

KONČAR - ELECTRICAL INDUSTRY Inc.
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Home Member State: Croatia

Zagreb, 14 December 2023

Subject: The Supervisory Board adopts KONČAR Group 2024 Business Plan

At the meeting held on 14 December 2023, the Supervisory Board of KONČAR - Electrical Industry Inc. adopted the 2024 Consolidated Business Plan of KONČAR Group, at the proposal of the Management Board.

The 2024 Business Plan is based on expanding backlog, which is expected to reach EUR 1.4 billion by the end of the year.

KONČAR Group plans to generate total income exceeding EUR 960 million. Export continues to account for the majority of revenue generated from the sale of goods and services. The EU remains the key market but growth across all other markets is also projected. Broken down by country, the most significant export volume is planned in Germany, Sweden, and Austria.

Intensive investments in decarbonization projects, renewable energy sources, and e-mobility, particularly across the EU member states, have been driving up the demand for power equipment. The rail solutions and infrastructure segment has also recorded greater demand for products and solutions that reduce adverse environmental impacts. KONČAR's established position of a reliable partner across all expanding segments has enabled the Company to develop an ambitious plan for new order intake in 2024. New order intake is planned in the total amount of EUR 1.2 billion, with backlog at the end of the planning period up by EUR 202 million, totalling EUR 1.6 billion at 2024 year-end.

In addition to growing the income side, enhancing the share of export in total income and further strengthening of profitability, one of the priorities in the upcoming year is the continuation of investments in the development of products, technologies and manufacturing capacities as a driver for the realization of sales plans.

The 2023 investment plan has not been fully realized due to projects whose realization was slowed down, their implementation will continue in 2024.

The 2024 Plan projects CAPEX amounting to EUR 62.9 million, with investment focus on buildings, new equipment and machinery.

KONČAR embarks on the new business year compelled with optimism and with expectations of good performance. Our goals remain the same - growing the income side and expanding export, further investments in equipment and new product development, and crucially - investments in people, lifelong learning and professional development as the imperative for the realization of all set plans.

KONČAR - Electrical Industry Inc.