

CHALLENGES IN THE ROAD TRANSPORT INDUSTRY AND HOW CAN INNOVATIONS IN TIRE TECHNOLOGY SUPPORT?

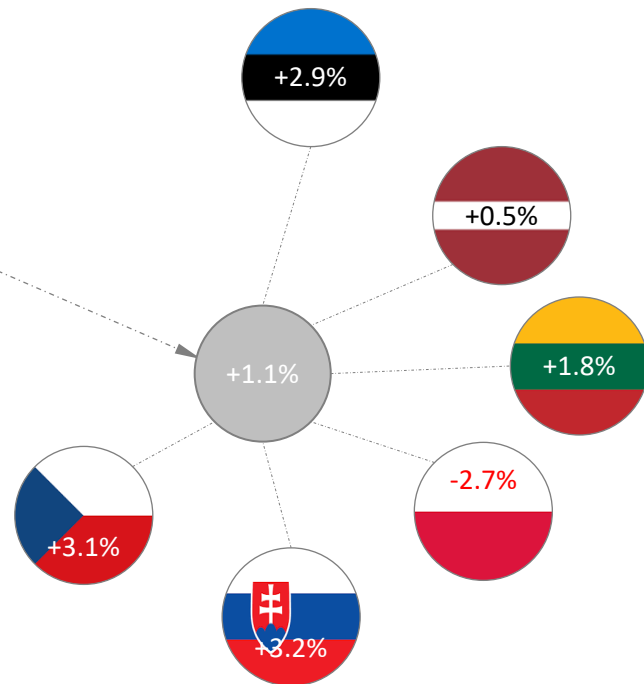
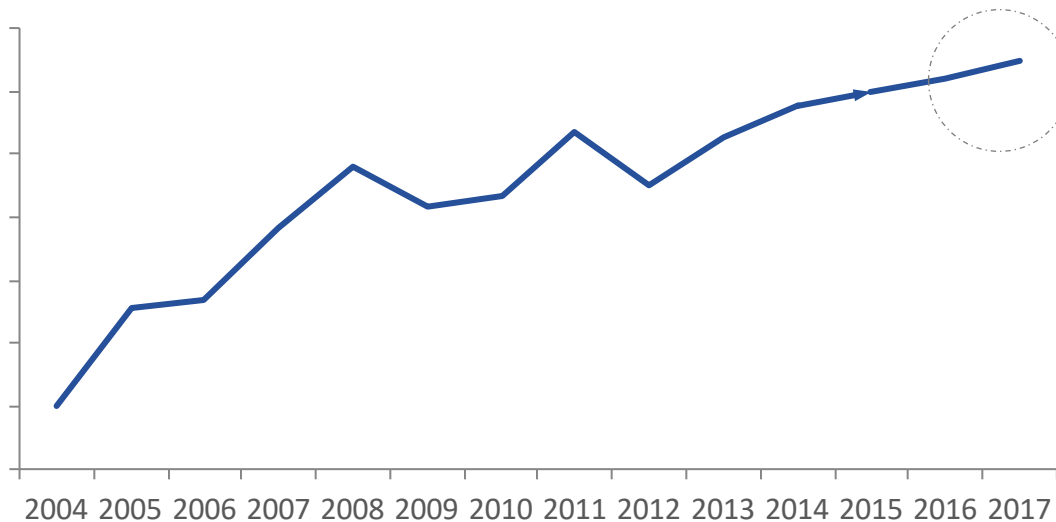




TRANSPORT MARKET GROWS



Goods transported in ECN [mln t]



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CHALLENGES TO BE ADDRESSED

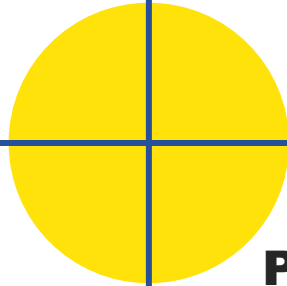
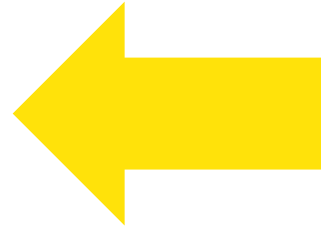




**FUEL
COST**



**LABOUR
MARKET**



**BUSINESS
COMPETITION**



**POLITICS &
LEGISLATION**



Minimum wages in
West EU
Access to some
markets (East)



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THE LABOR MARKET BELONGS TO A TRUCK DRIVER



1 in 5 drivers want to change their job

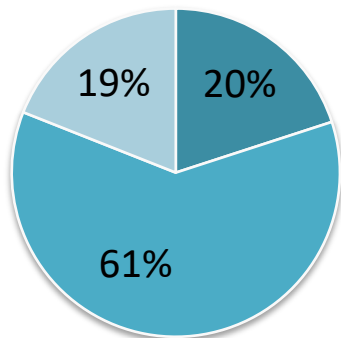


72% of them will find another job within a week

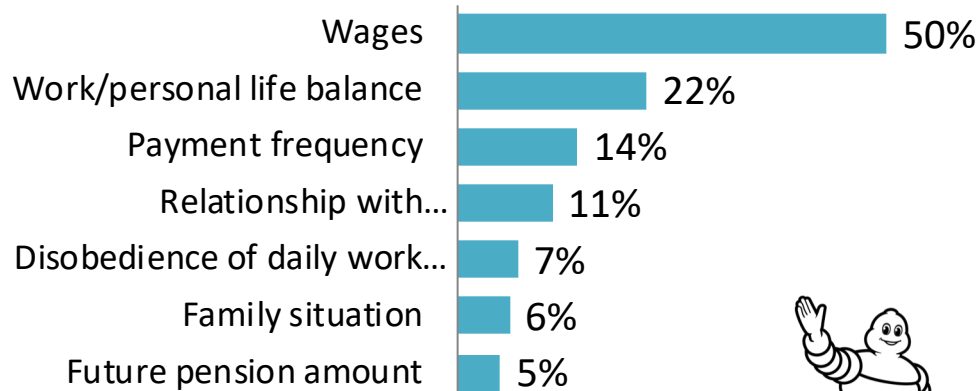
**SINCE THE 90-TIES
UNEMPLOYMENT HAS
NEVER BEEN SO LOW**

Declared influence of staff rotation on freight assignments

- None
- Temporary
- Regular



Declared reasons for job change

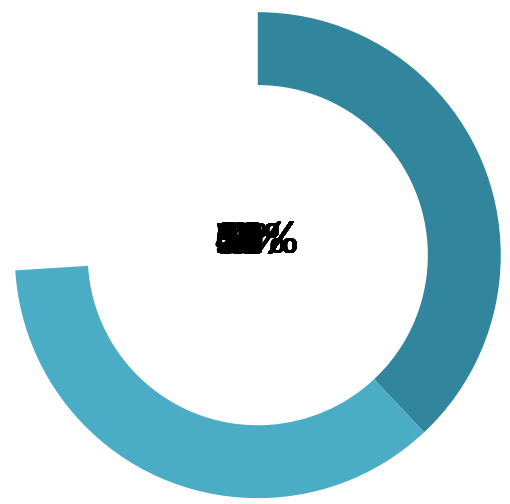




LOW COST WORKFORCE GUARANTEED PROFITABILITY



38% drivers older than 65



and 36% between 55 - 64

60 000

new drivers a year are needed to cover the demand of transport industry

35 000

a year enter the market in reality

100 000

estimated driver shortage in 2018

300 000

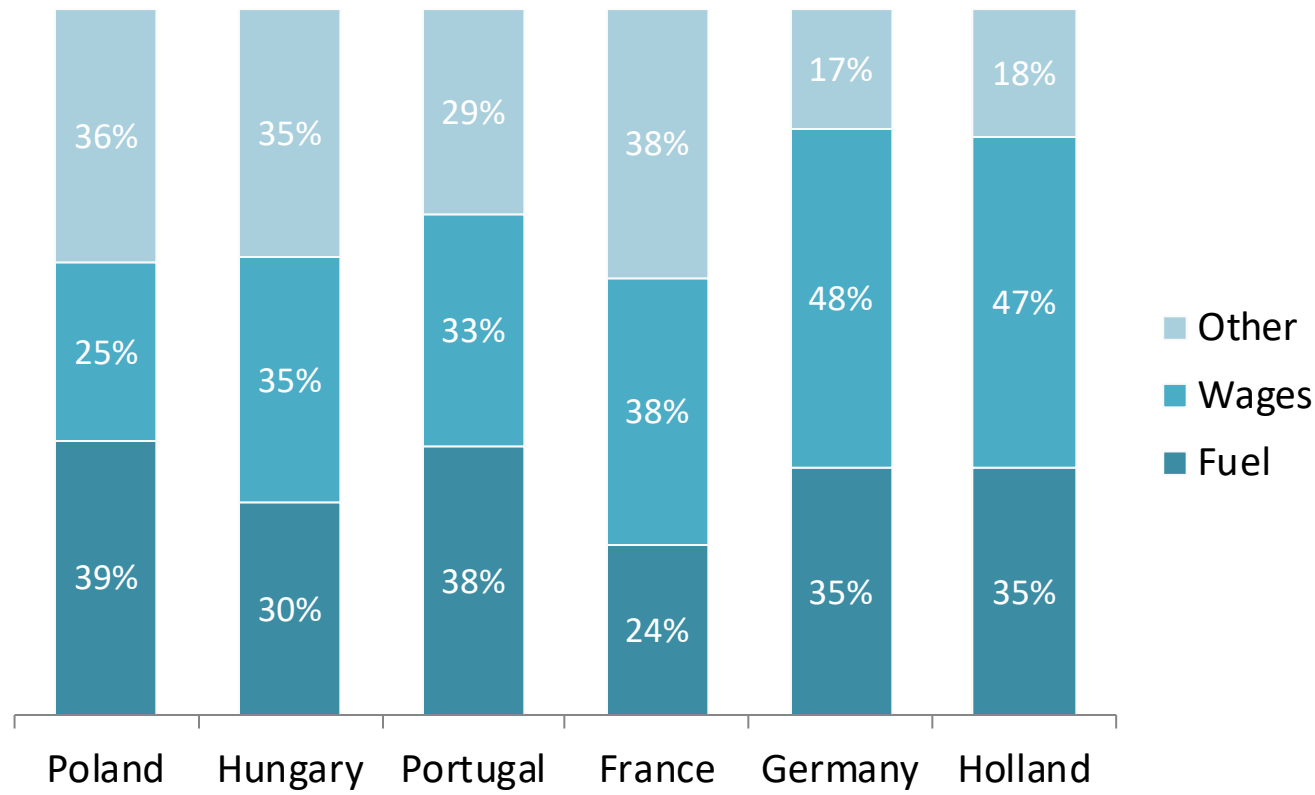
estimated driver shortage in 2025



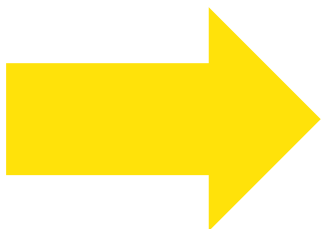
Source: Raben; PwC report: „Rynek pracy kierowców w Polsce”



KEY SUCCESS FACTOR: SAME QUALITY AS IN WEST BUT LOW LABOR COST



Source: EU Commission



**FUEL
COST**



**LABOUR
MARKET**

LACK OF DRIVERS
PAY INCREASE
HIGH ROTATION
MANAGEMENT SKILLS

**BUSINESS
COMPETITION**



**POLITICS &
LEGISLATION**



FORCED PAY
INCREASE
LIMITED ACCESS TO
NEW MARKETS





IT IS TIME TO START THINKING ABOUT FUEL ONCE AGAIN



50 sets



120 000 km



27 l/100 km



1 €



1 620 000 €



THREAT OF PRICE
RISE



**FUEL
COST**



**LABOUR
MARKET**

LACK OF DRIVERS
PAY INCREASE
HIGH ROTATION
MANAGEMENT SKILLS

CONSOLIDATION
LOW COST
COMPETITION

**BUSINESS
COMPETITION**



**POLITICS &
LEGISLATION**



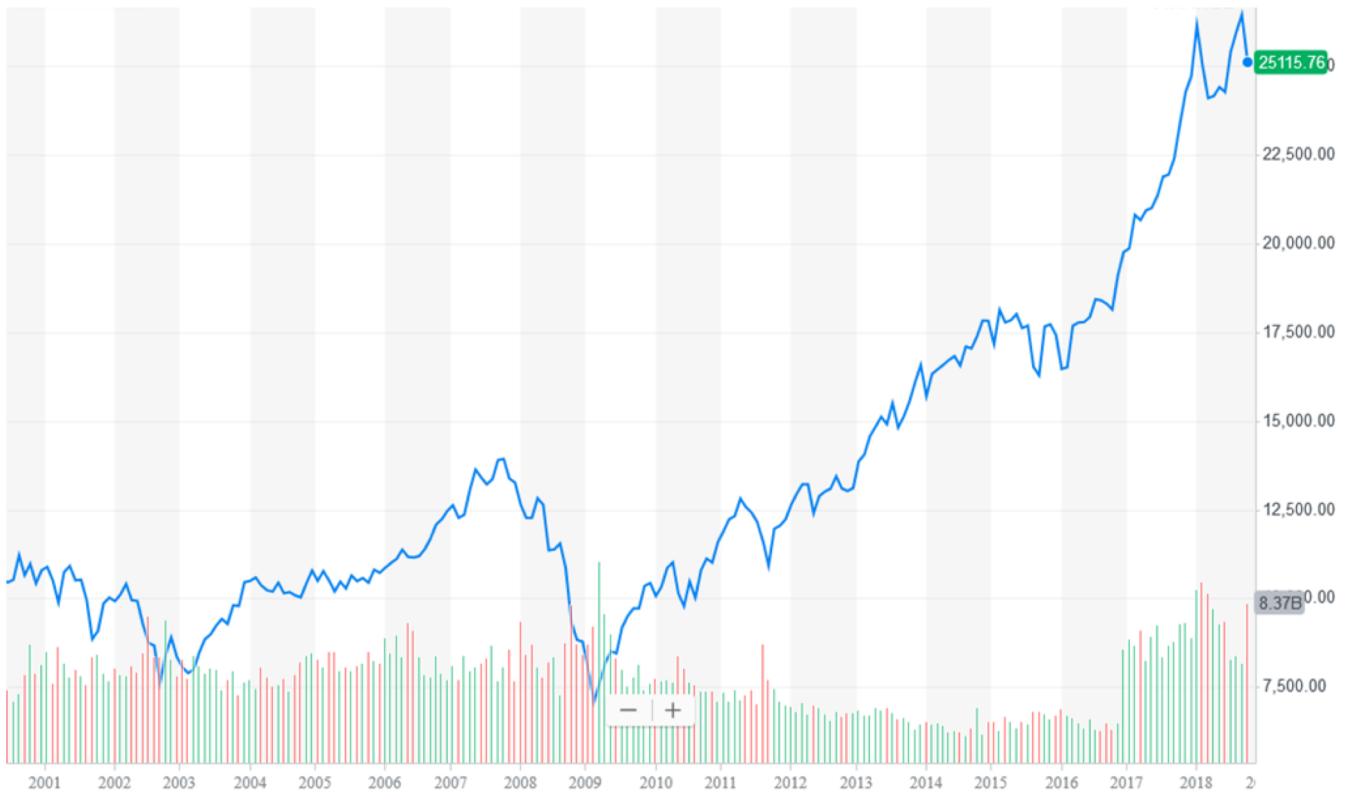
FORCED PAY
INCREASE
LIMITED ACCESS TO
NEW MARKETS



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ONE MORE IMPORTANT ELEMENT....





WHAT TO DO?



Make drivers work longer

Cut expenses

Cheat on tax

Optimize cost

Sell company

Fight for better / new contracts

WITHDRAWAL FROM MARKET
(CONSOLIDATION)

other areas

Increase efficiency





AND ROLE OF TIRE..



A PROPERLY MAINTAINED TIRE HELPS A LOT IN YOUR BUSINESS



50 sets



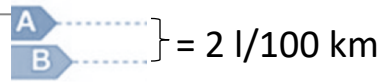
120 000 km



• 1,2 – 3,2% of total cost variation

7% TOTAL COST VARIATION

Propellents



• 2,9% of total cost

Salaries and associated taxes



Like good trucks also good, safe tires will help you to keep drivers happy

Toll



Insurance



1 in 3 breakdowns happen due to a tire

Vehicle repairs and tire costs



Vehicle depreciation



Other costs



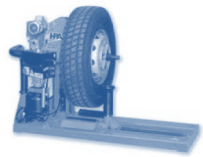
- 2 fleets (270 trucks vs 1100 trucks)
- 7 breakdowns for 30mil. km vs. 1500 breakdowns for 130mil. km
- 14,000 EUR vs. 3,000,000 EUR
- 0,05% vs. 2,3% of TOTAL COST

Cost of equity (leasing, loan)





WHAT DOES TIRE MAINTENANCE MEAN?



Proper mounting:
ensures no tires are scrapped due to bead damage



Remix retreading:
reduces your tire budget by giving you the same performance as new for a fraction of the cost



Regular inspections:

- Help spot damage in time:
 - less breakdowns,
 - less scrapped tires



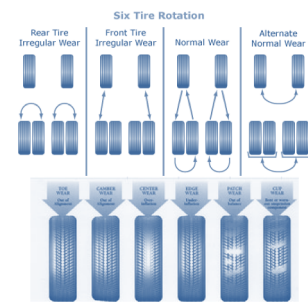
Tire pressure monitoring:

- Reduces breakdowns by 90%
- Decreases fuel consumption

Regrooving:

- Increases mileage
- Pro-longs running time with lowest fuel consumption

C1 3-5 mm	C2 6-10 mm	C3 8-12 mm	C4 10-14 mm	C5 11-17 mm
R1 3-7 mm	R2 7-11 mm	R3 7-13 mm	R4 9-16 mm	R5 11-18 mm

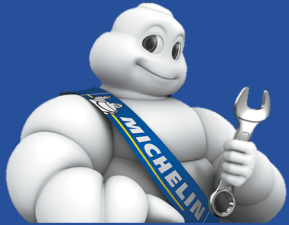


Tire and wheel rotation:
Increases mileage by avoiding uneven wear





***A GOOD TIRE WILL
SAVE YOU PROBLEMS
AND FUEL FOR THE
LONGEST TIME***



***A GOOD SERVICE WILL
HELP YOU GET THE
MOST OF YOUR TIRES
AND DECREASE
OPERATING COST***

