

ROMANS REPORT

Highlights from *A 2020 Profile of the Evolving U.S. and Canadian Collision Repair Marketplace*



“WE BELIEVE THAT THE MARKET SEGMENTS PROFILED WITHIN OUR REPORT WILL RECOVER FROM THE PANDEMIC.”

Confirming the visions of many North American insurers, the Romans report predicts that vehicle damage estimation with photos will continue, eventually “evolving to telematics, relying on artificial intelligence coupled with insurer-driven rules with the integration of supplier network connections.”

The report reiterates that, much like the U.S., Canada’s auto insurance market is highly consolidated, with the top ten private insurers controlling “the lion’s share of premiums written and shouldering the majority of claims processed and settled.”

Romans is also predicting an uptick in cross-border relations where consolidation is concerned, as mirrored by recent trends like CSN Collision Centres’ merger with U.S. network 1 Collision; Fix Network’s 2019 acquisition of ProColor collision and its subsequent entrance to the U.S. market; and U.S.-based Lithia Dealership’s recent acquisition of the Greater Toronto Area’s Pfaff Automotive Dealer Group.

Don’t expect private equity to relinquish its focus on the collision repair sector, either: the Romans Group predicts that private equities will continue a path of investment, disruption and consolidation influence in the collision repair sector as well as other auto aftermarket segments.

Ultimately, the future for the sector is rosy, assures the report.

“We believe that the market segments profiled within our report will recover from the pandemic and continue to grow and expand their revenue base, through organic growth, brownfield/greenfield development, and acquisitions.” **CRM**

In late December, the Romans Group LLC unveiled its 15th annual white paper, *A 2020 Profile of the Evolving U.S. and Canadian Collision Repair Marketplace*, detailing the market happenings of the U.S. and Canadian collision repair industries.

“Within the collision repair industry, 2019 was a pinnacle year for opportunity and success,” reads the first lines of the whitepaper. “Collision repair facilities were flush with repairable vehicles and the relevant total addressable market reached its all-time historical high.”

Then came 2020.

According to Vincent Romans’ analysis, the CEO and founder of the Romans Group who has curated the whitepaper for 15 years running, “COVID-19 seemed to have a disproportionately negative impact on the

Canadian collision repair industry as compared to the United States,” largely due to government-imposed restrictions.

The report states that, during 2020, there was a 45-to-50 percent decrease in repairable vehicles versus the same period in 2019. On top of that, the number of Canadian collision repair locations has taken a hit in the last near-decade, decreasing by 1,770 locations since 2012.

The combined >\$10 multi-store operator (MSO)/banners/multi-location networks drove Canada’s revenue growth from 2012 through 2019, said the report.

As for continued trends, the Romans Group is predicting continued impacts in areas from insurance, consolidation, OEM certs and, of course, COVID-19 recovery dynamics and opportunities.

FAST FACTS

According to the Romans Group

- The U.S. collision repair market size on a U.S. dollar basis is 12.3 times the size of the Canadian target addressable market, with 7.4 times the repair facilities.
- Canada's top ten insurers maintain a higher consolidated market share at 82.4 percent, versus 73.5 percent in the United States.
- Canada's top-ranked repairers represent more than 80 percent of the Canadian industry's revenue with less than 40 percent of the industry's repair facilities.

The Romans Group's annual report, *A 2020 Profile of the Evolving U.S. and Canada Collision Repair Marketplace*, is now available. The report contains the complete results of our research and analysis for 2020, including over 70 charts and graphs throughout more than 107 pages with historical trends and a future view. The report can be purchased by contacting **MARY JANE KUROWSKI** of The Romans Group LLC at maryjane@romans-group.com.

CANADA'S TOP-RANKED REPAIRERS 2020

<i>All Repairers</i>	<i>Franchisors and Banners</i>	<i>Independent and Dealers</i>
		
		
		
		
		
		
	<p>AS FOR CONTINUED TRENDS, THE ROMANS GROUP IS PREDICTING CONTINUED IMPACTS IN AREAS FROM INSURANCE, CONSOLIDATION, OEM CERTS AND, OF COURSE, COVID-19 RECOVERY DYNAMICS AND OPPORTUNITIES.</p>	
		
		
		