

Press release

Vaillant Group has a successful start to 2016

- **Strategic focus on digitisation and further expansion**
- **Positive business development in 2015**
- **Growth initiatives and efficiency measures further advanced**

Remscheid, 2 May 2016 – Heating, ventilation and air conditioning specialist, the Vaillant Group, has had a successful start to the current financial year. Both the company's revenue and results in the first three months exceeded corresponding figures for the previous year. "Strategically the Vaillant Group will intensify its focus on the further development of internet-based services, intelligent networked products and digital production and development processes in future," CEO Dr Carsten Voigtländer emphasised today at the company's annual press conference, which was exclusively streamed live over the internet for the first time. Dr Voigtländer cited the further geographical expansion of the company as another strategic focus, both through organic growth mainly in Asia and through possible acquisitions. Furthermore, the Vaillant Group will invest heavily in research and development in future. The Remscheid location will see a new research and development centre at a cost of approximately €54 million, where more than 500 employees will work to develop highly efficient technologies for heating, cooling and warm water preparation from 2018.

Positive business development in 2015

In the 2015 financial year, the Vaillant Group was able to increase both its sales revenues and operating earnings. Compared to the previous year, revenues increased by 3.7 per cent to €2,417 million (2014: €2,331 million). Adjusted for exchange rate effects, this growth is calculated to be 2.4 per cent. Operating earnings (EBIT) increased to €186 million (2014: €166 million) in the same timeframe. This sum includes non-recurring items totalling €46 million incurred in connection with operational restructuring measures. Business development in 2015 can be attributed primarily to a positive sales trend in traditional core activities with wall-hung boilers. Revenues involving spare parts, system components and services also exceed those of the previous year.

Central and southern Europe support growth

The Vaillant Group saw exemplary regional growth in southern Europe and also China (+11 per cent), central Europe (+4 per cent) and Turkey (+7 per cent). The slight increase of 2 per cent in revenue in western Europe can be attributed primarily to the favourable exchange rate trend in the United Kingdom. All markets in eastern Europe experienced positive developments, except Russia and Ukraine. Increasing deterioration of the economic conditions in these two markets led to significantly reduced sales revenues. The total revenue in this region was 6 per cent lower than that of the previous year.

Further expansion in Asia

In order to secure future growth in a persistently weak market environment, the Vaillant Group launched growth initiatives and efficiency measures in the course of 2015. These activities included, amongst others, the founding of additional sales companies in the Asian market, specifically in South Korea and Hong Kong. Reorganising the production network was also a focal point. Highly efficient technologies such as heat pumps will be produced at the Remscheid location in future. With construction of the new research and development centre, the aim is to link the areas of production and development closely together at one site.

Vaillant Group a digital leader in the heating technology industry

An important focus in 2015 was digitisation in the buildings sector. With Green iQ, Vaillant launched a new internet-compatible generation of devices to the market. Green iQ products are especially environmentally friendly and efficient, and are equipped with interfaces for digital networking. In addition to product connectivity, particular attention was paid to new business models with digital services, web-based sales concepts and networking of product development and production processes.

The current control systems allow consumers to control their heating from their mobile end devices. Skilled technicians will be able to check the operating status of systems in future via an internet service platform. System owners can therefore enjoy the additional convenience this option provides. At the same time, skilled technicians will also be able to perform

services remotely or on site with increased efficiency and time savings. In addition, system diagnostics during servicing can already be carried out over the internet.

The Vaillant Group is intensifying its focus on agile processes in the area of product development and manufacture. A standardised real-time data system that links all production sites allows for increased efficiency and improved product quality.

Slight increase in employees compared to previous year

As of the balance sheet date 31 December 2015, the Vaillant Group employed 12,316 people around the world (2014: 12,091). The countries with the largest workforces – Germany (3,573), France (1,620) and Turkey (1,612) – did not see any changes. Most employees work in service areas (4,330). The Vaillant Group also has one of the largest development teams in its industry with around 780 employees working in this area.

The **Vaillant Group** is an internationally operating heating, ventilation and air-conditioning technology concern based in Remscheid, Germany. As one of the world's market and technology leaders, the Vaillant Group develops and produces tailor-made products, systems and provides services for domestic comfort. The product portfolio ranges from efficient heating appliances based on customary fuels to system solutions for using regenerative energy sources. In financial year 2015 the company, which has been family-owned since its founding in 1874, achieved with more than 12,000 employees sales totalling about €2.4 billion.

Contact

Dr Jens Wichtermann
Director Corporate Communications,
Sustainability Management & Policy
Vaillant Group
D-42850 Remscheid

Phone: +49 (0)2191 18-2754
Mobile: +49 (0)175 295 18 10
e-mail: jens.wichtermann@vaillant.de
Web: www.vaillant-group.com

VAILLANT GROUP



Caption: Vaillant sets new standards in sustainable, intelligent and future-proof heating technology with the new Green iQ product line. The appliances meet the highest sustainability credentials throughout their entire product life cycle – from the initial stage of development to being recycled after use.

Picture source: Vaillant Group