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The financial information and financial data contained in this presentation are preliminary, unaudited and may be subject to revision upon completion of ongoing audit processes for the years 2016, 2017 and 2018. It is anticipated that TRATON GROUP will report its financial results using two segments. Its Industrial Business is comprised of its three operating units, Scania V&S, MAN T&B, and VWCO. Its other reporting segment is Financial Services, comprised of Scania Financial Services. Due to their preliminary nature, statements contained in this presentation should not be unduly relied upon and past events or performance should not be taken as a guarantee or indication of future events or performance. Return on sales as used in this presentation is defined as operating profit margin (operating profit divided by revenue). Where TRATON GROUP-specific figures are not available, operating profit and revenue at the level of TRATON GROUP have been calculated as the sum of MAN Commercial Vehicles and Scania as reported by Volkswagen AG and it should be noted that operating profit reported by Volkswagen AG (i) excludes special items and (ii) at the level of TRATON GROUP excludes purchase price allocation (PPA) effects from acquisitions and TRATON GROUP holding costs. Financial figures in relation to Scania (i) include financial services (unless denoted otherwise) and (ii) when expressed in EUR have been translated from SEK into EUR, using the exchange rate prevailing at the relevant date or for the relevant period that the relevant financial figures relate to. References to Scania before 2014 refer to Scania AB. Operating and financial data relating to alliance partners are as publicly reported by the relevant partner. Unless otherwise indicated, financial information presented in the text and tables in the following presentation is rounded to a whole number. Percentage changes and ratios in the text and tables of the presentation are calculated based on the respective underlying numbers and then commercially rounded to a whole percentage or to one digit after the decimal point. Because of rounding, figures shown in tables in the presentation do not necessarily add up exactly to the respective totals or sub-totals presented, and aggregated percentages may not exactly equal 100%. Furthermore, these rounded figures may vary marginally from unrounded figures that may be indicated elsewhere in the presentation. Financial information presented in parentheses denotes the negative of such number presented.

When describing TRATON GROUP and its operating units for periods before 2016, and unless denoted otherwise, all references in the following presentation to MAN are references to MAN Truck & Bus (reported as “MAN Truck & Bus” by MAN SE) and all references to Volkswagen Caminhões e Ônibus are references to “MAN Latin America” as reported by MAN SE. As of December 31, 2018, MAN SE is approximately 87% owned by TRATON SE. All references to sales of buses and coaches also include chassis. While prior to December 31, 2018, the Power Engineering business was legally a part of TRATON GROUP, it is not included as an operating unit as described in this presentation and is shown as discontinued operations in the preliminary financial information for TRATON GROUP. While the TRATON GROUP holds 100% of the voting rights in Scania, its economic interest in Scania is less than 100% due to partial ownership through TRATON’s majority stake in MAN SE.

To the extent available and unless denoted otherwise, the industry and market data contained in this presentation has been derived from official or third party sources and all market and market share data has been derived from data published by IHS Markit Global Sari for heavy duty trucks (>15t) and heavy/medium duty trucks (>6t), McKinsey & Company, LMC Automotive, Transparency Market Research, Verband der deutschen Automobilindustrie (VDA), Worldbank, International Monetary Fund (IMF), International Council on Clean Transportation (ICCT) and Kraftfahrt-Bundesamt. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While TRATON GROUP believes that each of these publications, studies and surveys has been prepared by a reputable source, TRATON GROUP has not independently verified the data contained therein. In addition, certain of the industry and market data, if not labelled otherwise, contained in this presentation are derived from TRATON GROUP’s internal research and estimates based on the knowledge and experience of its management in the markets in which it operates. TRATON GROUP believes that such research and estimates are reasonable and reliable, but their underlying methodology and assumptions have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this presentation.

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<td>A. Renschler</td>
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<td>C. Schulz</td>
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<td>04. INTRODUCTION TO TRATON GROUP</td>
<td>A. Renschler</td>
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<td>H. Henriksson</td>
<td>49</td>
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<td>BRAND PERFORMANCE MAN T&amp;B</td>
<td>J. Drees</td>
<td>72</td>
</tr>
<tr>
<td>BRAND PERFORMANCE VWCO</td>
<td>A.R. Cortes</td>
<td>90</td>
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<td>Q&amp;A SESSION I</td>
<td>R. Woller, All Presenters</td>
<td></td>
</tr>
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<td></td>
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</tr>
</tbody>
</table>
## AGENDA FOR THE DAY (2/2)

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<td>R. Woller, All Presenters</td>
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ANDREAS RENSCHLER

MEMBER OF THE BOARD OF MANAGEMENT OF VOLKSWAGEN AG
CHIEF EXECUTIVE OFFICER TRATON GROUP
TODAY'S AGENDA

01. INTRODUCTION
02. COMPANY HIGHLIGHTS
03. INDUSTRY AND MARKET ENVIRONMENT
04. TRATON GROUP
05. FINANCIALS
06. WRAP UP
TODAY’S SPEAKERS

Andreas Renschler
CEO

Christian Schulz
CFO

Christian Levin
CTO

Dr. Carsten Intra
CHRO

Henrik Henriksson
CEO Scania

Joachim Drees
CEO MAN

Antonio Roberto Cortes
CEO VWCO
CLEARLY DEFINED STRATEGIC GOAL

Creating a
GLOBAL CHAMPION IN THE TRANSPORTATION INDUSTRY

Leader in

PROFITABILITY

GLOBAL PRESENCE

INNOVATION
TRATON GROUP HAS CONTINUOUSLY DELIVERED ON ITS STRATEGIC GOAL SINCE THE INCEPTION OF VOLKSWAGEN TRUCK & BUS

Collaboration among brands in Volkswagen T&B fully on track

Successful creation and implementation of strategic alliance partnerships

New corporate identity

Adj. Return on Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>5.4%</td>
<td>6.0%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Note: TRATON GROUP including Financial Services.

1 Calculated as the ratio of adj. operating profit to sales revenue. Adj. operating profit includes PPA (from Scania and VWCO), VGSG operations (sold as of Jan-2019) and consolidation effects (MAN T&B – VWCO). 2 Including €403m adjustment for provision in relation to Scania antitrust fine and €58m adjustment for restructuring expense at VWCO. 3 Including (€50m) adjustment for release of restructuring provision at MAN T&B. 4 Including €115m adjustment for expense in relation to Indian market exit at MAN T&B.
LEADING GLOBAL BRANDS AND STRATEGIC ALLIANCE PARTNERS

**FULLY CONSOLIDATED**

Leader in core markets with differentiated brands

**ASSOCIATES**

- 16.8%¹
- 25% + 1 share²

Powerful strategic alliance partners enabling leading global scale

¹ As of 30-Nov-2018. ² Held by MAN SE as of 30-Sep-2018.
# UNIQUE GLOBAL TRUCK AND BUS PLATFORM WITH FOCUS ON HEAVY DUTY TRUCKS

## TRATON GROUP

<table>
<thead>
<tr>
<th>Home base</th>
<th>Europe and Brazil</th>
<th>Europe</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>82</td>
<td>84²</td>
<td>21</td>
</tr>
<tr>
<td>Buses</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>90</td>
<td>26</td>
</tr>
</tbody>
</table>

### Heavy duty trucks
- 80%

### Medium/Light duty trucks
- 11%

### Bus and Coach
- 9%

## ASSOCIATES

<table>
<thead>
<tr>
<th>Home base</th>
<th>China</th>
<th>North America</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>264³</td>
<td>57</td>
<td>n/a</td>
</tr>
<tr>
<td>Buses</td>
<td>0</td>
<td>11</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>264</td>
<td>68</td>
<td>184⁴</td>
</tr>
</tbody>
</table>

## STRATEGIC PARTNER

<table>
<thead>
<tr>
<th>Home base</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>n/a</td>
</tr>
<tr>
<td>Buses</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>184⁴</td>
</tr>
</tbody>
</table>

Note: Trucks >6t, VWCO trucks ≥ 5t; all figures as per company reporting / company information; pictures denote presence in respective area; figures are financially rounded.

1 Unit sales per fiscal year (Scania, MAN T&B, VWCO, and Sinotruk year-end 31 December 2017; Navistar year-end October 2017 and HINO year-end March 2018). Navistar unit sales include sales volume of 10.8k primarily related to export trucks / Mexico.

2 Including c. 2k MAN TGE vans.

3 Including c. 108k in LDT unit sales.

4 Unit sales split not disclosed; excl. Toyota unit sales.

Relates to % of total TRATON GROUP unit sales in 2017 (excl. associates and strategic partner).
SNAPSHOT TRATON GROUP 2017

UNIT SALES\(^1\) BY GEOGRAPHY
% of total

<table>
<thead>
<tr>
<th>Region</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>16%</td>
</tr>
<tr>
<td>EU28+2(^2)</td>
<td>40%</td>
</tr>
<tr>
<td>Brazil</td>
<td>11%</td>
</tr>
<tr>
<td>S. America (ex. Brazil)</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>27%</td>
</tr>
</tbody>
</table>

SALES REVENUE BY BRAND
€ bn / % of total

<table>
<thead>
<tr>
<th>Brand</th>
<th>Sales Revenue € bn</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scania Group(^4)</td>
<td>12.8 (53%)</td>
<td></td>
</tr>
<tr>
<td>MAN T&amp;B</td>
<td>10.0 (41%)</td>
<td></td>
</tr>
<tr>
<td>VWCO</td>
<td>1.2 (5%)</td>
<td></td>
</tr>
</tbody>
</table>

ADJ. OPERATING PROFIT BY BRAND
€ bn / Adj. RoS %

<table>
<thead>
<tr>
<th>Brand</th>
<th>Adj. Operating Profit € bn</th>
<th>Adj. RoS %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scania Group(^4)</td>
<td>1.3 (10.0%)</td>
<td></td>
</tr>
<tr>
<td>VWCO(^6)</td>
<td>0.5 (4.8%)</td>
<td></td>
</tr>
<tr>
<td>MAN T&amp;B</td>
<td>12.8 (53%)</td>
<td></td>
</tr>
</tbody>
</table>

205k Units sold\(^1\)  € 24.4bn\(^3\) Sales Revenue  € 1.5bn\(^5\) Adj. Operating Profit  6.0%\(^5\) Adj. RoS

Note: Trucks >6t, VWCO trucks ≥ 5t; figures are financially rounded. TRATON GROUP including Financial Services.

1 TRATON GROUP unit sales total figures based on company information. 2 EU28+2 region consisting of EU member states plus Norway and Switzerland. 3 Including VGSG operations (sold as of Jan-2019) and consolidation effects (MAN T&B – VWCO). 4 Includes Vehicles and Services and Financial Services; post consolidation effects; excl. PPA. 5 Calculated as adj. Operating Profit to sales revenue. Adj. Operating Profit includes PPA (from Scania and VWCO), VGSG operations (sold as of Jan-2019) and consolidation effects (MAN T&B – VWCO); also includes (€50m) adjustment for release of restructuring provision at MAN T&B. 6 VWCO with operating loss of €0.1bn in 2017 (Adj. RoS of (8.8)%).
TODAY'S AGENDA

01. INTRODUCTION

02. COMPANY HIGHLIGHTS

03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP

05. FINANCIALS

06. WRAP UP
KEY COMPANY HIGHLIGHTS

1. GLOBAL CHAMPION
   - Scale and global reach through leading brands and strategic alliance partners
   - Unique platform enabling growth and positioning us for best-in-class profitability

2. GROWTH
   - Customer value focused product and service offering
   - New product generations
   - Further expansion in key geographies

3. PROFITABILITY AND SYNERGIES
   - Concrete path to profitability improvement
   - Stand-alone brand performance plus synergies
   - Earnings growth and cash generation potential

4. EXECUTION
   - Strong team with industry-leading track record
   - Committed to Global Champion strategy
TRATON GROUP WITH #1 TRUCK MARKET POSITION IN EUROPE AND SOUTH AMERICA

- **Core markets of TRATON GROUP brands**
- **TRATON GROUP truck market share in 2017 (>15t)**

**Europe**

1. Market leader with 32% market share
2. Market leader in Germany with 37% market share

**South America**

1. Market leader with 30% market share
2. Market leader in Brazil with 39% market share

Source: IHS Markit.

Note: Smaller presences in additional countries not highlighted (TRATON GROUP active in >120 countries worldwide, including bus activities).

1 EU28+2 region consisting of EU member states plus Norway and Switzerland, Cyprus, Malta, and Luxembourg excluded, as no IHS Markit data available. TRATON GROUP’s sales in Russia not included in calculation of Europe market share.

2 Including Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela; excl. Mexico (part of North America); excl. Paraguay, Uruguay, as no IHS Markit data for trucks >15t available.
EXPANDING GLOBAL REACH THROUGH ALLIANCE PARTNERS TO ADDRESS ALL MAJOR PROFIT POOLS

North America – Partnership since 2016
- Technology cooperation: first SoPs by 2020/21
- Synergies in procurement JV achieved, further potential

China – Partnership since 2009
- Intention to localize MAN heavy-duty truck in world’s largest market
- Evaluation of technology/procurement cooperation

Japan & South East Asia – Cooperation since 2018
- Cooperation: Future logistics/transportation, technology and e-mobility
- LoI for procurement JV signed with global synergy potential

Source: IHS Markit.
Note: SoP = Start of Production.
1 Market share of Navistar Canada and USA. 2 Market share of CNHTC (parent company of Sinotruk) in China (including Hong Kong). 3 Market share of Hino in Japan and South East Asia (Indonesia, Australia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam).
LEADING HEAVY DUTY PLATFORM AS BASIS FOR FURTHER EXPANSION AND SYNERGY REALIZATION

Potential heavy duty platform reach of top OEMs incl. associates and strategic partner
Sales volumes >15t in 2017, in k units

Leverage technologies and expertise through global brands

- Leading powertrain technology
- Broad sales and service network
- Focus on accelerated benefits in partnership approach

Source: IHS Markit. Note: Truck volumes (>15t) including selected strategic alliances.
1 Top 3 players with alliance partners. 2 Including partnerships with Dongfeng (45% ownership) and Eicher. 3 Dongfeng including Dongfeng-Volvo JV sales volume. 4 Including partnerships with Foton (50% ownership) and Kamaz. 5 Foton including Foton-Daimler JV sales volume.
TRATON GROUP WITH MULTIPLE STRATEGIC LEVERS FOR GROWTH

TRATON GROUP SALES REVENUE

SUSTAIN CORE

GO GLOBAL

GROW SHARE

DRIVE INNOVATION

€24.4bn¹

2017

Mid-term

1 Including VGSG operations (sold as of Jan-2019) and consolidation effects (MAN T&B – VWCO).
## SUSTAIN CORE AND GO GLOBAL – STRONG CORE MARKETS AND INCREASING EXPOSURE TO GLOBAL MARKETS FORM THE BASIS FOR FUTURE TOPLINE GROWTH

### SUSTAIN CORE

<table>
<thead>
<tr>
<th>Market volume truck sales &gt;6t</th>
<th>2017, k units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe(^1)</td>
<td>369</td>
</tr>
<tr>
<td>South America(^2)</td>
<td>105</td>
</tr>
<tr>
<td>Russia</td>
<td>78</td>
</tr>
<tr>
<td>Other(^3)</td>
<td></td>
</tr>
</tbody>
</table>

**Mid-term market outlook**

- **Robust volumes; services with positive impact on profits**
- **Strong recovery** expected post Brazil market downturn
- **Continued solid growth** momentum accompanied by margin increase

**Successful global (export) business of premium trucks out of European / Brazilian home base**

### GO GLOBAL

<table>
<thead>
<tr>
<th>Market volume truck sales &gt;6t</th>
<th>2017, k units</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America(^4)</td>
<td>475</td>
</tr>
<tr>
<td>China</td>
<td>1,349</td>
</tr>
<tr>
<td>S.E. Asia(^5) &amp; Japan</td>
<td>330</td>
</tr>
</tbody>
</table>

**Mid-term market outlook**

- **Current strong macro-economic conditions** with mixed outlook
- **Premium and upper budget segment expected to grow**
- **Heterogenous markets with mixed growth outlook**

**Addressable market volume**

- **Additional market volume**

### Company Highlights

- **Maintain market leadership** in Europe and Brazil
- **Grow service sales revenue** on existing rolling fleet

- **Drive mutually beneficial / smart partnerships**
- **Expand profitable segments** in China, South America and other emerging markets

---

Source: IHS Markit (market volumes).

1 EU28+2 region consisting of EU member states plus Norway and Switzerland. Cyprus, Malta, and Luxembourg excluded, as no IHS Markit data available.

2 Including Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela; excl. Mexico (part of North America); excl. Paraguay, Uruguay, as no IHS Markit data for trucks >6t available.

3 Including e.g. Australia, China, SEA, South Africa, South Korea.

4 Canada, Mexico, United States.

5 Australia, Indonesia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam.
GROW SHARE – BENEFIT FROM HIGHLY ATTRACTIVE PRODUCT PIPELINE

NTG

New generation for all trucks (R, G and P trucks as well as newly introduced S and L trucks)

Launch / ramp-up (targeted)

2016 – 2019e

1995 (4-Series)

NEW TRUCK GENERATION

New state of the art truck generation / Model year 2019

2019 – 2021e

2000 (TGA)

NEW DELIVERY TRUCK

Modern truck for urban logistics tailored to emerging markets

2017 – 2019e

2005 (Delivery)

% of truck units of respective brand affected post full production ramp-up

1 Previous key launch of respective product range.
Note: HVO = Hydrogenated Vegetable Oil; BEV = Battery electric vehicle.
1 Scania and Rio Tinto trialing autonomous truck in Australia. 2 Based on a company comparison with other offerings in the market. 3 As of Q4-2018.
TRATON GROUP WITH STRONG TRACK RECORD OF PERFORMANCE IMPROVEMENT ACROSS BRANDS. FURTHER POTENTIAL TO BE REALIZED

**A. BRAND PERFORMANCE IMPROVEMENTS**

| Year | Adjusted Return on Sales
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9.4%³</td>
</tr>
<tr>
<td>2017</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

**Target⁴**

<table>
<thead>
<tr>
<th>Year</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>12%</td>
</tr>
<tr>
<td>2017</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Target⁴**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>9%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**(15.6%)⁵**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>1.7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**B. SYNERGIES**

1. **Purchasing (incl. lead buying)**

2. **Modularization and components**

3. **Joint powertrain**

4. **New technologies**

5. **Production footprint and logistics**

**TRATON GROUP: ATTRACTIVE MARGIN UPSIDE**

| Year | Adjusted Return on Sales
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.4%</td>
</tr>
<tr>
<td>2017</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

**Target⁷**

1. Based on adj. operating profit including PPA (from Scania and VWCO), VGSG operations (sold of Jan-2019) and consolidation effects (MAN T&B – VWCO). 2 Scania Group including Financial Services post Scania consolidation effects; excl. PPA. 3 Including €403m adjustment for provision in relation to Scania antitrust fine. 4 Strategic target brands want to achieve over the cycle. 5 Including €58m adjustment for restructuring expense at VWCO. 6 Including (€50m) adjustment for release of restructuring provision at MAN T&B. 7 Strategic target TRATON GROUP wants to achieve over the cycle, including consolidation effects and others.
WITH THE INTRODUCTION OF THE NEW TRUCK GENERATIONS, TRATON GROUP VERY WELL POSITIONED TO FUND NEW TECHNOLOGIES

Significant total research and development costs and capex over past years (total funding) € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Research and Development Costs</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.4 €bn</td>
<td>1.3 €bn</td>
</tr>
<tr>
<td>2017</td>
<td>2.5 €bn</td>
<td>1.4 €bn</td>
</tr>
</tbody>
</table>

1 Including investments in intangible assets (excluding development costs), property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments; from continuing operations.
2 Total research and development costs from continuing operations equal to capitalized R&D plus period expensed R&D from continuing operations.
3 Stake in Navistar has increased to 16.8% as of 30-Nov-2018.

Significant funding of new truck generations across brands in order to be prepared for the future

Free up cash flow for future funding of new technologies

Target to cap absolute amount of primary R&D going forward

Capex in 2017 includes purchase price for 16.6% stake in Navistar
TRATON GROUP – CREATING A GLOBAL CHAMPION

GLOBAL CHAMPION

GROWTH

PROFITABILITY AND SYNERGIES

EXECUTION
TODAY'S AGENDA

01. INTRODUCTION

02. COMPANY HIGHLIGHTS

03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP

05. FINANCIALS

06. WRAP UP
TRUCKS ARE CAPITAL GOODS: PURCHASE DECISIONS ARE BASED ON RATIONAL FACTORS – TOTAL COST OF OWNERSHIP (TCO)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capital goods</th>
<th>Consumer goods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer expectations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer focus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual mileage (km)</td>
<td>~130,000</td>
<td>~14,000¹</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel consumption (l/100 km)</td>
<td>~30-35²</td>
<td>~4-7³</td>
</tr>
<tr>
<td>Product lifecycle (years)</td>
<td>&gt;10</td>
<td>~4-5</td>
</tr>
<tr>
<td>Vehicles sold annually</td>
<td>~3 m⁴</td>
<td>~90 m⁵</td>
</tr>
</tbody>
</table>

Source: IHS Markit, ICCT, Kraftfahrt-Bundesamt.
1 Average mileage driven in 2017 by passenger vehicles registered in Germany.
2 Fuel consumption for tractor-trailers over long-haul operation.
3 Fuel consumption for passenger cars in EU28+2 (urban and extra-urban).
4 IHS Markit 2018 forecast for total global market figure.
5 VDA data for total global market figure.
TRUCK INDUSTRY DRIVEN BY TOTAL COST OF OWNERSHIP (TCO)

**KEY ELEMENTS**

**FUEL**
Annual mileage, driving behavior, powertrain efficiency

**DRIVER**
Driver salary, related costs

**REPAIR AND MAINTENANCE**
Usage pattern, cost/frequency of repair & maintenance, uptime

**VEHICLE**
Purchasing costs, vehicle specification, residual value

**ADMIN AND SERVICES**
General & administrative processes, driver & vehicle and fleet management

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1 Chart representative for German HDT market; indicative - depending on usage pattern. 2 Selected drivers (non exhaustive).
TRUCK INDUSTRY CHARACTERIZED BY A LIMITED NUMBER OF OEMS COMPETING GLOBALLY

Customization & regulation
- Trucks are highly customized products given heterogeneous customer requirements
- Products need to meet strict regulatory standards

Service network
- Large and dense service network important given high uptime requirements for trucks
- Need for high service quality

Technology
- Competitive R&D and innovation capabilities
- Continuous innovation for brand positioning and to reduce TCO

Source: IHS Markit.
1 EU28+2 region consisting of EU member states plus Norway and Switzerland. Cyprus, Malta, and Luxembourg excluded, as no IHS Markit data available.
2 Canada, Mexico, United States.
3 Incl. Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela; excl. Mexico (part of North America); excl. Paraguay, Uruguay, as no IHS Markit data for trucks >15t available.
4 Incl. TRATON GROUP, Volvo Truck & Bus, Daimler.
5 Incl. Daimler, Paccar, Volvo Truck & Bus.
6 Incl. TRATON GROUP, Daimler, Volvo Truck & Bus.
Evolving truck market offers new opportunities

Vehicle

Total cost of ownership

End-to-end logistics solutions

“Traditional” truck business

• Truck sales
• Used vehicles

New truck + services

• Repair & maintenance
• Vehicle, financial & driver services

Transport solutions

• End-to-end logistic solutions/ fleet management
• Proactive maintenance
3 MEGATRENDS INFLUENCING THE TRANSPORTATION SECTOR

GLOBALIZATION

FUNDAMENTALLY GROWING INDUSTRY, GLOBALLY

EUROPE & SOUTH AMERICA (CORE MARKETS OF TRATON GROUP) AS WELL AS NORTH AMERICA ARE ATTRACTIVE

ADDRESSABLE MARKET FOR TECHNOLOGY LEADERS WILL INCREASE, E.G., IN CHINA

DIGITALIZATION

CONNECTIVITY

• Penetration rising rapidly, enabling efficiency increases in transportation value chain and new business models

AUTONOMOUS

• Near-term impact for selected applications
• Full impact of autonomous technologies likely to materialize only in the long term

SUSTAINABILITY

TRANSITION TO ELECTRIFICATION

• Industry transition to electrification complex (e.g., infrastructure, transport processes)
• Electrification driven by TCO as well as regulation

ALTERNATIVE POWERTRAINS

• Alternative fuels/hybrids intermediate solutions and based on application
STRONG GROWTH IN GLOBAL ROAD TRANSPORTATION

GLOBAL ROAD TRANSPORTATION MARKET

$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>~1,350</td>
</tr>
<tr>
<td>2025e</td>
<td>~2,100</td>
</tr>
</tbody>
</table>

~7% p.a.

Source: Transparency Market Research.

DRIVERS

Global GDP is expected to continue to grow

Continuous strong rise of online business

Good existing road infrastructure and lower cost solution

Urbanization driving increased demand for flexible transportation

INTRODUCTION

COMPANY HIGHLIGHTS

INDUSTRY AND MARKET ENVIRONMENT

TRATON GROUP

FINANCIALS

WRAP-UP

GLOBALIZATION

DIGITALIZATION

SUSTAINABILITY
SALES VOLUMES IN TRATON GROUP'S CORE MARKETS AND THE US ARE STILL FAR FROM HISTORICAL PEAKS

Truck sales volumes (>6t)\(^1\), in k units

Source: Verband der deutschen Automobilindustrie (VDA data); IHS Markit.

1 Western Europe and US data based on VDA, South America data based on IHS Markit. 2 EU15 + EFTA: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom + Iceland, Liechtenstein, Norway and Switzerland. 3 Incl. Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela; excl. Mexico (part of N. America); excl. Paraguay, Uruguay, as no IHS Markit data for trucks >6t available.
OUTLOOK FOR TRATON GROUP'S CORE MARKETS POSITIVE – EUROPE PROFITABLE AND INNOVATION DRIVEN, SOUTH AMERICA RECOVERING

<table>
<thead>
<tr>
<th>MARKET VOLUME TRUCK SALES &gt;6t</th>
<th>PROFIT POOL</th>
<th>OUTLOOK (UNITS)</th>
<th>CONSIDERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017, k units</td>
<td>Share 2017</td>
<td>CAGR 2018-25e</td>
<td>TRATON GROUP core markets</td>
</tr>
<tr>
<td>Europe</td>
<td>~30-35%⁵</td>
<td>+0.9%¹</td>
<td>• Robust volumes</td>
</tr>
<tr>
<td>South America</td>
<td>~0%⁶</td>
<td>+2.2%²</td>
<td>• Strong recovery expected post Brazil market downturn</td>
</tr>
<tr>
<td>Russia</td>
<td>n/a⁸</td>
<td>+5.2%</td>
<td>• Continued solid growth expected, driven by economic expansion</td>
</tr>
<tr>
<td>North America²</td>
<td>~35%</td>
<td>+0.6%</td>
<td>• Current strong macro-economic conditions with mixed outlook</td>
</tr>
<tr>
<td>China</td>
<td>~15%</td>
<td>(3.9)%⁴</td>
<td>• Services/aftermarket expected to increase</td>
</tr>
<tr>
<td>S.E. Asia</td>
<td>~10%⁷</td>
<td>(0.6)%³</td>
<td>• Most profitable market driven by captive powertrains</td>
</tr>
</tbody>
</table>

CONSIDERATIONS
- Robust volumes
- Services/aftermarket expected to increase
- Forefront of innovation
- Strong recovery expected post Brazil market downturn
- Continued solid growth expected, driven by economic expansion
- Current strong macro-economic conditions with mixed outlook
- Services/aftermarket expected to increase
- Most profitable market driven by captive powertrains
- Volume reset post regulatory change
- Premium and upper budget segments expected to grow
- Heterogeneous markets with mixed growth outlook

Source: IHS Markit, McKinsey.

1 EU28+2 region consisting of EU member states plus Norway and Switzerland. Cyprus, Malta, and Luxembourg excluded, as no IHS Markit data available.
2 Incl. Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela; excl. Mexico (part of N. America); excl. Paraguay, Uruguay, as no IHS Markit data for trucks >6t available.
3 United States, Mexico, Canada.
4 Incl. Hong Kong.
5 Excl. Indonesia, Australia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam. Incl. Western Europe and CEE regions.
6 As footnote two and incl. Belize, Caribbean, El Salvador, Paraguay, Uruguay.
7 Incl. in CEE region (part of EU28+2 profit pool share).
8 As footnote five and incl. Japan, Pakistan and excl. Taiwan.
9 Incl. in CEE region (part of EU28+2 profit pool share).
ADDRESSABLE MARKET FOR TECHNOLOGY LEADERS EXPECTED TO INCREASE
– DRIVEN BY EVOLVING REGULATORY AND CUSTOMER REQUIREMENTS

<table>
<thead>
<tr>
<th>Powertrain</th>
<th>TRIAD markets(^1)</th>
<th>Emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Euro VI</td>
<td>Move from Euro II-V to Euro VI</td>
</tr>
</tbody>
</table>

| Aftersales | ~20% of OEMs’ revenue from aftermarket\(^3\) | Today still limited but increasing |

| Driver availability | Automated driving improves driver efficiency today; autonomous trucks will help to address driver shortage (in the future) |

| GDP share of logistics industry | As low as 8%\(^4\) | Up to 25%\(^5\) (China: ~15%-18%) |

<table>
<thead>
<tr>
<th>TRUCK MARKET VOLUME IN SELECTED MARKETS(^2), in k units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro VI-comparable emission standard, NOx (g/kWh)</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2,042</td>
</tr>
</tbody>
</table>

Euro VI-comparable share increases from ~30% in 2017 to ~85% in 2025e globally\(^6\) leading to a higher share of attractive markets.

1 North America, Europe, Japan. 2 Mexico standards not in line with the US and Canada, currently Euro IV-comparable in place, Euro VI-comparable to be implemented by 2020e. 3 Based on Scania and MAN figures for FY2017. 4 Based on countries classified as most efficient by the World Bank, such as the US and the Netherlands. 5 Based on countries classified as least efficient by the World Bank. 6 National standards; selected cities with stricter emission regulations; based on McKinsey analysis.
CONNECTIVITY – MONETIZING CONNECTED SERVICES AND SOLUTIONS

CONNECTED TRUCKS BECOMING STANDARD IN EUROPE

Commercial vehicles with fleet management systems installed in Europe, m

- 2015: ~4
- 2020e: ~8
- Penetration rising rapidly
- 14% p.a.
- 99%

VARIOUS VALUE DRIVER STEMMING FROM CONNECTED SERVICES

| Optimization of transport processes at customers (e.g., utilization) | Improved OEM processes (e.g., R&D feedback loops) |
| Higher penetration/impact of services (e.g., flexible maintenance) | New services/business models |

TAKEAWAYS

- Penetration rising rapidly enabling new business models
- OEMs need to offer holistic platforms for connectivity and solutions
- Hardware as enabler for connected services – no driver of profitability

Source: McKinsey.
AUTONOMOUS DRIVING – NEAR-TERM IMPACT FOR SELECTED APPLICATIONS, WHILE FULL IMPACT OF AUTONOMOUS DRIVING LIKELY TO MATERIALIZE ONLY IN THE LONG TERM

EXPECTED DEVELOPMENT OF AUTONOMOUS DRIVING AND IMPACT ON TCO

<table>
<thead>
<tr>
<th>2018-20</th>
<th>2022+</th>
<th>2025+</th>
<th>2027+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly automated driving in geo-fenced areas¹</td>
<td>Autonomous trucks driving in convoys on highway (with driver in leading truck)</td>
<td>Full autonomy on highway and selected roads (driver only for pick-up/drop-off)</td>
<td>Full autonomy (no driver)</td>
</tr>
</tbody>
</table>

TAKEAWAYS

- ADAS already relevant – limited TCO impact but key technological enabler
- Use cases starting to hit the market
- Truck OEMs to capture significant value


¹ Safety driver present in truck.
ELECTRIFICATION DRIVEN BY TCO AND REGULATION – FASTEST ADOPTION FOR CITY BUSES

TCO PARITY DRIVES ELECTRIFICATION PENETRATION

<table>
<thead>
<tr>
<th>TRUCKS</th>
<th>Medium &amp; light duty</th>
<th>2020e</th>
<th>2025e</th>
<th>2030e</th>
<th>2035e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy duty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUS &amp; COACH</th>
<th>Coach</th>
<th>2020e</th>
<th>2025e</th>
<th>2030e</th>
<th>2035e</th>
</tr>
</thead>
<tbody>
<tr>
<td>City bus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TCO parity: TCO of an electric vehicle equals the TCO of a vehicle with a conventional powertrain.

Indicative potential timeframe for broader market adoption in Europe

1 TCO parity: TCO of an electric vehicle equals the TCO of a vehicle with a conventional powertrain.
TRATON GROUP WELL POSITIONED TO BE AT THE FOREFRONT OF NEW TECHNOLOGIES

GLOBALIZATION
FUNDAMENTALLY GROWING INDUSTRY
• Global Champion
EUROPE & SOUTH AMERICA ATTRACTIVE MARKETS
• Leader in core markets

INCREASED CUSTOMER REQUIREMENTS
• Customer value-focused technology leader

DIGITALIZATION
CONNECTIVITY
• 450k+ connected trucks in 2018

AUTONOMOUS
• First autonomous systems operational

SUSTAINABILITY
TRANSITION TO ELECTRIFICATION
• EV buses on the road
• Strong pipeline of EV solutions

ALTERNATIVE POWERTRAINS
• Full product offering across powertrains
ANDREAS RENSCHLER

MEMBER OF THE BOARD OF MANAGEMENT OF VOLKSWAGEN AG
CHIEF EXECUTIVE OFFICER TRATON GROUP
TODAY'S AGENDA

01. **INTRODUCTION**
02. **COMPANY HIGHLIGHTS**
03. **INDUSTRY AND MARKET ENVIRONMENT**
04. **TRATON GROUP**
   Brand Performance | Cooperations & Synergies | Global Expansion | Customer Focused Innovation
05. **FINANCIALS**
06. **WRAP UP**
OUR HERITAGE: A GROUP OF THREE LEADING INNOVATIVE BRANDS

Focus on truck sales ...
AT PRESENT: READY FOR THE FUTURE

...converting into a transport solution provider
ESTABLISHED GOVERNANCE STRUCTURE AND SHARED VALUES ARE FUNDAMENTAL PILLARS THAT SECURE SUCCESSFUL BRAND COOPERATION

GOVERNANCE

CEO/Chairman of the Board
Finance / Business Development
R&D / Procurement
Human Resources / IT

SHARED VALUES

TEAM SPIRIT
We join forces to be the number ONE

CUSTOMER FOCUS
We care about our customers’ needs

RESPECT
We strive to put society in a better shape

INTEGRITY
We do the right things in the right way

GROUP VALUES

GROUP VALUES

GROUP VALUES

GROUP VALUES

GROUP VALUES

GROUP VALUES
Creating a Global Champion
Leader in Profitability | Global Presence | Innovation

- **Brand Performance**: Increase performance of brands with individual identity, strength and clear positioning
- **Cooperation & Synergies**: Increase cooperation and exploit synergies between brands
- **Global Expansion**: Leverage scale through global footprint
- **Customer Focused Innovation**: Transforming transportation

**Creation of Sustainable Shareholder Value**
CLEAR POSITIONING OF BRANDS

Driving the shift towards a sustainable transport system

Simplifying business by being the most reliable business partner

Less you don’t want, more you don’t need

Premium customer-focused innovation leader for sustainable transport solutions

Reliable business partner with value package and full-line offering

Best value for money and tailor-made products
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   Brand Performance | Cooperations & Synergies | Global Expansion | Customer Focused Innovation

05. FINANCIALS

06. WRAP UP
HENRIK HENRIKSSON

MEMBER OF THE EXECUTIVE BOARD OF TRATON GROUP
CHIEF EXECUTIVE OFFICER SCANIA
DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM
Scania is a world leading provider of transport solutions

€12.8bn\(^4\) Sales revenue

>20,000 employees in the customer facing part of the organization\(^6\)

1 Including genuine parts and workshop services. 2 Including used vehicles, engines, powertrains and parts deliveries, leasing business and other sales revenue including sales revenue from hedging transactions. 3 Reflecting lease income and interest income. Corresponds to group sales revenue (i.e. after intersegment consolidation) of TRATON GROUP’s financial services segment. 4 Includes Vehicles and Services and Financial Services; post consolidation effects; excl. PPA. 5 Headcount disclosed in Scania 2017 reporting deviates as it includes apprentices and permanently ill. 6 Commercial Operations (excluding its central staff) and Financial Services represent integral parts of Scania’s customer facing organization, involved with selling vehicles, services and financing solutions to customers.
CONSISTENT PROFITABILITY LEADERSHIP OVER DECADES

>80 consecutive years of profitability

10%

12% over the cycle RoS target for Scania Group

1 Including €403m adjustment for provision in relation to Scania antitrust fine. 2 Truck Peer Index denotes weighted return on sales and includes Daimler Truck and Bus, Volvo Truck and Bus, Paccar Trucks and Parts; Scania as per Scania company reporting.
OUR PURPOSE: DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM

SUSTAINABLE TRANSPORT
Doing the right things

- Energy efficiency
- Alternative fuels & electrification
- Smart & safe transport

RESPONSIBLE BUSINESS
Doing things right

- Resource & energy efficient operations
- Diversity & inclusion
- Health & safety
- Human & labour rights
- Business ethics
- Community engagement

OUR PURPOSE: DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM
DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM

1. GROWTH
   - Ramp-up New Truck Generation
   - Broest range of alternative fuel technologies
   - Strong captive network and expanding connected fleet
   - Accelerated service growth expected
   - Regional expansion

2. PROFITABILITY AND SYNERGIES
   - Premium pricing through unique customer understanding
   - Leverage Byggladan, Scania’s modular toolbox, across technologies
   - Optimize product cost through flexible and lean global production system
   - Expansion of service offering

3. EXECUTION
   - Customer-centric culture of continuous improvements
   - Partnerships in the ecosystem of transport and logistics
   - Highly experienced and open-minded leadership
CONTINUE SUCCESSFUL GROWTH PATH

Scania Group\(^1\) sales revenue

- **2015**
  - High vehicle unit sales growth in Europe, Eurasia and Asia
  - Increased average price per vehicle
  - Substantially more services sold due to increased breadth of service portfolio

- **2017**
  - €12.8bn

- **Mid-term**
  - Ramp-up New Truck Generation
  - Broader range of alternative fuel technologies\(^2\)
  - Strong captive network and expanding connected fleet
  - Service growth
  - Regional expansion

---

\(^1\) Includes Vehicles and Services and Financial Services; post-consolidation effects excl. PPA.  
\(^2\) Based on a company comparison with other offerings in the market.
RAMP-UP NEW TRUCK GENERATION

PREVIOUS BODY IN WHITE GENERATIONS AND FACELIFTS

New Body In White and facelifts over time

- 4-Series (1995)
- Facelift 3-Series (1988)
- 0-Series (1968)
- Facelift 1-Series (1974)
- Facelift PGR-Series (2009)
- Facelift PGR-Series (2013)
- NTG (2016)

SELECTED AWARDS FOR NTG

- Green Truck Award 2017 & 2018
- Winner of tests across Europe
- >40 tests 2017-2018
- Superior quality directly post launch
- International Truck of the Year 2017 at IAA 2016
- Best-in-class truck on the market
- OEM of the Year 2017, Connected services

NTG IN FIGURES

- >€2bn Total investment
- 45% Share of 9M 2018 Scania truck sales
- 5% Target truck price increase
- Significant investments NTG redefining premium

NTG is the first new truck generation since 1995
NTG to fully replace PGR generation by 2019

Track record of outstanding performance

1 Relates to time period 2010 to 2017. 2 Time period: January to September 2018. Remaining share relates to previous generation. 3 Compared to PGR generation.
When the shift to alternative fuels happens ...

Scania vehicles displayed at IAA 2018: alternative fuels only³

Share of market of alternative fuels (incl. BEV)

Today²

Mid-term (2025e)³

- Scania’s sales share today above market
- Breadth of Scania portfolio provides flexibility in light of limited visibility of future technology mix
- Moving towards low carbon solutions is a pre-requisite to be in line with Paris agreement⁴

- Scania has pioneered in the use of alternative fuels for more than 30 years
- Broader range¹ of alternative fuel technologies in the market to meet all customer demands - even the most ambitious - when they come

Theoretical CO₂ reduction potential of Scania vehicles

- up to 90% Biogas
- up to 90% HVO
- up to 85% Biodiesel FAME
- up to 15% Natural gas
- >90% Hybrid with HVO
- up to 90% Ethanol

Source: OECD, European Commission. Note: HVO = Hydrogenated Vegetable Oil. LNG = Liquefied Natural Gas. CNG = Compressed Natural Gas. BEV = Battery Electric Vehicle.

¹ Based on a company comparison with other offerings in the market. ² Reflects European share of alternative fuel technologies (incl. BEV) in HDT segment. ³ Relates to long-haul. ⁴ Agreement within the UN on climate change dealing with greenhouse-gas emissions to keep global temperature rise this century below 2°C. ⁵ Including newly launched plug-in hybrid. ⁶ Also compatible with biodiesel FAME and ethanol engines.
### STRONG CAPTIVE NETWORK AND EXPANDING CONNECTED FLEET

#### CAPTIVE NETWORK

<table>
<thead>
<tr>
<th>&gt;20,000 Employees in the customer facing part of the organization¹</th>
<th>&gt;550 Captive service points⁴</th>
</tr>
</thead>
</table>

>50% of vehicles sold through captive network⁶

Captive network with direct contact to customers and their needs in the markets enables Scania to offer tailored products / services

#### CAPTIVE FINANCING

<table>
<thead>
<tr>
<th>~€6.1bn Size of customer finance portfolio²</th>
<th>Flexible Financing and insurance solutions</th>
</tr>
</thead>
</table>

>40% of vehicles sold with Financial Services solutions⁷

Local specialist support to offer tailored solutions ranging from subscription models to vehicle sales

#### EXPANDING ROLLING FLEET

<table>
<thead>
<tr>
<th>&gt;350k Size of connected fleet³</th>
<th>~ 3bn Kilometres tracked per month⁵</th>
</tr>
</thead>
</table>

~50% of global rolling fleet of vehicles³ connected in 2018

Size of connected fleet growing daily and platform for more customized services

---

¹ Commercial Operations (excluding its central staff) and Financial Services represent integral parts of Scania’s customer facing organization, involved with selling vehicles, services and financing solutions to customers. As of 31-Dec-2017 ² As of Dec-2017. ³ As of Nov-2018. Based on 10yr global rolling vehicle fleet. ⁴ As of Jan-2019. ⁵ As of Nov-2018. ⁶ Based on FY2017. ⁷ Based on FY2017.
SERVICE GROWTH

ALL BUILDING BLOCKS IN PLACE FOR SERVICE GROWTH AHEAD

Continued service growth targeted with

- Higher penetration of subscription-type service contracts globally
- Higher average service sales revenue per vehicle over vehicle lifetime

**CAPTIVE NETWORK & CAPTIVE FINANCING**

**DIGITALIZATION DRIVES BUSINESS**

**BEST-IN-CLASS TRUCK ON THE MARKET**

Share of vehicles with subscription-type service contract

1st Use (0-4 years¹)  2nd Use (5-8 years¹)  3rd Use (thereafter²)

Penetration today

Future penetration potential

**Service sales revenue growth targeted to outpace vehicles sales revenue growth**

1 Denotes vehicle age.
TARGET TO INCREASE PROFITABILITY TO 12% RETURN ON SALES

Scania Group\(^2\) adj. RoS

1. **Premium pricing** through unique customer understanding
2. Leverage **Byggladan**, Scania’s modular toolbox, across technologies
3. Optimize product cost through flexible and **lean global production** system
4. Expansion of **service** offering

Synergies within TRATON GROUP

---

1 Strategic target Scania wants to achieve over the cycle. 2 Includes Vehicles and Services and Financial Services; post consolidation effects excl. PPA.
PREMIUM PRICING THROUGH UNIQUE CUSTOMER UNDERSTANDING
FACILITATED BY THE SALES OF HOLISTIC CUSTOMER SOLUTIONS

SCANIA BUSINESS MODEL

Optimized customer value through tailored solutions

Strong sales revenue at beneficial margins

We sell on value, not on price!

- Customer sales revenue
- Scania sales revenue
= Customer operating income

+ Customer cost
- Scania cost
= Scania operating income

Energy efficiency
Alternative fuels and electrification
Smart and safe transport

EXAMPLE NTG – SELECTED IMPROVEMENTS VS. PREVIOUS GENERATION

Average Customer TCO\(^1\)

<table>
<thead>
<tr>
<th>NTG vs. PGR</th>
<th>Up to (5)%</th>
<th>Fuel cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target price increase</td>
<td>+5%</td>
<td></td>
</tr>
</tbody>
</table>

Vehicle Uptime

Wider range of variants
Improved customer fit
Higher uptime
Premium pricing

Energy Efficiency

Fuel
Driver
Repair & Mainten.
Vehicle
Admin & services

Business model aims to maximize customer value as point of departure for Scania’s own profitability

1 Chart representative for German HDT market; indicative – depending on usage pattern.
LEVERAGE BYGGLADAN, SCANIA’S MODULAR TOOLBOX, ACROSS TECHNOLOGIES
MORE TAILORED PRODUCTS WITH FEWER COMPONENTS

APPROACH

1. Standardized interfaces
2. Same components for different applications
3. Ability to match specific customer needs

EXECUTION

BENEFITS

Premium price...

• Broader customer offering
• Increased customer value due to tailor made solutions – even for niche applications
• Shorter time to market due to flexible product structure

... at low internal cost

• Shared components between trucks / buses
• One global product, enabling a flexible production system
• Lower operational costs in the whole value chain
• Scale benefits from ‘one need, identical solution’ logic

- >50 years of experience and a fully modularized vehicle range since 1980
- Continuously improved Byggladan, Scania’s modular toolbox, as backbone to enable profitable mass customization of broad variant offering and as a key lever for having a long-term competitive advantage in electrification
LEVERAGE BYGGGLADAN, SCANIA’S MODULAR TOOLBOX, ACROSS TECHNOLOGIES
TAILORED PRODUCTS WITH LIMITED COMPONENTS

COMPARISON OF PRODUCT VARIANTS AND NUMBER OF PARTS ACROSS TRUCK GENERATIONS

NUMBER OF PARTS USED FOR PGR

$In_k^1$

Previous generation (PGR) ~25
New generation (NTG) ~22

Significant reduction in the number of parts used in NTG while increasing the customer offerings

Roll-out of NTG generation increases the ability to tailor-make customer solutions through broad application offering

Ability to meet customer demands
Number of product variants
Number of parts used for PGR

1 Estimated number of parts extrapolated from 77 vehicles in 2016. Analysis based on P-G-R-C cab types (S-L cab types of NTG generation not considered).
LEVERAGE BYGGLADAN, SCANIA’S MODULAR TOOLBOX, ACROSS TECHNOLOGIES AS ENABLER TO PROFITABLY OFFER APPLICATIONS FOR NICHE CUSTOMERS

### PRICE / DEMAND CURVE OF APPLICATION SPECTRUM

- **Top sellers**
- **Long tail of niche items**

- Few top sellers with more competitive pricing
- Long tail of specialized vehicles with low quantities / premium pricing

### PROFITABILITY ACROSS PRODUCT OFFERING

- **Top sellers**
- **Long tail of niche items**

With Scania modular toolbox:
- Profitable variants
- Product cost with Scania modular toolbox

Without Scania modular toolbox:
- Profitable variants
- Product cost without Scania modular toolbox

- In normal set-up not possible to cater to low volume / highly specialized market
- Scania modular toolbox allows the production of individual vehicles and thereby to profitably cater for the entire application spectrum

---

1 Average size of series, i.e. average batch size of identical vehicles produced (with same machinery set up).
OPTIMIZE PRODUCT COST THROUGH FLEXIBLE AND LEAN GLOBAL PRODUCTION SYSTEM (1/2)

FLEXIBLE GLOBAL PRODUCTION SYSTEM

- Continuous flow of manufactured parts
- Same product
- Same working standards
- Same quality
- Global production capacity

LEVANT GLOBAL PRODUCTION SYSTEM

- Productivity
- Environmental impact

Source: IHS Markit.
1 >15t HDT truck sales, units in k.
2 Reflects vehicles produced in Brazil and exported to EU. Units in k.
3 Productivity measured as (number of vehicles produced / personnel within production, logistics and procurement) for the period.
OPTIMIZE PRODUCT COST THROUGH FLEXIBLE AND LEAN GLOBAL PRODUCTION SYSTEM (2/2)

PARALLEL PRODUCT GENERATIONS DURING NTG RAMP-UP

<table>
<thead>
<tr>
<th>% Production Volume</th>
<th>PGR only</th>
<th>NTG ramp-up / parallel product generations</th>
<th>NTG only</th>
</tr>
</thead>
<tbody>
<tr>
<td>% PGR production volume</td>
<td>Mar-15</td>
<td>Jun-16</td>
<td>Mar-19</td>
</tr>
</tbody>
</table>

Elevated cost levels throughout the organization while producing parallel product generations

DETAILS ON COST OPTIMIZATION PLAN CURRENTLY IN IMPLEMENTATION

<table>
<thead>
<tr>
<th>Scope</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift from launch-focused to efficiency-focused organization</td>
<td>Under implementation</td>
</tr>
<tr>
<td>Realization of continuous improvements</td>
<td>Expected to be finalized during 2019</td>
</tr>
<tr>
<td>Fully dedicated cost-optimization initiative at Scania</td>
<td>Initiated in Q4 2018</td>
</tr>
<tr>
<td>Embedded into the Focus &amp; Ambition program</td>
<td>Performance programs in place to rebound profitability post end of parallel production</td>
</tr>
</tbody>
</table>

1 Schematic illustration for NTG production ramp-up.
SCANIA HAS A LARGE AND CONTINUOUSLY GROWING DATA BASE ...

Selected examples of collected vehicle data

- **Vehicle status**
  - Current location
  - Mileage status

- **Route information**
  - Driving route
  - Driving conditions

- **Driving characteristics**
  - Driving time
  - Speed
  - Fuel

Collected data is basis for Scania’s tailored and comprehensive service offering

... AND KNOWS HOW TO CAPITALIZE ON IT – EXAMPLE: FLEXIBLE MAINTENANCE

Who is using flexible maintenance?

- Trucks on the road

Who benefits from flexible maintenance?

**Win / Win**

**Customer**
- Higher uptime
- Demand-driven service point visits
- Higher predictability
- Peace-of-mind planning

**Scania**
- Higher service point utilization
- Optimized net working capital
- Feedback loops to R&D
- Proactive customer contact
- Potential for up-selling

~60% contract penetration in vehicles sold through captive distributors¹

Customer can realize reduced TCO – Scania benefits as well

¹ Reflects share of captive vehicle sales with Repair & Maintenance service contract in 9M 2018.
EXECUTION – THE “SCANIA WAY”

1. CUSTOMER-CENTRIC / CONTINUOUS IMPROVEMENT

2. PARTNERSHIPS IN THE ECO-SYSTEM OF TRANSPORT AND LOGISTICS

3. EXPERIENCED AND OPEN-MINDED LEADERSHIP

- Since 1996, the “Scania way” has been formalized in the “Scania House”
- The “Scania House” establishes Scania’s common company language and problem-solving culture – which is embraced by every single employee
CREATING VALUE FOR CUSTOMERS WITH PARTNERSHIPS FOR HOLISTIC SOLUTIONS

Transport companies

Buyers of transport services

Infrastructure partners

1 Collaboration with E.ON, H&M and Siemens to accelerate decarbonisation of heavy transport.

H&M
Coalition to accelerate the decarbonisation of heavy transport

ASKO
Pilot fleet of four 26t distribution vehicles electrified from fuel cells using hydrogen

NETTBUSS
Tests of battery electric buses

AHOLA
Testing semi-autonomous platooning in real-traffic conditions

SIEMENS
Electrically-powered trucks using conductive technology by Siemens

NORTHVOLT
Partnership on development and commercialization of battery cell technology
HIGHLY EXPERIENCED AND OPEN-MINDED LEADERSHIP – STRONG TRACK RECORD: DELIVERING ABOVE INDUSTRY AVERAGE MARGINS

SCANIA EXECUTIVE BOARD MEMBERS

Henrik Henriksson
Chief Executive Officer
22 Years of experience relate to automotive / commercial vehicles industry

Johan Haeggman
Chief Financial Officer
30

Kent Conradson
Head of Human Resources
40

Mathias Carlbaum
Head of Commercial Operations
22

Claes Erixon
Head of Research and Development
25

Christian Levin
Head of Sales and Marketing
25

Anders Williamsson
Head of Purchasing
25

Ruthger De Vries
Head of Production and Logistics
29

1 Until Feb-2019.

STRONG CORPORATE CULTURE

Flat hierarchy structures and respect for the individual as enabler for an open-minded working environment and strong team spirit

The open office space of Scania’s Executive Board
SCANIA – KEY TAKEAWAYS

EXECUTION - THE “SCANIA WAY”

GROWTH

1

RAMP-UP NEW TRUCK GENERATION
BROADEST RANGE OF ALTERNATIVE FUEL TECHNOLOGIES
STRONG CAPTIVE NETWORK AND EXPANDING CONNECTED FLEET
SERVICE GROWTH
REGIONAL EXPANSION

PROFITABILITY AND SYNERGIES

2

PREMIUM PRICING THROUGH UNIQUE CUSTOMER UNDERSTANDING
LEVERAGE BYGLADAN, SCANIA’s MODULAR TOOLBOX, ACROSS TECHNOLOGIES
OPTIMIZE PRODUCT COST THROUGH FLEXIBLE AND LEAN GLOBAL PRODUCTION SYSTEM
EXPANSION OF SERVICE OFFERING

CUSTOMER-CENTRIC / CONTINUOUS IMPROVEMENT
PARTNERSHIPS IN THE ECOSYSTEM OF TRANSPORT AND LOGISTICS
HIGHLY EXPERIENCED AND OPEN-MINDED LEADERSHIP

DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM
SIMPLIFYING BUSINESS BY BEING THE MOST RELIABLE BUSINESS PARTNER
OVERVIEW

MAN T&B SALES REVENUE BY OFFER (FY2017)

- **€10.0bn** Sales revenue
  - Truck sales are the key revenue driver
  - Aftersales and services with significant sales revenue contribution

MAN T&B EMPLOYEES BY FUNCTION (FY2017)

- **35.2k** Employees
  - Majority of employees in Production & Logistics

Note: Figures are financially rounded.

1 Including used vehicles, engines, powertrains and parts deliveries, leasing business and other sales revenue including sales revenue from hedging transactions.
2 Including genuine parts and workshop services.
3 Total employee number includes MAN T&B India, not accounting for market exit / plant closure in 2018.
UNLOCKING POTENTIAL

STRONG ROOTS

- MAN T&B’s roots date back to the 18th century
- Remarkable history of innovation

PERIOD OF CHANGE

- Global financial crisis
- High leadership fluctuation and lack of strategic continuity
- Unsuccessful investments into geographic expansion
- Lack of investment in product & infrastructure, markets, processes
- Deteriorating brand image

EXECUTION OF FUTURE LION STRATEGY

Past

2009 – 2014

PACE2017

Market and Product Focus

Future Business Model

2017

2021

Cultural Change
UNLOCKING POTENTIAL

STRONG ROOTS

• MAN T&B’s roots date back to the 18th century
• Remarkable history of innovation

PERIOD OF CHANGE

• Global financial crisis
• High leadership fluctuation and lack of strategic continuity
• Unsuccessful investments into geographic expansion
• Lack of investment in product & infrastructure, markets, processes
• Deteriorating brand image

PLANTING SEEDS

• Setup of Future Lion strategy
• Investment into product renewal, sales organization, infrastructure and processes
• Introduction of strict cost control projects
• Adj. RoS increase to 4.8%¹ in 2017

PROFITABILITY STABILIZATION

• Launch of new truck generation
• Focused market share growth
• Expand aftersales and service business

NEW ERA OF PROFITABILITY

• Fully benefit from renewed product portfolio
• Realize synergies
• Deliver target of 8% RoS²

Past

2009 – 2014

2015 – 2018

2019 – 2021

Execution of Future Lion strategy

¹ Including (€50m) adjustment for release of restructuring provision at MAN T&B.
² Strategic target MAN T&B wants to achieve over the cycle.
Replicate German market success story in European Focus Markets

Execute launch of high quality product portfolio

Expand aftersales and service offering

Exploit growth opportunities in selected international markets

Focus on electrification going forward

Significantly improve profitability and cash flow through operating enhancement program “Operational Excellence” and higher margin service offering

Benefit from synergies and best practices through ongoing integration into TRATON GROUP

Benefit from strong leadership with commitment, vision and execution focus

Nurture a continuous performance improvement culture

Establish position as employer of choice and industry leading reliability champion with simplifying business mindset
MAN T&B – STRONG PLATFORM WITH SUBSTANTIAL GROWTH POTENTIAL

1. Replicate German market success story in European Focus Markets
2. Launch high quality product portfolio
3. Expand aftersales and service offering

- Pursue growth in attractive international markets
- Focus on electrification going forward / New business models

MAN T&B sales revenue

€10.0bn

2017

Mid-term
# Replicate German Market Success Story in European Focus Markets

<table>
<thead>
<tr>
<th>Market Size, IHS Markit unit sales (&gt;6t, k) 2017</th>
<th>Annual Growth Outlook$^3$</th>
<th>MAN T&amp;B Market Share, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>85</td>
<td>0%</td>
</tr>
<tr>
<td>European Focus Markets$^1$</td>
<td>149</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: IHS Markit.

$^1$ Includes France, Spain, UK, Italy.  
$^2$ Only illustrative.  
$^3$ Refers to period 2017-25.  
$^4$ Reachable within 45min as of Sep-2017.  
$^5$ As of Sep-2017.  
$^6$ <20% in European countries with MAN national sales companies, ex. Germany as of Nov-2018.  
$^7$ From 2014 to 2017 for >15t.

**Similarities in product, end-markets and customers as basis for replication of German market success story**

**Material upside potential can be realized by transferring elements of MAN T&B’s German market success story into other European Focus Markets.**

**Key Strengths of MAN T&B in Germany**

- Market share increase in HDT trucks (>15t) in Germany achieved$^7$
- ~3 pp Market share increase in HDT trucks (>15t) in Germany achieved$^7$
- Service points coverage$^4$ in high density network
- Vehicles served per location in highly efficient network$^5$
- High rate of captive dealerships$^6$
REPLICATE GERMAN MARKET SUCCESS STORY IN EUROPEAN FOCUS MARKETS
SELECTED CASE STUDIES – HOW CAN WE EXPAND OUR MARKET SHARE?

Clearly defined roadmaps based on executable measures in place to replicate German market success factors in other European markets under new leadership

Source: IHS Markit. Note: Market share data on IHS Markit truck sales volumes >6t.
1 Market volumes >6t in 2017.
LAUNCH HIGH QUALITY PRODUCT PORTFOLIO
STRONG PIPELINE OF PRODUCT AND APPLICATION INNOVATIONS (SERIES LAUNCHES)

Full pipeline of new products and application innovations in place, spearheaded by the launch of a new truck generation

1 Including GZ cooperation gears. 2 eTGM launch with CNL in 2018, small series in 2019e. 3 Concept at IAA in 2018, small series in 2021e.
LAUNCH HIGH QUALITY PRODUCT PORTFOLIO (CONT’D)
NEW TRUCK GENERATION KEY HIGHLIGHT OF INNOVATION PIPELINE

2000
LAUNCH OF TGA

- Heavy duty cab with new levels of comfort and ergonomic design
- Setting new technology and safety standards in the industry

2007
LAUNCH OF TGS AND TGX HD SERIES

- Replacing TGA in 2007
- Most powerful truck series in Europe at the time with V8 engine with 680 HP

2019-2021
LAUNCH NEW TRUCK GENERATION

- New truck generation as major mid-term milestone
- Cutting-edge digitalization of new truck generation

First fully new truck generation after 20 years will be a key portfolio milestone to further drive growth
New truck generation will enable new ways of connectivity and efficiency accompanied by digital service offering
LAUNCH HIGH QUALITY PRODUCT PORTFOLIO (CONT’D)

KEY PRODUCT HIGHLIGHTS AND FEATURES

PRODUCT HIGHLIGHTS

**Powerful** exterior design and unique interior living design

New standards for **usability** and connectivity

Highly efficient and reliable powertrain

Deep dive: Cabin

<table>
<thead>
<tr>
<th>Safety improvements</th>
<th>Technology</th>
<th>Driver’s workplace</th>
<th>Human Machine Interface</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New assistance systems</td>
<td>• Integration of new electronic-architecture</td>
<td>• Ergonomically optimized</td>
<td>• Priority: optimal accessibility and visibility</td>
</tr>
<tr>
<td>• Highest crash safety requirements</td>
<td>• Infotainment system</td>
<td>• Rest-time comfort improvements</td>
<td>• Structured and intuitive control layout for maximum safety</td>
</tr>
</tbody>
</table>

New truck generation will enable new ways of connectivity and efficiency

---

1 Based on reference vehicles with D26 engine Euro VIc. 2 Average price increases across total portfolio vs. prior generation.
LAUNCH HIGH QUALITY PRODUCT PORTFOLIO (CONT’D)
NEW TRUCK GENERATION COMES WITH SIGNIFICANT OPERATIVE IMPROVEMENTS ACROSS THE WHOLE ORGANIZATION

Integrated offering with value chain approach focused on TCO

Highly flexible configuration

New product logic allowing for lean sales process

Highly automated concentrated body shop

New logistic system to ensure parallel run

Increase production efficiency
EXPAND AFTERSALES AND SERVICE OFFERING AS THE MAIN LAYER OF GROWTH
MATERIAL UPSIDE POTENTIAL THROUGH ENHANCED SERVICE OFFERING

AFTERSALES REVENUE EXPECTED TO GROW

SELECTED KEY DRIVERS

I. Network development
   Increase density and efficiency

II. Retail efficiency improvement
    Process improvements and spend optimization

III. Unit sales growth
     Increase penetration and sales efficiency

IV. New aftersales products
    Increase penetration and extend portfolio

V. Parts pricing
   Pricing opportunities

KEY BENEFITS OF SERVICE OFFERING FOR MAN T&B

HIGHER CUSTOMER LOYALTY
INCREASED PROFIT POOL
FORWARD INTEGRATION

2017
Mid-term
€2.0bn
TARGET TO INCREASE PROFITABILITY TO 8% RETURN ON SALES

**MAN T&B adj. RoS**

- **PLANTING SEEDS**
  - Set-up Future Lion strategy
- **PROFITABILITY STABILIZATION**
  - Impacted by ramp-up costs
- **NEW ERA OF PROFITABILITY**
  - Significant profit ramp-up anticipated

**Execution of Future Lion strategy**

1 Strategic target MAN T&B wants to achieve over the cycle. 2 Including (€50m) adjustment for release of restructuring provision at MAN T&B.
OPERATIONAL EXCELLENCE IS AIMING TO MAKE MAN T&B “FIT FOR THE FUTURE” AND TO STRIVE FOR THE NEXT LEVEL OF PERFORMANCE

<table>
<thead>
<tr>
<th>MODULS</th>
<th>SELECTED TARGET EFFECTS</th>
<th>TARGETED GROSS IMPACTS³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales effectiveness</td>
<td>Price increase for new truck generation; integrated offering and cost reduction</td>
<td>++++</td>
</tr>
<tr>
<td>Product cost / PKO+¹</td>
<td>Implement cross-functional and cross-company cost optimization approach</td>
<td></td>
</tr>
<tr>
<td>Production efficiency</td>
<td>Increase productivity</td>
<td>++</td>
</tr>
<tr>
<td>R&amp;D transformation</td>
<td>Reduction of R&amp;D ratio</td>
<td>+</td>
</tr>
<tr>
<td>Indirect spend optimization</td>
<td>Reduce indirect spend</td>
<td>+</td>
</tr>
<tr>
<td>Personnel cost reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio complexity</td>
<td>Reduce complexity in product portfolio</td>
<td>No P&amp;L target²</td>
</tr>
<tr>
<td>Cash &amp; invest</td>
<td>Reduction of Capex ratio</td>
<td>No P&amp;L target</td>
</tr>
</tbody>
</table>

- +++ Significant
- ++ Strong
- + Moderate

- Holistic program focusing on top-line and bottom-line improvements of the P&L and addressing also Cash Flow Statement and Balance Sheet
- C. 2k initiatives with close monitoring and control mechanisms in place

1 PKO+: Holistic cross-functional product cost improvement efforts. 2 P&L impact of portfolio decisions reflected in R&D transformation module. 3 Target gross impacts do not include potential counter effects such as parallel production and launch costs, costs of digital transformation, wage and raw material price increases, and technical changes and increased depreciation.
HIGH QUALITY TEAM IN PLACE TO DEFINE STRATEGY AND CONTINUE TO DELIVER EXECUTION

MAN T&B EXECUTIVE BOARD AND MANAGEMENT BOARD MEMBERS

Joachim Drees
Chief Executive Officer

Jan-Henrik Lafrentz
Executive Board Member for Finance, IT and Legal

Dr. Carsten Intra
Chief Human Resources Officer

Dirk Große-Loheide
Chief Procurement Officer

Michael Kobriger
Executive Board Member for Production and Logistics

Göran Nyberg
Executive Board Member for Sales and Marketing

Dr. Frederik Zohm
Executive Board Member for Research and Development

1 Defined as years working at an automotive OEM.
MAN T&B – KEY TAKEAWAYS

1. GROWTH
   - Replicate German market success story in European focus markets
   - Launch high quality product portfolio
   - Expand aftersales and service offering

2. PROFITABILITY AND SYNERGIES
   - Operational excellence and enhanced service offering
   - Profitability rebound and stabilization

3. EXECUTION
   - Strong leadership – commitment, vision and execution focus
   - Strong team culture geared for success
   - Employer of choice and industry leading reliability champion

A key pillar of Traton Group’s growth and profitability upside
ANTONIO ROBERTO CORTES

MEMBER OF THE EXECUTIVE BOARD OF TRATON GROUP
CHIEF EXECUTIVE OFFICER VOLKSWAGEN CAMINHÕES E ÔNIBUS
LESS YOU DON’T WANT, MORE YOU DON’T NEED
OVERVIEW

**VWCO SALES REVENUE BY OFFER (FY2017)**

- €1.2bn Sales revenue
  - Aftersales 4%
  - Other 9%
  - Vehicles 87%

**VWCO EMPLOYEES BY FUNCTION (FY2017)**

- 1.4k VWCO employees
- 3.6k total employees
- VWCO
- Modular Consortium 33%
- Third parties (purchased service) 28%

- Highly innovative production system with “Consórcio Modular”
- Streamlined direct employee base allowing high flexibility and reduced fixed cost

Source: IHS Markit. Note: FTE data as per year-end 2017.
1 Including genuine parts and workshop services. 2 Including used vehicles, engines, powertrains and parts deliveries, leasing business and other sales revenue including sales revenue from hedging transactions. 3 Average sales volume (>6t) of VWCO in Brazil from 2010 to 2016 as per IHS Markit. Incl. MAN-branded sales volume. 4 Including employees of Consórcio Modular and other third party employees.
WELL-POSITIONED TO BENEFIT FROM THE ONGOING MARKET RECOVERY IN BRAZIL

PRE-CRISIS
• Benchmark performance
• Strong RoS of 11-12%\(^1\) in 2010/11

TURNAROUND PERIOD
• Deteriorating profitability
• Flexible production system
• Cost initiatives executed

FUTURE
• Market recovery
• Aim to return to target performance levels

VWCO truck market position in Brazil

17% 28%

VWCO truck market share in Brazil

Source: IHS Markit, IMF.  Note: VWCO market share data post 2000 based on IHS Markit truck sales volumes >6t including MAN-branded sales and pre 2000 based on company estimate (no IHS Markit data available).

1 As per MAN SE Annual Report 2011. 2 Annual growth potential under the assumption that the ratio "number of trucks sold to GDP (BRL bn)" returns from 2018e (39x) level to the 2008-2014 historical average of 78x in the next five years (Real GDP forecast based on IMF).
LESS YOU DON’T WANT MORE YOU DON’T NEED

1. **GROWTH**
   - Well-positioned to **benefit from ongoing market recovery in Brazil**
   - **Expand export business** (South America, Mexico, Africa and Middle East)
   - **Expand product portfolio** (entry into light commercial cab chassis and extra heavy segment)
   - Expansion of **aftersales and additional innovative services**

2. **PROFITABILITY AND SYNERGIES**
   - Leverage “**Consórcio Modular**” (flexible production at low costs and exposure)
   - Execute **additional cost control measures** through discipline developed in turnaround period (2015-2017)
   - Leverage **synergies** from **Group components utilization**

3. **EXECUTION**
   - Management team with **longstanding experience** in the regional markets and proven track record
VWCO – STRONG PLATFORM WITH SUBSTANTIAL GROWTH POTENTIAL

**VWCO sales revenue**

1. Benefit from Brazil recovery
2. Expand footprint outside Brazil (South America, Mexico, Africa, Middle East)
3. Expand in entry light commercial cab chassis and extra heavy segment
4. Grow services

€1.2bn

2017

Mid-term
BRAZIL: LARGE MARKET WITH SIGNIFICANT GROWTH POTENTIAL

Real GDP growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>(3.5)%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2016</td>
<td>(3.5)%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>2.5%</td>
</tr>
<tr>
<td>2018e</td>
<td></td>
<td>2.2%</td>
</tr>
<tr>
<td>2019e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Economic recovery in core market Brazil with strong growth trajectory ahead

Source: IHS Markit, GDP growth based on IMF.
1 Based on sales volumes >6t and includes MAN-branded sales.
DETAILED ROADMAP IN PLACE TO BECOME #1 IN SOUTH AMERICA AND GROW IN MEXICO, AFRICA AND MIDDLE EAST

SELECTED FOCUS COUNTRIES IN SOUTH AMERICA/MEXICO

Mexico (buses)

- Market share development
  - 13% ‘15
  - 12% ‘16
  - 14% ‘17
  - 16% ‘18e
  - Mid-term

- Selected initiatives
  - Introduction and consolidation of exclusive city bus Huracán
  - New sales structure dedicated to buses
  - Set-up of new structures and resources for growth

Argentina (trucks¹ and buses)

- Market share development
  - 10% ‘15
  - 9% ‘16
  - 13% ‘17
  - 12% ‘18e
  - Mid-term

- Selected initiatives
  - Marketing and sales initiatives; expansion of dealer network
  - Local sourcing and production
  - Reinforcement of sales and aftersales structures at importer

EXPANSION MARKETS IN AFRICA AND MIDDLE EAST

Recent achievements

+4 Emerging markets² entered in last 5 years
+19 New dealers in last 5 years
+6 New importers in last 5 years

Source: IHS Markit. Note: Mexico buses market share based on company estimate.
¹ Trucks >6t
² Honduras, Guatemala, Nicaragua, Ghana.
### STRONG PIPELINE OF PRODUCTS TO FURTHER STRENGTHEN VWCO’S TAILORED SOLUTIONS PORTFOLIO

<table>
<thead>
<tr>
<th>TYPE OF INNOVATION</th>
<th>DESCRIPTION</th>
<th>KEY PRODUCT LAUNCHES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Delivery</strong></td>
<td>Previous generation introduced in 2005</td>
<td><strong>New Delivery (Diesel)</strong></td>
</tr>
</tbody>
</table>
| (New truck generation/ portfolio extension) | Entry to <5t segment (new Delivery truck) | • Launch year: 2017  
• Completely renewed light-duty family  
• Attractive price/performance ratio  
• Weight range: 6.0-13.0t |
| **Extra Heavy**    | Entry to heavy weight/ off-road segment | **Extra Heavy-Constellation** |
| (Portfolio extension) | | • Launch year: 2020  
• New extra heavy model (GCW\(^1\) up to 125 tons)  
• Off-road applications |
| **Electric/Alternative Fuels** | New models with alternative fuel/electrification technology | **New model** |
| (Efficiency)       | | • New extra heavy model  
• Further strengthening heavy segment offering |

---

1 Gross combined weight.
EXPANSION OF SERVICE OFFERING THROUGH FOCUS ON SERVICE AVAILABILITY AND STRONG RELIABILITY

GLOBAL SERVICES FOOTPRINT

Key KPIs

- 94% Overall customer satisfaction of owners (QTS Survey) 2017
- 90% Customer satisfaction related to service by dealer network (QASC Survey) 2017
- 75% Dealer satisfaction – general performance (Fenabrade) 3rd best in industry 2017

Leading dealer network satisfaction among manufacturers offering a full-line of product

EXPANSION OF SERVICE & AFTERSALES BUSINESS

Captive engine parts business: Launch of D08 & D26 on the Euro V models

Strengthen extra heavy truck market – New Constellation models

New service business with group powertrain parts (future common axels, transmission)

Remanufacturing of D08 engine – engine short block1, turbo charger, fuel injector, cylinder head, engine long block2

New P&A/service business (Volks-Total/Chame-Volks)

Digital services: security, fleet management, logistic services

Internationalization & introduction of new sales tools/efficiencies

1 Engine short block composition: cylinder block, camshaft, conrod and crankshaft
2 Engine long block composition: cylinder block, camshaft, conrod, crankshaft, cylinder head and valve train.

Numerous service expansion measures to be executed in mid-term
CLEAR PATH TO ACHIEVE 8% OVER THE CYCLE RETURN ON SALES TARGET\(^1\)

VWCO adj. RoS

1. Consórcio Modular

2. Turnaround

1.7% 8%

2015 9M 2018 Target\(^1\)

\(^1\) Strategic target VWCO wants to achieve over the cycle.
“CONSÓRCIO MODULAR” – HIGHLY FLEXIBLE PRODUCTION AT LOW COSTS

**VWCO**
- Product concept
- Product development
- Certification
- Quality assurances
- Sales & aftersales

**Partners/Suppliers**
- 100% of Consórcio Modular production system operation
- 100% of direct labour

... 100% OPERATED BY SUPPLIERS – “PARTNERS” ...

Leveraging from what we have and what others have built

**Asset-light production system enables resilience in economic down-cycles**

**DRIVING PROFITABILITY**
- Competitive direct labour cost
- Low investment and fixed cost
- Low down-cycle exposure
- High flexibility to cope with volatility
- Low capital employed
- Low breakeven
VWCO TURNAROUND SHOWING SIGNIFICANT IMPACT SUPPORTED BY STRINGENT COST MANAGEMENT AND FLEXIBLE PRODUCTION SYSTEM

VWCO TURNAROUND PLAN (2016/2017)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Key lever</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>• Pricing increases</td>
</tr>
<tr>
<td>Material cost performance</td>
<td>• Synergies with the group (steel, tires, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Efficiency program and product cost optimization</td>
</tr>
<tr>
<td>Production efficiency/ Fixed cost</td>
<td>• Productivity (measured as vehicle per employee) increased from 2016 to 2017</td>
</tr>
<tr>
<td></td>
<td>• 12% headcount reduction from 2015 to 2017²</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total impact (€m)</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stringent cost management as key driver of turnaround plan</td>
<td></td>
</tr>
<tr>
<td>• Significant impact since 2016 achieved</td>
<td></td>
</tr>
</tbody>
</table>

FLEXIBLE EMPLOYEE BASE (EMPLOYEE EVOLUTION 2011 – 2017)

<table>
<thead>
<tr>
<th>Vehicles sold (k)¹</th>
<th>~ 72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees (#)²</td>
<td>7,049</td>
</tr>
<tr>
<td>VWCO</td>
<td>1,915</td>
</tr>
<tr>
<td>Consórcio Modular</td>
<td>2,767</td>
</tr>
<tr>
<td>Third Parties (Purchased Service)</td>
<td>2,367</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2011</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,367</td>
<td>1,273</td>
<td>1,408</td>
</tr>
<tr>
<td>1,130</td>
<td>1,192</td>
<td>1,020</td>
</tr>
<tr>
<td>1,915</td>
<td>1,734</td>
<td>1,408</td>
</tr>
<tr>
<td>4,137</td>
<td>3,620</td>
<td></td>
</tr>
</tbody>
</table>

¹ VWCO trucks ≥ 5t; all figures as per VWCO company information; Unit sales per fiscal year (31 December 2017). ² Including employees of Consórcio Modular and other third party employees.
CLEARLY ASSIGNED RESPONSIBILITIES COMBINED WITH RIGID CONTROL AND TRACKING PROCESS

VWCO MANAGEMENT BOARD MEMBERS AND KEY VICE PRESIDENTS

VWCO Management Board Members

<table>
<thead>
<tr>
<th>Photo</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Antonio R. Cortes</td>
<td>President &amp; CEO</td>
</tr>
<tr>
<td></td>
<td>Lineu Takayama</td>
<td>Human Resources</td>
</tr>
<tr>
<td></td>
<td>Adilson Dezoto</td>
<td>Production &amp; Logistic</td>
</tr>
<tr>
<td></td>
<td>Leandro Siqueira</td>
<td>Product Planning, Corp. Strategy &amp; Digitalization</td>
</tr>
<tr>
<td></td>
<td>Paulo M. Barbosa</td>
<td>Finance, IT &amp; Legal Affairs</td>
</tr>
<tr>
<td></td>
<td>José Ricardo Alouche</td>
<td>Sales, Marketing &amp; Aftersales</td>
</tr>
<tr>
<td></td>
<td>Marcos Vinicius Forgioni</td>
<td>International Sales &amp; Marketing</td>
</tr>
<tr>
<td></td>
<td>Luiz Alvarez</td>
<td>Supply</td>
</tr>
<tr>
<td></td>
<td>Rodrigo Chaves</td>
<td>Engineering</td>
</tr>
</tbody>
</table>

Key Vice Presidents

<table>
<thead>
<tr>
<th>Photo</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OUTSTANDING EMPLOYEE MOTIVATION

Highly motivated workforce as basis for company success

Years of experience relate to automotive/truck industry
VWCO – KEY TAKEAWAYS

1. GROWTH
   - Benefit from Brazil recovery
   - Expand footprint outside Brazil
   - Expand in entry light commercial cab chassis and extra heavy segment
   - Grow services

2. PROFITABILITY AND SYNERGIES
   - Consórcio Modular
   - Drive turnaround
   - Group components synergies

3. EXECUTION
   - Highly focused management team
   - Great place to work
   - Outstanding employee motivation

INTRODUCTION

COMPANY HIGHLIGHTS

INDUSTRY AND MARKET ENVIRONMENT

TRATON GROUP

BRAND PERFORMANCE VWCO

FINANCIALS

WRAP UP
CHRISTIAN LEVIN

CHIEF TECHNOLOGY OFFICER TRATON GROUP
TODAY'S AGENDA

01. INTRODUCTION

02. COMPANY HIGHLIGHTS

03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP
   Brand Performance | Cooperations & Synergies | Global Expansion | Customer Focused Innovation

05. FINANCIALS

06. WRAP UP
TRATON GROUP SYNERGIES RAMPING UP ON THE BACK OF FIVE INDIVIDUAL CATEGORIES

1st Category: Purchasing
2nd Category: Modularisation in trucks and components
3rd Category: Joint Powertrain
4th Category: New technologies
5th Category: Production footprint and logistics

- Synergies executed on the back of five individual categories, which are leveraging the common platform potential and technological edge of TRATON GROUP
- All operating units collaborating in order to drive successful synergy realization
- Moving from opportunistic synergy projects to more systematic approach to synergy identification and realization

~€0.7bn
Long-term target
### TRATON GROUP WITH STRUCTURED APPROACH TO SYNERGY EXPLORATION AND VISIBLE SYNERGIES AHEAD

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>SCHEMATIC TARGETED TIMING OF SYNERGY IMPACT</th>
<th>TARGETED CONTRIBUTION&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Purchasing (incl. lead buying)</td>
<td>Lead buying of parts/components</td>
<td>Shorter term</td>
</tr>
<tr>
<td><strong>B</strong> Modularization and components</td>
<td>Common components</td>
<td>Shorter term</td>
</tr>
<tr>
<td><strong>C</strong> Joint powertrain</td>
<td>Common base engine, after treatment, transmission and axle</td>
<td>Shorter term</td>
</tr>
<tr>
<td>New technologies</td>
<td>Common electric powertrain, and Autonomous/ADAS</td>
<td></td>
</tr>
<tr>
<td>Production footprint and logistics</td>
<td>Optimized global footprint and logistic</td>
<td></td>
</tr>
</tbody>
</table>

**FURTHER POTENTIAL BEYOND**

In particular related to new technologies, production footprint and logistics

---

<sup>1</sup> Cumulative contribution from shorter to longer term per category as percentage of total cumulative synergy impact in same time frame.
PURCHASING/LEAD BUYING IS THE GLOBAL COLLABORATION MODEL WITHIN PROCUREMENT

Initial Assessment

Estimated addressable spend\(^5\)  Estimated cost savings potential\(^7\)

c. €3.5bn  3-3.5%\(^3\)

Implementation Phase

Holistic approach to Lead Buying strategy – c. 15-20% of targeted cumulative contributions\(^4\)

What is the objective?

- Bundling of purchasing power
- Achieving reduced purchasing spend for selected categories

Wave 1  Wave 2  Wave 3

<table>
<thead>
<tr>
<th>Component</th>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tires</td>
<td></td>
<td></td>
<td>Analysis ongoing</td>
</tr>
<tr>
<td>Infotainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turbo</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urea tank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batteries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/C compressor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propeller shaft</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steering system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheel speed sensors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air compressor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air compressor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis period(^1)</td>
<td>02/18-04/18</td>
<td>03/18-06/18</td>
<td>Ongoing(^6)</td>
</tr>
<tr>
<td>Status</td>
<td>Strategy developed(^2)</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Implementation</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Not started</td>
</tr>
<tr>
<td>Annual addressed spend (€)</td>
<td>~950-1,000m</td>
<td>~400-450m</td>
<td>TBD</td>
</tr>
</tbody>
</table>

1 Period in which savings potential is determined. 2 Strategy on the basis of which respective teams commit to realizing the savings potential. 3 Includes 3% on Lead Buying on modularized components (c. €3bn) and 5% on further addressable spend (c. €0.5bn). 4 Remainder of c. 60-65% targeted cumulative contribution in Purchasing (incl. lead buying) relates to ongoing commercial collaborations. 5 Analysis based on 2017 figures. Includes c. €3bn addressable spend for components in Modularization and Components scope and additional c. €0.5bn outside the Modularization and Component scope. 6 Targeted to be finalized in February 2019. 7 Mid-term potential.
A DEEP DIVE: JOINT COMMERCIAL COLLABORATION/LEAD BUYING - TIRES

- Independent procurement process
- One Dedicated Lead Buyer
- Key Benefits

**Estimated tires volume (in m), mid-term**

- **c. 1.3**
- **c. 0.5**
- **< 0.1**
- **c. 2.5**
- **c. 0.7**
- **c. 0.5**
- **c. 1.3**
- **< 0.1**

**Key Benefits**

1. Aligned global expectations and negotiation
2. High synergies by bundling volumes worldwide
3. Aligned process and rules
4. One message to supplier
5. Consistent internal communication

---

1 Through Global Truck & Bus Procurement JV with Navistar.
### MODULARIZATION AND COMPONENTS

#### Initial Assessment

<table>
<thead>
<tr>
<th>Estimated addressable spend</th>
<th>c. €3bn</th>
<th>1.5-2%</th>
</tr>
</thead>
</table>

#### Implementation Phase

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Wave 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urea tank</td>
<td>Propeller shaft</td>
<td>Braking system</td>
<td>Cooling system</td>
</tr>
<tr>
<td>Batteries</td>
<td>Steering system</td>
<td>Air compressor</td>
<td>Seats</td>
</tr>
<tr>
<td>Starters</td>
<td>A/C compressor</td>
<td>Power distribution</td>
<td>Tow hitches</td>
</tr>
<tr>
<td>Wheel speed sensor</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Byggladan for the Group</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What is the objective?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reducing complexity</td>
</tr>
<tr>
<td>• Reducing material cost</td>
</tr>
<tr>
<td>• Optimizing customer offer</td>
</tr>
<tr>
<td>• Free-up R&amp;D resources</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Wave 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis period</td>
<td>11/17-03/18</td>
<td>03/18-07/18</td>
<td>08/18-12/18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy developed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated cost savings potential</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Annual addressed spend (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~100-150m</td>
</tr>
</tbody>
</table>

---

1 Period in which savings potential is determined. 2 Strategy on the basis of which respective teams commit to realizing the savings potential. 3 Analysis based on 2017 figures. 4 Mid-term potential.
A number of joint powertrain projects are currently being implemented or developed.

**ENGINES**

CBE – new 13l engine

Expected to be installed in >50% of TRATON GROUP’s HD trucks per year from 2025 onwards.

In use by >45,000 MAN T&B trucks to date.
DEEP DIVE CBE: JOINTLY DEVELOPED BEST-IN-CLASS ENGINE SOLUTION TO OPTIMIZE CUSTOMERS’ TCO

CBE – NEW 13L ENGINE

SYNERGY AREAS

- Annual material cost
- Tooling, testing, and certification
- Production investment
- R&D cost
- Alliance partners

P&L IMPACT

- Savings on targeted 80% common parts (doubled volume)
- Direct P&L effect with reduction of material cost based on brand-specific SOPs/volume ramp-up
- Reduction of supplier cost driven by higher tooling volumes across the group
- P&L effect through reduced depreciation, starting from brand SOP date
- Reduction of production setup costs due to similar production line setup in Södertalje and Nuremberg, similar suppliers, learning effects and start-up cost savings
- P&L effect through reduced depreciation, starting from brand SOP date
- Reduction of R&D and engineering costs from high level of commonality
- Freed-up resources to be used for other areas, e.g. new technologies
- Direct P&L effect from licensed units

Without CBE MAN T&B and Scania would both either
- Develop own new engines or
- Modify existing ones

Target
- 80% commonality level

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- Develop own new engines or
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Target
- 80% commonality level

Without CBE MAN T&B and Scania would both either
- Develop own new engines or
- Modify existing ones

Target
- 80% commonality level
DEEP DIVE CBE: LEVERAGING ENGINE ACROSS BRANDS ENSURES SIGNIFICANT SYNERGY RAMP-UP OVER YEARS TO COME

Leverage CBE engine across brands (illustrative CBE volumes)

CBE engine aiming at
- Enhanced fuel efficiency
- Long durability
- Reduced weight
- Low maintenance

>50% CBE engine installed in HD trucks in 2025e

1 Per year from 2025e onwards; roll-out across TRATON GROUP brands.
TODAY'S AGENDA

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   Brand Performance | Cooperations & Synergies | Global Expansion | Customer Focused Innovation

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06. WRAP UP
GLOBAL EXPANSION THROUGH STRONG ALLIANCE PARTNERS

INTRODUCTION

TRATON GROUP

GLOBAL EXPANSION THROUGH STRONG ALLIANCE PARTNERS

Associates

A

NAVISTAR

Technology cooperation and procurement JV

#4 Market position 12% Market share¹ in North America (2017)

Largest network of ~1k dealers in North America²


d

B

SINOTRUK

Intention to localize MAN truck in China; potential tech / procurement cooperation

#3 Market position 17% Market share³ in China (2017)

One of the leading truck manufacturers in the People's Republic of China


c

C

HINO

e-mobility, procurement and technology cooperation

#1 Market position 28% Market share⁴ in Japan & South East Asia (2017)

Top position in heavy and medium duty truck sales in Japan

Source: IHS Markit. Note: Market share data based on trucks >15t.
¹ Truck market share of Navistar in North America (Canada and USA). ² Information according to Navistar. ³ Truck market share of CNHTC in China (incl. Hong Kong). ⁴ Truck market share of Hino in Japan and South East Asia (Indonesia, Australia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam).
STRONG GOVERNANCE STEERING AMONG ALLIANCE PARTNERS

BASED ON OUR GUIDING PRINCIPLES

- Win-win
- Trusted long term relationship
- Balanced cooperation
- Lean

COMPRISING THREE GOVERNANCE LEVELS TO EFFICIENTLY ORCHESTRATE ALLIANCE ACTIVITIES

1. Alliance board
   Board members from both sides incl. CEOs
2. Alliance management
   Coordination of relevant alliance activities on both sides
3. Joint working groups
   Staffing as required per working group

SPANNING THE ENTIRE SCOPE OF THE ALLIANCE

1. Technology partnership
2. Procurement JV
3. R&D cooperation
4. Others

1 Sinotruk collaboration does not include an Alliance board.
OVERVIEW AND OBJECTIVES OF ALLIANCE AGREEMENT WITH NAVISTAR

OVERVIEW

Strategic alliance with Navistar established in 2016

TRATON GROUP currently holds 16.8%¹ in Navistar

TRATON GROUP CEO and CFO have a seat in Navistar’s Board of Directors

OBJECTIVES

Technology cooperation: joint powertrain
Common powertrain systems give Navistar access to excellent powertrain technologies and allow TRATON GROUP to benefit from higher volumes

Technology cooperation: future technologies
Cooperation in many aspects of future commercial vehicle development

Procurement JV
Fully operational procurement JV to pursue joint global sourcing opportunities

Access to North American market
Cooperation and equity stake allow TRATON GROUP to capture a share of North American profit pool

¹ As of 30-Nov-2018.
OVERVIEW AND OBJECTIVES OF COOPERATION AGREEMENT WITH SINOTRUK

OVERVIEW

Long-term strategic partnership between MAN and Sinotruk established in 2009

MAN TGA Truck technology including powertrain localized under SITRAK brand

MAN holds 25% + 1 share¹ in Sinotruk

OBJECTIVES

Localization of MAN truck
Intention to localize MAN heavy-duty truck in world’s largest market

Technology cooperation
Joint efforts in areas of powertrain, new technologies

Procurement synergies
Sourcing synergies targeted through joint scale

¹ Held by MAN SE as of 30-Sep-2018.
OVERVIEW AND OBJECTIVES OF COOPERATION AGREEMENT WITH HINO

OVERVIEW

Strategic long-term partnership agreed in April 2018

Alliance Board based on Strategic Cooperation Framework Agreement

September 2018: LoI to establish procurement joint venture

OBJECTIVES

E-Mobility cooperation
Shared development efforts and combined marketing of products – Hino with largest running fleet of hybrid commercial vehicles in the world

Procurement joint venture
Planned joint venture aims at realizing synergies in global procurement for existing parts and new technologies

Technology cooperation
Focus on possibility of joint utilization of existing technologies such as powertrain and joint development of innovative technologies

Utilize complementary know-how
Hino with focus on light- and medium duty trucks complements TRATON GROUP’s innovation power in heavy-duty segment

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03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP
   - Brand Performance
   - Cooperations & Synergies
   - Global Expansion
   - Customer Focused Innovation

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06. WRAP UP
AN INNOVATION LEADER FOR OVER A CENTURY

1893 – 1897
World’s first Diesel engine
First industrial engine delivered to fire brigade Stockholm

1905

1932
World’s most powerful HDT truck (140/150hp)
Scania’s first modular engine launched

1939

1961
MAN’s first modular bus introduced

1969
V8 engine introduced – Europe’s strongest truck engine

1993
First auxiliary braking system with automated downhill speed control

1996
Consórcio Modular implemented in Resende plant by VWCO

2004
D20 Common Rail engine series introduced

2005 & 2007 & 2013
Among the first to introduce Euro IV, Euro V & Euro VI (incl. gas)

2010
Hybrid city bus goes into serial production

World’s first Diesel engine

1905

First industrial engine delivered to fire brigade Stockholm
WE CONTINUE TO BE READY FOR THE NEXT WAVE OF TECHNOLOGICAL TRENDS

TRATON GROUP focuses on applications with clear customer value proposition

AUTONOMOUS DRIVING

Solutions to all ACE\(^1\) trends on the way

CONNECTIVITY

Customer centric innovation approach with clear business case

ELECTRIFICATION/ALTERNATIVE FUELS

Smart innovation leader – disciplined capital spend

1 Autonomous driving, connectivity, electrification/alternative fuels.
WHAT THE FUTURE MIGHT LOOK LIKE
FULL AUTONOMOUS DRIVING FOR THE NEAR FUTURE ONLY IN DEFINED AREAS.
DRIVER ASSISTANCE SYSTEMS TO GROW FURTHER

EXPECTED IMPACT ON TCO BREAKDOWN

EXPECTED CUSTOMER VALUE

Partly autonomous (next 5 years)
- Lower repair and maintenance costs due to fewer accidents
- Higher utilization of vehicles due to extension of operating hours
- Lower fuel usage from optimized driving

Fully autonomous (5+ years)
- Significantly lower driver cost

CUSTOMER DRIVEN INNOVATION EXAMPLES

Scania project in mining system
MAN aFAS – Driverless Safety Vehicle
MAN platooning project with DB Schenker

1 Chart representative for German HDT market; indicative - depending on usage pattern. 2 Non exhaustive.
ALREADY TODAY TRATON GROUP HAS MULTIPLE SOLUTIONS FOR AUTONOMOUS DRIVING ON THE WAY...

Scania project in mining system

- Autonomous vehicle operates in real life conditions at Rio Tinto’s mining operations in Australia since August 2018

MAN project in live traffic

- Platooning pilot in live traffic (145km road on Autobahn A9; up to three drives per day)

MAN project with German Federal Ministry for Economic Affairs and Energy

- Automatic driverless safety vehicle tested under real conditions
- Winner of the Truck Innovation Award for 2019

MAN project with DB Schenker and Hochschule Fresenius

- Platooning pilot in live traffic (145km road on Autobahn A9; up to three drives per day)

Autonomous Transport Solutions Mining Pilot

<table>
<thead>
<tr>
<th>Complexity</th>
<th>2018</th>
<th>2019e</th>
<th>2020e</th>
<th>2021e+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety driver,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>no dynamic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>obstacles</td>
<td>Safety driver,</td>
<td></td>
<td></td>
<td>Autonomous operations</td>
</tr>
<tr>
<td>with dynamic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>obstacles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Developed with seven partners: BASt – Federal Highway Research Institute, Hessen Mobil – Road and Traffic Management, Karlsruhe University of Applied Sciences – Technology and Economics, Technical University of Braunschweig – Institute of Automatic Control, ZF-TRW, WABCO and Bosch Automotive Steering.
... AND THE PIPELINE IN AUTONOMOUS TECHNOLOGIES IS STRONG

COMPREHENSIVE PLATFORM TO ENABLE AUTONOMY

Integration with Customers

Offboard Platform and Functions

Autonomous driving Onboard Functions

Onboard Platform (Technical Roadmap)

OVERVIEW – ENVIRONMENTAL PERCEPTION

The sensor setup is:

• **Multimodal** for redundancy – safety and reliability in focus
  • Sensor set: Radar, Lidar, Camera, etc.
  • Handling of various difficult environmental conditions
  • Fail safe operation and fail operational

• **Modular and scalable** for fulfilling multiple scenarios and customer demands

Autonomous Transport System

Multimodal sensor coverage
WHAT THE FUTURE MIGHT LOOK LIKE
V2V and V2X communication
CONNECTIVITY IS ALREADY A REALITY TODAY – VISIBLE UPSIDE FOR CUSTOMERS AND FOR TRATON GROUP

EXPECTED IMPACT ON TCO BREAKDOWN

- Admin & services
- Repair & maintenance
- Vehicle
- Fuel
- Driver

Main impact from connectivity

EXPECTED UPSIDE FOR CUSTOMERS

- Higher uptime (e.g., fleet management solutions)
- Lower repair & maintenance costs (e.g., predictive maintenance and extended emergency assistance)
- Lower fuel usage (e.g., optimized routing and real-time driver coaching)

EXPECTED UPSIDE FOR TRATON GROUP

- Better understanding of customer needs
- Optimization of sales and service network
- Opportunity to connect trucks and build service offering across brands
- Live feedback loops for R&D
- Enabler for autonomous driving technology

1 Chart representative for German HDT market; indicative - depending on usage pattern. 2 Non exhaustive.
VARIETY OF CONNECTED SERVICES SOLUTIONS INTRODUCED

**SCANIA SERVICE OFFERING – SELECTED EXAMPLES**

- **Scania Zone** – position-based service for automatic vehicle adjustment
- **Remote Diagnostics** – boosting uptime for each vehicle
- **Fleet Care** – uptime solution for entire fleets (with uptime guarantee)
- **Scania ONE** – connected services platform

**MAN T&B SERVICE OFFERING – SELECTED EXAMPLES**

- **MAN Service Care**
  - Proactive maintenance increasing vehicle availability
- **MAN Perform**
  - Driver performance analyses
- **MAN Maintenance**
  - Cloud-based maintenance data
- **MAN Compliant**
  - Remote download of tachograph data

**Number of connected trucks in operation**

- **Today**: 450,000+
- **2020e**: Almost every Scania truck and MAN T&B Euro VI heavy-duty and medium-duty truck will be connected from 2019e onwards
- **2025e+**: >1m

---

1. All MAN T&B Euro VI HDT and MDT for EU-28+2 region plus selected retrofittings.
2. As of Q4-2018.
RECAP: CONNECTIVITY AT SCANIA

Connected vehicles on the road

- 2011: ~8.5k
- 2018: >350k

What data does Scania have?

- Location
- Speed
- Fuel
- Mileage status
- Driving time
- Maintenance interval

How can Scania monetize the data?

- Customers pay for reduced TCO... and Scania benefits...
- Scania knows...
  - ...when a truck needs service
  - ...where a truck can be serviced
  - ...what service a truck needs

Win/Win

Customer
- Higher uptime
- Demand-driven workshop visits
- Higher predictability

Scania
- Higher workshop utilization
- Optimized NWC
- Feedback loops to R&D
### MULTIPLE PARTNERSHIPS ESTABLISHED TO EXPLORE NEW BUSINESS MODELS & LOGISTICS SOLUTIONS AND ACQUIRE CRUCIAL KNOW-HOW

<table>
<thead>
<tr>
<th>RIO</th>
<th>SOLERA PARTNERSHIP</th>
<th>SELECTED INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRATON GROUP connectivity platform collecting customer data to offer better services</strong></td>
<td><strong>US provider of digital solutions for logistics players</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>Co-founded in 2016 by MAN</strong></td>
</tr>
<tr>
<td><em>Venture launched in 2017</em></td>
<td><em>Strategic partnership since 2018</em></td>
<td><em>Leverages algorithms to optimize capacity</em></td>
</tr>
<tr>
<td><em>Cloud-based digital fleet platform</em></td>
<td>(1) Solera’s &quot;Digital Garage&quot; joint aftersales app integrated into existing TRATON GROUP connectivity services</td>
<td>— Fewer empty runs, higher margins</td>
</tr>
<tr>
<td><em>Offers significant efficiency benefits</em></td>
<td>(2) Focus on smart and secure solutions, e.g., workshop optimization</td>
<td>— Increased resource efficiency</td>
</tr>
</tbody>
</table>

---

1 Solera processes over 300 m digital transactions p.a. for approx. 235k partners and customers in nearly 90 countries.

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WHAT THE FUTURE MIGHT LOOK LIKE
ADOPTION OF E-MOBILITY DRIVEN BY TCO CONSIDERATIONS AND REGULATORY ENVIRONMENT

EXPECTED IMPACT ON TCO BREAKDOWN

- Fuel
- Repair & maintenance
- Admin & services
- Vehicle
- Driver

Main impact from electrification

EXPECTED CUSTOMER VALUE

- Reduction of CO₂ footprint in line with potential future emission targets
- Zero noise emission in sensitive areas
- Gain experience and capabilities in operating e-mobility vehicles by getting access to first successful solutions across applications
- Lower fuel consumption and (depending on application) better TCO in the mid-to-long-term

CUSTOMER DRIVEN INNOVATION EXAMPLES

- MAN Lion’s City E
- VWCO e-Delivery
- MAN CitE (concept truck)
- Scania e-highway trials in Sweden & Germany

1 Chart representative for German HDT market; indicative - depending on usage pattern. 2 Non-exhaustive.
ELECTRIC SOLUTIONS ARE ALREADY IN OPERATION TODAY AND NEW PROTOTYPES ARE REGULARLY TESTED IN COLLABORATION WITH CUSTOMERS

VEHICLES IN REGULAR OPERATION OR IN PRACTICAL TRIALS

**Scania Citywide Low Floor**
- Buses in regular operation in Östersund, Sweden

**VWCO e-Delivery**
- First vehicles delivered to test customers in 2018
- Start of production in 2020
  - World’s biggest order of clean energy-powered vehicles (Ambev, 1,600 vehicles)

**MAN & CNL¹ cooperation on eTrucks**
- First nine electric trucks handed over to CNL member companies in 2018
- Small series production to begin in late 2019

PROTOTYPES/CONCEPT VEHICLES

**MAN Lion’s City E**
- Close-to-series prototype
- Development partnerships formed with Munich, Hamburg, Wolfsburg and Luxembourg
- Series production to start shortly after 2020 demo fleet test

**MAN CitE (concept truck)**
- Lowest entrance height, "bird eye" view, digital cockpit
- High-performance engine
- Powerful Li-Ion battery (up to ~200 km range)

**Scania FCEV pilot projects²**
- Ongoing pilots to produce fuel cell electric trucks (FCEV)
- First truck delivered to Asko; further deliveries to take place in Q2 2019

---

¹ Austrian Council for Sustainable Logistics
² Partnerships with Asko and Renova.
TRATON GROUP E-MOBILITY PORTFOLIO CONTINUOUSLY BEING DEVELOPED WITH FULL PIPELINE UNTIL 2025 AND BEYOND

TRUCKS
- e-Delivery
- e-Truck
- e-Highway truck
- Plug-in hybrid truck
- Hybrid truck

BUS & COACH
- Mild hybrids/KSG
- Hybrid bus
- BEV bus

Various undisclosed prototypes

Pilot
Series readiness

Full pipeline until 2025 and beyond
COOPERATION IN ELECTRIFICATION – SYSTEMATIC APPROACH TO GAIN A MODULAR KIT FOR ALL SEGMENTS AND ALL BRANDS

**BATTERY**
- Cells/Modules
- Pack
- Battery Management System

**PROPULSION**
- BEV Power-train
- Central-Drive
- eAxle
- PHEV/HEV/mHEV

**CHARGING**
- Plug (CCS)
- Pantograph,...

**OTHERS**
- Auxiliaries, Bordnet, HV-Distribution,...
COMMON BASE ENGINE (13L) COMPATIBLE WITH CONVENTIONAL AND ALTERNATIVE FUELS

COMMON BASE 13L ENGINE (CBE) – PART OF OUR JOINTLY DEVELOPED HD POWERTRAIN PLATFORM

IN THE SHIFT TO ALTERNATIVE FUELS TRATON GROUP EXPECTS TO BENEFIT FROM ITS BROAD RANGE OF ALTERNATIVE FUEL SOLUTIONS

Scania vehicles displayed at IAA 2018

Theoretical CO₂ reduction potential

- More than 50% Brake Thermal Efficiency¹
- Designed to address expected future emission legislation
- Expected to be installed in >50% of TRATON GROUP’s HD trucks per year from 2025 onwards

Natural gas  Up to 15%
Biodiesel FAME  Up to 85%
Biogas  Up to 90%
HVO  Up to 90%
Ethanol  Up to 90%
Hybrid with HVO  >90%

Note: HVO = Hydrogenated Vegetable Oil. LNG = Liquefied Natural Gas. CNG = Compressed Natural Gas. BEV = Battery Electric Vehicle.

¹ More than half of the energy is converted into mechanical energy. ² Scania vehicles displayed at IAA 2018 – all alternatively fueled including newly launched plug-in hybrid. ³ Also compatible with biodiesel FAME and ethanol engines.
Common conventional powertrain

Common future technology platform - ACE
CHRISTIAN SCHULZ

CHIEF FINANCIAL OFFICER TRATON GROUP
TODAY'S AGENDA

01. INTRODUCTION

02. COMPANY HIGHLIGHTS

03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP

05. FINANCIALS

06. WRAP UP
THREE PILLARS FOR SUCCESS

1. Realising growth
   - Full upgrade of truck product range implemented by 2019

2. Enhancing performance
   - Launch costs for new truck absorbed, upside potential from service growth expected to be realized
   - Detailed operational excellence program across entire value chain

3. Leveraging synergies
   - Further lever lean operational set-up with rigid cost control
   - Participate in market recovery with new and broader product range
   - Full upgrade of truck product range by 2021

- Purchasing (incl. lead buying)
- Modularisation and components
- Joint Powertrain
- New Technologies
- Production Footprint and Logistics
## OPERATIONAL PERFORMANCE IMPROVEMENTS IN PLACE ACROSS ALL THREE BRANDS

<table>
<thead>
<tr>
<th>Brand</th>
<th>Key Points</th>
</tr>
</thead>
</table>
| **Scania** | + Phase-out of double production line  
               + Focus and Ambition program to improve COGS basis with 200+ dedicated employees  
               + NTG ramp-up globally  
               + Increased average price per vehicle and strong volumes in Europe  
               + Substantially more high-margin services sold | **Vehicle & Services** | **Adj. RoS: 9.4%** |
| **MAN** | + Ramp-up/“dual costs” for new truck generation  
           + Market shares in Europe ex-Germany  
           + Operational Excellence performance program | **Adj. RoS: 4.8%** | **+0.4%pts** |
| **Caminhões ônibus** | + Leverage recovering Brazilian market  
                              + New delivery truck generation  
                              + Strengthen plant/logistic efficiency | **Adj. RoS: (8.8)%** | **+6.7%pts** |

Note: Only selected key performance drivers displayed.

1 Including €403m adjustment for provision in relation to Scania antitrust fine.  
2 Including (€50m) adjustment for release of restructuring provision at MAN T&B.  
3 Including €58m adjustment for restructuring expense at VWCO.
**FUTURE REPORTING ALONG TWO SEPARATE SEGMENTS**

**Reporting structure**

- TRATON GROUP
- Industrial Business
- Financial Services
- MAN Truck & Bus
- Volkswagen Caminhões e Ônibus
- Scania Vehicles & Services
- Other²

**Commentary**

- TRATON GROUP is a 100% subsidiary of Volkswagen AG
- TRATON GROUP with three consolidated subsidiaries (Scania Group, MAN Truck & Bus and Volkswagen Caminhões e Ônibus)
- Investments in associates (i.e. Navistar and Sinotruk) not included in operating profit
- Financial information derived from audited consolidated financial statements and internal group accounting systems
  - Financial data for 2016, 2017 and 2018 in accordance with IFRS as applicable on 31 December 2018
  - No optional exemptions from retrospective application of IFRS applied
- Segment reporting comprises:
  - Industrial Business (includes operating units Scania Vehicles and Services, MAN Truck & Bus and Volkswagen Caminhões e Ônibus)
  - Financial Services (represents Scania Financial Services)

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Note: Overview as of 23rd January 2019 – C = Capital – VR = Voting Rights; Shareholdings may not add up due to rounding.
1 Includes holdings and participations (MAN SE: holding companies, Sinotruk participation; TRATON Holding: holding companies, Navistar participation, TB Digital Services), PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) as well as consolidation effects.
2 Reflecting VGSG (workshop + licences) as well as consolidation effects.
3 Percentages may change in connection with tender process following termination of domination and profit and loss transfer agreement with effect as of January 1, 2019.
4 Indirect.
5 Associates are Navistar and Sinotruk, in which TRATON GROUP has a minority equity stake.
6 Shareholding as of 30th November 2018.

---

1. Includes holdings and participations (MAN SE: holding companies, Sinotruk participation; TRATON Holding: holding companies, Navistar participation, TB Digital Services), PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) as well as consolidation effects.
2. Reflecting VGSG (workshop + licences) as well as consolidation effects.
3. Percentages may change in connection with tender process following termination of domination and profit and loss transfer agreement with effect as of January 1, 2019.
4. Indirect.
5. Associates are Navistar and Sinotruk, in which TRATON GROUP has a minority equity stake.
## Relevent Core KPIS Disclosed at Group and Operating Unit Level

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial Business</th>
<th>Financial Services</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Revenue</td>
<td>€12.4bn</td>
<td>€0.7bn⁷</td>
<td>€24.4bn⁶</td>
</tr>
<tr>
<td>Adj. Operating Profit[^2]</td>
<td>€1.2bn</td>
<td>€1.3bn⁵</td>
<td>€1.5bn¹⁰</td>
</tr>
<tr>
<td>Adj. RoS[^2]</td>
<td>9.4%</td>
<td>5.6%⁸</td>
<td>6.0%¹⁰</td>
</tr>
<tr>
<td>Total Research and Development Costs[^3]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex (ex. capitalized dev. costs)[^11]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Flow II[^4]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance Sheet</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[^2] Includes holdings and participations (MAN SE: holding companies, Sinotruk participation; TRATON Holding: holding companies, Navistar participation, TB Digital Services), PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) as well as consolidation effects.  
[^4] Reflecting lease income and interest income before intersegment consolidation.  
[^5] Reflecting total research and development costs from continuing operations comprising capitalized R&D plus period expensed R&D.  
[^6] Reflecting lease income and interest income before intersegment consolidation.  
[^7] Including operations no longer held by TRATON GROUP as of Jan-2019 (VGSG), consolidation effects (MAN – VWCO), other segments and reconciliation.  
[^9] Including investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments.
LIMITED AMOUNT OF ADJUSTMENTS TO HISTORICAL OPERATING PROFIT FOR TRATON GROUP

Operating Profit to Adj. Operating Profit table (€m)

<table>
<thead>
<tr>
<th>in €m</th>
<th>2016A</th>
<th>2017A</th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>727</td>
<td>1,512</td>
<td>1,135</td>
<td>1,108</td>
</tr>
<tr>
<td>RoS in %</td>
<td>3.3%</td>
<td>6.2%</td>
<td>6.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Provision for Scania antitrust fine</td>
<td>403</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release of restructuring provision at MAN T&amp;B</td>
<td>-</td>
<td>(50)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense in relation to Indian market exit at MAN T&amp;B</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>115</td>
</tr>
<tr>
<td>Restructuring expense at VWCO</td>
<td>58</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adj. Operating Profit</td>
<td>1,188</td>
<td>1,462</td>
<td>1,135</td>
<td>1,223</td>
</tr>
<tr>
<td>Adj. RoS in %</td>
<td>5.4%</td>
<td>6.0%</td>
<td>6.4%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Commentary

- Scania provisioned €403m in relation to the European Commission's antitrust fine in 2016A
- Lower than expected restructuring expenses at MAN T&B leading to €50m reversal of respective provision in 2017A
- Adjustment of €115m reflected in 9M 2018 period with regards to the market exit/plant closure of MAN T&B in India
PERFORMANCE IMPROVEMENTS AND SYNERGIES POTENTIAL ACROSS ALL OPERATING UNITS PROVIDING A BASIS FOR PROFITABILITY INCREASE ON GROUP LEVEL

1. Scania V&S: Consistent profitability leadership with renewed product portfolio

2. MAN T&B: Profitability improvement through Operational Excellence Program and strong market performance

3. VWCO: Ideally positioned to benefit from expected market recovery

4. Industrial Business: Substantial synergy potential across operating units

5. Financial Services: Quality portfolio with solid RoE

6. TRATON GROUP: Top line growth and profitability improvement
SCANIA VEHICLES & SERVICES: STRONG TRUCK VOLUME GROWTH

Volume delivered (k units and % of total)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus</td>
<td>81.3</td>
<td>90.8</td>
<td>64.0</td>
<td>68.6</td>
</tr>
<tr>
<td>Bus</td>
<td>8.3</td>
<td>8.3</td>
<td>5.8</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>73.1</td>
<td>82.5</td>
<td>62.1</td>
<td>90.5%</td>
</tr>
</tbody>
</table>

- Truck volume increase driven by improved economic conditions
- Further uplift from introduction of the NTG
- Bus segment stable across years

Volume delivered by region in 2017A (% of total)

- EU 28+2 (ex-Germany): 49.5%
- Germany: 30.0%
- S. America (ex-Brazil): 2.8%
- Brazil: 6.9%
- Other: 9.1%
- Other1: 6.5%

1 Including Asia-Pacific accounting for 10.8% of overall truck volume and 19.6% of overall bus volume and Middle East accounting for 6.6% of overall truck volume and 18.6% of overall bus volume.
**SCANIA VEHICLES & SERVICES:**

**SALES REVENUE GROWTH ON THE BACK OF STRONG TRUCK SALES**

**Sales revenue (€m)**

**Growth**
- 3.6% growth (9M 2017A: €9,016, 9M 2018A: €9,337)

**Commentary**
- Sales revenue in 2017A driven by:
  - Growth across almost all products
  - Increase in average prices per vehicle within the trucks segment
  - Increased component sales to MAN T&B from common platform parts
- Continuous expansion of service revenues due to growing vehicle fleet across all regions and preventive service program from connected fleet base

1 Including genuine parts and workshop services.  
2 Including used vehicles, engines, powertrains and parts deliveries, Industrial Business related leasing business and other sales revenue including sales revenue from hedging transactions.
**SCANIA VEHICLES & SERVICES: INCREASE IN VOLUMES ENHANCING ADJ. OPERATING PROFIT**

### Commentary

- **Increase in Return on Sales through greater operating leverage in 2017A,** reflected by 13.1% increase in sales revenue at stable operating expenses.
- **Higher cost base due to development and introduction of NTG line,** relating to logistics, production methods and temporarily required parallel production.
- **Service growth positively impacting margins in 2017A.**
- **Increase in export share of Brazil production.**

### Adj. Operating Profit (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>Adj. Operating Profit (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td></td>
<td>958&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>2017A</td>
<td>21.8%</td>
<td>1,167</td>
</tr>
</tbody>
</table>

### Adj. Return on Sales (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adj. Return on Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017A</td>
<td>8.7%</td>
</tr>
<tr>
<td>9M 2018A</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

1 Including €403m adjustment for provision in relation to Scania antitrust fine.
MAN TRUCK & BUS:
VOLUMES DRIVEN BY POSITIVE ECONOMIC DEVELOPMENT

Volume delivered (k units and % of total)

Growth

8.2%

15.4%

Trucks¹

83.2 90.0

99.2 7.0%

2016A 2017A

8.2%

93.0%

93.6%

9M 2017A 9M 2018A

Bus

77.1 72.0

6.1 4.6

4.1 4.6

62.4 67.4

6.3 6.4

6.3 6.4

6.6 6.4

2016A 2017A

Volume delivered by region in 2017A (% of total)

Truck¹

EU 28+2 (ex-Germany) 44.2%

Germany 28.4%

Other 20.0%

Bus

EU 28+2 (ex-Germany) 27.4%

Germany 36.5%

Other 43.5%

1 Including MAN TGE vans.  2 Including Asia-Pacific accounting for 7.2% of overall truck volume and 9.7% of overall bus volume and Middle East accounting for 4.8% of overall truck volume and 9.0% of overall bus volume.
MAN TRUCK & BUS: PARTICIPATING IN STRONG EU MARKET AND MARKETING CAMPAIGNS CONTRIBUTING TO SALES REVENUE

Sales revenue (€m)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>5,642</td>
<td>5,977</td>
<td>7,160</td>
<td>7,646</td>
</tr>
<tr>
<td>Aftersales</td>
<td>1,869</td>
<td>1,965</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others(^2)</td>
<td>1,736</td>
<td>2,080</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>9,247</td>
<td>10,022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Growth**

- **8.4%**
- **6.8%**

**Commentary**

- Positive European economic environment in 2017A
- Successful marketing campaigns and improved distribution approach in Germany for TGS and TGX trucks in 2017A
- Introduction of the new MAN TGE van and new Intercity bus models in 2017A

---

1 Including genuine parts and workshop services. 2 Including used vehicles, engines, powertrains and parts deliveries, Industrial Business related leasing business and other sales revenue including sales revenue from hedging transactions.
MAN TRUCK & BUS: STRONG SALES INCREASE DRIVING ADJ. OPERATING PROFIT IN 2017

Adj. Operating Profit (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>405</td>
</tr>
<tr>
<td>2017A</td>
<td>17.5%</td>
</tr>
<tr>
<td>9M 2017A</td>
<td>369</td>
</tr>
<tr>
<td>9M 2018A</td>
<td>384²</td>
</tr>
</tbody>
</table>

Commentary

- Positive effects from the PACE2017 efficiency program coming through
- Benefit from HDT assembly shift to Munich, concentrating cab production in Munich, bundling logistics, increasing efficiency and optimising IT costs in 2017A
- Adj. Return on Sales expansion through fixed cost degression from higher volumes
- Restructuring expense of €115m as adjustment in 9M 2018 due to market exit/plant closure at MAN India
VWCO:
27.1% INCREASE IN VOLUMES ON THE BACK OF AN ECONOMIC RECOVERY

Volume delivered (k units and % of total)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>9M 2016A</th>
<th>9M 2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>16.5</td>
<td>21.1</td>
<td>19.2</td>
<td>21.9</td>
</tr>
<tr>
<td></td>
<td>3.9</td>
<td>4.8</td>
<td>3.7</td>
<td>5.5</td>
</tr>
<tr>
<td>Trucks</td>
<td>20.4</td>
<td>25.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80.9%</td>
<td>81.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volume delivered by region in 2017A (% of total)

<table>
<thead>
<tr>
<th>Region</th>
<th>Truck</th>
<th>Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. America (ex-Brazil)</td>
<td>69.5%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>24.9%</td>
<td>27.4%</td>
</tr>
<tr>
<td>Other1</td>
<td>25.9%</td>
<td>46.7%</td>
</tr>
</tbody>
</table>

- Strong expansion in truck segments alongside market recovery

1 Including volume generated in Mexico, Africa and Middle East.
VWCO: 
SUBSTANTIAL SALES REVENUE GROWTH ON THE BACK OF VOLUME AND PRICE RECOVERY

Sales revenue (€m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>747</td>
<td>1,014</td>
<td>34.5%</td>
<td>874</td>
<td>1,044</td>
<td>19.4%</td>
</tr>
<tr>
<td>Others²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aftersales¹</td>
<td>864</td>
<td>26</td>
<td>91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,162</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Commentary

- Post-recession of the Brazilian economy recovery of vehicle sales revenue in 2017A and in 9M 2018A
- Successful pricing strategies, lower dealer stock and a change in mix towards higher priced heavy trucks leading to significant sales revenue growth

1 Including genuine parts and workshop services. 2 Including used vehicles, engines, powertrains and parts deliveries, Industrial Business related leasing business and other sales revenue including sales revenue from hedging transactions.
VWCO:
BREAK-EVEN REACHED IN 9M 2018

Adj. Operating Profit (€m)

<table>
<thead>
<tr>
<th></th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>(134)$^1$</td>
<td>(103)</td>
<td>18</td>
</tr>
</tbody>
</table>

Adj. Return on Sales (%)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>(15.6)$^1$</td>
<td>(103)</td>
<td>(7.8)</td>
<td>(1.7)</td>
<td></td>
</tr>
</tbody>
</table>

1 Including €58m adjustment for restructuring expense at VWCO.

Commentary

• Cost measures showing visible results
  – Successful turnaround measures (e.g. headcount reduction) leading to significantly lower cost base
  – Reduction in full-time employees

• Significant expansion of contribution margins across product portfolio
### INDUSTRIAL BUSINESS:
**INCREASING VOLUMES AND STRONG ORDER INTAKE**

#### Volume delivered\(^1\) (k units and % of total)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>183.6</td>
<td>204.9</td>
<td>9.4%</td>
</tr>
<tr>
<td>Trucks(^2)</td>
<td>165.8</td>
<td>185.7</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

#### Order intake\(^1\) (k units and % of total)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>190.6</td>
<td>229.1</td>
<td>9.0%</td>
</tr>
<tr>
<td>Trucks(^2)</td>
<td>172.9</td>
<td>208.6</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

#### Book-to-bill\(^3\)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>1.04</td>
<td>1.12</td>
<td></td>
</tr>
<tr>
<td>Trucks(^2)</td>
<td>1.14</td>
<td>1.09</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^1\) After considering consolidation effects at group level.  
\(^2\) Including MAN TGE vans.  
\(^3\) Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered in a given period.
4 INDUSTRIAL BUSINESS:
GLOBAL NETWORK CONTRIBUTING POSITIVELY

Sales revenue¹ by region (€m and % of total¹)

<table>
<thead>
<tr>
<th>Region</th>
<th>2016A</th>
<th>2017A</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>4,994</td>
<td>6,063</td>
<td>+21.4%</td>
</tr>
<tr>
<td>S. America (ex-Brazil)</td>
<td>3,742</td>
<td>4,013</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>10,532</td>
<td>11,074</td>
<td>+5.1%</td>
</tr>
<tr>
<td>EU28+2 (ex-Germany)</td>
<td>21,023</td>
<td>23,403</td>
<td></td>
</tr>
</tbody>
</table>

Commentary

- Industrial Business’ sales revenue increased by €2,380m, reflecting positive developments across core markets in the period from 2016A to 2017A
- €385m sales revenue expansion in the Brazilian market on the back of an overall economic recovery in the period from 2016A to 2017A
- Successful improvement in sales approach of MAN T&B in Germany as main driver of the €272m sales revenue growth in the period from 2016A to 2017A

¹ Reflecting sales revenue before intersegment consolidation. ² Including sales revenue of (i) Asia-Pacific region of €1,887m and €2,137m in 2016A and 2017A respectively and (ii) Middle East region of €896m and €1,027m in 2016A and 2017A respectively and including sales revenue from hedging transactions (not assigned to regions).
INDUSTRIAL BUSINESS: GROWTH BEYOND CORE MARKETS

Sales revenue¹ (€m)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>13,039</td>
<td>14,357</td>
</tr>
<tr>
<td>Aftersales²</td>
<td>4,222</td>
<td>4,508</td>
</tr>
<tr>
<td>Others³</td>
<td>3,762</td>
<td>4,538</td>
</tr>
<tr>
<td>Growth</td>
<td>11.3%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Commentary

• Sales revenue driven by all three operating units on the back of a positive economic development and new product launches with successful pricing strategies

• Significant expansion of truck volumes as main contributor to sales revenue growth in 2017A

1 Reflecting sales revenue before intersegment consolidation.  2 Including genuine parts and workshop services.  3 Including used vehicles, engines, powertrains and parts deliveries, Industrial Business related leasing business and other sales revenue including sales revenue from hedging transactions.

Aftersales¹ sales revenue share as % of total sales revenue

<table>
<thead>
<tr>
<th></th>
<th>9M 2017A</th>
<th>9M 2018A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aftersales²</td>
<td>20.1%</td>
<td>19.3%</td>
</tr>
</tbody>
</table>
INDUSTRIAL BUSINESS:
ADJ. OPERATING PROFIT EXPANDING

### Adj. Operating Profit (€m)

**Growth**
- **2016A**: 1,057
- **2017A**: 1,318

**Growth**
- **9M 2017A**: 1,018
- **9M 2018A**: 1,095

### Commentary
- Profit expansion through increased volumes and stable contribution margins from 2016A to 2017A
- Increase in solid margin aftersales business
- Adj. Return on Sales increase through fixed cost degression from higher volumes

### Adj. Return on Sales (%)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017A</td>
<td>5.0%</td>
<td>5.6%</td>
</tr>
<tr>
<td>9M 2018A</td>
<td>6.0%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

---

1 Including aligned PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin); reflecting Operating Profit before intersegment consolidation.  2 Including €403m adjustment for provision in relation to Scania antitrust fine and €58m adjustment for restructuring expense at VWCO.  3 Including (€50m) adjustment for release of restructuring provision at MAN T&B.  4 Including €115m adjustment for expense in relation to Indian market exit at MAN T&B which arose during the first 9 months of 2018.  5 Based on Adj. Operating Profit before intersegment consolidation. Including aligned PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin).
INDUSTRIAL BUSINESS: INCOME STATEMENT OVERVIEW

<table>
<thead>
<tr>
<th>Description</th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue(^1)</td>
<td>21,023</td>
<td>23,403</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(17,026)</td>
<td>(18,985)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>3,997</td>
<td>4,418</td>
</tr>
<tr>
<td>SG&amp;A(^2)</td>
<td>(2,983)</td>
<td>(3,100)</td>
</tr>
<tr>
<td>Other operating income/expenses(^7)</td>
<td>(419)(^3)</td>
<td>51</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>596</td>
<td>1,368</td>
</tr>
<tr>
<td><strong>RoS in %</strong></td>
<td>2.8%</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td>461(^3)</td>
<td>(50)(^4)</td>
</tr>
<tr>
<td><strong>Adj. Operating Profit</strong></td>
<td>1,057</td>
<td>1,318</td>
</tr>
<tr>
<td><strong>Adj. RoS in %</strong></td>
<td>5.0%</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>(156)</td>
<td>(196)</td>
</tr>
<tr>
<td><strong>Earnings before tax (from continued operations)</strong></td>
<td>440</td>
<td>1,172</td>
</tr>
<tr>
<td><strong>Income tax income/expense</strong></td>
<td>(245)</td>
<td>(418)</td>
</tr>
<tr>
<td><strong>Result from continuing operations, net of tax</strong></td>
<td>195</td>
<td>754</td>
</tr>
<tr>
<td><strong>Result from discontinued operations, net of tax(^5)</strong></td>
<td>(123)</td>
<td>85</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>72</td>
<td>839</td>
</tr>
</tbody>
</table>

Commentary

- SG&A\(^2\) as % of revenue with positive effect from 2016A to 2017A, reducing from 14.2% to 13.2%.
- Direct labor costs with expansion in 2017A, driven by headcount increases in relation to the higher production volumes at Scania V&S and MAN T&B and the introduction of the NTG at Scania V&S in 2017A.

**Industrial Business Adj. EBITDA**\(^6\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>€1,911m(^3)</td>
</tr>
<tr>
<td>2017A</td>
<td>€2,107m(^4)</td>
</tr>
</tbody>
</table>

\(^1\) Reflecting sales revenue before intersegment consolidation. \(^2\) Reflecting distribution expenses and general and administrative expenses. \(^3\) Including €403m adjustment for provision in relation to Scania antitrust fine and €83m adjustment for restructuring expense at VWCO. \(^4\) Including (€50m) adjustment for release of restructuring provision at MAN T&B. \(^5\) Reflecting non-recurring consolidation effects with Power Engineering. \(^6\) Adj. EBITDA defined as Adj. Operating Profit plus D&A of fixed assets, and impairment losses on, intangible assets, PP&E and investment property, amortization of and impairment losses on capitalized development costs and impairment losses on equity investments plus share of the result of equity-accounted investments plus other financial result. \(^7\) Including net impairment losses on financial assets.
INDUSTRIAL BUSINESS:
NEW PRODUCT DEVELOPMENT DRIVING RESEARCH AND DEVELOPMENT COSTS

Total research and development costs\(^1\) (€m; % of sales revenue)

<table>
<thead>
<tr>
<th>Type</th>
<th>2016A</th>
<th>2017A</th>
<th>% Change</th>
<th>% of Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized R&amp;D</td>
<td>1,310</td>
<td>1,420</td>
<td>9.1%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Period Expensed R&amp;D</td>
<td>911</td>
<td>1,011</td>
<td>110.8%</td>
<td>69.5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Commentary

- Total R&D costs driven by:
  - Ramp up for new product development, including the new truck generation at MAN T&B and the New Delivery model at VWCO introduced at year-end 2017
  - Development of adaptations for all alliance partners
  - Connectivity solutions
  - New technologies, ADAS/autonomous driving, electrification

- R&D spending expected to stay in line with absolute historical levels
- R&D spending to be increasingly shifted from being product related to new technologies

\(^1\) Reflecting total research and development costs from continuing operations comprising capitalized R&D plus period expensed R&D.
INDUSTRIAL BUSINESS: SUSTAINED INITIATIVES TO OPTIMIZE INVESTMENTS

Capex spending\(^1\) (€m, % of sales revenue)

<table>
<thead>
<tr>
<th>Investments in intangible and tangible assets and investment property</th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments</td>
<td>1,054</td>
<td>1,107</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>268</td>
</tr>
</tbody>
</table>

As % of sales revenue

<table>
<thead>
<tr>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>98.9%</td>
<td>75.8%</td>
</tr>
</tbody>
</table>

Commentary

• Decrease in prepayments for construction in progress relating to the completion of the NTG project at Scania V&S in 2017A
• Other position mainly reflecting acquisition of Navistar stake in 2017A
• Capex spending expected to stay in line with absolute historical levels (including capitalized development costs)

1 Including Investments in intangible assets (excluding development costs), Property plant and equipment, and investment property, acquisition of subsidiaries and acquisition of other equity investments.  2 Including acquisition of subsidiaries and acquisition of other equity investments.
INDUSTRIAL BUSINESS: NET CASH FLOW EVOLUTION

Commentary

- Earnings before tax in 2017 offset by working capital increase
- Change in working capital in 2017 is mainly driven by changes in:
  - Inventories of €(456)m
  - Receivables of €(615)m, including trade receivables of €(237)m
  - Liabilities of €1,012m, including trade payables of €249m
- Lease assets €(1,439)m
- Working capital is a key focus area; task force in place to implement identified optimization potential

<table>
<thead>
<tr>
<th>In €m</th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before tax</td>
<td>440</td>
<td>1,172</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(81)</td>
<td>(217)</td>
</tr>
<tr>
<td>D&amp;A of, and impairment losses on, intangible assets, PP&amp;E, and inv. property</td>
<td>552</td>
<td>585</td>
</tr>
<tr>
<td>Amortization of and impairment losses on capitalized development costs</td>
<td>237</td>
<td>225</td>
</tr>
<tr>
<td>Impairment losses on equity investments</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Depreciation of and impairment losses on lease assets</td>
<td>1,085</td>
<td>1,155</td>
</tr>
<tr>
<td>Change in pensions</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Gain/loss on disposal of noncurrent assets and equity investments</td>
<td>(14)</td>
<td>(13)</td>
</tr>
<tr>
<td>Share of profit or loss of equity-accounted investments</td>
<td>(12)</td>
<td>(63)</td>
</tr>
<tr>
<td>Other noncash expense/income</td>
<td>134</td>
<td>30</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>(364)</td>
<td>(456)</td>
</tr>
<tr>
<td>Change in receivables (excluding financial services)</td>
<td>(114)</td>
<td>(615)</td>
</tr>
<tr>
<td>Change in liabilities (excluding financial liabilities)</td>
<td>1,714</td>
<td>1,012</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>408</td>
<td>69</td>
</tr>
<tr>
<td>Change in lease assets</td>
<td>(1,865)</td>
<td>(1,439)</td>
</tr>
<tr>
<td>Change in financial services receivables</td>
<td>3</td>
<td>(11)</td>
</tr>
<tr>
<td>Cash flows from operating activities - discontinued operations</td>
<td>(123)</td>
<td>80</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>2,024</strong></td>
<td><strong>1,392</strong></td>
</tr>
<tr>
<td>Investments in intangible assets (excluding dev. costs), PP&amp;E, and inv. property</td>
<td>(1,054)</td>
<td>(839)</td>
</tr>
<tr>
<td>Additions to capitalized development costs</td>
<td>(400)</td>
<td>(416)</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>(4)</td>
<td>4</td>
</tr>
<tr>
<td>Acquisition of other equity investments</td>
<td>(7)</td>
<td>(272)</td>
</tr>
<tr>
<td>Other cash from investing activities</td>
<td>(293)</td>
<td>(88)</td>
</tr>
<tr>
<td>Cash flows from investing activities – discontinued operations</td>
<td>0</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td><strong>(1,758)</strong></td>
<td><strong>(1,615)</strong></td>
</tr>
<tr>
<td><strong>Net Cash Flow I</strong></td>
<td><strong>266</strong></td>
<td><strong>(223)</strong></td>
</tr>
<tr>
<td>Adjustment to Net cash flow definition Volkswagen AG</td>
<td>336</td>
<td>137</td>
</tr>
<tr>
<td>Adjustment to discontinuing operations</td>
<td>123</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>Net Cash Flow II</strong></td>
<td><strong>724</strong></td>
<td><strong>(162)</strong></td>
</tr>
</tbody>
</table>

1 Includes disposal of subsidiaries, disposal of other equity investments, proceeds from disposal of intangible assets, property, plant and equipment, and investment property, change in investments in securities and changes in loans and time deposits.
2 Net Cash Flow I is defined as cash flow from operating activities reduced for cash flow from investing activities.
3 Including capitalized borrowing costs.
4 Net of impairment reversals.
5 Includes change in investments in securities and changes in loans and time deposits.
6 Includes Cash flow from operating activities and Cash flow from investing activities.
7 Net Cash Flow II is defined as cash flows from operating activities reduced by cash outflow from investing activities from continued operations adjusted for “changes in securities” and “change in loans and time deposits.”
FINANCIAL SERVICES: SCANIA HAS ITS OWN FINANCIAL SERVICES UNIT WHILE VW FS PROVIDES FINANCIAL SERVICES FOR MAN T&B AND VWCO

- Scania Financial Services is a fully integrated captive FS provider
- Scania FS operates independent of VW Financial Services with its own back-office
- MAN branded Financial Services front-end (part of VW Financial Services)
- VWCO directly via VW Financial Services — no separate branding

TRATON GROUP is currently assessing whether to have a captive and integrated Financial Services unit to be implemented at TRATON GROUP level
FINANCIAL SERVICES:
FINANCIAL SERVICES AS SOLID CONTRIBUTOR AND CATALYST FOR NEW TRUCK SALES

Financing income (Lease income and interest income)\(^1\) (€m)

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Components of financing income

- Increase in gross interest margin from 2016A to 2017A
- Portfolio mix and price increases as main drivers
- Interest margin down from 4.4% in 2016 to 3.1% in 2017A from higher competition in Europe
- Arising from cash deposits held in Brazil and internal loans in the Nordics for regulatory purposes

\(^1\) Reflecting lease income and interest income before I/C adjustments; corresponds to Financial Services segment sales revenue before intersegment consolidation.
FINANCIAL SERVICES:
STRONG RETURN ON EQUITY OF 15.9%

Earnings before tax (€m)

Growth 5.8% 106 2016A 112 2017A

Growth 13.2% 90 9M 2017A 102 9M 2018A

Commentary

- Strong increase in earnings before tax in 2017A driven by:
  - Increase in net interest income
  - Increase in net insurance income, driven by loan volume increases and profit sharing
  - Lower other expenses
  - Increase in operating expenses for the support of the servicing of new lending

Return on equity¹ (%)

16.1% 15.9%

¹ Defined as earnings before tax as % of average equity; average equity is derived from the balance sheet at the beginning and end of the relevant period.
FINANCIAL SERVICES:
DEVELOPMENT OF NET PORTFOLIO

Net portfolio development (€m)

Growth

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,361</td>
<td>6,123</td>
</tr>
</tbody>
</table>

14.2% increase in Financial Services net portfolio in 2017A impacted by:

- Increase in number of trucks sold by Commercial Operations
- Increased focus on improved penetration rate generating new lending
- Significant expansion of c. 19% in new lending in Emerging Markets
- Favorable FX movements

Commentary

1 Reflecting closing balance. Net portfolio defined as gross portfolio less bad debt provisions.
## TRATON GROUP: INCOME STATEMENT OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>2016A</th>
<th>2017A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue</strong></td>
<td>21,915</td>
<td>24,366</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(17,649)</td>
<td>(19,653)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>4,266</td>
<td>4,713</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>(3,105)</td>
<td>(3,226)</td>
</tr>
<tr>
<td><strong>Other operating income/expenses</strong></td>
<td>(434)</td>
<td>25</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>727</td>
<td>1,512</td>
</tr>
<tr>
<td><strong>RoS in %</strong></td>
<td>3.3%</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td>461²</td>
<td>(50)³</td>
</tr>
<tr>
<td><strong>Adj. Operating Profit</strong></td>
<td>1,188</td>
<td>1,462</td>
</tr>
<tr>
<td><strong>Adj. RoS in %</strong></td>
<td>5.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>(234)</td>
<td>(132)</td>
</tr>
<tr>
<td><strong>Earnings before tax</strong></td>
<td>493</td>
<td>1,379</td>
</tr>
<tr>
<td><strong>Income tax income/expense</strong></td>
<td>(297)</td>
<td>(489)</td>
</tr>
<tr>
<td><strong>Result from continuing operations, net of tax</strong></td>
<td>196</td>
<td>890</td>
</tr>
<tr>
<td><strong>Result from discontinued operations, net of tax</strong></td>
<td>22</td>
<td>149</td>
</tr>
<tr>
<td><strong>Earnings after tax</strong></td>
<td>219</td>
<td>1,039</td>
</tr>
</tbody>
</table>

**Commentary**

- Cost of sales impacted by high depreciation arising from investments and roll-out of Scania NTG
- Change in financial result from €-(234)m in 2016A to €-(132)m in 2017A, primarily driven by the inclusion of results from investments in Navistar as well as positive developments in results from Sinotruk and RMMV
- Historical tax rate of 59% in 2016A and 35% in 2017A

---

1 Reflecting distribution expenses and general and administrative expenses. 2 €403m adjustment for provision in relation to Scania antitrust fine and €58m adjustment for restructuring expense at VWCO. 3 (€50m) adjustment for release of restructuring provision at MAN T&B. 4 RMMV = Rheinmetall MAN Military Vehicles.
TRATON GROUP: STRONG TRACK RECORD OF PERFORMANCE IMPROVEMENT AND FURTHER POTENTIAL TO BE REALIZED

Adj. Return on Sales\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>5.4%(^2)</td>
</tr>
<tr>
<td>2017A</td>
<td>6.0%(^3)</td>
</tr>
</tbody>
</table>

**Performance improvement of operating units**

**Stand-alone upside**

- **Purchasing** (incl. lead buying)
- **Modularization and components**
- **Joint powertrain**
- **New technologies**
- **Production footprint and logistics**

**Synergies**

Target\(^4\)

9%

---

1 Based on Adj. Operating Profit Including aligned PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin). 2 Including €403m adjustment for provision in relation to Scania antitrust fine and €58m adjustment for restructuring expense at VWCO. 3 Including (€50m) adjustment for release of restructuring provision at MAN T&B. 4 Strategic target TRATON GROUP wants to achieve over-the-cycle, including holding costs and consolidation effects.
ANDREAS RENSCHLER

MEMBER OF THE BOARD OF MANAGEMENT OF VOLKSWAGEN AG
CHIEF EXECUTIVE OFFICER TRATON GROUP
TODAY'S AGENDA

01. INTRODUCTION

02. COMPANY HIGHLIGHTS

03. INDUSTRY AND MARKET ENVIRONMENT

04. TRATON GROUP

05. FINANCIALS

06. WRAP UP
Scania: Enters harvesting period on New Truck Generation, profits from short-term improvement of cost base and attractive aftermarket and service growth

MAN: Achieved profit stabilization, enters new era of profitability post ramp-up of new truck generation

VWCO: Benefits from Brazil market recovery and broader product pipeline

Exceptional synergy potential among TRATON GROUP brands and with alliance partners

Smart partnership approach creates scale and access to global profit pools

Monetize on customer focused innovation and ensure efficient capital allocation

Longstanding industry experience

Proven track record

Commitment to deliver the Global Champion Strategy

Three strong brands...

...creating a Global Champion...

...with highly experienced team

~175 years of cumulative industry experience
APPENDIX
TRATON GROUP CORPORATE SUSTAINABILITY – OVERVIEW

- Ability to contribute to leading the transport sector towards sustainability is a prerequisite for TRATON GROUP’s long-term success

- Transparent sustainability reporting according to GRI standards

- Corporate sustainability is firmly anchored throughout the organizations at Scania and MAN T&B/VWCO

- Scania: Driving customer profitability through sustainable solutions and pursuing responsible business

- MAN T&B/VWCO: Responsibility for product, production, supply chain, human beings as well as society and integrity

- Commitment to UN Sustainable Development Goals as common basis

- Scania and MAN T&B/VWCO are participant and signatory of UN Global Compact, respectively

---

1 The global reporting initiative (GRI) is an international independent standards organization that sets out principles and indicators for measuring and reporting economics, environmental and social performance. 2 Non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation
CORPORATE SUSTAINABILITY AT SCANIA

DRIVING THE SHIFT TOWARDS A SUSTAINABLE TRANSPORT SYSTEM

Sustainable transport: Doing the right things

Sustainable transport KPIs

- Energy efficiency
  - Ecolution by Scania
  - Driver training and coaching
  - Maintenance with flexible plans

- Alternative fuels and electrification
  - Sales of alternative fuels and electrification

- Smart and safe transport
  - Size of connected fleet

Enable partnerships in the Eco-system of transport and logistics

Deliver full service offering that improves lifecycle profitability

Responsible business: Doing things right

Business area

1. Environmental footprint
2. Diversity and inclusion
3. Business ethics
4. Health and safety
5. Human and labor rights
6. Community engagement

Selected targets

- Reduction in CO₂ emission from land transport in 2016-2025 (50%)
- Reduced energy consumption in industrial facilities per vehicle in 2010-2020 (33%)
- Reduction of un-recycled waste material in industrial operations in 2015-2020 (25%)
- Of operations to run on fossil free electricity by 2021 (100%)

Create a capable and innovative organization

Attract and retain talent

Eliminate waste and achieve cost savings
MAN T&B/VWCO employs a structured multi-step approach to derive sustainability action fields

1. Identification of potential action fields for MAN T&B/VWCO
   - Focus on global challenges
   - Concrete objectives
   - High business impact
   - Alignment with corporate strategy

2. Assessment by dedicated corporate sustainability council
   - Analysis and prioritization of potential action fields

3. Assessment by stakeholders
   - Alignment of action fields with stakeholders
   - Stakeholders include suppliers, customers, NGOs, universities, auto OEMs, representatives of cities and insurance companies

4. Alignment of sustainability topics with corporate strategy
   - Sustainability action fields linked to existing / future programs of corporate functional strategy

MAN/VWCO SUSTAINABILITY ACTION FIELDS

- Reduce greenhouse gas emission in production & logistics
- Reduce pollutant emission
- Improve traffic safety
- Sustainable mobility services

- Holistic health management
- Need-based, future-oriented education
- Future of work
- Sustainable talent management

- Allocation relevance of CS standards
- Responsible use of conflict minerals
- Review human, employee rights
- CO₂ footprint of supply chain

**Responsibility for Products**
- Reduce greenhouse gas, pollutant emission

**Responsibility for Production**

**Responsibility for Supply Chain**

**Responsibility for Society and Integrity**

Corporate sustainability strategy fully integrated into the corporate functional strategy

**Note:** MAN comprises MTB and VWCO. CS = Corporate sustainability.
Finance lease
• Vehicle ownership remains with Scania but material risk and reward transferred to lessee
• Final payment to transfer legal ownership to lessor

Hire purchase
• Vehicle ownership transferred to customer on date of sale but Scania FS receives collateral in form of a lien on vehicle
• Offered with monthly fee based on initial vehicle value

Operating lease
• Ownership and substantial risks, primarily represented by a guaranteed residual value, remain with Scania

Other
• Lending to dealers which is a short term credit facility to finance floorplan stock

1 As per company reporting. Relates to penetration in those markets where Scania has its own financing operations. Note: Supplementary information to page 57.
MAN T&B: REPLICATE GERMAN MARKET SUCCESS STORY IN EUROPEAN FOCUS
MARKETS – SELECTED CASE STUDIES – HOW CAN WE EXPAND OUR MARKET SHARE?

Following period of market share deteriorating, improvement of network key in order to regain customer recognition

UK

<table>
<thead>
<tr>
<th>Market Share 2017</th>
<th>Target Market Share 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

HISTORICAL STRENGTH

- Direct sales model
  Own salesforce with direct customer contact
- Viable franchise model
  Network with owned branches and private capital dealers
- High technical competence
  Leading in special applications

HEADWINDS POST CRISIS

- Weak network
  Low representation in key high density areas
- Technical issues
  Temporary customer dissatisfaction resulting in poor brand appearance

CLEAR PATH TO REGAIN HISTORICAL STRENGTH

- Captive retail
  New branch management team recruited (>50% of branch managers replaced)
- Close white spots
  5 new own retail locations with significant network investments
- Branch appearance
  Investments in refurbishments and training

Source: IHS Markit. Note: Supplementary information to page 79.
MAN T&B: REPLICATE GERMAN MARKET SUCCESS STORY IN EUROPEAN FOCUS MARKETS – SELECTED CASE STUDIES – HOW CAN WE EXPAND OUR MARKET SHARE?

MARKET POTENTIAL

- **Italy**
  - Market Share 2017: 8%
  - Target Market Share 2023: 8%

**KEY CHALLENGES 2017**

- **Brand reputation**
  - MAN behind competition in crucial customer experience dimensions

- **Poor image** and improvement potential in dealer and service network in quantity and quality

**ROADMAP TO SUCCESS**

- **Invest in own retail network** (€16m) and support of newly appointed dealers
- **Increase headcount** (more than double) and professionalize through investment in training
- **Improve brand reputation** by cleaning the network from low quality partners, offering customer events, implementation of MORE (Retail excellence)

Clear defined measures in terms of brand reputation, investment in captive dealers and professionalization of sales organization

Source: IHS Markit. Note: Supplementary information to page 79.
MAN T&B: REPLICATE GERMAN MARKET SUCCESS STORY IN EUROPEAN FOCUS
MARKETS – SELECTED CASE STUDIES – HOW CAN WE EXPAND OUR MARKET SHARE?

Clearly defined measures in terms of sales reorganization, investment in dealer network and improvement of FS offering

Source: IHS Markit. Note: Supplementary information to page 79.
MAN T&B – LAUNCH HIGH QUALITY PRODUCT PORTFOLIO
MAN MARKET SHARE FOLLOWING NEW PRODUCT LAUNCHES

1.8pp market share gains in 5 years post launch
1.4pp market share gains in 4 years post launch
Focus on price and market share increases

• New product launches historically acted as a catalyst of market share gains and give room for future price increases
• New truck generation launched with target to lift profitability

1 Issues include initial uncomplete TGA portfolio at time of launch, initial issues with electronics for selected customers, and pricing
Source: Company information, IHS Markit. Note: Supplementary information to page 81
MAN T&B – EXPAND AFTERSALES AND SERVICE OFFERING AS THE MAIN LAYER OF GROWTH: SPECIFIC MEASURES IN PLACE DRIVING FURTHER POTENTIAL

<table>
<thead>
<tr>
<th>Target</th>
<th>Growth plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network development</td>
<td>• Enhance captive network</td>
</tr>
<tr>
<td>• Planned installation of 16 new service points (captive and third party) to close white spots in focus countries (’18/19E)</td>
<td></td>
</tr>
<tr>
<td>Retail efficiency</td>
<td>• Process improvements and spend optimization (Point of Service)</td>
</tr>
<tr>
<td>• Rollout of Own Retail After Sales Toolbox with levers for performance improvement</td>
<td></td>
</tr>
<tr>
<td>• Deep Dive / Task Force - 360°- KPI based identification of fields of action on branch level</td>
<td></td>
</tr>
<tr>
<td>Unit sales growth</td>
<td>• Sales Boost Professionalization of the Sales Organization After Sales</td>
</tr>
<tr>
<td>• Data driven market penetration</td>
<td></td>
</tr>
<tr>
<td>• Introduction of After Sales Salesman</td>
<td></td>
</tr>
<tr>
<td>• Key Account Initiative</td>
<td></td>
</tr>
<tr>
<td>• Improvement of Sales Skills</td>
<td></td>
</tr>
<tr>
<td>New after sales products</td>
<td>• Increase market penetration</td>
</tr>
<tr>
<td>• Market roll-out</td>
<td></td>
</tr>
<tr>
<td>• Increase efficiencies</td>
<td></td>
</tr>
<tr>
<td>• Portfolio extension</td>
<td></td>
</tr>
<tr>
<td>• Approach new customer segments</td>
<td></td>
</tr>
<tr>
<td>• Economies of scale for MAN Genuine Oil</td>
<td></td>
</tr>
<tr>
<td>Parts pricing</td>
<td>• Adaptions on competitive level by generating overall price increase</td>
</tr>
<tr>
<td>• Exhaustion of opportunities with higher qualities, new technologies, increasing complexity and exclusivity</td>
<td></td>
</tr>
</tbody>
</table>

Five key levers for aftersales and services growth identified and targeted with detailed growth plans

Note: Supplementary information to page 84
MAN T&B – MAN TURNAROUND WITH VISIBLE EFFECTS FROM OPERATIONAL IMPROVEMENT PROGRAM
PACE2017 – TARGETS PER MODULE

| Engineering and Quality | • Complexity management  
| • R&D efficiency  
| • Improvement of product quality |
| Sales | • Increased market shares  
| • Increased sales margins |
| Product Cost | • Reduced production costs and product cost optimization |
| Factory Costs | • Optimization of production  
| • Increased productivity |
| Organization | • Efficiency increases in indirect functions  
| • Optimization of IT costs |
| Working Capital | • Optimization of Working Capital (Inventory, Receivables) |

1 Separate target setting.  
Note: Supplementary information to page 85
## MAN T&B – MAN T&B OPERATIONAL EXCELLENCE PROGRAM (1/2)

<table>
<thead>
<tr>
<th>INITIATIVES</th>
<th>SELECTED TARGET EFFECTS</th>
<th>TARGETED GROSS IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALES EFFECTIVENESS</td>
<td>• Improve sales performance</td>
<td>• Price increase for new truck generation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Integrated offering and cost reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+++</td>
</tr>
<tr>
<td>PRODUCT COST</td>
<td>• Optimize product cost (commercial and technical levers)</td>
<td>• Implement cross-functional and cross-company cost optimization approach</td>
</tr>
<tr>
<td></td>
<td>• Cross-functional set-up</td>
<td>+</td>
</tr>
<tr>
<td>PRODUCTION EFFICIENCY</td>
<td>• Realize productivity and efficiency gains</td>
<td>• Increase productivity</td>
</tr>
<tr>
<td></td>
<td>• Preparing for the new truck generation</td>
<td>+</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>• Focus on core complexity reduction</td>
<td>• Reduction of R&amp;D ratio</td>
</tr>
<tr>
<td></td>
<td>• Realize efficiencies</td>
<td>+</td>
</tr>
</tbody>
</table>

**SELECTED COUNTER EFFECTS**

- Introduction cost of new sales approach
- Parallel production and launch costs
- Costs of digital transformation

**Note:** Supplementary information to page 86

+++ Significant  ++ Strong  + Moderate
### MAN T&B – MAN T&B OPERATIONAL EXCELLENCE PROGRAM (2/2)

#### INITIATIVES

**INDIRECT SPEND OPTIMIZATION**
- Reduce overhead costs
- Implement guidelines to drive cost discipline

**PERSONNEL COST REDUCTION**
- Improve efficiency in indirect areas

**PORTFOLIO COMPLEXITY**
- Align project portfolio with strategic priorities

**CASH AND INVESTMENTS**
- Optimize working capital management
- Optimize capex budget and investment process

#### SELECTED TARGET EFFECTS

**INDIRECT SPEND OPTIMIZATION**
- Reduce indirect spend

**PERSONNEL COST REDUCTION**
- Improve efficiency in indirect areas

**PORTFOLIO COMPLEXITY**
- Reduce complexity in product portfolio

**CASH AND INVESTMENTS**
- Reduction of Capex ratio

#### TARGETED GROSS IMPACT

**INDIRECT SPEND OPTIMIZATION**
- +

**PERSONNEL COST REDUCTION**
- +

**PORTFOLIO COMPLEXITY**
- No P&L target

**CASH AND INVESTMENTS**
- No P&L target

#### SELECTED COUNTER EFFECTS

- Wage and raw material price increases
- Technical changes and increased depreciation

---

**Note:** Supplementary information to page 86

---

+++ Significant    ++ Strong    + Moderate
<table>
<thead>
<tr>
<th><strong>GLOSSARY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACE</strong></td>
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<tr>
<td><strong>Alliance Partner</strong></td>
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<tr>
<td><strong>Associate</strong></td>
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<tr>
<td><strong>BEV</strong></td>
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<td><strong>Byggladan</strong></td>
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<tr>
<td><strong>CBE</strong></td>
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<tr>
<td><strong>CNG</strong></td>
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<tr>
<td><strong>CNL</strong></td>
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<tr>
<td><strong>Consórcio Modular</strong></td>
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<tr>
<td><strong>EBIT</strong></td>
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<tr>
<td><strong>Euro Emission Standards</strong></td>
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<tr>
<td><strong>EU28+2</strong></td>
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<tr>
<td><strong>FAME</strong></td>
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<tr>
<td><strong>GZ</strong></td>
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<tr>
<td><strong>Heavy Duty Truck (HDT)</strong></td>
</tr>
<tr>
<td><strong>HVO</strong></td>
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<tr>
<td><strong>Industrial Business</strong></td>
</tr>
<tr>
<td><strong>Light Duty Truck (LDT)</strong></td>
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<tr>
<td><strong>LNG</strong></td>
</tr>
<tr>
<td><strong>MAN &amp; T&amp;B</strong></td>
</tr>
<tr>
<td><strong>Medium Duty Truck (MDT)</strong></td>
</tr>
<tr>
<td><strong>NTG</strong></td>
</tr>
<tr>
<td><strong>OEM</strong></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
</tr>
<tr>
<td><strong>Paris Agreement</strong></td>
</tr>
<tr>
<td><strong>PGR</strong></td>
</tr>
<tr>
<td><strong>RoE</strong></td>
</tr>
<tr>
<td><strong>RoS</strong></td>
</tr>
<tr>
<td><strong>Truck sales / truck sales revenue</strong></td>
</tr>
<tr>
<td><strong>Scania V&amp;S</strong></td>
</tr>
<tr>
<td><strong>South America</strong></td>
</tr>
<tr>
<td><strong>South East Asia</strong></td>
</tr>
<tr>
<td><strong>Strategic Partner</strong></td>
</tr>
<tr>
<td><strong>TCO</strong></td>
</tr>
<tr>
<td><strong>North America</strong></td>
</tr>
<tr>
<td><strong>Vehicles</strong></td>
</tr>
<tr>
<td><strong>VGSG</strong></td>
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<tr>
<td><strong>VWCO</strong></td>
</tr>
<tr>
<td><strong>VW T&amp;B, TRATON AG</strong></td>
</tr>
</tbody>
</table>