

Press release

Vaillant Group sustains growth with record revenue

- Revenue climbs to a record level of well above €2.6 billion
- More than 30 per cent growth in electric heat pumps
- Leading market position in the field of gas-fired condensing appliances further strengthened
- New digital products and services

Remscheid, 19 May 2020 – The Remscheid-based heating, ventilation and air-conditioning technology specialist Vaillant Group has increased its revenue to a new record level of more than €2.6 billion. This corresponds to growth of 5 per cent compared to the 2018 financial year, and 6 per cent when adjusted for exchange rates. “Despite a sometimes challenging market environment, we can look back on a successful 2019 financial year,” summarises Dr.-Ing. Norbert Schiedeck, Chief Executive Officer of the Vaillant Group, the performance of the Remscheid-based family business. “The implementation of our growth strategy, particularly our business with electric heat pumps and highly efficient gas-fired condensing appliances, has contributed significantly to achieving a considerable revenue increase and a further improvement in our international competitive position. Following the stagnation witnessed in the previous year, we also posted double-digit revenue growth in China in 2019. The positive trend in earnings enables us to continue investing particularly heavily in the electrification and digitalisation of our portfolio, as well as in the ongoing training of our workforce.”

Growth in Europe and China

Despite a declining European market for heating technology, the Vaillant Group recorded a rise in revenue in all sales regions in 2019. In the Eastern Europe region, sales revenue rose by a double-digit percentage rate year-on-year, with strong growth in Poland playing a vital role in this regard. In the Northern and Western Europe regions, sales revenue was also up considerably on the previous year. The decisive factor was dynamic business development in the UK and Belgium. Growth in Central Europe was chiefly attributable to revenue increases in the areas of condensing boilers, heat pumps and control technology.

In Southern Europe, revenue was up year-on-year by virtue of a positive economic performance on the markets for heating appliances in France and Spain.

Outside Europe, only business in Turkey remained below the previous year's level, which was also due to the decline in the Turkish lira. In China, the Vaillant Group posted a revenue rise in the double-digit percentage range. In order to strengthen sales activities in China, the company entered into partnerships with further retailers nationwide in 2019 and expanded its local presence by opening new customer service centres.

More than 30 per cent growth in electric heat pumps

In 2019, the company's dynamically growing business with electric heat pumps was about 37 per cent above the previous year's figure and thus significantly above the European market growth. With the aroTHERM plus range, the Vaillant Group has initiated series production of a technologically innovative heat pump that makes use of a natural refrigerant. Thanks to its low global warming potential, this refrigerant is exceptionally environmentally friendly and enables high flow temperatures. As a result, the heat pumps can also be used to supply hot water and heating to older buildings with less insulation. This opens up additional sales and market potentials for the Vaillant Group.

Gas-fired condensing appliances: leading market position – and research into the use of hydrogen as an energy source

In its core segment of efficient, gas-fired condensing appliances, the Vaillant Group is committed to further expand its leading market position. In 2019, the revenue rise in this market segment amounted to 9 per cent. In spring 2019, the company unveiled a new generation of gas-fired condensing appliances that automatically adapt to different gas types and qualities. This ensures a high energy yield, combined with optimum combustion performance at all times.

The use of hydrogen as an energy source for gas-fired condensing appliances represents a key field of research for the Vaillant Group. Hydrogen produced from renewable energies can play a central role in the energy transition in the buildings sector, both as an addition to the existing natural gas grid and in pure form. Appliances that are similar to current products, run on pure hydrogen and therefore emit no CO₂ are currently in the testing phase.

New digital products and services

Digitalisation and the associated opportunities to harness new growth areas are of crucial importance to the Vaillant Group – across the full spectrum of business operations. One area of focus is the expansion of the core business with digital business models. This includes solutions such as intelligent energy management and advanced services for end customers and installers. Heating appliance users are given the ability to reduce energy consumption by means of intelligent control – without compromising on comfort. Contactless, web-based remote monitoring and appliance diagnostics allow installers to check that the system is working properly at all times. Maintenance needs can be identified at an early stage, and the work can be carried out at a time that is convenient for the end customer. The Vaillant Group is witnessing increasing demand for both digital services for installers and for “smart” solutions for appliance owners.

In order to be able to respond more quickly to individual customer requirements and offer suitable solutions, the Vaillant Group is increasing its investment in the transformation of business processes within the company and in the IT infrastructure. The project – which is set to run over several years – aims to facilitate the rapid and consistent implementation of business models across markets and the Group as a whole, thus generating further growth. Another key aspect is the expansion of digital expertise in the areas of Internet of Things (IoT), data analysis, data security and the digitalisation of sales processes.

A solid start to 2020 – impact of coronavirus expected in the second quarter

The Vaillant Group has made a solid start to the 2020 financial year, with sales revenue up on the prior-year period in the first quarter. The company was able to offset the significant decline in China, which was connected to the spread of coronavirus, with particularly strong growth in Europe. It is expected that the pandemic will impact European operations in the second quarter of 2020.

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“The challenge in the 2020 financial year will be to adapt costs to demand while continuing to invest in the expansion of our core business with heat pumps, efficient gas technologies and digital solutions,” explains Dr.-Ing. Norbert Schiedeck. “We will remain a reliable partner for our customers, whom we will continue to supply with heating and hot water.”

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 2019, the company, which has been family-owned since its foundation in 1874, generated sales of around €2.6 billion with its workforce of about 14,000.

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Caption: Heat pump assembly of the Vaillant Group in Remscheid. The heating technology specialist achieved record sales of over €2.6 billion in 2019. The company's dynamically growing business with electric heat pumps was about 37 per cent above the previous year's figure and thus significantly above the European market growth.

Image: Vaillant Group