Full focus on enhancing financial performance and resilience

TRATON Capital Markets Day
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TRATON GROUP financial performance to-date

- **Sales revenue** (excl. Navistar) improved almost back to pre-pandemic level with **high order backlog**

- Strong **RoS** trend interrupted by pandemic effects, raw material price inflation and supply shortages

- **Successful IPO** and stringent execution of **Global Champion strategy**

- Significantly increased **net debt level**, in particular due to successful **Navistar acquisition**, maintained investment grade rating

1 TRATON Operations incl. Corporate Items

TRATON
We have defined clear set of financial ambitions

- **Focus on sustainable profitability and resilience of results**
- **Safeguard investments in common components, new business models and new technologies**
- **Reduce debt levels and strengthen capital structure**
Ambitious, yet achievable RoS target for TRATON GROUP

<table>
<thead>
<tr>
<th>Strategic RoS targets</th>
<th>12%</th>
<th>8%</th>
<th>9%</th>
<th>8%</th>
</tr>
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<tr>
<th>Adjusted RoS 2021</th>
<th>10.1%</th>
<th>2.3%</th>
<th>1.2%</th>
<th>8.1%</th>
</tr>
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</table>

9% in 2024

1 Including effects of the purchase price allocation (PPA)
Stringent execution along clearly defined building blocks towards RoS target

- **Volume increase**
- **MAN T&B realignment**
- **Improved price & mix**
- **Efficiency gains across Group**

**TRATON GROUP 2021**

- **5.2%**

**TRATON GROUP TARGET 2024**

- **9%**

- **Input cost inflation**
- **R&D expenses in future trends**
## Building blocks driving margin upside and earnings resilience

<table>
<thead>
<tr>
<th>Volume, mix &amp; pricing</th>
<th>MAN T&amp;B realignment program</th>
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<tbody>
<tr>
<td>Highly competitive products &amp; services leading to volume increases and better price positioning &amp; mix across the brands</td>
<td>Improved fixed cost structure and increased productivity thanks to stringent execution of realignment program; progressing according to plan</td>
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</tbody>
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<tr>
<th>Efficiency gains</th>
<th>Earnings resilience</th>
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</thead>
<tbody>
<tr>
<td>Sharing R&amp;D costs across the brands and leverage scale thanks to common key components (e.g. CBE) reducing complexity and cost per unit and improved customer value</td>
<td>Sales revenue streams and cash flow less cyclical thanks to higher share of services business and financial services; diversified share in global profit pools and improved fix cost ratio</td>
</tr>
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**Significant self-help potential with strong focus on efficiency & execution**
Key drivers for future investments

**Customer needs**
- TCO optimization
- Decarbonization
- Uptime
- Charging infrastructure
- Driver shortage

**Competition and markets**
- Autonomous
- Electrification
- Inflationary pressures
- Supply chains

**TRATON strategic ambition**
- Go China
- Go captive FS
- Go common
- Electrification
- Growth
- MAN realignment
- Services & solutions

**Regulatory environment**
- Direct vision
- General safety regulation
- CARB24 & 27
- CO₂ legislation
- Cyber security

**Substantial investments required**
- 9% RoS
- Electrification
- TCO optimization
- Customer needs
- Competition and markets

1 California Air Resources Board emission standards
Securing future competitiveness with targeted investments in R&D and capex

**Distribution of primary R&D costs**
Primary R&D costs in % of TRATON Operations sales revenue

- **2021**: 4.8%
- **2026**: ~4%

- **Two thirds** of total budget allocated to future technologies and growth by 2026

**Distribution of capex**
Capex in % of TRATON Operations sales revenue

- **2021**: 4.2%
- **2026**: ~4%

- **Reallocation** to future technologies – higher capex short-term

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1 2021 based on TRATON Classic, excluding Navistar
TRATON’s capital framework – Focus on optimizing pillars to deleverage

Operating funding sources
- Improving earnings momentum
- Optimized Working Capital Management

Effective use of funds
- Targeted, future-oriented R&D and Capex
- Dividend 30 to 40% of earnings after tax

Structural measures
- Strong commitment to further deleveraging of TRATON balance sheet
- Strengthening capital structure

No major M&A, but active portfolio management

Improved cash conversion

Structural measures

Strong commitment to further deleveraging of TRATON balance sheet
New bonus system aligned to deliver profitable growth and efficient capital allocation

Mix of TRATON GROUP and Brands

RoS
Enhance profitability & operational efficiency

Return on Capital
Focus on efficient capital allocation

ESG
Drive transformation towards sustainability

Strong incentive for management team to execute and deliver on targets along all pillars of strategy

100% TRATON GROUP

Stock price
Drive attractive shareholder returns

EPS
Enhance base for dividend payout

Profit Bonus
80%

Long Term Bonus
20%
Full focus on enhancing TRATON’s financial performance and resilience

- Executing towards ambitious RoS target
- Improving resilience and cost efficiency
- Strong financial policy and capital allocation framework
- Remuneration system aligned to strategic targets
- Leveraging potential of the Group
- Focus on deleveraging while investing in TRATON’s future
Why TRATON is an attractive investment

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

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

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

Clear plan and commitment to execute towards ambitious 9% return on sales target and an efficient balance sheet to drive shareholder returns
TRATON – Exciting pathway ahead

Responsible Company

Strategy Execution & Governance

Value Creation

TRATON Accelerated!