Annual report

Pöttinger – Focused on the future

Strong performance delivered

*Although conditions in the agricultural machinery sector continued to be difficult, the family-owned Austrian firm of Pöttinger was able to increase sales by 2 percent to EUR 308 million in the last financial year.*

In the 2016/17 business year, prices for agricultural produce - in particular milk and grain – remained relatively low equating to stagnant income levels for most farmers. This was reflected in cautious level of investment. However, thanks to an innovative product portfolio and the steady expansion of its international activities, Pöttinger was able to offset this general market development and increase sales of machinery and spare parts by 2 percent. In doing so, the family-owned Austrian company was able to record sales of EUR 308 million with a workforce of around 1,700 employees.

**Positive trend in grassland**

With 58 percent, grassland is the most important sales sector, followed by tillage and seed drill technology with around 27 percent. Compared to the year before, Pöttinger achieved an increase of 5 percent in the grassland sector. In tillage and seed drill technology, on the other hand, market conditions were very difficult: grain prices were under severe pressure throughout the whole year. This affected machinery sales which recorded a slight fall. Compared to the year before, the original spare parts business made a positive contribution (plus 5 percent), with the new spare parts logistics centre accounting for a significant share.

Some markets felt the difficult market conditions more strongly while others developed positively: the top 5 countries where sales increased – in terms of absolute figures for machinery sales compared to the year before – are the export markets Ukraine, Great Britain, Sweden, Australia and the Czech Republic. In terms of sales growth as a percentage, on the other hand, the export markets Sweden, Belarus, Denmark, Ukraine and Australia recorded above average increases.

**Rooted in Austria, at home in the world**

International markets continue to be central to Pöttinger’s success and act as growth engines: The export rate of 88 percent and turnover accrued from international sales of approximately EUR 270 million show their enormous importance.

Approximately 60 percent of sales is achieved in six countries: Germany, France, Austria, the Czech Republic, Switzerland and the Ukraine. Besides Germany with around 18 percent and Austria with around 12 percent, France, with a 13 percent share of total sales, is one of the largest and most important individual markets. Compared to the year before, sales in Austria have fallen slightly, but despite this the Austrian quality provided by Pöttinger is still in great demand from the country’s farmers. With an increase of 41 percent, sales in the Ukraine have developed very positively.

**Investing in tomorrow’s success**

To keep pace with the expansion of international sales markets and the constantly growing demands made on agricultural machinery, Pöttinger has invested vast sums in its facilities in recent years: The seed drill plant in Bernburg (DE) and the machinery plant in Vodnany (CZ) have both been expanded and updated to the very latest standards. Innovative administration offices have been built at the company's headquarters, setting a new course for the future. With investment costs of EUR 25 million the production layout has been reorganised: Adding 12,000 sqm of space for manufacturing and logistics designed to support future growth.

In addition a new plant in St. Georgen near Grieskirchen (AT) being planned. With the planned harvesting equipment production plant Pöttinger further strengthens its commitment to Austria. The first phase of the plant will start production as soon as 2021.

Besides machinery, the prompt supply of spare parts is central to the success of farmers and contractors. That’s why an efficient logistics concept at Pöttinger is necessary for the best possible customer service and is therefore a key success factor. It is for this reason that Pöttinger invested EUR 14 million in a new, hypermodern logistics centre for spare parts in Taufkirchen (AT) last year. The state-of-the-art logistics centre guarantees optimal availability of the approximately 50,000 spare and wear parts stored there. Every day, up to 800 customer orders are processed, and 3.5 million items of various kinds are shipped worldwide every year.

In addition, the continual expansion of the product range, most recently with the IMPRESS round baler line, is a vital part of Pöttinger’s growth strategy.

**Fit for the future**

“When we develop products we think in our customers’ dimensions,” says management spokesman Heinz Pöttinger. “A high level of crop and ground protection, outstanding working results, operational safety and cost-effectiveness. Because our focus is always on the customer we have become international specialists in the forage harvesting, tillage, seed bed preparation and seed drill technology sectors whose products are not restricted to just one tractor brand.” He goes on: “With our investment in our production facilities and technology we are fit for the future and will continue to pursue our successful strategy in cooperation with our customers and sales partners.”

**Photo preview:**

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| **Heinz Pöttinger** | **The management team:** Left to right: Markus Baldinger, Heinz Pöttinger, Gregor Dietachmayr, Jörg Lechner |
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