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The Impact of Middle Cycle Actions on Light Commercial Vehicles

from Pricing Strategy to execution through KPI

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Abstract

In the realm of Light Commercial Vehicles (LCVs), this comprehensive study endeavors to assess the profound impact of implementing a Middle Cycle Action (MCA). MCA constitutes a significant facet in the lifecycle of LCVs, and this thesis aims to shed light on its multifaceted implications. The research voyage commences by offering a comprehensive backdrop of the LCV environment, providing insights into the intricate dynamics that exert their influence on this segment. This contextual understanding is paramount in discerning the unique Key Performance Indicators (KPIs) that govern LCVs.

A significant focal point of this thesis revolves around the intricate realm of pricing activities, spanning the entire spectrum from the formulation of Pricing Strategy to its meticulous Execution. The methodologies employed in this pricing endeavor are dissected, revealing the intricacies of achieving profitability while concurrently establishing a distinctive market positioning. The interplay of these pricing strategies with the broader operational landscape necessitates a deep dive into the role and significance of Pricing Indicators throughout the various phases of MCA. It is within this framework that the transformation of Pricing Indicators during the critical launch phase is scrutinized, underlining their evolving nature and their strategic orientation to achieve predefined objectives.

The role of the Pricing Team in this complex interplay takes center stage, offering an essential perspective in understanding the nuanced positioning of a vehicle within the highly competitive LCV market. Their collaboration with Finance, Marketing, and Product Teams underscores the interdisciplinary nature of pricing activities. Moreover, the study emphasizes the pivotal function of Project Management, serving as the fulcrum that orchestrates seamless coordination of time and tasks. This harmonious orchestration is instrumental in ensuring that the LCV launch adheres to its scheduled deadlines.

Intricately interwoven within this multifaceted landscape are the sophisticated logics and strategies that underpin pricing decisions. The detailed analysis presented within this thesis not only encapsulates the complexities of pricing within the LCV sector but also provides valuable insights into the pivotal role of Pricing Teams, the collaborative synergy among various departments, and the essential Project Management phases that collectively contribute to the success of LCVs in the market.

Summary

1. Introduction

1.1. From Fiat to FCA

The genesis of Stellantis, a monumental force in the contemporary automotive landscape, can be traced back to the Italian automaker Fiat, founded in 1899. From its humble beginnings, Fiat quickly established itself as a significant player in the European automotive industry, diversifying its product offerings to include a wide range of vehicles. Over the years, Fiat's ambitions led to the acquisition of various prestigious brands like Lancia, Alfa Romeo, and Maserati. However, it was in 2009 that Fiat embarked on a transformative journey by acquiring a substantial stake in Chrysler Group LLC, a move that opened the doors to the American automotive market. Under the visionary leadership of CEO Sergio Marchionne, Fiat and Chrysler merged in 2014, forming Fiat Chrysler Automobiles (FCA). This merger marked a turning point, positioning FCA as a global automotive giant with an impressive brand portfolio, spanning from Fiat and Chrysler to Jeep, Alfa Romeo, Maserati, and more. On the 6th of May, 2014, Fiat Chrysler Automobiles unveiled an ambitious 5-year business plan that outlined a strategic vision for the company.

1 FCA Brands

The plan charted a course for remarkable growth, projecting sales to soar to 7 million units, revenues to reach €132 billion, and net income to achieve €5 billion. Concurrently, the plan acknowledged the challenges of industrial debt, anticipating it to peak at €11 billion in 2015, with a subsequent reduction to a more manageable €0.5-1 billion by the close of 2018.

This vision of growth was particularly centered on the globally acclaimed Jeep brand, capitalizing on its widespread recognition and the surging demand in the international SUV market. Chrysler, within this plan, underwent a repositioning strategy to emerge as the company's mainstream North American brand, directly contending with industry stalwarts like Ford, Chevrolet, Toyota, and Volkswagen. In a parallel move, Dodge was designated to specialize in performance-oriented vehicles.

The plan also allocated distinct roles to other marques within the FCA portfolio. Alfa Romeo was slated to take on the mantle of the company's premium brand, entering the arena to compete with the likes of BMW, Lexus, and Audi. Meanwhile, Maserati would elevate itself to become the

company's ultra-luxury brand, ready to go head-to-head with established names such as Mercedes-Benz, Bentley, Jaguar, Aston Martin, and Rolls-Royce. In this landscape, Fiat, which continued as the company's mainstream brand outside of North America, and Ram Trucks, remained relatively untouched.

Notably absent from this grand vision was Lancia, which would subsequently confirm its withdrawal from all markets beyond the borders of Italy. This strategic blueprint not only promised expansive growth but also a profound transformation of FCA's brand portfolio, setting the stage for the company's significant role in the evolving global automotive industry.
On the 14th of July 2015, Sergio Marchionne, the CEO of Fiat Chrysler Automobiles, and Dennis Williams, President of the United Auto Workers (UAW), initiated contract negotiations. In a moment that would reverberate across the globe, Marchionne and Williams shared a surprising embrace, symbolizing the commencement of discussions between the UAW and U.S. automakers. Fast forward to the 8th of January 2017, Marchionne made a significant announcement, outlining plans to inject $1 billion in plant investments and create 2,000 jobs by the year 2020. He attributed this decision to the negotiations that had commenced back in 2015 with Williams, underscoring their pivotal role in shaping the company's future.

1.2. From FCA to Stellantis

The completion of the merger between Fiat Chrysler and PSA to create Stellantis marks a significant development in the global automotive industry. This newly formed conglomerate now stands as the fourth-largest auto group in the world, giving it the necessary resources to take on major competitors like Toyota and Volkswagen, especially as the automotive industry is transitioning towards electric mobility. The merger was a complex and lengthy process, taking over a year to finalize, with numerous challenges and unforeseen events, most notably the COVID-19 pandemic, which had a significant impact on the global economy.

This merger was initially announced in October 2019, and it aimed to create a powerhouse with a combined annual sales volume of approximately 8.1 million vehicles. While the merger was a challenging process, with negotiations spanning an extended period, it ultimately came to fruition, providing the automotive world with Stellantis.

As Stellantis begins trading on stock exchanges in Milan, Paris, and New York, the focus now shifts to the strategy of Carlos Tavares, the CEO of Stellantis. Tavares, who was previously the CEO of PSA, has a proven track record of effective leadership in the automotive industry. During his tenure at PSA, he successfully led the company to improved performance, which includes its return to the U.S. market, a significant achievement.

The challenges awaiting Stellantis are numerous. They include optimizing production capacity, revitalizing underperforming divisions, particularly in China, and addressing global overcapacity concerns. These are issues that Stellantis will need to tackle methodically and efficiently. The market is keen to understand how Stellantis plans to achieve its ambitious cost-cutting targets of over 5 billion euros without resorting to plant closures.

Tavares is known for his action-oriented approach and a preference for delivering results rather than making bold statements. Therefore, while stakeholders and industry experts anticipate a high-level action plan, the finer details of the strategies might not be unveiled immediately.

The primary focus for Stellantis, like its industry peers, is the transformation to electric mobility. This requires substantial investments in electric vehicle development and infrastructure. In addition to electrification, Stellantis must address other challenges, including the complexities of operating in a global marketplace, managing a diverse brand portfolio, and navigating evolving consumer preferences.

Overall, the creation of Stellantis is a significant step in the automotive industry's evolution, and the company's performance in the coming years will be closely watched as it seeks to navigate these complex challenges while advancing the future of mobility.

1.2.1. The Merging

The birth of Stellantis, a formidable force in the automotive industry, was not a mere coincidence but a calculated merger, a strategy frequently employed by companies to enhance their market position and competitiveness. Mergers are intricate transactions in which two or more companies consolidate their operations, assets, and resources to create a single, stronger entity. The merger of Fiat Chrysler Automobiles (FCA) and the

PSA Group stands as a prime exemplar of this strategic maneuver. In the realm of mergers and acquisitions, such a move is typically characterized as a "horizontal merger."

2 Stellantis Brands

This type of merger involves companies in the same industry and at the same stage of production, making it a powerful strategy for strengthening their competitive stance. By combining their operations, FCA and PSA aimed not only to consolidate their market positions but also to leverage their respective strengths. FCA's legacy of cost-effective philosophies and existing Light Commercial Vehicle (LCV) division, coupled with PSA's innovative approaches, facilitated the creation of a merger where individual brands could thrive while maximizing margins on the entire product spectrum. As the fourth-largest automotive original equipment manufacturer in terms of sales volume, the merger resulted in a combined revenue of more than $180 billion, underlining the strategic significance of this union.

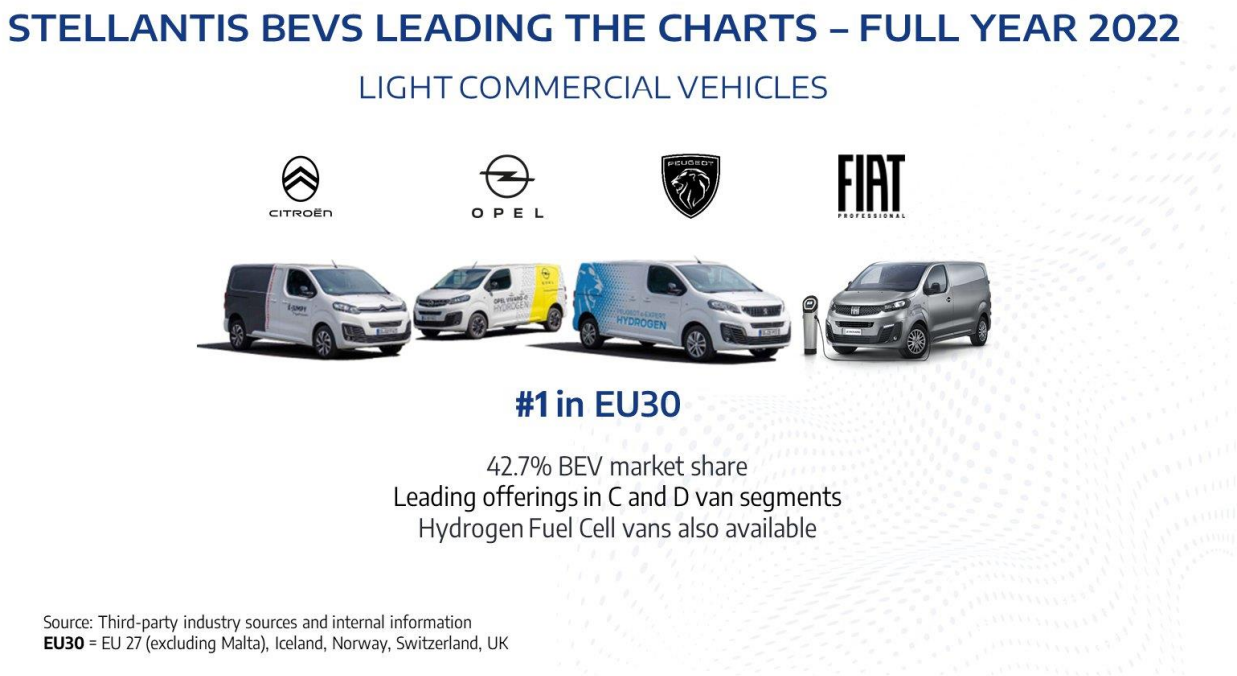
2. 1Product Segmentation

Stellantis boasts a diverse and extensive product segmentation, underpinned by a portfolio of 14 renowned automotive brands. This comprehensive product lineup spans across various market segments, offering a wide range of vehicles to cater to the diverse needs and preferences of customers around the world. From iconic luxury brands like Maserati and premium offerings under the Alfa Romeo marque, to the practical and popular Fiat, Opel, Peugeot and Citroen models, and rugged off-road capabilities of Jeep, Stellantis covers a broad spectrum of vehicle types. Furthermore, the inclusion of Chrysler, Dodge, and Ram within its brand family strengthens its presence in the North American market, competing with stalwarts like Ford and Chevrolet. The company also offers an array of light commercial vehicles and trucks, including the popular Ram Trucks. Stellantis is well-positioned to deliver cutting-edge electrified and autonomous vehicles, reflecting its commitment to future mobility solutions.

2.1. LCV

In the expansive automotive sector, the Light Commercial Vehicles (LCV) industry emerges as a vital and versatile segment, commanding a substantial share of the global automotive market. LCVs encompass a diverse range of vehicles, including vans, pickup trucks, and compact utility vehicles, all meticulously designed to cater to the specific demands of businesses, tradespeople, and various industries. This sector, which plays a pivotal role in facilitating the transportation of goods and services, has witnessed significant growth and evolution in recent years.

Sales trends within the LCV industry reflect its enduring relevance, with businesses and commercial entities consistently relying on LCVs for their daily operations, resulting in sustained demand. Additionally, evolving consumer preferences and the rise of e-commerce have fueled the need for efficient and reliable delivery vehicles, significantly contributing to the sector's expansion.



3 Stellantis BEV 2022 performances

The LCV industry is not only characterized by robust sales but also by the adoption of technological advancements. There is an increasing emphasis on electrification and connectivity to enhance operational efficiency and promote sustainability. Government regulations aimed at reducing emissions and encouraging greener transportation have further accelerated innovation within this segment.

In this context, it becomes crucial to evaluate the impact of middle cycle actions (MCAs) on LCVs, with a particular focus on pricing activities. The pricing dynamics within the LCV industry play a pivotal role in shaping market competitiveness, profitability, and the positioning of LCV models. This thesis seeks to delve into the strategies, methodologies, and execution of pricing activities in the LCV environment, providing insights into how pricing actions influence the market dynamics of this significant segment. In the next paragraph we will go into detail, dividing the segment into 3 categories which differentiate for dimension, weight, load, engines and technologies.

2.1.1. C SEGMENT Range

Stellantis introduced the latest generation of commercial vehicles with the Citroën Berlingo and Peugeot Partner. These models are now joined by the Opel Combo, and the Fiat Doblò, making it a diverse lineup of versatile commercial vans called C SEGMENT, which is the first range of the LCVs. An additional distinction we have to do regards the engine of the vehicle, which will be called ICE version for petrol and gasoline engines and BEV for the electric one.

4 Stellantis C segment

Shared Essence:

These four models share fundamental components, with styling differences mostly concentrated at the front end to align with the respective brand's identity.

They come in two common lengths, either 4.40 or 4.75 meters, with wheelbases of 2.78 (Short Wheel Base) and 2.97 (Long Wheel Base) meters. These variations cater to different cargo and passenger space requirements.

Cargo Capabilities:

The cargo area provides a useful volume ranging from 3.30 to 3.80 cubic meters based on the interior configuration.

In the long-wheelbase version, the cargo area extends to 4.40 meters cubic meters, offering flexibility for various applications.

The payload capacity varies between 650 to 1,000 kg, depending on the specific model and configuration for the ICE version while for the BEV is 800 kg.

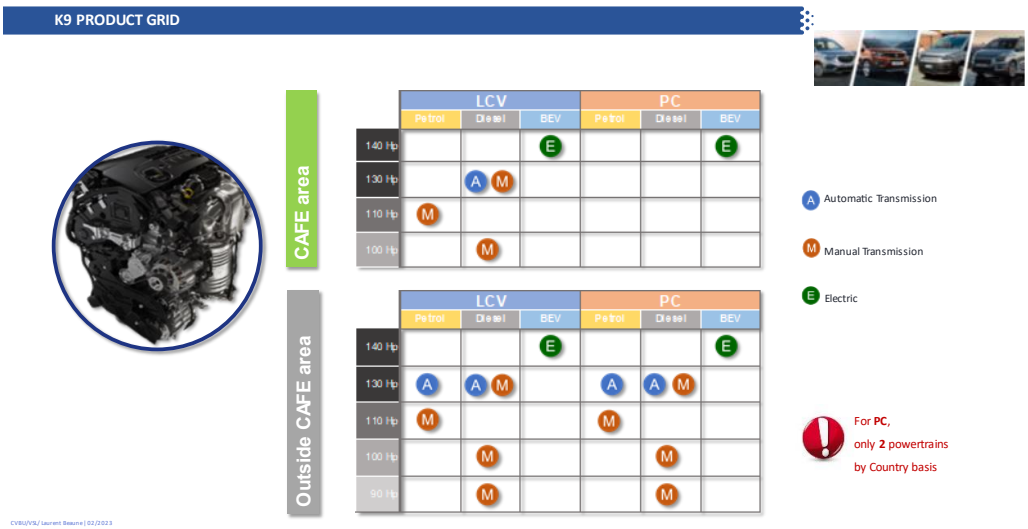
Engine Range:

C SEGMENT vehicles share a common engine lineup, including petrol, diesel and electric units.

Petrol engines consist of the 1.2 PureTech engines with 110 horsepower and 6-speed transmission.

Diesel engines include BlueHDi units with power outputs of 100 (manual transmission) and 130 horsepower (available with 6-speed manual and 8-speed automatic transmission).

For what concerns the BEV version we find a permanent magnet synchronous electric motor with a battery of 50 kW and an engine of 136 horsepower.



5 C segment engines

Advanced Driver Assistance Systems (ADAS):

Advanced Driver Assistance Systems are increasingly important for Light Commercial Vehicles (LCVs) for several compelling reasons:

1. **Safety Enhancement**: LCVs are often used for commercial purposes, which can involve transporting goods or passengers. Ensuring the safety of drivers, cargo, and passengers is

paramount. ADAS features like automatic emergency braking, lane-keeping assist, blind-spot monitoring, and adaptive cruise control can help prevent accidents and protect lives.

2. **Reduced Accidents and Downtime**: Accidents involving LCVs can be costly in terms of vehicle repairs, medical expenses, and lost productivity. ADAS technologies can help reduce the frequency and severity of accidents, resulting in less downtime and lower maintenance costs for businesses.

3. **Driver Assistance**: LCV drivers often face demanding schedules and long hours on the road. ADAS features can assist drivers by reducing their workload and fatigue. This, in turn, can enhance driver comfort and job satisfaction, ultimately benefiting the business's operations.

4. **Improved Fuel Efficiency**: Many ADAS systems, such as adaptive cruise control and predictive cruise control, can optimize driving patterns and reduce fuel consumption. For commercial fleets, this can lead to significant fuel savings and reduced operating costs.

5. **Lower Insurance Premiums**: Businesses that invest in ADAS-equipped LCVs may be eligible for lower insurance premiums. Insurers often view these vehicles as safer and lower-risk, which can result in cost savings for businesses.

6. **Cargo and Vehicle Security**: Some ADAS features, like surveillance systems and tracking devices, can help monitor cargo and enhance vehicle security. This is particularly important for businesses transporting valuable or sensitive goods.

7. **Compliance and Regulation**: Many regions are implementing regulations that require certain safety features in commercial vehicles. ADAS-equipped LCVs are more likely to meet these requirements, ensuring compliance with legal standards.

8. **Market Competitiveness**: Customers and clients are increasingly concerned about safety, environmental impact, and overall vehicle performance. Businesses that invest in ADAS-

equipped LCVs demonstrate a commitment to safety and sustainability, which can be a competitive advantage in the market.

The ADAS now applied on the range are:

- Grip Control + Hill Descent: is a traction control system designed to improve the vehicle's stability and grip, particularly in challenging road conditions like snow, mud, or sand. Hill Descent Control assists the driver when descending steep slopes, maintaining a safe and controlled speed without the driver needing to apply the brakes.
- Lane Keeping Assist: is a safety feature that helps drivers stay within their lane. It uses cameras or sensors to monitor lane markings and provides steering assistance or warnings if the vehicle unintentionally drifts out of its lane.
- Keyless entry and Start: This feature allows drivers to unlock and start the vehicle without physically using a key. Instead, it relies on proximity sensors to detect the key fob, making vehicle access more convenient.
- Magic Mirror: refers to a camera-based system that replaces traditional rear-view mirrors with digital displays. These displays can improve visibility, reduce blind spots, and enhance aerodynamics.
- Headup Display: projects essential driving information onto the windshield, allowing the driver to access critical data like speed, navigation directions, and warnings without taking their eyes off the road.
- Driving Attention Alert + Coffee Break Alert: These systems monitor driver behavior and can detect signs of drowsiness or inattention. When potential fatigue is detected, the system may provide alerts to encourage the driver to take a break and stay alert.
- Forward collision warning: This safety feature uses sensors to detect the distance and closing speed to the vehicle in front. If a collision risk is identified, the system provides visual and audible warnings to alert the driver. In some cases, it may also include automatic emergency braking.
- Traffic Signal Recognition: uses cameras and image processing to identify traffic signals, including speed limits and stop signs. This information is then typically displayed on the vehicle's dashboard or head-up display, helping drivers stay aware of relevant traffic rules.
- Blind Spot Detection: employs sensors to monitor the areas around the vehicle that may be outside the driver's field of vision. If a vehicle is detected in the blind spot, the system

usually provides visual or audible warnings to prevent potential collisions when changing lanes.

2.1.2. D SEGMENT Range

The D segment within the Light Commercial Vehicles (LCV) category presents a compelling selection of vehicles that cater to various business and commercial needs. This segment includes: Fiat Scudo, Peugeot Expert, Citroen Jumpy and Opel Vivaro. We will see the features of this range both for ICE and BEV versions.

6 Stellantis D segment

Shared Essence:

These four models represent the middle-size vehicle of the LCVs and are particularly appreciated for their practicality and cargo space, large enough to transport goods and equipment while remaining manageable in urban environments.

They come in two common lengths, the Standard 4,95 meters and the Maxi 5,3 meters but one only wheelbase of 3,275 meters.

Cargo Capabilities:

The cargo area provides a useful volume ranging from 5.30 to 5.80 cubic meters based on the interior configuration.

In the long-wheelbase version, the cargo area extends to 6.8 cubic meters for the ICE and 6,6 for the BEV, offering flexibility for various applications.

The payload capacity varies between 1000 to 1,300 kg, depending on the specific model and configuration.

Engine Range:

D SEGMENT vehicles share a common engine lineup, including diesel and electric units.

Diesel engines consist of the 1.5 BlueHDi engines with 100 and 120 horsepower and 6-speed manual transmission, 2.0 BlueHDi still with manual transmission and 2.0 BlueHDi with 145 and 180 horsepower with 8-speed automatic transimission.
For what concerns the BEV version we find a permanent magnet synchronous electric motor with a battery of 50 or 75kW and an engine of 136 horsepower.

Advanced Driver Assistance Systems (ADAS):
Are the same of C SEGMENT.

2.1.3. E SEGMENT Range

At the end we find the last segment of the LCVs called E SEGMENT. In the range we will find as for C SEGMENT and D SEGMENT four vehicles: Fiat Ducato, Opel Movano, Peugeot Boxer and Citroen Jumper. This segment is particularly appreciated by companies which use extensive delivery, logistics or transportation activities. These vans offer subastantal cargo space making them suitable for the efficient transport of goods and equipment. The ability to customize the interior to meet specific requirements enhances their appeal and makes them incredibly complex in terms of combinations of engines, options and packs available. Large-size vans are not limited to cargo transport, many of these vans can be configured to transport passengers, making them popular for shuttle services, airport transportation, and hotel shuttles.
It is important to make an insight about Fiat Ducato, the best-seller of the range. It has a history of being a pioneer and embracing cutting-edge technologies. Notably, it was among the early adopters of turbodiesel technology with direct injection, and later, the common-rail system. Moreover, the Fiat Ducato has shown a commitment to alternative fuels such as natural gas (CNG), aligning with environmental concerns and fuel efficiency. In terms of cargo capacity, the Fiat Ducato has been able to achieve an impressive 17 cubic meters of volume, particularly in the front-wheel-drive configuration. It has consistently maintained an optimal balance between overall length and cargo space, enhancing its appeal to a broad range of businesses and operators.

This commitment to innovation and adaptability has contributed to the Fiat Ducato's remarkable journey. Over five generations, it has consistently secured top positions in sales charts in the Italian market and maintained a strong presence in the broader European landscape.

7 Stellantis E segment

Shared Essence:

For simplicity we will limit the description of these four vehicles to the Panel Van version (as for C SEGMENT and D SEGMENT). The line-up of the vehicles is proposed in 5 length (from 5,3 to 6,7 meters) and 4 wheel bases (form 3 to 4 meters).

Cargo Capabilities:

The cargo area provides a useful volume ranging from 17 to 15 cubic meters based on the interior configuration both for ICE and BEV.

The payload capacity varies between 700 and 1500 kg for BEV and for the ICE version till 2000 kg, depending on the specific model and configuration.

Engine Range:

E SEGMENT vehicles share a common engine lineup, including diesel and electric units.

There are 3 Powertrains levels for the ICE:

- 120 horsepower that is the entry level, available only with manual-transmission 6-speed.
- 140 horsepower that is considered the best-seller available both with manual and 9-speed automatic transmission.
- 180 horsepower available with manual and 9-speed automatic transmission.

For the BEV versions we have an engine with 270 horsepower with a Peak Torque of 400 Nm and a battery of 110 kWh capable to have a range of 430 km.

Advanced Driver Assistance Systems (ADAS):

The range E SEGMENT offers a complete system of driving support which completely changes the riding experience. The ADAS available are:

Blind Spot Information System: This system monitors the vehicle's blind spots, which are areas not directly visible to the driver. When other vehicles or objects are detected in the blind spots, it provides warnings or alerts to help the driver avoid potential collisions.

Intelligent Speed Assist: This feature assists the driver in maintaining a safe and legal speed. It typically uses cameras or GPS data to recognize speed limit signs and provides visual or audible warnings if the vehicle exceeds the speed limit.

Drowsiness Detection: Drowsiness detection systems monitor the driver's behavior and can detect signs of fatigue or inattention. When potential drowsiness is detected, the system alerts the driver to take a break and remain alert.

Full Brake Control System + Pedestrian/Cyclist Detection: This system is a combination of features. The full brake control system can automatically apply the brakes to prevent or mitigate collisions. It works in tandem with pedestrian and cyclist detection to identify individuals on or near the road and initiate braking to avoid accidents.

Traffic Sign Recognition: Traffic sign recognition uses cameras or image processing to identify traffic signs, including speed limits and stop signs. This information is typically displayed on the vehicle's dashboard or head-up display to help drivers stay informed about relevant traffic rules.

ESC System Enhancements: Electronic Stability Control (ESC) is a safety feature that helps drivers maintain control of the vehicle during slippery or evasive driving situations. Enhancements may improve the system's performance and effectiveness.

Digital Central Rearview Mirror: This feature replaces the traditional rearview mirror with a digital display. It can improve visibility, reduce blind spots, and enhance aerodynamics. Some systems offer additional functions, such as zoom and adjustability.

Adaptive Cruise Control: Adaptive cruise control automatically adjusts the vehicle's speed to maintain a safe following distance from the vehicle ahead. It can accelerate and brake without driver intervention, making highway driving more convenient and safer.

360° Park Warning: This system uses multiple cameras to provide a top-down view of the vehicle and its surroundings, making parking and low-speed maneuvers easier and safer.

Cross Wind Assist: Cross wind assist helps stabilize the vehicle in windy conditions, particularly when it's being affected by strong crosswinds. It adjusts the vehicle's steering and braking to maintain stability.

Trailer Stability Control: This system is designed to enhance stability when towing a trailer. It can detect trailer sway and apply the brakes or adjust engine power to bring the trailer back under control.

Post Collision Braking: After a collision, this system can automatically apply the brakes to prevent or mitigate secondary impacts, reducing the severity of accidents.

2.1.4. BEV features and performances (Pro One Strategy)

Stellantis' Pro One initiative represents a monumental stride towards global leadership in the commercial vehicle sector, encompassing the distinctive offerings of six renowned brands—Citroën, FIAT, Opel, Peugeot, Ram, and Vauxhall. This transformative strategy is underpinned by a comprehensive vision that encompasses a broad spectrum of commercial vehicles, including vans, pickup trucks, and micro-mobility options.

The driving force behind the Pro One strategy is the unequivocal commitment to redefine the commercial vehicle landscape. Stellantis is poised to cater to the increasingly diverse and complex needs of its customers. This strategy comes at a pivotal juncture as the Commercial Vehicles Business already constitutes a substantial portion, accounting for one-third of Stellantis' net revenues, with annual sales of 1.6 million units. The Pro One initiative is instrumental in realizing the ambitious goals outlined in Stellantis' Dare Forward 2030 strategic plan, including the doubling of commercial vehicle net revenues by 2030 in comparison to 2021. This strategy also entails achieving a 40% electric vehicle (EV) sales mix, alongside generating €5 billion in service revenues.

The launch of Pro One is coupled with a comprehensive overhaul of the van lineup for each of Stellantis' iconic brands. These newly-revamped vans, set to be unveiled shortly, are equipped with second-generation zero-emission powertrains, pioneering hydrogen solutions, robust connectivity, and advanced autonomous driving systems. Additionally, the North American market will witness a revitalization of Stellantis' product offerings with the introduction of electrified vans and pickups, including the Ram ProMaster EV and the 2025 Ram 1500 REV.

Emphasizing its unwavering customer-centric approach, Stellantis' Pro One initiative revolves around six core pillars:

1. **Wide Product Spectrum:** Stellantis aims to offer the most extensive product range in the industry, covering vans, pickups, and micro-mobility solutions, thereby ensuring that each customer's unique requirements are met.
2. **Leadership in Zero Emission Vehicles:** In addition to its cutting-edge battery electric vehicles, Stellantis is pioneering complementary solutions such as hydrogen and retrofit options, all designed to optimize capabilities without compromising the proficiency of internal combustion versions.
3. **Customized Customer Experience:** With over 20,000 dedicated touchpoints across the globe, Stellantis plans to offer a seamless and tailored experience to customers. This approach extends to its comprehensive charging ecosystem provided through Free2move Charge, ensuring that customers can seamlessly charge their electric vehicles, wherever and however they prefer.
4. **Digital Converter/Upfitter Ecosystem:** The Pro One initiative is set to revolutionize the customer journey by drastically reducing lead times for customizations and upgrades, improving efficiency, and streamlining the process for converters and upfitters.
5. **Full Connectivity:** Stellantis is working towards ensuring that all vans and pickup trucks are fully connected by the end of 2023. This enhancement includes the introduction of software features that will significantly improve the operational efficiency and overall experience for customers.
6. **Global Manufacturing Footprint:** The vast manufacturing footprint, extending across 15 commercial vehicle plants, demonstrates Stellantis' commitment to supporting its global ambitions and fulfilling its vision of leading the industry in the commercial vehicle segment.

Already a market leader in commercial vehicle sales in Enlarged Europe with a 31% market share and South America with a 28% market share, Stellantis is the second-largest player in the Middle East and Africa and the third-largest in North America. Notably, Stellantis has been ahead of the curve in electrification, with a fully electrified van lineup introduced in 2021. In fact, Stellantis boasts more than a 40% market share in Commercial Battery Electric Vehicles (BEVs) in Enlarged Europe, highlighting its technology leadership in hydrogen and alternative fuels.

Furthermore, the Pro One strategy includes the launch of a retrofit program in partnership with Qinomic, which harnesses Stellantis' expertise in the Circular Economy. The aim is to extend the lifespan of existing internal combustion van fleets by offering affordable and trustworthy electrification conversions.

With an expansive global network of more than 20,000 sales and service touchpoints, Stellantis is well-positioned to offer fully immersive and tailor-made partnerships with its customers. Through its network of sales and service advisors and extended opening hours, Stellantis is dedicated to providing a customer-centric approach. The Pro One 360-degree strategy underscores Stellantis' mission to be alongside customers worldwide and deliver products and services that enable them to thrive.

Furthermore, Stellantis is forging the path towards developing a dedicated factory-built version of the large delivery van, equipped with features aimed at enhancing the efficiency of drivers. These features include a roll-up door at the back and a pocket door, both designed to streamline daily operations and improve driver convenience.

2.2. Players and Competitors in LCV environment

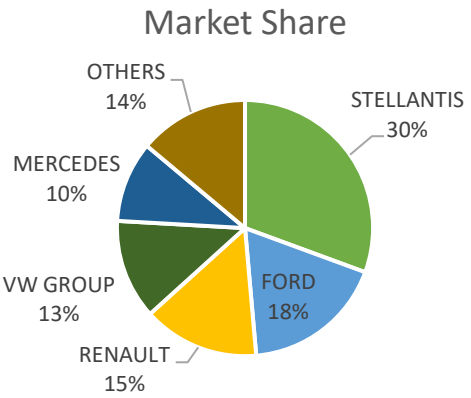
The light commercial vehicle market is undeniably one of the most lucrative segments, primarily attributed to its cost-effective production. However, owing to the challenges in setting apart individual models, establishing and maintaining a competitive edge and a stable market presence becomes a complex endeavor.

Stellantis, formed through a merger of several prominent automotive brands, has a strong presence in this sector, offering a diverse range of LCVs designed to cater to various commercial and business needs. Some of the key players within Stellantis' LCV portfolio include the Citroën Berlingo, Peugeot Expert, Opel Vivaro, and Fiat Ducato, all of which have established themselves as dependable and versatile options in the market. Stellantis leverages its global presence and innovative technologies to maintain a competitive edge in the LCV segment.

However, it's essential to acknowledge the formidable competitors that share this arena with Stellantis. Rival automotive manufacturers such as Ford, Volkswagen, Mercedes-Benz, and Renault have also established their presence with a range of LCV offerings. Each competitor brings its unique strengths and innovations to the market, contributing to the robust competition within the LCV segment. As a result, Stellantis remains committed to enhancing its LCV lineup, investing in advanced technologies and safety features, and exploring opportunities in electric and alternative fuel solutions to stay at the forefront of this highly competitive market. Following will be analyzed main competitors for Stellantis:

Ford: In the competitive landscape of Light Commercial Vehicles (LCVs), Ford stands as one of Stellantis' most significant and enduring competitors. With a storied history and a well-established global presence, Ford has consistently held a prominent position in LCV sales and technological innovation. To achieve its goal of becoming the industry leader in the LCV market, Stellantis has set its sights on not only challenging Ford but also surpassing it. It's evident that Ford's long-standing dominance poses a substantial hurdle, considering that in the previous year, Ford managed to achieve sales figures that surpassed Stellantis by a substantial margin of 300,000 LCVs. This performance gap underscores the significant work that Stellantis has ahead of it to achieve its ambition.

8 Ford logo



9 EU29 Market shares for LCV

Despite this challenging scenario, Stellantis is demonstrating remarkable momentum and commitment to closing the gap. One pivotal move is the establishment of the "Pro One" unit, a dedicated entity designed to oversee all activities of its LCV business. This strategic development signifies Stellantis's recognition of the central role that LCVs play in its overall revenue. As part of this strategy, Stellantis plans to launch four electrified pickup trucks in North America over the next two years. This includes the introduction of the all-electric Ram 1500 REV, which is set to begin production in the fourth quarter of 2024, with additional plans for a hydrogen-powered variant. Moreover, the REV will also offer a Range Electric Paradigm Breaker model that utilizes an internal combustion engine to power the vehicle's battery. These innovative approaches indicate that Stellantis is actively seeking to lead in the electrification of pickup trucks and, by extension, the LCV sector.

While the competition with Ford remains intense, Stellantis's continued commitment to advancing its position in the LCV market is highly promising. The upcoming launches in North America, where LCV sales have been historically robust, show Stellantis's determination to expand and compete vigorously. Stellantis also recognizes the

significance of regional markets, particularly North America, where it plans to introduce the Ram ProMaster EV. Beyond the United States, the growth of the Ram brand in South America, Africa, and Asia will play a crucial role in extending its global presence.

An important distinction is that Stellantis currently holds the top position in LVC sales in Europe and South America, making it a potent contender. However, it acknowledges the unique challenges posed by the North American market, characterized by strong brand loyalties. Winning over the North American market is crucial for Stellantis's global aspirations, and the company is addressing this by offering a wide range of products, including small to large vehicles, as well as a variety of large pickup trucks, which are an iconic part of the North American automotive landscape.
The range of Ford for LCVs include: Transit Courier, Transit Connect and Transit Van respectively for C SEGMENT, D SEGMENT e E SEGMENT.

10 Ford range

The **Ford Transit Courier**, a compact and versatile van, offers an array of features that make it a top choice for businesses and operators seeking a practical and economical vehicle. This pint-sized powerhouse provides a spacious and well-designed interior that serves as an efficient and comfortable workspace for drivers. Despite its diminutive size, the van surprises with a surprisingly large load area, making it an ideal option for transporting goods and equipment, ensuring that no cargo is too big or too small.

What sets the Transit Courier apart is its range of engine options, allowing you to select the powertrain that best aligns with your specific needs. Whether you prioritize fuel efficiency with a diesel engine or prefer the responsiveness of a petrol engine, this vehicle caters to your demands. The combination of well-thought-out engineering and smart design results

in a van that excels in terms of handling and driving performance, delivering an enjoyable driving experience, particularly in urban environments.

The compact size of the Transit Courier provides an advantage when maneuvering through tight spaces, which is crucial for urban deliveries and navigating busy streets. Despite its compact stature, it still boasts a respectable payload capacity. Whether you're a small business owner, a delivery driver, or in need of a practical commercial vehicle, the Ford Transit Courier stands as a compelling choice that expertly blends functionality, fuel economy, and a thoughtfully designed interior, ensuring it's more than capable of handling the challenges of daily work.
The 2023 Ford Transit Connect stands as a practical and adaptable compact van in the automotive landscape, appealing to those who prioritize utility and versatility over flashy aesthetics. While it might not be the kind of vehicle that stirs up passion and excitement among enthusiasts, it serves as a dependable solution for a wide range of consumers. Whether you're a tradesperson needing a reliable workhorse, a craftsman in search of a mobile workshop, or an adventurous soul opting for the van life, the Transit Connect offers a myriad of possibilities.

One of its notable strengths is its highly configurable nature. You can choose between cargo and passenger van configurations, making it an ideal choice for businesses and personal use alike. The cargo van layout provides ample space to carry goods, with up to 127 cubic feet of cargo volume, while the passenger van can accommodate up to seven passengers, making it a flexible choice for those who need to transport people. In terms of hauling capacity, the Transit Connect doesn't disappoint, offering a maximum payload of 2000 pounds. It's a versatile Swiss army knife of a city van, ready to adapt to various tasks.

However, it's important to acknowledge some of its limitations. The base engine, a turbocharged 2.0-liter four-cylinder, delivers a modest 162 horsepower. While it might be sufficient for everyday driving, it's not the most powerful option in its class. Additionally, the ride quality can be somewhat abrupt, especially when navigating uneven terrain. Despite these drawbacks, it remains easy to maneuver, thanks to accurate steering and well-controlled body motions.

In 2023, the **Transit Connect** doesn't bring any significant changes compared to the previous model year. However, it is notably more expensive, with the base model's MSRP rising from under $27,000 to over $34,000. Unfortunately, this model year marks the end of the road for the Transit Connect in the United States. Some of its competitors, like the Ram ProMaster City, have already ceased production, while others, like the Mercedes-Benz Metris, are set to be discontinued. The segment of compact city vans is undergoing a transformation.

When considering which trim to buy, the XLT model offers excellent value, adding features such as a standard touchscreen infotainment system with Apple CarPlay and Android Auto, built-in navigation, and a Wi-Fi hotspot. Every XLT also includes blind-spot monitoring and rear-cross-traffic alert. For those looking to enhance safety and towing capabilities, options like adaptive cruise control, front and rear parking sensors, lane-keeping assist, and passive entry, as well as the Trailer Tow package, are worth considering.

Despite not being the most fuel-efficient choice in its class, the Transit Connect offers reasonable fuel economy, with an EPA rating of up to 24 mpg in the city and 28 mpg on the highway. Its main competitor, the Ram ProMaster City, falls slightly behind with a rating of 21 mpg in the city and 28 mpg on the highway. While we haven't tested the real-world fuel economy of the Transit Connect or the Ram, these ratings provide a general idea of their efficiency.

In terms of interior comfort and cargo space, the Transit Connect offers a car-like experience with its low seating height, ergonomic center stack, and physical controls for climate and infotainment. The cargo van provides a generous 127 cubic feet of cargo volume, while the passenger van configuration offers up to 105 cubic feet with the second and third rows folded. Optional features like dual-zone automatic climate control and wireless charging enhance the overall convenience.

On the technology front, even the base model gets a touchscreen infotainment system, although it might be considered basic by modern standards. Upgrading to a higher trim

level provides a more contemporary infotainment experience with support for Apple CarPlay, Android Auto, and a Wi-Fi hotspot. Buyers seeking even more advanced features can opt for a better audio system, a single-disc CD player, and wireless device charging.

Safety-wise, the Transit Connect includes standard features like forward-collision warning and automated emergency braking. Additional safety technologies such as blind-spot monitoring, rear cross-traffic alert, lane-departure warning, and lane-keeping assist are available as options, allowing buyers to tailor the van to their specific needs. For detailed crash-test results, prospective buyers can refer to the National Highway Traffic Safety Administration (NHTSA) and the Insurance Institute for Highway Safety (IIHS) websites.

In terms of warranty and maintenance coverage, Ford provides a competitive limited warranty, covering three years or 36,000 miles, and a powertrain warranty, covering five years or 60,000 miles. However, there's no complimentary scheduled maintenance offered, so buyers should keep this in mind when considering overall ownership costs.
The Ford Transit Van is a testament to its durability and dependability, having undergone over seven million customer-equivalent miles of rigorous testing in Ford labs, proving grounds, and on the roads and highways of North America. With a reputation for being "Built Ford Tough," the Transit Van is designed to tackle the most demanding jobs, providing a reliable solution for your work needs.

One of the standout features of the Transit Van is its upfit capability. You can customize your van with various bins, racks, and mounts to carry the tools and equipment necessary to get the job done efficiently. The Transit Van is proudly manufactured in the United States, specifically in Kansas City, showcasing its homegrown roots and contributing to the local economy.

The **Transit Van** offers an array of models to cater to your specific requirements. The Ford Transit Passenger Wagon is available in 8, 10, 12, and 15 passenger models, making it a versatile choice for transporting people. Furthermore, both van and wagon models come in three different roof heights and three body lengths. If you need easy accessibility, the Medium and High roof options offer dual side sliding doors.

When it comes to accommodating your cargo or passenger needs, the Transit Van provides a range of wheelbases and body lengths. The Transit Van is available in three sizes: a 130-inch wheelbase with a 126-inch load floor, a 148-inch wheelbase with a 143.7-inch load floor, and a 148-inch wheelbase with an extended body, offering a 172.2-inch load floor. The Transit Passenger Wagon also provides multiple configurations, including a 130-inch wheelbase with standard 8-passenger seating or available 10-passenger aisle seating, a 148-inch wheelbase with standard 12- or available 15-passenger aisle seating, and a 148-inch wheelbase with an extended body, featuring standard 15-passenger aisle seating and increased rear cargo space.

The choice of roof height is equally adaptable. The 130-inch wheelbase offers low and medium roof options, with heights of 83" and 100", respectively. The 148-inch wheelbase provides low and medium roof options with the same heights, along with a high roof that exceeds 110". Opting for the 148-inch wheelbase/extended body model offers a roof height of 109". This variety ensures that you can select the ideal configuration for your specific needs.

Powering the Ford Transit Van are three robust engine options tailored to deliver high performance while maintaining cost-efficiency. The standard engine is a 3.7L Ti-VCT V6 with advanced twin independent variable cam timing. Additionally, you have the choice of an available 3.5L EcoBoost® engine or the proven 3.2L I-5 Power Stroke® Turbo Diesel. These engine options combine power and the renowned Built Ford Tough® durability, ensuring that your Transit Van is ready to handle any challenge.

In conclusion, the Ford Transit Van stands as a testament to its strength and dependability, having endured extensive testing and been designed with the toughest jobs in mind. Its versatility in terms of configuration, roof height, and engine options allows you to select the Transit Van that perfectly matches your specific work requirements. Whether you need to transport passengers or carry cargo, the Transit Van is built tough to get the job done.

In the following table we can see the strength of Ford in North America and the incredible impact it has in terms of volumes. The data about the world includes China, South America etc.

	Brand	KPIs	EU29	NA	WORLD
YTD APRIL 2023	FORD	Volume	106438	400646	623414
		MS%	19%	31%	14,70%
	STELLANTIS	Volume	169700	237300	534440
		MS%	30,30%	18,30%	12,60%
	DELTA	Volume Gap	63279	-163300	-88974

11 Market Share performance of Stellantis and Ford in Europe and North America from January to April 2023

Volkswagen: a notable player in the global automotive industry, is a unique presence in the market that raises intriguing questions about its role as a competitor to Stellantis in the light commercial vehicle (LCV) sector. Volkswagen's entry into the electric van segment with models like the ID. Buzz Cargo and ID.3-based vans indicates a strong emphasis on sustainability and electrification. These vehicles, with their spacious interiors, versatile configurations, and robust electric powertrains, are designed to serve a diverse range of applications. Their dimensions, which encompass both compact and mid-sized variants, make them adaptable for urban logistics and long-distance transport. The available electric powertrains offer an appealing alternative to traditional LCVs powered by internal combustion engines. This distinctive positioning raises questions about whether these vehicles are more akin to multipurpose passenger vans rather than direct competitors to traditional LCVs. However, the growing importance of electrification in commercial fleets creates an interesting dynamic as both Stellantis and Volkswagen explore new opportunities in the evolving landscape of electric commercial vehicles. For what regards

12 Volkswagen logo

13 ID Buzz Cargo

the ICE vehicles we can find in the range of Volkswagen the Caddy Cargo which can be a direct competitor of C SEGMENT range for Stellantis.

14 Caddy Cargo

The **Caddy Cargo**, with its impressive load-carrying capacity and innovative features, presents a compelling case as a competitor to Stellantis' C SEGMENT models. Notably, the Caddy Cargo can effortlessly transport up to 723 kg, with the added flexibility of carrying 100 kg on the roof, making it well-suited for various commercial applications. The vehicle's practicality is further enhanced by features such as the wide sliding door, especially on the Maxi version, and the advanced Keyless Automatic start and locking system, which simplify the loading and unloading process, as well as provide convenience for the driver.

Inside the cabin, the Caddy Cargo showcases modern solutions, offering an optional Innovision Cockpit that combines a navigation system with a digital dashboard. This results in an innovative infotainment system that caters to the needs of contemporary drivers. Customers can choose between two navigation systems, Discover Media and Discover Pro, with the latter featuring a generous 10-inch color touchscreen and various map display options, including free map updates. Additionally, the Discover Pro system includes voice control, comfortable telephony, wireless Media & Internet connectivity, and App-Connect, making it a feature-rich and connected workspace.

Furthermore, Caddy Cargo provides access to additional mobile online services from Volkswagen Commercial Vehicles, enhancing its connectivity and utility. In essence, the Caddy Cargo's substantial cargo capacity, convenience features, and advanced infotainment make it a strong contender in the segment and a potential competitor for Stellantis' C SEGMENT models, addressing the evolving needs of businesses and commercial transportation.

The **Volkswagen Transporter**, with a legacy spanning over 70 years and numerous generations from T1 to the current T6.1, has established itself as an iconic and versatile workhorse in the automotive world. It has been a trusted companion for various

professionals, including craftsmen, delivery services, and assistance providers. Originally designed as a practical solution for navigating confined spaces, this model has evolved to represent an entire class of vehicles. Throughout its history, the Transporter's primary focus has remained constant: providing solutions to excel in various work-related tasks.

15 Transporter

One of the Transporter's standout features is its ability to support daily work requirements effectively. It boasts a low cargo floor, a spacious cargo area, and numerous configurations to adapt to different needs. Its impressive specifications include a towing capacity of up to 2.5 tons, a payload of up to 1.4 tons, and the capacity to accommodate up to three euro-pallets. Moreover, with a cargo height reaching up to 1,940 mm (with the high roof option), it caters to the transport of even the most voluminous or valuable cargo, making it a flexible choice for a wide range of applications.

The Transporter further enhances its utility with features like sliding doors, a load-through function beneath the passenger seat, cargo area closure, and anchoring eyelets. These elements are designed to optimize the transportation of diverse materials and your team, ensuring efficient movement from one point to another.

The ergonomic driver's seat, adjustable steering wheel, and redesigned dashboard provide a comfortable driving experience. Excellent visibility, even in busy urban areas or construction sites, ensures that the driver can maintain control of the surroundings. After parking, the Transporter transforms into a mobile office, offering a versatile workspace on wheels.

Given its adaptability, impressive cargo capacity, and comfortable driving experience, the Volkswagen Transporter aligns itself as a robust competitor to Stellantis' D SEGMENT range. Both aim to cater to the evolving needs of businesses and professionals, offering reliable solutions for various industries and applications.

The **Volkswagen Crafter** and the E SEGMENT range by Stellantis share the common purpose of being versatile workhorses that cater to the needs of professionals who spend most of their workdays on the road. Let's compare the two in terms of key features:

16 Crafter

Volkswagen Crafter offers a well-thought-out interior with numerous surfaces for work-related tasks, appointment scheduling, and document management. It provides an ergonomic, oscillating ergoComfort driver's seat and optional features such as a multifunction leather-covered heated steering wheel. This interior setup enhances comfort and productivity during working hours.

Both Crafter and E SEGMENT models understand the importance of staying informed during the workday. Volkswagen Crafter integrates "VW Connect" online services to keep drivers updated in real-time. It ensures that professionals can stay connected and even enjoy their favorite music during their travels.

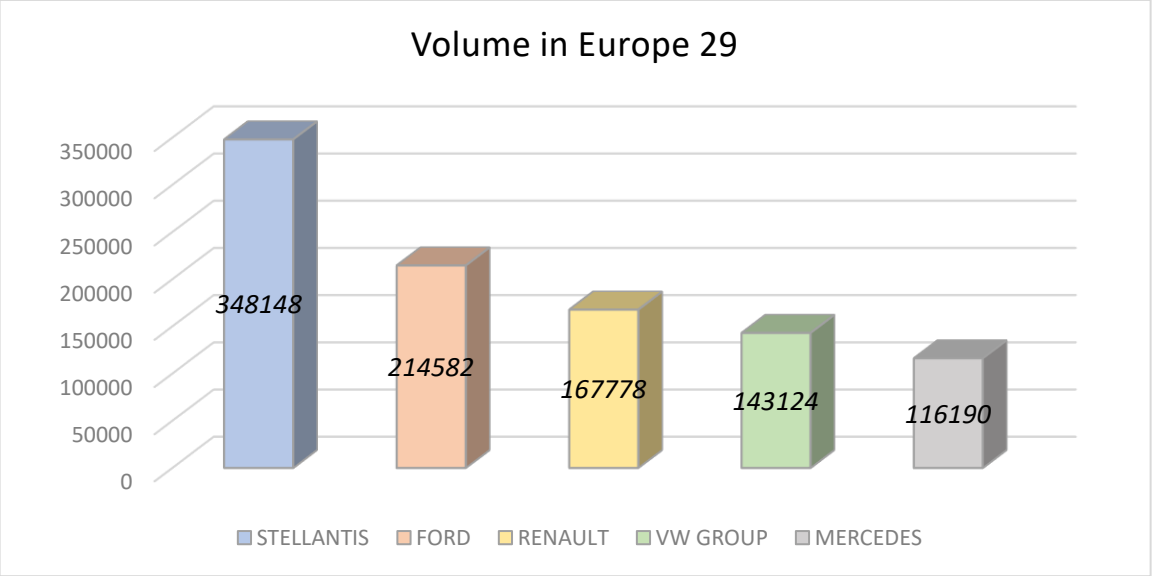
The Crafter boasts features that simplify the often physically demanding task of loading and unloading cargo. It offers a sliding door with a generous width of 1,311 mm, a high cargo area of 2,196 mm, a lowered cargo edge by 100 mm, and optional rear steps. These elements make it easier to handle heavy packages and bulky items.

Both the Crafter and the E SEGMENT range understand the significance of safety and assistance in challenging road and work conditions. They offer a range of safety and assistance systems to ensure a smooth and secure journey, whether through construction sites, narrow residential streets, or under the influence of strong crosswinds.

To secure cargo during transport, Crafter Furgone provides an extensive cargo fixation system. It features 14 anchoring eyelets and various anchoring guides, ensuring that cargo stays in place and arrives at its destination without damage or disruption.

Overall, both the Volkswagen Crafter and the Stellantis E SEGMENT range cater to professionals who depend on their vehicles to be more than just transportation. They recognize the need for a comfortable, efficient workspace while on the road, with a focus on safety, cargo handling, and connectivity. The choice between the two will depend on

individual preferences and specific requirements, but they both represent strong contenders in the LCV segment.



18 LCV volumes in Europe

Mercedes-Benz: When comparing Stellantis to Mercedes-Benz in the Light Commercial

19 Mercedes logo

Vehicle (LCV) segment, it's essential to consider Mercedes-Benz's offerings, such as the Sprinter, Vito, and Citan, which cater to a wide range of business and transport needs.

Mercedes-Benz Sprinter:

The Mercedes-Benz Sprinter is a distinctive player in the light commercial vehicle (LCV) market, offering a blend of practicality and luxury. It stands out due to its configurability, which makes it suitable for various applications, whether for urban deliveries, adventurous outings, or as a work van. The Sprinter lineup has been refreshed for 2023, featuring an all-four-cylinder engine lineup with two turbocharged diesel options and one gasoline engine. The integration of a nine-speed automatic transmission and the availability of the 4Matic all-wheel-drive system add to its appeal.

20 Sprinter

The Sprinter offers a range of body styles, including cargo, crew, and passenger variants, providing ample choices for

businesses and transport needs. When it comes to technology, it features a 10.3-inch touchscreen and various driver-assistance systems. The van's capacious interior means there's plenty of space to customize it for your specific requirements, whether you're turning it into a work van, an off-road adventure vehicle, or something in between.

In terms of performance, the Sprinter lineup provides a trio of engine choices, including a 188-hp turbocharged gasoline engine, a 170-hp turbodiesel, and a high-output 211-hp twin-turbo diesel. The inclusion of a nine-speed automatic transmission ensures smooth and efficient operation. Moreover, all-wheel drive is available, which is a notable feature considering its rivals like the Ford Transit also offer four-wheel drive.

Towing and payload capacity are commendable with the diesel engine, boasting a maximum towing capacity of 7,500 pounds and a payload capacity of 6,812 pounds for cargo van models. Opting for the turbocharged gasoline four-cylinder doesn't disappoint either, with a maximum towing capacity of 5,000 pounds and a maximum payload capacity of 4,453 pounds.

The Sprinter's interior offers a higher level of refinement compared to many of its competitors. Its cabin is well-appointed, featuring options such as a leather-covered steering wheel and a large 10.3-inch infotainment touchscreen, distinguishing it from the likes of the Ram ProMaster, Chevrolet Express, and GMC Savana. Notably, Mercedes has also paid attention to reducing cabin noise, ensuring a comfortable and quiet ride, which is crucial for long trips and everyday use.

Mercedes has made strides in ensuring the Sprinter's comfort and practicality, with well-shaped seats and available Swivel Seat packages for ease of entry and exit. It offers exceptional interior space, with cargo versions providing up to 533 cubic feet of room, exceeding the Ford Transit's largest version. Passenger versions come with the choice of 12 or 15 seats, depending on the wheelbase.

The infotainment and connectivity options in the Sprinter are versatile, with the availability of different packages offering larger touchscreens and features like Apple CarPlay, Android Auto, and an onboard Wi-Fi hotspot.

In terms of safety, Mercedes provides driver-assistance technologies, although most of them are optional. The inclusion of standard automated emergency braking and available features like blind-spot monitoring and lane-keeping assist adds to the Sprinter's appeal.

While Mercedes-Benz offers a limited warranty covering three years or 36,000 miles, it extends powertrain coverage for five years or 60,000 miles. However, it's important to note that the automaker does not include complimentary scheduled maintenance.

Mercedes-Benz Vito:

he 2023 Mercedes-Benz Vito is a medium van that has been on the market in its current form since 2015. One unique aspect is that it's built on a platform exclusive to the Mercedes brand, setting it apart from other manufacturers in the segment. The 2020 facelift brought updated engines and various trim levels. Notably, it offers a 100% electric version, known as the Mercedes-Benz eVito.

21 Vito

The 2020 facelift of the Mercedes Vito included subtle visual changes like a new radiator grille and updates in the cabin. The major updates were in the engine department, introducing Mercedes' latest 2.0-liter turbodiesels for rear-wheel drive models and 1.7-liter engines for front-wheel drive Vitos, which brought efficiency improvements. Safety technology was enhanced, with features like a digital rear-view mirror, autonomous emergency braking, and Distronic active cruise control. Additionally, it adopted a new air suspension system and a more modern nine-speed automatic transmission.

The Vito, with its Mercedes badge, is positioned as a premium choice in the market, which may result in a higher initial cost compared to competitors like the Ford Transit Custom, Vauxhall Vivaro, or Renault Trafic. A primary rival in the premium segment is the

Volkswagen Transporter, which also emphasizes its premium status and strong resale value.

The Mercedes Vito offers numerous strengths, including a high-quality finish, a choice of front-wheel drive (FWD) or rear-wheel drive (RWD), and a range of three body lengths, ensuring it meets diverse needs. It also has a solid reputation for reliability, improved payload capacity compared to previous models, and a generous 30-year roadside assistance program. However, its maximum payload and fuel economy are considered average within its class.

In terms of body styles, the Vito is available in various configurations, including panel vans, crew vans with a second row of seats, and Tourers, offering a cost-effective alternative to the V-Class MPV from the Mercedes passenger car range. While the Vito is offered in three body lengths (Compact, Long, and Extra-Long), it features only one roof height. Front-wheel drive Vitos are equipped with 1.6-liter diesel engines, while rear-wheel drive Vitos use a 2.1-liter Mercedes engine with multiple power outputs. Four-wheel drive is available as a special order option.

In addition to the traditional Vito models, there's the all-electric eVito. The 2019 update introduced three trim levels: Pure, Progressive, and Premium, providing more customization options.

In terms of driving experience, the Vito offers a drivetrain to cater to various buyers. The front-wheel drive Vitos use a 1.6-liter diesel engine, while the rear-wheel drive models offer a 2.1-liter engine with different power outputs, making them more powerful and better for handling heavy loads. The optional seven-speed automatic transmission complements the performance and is available on specific models.

The driving experience is well-balanced, offering comfortable long-distance comfort and handling to tackle corners efficiently. Although visibility is somewhat limited due to narrow windows, the suspension provides a comfortable ride for extended journeys.

Regarding the interior, it maintains a simple yet presentable design. The fit and finish are of high quality, and the seats and driving position are comfortable. Some unique features and control placements may require adjustment for those accustomed to different van brands.

Mercedes-Benz Citan:

The second-generation Mercedes-Benz Citan represents a significant improvement over its predecessor. Unlike the previous model, Mercedes played a more active role in engineering this version from the ground up, and it's based on the Renault Kangoo, but with substantial Mercedes influence in the design and build.

The Citan boasts modern Mercedes design elements, making it appear in line with other Mercedes products. The interior has been completely revamped, with a new dashboard and the addition of Mercedes' MBUX infotainment system.

It is available in short-wheelbase and long-wheelbase models, on panel van and Tourer passenger vehicle versions. Engine choices include petrol and diesel options in other markets, but the UK initially offers only the 95hp diesel engine. The Citan competes with other small vans, but its payload capacity of up to 827kg is lower than some of its rivals, like the Citroen Berlingo, Peugeot Partner, Vauxhall Combo Cargo, and the Toyota Proace City.

22 Citan

It can be compared to the VW Caddy Cargo, which offers a car-like van experience, and the Ford Transit Connect remains a strong contender in the small van segment.

A range of engine options includes petrol and diesel variants.

The dashboard design is unique to the Citan and incorporates elements from other Mercedes models.

	YTD SEP 2023				
COUNTRY	CITROEN	PEUGEOT	OPEL	FIAT	STELLANTIS
FRANCE	-1,42	-0,2	0,32	0,66	-2
GERMANY	0,62	0,54	-0,08	1,12	1,9
ITALY	1,01	0,38	0,09	-2,5	-0,8
SPAIN	-2,88	-0,61	-1,24	0,96	-3,8
UK	0,69	-0,1	-0,34	-0,03	0,2
AUSTRIA	-0,11	-1,14	-2,49	-0,58	-4,4
BELUX	-3,2	-0,76	0,19	1,19	-2,8
NETHERLANDS	-0,4	-1,13	0,23	-0,05	-1,2
POLAND	0,3	-0,91	-1,89	1,75	-0,8
PORTUGAL	2,42	1	-0,27	2,55	5,6
G10	-1,31	-0,77	0,4	0,18	-1,5
EU29	-0,61	-0,37	-0,03	0,03	-1

23 Stellantis MS performance for each brand

Renault: When comparing Stellantis to Renault in the Light Commercial Vehicle (LCV)

24 Renault logo

segment, it's essential to consider Renault's diverse LCV offerings, including the Kangoo, Trafic, and Master, which cater to various business and transport needs.

Renault Kangoo:

The new Renault Kangoo is a noteworthy contender in the small van segment and is designed to meet the evolving needs of fleet buyers.

The Renault Kangoo offers a significantly increased loadspace compared to its predecessor, providing between 3.3 and 4.2 cubic meters of load volume, the payload capacity ranges from 608Kg to 987Kg, depending on the specific model and configuration.

The Kangoo has undergone substantial changes to its underpinnings, resulting in a more refined, efficient, and safer driving experience it utilizes components from models like the Renault Kadjar and Nissan Qashqai, delivering a car-like driving experience with light controls, precise steering, and a comfortable ride.

The Kangoo comes in two variations, the Kangoo Medium Wheelbase and Kangoo Long Wheelbase, offering different dimensions and payload capacities to meet various business needs, both models feature sliding doors on both sides, rear barn doors, and a full bulkhead, enhancing practicality.

25 Kangoo

The Kangoo's interior combines robustness with comfort, featuring plastic floor coverings, sturdy trim pieces, car-derived switchgear, air conditioning, and comfortable seats.

The interior offers ample space, including a large overhead storage compartment and various storage pockets for added convenience.

The Kangoo offers a range of powertrains, including a 1.3-liter TCe turbocharged petrol engine with 100PS, a 1.5-liter DCi diesel engine with 95PS, a 115PS diesel with an automatic transmission, and the electric Kangoo E-Tech.

The electric Kangoo E-Tech boasts 120PS and a range of up to 187 miles from its 44kWh battery. It supports both AC and DC charging for quick and convenient charging.

Renault Trafic:

The Renault Trafic has been recently upgraded, with the most recent facelift in 2022 improving its exterior and interior looks and bringing significant improvements in available safety equipment. It competes against the likes of the Ford Transit Custom and the Volkswagen Transporter.

The front of the Renault Trafic features a completely new design, with LED lighting and a redesigned front bumper.

The interior features a new dashboard with an emphasis on horizontal lines, better quality door panels, new gear lever, and new instrument panel.

Significant safety improvements have been made, with the addition of Advanced Driver Assistance Systems (ADAS), including autonomous emergency braking.

It has good real-world fuel economy, it offers the joint-longest loading length in the mid-size van sector, various body variants are available, including panel vans, crew vans, and passenger carriers. The weakness aspects are: some rivals offer higher payload ratings,

older versions of the Trafic lacked safety aids, the infotainment system might be considered fiddly.

26 Trafic

The Renault Trafic is known for its comfortable suspension and precise steering, the 2.0-liter engines offer power outputs ranging from 110hp to 170hp, with the option of an automatic gearbox.

The Trafic's manual gearbox is considered reasonable but not as precise as some would prefer. The interior of the Trafic has a car-like design with ample storage space.

Renault Master:

The Renault Master is a versatile large van available in various configurations, including a 100% electric model. Although it's been on the market for a while and doesn't match modern rivals in safety and technology, it offers strong diesel engines, ample space, and a practical cabin.

In September 2019, Renault introduced a significantly facelifted Master with a new front-end look and a revised cab interior.

27 Master

The engines were updated to meet Euro 6D Temp emissions standards, enhancing their performance.

The range offers four body lengths, three body heights, and the choice between front-wheel and rear-wheel drive.

The cab is spacious and built from durable materials, although the ride quality may be a bit bumpy when unladen, standard equipment includes Start and Advance specifications, with a range of features for your money.

The Master offers a range of strong diesel engines with up to 180hp, it's available with front-wheel drive (FWD) or rear-wheel drive (RWD), allowing you to choose based on your needs.

The engine choices have evolved over the years, with improvements in power, emissions standards, and fuel-saving technology.

Despite its size, the Master is comfortable and offers a decent turning circle for maneuverability.

The interior may not look as premium as some competitors but is built to withstand the rigors of daily use.

The Master offers basic standard safety equipment with more available as options.

All models come with electronic stability control (ESC), hill-start assist, trailer stabilisation, and Renault's Grip Xtend for improved traction on low-grip surfaces.

Available safety features include cruise control, automatic lights and wipers, lane-departure warning, blindspot monitors, and autonomous emergency braking (AEB).

	SEPTEMBER			YTD		
	23 A	22 A	23A/22A	23 A	22 A	23A/22A
STELLANTIS	30,0%	29,0%	1,1 pt	30,9%	31,9%	-1,0 pt
CITROEN	7,4%	7,6%	-0,1 pt	8,2%	8,8%	-0,6 pt
FIAT PRO	6,9%	6,3%	0,5 pt	7,4%	7,4%	0,0 pt
OPEL	6,1%	6,1%	0,0 pt	5,8%	5,9%	0,0 pt
PEUGEOT	9,2%	8,5%	0,7 pt	8,9%	9,3%	-0,4 pt
JEEP	0,1%	0,1%	0,0 pt	0,2%	0,2%	0,0 pt
RAM	0,3%	0,3%	0,0 pt	0,3%	0,3%	0,0 pt
FRANCE	35,0%	36,0%	-1,0 pt	40,5%	42,6%	-2,0 pt
ITALY	44,6%	44,9%	-0,3 pt	46,6%	47,4%	-0,8 pt
GERMANY	23,9%	14,8%	9,1 pt	20,3%	18,4%	1,9 pt
SPAIN	35,7%	44,9%	-9,2 pt	34,4%	38,2%	-3,8 pt
UK	27,4%	25,1%	2,3 pt	28,2%	28,0%	0,2 pt
AUSTRIA	13,9%	22,9%	-8,9 pt	21,0%	25,4%	-4,4 pt
BELGIUM	30,7%	33,1%	-2,4 pt	32,2%	35,0%	-2,8 pt
NETHERLANDS	24,7%	19,5%	5,2 pt	23,1%	24,4%	-1,3 pt
POLAND	23,3%	26,1%	-2,8 pt	23,3%	24,0%	-0,7 pt
PORTUGAL	38,2%	38,2%	0,0 pt	48,7%	43,0%	5,6 pt
EIO E29	24,6%	22,9%	1,7 pt	22,6%	24,0%	-1,4 pt

28 MS performances compared to 2022

2.3. Trends on LCV

The year 2023 has witnessed a continuation of the upward trajectory in the sales of electric LCVs. As the demand for cleaner and more sustainable transportation options continues to rise, electric LCVs have solidified their position in the market. While specific figures for 2023 may still be emerging, early indicators suggest that electric LCV sales are maintaining their strong momentum.

Growth in Market Share:

Electric LCVs are expected to further expand their market share in 2023, capitalizing on the trend that emerged in 2022. Their share of the global LCV market is anticipated to increase beyond the 3.6% reached in the previous year. This demonstrates the enduring appeal of electric commercial vehicles and hints at a potential convergence with the market share of electric passenger cars.

Such a convergence signifies the profound shift towards electric mobility and its potential impact on the broader automotive landscape.

Commercial Vehicle Operators Leading the Charge:

Commercial vehicle operators, who rely on their fleets for profit generation, continue to play a pivotal role in the adoption of electric LCVs in 2023. They are increasingly recognizing the economic benefits of electric mobility. As the total cost of ownership (TCO) of electric LCVs becomes even more favorable, commercial operators are prioritizing these vehicles to enhance their competitiveness and reduce operational costs. Their experiences in fleet management and efficient charging infrastructure utilization serve as valuable examples for private consumers, helping to address common concerns such as charging infrastructure accessibility and range limitations.

Sustained Preference for Battery Electric LCVs (BEVs):

The trend observed in 2022 continues into 2023, with BEVs remaining the dominant choice among electric LCVs. Approximately 98% of electric LCV sales and stock in 2023 are expected to be BEVs. This preference aligns with the economic advantages offered by battery electric powertrains in commercial applications, characterized by predictable driving patterns, lower maintenance costs, and regular charging routines. The strong preference for BEVs reflects the practicality and efficiency of this technology in the commercial sector.

Impact of Low-Emission and Zero-Emission Zones:

The expansion of low-emission and zero-emission zones continues to encourage the adoption of electric LCVs in 2023. These zones are often established in urban areas to mitigate air pollution and reduce greenhouse gas emissions. The increasing number of regions implementing such policies is a driving force behind the commercial viability of electric trucks and LCVs. These zones motivate commercial operators to invest in electric vehicles, particularly in densely populated urban areas.

Global Sales Leaders in 2023:

In terms of global electric LCV sales in 2023, regions such as China remain at the forefront, building on their successes from the previous year. With a growing fleet of electric commercial vehicles, China continues to lead in terms of both overall electric LCV sales and the percentage of electric LCVs sold concerning the total LCV market. The sustained growth in this region indicates the increasing competitiveness of electric commercial vehicles, even as subsidies have decreased.

Market Share Across Regions:

In 2023, the expansion of electric LCV market share is not limited to a specific region. It is a global phenomenon. Korea, for example, maintains a considerable market share of electric LCVs, although the growth rate has slowed compared to previous years. Changes to subsidy schemes and policies have likely influenced this development. Furthermore, in Europe, particularly in the Nordic countries, electric LCV sales shares have shown substantial growth. Norway, Iceland, and Sweden, in particular, continue to impress with high electric LCV market shares.

Continued Growth in North America and Europe:

Market share for electric LCVs in North America and Europe is also expected to continue its upward trajectory in 2023. While the current market share in these regions may be lower than the global average of 3.5%, the growth rate in electric LCV market share surpasses that of electric passenger light-duty vehicles (PLDVs). This trend signifies the growing acceptance of electric LCVs as a practical and sustainable option for businesses.

In summary, 2023 represents another year of significant growth in the electric LCV market. As electric commercial vehicles gain further traction, it is becoming increasingly clear that the global automotive industry is undergoing a transformation. The sustained growth of electric LCVs is driven by their economic advantages, their fit within low-emission and zero-emission zones, and the experiences of commercial fleet operators. The trends observed in 2022 have not only persisted but have strengthened, heralding a future where electric LCVs play a pivotal role in reshaping urban logistics and transportation.

3. MCA – Pioneering, Connectivity and Electrification

The Middle Cycle Action (MCA) marks a profound transformation in Stellantis's approach to the world of commercial vehicles. This era signifies a great revolution in terms of connectivity and electrification, recognizing the pivotal role that commercial vehicles play in reshaping our world. The commercial vehicle sector, encompassing both pickups and vans, is not just a segment; it's the lifeblood of our transformation journey, representing one-third of Stellantis' net revenues.

At the heart of this transformation are commercial vehicle revenues, which now stand at an impressive 60 billion dollars, significantly contributing to the group's financial health. What makes this feat even more remarkable is Stellantis's leading position in electrification and connectivity within this segment. In essence, we are charting a course toward a greener, smarter, and more efficient future for commercial vehicles. Light Commercial Vehicles (LCVs) represent approximately 30% of Stellantis' revenue, and even more significantly, they contribute to a substantial portion of our profits.

One of our bold commitments in this transformation is to double our commercial vehicle revenues by 2030 compared to 2021. In 2021, our revenues stood at 46 billion dollars, and we are resolutely marching towards the ambitious goal of reaching 40% Electric Vehicles (EVs) in our product mix, excluding heavy-duty vehicles. This change is not just about the vehicles themselves but also about the entire ecosystem of services we offer, which is expected to generate 5 billion dollars in revenues.

To achieve this monumental shift, our strategy is built upon five robust pillars:

1. **Strong Product:** Our commitment to delivering commercial vehicles that are not just functional but exceptional in terms of design, features, and performance.

2. **Zero Emission Leadership:** Stellantis is leading the charge in electrification, particularly in the light commercial vehicle segment. We are committed to reducing our carbon footprint and providing sustainable transport solutions.

3. **Dedicated Customer Experience:** Our goal is to provide a personalized, seamless experience for our customers, meeting their unique needs and requirements.

4. **Complete Digital Conversion Ecosystem:** We are streamlining the conversions and upfits process, ensuring that our customers can customize their vehicles with ease.

5. **Larger Offer of Connected Services:** We are striving to enhance connectivity and provide a wide range of services that make our vehicles smarter, safer, and more efficient.

Fiat Professional: At Fiat Professional, we stand for a dedicated network, offering solutions that are specifically designed to cater to our customers' needs. We maintain a close relationship with our customers, focusing on ingenuity, reliability, and efficiency. Our aim is to expand our presence into regions where we can lead, building a better future together.

Peugeot: Distinctive and assertive design is the bedrock of our success. We provide comfortable, ergonomic, and technologically advanced working spaces in our commercial vehicles. Our commitment to electrification means a full BEV lineup, designed to meet the needs of owner drivers and large delivery fleet companies. We understand the importance of excellence, offering 24/7 services and electric efficiency to protect your bottom line.

Citroen: As a sustainable brand, Citroen offers pure electric versions of all our commercial vehicles. Comfort is our key asset, and our Citroen Advanced Comfort Seats are testament to this. A comfortable driver is an efficient driver, and we bring this philosophy into our commercial vehicles, representing 30% of our sales.

Opel: Our products share a bold and pure design language, focusing on delivering innovative solutions. We are driving the change towards electric mobility with 15 electrified models in our portfolio, including the entire LCV lineup. Notably, we launched the first hydrogen fuel cell van in 2021, opening an exciting chapter in our sustainable mobility journey. Opel and Vauxhall play vital roles in two of the top LCV markets, with our market share steadily growing across Europe.

The Middle Cycle Action is not just a moment in time; it's a significant step towards a greener, more connected, and more efficient future. Stellantis and its brands are dedicated to leading this change, ensuring that our commercial vehicles are at the forefront of innovation and sustainability. Our vision is clear: we are shaping the future of commercial vehicles, one electrified, connected, and customer-centric solution at a time.

3.1 5 pillars

Pillar 1: Comprehensive Product Range

Stellantis takes immense pride in offering the most diverse and comprehensive commercial vehicle product range across the globe. With five Vans and 10 pickup models available in various regions, we cater to the diverse needs of our customers. What makes our offering truly exceptional is the multitude of derivatives available, ranging from panel vans to chassis cabs. When you consider the various combinations possible, including options for micro-mobility, Stellantis now provides more than 800,000 unique choices to our valued customers. Our commitment to satisfying a wide range of commercial vehicle requirements extends to a robust and international footprint that encompasses 15 production plants across the world.

Pillar 2: Zero Emission Leadership

Zero emissions have been central to Stellantis' commercial vehicle strategy since the inception of our electrified van range at the end of 2021. Our pioneering efforts in this direction have positioned us as the leaders of battery electric vehicle (BEV) sales in Europe, with an impressive 43% BEV market share. What makes this achievement truly remarkable is our strong presence in both the compact and medium B van segments, with over 50% segment share each.

In keeping with our commitment to leadership, we are thrilled to announce the upcoming launch of our second generation BEV technology, set to hit the market by the end of 2023. This technology will deliver increased autonomy without compromising on the essential capabilities our customers rely on. Furthermore, the benefits of this second-generation BEV will extend to our entire van range, which now includes an in-house electric large van offering. This is a significant milestone in our zero-emission journey.

The electrification momentum does not stop there. 2023 marks the commencement of Ram brand's electrification offensive, with the introduction of four electrified pickups over the next two years, aligning with the growing demand for zero-emission solutions in the US market.

Beyond BEVs, we are firmly committed to exploring hydrogen fuel cell technology to cater to intensive customer usages. Our hydrogen roadmap is clear and comprehensive. It includes the launch of a fuel cell medium van that is already available in the market, the introduction of an additional fuel cell large van from 2024, and the deployment of this fuel cell technology to the Ram brand in less than three years. Furthermore, by 2024, we plan to introduce a retrofit offer dedicated to our customers who currently own thermic vehicles, providing them with a trustworthy and eco-conscious transition to zero emissions.

Pillar 3: Customer-Centric Approach

Stellantis is dedicated to placing the customer at the core of our operations. Our approach to the customer experience involves tailored solutions that align with professional needs. This is not just a promise; it's a commitment to delivering a seamless customer journey, designed to meet the unique profiles, needs, and usages of our customers.

To achieve this, we have developed a digital interaction platform that allows customers to directly provide their specific requirements in line with the nuances of their business. This platform is the gateway to a more personalized experience. We are not merely presenting our entire product range but instead focusing on the most relevant product offers for each customer. Additionally, these offers are packaged with essential services such as dedicated charging solutions and financial services, thanks to our in-house financial division.

Our digital approach is already supported by 20,000 professional touchpoints worldwide, each dedicated to offering efficient solutions. These touchpoints include sales and service advisors available round the clock, ensuring that our customers receive the attention they deserve.

Recognizing the growing importance of delivery services, we are excited to announce that, by the end of 2023, we will launch a dedicated delivery version of our electric large van. This version will be produced directly in our factory, and it will come equipped with features and equipment designed to facilitate the daily activities of our business delivery customers.

Pillar 4: Conversions and Upfits

Stellantis recognizes that commercial vehicle performance, customer needs, and customer expectations often involve conversions and upfits. These processes are pivotal to fulfilling our customers' unique requirements. In fact, up to 50% of our commercial vehicle sales are driven by these customizations. We have taken steps to streamline this process and ensure that it aligns with our quality standards.

Currently, we have established over 400 conversion partnerships, each offering a diverse array of conversion options to choose from. Moreover, we have introduced a certification process that reinforces quality and reliability, so our customers can have confidence in their choices.

In addition to these critical efforts, we have developed a seamless digital ecosystem that simplifies the interaction and communication between all stakeholders. This ecosystem is designed to reduce lead times for customers, converters, dealers, and our brands. It streamlines the entire process, making it easier for everyone involved.

Product innovation is another core aspect of our strategy. We are pioneering the introduction of electrification into conversions. One prime example is the E Power Takeoff (EPTO) solution, which leverages the installed battery of the vehicle, eliminating the need for additional power sources. This innovation enhances efficiency and sustainability, demonstrating our commitment to reducing the environmental impact of commercial vehicles.

Pillar 5: Connected Services

Our goal in the realm of connected services is crystal clear: we aim to achieve 5 billion Euros in connected services revenue by 2030. To make this a reality, we have devised a three-pronged strategy.

Firstly, we are working diligently to connect 100% of our vans and pickups. By the end of this year, this goal will be realized across the entire Stellantis commercial vehicle lineup.

Secondly, we are focused on ensuring that connectivity is immediately activated at the time of customer delivery. This commitment extends to both European and North American markets, and it will become a reality from early 2024 at the delivery of all the new models presented today.

Lastly, our strategy includes the deployment of service packages that prioritize business continuity and efficiency. These packages are designed to enhance the overall customer experience. They include digital maintenance monitoring, geofencing, charge management software, real-time driver alerts, and more. These services are not just about offering convenience but also about enhancing the safety of fleet operations, optimizing vehicle usage, and reducing costs.

Our commitment to this pillar also extends to providing easy and fast upgrades for our customers via over-the-air technology. This includes remote software updates, remote Advanced Driver Assistance Systems (ADAS) upgrades, and the refinement of electric vehicle (EV) drive modes. These updates will help our customers adapt to changing conditions, enhance the efficiency of their operations, and remain competitive in the market.

In conclusion, Stellantis' commercial vehicle strategy is not just about introducing new vehicles; it's a holistic approach that includes a comprehensive product range, zero emissions, a customer-centric focus, conversions and upfits, and cutting-edge connected services. Each of these pillars is designed to address the unique needs of our customers and provide them with innovative solutions that make a real difference in their daily operations.

The essence of our customer-centric strategy is "no compromise," and to achieve all our objectives, we have addressed three key areas in particular – human-machine interface, driver assistance, and second-generation zero-emission powertrains in our new van lineup. Our commitment to providing the best possible experience for our professional customers is reflected in the comprehensive upgrades. We've completely renewed the human-machine interface, both on-board and off-board, taking into account the expectations of our professional customers. This includes new cockpits, an updated infotainment lineup, and, most importantly, standard connectivity across all product lines. Our advanced driver assistance systems, featured on all our vans, are designed to enhance safety, productivity, and stressless driving, providing peace of mind for both drivers and owners. With at least 18 advanced driver assistance systems across all segments, we go a step further by introducing safety and functionality upgrades, such as LED headlamps. At Stellantis, our focus is on delivering clean, safe, and affordable mobility. Our in-house second-generation zero-emission propulsion systems align perfectly with this goal, allowing us to improve performance, quality, and cost-effectiveness to the benefit of our customers. Our advanced regenerative braking systems take into account vehicle mass and road dynamics, while the exclusive 400-volt electric power take-off makes all our EV vehicles easily adaptable. Before we delve into the details of our new lineup, it's worth highlighting the remarkable results our brands have achieved with the current generation of their advanced vehicles, with over 10 million units sold worldwide. This achievement forms the foundation of our relationship with our customers and propels us forward into the future.

3.2 Compact Van range

The Small Van Segment, presented by Stellantis, unveils a series of models built upon a common multi-energy platform, each distinctively embodying the unique brand identity and design

29 MCA C range

language. This collective initiative reflects a profound commitment to customer-centric principles, ensuring that the vans resonate with the values, features, and distinctive elements that are expected by loyal customers. Opel and Vauxhall's emphasis on technology is evident, with their vans equipped with state-of-the-art Matrix headlamps, providing superior night vision and mitigating the risk of blinding oncoming traffic. This aligns with their branding's allure and tech-savvy appeal. Fiat, renowned for its user-friendly solutions and product ingenuity, presents a van that excels in both cleverness and practicality, highlighted by its "magic cargo space." Citroen, a brand synonymous with comfort and well-being, integrates these values into their commercial vehicles, featuring "Advanced Comfort Seats" for a comfortable and supportive driving experience.

Turning our attention to the Compact Advance, a comprehensive overhaul of the human-machine interface is witnessed. It introduces a fresh infotainment lineup, including the innovative "smartphone station," which allows seamless integration of smartphones through a dedicated app, effectively transforming them into the vehicle's control center. This technological advancement simplifies connectivity and offers a practical and cost-effective means to enhance the onboard experience. The range further extends to two fully connected entertainment systems, featuring spacious displays, Apple CarPlay, Android Auto, and, on the highest-tier model, a fully digital experience complete with embedded navigation and over-the-air updates. A total of 18 advanced driver assistance systems, including the cutting-edge "Dynamic Surround Vision," underscores our commitment to driver assistance, providing a range of camera views for various maneuvers. The second-generation compact electric vans offer an impressive "Best in Class" range of up to 330 kilometers, thanks to the introduction of a heat pump, which optimizes energy utilization in winter conditions and extends autonomy.

This diverse compact van range caters to a variety of needs, with four body types, two lengths, payloads up to one ton, and loading lengths of up to 3.44 meters. Customers have the flexibility to choose between a battery electric version with extended range and the latest generation internal combustion engines, all offered at an accessible price point. This unveiling marks the beginning of our 12-model product presentation, promising much more to be revealed, as we remain

committed to providing innovative solutions that meet the needs and expectations of our esteemed customers.

3.3 Mid-size Van range

In the Mid-size Van Segment, Stellantis introduces a comprehensive renewal, with each model rooted in its distinct brand identity. This revitalization brings forth a series of enhancements to the human-machine interface. Customers will find a new instrument panel that boasts increased functionality, a fresh style, and an abundance of storage compartments. Complementing this, a new 10-inch digital instrument cluster is paired with an innovative infotainment lineup that offers full connectivity, a digital experience, and readiness for continuous over-the-air updates.

30 MCA D range

The Mid-size Van lineup, designed to cater to the evolving needs of our customers, comes equipped with 18 advanced driver assistance systems, including the advanced "Dynamic Surround Vision" system. This array of safety features is geared toward enhancing driving security and simplifying parking maneuvers.

In terms of electrification, Stellantis reaffirms its commitment to offer two distinct zero-emission technologies: battery electric vehicles (BEVs) and hydrogen fuel cell vehicles. This pioneering choice sets our Mid-size Van range apart within the competitive landscape. An updated hydrogen model, expected to debut by mid-2024, will incorporate Stellantis' exclusive mid-power system. This system marries the benefits of electric traction with hydrogen battery technology, providing up to an impressive 400 kilometers of autonomy, a record-setting range within this segment, and swift refueling in under five minutes. This ensures maximum flexibility in vehicle usage.

Second-generation BEVs come equipped with battery packs, offering 50 or 75 kWh options, and they deliver an impressive range of up to 350 kilometers. The Mid-size Van lineup features a diverse range of configurations, encompassing six body types, including the addition of a new

recreational vehicle base. These vans come in two different lengths, offer payloads of up to 1.4 tons, provide over 6.6 cubic meters of volume, and present customers with the choice between BEV models with extended range, internal combustion engines, and fuel cell variants. This marks a significant step forward in our commitment to provide innovative solutions that cater to the diverse needs and preferences of our valued customer base.

3.3 Large-size Van range

31 MCA E range

In the Large Van Segment, Stellantis is unveiling a comprehensive overhaul of the human-machine interface, with a primary focus on enhancing comfort, functionality, and the overall onboard experience. The Large Van lineup introduces a range of innovative features, including a fully configurable digital cluster, adaptable seating arrangements designed to accommodate both work and relaxation, and an array of new functionalities.

Large Vans, often maneuvering through confined spaces while serving as delivery vehicles or supporting logistics, have an acute need for advanced driving assistance systems. To meet this need, our models come equipped with the most comprehensive suite of equipment available in the segment. The integration of new electric power steering and the synergy of features like adaptive cruise control with stop and go function, lane centering, and traffic jam assistance offer an unparalleled level of support. Notably, the Moano, Boxer, Ducato, and Jumper models have achieved Level 2 automation, representing the highest level of autonomous driving achievable on today's roads.

When it comes to electrification, our Large Vans are breaking records. These vehicles offer an industry-leading electric range of up to 420 kilometers, surpassing current offerings by 140 kilometers. Powered by a substantial 110 kWh battery pack, our Large Vans provide rapid charging capabilities at 150 kilowatts, ensuring an 80% charge within an hour. The upcoming year will

witness the launch of the first hydrogen fuel cell Large Van, sharing the innovative Midow architecture adapted to the specific needs of our Large Van customers. This hydrogen-powered version is poised to deliver a range of up to 500 kilometers with rapid refueling requiring just 5 minutes.

Moreover, the entire range of internal combustion powertrains has undergone a comprehensive revamp, incorporating high durability, efficiency, and comfort. These engines, capable of delivering up to 180 horsepower and 450 Newton meters of peak torque, are paired with a new eight-speed automatic transmission. This combination results in an impressive 9% reduction in fuel consumption compared to previous generation models, positioning our Large Vans at the forefront of fuel efficiency and low CO2 emissions within the segment.

In a nutshell, our Large Van range offers remarkable versatility with seven body types, four lengths, three roof heights, payloads of up to 2 tons, voluminous cargo capacity extending to 17 cubic meters, gross vehicle weights of up to five tons, and the introduction of second-generation battery electric vehicles, advanced internal combustion engines, and an exclusive hydrogen fuel cell variant. This marks a momentous stride toward our commitment to deliver innovative solutions that cater to a wide spectrum of customer needs across the Light Commercial Vehicle segment. The simultaneous launch of 12 nameplates spanning our diverse array of brands represents a momentous leap into a new era, redefining the commercial vehicle market with an offensive that sets the stage for remarkable change.

4. Pricing

In the context of business and commerce the Pricing refers to the process of determining how much a product or service should cost for customers. It is a critical aspect of a company's operations and strategy, as it directly impacts the revenue, profitability, and competitiveness of the business. Pricing involves several key considerations:

Costs: Businesses must consider their production and operating costs when setting prices. This ensures that the price covers expenses and allows for a profit.

Market Demand: Pricing should align with what customers are willing to pay for a product or service. High demand may allow for higher prices, while low demand may require lower prices to attract buyers.

Competition: Businesses need to be aware of the prices set by their competitors. Pricing too high or too low relative to competitors can affect market share and profitability.

Value: Customers perceive value in a product or service based on quality, features, brand, and other factors. Pricing should reflect this perceived value.

Pricing Strategy: Companies can adopt various pricing strategies, such as premium pricing (high price to reflect exclusivity), economy pricing (low price for cost-conscious customers), or value-based pricing (based on the perceived value to customers).

Discounts and Promotions: Offering discounts, promotions, or bundling products can influence consumer behavior and purchase decisions.

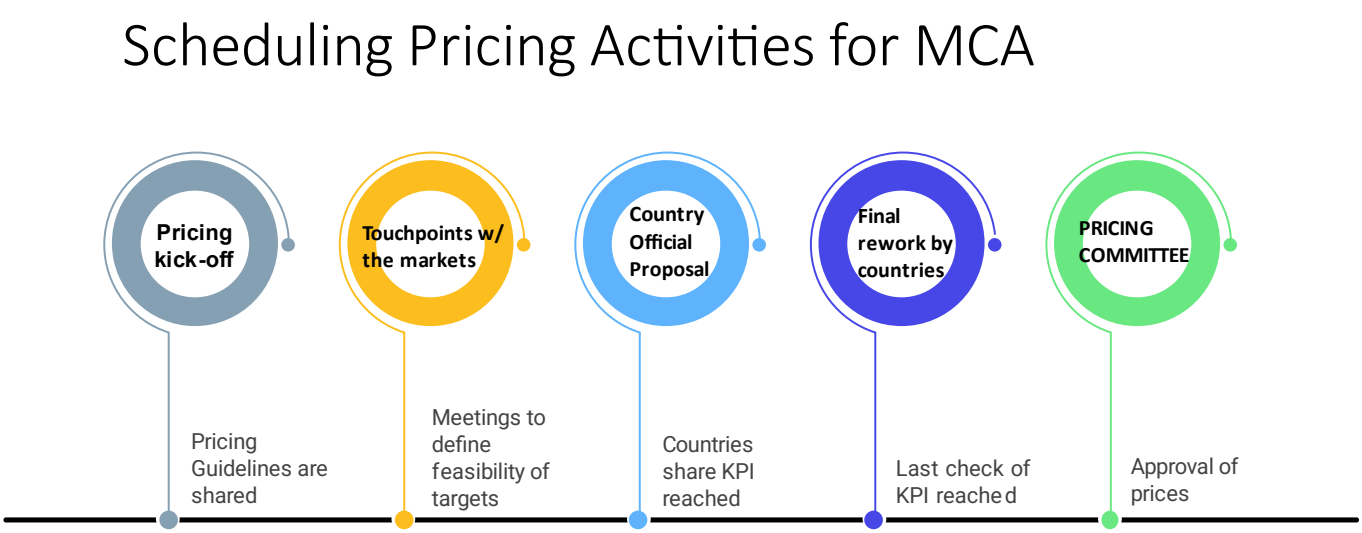
Pricing Models: In some cases, businesses may use specific pricing models, such as cost-plus pricing (adding a markup to production costs) or value-based pricing (charging based on the perceived value to the customer).

Pricing is a critical component of product launches, typically finalized in the later stages of product development. To ensure precision and effectiveness in pricing strategies, it relies on a harmonious alignment with other crucial pillars of the business, including the product itself, market dynamics, and financial considerations. This collaboration is essential for gaining a comprehensive understanding of the product's perceived value and its potential reception in the market before its launch.

4.1 Strategy and planning

Having a pricing strategy is extremely important for conducting projects in an organized and systematic manner, as well as for working in an integrated way with other areas of the business. As for the MCA (Middle Cycle Action), my manager and his team had a well-defined strategy and a

timeline to adhere to. It's important to note that the activities related to MCA were not the only ones within the pricing domain, as there were also tasks associated with the current model (MY60) and private tenders. The following picture shows the timing for the preparation and launch of the C SEGMENT range, with Start of Production (SOP) in March 2024. The sequence of tasks is the same for all the range, having as only difference the timing.



32 Sequence of actions for MCA timing

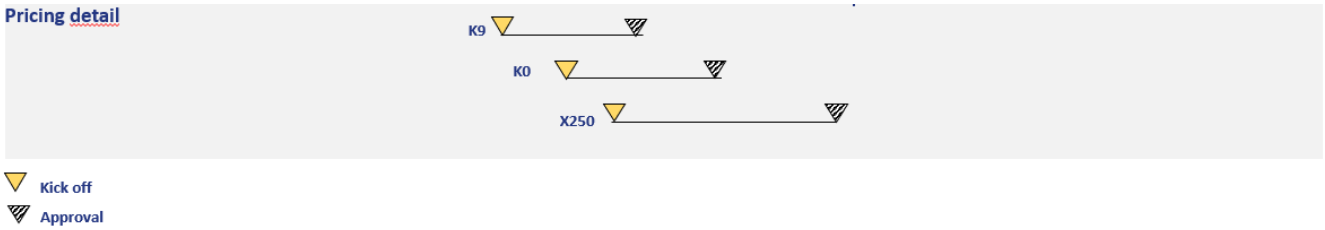
In the picture above, you can see that the MCA starts with the pricing kick-off, which is nothing more than a meeting where the pricing phase guidelines are shared. This includes the action timeline, an overview of the launch plan, the announcement of price steps and main packs, and, finally, the targets such as Discounts and margins.

I believe it's important to clarify the concept of "price step." "Price steps" are simply price differences between two different vehicle versions. These versions can vary in terms of power, engine, cargo volume, or length. All these price differences, referred to as "price steps," create a price grid in such a way that, starting from one version, you can determine the price of all the others.

Engine Steps	Petrol 110	Diesel 100	Diesel 130	Diesel 130 AT	ESF Electric 136 Vs DS 100hp 1000Kg
	-1000	BASE POINT	+1000	+2400	
Guideline (€)	**Base point**	**1000** Δ+1000	**2000** Δ+1000	**3400** Δ+1400	**avg 9000 (detailed by MKT)**

33 An example of price steps for C SEGMENT range

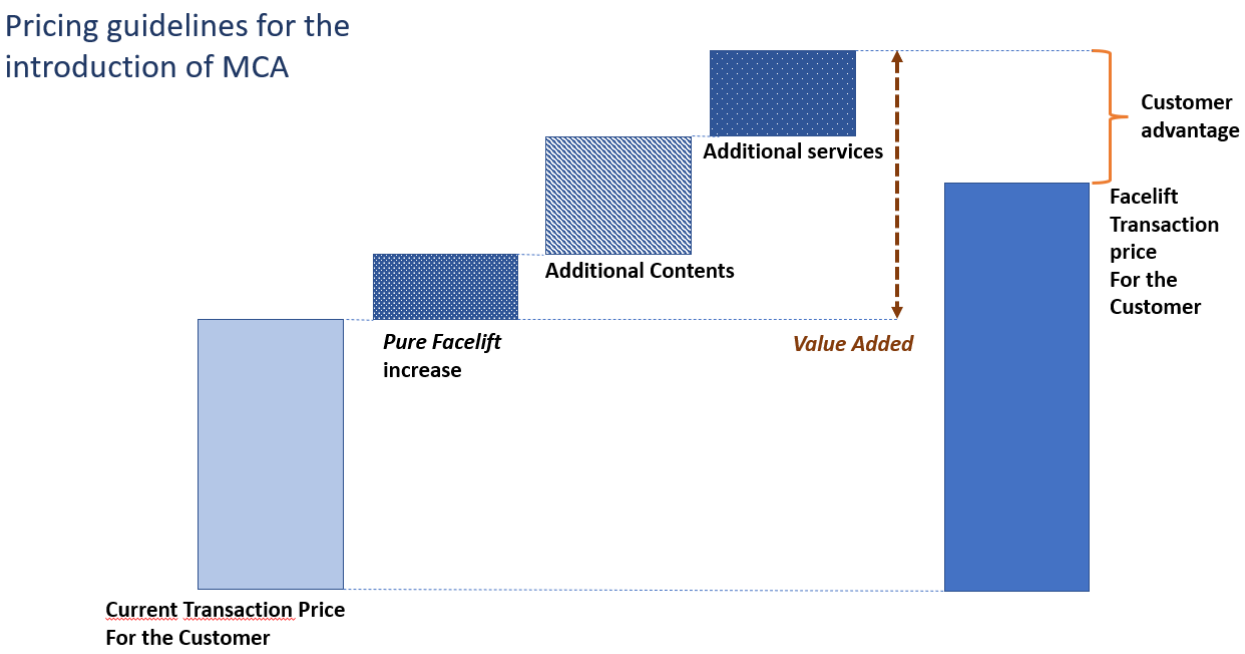
In the following picture we can see the timeline of C, D and E SEGMENT. The process of approval of these 3 carlines begins in different moments but the development happens in parallel.



34 Timeline from Kickoff to Approval for C SEGMENT, D SEGMENT and E SEGMENT ranges

4.1.1. Guidelines on positioning

Positioning in the context of pricing refers to the strategic placement of a product or service in the market to create a distinct and desirable image in the minds of customers. It involves determining how your offering compares to competitors, understanding your target audience, and setting a price that aligns with your overall marketing and business strategy. In the following picture you can see the logic there has been behind the MCA for the positioning of the new vehicles



35 Example of logic for new MCA range

The "pure facelift increase" is attributed to improvements in comfort, functionality, fuel efficiency, and the quality of HDMI interfaces. The additional contents introduced are aimed at enhancing residual value and competitiveness by providing customers with an advantage of over 50%, depending on the type of content.

The purpose of this positioning was to increase prices to align them with what would be applied to the new vehicle, achieving a harmonization between the two. However, the price increase, once the new added features and services mentioned earlier were taken into account, provided a significant advantage to customers. This means that a substantial portion of the monetary value associated with the new content available to prospective customers would not be included in the final price. In fact, net of the newly introduced content, customers would be paying less for the new vehicle compared to what is currently available in the market.

With the introduction of the Middle Cycle Action (MCA), the focus has shifted toward harmonizing content and pricing across all brands. The primary goal is to ensure that consumers in every country have access to high-quality commercial vehicles while simultaneously preserving the roots and quality perception of domestic brands. This process represents an exciting challenge and a unique opportunity within the automotive industry.
Following the kickoff meeting, where the key features of the vehicles are presented to the market managers from various countries, the crucial phase of "touchpoints" with different nations begins to discuss the status of the proposals. During these interactions, clear guidelines are provided to the various countries regarding the objectives to be achieved in terms of margins (GCRD) and discounts (Discounts). These margins and discounts are directly interconnected with two other vital indicators: the list price and the transaction price.

4.2. Execution

The execution phase, which occurs during the touchpoints, plays a pivotal role in ensuring that markets adhere to the profitability targets established in collaboration with the finance department. This is a multifaceted process that involves not only setting prices but also formulating pricing policies and aligning market positioning with competitor dynamics.

One of the most critical considerations during this phase is the need to strike a balance between a pricing strategy that not only enhances economic profitability but also bolsters the sustainability of sales volumes. Achieving this equilibrium is no small feat, given the disparities in market performance across countries. It's worth noting that these differences extend beyond economic factors; even currency variations, such as the use of different currencies like the Polish Złoty, necessitate tailored pricing strategies for each market.

The level of flexibility within the pricing framework is an integral component of this phase. The touchpoints serve as a forum for understanding the nuanced needs of individual markets and the need to meet the pricing requirements necessary for profitability and sustainable sales volumes in those specific regions.

However, the pricing phase doesn't stop at determining key performance indicators (KPIs) for vehicles. It extends to the realm of options and packs, adding complexity and depth to the pricing process. During this stage, not only are proposals received from countries, but there's also the creation of custom packs specific to their market demands. The evaluation of the profitability of these packs and the setting of their respective prices require close collaboration with the product department, which supplies crucial specifications related to feasibility.

At the conclusion of the touchpoints, the markets assume a key role in validating the feasibility of the instructions provided by the pricing team. This validation process is facilitated through software tools, ensuring that the guidelines are both practical and actionable.

Following the confirmation of the feasibility of these pricing guidelines, an official proposal is generated by the marketing manager of the respective country. If the proposal successfully aligns with the defined pricing strategies and profitability targets, it moves to the next phase—the Pricing Committee. This committee plays a critical role in the final approval of all prices within the G10, marking a crucial milestone in the complex journey of pricing for the LCVs.

4.3 Launch Phase

In the launch phase, it's common to reduce discounts in order to clear out the old inventory. However, in a few years, as the technology matures and manufacturing defects decrease, the product may need to offer more significant discounts to remain competitive in the market. Typically, during the launch phase, a vehicle is introduced with a special launch offer designed to generate orders. These launch offers often include rich features, providing substantial value and advantages to the customers, aiming to create an initial surge in demand.

To clear out older inventory, higher discounts are applied to the outgoing model, while on the new model, discounts are slightly reduced, resulting in a higher initial transaction price to fulfill the older orders. Gradually, as time passes, discounts increase, aligning with the levels agreed upon during the approval phase with the individual countries.

This strategy allows for a successful launch, ensures that older models are phased out, and progressively adapts to market conditions and competition as the product matures.

4.3.1. Pricing Committee

The Pricing Committee, as the concluding stage of the pricing process, plays a pivotal role in shaping the future of pricing strategies for LCVs. This committee serves as the ultimate decision-making body, where comprehensive insights and data are presented to pave the way for the upcoming model. It acts as the compass, charting the course for pricing decisions in a highly competitive market.

In the committee's deliberations, extensive information is shared, encompassing not only the achieved KPIs and targets but also providing a panoramic view of market dynamics. Projections of sales volumes are presented, meticulously breaking down market shares between ICE (Internal Combustion Engine) and BEV (Battery Electric Vehicle) versions. This detailed segmentation allows for a deep understanding of how different powertrain technologies impact the market.

The comparative analysis of competitiveness is a key highlight, where each country's position concerning competitors is meticulously dissected. This analysis is a cornerstone for setting competitive pricing that not only maintains market share but also improves it over time.

Margins, those vital indicators of profitability, are a focus of attention during the committee proceedings. Here, the target margin values are laid out alongside the actual margins achieved. This clear presentation allows stakeholders to grasp the precise financial performance for each country, brand, and powertrain type, be it ICE, BEV, or the combined ICE+BEV.

Additionally, the Pricing Committee showcases the upcoming changes in discount structures, revealing how they differ from the current ones. These changes are critical in shaping customer behavior and influencing sales trends.

The committee doesn't stop at merely highlighting the data; it also provides a holistic view of the challenges and opportunities in each country. Moreover, it offers solutions to mitigate issues and capitalize on prospects.

In summary, the Pricing Committee's multifaceted role in setting pricing strategies for LCVs is central to the success of these vehicles in a highly competitive market. By bringing together data-driven insights, market projections, competitive positioning, financial performance, and discount structures, this committee ensures that pricing aligns with both customer expectations and business objectives.

5. Methodologies to reach targets through KPI

Indicators occupy a pivotal position within the realm of organizational management and assessment. While they are often seen as quantitative tools used to gauge performance or progress, their influence transcends mere data points. Indicators are active components within the organizational machinery, actively shaping the direction and priorities of a business. They not only measure outcomes but can significantly influence the processes, actions, attitudes, and decisions of an organization, in essence, organizations become what they measure.
However, if the same indicators lead to counterproductive decisions and actions, they may be deemed ineffective or even detrimental to the organization's goals. It is this interplay between indicators and organizational behavior that underscores the significance of their selection and utilization. Once an organization commits to specific indicators, these metrics become ingrained in its operations and culture, offering substantial inertia that can be challenging to overcome or redirect.

The influence of indicators extends across diverse fields, impacting operations management, economics, finance, social sciences, sports, education, and many more. Regardless of the context, indicators serve as fundamental tools for quantifying and assessing a wide range of variables and phenomena. In the financial realm, indicators like the Gross Domestic Product (GDP) shape

government policies and international financial decisions. In education, student performance indicators guide curricula and teaching methodologies. The pervasive nature of indicators reflects their ubiquity as instruments of measurement, evaluation, and decision-making.

When dealing with indicators, various questions and considerations come to the fore. Organizations often grapple with determining how many indicators to employ, whether there exists an "optimal" set, whether such a set is unique, and whether multiple indicators can be effectively aggregated into a single comprehensive metric. The properties of indicators, their relationship with measurements, and the methods to define and test indicators for specific processes also constitute complex challenges. These questions highlight the intricacy of working with indicators and the need for a systematic and well-informed approach.

In the realm of measurement, indicators bear a close connection to the physical interpretation of quantities. Traditionally, measurements are defined as processes that convert physical parameters into meaningful numerical values. Measuring instruments are devices specifically designed for determining the magnitude or value of a variable, while units of measurement serve as standardized reference points for quantifying physical quantities. Notably, the absence of the associated units renders measurement values devoid of physical significance. The International System of Units (SI), encompassing fundamental units such as length, mass, time, electric current, thermodynamic temperature, amount of substance, and luminous intensity, forms the bedrock of measurement standards. Derived units, constructed through mathematical operations on these fundamental units, provide a flexible framework to quantify a diverse array of physical quantities. These definitions and standards are dynamic and evolve in response to advances in measurement technologies, emphasizing the ever-progressing nature of measurement and indicators.

Indicators stand as integral components of the organizational landscape, guiding decisions, influencing behavior, and facilitating performance assessments. They embody the intricate relationship between measurement, quantification, and the pursuit of excellence in organizational performance. As organizations navigate a complex and data-driven landscape, understanding the nuanced role of indicators becomes increasingly critical in ensuring sustained success and growth.

Non Counter-Productivity Properties

Within a process governed by performance indicators, both managers and employees often concentrate their attention on indicators associated with local incentives. This tendency, however, can prove counter-productive, potentially exerting a negative influence on the overall performance of the entire process.

Certain sub-indicators contribute to depicting various dimensions or features of a process. It is posited that overseeing the comprehensive performance of the process is feasible, perhaps through a composite indicator that amalgamates these sub-indicators. In instances where an escalation in a specific sub-indicator correlates with the decline of (at least) one other sub-indicator (indicating a negative correlation), leading to a substantial downturn in overall performance then is deemed counter-productive. This in the LCV environment might be the case of Transaction Price and Discounts as set of sub-indicators, where an increasing of discount provides a decrease of the TP. This phenomena brings the customers to have a Transaction Price very different (lower) from the List Price but at the same time there is loss in terms of Transparency because different dealers can offer the same vehicles at very different prices.
At the same time the negative correlation of a set of sub-indicators allow the introduction of new strategies. If the same result can be achieved in different ways, with a different set of sub-indicators, it means to find the best-alternative to minimize the negative-effects. Of course this has to be a trade-off solution considering the sector of the company and the outside effects on course.

5.1. Application of Balanced Scorecard in the Light Commercial Vehicle Sector

In the quest to evaluate and enhance the performance of companies in the light commercial vehicle sector, strategic management tools play a pivotal role. One such instrument, the **Balanced Scorecard** (BSC), devised by Robert Kaplan and David Norton in the '90s, emerges as a comprehensive system for strategic oversight. This section explores the integration of the Balanced Scorecard framework into the context of pricing strategies for light commercial vehicles.

Alignment with Strategic Goals:

The Balanced Scorecard emphasizes the importance of aligning pricing activities with broader strategic goals. Similarly, in the context of light commercial vehicles, the pricing strategy should be intricately connected to the overall business strategy. By incorporating pricing-related Key Performance Indicators (KPIs) into each perspective of the Balanced Scorecard, you can ensure that pricing decisions contribute directly to the achievement of strategic objectives.

Financial Perspective:

In the financial perspective the Balanced Scorecard highlights the importance of assessing economic and financial results. For the light commercial vehicle sector, this involves tracking financial metrics as Return on Equity (ROE) and Return on Sales (ROS) and understanding how they change compared with Transaction Price or Discounts. This perspective ensures that pricing decisions directly impact the company's financial health and profitability.

Customer Perspective:

BSC shows the customer perspective, focusing on customer satisfaction and loyalty. In the context of light commercial vehicles, pricing strategies should be evaluated based on their impact on customer relationships. For Stellantis the Customer Journey is an important point where the success means to have a Tailormade customer relationship, a dedicated LCV usage-based customer experience where the customers can be followed by an expert. Also the User-experience is enhancing trying to move the selling process online allowing customers to configurate the vehicle on their necessities.

Internal Processes:

The internal processes perspective in the Balanced Scorecard involves analyzing and optimizing business processes. For the light commercial vehicle sector, this means evaluating the efficiency of communication with the countries, trying to have a centralized system which has an overall impact across all the countries interested (still keeping an ad-hoc communication system for particular cases) which may help in the efficiency of updates about options and packs. The goal is to enhance the effectiveness of these processes to deliver value to customers and improve the company's financial position.

Learning and Growth:

In the learning and growth perspective I would underline the importance of continuous improvement and employee development. Translating this into the light commercial vehicle sector, it implies that the team responsible for pricing activities should have experience not only as Pricing Analyst but also in other related areas as Product Development, Marketing and Accounting. This is due to the transversal nature of the pricing activities which involve many areas of the business and require a complete profile to better support the business.

Key Performance Indicators (KPIs) for Pricing:

Integrate specific pricing-related KPIs into each perspective of the Balanced Scorecard. These could include price elasticity, market share influenced by pricing, and the effectiveness of pricing models in maximizing profits. This ensures that the evaluation of pricing strategies is comprehensive and aligned with the Balanced Scorecard framework.

Scenario Analysis:

Use the scenario analysis concept from the Balanced Scorecard to assess different pricing strategies. Understand the potential impact of pricing decisions on financial outcomes, customer satisfaction, and internal processes. This supports informed decision-making in a dynamic market environment for light commercial vehicles.

BALANCED SCORECARD

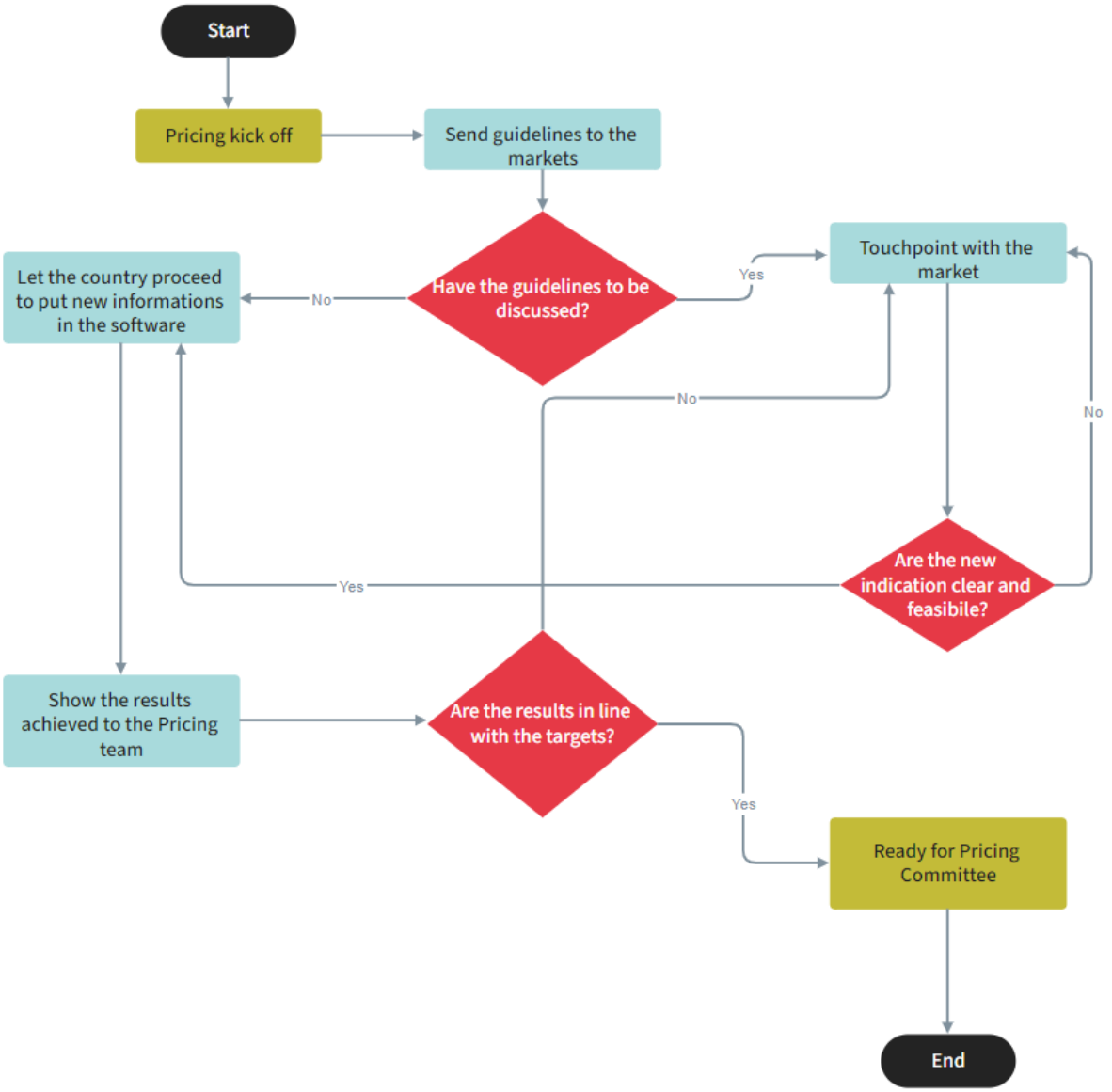
STELLANTIS

	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATORS	INITIATIVES PROGRAMS
FINANCIAL	Financial health	Transaction Price	Understanding how financial results (as ROE and ROS) are related with KPI as Transaction Price or discounts
	Profitability	Discounts	
	Increase Volumes in strategic areas	List Price	
		Market Share	
CUSTOMER	Dedicated LCV usage-based customer journey	Customer Satisfaction	Providing a user experience, particularly in online services, that empowers customers to create a personalized vehicle. To receive guidance from industry experts specializing in commercial vehicles, assisting them from the initial vehicle selection phase through to the final purchase.
	Online User Experience improvement	Loyalty	
	Tailor Made customer experience	Revenue	
INTERNAL PROCESSES	Efficient and effective communication with the markets	Ease of communication	To have an improved system to communicate in efficient way with the country, centralized and smart, in such a way every country can have their own guidelines but still keeping a direct line to solve particular issue
	Software to communicate ad hoc guidelines and to receive feedbacks	Reduce timing to share info	
LEARNING	Transversal Competence	Experience	To have individuals capable of orchestrating activities in a cross-functional manner. These individuals should possess a comprehensive understanding of various facets of the business, encompassing product knowledge, marketing insights, and financial acumen.
	Communicaton Skill	Job rotation	

5.2. Process Sheets

Process sheets, also known as process documentation or procedure sheets, are detailed documents that provide a step-by-step outline of the activities and tasks involved in a specific process. These sheets are used to document, communicate, and standardize procedures within an organization. Process sheets play a crucial role in ensuring consistency, efficiency, and quality in the execution of various processes.

Process sheets can take various forms, such as process flowcharts, detailed process documentation, or standard operating procedures. These sheets provide a step-by-step guide to the activities involved in specific processes. For pricing activities in the light commercial vehicle sector, process sheets can outline the steps from pricing strategy formulation to execution, ensuring that the strategy aligns with organizational goals. Moreover, the integration of these tools is crucial for the success of middle cycle actions on light commercial vehicles. A well-structured Balanced Scorecard not only helps in aligning pricing strategies with broader company objectives but also provides a framework for continuous improvement. Process sheets complement this by offering detailed insights into the execution of pricing strategies, allowing businesses to identify and address critical aspects without compromising others. In the following picture is possible to see the Process Sheets for the implementation of the MCA.



36 Process Sheet for the implementation of MCA

5.3. Competitiveness

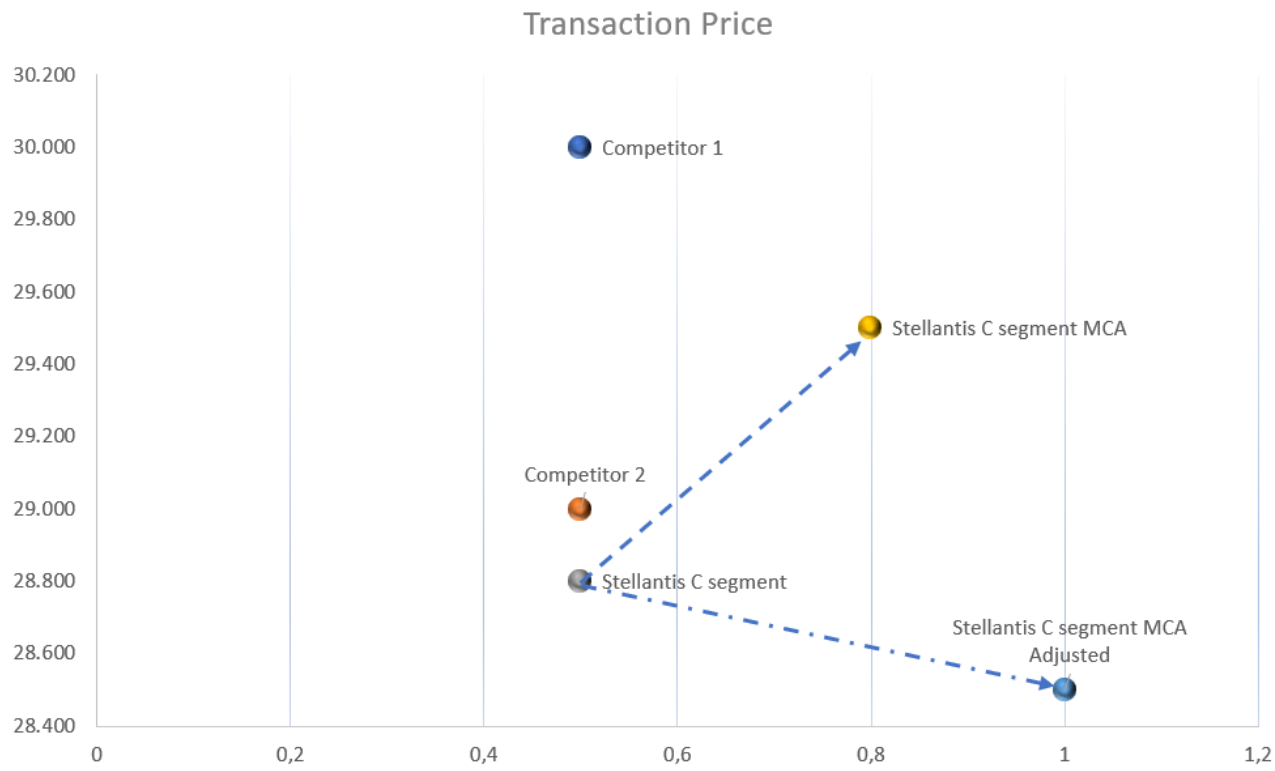
During my experience as a pricing analyst, I realized the crucial role that indicators can play in driving business and achieving the predetermined corporate performance targets. The indicators we will explore shortly don't necessarily require complex analytical skills but rather hold significant commercial relevance. These indicators are highly interrelated, and their meanings can vary significantly depending on the country, brand, and specific vehicle model they are associated with.

In my daily internship experience, it was common to come across data such as list prices and transaction prices related to a specific vehicle from a brand. However, for a profound understanding of this data, I learned that it was vital to know the context in which it was calculated. This context includes the country where it was determined and the sales channel used to establish that particular price. The sales channel can have a substantial impact because selling to a large corporation results in a different price compared to an individual sale to a private customer, which, in turn, differs from an online sale. Therefore, comprehending the nature of these prices is of utmost importance, as without such understanding, there's a risk of having data devoid of meaning.

Competitiveness as a KPI is a multifaceted metric that considers factors such as pricing, product features, quality, and overall value perception to assess how well a product can compete effectively in its target market. It reflects the balance between price and the value proposition, recognizing that a higher-priced product can be competitive if it delivers superior performance and additional benefits compared to its rivals. This holistic approach to competitiveness evaluation is crucial for pricing activities in the Light Commercial Vehicle (LCV) sector, ensuring that pricing strategies align with market realities and customer expectations to maintain a strong competitive position.

It's important to understand that a product's competitiveness against competitors should be calculated net of its contents, not just based on price alone. This is because a product that is more expensive but significantly outperforms competitors can still be highly competitive in the market despite a higher price point.

For instance, in the following slide, we can observe that the competitiveness of the Stellantis C segment vehicle appears stronger in terms of pricing when compared to the Competitor 2, which has a higher price on its current version, but the situation changes when we shift from the current model to the MCA, because the TP increases (due to added contents) and the Stellantis model is in a weaker position in terms of competitiveness. However, upon closer examination if we look to the last point, which represents the positioning in terms of Transaction Price of the MCA, adjusted to account for the introduction of new content, a different perspective emerges. It becomes evident that the Stellantis model, in its adjusted state, is actually more competitive than the Competitor 2. This illustrates how a comprehensive assessment of competitiveness, factoring in both pricing and the value-added by new features, provides a more accurate representation of the product's competitive standing in the market.



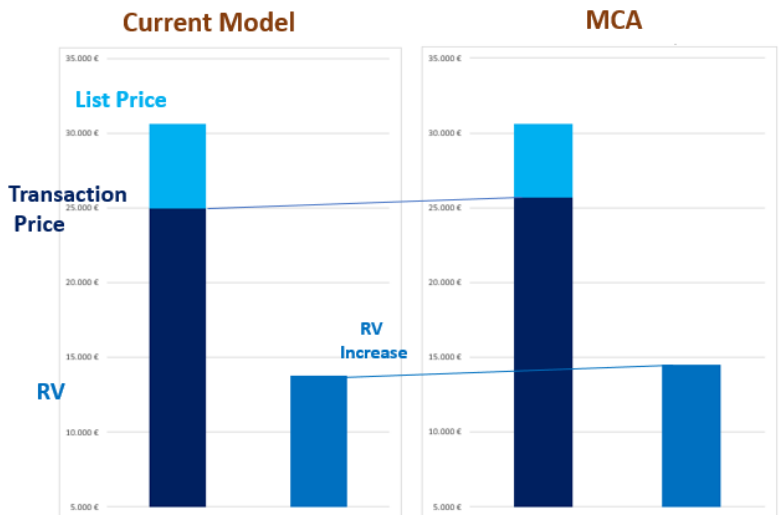
37 Competitiveness scheme

5.4. Discounts

Another critical factor in the pricing process and the positioning of vehicles in the market is the consideration of discounts, which are referred to internally as "distribution costs." They bear this name because they encompass not only the discount component but also logistical costs. As previously mentioned, these discounts are instrumental in calculating the transaction price, starting from the list price. With the introduction of the MCA, there's an ongoing effort to reduce the discount portion with the aim of achieving a uniform price across the entire distribution network, thereby ensuring transparency for the customers.

This journey towards harmonization involves a gradual reduction of discounts initiated over time and continuing, ensuring that there is consistency from one dealership to another. This consistency and a reduction in the variability of pricing across the network contribute to a more customer-friendly experience, where clients encounter a standardized pricing approach regardless of their choice of dealership.

A crucial aspect of price control involves managing the transaction price, defined as the list price net of discounts, or the price perceived by the customer through the application of discounts.



38 Example to show the growth of TP keeping LP steady

With the introduction of the MCA and the incorporation of new features related to safety, connectivity, and facelift, the transaction price naturally tends to rise as the vehicle becomes richer in terms of content. However, it is important to note that the increase in the transaction price is not directly reflected in the list price. For example, if discounts amount to 30%, we do not simply raise the list price by 1000 euros to achieve a 700 euro increase in the transaction price. Instead, we adopt a strategic approach that involves reducing discounts while keeping the list price stable, consequently increasing the transaction price. This approach is the result of close collaboration with the marketing department and is communicated to various countries during touchpoints to carefully assess its impact on profitability. Discount strategies typically undergo quarterly adjustments, but they may also be adapted on a monthly basis, depending on the product and its stage in the product life cycle. This flexibility allows for dynamic management of the transaction price, tailoring it to market demands and ensuring a more accurate definition of the price perceived by the customer.

5.5. Pricing Corridor

The pricing corridor is another highly significant indicator in the realm of LCVs. Its concept is rooted in the fact that we are in Europe, where goods and people move freely. Given that the vehicles sold are the same throughout Europe, the objective is to minimize price differences, although it may be impossible to eliminate them entirely. This is because markets have varying levels of competitiveness, and these differences influence all the indicators we discussed earlier. However, the cost of the product remains consistent.

As a result, what we observe are varying profit margins. The direction we are heading towards is achieving uniform profitability. This is particularly valuable when transferring a product from one market to another, as it helps in reducing margin fluctuations.

The goal of the MCA, therefore, is to decrease the pricing corridor, calculated as the delta between the highest and lowest prices among the ten European markets (G10), divided by the highest price. It is expressed as a percentage of price variation in relation to the highest price.

In essence, the pricing corridor represents a critical metric in the effort to align pricing and profitability across diverse European markets while recognizing the inherent competitive variations. This contributes to a more cohesive pricing strategy within the framework of the MCA.

6. Conclusion

In conclusion, this comprehensive thesis has unraveled the multifaceted realm of pricing for Light Commercial Vehicles (LCVs) and underscored the profound importance of Key Performance Indicators (KPIs) within this domain. Through a meticulous examination of various pricing aspects, it has become increasingly evident that KPIs are the linchpin upon which pricing success hinges. These KPIs provide a well-defined framework for pricing strategies, facilitate data-driven decision-making, and foster seamless collaboration among different facets of an organization.

Drawing upon my own experiences as a Pricing Analyst at Stellantis, a prominent player in the LCV industry, this study affirms that KPIs are not merely statistical metrics but rather the strategic compass by which pricing strategies are navigated. My role as a Pricing Analyst has underscored the tangible impact of KPIs on pricing accuracy and its direct relevance to our organization's overarching objectives.

The efficacy of KPIs is manifest in their ability to align pricing strategies with the ever-evolving landscape of market dynamics and customer expectations. With first-hand insights from my work at Stellantis, it is clear that KPIs empower businesses to monitor their progress in real-time, make dynamic adjustments, and guarantee that pricing decisions are both competitive and financially sound. They provide a real-time feedback loop, ensuring that strategies remain adaptive to market fluctuations.

Moreover, KPIs act as a reliable yardstick for evaluating the effectiveness of pricing initiatives, allowing companies to gauge their performance against set targets and benchmark their performance against industry standards. My involvement as a Pricing Analyst at Stellantis substantiates how KPIs provide invaluable insights that underpin data-driven pricing decisions. Through continuous monitoring of KPIs, it becomes possible to quickly detect deviations from objectives and take immediate corrective action.

The culmination of this research and my role as a Pricing Analyst at Stellantis underscores the fact that precision in pricing activities directly influences a company's ability to meet its targets. Through an examination of historical data, customer preferences, market competition, and various other variables, KPIs serve as the underpinning of a well-structured pricing strategy.

Additionally, the practical insights gained from my role at Stellantis elucidate the tangible contributions of KPIs to pricing initiatives. These KPIs are more than statistical abstractions; they are the navigational tools that empower Pricing Analysts like myself to make well-informed decisions. They are the metrics that guide the fine-tuning of pricing strategies, enabling organizations to respond swiftly to market dynamics and customer demands.

As businesses, including Stellantis, continue to navigate the intricate and rapidly changing landscape of pricing, the centrality of KPIs is only set to grow. Their integration within pricing activities is essential for ensuring that objectives are met with precision. This research, complemented by my hands-on experience, affirms the indispensable role of KPIs in the realm of LCV pricing and beyond.

In essence, this study and my experience as a Pricing Analyst at Stellantis illustrate that KPIs are not just numbers on a dashboard; they are the driving force that propels a pricing strategy towards sustained success. These metrics are instrumental in achieving pricing targets, enhancing competitiveness, and maintaining financial prudence in an industry as dynamic and competitive as LCVs. By embracing and optimizing the potential of KPIs, organizations within the LCV sector and beyond can embark on a pricing journey that aligns with the ever-changing market landscape, ensuring long-term prosperity and market leadership.

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8. Figure Index