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consulting

Fuel, Fleet & Mobility after COVID-19

Impacts, Implications and Scenarios for Future Growth

December 2020

Fuel, Fleet & Mobility after COVID-19

Impacts, Implications and Scenarios for Future Growth

1

Executive Summary

COVID has not changed, but accelerated and exaggerated existing trends

2

COVID impacts

Economic impacts on different mobility segments vary widely

3

Key sector implications

Established operating models and channels to market must be transformed

4

Scenarios for Sustainable Growth

Restructuring, M&A, clean fuels and digitisation will top mobility agendas

Executive Summary

COVID has not changed, but accelerated and exaggerated existing trends

A. COVID-19 has made structural market change inevitable, and business model transformation urgent

B. Fuel and mobility revenue impacts vary substantially from segment to segment. However, every segment sees intensified demand for re-engineered value propositions

C. Competitive environments in fuel retailing, fuel payments and integrated mobility services will become volatile

D. New digitised technologies will make data integration the primary value driver in all fuel, fleet and mobility segments

E. Loss of excise duty revenues caused by electrification will leave a “black hole” in public finances. Major road charging schemes will fill that hole. Potential multiple increase for tolls operators.

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F. Divestments, asset swaps, mergers and strategic alliances will proliferate. Private equity investment in fuel, fleet and mobility will drive strategic change.

G. Fuel payments acceptance will be further liberalised, as dealers, licensees and franchisees seek to restore footfall

H. M-commerce solutions will radically transform the fuel retail and fuel payments experiences. Traditional open vs closed loop distinctions will be eroded

I. Development of EV-charging networks will accelerate electrification in Corporate Fleet and Last Mile Delivery segments. New liquefied gas supply infrastructures will rapidly grow share of Commercial Transport refuelling

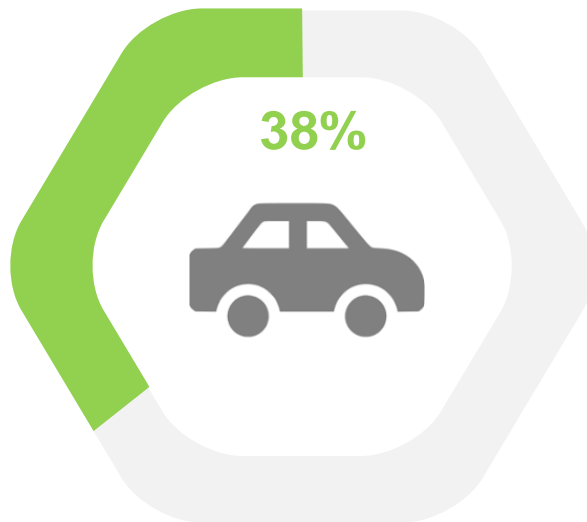
COVID Impacts

Economic impacts on different mobility segments vary widely

Segment monthly fuel transaction value 07/20 vs 07/19 (EU)

Corporate fleet segments have suffered the sharpest decline, and recovery is slow. Drastically reduced business travel – with sales forces home-based – has wiped out over 60% of corporate fleet transaction values.

With remote working and the “Zoom culture” entrenched, there will be no return to pre-COVID activity levels.



Corporate Fleet

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Commercial Transport



Refrigerated/FMCG haulage has held up strongly, with only a 4-5% downturn caused by supply chain disruption and driver shortages.

With the exception of parcel trucking, all other segments have seen an average 30% decline in activity over 2019 levels – with corresponding impacts on fuel & service providers.

Last Mile Delivery



Home shopping has been *the* winner from pandemic mobility restrictions. Estimates on subcontractor van parc growth range from +40% to +65% year on year.

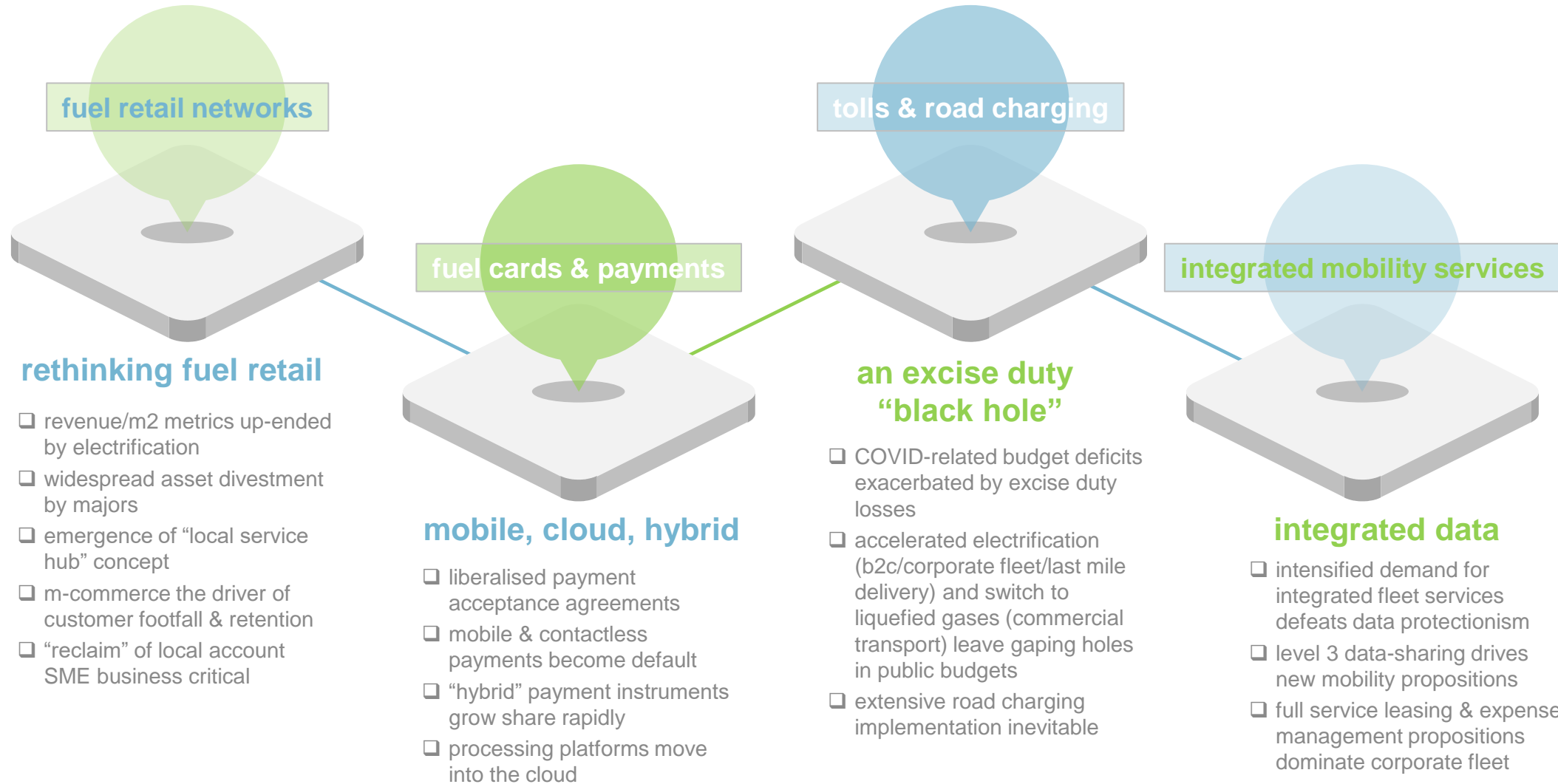
However, fuel and mobility propositions for “subs” remain underdeveloped, and tailored offers for local operators almost non-existent.

Heavy OEM investment in “connected vans”, and the rapid electrification of LCVs, create opportunity for disruption.



Key Sector Implications

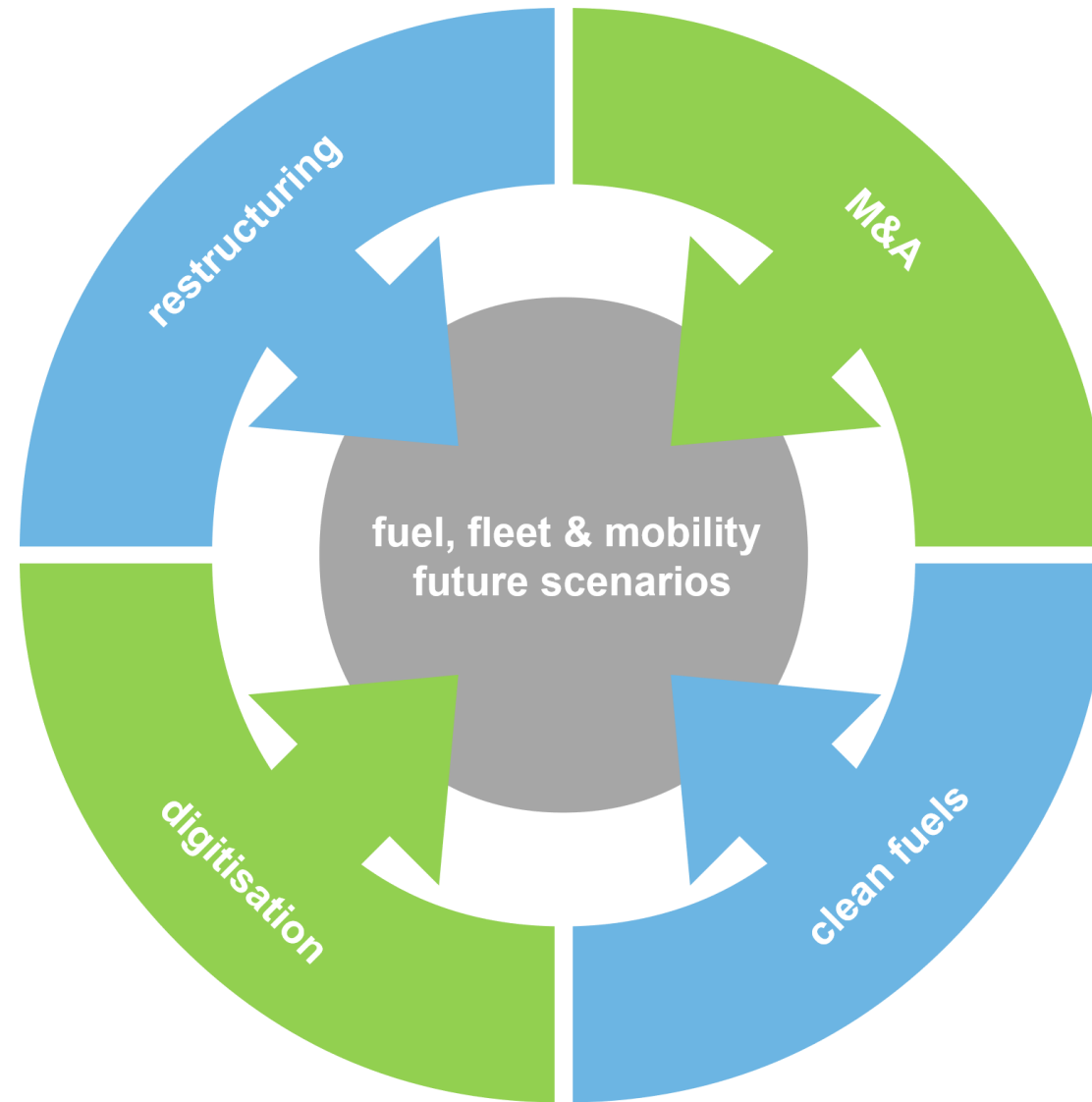
Established operating models and channels to market must be transformed



Scenarios for Sustainable Growth

Restructuring, M&A, clean fuels and digitisation will top mobility agendas

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the full 42-page version of this report (including extensive scenarios) will be available on 22nd December 2020.

further details of how to order the report will be available shortly through our website.

please get in touch with us via contact@pannellhayes.com if you have any questions.

thank you for your interest in PHC.

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