Press Release
MAN SE

2019 Annual General Meeting: MAN is engineering the future through change

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Shareholders receive guaranteed dividend of €5.10 per share

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The Annual General Meeting of MAN in Munich saw Joachim Drees, Chief Executive Officer of MAN SE, look back on the 2018 fiscal year in front of around 400 shareholders and guests. In doing so, he emphasized: “Our business thrives on change. As one of Europe’s leading commercial vehicle groups, change is something we are open to. We have to be if we want to continue being successful.” The issues of the future – alternative drives (especially electrification), digitalization, and automated driving – are rapidly changing mobility, transportation, and logistics. In light of the above, MAN is directing its efforts toward the development of new products and services with a clear focus on these issues.

An alliance of political decision makers, freighters, and transportation companies is more important than ever before if MAN is to maintain its leading position among international competitors. Recently, the European Union agreed on a CO_2 regulation for trucks weighing over 16 tons. Truck manufacturers in the EU are expected to have reduced the CO_2 emissions of their new vehicle fleets by 15% up to 2025 and by 30% up to 2030 as against 2019 levels. Sales quotas have also been agreed for zero-emission trucks from 2025 onward.

MAN CEO Drees explained: “As a commercial vehicle manufacturer, we are facing these ambitious targets head on. As far as we are concerned, the future of urban passenger and freight transportation is electric – our product highlights at the IAA Commercial Vehicles 2018 made this abundantly clear.” Nevertheless, complying with the ambitious targets set in the CO_2 regulation, especially with regard to long-haul transportation, will require a great deal of effort from manufacturers and their customers and will only succeed if they work together with policymakers. Drees: “If trucks powered by alternative drives are to be more accepted by the market, certain conditions must be met – conditions which right now are nonexistent. As things stand at present, for example, we cannot even have heavy-duty electric trucks approved as serial vehicles because regulators are unable to agree on test parameters.”

Drees therefore launched the following appeal to political decision makers: “Create the required framework in a timely manner so that we no longer have to apply for an exemption every time we want to have an electric truck approved. Support the purchase of these new technologies – with infrastructure and with incentive systems.” He added that the only way to bring the new technologies on to European roads is with the charging and fuel infrastructure required. Government incentive systems are also needed, so that customers actually buy and use the zero-emission trucks: “We expect political decision makers to come up with solutions we as well as our customers can work with as soon as possible. Coordinated change requires clarity – this is the only way for us to keep up with our international competitors.”

What MAN needs more than anything in order to bring its projects for the future to life is a solid financial footing. In 2018, the Company made progress in many areas and improved key indicators. The MAN Group’s order intake increased by 12% to €13.9 billion, while sales revenue expanded by 9% to €12.1 billion. At €332 million, operating profit was down slightly on the previous year. As a proportion of the significantly higher sales revenue, the MAN Group’s operating return on sales declined to 2.7%.

Another key driver of the Company’s future success according to Drees is its close integration with the TRATON GROUP. MAN Truck & Bus, Scania, and MAN Latin America, most of whose sales are made through Volkswagen Caminhões e Ônibus, are working closely together under the umbrella of TRATON. The companies are jointly developing core power train components. Engines, transmissions, axles, and exhaust aftertreatment systems are being created on common platforms that are then adapted by the individual brands. The aim is to turn TRATON and the MAN, Scania, and Volkswagen Caminhões e Ônibus brands into a Global Champion.

Starting from fiscal year 2019, MAN SE is no longer affiliated with TRATON SE by means of a domination and profit and loss transfer agreement (DPLTA). Free float shareholders will have received cash compensation of €5.10 per MAN common or preferred share for the previous fiscal year as a whole as determined by the domination and profit and loss transfer agreement with what is now known as TRATON SE, which has now been terminated, for the last time for 2018. As a result of the final decision on the proceedings of cash compensation and the termination of the DPLTA, free float shareholders of MAN SE once again had the right to tender their MAN shares to what is now known as TRATON SE. As a result of this tendering window, TRATON SE's stake in MAN SE as the latter's biggest single shareholder exceeded 90% in March 2019.

To conclude, Joachim Drees gave an outlook for the current fiscal year: "The Executive Board of MAN SE expects the MAN Group's sales revenue to increase slightly in 2019. The MAN Group's operating profit and the operating return on sales will improve noticeably in 2019 compared with the previous year."