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Successful fiscal year 2017: Volkswagen Truck & Bus significantly increased revenues and operating profit

- Revenues grew to €23.9 billion
- Operating profit increased to €1.7 billion
- Operating return on sales at 6.9%

Braunschweig, Germany; March 19, 2018 – Volkswagen Truck & Bus' commercial vehicle business¹ significantly increased its revenues and operating profit in fiscal year 2017. Revenues went up 12.1% to €23.9 billion due to a strong increase of unit sales throughout all brands. Operating profit before special items increased by 26.8% to €1.7 billion, corresponding to an operating return on sales of 6.9%.

Andreas Renschler, Chief Executive Officer of Volkswagen Truck & Bus and member of the Board of Management of Volkswagen AG, said: "The Volkswagen Truck & Bus Group has had another successful year in 2017 and is making constant progress. Our financials prove that our Global Champion strategy and its initiatives are paying off step by step. We are creating additional value every day – for our customers as well as for our shareholder."

Strong development of individual brands

All three brands delivered strong results in 2017. MAN Truck & Bus' revenues rose by 8.6% to €10.0 billion, while operating profit saw a sharp rise of 27.9% to €532 million. Revenues at Scania grew to €12.8 billion corresponding to an impressive growth rate of 13.2%. Scania's operating profit saw an even stronger increase reaching €1.3 billion. After an economic downturn in Brazil in 2016, revenues at Volkswagen Caminhões e Ônibus increased by 32.5% to €1.1 billion in 2017. Although Volkswagen Caminhões e Ônibus is not yet profitable due to a still weak demand and strong competition, higher revenues and efficiency programs led to a reduction of losses by 44.7% to €105 million.

Matthias Gründler, Chief Financial Officer of Volkswagen Truck & Bus, said: "We are continuously strengthening our global market position and increasing our profitability. As a joint Group, Volkswagen Truck & Bus has shown sustainable and profitable growth right from the beginning. This is a strong sign for the successful cooperation of our brands and we are confident that we will be able to continuously realize further synergies going forward."

Steady growth in all regions in 2017

The development of individual markets was positive in almost all regions. The Group sold 114,820 vehicles in the EU28+2 region (European Union member states, Norway, and

¹ The Power Engineering business area is a legal part of Volkswagen Truck & Bus GmbH but operative not a part of the commercial vehicles business.

Switzerland), an increase of 1.6% over 2016. In Russia, unit sales more than doubled to 11,300 vehicles (+130.6%), influenced by the Russian market due to falling inflation rates, demand for replacement vehicles, and signs of recovery shown by the country's economy. Sales in South America increased by 28.5% to 34,620 vehicles, which was among others driven by the Group's position as market leader in the Brazilian truck business. The positive development in Asia Pacific was largely influenced by the positive development in the Chinese market, which resulted in an increase in unit sales of 21.1% to 17,170 vehicles. In the Middle East, unit sales went up 15.5% to 11,580 vehicles.

Volkswagen Truck & Bus constantly improved its financial performance since its setup in 2015

In 2015, the Volkswagen Group decided to bundle its truck and bus brands – MAN, Scania and Volkswagen Caminhões e Ônibus – under the umbrella of a new legal entity, Volkswagen Truck & Bus GmbH. The newly established company has made significant progress ever since: key structures and positions in the organization were put into place. Furthermore, collaboration among the brands has improved on a continuous basis.

Volkswagen Truck & Bus has shown sustained growth of revenues and operating profit in the first three years since its foundation in 2015. In average, revenues increased by 8.2% per year. In the same period, in average, operating profit before special items registered a plus of 27.4% per year. This positive development was supported by all three brands.

MAN Truck & Bus: fully on track

Since the foundation of the Volkswagen Truck and Bus Group, MAN Truck & Bus has recovered continuously and is currently positioning itself for the future. The brand's research and development activities focused on enhancing and developing its range of products, reducing fuel consumption, cutting emissions, alternative drives and alternative fuels, and improving active and passive safety. MAN has also actively accelerated its digital transformation with the Launch of RIO – the Volkswagen Truck & Bus digital brand initiated by MAN - and MAN Digital Services. Furthermore, MAN Truck & Bus successfully extended its product portfolio to the light commercial vehicles segment with the new TGE with more than 3,000 orders in 2017.

Scania: strong service business drives revenues

Scania is continuing its successful path and achieved record results in 2017 in terms of vehicle sales and revenues. Higher vehicle and service volumes offset higher production cost, increasing profitability. Above all, the brand is benefiting from the constant expansion of its market-leading service portfolio. In this context Scania extended its fleet care portfolio with its new product "Fleet Care with Uptime Guarantee". The service was specifically developed for uptime-sensitive operations with strict time slots and high daily utilization of vehicles. Scania thereby ensures that maintenance and repairs are carried out on weekday evenings and nights as well as during weekends without interfering the daily business. In line with the focus of the Volkswagen Truck & Bus Group, Scania continued its investments for driving the shift towards

sustainable transport systems, focusing on automation, connectivity, electrification and the development of future business models.

Volkswagen Caminhões e Ônibus: coping well with adverse market environment

Volkswagen Caminhões e Ônibus was able to hold its ground in a very challenging market environment. The brand is currently benefiting from a market recovery in Brazil and its increasing export business. With a market share of 28.1% in Brazil's truck market, Volkswagen Caminhões e Ônibus was able to regain leadership in the largest South American market, and maintained a strong second place in the Brazilian bus market.

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Volkswagen Truck & Bus GmbH is a wholly-owned subsidiary of Volkswagen AG and a leading commercial vehicle manufacturer worldwide with its MAN, Scania, Volkswagen Caminhões e Ônibus, and RIO brands. In 2017, Volkswagen Truck & Bus GmbH's brands sold around 205,000 vehicles in total. Its offering comprises light-duty commercial vehicles, trucks, and buses which are produced at 31 sites in 17 countries. The Company had a workforce of around 81,000 worldwide across its commercial vehicle brands as of December 31, 2017. The Group seeks to realign the transportation system through its products, its services, and as a partner for its customers.