

Over four million batteries sold worldwide

Banner draws a positive balance for the financial year expired

- **Sales revenues of EUR 286 million**
- **4.2 million starter and electrical system batteries sold**
- **Major expansion with the Energy Solutions business unit in Thalheim**
- **Fit for the future following a strategic reset**

Leonding, 24.5.2022. The strategic reorientation of the Banner Group constituted the main focus of the 2021/22 financial year (1 April 2021 to 31 March 2022). The car battery manufacturer can now point to a positive balance and despite a challenging twelve months is able to report sales revenues of EUR 286 million, which as compared to the preceding year represent a plus of around six per cent. Moreover, with 4.2 million batteries sold, the company looks to the future with cautious optimism.

The entire automotive industry is subject to profound global changes. Nevertheless, the Banner Group was able to hold its own with a notable increase in both revenues and sales volume. As Andreas Bawart, the group's Commercial CEO, explains, "The decisive factor in this positive development was the strong demand for our quality products in the North American and Asian markets." In fact, with double-digit growth on the Iberian Peninsula and in the Far East, during 2021/22 Banner continued to underline its export strength. However, continuing difficulties in Turkey led to a reduction in activities and in Russia these ceased entirely. Conversely, developments in Portugal during the past financial year were particularly satisfying, as thanks to a new sales structure the market saw a doubling of Banner battery sales.

Turbulence in the OEM segment

As Andreas Bawart makes clear, "The current disruptions caused by the shortage of semiconductors and wiring harnesses, as well as rising energy and raw material costs, mean that the original equipment market segment is in decline and loss-making. Especially in this segment, prices need to be raised considerably, but the car manufacturers are preventing such increases. In this situation, the supplier industry would expect much stronger support, but for the carmakers it is more important to convince shareholders with record profits. This is highly detrimental to the supplier industry, which is struggling to survive.

At present, original equipment manufacturers provide just under 30 per cent of Automotive business unit sales, while the remainder is covered by the aftermarket segment.

An ambitious investment programme at the Leonding and Thalheim locations

In order to be able to adapt its production capacities to the increase in sales, during the past three years the company has spent more than 30 million euros on the development of the Leonding location. As Andreas Bawart explains, “Our investment priorities consist of order-based production, future-proof planning and logistics capacities, and first and foremost, the digitalisation and ongoing improvement of our processes.” Furthermore, June 2021 saw the opening in Thalheim bei Wels, Austria, of a location designed specifically for the new Energy Solutions business unit. Some ten million euros have thus been invested in the further development of the manufacture of traction and standby energy storage solutions, which was also targeted primarily upon the securing of existing jobs and an increase in output capacity. At present, Banner has some 805 employees across Europe.

E-mobility is picking up speed

There is a clear trend amongst automotive manufacturers towards e-mobility. However, vehicles with combustion engines still represent a considerable percentage of the overall market and in view of average vehicle service life of between ten and fifteen years, Banner foresees this type of vehicle as continuing to constitute a significant share of the aftermarket. Moreover, there are currently no alternatives to the combustion engine in the long-haul truck segment and here the Banner Group also envisages significant opportunities for starter and utility battery growth in the years to come.

Outlook

In the future, starter and electrical system batteries will remain Banner’s core business areas. Indeed, the company has set itself the target of capturing special shares in the aftermarket. Andreas Bawart, “Whilst it is true that the current situation is more uncertain than ever before, general conditions are full of risk and numerous influential factors impinge upon our everyday activities, we nevertheless wish to expand in our current business segments and plan growth of around 200,000 batteries. We also intend to intensify existing cooperation projects and open up fresh chances in Europe, Asia and overseas.” Accordingly, in spite of the paradigmatic shifts in the automotive industry, Andreas Bawart says that he still sees the future in a positive light.



Captions:

Photo 1: Andreas Bawart, the Banner Group's Commercial CEO

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Banner at a glance

Two operative business units, Automotive and Energy Solutions, constitute the cornerstones of the Banner Group, which has been producing batteries for all types of vehicles since 1937. The Automotive business unit has an extensive product portfolio, which includes starter, vehicle electrical system and leisure batteries for both the original equipment (OE) and aftermarket (IAM) sectors. As a rule, these products are developed and manufactured at the group headquarters and production plant in Leonding (Austria). Conversely, the Energy Solutions business unit, which is located in Thalheim near Wels (Austria), specialises in the further development of products for the traction, semitraction and standby segments. The family-owned group, which is headed by Andreas Bawart and Thomas Bawart, employs an 805-strong workforce across Europe. In thirteen European countries, dealer support is provided by the group's own sales companies, while in over 70 other countries in Europe, Africa and Asia, products are sold through direct importers. Future-oriented technology and outstanding quality underline the international reputation of the flagship products with "buffalo power" and this also characterises the Banner logo. Further information is available at bannerbatteries.com

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