



TRATON

TRATON Way Forward

Company presentation, 01-04-23



SCANIA



NAVISTAR



Truck
Bus

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

A lot has been achieved in the past six years

2015

Establishment of Volkswagen Truck & Bus



2019

Successful IPO of TRATON SE



2021

Acquisition of Navistar



2021+

New TRATON Strategy



TRATON

2018

Rebranding/
new identity



2021

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



2021

Charging JV with Daimler Truck & Volvo Group



2021

Introduction of new Group powertrain

Strong management team and Two-tier board structure with independence secured by supervisory board composition

TRATON SE EXECUTIVE BOARD



Christian Levin
CEO TRATON SE and
Scania



Dr. Michael Jackstein
CFO and CHRO
TRATON SE



Catharina Modahl Nilsson
Member of the Executive Board
of TRATON SE, responsible for
TRATON Group Product Management



Alexander Vlaskamp
CEO MAN Truck & Bus



Antonio Roberto Cortes
CEO Volkswagen
Truck & Bus



Mathias Carlbaum
CEO and President
Navistar International
Corporation

SUPERVISORY BOARD

Composition

- ▶ Supervisory Board composition reflects target shareholder structure
- ▶ Broad complementary skills and experience
- ▶ Chairman of the Supervisory Board: Hans Dieter Pötsch
- ▶ 20 members with equal number of international shareholder and employee representatives

Audit Committee

- ▶ Comprises 6 members
- ▶ Equal number of shareholder & employee representatives

Four strong Brands under one roof

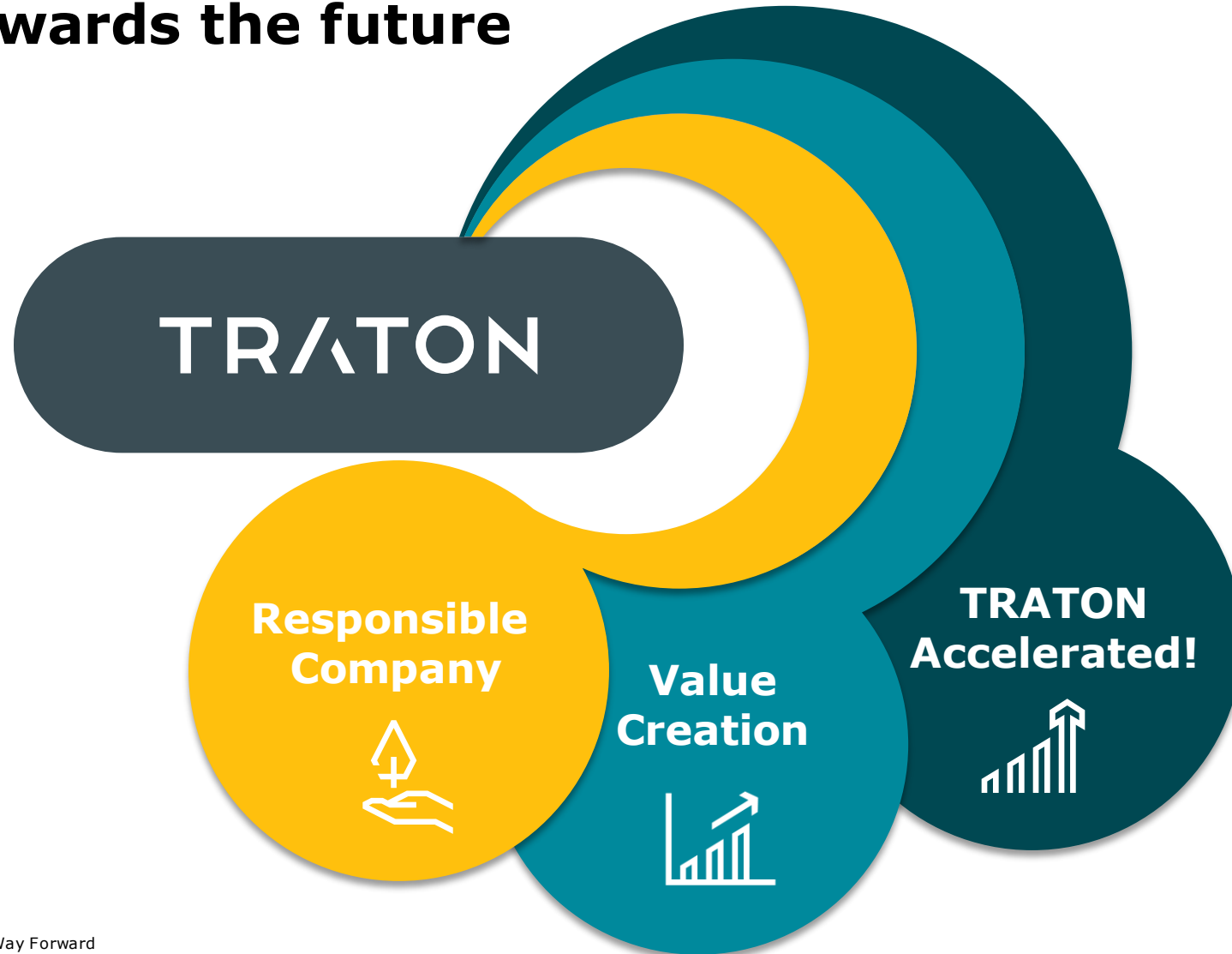


NAVISTAR



Truck
Bus

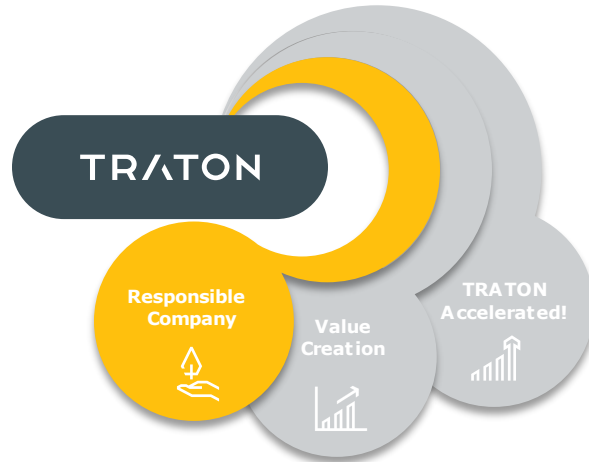
Our strategy guides our path towards the future



Responsible Company

Make responsible behavior a top priority in everything we do

- ▶ Decarbonization & Circularity
- ▶ People & Diversity
- ▶ Governance & Ethics









Our approach to sustainability and ESG management is science-, risk- and impact-based





We are fully committed to the Paris Agreement

ALL OUR BRANDS HAVE VALIDATED SCIENCE-BASED TARGETS OR ARE IN THE PROCESS ON OBTAINING THOSE				
Scope 1+2	-50% t CO ₂ e (2025 vs. 2015) ¹	-70% t CO ₂ e (2030 vs. 2019) ¹	-28/-19% Electricity/Gas usage (2022 vs. 2018) ²	-20% Energy intensity improvement (2030 vs. 2018) ³
Scope 3⁵	Well to wheel -20% g CO ₂ e/vkm (2025 vs. 2015) ¹  SCANIA	Well to wheel -28% g CO ₂ e/vkm (2030 vs. 2019) ¹  MAN	  Truck Bus	Tank to wheel -24/-25% g CO ₂ e/ton-mile (2027 vs. 2017) ⁴ NAVISTAR

1) Science based approved target

2) Company specific target - energy efficiency targets with regards to electricity and natural gas usage at the Resende manufacturing plant

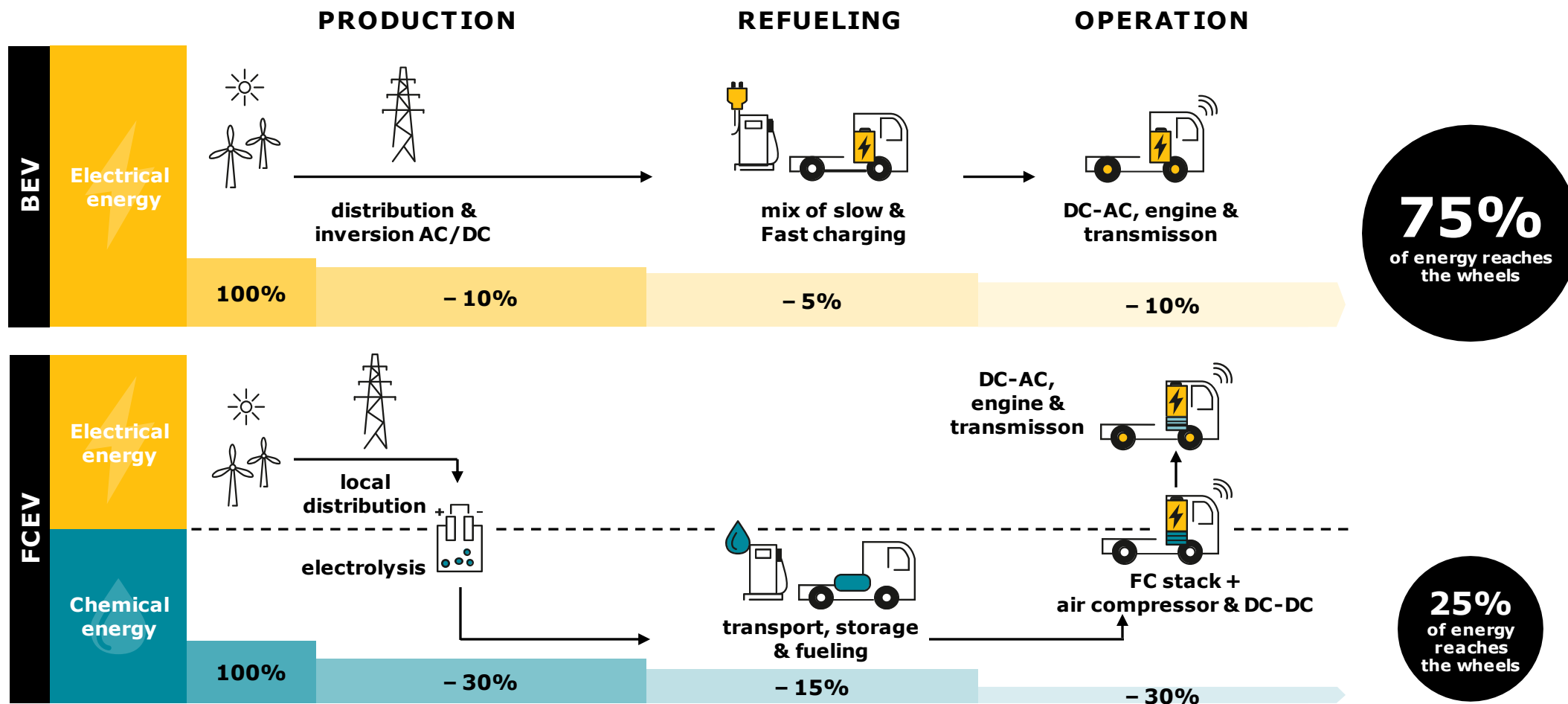
3) Company specific target - energy intensity is an energy efficiency metric modeled by the USDOE using its Energy Performance Indicator model at four US facilities

4) Regulatory target - based on EPA Phase 2 GHG emission reduction targets for tractor combinations (-25%) and for vocational vehicles (-24%) - reduction targets are industry targets and exact reduction need per OEM will depend on sold vehicle mix

5) Downstream

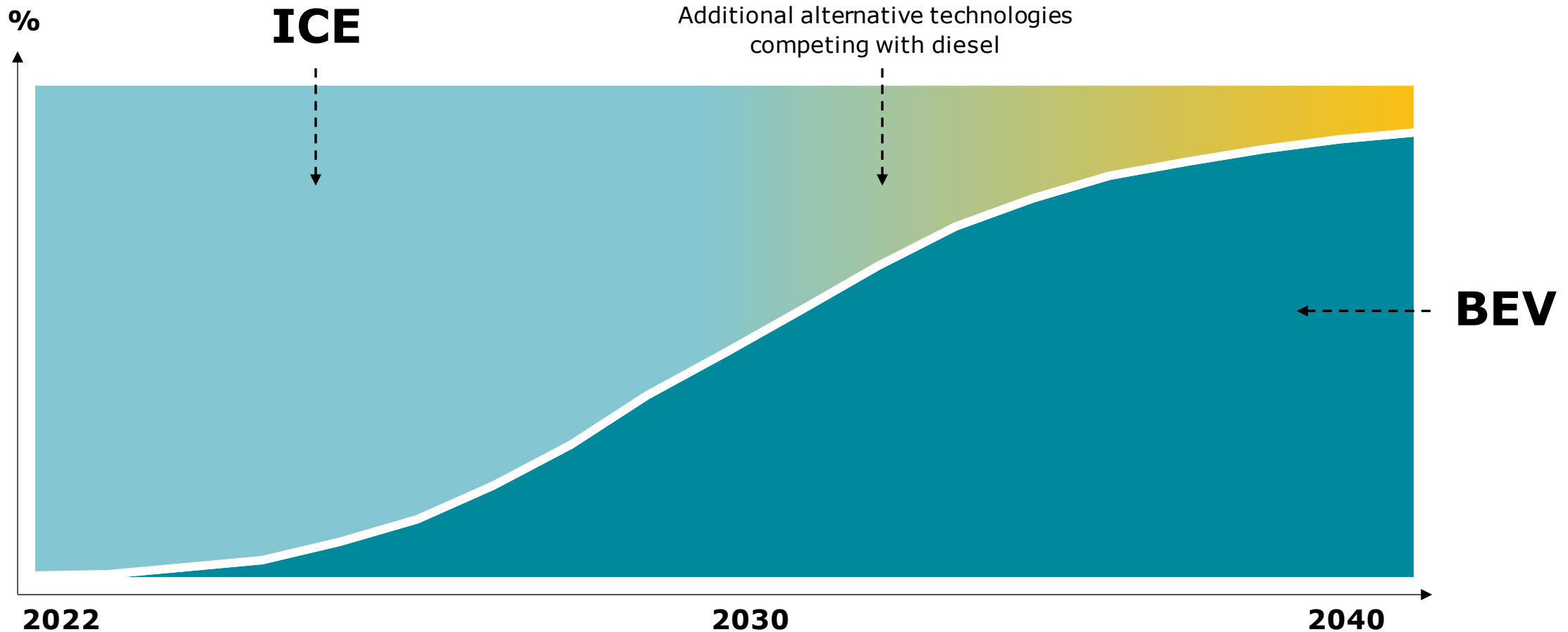


A comparison of system efficiency between BEVs and FCEVs





We see battery electric vehicles become the majority technology for trucks and buses





All TRATON brands with BEV products across major applications and weight classes



**MAN electric truck
(eTGM)**



**Scania electric bus
(Citywide LF)**



**Navistar electric bus
(IC Bus electric CE Series)**



**Volkswagen Truck & Bus
electric truck (e-Delivery)**



**Scania electric truck
(25 P BEV)**



**Navistar electric truck
(International eMV)**



**MAN electric bus
(Lion's City E)**



**MAN electric van
(eTGE)**



Electrification will impact how we do repair & maintenance but also will open new profit pools

- ▶ Win customers from 3rd party providers for complex repair/maintenance services
- ▶ Win repair/maintenance for fleets done in-house
- ▶ Different maintenance but similar repair requirements of ICE and BEV
- ▶ Do repair/maintenance for new components (e.g. battery system)

1**Win volume for e-mob repair/maintenance**

- ▶ Shift business model from product to service
- ▶ Price based on value for the customer (e.g. pricing uptime)
- ▶ Additional financing opportunities

2**Price customer solution**

- ▶ Charging services (e.g. eMSP, charging)
- ▶ Battery recycling and reuse
- ▶ Connectivity based solutions for >1 M connected vehicles

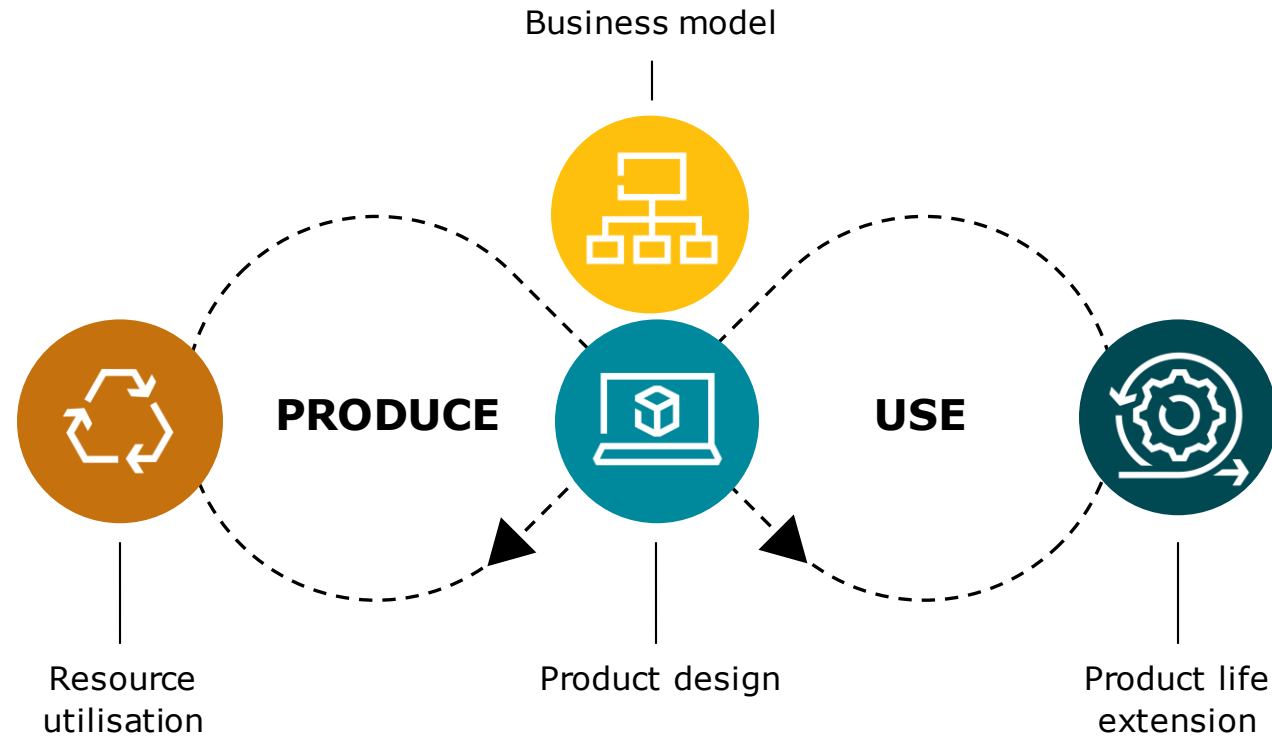
3**Increase service portfolio**

+

+



Circularity – Optimize resource consumption here & now



Today's examples

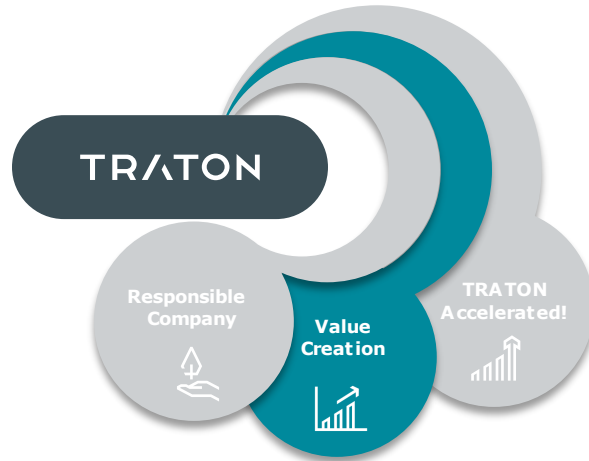
- **Reuse**
Prioritization of recycled metals in foundries
- **Remanufacturing**
High-quality scrap to serve spare-parts on a secondary market
- **Battery recycling**
Utilization of battery recycling infrastructure

All our brands are committed to minimize unrecycled waste and promoting a circular economy through repurposing and recycling programs

Value Creation

Focus on sustainable value creation for our stakeholders

- ▶ Performance-driven
- ▶ Navistar as part of TRATON family
- ▶ TRATON goes China





Creating value for our stakeholders



► Brand performance programs, brand cooperation and performance culture





► Integration of Navistar and realization of its full potential

► China as important future profit pool and a growth market for TRATON GROUP



Ambitious targets for each of our brands

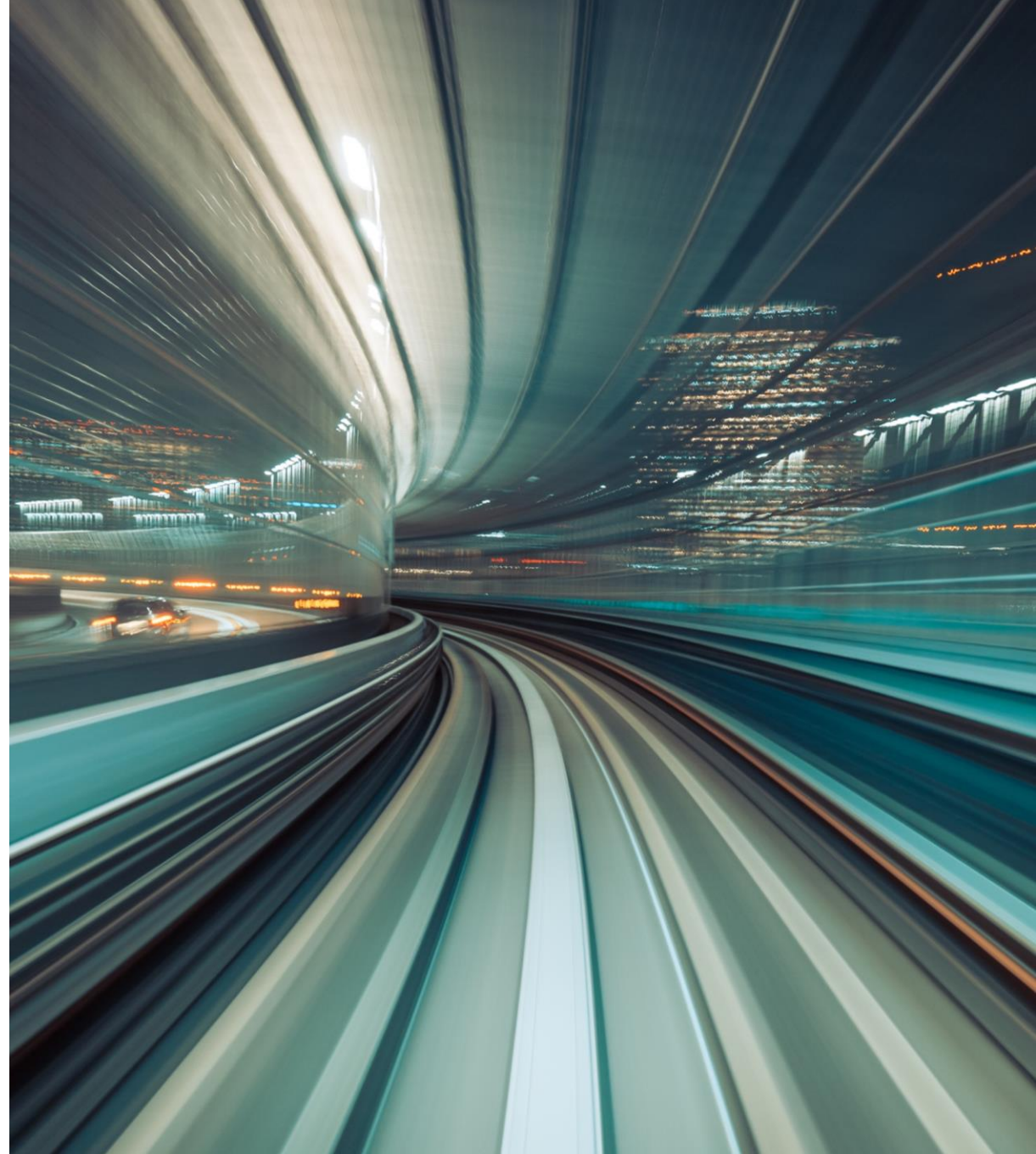
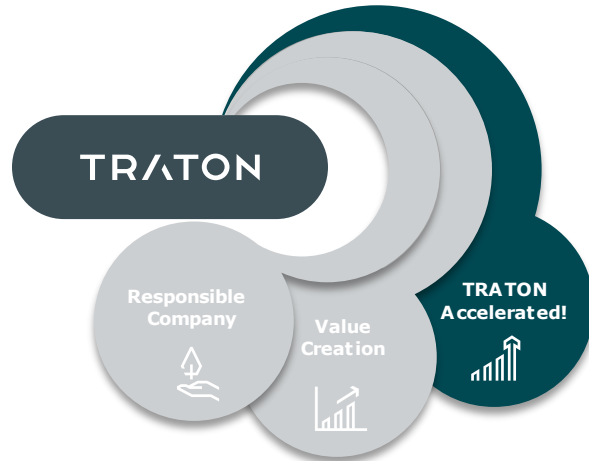
Expansion of vehicle services / TRATON GROUP Modular System / Captive Financial Services

	 SCANIA	 MAN	 Truck Bus	 NAVISTAR
TRATON Strategic RoS target	12%	8%	8%	9%
Focus topics	<ul style="list-style-type: none"> ▶ Fully committed to sustainability ▶ More high-margin services ▶ Growing in China 	<ul style="list-style-type: none"> ▶ Realignment program & topline improvement ▶ Leveraging new truck generation ▶ Shift to zero-emissions 	<ul style="list-style-type: none"> ▶ Volume growth and strong products ▶ Higher margin by new heavy-duty portfolio expansion ▶ Continuous focus on efficiency 	<ul style="list-style-type: none"> ▶ Deliver profitable performance ▶ Benefit from Group ▶ Dealer performance improvement

TRATON Accelerated!

Shape our role in the future logistics ecosystem

- ▶ Business Model Expansion
- ▶ Partnership Culture
- ▶ Embrace Digital





ACE¹ platform elements critical for all ACE-related business models

NEED TO DEVELOP ACE PLATFORM AS KEY ENABLER

Autonomous vehicle + service



- ▶ ACE vehicle
- ▶ Maintenance & repair capabilities
- ▶ Additional services

Self-driving system (SDS)



- ▶ Virtual driver ensures control of vehicle
- ▶ Autonomous routes

Control Tower (CT)

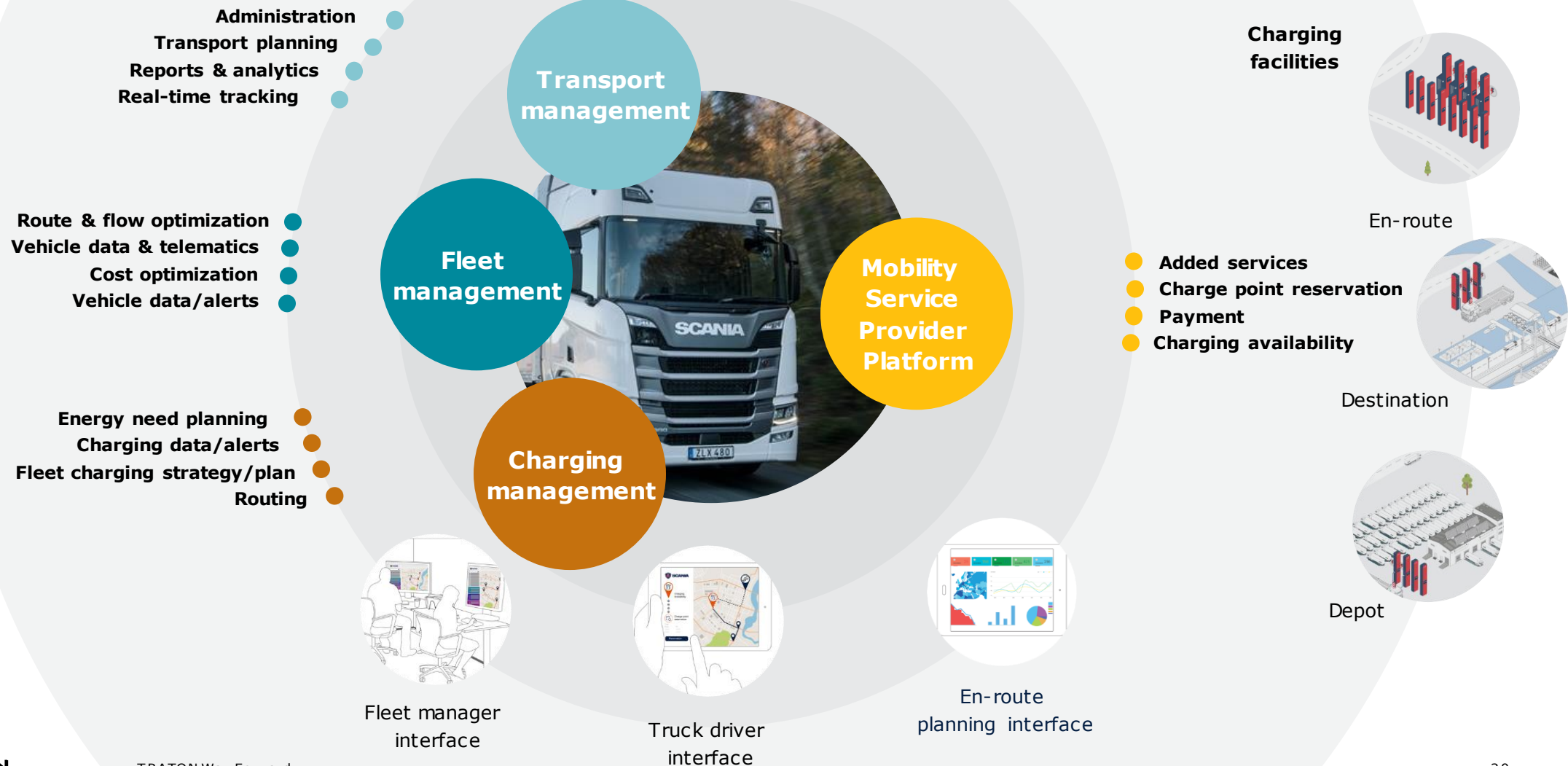


- ▶ Ensures basic dispatching of vehicles
- ▶ Integrated in overarching systems
- ▶ Monitoring and remote maintenance function

¹ ACE = Autonomous Connected Electrified

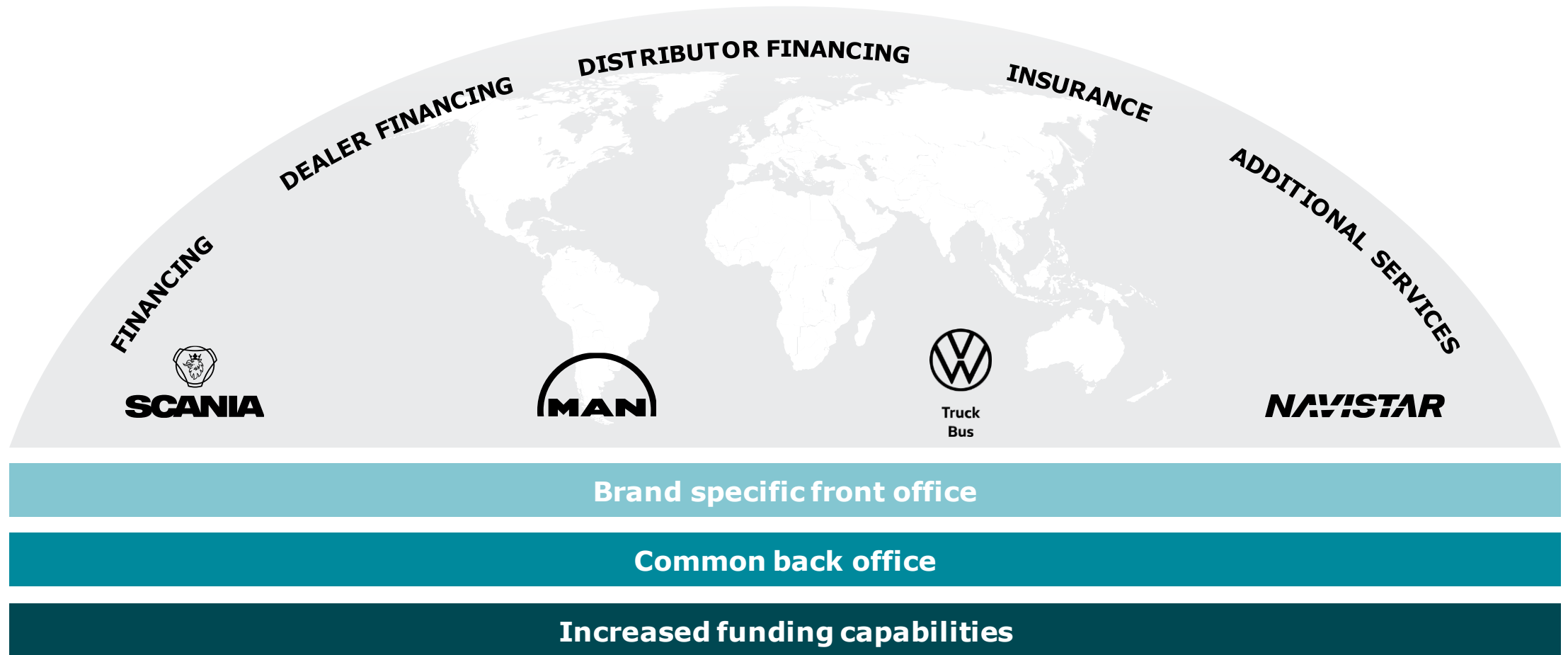


We build a solution ecosystem around our customer

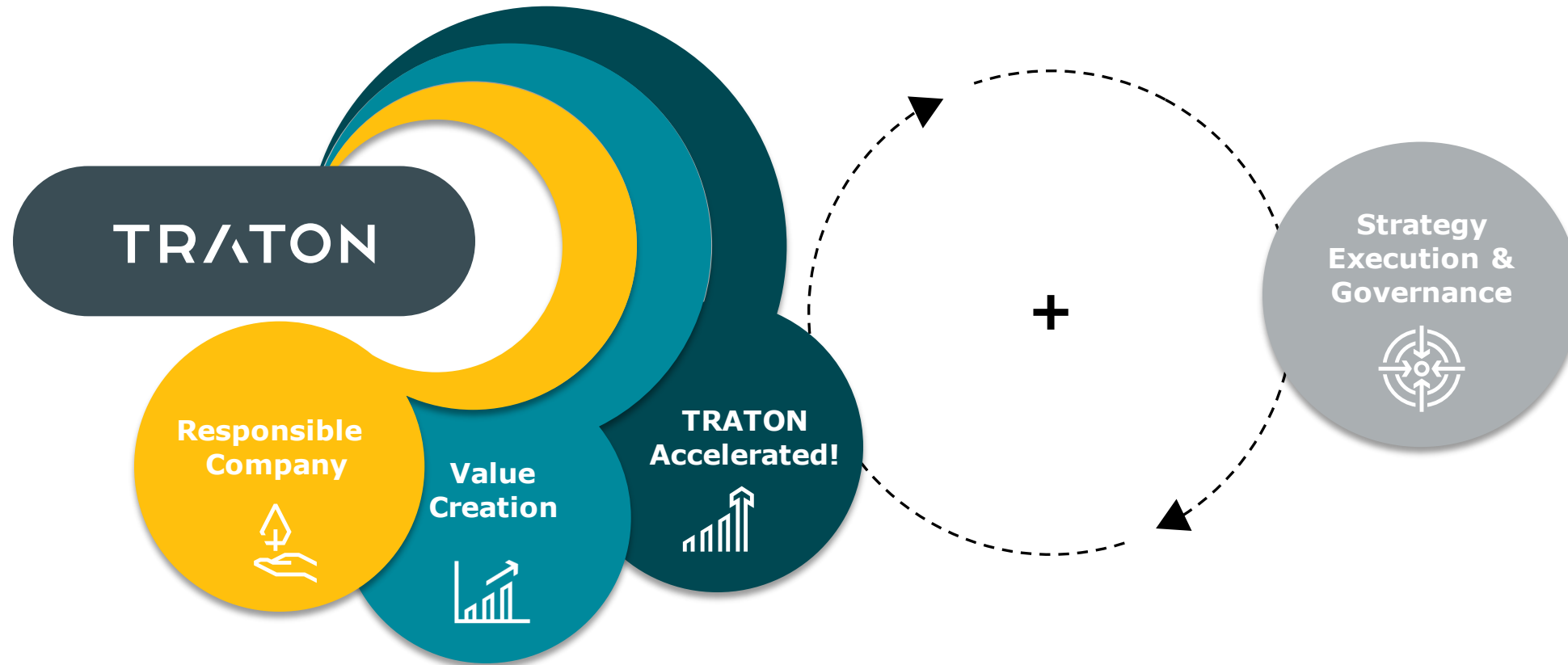




TRATON FS – Global multi-brand captive finance business leveraging existing structures



New strategy will guide path towards the future – we will ensure successful strategy execution





Modularization is key on our way to stronger profitability

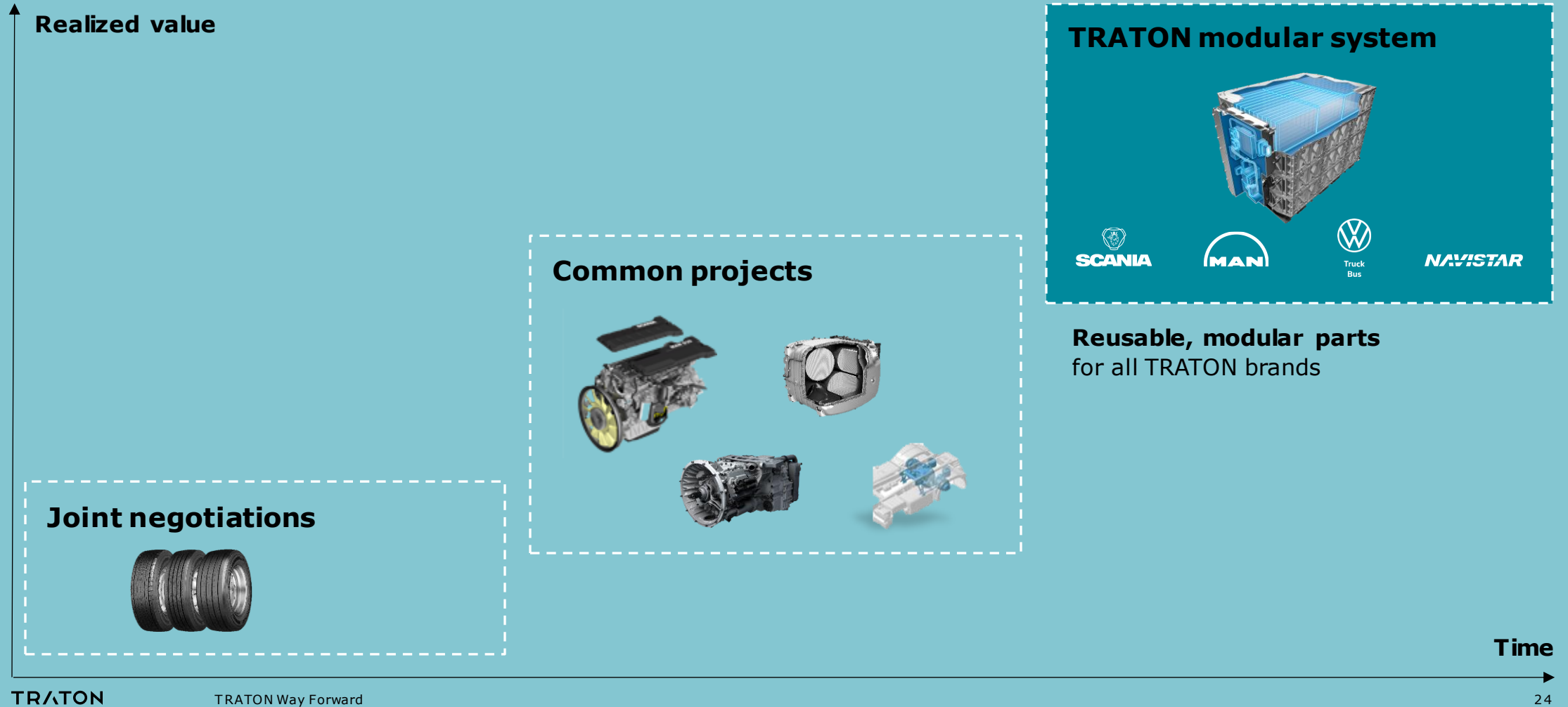
Build up a TRATON Modular System



Enable profitable mass customization of broad variant offering & ensure long-term competitive advantage



From evolution to revolution





Strong Group Product Management and Solution Development planned to be set up

Modularization: Solution development based on the TRATON Modular System – leveraging across the whole Group

Group Product Management		Group Solution Development		SCANIA		MAN		Caminhões Ônibus		NAVISTAR	
	ICE powertrain										
	eMobility (incl. battery)										
	Autonomous, software, Electric/Electronic										
	Basic chassis/cab										
	Bus solutions										

Covering all major technical areas


Covering all major technical areas



**More performance steps
and more customer value
to all brands**



**One
strong Group
delivering
outstanding
customer
value**



**Faster time to market,
one integration, then
“plug & play” for brands**

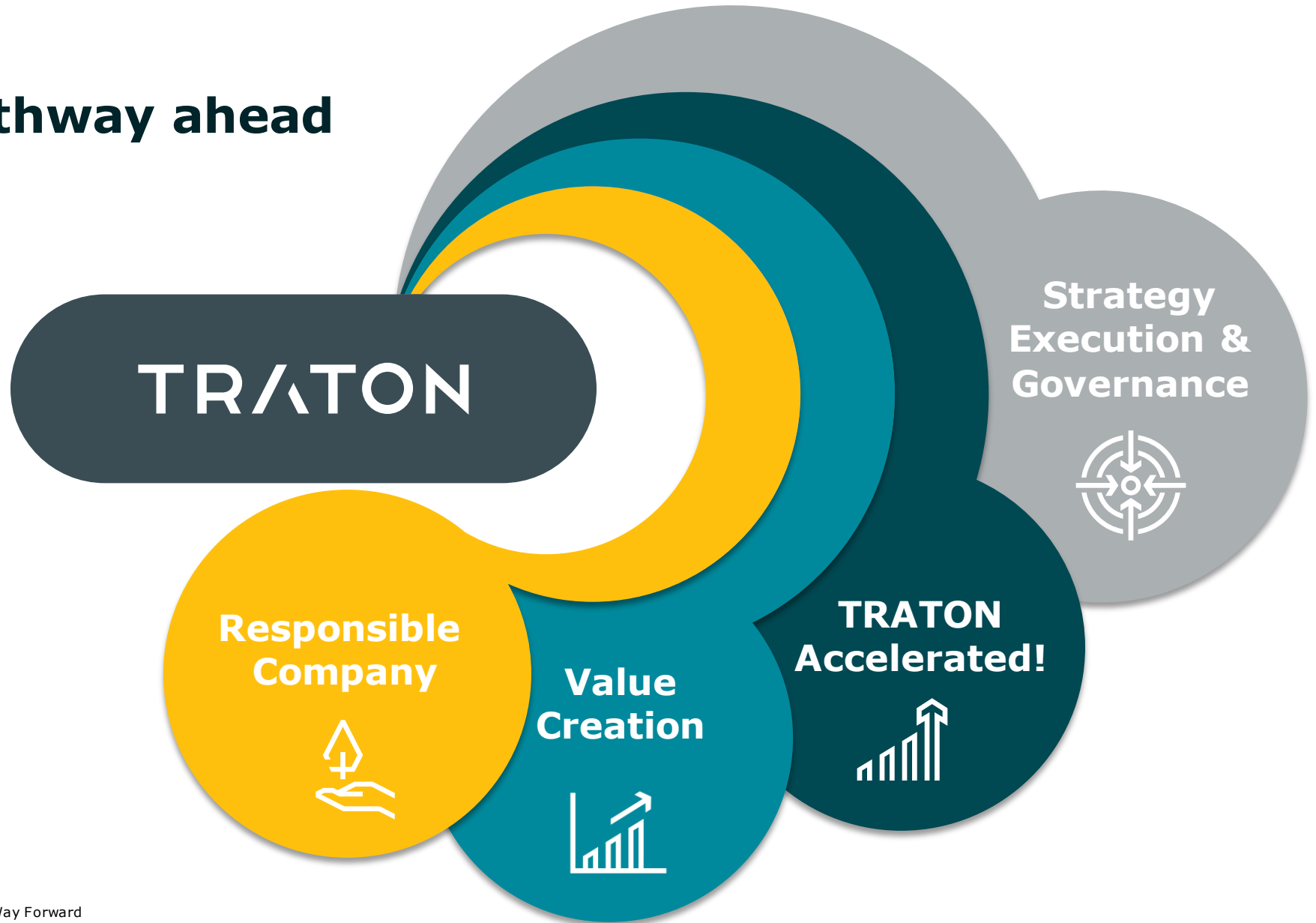


**Lower product/component/
system cost as well as
integration cost**



**Afford necessary
technology investments**

TRATON – Exciting pathway ahead





TRATON

TRATON Way Forward



SCANIA



NAVISTAR



Truck
Bus