



Welcome to the launch of “The FVL Cost Index”

PwC Austria
March 02, 2023





Wolfgang Göbel

ECG president

“

For the first time in more than 40 years, we are facing unprecedentedly high and persistent inflation levels. ECG and PwC Austria are working closely to provide an FVL Cost Index aiming to monitor cost developments and to provide transparency.”

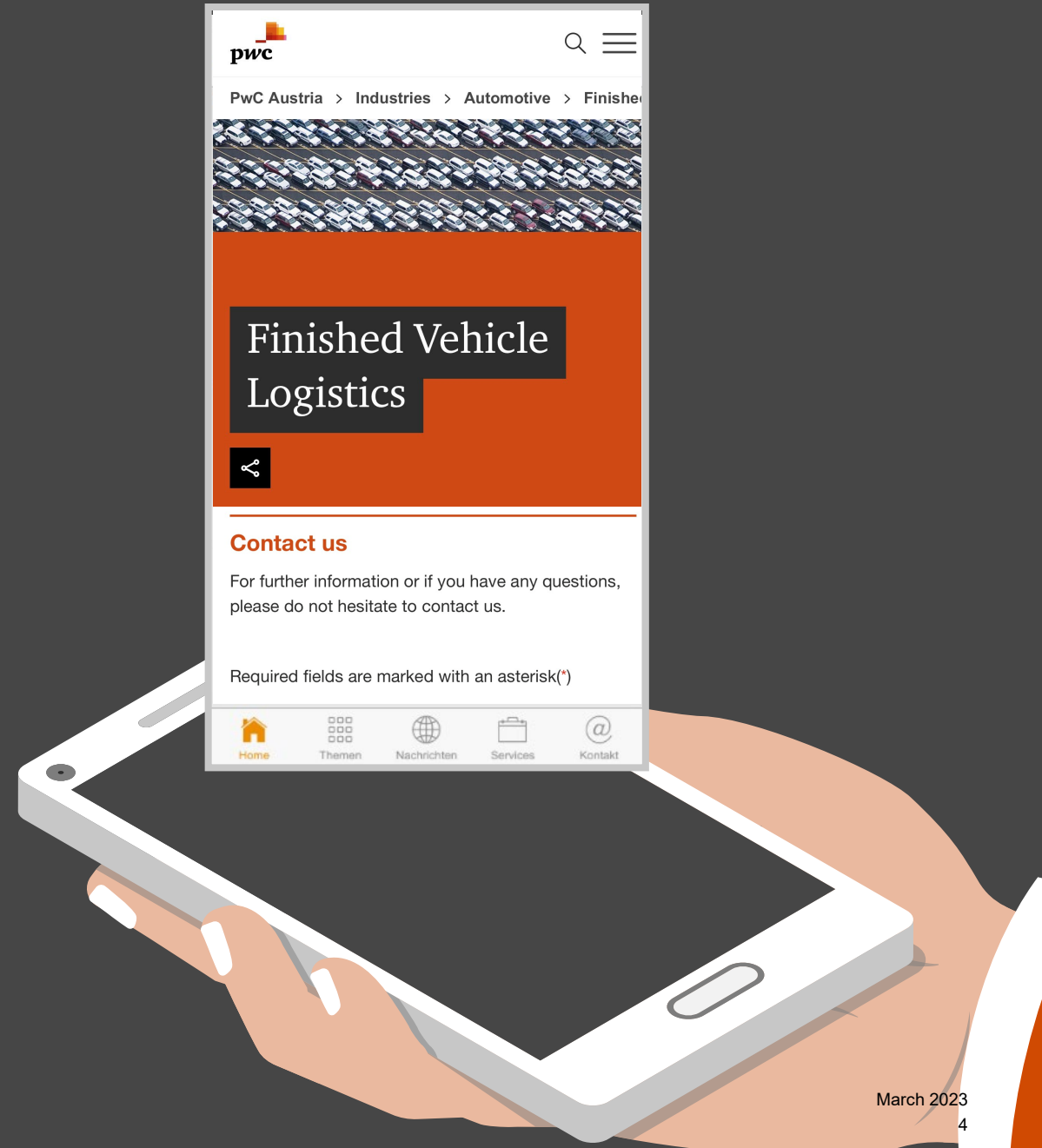
The background of the slide features a repeating pattern of yellow car silhouettes, viewed from above, arranged in a grid-like fashion. The cars are stylized with dark outlines for windows and wheels. The text is centered over this pattern.

**Warm welcome to all market players,
ECG members,
and long-term global partners
from the FVL industry**

Before we start...

We have received a variety of questions before today's launch which will be addressed during the presentation.

Questions arising today should only be submitted via the PwC Austria landing page specifically created for this publication. The link was already sent to you in today's webinar invitation.





Agatha Kalandra

Partner & Executive Board Member

of PwC Austria

“

A Finished Vehicle Logistics Cost Index compliant with antitrust laws, which is quality assured, could facilitate the development of a standard for the wider logistics industry in Europe.”

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

1



CLIMATE CHANGE

2



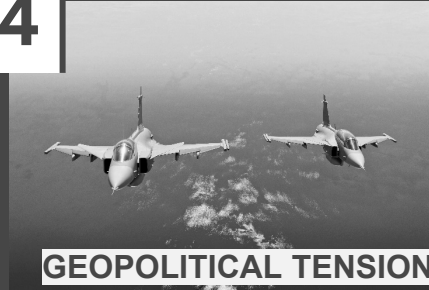
EMPLOYMENT

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

Numerous macro
trends and market
developments are
directly impacting
the entire FVL
industry



Wallenius Wilhelmsen Sees Strong Demand for Ro-Ro Shipping

adopts new minimum monthly wa

Capacity is expensive': Hoegh Autoliners
vary of chartering in more ships

for seafarers
Council of the EU Press release 7 April 2020 12:45
Mobility package: Council adopts truck driver

at Norwegian owner admits it needs extra
demand

Numerous macro

Europe's trucker shortage becoming 'c
dangerous'

Car Carrier Prices A

trends and market

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2021-09-13

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September 10, 2021

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Car Carrier Asset Prices
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industry

international transports?
changes in Europe in 2021

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it new highs

Survey reveals labour a big concern for the
finished vehicle sector
24 May 2022

Automakers see 2022 steel price contract
negotiations looking brutal

Vehicle carriers: Positivity despite auto pa
anxiety

March 2023

March 2023
7

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

the 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

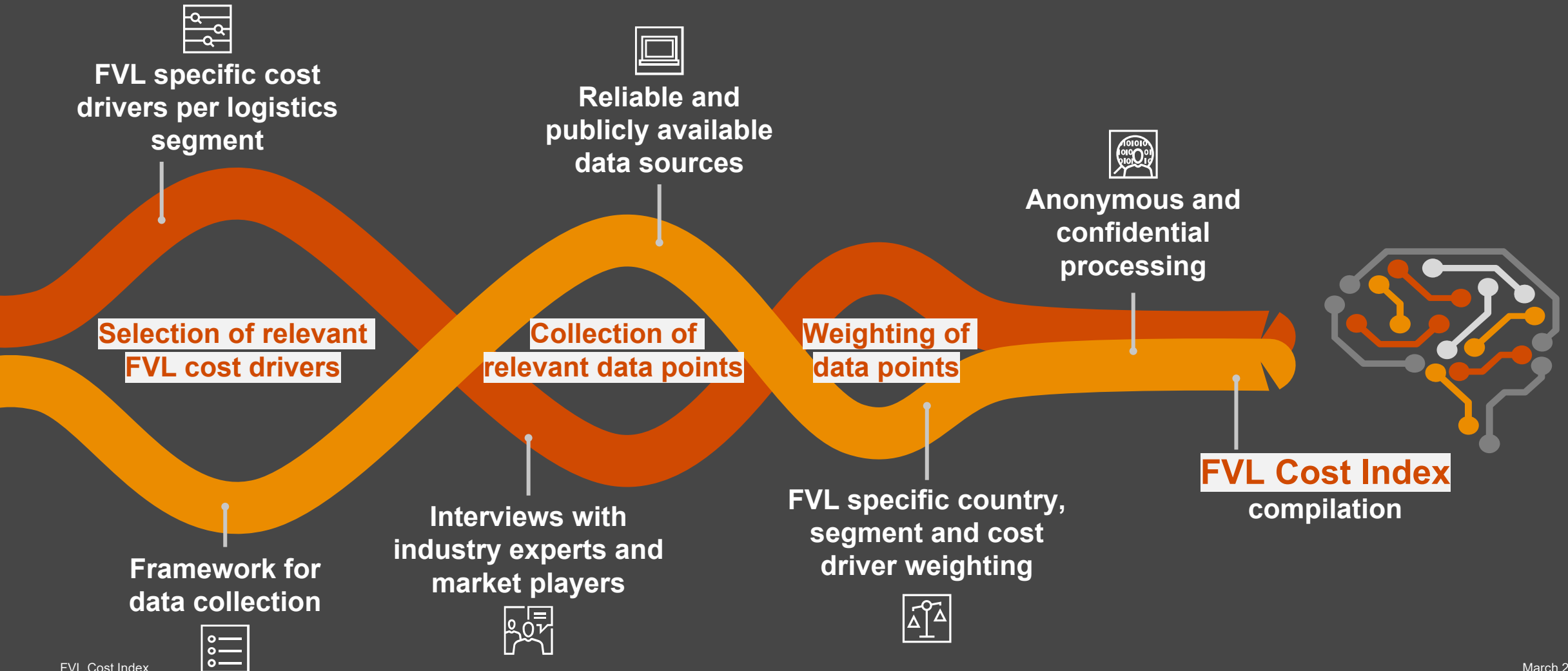
The diverse interests of the FVL market players are taken into account by **differentiating the FVL cost index between the four logistics segments road, sea, rail, and compounds**.

8

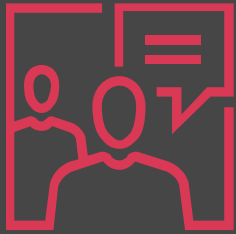
European countries

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)**.

Methodology



Since the project kick-off in November 2022, vast amounts of quantitative and qualitative data was collected for the index



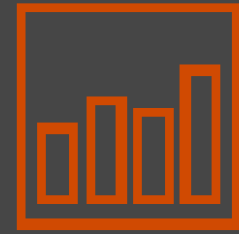
40+

conducted interviews with
industry experts and
representative market players
of the FVL industry



50+

**sent out and processed
data requests** filled in by
representative market players
of the FVL industry



1,800+

**identified individual data
points** for the data structure
of the FVL Cost Index

European
Finished Vehicle Logistics
Cost Index
(Q3/2022)

153.9

Logistics segment

road

132.8

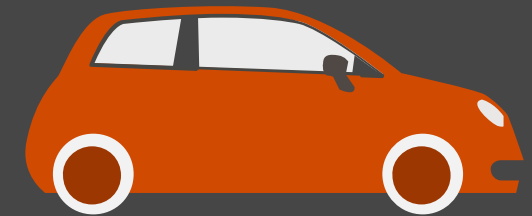
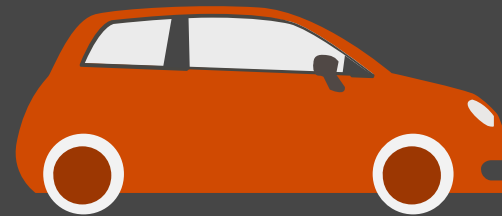
FVL Road Cost Index (Q3/2022)

**OVERALL INCREASE OF
COSTS BY 32.8% FROM
JANUARY 2019 TO
SEPTEMBER 2022**

**HIGHEST OVERALL
INCREASE IN GERMANY
(39.5%) AND LOWEST IN
ITALY (21.5%)**

**SURGE IN FUEL PRICES
ON AVERAGE BY 40.6%
ACROSS RELEVANT
COUNTRIES**

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



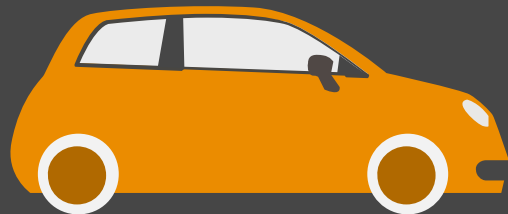
Logistics segment

sea

213.7

FVL Sea Cost Index (Q3/2022)

OVERALL **INCREASE OF COSTS BY 113.7%** FROM JANUARY 2019 TO SEPTEMBER 2022



HIGHEST OVERALL INCREASE IN POLAND (117.3%) AND LOWEST IN SPAIN (110.6%)



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



CONTINUOUSLY INCREASING ASSET VALUES FOR PCTC VESSEL NEWBUILDS



Logistics segment

rail

124.2

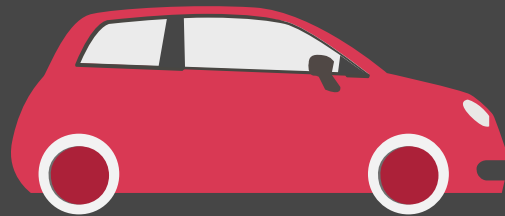
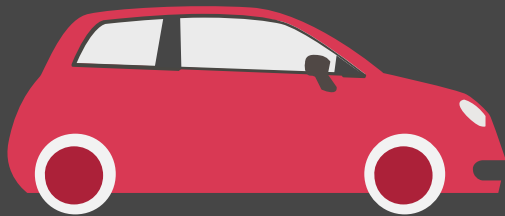
FVL Rail Cost Index (Q3/2022)

**OVERALL INCREASE OF
COSTS BY 24.2% FROM
JANUARY 2019 TO
SEPTEMBER 2022**

**HIGHEST OVERALL
INCREASE IN GERMANY
(29.9%) AND LOWEST IN
ITALY (16.9%)**

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

**FVL LABOUR COSTS ROSE
ON AVERAGE BY 10.9%
ACROSS RELEVANT
COUNTRIES**



Logistics segment

compounds

121.4

FVL Compounds Cost Index (Q3/2022)

OVERALL **INCREASE OF COSTS BY 21.4%** FROM JANUARY 2019 TO SEPTEMBER 2022

HIGHEST OVERALL INCREASE IN GERMANY (26.7%) AND LOWEST IN SPAIN (12.7%)

VOLATILE FVL LAND COSTS WITH INCREASES OF UP TO 29.5% SINCE 2019

ELEVATED UTILITY COST LEVELS ACROSS ALL EXAMINED COUNTRIES



Frequently asked questions

1

Who will have access to the publication and how much will the publication cost?

2

Are any updates planned for the FVL Cost Index?

3

How can I use the FVL Cost Index?

4

Where can I download the final FVL Cost Index publication?

5

In which languages will the FVL Cost Index be published?

6

Who can I contact in case of any questions after the launch?

1

Who will have access to the publication and how much will the publication cost?

The study will be provided to all market players and interested parties for free.

2

Are any updates planned for the FVL Cost Index?

Updates of the index are planned and will be provided periodically. The next index update is anticipated to be published for Q2 2023.

3

How can I use the FVL Cost Index?

Neither PwC, nor ECG will provide any recommendations on how to use the FVL Cost Index. PwC and ECG solely publish the FVL Cost Index together in order to inform on the current cost developments in the finished vehicle logistics industry.

4

Where can I download the final FVL Cost Index publication?

The publication will be published on both the ECG and PwC websites.

5

In which languages will the FVL Cost Index be published?

The publication is only foreseen to be provided in English.

6

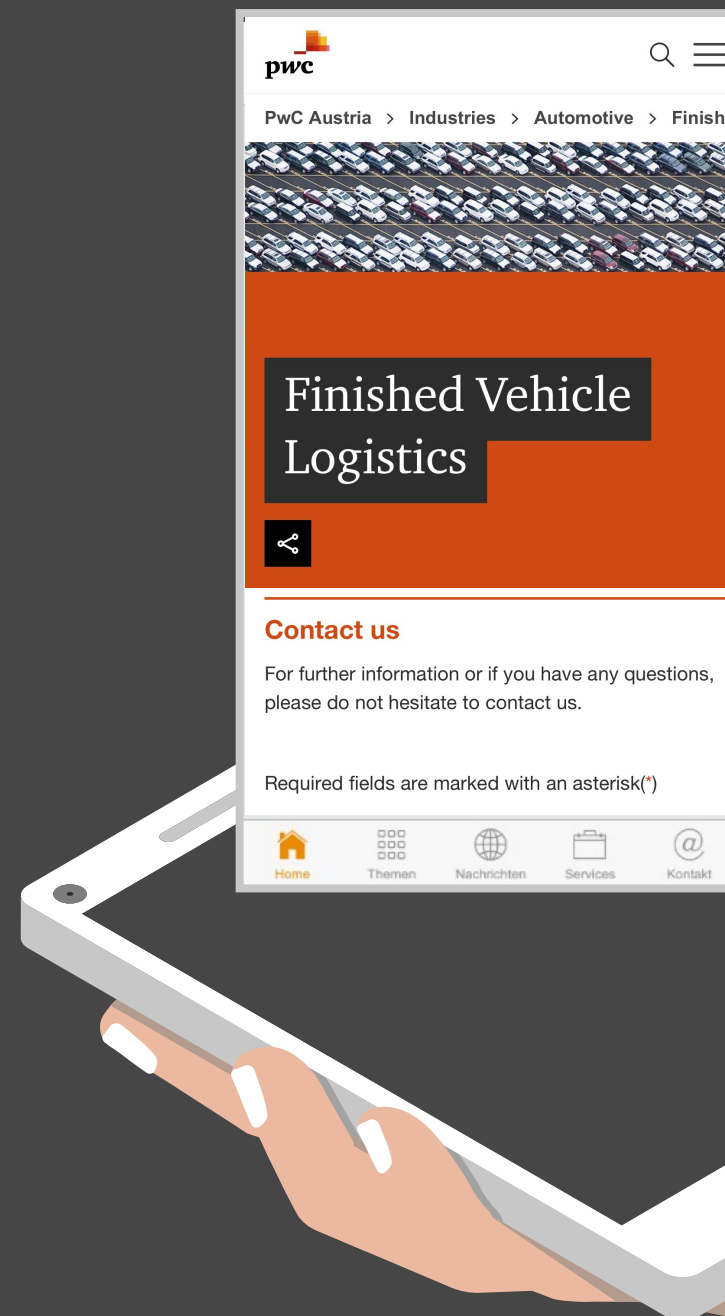
Who can I contact in case of any questions after the launch?

Both ECG and PwC contacts will be provided within the publication. A dedicated landing page for the FVL Cost Index on the PwC Austria webpage will provide the possibility to submit any arising questions or inquiries.

...before we end

We hope that the variety of questions which we received before today's launch were all addressed during the presentation.

Questions which arose today can be submitted via the PwC Austria landing page specifically created for this publication. The link was already sent to you in today's webinar invitation.





Disclaimer

This study is the result 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.

In creating this index and this study PwC Austria utilised publicly available as well as proprietary information. Data obtained from interviews was processed anonymously and confidentially in accordance with the Data Protection Rules applicable in PwC Austria's data protection policy. Where applicable the sources of information are provided within the study. PwC Austria has not sought to independently verify those sources unless otherwise noted within the study.

This study was not prepared in accordance with any assurance or other standards. Consequently, no opinions or conclusions intended to convey assurance are expressed within this study.

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