

Freinberg, 14 February 2018

Focus on strategic goals

- 2017: sales increase of 2 percent
- Construction and waste collection vehicles demonstrate strongest growth
- Forecast for 2018: revenue of 370 million euros

The Schwarz Müller Group concluded the 2017 fiscal year with a total revenue of 349 million euros. This represents growth of 2 percent compared to 2016 (342 million euros). Revenue growth within the current planning period, which began at the end of 2012, is 52 percent. Roland Hartwig, Group CEO, announced this news today, Wednesday, 14 February, at the company's location in Freinberg. He confirmed that the 2020 plan has remained unchanged: Now in its 150th year, the Austrian premium commercial vehicle manufacturer aims to generate revenue of 450 million euros and to sell 10,000 vehicles.

Hartwig also noted that the deviations from the plan for the 2017 fiscal year were made in order to push strategic goals forward. He said that the priority was establishing flow production, which entailed building totally new production lines in all of the company's plants. The reduction in process times brought about by this change is intended to increase efficiency and fulfil customer expectations. Delivery times became a hot topic during the current boom conditions.

It was possible to implement the change in production method the most rapidly in the Czech Republic. Hartwig noted that delivery reliability is already 90 percent there. In Hungary, installation of the new structures was completed just before the end of the year. The number of vehicles manufactured was higher than the previous year, but lower than planned. In Austria, the final production lines will be completed in the first half of 2018. Despite the conversion, production remained stable in 2017. Since midyear, resources have been concentrated on accelerating the conversion process. This approach made it possible to shorten the process by six months. "Starting in autumn 2018, our increased

efficiency will enable us to offer all of our customers shorter delivery times," said Hartwig. With the new, more efficient structure, Schwarz Müller will be able to reach its 2020 planning goal of 450 million euros in revenue and 10,000 vehicles.

More construction and waste collection vehicles

Production in 2017 reached the level of the previous year, with 8,880 vehicles (2016: 8,866 units). Revenue, however, increased more significantly than unit production, growing by seven million euros. "This shows that the vehicle mix has shifted further toward the lucrative area of construction and waste collection vehicles," said Hartwig. In the past year, 3,900 such units were manufactured, representing 44 percent of overall production. This means that the Schwarz Müller Group has already reached the level that was planned for 2020. Haulage vehicles currently make up 49 percent, or 4,350 units. The rest are tank vehicles and speciality vehicles.

Germany is now the clear leader

In sales markets, Germany is current leader, with booming sales of construction vehicles. The Group has defended its market dominance in Austria and Switzerland, and sales in Eastern Europe, particularly Hungary and Poland, are stable. In 2017, the Group increased its number of employees by 40 people to 2,290 and took on approximately 100 new apprentices.

An additional eight million euros for manufacturing

In 2018, the Schwarz Müller Group aims to achieve 370 million euros in revenue and to sell 9,300 vehicles. After flow production is introduced, the plants will begin with sequencing: This computer-optimised production control method is intended to enable the company to achieve additional increases in efficiency. The majority of the eight-million-euro investments are being used for this goal. Funding is also provided for the construction of an in-house training workshop in order to advance internal training practices.

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The Schwarz Müller 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 Schwarz Müller utility vehicles are long-distance transport, construction, petroleum, food and lumber. Schwarz Müller manufactures around 8,900 utility vehicles per year, employs around 2,290 people and generated 349 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.