Press Release

FY 2022 in further growth for Carraro Group: turnover at €762 million (+18.4%) and EBITDA at €59 million (+7%).

Further increase in turnover expected in 2023.

Campodarsego (Padua), March 27, 2023 – The Board of Directors of Carraro SpA, a world leader in transmission systems for off-highway vehicles and specialized tractors, examined today the draft Financial Statements for 2022.

"Our growth path continued in fiscal year 2022, a result that has a special value because it occurred in an uncertain macroeconomic environment. At more than 760 million euros, sales are above the estimates contained in the strategic plan, confirming that our target markets are solid and that the significant investments in research and development we made are beginning to bear fruit. Our product solutions are, in fact, meeting the interest of all the world's leading agricultural and construction equipment manufacturers. - commented **Enrico Carraro, Group Chairman** - *Very interesting in particular are the new projects related to electrification, both in the area of transmissions for specialized tractors and for the latest generation of industrial vehicles, such as hybrid and electric trucks."*

"Visibility on orders shows further growth in sales in 2023. - concluded **Enrico Carraro** - *At the scenario level, some uncertainties related to the global macroeconomic framework and the ability to cope with requests for increased volumes are likely to remain. However, we have put in place several actions so that we can best address this new phase of development to the benefit of the Group."*

Revenues and EBITDA

Consolidated 2022 revenues reached 762 million Euros, up 18.4% from 644 million Euros in the previous year. EBITDA as of December 31, 2022 was 59 million euros (7.8 percent of sales), up 7 percent from 55 million euros (8.6 percent of sales) in 2021.

At the macroeconomic level, the agricultural sector in 2022 was characterized by substantial volume stability, albeit with differentiated dynamics in the various areas of the world. With regard to the construction equipment sector, 2022 was a substantially positive year in almost all geographical areas despite the negative impact resulting from component shortages and the significant price increase that followed.

Investments

The year 2022 saw the Group giving a major acceleration to investments to help increase the production capacity needed to support portfolio objectives. Capital expenditures as of Dec. 31, 2022 amounted to 41.9 million euros, significantly up compared to the 31 million euros of fiscal year 2021.

In this regard, the growth of SIAP deserves a special mention. The Group's center of excellence for quality components and highly complexity gears based in Maniago is actually undergoing an important phase of production diversification with particular reference to the automotive sector (including the production of axles for the off-road vehicle INEOS Grenadier).

Research and Innovation

The commitment in R&D activities continues, always focused on the development of innovative transmission systems and specialized tractors aimed at higher potential markets. Specifically, the financial commitment in R&D activities during 2022 amounted to 31.7 million euros (4.16% of turnover), up in absolute terms from 30.5 million euros in 2021 (4.74% of turnover). More than 30 new projects (including axles, transmissions, and tractors) critical to expanding the Group's market share went into production in 2022.

Net Financial Position

The consolidated net financial position at 31 December 2022 was negative at 205.378 million Euros, compared to 31 December 2021 negative at 152.913 million Euros.

Management evolution

At the moment, the visibility of the order backlog shows a positive evolution that confirms the expected forecasts and should allow for an important increase in sales in 2023.

With regard to business opportunities, it should be noted that the Group continues a strong diversification approach in the high-volume gears segment, as well as in automotive axles, the two fastest-growing businesses, with a major investment commitment to activate the necessary production units.

Maximum attention by management to contain inflationary aspects that could have negative implications on the Group's economic and financial performance.

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 **31.12.2022, the Group had 3,781 employees – of which 1,684 based in Italy –** and has manufacturing facilities in Italy (4), India, China and Argentina.

Carraro Press Office:

Massimiliano Franz / Communication Director - Carraro Group
m. +39 334 6627367 / mfranz@carraro.com
t. 049 9219289