

Growth for Carraro in 1H 2022: turnover equal to 369.3 million Euros (+19.1%) and EBITDA equal to 26.1 million Euros (+7.9%).

A further increase in volumes expected for the second half of the year.

Campodarsego (Padua), 27 September 2022 – The Board of Directors of Carraro S.p.A., global leader in power transmission systems for off-highway vehicles and specialised tractors, today approved the Group's results for the first half of 2022.

"In the first half of 2022 results were extremely positive, with turnover and EBITDA up in absolute terms, despite the macroeconomic scenario of the period being affected by higher commodity prices and energy costs, and by other economic factors at global level" commented **Enrico Carraro**, Group Chairman.

He added *"In this first part of the year we have continued to step up investments in our plants, the aim being to support increased volumes and guarantee a production capacity in line with both our short- and medium-term growth targets. In particular, our focus is on quality gears and automotive axles - two sectors with particularly bright prospects"*.

The conflict in Ukraine and developments in operations

The outbreak of the war in Ukraine has not had direct, significant consequences for sales as the Group is marginally present in the areas involved. There are still considerable uncertainties over the impacts this conflict may have on the global arena, even though these are less adverse for the Group as it has a good level of diversification, also in countries where the effects of the conflict are less evident.

Management is carefully monitoring the complex geopolitical situation that has arisen from the conflict between Russia and Ukraine, while at the same time it is taking all suitable measures to limit its effects, and particularly the present and future impacts of this circumstance on the commodities market, both in terms of procurement and higher costs, and on the considerable increases in the energy sector.

At present, portfolio visibility is positive, confirming forecasts, and should allow a significant increase in turnover in the second half of the year. The Group's general performance will however be impacted by ongoing difficulties related to the macroeconomic framework, which have affected the first part of the year.

Revenues and EBITDA

In the first half of 2022 the Group's consolidated turnover amounted to 369.3 million Euros, up 19.1% over the same period of 2021 (310 million Euros). This increase has been driven by an excellent performance on our core markets (agriculture and construction equipment) worldwide.

EBITDA as of June 30, 2022 was EUR 26.1 million (7.1 percent of sales), up 7.9 percent in absolute terms compared to the same indicator for the previous year EUR 24.2 million (7.8 percent of sales). The ratio of margins to sales is substantially in line with the previous period due to the fact that raw material, energy and transportation costs were not fully passed on to sales prices, a process on which the management is working hard.

Investments

In the first half of 2022 the Group upped its pace with investments to promote an increase in production capacity necessary to support portfolio objectives. Investments at 30.06.22 amounted to 18.4 million Euros, considerably up compared to the 11.2 million Euros at 30.06.21.

Research and Innovation

Commitment in R&D continued, still focussed on developing innovative transmission systems and specialised tractors aimed at markets with greater growth potential. In particular, R&D investments in the first half of 2022 amounted to around 3.9% of turnover, (4.8% in 2021), in line with expectations.

Comparative data refer to the consolidated situation of Carraro S.p.A. at 31.12.2021, therefore prior to the merger with Fly S.r.l. becoming effective in accounting terms on 1 January 2022. For details of the merger and related accounting and legal effects, see the interim financial report within our web site www.carraro.com.

Carraro (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 **31.06.2022, the Group had 3,710 employees – of which 1,641 based in Italy** – and has manufacturing facilities in Italy (4), India, China and Argentina.

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