

TRATON GROUP to increasingly focus on China with future strategy

- The merger with Navistar set to take place on July 1, 2021, will mean the main aspects of the Global Champion Strategy adopted in 2015 have been implemented
- In the future, TRATON plans to focus on filling in the gaps it still has on its global map, for example in China
- “Right now, we are analyzing the best ways we can single-handedly leverage our brands’ potential there. Chinese fleet customers are increasingly looking toward higher-end vehicles. They are expecting more and more in terms of efficiency and safety. We want to meet this demand,” TRATON CEO Matthias Gründler said during the virtual Annual General Meeting
- New strategy places additional emphasis on sustainability, new business models, and partnerships that add value
- Unit sales and incoming orders continue to increase in the second quarter of 2021; TRATON’s sights set firmly on strengthening its capital structure

Munich, June 30, 2021 – The TRATON GROUP intends to complete its merger with US commercial vehicle manufacturer Navistar on July 1, 2021. With it, the Company is entering the final stretch of its Global Champion Strategy and will be focusing increasingly on the Chinese market as part of its future strategic direction. TRATON CEO Matthias Gründler announced this during TRATON SE’s virtual Annual General Meeting. Gründler emphasized that generating value will become an even more important element. “That means making our brands even stronger. And each brand knows it has a clear target return. This is also about filling in the gaps we still have on our global map in Asia. One word here: China,” Gründler said as he spoke at the Bus Forum in Munich. China is the world’s largest commercial vehicle market. Four out of ten trucks over six tons sold worldwide are sold to customers in China. “Right now, we are analyzing the best ways we can single-handedly leverage our brands’ potential there,” said the TRATON CEO, adding: “Chinese fleet customers are increasingly looking toward higher-end vehicles. They are expecting more and more in terms of efficiency and safety. We want to meet this demand.”

The plant that TRATON’s brand Scania is currently building in Rugao, 150 kilometers north-west of Shanghai, will play an important role in the expansion of the Company’s business in China. The site is also set to house research and development activities, with the Group planning to create a new technology hub for digitalization. Series production is scheduled to begin next year. This will make Scania the first Western truck manufacturer to have fully independent production in China. “I am confident: thanks to this step in the Chinese market, the TRATON GROUP and its brands have a successful future ahead of them in the world’s biggest market,” said Gründler.

As part of its future strategy, TRATON also wants to broaden its business base and open up new areas of activity. Together with its brands, the Company intends to play an even bigger role in shaping transportation beyond iron and steel. “We want to create new business models and partnerships that add value. We are expanding our perspective on logistics and digitalization,” said Gründler.

The brands of the TRATON GROUP are benefiting from technology that was developed within the Group. The 13-liter common base engine (CBE) is of particular significance within this context. It is set to be installed in Scania vehicles in Europe before being rolled out to further brands and markets. By 2025, every second heavy-duty truck of the TRATON brands should be powered by the CBE. With it, the TRATON GROUP is building bridges to the future, which will clearly be shaped by battery electric commercial vehicles. “The CBE is the last conventional drive to be developed by the TRATON family and its brands,” explained Gründler.

Another important element of the TRATON GROUP’s future course of action is balancing the needs of human beings, the environment, and the economy at all times, achieving a triad of People, Planet, and Performance. TRATON aims to assume even more responsibility as a company whose actions are informed by a responsible, sustainable perspective on people: on its employees, customers, and suppliers. That includes a corporate culture that focuses on pluralism and inclusion. Pluralism goes beyond the popular notion of diversity. TRATON does not just want to promote diversity in terms of ethnicity and gender, but to consciously bring together people with different experiences, educational backgrounds, and personalities.

Strong unit sales and incoming orders in the second quarter of 2021

Following a very good first quarter of 2021, TRATON is continuing its success in the second quarter despite tensions in the supply chains. Preliminary figures for the second quarter, for example, show that the TRATON GROUP recorded better unit sales than in the first quarter, which saw it sell more than 60,000 commercial vehicles. Incoming orders also continued to rise in the second quarter, surpassing the previous record of 81,700 orders received in the preceding quarter. The operating business is still performing very well. Once the merger with Navistar has gone through successfully, the TRATON GROUP will set its sights firmly on strengthening its capital structure.

TRATON

G R O U P

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With its brands Scania, MAN, Volkswagen Caminhões e Ônibus, and RIO, TRATON SE is one of the world's leading commercial vehicle manufacturers. Its range comprises light-duty commercial vehicles, trucks, and buses, at 29 production and assembly sites in 17 countries. The Group aims to reinvent transportation — with its products, its services, and as a partner to its customers. For TRATON, sustainable economic growth always includes treating people and nature with respect. The People, Planet, and Performance triad will shape the future of our Company.

