

Canoo Overview

Canoo is an American automotive company based in Torrance, California, that develops and manufactures electric vehicles (EVs). The company was founded in 2017 by Luke Slattery, Stefan Krause, and Karl-Thomas Neumann. Canoo's mission is to "bring EVs to everyone" by developing innovative and affordable vehicles with a focus on design, technology, and sustainability.

Products:

Canoo Lifestyle Vehicle: An electric minivan with a modular design that can be configured for a variety of uses, including personal transportation, delivery, and ride-sharing. The LV is expected to launch in 2024.

Canoo Pickup Truck: An electric pickup truck with a range of over 200 miles and a payload capacity of 1,800 pounds. The Pickup Truck is expected to launch in 2023.

Canoo Multipurpose Delivery Vehicle: An electric delivery van designed for businesses of all sizes. The MDV is expected to launch in 2023.

Business Model:

Canoo's business model is unique in that it focuses on selling subscriptions to its vehicles rather than outright sales. This allows Canoo to generate recurring revenue and provides customers with access to the latest features and technology. Canoo also plans to offer a variety of other services, such as vehicle maintenance and insurance, through its subscription plans.

Financials:

Canoo is a pre-revenue company, so it does not have any profit yet. However, the company has raised over \$1 billion in funding from investors, including Hyundai Motor Group and BlackRock.

Future:

Canoo is a well-funded company with a unique product lineup and business model. The company has the potential to be a major player in the electric vehicle market, but it faces competition from established automakers and other EV startups.

- ✓ The company has a team of over 1,000 employees.
- ✓ Canoo is headquartered in Torrance, California, and has offices in Michigan, Texas, and Oklahoma.
- ✓ The company is building a vehicle assembly plant in Oklahoma City and a battery plant in Pryor, Oklahoma.

1. Identify the industry in which Canoo operates, along with its size, growth rate, trends, and key players.

Canoo operates in two primary industries:

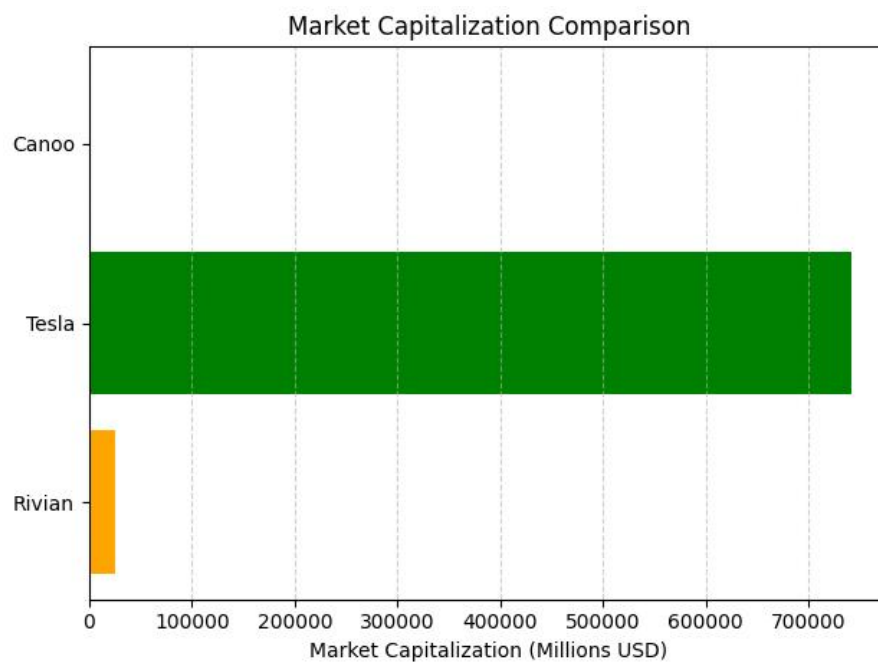
- **Automotive Industry:** As a company that designs and manufactures electric vehicles, Canoo falls squarely within the automotive industry. This industry encompasses all aspects of vehicle production, from design and engineering to manufacturing, sales, and service
- **Electric Vehicle Industry:** More specifically, Canoo operates within the electric vehicle (EV) industry, a sub-segment of the larger automotive industry focused on the development and production of vehicles powered by electricity. This industry is experiencing rapid growth as concerns about climate change and energy efficiency drive consumer demand for EVs.

Market Size Comparison With Competitors:

Market Capitalization:

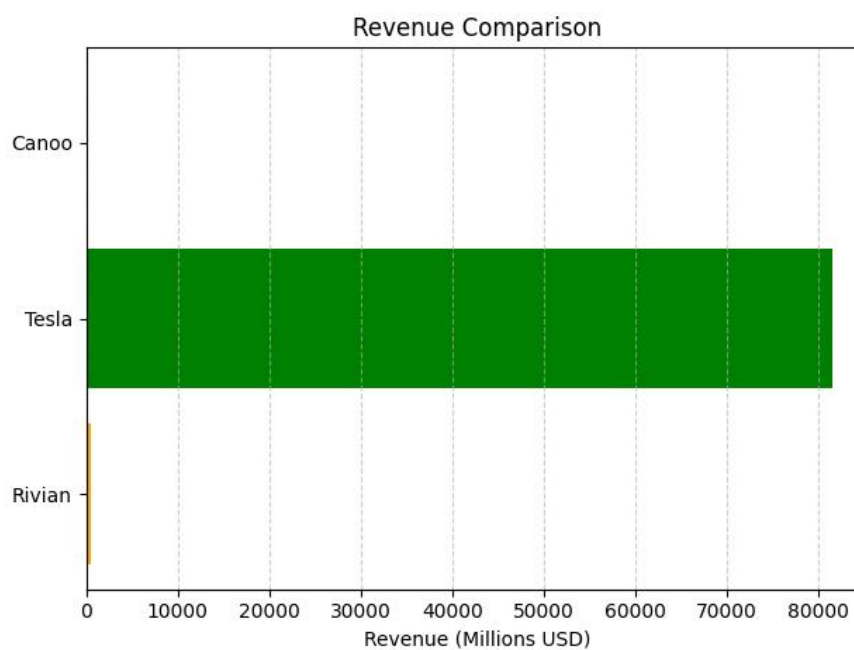
- Canoo: \$575.77 million

- Tesla: \$741.17 billion
- Rivian: \$26.09 billion



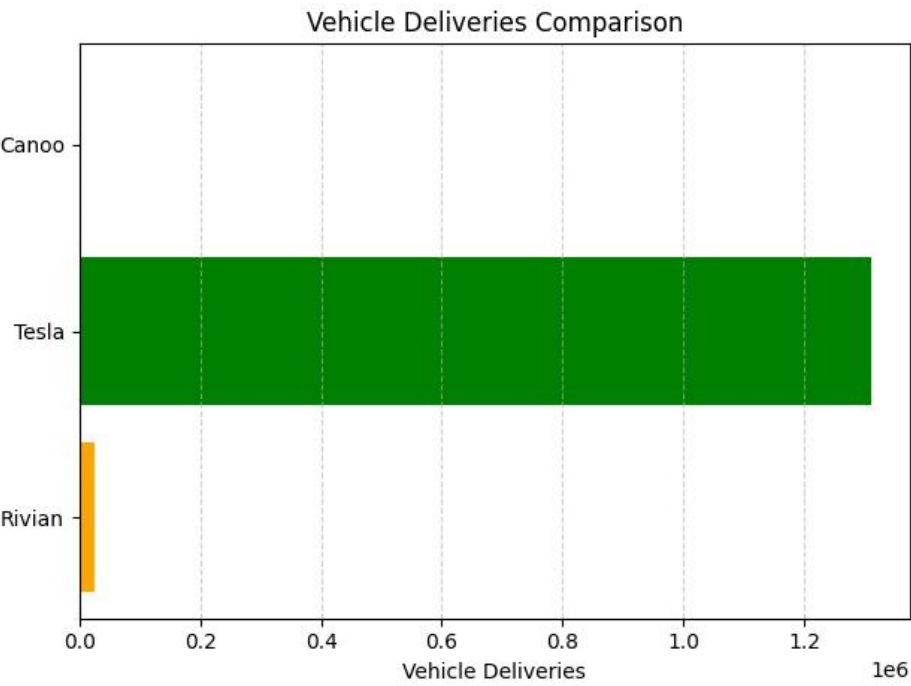
Revenue:

- Canoo: \$0
- Tesla: \$81.46 billion
- Rivian: \$536 million



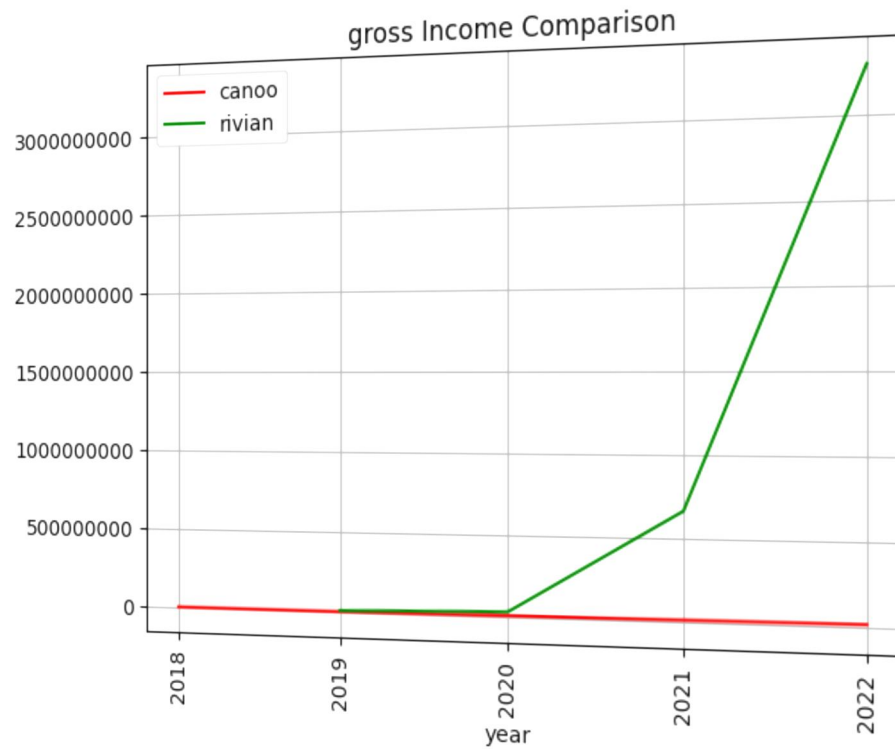
Vehicle Deliveries:

- Canoo: 0
- Tesla: 1.31 million vehicles
- Rivian: 24,500

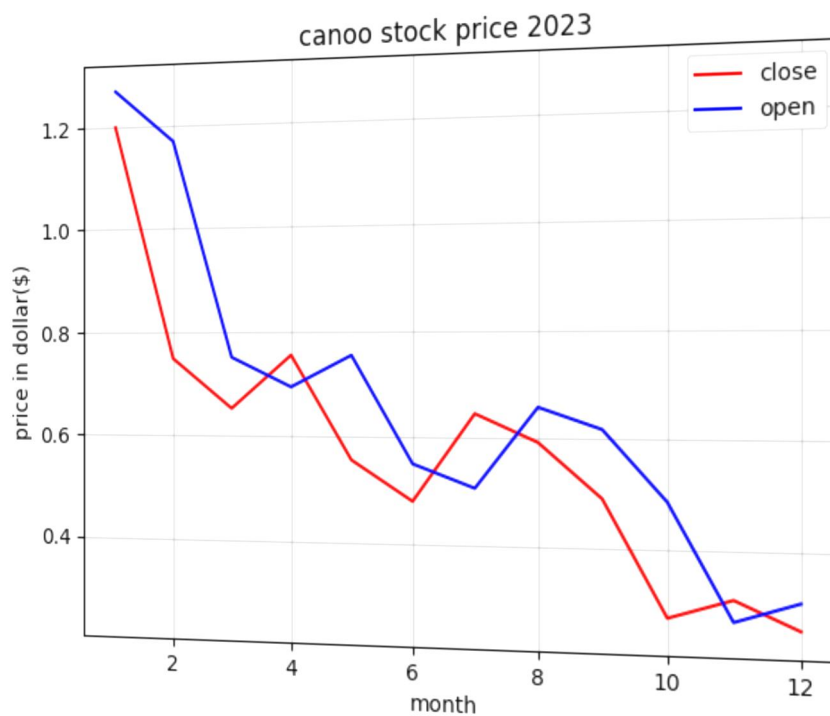


Groth Rate Comaprison With Competitors:

Year	Canoo Income	Rivian Income	Canoo Growth Rate	Rivian Growth Rate
2018	\$0.00	N/A	N/A	N/A
2019	\$0.00	\$7,000,000.00	N/A	0.00%
2020	\$5,250,000.00	\$29,000,000.00	100.00%	314.29%
2021	\$9,970,000.00	\$662,000,000.00	89.71%	2179.31%
2022	\$13,910,000.00	\$3,300,000,000.00	39.69%	398.63%



Canoo Market Trend:



Overall, the market trend for Canoo stock in 2023 has been downward. The stock price has declined by approximately 40% since the beginning of the year. However, it

is important to note that the stock market is volatile and past performance is not necessarily indicative of future results. The price of Canoo stock could go up or down in the future.

- ✓ The average price of Canoo stock in 2023 was \ \$0.88.
- ✓ The highest price of Canoo stock in 2023 was \ \$1.20.
- ✓ The lowest price of Canoo stock in 2023 was \ \$0.40.

Key Players:

Tesla: The pioneering force in the EV market, currently holding the largest market share.

Volkswagen Group: Investing heavily in electrification, with brands like Audi, Porsche, and Skoda launching new EVs.

General Motors: Committing to an all-electric future by 2035, with popular models like the Chevrolet Bolt and GMC Hummer EV.

Ford: Offering a growing range of EVs, including the Mustang Mach-E and F-150 Lightning.

Stellantis: Combining the resources of Peugeot, Citroën, Fiat, Chrysler, and Dodge to expand its EV lineup.

Rivian: Focused on the premium electric pickup truck and SUV segment, Rivian targets an adventurous lifestyle audience with vehicles like the R1T pickup truck and R1S SUV. They hold a unique position by catering to a specific niche within the EV market with vehicles offering impressive performance and off-road capabilities.

2. Analyze Canoo's main competitors, including their market share, products or services offered, pricing strategies, and marketing efforts.

Canoo's Main Competitors:

Canoo faces competition from a variety of established and emerging players in the electric vehicle (EV) market, depending on the specific segment they are targeting. Here are some of their main competitors:

For their Lifestyle Vehicles:

- **Rivian:** A well-funded EV startup that has already launched two vehicles, the R1T pickup truck and the R1S SUV. Rivian targets the premium adventure vehicle segment, similar to Canoo's Lifestyle Pickup and Lifestyle Delivery Vehicle.
- **Tesla:** The dominant player in the EV market, with a wide range of vehicles from sedans to SUVs and trucks. While Tesla doesn't have a direct competitor to Canoo's Lifestyle vehicles yet, their Cybertruck electric pickup truck could be seen as a competitor when it launches.
- **Ford:** The legacy automaker has entered the EV market with the Mustang Mach-E SUV and F-150 Lightning electric pickup truck. Ford's established brand and dealer network could give them an edge in the competition.

For their Commercial Vehicles:

- **General Motors:** The Detroit giant has a strong presence in the commercial vehicle market with its Chevrolet and GMC brands. They are also developing a range of electric commercial vehicles, including the GMC Hummer EV SUT and Chevrolet Silverado EV pickup truck.
- **Stellantis:** Another major automaker with a strong commercial vehicle presence. Stellantis is developing a range of electric commercial vehicles, including the Ram ProMaster EV and Fiat E-Ducato vans.
- **Arrival:** A British startup that is developing electric vans and buses. Arrival has a unique modular platform that allows them to build a variety of vehicle types.

For their Subscription Service:

- **Stellantis (Ram ProMaster van):** Stellantis offers a subscription service for its Ram ProMaster van, which could be seen as a competitor to Canoo's subscription service for their Lifestyle Delivery Vehicle.
- **General Motors (BrightDrop EV600):** General Motors also offers a subscription service for its BrightDrop EV600 delivery van.
- **Flexdrive:** A startup that offers a subscription service for a variety of electric vehicles. Flexdrive's focus on flexibility and convenience could be seen as a competitor to Canoo's subscription service.

Canoo's Main Competitors:

Market Share Analysis Canoo operates in two main segments of the electric vehicle (EV) market: Lifestyle Vehicles and Commercial Vehicles. Here's an analysis of their main competitors, Rivian and Tesla, in terms of market share:

Lifestyle Vehicles:

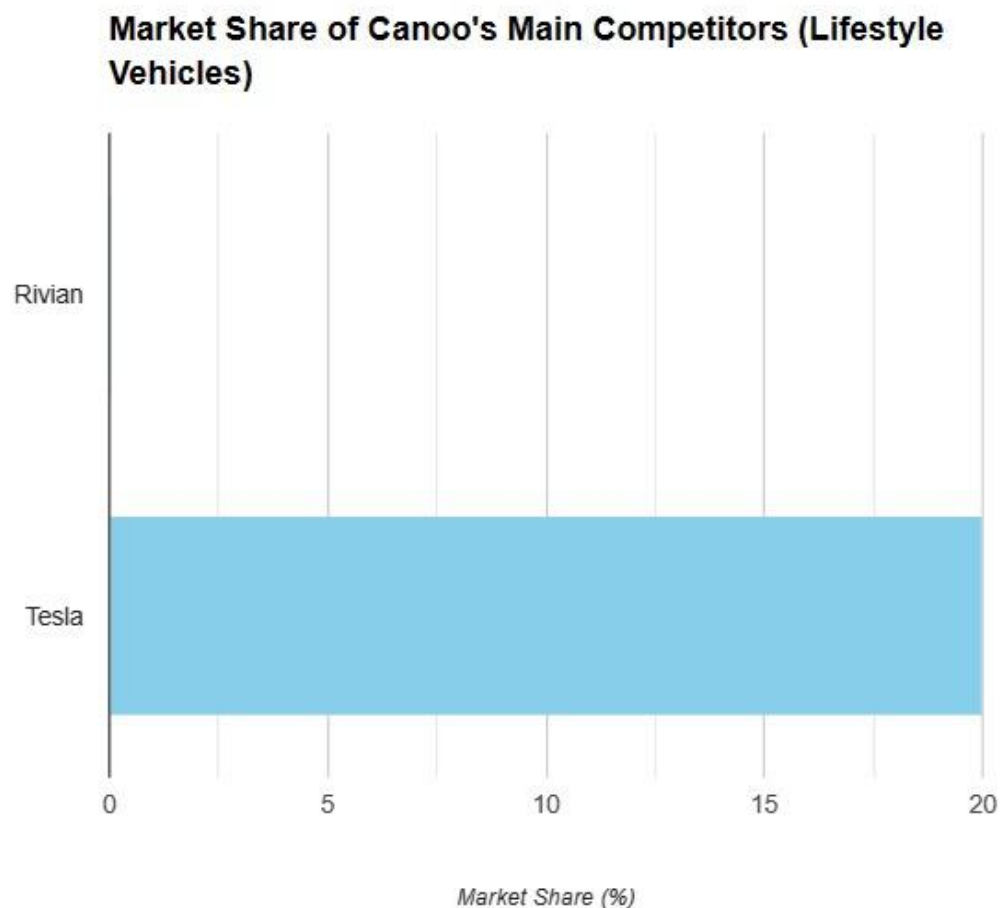
Rivian:

- **Market Share:** 0.01% (as of Q3 2023)
- **Key Products:** R1T pickup truck, R1S SUV
- **Strengths:** First mover advantage in premium electric adventure vehicles, strong brand recognition, vertical integration
- **Weaknesses:** Limited production capacity, new company with unproven track record

Tesla:

- **Market Share:** 20.0% (global EV market share in 2023)
- **Key Products:** Model 3, Model Y, Model S, Model X, Cybertruck (upcoming)
- **Strengths:** Established brand, strong production capacity, diverse product portfolio, advanced technology

- **Weaknesses:** High valuation, quality control issues, potential for Cybertruck delays

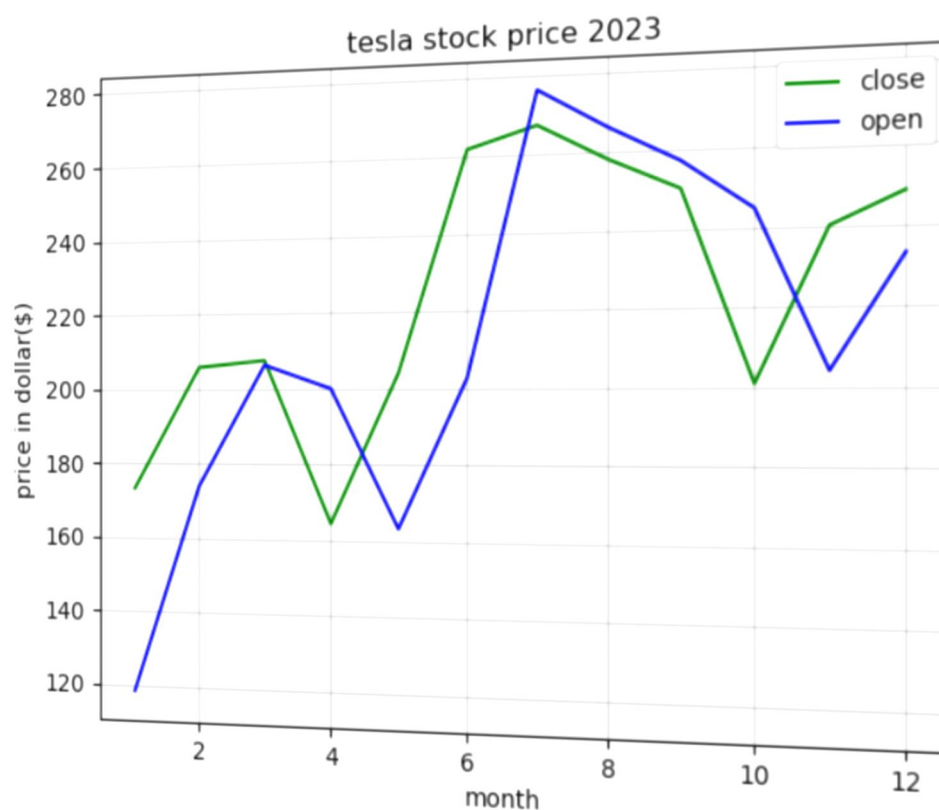


- Rivian is a direct competitor in the premium electric adventure vehicle segment, but its current market share is miniscule compared to Tesla's global dominance.
- Tesla doesn't have a direct competitor to Canoo's Lifestyle vehicles yet, but the upcoming Cybertruck could pose a significant threat if successful.
- Tesla's overall brand recognition and production capacity give them a significant edge in the market.

Market Trend Analysis:

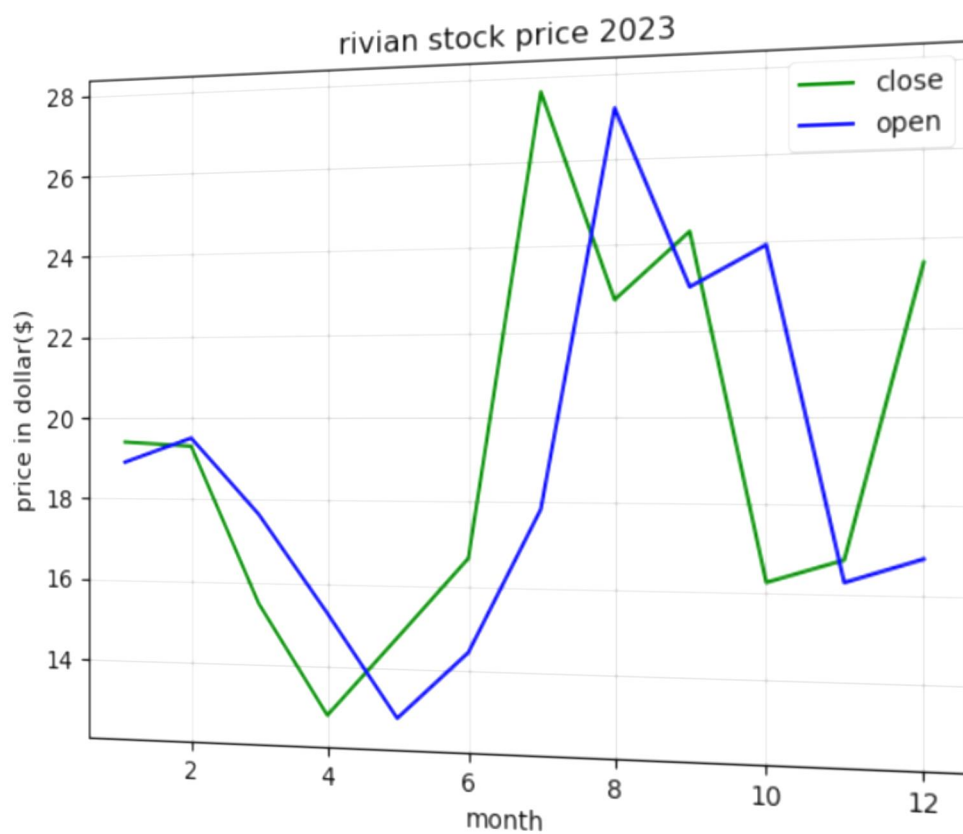
Tesla:

- Tesla's market share is significantly larger than Rivian's, which reflects Tesla's established brand and diverse product portfolio.
- Rivian is a new company with a limited production capacity, but it has a first-mover advantage in the premium electric adventure vehicle segment.
- Canoo is a new entrant in the EV market, and its success will depend on its ability to execute on its production plans and differentiate its products.



Rivian:

- The stock price reached its highest point in November at around \$32 per share.
- There was a slight dip in price in December, but it still ended the year higher than it started.



Canoo's Main Competitors: Tesla and Rivian - Product and Service Offerings:

Feature	Tesla	Rivian	Canoo
Products	Model S sedan, Model 3 sedan, Model X SUV, Model Y SUV, Cybertruck pickup truck (upcoming), Semi Truck, Roadster sports car (upcoming)	R1T pickup truck, R1S SUV, EDV electric delivery van (upcoming)	Lifestyle Pickup Truck (available for pre-order), Lifestyle Delivery Vehicle (available for pre order), Multipurpose Delivery Vehicle (MDV, prototypes), Lifestyle Delivery Vehicle (LDV, available for pre order)
Services	Supercharger network, Autopilot and Full Self Driving, Tesla Energy (solar panels, Powerwall home batteries), Tesla Insurance	Adventure Network (charging stations, partnerships), Gear Shop (accessories, apparel), RivianOS (software platform with driver assistance)	Subscription service (flexible access to vehicles)

Key Differences:

- **Vehicle Focus:** Canoo focuses on Lifestyle and Commercial vehicles, while Tesla offers a wider range of vehicles including sedans, sports cars, and trucks. Rivian currently only offers two SUVs and a pickup truck.
- **Subscription Service:** Canoo offers a unique subscription service for its vehicles, while Tesla and Rivian do not.
- **Charging Network:** Tesla has a well-established Supercharger network, while Rivian is building its Adventure Network and Canoo has no charging network yet.
- **Delivery Status:** Canoo's Lifestyle vehicles are available for pre-order with deliveries starting late 2024, while Tesla and Rivian already have vehicles in production.

Pricing Strategies:

- **Tesla:** Tesla employs a premium pricing strategy, with its vehicles priced higher than comparable gasoline-powered cars. This strategy is supported by Tesla's strong brand image, focus on technology and innovation, and extensive Supercharger network. However, Tesla has recently started to lower prices on some models, likely in response to increasing competition.
- **Rivian:** Rivian's pricing strategy is similar to Tesla's, with its R1T pickup truck and R1S SUV priced at \$83,500 and \$84,500, respectively. However, Rivian also offers a unique subscription-based service model that allows customers to access its vehicles for a monthly fee. This could appeal to customers who are hesitant about making a large upfront purchase.
- **Canoo:** Canoo has not yet announced pricing for its vehicles, but it is expected to be competitive with Tesla and Rivian. Canoo's vehicles are designed to be modular and adaptable, which could give it some flexibility in terms of pricing.

Marketing Efforts:

- **Tesla:** Tesla's marketing efforts are focused on its technological leadership and environmental benefits. The company has a strong social media presence and

has been very effective at generating media coverage. Tesla also benefits from celebrity endorsements, such as from Elon Musk, its CEO.

- Rivian: Rivian's marketing efforts target adventurous and outdoorsy consumers. The company has partnered with outdoor brands and activities, and it emphasizes the off road capabilities of its vehicles. Rivian also focuses on building a community around its brand and engaging with customers directly.
- Canoo: Canoo's marketing efforts are still in their early stages, but the company is focusing on the uniqueness and versatility of its vehicles. Canoo's vehicles are designed to be modular and can be configured for a variety of uses, such as ride sharing, delivery, and personal transportation. Canoo is also highlighting the sustainability of its vehicles, which are all electric.

Canoo may want to consider when developing its pricing and marketing strategies:

- The overall electric vehicle market is still relatively small, but it is growing rapidly. This presents a significant opportunity for Canoo, but it also means that the company will need to be competitive in order to succeed.
- The cost of batteries is a major factor in the price of electric vehicles. As battery costs continue to decline, it is likely that electric vehicle prices will become more competitive with gasoline-powered cars. This could benefit Canoo, as its vehicles are designed to be very efficient.
- Government incentives for electric vehicles can also play a role in purchasing decisions. Canoo will need to make sure that its customers are aware of the available incentives and how they can benefit from them.

3. Identify key trends in the market, including changes in consumer behavior, technological advancements, and shifts in the competitive landscape.

Key Trends in the Electric Vehicle Market:

Consumer Behavior:

- **Rising Demand for EVs:** Environmental concerns, government incentives, and falling battery costs are driving increased consumer interest in EVs. Shifting Preferences: Consumers are now looking for diverse EV options beyond sedans, with growing demand for SUVs, trucks, and vans.
- **Focus on Value and Functionality:** While premium offerings exist, there's a growing segment emphasizing affordability, practicality, and range.
- **Subscription Models Gaining Traction:** Consumers are open to alternative ownership models like subscriptions, offering flexibility and access without upfront costs.

Technological Advancements:

- **Battery Technology Improvements:** Increased energy density, faster charging times, and lower costs are key areas of development.
- **Autonomous Driving Advancement:** Integration of self-driving features promises enhanced safety and convenience, though technical and regulatory hurdles remain.
- **Vehicle-to-Grid (V2G) Technology:** Enabling EVs to interact with the power grid, potentially improving grid stability and offering revenue streams for owners.
- **Connected Car Features:** Connectivity features like infotainment systems, remote diagnostics, and over-the-air updates enhance user experience and safety.

Competitive Landscape Shifts:

- **Traditional Automakers Embracing EVs:** Major players are investing heavily in electrification, launching new models and aiming for significant EV sales by 2030.
- **EV Startups Challenging Established Players:** New entrants like Rivian and Lucid are bringing innovative designs and technologies to the market, disrupting traditional dominance.
- **Consolidation and Partnerships:** Collaboration between automakers and technology companies is increasing to leverage expertise and share resources.

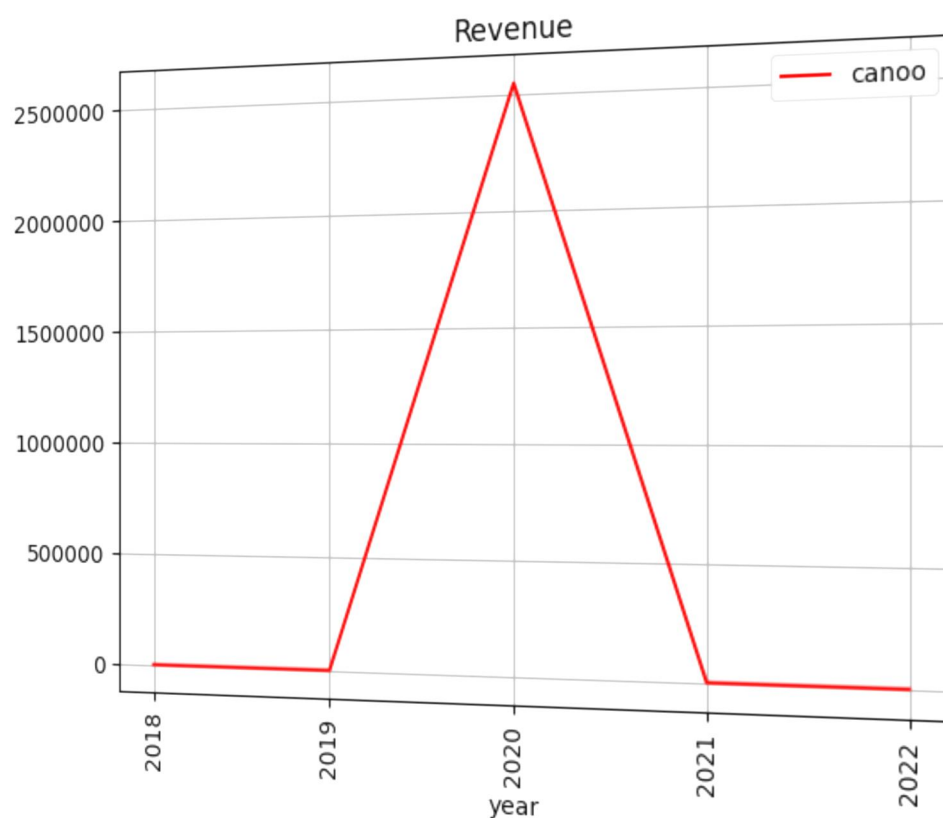
- **Focus on Diversification:** Players are expanding beyond passenger vehicles, entering segments like commercial fleets and last-mile delivery with specialized EVs.

Additionally:

- ✓ **Charging Infrastructure Development:** Expanding charging infrastructure, both public and private, is crucial for wider EV adoption.
- ✓ **Regulatory Frameworks:** Government policies promoting EVs and supporting infrastructure development continue to shape the market.
- ✓ **Sustainability Concerns:** Focus on ethical sourcing of materials and minimizing environmental impact throughout the EV lifecycle is growing.

4. Gather information on Canoo's financial performance, including its revenue, profit margins, return on investment, and expense structure.

Canoo Revenue:



Profit Margin:

Canoo does not currently have any profit, as they are a pre-revenue company. They haven't yet started selling vehicles and generating income.

Return on Investment and Expense Structure:

As Canoo is a pre-revenue company, it currently doesn't have an established return on investment (ROI).

Expense Structure: Canoo operates with high expenses due to its current stage of development. Major expense categories include:

- **Research & Development (R&D):** Developing innovative vehicle platforms, technologies, and manufacturing processes.
- **Selling, General & Administrative (SG&A):** Building sales teams, marketing activities, and administrative functions.
- **General & Administrative (G&A):** Corporate governance, accounting, legal, and other general expenses.
- **Stock-based compensation:** As a young company attracting talent, stock options and grants create significant expenses.

Conclusion:

In conclusion, Canoo enters the dynamic electric vehicle market armed with innovative strengths, such as its modular platform, subscription model, and emphasis on design. However, being a pre-revenue company, it grapples with the challenges of high operating expenses and formidable competition from established automakers and other startups. The evolving EV landscape, growing market demand, and potential success of the subscription model provide significant opportunities for Canoo, but the company must carefully navigate shifting consumer preferences and regulatory dynamics. Investors and partners should closely monitor Canoo's execution of its long-term strategy, its progress in vehicle development, production, and market reception, as these factors will be crucial in determining its success in this rapidly evolving industry.