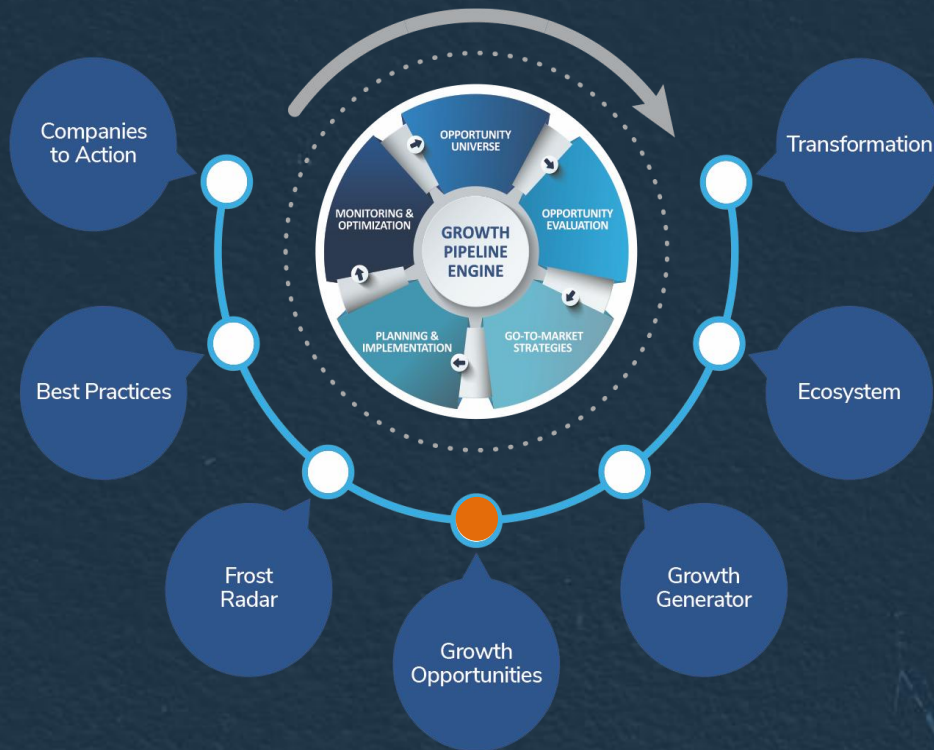


Global Automotive Aftermarket Outlook, 2026



Global Automotive & Transportation
Research Team at Frost & Sullivan

KCAD-41
May 2026

For Messe Frankfurt Automechanika 2026 Press Conference

Top Predictions for 2026

Top Predictions for 2026

Fleet age as a structural demand anchor: New vehicle sales in key markets are softening — not just stabilizing. With the global light vehicle parc averaging 12–13 years and over majority of vehicles in LATAM and parts of APAC exceeding 10 years of age, aging fleets are no longer a tailwind — they are the market.

Macro headwinds framing: The macro environment in 2026 will be defined by two compounding disruptions: US tariff escalation — with Chinese auto part imports facing effective rates exceeding 100%. Middle East instability is adding freight cost volatility and logistics uncertainty across APAC and European supply corridors.

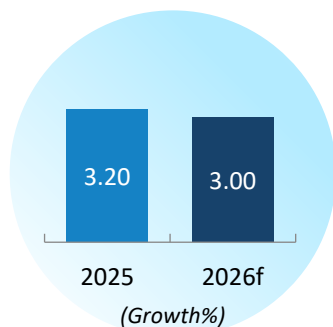
Growth outlook and regional leadership: The global aftermarket is projected to grow 5.8% in 2026 with resilience driven by fleet aging, deferred maintenance release, and emerging market expansion rather than new vehicle volume. China remains the largest absolute growth contributor.

Channel and business model disruption: Evolving customer buying preferences- product and channel will promote newer business models and push all stakeholders to identify their levers to differentiate in the market.

xEV aftermarket transition: The xEV parc is entering the independent aftermarket before the aftermarket is ready for it — and that gap is precisely where the next wave of value creation sits.

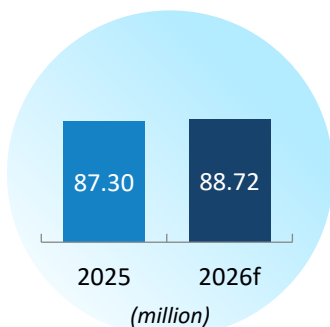
2026 in Numbers

Automotive Aftermarket: Predictions in Numbers, Global, 2026



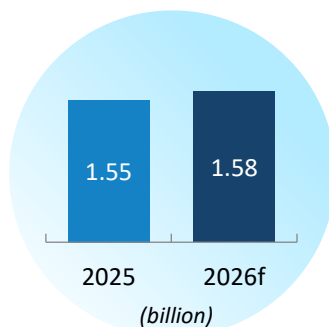
Global GDP

Tensions in Middle east expected to dampen global economic outlook, implications possible over next 12-18 months



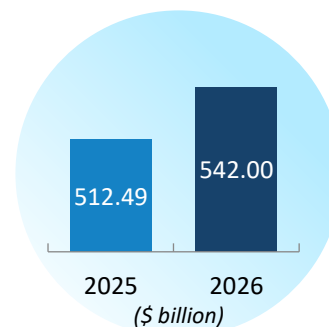
New Vehicle Sales

Mild growth in overall sales, supply chain volatilities to largely dictate the trajectory across various markets



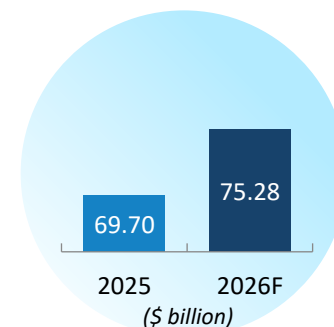
Vehicles in Operation

Continuing expansion in VIO, along with diversification of the population to fuel new service opportunities



Aftermarket Revenue

Extended vehicle upkeep complimented by sweet spot contribution in China to propel growth in aftermarket revenue



B2C eRetail Revenue

Steady growth in online channel expansion across most major markets, digitization of the value chain inevitable



China, India



Latin America, Asia-Pacific



Latin America, Asia-Pacific



China, India



Global

2026 Trends

Automotive Aftermarket: Predictions in Trends, Global, 2026



Emergence of AI Technician

Fast moving adoption of AI in the workshop **enabling enhancement of IAM competitiveness** significantly.



eCommerce in B2B Gaining Momentum

Evolving channel preferences making workshop the **new digital storefront**, **battle for interface control to become intense.**



Market Consolidation Shaping Competitive Forces

Rapid structural consolidation across every layer of the value chain.



Ageing Vehicle Tailwinds

Expanding IAM opportunities from ageing parc, product and channel preferences set to evolve.



Data and Diagnostics Becoming Competitive Asset

Shift from **parts to data and service ecosystem integrated environment** in the aftermarket



North America,
Europe, China



Global



North America,
Europe



Europe, North
America



Global

Global Economic Transformations for 2026

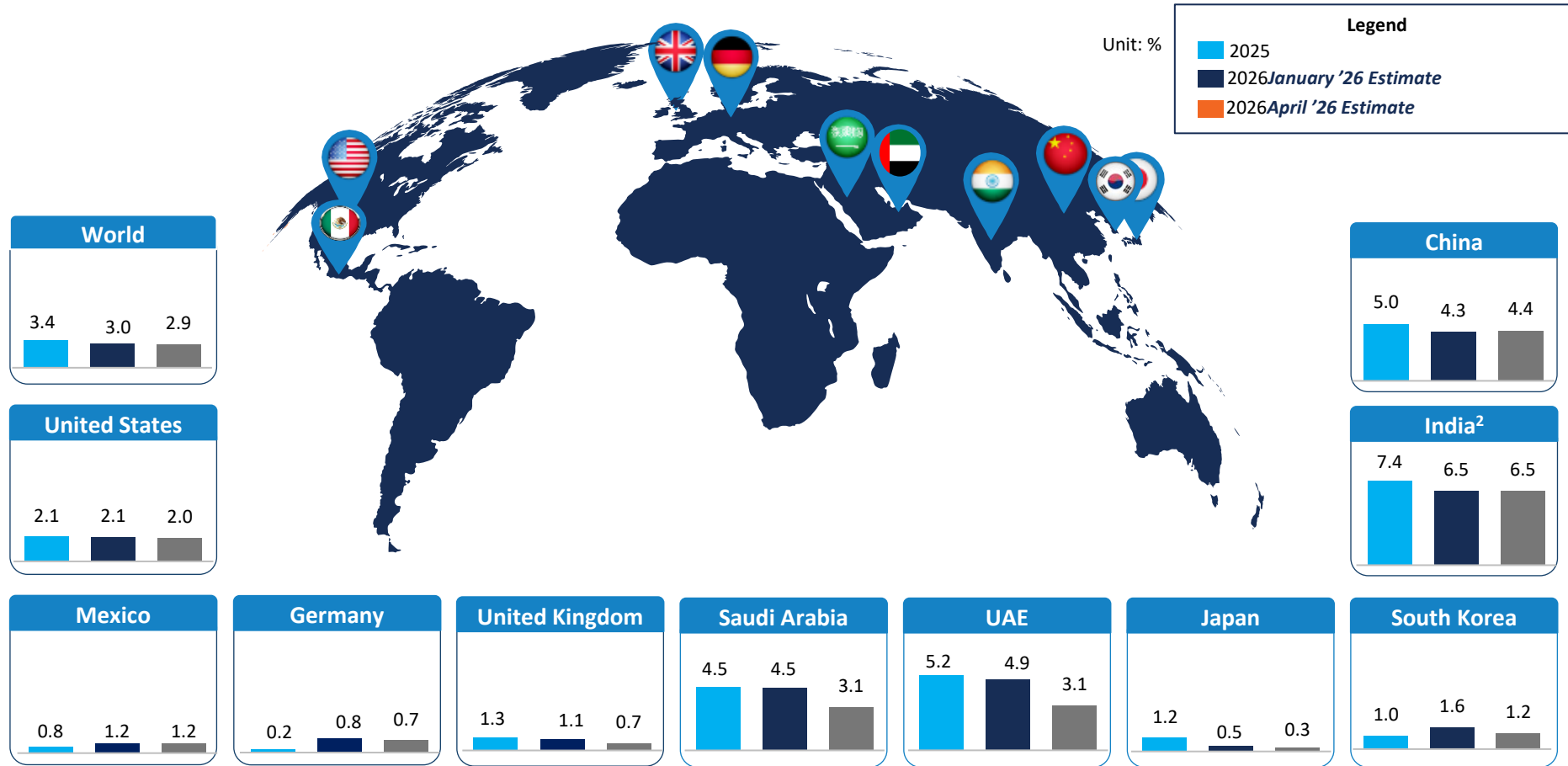
Economic Transformations, 2026	2026 Baseline (January 2026)	2026 Reforecast (April 2026)	Trend Direction
Global GDP Growth¹: Q2 2026 global GDP growth is expected to slow to about 2.4% from 3.1% in Q4 2025. Supply chain and energy price shocks from the Middle East conflict will shave off 0.3% of 2026 annual global growth (vs. 3.4% in 2025).	GDP Growth: 3.0%	GDP Growth: 2.9%	↘
Global Inflation and Interest Rates: Supply, shipping, and energy disruptions in Q2 2026 will see the 2026 global CPI averaging at 5%-7%. Most Western nations were already at the end of rate cut cycles by the end of 2025. Interest rate cuts in the US and UK, however, will be delayed to H2 2026.	CPI: 4.2%	CPI: 5-7%	↗
Global Merchandise Trade: Annual merchandise trade growth will slow to 3.0%-3.5% in 2026 as Middle East disruptions push up trade costs in Q2 and Q3 2026. However, a US-Iran ceasefire in early May 2026 will help trade growth pick up from Q4 2026 onward.	Merchandise Trade Volume Growth: 4.6% ²	Merchandise Trade Volume Growth: 3.0%-3.5%	↘
Global Oil Prices: Sustained Middle East supply disruption, uncertainty surrounding the Hormuz opening, and energy infrastructure damage will result in Q2 2026 Brent crude prices averaging at \$110-120/barrel.	Brent (Annual Average): \$60/barrel	Brent (Annual Average): \$95- 97/barrel	↗

Note: January 2026 baseline forecasts were as of 6 January 2026; April 2026 reforecasts are as of 17 April 2026; 1. Quarterly GDP growth numbers are measured against the same quarter in the previous year. 2. These are the 2025 revised estimates. Frost & Sullivan's January 2026 publication forecasts for trade are no longer applicable in light of trade data releases from Q4 2025 and Q1 2026.

Source: International Energy Agency; World Bank; World Trade Organization (WTO); International Monetary Fund (IMF); Frost & Sullivan

Global GDP Growth Annual Snapshot

GDP Growth Rate¹, Select Economies, 2025–2026

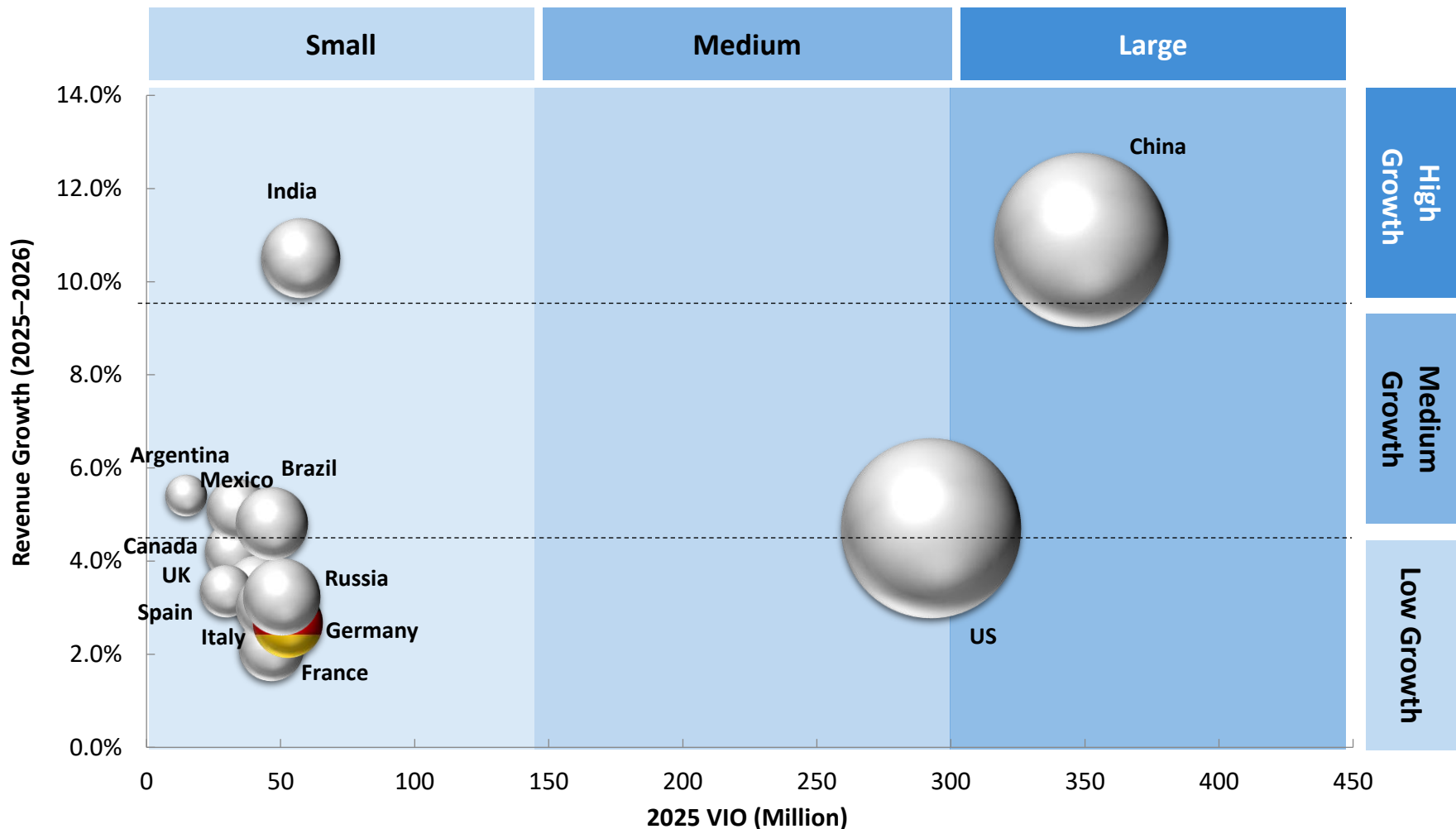


Note: Data and analysis stand updated as of 17 April 2026. 2025 figures for India and UAE, and 2026 figures for all countries, are estimates. 1. Data in this slide pertains to the baseline scenario. 2. Data for India is presented for fiscal years. For example, India's 2025 data refers to the fiscal year from April 2025 to March 2026.

Source: IMF; Country-specific national statistics offices; Frost & Sullivan

Growth Opportunity by Country

Automotive Aftermarket: Regional Growth Opportunity, Key Countries, 2025–2026f



Each bubble's size represents regional aftermarket revenue in 2025.