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GERMANY'S MARINE EQUIPMENT SUPPLIERS ARE IN OPTIMISTIC MOOD, BELIEVING THAT THE WORST OF THE CRISIS IS WELL BEHIND THEM

WORDS: BELINDA SNELL

While German boatbuilders continue to face an uphill battle going into 2012 on account of weak exports, the country's marine equipment and accessories manufacturers are enjoying a period of relative growth. Most of the companies canvassed by *IBI* are overwhelmingly positive about the year ahead, particularly those who target the aftermarket.

"Instead of buying new boats, people are spending money refurbishing and refitting their old ones — and for that they need parts," says Claus-Ehlert Meyer, managing director of German Boat and Shipbuilders Association DBSV.

In a recent survey of DBSV members, 91.5 per cent of German equipment manufacturers said that business in 2011 was equally good or better than the previous year. Of this total, 72.8 per cent felt that business had improved. Only 39.8 per cent of German boatbuilders shared this view.

"We were positively affected by the crisis," Andreas Tegeler, key account manager and head of exports at Yachticon A Nagel GmbH, told *IBI*. The company distributes Navyline boat equipment and manufactures its own range of Yachticon-branded boat care products for customers in more than 50 countries worldwide.

"Boat owners and charter companies are investing more in maintenance and upkeep," says Tegeler. "They're rebuilding, restoring and refitting their old boats, buying more replacement hardware and onboard safety equipment."

Navyline sales in 2011 were up by around 25 per cent compared to the previous year, while Yachticon sales were up by 19 per cent.

"A lot of customers are asking for specialised refit products to keep their boats in good shape," Tegeler adds. "Without the crisis they might have bought a

new one, or perhaps a used boat just one or two years' old. As it stands, people are more concerned with keeping their existing boat in good condition so as not to lose money when it comes time to sell."

The second-hand boat market is also fuelling growth. Prices for used models are historically low, making it easier for first-time entrants to take up the sport. "We're focusing on these customers by supplying them with products that are cheap and easy to use," says Tegeler.

"Convenience is also an issue. We're seeing a trend towards smaller boats with lots of equipment and technical devices onboard, particularly daysailers and family cruisers around 25ft."

Wolfgang Brakenhoff, sales manager at Böning Automationstechnologie, told *IBI* that business has recovered steadily since the onset of the crisis, growing by 30 per cent in 2010 to €7.9m and by another 30 per cent in 2011 to €10.3m.

GRASPING OPPORTUNITY

"Compared with pre-crisis days, we're of the opinion that Böning is better positioned than before," says Brakenhoff, whose company makes automation systems and devices for commercial ships and yachts. Growth is being driven by new product development and diversification into different markets, including custom-tailored solutions for superyachts.

"The worldwide economic crisis caused a significant decrease in sales in 2009, but we were strong enough to overcome the crisis without redundancies," he says. "During this time of weak orders, we focused on the development of new products and applications, including our new generation of panel PCs with glass monitor displays and our new Trim Tab

Control System. This period also gave us the chance to improve our standard of quality."

Böning sells around 90 per cent of its output directly to boatyards. Fleming Yachts, Princess and Monte Carlo Yachts (MCY) are among its main clients.

"A global crisis forces a company's management to think about business in a different way — for example, to think more about diversification," says Brakenhoff. "We're present in different target markets with systems for commercial shipping and custom-made solutions for yachting." ➔

“Boat owners are investing more in maintenance and upkeep... they're rebuilding, restoring and refitting their old boats”



◀ Fischer Panda witnessed a 15 per cent drop in sales in 2010, but its future growth is well secured



German Boat and Shipbuilders Association

www.dbsv.de

GERMANY | EQUIPMENT

▼ **Yachtlite's Kristin Schaedel says the aftermarket is picking up**



Another potential growth sector involves the development of OEM products such as alarm, security and diagnostic systems for a well-known diesel engine manufacturer. "We would like to put more focus on this in the future," says Brakenhoff.

Also feeling the recovery is AW Niemeyer GmbH, Germany's largest marine retailer. Despite a summer marred by poor weather, sales were up by 3.5 per cent in 2011 and the company is forecasting another rise of around three per cent in 2012.

"2011 was a bit of a roller-coaster year," says managing director Michael Ortmüller, who also serves as vice president of German marine federation BVWW. "Spring was very good but the summer was bad on account of all the rain that we had in Germany. But business picked up again in autumn, so all in all it was not that bad of a year."

AMBITIOUS PLANS

AW Niemeyer has 10 stores in Germany, one in Austria and another in Switzerland that opened for business in March this year.

"As our market is more local, we weren't that affected by the crisis," Ortmüller maintains. "Some of our suppliers had difficulties but we were able to manage that without too many problems."

Over the last 12 months, AW Niemeyer has focused on providing improved levels of customer service. "We've enlarged our rigging department in Kiel, for example, enabling customers to get their equipment back much faster. We've also hired two new specialists in our technical advisory team in Hamburg to help customers by phone."

As for the future, the company remains ambitious. "Over the long term we want to increase our customer-oriented services, open some more stores in Germany and abroad, and perhaps even buy out some of our smaller competitors," says Ortmüller.

Marine generator specialist Fischer Panda witnessed a 46 per cent rise in sales in 2011 — mostly on account of its new generator series, including the

iSeries of inverter generators with variable speed technology.

"At the moment Fischer Panda is the only company with this kind of silent and compact generator range," says sales and marketing director Jens Langer. "We recently completed the series with the Panda 10000i and we now have 4kW, 6kW, 8kW and 12kW versions available. We've also spent a lot of time and effort recruiting marine customers in Europe."

The result, says Langer, is increased market share in the super silent marine generator segment.

"Some interesting projects in the superyacht sector also came up," he adds. "I think the general mood right now is a lot better than in 2010/11. The diesel-electric market is another area of application where we've had success, having recently sold the first systems of our 3rd generation diesel-electric drives."

Fischer Panda witnessed a 15 per cent drop in sales in 2010, but its future growth is well secured. "We have markets in the marine, vehicle and special application areas — and this worldwide in over 76 countries — so the fluctuation was not that considerable compared to other companies," says Langer, who forecasts a rise of at least 10 per cent for Fischer Panda in 2012.

"This can and will be reached by a strong focus on customer needs, further leads into European and Asian shipyards, and an increased focus on special superyacht projects," he says.

Munich-based roof and temperature control systems specialist Webasto also reported a successful 2011. Despite fewer boats on the market, the marine segment enjoyed a growth rate in line with total group sales which were up by 12.6 per cent at €2.3bn.

"Sales in Germany contributed significantly to the growth of the marine segment, thanks to our long-term collaboration with major OEMs and projects in the commercial market," says Denis Merle, director of marine and recreational vehicles.

"Our budget forecasts another year of important



▲ **Fischer Panda's Jens Langer claims the generator manufacturer is gaining market share**

growth but we expect more difficult times, especially in the pleasure boat market."

Merle says that the drop in global boat production has confirmed the relevancy of a sales strategy that focuses on supplying more pieces of equipment to each individual client.

"We have invested in new products to extend our sales scope (fewer boats but more products sold on each) and we benefit today from these product portfolio extensions," he says.

In the meantime, Webasto will continue to invest heavily in the marine segment. "Several major developments are going on that are still confidential," says Merle. "However, at METS we unveiled several new products that will support our sales in 2012, including new roof systems, new glazing products, energy saving devices for compressor refrigeration and the new Cruise Elegance Line."

At platform tender lift manufacturer H+B Technics, business grew by 30 per cent in 2011 on account of more retrofit sales to private customers. "We're also selling more to boat yards," says Jan Olfenbüttel, head of marketing and sales. "This includes one-off custom projects for some of the big superyacht yards as well as series boat producers."

H+B is increasingly targeting OEMs as part of its strategy to grow the business. "We've managed to take on new yards outside of Germany that we've never supplied our systems to before, especially in the UK," he says. "In the last year we've also received more requests from producers like Beneteau, Sealine, Monte Carlo Yachts and Sanlorenzo."

In 2010, around 20-25 per cent of H+B's output was sold directly to private individuals. Today the number is just 10 per cent.

"We used to produce a lot more for the private market, but in 2011 we decided to focus our energies elsewhere," says Olfenbüttel. "Private customers take a lot of time because they need to supply exact boat dimensions – and that can be difficult. Boat yards, on the other hand, can easily send us CAD drawings."

H+B exports around 85 per cent of its output, mostly to Europe. "Last year Italy was our best performing market, but now it's probably the UK," says Olfenbüttel, whose company lists Fairline, Sealine and now Sunseeker among its major clients.

"In the past we delivered to many of the small Italian boatyards – they'd order one, two or maybe three lift systems a year – but the market in Italy has really gone down in 2012."

A pick-up in OEM sales has also been noted at Yachtlite, a German producer of LED-based illuminated lettering, logos and interior design fixtures for yachts.

Stefan Wienecke, CEO, told *IBI* that sales to boatbuilders used to account for just 65 per cent of the business. Today, the figure is closer to 80 per cent.

"The crisis was definitely noticeable with various customer bankruptcies and a general decline in sales of yachts from 15-30m," says Kristin Schaedel, PR and marketing director. "At the same time, demand for our products on yachts over 40m has developed."

Yachtlite is now producing more specialised products, with an increased focus on new solutions for larger yachts.

"The volume has really grown with our larger projects," she says. "The aftermarket was almost dead, but even this has been noticeably picking up for us since the beginning of the year."

In the meantime, Yachtlite will continue to focus on interior lighting for superyachts, including its new FloorLite homogenous light inlays for teak decks.

"By all accounts we can expect an increase in sales in 2012, primarily for our newer products such as FloorLite. For us the German market is performing the best, followed closely by the Dutch market."

Schaedel says the 'Made in Germany' seal of approval also helps immensely, even if Germany's cost structure is higher than in other countries. **IBI**

“The ‘Made in Germany’ seal of approval helps immensely, even if the cost structure in Germany is higher”