

# We're still standing

The 12th annual Roto-Frank international press conference, held at Roto's HQ in Stuttgart, was something of a turning point for the group. Not a company to dodge bad news Roto has, in previous years, been upfront about missing targets. This year, although the group did not achieve all the goals it set for itself in full in 2017, it increased its performance, competitiveness and sustainability



Opening the conference Roto chairman Dr Eckhart Keill said: “We are predicting a total turnover of around 630 million euros, which is on balance 1% to 2% above 2016 in a globally consolidated market. If economic policies don’t get in the way we expect good opportunities in general for 2018 and anticipate market growth of between 3% and 5%. The company would like to participate in this.” Keill reported that the international construction industry was in slightly better shape in 2017. He said: “All things considered, after drastic losses, the economy in Russia, for example, is slowly recovering again. However, continued uncertainty can be felt, meaning that incipient stabilisation in residential construction remains fragile. In contrast, in China, the construction sector is proving to be the mainstay of general economic growth.”

Similarly the upswing in the USA is continuing with an increase expected to be in the mid-single-digit range. Neither the moderately increased interest rate, nor “Trump’s erratic policies” have had a negative impact as yet. In Canada, the recovery of the construction industry was much better than predicted after two weak years. But Keill confirmed continued differentiated development for Latin America. For instance, a renewed positive trend in Argentina is in contrast with a construction industry that is slowing once again in Brazil, and now also in Mexico.

Keill said: “In Europe, the slight upwards trend is likely to pick up speed. The Euroconstruct research network is expecting an average construction growth of 3% for its 19 member countries. However, upon closer examination, the situation in each individual country remains very different, as always.”

Keill said: “Last year I predicted that there would be stabilisation in 2017. This is exactly what happened



though there are regional differences.”

The chief financial officer Michael Stangier said that the Group turnover of 622 million euros achieved in 2016 and was exactly the same as the lthe previous year. This consistency is to be considered a success on balance, due to the powerful resistance encountered for market and currency reasons. The objective for 2017 has been to achieve a slight turnover increase and to outperform both the markets and competitors whilst retaining a solid foundation.

Stangier said: “As at 30th September the Window and Door Technology (FTT) division showed a slight turnover increase compared to the same period in

the previous year. This means that it is performing according to plan as a whole. The first three quarters showed changeable development – from ‘really good’ to ‘mediocre’ to ‘still OK’.”

Stangier described the moderate turnover losses in Russia as ‘in line with the market, “Another disastrous year,” he said, “has luckily failed to materialise. In China, growth for Roto is as good as in the USA. Without a doubt, Canada is among the positive surprises. In Brazil, group member Fermax was able to distance itself to some extent from the general weak performance on the market. Currency effects in the South American country, which are favourable for Roto are also worth a mention – because they are atypical of 2017.”

For 2018 the group is planning a turnover increase of between 3% and 5%. The plan is to perform above the market average to create a long-term turnaround of the revenue trend.

“To achieve these targets,” says Keill, “we pursue a consistent forward strategy. Everything we do is to ensure integral implementation of our strict ‘customer first’ principle.” □