

## TRATON generated good results in 2019 amid increasingly challenging market conditions

- Sales revenue increased by 4% to €26.9 billion
- Operating profit rose by 25% to €1.9 billion; operating return on sales rose to 7%
- Net liquidity in the Industrial Business segment totaled €1.5 billion
- Coronavirus pandemic prevents any reliable guidance regarding business performance in 2020
- TRATON CEO Andreas Renschler: “In this crisis, the commercial vehicles industry will play an important role in the supply of food and medication to people.”

**Munich, March 23, 2020** – The TRATON GROUP increased both sales revenue and operating profit during the challenging year of 2019 and is now preparing to meet emerging economic challenges and the impact of the coronavirus pandemic. The brands of the TRATON GROUP have temporarily closed a number of plants in response to the pandemic. MAN Truck & Bus filed an application for short-time work (*Kurzarbeit*) for workers in its German plants today. “In this crisis, the commercial vehicles industry will play an important role in the provision of food and medication to people,” said **Andreas Renschler, TRATON CEO and member of the Board of Management of Volkswagen AG.**

As one of Europe’s largest commercial vehicles manufacturers, the TRATON GROUP will assume the special responsibilities that have arisen from this emergency situation. “This is why we are going all out to continue providing service and replacement parts to our customers,” Renschler said. “Deliveries of food and medication can be assured only if overland transportation functions smoothly. In this exceptionally challenging situation that each of us faces today, the year of 2019 almost seems like ancient history. Nonetheless, we have every reason to be proud of our achievements.”

### Outlook for 2020

“In our Annual Report, which was prepared as of February 10, 2020, we were expecting to record a **moderate decline in unit sales and sales revenue for 2020,**” TRATON CFO Christian Schulz said. But the ongoing coronavirus pandemic makes it impossible by now to forecast the developments in the sales markets and, therefore, the company’s business development this year in a reliable fashion. In this situation that is weighing on the economy as a whole, the fact that we are able to lean on a sound balance-sheet structure is to our advantage. For instance, the net liquidity in the Industrial Business segment totaled €1.5 billion at the end of 2019,” explained Schulz.

## The TRATON GROUP at a glance

In 2019, **revenue rose** by 4% year on year and reached €26.9 billion. After adjusting for the sale of Volkswagen Gebrauchtfahrzeughandels und Service GmbH (“VGSG”) as of January 1, 2020, sales revenue increased by 6%. VGSG generated a sales revenue of €585 million during the previous year. The **operating profit** increased by 25% and reached €1.9 billion (previous year: €1.5 billion). The **operating return on sales** climbed to 7.0% compared to 5.8% in 2018. **Order intake** fell by 7% to 227,200 units. The book-to-bill ratio (unit sales divided by order intake) totaled 0.91 and recorded a decline compared with the previous year’s level of 0.95.

In the **Industrial Business segment**, **sales revenue** rose by 6% to €26.4 billion (previous year: €25.0 billion). The commercial vehicle business made the biggest contribution to sales revenue growth. The **operating profit** totaled €1.7 billion (previous year: €1.3 billion) and thus increased by 29%.

The **Financial Services segment** generated sales revenue of €849 million (previous year: €760 million) and an operating profit of €142 million (previous year: €138 million).

## Operating units at a glance

**Scania Vehicles & Services** increased **unit sales** by 3% to 99,500 (previous year: 96,500) vehicles. **Sales revenue** rose by 7% to €13.9 billion (previous year: €13 billion). The **operating profit** rose by 25% to €1.5 billion (previous year: €1.2 billion). The **operating return on sales** reached 10.8% (previous year: 9.3%).

**MAN Truck & Bus** recorded **unit sales** of 105,000 (previous year: 103,000) vehicles, an increase of 2%. MAN TGE van unit sales virtually doubled to 15,000 vehicles and thus made a substantial contribution to unit sales overall. **Sales revenue** rose by 3% to €11.1 billion (previous year: €10.8 billion). The **operating profit** totaled €371 million (previous year: €402 million), 8% below the previous year’s figure. This corresponds to an **operating return on sales** of 3.3% (previous year: 3.7%).

**Volkswagen Caminhões e Ônibus** increased **unit sales** by 15% to 41,900 (previous year: 36,400) vehicles and benefited from positive market developments in Latin America. **Sales revenue** climbed by 22% to €1.7 billion (previous year: €1.4 billion). The **operating profit** virtually doubled, reaching €55 million (previous year: €28 million). The **operating return on sales** rose to 3.2% (previous year: 2.0%).

## Realignment of MAN Truck & Bus aims to secure sustainability

The brands of the TRATON GROUP continuously work to improve their profitability. In the medium term, MAN Truck & Bus is aiming to generate a return on sales of 8%. This target was clearly missed last year. MAN is now heading towards a fundamental realignment. “MAN Truck & Bus has to be ready to take on future challenges like investments in electromobility and the increasing digitalization trend. We will be able to ensure the sustainable future success of our strong brand in a market filled with the very highest technical demands only if MAN Truck & Bus undergoes a fundamental realignment,” explains Renschler.

The Executive Board of MAN Truck & Bus has begun first discussions with the company’s Works Council regarding the realignment of the company.

TRATON CEO Andreas Renschler addresses the current situation in this [video](#).

# TRATON

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TRATON SE is a wholly-owned 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 product range comprises light-duty commercial vehicles, trucks and buses that are produced at 29 facilities in 17 countries. The company had a workforce of around 82,700 worldwide across its commercial vehicle brands as of December 31, 2019. The Group seeks to transform the transportation system – with its products, its services and its partnership with its customers.

