

Up to Date



Roto Group: Ready for the future



Editorial

Dr. Michael Stahl
Chairman of the
Roto Frank AG
Supervisory Board

Dear market partners
and readers,

The success of the Roto Group is based on the intent of its founder, Wilhelm Frank and the motivation and energy of generations of devoted, motivated employees. No matter which role you hold and in which location - whether in Germany or in the world beyond - you are all "Roto" and are doing an excellent job. For you embody the values for which the name "Roto" stands already for over 80 years: active customer focus, consistency geared towards the well-being and benefit of our customers. I never cease to be particularly impressed by the ambition and skills of all Roto employees in tackling new challenges without hesitation and actively implementing them. This will continue - I am sure - in the future as well.

For it is this which makes us stand out! And it is precisely for this future

that the Roto consortium is repositioning itself. The basis for this is the new structure developed by the Supervisory and Executive Boards. It combines change with continuity and will enter into force at the beginning of 2019, creating the foundation for the continuation of the Roto success story. Remaining true to the motto: "local comes before central." The realignment of our corporate group creates clear divisions and clear responsibilities, reduces the considerably increased national and international complexity and strengthens our will and capacity for further acquisitions - whenever, wherever.

At the same time, we will ensure stability for staff and customers. This includes - very essentially - the Roto Group continuing to remain 100% in the hands of the Frank family.

Construction specialist changes company structure and reduces complexity

Change ensures continuity

Information about changes first require a look at the status quo. Only then do the differences between "old" and "new" become transparent.

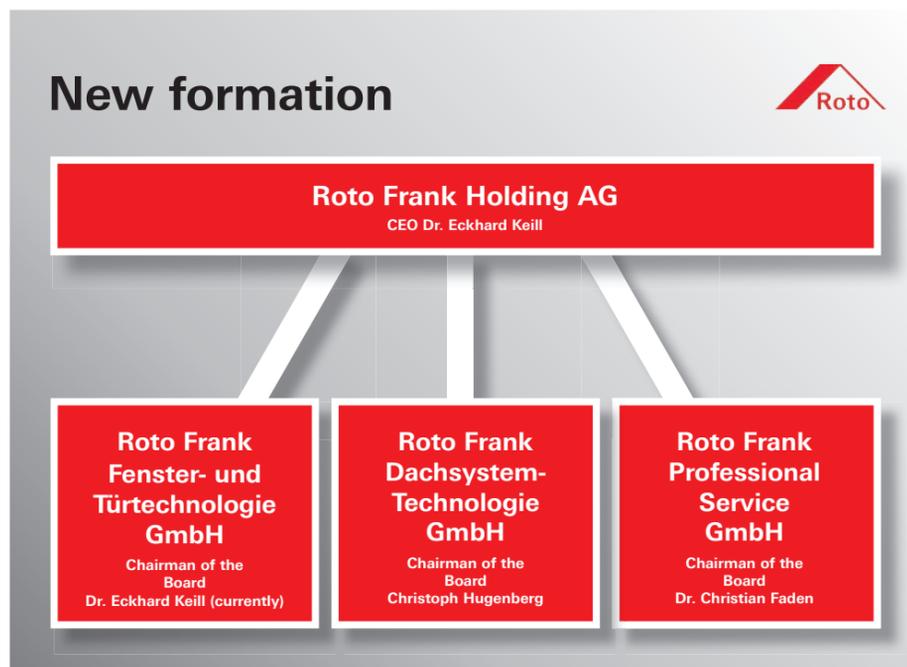
tribution partners. Some 4,900 employees generated a turnover totalling EUR 633.5 m in 2017. The close intertwining of the public limited company and the divisions is ex-

must be rationally noted in this context that the growing differences in market and target market development impede and restrict synergy effects. At the same time,

A strong case for positive results

Due to this and other factors, the construction supplier is repositioning itself from the 1 January 2019. The diagram shows the future structure of the Group. The holding company will function as a "non-operative" parent company of three independent companies with profit and loss responsibility. What will this actually mean? The contributions on the next page will give you more information about this.

The Supervisory and Executive Boards are firmly convinced of the positive effects of the new structure. Indeed, it will make the Roto Group as a whole (even) quicker, more economical, more efficient and therefore more customer-focused. A crucial effect: Current complexity will be clearly reduced. At the same time it is important that change and continuity do not have to be mutually exclusive at all. On the contrary: Security and reliability for employees, customers and suppliers will remain intact, as will the financial strength of the owner. Roto continues to stand for 100% family-owned.



Ready for the future: This is how the Roto Group will pave the way for further growth.

At present, the Windows and Doors technology (FTT) and Roof and Solar technology (DST) divisions are part of Roto Frank AG. The Group's pronounced international presence is reflected in 18 production facilities and over 40 own sales companies and/or exclusive dis-

pressed by the fact that important positions are jointly performed, such as the Chairman of the Executive Board and the Head of FTT.

Both divisions developed successively into providers of comprehensive system solutions. It

the targeted development of the "after-care" division, demonstrated by the acquisition of several companies, plays an important role in Roto's future strategy. The "third division", however, cannot be meaningfully integrated in the current group structure.

Courage to change

CHANGE

Significant stages

Venture into new territories and gear up for the future - even or especially here, the Roto Group has a long tradition. Company founder Wilhelm Frank repeatedly proved himself to be a courageous trailblazer. Whether it was the invention of tilt and turn

fittings (1935) or hinged roof windows (1968): his inventions were synonymous around the world with definitive innovations. Roto's exceptionally early internationalisation also earned this status. As early as the mid 1960s, the subsequent CEO Sieg-

fried Riegel recognised the great potential of Eastern European business. The ensuing active cultivation of Asian markets was also a novelty in the industry. Embracing general changes as an opportunity applied and still applies to all employees.

A leap into actuality: The conversion to a process organisation which began in 2016 throughout the entire company was one of the factors which paved the way for the current agreed restructuring. It will continue to be rigorously implemented.



The future depends on what we do in the present.

Mahatma Gandhi

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Interview

Dr. Eckhard Keill
CEO Roto Frank AG

He continues to ensure the important continuity in personnel as well as technical matters: Dr. Eckhard Keill. The future CEO of Roto Frank Holding AG gives an interview about the function of the new parent company and the values of the changed Group structure.

Editorial team: Up until now you have also managed the Windows and doors technology division. Will that remain the case?

Dr. Keill: No. It would be completely incompatible with the principles of our new structure. Over the course of next year, an experienced external personality will take over the chairmanship of the Board of Management of the future Roto Frank Fenster- und Türtechnologie GmbH.

Editorial team: The holding company is a non operative company. What does that mean?

Dr. Keill: As a logical consequence of the maxim "local comes before central" the holding company is not involved in the operative

The holding company is not involved in the operative business.

business of the three independent companies which have profit and loss responsibility. It represents owner rights in the Group companies and performs a supervi-

sory role together with the Supervisory Boards.

Editorial team: What specific tasks does the holding company actually have?

Dr. Keill: It is primarily responsible for general strategy development and monitoring, the field of patents and law, acquisition policy,

Roto is positioning itself better yet remaining stable.

Group accounting, Corporate Identity (CI) and Corporate Design (CD) as well as general corporate communication. The "streamlining" of the new Group structure also, or indeed especially, applies to the holding company.

Editorial team: Which other effects of the restructuring are particularly important to you?

Dr. Keill: It is key that we are successful in reducing the high level of complexity in every field of business as clearly and sustainably as possible. This way the corporations can concentrate fully on their original tasks.

Moreover, something I consider to be very important: The Roto Group is positioning itself better for the future, yet at the same time it remains essentially what it has always been for staff and customers - a stable and reliable partner. Not least because of the fact that it still remains 100% family-owned.

Roto Frank Fenster- und Türtechnologie GmbH

Experts in customer benefits

Remaining internationally successful primarily means proving yourself as a specialist in diversity. It is essential to concentrate all your efforts on it. The new structure will give the autonomous Roto Frank Fenster- und Türtechnologie GmbH the freedom to do precisely this, released from the Group function.



Innovative fittings & more: You can still rely on Roto.

The company is headquartered - just like the current division - in Leinfelden-Echterdingen near Stuttgart. It will be led by the Chairman of the Board and the Managing Director Finance.

The new corporation will mean practically no changes for the staff. Customers and market

partners can also continue to build on professional continuity. And on the fact that the sustainably reduced complexity benefits them on many levels. The Roto window and door technology experts will be involved to achieve joint success in a way that is more individual, more agile and even quicker.

Roto Frank Dachsystem-Technologie GmbH

Complete concentration on the essentials

The name of the new corporation says it all. On the one hand, Roto Frank Dachsystem-Technologie GmbH conveys the company's core competence which is reflected in the development to become a full-range provider of roof windows. On the other hand, the name also incorporates associated portfolio areas such as solar protection and attic stairs.

The company's headquarters are, of course, still in Bad Mergentheim in Baden-Wuerttemberg. In practice, the restructuring will have no effect on the total workforce of around 1,200 employees. The same applies to the professional customers in trade, craftsmanship and planning. In fact they will profit from the even quicker, more streamlined and more efficient service in future.

The right course has also been set in the important business division of "Roof system technology." The independent company, led by Christoph Hugenberg, can concentrate fully on the essentials. The significantly reduced complexity will further improve the chances of development and success, which are already good.



A clear focus: Roof windows as a core competency.

Roto Frank Professional Service GmbH

Success with the professionals

Raise the curtain for the "3rd division." With Roto Frank Professional Service GmbH, the construction supplier is combining its strategic commitment to follow-up care in a company of its own. In so doing, the supplier is documenting its long-term ambitions in the sector and positioning itself as a point of contact and project partner for end customers, manufacturers and suppliers. The company, headquartered in Leinfelden-Echterdingen near Stuttgart, will act as a complete service provider, including for repairs, modifications and upgrading of windows and doors. Dr. Christian Faden is at the head of the company, which has been given the

necessary clearance for an assertive market establishment. He comes from within the company ranks.

To be able to deliver on the promise of "winning with professionals" from the very beginning, four professional companies from Germany and Switzerland, experienced in the follow-up care business, joined Roto in October 2017. These include Wollenberg GmbH from Berlin, Dachfenster Keller GmbH from Thalheim near Winterthur, Pfeil und Söhne GmbH from Munich as well as Wiedemann Sicherheitsbeschläge GmbH from Hanover. So there is no lack of qualified foundation for the future growth of the "3rd division."

The new group structure Advantages at a glance

- **Clear, autonomous divisions mean substantially reduced complexity.**
- **The Roto Group will overall be quicker, more efficient, more economical and therefore in end effect more customer-focused.**
- **The non-operative holding company practises the principle "local comes before central."**
- **Staff constancy in virtually all the main positions offers future stability and reliability equally for employees, customers and suppliers.**
- **By restructuring, Roto proves that change and continuity are not mutually exclusive. On the contrary.**
- **Roto Group remains 100% family-owned.**