

## **Carraro closes the financial year 2021 with an increase in results: turnover of 644 million Euros (+ 34.5%) and EBITDA of 55.2 million Euros (+ 69.4%). Outstanding 2022 order book.**

**Campodarsego (Padua), 29 March 2022** – The Board of Directors of Carraro SpA, world leader in transmission systems for off-highway vehicles and specialised tractors, approved today the draft Financial Statements for 2021.

*“Last year closed with turnover of 644 million Euros, sharply up compared to both 479 million in 2020 and 549 million in 2019, a year that was not impacted by pandemic-related lockdowns. This is a significant growth that demonstrates the solidity of our Group and of our target markets. In these last two years we further expanded our customer base, entering new application areas. – said **Enrico Carraro, Group Chairman** – One of the most important of them concerns the contract with INEOS to supply axles for the Grenadier off-road vehicle, which this year will come into full swing with the start of production at our Maniago plant. Or the strategic agreement with CLAAS – world's leading manufacturer of agricultural engineering equipment – which, on the one hand, will lead us to expand the range of specialised tractors we already produce for this brand and, on the other, will allow us to increase our axle and transmission volumes.”*

*“2021 also confirmed profitability at optimal levels and with significant growth compared to both 2020, with an increase of over 69%, and 2019, with an increase of over 29%, continued **Enrico Carraro**. “These figures are even more appreciable in the presence of a situation that has seen us face high increases in the prices of raw materials, their scarcity and the increase in the cost of transport and energy.”*

### **Conflict in Ukraine and business outlook**

Despite a marginal exposure in markets of the geographic areas affected by the conflict in Ukraine, the Group's oversight of the current crisis is constant these days. There is concern, in particular, about the long-term effects that the situation may have on the already difficult dynamics related to raw materials and energy costs as well as on a general slowdown in the economic growth.

This is a complex context that currently sees the Group's reference markets confirm their solidity, both in the agricultural and earthmoving sectors, with a 2022 order book expected to grow further compared to the previous year.

Given these prospects, the hiring programs for new employees in the Group continue and by 2022 it is estimated that more than 70 people will join the Italian plants.

### **Markets**

In 2021 the agriculture sector was characterised by a high level of demand for new machinery in all areas of the world, thanks to the increased disposable income of operators directly correlated to the increase in the prices of the main agricultural commodities. Growth was partially hampered by difficulties in the supply chain of components and industrial raw materials.

The construction equipment sector benefited from the significant sales boost from investments in works and infrastructure put in place by the main governments to mitigate the economic impact of the pandemic. The year 2021 saw volumes reach levels beyond all expectations, with record global sales. This growth was

partially limited by difficulties and interruptions in the supply chain, which also contributed to triggering a significant increase in prices.

### **Revenues and EBITDA**

2021 consolidated turnover reached 643.9 million Euros, a figure not comparable with the 478.7 million Euros of the previous year (+34.5%) and also a significant increase compared to 2019 (+17.3%, 548.8 million Euros), a year not impacted by the pandemic emergency. As regards the Drive Tech Business Area (axles and transmissions), turnover improved by 38.4% compared to 2020, while for the Agritalia Business Area (specialised tractors) the increase amounted to 16.4%.

EBITDA as at 31 December 2021 came to 55.2 million Euros (8.6% of turnover), up by 69.4% compared to 32.6 million Euros (6.8% of turnover) in 2020 and by 29.3% compared to 42.7 million in 2019 (7.8% of turnover).

### **Investments**

In 2021, investments for 31 million Euros were made for the purchase of machinery and the modernization of Carraro factories around the world. This figure is in strong growth compared to the 16.3 million Euros of the previous year, both in relation to the pandemic contingency of 2020 and to the strong acceleration given to the development of the Maniago (Pordenone, Italy) and Indian plants, to adapt the production capacity necessary to support the growth in volumes. In order to give continuity to this development process, investments of over 40 million Euros are expected in 2022.

### **Research and innovation**

2021 saw a significant increase in absolute values of the financial commitment to R&D activity compared to the previous year, from 26.7 million Euros in 2020 (5.6% of turnover) to 30.5 million Euros (4.8% of turnover). This commitment will be even stronger in 2022, which will see a further boost in Research and Innovation with over 30 million Euros already allocated to support the development of new projects.

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Carraro ([www.carraro.com](http://www.carraro.com)) is a **leading international group in transmission systems for off-highway vehicles and specialised tractors**. The Group's activities are divided into **two Business Areas**:

- **Transmission systems** (axles and transmissions) and components 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.
- **Specialised tractors** (for vineyards and orchards, between 60 and 100 horsepower) for third-party brands and engineering services for the design of innovative tractor ranges.

The Group has its headquarters in Campodarsego (Padua). As at **31.12.2021, the Group had 3,579 employees – of which 1,572 based in Italy** – and has manufacturing facilities in Italy (4), India, China and Argentina. As at 31.12.2021, Group turnover amounted to 644 million Euros.

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