

### **Ekotechnika AG: Executive Board reports significant increase in after-sales business in the first five months of 2018/19**

- **New machinery business in the first five months at the previous year's level**
- **Market environment for imported agricultural machinery remains challenging**
- **Smart farming and forestry activities expanded**
- **Annual General Meeting approves all items on the agenda by a large majority**

Walldorf, 9 April 2019 – At today's Annual General Meeting in Wiesloch, the Executive Board of Ekotechnika AG, the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, reported on the past financial year 2017/18 (30 September) as well as the company's performance in the current financial year 2018/19.

Driven primarily by the expansion of its new machinery business and the sustainable development in the spare parts and service segments, Ekotechnika AG continued to grow in the financial year 2017/18 and increased its sales revenues by 10% to EUR 163.7 million.

Executive Board member Björne Drechsler explained that due to the volatile ruble and the corresponding negative currency translation differences, earnings before interest and taxes (EBIT) at EUR 9.4 million were down on the previous year's EUR 11.6 million.

In the first five months (October to February) of the current financial year, the company has already increased its after-sales revenues in ruble by 18% compared to the same period of the previous year. Revenues from the sale of new machinery also showed a satisfactory trend and were at the previous year's level on ruble basis.

Despite the continued high demand for agricultural machinery, the market environment for imported agricultural machinery in Russia remains challenging. The main reason for this are the still difficult financing conditions as only agricultural machinery produced locally in Russia is supported by government leasing programs and interest subsidies.

At the same time, Ekotechnika AG continues to diversify its product and service range. In the current financial year, the company will, for example, intensify its smart farming cooperation with John Deere on an increased area of 3,000 hectares as well as derive products and services for distribution to customers as of 2019/20 from it. In the forestry sector, the huge potential in the northern regions and Siberia is to be tapped through the partnership with Tigercat Industries.

# EKOTECHNIKA

CEO Stefan Dürr confirmed the forecast of sales revenues between EUR 153 million and EUR 164 million, a gross profit between EUR 24 million and EUR 27 million as well as earnings before interest and taxes (EBIT) between EUR 7 million and EUR 9 million for the current financial year 2018/19.

This year's Annual General Meeting was attended by shareholders representing 87.6 % of the share capital. All items on the agenda were approved almost unanimously.

## **New online presence**

Moreover, the new website of Ekotechnika AG went online a few days ago. At <https://www.ekotechnika.de/en/>, you can find updated and more extensive information on the company as well as its management, business segments and locations.

## **About Ekotechnika**

Walldorf-based Ekotechnika AG is the German holding company of the Ekoniva-Technika Group, the largest distributor of agriculture equipment in Russia. The company's most important supplier is John Deere, the world's leading manufacturer in this field. Ekotechnika's main business lies in selling new equipment such as tractors and combines but also soil tillage machines and precision farming technology. In addition, the company sells spare parts and provides service and maintenance. Ekotechnika's founder and chairman of the Executive Board 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. 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 around 540 people and generated sales of around EUR 164 million in 2017/2018. The Ekotechnika stock is listed on the Primary Market of the Düsseldorf Stock Exchange (ISIN: DE000A161234) and, since September 2018, also on the Open Market of the Frankfurt Stock Exchange.

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