



16. December 2019

## Krone generates sales of 2.2 billion euros

Against the backdrop of a sometimes difficult environment in the agricultural machinery and commercial trailer industries, the Krone Group finished the past 2018/2019 financial year (1 Aug 2018 – 31 Jul 2019) with a turnover of 2.24 billion euros, a result that marks another increase over the previous result (2.1 billion euros). In Germany Krone generated sales worth 692.7 million euros, which corresponds to a rise of 109.8 million euros (18.8 %). Agricultural machinery accounted for 28.3% of domestic sales and automotive engineering 71.4%. By comparison, sales in markets outside Germany stood at 1,547 billion euros in the 2018/2019 financial year and were on par with the previous year. Almost 67.5% of international sales was generated in the commercial vehicles sector, while agricultural machinery accounted for 32.5%. The share of foreign sales at 69.1% was slightly below the previous year's level (72.7%).

### Company employees

The Krone Group employed a workforce of 5,292 in the last financial year (previous year's permanent staff 4,897). This figure includes 270 apprentices on average (previous year 278). The increase in the number of employees is attributed to the group's expansion (e.g. the acquisition of the Dutch Knapen Group) and to the advancement of our own sales network. Commercial Vehicles S.A. employed 2,997 staff in the past financial year and Krone Agriculture 2,109 members of staff whereas 186 members were on the payroll of the Holding company, working at various offices and locations of the Group.

### Financial position/funding

The balance sheet total for the 2018/2019 financial year stood at 1305.5 million euros (previous year 1,130.2 million euros). The investment volume of 92.9 million euros (previous 67.0 million euros) and changes to the consolidated companies that make up the Group amounting to 23.6 million euros are offset by depreciations to the value of 38.6 million euros in both business segments. This growth is mainly attributed to a number of investments at various production sites. Liquidity dropped by 11.8

million euros to 135.4 million euros. This was mainly due to increased investment and a reporting-date related increase in receivables from goods delivered and services provided. On account of the annual surplus, equity capital on the balance sheet date increased significantly to 585.1 million euros (previous year 533.8 million euros). The equity capital ratio fell slightly from 47.2% to 44.8%. Mid- and long-term borrowed capital increased to 424.4 million euros (previous 325.6 million euros) during the 2018/2019 financial year. The Group has mid- and long-term capital to the value of 1,010 million euros (previous year 859.7 million euros). This figure covers fixed assets as well as the total stock value and the majority of receivables.

## **Investing in future growth**

The volume of investments made by the Krone Group in the previous financial year stood at 116.5 million euros, with tangible assets accounting for 78.1 million euros of this figure, intangible assets for 27.8 million euros and financial assets for 10.6 million euros. The largest sum was invested in the Herzlake site in the previous financial year. Here the construction of a new factory doubled production capacity for the Dry Liner dry freight box body series and the swap systems. Other investments referred to the construction of the new Future Lab validation centre at Lingen and the acquisition of the Knapen Group. Bernard Krone, Managing Partner of the Krone Holding, is delighted with the 2018/2019 performance. The economy was challenged by the overall political situation and developments such as Brexit and the trade dispute between the US and China. In addition, several regions were once again plagued by difficult weather – prolonged periods of drought or heavy rainfall. In view of these challenges, we are very grateful that many customers decided to invest Krone farm machines, trailers or axles. In general, we see a number of opportunities for future growth as we supply solutions to the challenges posed by megatrends such as a rapidly growing global population. The Earth's population is expected to reach 10 billion by 2050; all these people must be fed and to do this we need state-of-the-art, efficient agricultural systems. The transport of goods and thus freight traffic is also set to rise in parallel with global population growth.

## **Krone Commercial Vehicles**

The Commercial Vehicles Group finished its 2018/2019 financial year with a turnover of 1.54 billion euros, an increase of 3.2% over the previous year. 32.2% of these revenues were generated in the German market which continues to be the most important individual market accounting for a 102 million euro or 25.9% increase to 495 million euros. Other key markets were the Western European markets representing 43.9% of sales (previously 42.6%) and Eastern Europe representing 17.7% (previously 22.0%). In order to ensure a high product quality and flexible production cycles across all sites Krone is investing systematically in all its production sites. For example, the past financial year saw the installation of the new assembly line for dry liners and the automated production line for swap bodies in Herzlake. In addition, we set up the test facility at our Lübtheen production site for refrigerated trailers. In addition, Krone is extending its service provision for commercial vehicles and now offers new solutions in the axle sector as well as in servicing and data management.

## **Krone Agriculture**

In the past financial year and for a second time in a row, difficult weather conditions and equally difficult political and economic situations met with high production prices. In this environment, the Krone agricultural machinery division finished the 2018/2019 financial year with a turnover of 698.1 million euros, an increase of 8.9% over the previous year. Germany as our strongest market accounted for 28.0% of sales (previously 29.5%). the western European markets for a combined 35.6% (previously 35.1%). eastern Europe for 8.9% (previously 11.4%). North America for 15.8% (previously 11.9%) and all other countries for 11.7% (previously 12.1%). Krone continued to systematically expand its product lines and give facelifts to existing models. Key products in the previous financial year were the new round balers VariPack and Comprima Plus, Swadro TC 1370 and multiple new mowers, including the

EasyCut F 400 CV with folding cutterbar. Krone continued developing digitalisation/data management solutions and presented multiple new and innovative machine features which will ease the workload of farmers and contractors effectively. To meet the growing demand for agricultural machinery, Krone has invested in modern machining technology such as robot-controlled CNC machine tools.



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

Phone [+49 5951 209-8216](tel:+4959512098216) · E-mail: [simon.richenhagen@krone.de](mailto:simon.richenhagen@krone.de)