience in restructuring and transformation, advising mid-market businesses on turnaround, distressed deals, and solvent solutions



**Jane Chadwick**  
Senior Director  
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Jane brings over 14 years of experience in the debt markets, as both an advisor and a banker. Her Auto clients include Lookers plc and Octopus Electric Vehicle's.



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