



Consumer Sector Briefing:  
Bike-Leasing – Employees ride e-bikes

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Bicycles are an essential component of current as well as future mobility concepts, and especially e-bikes are experiencing great popularity among consumers (see also Consumer Sector Briefing "[E-bikes on the Fast Track](#)"), whether it is a greater awareness of fitness and health or the motivation to exercise outdoors during the pandemic. The German bicycle association Zweirad-Industrie-Verband (ZIV) reported a strong increase in bicycle sales in Germany in 2021 as compared to pre-pandemic years, with 4.7 million bicycles sold.<sup>1</sup> An additional driver of this upward trend is corporate bike leasing, which has been steadily gaining traction in Germany. A recent Deloitte survey shows that there is still a lot of untapped potential in this space, particularly as a majority of the respondents found the concept very attractive.

The current dynamics are reason enough to take a closer look at the corporate bike leasing model and its adoption throughout Germany on the basis of a representative consumer survey conducted by Deloitte in the early summer of 2022, which interviewed a total of 585 employees and self-employed people in Germany aged 18 and above.

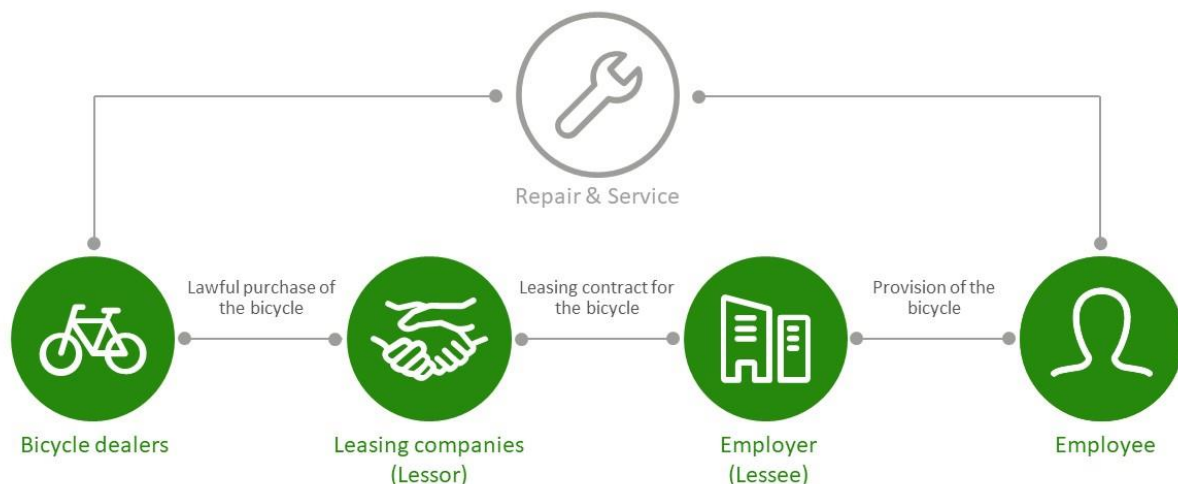
With the government incentives for corporate bike leasing, employees (and now also the self-employed – in this case without the bicycle provision to the employee) can lease a bicycle through their employer for both business and private use. Company bikes are not paid in one lump sum, but employees finance their bikes, particularly high quality conventional bicycles or comparatively expensive e-bikes, in monthly (leasing)

instalments. By converting part of their gross salary to cover the lease payments, employees receive an added tax benefit. The Bundesverband Zukunft Fahrrad puts the market potential at approx. 500,000 newly leased company bikes in the near future, with annual sales of approx. 4 million bikes.<sup>2</sup>

## Leasing companies at the heart of the corporate bike model

A variety of different stakeholders are involved in the corporate leasing model, including the employee, the employer, the leasing company, and the bicycle dealer (Fig. 1). The central element is the leasing contract for a company bike between the bicycle leasing company (lessor) and the employer (lessee) for a period of usually three years. Leasing companies obtain the bicycles at a

Fig. 1: Schematic diagram of the corporate bicycle leasing model



Source: Deloitte Analysis

discount from bicycle dealers, where employees can choose their preferred model and, in many cases, access repair and maintenance services.

Under the program, employees can convert a portion of their gross salary to cover the monthly lease payments for the bikes. This reduces the employee's taxable income, which is only charged as a small non-cash benefit (approx. 0.25% of the bike's gross list price). This results in savings for the employee compared to a direct purchase. Employers may also pay part of the monthly installments or provide other benefits such as insurance or maintenance. Alternatively, employers can make the company bike available to their employees as a non-taxable benefit-in-kind, in which case the private use of the bicycle is entirely tax-free – at least until the program expires in 2030.

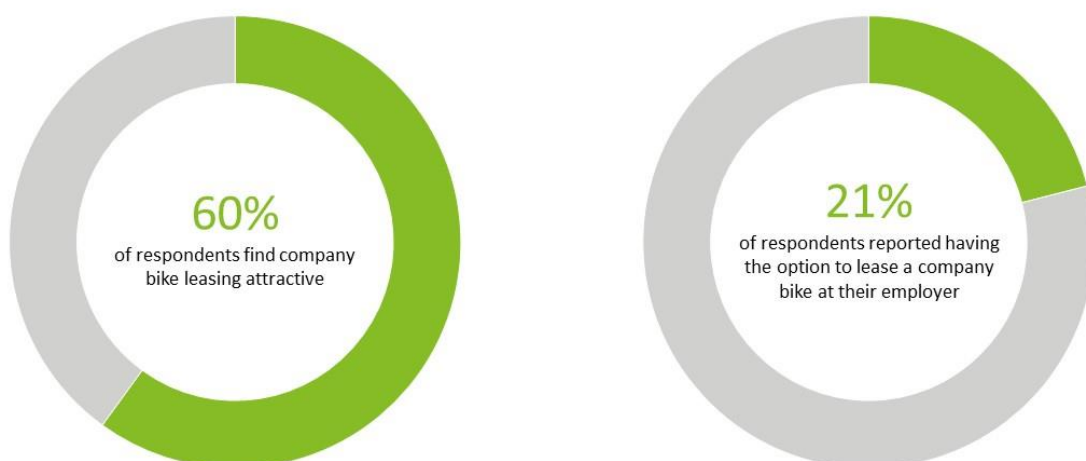
### Huge potential due to positive perception, even though few employers offer the program

Deloitte's recent consumer survey emphasizes the untapped potential in this space (Fig. 2), with more than half of the respondents – a whopping 60% – calling the leasing option “attractive”. Despite the very positive perceptions of corporate bike leasing, only 21% of employed and self-employed respondents say they were aware of the possibility of corporate bike leasing with their employers.

### Corporate bike leasing continues to drive the e-bike boom

More than one-third of the respondents (35%), who have the opportunity of corporate bike leasing, take advantage of leasing a company bike (Fig. 3). Particularly e-bikes, which on average have a significantly higher purchase price than conventional bicycles, benefit from corporate bike leasing. The results of the survey show that about two-thirds (68%) of all leased bicycles have an electric power assist. By contrast, e-bikes accounted for less than 50% of Germany's total bicycle sales in 2021, according to the ZIV.<sup>1</sup>

Fig. 2: Assessment of attractiveness vs. option to avail of corporate bike leasing



Source: Deloitte E-Mobility Survey 2022

Fig. 3: Use of company bike leasing and share of leased e-bikes



Note: 1) if there is the opportunity to do so in the company.  
Source: Deloitte E-Mobility Survey 2022

**Motivations to lease a company bike vary widely**

Employees opt to lease a company bike instead of buying it privately in one lump sum for a variety of reasons (Fig. 4). Almost half of the people surveyed who are currently leasing a company bike (45%) say their main motivation is the ability to purchase the bicycle at the end of the leasing period for a reasonable price. However, we should note here that employees who purchase a leased bike at a price below the estimated residual value will have to declare the purchase as a taxable non-cash benefit. 27% of respondents said they were motivated to lease a company bike to ensure they always have the latest, state-of-the-art model, which could indicate that they plan to permanently make use of the leasing option.

About one-third of the respondents cited the financial support from the employer (34%) as well as the possibility of financing in installments (32%) as key reasons to avail of the offer. Other reasons noted by respondents include the lower total costs compared to direct purchase (27%) and the attractiveness of the overall offer (25%), which in some cases includes insurance and a breakdown service.

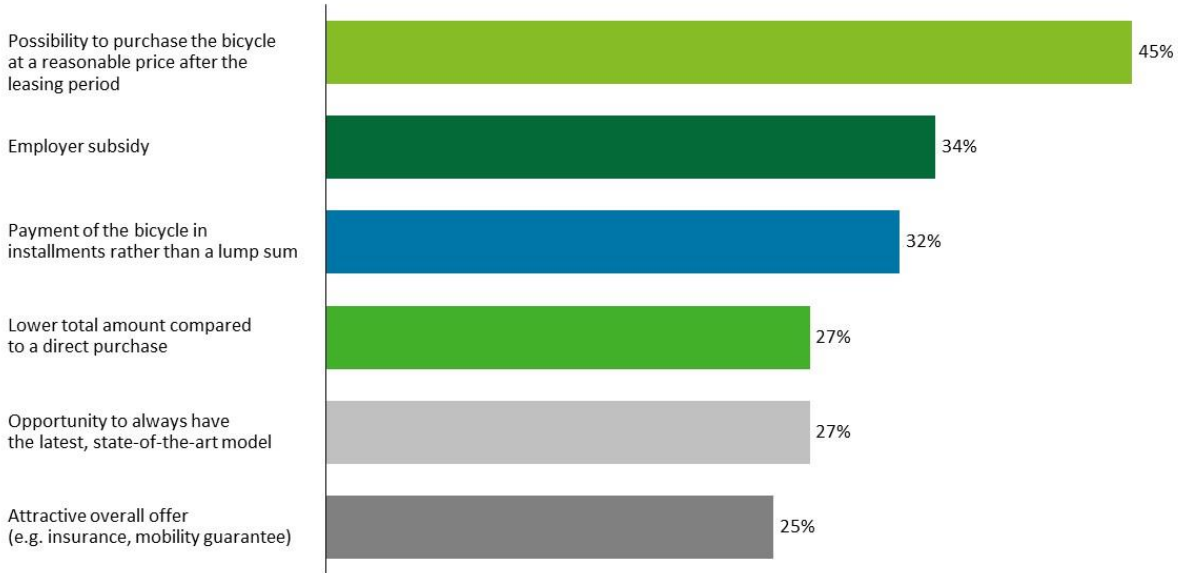
**Corporate bike leasing promotes the “bicycle ecosystem”**

The corporate leasing model lowers the barrier to entry for bicycle use by eliminating the relatively high one-off purchase price, making also expensive bicycles (e.g., high-quality conventional bikes, cargo bikes or e-bikes) more attractive to the broader public.

Likewise, it promotes the entire bicycle ecosystem, for example, by increasing demand for maintenance and breakdown services, for additional equipment purchases or for bicycle insurance policies. New business models are also likely to benefit, such as second-hand platforms for used bikes.

Thanks to the efficient process offered by leasing companies, it is easier for companies to give employees the option of a company bike. At the same time, however, employers need to make sure that they provide the necessary infrastructure at the workplace, from secure bicycle parking and battery charging stations to shower and changing facilities. This will make it more likely for employees to actually use the bike for their commute and, in turn, make a sustainable contribution to the overall mobility transition.

Fig. 4: Reasons to avail of the corporate bike leasing program



Source: Deloitte E-Mobility Survey 2022

**Note**

Wherever words denoting a specific gender are used, they are intended to apply equally to all people without regard to gender.

**Sources**

<sup>1</sup> Zweirad-Industrie-Verband: “Marktdaten Fahrräder und E-Bikes 2021” (Market Data for Bicycles and E-Bikes), via: [https://www.ziv-zweirad.de/fileadmin/redakteure/Downloads/Marktdaten/ZIV\\_Marktdatenpraesentation\\_2022\\_fuer\\_Geschaeftsjahr\\_2021.pdf](https://www.ziv-zweirad.de/fileadmin/redakteure/Downloads/Marktdaten/ZIV_Marktdatenpraesentation_2022_fuer_Geschaeftsjahr_2021.pdf) (accessed September 9, 2022).

<sup>2</sup> Bundesverband Zukunft Fahrrad e.V.: “Leasing und Versicherungen – Dienstrad-Leasing als Treiber der nachhaltigen betrieblichen Mobilität” (Leasing and Insurance – Corporate Bike Leasing as a Driver for more sustainable Commuting), via: <https://zukunft-fahrrad.org/mitglieder/arbeitsgruppen/> (accessed September 9, 2022).

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