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## Krone Group increases turnover to 2.5 billion euros

### Commercial vehicles and agricultural technology in demand despite global crisis mood

Despite a market environment that remains tense, the Krone Group generated sales of around 2.5 billion euros in the 2021/2022 financial year (01.08.2021 - 31.07.2022), more than 15 percent above the previous year's level (around 2.2 billion euros). The effects of the Corona pandemic, the ongoing war in Ukraine, the growth of the world's population to eight billion, climate change and rising prices - for more and more people, the imponderables have increased enormously, especially in the course of the last year. The secure supply of food as well as reliable and professional logistics are once again increasingly moving into the focus of society. That is why future-oriented concepts in the field of agricultural technology and the commercial vehicle industry are currently in demand. "In times of increasingly fragile supply chains in a globalised economic world and in a rapid technical development characterised by strong upheavals, it is more important than ever to set up one's own company solidly and make it fit for the future. For this reason, we are particularly grateful that we have made good progress in this direction in the past financial year," says Bernard Krone, Chairman of the Supervisory Board of the Krone Group.

### Turnover and earnings

In the Commercial Vehicles Division, sales amounted to approximately 1.7 billion euros; this corresponds to an increase of 22.9 percent compared to the previous year (1.374 billion euros). Krone was also able to make further gains in the agricultural machinery segment; thanks to an increase of 14.7 million euros, sales reached 828.3 million euros (previous year 813.6 million euros). Domestic sales increased by 139.9 million euros (25.4 percent) to 690.8 million euros, which means that the Krone Group generated 27.4 percent of its sales in Germany. Approximately 32.1 percent of domestic sales were generated by the Agricultural Equipment business unit and 67.0 percent by the Commercial Vehicles business unit. Due to the unforeseeable cost increases in material & energy purchasing, the

Group result was under pressure. It fell slightly to 84.6 million euros before income taxes for the 2021/2022 business year. The return on sales before taxes was 3.4 percent. This was mainly due to the areas of aftersales and other services.

## **Asset situation and Financing**

In the 2021/2022 business year, the balance sheet total was 1.7 billion euros (previous year: 1.5 billion euros). The total investment volume of 60.1 million euros (previous year: 45.4 million euros) was offset by depreciation of 39.4 million euros. The additions resulted mainly from various investments at various locations. In addition, inventories were built up to secure the challenging delivery situation. Due to this use of capital, cash and cash equivalents fell from EUR 337.1 million to EUR 281.9 million. Equity increased from EUR 645.4 million to EUR 701.6 million as of the balance sheet date due to the consolidated profit after income taxes of EUR 64.6 million. Despite the situation-related balance sheet extension, the equity ratio fell only slightly to 41.6 percent (previous year 43.7 percent). Medium- and long-term debt capital fell from 500.5 million euros to 471.5 million euros. The Group has medium and long-term capital of 1.2 billion euros (previous year 1.1 billion euros) at its disposal. This covers not only fixed assets but also the entire inventory.

## **Employees**

The average global number of employees (core workforce) in the Krone Group increased by 6.1 per cent to 5,768 (previous year 5,438) in the 2021/2022 financial year. This includes 261 apprentices (previous year 266). The increase in the number of employees is primarily due to the expansion of business activities. As an owner-managed family business in its fourth generation, Krone consistently relies on the high level of commitment and loyalty of its employees. The personnel policy is geared towards continuity and identification with the company.

## **Research and development**

In the past financial year, Krone again invested considerable amounts in research and development. In the agricultural machinery sector, for example, the Krone BiG Pack square balers and the Bale Collect collection wagons were further developed. A highlight was the presentation of the joint project Combined Powers, a cooperation between Lemken and Krone. An autonomous towing vehicle was developed that can carry out six work processes in the field. In the commercial vehicles segment, a major focus of development activity was on rounding off the product portfolio: the WK 4.0 swap body product generation was made ready for series production and the development of the new Cool Liner was completed. Krone presented innovative automated container chassis, intensified its cooperation with Trailer Dynamics on the electrified semi-trailer and started series production of the new refrigeration unit in a joint project with Liebherr. In both divisions, software products and electronic developments continue to gain in importance. In agricultural engineering, for example, more than 70 partners and software products are now connected to the Agrirouter. In the commercial vehicle sector, the scope of services in telematics and other digital services for trailers has been further expanded. One example of a cross-divisional development is the solar telematics solution Krone Smart Collect Solar, which was successfully introduced in both the agricultural technology and commercial vehicle sectors.

## **Outlook**

Dr. David Frink, CEO of Bernard Krone Holding SE & Co.KG, sees the extraordinary commitment of the employees as a decisive factor for the success of the past business year: "Despite all the challenges of this time, we have managed together to successfully further expand the company with its numerous business areas. This special loyalty of the staff to Krone as an employer, the proximity to customers and the solid financial strength form a stable basis for future developments."



**If you have any questions, please do not hesitate to contact me.:**

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