



# The impact of Electrification on the IAM

How EV adoption, shifting vehicle technologies, and product phase-outs are reshaping aftermarket strategies

Jeroen Koopman, WESP  
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# WESP

## We Support Performance

WESP connects the entire automotive value chain — from manufacturers to workshops. We drive collaboration, enable data-driven decisions, and strengthen loyalty through insight and transparency — creating value and powering workshop digitalization across the network.

We provide benchmark dashboards, fact-based consultancy and data-driven insights for the automotive aftermarket. WESP developed software applications to collect, clean, standardize and enrich retail market data for the aftermarket.

We serve:

- Independent and authorized workshops
- Workshop networks
- GMS Applications
- Parts manufacturers
- Wholesale & parts distributors



*‘We believe in data driven decision-making’*

*‘We support the aftermarket by transforming retail data into standardised information’*



# WESP

## We Support Performance

### Retail support



Benchmark dashboard for workshops. connected to 80+ Garage Management Systems

>3.000 workshops in Europe (The Netherlands, Germany, Spain, Poland, Belgium, Luxemburg, UK, France and Italy)

### Data solutions



Fact-based market data with market shares, market trends, price and margin structures and replacement rates for the aftermarket based on ERP invoice lines.  
(8 million cars ,500 million invoice lines)

*Our fact-based data solutions feeds the digitalisation and improve your decision making*

# Product Portfolio

We Support Performance



## Retail support

- Workshop performance Dashboard (WPD)

*Fact based consultancy with a benchmark BI dashboard*

- Predictive maintenance (PRM)

*Daily service prediction per car*

- WESPMail (WML)

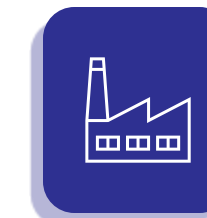
*Mail the customers of workshop on the right moment with service topics*

- Network Performance Dashboard (NPD)

*Dashboard with access to data of individual franchise members*

- Basic Performance Indicator (BPI)

*Low entry basic product that shows where you are underperforming*



## Data solutions

- Total Market calculator (TMC)

*Improve your prediction model for market calculations*

- Parts performance Dashboard (PPD)

*Dashboard with Market development, Pricing and retail margin*

- Portfolio Gap Assessment (PGA)

*Calculate the market size per country for your portfolio gaps*

- EV Parts Data (EPD)

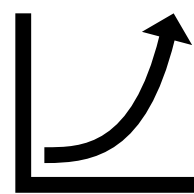
*Discover new product groups and new markets*

- WESP Market update (WMU)

*Monthly market update by WESP business analyst*

# WESP Research report: Impact (B)EV on the aftermarket 2035

## Revenue growth



Fleet expansion  
+3,5%



Fleet aging  
+ 6,9%

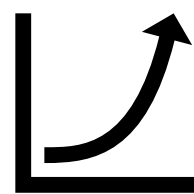


Electrification  
-/- 3,8%

+ 6,5%

# WESP Research report: Impact (B)EV on the aftermarket 2035

## Revenue growth



Fleet expansion  
+3,5%



Fleet aging  
+ 6,9%



Electrification  
-/- 3,8%

+ 6,5%

## Lower parts margin



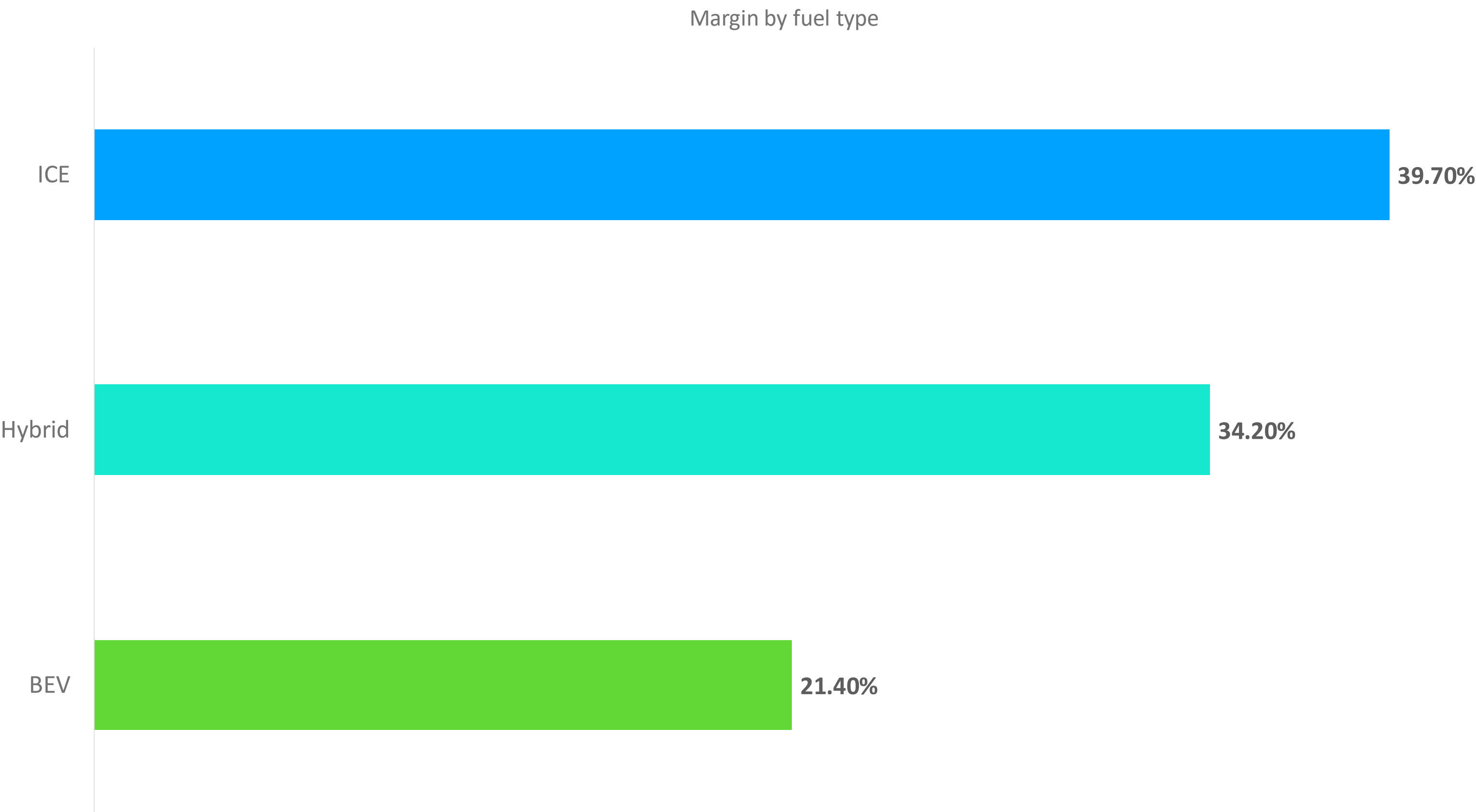
Product mix and pressure from the industry  
to recover innovation costs

- 10%



# Aftermarket Profitability: Margins by Powertrain

Margin IAM workshop (low margin tyres and parts)



## The Underlying Factors Driving Reduced Profitability

- **Margin Reduction:** BEVs exhibit significantly lower overall aftermarket margins at 21.4%, representing almost a halving compared to ICE vehicles (39.7%) and substantially below Hybrids (34.2%).
- **Long-Term Impact:** With the current relatively lower market share of BEVs, and this significant downward pressure on margins will substantially impact the overall profitability of the aftermarket in the long run.

# Product group analysis

New parts vs Legacy

- New Parts
  - PTC Heater
  - Other EV parts
  - Compressor
- Legacy parts
  - Thermostat
  - Brake discs
  - Track control arms



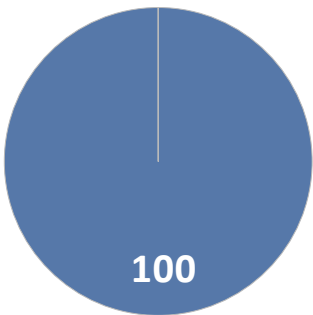
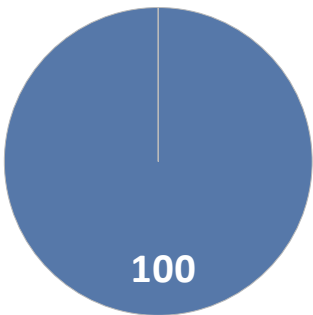
# Price Positioning per GenArt (PTC Heater)

ICE vs. Hybrid vs. Full EV

Legend:

- OEM
- IAM

IAM : Share of offers (%) :

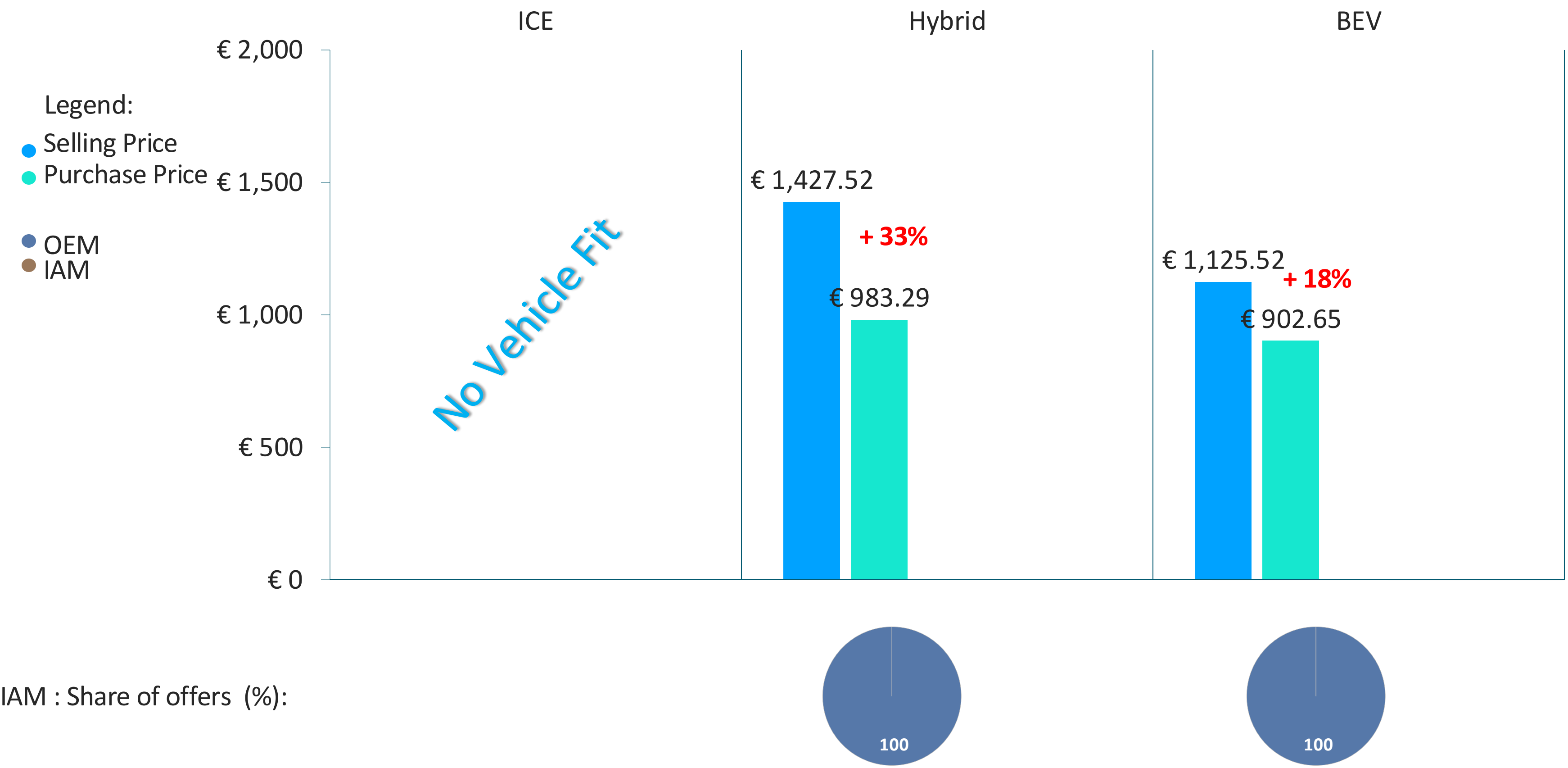


## Key Insights: Profitability and Sourcing

- **Exclusivity of Original Equipment (OE) Parts for EV Heaters:** The market for EV Heaters is entirely dominated by OE offerings.

# Price Positioning per GenArt (PTC Heater)

ICE vs. Hybrid vs. Full EV



## Key Insights: Profitability and Sourcing

- **Opportunity and Challenge for the Aftermarket:** The current lack of Aftermarket offerings for EV Heaters represents both a challenge and an opportunity.

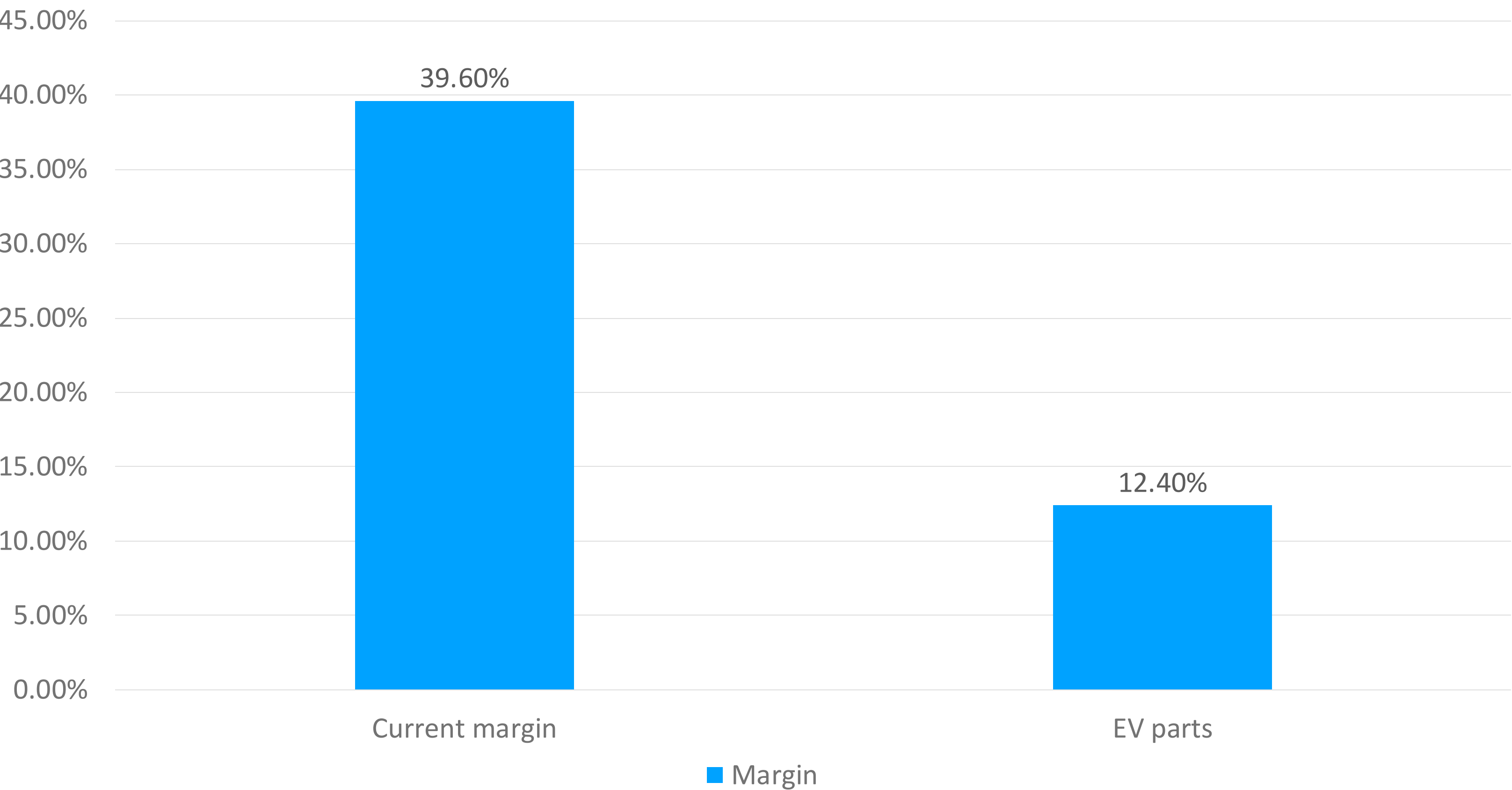
# IAM focus areas

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1. Bringing the right new technology parts to the IAM.

# Margin effect new technology

Margin in IAM on EV parts structurally lower



## Key Insights: Profitability

Many parts are sourced from OEs – leading to low absolute margins to stay competitive – relative to the price of the parts.

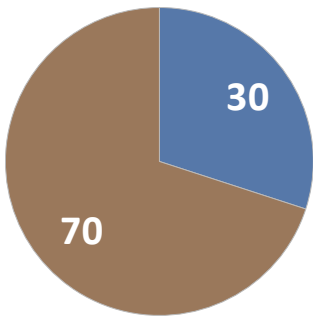
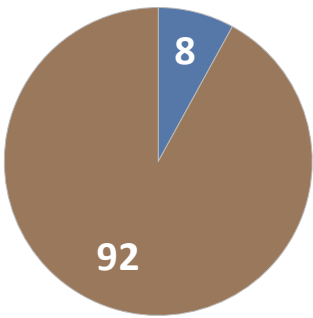
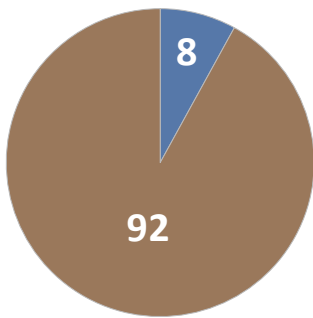
# Share of sales (Compressor)

ICE vs. Hybrid vs. Full EV

Legend:

- OEM
- IAM

IAM : Share of offers (%) :

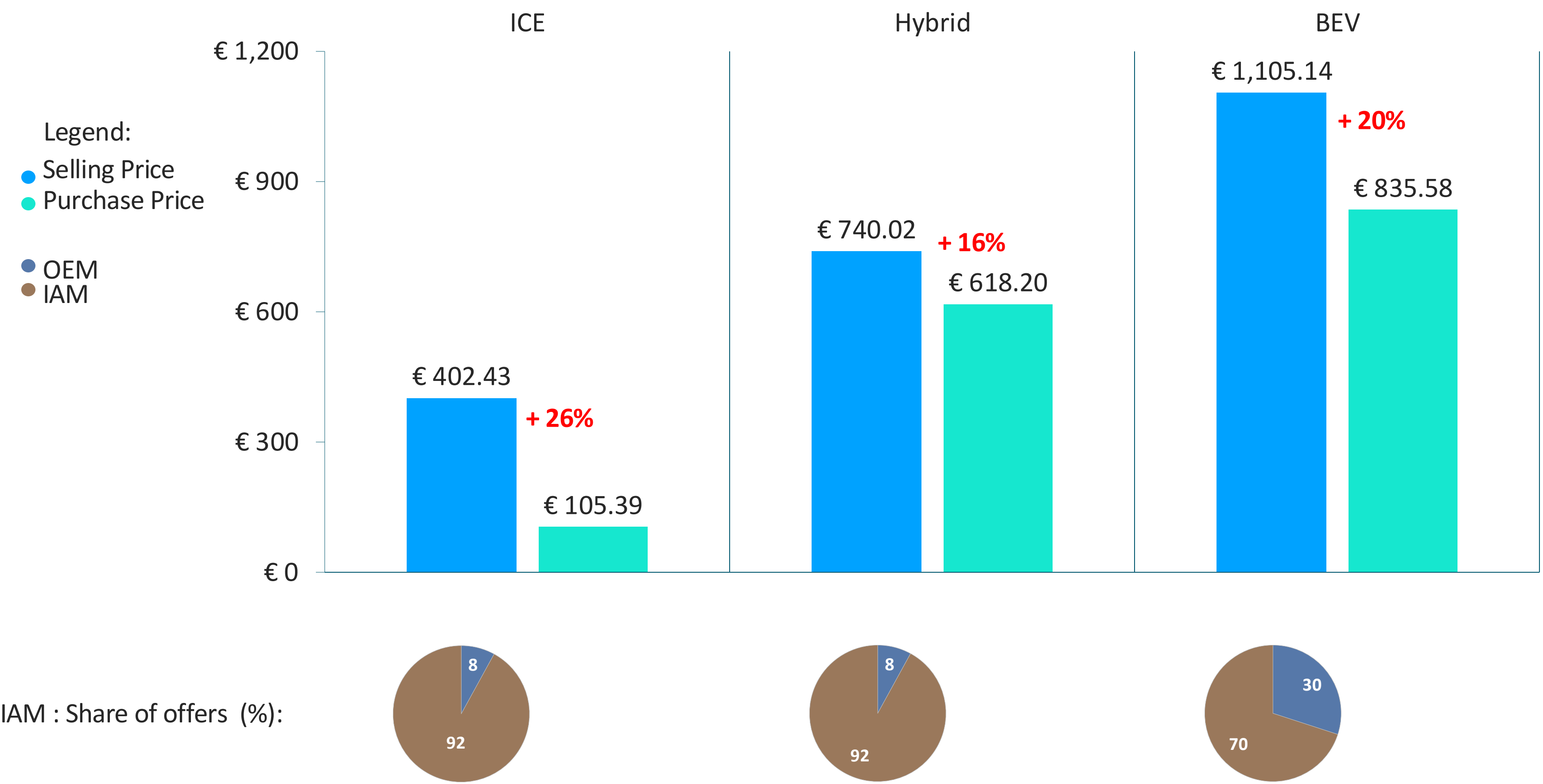


Old technology meets new requirements.

Increasing slice for OEM sales

# Margins (Compressor)

Thermal cluster



## Key Insights: Profitability

Completely different price structures

Compressors EV, IAM parts **not price competitive** to OE



# IAM focus areas

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1. Bringing the right **new** technology parts to the IAM.
2. Finding ROI in existing product portfolios is more difficult as new vehicle brands flood the market and launch cycles accelerate due to rapid tech innovation.

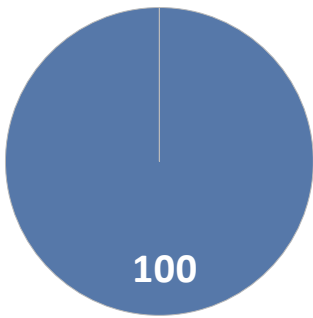
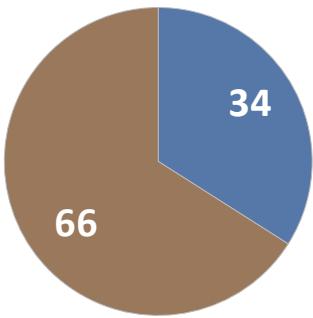
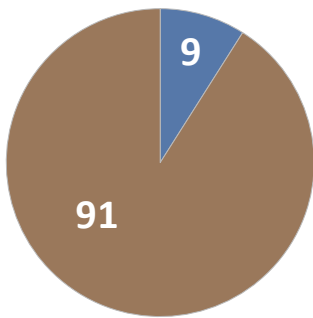
# Share of sales (Thermostat, coolant)

ICE vs. Hybrid vs. Full EV

Legend:

● OEM  
● IAM

IAM : Share of offers (%) :

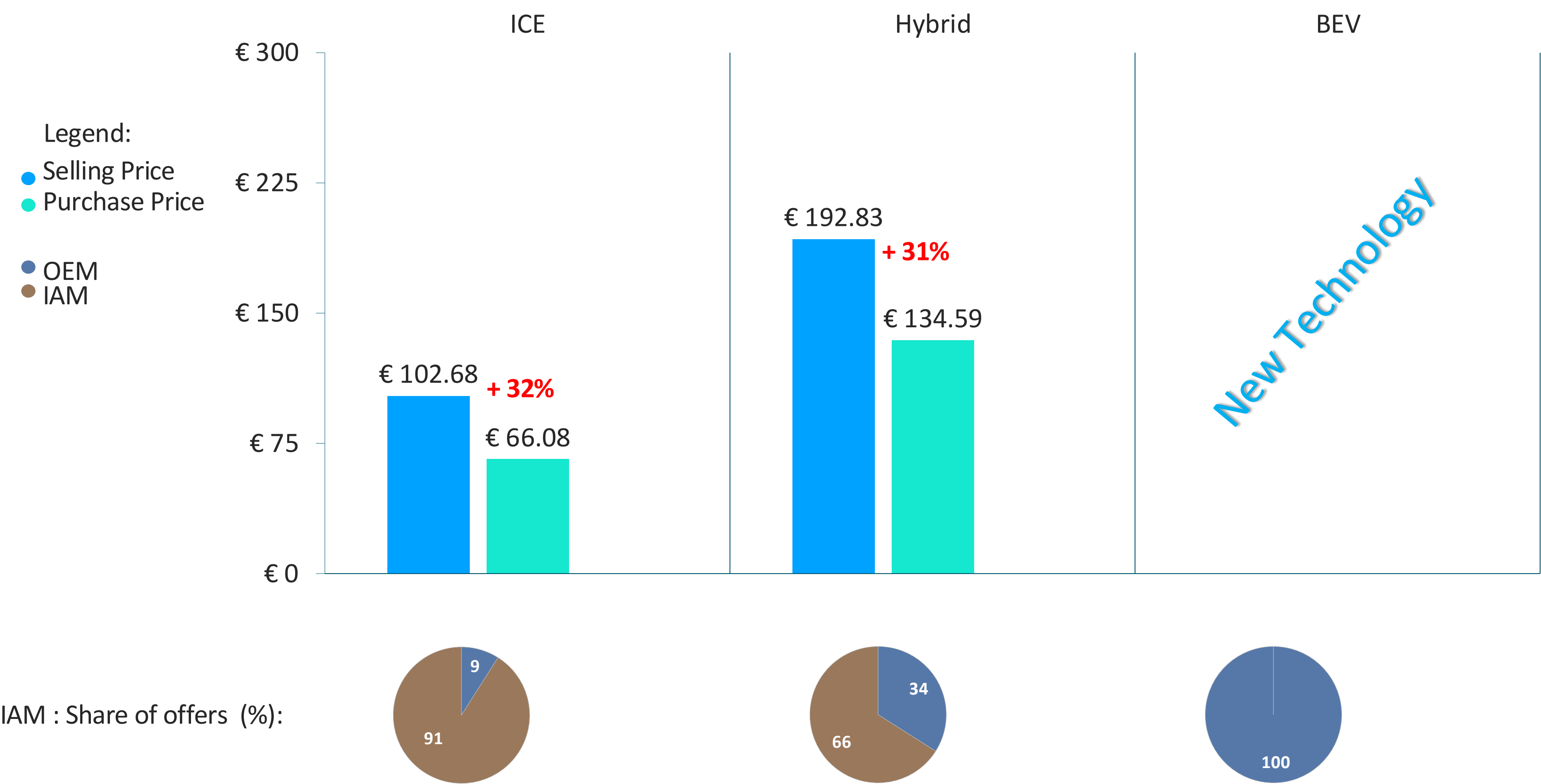


## Key Insights: Profitability and Sourcing

- High share of OE sales in Hybrids despite legacy presence in ICE

# Margins (Thermostat, coolant)

ICE vs. Hybrid vs. Full EV



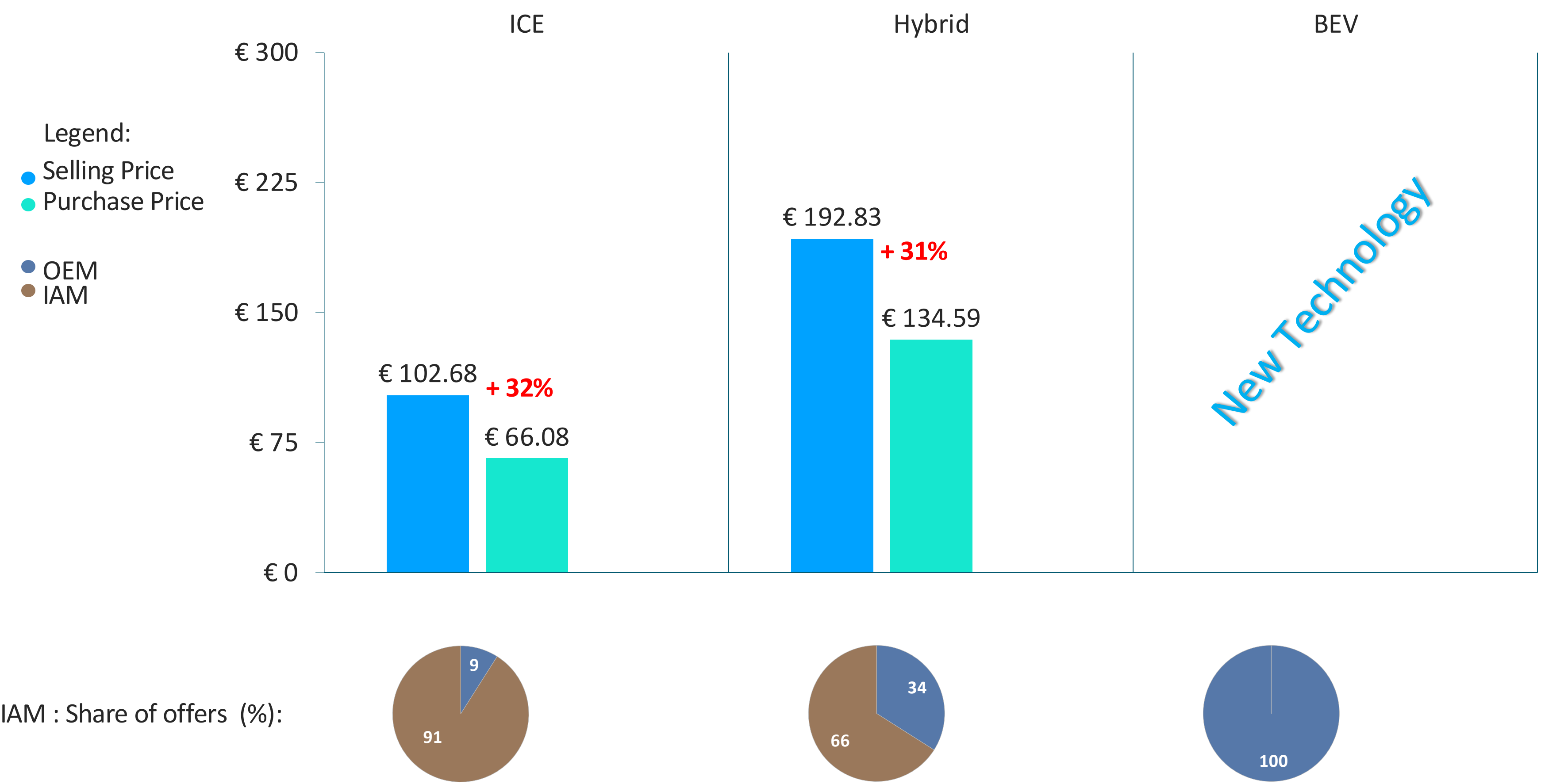
## Key Insights: Profitability and Sourcing

- Same functionality, New technology for Hybrid and BEV Thermostats:

New Technology

# Margins (Thermostat, coolant)

ICE vs. Hybrid vs. Full EV



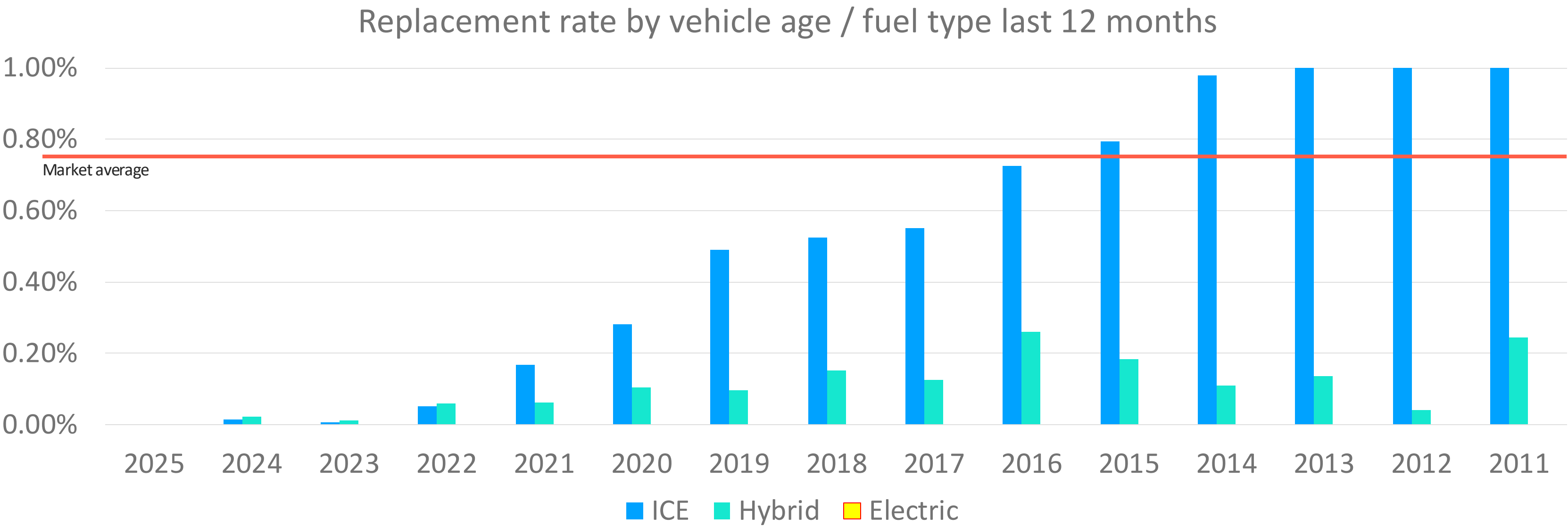
## Key Insights: Profitability and Sourcing

- Same functionality, New technology for Hybrid and BEV Thermostats: What are the correct definitions?
  - Coolant control valves?
  - Thermal management system?
  - Temperature sensor?
  - Heat pump controller?
  - Thermal control valve?
  - Battery management system?
  - Cooling circuits?

New Technology

# Fact-based replacement (Thermostat, coolant)

Product life cycle by vehicle age



## Key Insights: Profitability and Sourcing

- Replacement rates for Hybrid vehicles are systematically lower

# IAM focus areas

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3. Traditional parts are being faced out as products approach end-of-life, reducing ROI potential in legacy portfolios
4. New complexity in data standardisation & product group mapping



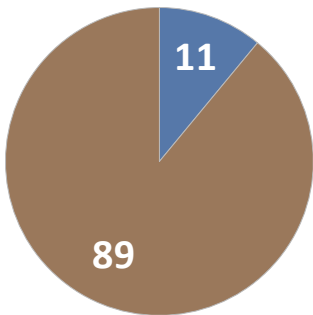
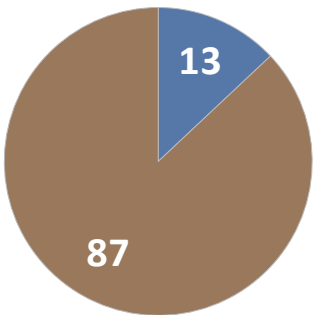
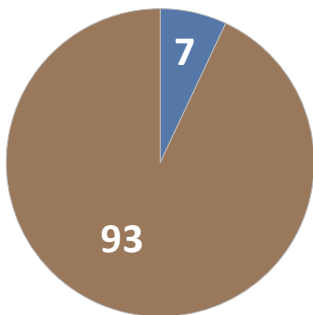
# Share of sales (Brake Disc)

ICE vs. Hybrid vs. Full EV

Legend:

- OEM
- IAM

IAM : Share of offers (%) :

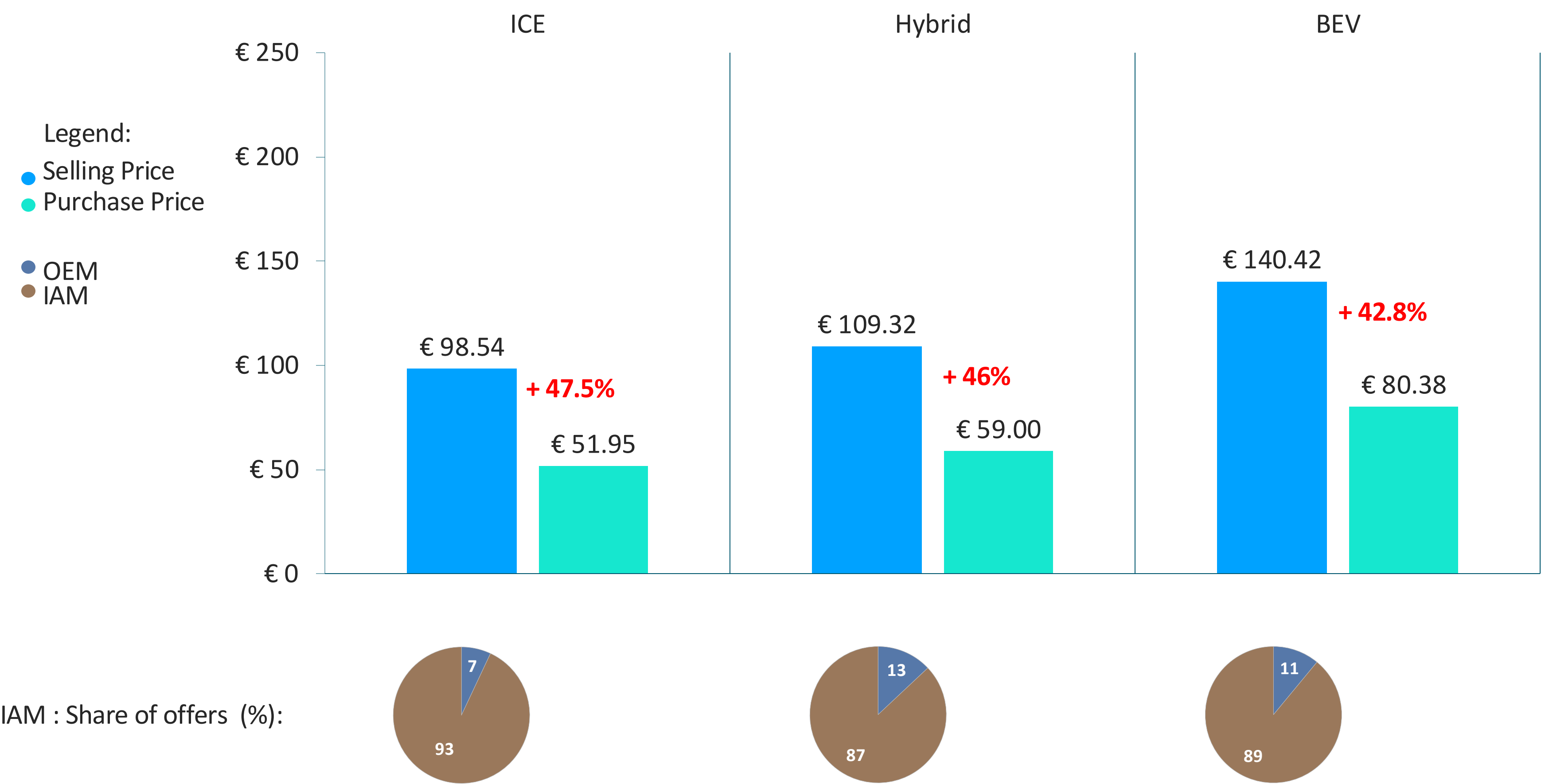


*How leverage these insights to strengthen IAM's position?*

- The presence of IAM is relative across all fuel types

# Margins (Brake Disc)

ICE vs. Hybrid vs. Full EV

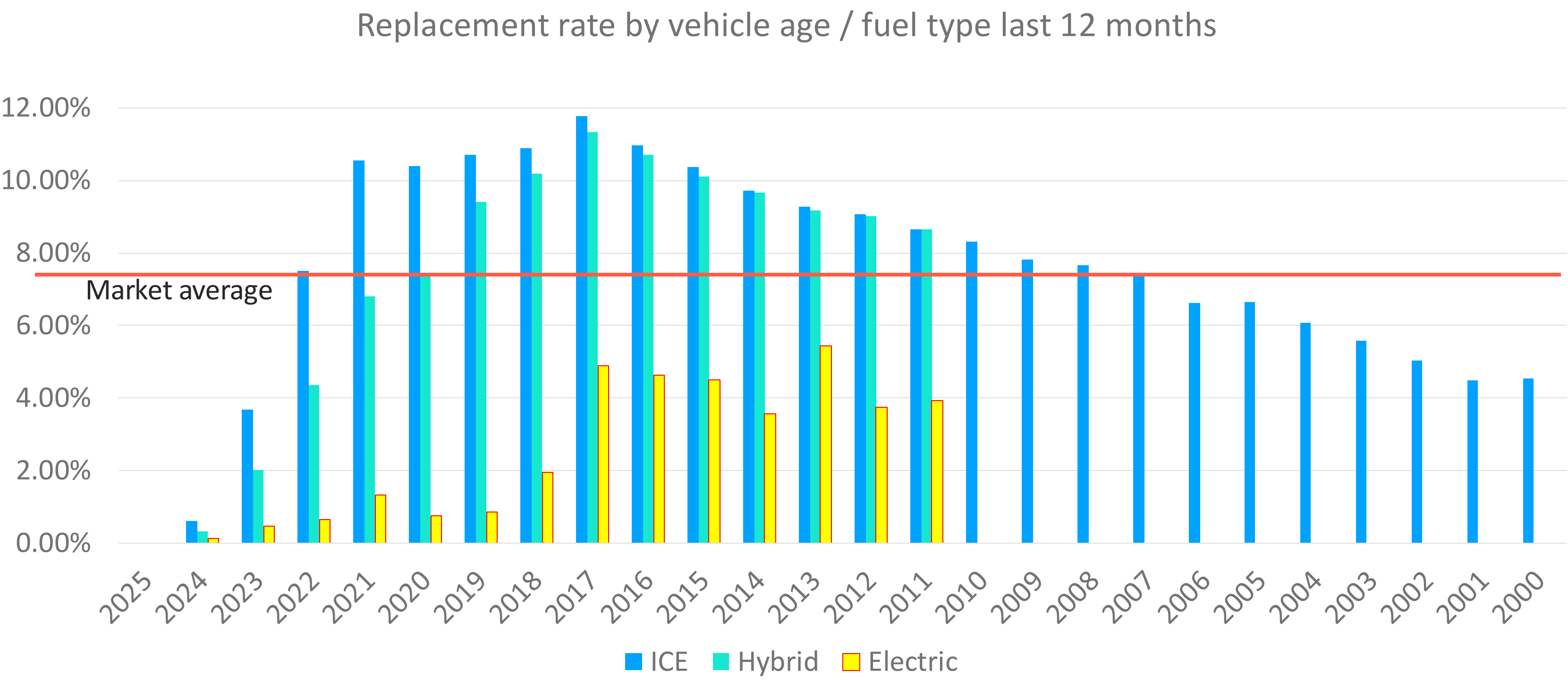


## Key Insights: Revenue shift

- Increasing Prices with Electrification: Brake Discs for BEV vehicles show the highest average prices €140.42 Selling. Margin remains stable, however.....

# Fact-based replacement (Brake Disc)

Product life cycle by vehicle age



## Key Insights: Revenue shift

- **Replacement behavior** is strongly impacting one of the traditional largest revenue groups of the IAM.

# IAM focus areas

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3. Traditional parts are being faced out as products approach end-of-life, reducing ROI potential in legacy portfolios
4. New complexity in data standardisation & product group mapping
5. Legacy revenues streams are shifting

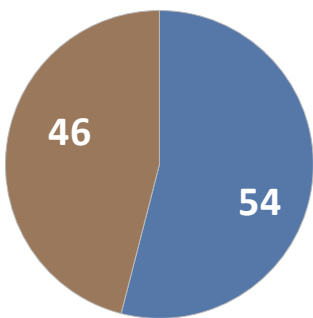
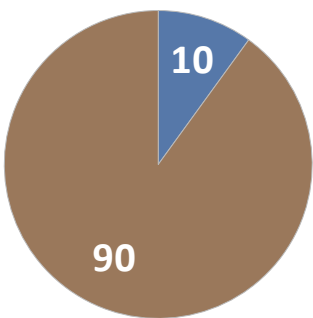
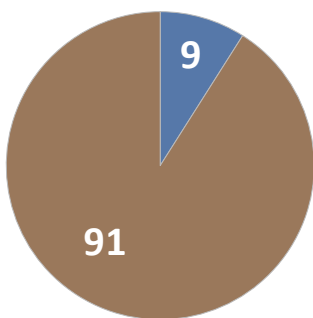
# Share of sales (Track Control Arm)

ICE vs. Hybrid vs. Full EV

Legend:

● OEM  
● IAM

IAM : Share of offers (%)

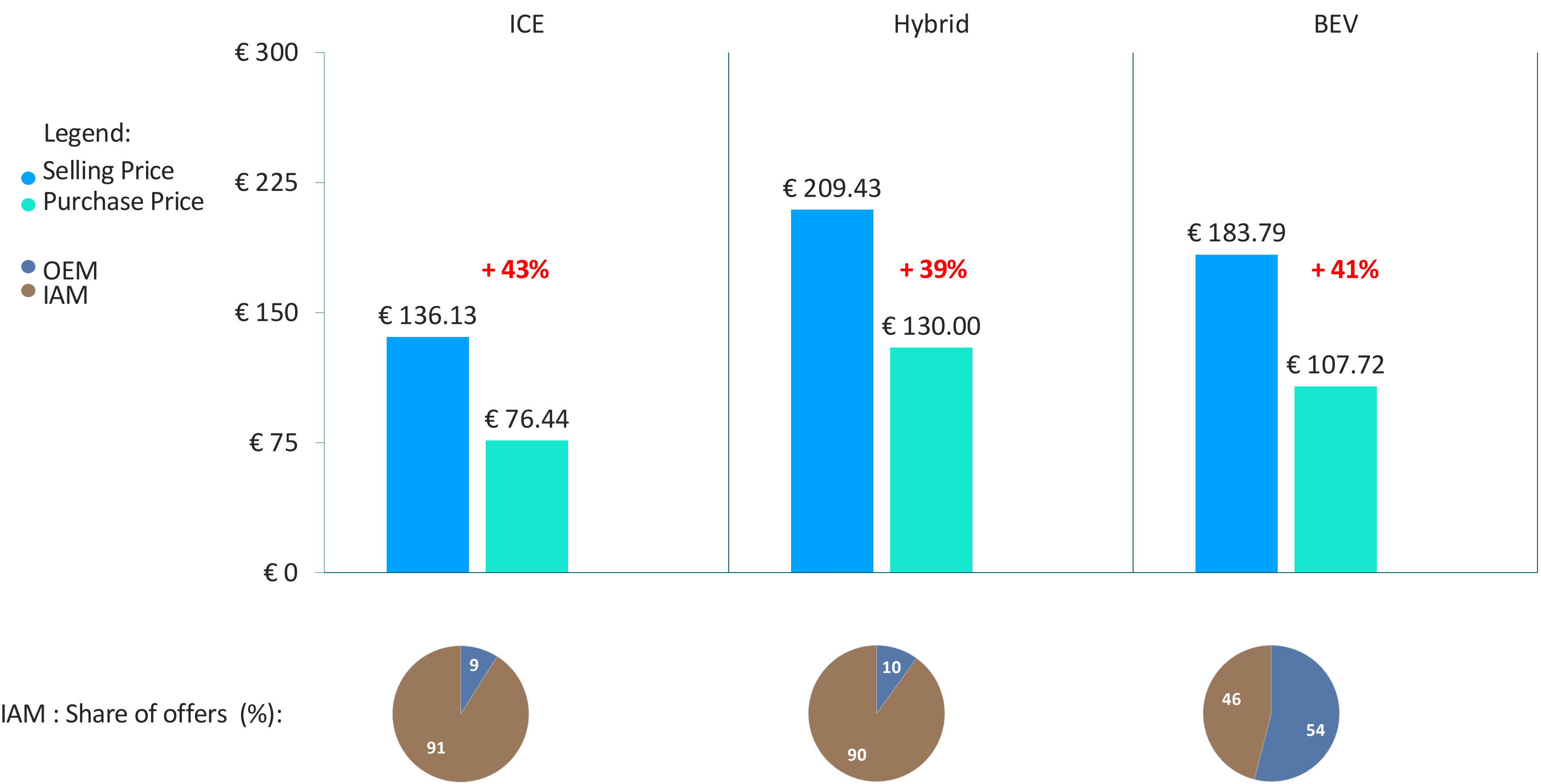


## Key Insights: Profitability and Sourcing

- **Significant Growth in IAM Share for BEVs:** Unlike components such as the EV Heater or Thermostat, for Track Control Arms, IAM offers for BEVs reach 46%, nearly matching offers at 54%.

# Margins (Track Control Arm)

ICE vs. Hybrid vs. Full EV



## Key Insights: Profitability and Sourcing

- Consistent Margins Across All Fuel Types:** Profit margins remain aligned across all powertrains, standing around +40%. This suggests that, despite price differences, the cost and profit structure for this component is relatively stable across the entire vehicle range.

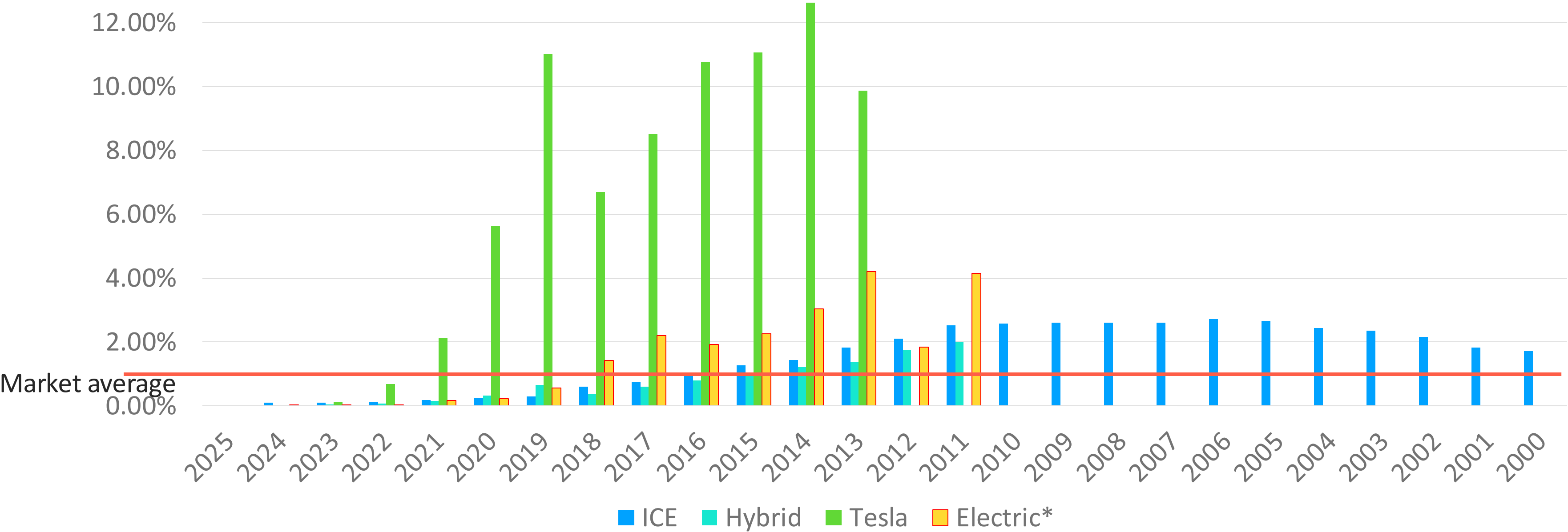
IAM : Share of offers (%) :



# Fact-based replacement (Track Control Arm)

Product life cycle by vehicle age

Replacement rate by vehicle age / fuel type last 12 months



\* Excluding Tesla

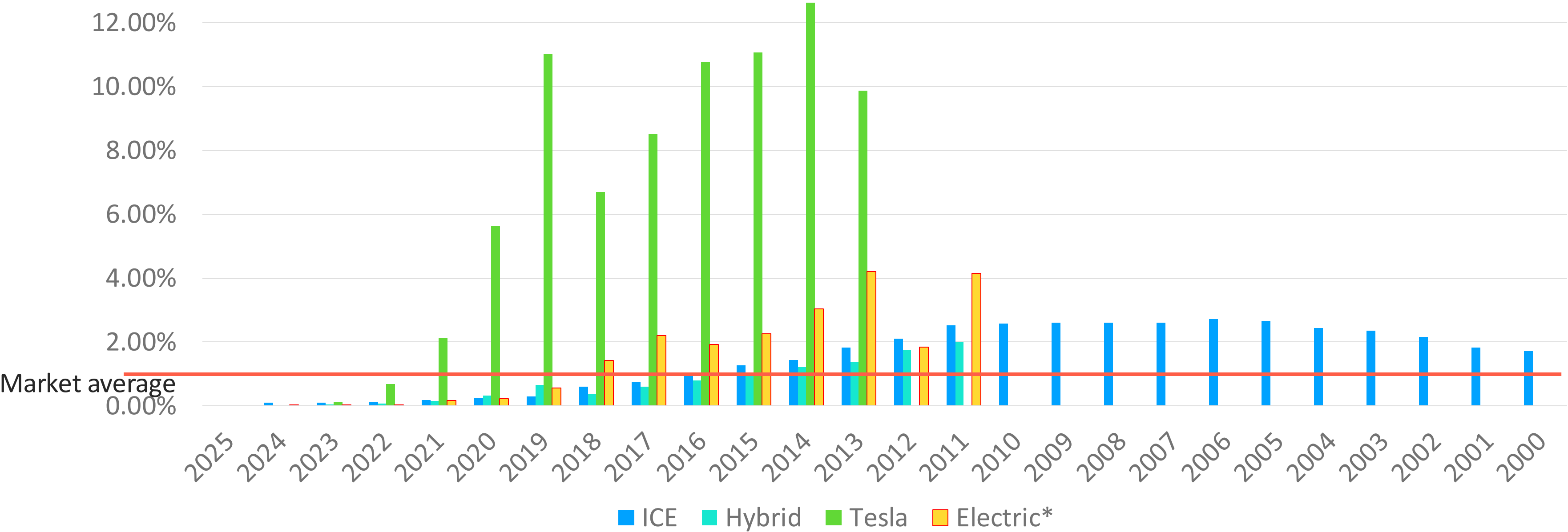
## Key Insights: Profitability and Sourcing

- The replacement study reveals a high replacement pattern for full-EVs. There is a systematic problem with Tesla track control arms.

# Fact-based replacement (Track Control Arm)

Product life cycle by vehicle age

Replacement rate by vehicle age / fuel type last 12 months



\* Excluding Tesla

Top 3 EV K-types are all Tesla, followed by Renault Zoe on place 6.

K-type	Vehicle model	Replacement rate L12M
135951	Tesla model 3 (2018)	9.33%
136487	Tesla model 3 (2019)	5.92%
130950	Tesla model X (2017)	11.06%
55132	Renault Zoe (2012)	6.13%

## Key Insights: Profitability and Sourcing

- The replacement study reveals a higher replacement than average replacement rate for track control arms.



# IAM focus areas

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2. Finding ROI in existing product portfolios is more difficult as new vehicle brands flood the market and launch cycles accelerate due to rapid tech innovation.
3. Traditional parts are being faced out as products approach end-of-life, reducing ROI potential in legacy portfolios
4. New complexity in data standardisation & product group mapping
5. Legacy revenues streams are shifting
6. Wholesale incomplete portfolios due to supplier harmonisation

## Final words....

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1. Adapting to new technology is crucial but difficult
2. Products are reaching end-of-life, revenue streams are eroding
3. Managing and aligning complex data across platforms
4. Gaps in product availability

- Mind the gaps!