

Treviglio (BG), 19 May 2020

SDF: 2019 RESULTS. TURNOVER OF €1.268 BILLION, GROWTH IN EBT

SDF's economic results in 2019 showed **growth both in terms of EBT and Net Profit**, despite the contraction in the market and the fall in turnover.

In 2019, the company recorded a **turnover** of €1.268 billion, down 7.6% on 2018. **EBITDA** was 8.7%, amounting to €110 million, down slightly on 9% in 2018. In terms of profitability, **pre-tax profit** amounted to €59.3 million, a significant increase on the €50.0 million of the previous year, and **net profit** increased from €42.2 million in 2018 to €44.6 million.

The **financial position** closed with net borrowings of €281.6 million, confirming the evident financial stability of the group also for 2019. This important result was obtained by streamlining general warehouse management, down by 18%.

The tractor and combine harvester businesses saw a drop in turnover in line with the negative trend in European markets and the weakness of export markets. However, **Grégoire** grape harvesters performed strongly in 2019 with record turnover – up from €54.9 million to €70.7 million – and record profits, up by 55%.

The **spare parts** business once again made a significant contribution to overall company results. In this sector there was particular focus on the development of an online sales' platform, to make the service we offer customers even more efficient in 2020.

Expenditure during 2019 on **investment and product development** totalled €60 million, in line with previous years.

The digitalisation of products and sales processes was the backbone of the **innovation** activities carried out in 2019.

This included the "connected tractor" project, with a specific focus on fleet management software which enables remote monitoring of the tractor's main operating parameters. It also included the digitalisation of the sales process through the development and launch of the new CRM system, with a particular emphasis on engaging with our network and digitalising sales.

As you know, the early months of 2020 were significantly affected by the outbreak of the **Covid-19 (Sars-CoV-2) pandemic**, forcing us to adopt new social models both at home and in the company. SDF production activities were affected in a variety of different ways depending on the location of the production plants. Production in China was halted in February but returned to full operation during March. The Indian plant was subject to lockdown in April and activities have now been resumed in full. The situation in Turkey is much better, with no severe restrictions to date due to the outbreak of Covid-19 (Sars-CoV-2). The country is effectively managing the market, which is recovering after the difficulties last year. European factories in France and Germany have operated normally with some slowdowns caused only by difficulty with the provisioning of parts from countries under lockdown. The Croatian combine factory had to stop production and should start production again in May. The situation at our Treviglio works



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in Italy is quite different as the plant was forced to stop production for almost two months. Thanks to the commitment of everyone at Treviglio we were able to prepare and take all the necessary safety measures to allow the company to go back into full production, doing everything necessary to protect the health and safety of our employees.

"Last year was particularly significant for our company, both because of the good earnings performance and the completion of the reorganisation of the sales division, alongside our work on digital transformation projects," said Lodovico Bussolati, CEO of SDF. "2020 is and will be particularly challenging for all of us, with everyone doing their utmost to get through this in the best way possible. We'll continue to make major investments in Research and Development, and in 2020 we'll be launching some important innovations for high-power tractors, combining product performance and connectivity."



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About SDF

SDF, whose main headquarters is in Treviglio (BG), is one of the world's leading manufacturers of tractors, harvesters and diesel engines. Its products are distributed under the brands SAME, DEUTZ-FAHR, Lamborghini Trattori, Hürlimann and Grégoire. The tractor range is offered with powers from 25 to 336 HP, while the harvester range comes with powers up to 395 HP.

SDF has 8 production plants, 12 commercial branches, 2 joint ventures, 155 importers and over 3,100 dealers worldwide and a global workforce of more than 3,800 employees. In 2019, the company recorded a revenue of €1,268 million, with an EBITDA of 8.7%.

<http://www.sdfgroup.com>