

IR release

TRATON GROUP boosts sales revenue, earnings, and profitability in the first nine months of 2024

- ▶ At around 189,800 vehicles, incoming orders in the first nine months of 2024 were on a level with the same period year-on-year
- ▶ Unit sales down just 2% year-on-year at 245,400 vehicles
- ▶ Group's sales revenue up 3% to €35.3 billion
- ▶ Adjusted operating result improved by €332 million to €3.3 billion
- ▶ Adjusted operating return on sales increased to 9.3% in the first nine months

Munich, October 28, 2024 – The TRATON GROUP increased its sales revenue by 3% to €35.3 billion (9M 2023: €34.2 billion) in the first nine months of 2024 as the market conditions in Europe continued to normalize. This development was essentially driven by a positive market and product mix and by better unit price realization in the TRATON Operations business area. TRATON Financial Services contributed to the Group's sales revenue growth due to a rise in portfolio volume. Adjusted operating result of the TRATON GROUP was €332 million higher at €3.3 billion (9M 2023: €2.9 billion) and adjusted operating return on sales improved to 9.3% (9M 2023: 8.6%). This was thanks primarily to continued good price management combined with an improved cost structure in the TRATON Operations business area.

Incoming orders remained on a level with the previous year at 189,800 (9M 2023: 189,600) vehicles. As already reported, unit sales declined by just 2% to 245,400 (9M 2023: 249,500) vehicles in the first nine months of the year. In the third quarter of 2024, the Group posted a gratifying 5% increase in sales. Incoming orders in the first nine months were lower than unit sales, resulting in a book-to-bill ratio of 0.8, in line with the corresponding period in 2023.

Performance of the TRATON GROUP brands

Scania increased its adjusted operating return on sales by 1.5 percentage points to 14.4% (9M 2023: 12.8%). This increase was primarily thanks to the very strong growth in the New Vehicles business in South America, a positive price and product mix, and lower product costs. Scania also secured higher margins in the Vehicle Services business.

MAN recorded an adjusted operating return on sales of 7.4% (9M 2023: 7.1%), a 0.3 percentage point improvement. A positive operating performance in both bus and van sales and the Vehicle Services business was offset by the negative volume effect that the truck business had on adjusted operating result. Moreover, MAN achieved an improved cost structure due to the realignment program completed at the end of 2023, despite lower production capacity utilization.

In the third quarter, TRATON's North American brand International (formerly Navistar) was able to deliver trucks from semi-finished inventory caused by a fire at the plant of a mirror supplier in the second quarter; along with the better unit price realization, this had a positive effect on the adjusted operating return. After the first nine months of 2024, this is 6.8% (9M 2023: 6.5%) and thus 0.3 percentage points higher than the previous year.

Volkswagen Truck & Bus (VWTB) managed to raise its adjusted operating return on sales by 2.4 percentage points to 12.0% (9M 2023: 9.6%) thanks to a one-fifth increase in sales plus strengthened product positioning and unit price realization in Brazil.

Christian Levin, CEO of the TRATON GROUP: "In the first nine months of 2024, the TRATON GROUP continued to implement its strategy very successfully. Although the European market in particular remains challenging, our brands show resilience and focus in all our market environments globally. The year-on-year increase of 0.7 percentage points in our adjusted operating return on sales to an impressive 9.3% is convincing evidence. I am optimistic about the future of the TRATON GROUP. Our brands are continuously bringing additional service offers that will give us even more stability as a Group in volatile markets. In the fourth quarter, MAN will launch the digital platform SimplePay, thereby offering customers better cost management of their fleets. Effective October 1, the rebranding of our North American TRATON brand as International went hand in hand with a shift in strategy to transform the business into a stronger provider of end-to-end solutions. International's portfolio includes parts, maintenance, financing, connectivity, and charging. At IAA in Hannover, Scania presented its Services 360, demonstrating how a modular services package helps customers in the highly competitive logistics market. As a Group, we are focusing more on portfolio management for our customers and their fleets with the aim of generating maximum value from the vehicle fleet. The transformation to sustainable transport remains our most ambitious purpose and strategy. That's why it's so important that MAN has now started delivering its all-electric trucks. And that Volkswagen Truck & Bus has initiated the homologation for approval of the new eVolkswagen bus. Our brands are on track to live our important purpose: "Transforming Transportation Together. For a sustainable world". Nonetheless, this represents an enormous social challenge. We need to partner with and get the support of politics, network providers, and energy suppliers. This partnership and common contribution are crucial if we are to achieve sustainable transport."

Dr. Michael Jackstein, CFO and CHRO of the TRATON GROUP: "TRATON has performed very well over the year to date, although customers remain cautious in some key markets, particularly in Germany. This shows the clear advantage of operating with our different brands in different regions. Moreover, it is thanks to the commitment of each and every one of the over 105,000 employees in our Group that we managed to increase sales revenue by 3% in this environment in the first nine months, despite slightly lower unit sales. By merging significant sections of our brands' research and development departments into a cross-brand organization, we are paving the way for an even more efficient Group to better meet the needs of our customers. At the same time, the brands have enough scope with their products to be able to leverage the strengths of their individual brand identities in full. We also recently celebrated our achievements in the financial services business. MAN now also operates in Spain, Poland, South Korea, Austria, and Germany under the TRATON Financial Services umbrella. In addition, we intend to further reduce the net financial debt of the industrial business in 2024, with the aim of being debt-free within the next five years. We reiterate our outlook for full-year 2024. Well aware that the final quarter will be challenging, we are still targeting the upper end of the adjusted return on sales outlook range of 8 to 9%."

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The TRATON GROUP's financial key performance indicators:

	9M 2024	9M 2023	Change
TRATON GROUP			
Incoming orders	189,769	189,611	0%
of which trucks	148,955	149,990	-1%
of which buses	24,253	21,095	15%
of which MAN TGE vans	16,561	18,526	-11%
Unit sales	245,384	249,475	-2%
of which trucks	205,233	207,078	-1%
of which buses	20,843	22,502	-7%
of which MAN TGE vans	19,308	19,895	-3%
Sales revenue (€ million)	35,253	34,176	3%
Operating result (€ million)	3,103	2,695	408
Operating result (adjusted) (€ million)	3,261	2,929	332
Operating return on sales (adjusted) (in %)	9.3	8.6	0.7 pp

	9M 2024	9M 2023	Change
TRATON Operations			
Sales revenue (€ million)	34,266	33,352	3%
Operating result (€ million)	3,412	2,981	431
Operating result (adjusted) (€ million)	3,570	3,113	457
Operating return on sales (adjusted) (in %)	10.4	9.3	1.1 pp
Net cash flow (€ million)	1,344	2,403	-1,059
TRATON Financial Services			
Sales revenue (€ million)	1,409	1,158	22%
Operating result (€ million)	158	119	39
Operating result (adjusted) (€ million)	158	221	-63
Operating return on sales (adjusted) (in %)	11.2	19.1	-7,9 pp
Return on equity (in %)	10.9	7.9	3.1 pp

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Webcast for analysts and the press

A webcast to discuss the TRATON GROUP's results in the third quarter and the first nine months of fiscal year 2024 will take place **at 10:00 a.m. on October 28** with the TRATON GROUP's CEO Christian Levin and its CFO and CHRO Dr. Michael Jackstein. The webcast will be in English. The presentation will be followed by a Q&A for analysts and then a second round of questions from journalists.

The link to the webcast can be found here: <https://ir.traton.com/en/financial-dates-events/>

A recording of the webcast will be available after the event.

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With its brands Scania, MAN, International, and Volkswagen Truck & Bus, TRATON SE is the parent and holding company of the TRATON GROUP and one of the world's leading commercial vehicle manufacturers. The Group's product portfolio comprises trucks, buses, and light-duty commercial vehicles. "Transforming Transportation Together. For a sustainable world.": this intention underlines the Company's ambition to have a lasting and sustainable impact on the commercial vehicle business and on the Group's commercial growth.