

Stable development on the agricultural machinery markets despite regional drought

CLAAS improves profitability with increasing revenue

- Sales revenue rises by 3.4% to a new high of 3.88 billion euros
- Profit before taxes clearly improved at 226 million euros
- Record level of investment in research and development
- Outlook for 2019: Slight growth in revenue and stable earnings

Harsewinkel/Düsseldorf, 12 December 2018. CLAAS, one of the leading manufacturers of agricultural machinery worldwide, was able to increase its sales to a new record of 3.889 billion euros (previous year: 3.761 billion euros). Profit before taxes clearly increased to 226 million euros (previous year: 184 million euros).

“We have continued our growth in a volatile market environment and once again significantly improved our profitability. A strong impetus originated from Germany and Western Europe in particular,” said Hermann Lohbeck, speaker of the CLAAS Executive Board.

The global market for professional agricultural technology developed stably this year, in line with association expectations. Against this background, CLAAS noticeably improved revenue in core countries including Germany, France and the United Kingdom. In Eastern Europe, a slight project-related decline in sales could be observed. A mixed picture emerged in the countries outside of Europe: while sales in North America increased in the local currency, China recorded a decline as a result of market uncertainty.

Spending on research and development at a record level

The investments made in research and development reached a new record with 233 million euros (previous year: 217 million euros) and have doubled over the past ten years.

With the JAGUAR 960 TERRA TRAC, CLAAS was the first manufacturer to bring a forage harvester with an integrated caterpillar track solution to the market. The new, award-winning concept offers the best soil protection in all conditions. The JAGUAR is complimented by the new ORBIS corn header that provides an optimal crop flow. The TUCANO combine harvester range has entered the next generation with an expanded range of models. Hillside versions suitable for use on slopes of up to 18 percent have now become available in this series for the very first time.

Major innovations also occurred in forage harvesting: in addition to the newly developed ROLLANT 540 round baler, the DISCO MOVE front mower was also launched which features optimal ground contour adaptation.

Investments in fixed assets are increasing significantly

CLAAS not only invested in new products but also in an innovative working environment. Investments in fixed assets are rising noticeably. The course remains set for growth in the tractor business with the modernisation of the main assembly line started in Le Mans. The customer oriented service and replacement parts business is also being expanded. Moreover, a new high-bay warehouse is being built in Hamm, which will double capacity to 58,000 pallet bays. The new test centre for machine components was completed at the main site in Harsewinkel. In addition, larger investments were made for new distribution centres in the United Kingdom and France.

Number of employees worldwide grows slightly

The number of employees around the world grew slightly to 11,132 on 30 September 2018 (previous year: 10,961). A similar trend can also be seen in Germany. Here, 5,295 employees were employed by the end of the business year (previous year: 5,100). The number of trainee positions increased in 2018 to 714 (previous year: 677).

CLAAS Group in numbers			
(IFRS)	2018 in € m	2017 in € m	Change %
Sales revenue	3,889.2	3,761.0	+3.4
EBITDA	372.7	335.7	+11.0
Profit before taxes	225.7	184.5	+22.3
Consolidated net income for the group	152.0	115.4	+31.7
Free cash flow	-83.9	209.6	-140.0
Equity	1,395.5	1,293.8	+7.9
Capital investments in fixed assets	160.3	130.7	+22.6
Research and development	233.4	217.6	+7.3
Balance sheet total	3,384.7	3,232.8	+4.7
Number of employees at the reporting date (30.9.)	11,132	10,961	+1.6

Outlook

CLAAS expects stable development in the global agricultural engineering markets for the current 2019 fiscal year, despite regional uncertainties. The increasing demand for professional agricultural technology continues to be a driving force. General risks lie particularly in global trade disputes that also affect agricultural goods. In view of this market assessment, CLAAS expects sales revenue

slightly above the level of the previous year for the current business year and a stable result before taxes.

Pictures:

<https://dam.claas.com/pinaccess/showpin.do?pinCode=T4JMpXtS1bcA>

359649: The members of the CLAAS Executive Board (from the left) Bernd Ludwig, Hans Lampert, Hermann Lohbeck

359650: Hermann Lohbeck

About CLAAS

CLAAS (www.claas-group.com) is a family business founded in 1913 and one of the world's leading manufacturers of agricultural machinery. 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, autonomously-driven forage harvesters. CLAAS is also a top performer in agricultural technology worldwide, with its tractors, agricultural balers and green harvesting machinery. The CLAAS product portfolio also includes state-of-the-art agricultural information technology. CLAAS employs around 11,000 workers worldwide and reported a turnover of 3.8 billion euros in the 2018 financial year.

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