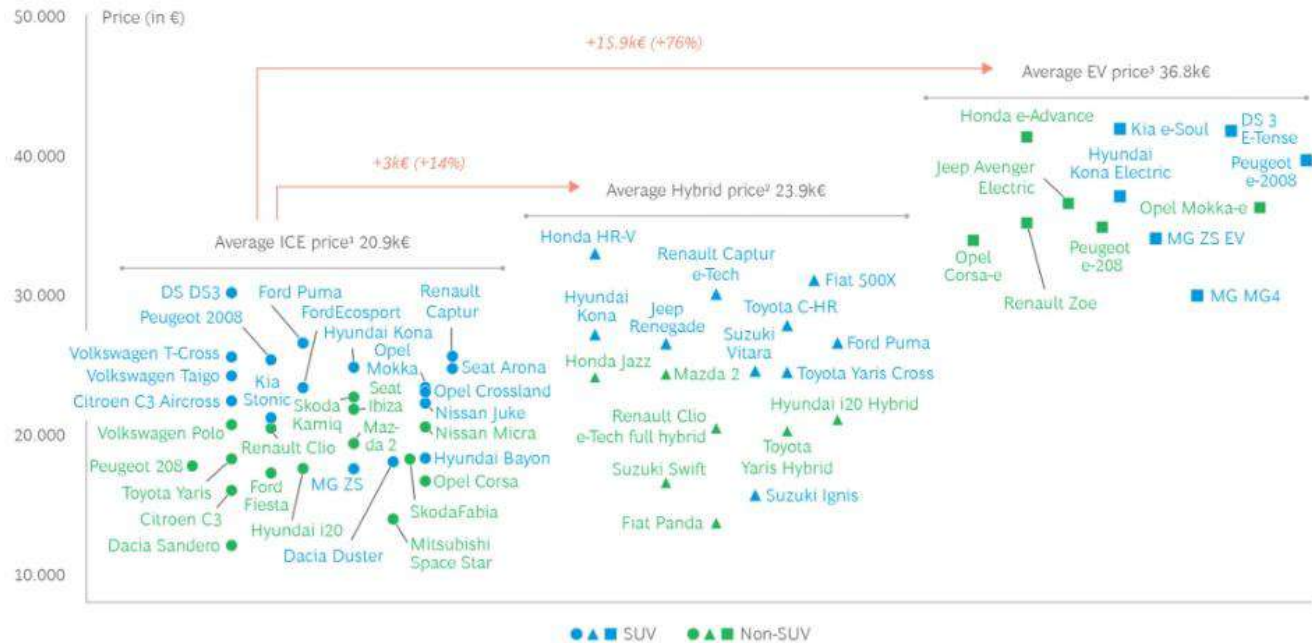




# The High-Stakes Race to Build Affordable B-Segment EVs in Europe

Octobre 2023

# Exhibit 1 - B-Segment EV Price Premium in France Compared to Entry-Range ICE and Hybrid Vehicles



Sources: EV-database.org. as of March 2023; listed OEM websites (French version) as of March 2023; BCG analysis.

**Note:** Entry-level price in euros in France as of March 2023; Ecological bonus and benefits excluded from analysis; Focus on entry-range B-segment vehicles from the listed OEMs: Citroen, Dacia, DS, Fiat, Ford, Honda, Hyundai, Jeep, Kia, Mazda, MG, Mitsubishi, Nissan, Opel, Peugeot, Renault, Seat, Skoda, Suzuki, Toyota, Volkswagen. High-range B-segment discarded in the analysis.

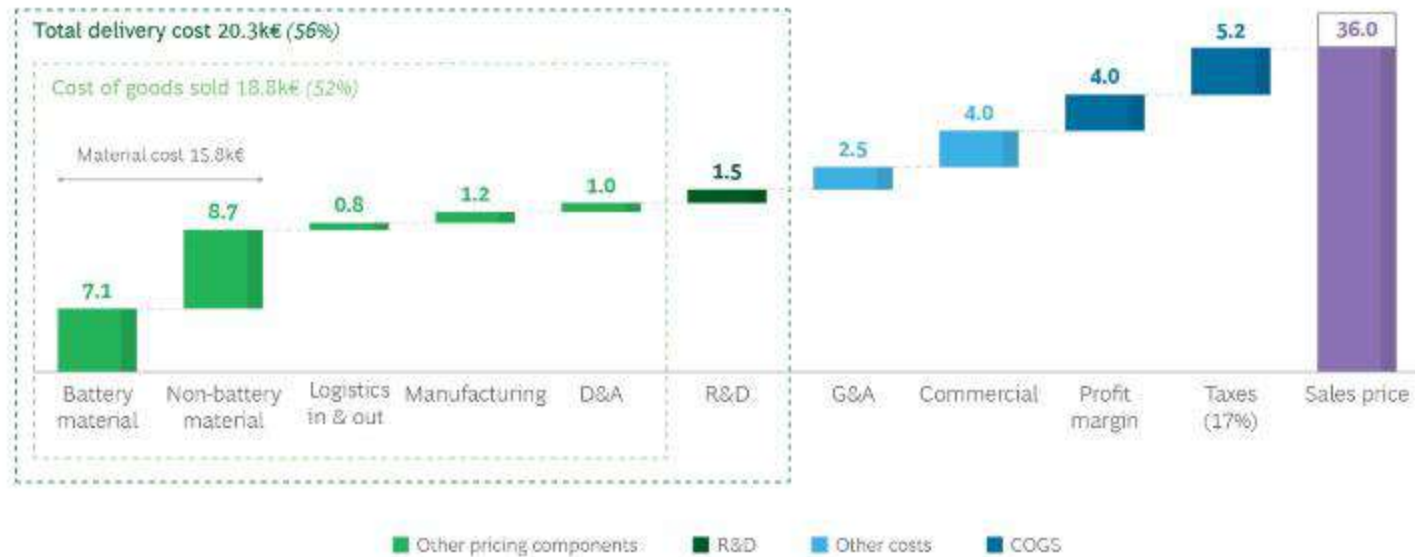
¹Average price calculated based on 33 ICE models.

²Average price calculated based on 17 hybrid models.

³Average price calculated based on 12 EV models.

## Exhibit 2 - Average B-Segment EV Price by Cost Categories

Current EV sales price breakdown (k€)



**Sources:** An Overview of Parameter and Cost for Battery Electric Vehicles - World Electric Vehicle Journal (Feb 2021); BCG expert interview; BCG analysis.

**Note:** Manufacturing = Plant Added Value; D&A = Depreciation and Amortization; R&D = Research and Development; G&A = General and Administrative expenses.

<sup>1</sup>On-shoring production post-semiconductors crisis, sustainable material (recycled) more expensive, etc.

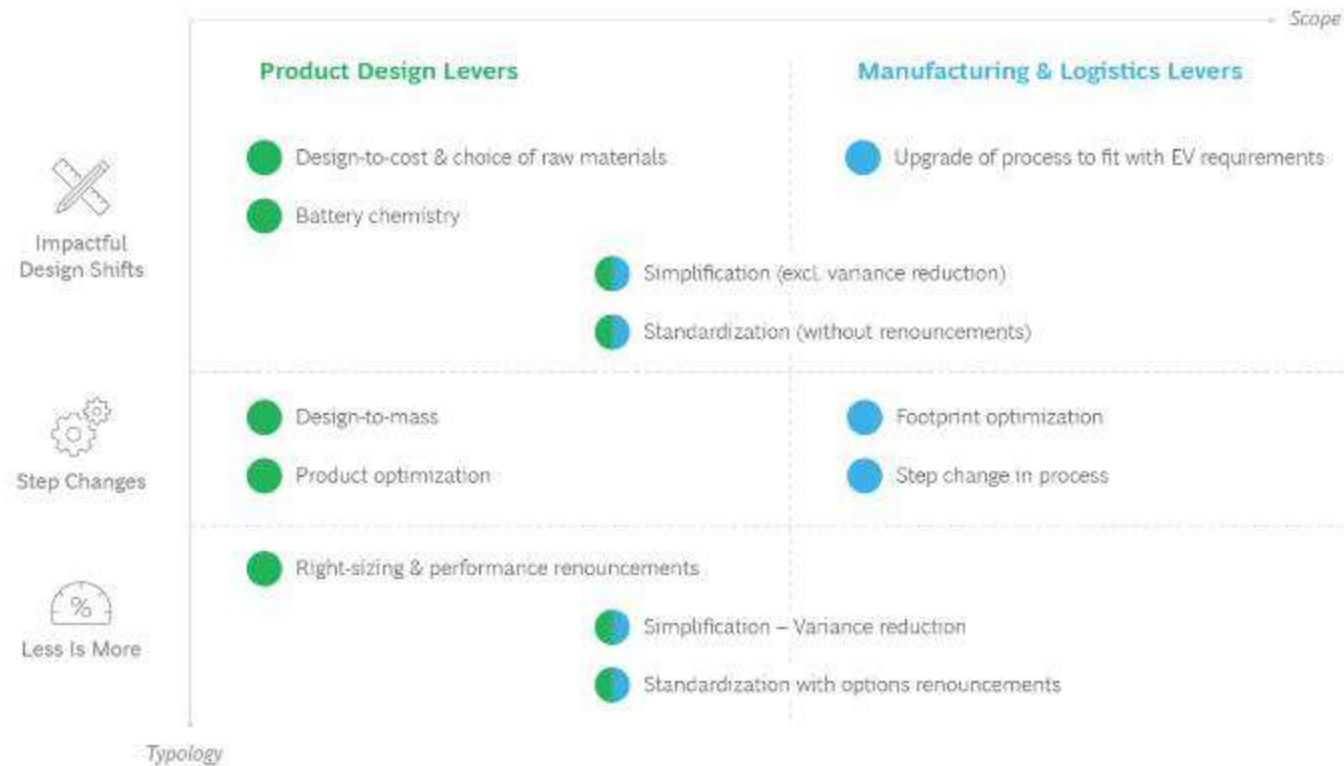
## Exhibit 3 - B-Segment EV Material Costs Comparison with the ICE Equivalent



**Sources:** An Overview of Parameter and Cost for Battery Electric Vehicles - World Electric Vehicle Journal (Feb 2021); BCG expert interviews; BCG analysis.

**Note:** BCG adjusted the battery cost from 8000 to 7000 from source to match expert view and re-allocated 1000 cost on E-drive (associated battery costs). Powertrain includes E-Drive for EV.

## Exhibit 4 - Twelve Ways to Cut Costs in EV Design and Manufacturing

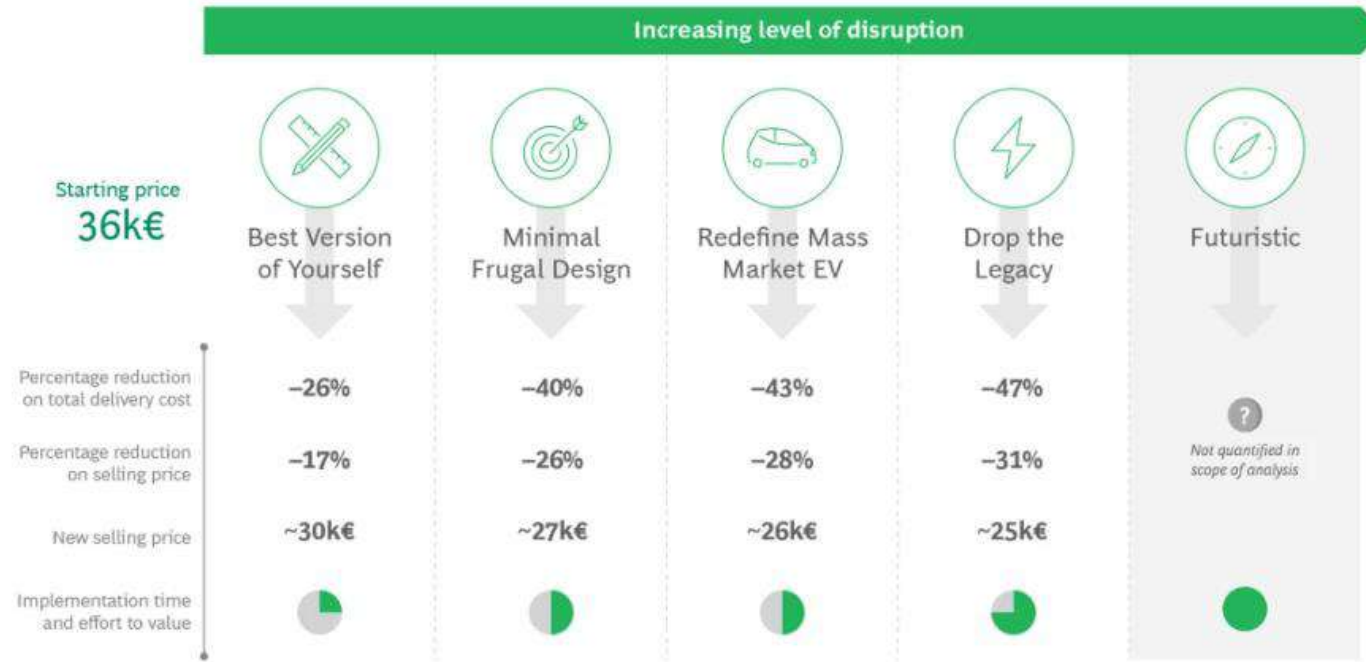


Source: BCG analysis.

Note: The simplification and standardization sub-levers are split between two types: Impactful Design Shifts and Less Is More.



## Exhibit 5 - Five Strategies for Cutting Costs and Producing an Affordable B-Segment EV



Source: BCG analysis.

**Note:** Price of 24.9k€ with the EV Pioneer Strategy achieved with activation of the Footprint lever in "Offshoring" mode. Footprint lever in "Nearshoring" mode brings selling price to 25.5k€. No Footprint lever activation brings selling price to 25.9k€.

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