

TRATON

# 2022 Half-Year Financial Report

Christian Levin, CEO | Annette Danielski, CFO

Munich, 07-28-2022



NAVISTAR



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The percentage figures shown may be subject to rounding differences. Due to different proportions and scaling in graphs, data shown in different graphs are not comparable.

# Press call for the 2022 Half-Year Financial Report – Your speakers today

## YOUR SPEAKERS TODAY



**Christian Levin**  
Chief Executive Officer



**Annette Danielski**  
Chief Financial Officer



**Pietro Zollino**  
Head of Group Communications

# Agenda

- 1. Core KPIs H1 2022**
2. Going forward
3. Q&A

# TRATON GROUP performing well in an extremely difficult environment

## KEY FACTS H1 2022 AND GOING FORWARD

Unit sales



up 9% to

**137,294**

Revenue



up 32% to

**€17,982 mn**

Operating result (adjusted)



down by €330 mn to

**€798 mn**

**€500 mn**  
combined investment



in electric vehicle charging joint venture with Daimler Truck and Volvo Group



**TRATON boosts e-mobility with investments in battery technology**



**"TRATON Way Forward" strategy with focus on execution and modularization**

# Increasingly challenging and volatile environment

## Geopolitical environment



- ▶ War in Ukraine continuing with broadened sanction regime against Russia
- ▶ Energy security and gas supply in parts of Europe at risk
- ▶ Global economic activity strongly affected and high risk for industrial outlook

## Business climate



- ▶ Truck demand remains robust with increasing fleet ages and long delivery times
- ▶ Used truck market and prices continue on high level
- ▶ Truck market still below pre-pandemic levels in key markets

## Supply chain bottlenecks



- ▶ Shortages continue beyond semiconductors in raw materials and pre-products
- ▶ Logistics capacity bottlenecks
- ▶ Softening supply gaps for wiring harnesses produced in Ukraine

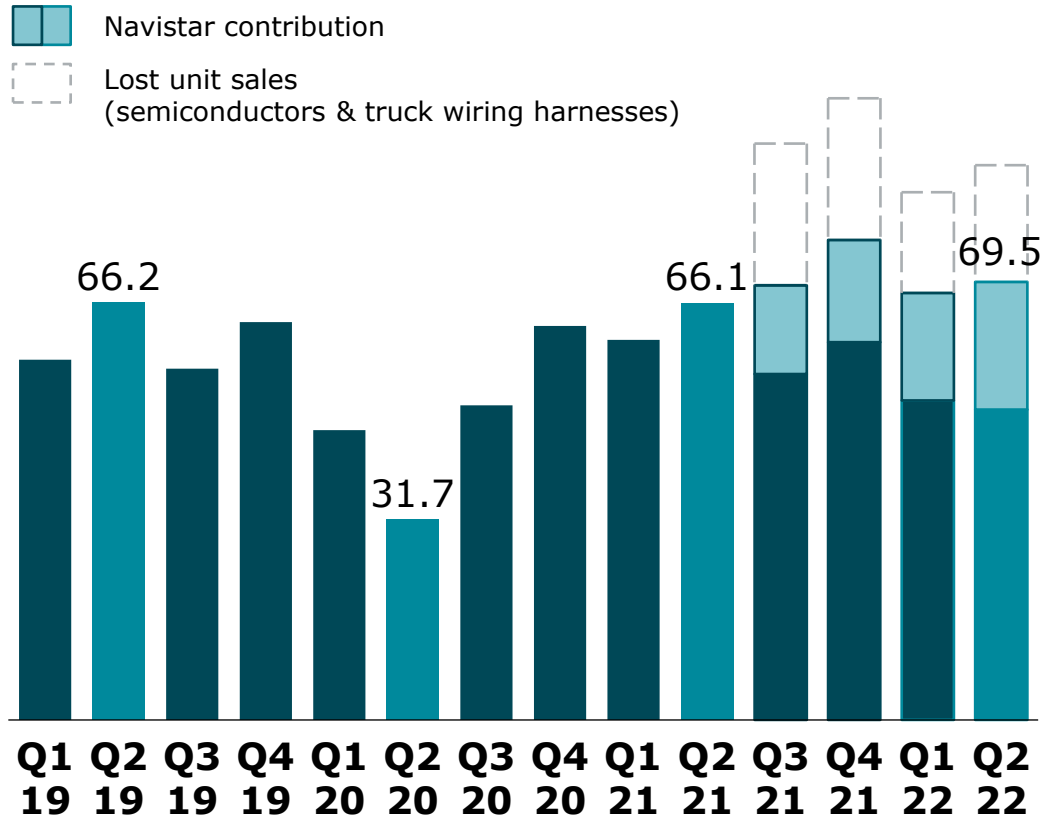
## Inflationary pressure



- ▶ Strong pressure from broad-based increase of procurement prices
- ▶ Highest inflation since decades for consumer and industrial goods
- ▶ Rising interest rate environment and wage demands

# Severe impact from supply shortages on Q2 unit sales

Unit sales (k units)

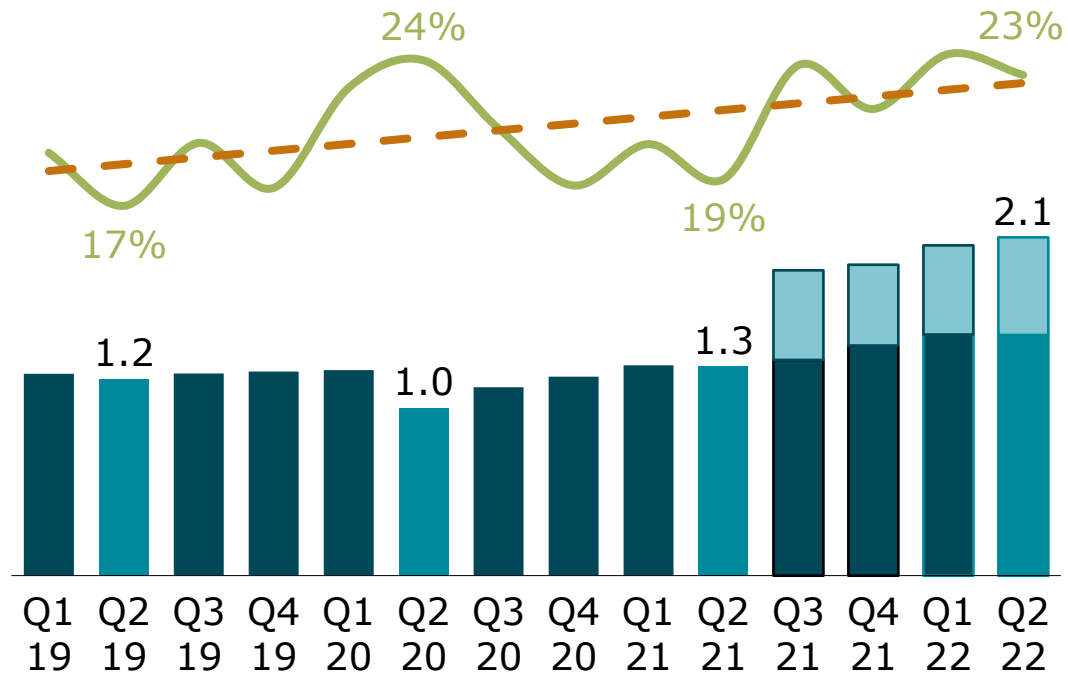


# Vehicle Services business continuing to gain traction

## Service business sales revenue<sup>1</sup> (€ bn)

In % of TRATON Operations

Navistar contribution



<sup>1</sup> Including spare parts and workshop services

- ▶ **Sales revenue** in Vehicle Services business increased by 62% YoY in Q2 2022
- ▶ **Expansion of service business** fostered by strong investments and the inclusion of Navistar Sales & Services
- ▶ **Enhancing business mix and customer focus:** Non-cyclical revenue stream with superior margins, and compelling long-term growth trend



# TRATON GROUP Core KPIs

Units	H1 2022	H1 2021	Change
<b>Trucks and buses</b>			
Incoming orders	<b>164,213</b>	170,946	-4%
Unit sales	<b>137,294</b>	126,450	9%
of which trucks	<b>115,115</b>	108,665	6%
of which buses	<b>12,894</b>	6,503	98%
of which MAN TGE vans	<b>9,285</b>	11,282	-18%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>17,982</b>	13,621	32%
Operating result (adj.)	<b>798</b>	1,128	-330
Operating return on sales (adj.)	<b>4.4%</b>	8.3%	-3.8 pp



# Deep Dive Group Core KPIs

Units	H1 2022	H1 2021	Change
<b>TRATON Operations (€ million)</b>			
Sales revenue	<b>17,634</b>	13,402	32%
Operating result (adj.)	<b>869</b>	1,117	-248
Operating return on sales (adj.)	<b>4.9%</b>	8.3%	-3.4 pp
Capex	<b>469</b>	345	36%
Primary R&D costs	<b>896</b>	614	46%
Net cash flow	<b>-1,395</b>	941	-2,335
Net liquidity <sup>1</sup>	<b>-2,931</b>	-1,694	-1,237
<b>Financial Services (€ million)</b>			
Sales revenue	<b>609</b>	419	45%
Operating result (adj.)	<b>146</b>	100	47

<sup>1</sup>As of June 30, 2022, and December 31, 2021



# Scania Vehicles & Services – Core KPIs

Units	H1 2022	H1 2021	Change
<b>Trucks and buses</b>			
Incoming orders	<b>39,213</b>	75,437	-48%
Unit sales	<b>36,834</b>	49,229	-25%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>6,839</b>	7,155	-4%
Operating result (adj.)	<b>534</b>	860	-327
Operating return on sales (adj.)	<b>7.8%</b>	12.0%	-4.2 pp



# MAN Truck & Bus – Core KPIs

Units	H1 2022	H1 2021	Change
<b>Trucks and buses</b>			
Incoming orders	<b>47,735</b>	67,414	-29%
Unit sales	<b>34,858</b>	47,317	-26%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>4,973</b>	5,408	-8%
Operating result (adj.)	<b>34</b>	179	-145
Operating return on sales (adj.)	<b>0.7%</b>	3.3%	-2.6 pp



# Navistar Sales & Services – Core KPIs

<b>Units</b>	<b>H1 2022</b>
<b>Trucks and buses</b>	
Incoming orders	<b>50,471</b>
Unit sales	<b>37,333</b>
<b>Financial KPIs (€ million)</b>	
Sales revenue	<b>4,666</b>
Operating result	<b>157</b>
Operating return on sales	<b>3.4%</b>



Navistar included from July 1, 2021

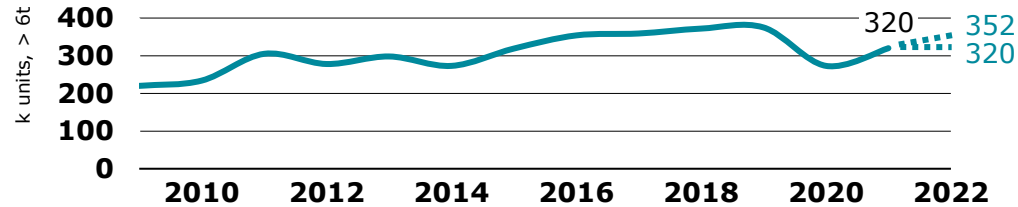
# Volkswagen Truck & Bus – Core KPIs

Units	H1 2022	H1 2021	Change
<b>Trucks and buses</b>			
Incoming orders	<b>26,894</b>	28,129	-4%
Unit sales	<b>28,423</b>	30,011	-5%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>1,445</b>	1,021	42%
Operating result	<b>149</b>	77	72
Operating return on sales	<b>10.3%</b>	7.6%	2.8 pp



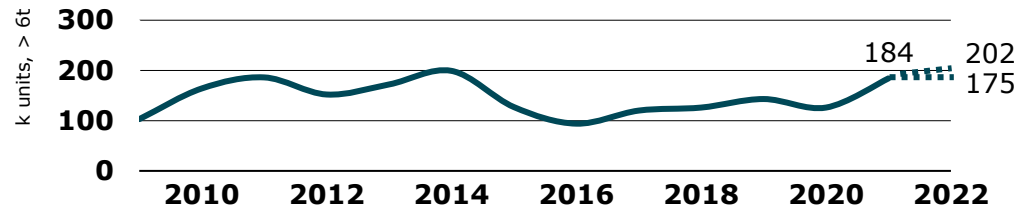
# Truck market outlook – Uncertainties due to high geopolitical and economic risks

**EU27+3<sup>1</sup>**



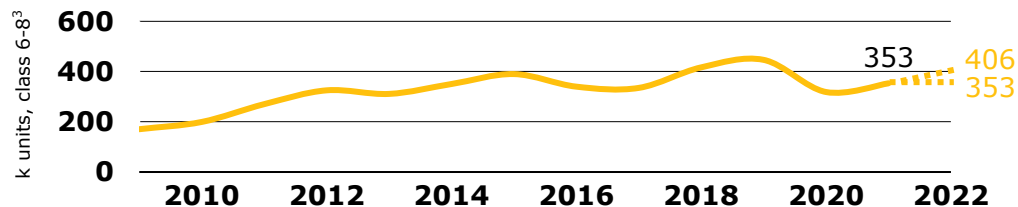
Market expectations<sup>2</sup>  
**2022e**  
**+0% – +10%**

**South America**



Market expectations<sup>2</sup>  
**2022e**  
**-5% – +10%**

**North America**



Market expectations<sup>2</sup>  
**2022e**  
**+0% – +15%**

<sup>1</sup> EU27+3 region (EU27 countries without Malta, plus the United Kingdom, Norway, and Switzerland)

<sup>2</sup> Includes estimates from different institutes, companies, and data/information services

<sup>3</sup> US and Canada class 6-8, Mexico class 4-8

Source: Historical data based on own calculations and estimates

# TRATON outlook 2022 largely confirmed, while geopolitical and economic risks are high

	FY 2021	FY 2022 Outlook Q1 2022 Interim Statement	FY 2022 Outlook 2022 Half-Year Financial Report <sup>1</sup>
Unit sales	271.6 k +43%	sharp increase	substantial increase
Sales revenue	€30.6 bn +36%	very sharp increase	very sharp increase
Operating RoS (adjusted)	5.2%	5.0 – 6.0% (incl. PPA, expected to be ~€270 – 290 mn <sup>2</sup> )	5.0 – 6.0% (incl. PPA, expected to be ~€270 – 290 mn <sup>2</sup> )
Net cash flow (TRATON Operations)	€938 mn	€700 – 1,000 mn <sup>3</sup>	€700 – 1,000 mn <sup>3</sup>

<sup>1</sup> It remains impossible to predict the effects of the impact of the continuing supply chain bottlenecks, possible energy shortages, and the further course of the war in Ukraine with sufficient certainty. Therefore, the risk remains that as these issues evolve, they may have a negative impact on the TRATON GROUP's business activities. Moreover, negative effects may still arise if the COVID-19 situation were to deteriorate once more, bringing with it further supply chain difficulties.

<sup>2</sup> Based on preliminary purchase price allocation

<sup>3</sup> The forecast does not include expenses at Scania Vehicles & Services in connection with the EU antitrust proceedings



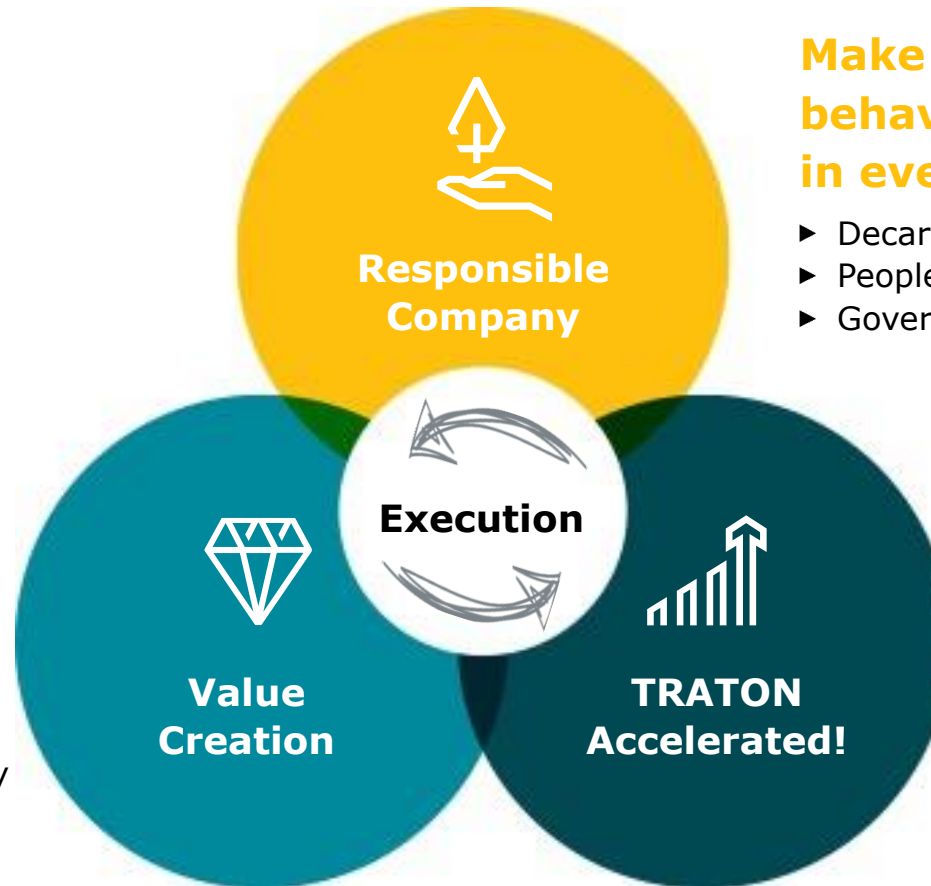
# Agenda

1. Core KPIs H1 2022
2. **Going forward**
3. Q&A

# Strategy TRATON Way Forward

## Focus on sustainable value creation for our stakeholders

- ▶ Performance-driven
- ▶ Navistar as part of TRATON family
- ▶ TRATON goes China



## Make responsible behavior a top priority in everything we do

- ▶ Decarbonization & Circularity
- ▶ People & Pluralism
- ▶ Governance & Ethics

## Shape our role in the future logistics ecosystem

- ▶ Business Model Expansion
- ▶ Partnership Culture
- ▶ Embrace Digital

# TRATON continues to drive electrification forward

## Charging infrastructure

- TRATON GROUP, Daimler Truck, and Volvo Group kick off European charging infrastructure JV following regulatory clearance
- Combined investment of €500 mn to install and operate at least 1,700 high-performance charging points

## Technology & production

- E-mobility investments of €2.6 bn (2021–2026)
- Scania's new battery lab in operation
- MAN production of heavy-duty e-trucks now scheduled to begin in early 2024
- MAN builds battery factory in Nuremberg with annual capacity of up to 100k

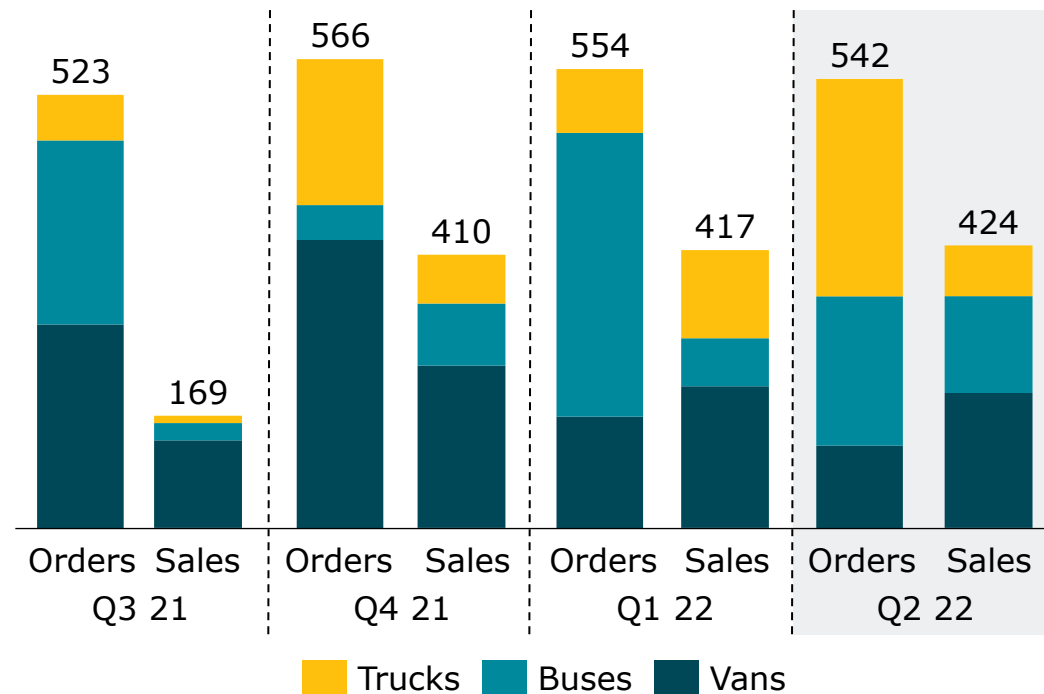
## Products

- Scania introduces electric trucks for regional long-haul
- Electric Scania trucks in operation at LKAB mine in Northern Sweden
- 74-tonne electrified Scania truck delivered to Boliden
- MAN Truck & Bus to be offering eBus chassis for the global market
- MAN heavy-duty long-haul prototype with 600-800 km daily range in partnership with ABB E-mobility



# TRATON's electric vehicles business evolving

## Incoming orders and unit sales of fully electric vehicles (units)



Note: Q3 21 and Q4 21 Navistar order backlog

## All TRATON brands with BEV products across major applications / weight classes



# Modularization is key on our way to stronger profitability

## Build up a TRATON Modular System



**We create standardized Group interfaces**

**Within the Group: same need – identical solution**

**Differentiate via balanced performance steps**

**Enable profitable mass customization of broad variant offering and ensure long-term competitive advantage**

# Agenda

1. Core KPIs 3M 2022
2. Going forward
3. **Q&A**

# Contacts Corporate Communications

## CORPORATE COMMUNICATIONS



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