



# IMAF Forum

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**■ INTRODUCTION**

**■ MARKET OVERVIEW**

**■ IVECO PLAN**

**■ LOCALIZATION**

# CHNI Industrial

Our company



*Industrial Activities comprise AG, CE, CV and Powertrain*

# CHNI Industrial

## Our Products



Trucks



Buses



Firefighting Equipment



Civil Protection and  
Defence Vehicles



Skid Steer Loaders



Crawler Excavators



Engines  
and Transmissions



Tractors



Combines

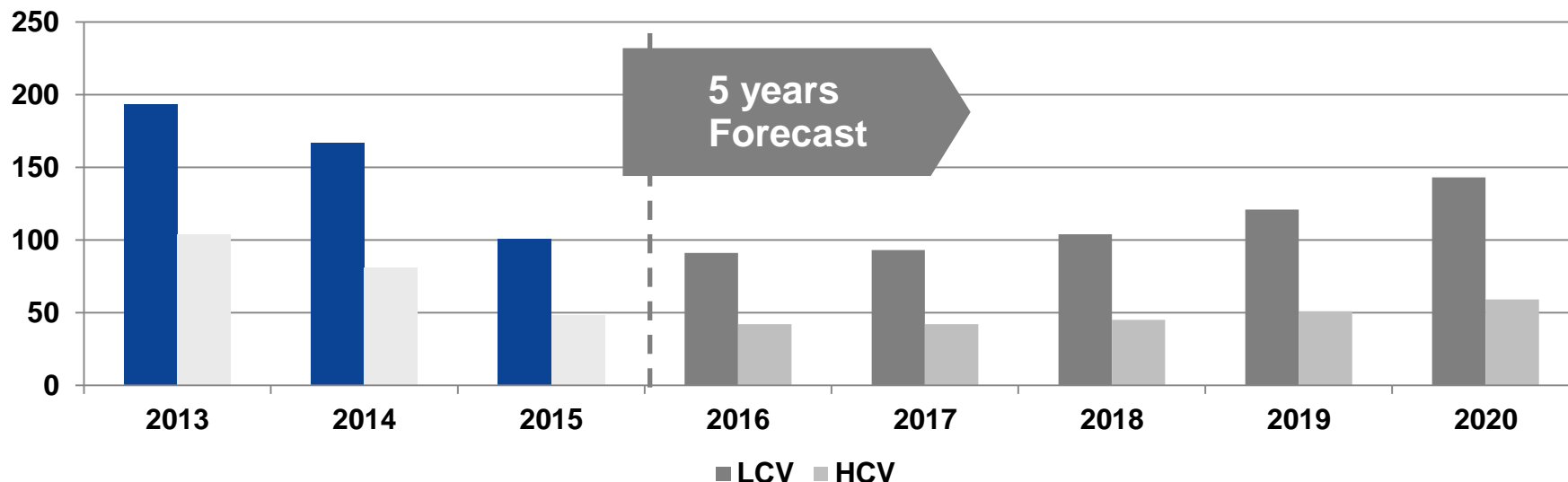
*Industrial Activities comprise AG, CE, CV and Powertrain*

# MARKET OVERVIEW



# New Trucks and Commercial Vehicles Sales

Source: Russian Automotive Market Research (base line scenario)



- Baseline scenario: 2016-2017 industry similar to 2015
- From 2018 expected growth thanks to recovery of the economy (oil price expected 60-70 \$/barrel), and park renewal
- In 2020 volumes back to 2014, but still below from 2013 figures
- Possible faster market recovery thanks to:
  - *Recovery of Russian economy*
  - *Easing of sanctions versus some sector of Russian economy*
  - *Active construction of infrastructure and facilities for World Cup 2018*

# New Trucks and Commercial Vehicles Sales

Source: Russian Automotive Market Research (base line scenario)

## Full Year 2015

Russian Brands: **MS% 70,3**

*+8,5 ppt vs. PY*



Europe Brands: **MS% 23,8**

*-7,7 ppt vs. PY*



Asian Brands: **MS% 5,8**

*-2,3 ppt vs. PY*



**Russian Production Origin:**

*90,6% of total Russian TIV*



## Jan-Jun 2016

Russian Brands: **MS% 73,0**

*+3,5 ppt vs. PY*



Europe Brands: **MS% 21,5**

*-2,9 ppt vs. PY*



Asian Brands: **MS% 5,5**

*-0,5 ppt vs. PY*



**Russian Production Origin:**

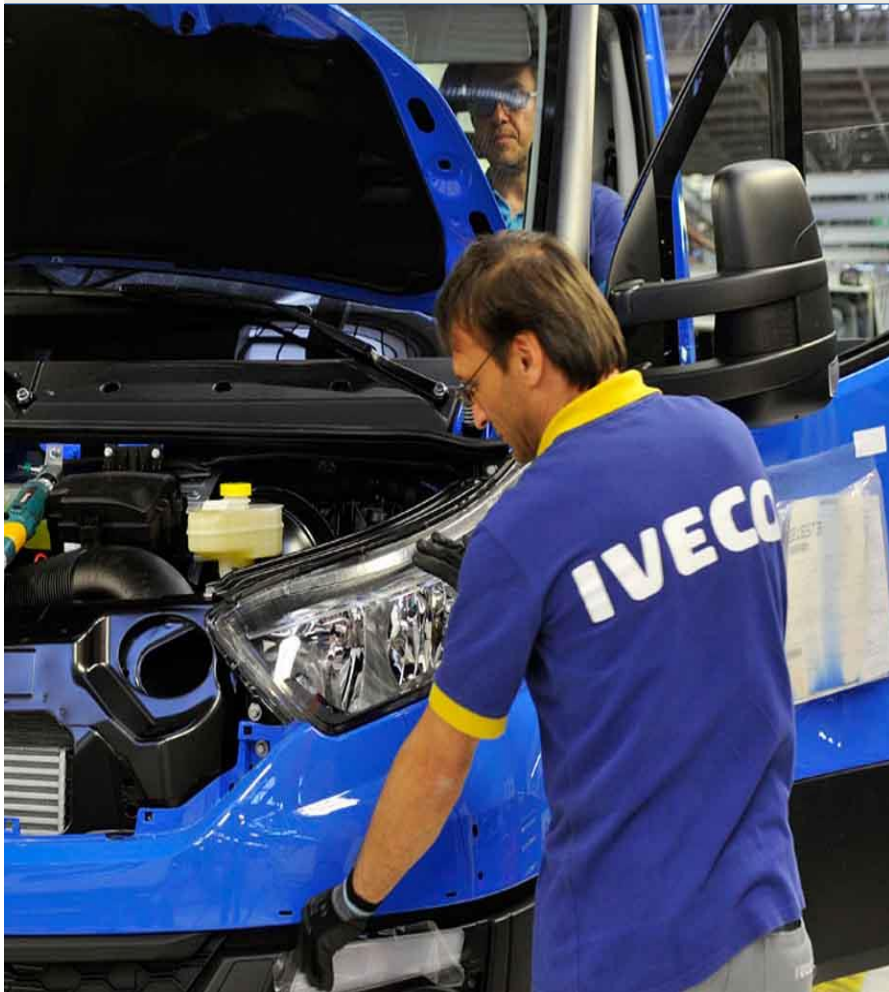
*>92,5% of total Russian TIV*



Expected a further movement of the TIV to local products thanks to govern supports to local industry



# IVECO PLAN





# Leverage on Iveco core values



**TECHNOLOGY**

**TOTAL COST OF OWNERSHIP (TCO)**

**BUSINESS PARTNER**

**SUSTAINABILITY**



# IVECO Technology

## Winning Product Line-up



# Technology leadership

- 1978 First antilock brake system, forerunner to ABS;
- 1978 First light truck with **independent front suspension**;
- 1985 First light truck with diesel **direct injection**;
- 1990 First **hybrid** vehicle;
- 1994 First **automated manual transmission**;
- 1999 First light truck with Diesel **Common Rail** Injection System;
- 2003 First medium truck with **disc brakes**;
- 2005 First **fuel cell** vehicle (bus);
- 2006 First medium truck with **SCR** (Euro IV);
- 2013 First vehicle with **Euro VI SCR-only**.
- 2014 First CV with 8-speed automatic GBox**
- 2016 First Truck >400HP CNG**



## DSE

DRIVING STYLE  
EVALUATION



## HI-SCR

THE MOST EFFICIENT  
EURO VI  
TECHNOLOGY ON  
THE MARKET



CLASS EXCLUSIVE  
8-SPEED  
AUTOMATIC  
GEARBOX

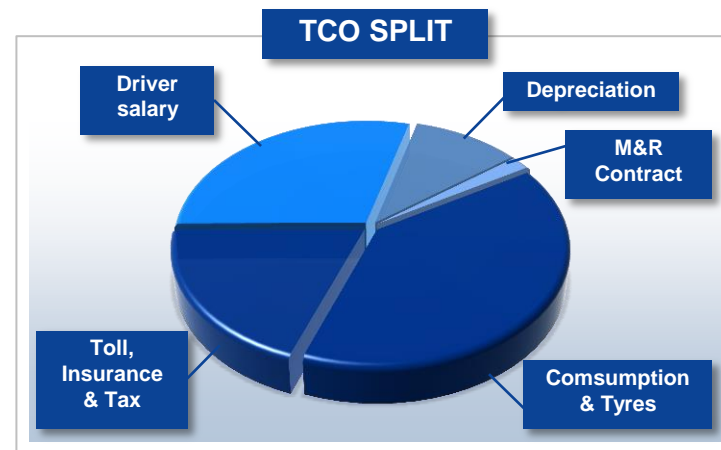


HI-MATIC

# TCO – Total Cost Of Ownership

## TCO FOCUS

Increase productivity focusing on Total Cost of Ownership reduction, minimizing operating costs (consumption and maintenance) and maximising residual value and the efficiency of fleet management.



### IVECO STRALIS EFFICIENCY PACK

**600,000km**  
DPF CHANGE  
INTERVAL

**4,5%**  
FUEL SAVINGS  
COMPARED TO EURO V



### EUROCARGO



ON URBAN MISSIONS  
**8% FUEL SAVING**  
COMPARED WITH  
PREVIOUS EURO VI

### DAILY



FUEL SAVINGS  
UP TO **14%**  
WITH ECOPACK

**DAILY**  
HI-MATIC

**10% LOWER**  
MAINTENANCE  
AND REPAIR  
COSTS  
VS MANUAL  
TRANSMISSION

# Sustainability & alternative tractions

## CNG



## LNG



IVECO offers the most extensive range of CNG/LNG vehicles: trucks, vans and buses designed for all mission types.

## HYBRID



## ELECTRIC TRACTION



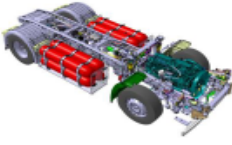


More than **13,000** alternative fuel vehicles sold



# Sustainability & alternative tractions

## New Stralis NP



CURSOR 9 NG		
400 HP (+20%)		
1.700 Nm (+30%)		
800.000 km (+60%)		
CNG	CNG+LNG	DOUBLE LNG
		
920 L (+30%)	460 L (+60%)	-
-	540 L (+5%)	1.080 L (+112% vs LNG)
520 km (+30%)	260+670 km (+16%)	1.340 km (+67%)
AMT (12AS)		
LHD + RHD		
AS (2,5m)		

June 2016: Contract for 250 Trucks CNG/LNG to Perrenott Group (France)



# Business partner

## SERVICE NETWORK



**THE WIDE AND  
PROFESSIONAL ASSISTANCE  
NETWORK IN RUSSIA**

## FINANCIAL SERVICES



**COMPLETE RANGE OF  
FINANCIAL SUPPORT  
(DEALERS AND  
CUSTOMER PROGRAMS)**



## PARTS AVAILABILITY



**LEVERAGE ON  
GROUP SYNERGIES**

## ASSISTANCE NO-STOP 24H



**VEHICLE BREAKDOWN SERVICE  
FOR CUSTOMERS AVAILABLE  
24/24, 7/7, 365/365**

# LOCALIZATION





### Naberezhnye Chelny



#### Manufacturing plant

- New Holland T7 and T8 tractors, CX6090 and CX8080 combines
- Case IH Puma 210 tractors, Axial-Flow® 6140 combines
- Manufacturing capability for construction equipment







### Miass

**IVECO IVECO BUS**

#### Iveco-AMT\*

JV: Iveco 33.33%

#### Manufacturing plant

- Heavy on- and off-road trucks, medium trucks
- Production of special heavy duty vehicles for severe climate conditions



- Iveco offers a full line of commercial vehicles from 3.5 t to 130 t, including light, medium and heavy trucks
- Full Iveco Bus range including local assembly of minibus on Daily 5 t Van and Daily 7 t chassis cowl
- Crossway Intercity bus in high demand with big oil & gas suppliers
- Alternative fuel solutions and unique engine technology (CNG, LNG)
- Serves customers with a network of 50 dealers, 50 points of sales and 50+ points of service
- Best sellers: Daily 5 t and 7 t, Eurocargo and Stralis for fleets

\* Unconsolidated joint venture

# Localization

## Plus and minus of Localization in Russia

### PLUS

- Russian Made Product. Access to public tenders
- Low cost of labor and local raw materials thanks to weak ruble
- If production under “Industrial Assembly Regime”, access to government support to Production and Customers’ demand (Special Leasing programs, Scrapping programs,...)
- Product customization to Russian conditions (climate, road, fuel, Euro norms,...)

### MINUS

- Industry too low to justify huge investments in green field solutions
- Limited possibility to export Russian Production to West Europe, due to different emissions norms
- Supplier park still not fully complete (e.g. bolt and nuts must be imported from EU)
- RF became WTO member in 2012, committing to terminate preferential duty rates under industrial assembly regime by 1<sup>st</sup> July 2018

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**Спасибо за Внимание!**