



PRESS RELEASE

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BERNER Industry Barometer: Sentiment fluctuates in Europe's car workshops

Germany's car workshops have their work cut out for them. And that is more important than ever in the current situation, since service is particularly important as a revenue driver in the face of weakening new car sales. Nevertheless, the business climate for the car trade also reflects a great deal of scepticism. This is shown by the new industry barometer of the Berner Group. According to the survey, just 15% of German automotive professionals expect sales to increase in 2023 (previous year 25%). Every fourth company fears that the order situation will decline (previous year 19%). In other European markets, the mood is much more optimistic, according to the B2B wholesaler's cross-national survey of 1,162 decision-makers.

The European mood champion in the BERNER industry barometer is Italy. According to the survey, more than half of all automotive professionals expect "better" or even "much better" capacity utilisation in 2023. 11% fear a decline. In France, the outlook for the current calendar year is somewhat less euphoric, but overall also predominantly positive: one in five workshops believes that turnover will increase. About two-thirds expect at least a stable order situation. 12% expect fewer customers.

"In Italy, the mileage of cars is at a constantly high level anyway. And while there was a noticeable slump in mileage in Germany after the end of the fuel rebate, in France it also picked up again very quickly after the strike in the summer. As mileage increases, so does the need for service in the workshops," says Florian Sommer, responsible for the Mobility segment at the Berner Group, explaining one of the reasons for the differences in sentiment.

Added to this: More new cars are registered in Germany than in France and Italy. The mass-produced models from Renault, Peugeot and Fiat, which are popular in these countries, are particularly hard hit. The dealer's grief is the workshop's joy. The older the car, the greater the need for maintenance, inspection and repair," says expert Sommer. "Of course, this provides a good tailwind for the French and Italian motor vehicle professionals." The outlook for the future in Germany is not very confident. According to the survey, only 15% of the businesses believe in an increase in turnover. Every fourth workshop fears that business will be worse in 2023 than in 2022.

Traditional craft services as an opportunity

"Expectations are heading for an all-time low, especially in the last quarter of the calendar year," reports BERNER Mobility expert Sommer, who does, however, have an encouraging note: "The opportunity to earn good money with classic craft services is huge." For example, new registration figures across Europe are still up to 40% below pre-Covid levels. And due to the general price explosion in other areas of life, many car owners are currently tending to pay more attention to the repair of older vehicles in line with their current value. Sommer: "Automotive professionals should target this gap. Plastic and plastic components in particular do not necessarily have to be replaced. Instead of ordering completely new vehicle parts, many defects, cracks or breaks can simply be glued." In addition to the workshop (makes turnover/margin) and its customers (no long waiting time/significantly lower costs), the environment also benefits (less waste to dispose of).

To keep capacity utilisation high or to get it going, Sommer also recommends using additional business potential. He explains how easy it is to do this using the "Cleanstar Magic" product example from his own



company. The smart chemical all-in-one innovation not only cleans the windscreen with every spray, but also seals it and offers a long-lasting, water-repellent effect with its special pearl effect.

Gain over tank of the windscreen wiper system

"Many customers have so far been reluctant to opt for windscreen sealing, as this is usually an expensive issue due to the higher effort involved," knows BERNER expert Sommer. The consequence: automotive professionals refill the washer water with goods mostly for free or for a small margin. "Instead of replacing commercial wash water, garages can offer their customers the use of Cleanstar Magic as an alternative with added value when accepting the car. Compared to the multi-step cleaning and sealing process, the labour and material costs are estimated to be up to six times cheaper." In this way, with just one action, car workshops can kill two birds with one stone via the tank of the windscreen wiper system: increase their own profit - and improve the satisfaction of their customers, which should certainly also brighten up the mood in the medium term. After all, it is a well-known fact that only happy workshop visitors come back regularly.

About the Berner Group

The Berner Group is a family-run European trading company. Our vision: "We keep the world together and moving". This means we are the central B2B trading partner for all materials in the field of maintenance, repair and production for our customers in the construction, mobility and industrial sectors. With over four channels, we create an integrated omnichannel shopping experience for our customers. In the field of steel and C-parts, as well as in the chemical sector, we are at the same time an innovative manufacturer. We are represented in over 20 countries with more than 200,000 articles and around 8,000 employees.