

Over four million starter batteries sold worldwide

Banner repositions itself for the future with higher sales revenues

- Sales revenues of EUR 270 million achieved despite the pandemic
- 4.1 million starter batteries sold
- New industrial battery production plant opened in Thalheim bei Wels, Upper Austria
- Agenda 2030 launches a reset for the future

Leonding, 22.6.2021. In spite of the daunting 2020/21 financial year (1 April 2020 to 31 March 2021), Banner still achieved a small, two per cent increase in sales revenues over the preceding year. Nonetheless, the upheavals throughout the automotive industry have also resulted in a strategic rethink by the battery producer from Leonding, Upper Austria. Accordingly, with sales revenues of EUR 270 million, 4.1 million starter battery sold and an additional location in Thalheim bei Wels, the company has repositioned itself for tomorrow with its Agenda 2030.

2020/21 was characterised by radical global changes and sizeable challenges. Nevertheless, despite facing a difficult economic environment the Banner Group was able to attain a notable increase in both sales volumes and revenues. In addition, at the end of 2020 the company received a major order from North America with an overall volume of around EUR 60 million. As a result in the coming years a total of some 1.5 million lead-acid batteries are to be delivered to the USA and Canada, and as Andreas Bawart, Commercial CEO of Banner, explains, “This significant order contributes greatly to the securing of jobs in Austria and the new North American sale region provides even better risk distribution.”

A new location in Thalheim for the business area industrial batteries

At the beginning of June, the Banner Group opened a new production plant in Thalheim bei Wels for industrial batteries. Approximately, EUR 10 million have been invested in the project and during the selection of this additional location, Banner deliberately decided against ground sealing and opted instead for existing office premises. This choice was made in order to correspond with the company’s environmental and sustainability policies.

Thalheim should considerably boost the development of industrial battery production and be seen as a source of premium quality, high-performance energy storage solutions and powerful power packs for both mobile and stationary applications. These include everything from e-stackers and lifting platforms, self-driving transport systems, golf carts, safety and emergency power supply batteries for hospitals and power plants, signal systems and renewable energy supplies, to electrical wheelchairs, camping, marine and caravan use. The Thalheim bei Wels works has an initial workforce of 25 and in the coming ten years will be where Banner intends to make continual advances in the industrial battery field. The main focus in this regard will be on Germany and France.

Fit for the future with Agenda 2030

The comprehensive changes in the automotive industry have prompted Banner to also reorientate. With its Agenda 2030, the company has committed itself to facing the challenges ahead and has laid down a clear path into tomorrow. Andreas Bawart describes this new corporate approach as follows, “We are analysing both the market and demand, and have a focus on our organisational, production and portfolio strengths. We also intend to intensify existing cooperations and open up new opportunities in Europe, Asia and other overseas markets.”

In the future, starter batteries will continue to constitute core business area of Banner and the two largest segments in this field are comprised by starter batteries for first fitting and the aftermarket. At present, it can be assumed that in the coming years IPO business will decline somewhat, but the aftermarket will grow strongly.

On the basis of this market estimation, Banner has extrapolated three main sales strategies:

- Firstly, there will be a high level of concentration upon AGM, EFB and truck batteries, which are all top quality products.
- Secondly, replacement business, which is already showing recognisable signs of sizeable growth, will be another focal point.
- Thirdly, Banner will further expand geographically and also step up its efforts in markets outside Europe. With this sales strategy, the company expects to be able to increase its revenues in the current decade.

The Leonding location is to be considerably strengthened

In the past three years, Banner has spent over EUR 30 million on the development of its Leonding location and in order to push ahead with the Agenda 2030 in the appropriate manner, this process is set to continue. Andreas Bawart, “We intend to invest in order-related production, storage and logistics capacity, as well as the digitalisation and automation of our processes.”

At the moment, the family-owned company has an export sales quota more than 95 per cent and supplies Audi, BMW, Mercedes-Benz, Porsche and Volvo with innovative AGM technology. In fact, start-stop batteries already constitute 30 per cent of its production volume and a major part of the company’s recent investments in Leonding have been in capacity for further growth in this technology of the future. Moreover, as Commercial CEO, Andreas Bawart, stresses, “Apart from Thalheim, we will be placing an emphasis on our headquarters in Leonding. Another production location, either in Austria or abroad, is not up for discussion.”

An intensified focus on e-mobility

According to Franz Märzinger, Head of Sales and Marketing, “The pressure upon the combustion engine is clearly a development that Banner has to manage both now and in the future.” Amongst the automotive manufacturers there is a clear trend towards e-mobility, but as Märzinger says, “The new combustion engines coming onto the market still constitute a large portion of overall sales. In tandem with average vehicle use of ten to fifteen years, this means that the aftermarket for cars and trucks with combustion engines will continue to be sizeable. For example, at the moment there is no real alternative to the combustion engine in the long-distance truck segment and it is precisely here that the Banner Group sees major opportunities for starter battery growth in the years to come.”

Outlook

Andreas Bawart sees a clear future scenario as emerging from the profound shifts in the automotive industry, “The advance of e-mobility is apparently unstoppable, but we will first know if it triumphs in a few years time.” It is a fact that with around 90 per cent, standard lead-acid batteries still constitute the lion’s share of the global battery market. Furthermore, in future 12V lead batteries will continue to be necessary for the supply of the electrical systems in e-vehicles and estimates within the industry point to yearly growth rates of two to three per cent. Andreas Bawart, “Therefore we are committed to the systematic development of the traditional starter battery and are already working on its next generation. We invest roughly ten million euros in research and development activities annually and our primary aim is and will remain the retention of a sustainable and economically sound business approach. With the Agenda 2030, we as the Banner Group are facing up to the guiding principle of viability and the challenges of the digital revolution.”

Captions:

Photo 1: With its new location and Agenda 2030, Banner is ideally equipped for the future (in the photo Andreas Bawart, Commercial CEO and Franz Märzinger, Head of Sales and Marketing)

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Banner at a glance

Banner is an innovative, steadily expanding producer of top quality starter batteries. The company, which is based in Linz-Leonding, Austria, has been manufacturing batteries for all types of vehicles since 1937. The family-owned firm, which is headed by Andreas Bawart and Thomas Bawart, employs a workforce of around 805 across Europe. Banner produces and sells over 4.1 million starter batteries annually and thus numbers among the oldest, most experienced and important brands in the battery production field. The company's battery production plant is one of the most modern and environment-friendly in Europe, and sustainability and environmental protection are vital elements in the corporate philosophy of Banner. In addition, the company is a founder member of the Starter Battery Environmental Forum (UFS) and sees its processing of lead as demanding a special degree of responsibility. Research and production take place in accordance with the most stringent quality standards and employ environment-friendly procedures.

The starter battery production of Banner is characterised by a closed cycle, which extends from manufacture to recycling and through continual improvement minimises and prevents environmental impact. Banner batteries are used for the first fitting of numerous models from Audi, the BMW Group, Caterpillar, Jungheinrich, Kässbohrer, Liebherr, Mercedes, Porsche, SEAT, Volvo and VW. A company network of 25 sales companies in fourteen countries provides retailer support and in addition Banner products are sold in more than 70 European, African and Asian states via direct importers. Future-oriented technology and outstanding quality underline the international reputation of these exemplary products with "buffalo power", which are also characterised by the Banner logo. Further information is available at bannerbatterien.com