

TRATON

G R O U P

9M 2019

INTERIM STATEMENT AS OF SEPTEMBER 30, 2019



**“Innovation is a mindset:
innovation means getting better
every single day, thus offering added
value to our customers and, in turn,
our customers’ customers.”**

/

ANDREAS RENSCHLER,
CEO of the TRATON GROUP

INNOVATION DAY

TRANSPORTATION OF TOMORROW

Modularization, Software & Systems, People & Collaboration – these are the three main drivers of innovation at TRATON. They also formed the core modules of TRATON's Innovation Day, with international journalists and analysts invited to take part in the event at the Scania development campus in Sweden. Also on stage: TRATON COO Christian Levin (second from the left) and Sofia Vahlne, Head of Labour Affairs at Scania (below).



ACHIEVING GREAT THINGS TOGETHER

A large number of partner companies and in-house experts in electric mobility, automation, digital services, and new business models presented innovative projects. A lively discussion took place among the guests.

2

SEGMENTS

The business activities of the TRATON GROUP are divided into the two segments Industrial Business and Financial Services. The Industrial Business segment combines the three operating units MAN Truck & Bus, Scania Vehicles & Services, and Volkswagen Caminhões e Ônibus. The Financial Services segment offers customers a broad range of financial services, including dealer and customer financing, leasing, and insurance products.

9M 2019:



€635 MILLION

sales revenue in the Financial Services segment



€19 BILLION

sales revenue in the Industrial Business segment

17

COUNTRIES

The TRATON GROUP offers light-duty commercial vehicles, trucks, and buses at 29 production and assembly sites in 17 countries.



29

LOCATIONS

81,000

EMPLOYEES

The TRATON GROUP employs around 81,000 employees worldwide across its commercial vehicle brands (as of December 31, 2018).



AT A GLANCE

Rise in operating
return on sales to
7.5%

Truck and bus sales
up by around
8%
at 179,091 units

Operating profit increased
by around 34% to
€1.5
billion

Sales revenue increased by
6%
to €19.8 billion

Order intake down by
6%

TRATON GROUP

Trucks and buses (units)	9M 2019	9M 2018	Change
Order intake	169,708	180,468	-6%
Unit sales	179,091	166,328	8%
of which trucks ¹	163,316	149,935	9%
of which buses	15,775	16,393	-4%
Financial key performance indicators			
Sales revenue (€ million)	19,827	18,623	6%
Operating profit (€ million)	1,482	1,108	34%
Operating profit (adjusted) (€ million)	1,470	1,223	20%
Operating return on sales (in %)	7.5%	5.9%	1.5 pp
Operating return on sales (adjusted) (in %)	7.4%	6.6%	0.8 pp
Industrial Business			
Sales revenue (€ million)	19,491	17,839	9%
Operating profit (€ million)	1,377	980	41%
Operating profit (adjusted) (€ million)	1,365	1,095	25%
Operating return on sales (in %)	7.1%	5.5%	1.6 pp
Operating return on sales (adjusted) (in %)	7.0%	6.1%	0.9 pp
Primary R&D costs (€ million)	982	988	-1%
Payments to acquire property, plant, and equipment, and intangible assets (€ million)	569	532	7%
Net cash flow (€ million)	2,323	-399	2,722
Net liquidity ² (€ million)	1,207	227	980
Financial Services			
Sales revenue (€ million)	635	573	11%
Operating profit (€ million)	105	102	3%

1 Incl. MAN TGE vans (9M 2019: 10,111 units; 9M 2018: 4,867 units)

2 As of September 30, 2019, and December 31, 2018

CONTENTS

01

Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 Business Performance:
Industrial Business
- 12 Business Performance:
Financial Services
- 12 Net Cash Flow
- 13 Net Liquidity
- 13 Report on
Expected Developments

02

Operating Units

- 15 Scania Vehicles & Services
- 16 MAN Truck & Bus
- 17 Volkswagen Caminhões
e Ônibus

03

Selected Financial Information

- 19 Income Statement
- 20 Statement of Comprehensive
Income
- 21 Balance Sheet
- 23 Statement of Changes in Equity
- 25 Statement of Cash Flows
- 26 Contingent Liabilities
and Commitments
- 27 Segment Reporting

04

Further Information

- 29 Financial Diary
- 30 Publication Details

This interim statement was prepared in accordance with section 53 of the Exchange Rules for the Frankfurter Wertpapierbörse (FWB) and does not constitute an interim financial report as defined in International Accounting Standard (IAS) 34. It does not contain any related party disclosures or separate financial information for the third quarter of 2019, and hence departs from the guidance for preparing interim management statements in Sweden proposed by Nasdaq Stockholm. This interim statement has not been reviewed by an auditor.

This interim statement contains certain forward-looking statements for the remaining months of fiscal year 2019 that are based on present assumptions and forecasts by the Company's management. A range of known and unknown risks, uncertainties, and other factors may result in the actual results, financial position, development, or performance of the TRATON GROUP differing materially from the estimates given here. Such factors include those that TRATON has described in published reports. These reports are available on our website at www.traton.com. The Company does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

The figures given for the net assets, financial position, and results of operations were prepared in accordance with International Financial Reporting Standards (IFRSs). All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

Effective January 1, 2019, the new IFRS 16 financial reporting standard made changes to the previous lease accounting rules with the core objective of recognizing all leases. The effects of the initial application of the standard were explained in the notes to the condensed consolidated financial statements and in the Group interim management report as of June 30, 2019. Operating profit for the first nine months of 2019 improved by €36 million because of the separate presentation of interest expense in leases. The change in the recognition of operating lease expenses in the statement of cash flows resulted in a €125 million improvement in cash flow from operating activities and net cash flow in the first nine months of 2019. Cash flow from financing activities decreased accordingly. The increase in financial liabilities resulting from the change in accounting policies negatively impacted net liquidity in the Industrial Business segment by €1,047 million as of September 30, 2019. We do not expect the application of IFRS 16 to have a material impact on sales revenue in fiscal year 2019, although we do anticipate a slight increase in operating profit.



1 COURSE OF BUSINESSS

9M 2019

COURSE OF BUSINESS

7 Course of Business

8 Market Environment

8 Order Intake

9 Unit Sales by Country

9 Sales Revenue by Product Group

10 Condensed Income Statement

10 Business Performance: Industrial Business

12 Business Performance: Financial Services

12 Net Cash Flow

13 Net Liquidity

13 Report on Expected Developments

14 Operating Units

18 Selected Financial Information

28 Further Information

Market Environment

Trucks:

- Most important truck markets for the TRATON GROUP: EU28+2 region (defined as the EU28 countries excluding Malta, plus Norway and Switzerland) as well as Brazil, South Africa, Russia, and Turkey
- Overall truck registrations (over 6 t) in these markets: up noticeably year-on-year
- New registrations in the regions:
 - EU28+2: moderately higher than 2018, due among other factors to pull-forward effects from the introduction of the digital tachograph as of June 15, 2019, and to Brexit pull-forward effects in the United Kingdom
 - Brazil: substantial increase driven by economic recovery, especially in the heavy-duty segment over 15 t
 - Substantial decline in Turkey and slight decline in Russia due to economic developments
 - South Africa: slight increase

Buses:

- Most important bus markets for the TRATON GROUP: EU28+2, Brazil, and Mexico
- Total new bus registrations in these markets: substantially higher than in the prior-year period
- New registrations in the regions:
 - EU28+2: significant increase, especially in Norway, Romania, and Sweden
 - Brazil: substantial increase driven by economic recovery
 - Mexico: down slightly year-on-year

Order Intake

Units	9M 2019	9M 2018	Change
Order intake, Industrial Business	169,708	180,468	-6%
of which trucks ¹	153,285	162,266	-6%
of which buses	16,423	18,202	-10%

¹ Incl. MAN TGE vans (9M 2019: 11,127 units; 9M 2018: 6,915 units)

Trucks:

- Significant decline in the EU28+2, in particular as a result of significant declines in Germany and substantial declines in the United Kingdom (due in particular to Brexit pull-forward effects)
- Growing demand in Brazil driven by economic recovery
- Substantial declines in Russia, India, and Turkey

Buses:

- Slight decline in the EU28+2, due in particular to substantial declines in Poland and Spain
- Substantial increase in Brazil
- Overall decline reinforced by the markets in Mexico, Iran, and Saudi Arabia

7 Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 Business Performance:
Industrial Business
- 12 Business Performance:
Financial Services
- 12 Net Cash Flow
- 13 Net Liquidity
- 13 Report on Expected Developments

14 Operating Units

18 Selected Financial Information

28 Further Information

Unit Sales by Country

Units	9M 2019	9M 2018	Change
Unit sales, Industrial Business	179,091	166,328	8%
Unit sales, trucks¹	163,316	149,935	9%
EU28+2	102,097	87,894	16%
of which in Germany	28,787	24,137	19%
South America	36,818	29,625	24%
of which in Brazil	33,275	23,407	42%
Other regions	24,401	32,416	-25%
Unit sales, buses	15,775	16,393	-4%
EU28+2	5,130	4,569	12%
of which in Germany	853	915	-7%
South America	6,603	5,190	27%
of which in Brazil	4,920	3,707	33%
Other regions	4,042	6,634	-39%

1 Incl. MAN TGE vans (9M 2019: 10,111 units; 9M 2018: 4,867 units)

Trucks:

- Sharp increase in the EU28+2, primarily in Germany, France, and the United Kingdom. Truck unit sales supported by the MAN TGE van, whose volume more than doubled
- Substantial rise in Brazil, rapid declines in other South American markets, in particular in Argentina because of the difficult macroeconomic situation
- Rapid declines in India, Turkey, Russia, and Iran

Buses:

- Significant growth in the EU28+2, driven essentially by the markets in Norway, Sweden, and France
- Substantial increase in Brazil
- Rapid declines in Iran and Mexico more than offset positive developments in other regions

Sales Revenue by Product Group

€ million	9M 2019	9M 2018	Change
TRATON GROUP	19,827	18,623	6%
Industrial Business	19,491	17,839	9%
New Vehicles	12,786	11,398	12%
After Sales	3,706	3,518	5%
Others	2,999	2,922	3%
Financial Services	635	573	11%
Consolidation/others	-299	211	-

- 9% adjusted sales revenue growth recorded by the TRATON GROUP (adjusted for prior-period sales revenue of €487 million at Volkswagen Gebrauchtfahrzeughandels und Service GmbH, which was sold as of January 1, 2019)
- Rise in New Vehicle business driven by a significant increase in the Truck business and a noticeable increase in the Bus business. Sales revenue generated by the MAN TGE van more than doubled
- Moderate increase in the After Sales business
- Significant increase in the Financial Services segment due to higher unit sales in the New Vehicles business

7 Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 Business Performance:
Industrial Business
- 12 Business Performance:
Financial Services
- 12 Net Cash Flow
- 13 Net Liquidity
- 13 Report on Expected Developments

14 Operating Units

18 Selected Financial Information

28 Further Information

Condensed Income Statement

€ million	9M 2019	9M 2018	Change
Sales revenue	19,827	18,623	1,204
Cost of sales	-15,825	-14,965	-860
Gross profit	4,001	3,658	343
Distribution expenses	-1,811	-1,741	-69
Administrative expenses	-734	-736	2
Other operating result	26	-73	99
Operating profit	1,482	1,108	375
of which in the Industrial Business segment	1,377	980	397
of which in the Financial Services segment	105	102	3
Financial result	103	159	-55
Profit before tax	1,586	1,267	319
Income taxes	-349	-335	-13
Profit/loss from discontinued operations, net of tax	-2	111	-113
Profit after tax	1,235	1,042	193
Operating return on sales (in %)	7.5%	5.9%	1.5 pp
of which operating return on sales (in %), Industrial Business	7.1%	5.5%	1.6 pp

Gross profit:

- 9% improvement on the prior-year period
- Gross margin up 0.5% points to 20.2%

Operating profit:

- Volume effects and positive earnings effects from end of parallel production of heavy-duty series at Scania
- Negative effects from inflation-related cost increases, higher depreciation and amortization, and expenses in connection with production preparations for the new generations of trucks and buses at MAN Truck & Bus
- Negative effects in the previous year included expenses for the restructuring of activities in India (€115 million)

Financial result:

- Sale of 49% interest in the Tactical Wheeled Vehicles division of Rheinmetall MAN Military Vehicles GmbH ("RMMV") to Rheinmetall AG with a positive earnings effect of €80 million
- In the previous year, €190 million reversal of an impairment loss on the investment in Sinotruk (Hong Kong) Limited, offsetting negative effects of €90 million from the remeasurement of put options and compensation rights for noncontrolling interest shareholders of MAN SE

Taxes and discontinued operations:

- Tax rate of 22% (prior-year period: 26%), driven by prior-period taxes and the nonrecognition of deferred tax assets relating to ongoing losses of a company in Brazil in the prior-year period
- Profit from discontinued operations was a result of the sale of the Power Engineering business as of the end of December 31, 2018, and the final purchase price adjustment in the reporting period

Profit after tax:

- Earnings per share rose from €2.07 to €2.40, for a total of 500 million shares

Business Performance: Industrial Business

BUSINESS PERFORMANCE: INDUSTRIAL BUSINESS

	9M 2019	9M 2018	Change
Operating profit (€ million)	1,377	980	397
Operating profit (adjusted) ¹ (€ million)	1,365	1,095	270
Operating return on sales (in %)	7.1%	5.5%	1.6 pp
Operating return on sales (adjusted) ¹ (in %)	7.0%	6.1%	0.9 pp

¹ Adjustments concern certain items in the financial statements that, in the opinion of the Executive Board, can be presented separately to enable a more appropriate assessment of financial performance. They include, in particular, costs of restructurings and structural measures.

7 Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 [Business Performance:](#)
[Industrial Business](#)
- 12 Business Performance:
Financial Services
- 12 Net Cash Flow
- 13 Net Liquidity
- 13 Report on Expected Developments

14 Operating Units

18 Selected Financial Information

28 Further Information

Operating profit:

- Positive earnings growth from higher volumes and improved product mix
- Efficiency gains due to elimination of bottlenecks in the supply process and the end of parallel production at Scania
- Negative effects from inflation-related cost increases, higher depreciation and amortization, and expenses in connection with production preparations for the new generations of trucks and buses at MAN Truck & Bus

Operating profit (adjusted):

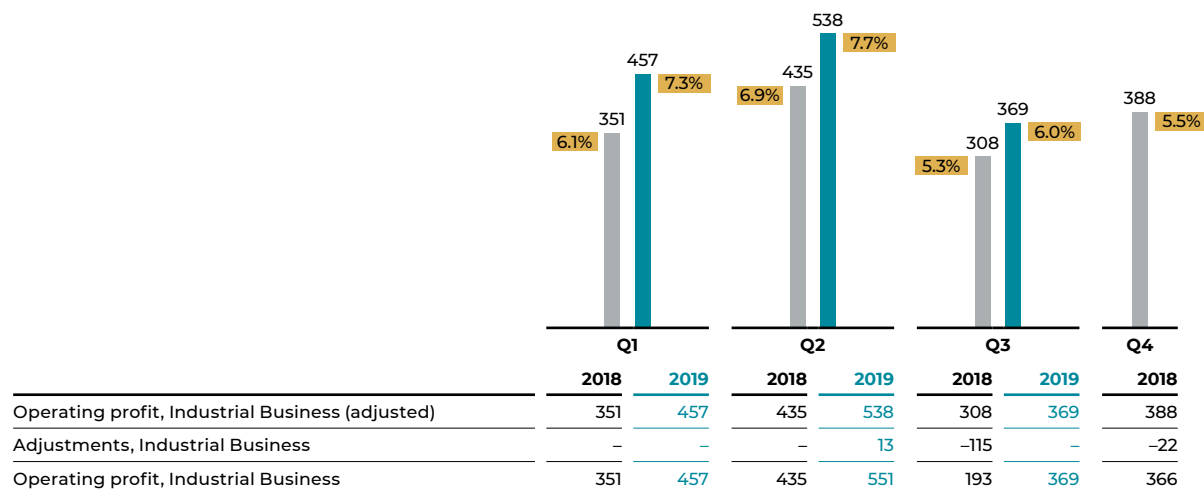
- Adjustments in the reporting period: reversal of provisions for restructurings in Brazil amounting to €13 million
- Adjustments in the 2018 prior-year period: expenses for the restructuring of activities in India amounting to €115 million

Overview by quarter:

OPERATING PROFIT INDUSTRIAL BUSINESS (ADJUSTED)

€ million

■ Operating return on sales (adjusted) ■ 2018 ■ 2019



7 Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 Business Performance:
Industrial Business
- 12 **Business Performance:
Financial Services**
- 12 **Net Cash Flow**
- 13 Net Liquidity
- 13 Report on Expected Developments

14 Operating Units

18 Selected Financial Information

28 Further Information

Business Performance: Financial Services

	9M 2019	9M 2018	Change
Operating profit (€ million)	105	102	3
Growth in net portfolio (in %) ¹	10.6%	7.6%	3.0 pp
Net portfolio (€ million) ²	9,653	8,699	11%
Penetration rate (in %) ³	42%	42%	0 pp

1 Currency-adjusted basis

2 As of September 30, 2019, and December 31, 2018

3 Truck penetration rate in markets in which the Financial Services segment is active

- Significant increase in net portfolio due to higher unit sales in the New Vehicles business
- Larger net portfolio and currency effects had a positive impact on operating profit
- Lower margins and higher operating expenses had an offsetting effect

- Disproportionate rise in gross cash flow compared with the increase in operating profit due to higher depreciation and amortization
- Increase in inventories €161 million lower than in the prior-year period
- Positive effect from the €143 million decrease in receivables (excluding financial services), due primarily to the repayment of security deposits provided in Brazil; negative effect in the previous year due to a €233 million increase
- Increase in funds tied up in financial services receivables, products leased out, and liabilities, totaling €-656 million (2019: €-1,735 million; 2018: €-1,080 million)
- €52 million negative effect from the change in provisions
- Net cash provided by/used in investing activities attributable to operating activities was marked by proceeds of €1,978 million from the disposal of the Power Engineering business and €101 million from the disposal of the 49% interest in RMMV's Tactical Wheeled Vehicles division

Net Cash Flow

€ million	9M 2019	9M 2018	Change
Gross cash flow	2,663	1,983	680
Change in working capital	-2,366	-2,196	-170
Net cash provided by/used in investing activities attributable to operating activities	1,196	-766	1,962
Net cash flow¹	1,494	-978	2,472
of which in the Industrial Business segment	2,323	-399	2,722

1 Net cash flow comprises net cash provided by/used in operating activities (continuing operations) and net cash provided by/used in investing activities attributable to operating activities (continuing operations), and indicates the excess funds from operating activities.

7 Course of Business

- 8 Market Environment
- 8 Order Intake
- 9 Unit Sales by Country
- 9 Sales Revenue by Product Group
- 10 Condensed Income Statement
- 10 Business Performance:
Industrial Business
- 12 Business Performance:
Financial Services
- 12 Net Cash Flow
- 13 [Net Liquidity](#)
- 13 [Report on Expected Developments](#)

14 Operating Units

18 Selected Financial Information

28 Further Information

Net Liquidity

€ million	09/30/2019	12/31/2018	Change
Cash and cash equivalents	2,116	2,997	-881
Marketable securities, investment deposits, and loans to affiliated companies	2,931	202	2,729
Gross liquidity	5,047	3,200	1,847
Total borrowings	-12,519	-10,814	-1,705
Net liquidity/net financial debt¹	-7,472	-7,615	143
of which in the Industrial Business segment	1,207	227	980

1 Net liquidity/net financial debt reflects cash and cash equivalents, marketable securities, investment deposits, and loans to affiliated companies not financed by total borrowings.

- Total borrowings as of January 1, 2019, increased by €1,034 million due to the initial application of IFRS 16
- Investment deposits of €2,800 million (as of December 31, 2018: €0 million) at Volkswagen AG as of September 30, 2019

Report on Expected Developments

The TRATON GROUP Executive Board expects the macroeconomic development in 2019 in the core geographic regions for the TRATON GROUP, i.e., Europe (defined as EU28 countries excluding Malta plus Norway and Switzerland, or "EU28+2") and South America, to show stable performance or a slight improvement compared to 2018.

We further assume a stable political environment in the most relevant countries for the TRATON GROUP. In particular, we assume stability of the global trade and tariff framework and no further deterioration of the political environment between China and the United States of America.

We expect total sales volumes for heavy- and medium-duty trucks in the markets relevant for the TRATON GROUP to slightly increase in 2019. In addition to the EU28+2 countries with particular focus on Germany, these markets comprise Brazil, Russia, South Africa, and Turkey.

Bus sales volumes in the relevant markets are assumed to moderately increase in 2019. In addition to the EU28+2 countries, in particular Germany, the most relevant bus markets for the TRATON GROUP are Brazil and Mexico.

Overall, we expect total sales revenue in the Industrial Business segment to moderately increase.

We assume a strong increase in sales revenue for our Financial Services segment.

We assume that the main driver for the expected growth will be an increase in penetration rates in both existing regions and in new regions. Growth is assumed to continue to primarily relate to financing services.

For the period from January 1, 2019, to December 31, 2019, we currently expect the operating return on sales of the TRATON GROUP to be in the range of 6.5% to 7.5%. This expectation is based on the assumption that the sales revenue generated by the TRATON GROUP in 2019 will be up slightly on the prior-year figure. From the development of exchange rates, we expect a net positive impact on operating profit at Scania V&S, primarily due to the depreciation of the Swedish krona (SEK) against the British pound and the euro. In 2018, sales revenue of Volkswagen Gebrauchtfahrzeughandels und Service GmbH ("VGSG") was still included in the total TRATON GROUP figure.

The new financial reporting standard IFRS 16 (Leases) has been applied to our forecast for fiscal year 2019. We do not expect this change to have a material impact on sales revenue, but anticipate a slight increase in operating profit.

Our forecast for the operating return on sales of the TRATON GROUP and its consolidated subsidiaries for the period from January 1, 2019, to December 31, 2019, reflects the forward-looking expectations of the Company with respect to the 2019 operating return on sales forecast of the TRATON GROUP.

The background is a dark, abstract composition featuring vibrant, curved light trails. The upper portion is dominated by bright blue and cyan streaks that sweep across the frame. The lower portion features warm, glowing orange and yellow streaks, creating a sense of dynamic movement and energy.

2 OPERATING UNITS

7 **Course of Business**

14 **Operating Units**

- 15** [Scania Vehicles & Services](#)
- 16** MAN Truck & Bus
- 17** Volkswagen Caminhões e Ônibus

18 **Selected Financial Information**

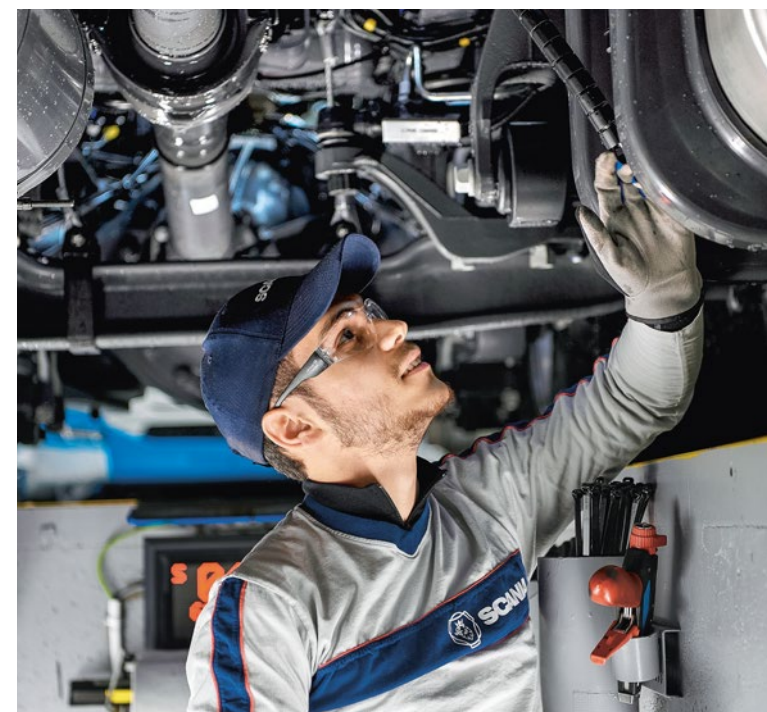
28 **Further Information**

Scania Vehicles & Services

In addition to an overall improvement in sales revenue growth, earnings were lifted by an improved market mix and exchange rate effects. 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 continues to work consistently on optimizing its logistics and production processes, thus systematically improving the cost situation and normalizing its production capacity following the rollout of the new truck generation.

KEY FIGURES: SCANIA VEHICLES & SERVICES

	9M 2019	9M 2018	Change
Trucks and buses (units)			
Order intake	66,581	72,489	-8%
Unit sales	74,720	68,639	9%
of which trucks	68,996	62,133	11%
of which buses	5,724	6,506	-12%
Financial key performance indicators			
Sales revenue (€ million)	10,427	9,337	12%
Operating profit (€ million)	1,209	888	36%
Operating return on sales (in %)	11.6	9.5	2.1 pp



7 Course of Business

14 Operating Units

- 15 Scania Vehicles & Services
- 16 **MAN Truck & Bus**
- 17 Volkswagen Caminhões e Ônibus

18 Selected Financial Information

28 Further Information

MAN Truck & Bus

The positive effects from the rise in sales revenue were offset by a less favorable product mix and a difficult market environment for used vehicles. There were also negative effects from higher expenses, including depreciation charges due to increased capital spending as well as higher costs in preparation for the launch of the new truck and bus generations. The prior-year period contained an earnings effect of €19 million resulting from the transfer of the RIO brand to a TRATON GROUP company. Earnings effects in the prior-year period included expenses for the restructuring of activities in India amounting to €115 million.

KEY FIGURES: MAN TRUCK & BUS

	9M 2019	9M 2018	Change
Trucks and buses (units)			
Order intake	75,712	83,686	-10%
Unit sales	76,510	72,041	6%
of which trucks ¹	71,647	67,401	6%
of which buses	4,863	4,640	5%
Financial key performance indicators			
Sales revenue (€ million)	7,990	7,646	4%
Operating profit (€ million)	284	269	6%
Operating profit (adjusted) (€ million)	284	384	-26%
Operating return on sales (in %)	3.6	3.5	0.0 pp
Operating return on sales (adjusted) (in %)	3.6	5.0	-1.5 pp

¹ Incl. MAN TGE vans (9M 2019: 10,111 units; 9M 2018: 4,867 units)



7 Course of Business

14 Operating Units

- 15 Scania Vehicles & Services
- 16 MAN Truck & Bus
- 17 Volkswagen Caminhões e Ônibus

18 Selected Financial Information

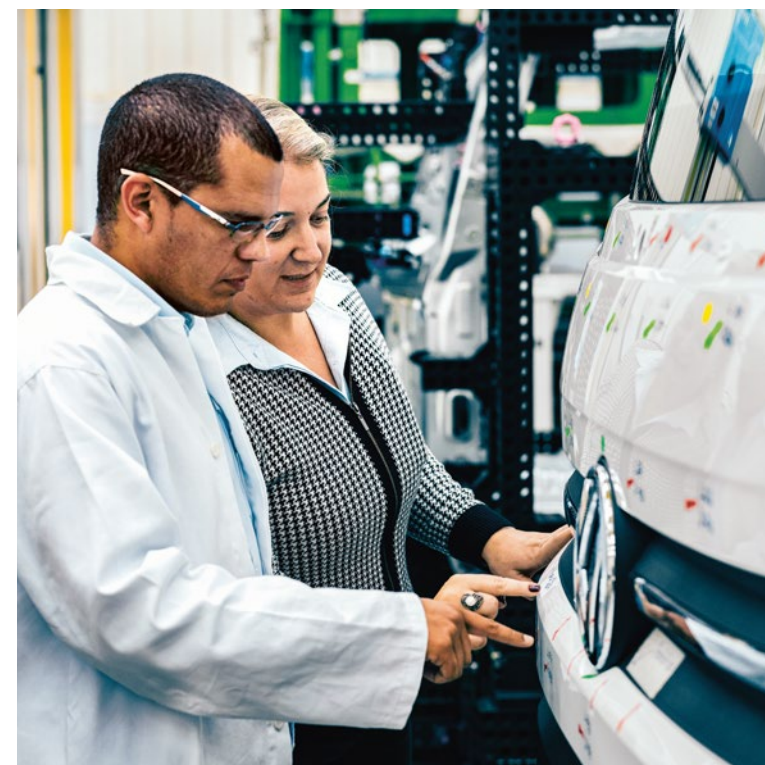
28 Further Information

Volkswagen Caminhões e Ônibus

The increase in sales revenue was offset by foreign exchange effects and inflation-related cost increases, e.g., for materials, as well as higher depreciation. The operating profit includes a gain of €13 million from the reversal of a restructuring provision. Volkswagen Caminhões e Ônibus continues to focus its efforts on an extensive program to strengthen the company in a competitive market environment with the aim of systematically improving its earnings quality.

KEY FIGURES: VOLKSWAGEN CAMINHÕES E ÔNIBUS

	9M 2019	9M 2018	Change
Trucks and buses (units)			
Order intake	30,453	26,469	15%
Unit sales	31,551	27,358	15%
of which trucks	26,177	21,895	20%
of which buses	5,374	5,463	-2%
Financial key performance indicators			
Sales revenue (€ million)	1,328	1,044	27%
Operating profit (€ million)	30	18	65%
Operating profit (adjusted) (€ million)	17	18	-5%
Operating return on sales (in %)	2.2	1.7	0.5 pp
Operating return on sales (adjusted) (in %)	1.3	1.7	-0.4 pp





3 SELECTED FINANCIAL INFORMATION

9M 2019

SELECTED FINANCIAL INFORMATION

7 Course of Business

14 Operating Units

18 Selected Financial Information

19 Income Statement

20 Statement of Comprehensive Income

21 Balance Sheet

23 Statement of Changes in Equity

25 Statement of Cash Flows

26 Contingent Liabilities and Commitments

27 Segment Reporting

28 Further Information

Income Statement

of the TRATON GROUP for the period January 1 to September 30

€ 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 expense	-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
Earnings per share from continuing operations in € (diluted/basic)	2.41	1.86
Earnings per share from continuing and discontinued operations in € (diluted/basic)	2.40	2.07

Statement of Comprehensive Income
of the TRATON GROUP for the period January 1 to September 30

7 Course of Business

14 Operating Units

18 Selected Financial Information

- 19 Income Statement
- 20 [Statement of Comprehensive Income](#)
- 21 Balance Sheet
- 23 Statement of Changes in Equity
- 25 Statement of Cash Flows
- 26 Contingent Liabilities and Commitments
- 27 Segment Reporting

28 Further Information

€ million	9M 2019	9M 2018
Profit after tax	1,235	1,042
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	-347	-4
Deferred taxes on pension plan remeasurements recognized in other comprehensive income	96	-7
Pension plan remeasurements recognized in other comprehensive income, net of tax	-252	-11
Fair value measurement of other equity investments and marketable securities, net of tax	6	-5
Share of other comprehensive income of equity-method investments that will not be reclassified to profit or loss, net of tax	13	3
Items that will not be reclassified to profit or loss	-233	-12
Currency translation differences		
Unrealized currency translation gains/losses	-253	-647
Transferred to profit or loss	-	1
Currency translation differences, before tax	-253	-647
Deferred taxes relating to currency translation differences	0	21
Currency translation differences, net of tax	-253	-626
Cash flow hedges		
Fair value changes recognized in other comprehensive income	-21	-47
Transferred to profit or loss	13	0
Cash flow hedges, before tax	-7	-47
Deferred taxes relating to cash flow hedges	2	11
Cash flow hedges, net of tax	-5	-36
Cost of hedging		
Fair value changes recognized in other comprehensive income (cost of hedging)	1	1
Cost of hedging transferred to profit or loss	-1	-4
Cost of hedging, before tax	0	-4
Deferred taxes relating to cost of hedging	0	2
Cost of hedging, net of tax	0	-2
Share of other comprehensive income of equity-method investments that may be reclassified subsequently to profit or loss		
Other comprehensive income for the period from equity-method investments	45	12
Share of other comprehensive income of equity-method investments transferred to profit or loss	2	-
Share of other comprehensive income of equity-method investments that may be reclassified subsequently to profit or loss, before tax	47	12
Deferred taxes on other comprehensive income of equity-method investments	0	0
Share of other comprehensive income of equity-method investments that may be reclassified subsequently to profit or loss, net of tax	47	12
Items that may be reclassified subsequently to profit or loss	-210	-652
Other comprehensive income, before tax	-543	-696
Deferred taxes relating to other comprehensive income	100	32
Other comprehensive income, net of tax	-443	-664
Total comprehensive income	791	378
of which attributable to shareholders of TRATON SE	766	372
of which attributable to noncontrolling interests	25	6

7 Course of Business

14 Operating Units

18 Selected Financial Information

- 19 Income Statement
- 20 Statement of Comprehensive Income
- 21 [Balance Sheet](#)
- 23 Statement of Changes in Equity
- 25 Statement of Cash Flows
- 26 Contingent Liabilities and Commitments
- 27 Segment Reporting

28 Further Information

Balance Sheet

Assets of the TRATON GROUP as of September 30, 2019, and December 31, 2018

€ million	09/30/2019	12/31/2018
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

7 Course of Business

14 Operating Units

18 Selected Financial Information

19 Income Statement

20 Statement of Comprehensive Income

21 [Balance Sheet](#)

23 Statement of Changes in Equity

25 Statement of Cash Flows

26 Contingent Liabilities and Commitments

27 Segment Reporting

28 Further Information

Balance Sheet

Equity and liabilities of the TRATON GROUP as of September 30, 2019, and December 31, 2018

€ million	09/30/2019	12/31/2018
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
	16,750	16,366
Total equity and liabilities	44,799	46,384

Statement of Changes in Equity

of the TRATON GROUP for the period January 1 to September 30

7 Course of Business

14 Operating Units

18 Selected Financial Information

19	Income Statement
20	Statement of Comprehensive Income
21	Balance Sheet
23	Statement of Changes in Equity
25	Statement of Cash Flows
26	Contingent Liabilities and Commitments
27	Segment Reporting

28 Further Information

	Accumulated other comprehensive income					
	Items that may be reclassified subsequently to profit or loss					
€ million	Subscribed capital	Capital reserves	Retained earnings	Currency translation	Cash flow hedges	Equity-method investments
Balance as of 01/01/2018	10	24,581	-10,760	-1,274	14	-80
Profit after tax	-	-	1,036	-	-	-
Other comprehensive income, net of tax	-	-	49	-626	-38	12
Total comprehensive income	-	-	1,085	-626	-38	12
Other changes ¹	-	-	-147	0	0	0
Balance as of 09/30/2018	10	24,581	-9,822	-1,900	-24	-68
Balance as of 01/01/2019	10	21,331	-2,064	-1,762	-6	-63
Profit after tax	-	-	1,202	-	-	-
Other comprehensive income, net of tax	-	-	0	-251	-4	47
Total comprehensive income	-	-	1,202	-251	-4	47
Capital increase from capital reserves	16,490	-16,490	-	-	-	-
Reduction in subscribed capital into capital reserves	-16,000	16,000	-	-	-	-
Capital transactions involving a change in ownership interest ²	-	-	459	6	0	1
Distribution of retained earnings	-	-	-3,250	-	-	-
Other changes ¹	-	-	-1,451	-	-	-
Balance as of 09/30/2019	500	20,841	-5,104	-2,007	-11	-15

¹ Retained earnings include the share of profit/loss attributable to Volkswagen AG in the event of profit/loss transfer based on profit/loss under German GAAP.

² The put options granted to noncontrolling interest shareholders of MAN SE expired on March 4, 2019. The remaining liability of €704 million was reclassified directly to equity.

€230 million of this amount is attributable to noncontrolling interests.

Statement of Changes in Equity

of the TRATON GROUP for the period January 1 to September 30

7 Course of Business

14 Operating Units

18 Selected Financial Information

19	Income Statement
20	Statement of Comprehensive Income
21	Balance Sheet
23	Statement of Changes in Equity
25	Statement of Cash Flows
26	Contingent Liabilities and Commitments
27	Segment Reporting

28 Further Information

	Accumulated other comprehensive income					
	Items that will not be reclassified to profit or loss					
€ million	Pension plan remeasurements	Equity-method investments	Other equity investments	Equity attributable to shareholders of TRATON SE	Noncontrolling interests	Total
Balance as of 01/01/2018	-882	89	3	11,702	109	11,810
Profit after tax	-	-	-	1,036	6	1,042
Other comprehensive income, net of tax	-11	4	-5	-616	1	-615
Total comprehensive income	-11	4	-5	420	6	427
Other changes ¹	0	-	-	-147	-3	-150
Balance as of 09/30/2018	-893	93	-2	11,975	112	12,086
Balance as of 01/01/2019	-770	125	-1	16,799	2	16,801
Profit after tax	-	-	-	1,202	33	1,235
Other comprehensive income, net of tax	-246	13	6	-436	-8	-443
Total comprehensive income	-246	13	6	766	25	791
Capital increase from capital reserves	-	-	-	-	-	-
Reduction in subscribed capital into capital reserves	-	-	-	-	-	-
Capital transactions involving a change in ownership interest ²	8	0	-1	473	230	704
Distribution of retained earnings	-	-	-	-3,250	-	-3,250
Other changes ¹	0	3	4	-1,444	0	-1,444
Balance as of 09/30/2019	-1,007	141	8	13,345	257	13,602

¹ Retained earnings include the share of profit/loss attributable to Volkswagen AG in the event of profit/loss transfer based on profit/loss under German GAAP.

² The put options granted to noncontrolling interest shareholders of MAN SE expired on March 4, 2019. The remaining liability of €704 million was reclassified directly to equity.

€230 million of this amount is attributable to noncontrolling interests.

Statement of Cash Flows

of the TRATON GROUP for the period January 1 to September 30

7 Course of Business

14 Operating Units

18 Selected Financial Information

- 19 Income Statement
- 20 Statement of Comprehensive Income
- 21 Balance Sheet
- 23 Statement of Changes in Equity
- 25 [Statement of Cash Flows](#)
- 26 Contingent Liabilities and Commitments
- 27 Segment Reporting

28 Further Information

€ million	2019	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 ¹	626	479
Amortization of, and impairment losses on, capitalized development costs ¹	144	125
Impairment losses on equity investments ¹	0	6
Depreciation of products leased out ¹	838	799
Change in pension obligations	-4	36
Loss on disposal of noncurrent assets and equity investments	-95	-13
Share of the result of equity-method investments	-112	-320
Other noncash income/expense	79	-3
Change in inventories	-769	-931
Change in receivables (excl. financial services)	143	-233
Change in liabilities (excl. 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 provided by/used in operating activities	297	-280
Payments to acquire intangible assets and property, plant, and equipment (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
Proceeds from the disposal of associates	101	0
Proceeds from the disposal of intangible assets, property, plant, and equipment, and investment property	22	58
Change in marketable securities and investment deposits	-2,813	-30
Change in loans	82	4
Net cash used in investing activities – discontinued operations	-	-99
Net cash 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: compensation payments and acquisition of shares tendered	-1,109	-455
Proceeds from the issuance of bonds	2,469	2,147
Repayment of bonds	-1,144	0
Change in miscellaneous financial liabilities	-639	-506
Repayment of lease liabilities	-125	0
Net cash used in financing activities – discontinued operations	-	-2
Net cash provided by 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

¹ Net of impairment reversals

7 Course of Business

14 Operating Units

18 Selected Financial Information

- 19 Income Statement
- 20 Statement of Comprehensive Income
- 21 Balance Sheet
- 23 Statement of Changes in Equity
- 25 Statement of Cash Flows
- 26 [Contingent Liabilities and Commitments](#)
- 27 Segment Reporting

28 Further Information

Contingent Liabilities and Commitments
of the TRATON GROUP as of September 30, 2019, and December 31, 2018

€ million	09/30/2019	12/31/2018	Change
Liabilities under buyback guarantees	2,390	2,149	241
Contingent liabilities under guarantees	135	205	-70
Other contingent liabilities	1,018	936	83
Contingent liabilities and commitments	3,543	3,290	253

Segment Reporting

of the TRATON GROUP for the period January 1 to September 30

Reporting segments 2019

REPORTING PERIOD JANUARY 1 TO SEPTEMBER 30, 2019

€ million	Industrial Business	Financial Services	Other segments	Reconciliation	TRATON GROUP
Segment sales revenue	19,491	635	-	-299	19,827
Intersegment sales revenue	-298	-1	-	299	-
Group sales revenue	19,193	634	-	-	19,827
Segment profit (operating profit)	1,377	105	-	1	1,482

Reporting segments 2018

REPORTING PERIOD JANUARY 1 TO SEPTEMBER 30, 2018

€ million	Industrial Business	Financial Services	Other segments	Reconciliation	TRATON GROUP
Segment sales revenue	17,839	573	487	-277	18,623
Intersegment sales revenue	-276	-1	-	277	-
Group sales revenue	17,563	572	487	-	18,623
Segment profit (operating profit)	980	102	26	0	1,108

The reconciliation of the total profit/loss of the segments to the TRATON GROUP profit/loss before tax and discontinued operations

REPORTING PERIOD JANUARY 1 TO SEPTEMBER 30

€ million	2019	2018
Total segment profit (operating profit)	1,482	1,081
Other segments	-	26
Reconciliation	1	0
Operating profit (TRATON GROUP)	1,482	1,108
Financial result	103	159
Profit before tax from continuing operations (TRATON GROUP)	1,586	1,267

Munich, October 23, 2019

TRATON SE
The Executive Board

7 Course of Business

14 Operating Units

18 Selected Financial Information

- 19 Income Statement
- 20 Statement of Comprehensive Income
- 21 Balance Sheet
- 23 Statement of Changes in Equity
- 25 Statement of Cash Flows
- 26 Contingent Liabilities and Commitments
- 27 Segment Reporting

28 Further Information



4 FURTHER INFORMATION

FINANCIAL DIARY

7 **Course of Business**

14 **Operating Units**

18 **Selected Financial Information**

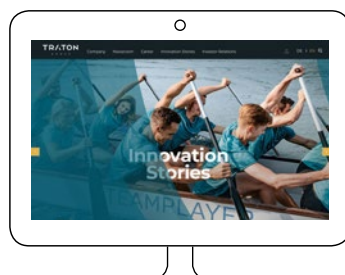
28 **Further Information**

29 **Financial Diary**

30 **Publication Details**

March 27, 2020	2019 Annual Report
March 27, 2020	Annual Media Conference for FY 2019
May 4, 2020	3M 2020 Interim Statement
May 28, 2020	Annual General Meeting for FY 2019
July 28, 2020	H1 2020 Half-Yearly Financial Report
November 3, 2020	9M 2020 Interim Statement

The latest dates and information can be found at
www.traton.com



PUBLICATION DETAILS

7 **Course of Business**

14 **Operating Units**

18 **Selected Financial Information**

28 **Further Information**

29 Financial Diary

30 **Publication Details**

Published by

TRATON SE
Dachauer Str. 641
80995 Munich
Germany
www.traton.com

Corporate Communications

Phone: +49 89 36098 303
media-relations@traton.com

Investor Relations

Phone: +49 89 36098 0
investor.relations@traton.com

Concept and Design

3st kommunikation GmbH, Mainz

Copyright
©2019 TRATON SE and 3st kommunikation GmbH



WWW.TRATON.COM