

ERWIN HYMER GROUP

the leisure experience

Erwin Hymer Group goes China

- **Global Player for recreational vehicles launches joint venture with Chinese company**
- **Local production of caravans and motorhomes planned for the Chinese market**
- **Strong presence in the market with the world's largest growth**

Bad Waldsee, 24th August 2018 - The Erwin Hymer Group has launched a joint venture with the Chinese Lingyu Group for the production and sale of caravans and motorhomes. The move sees the globally active group of manufacturers of recreational vehicles lay the groundwork for its participation in the fast-growing caravanning market in China. Inspired by state regulations, experts expect the market volume to increase to around 22 billion euros by 2020.

The joint undertaking Luoyang Erwin Hymer-Loncen Caravan Co. LTD will initially produce caravans and motorhomes from the product ranges of both partners for the Chinese market. There are no plans for exports to Europe. The company will be managed by a four-man committee, which comprises two representatives from the Erwin Hymer Group and two from the joint venture partner.

In the 2017/2018 financial year, the turnover of the Erwin Hymer Group rose by almost 20 percent from 2.1 billion euros to an expected 2.5 billion euros. As such, the record turnover of the previous year was significantly exceeded. With around 62,000 vehicles, more vehicles were sold in the same period than ever before.

Joint venture partner Lingyu – based in the Henan province in Luoyang City, which has seven million inhabitants – currently manufactures six different models of caravan under the brand name Loncen. The company has over 1,000 members of staff and currently specialises in the production of special superstructures for HGVs.

Martin Brandt, CEO of the Erwin Hymer Group: “The joint venture in China sees us continue to drive forward our internationalisation. It represents a big step for us into a new world of mobility and culture – a development that our company will benefit from and that will allow us to secure our success over the long term.”

Liu Baoshan, chairman of the Lingyu Industries Group: “At Loncen we are optimistic about our collaboration with the Erwin Hymer Group and believe it will be a joint success story. We are certain that, with German precision manufacturing and Chinese production speed, we can deliver premium quality to Chinese caravan users.”

Jeffrey Zhang, president of EHG Asia Pacific and chairman of Luoyang Erwin Hymer Loncen Caravan Co. LTD: “825 campsites were founded in China in 2017; 448 are currently under construction. Our aim is to establish a joint venture with a 15% market share in the growing Chinese market for premium motorhomes.”

A market with great potential for development

In recent years, China has become the world's largest market in almost all mobility segments. This does not, however, apply to recreational vehicles. Ten years ago there were only around 3,000

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caravans and motorhomes in the most populated country on earth. There are currently around 70,000 recreational vehicles in operation. In terms of potential, China is like a sleeping giant.

Experts predict that this will change over the next few years. The growth rate in new registrations for recreational vehicles is currently 50 percent per year. One major reason for the current level of growth: the expansion of the camping industry and the associated infrastructure is part of the Chinese government's five-year plan. Over 4,000 campsites are to be built by 2020 as a building block for the promotion of local tourism. Campers currently only have around 800 campsites to choose from in China. In order to remove market barriers, driving licence regulations are being changed. Chinese car drivers are now permitted to drive caravans or motorhomes with a maximum permitted weight of up to 4.5 tonnes.

Experts from the US Department of Commerce's International Trade Administration estimate that the market volume in the field of motorhomes will increase to up to 300,000 new registrations by 2020. With its participation in a German-Chinese joint venture, the Erwin Hymer Group hopes to play a part in this booming market – especially as the import of mobile homes has been made more complicated in order to promote domestic industry. The founding of a joint venture like this one – the Luoyang Erwin Hymer-Loncen Caravan Co. LTD – has now been sealed by the Erwin Hymer Group and the Chinese partner company Lingyu.

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Erwin Hymer Group

The Erwin Hymer Group unites the leading motorhome and caravan manufacturers as well as motorhome and caravan accessory specialists, hire and financing services under one roof. The 2017/18 financial year saw the Group sell around 62,000 recreational vehicles and generate a turnover of approx. 2.5 billion euros with its 7,300 members of staff across the globe. The motorhome and caravan brands American Fastbacks, Buccaneer, Bürstner, Carado, Cliffride, Compass, Dethleffs, Eddis, Eriba, Etrusco, Hymer, Niesmann+Bischoff, Laika, LMC, Roadtrek, Sunlight and Xplore; motorhome hire companies Best Time RV, McRent and rent easy; the chassis specialist Goldschmitt; the accessories specialist Movera; the trailer tent manufacturer 3DOG camping and the touring portal freeontour all belong to the Erwin Hymer Group.

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