



DataMac®



**MacKay
& Company**

The Commercial Vehicle Parts & Service Market

Presented to:

AMDA

March 2022

Agenda

- MacKay & Company Introduction
- DataMac® Truck & Bus Mexico
 - What is DataMac® Truck & Bus Mexico
 - History
 - Process
- Aftermarket Overview & Outlook
- Questions



Introduction: MacKay & Company

MacKay & Company

*A Specialized Market Research and
Management Consulting Firm Since 1968*

53 Years and Counting

Market Focus

Commercial Vehicle Market (Class 2c – 8)



Agricultural (Farm Machinery)



Construction (Off- and On-road Equipment)

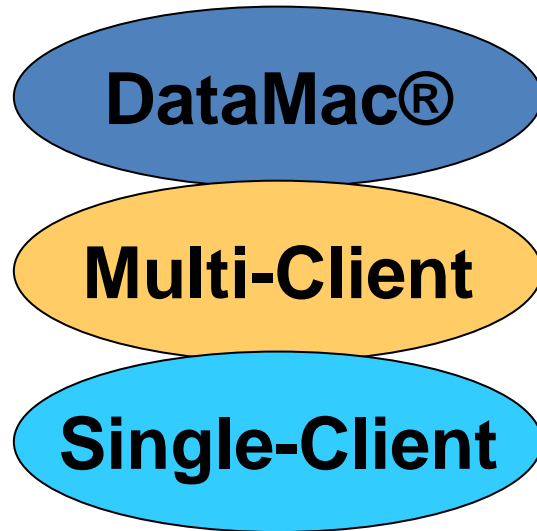


Client Base Includes:

- Major Original Equipment Manufacturers
- Component Manufacturers & Parts & Material Suppliers
- OE Dealerships & Heavy-Duty Distributors
- Aftermarket Marketing Organizations
- Lease/Rental Firms
- Private Equity Firms
- Publishing Companies

MackKay & Company Products & Services

Each complements the other...



DataMac® Industry Profiles

- Aftermarket(Parts, Tires & Lubricants) Analysis
- Scheduled releases to support industry product management and forecasting needs

Multi-Client Research Programs

- Market Research Programs
- Meets ongoing needs of specific groups

Single-Client Consulting

- Strategic & Tactical Consulting
- Proprietary Research

DataMac® Services

On-Highway



MED/HEAVY TRUCK



LIGHT DUTY TRUCK



TRANSIT/MOTOR

<i>DataMac® PARTS</i>	   	✓	  
<i>DataMac® LUBE</i>	✓	✓	
<i>DataMac® TIRE</i>	✓	✓	

Off-Highway



AG EQUIPMENT



CONST. EQUIPMENT

<i>DataMac® PARTS</i>	 	✓
<i>DataMac® LUBE</i>	✓	✓



Introduction: DataMac® Truck & Bus Mexico

DataMac® Truck & Bus Mexico

- DataMac® Truck & Bus Mexico is a detailed study that profiles aftermarket for replacement parts used on:
 - Medium & Heavy-Duty Trucks , Buses, & Trailers
- This study is our sixth comprehensive study of the Mexico Aftermarket since 1995, about every 4 years. 2022 – Update year!
- Over 400 components profiled

DataMac® Truck & Bus Mexico

- Research Activities/Process includes:
 - Onsite field interviews with fleets (over 375 across many states)
 - Several hundred telephone interviews with fleets across country
 - Distribution Points (Truck Dealers & Heavy-duty Independent Parts Distributors) surveys on pricing and parts sourcing
 - Retail sales analysis forecast and operating population modeling
 - Economic review and outlook

How Does MacKay & Company Generate DataMac® data?

Surveys Collect Data on:

- End User Type of Business
- Vehicles operated
- Annual Usage – Kilometers
- Replacement Frequency
- Point of Service
- Type of replacement or repair
- Point of Purchase

**DataMac
® Model**

Demand is Tracked By:

- Type of business of Use
- Type of Replacement
- Channel of Distribution
- Point of Service
- Both Units and \$



Executive Summary/Overview

2022 Mexico Economy

- Andres Manuel Lopez Obrador's (AMLO) six-year single term as President runs through 2024. Traditionally, the fourth and fifth years of a president's term have been the strongest in terms of generating new programs and new spending.
- The prospects of his MORENA party being able to execute such a plan have been seriously undermined by their electoral losses in 2021
- Additionally, AMLO's ability to generate a domestic agenda has been hampered by his need to forge a working relationship with the Biden administration on several matters of joint economic and political interest.
- Pending regulatory reforms, the implementation of new requirements under USMCA are among the factors causing headwinds in the economy. GDP growth, which has been erratic since the outset of the pandemic, is expected to slow in 2022 after posting a 4.8% gain in 2021.

Mexico Commercial Vehicle Universe 2015 and 2022

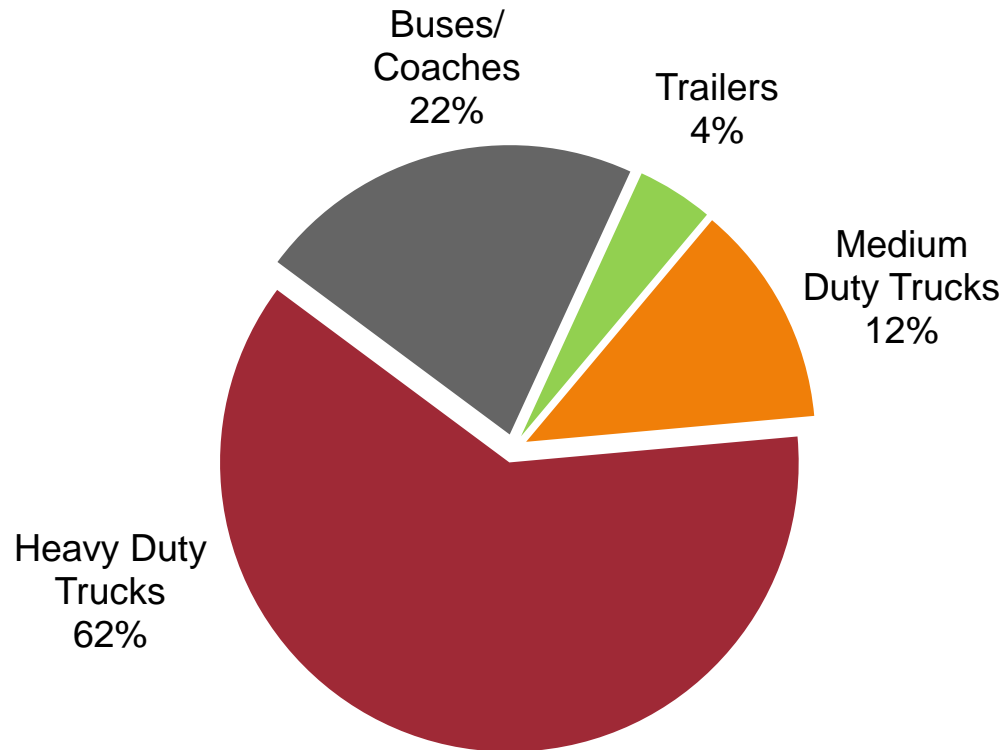
	2015	2022
Medium Duty Trucks	112,100	83,500
Heavy Duty Trucks	299,500	361,500
Total Buses*	145,500	155,000
Trailers	212,000	269,000
TOTAL	769,100	869,000

* Includes Transit Buses & Motor Coaches

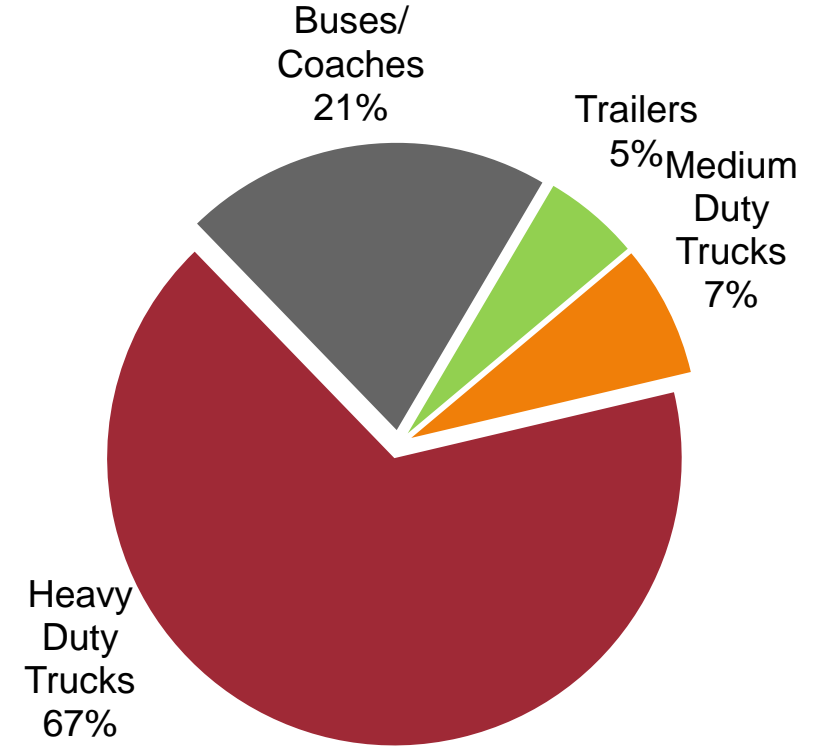
Mexico – Total Market Potential (U.S. Dollars)

Type of Vehicle

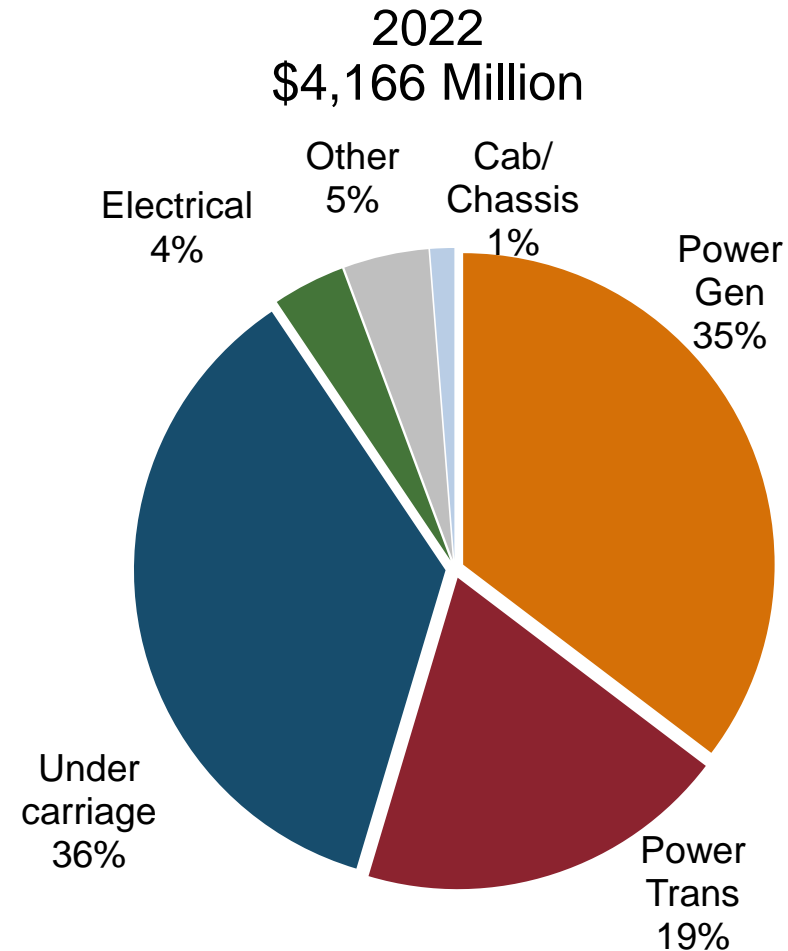
2015
\$3,631 Million



2022
\$4,166 Million

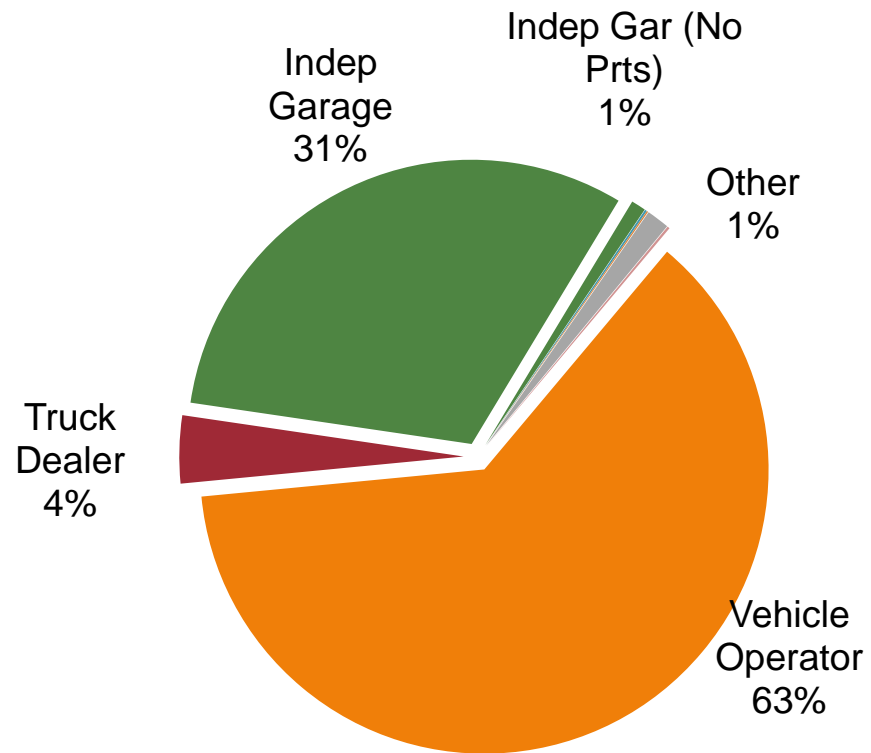


Mexico – Total Market Total Replacement Market By Product Category

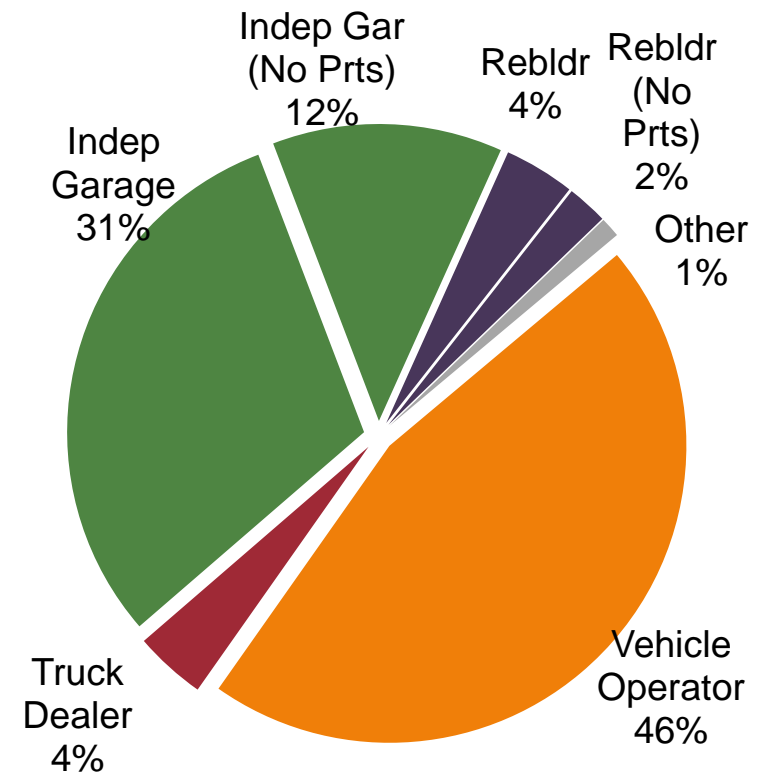


Mexico – Total Market Point of Service

2015

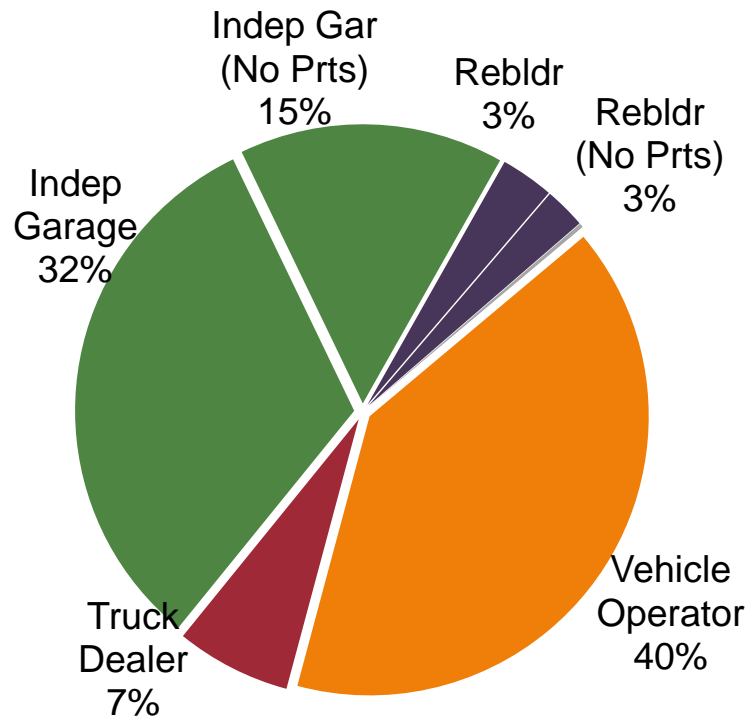


2022

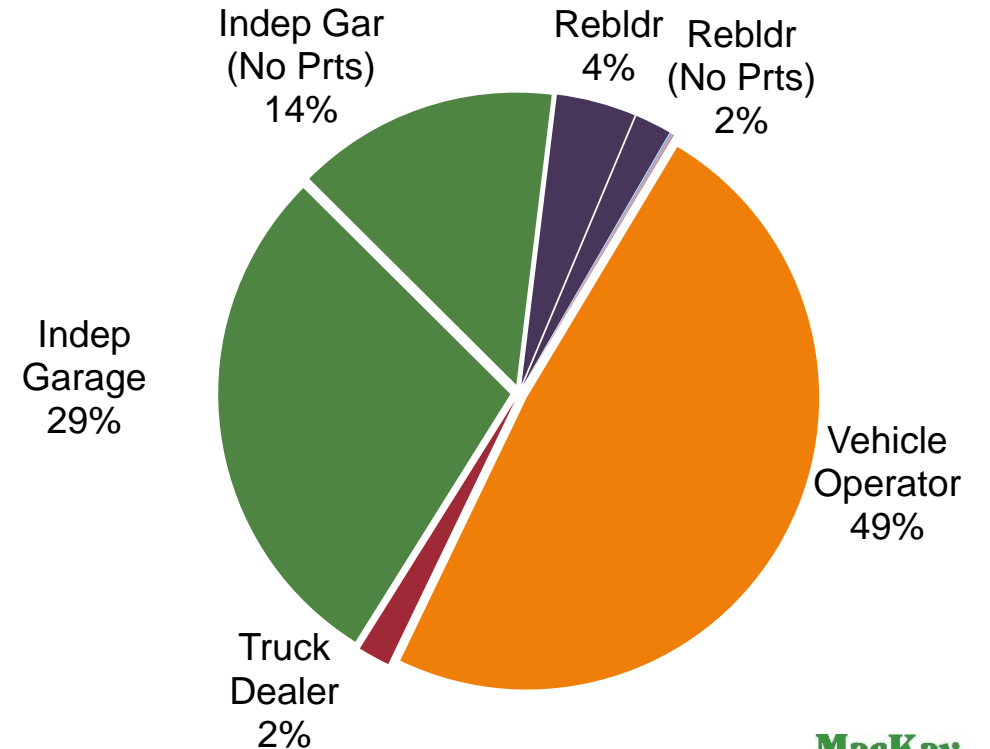


Mexico – Power Generation Point of Service

2022
Power Generation
\$1,472 Million

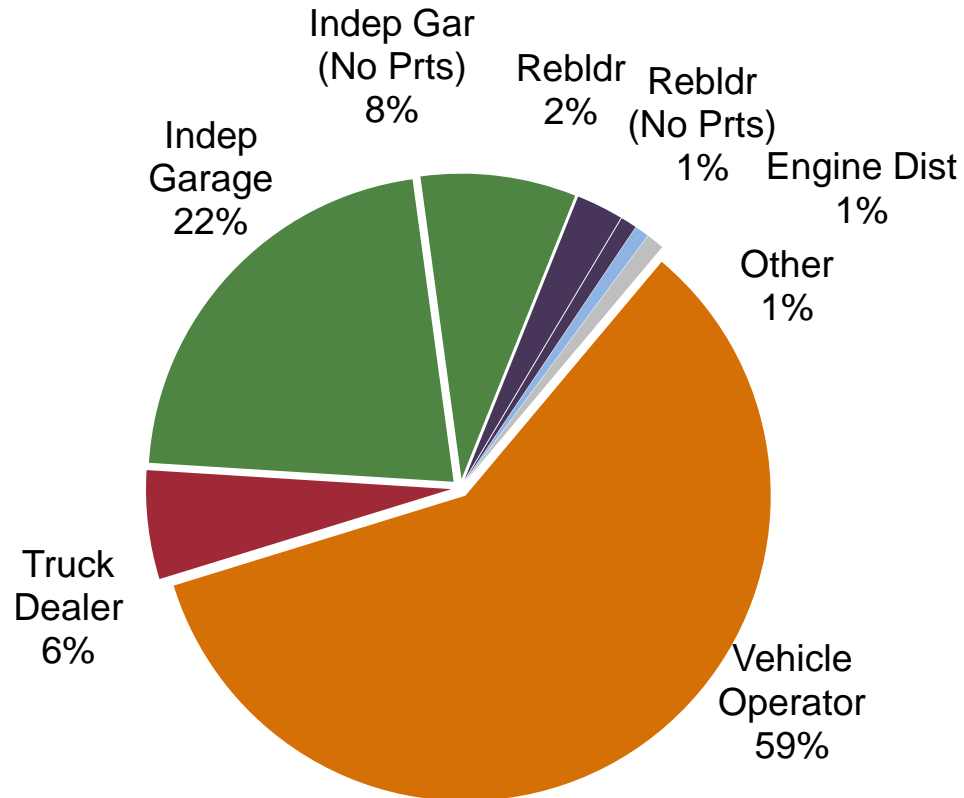


2022
Undercarriage
\$1,498 Million

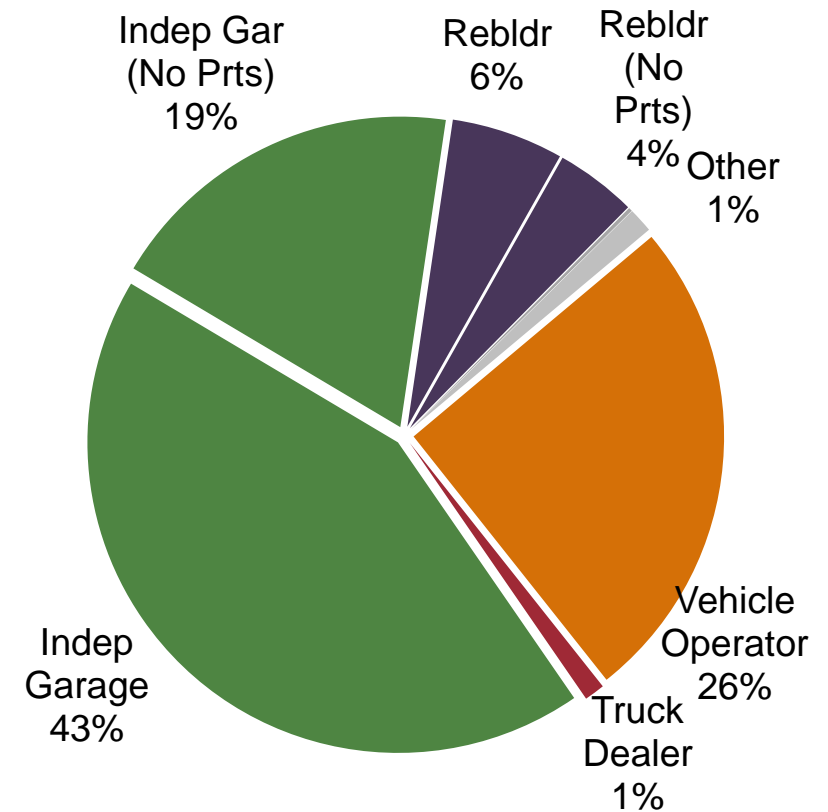


Mexico – Total 2022 Market Point of Service by Vehicle Age

0 – 10 Years Old

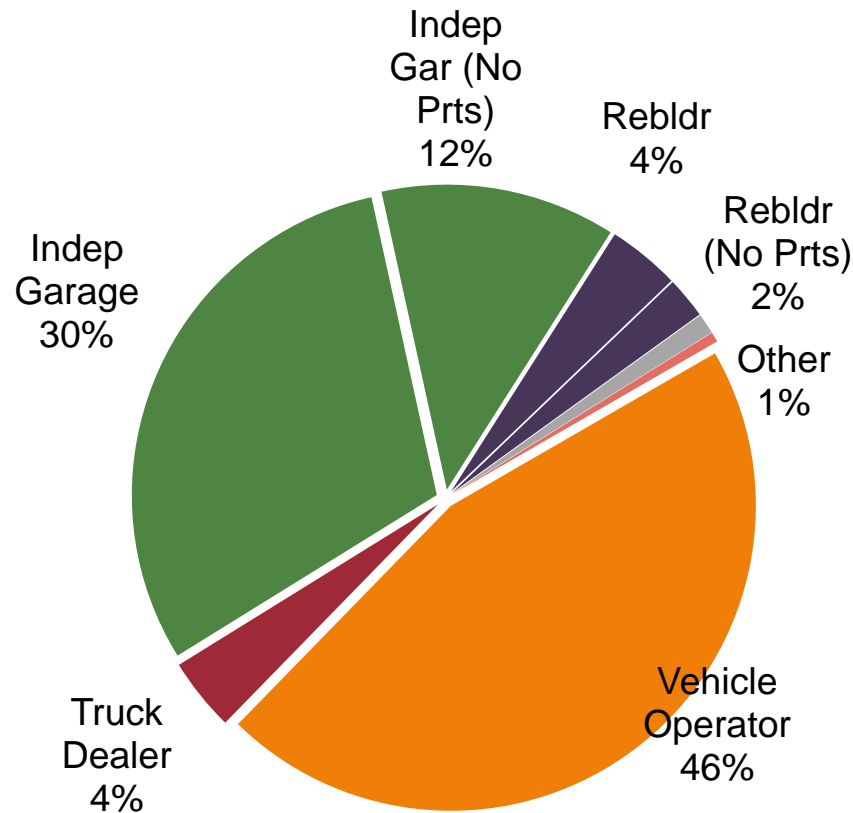


11 Years and Up

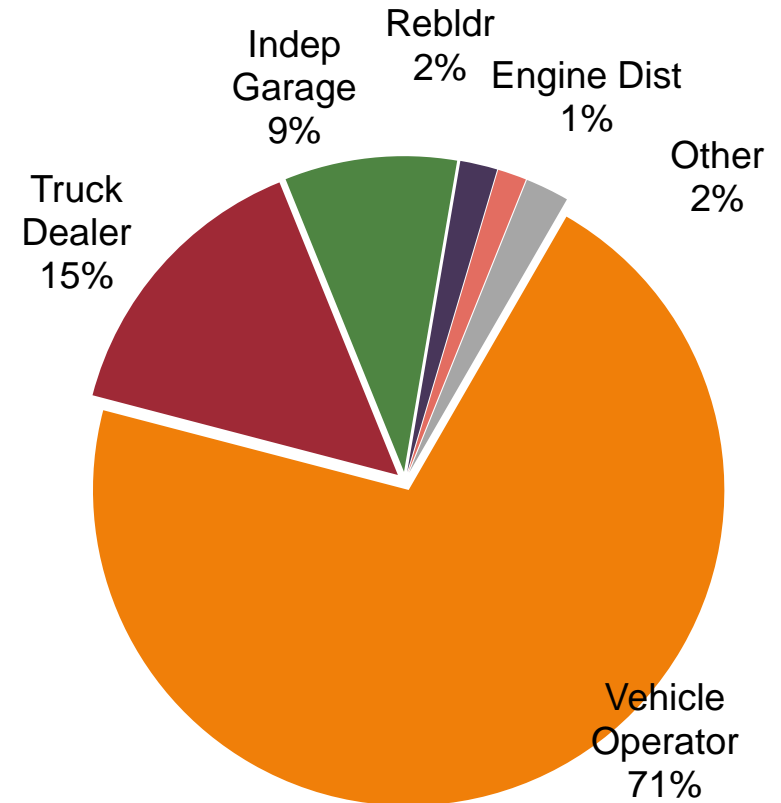


Mexico – Total Market Point of Service in 2022 Mexico Compared to United States

Mexico



United States

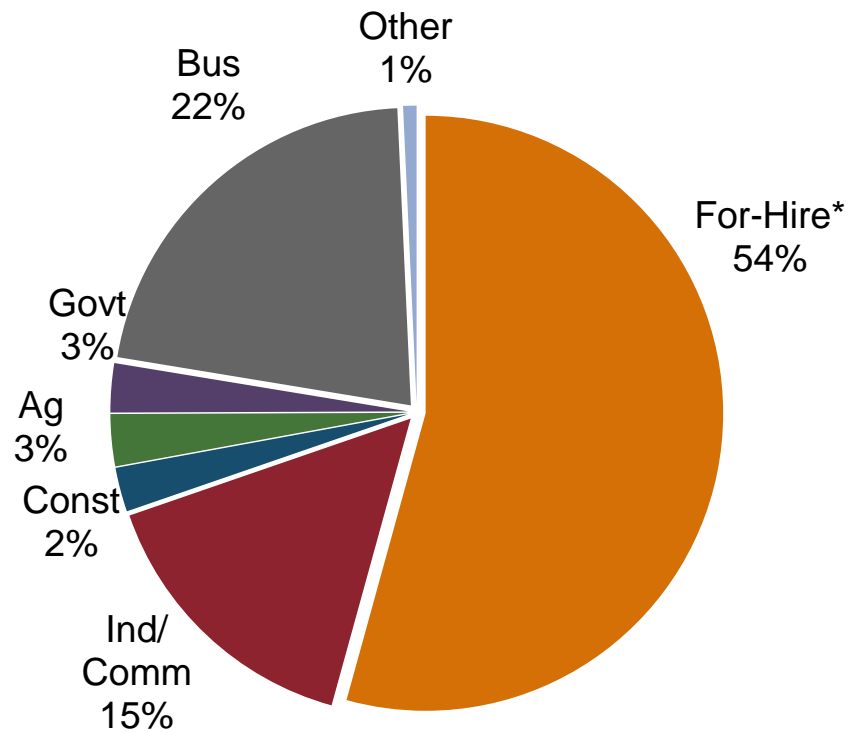


Mexico – Total Market

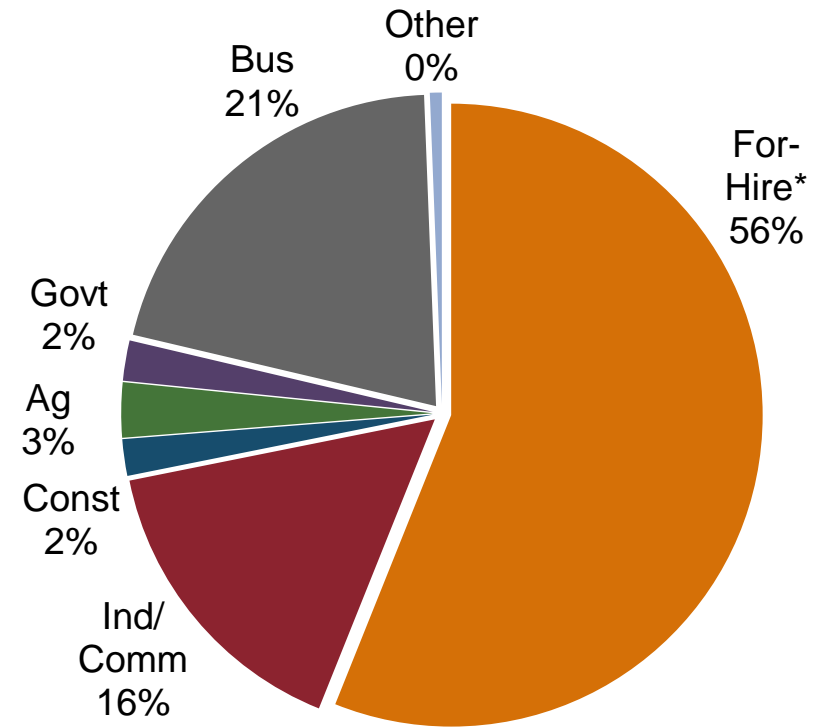
Total Replacement Market

End User Vocation

2015
\$3,631 Million



2022
\$4,166 Million



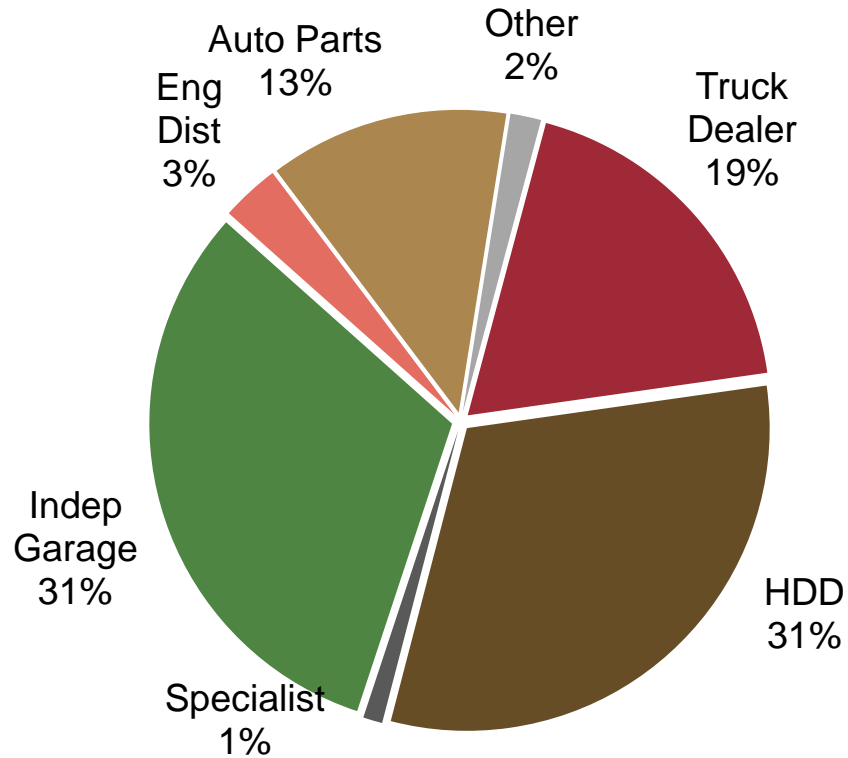
* Includes Owner/Operators

Mexico – Total Market

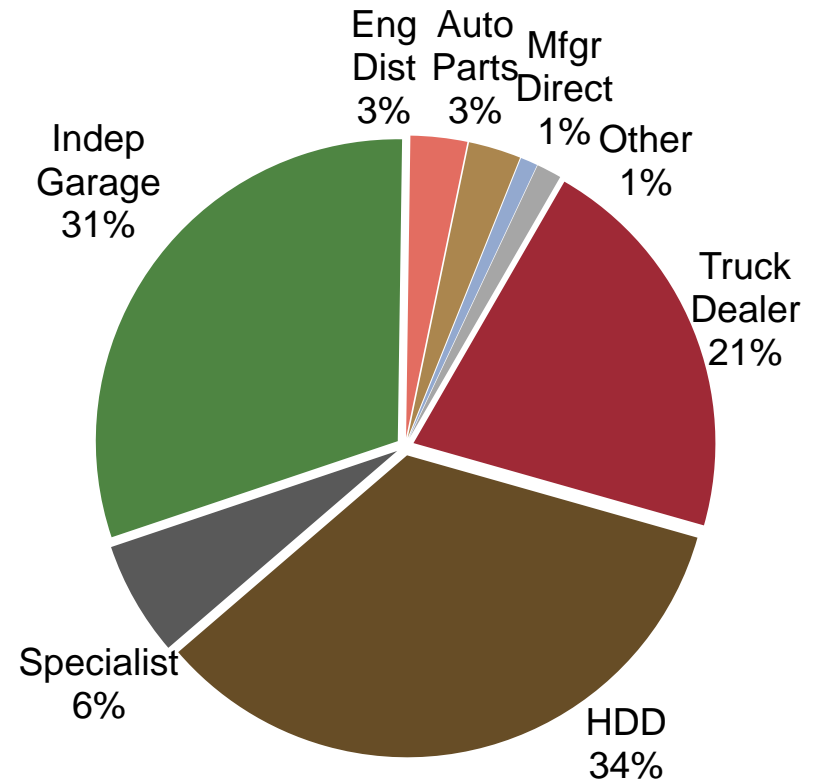
Total Replacement Market

Market Share – Point of Final Sale

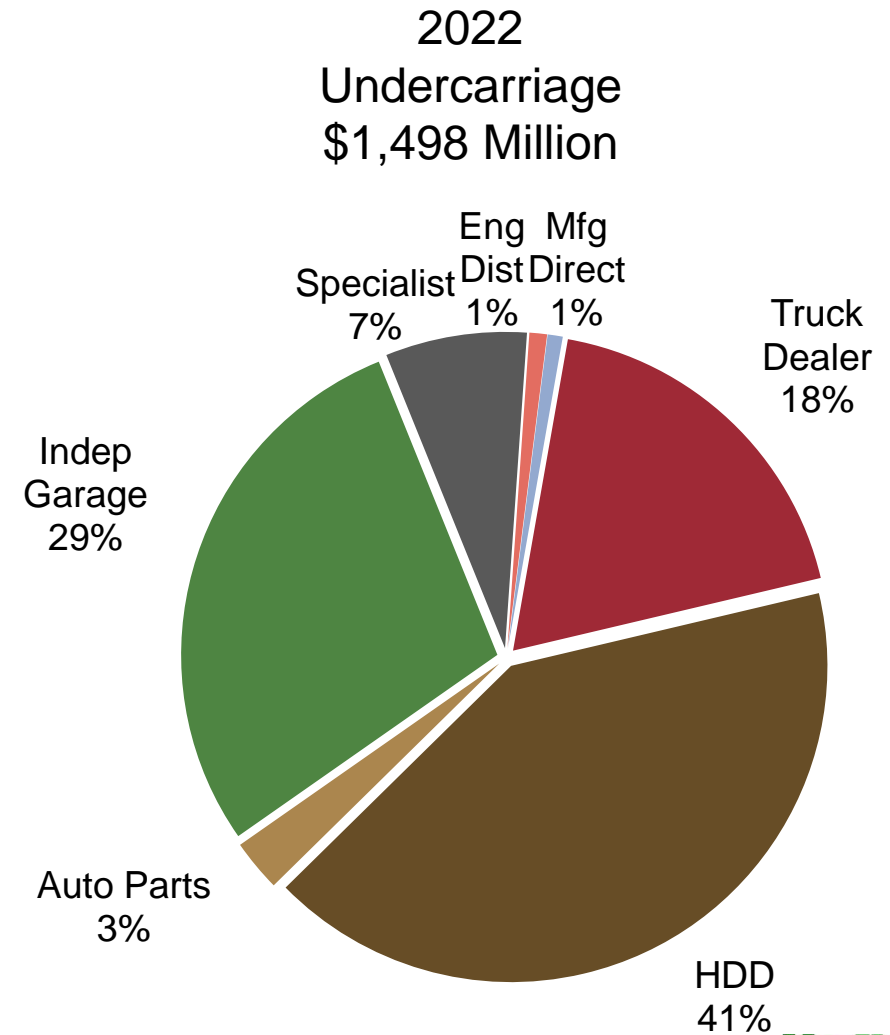
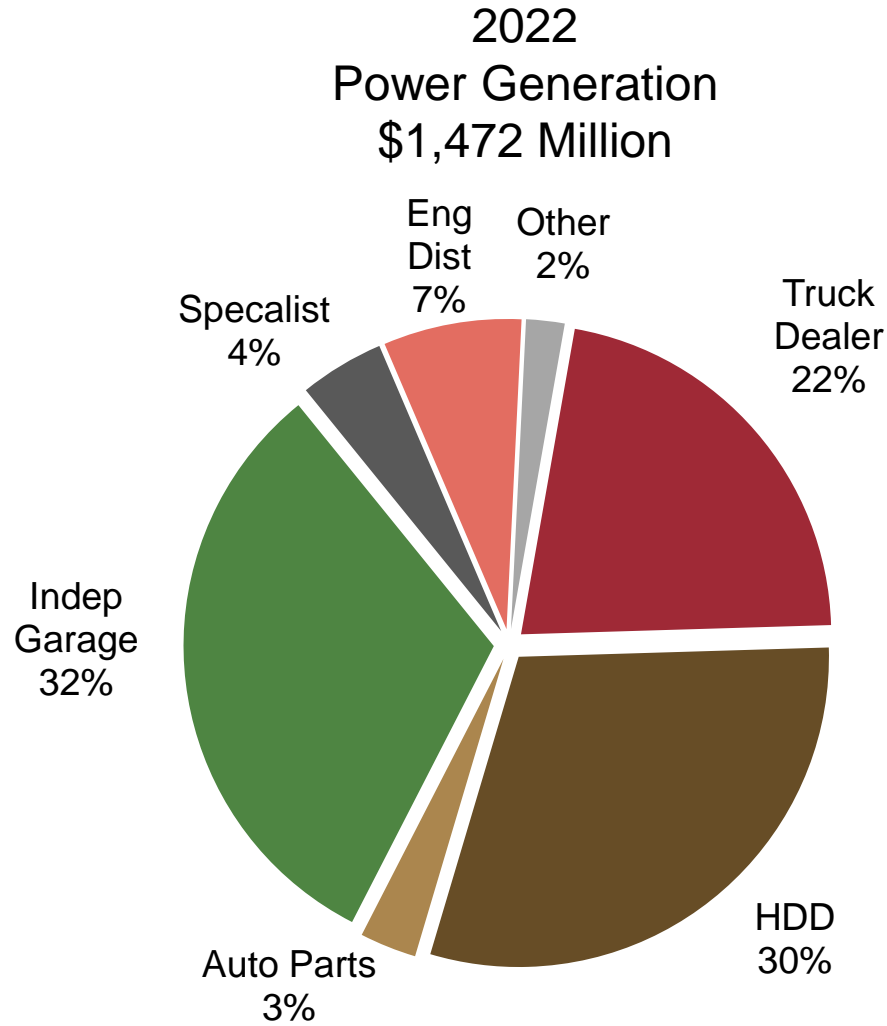
2015
\$3,631 Million



2022
\$4,166 Million



Mexico – Power Generation Point of Final Sale

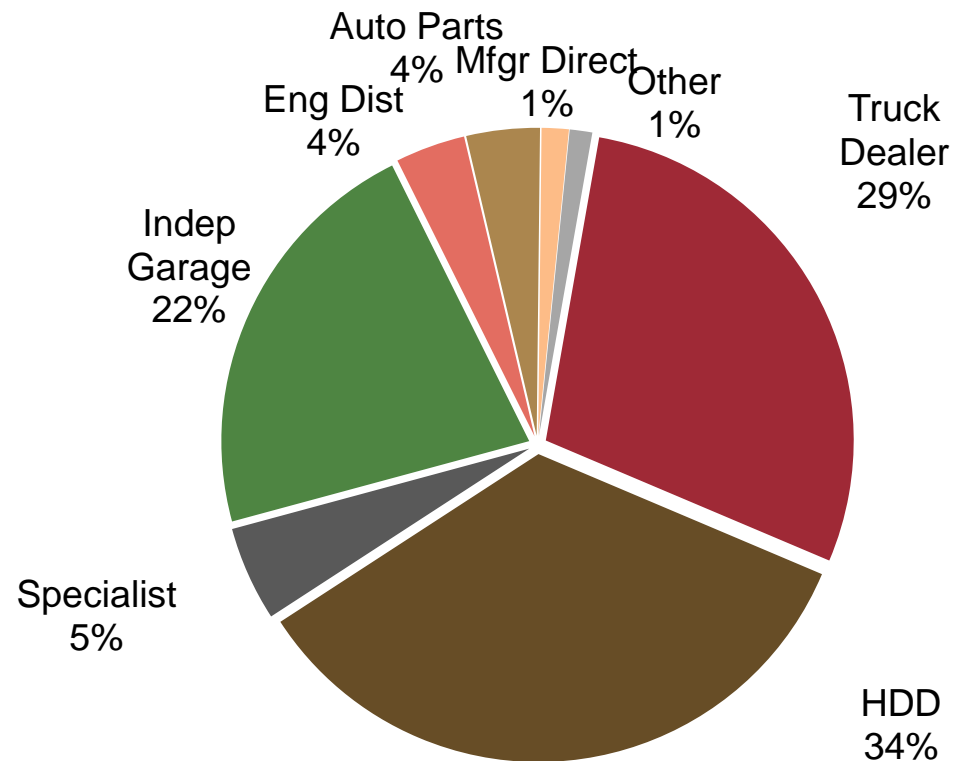


Mexico – Total Market

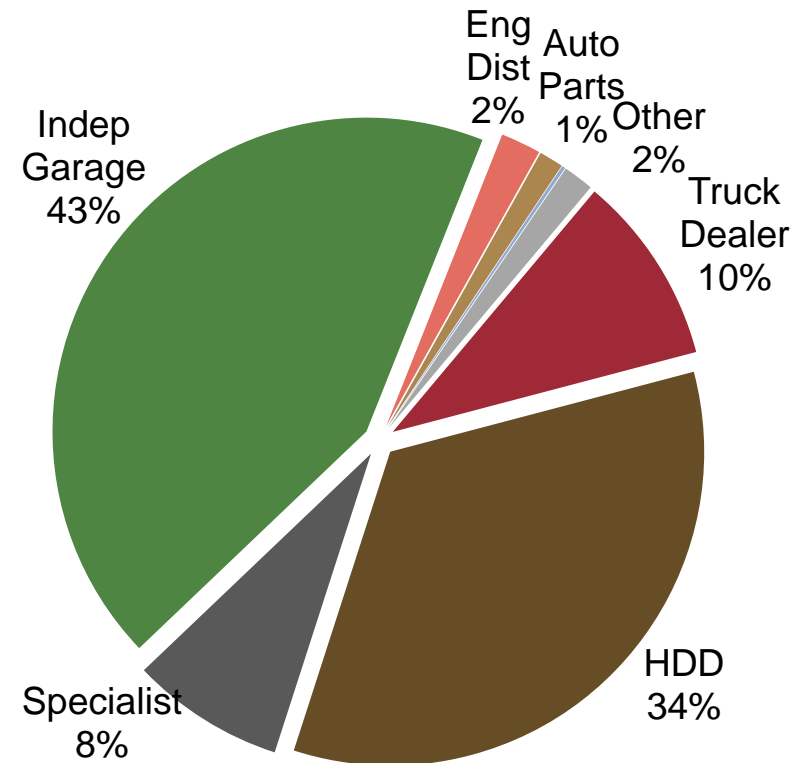
Total 2022 Replacement Market

Market Share – Point of Final Sale by Age

0 – 10 Years Old

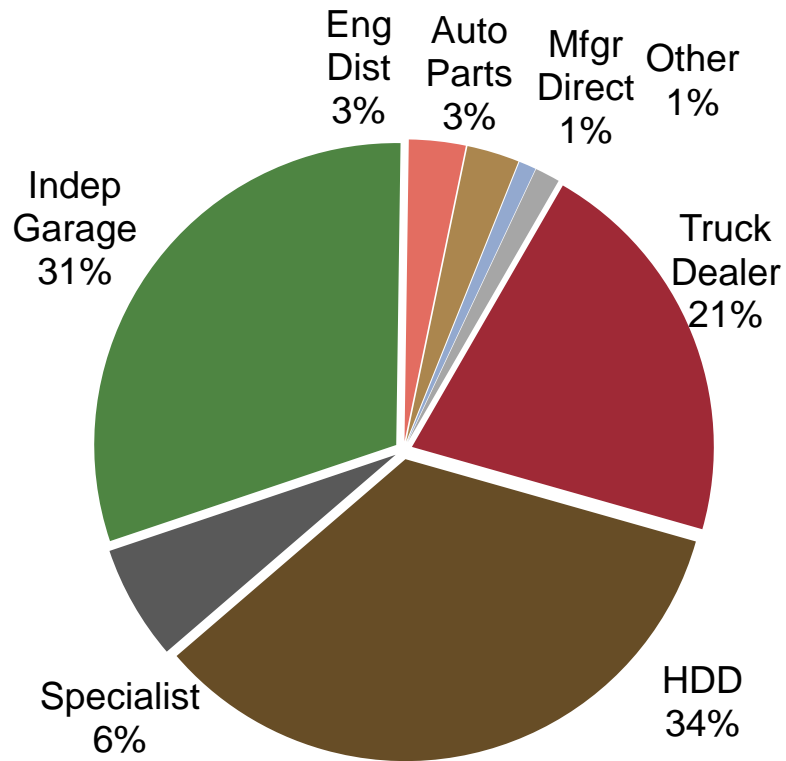


11 Years and Up

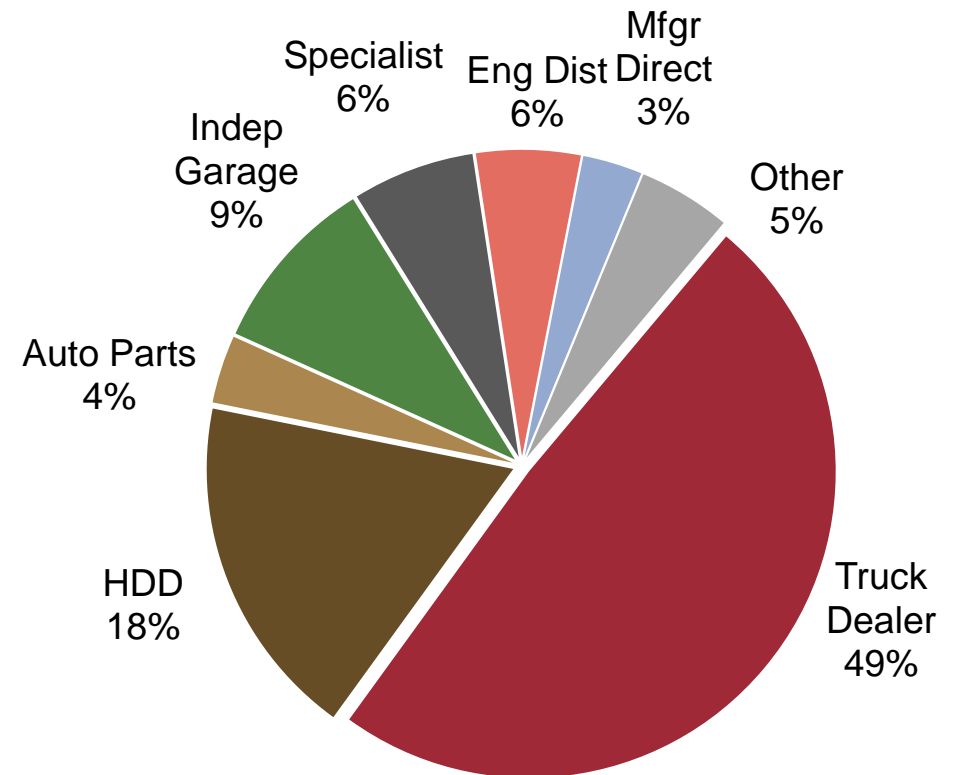


Total Replacement Demand Market Share – Point of Final Sale Mexico Compared to United States

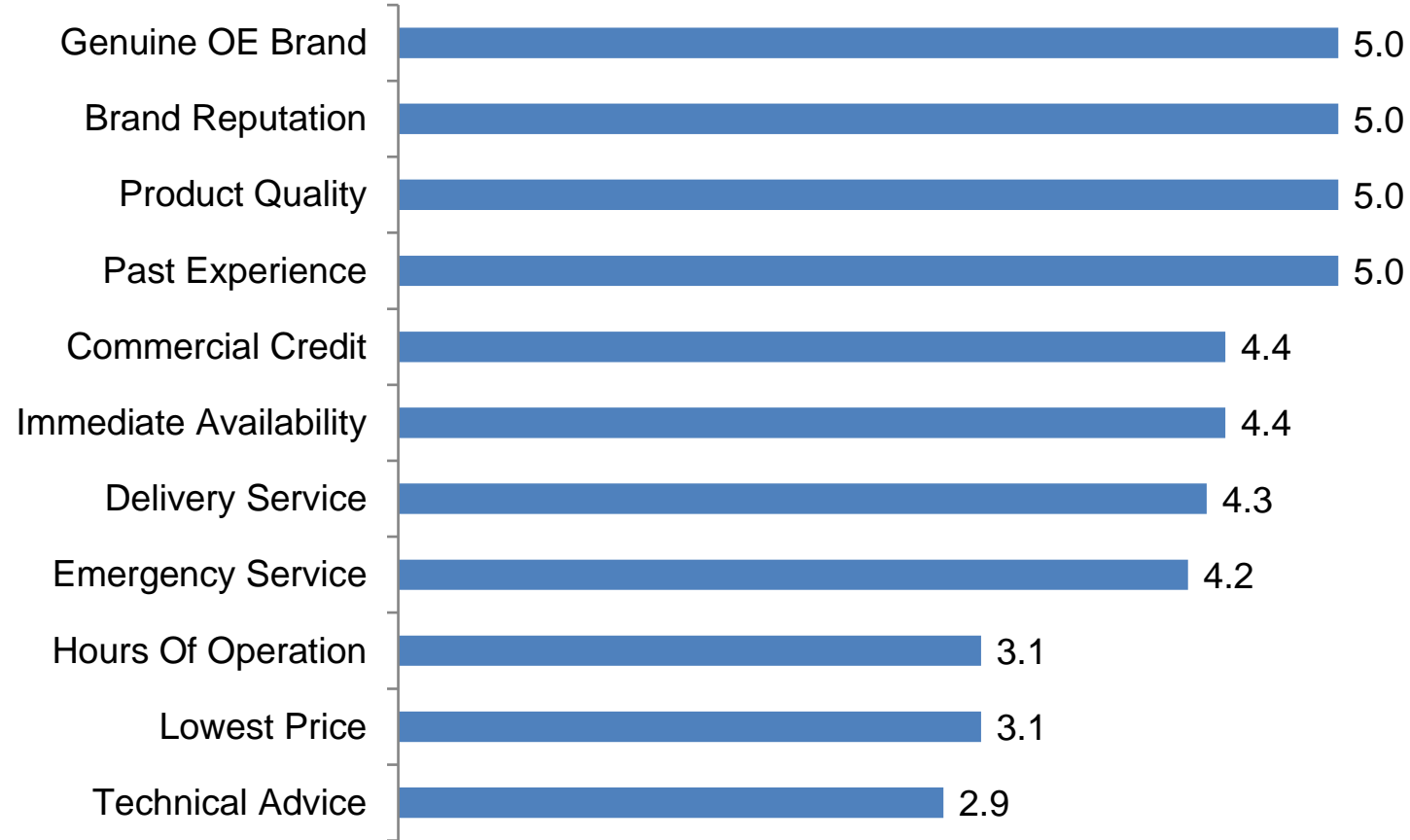
Mexico



United States



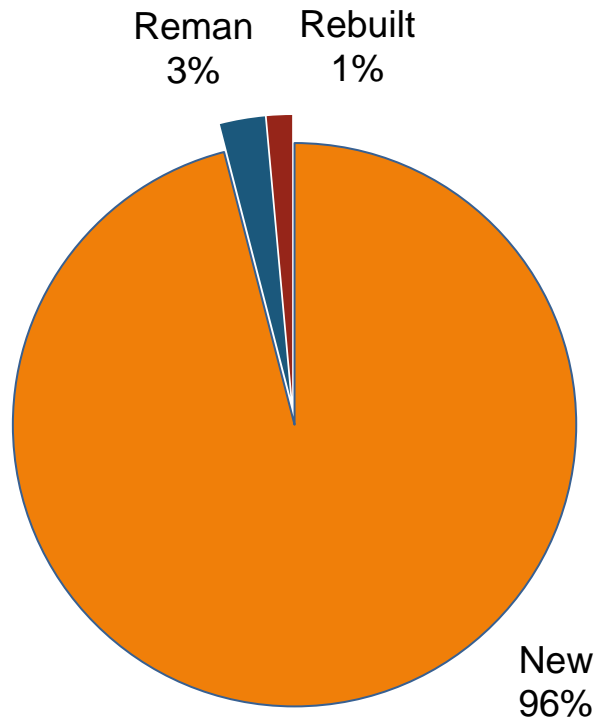
Mexico Vehicle Operator Point of Purchase Rationale



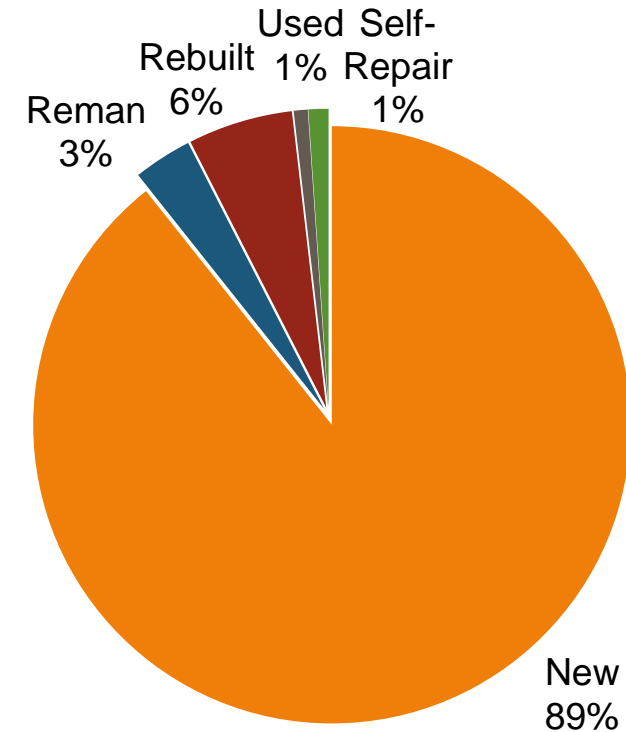
5 = Extremely Important, 1= Totally Unimportant

Type of Replacement Total Mexico Aftermarket Percentage of Total Parts Expenditures

2015



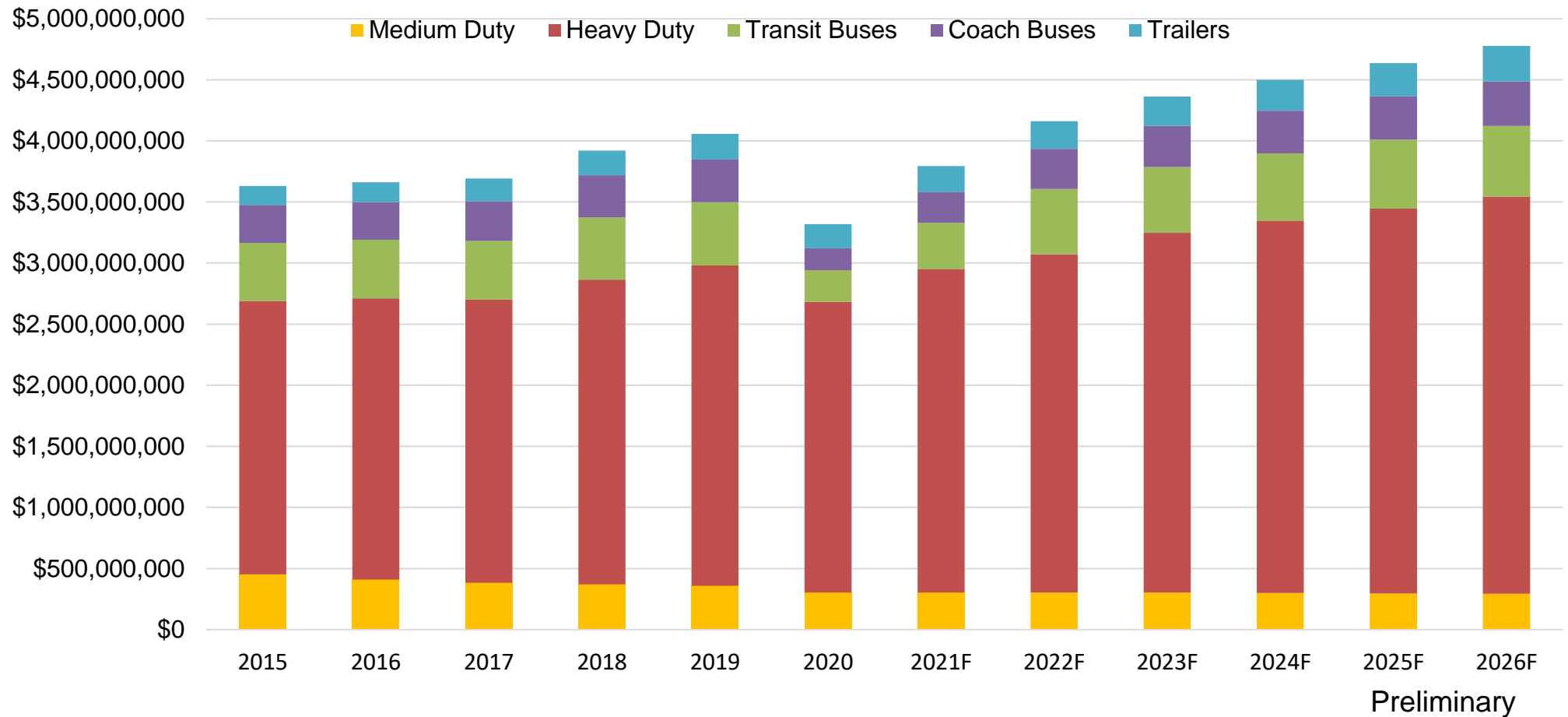
2022



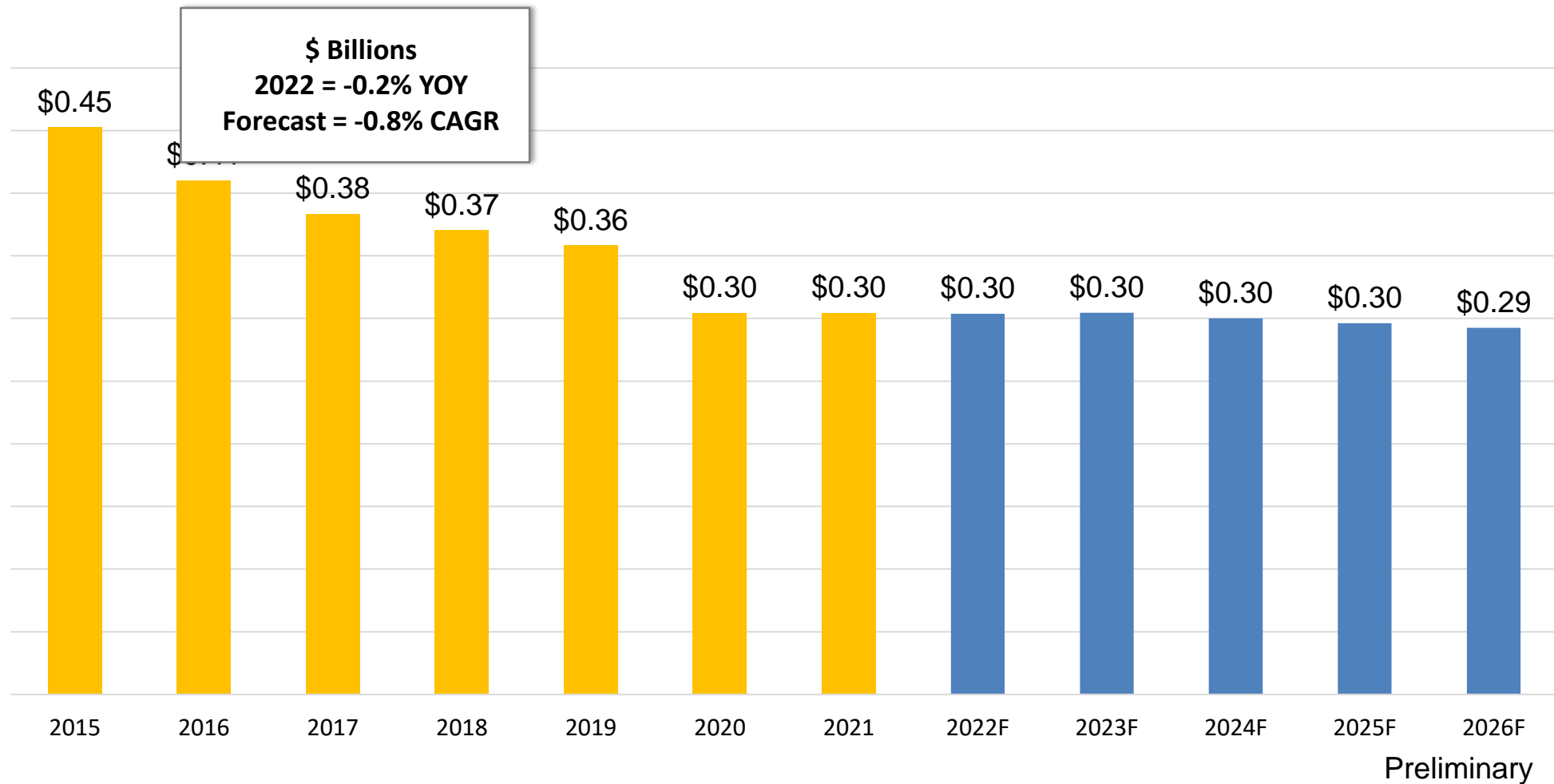
Mexico Commercial Vehicle Parts Aftermarket Outlook

- Economy
- Retail Sales
- Fleet Utilization
- New Technologies Penetration
 - Electric Vehicles, Hybrid, Electric Axles, Emissions Components, Other
- Supply Chain
 - Parts, new trucks,
 - Other industries impact
- Covid?, Ukraine, Oil , Other?

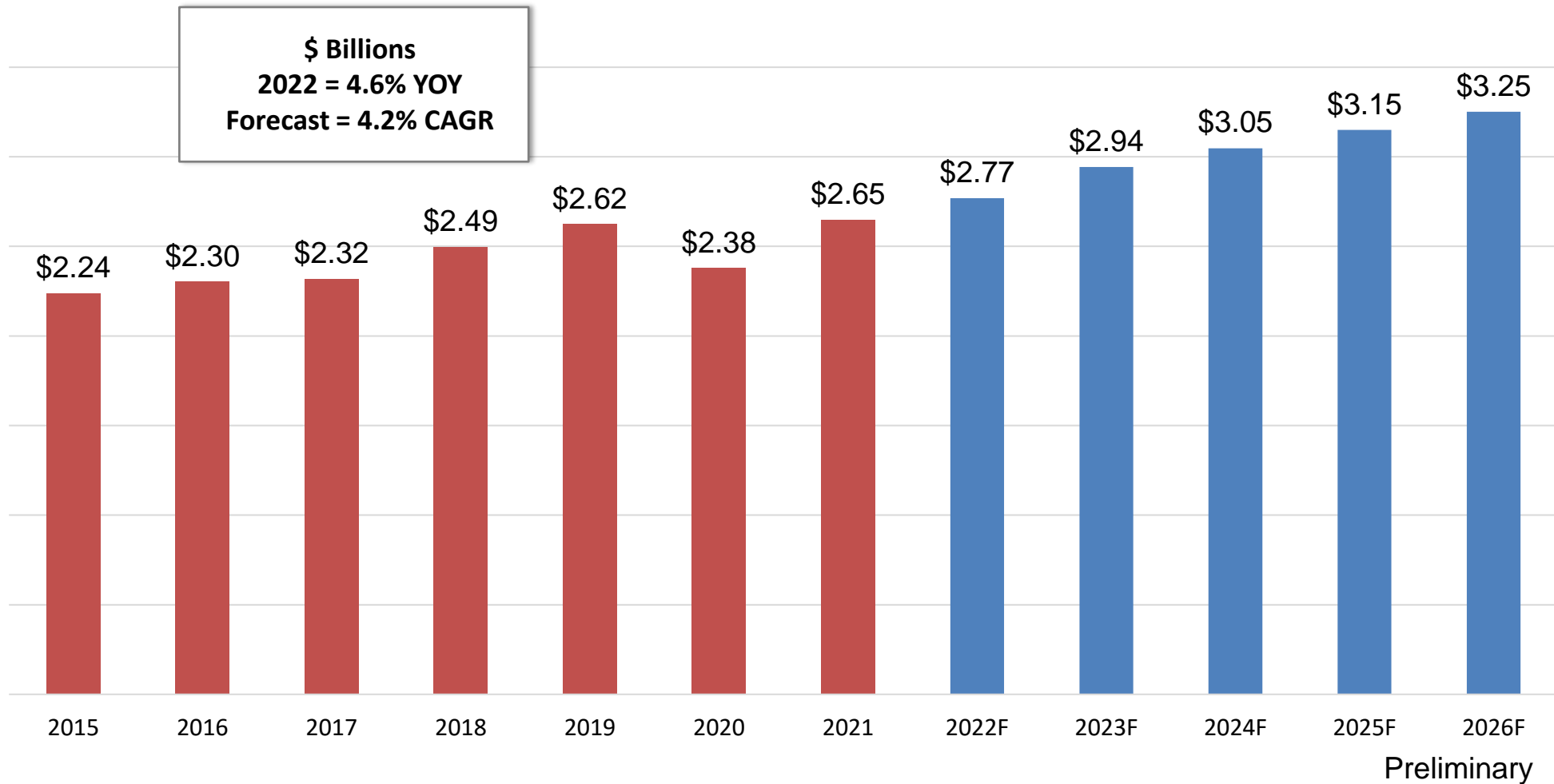
Mexico Aftermarket Demand Class 6-8, Buses and Trailers March 2022



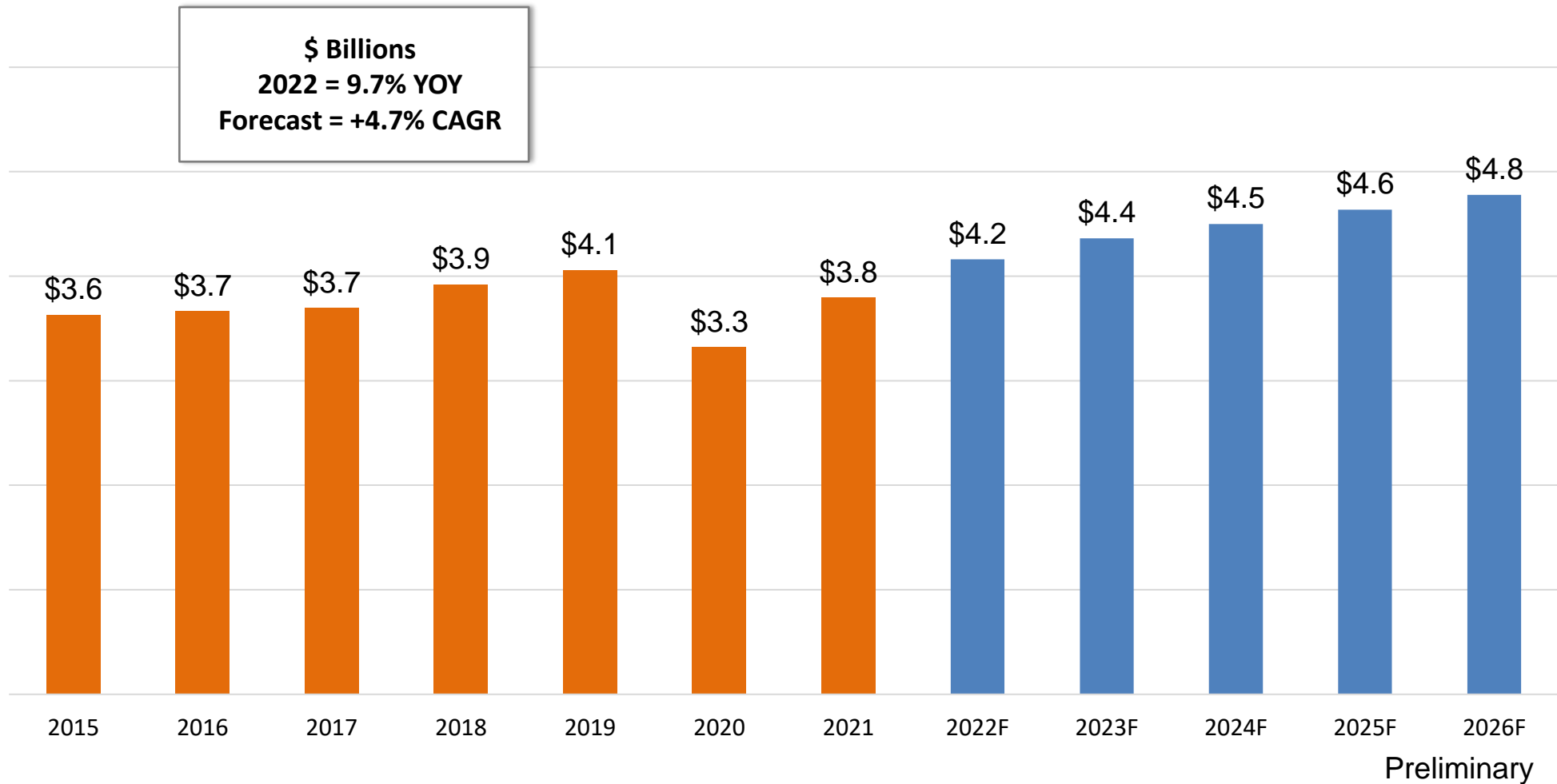
Mexico Aftermarket Demand Medium Duty Power Units March 2022



Mexico Aftermarket Demand Heavy Duty Power Units March 2022



Mexico Aftermarket Demand Class 6-8, Buses and Trailers March 2022





DataMac[®] Truck and Bus



**MacKay
& Company**

Questions?

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