

TRATON CREDIT UPDATE PRESENTATION

AGENDA

1. Overview TRATON GROUP
2. Snapshot – financial performance
3. Financing & rating
4. Contact details

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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.

TRATON OVERVIEW

WE'RE A TRANSPORTATION POWERHOUSE ...

Four strong global brands under one roof



103,621

Employees worldwide¹



€46.9 bn

Sales revenue

Transforming Transportation Together. For a sustainable world.

Sustainability as core principle and as top priority in the Group's strategy



338,183

Unit sales
(trucks, buses & vans)



TRATON WAY FORWARD
— A LONG-TERM VISION FOR THE GROUP

	Responsible Company	- Decarbonization & Circularity - People & Diversity - Governance & Ethics
	Value Creation	- Performance driven - Navistar as part of TRATON family - TRATON goes China
	TRATON Accelerated!	- Business Model Expansion - Partnership Culture - Embrace Digital
	Strategy Execution	



33 production and assembly sites worldwide in 12 countries on 4 continents



SCANIA



... WITH FOUR STRONG GLOBAL BRANDS UNDER ONE ROOF

NAVISTAR



Truck
Bus



TRATON – GAINING PACE ON OUR TRANSFORMATION JOURNEY



On track to best-in-class performance



Resilience materially improved after successful realignment

NAVISTAR

Positioned for tangible upside with clear deliverables in 2024



Truck
Bus

Leading position in a growing market

TRATON

Transformation
Transportation

TRATON
FINANCIAL SERVICES

Ramp-up of all brands as a strategic priority

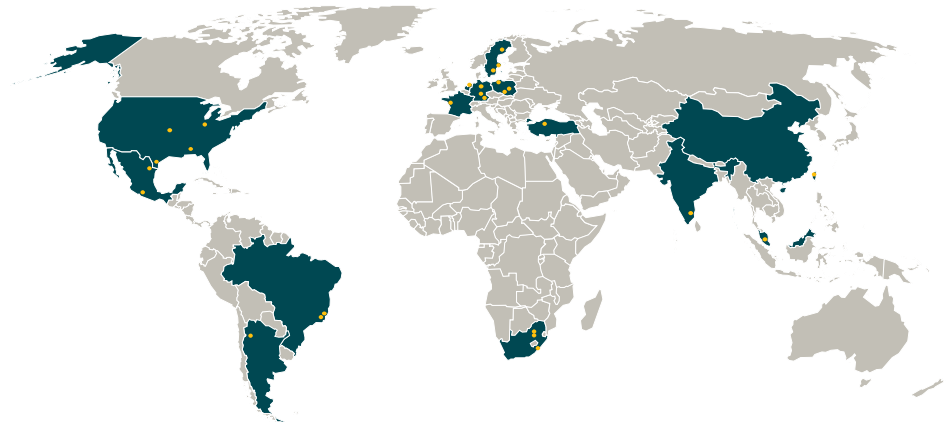


TRATON GROUP AT A GLANCE

Major milestones

- **2019** Successful IPO of TRATON SE, majority owner VW (89.7%)
- **2021** Acquisition of Navistar
- **2021** Introduction of new Group powertrain
- **2021+** New strategy introduced – the TRATON Way Forward
- **2022** Milence charging JV with Daimler Truck & Volvo Group
- **2023** Go-live of TRATON Financial Services
- **2023** Realignment of MAN T&B completed
- **2024** Transition to ONE Group R&D setup

Production & assembly sites around the globe

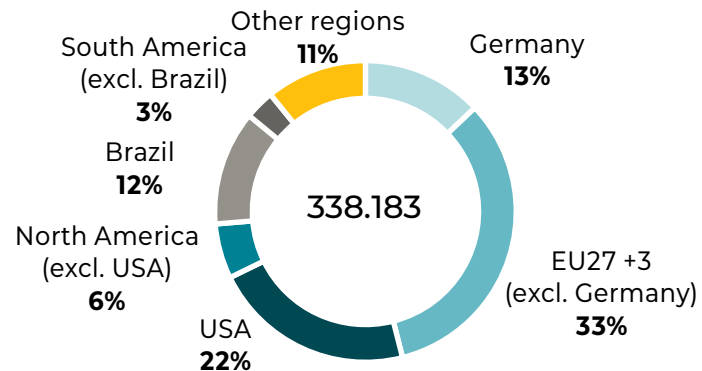


Commercial vehicle brands **4**
SCANIA / MAN / NAVISTAR / VW

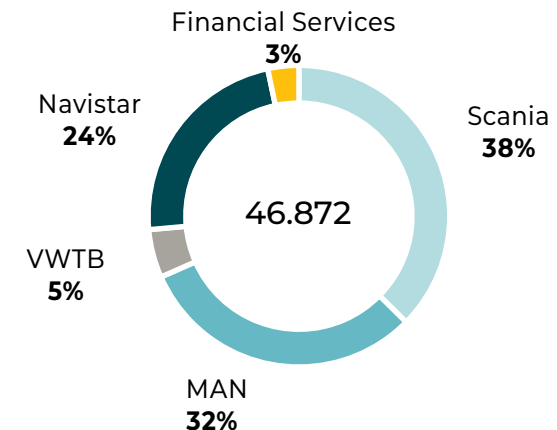
Countries **12**

Production and assembly sites **33**

Unit sales pre region, FY 2023 (units)



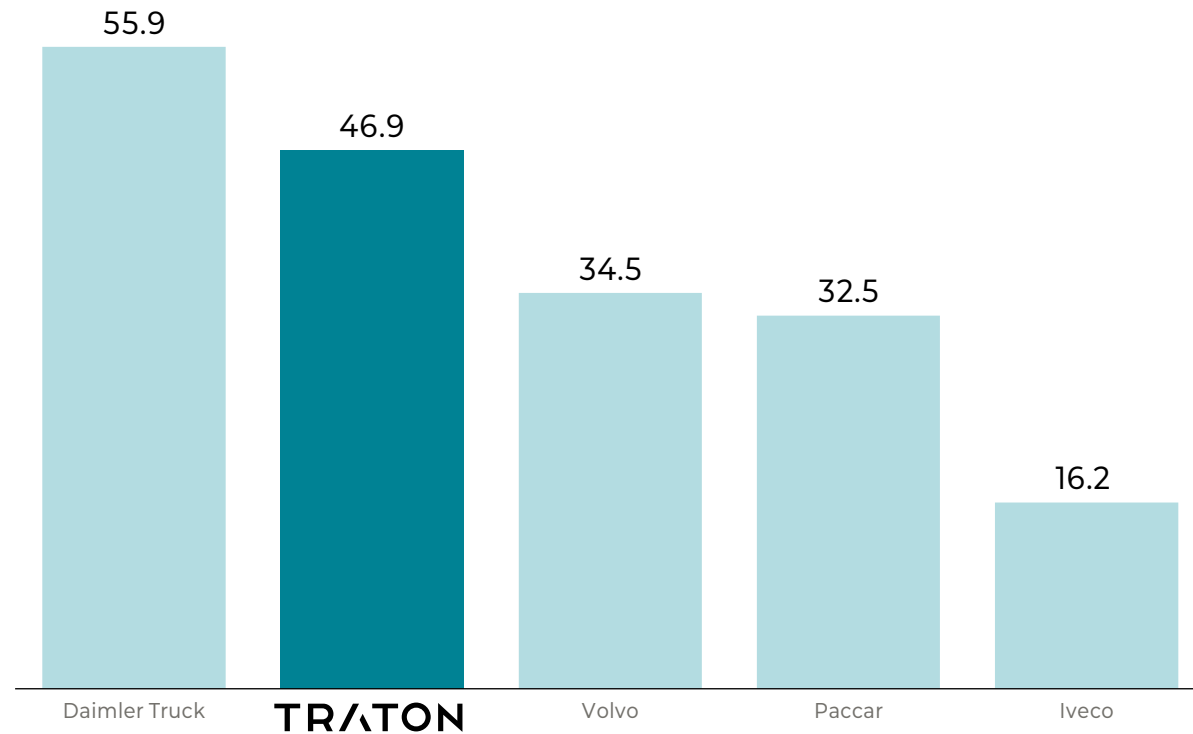
Sales revenue pre brand, FY 2023 (€ mn)



Note: TRATON sales revenue including FS, excl. consolidation and Corporate Items; rounding differences possible.

TRATON IS ONE OF THE LARGEST GLOBAL TRUCK & BUS PRODUCERS ...

Sales revenue FY 2023 (€ bn)

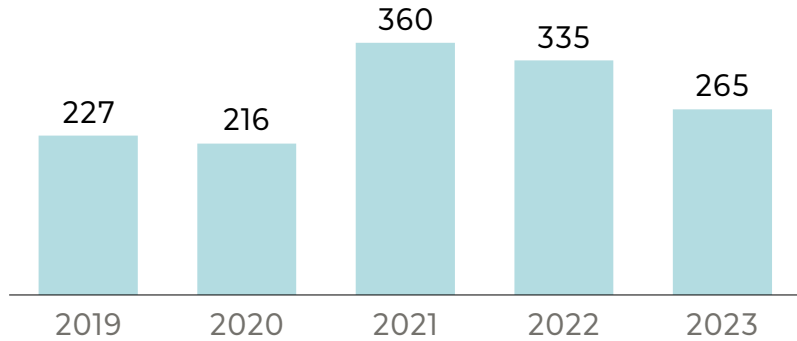


Note: For Volvo only business segments Trucks & Buses are included.
Source: Company data, own calculations.

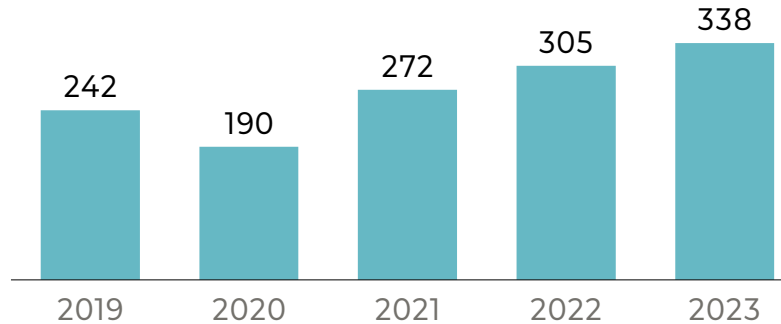


ON A PROFITABLE GROWTH PATH WITH INCREASING SALES AND MARGINS

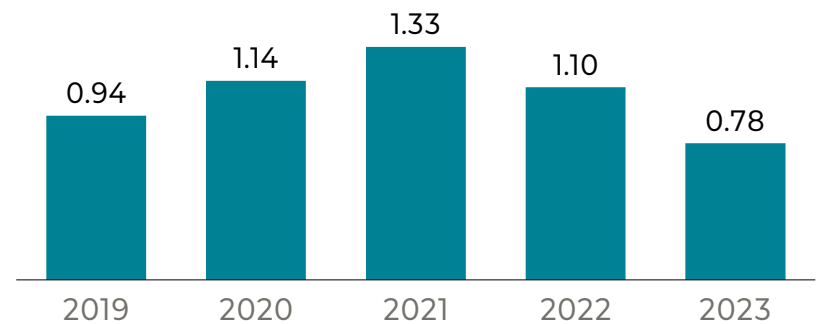
Incoming orders (k units)



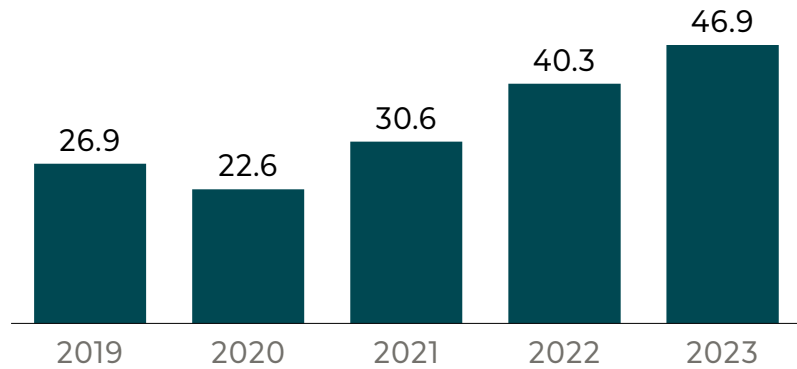
Unit sales (k units)



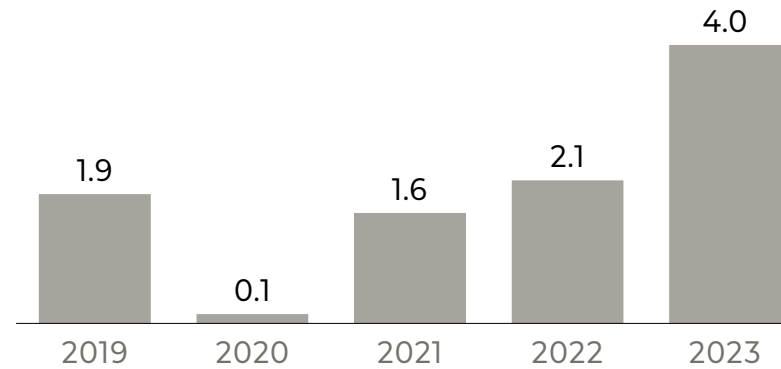
Book-to-bill (ratio in units)



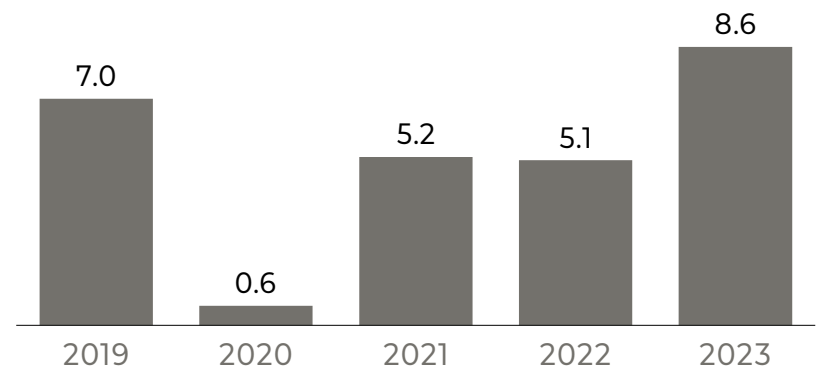
Sales revenue (€ bn)



Adjusted operating result (€ bn)



Adjusted return on sales (%)



Note: 2021 figures include Navistar only for second-half year due to consolidation from July 1, 2021.

THE TRATON WAY FORWARD TRANSLATES INTO A LONG-TERM VISION FOR THE GROUP



	Responsible Company	Decarbonization & Circularity People & Diversity Governance & Ethics	<ul style="list-style-type: none"> – Full commitment to the Paris Agreement – High-performance charging network for Europe with Milence – Continuation of path to decarbonization in 2023 with tangible steps in products, supplies & infrastructure
	Value Creation	Performance-driven Navistar as part of TRATON family TRATON goes China	<ul style="list-style-type: none"> – 9% adjusted return on sales target for TRATON GROUP in 2024 – Committed to TRATONs brands strategic RoS targets – MAN re-alignment on track & Successful integration of Navistar – China representing one of the most important profit pools
	TRATON Accelerated!	Business Model Expansion Partnership Culture Embrace Digital	<ul style="list-style-type: none"> – Build-up of a solution ecosystem around customers – Set-up of global captive and integrated TRATON Financial Services business
	Strategy Execution		<ul style="list-style-type: none"> – Build-up of a TRATON Modular System based on Scania principles – Implementation of a new steering philosophy to support roll-out of TRATON Modular System

DEDICATED TO BE THE SUSTAINABILITY LEADER IN THE HEAVY TRANSPORT SECTOR

Decarbonization



Reduce greenhouse gas emissions across the value chain in line with 1.5°C

Circularity



Decouple the use of resources from our business growth

Human Rights



Respect Human Rights and enable a just transition

SNAPSHOT – FINANCIAL PERFORMANCE

A VERY SUCCESSFUL YEAR 2023 & A STRONG START INTO 2024 FOR TRATON GROUP



Incoming Orders

FY 2023
264,798

-21% YoY

Q1 2024
66,434

-3% YoY



Vehicles sold

FY 2023
338,183

+11% YoY

Q1 2024
81,148

-4% YoY



Sales revenue

FY 2023
€46.9 bn

+16% YoY

Q1 2024
€11.8 bn

+5% YoY



Adjusted return on sales

FY 2023
8.6%

+3.5 pp YoY

Q1 2024
9.4%

+1.0 pp YoY



Net cash flow TRATON

FY 2023
€198 mn

+€2.77 bn YoY

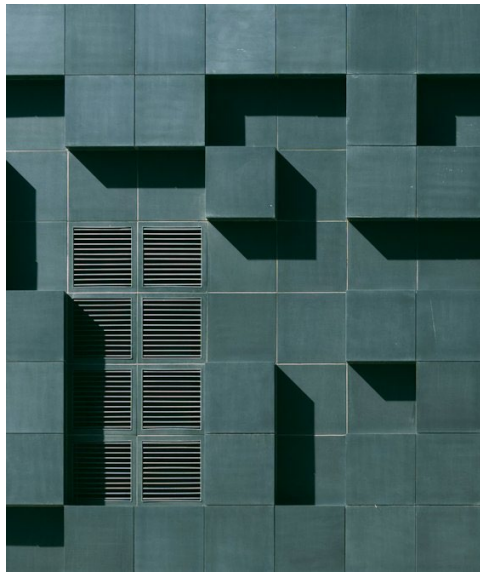
Q1 2024
€438 mn

-€299 mn YoY¹

¹ Q1 2023 including effects from the sale of the Russia activities of €400 mn. Excluding this effect, net cash flow would have increased by €101 mn.

WE ACCELERATE THE TRANSFORMATION JOURNEY

Q1-24 Highlights



TRATON establishes One Group R&D organization to efficiently drive Modular System forward.



High demand for Navistar International S13 Integrated Powertrain drives ramp-up of production.



MAN launches a small series of hydrogen combustion engine trucks enhancing TRATON's zero-emission portfolio.



Scania adds more solutions to its electric truck range to serve more BEV-customers with different needs.



Partnership with Plus takes TRATON brands Scania, MAN and Navistar to the next level in autonomous driving.

OUR PURPOSE: TRANSFORMING TRANSPORTATION TOGETHER. FOR A SUSTAINABLE WORLD.

TRATON's recent BEV highlights



Market launch of the new MAN eTruck



VWTVB starts series production of e-Delivery truck



Scania's battery assembly starts operations



Milence opens first charging hub for heavy-duty vehicles

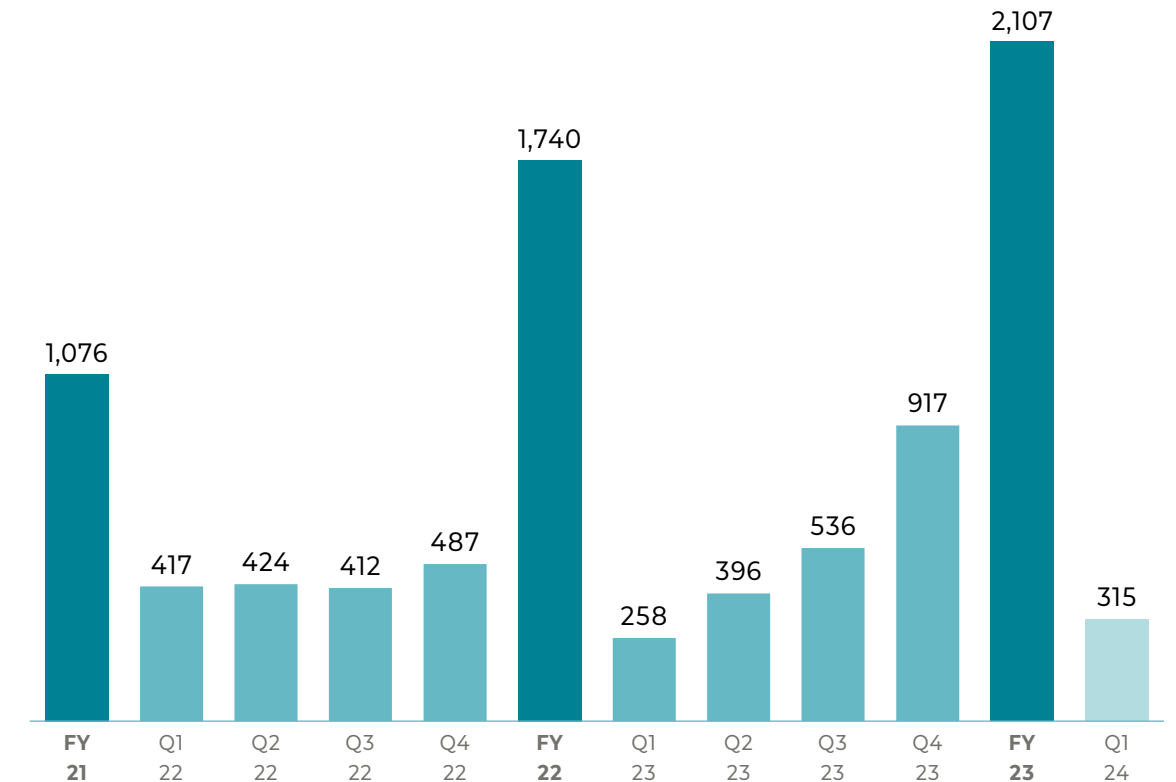


Navistar partners with Quanta Services



Scania & sennder establish JUNA JV

Unit sales of fully electric vehicles (units)



WE CONTINUE TO CAPITALIZE ON OUR HIGH ORDER BOOK

- Truck unit sales as expected with a slight decline year-on-year due to Europe and North America
- Overall truck demand remains solid with normalized levels in Europe and North America
 - Weaker truck market in Germany
 - In USA, medium and severe segment stronger than class 8 on-highway trucks
- In South America, strong incoming orders and unit sales for heavy-duty trucks, especially in Brazil

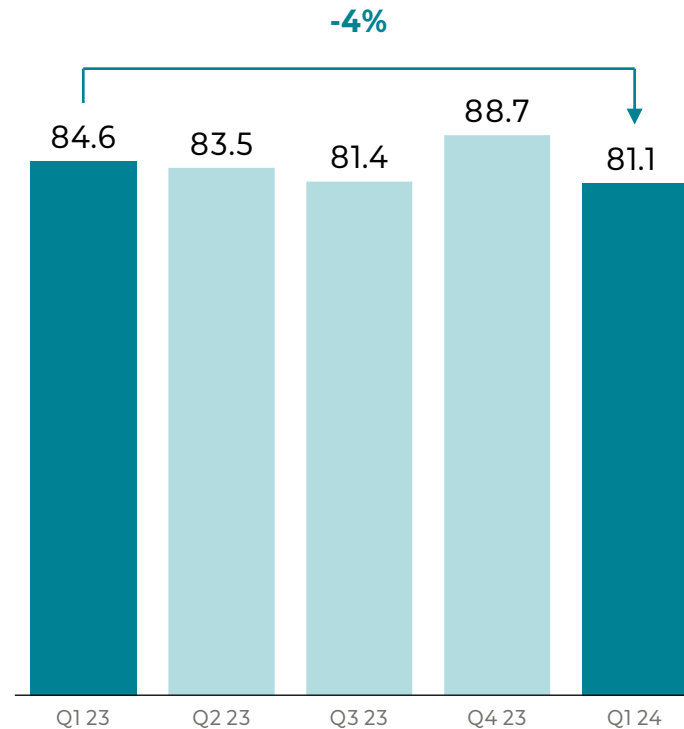
Incoming orders & Unit sales (k units)



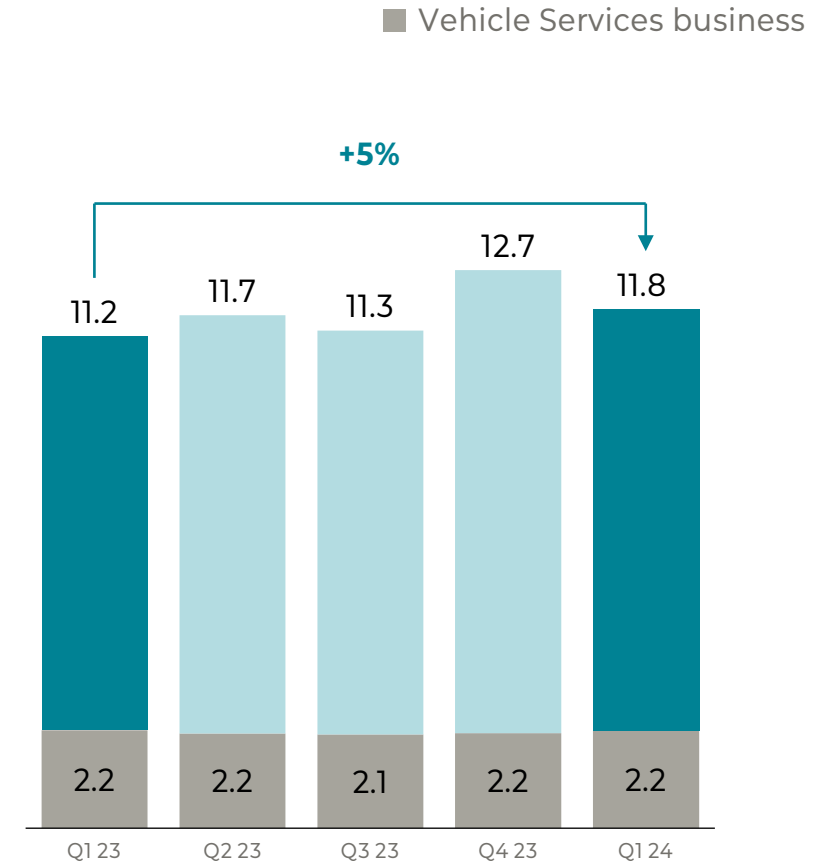
SALES REVENUE BENEFITING FROM MIX EFFECTS AND PRICING ...

- Unit sales at solid, normalized level
- Favorable product and market mix
- Better unit price realization
- Continued high customer demand for Vehicle Services business

Unit sales (k units)



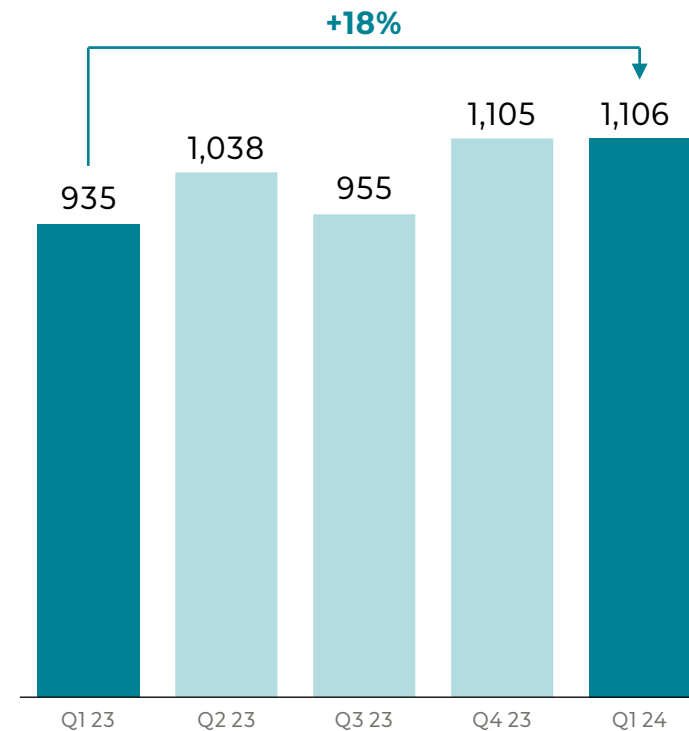
Sales revenue (€ bn)



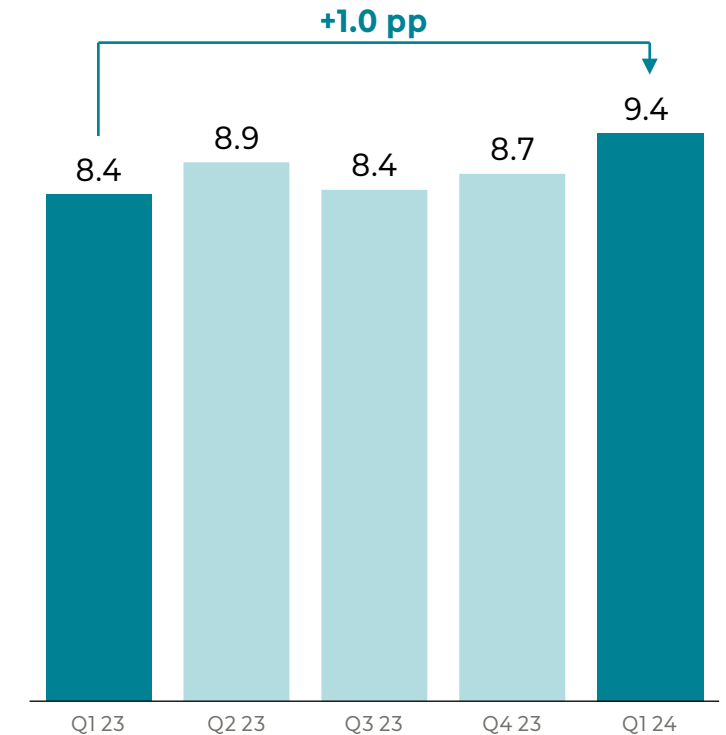
... TOGETHER WITH EFFICIENCY GAINS LEADING TO RECORD MARGIN LEVEL

- Increased sales revenue per unit
- Improved cost structure, despite lower production capacity utilization
- Positive impact from MAN realignment program completed in H2 2023

Adjusted operating result (€ mn)



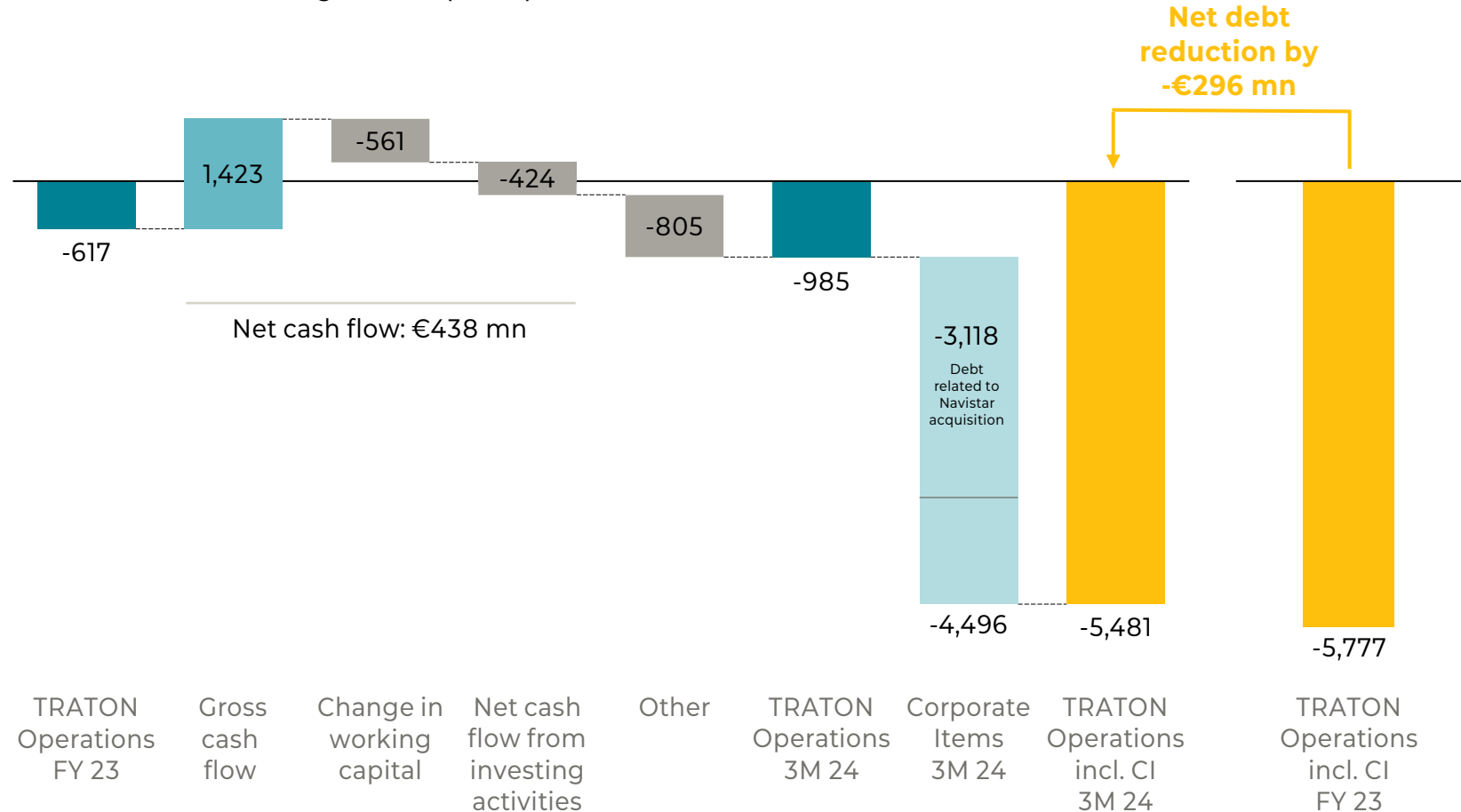
Adjusted return on sales (%)



NET DEBT FURTHER REDUCED DESPITE HIGHER WORKING CAPITAL

- Net cash flow of TRATON Operations driven by:
 - improved operating performance
 - seasonally weaker working capital, with a capital build-up of €0.6 bn in Q1 24 mainly due to increased inventories
- Net debt of TRATON Operations incl. Corporate Items (CI) reduced by €0.3 bn vs. year-end 2023

Net financial debt bridge, Q1 24 (€ mn)



MAIN THEMES 2024 ON OUR WAY TO TRANSFORM TRANSPORTATION

BEV transition

- Successfully launch new BEV products.
- Start charging operations and partnerships.

Cost improvement measures

- Cost efficiency initiatives in all brands in place.
- Leverage cross-brand efficiencies.

Navistar profitable growth

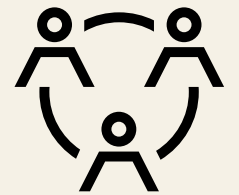
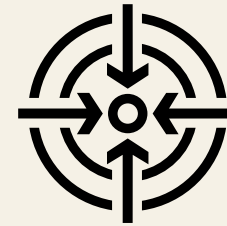
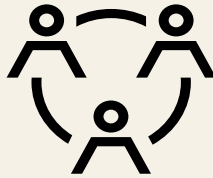
- Successful ramp-up of International S13 truck deliveries.
- Enhanced services and maintenance offerings.

TRATON Modular System

- Intensify brand collaboration on Group level for R&D and product management.
- Prepare introduction of integrated powertrain at MAN.

FINANCING & RATING

WHY TRATON IS AN ATTRACTIVE INVESTMENT



Strong competitive position with a **diversified regional and brand portfolio** in an attractive global growth market and profit pool

State-of-the-art products and services strongly geared towards future trends in order to **capture the opportunities in our industry**

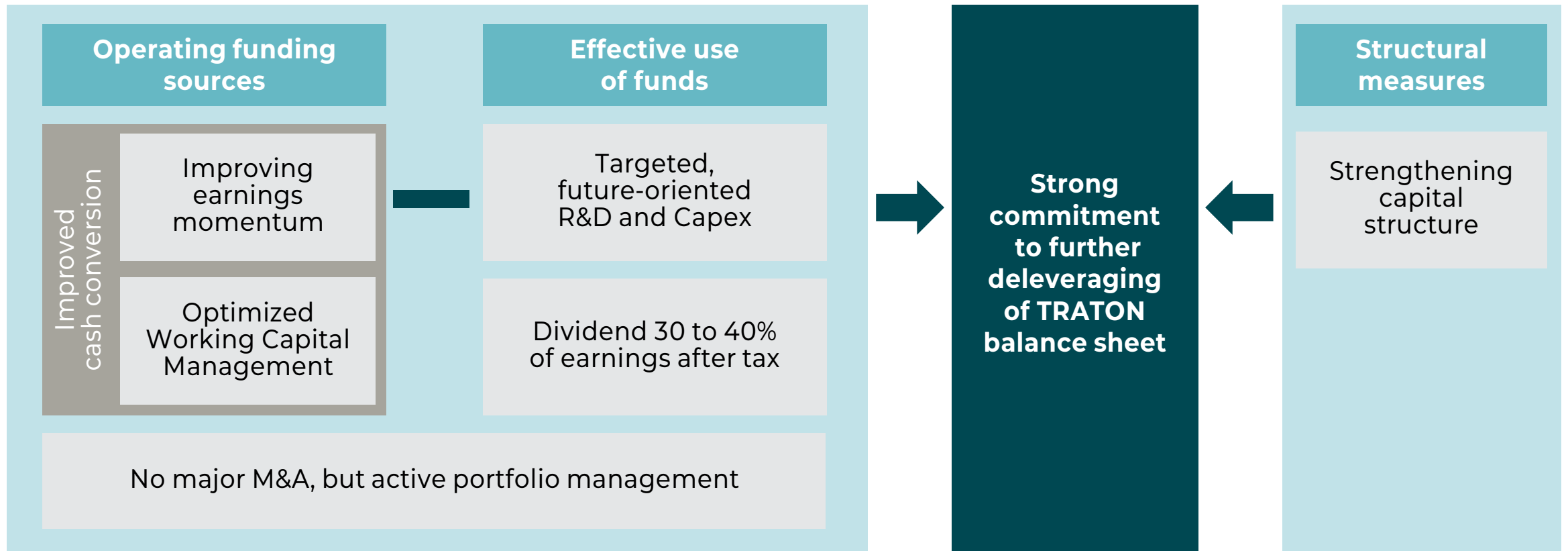
Substantial potential from **leveraging know-how of brands and TRATON Modular System** while **driving the transformation towards a sustainable future**

Key milestones reached to **establish a global captive and integrated TRATON Financial Services business**

Clear plan and commitment to execute towards **ambitious 9% return on sales target** and an **efficient balance sheet**

Strong support from **majority shareholder Volkswagen** (89.7% ownership), evidenced by **credit support for external ratings** (BBB stable and Baa2 positive by S&P / Moody's respectively)

TRATON'S CAPITAL FRAMEWORK – FOCUS ON OPTIMIZING PILLARS TO DELEVERAGE



TRATON FINANCING VIA DEBT CAPITAL MARKETS SIMPLIFIED OVERVIEW

	EMTN PROGRAM	CP PROGRAM
Program size	EUR 12 billion	EUR 2.5 billion
Established	March 2021	September 2023
Guarantor	TRATON SE	TRATON SE
Issuer structure	<pre> graph TD TSE[TRATON SE (TSE)] --- TFL[TRATON Finance Luxembourg S.A. (TFL)] </pre>	<pre> graph TD TSE[TRATON SE (TSE)] --- TFL[TRATON Finance Luxembourg S.A. (TFL)] TSE --- TTAB[TRATON Treasury AB (TTAB)] </pre>
Funding	TFL: Funding of both Financial Services and Industrial Business financing requirements	
Credit rating TRATON SE	<ul style="list-style-type: none"> - Standard & Poor's: BBB (outlook stable); short-term: A-2 - Moody's: Baa2 (outlook positive); short-term: P-2 - Ratings supported by Volkswagen credit ratings 	
ESG rating	ISS ESG has rewarded TRATON with "Prime" status and a "B-" rating (on a scale of A+ to D-) for its sustainable value creation efforts in the machinery sector (as of October 13, 2023)	

¹ A 100% indirect subsidiary of TRATON SE (via TRATON International S.A.)

TRATON GROUP – DEBT MATURITY PROFILE

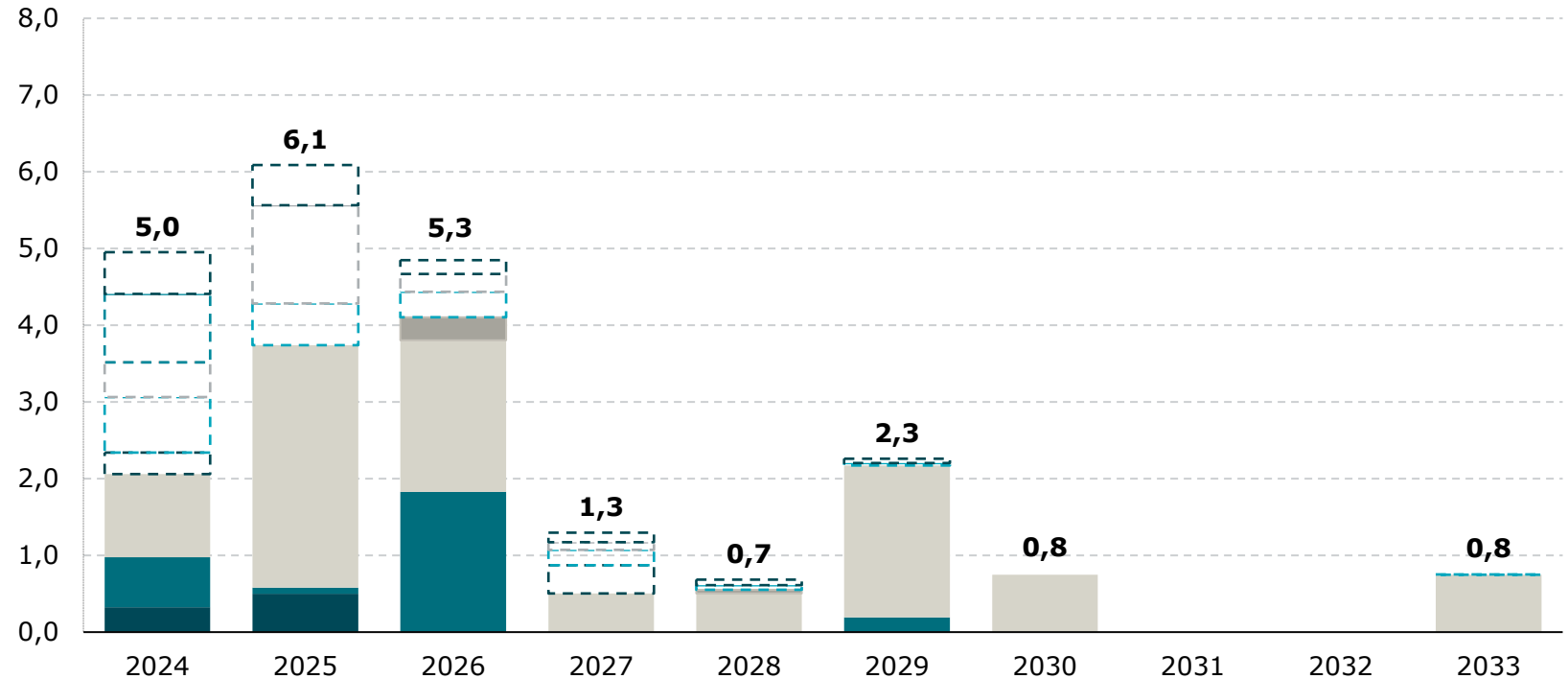
Major financings

- Total of €10.3 bn TFL Bonds (tranches of 1.75y to 12y)
- €350 mn Schuldschein (tranches of 5y and 7y)
- €4.5 bn syndicated RCF (undrawn)

Debt overview (€ bn)

TRATON financial debt	21.9
thereof CI/OP	7.7
thereof FS	14.2
Leasing (IFRS 16)	1.2
TRATON financial debt (incl. leasing)	23.1

Maturity profile (€ bn)¹



- VW AG RCF (CI/OP)
- Bank Loans (CI/OP)
- TRATON Bonds (CI/OP/FS)
- SSD (CI)²
- VW US RCF (FS)
- Bank Loans (FS)
- Scania&Navistar Bonds (FS)
- Commercial Paper (FS)
- ABS (FS)

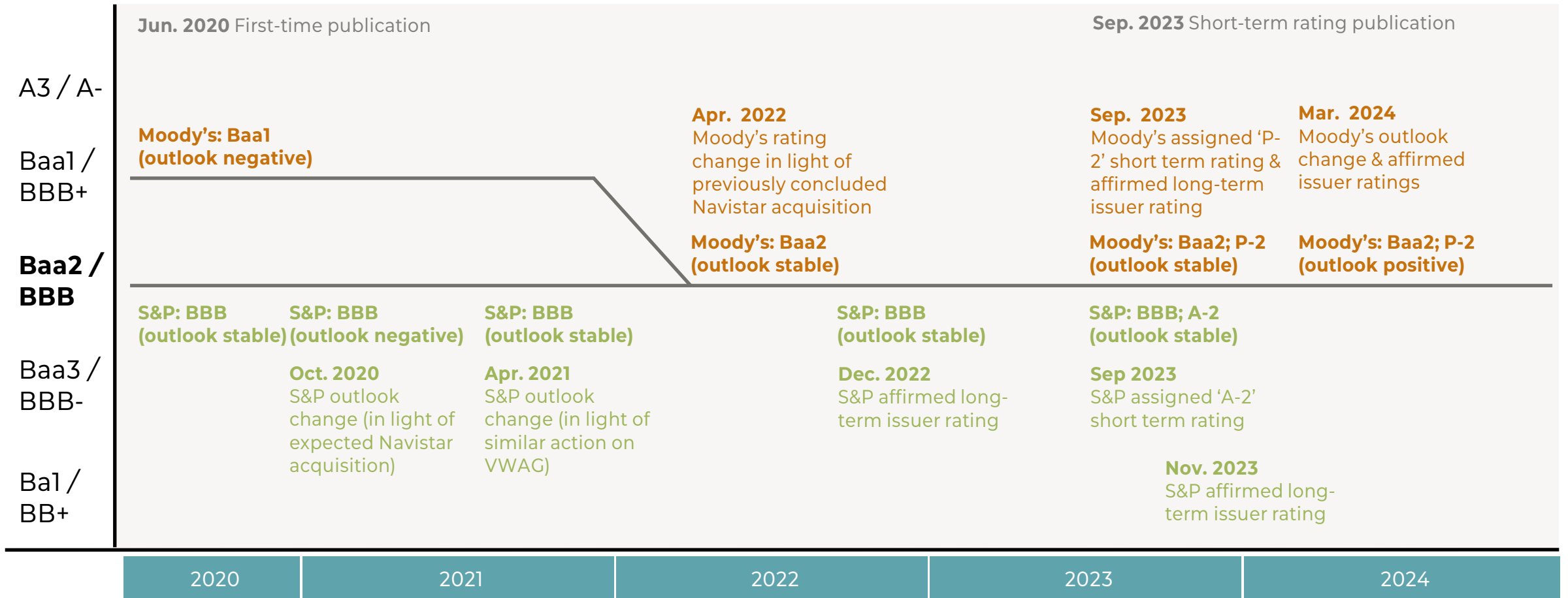
¹ Excluding €1.2 bn of IFRS 16 financial liabilities.

² SSD = Schuldscheindarlehen.

Note: OP = TRATON Operations
FS = TRATON Financial Services
CI = Corporate Items
TFL = TRATON Finance Luxembourg

DEVELOPMENT OF TRATON SE CREDIT RATINGS

MOODY'S WITH BAA2 POSITIVE OUTLOOK, S&P WITH BBB STABLE OUTLOOK



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