



PRESS FOLDER

September 2018

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## **PROFILE**

Carraro is an international group, leader in transmission systems for off-highway vehicles and specialised tractors, with consolidated turnover in 2017 of 606 million Euros.

The Group's activities are divided into two Business Areas:

- **Drive systems and components**

Through the subsidiaries Carraro Drive Tech and SIAP, the Group designs, manufactures and sells transmission systems (axles and transmissions) mainly for agricultural and construction equipment, and also markets a wide range of gears for very diverse sectors, from the automotive industry to material handling, agricultural applications and construction equipment.

- **Tractors**

Through Divisione Agritalia, the Group designs and manufactures specialised tractors (for vineyards and orchards from 60 to 100 hp) for third-party brands, namely John Deere, Massey Ferguson and Claas, as well as a specialised Carraro-brand range; Agritalia also provides engineering services for the design of innovative tractor ranges.

The Group's holding company, Carraro SpA, has been listed on the Italian Stock Exchange since 1995 (CARR.MI) and has its headquarters in Campodarsego (Padua). As at 31.12.2017, the Group had 3,156 employees – of which 1,408 based in Italy – and has manufacturing facilities in Italy (4), India, China, Argentina and Brazil. For additional information visit [carraro.com](http://carraro.com).

## **HISTORY**

The Carraro Group's development is a *case history* in business success that has implemented strategies hinged on diversification, innovation and internationalisation to become a multinational world leader in power transmission systems business.

### **Birth**

Carraro was founded in 1932 and initially focused on the production of agricultural seeders in an inter-regional market. In the 1950s, the company entered the agricultural tractor market with the 1958 production of the first 'Tre Cavallini' branded tractor.

### **Growth**

In the 1970s and 1980s, Carraro experienced a growth spurt with the development of *core business* activities and the progressive decentralisation of production. In 1973, the company extended further, developing the business of the 'axles and drives' division, specialising in the design and construction of axles and drives for agricultural tractors and earth-moving machines. In the years that followed, the activities associated with this division developed into the company's *core business* - so successfully, in fact, that by 1985, Carraro had become the world leader in the market, with over 100,000 axles sold.

In the mid-1980s, supported by the development of *core* activities, Carraro began decentralising accessory production through the acquisition and constitution of companies specialised in activities functional to the core business. The Carraro Group was thus formed.

### **International development and listing**

The 1990s were a period of change for the Group, which was launching its internationalisation process with the creation of numerous sales branches in various different countries of the world.

On 27th December, 1995, the holding company Carraro SpA was listed on the Italian stock exchange. The listing took place with a Global Offer of 15,000,000 shares (accounting for 35.7% of the share capital), listed through a Public Subscription and Sale Offer in Italy and a private listing for professional Italian and foreign investors.

In 1997, Carraro signed a joint venture agreement in India, with a 51% share, with a major Indian industrial group, Escorts Ltd.. This resulted in the development of the project to create a production centre in the country. In 1998, the first stone was laid for the Carraro India Ltd. plant in Pune, which officially began production in 1999. Over the years, the Group also signed further joint venture agreements leading to the establishment of new production plants in Poland, the United States, Argentina and Germany.

### **Group consolidation**

In 2001, a process was started to reorganise the Group internally in order to streamline the organisational structure and optimise running costs. This was obtained thanks to the merger by incorporation of the six businesses operating in Italy, into two companies, Carraro SpA and SIAP SpA, which had become centres of reference, respectively, for the production of integrated driveline systems and for gears.

The extension of the industrial platform also continued, both in Italy and abroad, with the 2005 opening of the second Carraro production facility in India in Pune (Turbo Gears Ltd.), specialising in manufacturing gears and components, and the creation of Carraro Qingdao, the Group's first facility in China.

Confirmation of the centrality of the Indian market came in 2006 when Carraro developed important extension projects; first with the acquisition of the entire capital of Carraro India, and subsequently, with the creation of a new research centre in Pune, Carraro Technologies India, devoted to the research and development of new products.

## **Carraro China**

On 17th October, 2007, Qingdao saw the opening of the new Carraro China plant. The production plant, which required an investment of €15 million, covers a total area of 23,000 square metres and will manufacture drive systems for stationary applications (such as escalators), integrated drives for fork-lifts and *material handling*, axles for agricultural tractors, and earth-moving machines.

## **Carraro Drive Tech**

1st July, 2008 marked the foundation of Carraro Drive Tech SpA, the new operating company to which the *core* activities of the Carraro Group have been conferred, namely the design, production and marketing of axles, drives and epicycloidal drives. This company consists of 8 production plants located in Italy (3), Germany, Poland, Argentina, India and China.

The main aim of Carraro Drive Tech is to make the most dynamic use of the opportunities offered by a growing market. It intends to do so by both developing, *jointly* with clients, the most advanced product solutions possible and particularly with regards to mechatronics (mechanics and electronics), in addition to proceeding independently with sales policies striving to promote further growth in emerging markets and penetrate new markets with interesting development prospects.

## **Beyond the crisis: Carraro 2.0 is born**

In the face of the serious crisis seen in all its reference markets and geographic areas from the last quarter of 2008 on, the Group reacted quickly, carrying out a series of actions aimed at making the company safe and providing continuity for the business.

In 2009, the Group:

- maintained its market shares without losing a single customer and continued to support its R&D activities;
- got working capital under control thanks to a focus on suppliers and a freeze of non-strategic investments;
- resized its costs by decreasing the workforce through a tailored *rightsizing* plan
- optimised purchasing costs and general expenses.

On the basis of these foundations, the "Carraro 2.0" project was born, a strategic three-year plan to support the turnaround.

## **The new course: *back to the core***

Following the 2008 crisis, the Group undertook an important process of focusing on its core business of transmission systems and agricultural tractors and relinquishing control of assets that were no longer considered strategic.

With this approach, in October 2013, a new site was inaugurated for the local R&D centre, Carraro Technologies India, and at the same time also a new production line dedicated to transmissions for particularly advanced agricultural tractors. All this to support a geographical area, the Indian Subcontinent, with important development opportunities.

With a view to focusing on the core business:

- in March 2014, the sale of miniGears, specialising in micro-gears mainly for power tools and the gardening sector, areas not related to the main target sectors, was signed.
- in November 2015, an agreement was signed on the basis of which Bonfiglioli Riduttori SpA acquired 55% of the company O&K Antriebstechnik, specialising in products for niche applications with respect to the Group's main business, or: planetary drives mainly for tracked machines and cranes, mining and port machines.
- finally, in November 2016, the Carraro Group also exited the photovoltaic sector with the sale of the subsidiary Elettronica Santerno to Enertronica SpA, a company operating in the renewable en-

ergy sector; with this last stage the Group's restructuring process was completed with a view to concentrating energy and investments in favour of activities related to transmission systems for off-highway applications (i.e. axles and transmissions for agricultural and construction machines) and to specialised tractors (for vineyards and orchards, both OEM and own brand).

## **PRODUCTS AND MARKETS**

The Carraro Group boasts consolidated in-house expertise and technologies in the design, development and manufacture of a wide product range that includes:

**a)** the *core business*, i.e. **driveline systems** consisting of:

- **axles and transmissions** (for farming equipment, earthmoving machinery, commercial vehicles and lift trucks)
- various types of **gears and assemblies** (for cars, farming equipment, earthmoving machinery, lift trucks, industrial applications, trains and wind power generators)



**c)** **tractors outsourced** for the most prestigious brands on the market and with the classic trademark brand “Tre Cavallini”



## MANAGEMENT



### **Enrico Carraro - Chairman / Carraro Group**

Born on 17 April 1962, at the age of 22 Enrico Carraro joined the family business. He began his professional career by getting to know the various company contexts and areas. Subsequently, he began to take on positions of responsibility in some small companies of the Carraro Group.

Gradually he followed a path that would lead him to take on roles of increasing responsibility. **In 2007, he became Executive Deputy Chairman of the Carraro Group** with responsibility for New Business Development initiatives, coordinating activities related to research, evaluation and definition of new business areas as well as to the corresponding medium and long term development plans. **In April 2012 he was appointed Chairman of Carraro Group.**

**Since February 2011, Enrico Carraro has been a member of the Committee of Padua Confindustria (Confederation of Industries)** and, in July 2012, he was appointed in Rome member of the Commission chaired by Carlo Pesenti for the reform of Confindustria.

**From April 2013 to February 2017 he also became Vice Chairman of Confindustria Veneto** with responsibility for internationalization.

**Since June 2018 he is Vice Chairman of Assindustria Veneto Centro** (created from the merger of Confindustria Padova and Unindustria Treviso).

## **Tomaso Carraro - Vice Chairman / Carraro Group**

Born in Padua on April 23, 1966, Tomaso Carraro joined the company in 1992.

From 1994 to 2002 he managed Carraro North America, the group's Commercial/Industrial branch on the NAFTA market. While in the United States, he got an MBA from the Graduate School of Business - University of Chicago (currently Chicago Booth).

In the late nineties, he was actively involved in the Group's internationalisation process (acquisitions of Carraro Argentina, Carraro Poland and O&KA, and the establishment of Carraro India).

**In 2004, Tomaso Carraro became Director of the Vehicles Business Unit, formerly Agritalia.** In the following three years, Agritalia was entirely transformed from an economic/strategic struggler to a shining star of the Carraro Group.

**In June 2007, Tomaso Carraro became Chairman and CEO of Gear World, the Carraro Group's new industrial project for the gear sector,** created to independently develop components activities at an international level, with a turnover of approximately 200 million euro, 1,500 employees and 6 production sites in Italy, USA, India and China.

**From 2009 to 2018, Tomaso Carraro became President of ASSIOT, the Association of Gears and Transmission Elements Manufacturers** (an industry worth 5 billion euro).

**Since April 20, 2012 Tomaso Carraro has been the new Vice Chairman of the Group.**

**From June 2014 to September 2016 he also became Chairman of Eurotrans,** the European Committee of Associations of Manufacturers of gears, gearing and transmissions.

He is also a Board Director of Carraro Group's most important companies.

## **Alberto Negri - CEO / Carraro Group**

Born in 1955, Alberto Negri gained extensive experience in multinational companies, and held various leading positions at both specifically industrial and management level in different areas of business.

Holding a degree in Electrical Engineering at Politecnico di Milano, along its professional path he worked in the Operations of major industrial companies such as **Philips** (electronics), **SKF Industries** (bearings) and **Fiamm Group** (batteries); in **2004** he became **General Manager** of **McCormick Plc - Argo Tractors Group (Landini - Valpadana tractors)**, and in **2007** he was appointed **Chief Executive Officer of Performance In Lighting**, one of the leading Italian lighting industries.

In **March 2011**, Alberto Negri joined the Carraro Group and he assumed, as **Managing Director**, the responsibility of **Gear World**, the Business Unit conceived with the aim of giving an independent development of Group companies active in the gear sector (with factories in Italy, Argentina, India, US and China).

Concurrently with the merger of Gear World within the **BU Carraro Drive Tech**, in **January 2013** he was appointed manager of the whole new integrated Group's production platform with the role of **Senior Vice President Supply Chain & Operations**, coordinating the strategies for the best production structure, the choices of technology related to production processes, policies, procurement and management of the entire Supply Chain.

In **September 2014**, to ensure uniformity in the implementation of the strategies as well as the objective to prepare well in advance the succession process at the head of the Group, expected in spring 2015, Alberto Negri was appointed **Managing Director** of **Carraro SpA** maintaining the role and responsibilities of the Carraro Drive Tech Business Area and gradually assuming the responsibility of coordinating the activities of Carraro Agritalia.

In **October 2014**, Alberto Negri was co-opted in Carraro SpA's Board of Directors and was at the same time appointed the new **Chief Executive Officer of the Group**.

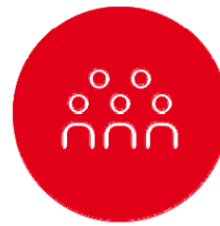
## KEY FIGURES

## KEY FIGURES



Turnover 2017/mln €

**606**



Headcount

**3,156**



Plants

**9**

(Italy, India, China, Brazil,  
Argentina)



R&D Centers

**5**

(Italy, China,  
Argentina, India)

## APPLICATION MARKETS

Construction  
Equipment

**30%**



**48.9%**

Agricultural  
Equipment



Material Handling

**4%**



**17.1%**

Other

## GLOBAL FOOTPRINT

