

Munich, 31 July 2020

# IR CONFERENCE CALL – HALF-YEAR FINANCIAL REPORT 2020

MATTHIAS GRÜNDLER, CEO  
CHRISTIAN SCHULZ, CFO

ISIN: DE000TRATON7

WKN: TRATON

Bloomberg Ticker: 8TRA GY / 8TRA SS

<http://ir.traton.com>

**TRATON**  
GROUP



# 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 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 TRATON GROUP in any jurisdiction, nor does it constitute a recommendation regarding any such securities.

The following presentation contains forward-looking statements and information on the business development of the TRATON GROUP. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements and information are based on assumptions relating in particular to TRATON GROUP’s business and operations and the development of the economies in the countries in which the TRATON GROUP is active. 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. TRATON GROUP will not update the following 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 expressed in EUR might be translated from different currencies into EUR, 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 company of TRATON GROUP or any of its competitors are estimates of TRATON GROUP based on data available to TRATON GROUP. Such data are neither comprehensive nor independently verified. Consequently, the data used are not adequate for and the statements based on such data are not meant to be an accurate or proper definition of regional and/or product markets or markets shares of TRATON GROUP and any of the participants in any market.

Unless otherwise stated, all amounts are shown in million of EUR. Please note that rounding differences may arise when adding or subtracting the individual items together. The percentage figures may also be subject to rounding differences because these are calculated based on whole numbers in the year-on-year or quarterly comparisons. Due to different proportions and scaling in graphs, data shown in different graphs are not comparable.

## CONTENTS

- Current Situation
- TRATON GROUP Highlights
- Segment Industrial Business
- Segment Financial Services
- Status Update
- Appendix

## CURRENT SITUATION – BUSINESS CLIMATE



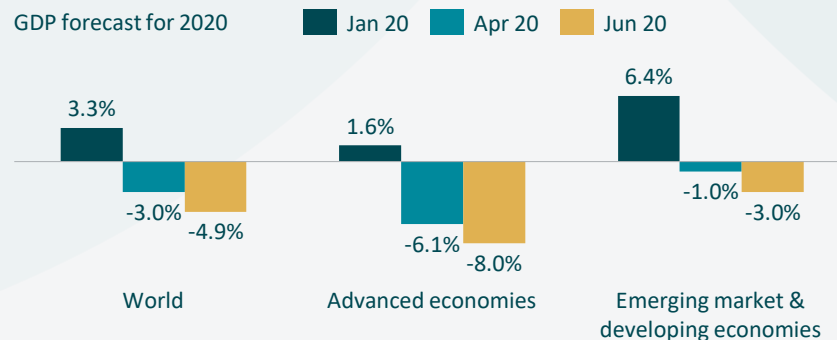
An **unprecedented situation** because of the COVID-19 pandemic impact

- Significant decline in demand and supply chain disruptions
- Substantial part of production capacities closed or idled mainly end of March and April
- Gradual restart of production and positive direction in May and June
- Companies focusing on cost reduction and on liquidity



Global **economic outlook** for 2020<sup>1</sup> significantly **deteriorated**; contraction is expected to be much worse than during the 2008/2009 financial crisis

GDP forecast for 2020



Commercial vehicle **market forecasts 2020 lowered sharply**, although expectations were already quite low; huge bandwidth<sup>2</sup> still displays high uncertainty:

- For EU27+3 region most institutes foresee a decline of the truck market (MDT/HDT) between -30% to -50%
- For Brazil institutes foresee a decline of the truck market (MDT/HDT) between -15% to -30%

<sup>1</sup> IMF World Economic Outlook June 2020. <sup>2</sup> Includes estimates from IHS, McKinsey, BCG and others.

## CURRENT SITUATION – APRIL RESPONSIBLE FOR MOST OF THE DECLINE IN Q2 2020

### Industrial Business Q2 2020

Key performance indicators largely derailed by production stoppage and the decline in economic activities in April



**Incoming orders** declined by 23 k units Y-o-Y;  
**54%** of the decline caused by **April**



**Sales revenue** declined by €2.7 bn Y-o-Y;  
**42%** of the decline caused by **April**



**Operating profit** declined by €1.0 bn Y-o-Y;  
**39%** of the decline caused by **April**



**Net cash flow** declined by €0.4 bn Y-o-Y;  
**168%** of the decline caused by **April**

### Financial Services Q2 2020

Key performance indicators largely derailed by production stoppage and the decline in economic activities in April



**Sales revenue** declined by €20 mn Y-o-Y;  
development evenly distributed over the quarter



**Operating profit** declined by €18 mn Y-o-Y;  
most of the decline due to increased bad debt provisions, reflecting our customers' deteriorating payment ability at present

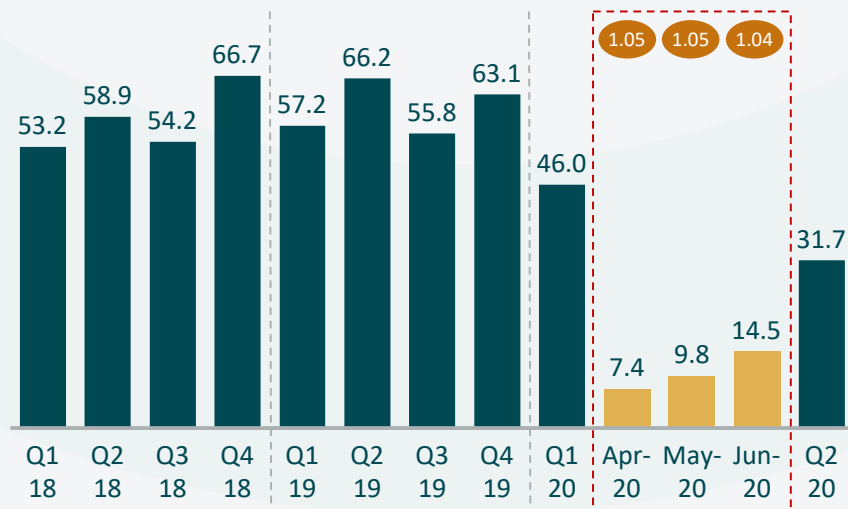


Please remember that Q2 2019 was the overall most successful quarter for TRATON since its establishment

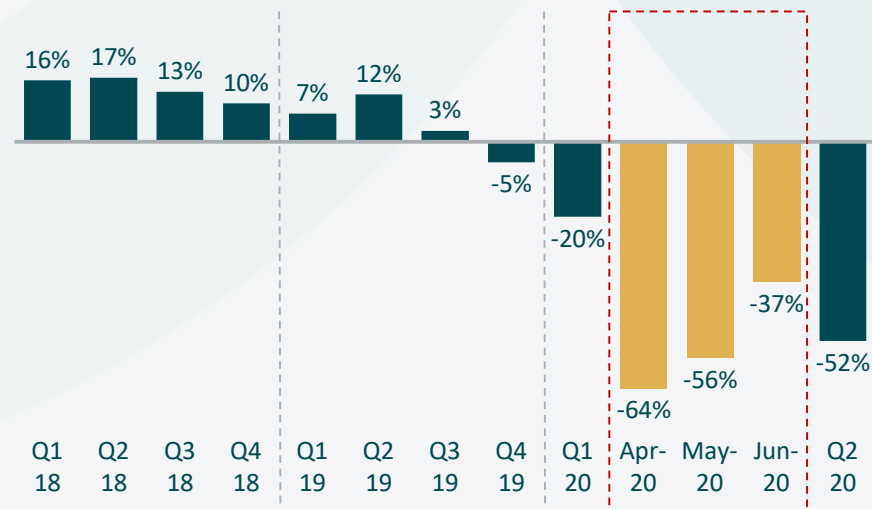
## CURRENT SITUATION – POSITIVE DIRECTION ESTABLISHED SINCE MAY

### UNIT SALES (`000 units)

#### Book-to-bill<sup>1</sup> (ratio in units)



### UNIT SALES (Y-o-Y change)



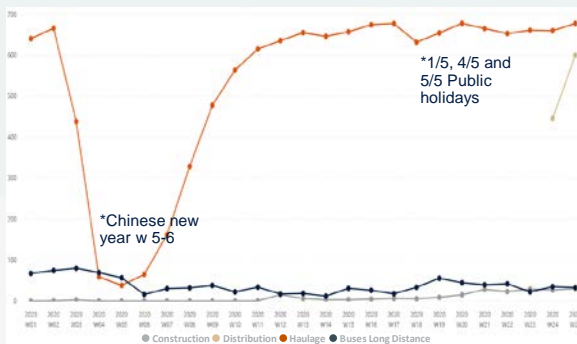
- Expected weaker demand development was further amplified by the uncertainties resulting from the COVID-19 pandemic.
- Production plants were shut during most of April 2020; restart is in full swing, but it will take some time before we get back to old production and efficiency levels. This is mainly due to implemented health regulations.
- June continues the positive direction started in May; book-to-bill ratios above 1x for Industrial Business throughout Q2 2020.



## CURRENT SITUATION – VEHICLE UTILIZATION NEAR PRE-CRISIS LEVELS

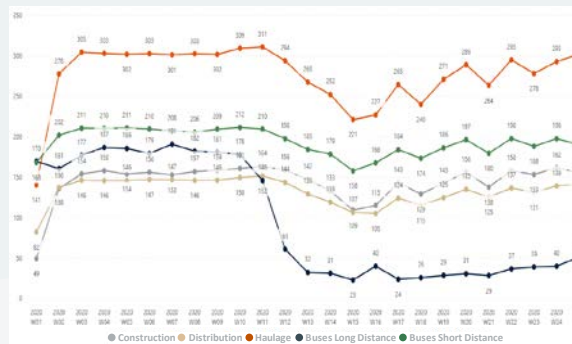
### CHINA

Long-haulage truck business back to normal levels since mid-March 2020



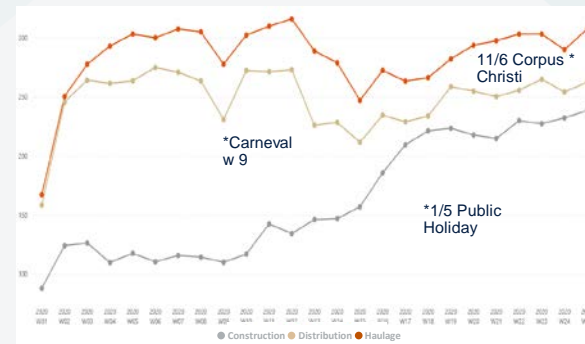
### EUROPE

After the trough beginning of April, long-haulage truck business returned to February 2020 levels end of June



### BRAZIL

After the trough beginning of April, long-haulage truck business returned to February 2020 levels end of June



Bus business and in particular bus coach business shows only a very slow recovery

After sales and service business remained more resilient

# CURRENT SITUATION – IT'S MORE IMPORTANT THAN EVER BEFORE TO ACT HERE AND NOW WHILE NOT LOSING SIGHT OF OUR STRATEGIC LONG TERM GOALS (1)

Act today while planning for tomorrow





## CURRENT SITUATION – IT'S MORE IMPORTANT THAN EVER BEFORE TO ACT HERE AND NOW WHILE NOT LOSING SIGHT OF OUR STRATEGIC LONG TERM GOALS (2)

### Act today...

- » Temporary production stops and restart in all plants worldwide
- » Use of short-time work ("Kurzarbeit") and comparable measures to reduce personnel costs
- » Postponement or cancellation of projects
- » Reduction of overhead and fixed costs
- » Focus on safeguarding liquidity of Sustainable Value

### ...while planning for tomorrow

- » All important innovation projects up and running
- » Structural transformation in all three brands to secure strong future viability
- » Global Champion Strategy still valid
- » Other topics remain further on track

## CURRENT SITUATION – FINANCIAL RESILIENCE

### SOUND BALANCE SHEET POSITION

(Industrial Business; as of June 30, 2020)

- Equity ratio: solidly at 36%
- Gearing<sup>1</sup>: currently at only 3%
- Net debt/adjusted EBITDA<sup>2</sup>: at 0.2x after the end of the DPLTA with Volkswagen AG, €1.4 bn were transferred in February 2020

### SOUND LIQUIDITY POSITION

(Industrial Business; as of June 30, 2020)

- Strict cash and cost management
- Unrestricted cash<sup>3</sup> totaling €2.6 bn
- Credit lines totaling €5.6 bn
- Reprioritizing of our capital expenditures and our research and development projects

First-time **solid investment grade ratings** assigned to TRATON SE

**Moody's at Baa1** (outlook negative)

**Standard & Poor's at BBB** (outlook stable)

Note: Net debt as of June 30, 2020 amounted to €376 mn, mainly due to the net cash outflow of €1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019.

<sup>1</sup> For Industrial Business: calculated as net liquidity/net financial debt divided by book value of equity. <sup>2</sup> For Industrial Business: calculated as net liquidity/net financial debt divided by last twelve month adjusted EBITDA (actual quarter + last 3 quarters).

<sup>3</sup> Fully available and accessible cash. Additional cash may be located in countries with certain cash transfer limitations, however, is not necessarily "trapped" given such cash is locally used in operations.

## CURRENT SITUATION – DEBUT SYNDICATED REVOLVING CREDIT FACILITY (RCF)

€3.75 bn RCF successfully signed by TRATON SE on 29 July 2020

TRATON  
syndicated  
RCF

- ✓ Ample frame amount (€3.75 bn)
- ✓ Comfortable maturity (“3+1+1y”)
- ✓ Harmonized bank group (21 lenders)
- ✓ One single loan documentation

The debut syndicated RCF marks an important step to back TRATON’s recently published S&P/Moody’s ratings

Setting it up even in these volatile times mirrors the trust our banking partners have in our strategy

# TRATON GROUP HIGHLIGHTS



H1  
2020

- Impacts of the COVID-19 pandemic visible
- Incoming orders decreased by -27% to 87,431 units
- Unit sales declined by -37% to 77,738 units
- Sales revenue decreased by -26% to €10,073 mn
- Operating profit down to €-220 mn, Return on sales -2.2%
- Profit after tax reduced to €-289 mn
- Net cash flow Industrial Business at €-347 mn<sup>1</sup>
- Net liquidity Industrial Business at €-376 mn<sup>2</sup>



2020

- TRATON proposes to acquire all outstanding common shares of the US commercial vehicle manufacturer Navistar
- New MAN Truck Generation introduced
- TRATON seeking to execute a squeeze-out of the non-controlling shareholders of MAN SE in accordance with merger law
- First-time solid investment grade ratings assigned to TRATON SE by Moody's and Standard & Poor's
- Debut syndicated revolving credit facility signed by TRATON SE



<sup>1</sup> H1 2019 reported net cash flow of €1,784 mn, adjusted of €-194 mn before the sale of Power Engineering (€1,978 mn). <sup>2</sup> Net debt as of June 30, 2020 amounted to €376 mn, mainly due to the net cash outflow of €1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019. Note: Delta H1 2020 vs. H1 2019.

## GROUP – SEGMENT HIGHLIGHTS Q2 / H1 2020

Industrial Business (IB)				
	Q2 20	Y-o-Y	H1 20	Y-o-Y
Incoming orders (units)	33,270	-41%	87,431	-27%
Unit sales (units)	31,748	-52%	77,738	-37%
Book-to-bill (units)	1.05	+20 bpt	1.12	+15 bpt
Sales revenue (€mn)	4,290	-39%	9,854	-26%
Operating profit (€mn)	-400	€-951 mn	-265	€-1,273 mn
Return on sales (%)	-9.3	-1,718 bpt	-2.7	-1,026 bpt
Profit after tax (€mn)	-397	€-737 mn	-319	€-1,011 mn
Net cash flow (€mn) <sup>1</sup>	-179	€-361 mn	-347	€-2,131 mn

Financial Services (FS)				
	Q2 20	Y-o-Y	H1 20	Y-o-Y
Net portfolio <sup>2</sup> (€bn)			9.3	-2%
Penetration rate (%)	45	+206 bpt	41	-5 bpt
Sales revenue (€mn)	197	-9%	413	-2%
Operating profit (€mn)	19	€-18 mn	44	€-25 mn
Profit after tax (€mn)	11	€-16 mn	29	€-23 mn

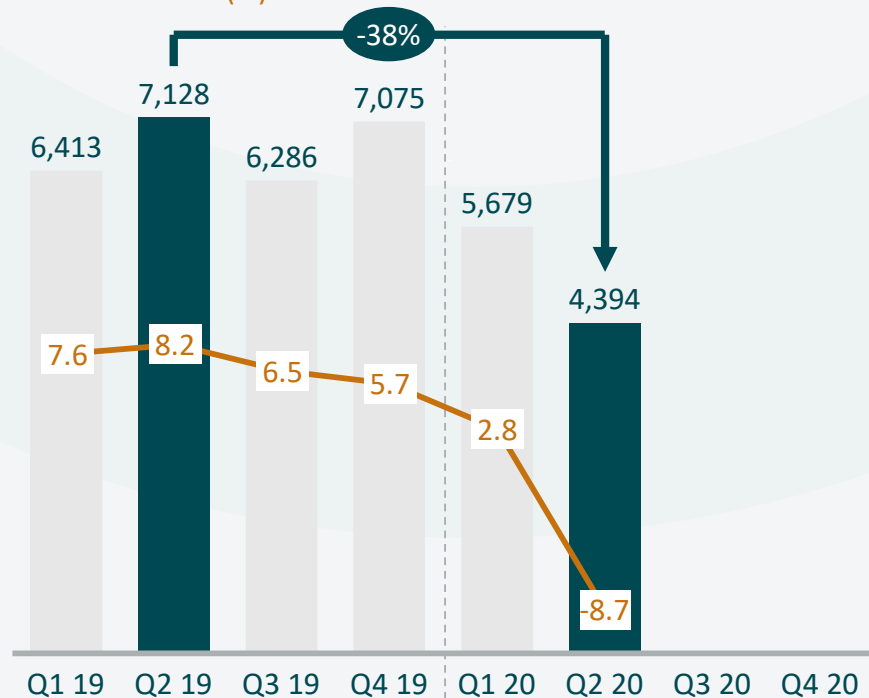


- First two months on track despite a weak European truck market.
- Key figures since March negatively influenced by the uncertainties and impacts from COVID-19 pandemic.
- Following the significantly negative impact of the consequences of the COVID-19 pandemic on the net cash flow in April, positive net cash flow was generated again in May and June.
- Negative net cash flow in Q2 2020 only €-179 mn in the Industrial Business despite the substantial drop in operating profit.

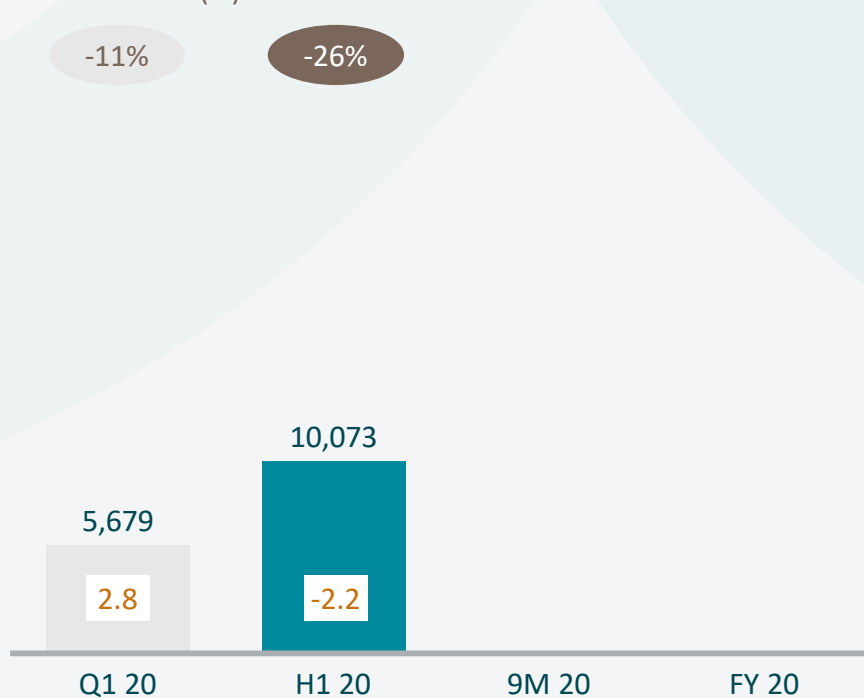
## GROUP – SALES REVENUE AND RETURN ON SALES

### SALES REVENUE (€mn)

#### Return on sales (%)



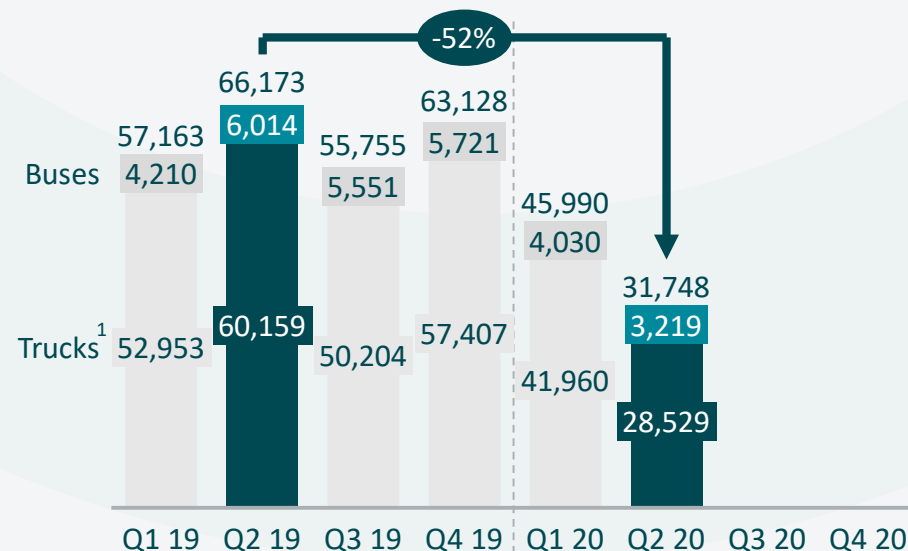
#### Growth Y-o-Y (%)



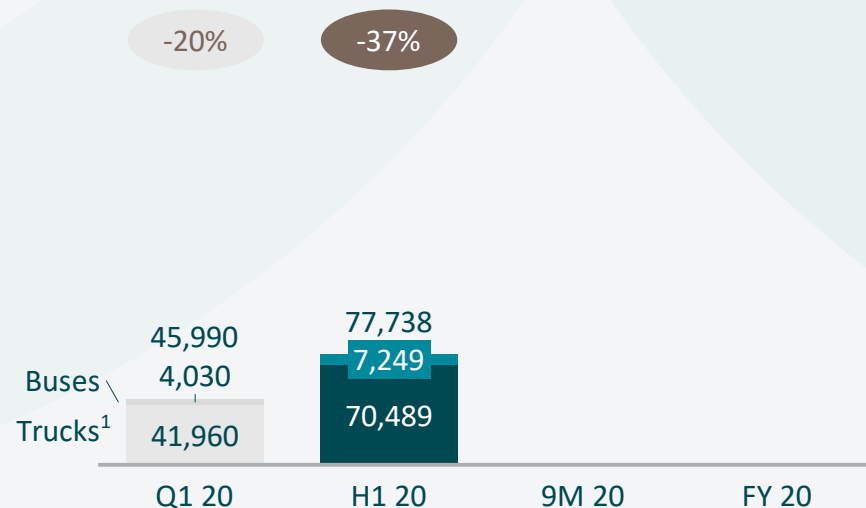


## GROUP – UNIT SALES DEVELOPMENT

### UNIT SALES (units)



### Growth Y-o-Y (%)



- TRATON sustains its leading position in the truck segment in the EU27+3 region and Brazil.
- Expected weaker demand development was further amplified by the uncertainties resulting from the COVID-19 pandemic. All core regions were affected in the truck and bus business.
- Trucks unit sales down by -53% in Q2 2020, trucks unit sales ex MAN TGE -54%.

<sup>1</sup> Including MAN TGE vans (units in 2019: Q1 3,122 / Q2 4,144 / Q3 2,845 / Q4 4,677, units in 2020: Q1 3,428 / Q2: 2,927).

## GROUP – UNIT SALES GROWTH IN CORE MARKETS

Truck unit sales in core markets<sup>1</sup>; 2020 (units)

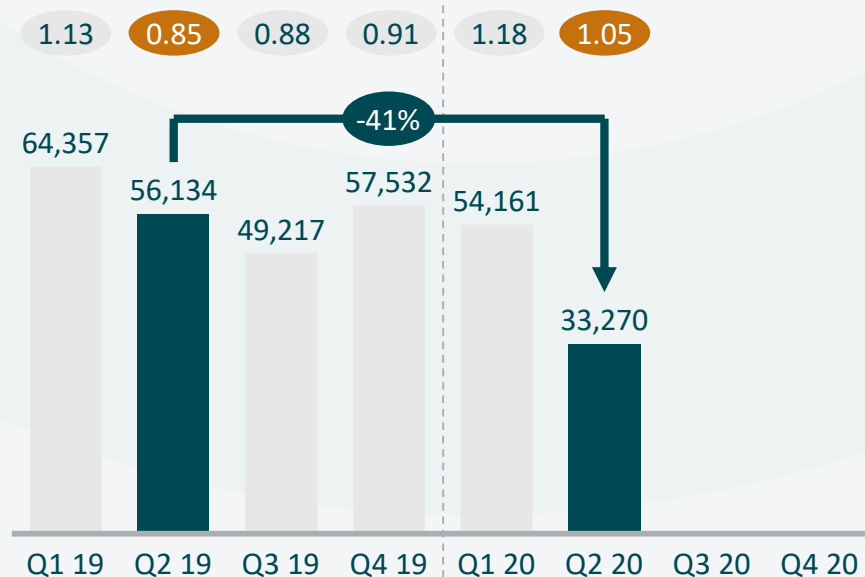


1 Excluding MAN TGE vans. 2 EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland). 3 Information shown might include estimates or preliminary data; for EU27+3 and Germany data collected from ACEA provisional new registrations figures as at July 23, 2020, trucks > 16t; for Brazil data collected from ANFAVEA trucks > 6t as at July 06, 2020; South America own estimates.

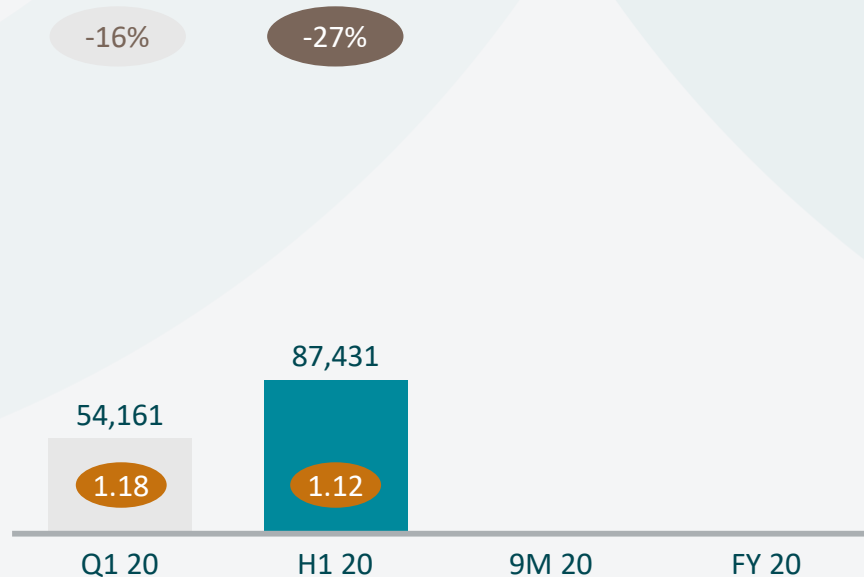
## INDUSTRIAL BUSINESS – INCOMING ORDERS

### INCOMING ORDERS (units)

#### Book-to-bill<sup>1</sup> (ratio in units)



#### Growth Y-o-Y (%)

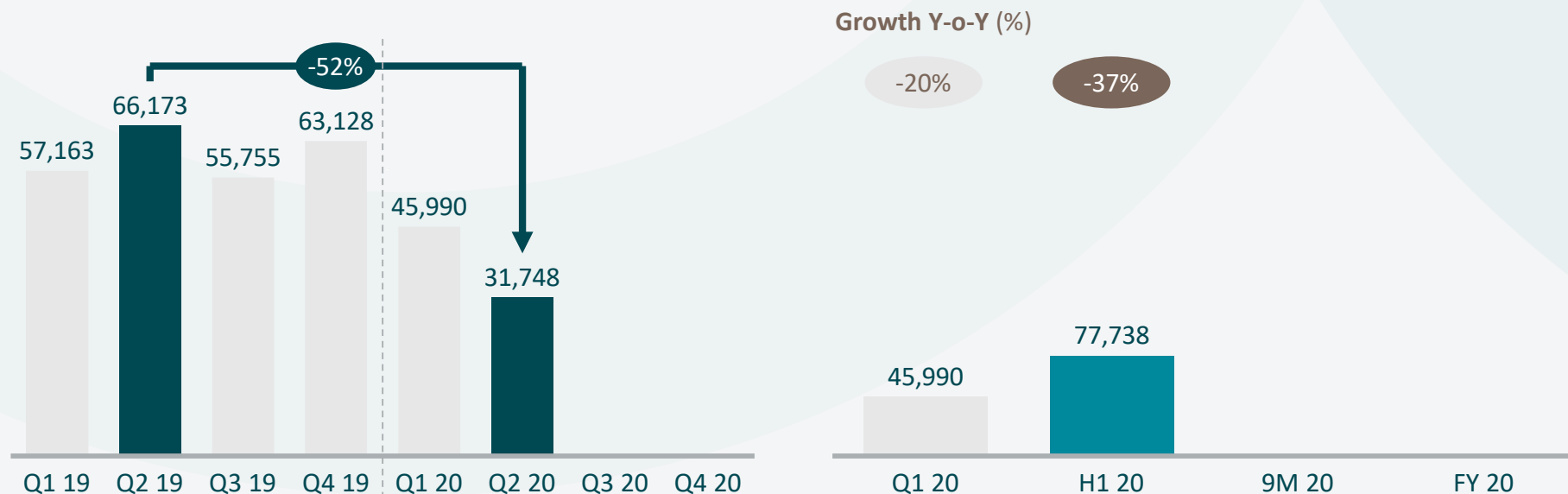


- The economic decline already expected for 2020 was exacerbated by the uncertainty resulting from the COVID-19 pandemic, particularly in Q2 2020. Incoming orders in Q2 2020 declined by 41%, resulted from both the truck and bus business.
- April incoming orders deteriorated significantly, positive direction in May and June visible, mainly in the truck business.

<sup>1</sup> Book-to-bill is defined as the ratio of trucks and buses incoming orders to trucks and buses units delivered.

## INDUSTRIAL BUSINESS – UNIT SALES

### UNIT SALES (units)

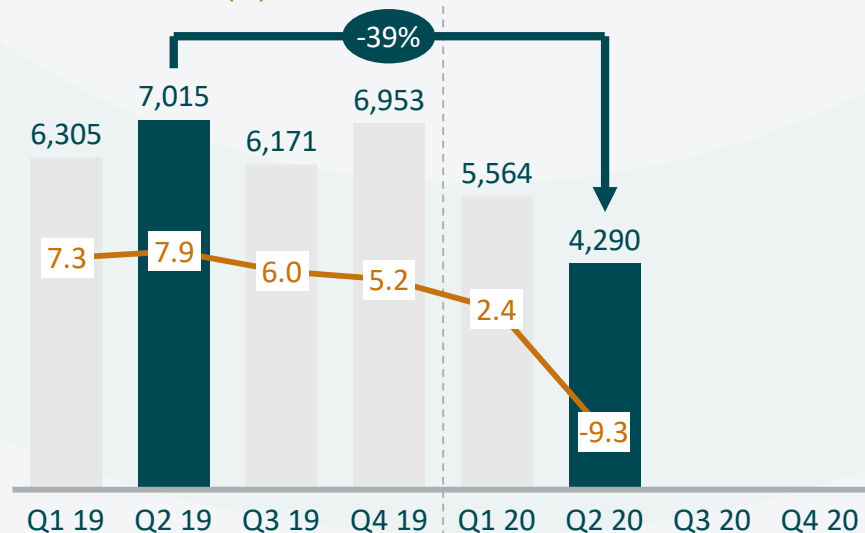


- Expected decline in truck business in the EU27+3 in 2020 was further exacerbated by the uncertainty and restrictions resulting from the COVID-19 pandemic, particularly in Q2 2020. Significant decrease in truck unit sales resulted from all countries in the region. Growth in Brazil slowed significantly. Truck unit sales overall down by -54% in Q2 2020.
- Bus unit sales decreased by -46% in Q2 2020, all core regions were affected.
- April unit sales contracted substantially, positive direction in May and June visible, mainly in the truck business.

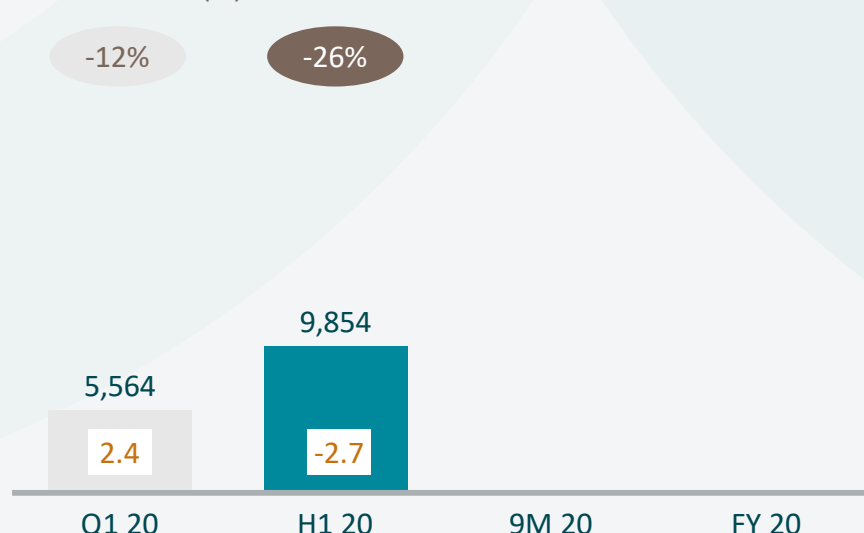
## INDUSTRIAL BUSINESS – SALES REVENUE AND RETURN ON SALES

### SALES REVENUE (€mn)

#### Return on sales (%)



#### Growth Y-o-Y (%)



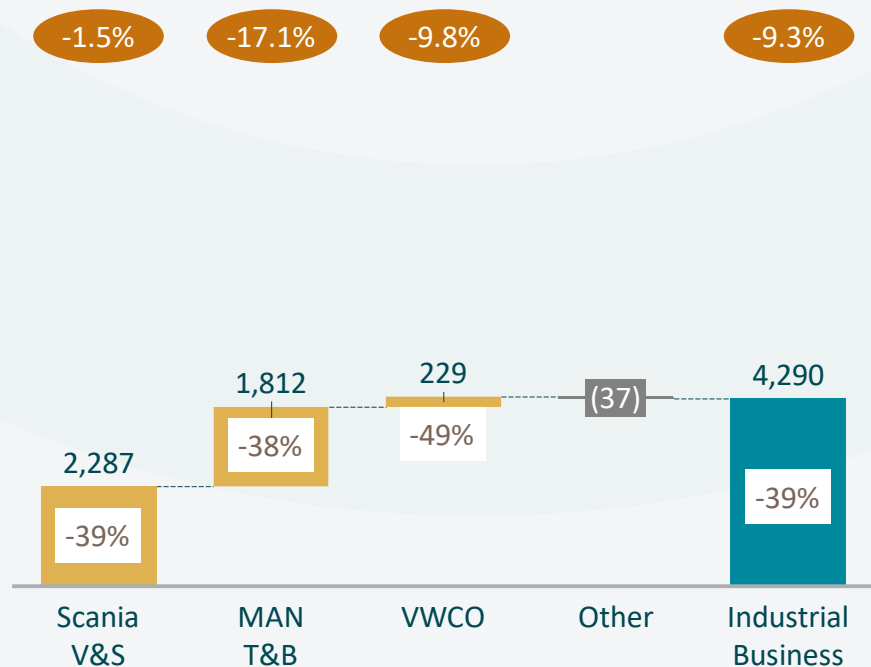
- Decline in sales revenue resulted primarily from the new vehicle business, following the slump in truck and bus unit sales. But sales revenue less down than unit sales largely due to better product mix. After-sales relatively stable (share grew to 24% in Q2 2020).
- Return on sales impacted by declined sales revenue, additional costs due to the rollout of the new truck generation of MAN Truck & Bus and an increasingly difficult used vehicle business. In addition measures taken in connection with the COVID-19 pandemic - in particular the closings of plants - had a negative impact. Product mix was positive.

## INDUSTRIAL BUSINESS – SALES REVENUE BY BRAND AND RETURN ON SALES

### SALES REVENUES Q2 2020 (€mn)

Growth rate (%)

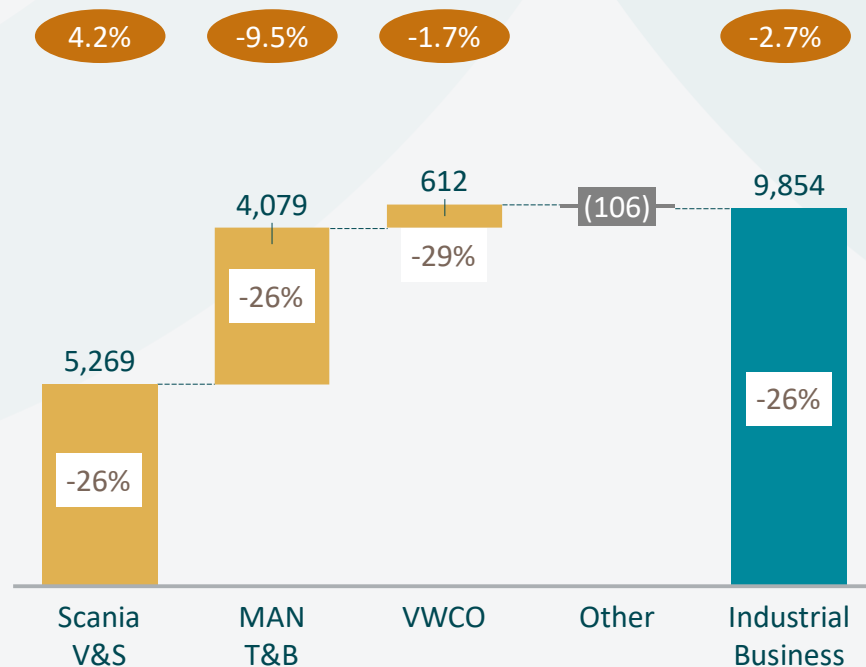
Return on sales (%)



### SALES REVENUES H1 2020 (€mn)

Growth rate (%)

Return on sales (%)



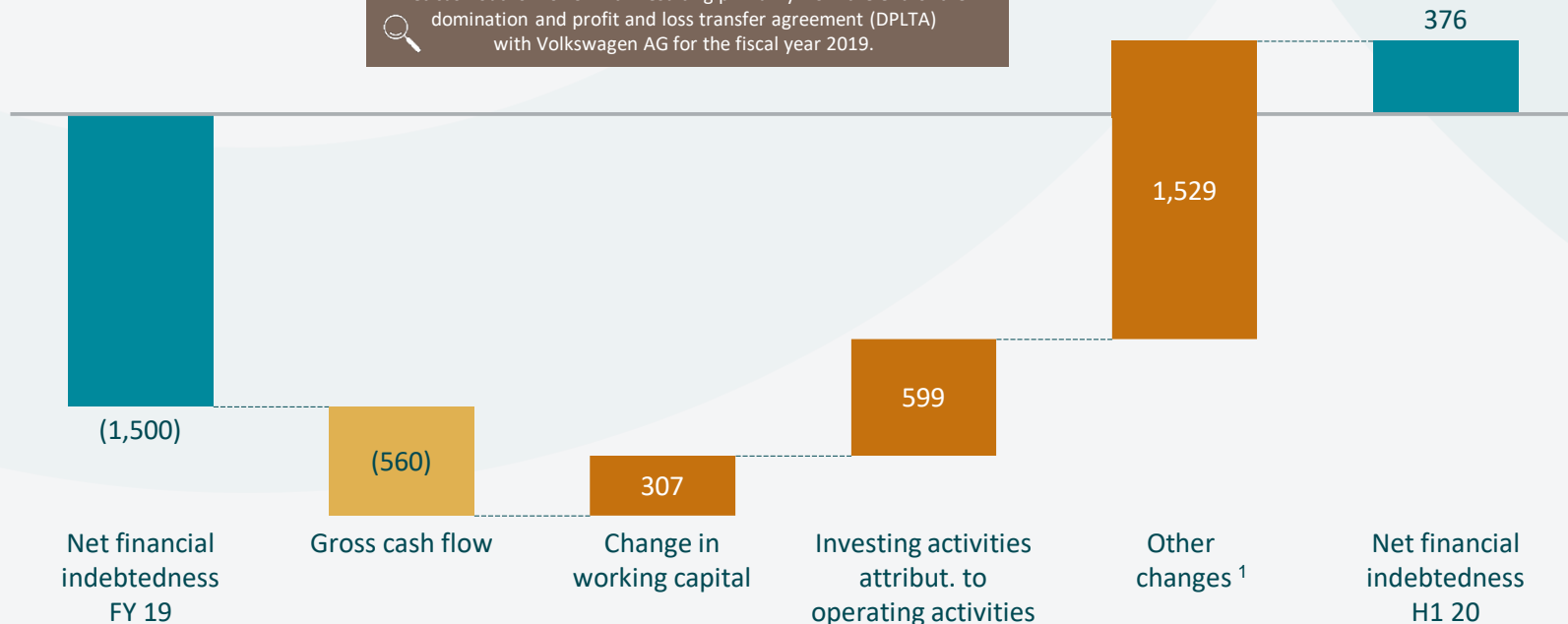


## INDUSTRIAL BUSINESS – INDEBTEDNESS

### NET FINANCIAL INDEBTEDNESS [DEBT] / NET LIQUIDITY [CASH] BRIDGE (€mn)

 Net Debt 

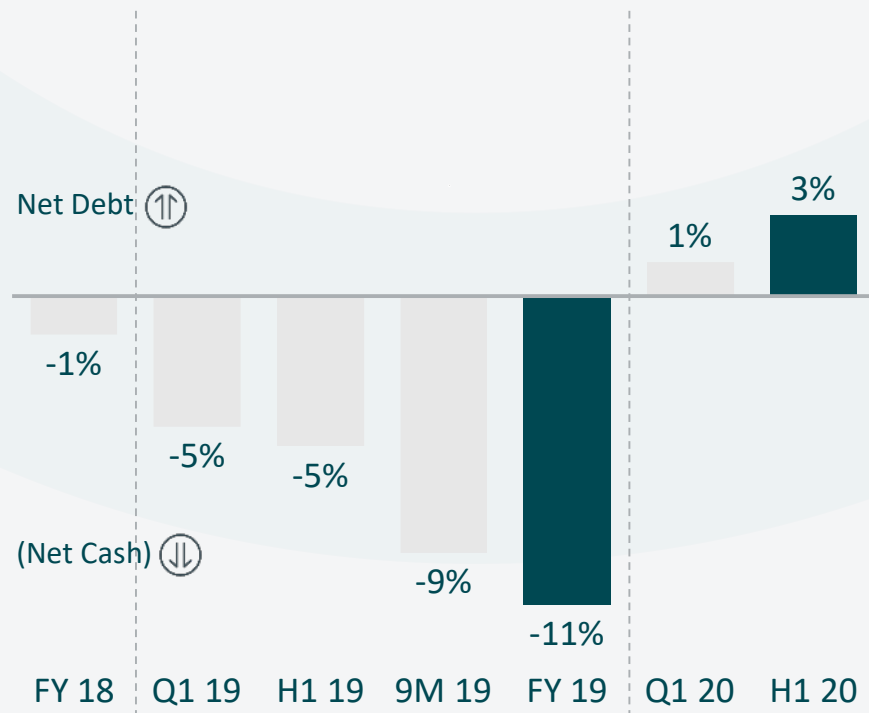
Net debt as of June 30, 2020 amounted to €376 mn, mainly due to the net cash outflow of €1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019.

 (Net Cash) 


<sup>1</sup> Thereof €1,404 mn for the profit transfer for fiscal year 2019 to Volkswagen AG, €-54 mn capital contribution by Volkswagen AG.  
 July 31, 2020 / Investor Relations / Half-Year Financial Report 2020

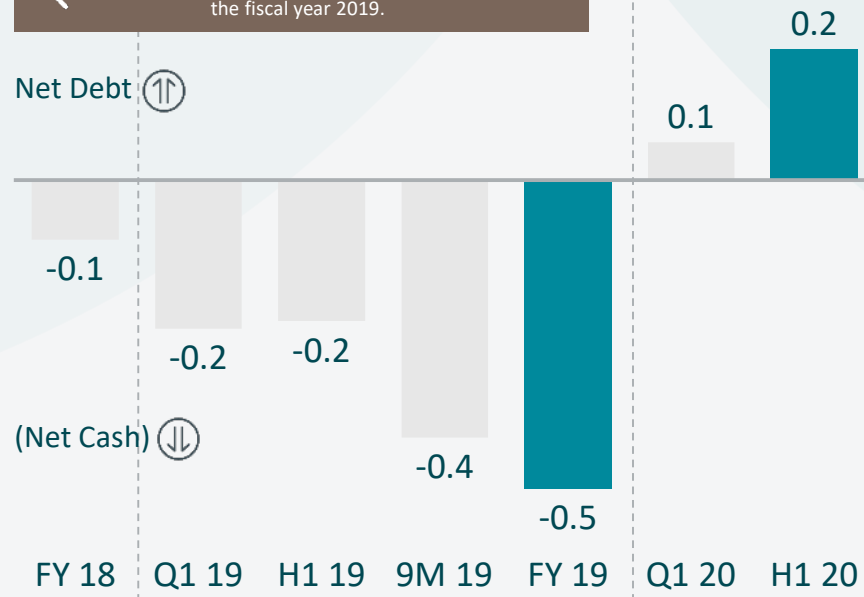
# INDUSTRIAL BUSINESS – LEVERAGE RATIOS

## GEARING RATIO<sup>1</sup> (in %)



## NET DEBT/ADJUSTED EBITDA<sup>2</sup> (x)

Net debt as of June 30, 2020 amounted to €376 mn, mainly due to the net cash outflow of €1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019.



Note: Industrial Business net financial debt / (cash) per FY 2018: € (227) mn, Q1 2019: € (604) mn, H1 2019: € (689) mn, 9M 2019: € (1,207) mn, FY 2019: € (1,500) mn, Q1 2020: € 162 mn, H1 2020: € 376 mn.

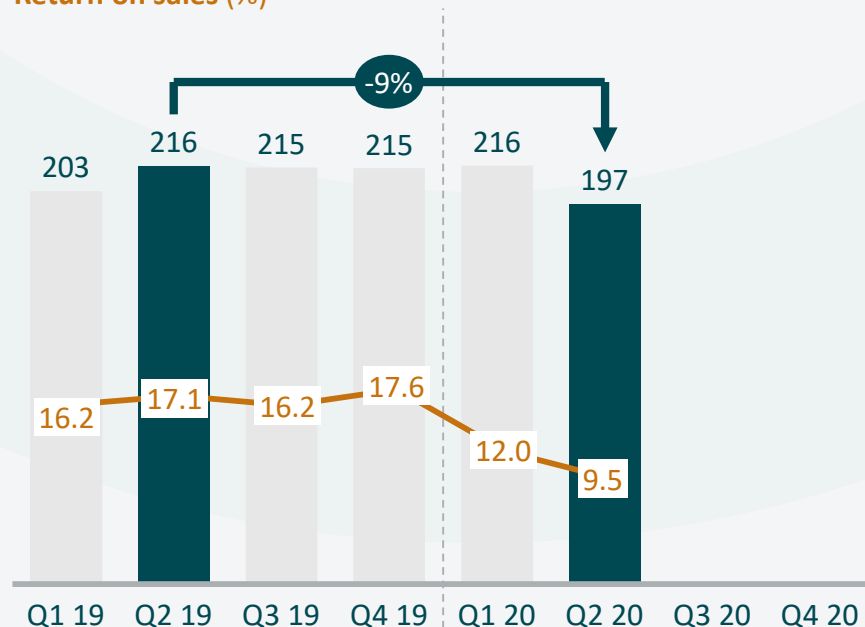
1 For Industrial Business: calculated as net liquidity/net financial debt divided by book value of equity. 2 For Industrial Business: calculated as net liquidity/net financial debt divided by last twelve month adjusted EBITDA (actual quarter + last 3 quarters).

July 31, 2020 / Investor Relations / Half-Year Financial Report 2020

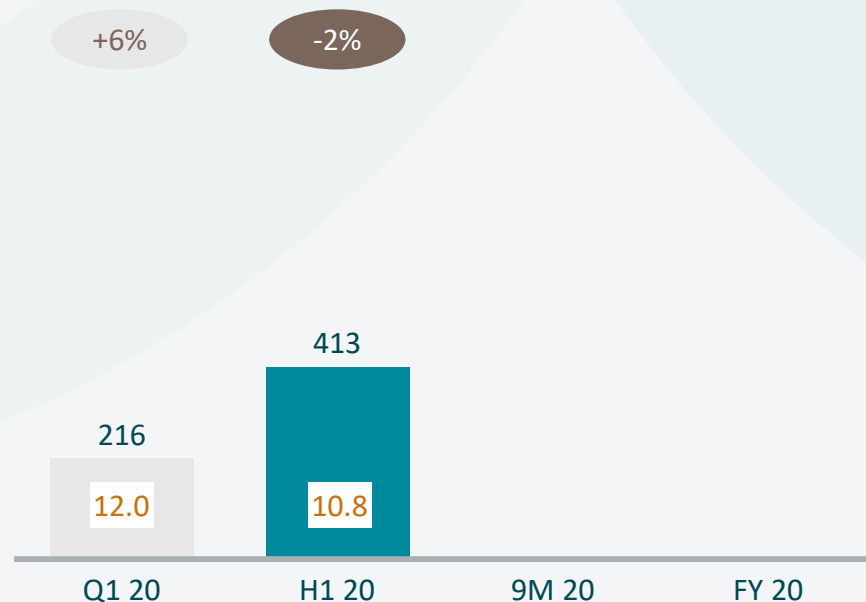
## FINANCIAL SERVICES – SALES REVENUE AND RETURN ON SALES

### SALES REVENUE (€mn)

#### Return on sales (%)



#### Growth Y-o-Y (%)

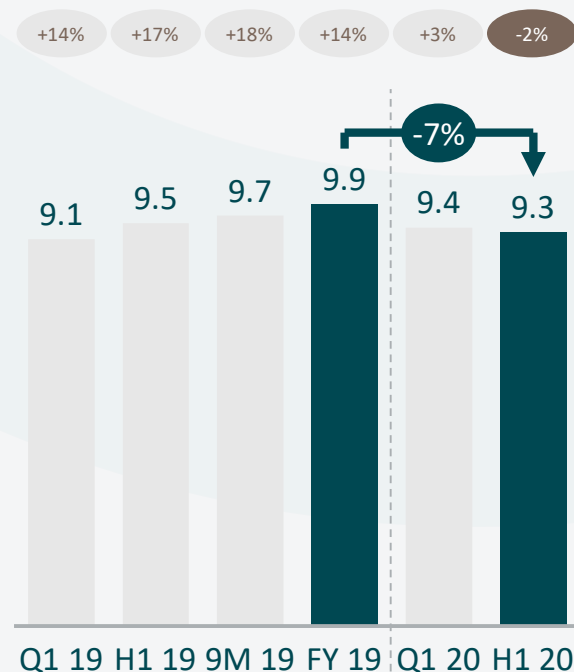


- Operating profit decreased in Q2 2020 by -50% to €19 mn, resulted from lower margins, negative exchange rate effects, and higher bad debt allowances.

## FINANCIAL SERVICES – NET PORTFOLIO AND PENETRATION RATE

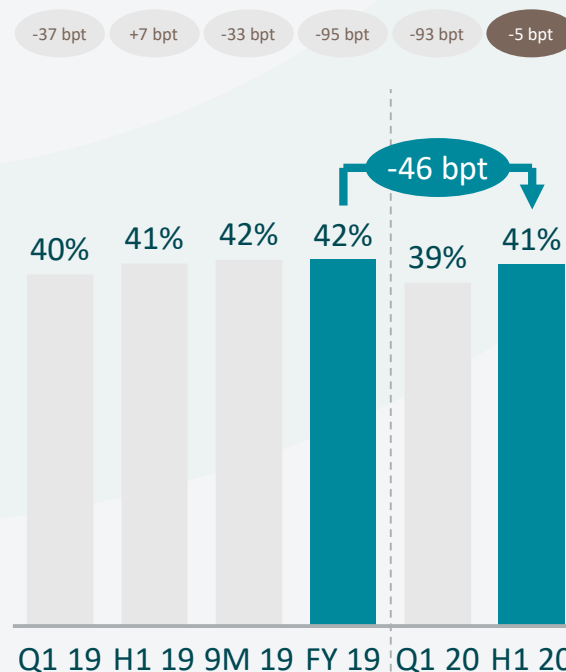
### NET PORTFOLIO<sup>1</sup> (€bn)

#### Growth Y-o-Y (%)



### PENETRATION RATE<sup>2</sup> (%)

#### Growth Y-o-Y (%)

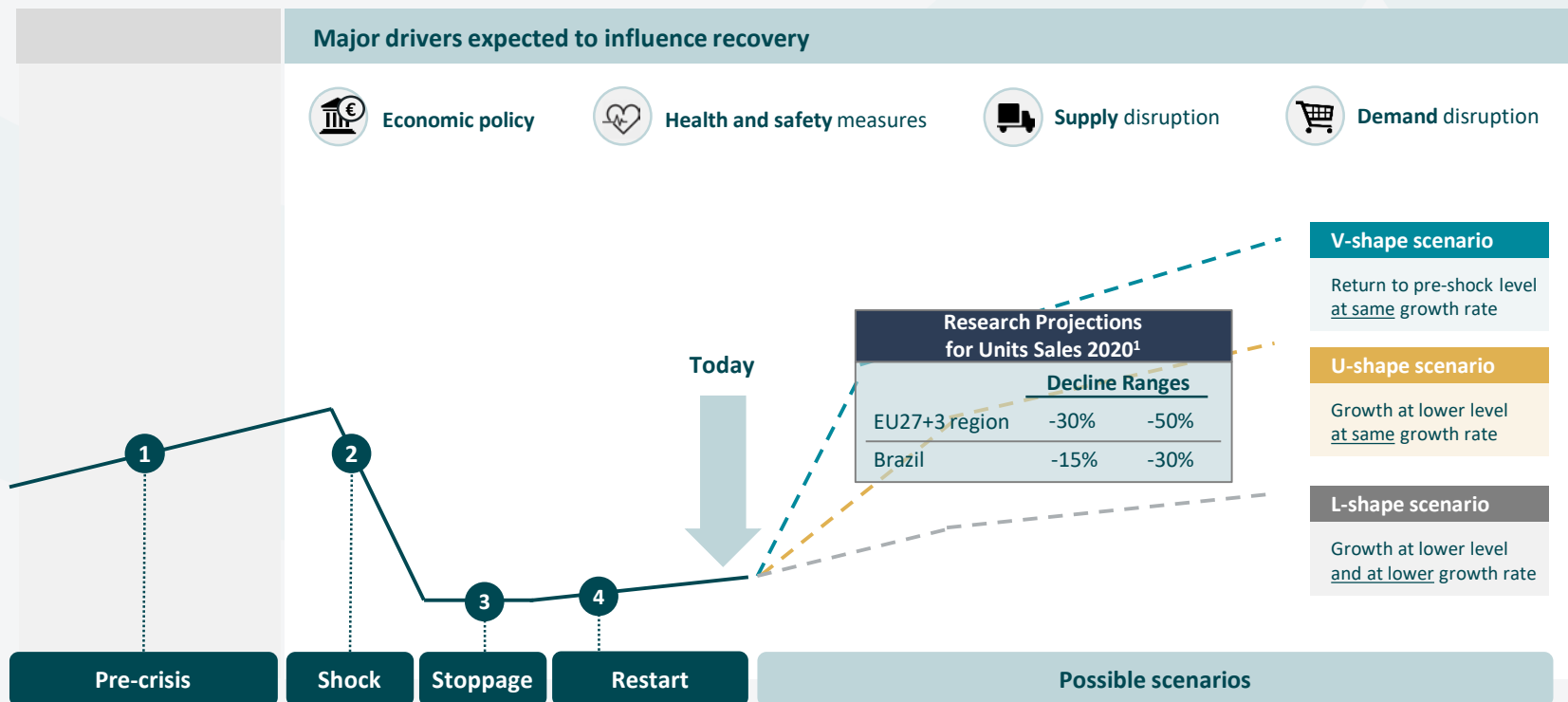


### COMMENTARY

- By the end of H1 2020 the customer finance portfolio amounted to €9.3 bn (-7% compared to year end 2019), resulting from lower financing activities due to the reduced unit sales and negative currency effects.
- Penetration rate on new trucks stood at 41% in H1 2020 in those markets where Financial Services operates.
- Book value of equity decreased slightly compared to year end to €957 mn (FY 2019: €971 mn).

<sup>1</sup> Reflecting closing balances; net portfolio defined as gross portfolio less bad debt provisions; growth excl. currency effects. <sup>2</sup> Trucks only.

# STATUS UPDATE – ECONOMIC RECOVERY FROM COVID-19 CRISIS LIKELY TO BE DETERMINED BY A COMBINATION OF FACTORS AND STILL HIGHLY UNCERTAIN

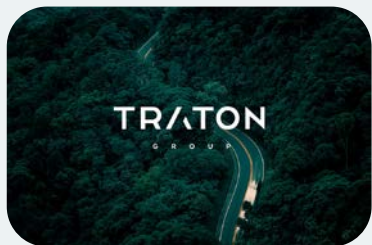


<sup>1</sup> Includes estimates from IHS, McKinsey, BCG and others.

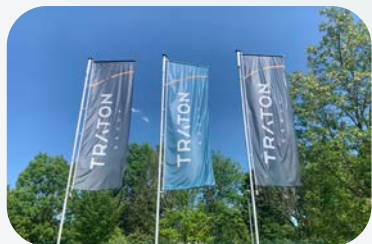
## STATUS UPDATE – FUTURE DEVELOPMENT



» The impact of the COVID-19 pandemic on customer demand and supply chains still cannot be estimated with any degree of reliability.



» **Business outlook** for FY 2020 currently **not reliably possible**.



» Provided there is no further increase in the number of COVID-19 cases and no associated countermeasures are adopted by the relevant countries, we are assuming a **gradual recovery** in our business activity in the **second half of 2020**.

» Overall, however, we continue to expect a **drastic fall in unit sales** for the fiscal year, and **cannot rule out an operating loss** for the TRATON GROUP in 2020.

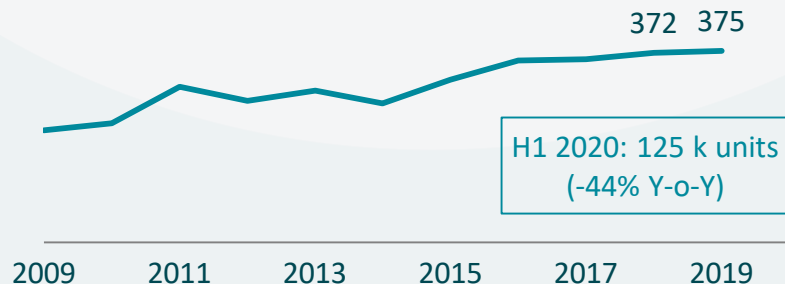


# STATUS UPDATE – TRUCK MARKET

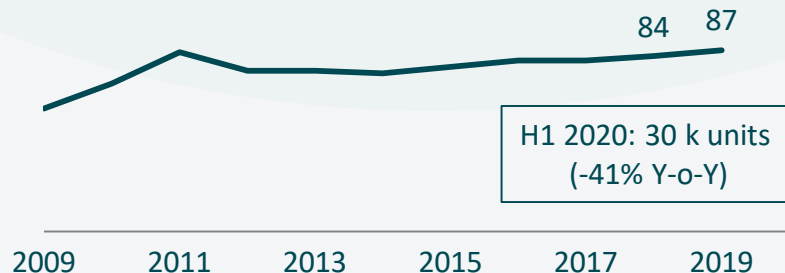
## TRUCK MARKET DEVELOPMENT (> 6t, k units)



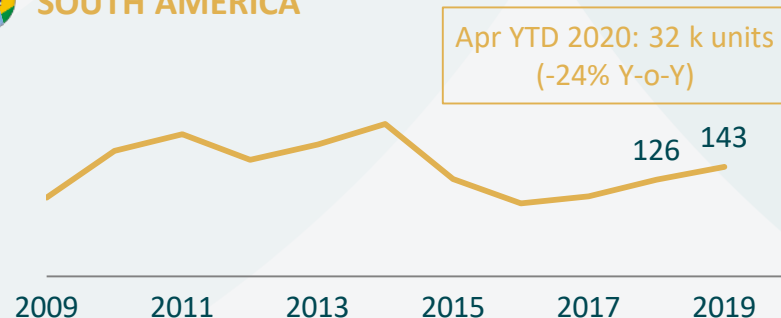
**EU27+3<sup>1</sup>**



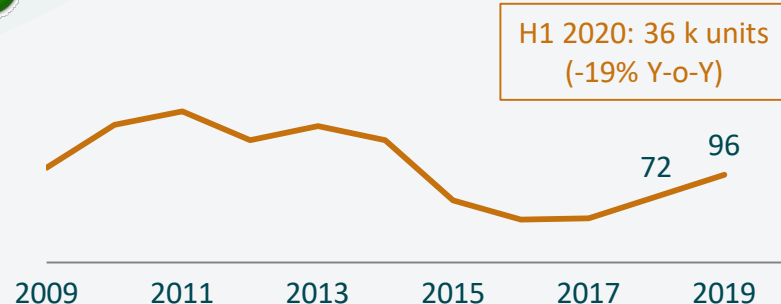
**GERMANY**



**SOUTH AMERICA**



**BRAZIL**



Economic effects of COVID-19 pandemic will impact the market development in 2020; a reliable forecast is currently not possible

Source: Own calculation and estimates based on publicly available sources (ACEA, IHS Markit, ANFAVEA, ...).

<sup>1</sup> EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland), (> 6t).

July 31, 2020 / Investor Relations / Half-Year Financial Report 2020

## STATUS UPDATE – RECENT TRACK RECORD AND OVER-THE-CYCLE TARGET



Economic effects of COVID-19 pandemic will impact the market and business development in 2020; a reliable forecast is currently not possible

		FY 2018	FY 2019	2020 Outlook	Over-the-cycle RoS target
<b>Unit sales</b> <i>(Units; Growth in %)</i>	»	233.0 k +14%	242.2 k +4%	n.a.	
<b>Group sales revenue</b> <i>(in €bn; Growth in %)</i>	»	€25.9 bn +6%	€26.9 bn +4%	n.a.	
<b>Group return on sales</b> <i>(in %; operating profit in €bn)<sup>1</sup></i>	»	5.8% €1.5 bn	7.0% €1.9 bn	n.a.	9% Over-the-cycle RoS
<b>Cash conversion rate</b> <i>(in %; Industrial Business)<sup>2</sup></i>	»	14%	179%	n.a.	

Note: VGSG operations (sold as of January 2019) included in 2018.

<sup>1</sup> FY 2018: adjusted RoS 6.4%, adjusted operating profit €1.7 bn; FY 2019: adjusted RoS 7.0%, adjusted operating profit €1.9 bn. <sup>2</sup> Calculated as the ratio of net cash flow to profit after tax; in FY 2019 and FY 2018, the cash conversion rate was impacted by a number of nonrecurring factors; FY 2019 reflected for example the proceeds from the disposal of the Power Engineering business.

July 31, 2020 / Investor Relations / Half-Year Financial Report 2020

## Appendix

## CONTACTS INVESTOR RELATIONS



Rolf Woller  
Head of Treasury & Investor Relations

---

+49 89 360 98 335  
rolf.woller@traton.com



Margit Hartmann  
Annual General Meeting, Events

---

+49 89 360 98 381  
margit.hartmann@traton.com



Marvin Kalberlah  
Analysts and Investors, Consensus

---

+49 89 360 98 334  
marvin.kalberlah@traton.com



Michael Lankes  
Annual General Meeting, Events

---

+49 89 360 98 328  
michael.lankes@traton.com



Philipp Lotz  
Analysts and Investors, Rating, Debt Capital Markets

---

+49 89 360 98 283  
philipp.lotz@traton.com



Thomas Paschen  
Analysts and Investors, Private Investors

---

+49 89 360 98 474  
thomas.paschen@traton.com



Helga Würtele  
Nordic Analysts and Investors, Sustainability

---

+49 151 163 58 157  
helga.wuertele@traton.com

## FINANCIAL CALENDAR



### Event / Publication of

May 4, 2020

Interim Statement 3M 2020

July 31, 2020

Half-Year Financial Report 2020

September 23, 2020

Virtual Annual General Meeting 2020

November 10, 2020

Interim Statement 9M 2020



TRATON SE  
Dachauer Str. 641  
80995 Munich  
[www.traton.com](http://www.traton.com)  
<http://ir.traton.com>

## TRATON SHARE



### SHARE DATA

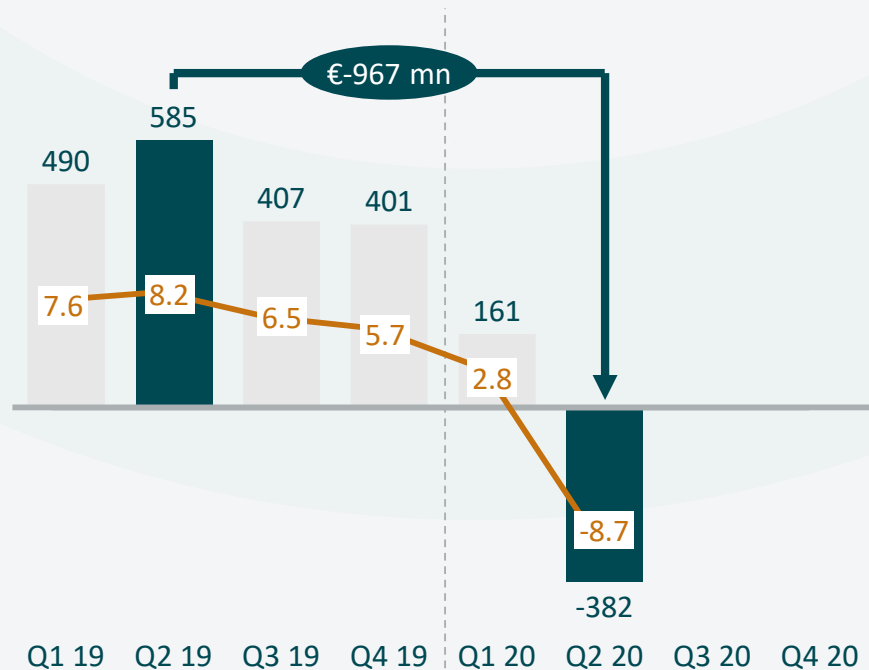
ISIN (International Securities Identification Number)	DE000TRATON7
WKN (German Security Identification number)	TRATON
Common code	196390065
Stock exchange	Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) & Nasdaq Stockholm (börsen)
Market segment	Regulated market (Prime Standard) of Frankfurt Stock Exchange & Large Cap segment of Nasdaq Stockholm
Bloomberg ticker	8TRA GY / 8TRA SS
Reuters ticker	8TRA.DE / 8TRA.ST
Shares outstanding	500.000.000
Type of share	Bearer shares / common shares
Free Float	10.28%



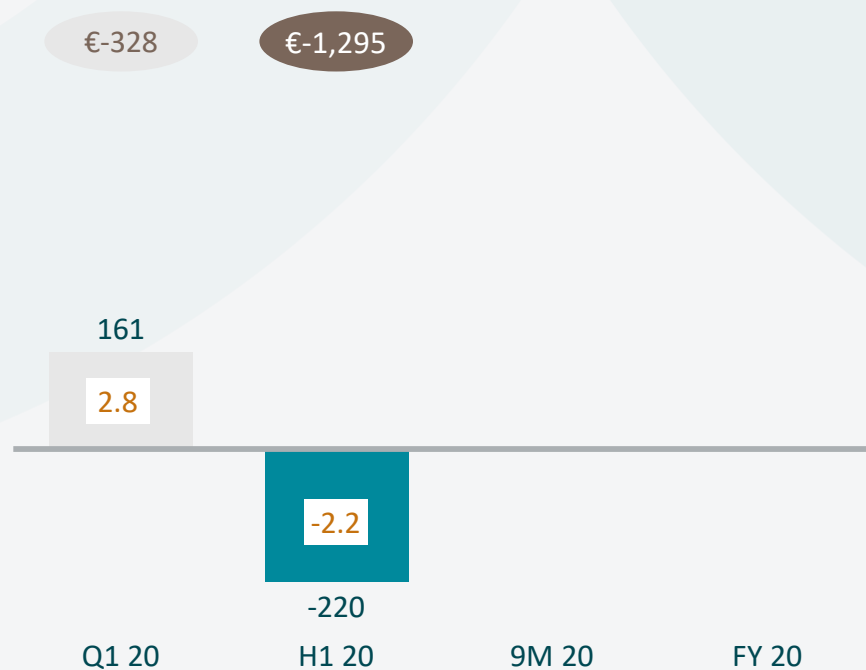
## GROUP – OPERATING PROFIT AND RETURN ON SALES

### OPERATING PROFIT (€mn)

#### Return on sales (%)

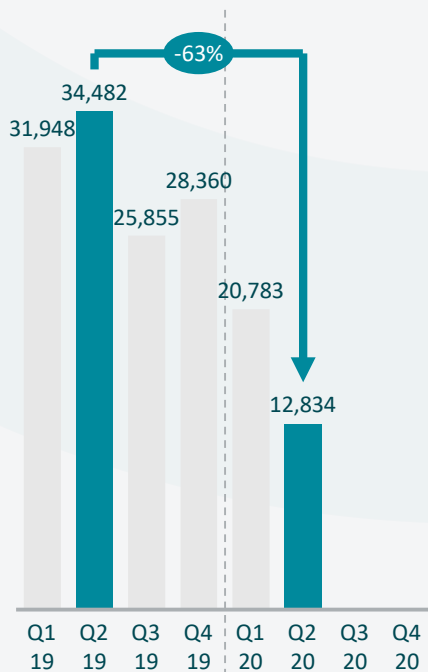


#### Growth Y-o-Y (€mn)

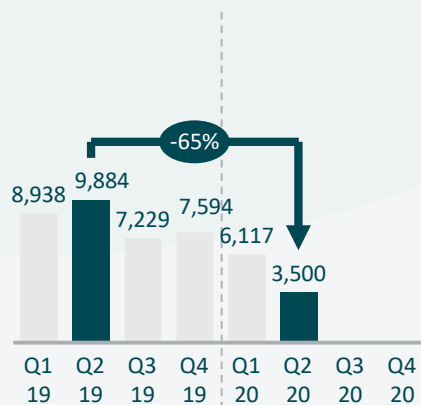


# INDUSTRIAL BUSINESS – REGIONAL TRUCK UNIT SALES DEVELOPMENT<sup>1</sup>

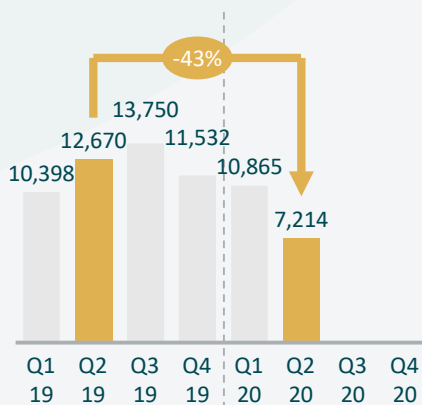
## EU27+3<sup>2</sup> (units)



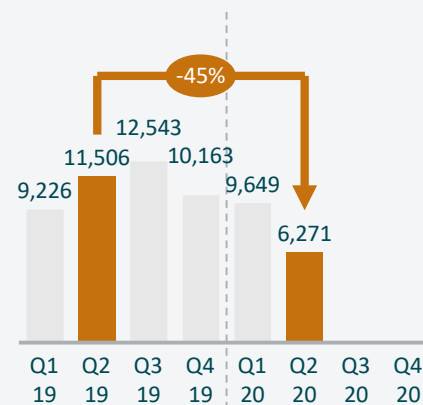
## Germany (units)



## South America (units)



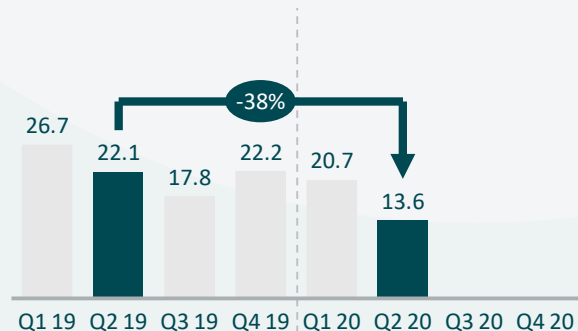
## Brazil (units)



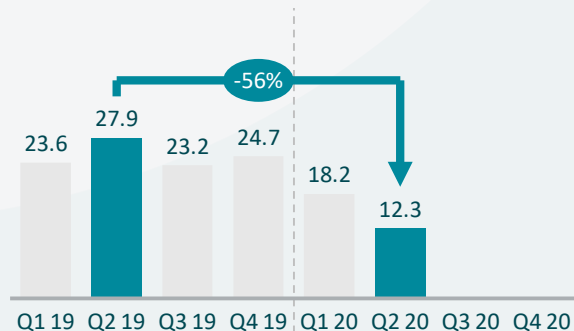
<sup>1</sup> Excluding MAN TGE vans 2 In connection with the exit of United Kingdom on January 31, 2020, the region "EU28+2" has been referred to as region "EU27+3" since 2020 (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland).

## SCANIA VEHICLES & SERVICES – KEY FIGURES PER QUARTER

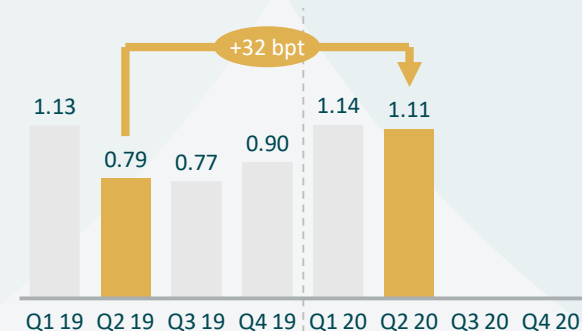
### Incoming orders (k units)



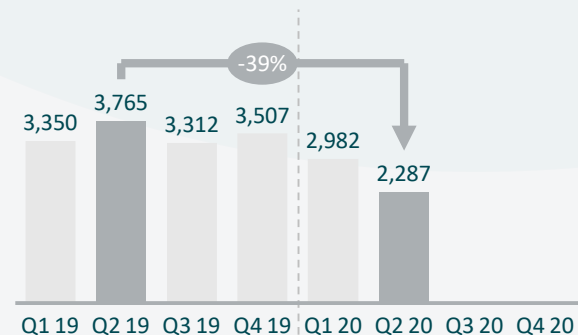
### Unit sales (k units)



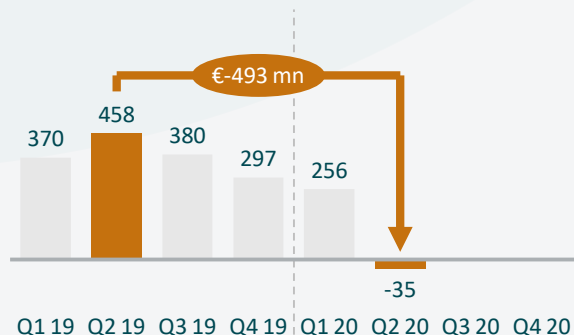
### Book-to-bill<sup>1</sup> (ratio in units)



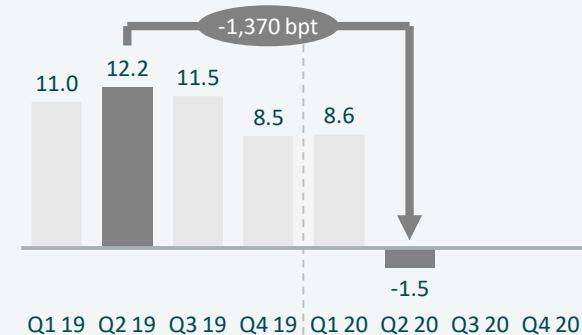
### Sales revenue (€mn)



### Operating profit (€mn)



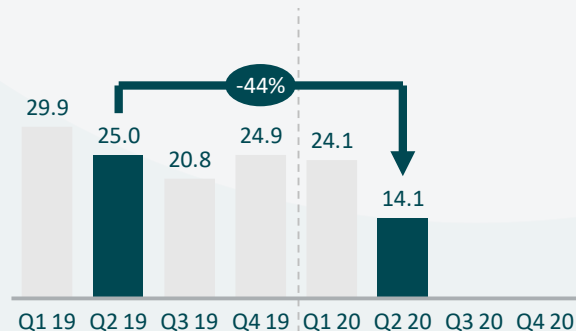
### Return on sales (%)



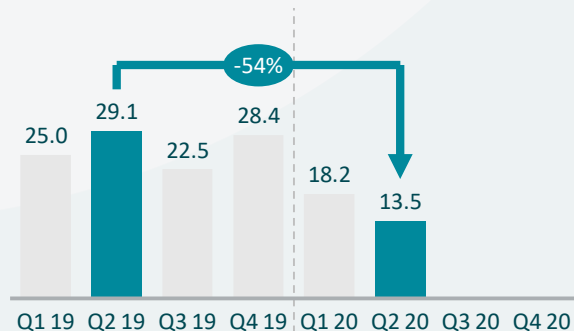
<sup>1</sup> Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered.

## MAN TRUCK & BUS – KEY FIGURES PER QUARTER

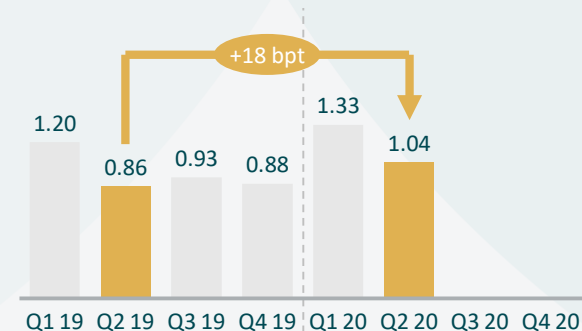
### Incoming orders (k units)



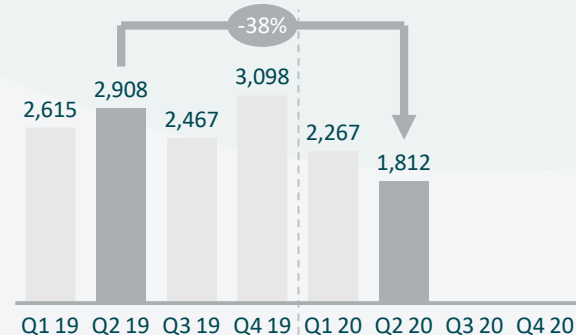
### Unit sales (k units)



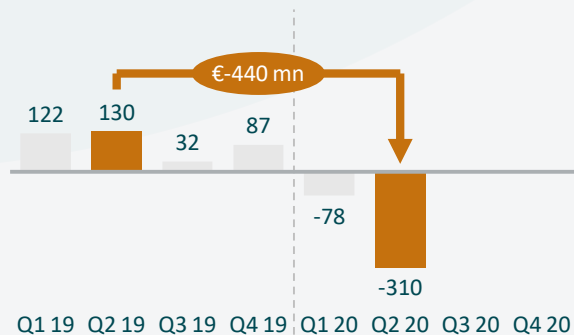
### Book-to-bill<sup>1</sup> (ratio in units)



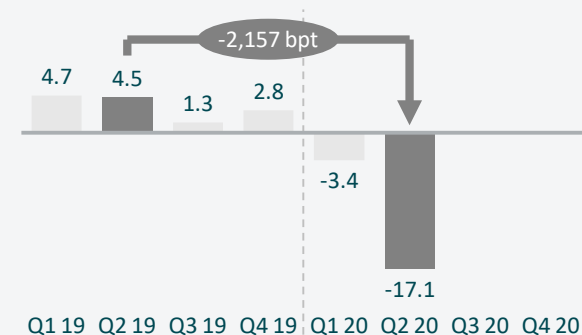
### Sales revenue (€mn)



### Operating profit (€mn)



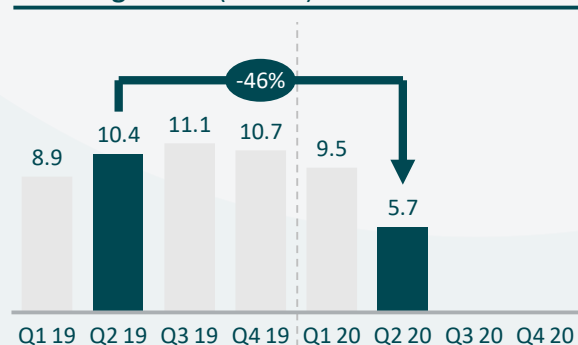
### Return on sales (%)



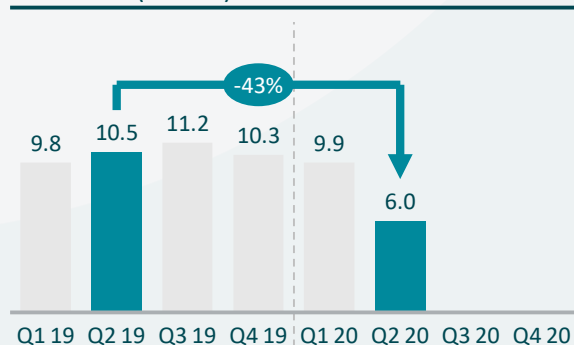
<sup>1</sup> Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered.

# VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES PER QUARTER

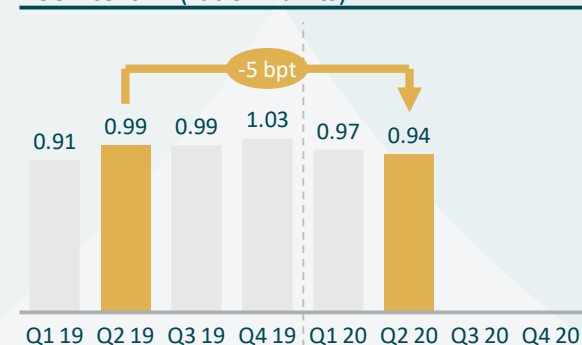
## Incoming orders (k units)



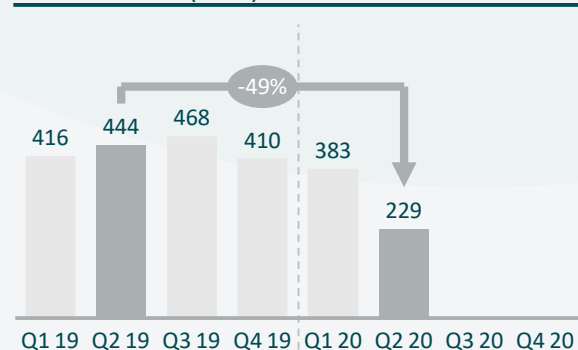
## Unit sales (k units)



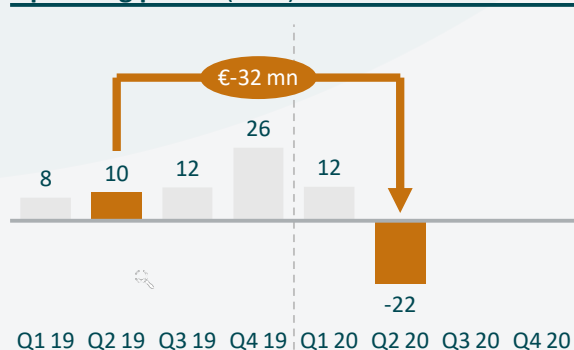
## Book-to-bill<sup>1</sup> (ratio in units)



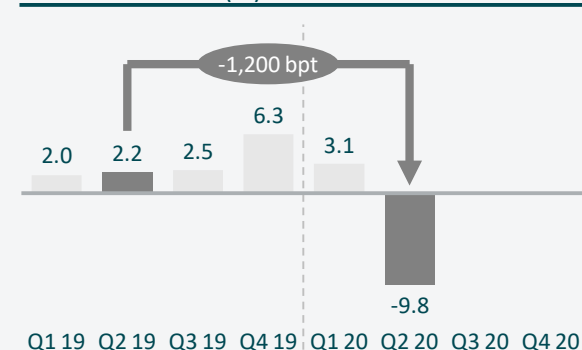
## Sales revenue (€mn)



## Operating profit<sup>2</sup> (€mn)



## Return on sales<sup>2</sup> (%)



<sup>1</sup> Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered. <sup>2</sup> Q2 2019 includes an adjustment of (€13 mn) from the reversal of a restructuring provision.

## GROUP – CONDENSED INCOME STATEMENT

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Sales revenue	10,073	13,541	9,854	13,320	413	419	-194	-199
Cost of sales	-8,637	-10,762	-8,567	-10,685	-263	-272	193	195
<b>Gross profit</b>	<b>1,436</b>	<b>2,778</b>	<b>1,287</b>	<b>2,635</b>	<b>150</b>	<b>147</b>	<b>-1</b>	<b>-4</b>
Distribution expenses	-1,104	-1,214	-1,044	-1,151	-61	-63	1	1
Administrative expenses	-422	-502	-422	-502	-	-	-	-
Other operating result	-130	12	-85	27	-44	-14	0	0
<b>Operating profit/loss</b>	<b>-220</b>	<b>1,075</b>	<b>-265</b>	<b>1,008</b>	<b>44</b>	<b>70</b>	<b>0</b>	<b>-3</b>
Operating return on sales (in %)	-2.2	7.9	-2.7	7.6	10.8	16.6	-	-
Financial result	-101	-31	-101	-34	0	0	0	3
<b>Profit/loss before tax</b>	<b>-321</b>	<b>1,044</b>	<b>-366</b>	<b>975</b>	<b>45</b>	<b>70</b>	<b>0</b>	<b>0</b>
Income taxes	32	-251	47	-281	-15	-18	1	48
Loss from discontinued operations, net of tax	-	-2	-	-2	-	-	-	-
<b>Profit/loss after tax</b>	<b>-289</b>	<b>792</b>	<b>-319</b>	<b>692</b>	<b>29</b>	<b>52</b>	<b>1</b>	<b>48</b>

## GROUP – CONDENSED BALANCE SHEET

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Intangible assets	6,563	6,755	6,559	6,750	5	4	–	–
Property, plant, and equipment	6,622	6,789	6,610	6,778	24	25	–12	–13
Assets leased out	6,581	7,119	6,574	7,115	748	826	–742	–821
Equity-method investments	1,345	1,365	1,345	1,365	–	–	–	–
Other equity investments	35	34	397	386	0	0	–362	–352
Income tax receivables	112	167	85	141	28	26	0	–
Deferred tax assets	1,040	970	1,001	935	57	48	–18	–13
Financial services receivables	7,465	7,991	9	10	7,456	7,981	0	0
Inventories	4,790	4,943	4,790	4,943	–	–	–	–
Trade receivables	1,666	2,144	1,710	2,216	22	34	–66	–106
Other assets	2,002	1,816	1,831	1,727	1,235	1,320	–1,064	–1,231
Marketable securities and investment deposits	2,005	3,178	2,005	3,178	–	–	–	–
Cash and cash equivalents	2,572	1,913	2,488	1,853	84	60	–	0
<b>Total assets</b>	<b>42,798</b>	<b>45,183</b>	<b>35,401</b>	<b>37,396</b>	<b>9,660</b>	<b>10,324</b>	<b>–2,263</b>	<b>–2,536</b>
Equity	13,448	14,134	12,718	13,365	957	971	–227	–201
Financial liabilities	13,236	12,497	4,878	3,641	8,380	8,998	–22	–141
Provisions for pensions and other post-employment benefits	1,742	1,769	1,732	1,759	10	10	–	–
Income tax payables	86	278	76	265	11	13	0	–
Deferred tax liabilities	685	787	630	733	70	63	–15	–9
Income tax provisions	66	51	62	47	4	4	–	–
Other provisions	2,047	2,094	2,045	2,092	2	3	–	–
Other liabilities	9,270	11,101	11,057	13,042	146	138	–1,933	–2,079
Trade payables	2,219	2,472	2,205	2,453	80	125	–66	–106
<b>Total equity and liabilities</b>	<b>42,798</b>	<b>45,183</b>	<b>35,401</b>	<b>37,396</b>	<b>9,660</b>	<b>10,324</b>	<b>–2,263</b>	<b>–2,536</b>

## GROUP – CONDENSED STATEMENT OF CASH FLOWS

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
<b>Cash and cash equivalents as of January 1</b>	<b>1,913</b>	<b>2,997</b>	<b>1,853</b>	<b>2,945</b>	<b>60</b>	<b>53</b>	<b>0</b>	<b>0</b>
Gross cash flow	620	1,825	560	1,780	219	248	-159	-203
Change in working capital	-155	-2,155	-307	-1,407	-28	-933	181	186
<b>Net cash provided by/used in operating activities</b>	<b>465</b>	<b>-330</b>	<b>252</b>	<b>373</b>	<b>190</b>	<b>-685</b>	<b>22</b>	<b>-17</b>
Net cash provided by/used in investing activities attributable to operating activities	-591	1,410	-599	1,412	-1	-2	9	0
Change in marketable securities, investment deposits, and loans	1,177	-1,313	1,285	-689	0	-31	-108	-593
<b>Net cash provided by/used in investing activities</b>	<b>586</b>	<b>97</b>	<b>686</b>	<b>723</b>	<b>-1</b>	<b>-33</b>	<b>-99</b>	<b>-593</b>
<b>Net cash provided by/used in financing activities</b>	<b>-319</b>	<b>-105</b>	<b>-234</b>	<b>-1,443</b>	<b>-161</b>	<b>728</b>	<b>76</b>	<b>610</b>
Effect of exchange rate changes on cash and cash equivalents	-73	10	-70	8	-4	2	1	0
<b>Change in cash and cash equivalents</b>	<b>659</b>	<b>-328</b>	<b>635</b>	<b>-339</b>	<b>24</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents as of June 30</b>	<b>2,572</b>	<b>2,670</b>	<b>2,488</b>	<b>2,605</b>	<b>84</b>	<b>64</b>	<b>0</b>	<b>0</b>
Gross cash flow	620	1,825	560	1,780	219	248	-159	-203
Change in working capital	-155	-2,155	-307	-1,407	-28	-933	181	186
Net cash provided by/used in investing activities attributable to operating activities	-591	1,410	-599	1,412	-1	-2	9	0
<b>Net cash flow</b>	<b>-126</b>	<b>1,080</b>	<b>-347</b>	<b>1,784</b>	<b>189</b>	<b>-687</b>	<b>31</b>	<b>-17</b>



## GROUP – NET LIQUIDITY

€ million	TRATON GROUP		Industrial Business	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and cash equivalents	2,572	1,913	2,488	1,853
Marketable securities, investment deposits, and loans to affiliated companies	2,014	3,195	2,014	3,288
<b>Gross liquidity</b>	<b>4,586</b>	<b>5,108</b>	<b>4,502</b>	<b>5,141</b>
Total third-party borrowings	-13,236	-12,497	-4,878	-3,641
<b>Net liquidity/net financial debt</b>	<b>-8,650</b>	<b>-7,390</b>	<b>-376</b>	<b>1,500</b>

## GROUP – ADJUSTMENTS

Adjustments (€mn)	2016	2017	2018	2019	H1 2020
<b>OPERATING PROFIT</b>	727	1,512	1,513	1,884	-220
Expense for antitrust proceedings (Scania)	403				
Release of restructuring provisions at MAN Truck & Bus		-50			
Expenses in relation to India market exit at MAN Truck & Bus			137		
Recognition and release of restructuring provisions at VWCO	58			-13	
<b>OPERATING PROFIT (ADJUSTED)</b>	1,188	1,462	1,650	1,871	-220