

Hannover, 20th September 2018

New hub for Germany

- Branch nearby motorway A70 will open in October 2018
- 60% increase in sales volume within three years
- Customised vehicles within new flowline assembly

Starting at the 1st of October Schwarz Müller Group will open a new branch in Germany in order to extend its market reach beyond southern Germany. The Austrian premium manufacturer aims to have a countrywide presence in Germany by 2020, as Germany is Europe's largest market for commercial vehicles. Roland Hartwig, CEO of the Schwarz Müller Group, made the announcement today, Thursday, 20th September, at the IAA Commercial Vehicles 2018 trade show in Hannover. Since 2017, Germany has been the largest of the 21 markets in which Schwarz Müller Group operates. Having reorganised production at all of its plants, and with a product range highly suitable for Germany, the family-owned Austrian company is aiming for greater success than ever in Germany.

Schwarz Müller Group has acquired a servicing and repair location in Eltmann in northern Bavaria, between Bamberg and Schweinfurt, according to Hartwig. The site will be upgraded to become a full-service location focusing on sales, repairs, rental and used trailer business. Thanks to the new site, the Schwarz Müller Group will be well positioned to serve the market beyond northern Bavaria, namely Thuringia, Saxony and Saxony-Anhalt. Eltmann will function as a hub for picking up new vehicles in Germany. It is easily accessible from the plants in Freinberg (Austria) and Zebrak (Czech Republic). In addition to the repair and maintenance service for all 135 Schwarz Müller vehicles also rental and used vehicles will be

made available at the new site. According to Hartwig, 30 skilled workers will be employed there within the next two years to accomplish that. The new location occupies a suitable area of 27,000 m².

Schwarz Müller Group's goal is to double its market share

The Schwarz Müller Group aims to have a presence throughout Germany, which will be achieved by adding an additional site further north. That project will be implemented before the company's 150th anniversary in 2021. Hartwig points out that for Schwarz Müller Group – with its premium products, which are customisable based on individual requirements – the outlook for success in Germany is excellent. In 2017 2,300 Schwarz Müller vehicles were registered in Germany, representing market share of 5.5%. New orders in Germany in 2017 totalled 2,688 vehicles, which is significantly more than the aforementioned figure, and there has been a further increase during the first eight months of 2018. The anticipated figure for total order intake from Germany this year is 2,800 vehicles. That would represent a 59% increase relative to 2015 in the German market (2015: 1,762; 2018: 2,800). According to Hartwig, these growth targets are corroborated by the current situation regarding the distribution of sales volumes across Germany by region: at present, more than 90% of vehicles are sold to Bavaria, Baden-Württemberg and Hesse. That means there are large areas, including Germany's most important population centres, where Schwarz Müller currently does not have much penetration. "That substantiates our assumption that we'll be able to achieve double-digit market share in Germany, which is why we are targeting those regions", he says.

Demand strongest for construction vehicles

Hartwig also points out that the product mix supplied by Schwarz Müller to Germany is in line with its own strategy: in Germany, demand is strongest for complex, high-value construction vehicles and waste management vehicles such as tippers, low-loader vehicles and walking-floor vehicles. They account for around two-thirds of sales volume, followed by long-distance haulage vehicles (just under one-third). With that in mind, the company has broadened the product range for Germany. It has successfully entered the market with fully insulated thermal tippers, which are mainly

used in road construction. In the meantime it has also developed a box shaped tipper for the north German market. The complete, full-range product portfolio consists of 8 vehicle groups with 135 vehicle types.

Customised vehicles within standard delivery time

Just in time for the current expansion plan, Schwarz Müller Group has completed the most fundamental reorganisation of production methods in the company's history. At all three production plants, which will produce around 9,300 vehicles in 2018, flow-line production with a total of 12 lines has been set up, which will enable faster throughput times and increased capacity. "We want to offer our customers in Germany customised products, supplied within the delivery time for a standard vehicle", says CEO Hartwig. To achieve that, a digital control stand will be used within the whole production process. Algorithms will be used to ensure optimum utilisation of resources based on order status, with precise vehicle production sequencing determined on that basis. Sequencing is currently in the set-up phase and will go live at all three plants by the end of 2018.

"We are a niche provider and always will be"

Hartwig also underlined that maximising the number of units produced as a way to keep up with price leaders is not one of the company's strategic goals. "Our position is that we're a niche provider of premium products: our selling point is using technical know-how to produce vehicles with guaranteed added value", he says. "That additional performance in conjunction with international proximity to customers allows us to generate increased added value, and we intend to optimise that", he explains.

Six trade show vehicles loaded with innovative features

At IAA Commercial Vehicles, the Schwarz Müller Group is showcasing three vehicles in Hall 27 and three further vehicles in the open-air area for the international markets. Under the slogan 'Supertools for your success', the company will demonstrate the concrete quantifiable benefits achievable with customised vehicles. Examples include additional load capacity thanks to lightweight construction and fuel

savings based on the same load. Another effective approach is to use an electric cover in conjunction with optimised equipment for rapid unloading. That frees up time which can be used for additional turnover. In addition, the company has increased its focus on workplace safety features, for example by designing new standing platforms for tippers. “We are very well equipped for a new phase in Germany and intend to forge ahead starting immediately”, says Hartwig.

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The Schwarz Müller Group is one of the largest one-stop suppliers of commercial vehicles in Europe and operates in 21 countries, mostly in Central, Southeastern and Eastern Europe. As a leader in the field of innovation and technology, the company sets the standards for the industry, and is the specialist for individual transport solutions thanks to its more than 140 years of expertise. The most important sectors to use Schwarz Müller commercial vehicles are long-distance transport, the construction and oil industries, as well as the food and timber industries. Schwarz Müller manufactures more than 8,900 commercial vehicles a year, currently employs 2,290 staff, and generated revenue of 350 million euros in 2017. As well as its production facilities in Austria (Hanzing), the Czech Republic (Žebrák) and Hungary (Budapest), the company also supports a network of almost 350 service centres across Europe.