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TROX: Solid financial year in 2017 – Strong investment in 2018

The past financial year was a positive one for TROX. With global sales growing by roughly 3% (4% after adjusting for currency effects) to a total of €481 million, the company was once again able to maintain a solid position in a very diverse market environment. The Group's earnings also improved again over the past financial year. After the surging profit growth of the previous year, the operating result once again increased year-on-year in 2017.

Taken as a whole, the subsidiaries reported an adjusted operating result for 2017 that was unchanged from the previous year. Above all, performance at the companies in Asia was extremely positive thanks to a strong rise in sales. Total net earnings for the EMEA region declined slightly, as the expensive market environment there had a negative impact on margins and profitability. Despite this, many European subsidiaries appeared to move in a positive direction, most notably in the case of the British subsidiary. It was joined by the subsidiaries in Spain, Norway and Russia, which also posted positive results. However, business development in the Americas was much more of a mixed bag, due in large part to the Brazilian economic crisis.

Outlook 2018

The company is optimistic about the course of the 2018 financial year. Thomas Mosbacher, CFO in charge of Finance, IT and HR at TROX GmbH, describes the outlook for 2018 as follows: "Compared to 2017, the 2018 financial year has been off to a very good start in the first few months. Though it remains difficult to predict just how well the global economy will perform in 2018, the company will continue on its growth course and is aiming to surpass the €500 million mark for sales by the TROX GROUP."

Support for this goal will come from the company's expansion of its systems and service business, among other things. TROX expects to see rising sales figures—specifically from its air handling units—not only in Germany, but also in Asia and South America, should the increasingly positive economic forecasts for these regions prove true. In the USA, TROX is currently carrying out a strategic realignment and, in collaboration with a strong partner in that country, will supply components and systems for highly sensitive areas in various future growth sectors, such as clean rooms, laboratories, the pharmaceutical industry and hospitals. The company will withdraw from the air-water systems segment due to the segment's lack of sustained positive development.

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In addition, TROX will focus on other key areas that will help to ensure the continued growth of the company and will therefore be the target of significant investment. Udo Jung, CSO and CTO in charge of Sales, Technology and Production at TROX GmbH, explains the challenges of the future: "At the moment, we're taking a number of different measures, which we're strictly adhering to, in order to prepare ourselves for the future. The most important aspect here is digital competence, which will be a critical factor for maintaining future competitiveness. This is the reason why, in the coming years, we will invest more heavily in a modern IT infrastructure and in intelligent software solutions for our customers. This area will account for a significant portion of the large volume of investments that we will be making in 2018. Aside from this, we will continue the ongoing enhancement of our components programme, which we will also incorporate into our strategies for systems, service and solutions. At €30 million, the total investment volume will be much higher than the figure from the previous year."

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