

Ekotechnika AG reports positive earnings performance for FY 2018/2019

- **Consolidated revenues of EUR 160.3 million (previous year: EUR 163.7 million)**
- **Weak tractor sales almost entirely offset by telescopic handlers and special machinery**
- **Operating result (EBIT) climbs 20% to EUR 11.3 million**
- **Growth in 2020 will be supported by new John Deere sales territories and trade in forestry machinery**

Walldorf, 24 January 2020 – In the financial year 2018/2019 (30 September), Ekotechnika AG (Primary Market; ISIN: DE000A161234), the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, generated sales revenues of EUR 160.3 million (previous year: EUR 163.7 million). The New Machinery segment, which accounted for 68% of total revenues in the past financial year (previous year: 69%), contracted slightly from EUR 113.7 million in the previous year to EUR 108.7 million (-4%). With 206 machines sold, sales of tractors were clearly lower than in the previous year (283 machines). This decline was almost entirely offset, however, by a strong increase in sales of telescopic handlers and special machinery.

Revenues in the Spare Parts segment rose slightly from EUR 39.1 million to EUR 40.2 million (+3%) in the financial year 2018/2019, and the Services segment recorded growth of 11% to EUR 3.8 million (previous year: EUR 3.4 million). At EUR 0.9 million, sales revenues in the Smart Farming segment were almost on a par with the previous year in the second year of the pilot phase.

While gross profit fell from EUR 30.8 million in the previous year to EUR 27.8 million (-10%), it exceeded the projected range of EUR 24-27 million. Climbing 20% to EUR 11.3 million, the operating result (EBIT) showed a much more positive trend than in the previous year (EUR 9.4 million) and than expected (EUR 7-9 million). At EUR 7.0 million, consolidated net income for the year also exceeded the previous year's EUR 4.8 million by a wide margin.

The Group's equity capital stood at EUR 32.9 million as of 30 September 2019 (30 September 2018: EUR 24.3 million). With total assets amounting to EUR 134.5 million (30 September 2018: EUR 108.2 million), the equity ratio was 24.5% (30 September 2018: 22.5%).

Stefan Dürr CEO of Ekotechnika AG: “On balance, we are satisfied with the result in the past financial year. Although we did not expect such a sharp drop in tractor sales in the New Machinery segment. But we benefited from our diversified product portfolio, which allowed us to almost offset the decline in revenues by higher sales of other machinery. This year we expect to grow again also in the tractor segment, where we assume a considerable investment backlog, from which we as the market leader should benefit significantly.”

For the financial year 2019/2020, the Executive Board projects an increase in consolidated sales revenues to between EUR 200 million and EUR 213 million, primarily due to the further expansion of forestry machinery sales and the potential arising from the additional John Deere sales territories. Moreover, the company expects gross profit to amount to between EUR 30 million and EUR 33 million and EBIT to come in at between EUR 9 million and EUR 12 million.

Bjoerne Drechsler, member of the Executive Board of Ekotechnika AG: “Besides the New Machinery segment, we intend to grow primarily our service operations by establishing new distribution centers and expanding our range of services in the current financial year. Another focus will be placed on Smart Farming, our youngest business segment, which will launch crop protection and soil management tests and integrate additional pilot customers this year. Overall, we consider the wide range of services provided by the Ekotechnika Group to be an important competitive edge, which allows us to offer our customers optimum support from a single source.”

The full 2018/2019 consolidated financial statements are available on the website of Ekotechnika AG at <https://www.ekotechnika.de/en/investor-relations/financial-publications/>.

About Ekotechnika

Ekotechnika AG, Walldorf, is the German holding company of the EkoNiva-Technika Group, the largest distributor of agricultural machinery in Russia. The main partner and principal supplier is John Deere, the world's largest and market-leading manufacturer of agricultural machinery. Ekotechnika's main business lies in selling new equipment such as tractors and combines but also soil tillage machines. At the end of 2018, forestry machinery from Canadian manufacturer Tigercat was added to the portfolio. In addition, the company sells spare parts, provides service and maintenance and offers its customers smart farming technologies. Founder and Chairman of the Executive Board of Ekotechnika AG is Stefan Dürr, who has been active in the Russian farming sector since the late eighties and has been instrumental in its modernization over the past two decades. Operating 23 locations in five attractive Russian farming regions, Ekotechnika today employs around 570 people and generated sales revenues of around EUR 160 million in 2018/19. The Ekotechnika stock is listed on the Primary Market of the Düsseldorf Stock Exchange (ISIN: DE000A161234) as well as on the Open Market of the Frankfurt Stock Exchange.

EKOTECHNIKA

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