

Press release

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Roto Group achieved slight turnover increase in 2023 / Demand held steady in the fourth quarter / Reliability still the main reason why customers around the world chose Roto / Demand for windows and hardware in the first quarter of 2024 slightly below the level of the previous year / Services relating to windows and door remain sought after / Intelligent solutions for building renovation are important for the future

Roto Group on the right track

Leinfelden-Echterdingen – The Roto Group is not unhappy with the 2023 financial year in terms of turnover and profit, reports Dr Eckhard Keill, Sole Director of Roto Frank Holding AG. The Group ended last year with a total turnover of 885 million euros, representing growth of 2.2% compared to the previous year. Dr Keill explains that the fourth quarter of 2023 ended with a slightly better result than expected, but overall developments throughout the 2023 financial year unfortunately confirmed management's expectations. Significant growth like that recorded in previous years never materialised. Many customers' main reason for buying Roto products remains its high level of reliability.

Lack of optimism

The director of Holding has noticed that consumer "gloom" persists in some countries. Even in the first quarter of 2024, there is still no "optimism" in many key markets for Roto. This is why the Group is expecting turnover to stay the same or perhaps to decrease slightly over the current financial year. Trying to make savings in general and a clear focus on investments in technologies, products and services that are relevant for the future will therefore continue influence the decisions made by Roto this year.

A reminder: from 2019 to 2022, the Roto Group increased its turnover by more than a third. Dr Keill explains that this was due to a boom in new construction activity and the ever-increasing willingness to modernise existing buildings. The slump in new construction activity, which has been felt around the world since 2022, has ultimately also resulted in decreasing demand from Roto customers.

Spotlight on building renovation

The investments now being planned by leading building element manufacturers are a good reason to be optimistic. The aim of European manufacturers, just like their American and Chinese counterparts, is to prepare for a renewed increase in demand for windows designed specifically to improve the energy efficiency of existing buildings. With this in mind, they are modernising their production systems or even buying new ones, and optimising their production processes. "Even though politicians in some European countries are not doing enough to encourage building renovation, many Roto customers obviously expect their future business success to mainly hinge on whether they offer attractive solutions for existing buildings." Dr Keill believes they are completely right in this assumption. The reason? He explains that regardless of any political high jinks that are happening, a well-insulated building envelope remains the main factor in the energy efficiency of existing buildings, and this is clear to homeowners.

The best partner in times of change

The director of Holding explains that the divisions of the Roto Group provide their customers with the most flexible possible support when implementing their processes of innovation and change. For instance, Roto Frank Fenster- und Türtechnologie GmbH (Roto FTT) has extended its product range in the Tilt&Turn, Sliding and Door for building elements made from any frame material to stand out as “a single partner for all systems”. The product ranges have been developed for flexible building element production paired with efficient logistics. At the same time, even as early as the design stage, they are developed to be easy to assemble both for semi-automated and fully automated production. The division now offers more integrated advice about the hardware and seal. And that’s not all – Roto FTT provides support and services to help building element manufacturers continuously improve their production efficiency and cost efficiency.

This year, Roto Frank Dachsystem-Technologie GmbH (Roto DST) launched an innovation with the potential to revolutionise the loft conversion sector in the form of the new “Designo Heat” roof window with infrared technology. The continuous modernisation of the plants has put the company in a good position to meet the demand for roof windows stemming from building renovation in various formats and versions, with a short delivery time. In Italy, which has a very successful generalist incentive scheme for all measures aimed at improving the energy efficiency of existing buildings, Roto DST is recording high turnover just like last year, including in the first quarter of 2024. The demand for access hatches for flat roofs, which are sold by Roto Frank Treppen GmbH – part of the DST division since 2023 – is showing good growth despite new construction activity being slow in Europe.

In 2023, Roto Frank Professional Service GmbH (RPS) once again added impressive companies and additional subsidiaries to the Service Friends network. As a result, the service division experienced growth of more than 50% compared to the previous year. Double-digit turnover growth is once again expected for this year thanks to the high demand for RPS services relating to windows and doors. Dr Keill reports that the current volume of orders is a good reason to be very optimistic. Hiring additional skilled employees, qualifying them as Service Friends and retaining them remain important objectives.

“Remaining cautious”

The director is cautiously optimistic about the first quarter of the new year. “Although the winter in Europe was long and wet, together with our customers we are seeing a growing number of requests for quotation. This means that, as long as there is no further geopolitical upheaval, the sun may metaphorically shine again across Europe soon.” Demand is holding steady in North and South America, while in China it is likely that the property market will reach new levels of stability this year. For the time being, Roto is “remaining cautious” and counting on its close relationship with customers to be able to respond quickly and appropriately to any changes in conditions in individual markets.

High building costs are here to stay

Dr Keill is pleased with the communication on the part of construction associations and companies in Germany, the country experiencing the biggest drop in construction volume.

These bodies come together to explain to politicians how important the industry is for the national economy, social cohesion and environmental protection. The hope behind this is that politicians will at the very least stop impeding new construction and renovation at some point. "I'm not going to stop reminding legislative bodies that one of their main duties is to effectively support residential construction and building renovation." However, it's up to would-be developers and the construction industry to come up with smart solutions since there is no likelihood that politicians will change course anytime soon, or that the cost of construction products and services will go down.

Renovation specialists

Developing more industrialised production processes is important for the future of building stock. The construction industry needs more innovations for new buildings, as issues like demographic change and a growing shortage of skilled labour have to be addressed. Dr Keill believes that "industrialised nations around the world have to find new ways of quickly qualifying immigrants while developing standardised production processes in order to successfully tackle the housing crisis." Highly qualified experts are needed in the renovation sector in particular.

The director of Holding is certain that, like most of the world's crises, the best approach to overcoming the challenges facing the construction industry is to share knowledge worldwide and to make a concerted joint effort. For instance, anyone who followed the global success story of the Roto NX and Roto Patio Inowa hardware innovations will be aware of how technologies that are crucial for environmentally friendly construction and living can reach and influence global markets.

Dr Keill thinks that "over the next few years, we could see major changes happening in the construction sector as long as ill-judged political measures don't get in the way. With these changes in mind, the divisions of the Roto Group have the task of collaborating with their customers in a way that is open to innovation."



The Roto Group achieved consolidated turnover of 885 million euros in the 2023 financial year, representing a turnover growth of 2.2% compared to the previous year. Sole Director Dr Eckhard Keill expects turnover to stagnate or perhaps even to decrease slightly over the current financial year. The two producing Roto divisions are expecting demand to decline again slightly compared to the previous year, when it was already weak. The RPS service division is pleased with its full order books.

Image: Roto Frank Holding AG

Roto_Gruppe.jpg



Since prices for construction products and services remain high, government support is lacking, and higher interest rates are here to stay, would-be developers and the construction industry have to come up with smart solutions for new buildings and building renovation, believes Dr Eckhard Keill, Sole Director of Roto Frank Holding AG. "There's no point in wasting any more time waiting on politicians to take the initiative."

Image: Roto Frank Holding AG

Dr_Eckhard_Keill.jpg



Sliding systems with the “Roto Patio Inowa” and “Roto Patio Inowa | Max” hardware systems are produced and sought after around the world due to their tight sealing and smart operation. Dr Keill explains that this sliding hardware which is available for all frame materials, as well as the Roto NX Tilt&Turn hardware, is just one example of the Roto innovations that dominate and influence international markets as these are the best solutions out there.

Image: Roto Frank Fenster- und Türtechnologie GmbH

Roto_Patio_Inowa.jpg



Roto DST produces windows and roof hatches for pitched and flat roofs in various formats and versions. The Director of Holding, Dr Eckhard Keill, is sure that flexible and efficient production is essential, especially when it comes to solutions for building renovation. In the training centre at Bad Mergentheim, the Roto Campus team provides training on how to install the new “Roto Designo Heat” roof window. Depending on the building structure, this is used as an additional or stand-alone heating system in the loft.

Image: Roto Frank Dachsystem-Technologie GmbH

Roto_DST_Bad_Mergentheim.jpg

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