

# Two days in Graz

The Roto Group international press day is a fixed point in the November calendar. This year, the 13th event in the series, it moved to Graz, in Austria. Around 60 journalists from across Europe heard chairman Eckhard Keill outline the company's performance for 2018 and outline the situation of international markets

In the past Roto has been open about its performance, good or bad, and this year Keill was able to announce that thanks to “the company’s own strong performance” he could predict an overall turnover of around €660m, an increase over 2017 of around 5%. “This,” he said, “is in a global market environment that is, on balance, ‘passable’. Our main worry is the extremely volatile conflict situation which results from major political uncertainty and is causing a dangerous spiral of sanctions and counter-sanctions which is having an increasingly noticeable negative effect on markets and is making market development virtually impossible to predict.”

Regardless of this, the group is aiming to achieve a turnover increase of between 3% and 5% in 2019. Keill said: “Our aim is to set the company apart and market better than its competitors in the long term by following a strategy that is characterised on all levels by tangible customer benefits.”

## Market positive

Keill stated that, on the whole, the international construction market was positive in 2018. In detail however Russia was still extremely unstable and in China, the subdued growth trend supported by high demand for renovation is continuing. While the building sector is also continuing to benefit from the good overall economic situation in the USA, the dramatic upswing in Canada has probably now reached its peak. According to data from Germany Trade & Invest (GTAI), stagnation is to be expected at this level for the next few years. The same source indicated that development in Latin America will remain inconsistent. While things are looking better for the construction industry in Argentina, Mexico and Chile, the same still cannot be said for Brazil. The building sector, which is by far the most important one in the region, is not expected to recover until 2019 onwards.

## Volume up

Surveys conducted by the Euroconstruct research network showed that in Europe the construction volume grew more for the network's 19



Chairman Dr Eckhard Keill

members than it did for the economy as a whole in 2018. However, the predicted 2.5% increase is below that of the 'boom year' of 2017 – up 3.9%. “However,” says Keill “it is an encouraging fact that building activity is increasing

in all the countries that were studied. In residential construction, Hungary, Ireland and Portugal were at the top of the growth rankings. By contrast, in its latest available market report, the institute showed





**Chief financial officer Michael Stangier**

with France, Switzerland with Norway and Sweden at the bottom end of the scale. Although the framework conditions are still good on the whole, the risks are unmissable. These included property prices which are continuing to increase sharply and problems arising from trade disputes and imminent Brexit.

## Turnover increases

Chief financial officer Michael Stangier said that group turnover in 2017, €633.5m and almost 2% more than 2016, was the starting point from which the plan is to exceed this level by 3% to 5% in 2018. He said: “This is completely realistic providing there are no unforeseen circumstances. Despite somewhat difficult market conditions, by 30th September 2018 the Window and Door Technology Division (FTT) was showing a slight turnover increase compared to the same period in the previous year.”

Stangier put the total group turnover at €505.6m as at

30th September, an increase of just under 5% compared to the previous year (€483.5m).

As no general change in climate is expected for the fourth quarter, a turnover of around €660m (€633.5m 2017) is forecast for the entire year which means that the growth rate remains at approximately 5% and is in the upper region of the targets specified for 2018. The ratio of international to domestic turnover also remains stable at two-thirds to one-third. The number of employees in the group, which exhibited a slight upward trend recently, is approximately 4,900 as at the end of September.

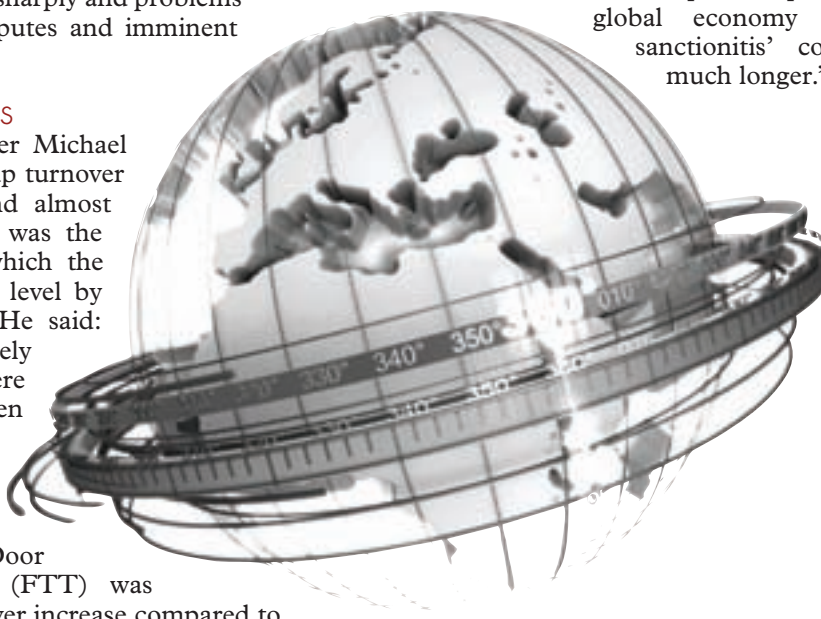
Stangier said that a multi-year investment programme will go well into the double-digit million range from 2018 to 2020. One focal point will be the comprehensive new Roto NX tilt&turn hardware system.

The targeted acquisitions strategy lead to several takeovers in 2018. Stangier pointed to the acquisition of VBH Mexico for the FTT division, as well as the purchase of Dachfenster Keller GmbH (Switzerland), Wiedemann Sicherheitsbeschläge GmbH and Pfeil und Söhne Service GmbH (both Germany) for a new business area dedicated to follow-up care for windows and doors. He said: “The ability to access finance without problems for these and any previous acquisitions is a clear expression of Roto’s economic stability.”

## Politics the problem

In conclusion Eckhard Keill said that politics will have a significant impact on trading conditions for 2019. “This is currently the largest factor of uncertainty for global economic development, he said. “It affects markets much more than just a few years ago and often renders forecasts a game of chance. The US-China trade dispute has had negative effects on the global economy as has the dangerous spiral of sanctions and counter-sanctions, increasing protectionism and cracks appearing in the eurozone are the main risks. The latter is the result of Brexit, a matter as yet unresolved, and the aggressive fiscal policy pursued by Italy, among other factors.

“On the whole, this makes for an extremely volatile conflict situation which we are very worried about. We strongly oppose any intervention in liberal global trade and fear irreparable permanent damage to the global economy should the ‘rampant sanctionitis’ continue unchecked for much longer.” □



# Stay home secure

Avocet Hardware has received widespread industry praise for its #StayHomeSecure dark nights campaign, says Avocet marketing manager Derrick Purvis. The campaign was aimed at highlighting the annual rise in burglaries during the period following the clocks going back, while also positioning its ABS locks as the home security product for homeowners to put their trust in



The six-week campaign, which saw the return of Ollie the retired guard-dog, and the introduction of his former nemesis, Kat the burglar, saw Avocet reach over two million social media users in the UK according to Purvis.

The Brighthouse company says it gained over 1,100 new followers, and saw its Twitter posts alone retweeted over 4,000 times and liked 33,000 times. The engagement rate of its Twitter activity far outstripped the global benchmark of less than 1% – averaging over 6% for the entire campaign. Meanwhile, its paid for social media activity also left the worldwide standard in its wake – with close to one in five of those who saw the weekly Ollie and Kat competition tweets either liking, sharing or commenting on them.

Derrick Purvis says: “It’s become a horrible, but sadly accepted fact that the only people who look forward to the clocks going back are the burglars. There are though a few simple things homeowners can do to protect their properties against unwanted visitors during the dark nights, and our #StayHomeSecure campaign spelt those out in a manner that really struck a chord.

“One of Avocet’s key aims for the campaign was to engage with locksmiths, and demonstrate to them the benefits of using ABS locks.

“We’ve been staggered by the response from the locksmiths, many of whom we haven’t worked with before,” says Purvis.

“They were enthusiastic in getting on-board with the campaign; sharing content, requesting ABS samples and taking part in the various competitions; and those who were lucky enough to win, whether it was Ollie and Kat artwork, our terrifying, Halloween-themed, pop vinyls or simply ABS branded merchandise, happily shared photos and videos of their prizes and delight at winning them.”

The artwork that was up for grabs featured Ollie – a guard dog forced into early retirement – and his former nemesis, Kat – an out-of-work cat burglar. Both had ended up on the scrap heap following Ollie’s owners’ decision to install Avocet’s snap secure ABS locks on their home, and spent the six weeks of the campaign trying out a variety of new hobbies – all of which tied in with events, movies or TV shows that were popular during the campaign period.

The success of the #StayHomeSecure campaign wasn’t just limited to social media stats and engagement. Avocet saw a huge increase in the number of trade customers using its online store, bringing record months for both October and November. On top of that, a number of new locksmiths have already been confirmed as Avocet ABS stockists, and many more are on the verge of following suit. □

[www.avocethardware.co.uk](http://www.avocethardware.co.uk)

