



# The fleet imperative

Impulse presentation

16 APRIL 2024



# Fleets already constitute >60% of trucks and trailers on the road and will further strengthen their share to >70% until 2030 in major European markets

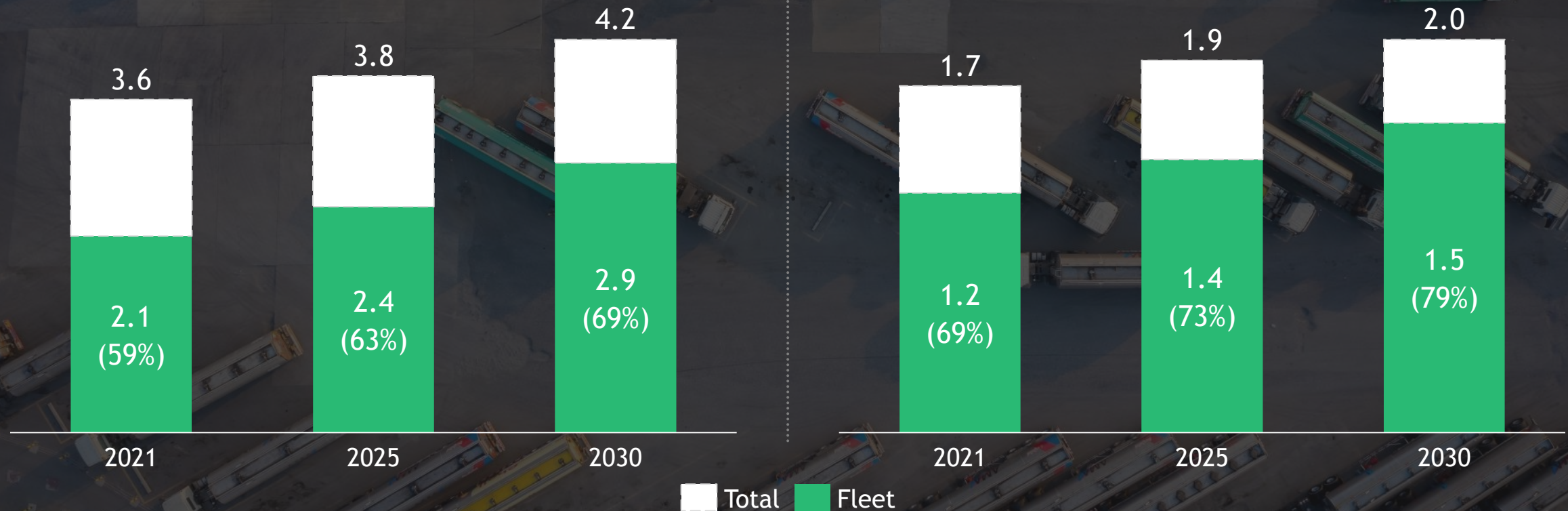
Fleet parc size, split by vehicle type  
(M units)



Medium- and Heavy-duty trucks



Trailer



Note: Geographical focus on Germany, France, UK, Netherlands and Poland  
Source: IHS data; CLEAR data; KBA data; UK vehicle registration data; Market Participant Interviews; Market reports; BCG analysis



# Today: Truck fleet managers are currently facing a number of external challenges



## Driver shortage

Substantial 400k driver shortage in the European Union and 60-80k in Germany



## Low margin business

Single digit margins in the last decade and further cost pressure by high inflation



## Emission & safety regulations

Expected 50% reduction of CO<sub>2</sub> emissions until 2030 in the EU-green deal



## Low operation efficiency

Limited vehicle utilization due to driver rest times and inefficient trip planning



# Relevant "total cost of ownership" savings potential of modern tires directly, and indirectly through fuel savings, can partially finance tire costs and beyond

Savings potential of **1-3% of total costs** due to gain in fuel efficiency through **tires** can **partially finance tire costs**<sup>2</sup>

← Contribution to Total-Cost-of-Ownership

Fuel



Labor



Truck



Tires



Total cost of ownership<sup>1</sup>

1. Other factors for Total-Cost-of-Ownership not illustrated (e.g., insurance, tolls, maintenance) 2. fuel accounts for ~0.5€/km p.a., from which 30% is attributable to tires which account for 0.03€/km p.a.  
Source: BCG on-highway cost-model; Expert interviews; EU



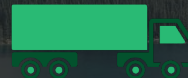
# Higher tire efficiency also supports sustainability efforts through lower fuel consumption, which reduces emission-related penalties

-50%



Expected 50% reduction of CO<sub>2</sub> emissions until 2030 in the EU-green deal

c. 60g



c. 60g per tkm CO<sub>2</sub><sup>1</sup> emissions by heavy-duty trucks due to fuel consumption

c. 30%



c. 30% of fuel consumption attributable to tires - significant potential savings

1. 56.6g/tkm for 4x2 axle >16t and >265kW trucks, 65.2g/tkm for 6x2 axle sleeper cab trucks - both account for >2/3 of regulated truck sales  
Source: Ragon & Rodríguez (2021); BCG analysis



The recent BCG study showed that fleets focus heavily on cost-optimization for digital & sustainability topics and are open to collaborate with indep. players

## Myth

## Reality



Cost driven digitalization focus

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

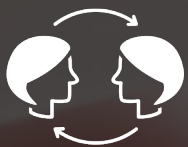
Main motivation to use connectivity solutions is cost-optimization



Cost driven sustainability focus

Fleets demand sustainability of parts and along further steps of the value chain

Fleets are cost-driven and are preoccupied with the transition to EV



Open to collaborate with IAM

Fleets strongly focus on using the authorized channel

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

**Outlook:** Truck fleet managers rather focus on consolidation, digital fleet management and building zero-emission fleets in the next 5-10 years



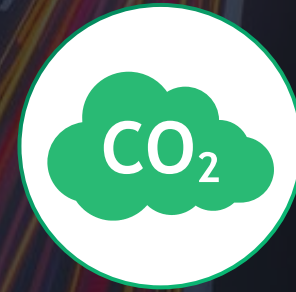
### Consolidation for scale increases

As an example, big logistics players across Europe pursue mergers to leverage scale effects



### Digital fleet management

Internet-of-things, supply chain connectivity, GenAI and big data can optimize carrier operations, e.g., by enhancing utilization



### Zero-emission fleets

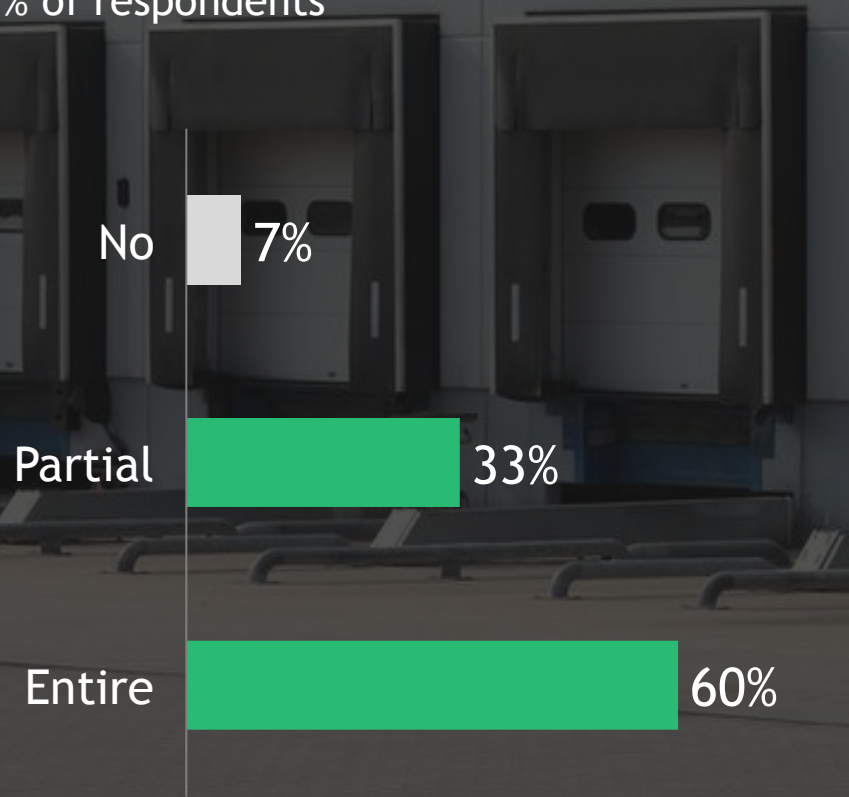
EVs and alternative fuels can significantly cut costs in the long-term, but are still too expensive and immature



# The main use case of telematics solutions in truck fleets is performance optimization, tracking the location for customers & remote diagnostics

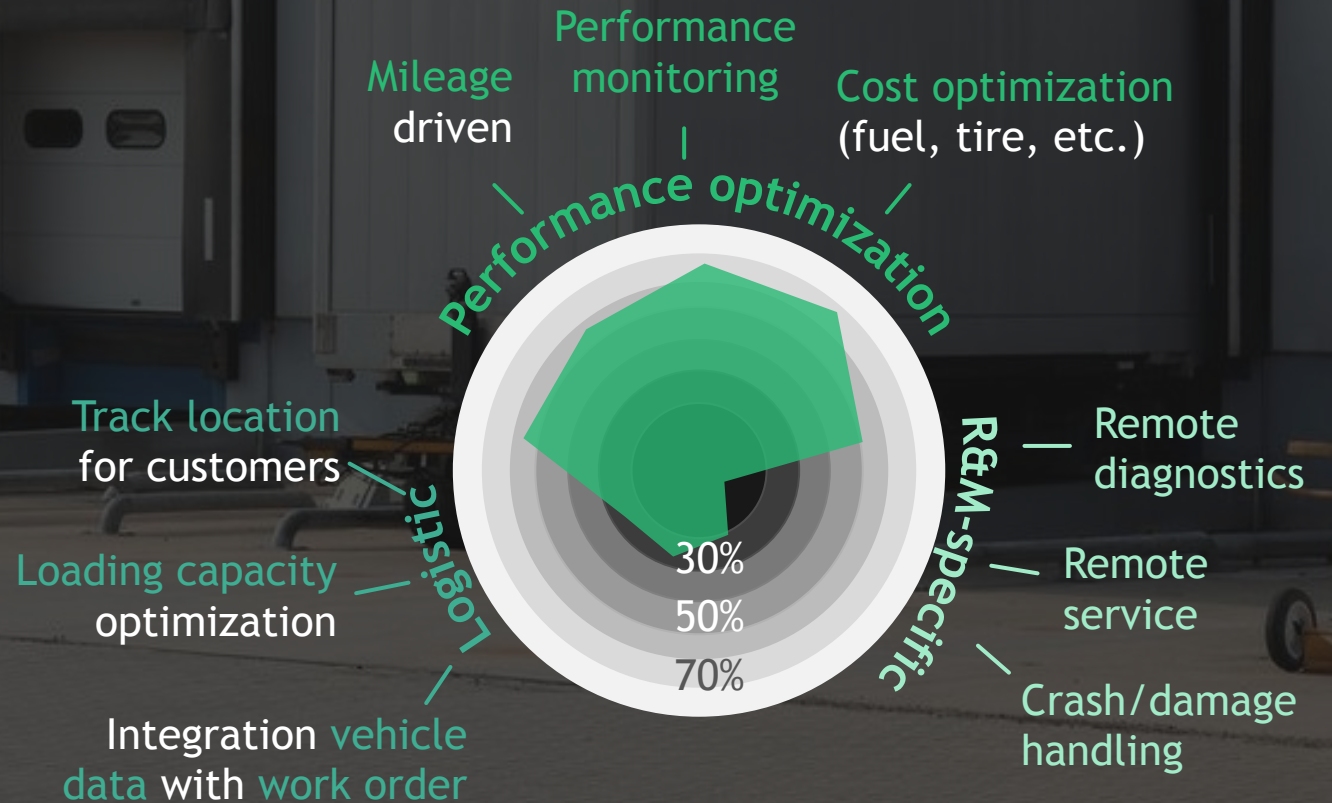
## Share of fleet with telematics solution

% of respondents



## Key use cases for telematics solutions

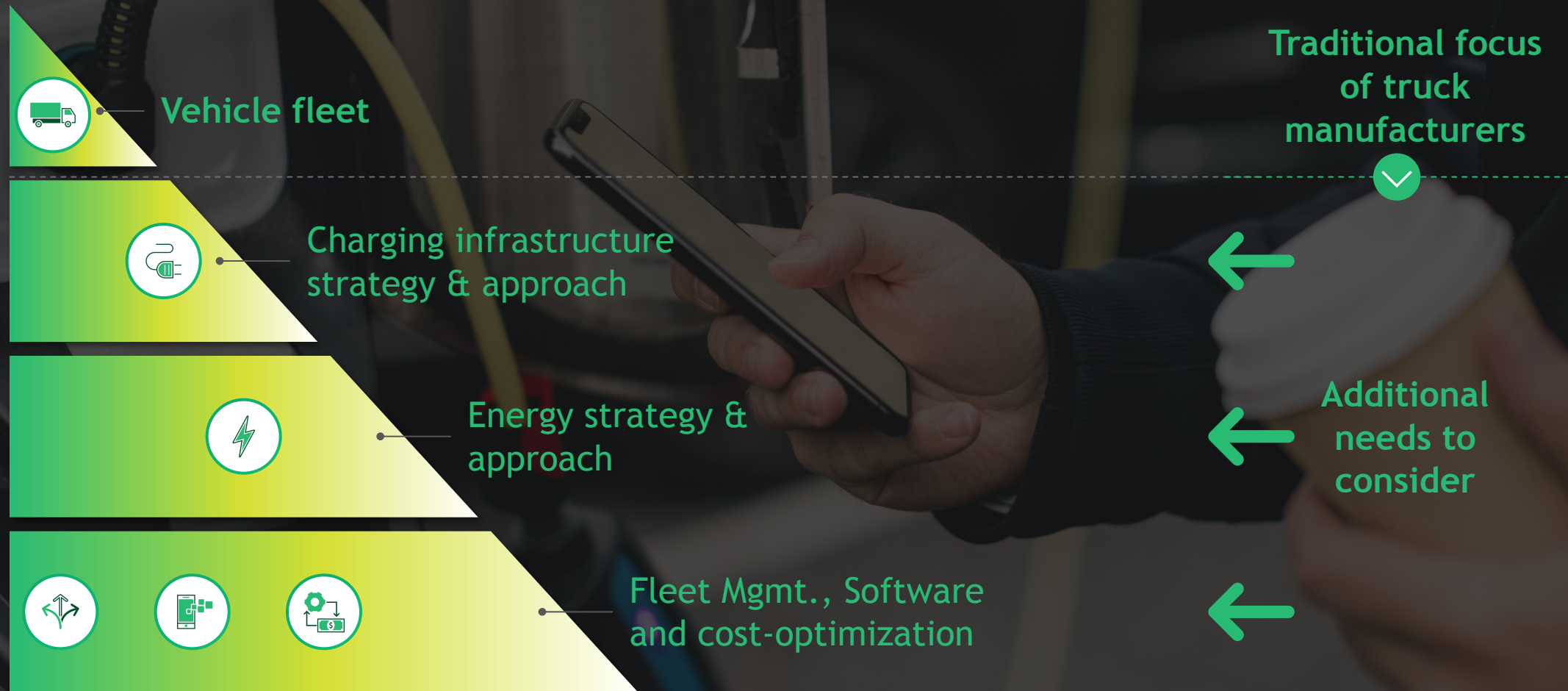
% of respondents that use telematics solutions



Note: R&M—Repair & Maintenance; Sample size of 20 survey respondents  
Source: BCG Truck Aftermarket Survey; BCG analysis



Truck manufacturers increasingly thinking of vehicles as part of an evolving transport ecosystem rather than standalone products ...







... yet truck fleet managers rather view suppliers as the core strategic partner going forward for different needs within the ecosystem


Preferred strategic partners going forward  
% of respondents




 **65%** of fleets see suppliers as **strategic partner** going forward





- 360° service with **business & tech know-how**
- **Cost** advantage
- Direct access to **technological developments**

 **50%** of fleets see truck manuf. as **strategic partner** going forward

 **25%** of fleets see wholesalers as **strategic partner** going forward

 **20%** of fleets see works. chains as **strategic partner** going forward

Note: R&M - Repair & Maintenance; Sample size of 20 survey respondents  
Source: BCG Truck Aftermarket Survey; BCG analysis

 **Supplier**  **Manuf.**  **Wholesaler**  **Workshop chains**



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