BERYLLS BY ALIXPARTNERS INSIGHT

E-MOBILITY SUPPLIER SURVEY 2025

AGENDA

1. The shift continues, but confidence weakens
2. Transformation still underway, but slower and less predictable
3. Navigating a slower, more volatile transition

1 | THE SHIFT CONTINUES, BUT CONFIDENCE WEAKENS

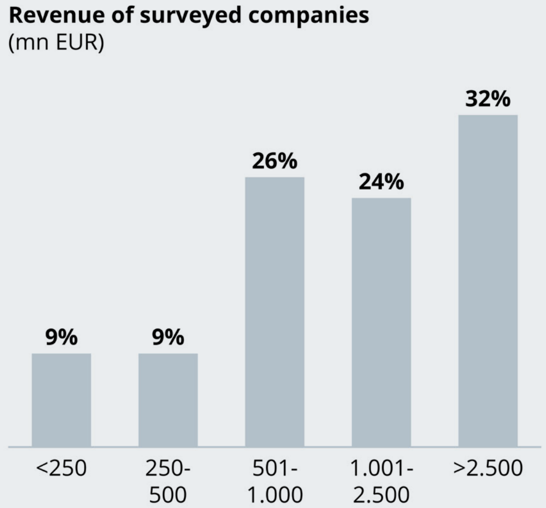
E-Mobility supplier survey 2025

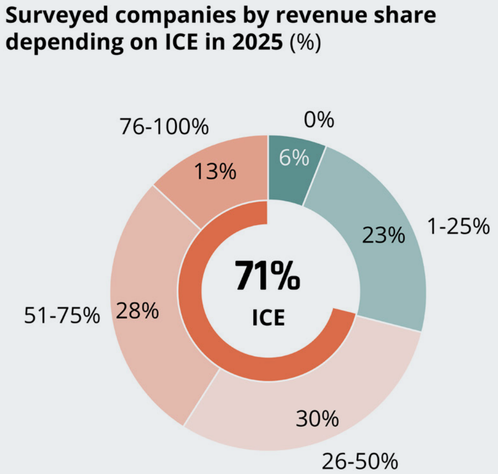
In our annual analysis, we engaged with senior executives from 49 European automotive suppliers across a broad range of segments (including powertrain, E/E, interior, exterior, body, and software) and company sizes, among them multiple TOP 100 suppliers.

Most European suppliers continue to depend heavily on internal combustion engine (ICE) business, with little reduction expected before 2030. Expectations for revenue growth from e-mobility have weakened, while margin expectations remain mixed. Platform delays, underutilized BEV production capacities, and heightened competition (especially from China) reinforce a sense of strategic stagnation.

Despite these challenges, suppliers continue to diagnose themselves as strategically well prepared. This discrepancy between perceived readiness and market realities highlights a growing strategic dilemma at the heart of the transformation. This report presents the results of the 2025 survey, interprets the implications for suppliers, and outlines strategic recommendations for the years ahead.

FIGURE 1: RANGE OF SURVEYED COMPANIES





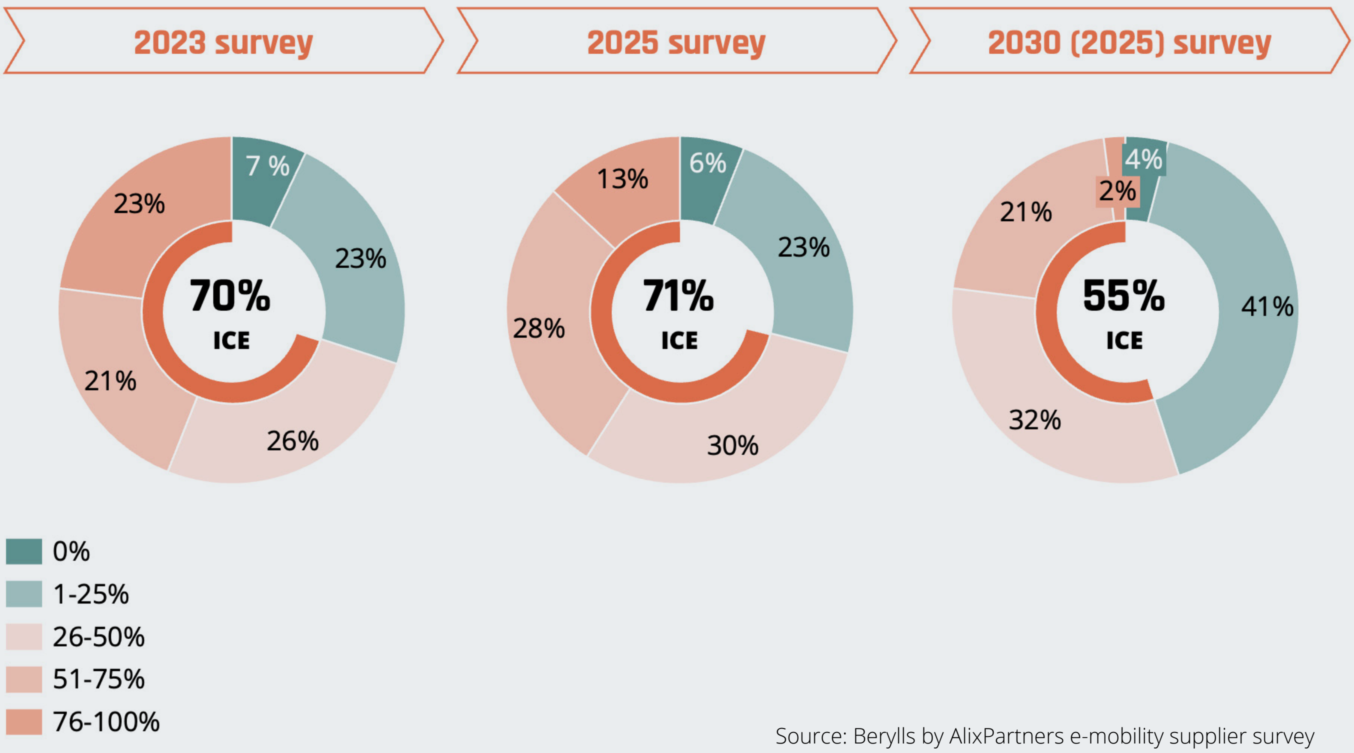
Source: Berylls by AlixPartners e-mobility supplier survey

ICE dependency remains high

This year's results once again confirm that the vast majority of suppliers (71%) continue to rely on the combustion engine (ICE) for a substantial share of their revenue (more than 25%). Despite the industry's ongoing transformation efforts, no visible reduction compared to last year's survey can be observed.

FIGURE 2: SUPPLIERS' SHARE OF ICE-DEPENDENT REVENUE

Surveyed companies by revenue share depending on ICE in 2024 (last year's survey)/2025 and expectation for 2030 [%]



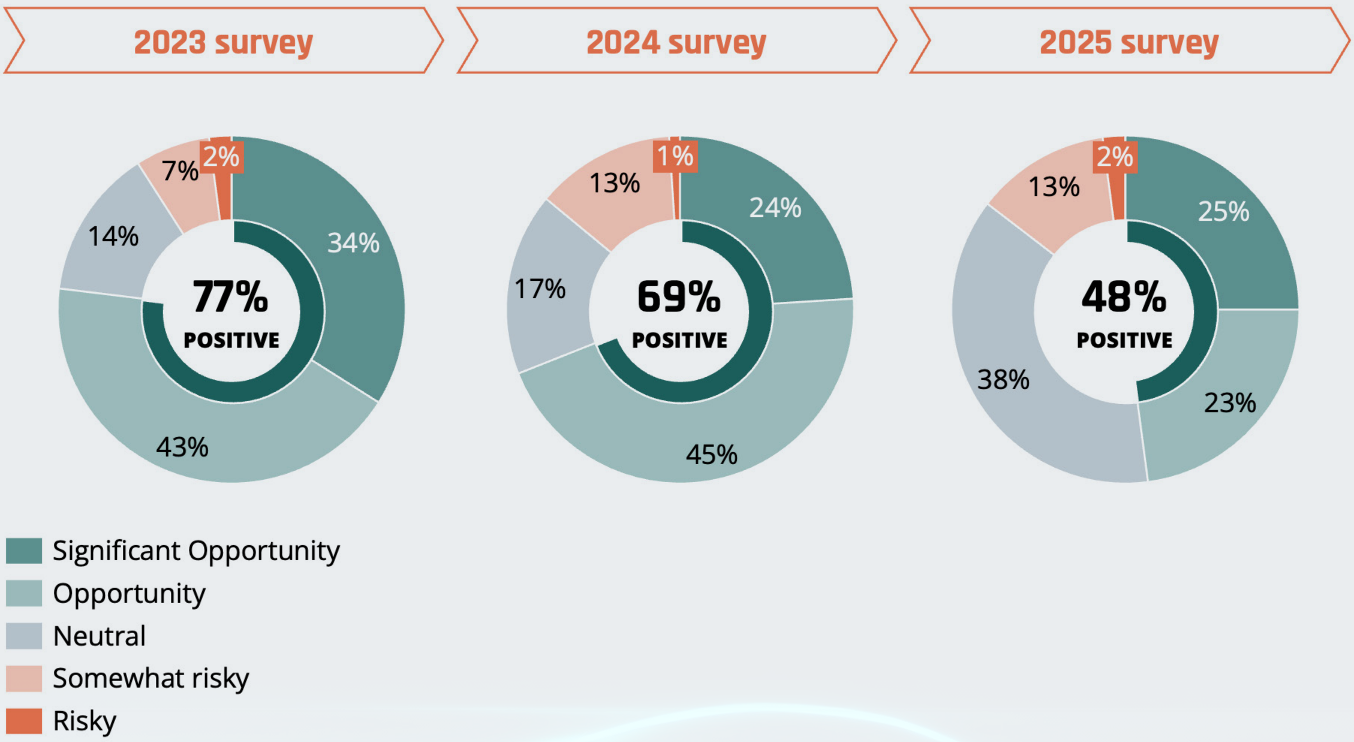
Source: Berylls by AlixPartners e-mobility supplier survey

Companies that currently generate more than 25% of their revenue from ICE-related business expect this share to decline to 55% by 2030 (same as previous year's expectation for 2029). Nevertheless, suppliers have noticeably tempered their expectations, with forecasts remaining unchanged compared to last year's survey.

Sentiment toward E-Mobility continues to cool

Only slightly fewer than half of respondents still view e-mobility as an opportunity. The positive sentiment has declined steadily over the past three years, and a rising share of suppliers now perceive e-mobility as neutral or even risky. The shift reflects uncertainty around market development, challenges associated with scaling BEV programs, and increasing competitive pressure.

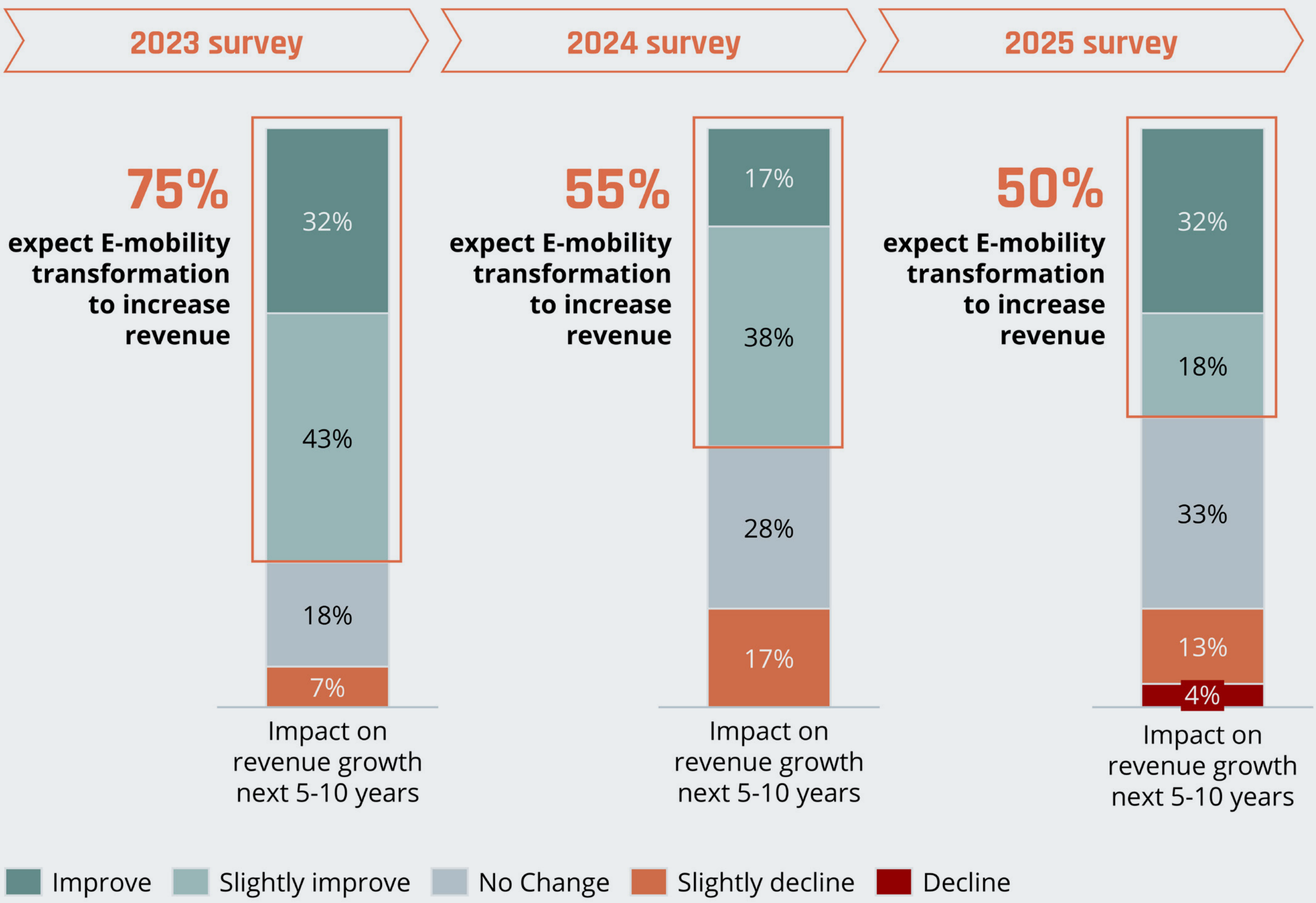
FIGURE 3: ELECTRIC MOBILITY – OPPORTUNITY OR RISK?



Source: Berylls by AlixPartners e-mobility supplier survey

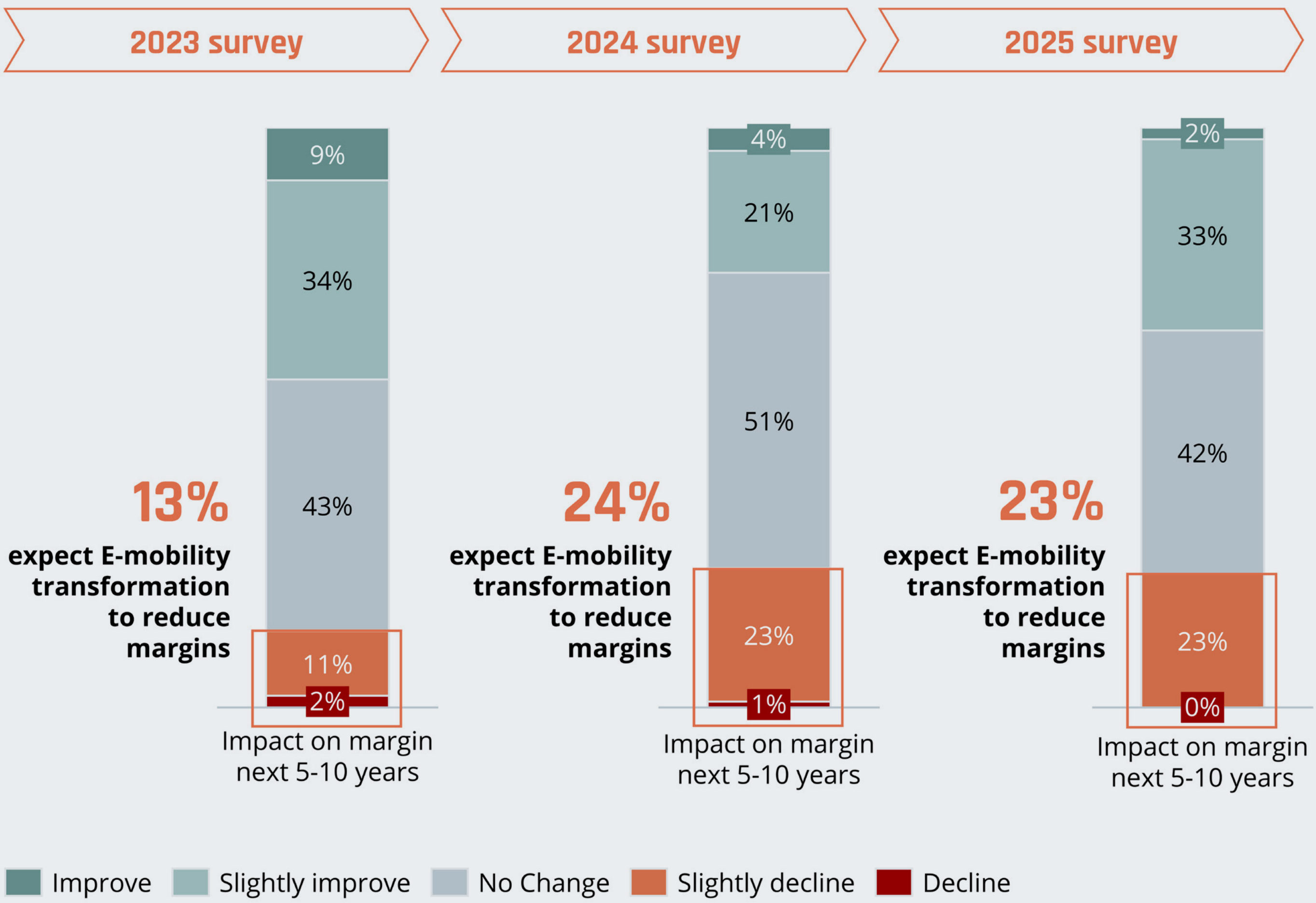
Compared to prior years, fewer suppliers expect e-mobility to have a positive impact on their revenue over the next five to ten years. The proportion of companies anticipating revenue growth from e-mobility has fallen from 55% to about 50%.

FIGURE 4: EXPECTED IMPACT OF E-MOBILITY ON SUPPLIERS' REVENUE



Source: Berylls by AlixPartners e-mobility supplier survey

FIGURE 5: EXPECTED IMPACT OF E-MOBILITY ON SUPPLIERS' PROFIT



Source: Berylls by AlixPartners e-mobility supplier survey

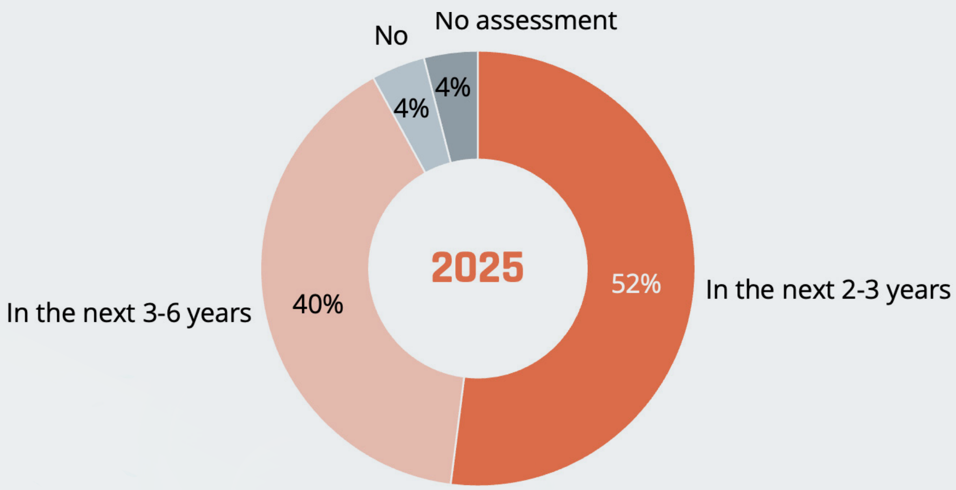
Margin expectations are mixed

A growing share of suppliers (35% vs 25% last year) expects margins to improve over the next 5-10 years. However, similar to last year, 23% expect additional pressure on margins. Margin expectations remain more divided than in previous years. This divergence underscores that the supplier industry continues to navigate a profound transformation characterized by uncertainty and mixed signals.

Consolidation is viewed as inevitable

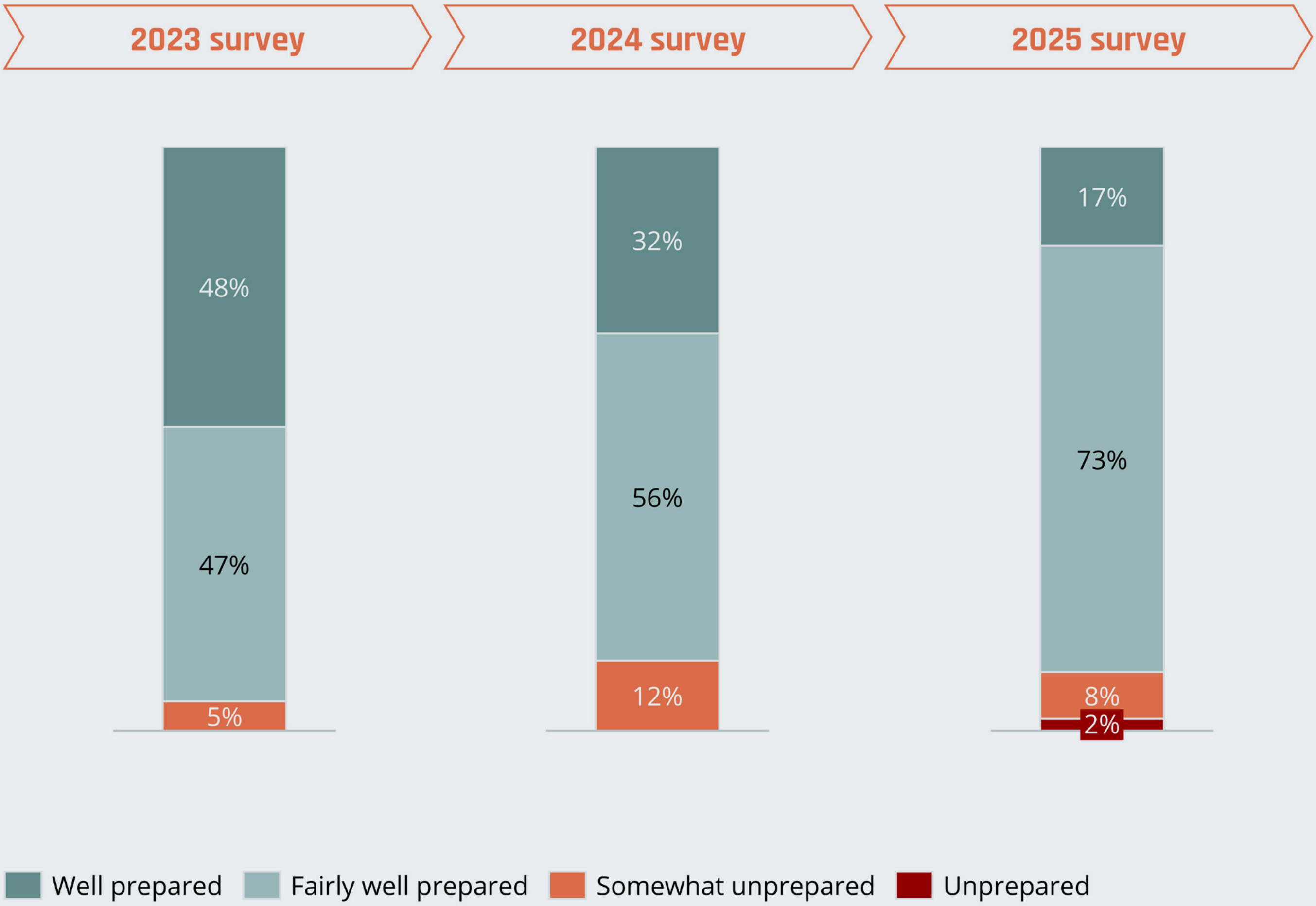
With revenue expectations declining and competitive pressures intensifying, further consolidation among suppliers focused on e-mobility components is becoming increasingly likely. Within the next six years, 92% of surveyed companies anticipate a notable consolidation trend in the e-mobility supplier landscape, more than half (52%) even within the next 2-3 years.

FIGURE 6: DO YOU EXPECT A CONSOLIDATION OF E-MOBILITY COMPONENTS SUPPLIERS?



Source: Berylls by AlixPartners e-mobility supplier survey

FIGURE 7: ELECTRIC MOBILITY – STRATEGIC READINESS FOR THE TRANSFORMATION

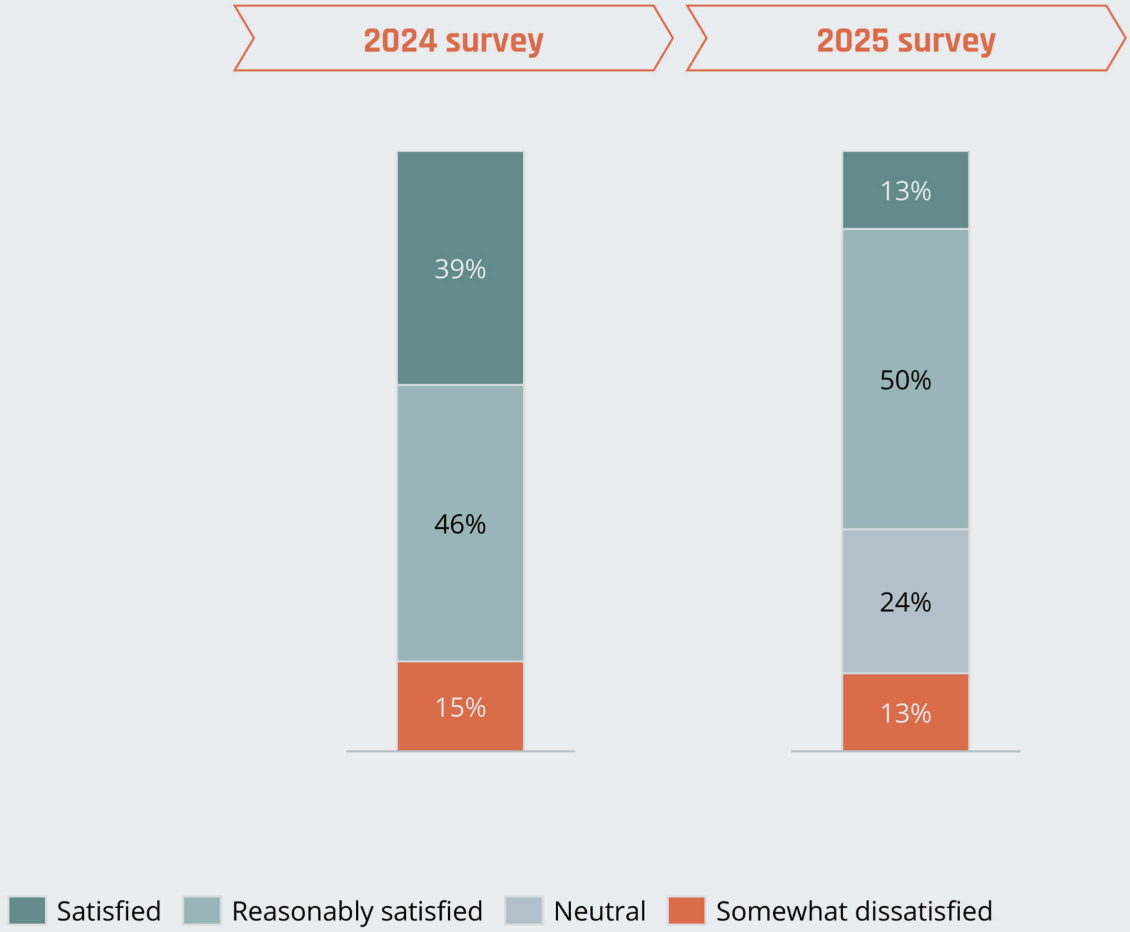


Source: Berylls by AlixPartners e-mobility supplier survey

Strategic readiness remains high despite challenges

Despite the continued complexity of the e-mobility market environment for suppliers, the overwhelming majority of surveyed companies still consider themselves strategically well positioned for the transformation. In 2025, 90% assess their strategic readiness as positive – a notable increase compared to 80% in last year's survey.

FIGURE 8: SATISFACTION WITH THE E-MOBILITY STRATEGY



Source: Berylls by AlixPartners e-mobility supplier survey

Suppliers still see themselves as strategically well prepared

The same pattern can be observed when looking at suppliers' satisfaction with their own e-mobility strategy. Despite challenging market conditions and the fact that only every second company expects their revenue to be positively affected by e-mobility within the next 5-10 years, 63% of respondents state that they are (reasonably) satisfied with their current strategy. Although this represents a substantial decline from last year's 85%, a noticeable gap remains between the difficult reality suppliers are currently facing and their own assessment of strategic adequacy.

2 | TRANSFORMATION STILL UNDERWAY, BUT SLOWER AND LESS PREDICTABLE

A transformation that is progressing, but no longer at the expected pace

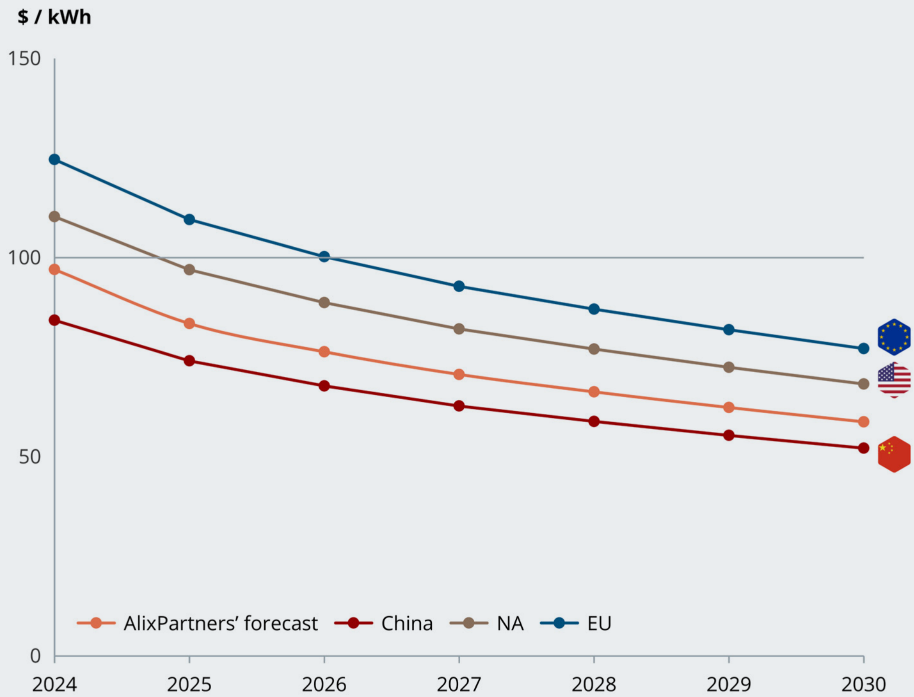
The results of the 2025 survey show a clear shift in the way suppliers perceive the transformation toward electric mobility. While the transition continues, it is happening more slowly, with more uncertainty, and under significantly tougher economic conditions than expected in previous years. Several developments reinforce each other and create a situation in which suppliers must navigate reduced visibility, fluctuating volumes, and increasing competitive pressure.

A slowing market challenges earlier assumptions

The starting point of the current situation is the weaker-than-expected demand for battery-electric vehicles in Europe. After years of strong growth, the pace has slowed. Many customers remain hesitant, mainly due to concerns about vehicle prices and the remaining price premium compared to ICE models (still around 15-20% in Europe despite a significant reduction from more than 50% in 2018). Charging availability and long-term residual values remain additional barriers. Reduced subsidies in key markets further limit the willingness to switch.

Even declining battery costs (now below 80 USD/kWh in China and expected to fall under 100 USD/kWh in Europe by 2026) have not yet translated into a decisive boost for mainstream demand, as many consumers still perceive BEVs as more expensive – especially in segments with limited entry-level offerings. The same pattern appears in model comparisons: while a Volkswagen ID.3 is now only roughly 13% more expensive than a Golf, many customers still view this premium as significant.

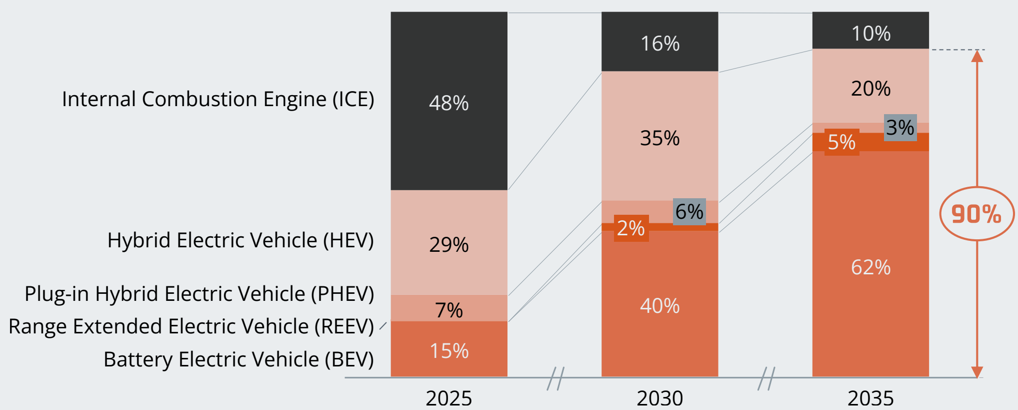
FIGURE 9: PROJECTED BATTERY PACK PRICE BY REGION, $ / KWH, BEV ONLY



Source: AlixPartners analysis

As a result, overall market growth no longer provides the strong push that many suppliers had anticipated when they made their initial e-mobility investments. This softening of demand has immediate consequences along the value chain. OEMs revise sales expectations, adapt production plans, and reduce the volumes they award to suppliers. Projects that once appeared to offer meaningful growth potential are now progressing more slowly or on a smaller scale. The early optimism that BEVs would rapidly scale across Europe has therefore given way to a more cautious and pragmatic view.

FIGURE 10: EVOLUTION OF LIGHT VEHICLE POWERTRAIN DISTRIBUTION (% OF SALES VOLUMES) FOR EUROPE



Source: AlixPartners analysis, S&P

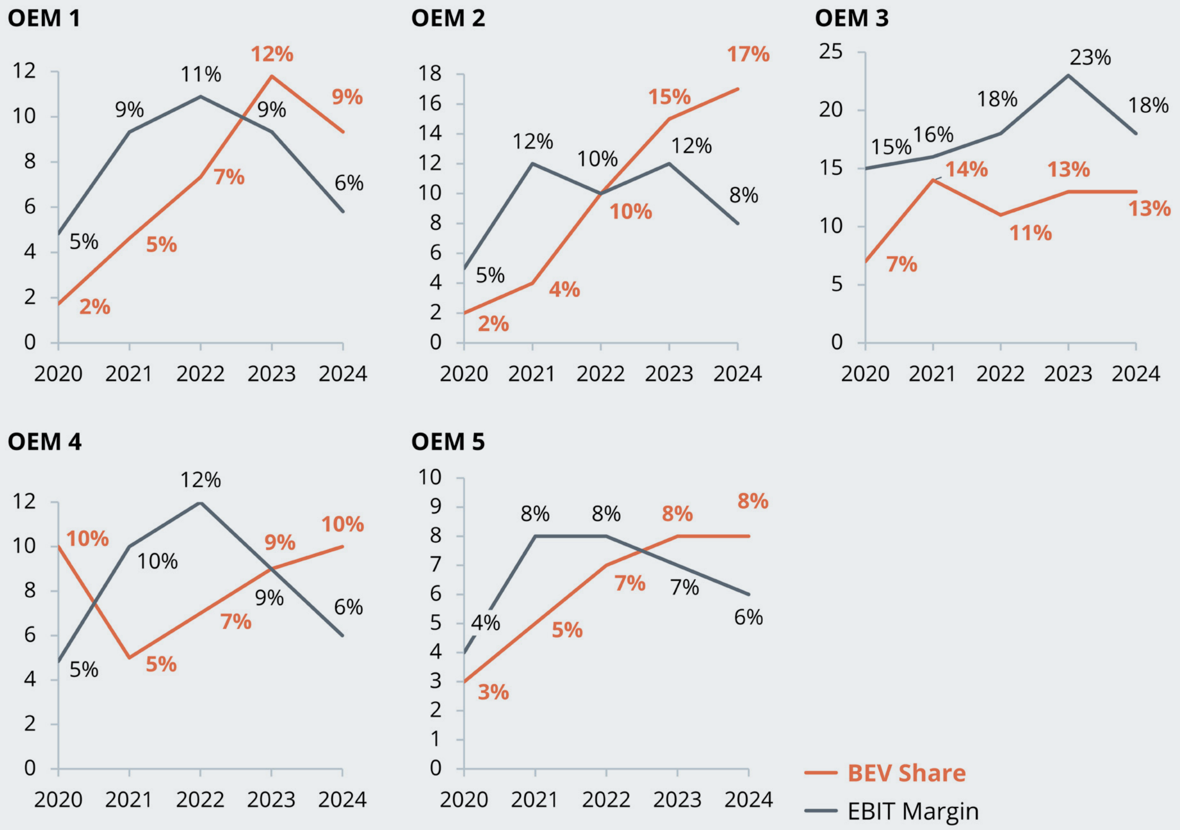
OEM profitability pressures slow down the transition

At the same time, many OEMs continue to struggle to make BEVs financially attractive. Despite substantial investment programs, BEV profitability remains below that of ICE vehicles at most European manufacturers. This weak profitability limits room for bold investments and leads OEMs to rethink their product and platform strategies. Some programs are postponed, merged, or delayed until market conditions improve, while others are extended to reach the volumes required for a viable business case.

For suppliers, this has a direct impact. Delayed platforms reduce the stability of medium-term planning. Awarded volumes are adjusted, and sourcing decisions often prioritize price even more strongly than before. This situation explains why suppliers increasingly question whether the business cases of some BEV product lines will materialize as originally expected.

FIGURE 11: EBIT AND BEV SHARE DEVELOPMENT OF SELECTED OEMS

EBIT and BEV share of selected OEMS (%)



Source: Berylls by AlixPartners analysis, S&P, company information

Platform delays create operational and financial bottlenecks

The shift in OEM planning is most visible in the postponement of new BEV platforms. In Europe, delays of several months have become the norm. Suppliers' production lines that were built for new BEV programs often start at lower volumes or remain underutilized for longer periods. Investments in machinery, tooling, and R&D therefore take more time to pay off, tying up capital and reducing financial flexibility.

The contrast with China is notable. Chinese OEMs tend to keep their platform schedules tighter and, in some cases, even accelerate the phase-out of ICE models. This difference increases the competitive gap between regions: suppliers in Europe face more uncertainty and lower initial volumes, while Chinese suppliers often operate under more stable and predictable conditions.

FIGURE 12: AVERAGE PLATFORM DELAYS IN DAYS

	SOP		EOP	
	Electric	ICE	Electric	ICE
EU	150	99	119	79
China	20	13	-8	-5
USA	105	59	118	52

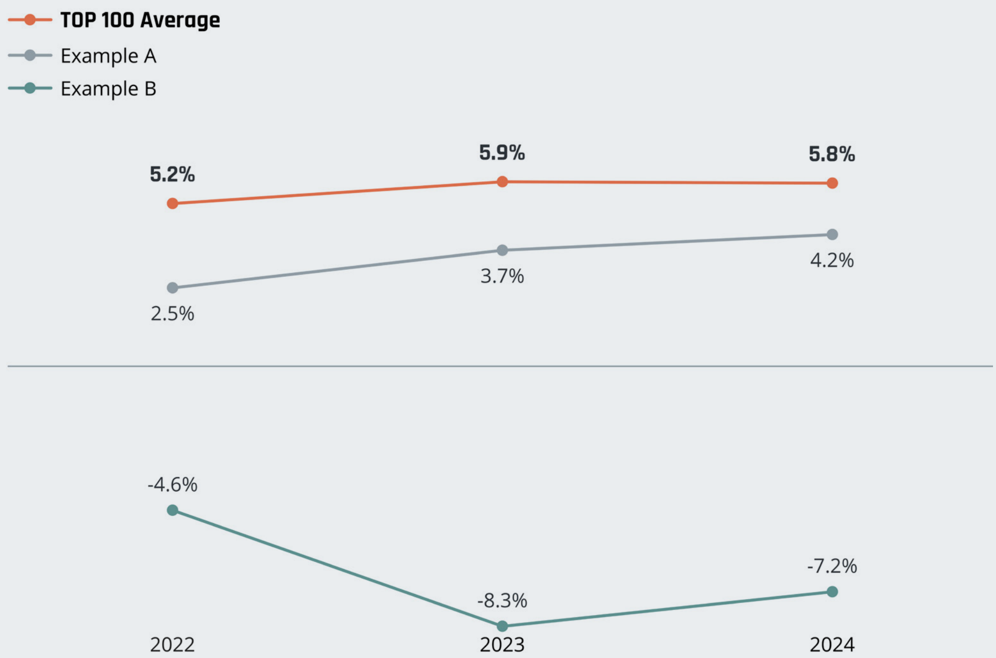
Source: Berylls by AlixPartners e-mobility supplier survey

The combined effect: pressure on margins

The various developments described above reinforce each other and create a challenging environment for supplier margins. Many BEV programs still operate below the scale required to generate (attractive) profitability. At the same time, some suppliers must maintain both ICE and BEV portfolios, which raises fixed costs and increases operational complexity.

Due to substantial up-front investments in new production lines, machinery, and R&D personnel, the profitability of BEV-only business units remains low or even negative. Consequently, many suppliers have launched performance programs to reduce costs – including a significant scaling back of e-mobility-specific R&D.

FIGURE 13: PROFITABILITY OF TOP100 SUPPLIERS COMPARED TO BEV-FOCUSED SUPPLIERS



Source: Berylls by AlixPartners e-mobility supplier survey

Regulation no longer provides a stable planning basis

Regulation has been an important reference point for the shift toward electric mobility, although regulatory pathways have been adjusted repeatedly over time. Recent changes in Europe – including the European Commission's December 2025 automotive package, which replaces the 100 % CO^2 reduction target for new cars by 2035 with a 90 % target – further reduce the rigidity of the previously assumed end date for combustion engines by allowing limited ICE and hybrid sales beyond 2035.

For BEV-focused suppliers, this weakens the regulatory case for aggressive, front-loaded electrification investments. Conversely, suppliers with significant ICE or mixed-powertrain exposure gain additional flexibility, extending the relevance of conventional components and easing near-term transition pressure.

Overall, the evolving regulatory environment increases strategic uncertainty, requiring investment plans and volume assumptions to reflect a broader range of powertrain outcomes rather than a single electrification trajectory.

China continues to set the pace

While Europe struggles with slower growth and rising uncertainty, China continues to expand its position in electric mobility. (Some) Chinese OEMs and suppliers operate at higher volumes, benefit from more advanced cost structures, and maintain shorter development cycles. Their increasing presence in international markets intensifies the pressure on European suppliers, especially in components that are exposed to global price competition.

This growing competitive difference is one of the key factors shaping the transition. Suppliers in Europe must adapt to a world in which technology cycles accelerate, price levels decline, and differentiation becomes more difficult to achieve.

A transition in imbalance

Suppliers remain convinced that electric mobility will shape the future, yet they experience growing frustration because many of the conditions required for successful transformation such as stable demand, predictable OEM plans, scale effects, and clear regulation are currently lacking.

The result is a transition in imbalance: the direction is clear, but the pace, the economic logic, and the competitive environment are far less predictable than before. This is the core challenge that suppliers must address in the years ahead.

3 | NAVIGATING A SLOWER, MORE VOLATILE TRANSITION

The findings of this year's survey and the broader market developments highlight a transformation that is continuing, but not at the pace or under the conditions many suppliers expected. Demand for BEVs is improving only gradually, price premiums remain meaningful for many customers, battery costs are falling but not yet fast enough to shift the market, and OEM planning has become less stable due to profitability challenges and platform delays. In this environment, suppliers need strategies that are both realistic and resilient – strategies that acknowledge uncertainty rather than relying on rapid, linear BEV growth.

The following recommendations outline how suppliers can reposition themselves for a transition that is more volatile, regionally divergent, and financially demanding than anticipated.

1.

Sharpen the portfolio to reflect a slower and more uneven transition

Suppliers should reassess their e-mobility portfolios with a focus on where scale will realistically emerge – and where not. The expectation that most BEV programs would quickly reach high volumes no longer holds. As shown, volumes ramp up more slowly, and platform schedules shift frequently.

This requires clearer prioritization. Technologies and components that have a credible path to scale, differentiation, and profitability in a slower market must be strengthened, while others may need to be reduced, paused, or exited. A more focused portfolio helps free up resources for the areas in which suppliers can build a sustainable long-term position, even if BEV adoption continues at a moderate pace.

2.

Increase operational flexibility as uncertainty becomes structural

Given the recurring delays in OEM programs and the fluctuating demand outlook, flexibility is becoming a key competitive strength. Suppliers benefit from production systems that can adjust to lower or shifting volumes without undermining profitability. This includes modular lines, layouts that allow repurposing for different product types, and workforce models that can adapt to changing load levels.

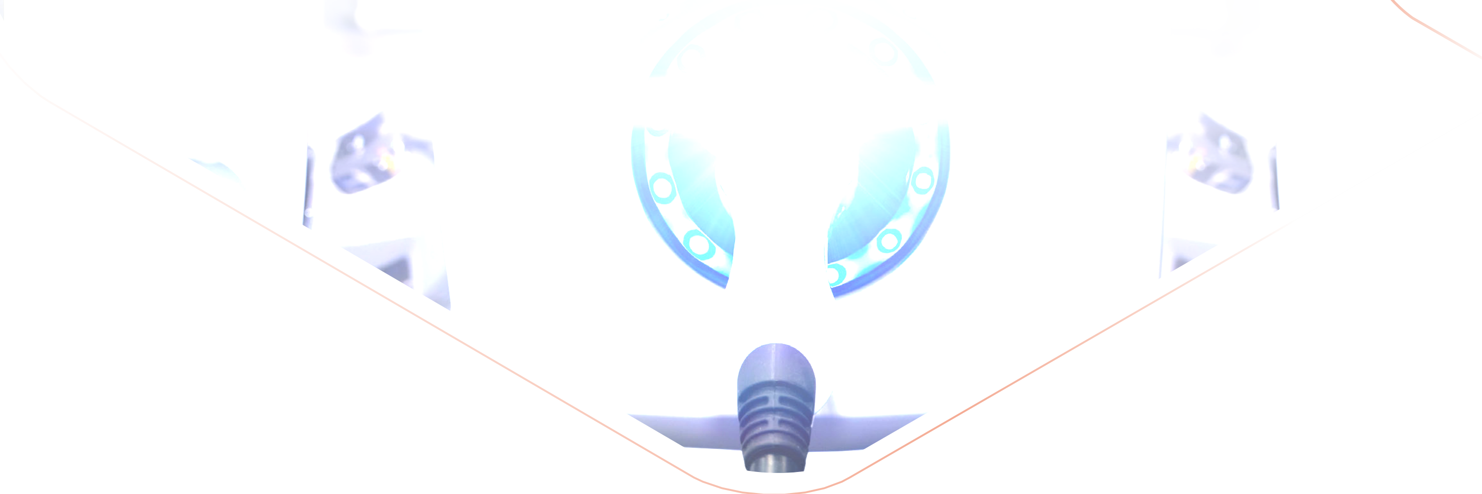
Flexibility also supports suppliers in balancing ICE and BEV production during the long transition period. The dual-technology world will persist longer than many expected, and companies that can efficiently manage both sides of the portfolio will be in a stronger financial position.

3.

Strengthen financial discipline and protect cash during longer payback periods

The slower scaling of BEV volumes means that many investments – from R&D to tooling to new equipment – take longer to pay back. Suppliers should therefore adopt a more cautious financial lens, focusing on disciplined capital allocation and realistic business cases rather than volume expectations that may not materialize.

This includes stricter cost management, closer monitoring of program profitability, and more selective investment decisions. A stronger focus on cash helps build resilience in an environment where platform delays and revised OEM forecasts can quickly impact liquidity.



4.

Move from static planning to scenario-based strategy

The variability in BEV adoption, regulatory developments, and regional dynamics, particularly the widening gap between Europe and China, requires a more flexible strategic approach. Instead of planning for a single expected trajectory, suppliers should prepare for multiple plausible scenarios.

A scenario-based approach enables companies to adjust capacity, investments, and footprint decisions when markets develop differently than anticipated. It also ensures that suppliers can respond to changing OEM strategies and regulatory signals more quickly and with fewer sunk costs.

5.

Reassess the role of China with realism rather than aspiration

China remains both an opportunity and a source of competitive pressure. Its competitive environment, increasing innovation power and faster development cycles shape cost expectations globally. Suppliers should therefore take a pragmatic approach to China: assess where participation is essential, where partnerships can create advantage, and where exposure creates unmanageable risk.

A well-calibrated China strategy also supports competitiveness in Europe, where Chinese BEVs increasingly influence pricing and purchasing decisions.

Looking ahead

The e-mobility transition remains the defining industry shift of this decade, but it is unfolding under more complex conditions than previously assumed. Slower demand growth, meaningful cost barriers, unstable OEM roadmaps, and regional divergence require suppliers to rethink their strategies. Success will come not from betting on a single future, but from preparing for several – with a sharper portfolio, greater flexibility, stronger financial discipline, and capabilities that can scale when the market is ready.

With the right focus and a willingness to adapt, suppliers can not only navigate the uncertainty ahead but position themselves to lead when the next wave of growth arrives.

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Munich, January 2026