INSIGHTS FROM EVALUATOR DATABASE

PARTS MARKET TRENDS AND SAVINGS POTENTIALS

Dr. Johannes Jörg, Opremic
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✓ “Parts market recovery ongoing”
✓ “USM more volatile than NEW”
✓ “USM pricing tends to stabilize in 2021”
✓ “The role of USM has not yet changed”

Focus of today’s presentation
• Describing the role of USM in the industry
• Quantifying the potential of cost saving strategies
Data and calculation methodology

10 M+ applicable datapoints for FMV calculation

20+ companies contribute data

History from Jan 2018 onwards

Anonymized customer data
- Purchase & sales orders
- Repair orders
- Generic material information

Unique and secure
Transaction volume achieved 120% in 2021 – setback in 2022

Monthly average. Index calculated relative to Jan 2020 = 100.

Analysis based on +324k parts with +1.8m transactions total.
USM market share recovered in 2022 – strong outlook

**USM market share per year**

Based on total transaction volume

<table>
<thead>
<tr>
<th>Year</th>
<th>USM market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>16%</td>
</tr>
<tr>
<td>2019</td>
<td>17%</td>
</tr>
<tr>
<td>2020</td>
<td>8%</td>
</tr>
<tr>
<td>2021</td>
<td>12%</td>
</tr>
<tr>
<td>2022</td>
<td>17%</td>
</tr>
<tr>
<td>2023</td>
<td>37%</td>
</tr>
</tbody>
</table>

Analysis based on +323k parts with +1.7m transactions total.

**Price level change per year**

Price level change relative to previous year

<table>
<thead>
<tr>
<th>Year</th>
<th>Relative change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>-0.6%</td>
</tr>
<tr>
<td>2022</td>
<td>-5.4%</td>
</tr>
<tr>
<td>2023</td>
<td>8.5%</td>
</tr>
<tr>
<td></td>
<td>22.1%</td>
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<tr>
<td></td>
<td>8.1%</td>
</tr>
<tr>
<td></td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

Analysis based on +55k parts with +926k transactions total.

Market share value and price level change for 2023 based on data contributed to MRO SmartHub Evaluator until Sept 15th.
Quantify savings potentials with MRO SmartHub FMV

- **Condition specific calculation**
  - FMV SV used for SV parts

- **Time specific calculation**
  - Price in Feb 22 vs. FMV in Feb 22

- **3 resulting KPI**
  - Spending
  - Potential savings
  - Achieved savings

**Calculation methodology**

- **FMV**
  - Potential savings
  - Achieved savings
  - Purchase price
  - Purchase price
15% cost reduction potential in procurement with FMV
Continuous cost reduction potential in procurement
Quantify savings potentials with MRO SmartHub FMV

- Potential savings in repair management
- Use of alternate or modified parts
- Increase sales margin
- Change procurement strategy

$15\% + X$

cost reduction potential in procurement with FMV
✓ **Setback** in parts market recovery
✓ **USM market share returns** to pre-COVID level
✓ **USM prices** fluctuate and increase
✓ **The role of USM is about to change**

Dr. Johannes Jörg
Opremic trade GmbH
Senior Consultant
IATA MRO SmartHub
johannes.joerg@opremic.com

**MEASURING YOUR SUCCESS CAN BE SO EASY**

- Benchmark yourself against the data from 15+ industry players
- Quantify savings potentials on various levels, e.g., company or material category level
- Request your personalized benchmark study today!

**Top 10 parts – potential savings**

- $62 million material spending
- $11 million achieved savings
- $8.5 million potential savings