

Ekotechnika GmbH: Creditreform updates rating to B+

- Corporate rating updated after publication of preliminary figures
- Operating performance much better than the market as a whole
- “Dealer of the Year” and top-selling John Deere dealer in Russia
- Expansion of high-margin after-sales activities

Walldorf, 3 December 2013 – Following the publication of the preliminary figures, Creditreform Rating AG has adjusted the corporate rating of Ekotechnika GmbH, the German holding company of the Ekoniva Technika Group, the largest dealer of international agricultural machinery in Russia, to B+ (previously BB-). The new rating confirms that the Group’s creditworthiness remains adequate.

Wolfgang Bläsi, Managing Director of Ekotechnika GmbH: “We have performed well in a difficult market environment and further expanded our position as the leading distributor of international agricultural machinery in Russia. The fact that our regional subsidiary, Ekoniva Chernozemie in the Chernozem region, has been named John Deere Dealer of the Year shows that we are well on track and will be an additional incentive.”

On 20 November 2013, Ekotechnika published the preliminary figures for the fiscal year 2012/2013 (ended 30 September). According to these preliminary figures, sales revenues increased by approx. 20% from the previous year’s EUR 169.6 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) climbed approx. 10% from EUR 17.2 million in the same period. Ekotechnika’s consolidated earnings before interest and taxes (EBIT) improved by approx. 5% from EUR 15.4 million. The net result for the year amounted to approx. EUR -1.7 million (EUR -4.6 million in H1 and EUR +2.9 million in H2). The negative net result is attributable to exchange rate effects. Adjusted for these effects, the net result soared by 117% from EUR 2.3 million in the previous year to EUR 5.0 million. The unrealised exchange losses relate to bank and supplier liabilities of Russian subsidiaries as of the balance sheet date. As the machines are usually sold in dollars or euros, the company generates higher revenues in local currency in the following year.

EKOTECHNIKA

In its three sales territories in the world's largest territorial state, Ekotechnika primarily sells agricultural machinery of the John Deere brand, the industry's worldwide No. 1. In 2012/2013, the Group sold more agricultural machinery than in the previous fiscal year and clearly outperformed the market as a whole. New machinery sales increased by approx. 20%, while sales of spare parts rose by as much as 35%.

The Group serves three sales territories, Central Russia, Chernozem and Siberia. The regional Ekoniva-Technika company in Central Russia is the top-selling John Deere distributor in Russia. While John Deere's business in Russia remained relatively stable in the past year, the Ekoniva-Technika Group grew notably. The Ekoniva-Technika company in the Chernozem region achieved the highest market shares in tractors and combine harvesters of all John Deere regional companies in the world's largest territorial state.

Says Wolfgang Bläsi: "Each new machine we sell adds to our after-sales potential." The company intends to expand the high-margin spare parts and services activities significantly in the coming years. Today, the two segments contribute a combined 18% to total Group revenues, and rising.

About Ekotechnika

Walldorf-based Ekotechnika GmbH is the German holding company of the Ekoniva-Technika Group, the largest distributor of agriculture equipment in Russia. The company's single most important supplier is John Deere & Co., the world's leading manufacturer in this field. In addition, Ekotechnika sells equipment from another 11 market-leading manufacturers. Its main business is in selling new equipment such as tractors but also milking equipment and precision farming technology. In addition, the company sells spare parts and provides service and maintenance. Ekotechnika's founder and main shareholder is Stefan Dürr, who has been active in the Russian farming sector since the late eighties and has been instrumental in its modernisation over the past two decades. In 2011 the equipment business was separated from the farming business, which now operates independently under the name Ekosem-Agrar. Operating 12 locations in attractive Russian farming regions, Ekotechnika today employs 625 people and generates sales of just under EUR 170 million.

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