



PRESS RELEASE

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BERNER Industry Barometer: Good mood in Italy and France, German and Austrian construction professionals less optimistic

One industry, many faces: while the mood among Italian and French construction professionals is good, German and Austrian companies are clearly more pessimistic about the future, despite a continuing solid order situation. This is shown by the current industry barometer of the Berner Group. The B2B wholesaler surveyed 3,600 decision-makers from various trades in the building trade across all countries.

"The skilled crafts sector as a whole is struggling with many challenges. In the construction sector in particular, we nevertheless see a solid mood. The industry continues to grow at a high level, but not as strongly as before in all trades", Thomas Eikel, responsible head of the Construction segment at Berner Group, summarises a key result of the industry barometer. "Across all respondents, 31% of construction professionals reported that they had better or even much better business in the first half of the current calendar year than in the previous six months." However, there are clear differences in the country comparison.

"Sentiment in the German construction industry has already become increasingly gloomy since November 2021," reports Thomas Eikel. "This trend has continued in the first half of 2022." Accordingly, just one in four companies in Germany assesses the course of business in the first half of the calendar year as positive. The same applies to Austria. In the neighbouring country, the war in Ukraine in particular has led to a sustained slump in sentiment. In France, too, the BERNER industry barometer for March/April shows a clear downturn in sentiment, but this was already corrected in May. Since then, things have been on the upswing again. In the meantime, the majority of French construction professionals are confident about the future: almost two thirds of the companies expect more orders in the second half of the year, only one in ten fears a deterioration.

The sun is shining particularly brightly in Italy. There, at around 50%, almost twice as many construction companies as in Germany and Austria are satisfied with the business development of the year to date. "The 'Superbonus 110', which makes the renovation of houses in Italy very attractive for owners and builders, has certainly played a significant role in this", explains Thomas Eikel. "As things stand, the state-subsidised programme is expected to run until the end of 2022." And that is providing a strong tailwind. Thus, 27% of Italian construction professionals are convinced that they can achieve an increase in turnover in the next six months. Only 8% expect less work.

SHK booming, energy saving via building envelope still in vogue

The BERNER industry barometer also provides informative results with regard to the various trades. Timber and window manufacturers have enjoyed a good order situation in recent years. "The level remains high, especially as the topic of energy-efficient renovation of the building



envelope, i.e. windows and roofs, will continue to play a major role," analyses Thomas Eikel. "Nevertheless, the expectation for these trades is around 3% below the peak values in Q3/Q4 2021. In the short term, we therefore see slightly stagnating demand in the markets surveyed."

Construction installers, on the other hand, paint a much more positive picture overall than the mood among contractors would suggest. In building construction, higher material costs, volatile prices, scarce resources and other factors are leaving clear traces. "Companies active in this field are increasingly complaining about general uncertainty and the postponement of construction projects," Thomas Eikel emphasises. "A quarter of the decision-makers in Germany, Austria and France consequently also fear a poorer order situation here in the next six months."

Optimism is particularly strong in the Metal Division with its focus on sanitary, heating and air conditioning. Across countries, craft businesses in this sector have been in a mood high since May - despite negative framework conditions such as a shortage of skilled workers or internationally disrupted supply chains. "The positive development is very likely linked to the planned projects and the strong increase in demand for energy-saving alternatives in heating, heating, air-conditioning and ventilation systems," says expert Thomas Eikel.

Berner Group starts well into the 2022/23 business year

The Berner Group also notices that the building trade as a whole is still busy. Despite ambitious growth targets, the B2B wholesaler has made a solid start to the new financial year. In the core business omnichannel trading, which includes the Construction segment, the company is currently more than 5% above the previous year's figures. All three regions are contributing to the growth in turnover. The South-East region with Italy at the top confirms the mood of success measured in the industry barometer by the greatest dynamics.