



MAN posts a significant increase in sales revenue

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European truck market records slight growth at a high level, unit sales and sales revenue considerably higher than the prior-year figures

Fiscal year 2018 at a glance

- **€13.9 billion – Order intake increased sharply**
[2017: €12.4 billion]
- **€12.1 billion – Sales revenue significantly above the previous year**
[2017: €11.1 billion]
- **€32 million – Slight decline in operating profit**
[2017: €358 million]
- **2.7% – Decline in operating return on sales**
[2017: 3.2%]
- **€+0.4 billion – Positive net cash flow**
[2017: €-0.3 billion]

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2018 was an eventful year for the MAN Group. The Company made progress in many areas and improved key financial indicators. The MAN Group's order intake increased by 12% to €13.9 billion, while sales revenue expanded by 9% to €12.1 billion.

In this respect, MAN Truck & Bus benefited from a rise in demand, with the European truck market achieving another slight increase from an already high level and MAN Truck & Bus gaining market shares. Among the larger volume markets, in particular Germany, France, Poland, and Italy saw growth in demand, while there was a moderate decline in the United Kingdom. Outside Europe, the market contracted to a very low level, especially in Turkey. The Russian truck market deteriorated during the course of the year and only recorded minimal year-on-year growth. The European bus market saw positive development in 2018. Order intake and sales revenue of MAN Truck & Bus were up significantly on the prior-year values in 2018.

The MAN Group is one of Europe's leading players in the commercial vehicle industry. It aims to offer innovative transportation solutions for its customers as well as generating profitable international growth and a sustained increase in its enterprise value. The MAN Group comprises two divisions: MAN Truck & Bus and MAN Latin America. The MAN Group generated sales revenue of €12.1 billion in 2018.



Unit sales in the Trucks business were up 14% on the prior-year figure at 95,352 vehicles in the year under review. This figure also included 7,871 MAN TGE vans. Unit sales in the Buses business also rose by 14%, with 7,204 MAN and NEOPLAN buses and coaches sold in 2018.

MAN Latin America, too, saw positive development in 2018, maintaining a leading position in the Brazilian market for trucks weighing five tons and over and in the bus segment. Buoyed by the country's economic recovery, the Brazilian commercial vehicles market grew considerably in the reporting period. Government investment in a new school bus program also made a contribution to this development. The order intake and sales revenue recorded by MAN Latin America in 2018 were significantly higher than in the previous year.

After years of losses, MAN Latin America has become profitable again. MAN Truck & Bus also benefited from a rise in sales revenue, although this was offset by higher expenses for new products and markets and the intense competition, among other factors. In addition, considerable expenses were required to restructure the activities in India. Adjusted for these items, MAN Truck & Bus's operating profit was approximately on a level with the previous year.

In total, the MAN Group's operating profit was €332 million, slightly down on the previous year. As a proportion of the significantly higher sales revenue, the MAN Group's operating return on sales declined to 2.7%.

In fiscal year 2018, the MAN Group beat the projected targets in terms of unit sales and sales revenue, but only met its earnings targets to a limited extent. The MAN Group's profitability in 2018 was still far below the strategic target. The Company is working hard on a lasting improvement.

Joachim Drees, Chief Executive Officer of MAN SE, explains: "The fact that MAN managed to improve its market share in Europe and achieve significant growth in Brazil was encouraging. Higher sales volumes had a positive impact on earnings. At the same time, however, we had to face the restructuring of our business in India, made necessary by our decision to focus on issues of the future. To ensure future growth and attain profitability goals, it is essential to achieve continuous improvements and operational excellence. In addition, our investments are at a high level – as part of this process, we subject all projects to a critical review and set clear priorities for essential research and development activities."

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A key driver of the Company's future success is its close integration with the TRATON GROUP, which was established in 2018 and supersedes the former Volkswagen Truck & Bus Group. MAN Truck & Bus, Scania, and MAN Latin America work closely together under the umbrella of TRATON. The companies are jointly developing core power train components. Engines, transmissions, axles, and exhaust aftertreatment systems are being created on common platforms that are then adapted by the individual brands. The aim is to turn TRATON and the MAN, Scania, and Volkswagen Caminhões e Ônibus brands into a Global Champion. The brands will retain their identities and full operational responsibilities.

The Executive Board of MAN SE expects the MAN Group's sales revenue to increase slightly in 2019. The MAN Group's operating profit and the operating return on sales will improve noticeably in 2019 compared with the previous year.