



Welcome to the Q4 2022 update of “The FVL Cost Index”

PwC Austria
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Five global macro trends have direct business and cost implications for logistics and freight companies

1



CLIMATE CHANGE

2



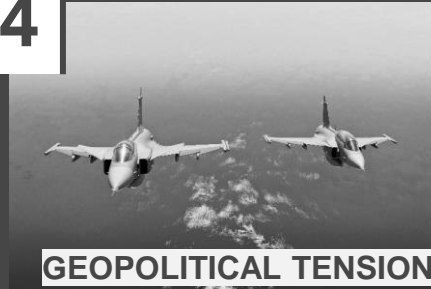
EMPLOYMENT

3



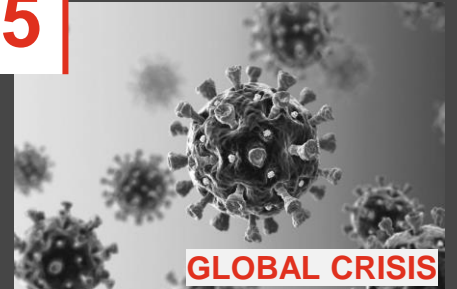
INFLATION

4



GEOPOLITICAL TENSION

5



GLOBAL CRISIS

SELECTED IMPLICATIONS

Higher investment costs for the implementation of new environmental regulations and the switch to more environmentally friendly assets, equipment and sustainable alternatives

Ongoing labour shortage and lack of qualified staff as a consequence of lower wages and social status of drivers, unattractive working conditions, as well as workforce age structure

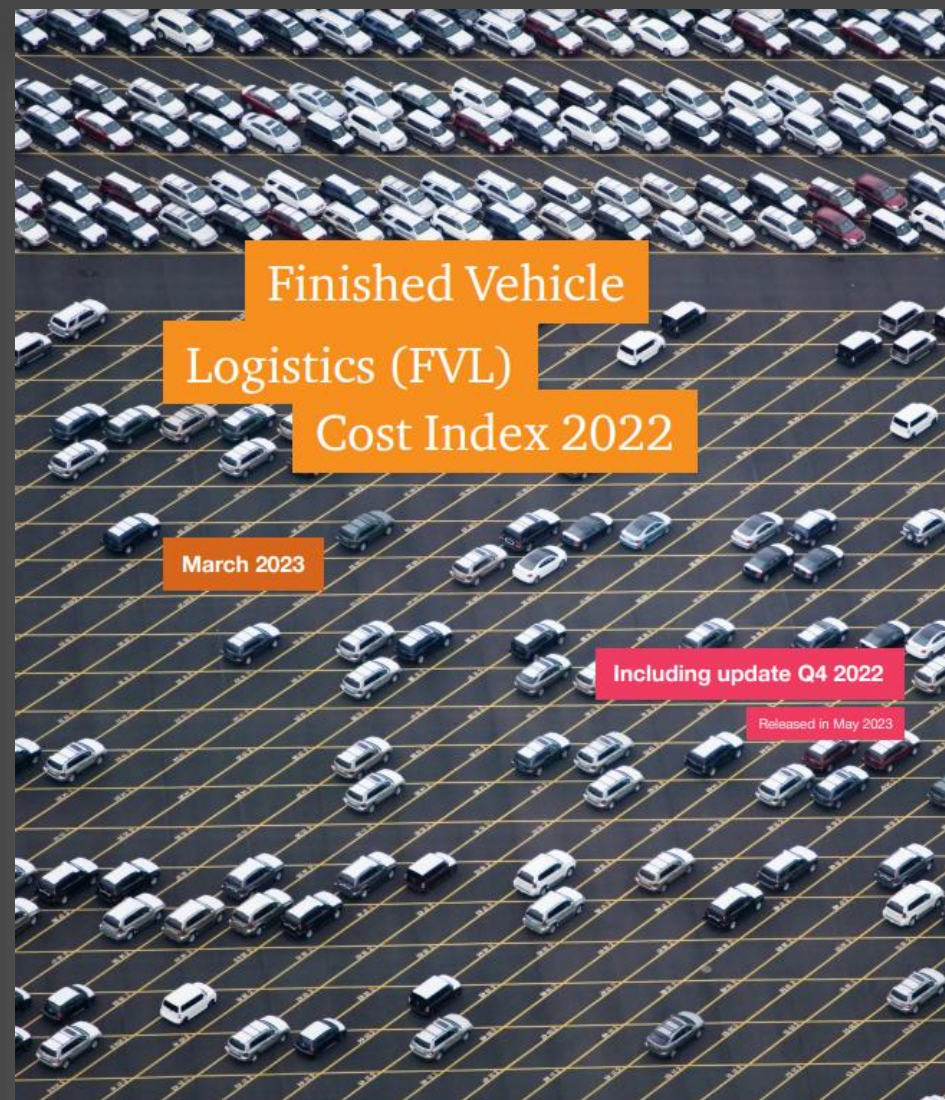
Rise in costs and reduction in purchasing power due to increased inflation rates effecting e.g. the need for wage increases to attract and retain employees

Significantly increased fuel and operating costs as a result of Russia-Ukraine conflict and the thereof imposed sanctions on Russia as well as the closure of certain transport routes

Shortage of raw materials and purchased parts as well as congested ports caused by SARS-CoV-2 pandemic and following global lockdowns

To gauge cost developments in the FVL industry, ECG supported by PwC Austria developed a new standard –

the FVL Cost Index



direkt.pwc.at/FVL-cost-index

Our joint goal: an industry-specific cost index differentiated by four logistics segments and eight representative countries

1

European FVL Cost Index

An independently developed index providing **indications for transport-mode specific cost developments in the European FVL industry** is the latest instrument in the ECG toolbox accessible to all players involved in the industry.

4

Logistics segments

The diverse interests of the FVL market players are taken into account by **differentiating the FVL cost index between the four logistics segments road, sea, rail, and compounds**.

8

European countries

The different cost developments across Europe are described by selecting **eight representative European countries (Belgium, France, Germany, Italy, Poland, Spain, Sweden, and the United Kingdom)**.

European

Finished Vehicle Logistics

Cost Index

(Q4/2022)

158.3

Logistics

segment

road

128.7

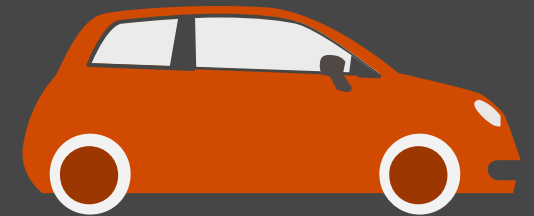
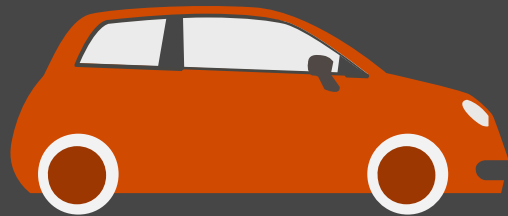
FVL Road Cost Index (Q4/2022)

OVERALL INCREASE OF COSTS BY 28.7% FROM JANUARY 2019 TO DECEMBER 2022

HIGHEST OVERALL INCREASE IN POLAND (38.2%) AND LOWEST IN ITALY (17.8%)

SURGE IN FUEL PRICES ON AVERAGE BY 35.6% ACROSS RELEVANT COUNTRIES

FVL TRUCK DRIVER SHORTAGE AND ELEVATED LABOUR COSTS BY UP TO 33.8%



Logistics

segment

sea

236.4

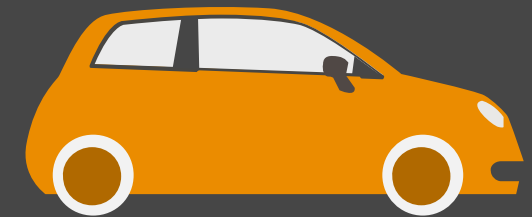
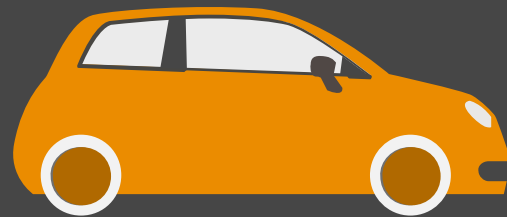
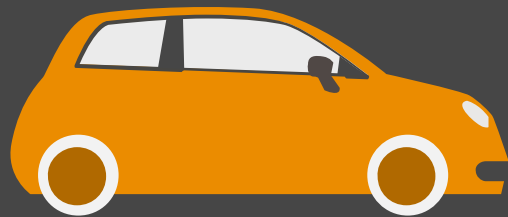
FVL Sea Cost Index (Q4/2022)

OVERALL INCREASE OF COSTS BY 136.4% FROM JANUARY 2019 TO DECEMBER 2022

HIGHEST OVERALL INCREASE IN POLAND (140.5%) AND LOWEST IN SPAIN (133.6%)

PERSISTENT TIGHT PCTC SUPPLY-DEMAND MARKET SITUATION AND VOLATILE BUNKER FUEL PRICES

CONTINUED HIGH ASSET VALUES FOR PCTC VESSEL TIME CHARTER RATES



Logistics

segment

rail

121.7

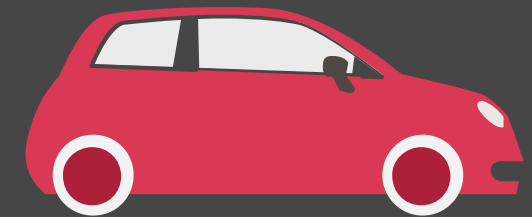
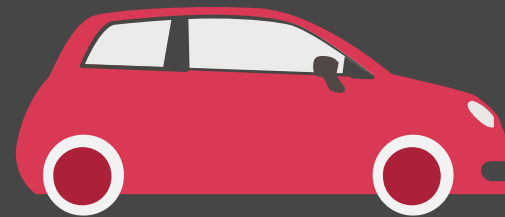
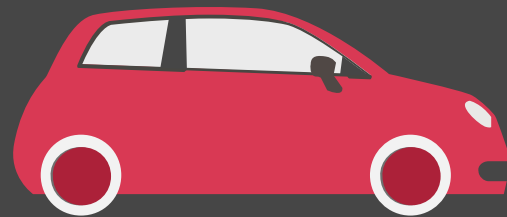
FVL Rail Cost Index (Q4/2022)

OVERALL INCREASE OF COSTS BY 21.7% FROM JANUARY 2019 TO DECEMBER 2022

HIGHEST OVERALL INCREASE IN SWEDEN (30.3%) AND LOWEST IN BELGIUM (14.5%)

TAC PAID PER TRAIN-KILOMETRES EVEN DECREASED IN SOME EXAMINED COUNTRIES

FVL LABOUR COSTS ROSE ON AVERAGE BY 11.1% ACROSS RELEVANT COUNTRIES



Logistics

segment

compounds

118.3

FVL Compounds Cost Index (Q4/2022)

OVERALL INCREASE OF COSTS BY 18.3% FROM JANUARY 2019 TO DECEMBER 2022

HIGHEST OVERALL INCREASE IN POLAND (30.8%) AND LOWEST IN SPAIN (11.2%)

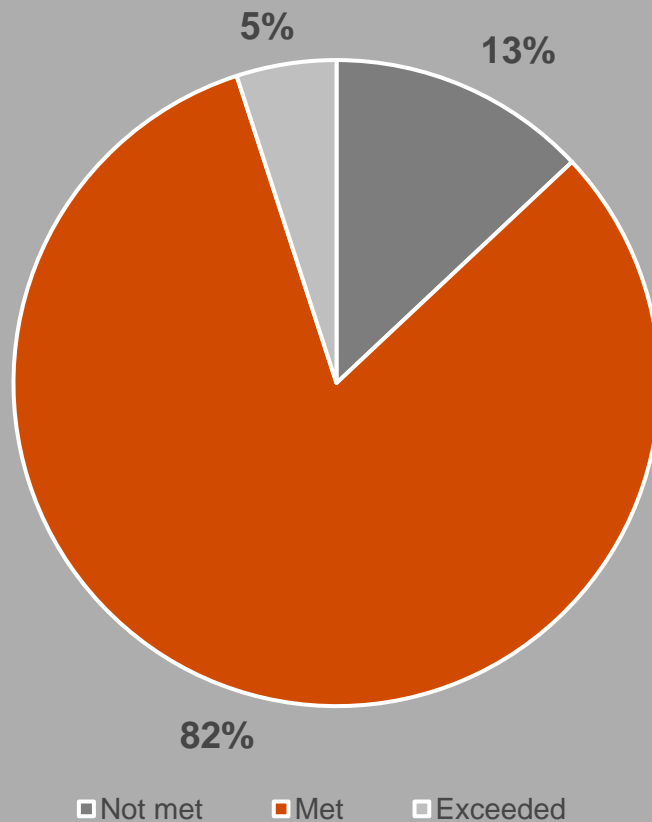
VOLATILE FVL LAND COSTS WITH INCREASES OF UP TO 32.8% SINCE 2019

STILL ELEVATED UTILITY COST LEVELS ACROSS ALL EXAMINED COUNTRIES



Results of the anonymous feedback survey

Fulfillment of expectations¹



Excerpt of feedback and submitted improvement suggestions²

“**EXTREMELY USEFUL REPORT** GIVING A LEVEL OF **QUALIFIED DATA AND INSIGHTS** THAT WAS **PREVIOUSLY UNAVAILABLE TO ANYONE** IN THE INDUSTRY.”

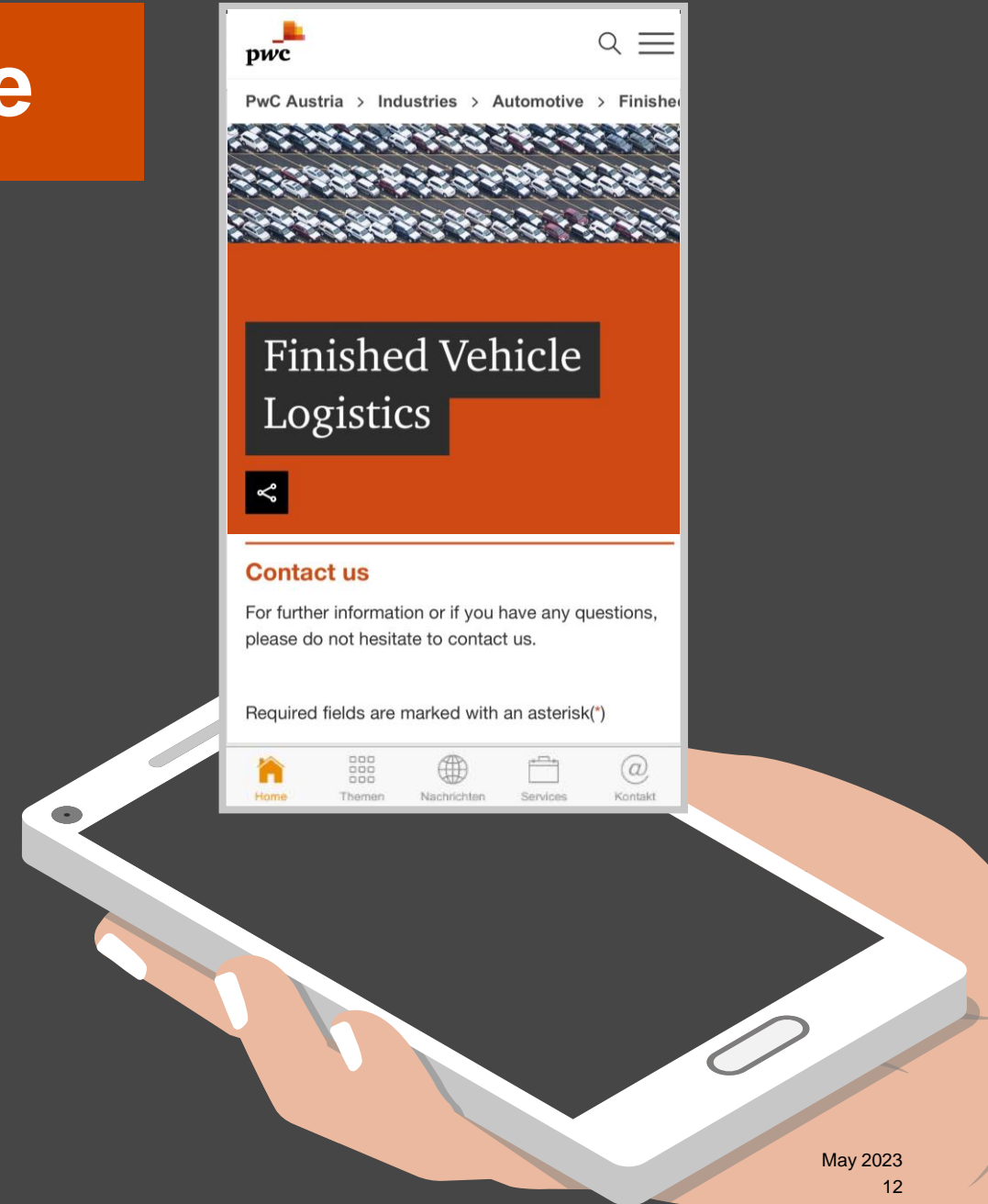
“THIS HAS PROVEN TO BE A **VERY USEFUL TOOL** BOTH WORKING WITH THE SERVICE PROVIDERS AND MORE IMPORTANTLY ON **SHARING INTELLIGENCE INTERNALLY**.”

“IT WOULD BE GREAT TO HAVE A **FURTHER BREAKDOWN OF THE SEGMENTS** OF EACH PART OF THE INDEX IN THE NEXT EDITION.”

“SHOULD BE GREAT TO HAVE THIS ALSO **AVAILABLE FOR THE NETHERLANDS**.”

“IT WOULD BE GOOD TO **MONITOR THIS INDEX ON A BASE THAT EXCLUDES THE FUEL**.”

Request the full results of the Q4 2022 update now



Disclaimer

This presentation summarizes the results of a collaboration between ECG – The Association of European Vehicle Logistics and PwC Austria Advisory Services GmbH, hereinafter referred to as PwC Austria.

The methodology and input variables reflect PwC Austria's understanding of industry-specific factors at the time of writing. However, given the variability among countries and sub-sector specific variations, no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made in this study.

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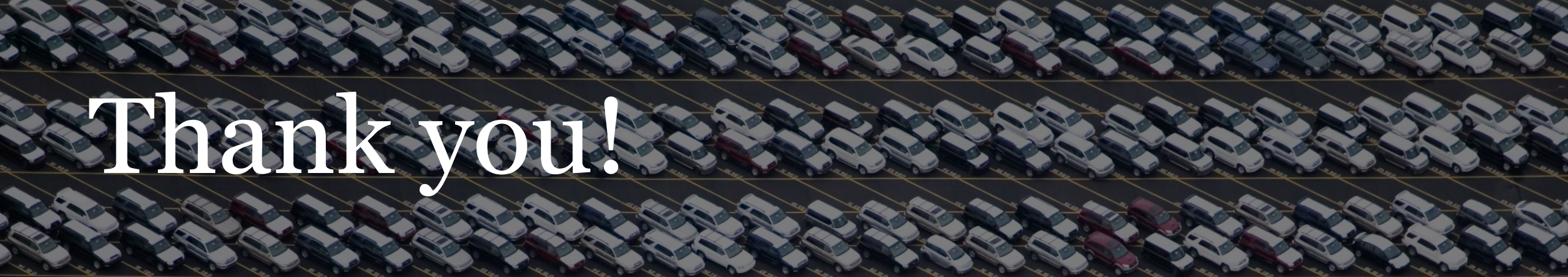
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Thank you!

