

Munich, 29 July 2019

H1 2019 RESULTS

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Bloomberg Ticker: 8TRA GY / 8TRA SS

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G R O U P



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- Segment Industrial Business (MAN T&B, Scania V&S and VWCO)
- Segment Financial Services
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TRATON GROUP HIGHLIGHTS H1 2019



- Deliveries up by +10.0% to a first half record of 123,336 units
- Sales revenue increased by +10.4%¹ to €13,541 mn; all brands contributed
- Operating profit improved significantly by +24.5% to €1,075 mn²
- RoS 7.9% (+110bpt)²
- Earnings after tax excluding minorities rose by +62.1% to €772 mn
- Net cash flow Industrial Business at €1,784 mn (before the sale of Power Engineering €-194 mn); Net liquidity Industrial Business at €689 mn (incl. recognition of IFRS 16)



- TRATON has become a SE
- TRATON SE celebrated its successful stock market debut in Frankfurt and Stockholm on June 28, 2019



¹ Prior year excluding €348 mn VGSG sales revenue, which was sold as at January 01, 2019 ² Adjusted operating profit +23.1% to €1,062 mn, adjusted RoS 7.8% (+100bpt); Q1 2019 including €19 mn insurance claim
 Note: Delta H1 2019 vs. H1 2018

GROUP – SEGMENT HIGHLIGHTS Q2 / H1 2019

Industrial Business (IB)

	Q2 19	Y-o-Y	H1 19	Y-o-Y
Order intake (units)	56,134	-6.7%	120,491	-5.5%
Deliveries (units)	66,173	+12.3%	123,336	+10.0%
Book-to-bill	0.85	-17bpt	0.98	-16bpt
Sales revenue (€mn)	7,015	+11.3%	13,320	+10.4%
Operating profit (€mn) ¹	551	+26.6%	1,008	+28.1%
Return on sales (%) ¹	7.9	+95bpt	7.6	+105bpt
Earnings after tax (€mn)	341	+155.6%	692	+64.2%
Net cash flow (€mn)	182	+€476mn	1,784	+€2,035mn

Financial Services (FS)

	Q2 19	Y-o-Y	H1 19	Y-o-Y
Net portfolio ² (€bn)			9.5	+9.0%
Penetration rate (%)	42.5	+7bpt	41.5	-7bpt
Sales revenue (€mn)	216	+7.6%	419	+10.3%
Operating profit (€mn)	37	+5.2%	70	+8.0%
Earnings after tax (€mn)	27	-4.5%	52	+7.1%

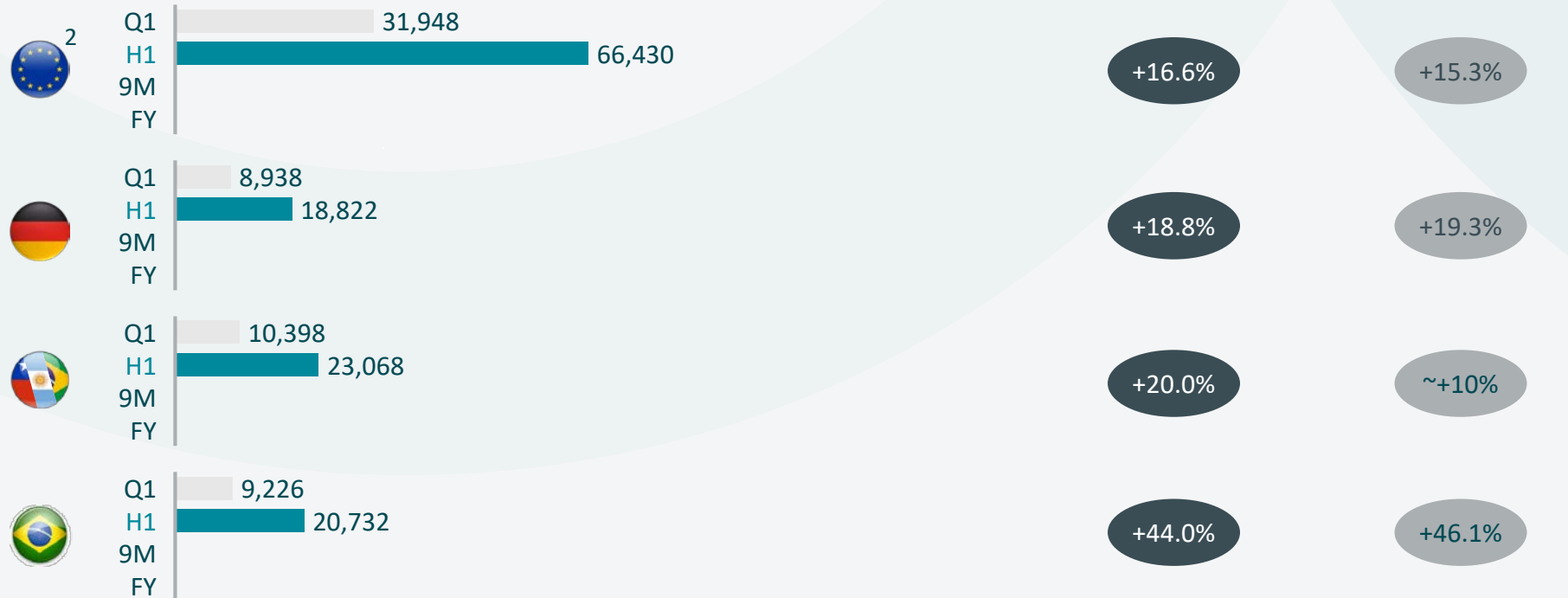


- Book-to-bill mainly lower in Q2 2019 due to a noticeable decrease in truck order intake in the EU28+2 region
- Earnings after tax of the Industrial business significantly increased in Q2 2019 as a result of better financial result
- Net cash flow in the Industrial business in Q2 2019 improved considerably as a result of increased operating profit

¹ Adjusted operating profit Q2 2019: +23.7% to €538 mn, adjusted RoS 7.7% (+77bpt); Adjusted operating profit H1 2019: +26.6% to €996 mn, adjusted RoS 7.5% (+100bpt); Q1 2019 including €19 mn insurance claim ² Reflecting closing balances, as of June 30, 2019 vs. December 31, 2018; Note: Delta Q2 2019 vs. Q2 2018 / H1 2019 vs. H1 2018

GROUP – STRONG SALES GROWTH IN CORE MARKETS

Truck Deliveries in core markets¹; 2019 (units)

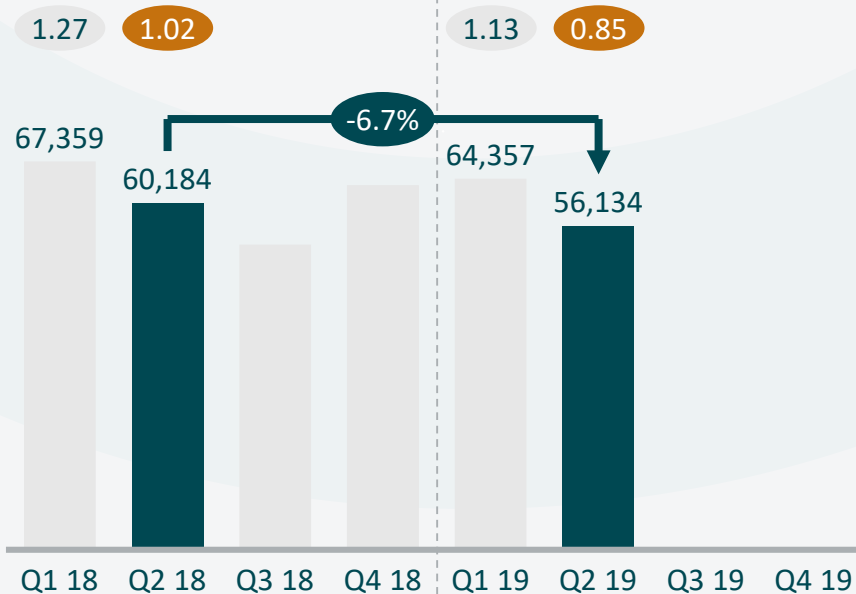


¹ Excluding MAN TGE vans ² EU28+2: EU member states excluding Malta plus Norway and Switzerland ³ Information shown might include estimates or preliminary data; for EUR 28+2 and Germany data collected from ACEA provisional new registrations figures as at July 24 2019, trucks > 16t; for Brazil data collected from ANFAVEA trucks > 6t as at July 04, 2019; South America own estimates

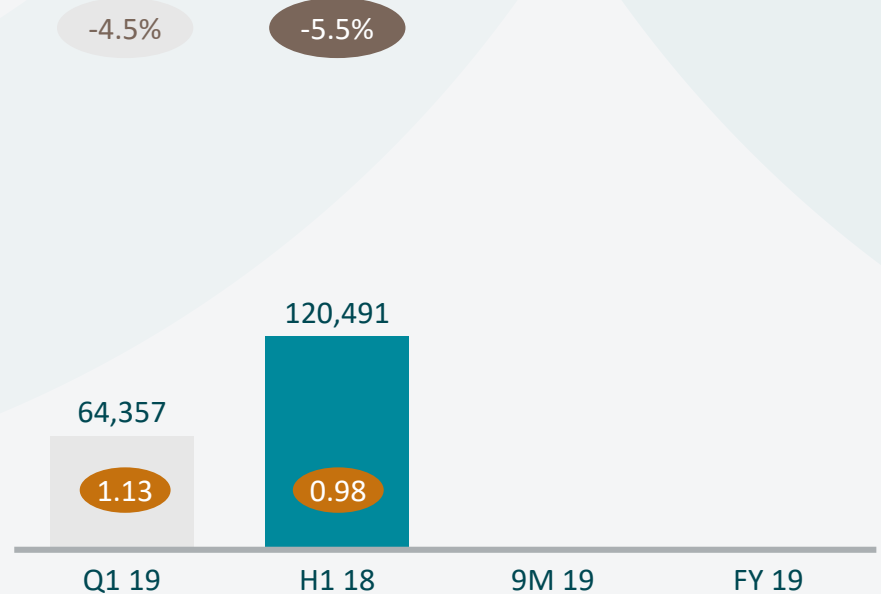
INDUSTRIAL BUSINESS – ORDER INTAKE

ORDER INTAKE (units)

Book-to-bill¹ (ratio in units)



Growth Y-o-Y (%)

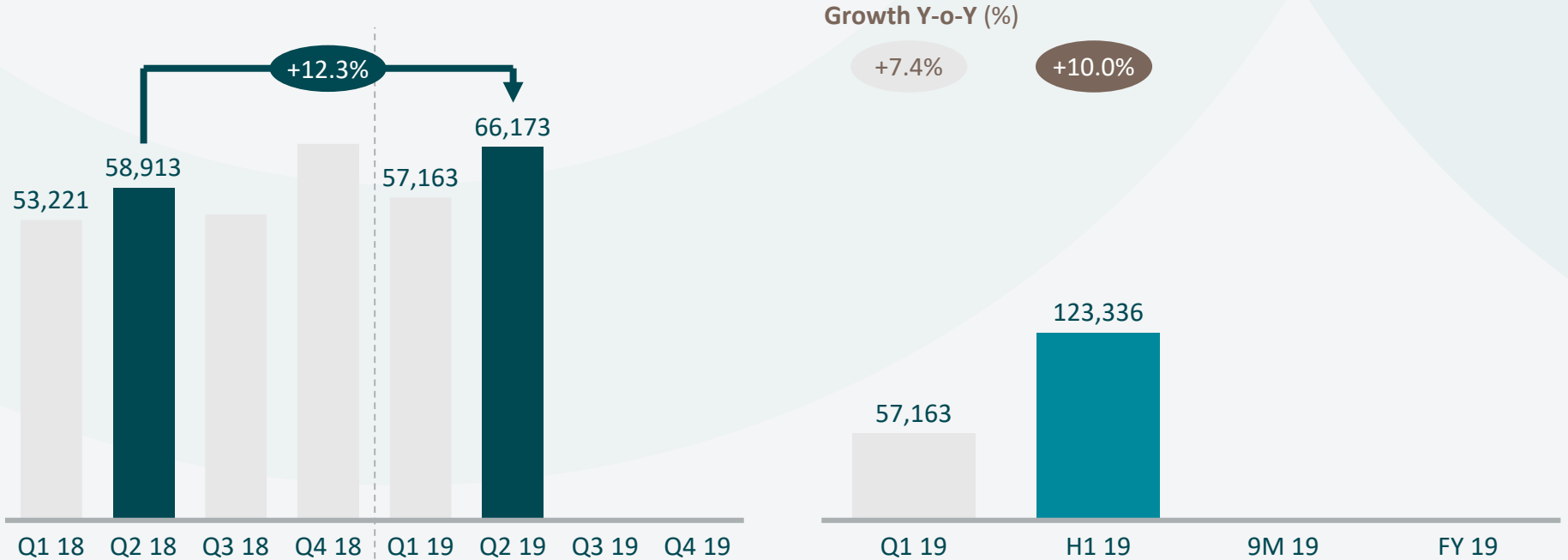


- Noticeable decrease of order intake in Q2 2019 in the EU28+2 region, driven in particular by Germany and UK
- Substantial declines in Russia, India, and Turkey. Strong increase in Brazil in the wake of the economic recovery

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

INDUSTRIAL BUSINESS – DELIVERIES

DELIVERIES (units)

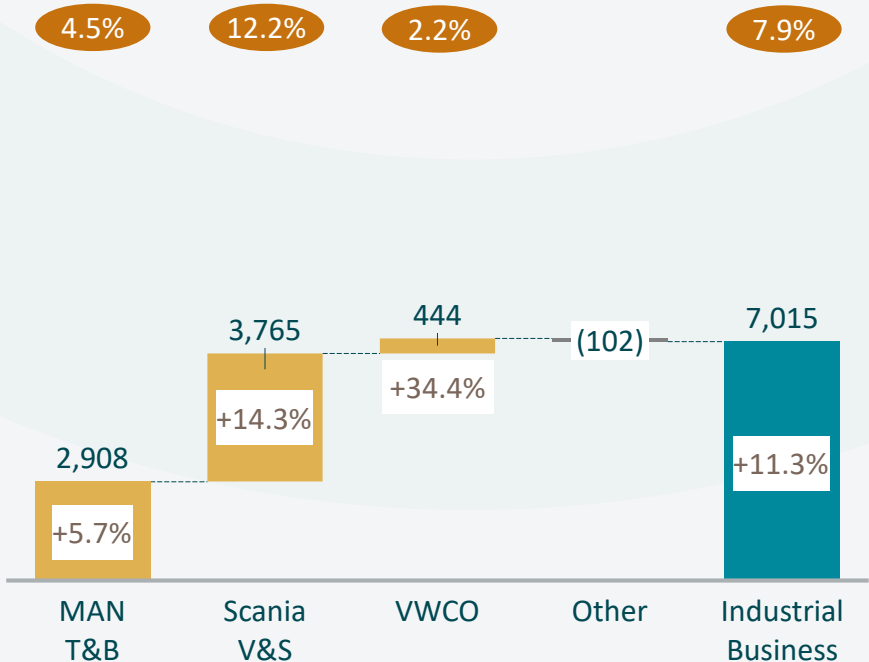


- Strong growth in core truck markets
- All three brands showed positive development

INDUSTRIAL BUSINESS – SALES REVENUE BY BRAND AND RETURN ON SALES

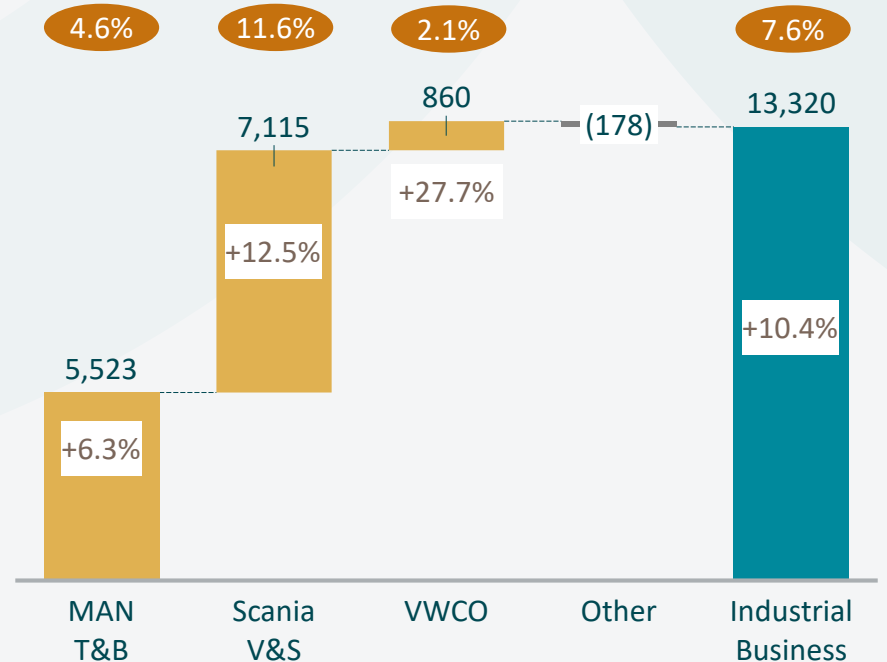
SALES REVENUES Q2 2019 (€mn)

Growth rate (%)

Return on sales¹ (%)

SALES REVENUES H1 2019 (€mn)

Growth rate (%)

Return on sales¹ (%)

Note: Figures shown as at Q2 2019 / H1 2019; percentage change calculated YoY, Q2 2019 vs. Q2 2018 / H1 2019 vs. H1 2018

¹ Calculated as the ratio of operating profit to sales revenue

July 29, 2019 / Investor Relations / H1 2019 Results

MAN TRUCK & BUS – HIGHLIGHTS H1 2019

- Total vehicle sales up by 10% during first six month primarily attributable to the growth in Germany, Brazil and the UK
 - Order intake down by 8% in H1 2019 mainly due to Germany, Poland, Russia, India und Turkey
 - Operating profit declined by 11%; contributions from higher sales revenues were offset by a difficult market environment for used vehicles, higher expenses (mainly depreciation) as well as increased costs ahead of the rollout of the new truck and bus generations; the prior-year period contained an earnings effect of €19 mn resulting from the transfer of the RIO brand to a TRATON GROUP company
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- MAN presented the electric bus Lion's City E at the BUS2BUS fair in Berlin



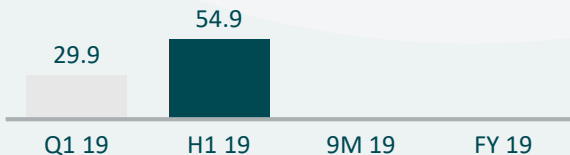
MAN TRUCK & BUS – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

-1.0%

-8.0%

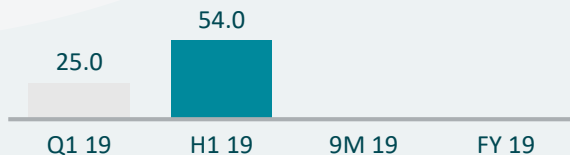


Deliveries (k units)

Growth Y-o-Y (%)

+13.2%

+10.2%

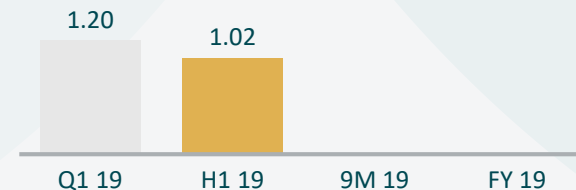


Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

-17bpt

-20bpt

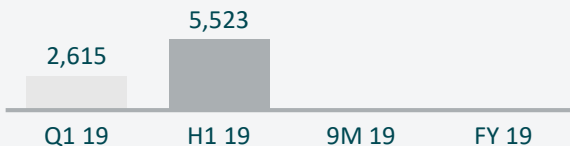


Sales revenue (€mn)

Growth Y-o-Y (%)

+7.0%

+6.3%

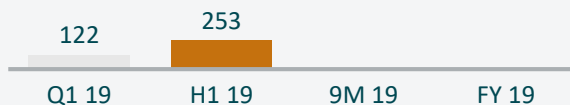


Operating profit² (€mn)

Growth Y-o-Y (%)

+30.2%

-11.4%

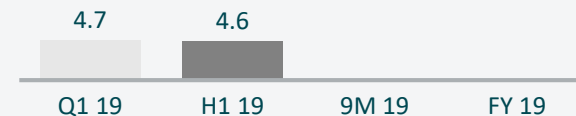


Return on sales^{2,3} (%)

Growth Y-o-Y (%)

+83bpt

-92bpt



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 ³ Calculated as the ratio of operating profit to sales revenue

SCANIA VEHICLES & SERVICES – HIGHLIGHTS H1 2019

- Unit sales of trucks up by 14%; the growth was primarily driven by strong growth in EU28+2 and Brazil; however truck sales declined in Russia and were substantially lower in the Middle East
 - Order intake declined by 7% in H1 2019; order intake for trucks was down by 6% mainly because of negative trends in the UK, Russia, and Iran
 - Operating profit increased by 34% benefiting from higher volumes, positive FX effects (€+57mn) 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
 - Scania and its Scania R450 received the Green Truck 2019 award



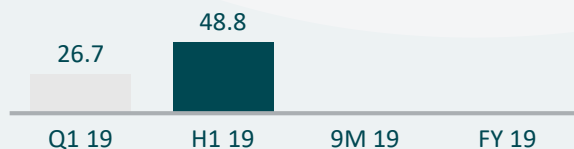
SCANIA VEHICLES & SERVICES – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

-10.3%

-7.1%

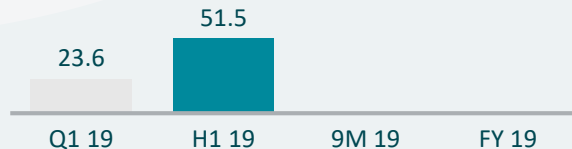


Deliveries (k units)

Growth Y-o-Y (%)

+4.1%

+10.1%

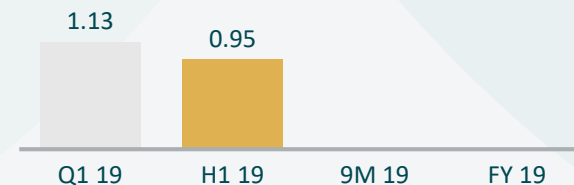


Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

-18bpt

-18bpt

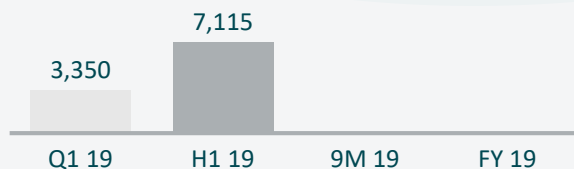


Sales revenue (€mn)

Growth Y-o-Y (%)

+10.6%

+12.5%

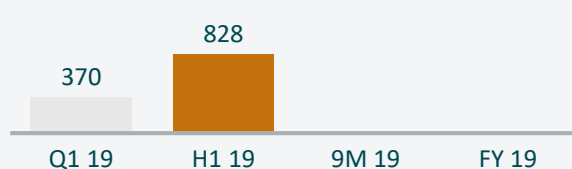


Operating profit (€mn)

Growth Y-o-Y (%)

+22.9%

+34.0%

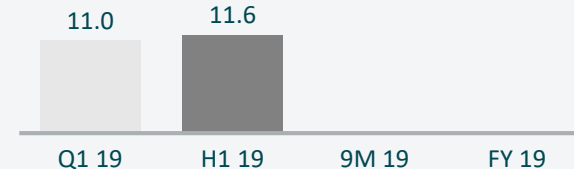


Return on sales² (%)

Growth Y-o-Y (%)

+110bpt

+186bpt



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 – HIGHLIGHTS H1 2019

- Brazilian truck market continued to recover in tandem with the economic upturn; therefore unit sales increased and are up by 15% in H1 2019. 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; H1 2019 operating profit 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

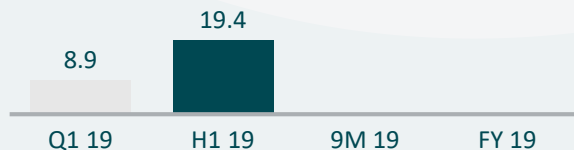


VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES CUMULATIVE

Order intake (k units)

Growth Y-o-Y (%)

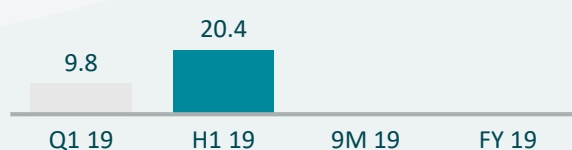
+11.8% +15.1%



Deliveries (k units)

Growth Y-o-Y (%)

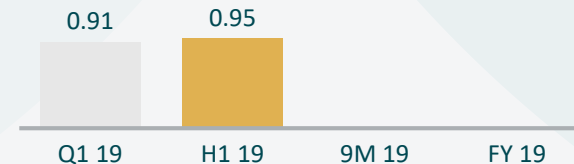
+12.1% +17.6%



Book-to-bill¹ (ratio in units)

Growth Y-o-Y (%)

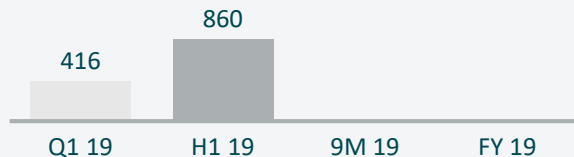
0bpt -2bpt



Sales revenue (€mn)

Growth Y-o-Y (%)

+21.2% +27.7%



Operating profit (€mn)

Growth Y-o-Y (%)

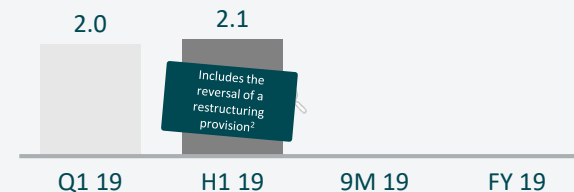
+44.7% +34.0%



Return on sales³ (%)

Growth Y-o-Y (%)

+32bpt +10bpt

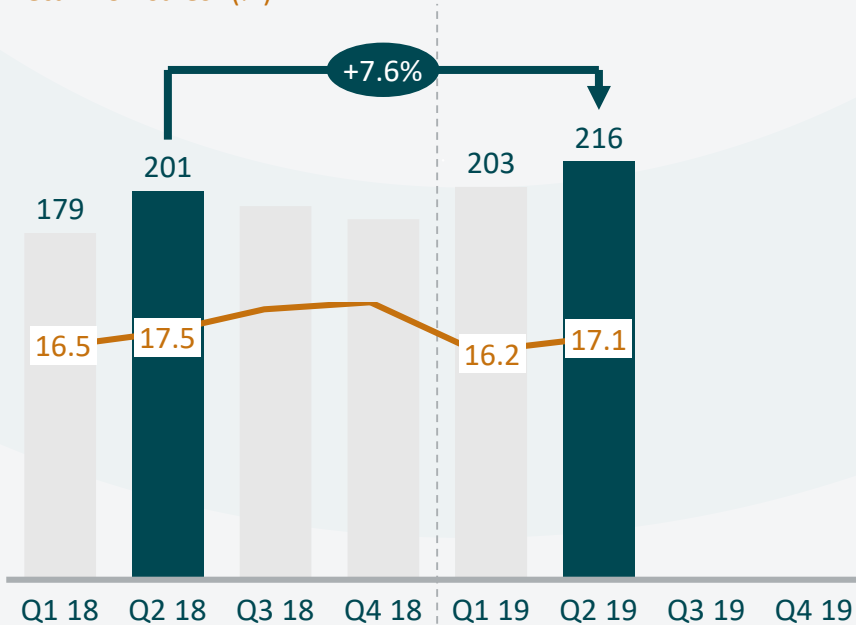


1 Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered 2 Q2 2019 includes an adjustment of €13 mn from the reversal of a restructuring provision 3 Calculated as the ratio of operating profit to sales revenue

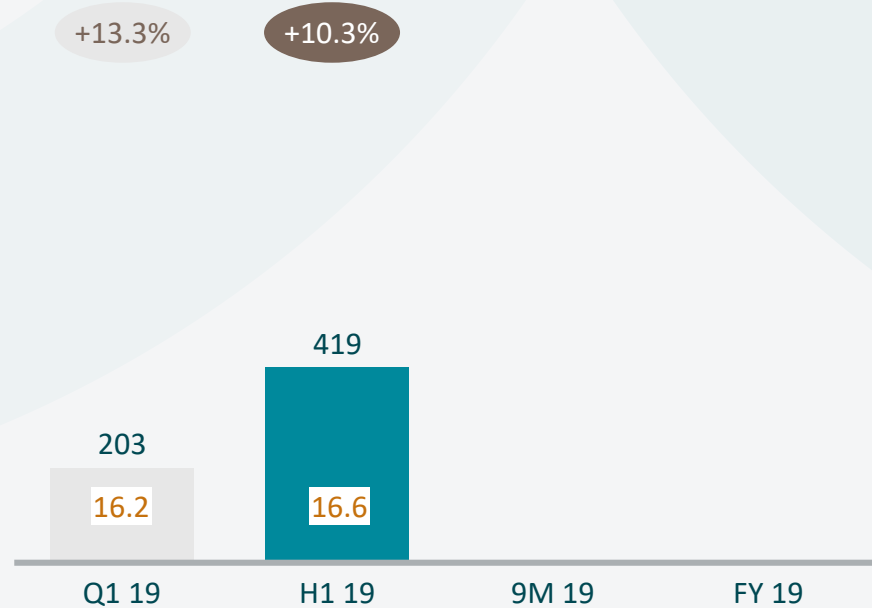
FINANCIAL SERVICES – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales¹ (%)



Growth Y-o-Y (%)



- Operating profit in Q2 2019 increased by 5% to €37 mn
- Portfolio growth and FX impacted results positively, while lower margins and increased operating cost had negative effect

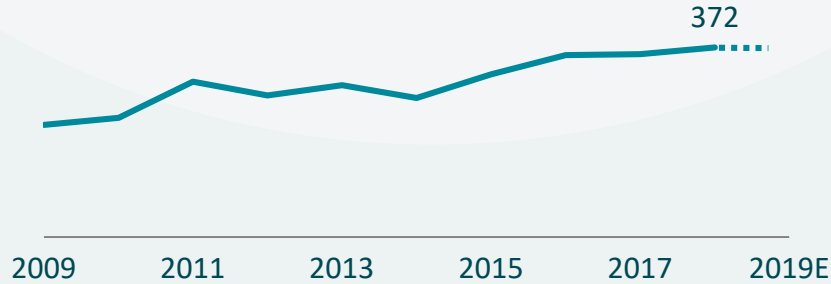
¹ Calculated as the ratio of operating profit to sales revenue

OUTLOOK – TRUCK MARKET

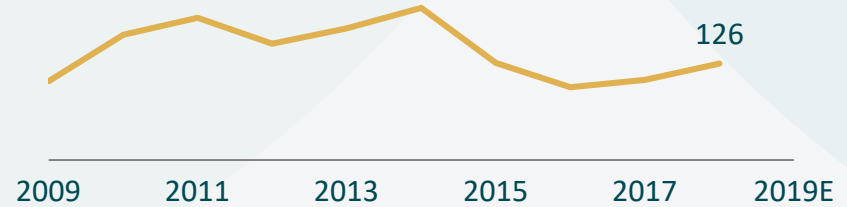
TRUCK MARKET DEVELOPMENT (> 6t, k units)

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

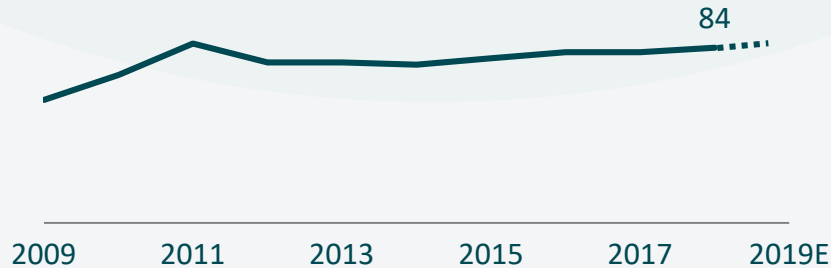
 **EU 28+2¹**



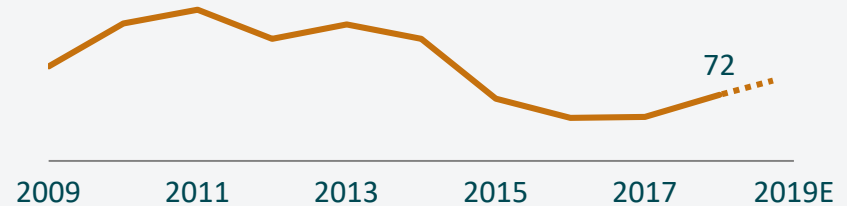
 **SOUTH AMERICA**



 **GERMANY**



 **BRAZIL**



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	H1 2019	2019 Outlook	Over-the-cycle RoS target
Deliveries <i>(Units; Growth in %)</i>	233.0k 13.7%	123.3 10.0%	Slight increase compared with previous year	
Group sales revenue <i>(in €bn; Growth in %)</i>	€25.9bn 6.4%	€13.5bn 7.4%	Slightly above previous year	
Group return on sales <i>(in %; operating profit in €bn¹)</i>	5.8% €1.5bn	7.9% €1.1bn	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, H1 2019: Adjusted RoS 7.8%, adjusted operating profit €1.1 bn; H1 2019 including €19 mn insurance claim proceeds ² No adjustments applied to estimated return on sales 2019

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