

Recommendations for Client Case

Bobby Cunningham



TESLA



How can Tesla reach 25% market share in the progressive European market by 2030?



Recommendations

Implementation & Financial Impact

Conclusion

How can Tesla reach 25% market share in the progressive European market by 2030?



Recommendations



Develop a Compact Car



Develop a Light Truck



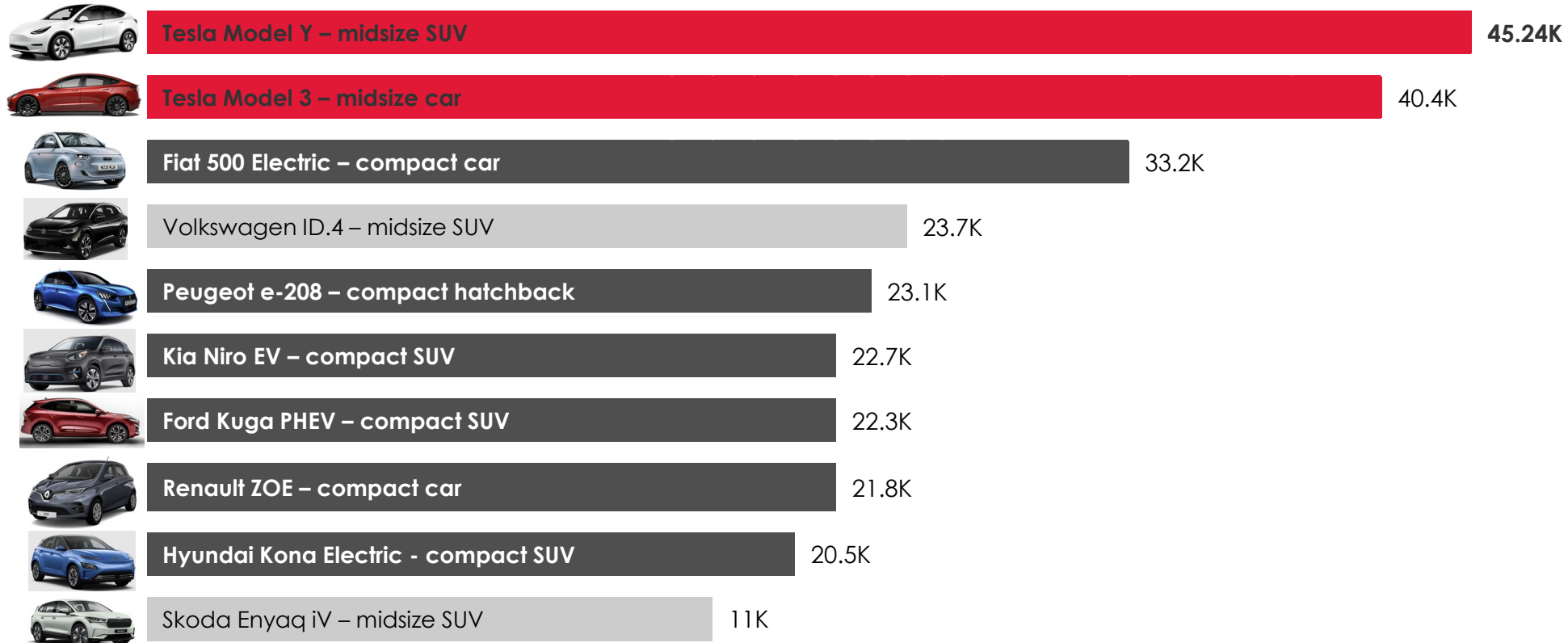
Penetrate Corporate Fleet Sales Market

Recommendation: Develop a Compact Car



Six of the top 10 selling EVs in Europe are compacts

Best Selling Plug-in EVs in Europe Jan – June 2022 (in units sold)



Compact Car

Light Truck

Corporate Fleet

The rise of Europe's affordable EV



Tesla is being undercut by rivals, and smaller, cheaper EVs are on the way

2022 Vehicle Retail Prices in Germany



Tesla Model 3

Renault ZOE

Volkswagen ID.3

Volkswagen four door hatchback (2025)

€49,900

€32,624

€31,350

€17,000



Compact Car

Light Truck

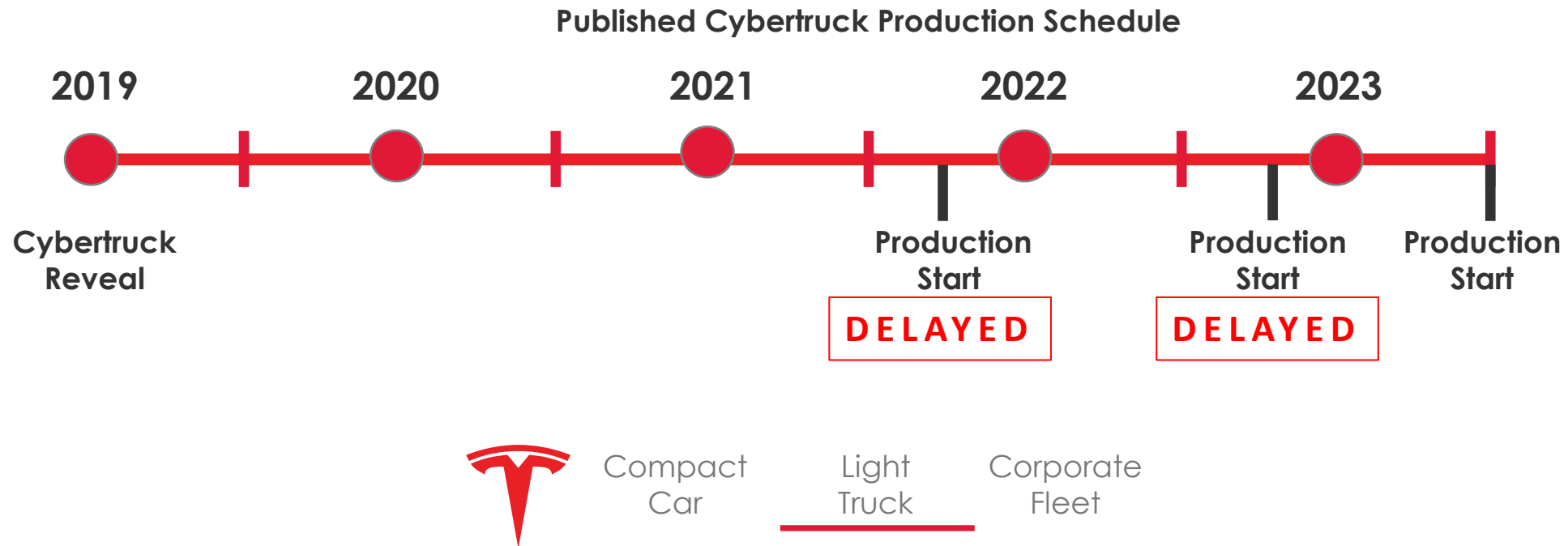
Corporate Fleet

Recommendation: Develop a Light Truck



Tesla needs more than the Cybertruck to meet Europe's truck demand

Tesla Cybertruck demand (1.5 million reservations) exceeds foreseeable production capacity
Cybertruck reservations in Europe and China were closed in May 2022



Europe's light truck demand will surge over next 8 yrs



The European electric truck market will grow 1,518% (\$287M to \$4,358M) by 2027

European government subsidies for converting to light EV trucks

Early adopters in Europe will opt for light-duty trucks,

Light trucks will capture about 87% share of the EV truck market by 2030



Compact
Car

Light
Truck

Corporate
Fleet

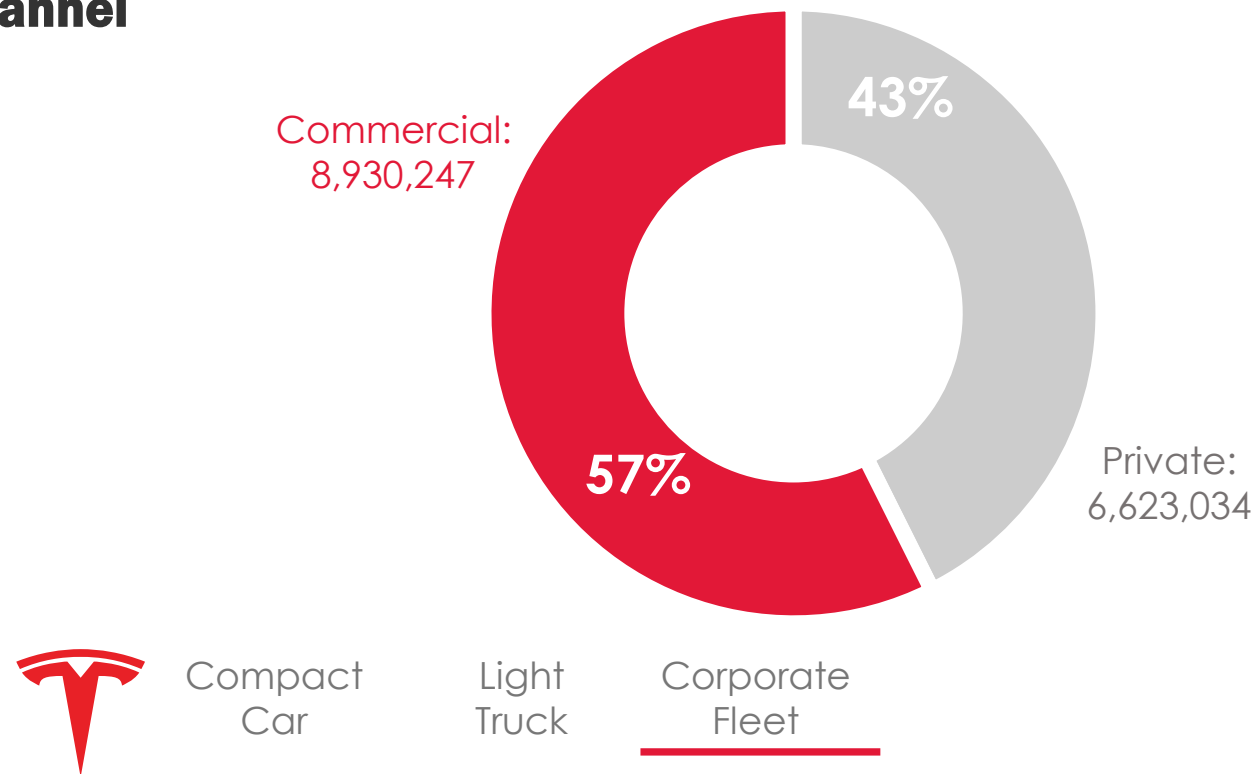
Recommendation: Penetrate Corporate Fleet Sales Market



The company car sales are about 32% (€ 300 billion) of the European market for new cars

Nearly 6 out of every 10 car purchases in Europe are made through the corporate sales channel

2019 Passenger Vehicle Sales, in Units

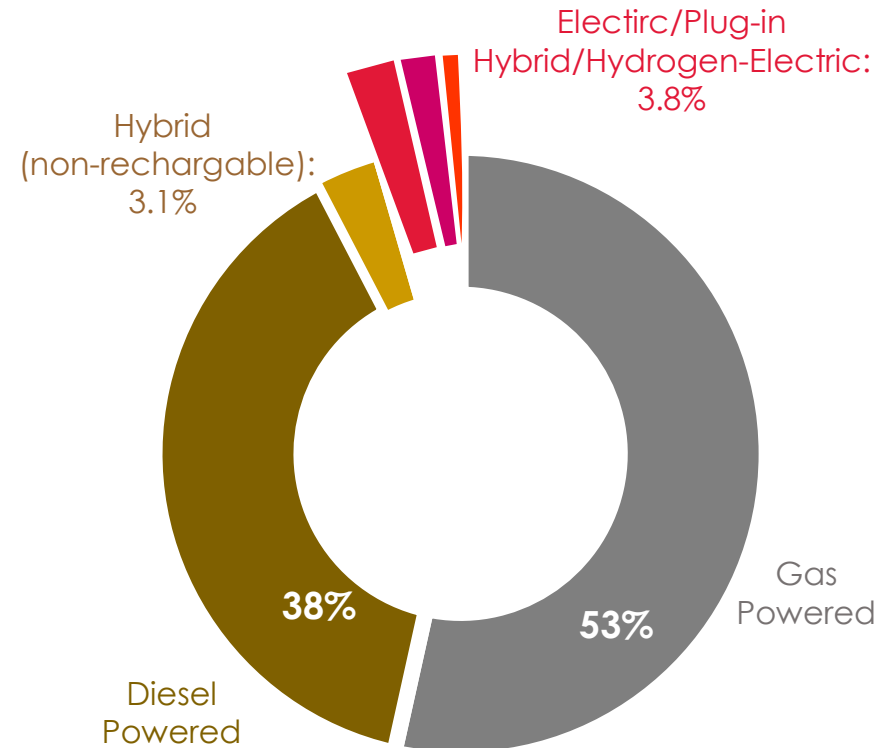


Recommendation: Penetrate Corporate Fleet Sales Market



The company car sales are about 32% (€ 300 billion) of the European market for new cars

EVs make up less than 4% of the European corporate fleet



Compact Car

Light Truck

Corporate Fleet

US Rivals capitalizing on Europe's Corporate Fleets



Rivian – Amazon Deal

Electric commercial vans and trucks

Amazon's European delivery network

Net-Zero Carbon by 2040 Campaign

10,000 vehicles by 2025

\$927M



Compact
Car




Light
Truck

Corporate
Fleet

Implementation and Financial Impact



The Three Recommendations represent initiatives of varying risk over the next three to seven years.

| Recommendations | Risk | Detail |
|---|------|--|
|  | Low | <ul style="list-style-type: none">Existing models architectureExperience developing similar vehicles |
|  | High | <ul style="list-style-type: none">Multiple setbacks with Cybertruck |
|  | Med | <ul style="list-style-type: none">Requires developing a corporate sales business modelUtilize existing vehicle models |

Source: <https://www.assemblymag.com/articles/96955-tesla-leads-the-way-on-rd-spending>




Source: <https://www.autoevolution.com/news/tesla-model-p-electric-pickup-truck-is-nothing-more-than-wishful-thinking-147089.html>

Source: <https://electrek.co/2021/09/09/tesla-electric-car-rendered-sporty-model-q-hatchback-dope-or-nope/>

Implementation and Financial Impact



Estimates use baseline measures from Model Y, Model 3 and Cybertruck models
All costs are in current year , and have not been adjusted for future annual inflation

| Recommendations | Initial Investment | Delivery Timeframe | Estimated Price | Estimated Annual Revenue | Estimated Annual Profit |
|---|-----------------------|--------------------|-----------------|--------------------------|-------------------------|
|  | \$122M / 93K vehicles | 3 years | €27,284 | €2.54B | €725.68M |
|  | \$170M / 81K vehicles | 5 – 7 years | €31,337 | €2.54B | €761.51M |
|  | --- / 76K vehicles | N/A | €49,900 | €3.81B | €1.53B |

Source: <https://www.assemblymag.com/articles/96955-tesla-leads-the-way-on-rd-spending>

Source: <https://www.autoevolution.com/news/tesla-model-p-electric-pickup-truck-is-nothing-more-than-wishful-thinking-147089.html>

Source: <https://electrek.co/2021/09/09/tesla-electric-car-rendered-sporty-model-q-hatchback-dope-or-nope/>

Three Recommendations meet the 25% market share goal



Compact Car

Light Truck

Corporate Fleet

