

### **Ekotechnika AG publishes preliminary figures for FY 2018/2019**

- **Sales revenues of around EUR 159 million (previous year: EUR 163.7 million)**
- **Operating result (EBIT) at EUR 9.5 million to EUR 10 million (previous year: EUR 9.4 million)**
- **Additional revenue potential of EUR 25 - 35 million from new John Deere sales regions in FY 2019/2020**

Walldorf, 5 December 2019 – Based on preliminary figures, Ekotechnika AG (Primary Market; ISIN: DE000A161234), the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, performed entirely according to plan in the fiscal year 2018/2019 (30 September). At around EUR 159 million, sales revenues were slightly below the previous year's EUR 163.7 million but within the projected range of EUR 153 million to EUR 164 million. Although gross profit declined as expected to approx. EUR 27 million (previous year: EUR 30.8 million; forecast: EUR 24 million to EUR 27 million), earnings before interest and taxes (EBIT) improved from EUR 9.4 million in fiscal 2017/2018 to an expected EUR 9.5 to 10 million in the past fiscal year, which is slightly above the expected range of EUR 7 million to EUR 9 million.

The New Machinery segment, which generates more than half of Ekotechnika's revenues, recorded a sharp drop in sales of tractors to 206 machines, down from 283 in the previous year. Sales of combines and forage harvesters declined slightly from the previous year's 70 to 59 machines. According to the Executive Board, the restrained demand for tractors and combines is due to the fact that Russian farmers tended to invest more money in increasingly scarce arable land than in new agricultural equipment in the past fiscal year. However, this decline was almost offset by the increase in sales of other machines such as telescopic handlers, various special equipment such as rakes and soil compactors as well as grain drying equipment.

The Spare Parts and Customer Service segments grew moderately in FY 2018/2019 and will successively be expanded in the current financial year 2019/2020. As the Smart Farming business segment is still in the pilot phase, sales revenues remained stable compared to the previous year.

Bjoerne Drechsler, member of the Executive Board of Ekotechnika AG: "On balance, we are satisfied with the development in the financial year 2018/2019. We have reached our financial



targets, even though sales of new machines, especially tractors, clearly fell short of our expectations. But as many Russian farmers urgently need to make investments in new machinery, we expect a significant increase in new machine sales in the current financial year.”

For the 2019/2020 fiscal year, the Executive Board also expects additional revenue potential of EUR 25 - 35 million due to the new John Deere sales regions. In addition, the build-up of the forestry machinery segment will continue. In the Smart Farming segment, the technologies used to date will be extended to other areas such as crop protection and soil management as well as to additional pilot customers so as to gain further experience and to further document the increase in efficiency in crop production.

The Annual Report 2018/2019 of Ekotechnika AG will be published on 24 January 2020.

#### **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 12 locations in five attractive Russian farming regions, Ekotechnika today employs around 570 people and generated sales revenues of around EUR 164 million in 2017/18. 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.

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