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NAVISTAR EXPLORES SCANIA SOLUTIONS TO SUPPORT CANADIAN MINING *New MOU with Scania Builds on Navistar’s Vocational Growth Strategy, TRATON Alliance*

ATLANTA (October XX, 2019) – Navistar has signed a memorandum of understanding with Scania to explore opportunities for Navistar to support mining customers in the Canadian market.

Navistar has studied the needs of a select group of companies in the Canadian mining industry, and has identified a number of service and support requirements that can be addressed using a combination of International Truck and Scania products and services. Scania products would be distributed through Navistar and supported by a limited number of International Truck dealers in Canada.

“Demand from the mining market is changing,” said Persio Lisboa, Navistar executive vice president and Chief Operating Officer. “Companies are exploring more sustainable solutions that improve worksite flexibility, increase uptime and reduce total operating costs. Working with Scania as a partner will help us rapidly achieve scale in addressing this unique market segment with comprehensive and powerful solutions.”

Scania is a subsidiary of Navistar’s global alliance partner TRATON GROUP. The alliance with TRATON is allowing Navistar to leverage solutions developed in other parts of the world to save money and time for customers, while also accelerating Navistar’s growth strategy.

Key Offerings Aimed at Revolutionizing the Economics of Mining

The Scania solutions complement Navistar’s International® truck brand, which currently offers the industry’s most comprehensive line-up of Class 4-8 vocational trucks. These vehicles, as well as the company’s own proprietary service communications tools like International® 360 and advanced remote diagnostic tools like OnCommand® Connection, are designed to serve industries like mining.

Complementary solutions currently offered by Scania in the mining market include:

- The Scania XT, a truck designed specifically for off-road and mining operations and positioned as a better alternative to the typical “yellow trucks,” as it is more fuel efficient than the larger competitor vehicles in the category.

- The Scania Field Workshop System, a modular concept that uses 20-foot ISO containers to enable assembly of a temporary on-site parts and service support facility. These facilities can hold parts inventory, maintenance shop equipment, office space and more. Frequently used parts are delivered to worksites and replenished on a regular basis to speed customers' access to replacement parts.
- On-site vehicle maintenance services, delivering on-location vehicle maintenance staffing and support using factory-trained service technicians who are typically available only at a dealership.
- Lean consulting services that apply proprietary methodologies to help customers find operating efficiencies and optimize the utilization of their equipment.

“Using these and other services, Scania has developed an approach called ‘total operating economy,’ a methodology that helps customers reduce their total cost of ownership,” Lisboa said. “We believe this is a powerful marketplace proposition and will accelerate Navistar’s ongoing growth in this market segment.”

Deeper Customer Understanding, Better Solutions a Sign of What’s Ahead

The collaboration with Scania builds on Navistar’s customer segmentation strategy, which focuses on listening to customers, understanding customer needs in specific segments of the market, and delivering targeted solutions to those needs. Navistar has cited this segmentation strategy as one of the reasons behind its recent retail share gains across all the market segments it serves, including vocational customers like mining.

“The most relevant customer solutions are generated by those who best understand the unique needs of each customer segment,” said Lisboa. “Today, we are approaching all industry segments with this philosophy.”

The Scania XT heavy dump truck is on display at the International Truck booth at NACV, the North American Commercial Vehicle show in Atlanta from October 28 to 31.

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial, proprietary diesel engines, and IC Bus® brand school and commercial buses. An affiliate also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com.

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