CFS EUROPE

Europe's Specialist Fuel and Fleet Consultancy

Michael Stuefer

- Owner of Inntaler Logistik Park, Kufstein (# 4 in Europe)
- Founder/owner of Express Diesel International fuel card
- Manager for a group of Shell Truckstops in Austria
- Head of marketing for Truckstops in Austria and Germany
- Leader of variety of commercial refuelling thinktanks and associations

key skills: network & merchant development, commercial sales & pricing structure, indirect sales channel management

Howard Smith

- Owner of The Numbercrunchers, specialist cloud accounting and VFO support
- Senior commercial/financial roles in healthcare, manufacturing and retail
- Specialist in SME and fast growing businesses
- Implementing change management
- Shareholder and investment relations

key skills: cloud & paperless accounting, technology/operations integration, investment/cashflow financial modelling & reporting

Stig Rogenbaum

- Sales & Marketing Manager for Baltics and Finland (Shell oli and lubricants)
- Cluster Director for Poland, Baltics, Belarus and Scandinavia, W.A.G Payment Solutions AS
- Sales Manager for Baltics, Finland, Russia and Ukraine, Norfolier Baltic OÜ
- Morbela OÜ Sales Manager, Mobil oil
- Sales Director, Kodukeemia OÜ

key skills: business development, Sales oils and lubricants, fuel and fuel cards. Fluent in Estonian, English, Finish, Russian

Bruno Walter

- Head of Marketing Philips Speech Processing worldwide)
- Managing Director Dell Computer Austria
- Managing Director Telesystem Tirol
- CEO TISCOVER AG worldwide
- CEO MTC AG worldwide
- Founder/owner PRATTO Consulting

key skills: business development, IT, sales and marketing, intercultural relations, trouble shooting and change management

»One leadership team: over fifty years experience in fuel and fleet markets«

growth achieved by:

Unparalleled industry contacts

Credibility gained through numerous front-line roles in fuel payments and corporate mobility

Knowledge of opportunities before the rest of market

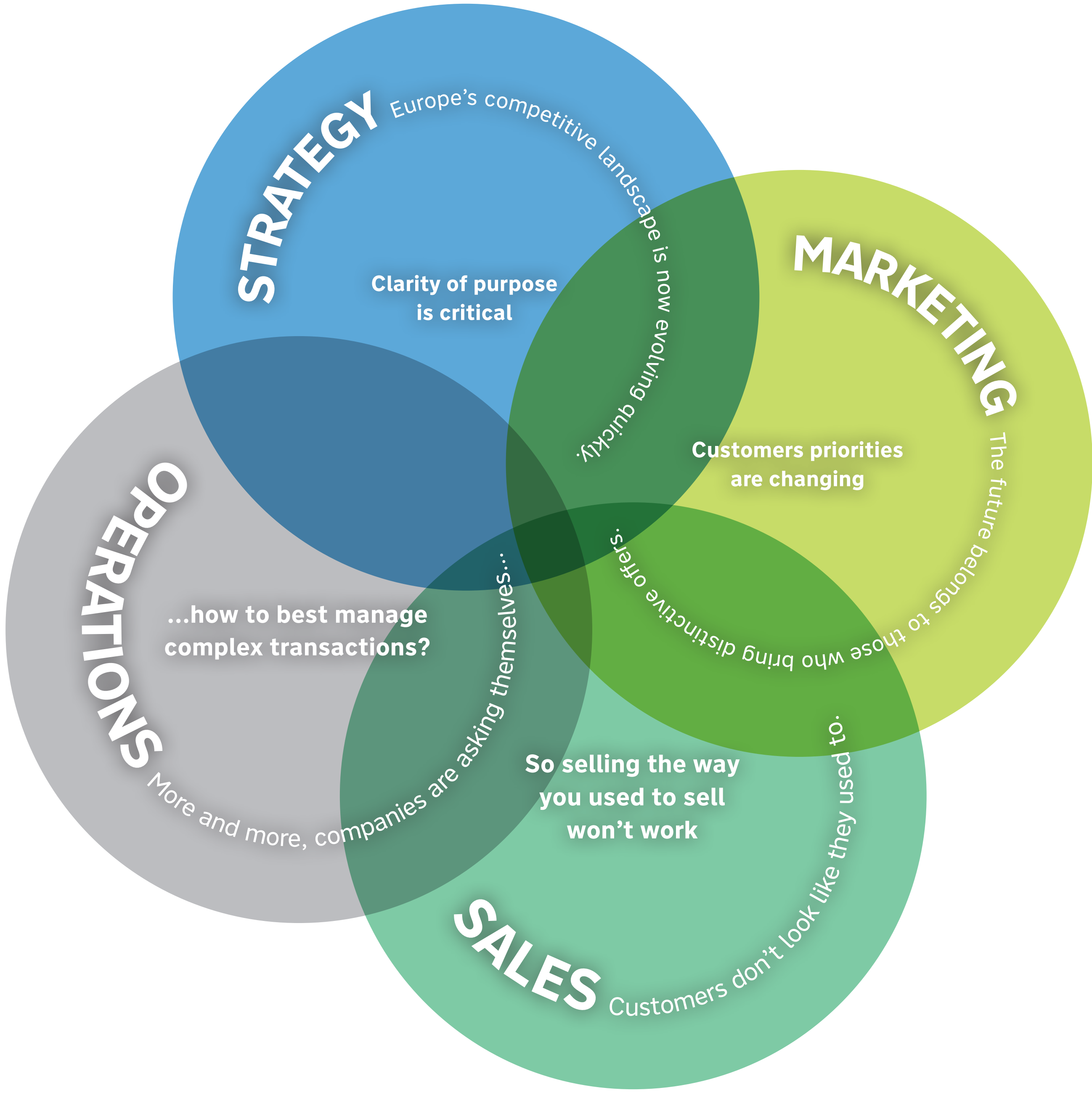
WHAT WE DO

CFS EUROPE

1 Each of the 4 areas of CFS's work is led by a senior and experienced industry practitioner at Director level

2 Where niche or specialist technical expertise is required, CFS calls on its extensive, "trusted" contract associate network

3 Our projects range from advising Private Equity investors to negotiating commercial terms with fuel dealers, and our clients range from multinational oil majors to local distributors



HOW WE WORK

A Unique Blend of Strategy Consulting and Front-line Implementation

CFS's client

»It's not often that you find a consultancy which specialises in actually putting boots on the ground, getting its hands dirty and making things happen«

HOW WE THINK – the market's evolution

Fuel and fleet markets will look very different in 2020, as the industry landscape alters from every angle.

NEW ENTRANTS

- Specialist payment processing companies
- Full service leasing providers
- T&E card issuers
- OEM financial institutions
- Expense management firms

SUBTITUTE PRODUCTS

- Cardless refueling systems
- Mobile phone payment
- SMS PIN technology
- Inbuilt telematics
- Neural fraud prevention systems

SUPPLIER STRUCTURE

- Emergence of strategic alliances
- Power base of majors eroding
- Selectiveness over segments and channels
- Operating platforms run by specialists
- Traditional network alliances cracking

BUYING BEHAVIOR

- Rising power of procurement
- Search for new solutions
- Tailored network, price & service needs
- Real-time data more & more critical
- Self-designed and self-managed solutions

Low oil barrel revenues – "the $50 oil world" – will force integrated downstream majors to reconsider fuel card models: ● Outsourcing FCMS platforms ● Selling through 3rd party channels ● Reducing cost-to-serve ● Adopting conservative credit & risk management ● Limiting offer innovation ● Exiting less attractive or more complex segments

HOW WE THINK –
3 irreversible trends

DIGITALIZATION

COMMERCIAL ROAD TRANSPORT

- 100% online authorization standard
- Real-time fraud prevention
- Flexible restriction
- Cardless refuelling
- Internet load-broking

FLEET

- T&E cards: level 3 transaction data
- In-car telematics
- Extension of GPS functionality
- Mobile payment
- Multi-source data integration

INTERNATIONALISM

COMMERCIAL ROAD TRANSPORT

- Business moving eastwards
- International pricing models
- Golden route »core networks«
- European sales authorities
- European integrated P&L

FLEET

- Search for single European suppliers
- New entrants from outside Europe
- Rise of European purchasing
- International strategic alliances
- Growth of EU leasing »superpowers«

PROCUREMENT OUTSOURCING

COMMERCIAL ROAD TRANSPORT

- Increasing use of subcontractors
- Use of drivers from »far« East
- Majors outsourcing FCMS
- Outsourced back office
- Outsourced fraud prevention technology

FLEET

- Decisions driven by Procurement
- Strong trend to outsource non-core activities
- Fuel as part of a fleet mgt. bundle
- Majors outsourcing small fleet sales
- Full service leasing a growing fuel sales channel

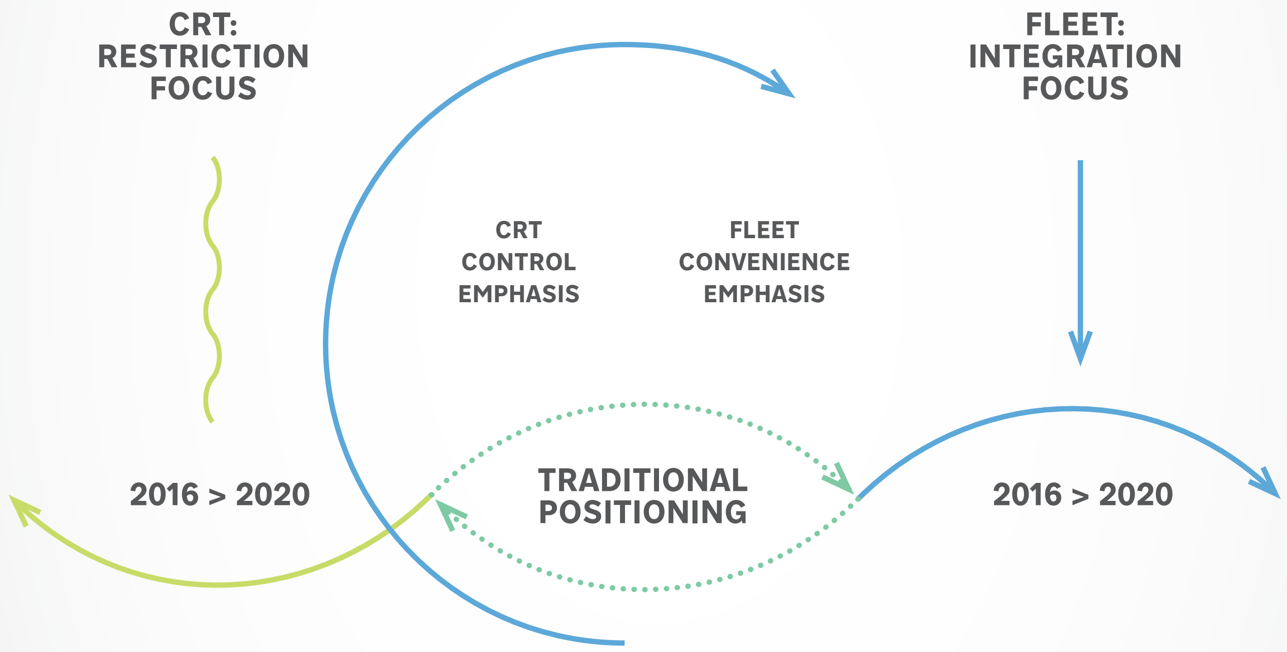
A highly dynamic market, with significant shifts in the competitive landscape. Between 2016 and 2020, these three trends will shape a market where capitalisation on new technologies, international structures and capabilities and the ability to form creative strategic alliances will determine success.

HOW WE THINK –
Commercial Road Transport & Fleet divergence

Rapid change in the competitive landscape is accelerating very different customer demands in CRT and Fleet.

With the following results and implications:

- Traditional fuel card models are under severe pressure
- New technologies are emerging to satisfy evolving customer demands
- New entrants are emerging onto the EU market
- Customer satisfaction levels with existing offers are falling dramatically
- Current market leaders will outsource fuel card management systems in preference to innovation
- There is significant "space to play" for market entrants with future-fit business models



- Limited core network – "golden routes"
- Online restriction capability
- Highly differentiated core
- Network pricing
- Neural fraud prevention
- Technology
- Cardless refuelling

- Vaguely distinct network offers for CRT and Fleet
- Pricing structures almost identical
- Minimal technological innovation in response to market trends
- Headlong rush to cut costs and/or outsource as new market entrants appear

- Integrated data across fleet bundle
- Single cost centre view
- Pan EU offer
- Includes driver expense & policy mgt.
- Universal acceptance
- Private vs business mileage management

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