

Q1 2024 RESULTS

ROADSHOW PRESENTATION

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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.

WE'RE A TRANSPORTATION POWERHOUSE ...

Four strong global brands under one roof


 /  /  / 



338,183

Unit sales
(trucks, buses & vans)



€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







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



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



 Responsible Company	The TRATON GROUP and its portfolio brands are committed to becoming more sustainable. Focusing on a number of areas, including decarbonisation and circularity.
 Value Creation	The TRATON GROUP is optimising its cost basis, accelerating growth in the US and entering China while maintaining focus on the user needs for each brand.
 TRATON Accelerated	We have a clear roadmap for our electrified, connected, and automated commercial vehicles. We are developing new business models and strengthening partnerships.
 Strategy Execution	The goal is to concentrate capabilities and strengthen competitiveness by developing a TRATON Modular System. Progress is already being made with the new Group Functions for R&D and by coordinating purchasing, production, and logistics.

All four elements of the TRATON Way Forward are interconnected, making it possible for the TRATON GROUP to pave the way toward a sustainable future.



... WITH FOUR STRONG GLOBAL BRANDS UNDER ONE ROOF



Truck
Bus



WE ARE 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



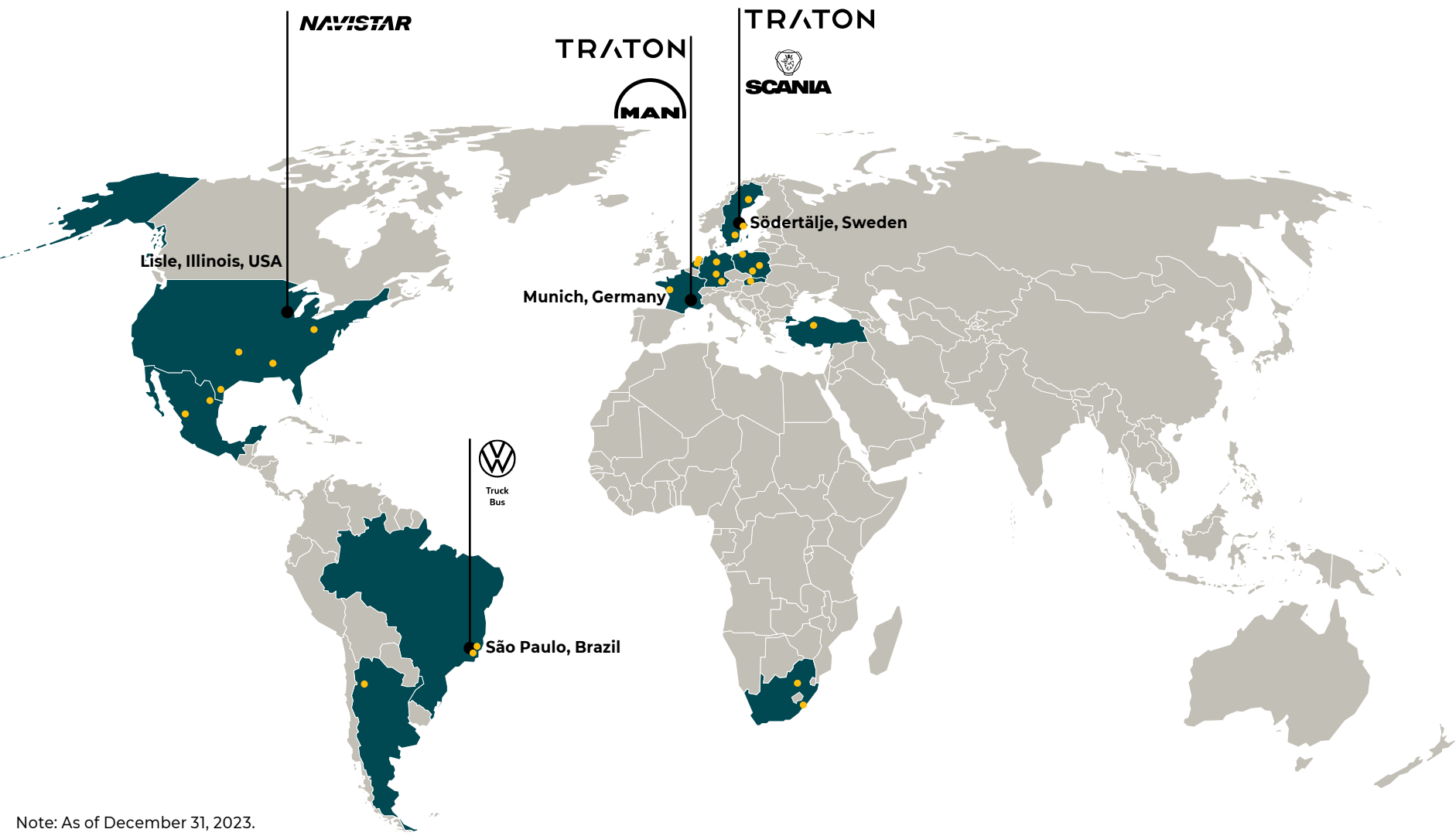
Decouple the use of resources from our business growth

Human Rights



Respect Human Rights and enable a just transition

OUR PRODUCTION & ASSEMBLY SITES SPAN AROUND THE GLOBE



Commercial vehicle brands

4



Countries

12

Countries where TRATON GROUP has production and assembly sites. Our brands also have regional product centers, sales offices, and research & development facilities in many countries around the world.

Production and assembly sites

33

Note: As of December 31, 2023.

OUR CAPTIVE FINANCIAL SERVICES BUSINESS IS RAMPING UP ITS OFFERING FOR ALL BRANDS

Objectives/business model

Comprehensive financing options to meet the demand for new technologies and business models.

Supporting the transformation of the transportation sector.

Ramp-up in three overarching steps

Step 1

Short-term foundation completed in April 2023

“Lift and shift” of Scania Financial Services business to lay the foundation for TRATON Financial Services (TRATON FS)

Step 2

Medium-term transformation within the next 2 years

Rollout of TRATON FS in 12 markets (MAN/VWTB) to expand global coverage

Navistar Financial Services

Step 3

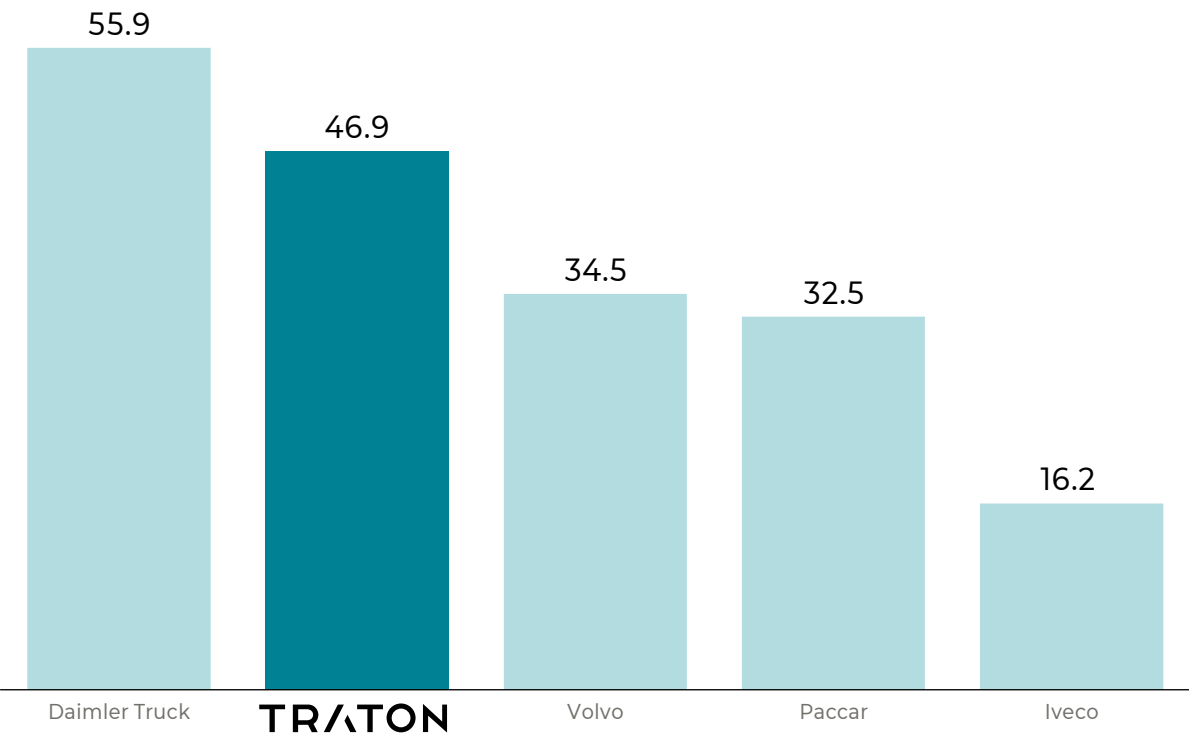
Long-term target within the next 5+ years

Target operating model including head office setup, local setup, and governance

Enabling future business models

TRATON IS ONE OF THE LARGEST GLOBAL TRUCK & BUS PRODUCERS ...

Sales revenue FY 2023 (€ bn)

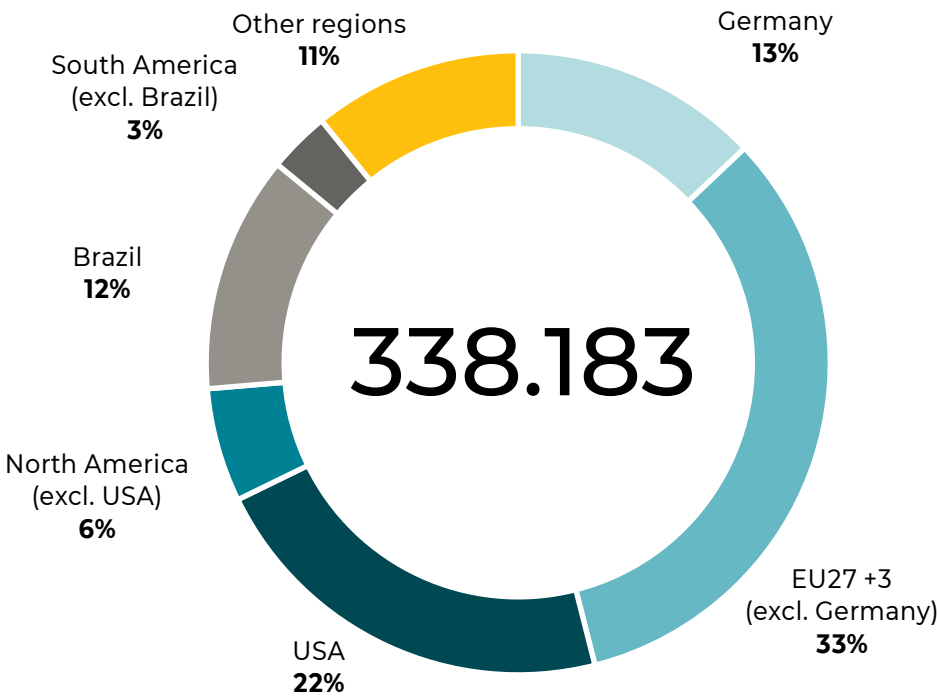


Note: For Volvo only business segments Trucks & Buses are included.
Source: Company data, own calculations.

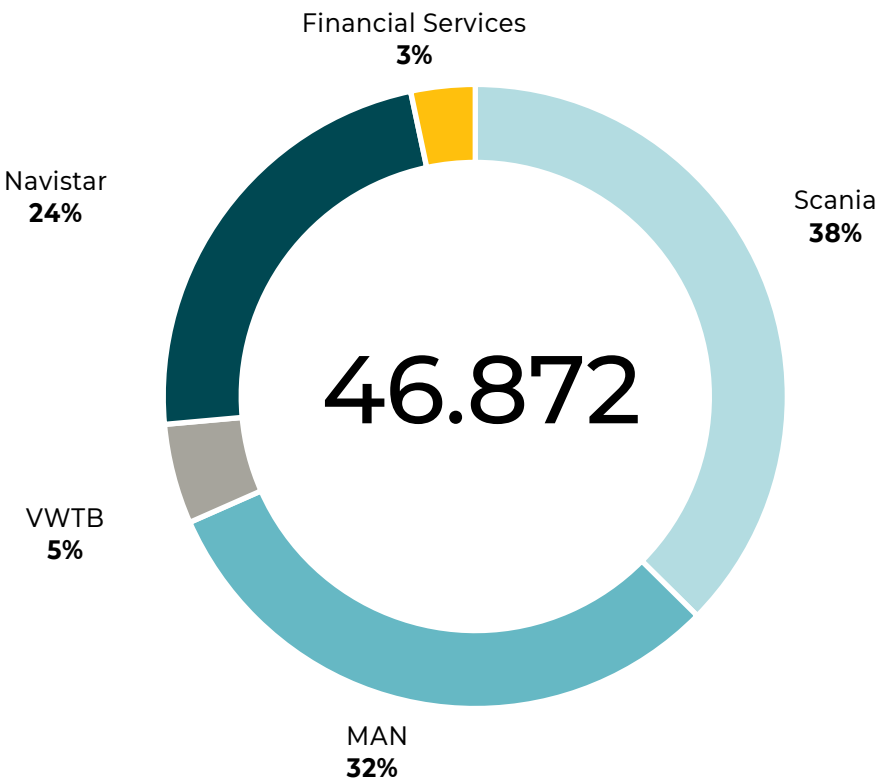


... WITH A WELL-DIVERSIFIED REGIONAL AND BRAND MIX

Unit sales per region, FY 2023 (units)



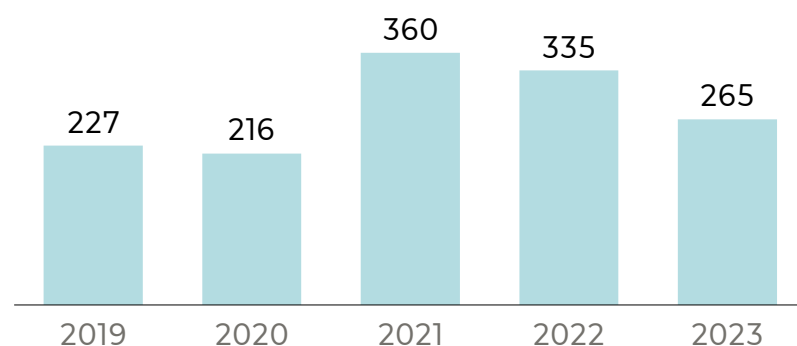
Sales revenue per brand, FY 2023 (€ mn)



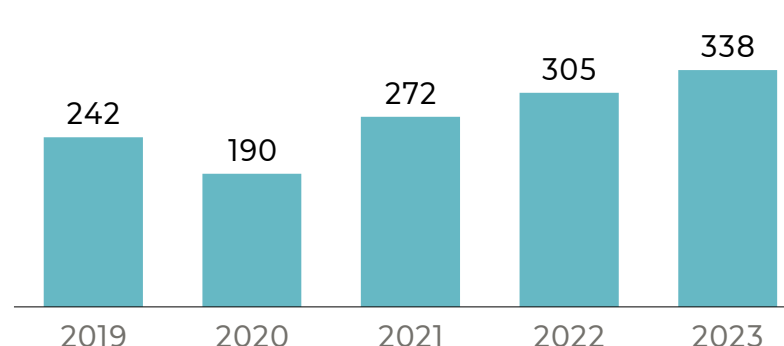
Note: TRATON sales revenue including FS, excl. consolidation and Corporate Items; rounding differences possible.

WE ARE ON A PROFITABLE GROWTH PATH WITH INCREASING SALES AND MARGINS

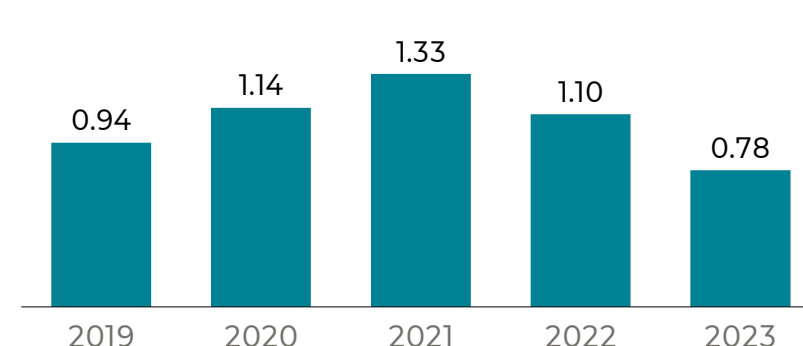
Incoming orders (k units)



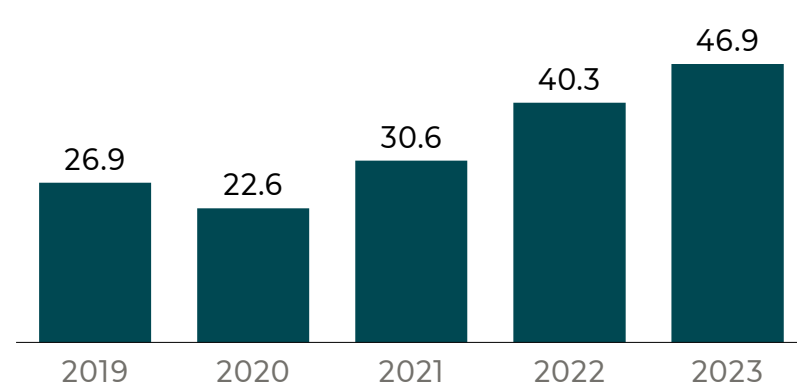
Unit sales (k units)



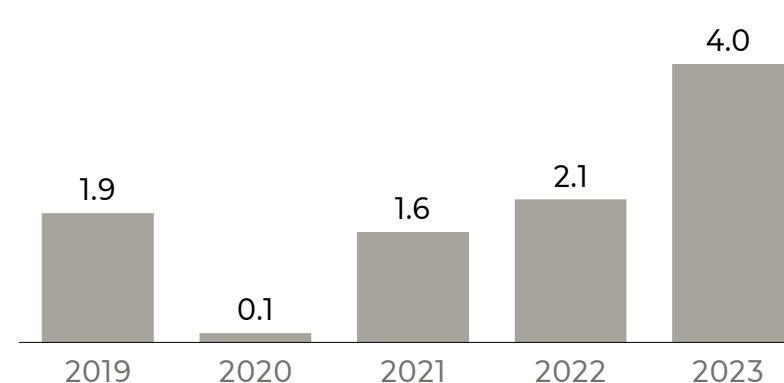
Book-to-bill (ratio in units)



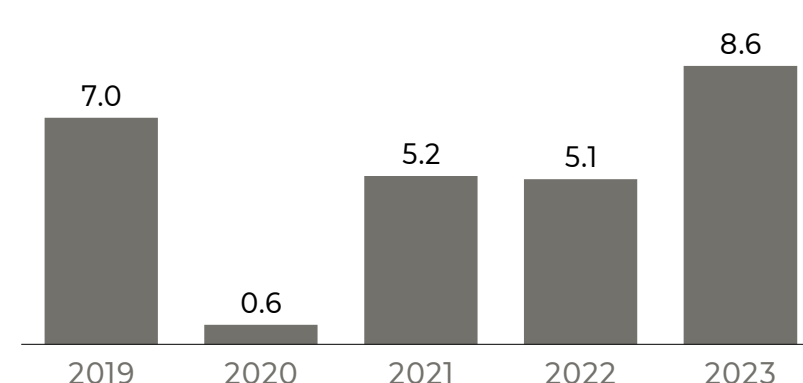
Sales revenue (€ bn)



Adjusted operating result (€ bn)

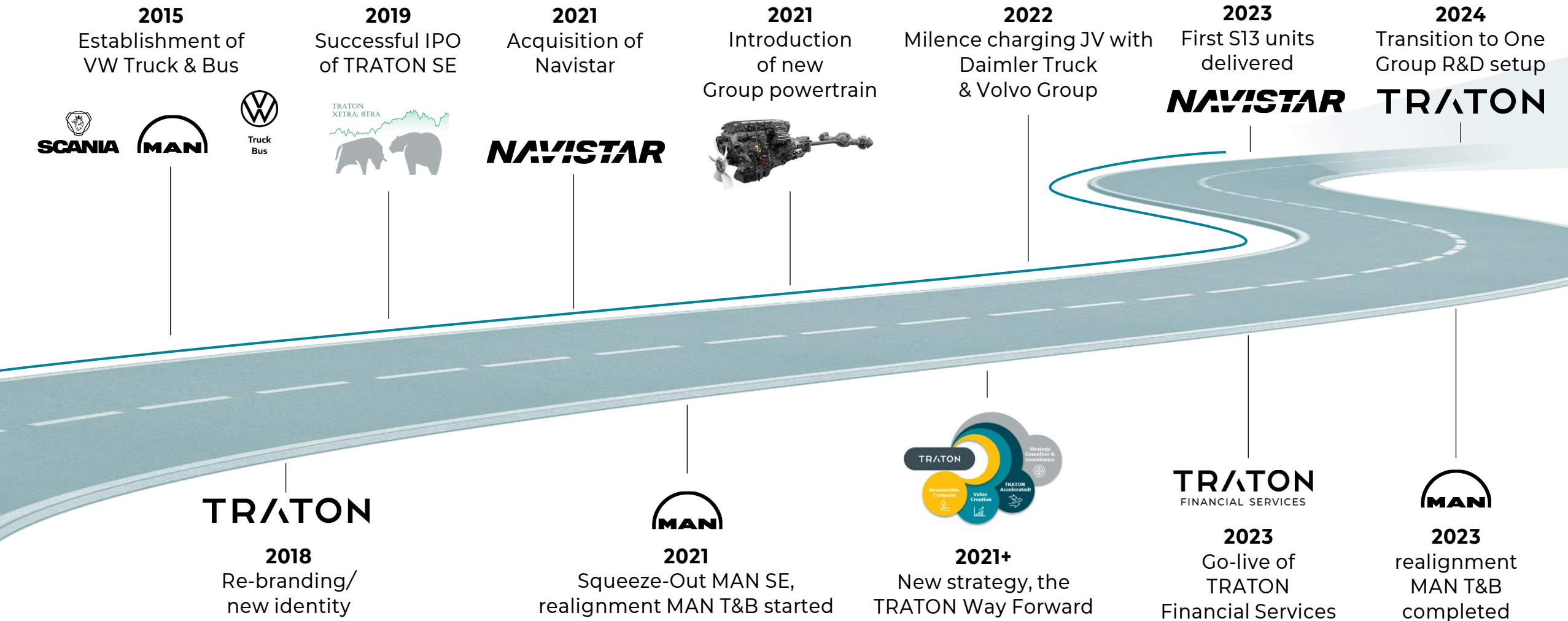


Adjusted return on sales (%)

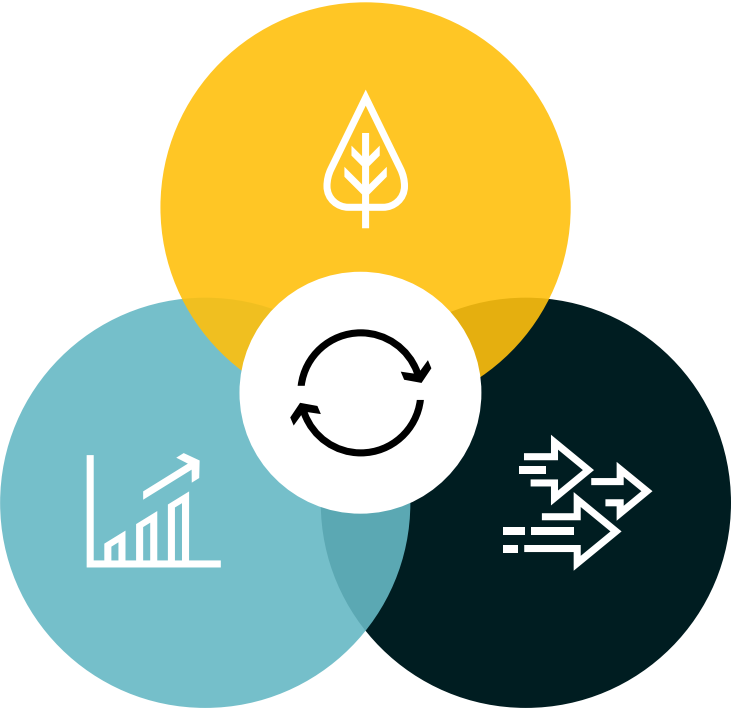


Note: 2021 figures include Navistar only for second-half year due to consolidation from July 1, 2021.

MAJOR MILESTONES ON OUR TRATON WAY FORWARD



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



All four elements of the TRATON Way Forward are interconnected, making it possible for the TRATON GROUP to pave the way toward a sustainable future.

	Responsible Company	The TRATON GROUP and its portfolio brands are committed to becoming more sustainable, focusing on a number of areas, including decarbonization and circularity.
	Value Creation	The TRATON GROUP is optimizing its cost basis, accelerating growth in the US, and entering China while maintaining focus on the user needs for each brand.
	TRATON Accelerated!	We have a clear roadmap for our electrified, connected, and automated commercial vehicles. We are developing new business models and strengthening partnerships.
	Strategy Execution	The goal is to concentrate capabilities and strengthen competitiveness by developing a TRATON Modular System. Progress is already being made with the new Group functions for R&D and by coordinating purchasing, production, and logistics.

WITH OUR TRATON MODULAR SYSTEM WE ARE WELL POSITIONED FOR EFFICIENT FUTURE GROWTH

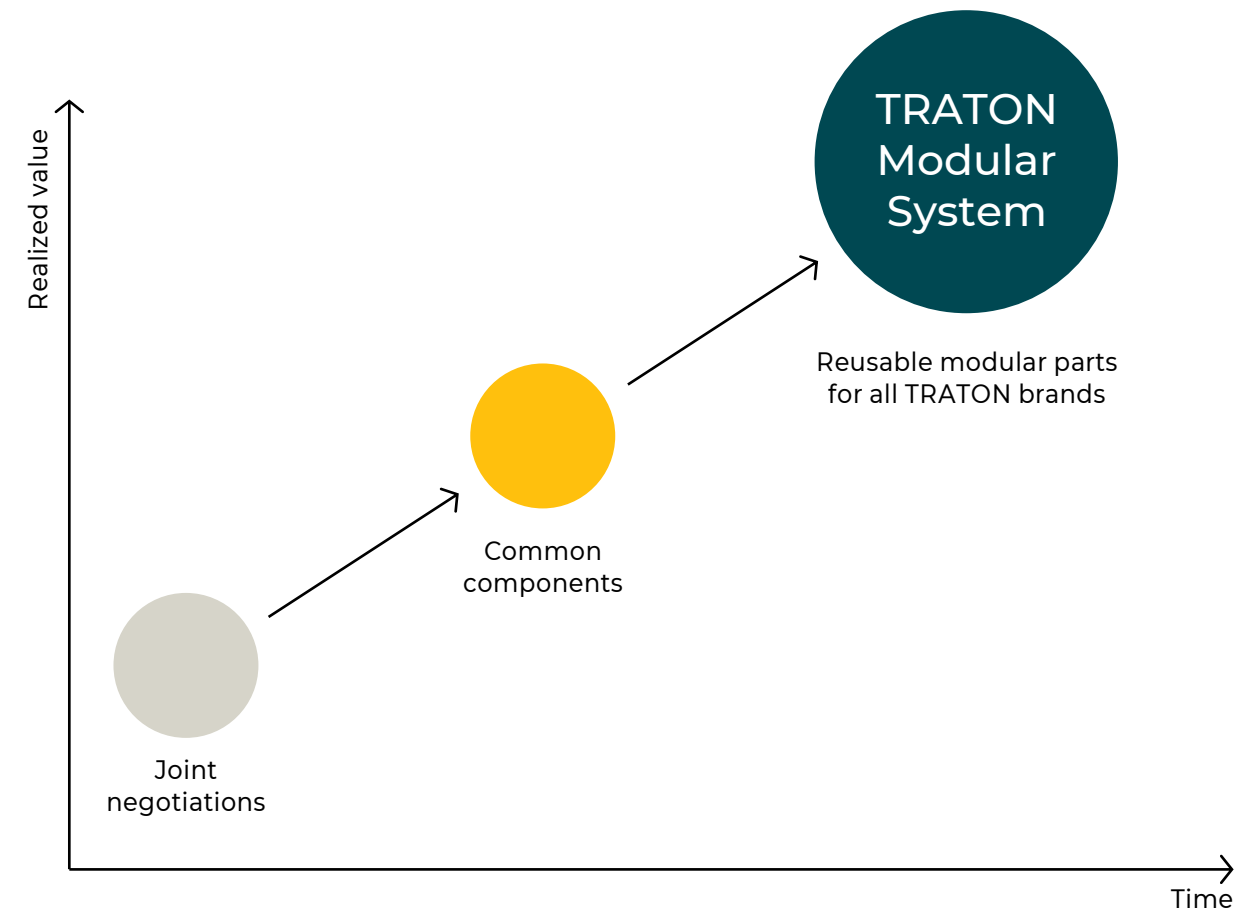
Profitable mass customization based on a modular system ensures long-term competitive advantage

Principles of the TRATON Modular System

1. Standardized Group Interfaces
2. Same need – Identical solutions
3. Balanced performance steps

Benefits

- More customer value from a single development
- Broader range of possible products for each brand
- Better products for customers
- Better performance as a Group
- Reduced product and integration costs



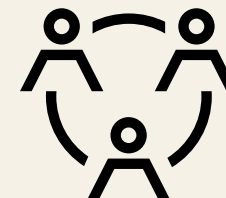
WHY TRATON IS AN ATTRACTIVE INVESTMENT



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**



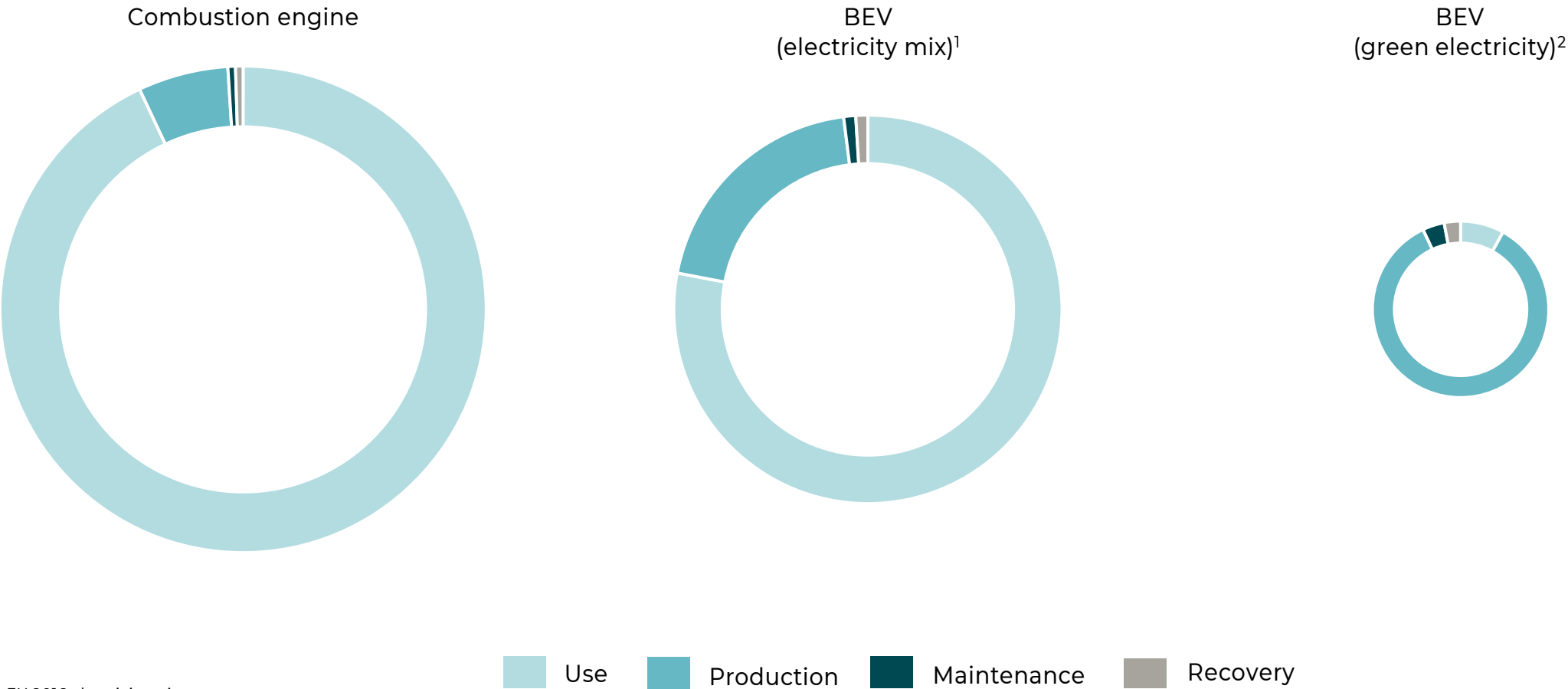
Substantial potential from **leveraging know-how of brands and TRATON Modular System** while **driving the transformation towards a sustainable future**



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

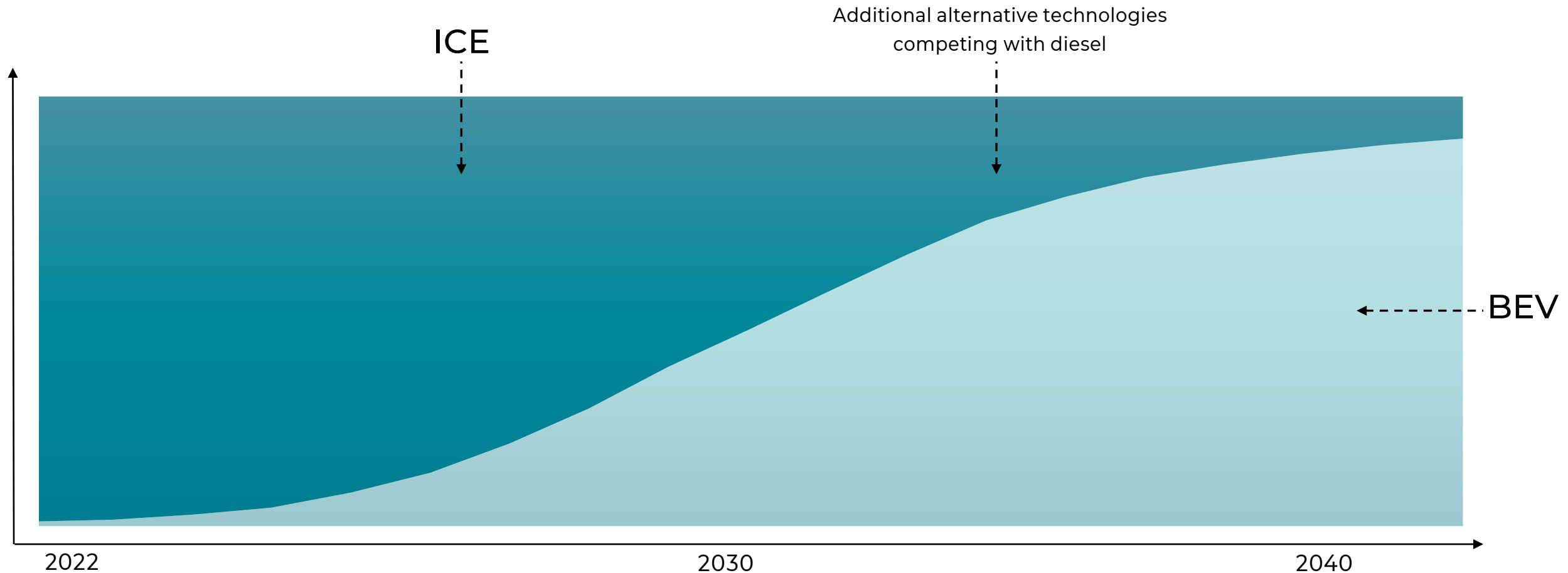
ELECTRIFICATION IS GAINING MOMENTUM

OUR CO₂ IMPACT STEMS ALMOST EXCLUSIVELY FROM OUR PRODUCTS' USE PHASE – BUT WILL CHANGE IN THE FUTURE



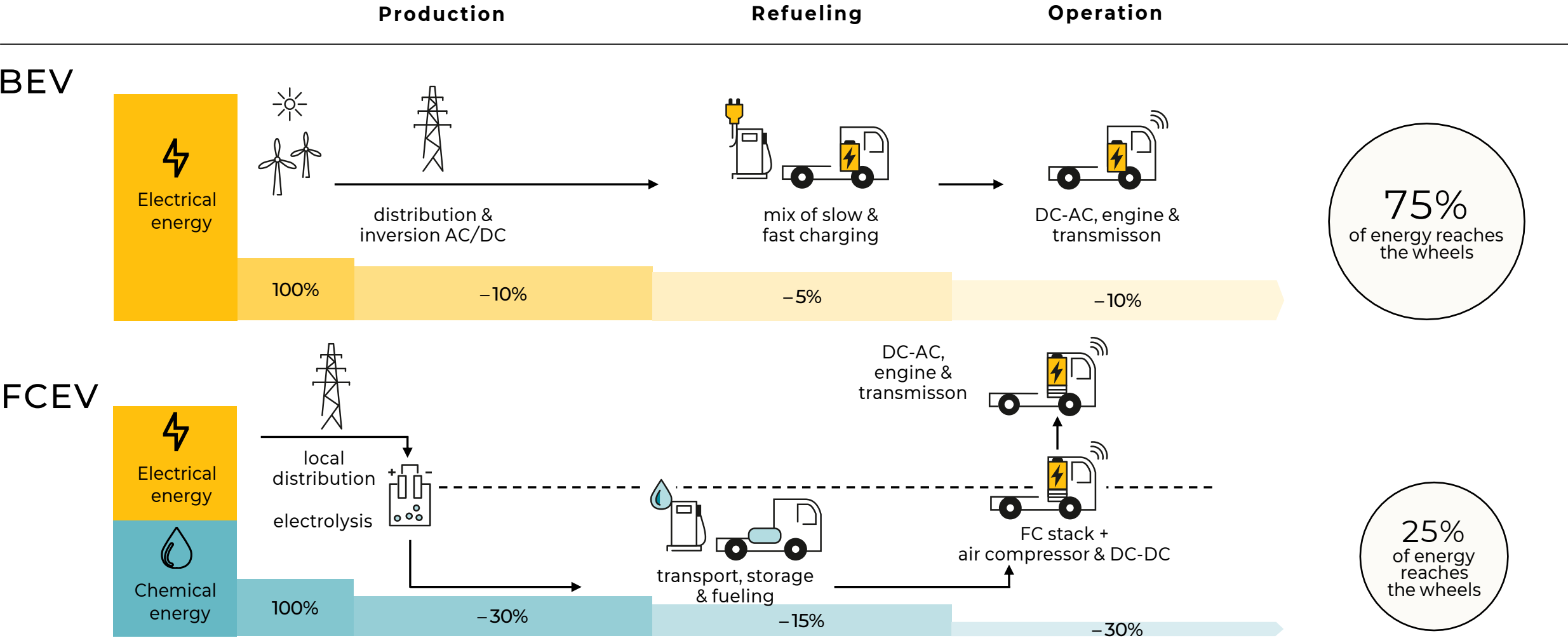
¹ Based on EU 2016 electricity mix.
² Based on prognosed EU 2030 electricity mix.
Source: Scania estimates.

WE SEE BATTERY ELECTRIC VEHICLES BECOME THE LEADING TECHNOLOGY FOR TRUCKS AND BUSES



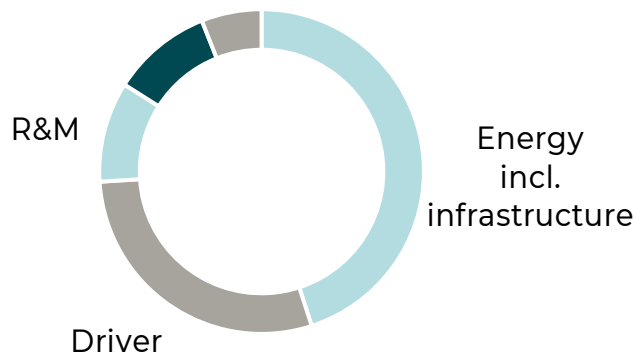
Note: Illustrative visualization; development of BEV in the relevant regions: EU27+3, USA, and Canada.

BEV WITH A CLEAR TOTAL COST OF OWNERSHIP ADVANTAGE FOR OUR CUSTOMERS

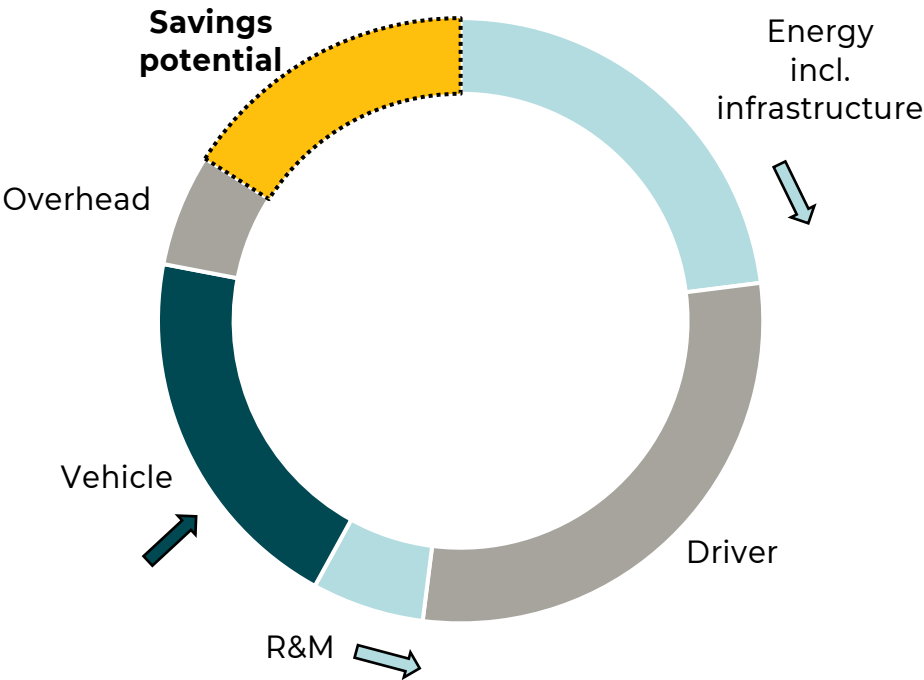


THE COST DISTRIBUTION WILL CHANGE SIGNIFICANTLY WITH FULLY ELECTRIC TRUCKS

Cost distribution of a typical long-haul heavy-duty truck - today



Cost distribution electric long-haul heavy-duty truck ~2025-30



Electric trucks yield strong reduction in energy consumption

Cost increasing with e-mobility

Cost decreasing with e-mobility

Energy is the most crucial cost driver – energy cost advantage is the key to quick market ramp-up of electric trucks

OUR PURPOSE: TRANSFORMING TRANSPORTATION TOGETHER. FOR A SUSTAINABLE WORLD.

TRATON's recent BEV highlights



Market launch of the new MAN eTruck



VWTVB starts series production of e-Delivery truck



Scania's battery assembly starts operations



Milence opens first charging hub for heavy-duty vehicles

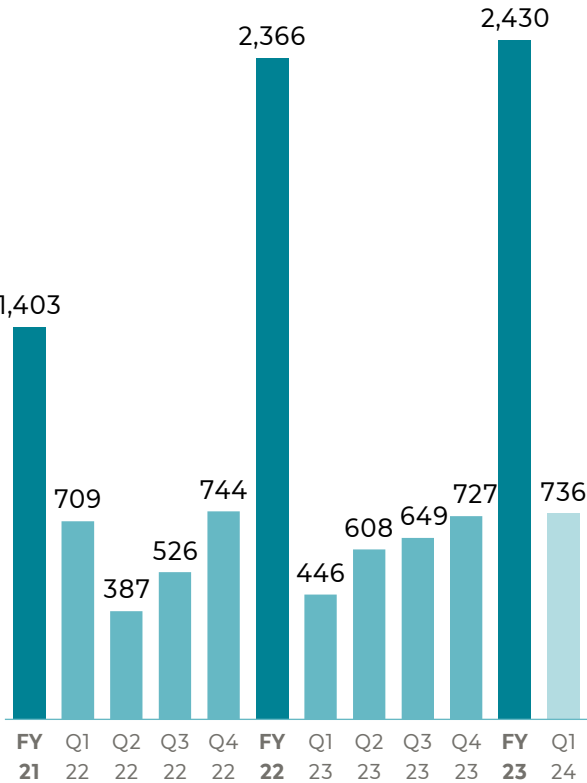


Navistar partners with Quanta Services

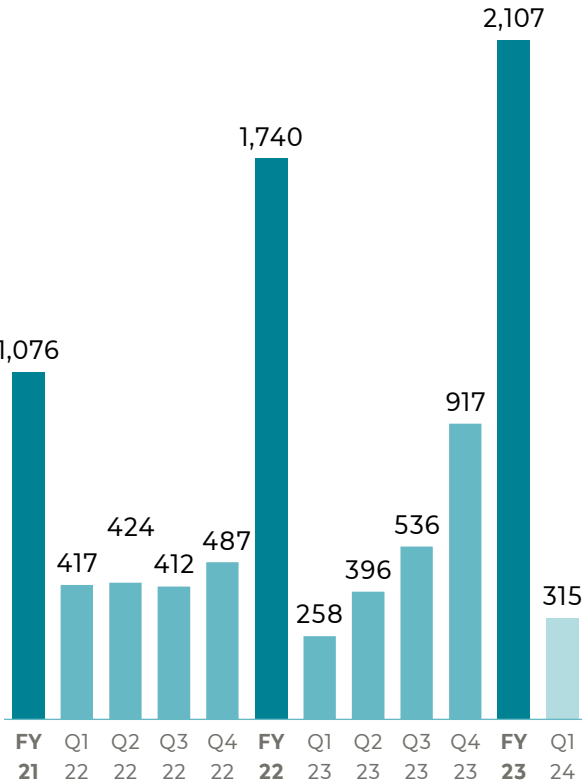


Scania & sennder establish JUNA JV

Incoming orders of fully electric vehicles (units)



Unit sales of fully electric vehicles (units)



Q1 2024 HIGHLIGHTS & REVIEW OF FINANCIAL PERFORMANCE

A STRONG START INTO 2024 FOR TRATON

Q1 2024



Vehicles
sold

81,148

-4% YoY



Sales
revenue

€11.8 bn

+5% YoY



Adjusted
return on sales

9.4%

+1.0 pp YoY



Net cash flow
TRATON
Operations

€438 mn

-€299 mn YoY¹



Earnings per share

€1.50

+€0.39 YoY

¹ Q1 2023 including effects from the sale of the Russia activities of €400 mn. Excluding this effect, net cash flow would have increased by €101 mn.

WE ACCELERATE THE TRANSFORMATION JOURNEY

Highlights



TRATON establishes One Group R&D organization to efficiently drive Modular System forward.



High demand for Navistar International S13 Integrated Powertrain drives ramp-up of production.



MAN launches a small series of hydrogen combustion engine trucks enhancing TRATON's zero-emission portfolio.



Scania adds more solutions to its electric truck range to serve more BEV-customers with different needs.



Partnership with Plus takes TRATON brands Scania, MAN and Navistar to the next level in autonomous driving.

WE CONTINUE TO CAPITALIZE ON OUR HIGH ORDER BOOK

- Truck unit sales as expected with a slight decline year-on-year due to Europe and North America
- Overall truck demand remains solid with normalized levels in Europe and North America
 - Weaker truck market in Germany
 - In USA, medium and severe segment stronger than class 8 on-highway trucks
- In South America, strong incoming orders and unit sales for heavy-duty trucks, especially in Brazil

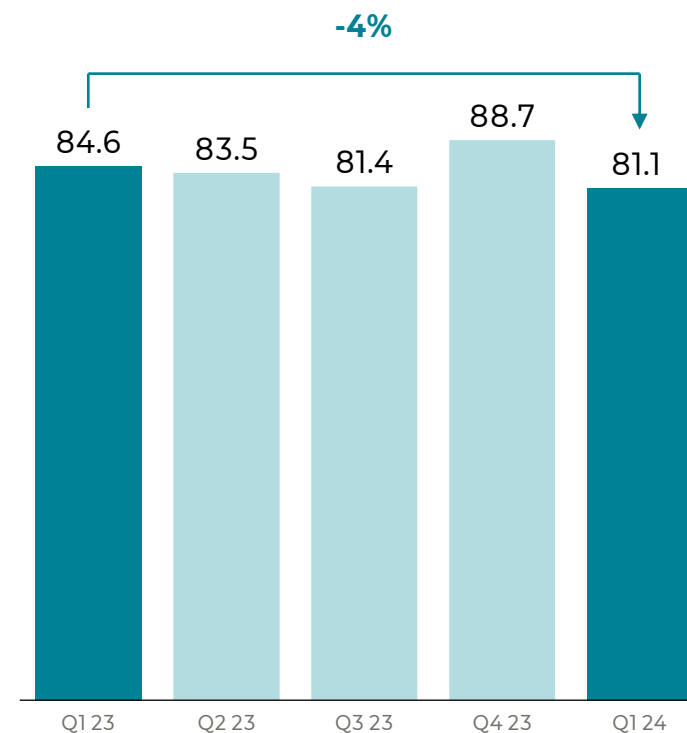
Incoming orders & Unit sales (k units)



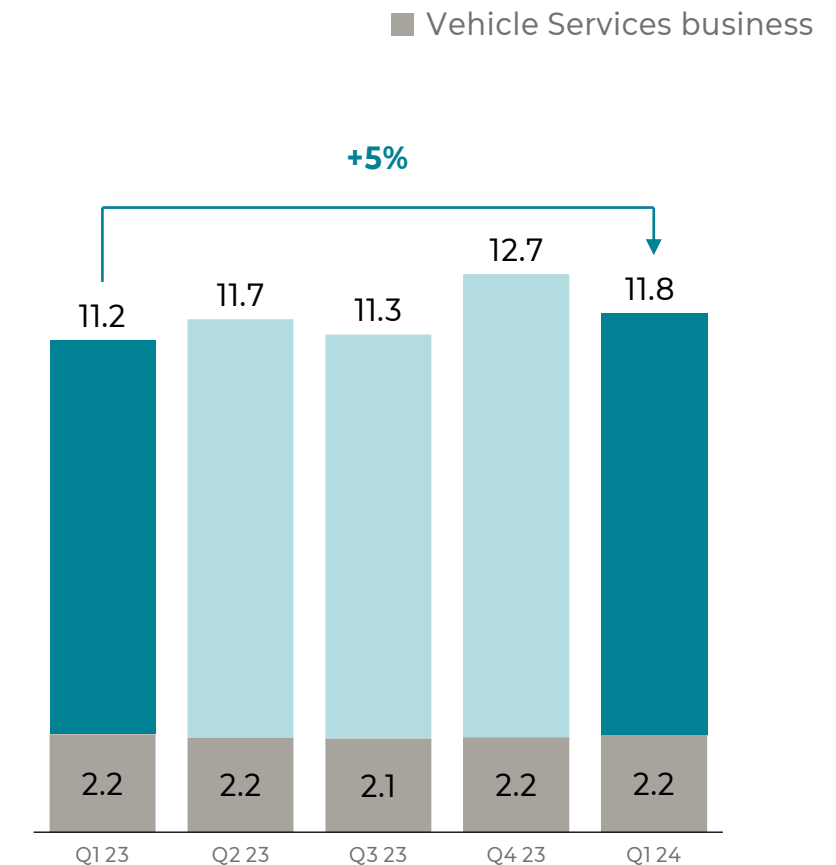
SALES REVENUE BENEFITING FROM MIX EFFECTS AND PRICING ...

- Unit sales at solid, normalized level
- Favorable product and market mix
- Better unit price realization
- Continued high customer demand for Vehicle Services business

Unit sales (k units)



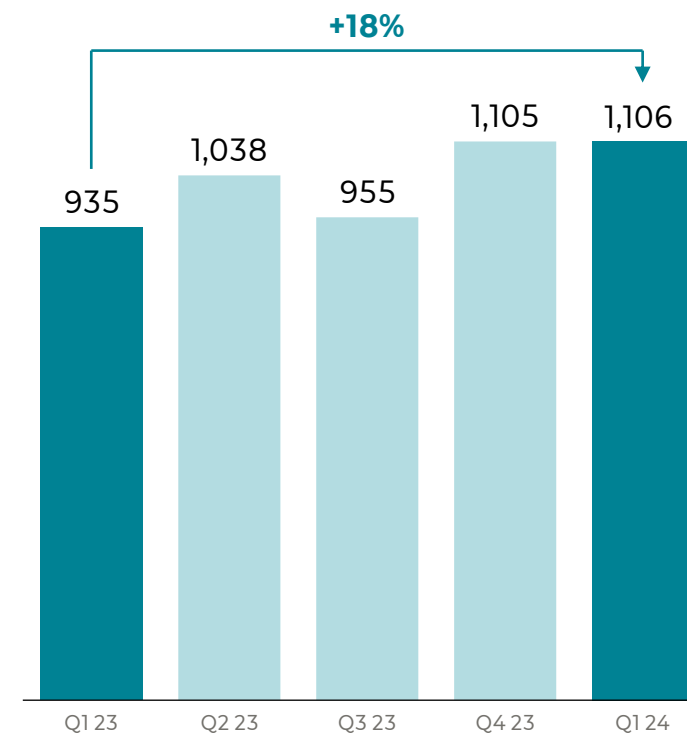
Sales revenue (€ bn)



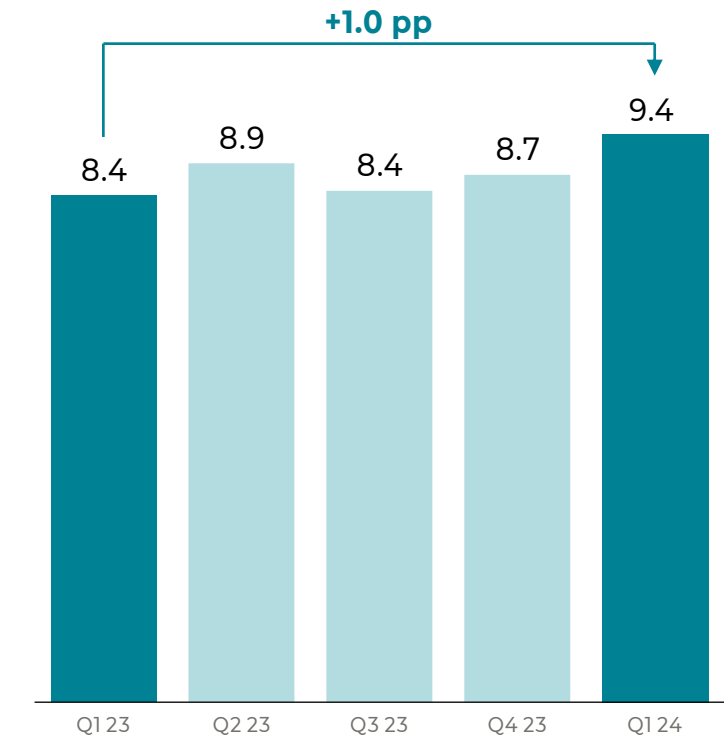
... TOGETHER WITH EFFICIENCY GAINS LEADING TO RECORD MARGIN LEVEL

- Increased sales revenue per unit
- Improved cost structure, despite lower production capacity utilization
- Positive impact from MAN realignment program completed in H2 2023




Adjusted operating result (€ mn)



Adjusted return on sales (%)



STRONG Q1 2024 WITH DIFFERENT GROWTH DYNAMICS

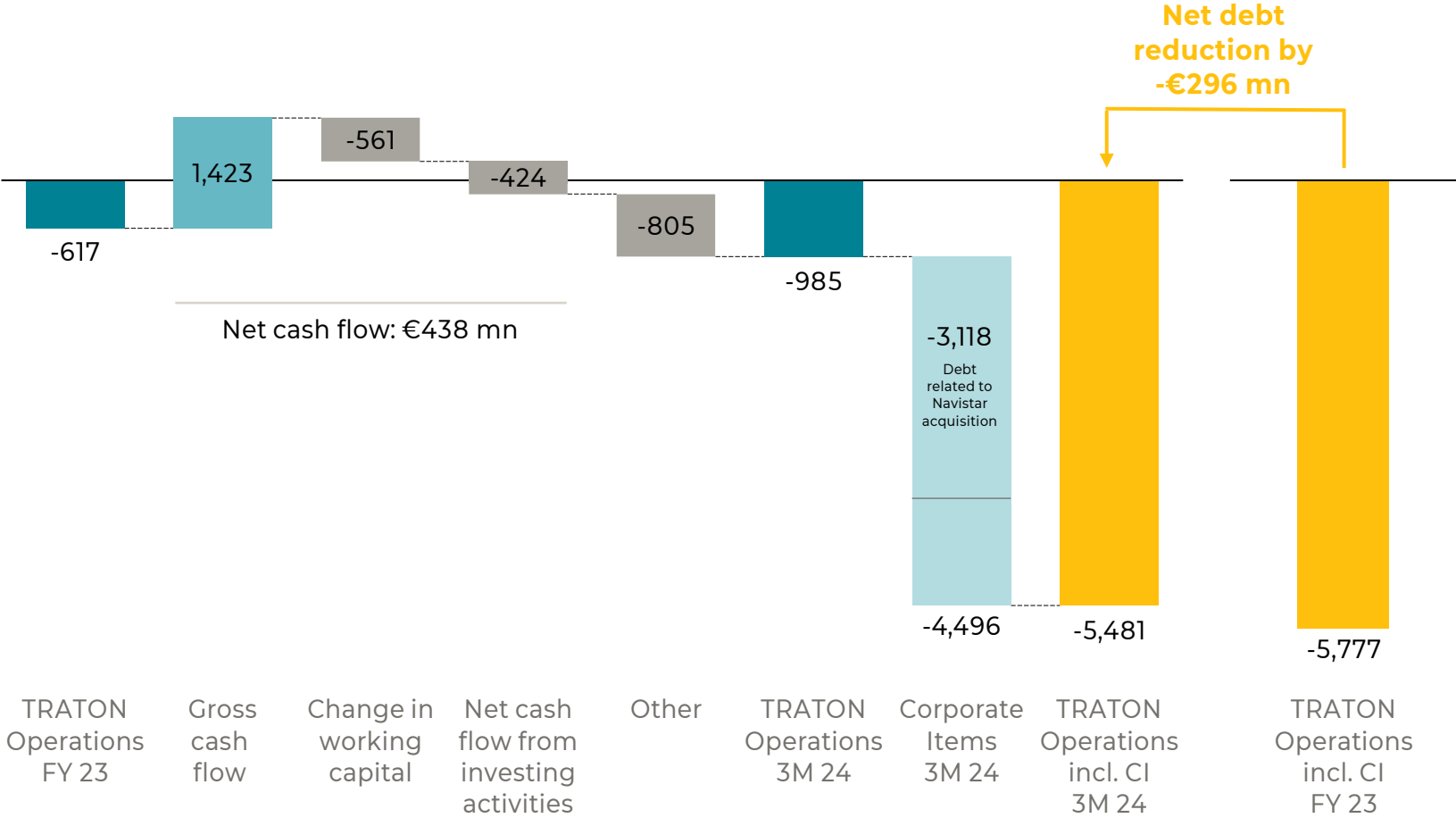
		TRATON Operations	 SCANIA	 MAN	NAVISTAR	 Truck Bus	TRATON Financial Services
Q1 24	Sales revenue (in € mn, YoY)	11,477 (+5%)	4,879 (+17%)	3,516 (+3%)	2,430 (-11%)	773 (+9%)	453 (+29%)
	Adjusted RoS (YoY)	10.4% (+1.3 pp)	14.3% (+1.1 pp)	7.9% (+2.1 pp)	5.0% (-1.3 pp)	11.0% (+1.8 pp)	13.2% (Return on equity) (+17.2 pp)
Key drivers		<ul style="list-style-type: none">– Sales revenue substantially up mainly due to strong heavy-duty truck business in Brazil, besides new vehicle growth in Europe– Excellent margin on the back of high volumes, favorable product mix, and lower variable product costs– Continued strong demand for Vehicle Services business		<ul style="list-style-type: none">– Increased sales revenue due to favorable product mix, despite lower unit sales– Improved operating performance in bus and van business– Resilient margin due to improved cost structure post-realignment program– Continued strong demand for Vehicle Services business	<ul style="list-style-type: none">– Sales revenue impacted by continued supply chain constraints, delayed ramp-up of new school bus model and weaker Vehicle Services business– Margin positively influenced by better unit price realization, but negatively impacted by lower volumes	<ul style="list-style-type: none">– Increased sales revenue driven by better product positioning and unit price realization in Brazil– High margin on the back of increased sales revenue and effective containment of variable costs	<ul style="list-style-type: none">– Increased portfolio volume– Higher costs due to ongoing integration of activities of MAN FS and VWTB FS; increased funding cost– RoE significantly up; previous Q1 negatively influenced by sale of Scania Finance Russia

Note: TRATON Operations including consolidation effects.

NET DEBT FURTHER REDUCED DESPITE HIGHER WORKING CAPITAL

- Net cash flow of TRATON Operations driven by:
 - improved operating performance
 - seasonally weaker working capital, with a capital build-up of €0.6 bn in Q1 24 mainly due to increased inventories
- Net debt of TRATON Operations incl. Corporate Items (CI) reduced by €0.3 bn vs. year-end 2023

Net financial debt bridge, Q1 24 (€ mn)



FULL YEAR 2024 OUTLOOK

OPTIMISTIC OUTLOOK FOR 2024 CONFIRMED

	FY 2023	FY 2024 Outlook
TRATON GROUP		
Unit sales (€ million)	338,183	-5 – +10%
Sales revenue (€ million)	46,872	-5 – +10%
Operating return on sales (adjusted) (in %)	8.6 ¹	8.0 – 9.0 ¹
TRATON Operations		
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 ²	2,300 – 2,800
Capex (€ million)	1,516	sharp increase
Primary R&D costs (€ million)	2,170	moderate increase
TRATON Financial Services		
Return on equity (in %)	8.4	7.0 – 10.0

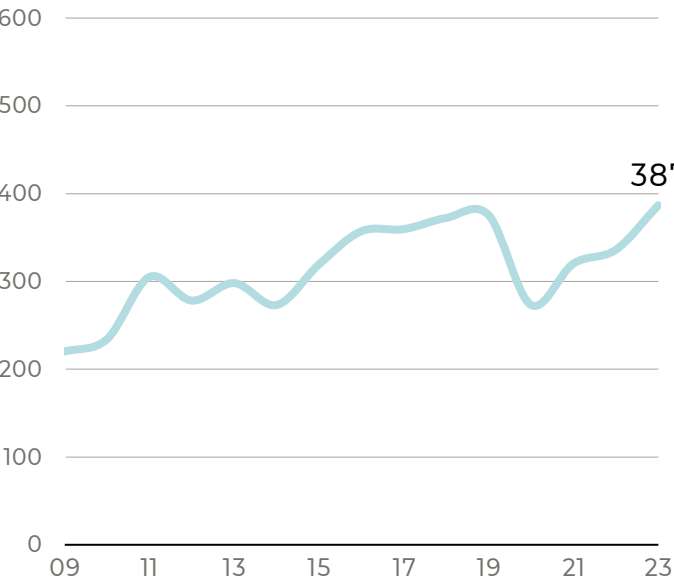
¹ Including earnings effects from purchase price allocation in FY 23 of €290 mn, in FY 24 expected to be ~€300 mn.

² 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.



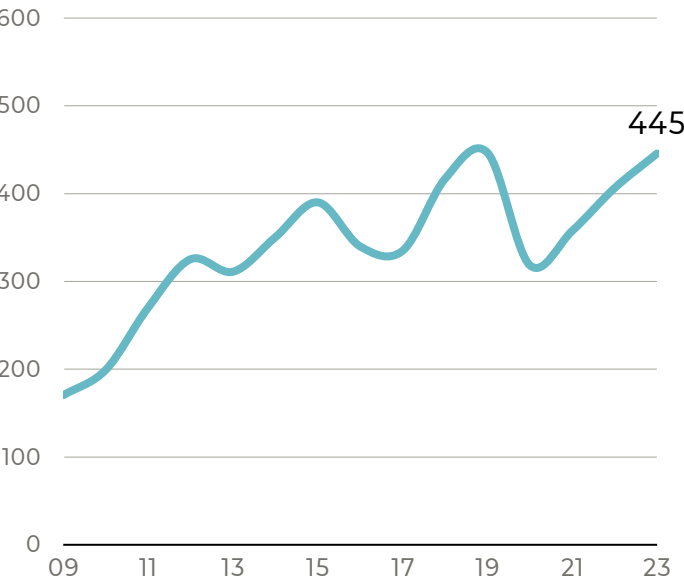
TRUCK DEMAND REMAINS SOLID WHILE MARKETS ARE NORMALIZING

EU27+3¹ (k units, >6t)



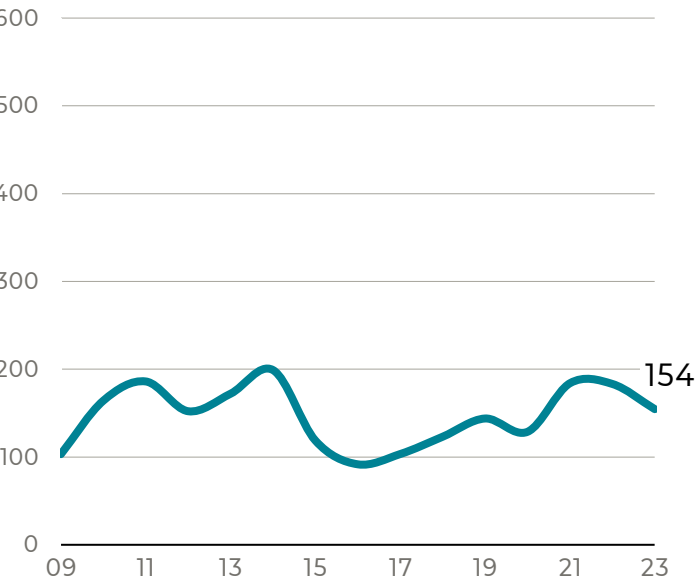
Expectation 2024e
-15% – -5%

North America (k units, class 6-8²)



Expectation 2024e
-15% – -5%

South America (k units, >6t)



Expectation 2024e
0% – +10%

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

² USA and Canada class 6-8, Mexico class 4-8.

TRATON – GAINING PACE ON OUR TRANSFORMATION JOURNEY



On track to best-in-class performance



Resilience materially improved after successful realignment

NAVISTAR

Positioned for tangible upside with clear deliverables in 2024



Leading position in a growing market

TRATON

Transformation execution with attractive return profile

TRATON
FINANCIAL SERVICES

Ramp-up of all brands as a strategic priority



SAVE THE DATE

CAPITAL MARKETS DAY
OCTOBER 1, 2024

MUNICH, GERMANY



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UPCOMING EVENTS

- 2024/06/13 2024 Annual General Meeting
- 2024/07/26 2024 Half-Year Financial Report
- 2024/10/01 TRATON Capital Markets Day
- 2024/10/28 9M 2024 Interim Statement

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