First half of 2023 growing for Carraro: turnover of 425 million euros (+15.1%) and EBITDA of 40.2 million euros (+54.1%).

For the whole of 2023, turnover will maintain the growth trend of the first part of the exercise.

The new 2024-2027 Business Plan has been approved: the turnover threshold of one billion euros is expected to be reached in 2025.

Campodarsego (Padua), September 12, 2023 – The Board of Directors of Carraro SpA, world leader in transmission systems for off-highway vehicles and specialized tractors, today approved the Group's results for the first half of 2023 and the new 2024-2027 Business Plan.

"The growth forecasts anticipated at the beginning of the year are confirmed in the first half of 2023, both in terms of turnover and of profitability. – comments **Enrico Carraro, Chairman of the Group** – *Despite a macro-economic context, which sees some areas of the world, including Italy, experiencing a contingent phase of instability, our reference markets are solid and the order book visibility for the second part of the year allows us to forecast the continuation of today's growth trend. In any case, we will continue to monitor the situation all along the forthcoming months".*

"The update of our Business Plan, which already in 2025 envisages the Group to reach the goal of one billion Euros in turnover, will lead us to broaden our skills with the development of increasingly technologically advanced products. – adds **Enrico Carraro** – *The strong impetus to industrial investments that are already underway and will continue to support the expected growth, supported by adequate cash generation, will remain fundamental".*

"Today we are reaping the fruits of the initiatives implemented since the first draft of our 2021-2025 Business Journey, which has seen us give an important boost to the development of technological solutions capable of garnering the consent of an increasingly large number of customers. – concludes **Enrico Carraro** – *Over the next four years, our growth path will continue both within traditional markets and in differentiated areas with new-concept products that will see an ever-increasing integration of mechanics and electronics".*

Revenues and EBITDA

The first half of 2023 closed with a consolidated turnover of 425 million euros, up 15.1% compared to the same period of 2022 (it was 369.3 million euros), confirming the expansion phase that began in 2021 thanks both to the growth in the traditional reference markets, in particular the Indian one, and to the ability of the R&D Department to develop innovative products in step with customers' requests.

EBITDA as at 30 June 2023 was equal to 40.2 million euros (9.5% of turnover), a sharp increase (+54.1%) compared to 30 June 2022 (it was equal to 26.1 million euros, 7.1% of turnover).

Investments

In the first half of 2023 there was a further acceleration in the Group's investments with the main purpose of supporting the increase in production and technological capacity necessary to sustain the portfolio

objectives. Investments as at 30 June 2023 amounted to Euro 21.5 million, a significant increase compared to Euro 18.4 million in the same period of 2022.

Research and Innovation

The commitment in R&D activities continued in the first half of 2023, with a particular focus on the development of innovative transmission systems and specialized tractors conceived for markets with the highest development potential. In detail, the financial commitment in R&D during the first half of 2023 was equal to approximately 3.4% of turnover (it was 3.9% in 2022), in line with expectations.

2024-2027 Business Plan

During today's BoD meeting, the update of the Group's Business Plan was also approved, extending the time horizon to the four-year period 2024 - 2027.

The growth path in turnover will continue during this period, fueled by the initiatives implemented in traditional and non-traditional markets, thanks to new-concept products. In particular, the expansion of the application perimeter is expected both in the earthmoving sector (with solutions dedicated to telescopic handlers and aerial platforms) and in agriculture (with new electronically controlled transmissions, conceived in a 4.0 key). Alongside this, a specific focus will be maintained on high-potential on-highway vehicles (gears for trucks and axles for off-road vehicles).

On the basis of these premises, the threshold of one billion euros in turnover is expected to be reached as early as 2025 with a gross operating margin of more than 10%.

In the four-year period, the important industrial investment plan already in place will continue with the aim of supporting the expected growth, improving the efficiency and productivity of Carraro plants around the world as well as ensuring adequate impetus to the launch of new products.

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; 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.

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