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Security : KOEI-R-A
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LEI: 74780000H0SHMRAW0115
Home Member State: Croatia
Regulated market segment: Official market of the Zagreb
Stock Exchange

Zagreb, 16 December 2021

KONČAR Group adopts business plan for 2022

At the proposal of the Management Board of KONČAR – Elektroindustrija d.d., the Supervisory Board has adopted the business plan of KONČAR – Elektroindustrija d.d. and the consolidated plan of the Group for 2022.

The business plan for 2022 is based on the substantial number of contracts concluded by KONČAR by the end of the business year 2021. The value of contracted projects (backlog) at the end of 2021 is estimated at approximately HRK 5 billion, which represents a significant increase compared to the balance at the beginning of the year.

KONČAR Group is expected to end the business year 2021 with historically highest revenue from sales in the amount exceeding HRK 3.5 billion. In 2022, the revenue from sale of products and services is expected to be HRK 3.78 billion. A further 5.4 percent growth in export revenue is projected, with export accounting for 60 percent of the planned revenue from sales.

The demanding market of the European Union is expected to contribute the majority of 2022 income, with a planned share of HRK 1.5 billion. In terms of other markets, the Group plans to generate more income than predicted for 2021, with the greatest rise expected in neighbouring countries and on Asian and African markets. In 2022, the value of newly contracted transactions is expected to be HRK 4.4 billion. The value of contracted transactions (backlog) at the end of 2022 is expected to reach HRK 5.6 billion. The expected backlog provides a solid basis for achieving the Group's strategic objectives until 2024.



In accordance with the adopted Integrated Strategy of KONČAR Group, investments planned for 2022 amount to HRK 209 million. The planned CAPEX pertains primarily to investments in plant and equipment, increased production capacities in several KONČAR Group companies, continued digitalization, and further development of environmentally friendly products. The majority of the planned investments will be financed using the Group's own resources.

Despite the challenges posed by new waves of the Covid-19 pandemic, which resulted in lockdowns in some countries, despite significant increases in the prices of basic raw materials, supply chain disruptions, and container transport issues, KONČAR Group managed to end 2021 with record results.

The substantial number of contracts concluded, ensured liquidity and a stable balance sheet enable further growth and development of the Group in the next business year. Priorities will remain the same in 2022 – organisation and continuation of production, compliance with the agreed-upon delivery deadlines, efficient cost management, reduction of carbon footprint, and, most importantly, protection of health and safety of employees and business partners if the pandemic continues in the coming year.