

European Independent Automotive Aftermarket Panorama

From automotive aftermarket to a
vehicle lifecycle solutions industry

Management summary

The automotive industry sector is one of Europe's key economic sectors and the third-largest spending category by consumers, after housing and food. Within the industry sector, the aftermarket plays a crucial role in supporting the use, maintenance and repair of vehicles. It represents a market of around EUR 118 billion in parts alone within the European Union, of which the multi-brand independent aftermarket (IAM) makes up EUR 73 billion or around 62%. The IAM is particularly important when it comes to parts, servicing and repairs for vehicles that are more than four years old – around 195 million vehicles, or 70% of those currently on European roads.

Why, then, is the multi-brand independent aftermarket sometimes viewed as something of an afterthought within the industry? It represents a key profit pool for Europe's automotive sector, enables road-based mobility, maintains essential service vehicles, keeps mobility affordable and improves the sustainability of road-based transportation. Indeed, its role is fundamental throughout the vehicle lifetime – and we believe that it deserves greater recognition as a key element of the value chain within the industry.

For the purpose of this report, we surveyed more than 380 members of FIGIEFA, the European Federation of Independent Automotive Aftermarket Distributors, located across Europe. Based on the results of this survey and additional interviews with the chief executive officers of more than two dozen major independent parts distribution groups, corporates and FIGIEFA national member associations, combined with the expertise of Roland Berger's specialists, we identify a number of key trends in the market. In this report, we present the results of our investigation and our insights into how the role of the IAM may change in the future, arguing the case for why the IAM needs to be rebranded in a way that recognizes its vital place in the automotive industry – as an active contributor to Europe's competitiveness and the European economy as a whole.

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Fast Facts

The independent aftermarket keeps mobility affordable for the

280 million
vehicles on EU roads

EU aftermarket is worth

€118
billion
(excl. labor) -
62% of it is sold via
the independent
aftermarket

Out of the 12.8 million
jobs in the sector,

7 million
direct jobs
in the automotive
industry - 4 million
relate to 'automobile
use'¹

¹ As opposed to production; "automobile use" includes maintenance and repair, fuel, trade, etc.

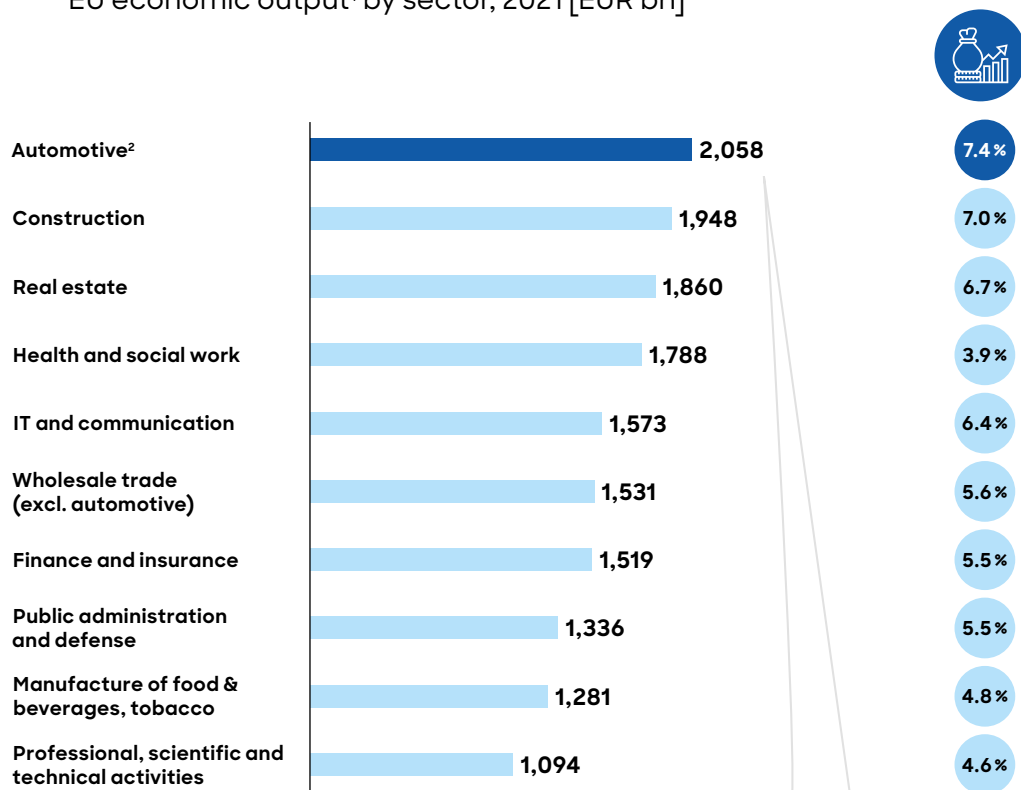
1

The independent automotive aftermarket - a force to be reckoned with

The automotive industry sector is one of the most important economic sectors in Europe, generating north of EUR 2 trillion in gross value added each year. It represents the third-largest spending category by consumers after housing and food, at more than EUR 5,000 per household each year. ▶ [A](#), [B](#)

A The automotive industry sector is one of the biggest economic sectors in Europe, worth over EUR 2 trillion

EU economic output¹ by sector, 2021 [EUR bn]



Automotive industry is the largest contributor to the EU's economic output - including all production, whether for domestic consumption or export



The budgets of the EU member states receive EUR 374.6 billion per year from the sale and use of passenger cars

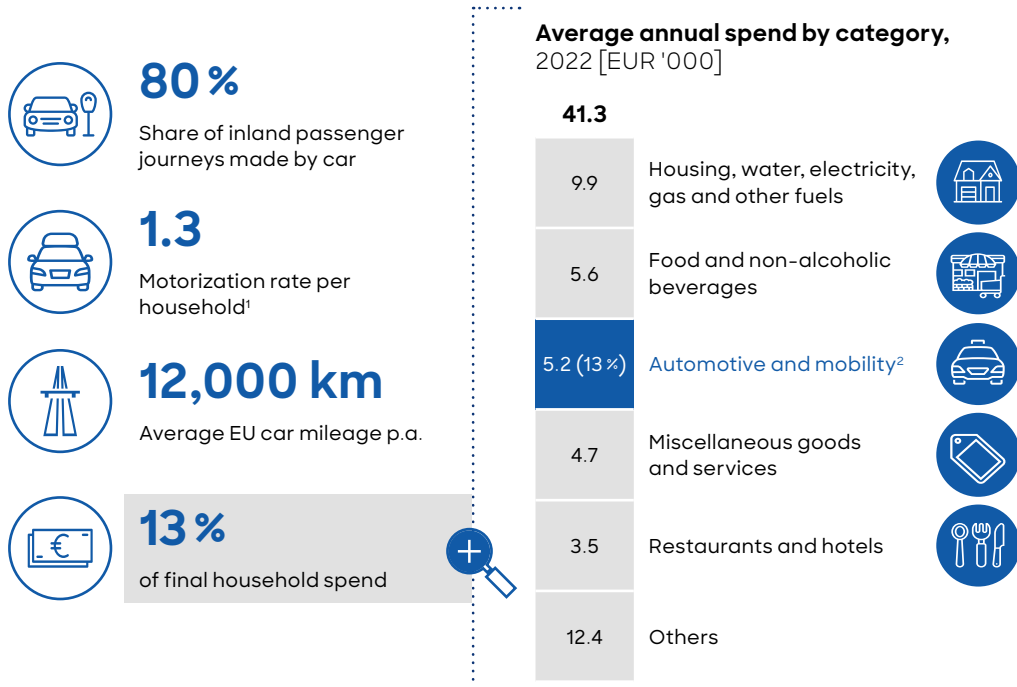
¹ Gross value added (GVA) plus intermediate consumption

² Incl. the following Nomenclature of Economic Activities (NACE) codes: "Manufacture of motor vehicles, trailers, semi-trailers and of other transport equipment," "Wholesale and retail trade and repair of motor vehicles and motorcycles" and "Land transport and transport via pipelines"

Source: Eurostat; ACEA

B Automotive is the third-largest spending category by consumers, after housing and food

Key facts about the EU automotive industry



1 Number of passenger cars per household

2 Focus on transport includes purchase of vehicles, operation of personal transport equipment and transportation services

Source: Eurostat; ACEA

Of the 12.8 million jobs often quoted for the EU automotive industry, around 7 million are actually directly in the industry and the remaining 5.9 million are in transportation and construction.² Of the 7 million directly in the industry, around 58% - more than 4 million jobs - relate to "automobile use,"³ 3.2 million of them either directly in or closely connected with the automotive aftermarket. This makes the automotive aftermarket a major contributor to European employment overall.

► C

/// The independent automotive aftermarket is a lifeline for Europe's automotive sector, ensuring vehicles stay on the road long after they roll out of factories. It's not just about repairs - it's about preserving mobility across the Continent."

Daniel Rohrhirsch
Partner

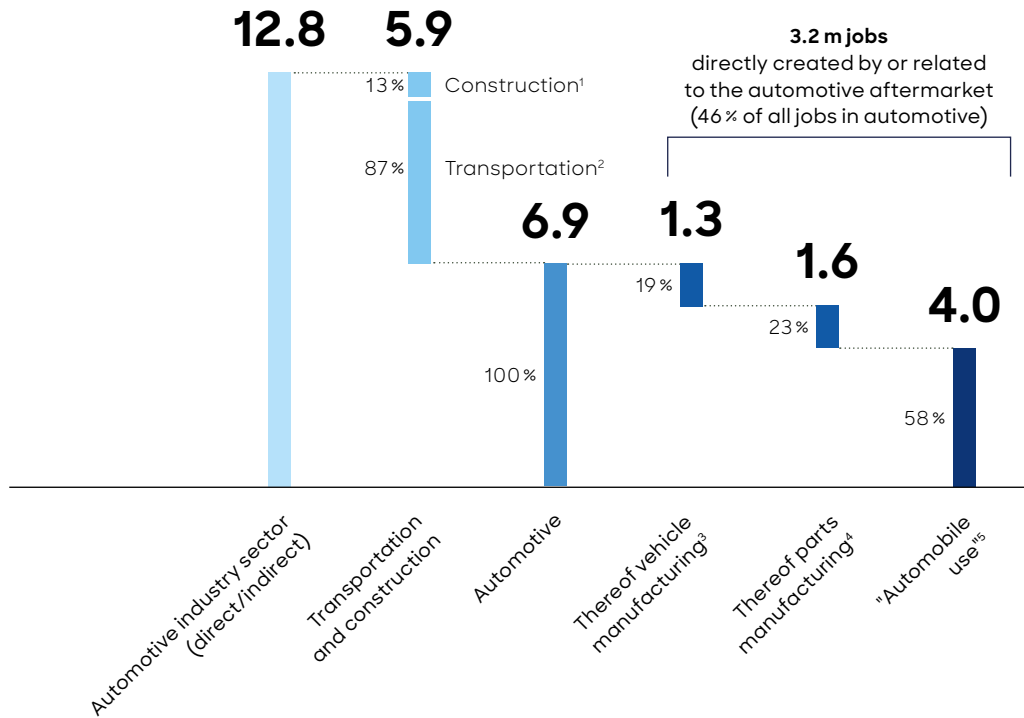
2 Transport jobs related to urban and suburban passenger land and freight transportation, for example drivers of taxis, trucks, buses, streetcars and trains. Construction jobs relate to the construction of roads and motorways, bridges, and tunnels.

3 As opposed to production; "automobile use" includes maintenance and vehicle trade and repairs, parts trade, leasing and renting, road patrols, fuel stations, inspection centres, etc.

C "Automobile use" accounts for 58% of jobs in the EU automotive sector, or more than 4 million employees

Employees and number of companies
(incl. subsidiaries) in the EU automotive sector, 2021

Employees [m]



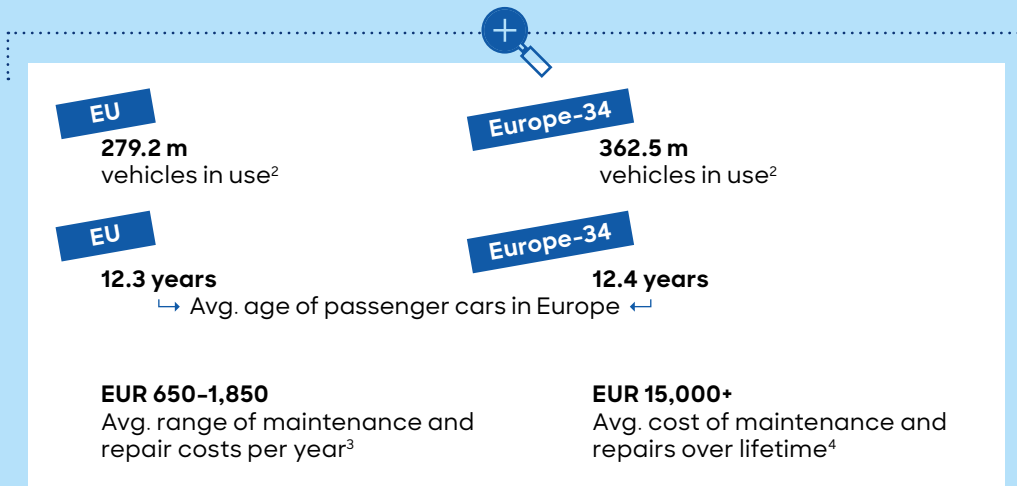
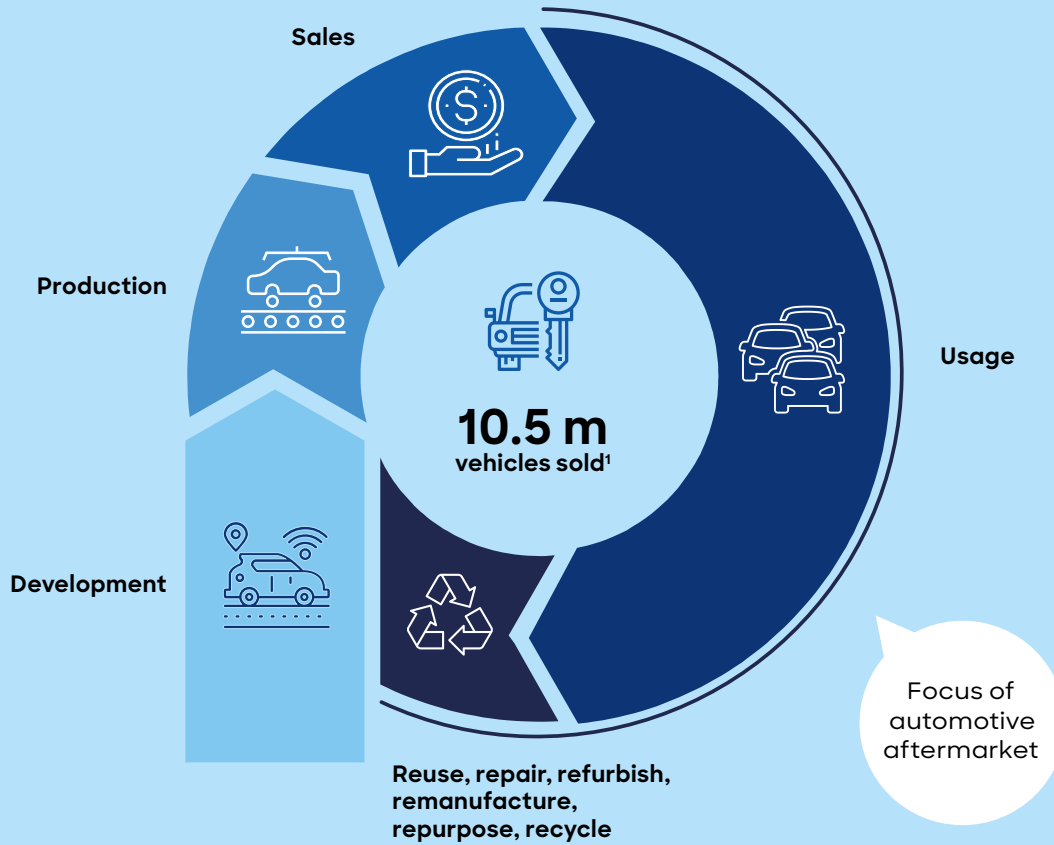
1 Airport runway construction, asphalt paving of roads, bridge construction, civil engineering, etc.
 2 Urban and suburban passenger land transportation, taxi operation, freight transportation by road, etc.
 3 Manufacture of motor vehicles and bodies for motor vehicles
 4 Manufacture of parts, components and equipment
 5 Sales of cars and light motor vehicles, wholesale and retail trade of motor vehicle parts and accessories, resale of automotive fuel, road patrols, IT services, etc.

Source: Eurostat; Wolk & Nikolic After Sales Intelligence; ACEA

Within the automotive industry, the aftermarket – as its name implies – is often viewed as something of a second priority after new vehicle production and sales. However, it plays a fundamental role in the European economy. Its financial significance is clear, for example, from the fact that most vehicles are expected to require in excess of EUR 15,000 on average spent on maintenance and repairs (excluding labor) over their lifetime. ▶ [D](#)

D The aftermarket is a vital part of the automotive ecosystem

EU automotive ecosystem – car lifecycle, 2023



1 Data for 2023

2 Passenger cars, light and heavy commercial vehicles

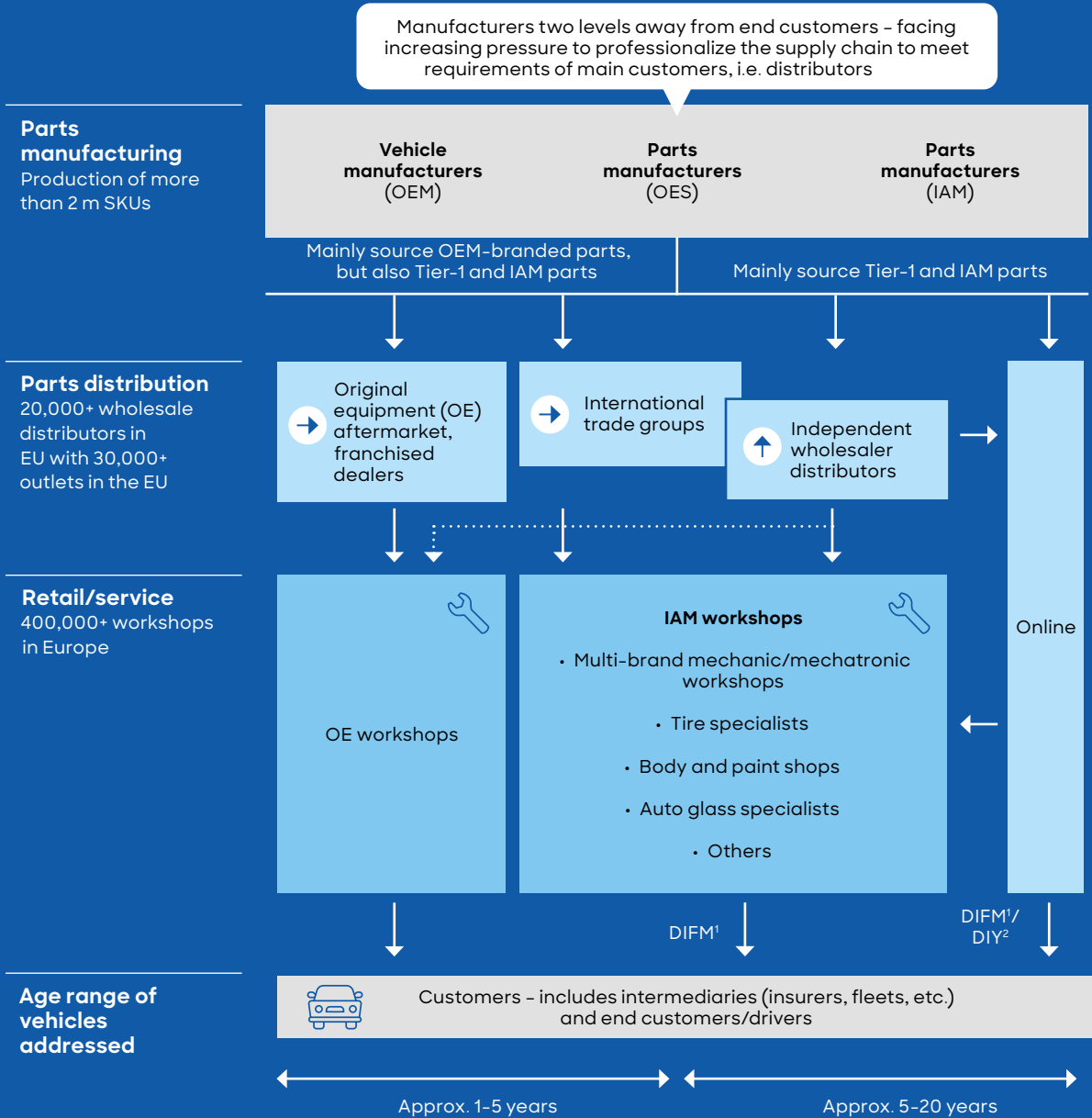
3 Avg. cost of maintenance and repairs for a Ford Focus and a BMW X7

4 Avg. maintenance cost per year (EUR 1,254) over 12 years; excl. additional labor costs of over EUR 1,160

Source: Wolk & Nikolic After Sales Intelligence; ACEA; Consumer Affairs; desk research

E The aftermarket forms its own ecosystem

Automotive aftermarket value chain



⬆️ Large increase in market control expected

➡️ Limited increase in control expected

1 Do-it-for-me
2 Do-it-yourself

Source: Expert interviews; Roland Berger

The market value just of parts in the total aftermarket was an impressive EUR 118 billion in 2023 in the European Union, and EUR 154 billion in what we call the "Europe-34."⁴ These values do not include labor, which typically makes up around half of the workshop bills, that is, a total of EUR 236 billion in the European Union and EUR 308 billion in the Europe-34 in 2023.

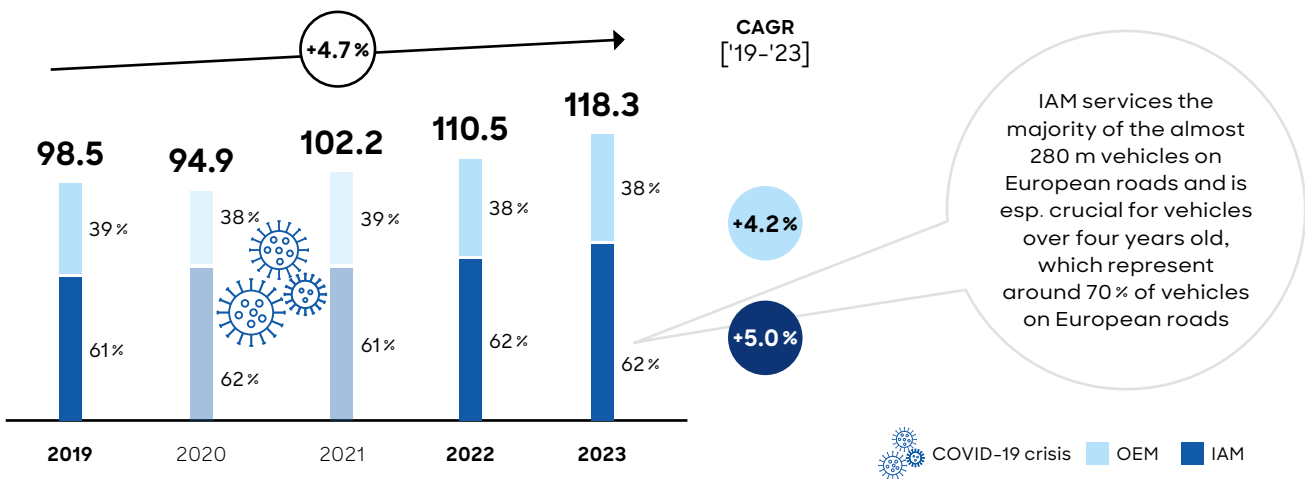
The automotive aftermarket consists of two channels: the authorized channel, that is, vehicle manufacturers' dealers and their authorized networks, and the IAM, typically providing a multi-brand offering, through a complex and diverse value chain of independent operators. ▶ E

The IAM accounts for 62% of all aftermarket-installed parts and components in the European Union, or around EUR 73 billion of the total EUR 118 billion in parts revenue excluding labor, and as much as EUR 146 billion in parts revenue including labor (or EUR 190 billion in the Europe-34).⁵ It is especially important for vehicles more than four years old, which represent around 70% of the vehicles on European roads. Moreover, 20%-30% of the vehicles serviced in body repair shops are under three years old. In other words, it is primarily the IAM that services the vehicle fleet of almost 280 million vehicles in the EU (passenger cars and light/heavy commercial vehicles). ▶ F

F The independent aftermarket accounts for the greater share of aftermarket business

Size of EU aftermarket (parts & components; OEM & IAM¹) [EUR bn]

Parts and components business only, at end-consumer price level, excl. labor and VAT



¹ Market shares represent the total sale of parts/components within each channel, not the source of the parts

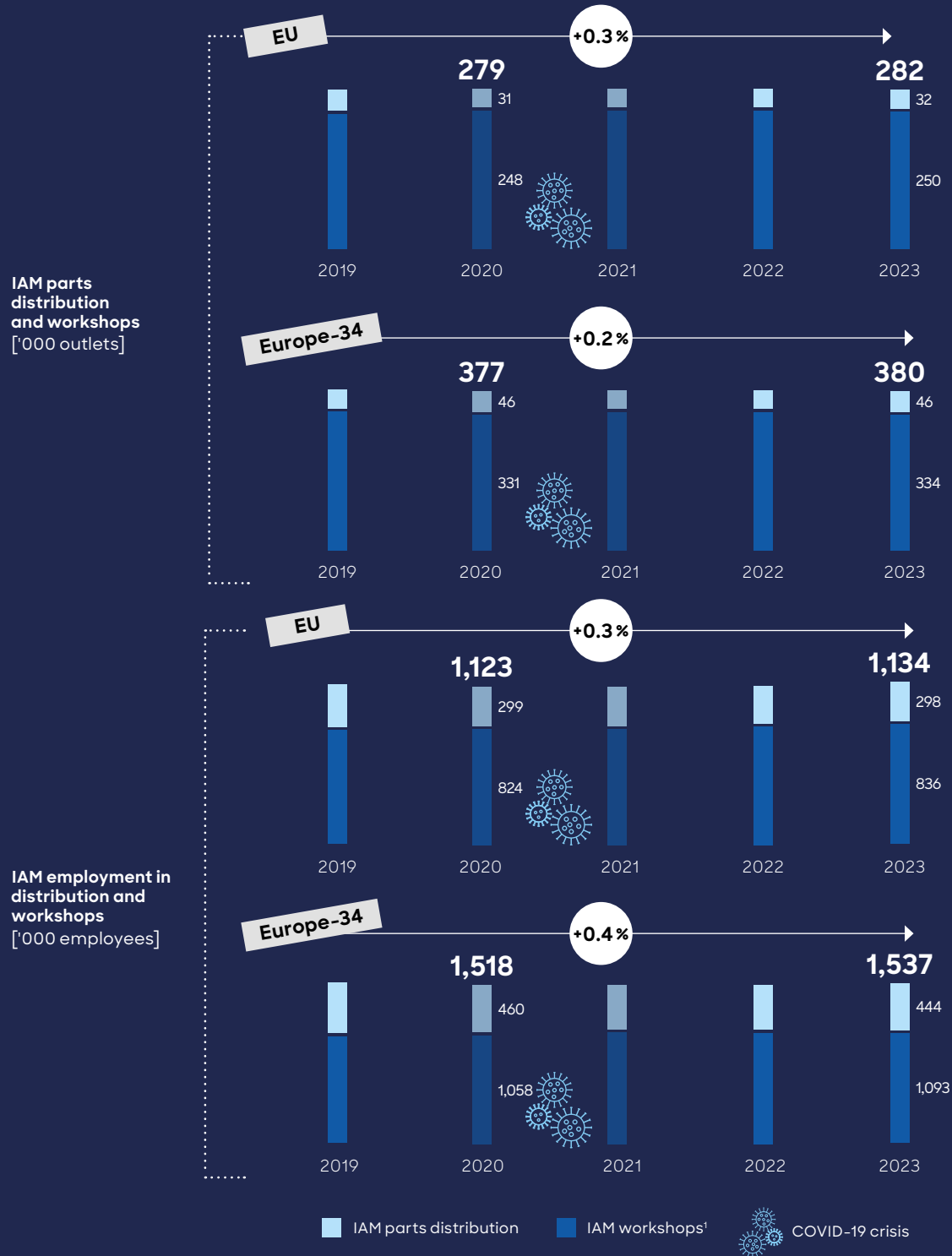
Source: Wolk & Nikolic After Sales Intelligence

⁴ We use the term "Europe-34" to refer to: Albania, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, North Macedonia, Norway, Poland, Portugal, Serbia, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom.

⁵ Figures refer to total sale of parts and components in the IAM and vehicle-manufacturer-controlled channels - in other words, the workshop where a spare part is installed for the end consumer. However, it should be noted that the data does not differentiate between vehicle-manufacturer-branded parts and aftermarket parts within each channel, so it is not possible to determine to what extent independent workshops have to revert to the vehicle manufacturer's network to obtain captive parts.

G The independent aftermarket is an important economic and job-creation motor

IAM parts distribution and workshop landscape, 2019-2023



¹ Passenger cars only

Source: Wolk & Nikolic After Sales Intelligence

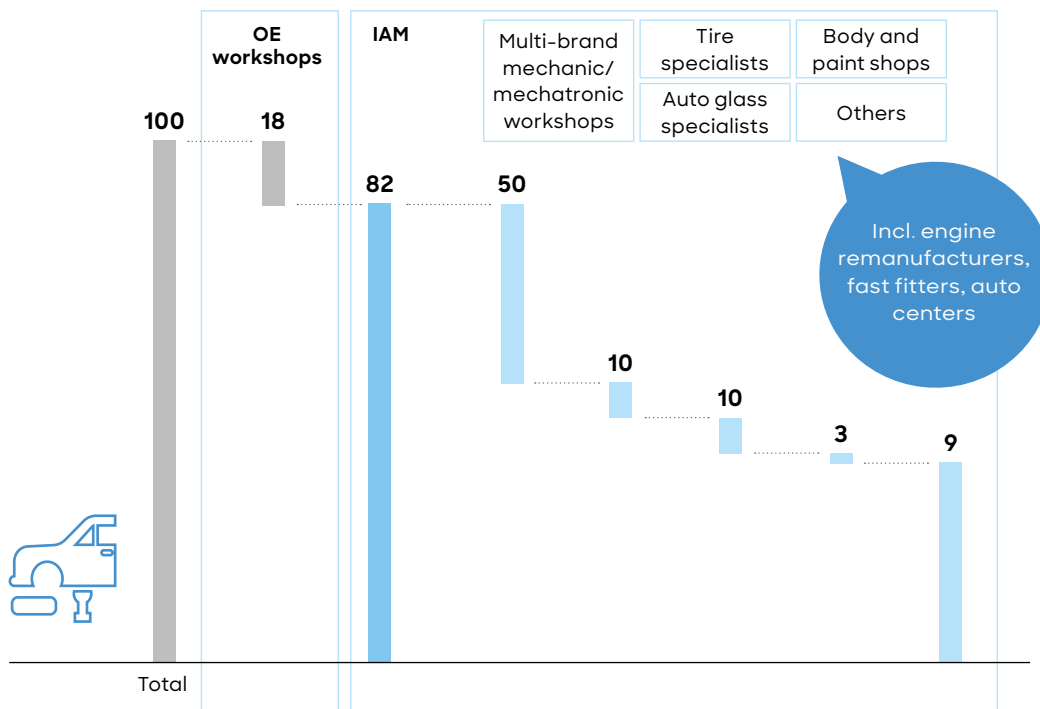
Within the IAM, the 282,000 independent parts distributors and multi-brand workshop outlets in the European Union (380,000 in the Europe-34) are an important economic and job-creation motor; they accounted for more than 1.1 million skilled jobs (1.5 million in the Europe-34) in 2023. For comparison, the EU vehicle-manufacturer-controlled workshop channel accounted for fewer than half a million jobs. ► [G](#)

The IAM accounts for more than 80% of the total number of workshops. This makes it an important part of the automotive value chain, its various players working closely together to keep Europe's vehicles safe, efficient and operational in a cost-effective manner. Independent workshops cover a wide variety of services and professional skills, and include regular multi-brand/mechatronic workshops, body and paints specialists, auto-glass specialists, tire specialists, engine remanufacturers, auto centers and fast fitters.

Given its crucial role in the European economy, we believe that the IAM requires something of a repositioning and potentially a rebranding. In the following chapters, we outline the four key ways in which the IAM contributes to Europe and discuss what implementing this new vision for the sector might involve. ► [H](#)

H Independent workshops account for more than 80% of outlets in the aftermarket

Retail/service outlets by workshop type, EU, 2023 [%]



Source: Wolk & Nikolic After Sales Intelligence

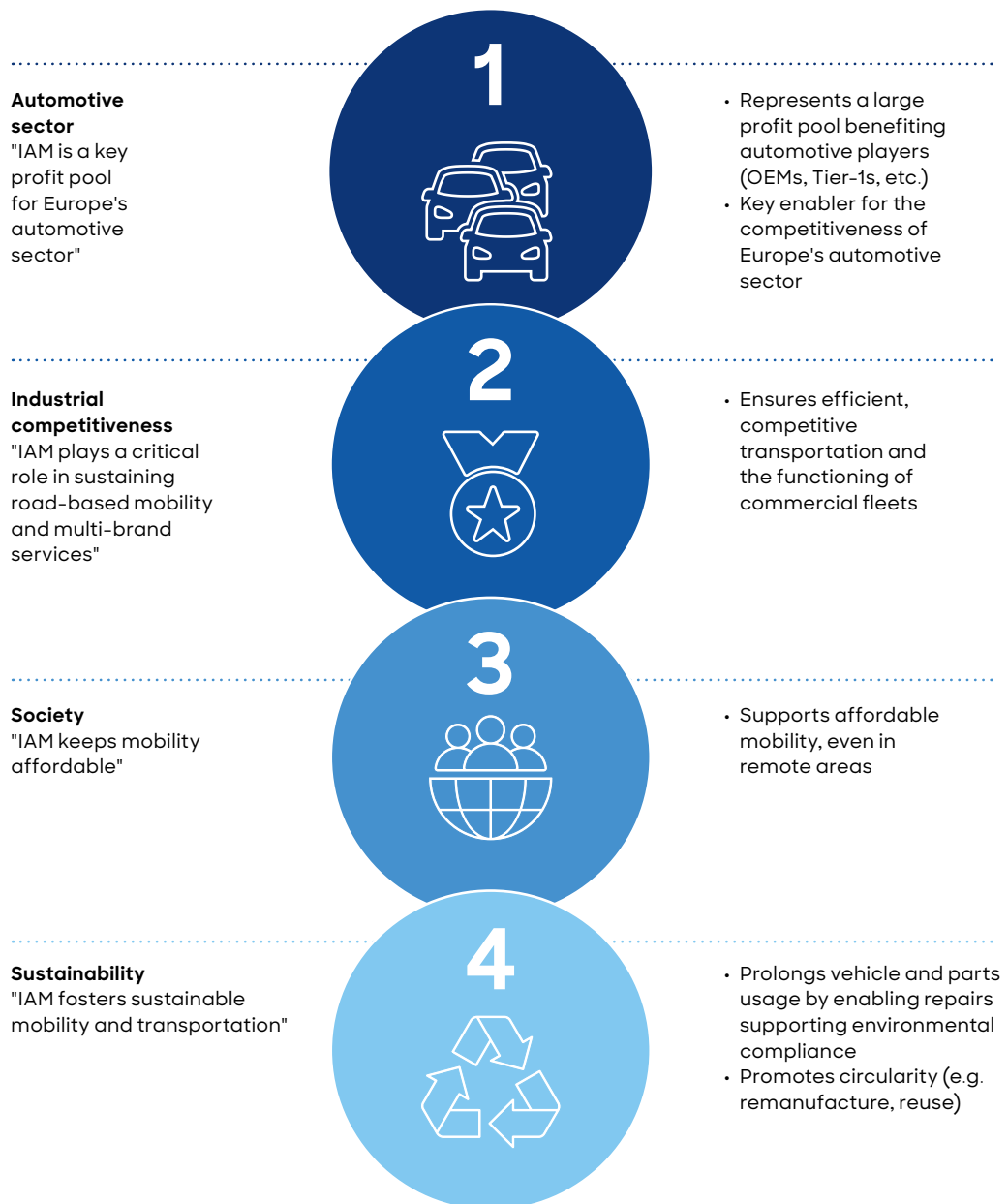
2

Four pillars - the IAM's core contribution to Europe

The IAM contributes to Europe in a variety of ways. The four pillars with which it supports the region are: strengthening the automotive sector, enhancing Europe's industrial competitiveness, strengthening society and helping Europe achieve its ambitious sustainability targets. ▶ |

| The independent aftermarket contributes to Europe in diverse ways

Positive contribution of IAM and its parts distribution



Source: FIGIEFA & Roland Berger IAM Panorama Survey

2.1/ Pillar 1: Automotive sector

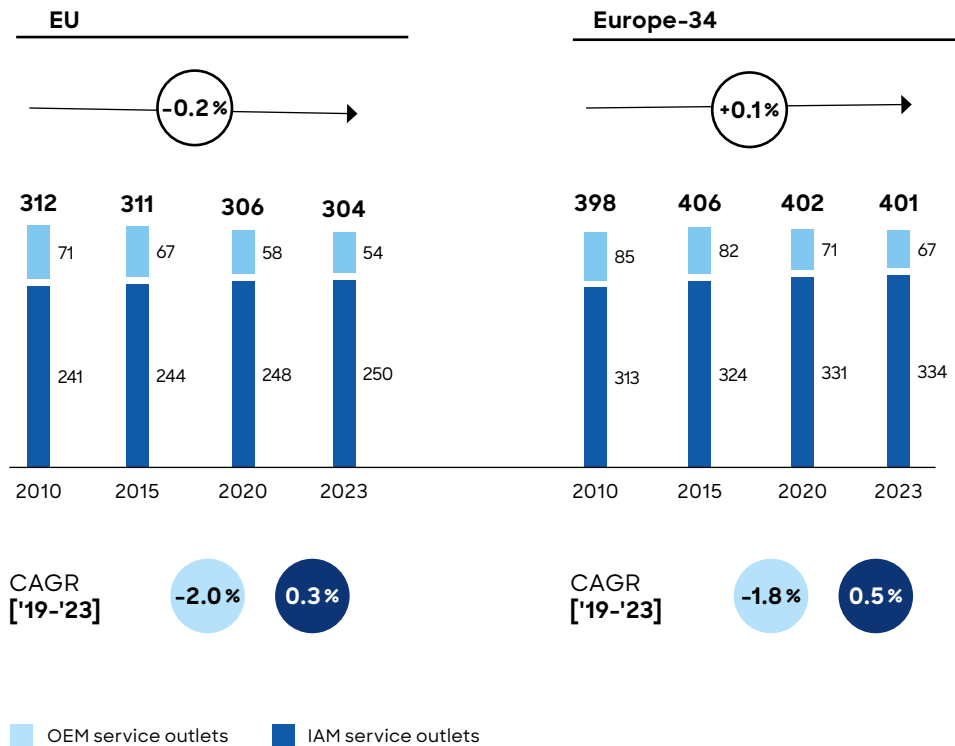
The IAM represents a key profit pool for Europe's automotive sector.

Incumbent vehicle manufacturers are currently reorganizing their service networks, cutting the number of dealers – and hence authorized workshops – that they have in the European Union from around 70,000 in 2010 to 54,000 in 2023. The IAM has partially compensated for this reduction in service points, opening around 9,000 new workshops in the same time period.

The thinning out of the vehicle-manufacturer-controlled dealer network chiefly results from vehicle manufacturers' desire to reduce retail costs. However, it has had a direct impact on their ability to maintain Europe's fleet. What is more, new vehicle manufacturers entering the European market are now directly approaching IAM players in the hope of forming partnerships with them. Such collaborations potentially enable the vehicle manufacturer to offer a dense network for vehicle servicing, as in the case e.g. of the recent alliance between multinational car manufacturer NIO and the independent workshop chain G.A.S. (Global Automotive Service). ▶ J

J The independent aftermarket has partially compensated for the reduction in OEM service points

OEM vs. IAM service network in EU, service outlets¹ ['000]



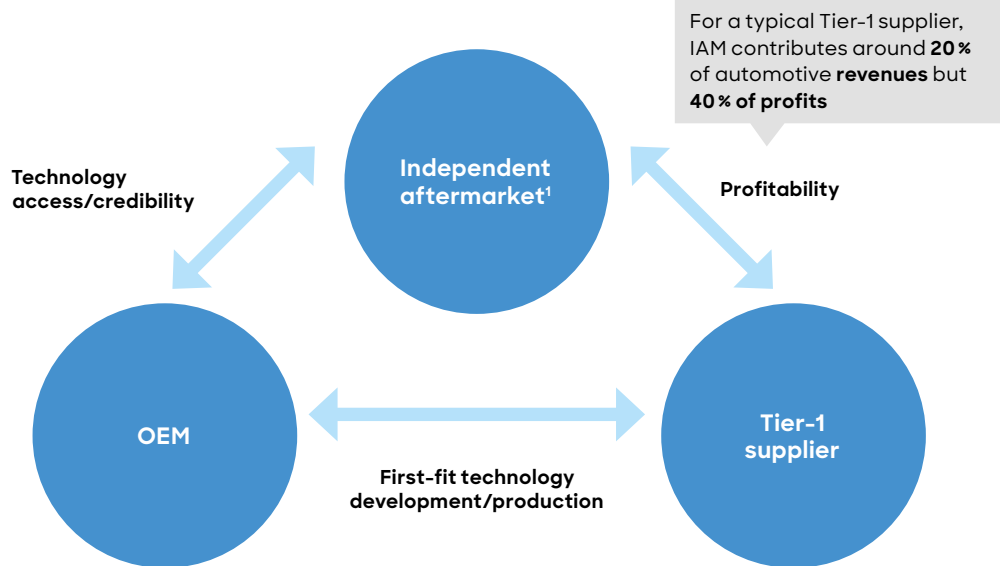
¹ Passenger cars only

Source: Wolk & Nikolic After Sales Intelligence

Of course, the IAM is of direct benefit not only to vehicle manufacturers but also to Tier-1 suppliers. The relationship between the various parties is symbiotic. For car manufacturers, the IAM upholds the promise that their products have longevity and can be run efficiently. In theory, vehicle manufacturers could do this themselves, servicing vehicles outside Segment 1 (those over four years old) as well as new vehicles. But in practice they lack the network density across the EU and ultimately the ability to offer the wide range of parts and repair and maintenance services that are needed over a vehicle's lifetime at prices that consumers can afford.

For Tier-1 suppliers, supplying the IAM offers substantially higher margins than supplying vehicle manufacturers, making Tier-1 suppliers more competitive. This also partly finances some of the required development of new technology. For a typical Tier-1 supplier, IAM business may make up around 20% of their revenues, but 40% of their profits. At the same time, suppliers to the IAM drive innovation, improving the longevity or serviceability of parts that can later be integrated into the first-fit offering. ▶ K

K Circle of influence within the aftermarket



1 All participants, incl. suppliers

Source: Roland Berger

For its part, the IAM also constantly innovates, further improving repair efficiency and competitive pricing even for the newest vehicles. For example, the IAM has developed repair kits for electric vehicle (EV) batteries, equipping technicians with the tools they need to efficiently repair EV components rather than replacing them completely. It has likewise invested in battery refurbishing, restoring batteries to their expected performance level and using advanced testing capabilities to minimize the likelihood of future malfunctions. Training is another core part of the IAM's activities: in leading EV markets, independent workshops have already developed fully fledged EV capabilities and they are now using their know-how to train other workshops.

2.2/ Pillar 2: Industrial competitiveness

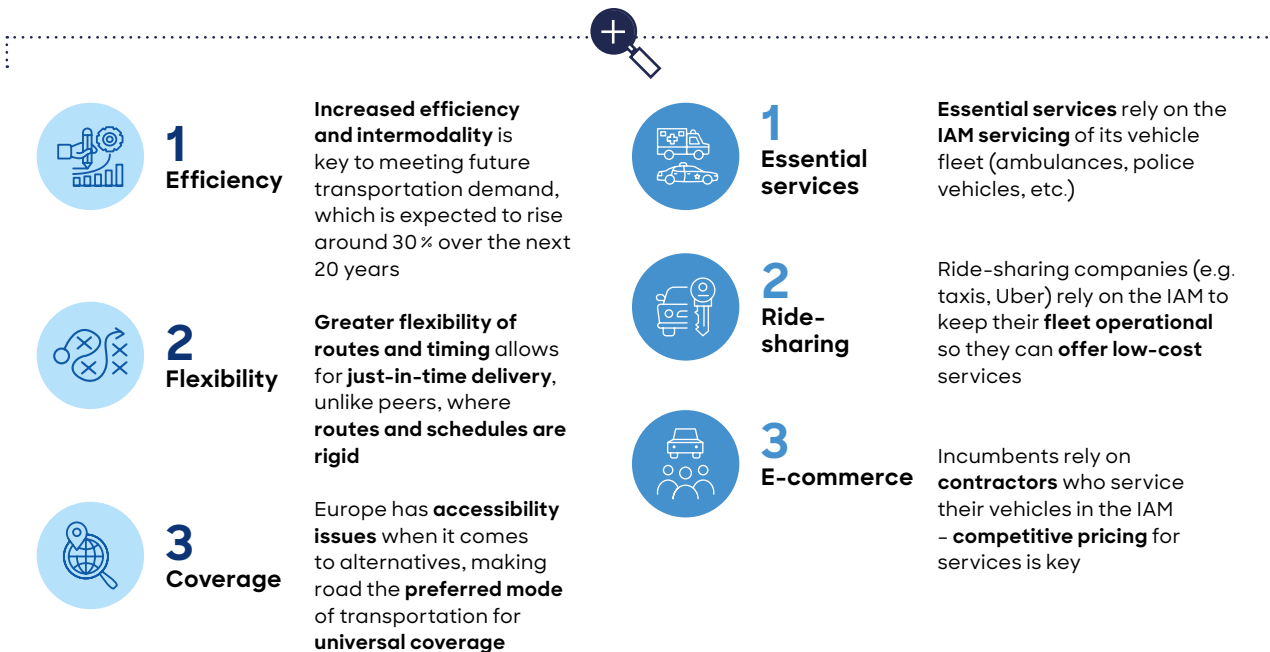
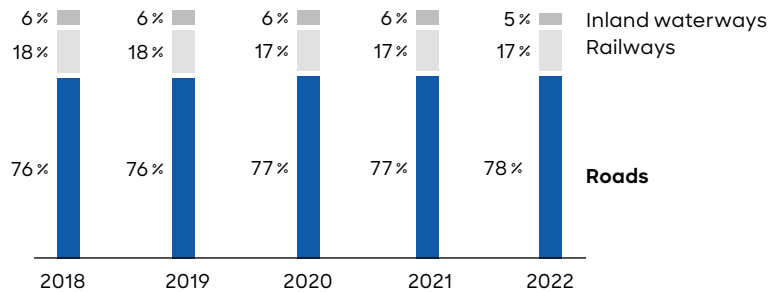
The IAM plays a critical role in sustaining road-based mobility and essential multi-brand services.

Road-based mobility is fundamental to Europe's industrial competitiveness, accounting for the inland freight transportation of around 78% of goods, thanks to its efficiency, flexibility and high level of geographical coverage. Road-based mobility is also key for many essential services, such as healthcare, policing, e-commerce and shared mobility. This was particularly evident during the COVID-19 epidemic. ▶ L

L Road-based mobility is fundamental for industrial competitiveness

Importance of road-based transportation for EU markets

Inland freight transport by mode, EU [% of tkm¹]



1 One tonne-kilometer represents the movement of one tonne over a distance of one kilometer

Source: Eurostat; ACEA

With 336,000 independent workshops, the IAM keeps Europe's communities moving, ensuring affordable mobility for millions, especially in rural and suburban areas. This sector is vital to the social fabric of Europe's economy."

Mathieu Bernard, Principal

More than 24 million commercial vehicles in the European Union provide logistics and mobility services. The average commercial vehicle is 12.4 years old and drives more than 100,000 km a year. Maintenance and repair make up between 7% and 12% of the operating costs for internal combustion engine (ICE) and battery electric vehicles (BEVs). The IAM maintains and repairs these vehicles and so keeps the European Union's industrial engine running. ▶ [M](#)

M Affordable service and repair are crucial for the EU's 24 million commercial vehicles

Commercial vehicles and impact of maintenance, EU

Key facts



24 m
commercial
vehicle car parc¹



103,500 km
Efficiency

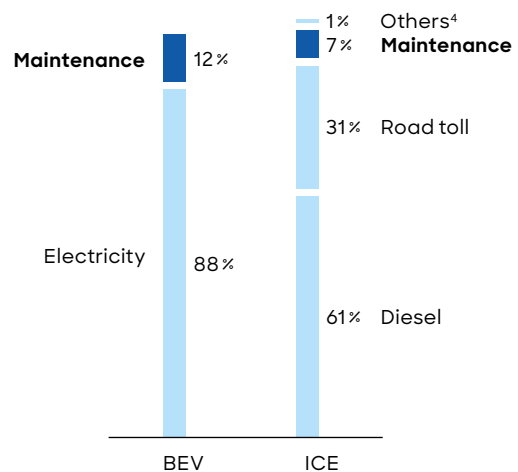


12.4
commercial
vehicles'
average age



IAM has direct impact on operational efficiency...

Annual operating cost breakdown of BEV² and ICE³ commercial vehicles, excluding driver
2021 [% of total EUR]



On top of the direct cost impact, maintenance and repair directly impact **uptime** – a key measure of **fleet performance**

1 Light commercial vehicles (LCVs) and heavy commercial vehicles (HCVs)

2 Battery electric vehicle

3 Internal combustion engine

4 Incl. AdBlue and motor vehicle tax

Source: Wolk & Nikolic After Sales Intelligence; ACEA; Roland Berger; desk research

Apart from the direct cost benefits of using independent providers for aftermarket services, vehicle uptime is one of the most significant factors in the performance of the commercial fleet. The IAM has invested significantly in maximizing efficiency and helping fleets improve performance and reduce costs. It does this by carrying a broad portfolio of products to ensure availability of the right parts: in our survey, 46% of wholesale distributors reported that they carry more than 50,000 stock-keeping units (SKUs), while 14% carry more than 250,000 SKUs. Over 60% of wholesalers carry components for more than 500 and in some cases up to 50,000 different makes and models of vehicles. These figures demonstrate how a distribution structure providing essential parts to local fleets coexists with distribution companies operating on a cross-country basis or providing parts on a Europe-wide scale. The IAM offers a broad range of components at different quality levels, as demanded by private consumers and business customers. These include vehicle-manufacturer original equipment (OE) parts,⁶ original or matching quality parts from an original equipment supplier (OES) or independent parts producers, an increasing number of remanufactured parts, and parts adapted to the residual value of the vehicle. All parts have to meet the relevant legal and technical requirements, at different price points. This ensures that a cost-effective repair solution can be found for every vehicle, regardless of its make or age.

⁶ In case parts are provided by the OE or the authorized network

Our survey found that wholesale distributors source the majority of their parts – more than 75% on average – from Tier-1 OES producers and independent branded parts producers. This underlines the fact that the European market is predominantly based on branded parts products. Private label parts account for 15%, responding mainly to customer demands for older vehicles.

In addition, 57% of the participants in our survey reported that they offer more than three deliveries a day to workshops on average. Some 30% reported that they make more than five deliveries a day in urban environments, partly due to the high number of vehicles here, and more than 50% deliver between one and four times a day in rural areas. This frequency of deliveries, combined with the dense service network, not only reduces the repair or service time for vehicles, but also cuts the time required to drive vehicles to service points for maintenance or repairs – particularly relevant where vehicles need to be towed.

These facts further demonstrate that the IAM has a unique value proposition, different from that of vehicle manufacturers and their network organizations: the IAM provides local, fast, cost-effective repair and maintenance solutions across Europe, enabled by the strong investment and extensive reach of regional and local distributors and supranational super-wholesalers. In short, it keeps European vehicles on the road. ▶ N

By extending vehicle lifecycles and advancing eco-friendly repair technologies, the IAM is at the forefront of sustainable mobility, helping Europe achieve its environmental goals while driving economic value."

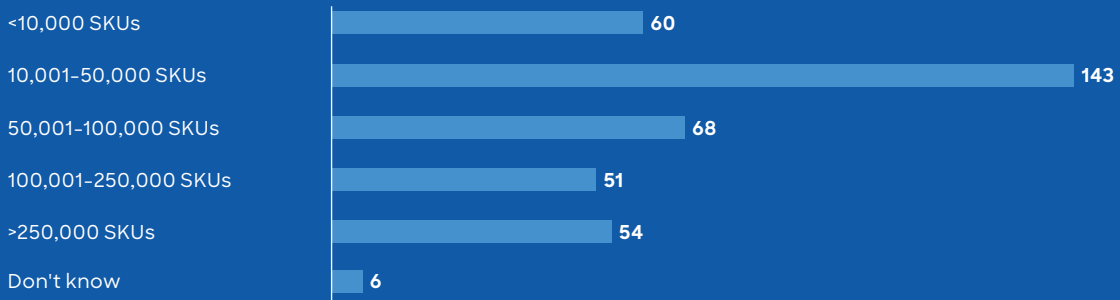
Maximilian Wegner
Senior Project Manager

N Strong investment in logistics capabilities and service network

Overview of IAM product portfolio and availability, EU

Extensive product portfolio

"How many SKUs do you carry today?" n = 382



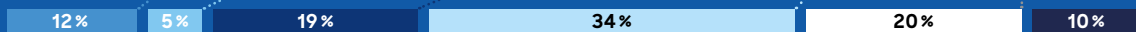
Rapid product availability

"How many deliveries per day do you provide to workshops?" n = 382

In urban areas



In rural areas



Average



■ >5 per day
 ■ 4-5 per day
 ■ 3-4 per day
 ■ 1-2 per day
 ■ <1 per day
 ■ Don't know



Broad range of component quality and cost options

"What share of your sales is with OEM vs. OES vs. IAM vs. white label components today?" n = 382



Source: FIGIEFA & Roland Berger IAM Panorama Survey; Wolk & Nikolic After Sales Intelligence; Roland Berger; CIA.gov

By providing the services discussed above, the IAM increases vehicle uptime by almost 10 hours per vehicle per year, according to our calculations. This saves the European commercial vehicle fleet a total service time of 230 million hours. In the absence of the IAM, Europe would need 110,000 additional vehicles to provide the same logistics and mobility, which would entail additional capital expenditure of approaching over EUR 16 billion. ▶ ○

○ Time savings and operational impact of the independent aftermarket

Key time savings per service



Approx. 1h 18min
avg. reduced driving
time to and from
service



6h faster
parts delivery
on average



2h 15min avg.
increased
workshop
availability¹

Servicing in IAM workshops reduces yearly time spent servicing by over 9.5 hours per vehicle



Operational impact

Additional yearly working hours IAM vs. OE-only scenario [m]

Assumptions

- 25% of OE visits are unexpected and vehicle needs to wait overnight for parts delivery, whereas IAM has same-day delivery
- 5% of incidents force the vehicle to stop unexpectedly and soonest OE availability is in 1 week's time, whereas IAM has same-day availability
- Average driving speed of 50 km/h
- 46 operative weeks per annum per vehicle

230 m
hours

Impact on fleet capital expenditure

Increased fleet requirement

- Fleet size would need to increase by around 110k vehicles to maintain current level of activity
- Avg. cost of a commercial vehicle in the EU is over EUR 110,000, including cost of truck & trailer
- Result would be increased CAPEX of around EUR 16.2 billion to ensure the fleet could meet current market needs



Excludes additional cost impact associated with elevated service cost of OE vs. IAM

¹ Based on faster spare parts delivery and reduced waiting time in workshops

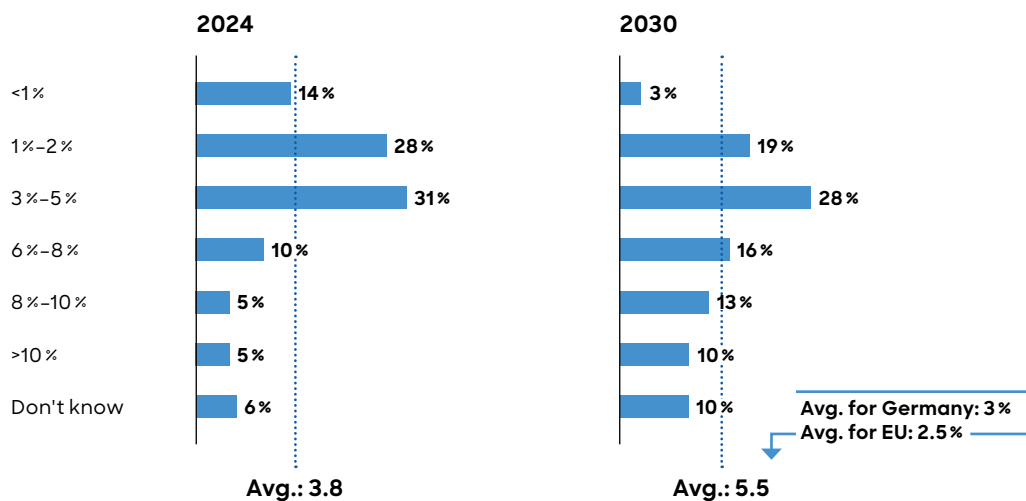
Source: Roland Berger

Independent parts distributors are currently working on several initiatives aimed at improving efficiency further still. For example, they are developing digital business models to enhance the servicing of fleets. In the survey, more than 30 % of wholesale distributors said they invest more than 3%-5% of their revenues in innovation, while 15% said they invest between 6% and 10% – a significant number, given that the average investment in innovation in Europe is just 2.5%. These investments are targeted, for example, at improvements in inbound or outbound logistics, supply chain optimization and process improvements, greater service efficiency to workshops, as well as predictive maintenance and 24-hour service offerings. Services such as these optimize servicing and repairs so that they can take place during planned vehicle downtime. ▶ P

P Investment in innovation by IAM is expected to increase to 5%-6% by 2030

Investment in innovation¹

"How much do you invest in innovation today and how much do you expect to invest in 2030 as a percentage of your turnover?" [n = 382; % of revenue]



Areas of innovation [% of respondents]

"What areas is your innovation focused on?" [n = 382]



¹ Investments include new technologies, digital tools and systems that enhance business operations and customer interactions

² Connected car solutions for workshops, subscription-based parts, etc.

Source: ZEW; European Commission; FIGIEFA & Roland Berger IAM Panorama Survey

“ As the new EU legislative mandate begins, with a strong emphasis on Europe's industrial competitiveness, the IAM must be part of the competitiveness agenda for the automotive Industry - otherwise the EU will not be able to compete and deliver 'Made in Europe' mobility services to our citizens.”

Sylvia Gotzen
Chief Executive, FIGIEFA

Additionally, wholesale distributors perform an important support function for workshops, enabling them to carry out maintenance and repair actions in a speedy and cost-effective manner. More than 70% of participants in the survey said they offered technical hotlines and remote diagnostics support services;⁷ provide diagnostic equipment, catalogs of spare parts and technical information created by data publishers or by themselves; or provide training programs. Some players also offer assistance in business management issues, such as marketing, invoicing or financing. Such orchestration and curation of products and services by wholesale distributors allows companies in the IAM value chain to concentrate on their primary task of ensuring road-based mobility at affordable prices.

In this way, the IAM ensures that every vehicle make and model across Europe can be sold in the certainty that it can be taken care of further down the road. The IAM makes a vital contribution to the satisfaction of private consumers and business customers alike, extending the life of their vehicles and reducing the associated maintenance costs. In so doing, it also supports the residual values of vehicles. ▶ [Q](#)

2.3/ Pillar 3: Society

The IAM keeps mobility affordable.

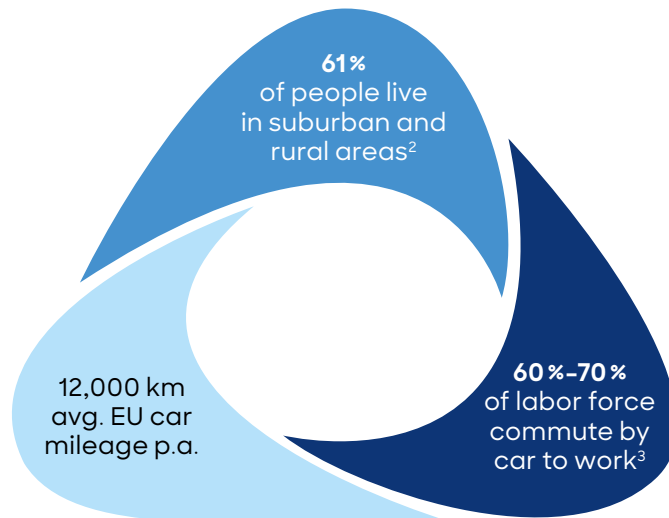
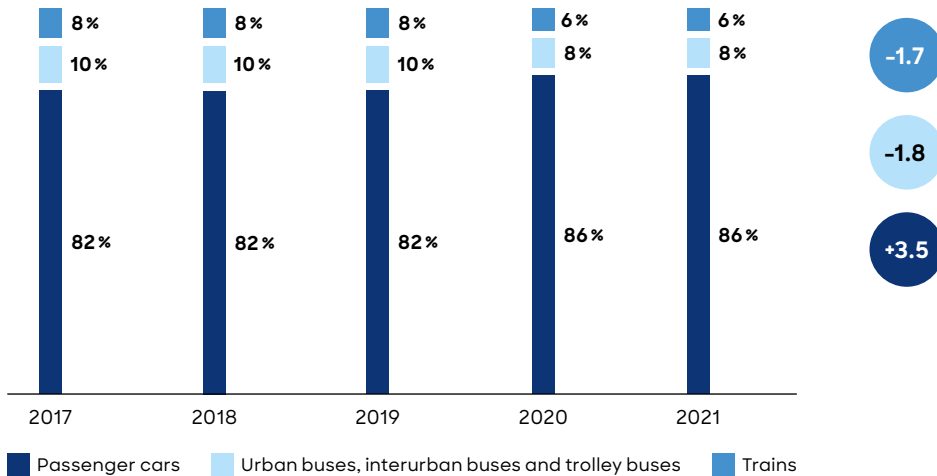
Passenger-vehicle-based mobility is a key enabler of European mobility, currently accounting for more than 85% of all passenger-kilometers. It is particularly relevant in suburban and rural areas, where more than 60% of Europe's population lives. It is also relied on by the European labor force, of which 60%–70% commute to work by car. ▶ [R](#)

⁷ Remote diagnostics support service are services provided to help workshops complete repairs which cannot be done locally with the available tools (note: such services rely on a connection to the vehicle via a VCI tool, connected to the OBD port, which allows specialized technicians, based remotely, to interact directly with the vehicle and to complete a repair on behalf of the workshop).

Q Road-based mobility accounts for over 85% of passenger transportation in the EU

EU inland passenger transportation by mode
[% of passenger-km¹]

Difference
2017-2021, [p.p.]



1 "Passenger-kilometer" means one passenger traveling a distance of one kilometer
 2 Figure shown is for 2021
 3 In major EU countries such as France, Germany, the Netherlands and Belgium

Source: European Commission; Eurostat; Fleet Europe; desk research

To support this mobility, Europe has 255 million passenger vehicles in its car parc. These vehicles require regular maintenance and repair, of course, and this comes with significant complexity. Thus, around 100,000 different makes and models have been sold in Europe since 2000. Not only that, the average age of vehicles is increasing – from under 10 years in the early 2000s to over 12 in 2022. [▶ R](#)

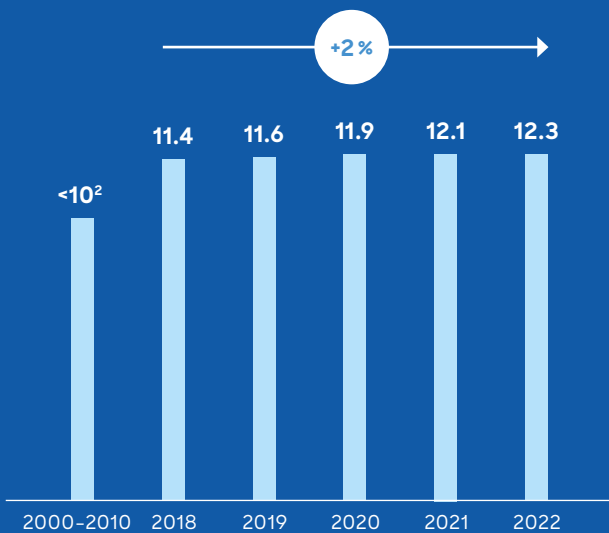
R The independent aftermarket services and repairs Europe's highly diverse, multi-brand fleet

Characteristics of EU passenger car fleet

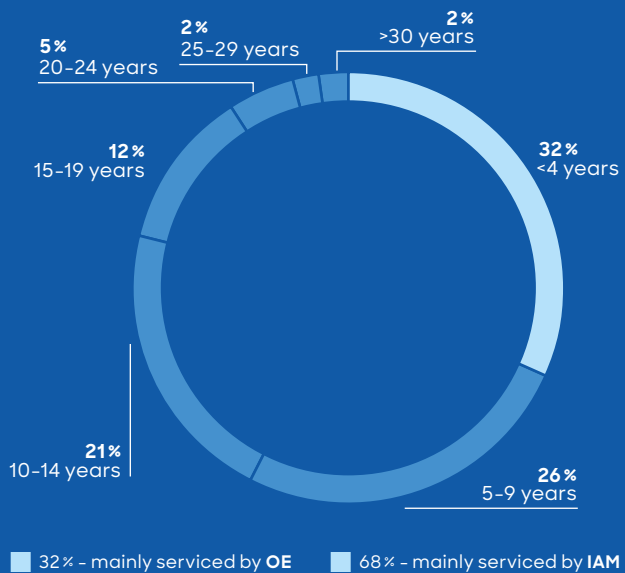
Key facts¹



Avg. age development, [years]

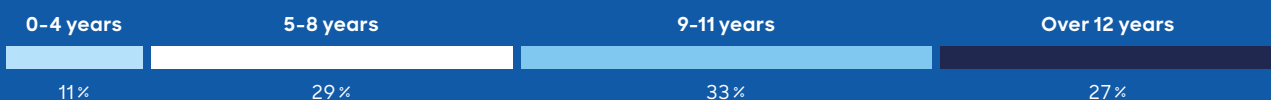


Germany's fleet by age, 2021



Sales by vehicle age group

"Please rate the share of your current sales by vehicle age group" [n = 382]



1 Data for passenger cars in EU 2 Incomplete data at European level; avg. age for 9 European countries 3 Light vehicles below 3.5 tons

Source: ACEA; S&P Mobility; European Commission; KBA; Volk & Nikolic After Sales Intelligence; FIGIEFA & Roland Berger IAM Panorama Survey

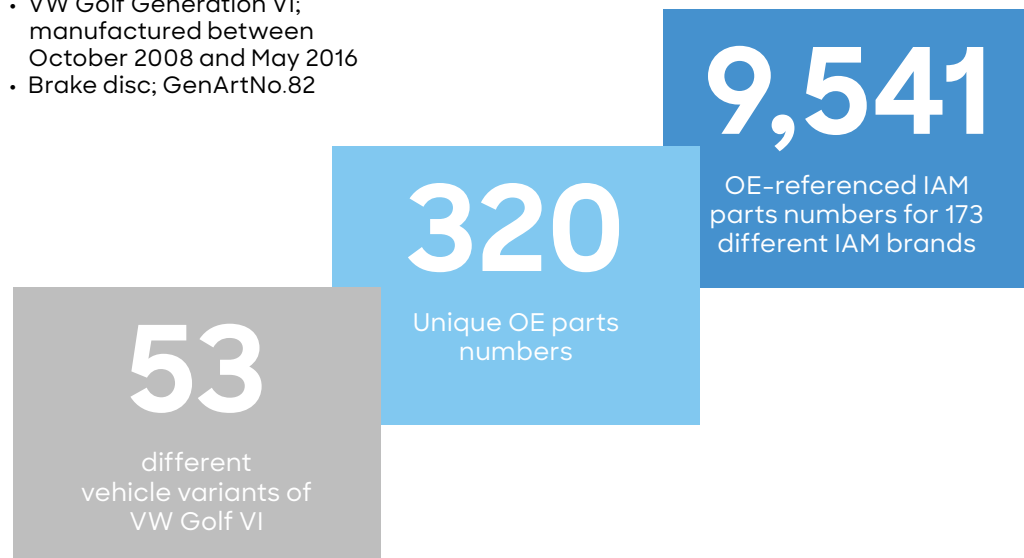
The multi-brand service that the IAM provides for these different makes and models keeps mobility affordable. However, it goes hand-in-hand with parts complexity and variety, including the need to identify the precise part required for each specific vehicle. For example, the Volkswagen Golf VI is sold in 53 different variants, resulting in 320 distinct parts numbers for example for brake disks produced by the vehicle manufacturer. This translates into more than 9,500 parts numbers in the independent aftermarket, offered by 173 different IAM brands. This exemplifies the wide choice and range of price options available to private consumers and commercial customers alike. ▶ **S**

S High number of vehicle variants creates significant parts complexity

Complexity of the aftermarket – Key figures for VW Golf Generation VI

Background

- VW Golf Generation VI; manufactured between October 2008 and May 2016
- Brake disc; GenArtNo.82



Source: Wolk & Nikolic After Sales Intelligence; TecAlliance

Importantly, the IAM provides its services on a local basis. Most towns and villages in Europe have at least one independent, multi-brand repair shop helping to keep the local community moving. At times of crisis, such as during the COVID-19 pandemic, the value of these services is even more evident. Thanks to the IAM, local businesses can continue to serve their local communities and provide essential services. The map below shows authorized and independent workshops in Poland, as an example of the density of workshops in EU countries. ▶ **T**

T The independent aftermarket has a much higher density of workshops than the authorized channel

Comparison of OE & IAM workshop densities - Case study: Poland

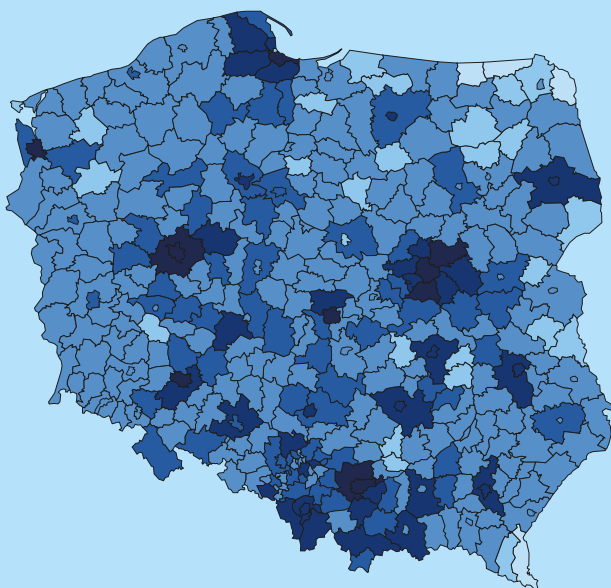
European volume OEM



Japanese volume OEM



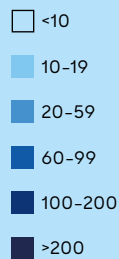
IAM multi-brand workshops



OEM workshop density per district:



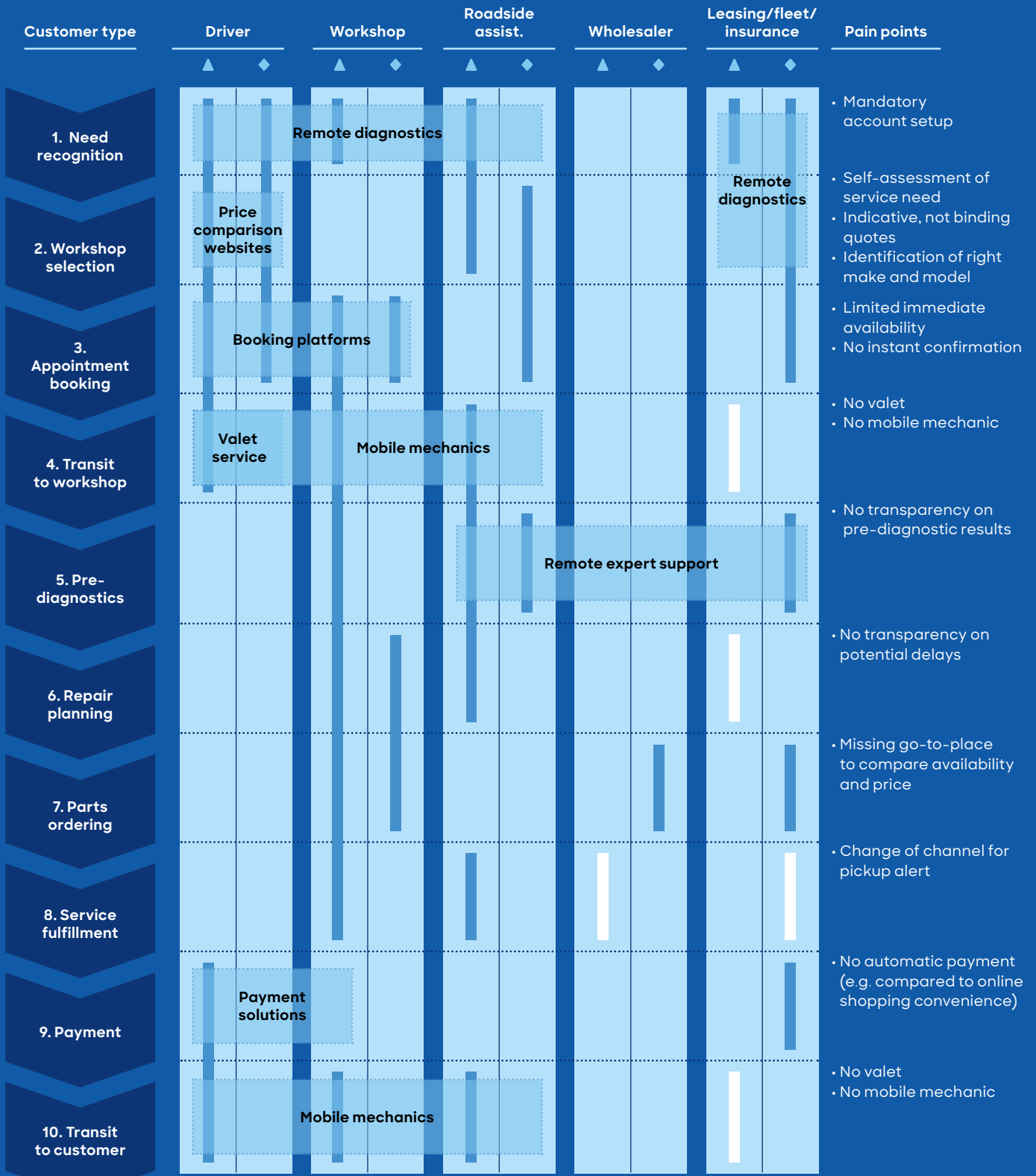
IAM workshop density per district:



Source: Motofocus.eu (as of September 2024)

U The independent aftermarket responds to evolving customer needs

Digital service solutions offered by the IAM along the repair journey



Source: Expert interviews; Roland Berger

■ Direct step along workshop journey
 ■ Indirect step along workshop journey
 ▲ Stationary channel
 ◆ Online channel
 ■ Sample solutions only - list not exhaustive

8 Remote vehicle health monitoring services which are mostly designed for fleet operators and generally rely on hardware accessories such as dongle solutions or CAN interface boxes, as accessories to enable access to vehicle-generated data. A right of access to vehicle-generated data from connected vehicles, as is available to vehicle manufacturers themselves, would accelerate data-driven innovation in the sector.

The IAM not only keeps local communities on the move, it also makes mobility affordable. Vehicle maintenance in the IAM rather than in a vehicle-manufacturer-controlled workshop is often cheaper for end customers. For a C-segment plug-in hybrid electric vehicle (PHEV), for example, our research shows that vehicle-manufacturer-controlled workshops can be 40%+ more expensive than IAM workshops.

In addition, the IAM continuously strives to make its services more accessible to end customers and to respond to evolving customer needs. For example, it is increasingly using digital channels. Different types of customers have different pain points along the repair journey – relating to lack of transparency, e.g., on OEM-applied parts coding or software updates, convenience and repair speed, for example. In response, IAM players are developing innovative digital solutions such as remote vehicle health monitoring services⁸ and booking platforms. Survey respondents said that almost 10% of their sales already take place through the online channel today, and most expect this proportion to grow in the future. ▶ U

2.4/ Pillar 4: Sustainability

The IAM fosters sustainable mobility and transportation.

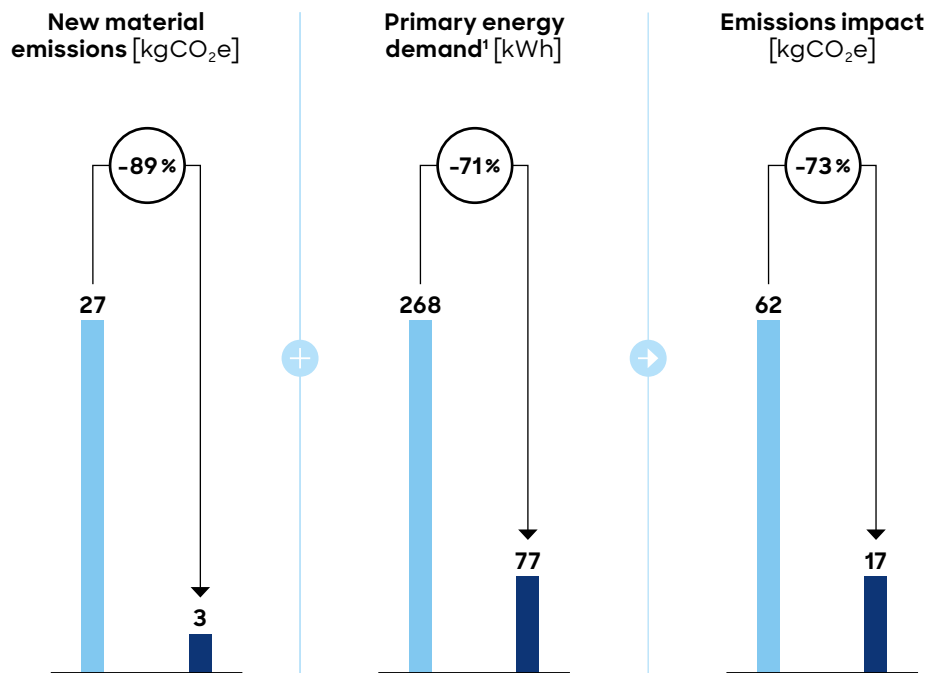
To meet the Paris Agreement goals of limiting global warming to 1.5°C compared with pre-industrial levels, the European Union aims to reduce emissions by the transportation sector by 55% by the year 2030 and 90% by 2050, compared with the 2021 baseline. Road-based transportation, currently responsible for more than 75% of transportation emissions, will be the main contributor to that reduction.

The IAM plays an active role in minimizing the emissions of the current car parc. It does this by ensuring vehicles comply with emissions standards and by offering upgrades to vehicles so that they meet stricter emissions standards – installing catalytic converters or extra software or hardware, for instance. It also extends vehicle lifetimes, thereby avoiding the emissions produced by the manufacture of new vehicles: The production of a single vehicle can generate 10 tCO₂e for an ICE vehicle or 18 tCO₂e for a BEV.

Another way the IAM promotes sustainability is by using sustainable components in the production and distribution of spare parts. By sourcing eco-friendly materials, adopting greener manufacturing processes and developing circularity applications (such as the reuse, remanufacturing, refurbishing and recycling of spare parts), the IAM extends the life cycle of automotive components, minimizes waste and contributes to a more sustainable and resource-efficient automotive industry, thereby reducing the environmental footprint of the sector. ▶ V

V Remanufacturing is a key contributor to the industry's sustainability

Case study: Benefits of remanufacturing a brake caliper



- Reducing manufacturing of new vehicle components is vital
- Remanufacturing reduces the need to produce greenhouse-gas-intensive materials

- Remanufacturing solutions reduce total energy withdrawn from the hydrosphere, atmosphere, geosphere or any source

- Through remanufacturing, the IAM contributes directly to sustainability while improving service quality of key vehicle parts

Remanufacturing is usually a regional business, avoiding cost and emissions from long transportation routes and ensuring value creation remains in Europe (rather than importing new cheap components from China, for example)

■ OE product ■ Remanufactured product

¹ Quantity of energy withdrawn from hydrosphere, atmosphere, geosphere or energy source without anthropogenic change

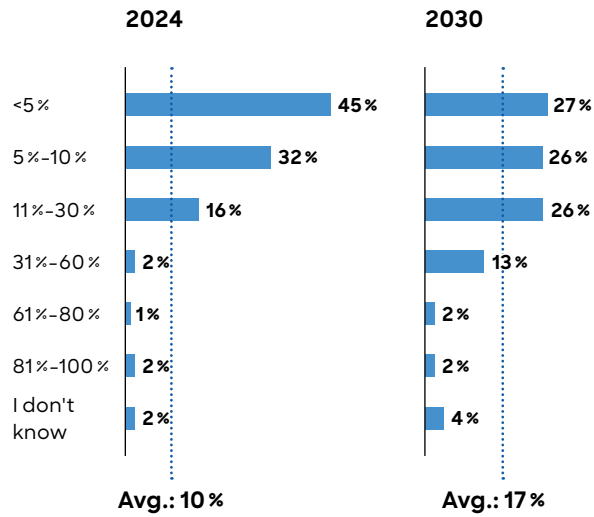
Source: Knorr-Bremse

The remanufacturing process – processing spare parts industrially to give them the same or superior characteristics to new components – offers particular environmental benefits. For example, for a brake caliper for a commercial vehicle, using a remanufactured product reduces emissions from new materials by almost 90%, primary energy demand for production by 70% and the total emissions impact by more than 70%. In addition, remanufacturing is usually a regional business, avoiding cost and emissions from long transportation routes and ensuring that value creation remains in Europe. Today, the wholesale distributors in our survey already sell more than 10% remanufactured components and 4% used components, and this is expected to increase to 17% remanufactured components and 6% used components by 2030. ► [W](#)

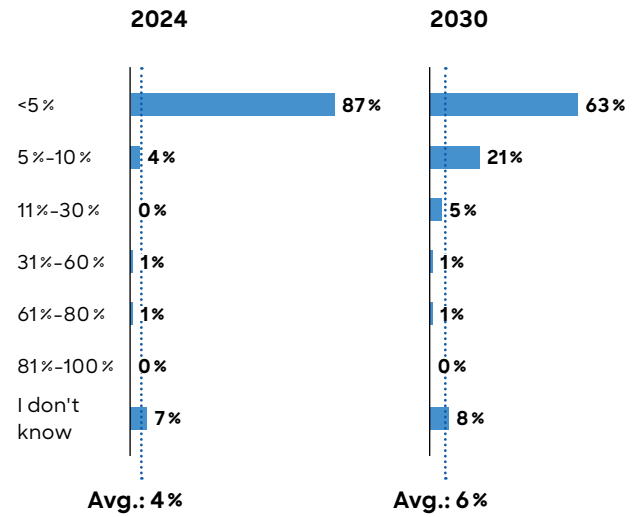
W Share of remanufactured components sold by wholesale distributors is growing
Wholesale distributors' sustainable parts business [2024 vs. 2030]

Share of sustainable parts in sales [% of respondents]

"What share of your sales is made up of remanufactured components today (2024) and what do you expect it to be in 2030?" n = 382



"What share of your sales is made up of used components today (2024) and what do you expect it to be in 2030?" n = 382



IAM is making sustainable parts more and more accessible, e.g. via automation of salvaging processes to reduce processing time and cost

Source: FIGIEFA & Roland Berger IAM Panorama Survey

3

A new vision - the vehicle lifecycle at the heart of the strategy

As we have seen, the IAM represents a major part of the economy of the European Union, responsible for a market worth EUR 73 billion in parts (EUR 150 billion including labor), more than 282,000 points of sale and workshops, and 2.7⁹ million jobs. It makes a crucial contribution to Europe, enabling the competitiveness not only of the automotive industry but of European industry as a whole, ensuring social cohesion and helping Europe achieve its sustainability targets.

The IAM is under constant pressure to evolve in order to capitalize on its opportunities, while minimizing the impact of threats. Our survey of more than 380 FIGIEFA members identifies price pressure (including consumer willingness/ability to pay, supply chain risks, etc.), combined with increases in the cost of components as key negative trends. Given these pressures, how can the IAM thrive and at the same time maximize its positive impact on Europe as a whole?

The automotive aftermarket in general, and the IAM in particular, is a complex ecosystem of participants. To achieve a truly positive impact, all the players involved need to make a

⁹ Based on 3.2 m jobs in the aftermarket, of which 0.5 m are not related to the independent aftermarket

concerted effort, and this effort needs to be supported by a fair and open market. Industry players must put the vehicle lifecycle at the center of their activities, as it represents both the source of the IAM's strength and the driver of its complexity. If all sections of the industry work together to manage the vehicle lifecycle better, we are convinced that this will benefit all market participants.

The strategic implications of this concerted effort differ depending on the type of player in question. Vehicle and parts manufacturers should consider the entire vehicle lifecycle, from the design of first equipment components and systems to the repair and remanufacture/reuse solutions offered by the aftermarket. If a "win-win-win-win" solution is found – benefiting the manufacturer, the distributor, the workshop and the customer – the aftermarket ecosystem will retain its balance. A crucial test for vehicle and parts manufacturers will be how EVs are serviced in the future. Vehicle manufacturers require the IAM to ensure efficient long-term repairability and to convince drivers that EVs will not become obsolete (which would compromise their resale value hence limit customer adoption). If they all can develop win-win-win-win solutions here, combining their channel power, this would create significant benefits for customers.

Wholesale distributors in the IAM should focus on two strategic directions. First, they should maximize the performance of their operations by maintaining or increasing their service level, while simultaneously further optimizing costs and providing digital solutions; this will enable the efficient functioning of the ecosystems. Second, they should continue to enable workshops to focus more on their core business of servicing and repairing vehicles. If wholesale distributors manage these two tasks simultaneously, we believe that they can enjoy significant growth opportunities.

This, of course, requires the active participation of workshops. Workshops need to manage challenges such as the labor shortage and generational handovers, while staying open and receptive to innovation and improvement – for example, by using software-driven solutions and the latest diagnostics technology.

Given the European Union's intention to boost the competitiveness of key industries within the single market, and in light of increasing global competition, it would be logical for policymakers to recognize that the automotive aftermarket is a key part of the broader automotive industry and plays a crucial role in maintaining the European Union's competitiveness. In an ideal scenario, the EU's industrial policy will allow the aftermarket's value chain to realize its full potential, driving success across the vehicle lifecycle.

Keeping Europe's vehicles on the road in a safe and efficient manner is an intricate and multilayered task. It requires a specialist pit crew – a finely calibrated team of players who cooperate smoothly all along the value chain, from vehicle and parts manufacturers to parts distributors and workshops. This also includes many others along the way, such as software and data firms, aggregators and the like. And only with an open market with fair, level playing field for all players can this ecosystem thrive and unleash its power along the vehicle lifecycle. Finally, given the strategic relevance of the vehicle lifecycle, we believe that the time may be right to reposition and potentially rebrand the IAM. The IAM deserves to be viewed as a fundamental part of the automotive industry by all players involved. One way to help achieve this would be by renaming the sector in a way that emphasizes its relevance across the entire vehicle lifecycle – for example, calling it the "vehicle lifecycle solutions industry." This would send a strong signal to Europe about the importance of the sector, and potentially strengthen its resonance in discussions at board and policymaker level.

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FIGIEFA is the international federation of independent automotive aftermarket distributors. Its members represent independent distributors and wholesalers of automotive replacement parts and components and their associated repair chains. FIGIEFA brings together 19 trade associations from 18 countries and five international trade groups. FIGIEFA's aim is to make sure that European Union and United Nations legislation impacting the automotive aftermarket ensures free and effective competition in the market for vehicle replacement parts, servicing and repair.

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