

# TRATON

## 3M 2022

INTERIM STATEMENT  
AS OF MARCH 31, 2022



NAVISTAR





# AT A GLANCE

Incoming orders up by <b>17%</b>	Unit sales <b>12%</b> higher with 67,767 trucks and buses	Sales revenue increased by 30% to around <b>€8.5</b> billion	Adjusted operating result down by €114 million to <b>€402</b> million	Decrease in adjusted operating return on sales to <b>4.7%</b>
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## TRATON GROUP

Trucks and buses (units)	3M 2022	3M 2021	Change
Incoming orders	95,594	81,742	17%
Unit sales	67,767	60,315	12%
of which trucks	57,575	51,318	12%
of which buses	5,929	3,093	92%
of which MAN TGE vans	4,263	5,904	-28%
<b>TRATON GROUP</b>			
Sales revenue (€ million)	8,525	6,544	30%
Operating result (€ million)	355	155	200
Operating result (adjusted) (€ million)	402	516	-114
Operating return on sales (in %)	4.2	2.4	1.8 pp
Operating return on sales (adjusted) (in %)	4.7	7.9	-3.2 pp
Earnings per share (€)	0.84	0.26	0.59
Employees <sup>1</sup>	98,461	97,235	1,226
<b>TRATON Operations</b>			
Sales revenue (€ million)	8,363	6,437	30%
Operating result (€ million)	424	151	273
Operating result (adjusted) (€ million)	441	512	-71
Operating return on sales (in %)	5.1	2.3	2.7 pp
Operating return on sales (adjusted) (in %)	5.3	8.0	-2.7 pp
EBITDA (adjusted) (€ million)	1,117	813	304
Primary R&D costs (€ million)	421	291	44%
Capex (€ million)	229	160	43%
Net cash flow (€ million)	139	753	-613
Net liquidity/net financial debt (€ million) <sup>1</sup>	-1,513	-1,694	181
<b>TRATON Financial Services</b>			
Sales revenue (€ million)	297	205	45%
Operating result (€ million)	41	51	-9
Operating result (adjusted) (€ million)	71	51	21
Operating return on sales (in %)	13.8	24.6	-10.8 pp
Operating return on sales (adjusted) (in %)	24.0	24.6	-0.7 pp
Return on equity (in %)	9.3	20.6	-11.2 pp

<sup>1</sup> As of March 31, 2022, and December 31, 2021

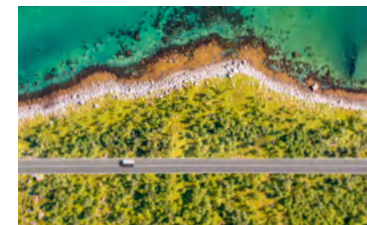
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Whether viewed from afar or right up close, nature is a wonderful work of art. Proof of this can be seen in our cover photo, which shows a bird's eye view of the coastline of Senja island in Norway. The TRATON GROUP wants to contribute to preserving the basis of life on our planet for generations to come. That is why, together with our brands, we have committed ourselves to acting responsibly and sustainably.

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 *Interim Financial Reporting*. It does not contain any related party disclosures 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 2022. 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](https://www.traton.com). The Company does not assume any obligation to update such forward-looking statements or to adapt them to future events or developments.

The figures relating to net assets, financial position, and results of operations were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. The current definition of the key performance indicators can be found in the annual report published for the previous year. You can download this report from our website at [https://ir.traton.com/websites/traton/English/3000/reports\\_-\\_presentations.html](https://ir.traton.com/websites/traton/English/3000/reports_-_presentations.html).

The latest financial calendar information and dates are available on TRATON SE's website at [www.traton.com/financialcalendar](https://www.traton.com/financialcalendar).

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## Material Events

The TRATON GROUP generated sales revenue of €8.5 billion (3M 2021: €6.5 billion) in the first quarter of 2022. Adjusted operating result was €403 million (3M 2021: €516 million), and adjusted operating return on sales amounted to 4.7% (3M 2021: 7.9%).

Persistent supply bottlenecks continued to have a negative impact on the TRATON GROUP's unit sales. The shortages affected all segments but to a varying extent determined by their supplier network, specifications of the individual vehicles, and customer demand.

Worldwide, there was a significant increase in the prices for energy and other commodities, which impacted all TRATON GROUP segments.

The war in Ukraine led to massive supply shortages for truck cable harnesses, particularly at MAN Truck & Bus, which since mid-March have resulted in shut-downs at the truck plants in Munich and Krakow and production stops at other sites. The production of vehicles has been suspended at the joint Scania and MAN Truck & Bus assembly plant in St. Petersburg, Russia, until further notice.

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## Incoming Orders and Unit Sales by Country, TRATON Operations

Units	Incoming orders			Unit sales		
	3M 2022	3M 2021	Change	3M 2022	3M 2021	Change
<b>Total</b>	<b>95,594</b>	<b>81,742</b>	<b>17%</b>	<b>67,767</b>	<b>60,315</b>	<b>12%</b>
<b>Trucks</b>	<b>79,529</b>	<b>70,262</b>	<b>13%</b>	<b>57,575</b>	<b>51,318</b>	<b>12%</b>
EU27+3	32,625	40,315	-19%	21,350	24,169	-12%
of which in Germany	7,979	9,406	-15%	5,436	6,587	-17%
North America	26,288	415	> 1,000%	14,119	297	> 1,000%
of which in the USA/Canada	22,823	7	> 1,000%	11,993	4	> 1,000%
of which in Mexico	3,465	408	749%	2,126	293	626%
South America	14,237	15,106	-6%	15,912	16,956	-6%
of which in Brazil	10,708	12,022	-11%	13,152	14,489	-9%
Other regions	6,379	14,426	-56%	6,194	9,896	-37%
<b>Buses</b>	<b>8,474</b>	<b>2,993</b>	<b>183%</b>	<b>5,929</b>	<b>3,093</b>	<b>92%</b>
EU27+3	1,639	967	69%	852	757	13%
of which in Germany	351	314	12%	206	337	-39%
North America	4,043	182	> 1,000%	3,082	189	> 1,000%
of which in the USA/Canada	3,282	-	-	2,682	-	-
of which in Mexico	761	182	318%	400	189	112%
South America	1,987	1,486	34%	1,504	1,461	3%
of which in Brazil	1,141	1,241	-8%	1,294	1,057	22%
Other regions	805	358	125%	491	686	-28%
<b>MAN TGE vans</b>	<b>7,591</b>	<b>8,487</b>	<b>-11%</b>	<b>4,263</b>	<b>5,904</b>	<b>-28%</b>
EU27+3	7,570	8,365	-10%	4,191	5,806	-28%
of which in Germany	3,127	2,970	5%	1,676	1,541	9%

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The initial consolidation of Navistar had a significantly positive impact on incoming orders, which increased by 17%. Excluding Navistar, incoming orders would have been 20% below the level of the prior-year quarter. This decline was attributable to the business with trucks and MAN TGE vans, which had seen unusually high demand in the prior-year quarter as economic activity began to pick up again in the aftermath of the COVID-19 pandemic. By contrast, the bus business, and especially the city bus segment, recorded very strong growth in the first quarter of 2022, albeit growth on a very weak prior-year quarter impacted by the COVID-19 pandemic.

In the first quarter of 2022, persistent supply bottlenecks had a negative impact on the TRATON GROUP's unit sales, which increased by 12% during this period. Excluding Navistar, unit sales in the first quarter would have been down 16% year-on-year.

**Sales Revenue by Product Group**

€ million	3M 2022	3M 2021	Change
<b>TRATON GROUP</b>	<b>8,525</b>	<b>6,544</b>	<b>30%</b>
<b>TRATON Operations</b>	<b>8,363</b>	<b>6,437</b>	<b>30%</b>
New Vehicles	5,053	4,061	24%
Vehicle Services business <sup>1</sup>	2,038	1,298	57%
Others	1,273	1,079	18%
<b>TRATON Financial Services</b>	<b>297</b>	<b>205</b>	<b>45%</b>
Corporate Items	-135	-98	-

<sup>1</sup> Including spare parts and workshop services

The initial consolidation of Navistar also had a significantly positive impact on sales revenue. Excluding Navistar, sales revenue in the TRATON Operations business area would have been 2% below the prior-year level. The main reason for this decline in sales revenue were the lower unit sales of new vehicles. These were largely offset by factors including the growing Vehicle Services business, which made a considerable contribution to business performance with a share of around one-quarter of total sales revenue. Both the genuine parts business and workshop services recorded significant growth.

In addition to the engines and used vehicles business, other sales revenue also includes Navistar Class 4/5 contract manufacturing for third parties, which largely accounts for the increase in other sales revenue.

Sales revenue in the TRATON Financial Services segment rose very sharply year-on-year. Sales revenue would have grown substantially even without including Navistar's financial services business.

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## Operating Result (Adjusted) of the TRATON GROUP

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	3M 2022	3M 2021	3M 2022	3M 2021	3M 2022	3M 2021	3M 2022	3M 2021
<b>Operating result</b>	<b>355</b>	<b>155</b>	<b>424</b>	<b>151</b>	<b>41</b>	<b>51</b>	<b>-110</b>	<b>-47</b>
Operating return on sales (in %)	4.2	2.4	5.1	2.3	13.8	24.6	-	-
<b>Operating result (adjusted)</b>	<b>402</b>	<b>516</b>	<b>441</b>	<b>512</b>	<b>71</b>	<b>51</b>	<b>-110</b>	<b>-47</b>
Operating return on sales (adjusted) (in %)	4.7	7.9	5.3	8.0	24.0	24.6	-	-

**Operating result:**

At €355 million (3M 2021: €155 million), the TRATON GROUP's operating result rose by €200 million year-on-year. The prior-year quarter had been negatively impacted by expenses of €362 million in connection with the repositioning of MAN Truck & Bus.

Gross profit of €1.5 billion (3M 2021: €1.3 billion) in the first quarter of 2022 was 18% above the level of the prior-year quarter. This increase is due largely to the consolidation of Navistar, including the effects of purchase price allocation, since July 1, 2021. Without the consolidation of Navistar, there would have been a slight year-on-year decline of 3% for the TRATON GROUP and 4% for the TRATON Operations business area. The decline would have been due, in particular, to lower unit sales and sales revenue for TRATON Operations in Russia, Turkey, and Germany, among other countries. The TRATON GROUP's gross margin decreased from 20.0% in the previous year to 18.1% (TRATON Operations: from 19.2% in the previous year to 17.2%), largely due to the consolidation of Navistar. The comparatively lower gross margin of Navistar, which is the result of a different distribution structure, is due to factors including distribution by third-party dealers in the USA. Without the consolidation of Navistar, the TRATON GROUP's gross margin would have declined only slightly to 19.7% (TRATON Operations: 18.8%), despite a significant increase in the prices for energy, commodities, and other bought-in parts, and the production stop at MAN Truck & Bus.

Distribution expenses were up €187 million on the previous year's level, largely due to the €164 million from the initial consolidation of Navistar. Adjusted to

exclude the effect of the initial consolidation of Navistar in the amount of €109 million, administrative expenses remained on a level with the previous year thanks to strict cost management. Overall, the ratio of distribution and administrative expenses to sales revenue rose only slightly by 0.6 percentage points to 13.0% (3M 2021: 12.4%).

Other operating result improved very significantly by €265 million. The main driver of this improvement were the expenses for restructuring measures at MAN Truck & Bus, which had been included in the previous year. Offsetting effects in the current reporting period were, in particular, negative effects from the measurement and sales and settlements of foreign currency items in the TRATON Operations business area and higher bad debt allowances on receivables in the TRATON Financial Services segment, primarily in connection with the war in Ukraine.

**Operating result (adjusted):**

Operating result (adjusted) was €402 million in the reporting period, only €114 million lower year-on-year (3M 2021: €516 million) despite substantial effects from supply bottlenecks and the impact of the war in Ukraine. Adjustments of €362 million had been made in the previous year in connection with the repositioning of MAN Truck & Bus. In the current reporting period, the adjustments of €47 million mainly comprised loss allowances related directly to the war in Ukraine. These included both bad debt allowances on receivables of €30 million in the TRATON Financial Services segment and further loss allowances of €17 million in the TRATON Operations business area.

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## Segments of the TRATON GROUP

## Scania Vehicles &amp; Services

	3M 2022	3M 2021	Change
<b>Incoming orders (units)</b>	<b>20,988</b>	<b>36,944</b>	<b>-43%</b>
<b>Sales (units)</b>	<b>16,645</b>	<b>23,033</b>	<b>-28%</b>
of which trucks	15,900	22,023	-28%
of which buses	745	1,010	-26%
<b>Sales revenue (€ million)</b>	<b>3,180</b>	<b>3,420</b>	<b>-7%</b>
New Vehicles	1,794	2,160	-17%
Vehicle Services business <sup>1</sup>	828	719	15%
Others	558	541	3%
Operating result (€ million)	229	409	-181
Operating result (adjusted) (€ million)	243	409	-167
Operating return on sales (in %)	7.2	12.0	-4.8 pp
Operating return on sales (adjusted) (in %)	7.6	12.0	-4.3 pp

<sup>1</sup> Including spare parts and workshop services

Scania Vehicles & Services recorded sales revenue of €3.2 billion in a difficult market environment. Shortages in the supply of semiconductors and other key components meant that fewer trucks could be produced and sold. This decline was partly offset by the significant growth in the Vehicle Services business, among other things.

As well as the volume-related decline in sales revenue, lower production utilization had a negative impact on operating result. There were also ongoing effects from increased commodity prices and higher development costs due to intensified spending on e-mobility. Write-downs in connection with the war in Ukraine amounted to €14 million. Currency effects, especially the performance of the Swedish krona, had a positive impact.

## MAN Truck &amp; Bus

	3M 2022	3M 2021	Change
<b>Incoming orders (units)</b>	<b>31,676</b>	<b>32,070</b>	<b>-1%</b>
<b>Sales (units)</b>	<b>19,325</b>	<b>23,363</b>	<b>-17%</b>
of which trucks	14,355	16,686	-14%
of which buses	707	773	-9%
of which MAN TGE vans	4,263	5,904	-28%
<b>Sales revenue (€ million)</b>	<b>2,548</b>	<b>2,645</b>	<b>-4%</b>
New Vehicles	1,339	1,460	-8%
Vehicle Services business <sup>1</sup>	638	563	14%
Others	570	622	-8%
Operating result (€ million)	55	-290	345
Operating result (adjusted) (€ million)	57	71	-14
Operating return on sales (in %)	2.1	-11.0	13.1 pp
Operating return on sales (adjusted) (in %)	2.2	2.7	-0.5 pp

<sup>1</sup> Including spare parts and workshop services

Despite the production stop and supply bottlenecks, MAN Truck & Bus recorded sales revenue of €2.5 billion, which was only slightly below the prior-year period. Declining unit sales of new vehicles were partly offset by a growing Vehicle Services business.

Operating result was impacted by the volume-related decline in sales revenue, as well as by production stops at some plants, higher energy costs, and negative material price developments. These effects were offset by factors such as the positive development of truck margins for both new and used vehicles.

In the first quarter of 2022, adjustments of €2 million were made to operating result. Restructuring expenses of around €1 million (3M 2021: €362 million) were incurred for the repositioning, and loss allowances of €2 million were recognized in connection with the war in Ukraine.



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	3M 2022
<b>Incoming orders (units)</b>	<b>29,863</b>
<b>Sales (units)</b>	<b>17,070</b>
of which trucks	14,216
of which buses	2,854
<b>Sales revenue (€ million)</b>	<b>2,068</b>
New Vehicles	1,258
Vehicle Services business <sup>2</sup>	550
Others	260
Operating result (€ million)	76
Operating return on sales (in %)	3.7

<sup>1</sup> Navistar included from July 1, 2021

<sup>2</sup> Including spare parts and workshop services

Navistar Sales & Services posted an operating result of €76 million in the first quarter of 2022. Unit sales of trucks were negatively impacted by shortages in the supply of semiconductors and other key components. These also had a negative effect on operating result.

**Volkswagen Caminhões e Ônibus**

	3M 2022	3M 2021	Change
<b>Incoming orders (units)</b>	<b>13,067</b>	<b>12,750</b>	<b>2%</b>
<b>Sales (units)</b>	<b>14,732</b>	<b>13,989</b>	<b>5%</b>
of which trucks	13,109	12,679	3%
of which buses	1,623	1,310	24%
<b>Sales revenue (€ million)</b>	<b>690</b>	<b>466</b>	<b>48%</b>
New Vehicles	662	447	48%
Vehicle Services business <sup>1</sup>	26	19	36%
Others	3	0	> 1,000%
Operating result (€ million)	65	33	33
Operating return on sales (in %)	9.5	7.0	2.5 pp

<sup>1</sup> Including spare parts and workshop services

VWCO generated sales revenue of €690 million in the first quarter of 2022, a year-on-year increase of 48%, which resulted from higher unit sales volumes and improved product positioning in Brazil. Exchange rate effects from translation into the Group currency (euros) also had a positive impact.

Operating result was €65 million. This corresponds to an operating return on sales of 9.5%. The revenue-related increase in operating result was partly offset by higher material costs.

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TRATON Financial Services

	3M 2022	3M 2021	Change
<b>Sales revenue (€ million)</b>	<b>297</b>	<b>205</b>	<b>45%</b>
Operating result (€ million)	41	51	-9
Operating result (adjusted) (€ million)	71	51	21
Operating return on sales (in %)	13.8	24.6	-10.8 pp
Operating return on sales (adjusted) (in %)	24.0	24.6	-0.7 pp
Return on equity (in %)	9.3	20.6	-11.2 pp

Operating result decreased by €9 million to €41 million in the reporting period. Excluding Navistar, operating result would have amounted to €19 million.

Bad debt allowances on receivables in connection with the war in Ukraine amounted to €30 million, and operating result was adjusted to reflect this.

Return on equity was 9.3% as of the reporting date. Without Navistar, this figure would have been 6.4%. The year-on-year decrease mainly resulted from the lower operating result.

Net Cash Flow

€ million	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
	3M 2022	3M 2021	3M 2022	3M 2021	3M 2022	3M 2021	3M 2022	3M 2021
Gross cash flow	860	583	1,067	863	152	141	-359	-421
Change in working capital	-1,007	6	-502	152	-574	-231	70	85
<b>Net cash provided by/used in operating activities</b>	<b>-147</b>	<b>589</b>	<b>565</b>	<b>1,015</b>	<b>-423</b>	<b>-90</b>	<b>-289</b>	<b>-336</b>
Net cash provided by/used in investing activities attributable to operating activities	-426	-312	-426	-262	0	0	0	-50
<b>Net cash flow</b>	<b>-573</b>	<b>277</b>	<b>139</b>	<b>753</b>	<b>-423</b>	<b>-91</b>	<b>-289</b>	<b>-385</b>

The TRATON GROUP's net cash provided by/used in operating activities fell by €736 million year-on-year to €-147 million. This included €-296 million from Navistar in the first quarter of 2022.

Above all, the higher gross cash flow reflected the €200 million increase in operating result.

The cash tied up in all items of working capital totaled €1.0 billion in the reporting period. This was largely due to the €317 million increase in inventories resulting from, among other things, ongoing supply bottlenecks, as well as to the €214 million increase in receivables. Further negative effects resulted from the €238 million decrease in liabilities and provisions, which was mainly attributable to the production stop at MAN Truck & Bus.

The increase of €113 million in cash used in investing activities attributable to operating activities is primarily due to the initial consolidation of Navistar.

It also includes €52 million from the acquisition of subsidiary Bilmetro AB, Gavle, Sweden, by Scania Vehicles & Services, which was completed in January 2022. Bilmetro AB's financial services business was sold on to Scania Financial Services.

Net cash flow in the TRATON Financial Services segment was impacted especially by the increased liabilities in connection with the higher business volume.

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## Capex, TRATON Operations

The increase in capex by €69 million to €229 million is due largely to the integration of Navistar (€64 million). Navistar invested in constructing new production facilities and expanding existing facilities at its sites in San Antonio, Texas, USA, and Huntsville, Alabama, USA. In the first quarter of 2022, production began at the newly constructed site in San Antonio.

## Net Liquidity/Net Financial Debt

€ million	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents	1,880	2,002	4,367	4,775	196	146	-2,683	-2,919
Marketable securities, investment deposits, and loans to affiliated companies	90	290	306	302	28	220	-244	-233
<b>Gross liquidity</b>	<b>1,970</b>	<b>2,292</b>	<b>4,673</b>	<b>5,078</b>	<b>224</b>	<b>366</b>	<b>-2,927</b>	<b>-3,152</b>
Total third-party borrowings	-18,732	-18,205	-6,185	-6,771	-11,090	-10,177	-1,457	-1,257
<b>Net liquidity/net financial debt</b>	<b>-16,762</b>	<b>-15,913</b>	<b>-1,513</b>	<b>-1,694</b>	<b>-10,865</b>	<b>-9,811</b>	<b>-4,384</b>	<b>-4,409</b>

Net financial debt rose by €848 million to €16.8 billion in the first quarter of 2022, driven mainly by net cash flow development. Net financial debt in the TRATON Operations business area reflects the positive net cash flow in the first quarter of 2022.

## Primary Research and Development Costs, TRATON Operations

Research and development costs for the TRATON Operations business area amounted to €421 million (3M 2021: €291 million). The rise largely resulted from the integration of Navistar (€77 million) and higher spending on future technologies.

The loan from Volkswagen International Luxembourg S.A., Strassen, in the amount of €1.0 billion was repaid in the first quarter of 2022. This was partly offset by additional external loans and loans raised from Volkswagen AG amounting to €280 million. The TRATON and Scania European Medium Term Notes Programs issued bonds totaling €875 million and made repayments of €652 million.



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## Opportunities and Risks

The Report on Opportunities and Risks should be read in conjunction with our guidance in the 2021 Annual Report. As in the 2021 Annual Report, we draw attention to the high level of uncertainty associated, in particular, with the war in Ukraine and the future course of the COVID-19 pandemic, as well as the associated availability and costs of certain components and materials (e.g., shortages of cable harnesses and semiconductors, as well as rising commodity and energy prices).

### Market

TRATON's business in Russia, Ukraine, and Belarus is being adversely affected by the war in Ukraine. The impact is reflected both in the sales of new and used trucks and in the Vehicle Services business and the Financial Services business area.

It is not currently possible to estimate what impact the war in Ukraine will have on macroeconomic developments in Europe and the rest of the world further down the line. Further growth in inflation and an economic downturn would have a negative impact on the TRATON GROUP.

### Products

We have identified supply bottlenecks for critical bought-in parts, in particular cable harnesses. A procurement task force is working on solutions in collaboration with Volkswagen. Together with supply bottlenecks for other key bought-in parts such as semiconductors, as well as potential further price rises for commodities, energy, and bought-in parts, this is resulting in uncertainties for the TRATON GROUP. We are continuing to monitor the network of our suppliers closely so that we can respond swiftly to delays or nondeliveries.

### Operations

There are continued considerable risks, not merely from the COVID-19 pandemic, in the event that reclosures or longer lasting closures of plants or critical production areas were to become necessary. For example, the limited availability of critical bought-in parts has already led to production interruptions at MAN. We cannot rule out production interruptions in the future either, including at our other brands.

### Legal & Compliance

Legal risks could arise as a result of the sanctions imposed on Russia and the counter-sanctions adopted by Russia, both which are evolving dynamically, as could risks from the nonfulfillment of existing contracts.

### Finance

Further loss allowances may become necessary in addition to existing provisions in connection with the war in Ukraine, depending on further developments. These may affect inventories in Ukraine and Russia, customer bad debts, or the Financial Services portfolio.

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## Report on Expected Developments

The forecast for the TRATON GROUP published in the 2021 Annual Report was updated especially in light of the effects of the shortages of truck cable harnesses, which since mid-March have resulted in shutdowns at the MAN Truck & Bus truck sites in Munich and Krakow and production stops at other sites.

However, it remains impossible to predict the effects of the further course of the war in Ukraine with sufficient certainty. Therefore, the risk remains that as this conflict unfolds, it may have a negative impact on the TRATON GROUP's business activities. This may also result in further supply chain bottlenecks.

Moreover, negative effects may still arise if the COVID-19 situation were to deteriorate once more, bringing with it further supply chain difficulties, especially for semiconductors.

We expect that new registrations of medium- and heavy-duty trucks (> 6t or Class 6 through 8 in North America) in the Group's core geographic regions, i.e., in the EU27+3 (defined as the EU27 countries excluding Malta, plus the United Kingdom, Norway, and Switzerland) and the North America regions (defined as the USA, Canada, and Mexico), as well as Brazil, South Africa, and Turkey will continue to record generally positive growth compared with the previous year, with growth rates varying from region to region. However, we are assuming significantly weaker growth compared with our original forecast.

In the bus markets that are relevant for the TRATON GROUP (EU27+3 region, Brazil, and school buses in North America), we continue to project rising demand for 2022, albeit with varied regional developments.

The Navistar acquisition as of July 1, 2021, unlocked potential for additional unit sales of trucks and buses in North America for the TRATON GROUP. The integration of Navistar is reflected in all forecast figures.

Worldwide, we now estimate that sales volumes will rise sharply for all vehicles (including MAN TGE vans) in fiscal year 2022.

Overall, we are expecting a very sharp increase in sales revenue for the TRATON GROUP, largely resulting from higher unit sales and a more advantageous market and product mix.

For 2022, we are forecasting an operating return on sales (adjusted) of between 5.0 and 6.0% for the TRATON GROUP. This forecast includes earnings effects from the Navistar purchase price allocation.

For the TRATON Operations business area, we are anticipating an operating return on sales (adjusted) of between 5.5 and 6.5%.

We expect a return on investment of 7.0 to 8.0%.

The TRATON GROUP's Executive Board still expects net cash flow in the TRATON Operations business area to range between €700 million and €1 billion for fiscal year 2022 due to the ongoing supply shortages and the resulting impact on current assets. This does not include expenses at Scania Vehicles & Services in connection with the EU antitrust proceedings.

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	Actual 2021	Forecast 2022 2021 Annual Report	Forecast 2022 3M 2022 Interim Statement
<b>TRATON GROUP</b>			
Sales (units)	271,608	very sharp increase	sharp increase
Sales revenue (€ million)	30,620	sharp increase	very sharp increase
Operating return on sales (adjusted) (in %)	5.2	5.0–7.0	5.0–6.0
<b>TRATON Operations</b>			
Sales revenue (€ million)	30,103	sharp increase	very sharp increase
Operating return on sales (adjusted) (in %)	6.3	5.5–7.5	5.5–6.5
Return on investment (in %)	0.8	7.0–9.0	7.0–8.0
Net cash flow (€ million) <sup>1</sup>	938	700–1,000	700–1,000
Capex (€ million)	1,125	very sharp increase	very sharp increase
Primary R&D costs (€ million)	1,462	sharp increase	sharp increase
<b>TRATON Financial Services</b>			
Sales revenue (€ million)	964	significant increase	sharp increase
Operating return on sales (adjusted) (in %)	26.9	20.0–25.0	20.0–25.0

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



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## Income Statement

of the TRATON GROUP for the period January 1 to March 31

€ million	3M 2022	3M 2021
<b>Sales revenue</b>	<b>8,525</b>	<b>6,544</b>
Cost of sales	-6,984	-5,235
<b>Gross profit</b>	<b>1,541</b>	<b>1,310</b>
Distribution expenses	-773	-586
Administrative expenses	-335	-226
Net impairment losses on financial assets	-43	-1
Other operating income <sup>1</sup>	325	316
Other operating expenses <sup>1</sup>	-360	-658
<b>Operating result</b>	<b>355</b>	<b>155</b>
Share of earnings of equity-method investments	34	120
Interest income	45	22
Interest expense	-86	-55
Other financial result	223	-6
<b>Financial result</b>	<b>215</b>	<b>81</b>
<b>Earnings before tax</b>	<b>570</b>	<b>236</b>
Income taxes	-148	-108
current	-130	-141
deferred	-18	32
<b>Earnings after tax</b>	<b>422</b>	<b>127</b>
of which attributable to shareholders of TRATON SE	422	129
of which attributable to noncontrolling interests	0	-1
Earnings per share in € (diluted/basic)	0.84	0.26

1 Prior-period amounts adjusted to reflect the current presentation

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**Statement of Comprehensive Income**  
of the TRATON GROUP for the period January 1 to March 31

€ million	3M 2022	3M 2021
<b>Earnings after tax</b>	<b>422</b>	<b>127</b>
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	306	197
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	-95	-39
Pension plan remeasurements recognized in other comprehensive income, net of tax	211	158
Fair value measurement of other equity investments		
Fair value measurement of other equity investments, before tax	-337	0
Deferred taxes relating to the fair value measurement of other equity investments	52	0
Fair value measurement of other equity investments, net of tax	-285	0
Share of other comprehensive income of equity-method investments that will not be reclassified subsequently to profit or loss, net of tax	0	-1
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>-73</b>	<b>157</b>
Currency translation differences		
Unrealized currency translation gains/losses	305	-135
Currency translation differences, before tax	305	-135
Deferred taxes relating to currency translation differences	2	-2
Currency translation differences, net of tax	307	-137
Cash flow hedges		
Fair value changes recognized in other comprehensive income	15	112
Transferred to profit or loss	10	10
Cash flow hedges, before tax	25	122
Deferred taxes relating to cash flow hedges	-9	5
Cash flow hedges, net of tax	16	127
Cost of hedging		
Cost of hedging recognized in other comprehensive income	0	-3
Cost of hedging, before tax	0	-3
Deferred taxes relating to cost of hedging	0	1
Cost of hedging, net of tax	0	-2



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€ million	3M 2022	3M 2021
Share of other comprehensive income of equity-method investments that may be reclassified subsequently to profit or loss, net of tax	2	34
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>324</b>	<b>23</b>
Other comprehensive income, before tax <sup>1</sup>	301	215
Deferred taxes relating to other comprehensive income <sup>1</sup>	-50	-35
<b>Other comprehensive income, net of tax</b>	<b>251</b>	<b>180</b>
<b>Total comprehensive income</b>	<b>673</b>	<b>308</b>
of which attributable to shareholders of TRATON SE	673	305
of which attributable to noncontrolling interests	0	3

<sup>1</sup> Prior-period amounts adjusted to reflect the current presentation



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## Balance Sheet

Assets of the TRATON GROUP as of March 31, 2022, and December 31, 2021

€ million	03/31/2022	12/31/2021
<b>Noncurrent assets</b>		
Goodwill	6,266	6,166
Intangible assets	7,268	7,145
Property, plant, and equipment	8,118	8,060
Assets leased out	6,776	6,924
Equity-method investments	1,315	1,280
Other equity investments	360	660
Noncurrent income tax receivables	92	80
Deferred tax assets	2,077	2,114
Noncurrent financial services receivables	6,098	5,834
Other noncurrent financial assets	333	192
Other noncurrent receivables	495	435
	<b>39,197</b>	<b>38,890</b>
<b>Current assets</b>		
Inventories	5,950	5,456
Trade receivables	2,619	2,437
Current income tax receivables	168	188
Current financial services receivables	4,427	4,102
Other current financial assets	597	579
Other current receivables	1,399	1,240
Marketable securities and investment deposits	27	226
Cash and cash equivalents	1,880	2,002
	<b>17,067</b>	<b>16,230</b>
<b>Total assets</b>	<b>56,264</b>	<b>55,120</b>

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## Balance Sheet

Equity and liabilities of the TRATON GROUP as of March 31, 2022, and December 31, 2021

€ million	03/31/2022	12/31/2021
<b>Equity</b>		
Subscribed capital	500	500
Capital reserves	14,295	14,295
Retained earnings	1,899	1,477
Accumulated other comprehensive income	-2,578	-2,829
<b>Equity attributable to shareholders of TRATON SE</b>	<b>14,117</b>	<b>13,444</b>
Noncontrolling interests	3	3
	<b>14,119</b>	<b>13,446</b>
<b>Noncurrent liabilities</b>		
Noncurrent financial liabilities	13,415	12,181
Provisions for pensions and other post-employment benefits	2,349	2,648
Deferred tax liabilities	775	803
Noncurrent income tax provisions	173	157
Other noncurrent provisions	1,552	1,557
Other noncurrent financial liabilities	2,578	2,429
Other noncurrent liabilities	2,051	2,074
	<b>22,895</b>	<b>21,849</b>
<b>Current liabilities</b>		
Current financial liabilities	5,316	6,024
Trade payables	4,576	4,245
Current income tax payables	155	195
Current income tax provisions	16	5
Other current provisions	3,080	3,103
Other current financial liabilities	2,005	2,045
Other current liabilities	4,100	4,208
	<b>19,250</b>	<b>19,825</b>
<b>Total equity and liabilities</b>	<b>56,264</b>	<b>55,120</b>

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**Statement of Changes in Equity**  
of the TRATON GROUP for the period January 1 to March 31

€ million	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income		
				Items that may be reclassified subsequently to profit or loss		
				Currency translation	Cash flow hedges	Equity-method investments
<b>Balance as of 01/01/2021</b>	<b>500</b>	<b>19,995</b>	<b>-4,479</b>	<b>-2,005</b>	<b>-115</b>	<b>-104</b>
Earnings after tax	-	-	129	-	-	-
Other comprehensive income, net of tax	-	-	-	-137	126	34
Total comprehensive income	-	-	129	-137	126	34
Other changes	-	-	0	-	-	35
<b>Balance as of 03/31/2021</b>	<b>500</b>	<b>19,995</b>	<b>-4,350</b>	<b>-2,142</b>	<b>12</b>	<b>-35</b>
<b>Balance as of 01/01/2022</b>	<b>500</b>	<b>14,295</b>	<b>1,477</b>	<b>-1,984</b>	<b>-20</b>	<b>3</b>
Earnings after tax	-	-	422	-	-	-
Other comprehensive income, net of tax	-	-	-	307	16	2
Total comprehensive income	-	-	422	307	16	2
<b>Balance as of 03/31/2022</b>	<b>500</b>	<b>14,295</b>	<b>1,899</b>	<b>-1,677</b>	<b>-5</b>	<b>5</b>





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**Statement of Changes in Equity**  
of the TRATON GROUP for the period January 1 to March 31

	Accumulated other comprehensive income					
	Items that may not be reclassified subsequently to profit or loss					
€ million	Remeasurements of pension plans	Equity-method investments	Other equity investments	Equity attributable to shareholders of TRATON SE	Noncontrolling interests	Total
Balance as of 01/01/2021	-1,054	186	15	12,939	230	13,169
Earnings after tax	-	-	-	129	-1	127
Other comprehensive income, net of tax	153	-1	0	176	4	180
Total comprehensive income	153	-1	0	305	3	308
Other changes	-	-35	-	-	0	0
Balance as of 03/31/2021	-901	150	15	13,243	233	13,476
Balance as of 01/01/2022	-745	-7	-76	13,444	3	13,446
Earnings after tax	-	-	-	422	0	422
Other comprehensive income, net of tax	211	0	-285	251	0	251
Total comprehensive income	211	0	-285	673	0	673
Balance as of 03/31/2022	-534	-6	-361	14,117	3	14,119

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**Statement of Cash Flows**  
of the TRATON GROUP for the period January 1 to March 31

€ million	3M 2022	3M 2021
<b>Cash and cash equivalents as of 01/01</b>	<b>2,002</b>	<b>1,714</b>
Earnings before tax	570	236
Income taxes paid	-135	-132
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant, and equipment, and investment property <sup>1</sup>	320	237
Amortization of, and impairment losses on, capitalized development costs <sup>1</sup>	84	67
Depreciation of products leased out <sup>1</sup>	300	277
Change in pension obligations	-26	-6
Earnings on disposal of noncurrent assets and equity investments	-5	11
Share of earnings of equity-method investments	-33	-120
Other noncash income/expense	-216	13
Change in inventories	-317	-487
Change in receivables (excl. financial services)	-214	-240
Change in liabilities (excl. financial liabilities)	-135	743
Change in provisions	-103	431
Change in products leased out	-102	-209
Change in financial services receivables	-135	-231
<b>Net cash provided by/used in operating activities</b>	<b>-147</b>	<b>589</b>
Capital expenditures in intangible assets (excl. capitalized development costs) and in property, plant, and equipment	-230	-161
Additions to capitalized development costs	-131	-79
Capital expenditures to acquire subsidiaries	-52	-
Capital expenditures to acquire other investees	-24	-78
Proceeds from the disposal of intangible assets, property, plant, and equipment, and investment property	11	5
Change in marketable securities and investment deposits	200	-1,550
Change in loans	2	1
<b>Net cash used in investing activities</b>	<b>-224</b>	<b>-1,861</b>

<sup>1</sup> Net of impairment reversals



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€ million	3M 2022	3M 2021
Proceeds from the issuance of bonds	875	3,371
Proceeds from the issuance of <i>Schuldscheindarlehen</i>	–	275
Repayment of bonds	–652	–989
Loans extended by Volkswagen AG	280	–
Loan repayment to Volkswagen AG and Volkswagen International Luxemburg S.A.	–1,049	–1,000
Change in miscellaneous financial liabilities	776	–301
Repayment of lease liabilities	–61	–55
<b>Net cash provided by financing activities</b>	<b>169</b>	<b>1,302</b>
Effect of exchange rate changes on cash and cash equivalents	80	–16
Change in cash and cash equivalents	–122	13
<b>Cash and cash equivalents as of 03/31</b>	<b>1,880</b>	<b>1,728</b>

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## Contingent Liabilities and Commitments

of the TRATON GROUP as of March 31, 2022, and December 31, 2021

€ million	03/31/2022	12/31/2021
Liabilities under buyback guarantees	2,676	2,603
Contingent liabilities under guarantees	968	1,045
Other contingent liabilities	917	767
	<b>4,561</b>	<b>4,415</b>

## Segment Reporting

of the TRATON GROUP for the period January 1 to March 31

### Reporting segments 2022

REPORTING PERIOD JANUARY 1 TO MARCH 31, 2022

€ million	Scania Vehicles & Services	MAN Truck & Bus	Navistar Sales & Services	Volkswagen Caminhões e Ônibus	TRATON Financial Services	Total segments	Reconciliation	TRATON GROUP	of which TRATON Operations
<b>Total sales revenue</b>	<b>3,180</b>	<b>2,548</b>	<b>2,068</b>	<b>690</b>	<b>297</b>	<b>8,784</b>	<b>-259</b>	<b>8,525</b>	<b>8,363</b>
Intragroup sales revenue	-113	-47	-73	0	-16	-249	249	-	-110
External sales revenue	3,067	2,500	1,995	690	282	8,535	-10	8,525	8,253
Depreciation and amortization	-272	-295	-57	-14	-120	-757	50	-708	-638
<b>Operating result</b>	<b>229</b>	<b>55</b>	<b>76</b>	<b>65</b>	<b>41</b>	<b>465</b>	<b>-110</b>	<b>355</b>	<b>424</b>
<b>Operating result (adjusted)</b>	<b>243</b>	<b>57</b>	<b>76</b>	<b>65</b>	<b>71</b>	<b>512</b>	<b>-110</b>	<b>402</b>	<b>441</b>
Financial result	128	22	171	-36	0	285	-69	215	285
of which share of earnings of equity-method investments	-1	10	-	0	-	9	25	34	9
<b>Capital expenditures</b>	<b>256</b>	<b>66</b>	<b>94</b>	<b>20</b>	<b>0</b>	<b>436</b>	<b>1</b>	<b>437</b>	<b>436</b>
Equity-method investments	104	109	-	-	-	213	1,102	1,315	213

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Reporting segments 2021

REPORTING PERIOD JANUARY 1 TO MARCH 31, 2021

€ million	Scania Vehicles & Services	MAN Truck & Bus	Navistar Sales & Services	Volkswagen Caminhões e Ônibus	TRATON Financial Services	Total segments	Reconciliation	TRATON GROUP	of which TRATON Operations
<b>Total sales revenue</b>	<b>3,420</b>	<b>2,645</b>	–	<b>466</b>	<b>205</b>	<b>6,736</b>	<b>–191</b>	<b>6,544</b>	<b>6,437</b>
Intragroup sales revenue	–131	–60	–	–1	–1	–193	193	–	–99
External sales revenue	3,289	2,584	–	465	204	6,543	1	6,544	6,339
Depreciation and amortization	–274	–290	–	–12	–97	–673	92	–581	–576
Impairment losses	0	–	–	–1	–	–1	–	–1	–1
<b>Operating result</b>	<b>409</b>	<b>–290</b>	–	<b>33</b>	<b>51</b>	<b>202</b>	<b>–47</b>	<b>155</b>	<b>151</b>
<b>Operating result (adjusted)</b>	<b>409</b>	<b>71</b>	–	<b>33</b>	<b>51</b>	<b>564</b>	<b>–47</b>	<b>516</b>	<b>512</b>
Financial result	–5	–1	–	–21	0	–28	109	81	–28
of which share of earnings of equity-method investments	–1	12	–	–	–	11	109	120	11
<b>Capital expenditures</b>	<b>179</b>	<b>76</b>	–	<b>13</b>	<b>1</b>	<b>268</b>	<b>51</b>	<b>319</b>	<b>268</b>
Equity-method investments <sup>1</sup>	105	98	–	–	–	203	1,077	1,280	203

1 As of December 31, 2021

Reconciliation to the TRATON GROUP's earnings before tax

€ million	3M 2022	3M 2021
<b>Operating result (adjusted), total segments</b>	<b>512</b>	<b>564</b>
Exceptional factors from restructurings	–1	–362
Exceptional factors from write-downs due to the war in Ukraine	–46	–
Operating result, TRATON Holding	–29	–43
Earnings effects from purchase price allocation not allocated to the segments	–75	–4
Consolidation	–7	0
<b>Operating result (TRATON GROUP)</b>	<b>355</b>	<b>155</b>
Financial result	215	81
<b>Earnings before tax (TRATON GROUP)</b>	<b>570</b>	<b>236</b>



**4 Course of Business**

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## Events after the Reporting Period

On April 8, 2022, Scania appealed against the judgment of the General Court of the European Union from February 2, 2022, to the European Court of Justice. The €880.5 million fine plus interest from the EU antitrust proceedings was paid on April 12, 2022, to avoid additional interest penalties. Existing credit lines of TRATON SE with Volkswagen AG and a new credit line with Volkswagen International Luxemburg S.A., Strassen, Luxembourg, were used to facilitate the payment.

In April 2022, TRATON entered into a definitive agreement with Tupy S.A., Brazil, for the sale of International Indústria Automotiva Da América Do Sul Ltda. The purchase price, which is subject to various adjustments, was around €162 million (BRL 855 million). In addition, the transaction is subject to closing conditions, including regulatory approvals. The transaction is currently expected to be completed in the second half of 2022. No material effects on the financial statements of the TRATON GROUP are currently expected. The company is reported as part of the Navistar Sales & Services segment.

Munich, April 26, 2022

TRATON SE

The Executive Board

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