PRESSEAUSSENDUNG

SCHWARZMÜLLER
INTELLIGENTE FAHRZEUGE

Freinberg, 28 June 2018

Switch to Assembly-Line Production Drives Growth

- 12 production lines at three plants
- Turnover in period to end of June: up 11%
- Next project: Digital control station

Following the most fundamental reorganisation of production methods in the company's history, Schwarzmüller Group is achieving the anticipated impact on growth. The switch to assembly-line production has been completed earlier than originally planned; the first half of this year, turnover has increased by 11%. CEO Roland Hartwig made the announcement on Thursday, 28 June, at the company's headquarters in Freinberg, Austria. Mr. Hartwig expects the growth curve to flatten off in the second half of the year due to external effects. However, he does not anticipate any difficulties in achieving the company's targets for 2018, namely EUR 370 million in turnover and 9,300 produced vehicles.

In the first half of 2018, the group generated EUR 195 million in turnover, a year-on-year increase of 11% (2017: EUR 175 million). However, Mr. Hartwig is not changing his overall forecast for 2018, which remains at the published figure of EUR 370 million. "In the second half of the year, we will probably generate less turnover than in the first half. That is because the sales volume of expensive high-end construction vehicles tends to drop off after the summer, due to seasonal effects. And, as every year, the company holiday period in August will have an impact., Our vehicles do enjoy an excellent reputation in our key markets, and thanks to our new production methods we are well prepared to exploit those opportunities", he said.

Market position remains strong

As before, Schwarzmüller Group is performing particularly well in Germany. In 2018, it has maintained the market share of 5% which it achieved in 2017. That represents a doubling of sales volume within the space of just a few years. In Austria, Schwarzmüller Group remains market leader with a current market share of 34%, and is as well selling significantly more high-quality construction vehicles than before. In Switzerland, the company is the undisputed market leader, with a market share of 20%. In Hungary, during the first two quarters of this fiscal year, the company achieved market leadership for the first time.

Changes to product portfolio soon to reach completion

The planned changes to the product portfolio continue. Leading up to 2020, the company intends to sell significantly more construction and waste management vehicles (tippers, low-loader vehicles and walking-floor vehicles), and to in turn reduce the share accounted for by long-distance haulage vehicles. In construction vehicles, the target level of 45% was achieved in 2017, and in the first six months of 2018 the company has maintained that level.

12 production lines at 3 plants

Mr. Hartwig is pleased to point out that these latest figures justify the decision, taken in early 2017, to speed up production processes, which meant having to forego higher growth rates in turnover last year. “We are now in a position where we can forge ahead towards our target of producing and selling 10,000 vehicles in 2020”. At the group’s three plants in the Czech Republic, Hungary and Austria, 12 assembly lines have been set up, with each site functioning as a competence centre. The company is investing a total of a EUR 17 million; this year, investments amounted to EUR 8 million, including EUR 1.5 million for a new paint line in Freinberg.

Next step: digital control stations

The final project phase, which will take place at the three plants after the summer break, will be sequencing of the assembly-line production. Algorithms specifically developed for the company will be used to determine production sequencing to

ensure optimum utilisation of resources. “We produce 135 vehicle types on these 12 lines. That is a lot of diversity, and with so many different individual vehicles, optimum production sequencing is a complex task that can only be done on a computer”, explains Mr. Hartwig. Sequencing is the most complex way to produce on an industrial scale, but it is of key significance when producing premium products with numerous individual components that do not appear on standard pricelists, according to Mr. Hartwig.

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The Schwarzmüller Group is one of Europe's largest full-service providers for utility commercial vehicles and currently has locations in 21 countries, predominantly in Central, South-Eastern and Eastern Europe. As a leader in technology and innovation, the company sets industry benchmarks, and with more than 140 years of experience, it is the leading specialist for individual transport solutions. The most important industries for Schwarzmüller utility vehicles are long-distance transport, construction, petroleum, food and lumber. Schwarzmüller manufactures around 8,900 utility vehicles per year, employs around 2,290 people and generated 350 million euros in revenue last year (2017). Alongside the production locations in Austria (Hanzing), the Czech Republic (Zebrak) and Hungary (Budapest), the company offers a Europe-wide network of 350 service points.