

# Ready to move forward!

*forward*



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Annual Report Kramp Groep

## About this report

This is the 2020 Annual Report of Kramp Groep B.V. This year's theme is 'Ready to move forward'. In the past year that was defined by the corona crisis, we were clearly able to reap the benefits of the investments we have made in recent years. We are happy to share with you the results this has delivered in many areas of activity.

Using a new strategy for the period up to and including 2025, we build on the solid foundation we have laid over the past 70 years. Ready to move forward, where our goal remains to continue to add value within the agricultural industry.

Finally, this report contains the pro forma accounts taken from the financial statements of Kramp Groep B.V.

We hope you enjoy reading this report.

# Ready to move forward



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# Message from our CEO

## Eddie Perdok

'For Kramp, 2020 was a mixture of good and bad,' said CEO Eddie Perdok. 'On the one hand, the COVID-19 pandemic presented us with huge challenges. On the other hand, we've come through this crisis extremely well, partly thanks to making wise choices in the past. Our turnover and results grew even faster than expected.'

### Challenges

'To start with the challenges: we were, of course, also forced to deal with the COVID-19 pandemic. Our warehouses and logistics processes form the basis of our business model. We therefore immediately implemented strict measures to contain the virus and minimise the impact on our logistics organisation. Within a week, we also made arrangements for all 2,000 colleagues with office jobs to work from home as smoothly as possible. Our suppliers' factories in China and Europe also experienced problems due to COVID-19. Thanks to our large inventories located close to our customers, we've been able to adequately handle any delivery problems at our suppliers. We can safely say that Kramp has weathered this crisis well. There are three reasons for this: our rock-solid online proposition, our smart logistics and our committed employees.'

#### Our rock-solid online proposition

'In recent years, we've invested a lot of time and money in IT and e-commerce. We're ahead of the market in this respect. In 2020, sales via online channels grew explosively. Thanks to our brand-new webshop, we were able to optimally capitalise on this.'



Eddie Perdok, CEO

#### Our smart logistics

'For years, we've also been investing in good warehouses and the automation and mechanisation of our logistics processes. In 2020, it became apparent how sensible that was: we largely continued our deliveries from our eleven warehouses spread across Europe. Thanks to our substantial inventories, we formed a welcome buffer between the suppliers and the customer.'

**'We can safely say that Kramp has weathered this crisis well. There are three reasons for this: our rock-solid online proposition, our smart logistics and our committed employees.'**

#### Our committed employees

'Last but not least, our third asset is our employees. I would like to give them a well-deserved compliment.'

They were always willing to go the extra mile in this difficult year. It's also thanks to their efforts and commitment that Kramp is in such good shape today. The past year of COVID-19 has demonstrated that Kramp has a stable and solid business model. Despite the pandemic, our market share has grown and our profitability increased. In 2020, we clearly reaped the rewards of our strategic direction and the investments made in recent years.'

### 2020 highlights

'Looking back on the past year, I see a number of important highlights: our new webshop, the introduction of the Maykers marketplace, logistical innovations and our activities in the field of acquisition.'

#### New webshop

'An important highlight in 2020 was the launch of our new webshop. About four years ago, we decided to develop the required technology in-house. It began with a small team of three in Utrecht (NL), and it has now grown into a team of 75 professionals who work

hard every day to further develop our online channels. The new webshop was rolled out step by step last year and gradually became available to our customers. On the whole, the process went smoothly and I'm proud of that! The first customer experiences are positive: the new webshop works better and is easier to use. This online platform serves as the foundation on which we will continue to build in the coming years; a fine example of ready to move forward.'

**Introduction of Maykers**

'Furthermore, we introduced a marketplace for farmers in 2020, where dealers, Kramp and other suppliers can offer their products: spare parts and service, but also seeds, animal feeds and machinery. Our goal is to create a platform where farmers can purchase all the necessities for their businesses. The technology for this marketplace was developed at Kramp Hub in Utrecht and much of the technology used in the new Kramp webshop was also used for Maykers. However, we envisage a much wider deployment than within Kramp alone. That's why the marketplace has been given its own name: Maykers. A pilot is currently taking place in Denmark. Based on that, we intend to further improve the platform and eventually roll it out in other countries.'

**Logistics innovations**

'In 2020, we significantly improved our logistics. We completed a new office and a new warehouse in the United Kingdom. We're also investing in a new office and warehouse in Italy and in Spain. And in Poland, we've invested heavily in the mechanisation and automation of our logistics. This means we're well prepared for the future in terms of logistics: ready to move forward.'

***'The first customer experiences are positive: the new webshop works better and is easier to use.'***

**Acquisition**

'We have acquired our Danish competitor Maskinhandler Indkøbsringen, with which we've strengthened our position in Denmark. In the coming years, we will continue to actively seek out attractive acquisition targets to reinforce our position as an essential partner.'

**2021: an anniversary year**

'The effects of the COVID-19 pandemic will continue to be felt for some time to come. Nevertheless, thanks to our performance in 2020, we are confident about the future. In 2021, we will be celebrating our 70th anniversary in style. With

our employees and with our loyal customers, suppliers and partners. Without them, we would never have made it this far. In addition, we expect to reach another milestone worth celebrating: turnover exceeding EUR 1 billion for the first time in our history.'

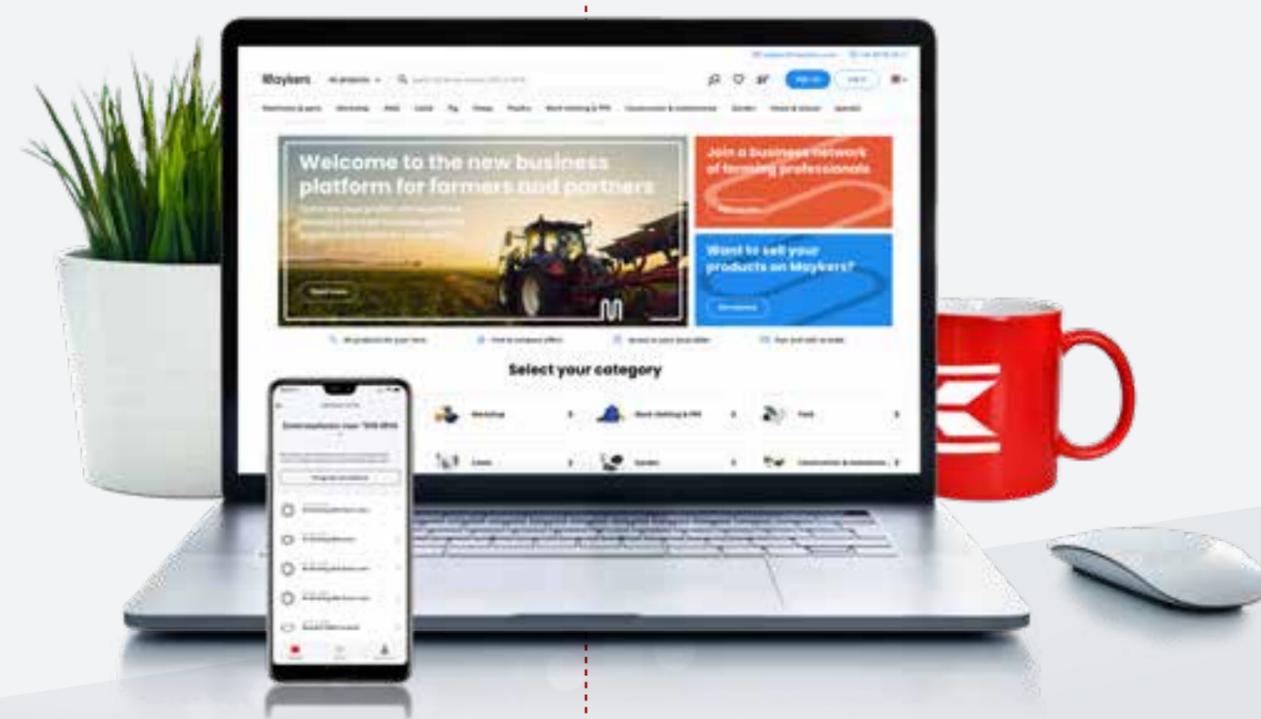
**Strategy 2025**

'Our previous multi-year plan expired in 2020. We've been working in recent months on a new plan for the period up to and including 2025. We've explored the market and its opportunities for us and have focused on what we will do and even more on what we will not do. In the coming years, we want to further strengthen our position in the agricultural industry and expand into the construction and forest & grasscare industries. In addition, we want to further expand our Maykers marketplace, resulting in a turnover that will probably reach around EUR 1.5 billion in 2025.'

'I'm fully confident that we will succeed. Over the past 70 years, Kramp has laid a stable and solid foundation and will continue to build on this in 2021. In doing so, we will keep adding value within the agricultural industry. Bring on the future! Kramp is ready to move forward.'

***Introduction of Maykers***

***'Our goal is to create a platform where farmers can purchase all the necessities for their businesses.'***



***'A pilot is currently taking place in Denmark. Based on that, we intend to further improve the platform and eventually roll it out in other countries.'***

## The year 2020 in numbers

**>50k**  
Customers

**4.1**  
Satisfaction (1-5)

**+12%**  
Online visitors

**>160k**  
Order lines daily

**>95%**  
Delivered on time

**3,037**  
Employees (FTE)

**24**  
Countries

**€ 953M**  
Turnover

**9.3%**  
Growth

**39M**  
Investments

**>500k**  
Parts

**218M**  
Stock

**24**  
Sales offices

**11**  
Distribution centres

## The story of Kramp



**1955**  
First product catalog

**1969**  
Collaboration with Perdok

**1977**  
Kramp goes international

**1978**  
First acquisition

**1988**  
Introduction red box of Kramp



**1991**  
Innight delivery

**2000**  
Launch first webshop for AG-industry



**2001**  
Start building foundation for one European company

**2008**  
Mission: It's that easy.

**2013**  
Merger with Grene



**2017**  
Start Kramp Hub

**2018**  
Acquisitions Raico Italy Recinsa Spain

**2019**  
Launch Kramp app



**2020**  
Launch platform Maykers

**'Entrepreneurship and innovation have been, and always will be, at the core of the Kramp identity.'**

# Highlights 2020



**Launch Maykers in Denmark**

**Results and action planning employee satisfaction and engagement survey**



**Optimisation of Supply Chain together with suppliers**



**Start acquisition Maskinhandler Indkøbsringen**



**Launch Strategy 2025**

January 2020

March 2020

April 2020

May 2020

June 2020

July 2020

September 2020

November 2020

December 2020

**Our employees during the COVID-19 pandemic**



**Launch Customer Panels**



**Kramp UK relocates to new premises**



**New e-commerce platform live in all countries**

# Maykers: marketplace for farmers

After years of preparation, Maykers was officially launched in 2020. Managing Directors Alexander Ketelaar and Jerome Hermans, and CDO Arnoud Klerkx explain what exactly Maykers is and what they want to achieve with it.



Arnoud Klerkx, CDO



Jerome Hermans, MD Maykers



Alexander Ketelaar, MD Maykers

## Launch in Denmark

'Maykers is a marketplace where farmers can buy everything they need for their business. And where they can connect with their trusted partners, dealers and suppliers. They can ask questions and seek advice via the chat. They also have insight into the inventories of the various vendors,' Alexander explains. 'In January 2020, we launched a pilot version of Maykers at the NutriFair trade fair in Denmark. In the months that followed, we continued to develop the platform and solve all the teething problems, and in May it became accessible to everyone, without a login,' said Jerome. 'Maykers was officially and proudly launched on the Danish market in September 2020.'

## Responding to digitalisation

Arnoud cites the rapid digitalisation of the world as the main reason for starting Maykers. 'One of the biggest threats to Kramp and the dealer is that farmers are increasingly buying products online instead of going through a dealer. If that happens, those dealers are also going to buy less from Kramp. We ourselves don't want to open a webshop for farmers; we want to take the dealer along in our developments. So we came up with the idea of a platform on which dealers have an important place.' Alexander elaborates: 'Instead of disrupting the supply chain, we're helping the dealers to move forward. Kramp has invested heavily in e-business in recent years and dealers are now benefiting from this too, through Maykers.'

## Connection

Jerome: 'The number of farmers is decreasing. They are also becoming more professional and technology keeps on gaining importance. This helps them to work faster and more efficiently and it makes farms more attractive for takeovers. Through Maykers, we are responding to the digitalisation of farming and act as facilitators for dealers who aim to retain their connection with farmers.' Alexander: 'Within the interactive platform, data plays an important role. For example, if farmers search a lot for a certain product, we can advise vendors to offer more of those products. So we actually bring together the needs of both parties.'

## Kramp and Maykers

Arnoud: 'Within Kramp, I'm responsible for Maykers. It is an important investment for us but, apart from that, it is completely separate from Kramp. We are in fact just one of the vendors on the platform. You could say that Maykers is a digital shopping centre, in which Kramp has a large shop. Through Kramp, Maykers has access to the dealers, which is a great advantage. Because if you want to do something for farmers online, you need to have good relationships with the dealers. It's as

simple as that.' Jerome agrees:

'It's important to know the farmer's needs; that's what the Kramp dealers and other local parties do. Through Maykers, they can advise the farmer on which milk powder is best for his calves, for example, or which spare part he needs for his machinery. Personal contact is indispensable here.'

**'Through Maykers, we are responding to the digitalisation of farming and act as facilitators for dealers who aim to retain their connection with farmers.'**

## Added value

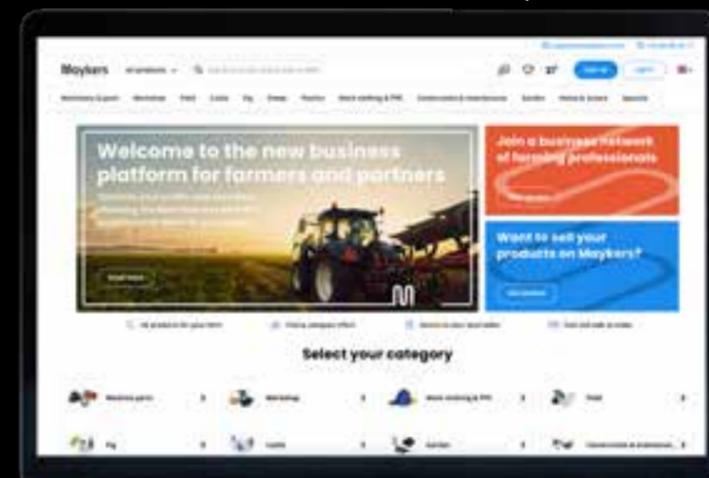
Alexander: 'Apart from launching Maykers, our main goal for 2020 was to find out if the platform adds enough value for farmers, dealers and other vendors. The feedback showed us that this is certainly the case. We therefore want to develop

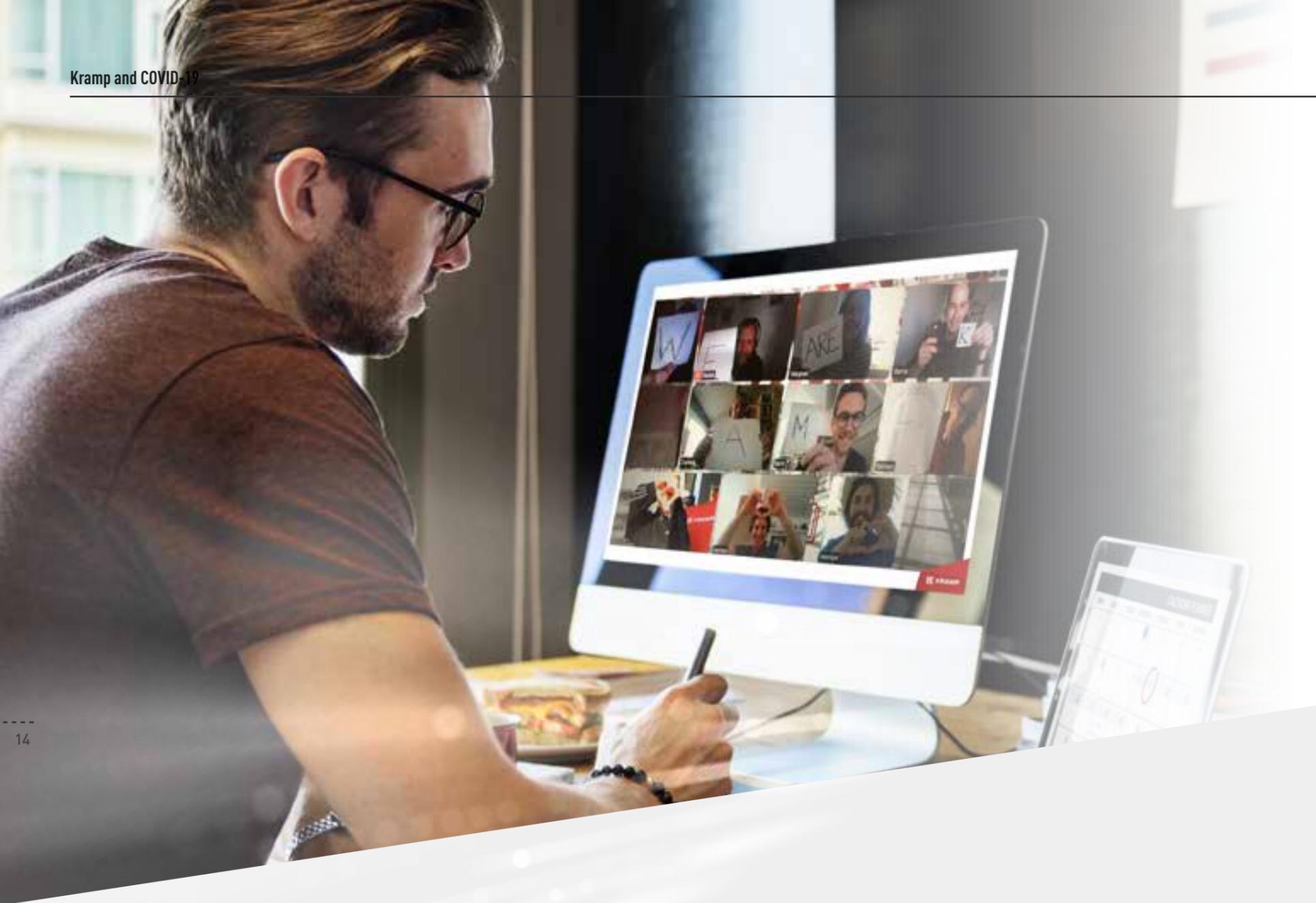
Maykers further in the coming period. We intend to make it even easier for dealers to sell their own product ranges on the platform.' Jerome: 'Maykers is organised in a different way than usual. We experiment a lot, work in a multidisciplinary way and our short lines of communication and flexible technology enable us to implement improvements quickly. In all modesty, we can call ourselves a 'digital native'. We are extremely proud of this platform.'

## 'You are doing my job'

Alexander: 'We have had a lot of nice feedback from customers. For example, one Danish farmer said: 'you are doing my job'. He meant that he previously had to look for a supplier for a certain spare part. And now, at the click of a button, he can see from whom and where he can buy it and on what terms. The difference to the way in which a company like Amazon works is that we also want to emphasise the vendors' added value. Such as advice on a product, additional contact possibilities or favourable pick-up options.' Jerome concluded:

'Our goal for 2021? To expand Maykers into two other countries and get everyone working together to create an even better platform.'





# Kramp and COVID-19

2020 will of course forever be known as the year of the COVID-19 outbreak. The crisis that ensued severely impacted everyone and Kramp was no exception. Its effect will be felt for years to come. Andrea Bodstein-Walenciak and Martijn Bonte, CHRO and COO at Kramp respectively, explained how Kramp dealt with the public health crisis and what new perspectives emerged from it.



## Quick action

Martijn: 'We managed to weather the storm rather well as an organisation thanks to our policies and of course our people, and that makes us very proud. We knew early on that COVID-19 would pose a huge risk because we import products from China. That's why we started implementing risk management measures as early as in January. These measures basically focused on four aspects. One: how do we make sure that our warehouse staff are safe at work? Two: how do we keep all our warehouses in operation and, if we happen to be forced to close one, how do we manage the fallout? Three: how do we keep all our transports going and what do we do if borders are closing or areas go into lockdown? And four: how do we make sure that we have enough products in stock so that we don't have to disappoint our customers?'

## Cross-functional team

'We then fleshed out all kinds of scenarios, looking at alternative transport routings and hiring extra people quickly if need be, and so on. We also pulled in as much inventory as possible in the early stages of the crisis. And that proved to be a wise choice, because more than 130 suppliers were forced to close their doors later on.' Andrea added: 'The Operations teams took the lead; they were at the vanguard of things because of their dealings with China. But a few weeks later, the virus started to spread like wildfire, first to Italy and then to the rest of Europe. The public health crisis became a priority for the entire Kramp organisation from that time onwards. We formed a cross-functional team to address the crisis since it obviously affected every last one of our divisions.'

## Freedom in the Framework

'From an HR and Internal Communications perspective, we were faced with questions such as: how do you manage your team remotely and how do we facilitate working from home? But also, how do you celebrate a 25-year work anniversary during a lockdown? This prompted us to define a few general guidelines. Based on our motto Freedom in the Framework, we let our country organisations interpret these guidelines and the local infection prevention measures for themselves, for instance when it came to working hours or the layout of workstations. That freedom is important, because every country seems to have its own rules,' Andrea explained. 'We also produced a number of videos in which Eddie Perdok, our CEO, provided information to our people and gave them a pep talk. We got very good feedback on that.'

## Effective measures

'Early on, we sent people home if they had a slight cough. And since there were no tests available at the time, they had to self-isolate for two weeks after having

gone home. This drove up the absenteeism rate and we needed to hire a lot of new people to make sure that our customer supplies wouldn't stagnate. While it's usually pretty difficult to find staff, it wasn't a problem now since many people had lost their jobs due to the crisis. The fact that we were able to create jobs for so many people was actually a silver lining to the whole thing,' said Martijn. 'Also, we divided our warehouse staff into small teams so that, if one of them was infected, we only had to send home their particular team and the other teams were safe to continue working. Thanks to these measures, we haven't had to close a single warehouse to date. They also helped to continue our customer supplies as usual. And we didn't have to take additional measures to curb the second wave of COVID-19 infections. We were able to fall back on our routine and the lessons we had learned from the first wave. That's a huge compliment to our teams.'

***'Thanks to these measures, we haven't had to close a single warehouse to date. They also helped to continue our customer supplies as usual.'***

**#WeareKramp**

'Working from home took some getting used to for our people. All of a sudden, many of them were working at the kitchen table, with their children and their partner right

next to them,' Andrea explained. 'When everyone had sort of settled in, we saw that they were eager to stay connected and get together with their coworkers. That's why we launched the #WeareKramp initiative, our umbrella programme for fun activities for employees. Under this programme, we organised a photo contest, a Kramp Christmas Song and a colouring challenge for our staff's children.' Martijn added: 'The crisis had a huge impact on our operational staff as well. They still had to come into work, while their children were home from school. Also, they were expected to adopt new working methods due to the social distancing rules and all kinds of other measures, such as questionnaires at the gate, hygiene guidelines and temperature checks. And then, of course, people were fearful. Because of this, we felt that we needed to reassure everyone that we were doing everything in our power to create a safe work environment, for instance by enforcing a strict separation between the office and the warehouse, and opening up the canteen to warehouse workers only.'

**Employee engagement**

Martijn: 'The public health crisis has boosted employee engagement at Kramp. People were eager to come into work and pull together.' Andrea: 'Their strong engagement was also reflected in the employee satisfaction survey (KWEE), as well as in the relatively low absenteeism rate, which is back at the pre-crisis level.'

In December, we gave all our employees a corona bonus, as a token of appreciation for their high level of engagement. Another thing we did right is that we didn't sit back. We supplied products to our customers and we continued key projects within the organisation. We met online to define our new strategy, for instance, and that was a productive and efficient process.' Martijn: 'True, our digital culture and the fact that we were doing a lot of things online already definitely helped. It allowed us to switch to a fully online work environment relatively quickly.'

**New perspectives**

Martijn: 'I'm really proud of how our people have coped with all the changes and uncertainties in the past year and of our robust performance in 2020.' Andrea agreed wholeheartedly: 'The same goes for me. And the fact that HR managed to take the lead also makes me proud. The public health crisis has shown us once again how important it is to focus on the wants and needs of our employees. We don't want to go back to how things were before the pandemic, at least not entirely. Flexi-work offers a host of opportunities. For this reason, we're now exploring options for incorporating flexible work

schedules into our policies, with an eye for work-life balance.' Martijn concluded: 'The pandemic has taught us that the future is digital and that risk management is key; there will always be risk factors after all. Finally, the public health crisis has caused our teamwork to improve considerably, both from a cross-functional and cross-country perspective. And that's something that's really worth preserving.'

***'The pandemic has taught us that the future is digital and that risk management is key; there will always be risk factors after all.'***

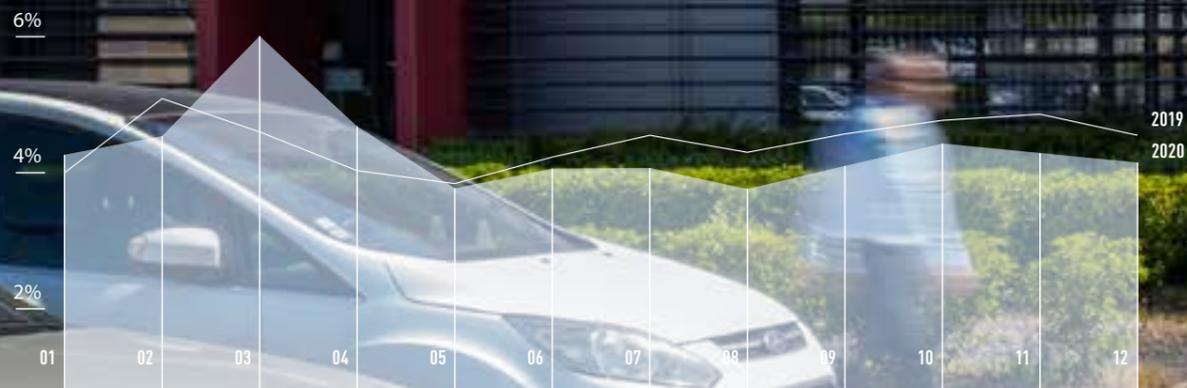


Martijn Bonte, COO



Andrea Bodstein-Walenciak, CHRO

Absence rate at Kramp



# Employee engagement

'We've known for a while that our people are invested in our organisation. That's because we started measuring employee engagement in 2013. But the COVID-19 pandemic has caused employee engagement to soar even more. There's been this feeling that we're in this together for the benefit of Kramp right from the start. And that's wonderful to see,' said Andrea Bodstein-Walenciak, CHRO of Kramp. She and HR Project Manager Wanda Stoteler have sat down to explain what's so special about employee engagement at Kramp.

## In our DNA

Kramp conducts an employee satisfaction and engagement survey every two years. The survey, which goes by the name of Kramp Way Employee Experience (KWEE), shows time and time again that its employees are happy in their jobs and that they are invested in the company. Wanda explained why that is: 'It's in our DNA to do what needs to be done, to help each other out and to grow the company. It also helps that Kramp has always been a family business.' Andrea: 'Amazingly, we saw

our employee and customer satisfaction ratings rise during the public health crisis. That tells us that our people are doing a great job for our customers because they are intrinsically motivated and committed to the organisation.'

## Excellent scores

'No fewer than 73.8% of our people completed the KWEE survey in February 2020. Kramp did better than in 2018 across the board and the employee satisfaction rating was up slightly as well. What our employees appreciated most was their teamwork with coworkers, their job itself and the business culture,' said Wanda. 'But they had a number of suggestions for how to improve things too. These were about the availability of appropriate resources, equipment and systems, more cross-functional teamwork and aligning everyone around the strategy for the future.'

## In the teams

Andrea: 'We're using the results of the KWEE survey and other studies to make improvements, for instance through what we call action planning. That means that every team is expected



Wanda Stoteler, HR Project Manager



Andrea Bodstein-Walenciak, CHRO

to apply the results of the KWEE survey to themselves and translate them into action items for the team. Overall, the teams defined no fewer than 470 action items after the KWEE survey of February 2020, considerably more than in 2018.' Wanda: 'Many action items are about communication and information sharing, such as stepping up collaboration with other teams or improving the meeting structure by organising daily huddles.'

## Continuous improvement

Andrea: 'And there are Kramp wide improvements to be made as well of course. Wanda already mentioned some of them. We addressed them right away too. We wrote a robust communication and activation plan for the new strategy, for instance, to get all teams onboard. Another issue that was raised by our people was that they wanted to be effective and efficient in their work. It's our duty to facilitate this. This type of enablement requires cross-functional teamwork and communication. We'll be looking at that in the coming year.'

## Brief survey about COVID-19 pandemic

Wanda: 'We held a brief employee survey of 15 questions about the public health crisis in December 2020. We asked them, for instance, how they thought Kramp was handling the situation and whether they felt enabled in their job. The respondents awarded Kramp an 8.1 rating on both counts. The eNPS score, which is a reflection of whether an employee would recommend Kramp as an employer to others, was also up sharply from the most recent KWEE.' Andrea: 'That's right. We're

**7.5**

## KWEE



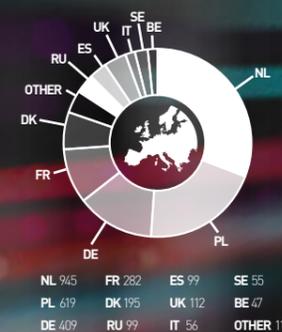
## Age distribution



## FTE development



## FTE departments



## FTE countries

very excited and proud that our people are even happier with the organisation than they were before the COVID-19 outbreak.'

## Interaction

Andrea: 'Our brief survey about the public health crisis also showed that our people really miss interacting and physically getting together with their coworkers. That's why we called upon our managers to spring into action and – I must say – they got pretty creative in coming up with ideas. One manager dropped by his direct reports' homes with hot chocolate at Christmas and others sent their team members care packages. As an organisation, we launched the #WeareKramp initiative, which is our umbrella programme for fun activities for our employees.'

## Employee voice

'The goal for 2021 is to give our employees an even louder voice and to make it standard procedure for their views, opinions, concerns and suggestions to influence decisions at work. For that reason, we've decided to conduct a KWEE survey every year starting from 2021. In addition, we'll be increasing the frequency of targeted brief surveys as issues arise at Kramp, similar to what we did with regard to the new strategy,' explained Andrea. Wanda: 'We also want to invite feedback and input from our employees in other ways, such as through employee panels and interviews, and by mapping out the employee journey. That will tell us what our people value most, what their work life events are and how we can add the wow factor to their experience.'

# Benefits of online interactions with customers

*'Before the COVID-19 pandemic, we used to talk and teach workshops to customers on-site. But in the past year, we mainly interacted with them through digital customer panels.'*

The COVID-19 pandemic made it more difficult all of a sudden to meet with our customers in person. How did Kramp stay in touch with them? And how did we keep them in the loop of new developments? We interviewed CCO Mario Babic and Customer Experience Manager Friederike Niehoff to find out.

## Phone and online interactions

'Personal relationships with our customers are very important to us,' said Mario. 'But the pandemic prevented us from visiting them at their physical locations. We had to fall back on talking to them on the phone or online. And that worked out well, especially with loyal customers and with customers with whom we had a budding relationship. It was a little more difficult as far as new customers and prospects were concerned. That's why we put extra effort into building customer relationships with them, particularly in countries where Kramp has market share to gain.'



Mario Babic, CCO



Friederike Niehoff, Customer Experience Manager

## On the right track

'What we saw was that our earlier investments in online sales and an appealing online product offering paid off rather well during the pandemic. Many customers, whether they had ordered from us before or were new, were looking for ways to order online and we were there to serve them. That confirmed to us once again that we're on the right track with our new webshop and our app, to name but two examples. I guess you could say that the public health crisis has accelerated our digital development.'

## Digital customer panels

Kramp also continued to engage with customers by asking them to provide feedback on our products and services. Friederike: 'We launched Voice of the Customer, a customer feedback



Responsibilities



Researches

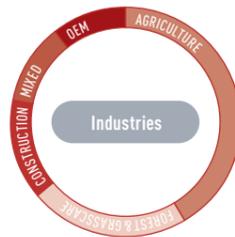
programme, about four years ago. We ask for their input regularly and use it to improve our products and services. Before the COVID-19 pandemic, we used to talk and teach workshops to customers on-site. But in the past year, we mainly interacted with them through digital customer panels.'

## Expansion

'Those panels also proved to be an excellent tool for staying in touch with customers. And for finding out what they think of us and how they arrive at their customer satisfaction rating. When we started, we had customer panels in six countries, where we've now built a solid base of about four hundred panel members. Because the panels proved successful, we've decided to expand them to six more countries in 2021.'

**Strong engagement**

'The panel members are demonstrating a strong sense of engagement with our organisation. The response rate for the 15 surveys we've held so far was over 40%, which is extremely high. This tells us that customers are grateful to see that their input matters and that they actually have a say in our product offering and our services. We share with the panel members what the surveys have taught us and how we intend to follow up on the findings.'



**Product testing**

'Just to give an example: in the past year, we've had one hundred panel members test out a cooler bag that's for sale in our webshop. They were sent the cooler bag, asked to use for a month and give us their feedback. This is how we're trying to improve our product offering and tailor it to the needs and wants of our customers.'



**Prioritising change**

'We also asked our customers to provide input on the changes we planned to make to our webshop. What would they like us to improve first? We asked our staff the same thing. Surprisingly, our customers and own employees had different opinions. Although the top 10 suggestions for improvement were largely the same, the top 5 were crucially different. So we'll be making some adjustments to our schedule for change.'

**Personal as well as digital**

'We'll definitely keep investing in our online interactions with customers. Digital customer panels are a scalable solution that allows us to gauge the opinions of a growing group of customers quickly and efficiently.' Mario explained: 'The future of Kramp is digital. Personal interaction will always be key in building loyalty, but we'll mix things up with digital contacts. Not to worry: we'll still be engaging with our customers; we'll just be doing it in a different form.'

**Panel member: Miłosz Kulikowski, Rolmet s.c., Poland**

**Why did you become a member of the customer panel?**

*'I decided to participate, because I wanted to influence the way Kramp communicates with customers, the changes Kramp would like to introduce and how they introduce them.'*

**What do you like about it?**

*'I like that Kramp asks for my opinion, what suits me and what I would like to change.'*

**Do you think it's a good move of Kramp to set up this panel?**

*'Absolutely. As a result, Kramp will develop a better cooperation with the customers and most likely acquire some fresh ideas.'*



Miłosz Kulikowski, owner Rolmet s.c.



# Everyone benefits from improved collaboration within the chain

To enhance the services we provide to customers, in 2020 we took steps to ensure even closer collaboration with our suppliers. By working together in partnerships, we can provide our shared customers with better services. We discussed these developments with COO Martijn Bonte, Director Procurement Viktoriia Iatsenko and Director Stock Management Michał Kopka.

**Partnerships**

Martijn: 'It goes without saying that the customer comes first at Kramp. This means, among other things, that we provide them with the best possible service. Customers can easily order what they need, and they receive it as soon as possible. In this context, we obviously depend to a large extent on our suppliers. That's why we've started to form more partnerships. This ensures all parties are aware of what's going on, and we can provide our shared customers with better services.'

**Communicating expectations**

Viktoriia: 'Working in partnership with others involves clearly communicating expectations to one another. As we want suppliers to satisfy our quality and reliability requirements, we tell them why we set those requirements.'

**'We need to put a great deal of effort into creating a robust chain. That's in our interests, our customers' interests and our suppliers' interests.'**

'For instance, we show them that there's a clear link between the performance of our suppliers and

the level of customer satisfaction. Of course, suppliers are able to let us know what they need, too. We help each other wherever necessary. We're building a great future together, and we'll soon be ready to move forward.'

**Clarity**

Michał: 'Many suppliers couldn't deliver due to the COVID-19 pandemic. At the lowest point, some 130 suppliers were closed, leading to reduced availability of our products. Personal protective equipment in particular was in extremely short supply. Obviously, there wasn't anything we could do to change the situation. We offered alternatives where possible, provided they were of good quality. Moreover, because we were clear about these problems from the outset, our customers continued to view us as a reliable party.'

**Understanding**

'Of course, we, as others, couldn't always supply our customers with what they wanted. That was understood, as everyone in the market was affected. Our customers were particularly appreciative of what we still could do for them, and as a result customer satisfaction remained stable. At the same time, we updated our range on the basis of demand. We also took an even closer look at what customers really need and made more warehouse space available for this.'



Martijn Bonte, COO



Viktoriia Iatsenko, Director Procurement



Michał Kopka, Director Stock Management

**More proactive approach**

Viktoriia: 'We're also teaming up with suppliers more often to consider opportunities and risks in the market. In that respect, Kramp will start taking a much more proactive approach. We want to work with suppliers in exploring solutions for logistic problems or the shortage of essential raw materials, for example. This will enable us to work together on risk management and identify what we as a chain can do to avoid or reduce risk.'

**'Customers get better products and receive a better service, while Kramp and its suppliers see their turnover improve. Everyone's a winner.'**

**A robust chain**

Martijn: '2020 showed us that these are positive developments. We need to put a great deal of effort into creating a robust chain. That's in our interests, our customers' interests and our suppliers' interests. By working together more we'll generate more turnover, and this makes it interesting for suppliers to team up with us.' Michał: 'The COVID-19 pandemic has also led to closer cooperation within Kramp. We now work together more often and across functions, and we're getting better at linking up with each other.'

**Nothing but benefits**

Viktoriia: 'In the coming period we'll continue our efforts aimed at improving the chain. In that context, we'll pay close attention to three aspects: *On Time, In Full, and Right Quality*. We'll continue to work with suppliers to identify areas for improvement.' Martijn: 'These partnerships offer nothing but benefits. Customers get better products and receive a better service, while Kramp and its suppliers see their turnover improve. Everyone's a winner.'



**'With over 20 years of partnership, Kramp has provided to our customers a fast, professional and an easy support for their aftermarket needs. Same values and same culture for continuous growth.'**

Matteo Storchi, President & CEO  
Comer Industries



**'We are proud to have worked in close partnership with Kramp since 2004. Our relationship has grown from strength, to strength based on mutual respect, integrity and commitment. We share the same innovative vision of the future business model and we are totally committed to working together, to further expand our market footprint and secure long term customer loyalty.'**

Guido Gennasio, CEO Alfagomma

# United Kingdom in the spotlight

2020 proved to be a year with opportunities and challenges for Kramp UK. We moved to a new building, were faced with Brexit and came up against the COVID-19 pandemic. But despite it all, our UK turnover was up considerably. That's why COO Martijn Bonte, Commercial Director UK Des Boyd and Operations Director UK Marcel Walvoort have every reason to be happy with the performance of the UK organisation.

### A long way

Martijn: 'We've come a long way in the UK over the past year. First off, we managed to put together a knowledgeable and skilled team, which helped to facilitate our growth. Next, we addressed the situation with the office and the warehouse which were outdated and cramped. The potential in the UK and Ireland is huge. We moved our office and warehouse to a new building that is equipped to harness all of it. We installed new automated systems and improved our packaging methods. With the reality of Brexit, we are extra happy that our bigger, new warehouse in the UK is already operational and

we have more stock now to provide our customers with the best service and customer experience.'

### Unpredictable developments

'We were faced with unpredictable external developments. Brexit had been in the air for years, of course, but many aspects continued to be uncertain until the very end. We prepared as best we could and kept fine-tuning our plans as we went along. When things finally came to a head, we were ready. Since we were prepared for the COVID-19 pandemic as well, we managed to keep our operational processes stable, which allowed us to continue serving new and existing

customers in the UK and Ireland.'

### Preparation is everything

Des: 'Preparation is everything, as they say, and I think that was true here also. I'm proud of how we managed to overcome every challenge that was thrown at us. We made quick and efficient arrangements to make sure that all our people were able to work from home. We created bubbles for our warehouse workers, which allowed them to be as safe as possible at work and helped us to prevent logistical problems. We also organised online sessions for our people to stay in touch with each other.'

### Team spirit

Marcel: 'The team went all-out to make sure that everyone stayed healthy and safe at work. Our customers were grateful for how we handled things. Some of them even went as far as to send us an email in which they thanked us for our efforts and told us that, without our help, their business would've ground to a halt. I'm immensely proud of the team spirit that helped us to achieve this.'

### Kramp has grown

Des: 'The entire organisation has grown. We're interacting and communicating even better now. Our customers acknowledge our hard work and they appreciate what we do for them. Despite all the uncertainties and obstacles along the way, we've managed to maintain our service level and put our customers first throughout it all. There's no bigger compliment than a returning customer and return to us they did.'

### Huge potential

Martijn: 'The UK and Irish markets have huge potential. We keep making investments to capture these markets, so that we can continue to grow. In this

process, we've partnered up with our UK and Ireland based customers. We've built a solid basis for growth; we're ready to move forward.'

### Extra mile

Des: 'I can't wait to show customers, suppliers and coworkers around the new building. It's such a huge improvement. Our new automated systems and better packaging methods allow us to raise our service and quality levels. I'm also seeing that my coworkers are enjoying their work even more!'

### Better customer experience

Marcel: 'Our customers' enthusiasm gives us a tremendous boost. Also, employees are seeing exciting opportunities for professional development. We're happy for our partners to share in these positive developments as well. We work in close collaboration with FedEx and other logistical partners, to create an even better experience for our shared customers. I think it's safe to say that the basis we created in 2020 will be the bedrock of a successful future for Kramp and its partners.'



Des Boyd, Commercial Director UK



Marcel Walvoort, Operations Director UK

**'The basis we created in 2020 will be the bedrock of a successful future for Kramp and its partners.'**



Martijn Bonte, COO

# Always on the look-out for acquisition targets

As CEO Eddie Perdok said earlier, Kramp will continue to look for acquisition targets in the years to come so as to bolster its market position. Mark Veldhuis, Mergers & Acquisitions Manager, explained what this process looks like and what's involved in a merger or acquisition.



Mark Veldhuis, Mergers & Acquisitions Manager

## Scale

'I'm responsible for mergers and acquisitions at Kramp. I manage the entire process of negotiating a deal with a target. This process takes about a year on average. I'm also involved in integrating the companies we've acquired. Our ambition is to acquire one or two companies every year and to integrate them fully into Kramp,' Mark said. 'We have a large product offering and we want to be able to supply our products to customers as quickly as possible. That's why we need to have enough scale in every country. We increase our scale by acquiring local businesses. It also helps us that those businesses know the local market and often also offer specialist technical expertise.'

***'Our ambition is to acquire one or two companies every year and to integrate them fully into Kramp.'***

## Acquisition of Maskinhandler Indkøbsringen

Mark: 'We are usually the ones to approach potential acquisition targets if we feel that they tie in with our acquisition strategy. But the opposite happened with Danish-based Maskinhandler Indkøbsringen (MI). They came to us because they were interested in selling their aftermarket spare parts business to Kramp. Since we already have a large warehouse and a strong team in Denmark, it will be fairly easy for us to integrate MI into Kramp Denmark, particularly because there are many overlaps in customers, suppliers and products. So, for us, this is an excellent opportunity to improve our competitive position and to achieve cost efficiencies. We expect to have completed the integration process, which has now been set in motion, by the summer. The first results are good and we do our utmost to give the best possible service to our new MI-customers.'

## A good addition

Albertus Kloosterman, Commercial Director of Kramp Denmark, explained: 'We keep investing in the AG-industry. With this acquisition we can even better help our partners and Danish farmers grow and develop. What better way to achieve this than by offering the best products and services to the market? Kramp and MI have operated in the same industry for nearly 60 years and we have tremendous respect and admiration for how MI has managed to grow its business over the years. MI's aftermarket spare parts business is complementary to our own and will help us achieve our goal of being the essential partner for the agricultural industry. The values of Kramp and MI are much alike. We both put our customers first and we support that pledge by giving them access to specialist expertise and a broad range of products. So it's safe to say that we're more than happy to welcome MI to the Kramp family. We very much look forward to integrating their product offering and working with the MI people.'



Stefan Garsdal, Operations Director DK & Albertus Kloosterman, Commercial Director DK

## Integration

'MI and Kramp will initially keep operating separately, but we've already initiated the process of MI's full integration. We'll start moving MI's products to the Kramp warehouse in Skjern in the spring of 2021. We expect to have completed the integration before the summer holidays and we'll do everything in our power to make sure that our customers don't experience any inconvenience because of it,' said Stefan Garsdal, Operations Director of Kramp Denmark.

# New e-commerce platform now live in all countries

Our new e-commerce platform went live in all countries in November 2020. The name 'Greenfield' refers to the way in which the platform came into being: it was developed completely from scratch by Kramp. We joined CCO Mario Babic and Product Owner Bart Roorda to take a look back and look ahead.



Mario Babic, CCO



Bart Roorda, Product Owner

### Not a standard business

Mario: 'We took the first steps towards developing Greenfield back in 2016. In those days, we used IBM software that was originally intended for B2C use and which we'd had customised for B2B use. When this complex system started to become outdated, we had to address an important question: did we want to carry on down the road we'd set out on and continue to use standard software? After all, Kramp isn't a standard business, and software is essential for us because much of what we do is digital.'

### Building our own technology

Bart: 'We then looked into the option of building the technology ourselves. That offered interesting possibilities. We could make more decisions for ourselves, could configure matters in the simplest way possible, and no longer had to pay for expensive modifications to an existing software package. It allowed us to develop our own algorithm to optimise the customer experience, so that people can do business with Kramp more quickly and easily. Because with e-commerce we really want to make a difference in our industry, now and in the future. In the long term, it would also be a more effective solution, as we would be able to respond more quickly to changes in the

market.' Mario: 'Surprisingly enough, this option was also financially appealing, so we took the bold decision to build our own technology at our Kramp Hub in Utrecht.'

### A firm foundation

'Greenfield provides us with a firm new foundation for our online activities. It supports all our digital tools: the online shop, the app and also the new Maykers platform. We've integrated everything to ensure the best possible result while simultaneously generating considerable savings. Moreover we've been able to attract a lot of new young colleagues with

***'With e-commerce we really want to make a difference in our industry, now and in the future.'***

technology competencies and our organisation is more flexible and future proof. This gives us a great advantage over our competitors.'

### Open-heart surgery

Bart: 'Developing new technology is one thing, but ensuring the smooth implementation of a project of this kind is quite another. As our online shop generates millions of euros in turnover every day, we didn't have the option of closing our digital doors for a few days to carry out

a migration. That meant it had to be rebuilt while it remained open. We did this in stages, with the precision of open-heart surgery. The software was replaced one component at a time, and we kept a finger on the pulse of what our customers thought. We made sure they were satisfied with the new component. If they were, we moved on to the next one. And if they weren't, we made the necessary modifications before moving on.'

### Proper support

'Moreover, we've dealt with each country separately. In the case of the Scandinavian countries, the introduction took the form of a big bang. A gradual introduction was not possible, since the online shop in those countries differed too much from our new technology. Our local teams there remained in close contact with users to ensure any problems could be solved immediately. We also offered our customers online tools so they could get to grips with the new system quickly and easily.'

### Ready to move forward

Mario: 'Our new digital foundation is now in place, and we're very proud of it. We're now using the same technology in every country where we operate. It's an excellent example of getting ready to move forward. In the coming period we'll continue to work on the futher

development of our app, which we'll roll out further in the market from the second half of 2021. We'll also continue to invest in the new Maykers platform.'

#### Making life easier

Bart: 'Our chief focus continues to be: what can we do to make our customers' lives even easier? For example, we can offer more personalisation and allow customers to do more themselves. We're also making use of machine learning, i.e. using the wisdom of the crowd to improve our system. Users are, for instance, already able to upload a photo of a spare part that needs replacing, and receive suggestions for spare parts based on photo recognition. The more photos that are processed by the system, the more accurate the suggestions become. This is another way in which our e-commerce platform is improving and becoming more user friendly.'

#### A solid basis

Mario: 'Greenfield provides us with a solid basis to build upon. Also in the coming years, Kramp will heavily invest in e-commerce so that we can keep expanding our leading position in the market. I predict a great future in which we'll continue to grow, have even more satisfied customers and partners that can do business as smoothly as possible with us – and with each other.'

# Strategy 2025: *setting the* course

'Our Strategy 2025 clarifies where we want to go and how we intend to get there for all our employees, who are based in 24 different countries. It creates focus', CEO Eddie Perdok said. We talked to him and Strategy Officer Franc Verhage about the course he wants Kramp to take in the next five years.



Eddie Perdok, CEO



Franc Verhage, Strategy Officer

#### On course for 2025

One reason for developing a new strategy was of course that our Strategy 2020 was no longer relevant. But that certainly wasn't the only reason. 'The agricultural industry is constantly changing. In the past five years, new businesses, channels and platforms have emerged and our services have expanded. This calls for a new strategy in which we formulate our plans for the next five years and take account of all those changes', Franc said. 'I always use the example of a fleet of ships that are navigating their way to their destination. They may all be taking a different route and have different missions to accomplish on their way, but they're all heading towards the same destination. Strategy 2025 determines the route to be taken by all our ships.'

#### Gradual change

'Our previous strategy was extremely ambitious and we made progress on all fronts. We might not have achieved all our objectives, but the direction we chose was the right one. The new strategy is therefore an evolution, not a revolution. We're building on our previous efforts, and we're drawing on our solid basis and everything we've learned in the past 70 years', Eddie said. 'Last year, we took the time to reassess the situation. The initial steps in this area were taken by an external consultant in the

first half of 2020. Franc took over from the consultant after he assumed the role of Strategy Officer in July 2020, and we worked with him to continue to shape our ambitions and strategy for the coming years.'

**'We're building on our previous efforts, and we're drawing on our solid basis and everything we've learned in the past 70 years.'**

#### A stronger position

'First, we took stock of the situation and the trends in the industry as a whole', Franc explained. 'Next, we determined our position within the industry and identified areas where opportunities exist for Kramp. Finally, we brought everything together and came up with our plans. We decided what we're going to do and - equally importantly, if not more so - what we're not going to do.' 'Where we want to be can be explained relatively simply', Eddie continued. 'In five years' time, we want to have developed a stronger business-to-dealer model in the agri industry and we want to use this position to gain a stronger foothold in industries such as construction,

and forest & grasscare. We also want Maykers to be a successful marketplace for farmers that is active in several European countries.'

**Five strategic principles**

'Through our Strategy 2025, we want to increase turnover to EUR 1.5 billion by 2025. Our wholesale model and Maykers both have a key role to play in achieving this ambition. As we're still at an early stage of the Maykers rollout, it's hard to tell what this business model's contribution will be. However, we're convinced that this model will flourish.' Franc: 'In order to achieve our ambitions and ensure the success of the two business models, we're introducing five strategic principles that we'll use to assess our decisions: creating profitable growth, being scalable and efficient, being dedicated to the customer experience, being data-driven, leading our industry in the area of digitalisation, and seeking joint success – for dealers and farmers as well as our own people.'

**Internal challenges**

'Our challenge is to stick to the strategy.' Eddie laughed. 'We have an entrepreneurial culture and like to seize new opportunities. However, it is also essential that we remain focused on our existing plans. While we could easily set a target of €2 billion in turnover because there are so many opportunities, we need to avoid trying to do too much all at once.' Frank chipped in. 'We're doing very well', he said. 'However, our costs are higher than they should be, so there's room for improvement in that area. By continuing to standardise and simplify our technology, processes and operations, we can gain a greater competitive advantage, achieve greater cost efficiencies and create room for further growth.'

**External challenges**

'We also need to keep a close eye on two external challenges', Eddie said. 'Our wholesale model is integrated with our dealers. But what will happen if

the role of the dealer changes or disappears, or if another party also decides to focus on creating a marketplace for farmers? If we want to be the leading business providing a full service to farmers, we need to act quickly and stay alert.' Franc: 'We also need to stay abreast of the latest trends and developments in areas such as digitalisation and warehouse technology, and remain flexible so that we can take advantage of them.'

**Progress**

'Communication is crucial', Franc said. 'It's vital that everyone understands what we're doing and the reason for it, and that our colleagues believe in this and act accordingly. We can come up with a wonderful strategy, but it won't work if we fail to get the rest of the organisation on board.'

***'We want more cross-functional collaboration, simpler processes, more proactivity and a focus on continuous improvement.'***

'We are currently working on a programme for behavioural change to generate this acceptance', Franc explained. 'We want more cross-functional collaboration, simpler processes, more proactivity and a focus on continuous improvement.' 'These behavioural changes and the principles behind the strategy are all driven by the same aim: we all need to work together to become even better', Eddie concluded.

# Statement from the Supervisory Board



Johan Lokhorst



Koen Slippens



Frederik Nieuwenhuys



Rutger Ruigrok

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. 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. The Supervisory Board evaluates its own performance and the performance of its members at least once a year.

We met a total of six times in 2020: twice in Varsseveld, twice at Kramp Hub in Utrecht, and twice in a digital environment. We were, unfortunately, unable to visit any of our locations outside the Netherlands during the year due to the COVID-19 pandemic.

Last year, we discussed the usual topics: strategy, interim results, balance sheet trends and cash flow. We also discussed Maykers, the adoption of the continuity plan, human resources, acquisitions, investments, budgeting, market developments and the composition of the Supervisory Board. All these discussions were open and constructive.

The composition of our Supervisory Board is changing with effect from 15 April 2021. My term as Chairman of the Supervisory Board is coming to a close. Rutger Ruigrok, who joined the Supervisory Board last year on the recommendation of NPM Capital, will take over as Chairman of the Supervisory Board.

I would like to thank all Kramp employees for their outstanding commitment and dedication. We can all be proud of the excellent results we achieved in 2020.

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

# Financial results exceeded all our expectations

'2020 was an extraordinary year for Kramp. When the COVID-19 pandemic broke out, we devised and developed scenarios for a fall in our turnover by 5, 10 or even 20%. But in the end, the opposite turned out to be true and our turnover actually grew significantly,' said CFO Hans Scholten.

## Growth in turnover

'Our turnover increased by more than EUR 80 million (9.3%) in 2020 to EUR 953 million, with a slightly better relative margin. A very good result, especially in this COVID-19 year. An important factor in this growth in turnover was that we immediately took adequate measures, both at our offices and in our logistics. The consistent application of these measures meant that, in the end, not a single warehouse had to close its doors. The availability of our inventories also played a major role. In early 2020, our inventory levels were relatively high, which meant that we could continue our deliveries. Subsequently, we were able to maintain our inventories at a relatively good level, despite the fact that many producers closed their factories temporarily, making it more difficult for us to obtain products. Fortunately, when those factories restarted, supplies were quickly resumed.'

## Lower costs

'The COVID-19 pandemic also had a major effect on our operating costs, which were as much as EUR 5.9 million lower in 2020 than in 2019. We saved a lot of

money on travel, accommodation and car expenses, as clearly we were unable to visit any customers, suppliers or other Kramp locations and worked mainly from home. Regrettably we also spent less on training and education, since people were unable to get together. On the other hand, absenteeism in logistics was much higher, partly because employees had to stay home if they had any symptoms in order to prevent the spread of the virus, and we had to hire external workers to fill the gaps. Distribution costs were also higher, because we did not always have the right inventories available at the right time. This meant that we had to make more deliveries per order.'

## Good results

'Our finance charges have fallen sharply thanks to our reduction of working capital. Our inventories decreased

by EUR 13.4 million (5.8%) to EUR 218 million. Given the growth in turnover, this is quite remarkable. The operating result amounted to EUR 81 million, an increase of no less than 33.5% compared to 2019. We did, however, record an exchange-rate loss of EUR 5.4 million, mainly because the Russian rouble and Polish zloty decreased in value. This brings the result before tax to EUR 70.2 million, which is an increase of 31% on the previous year. In terms of EBITDA, the result increased by 18.1%; from EUR 87 million to EUR 102.8 million.'

**'The operating result amounted to EUR 81 million, an increase of no less than 33.5% compared to 2019.'**



Hans Scholten, CFO

### Healthy financial position

'The balance sheet total dropped significantly due to our lower inventory levels. Our creditors position decreased slightly and our debtors position increased slightly, proportionate to the increase in turnover. Interest-bearing debt decreased by EUR 75.4 million to EUR 198.7 million. This means that our funding ratio has improved; leverage improved from 2.7 in 2019 to 1.5 in 2020. After profit allocation and dividend payment, our equity increased by almost EUR 36 million and the solvency rate has risen from 32% in 2019 to 43% in 2020. Our financial position is therefore still very healthy, despite the COVID-19 pandemic.'

### Ready to move forward

'In 2020, our capital expenditure totalled EUR 39 million. EUR 13 million of this was spent on IT and e-business, such as the webshop, the Kramp app and the Maykers platform. In addition, we invested EUR 13 million in buildings and EUR 8 million on their logistics layout. Of this, EUR 8 million was spent on the completion of our new warehouse in the United Kingdom and almost EUR 7 million on our warehouse under construction in Italy.'

'We're very proud of the new warehouse in the UK, which has four times the capacity of the old one. This makes us fully prepared for the future in the UK. Our building in Italy is under construction and the building in Spain will also become operational in 2021. It goes without saying that our investments in buildings are sustainable, for example in terms of the insulation value of the building materials used and the energy supply. Furthermore, we sold and then leased back our buildings in Germany and France. This sale and leaseback arrangement resulted in a EUR 42 million decrease in the balance sheet value. It also significantly reduced our working capital financing, creating more room to finance growth and capital expenditure.'

### Looking ahead to 2021

'The outlook for 2021 is good. We expect a 5% turnover growth in 2021, at a constant margin. This will increase our turnover to around the EUR 1 billion mark. Our costs will be higher in 2021, as they were exceptionally low in 2020 due to the COVID-19 pandemic. We expect costs to return to a normal level in the second half of the year. All things considered, we expect about the same pre-tax result in 2021 as in 2020, i.e. EUR 71 million. We expect EBITDA to slightly increase. In 2021, we will invest EUR 37 million, mostly in IT and e-business, and in the construction of our new warehouses in Italy and Spain and their fixtures and fittings.'

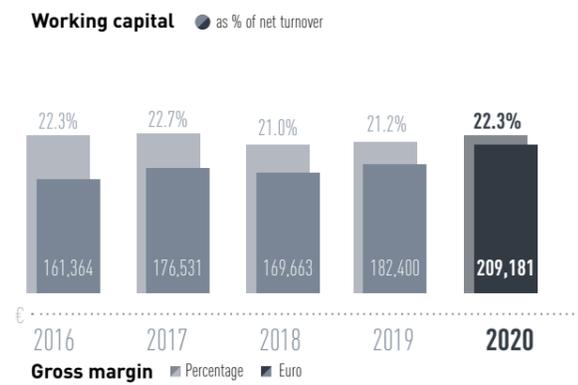
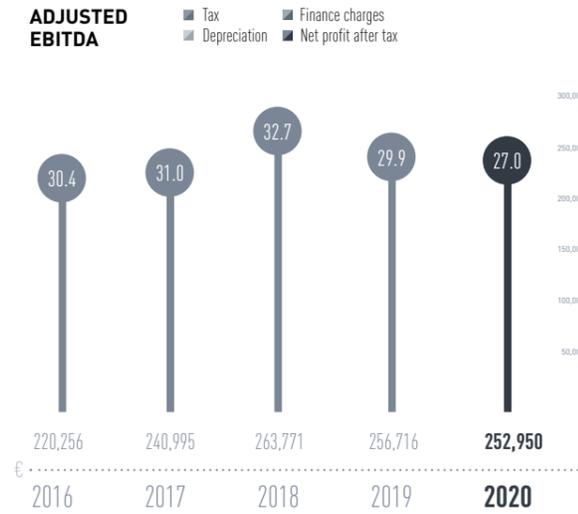
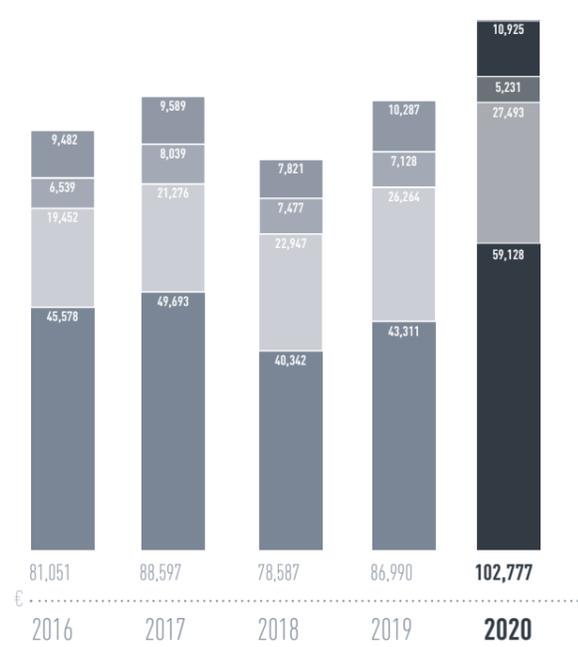
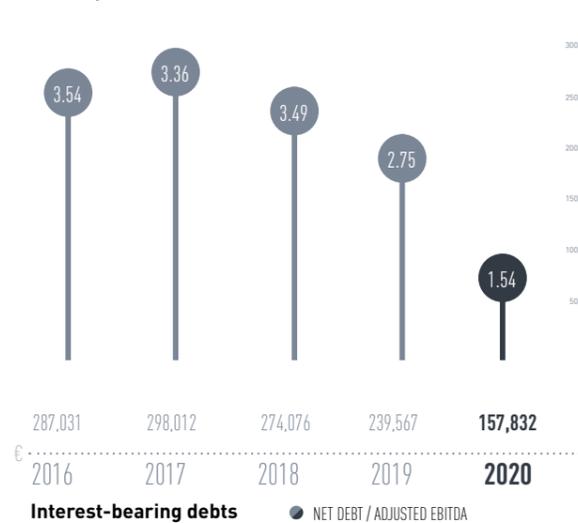
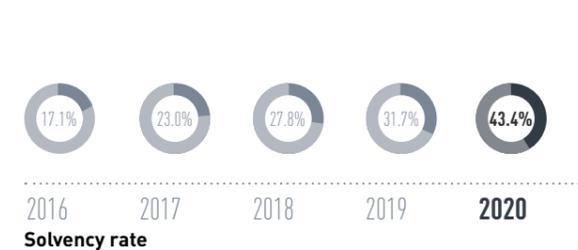
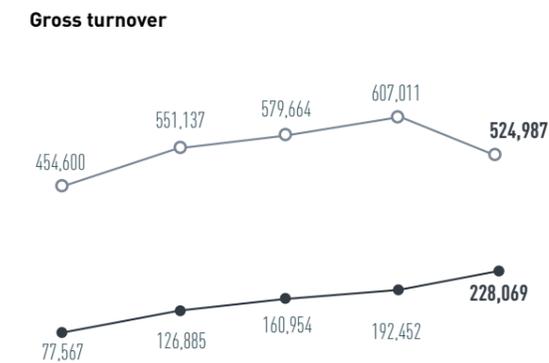
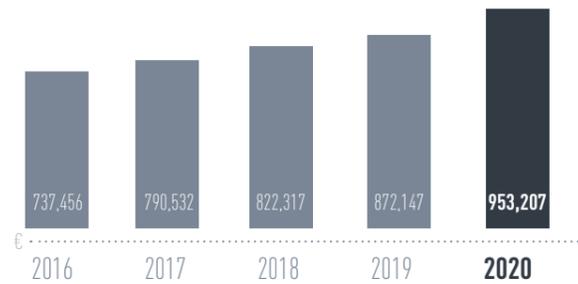
'We will also continue with Supply Chain Finance in 2021, which allows our suppliers to choose when they want to be paid. This project was slightly delayed due to the pandemic. Finally, we will work on the scalability of Kramp. A good basis for this is cost awareness, with which we have made significant progress in 2020. We see that managers, partly with the help of business control, have better insight into their own results and costs. This also enables them to manage better. The next step is to determine how we can increase our turnover without the costs increasing proportionally. For this to happen, we need to make better use of the investments we've already made.'

***'In 2021, we will invest EUR 37 million, mostly in IT and e-business, and in the construction of our new warehouses in Italy and Spain and their fixtures and fittings.'***

# Consolidated financial statements



## Key figures (x 1,000)



## Consolidated profit and loss account 2020

Pro forma accounts 2020

(x €1,000)	2020	2019
Gross turnover	953,207	872,147
Boni and discounts	-16,187	-13,017
<b>Net turnover</b>	↳ 937,020	↳ 859,130
Cost of sales	-727,839	-676,730
<b>Gross profit</b>	↳ 209,181	↳ 182,400
Sales costs	-88,072	-84,810
General administrative expenses	-40,263	-37,038
<b>Total costs</b>	↳ -128,335	↳ -121,848
<b>Net turnover result</b>	<b>80,846</b>	<b>60,552</b>
Interest receivable and similar income	264	216
Interest payable and similar costs	-5,495	-7,344
Foreign exchange rate results	-5,446	292
<b>Financial result</b>	↳ -10,677	↳ -6,836
<b>Profit from ordinary business operations before tax</b>	<b>70,169</b>	<b>53,716</b>
Taxes result from ordinary business operations	-10,925	-10,287
Share in results of subsidiaries	121	60
Third party share in result	-237	-178
<b>Profit from ordinary business operations after tax</b>	↳ 59,128	↳ 43,311
Extraordinary income	23,951	-
Taxes result from extraordinary income	-3,103	-
<b>Extraordinary profit after tax</b>	↳ 20,848	↳ -
<b>Net result</b>	<b>79,976</b>	<b>43,311</b>

## Consolidated balance sheet per 31 December 2020

Pro forma accounts 2020

Assets (x €1,000)	2020	2019
Intellectual property (software)	22,718	21,450
Goodwill	18,817	17,436
Prepayments on intangible fixed assets	10,685	8,283
<b>Intangible fixed assets</b>	↳ <b>52,220</b>	↳ <b>47,169</b>
Land and buildings	79,493	116,225
Warehouse equipment	32,698	30,648
Office- and IT equipment	8,798	8,932
Vehicles	1,553	2,066
Prepayments on tangible fixed assets and assets under construction	8,544	6,213
<b>Tangible fixed assets</b>	↳ <b>131,086</b>	↳ <b>164,084</b>
Subsidiaries	330	250
Receivables from participants	5,739	6,046
Deferred tax receivables	11,250	13,331
<b>Financial fixed assets</b>	↳ <b>17,319</b>	↳ <b>19,627</b>
<b>Total fixed assets</b>	<b>200,625</b>	<b>230,880</b>
<b>Inventories</b>	<b>218,148</b>	<b>231,575</b>
Trade debtors	84,171	77,264
Taxes and social premiums	9,146	10,138
Other receivables	4,084	516
Accruals and prepaid expenses	5,431	5,859
<b>Receivables</b>	↳ <b>102,832</b>	↳ <b>93,777</b>
<b>Cash</b>	<b>3,382</b>	<b>50,779</b>
<b>Total current assets</b>	<b>324,362</b>	<b>376,131</b>
<b>Total</b>	<b>524,987</b>	<b>607,011</b>

Liabilities (x €1,000)	2020	2019
Equity	228,069	192,452
Third party share in Group companies	829	806
<b>Group equity</b>	↳ <b>228,898</b>	↳ <b>193,258</b>
Deferred tax liabilities	2,250	3,548
Pension provisions	608	558
Other provisions	3,851	2,200
<b>Provisions</b>	↳ <b>6,709</b>	↳ <b>6,306</b>
<b>Long-term debts</b>	<b>129,114</b>	<b>258,711</b>
Amounts falling due within one year	32,901	24,087
Credit institutions	40,072	42,087
Trade creditors	49,369	52,123
Corporation tax (domestic)	258	923
Other taxes and social premiums	12,624	10,531
Value differences to be amortized	2,360	2,543
Other liabilities	22,682	16,442
<b>Short-term debts</b>	↳ <b>160,266</b>	↳ <b>148,736</b>
<b>Total</b>	<b>524,987</b>	<b>607,011</b>

## Consolidated cash flow statement 2020

Pro forma accounts 2020

(x €1,000)	2020	2019
<b>Net result</b>	<b>79,976</b>	<b>43,311</b>
Depreciation	27,493	26,264
Gain on disinvestments in tangible fixed assets	-25,542	-
Net financial result	5,231	6,836
Corporation tax	14,028	10,287
Change in financial fixed assets	-	111
Third party share in result	-97	178
Other	-	-
<b>Total adjustments</b>	<b>↳ 21,113</b>	<b>↳ 43,676</b>
	<b>101,089</b>	<b>86,987</b>
Change in other receivables and accruals and prepaid expenses	1,153	-1,480
Change in provisions	-67	-158
Change in other liabilities and accruals and deferred income	3,953	883
	<b>↳ 5,039</b>	<b>↳ -755</b>
Change in inventories	12,435	6,322
Change in trade debtors	-7,817	146
Change in trade creditors	-2,858	587
<b>Change in working capital</b>	<b>↳ 1,760</b>	<b>↳ 7,055</b>
<b>Cash flow from operations</b>	<b>107,888</b>	<b>93,287</b>
Received interest	264	216
Paid interest	-4,970	-7,262
Paid corporation tax	-11,158	-12,256
	<b>↳ -15,864</b>	<b>↳ -19,302</b>
<b>Cash flow from operating activities</b>	<b>92,024</b>	<b>73,985</b>

(x €1,000)	2020	2019
Investments in intangible fixed assets	-13,066	-12,783
Investments in tangible fixed assets	-24,078	-19,493
Disinvestments in intangible fixed assets	25	-
Disinvestments in tangible fixed assets	62,458	1,034
Acquisition subsidiaries	-1,996	-855
Received dividend subsidiary	40	-
Long-term loans issued	-	-3,051
Repayment on long-term loans	307	6,068
<b>Cash flow from investing activities</b>	<b>↳ 23,690</b>	<b>↳ -29,080</b>
Paid dividend	-38,960	-14,340
Repayment long-term debts	-121,692	-24,032
Borrowing long-term debts	156	14,985
Change in short-term debts	-2,068	2,849
	<b>↳ -123,604</b>	<b>↳ -6,198</b>
<b>Cash flow from financing activities</b>	<b>↳ -162,564</b>	<b>↳ -20,538</b>
<b>Net cash flow</b>	<b>-46,850</b>	<b>24,367</b>
Exchange and conversion differences on cash	-547	1,631
<b>Movement in cash position</b>	<b>-47,397</b>	<b>25,998</b>
Beginning cash and cash equivalent	50,779	24,781
Closing cash and cash equivalent	3,382	50,779
<b>Movement in cash position</b>	<b>↳ -47,397</b>	<b>↳ 25,998</b>

## Added value

We are constantly working on making our service as efficient and straightforward as possible. By focusing on innovation and optimisation, we continue to represent a link that adds value in the logistics chain. We set ourselves the challenge of meeting this requirement every day.

<p><b>Retail Concepts</b></p> 	<p><b>One-Stop-Shop</b></p> 
<p><b>Innovative Services</b></p> 	<p><b>Multi Brand</b></p> 
<p><b>Fast Delivery</b></p> 	<p><b>Online Services</b></p> 
<p><b>Sharing Knowledge</b></p> 	<p><b>Mobile Solutions</b></p> 



**Generations  
of working  
together**

# It's that easy.



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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.