

Press release

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Roto Group on the rise / 2020: greater turnover and improved profits despite the pandemic / 2021: “impressive start” / Construction supplier expects a “good year” / Considerable double-digit turnover increase in first quarter / Dynamic divisions / Customer benefit strategy as success factor / Edge over the competition through full supply capability / Coronavirus remains risk factor / Significant problems on the raw material and transport front / Construction boom caused by the pandemic and the period following this

Roto: performance pays off

Leinfelden-Echterdingen – The internationally operating Roto Group reports “satisfying development on the whole with some expectations being exceeded”. Even back in 2020, the construction supplier managed to increase turnover and profits despite the global turmoil caused by the coronavirus. In the first quarter of 2021, the pace of growth even picked up significantly. Against this background, Dr Eckhard Keill predicts good performance for the current year too. For the director of Roto Frank Holding AG, the consistent strategy of focussing its actions on real customer benefits plays a crucial role. Nevertheless, there are definite risk factors. Alongside the still incalculable economic impact of the pandemic, this currently applies to the major problems with external raw materials, transport and logistics in particular.

“Remarkable successes”

For 2020, Keill reports a consolidated Group turnover of 685.7 million euros (after 665.8 million euros). The resulting growth rate of nominally 3% is slightly higher than the estimate of just below 2%, which was published in November of last year. The success is mainly based on the supply capability, which remained unrestricted at every stage despite the coronavirus, proved to be an important customer benefit and secured a specific competitive edge.

Keill is also very pleased with the development of the three divisions given the different conditions in the international markets. The fact that Window and Door Technology (FTT) was ultimately able to fully compensate for the “market crashes and turnover slumps which became pronounced” in the meantime is a remarkable success. The same also applies to the above-average performance of Roof System Technology (DST), which recorded high single-digit growth. Roto Professional Service (RPS), which specialises in comprehensive follow-up services for windows and doors, recorded double-digit growth as the company’s newest division.

The ratio between foreign and domestic business remains at around two-thirds to one-third within the Group. There has also been a slight downward trend in the number of employees, which was around 4800 at the end of the year. According to Keill, the investment programme that was continued in a targeted manner carried on “at a level suited to the turmoil surrounding the coronavirus”, focusing primarily on replacement procurement and digitalisation.

“Achieved everything that we set out to do”

The Holding director emphasises that the profit situation has improved “dramatically”. The Group’s results have noticeably improved thanks to efficient resource and cost management, among other factors. The equity ratio, which was high in any case, continued to go from strength to strength; this emphasises the economic stability of Roto that is an important security factor for market partners, especially in times of crisis. These partners frequently confirm this to the company.

“We were able to achieve everything that we set out to do,” summarises Keill. This will enable the business to get 2021, “which will presumably be just as challenging”, off to a good start from a consolidated position. It is of course helpful that the construction sector has generally emerged from the upheaval caused by the coronavirus as one of the winners. On the whole, the industry is currently enjoying a “boom caused by the pandemic”, which triggered the shift from traditional consumption to investment in private homes. The length of time that this favourable climate will last for is, however, extremely uncertain. This means that it is all the more important to make our own portfolio of services as “independent of the economic situation” as possible.

“Continuing to work hard”

Roto got the year off to an “impressive” start, explains Keill, pointing out a considerable double-digit increase in Group turnover in the first quarter of 2021. All three divisions have grown acceptably, he continues. The profit situation has also improved again. Although the rate of growth is expected to slow down over the course of the year, the positive status quo justifies the expectation of a “good year on the whole”.

However, this means that the company cannot rest on its laurels but must “continues to work hard” in order to, for example, assert the edge it already has over the competition when it comes to delivery times. Constantly reviewing and fulfilling relevant customer requirements will remain key items on the agenda. In the divisions, it is also necessary to consider new target groups and how to approach them professionally using digital channels.

Keill is concerned about the situation on the international raw material and logistics markets. On the one hand, materials are becoming increasingly scarce, and on the other hand, transport capacity is insufficient. Both of these factors are dramatically driving up the price level and putting strain on functioning supply chains. A generally significant inflationary trend is likely, which would also affect pricing at Roto.

Captions

Reports about the Roto Group's "satisfying development on the whole": Dr Eckhard Keill. This applies both to the turnover and profit side. After an "impressive" start to the year, the director of Roto Frank Holding AG is expecting 2021 to be a good year. The construction supplier's success is rooted in its consistent and continuous focus on customers.

Photo: Roto

Eckhard_Keill.jpg

According to the Roto Group, the length of time that the construction sector "boom caused by the pandemic" will last is extremely uncertain. In order to become "independent of the economic situation" as far as possible at national and international level, the construction supplier wants to be and remain a leading performer with its three divisions. The photo shows the headquarters in Leinfelden-Echterdingen near Stuttgart.

Photo: Roto

Roto_Leinfelden_Echterdingen.jpg

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Publisher: Roto Frank Holding AG • Wilhelm-Frank-Platz 1 • 70771 Leinfelden-Echterdingen • Germany • Tel. +49 711 7598 0 • Fax +49 711 7598 253 • info@roto-frank.com

Editor: Linnigpublic Agentur für Öffentlichkeitsarbeit GmbH • Fritz-von-Unruh-Straße 1 • 56077 Koblenz • Germany • Tel. +49 261 303839 0 • Fax +49 261 303839 1 • koblenz@linnigpublic.de