



Concentric wins contracts for next generation steering systems

Concentric AB today announces it has won five electro-hydraulic steering systems contracts worth an estimated total of EUR 9 million (SEK 94 million) over five years. While these platforms currently constitute a small niche, local city regulation will drive increased demand for electric commercial vehicles going forward and these nominations are strategically important in a segment expected to present exciting long-term growth opportunities.

Cities across the globe are setting up plans for restricting the use of vehicles run on fossil fuels in the city centre. Paris, Madrid, Athens and Mexico City have all announced that they will ban the use of all new vehicles run on diesel by 2025 and numerous other cities will introduce electric buses by 2025. We therefore expect a significant ramp-up of both hybrid and fully electric city buses. AVL, a developer of powertrain systems, forecasts that 50-80% of all city buses in Europe, US and China will be either hybrid or fully electric by 2025. Similarly, we expect a growing share of low emission trucks and since this is our largest end sector this is also where we see the highest growth potential for Concentric.

"These orders are further examples of how we are successfully broadening our product offering to include electro-hydraulic steering systems for trucks and buses. The electrification of the commercial vehicle market presents interesting long-term opportunities since Concentric offers a range of electric water, oil and fuel pumps as well as EHS systems for both hybrid and fully electric platforms. Importantly, these products also constitute a greater share of the value on hybrid and electric vehicles compared to on internal combustion engines. We have a defined strategy which is specific to market sectors and platforms including the low emissions segment to ensure that we are positioned to be the supplier of choice," said David Woolley, CEO of Concentric AB.

One of the orders is for an electro-hydraulics steering ("EHS") system to be used in an electric truck and comes from a major global OEM. The remaining four orders relate to EHS systems to be used in both hybrid and electric buses.

The primary benefit of the EHS system is reduced energy consumption, achieving up to 50% in energy savings in certain applications utilising "power on demand" technology. The EHS system is also a unique solution that functions in hybrid vehicles where conventional systems cannot be used.

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Concentric AB is an innovator in flow control and fluid power, supplying proprietary systems and components to the world's truck, agricultural machinery, construction equipment and industrial applications end-markets. The company has a global manufacturing presence including in the UK, USA, Germany, Sweden, India, China and Argentina. Concentric's focus is to develop world class technology with innovative solutions that meet the sustainability needs of our customers. Concentric offers engine products including lubricant, coolant and fuel pumps, hydraulic products encompassing gear pumps and power packs, and finally several key technologies for the fast growing market for electrical and hybrid powertrains. The Group has a turnover of circa MSEK 2,400 and circa 1,000 employees.