

Press release / Presse Info / Comunicado de imprensa / 新闻稿 / プレスリリース /
Comunicado de prensa / Communiqué de presse / Informacja prasowa

TRATON GROUP makes important strategic progress in the first half of 2022, performing well in an extremely difficult environment

- ▶ **TRATON GROUP's unit sales 9% higher at around 137,300 vehicles**
- ▶ **Sales revenue up by almost a third to €18 billion**
- ▶ **Incoming orders in the first six months slightly below first half of 2021 at around 164,200 vehicles**
- ▶ **Adjusted operating result at €798 million, down €330 million year-on-year due to substantial effects from supply bottlenecks, resulting lower capacity utilization, and increased procurement prices**
- ▶ **Outlook for adjusted operating return on sales in 2022 confirmed at between 5.0 and 6.0%**
- ▶ **TRATON GROUP pushes ahead with electrification strategy, with major strides in the areas of charging infrastructure, production, and batteries**

Munich, July 28, 2022 – The TRATON GROUP performed well in the first half of 2022 in an extremely challenging environment. The Company saw a positive impact from the growing service business and the success of its strategy to increase its global footprint by entering the North American market, continuing the positive trend of the first quarter. At around 164,200 vehicles, incoming orders in the first half of 2022 were down 4% year-on-year. Although unit sales were impacted by continuing supply bottlenecks and a production stop at MAN Truck & Bus related to the war in Ukraine, the unit sales rose by 9% to around 137,300 vehicles in the first six months of the year due to the consolidation of Navistar. Sales revenue grew 32% to €18 billion.

The TRATON GROUP's operating result was €661 million, up €206 million year-on-year. However, adjusted operating result was €330 million lower than in the prior-year period at €798 million, due to substantial effects from ongoing supply bottlenecks, the resulting lower capacity utilization, and increased procurement prices. The adjustments of €137 million in the first half of 2022 mainly comprised loss allowances in connection with the war in Ukraine. In the 2021 reporting period, adjustments to operating result had included expenses for the restructuring of MAN Truck & Bus in the amount of €672 million.

Christian Levin, CEO of the TRATON GROUP: "We are dealing with a lot of major challenges: although the availability of semiconductors and other key components is slowly improving, it has not yet returned to normal. At the same time, raw materials and energy are becoming more expensive and logistics resources are tight. Nevertheless, our Group is becoming more and more adept at handling this situation — our hard work to get there is paying off. And even in times of economic difficulty, we are not losing sight of what matters to us: helping to transform our industry into a more sustainable future. The progress of the TRATON GROUP in this field during

the first half of the year has been truly remarkable. Our joint venture for commercial vehicle fast charging in Europe is getting underway, Scania has presented its first electric truck for regional long-haul operations, and production of e-trucks at MAN is set to start earlier than originally planned. Volkswagen Truck & Bus already has a successful electric vehicle on the market with its e-Delivery truck, while Navistar's electric school bus from the CE Series is showing what sustainable and safe mobility looks like in everyday life."

Battery electric commercial vehicles cannot become the solution of choice for long-haul transportation and do so quickly, unless fast-charging infrastructure is established as soon as possible. The TRATON GROUP recently reached a milestone in this area with the foundation of the "Commercial Vehicle Charging Europe" joint venture together with Daimler Truck and the Volvo Group. Right now, there are hardly any charging points for electric heavy-duty trucks or buses that can be accessed by the public. The joint venture intends to establish and run at least 1,700 green energy charging points in Europe over the next five years.

The TRATON GROUP is systematically aligning its brands' portfolio to focus on battery electric vehicles. In light of this, MAN is also shifting up a gear in the expansion of its own portfolio. Production of heavy-duty e-trucks in Munich is now set to start at the beginning of 2024, almost a year earlier than originally planned. In the first half of the year MAN also presented a close-to-production prototype of its new electric truck in Nuremberg for the first time.

Moreover, the TRATON GROUP brands took important steps to pave the way for battery technology in the first six months of the year. Scania has opened a battery laboratory, where up to 170 tests can be performed simultaneously for battery cells, modules, and packs. Starting in early 2025, MAN will manufacture high-voltage batteries for e-trucks and buses in large series at its site in Nuremberg. The company is investing around €100 million over the next five years to make this a reality and plans to expand its production capacity to more than 100,000 batteries per year.

Annette Danielski, CFO of the TRATON GROUP: "Right now, we are tackling two major challenges: taking the right measures to stay on track in what remains a very challenging environment while at the same time continuing our strategy to transition to sustainable transportation. Both are going well, which is why we are largely confirming our forecast for the current year. We are expecting improvements in the supply of semiconductors and other key components in the second half of this year. At the same time, we are facing new challenges like the soaring inflation, rising interest rates, and logistics shortages. The risks remain high, and the further impact of the war in Ukraine, in particular, on our business can only be estimated to a very limited extent. The situation there is tough — on the people of Ukraine and on the overall business environment — and we rise to its challenges every single day."

The TRATON GROUP expects unit sales of all vehicles (including MAN TGE vans) to increase only substantially in fiscal year 2022, as opposed to the sharp increase it had forecast originally. Sales revenue is still expected to increase very sharply. The forecast for the adjusted operating return on sales remains unchanged at between 5.0 and 6.0%. This forecast includes earnings

effects from the Navistar purchase price allocation. However, it remains impossible to predict the impact of the further course of the war in Ukraine with sufficient certainty. Therefore, the risk remains that as this conflict unfolds, it may have a negative impact on the TRATON GROUP's operating activities. This may also result in further supply chain bottlenecks.

The TRATON GROUP's key financial performance indicators:

Units	H1 2022	H1 2021	Change
TRATON GROUP			
Incoming orders	164,213	170,946	-4%
of which trucks	135,578	147,199	-8%
of which buses	15,724	6,360	147%
of which MAN TGE vans	12,911	17,387	-26%
Unit sales	137,294	126,450	9%
of which trucks	115,115	108,665	6%
of which buses	12,894	6,503	98%
of which MAN TGE vans	9,285	11,282	-18%
TRATON GROUP			
Sales revenue (€ million)	17,982	13,621	32%
Operating result (€ million)	661	455	206
Operating result (adjusted) (€ million)	798	1,128	-330
Operating return on sales (in %)	3.7	3.3	0.3 pp
Operating return on sales (adjusted) (in %)	4.4	8.3	-3.8 pp
TRATON Operations			
Sales revenue (€ million)	17,634	13,402	32%
Operating result (€ million)	797	445	352
Operating result (adjusted) (€ million)	869	1,117	-248
Operating return on sales (in %)	4.5	3.3	1.2 pp
Operating return on sales (adjusted) (in %)	4.9	8.3	-3.4 pp
Net cash flow (€ million)	-1,395	941	-2,335
TATON Financial Services			
Sales revenue (€ million)	609	419	45%
Operating result (€ million)	82	100	-18
Return on equity (in %)	9.0	19.4	-10.4 pp

Press call

A press call to discuss the TRATON GROUP's results in the first half of 2022 will take place **from 2 p.m. until 3 p.m. on July 28** with the TRATON GROUP's CEO Christian Levin and its CFO Annette Danielski. The call will be in English.

To **dial in**:

DE: +49 (0)69 22222 5195

SE: +46 (0)8 5664 2754

UK: +44 (0)330 165 3641

USA: +1 646-828-8082

Participant PIN: 478110

Contact

Pietro Zollino

Head of Group Communications,
Governmental Relations & Sustainability
T +49 172 8371431
pietro.zollino@traton.com

Matthias Karpstein

Business Media Relations
T +49 172 3603071
matthias.karpstein@traton.com

TRATON SE

Dachauer Str. 641 / 80995 Munich / Germany
www.traton.com

With its brands Scania, MAN, Volkswagen Truck & Bus, Navistar, and RIO, TRATON SE is one of the world's leading commercial vehicle manufacturers. Its offering comprises light-duty commercial vehicles, trucks, and buses. The Group aims to reinvent transportation — with its products, its services, and as a partner to its customers. For TRATON, sustainable economic growth always includes treating people and nature with respect. The People, Planet, and Performance triad will shape the future of our Company.