

# MOVING FORWARD

# 2021

ANNUAL REPORT

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## ABOUT THIS REPORT

We are proud to present the Kramp Groep Annual Report for 2021 with the theme Moving forward. This theme strongly connects with our purpose 'Empowering you to move forward' that we have defined in 2021. Empowering you to move forward is not new, but it's something what we have been doing for 70 years.

In this annual report you can read about our challenges and highlights in 2021. We have consciously chosen to publish this report online, as we embrace sustainability and digitalization. These are two important topics at Kramp where we will talk about in this annual report.

Looking back, 2021 was a year with many highlights; we celebrated our 70<sup>th</sup> anniversary, we opened new warehouses and offices in various locations in Europe, and for the first time in our history, we achieved a €1 billion turnover amongst many other highlights.

Of course, we also had challenges; for example, last year was still dominated by COVID-19 and this had a great impact on our way of working, stock and deliveries to our customers. However, thanks to our great team of committed employees, we were all able to move forward.

We would therefore like to thank all our employees, customers, suppliers and other partners for their commitment and contribution to our successful 2021. Let's further strengthen our collaboration in 2022 and make it another successful year together.

Let's keep moving forward!



# A MESSAGE FROM OUR CEO EDDIE PERDOK

**“2021 was another year of living with COVID-19,” says CEO Eddie Perdok. “It was also the year we celebrated our 70<sup>th</sup> anniversary in business – something which does not happen for every company – and achieved our €1 billion turnover.”**

## Challenges

“The start of the year was dominated by the pandemic, which had a big impact on our way of working. We were lucky to have our warehouse heroes coming in every day to keep our warehouses open and make sure that our customers received their orders. Meanwhile, the majority of our office staff worked mostly from home. So, it had an impact on people, on families and on our way of working. We may have become used to it, but it doesn’t get any easier.”

## Highlights

“The agricultural industry did relatively well during 2021, with tractor and agricultural machinery sales increasing by around 10% and manufacturers’ order books at record level. The industries in which Kramp is accelerating, forest and grass care (F&G) and construction, also did well. The market overall was much better than in 2020. All in all, we performed very well, cracking the €1 billion turnover milestone in the third week of December. It’s a fantastic achievement. Reaching €1 billion turnover isn’t so much about the figure itself, but it represents our essential position as a partner in our core industry. It may have taken 70 years, but to achieve it in our 70<sup>th</sup> anniversary year is extra special.

“The drivers for success in 2021 were basically the same three factors as in 2020: our online proposition, our product availability close to our customers, and last but not least a team of dedicated and engaged people.

“Our rebuilt web shop is now available everywhere, giving our customers 24/7 access to the products they need. Our 11 warehouses spread out close to

customers, carried a lot of stock, allowing us to absorb many of the disruptions in the supply chain, and giving us good product availability in comparison with our competition.

“Our high level of committed people, whether they were working from home or coming to our warehouses to pick, pack and deliver to our customers, have helped us tremendously.

“Maykers, our online marketplace for farmers, was launched in Denmark in 2020 and is gaining traction. It is an important part of our plans. In line with our purpose, Maykers is an inclusive business model, where we take the current players in the agricultural ecosystem forward together. It gives our dealers and suppliers a new digital channel which will help us stay ahead of industry disruption.”

## Announcing our purpose

“In 2021 we announced our purpose: Empowering you to move forward. It’s what we have been doing for 70 years: empowering, helping, supporting and challenging our customers to move forward, to be entrepreneurial and to develop a sustainable and future-proof business. The same applies to our suppliers. We empower them to move forward by giving them splendid aftermarket parts distribution, which helps them build their business, brand and performance by making use of the added value of the Kramp network. It also applies to our colleagues. We want to enable joint success; developing our people alongside our business, giving them the freedom and opportunities to do the right things, for themselves as well as Kramp. Announcing our purpose helps us explicitly state why we do what we have been doing.”

## Looking forward to 2022

“COVID-19 means the situation remains unpredictable and volatile. Nevertheless, we have a clear plan with our Strategy 2025. First of all, we want to grow and strengthen our position in our core market,

agriculture, through continuous improvement of our value proposition, performance and customer experience.

“Alongside agriculture, we have defined two industries where we want to accelerate growth and become an essential partner: F&G and construction. For F&G we have defined an acceleration plan which we will start to execute in 2022. For construction, this is still under development. As well as organic growth, we see the possibility for making acquisitions in these markets over the coming years.

“The year 2022 has started with a war in Ukraine. We are fully aware of these awful and challenging circumstances. Our thoughts are with our employees, customers and suppliers and their families in these painful times. We hope for a safe and peaceful end to the war soon. Given the level of uncertainty surrounding the war, it is not possible to estimate the potential impact of this on future results.”

## Two important factors we are working on for our future

“We believe that Kramp should contribute to shaping a better world. The nature of our business, in terms of deliveries and logistics, has an impact on the environment, as does the industry we serve. We are working on a corporate social responsibility plan in which we will look at how we can alleviate that impact in the future, with tangible steps to contribute to a better world.

“Having an engaged, competent and dedicated team of people is crucial to everything we do – and everything we plan to do. It is vital that we empower our people to develop their skills, that we work on staff retention by ensuring people are motivated and happy, and we will definitely be recruiting new people who share our purpose. Therefore, we want to cultivate a culture of feedback to address the concerns, desires and needs of our people and we can react accordingly.

“In the last 70 years we have built up a stable, sustainable business with lots of opportunities to grow and to do better. We’re moving forward to enable joint success.”

**“Reaching €1 billion turnover isn’t so much about the figure itself, but it represents our essential position as a partner in our core industry.”**

# HIGHLIGHTS 2021

Strategy 2025 and our purpose shared with all employees



February



Rollout of Voice of the Employee activities

June

Opening new warehouse and office in Italy



September



Extending John Deere partnership into more and more countries

November

Achieving €1 billion turnover



December

2022

April

Creating plan of approach Corporate Social Responsibility



August



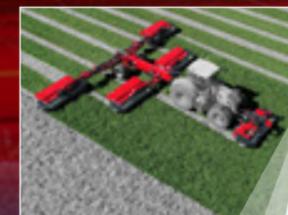
Celebrating the official 70<sup>th</sup> birthday of Kramp

October

Opening new warehouse and office in Spain



December



New partnerships with Deutz AG and SIP

# 70 YEARS OF MOVING FORWARD

2021 was a special year, in which we celebrated our 70<sup>th</sup> anniversary in business. We are proud of this milestone; it does not happen for every company. Our gratitude and special thanks go to our colleagues, dealers, suppliers and the farmers we support, for their trust and loyalty in the past 70 years. They all contributed to our success and where we are now. We wanted to make our 70<sup>th</sup> anniversary year truly special for them all and, where COVID-19 allowed, we celebrated it together. Marketing Director Wendy Unger-Moore, Ewa Nowak and Sylwia Nowacka from our Polish marketing team, and Manager Internal Communications Ruth Oortgiesen discuss a year of celebrations.



Wendy Unger-Moore

#### Connecting closely with every part of the industry

“Our founder, Johan Kramp, said many years ago: ‘Stay close to food.’ That is what Kramp has been doing for the past 70 years, supporting our network of dealers who make it possible for European families of food producers to receive the spare parts they need when they most need them. In 2021 we used our integrated marketing campaign, Generations, as a vehicle to express our role – supporting the farmer with our partners,” says Wendy. “Together, we keep farmers farming. It was also a chance to celebrate farmers while highlighting this great business achievement of 70 years serving the agricultural community. We wanted to reach all the people whose work intersects with ours: our dealers, suppliers, farmers, the media and employees.

a fifth-generation farmer from the UK, to tell our story to their online audiences. Our marketing message reinforced that our commitment is as strong today as it was in 1951. It also emphasised that Kramp has been here for 70 years, something to be acknowledged in today’s business climate. We have built trust, established our leadership position and connected closely with the agricultural industry; a concept that the media recognised as special.”

#### Generations of Farmers

“One of the initiatives we launched was our cookbook, Food from the Farm, a true labour of love. Our colleagues secured farmers and dealers that were happy to share family recipes and the backstories behind them. Our cookbook was another way to highlight farmers’ importance, to illustrate the connection through knowledge passed down through generations, and it really showcased how the daily work of farmers made these recipes possible. We gave this cookbook as a gift to our dealers and suppliers, together with local Kramp branded treats like Finnish Domino cookies, Swedish candies and Dutch syrup waffles. Our local teams also organised several other 70<sup>th</sup> anniversary activities. For example, in the Netherlands we had a jubilee promotion for our customers. Our relationships with them, some of which go back generations, are one of the reasons why Kramp has existed for so long. Trust and loyalty are therefore

### “Our commitment is as strong today as it was in 1951”

It has been an extraordinary journey. Made possible by the incredible, collaborative work – both internally between colleagues across Europe, and also in partnership with our dealers and our suppliers. We used multiple channels to deploy this campaign: kramp.com, social media, retail, and more. For this first time, we worked with many influencers across Europe, like Tom Pemberton,





very important. We want to show our appreciation for them and all that they do. We asked customers to let us know which loyal employees have been with their company for 12.5, 25 or 40 years and to send us a picture of the employee. We surprised those jubilees with a photo cake."

#### **Best Use of Integrated Campaign Award**

"The Generations campaign won the gold award in the Best Use of Integrated Campaign category at the global Globee business awards. It is one of the world's premier corporate marketing awards. The Globee honours and acknowledges industry-wide peer achievements in marketing. Finally, I would be remiss if I didn't thank our colleagues; we received tremendous cooperation from global and local teams from multiple disciplines, including category management, procurement, finance, local commerce and, of course, marketing to make this campaign great. Sylwia and Ewa will describe how they took the Generations campaign to farming communities in Poland." concludes Wendy.

#### **Poland's coordinated campaign**

"The 70<sup>th</sup> anniversary campaign was designed to familiarise farmers with the history and values of Kramp," explains Sylwia Nowacka. "Our goals were to increase reach, build brand awareness and develop stronger relationships with farmers."

"We had a coordinated campaign across social media, including creating videos demonstrating our expertise in everything from logistics to business solutions to the Kramp Academy. We worked with influencers and made a series of videos on YouTube with Tomasz Jakubiak, a celebrity chef. He had to learn different jobs on various farms and then, to thank the farmers, taught them how to cook. We promoted this among farmers and dealers."

"We organised various events in 2021, such as a celebration of Farmers' Day on 15<sup>th</sup> May, which no other agricultural company promotes, and the 10<sup>th</sup> Kramp Race, the popular annual tractor racing competition."



Sylwia Nowacka



Ruth Oortgiesen



Ewa Nowak

"We tried to connect every activity with the 70<sup>th</sup> anniversary," says Ewa.

"In September we invited farmers to a birthday party for Kramp at one of our franchise Grene retail shops. Activities included cookery workshops, a reaction-time test on an accident simulator, and competitions such as changing machine parts using our hand tools and testing our lamps with a hammer, safely supported by our product specialists! We also had prizes and remote-control tractor races for children."

#### **Celebrating with our colleagues**

"For our anniversary, we have planned an unforgettable event," says Ruth, "with something for all generations of Kramp people from every country and culture. We want to show our people how much we appreciate their talent and hard work. We collected stories and pictures of our colleagues' time at Kramp, which we shared on Yammer and our intranet. Our in-house magazine, Inside, had three special anniversary editions. Every employee also received a copy of the Kramp-produced Food from the Farm cookbook in their Christmas giftbox."

#### **A new date for the anniversary party**

"Our party, delayed by COVID-19, will happen in 2022," Ruth continues. "It is more a festival than a party! We are planning all kinds of activities – a red crate race, games, live music, incredible media installations, and food and drink of course."

# EMPOWERING YOU TO MOVE FORWARD

In 2021, we announced our official purpose: *Empowering you to move forward*. Most people are unaware of the idea of a company defining its purpose, let alone knowing why it is so important. CHRO Andrea Bodstein-Walenciak and one of a growing group of purpose ambassadors, Assortment & Pricing Manager Patrik Wijk, explain the concept and how it makes a difference to our colleagues, customers, suppliers and communities.

## Defining a purpose

"A purpose tells us why we are doing business," says Andrea. "Research shows that if a company clearly expresses what it stands for and why it does things, it can create a stronger connection with its customers and employees, and also make a much bigger contribution to society as well as its bottom line."

Patrik adds, "I was curious to find out what a purpose is and what it means for Kramp. This idea of a greater goal. That triggered me to join the purpose ambassador program."

## Discovering our purpose

"When we began formulating Strategy 2025," Andrea continues, "we started examining our purpose in parallel. A purpose should be something that's inherent in the company identity. Something that already exists. We started by looking back at old communications, talking to customers and employees to find out how they perceive Kramp, what the typical experience is. Two themes emerged: that we are a very service-oriented organisation that likes to help others achieve their goals; and secondly that we are very future-focused. We had the two primary ingredients to express our purpose but putting that succinctly into words took a couple more months."

## The meaning of our purpose

Our purpose contains 3 important elements.

### Empowering

Empowering refers to the unique role of Kramp in the value chain. We exist because we connect and facilitate partners to work together. We stand side by side, we support and enable, and we are doing this together. We are the spider in the web of the supply chain. We empower all partners to be successful. As our slogan says: It's that easy.

### You

You refers to everyone in the value chain we are part of: our suppliers, our customers, the end users and our employees. But it also includes the communities we are part of. It is our purpose in life to help every partner to be successful in what they do.

### Move forward

Move forward refers to our drive to continuously improve and innovate as an organisation. At Kramp, we take ownership for the business and our work, we see new opportunities, we believe in a positive future for all of us and we get out of bed each day to move things forward and keep our customers' businesses running.



Andrea  
Bodstein-Walenciak



Patrik Wijk

## Becoming purpose-driven?

A purpose should be an expression of traits already inherent in the business, but ensuring that it really drives the business requires communication and commitment. "Our ambition is that the purpose becomes a guide," says Andrea, "a lens to look through at new opportunities, new markets, new customers. There's no easy way to judge when you're truly purpose-driven, but we'll be able to gauge it by when people outside of Kramp – customers, job applicants, communities – feel the essence of our purpose, that we are helping them to move forward. These are all proof-points that we are doing the right things."

## People with purpose

"At a personal level, I think I've always done the things in line with our purpose," says Patrik. "I think most colleagues do. But now there is a phrase that sums up the essence. And I can give a good example of the simple difference it makes when we explain our purpose."

"A little while ago, we had a warehouse picker who wasn't always the most accurate. We held a team gathering around some of the machines we supply parts for, to talk about how we do what we do and why it is important to ship the right parts quickly so customers can do their vital work of growing food. Now, this one picker always forgot the small bolt-bag. The visual connection with the machines showed him that those small bolts were essential for a particular

plough. If the farmer doesn't get them, the plough won't work. The farmer can't work. The impact is huge. And after that, the warehouse picker never forgot the bolts again. He found his purpose there and then. It's not just moving parts from A to B, because B leads to C, to D and so on. It's easy to take a carrot or stick approach, but instead we just need to explain – perhaps visually – why getting the details right matters."

***"Our purpose is a torch to help us see the way ahead"***

## Progressing with purpose

"Having purpose involves understanding the real-life consequences of the things we do, how even the little things affect someone else's day, week, livelihood, profitability..." Patrik concludes.

"Of course, we will still continue to look for profitable opportunities!" Andrea says. "But knowing our purpose helps us evaluate whether something fits Kramp or not. In essence we will continue to do what we have been so good at over 70 years, to innovate as we have, and our purpose is a torch to help us see the way ahead."



***empowering you  
to move forward***

# EMPOWERING OUR EMPLOYEES

Our purpose statement – *Empowering you to move forward* – applies just as much to our colleagues as it does to our suppliers, customers and the communities we are part of. We want to cultivate a culture of feedback, so we can address the concerns, desires and needs of our most important asset – our people – in time and react accordingly. Having an engaged, competent and dedicated team of people is crucial to everything we do – and everything we plan to do. HR Content and Employee Experience (EX) Specialist Wanda Stoteler, talks with Operations Director France Aurélie Mattmann about how new EX initiatives are helping this happen.



Wanda Stoteler

### The Kramp Way Employee Experience (KWEE) survey

“We gather employee feedback in various ways, but the KWEE is the large-scale, quantitative system of measurement,” Wanda says. “It asks questions about employee satisfaction, working conditions, how supported by their managers people feel, how well equipped they feel to perform their jobs, what they are proud of, what can Kramp improve and whether they would recommend Kramp as an employer...”

### Changing the cycle

“Historically, we issued the KWEE every two years. From September 2021, we changed the frequency to twice a year – February and September. We also introduced new listening activities during the onboarding stage, to hear new employees’ thoughts after their first month, and an exit survey for leavers. At the end of 2021 we introduced a further channel for employee feedback: every business department and manager can conduct a short survey of their team – a pulse check-in – asking four or five specific questions on a relevant topic. All feedback streams are anonymised so no data is traced back to particular participants.”

### The Employee Journey

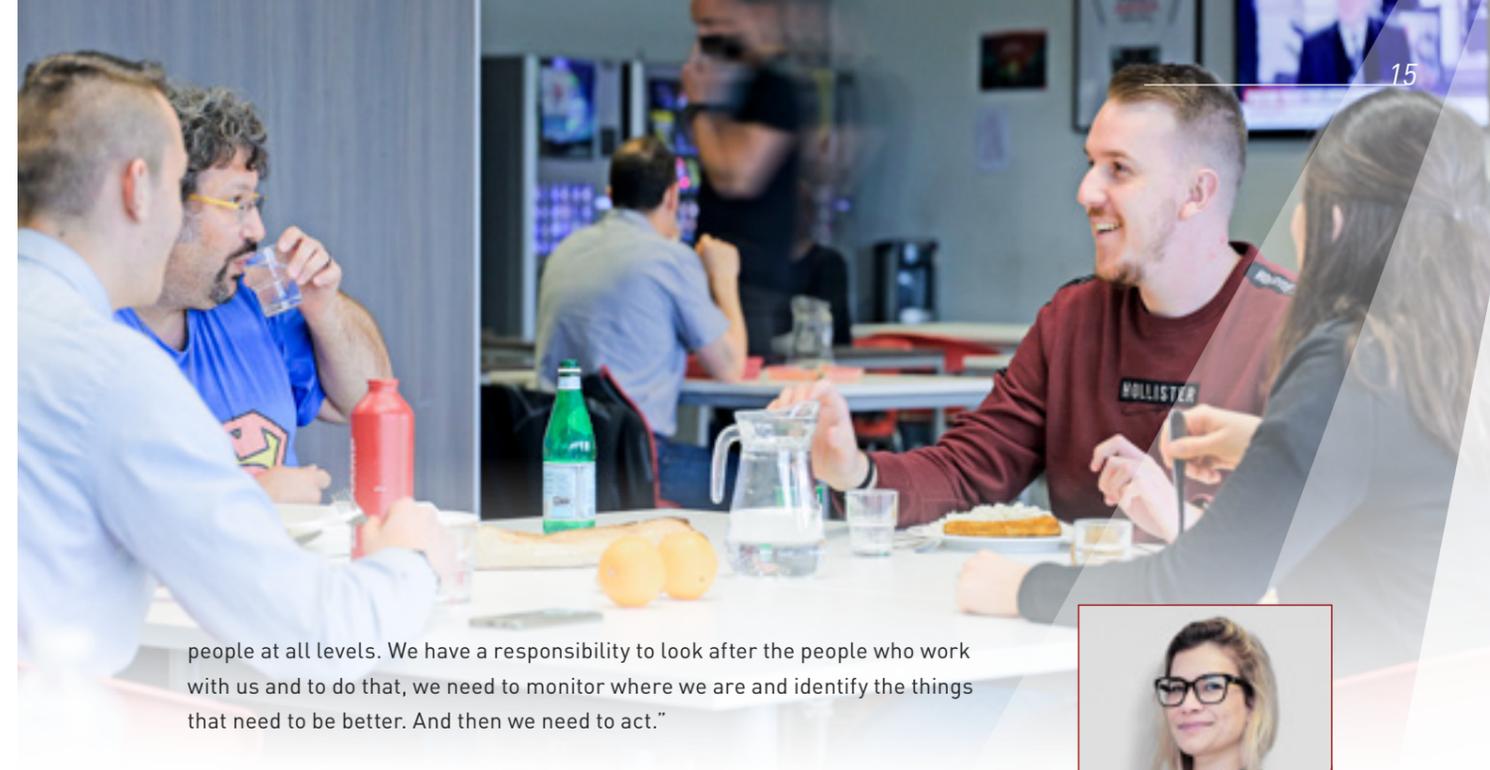
“We also wanted a clearer picture of the emotional drivers for an employee,” Wanda says. “The Employee Journey, introduced in summer 2021, is a qualitative initiative, with a series of interviews to identify unconscious needs, emotional experiences, what people value most. We made a careful selection of employee demographics for a fair

representation of colleagues of different ages, genders, lengths of service, seniority, type of work and location, and conducted interviews.

“The results show a lot of pride in our shared success. The downside of our rapid growth is that it has caused some insecurity and there are challenges keeping up with technology adoption. Working closely with colleagues is one of the strongest drivers of engagement. We have discovered that our employees really value learning & development opportunities, that management style is vital to employee satisfaction and that there is some inconsistency between managers in how they stimulate teams. Empathy and engagement are clearly important, and the Kramp leadership training program will have a part to play in improving this, but with so many variables in everything from pay rates to management style, it is a complex area to analyse and address. We can see, though, that we should work on making reward and opportunity more transparent.

“Those two tools, the KWEE and the Employee Journey, together are very complementary and, combined, give us the information we need to build on positive trends and make improvements where there may be matters of concern. That is the value of employee feedback.”

Aurélie agrees: “I firmly believe that listening to the voice of employees is extremely important to us. Engagement is one of our values, after all, so we need to understand the level of engagement of



people at all levels. We have a responsibility to look after the people who work with us and to do that, we need to monitor where we are and identify the things that need to be better. And then we need to act.”

**“We have a responsibility to look after the people who work with us”**



Aurélie Mattmann

### The impact of engagement

“If people are engaged, it benefits customer satisfaction, productivity, processes, safety – everything,” says Aurélie. “I remember my first day at Kramp, six years ago. My French manager started by telling me all about what a good day the company just had in terms of productivity. I said, ‘But what about you, how are you?’ It was my first instinct to ask that. Because if my managers are happy in themselves, in their work, they will treat their teams well. It has always been my strategy to include the human element. And since then, in Kramp France we have improved productivity, quality, grown in numbers of staff and doubled our turnover. Why? Because we put people at the centre of everything.”

### Concrete actions, concrete results

“When we received the last results,” Aurélie continues, “we focused on improvement projects. For example, last year we received feedback that some teams had problems using certain tools. From this, we created a list of concrete actions, per team, and our KWEE group in France worked on implementing those actions. I also introduced clear KPIs for the performance review cycle for managers in my department. My next initiative will be sharing best practices with other warehouses; France had very good results in operations this year, but that is not a guarantee that next year will be the same and we should always be sharing learnings with each other.

“We increased the number of respondents between the last two KWEE surveys from 80 to 128 in France, by making time available in the working day for colleagues to complete it. We need to do that, because without a complete picture we cannot know what to improve and how. By acting on KWEE results, between 2020 and 2021 we improved efficiency from 7.3 to 8.0, and engagement from 6.8 to 7.8 in France. I’m really proud of this; these are strong numbers for the industry. It’s given me and my team the energy to be better again and again. And the starting point is being humble – not taking success for granted!”





Reinout Waalkens



## A colleague's experience

**Reinout Waalkens joined Kramp as an International Management Trainee in September 2020 after completing his Master's in International Business. What are his experiences with Kramp?**

"The 'international' part of the program really appealed to me," says Reinout, "as I studied International Business for both my bachelor's and master's degrees. You spend your first month onboarding, meeting managers in various functions and spending time in offices and distribution centres throughout Europe. Of course, in 2020 travel wasn't possible, so this all happened online. The next year is spent assigned to three projects, each for about four months. My first assignment was an improvement project with the Customer Experience team. Next, I worked on a European continuous improvement project for customer onboarding.

"After my traineeship, I joined the export team as a Sales Export Specialist. The team is based in Strullendorf, so at the end of 2021 I finally had the chance to spend a week at another Kramp office!

"It's my interest in working with different nationalities and cultures that attracted me to Kramp. In my work in the export department, in a single day I might be talking to someone from Uzbekistan, New Zealand, the US and Greece, for example.

"In 2021, I was enrolled in the Talent Acceleration Program which explores your strengths and weaknesses, particularly in the area of leadership. I noticed that I had really been following my supervisors, whereas the program taught me to think about my leadership skills and to take the initiative and ownership. That's been really useful in my role in export. I also had some Intercultural Communication training with the Kramp Academy just before joining the export team. I knew the theory from my studies, but the seminar was enlightening because of the perspectives from around the group, and showed the ideas being put into practice in an international business.

"Kramp is my first employer, so I can't compare it with other companies, but I think it may be unique in growing into a billion-euro business with around 3600 employees, while still having quite a personal feel and a family culture. I believe we really have this joint success mentality. What stands out for me is that I've been working from home since I started, and yet I've been made to feel welcome and involved by the whole company. That feels quite special."



## MOVING FORWARD DURING COVID-19

**During 2021, the pandemic continued to pose problems in the supply chain – compounded by issues such as the Suez Canal obstruction – and companies worldwide suffered delays in fulfilling orders. COO Martijn Bonte, Region Commercial Director Reinier Slöetjes and Team Manager Operational Stock UK John Muir explain how increased cross-functional collaboration helped Kramp fare better than many.**

### 2021: A year of challenges

"We have been living with COVID-19 disruptions for almost two years now. Where in 2020 the main challenges were in learning how to keep our operations running – keeping people safe, managing disruptions with distribution companies and so on – really the main challenge in 2021 was scarcity of materials," says Martijn. "We had mitigated the risks associated with COVID-19 very well and had a very good year, selling a lot of stock. The problem is, you can only sell stock once! So as COVID-19 continued, I'm really happy that we had worked with our suppliers to restock to the maximum extent, which meant we were well stocked going into 2021. Through the year, though, we experienced high demand from our customers, due to our relatively high stock availability, among other reasons. We ordered a lot to replenish, but it was impossible to get hold of everything we needed. As a result, our stocks were not always at the level where our customers usually expect us to be. This is a challenge that will continue in 2022."

John agrees: "Product availability was certainly the biggest challenge from my perspective. You can do all the preparation you like, but if the supplier doesn't deliver, then it becomes a big issue."



Reinier Slöetjes



Martijn Bonte

"It makes it difficult to keep our promise 'It's that easy' for our customers or for our employees," says Reinier. "It has not been an easy year. We had increasing amounts of customer demand but reduced product availability. We are lucky that farmers kept farming and, when they needed parts, that dealers did their best to keep them farming. Machine manufacturers were faced with increased orders, but their own supply chain had difficulty getting hold of materials. Our distribution partners struggled to keep up their excellent performance, too; shortages of staff, bigger volumes to cope with, and overall COVID-19 restrictions made it harder for our partners and for us internally."

#### **The impact on customers**

"We were confronted with more back orders than we like to have," says Reinier, "and a lower reliability of our delivery promises. What we heard from dealers was that not knowing is the worst part – knowing and information is key. And we really had a challenge getting the information for our dealers."

"They understand the problems, though," says Martijn. "But if they can't have something immediately, they want reliable information about when it will come. It is ok if it's three weeks from now, if we can tell them now. However, this was the hard part throughout 2021 as we also didn't have reliable information due to the unpredictability of our inbound shipments from our suppliers. There was also an impact on prices; scarcity drives up prices of the products we buy, and we have seen container shipments from Asia become multiple times more expensive than before COVID-19. Our customers also feel that in increased prices, unfortunately."

"In stock management, we knew that we had items that we couldn't source," John adds. "But we didn't know the root cause of why we couldn't get them at particular times. Of course, in any year a few suppliers will have problems, but we were not used to seeing hundreds of suppliers with issues. To combat this, we had to step back and look at the data."

#### **Addressing the issues**

"By looking more closely at the data – were we ordering too late, was it the forecast that was incorrect, or supplier lead time, or was our logistics

## **"In challenging times with long lead times, increased demand and increased product enquiries, our customers told us what a good job we did"**

process too slow? - we could drill down and identify the issues," John continues. "We focused on improving our forecast quality, we introduced another algorithm into our software to help us track customer demand better, and we started to add supplier reliability into the system – to counteract the unexpected. We worked with the commercial department to understand the trends and demands, so we could refine our forecasting and improve our chances of meeting that demand. The cross-functional meetings we held with sales to address forecasting greatly improved our performance and, of course, our turnover. The procurement teams, too, helped us with making better lead time predictions."

"The best example of the cross-functional collaboration all this required is something I experienced myself when I visited the new facilities in the UK in September," Reinier says. "I had the privilege of participating in the daily cross-functional standup meetings. Evaluating the performance of the day before, discussing the challenges they had, and implementing positive changes. This mindset and this cooperation really made the difference last year. We did that not just in the UK but Europe-wide, connecting our global people to local set-ups to understand local dynamics and supply chain issues. In challenging times with long lead times, increased demand and increased product enquiries, our customers told us what a good job we did."

"I think it is important to recognise the great role our sales teams played in aiding with forecasting but also communicating with our customers," says Martijn. "The support received from our technology people, colleagues in finance, the cooperation between commercial and operations teams was outstanding. Product management, procurement teams and supplier manager colleagues all did a fantastic job. Using their negotiation skills and sourcing tactics to mitigate price and inflation increases, they helped us limit cost increases for our customers as much as we

could. We made the best of these nasty circumstances, and our customers know and appreciated that. We were already seen as a very reliable partner, and they continue to see us in that way despite all headwinds due to COVID-19."

"It's true," says Reinier. "Growing demand for product deliveries means a growing demand for information, we saw an increase in online chat, inbound emails and phone calls – leading to more internal communication to get the answers for customers. Working from home in isolation really has an impact on people, but nevertheless the customer-first mindset really led to great customer support and that's the feedback we got from customers."

#### **Moving forward collaboratively**

"The biggest positive is that we all have a joint enemy: COVID-19 and its negative impact," Martijn continues. "It blurs the silos that can exist within an organisation or the conflicts of interest between us and our suppliers and distribution partners. Now we all have the same challenge. As a result, we have been working together even better than we did in the past, within Kramp and with our suppliers and other partners, from IT companies to distribution companies."

"What we really experienced last year," Reinier concludes, "was that taking cross-functional accountability for the Customer Journey and Customer Experience really helped us overcome the challenges and achieve our goals as well. This learning boosts us into 2022 because we won't let go of this. It is the only way to overcome challenges and also to harvest opportunities – and there will be plenty of opportunities ahead." »»»

## **"Taking cross-functional accountability for the Customer Journey and Customer Experience really helped us overcome the challenges"**

John Muir & Martyn Hall

**MOVING  
FORWARD**



### Interview with Phil Gregg

Group Operations Manager at Ripon Farm Services Ltd

“Our biggest challenge in 2021, just as with 2020, was to ensure that the sites were as safe as possible, so that we wouldn’t have to close any down,” says Phil. “We set up separate collection points for our vans and for customers, and put hygiene protocols in place. We have 287 staff between our 12 sites, with parts moving between sites on two different vehicle runs, so we needed to be sure we weren’t passing infection around. We’ve also had people working from home some or all of the time to reduce the risks to our people and our customers.

“At various times we had difficulties getting supplies from manufacturers. We pre-order for phased delivery, but some products got held back because of manufacturing delays, and then only released on a machine-down basis, so we’ve had to pay more for products than expected. We’ve even seen delays in receiving new company vehicles – as long as 10 months – which means more repairs on an ageing fleet and some impact on staff morale; our people take pride in their vehicles!

“For the most part, our customers didn’t feel the effects, though. Sometimes we’ve had to order overnight because we haven’t had the stock, but we haven’t charged customers for that premium service; we’ve absorbed the costs ourselves. That’s about giving a great level of service and treating customers fairly. We have strong values and our aim is always to make sure the customer is looked after. We see Kramp as a great partner, with the right products, and in general the value is good. They’re the sort of company we know we can talk to openly.

“I’m pleased that COVID-19 hasn’t brought the downturn we thought it might and that we’ve managed to sustain the growth we’d envisaged. Our results mean we can reward our staff accordingly. It’s also shown us how strong our staff are at all our sites – they’ve bent over backwards to support each other and make sure we’re able to deliver. We have a plan in place to do big numbers in 2022 and we’re well equipped to overcome any hurdles along the way.”



### Interview with Johan Anderson

Purchasing Manager at Axima AB

“I work with ordering parts for the store and our website, and the biggest challenge for us at Axima during 2021 was the availability of products. It isn’t just for direct sales that we need products – our workshop continually needs parts in order to fix customer machines, we also need parts for machines we are selling. There seem to be more problems in 2022 than last year. I felt that we have been lucky so far, but I’m a little more worried about the year ahead. However, I would say, that even under these circumstances, we have had a good year financially,” says Johan.

“Another big challenge, of course, is colleagues experiencing COVID-19 symptoms. We haven’t had too much, thankfully, but it has continued to make things more difficult, keeping a safe working environment for us and our customers, and sometimes working with fewer staff.

“Our customers understand the impact of COVID-19. They know that everyone has issues, so they’re very understanding. I am very satisfied that we have managed to perform as well as we have, under these competitive and challenging circumstances.

“Usually, at this time of year, we’d expect to see high stock volume on the Kramp web shop, in readiness for the start of the season. Now we see that the levels are a little low and there are even products with a delivery time of three months. So, we have to find alternative solutions for our customers, but they want an immediate result! We need to be open with our customers and work with them closely – and with Kramp as well.

“Kramp is a very good distributor for us, I like working with them very much. We are in regular contact on the phone. They will always try to find parts from somewhere, or identify a substitute part which would be suitable. It’s important for us to communicate.

“Even the challenges have, in a way, been a positive experience. It’s a learning opportunity for the whole company. We can’t just say something isn’t available, we need to try different ways to best serve the customer. It has also made the relationship with Kramp stronger – we need to help each other.”

# WORKING TOWARDS A SUSTAINABLE FUTURE



**A sense of Corporate Social Responsibility (CSR) has always played a part in the way Kramp conducts its core business of helping farmers feed the world. We believe that Kramp should contribute to shaping a better world. The nature of our business, in terms of deliveries and logistics, has an impact on the environment, as does the industry we serve. Now we are establishing a framework to help us coordinate our efforts to make a greater and more easily defined difference. Steering committee member and CFO Hans Scholten, together with working group leaders Gerrit Cazemier, Aurélie Mattmann and Etienne Nauta, outlines our plan to move forward in a sustainable way.**

#### **The situation**

“For many years, Kramp and its employees have undertaken all sorts of initiatives and activities that fall under the broad umbrella term of CSR,” says Hans. “But what we hadn’t yet done is make a consistent, structured program. Because it’s inherently important to us, we decided to embed it within our strategy, group-wide.

“The first stage was to define what CSR means to people at Kramp, before we can define clear, measurable goals we can use to assess progress. We set up a committee to see what we were already doing and, from that, we segmented three workstream areas where we believe we are strong enough as a company to make an impact and add to the sustainable development goals of the United Nations.”

- › **Workstream one: value proposition**
- › **Workstream two: operations**
- › **Workstream three: employee and society**

“For each of the three workstreams, we have created working groups to explore what we can do, what will be most effective and what our approach should be. Each workstream now has defined actions for wave one, to take place during 2022. We are also hiring a sustainability manager to drive the implementation of the program.”

#### **Workstream one: value proposition**

“The value proposition is a wide remit,” says Gerrit, Project Manager Product Management. “It includes procurement, the assortment itself and sales and marketing. In wave one we will focus on sustainable procurement, updating our supplier code of conduct and relating it to our audit management.

“We will also start to look into wave two. We already have ideas, such as introducing a new sustainable assortment to include parts for electrified machines, a focus on eco-farming and energy farmers, and perhaps a branded Kramp green label for products with the right sustainability credentials, to make them easy to search for in the web shop.

“For the moment, we need to focus on practical ideas which link to our current business model – the sustainability of our business is essential – and we are, after all, a wholesaler.”

#### **Workstream two: operations**

“In operations we are the centre of the supply chain and clearly have a large impact on CO<sub>2</sub>,” says Aurélie, Operations Director France. “We will focus on energy, travel and distribution, and packaging.

“During 2022 we want to measure our impact through all our activities and, with that baseline established, we can work on concrete actions; we aim to be compliant with 2030 and 2050 climate targets ahead of time.

“In packaging, for example, we want a clear map of what we are using, such as the weight and number of packages per product line, per customer. We are already reducing plastic use; for example, we changed the size of plastic bags in the French warehouse and will have optimised six tons of plastic in a single year. We also invested in two machines capable of adapting the size of the packaging to the size of the product. In parallel, initiatives include adding solar panels to facilities, reducing the number of flights (and off-setting CO<sub>2</sub> emissions), and using electric carriers where possible.”

**“CSR includes people, planet and profit – and it will be embedded in our daily work”**

#### **Workstream three: employees and society**

“This workstream focuses on the social responsibility and sustainability of our most essential asset, people,” says Etienne, Manager International Strategic Partnerships. “That means fostering a safe environment, the chance to truly be yourself, build a better future for yourself and later generations. This starts with creating an internal and external culture of support and giving back. We have defined three main areas to focus on: safety and wellbeing; equality and inclusion in the workplace; and giving back to our communities. After all, CSR includes people, planet and profit – and it will be embedded in our daily work.

“After a lot of brainstorming, we have clear steps for 2022: alignment of safety and wellbeing with current Health & Safety and HR practices and creating an action plan for the coming years, which includes the ambition to launch a health and wellbeing program. Within Kramp we have an unconsciously inclusive culture, but no specific equality and inclusion strategy exists, so we will explore this. It is our ambition to launch a Kramp Foundation, which will focus on employee volunteering, donating, and creating partnerships with the goal to give back to our communities.”

Hans concludes: “Sustainability means continuing to do the things you have done without taking more from the environment than you add. It also implies financial sustainability – if you cannot remain profitable, you cannot continue in business, and the initiatives end. We’re sticking to what we’re good at and where we can make an impact.”

# MOVING FORWARD IN OUR AGRICULTURAL INDUSTRY

Kramp has spent its 70 years pioneering fresh ideas, new approaches and emerging technology for the oldest industry on the planet. How did the market evolve during 2021 and how has Kramp planned to support the industry as it continues to develop? CDO Arnoud Klerkx, Region Commercial Director Philippe Everaerts, and Manager International Strategic Partnerships Etienne Nauta discuss the situation.

**The state of the market**

"Inevitably, COVID-19 continued to have an impact," says Philippe, "but it is encouraging to see that throughout the crisis there is quite some resilience in the agricultural market, making this another year of growth. Retail prices have increased and consumption has been constant. Other issues have come into play, such as supply problems and price increases, while biofuels have been taking off more. We also saw a lot of investment, with increased sales of tractors, agricultural machinery and parts, aided by government support."

**Three trends in the market**

"Firstly, climate change and CO<sub>2</sub> and NO<sub>x</sub> emissions have been under government and EU focus, which will have an impact on farmers' profitability and business models," says Philippe.

"Secondly, digitalisation. People are now more used to meeting digitally and this is likely to continue. From efficiency and customer experience perspectives, it helps our team to keep regular contact with more customers while still being able to have appropriate physical meetings. We also moved the Kramp Academy to virtual training. There is increasing appetite among farmers for being able to choose between e-tail and retail. We played a role in this by enhancing the web shop and the Kramp App, with MyAccount self-service for less complex service requests like cancelling a backorder or returns. We have involved our dealers in our digital customer panels for product and service development and we're helping them to develop an omnichannel approach. We're also increasing Kramp brand awareness among farmers by stepping up our social media activity.

"The final trend is product availability: Thanks to the efforts of our procurement and stock control teams, we maintained service levels at a high standard, and were seen as a reliable supplier, giving us the opportunity to grow our business.

"We will see more dealer consolidation and fewer farmers, but with an increased level of professionalism. This means we ourselves need to continue digitalising and offering a consulting way of working, to bring added value to dealers and farmers, and that requires training our staff accordingly. We can also help dealers with their labour difficulties – we can't find the people they need, but we can help them work more efficiently, through our tooling, Business Solutions and Warehousing Solutions."

**"We will look to use our agricultural industry presence and technology investment to scale up our activity in forest and grass care and construction"**

**Expectations for 2022**

"First of all, we want to grow and strengthen our position in our core market, agriculture, through continuous improvement of our value proposition, performance and customer experience. I foresee continuing stock shortages and farmers will increasingly search and buy online. We will look to use our agricultural industry presence and technology investment to scale up our activity in forest & grass care and construction. Hard work, but smart work. Our focus is to keep on offering our customers a high stock availability, continuous improvement of our web shop, with market conform prices and development of our product portfolio fitting the market needs," says Philippe.

**Supporting customers by developing digital**

"What we saw in 2021, as in 2020, is that with COVID-19 it's important to be able to conduct your business in a digital way," says Arnoud. "We showed our customers that we're very good at that. We've seen a lot more visitors to our web shop and lots more sales to new customers."

**An enhanced digital offer**

"The updated web shop, which we are continually working on improving, has been live since the end of 2020 in all Kramp countries, as is the Kramp App. Customers everywhere can now order any product we stock directly through the app, with revenue through that channel steadily increasing. Customer feedback is very good, aided by the access to MyAccount, where customers can carry out self-service, saving them having to make calls for less complex requests. A win for customers and a win for us.

"We see farmers increasingly buy online. This is a real threat to the dealer and therefore for us. This is why Maykers is crucial for our strategy. Maykers is fully focused on supporting the dealer to move forward in a digital world. Most dealers do not have the funds, nor the experience, nor sufficient scale to do this themselves. We are in this together, so it's to our mutual benefit to help dealers and farmers alike. )))



Philippe Everaerts



Arnoud Klerkx



Etienne Nauta

82%

Product data is accurate

>70%

Requests within MyAccount are self-service

94%

Turnover is digital sales

During 2021 we've also been taking steps towards more digital integration with suppliers, to make it easier to plan ahead in partnership, and we'll be continuing our work in that area through 2022."

#### **A digital future**

"In 2022 we will continue to improve our various digital channels, as well as increasingly digitalise our customer service. We will also continue to roll out new pricing engine technology, which uses data to set prices for dealers which support them in making the best of their business. We're looking at more unified communications channels for customers as well, to make it easier to get in contact.

"What is also critical is making even better use of our data. We are an increasingly data-driven company so we're putting together some high value use cases for identifying more opportunities to make use of it. One example is adding recommendations to the web shop: where if a dealer orders something, they are recommended other products which would be good for their business. This is far more challenging in B2B than in B2C and requires a lot more technical insight – after all, we are knowledge partners for dealers, so our recommendations need to be right," Arnoud concludes.

#### **Progress through partnership**

"Our approach for over 70 years has been to build good long-term partnerships," says Etienne. "We do this with our customers, leading market players and suppliers. Around ten years ago Kramp set up a dedicated partnerships team to focus on building partnerships with big value chain players. There were two goals: creating additional value for our customers by offering things we cannot do on our own, and connecting with strategic market players to learn, adapt and jointly deal with the constant changes and disruptions the industry faces. We are better off working together than trying to tackle things on our own, and the guiding principle is an intention to create additional value for our joint customers."

#### **Three partnership areas**

"There are three partnership areas: strengthening our assortment proposition by partnering with strategic suppliers; partnering with OEMs such as John Deere,

to add value to their dealer network; and partnerships that focus on a joint proposition towards the farmer by partnering with big dealer groups, co-operatives and purchasing groups.

"All of these partnerships contribute to developments in the market. Partnering with suppliers mitigates risk against volatility by using both parties' strengths to maintain product availability and affordable prices, optimise distribution etc. Partnering with big dealer groups and OEMs also contributes to our digitalisation strategy. Farmers are buying more and more online and our dealers need to adapt to this – but they also need guidance on this digital journey, plus support from OEMs and from Kramp in creating solutions that help them transition online."

#### **Partnerships in 2021 and beyond**

"Our partnership with John Deere has exceeded our joint expectations and we're very proud of all the local teams who worked so hard to make that happen. We continued our roll-out to Bulgaria, Estonia, Hungary and Poland, with more countries to come next year. We are very pleased with the excellent results we have achieved with strategic partner Vapormatic. We have also initiated new partnerships with several companies, such as Deutz AG and SIP.

"All partnerships are about adding value for the customer, while also benefiting both partners. When that balance is no longer possible, sometimes it is right to part ways. Our Agricenter partnership with SDF ended in 2021; our goals and approaches have not evolved in quite the same direction. That doesn't mean we don't respect each other anymore, just that we are each evaluating our priorities; there could well be a time in the future when a joint approach is right for us both.

"Looking forward to 2022," Etienne continues, "we'll finalise the roll-out of our John Deere partnership to the remaining countries in Europe, embarking on new partnerships, developing our partnerships model for the new markets Kramp has in scope, and bringing our value proposition in line with Maykers, aligning our partnership approach to this ambitious growth path."



**"All these developments are designed to help farmers do their job more efficiently and make decisions that are good for their land, our environment and their business"**

### **Interview with Paul Leathem**

Director of Aftermarket and Customer Support at John Deere

#### **A progressive partnership**

Our collaboration with John Deere sees two pioneering companies using their complementary strengths to make it easier for John Deere dealers to support farmers. First launched in Germany in 2016, the partnership now covers eight European countries, with more expansion planned in 2022. John Deere dealers leverage a dedicated portal, which provides direct access to a comprehensive Kramp assortment, ensuring they stock everything needed to keep farmers farming. Paul Leathem, Director of Aftermarket and Customer Support at John Deere, shares a perspective on Deere's priorities for 2022 and beyond.

#### **Addressing farmers' challenges**

"Farmers are being asked to do more with less, for the good of their business and the environment," Paul says. "Farmers have always been great custodians of the land and now face increasing challenges to feed a growing population. Less available land and skilled labor, more unpredictable weather and climate change, variations in soil quality, increased weed and pest pressure, together with fluctuations in prices – of grain and milk, for instance – all while input costs have increased. There's a fine balance to be achieved, of productivity, environmental stewardship and profitability."

"Our challenge is to help them achieve that balance, with creative solutions that work for the betterment of the planet and the people living on it. Our equipment is built to last, and we support our customers throughout the active product lifecycle. We routinely supply parts for machines that were built in the 1960s and even older.

»»

We believe farmers should be able to get the right part, at the right time, at the right price, with a highly trained technician at their local dealership to maintain that product, regardless of its age.

"The relationship with Kramp helps us do that," he continues. "At John Deere we focus on our core equipment, parts and solutions. Kramp enables John Deere dealers to support farmers with a portfolio that covers every other aspect of a farmer's business. Kramp also shares our philosophy on quality and ethical procurement policies. They have the scale to offer good value to our dealers and customers, and their extensive range means dealers can reduce the number of suppliers they work with, which streamlines operations."

#### **What farming communities can expect from John Deere in 2022**

"We're committed to helping farmers make better, data-driven decisions and leverage technology to be more productive and more sustainable," Paul explains. "For example, we've already automated most on-board functions of a tractor, and our first fully autonomous tractor capable of executing a high-quality tillage job will go into production in 2022. Running a tractor when the field conditions are right, even when labour is not available, can positively impact yield while boosting productivity and efficiency."

"2022 will also see more progress with our next generation See and Spray technology for ultra-precise, plant-level chemical application. Traditionally, a farmer might choose to spray every part of his field to secure yields. In the future, John Deere technology will allow farmers to detect and treat individual weeds. Plant-level selective spraying should reduce chemical use by up to 90%. It can improve yields, will be better for the environment and offer significant financial savings for our customers."

"All of this is supported by our Operations Center, which is free for customers and open for data exchange with other software companies. It allows farmers to safely store and share their data. They can analyze their data to drive better farming outcomes, plan their work, even push jobs to a specific machine in their fleet. And of course, they decide who can see the data and share it where they need to: with their agronomists and advisers."

"All these developments - from the Kramp partnership to data collection to greater automation - are designed to help farmers do their job more efficiently and make decisions that are good for their land, our environment and their business."



## **Interview with Katrien Verbrugge**

Aftermarket Director Engine EMEA at Donaldson

**In another year marked by supply chain challenges, nurturing strong relationships has never been more important. Donaldson, the global specialist in filtration, manufactures some of the most advanced filtration technology and products available in the world. Katrien Verbrugge, Aftermarket Director Engine EMEA at Donaldson, discusses the role of partnership in the firm's future development.**

"What we have seen over recent years is how rapidly digitalisation is happening in the market," says Katrien. "This is something that we are looking at carefully: what does digitalisation mean for the market and for Donaldson? Of course, we were already becoming more digital in our approach before COVID-19, but the need to adapt has accelerated. It's certainly an area where we will be investing a lot of effort in the coming years. Our partnership with Kramp has involved a number of digital activities. Our collaboration is key; we want to help more customers, but we need the support of the people who make sure a filter ends up in the hands of the end user! We value good communication and clarity about who is doing what - the more open we are when working together, the more successful we can be."

#### **The importance of good communication**

"If we look at the last two years, the main issues have been supply chain related. And this is another area

where communication with partners like Kramp is so important. The more we can share information - on what is working well, where we have challenges, stock levels, etc. - the better we can work together as partners. In Kramp we have a partner that is open-minded and inventive and that's really positive for us."

**"In Kramp we have a partner that is open-minded and inventive and that's really positive for us"**

#### **Focus for the future**

"We are always looking to develop new products and in 2022 we are particularly investing in product development for hydraulics. We want to raise awareness that this is an area where we are innovating, and Kramp has an important role to play in making that message heard. The digital journey for customers is another area we will be focusing on and where we will need support from our distributors."

"Both Donaldson and Kramp have been growing over the years and I think the key is that we are open towards each other, we understand each other's mission and vision, our strategies and focal points, and we look for common ways to move forward together."



## MOVING FORWARD IN FOREST & GRASS CARE

Jelle Brandsma

One of the goals outlined in Strategy 2025 is to expand and accelerate our presence in the forest and grass care (F&G) industry. F&G Project Manager Jelle Brandsma explains the steps taken during 2021 and the outlook for 2022.

### A landscape of opportunities

F&G is a growing market. Across Europe, the number of professional landscaping companies, for instance, has grown at a rate of 4-5% year on year for the past ten years, with the market size growing at a similar rate.

F&G is not an entirely new market to Kramp, since we carried out our first acquisition in the sector 25 years ago. "We were already seeing growth in F&G without even targeting the market or developing our assortment," says Jelle. "Inevitably, as the market grows, so has our turnover in that area. F&G expansion forms part of our renewed strategy. There are many similarities between agriculture and F&G – the customer base, our assortment – and there's no dominant player in Europe, which offers us an opportunity to leverage our existing strengths to take on that role. Our job as project team was to substantiate the theory."

### Challenges

"Agriculture works on a larger scale than F&G, with larger dealers providing larger and more expensive equipment. In F&G there are a lot of very local, smaller players. This is both a challenge and an opportunity: there's no big European competitor to take on, but many small, local specialist competitors."

### Identifying the opportunities

"A multidisciplinary team from Operations, Supply Chain, Business Control, Sales, Product & Supplier Management and Market Intelligence explored and segmented the market. We looked at the value chain, identified key players, geographies, trends, market behaviour and so on.

"Next, we matched what the market looks like with our assortment and capabilities, before starting our market planning."

***"The focus will be a digital-first mindset, applying digital sales techniques and enhancing our digital presence"***

### Go to market

"We are piloting the project in two countries first, choosing them for their differences in geography and market focus; the Netherlands is landscaping focused, the other, Germany, sees more activity and demand in forestry alongside landscaping. Over the course of 2022, we will then start to scale up across other target countries that share characteristics with these countries. It's a phased approach, learning as we go, but the focus will be a digital-first mindset, applying digital sales techniques and enhancing our digital presence," Jelle concludes.

## EMPOWERING DEALERS, SUPPLIERS AND FARMERS WITH MAYKERS

Maykers, the digital marketplace that brings together suppliers, dealers and farmers, was launched as a pilot in Denmark in September 2020. As 2022 begins, Jerome Hermans, Maykers Managing Director, and Albertus Kloosterman, Commercial Director Kramp Denmark, give a progress update.

"The purpose of the pilot project was to test our proposition," explains Albertus. "Farmers gave us very positive feedback. COVID-19 accelerated farmers' move to purchasing online, doubling to almost 40%, and they're ready for an online marketplace. Dealers are more neutral – it is a bigger change for them, and they need a clear vision of the role of their businesses in this digital model."

"Bringing on board more suppliers and dealers, many of whom are new to ecommerce, needs more work," Jerome agrees. "Some recognise the opportunity to reach new customers, sell new products and add new ways of doing business; others are concerned about their future. Agriculture is not known for e-business, but this is the direction of the industry."

***"We see a great opportunity to strengthen the partnership with dealers and suppliers, where we take them along a seamless digital journey"***



Albertus Kloosterman



Jerome Hermans

### Lessons from the pilot

"We are continually refining our approach," Jerome continues, "learning as we gain further insights, and shaping a sustainable model. Originally, we intended to expand into two more countries in 2021, but it was better to start addressing the challenges in bringing along dealers and suppliers. During 2022, we intend to extend Maykers' reach within and beyond Denmark, while improving the experience for everyone."

"Helping dealers and suppliers make this journey is a matter of some urgency, because we see increasing signs of disruption in the market," says Albertus. "Two years ago," Jerome adds, "there were only one or two start-ups for this digital space. Now I need two hands to count them, and we see online platforms starting to move. Maykers is unique because it is designed to sustain the whole value chain together. "The emerging disruptors will cut up the value chain," says Albertus, "we see a great opportunity to strengthen the partnership with dealers and suppliers where we take them along on a seamless digital journey."

"Those platforms are likely to be all about digital disintermediation – cutting out the middle man," Jerome concludes, "whereas we know the future is digital, but we have a responsibility to take our partners with us and to help them add value."



### Farmer and dealer experience with Maykers

***"The well-being of our animals is our criterion for success. Trading online via the Maykers platform gives us more time in the barn."***  
Stieneke IJdema - Dairy farmer for 25 years

***"I have been waiting for a portal like Maykers. You can find what you need and shop locally at the same time."***  
Uffe Odgaard - Hobby farmer for 12 years

***"We know how fast it has to be when you need something. By being on Maykers, we make it easy for our customers to shop with us online."***  
Rune from Lyngfeldt, advice, sales and service company of agricultural machinery

***"With all my years in the industry, I also have to acknowledge that the younger generation entering agriculture is ordering their goods digitally. With Maykers, we can be present where the farmer is."***  
Karl from FCSI, manufacturer of slurry additive Active NS

# EMPOWERING OUR CUSTOMERS

The customer experience (CX) is what decides a company's success. The better that experience, the stronger and longer the relationship. Customer Experience Specialist Corjan te Pas provides an update on our dedicated team for enhancing customer happiness.

"In the past," Corjan says, "most businesses just did what they thought the customer would need. Increasingly, businesses are taking an outside in approach, with research teams finding out what the customer really wants. At Kramp, we gather customer feedback through the web shop and Kramp App, surveys, offline interviews and, since 2020, the Customer Panel."

### New developments in 2021

"The Customer Panel is a digital panel of representative Kramp customers who give regular feedback by answering specific questions through a dedicated dashboard. In 2021 we expanded the Customer Panel from six to nine countries, adding the UK, the Netherlands and Belgium. In 2022 we will add France and Italy. We want to increase the number of members in each country, too, to get more responses and make the results more representative of the entire population of Kramp customers. We now have nearly 750 Customer Panel members and a response rate of 30-40%, which is really good.

"We've also worked on the CX results dashboard, to make it easier for Kramp teams to quickly see the relevant results and guide their decisions. To help spread the message about customer experience, we have trained 85 more colleagues this year to become CX ambassadors."

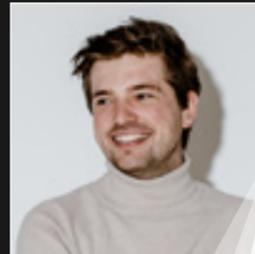
**"We will have the data to deliver an even better customer experience"**

### Looking forward

"The supply chain disruptions of COVID-19 mean our CX KPI results have not improved – and in a few instances have even dropped slightly – but at an average of above 4 out of 5, they are still really positive. As we equip ourselves to gather more actionable insights," Corjan concludes, "we will have the data to deliver an even better customer experience."

Joachim Bach, Commercial Director Germany, is applying the CX team's learnings to enhance processes and practice related to the Customer Journey in Germany.

"The most important information we get from feedback is really to understand where we have a negative impact on a customer. For example, we always deliver something in one place and the customer wants it somewhere else, we can put it



Corjan te Pas



Joachim Bach



Countries



Customer Panel members



Customer Surveys

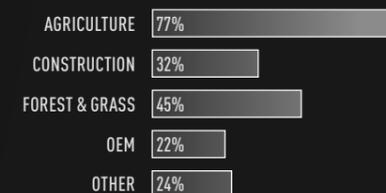
right. We can correct and perfect," says Joachim. "The main advantage that we get from customer feedback is that, by sharing all these thousands of pieces of feedback, we can change mindsets internally. Show that we can and must develop and improve.

"We have started a project with every internal discipline involved – people from Operations, Stock Management, Purchasing, Internal Sales, External Sales, and Marketing. We divided them into three groups and tasked them with deciding on an area of our service that needs developing. They were asked to come up with one idea and plan it through, including how it can be measured and a timeline for implementing it. This also stimulates working together in cross-functional teams. We created a customer experience driver analysis, pulling in millions of data sets from feedback, delivery data, invoicing data, customer development data etc. The idea was to find out what drives customer experience, to allow us to focus on our strengths and reduce the weaknesses. Our three groups will put those three ideas into action from February 2022, so we can track and assess customer experience improvement."

### Responsibilities of Customer Panel members



### Industries of Customer Panel members



Karl Heinz Twenhöven looks after the spare parts department of Rademacher OHG in Halver, Germany. He is member of the Kramp Customer Panel and explains why it's important to have your voice heard.

Karl: "I decided to join the Kramp Customer Panel because I saw it was a good opportunity. I would be able to discuss the latest issues in buying and supplying spare parts and share my feedback and ideas on the whole process. That could mean talking about product quality, prices, how to promote original spare parts, and any issues around product availability.

"The really good thing is that being on the Customer Panel is very little effort. The questions are designed to be simple, with answers on a 1-10 scale for example, so it doesn't take much time to give your feedback.

"I think it's a great benefit for dealers to have their voices heard. It's a chance to influence the way the process develops, and that's in the interest of both parties – we both benefit from increased customer satisfaction, customer loyalty and an increase in sales."

RADEMACHER  
LANDTECHNIK



# MOVING FORWARD IN ITALY

2021 was not only the 70<sup>th</sup> anniversary for Kramp, but also the 10<sup>th</sup> anniversary of Kramp Italy. The opening of a purpose-built warehouse and office to serve our growing Italian customer base was an extra reason to celebrate. Marc Conings, Operations Director Italy, and Rafael Massei, Commercial Director Italy, look back on the past decade and forward to a fertile future.

## Time to celebrate

"It has been a big year for celebrations," says Rafael, "with the 70th anniversary for Kramp, 10 years of Kramp Italy, our new warehouse, and I myself joined Kramp in February 2012, so it is now my own 10-year anniversary." "2021 was also 10 years since Rafael and I met!" adds Marc. "It was the 60th anniversary of Kramp and although Rafael had not yet started working at Kramp, he had been invited to the anniversary party."

## A decade in Italy

"Back in 2011 we started in a 45 m<sup>2</sup> office," says Rafael. "The following year we expanded to a 100 m<sup>2</sup> office, but we were only a small sales team of five or six people. By the end of 2017 we were a team of 15. Our success was helped by long partnerships with SDF and AGCO dealer networks and by exhibiting at the EIMA agricultural equipment exhibition in Bologna at every event since we started.

"Italy is considered the third largest European agricultural market. We are still a relatively small player in the Italian market – but ready to grow fast. Around 10% of our suppliers, including some component suppliers to OEMs and after-market parts, are based here in Italy, so it makes it more challenging as a wholesaler, although there is so much potential. Acquiring Raico in April 2018, though, meant we doubled our turnover, and the added value of gaining expertise, a wider assortment and different types of customers, was a big strategic gain. By March 2019 we were completely integrated."

## A strategic investment

"Before the Raico acquisition," explains Marc, "all orders to the Italian market came from our warehouse in Germany; after that merger we were able to supply a third from the Raico warehouse, and this year we aim to deliver 95-100% of our orders directly from our new warehouse. The thinking behind the new facilities is to be as well-equipped as possible to serve our Italian customers with the best and most reliable service. To be physically well placed for deliveries, but also to be connected to the very strong supplier base, to add to our assortment, and to be able to attract the best people.



Marc Conings



Rafael Massei



"This was a matter of scale, too. The current warehouse is seven times larger than the one we gained with Raico in terms of m<sup>2</sup>, and fifteen times in terms of m<sup>3</sup> because of its double height. In office space, we now have 2,100 m<sup>2</sup>, including a canteen, up from 500 m<sup>2</sup> at the Raico site. We also selected a plot of land which gives us the space to add further buildings in the long-term, if needed. Everything we have put in place is designed to facilitate growth."

"The plot is also just beside the A1 highway between Milan and Bologna," says Rafael, "giving us great exposure to almost 300,000 vehicles every day. Architecturally, the designers have also done an excellent job."

"We have 1500 m of conveyer system and automatic packing machines which erect and seal packages to the right size for the shipment. The complete concept is considered a futureproof, man-machine collaborative environment," says Marc. "It's an innovative project that qualified for Italian government support," Rafael adds. "We have solar

panels to generate electricity for the building, a cycle path, and we will be able to install charging points for electric vehicles in the future."

## Moving forward in 2022

"What is important for us," says Rafael, "is that we take full advantage of this investment. We are planning to exceed €30 million turnover this year. We are also hoping to activate the John Deere partnership here in Italy in summer 2022. The operational team is quadrupling in size, while scarcity in the workforce and availability of distribution quality are challenging us.

"I think we can really contribute to Kramp as a whole even more," Rafael concludes. "There is huge potential to establish good relationships with Italy's 250 components and parts manufacturers."

"And that is the advantage of a strong Italian team," Marc adds, "a real cultural benefit for Italian buyers buying from Italian suppliers."



## STATEMENT FROM THE SUPERVISORY BOARD

F.l.t.r. Koen Slippens, Rutger Ruigrok and Frederik Nieuwenhuys

### **Supervisory and advisory role**

The role of the Supervisory Board is to monitor the policy of the Executive Board and the general affairs of Kramp. We focus on a number of different aspects, including the effectiveness of internal risk management and control systems, as well as the integrity and quality of financial reporting.

### **Meetings of the Supervisory Board**

The Supervisory Board meets each year, according to a schedule agreed with the Executive Board. Once a year, we discuss strategy and the budget at a meeting attended by the entire Executive Board.

We met a total of five times in 2021: once in a digital environment, three times in Varsseveld and once at the office of our Supervisory Board member Frederik Nieuwenhuys (co-founder of online supermarket Picnic) in Utrecht. We were, unfortunately, unable to visit any of our locations outside the Netherlands during the year due to the COVID-19 pandemic.

The Supervisory Board was regularly informed about the following topics: strategy, interim results, balance sheet trends and cash flow. In addition, in 2021 we specifically discussed Maykers, partnerships, investments, budget, human resources, internal risk management and refinancing.

During discussions with the Executive Board, the main topics were the composition of the Executive Board, functional strategies, cost awareness and vacancies for senior management and other relevant positions. Discussions on these issues were always open and constructive.

### **Changes in the Supervisory Board**

Johan Lokhorst's term came to a close as Chairman of the Supervisory Board during the General Meeting of Shareholders, effective from 15 April 2021. He was thanked for his valuable input and feedback. Rutger Ruigrok, Managing Director at shareholder NPM Capital and a member of the Supervisory Board of Kramp since 2020, has been elected as the new chairman.

### **Functioning and evaluation of the Supervisory Board**

The Supervisory Board evaluates its own performance and the performance of its members at least once a year. The Supervisory Board endorses the principle that the composition of the Board should be such that the members are able to take a critical stance and act independently with regard to each other, the Executive Board and any specific interests. With the current composition, the Supervisory Board believes that the knowledge, experience and competences of the members are appropriate.

I would like to thank all of the employees at Kramp for their hard work and dedication, which has led to the wonderful result in 2021. Let's move forward into 2022 and beyond.

### **Rutger Ruigrok**

Chairman of the Supervisory Board of Kramp Groep B.V.



2017

2018

2019

## A MILESTONE YEAR FOR OUR FINANCIAL RESULTS

Hans Scholten

**“In 2020 I used the words ‘we have a very healthy balance sheet.’ For 2021, health has increased! We saw an increase in turnover of just over 8%. We set our target for 2021 to reach the €1 billion turnover mark and we reached this milestone, ending the year €30 million over,” says CFO Hans Scholten.**

### Reaching the €1 billion turnover

“Of course, it is just a number, but it is especially positive when you consider that we divested from our wind industry service in Denmark and China, which was not part of our core business yet had a €17 million turnover in 2020. It is worth celebrating, while aiming for further growth ahead. We have now set a new target for 2025 of €1.5 billion, which we are confident of achieving. We have learned that in our existing market we are able to increase both market share and turnover. Looking at our performance in 2021, most countries increased their turnover, with some excellent growth in France (+ 16%), the UK (+ 12%) and Italy (+ 27%).”

### Changes in costs

“On the personnel side, absenteeism due to COVID-19 symptoms – particularly in functions which cannot

be performed at home, such as Operations - remains a challenge. Absences have increased costs as well as affected productivity. We have also been unable to fill all of our vacancies, with reduced workforce availability across Europe and all functions. Another reason our personnel costs are higher is one I’m happy about: we were able to pay out a larger profit share, thanks to our increased bottom-line results in 2021.

COVID-19 has also led to packaging costs being higher, with wood and cardboard costs €1.8 million higher than we foresaw. Container costs have increased some 50-60% compared with 2020, due to a worldwide scarcity. In distribution to our customers, we see increasing rates from distributors, a scarcity of truck drivers and increased fuel prices, all of which are driving up our costs.

“Internally, we increased productivity thanks to efficiencies and greater capacity in our warehousing. These advances have lowered our relative costs.

“Our travel costs in 2021 as well as in 2020 were much lower than pre-COVID-19. I expect them to remain lower during 2022 and beyond, because we have learned that working from home is a viable alternative for at least some of the work we have previously carried out on location.

“Good news too on the financing side: our debts have decreased and interest rates were lower, resulting in some 20% reduced interest costs – which adds to our bottom line. During 2020 several currencies, for example the Russian ruble and the Polish zloty, devalued, which hit us hard. In 2021 the situation was more stable and some currencies recovered, including the Russian ruble and the UK pound, so there was a small profit in foreign exchange.

“Overall, we have an operational result that is 15% higher, reaching a level of €93 million. We anticipate a similar operational result for 2022, with the increases in salaries, energy, fuel, packaging and higher inflation counterbalancing the projected increase in turnover.”

### An even healthier balance sheet

“In 2021 we had an even healthier balance sheet than in 2020. Our equity has increased by 22%, so our solvency is at almost 44%. We saw an increase in turnover of just over 8%. Our stocks have increased by 23% and this is deliberate; we know that our supply chain is insufficiently reliable and so we have stocked up.

“Our debtors have increased a little, but that is normal with a higher turnover. On the other side of the balance sheet, we have increased our creditors. Last year I mentioned Supply Chain Finance, a program which would enable us to have longer payment periods, helping our creditor balance, while giving our suppliers the choice of being paid sooner. We’ve worked on this during 2021 to get more suppliers onto the program, and this has led to a better balance sheet.

### Continuing to invest in the future

“We’ve continued our investments in technology and e-business, including Maykers and converting legacy systems to more modern software, with €11 million. Investments in buildings and logistics came to €19 million, including completing the warehouses in Reggio Emilia, Italy and in Madrid, Spain. We have also begun preparing to extend our warehouse in France in 2022.

“Investment levels in both these areas are likely to be similar during 2022. We will continue to work on our scalability. One of the techniques that will help us is activity-based costing, a program we started in the UK to really understand the drivers behind our costs. Once you know what the drivers are, you can steer on costs with focus. The results are very promising. We will now roll the program out across other countries and expect better insight into costs and better steerability of costs.”

**“We have learned that in our existing market we are able to increase both market share and turnover.”**

### Moving forward into 2022 and beyond

“In December 2021 we successfully renewed our facilities with our bankers, which will give us ample funding for the next five years. And because our financial performance is so healthy, we have been able to achieve better interest rates, so our interest costs will be lower than we have had in the past. The funding secured will cater for working capital to make sure we can realise the targeted €1.5 billion turnover for 2025 and also gives us room to make acquisitions.

“Strategic acquisitions form part of our growth strategy. We will look for opportunities in our core market, agriculture, as well as in F&G and construction, in order to strengthen our position in existing markets and to open new markets for us.

“Forecasting may be more difficult in the current climate, but we do expect a further, healthy increase in turnover.”

# THE YEAR 2021 IN NUMBERS

€  
**1,031M**  
Turnover

  
**8.1%**  
Growth

  
**30M**  
Investments

  
**3,076**  
Employees (FTE)

  
**24**  
Sales Offices

  
**11**  
Distribution Centers

  
**>500k**  
Products/parts

  
**267M**  
Stock

  
**>170k**  
Order lines daily

  
**>95%**  
Order lines  
delivery on time

  
**>50k**  
Customers

  
**4**  
Customer  
satisfaction  
rate (1-5)

  
**+10%**  
Webshop visits

## Key figures five years of Kramp Groep

2021 2020 2019 2018 2017

(x €1,000)

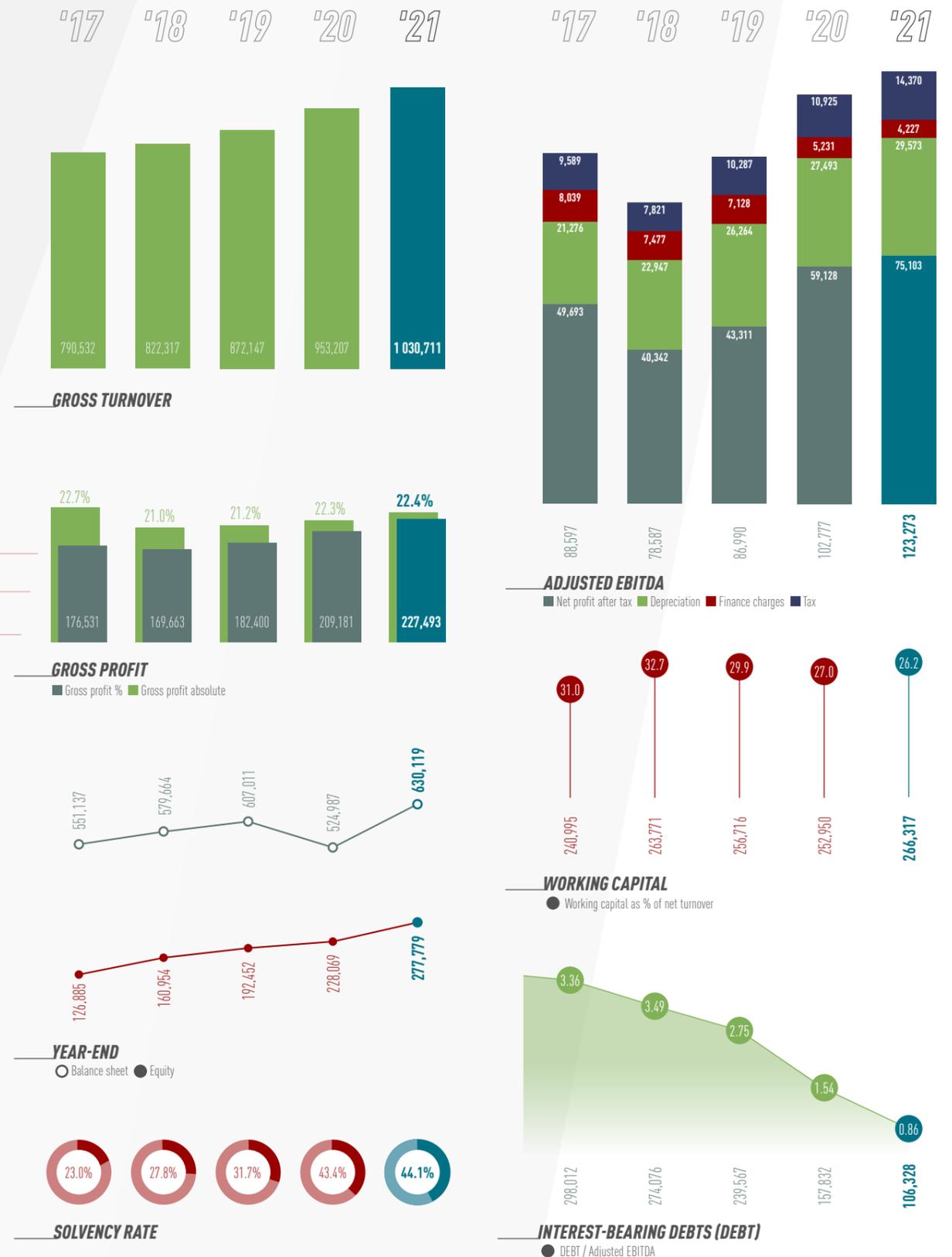
<b>Gross turnover</b>	<b>1,030,711</b>	953,207	872,147	822,317	790,532
<b>Net turnover</b>	<b>1,017,476</b>	937,020	859,130	807,807	776,947
<b>Net profit after tax</b>	<b>80,227</b>	79,976	43,311	37,287	49,693
<b>Tax</b>	<b>14,370</b>	14,028	10,287	7,821	9,589
<b>Finance charges</b>	<b>4,227</b>	5,231	7,128	7,477	8,039
<b>Depreciation</b>	<b>29,573</b>	27,493	26,264	22,947	21,276
<b>EBITDA</b>	<b>128,397</b>	126,728	86,990	75,532	88,597
<b>Adjusted EBITDA</b>	<b>123,273</b>	102,777	86,990	78,587	88,597
<b>Equity at year-end</b>	<b>277,779</b>	228,069	192,452	160,954	126,885
<b>Balance sheet total at year-end</b>	<b>630,119</b>	524,987	607,011	579,664	551,137
<b>Solvency rate</b>	<b>44.1%</b>	43.4%	31.7%	27.8%	23.0%
<b>Interest-bearing debts (DEBT)</b>	<b>106,328</b>	157,832	239,567	274,076	298,012
<b>DEBT/ Adjusted EBITDA</b>	<b>0.86</b>	1.54	2.75	3.49	3.36
<b>Working capital</b>	<b>266,317</b>	252,950	256,716	263,771	240,995
<b>Working capital as % of net turnover</b>	<b>26.2%</b>	27.0%	29.9%	32.7%	31.0%
<b>Average number of employees</b>	<b>3,076</b>	3,037	3,003	2,857	2,743
<b>Gross profit absolute</b>	<b>227,493</b>	209,181	182,400	169,663	176,531
<b>Gross profit percentage</b>	<b>22.4%</b>	22.3%	21.2%	21%	22.7%
<b>Investments (excl. goodwill)</b>	<b>30,140</b>	38,894	28,674	26,847	48,802

### Definitions

**Finance charges:** interest income -/- interest costs (excluding exchange rate results)  
**EBITDA:** net result + taxes + net financing costs + depreciation/amortization  
**Adjusted EBITDA:** as EBITDA taking into account:  
 - in 2021 the book profit on the sale of a participation;  
 - in 2020 the book profit on the sale of real estate;  
 - in 2018 12 months EBITDA for the acquisitions in Raico S.r.l. and Recambios Internacionales S.A.  
**Solvency percentage:** group equity at year-end : balance sheet total at year-end  
**Interest bearing debts (DEBT):** long-term and short-term debts to credit institutions less cash in hand and securitized financing  
**Working capital:** inventories + debtors -/- creditors

## Key figures (x €1,000)

'17 '18 '19 '20 '21



**Consolidated balance sheet as at 31 December 2021**

Pro forma accounts 2021

	2021	2020
Assets (x €1,000)		
Intangible fixed assets	50,672	52,220
Tangible fixed assets	131,776	131,086
Financial fixed assets	20,310	17,319
<b>Fixed assets</b>	<b>202,758</b>	<b>200,625</b>
Inventories	267,470	218,148
Receivables	114,105	102,832
Cash	45,786	3,382
<b>Current assets</b>	<b>427,361</b>	<b>324,362</b>
<b>Total Assets</b>	<b>630,119</b>	<b>524,987</b>
Liabilities (x €1,000)		
Equity	277,779	228,069
Third party share in Group companies	103	829
<b>Group Equity</b>	<b>277,882</b>	<b>228,898</b>
<b>Provisions</b>	<b>7,778</b>	<b>6,709</b>
<b>Long-term debts</b>	<b>151,654</b>	<b>129,114</b>
<b>Short-term debts</b>	<b>192,805</b>	<b>160,266</b>
<b>Total Liabilities</b>	<b>630,119</b>	<b>524,987</b>

**Consolidated profit and loss account 2021**

Pro forma accounts 2021

	2021	2020
(x €1,000)		
Gross turnover	1,030,711	953,207
Boni and discounts	-13,235	-16,187
<b>Net turnover</b>	<b>1,017,476</b>	<b>937,020</b>
Cost of sales	-789,983	-727,839
<b>Gross profit</b>	<b>227,493</b>	<b>209,181</b>
Sales costs	-91,236	-88,072
General administrative expenses	-42,898	-40,263
<b>Total costs</b>	<b>-134,134</b>	<b>-128,335</b>
<b>Net turnover result</b>	<b>93,359</b>	<b>80,846</b>
Interest receivable and similar income	312	264
Interest payable and similar costs	-4,539	-5,495
Foreign exchange rate results	288	-5,446
<b>Financial result</b>	<b>-3,939</b>	<b>-10,677</b>
<b>Profit from ordinary business operations before tax</b>	<b>89,420</b>	<b>70,169</b>
Taxes result from ordinary business operations	-14,370	-10,925
Share in results of subsidiaries	154	121
Third party share in result	-101	-237
	<b>-14,317</b>	<b>-11,041</b>
<b>Profit from ordinary business operations after tax</b>	<b>75,103</b>	<b>59,128</b>
Extraordinary income	5,124	23,951
Taxes result from extraordinary income	-	-3,103
<b>Extraordinary profit after tax</b>	<b>5,124</b>	<b>20,848</b>
<b>Net result</b>	<b>80,227</b>	<b>79,976</b>



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This report is not the annual report of Kramp Groep B.V. within the context of Art. 2:391 of the Dutch Civil Code and does not contain the financial statements as defined in Art. 2:361 of the Dutch Civil Code.