

10-12 December 2019

US Roadshow Bank of America Merrill Lynch

TRATON GROUP – CREATING A GLOBAL CHAMPION

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WKN: TRATON

Bloomberg Ticker: 8TRA GY / 8TRA SS

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TRATON
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THE GLOBAL CHAMPION STRATEGY IS BASED ON FOUR PILLARS



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 Value

TRATON HAS CONTINUOUSLY DELIVERED ON ITS GLOBAL CHAMPION STRATEGY

Collaboration among brands in Volkswagen T&B fully on track



Successful creation and implementation of strategic alliance partnerships



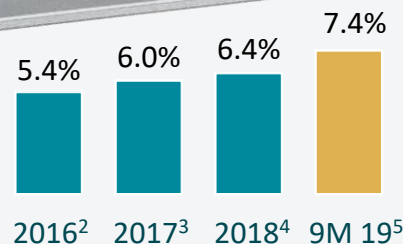
New corporate identity

Successful IPO



Next chapter...

Adj. Return on Sales¹



Significant performance improvement

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) and consolidation effects (MAN T&B – VWCO). VGSG operations (sold as of January 2019) included from 2016 to 2018 ² Including €403 mn adjustment for provision in relation to Scania antitrust fine and €58 mn adjustment for restructuring expense at VWCO ³ Including (€50 mn) adjustment for release of restructuring provision at MAN T&B ⁴ Including €137 mn adjustment for expense in relation to Indian market exit at MAN T&B ⁵ Including adjustments of (€13 mn) from the reversal of a restructuring provision at VWCO. Including €19 mn insurance claim

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LEADING GLOBAL BRANDS AND STRATEGIC ALLIANCE PARTNERS

TRATON

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FULLY CONSOLIDATED



Caminhões
Ônibus



Leader in core markets
with differentiated brands

ASSOCIATES

16.8%¹

NAVISTAR



25% + 1 share²



Powerful strategic alliance partners enabling leading global scale

STRATEGIC PARTNER



¹ As of June 30, 2019 ² Held by MAN SE as of June 2019

CLEAR POSITIONING OF BRANDS

TRATON
GROUP



Driving the shift towards a sustainable transport system



Premium customer-focused **innovation leader** for **sustainable** transport solutions



Simplifying business by being the most reliable business partner



Reliable business partner with **value package** and **full-line** offering



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Less you don't want
more you don't need

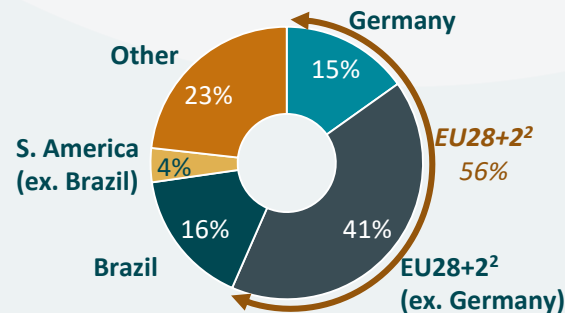


Best **value for money** and **tailor-made** products

SNAPSHOT TRATON GROUP 2018

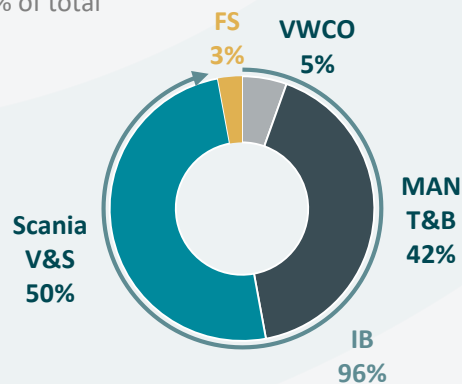
UNIT SALES¹ BY GEOGRAPHY

% of total



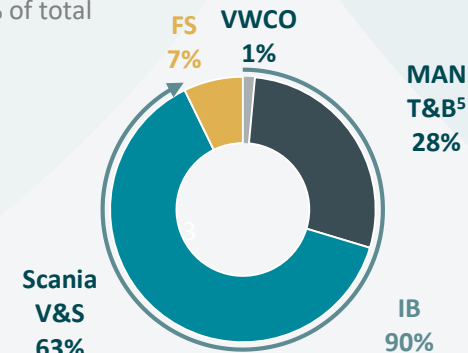
SALES REVENUE

% of total



ADJ. OPERATING PROFIT⁴

% of total



233 k Units Sold¹

€25.9 bn³ Sales Revenue

€1.7 bn⁴ Adj. Operating Profit

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 operations no longer held by TRATON GROUP as of January 2019 (VGS), consolidation effects (MAN T&B – VWCO), other segments and reconciliation 4 Including aligned PPA (VWCO PPA – MAN Origin; Scania PPA – VW Origin) 5 Including €137 mn adjustment for expense in relation to Indian market exit at MAN T&B

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 2018 (>15t)

TRATON GROUP



Europe¹

- 1st Market leader with 33% market share
- 1st Market leader in Germany with 38% market share



South America²

- 1st Market leader with 30% market share
- 1st Market leader in Brazil with 37% 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, Uruguay, Venezuela; excl. Mexico (part of North America); excl. Paraguay as no IHS Markit data for trucks >15t available

EXPANDING GLOBAL REACH THROUGH ALLIANCE PARTNERS TO ADDRESS ALL MAJOR PROFIT POOLS

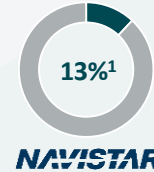


Core markets of ■ TRATON GROUP brands ○ Alliance partners ○ Truck market share in 2018 (>15t)

ALLIANCE PARTNERS

ASSOCIATES

STRATEGIC PARTNER



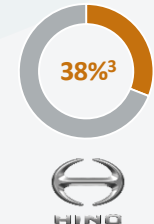
North America – Partnership since 2016

- **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**
- Lol 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)

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PROFITABILITY
AND SYNERGIES

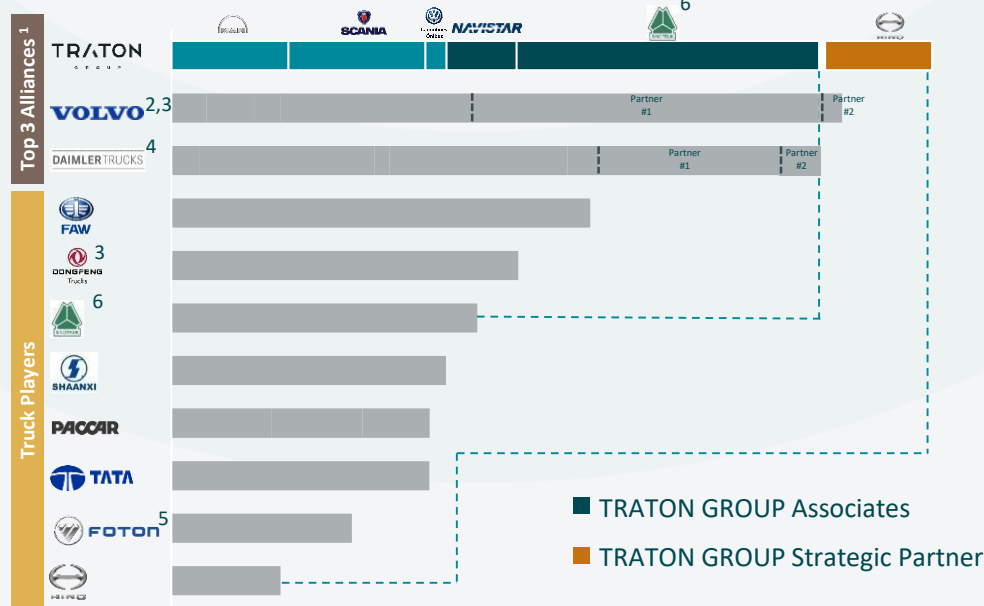
EXECUTION

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LEADING HEAVY DUTY PLATFORM AS BASIS FOR FURTHER EXPANSION AND SYNERGY REALIZATION

Heavy Duty Platform Reach of Top OEMs

Sales volumes >15t in 2018, in k units



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

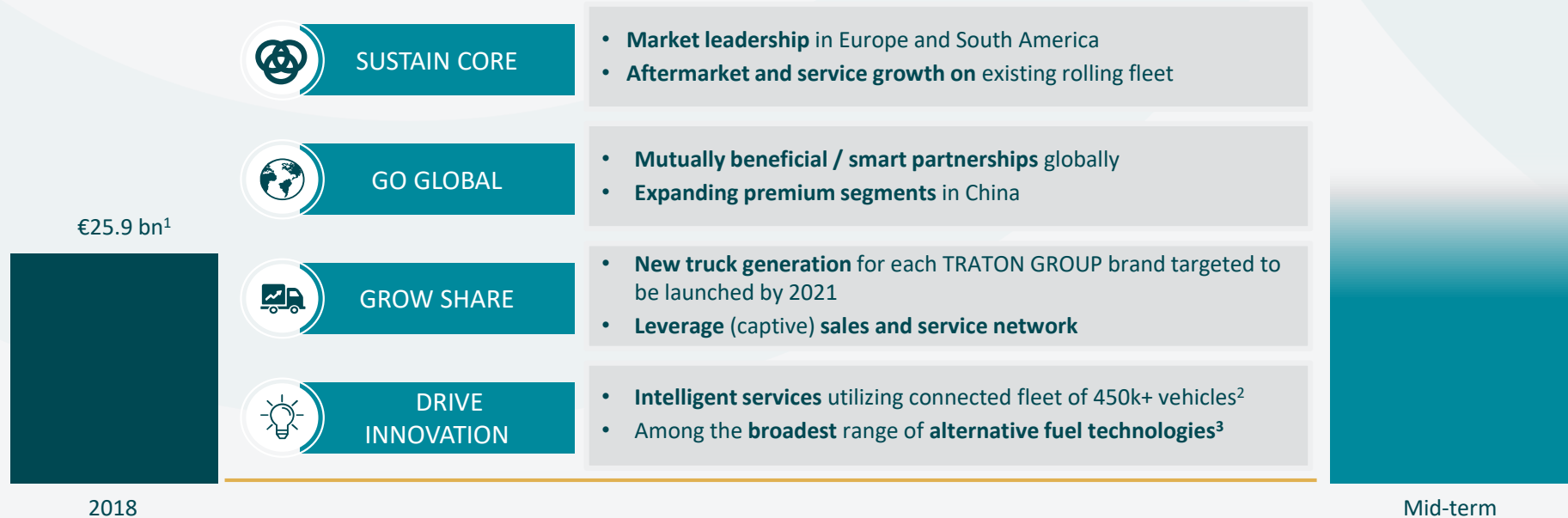
⁵ Foton including Foton-Daimler JV sales volume ⁶ CNHTC volume shown

Leveraging Technologies and Scale through Global Brands and Smart Partnerships



TRATON GROUP WITH MULTIPLE STRATEGIC LEVERS FOR GROWTH

TRATON GROUP SALES REVENUE



¹ Including operations no longer held by TRATON GROUP as of January 2019 (VGSG), consolidation effects (MAN T&B – VWCO), other segments and reconciliation ² As of Q4 2018 ³ Based on a company comparison with other offerings in the market

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SUSTAIN CORE, GO GLOBAL – STRONG CORE MARKETS AND INCREASING EXPOSURE TO GLOBAL MARKETS FORM THE BASIS FOR FUTURE TOPLINE GROWTH

SUSTAIN CORE

Market volume truck sales >6t
2018, k units



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

Other³

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

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

GO GLOBAL

Market volume truck sales >6t
2018, k units



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

- **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, Uruguay, Venezuela; excl. Mexico (part of North America); excl. Paraguay, 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

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↑ GROW SHARE – BENEFIT FROM HIGHLY ATTRACTIVE PRODUCT PIPELINE

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



NTG



100%

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

2016 – 2019

1995
(4-Series)



NEW TRUCK GENERATION



100%

New state of the art truck generation

2019 – 2021e

2000
(TGA)



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NEW DELIVERY TRUCK



~60%

Modern truck for urban logistics tailored to emerging markets

2017 – 2019

2005
(Delivery)

Current /
upcoming launch

Launch / ramp-up
(targeted)

Launch of
preceding truck
generation¹

¹ Previous key launch of respective product range

DRIVE INNOVATION – TRATON GROUP IS TRANSFORMING TRANSPORTATION



Autonomous transport system
in customer operation¹

Autonomous Mining System



Automated L4 safety truck
tested under real conditions

MAN T&B aFAS – Driverless safety vehicle



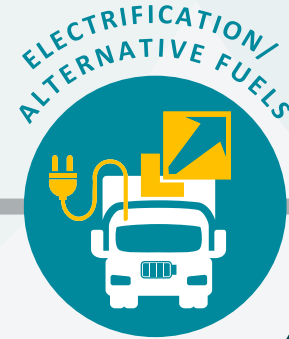
Large connected fleet

Connected vehicles on the road



Utilization of collected data
for service offering

RIO, Scania Flexible Maintenance



Among the broadest range
of alternative fuel
technologies²

Here and now solutions

Hybrid
Natural Gas
HVO BEV
Ethanol
Biogas

Sold electric solutions

VWCO e-Delivery



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AND SYNERGIES

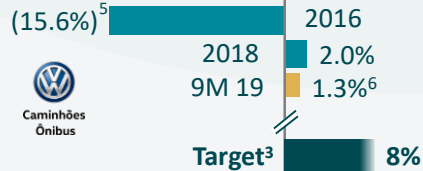
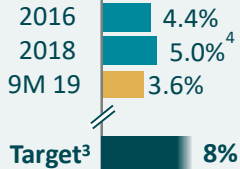
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TRATON GROUP WITH STRONG TRACK RECORD OF PERFORMANCE IMPROVEMENT ACROSS BRANDS. FURTHER POTENTIAL TO BE REALIZED

BRAND PERFORMANCE IMPROVEMENTS

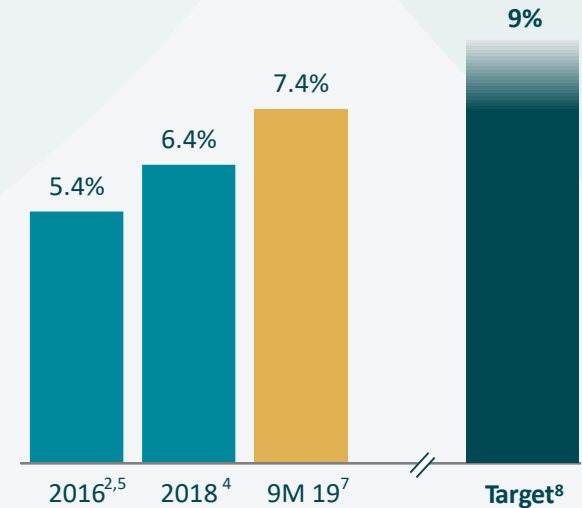
Adj. Return on Sales



SYNERGIES

- 1 Purchasing (incl. lead buying)
- 2 Modularization and components
- 3 Joint powertrain
- 4 New technologies
- 5 Production footprint and logistics

TRATON: ATTRACTIVE MARGIN UPSIDE

Adj. group Return on Sales¹

¹ Based on adj. operating profit including PPA (from Scania and VWCO) and consolidation effects (MAN T&B – VWCO). VGSG operations (sold as of January 2019) included from 2016 to 2018 ² Including €403 mn adjustment for provision in relation to Scania antitrust fine
³ Strategic target brands want to achieve over the cycle ⁴ Including €137 mn adjustment for expense in relation to Indian market exit at MAN T&B ⁵ Including €58 mn adjustment for restructuring expense at VWCO ⁶ Including adjustments of (€13 mn) from the reversal of a restructuring provision at VWCO ⁷ Including adjustments of (€13 mn) from the reversal of a restructuring provision at VWCO. Including €19 mn insurance claim ⁸ Strategic target TRATON GROUP wants to achieve over the cycle, including consolidation effects and others

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OPERATIONAL PERFORMANCE IMPROVEMENTS IN PLACE ACROSS ALL THREE BRANDS



SCANIA Vehicles & Services

- + Elimination of inefficiencies from parallel production
- + Focus and Ambition program to improve COGS basis with 200+ dedicated employees
- + NTG ramp-up globally

9M 19

Adj. RoS: 11.6%

2018

Adj. RoS: 9.3%

- + Increased average price per vehicle and strong volumes in Europe
- + Substantially more high-margin services sold
- “Dual costs” NTR/NTG truck generation

+0.6%pts

2016

Adj. RoS: 8.7%¹

- + Ramp-up/“dual costs” for new truck generation
- + Market share gains in European core markets (ex-Germany)
- + Operational Excellence performance program

Adj. RoS: 3.6%

Adj. RoS: 5.0%²

- + PACE performance program (mainly production, material costs and after-sales)
- + Fixed cost degression from higher volumes driven by strong European market

+0.6%pts

Adj. RoS: 4.4%

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Ônibus

- + Leverage recovering Brazilian market
- + New delivery truck generation
- + Strengthen plant/logistic efficiency

Adj. RoS: 1.3%³

Adj. RoS: 2.0%

- + Increased average price per vehicle
- + Headcount reduction
- Weak demand due to Brazilian crisis

+17.6%pts

Adj. RoS: (15.6)%⁴

1 Including €403 mn adjustment for provision in relation to Scania antitrust fine 2 Including €137 mn adjustment for expense in relation to Indian market exit at MAN T&B 3 Including adjustments of (€13 mn) from the reversal of a restructuring provision at VWCO 4 Including €58 mn adjustment for restructuring expense at VWCO



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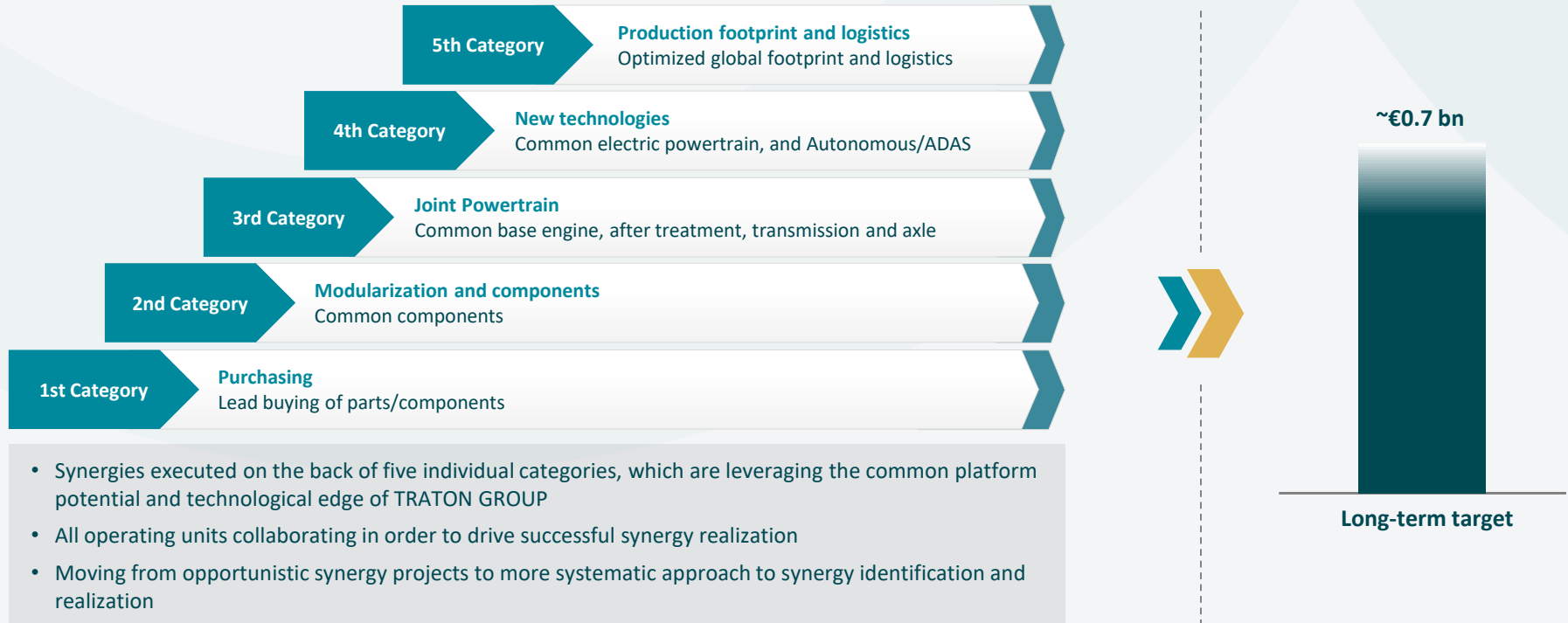


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TRATON GROUP SYNERGIES RAMPING UP ON THE BACK OF FIVE INDIVIDUAL CATEGORIES



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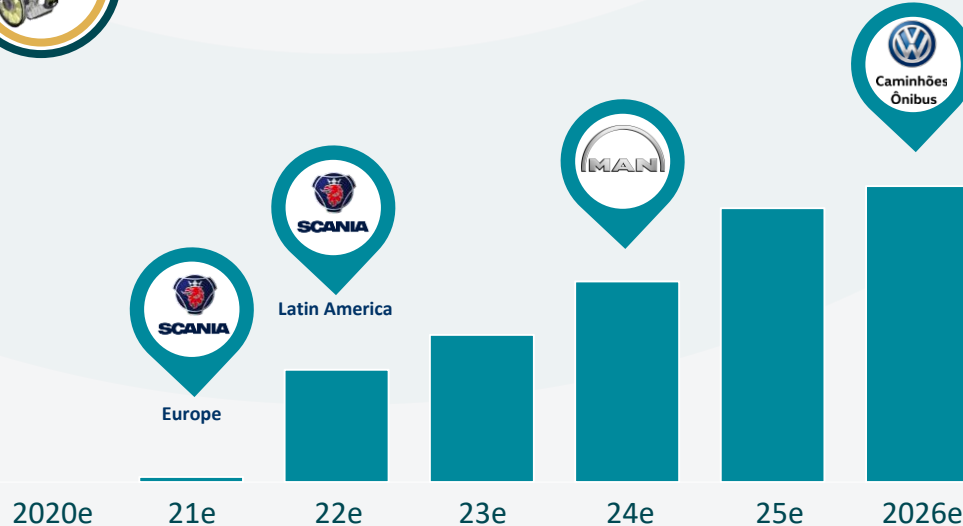
DEEP DIVE JOINT POWERTRAIN SYNERGIES – CBE: LEVERAGING ENGINE ACROSS BRANDS ENSURES SIGNIFICANT SYNERGY RAMP-UP OVER YEARS TO COME



Introduced into brand



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 trucks¹ in 2025e

¹ Per year from 2025e onwards; roll-out across TRATON GROUP brands



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TRATON EXECUTIVE MANAGEMENT TEAM WITH STRONG TRACK RECORD AND LONGSTANDING INDUSTRY EXPERIENCE



**Andreas
Renschler**
CEO

31



**Christian
Schulz**
CFO

20



**Christian
Levin**
COO

25



**Dr. Carsten
Intra**
CHRO

18



**Henrik
Henriksson**
CEO Scania

22



**Joachim
Drees**
CEO MAN

23



**Antonio Roberto
Cortes**
CEO VWCO

40

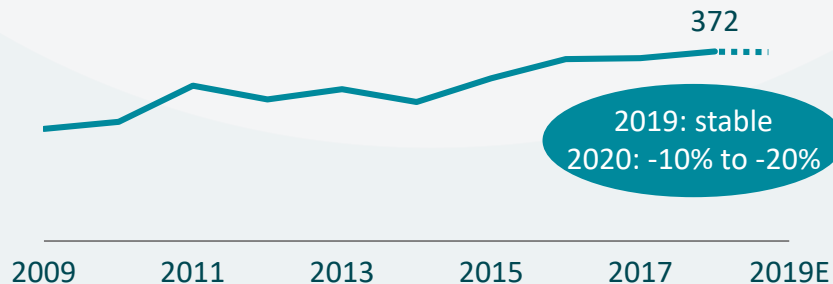


Years in industry

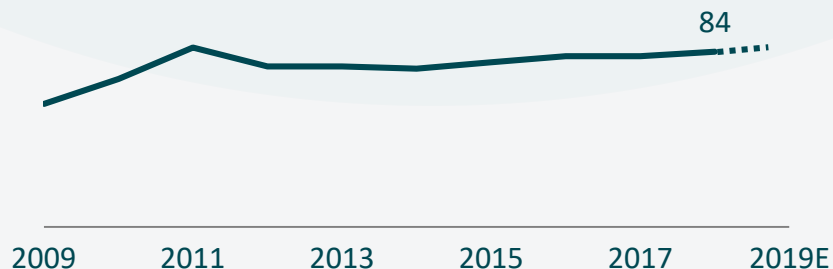
OUTLOOK – TRUCK MARKET

TRUCK MARKET DEVELOPMENT (> 6t, k units)

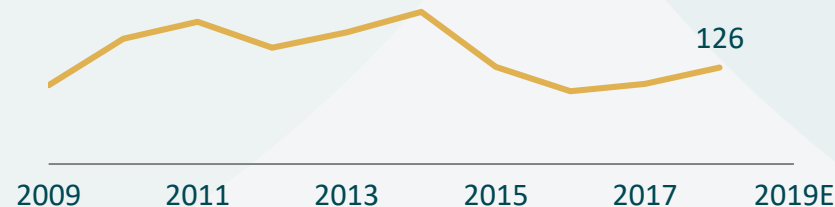
 **EU28+2¹**



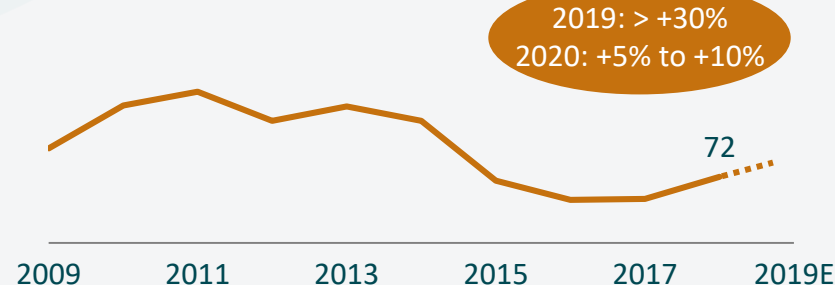
 **GERMANY**



 **SOUTH AMERICA**



 **BRAZIL**



We expect total sales volumes for heavy- and medium-duty trucks in the markets relevant for the TRATON GROUP to slightly increase in 2019²

Source: Own calculation and estimates based on publicly available sources (ACEA, IHS Markit, ANFAVEA, ...)

¹ EU28+2 region consisting of EU member states excluding Malta plus Norway and Switzerland ² In addition to the EU28+2 countries with particular focus on Germany, these markets comprise Brazil, Russia, South Africa, and Turkey

OUTLOOK GROUP – RECENT TRACK RECORD, OUTLOOK 2019 AND OVER-THE-CYCLE TARGET

		FY 2018	9M 2019	2019 Outlook	Over-the-cycle RoS target
Unit sales <i>(Units; Growth in %)</i>	➔	233.0k 13.7%	179.1 7.7%	Slight increase compared with previous year	
Group sales revenue <i>(in €bn; Growth in %)</i>	➔	€25.9bn 6.4%	€19.8bn 6.5%	Slightly above previous year	
Group return on sales <i>(in %; operating profit in €bn¹)</i>	➔	5.8% €1.5bn	7.5% €1.5bn	6.5% – 7.5% ²	9% Over-the-cycle RoS

Note: VGSG operations (sold as of January 2019) included in 2018

¹ FY 2018: Adjusted RoS 6.4%, adjusted operating profit €1.7 bn, 9M 2019: Adjusted RoS 7.4%, adjusted operating profit €1.5 bn; 9M 2019 including €19 mn insurance claim proceeds ² No adjustments applied to estimated return on sales 2019

POSSIBLE MEASURES IN CASE OF RAPID MARKET DOWNTURN

Market Scenarios 2020: Truck Market EU28+2¹

-10%

-20%

Measures possibly to be evaluated

Reduction of time accounts

Reduction of temporary workers

Reduction of non - personnel overhead costs

Reduction of direct personnel costs (e.g. short-time work)

Reduction of indirect personnel costs (e.g. reduction working hours)

Reduction of non-product investments

Reduction of external R&D costs

¹ EU28+2 region consisting of EU member states excluding Malta plus Norway and Switzerland, (> 6t)

TRATON GROUP – UNIQUE PROFITABLE GROWTH PROFILE

Three strong brands...



- **Scania:** Enters harvesting period on New Truck Generation, profits from short-term improvement of cost base and attractive aftermarket and service growth
- **MAN T&B:** 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



...creating a Global Champion...



- 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



...with highly experienced team



- Longstanding industry experience
- Proven track record
- Commitment to deliver the Global Champion Strategy



APPENDIX



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

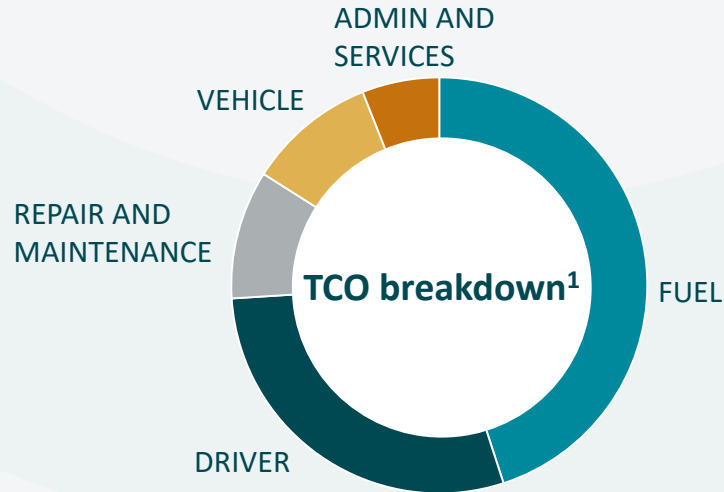
		TRUCKS		PASSENGER CARS	
					
		Capital goods		Consumer goods	
Sector	Customer focus	Total cost of ownership		Costs Emotion Prestige	
	Annual mileage (km)	~130,000	← ~10x →	~14,000 ¹	
Product	Fuel consumption (l/100 km)	~30-35 ²	← ~5x →	~4-7 ³	
	Product lifecycle (years)	>10	← ~2x →	~4-5	
	Vehicles sold annually	~4 mn ⁴		~84 mn ⁵	

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 value drivers

Purchasing cost	Operational cost	Residual value
-----------------	------------------	----------------

KEY ELEMENTS²



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

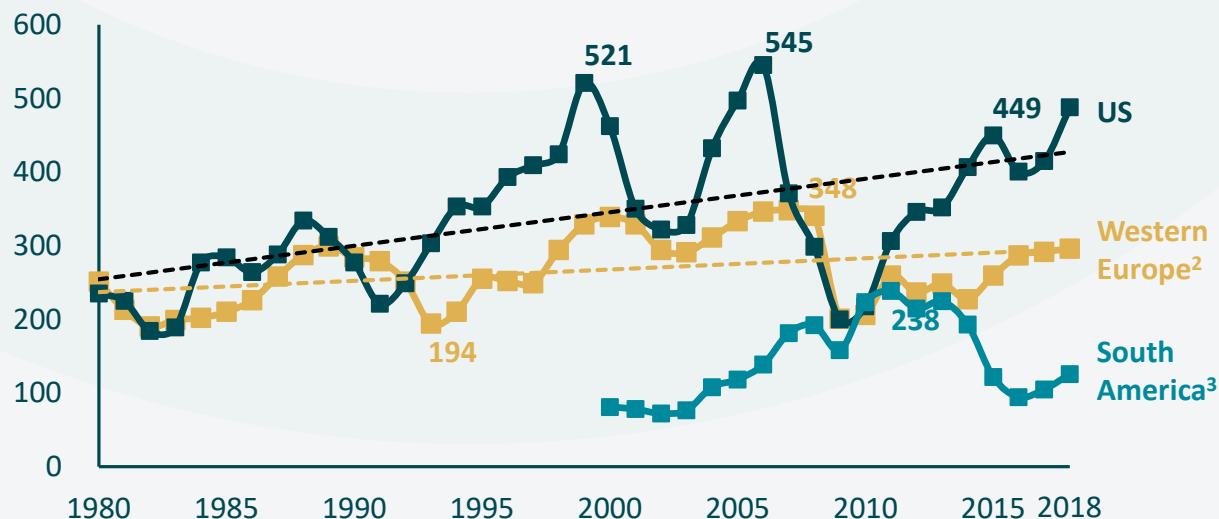
General & administrative processes, driver & vehicle and fleet management

¹ Chart representative for German HDT market; indicative - depending on usage pattern ² Selected drivers (non exhaustive)

OUTLOOK FOR TRATON'S CORE MARKETS POSITIVE WITH UNIT SALES STILL BELOW PEAK

Truck Unit Sales

(>6t)¹, in k units



Secular Growth Drivers

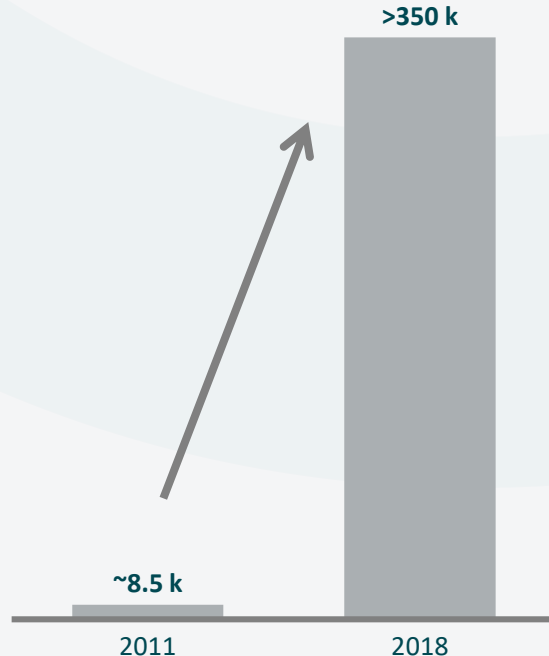
- **Global GDP** is expected to continue to grow
- **Continuous rise of online business**
- **Improving road infrastructure** in emerging markets
- **Urbanization** driving increased demand for flexible transportation

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

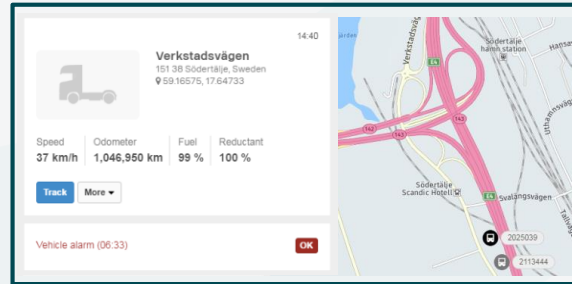
1 Western Europe and US data based on VDA, South America data based on IHS Markit. 2 EU15 + EFTA: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom + Iceland, Liechtenstein, Norway and Switzerland. 3 Incl. Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Peru, Uruguay, Venezuela; excl. Mexico (part of N. America); excl. Paraguay, as no IHS Markit data for trucks >6t available.

CONNECTIVITY AT SCANIA

Connected vehicles on the road



What data does Scania have?



Selected examples



Location	Mileage status
Speed	Driving time
Fuel	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	Scania
<ul style="list-style-type: none"> Higher uptime Demand-driven workshop visits Higher predictability 	<ul style="list-style-type: none"> Higher work-shop utilization Optimized NWC Feedback loops to R&D

CONTACTS INVESTOR RELATIONS



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FINANCIAL CALENDAR

DATE	EVENT / PUBLICATION OF
May 7, 2019	Q1 2019
July 29, 2019	Half-year 2019
November 4, 2019	9-month 2019
March 27, 2020	Annual Press Conference & Annual Report 2019
May 4, 2020	Q1 2020
May 28, 2020	Annual General Meeting 2020
July 28, 2020	Half-year 2020
November 3, 2020	9-month 2020



SHARE DATA

SHARE DATA

ISIN (International Securities Identification Number)	DE000TRATON7
WKN (German Security Identification number)	TRATON
Common code	196390065
Stock exchange	Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) & Nasdaq Stockholm (börsen)
Market segment	Regulated market (Prime Standard) of Frankfurt Stock Exchange & Large Cap segment of Nasdaq Stockholm
Bloomberg ticker	8TRA GY / 8TRA SS
Reuters ticker	8TRA.DE / 8TRA.ST
Shares outstanding	500.000.000
Type of share	Bearer shares / common shares

9M 2019 RESULTS

TRATON GROUP HIGHLIGHTS



9M
2019

- Unit sales up by +7.7% to a nine month record of 179,091 units
- Sales revenue increased by +9.3%¹ to €19,827 mn; all brands contributed
- Operating profit improved by +33.8% to €1,482 mn²
- RoS 7.5% (+153bpt)²
- Profit after tax rose by +18.5% to €1,235 mn³
- Net cash flow Industrial Business at €2,323 mn (before the sale of Power Engineering €345 mn); Net liquidity Industrial Business at €1,207 mn (incl. recognition of IFRS 16)



2019

- TRATON SE celebrated its successful stock market debut in Frankfurt and Stockholm on June 28, 2019
- TRATON SE listed on the SDAX
- TRATON hosts Innovation Day on October 2, 2019
- Global procurement joint venture with Hino established

¹ Prior year excluding €487 mn VGSG sales revenue, which was sold as at January 01, 2019 ² Adjusted operating profit +20.2% to €1,470 mn, adjusted RoS 7.4% (+85bpt); Q1 2019 including €19 mn insurance claim ³ +29.4% before discontinued operations (€111 mn in 9M 2018)
 Note: Delta 9M 2019 vs. 9M 2018

GROUP – SEGMENT HIGHLIGHTS Q3 / 9M 2019

Industrial Business (IB)

	Q3 19	Y-o-Y	9M 19	Y-o-Y
Order intake (units)	49,217	-7.0%	169,708	-6.0%
Unit sales (units)	55,755	+2.9%	179,091	+7.7%
Book-to-bill (units)	0.88	-9bpt	0.95	-14bpt
Sales revenue (€mn)	6,171	+7.0%	19,491	+9.3%
Operating profit (€mn) ¹	369	+90.9%	1,377	+40.5%
Return on sales (%) ¹	6.0	+263bpt	7.1	+157bpt
Profit after tax (€mn)	451	-11.5%	1,142	+22.8%
Net cash flow (€mn) ³	539	+€687mn	2,323	+€2,722mn

Financial Services (FS)

	Q3 19	Y-o-Y	9M 19	Y-o-Y
Net portfolio ² (€bn)			9.7	+11.0%
Penetration rate (%)	42.9	-77bpt	41.9	-33bpt
Sales revenue (€mn)	215	+11.4%	635	+10.7%
Operating profit (€mn)	35	-5.6%	105	+3.1%
Profit after tax (€mn)	23	-1.4%	75	+4.3%



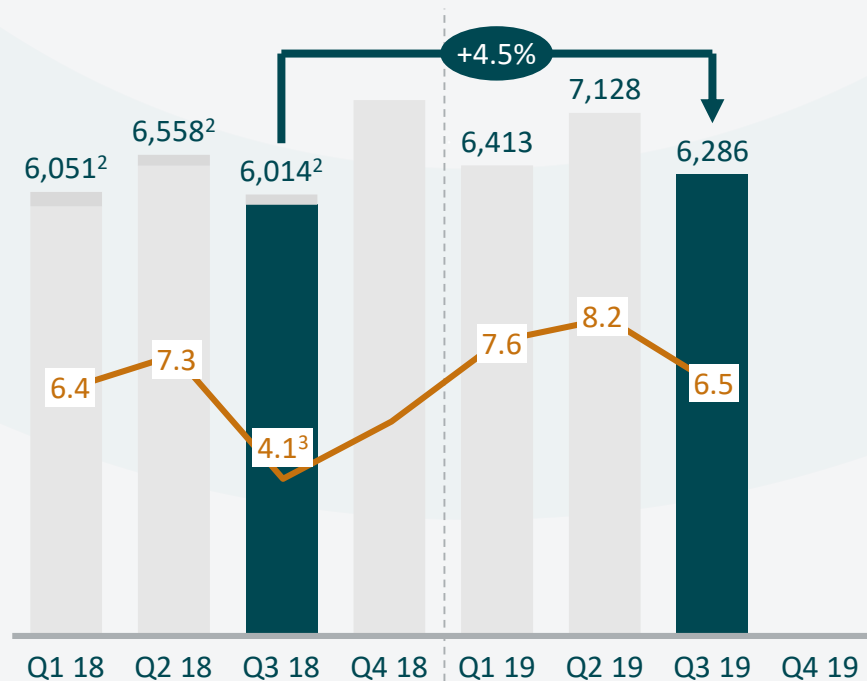
- Strong unit sales, book-to-bill mainly lower in Q3 2019 due to a noticeable decrease in truck order intake in the EU28+2 region
- Operating profit of Industrial Business up due to the positive volume effect and the elimination of parallel production at Scania, partially offset by inflationary cost increases and higher depreciation. 2018 impacted by restructuring of Indian activities (€115 mn)
- Net cash flow in the Industrial Business in Q3 2019 improved considerably as a result of increased operating profit and improved working capital

¹ Adjusted operating profit Q3 2019: +19.7% to €369 mn, adjusted RoS 6.0% (+64bpt); Adjusted operating profit 9M 2019: +24.6% to €1,365 mn, adjusted RoS 7.0% (+86bpt); Q1 2019 including €19 mn insurance claim ² Reflecting closing balances, as of September 30, 2019 vs. December 31, 2018; ³ Adjusted net cash flow €314 mn in Q3 2019 / €120 mn in 9M 2019; before the sale of Power Engineering (€1,978 mn), parts of the RMMV Joint Venture (€111 mn incl. dividend) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn) Note: Delta Q3 2019 vs. Q3 2018 / 9M 2019 vs. 9M 2018

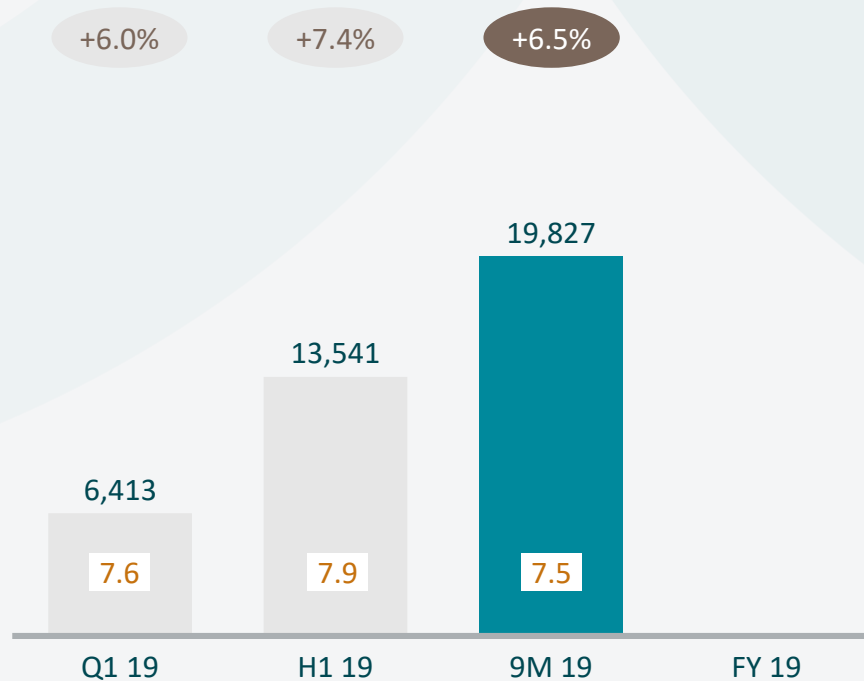
GROUP – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



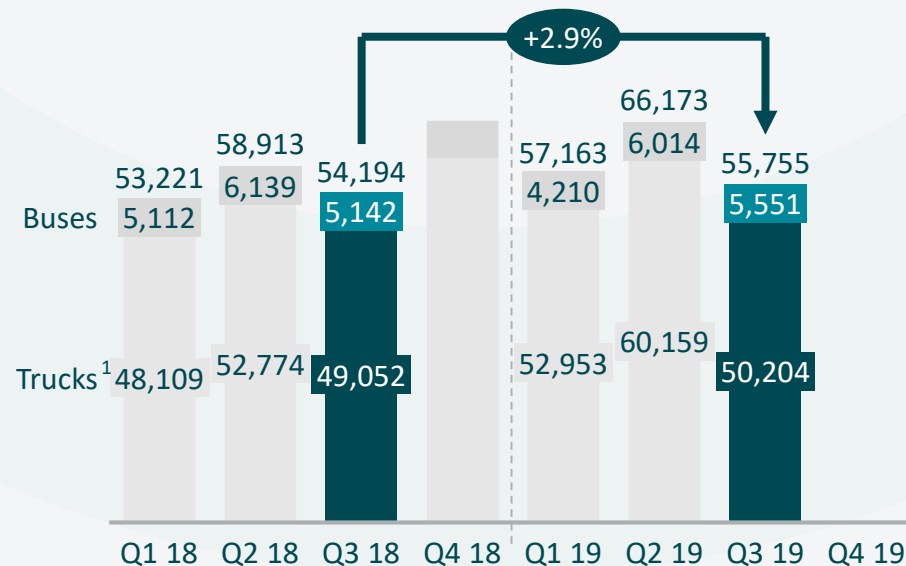
Growth Y-o-Y (%)



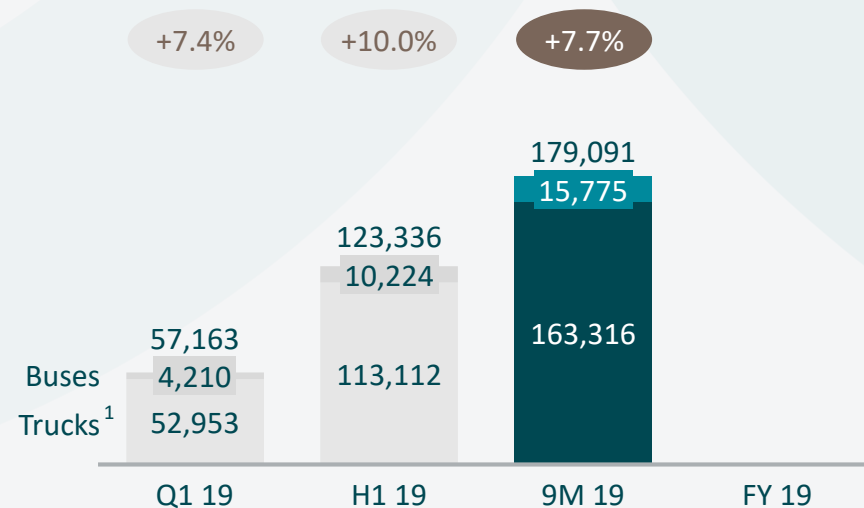
1 Calculated as the ratio of operating profit to sales revenue 2 Including €196 mn (Q1 2018) / €151 mn (Q2 2018) / €140 mn (Q3 2018) VGSG sales revenue, which was sold as at January 01, 2019; adjusted growth rates: Q1 2019 9.5% / Q2 2019: 11.2% / Q3 2019: 7.0%
 3 Q3 2018 impacted by the restructuring of the activities in India (€115 mn), adjusted RoS 6.0%

GROUP – UNIT SALES DEVELOPMENT

Unit sales (units)



Growth Y-o-Y (%)

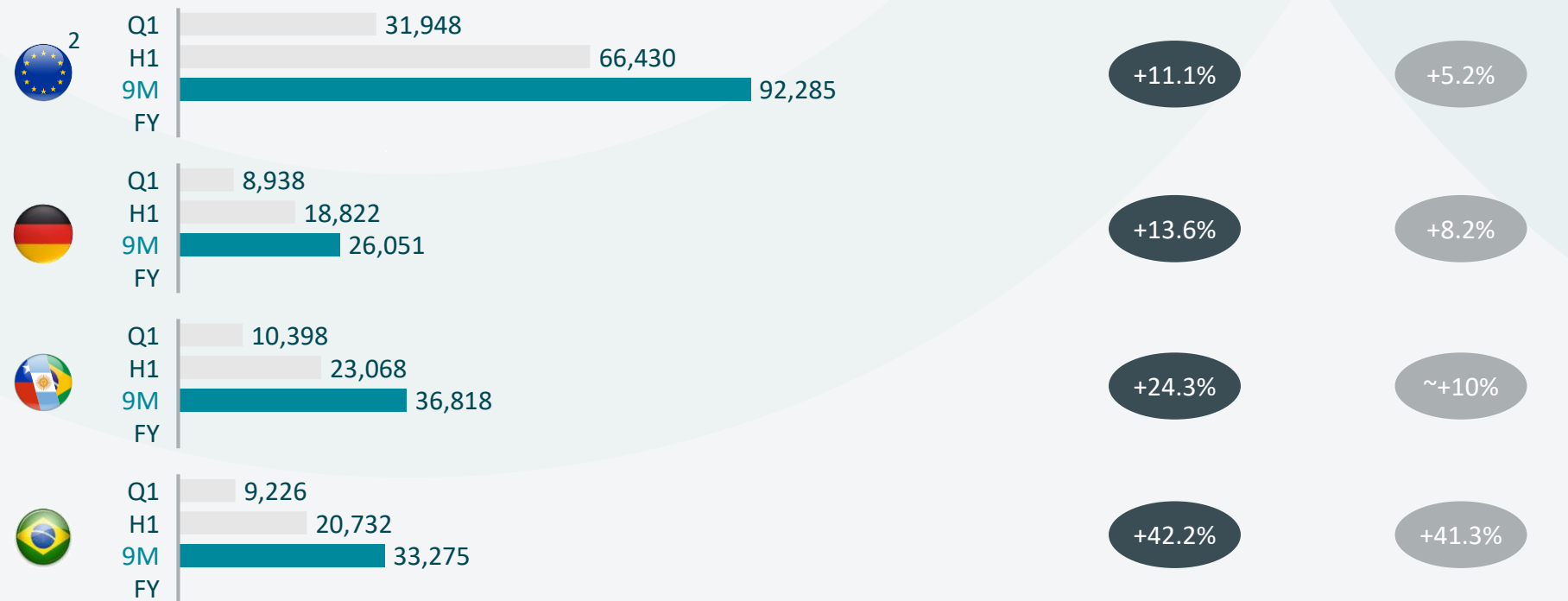


- TRATON benefits from its strong core markets and sustains a leading position in the truck segment in the EU28+2 region²
- Noticeable growth in the European commercial vehicle market in the first nine months of 2019; first half positively influenced by the mandatory introduction of the digital tachograph. Continued substantial increase in truck registrations in Brazil
- Trucks unit sales up by +2% in Q3 2019; trucks unit sales ex MAN TGE stable in Q3 2019

¹ Including MAN TGE vans (units in 2018: Q1 1,335 / Q2 1,843 / Q3 1,689; units in 2019: Q1 3,122 / Q2 4,144 / Q3 2,845) ² EU member states excluding Malta plus Norway and Switzerland

GROUP – STRONG SALES GROWTH IN CORE MARKETS

Truck unit sales in core markets¹; 2019 (units)

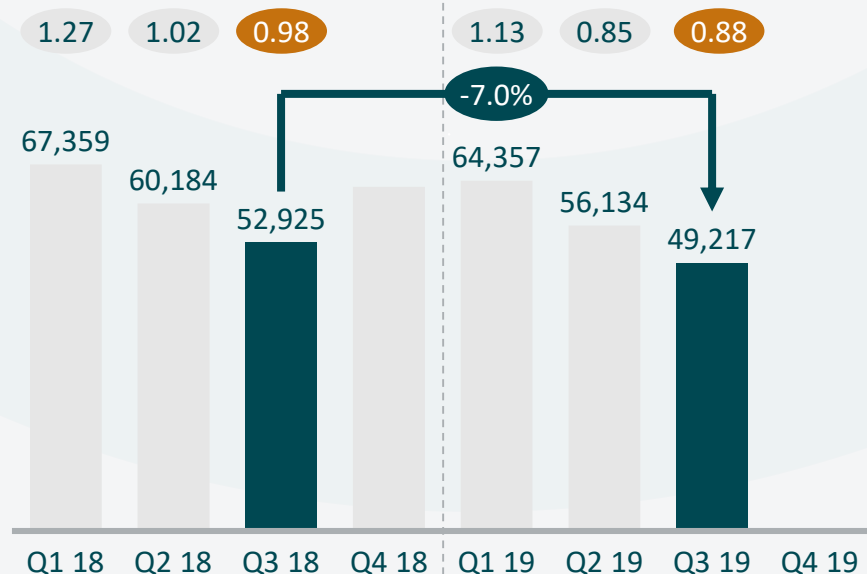


¹ Excluding MAN TGE vans ² EU28+2: EU member states excluding Malta plus Norway and Switzerland ³ Information shown might include estimates or preliminary data; for EU28+2 and Germany data collected from ACEA provisional new registrations figures as at October 24 2019, trucks > 16t; for Brazil data collected from ANFAVEA trucks > 6t as at October 07, 2019; South America own estimates

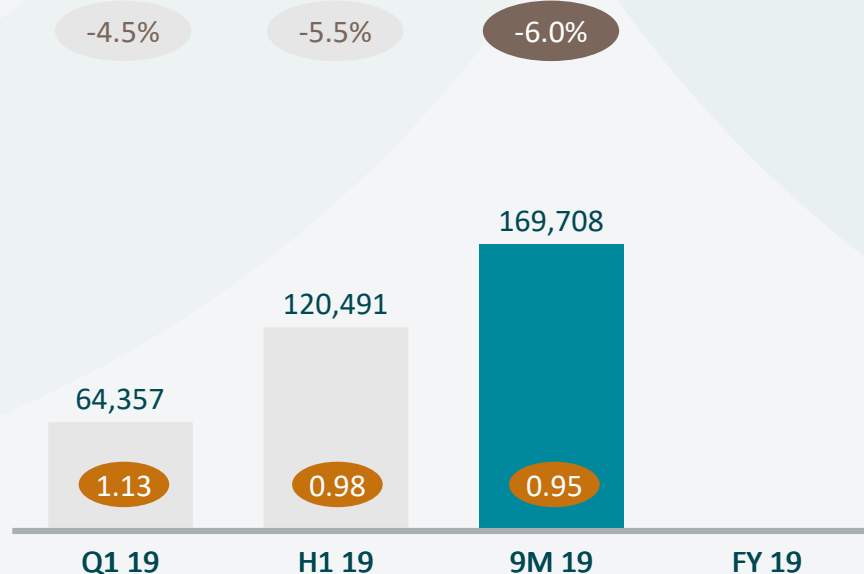
INDUSTRIAL BUSINESS – ORDER INTAKE

ORDER INTAKE (units)

Book-to-bill¹ (ratio in units)



Growth Y-o-Y (%)

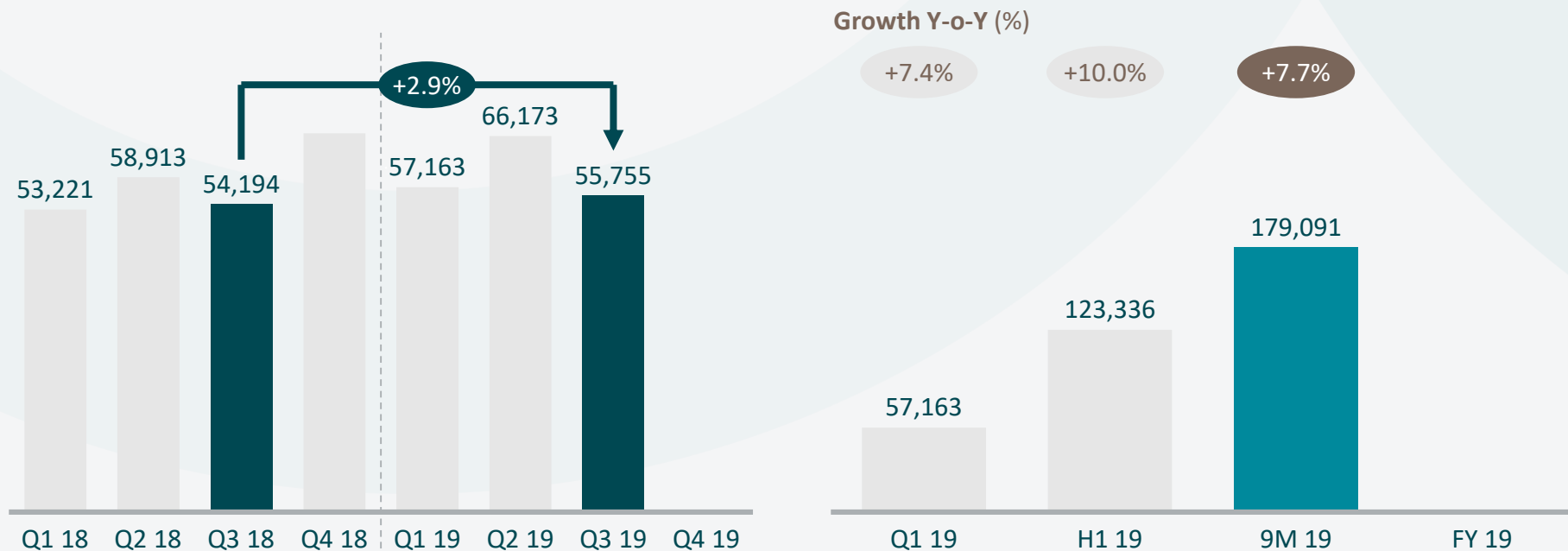


- Order intake trend in 2019 continued downwards quarter on quarter. Noticeable decrease mainly due to lower orders in the EU28+2 region, driven in particular by Germany and UK. However, book-to-bill still at 0.95
- Substantial declines in Russia, India, and Turkey. Strong increase in Brazil in the wake of the economic recovery

¹ Book-to-bill is defined as the ratio of trucks and buses units ordered to trucks and buses units delivered

INDUSTRIAL BUSINESS – UNIT SALES

Unit sales (units)

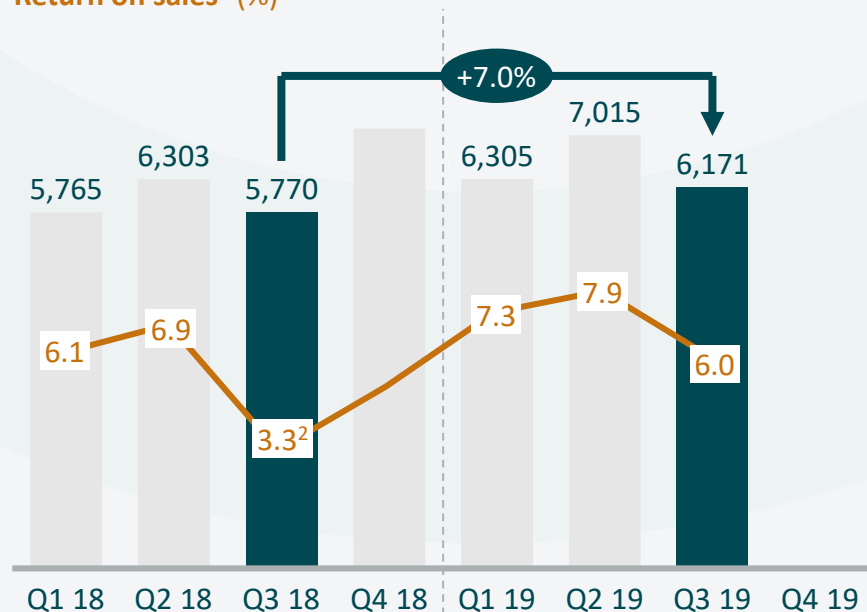


- Solid development in core truck markets, first half influenced by the pre-buy effect ahead of the introduction of the digital tachograph. Strong growth of MAN TGE
- Bus sales increased in Q3 2019 by +8%, but down slightly on the previous quarter due to seasonal effects

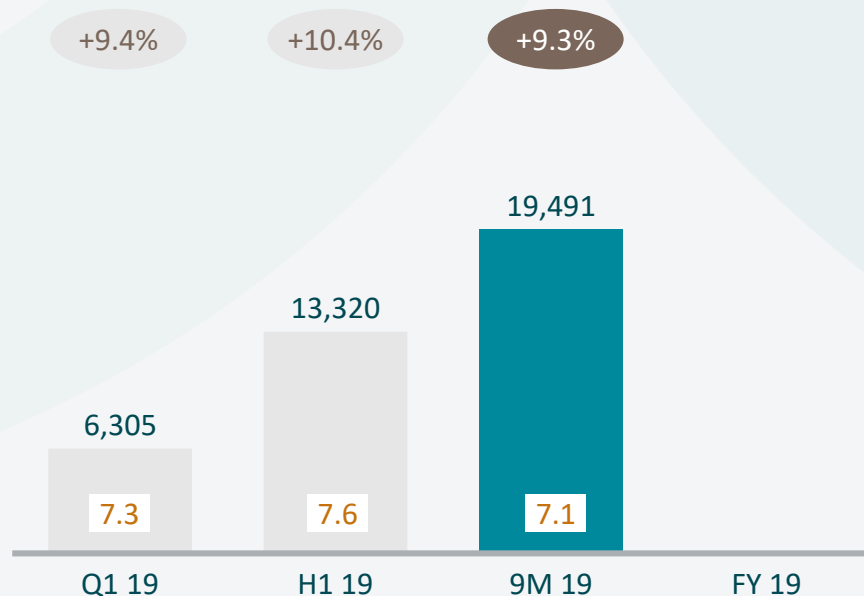
INDUSTRIAL BUSINESS – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



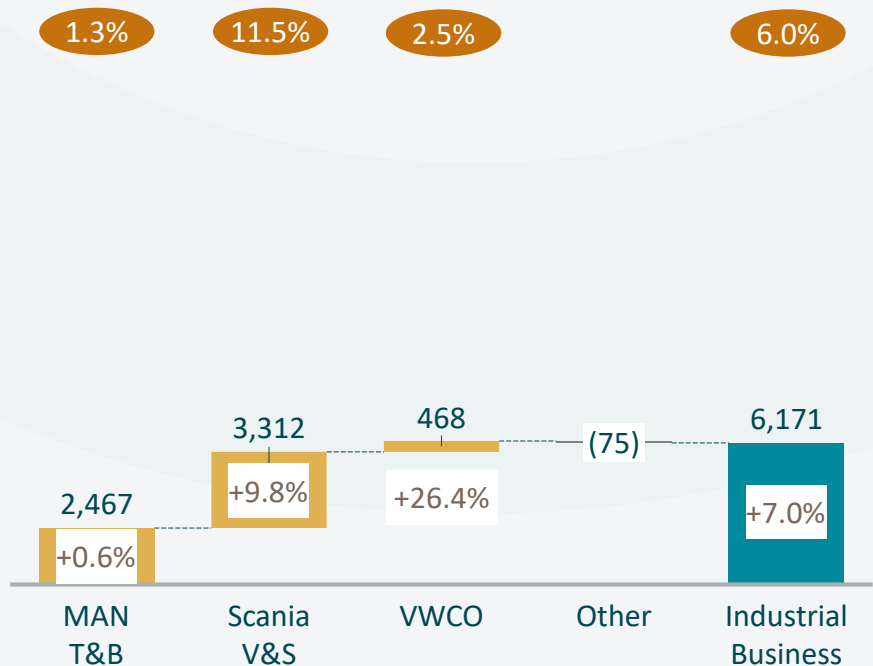
- All brands with increased sales revenue, Q3 2019 driven by all product groups, 9M 2019 after-sales grew by +5% (share at 19%)
- Return on sales benefited from increased volume and the end of parallel production at Scania, higher costs ahead of rollout of new truck and bus generations weighed on MAN Truck & Bus; 2018 impacted by restructuring of Indian activities

¹ Calculated as the ratio of operating profit to sales revenue ² Q3 2018 impacted by the restructuring of the activities in India (€115 mn), adjusted RoS 5.3%
 December 2019 / Investor Relations

INDUSTRIAL BUSINESS – SALES REVENUE BY BRAND AND RETURN ON SALES

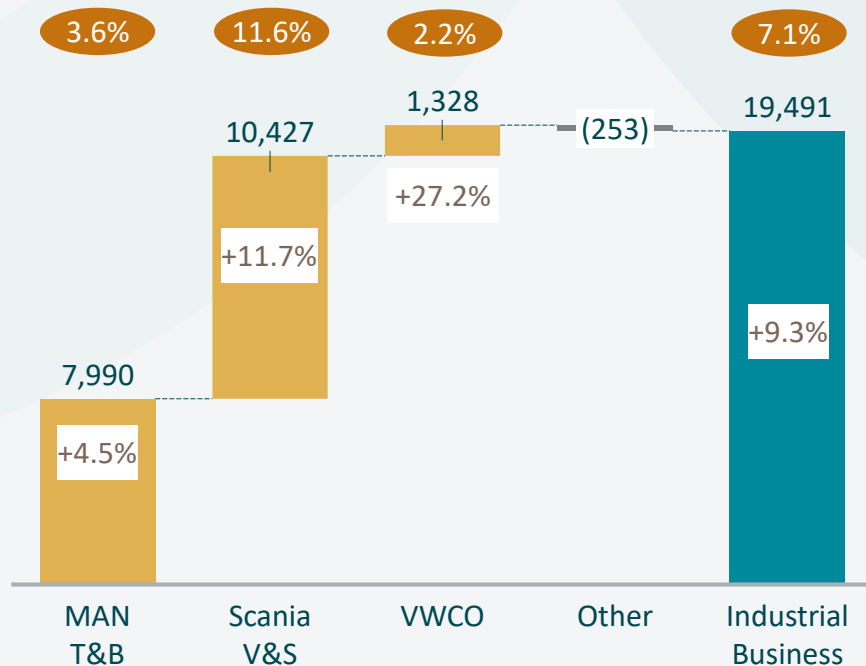
SALES REVENUES Q3 2019 (€mn)

Growth rate (%)

Return on sales¹ (%)

SALES REVENUES 9M 2019 (€mn)

Growth rate (%)

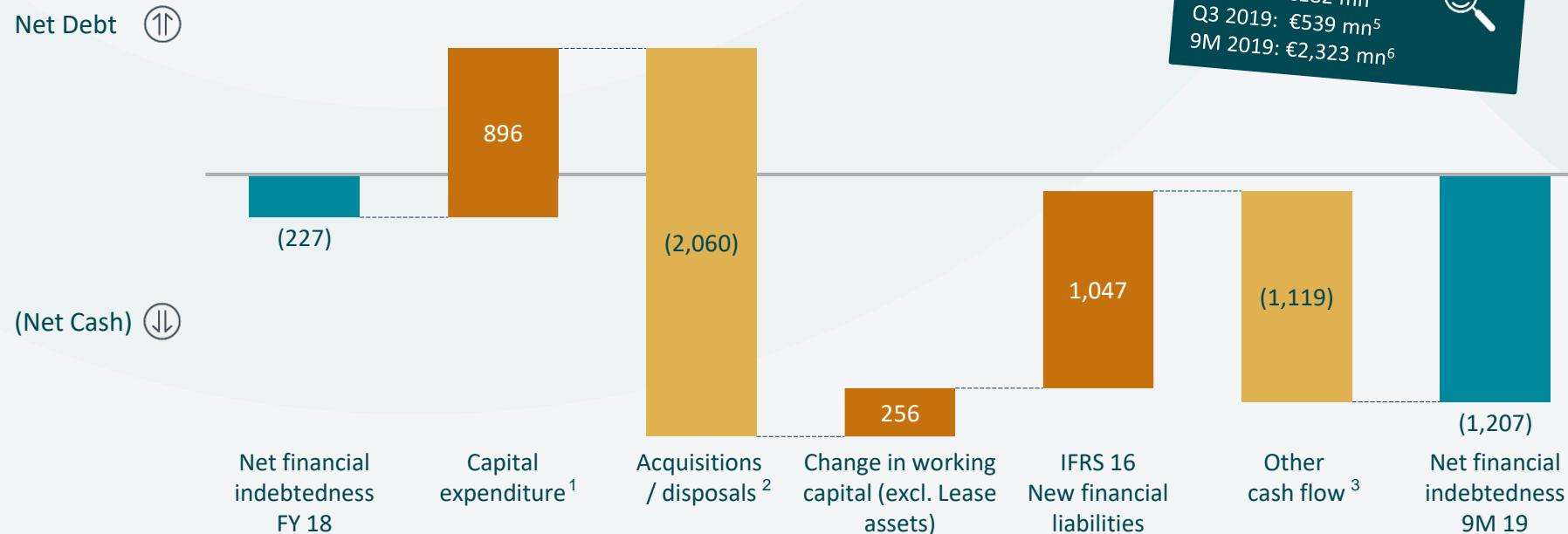
Return on sales¹ (%)

Note: Figures shown as at Q3 2019 / 9M 2019; percentage change calculated YoY, Q3 2019 vs. Q3 2018 / 9M 2019 vs. 9M 2018

¹ Calculated as the ratio of operating profit to sales revenue

INDUSTRIAL BUSINESS – INDEBTEDNESS

NET FINANCIAL INDEBTEDNESS / NET LIQUIDITY BRIDGE (€mn)



Net cash flow improved in 2019
 Q1 2019: €1,602 mn⁴
 Q2 2019: €182 mn
 Q3 2019: €539 mn⁵
 9M 2019: €2,323 mn⁶

¹ Investments in PP&E and intangible assets ² Amongst others reflecting the Power Engineering disposal ³ Including, amongst others, €-994 mn payments for tendered MAN shares, €-3,250 mn contribution of capital reserves and €4,161 mn DPLTA with VW AG
⁴ €-376 mn before the sale of Power Engineering (€1,978 mn) ⁵ €314 mn before the sale of parts of the RMMV Joint Venture (€111 mn incl. dividends) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn)
⁶ €120 mn before the sale of Power Engineering (€1,978 mn), the sale of parts of the RMMV Joint Venture (€111 mn incl. dividends) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn)

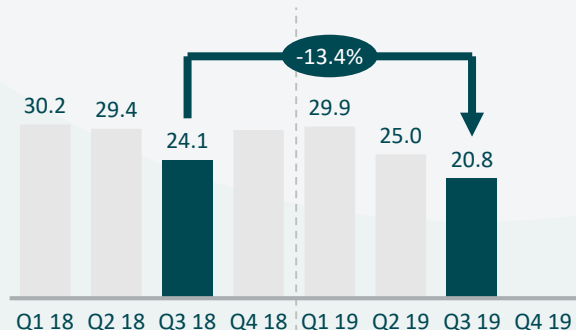
MAN TRUCK & BUS – SUMMARY 9M 2019

- Vehicle sales up by +6% primarily driven by MAN TGE (Germany, UK, France)
 - Order intake down by -10% mainly due to Germany, Poland, Russia, India und Turkey
 - Operating profit increased by +6% (adjusted down by -26%)
 - positive effects from higher sales revenues were offset by a less favorable product mix and a difficult market environment for used vehicles, fixed cost increases as well as increased costs ahead of the rollout of the new truck and bus generations
 - prior-year period contained an earnings effect resulting from the transfer of the RIO brand to a TRATON GROUP company (€19 mn). Prior-year period included expenses for the market exit India (€115 mn)
-
- MAN presented the electric bus Lion's City E at the BUS2BUS fair in Berlin

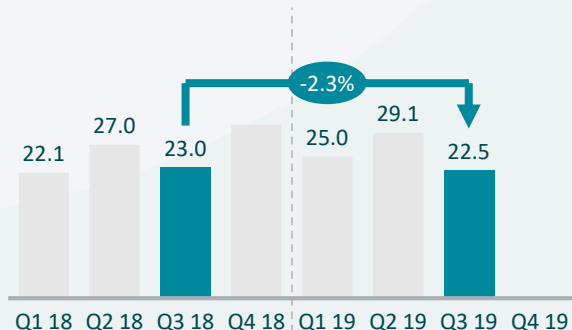


MAN TRUCK & BUS – KEY FIGURES PER QUARTER

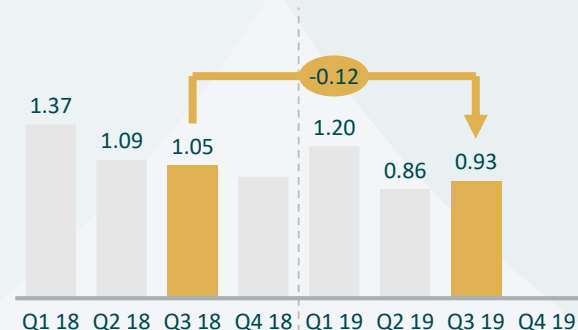
Order intake (k units)



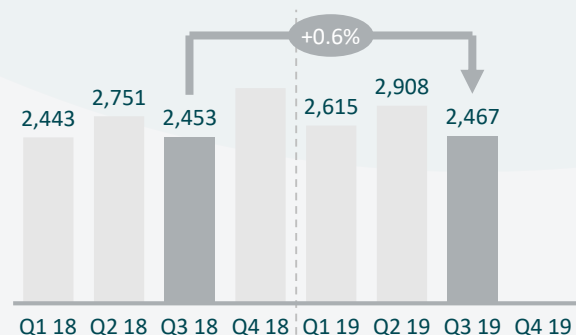
Unit sales (k units)



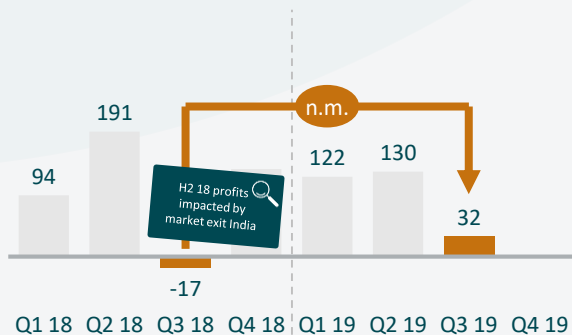
Book-to-bill¹ (ratio in units)



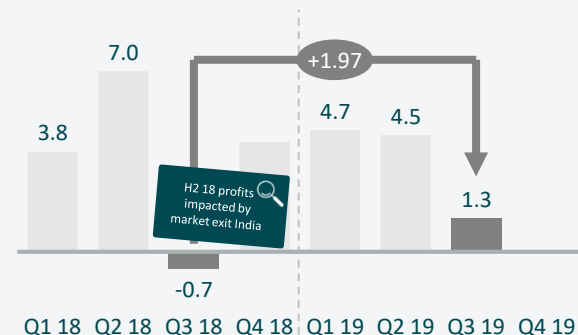
Sales revenue (€mn)



Operating profit² (€mn)



Return on sales^{2,3} (%)



¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Q2 2018 contained an earnings effect of €19 mn resulting from the transfer of the RIO brand to a TRATON GROUP company; Q3 2018 impacted by the restructuring of the activities in India (€115 mn), adjusted RoS 4.0% ³ Calculated as the ratio of operating profit to sales revenue

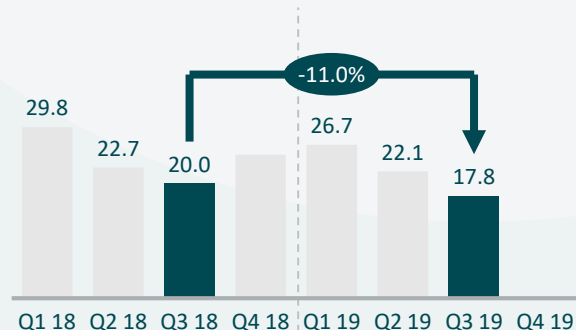
SCANIA VEHICLES & SERVICES – SUMMARY 9M 2019

- Unit sales of trucks up by +11%, primarily driven by strong growth in EU28+2 and Brazil; truck sales declined substantially in Russia, Asia/Pacific and in the Middle East
 - Order intake declined by -8%; order intake for trucks was also down by -8% mainly because of negative trends in the UK, Russia, and Iran
 - Operating profit increased by +36% benefiting from higher volumes, positive foreign exchange effects, end of the previous parallel production of old and new truck series and a more favorable market mix
-
- The successful rollout of the new Scania truck generation in Latin America and Asia marked the end of the previous parallel production of old and new series
 - Revealing of Scania AXL, a fully autonomous concept truck, without a cab

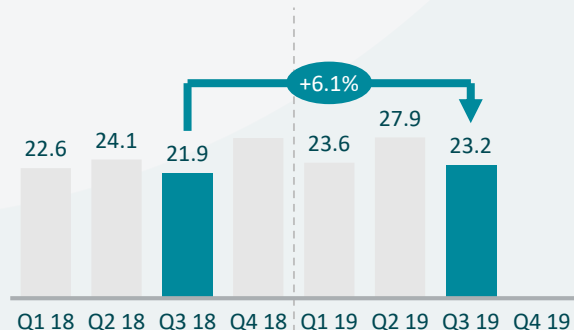


SCANIA VEHICLES & SERVICES – KEY FIGURES PER QUARTER

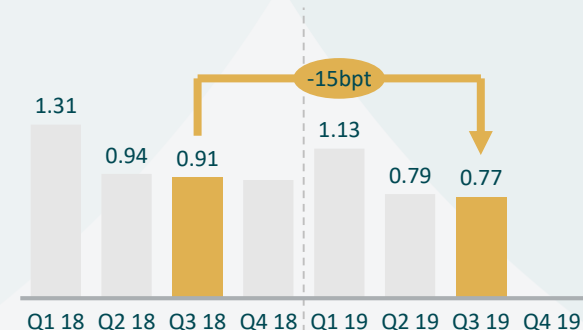
Order intake (k units)



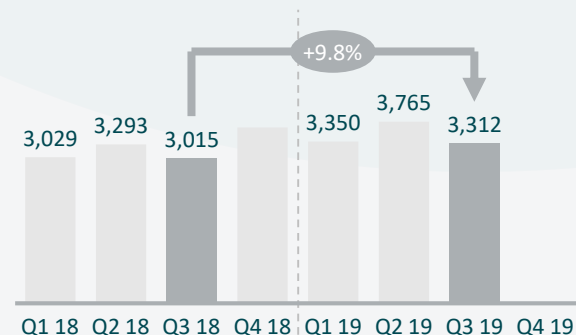
Unit sales (k units)



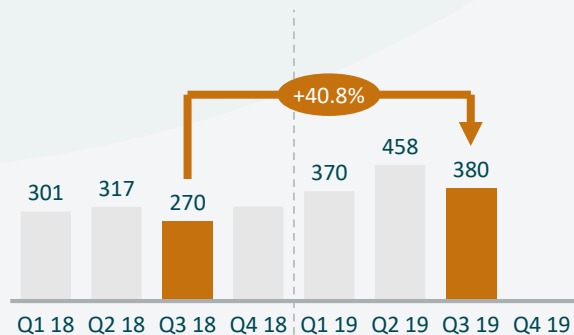
Book-to-bill¹ (ratio in units)



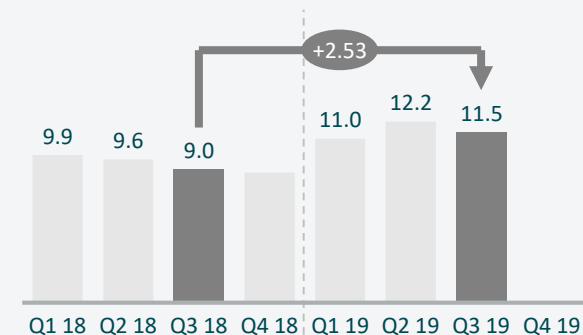
Sales revenue (€mn)



Operating profit (€mn)



Return on sales² (%)



¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Calculated as the ratio of operating profit to sales revenue

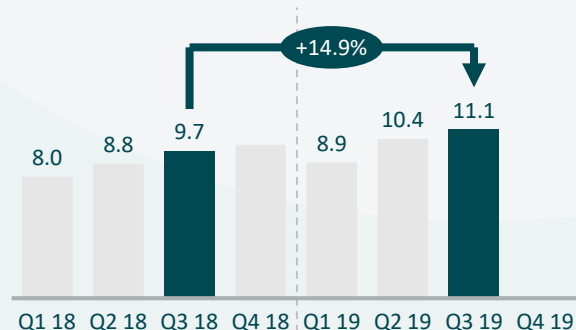
VOLKSWAGEN CAMINHÕES E ÔNIBUS – SUMMARY 9M 2019

- Brazilian truck market continued to recover in tandem with economic upturn; truck unit sales increased by +20%
 - Export sales declined on sluggish demand in other relevant markets in South America
 - Operating profit benefited from the increase in sales revenue. This was offset by foreign exchange effects and inflation-related cost increases, e.g., for materials, and higher depreciation charges. Figure includes a gain of €13 mn from reversal of a restructuring provision
-
- More than 3,400 Volksbus units are being delivered as part of the Caminho da Escola “Way to School” program, and a further 430 buses will be on the road to support social projects

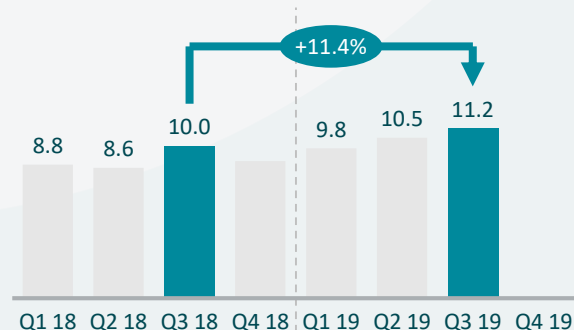


VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES PER QUARTER

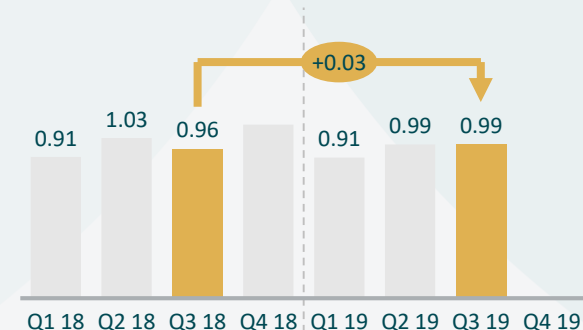
Order intake (k units)



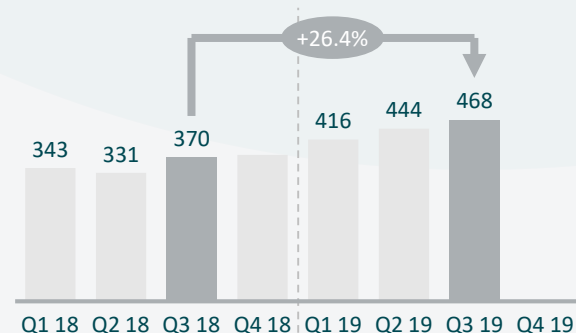
Unit sales (k units)



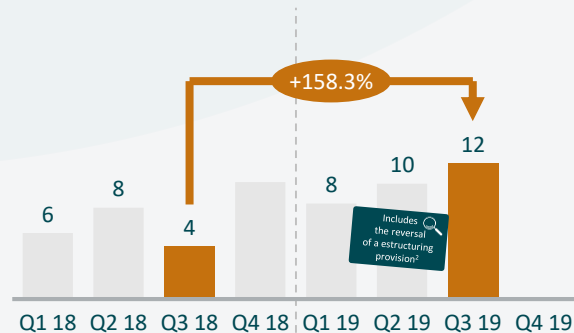
Book-to-bill¹ (ratio in units)



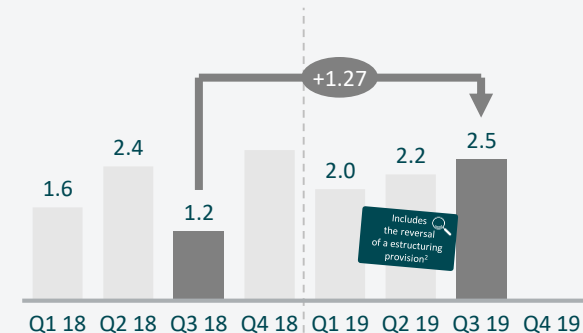
Sales revenue (€mn)



Operating profit² (€mn)



Return on sales^{2,3} (%)

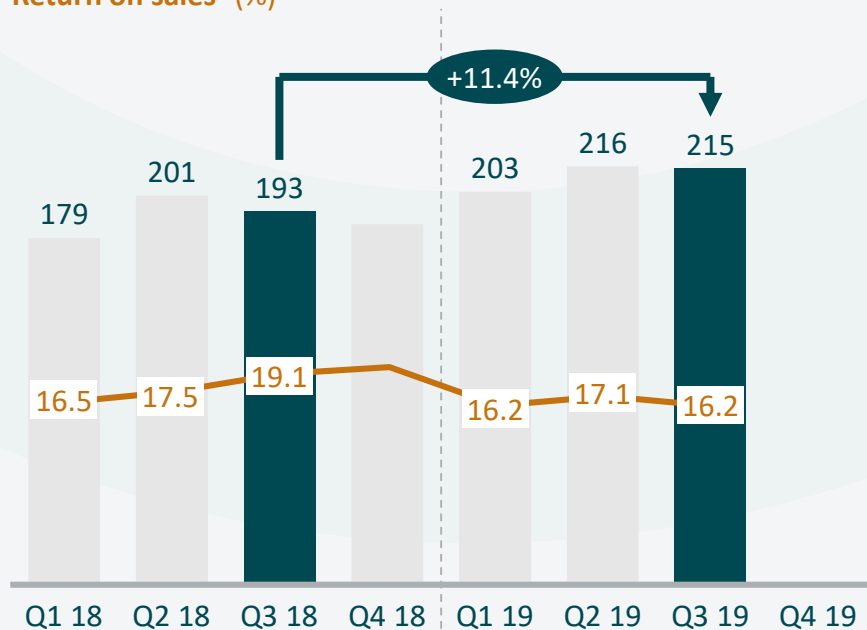


¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Q2 2019 includes a gain of €13 mn from the reversal of a restructuring provision ³ Calculated as the ratio of operating profit to sales revenue

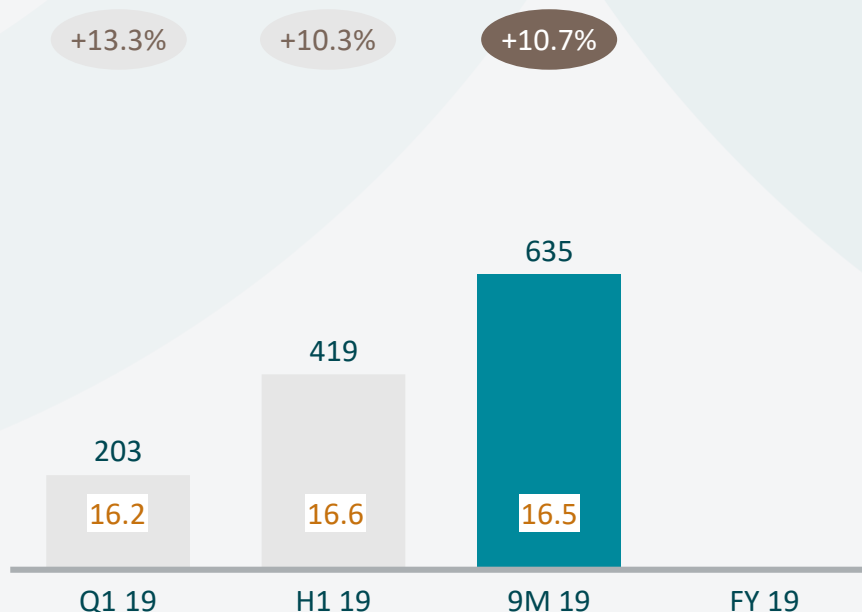
FINANCIAL SERVICES – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



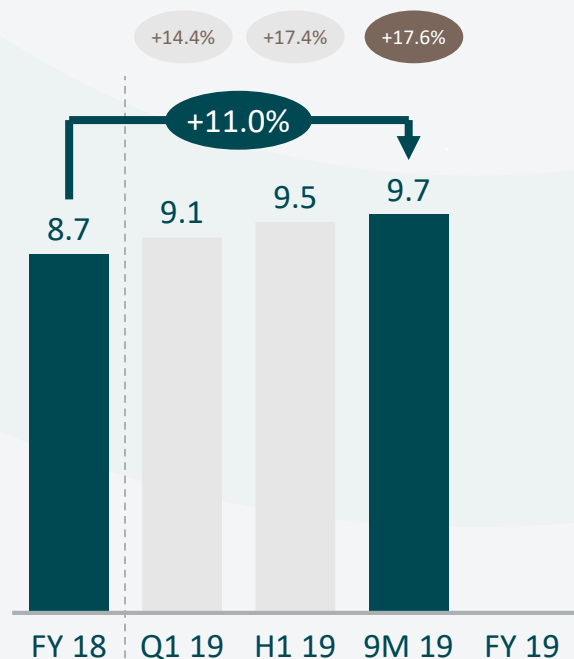
- Operating profit in Q3 2019 decreased by -6% to €35 mn
- Portfolio growth and currency effects positive, while lower margins and higher operating cost had negative effects

¹ Calculated as the ratio of operating profit to sales revenue

FINANCIAL SERVICES – NET PORTFOLIO AND PENETRATION RATE

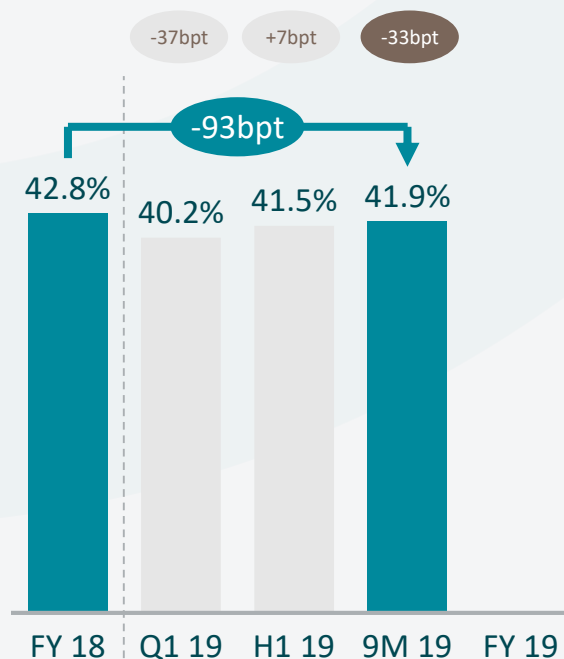
NET PORTFOLIO¹ (€bn)

Growth Y-o-Y (%)



PENETRATION RATE² (%)

Growth Y-o-Y (%)



COMMENTARY

- By the end of 9M 2019 the customer finance portfolio amounted to €9.7 bn; this represents an increase of +11% compared to YE 2018
- The penetration rate on new trucks was 41.9% in 9M 2019 (9M 2018: 42.2%) in those markets where Financial Services operates

¹ Reflecting closing balances; net portfolio defined as gross portfolio less bad debt provisions; growth excl. currency effects ² Trucks only

OUTLOOK GROUP – RECENT TRACK RECORD, OUTLOOK 2019 AND OVER-THE-CYCLE TARGET

		FY 2018	9M 2019	2019 Outlook	Over-the-cycle RoS target
Unit sales <i>(Units; Growth in %)</i>	➔	233.0k 13.7%	179.1 7.7%	Slight increase compared with previous year	
Group sales revenue <i>(in €bn; Growth in %)</i>	➔	€25.9bn 6.4%	€19.8bn 6.5%	Slightly above previous year	
Group return on sales <i>(in %; operating profit in €bn¹)</i>	➔	5.8% €1.5bn	7.5% €1.5bn	6.5% – 7.5% ²	9% Over-the-cycle RoS

Note: VGSG operations (sold as of January 2019) included in 2018

¹ FY 2018: Adjusted RoS 6.4%, adjusted operating profit €1.7 bn, 9M 2019: Adjusted RoS 7.4%, adjusted operating profit €1.5 bn; 9M 2019 including €19 mn insurance claim proceeds ² No adjustments applied to estimated return on sales 2019

INNOVATION DAY 2019 – TRATON'S FOCUS ON E- MOBILITY LEADERSHIP



Within 10-15 years, one of three of our vehicles will have an alternative powertrain. In most cases it is electric

By 2020

- Common modular **electric powertrain toolkit**, used in 2020 in the first serial produced all-electric city buses made by Scania and MAN

By 2025

- **€1 bn** in R&D expenditures on **e-mobility** (in total 2019-2024)
- **€1 bn** in R&D expenditures on **digitization** (in total 2019-2024)
- Aim: more than a **million connected vehicles** on the road

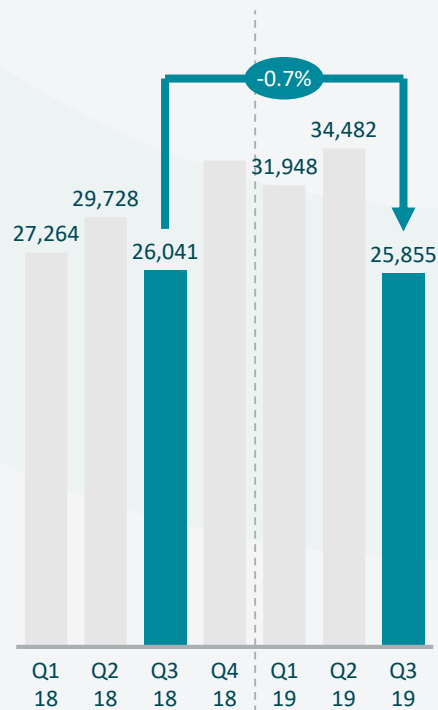
Autonomous Driving

Connectivity

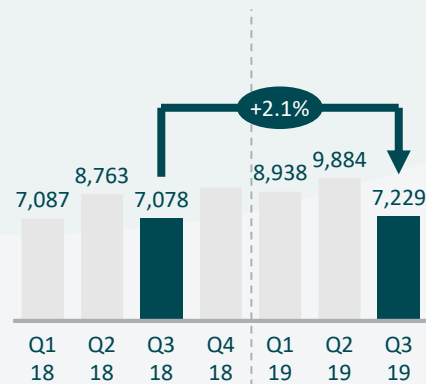
Electrification / Alternative Fuels

GROUP – REGIONAL TRUCK UNIT SALES DEVELOPMENT¹

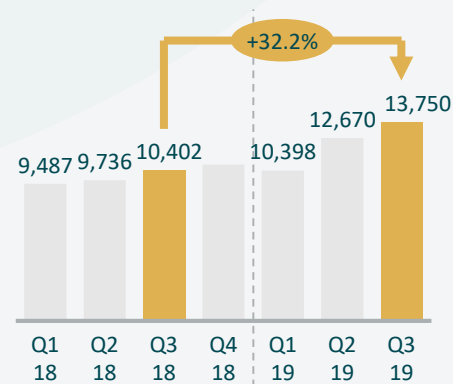
EU28+2² (units)



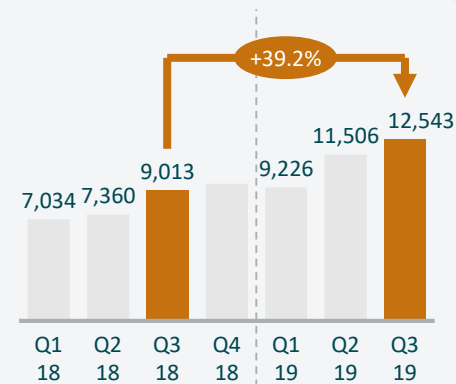
Germany (units)



South America (units)



Brazil (units)

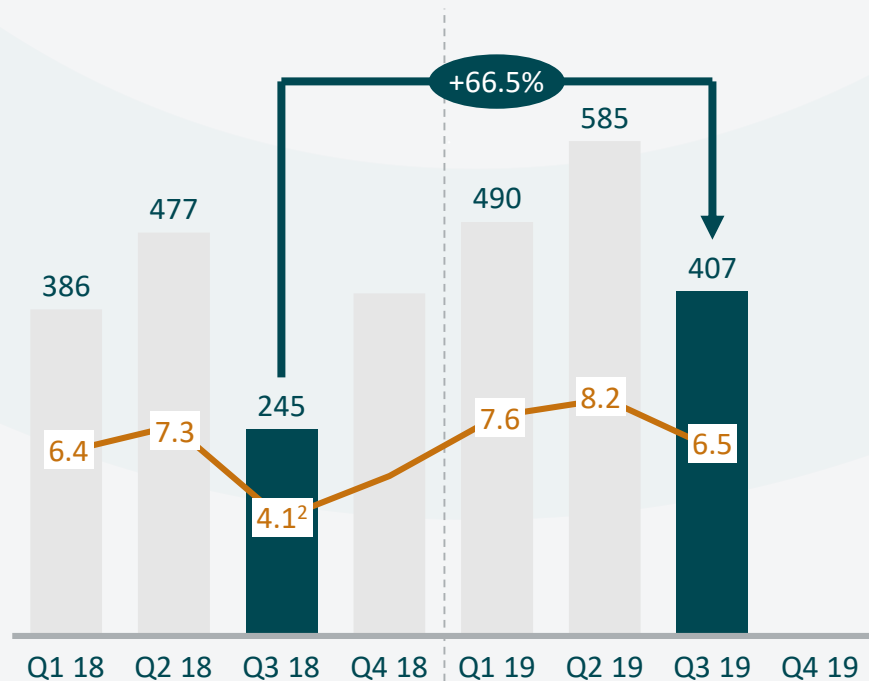


¹ Excluding MAN TGE vans ² EU member states excluding Malta plus Norway and Switzerland

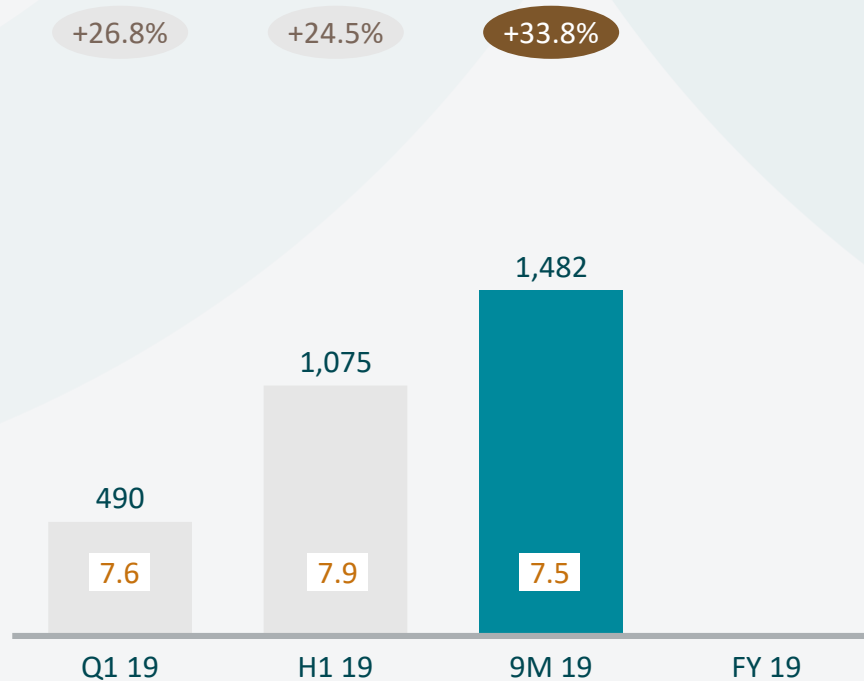
GROUP – OPERATING PROFIT AND RETURN ON SALES

OPERATING PROFIT (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



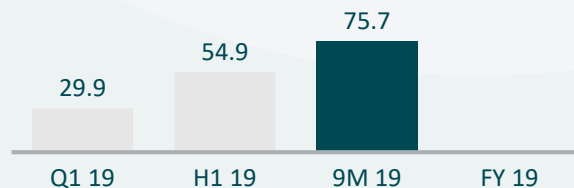
¹ Calculated as the ratio of operating profit to sales revenue ² Q3 2018 impacted by the restructuring of the activities in India (€115 mn), adjusted RoS 6.0%

MAN TRUCK & BUS – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

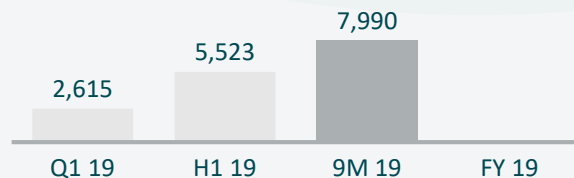
-1.0% -8.0% **-9.5%**



Sales revenue (€mn)

Growth Y-o-Y (%)

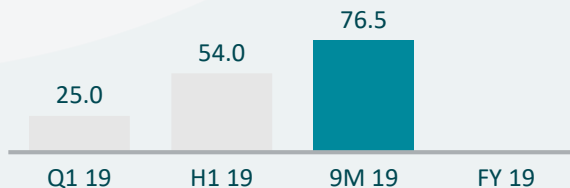
+7.0% +6.3% **+4.5%**



Unit sales (k units)

Growth Y-o-Y (%)

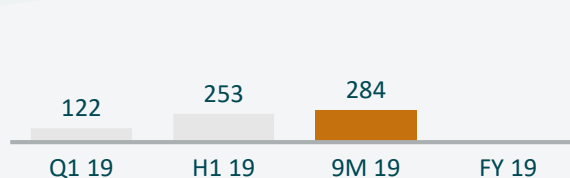
+13.2% +10.2% **+6.2%**



Operating profit² (€mn)

Growth Y-o-Y (%)

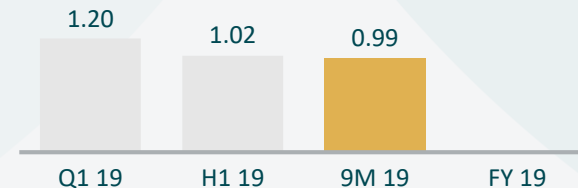
+30.1% -11.4% **+5.9%**



Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

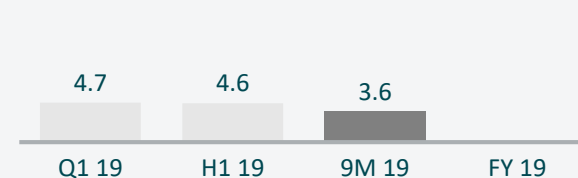
-17bpt -20bpt **-17bpt**



Return on sales^{2,3} (%)

Growth Y-o-Y (%)

+83bpt -92bpt **+5bpt**



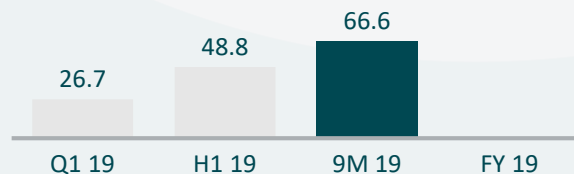
¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² H1 2018 contained an earnings effect of €19 mn resulting from the transfer of the RIO brand to a TRATON GROUP company; 9M 2018 impacted by the restructuring of the activities in India (€115 mn) ³ Calculated as the ratio of operating profit to sales revenue

SCANIA VEHICLES & SERVICES – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

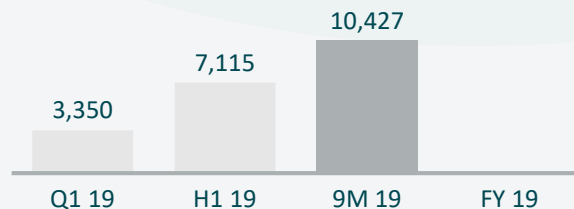
-10.3% -7.1% **-8.2%**



Sales revenue (€mn)

Growth Y-o-Y (%)

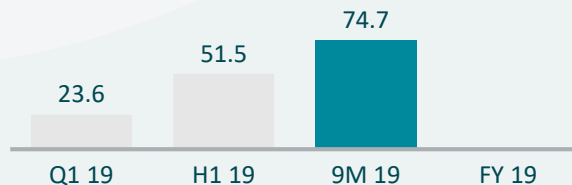
+10.6% +12.5% **+11.7%**



Unit sales (k units)

Growth Y-o-Y (%)

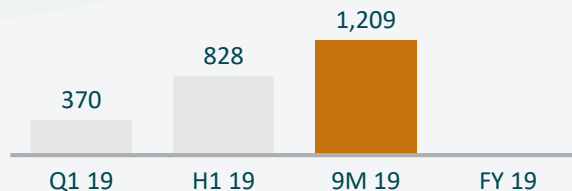
+4.1% +10.1% **+8.9%**



Operating profit (€mn)

Growth Y-o-Y (%)

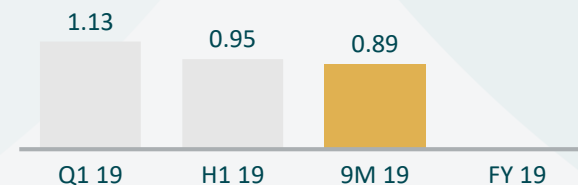
+22.9% +34.0% **+36.1%**



Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

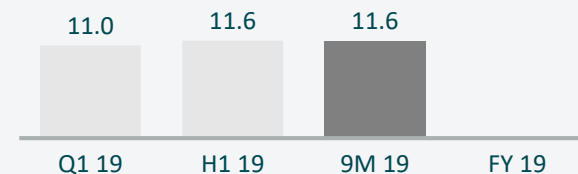
-18bpt -18bpt **-17bpt**



Return on sales² (%)

Growth Y-o-Y (%)

+110bpt +186bpt **+208bpt**



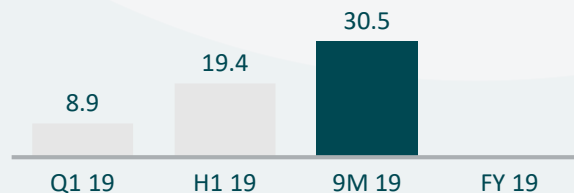
¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Calculated as the ratio of operating profit to sales revenue

VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

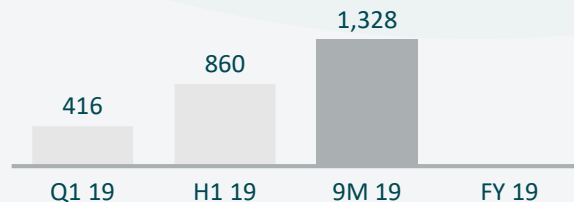
+11.8% +15.1% **+15.1%**



Sales revenue (€mn)

Growth Y-o-Y (%)

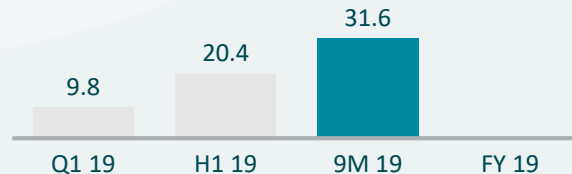
+21.2% +27.7% **+27.2%**



Unit sales (k units)

Growth Y-o-Y (%)

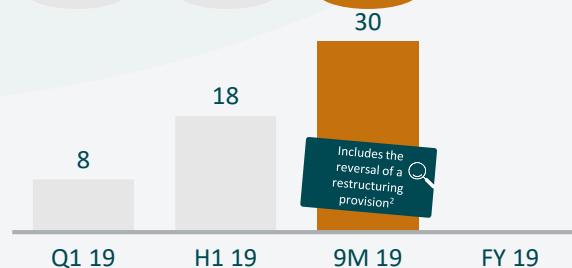
+12.1% +17.6% **+15.3%**



Operating profit (€mn)

Growth Y-o-Y (%)

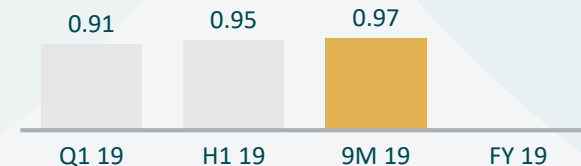
+44.7% +34.0% **+65.2%**



Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

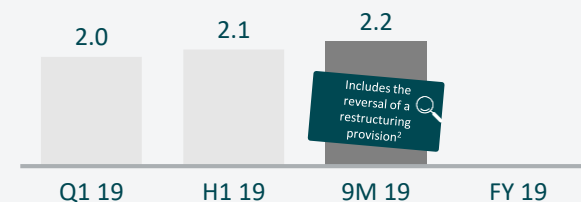
0bpt -2bpt **0bpt**



Return on sales³ (%)

Growth Y-o-Y (%)

+32bpt +10bpt **+51bpt**



1 Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered 2 Q2 2019 includes a gain of €13 mn from the reversal of a restructuring provision 3 Calculated as the ratio of operating profit to sales revenue

GROUP – CONSOLIDATED INCOME STATEMENT (IFRS)

in € million	9M 2019	9M 2018
Sales revenue	19,827	18,623
Cost of sales	-15,825	-14,965
Gross profit	4,001	3,658
Distribution expenses	-1,811	-1,741
Administrative expenses	-734	-736
Net impairment losses on financial assets	-35	-35
Other operating income	432	520
Other operating expenses	-371	-558
Operating profit	1,482	1,108
Share of profits and losses of equity-method investments	262	184
Interest income	59	61
Interest expenses	-191	-186
Other financial result	-28	100
Financial result	103	159
Profit before tax	1,586	1,267
Income taxes	-349	-335
Current	-319	-266
Deferred	-30	-69
Profit from continuing operations, net of tax	1,237	931
Profit/loss from discontinued operations, net of tax	-2	111
Profit after tax	1,235	1,042
of which attributable to shareholders of TRATON SE	1,202	1,036
of which attributable to noncontrolling interests	33	6

GROUP – CONSOLIDATED BALANCE SHEET: ASSETS / EQUITY AND LIABILITIES (IFRS)

in € million	09/30/2019	12/31/2018
Assets		
Noncurrent assets		
Intangible assets	6,548	6,597
Property, plant and equipment	6,456	5,469
Assets leased out	6,985	6,599
Equity-method investments	1,384	1,223
Other equity investments	49	37
Noncurrent income tax receivables	41	50
Deferred tax assets	953	939
Noncurrent financial services receivables	4,746	4,212
Other noncurrent financial assets	107	63
Other noncurrent receivables	305	663
	27,574	25,851
Current assets		
Inventories	5,562	4,822
Trade receivables	2,153	2,319
Current income tax receivables	149	140
Current financial services receivables	2,973	2,688
Other current financial assets	321	6,371
Other current receivables	1,043	939
Marketable securities and investment deposits	2,907	98
Cash and cash equivalents	2,116	2,997
Assets held for sale	-	157
	17,225	20,533
Total assets	44,799	46,384

in € million	09/30/2019	12/31/2018
Equity and Liabilities		
Equity		
Subscribed capital	500	10
Capital reserves	20,841	21,331
Retained earnings	-5,104	-2,064
Accumulated other comprehensive income	-2,892	-2,478
Equity attributable to shareholders of TRATON SE	13,345	16,799
Noncontrolling interests	257	2
	13,602	16,801
Noncurrent liabilities		
Noncurrent financial liabilities	6,010	5,449
Provisions for pensions and other post-employment benefits	1,832	1,506
Noncurrent income tax payables	123	122
Deferred tax liabilities	755	824
Noncurrent income tax provisions	18	16
Other noncurrent provisions	1,190	1,184
Other noncurrent financial liabilities	2,580	2,333
Other noncurrent liabilities	1,939	1,780
	14,446	13,217
Current liabilities		
Put options/compensation rights granted to noncontrolling interest shareholders	-	1,827
Current financial liabilities	6,509	5,366
Trade payables	2,682	2,969
Current income tax payables	142	125
Current income tax provisions	32	137
Other current provisions	902	938
Other current financial liabilities	2,881	1,620
Other current liabilities	3,601	3,263
Liabilities directly associated with assets held for sale	-	123
	16,150	16,366
Total equity and liabilities	44,799	46,384

GROUP – CONSOLIDATED STATEMENT OF CASH-FLOWS (IFRS)

in € million	9M 2019	9M 2018
Cash and cash equivalents as of January 1	2,997	4,593
Profit before tax	1,586	1,267
Income taxes paid	-398	-392
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant, and equipment, and investment property*	626	479
Amortization of and impairment losses on capitalized development costs*	144	125
Impairment losses on equity investments*	0	6
Depreciation of products leased out*	838	799
Change in pension obligations	-4	36
Loss on disposal of noncurrent assets and equity investments	-95	-13
Share of losses of equity-method investments	-112	-320
Other noncash expense/income	79	-3
Change in inventories	-769	-931
Change in receivables (excluding financial services)	143	-233
Change in liabilities (excluding financial liabilities)	241	514
Change in provisions	-5	48
Change in products leased out	-1,193	-1,061
Change in financial services receivables	-784	-532
Net cash used in operating activities - discontinued operations	-	-68
Net cash used in operating activities	297	-280
Payments to acquire property, plant, and equipment and intangible assets (excluding capitalized development costs)	-572	-535
Additions to capitalized development costs	-327	-269
Payments to acquire other investees	-6	-21
Proceeds from the disposal of subsidiaries	1,978	0
Disposal of other equity investments	101	0
Proceeds from the disposal of intangible assets, property, plant, and equipment, and investment property	22	58
Investing activities attributable to operating activities	1,196	-766
Net cash flow - continuous operations	1,494	-978

*Net of impairment reversals

in EUR million	9M 2019	9M 2018
Change in marketable securities and investment deposits	-2,813	-30
Changes in loans	82	4
Net cash used in investing activities – discontinued operations	-	-99
Net cash provided by/used in investing activities	-1,536	-891
Loss absorption by Volkswagen AG	4,161	28
Distribution of retained earnings	-3,250	-
Noncontrolling interest shareholders of MAN SE: acquisition of shares tendered and compensation payments	-1,109	-455
Proceeds from issuance of bonds	2,469	2,147
Repayments of bonds	-1,144	-
Change in miscellaneous financial liabilities	-639	-506
Repayment of lease liabilities	-125	0
Net cash provided by/used in financing activities – discontinued operations	-	-2
Net cash provided by/used in financing activities	364	1,211
Effect of exchange rate changes on cash and cash equivalents	-7	-57
Change in cash and cash equivalents	-881	-17
Cash and cash equivalents as of September 30	2,116	4,577

GROUP – ADJUSTMENTS

Adjustments (€ million)	2016	2017	2018	9M 2019
OPERATING PROFIT	727	1,512	1,513	1,482
Expense for antitrust proceedings (Scania)	403			
Release of restructuring provisions at MAN T&B		-50		
Expenses in relation to India market exit at MAN T&B			137	
Restructuring expenses at VWCO	58			-13
OPERATING PROFIT (ADJUSTED)	1,188	1,462	1,650	1,470