The Aftermarket for CV Components

BBE/ GVA Market Analysis of Opportunities and Challenges

4th Edition, September 2014

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Background and purpose of the investigation

In cooperation with the 'Gesamtverband Autoteile-Handel e.V' (GVA), [German Association of the Automotive Parts Trade], to update the study:

"The Aftermarket for Commercial Vehicle Components "

4th Edition

GVA HANDELN FÜR WETTBEWERB Gesamtverband Autoteile-Handel

BBE AUTOMOTIVE

- Detailed review of the current situation on the aftermarket for CV components
- Determination of the aftermarket volume for selected vehicle segments and product groups
- Identification of relevant market developments, influencing factors and trends, as well as challenges, opportunities and risks on the market

Data basis and methods applied

Industry, trade and workshops

- Top level expert interviews by BBE consultants (n=31)
  - Parts manufacturers
  - Parts wholesalers
  - Cooperations
  - Online portals
- Interviews with parts wholesalers and CV workshops on behalf of NKW PARTNER
- Profile survey of the system providers on their workshop concepts

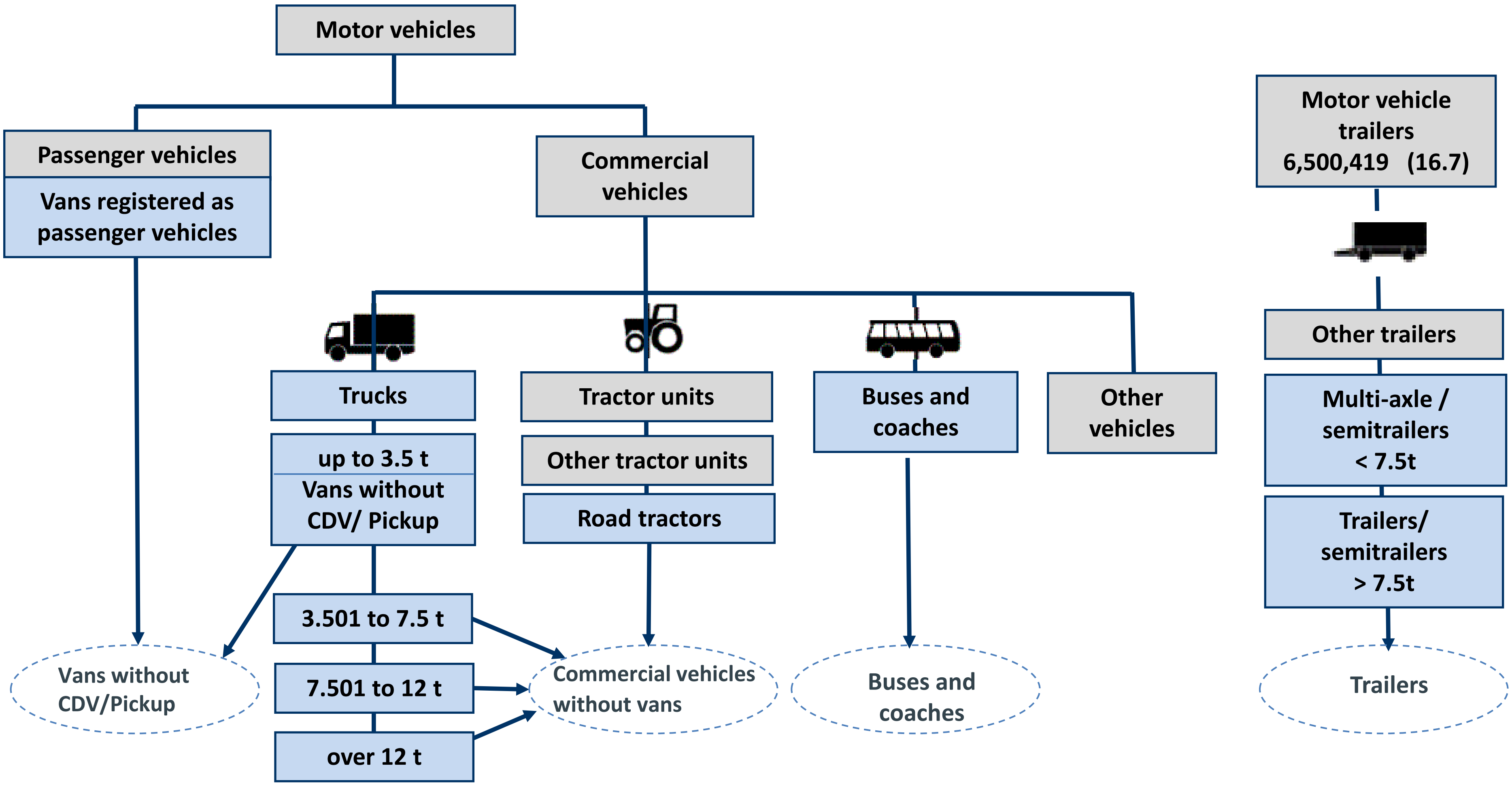
Desk Research

- KBA parc data (vehicles in use)
- Parc and distribution analysis including detailed profiles
- Address database of the service operations including qualification
- BBE study archive
- Online research
- Trade magazines

"The Aftermarket for CV Components", 4th Edition

Subject of the study

relevant for the study



General mood – development in the industry

Expert assessment

Assessment of the development on the CV aftermarket – **in total**

“Euro 6 requirements fuel growth.”

“…higher quality and so longer durability of the wear and tear parts.”

“Growth in the overall volume of transport and increasing vehicle age.”

“Rail transport at full capacity.”

“Online sales, expanding rapidly in general.”

“…difficult to estimate what impact the current crisis in the Ukraine will have on the economy.”

Source: BBE expert survey

Parc structures in the CV market (BBE analysis)

Problematic nature of the KBA classification: Structuring of the CV market on the basis of vehicle models

PV	Commercial vehicles	
	up to 3.5t	over 3.5t incl. Road tractors
43.851.290	2,099,835 **	713,922 *

BBE assignment by model: Of these…				
Passenger vehicles	95,6%	7,6%	0,1%	42.102.757
CDV/Pickups	1,8%	27,4%	0,1%	1.383.179
Vans	**2,5%**	**64,7%**	**8,8%**	2.526.908
Trucks	**0,0%**	**0,2%**	**91,1%**	681.005

* On the basis of the registration statistics, the Federal Motor Transport Authority (KBA) reports 713,922 trucks/road tractors over 3.5t. Once van models over 3.5t are eliminated, in the region of 681,000 trucks/road tractors remain.

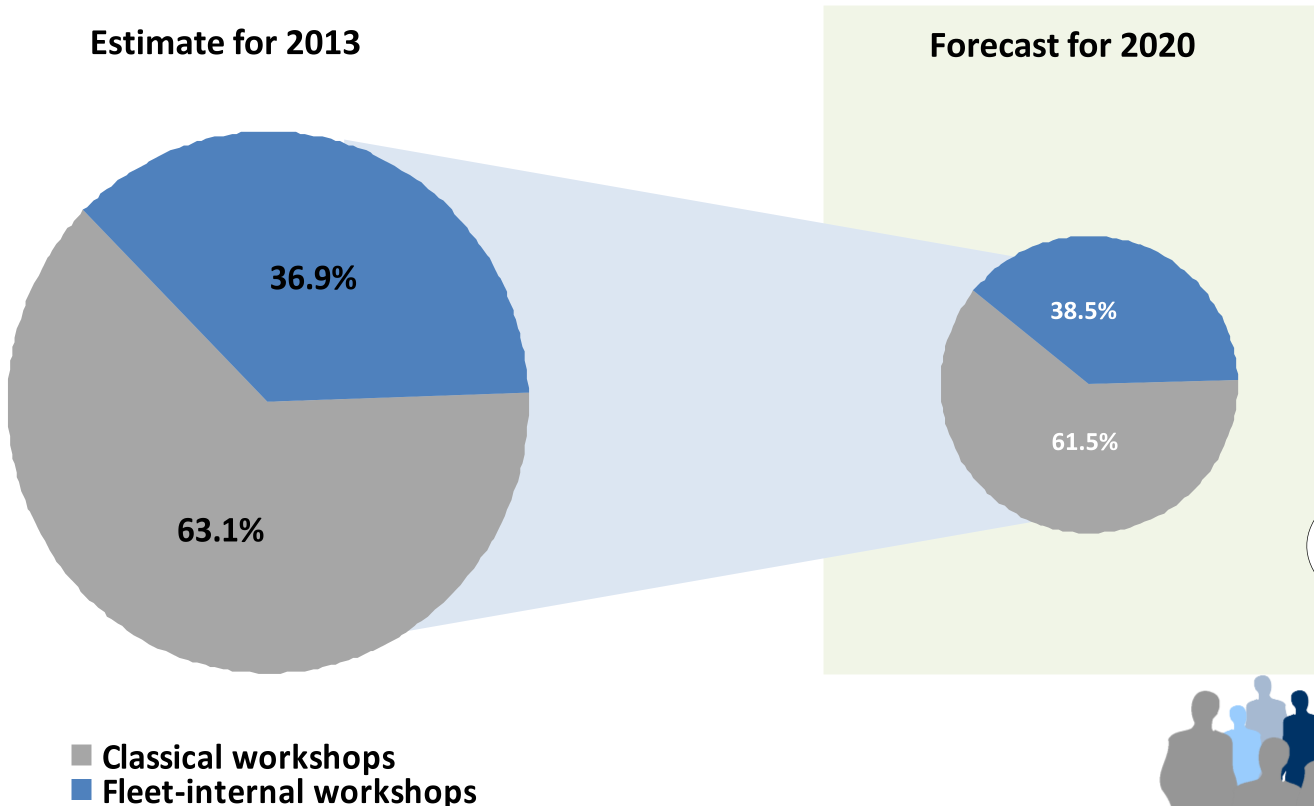
** The Federal Motor Transport Authority (KBA) records 2,100,000 trucks up to 3.5t. If the models which can be assigned to the segment CDV (Car Derived Vans) incl. pickups are eliminated and the vans registered as passenger vehicles are added, the van market totals 2,527,000 vehicles.

Sources: Federal Motor Transport Authority (KBA); internal calculations

Distribution structure

Analysis of fleet-internal workshops

Share of fleet-internal workshops in the IAM service trade



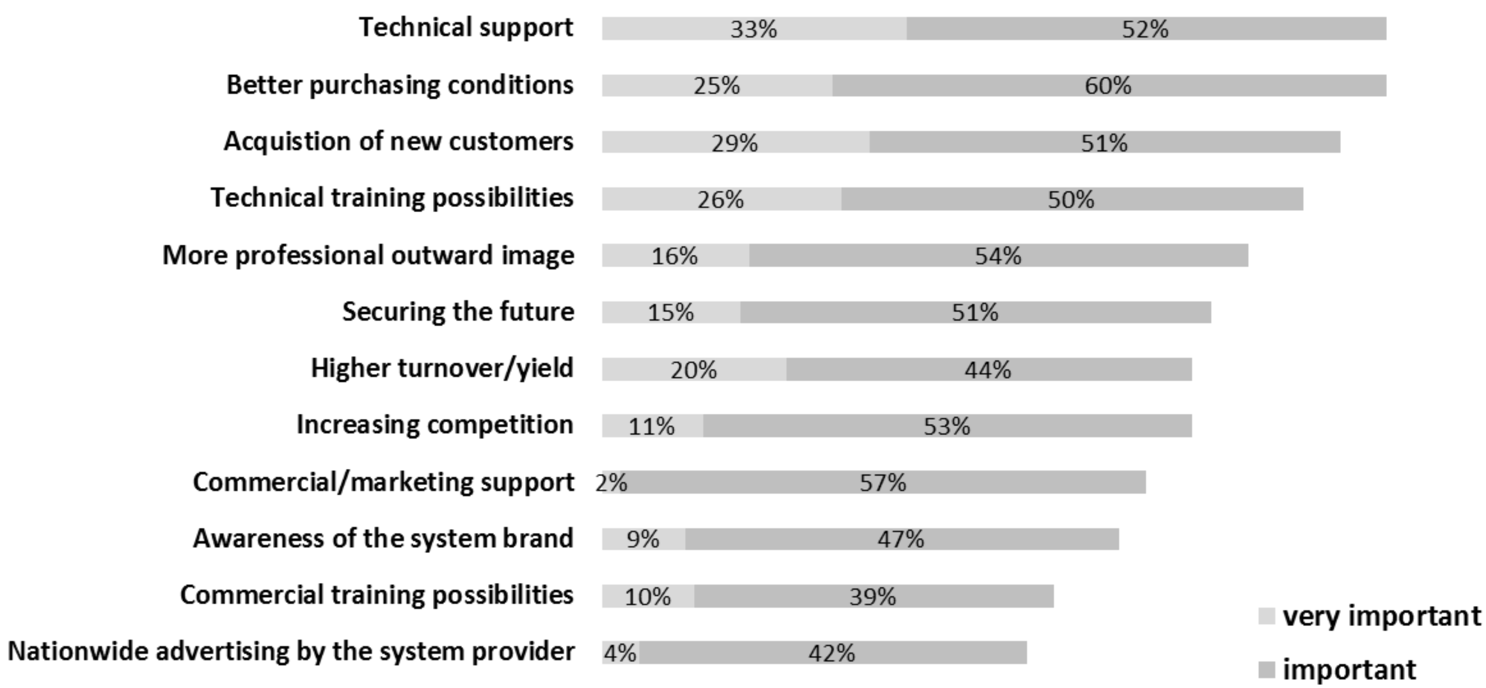
Large fleets are again doing service and repair themselves. **63%**

Sources: BBE expert survey

Distribution structure

Workshop systems

Reasons for joining a workshop system



Sources: own survey of independent CV workshops on behalf of

Parts procurement by the CV workshops

Criteria in selecting parts

In short

- When purchasing parts, the prime interest of the workshops is the quality of the parts and how quickly they are available.
- For 23% of the CV workshops interviewed, good value for money is most important.

Sources: own interviews with independent workshops on behalf of KW PARTNER