

**SDF: at 1,803 million euros (+22% over 2021), revenues for 2022 set an all-time record for the group**

- **An EBITDA of 11.1%, equating to 199 million euros, is the highest ever recorded**
- **Revenues saw impressive growth in non-EU markets, and in Turkey (+34%) and China (+44%) in particular**
- **158 new employees were hired in Italy, bringing the global workforce to over 4400**
- **60 million euros were invested in new products, research and development, digitalisation and new technologies for sustainable agriculture**

*Treviglio (BG), 31 May 2023*

The supervisory board of SDF, the Italian multinational based in Treviglio (Bergamo) which is one of the world's leading constructors of tractors, agricultural harvester machines and diesel engines, has approved the consolidated financial statement for the fiscal year 2022.

**Economic and financial position**

In 2022, in spite of a volatile and unpredictable global scenario due to the ramifications of the war in Ukraine, which have impacted the group's operations by limiting the availability of components and increasing energy costs, the group closed the year with unprecedented growth in revenues and EBITDA, in terms of both year-on-year percentage and absolute values.

In detail, **revenues**, generated by the sale of 40,207 tractors and harvesting machines, totalled 1,803 million euros, equating to a growth of 22% over the 1,481 million euros for 2021 and 42% over the 1,268 million euros registered in 2019, the last year before the Covid pandemic.

**EBITDA** also hit an all-time high in 2022, reaching 199 million euros or 11.1%, compared with 10.8% for 2021.

The net financial position closed with an indebtedness of 75 million euros, down almost 47 million euros (-38%) compared with the previous fiscal year. This value confirms the substantial improvement in financial solidity attained by the group once in 2022.

**The key drivers for growth and the acquisition of VitiBot**

The significant growth in turnover seen in 2022 is the consequence of the 2020-2025 strategic plan, which focuses the group's efforts on the development and production of ever more technologically advanced tractors and agricultural machines, of greater penetration into non-EU markets, which represent 37% of sales today, and of the introduction and use of digital tools, which allow for more efficient, connected corporate management activities.

Major technological upgrades to the existing range and the launch of new models in the high power segment have contributed substantially to the 24% in the average value of tractors sold, which is only partly attributable to higher sale prices driven by inflation (+10%), while in parallel with this, production volumes also increased by 5%.

Contributing factors for this growth also include the group's ongoing attention to the winemaking sector, where SDF has further consolidated its presence with the acquisition, in July 2022, of the majority stake in VitiBot, the French company specialised in electric robotics and autoguidance systems for vineyard applications. This acquisition has been strategic in completing the group's specialised tractor range, a segment in which SDF detains the leadership in Italy.

### **Community initiatives**

In 2022 the group took on 158 new direct employees, consisting of both office and factory personnel, at the Treviglio plant, bringing the group's workforce in Italy up to 1,462 (+9% over 2021), and its global workforce up to 4,462 (+7%).

Furthermore, at the **Treviglio** site, the necessary authorisation has been attained and the groundwork completed for the roll-out of the "SAME Campus" project, the product of an overall investment of around 25 million euros which will be completed in 2027. Among the key goals of this architectural project are the creation of a parking area for employees, new changing rooms and new office buildings, for a total area involved of 4,000 square metres.

### **Markets**

The launch of new products, bolstered by effective strategies and commercial decision-making, have allowed SDF to grow considerably in **Europe**, where revenues reached 1,132 million euros (+16% over 2021), and further increase its foothold in **non-European markets**, and in China and Turkey in particular, where the group operates dedicated local production sites.

The newly opened branch in **Ukraine** has already produced good results, in spite of the ongoing war. The market share of SDF stabilised at around 15% during 2022, marking a substantial increase over the average of 5% seen over the past few years.

SDF improved its market share in **Turkey** from 9.7% in 2021 to 11% in 2022 (+13.2%), registering a revenue of 194 million euros (+34% over sales for 2021). The impressive performance of the Turkish branch has been supported by investments in the production site and a substantial growth in the local workforce, which increased from 269 employees in 2021 to 456 in 2022.

In **China**, the market presence of the DEUTZ-FAHR brand has been further strengthened with the introduction of new mid-range models (50-90 HP) and the consolidation of the high power range (>200 HP). These activities have produced a 44% increase in sales over 2021, generating revenues of 151 million euros in 2022.

In other **non-European markets**, such as Australia, New Zealand and North America, where SDF products are commercialised as imports, turnover reached a total of 326 million euros, up 30% over 2021.

### **Innovation**

In 2022, the group's drive towards innovation was sustained by 60 million euros of **investments in research and development**, or 3.3% of the group's revenues, dedicated to new products, digitalisation and the implementation of new technologies for precision farming.

Significant changes in the organisational structure were also made to allow for the more effective digital management of work flows and projects, a new CRM service has been introduced in collaboration with the sales network and new Business Intelligence tools have been deployed in the majority of corporate functions.

Innovation in agriculture has been put into effect through the increased digitalisation of the group's product range and the development of connected tractors and agricultural machines, and by extending the suite of Smart Farming Solutions offered to support the end user in every aspect of operating the vehicle, from monitoring activities in the field to the more efficient management of the farm itself.

In terms of **product** development, SDF has earmarked substantial resources to a number of projects with two primary goals:

- the transition from FARMotion powerplants to Stage V units, in accordance with more stringent new emissions regulations, for the specialised tractor range for Europe and a number of non-EU markets, such as Turkey, where Stage IIIB FARMotion engines have been replaced by Stage IV units, and China, where Stage III has been superseded by Stage IV;
- digitalisation and new services for the end user to maximise productivity.

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#### **SDF**

SDF is an Italian multinational company based in Treviglio (Bergamo, Italy), among the world leaders in the production of tractors, agricultural harvesting machines and diesel engines. SDF distributes its products under the brands SAME, DEUTZ-FAHR, Lamborghini Tractors, Hürlimann, Grégoire and VitiBot. The tractor line-up covers a power range from 25 to 336 hp, while the harvesting machine range goes up to 395 hp. In nearly a century of history, SDF has contributed significantly to the mechanization of the agricultural sector, leading a successful international expansion path and being a driver of the digital transformation of agriculture. Today SDF produces "smart tractors" designed for increasing operational efficiency and productivity with a focus on Agriculture 4.0. SDF can rely on 9 production sites, 12 sales subsidiaries, 2 joint venture, 155 importers and over 3,100 dealers and it employs more than 4,400 people worldwide. In 2022, the Company recorded revenues of 1,803 million euros and an EBITDA of 11.1%. [www.sdfgroup.com](http://www.sdfgroup.com)