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Rába Automotive Holding Plc.

Press Release

Győr, 19 November 2019

Test run of Rába's large investment concluded with success

The technology development and capacity expansion investment program approved by Rába's shareholders in 2016 reached a significant milestone: a successful test run was concluded on the new production line this October.

It's worth recalling that the goal of the development, having started three years ago, has been to modernize the manufacturing technology of the company's key products, and increase the output volume together with an improved efficiency and quality. In order to help finance the development Rába submitted a successful application to the Hungarian Government's investment support program for large companies. Alongside technology modernization the program included the necessary infrastructure, logistics and equipment development, too.

After the timely conclusion of the test run, serial production has immediately started, in agreement with the customers, with tools developed and manufactured by Rába fitting the new technology. This year the new line produces more than 30 thousand front axles, which corresponds to 8-9 percent of the EU's market. The planned production of 150 thousand axles annually will cover cca 50 percent of the present European market. The final switch-over to the new technology is expected to be completed in 2020 Q1, until then the new and the old production lines will operate side-by-side.

In parallel to starting up the serial production Rába has initiated the conclusion of the grant application accepted in the Hungarian Government's Large Enterprise Investment Support Program. The company expects to receive the HUF 2 billion grant already this year.

"The investment program is due to be fully completed in 2020 Q2, when the ancillary manufacturing capacity is going to become operational. As a result Rába will boast Europe's foremost modern and integrated manufacturing capacity in the front axle segment, and in future every second or third European heavy truck will roll off the assembly lines on Rába-manufactured front axles." - emphasized István Pintér, Chairman-CEO of Rába Automotive Holding Plc.

COMPANY PROFILE

Rába Automotive Holding Plc.

Rába Automotive Holding Plc. with a hundred and twenty years of experience is one of the largest Hungarian companies in the automotive industry. The three strategic business units of the company produce axles for commercial vehicles, agri-machinery and earthmovers as well as automotive components and specialty vehicles. Rába is a highly export-oriented company with strategic export markets including the EU, CIS countries and the USA. Rába is a Győr-based public limited company with shares listed on the Budapest Stock Exchange.

FURTHER INFORMATION

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