

Press release

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Roto Frank Dachsystem-Technologie: 2022 to be a successful financial year / Challenging conditions / Two-digit increase in sales in Germany in the first half of the year / Market share gains in many countries / Partnership as a success factor / Optimistic outlook

Roto Frank Dachsystem-Technologie on course for further growth

Rottach-Egern / Bad Mergentheim – At the Roto Group's 17th International Trade Press Day, which this year was held in Rottach-Egern, Bavaria, Christoph Hugenberg, CEO, reported that "Roto Frank Dachsystem-Technologie (Roto DST) can look back on a challenging yet successful first half of 2022." The company achieved a two-digit increase in sales in important European markets. This was possible thanks to the consistently reliable delivery capability of the window solutions in "german made" premium quality as well as the fast and flexible response to changing requirements in the trade and crafts sectors. It is for these reasons that the manufacturer is expecting continued positive growth in the medium and long term and is investing in the future.

Challenging conditions

At the beginning of the 2022 financial year, Roto DST too was still feeling the effects of the Coronavirus pandemic, said Christoph Hugenberg. Both Roto and its customers were experiencing staff shortages and the prices of materials were continuing to rise. For example, since January 2020, PVC had become 62 percent more expensive, aluminium had become 98 percent more expensive and natural gas had become 347 percent more expensive. The situation was amplified by the Ukraine war, which brought with it new logistical and human resource barriers as well as material shortages. "Despite adjusting our prices by an average of 3.4 percent in February 2022, it was hardly possible to compensate for the additional costs," said Christoph Hugenberg. He stressed that the challenges faced by Roto DST were no different than those faced by the majority of window manufacturers with production facilities in Europe.

Two-digit increase in sales in Germany

These challenges could be offset by positive developments, such as continuously improving material availability, which was also ensured through active management at Roto, as well as increasing demand. A robust construction industry, both in residential and non-residential construction (2022: +3.3 percent or +6.7 percent), a growth of 3.3 percent in the renovation market, and the 2.3 percent increase in orders received in the construction industry compared with the previous year had a positive impact on growth in the current year. In Germany, the company's highest-revenue market, Roto DST was able to achieve a two-digit increase on the previous year in the first half of 2022.

Roto DST adapted quickly and flexibly to 2022's new ordering behaviour in trade and crafts. Whereas just a few years ago fabricators were still ordering especially high volumes of goods before a price rise, today they are choosing to build up inventories or place purchase orders as soon as incoming orders are received. In retail, doubt regarding short-term material availability and concern about further price increases has also resulted in stockpiling. Overall, however, Roto DST will be able to end the 2022 financial year with a solid, positive result, said Christoph Hugenberg.

Market share gains in many markets

A two-digit increase in sales as well as the acquisition of new market shares were recorded in Eastern Europe in the first half of 2022, in particular in the core markets of Poland, Czechia and Hungary. Growth in Southern Europe was also well within the two-digit range. In particular,

Christoph Hugenberg emphasised the high number of new market shares gained in Italy. Roto Frank Treppen GmbH, based in Neusäß, also reported a two-digit increase in sales across all markets over the same period.

France erodes positive results in Western Europe

The trend in France this year adds a drop of bitterness: This core Western European market for Roto roof windows experienced a slight fall in sales. "Material shortages in roof tiles here have resulted in significant delays, which affect our incoming orders," explained Christoph Hugenberg. The export business also reported a slight drop in sales due to the Ukraine war.

"Partnership" as a success factor

"The most important factor in our success over the last year was that, since 2020, we have consistently adapted to our customers' requirements and, as an organisation, have continuously provided maximum performance," said Christoph Hugenberg, describing the main reason for the company's good performance into the first half of the 2022 financial year. This has enabled delivery capability to be maintained at all times. Professional, efficient processes, competent employees, and high automation as well as good partnerships with suppliers and customers have all been crucial for success.

Thanks to the support of long-term suppliers, Roto DST has always had access to important materials. Early and transparent communication enabled reliable risk management. The same was true for the direct line to the customers: "By continuing to actively pursue proximity to our partners, we were able to prioritise urgent orders, for example, and meet the agreed delivery deadlines for all customers." The "positive response" to Roto DST's commitment is also reflected in the favourable development of the newly established Roto ProfiLiga: The number of members has also doubled within a year.

Top performance of the Roto organisation

In particular at the peak of the pandemic, during which Roto DST was also affected by staff absences due to illness, frequent additional production shifts required the full commitment of the staff. The multiple qualifications held by some colleagues helped ensure delivery capability during this time. Thanks to job rotation, it was possible to keep shipping and logistics functional at all times.

Since all Roto DST sites also work according to the "german made" principle and in accordance with the same, clearly defined processes, employees from the Polish site in Lubartów were able to provide seamless support at the production site in Bad Mergentheim. "We are set up as a process organisation and have been used to working in close coordination for many years," explained Christoph Hugenberg. As a team of experienced developers, buyers, experts in quality assurance and production, as well as with the support of strong suppliers, solutions to every new challenge were developed and quickly implemented.

In addition to good communication and lean processes, Roto DST's automated production also ensured that delivery capability could be maintained in months with very high levels of incoming orders. On top of that there is also the high production depth, which allows the company to respond very flexibly and quickly to changes in the ordering behaviour of customers. "I am convinced that it is the combination of all of these factors that makes Roto DST so resilient."

Outlook towards a positive future

In the second half of the current financial year, the situation on the Roto DST market has unfortunately deteriorated significantly. The change in ordering behaviour by craft and trade as well as the increasing uncertainty of consumers, driven by rising interest rates, inflation and political instability, have created a particularly challenging situation for window manufacturers.



In the medium and long-term, however, Roto DST expects the market to stabilise. By adding Roto OnTop flat roof windows to the product portfolio, the company has even expanded its production capacities. At the same time, the company is working on consistently optimising and digitalising its processes.

And so, now and in future, Roto DST remains the familiar, reliable partner and innovator for customers. "We are focused on our customers' requirements and thus on the premium quality of our window solutions, their easy installation and reliable delivery capability. We are fully committed to remaining leaders in all respects," confirmed Christoph Hugenberg in conclusion.



At the Roto Group's 17th International Trade Press Day, Christoph Hugenberg, CEO of Roto Frank Dachsystem-Technologie, reported on business performance for 2022 and the company's plans for the coming year.

Photo: Roto Frank Dachsystem-Technologie

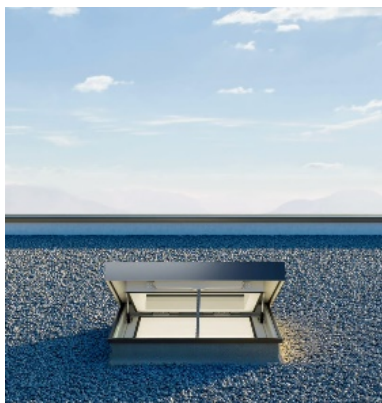
RotoDST_Christoph_Hugenberg.jpg



Roto Frank Dachsystem-Technologie's headquarters are in Bad Mergentheim, South Germany. The company's state of the art innovation centre is shown in the image.

Photo: Roto Frank Dachsystem-Technologie

RotoDST_Bad_Mergentheim.jpg



Roto Frank Dachsystem-Technologie invests in innovations, such as the new OnTop flat roof window. The company is currently expanding its production capacities.

Photo: Roto Frank Dachsystem-Technologie

RotoDST_OnTop.jpg

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