

Research Update:

TRATON SE Assigned 'A-2' Short-Term Issuer Credit Rating; Outlook Stable

September 12, 2023

Rating Action Overview

- We assigned our 'A-2' short-term issuer credit rating to German truck manufacturer TRATON SE (TRATON), reflecting our 'BBB' long-term issuer credit rating.
- Our 'BBB' long-term issuer credit rating and stable outlook on TRATON remain unchanged.

Rating Action Rationale

The 'A-2' short-term issuer credit rating reflects our 'BBB' long-term issuer credit rating on TRATON. The 'BBB' long-term issuer credit rating and stable outlook on TRATON SE remain unchanged. For the complete issuer credit rating rationale, please see "German Truck Manufacturer TRATON SE Affirmed At 'BBB' Despite Weaker Margin Prospects In 2022; Outlook Stable," published on July 22, 2022, on RatingsDirect.

Company Description

TRATON was founded in 2015 as the commercial vehicle arm of Volkswagen. It sells trucks and buses under the Scania, MAN, Navistar, and VWTB brands. The company has a presence in 16 countries and is mainly active in Germany, the U.S., and Brazil.

Under its industrial business, TRATON recorded S&P Global Ratings-adjusted revenue of €39.0 billion in 2022, up from €29.7 billion in 2021, and adjusted EBITDA margin of 6.9%, compared with 6.3% in 2021. TRATON is controlled by Volkswagen, which owns about 90% of its share capital since the initial public offering in June 2019. TRATON is listed on the Frankfurt stock exchange and the Nasdaq Stockholm. As of Aug. 11, 2023, the company's market capitalization was about €10.1 billion.

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Ratings Score Snapshot

Issuer credit rating	BBB/Stable/A-2
Business risk:	Satisfactory
Country risk	Low
Industry risk	Moderately high
Competitive position	Satisfactory
Financial risk:	Significant
Cash flow/leverage	Significant
Anchor	bb+
Modifiers:	
Diversification/Portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Fair (no impact)
Comparable rating analysis	Neutral (no impact)
Captive finance	Neutral (no impact)
Stand-alone credit profile:	bb+
Group credit profile	bbb+
Entity status within group	Highly strategic (-1 notch from group credit profile)

Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology , June 8, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments , April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings , March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria | Corporates | General: Methodology: The Impact Of Captive Finance Operations On Nonfinancial Corporate Issuers , Dec. 14, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers , Dec. 16, 2014
- General Criteria: Methodology: Industry Risk , Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions , Nov. 19, 2013

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- Criteria | Corporates | General: Corporate Methodology , Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities , Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating , Oct. 1, 2010

Related Research

- Tear Sheet: TRATON SE, June 16, 2023
- Bulletin: German Truck Manufacturer TRATON Sees Positive Route Ahead For 2023, March 9, 2023
- Industry Top Trends 2023: Autos, Jan. 23, 2023
- TRATON SE, Dec. 14, 2022
- Research Update: German Truck Manufacturer TRATON SE Affirmed At 'BBB' Despite Weaker Margin Prospects In 2022; Outlook Stable, July 22, 2022
- Global Heavy Truck Sales Forecast: COVID, War, And Supply Chain Woes Are Taking Their Toll In 2022, June 24, 2022

Ratings List

New Rating

TRATON SE

Issuer Credit Rating --/--/A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceld/504352 Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; or Stockholm (46) 8-440-5914

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