

A Work Project, presented as part of the requirements for the Award of a Master's degree in Finance from the Nova School of Business and Economics.

A STRATEGIC, OPERATIONAL, AND FINANCIAL REVIEW OF EVOMOTION'S  
PERFORMANCE IN THE BUSINESS IN PRACTICE SIMULATION AND  
CORRESPONDING PERSONAL REFLECTIONS

Gonçalo do Poço Neto Tomaz Bonifácio

Work project carried out under the supervision of:

Luís Lages

07-09-2025

## Abstract

This thesis examines the strategic choices and performance of EvoMotion, a simulated vehicle manufacturer, as part of a business simulation developed by Industry Masters. Academic frameworks, industry benchmarks, and simulation data will be used. The strategy focused on broad-target differentiation, balancing premium innovation models with cost-effective options. Innovation investments included first-mover advances in sodium-ion batteries, autonomous driving, and proprietary charging networks. Financial analysis assessed performance through EVA, liquidity ratios, and capital structure management, demonstrating sustained value creation. Personal reflection on two critical incidents highlights lessons in feedback, communication, and emotional intelligence, providing actionable insights for future leadership and teamwork.

Keywords: Strategy, Innovation, Financial Management, Electric Vehicles, Teamwork, Leadership

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

# **1 EvoMotion**

In the first section of this thesis, EvoMotion's strategic direction, innovation management, and financial performance will be analyzed, using academic models, industry benchmarks, and real-world examples. First, the Strategy chapter describes EvoMotion's strategic formulation, evolution, and application, referencing Mintzberg's schools and Porter's strategies, and its adaptation to the realities of the simulation and automotive industries. Second, the Innovation chapter explains how EvoMotion used new technologies like AI, batteries, and cybersecurity to maintain a competitive edge, including regional model development and lifecycle management. Third, the Finance chapter evaluates performance through EVA, operational results, and capital structure, analyzing KPIs such as profit margins, WACC, liquidity ratios, and financing decisions to assess financial management. Collectively, these parts show how EvoMotion aimed to align its long-term vision with essential operational agility (Gao, Kaas, Mohr, and Wee 2016), product leadership, and financial sustainability.

## **1.1 Strategy**

### **1.1.1 EvoMotion Strategy Formulation**

EvoMotion's strategy formulation was developed through multiple inputs. The team members considered the simulation context, strategies used by real-world automotive companies, cross-industry strategic frameworks taught in business schools, and insights from the Strategy workshop led by Marco Galo. In addition, the simulation training and the Nano Masters AI (Nano Masters AI n.d.) were used to test the practical applicability of various strategic approaches.

From the outset, the team recognized the need to remain a strategy adaptable to political, environmental, and consumer preference changes. Accordingly, EvoMotion adopted the Configuration School, one of the ten schools of thought on strategy formation from Henry Mintzberg's framework (Mintzberg, Ahlstrand, and Lampel 2009). This School conceptualizes strategy formation as a dynamic process of transformation, in which organizations transition through distinct stages or configurations, each requiring a strategic approach suited to its specific structure, context, and challenges.

This Configuration School approach is common in automotive companies, exemplified by Jaguar's history. In the 1950s, Jaguar's strategy reflected Design and Entrepreneurial principles, driven by the post-war British engineering boom and founder William Lyons' vision. By the 1990s, Jaguar shifted to Learning and Positioning Schools with targeted models like the X series to compete with lower-priced cars. In the 2010s, after Tata Motors' acquisition, Jaguar used Design School principles to revitalize its brand. By 2025, the company seems to be returning to an Emergent and Learning Schools strategy (Dover, Nickel, and Gock 2003; Karpus 2025).

At EvoMotion, the initial strategic phase was based on the Design School. The team conducted both SWOT (see Figure 1) and a PESTEL analysis to align internal strengths and weaknesses with external opportunities and threats (David et al. 2019). The SWOT analysis revealed several threats, including rising penalties (up 14% in the previous year) and intense market competition from similar product offerings. Opportunities included leveraging technological advancements to enhance productivity and expanding into emerging segments like microcars. The microcars are a growing market, with European demand expected to rise from USD 34.94 billion in 2025 to USD 55.29 billion by 2034 (Precedence Research 2025). EvoMotion aimed to capture part of this segment. Strengths

identified included a diverse product portfolio and a well-established brand reputation. To better understand the portfolio, the team developed a BCG matrix (see Figure 2), highlighting that the Pickup Truck and Sports Car were classified as “cash cows”, while the City Car was a “question mark”. Weaknesses included models, namely the 4X4, Luxury, and Business Cars, categorized as “dogs”.

To further refine the strategy, the team employed Porter’s three generic strategies: cost leadership, differentiation, and focus (Porter 1985). EvoMotion chose a broad-target differentiation strategy (see Figure 3), emphasizing innovation and quality over price competition. Mercedes-Benz was used as a real-world comparator. The company offers a broad range of vehicles, including microcars like the Smart model (Moon, Hur, Yin, and Helm 2014; Mercedes-Benz Group n.d.). Mercedes-Benz has historically been first-to-market with varied innovations such as electronic ABS (1978) (Greiner, Doerr, Nauertz, and Graeve 2004). Its consistent innovation strategy has contributed to its longevity and global brand strength (Forbes 2017). Similarly, EvoMotion aimed to provide vehicles across all ranges, while consistently offering best-in-class technology.

### **1.1.2 EvoMotion’s Vision, Goals, Mission, and Values**

EvoMotion’s vision was: “We are building a world where everyone has the power to move electrically, intelligently, and sustainably. We don’t just build cars; we build the movement.” This vision was written on the whiteboard in the team’s workspace serving as a constant reminder of the intended direction and acting as a guiding pillar for decision-making throughout the project.

Three strategic goals were defined:

1. Transition 100% of the vehicle portfolio to electric by Year 6

2. Become the undisputed innovation leader in electric drivetrains, connectivity, and autonomous systems
3. Increase the value added both financially and in terms of societal impact.

While all the goals played an important role in the team’s decision-making, the simulation highlighted the difficulty of evaluating the societal impact within the given parameters.

EvoMotion’s mission was: “To ignite a global revolution in mobility by creating electric vehicles that make bold technology and clean transportation accessible to everyone. We do not just adapt to change, we lead it. With a mission to leave no one behind, we design every vehicle to meet real human needs, through a tailored approach that serves every lifestyle, region, and budget.” This mission expressed the company’s practical approach to fulfilling its vision: creating human-centered, inclusive electric vehicles that can be scaled globally. However, if the focus shifts too heavily toward affordability and budget constraints, it may not align with our overall strategy.

The company’s core values were: “Bold Innovation, Always” (Commitment to continuous investment in new technology); “Sustainability Without Compromise” (Prioritizing environmental responsibility); “Human-Centric Design” (Creating vehicles that address real customer needs); “Tech with Purpose” (Ensuring innovations deliver tangible customer benefits); “Relentless Excellence” (Maintaining premium quality across all models)

### **1.1.3 EvoMotion’s Strategic KPIs**

To guide strategic execution, EvoMotion established three KPIs:

1. Sustainability Rating: High Environmental, Social, and Governance (ESG) ratings are associated with lower financing costs (MSCI 2024), and research shows that consumers are willing to pay an average premium of 9.7% for sustainable brands (PWC 2024).
2. CO<sub>2</sub> Emissions Volume: The company aimed to reach zero CO<sub>2</sub> emissions as soon as possible to avoid financial penalties and strengthen brand reputation.
3. Economic Value Added (EVA): EVA reflects a company's ability to generate profits beyond capital costs, incorporating both Net Operating Profit After Tax (NOPAT) and the weighted average cost of capital (WACC). It is widely used to benchmark internal efficiency and shareholder value creation (Grant 2003).

#### **1.1.4 Strategy Success and Shifts**

At launch, EvoMotion positioned itself as a global, broad-target differentiator with a focus on electrification, innovation, and sustainability. Strategic decisions were based not only on high-level KPIs (Sustainability Rating, CO<sub>2</sub> Emissions, EVA) but also on individual vehicle performance indicators: Inventory Days, Sales Volume, Contribution Margin, and Maturity to understand the impact of each car on the high-level KPIs.

Although the strategy was to eliminate gasoline cars from the start, the team delayed removing the Lux225G and PU225G due to their high revenue contributions (see Figure 5). Eventually, these models were phased out, and by Q11, the company operated a fully electric fleet. This, with a consistent investment in green investments, contributed to a reduction in CO<sub>2</sub> emissions to zero and sustained an above-benchmark sustainability rating through Q28 (see Figure 4).

The company's investment in the Micro Car was another strategic success. EvoMotion launched this model early, anticipating a market trend that its competitors had yet to address. The Micro Car became a market leader, reflecting the success of the company's "Bold Innovation, Always" value.

Customizing models for specific markets, such as the City E Lio for Asia and the Pickup E for the United States, has supported our global market penetration and aligns with our initial strategy vision. For our global strategy, it was important that production facilities were strategically located to mitigate tariffs. When demand for the City E Lio increased in Europe, production was moved to the EU to optimize operations and costs. This agility was inspired by real-world examples like the Nissan Qashqai, which achieved global success despite being developed for European market (Nissan 2017).

However, the simulation also exposed weaknesses in the original approach. Initially, the team intended to offer only vehicles with the latest innovations. But when it was time to liquidate the 4X4E, it became clear that it was outdated compared to the 4X4E Premium, which revealed that high-performing, mature models could still contribute value. A VARS analysis, assessing each model's Value (financial and customer value), Attractiveness (market appeal), Rarity (distinctive features), and Substitutability (ease of replacement by competitors), guided decisions to relaunch or replace models. For instance, the 4X4E had a stable contribution margin and required only a relaunch to remain competitive, making it valuable to keep.

As a result, the strategy evolved to include two parallel product streams: premium innovation models priced higher, offering the latest technology, and a lower-cost model with mature technology. This approach contributed to the increase in EVA, which rose

from \$1,992.39 million in Q4 to \$4,577.83 million, establishing EvoMotion as the winning team.

By Q17, EvoMotion entered a passive strategic phase, in which most investments were completed, and operations stabilized. The company optimized production locations and allowed its strategy to unfold with minimal adjustments.

This evolution, from a highly active, innovation-driven strategy to a balanced, dual-track model, enabled EvoMotion to maintain differentiation while controlling costs and maximizing shareholder value. Moreover, its willingness to adapt by employing different strategic approaches enhanced resource optimization and improved resilience to external shocks.

## **1.2 Innovation**

### **1.2.1 Innovation Investments**

Innovation was central to EvoMotion's strategy, with the team pursuing early investments in cutting-edge technologies to achieve differentiation in the competitive electric vehicle market, consistent with Porter's broad differentiation strategy. From the first quarter, the team committed to investing in all available innovations, as evidenced by the deliberate early commitment to invest in all available innovations to align internal capabilities with anticipated market opportunities.

In Q4, EvoMotion invested in sodium-ion battery technology, consistent with its values and vision. At that time, no competitors had access to this innovation, providing a clear first-mover advantage (Crossan and Apaydin 2010) as learned in the innovation academic session. By the end of the simulation, EvoMotion remained the only firm offering both standard and extended sodium-ion battery options. This innovation aligned with

consumer preferences, especially in America and Europe, where simulation market analysis identified sodium-ion batteries among the most desirable features.

Sodium-ion battery investment also enabled EvoMotion to access Next Gen E-Drive in Q6, providing Feature Package Level 4 capabilities (see Figure 6). This allowed the company to offer superior technological features across its portfolio.

In Q5, EvoMotion invested in AI implementation, introducing autonomous driving levels 3 and 4, features highly valued in all three operating regions, according to simulation market data.

In Q7, the AI investment cycle concluded with vehicle-to-vehicle (V2V) communication integration. However, this decision was later seen as misaligned with the company's VARS framework. The \$200 million investment was deemed excessive, and the team acknowledged that the desire to maintain a culture of innovation temporarily overshadowed critical analysis. This misstep prompted adaptive changes in subsequent decisions, consistent with the Learning School's view that strategic refinement emerges through feedback and experiential learning.

Also, in Q7, cybersecurity investment opportunities became available. Learning from the V2V experience, the team carefully evaluated these options. The initial investment in cybersecurity allowed the addition of Safety Extras Levels 3 and 4. Studies have shown that safety features, particularly those involving collision avoidance and monitoring, are among the top priorities for consumers (Lee and Nickkar 2022). Subsequent cybersecurity investments, like cloud connection, were declined because earlier innovations already provided the associated benefits. Looking in retrospect, Q8 marked the most relevant milestone in EvoMotion's innovation timeline. At this stage, all the autonomous driving

and feature pack levels as well as the latest battery technology were available. All the models developed after this quarter incorporated these features ensuring relevance for the remainder of the simulation. Achieving this position early simplified operational planning and reduced costs by eliminating the need for frequent new model launches.

In Q8, EvoMotion invested in its charging network. Inspired by Tesla's proprietary Supercharger system, this decision was made over joining a joint venture. This approach offered long-term strategic value when assessed through the VRIO framework: valuable, rare, and less substitutable in the short term, though imitable and capital-intensive (Editorial Board EVBoosters 2024). In Q10, the network was expanded to ensure accessibility across all customer segments, in line with the company's broad-target strategy.

Throughout this period, the Innovation team emphasized cross-departmental collaboration, particularly with Human Resources, to ensure the availability of necessary digital expertise, and with Finance to guarantee the required investment budget. Regular interdepartmental communication and decision reviews contributing significantly to EvoMotion's sustained competitive advantage.

### **1.2.2 Innovation: New Models**

EvoMotion's product portfolio strategy was designed to meet a wide range of consumer needs across the 4X4, Micro, Business, Luxury, Sport, City, and Pickup segments. Two primary strategies guided the development of the new models: the Update Strategy and the Regional Strategy. The Update Strategy was organized around a four-phase product lifecycle: 1) Gasoline or Hybrid, 2) Electric, 3) Electric Premium, and 4) Electric Luxury.

Initially, the portfolio consisted of three combustion-engine models: Lux 225G, PU 225G, and BIZ 135H. The Lux and BIZ electric versions were launched in Q11 with all available features (see Figure 6), enabling them to maintain market leadership until the end of the simulation. This demonstrated that, if the cars remained successful supported by the right marketing strategy, models could maintain their market position until they reached high maturity and, if necessary, relaunch them, as they would still hold value (see Figure 7). This strategy was the best for the models that started as combustion engine vehicles.

For the Pickup model, the approach was different from the other combustion engine vehicles and consequently, less successful. The electric version was launched in Q7 with Feature Package level 2, as level 4 was not yet available. To align with the company's strategy, a Premium version with all the features was launched in Q19 and the first electric pickup was liquidated by Q22 to prevent cannibalization. Therefore, we spent \$832 million on a car that didn't last until the end of its potential value-adding lifetime. An alternative strategy would have been to delay the electric launch until Q8, when all features were available. Net Present Value (NPV) analysis confirmed this: the delayed-launch scenario yielded an NPV of USD 9,951 million versus USD 9,885 million for the path taken (see Figure 8). To calculate the NPV, the assumption was that the first eight quarters of the alternative scenario would match the Premium model's early revenues, applied a 2% annual long-term growth rate (based on Lux E's maturity growth), and used the green bond interest rate as the discount rate.

The 4X4 segment was the first to have two electric versions on sale simultaneously. In Q9, the innovation team launched the 4X4E Premium, incorporating enhanced features. Following the full availability of relevant technologies, another Premium version was introduced in Q16. As noted in the Innovation section, the decision was to keep the 4X4E

Premium; however, as both models used the same battery technology and there was poor strategic differentiation, it led to cannibalization (see Figure 9). The solution involved repricing the models to establish a clear distinction between standard and premium offerings (Cooper and Kleinschmidt 1987). The premium version maintained a higher price, while the standard version adopted a cost-cutting strategy to reduce cannibalization. This strategy proved effective and was used in the Micro, City, and Sport E products. This dual-pricing approach aligns with Porter's framework, combining differentiation for premium models with cost leadership for standard versions within the same product line.

City models followed the Regional Strategy. The City E Premium was initially developed for Europe and Asia, offering improved battery life and advanced features. In the U.S., where consumers favored high-tech city cars (Autoblog 2025), EvoMotion launched the City E Tech in Q12. A third version, City E Lio, was developed for Asia when the team observed growing demand and recognized that existing versions lacked top-tier features. Production of the City E Lio was later relocated to Europe to capitalize on rising EU demand while reducing tariffs.

While the regional strategy worked for the City Models, the Update Strategy had different versions with varying outcomes. The most successful version was the one that, after Q8, developed a new model based on the initial portfolio, incorporating all the features that would last until the last quarter.

## **1.3 Finance**

### **1.3.1 Financial KPIs**

EvoMotion primarily evaluated financial performance through EVA, a metric that accounts for the company's ability to generate returns above the cost of capital. Unlike

traditional indicators such as earnings per share (EPS), return on investment (ROI), or return on equity (ROE),, EVA offers a more comprehensive view by considering both operating performance and capital structure (Maeenuddin, et al. 2020). Key financial performance ratios are summarized in Figure 10.

### **1.3.2 Core Business Financial Performance**

EvoMotion’s revenue grew consistently throughout the simulation, achieving a compound annual growth rate (CAGR) of 10,224%, surpassing the projected industry CAGR of 6.77% between 2023–2033 (Spherical Insights 2024). The growth was particularly significant in 2026 and 2027 due to an expansion in the portfolio, from 7 to 9 models in 2026 and 10 in 2027. A slight dip occurred in 2028 following production relocations and operational inefficiencies, though revenue growth recovered once processes stabilized. The Smarti (\$16,146M), 4X4 E Premium (\$15,726M), and Sport E Premium were the highest-revenue-generating models. Five out of the six top-selling vehicles were premium models, reinforcing the EvoMotion’s broad differentiation strategy.

Gross profit rose from 38% in 2024 to 42% in 2030, driven primarily by economies of scale as Cost of Goods Sold (COGS) declined from 62% to 58%. However, gross margins were limited by three factors. First, many models were in the introduction phase, which yielded lower profit margins due to higher costs and slower sales. Second, low factory utilization in 2026–2027 inflated unit costs (see Figure 11). Lastly, fleet’s average age was low until Q25 (see Figure 12), limiting profitability compared with more mature product portfolios. Profitability improved significantly by Q27–Q30 as production stabilized and vehicles matured. Models such as Lux E Premium (35.2%), Biz E Premium (35.8%), and Sport E Premium (33%) became key contributors. A notable dip in gross

profit occurred in 2029 due to high production of material-intensive 4X4 and Luxury models.

Net profit averaged 12.25% over the simulation. For comparison, Mercedes-Benz reported a 6.77% net margin in 2024, and Tesla posted 5.2% (Mercedes 2025; Tesla 2025). EvoMotion’s higher average was the result of long-term strategy execution, even though profit was suppressed in earlier years due to high general and administrative (G&A) and marketing expenses linked to regional factory expansions and portfolio growth. A critical shift occurred in the final three years, when marketing expenses dropped by 70%, boosting net profit to a peak of 18%.

Year	2024	2025	2026	2027	2028	2029	2030	CAGR
Revenue	18 235 129,00	18 612 917,00	23 500 497,00	27 779 211,00	28 420 666,00	32 271 170,00	36 090 592,00	10,244%
Number of cars sold	393,25	450,88	550,73	640,77	699,47	777,99	791,42	10,507%
COGS	11 231 046,00	11 839 738,00	14 751 340,00	16 903 285,00	16 562 630,00	19 586 794,00	21 033 995,00	9,378%
Gross Profit	38%	36%	37%	39%	42%	39%	42%	1,188%
Marketing expense	207 021,00	268 559,00	567 008,00	983 659,00	1 184 356,00	830 392,00	355 415,00	8,027%
G&A expenses	610 508,00	905 794,00	1 768 377,00	1 909 186,00	2 260 991,00	2 118 985,00	2 116 364,00	19,434%
Net Profit Margin	16%	11%	7%	8%	12%	14%	18%	2,426%
Current Ratio	9,18	6,50	6,48	4,58	4,87	7,60	6,80	
Quick Ratio	6,729331033	4,577542901	4,318312318	2,64893212	2,700320625	5,263045297	5,642668964	
Cash Ratio	3,088712395	3,061446745	2,695913735	1,024971042	1,074050307	2,234539343	3,088712395	
Net Debt-to-Equity	0,869251744	1,037923979	1,29138976	1,141837163	1,13911972	0,882063706	0,628345809	
CAPEX	1 546 074,00	6 531 625,00	5 928 937,00	4 984 786,00	3 188 955,00	1 899 731,00	1 630 407,00	
ROE	21%	14%	10%	15%	20%	22%	28%	
ROA	11%	7%	4%	7%	9%	12%	17%	

Figure 10 - EvoMotion's Key Financial Ratios (own illustration)

### 1.3.3 WACC and Capital Structure

EvoMotion’s Weighted Average Cost of Capital (WACC) declined from 6.2% to 5.4% between Q1 and Q30. This was the result of disciplined capital structuring, preference for long-term debt, and strategic avoidance of share dilution.

### 1.3.4 Liquidity Analysis

Liquidity management was central to EvoMotion’s financial strategy. The average current ratio was 6.57, far above the automotive industry average of 1.05 (Macrotrends 2025). The quick ratio was also robust, averaging 4.55, indicating that inventory levels did not drive liquidity. Instead, liquidity stemmed from strategic actions such as customer credit terms (15 days) and supplier payment periods (40 days).

The cash ratio, which averaged 2.32 (compared to the industry benchmark of 0.2–0.5), shows that EvoMotion maintained substantial reserves. Liquidity declined between 2024 and 2026 due to heavy investments in R&D and factory infrastructure, followed by stabilization in 2027 and renewed growth in 2028 as capital expenditures normalized. While the company always ensure sufficient cash reserves to support innovation and operation’s needs, this strategy also resulted in significant opportunity costs. Excess cash holdings contributed to higher interest expenses, as shown in the interest expense trend (See Figure 13), a trade-off consistent with corporate finance theory (Brealey et al. 2019).

### **1.3.5 Financing Strategy**

EvoMotion initially issued equity in Q4 to diversify funding options. However, this move proved costly, as it reduced earnings per share and negatively impacted WACC. As a result, the company repurchased most of the shares in Q14 at a financial loss (\$215M).

Following this adjustment, EvoMotion relied more heavily on debt financing, specifically green bonds and long-term loans. Green bonds were more attractive than standard loans, offering lower interest rates (3% versus 4.25%). Their availability increased as the company expanded green capital expenditures and EV developments, allowing more access to favorable credit as the business expanded its electric portfolio.

Initially, EvoMotion raised approximately \$14 billion in traditional loans to support product development and operations. Over time, debt issuance shifted from growth investments to rolling over previous debt and sustaining liquidity. The company’s net debt-to-equity ratio ranged between 0.62 and 1.29, similar to industry leaders like Mercedes (1.01) (Yahoo Finance 2025). As operations matured and income stabilized, debt issuance decreased, and liquidity reserves increased due to reduced capital needs.

The company's credit rating improved to A+ by the end of the simulation, surpassing the industry's average of BBB/BBB+ (S&P Global 2025). Despite high debt, EvoMotion used capital efficiently. ROE ranged 10%-28%, with ROA averaged 10%, peaking during inventory optimization and income growth. The lowest ROE and ROA occurred during phases of high inventory days and low operational efficiency.

Overall, EvoMotion's financial approach was intentionally conservative in liquidity, aggressive in financing innovation, and balanced in capital structure. Although this approach initially led to higher interest costs, it provided the flexibility to adapt operationally without relying on high-risk short-term debt and maintained the capacity to fund innovation cycles.

## **2 Personal reflection introduction**

In the following sections, I reflect on two critical incidents that occurred during my experience in the Business in Practice program. Both reflections follow the structure of Graham Gibbs' (1988) Reflective Cycle, which encourages a systematic exploration of experience through six stages: Description, Feelings, Evaluation, Analysis, Conclusion, and Action Plan (Galli and New 2022). This framework allows for a deeper understanding of what happened, why it happened, and how similar situations can be approached more effectively in the future. By combining my personal observations with insights from academic literature and concepts from BIP workshops, I aim to identify lessons to improve my future teamwork, communication, and leadership.

### **2.1 Incident 1**

### **2.1.1 Description Low Engagement and Feedback Form**

As discussed in the Effective Decision-Making Workshop, robust decision-making involves delegation and inclusive participation, ensuring shared responsibilities and the integration of diverse perspectives into the process and final outcomes. Achieving this, however, can be particularly challenging when team members exhibit varying levels of engagement, possess distinct personalities, or hold divergent opinions.

During the first week of the BIP simulation, one of the team members demonstrated noticeably lower participation and engagement compared to the rest of the group, which created obstacles in achieving balanced and collaborative decision-making. This situation placed disproportionate pressure on a few individuals, leading to informal conversations often held when the less-involved member was absent. These discussions revealed increasing frustration, especially from one teammate who felt overwhelmed by the need to fill the participation gap.

To address the growing tension, I proposed that we should provide direct feedback to the team member rather than continuing to discuss concerns in their absence. However, several colleagues expressed discomfort with delivering such feedback face-to-face, particularly as they were not familiar enough with the individual. This reluctance reflected what Lencioni (2010) identifies as an absence of trust: the foundational dysfunction of a team, where members avoid vulnerability, withhold open dialogue, and refrain from addressing issues directly. In this state, teams struggle to surface and resolve interpersonal challenges, which can allow small problems to escalate and undermine collective performance.

Recognizing this barrier, I proposed an anonymous feedback form to allow to all members to share both positive and negative thoughts without the fear of interpersonal conflict. This approach also offered those who perceived themselves as high contributors the opportunity to understand any areas for improvement from the perspective of their peers.

Once the survey results were shared, an unplanned discussion emerged when one of the most affected team members asked the group for thoughts on the written feedback. This spontaneous dialogue created an opening for constructive confrontation, a stage that Lencioni (2010) argues is essential for moving a team from avoidance of issues toward productive conflict. During the conversation, the previously less-engaged member expressed surprise at the perceptions of their limited contribution, explaining that their lower participation stemmed from feeling overshadowed in discussions with many voices competing. This exchange clarified misunderstandings, and the member became more proactive, taking on responsibilities and showing greater initiative. While collaboration and task engagement improved, the social dynamic shifted and the individual appeared more withdrawn and less comfortable in informal interactions. This outcome highlighted the complexity of balancing task-related effectiveness with relational cohesion in team settings.

### **2.1.2 Incident 1 Response**

I felt increasingly uneasy about discussing a teammate's lack of participation in their absence. Placing myself in their position, I recognized that I would want to be made aware if my behavior was being perceived. From my perspective, open communication was essential to maintain trust and to address performance concerns constructively. *The Fear of Conflict* hindered the team, risking poor decisions due to reluctance to speak up (Lencioni 2010). Initially, I suggested that one of the colleagues who was closer to the

teammate approach them privately. Yet, no one felt comfortable assuming that role. Recognizing this, I proposed an alternative: creating an anonymous feedback form to enable everyone to share their perspectives without fear of confrontation.

While preparing the feedback form, I anticipated the risk of receiving only negative and potentially unconstructive comments. To prevent this, I sent a group message encouraging constructive feedback, including both strengths and areas for improvement. Afterward, I felt a sense of relief and pride for having taken the initiative. However, when the group decided to discuss the feedback on the class, I felt uncomfortable again. I understood that the implicit aim was to prompt the teammate to respond to the feedback they had received, yet I was concerned that this approach might place them in a defensive position rather than fostering a productive dialogue.

### **2.1.3 Incident 1 Evaluation**

Drawing on the *Dysfunctions of a Team* framework (Lencioni 2010) as explored in Professor Miguel Pinto Fernandes' workshop, our situation reflected at least three dysfunctions: *Absence of Trust*, *Fear of Conflict*, and *Lack of Commitment*. Critically, our initial approach was very one-sided, focused on how the less-engaged member should change, rather than examining how our team, could communicate better. According to what was learned in class, "Team conflicts you will face can be a great opportunity for you to learn more about yourself and how to deal with people in an effective way" (Fernandes 2025). Therefore, there was an opportunity to develop our communication skills and self-awareness that we did not realize at the time.

The feedback also should have been done personally. As Toegel and Barsoux (2016) note, anonymous feedback can serve as a useful short-term tool in such situations. However,

they also stress that over time, teams should aim to build sufficient trust to enable direct, face-to-face feedback, which we did not achieve during the simulation.

With more experience, I believe we could have delayed the feedback process slightly, sought guidance from a neutral facilitator during a team clinic to guide the discussion and demonstrate effective phrasing (Toegel and Barsoux 2016). Nevertheless, the feedback form proved valuable in our specific context, providing a mechanism for all members to reflect on their contributions and receive input from others. According to some authors, feedback loops improve adaptability and responsiveness, which is especially important in cross-functional teams like ours (Haas and Mortensen 2016).

The way the feedback was introduced in the group was critical, as it framed the process around constructive input, focusing on behaviors, rather than personality traits, and emphasized improvement rather than blame. If feedback is not constructive, it can escalate into relationship conflict rather than resolving task conflict (Toegel and Barsoux 2016).

#### **2.1.4 Incident 1 Analysis**

On reflection, and after hearing the team member's perspective, it became clear that the root cause of the incident lay in ineffective communication within the team. Even though, before starting the simulation, the team signed a Team Charter with clear objectives and expectations for the way of working, it was not taken seriously and was disregarded quickly. Haas and Mortensen (2016) identify role clarity as one of the four key enablers of effective teamwork, noting that unclear roles at the outset increase the risk of duplication, task gaps, and disengagement. Due to this lack of initial preparation, each member had their own idea of how to work. Those who were naturally proactive, quickly

carved out roles for themselves, while others, particularly those less assertive, were overshadowed by dominant voices.

Furthermore, our focus on achieving the best performance and minimizing social interactions made it challenging to communicate and build interpersonal relationships. We were always focused on getting things done without considering how others were doing. Johnson et al. (2000), in their “The Wolf Pack” model emphasize that strong non-task-related connections build mutual support, improve coordination, and enhance resilience under pressure. In our case, the absence of these “pack bonds” weakened the team’s ability to address interpersonal friction constructively.

### **2.1.5 Incident 1 Conclusion and Action plan**

This experience highlighted the importance of addressing misalignment early through direct, constructive dialogue rather than avoidance. I recognize that I need to build greater confidence in initiating these conversations and to communicate my concerns in a way that invites openness rather than defensiveness. I should also rely less on anonymous forms as they provide only short-term effectiveness. I also learned that clarifying individual roles and securing explicit commitment at the outset is critical to preventing disengagement. In future, if I had again a team member showing low initiative, my first step would be to to engage them informally to build rapport and better understand their perspective, while actively seeking their inputs on ongoing tasks. If the situation persists, I will seek advice from experienced colleagues and consider using a feedback tool, like the one given in the team clinics, that which allowed for a less harsh, more constructive approach feedback. I believe that building personal connections can make a significant difference in trust and collaboration (Lencioni 2010).

## **2.2 Incident 2 Role Ambiguity and Competitive Tensions in Co-Leadership**

### **2.2.1 Description**

As highlighted in Haas and Mortensen (2016), unclear boundaries in responsibilities can weaken coordination, dilute accountability, and generate friction among peers. Similarly, Toegel and Barsoux (2016) note that such ambiguity can intensify competitive dynamics, particularly when roles overlap in decision-making authority. This theoretical lens became directly relevant in my second critical incident during the BIP simulation, which centered on tensions between my co-director of innovation and me. Our respective roles in innovation were not clearly defined, which meant that all decisions had to be made jointly. After a short time, we became the managers of the simulation decision-making process, mediating inputs from all departments and generating many ideas, but also created tension as both of us sought to influence final outcomes.

My team focused heavily on the contributions of each individual, which put pressure on me to maximize value. This pressure was exacerbated by the previous incident, which made me anxious about not falling into the same situation as my colleague. I wanted to match my co-director's value contributions, so I often felt compelled to come up with numerous ideas and be involved in everything. However, this sometimes created tension between us, as we both wanted to have the final say and for our ideas to prevail. Additionally, I felt that my co-director had more information from the Marketing department due to proximity to that team, which affected my communication style and caused frustration.

Peer assessments suggested no visible issue (Figure 14), scoring a 5/5 in all areas, but sometimes I felt at a disadvantage in knowledge, skills, and abilities. My co-director always prepared in advance, making their proposals appear more robust. My response

was to speak more assertively—sometimes interrupting—rather than listening attentively, a habit rooted in my desire to signal commitment and value. The issue became explicit during our feedback session (initiated in response to Incident 1), when a written comment noted: *"Gonçalo interrupts people's words. People tend to express their ideas directly, but sometimes you need to put your thoughts aside momentarily and let others speak without losing focus on what the other person is saying."* I was upset that this feedback was given in writing rather than personally, so I approached my co-director to discuss it. After our talk, I realized I wasn't using my speaking opportunities effectively. Rather than actively listening to colleagues, many of whom possessed greater expertise on certain topics, I often cut people off before they had finished their thoughts, driven by a desire to demonstrate engagement and commitment, and by a fear that remaining silent might be perceived as a lack of contribution.

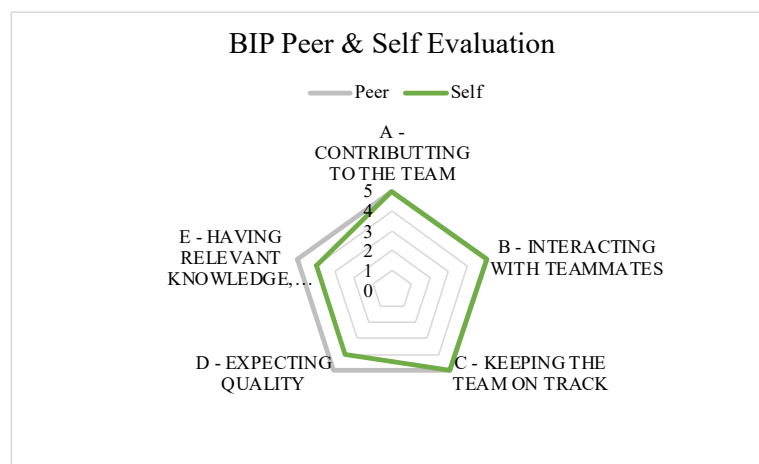


Figure 14 - Peer Evaluation for the student 51290

### 2.2.2 Incident 2 Response

Initially, I felt frustrated and defensive. The feedback reminded me of a tendency in my life that I needed to address. People have consistently reminded me not to speak over others, as I tend to get too excited to contribute to conversations. This tendency had evidently also carried over into my professional life.

I decided to shift my approach. Inspired by our earlier learning from Incident 1 about constructive communication, I began writing down my thoughts during discussions in order to contribute only after others had finished speaking. By listening and collaborating more with my co-director, I felt better, realizing that I didn't have to compete against her; instead, we could work together for our team's success.

### **2.2.3 Incident 2 Evaluation**

I clearly identified that my tendency to dominate conversations was undermining collaboration and creating unnecessary tension. As Toegel and Barsoux (2016) note, leaders can unintentionally shift conflict from being task-oriented and constructive to relationship-oriented and destructive when they compete for influence rather than focus on shared outcomes. It is common for leaders to unintentionally shift conflict from being task-focused (healthy) to relationship-focused (destructive) (Toegel & Barsoux, 2016). In my case, the absence of clearly defined roles (Haas and Mortensen 2016) amplified this competitive dynamic, intensifying my need to “prove” my value in discussions. It was also unfortunate that my co-director felt unheard because I interrupted her, even though I knew she had more knowledge than I did. On the positive side, I recognized the need to improve and identified clear opportunities for growth.

### **2.2.4 Incident 2 Analysis**

My difficulties stemmed largely from a lack of emotional intelligence. Emotional intelligence is an executive function that helps you manage your emotions and pay attention to others (Goleman 2014). It starts with self-awareness, understanding what I am feeling and why. At the time, I was unaware that my competitive and aggressive behavior was causing issues, as I was solely focused on being useful and not getting

overshadowed by my co-director. The second aspect is self-management, which involves handling distressing emotions effectively. I struggled, evident from my loud speaking and tense environment with my co-director. I lacked empathy, not considering how they felt, as I was focused on myself. That's why I was surprised by the feedback.

Receiving feedback was crucial because it helped me understand my shortcomings. Interestingly, based on peer and self-evaluation, I rated myself a 5 in "Interacting with teammates," which turned out to be inaccurate based on the feedback I received. This discrepancy highlighted a significant lack of self-awareness on my part.

### **2.2.5 Incident 2 Conclusion and Action Plan**

Moving forward, this incident reinforced for me that effective co-leadership requires both structural clarity and behavioral discipline. The lack of defined boundaries in our roles created unnecessary competition, but my own communication habits amplified the tension. This means evaluating whether I am trying to participate to appear valuable or genuinely provide the best contributions. I need to be more mindful of my competitiveness and recognize that there are many ways to contribute besides being the one who speaks the most or the loudest. For instance, the feedback indicated that I brought a lot of "great energy to the team" and was "fun and uplifting to work with."

## References

**Bansal, Rajni, Mehran Khan, Maenuddin Dr, Altaf Hussain, Muhammad Hafeez, and Dr Wahid.** 2020. 'Economic Value Added Momentum & Traditional Profitability Measures'. 83 (April): 13762–74.

**Brealey, R.A., S.C. Myers, and F. Allen.** 2019. 'Principles of Corporate Finance'. Economia e Disciplina Aziendali. McGraw-Hill Education. <https://books.google.pt/books?id=0280wAEACAAJ>.

**Chen, Yihua.** 2022. 'The Impact of Strategic Alliance on Corporate Performance: Evidence from Tesla'. In . <https://doi.org/10.2991/aebmr.k.220603.036>.

**Cooper, Robert, and Elko Kleinschmidt.** 1987. 'Success Factors in Product Innovation'. *Industrial Marketing Management* 16 (August): 215–23. [https://doi.org/10.1016/0019-8501\(87\)90029-0](https://doi.org/10.1016/0019-8501(87)90029-0).

**Crossan, Mary, and Marina Apaydin.** 2010. 'A Multi-Dimensional Framework of Organizational Innovation: A Systematic Review of the Literature'. *Journal of Management Studies* 47 (September): 1154–91. <https://doi.org/10.1111/j.1467-6486.2009.00880.x>.

**David, Fred, Forest David, and Meredith David.** 2019. *Strategic Management: A Competitive Advantage Approach, Concepts and Cases*.

**Dover, R.A.B., Nickel, O., Gock, U.** 2003. *Jaguar Cars*. In: Gottschalk, B., Kalmbach,

R.G. *Markenmanagement in der Automobilindustrie*. Gabler Verlag.  
[https://doi.org/10.1007/978-3-322-92081-2\\_13](https://doi.org/10.1007/978-3-322-92081-2_13)

**Duhigg, Charles.** 2016. “What Google Learned from Its Quest to Build the Perfect Team.” *The New York Times Magazine*, February 25, 2016.

**EV Boosters.** “Tesla dominates fast and ultra-fast EV Charging networks in the US and Europe”. 2024. EV Boosters. n.d. <https://evboosters.com/ev-charging-news/tesla-dominates-fast-and-ultra-fast-ev-charging-networks-in-the-us-and-europe/>

**Fernandes, Miguel Pinto.** 2025. *BiP – Leadership Decision Making\_Day 2*. PowerPoint presentation for Business in Practice, Nova School of Business and Economics.

**Galli, Fabio, and Carl J. New.** 2022. “Gibbs’ Cycle Review. Emotions as a Part of the Cycle.” *E-Motion: Revista de Educación, Motricidad e Investigación*, no. 19 (December).  
<https://doi.org/10.33776/remo.vi19.7224>.

**Gao, Paul, Hans-Werner Kaas, Detlev Mohr, and Dominik Wee.** “Disruptive Trends That Will Transform the Auto Industry.” McKinsey & Company, January 1, 2016.

**Grant, J.L.** 2003. *Foundations of Economic Value Added*. Frank J. Fabozzi Series. Wiley. <https://books.google.pt/books?id=zQJazXm0HfIC>.

**Greiner, Juergen, Christoph Doerr, Harald Nauertz, and Michael Graeve.** 2004.

“The New ‘7G-TRONIC’ of Mercedes-Benz: Innovative Transmission Technology for Better Driving Performance, Comfort and Fuel Economy.” *SAE Transactions* 113: 283–93. <http://www.jstor.org/stable/44724856>.

**Haas, Martine, and Mark Mortensen.** 2016. ‘The Secrets of Great Teamwork’. *Harvard Business Review* 94 (June): 70–76, 117.

**Johnson, Pamela, Virginia Heimann, and Karen O’Neill.** 2000. ‘The Wolf Pack: Team Dynamics for the 21st Century’. *Journal of Workplace Learning* 12 (June): 159–64. <https://doi.org/10.1108/13665620010332813>.

**Karpus, Vadym.** 2025. “The cemetery of electric cars: Jaguar bought problematic I-Pace from owners and sent them to the dump”. *ITC*. n.d. <https://itc.ua/en/news/the-cemetery-of-electric-cars-jaguar-bought-problematic-i-pace-from-owners-and-sent-them-to-the-dump/>

**Knight, Rebecca.** 2015. “How to Give Feedback People Can Actually Use.” *Harvard Business Review*, March 5, 2015.

**Lencioni, P.M.** 2010. *The Five Dysfunctions of a Team: A Leadership Fable, 20th Anniversary Edition*. J-B Lencioni Series. Wiley. <https://books.google.pt/books?id=iC-NUBtuGeQC>.

**Macrotrends.** 2025. *Group 1 Automotive Current Ratio 2010-2025 | GPI*.

Macrotrends.net. <https://www.macrotrends.net/stocks/charts/GPI/group-1-automotive/current-ratio>

**Malich, Jakub and Husi, Anett.** 2024. “MSCI ESG Ratings and Cost of Capital”. *MSCI*. n.d. <https://www.msci.com/research-and-insights/paper/msci-esg-ratings-and-cost-of-capital>

**Mercedes-Benz.** n.d. “Company History”. *Mercedes-Benz Group*. n.d. <https://group.mercedes-benz.com/company/tradition/company-history/1885-1886.html>

**Mercedes-Benz Group.** 2024. *Fact Sheet for Q4 2024 and Full Year 2024*. Mercedes-Benz Group. <https://group.mercedes-benz.com/dokumente/investoren/berichte/geschaeftsberichte/mercedes-benz/mercedes-benz-factsheet-q4-2024.pdf>

**Mintzberg, Henry, Bruce Ahlstrand, and Joseph B Lampel.** 2009. *Strategy Safari: The Complete Guide Through the Wilds of Strategic Management*. Financial Times Series. Second edition. Harlow, England: FT Publishing International. <https://research.ebsco.com/linkprocessor/plink?id=71715543-83e6-3618-80d7-ea9f80a4987c>.

**Moon, Hwy-Chang, Hur, Young-Kyun, Yin, Wenyan and Helm, Clive.** 2014. “Extending Porter’s generic strategies: from three to eight”, *European Journal of International Management* 8. n.d. <https://doi.org/10.1504/EJIM.2014.059583>.

**Nickkar, Amirreza, and Young-Jae Lee.** 2022. “Willingness to Pay for Advanced

Safety Features in Vehicles: An Adaptive Choice-Based Conjoint Analysis Approach'. *Transportation Research Record: Journal of the Transportation Research Board* 2676 (February): 036119812210770. <https://doi.org/10.1177/03611981221077077>.

**Nicholson-Messmer, Elijah.** "Tiny cars, big trend, why Americans are downsizing at record rates". 2025. *Autoblog*. n.d. <https://www.autoblog.com/news/tiny-cars-big-trend-why-americans-are-downsizing-at-record-rates>

**Nissan Motor Corporation.** "The Qashqai story: necessity is the mother of innovation". 2017. *Nissan News*. n.d. <https://europe.nissannews.com/en-GB/releases/the-qashqai-story-necessity-is-the-mother-of-innovation>

**PWC.** 2024. "Consumers willing to pay 9.7% sustainability premium, even as cost-of-living and inflationary concerns weigh: PwC 2024 Voice of the Consumer Survey". *PWC*. n.d. <https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-2024-voice-of-consumer-survey.html>

**S&P Global.** 2025. *Industry Credit Outlook 2025*. S&P Global Rating. [spglobal.com https://www.spglobal.com/\\_assets/documents/ratings/research/101611597.pdf](https://www.spglobal.com/_assets/documents/ratings/research/101611597.pdf)

**Spherical Insights.** 2024. *Global Automotive Industry Market: Global Automotive Industry Market Size, Share, and COVID-19 Impact Analysis...* SI3696. [sphericalinsights.com. https://www.sphericalinsights.com/reports/automotive-industry-market](https://www.sphericalinsights.com/reports/automotive-industry-market)

**Team, Trefis.** 2021. “Mercedes-Benz Is The Number One Premium Automaker: How It Happened”. *Forbes*. n.d.

<https://www.forbes.com/sites/greatspeculations/2017/01/31/mercedes-benz-is-the-number-one-premium-automaker-how-it-happened/>

**Tesla.** 2025. *Fourth Quarter and Full Year 2024 Financial Results*. Austin. <https://ir.tesla.com/press-release/tesla-releases-fourth-quarter-and-full-year-2024-financial-results>

**Thorley, N.** 2020. *Jaguar - All the Cars*. 4th Edition. David & Charles Publishers. <https://books.google.pt/books?id=H9MjEQAAQBAJ>.

**Toegel, Ginka, and Jean-Louis Barsoux.** 2016. ‘How to Preempt Team Conflict’. *Harvard Business Review* 94 (June): 78–83, 117.

**Wiggs, Donna.** 2024. “Daniel Goleman: Why Emotional Intelligence May Be the Number One Indicator of Organizational Success.” *Big Think+*, November 18, 2024.

**Williams, Regan F., and Martin A. Croce.** 2009. “Are Airbags Effective in Decreasing Trauma in Auto Accidents?” *Advances in Surgery* 43 (1): 139–45. <https://doi.org/10.1016/j.yasu.2009.03.003>.

**YahooFinance.** 2025. “Tesla, Inc. (TSLA)”. *Balance Sheet Report*. August 6th. <http://finance.yahoo.com/quote/TSLA/balance-sheet/>

## **Appendices Table of Contents**

### **Appendix A: Strategy Figures**

### **Appendix B: Innovation Figures**

### **Appendix C: Finance Figures**

## Appendix A – Strategy

S	W	O	T
<ul style="list-style-type: none"> <li>• An <b>established brand</b> with a diverse <b>product portfolio</b></li> <li>• <b>Strong revenue</b> performance on a <b>global scale</b></li> <li>• <b>Efficient production</b> level achievement across factories with <b>multiple locations</b></li> <li>• <b>High investment budget</b> allowing for immediate investments</li> </ul>	<ul style="list-style-type: none"> <li>• Several <b>models</b> have reached the <b>maturity stage</b> in their life cycle, gradually <b>resulting in decreased customer demand</b></li> <li>• Risk of <b>inventory stockpiling</b> and a subsequent <b>decline in factory line utilization</b></li> <li>• The company is in the very <b>early stages</b> of implementing its <b>sustainability policy</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Growing importance</b> of high ESG scores/CSR policies in the industry</li> <li>• <b>Micro car</b></li> <li>• <b>Leveraging available technological advancements</b> could boost sales and enhance productivity</li> <li>• <b>New marketing investments and strategies</b> have the potential to significantly improve sales performance</li> <li>• A <b>motivated</b> and highly <b>skilled workforce</b> could increase overall efficiency and drive high KPI achievement</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increase in CO2 regulations and penalties</b> (company increased its penalties by 14% the last year)</li> <li>• Shifts and potential <b>changes in customer behavior and preferences</b></li> <li>• <b>Uncertainty</b> regarding future government <b>regulations</b></li> <li>• An unstable geopolitical climate could introduce a range of <b>risks</b>, from increased production costs to <b>new tariff regulations</b>.</li> <li>• Intense <b>competition</b></li> </ul>

Figure 1- SWOT Analysis of EvoMotion at the beginning of the simulation (own illustration)

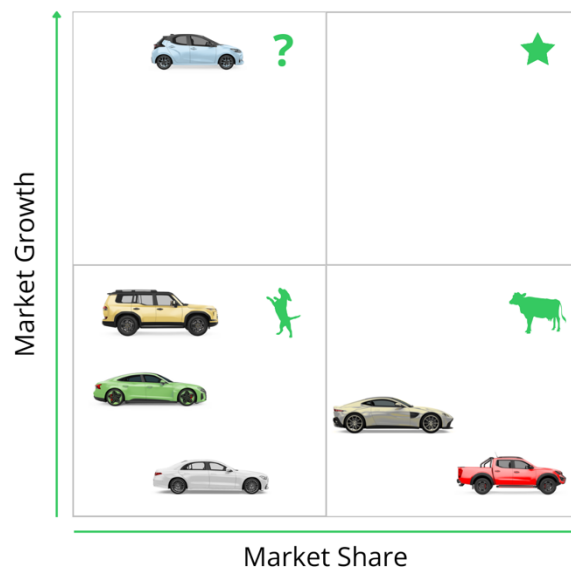


Figure 2 - BCG Matrix to evaluate initial portfolio of EvoMotion (own illustration)

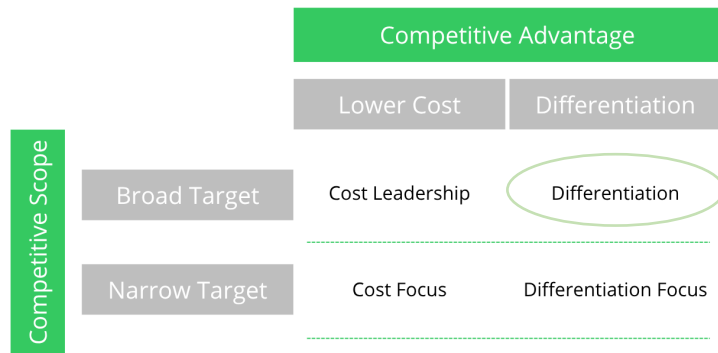


Figure 3 - Porter's competitive strategies (own illustration)

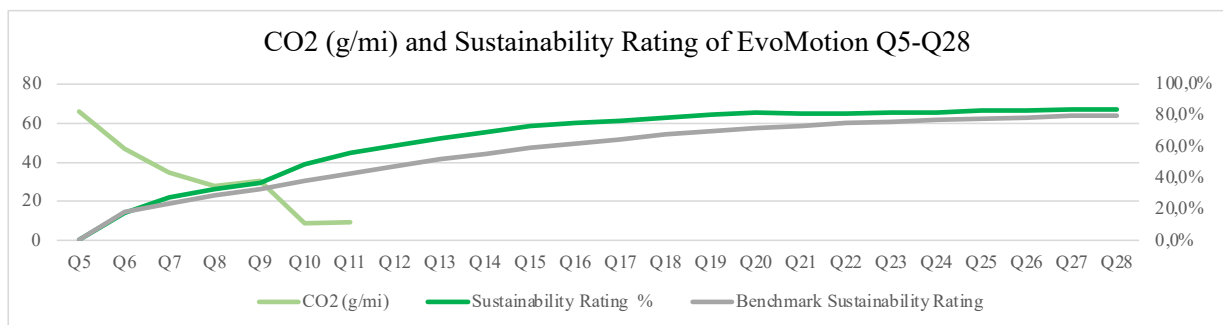


Figure 4 - CO2 emissions and Sustainability Rating of EvoMotion data showing the sustainability efforts of the company (own illustration)

## Appendix B – Innovation

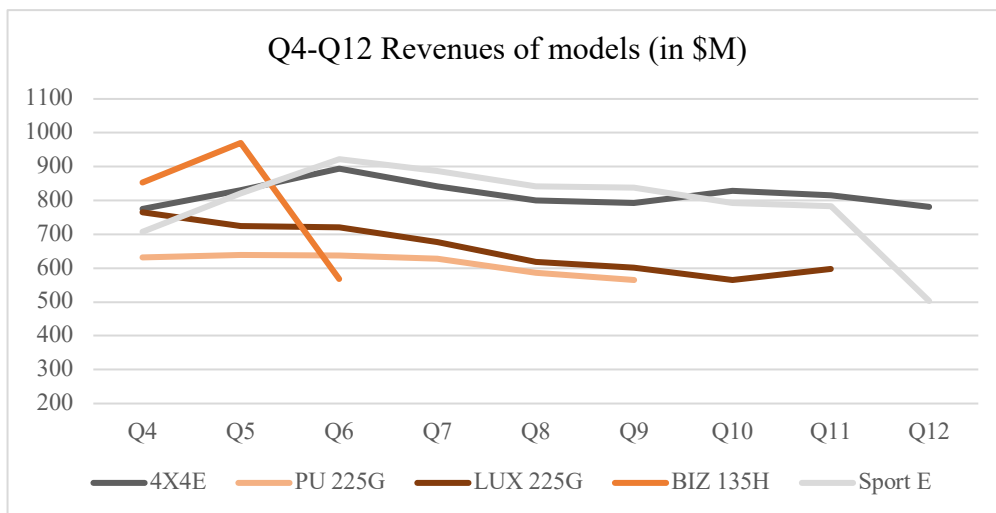


Figure 5 - Revenue contribution of EvoMotion's initial portfolio (own illustration)

	Models	Battery	Autonomus Drive Level	Feature Package Level
4X4	4x4 E	Standard Li-ion	1	1
	4x4 E Premium	Extended Sodium-ion (NA)	2	2
	4x4 E Luxury	Extended Sodium-ion (NA)	4	4
	Main Competitor	Standard Li-ion	1	1
Business	Business 135H	Hybrid	1	1
	Biz E Premium	Extended Sodium-ion (NA)	4	4
	Main Competitor			
City	City E	Standard Li-ion	1	1
	City E Premium	Extended Li-ion	2	2
	City E Lio	Standard Sodium-ion (NA)	4	2
	City E Tech	Extended Sodium-ion (NA)	4	2
	Main Competitor	Standard Li-ion	1	1
Luxury	Lux 225G	Gasoline	4	4
	Lux E Premium	Extended Sodium-ion (NA)	4	4
	Main Competitor	Standard Li-ion	1	1
Pickup	PU 225G	Gasoline	1	1
	Pickup E	Extended Sodium-ion (NA)	4	2
	Pickup E Premium	Extended Sodium-ion (NA)	4	4
	Main Competitor	n.a	n.a	n.a
Micro	SMARTI	Standard Li-ion	2	2
	Smarti Premium	Standard Sodium-ion (NA)	4	4
	Main Competitor	Standard Li-ion	1	1
Sports	Sport E	Extended Li-ion	1	1
	Sport E Premium	Extended Sodium-ion (NA)	4	4
	Main Competitor	Standard Li-ion	1	1

Figure 6 - EvoMotion's portfolio features compared to the leading competitors (own illustration)

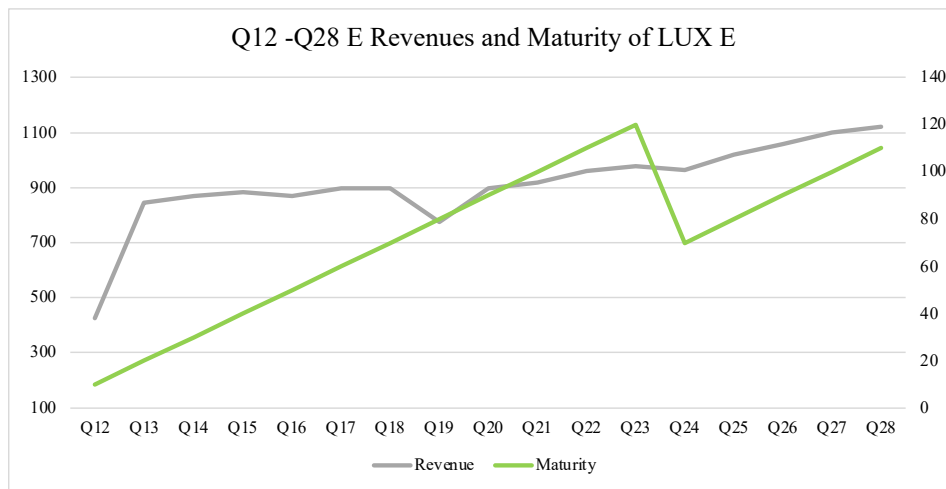


Figure 7 - Revenues of vehicles with the highest features through maturity (own illustration)

Quarters	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
Pickup E Revenue	373	723	707	956	750	795	761	769	791	766	743	736	574	0	0	0	0	0	0
Pickup E Premium Revenue	0	0	0	0	0	0	0	0	0	0	337	611	658	694	754	826	909	962	1020
Pickup E (Alternative Strategy)	0	337	611	658	694	754	826	909	962	1020	1040	1061	1082	1104	1126	1149	1172	1195	1219

Quarters	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
CF	0	-277	-277	-277	337	611	658	694	754	826	909	962	1020	1040	1061	1082	1104	1126	1149	1172	1195	1219
DCF	0	-269	-261	-254	299	527	551	564	595	633	676	695	715	708	702	695	688	681	675	668	662	655
NPV Alternative Strategy	9951																					

Quarters	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
CF	-277,33333	-277,33333	-277,33333	373	723	707	956	472,666667	517,666667	483,666667	769	791	766	1080	1347	1232	694	754	826	909	962	1020
DCF	-277,33333	-269,25566	351,588274	341,347839	642,376136	609,864411	800,634949	384,321254	408,650847	370,690226	572,208221	571,43523	537,256988	735,427447	890,525684	790,773919	432,477856	456,1824	485,187946	518,389998	532,636076	548,300261
NPV Real Strategy	9885,3867																					

Figure 8 - NPV of the Alternative Strategy (launch Pickup E after Q8) and NPV of Real Strategy (Launch two Pickup models) (own illustration)

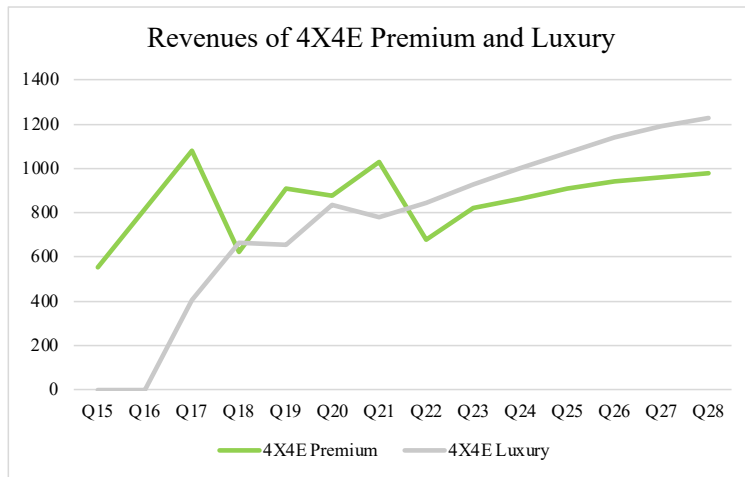


Figure 9 - Cannibalization Effect on 4X4 models (own illustration)

### Appendix C – Finance

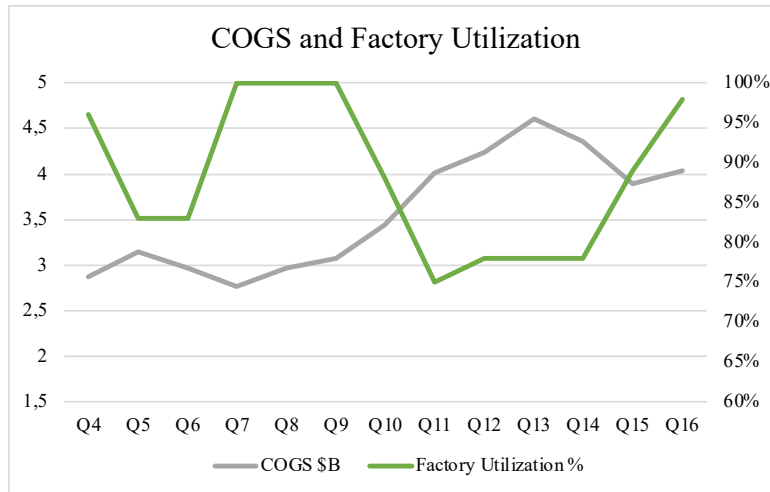


Figure 11 - Relationship between COGS and Factory Utilization (own illustration)

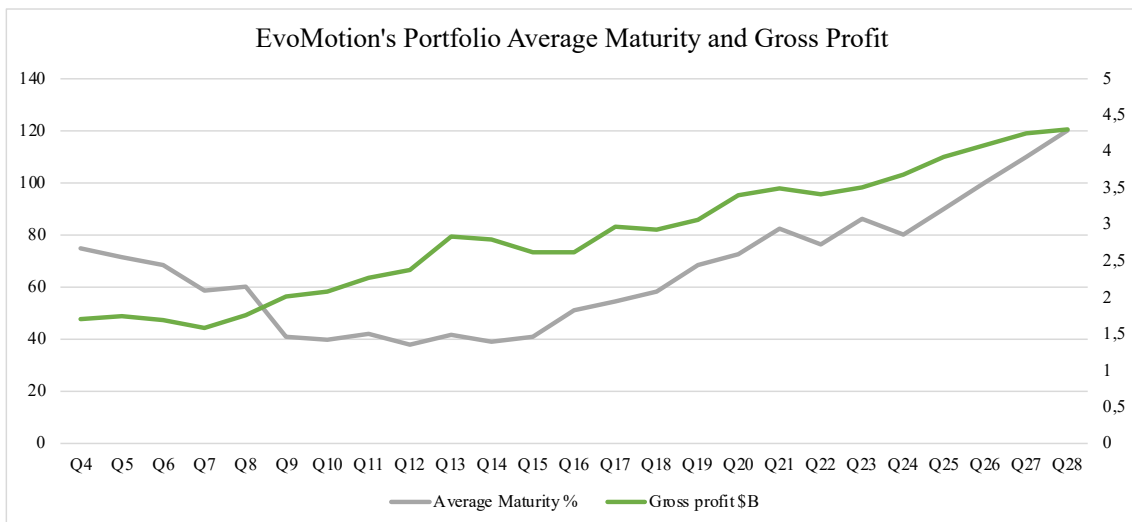


Figure 12 - Relationship between increase in portfolio maturity and increase in gross profit (own illustration)

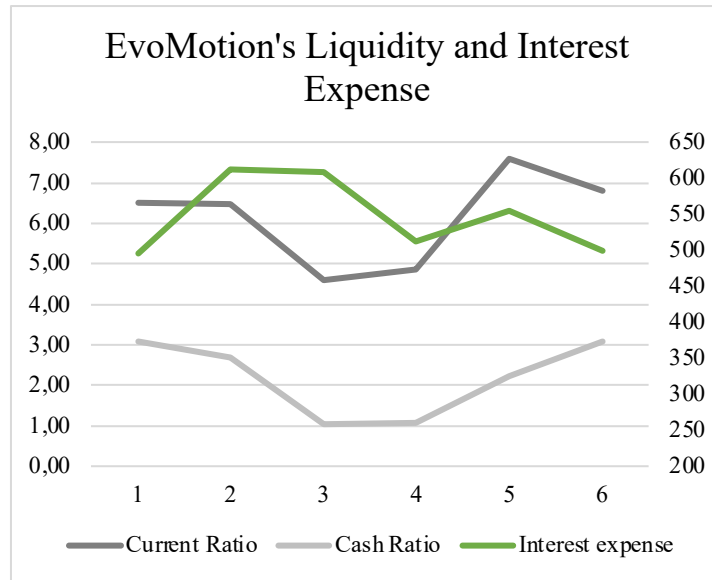


Figure 13 - Relationship between interest expense and liquidity (own illustration)