

Munich, 23 March 2020

FY 2019 RESULTS

ISIN: DE000TRATON7

WKN: TRATON

Bloomberg Ticker: 8TRA GY / 8TRA SS

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TRATON
G R O U P



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CONTENTS

- TRATON GROUP Highlights
- Segment Industrial Business (MAN T&B, Scania V&S and VWCO)
- Segment Financial Services
- Outlook
- Appendix

TRATON GROUP HAS CONTINUOUSLY DELIVERED ON ITS STRATEGIC GOALS IN 2019

1

New **CORPORATE IDENTITY**
VWTB BECOMES **TRATON SE**



2

8TRA TRATON LISTED IN
FRANKFURT & STOCKHOLM



3

TRATON Innovation Day 2019
TRATON WANTS TO BECOME
LEADER IN E-MOBILITY



4

PROCUREMENT JV
TRATON & HINO



5

Financial
PERFORMANCE
OF THE GROUP



TRATON GROUP HIGHLIGHTS



FY
2019

- Unit sales up by +4% to a year record of 242,219 units.
- Sales revenue increased by +6%¹ to €26,901 mn; all brands contributed.
- Operating profit improved by +25% to €1,884 mn².
- RoS 7.0% (+117bpt)², in line with guidance.
- Profit after tax rose by +11% to €1,561 mn³.
- Net cash flow Industrial Business at €2,711 mn (before the sale of Power Engineering €733 mn); Net liquidity Industrial Business at €1,500 mn (incl. recognition of IFRS 16).
- Dividend proposal for FY 2019 of €1.00 per share⁴



2020

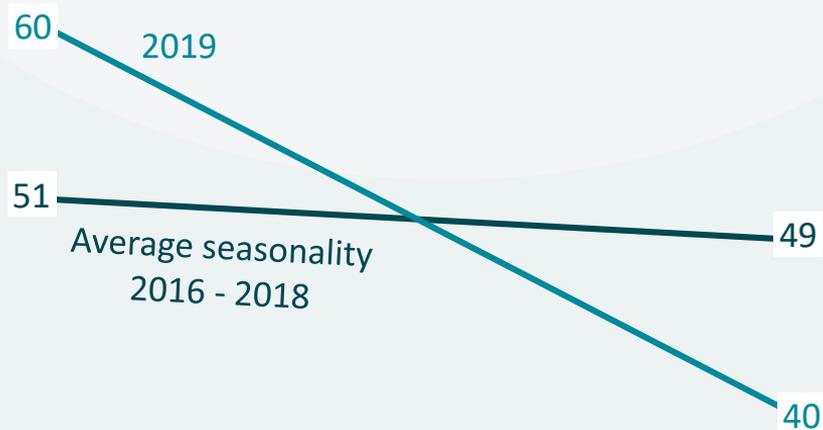
- DPLTA between Volkswagen AG and TRATON SE terminated as of December 31, 2019.
- TRATON proposes to acquire all outstanding common shares of the US commercial vehicle manufacturer Navistar.
- New MAN Truck Generation introduced.
- TRATON seeking to execute a squeeze-out of the non-controlling shareholders of MAN SE in accordance with merger law.



¹ Prior year excluding €585 mn VGSG sales revenue, which was sold as at January 01, 2019 ² Adjusted operating profit +13% to €1,871 mn, adjusted RoS 7.0% (+59bpt) ³ Profit from continuing operations +36% to 1,563 mn ⁴ Topic for approval at the AGM on May 28, 2020
 Note: Delta FY 2019 vs. FY 2018

GROUP – 2019, A YEAR WITH TWO FACES

New registrations EU28+2¹ (in %)



TRATON truck unit sales² (in %)



H1

H2

H1

H2



- European truck market in 2019 with an exceptional strong first half, influenced by pull-forward effects from the introduction of the digital tachograph as of June 15, 2019, and by Brexit pull-forward effects in the United Kingdom.
- Second half with substantial decline and exceptional weak compared to average seasonality 2016-2018.

¹ACEA new registrations figures, trucks > 16t ² EU28+2 region (defined as the EU28 countries with the exception of Malta, plus Norway and Switzerland), known as the EU27+3 region from February 1, 2020 (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland) EU28+2, excluding MAN TGE vans

GROUP – SEGMENT HIGHLIGHTS Q4 / FY 2019

Industrial Business (IB)

	Q4 19	Y-o-Y	FY 19	Y-o-Y
Order intake (units)	57,532	-9%	227,240	-7%
Unit sales (units)	63,128	-5%	242,219	+4%
Book-to-bill (units)	0.91	-4bpt	0.94	-110bpt
Sales revenue (€mn)	6,953	-2%	26,444	+6%
Operating profit (€mn) ¹	364	-1%	1,741	+29%
Return on sales (%) ¹	5.2	+10bpt	6.6	+119bpt
Profit after tax (€mn)	375	-45%	1,518	-6%
Net cash flow (€mn) ³	389	-€232mn	2,711	+€2,490mn

Financial Services (FS)

	Q4 19	Y-o-Y	FY 19	Y-o-Y
Net portfolio ² (€bn)			9.9	+14%
Penetration rate (%)	41.8	-238bpt	41.9	-95bpt
Sales revenue (€mn)	215	+15%	849	+12%
Operating profit (€mn)	38	+3%	142	+3%
Profit after tax (€mn)	35	-1%	111	+3%



- Lower unit sales in Q4 2019; book-to-bill mainly lower due to a noticeable decrease in truck order intake in the EU28+2 region.
- Operating profit FY 2019 of Industrial Business up due to positive volume effects and elimination of parallel production at Scania, partially offset by inflationary cost increases and higher depreciation. 2018 impacted by restructuring of Indian activities (€137 mn).
- Net cash flow in the Industrial Business in Q4 2019 lower as a result of weaker operating environment.

¹ Adjusted operating profit Q4 2019: -6% to €364 mn, adjusted RoS 5.2% (-21bpt); adjusted operating profit FY 2019: +17% to €1,729 mn, adjusted RoS 6.5% (+60bpt) ² Reflecting closing balances, as of December 31, 2019

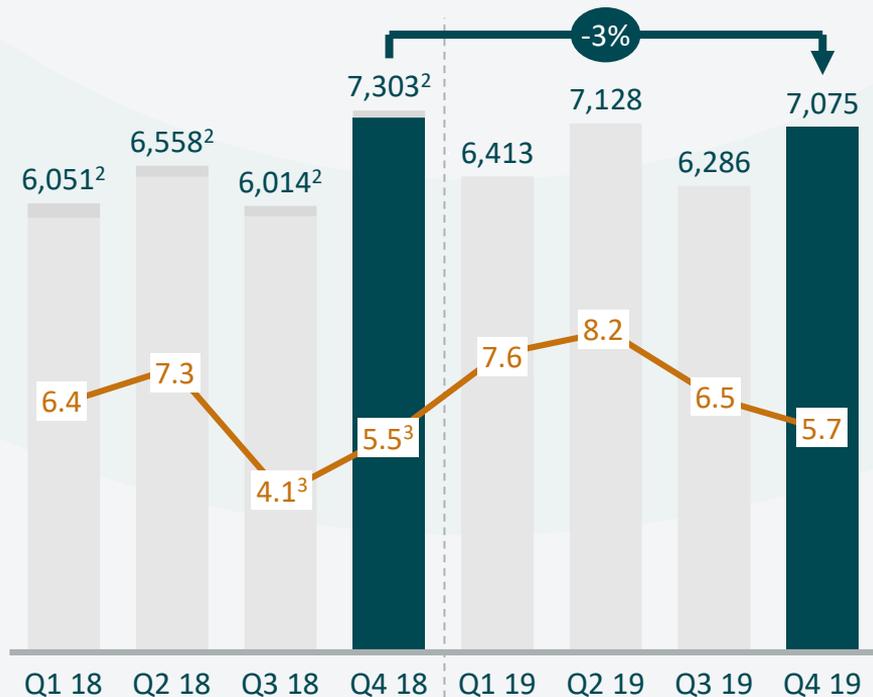
³ Adjusted net cash flow €518 mn in FY 2019; before the sale of Power Engineering (€1,978 mn), parts of the RMMV Joint Venture (€101 mn incl. dividend) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn)

Note: Delta Q4 2019 vs. Q4 2018 / FY 2019 vs. FY 2018

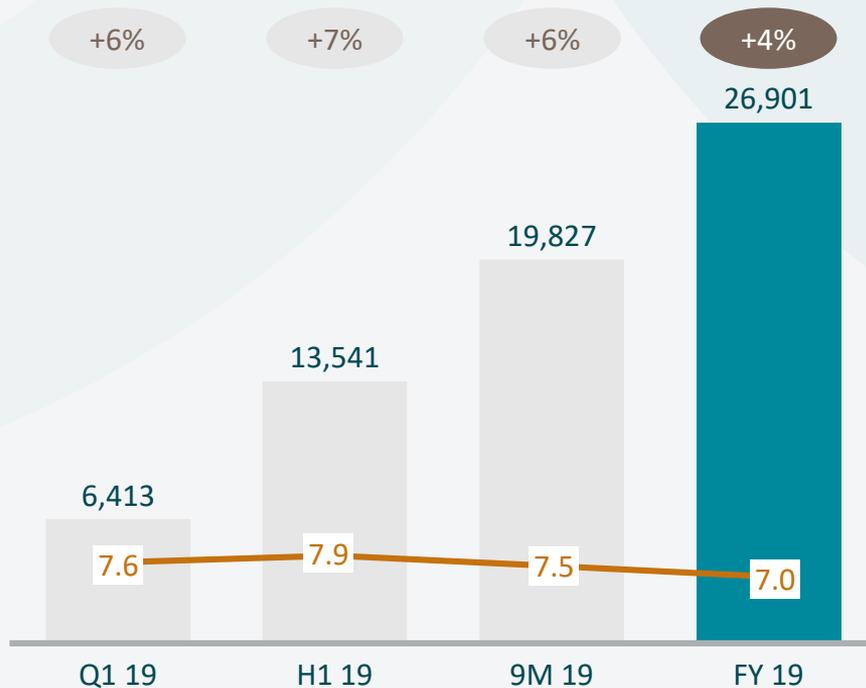
GROUP – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



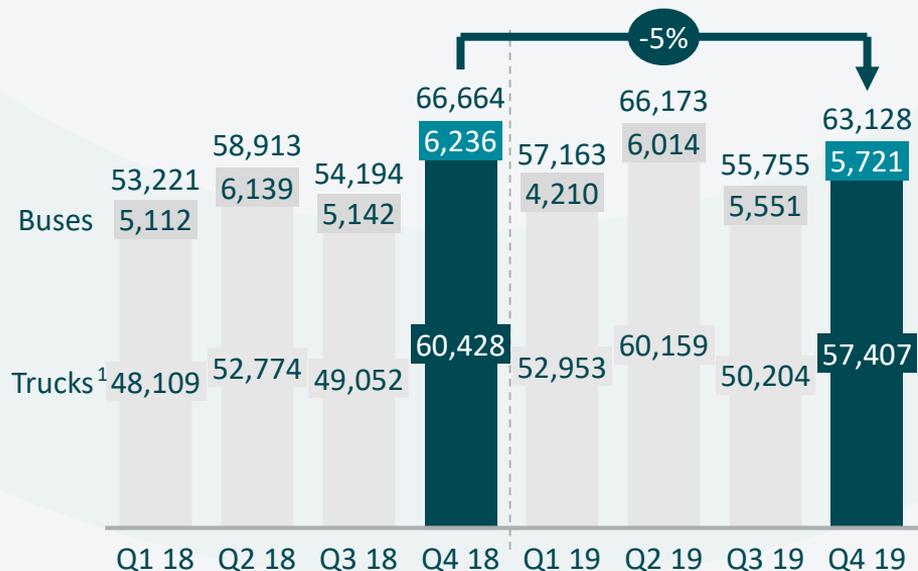
Growth Y-o-Y (%)



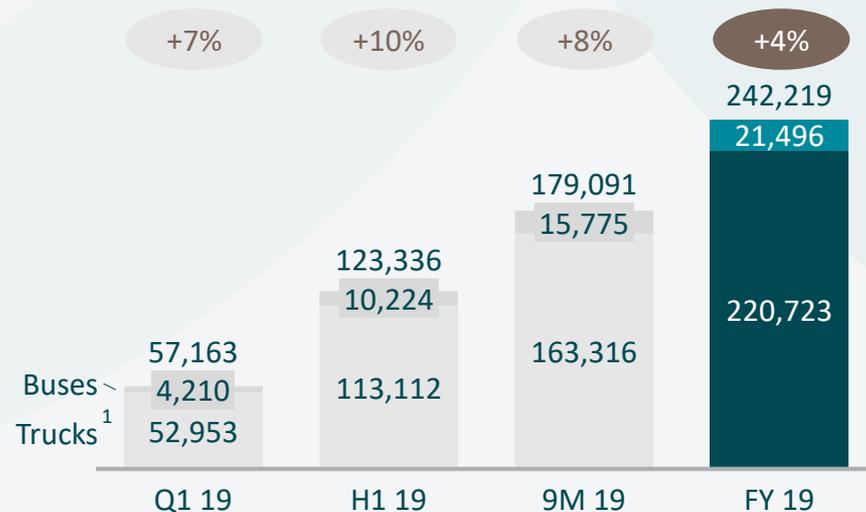
¹ Calculated as the ratio of operating profit to sales revenue ² Including €196 mn (Q1 2018) / €151 mn (Q2 2018) / €140 mn (Q3 2018) / €98 mn (Q4 2018) VGSG sales revenue, which was sold as at January 01, 2019; adjusted growth rates: Q1 2019 +10% / Q2 2019: +11% / Q3 2019: +7% / Q4 2019: -2% ³ Impacted by the restructuring of the activities in India in Q3 2018 (€115 mn, adjusted RoS 6.0%) and Q4 2018 (€22 mn, adjusted RoS 5.8%)

GROUP – UNIT SALES DEVELOPMENT

UNIT SALES (units)



Growth Y-o-Y (%)

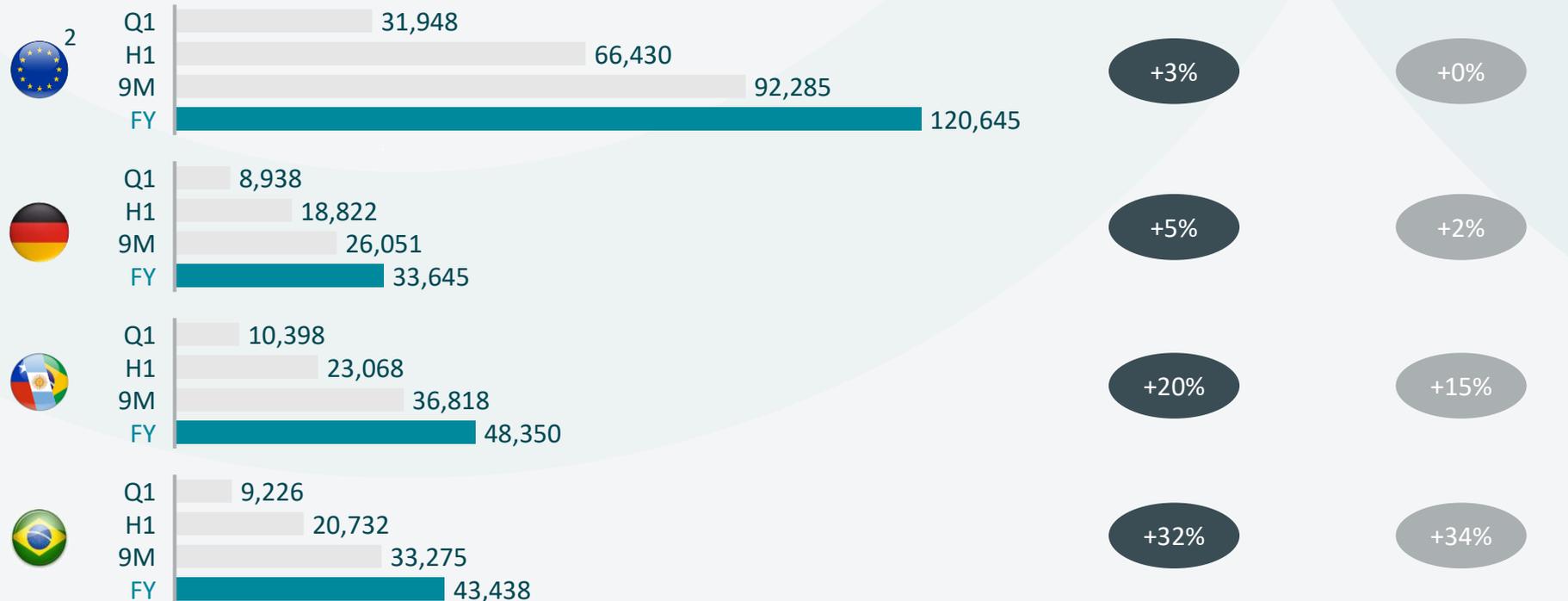


- TRATON sustains a leading position in the truck segment in the EU28+2 region and Brazil.
- European truck market 2019 with a strong first half, positively influenced by the mandatory introduction of the digital tachograph. Second half with substantial decline. Overall stable market in 2019. Continued substantial increase in truck registrations in Brazil.
- Trucks unit sales down by -5% in Q4 2019; trucks unit sales ex MAN TGE -8%.

¹ Including MAN TGE vans (units in 2018: Q1 1,335 / Q2 1,843 / Q3 1,689 / Q4 3,004; units in 2019: Q1 3,122 / Q2 4,144 / Q3 2,845 / Q4 4,677)

GROUP – SALES GROWTH IN CORE MARKETS

Truck unit sales in core markets¹; 2019 (units)



¹ Excluding MAN TGE vans ² EU28+2 region (defined as the EU28 countries with the exception of Malta, plus Norway and Switzerland), known as the EU27+3 region from February 1, 2020 (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, 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 January 23, 2020, trucks > 16t; for Brazil data collected from ANFAVEA trucks > 6t as at January 15, 2020; South America own estimates

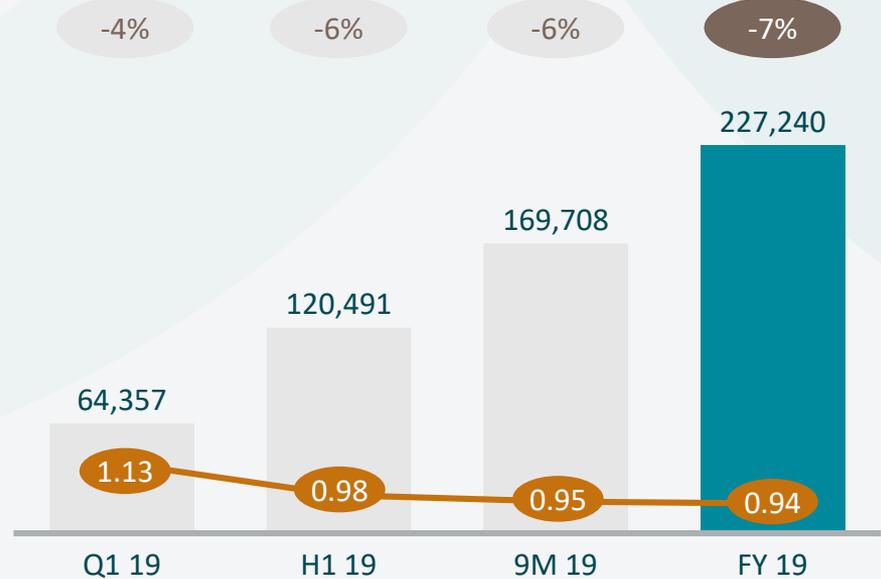
INDUSTRIAL BUSINESS – ORDER INTAKE

ORDER INTAKE (units)

Book-to-bill¹ (ratio in units)



Growth Y-o-Y (%)

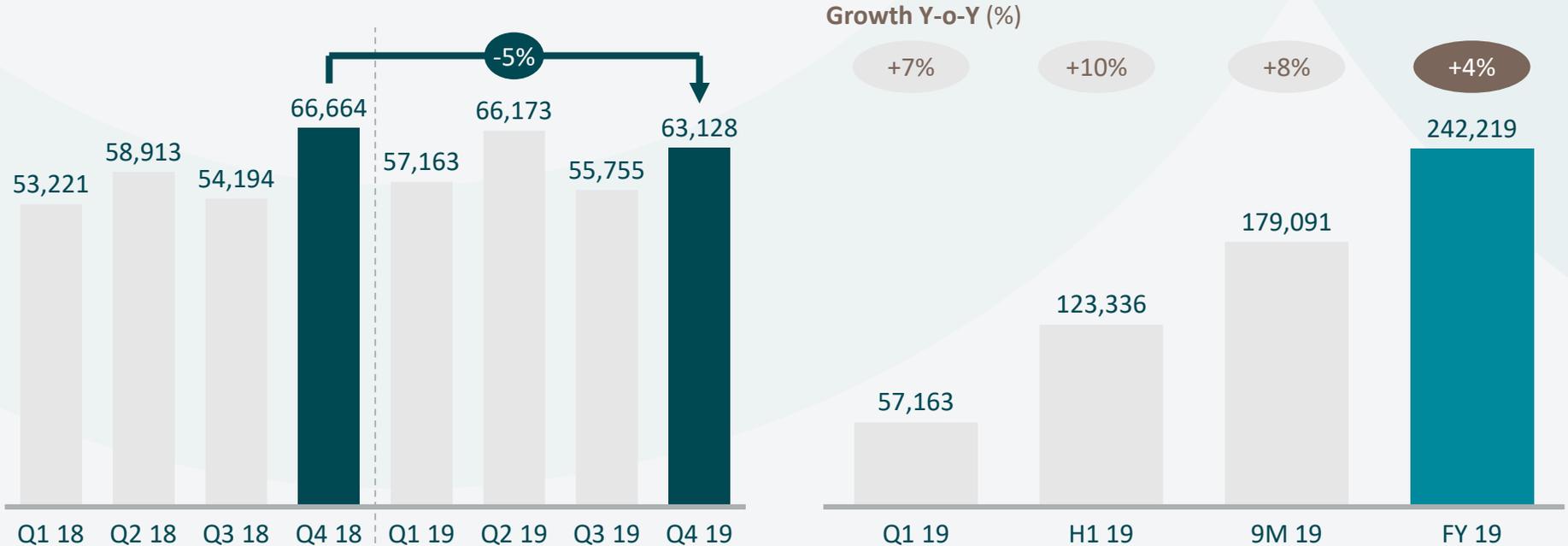


- Order intake up in Q4 2019 compared to previous quarter, but down year-over-year. Noticeable decrease mainly due to lower orders in the EU28+2 region, driven in particular by Germany and United Kingdom. However, book-to-bill still at 0.91 in Q4 2019.
- Substantial declines in Russia, India, and Turkey. Continued 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)

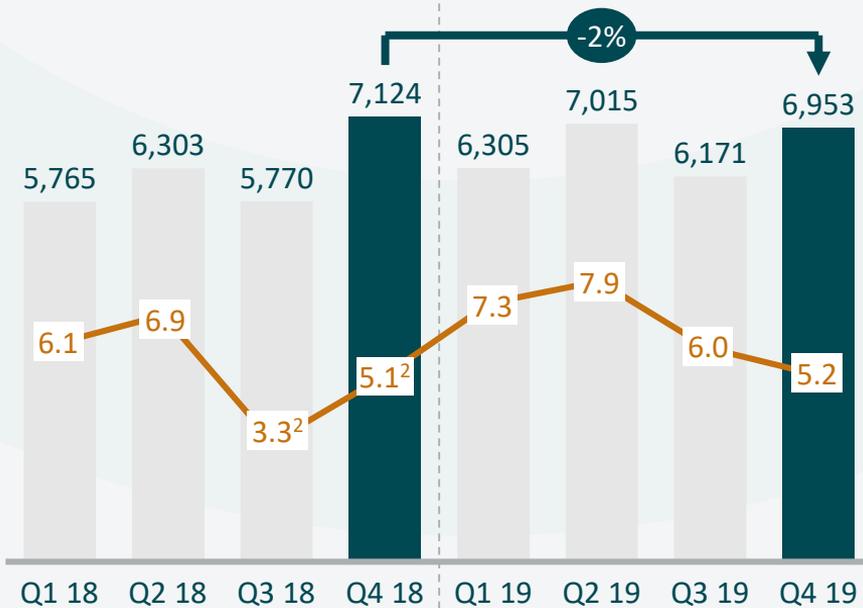


- Truck sales in the first half influenced by the pre-buy effect ahead of the introduction of the digital tachograph. Q4 2019 improved q-o-q, but lower compared to Q4 2018, mainly due to a weaker EU28+2 region. Continued strong growth of MAN TGE.
- Bus sales decreased in Q4 2019 by -8%, but up slightly on the previous quarter due to seasonal effects.

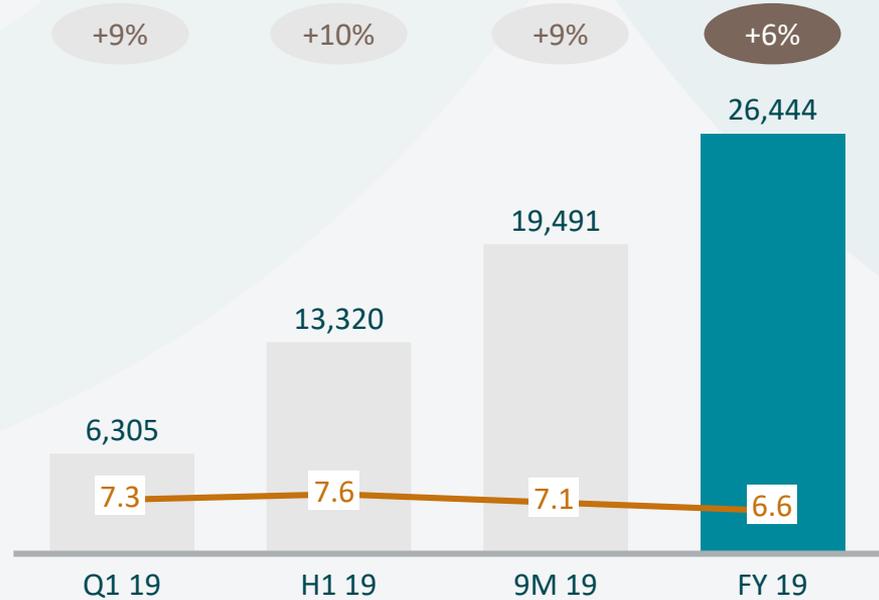
INDUSTRIAL BUSINESS – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



- Decreased sales revenue in Q4 2019 due to lower truck sales, FY 2019 after-sales grew by +5% (share at 19%).
- Return on sales in Q4 2019 impacted by decreased volume and higher costs ahead of rollout of new truck and bus generations of MAN Truck & Bus; 2018 impacted by restructuring of Indian activities. VWCO benefited from recovery of Brazilian economy.

¹ Calculated as the ratio of operating profit to sales revenue. ² Impacted by the restructuring of the activities in India in Q3 2018 (€115 mn, adjusted RoS 5.3%) and Q4 2018 (€22 mn, adjusted RoS 5.5%)
 March 23, 2020 / Investor Relations / FY 2019 Results

INDUSTRIAL BUSINESS – SALES REVENUE BY BRAND AND RETURN ON SALES

SALES REVENUES Q4 2019 (€mn)

Growth rate (%)

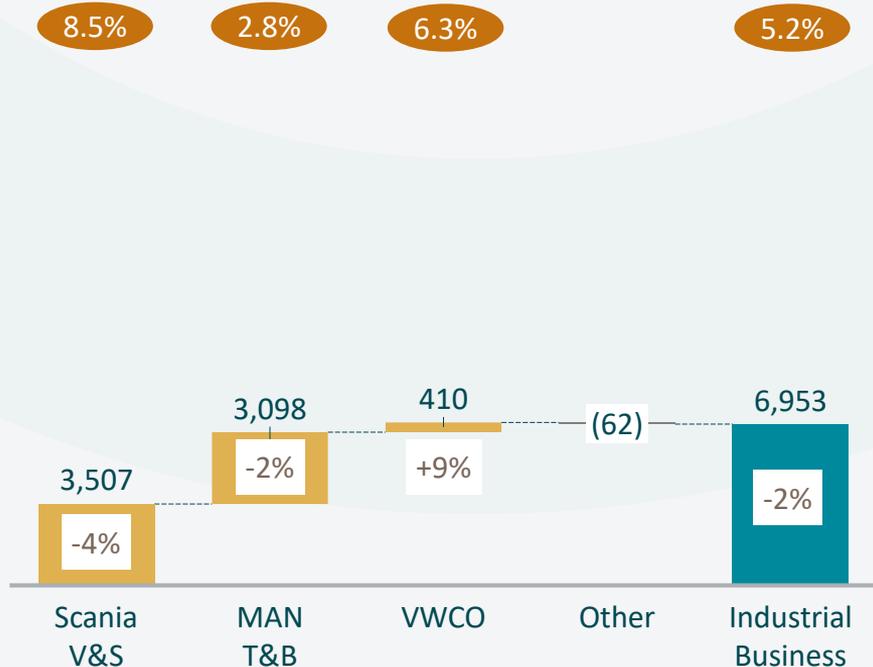
8.5%

2.8%

6.3%

Return on sales¹ (%)

5.2%



SALES REVENUES FY 2019 (€mn)

Growth rate (%)

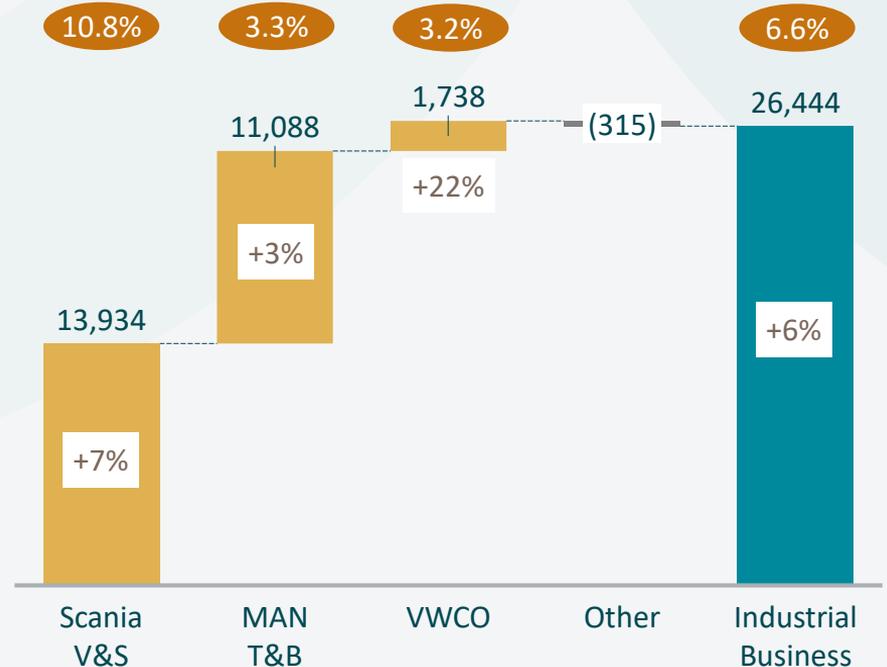
10.8%

3.3%

3.2%

Return on sales¹ (%)

6.6%

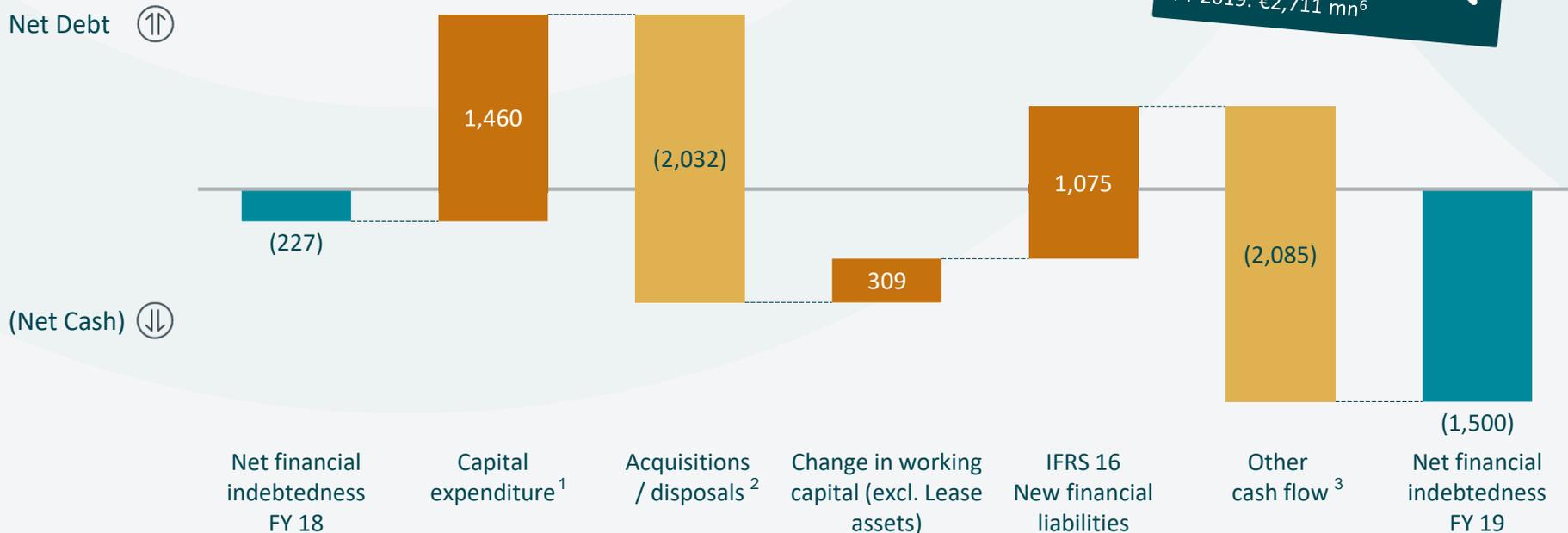


¹ Calculated as the ratio of operating profit to sales revenue

Note: Figures shown as at Q4 2019 / FY 2019; percentage change calculated YoY, Q4 2019 vs. Q4 2018 / FY 2019 vs. FY 2018

INDUSTRIAL BUSINESS – INDEBTEDNESS

NET FINANCIAL INDEBTEDNESS / NET LIQUIDITY BRIDGE (€mn)



Net cash flow improved in 2019

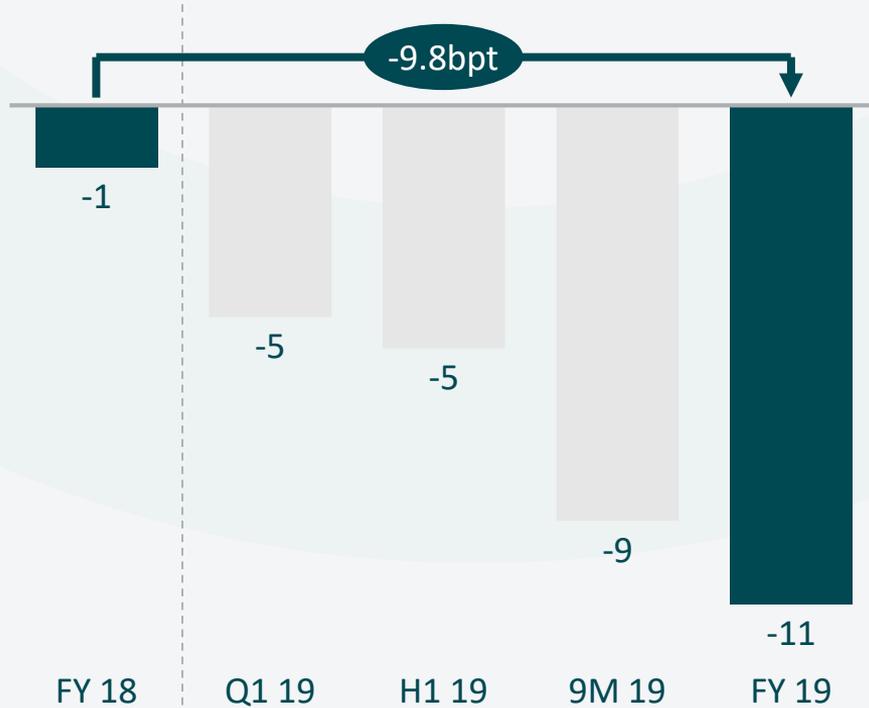
- Q1 2019: €1,602 mn⁴
- Q2 2019: €182 mn
- Q3 2019: €539 mn⁵
- Q4 2019: €389 mn
- FY 2019: €2,711 mn⁶



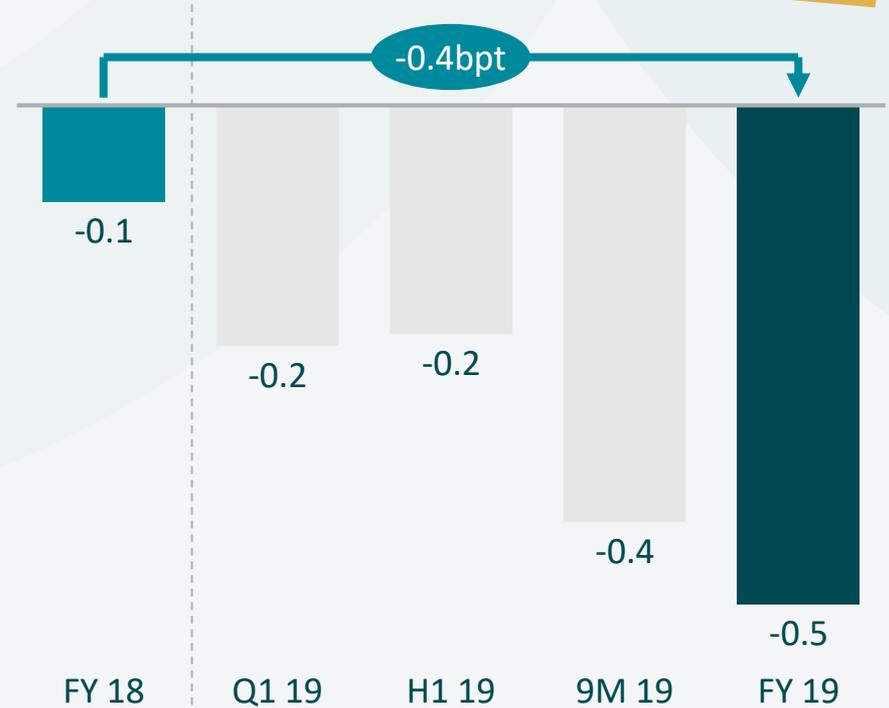
¹ Investments in PP&E and intangible assets ² Amongst others reflecting the Power Engineering disposal ³ Including, amongst others, €-994 mn payments for tendered MAN shares, €-3,250 mn contribution of capital reserves and €4,161 mn DPLTA with VW AG, €-3,384 mn gross cash flow and €+1.585 mn change in lease assets ⁴ €-376 mn before the sale of Power Engineering (€1,978 mn) ⁵ €324 mn before the sale of parts of the RMMV Joint Venture (€101 mn incl. dividends) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn) ⁶ €518 mn before the sale of Power Engineering (€1,978 mn), the sale of parts of the RMMV Joint Venture (€101 mn incl. dividends) and repayment for amounts and interest resulting from security deposits provided in Brazil (€114 mn)

INDUSTRIAL BUSINESS – SOLVENCY RATIOS

GEARING RATIO¹ (in %)



NET DEBT / ADJUSTED EBITDA² (x)



Net liquidity (cash) position
 as of December 31, 2019 of €(1,500) mn

Note: Industrial Business net financial liquidity (cash) per FY 2018: €(227) mn, Q1 2019: €(604) mn, H1 2019: €(689) mn, 9M 2019: €(1,207) mn, FY 2019: €(1,500) mn

¹ For Industrial Business: Calculated as net liquidity/net financial debt divided by book value of equity ² For Industrial Business: Calculated as net liquidity/net financial debt divided by last twelve month adjusted EBITDA (actual quarter + last 3 quarters)

March 23, 2020 / Investor Relations / FY 2019 Results

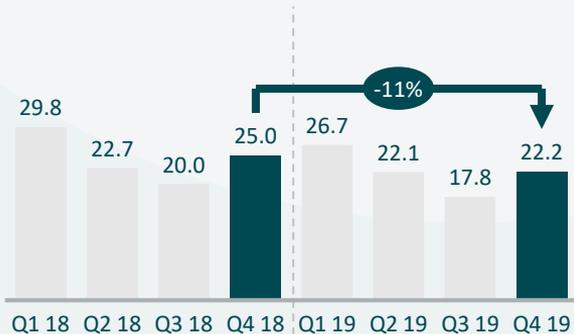
SCANIA VEHICLES & SERVICES – SUMMARY FY 2019

- Order intake declined by -9%; order intake for trucks was down by -8% mainly because of negative trends in the EU28+2 region, mainly the UK, Germany and Poland.
 - Sales of trucks up by +4%, primarily driven by significant growth in the EU28+2 region and strong growth in Brazil; vehicles sales substantially lower in Russia and in the Middle East.
 - Operating profit increased by +25% (RoS of 10.8%) benefiting from higher volumes, positive exchange rate effects, end of the previous parallel production of old and new truck series and a more favorable product and 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

MAN TRUCK & BUS – SUMMARY FY 2019

- Order intake for trucks down by -17% mainly due to accelerated negative trends in the EU28+2 region.
 - Truck sales up by +2% primarily driven by MAN TGE (Truck sales excluding MAN TGE -5%).
 - Operating profit decreased by -8% (adjusted down by -31%)
 - positive effects from higher revenues (mainly driven by higher MAN TGE sales) and growing After Sales business.
 - offset by lower trucks sales (>6t), 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 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 (€137 mn).
-
- New MAN Truck Generation introduced in February 2020.



MAN TRUCK & BUS – KEY FIGURES PER QUARTER

Order intake (k units)



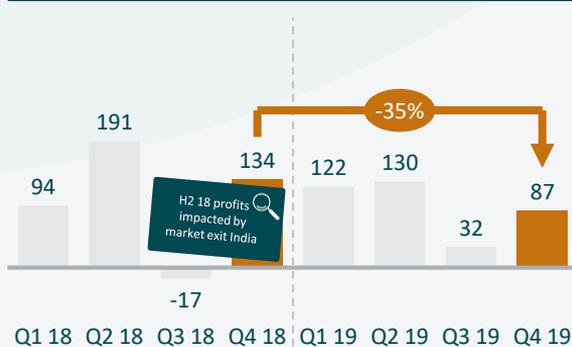
Sales revenue (€mn)



Unit sales (k units)



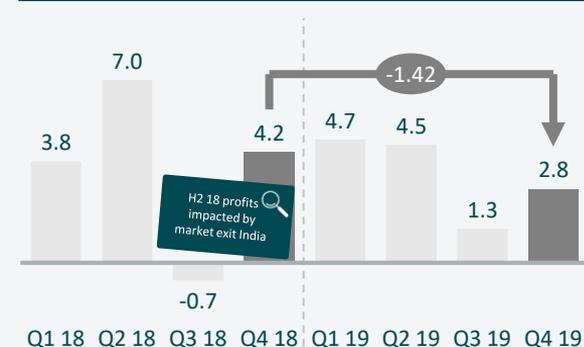
Operating profit² (€mn)



Book-to-bill¹ (ratio in units)



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 / Q4 2018 impacted by the restructuring of the activities in India (€115 mn / €22 mn), adjusted RoS 4.0% / 4.9% ³ Calculated as the ratio of operating profit to sales revenue

SIMPLE MAN FORMULA FOR STRUCTURAL TRANSFORMATION NEED



Insufficient financial performance vs competition



Investment needs for new technologies (such as digital services, automation and alternative drives)



Increased urgency due to market downturn in Europe



Urgent need for transformation with focus on...

- Game-changing **structural measures** (current/ future core)
- Sustainable **fixed cost reduction**
- Radical **lowering of break-even point**

...targeted to be fully implemented by end of **2022** with visible first results in **2020**

TO ACHIEVE OUR ASPIRATION, WE WILL MAKE STRUCTURAL IMPROVEMENTS ACROSS MAN

Focus of Transformation

On top aspiration



Fixed cost

(Overhead cost & indirect labor)



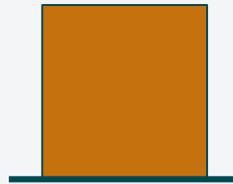
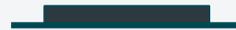
Direct labor



Direct material



Margin expansion



Transformation contribution to achieve 8% RoS target

VOLKSWAGEN CAMINHÕES E ÔNIBUS – SUMMARY FY 2019

- Brazilian truck market continued to recover in tandem with economic upturn; truck unit sales increased by +22%.
 - Export sales declined on sluggish demand in other relevant markets in South America.
 - Operating profit nearly doubled to €55 mn (adjusted +54%)
 - benefits from positive volume and price effects.
 - partly offset by foreign exchange effects and inflation-related cost increases, e.g., for materials, and higher depreciation charges.
-
- 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)



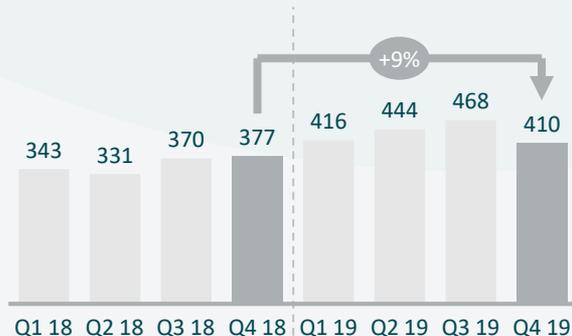
Unit sales (k units)



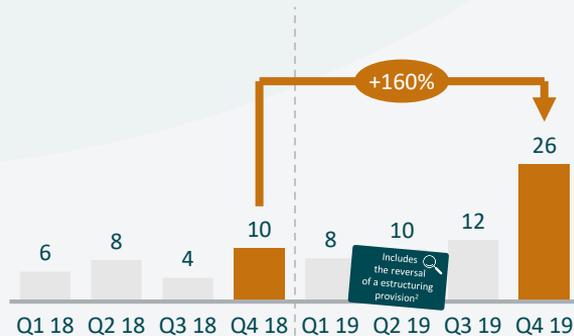
Book-to-bill¹ (ratio in units)



Sales revenue (€mn)



Operating profit² (€mn)



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

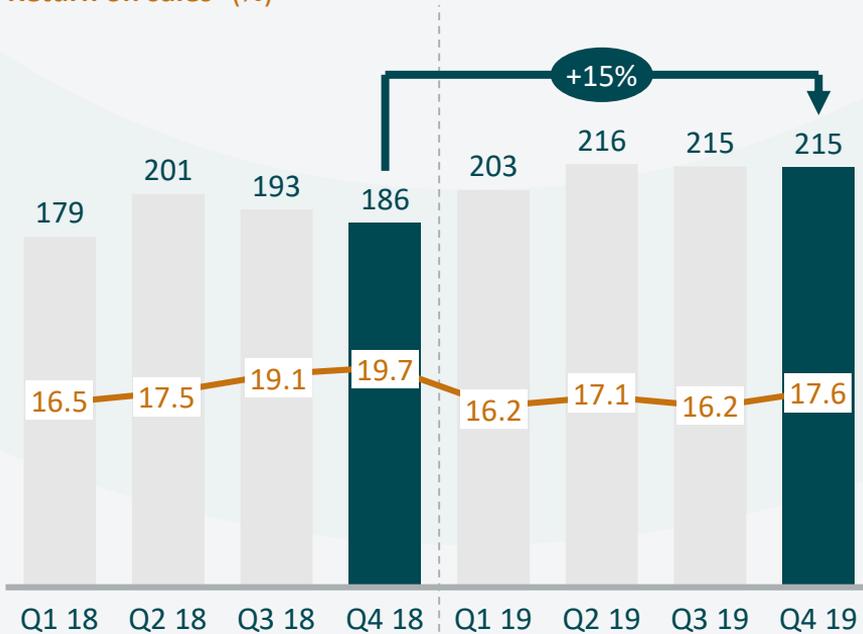


¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Q2 2019 includes an adjustment of (€13 mn) from the reversal of a restructuring provision ³ Calculated as the ratio of operating profit to sales revenue

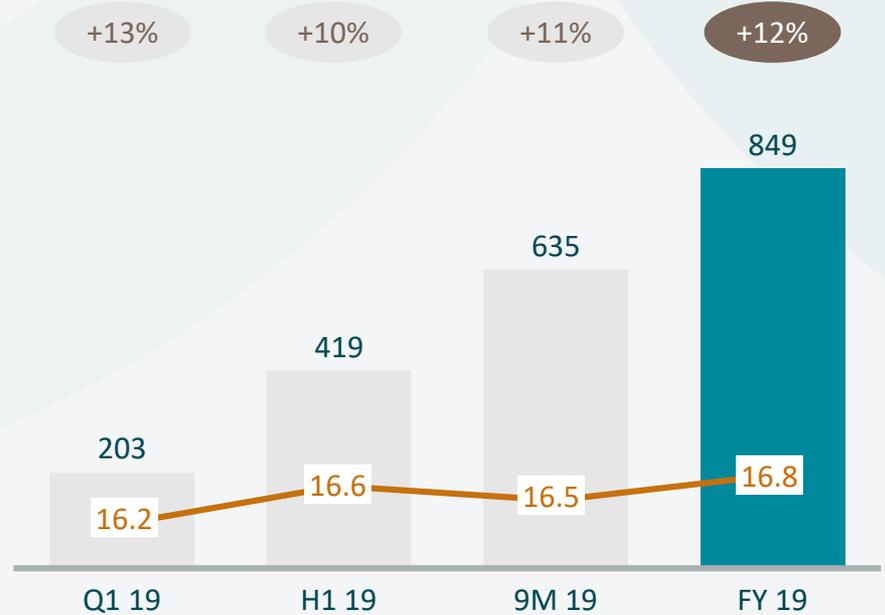
FINANCIAL SERVICES – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



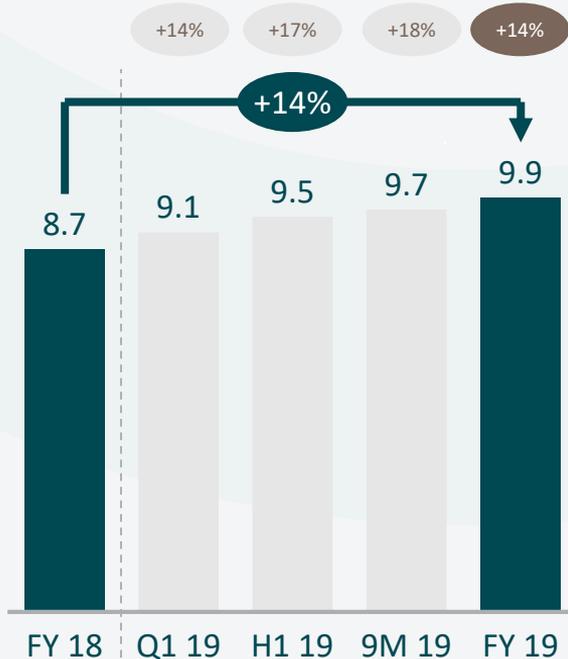
- Operating profit increased in Q4 2019 by +3% to €38 mn and in FY 2019 by +3% to €142 mn.
- Portfolio growth and currency effects positive, while lower margins and higher operating cost had negative effects.

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 (%)

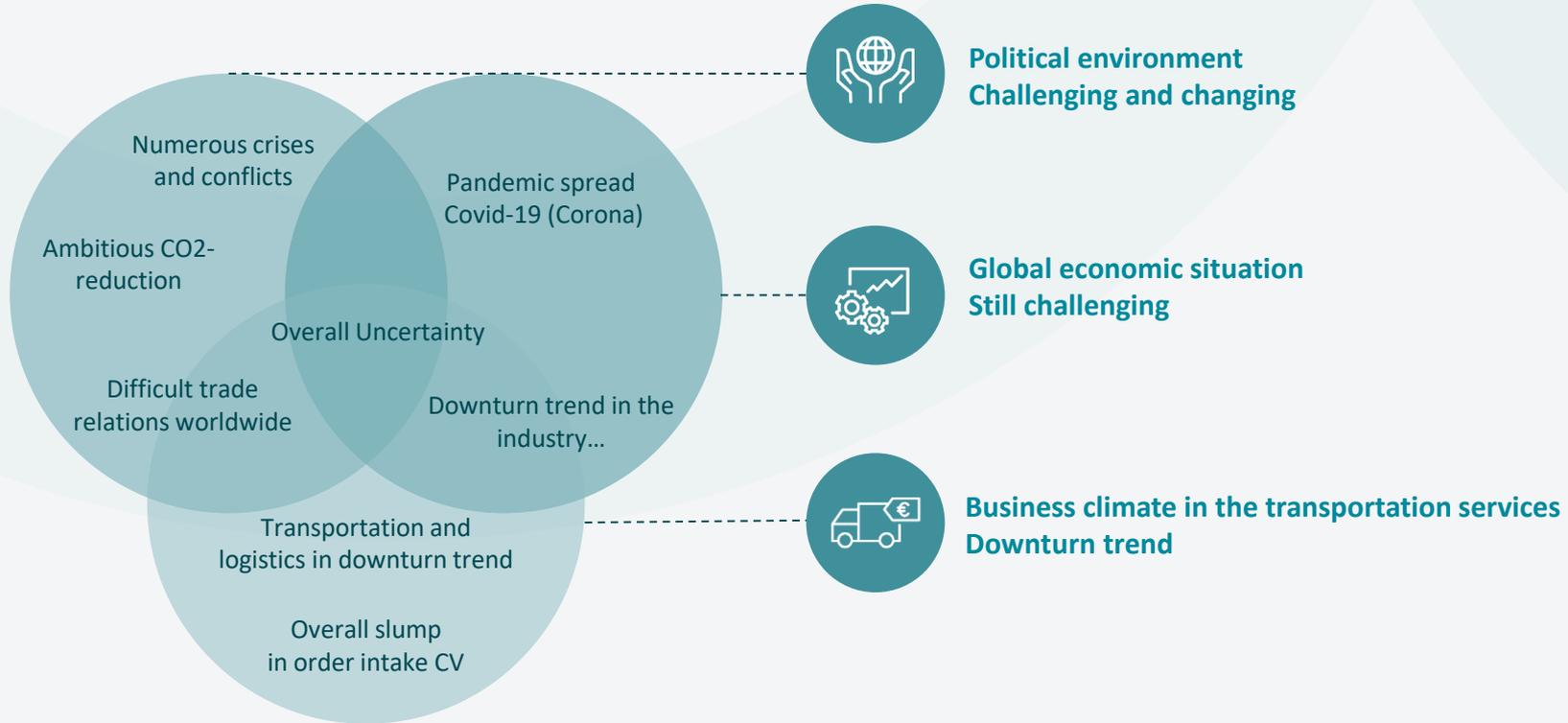


COMMENTARY

- By the end of FY 2019 the customer finance portfolio amounted to €9.9 bn; this represents an increase of +14% compared to year end 2018.
- The penetration rate on new trucks was 41.9% in FY 2019 (FY 2018: 42.8%) in those markets where Financial Services operates.
- Equity increased to €971 mn (FY 2018: €815 mn).

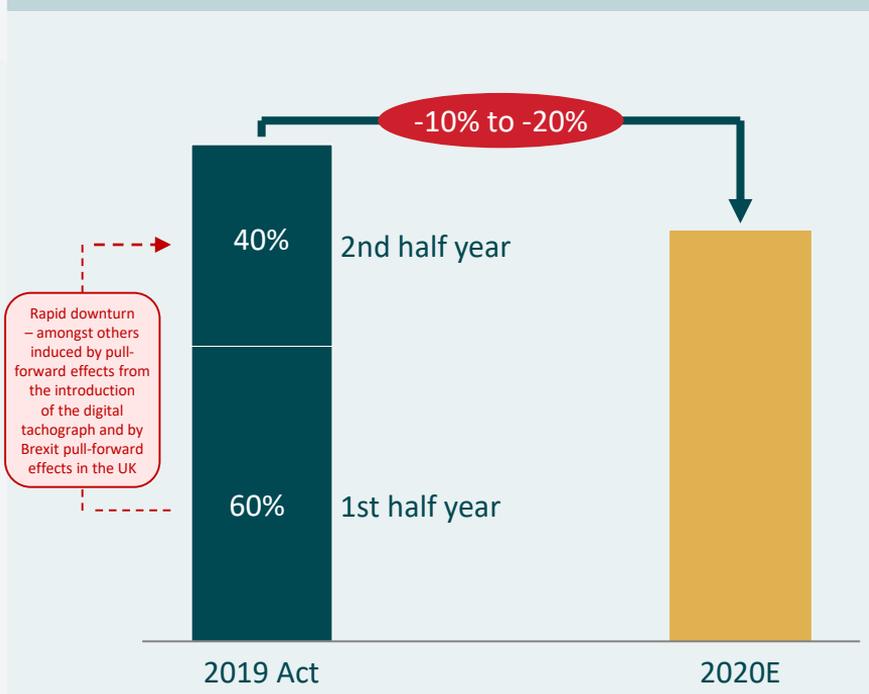
¹ Reflecting closing balances; net portfolio defined as gross portfolio less bad debt provisions; growth excl. currency effects ² Trucks only

CHALLENGES & CHANGES – MACROECONOMIC ENVIRONMENT 2019 AND 2020



DUE TO EU27+3 MARKET DOWNTURN FIRST MEASURES HAVE BEEN TAKEN

EU27+3 truck markets¹



Measure already taken

- Production rate reduced for Scania and MAN Truck & Bus by 20% Y-o-Y in Q4 2019.
- Additional closing days within production and reduction of time accounts (e.g. extension of Christmas break).
- Reduction of temporary workers in 2nd half year 2019 by 2,300.
- Review of non-product investments and R&D for 2020.

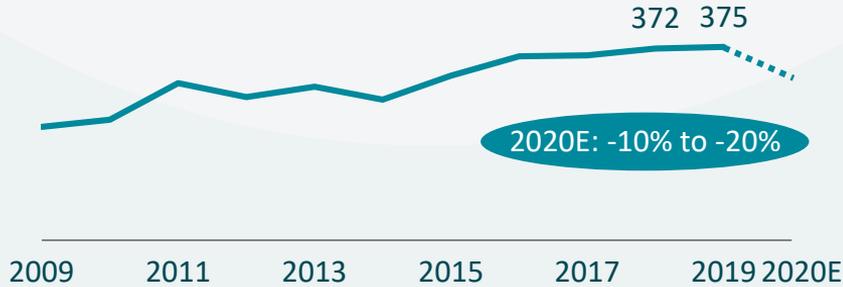
➤ Additional measures to be taken depending on further market development.

¹ EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland), (> 6t)

OUTLOOK – TRUCK MARKET

TRUCK MARKET DEVELOPMENT (> 6t, k units)

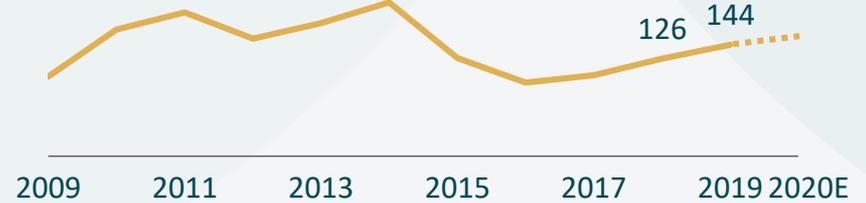
EU27+3¹



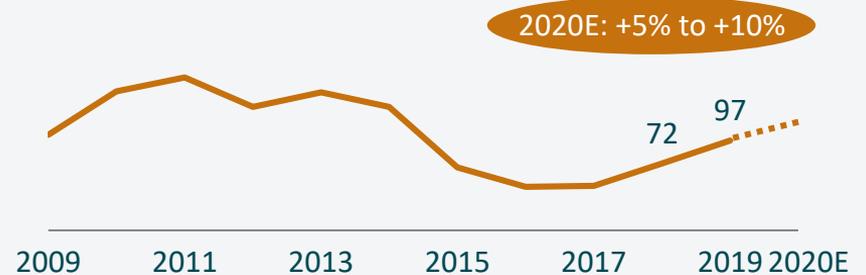
GERMANY



SOUTH AMERICA



BRAZIL



Economic effects of Covid-19 will impact the market development in 2020 additionally; a reliable forecast is currently impossible

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

¹ EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland), (> 6t) ² In addition to the EU27+3 countries these markets comprise Brazil, Russia, South Africa, and Turkey

OUTLOOK GROUP – RECENT TRACK RECORD, OUTLOOK 2020 AND OVER-THE-CYCLE TARGET

Economic effects of Covid-19 and restructuring of MAN T&B are not included in the outlook; the Covid-19 pandemic makes a reliable forecast of our business development at the moment impossible

		FY 2018	FY 2019	2020 Outlook	Over-the-cycle RoS target
Unit sales <i>(Units; Growth in %)</i>	➤	233.0k +14%	242.2k +4%	Moderate decline compared with previous year	
Group sales revenue <i>(in €bn; Growth in %)</i>	➤	€25.9bn +6%	€26.9bn +4%	Moderate decline compared with previous year	
Group return on sales <i>(in %; operating profit in €bn)¹</i>	➤	5.8% €1.5bn	7.0% €1.9bn	4.5% – 5.5% ²	9% Over-the-cycle RoS
Cash conversion rate <i>(in %; Industrial Business)³</i>	➤	14%	179%	20% – 30%	

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

¹ FY 2018: adjusted RoS 6.4%, adjusted operating profit €1.7 bn; FY 2019: adjusted RoS 7.0%, adjusted operating profit €1.9 bn ² No adjustments applied to estimated return on sales 2020 ³ Calculated as the ratio of net cash flow to profit after tax; in FY 2019 and FY 2018, the cash conversion rate was impacted by a number of nonrecurring factors; FY 2019 reflected for example the proceeds from the disposal of the Power Engineering business

March 23, 2020 / Investor Relations / FY 2019 Results

Appendix

CONTACTS INVESTOR RELATIONS



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FINANCIAL CALENDAR

DATE

EVENT / PUBLICATION OF

March 23, 2020

Annual Press Conference & Annual Report 2019

May 4, 2020

Q1 2020

May 28, 2020

Annual General Meeting 2020

July 31, 2020

Half-year 2020

November 2, 2020

9-month 2020

Dates are preliminary
 in light of the
 Covid-19 pandemic
 development 🔍



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

INNOVATION DAY 2019 – TRATON WANTS TO BECOME A LEADER IN E- MOBILITY



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

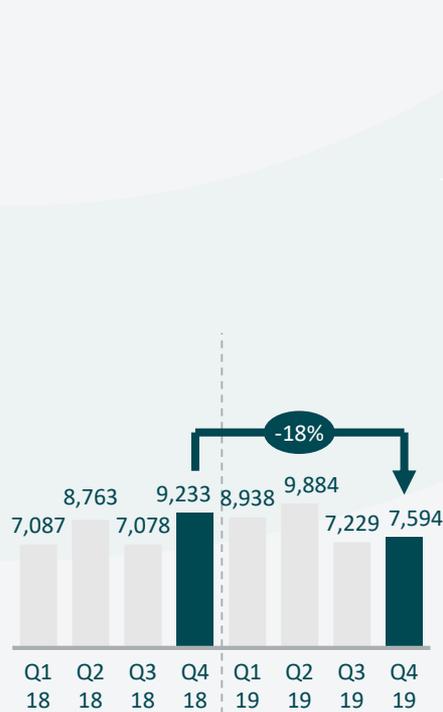
- **€1 bn** in R&D expenditures on **e-mobility** (in total 2019-2024)
- **€1 bn** in R&D expenditures on **digitization** (in total 2019-2024)
- Aim: more than a **million connected vehicles** on the road

GROUP – REGIONAL TRUCK UNIT SALES DEVELOPMENT¹

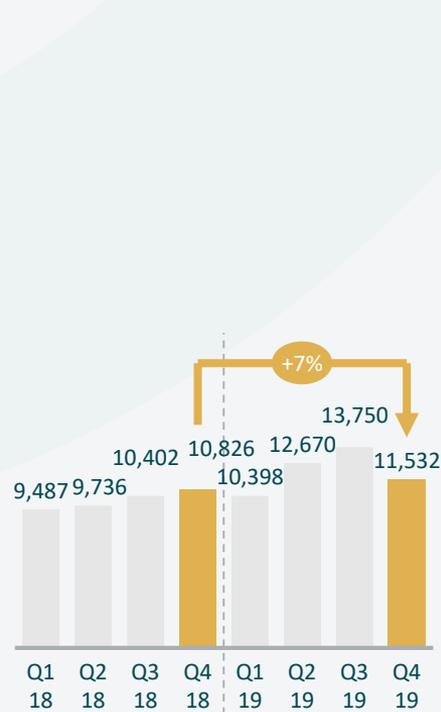
EU27+3² (units)



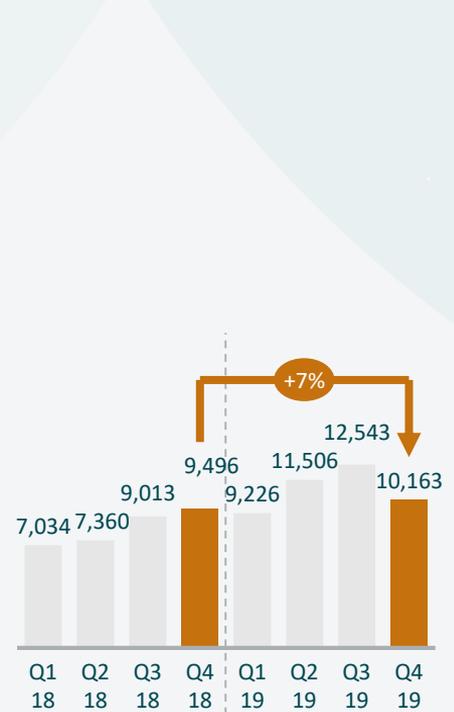
Germany (units)



South America (units)



Brazil (units)

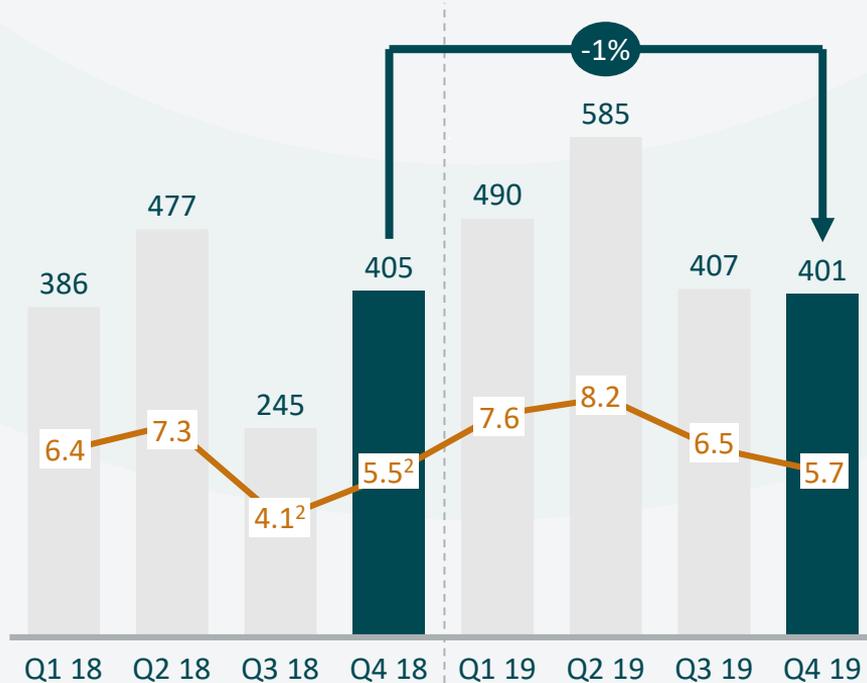


¹ Excluding MAN TGE vans ² EU28+2 region (defined as the EU28 countries with the exception of Malta, plus Norway and Switzerland), known as the EU27+3 region from February 1, 2020 (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland)

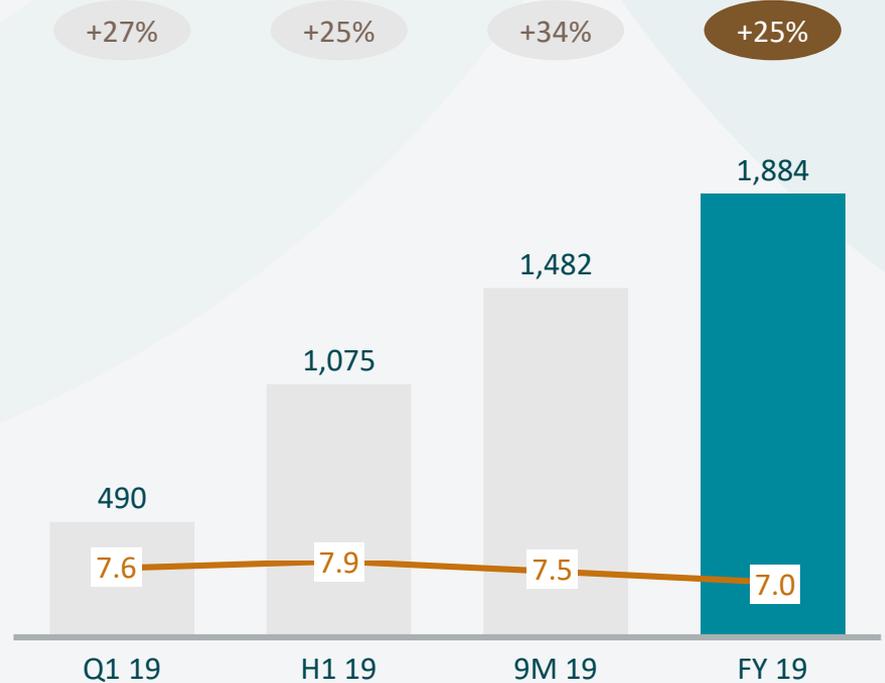
GROUP – OPERATING PROFIT AND RETURN ON SALES

OPERATING PROFIT (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



¹ Calculated as the ratio of operating profit to sales revenue ² Impacted by the restructuring of the activities in India in Q3 2018 (€115 mn, adjusted RoS 6.0%) and Q4 2018 (€22 mn, adjusted RoS 5.8%)

SCANIA VEHICLES & SERVICES – KEY FIGURES CUMULATIVE

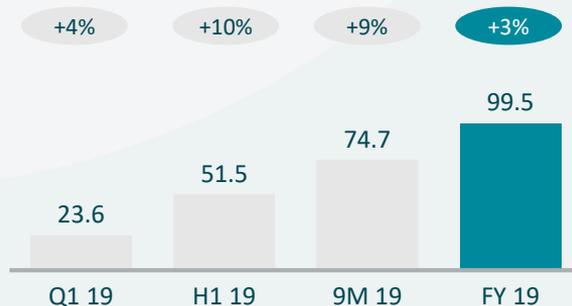
Order intake (k units)

Growth Y-o-Y (%)



Unit sales (k units)

Growth Y-o-Y (%)



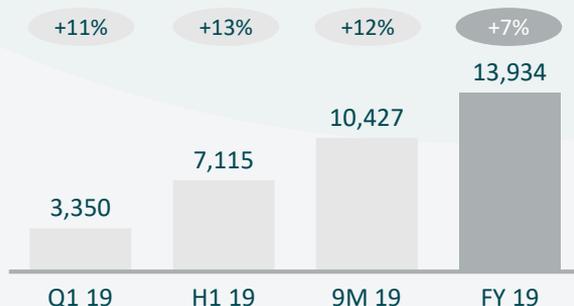
Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)



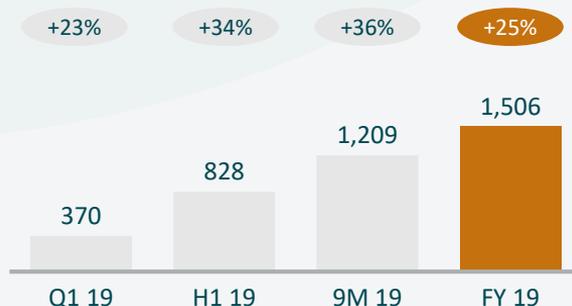
Sales revenue (€mn)

Growth Y-o-Y (%)



Operating profit (€mn)

Growth Y-o-Y (%)



Return on sales² (%)

Growth Y-o-Y (%)

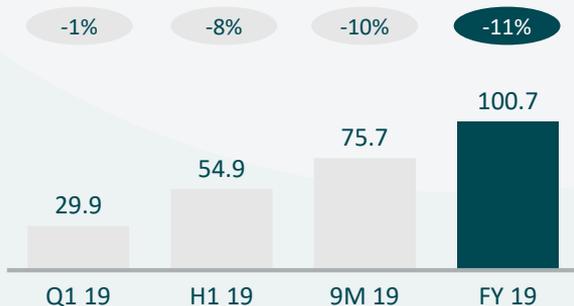


¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² Calculated as the ratio of operating profit to sales revenue

MAN TRUCK & BUS – KEY FIGURES CUMULATIVE

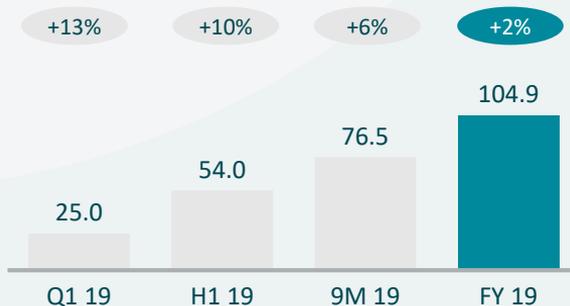
Order intake (k units)

Growth Y-o-Y (%)



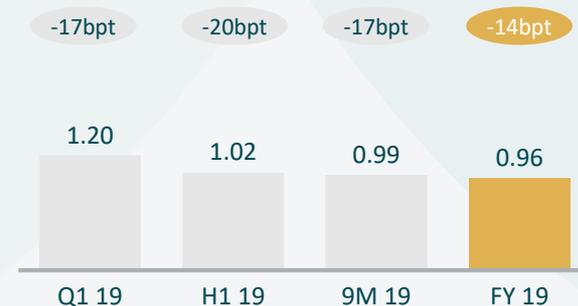
Unit sales (k units)

Growth Y-o-Y (%)



Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)



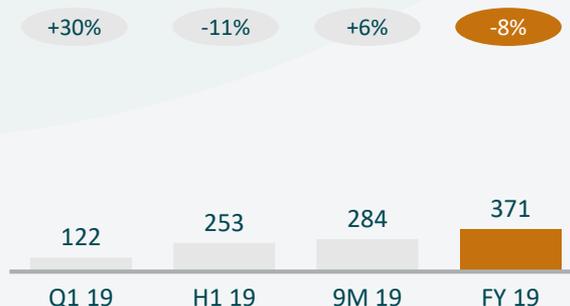
Sales revenue (€mn)

Growth Y-o-Y (%)



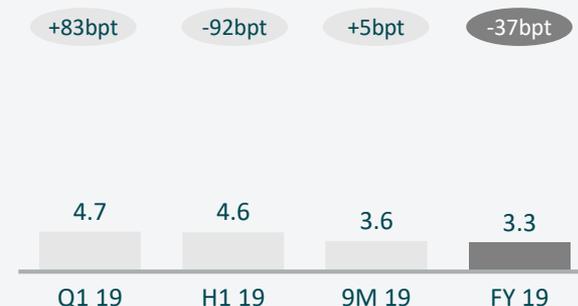
Operating profit² (€mn)

Growth Y-o-Y (%)



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

Growth Y-o-Y (%)

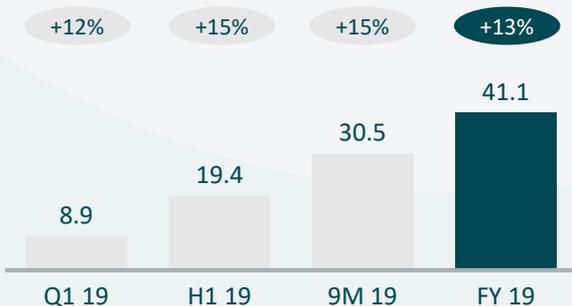


¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered ² H1 2018 contained an earnings effect of €19 mn resulting from the transfer of the RIO brand to a TRATON GROUP company; FY 2018 impacted by the restructuring of the activities in India (€137 mn) ³ Calculated as the ratio of operating profit to sales revenue

VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES CUMULATIVE

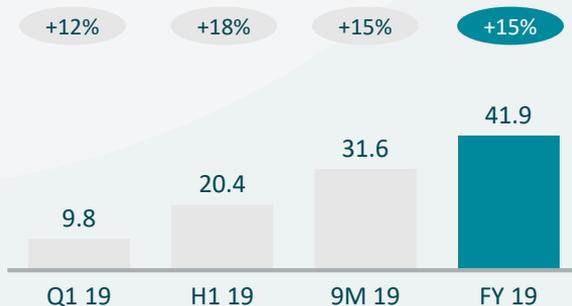
Order intake (k units)

Growth Y-o-Y (%)



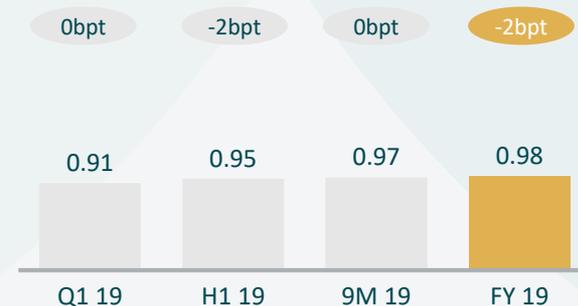
Unit sales (k units)

Growth Y-o-Y (%)



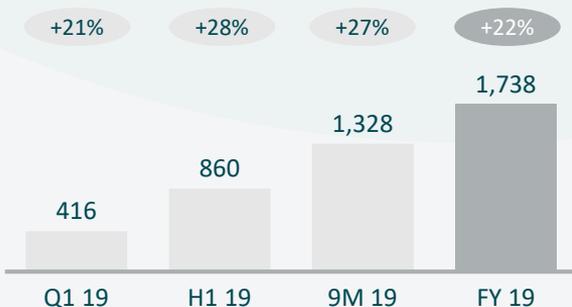
Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)



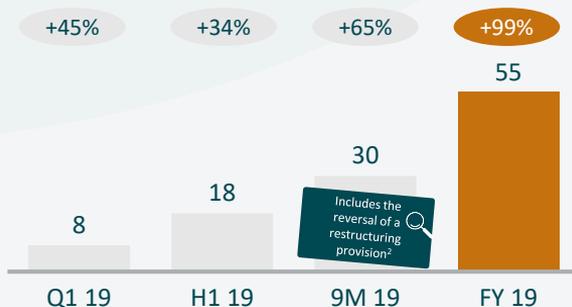
Sales revenue (€mn)

Growth Y-o-Y (%)



Operating profit (€mn)

Growth Y-o-Y (%)



Return on sales³ (%)

Growth Y-o-Y (%)



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 an adjustment of (€13 mn) from the reversal of a restructuring provision 3 Calculated as the ratio of operating profit to sales revenue

GROUP – CONDENSED INCOME STATEMENT

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/ reconciliation	
	2019	2018	2019	2018	2019	2018	2019	2018
Sales revenue	26,901	25,927	26,444	24,963	849	760	-392	204
Cost of sales	-21,618	-20,946	-21,462	-20,298	-547	-489	391	-159
Gross profit	5,284	4,981	4,983	4,665	302	271	-1	46
Distribution expenses	-2,480	-2,391	-2,356	-2,265	-126	-110	1	-16
Administrative expenses	-973	-1,011	-973	-1,007	-	-	-	-4
Other operating result	53	-66	88	-46	-34	-22	-1	2
Operating profit	1,884	1,513	1,741	1,346	142	138	0	28
Operating return on sales (in %)	7.0	5.8	6.6	5.4	16.8	18.2	-	-
Financial result	81	53	140	98	8	10	-67	-55
Profit/loss before tax	1,965	1,566	1,881	1,444	151	148	-67	-27
Income taxes	-401	-415	-361	-344	-40	-40	-1	-30
Profit/loss from discontinued operations, net of tax	-2	250	-2	509	-	-	-	-260
Profit/loss after tax	1,561	1,401	1,518	1,610	111	108	-67	-317

GROUP – CONDENSED BALANCE SHEET

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Intangible assets	6,755	6,597	6,750	6,594	4	3	–	–
Property, plant, and equipment	6,789	5,469	6,778	5,458	25	11	–13	–1
Assets leased out	7,119	6,599	7,115	6,595	826	3	–821	0
Equity-method investments	1,365	1,223	1,365	1,223	–	–	–	–
Other equity investments	34	37	386	421	0	0	–352	–384
Income tax receivables	167	189	141	174	26	26	–	–10
Deferred tax assets	970	939	935	907	48	47	–13	–15
Financial services receivables	7,991	6,900	10	–	7,981	6,900	0	0
Inventories	4,943	4,822	4,943	4,822	–	–	–	–
Trade receivables	2,144	2,319	2,216	2,355	34	27	–106	–62
Other assets	1,816	8,037	1,727	8,796	1,320	1,990	–1,231	–2,750
Marketable securities and investment deposits	3,178	98	3,178	5	–	93	–	–
Cash and cash equivalents	1,913	2,997	1,853	2,945	60	53	0	0
Assets held for sale	–	157	–	–	–	–	–	157
Total assets	45,183	46,384	37,396	40,295	10,324	9,153	–2,536	–3,064
Equity	14,134	16,801	13,365	16,219	971	815	–201	–234
Financial liabilities	12,497	10,814	3,641	3,747	8,998	8,026	–141	–958
Provisions for pensions and other post-employment benefits	1,769	1,506	1,759	1,499	10	8	–	–
Income tax payables	278	247	265	234	13	12	–	–
Deferred tax liabilities	787	824	733	770	63	66	–9	–12
Income tax provisions	51	153	47	153	4	0	–	–
Other provisions	2,094	2,122	2,092	2,112	3	10	–	–
Other liabilities	11,101	8,996	13,042	10,770	138	123	–2,079	–1,896
Put options/compensation rights granted to noncontrolling interest shareholders	–	1,827	–	1,827	–	–	–	–
Trade payables	2,472	2,969	2,453	2,963	125	93	–106	–87
Liabilities directly associated with assets held for sale	–	123	–	–	–	–	–	123
Total equity and liabilities	45,183	46,384	37,396	40,295	10,324	9,153	–2,536	–3,064

GROUP – CONDENSED CASH FLOW STATEMENT

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash and cash equivalents as of January 1	2,997	4,594	2,945	4,686	53	48	-	-141
Gross cash flow ¹	3,460	2,856	3,384	2,798	498	116	-422	-57
Change in working capital	-2,373	-2,402	-1,276	-1,212	-1,480	-1,189	383	-1
Net cash used in operating activities – discontinued operations	-	-72	-	-88	-	-	-	17
Net cash provided by/used in operating activities	1,088	382	2,108	1,497	-982	-1,073	-38	-41
Net cash provided by/used in investing activities attributable to operating activities	634	-932	603	-1,364	-3	-3	33	435
Change in marketable securities, investment deposits, and loans	-2,994	51	-2,268	592	90	-34	-816	-506
Net cash flows from investing activities of discontinued operations	-	-184	-	0	-	-	-	-183
Net cash provided by/used in investing activities	-2,360	-1,065	-1,665	-773	87	-37	-782	-255
Net cash provided by/used in financing activities	183	-865	-1,540	-2,416	902	1,117	820	433
Effect of exchange rate changes on cash and cash equivalents	6	-48	5	-50	0	-2	0	4
Change in cash and cash equivalents	-1,085	-1,596	-1,092	-1,742	7	5	0	141
Cash and cash equivalents as of December 31, 2019	1,913	2,997	1,853	2,945	60	53	0	0
Gross cash flow	3,460	2,856	3,384	2,798	498	116	-422	-57
Change in working capital	-2,373	-2,402	-1,276	-1,212	-1,480	-1,189	383	-1
Net cash provided by/used in investing activities attributable to operating activities	634	-932	603	-1,364	-3	-3	33	435
Net cash flow	1,721	-478	2,711	221	-985	-1,076	-5	377

¹ Gross cash flow is calculated as the sum of profit before tax and income tax payments, adjusted by depreciation and amortization of, and impairment losses on, immaterial assets, property, plant, and equipment, investment property, capitalized development costs, products leased out (net of impairment reversals), impairment losses on equity investments (net of impairment reversals), changes in pensions, profit/loss on disposal of noncurrent assets and equity investments, share of profits and losses of equity-method investments, and other noncash expenses/income from lease liabilities.

GROUP – NET LIQUIDITY

€ million	TRATON GROUP		Industrial Business	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Cash and cash equivalents	1,913	2,997	1,853	2,945
Marketable securities, investment deposits, and loans	3,195	202	3,288	1,029
Gross liquidity	5,108	3,200	5,141	3,974
Total borrowings	-12,497	-10,814	-3,641	-3,747
Net liquidity/net financial debt	-7,390	-7,615	1,500	227

GROUP – ADJUSTMENTS

Adjustments (€ million)	2016	2017	2018	2019
OPERATING PROFIT	727	1,512	1,513	1,884
Expense for antitrust proceedings (Scania)	403			
Release of restructuring provisions at MAN Truck & Bus		-50		
Expenses in relation to India market exit at MAN Truck & Bus			137	
Release of restructuring provisions at VWCO	58			-13
OPERATING PROFIT (ADJUSTED)	1,188	1,462	1,650	1,871

INDUSTRIAL BUSINESS – ADJUSTED EBITDA

€ million	2019	2018
Operating profit	1,741	1,346
Adjustments	-13	137
Adjusted operating profit ¹	1,729	1,484
plus share of profits and losses of equity-method investments	208	209
plus other financial result	101	54
plus depreciation and amortization of, and impairment losses on, intangible assets, property, plant, and equipment, and investment property, net of impairment reversals	859	634
plus amortization of, and impairment losses on, capitalized development costs, net of impairment reversals	192	170
plus impairment losses on equity investments, net of impairment reversals	-67	-184
Adjusted EBITDA¹	3,022	2,366

¹ Not audited

Note: Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) reflects the Industrial Business segment's operating performance before interest, taxes, depreciation, and amortization, after accounting for the use of resources

INDUSTRIAL BUSINESS – RETURN ON INVESTMENT

€ million	2019	2018
Annual average invested capital	12,584	11,013
Operating profit	1,741	1,346
Operating profit after tax	1,219	942
Operating profit (adjusted) ¹	1,729	1,484
Operating profit (adjusted) after tax ¹	1,210	1,039
Return on investment (in %)	9.7	8.6
Return on investment (adjusted) (in %)¹	9.6	9.4

¹ Not audited