

Press release: Preliminary year-end report 2016

The Irizar Group has grown once again and closes 2016 with a turnover of more than 580 million euros.

Ormaiztegi, 10 February 2017

Alongside the group's Mexican plant, Irizar's parent plant in Ormaiztegi is once again the driving force behind the group's growth. **Irizar Ormaiztegi's turnover once again accounts for 50% of the group's total turnover, supported by the increased value-added of its products.**

The key lies in the consolidation of the strategy for growth in own-brand products, integral coaches, which account for around 25% of the parent company's coach production.

The Spanish intercity coach market is growing again, reaching record numbers and recovering, in these last three years, from the negative numbers of the previous five years. Irizar's market share in Spain stands at 40%, thus reaffirming its leading position in the Premium coach segment.

The company also wishes to highlight the start of sales in the US market and the great reception that the integral i6 model has enjoyed in this market. The forecast for the US market is really strong.

The group's executives also wish to underline the start of deliveries of the first integral coaches in Mexico, where the forecast, based on the current order book for 2017, looks excellent.

Another significant aspect is the increased value-added of the products, as a consequence of the brand strategy that Irizar has been developing in recent years. Innovation and technology are increasingly crucial factors in the group's strategy and daily work.

Highly qualified individuals continue to be hired in order to carry out our R&D programmes, both for our integral coaches and for the new electromobility line of business.

In this financial year, the turnover of the overseas plants has accounted for 30% of total turnover. The remaining companies contributed the remaining 20%.

While Brazil remains mired in a severe crisis, it is worth noting the growth in the Mexican plant, where 1000 coaches have been manufactured. This represents a record volume for that country, which is extremely important for the group. Once again, Mexico is the group's largest market in the world.



The start of manufacturing of the i8, our top-of-the-range model, and the great reception it has received, have made this jump in sales volume possible in this country.

In Morocco, this year has seen another production record, as a result of meeting the demands of the country's luxury market, and of the collaboration with Irizar Ormaiztegi in the manufacture of Century units for European markets.

Irizar Emobility, the group's electromobility company, was created in 2016. Located in the municipality of Aduna, Gipuzkoa, its production plant is on the verge of completion and will begin operating in May of this year.

In terms of new products, we would like to highlight last year's launch of the next generation of the Irizar i6 model, the Irizar i6S, which, thanks to its technology and its aesthetic features, joins the new design of Irizar products, which began with the launch of the Irizar i8. The Irizar i6S is destined to become a leader in the Spanish and European markets thanks to its specifications which are adapted to the needs of those markets.

The Irizar i4 and Irizar i3 hybrid models have also been launched this year, in line with the group's sustainability policy. In this sense, Irizar is the first European company to position itself in the class II hybrid coach segment.

Optimistic forecast for 2017

The Group forecasts further growth in the manufacture of integral coaches this year, and the parent plant will continue to account for 50% of the group's turnover.

The forecast is also positive for hybrid coaches. Variants will continue to be developed in order to meet the needs of customers and markets.

It is forecast that the manufacture of Irizar brand integral coaches at the Ormaiztegi plant will account for 30% of its production. In Mexico, it is estimated to exceed 10% of its production, with over 100 units manufactured.

And finally, in terms of future strategy, we would like to mention the excitement and great expectations for the new electromobility plant. 2017 will be a year focused on the development of the product range and the manufacturing of prototypes of new units, along with the pre-series of those already manufactured. In addition, series production of the 10.8 metre and 12 metre Irizar i2e is set to begin.

After recently winning a contract to supply the Agglomération de Bayonne with two dedicated lines of 18 units of electric articulated buses, which will be manufactured in 2018, the Irizar group is very optimistic about the potential of this business.