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MAN Truck & Bus braces itself for radical change in the commercial vehicle industry

Executive Board and Works Council in talks on improving the company's earnings power and its consequent realignment

Commercial vehicle manufacturer MAN Truck & Bus is taking important steps to prepare the company for radical change in the transportation industry. Employer and employee representatives are currently in initial talks on how efficiency and earnings power can be improved sustainably to actively drive the transformation of MAN forward.

The new MAN Truck Generation, which was presented to the public in February 2020, comes at the right time. Thanks to a large number of innovative technologies, it is MAN's answer to its industry's megatrends. Digitalization, alternative drives, and autonomous driving are shaping the future of that industry. Major investments continue to be needed for a strong competitive standing in the future.

"We are in an excellent position with our truck, bus, and van products. When it comes to our company's cost structure, however, there is a clear need for improvement. We have to increase our profitability significantly in order to strengthen our future competitive standing and be able to implement the substantial investments needed to transform MAN. This is also likely to require a significant number job cuts, especially in indirect areas. We are currently considering a variety of different measures to make MAN fit for the future: we plan to take targeted action to strengthen certain areas while reducing other activities or stopping them altogether. That will enable us to play an active role in shaping the technological change. We have begun initial talks on all these issues with the employee representatives," says Joachim Drees, Chief Executive Officer of MAN Truck & Bus SE.

In recent years, the company had already been continuously working to improve its profitability, achieving significant cost savings. Nevertheless,

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MAN Truck & Bus is one of Europe's leading commercial vehicle manufacturer and transport solution provider, with an annual revenue of some €11 billion (2018). The company's product portfolio includes vans, trucks, buses/coaches, and diesel and gas engines, along with services relating to passenger and cargo transport. MAN Truck & Bus is a company of TRATON SE and employs more than 36,000 people worldwide.

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further efforts are necessary to make MAN considerably more efficient and profitable in the coming years.

These cost measures will serve as the basis for a systematic structural realignment of MAN Truck & Bus. The management is currently reviewing the future viability of all activities and establishing new areas of emphasis as part of an intense strategic process. Although the cooling demand for trucks in the European market does intensify the pressure to act, it is not the main driver of this transformation.

The exact measures to be taken and implemented are currently in discussion between the Executive Board and the Central Works Council.