FROST & SULLIVAN

2024
MARKET LEADER

IN THE EUROPEAN FLEET MANAGEMENT SERVICES INDUSTRY

ADD:SECURE®

FROST & SULLIVAN

2024 | BEST PRACTICES AWARD

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. AddSecure excels in many of the criteria in the European fleet management services space.

AWARD CRITERIA

Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

Growth Strategy Excellence

The success of AddSecure, formed initially in 1970, is the product of a consistent focus on providing "local solutions for local problems." The company has four business units: Smart Alarms, Smart Mobility, Smart Surveillance and Smart Transport. AddSecure achieved the rise of the latter through organic growth and acquisitions strategy that it has pursued since 2016, purchasing well-respected regional transport brands at an impressive rate of regularity.

AddSecure's geographic footprint within the business unit Smart Transport has grown due to the acquisition of companies in the Netherlands, Germany, Switzerland, and Poland, to name a few. This means it is now one of Europe's largest suppliers of fleet and transport management systems. The company's most recent acquisition of Astrata's European telematics division in June 2024, which strengthens its position in the market, shows its commitment to expanding its

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Frost & Sullivan believes it would take a brave person to bet against AddSecure realizing these aspirations as revenues grew from €40 million in 2016 to where the company is today. In practical terms, AddSecure's business unit Smart Transport's success will come down to how well it can deliver upon its core value proposition of "maximizing fleet performance and business success through personalized, data-driven solutions that are delivered with exceptional service and agility."

Competes Strongly in a Crowded Market

In today's fleet management services industry, up to 70% of the features on offer are the same from one provider to another. This is because fleet managers share a common goal—to operate vehicles efficiently, reliably, and safely, no matter the shape or size of their fleet. Therefore, in a space where innovation is the key to differentiation, a solution provider like AddSecure must know who it competes with and how it can win.

AddSecure's chief competitors within the transport industry can be broken down into three groups:

• **Commercial vehicle manufacturers (OEMs):** Companies such as Daimler Truck, Traton Group, and Volvo Trucks that offer fleet management services to complement the overall ownership of a vehicle belong in this group. AddSecure sets itself apart here with its value proposition of providing feature-rich connected intelligence solutions that are multi-brand, multi-vehicle, and multi-fuel.

• **Vehicle parts manufacturers:** This refers to enterprises like Bridgestone, Goodyear, Michelin, and ZF that have developed telematics portfolios to provide a one-stop shop for all service needs of fleets. AddSecure competes well here because it is an independent asset-tracking specialist focusing solely on software as a service (SaaS) and addressing fleet management pain points.

• **Local solution providers:** Found in every country, these companies are built upon strong brands and customer relationships. While AddSecure has a broad geographical footprint with local teams in each of its markets, it has grown to be pan-European by nature, which means it can leverage its size to invest in common solutions that will apply across markets.

Creates a Brand That Is a Sum of Its Parts

AddSecure has acquired over 24 individual companies in the last nine years. The desire to show how "secure data and critical communications" will be increasingly important for logistics companies and a strong differentiator instigated the rebrand from Vehco to AddSecure, which took place in May 2020. The AddSecure marketing team has undertaken a campaign to inform and educate customers that there is now one brand with a single yet broad portfolio of neatly packaged and easy-to-buy products and services. A marketing model designed to drive growth through lead generation supports this messaging.

AddSecure uses an engagement funnel that pushes awareness, consideration, and ultimately, decisions through coordinated PR, social media, events, and content efforts. With an approach that supports

customers after the sale, AddSecure boasts an impressive retention rate that also turns customers into brand advocates. Although AddSecure estimates that it is only 10%–15% of the way through the rebranding journey, success is already visible in countries such as France, where regular meetings with industry associations, as well as road trips to visit existing customers and prospects, build a positive image of AddSecure in the market.

Ensures Technology Investments Pay Off for the Whole Company

AddSecure Smart Transport has decided that the future of this part of its business is a top-tier solution that combines fleet management, transport management, and video telematics, which can meet and surpass the demands of even the most demanding fleet owners. One of the main challenges is coordinating the R&D efforts of the many businesses it has been formed from, which currently has a company-wide budget of 15% of revenues.

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Artificial intelligence (AI) is one enabler that AddSecure's management believes holds benefits across the entire product portfolio. An example of how AddSecure uses AI is its electronic proof of delivery (ePod) solution that provides complete visibility of delivery operations. Using Microsoft Azure's cognitive services that use prediction models, ePod recognizes objects to establish if and how something has been delivered in the absence of somebody being physically present to receive it.

AddSecure has also adopted a SaaS model to enable its transport management system, Logic TMS. The system allows transport companies to automate and streamline transportation tasks to make them more efficient, cost-effective, and reliable.

Shifting to a Streamlined Portfolio to Maximize Customer Value

AddSecure seeks to shift most of its business to a SaaS model, and 60%–70% of its revenues today are recurring. Traditionally, AddSecure has adopted an à la carte approach, where transport customers mix and match the services they want. Now, the strategy is to offer a set range of packages in the Fleet Management Services segment that grows in complexity and coverage, from FMS Lite to FMS Plus and FMS Pro. The company offers this through a standard pricing model adjusted according to factors in different markets. AddSecure plans to use this approach to expand its presence further in its core markets of France, Germany, Poland, Benelux, Nordics and the United Kingdom, to name a few, and into growth segments such as light-duty commercial vehicles, where the company has developed the dedicated FMS LCV package.

Customer-centricity Feeds New Contracts and Renewals

AddSecure proudly serves more than 6,500 customers for fleet management, most of which are found in Europe, with well-known names from across the continent, such as Arla Foods, DB Schenker, Müller, and SPAR, are AddSecure customers. Frost & Sullivan's analysis indicates that the success in winning and

retaining so many contracts is down to the company's focus on fostering a customer-centric culture that values excellence in customer satisfaction.

In practice, this means supporting the customer at every step of their journey with AddSecure - from pre-sales to signing the contract, through planning, installation, and deployment to going live with the integration. This takes between 30 and 45 days for FMS Lite and between 60 and 90 days for FMS Plus and Pro. Each customer has access to a product manager and wider in-country support that performs regular operational checks and showcases future solution upgrades and updates. According to AddSecure's internal analysis, 95% of its customers are satisfied with the deployment of their solutions.

Conclusion

With AddSecure's pan-European presence and broad yet streamlined portfolio of fleet management solutions, Frost & Sullivan expects the company to go from strength to strength in the coming years and achieve the exciting growth vision that it has set out. The technological tailwinds of electrification and digitalization, as well as further expansion into the light-duty vehicle segment, will help AddSecure onboard new customers and cement existing relationships among transport and logistics stakeholders.

AddSecure earns Frost & Sullivan's 2024 Europe Market Leadership Award for its strong overall performance in the fleet management services industry.

What You Need to Know about the Market Leadership Recognition

Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

Best Practices Award Analysis

For the Market Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Growth Strategy Excellence: Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

Implementation Excellence: Company processes support efficient and consistent implementation of tactics designed to support the strategy

Brand Strength: Company is respected, recognized, and remembered

Product Quality: Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

Product Differentiation: Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

Technology Leverage: Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and of high quality

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)