

Q2/H1 2024 RESULTS

ROADSHOW PRESENTATION

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WE'RE A TRANSPORTATION POWERHOUSE ...

Four strong global brands under one roof





103,621

Employees worldwide






€46.9 bn

Sales revenue

Transforming Transportation Together. For a sustainable world.

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










338,183

Unit sales
(trucks, buses & vans)



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 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 align our competencies 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.



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



SCANIA



... WITH FOUR STRONG GLOBAL BRANDS UNDER ONE ROOF

NAVISTAR



Truck
Bus



THE BRANDS OF TRATON GROUP ARE CLEARLY POSITIONED ...



NAVISTAR



Driving the shift

Scania is a premium innovation leader for sustainable transportation solutions. These include trucks and buses for sophisticated transportation applications as well as numerous related service offerings.



Simplifying business

MAN's objective is to simplify customer business as a reliable business partner. For this purpose, MAN offers a full range of solutions, from light commercial vehicles to heavy-duty trucks.



Trusted partner

Navistar produces trucks under the International brand and buses under the IC Bus brand, and also sells engines, spare parts, and vehicle-specific services through various partner dealerships in the USA and Canada.



Value for money

Volkswagen Truck & Bus (VWTB) offers excellent value with products that are tailored to growth markets, especially in Latin America and Africa.

... ACROSS KEY COMMERCIAL VEHICLE MARKETS

TRATON
Operations

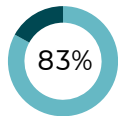


NAVISTAR



Home base			Europe and Brazil	Europe	North America	Brazil
Unit sales (k) FY 2023	Trucks	281	92	84	76	31
	Buses	30	5	6	13	6
	Vans	27	-	27	-	-
	Total	338	97	116	89	37

Trucks



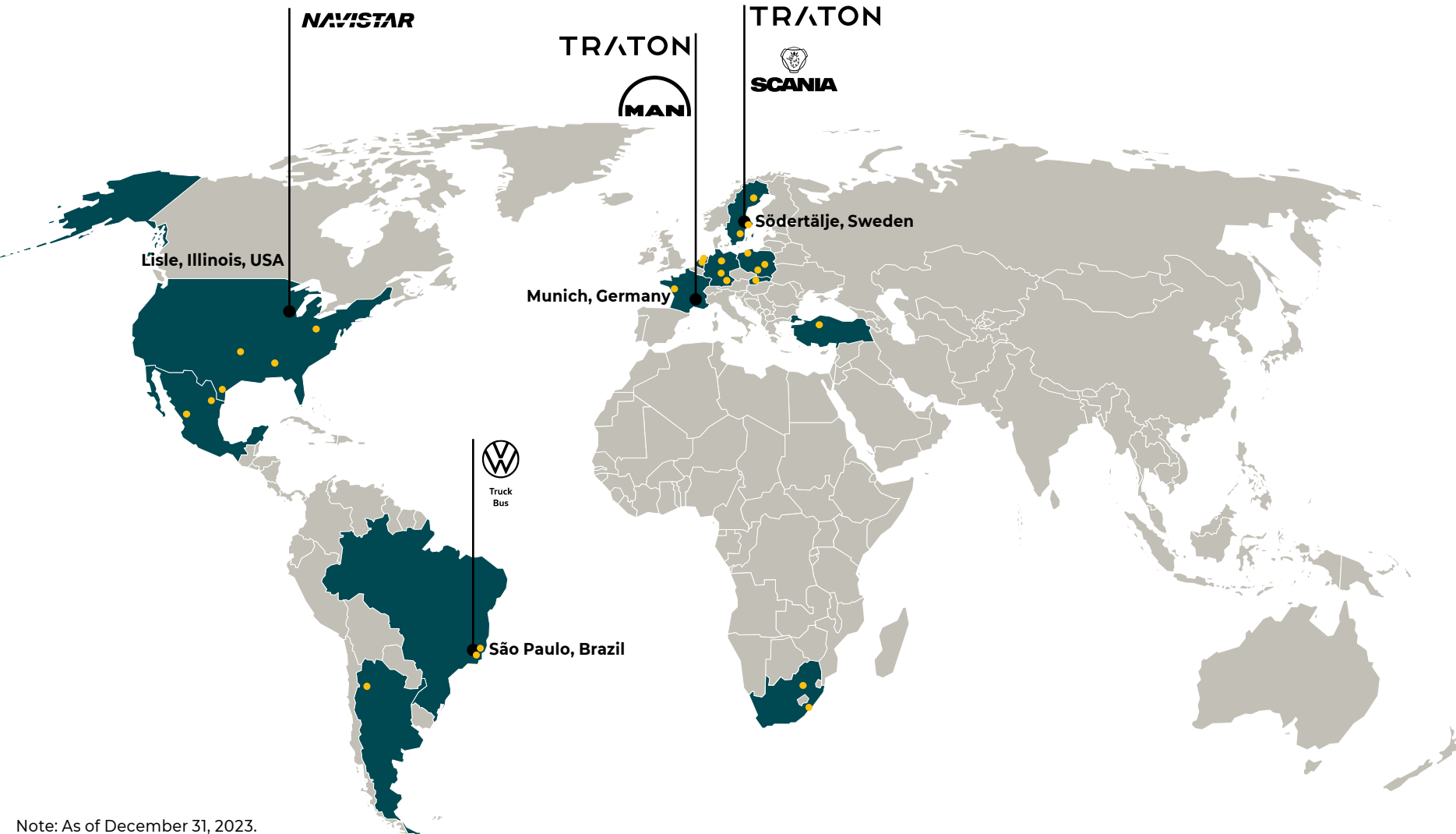
Buses



Vans



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.

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

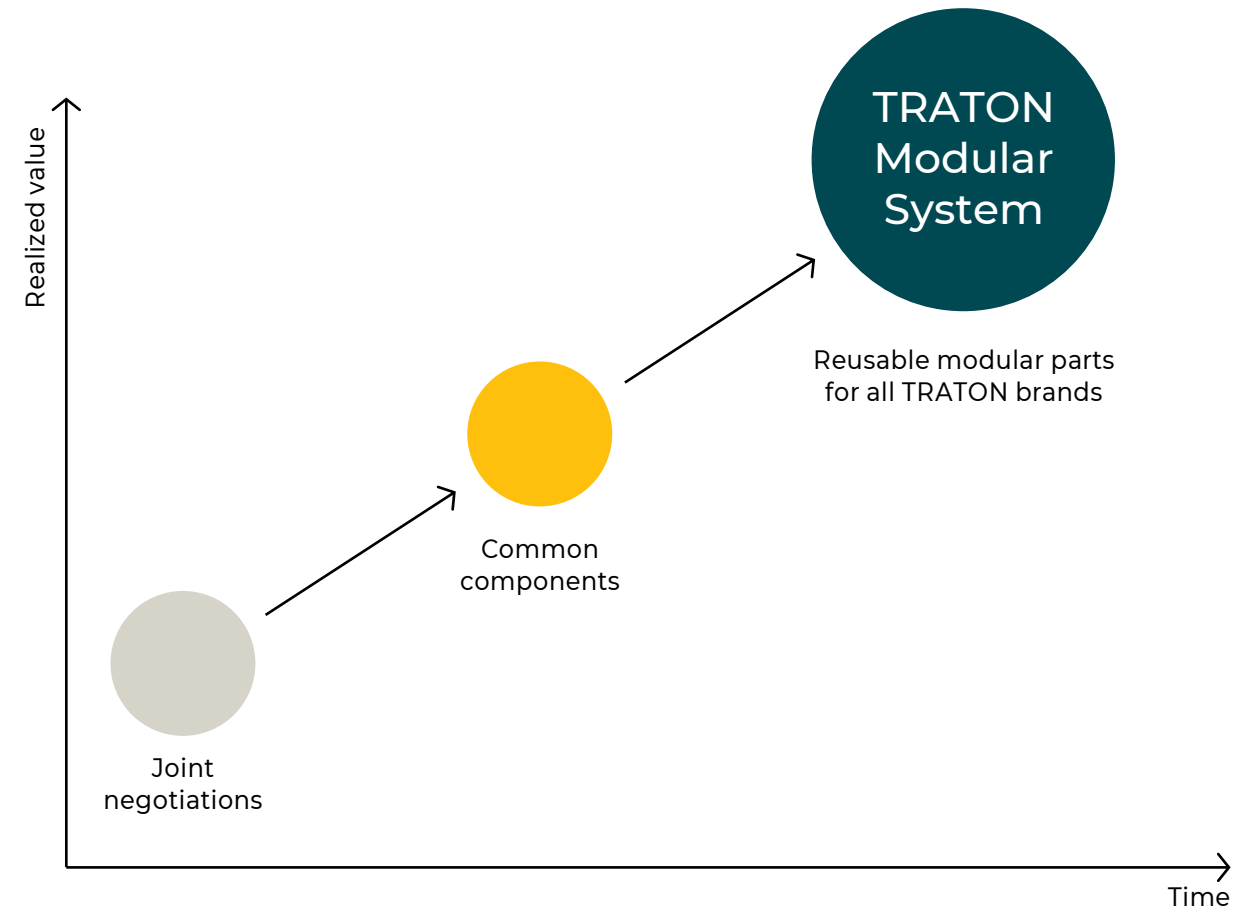
Profitable mass customization based on a modular system ensures long-term competitive advantage

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



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

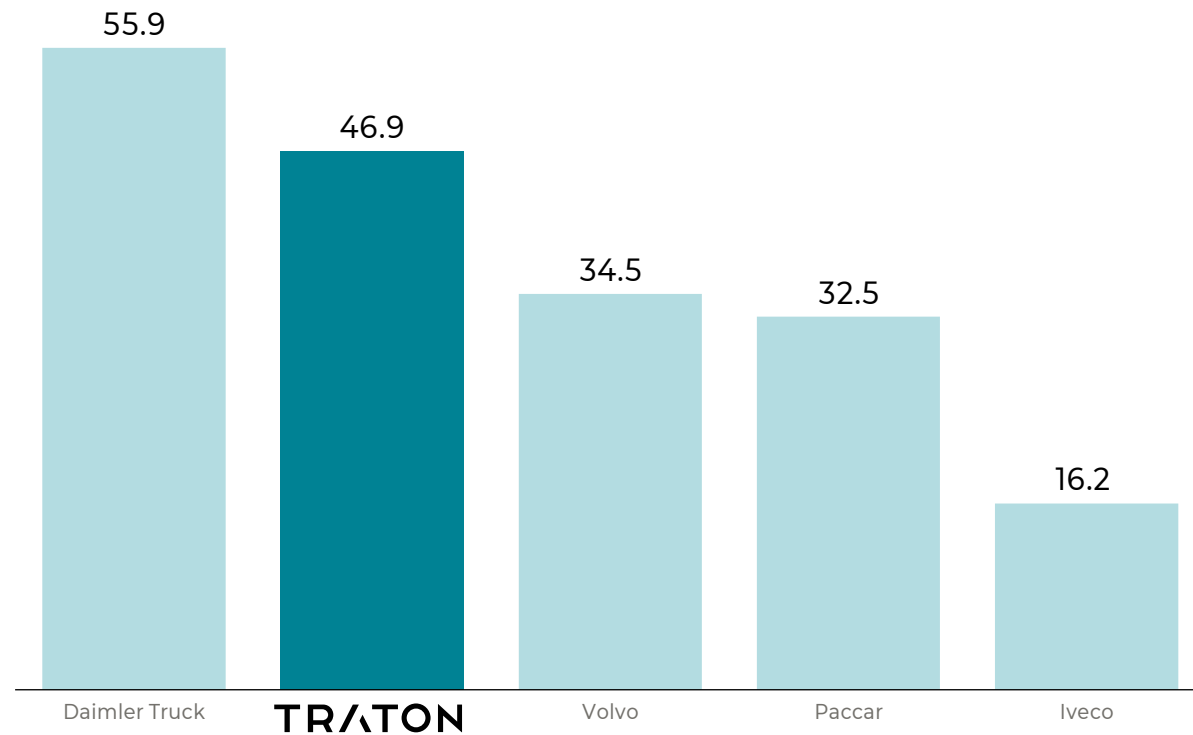
Long-term target within the next 5+ years

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)

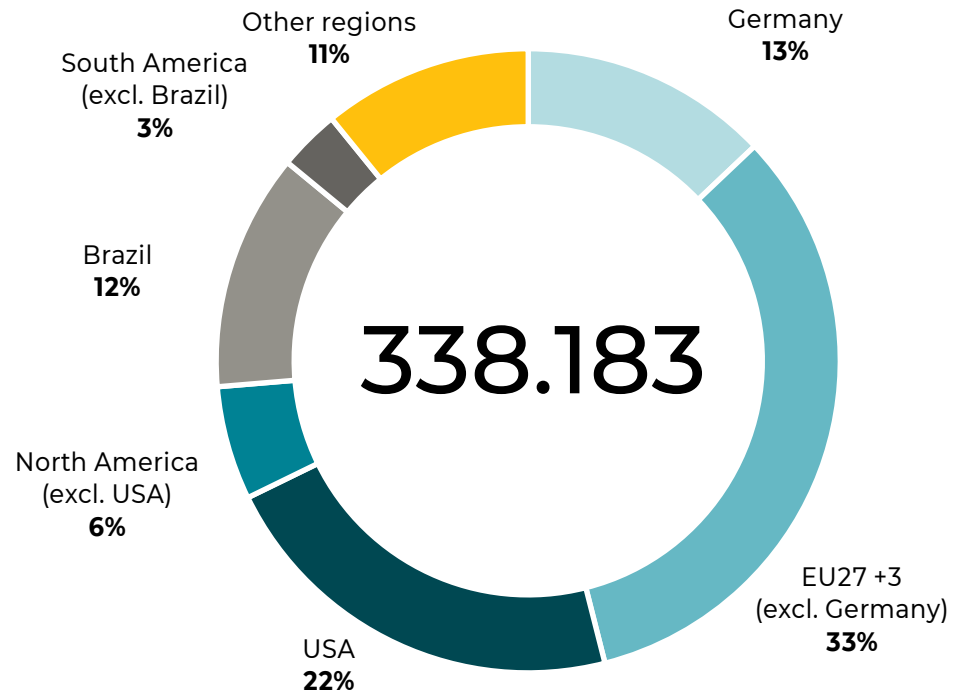


Note: For Volvo only business segments Trucks & Buses are included.
Source: Company data, own calculations.

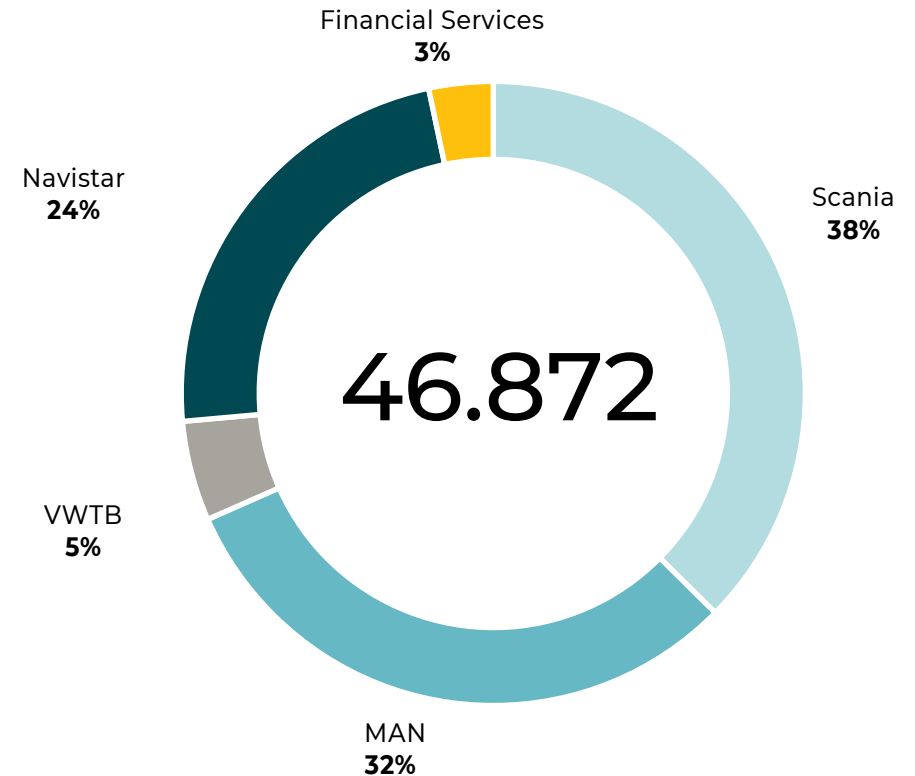


... WITH A WELL-DIVERSIFIED REGIONAL AND BRAND MIX

Unit sales per region, FY 2023 (units)



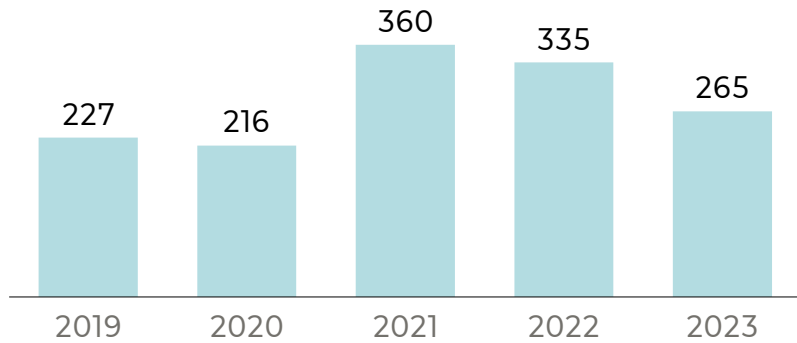
Sales revenue per brand, FY 2023 (€ mn)



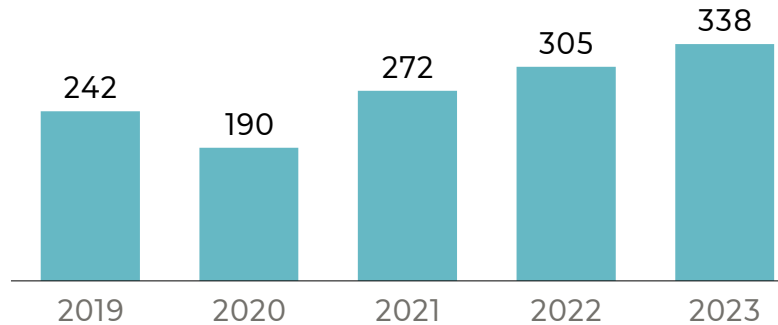
Note: TRATON sales revenue including FS, excl. consolidation and Corporate Items; rounding differences possible.

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

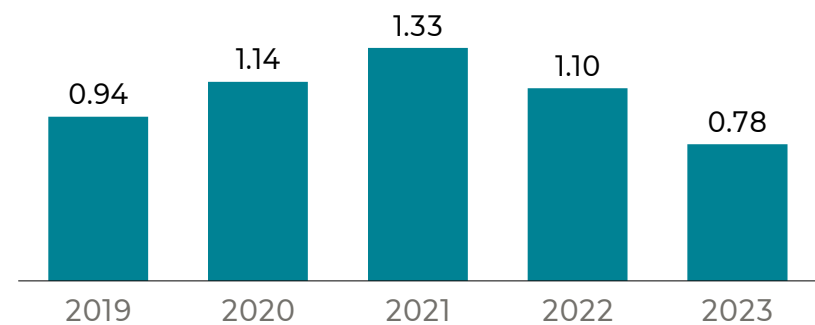
Incoming orders (k units)



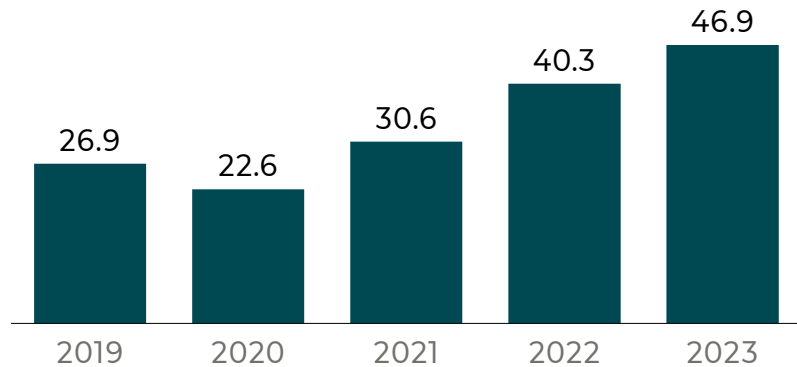
Unit sales (k units)



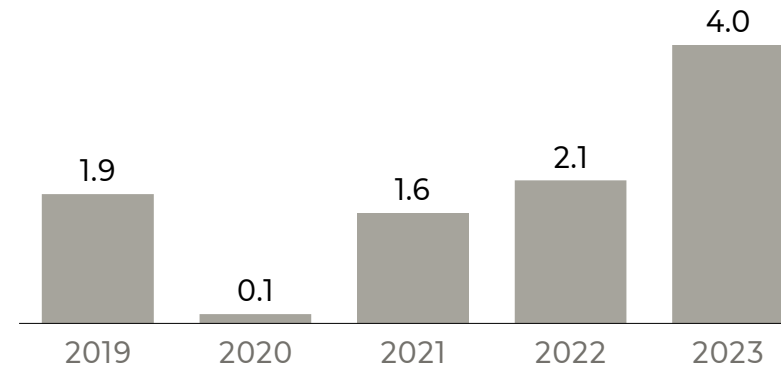
Book-to-bill (ratio in units)



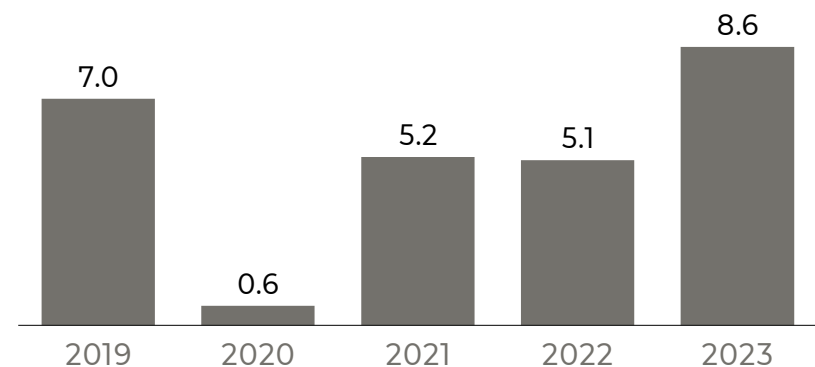
Sales revenue (€ bn)



Adjusted operating result (€ bn)

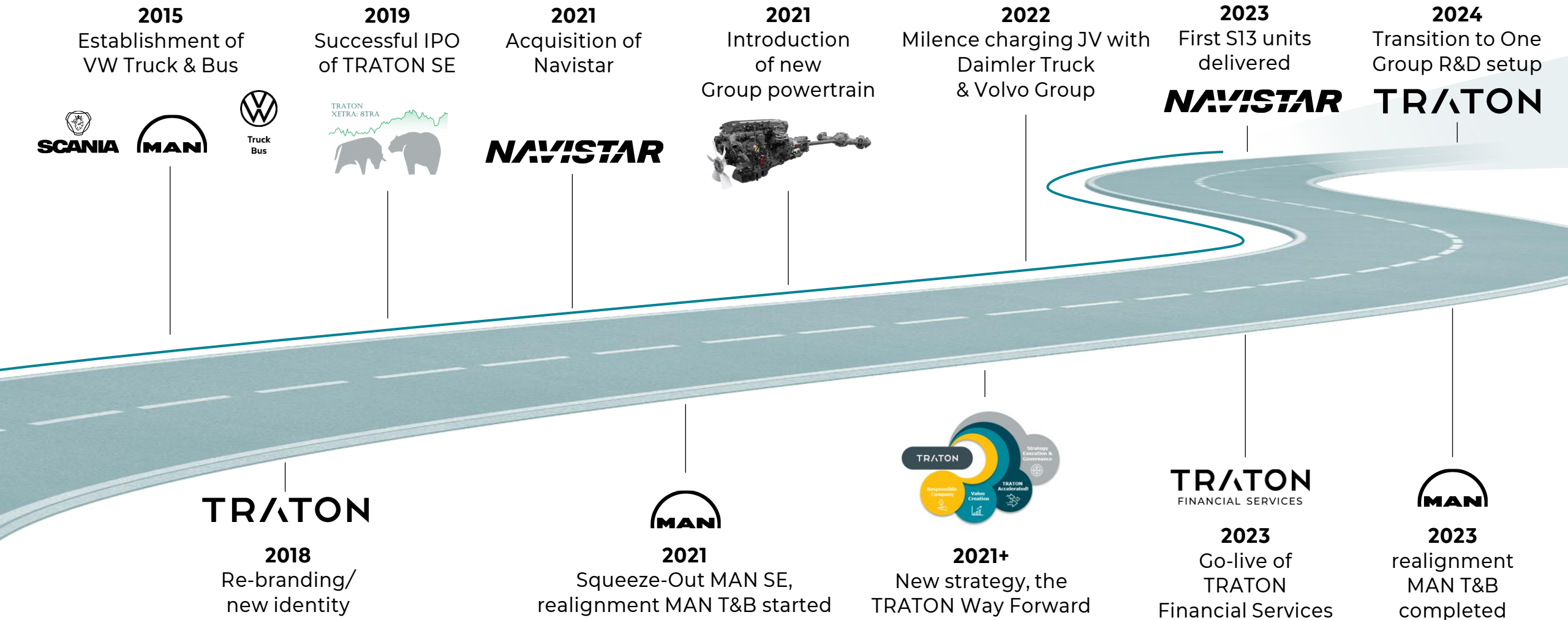


Adjusted return on sales (%)

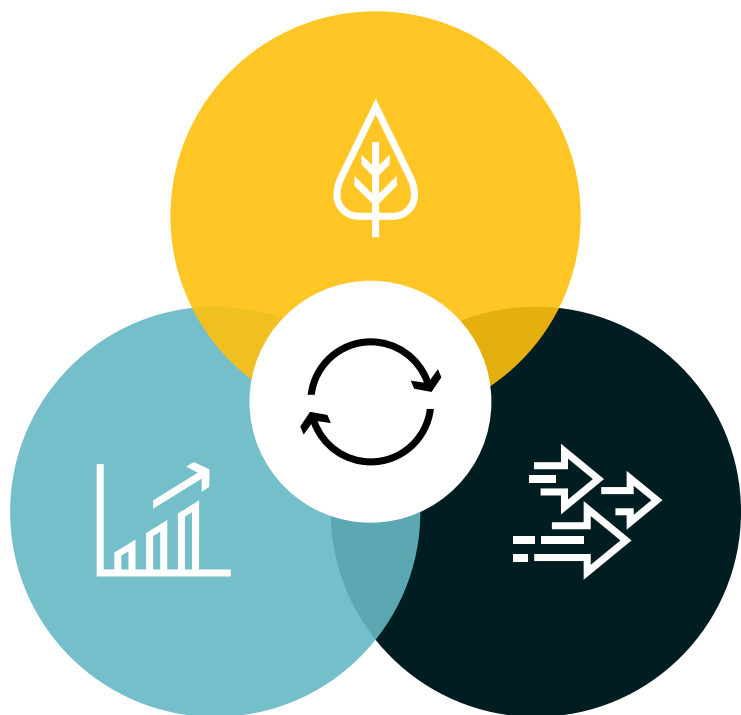


Note: 2021 figures include Navistar only for second-half year due to consolidation from July 1, 2021.

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.

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

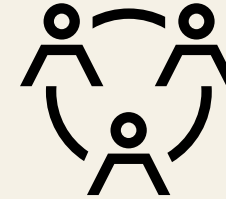
WHY TRATON IS AN ATTRACTIVE INVESTMENT



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**



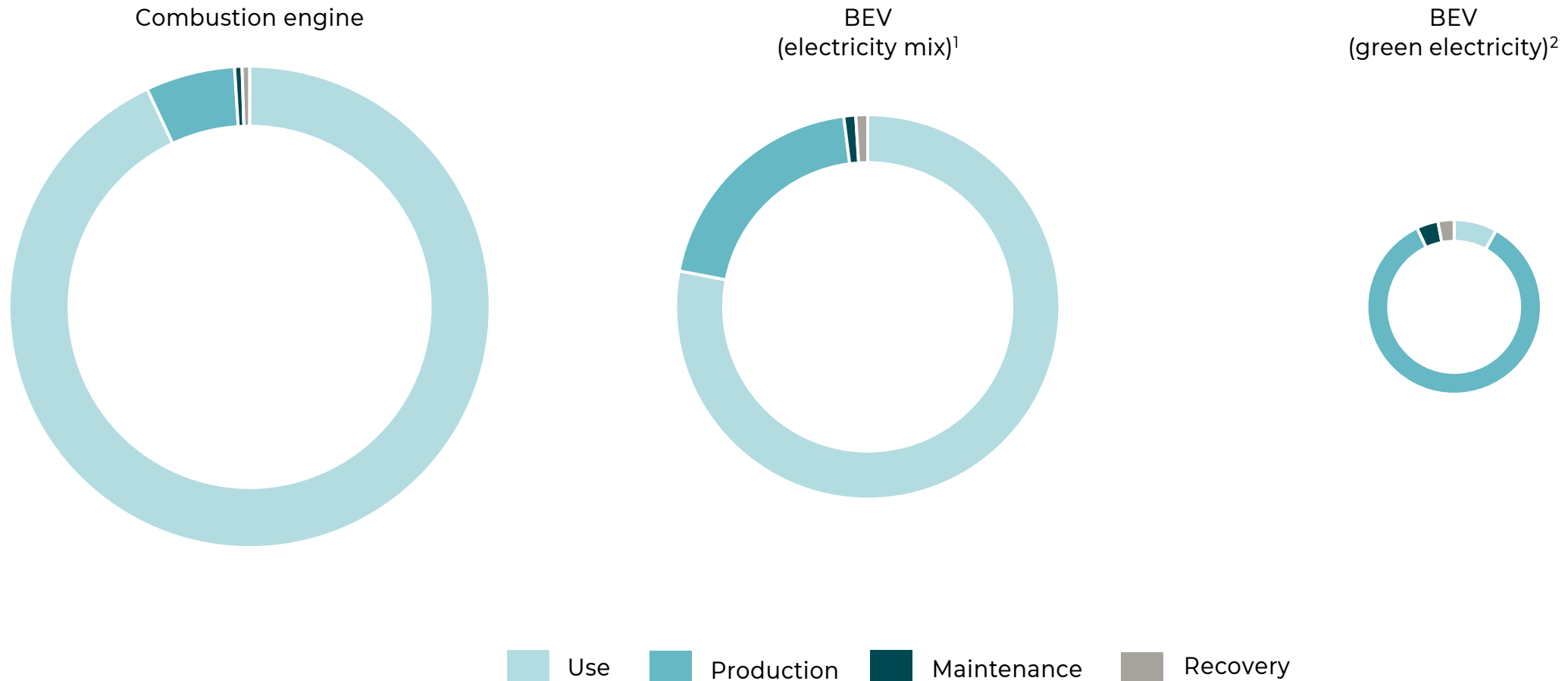
Substantial potential from **leveraging know-how of brands and TRATON Modular System** while **driving the transformation towards a sustainable future**



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

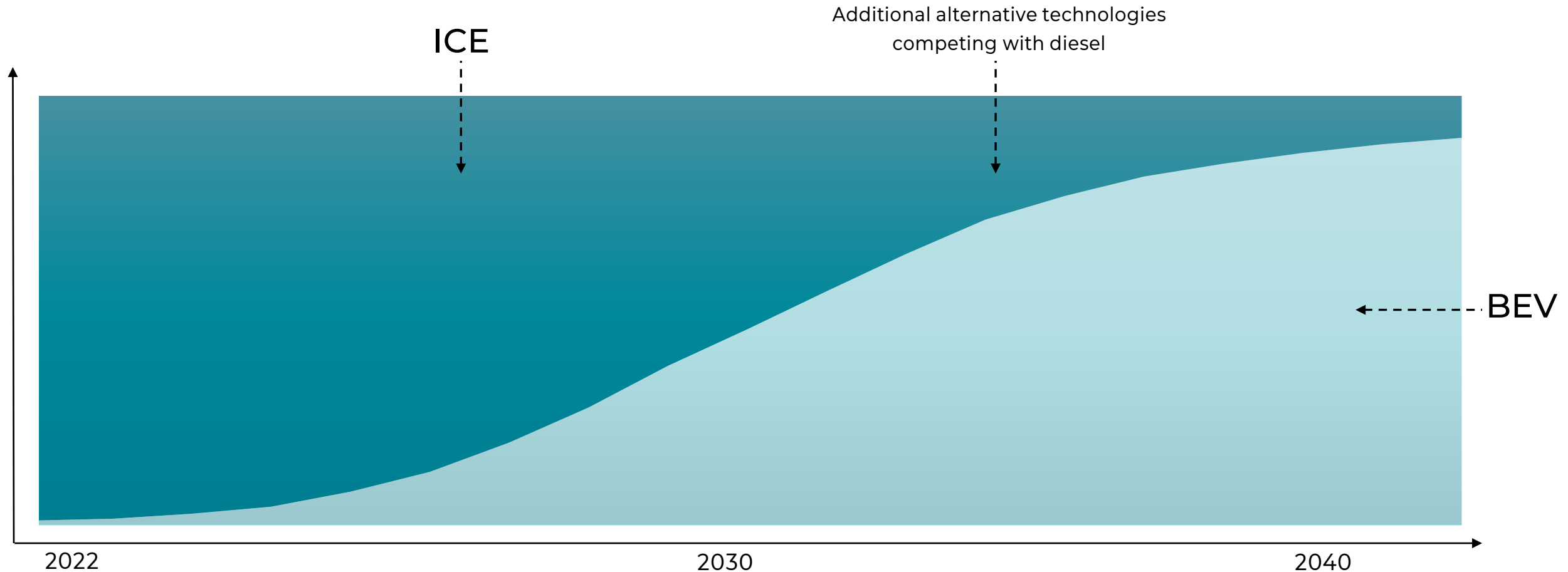
ELECTRIFICATION IS GAINING MOMENTUM

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



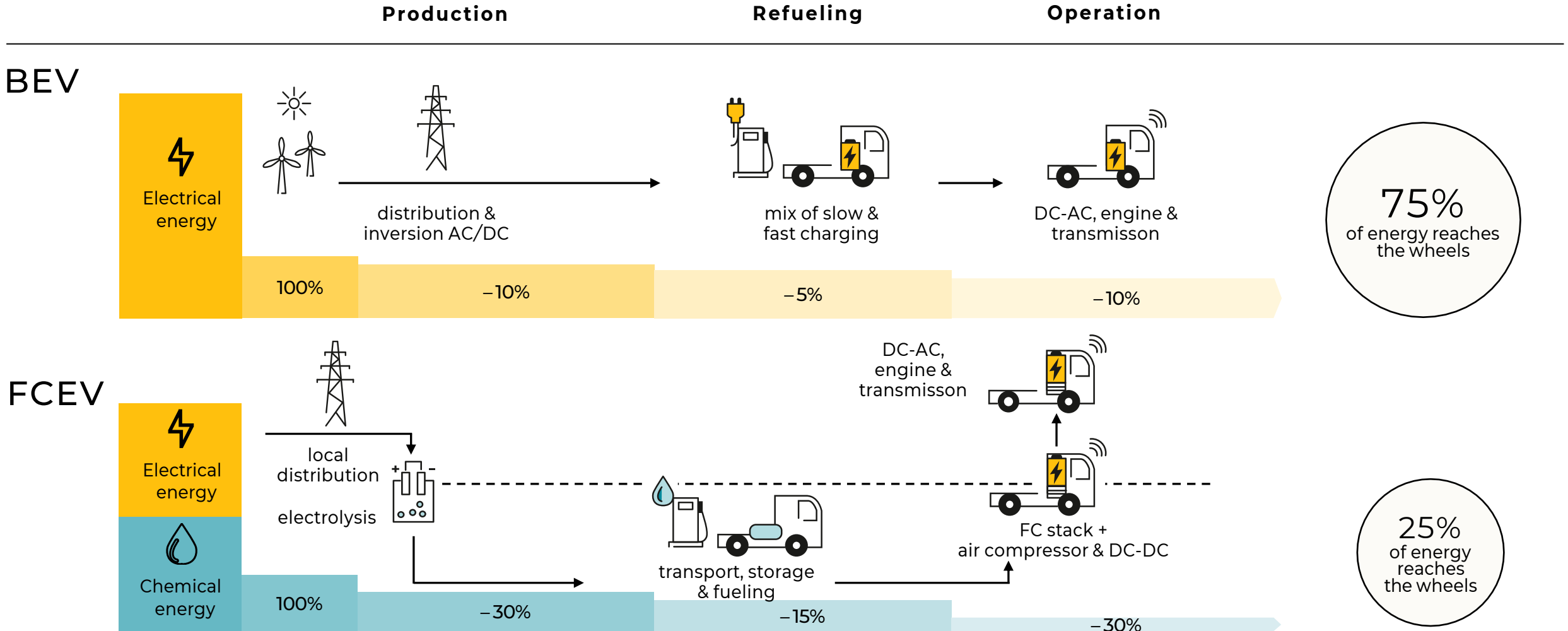
¹ Based on EU 2016 electricity mix.
² Based on prognosed EU 2030 electricity mix.
 Source: Scania estimates.

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



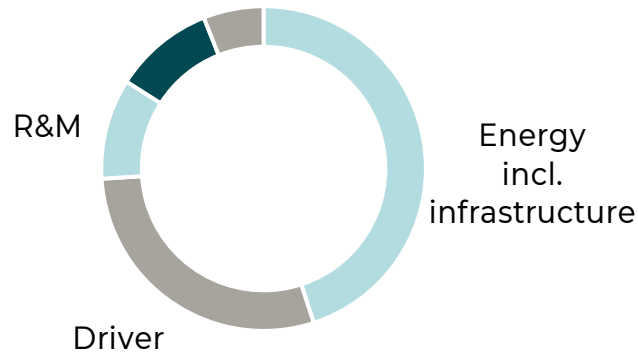
Note: Illustrative visualization; development of BEV in the relevant regions: EU27+3, USA, and Canada.

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

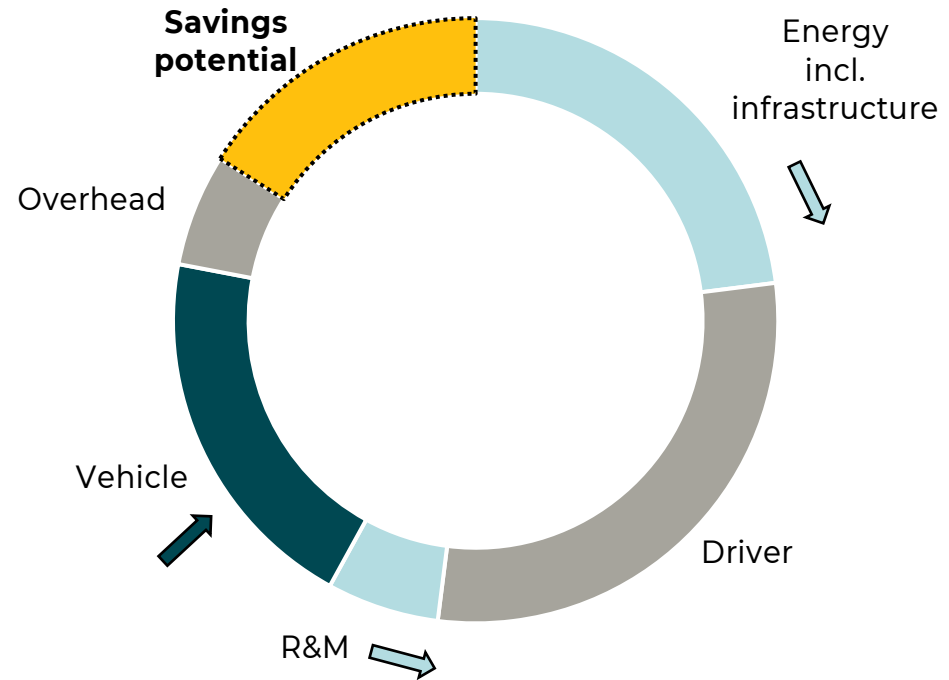


THE COST DISTRIBUTION WILL CHANGE SIGNIFICANTLY WITH FULLY ELECTRIC TRUCKS

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 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

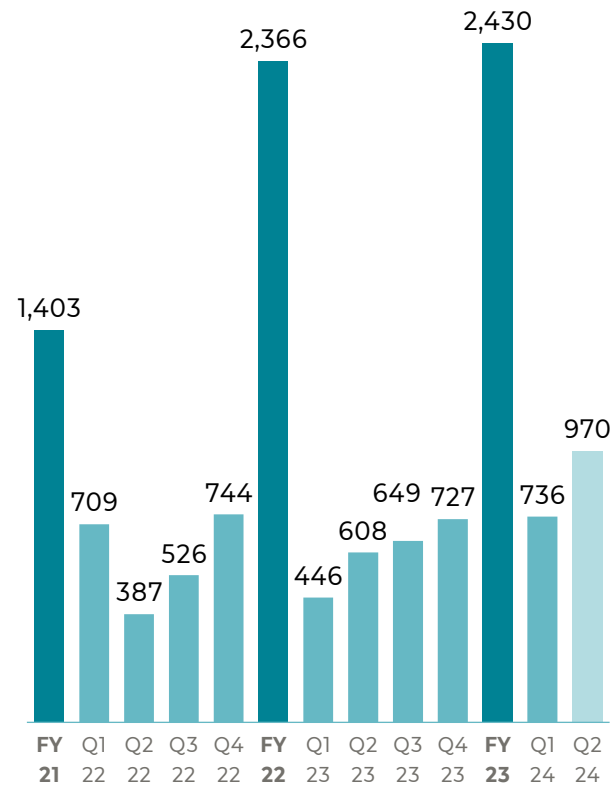


Navistar partners with Quanta Services

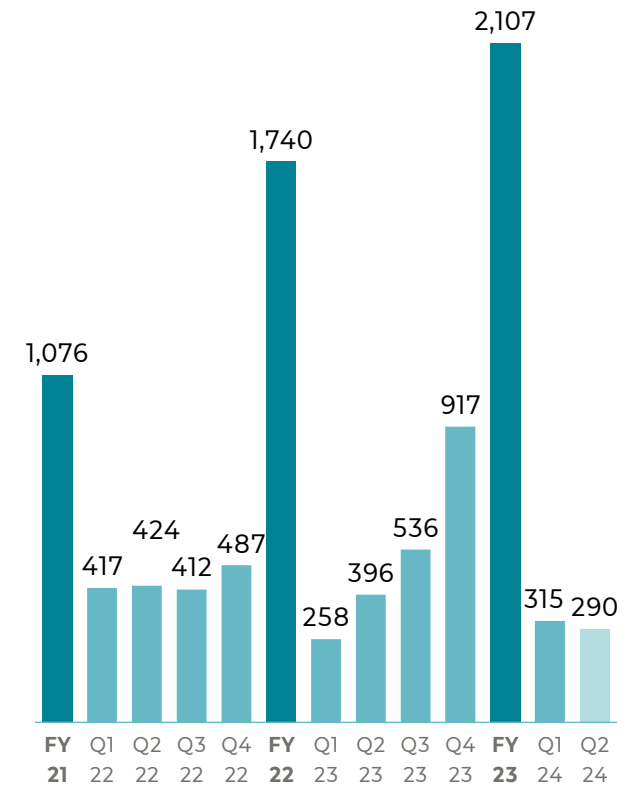


Scania & sennder establish JUNA JV

Incoming orders of fully electric vehicles (units)



Unit sales of fully electric vehicles (units)



Q2/H1 2024 KEY RESULTS & HIGHLIGHTS

STRONG Q2 PERFORMANCE DESPITE CAUTIOUS CUSTOMERS AND TRANSITORY SUPPLY ISSUE AT NAVISTAR

Q2 2024



¹ Q2 2023 including positive effect from the intragroup sale of the Scania Financial Services business to TRATON Financial Services (€499 mn). Excluding this effect, net cash flow would have decreased by €892 mn.

Q2 BRANDS INITIATIVES FOR FURTHER TANGIBLE GROWTH

Highlights



Scania establishes charging solutions company **Erinion** to help customers' transition to electric transport



MAN introduces the New Power Lion driveline with a new highly efficient **D30 engine** based on the combined technology expertise of the TRATON GROUP



Navistar surpasses 100 **electric vehicle dealers** ready to support the sale and service of both International and IC Bus BEVs



VWTB has made further progress in its internationalization strategy with the opening of a vehicle production facility in **Argentina**

BEV ORDER MOMENTUM ON THE RISE

Incoming orders of fully
electric vehicles (units)

H1 24

1,706

H1 23

1,054

Unit sales of fully electric
vehicles (units)

H1 24

605

H1 23

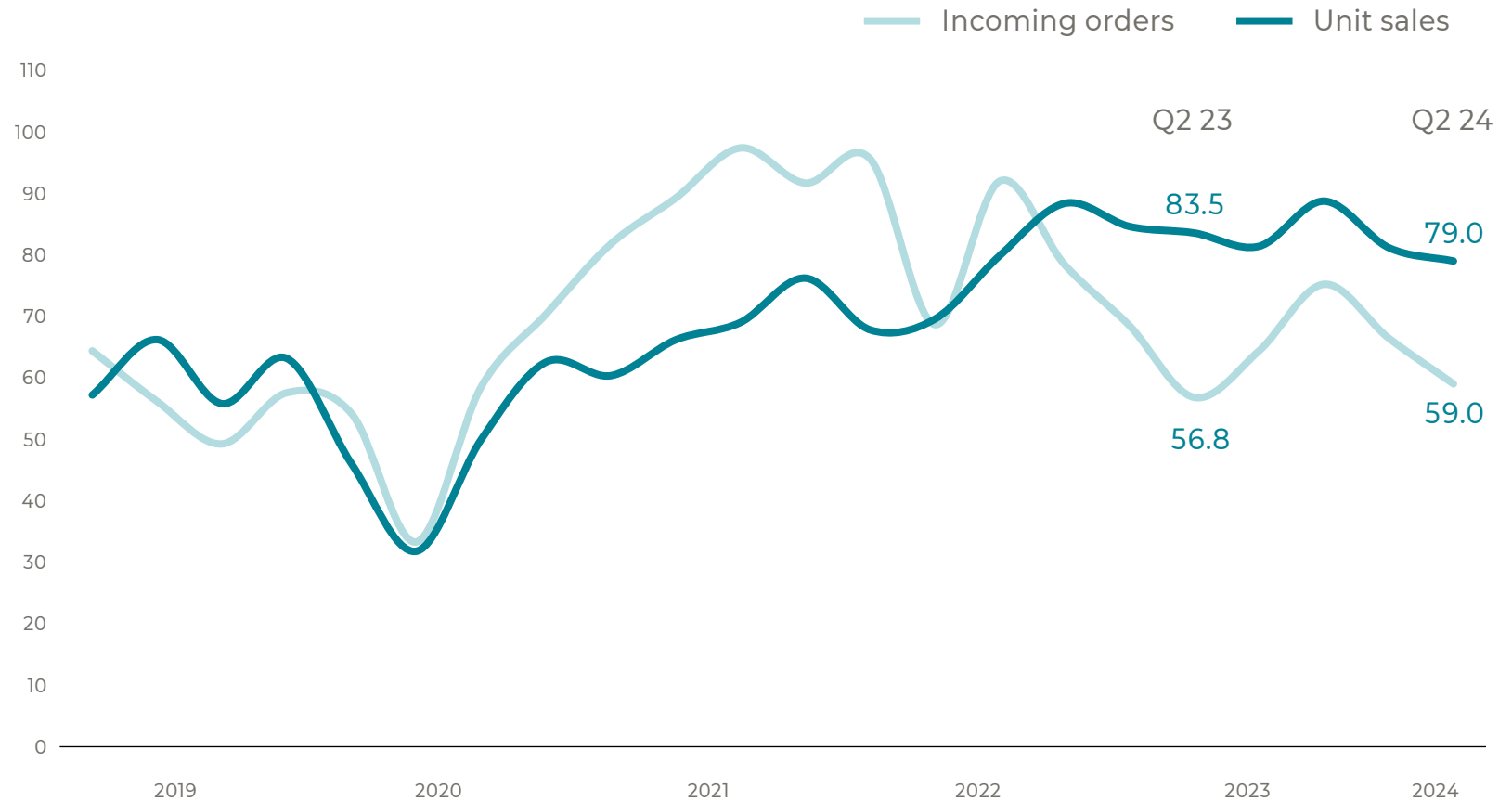
654



ONGOING SUPPORT FROM ORDER BOOK

- Continued normalization of truck markets in Europe and North America leading to softer order intake levels and declining, still solid unit sales
- Weaker truck markets in Germany and large parts of Eastern Europe
- Decreasing US market resulting from class 8 on-highway segment; medium and severe truck segments remain solid
- Navistar with transitory negative unit sales effect
- In South America, strong incoming orders and unit sales for heavy-duty trucks due to favorable market environment and market share gains, especially in Brazil

Incoming orders & Unit sales (k units)



Q2/H1 2024 FINANCIAL PERFORMANCE & OUTLOOK

SALES REVENUE BENEFITING FROM MIX EFFECTS AND PRICING DESPITE NAVISTAR SUPPLY ISSUE

— Solid **unit sales**, impacted by:

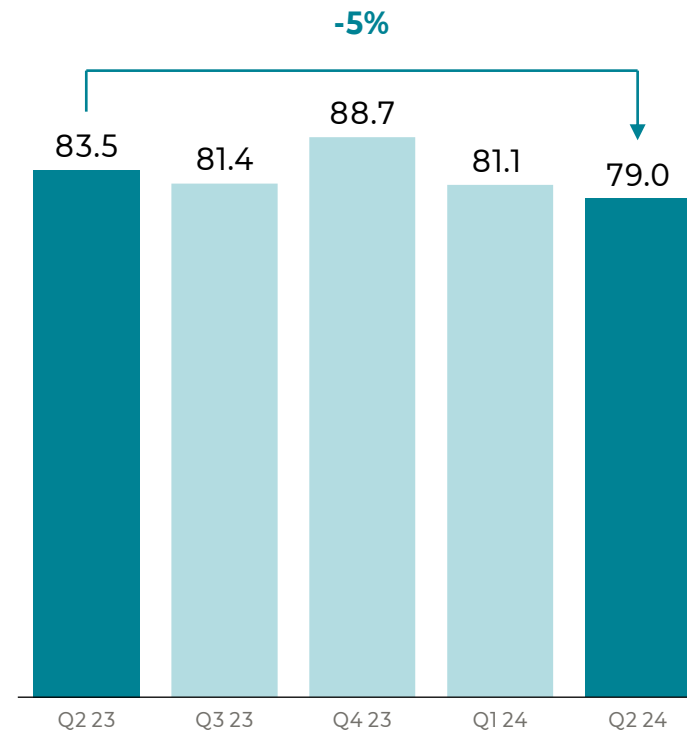
- Strong South American market, but normalizing markets in Europe and North America
- Ongoing support from order book
- Lower MAN truck sales due to model year change
- Transitory supply issue and delayed ramp-up of new school bus at Navistar

— **Sales revenue** benefited from:

- Favorable market and product mix
- Good unit price realization
- Continued high customer demand for Vehicle Services business

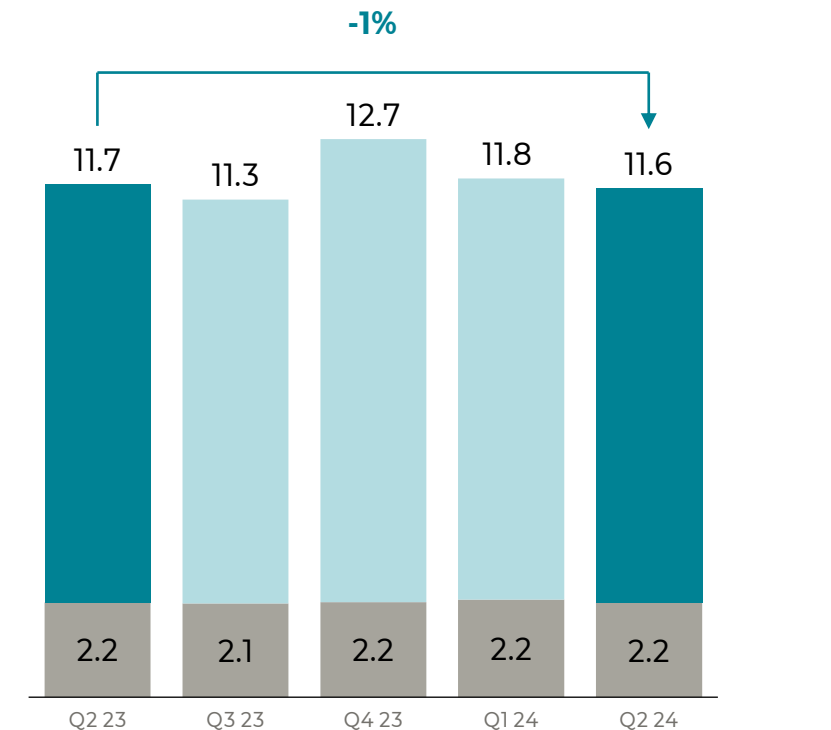
Unit sales (k units)

H1 24
160.1 (-5%)



Sales revenue (€ bn)

H1 24
23.4 (+2%)

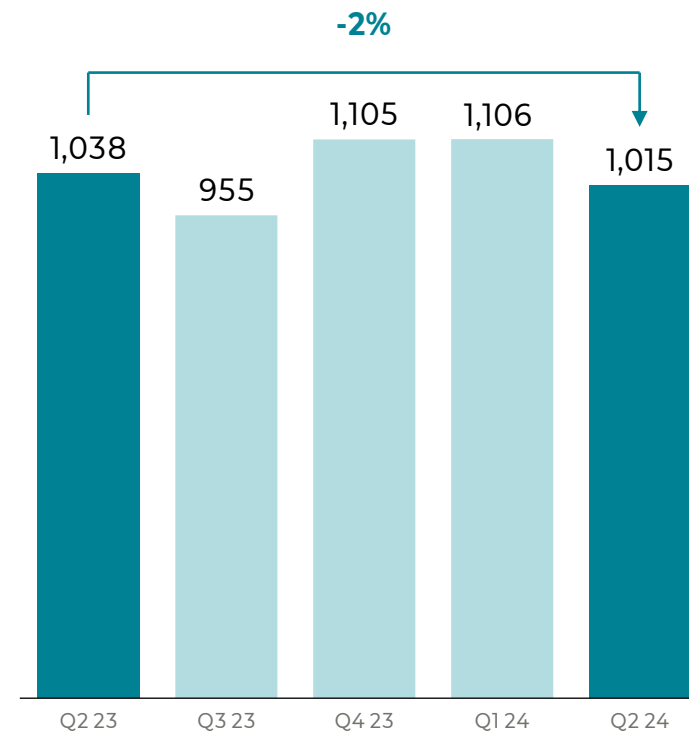


CONTINUED STRONG RETURN ON SALES

- Increased sales revenue per unit
- Improved cost structure at TRATON Operations
- Positive impact from MAN realignment program completed in H2 2023
- Transitory negative effect from supply issue and delayed school-bus ramp-up at Navistar

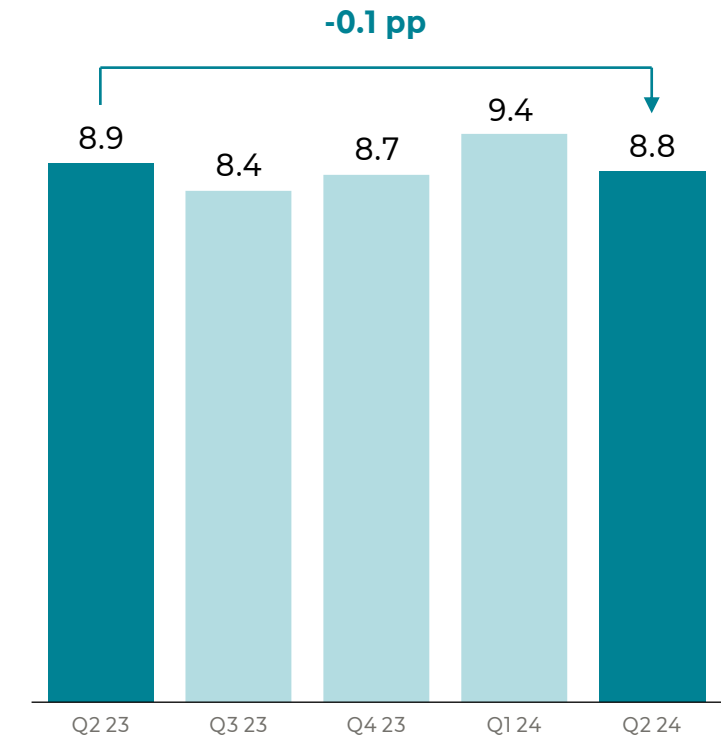
Adjusted operating result (€ mn)

H1 24
2,121(+7%)






Adjusted return on sales (%)

H1 24
9.1% (+0.4 pp)



DIFFERENT GROWTH DYNAMICS WITH OFFSETTING EFFECTS IN Q2

	TRATON Operations	 SCANIA	 MAN	NAVISTAR	 Truck Bus	TRATON FINANCIAL SERVICES
Q2 24 Sales revenue (in € mn, YoY)	11,282 (-1%)	4,819 (+8%)	3,553 (-2%)	2,244 (-21%)	786 (+41%)	468 (+22%)
Adjusted RoS (YoY)	10.2% (+0.4 pp)	14.7% (+1.1 pp)	8.5% (+0.8 pp)	2.7% (-3.4 pp)	12.6% (+3.3 pp)	11.9% (Return on equity) (+6.3 pp)
Key drivers		<ul style="list-style-type: none"> – Sales revenue up mainly due to strong heavy-duty truck business in Brazil – Growing volume of trucks equipped with Scania Super powertrain – Excellent margin on the back of high volumes, favorable price / product mix, and lower variable product costs – Continued strong demand for Vehicle Services business 	<ul style="list-style-type: none"> – Truck sales revenue negatively impacted by weak German market and model year change considering new General Safety Regulation ... – ... partly offset by an increase in bus and van sales revenue – Resilient margin due to improved cost structure post-realignment program – Continued strong demand for Vehicle Services business 	<ul style="list-style-type: none"> – Deliveries and hence sales revenue significantly impacted by fire at the plant of a mirror supplier – Unit sales of new school bus still delayed, but ramping up – Continued weak Vehicle Services business due to market situation – Margin down mainly due to significantly lower volumes; despite positive pricing impact 	<ul style="list-style-type: none"> – Increased sales revenue driven by market tailwinds, 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; new country roll-outs for MAN FS – Higher costs due to integration of activities of MAN FS and VWTB FS; increased funding costs – RoE up strongly; previous Q2 negatively influenced by currency translation effects attributable to Scania Finance Russia

CONTINUED FOCUS ON CASH GENERATION AND NET DEBT REDUCTION

— Net debt of TRATON Operations (TO) incl. Corporate Items (CI) increased vs. year-end 2023 mainly due to:

— Working capital build-up of €1.8 bn, mainly driven by increased inventories of €1.5 bn

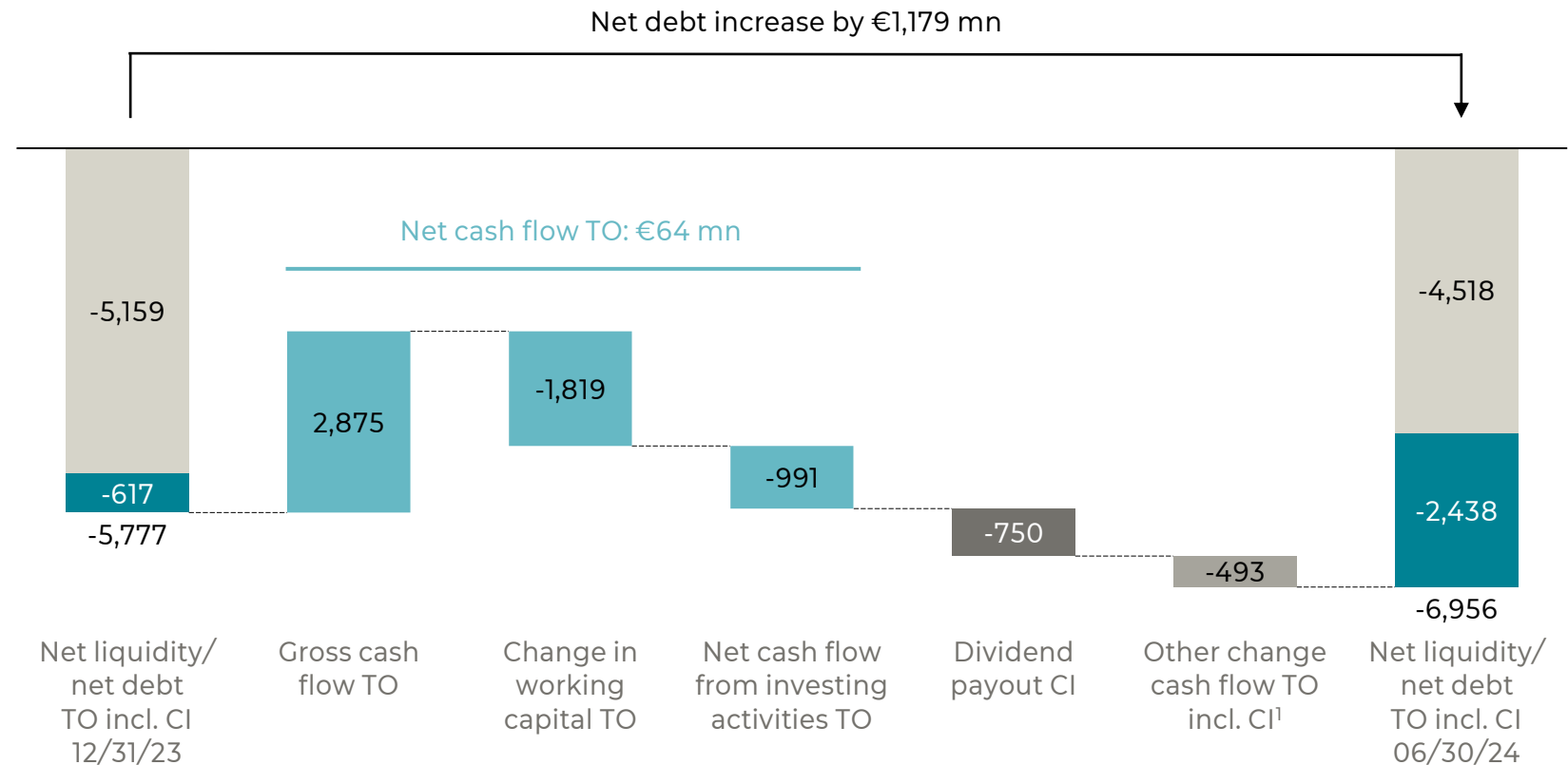
— Investing cash flow (mainly capex of €0.7 bn)

— Dividend payout

— Partly compensated by gross cash flow due to strong operating performance

Net liquidity/net debt bridge, H1 24 (€ mn)

■ Net liquidity/net debt Corporate Items (CI)
■ Net liquidity/net debt TRATON Operations (TO)



¹ Includes internal profit transfers, capital contributions, F/X effects and other changes in CI net liquidity/net debt.

2024 OUTLOOK FOR TRATON GROUP 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
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

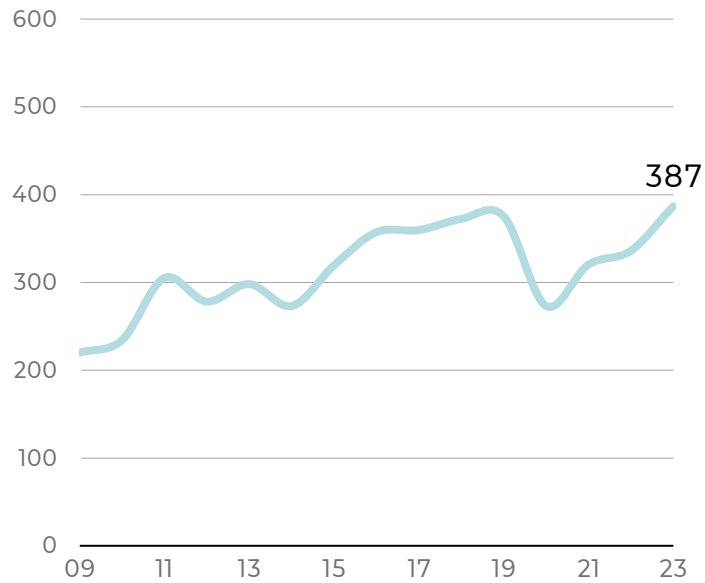
¹ Including earnings effects from purchase price allocation in FY 23 of €290 mn, in FY 24 expected to be ~€300 mn.

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.



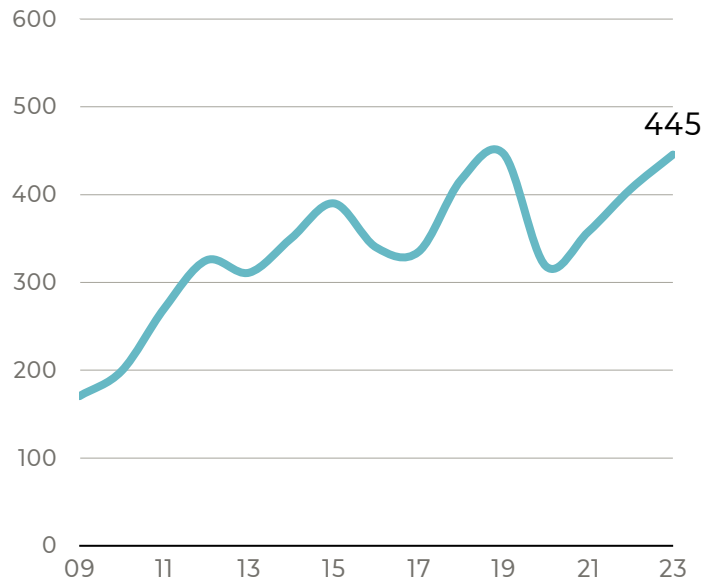
... WITH UNCHANGED TRUCK MARKET FORECAST

EU27+3¹ (k units, >6t)



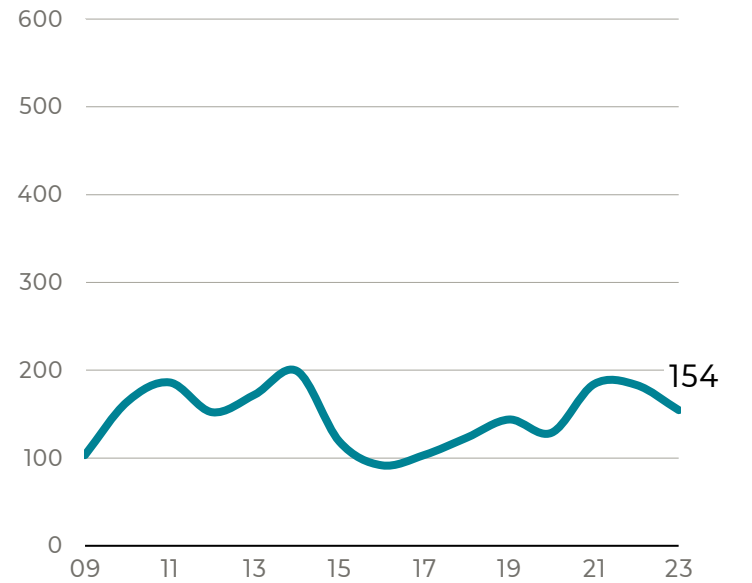
Expectation 2024e
-15% – -5%

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 JOINS THE MDAX AND CELEBRATES ITS 5TH ANNIVERSARY ON THE STOCK MARKET



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SAVE THE DATE

CAPITAL MARKETS DAY OCTOBER 1, 2024

MUNICH, GERMANY



UPCOMING EVENTS

- 2024/10/01 TRATON Capital Markets Day
- 2024/10/28 9M 2024 Interim Statement

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