



TRATON

# Annual media conference call for fiscal year 2021

Christian Levin, CEO | Annette Danielski, CFO

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NAVISTAR





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The percentage figures shown may be subject to rounding differences. Due to different proportions and scaling graphs, data shown in different graphs are not comparable.

# Annual media conference call for fiscal year 2021

## YOUR PRESENTERS TODAY



**Christian Levin**  
Chief Executive Officer



**Annette Danielski**  
Chief Financial Officer



**Pietro Zollino**  
Head of Group Communications

# Agenda

- 1. Core KPIs FY 2021**
2. Going forward
3. Q&A

# TRATON GROUP delivers good results in 2021

Limited  
comparison of  
figures due to  
Navistar  
consolidation

## KEY FACTS FY 2021

### Incoming orders



up more than 60% to  
**359,975**



Business recovery continued,  
but supply chain management still  
challenging

### Unit sales



up more than 40% to  
**271,608**



TRATON boosts e-mobility  
investment to  
**€2.6 bn**

### Combined investment

**€500 mn**



Planned electric vehicle charging  
joint venture with Daimler Truck  
and Volvo Group



New strategy "TRATON Way  
Forward" with focus on  
execution and modularization

# TRATON GROUP Core KPIs

Units	FY 2021	FY 2020	Change
<b>Trucks and buses</b>			
Incoming orders <sup>1</sup>	<b>359,975</b>	216,251	66%
Unit sales	<b>271,608</b>	190,180	43%
of which trucks <sup>2</sup>	<b>230,549</b>	156,371	47%
of which buses	<b>18,857</b>	16,174	17%
of which MAN TGE vans	<b>22,202</b>	17,635	26%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>30,620</b>	22,580	36%
Adj. operating result	<b>1,599</b>	135	1,464
Adj. operating ROS	<b>5.2%</b>	0.6	4.6 pp

Limited  
comparison of  
figures due to  
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# Deep Dive Group Core KPIs

Limited  
comparison of  
figures due to  
Navistar  
consolidation

Units	FY 2021	FY 2020	Change
<b>TRATON Operations (€ million)</b>			
Sales revenue	<b>30,103</b>	22,152	36%
Adj. operating result	<b>1,883</b>	230	1,653
Adj. operating ROS	<b>6.3</b>	1.0	5.2 pp
Capex	<b>1,125</b>	988	14%
Primary R&D costs	<b>1,462</b>	1,154	27%
Net cash flow	<b>938</b>	979	-41
Net liquidity	<b>-1,694</b>	1,347	-3,041
<b>Financial Services (€ million)</b>			
Sales revenue	<b>964</b>	820	18%
Operating result	<b>259</b>	107	152



# Scania Vehicles & Services – Core KPIs

Units	FY 2021	FY 2020	Change
<b>Trucks and buses</b>			
Incoming orders	<b>116,798</b>	92,940	26%
Unit sales	<b>90,366</b>	72,085	25%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>13,927</b>	11,521	21%
Adj. operating result	<b>1,412</b>	802	611
Adj. operating ROS	<b>10.1</b>	7.0	3.2 pp





# MAN Truck & Bus – Core KPIs

Units	FY 2021	FY 2020	Change
<b>Trucks and buses</b>			
Incoming orders	<b>143,531</b>	84,921	69%
Unit sales	<b>93,668</b>	81,673	15%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>10,934</b>	9,659	13%
Adj. operating result	<b>249</b>	–553	802
Adj. operating ROS	<b>2.3</b>	–5.7	8.0 pp



# Volkswagen Caminhões e Ônibus – Core KPIs

Units	FY 2021	FY 2020	Change
<b>Trucks and buses</b>			
Incoming orders	<b>57,241</b>	38,805	48%
Unit sales	<b>57,405</b>	36,974	55%
<b>Financial KPIs (€ million)</b>			
Sales revenue	<b>2,113</b>	1,235	71%
Operating result	<b>171</b>	-15	186
Operating ROS	<b>8.1</b>	-1.2	9.3 pp





# Navistar Sales & Services – Core KPIs

Units	FY 2021 <sup>1</sup>
<b>Trucks and buses</b>	
Incoming orders <sup>2</sup>	<b>42,588</b>
Unit sales	<b>30,305</b>
<b>Financial KPIs (€ million)</b>	
Sales revenue	<b>3,557</b>
Operating result	<b>41</b>
Operating ROS	<b>1.2</b>

1) July 1, 2021, to December 31, 2021

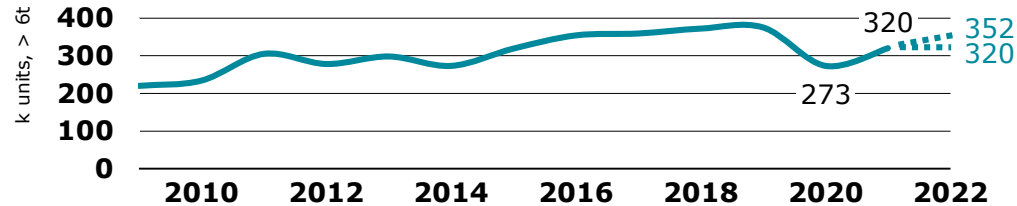
2) Excluding Navistar Class 4/5 contract manufacturing for third parties (December 31, 2021: 4,141 units)



# Truck market outlook –Uncertainties due to high geopolitical and economic risks

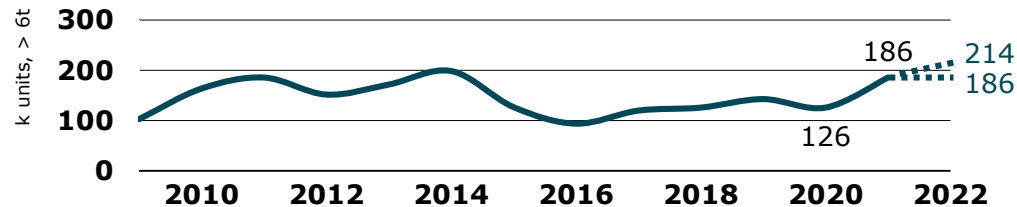
This outlook does not take into account the current developments due to the war in Ukraine

**EU27+3<sup>1</sup>**



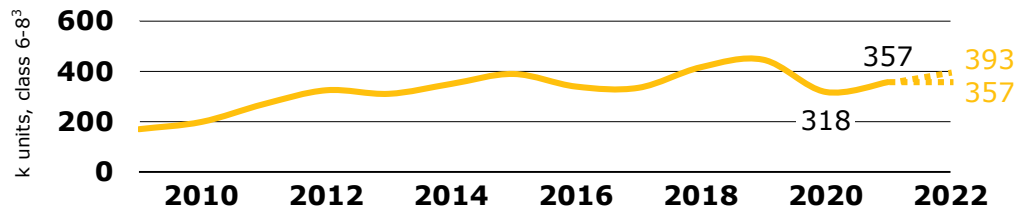
Market expectations<sup>2</sup>  
**2022e**  
**+0% – +10%**

**South America**



Market expectations<sup>2</sup>  
**2022e**  
**+0% – +15%**

**North America**



Market expectations<sup>2</sup>  
**2022e**  
**+0% – +15%**

<sup>1</sup> EU27+3 region (EU27 countries without Malta, plus the United Kingdom, Norway, and Switzerland)

<sup>2</sup> Includes estimates from different institutes, companies, and data/information services

<sup>3</sup> US and Canada class 6-8, Mexico class 4-8

Source: Historical data based on own calculations and estimates



# TRATON outlook 2022 – Further recovery, but high geopolitical and economic risks

This outlook is subject to the further development of the war in Ukraine and in particular the impact on TRATON's supply chains and the global economy as a whole

	FY 2020	FY 2021	FY 2022 Outlook <sup>1</sup>
Unit sales	190.2 k -21%	271.6 k +43%	very sharp increase
Sales revenue	€22.6 bn -16%	€30.6 bn +36%	sharp increase
Operating RoS (adjusted)	0.4%	5.2%	5.0 – 7.0% (incl. PPA, expected to be ~€270 – 290 mn <sup>2</sup> )
Net cash flow (TRATON Operations)	€979 mn	€938 mn	€700 – 1,000 mn <sup>1</sup>

<sup>1</sup> The forecast does not include expenses at Scania Vehicles & Services in connection with the EU antitrust proceedings

<sup>2</sup> Based on preliminary purchase price allocation

# Agenda

1. Core KPIs FY 2021
- 2. Going forward**
3. Q&A



# New strategy: TRATON Way Forward

## Focus on sustainable value creation for our stakeholders

- ▶ Performance-driven
- ▶ Navistar as part of TRATON family
- ▶ TRATON goes China



## Make responsible behavior a top priority in everything we do

- ▶ Decarbonization & Circularity
- ▶ People & Pluralism
- ▶ Governance & Ethics

## Shape our role in the future logistics ecosystem

- ▶ Business Model Expansion
- ▶ Partnership Culture
- ▶ Embrace Digital



# Electrification continues to progress

## Incoming orders and unit sales of fully electric vehicles, FY 2021

UNITS	INCOMING ORDERS	UNIT SALES
<b>TRATON GROUP</b>	<b>1,717</b>	<b>1,076</b>
<b>Trucks</b>	<b>307</b>	<b>97</b>
Scania trucks	171	42
MAN trucks	4	18
Navistar trucks <sup>1</sup>	22	2
VWCO trucks	110	35
<b>Buses</b>	<b>363</b>	<b>153</b>
Scania buses	37	14
MAN buses	204	133
Navistar buses <sup>1</sup>	122	6
<b>MAN TGE vans</b>	<b>1,047</b>	<b>826</b>

1) Order backlog

## TRATON GROUP BEV product range



Scania electric truck  
(25 P BEV)



MAN electric truck  
(eTGM)



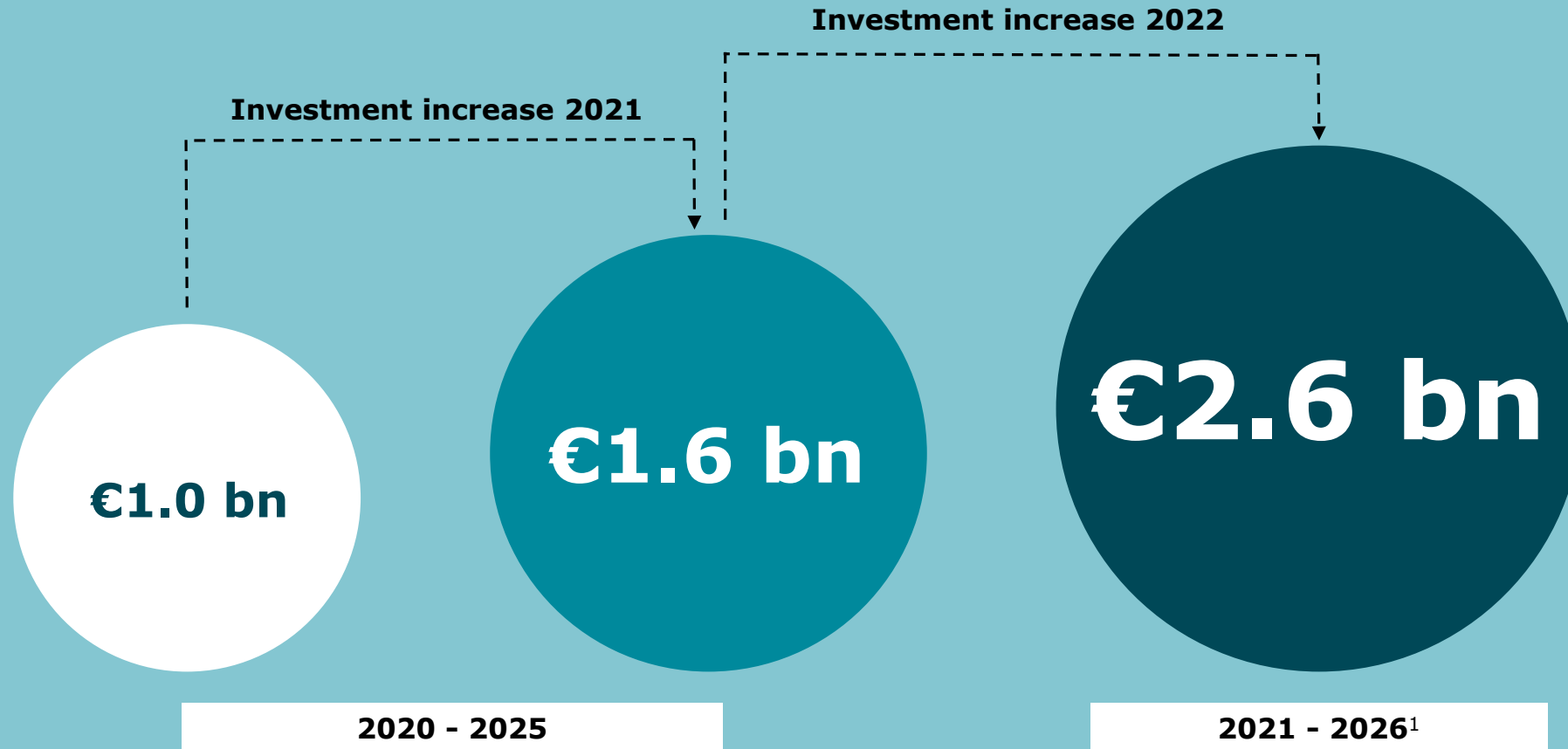
VWCO electric truck  
(e-Delivery)



Electric International  
eMV Series



# TRATON boosts e-mobility investments







# No limits for e-mobility applications

## E-MOBILITY



**Scania 64-ton electric truck delivered to Wibax**



**MAN prepares Munich plant for electric future**



Caminhões  
Ônibus

**VWCO successful on the last mile with e-Delivery**



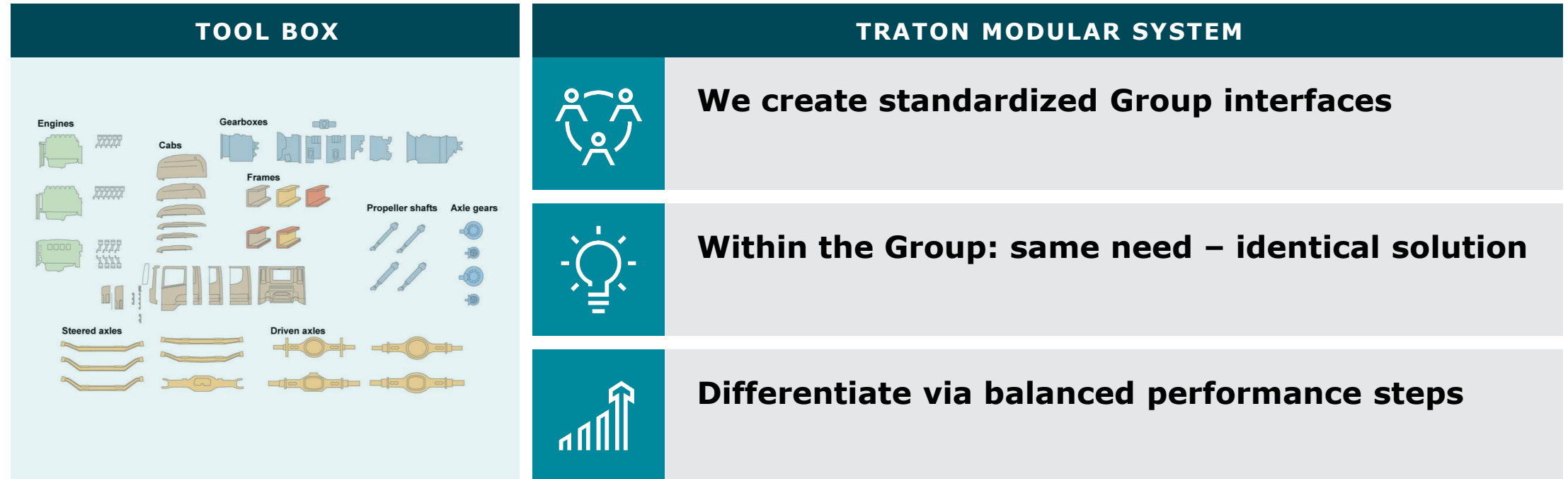
**NAVISTAR**

**Safe and environmentally friendly electric CE series**



# Modularization is key on our way to stronger profitability

## Build up a TRATON Modular System



**Enable profitable mass customization of broad variant offering and ensure long-term competitive advantage**



# Scania starts implementation of new Group engine

## 8%

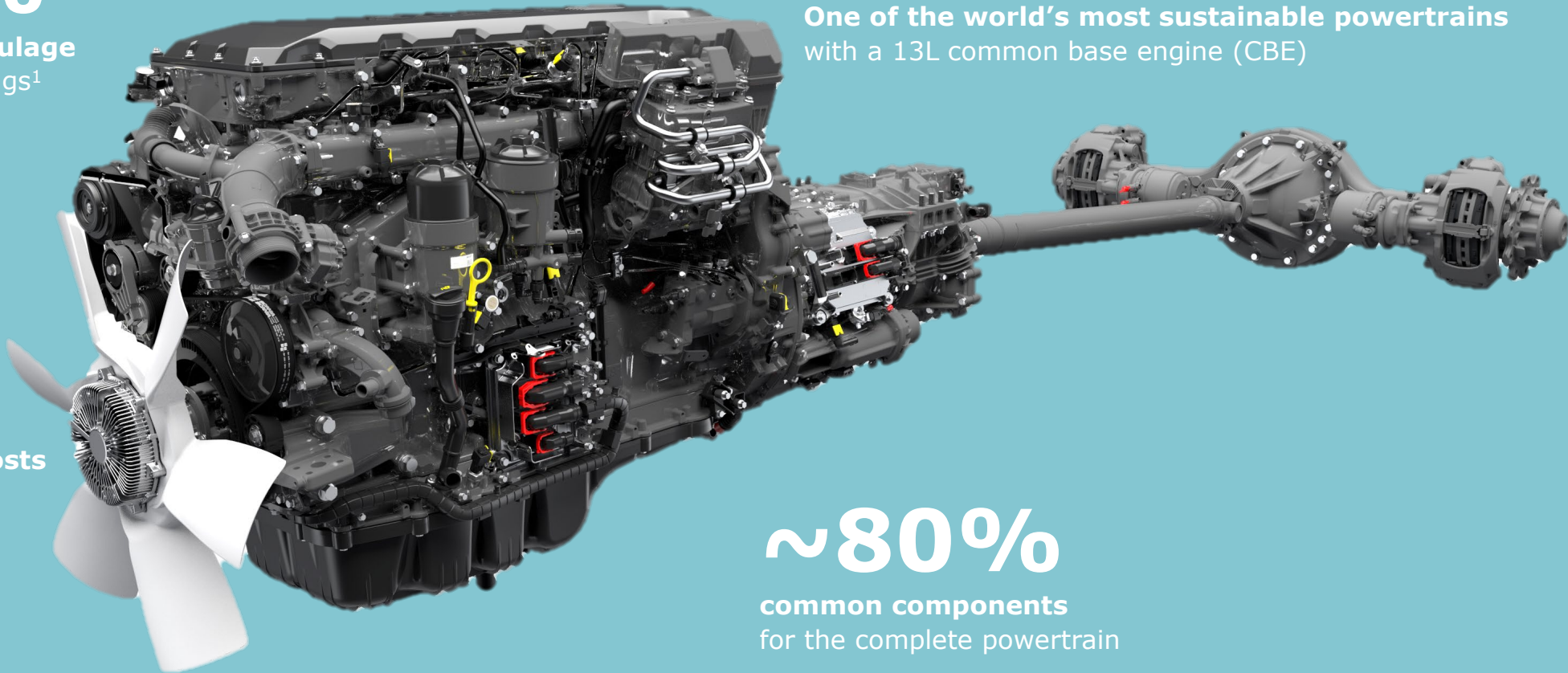
**Long-haulage**  
fuel savings<sup>1</sup>

## No.1

**One of the world's most sustainable powertrains**  
with a 13L common base engine (CBE)

## ~60%

**of the entire truck costs**  
are attributable to the  
drivetrain



## ~80%

**common components**  
for the complete powertrain



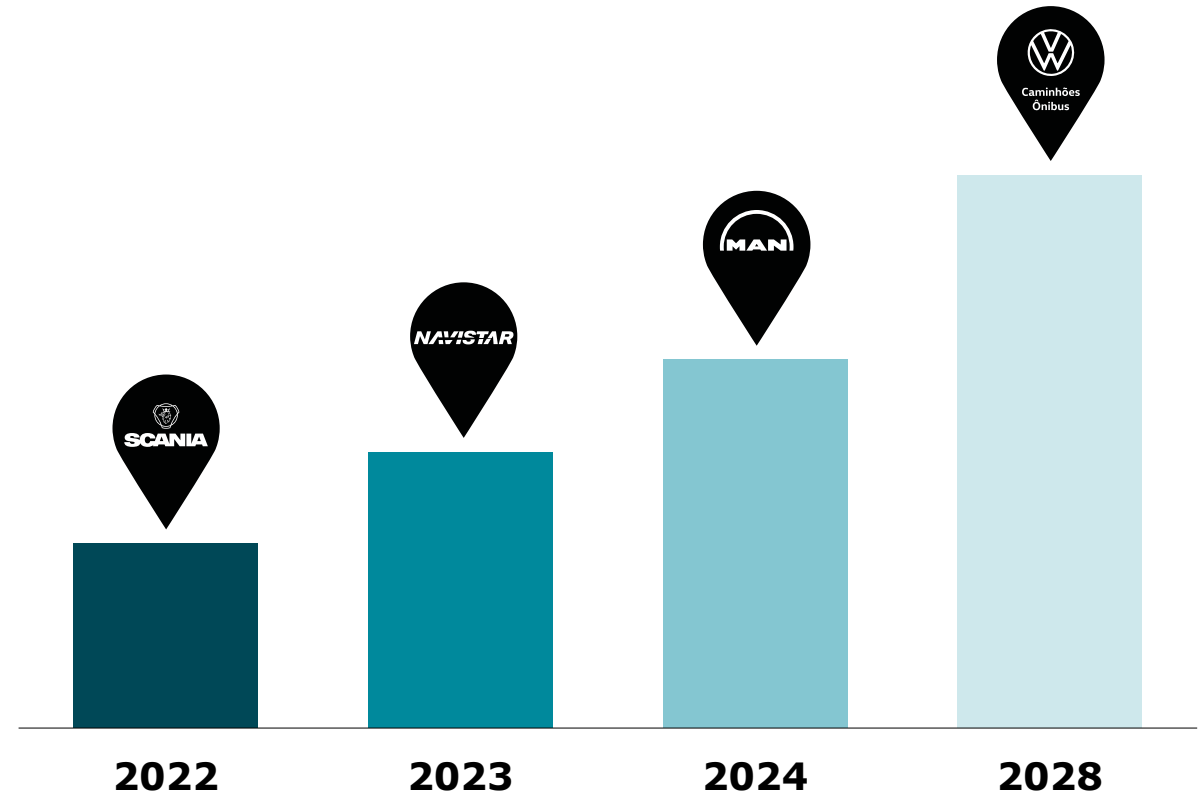


# Common base engine introduction

## Powertrain package introduced across brands

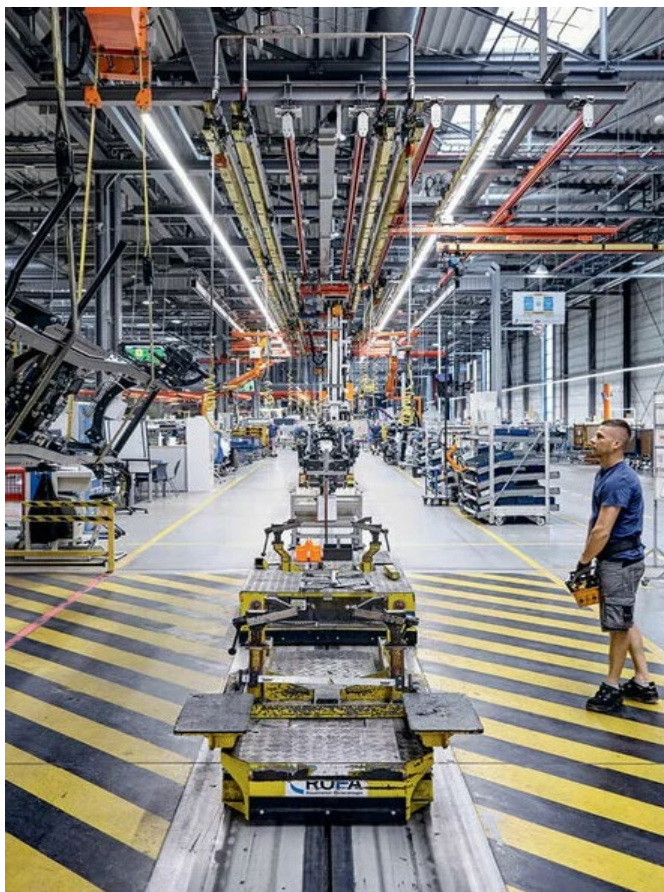
- ▶ Scania: winner of the prestigious “1000 Points” test with the CBE
- ▶ MAN: construction has started on CBE production site in Nuremberg/Germany
- ▶ Navistar: preparation of production in Huntsville/USA

## Planned market introduction





# Achieving sustainable profitability of MAN is top priority



## OBJECTIVES AND ACHIEVEMENTS



### About 3,500 jobs cut in Germany

- ▶ Clear focus on sustainable profitability of MAN Truck & Bus
- ▶ Profitability as basis for investments in future technologies



### Restructuring of the production and development network

- ▶ Steyr production site transferred to WSA, effective August 31, 2021
- ▶ Krakow site to be expanded (€130 million invest)
- ▶ Munich plant being prepared for e-mobility
- ▶ Establishment of engineering capacities in Ankara and Pune about a year ahead of plan



### Financial impact

- ▶ Restructuring cost of €696 million booked in 2021
- ▶ Package of measures to improve earnings by up to €1.7 billion



### Strong product portfolio

- ▶ Well positioned with new truck and bus generations
- ▶ Focus on zero emission / e-mobility with e-trucks starting 2024



# New management transforming MAN

## MAN TRUCK & BUS MANAGEMENT



**Alexander Vlaskamp<sup>1</sup>**  
Chief Executive Officer



**Inka Koljonen<sup>1</sup>**  
Chief Financial Officer



**Michael Kobriger**  
Production & Logistics



**Friedrich Baumann<sup>1</sup>**  
Sales & Customer Solutions



**Arne Puls<sup>1</sup>**  
Chief Personnel Officer & Labour Director



**Dr. Frederik Zohm**  
Research & Development (R&D)

1) Newly appointed





# Navistar fully in line with TRATON e-mobility strategy

## NAVISTAR E-MOBILITY



More than  
**100**

order backlog for IC Bus CE Series



More than  
**20**

order backlog for eMV





# San Antonio plant is a benchmark manufacturing facility for Navistar

## SAN ANTONIO MANUFACTURING PLANT (SAN ANTONIO, TEXAS)



- ▶ **\$250+ million** investment
- ▶ Approximately **1 million square foot** facility
- ▶ **Sustainable operation** techniques and **Industry 4.0**

- ▶ **Production** began in **January 2022**
- ▶ Flexibility to build **Class 6-8 diesel e-vehicles**
- ▶ Second property serves as **Technology Center**



# China is one of the most important profit pools

## No.1

World's largest single market  
for heavy duty trucks

## 1.4 mn

Trucks sold  
in 2021

## 55%

of global HDT sales  
are generated in China

## Scania 1<sup>st</sup>

**Independent Production**

Scania will be first western truck manufacturer with fully independent production in China

**Construction is scheduled to begin during the second quarter of 2022**





# High-performance charging network for Europe

DAIMLER  
TRUCK

TRATON

VOLVO

> 1,700

public charging points

€500 mn

investment

- ▶ Binding agreement signed
- ▶ Plan: pioneer high-performance public charging network for battery electric heavy-duty long-haul trucks and coaches across EU
- ▶ Accelerate the build-up of green energy charging infrastructure
- ▶ Enhance customer confidence
- ▶ Support EU's transformation to climate-neutral transportation

# Agenda

1. Core KPIs FY 2021
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3. **Q&A**

# Contacts Corporate Communications

## CORPORATE COMMUNICATIONS



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Head of Group Communications



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Head of Corporate Communications



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