

TRATON with strong vehicle sales in 2019

- Vehicle sales increase by 4%
- 242,200 vehicle deliveries of the three TRATON brands
- CEO Andreas Renschler: “Strong unit sales figures in an increasingly challenging market”
- Measures initiated to cushion market weakness in Europe
- Target for operating return on sales of 6.5% to 7.5% for 2019 confirmed

Munich, January 15, 2020 – In 2019, TRATON SE in its Industrial Business sold 242,200 vehicles of the MAN, Scania, and Volkswagen Caminhões e Ônibus brands, exceeding the prior-year figure by 4%. This positive development was driven among other things by high demand for trucks in Europe in the first half of the year and a sharp increase in demand in Brazil. However, the market for trucks cooled further in the course of the year, especially in Europe (EU28+2). That is reflected by the fact that the Group’s order intake declined during the year, falling by 7% compared to 2018.

“We achieved strong sales figures in an increasingly challenging market. Our brands were ready early on for the foreseeable decline in orders in Europe,” said Andreas Renschler, CEO of TRATON and member of the Board of Management of Volkswagen AG. “Our outstanding technology, close contact with customers, and an excellent team will give us a good foundation to tackle the challenges lying ahead,” added Renschler.

All three brands helped the Group achieve its strong unit sales: MAN sold 104,900 vehicles, 2% more than in the previous year. The MAN TGE van made a major contribution to that. Scania delivered 99,500 trucks and buses (+3%). Volkswagen Caminhões e Ônibus benefited from the economic upturn in Brazil, increasing deliveries by 15% to 41,900 vehicles. Whereas the TRATON brands grew sales of their trucks (excluding the MAN TGE van) by 2% to 205,900 units, deliveries of buses fell by 5% to 21,500 units following strong demand in 2018. Weaker demand for trucks in Europe in the second half of the year is attributable, among other reasons, to orders being pulled forward in the first half of the year because of introduction of the digital tachograph in Europe as of June 15, 2019, and pull-forward effects in the United Kingdom as a result of Brexit.

The market for commercial vehicles over six tons cooled down sharply, in particular in Europe, in the second half of the year. Orders for trucks of the TRATON brands (excluding the MAN TGE van) in the second half of 2019 totaled 89,500 and were thus 12% below the figure of 101,500 in the first half of the year. MAN and Scania have already taken measures in Europe to counter the decline in the market. Production has been adjusted and the number of subcontracted employees reduced.

We still expect a decline of 10% to 20% for the European market (EU28+2) for trucks over six tons in 2020. That will likely be particularly visible in the first half of 2020, since the first half of 2019 was impacted by pull-forward effects due to introduction of the digital tachograph and the Brexit debate. Based on market expectations, the TRATON brands are preparing further measures in coordination with all relevant stakeholder groups.

We confirm our target of an operating return on sales of 6.5% to 7.5% in 2019.

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TRATON SE is a subsidiary of Volkswagen AG and a leading commercial vehicle manufacturer worldwide with its brands MAN, Scania, Volkswagen Caminhões e Ônibus, and RIO. In 2019, TRATON GROUP's brands sold around 242,000 vehicles in total. Its offering comprises light-duty commercial vehicles, trucks, and buses at 29 production and assembly sites in 17 countries. The Company had a workforce of around 81,000 employees worldwide across its commercial vehicle brands as of December 31, 2019. The Group seeks to transform the transportation system through its products, its services, and as a partner for its customers.