

Press release

Vaillant on growth course with renewable energies

- **2016 financial year: solid sales revenue, EBIT far surpassed previous year**
- **Double-digit revenue increase in China**
- **Heat pumps bring strong growth**
- **Greater focus on digital products and services**

Remscheid, 15 May 2017 – Heating, ventilation and air-conditioning technology specialist Vaillant Group presented its company figures for 2016 and a forecast for the first quarter of 2017 at its digital annual press conference held on 15 May 2017. With a sales revenue of €2.403 billion, 2016 was basically on par with the previous year. The Remscheid-based family business was thus able to compensate not only for the general downward market trend seen in the European heating technology sector, but also for the considerable depreciation of several key currencies compared with the euro. After being adjusted for exchange rate movements, sales revenue was up by 3.4 per cent on the previous year. Based on an annual comparison, operating earnings (EBIT) increased considerably by 15.8 per cent to €215 million.

The Vaillant Group has also had a successful start to 2017. Growth continued into the first quarter of the year, in particular with double-digit revenue increases in China and Turkey. “We can look back on a successful 2016. With a view to the current financial year, we are expecting moderate growth in terms of sales revenue and earnings,” comments Vaillant Group CEO Dr Carsten Voigtländer.

At the press conference, the company managers emphasised the fact that the heating technology sector is undergoing a phase of fundamental change. In future, there will be an even greater focus on technologies based on renewable energies as well as digital products and services and global growth markets outside Europe. This development is reflected in the strategic orientation of the Vaillant Group.

Double-digit revenue increase in China

The company's most important market outside Europe is China. Compared with the previous year, sales in the People's Republic increased by 26 per cent, or by 33 per cent after exchange rate adjustment. The Vaillant Group has recorded annual growth rates in the double-digit range since 2011. The company is now represented at 28 sites across the country and can be found in over 2,000 showrooms, making the Vaillant Group the most present European heating technology provider in China. Last year also saw the sales launch of high performance heating appliances.

Heat pumps bring strong growth

The Vaillant Group is harnessing the trend towards renewable energies by expanding its business with heat pumps. In 2016, the company noted a clear increase in the demand for this environmentally friendly technology: a development that remains clearly visible in 2017. "Revenue from heat pumps increased by more than 30 per cent in the first quarter of 2017," commented Dr Voigtländer. The largest gains here were seen in Germany, the Netherlands, Poland, Spain and Turkey. At present, the Vaillant Group markets heat pumps in as many as 36 countries. In order to further expand business in this product category, the Vaillant Group increased its manufacturing capacities. Since the beginning of the year, the company has been producing heat pumps also at its headquarters site in Remscheid, where currently €54 million are being invested in the creation of a new research and development centre. The aim is to closely interlock the manufacture of technologically demanding products and their development. Moreover, the targeted development of business activities concerning products based on renewable energies forms the core of the newly created organisational unit "Heat pumps and renewable energies".

Greater focus on digital products and services

Alongside an increasing focus on renewable energies and efficient technologies, the Vaillant Group is also expediting its transformation from a traditional industrial company to a technology company. As with the sale and distribution of network-compatible products, the development of digital products and services also represents a key focus area. With Web-enabled thermostats, the company is growing at a faster rate than the market. Moreover, the Vaillant Group is already offering its customers smart-home solutions that meet all the established standards.

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“We are well-positioned for future growth. The Vaillant Group will help transform our industry and shape future heating technology,” stressed CEO Dr Voigtländer.

The **Vaillant Group** is an internationally active company based in Remscheid, Germany, which operates in the fields of heating, ventilation and air-conditioning technology. As one of the global market and technology leaders, the Vaillant Group develops and manufactures customised products, systems and services to provide a comfortable living environment. Its product portfolio ranges from efficient heating devices based on conventional energy sources to system solutions for using renewable energy. In the financial year 2016, the company, which has been family-owned since its foundation in 1874, generated sales of around 2.4 billion euros with its workforce of over 12,000.

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Caption:

Digital products and services are a driver of growth for the Vaillant Group. The company is already offering its customers smart-home solutions that meet all the established standards..



Caption:

Since the beginning of 2017, the Vaillant Group has been producing heat pumps also at its head-quarters site in Remscheid. The company's revenues from the highly efficient devices increased by more than 30 per cent in the first quarter.

Image: Vaillant Group