MAN with strong focus on execution in its transformation

TRATON Capital Markets Day
Alexander Vlaskamp, CEO MAN Truck & Bus

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MAN executing consistently in its transformation

**Significant milestones reached**

- Launch of the NewMAN Strategy as driver of future success
- Realignment program well on track, important measures implemented
- Full revised product portfolio on the market with increasing customer satisfaction
- Vehicle Services business offering as focus area of growth, resilience and customer loyalty

**Topics for further progressing**

- Finalizing implementation of the realignment program in 2023
- Transformation to zero-emission transport solutions and smart products
- Leveraging TRATON GROUP Modular System
New MAN strategy lays foundation for future success

Simplifying customer business through leading sustainable solutions
Realignment program well on track

**Ambition (€ mn)**

- **2019 actual** Return on sales: 3.3%
- Counter effects e.g. raw material, freight, energy, inflation:
- Improvement (gross): 1,700
- Program target Return on sales: 700
- Improvement (net): 7%

**Dimensions (€ mn)**

- Structural measures: 550
- Material: 700
- Volume / Price: 450
- Improvement (gross): 1,700
Significant impact of realignment measures to be effective from 2023 onwards

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Achievements until today</th>
</tr>
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<tbody>
<tr>
<td>Structural</td>
<td>▶ Production &amp; Engineering footprint MAN structurally drastically changed</td>
</tr>
<tr>
<td>measures (€ mn)</td>
<td>▶ Headcount cost reduction and head count reduction according plan</td>
</tr>
<tr>
<td></td>
<td>▶ Cross-functional program realizing material cost savings from commercial negotiations,</td>
</tr>
<tr>
<td></td>
<td>technical product cost optimization and other measures</td>
</tr>
<tr>
<td></td>
<td>▶ Headwinds from supply chain disruptions/semiconductor shortage</td>
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<tr>
<td></td>
<td>➔ Compensation of higher raw material prices through price measures</td>
</tr>
<tr>
<td>Material costs</td>
<td>▶ Successful launch of new truck and bus generation incl. electric bus</td>
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<tr>
<td></td>
<td>▶ Price &amp; margin optimization achieved in a double-digit range for new TGX</td>
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<td></td>
<td>▶ Turnaround Used Business achieved across all KPIs</td>
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<tr>
<td></td>
<td>▶ Overall volume down due to market (COVID-19)/semiconductor shortage</td>
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<tr>
<td></td>
<td>▶ Strong focus and leverage on Customer Services Management</td>
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Concrete measures tbd
Backed up with measures
Significant staff cost reductions will be reached

Structural measures

Global staff costs\(^1\) (in €)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2021</th>
<th>2023</th>
</tr>
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<tbody>
<tr>
<td>Cost</td>
<td></td>
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\(-17\%\)

Staff program deliverables

- Structural shift from high-cost to best-cost countries
- Higher level of flexibility on staff
- Improved direct vs. indirect staff ratio
- Full earnings impact from 2024 onwards

\(^1\) Gross
Significantly improved competitiveness through change in global footprint of truck production

**Strategic building blocks**

- Reduction of network complexity from 3 truck plants to 2 truck plants
- Efficient value creation structures
- Competitive structures achieved, improved ratio direct to indirect headcount

**Optimized truck production footprint**

**Core KPIs Production**

- Indirect personnel (Headcount)
  - 2019: 3,800
  - 2023: 3,000
  - Reduction of ~65%
- Best-cost country share (Capacity truck assembly)
  - 2019: ~25%
  - 2023: ~65%
New trucks & buses with highly competitive TCO

Truck - TG3

- Successfully launched in 02/2020, updated in 2022
- Super Test 03/2022: Best-in-class fuel consumption for the new MAN TGX (2022)
- Platform ready as e-truck (2024)

Bus - L4C / E4C

- Launch in 2019 (ICE), Launch in 2020 (BEV)
- MAN Efficiency Run: 550 km achieved in 24h operation with one battery charge
- 750 MAN E4C sold since launch 2020/04, 150 units already delivered to customers
Clear roadmap towards zero-emission transportation

**Truck**
(Value share of common parts\(^1\))

- **2024/25**
  - TG (BEV) - Electric truck to market
  - TG (ICE) - Truck update with new powertrain

- **2023**
  - Complete Bus portfolio - Bus portfolio enhancement for ADAS features, efficiencies in battery capacities

- **2025/26**
  - City & Intercity Bus (BEV) - Portfolio expansion in e-mobility/Update of existing e-bus portfolio

**Common modular system**

**Bus**
(Value share of common parts\(^1\))

- **2024/25**
  - Complete Bus portfolio - Bus portfolio enhancement for ADAS features, efficiencies in battery capacities

- **2025/26**
  - City & Intercity Bus (BEV) - Portfolio expansion in e-mobility/Update of existing e-bus portfolio

1. Average calculation over reference vehicles using TRATON & VW Group components
Innovative production system for both worlds

TG (BEV)

- Series production of e-mobility solutions
- Extended range of digital solutions

Efficient assembly on one common production line

- Volume flexibility between BEV and ICE trucks
- Low invest in comparison to new production line
- Optimized cycle times through modularization
Vehicle Services business as the main lever of growth

Vehicle Services business sales revenue (CAGR p.a.)

<table>
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<tr>
<th>Year</th>
<th>2019-2021</th>
<th>2022E+</th>
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<td>+4%</td>
<td></td>
<td>+6%</td>
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1. Vehicle Services business
   - Increase contract portfolio
   - Increase uptime
   - Sales excellence & digital sales
   - Shift to e-mobility & autonomous driving

2. Financial Services
   - Establish captive finance services
   - Provide tailored finance solutions

3. Charging Network
   - Provide complete solutions for Truck/Bus/Van
   - Provide depot & en-route charging solutions

Increased customer services
Together as one strong team we deliver on our future success

Strong Team

A. Vlaskamp  F. Baumann  M. Kobriger  I. Koljonen  A. Puls  F. Zohm

Strong commitment to execute

- Modern people management
- Employee engagement
- Development of leadership
MAN Truck & Bus: Key takeaways

1. Execution of realignment measures to improve sustainable earnings power

2. Product roadmap with consistent leveraging of TRATON Modular System defined

3. Lifting growth potential in Vehicle Services business

8% Strategic RoS target