

TRATON

Press Call 9M 2021 Interim Statement

Christian Levin, CEO | Annette Danielski, CFO

Munich, 10-28-2021



NAVISTAR



Electric Powered

Disclaimer

This presentation has been prepared for information purposes only.

It does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Volkswagen AG, TRATON SE, or any company of the TRATON GROUP in any jurisdiction. Neither this presentation, nor any part of it, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contractual commitment or investment decision in relation to the securities of Volkswagen AG, TRATON SE, or any company of the TRATON GROUP in any jurisdiction, nor does it constitute a recommendation regarding any such securities.

It contains forward-looking statements and information on the business development of the TRATON GROUP. These statements and information are based on assumptions relating in particular to the TRATON GROUP's business and operations and the development of the economies in the countries in which the TRATON GROUP is active.

The TRATON GROUP has made such forward-looking statements on the basis of the information available to it and assumptions it believes to be reasonable. The forward-looking statements and information may involve risks and uncertainties, and actual results may differ materially from those forecasts. If any of these or other risks or uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such forward-looking statements and information. The TRATON GROUP will not update this presentation, particularly not the forward-looking statements. The presentation is valid on the date of publication only.

Certain financial information and financial data included in this presentation are preliminary, unaudited, and may be subject to revision. Due to their preliminary nature, statements contained in this presentation should not be unduly relied upon, and past events or performance should not be taken as a guarantee or indication of future events or performance. Financial figures might be translated from different currencies, using the exchange rate prevailing at the relevant date or for the relevant period that the relevant financial figures relate to.

All statements with regard to markets or market position(s) of TRATON SE or any affiliated company or any of its competitors are estimates based on data available to the TRATON GROUP.

IHS Markit Data referenced herein are the copyrighted property of IHS Markit Ltd. and its subsidiaries ("IHS Markit"). The IHS Markit Data are from sources considered reliable; however, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses published by IHS Markit representations of fact. The IHS Markit Data speak as of the original publication date thereof and are subject to change without notice. IHS Markit and other trademarks appearing in the IHS Markit Data are the property of IHS Markit or their respective owners.

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

Press Call 9M 2021 Interim Statement

YOUR PRESENTERS TODAY



Christian Levin
Chief Executive Officer



Annette Danielski
Chief Financial Officer



Pietro Zollino¹
Head of Group Communications

¹ as of 11-01-2021

TRATON GROUP Executive Board Members

MANAGEMENT



Christian Levin¹
CEO TRATON SE and Scania



Annette Danielski¹
CFO TRATON SE



Bernd Osterloh
CHRO TRATON SE and MAN Truck & Bus



Dr. Ing. h.c. Andreas Tostmann
CEO MAN Truck & Bus



Antonio Roberto Cortes
CEO Volkswagen Caminhões e Ônibus



Mathias Carlbaum¹
CEO and President Navistar International Corporation

Agenda

- 1. Environment**
2. Core KPIs 9M 2021
3. Going forward
4. Q&A

TRATON GROUP delivers good results despite chip shortage

Limited comparison of figures due to Navistar consolidation

KEY FACTS 9M 2021



Business recovery continued,
but supply chain management
was very challenging

Incoming orders



up more than 80% to
268,317

Unit sales



up more than 50% to
195,422

NAVISTAR

First Navistar reporting as part
of the TRATON GROUP



Planned EV charging JV with
Daimler Truck and Volvo Group



New strategy with focus on
sustainability, transformation
and China

Supply chain management and decarbonization in focus



Political Environment

CV industry committed to decarbonization, but needs the right framework from politics



Global Economy

IMF lowered global growth outlook as supply bottlenecks burden recovery

TRANSFORMING TRANSPORTATION TOGETHER

TRATON

Company Environment

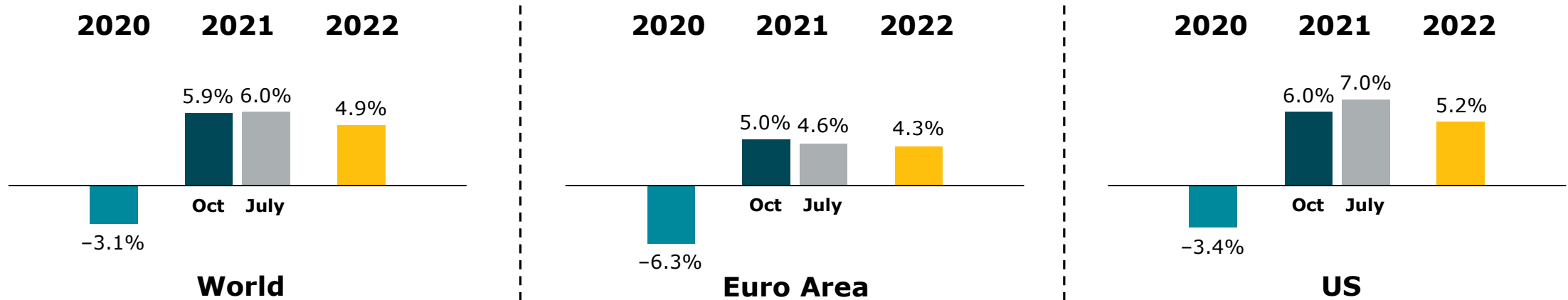
Incoming orders grow faster than unit sales due to shortage in chips and other bought-in parts



Business Climate

Strong customer demand, but problems with supply of semi-conductors and other materials

Global economy continues to recover, with less momentum

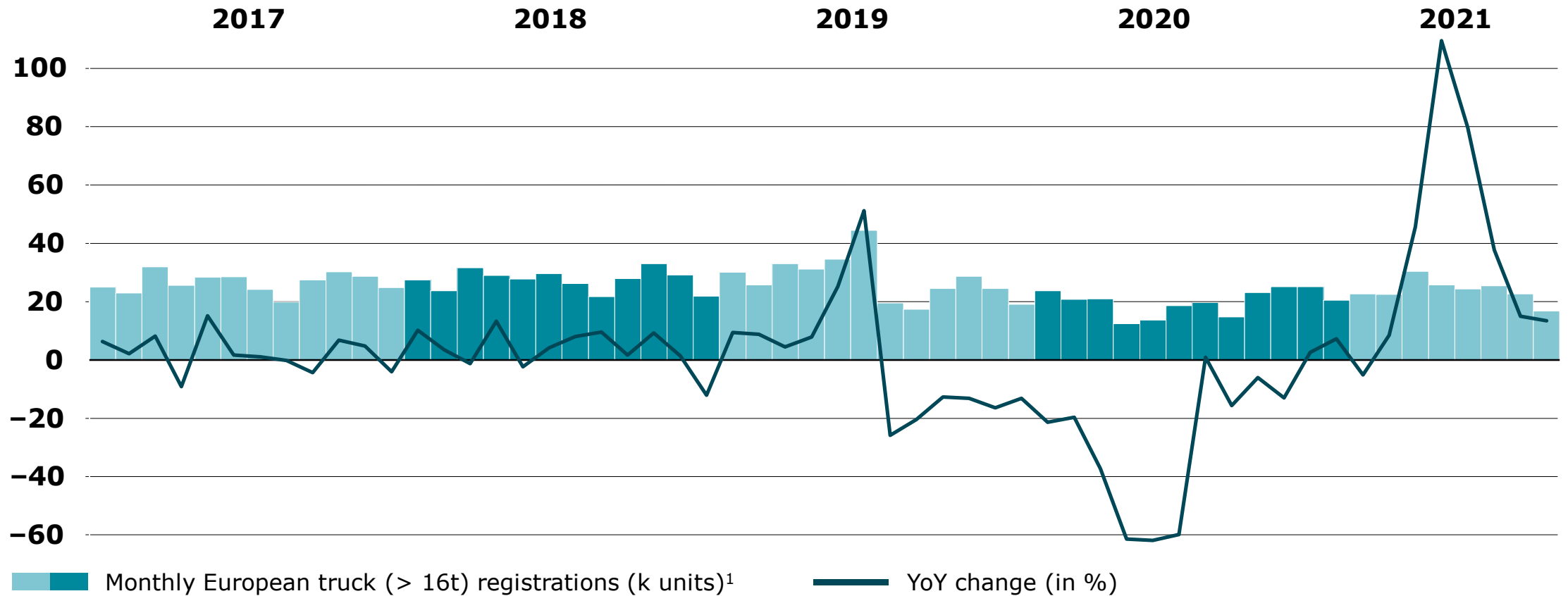


„Supply disruptions pose another policy challenge. ... pandemic outbreaks and weather disruptions have resulted in shortages of key inputs and dragged manufacturing activity lower in several countries.“

IMF WORLD ECONOMIC OUTLOOK
October 2021



Business climate in Europe getting weaker since peak in March



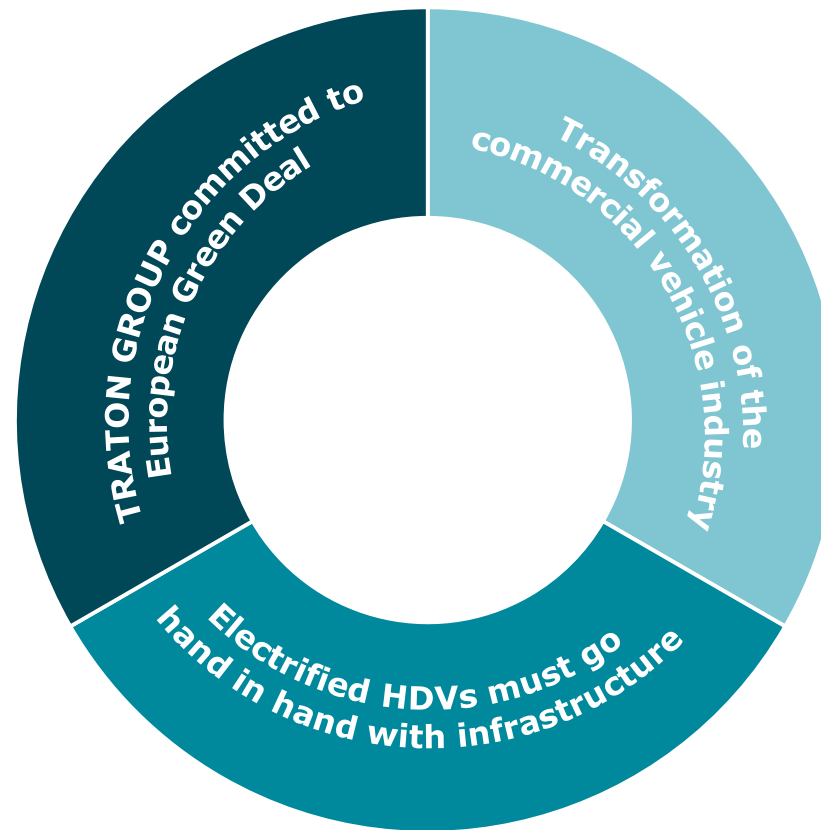
1) ACEA new heavy commercial vehicles (HCV) registrations of 16t and over for EU + EFTA + UK



Electrification plays a major role in TRATON's new strategy

Clear E-Mobility Strategy

High investments in electrified CVs especially in long-distance transport, where the greatest potential for CO₂ savings is expected



Right political framework must be in place very soon

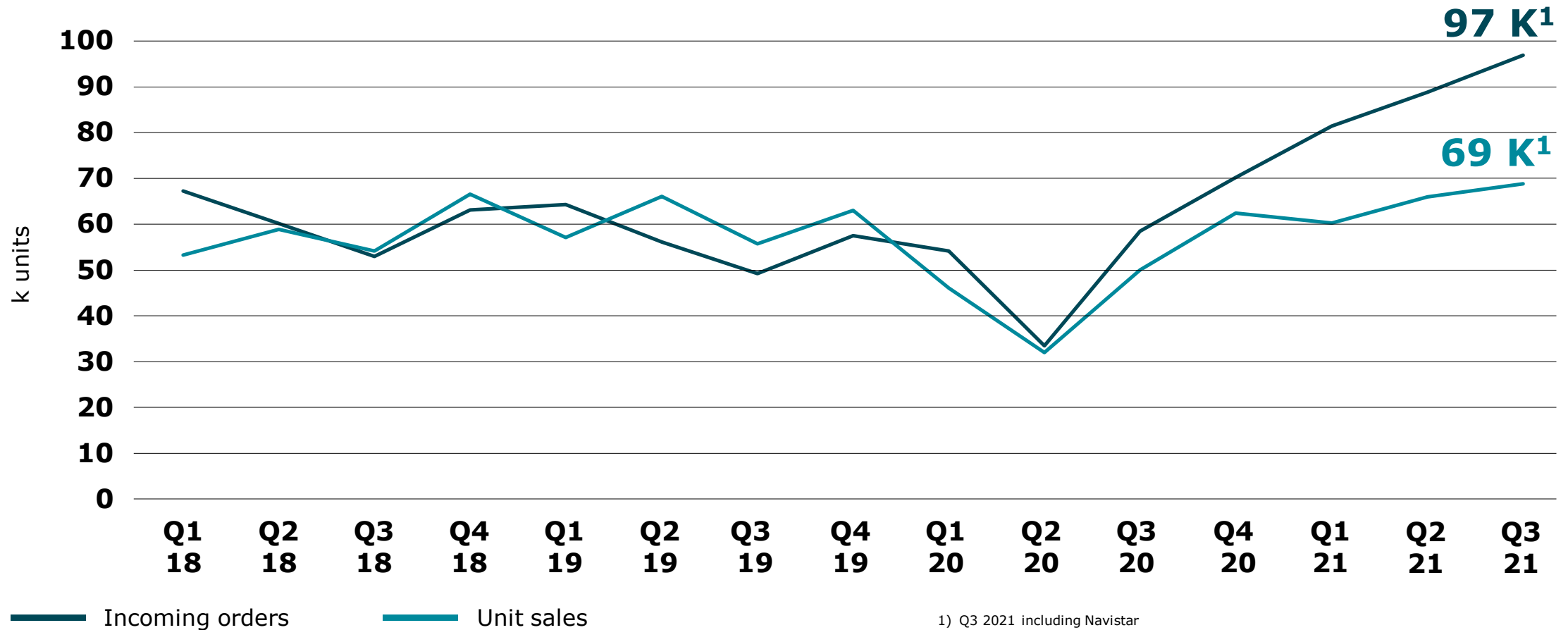
CO₂-based tolls, subsidy programs for the purchase of electrified HDVs, development of DC fast-charging infrastructure on motorways and higher prices on fossil fuels are necessary

Dense network of charging infrastructure is needed

Private and public investments in Pan-European high performance charging infrastructure for battery-electric long-haulage HDVs

Nearly 100.000 incoming orders in Q3 2021

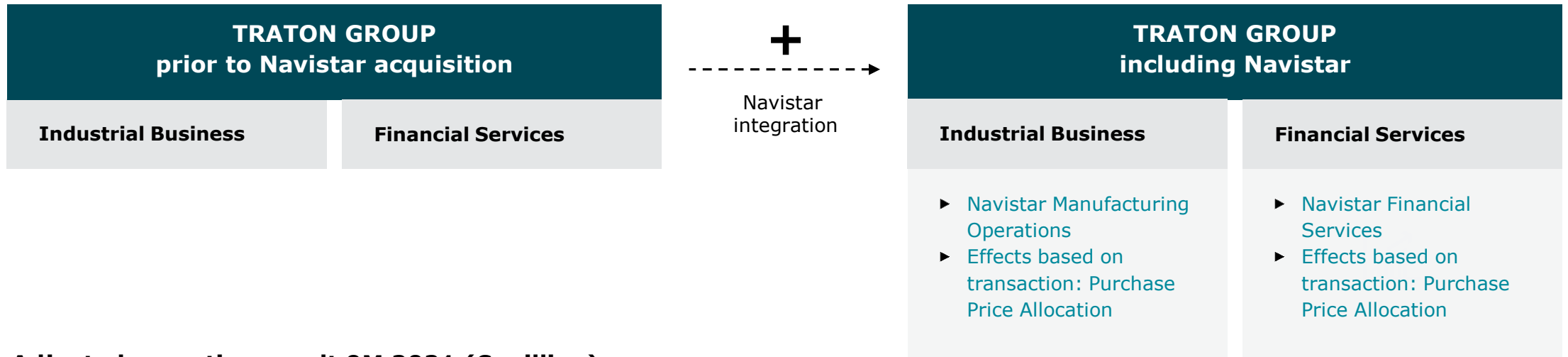
Limited comparison of figures due to Navistar consolidation



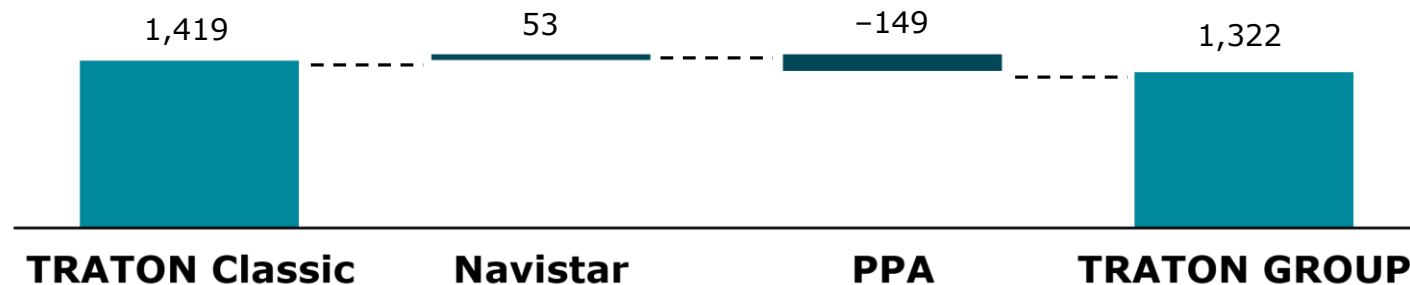
Agenda

1. Environment
- 2. Core KPIs 9M 2021**
3. Going forward
4. Q&A

TRATON GROUP is growing with Navistar integration



Adjusted operating result 9M 2021 (€ million)



TRATON GROUP Core KPIs 9M 2021

Limited comparison of figures due to Navistar consolidation

Units	9M 2021	9M 2020	Change
Trucks and buses			
Incoming orders	268,317	145,933	84%
Unit sales	195,422	127,660	53%
Book to bill ¹ (ratio in units)	1.37	1.14	23 bp
Of which trucks ²	182,836	115,820	58%
Of which buses	12,586	11,840	6%
Financial KPIs (€ million)			
Sales revenue	21,670	15,740	38%
Adj. operating result ³	1,322	-9	1,331
Adj. operating ROS ⁴	6.1%	-0.1%	6.2 pp



Deep Dive Group Core KPIs

Limited comparison of figures due to Navistar consolidation

Units	9M 2021	9M 2020	Change
Industrial Business (€ million)			
Sales revenue	21,305	15,419	38%
Adj. operating result ¹	1,157	-91	1,247
Adj. operating ROS ²	5.4%	-0.6%	6.0 pp
Capex ³	622	602	3%
Primary R&D costs	989	796	24%
Net cash flow	-2,842	-148	-2,694
Net liquidity	-6,806	27	-6,832
Financial Services (€ million)			
Sales revenue	683	612	12%
Operating result	170	82	88



1) 9M 2021: Operating Result €476 mn; 9M 2020: Operating Result €-140 mn

2) 9M 2021: Operating RoS 2.2%; 9M 2020: Operating RoS -0.9%

3) Capital expenditures in property, plant, and equipment and intangible assets (€ million)

Scania Vehicles & Services – Core KPIs

Units	9M 2021	9M 2020	Change
Trucks and buses			
Incoming orders	100,460	60,207	67%
Unit sales	67,235	47,735	41%
Financial KPIs (€ million)			
Sales revenue	10,251	8,094	27%
Operating result	1,099	419	680
Operating ROS	10.7%	5.2%	5.5 pp



MAN Truck & Bus – Core KPIs

Units	9M 2021	9M 2020	Change
Trucks and buses			
Incoming orders	100,630	59,745	68%
Unit sales	68,622	53,543	28%
Financial KPIs (€ million)			
Sales revenue	8,018	6,567	22%
Adj. operating result ¹	245	-414	659
Adj. operating ROS ²	3.1%	-6.3%	9.4 pp



Volkswagen Caminhões e Ônibus – Core KPIs

Units	9M 2021	9M 2020	Change
Trucks and buses			
Incoming orders	43,631	26,287	66%
Unit sales	45,608	26,772	70%
Financial KPIs (€ million)			
Sales revenue	1,623	931	74%
Operating result	132	-6	138
Operating ROS	8.1%	-0.6%	8.8 pp



Navistar Manufacturing Operations – Core KPIs

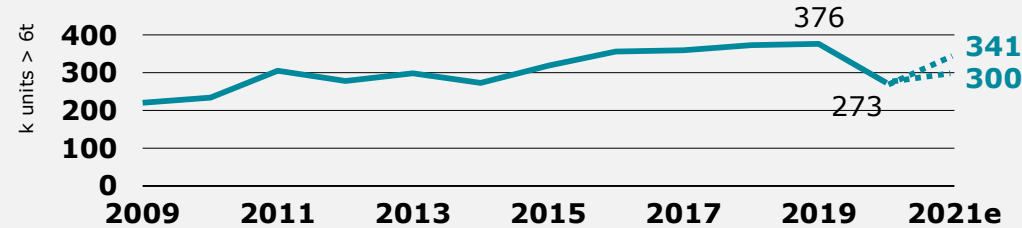
Units	9M 2021 ¹
Trucks and buses	
Incoming orders	23.638
Unit sales	14.074
Financial KPIs (€ million)	
Sales revenue	1.681
Operating result	42
Operating ROS	2.5%



1) July 1 until Sept 30 2021

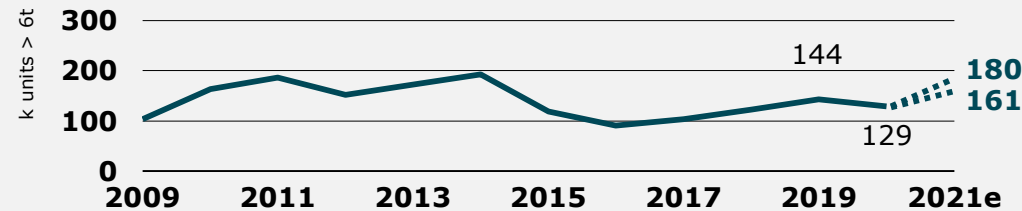
Positive truck market outlook, but risks increasing

EU27+3¹



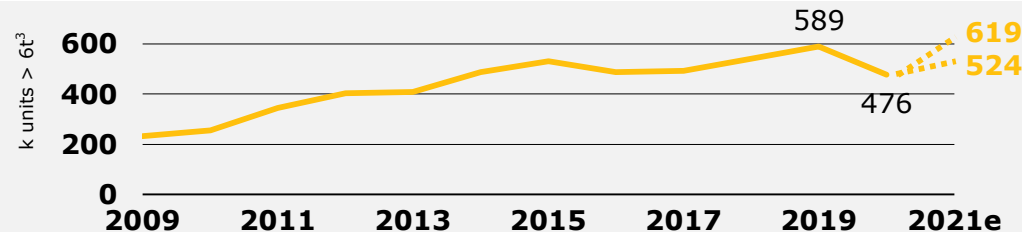
Market expectations²
2021e
+10% – +25%

South America



Market expectations²
2021e
+25% – +40%

North America



Market expectations²
2021e
+10% – +30%

Source: Historical data based on own calculations and estimates.

1) EU27+3 region (EU27 countries without Malta, plus the United Kingdom, Norway, and Switzerland).

2) Includes estimates from different institutes, companies, and data/information services.

3) Class 4-8.

TRATON Outlook 2021 – Recovery after strong decline, but challenges increasing




	TRATON Classic	TRATON Classic	TRATON
	FY 2020	FY 2021 Outlook 07-28-21 ¹	FY 2021 Outlook 10-28-21 ²
Unit sales	190.2 k –21%	sharp increase	very sharp increase
Sales revenue	€22.6 bn –16%	substantial increase	very sharp increase
Operating RoS & operating result	0.4% €81 mn	5.0 – 7.0% upper area achievable	5.0 – 6.0% (approx. 4.0 – 5.0% incl. Navistar PPA) ³
Net cash flow (Industrial Business)	€676 mn	€500 – 700 mn upper area achievable	€0 – 300 mn ⁴

1) Before expenses for restructuring measures for the repositioning of MAN Truck & Bus and before effects from the merger with Navistar International Corporation. 2) Navistar International Corporation included from July 1, 2021 (excluding Navistar purchase price allocation), before expenses for restructuring measures for the repositioning of MAN Truck & Bus. 3) Including earnings effects from Navistar purchase price allocation. 4) Excluding negative impact of the purchase price for Navistar (€2,584 mn after deduction of cash and cash equivalents at Navistar Manufacturing Operations at the time of acquisition) and excluding expenses for restructuring measures for the repositioning of MAN Truck & Bus.

Agenda

1. Environment
2. Core KPIs 9M 2021
- 3. Going forward**
4. Q&A

We set clear priorities going forward

1	 Responsible Company Make responsible behavior a top priority in everything we do	<ul style="list-style-type: none">▶ Decarbonization & Circularity▶ People & Pluralism▶ Governance & Ethics
2	 Value Creation Focus on sustainable value creation for our stakeholders	<ul style="list-style-type: none">▶ Performance-driven▶ Navistar as a part of TRATON family▶ TRATON goes China
3	 TRATON Accelerated! Shape our role in the future logistics ecosystem	<ul style="list-style-type: none">▶ Business Model Expansion▶ Partnership Culture▶ Embrace Digital



Electrification is already on its way

ELECTRIC VEHICLES 9M 2021	INCOMING ORDERS	UNIT SALES
TRATON GROUP	1151	666
Trucks (incl. MAN TGE)	830	606
Trucks Scania	117	21
Trucks MAN	2	3
MAN TGE	699	582
Trucks Navistar ¹	12	0
Buses	321	60
Bus Scania	28	8
Bus MAN	179	49
Bus Navistar ¹	114	3

1) Order backlog



Scania electric truck
(25 P BEV)



MAN electric bus
(Lion's City E)



VWCO electric truck
(eDelivery)



Electric International
eMV Series



Responsible behavior as top priority

RESPONSIBLE BEHAVIOR



THE
CLIMATE
PLEDGE

Scania joins The Climate Pledge

Scania is joining Amazon and Global Optimism in The Climate Pledge, and is now one of the companies committing to reach net zero carbon emissions by 2040 – ten years ahead of the Paris Agreement.



MAN joins the Science Based Targets Initiative

Sustainability is a key component of the "NewMAN" corporate strategy – this will now also manifest itself in concrete targets for reducing greenhouse gases.



Achieving sustainable profitability of MAN is top priority

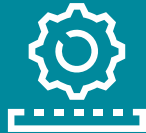


OBJECTIVES AND ACHIEVEMENTS



Reduction of about 3,500 jobs in Germany

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



Restructuring of the production and development network

- ▶ Steyr production site transferred to WSA, effective August 31, 2021
- ▶ Important contribution to cost efficiency



Financial impact

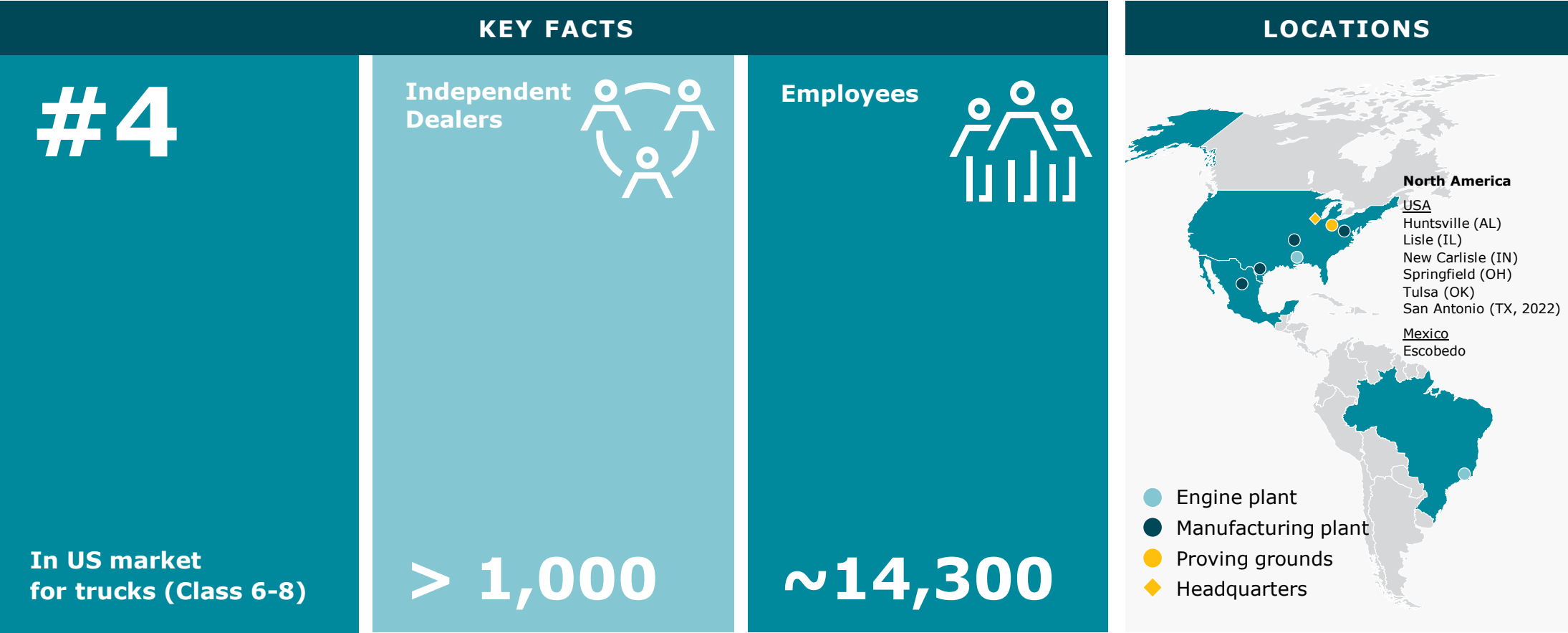
- ▶ Restructuring cost of €681 million booked in 9M 2021
- ▶ Package of measures to improve earnings by up to €1.7 billion



Strong product portfolio

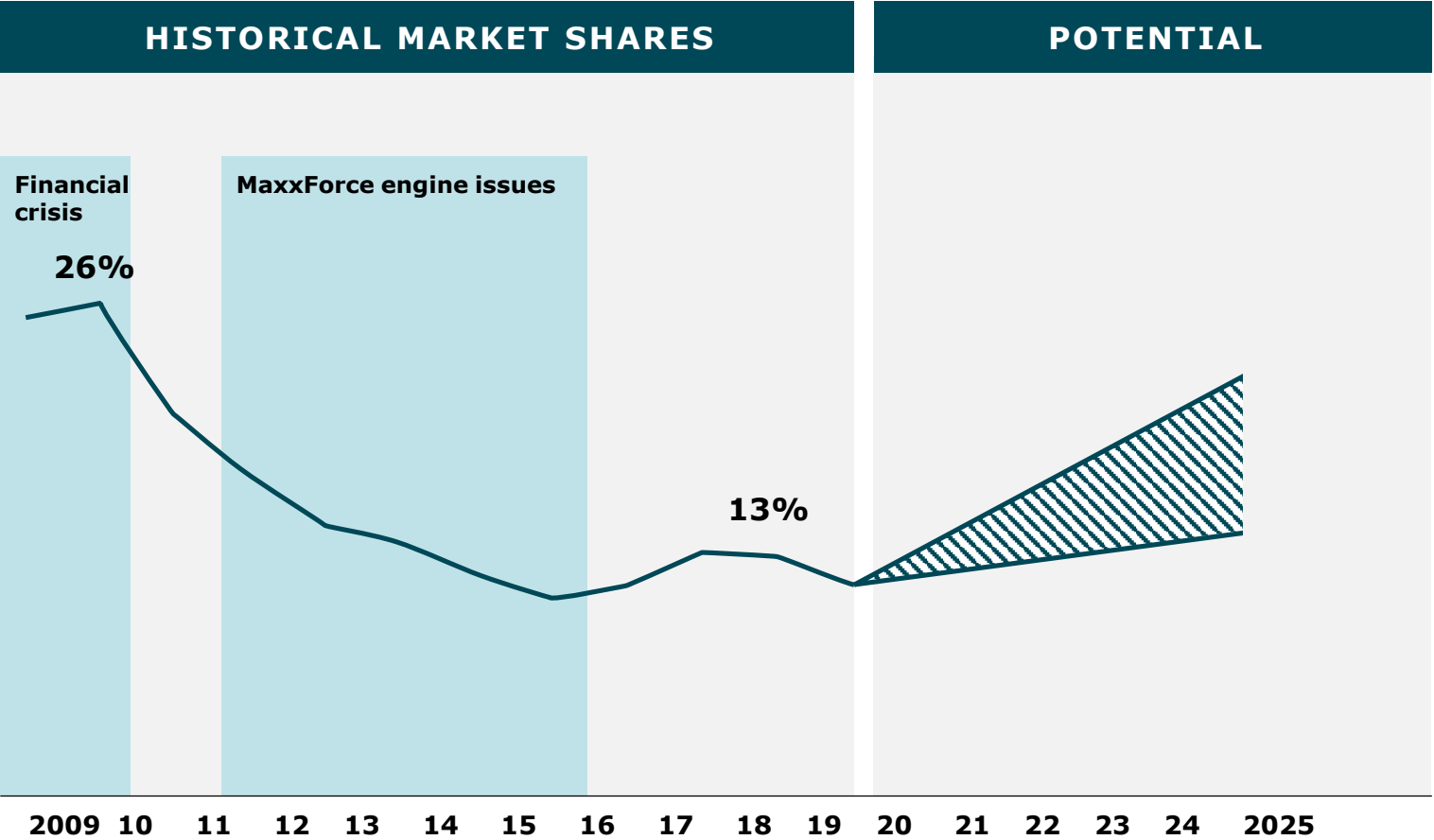
- ▶ Focus on zero-emission technologies with an emphasis on e-mobility
- ▶ Autonomous vehicles and digital solutions as game changers

Navistar at a glance



Strengthen Navistar to regain market share

HDT market share development over time (combined class 8)





Navistar has multiple opportunities for value creation

Expand
beyond the
core

1



Common Base Engine introduction

- ▶ Use of our powerful component and technology set-up within the TRATON GROUP
- ▶ Leverage powertrain components within the Group
- ▶ Introduction of our new 13 liter Common Base Engine

2



Strengthen Navistar to regain market share

- ▶ Continued strong position in bus, medium and light duty
- ▶ Regain the class 8 market share
- ▶ Establish a strong and competitive product in the class 8 segment

3



Leverage dealer & service network

- ▶ Largest dealer network in North America
- ▶ After sales uplift / Industry leading aftersales support



Navistar as important new member in our strong family



- ▶ The TRATON GROUP has matured
- ▶ Modularization is key on our way to stronger profitability
- ▶ Our future focus will be much more on execution
- ▶ The GROUP has a clear value for all its brands
- ▶ We will use scalability for better performance
- ▶ Push the TRATON strategy into a different gear, for more speed
- ▶ The brands will act with lots of freedom

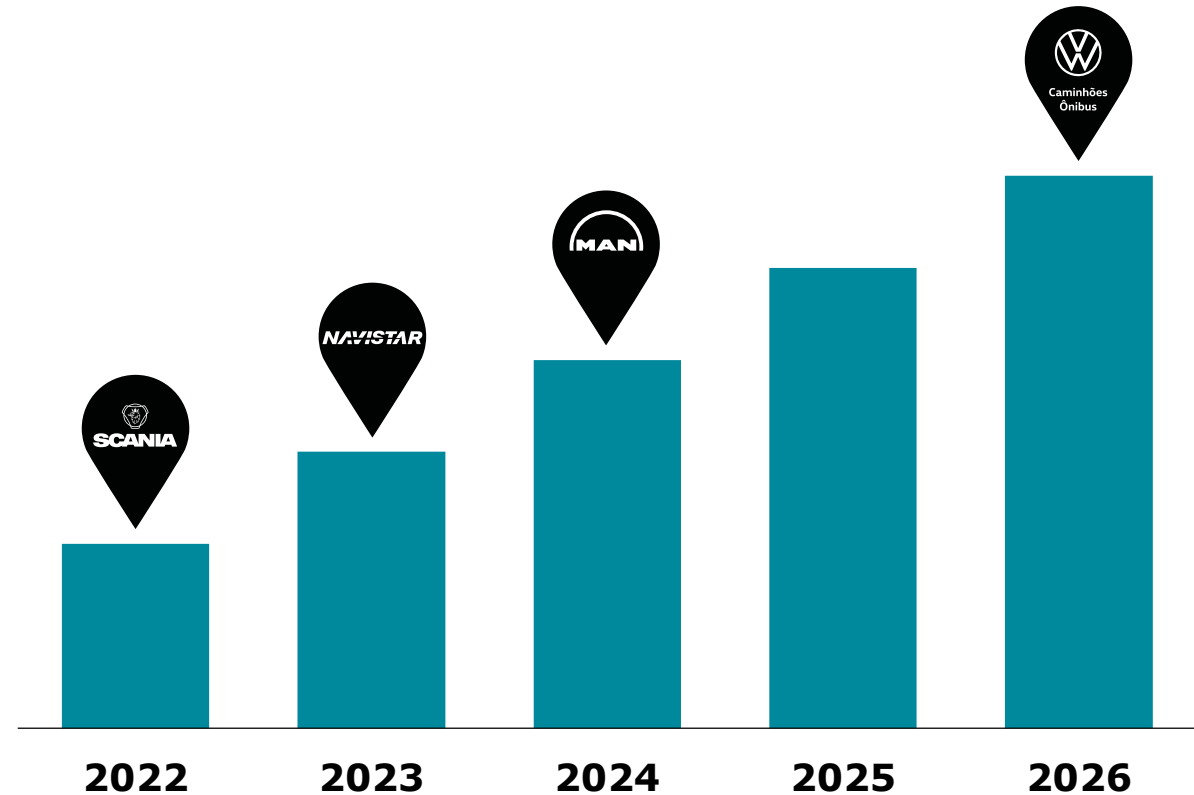


Common Base Engine introduction

Powertrain package introduced across brands

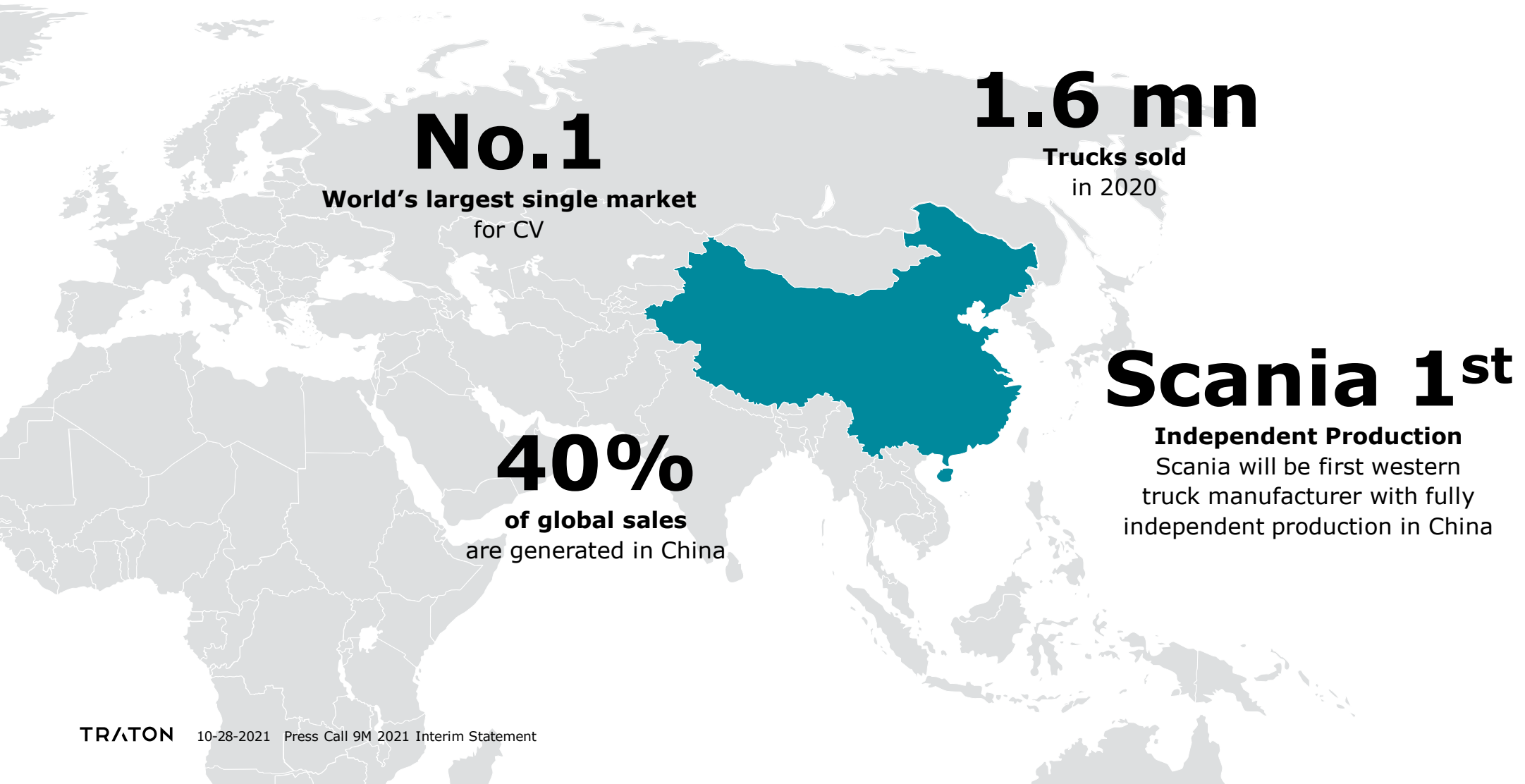
- ▶ Scania: Introduction of the new 13-litre range in November; start of production scheduled during the second quarter of 2022
- ▶ MAN: Construction has started on CBE production site in Nuremberg/Germany
- ▶ Navistar: Preparation of production in Huntsville/USA

Planned market introduction





China is one of the most important profit pools

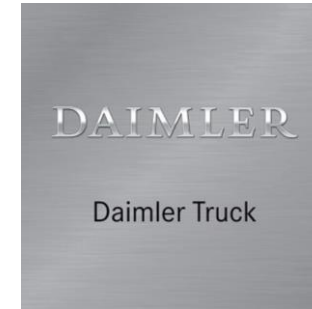




High performance charging network for Europe

>1,700
Public charging
points

500 Mio
EUR Invest



- ▶ Memorandum of Understanding signed
- ▶ Pioneer high-performance public charging network for battery electric heavy-duty long-haul trucks and coaches across Europe planned
- ▶ Accelerate the build-up of green energy charging infrastructure
- ▶ Enhance customer confidence
- ▶ Support EU's transformation to climate-neutral transportation

Agenda

1. Environment
2. Core KPIs 9M 2021
3. Going forward
4. **Q&A**

Contacts Corporate Communications

CORPORATE COMMUNICATIONS



Pietro Zollino¹
Head of Group Communications



Sacha Klingner
Head of Corporate Communications



Matthias Karpstein
Business Media Relations

TRATON SE

Dachauer Str. 641 | 80995 Munich

www.traton.com

¹ as of 11-01-2021

TRATON

Press Call 9M 2021 Interim Statement

Christian Levin, CEO | Annette Danielski, CFO

Munich, 10-28-2021



NAVISTAR



Electric Powered