

2026 Automotive Supplier Outlook

Key trends shaping the industry



Foreword

Challenge and change have long been synonymous with the automotive industry, but there's no doubt that the pace at which the industry must confront those obstacles is accelerating. As the complexities of 2025 are now largely behind us, the insights captured in this report provide a critical understanding of the evolving landscape. This year has presented numerous challenges, from geopolitical tensions to rapid technological advancements, compelling companies to adapt and innovate.

Key industry players have shared their experiences in the report. Their continuing commitment to innovation and sustainability is evident as organizations re-evaluate strategies and embrace emerging technologies. The rise in electric vehicle adoption and the integration of artificial intelligence into operations highlight a significant transition toward a more sustainable future.

Collaboration is also crucial. Companies are forging strategic partnerships that transcend traditional boundaries, recognizing that the complexities of the market require shared expertise and resources. Also illustrated is how organizations are diversifying sourcing strategies and investing in advanced materials and production processes to meet evolving consumer expectations.

These insights are not merely reflections of the current state of the automotive industry; they are a roadmap for the future. They underscore the importance of resilience and adaptability in a rapidly changing landscape. As we look toward 2026 and beyond, the perspectives shared by industry leaders offer valuable lessons that can inform strategic decision-making and drive innovation.

We encourage you to explore these key 2026 automotive insights, which capture the industry's shared vision for building a more sustainable and resilient future. These findings offer a roadmap for navigating the challenges and opportunities ahead, enabling all automotive stakeholders to drive meaningful progress toward a more resilient automotive ecosystem.

Matteo Fini

Vice President, Research and Analysis, Mobility Global

Introduction

The automotive industry enters 2026 with a clear message from suppliers: volatility isn't fading, it's becoming the operational norm.

In interviews with 59 senior executives across the global supply chain, conducted by Mobility Global, leaders reflected on the realities of 2025—from ongoing supply chain friction and geopolitical uncertainty to rising customer expectations—and the strategic resets underway for the year ahead.

Leaders described a year defined by raw-material instability, lingering semiconductor effects, and tariff uncertainty that reshaped sourcing routes and inflated costs. Margin pressure intensified as suppliers struggled to pass increases downstream, prompting a renewed focus on agility, regional flexibility, and closer collaboration with OEMs and logistics partners. Many accelerated investments in automation, digital supply-chain tools, and hybrid global-local models designed to strengthen resilience.

Despite these headwinds, executives pointed to opportunity areas expected to accelerate in 2026. Demand for BEV and ADAS components is projected to grow, even as legacy powertrain segments see slower growth or regional contraction. Suppliers also reported increased prioritization of sustainability, regulatory compliance, and talent development—efforts aimed at staying competitive as structural shifts take hold.

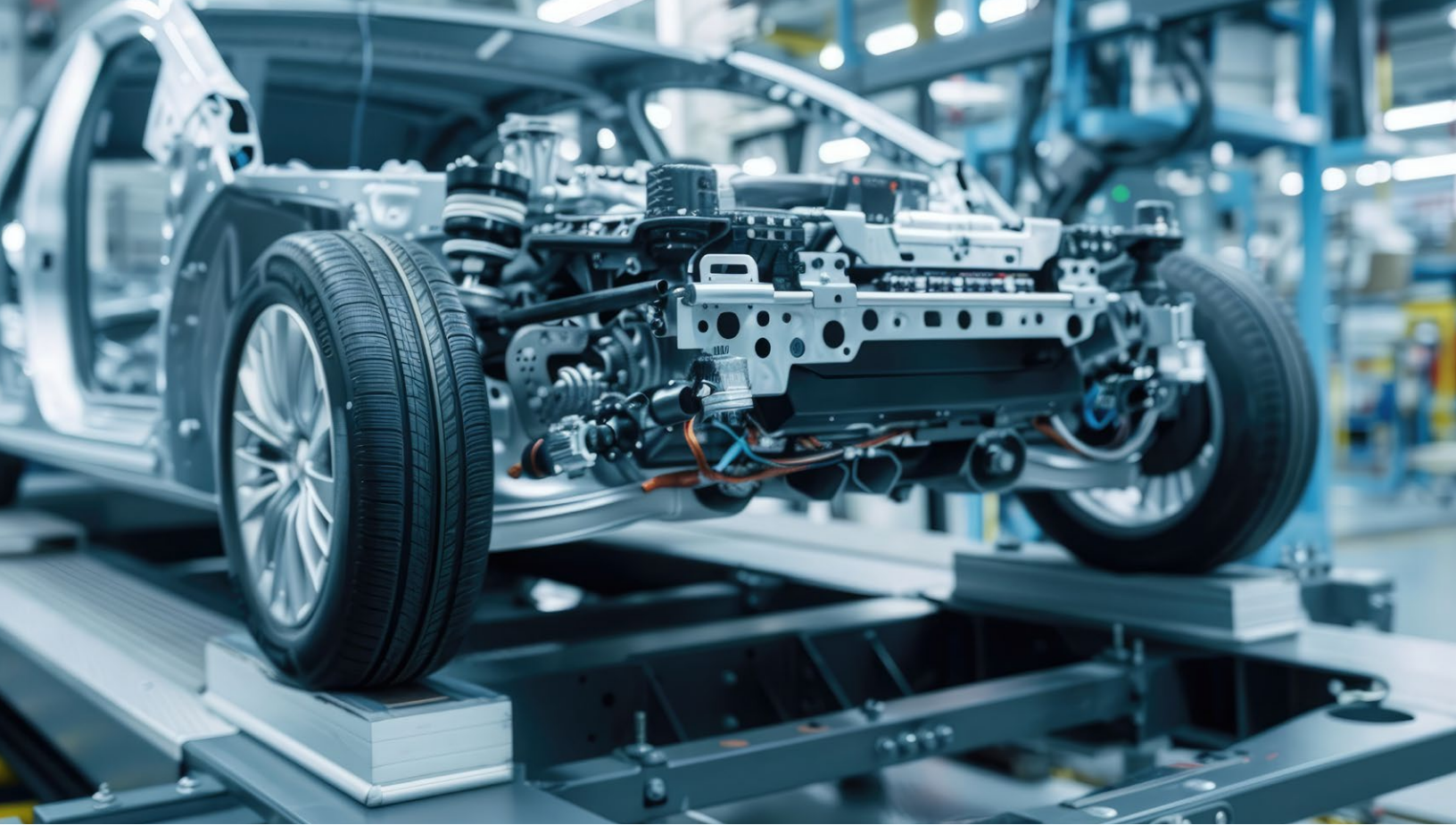
The perspectives featured here span five technology domains shaping next-generation mobility:

- Software and digital platforms
- Autonomous and ADAS systems
- Battery and electrification
- Materials and manufacturing technologies, and
- Mobility services and infrastructure.

Together, they offer a grounded view of where suppliers are doubling down—technology, diversified sourcing, cost discipline, and future-ready skills—and how they aim to emerge stronger in a market defined by uncertainty.

The 2026 Supplier Outlook is not just another industry snapshot; it serves as a reality check for OEMs, suppliers, tech players, analysts, and investors. By emphasizing real-world experiences over theoretical frameworks, the report equips stakeholders with the clarity needed to make informed decisions, align expectations, and recognize shared challenges.

This whitepaper highlights the leading insights, trends, and executive viewpoints shaping the 2026 Supplier Outlook report, which you can [read in full on our AutoTechInsight platform](#).



What suppliers are prioritizing now: Top 5 insights



Supply chain resilience

70% of suppliers reported enhancing their supply chain strategies to mitigate risks associated with geopolitical tensions and economic volatility.



Talent acquisition challenges

60% of companies indicated that talent shortages in specialized areas remain a challenge, prompting investment in workforce development.



Sustainability initiatives

75% of suppliers are prioritizing sustainability practices, including the use of recycled materials and environmentally friendly manufacturing processes.



Strategic partnerships

50% of suppliers are actively pursuing strategic partnerships with OEMs and technology firms to enhance innovation and market reach.



Regulatory compliance investments

65% of companies are investing in compliance solutions to meet evolving regulatory standards, particularly concerning emissions and safety.

Top challenges suppliers faced in 2025

What were the most significant operational or market challenges your business faced in 2025, and how did you adapt to them?



“While tariffs, chip shortages and cyberattacks have undoubtedly posed challenges both in 2025 and in recent years, the main point of uncertainty is shifting legislation.”

John Hollingworth
Sales and Marketing Director, MAHLE Powertrain

“In 2025, the challenge was executing at scale while managing uncertainty. Beyond shifting trade policies or supply chain disruptions, it meant helping customers manage major technology transitions, such as the increasing use of GenAI in design, manufacturing and supply chain management, while controlling costs.”

Matthew Cole
Senior Vice President and President of Advanced Safety and User Experience, Aptiv



The uncertain impact of emerging mobility solutions, such as electrification, Mobility as a Service (MaaS) and hydrogenation, has introduced additional complexity and concern [...] external factors, including emissions and REACH legislation, as well as ongoing tariff uncertainties, have necessitated an unprecedented level of flexibility and agility

Daniela Patrizi
General Manager Europe, Middle East, Africa and India, Lubricants, Chevron

Across the 59 interviews, suppliers described 2025 as a year where volatility was nearly constant. Geopolitical tension and major shifts in tariff policy reshaped sourcing almost overnight, forcing rapid operational pivots.

AB Dynamics, for example, cited supply disruptions that required “fast-tracking contingency planning” and diversifying component sourcing to maintain customer continuity. BASF Coatings similarly responded to shifting tariffs by qualifying alternative suppliers and adapting formulations based on material availability.

Market instability extended to financing. Hardware-focused electrification companies faced a sharp contraction in capital, with Allye Energy navigating what it called a “cleantech winter” by securing bridge funding from existing investors. Meanwhile, Easee saw the EV charging market undergo a reset as reduced incentives, heightened competition and higher expectations around quality, compliance and interoperability reshaped the landscape.

Technology players faced unique pressures as well. aiMotive responded to surging data needs by automating more of its development process and streamlining its software to keep teams moving quickly. OmniVision balanced varying regional supply chain requirements while raising camera performance standards, particularly in low-light imaging and always-on safety monitoring.

Across segments, suppliers mitigated these pressures with digitalization—adopting simulation, automation and AI-augmented development—and by strengthening multi-region manufacturing footprints. The result was a more resilient, more adaptable supplier base emerging from a year of unpredictability.

2026 outlook: Challenges and opportunities for the industry

As you look ahead to 2026, what are your expectations for your company's growth and the broader automotive industry?



"Global market trends indicate that the future of mobility is electric. In the next decade, BEVs are expected to become the dominant drivetrain technology. Hybrid architectures, including plug-in hybrids, mild hybrids and range extenders, will also play an important role and offer ongoing innovation potential."

Thomas Stierle
CEO E-Mobility, Schaeffler

"The transition to electric or electrified powertrains and SDVs are reshaping what is expected from us [...] While economic and regulatory headwinds remain, we expect greater clarity, for example if the EU regulation for powertrains is updated following the principle of technological neutrality."

Joachim Fetzer
Chief Technology and Innovation Officer, Marelli



"[The] shift toward electrification and low-carbon mobility [...] is expected to vary by region and application. We have already seen many OEMs slow or roll back their BEV plans for now, due to concerns over consumer costs and fierce international competition."

Olivier Krotoszyner
Chief Operations Officer, Clean Air Division, Johnson Matthey

Executives expect 2026 to be a year of selective but meaningful growth. Demand is strongest in electrification, autonomy, SDVs and in-cabin intelligence. Clarios, for example, expects 2026 to be an inflection point as OEMs accelerate adoption of advanced low-voltage systems and supercapacitors to support the higher power demands of emerging software-defined vehicle platforms. Harman expects accelerated global growth as the "in-cabin experience becomes the ultimate differentiator," supported by its productized Ready solutions.

Autonomous mobility is also poised for progress. Mobileye plans to launch its first EyeQ6-based Level 4 robotaxi program in the US with Volkswagen's MOIA/ADMT, targeting removal of the safety driver by late 2026. AUMOVIO forecasts continued outperformance in centralized compute and AD architectures, supported by a new \$110 million ADAS facility in Texas.

Some expect uneven growth but clearer direction. Yanfeng projects European production stabilizing at a new lower baseline, with EV model launches restoring volume predictability. Tata Steel UK anticipates modest 1–2% uplift in consumer spending but warns of continued tariff uncertainty and delayed EV programs.

Others are expanding beyond automotive. MAHLE Powertrain plans growth in adjacent sectors by leveraging its battery and zero-carbon combustion expertise.

Across all responses, suppliers view 2026 as a stabilizing year that rewards technology depth, cost discipline and strategic focus.

2026 priorities and investments

What strategic priorities or investments will be most important for your business in 2026 to remain competitive and resilient?



“We expect greater polarization between agile, software-centric EV manufacturers operating on two- to three-year cycles and legacy OEMs tied to traditional timelines. Digitalization will determine who keeps up, while sustainability pressures, ranging from stricter CO₂ goals to recycling mandates, will reshape engineering workflows...”

Richard Ahlfeld
CEO and Founder, Monolith

“In 2026, our strategic priorities will focus on maintaining competitiveness and resilience through innovation, supply chain optimization and talent development. We continue to invest in new technologies, particularly digital and AI-enabled tools, to enhance customer collaboration, provide supply chain agility, accelerate our innovation cycle and drive operational efficiency.”

Alisha Bellezza
Senior Vice President, Automotive OEM Coatings and Packaging Coatings, PPG



“Having strong ecosystem partnerships is one of our greatest differentiators and is instrumental for helping the entire automotive industry evolve toward more automated and intelligent vehicles.”

Dennis Laudick
Senior Director of Product Marketing – Head of Automotive, Qualcomm

In 2026, suppliers are centering their strategies on technology leadership, operational resilience and platform-based collaboration. Many are doubling down on innovation: Ambarella put 63% of its revenue into AI research last year, helping it build its newest chips for autonomous driving. Clarios is scaling supercapacitor production, introducing next-generation AGM variants and advancing sodium-ion technology as part of its expanding low-voltage energy storage roadmap.

Several companies are optimizing global operations to protect competitiveness. BWI Group is consolidating manufacturing regions, expanding supplier partnerships in mainland China and transferring engineering workloads to Poland, Mexico and mainland China to improve cost efficiency. Yanfeng plans targeted production capacity alignment and workforce upskilling, including AI-focused training to support its Smart Products initiative.

Partnership-driven resilience is another dominant theme. AUMOVIO established an in-house semiconductor design unit and secured GlobalFoundries as a strategic partner to ensure long-term supply security. Vaionic Technologies is prioritizing partnerships with OEMs and Tier 1s to industrialize its axial-flux e-drive platform rather than building manufacturing internally.

Software, data and digital ecosystems also rise to the forefront. Easee is investing in grid-balancing energy services, while Loftware is broadening its cloud-enabled collaborative ecosystem, aiming to help customers standardize labeling and product identification processes while improving compliance, speed and responsiveness across global operations.

Looking ahead, companies are approaching 2026 as a pivotal year to reinforce flexibility and accelerate innovation, ensuring they remain resilient and competitive in the existing market.

Conclusion

The automotive industry's outlook for 2026 reflects both evolving challenges and transformative opportunities. Market dynamics—including shifting EV incentives, heightened scrutiny on quality and cybersecurity, and region-specific supply chain pressures—underscore the need for flexibility and operational resilience. At the same time, the ongoing push toward electrification, advanced driver assistance systems, edge-AI, and connected vehicle technologies continues to create substantial growth potential.

Suppliers that combine innovation with strategic execution are positioning themselves for leadership. Clarios, for example, is scaling supercapacitor production and developing next-generation AGM batteries, while Ambarella invested heavily in edge-AI R&D to advance its third-generation autonomy chips.

Easee has recalibrated in the EV charging market, and Loftware is expanding labeling networks to support stronger supplier collaboration. Technology providers like aiMotive and OmniVision are navigating rising data and sensing demands through modular architectures and high-performance imaging solutions.

By embracing new technologies, prioritizing quality and cybersecurity, and maintaining agility in the face of market shifts, the automotive supply chain is poised to capitalize on the transition toward more power-dense, connected, and autonomous vehicles. Though uncertainty remains, companies that are forward-thinking, resilient, and strategically collaborative will find abundant opportunities for growth and long-term success.

AutoTechInsight (ATI) is a subscription-based platform that allows you to quickly gain intel on market developments and technology trends, dive into granular forecasts, and seamlessly drive analytics to support challenging decision making.

Download the full [2026 Automotive Supplier Outlook](#).

If you would like to join us for our 2027 Supplier Outlook, please contact matthew.beecham@mobilityglobal.com

List of suppliers interviewed

- AB Dynamics
- Addionics
- ADS-TEC Energy
- aiMotive
- Allye Energy
- Ambarella
- Ansible Motion
- Aptiv
- AUMOVIO
- BASF Coatings
- Benteler Group
- bitsensing
- BWI Group
- Cerence AI
- Ceres Holographics
- ChargePoint
- Chevron
- Clarios
- Cyclic Materials
- DXC Luxoft
- Easee
- Elektrobit
- Factorial Energy
- Falken
- Geotab
- Harman
- HCLTech
- Hydro Extrusions
- Ilika
- IMAGIN.studio
- Inchcape
- Ioki
- Johnson Matthey
- KPIT Technologies
- Lenovo Vehicle Computing
- Loftware
- MAHLE Powertrain
- Marelli
- Meech International
- Mobileye
- Monolith
- Nano One Materials
- Nyobolt
- OmniVision
- PFX Group
- Phyrion
- Point S
- PPG
- Qualcomm
- Renesas
- Repairify
- rFpro
- Schaeffler
- Tata Steel UK
- Vaionic Technologies
- Voltera Power
- Yanfeng
- ZF
- ZYT





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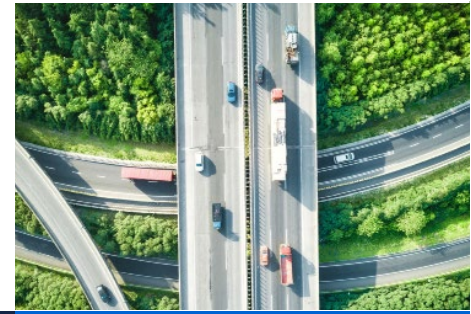
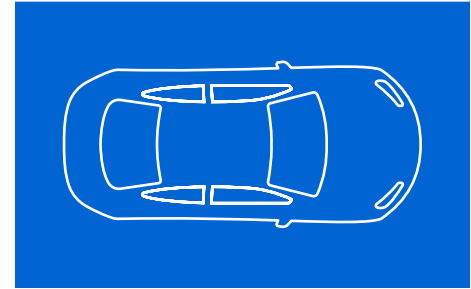
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- **Sales Solutions** including trusted offerings like automotiveMastermind and Polk data help dealers and OEMs understand markets, find opportunities, and connect with the right customers at the right time.
- **CARFAX** gives millions of consumers the trusted information they need to buy, sell, and take care of their cars with confidence.

As mobility keeps evolving, we'll keep partnering with our customers to solve their most complex challenges so they can make decisions that move them, and the world, forward.

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