

Summary

Executive summary

Fleet management is an ambiguous term used in reference to a wide range of solutions for different vehicle-related applications. Berg Insight's definition of a fleet management solution is a vehicle-based system that incorporates data logging, satellite positioning and data communications to a backoffice application. The history of fleet management solutions goes back several decades. On-board vehicle computers first emerged in the 1980s and were soon connected to various networks. Today mobile networks can provide ubiquitous online connectivity at a reasonable cost and mobile computing technology delivers very high performance, as well as excellent usability. All of these components combined enable the delivery of vehicle management, transport management, driver management and mobile workforce management applications linking vehicles and enterprise IT systems.

Commercial vehicle fleets play an essential role in the European economy. According to official statistics there were 40.0 million commercial vehicles in use in EU22+3 in 2019. The 6.6 million medium and heavy trucks accounted for more than 75 percent of all inland transports, forming a € 250 billion industry. Approximately 0.8 million buses and coaches stood for 9.3 percent of all passenger kilometres. The greater part of the 32.6 million light commercial vehicles (LCV) in Europe was used by mobile workers and for activities such as distribution of goods and parcels. Last but not least, there are an estimated 22.4 million passenger cars owned by companies and governments.

Berg Insight is of the opinion that the European fleet management market has entered a growth period that will last for several years to come. Individual markets may however suffer temporary setbacks, depending on the development of the COVID-19 crisis. The number of fleet management systems in active use is forecasted to grow at a compound annual growth rate of 14.4 percent from 11.5 million units at the end of 2020 to 22.5 million by 2025. The penetration rate in the total population of non-privately owned commercial vehicles and cars is estimated to increase from 18.5 percent in 2020 to 34.5 percent in 2025.

A group of international aftermarket solution providers have emerged as the leaders on the European fleet management market. Berg Insight ranks Webfleet Solutions as the largest vendor in Europe at the end of 2020 with 726,000 subscribers in the region, followed by Verizon Connect in second place with 434,000 subscribers. Transics is ranked as the largest player in the aftermarket heavy trucks segment with an estimated 175,000 active units installed. Other significant players include European companies such as Targa Telematics, ABAX, Bornemann, AddSecure Smart Transport, Masternaut, Gurtam, Radius Telematics, Viasat, GSGroup, Quartix, OCEAN (Orange), Microlise, Macnil, Eurowag Telematics, RAM Tracking and Coyote and international players like Trimble, Teletrac Navman, Inseego, Calamp and LYTX from the US, Fleet Complete from Canada, Astrata Europe from Singapore and the South African telematics providers Cartrack and MiX Telematics.

All major truck manufacturers on the European market offer OEM telematics solutions as part of their product portfolio. A major trend in the past years has been the announcements of standard line fitment of fleet management solutions. Since the end of 2011, Scania is rolling out the Scania Communicator as standard on all European markets and includes a ten-year basic service subscription. All medium and heavy duty trucks from Daimler contains the Fleetboard vehicle computer as standard and the buses are equipped with OMNIplus ON as well as the vans with Mercedes Me Connect. Volvo offers Dynafleet as standard in Europe. New MAN trucks are now equipped with RIO as standard replacing MAN TeleMatics. DAF launched its new optional DAF Connect that has been developed in-house in 2016. The leading OEMs in Europe are Scania, Volvo and Daimler with 316,000, 145,000 and 140,000 active FM subscribers respectively at the end of 2020.

The consolidation trend continues and eight M&A activities have taken place in 2021 so far. YellowFox announced that ECM Equity Capital Management had acquired a majority share of the company. Eurowag Telematics acquired a 51 percent stake in KomTeS, its value-added reseller in the Czech Republic. BigChange was acquired by Great Hill Partners investing £ 75 million. Hg acquired a controlling stake in Trackunit from Goldman Sachs and GRO Capital. Radius Payment Solutions acquired CanTrack. ORBCOMM was listed on the Nasdaq stock exchange until April 2021 when GI Partners acquired the company. INELO Group acquired 73.5 percent of the shares in CVS Mobile. Finally, Trackunit merged with the Industrial IoT division of ZTR, a developer of solutions for the compact construction industry.