



MAN publishes its 2020 Annual Report

Munich, March 10, 2021

Profitability not satisfactory — sales revenue expected to rise

Fiscal year 2020 at a glance

- **€11.6 billion — Significant decline in incoming orders**
[2019: €13.4 billion]
- **€10.8 billion — Sales revenue down significantly on previous year**
[2019: €12.7 billion]
- **€-631 million — Sharply negative operating result**
[2019: €361 million]
- **-5.8% operating return on sales — Profitability not satisfactory**
[2019: 2.9%]
- **€55 million — Positive net cash flow**
[2019: €1.7 billion]

MAN SE
Dachauer Straße 641
80995 Munich
Germany

Head of Communications
Sacha Klingner

Tel.: +49 89 36098-111
presse@man.eu
www.man.eu/presse

2020 was an unusual year, characterized by far-reaching changes and unexpected challenges, which also affected the MAN Group. At the same time, the Company achieved important successes in 2020. Successful launches of exceptional products must be highlighted here: above all of the new truck generation from MAN Truck & Bus and the heavy-duty Meteor truck from MAN Latin America.

MAN had braced itself for headwind in 2020, given that the European market environment had already taken a turn for the worse in the previous year. This was exacerbated by the outbreak of the COVID-19 pandemic in the first half of the year, which brought about considerable uncertainty and reluctance across virtually all sectors of the economy around the globe — including from a lot of customers. Production stood still for several weeks and could only be ramped up again gradually. Capacity utilization remained at a low level. MAN was forced to resort to short-time working arrangements, implemented ex-



tensive cuts in non-staff-related operating expenses, and reduced capital expenditures to an absolute minimum. This allowed it to avoid costs and safeguard its liquidity.

The markets then recovered from this low level in the second half of the year, but remained volatile. A double-digit slump was recorded in the unit sales of trucks and buses and the corresponding sales revenue in 2020 as a whole, in particular at MAN Truck & Bus but also at MAN Latin America. Order backlog fell in total. But there was one thing that offered a glimmer of hope in 2020: the MAN TGE van. Incoming orders and unit sales of the MAN TGE van increased significantly despite the generally negative trend.

The MAN Group's unit sales declined by 17% to around 118,000 trucks, buses, and vans in 2020. The Company also reported heavy losses in sales revenue, which dropped by 14% to €10.8 billion, primarily as a result of this weak new business. The massive volume decline in production, higher depreciation and amortization charges, and additional costs in connection with the launch of the new truck generation were the main factors weighing considerably on the MAN Group's profitability. These resulted in an operating result of €-631 million, with operating return on sales declining to -5.8% in 2020.

2021 is also not looking encouraging in this respect. The MAN Group's sales revenue is expected to rise due to volume-related factors, with increases at both MAN Truck & Bus and MAN Latin America. With this, the MAN Group's operating result and operating return on sales before restructuring measures will improve dramatically compared with the prior-year figures. We anticipate that the MAN Group's operating result before restructuring expenses will be slightly positive in 2021.

Andreas Tostmann, Chief Executive Officer of MAN SE, explains: "The MAN Group's profitability is not satisfactory. In light of this, we will do everything we can to realign the Company. MAN's mission is to help successfully shape the future of the transportation and logistics industry. We want to offer sustainable solutions to our customers. This is something we are tackling with determination and confidence. After all, we have our strengths and are leveraging them consistently, with all our energy. These are our exceptional products, our high level of innovation, the relentless determination to face future challenges that is so typical of MAN, our hands-on attitude, and the strong commitment of all of our Company's employees."