

Aftermarket 2035 - The fleet imperative

Executive Summary - Slide Selection

JUNE 2023

Aftermarket 2035— The fleet imperative



Comprehensive
report

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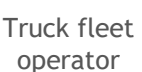
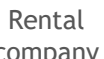
Jose
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Extensive expert interviews & focused truck survey conducted ...

30 expert
interviews



SteerCo members



Survey of 20 truck fleet
managers ...



... active across 29
European countries

... with a detailed scope on ...

Vehicle type



PC



LCV



MHDT



Trailer

Fleet size

Micro

Small

Medium

Large

Geographical focus



Germany



France



UK



Netherlands



Poland

Age

0-4 years

4-8 years

8-12 years

12+ years

... along 4 key pillars of analysis



Market
trends



Market
forecast



Key control
points



Strategic
implications

Note: Micro-5-15 vehicles; Small-15-99 vehicles; Medium-100-1000 vehicles; Large - >1000 vehicles
Source: BCG analysis



12 trends shape the fleet aftermarket industry until 2035



Market & value chain

- 1 **Fleet share growing** by ~6pp for PCs and LCVs and ~10pp for HCVs and trailers from '25 to '30
- 2 **Ongoing market consolidation** & entry of new market players
- 3 **Increasing regulation** with newly published orders on data exchange, design directive, etc.
- 4 Rising **pressure on cost** as fleets' margins tighten



Data exchange

- 9 Rising need for **fleet-to-car connectivity** driven by cost reasons w/ 22% of PCs, 27% of LCVs & 47% of MHDTs connected
- 10 Growing demand for **fleet-to-workshop connection**



Fleet Sustainability

- 5 **Sustainability** factors are becoming a **key purchasing criterion** for fleet managers
- 6 Rising **EV share** reaching 62% BEV for PC and 22% BEV for LCV in fleet parc by '30
- 7 Accelerating **H₂ and EV adoption** for MHDTs, despite uncertainty regarding prevailing tech
- 8 Tightening need for **sustainability transparency** (e.g., CO₂ footprint)



Mobility transformation

- 11 Shift to **holistic mobility solution** fostered by 40-50% of cust. asking more frequently for mobility services
- 12 Growing demand for **battery mgmt. & charging infra.** services with 60% of chargers located in 4 EU countries

Myths regarding trends that shape the fleet aftermarket industry

✗ Industry Myths

Fleet share for PCs and LCVs will be **well above 50%** and for **MHDTs** and trailers **above 90%** in 2030

Fleets strongly focus on using the **authorized channel**

Fleets demand **sustainability of parts** and in process steps along the value chain

Growing **sustainability requirements** will drive strong growth of remanufactured parts

Fleets want **fleet management solutions** provided by **wholesalers and Tier-1's**

Fleets want **standardized solutions** to reduce complexity

Data transparency and connectivity is used to develop new business models and **raise customer satisfaction**

Sharing models are the **future** of fleet providers

✓ Market Facts

Fleet share ~15% for PCs and ~41% for LCVs and ~69% for MHDTs and 79% for trailers in 2030

Fleets are open to **collaborate with the IAM**, driven by digitalization and spend

Fleets are **cost-driven** and are preoccupied with the **transition to EV**; sustainability if helping TCO

Remanufactured parts are mainly demanded to **reduce spend** on repair costs

Fleets use their **own fleet management tools**

Although fleets want standardization, **independence from OEMs** and the **shift to EV** are prioritized





Main motivation to use connectivity solutions is **TCO optimization**

Sharing models have a **low margin potential**





The IAM fleet aftermarket is expected to increase by €6.3B, reaching €20.1B by 2030

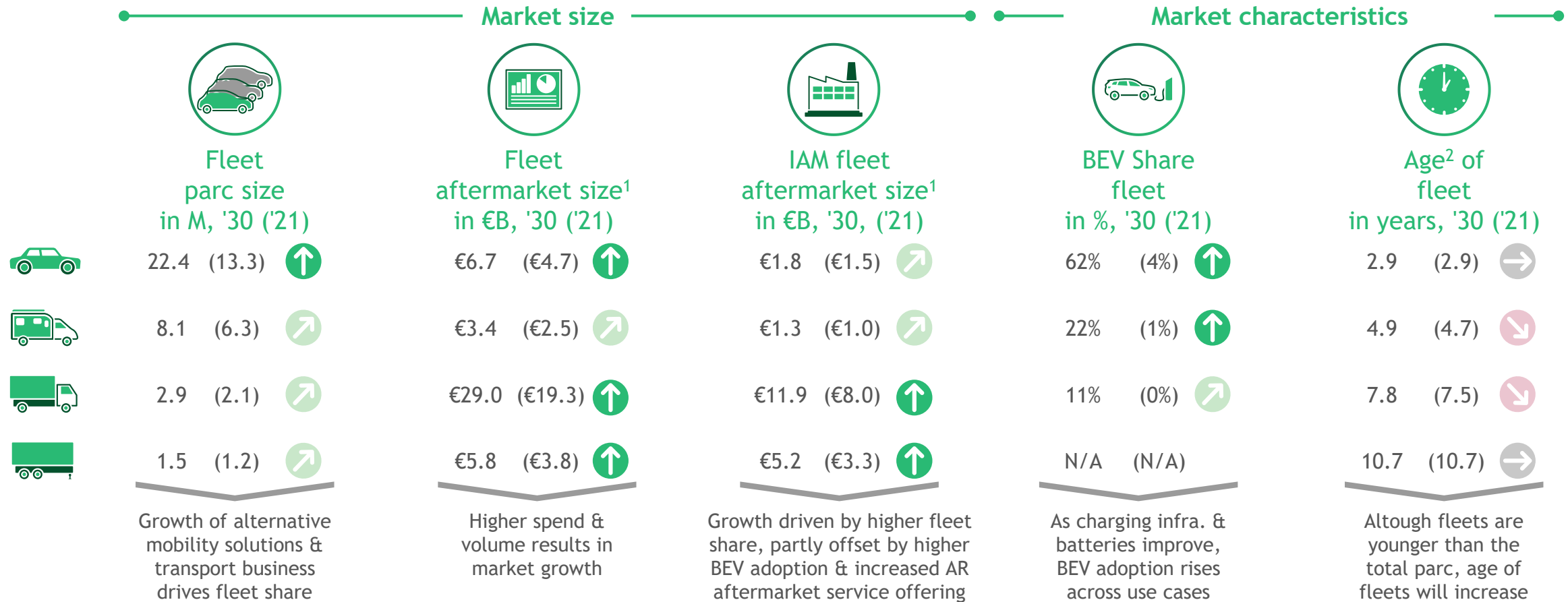
	Fleet parc & aftermarket size	Fleet IAM aftermarket size	Drivers & challenges fleet IAM
	9M more PCs by '30 in fleets The fleet parc will increase by 9.2M PCs , reaching 22.4M PCs in '30 with a total fleet aftermarket value of €6.7B (€3.3B R&M, €1.6B tires, €1.8B crash & accs.)	€1.8B fleet business in the IAM by '30 The PC IAM is estimated to cover 26% of the fleet aftermarket in '30, resulting in a market size of €1.8B (€0.8B R&M, €0.3B tires, €0.6B crash & accs.)	13.9M BEV PCs in the fleet by '30 A rather young fleet parc of ~2.9 years on average in '30 (vs. ~11.1 years in PC parc) and 13.9M BEV vehicles (62% of the fleet) will be a challenge for the IAM
	LCV fleet parc increase by 2M by '30 The LCV fleet parc will grow by 1.8M , reaching 8.1M LCVs by '30 with a fleet aftermarket value of €3.4B (€2.0B R&M, €0.6B tires, €0.7B crash & accs.)	€1.3B IAM fleet market size by '30 With a market size of €1.3B (€0.7B R&M, €0.2B tires, €0.3B crash & accs.), the IAM is estimated to cover 39% of the LCV fleet aftermarket in '30	1.8M BEVs in the LCV fleet by '30 1.8M BEV vehicles (22% LCV fleet) in '30 will challenge the IAM , despite positive effects from an ageing LCV fleet (avg. age of 4.9 years vs. 10.1 years in total parc in '30)
	Fleet aftermarket value of €29B by '30 The MHDT fleet parc will reach 2.9M (+0.8M) MHDTs by '30 , accounting for a fleet aftermarket value of €29B (€17.0B R&M, €10.8B tires, €1.3B crash & accs.)	IAM share for fleets grows to 41% The IAM is expected to constitute 41% of the fleet aftermarket in '30, achieving a market size of €11.9B (€6.4B R&M, €0.4B tires, €5.1B crash & accs.)	Average age of 7.8 yrs in the fleet by '30 The IAM will be driven by an ageing MHDT fleet (avg. age of 7.8 years vs. 10.1 years in total parc in '30), partly offset by an increase of BEV vehicles to 0.3M (11% MHDT fleet) in '30
	60% of fleet aftermarket in R&M by '30 The fleet trailer parc will grow by 0.4M to 1.5M trailers in '30 , resulting in a fleet aftermarket value of €5.8B (€3.5B R&M, €2.0B tires, €0.2B crash & accs.)	IAM share for fleets reaches 90% in '30 With a share of 90% in '30, the IAM is expected to generate a fleet market value of €5.2B (€3.1B R&M, €0.2B tires, €2.0B crash & accs.)	Volume as core driver for the fleet IAM The market growth of the fleet IAM will be driven by an increased volume , as the avg. age will maintain constant until '30 (10.7 yrs. vs. 11.1 yrs. in the total parc)

Note: R&M — Repair and Maintenance; accs - accessories; sum of values may not add up due to rounding

Source: IHS data; CLEAR data; KBA data; UK vehicle registration data; Market Participant Interviews; Market reports; BCG analysis



Taking a closer look into European fleet market characteristics by key metrics shows a market value growth of ~4.5% p.a. to a total of €44B in 2020



Fleet Aftermarket Market Value 2030 = €44.9B; '21-'30 CAGR = ~4.5%

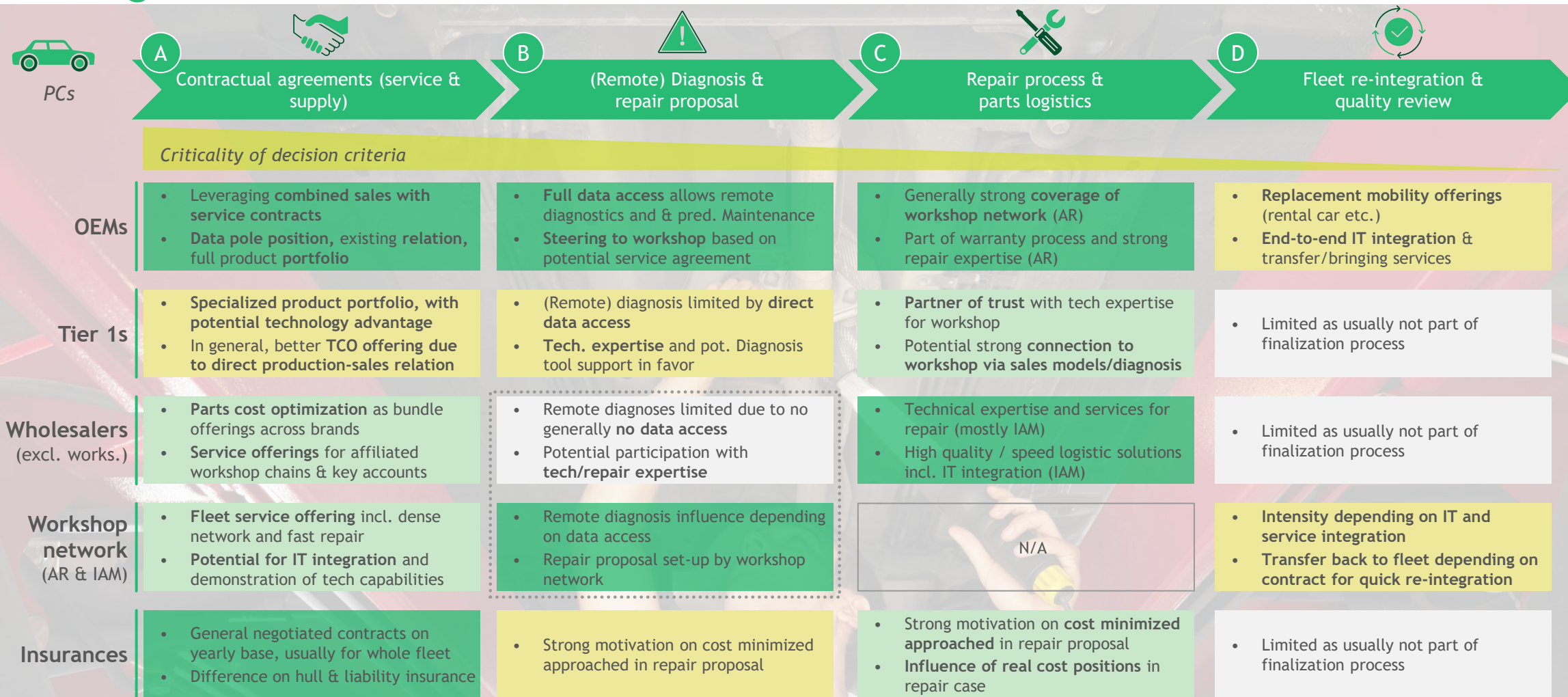
↑ Strong increase expected ↗ Increase expected → Stagnation expected ↓ Decrease expected

1. Retail level, excl. labor 2. A positive impact means that the fleet is getting older Note: R&M - Repair & maintenance

Source: IHS data; CLEAR data; KBA data; UK vehicle registration data; Market Participant Interviews; Market reports; BCG analysis



Overview: Favorability of positioning of players for fleet business regarding key strategic actions

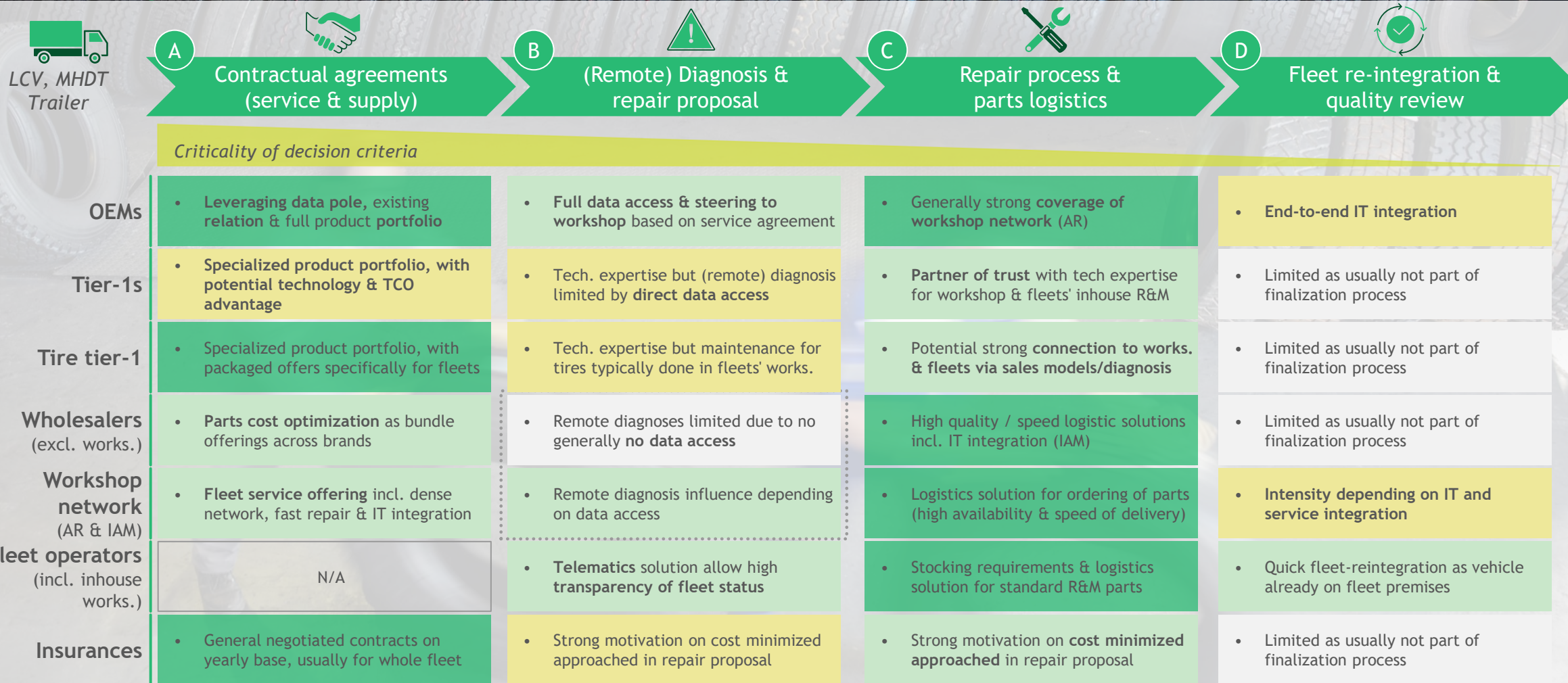


Level of influence on decision point

Low Medium High Very high



Overview: Favorability of positioning of players for fleet business regarding key strategic actions



Level of influence on decision point

Low Medium High Very high

Sources: Market Participant Interviews; Market reports; BCG analysis

4 key takeaways from the CLEPA x BCG fleet aftermarket study



Number of fleet vehicles to increase by 12M by 2030

Despite a stagnating vehicle parc growth, aftermarket players can continue their growth path by addressing the growing fleet business



Fleet IAM to grow to ~€20B until 2030

The growing fleet parc translates into a IAM market size of ~€20B in 2030 (+€6.3B vs. 2021), demonstrating an opportunity for fleet-specific products & services



BEV-vehicles will account for 48% of the total fleet parc

With a rising need for sustainability, fleets are expected to lead the shift to EV, requiring the aftermarket to address the increasing demand for BEV servicing



Collaboration models to strengthen Tier-1 positioning

Tier-1s can catch up in terms of positioning for the fleet aftermarket via product development, partnerships & alliances and proactively driving the market

Note: Numbers refer to retail level (parts only, excl. labor)
Sources: Market Participant Interviews; Market reports; BCG analysis

Report downloadable
in May 2023



Notification publishing
via



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