german made

Roto

Press release

Date: 2nd May 2023

Roto ends 2022 with "good single-figure" turnover growth / Last quarter of the previous year "stronger than expected" / "Best performance" paying off when it comes to delivery reliability as a criterion for purchasing decisions / All divisions exceed targets / High material prices curtail profits / Group's ability to invest remains great / Sole Director expects only slight growth in Group turnover for 2023

Resilient: in 2022, the Roto Group once again grows compared to the previous year

Leinfelden-Echterdingen – Upon publication of the annual accounts for 2022, Dr Eckhard Keill, Sole Director of Roto Frank Holding AG, stated that all three divisions in the Roto Group "outperformed the market". They even managed this in the fourth quarter of 2022, a period which saw consumer trust plummet to historic lows and inflation skyrocket to unprecedented levels. The Group achieved a consolidated turnover of 866.5 million euros, representing a growth of 7.2% compared to the previous year. Turnover increased by more than one third within three years. The Sole Director attributes this extraordinarily positive development to the company delivering "best performance" when it comes to delivery reliability, made possible by high process reliability and flexibility.

Expectations surpassed

In 2022, Roto Frank Fenster- und Türtechnologie (Roto FTT) invested in a number of measures aimed at updating its products and portfolio, as well as at significantly expanding its digital customer services. As Keill states, "this paid off through the acquisition of market shares." Almost all of the Group's sales regions experienced turnover growth. North-East Europe, Southern Europe, North and South America recorded the highest growth rates. But the turnover growth far surpassed expectations in the German market too.

Roto Frank Dachsystem-Technologie (Roto DST), which has given the go-ahead for the market launch of the new Roto OnTop flat-roof window, expanded its product range and production capacity in 2022. The turnover of Roto DST was also higher than the previous year's figure. A considerable increase was achieved in Austria and Italy in particular.

Throughout the year, Roto Frank Professional Service (RPS) added new partners and subsidiaries to the Service Friends network. As a result, the service division experienced huge growth of 50% compared to the previous year.

Exercising restraint

At the moment, Keill remains optimistic about the first quarter of the new year. The drop in demand at the start of the year was less extreme than expected. "However, it's too early to give the all-clear." Roto is "remaining cautious" and counting on its close relationship with customers to be able to respond quickly and appropriately to any major changes in conditions in individual markets. All three divisions were given the go-ahead to make the investments required to meet the current needs of their customers and to win over customers with their performance. "The good result from the last year created the financial freedom needed for this."

Growth guaranteed
Keill annouces that recent successful acquisitions and new subsidiaries are enough to ensure continued turnover growth this year. But in addition to Group turnover alone, there are of course many other targets which need to be achieved to further develop the Group's future viability. "For instance, Roto has a robust evaluation framework in place, which is used to assess how sustainable our production and actions are," reports Keill.

Material prices curtail profits
If the Roto Group has any cause for concern, it's the profits brought in by business activities, describes Keill. Roto tried to avoid raising its prices as a way of "passing on" the material price increases, some of which were dramatic, in 2022. The Group tried to "strike a good balance". Building up higher stock levels helped to absorb some of the price increases.

Keill describes the forward-looking approach that has been adopted: "In future, Roto will continue to avoid anything that could weaken the stability and reliability of the Group at its core." "We will exploit the cost-reducing impact of digitalisation and improve the flexibility of the organisation in areas where it benefits the customers of the three divisions." He is therefore personally very optimistic that, after tackling the current challenges, Roto will come out stronger on the other side. He describes how the years spent dealing with the coronavirus pandemic "prepared us for staying the course" in turbulent times. These days, no one is questioning the organisation's resilience any longer.

Risks don't threaten the company's survival
When asked about his expectations for the current year, Keill sums up the most important influential factors as follows: "The development of the Roto Group is strongly linked to the general economic situation in the relevant sales markets. We are therefore concerned about the possible escalation of international conflicts. Consumer trust could be lost in other important markets." At the same time, raw material prices, especially of steel and zinc, have a major impact on production costs and profit. "Volatile situations like those which have occurred may make us unable to stick to our plans. This is also true of 2023." Further rises in the price of raw materials could cause material costs to increase even more than planned. "As is common knowledge, high energy costs are driving up the price of glass and PVC. Timber remains expensive as it is." This situation is exacerbated by the loss of skilled labour, which is also impacting the building element industry. A lack of capacity among tradespeople, as well as the decline in residential construction, could have a negative impact on the market volume for facades and roof windows, for example in Germany, in the renovation sector. However, all things considered, the Roto Group is still expecting to see a slight turnover increase and a stable profit situation in 2023.

How are monetary policy, inflation and climate change affecting demand? At the 17th International Roto Trade Press Day back in November, Dr Eckhard Keill, Sole Director of Roto Frank Holding AG, called for optimism: “In the medium term, our industry is among those which can benefit from the current crises and the image consumers have of them.”

Image: Roto Frank Holding AG **annual_accounts_1.jpg**

The Sole Director of Roto Frank Holding AG, Dr Eckhard Keill, states that last year, business development in the three divisions was better than feared in the fourth quarter and very satisfactory throughout the whole year. “The Group got the new year off to a good start in terms of its economic situation and we are quietly confident that we will be able to successfully implement our plans in 2023 too.”

Image: Roto Frank Holding AG **annual_accounts_2.jpg**

At the 17th International Roto Trade Press Day back in November, Keill explained how a close relationship with customers and a focus on meeting their needs are more important than ever in uncertain times. Digitalisation helps to make flexibility possible.

Image: Roto Frank Holding AG **annual_accounts_3.jpg**

Roto ended 2022 with a consolidated Group turnover of 866.5 million euros. Keill primarily attributes this good result to the company delivering "best performance" when it comes to delivery reliability, made possible by high process reliability and flexibility. Procurement and production proved themselves to be resilient.

Image: Roto Frank Holding AG **Roto_Group.jpg**

Print free – copy requested

Publisher: Roto Frank Holding AG • Wilhelm-Frank-Platz 1 • 70771 Leinfelden-Echterdingen Germany
Press contact: Dr. Sälzer Pressedienst • Lensbachstraße 10 • 52159 Roetgen • Germany Phone +49 2471 9212864 • Fax +49 2471 9212867• info@drsaelzer-pressedienst.de