

Spyker Ltd. Corporate Outlook

The General Automotive Industry:

The automotive manufacturers focused on the general market are threatened by a [decline](#), amongst others due to new mobility concepts. These range from ride-hailing service providers to car-sharing platforms, driverless cars and renewed focus on developing better and faster public infrastructure. The current generation in their twenties does not see the need to have a driver's license, especially so in the larger cities, as car ownership is cumbersome and expensive, and there are plenty of alternatives already present and more on the way. However, the way these business models threaten the business of the large automotive manufacturers focused on the mainstream market, the more they enhance the business of the niche manufacturers serving the world's wealthy. A car is becoming a commodity, a mobility solution, that you may not need to own eventually, but a sports car is a luxury, a symbol of status, the ability to distinguish yourself from the rest. To compare to the current airline markets, wealthier individuals pay a significant premium to separate themselves from the rest, to travel in private jets, whereas much more affordable and in some cases, especially for long distance travel, less time-consuming options are available.

Spyker's niche segment

Spyker is a niche manufacturer focused on serving the ultra-high net worth individuals (UHNWIs) around the globe. Spyker works on the basis of "build on order" meaning that Spyker does not manufacture cars that have not yet been sold to a dealer or end-user. Under normal circumstances, Spyker works with an order bank of between 18-24 months. As such, Spyker stands to benefit from the increasing demand for luxury for general transportation of HNWIs and UHNWIs. Its clientele is not significantly impacted by recessions, and while they may refrain from purchasing for a period of 6 months at a time when a recession is affecting their most prominent businesses, they will eventually return to purchase. Hence, the order bank acts as a natural buffer against the impact of any recession. With approximately [30,000 cars sold](#) in 2016 between the five largest luxury brands (Bentley, Ferrari, Lamborghini, McLaren and Rolls-Royce), a 51% increase versus 2011, the demand for luxury automobiles is strong, and entrance to the segment is difficult. Over the past 20 years, only 4 new players have successfully entered the luxury niche. These are Bugatti, Pagani, Koenigsegg and Spyker, all focused on segments above the current larger automotive luxury brands. Many others have tried to launch sports cars but have failed to establish themselves in the segment.

Carbon neutral future

The move towards alternative powered, carbon-neutral vehicles is irreversible, and whilst the luxury sports car segment will be one of the last to transform away from the current range of internal combustion engines in their vehicles (our customers have fuel running through their veins), numerous cities have adopted measures to limit polluting vehicles into their city centers. As such, Spyker will first move towards hybridisation with the introduction of the hybrid Spyker D8 Peking-to-Paris, which will allow for pure electric driving where required. Spyker is focused on combining an exhilarating driving experience and combine in with a carbon neutral future.