







# TRATON ROADSHOW PRESENTATION

# WE'RE A TRANSPORTATION POWERHOUSE ...


Four strong global brands under one roof

 /  /  /   
Truck Bus






**€46.9 bn**  
Sales revenue




Sustainability

**Transforming Transportation Together. For a sustainable world.**


Sustainability as core principle and as top priority in the Group's strategy







**103,621**  
Employees worldwide<sup>1</sup>





**338,183**  
Unit sales  
(trucks, buses & vans)



**TRATON WAY FORWARD**  
— A LONG-TERM VISION FOR THE GROUP

 <b>Responsible Company</b>	Decarbonization & Circularity People & Diversity Governance & Ethics
 <b>Value Creation</b>	Performance-driven Navistar as part of TRATON family TRATON goes China
 <b>TRATON Accelerated!</b>	Business Model Expansion Partnership Culture Embrace Digital
 <b>Strategy Execution</b>	





**33 production and assembly sites worldwide in 12 countries on 4 continents**

Note: Data based on Full Year 2023 results 1 As of December 31, 2023





... WITH FOUR STRONG GLOBAL BRANDS UNDER ONE ROOF

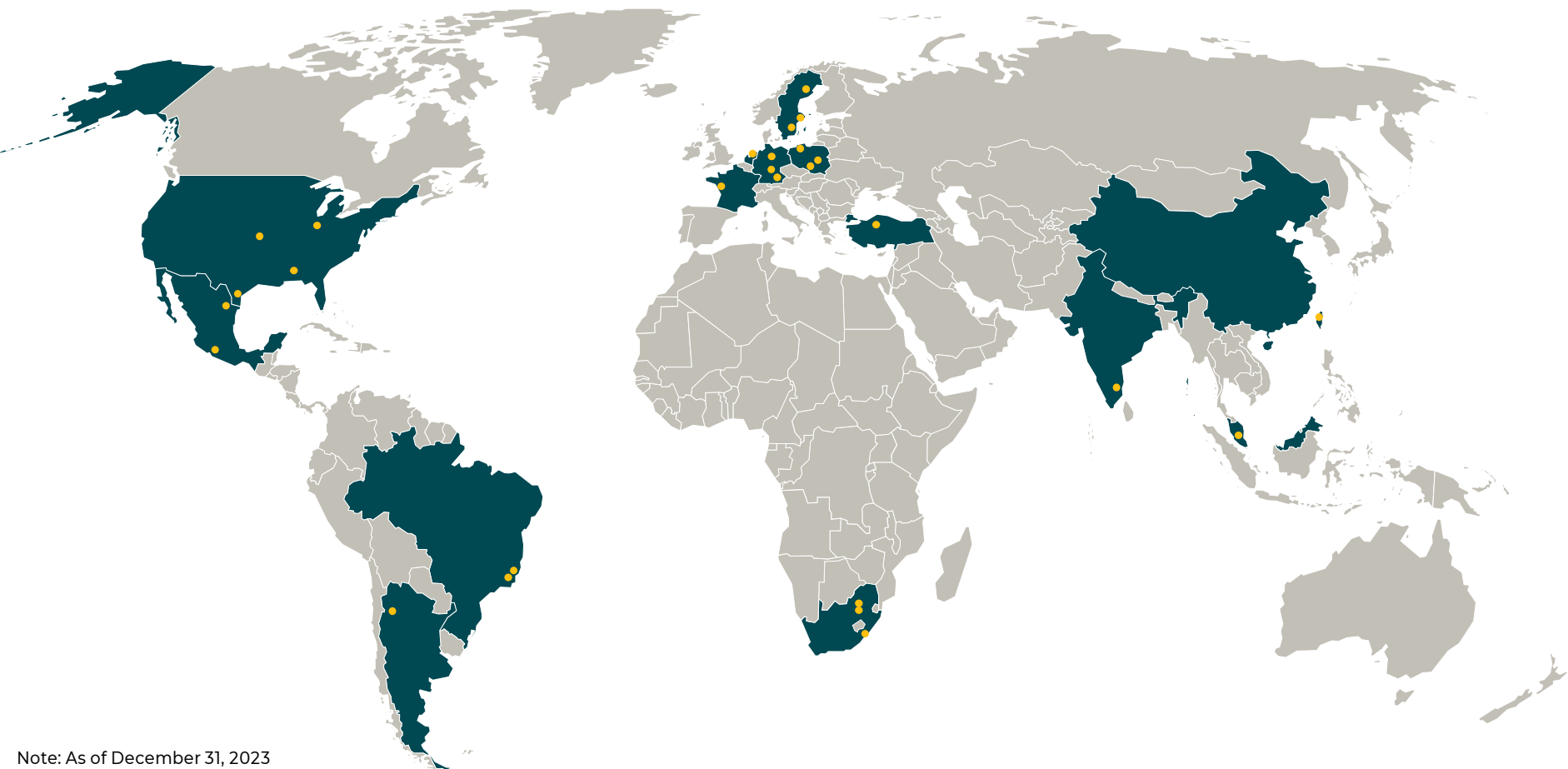


Truck  
Bus





# ... AND PRODUCTION & ASSEMBLY SITES AROUND THE GLOBE



Commercial vehicle brands

4



Countries

12

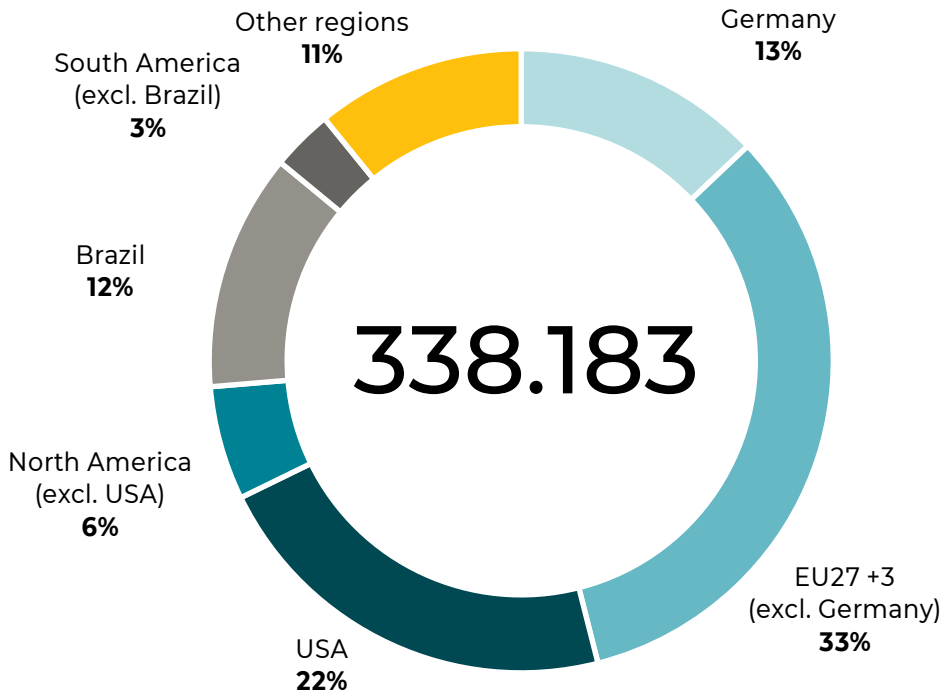
Production and assembly sites

33

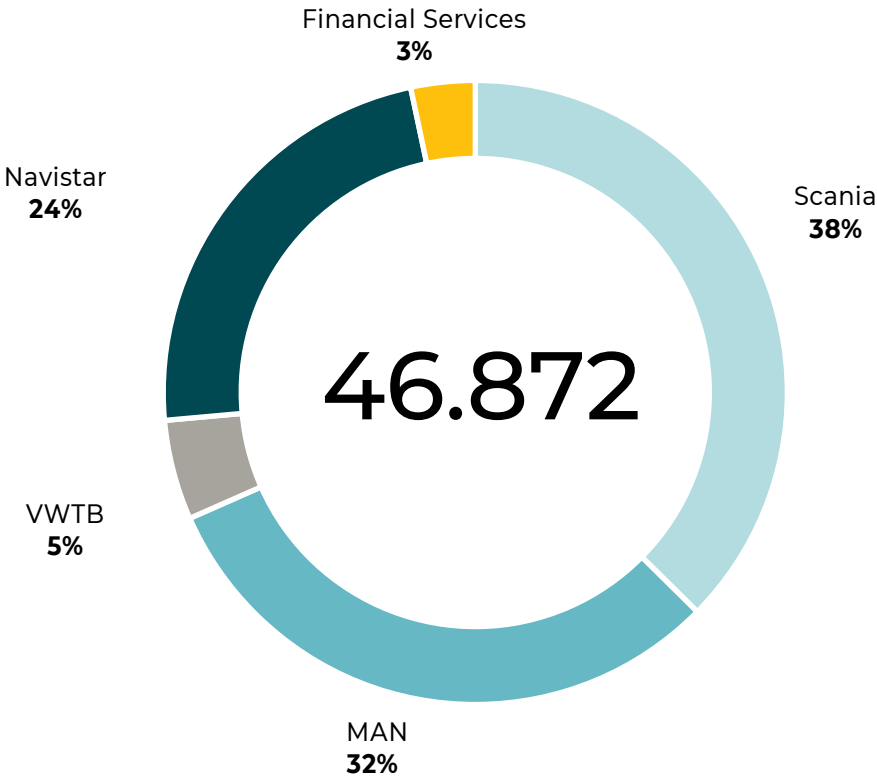
Note: As of December 31, 2023

# TRATON IS ONE OF THE WORLD’S LARGEST TRUCK & BUS PRODUCERS

**Well-diversified regional mix**  
(Unit sales per region)



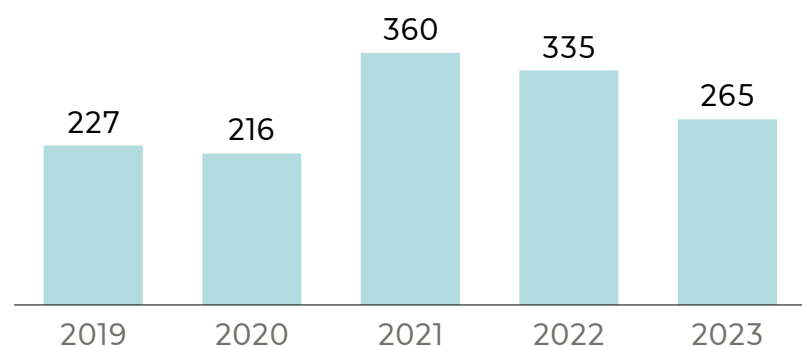
**Well-diversified brand mix**  
(Sales revenue per brand in € mn)



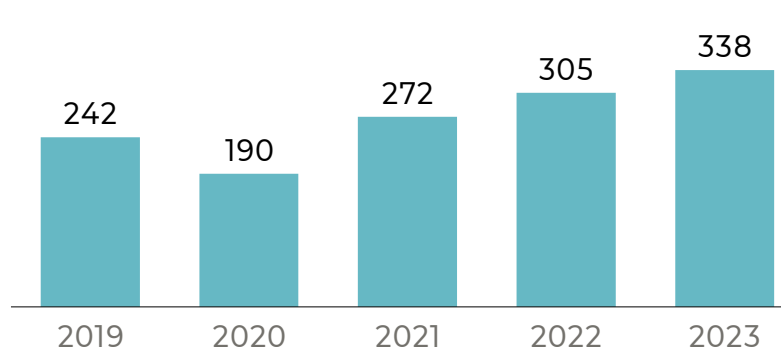
Note: TRATON sales revenue including FS, excl. consolidation and Corporate Items; rounding differences possible.  
Note: Based on Full Year 2023 results.

# ON A PROFITABLE GROWTH PATH WITH INCREASING SALES AND MARGINS

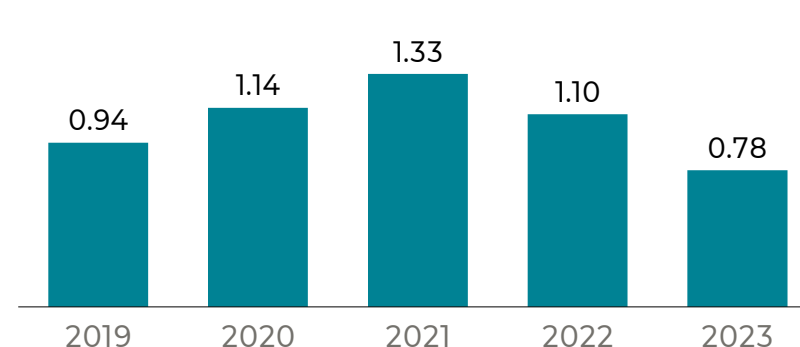
Incoming orders (k units)



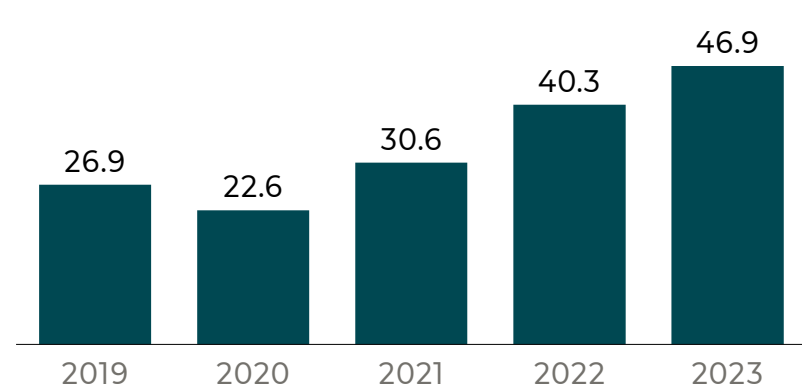
Unit sales (k units)



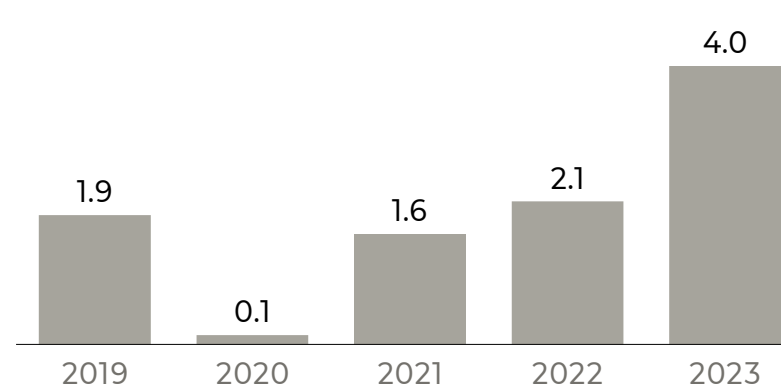
Book-to-bill (ratio in units)



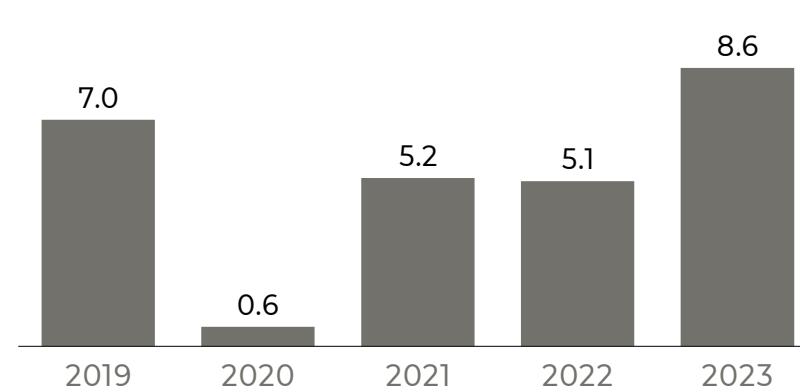
Sales revenue (€ bn)



Adjusted operating result (€ bn)



Adjusted return on sales (%)



Note: 2021 figures include Navistar only for second-half year due to consolidation from July 1, 2021.

2015	2019	2021	2021	2022
Establishment of VW Truck & Bus	Successful IPO of TRATON SE	Acquisition of Navistar	Introduction of new	Milence charging JV with Daimler Truck

## Establishment of VW Truck & Bus



## Successful IPO of TRATON SE



## Acquisition of Navistar



Introduction  
of new  
Group powertrain



## Milence charging JV with Daimler Truck & Volvo Group

First S13 units  
delivered



# TRATON

Re-branding/  
new identity



Squeeze-Out MAN SE,  
realignment MAN T&B started



## New strategy, the TRATON Way Forward

**TRATON**  
FINANCIAL SERVICES

Go-live of  
TRATON  
Financial Services



realignment  
MAN T&B  
completed

# THE TRATON WAY FORWARD TRANSLATES INTO A LONG-TERM VISION FOR THE GROUP

	<b>Responsible Company</b>	<ul style="list-style-type: none"><li>– Decarbonization &amp; Circularity</li><li>– People &amp; Diversity</li><li>– Governance &amp; Ethics</li></ul>
	<b>Value Creation</b>	<ul style="list-style-type: none"><li>– Performance-driven</li><li>– Navistar as part of TRATON family</li><li>– TRATON goes China</li></ul>
	<b>TRATON Accelerated!</b>	<ul style="list-style-type: none"><li>– Business Model Expansion</li><li>– Partnership Culture</li><li>– Embrace Digital</li></ul>
	<b>Strategy Execution</b>	





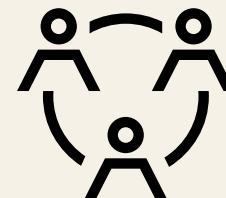
# WHY TRATON IS AN ATTRACTIVE INVESTMENT



**Strong competitive position** with a **diversified regional and brand portfolio** in an attractive global growth market and profit pool



**State-of-the-art products and services** strongly geared towards future trends in order to **capture the opportunities in our industry**



Substantial potential from **leveraging know-how of brands and TRATON Modular System** while **driving the transformation towards a sustainable future**



Clear plan and commitment to execute towards **ambitious 9% return on sales target** and an **efficient balance sheet to drive shareholder returns**

# FY 2023 HIGHLIGHTS & FINANCIAL PERFORMANCE

# A VERY SUCCESSFUL YEAR 2023 FOR TRATON GROUP



Vehicles  
sold

**338,183**

+11% YoY



Sales  
revenue

**€46.9 bn**

+16% YoY



Adjusted  
return on sales

**8.6%**

+3.5 pp YoY



Net cash flow  
TRATON  
Operations

**€3.6 bn<sup>1</sup>**

+€4.2 bn YoY



Earnings  
per share

**€4.90**

+€2.62 YoY

<sup>1</sup> Including effects from the sale of the Russia activities and the adjustment of the ownership structure of the financial services business amounting to €899 million.

# WE CONTINUE TO DELIVER – THE TRATON WAY FORWARD



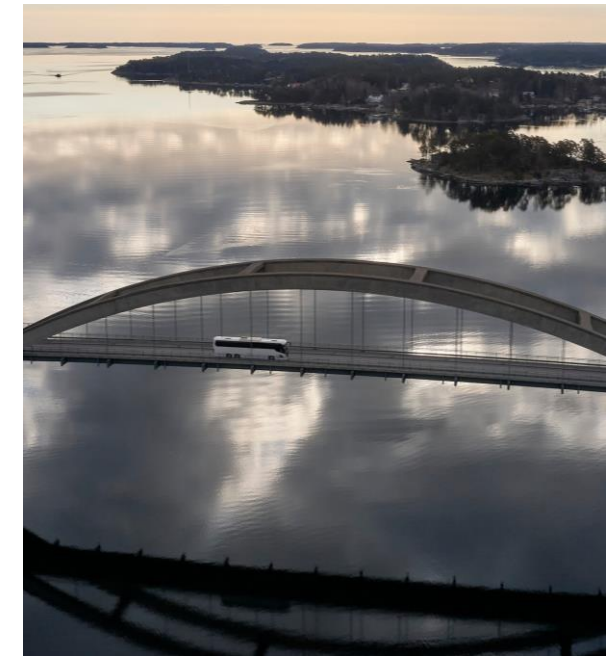
MAN re-alignment successfully executed, supporting strong profitability step-up



TRATON Financial Services established and expanded



TRATON Modular System driven forward, first deliveries of the International S13 Integrated Powertrain



TRATON advances on its way to become a more sustainable company



# WE ARE TRANSFORMING TRANSPORTATION – 2023 BEV HIGHLIGHTS



Market launch of the new  
MAN eTruck



VWTB starts series production  
of e-Delivery truck



Scania's battery assembly  
starts operations



Milence opens first charging  
hub for heavy-duty vehicles



Navistar partners with  
Quanta Services

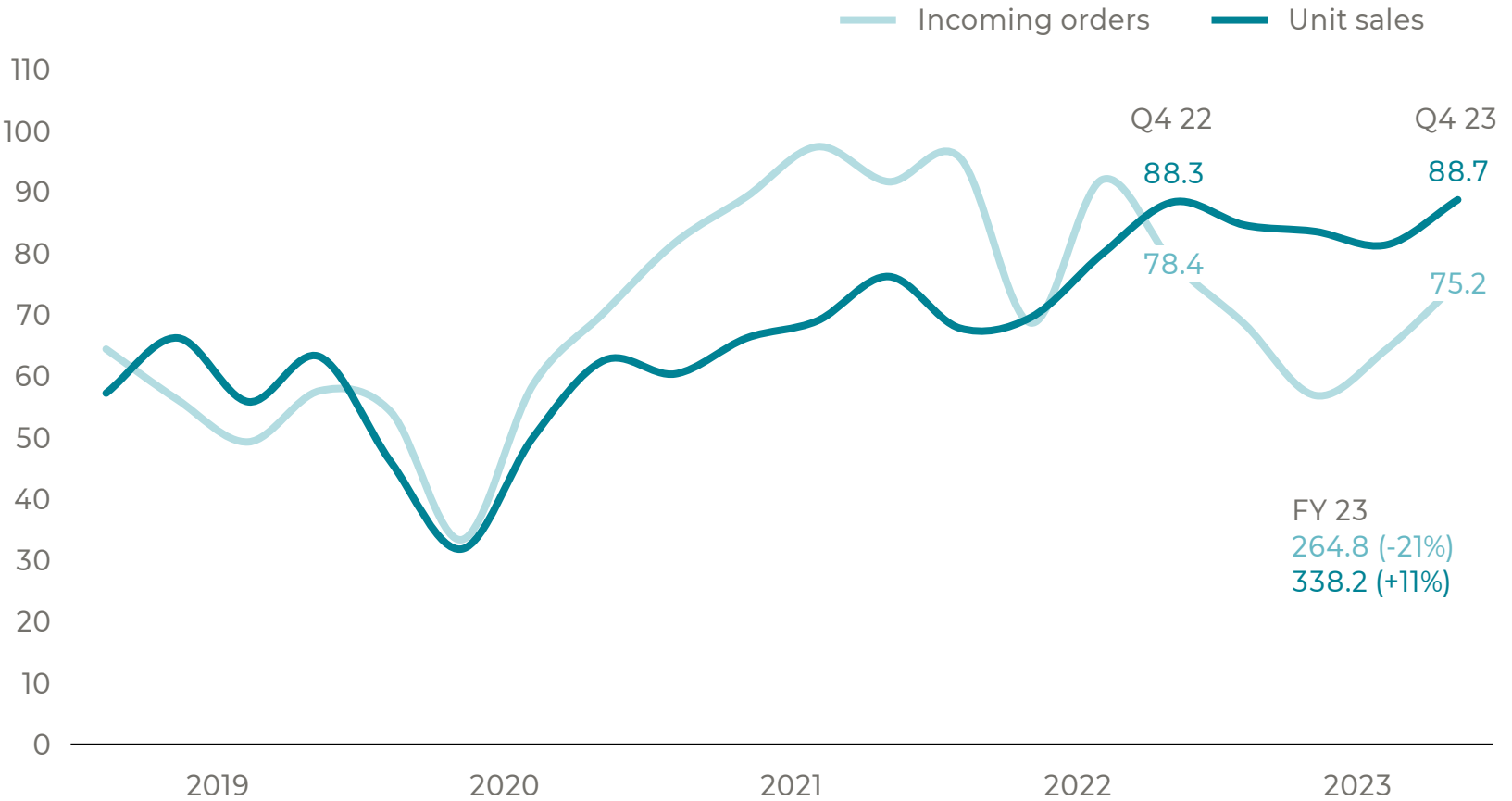


Scania & sennder establish  
JUNA JV

# TRATON STILL BENEFITS FROM A WELL FILLED ORDER BOOK

- Increased production in 2023 with more resilient supply chains.
- Unit sales up with shortening lead times.
- Incoming orders weaker:
  - Demand returned to normal in Europe, affecting MAN and Scania.
  - Navistar restrictive in acceptance of new orders.
  - South America (VWTB) affected by market weakness. In Brazil, heavy-duty truck orders recovered in H2 23, benefiting Scania.
- TRATON order book still well filled lasting into H2 24.

Incoming orders & Unit sales (k units)



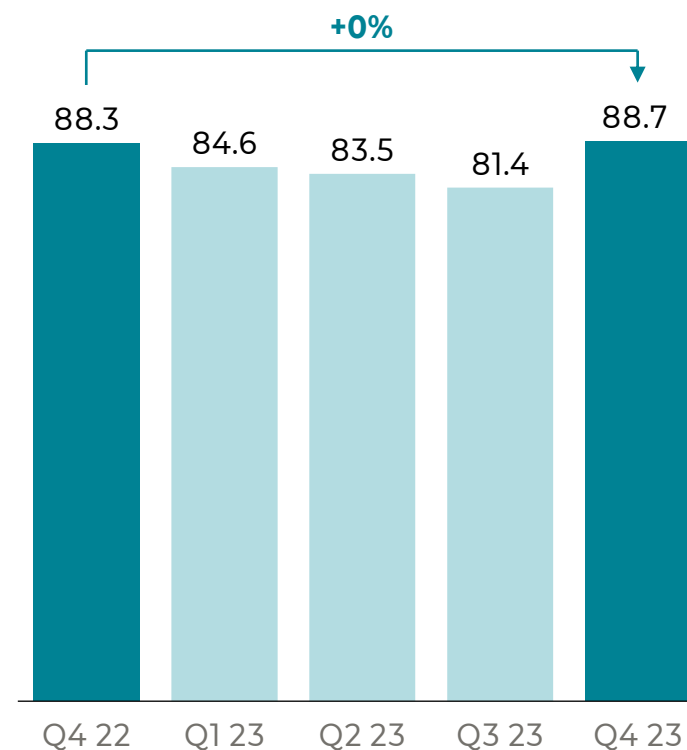
# TOP-LINE GROWTH DRIVEN BY HIGH NEW VEHICLES SALES

## Sales revenue benefited from:

- Tailwinds from market environment and improved supply chains.
- High unit sales of new vehicles.
- Favorable market and product mix.
- Better unit price realization.
- High customer demand for Vehicle Services business.

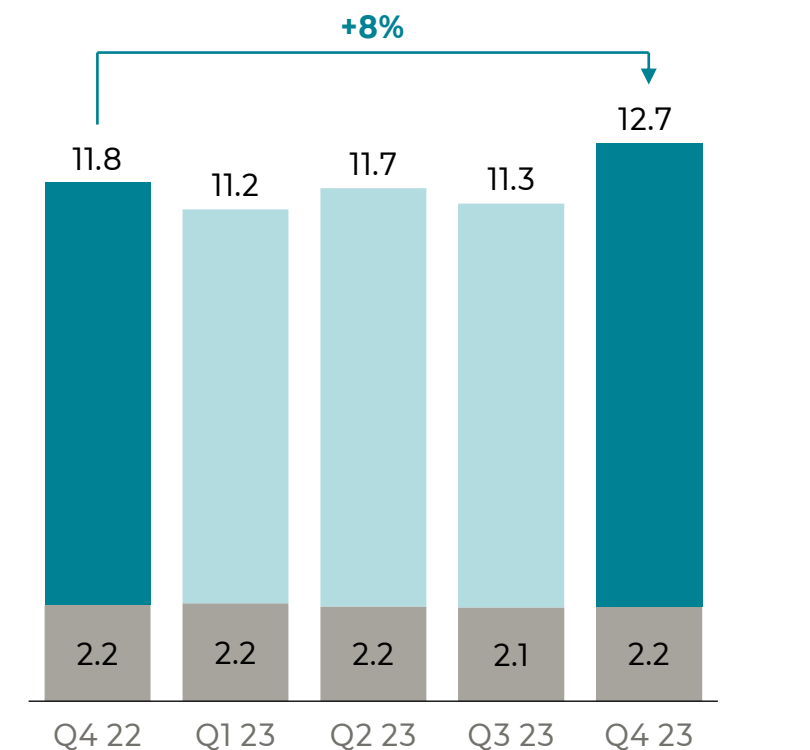
Unit sales (k units)

**FY 23**  
338.2 (+11%)



Sales revenue (€ bn)

**FY 23**  
46.9 (+16%)



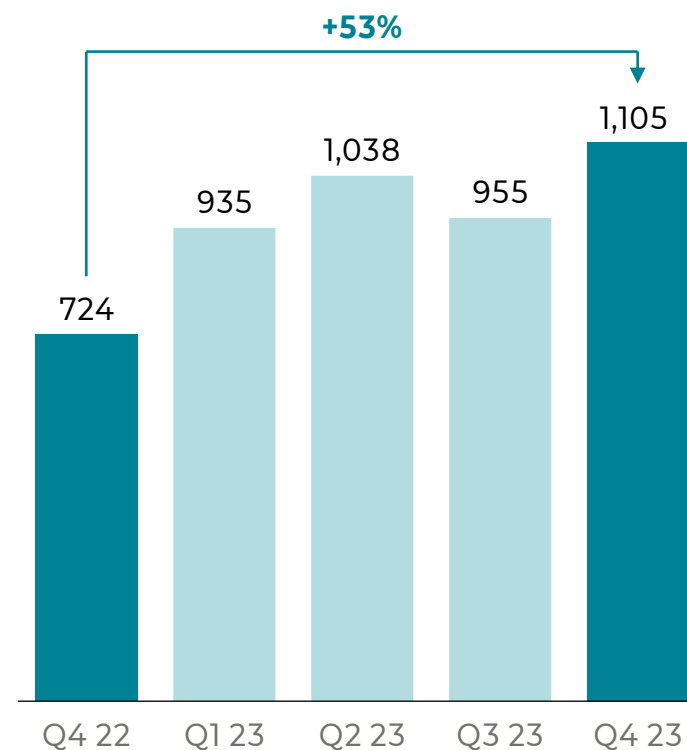
# STRONG UNDERLYING EARNINGS AND PROFITABILITY

## Earnings benefited from:

- Higher production capacity utilization leading to better fixed cost absorption.
- Favorable market and product mix.
- Better unit price realization.
- Compensating for increased input costs and increased R&D costs.
- Enhanced cost management.

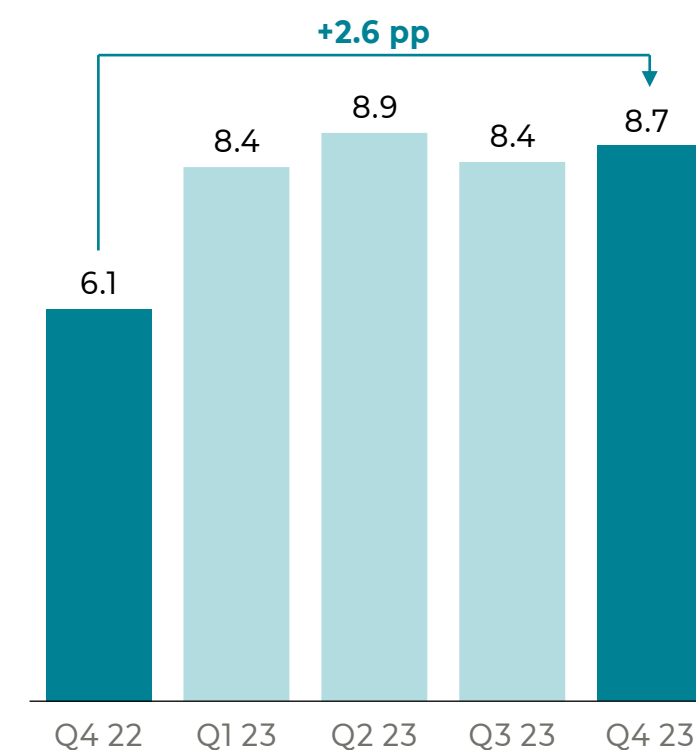
Adjusted operating result (€ mn)

**FY 23**  
4,034 (+95%)






Adjusted return on sales (%)

**FY 23**  
8.6% (+3.5 pp)





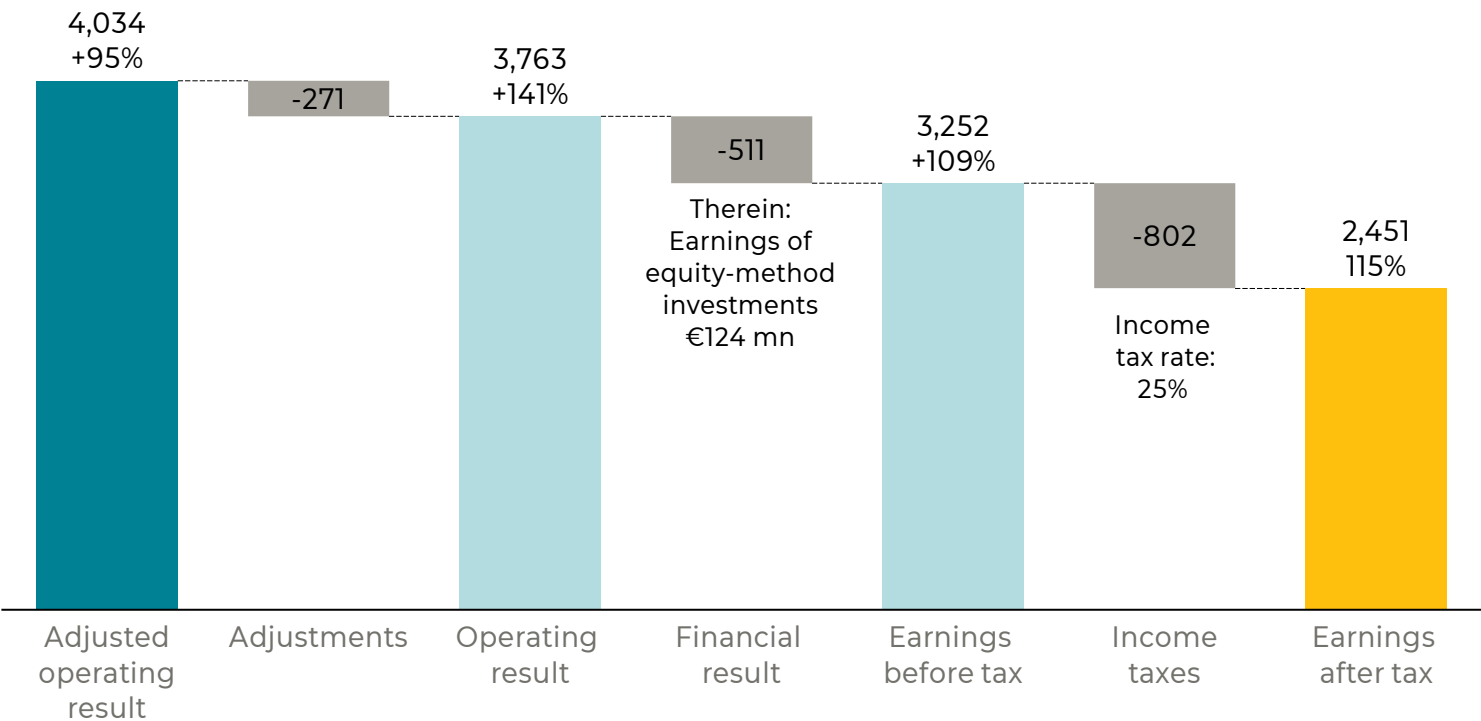
# STRONG BRAND PERFORMANCE

		TRATON Operations	 <b>SCANIA</b>	 <b>MAN</b>	<b>NAVISTAR</b>	 Truck Bus	TRATON Financial Services
<b>FY 23</b>	<b>Sales revenue</b> (in € mn, YoY)	<b>45,736</b> (+16%)	<b>17,878</b> (+17%)	<b>14,811</b> (+31%)	<b>11,042</b> (+5%)	<b>2,477</b> (-16%)	<b>1,589</b> (+23%)
	<b>Adjusted RoS</b> (YoY)	<b>9.3%</b> (+3.6 pp)	<b>12.7%</b> (+4.1 pp)	<b>7.3%</b> (+6.0 pp)	<b>6.6%</b> (+1.9 pp)	<b>8.8%</b> (-1.7 pp)	<b>17.0%</b> (-6.5 pp)
<b>Q4 23</b>	<b>Sales revenue</b> (in € mn, YoY)	<b>12,384</b> (+7%)	<b>5,232</b> (+13%)	<b>4,169</b> (+19%)	<b>2,685</b> (-6%)	<b>534</b> (-18%)	<b>431</b> (+20%)
	<b>Adjusted RoS</b> (YoY)	<b>9.4%</b> (+2.6 pp)	<b>12.3%</b> (+1.8 pp)	<b>7.6%</b> (+5.8 pp)	<b>7.0%</b> (+1.1 pp)	<b>5.9%</b> (-3.4 pp)	<b>11.3%</b> (-12.4 pp)
<b>FY</b>	<b>Key drivers</b>		+ Volumes/utilization + Vehicle services + Price realization + Market/product mix - Component/raw material prices - R&D costs - Personnel costs	+ Volumes/utilization + Vehicle services + Price realization + Cost efficiency measures - Component/raw material prices - Personnel costs	+ Price realization + Product/customer mix - Component/raw material prices - Supply chain disturbances - Vehicle services de-consolidation effect	+ Price realization + Product positioning - Unit sales - Material costs	+ Portfolio growth + Interest income - Higher funding costs - Bad debt allowances

Note: TRATON Operations including consolidation effects.

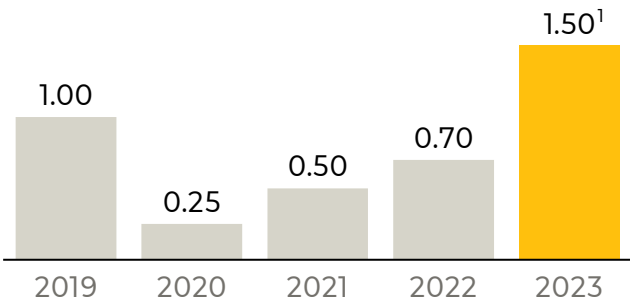
# EARNINGS PER SHARE MORE THAN DOUBLED

Adjusted operating result to earnings after tax, FY 23 (€ mn, YoY in %)



- Earnings per share at €4.90 in FY 23, up from €2.28 in FY 22.
- Dividend proposal of €1.50 per share<sup>1</sup>, equivalent to 30.6% of earnings after tax.
- Dividend yield of 7.0%<sup>2</sup>.

Dividend per share (€)



<sup>1</sup> Proposed dividend per share, subject to approval by the 2024 Annual General Meeting on June 13, 2024.  
<sup>2</sup> Dividend per share based on the year-end closing price of TRATON shares (Xetra trading).

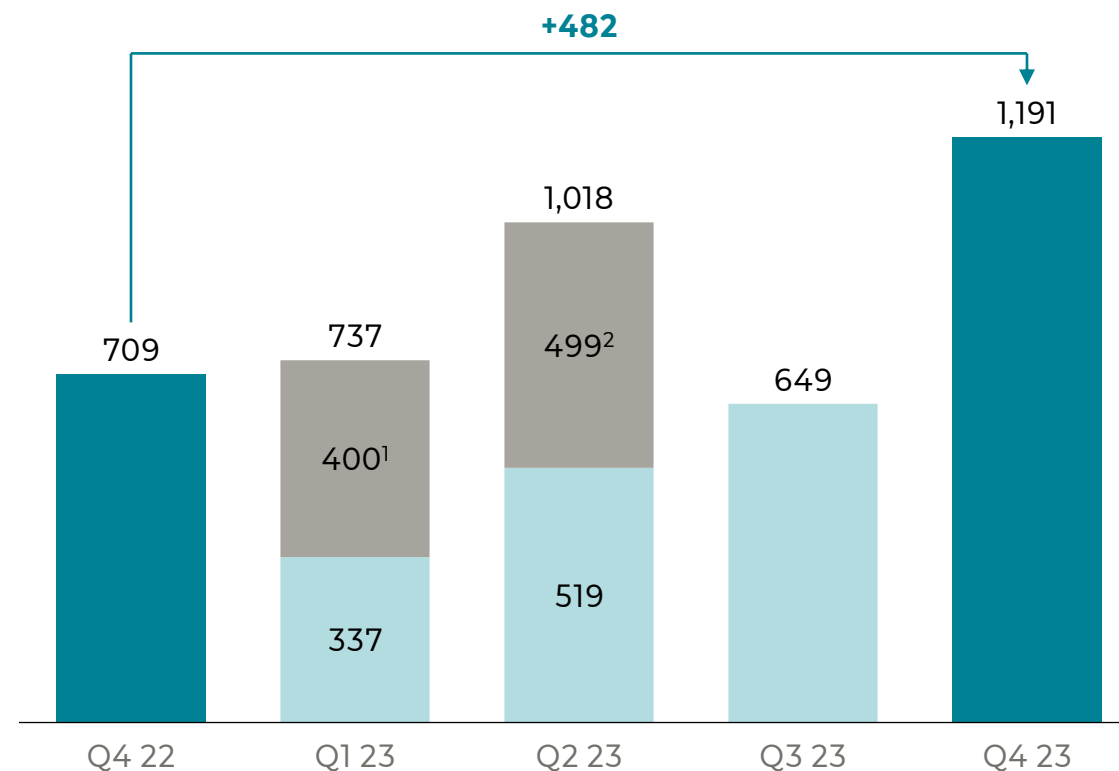
# STRONG NET CASH FLOW DEVELOPMENT ...

- Strong net cash flow in Q4 23 driven by considerably improved operating performance and seasonally better working capital development.
- Working capital build-up of €0.7 bn in FY 23 mainly due to increased inventories, driven by higher production volumes and tight logistic capacities.

Net cash flow TRATON Operations (€ mn)

**FY 23**

3,594 (+4,219)



<sup>1</sup> Purchase price payment from the sale of the Scania Financial Services companies in Russia of €400 mn.

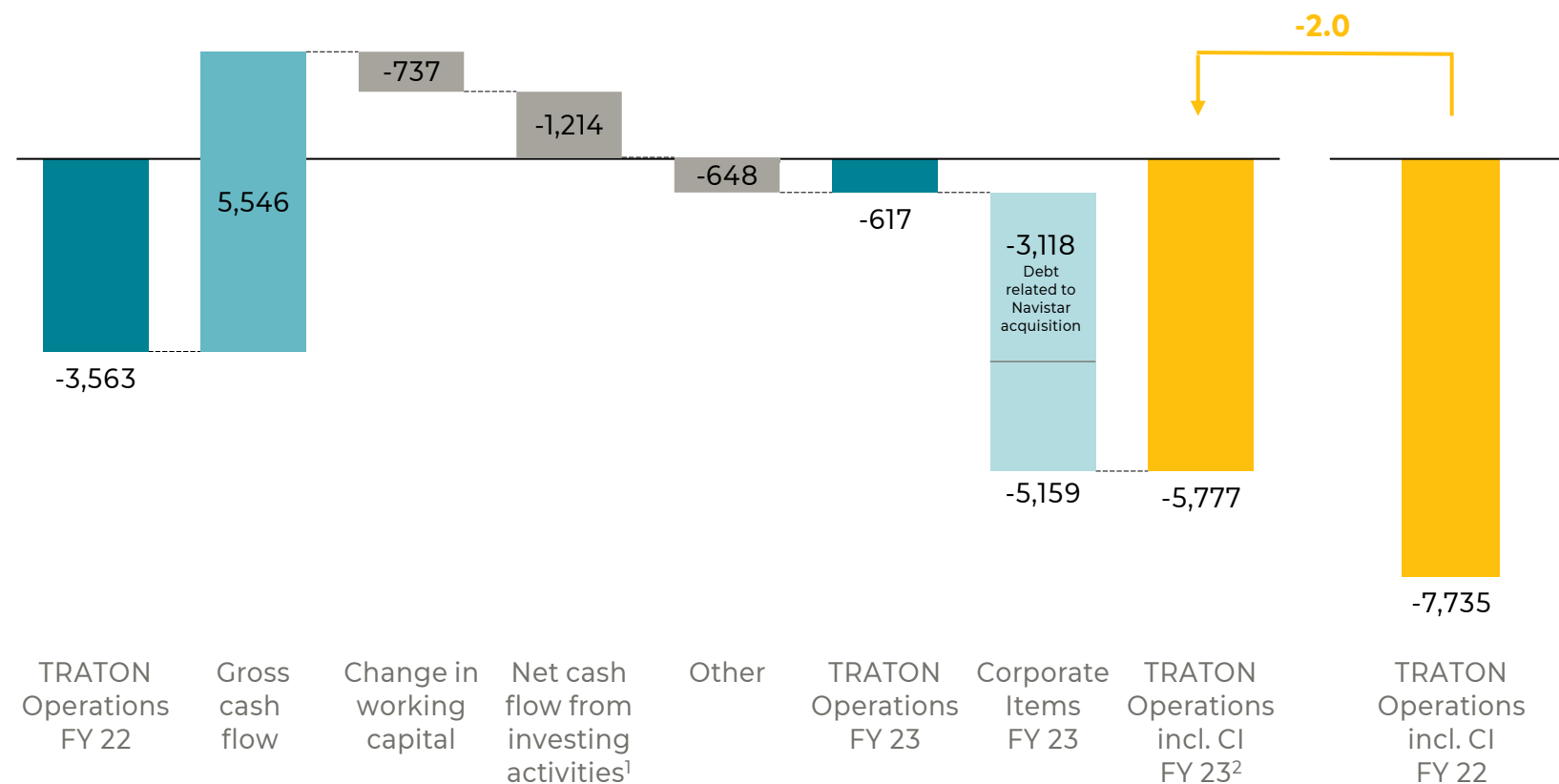
<sup>2</sup> Positive effect of €499 mn from the intragroup sale of the Scania Financial Services business to TRATON Financial Services. This transaction had no impact on net cash flow in TRATON GROUP.

# ... LEADING TO SIGNIFICANTLY REDUCED NET DEBT POSITION

Net debt of TRATON Operations incl. Corporate Items (CI) reduced by €2.0 bn vs. year-end 2022 driven by:

- + Strongly improved operating performance
- + Proceeds from sale of Scania Finance Russia
- Dividend payout
- Build-up of working capital

Net financial debt bridge, FY 23 (€ mn)



<sup>1</sup> Including proceeds from sale of Scania Finance Russia (€400 mn in Q1 2023) and from intragroup sale of Scania Financial Services business to TRATON Financial Services (€499 mn in Q2 2023).

<sup>2</sup> No impact on net financial debt position of TRATON Operations incl. Corporate Items from intragroup sale of Scania Financial Services.



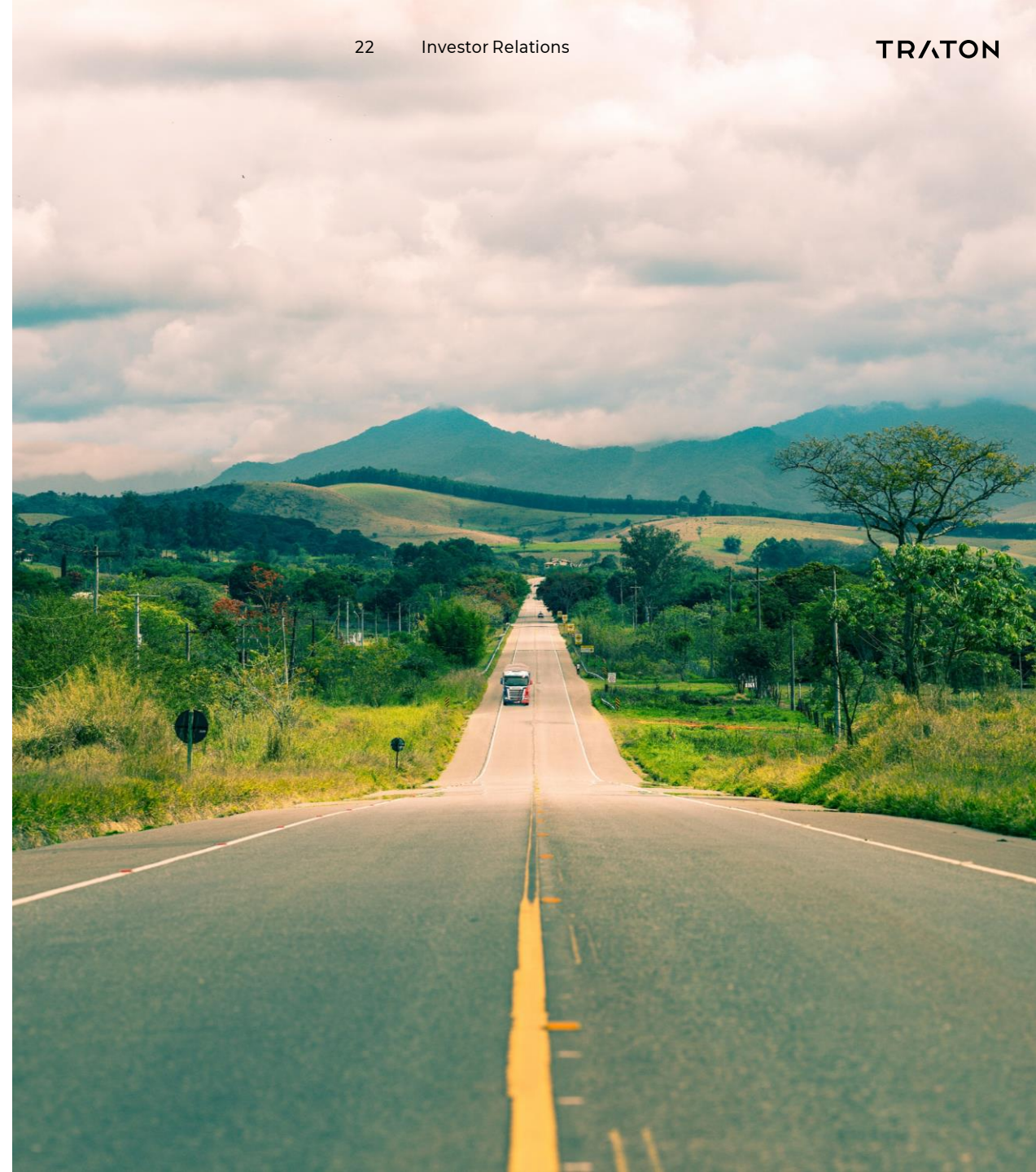
# FULL YEAR 2024 OUTLOOK

# OPTIMISTIC ABOUT 2024 DESPITE A MORE CHALLENGING MARKET ENVIRONMENT

	FY 2023	FY 2024 Outlook
<b>TRATON GROUP</b>		
Unit sales (€ million)	338,183	-5 – +10%
Sales revenue (€ million)	46,872	-5 – +10%
Operating return on sales (adjusted) (in %)	8.6 <sup>1</sup>	8.0 – 9.0 <sup>1</sup>
<b>TRATON Operations</b>		
Sales revenue (€ million)	45,736	-5 – +10%
Operating return on sales (adjusted) (in %)	9.3	9.0 – 10.0
Return on investment (ROI) (in %)	14.8	13.0 – 15.0
Net cash flow (€ million)	3,594 <sup>2</sup>	2,300 – 2,800
Capex (€ million)	1,516	sharp increase
Primary R&D costs (€ million)	2,170	moderate increase
<b>TRATON Financial Services</b>		
Return on equity (in %)	8.4	7.0 – 10.0

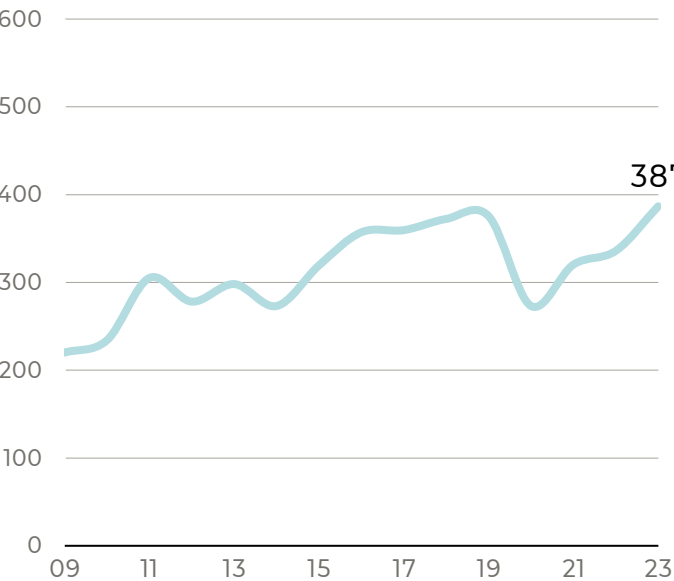
<sup>1</sup> Including earnings effects from purchase price allocation in FY 23 of €290 mn, in FY 24 expected to be ~€300 mn.

<sup>2</sup> Including effects from the sale of the Russia activities and the adjustment of the ownership structure of the financial services business amounting to €899 mn.



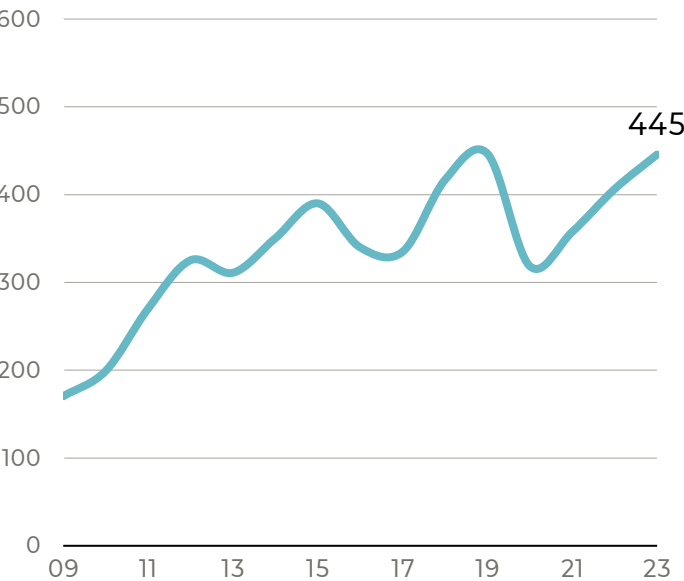
# TRUCK DEMAND STILL HIGH WHILE MARKETS ARE NORMALIZING

EU27+3<sup>1</sup> (k units, >6t)



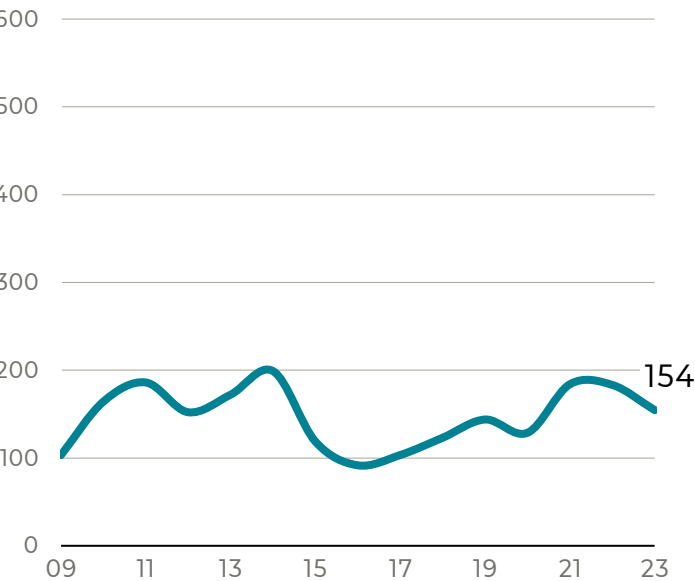
**Expectation 2024e**  
**-15% – -5%**

North America (k units, class 6-8<sup>2</sup>)



**Expectation 2024e**  
**-15% – -5%**

South America (k units, >6t)



**Expectation 2024e**  
**0% – +10%**

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

<sup>2</sup> US and Canada class 6-8, Mexico class 4-8.



# MAIN THEMES 2024 ON OUR WAY TO TRANSFORM TRANSPORTATION



## BEV transition

- Successfully launch new BEV products.
- Start charging operations and partnerships.

## Cost improvement measures

- Cost efficiency initiatives in all brands in place.
- Leverage cross-brand efficiencies.

## Navistar profitable growth

- Successful ramp-up of International S13 truck deliveries.
- Enhanced services and maintenance offerings.

## TRATON Modular System

- Intensify brand collaboration on Group level for R&D and product management.
- Prepare introduction of integrated powertrain at MAN.



# DEDICATED TO BE THE SUSTAINABILITY LEADER IN THE HEAVY TRANSPORT SECTOR

## Decarbonization



Reduce greenhouse gas emissions across the value chain in line with 1.5°C

## Circularity



Decouple the use of resources from our business growth

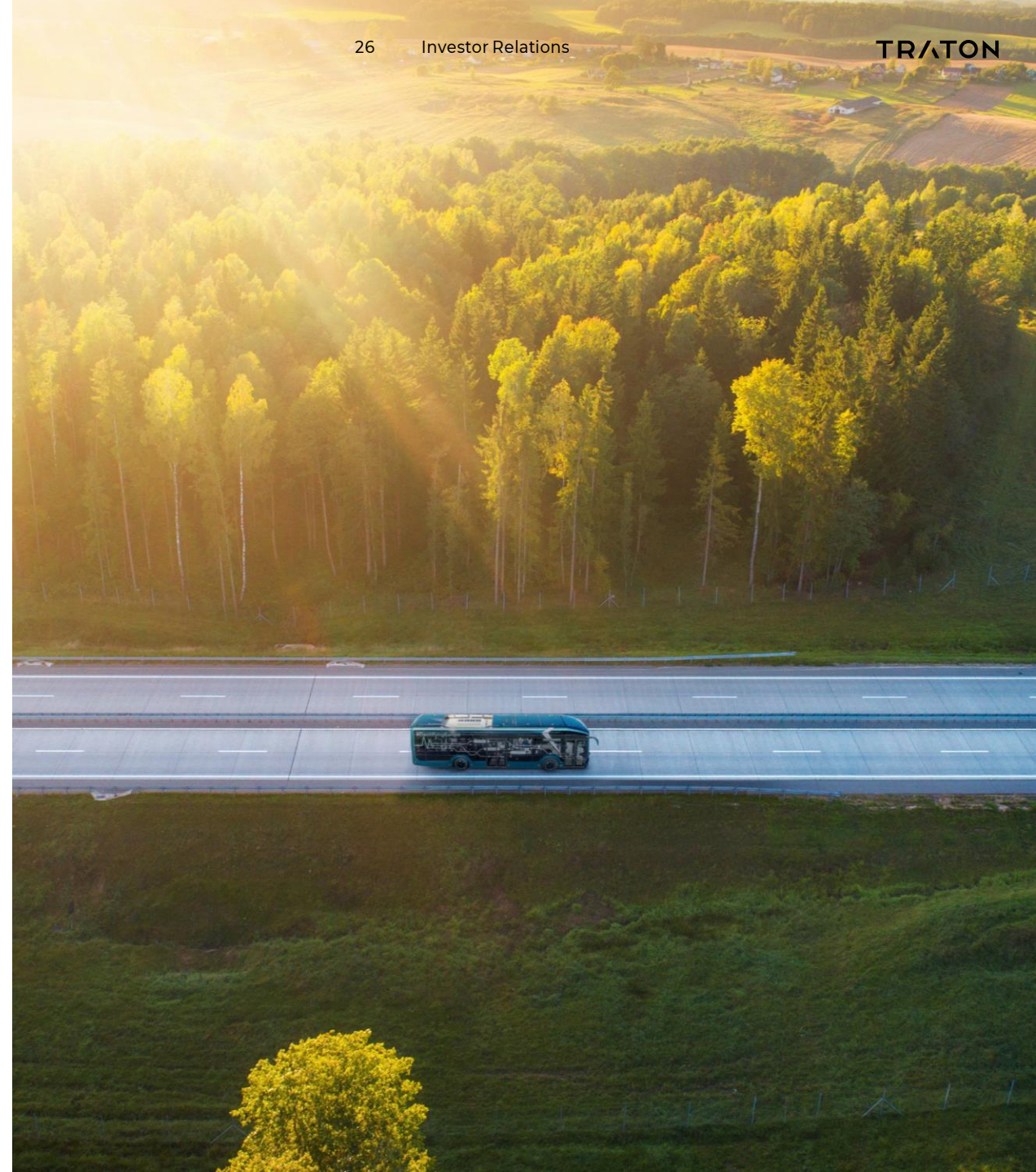
## Human Rights



Respect Human Rights and enable a just transition

# KEY TAKEAWAYS

- We created significant shareholder value in 2023.
- We are highly cash generative and continue to reduce debt.
- We are confident for 2024 with a well filled order book.
- We are driving BEV transformation and invest into the future.
- We leverage the know-how of our strong brands.
- We are well on track to reach our 9% RoS margin ambition.



# TRATON INVESTOR RELATIONS TEAM



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# UPCOMING EVENTS

- 2024/04/26      3M 2024 Interim Statement
- 2024/06/13      2024 Annual General Meeting
- 2024/07/26      2024 Half-Year Financial Report
- 2024/10/28      9M 2024 Interim Statement

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