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Krone finishes again with record sales

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Against the backdrop of a sometimes difficult environment in the agricultural machinery and commercial trailer industries, the Krone Group finished the past 2017/2018 financial year (1 Aug 2017 – 31 Jul 2018) with another record turnover of about 2.1 billion euros which marks a significant increase over the previous result (1.9 billion euros). Germany as the home market accounted for 582.9 million euros, a rise of 67.4 million euros (13.1%). About 67.4% of the domestic sales were accounted for by the commercial vehicles division and, 32.6% by the agricultural machinery business. Sales in markets outside Germany amounted to 1.5 billion euros, nearly 171 million euros (12.4%) up over the previous year. Nearly 71% of these export sales were generated by the commercial vehicles business and 29.1% by the agricultural machinery division. As such, the international business accounts for 72.7% in total sales which is roughly equivalent to the level of the previous year (72.8%).

Company employees

The Krone Group employed 4,897 staff in the past financial year (4,497 permanent staff in the previous year). This figure includes 278 apprentices (previously 243). The increase in permanent staff members is accounted for by an increase in business activities and the expansion of our sales networks in both divisions. Commercial Vehicles S.A. employed 2694 staff in the past financial year and Krone Agriculture 2063 members of staff whereas 140 members were on the payroll of the Holding company, working at various offices and locations of the Group.

Financial position/funding

In the financial year 2017/2018, the balance total increased to 1,130.2 million euros from 1,031.3 million euros. Total investments of 67.0 million euros (previously 76.0 million euros) and changes in the consolidated group of 1.1 million euros are offset by depreciation of 28.0 million euros in both business

segments. The growth mainly results from a number of investments in various production sites. Liquidity increased by 26.5 million euros to 147.3 million euros. This was mainly accounted for by the decrease in receivables from goods delivered and services provided and the increased annual surplus. On account of the annual surplus, equity capital increased from 486.1 million euros to 533.8 million euros on the balance sheet date. The equity ratio increased slightly from 47.1% to 47.2% despite the again higher balance sheet total. In the 2017/2018 fiscal year, the medium and long-term debt capital increased to 325.6 million euros from 290.4 million euros. The Group currently has 859.7 million euros (previously 776.5 million euros) available in the form of medium and long-term capital. This covers both fixed assets and the entire stock assets as well as many of the receivables.

Investing in future growth

Total investments made by the Krone Group in the past financial year amounted to 67.0 million euros, 53.8 million euros of which were spent on tangible assets, 4.9 million euros on intangible assets and 8.3 million euros on financial assets. The highest single investment of about 40 million euros was the new coating centre at the Werlte production site. Further investments in the reported period were made in the new and automated component manufacturing line at the Herzlake site. The Spelle site implemented various measures to expand its manufacturing and assembly capacities. In addition to investing in modern clamping and quick-swapping systems that reduce set-up times the division advanced the development of a universal tool management system. Bernard Krone, Managing Partner of the Krone Group, is delighted with the company performance in the 2017/2018 financial year. “The repeated increase in sales bears testimony of our successful strategy of positioning ourselves as a provider of excellence of comprehensive services for commercial trailers and agricultural machines. Furthermore, as a medium-sized and family-run enterprise we benefit from being quick, flexible and innovative. An equity ratio of 47% gives us a solid financial foundation that gives us the entrepreneurial leeway to implement further innovations and hence continue the path of sustained growth. Furthermore, the diversification in commercial trailers and farm machinery offers us exceptional opportunities as we develop practical solutions for both types of products, helping our customers around the globe to meet their challenges. A rapidly growing world population calls for an increased and more efficient food production and this inevitably involves an increase in freight transportation. Digitisation plays a key role in this context. Already today, Krone provides a wide range of future-oriented solutions for smart farm machines and smart trailers already today.”



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

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