Annual report

Pöttinger continues on course of growth in 2017/2018 with highest turnover yet

*In financial year 2017/2018 the Austrian family-owned company Pöttinger continued on its course of growth, finishing the year with a record turnover. The turnover achieved of EUR 354 million represents an increase of 15 percent on the previous year. The agricultural technology company attributes this sensational result to its 1775 employees and their consistent attention to their customers' needs as well as their high level of innovative strength and internationalisation.*

As the specialist for grassland, soil & seed, Pöttinger offers a balanced range of products ranging from small, manoeuvrable alpine equipment through to high performance technology delivering the highest possible output. The company has been the No. 1 on the loader wagon market worldwide for many years and an international pioneer in mowers and mulch drilling technology. In the tillage sector, there have been some notable developments brought to the market in recent years.

Special development in all segments

The grassland sector is the key source of turnover with 59 percent, followed by tillage and seed drill technology with around 27 percent.

The worldwide positive development in agricultural technology and the effort invested by our employees has had the same positive effect on the grassland, tillage and seed drill technology sectors: Pöttinger achieved a growth of 16 percent in both segments.

Especially strong growth took place with ploughs and seed drills. The main reasons for this were the numerous product innovations and customers placing their trust in proven quality.

This was the first financial year that the new spare parts logistics centre was in full operation. That had a positive effect on capacity with around 13 percent more parts being dispatched. The growth in spare parts sales was seven percent.

Pöttinger harvests very good results worldwide

Consistent development in international markets is a key element and the basis for successful ongoing growth. This is also shown by an export share of 90 percent.

Around 60 percent of total turnover is achieved in Germany, France, Austria, Poland, Switzerland and Czech Republic. Germany with a share of around 20 percent and France with 14 percent are the largest and most important single markets. It is pleasing that considerable growth was achieved in both markets over the past financial year.

At around ten percent of total turnover, Austria is still one of the strongest single markets and as the home market also has huge significance. Growth over the past financial year has demonstrated that Pöttinger machines are still extremely popular on smaller-scale farms.

Excellent growth in machine sales in Poland and in Baltic States have far exceeded expectations. The sales organisation recently merged to form PÖTTINGER Scandinavia finished the year with a very pleasing result, Sweden doubled turnover. The Benelux region also increased turnover by half.

Production

This year the agricultural technology industry - like the other metal processing sectors - experienced a considerable increase in demand.

The increase in production capacity brought about by opening the new assembly line and logistics bay and modernising the component manufacturing area without interrupting production at the headquarters in Grieskirchen has greatly helped the company. This makes the record turnover of EUR 354 million all the more special and has only been possible because everybody at the company has made an extraordinary effort and shown maximum flexibility.

Employees

The family-owned company appreciates the excellent work provided by its employees. That HR activities and investments in attractive workplaces also pay off is demonstrated by the many awards that were won during the business year 2017/2018:

\* TOP employer in Austria

6th place overall

2nd place in the machinery and plant construction industry

\* Best employer in Southern Bohemia - for the plant in Vodnany

\* 1st place for the introduction of "agile product development"

\* Best idea management 2018.

Research and Development

Digitalisation and highly-advanced sensor technology are the key focus of research and development. Here too the company has had considerable success: four Silver Medals at Agritechnica 2017 for innovation excellence.

Outlook - path set for continued growth

Pöttinger was confronted with significant changes during the last financial year: after Heinz Pöttinger stepped back from operational management in December 2017, a proven management team was appointed to steer the development of the company.

The Austrian agricultural technology company made use of the economic slowdown in recent years to prepare for the forecast period of growth:

In addition to developing international markets, the machinery manufacturer has invested massively in its production plants over recent years. The seed drill plant in Bernburg (DE) and the competence centre for tillage in Vodnany (CZ) have both been expanded and brought up to the very latest standards.

At the headquarters in Grieskirchen (AT) EUR 25 million has been invested in adding 12,000 square metres to the assembly lines and reorganising the production layout to smooth the way for the future.

A new plant is also planned to meet customer expectations and the increase in demand for larger machines. Round balers and loader wagon are to be manufactured in St. Georgen near Grieskirchen (AT).

A key requirement of farmers and contractors in addition to machinery is the rapid availability of spare parts. That’s why at Pöttinger an efficient logistics concept forms the basis of the best possible customer service and is therefore a key success factor. With the new spare parts logistics centre the storage capacity has been increased and new technologies implemented to make logistics more efficient. Stocked with around 50,000 spare and wear parts, up to 800 customer orders are processed every day, and 3.5 million items of various kinds are shipped worldwide every year.

Well-equipped for the way to the top

"Pöttinger is an Austrian family-owned company that develops its products to deliver reliability, cost effectiveness and excellent working results. We thrive on agricultural technology in all its aspects. With investments in our production plants as well as in our technology, together with our strong, motivated team of dedicated employees and the reliable partnership we enjoy with our customers, we are well equipped to keep heading for the top," says Gregor Dietachmayr, Spokesperson for the Management Team.

Best forage and best soil are the benefits that Pöttinger promises its customers. These promises form the basis of its customers' success. "More success with Pöttinger" is our claim that perfectly combines passion, competence and special solution thinking",

says Dietachmayr.

**Photo preview:**

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| Gregor Dietachmayr (Mag.), Spokesperson for the Management Team | from the left: Jörg Lechner (DI. FH), Dr. Markus Baldinger, Gregor Dietachmayr (Mag.), Wolfgang Moser (Mag.), Herbert Wagner (Mag.) |
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| New assembly line in Grieskirchen (AT) | Plant in Grieskirchen, Austria |
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