DUCKER CARLISLE

Case Study

HOW TO UNLOCK $150M EBITDA POTENTIAL THROUGH AFTERMARKET GROWTH

A Tier 1 automotive and heavy equipment supplier transformed its aftermarket business into a scalable growth and profit engine.

JUNE 2026

OVERVIEW

Challenge

- Aftermarket represented only 12% of our client's total revenue yet generated more than 50% of EBITDA
- Significant untapped growth and profitability potential

Client objectives

- Accelerate profitable aftermarket growth
- Maximize enterprise value ahead of spin-off of a major business unit

Results

- A roadmap to achieve **5% CAGR and +68% ($150M) EBITDA growth by 2030**
- Established blueprint for a standalone aftermarket operating model

Aftermarket is the next frontier of value creation – But only for those who leverage the structure, capabilities, and discipline to unlock it

Winning in Aftermarket requires a clear strategy and the operational discipline to generate measurable results.

Treat Aftermarket as a core value engine

Anchor AFM as a long-term value engine with explicit growth and profitability ambitions.

Build the operating model that enables speed and ownership

Give Aftermarket the structure, decision rights, and governance needed to act with focus and accountability.

Invest in the capabilities that unlock value

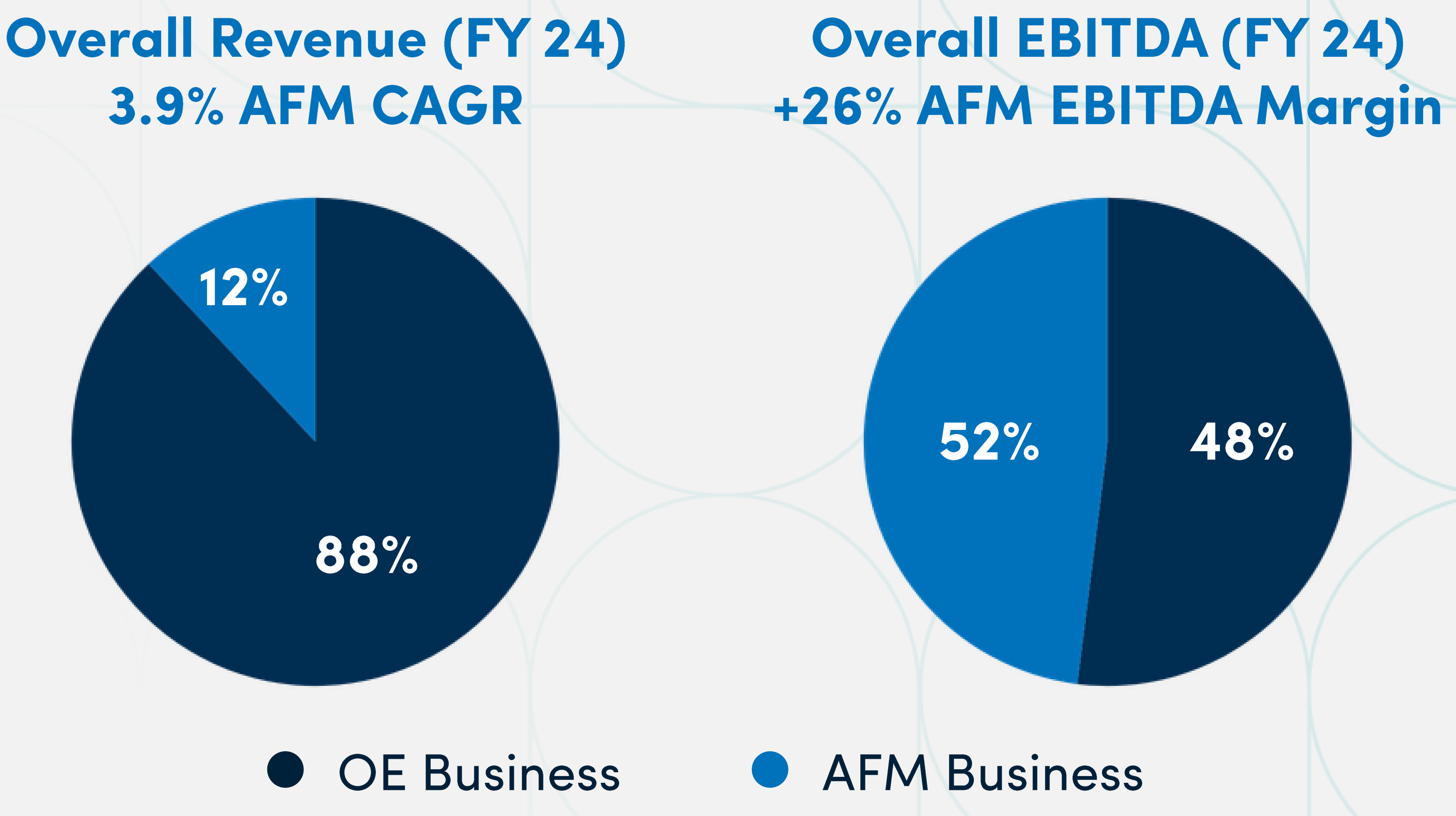
Strengthen the foundations that drive performance based on data-driven diagnostic processes.

Build momentum through disciplined delivery

Sequence initiatives to deliver early wins, sustain progress, and concentrate resources where impact is highest.

The client's challenge: Despite superior profitability, Aftermarket lacked the structure to scale

Client Profile: Tier 1 Automotive / Heavy Equipment Supplier



Client Gaps:

01. OE-first priorities diluted Aftermarket focus and slowed decision-making.

02. Availability gaps and service levels were constraining growth, customer experience and loyalty.

03. Growth ambitions required a step-change in investment, capabilities, and governance.

A clear ambition for 2030: Positioning Aftermarket as a scalable growth engine

Vision 2030

01. Independent Operating Model
Separate governance, accountability, and investment focus designed around aftermarket priorities.

02. Commercial & Growth Acceleration
Strengthened pricing, availability, and customer responsiveness to accelerate profitable growth.

03. Scalable Value Creation
A transformation roadmap designed to unlock sustainable EBITDA expansion through 2030.

Our solution

Benchmark-anchored diagnostics to quantify performance versus industry leaders and identify gaps.

Transformational opportunities assessment beyond the core business.

Strategic roadmap defining investments, capabilities, and governance to scale.

Results: A roadmap to achieve 5% CAGR and +68% EBITDA growth by 2030

VALUE DELIVERED FOR 2030

5% CAGR Strategy Roadmap

Key Opportunities

- **Operational Excellence.** Productivity gains from streamlined processes.
- **Availability (Fill Rate 97.5%).** Improved service levels driving retention and incremental revenue.
- **Top Line Growth.** Targeted commercial levers accelerating volume and market reach.
- **Commercial Excellence.** Pricing discipline and segmentation improvements expanding margins.

Projected +68% EBITDA expansion

Expansion Path

- **Total of +$150M, +$50M above original objective.** Uplift driven by prioritized, high-ROI initiatives.
- **Separate Aftermarket Org and P&L.** Clearer accountability enabling faster decision-making.
- **Rebuild Brand Awareness.** Renewed positioning strengthening customer preference and loyalty.
- **Service Parts First Philosophy.** Operational focus shifting resources toward high-margin business.

We Stand Behind Our Strategy: Ducker Carlisle has been supporting the client over the past 18 months with a multi-phased implementation of the business transformation

Aftermarket Best-in-Class: Achieving objectives was aligned to reaching top performance across each aspect of the organization

Focus Areas

Revenue and Profit Management: Ensure a consistent pricing and cost optimization strategy

Supply Chain Performance: Drive customer satisfaction and retention through high productivity and service levels, and cost-efficient service

Brand Perception: Assess customer perception and identify market growth opportunities

Product Management: Validate product offering is complete from a hard and soft product perspective

Channel Performance Improvement: Enhance channel effectiveness, incentives, and route-to-market models

Core Capabilities

- **Organizational** structure, people, and responsibilities
- **Processes**, process control, and standardization
- **KPIs and objectives**
- **Data**, reporting, and **advanced analytics**
- **Tools and systems** used to run core business functions

Framework

A structured, end-to-end framework to assess performance, prioritize opportunities, and design the initiatives required to scale.

1. Current State & Benchmarking
2. Set Strategic Objectives
3. Opportunities Prioritization
4. Design Playbook
5. Plan Implementation

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Organizational Structure: Moving Aftermarket to its own P&L was a key enabler to fast-track results and drive accountability

Rationale

The recommendation is to establish a **global, independent structure** to support the AFM business, based on:

- Distinct **aftermarket requirements, challenges, and capabilities** compared to OE and OES (e.g., product, commercial cycle, growth drivers)
- Market reality: **peers operate independent** AFM organizations

Current State

OE-dependency results in:

- **Fragmented** organization
- No single **point of accountability**
- Challenging cross-functional collaboration
- **Prioritization of OE** requirements within each function
- **Limited responsiveness** to AFM customers and **constrained growth**

Future Ambition

New global, independent structure with a separate P&L:

- **Customer-focused** AFM approach
- Targeted commercial and operational focus for AFM
- **Independent growth strategy**
- **Direct investment decisions** with full responsibility and accountability
- Performance **accountability** and **clear visibility**

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Ducker Carlisle Differentiators: Decades of proprietary benchmarking data and best practices

Benchmark Example

Availability

- Fill Rate%
- Network Months of Supply
- Supplier On Time
- Back OrderAging Days

Operations

- Warehouse Workers Lines Per Year Productivity
- Value Per Line Shipped USD
- Total Warehouse Errors Per 1M Lines
- Inventory Accuracy

BIC Top Quartile | **Good** 2nd Quartile | **Moderate** 3rd Quartile | **Low** 4th Quartile

Benchmarks for Aftermarket Vehicle Industry

For over 30 years, Ducker Carlisle's syndicated benchmarks have tracked thousands of metrics, **identifying top performers** and **opportunities for improvement** across supply chain, service operations, and vehicle logistics worldwide:

- North American Parts Benchmark — NAPB
- North American Service Benchmark — NASB
- European Parts Benchmark — EPB
- Electric Vehicle Aftersales Benchmark — EVAB
- Syndicated Channel Surveys (Parts, Service, Advisors, Techs)

Ducker Carlisle Differentiators: Aftermarket Accelerators providing ready-to-apply frameworks and blueprints

Our Aftermarket Accelerators are proprietary internal tools developed to enable best-in-class AFM business performance

- **Proprietary Strategic Blueprints:** Leveraging decades of heavy-duty and vehicle expertise to accelerate solution design from proven starting points
- **Plug-and-Play Frameworks:** Standardized tools built for rapid adoption and alignment with Best-in-Class operating models
- **Risk Mitigation:** Applying field-tested processes to anchor initiatives in proven industry logic rather than trial and error
- **Speed to Value:** Shortening lead times by focusing on solution customization instead of building foundational structures from scratch

Decades of consulting with top aftermarket organizations **have shaped these frameworks**, designed specifically for this industry

Templates & Frameworks

Strategic & Commercial growth

- Aftersales growth strategy framework
- Brand health assessments
- Channel incentives and terms design framework
- Alternative parts launch processes

Operational Excellence & Supply Chain

- Inventory and fill rate diagnostic
- Distribution center performance diagnostic

Advanced Pricing

- Strategic pricing data mapping framework
- Part pricing strategy and methods

ABOUT DUCKER CARLISLE

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GLOBAL CONSULTING, STRATEGY AND M&A SERVICES

Named one of America's Top Management Consulting Firms 2026 by Business Insider, Ducker Carlisle is a global market research, strategy consulting, and M&A advisory firm founded in 1961.

We help the world's largest companies and private equity firms optimize business performance and accelerate growth, with offices across the US, Germany, France, Portugal, India, and China.

We bring practitioner-level sector depth, proprietary data, and a full continuum of services, all built exclusively for complex industrial markets

AT A GLANCE:

NAMED TOP MANAGEMENT CONSULTING FIRM
Business Insider 2026

60+ YEARS OF SECTOR EXPERTISE
Founded 1961

8 GLOBAL OFFICES
Across US, Europe, Asia

350+ ANNUAL ENGAGEMENTS
Every year

5 FOCUSED INDUSTRIAL END-MARKETS
Deep sector expertise

MOST CONSULTANTS
BRING FRAMEWORKS.

WE BRING ANSWERS.

We have worked exclusively in technically complex industrial markets for over 60 years, which means our teams already understand your sector's economics, your competitors, and your customers before the first meeting.

We combine that depth with proprietary data, a full continuum of services from research through M&A, and a practitioner network built over decades. When you engage us, you are not educating a generalist. You are engaging a team that has been here before.

WHAT SETS US APART:

PROPRIETARY DATA & PRIMARY RESEARCH

We own the data others need to buy

GLOBAL REACH, LOCAL INTELLIGENCE

8 offices, deployed where your markets are

SECTOR DEPTH ACROSS 5 END-MARKETS

We know your market's economics, not just its players

BUY-GROW-SELL CLIENT CONTINUUM

We serve clients across the full lifecycle

PRACTITIONER NETWORK & TRANSACTION EXPERIENCE

Access to industry leaders, operating executives, and deal principals

Over Three Decades of Aftersales Focus

Unlocking Aftersales Profitability
Consulting portfolio tailored to be a "one-stop shop" for improving aftersales business profitability

Data-Driven Benchmarking
Decades of proprietary service, parts sales, and supply chain benchmarks in North America, Europe, and globally

Global Market Intelligence
Global research team with ear to the ground on latest industry trends

Execution with Impact
Hands-on approach – work with lean teams embedded within client organizations from strategy through implementation

Sales & Marketing

- Pricing
- Dealer T&C
- Competitive Positioning
- Service Growth
- Parts Growth
- Second Line Parts

Supply Chain & Distribution

- Procurement
- Network Design
- Channel Strategy
- Facility Operations
- OEM Inventory
- RIM

MOTOR VEHICLE TEAM

DEEP SUB-SECTOR EXPERTISE ACROSS THE FULL VEHICLE LIFECYCLE

We work alongside automotive OEMs, Tier 1 suppliers, dealer groups, and auto services operators for over 60 years.

We know where share is moving, how aftermarket margins are shifting, and what the transition to electrification is doing to dealer profitability and service revenue.

Our proprietary automotive materials database — covering aluminum, steel, magnesium, and composites — is a competitive differentiator no other advisory firm holds. Whether the engagement is a market entry, acquisition, pricing transformation, or competitive assessment, our clients move faster because we already know the market.

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GLOBAL FOOTPRINT + SCALE

We operate across three continents with offices in every major industrial market. Our global footprint means we deploy quickly, engage local expert networks, and bring sector-specific intelligence to every market we cover - wherever our clients need to grow, compete, or transact.

60+ YEARS OF EXPERIENCE	**350+** ANNUAL ENGAGEMENTS
10,000 PROPRIETARY DATA POINTS	**190+** CONSULTANTS WORLDWIDE

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