ABU STRATEGY UPDATE

AUGUST 6, 2020
AUTOMOTIVE BUSINESS SOLUTION UNIT
RENESAS ELECTRONICS CORPORATION

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KEY DRIVERS FOR INDUSTRY TRANSFORMATION

Face increasing competition for the survival of the fittest

- De-coupling from geopolitical landscape and post COVID-19 supply chain localization reconfigures the industry eco-system

- Semi new entrants and tech platformers are changing landscape of competition and value chain

Mobility Service Provider

Platform Provider System integrator

Key module & tech supplier

Key device & tech supplier

OEM

Tier1

Tier2

Existing region

New region

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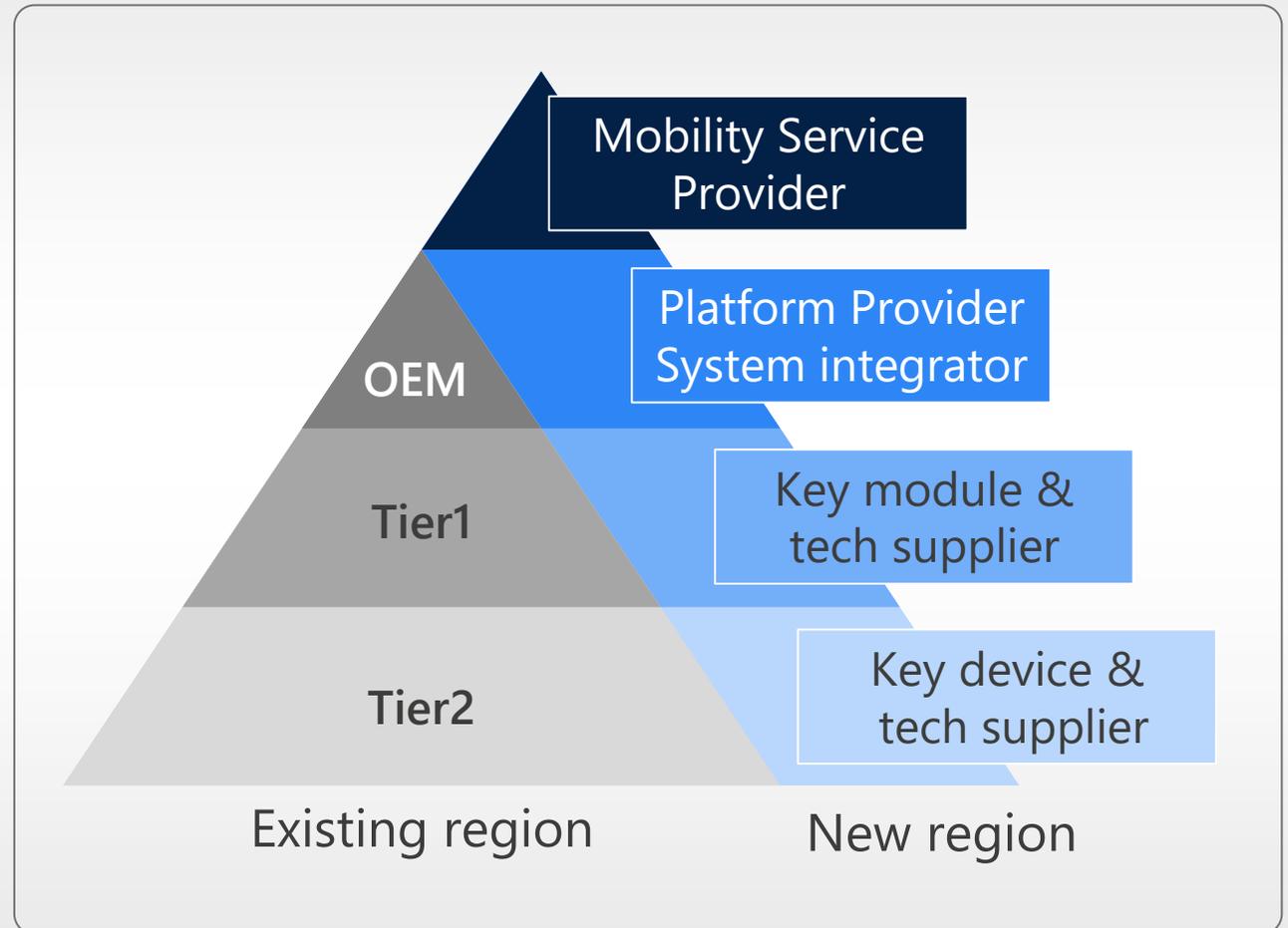
GROWTH STRATEGY – UNCHANGED, STEADY PROGRESS

Market growth driver

- Delay of TAM growth caused by adjustment for pandemic impact
- CASE + E/E architecture remains key driver after COVID-19
- More focus on driver-appealing features

Growth Strategy
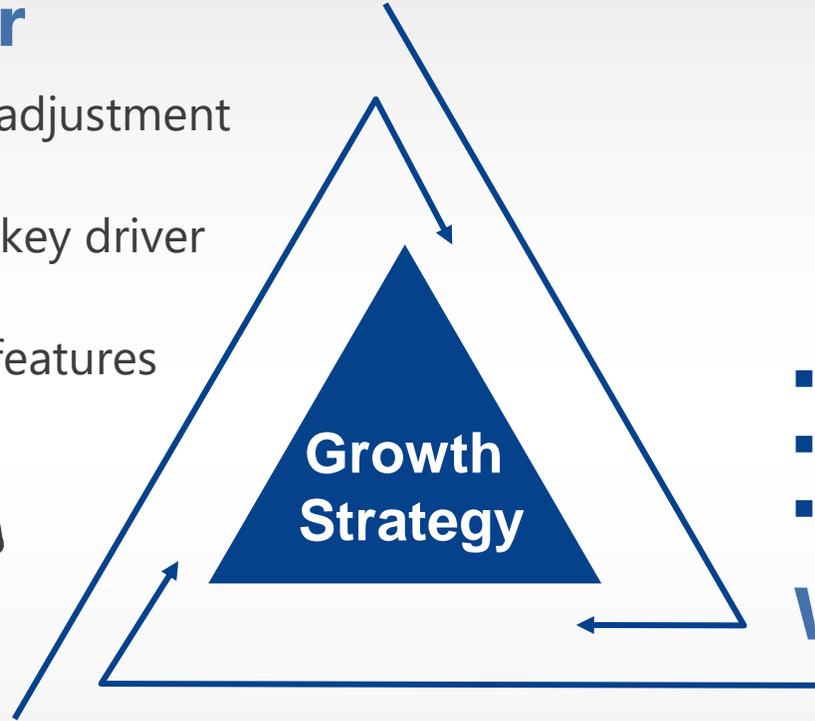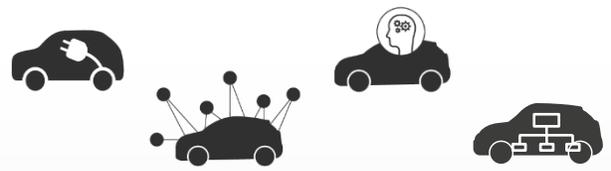
- More $ Content
- System value
- Short TAT

- Emerging Player & Market

Winning combo

Scalability

- More focus on incumbent vertical platformer OEMs

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BIDIMENSIONAL APPROACH
AUTOMOTIVE STRATEGY

Customer technology integration

Tight ──────────────────────── Light

SoC
MCU
Analog
Power

Scalability

IVI
included

Winning combos

PMIC

PMIC

MCU / SoC

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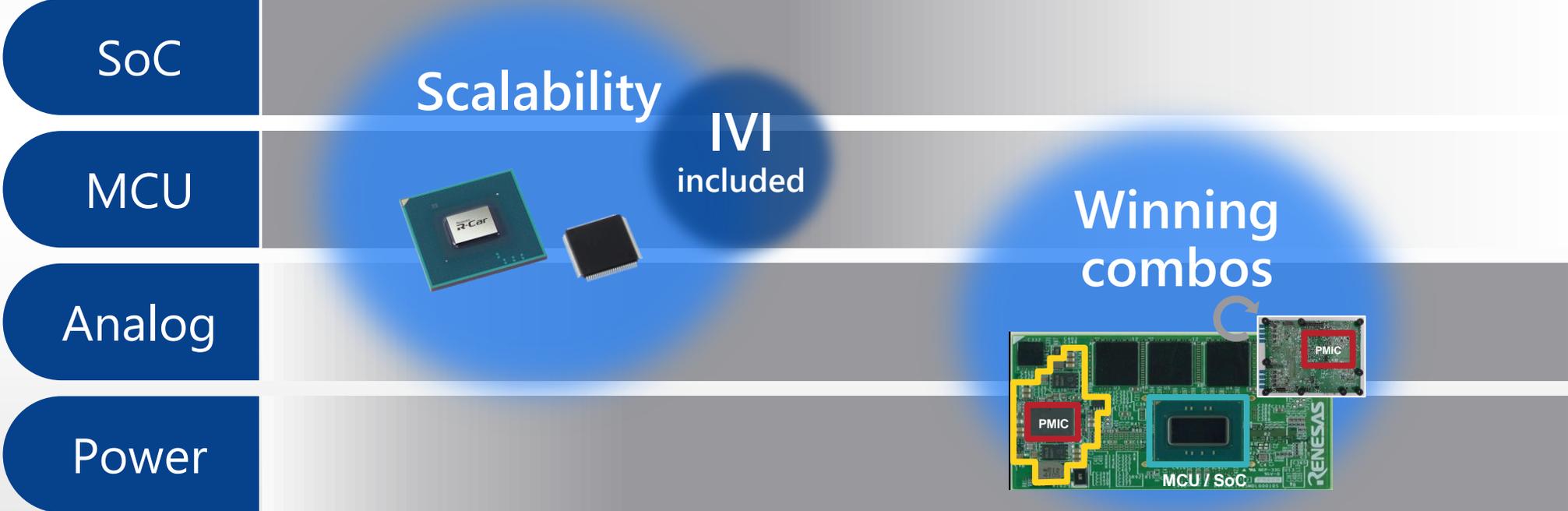
OVERALL DESIGN-IN PROGRESS

1H/20 Design in

(2H/20)

c. 4,000

c. 3,000

Follower
Customer

Lead
Customer

Plan
Analyst Day (Feb 2020)

Actual
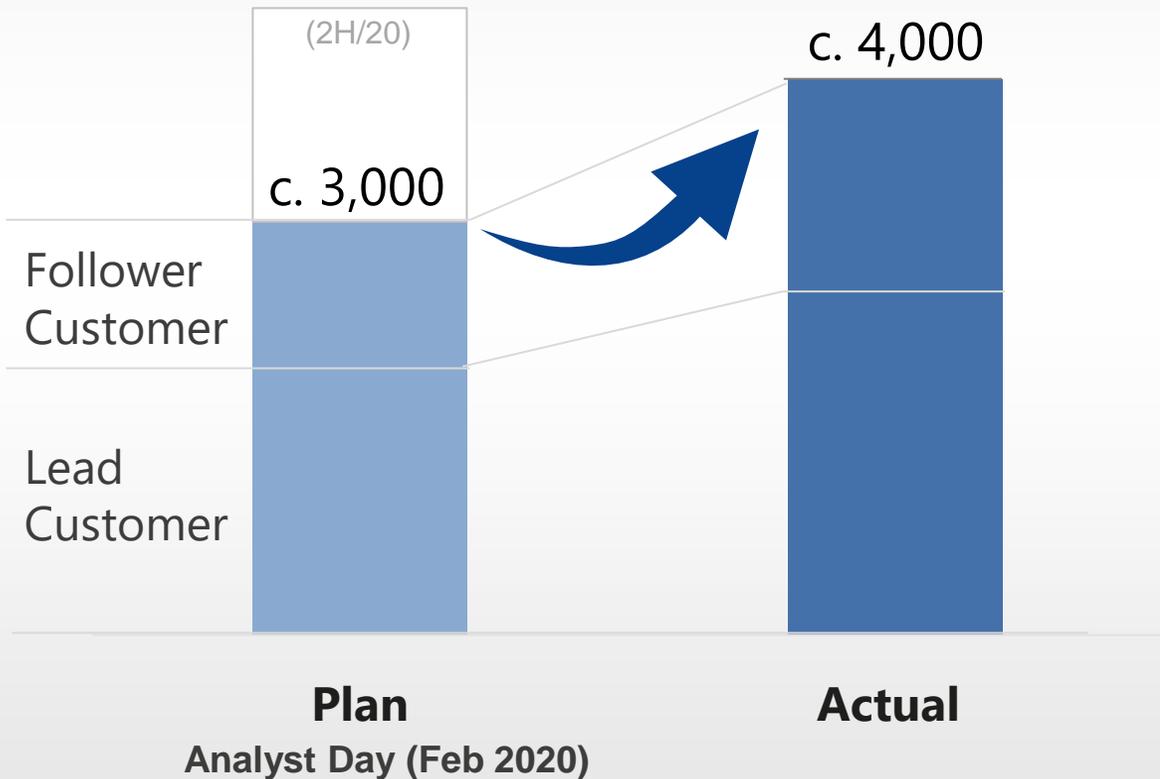
1H/20 Major Design in

ADAS/AD front camera
> $1 billion

Handful of
sizable opportunities in funnel

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ASP TREND - RENESAS VS SAM

Renesas vs SAM

	Renesas vs SAM	
SoC	++	High value-added new generation products launch for ADAS
MCU	+	Shift from legacy products to high value-added products
Analog	÷	New product/project launch offset by specific products launch delay
Power	+	Shift from legacy category to growing high value-added products (e.g. IGBT for xEV)

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DIVERSIFICATION OF CASE+E/E

CASE +E/E

Service Vehicle

- Unmanned and full autonomous
- More adoption of xEV platform
- Focus on "transportation" value
- Ex: Waymo One, DuTaxi, DeliRO,

Owner Vehicle

- User-centric ADAS with integrated system architecture to support driver
- Focus on "comfort" value
- Ex: MBUX, vw.OS, Arene

Renesas Offering

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INTRODUCTION:
WIRELESS POWER FOR AUTOMOTIVE IN-CABIN

Portable Power Ecosystem

Charge Smartphone everywhere
Charge Accessories anywhere

Leading the Charge
- Top Global Customers
- Shipped > 500M Devices
- Around 100M Transmitters

Automotive Fitness
- Turnkey Ref Design
- Very low EMI

High Efficiency
- > 75% end-to-end
- As fast as wired
- Cool operation temperature

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WINNING COMBO – TRACK RECORD

1H/20 Releases

(# of release)

14 → 15

Plan   **Actual**

Analyst Day (Feb 2020)

1H/20 Design-in

Digital

Digital

Analog

Analog

Plan   **Actual**

Analyst Day (Feb 2020)
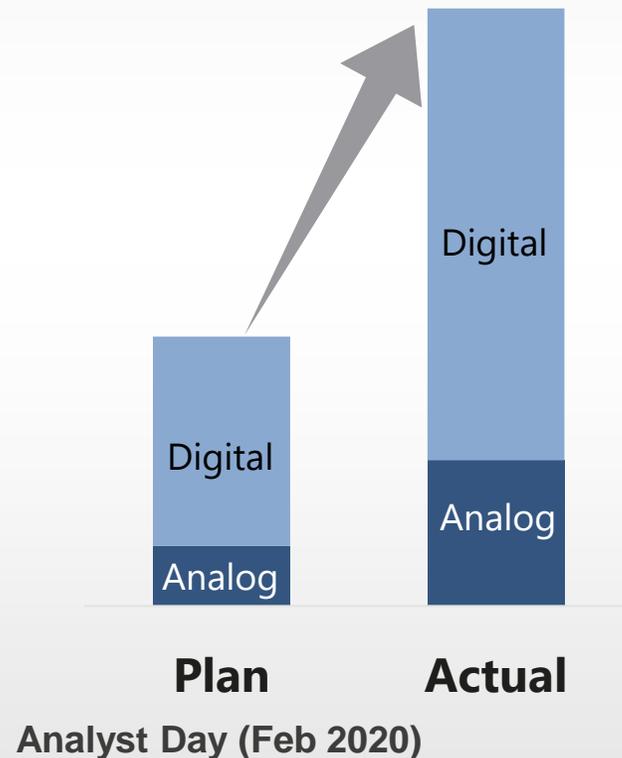
Winning combo for inverter

- EV/HEV inverter for Great Wall Motor & major India OEM
- Winning combo (MCU RH850 & PMIC) and SOP in 2021

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REINFORCEMENT OF ANALOG PROMOTION

Established analog focused frontline support

- Newly hired Sales and FAEs globally for analog support
- Established global analog promotion team to organize all analog Sales and FAE

Enhanced promotion support infrastructure

- Developed promotion documents and training materials for analog
- Executed global training utilizing COVID-19 lockdown period

Enriched web contents

- Increased Web content specialized for analog and its Winning Combo
- Added automotive solution to Renesas COVID-19 site (including Lidar)

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SUMMARY

Post COVID-19	■ Adjusted timeline of TAM growth ■ De-coupling: geopolitical and supply chain decentralization ■ Semi new entrants and tech platformers – new landscape
Growth strategy	■ Bidimensional approach: Scalability and Winning combo ■ More focus on platformer OEMs to leverage our strength ■ More focus on driver-appealing features
Steady progress	■ ASP growth by product mix shift ■ D-in overachieve with large-scale win and follower expansion ■ Winning combo release and success cases ■ Analog promotion reinforcement

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