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Record turnover despite difficult conditions – Growth in turnover and income expected for 2023

- Sales up to €4.9 billion
- § Stable EBITDA margin of 8.8% – net income impacted by one-off effect
- § Positive free cash flow in challenging environment
- § Outlook: significant sales and income growth expected in fiscal year 2023

CLAAS, one of the world's leading manufacturers of agricultural equipment,

was able to increase sales by 2.7% to a new high of €4.9 billion (previous year: €4.8 billion) under the difficult general conditions of the 2022 financial year and continue the extraordinary growth of the previous year. The EBITDA margin of 8.8% (previous year: 11.1%) remains at a high level. The earnings before taxes of €166.3 million (previous year: €357.1 million) is essentially burdened by impairments in Eastern Europe as a result of geopolitical changes and disrupted supply chains.

“The year 2022 has challenged us in every respect. In this difficult mix, we have shown how resilient our business model is. We delivered and proved with a lot of personal commitment that we can measure up to our vision of making customers the best in their field. We have delivered 100% on our harvest promise to our customers. For this, all employees and distribution partners deserve my thanks,” says CEO Thomas Böck.

Strong demand in America, robust market also in Europe

Due to the strong harvest year, and beneficial financing conditions especially in the first half of the financial year, the market for agricultural engineering products in 2022 benefited from continued strong demand and developed largely positively despite significant supply-side disruptions and the war-related slowdown in Eastern Europe. CLAAS achieved particularly dynamic sales growth in North America. In Europe, the markets were robust with slight declines compared to the very positive development in 2021.

Challenges in the supply chains overcome with high commitment

Due to the aftermath of the Corona pandemic and geopolitical upheavals, CLAAS had to contend at times with massive disruptions to its supply chains, which could only be overcome with considerable financial and personnel effort. The 22-week production shutdown in Harsewinkel during the plant modernisation was also a major challenge. However, time-critical deliveries of machines to customers and individual bridging measures could be realised with great efforts by the producing plants and the sales organisation.

Production and sales network strengthened, R&D expenses hit record high

CLAAS has also continued to push ahead with the investment program in 2022 and injected €130 million into the expansion of its global sales and production network: Work to modernise the main plant in Harsewinkel was successfully completed. The project to increase production capacities and modernize the infrastructure at the Bad Saulgau site is going to plan. In Le Mans, France, a new CLAAS Academy for sales partner employees opened its doors.

At the same time, research and development reached a new high in the history of CLAAS. They rose by 6.4% to €279 million and included the development and renewal of harvesting machinery and tractors, investments in electronics architecture for machine control and connectivity, as well as expenses for the digitalization of agricultural processes.

Model initiative continued – LEXION combine harvester receives award

The model offensive was continued in the 2022 financial year: This included the premiere of the new generation of the top model LEXION, which received the "Farm Machine" Award 2023 in the combine category at the French trade fair SIMA, and the DOMINATOR 260. In North America, the new TRION 740 medium hybrid combine and the AXION 900 TERRA TRAC large tractor series were successfully launched. With the NEXOS special tractors (after Stage V), the mid-range TORION wheel loader series, the latest generation of SCORPION telescopic loaders, the VARIANT 500 round baler and the QUADRANT EVOLUTION II square baler, other important product areas have been modernised and expanded. For the LEXION combine harvesters, the JAGUAR forage harvesters and the CLAAS tractors, after the TRION, the new CLAAS CEMIS 1200 terminal is now also available as the successor to the previous S10 universal terminal.

Workforce – training expanded

As of September 30, 2022, the CLAAS Group employed a total of 12,116 people (prior year: 11,957) worldwide, approximately 50.4% of which are outside of Germany. As of September 30, 2022, the CLAAS Group employed 792 apprentices (prior year: 775), 493 (prior year: 473) of which are in Germany. CLAAS trains young people in Germany in various technical and business professions, as well as within a "dual study" program, with alternating phases of theory and practice. The same applies to other countries in which CLAAS operates, such as France, Hungary, the UK, and India.

Outlook

For fiscal year 2023, CLAAS anticipates double-digit sales and income growth despite the present uncertainties. The company expects demand for agricultural equipment to remain stable overall in the main sales regions in Middle and Western Europe, as well as in North America. The number of international orders over the coming months is above average. CLAAS forecasts continued strong growth in the region of North America, thanks in particular to the broader combine harvester and tractor range. Investments in the expansion of the global production and sales network – and in innovative technologies such as digitalization, and autonomous farming – will

strengthen the market position on a lasting basis.

| CLAAS Group | | | |
|--|--------------|--------------|-------------|
| (IFRS) | 2022 | 2021 | Change in % |
| | in € million | in € million | |
| Financial performance | | | |
| Net sales | 4,925.5 | 4,797.8 | +2.7 |
| EBITDA | 435.7 | 532.1 | -18.1 |
| EBITDA as a % of net sales | 8.8% | 11.1% | -2.3 pp |
| Income before taxes | 166.3 | 357.1 | -53.4 |
| Net income | 88.1 | 272.6 | -67.7 |
| Statement of cash flows and balance sheet | | | |
| Operating cash flow | 225.5 | 580.5 | -61.2 |
| Free cash flow | 22.2 | 381.5 | -94.2 |
| Net liquidity | 430.0 | 480.5 | -10.5 |
| Equity | 1,848 | 1,717 | +7.6 |
| Total assets | 4,566.1 | 4,246.1 | +7.5 |
| Employees on reporting date (Sept. 30) | 12,116 | 11,957 | +1.3 |

Full details are available at annualreport.claas.com

About CLAAS

CLAAS (www.claas-group.com) is a family business founded in 1913 and one of the world's leading manufacturers of agricultural engineering equipment. The company, with corporate headquarters in Harsewinkel, Germany, is the European market leader in combine harvesters. CLAAS is the world leader in another large product group, self-propelled forage harvesters. CLAAS is successfully represented around the world with tractors, agricultural balers and green crop harvesting machines. The CLAAS product portfolio also includes state-of-the-art farming information technology. CLAAS employs more than 12,000 workers worldwide and reported a turnover of €4.9 billion in the 2022 fiscal year.

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