

An aerial photograph of a long, multi-lane bridge spanning a wide body of water. In the background, a city skyline with various skyscrapers is visible under a hazy, orange-tinted sky, suggesting a sunset or sunrise. The bridge has a central pylon and several smaller support structures. A few vehicles, including a bus and a truck, are visible on the bridge. The water is calm, and there are some floating structures or buoys in the distance.

TRATON

TRATON credit update presentation

August 2023



NAVISTAR



Disclaimer

This presentation has been prepared for information purposes only.

It does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Volkswagen AG, TRATON SE, or any company of the TRATON GROUP in any jurisdiction. Neither this presentation, nor any part of it, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contractual commitment or investment decision in relation to the securities of Volkswagen AG, TRATON SE, or any company of the TRATON GROUP in any jurisdiction, nor does it constitute a recommendation regarding any such securities.

It contains forward-looking statements and information on the business development of the TRATON GROUP. These statements and information are based on assumptions relating in particular to the TRATON GROUP's business and operations and the development of the economies in the countries in which the TRATON GROUP is active.

The TRATON GROUP has made such forward-looking statements on the basis of the information available to it and assumptions it believes to be reasonable. The forward-looking statements and information may involve risks and uncertainties, and actual results may differ materially from those forecasts. If any of these or other risks or uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such forward-looking statements and information. The TRATON GROUP will not update this presentation, particularly not the forward-looking statements. The presentation is valid on the date of publication only.

Certain financial information and financial data included in this presentation are preliminary, unaudited, and may be subject to revision. Due to their preliminary nature, statements contained in this presentation should not be unduly relied upon, and past events or performance should not be taken as a guarantee or indication of future events or performance. Financial figures might be translated from different currencies, using the exchange rate prevailing at the relevant date or for the relevant period that the relevant financial figures relate to.

All statements with regard to markets or market position(s) of TRATON SE or any affiliated company or any of its competitors are estimates based on data available to the TRATON GROUP.

IHS Markit Data referenced herein are the copyrighted property of IHS Markit Ltd. and its subsidiaries ("IHS Markit"). The IHS Markit Data are from sources considered reliable; however, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses published by IHS Markit representations of fact. The IHS Markit Data speak as of the original publication date thereof and are subject to change without notice. IHS Markit and other trademarks appearing in the IHS Markit Data are the property of IHS Markit or their respective owners.

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.

Agenda

- 1. TRATON GROUP Overview**
- 2. Strategy „TRATON Way Forward“**
- 3. Business Performance Q2 2023**
- 4. Debt & Rating**
- 5. Contacts**



Overview TRATON GROUP

Overview TRATON GROUP



Note: Data based on Full Year 2022 results 1 As of December 31, 2022

TRATON GROUP - four strong global brands under one roof



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.



Truck
Bus



Value for money

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

Major milestones for TRATON GROUP

2015
Establishment of
VW Truck & Bus



2019
Successful IPO
of TRATON SE



2021
Acquisition of
Navistar

NAVISTAR

2021
Introduction
of new
Group powertrain



2022
Charging JV with
Daimler Truck
& Volvo Group

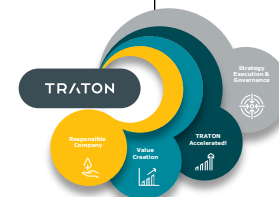


TRATON

2018
Re-branding/
new identity



2021
Squeeze-Out MAN SE,
realignment MAN T&B



2021+
New strategy, the
TRATON Way Forward

TRATON
FINANCIAL SERVICES

2023
Go-live of
TRATON
Financial Services

Production & assembly sites around the globe



SCANIA

13



8

NAVISTAR

5

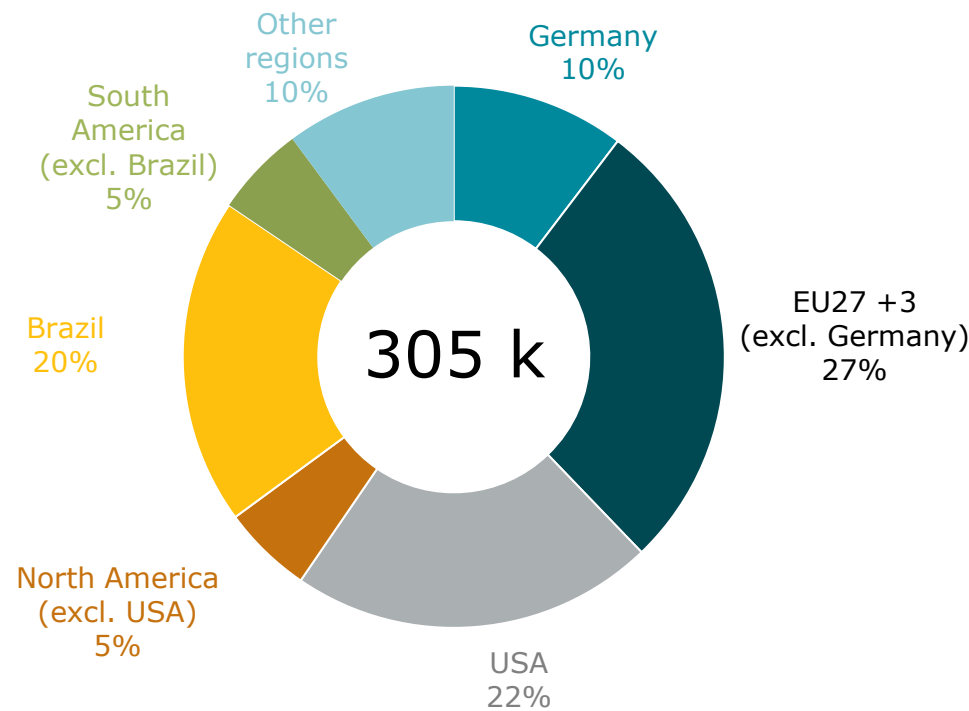


Truck
Bus

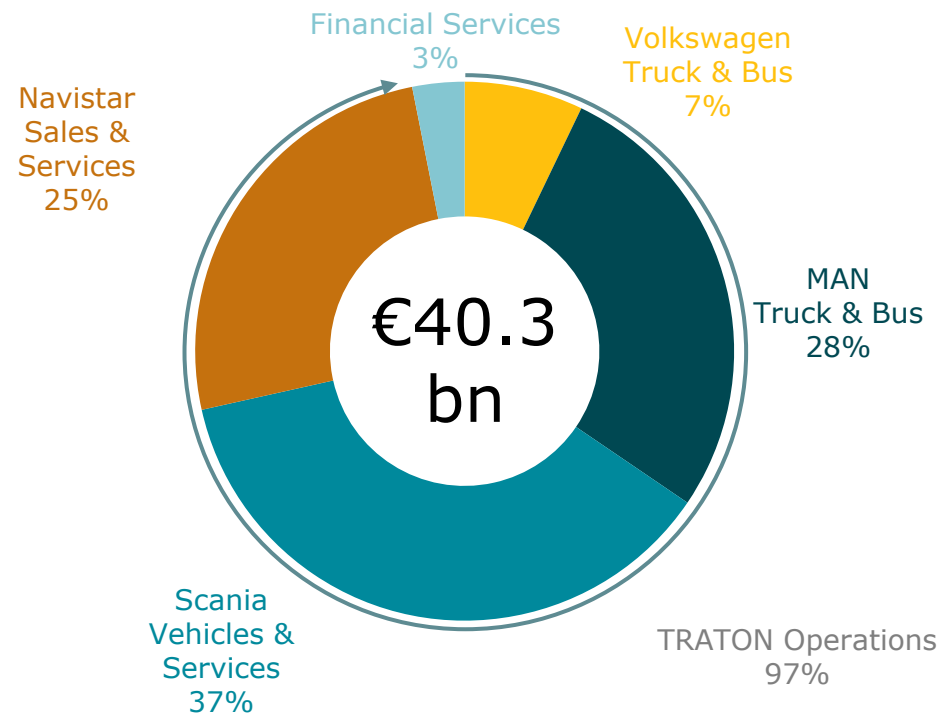
2

Diversified by geography and by brand

Unit sales FY 2022 (% of total)



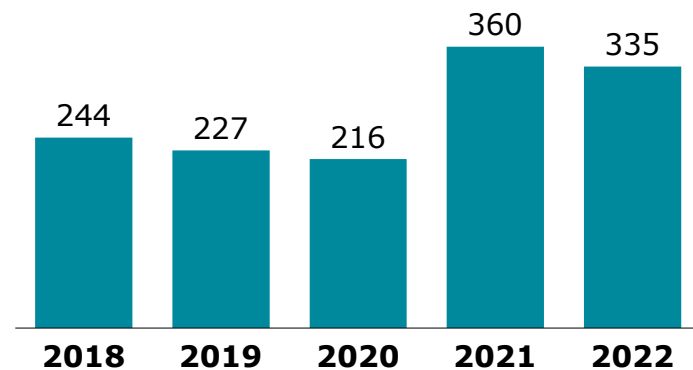
Sales revenue FY 2022 (% of total)



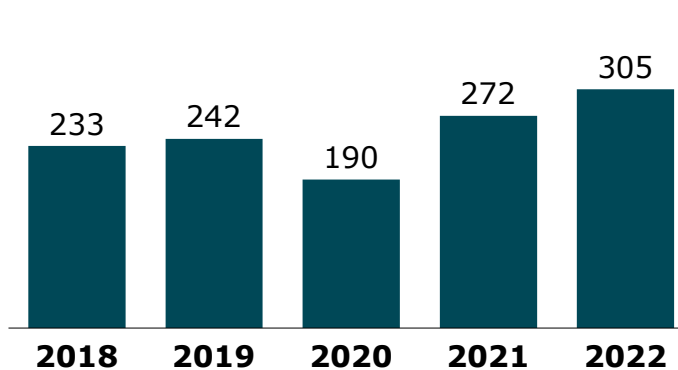
Note: TRATON including Financial Services, excl. consolidation and Corporate Items; rounding differences possible.

Key figures development 2018 to 2022¹

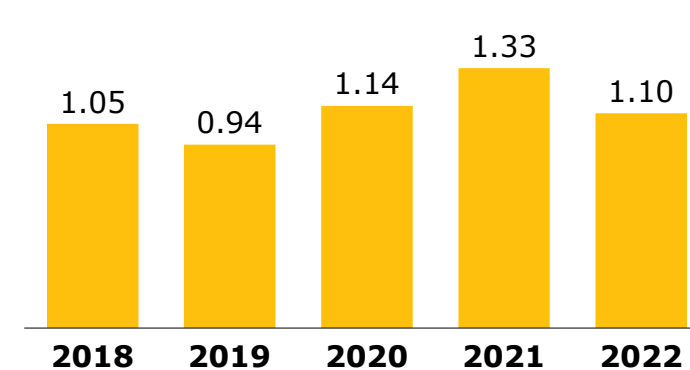
Incoming orders (k units)



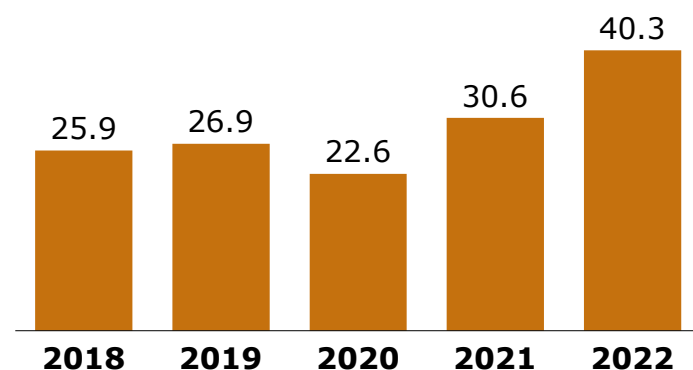
Unit sales (k units)



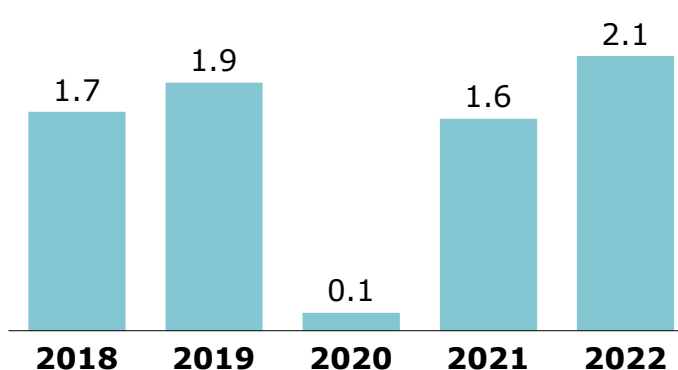
Book-to-bill (ratio in units)



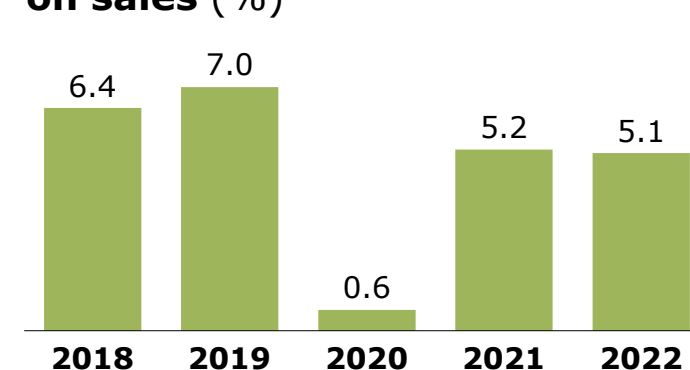
Sales revenue (€ bn)



Adjusted operating result (€ bn)



Adjusted operating return on sales (%)

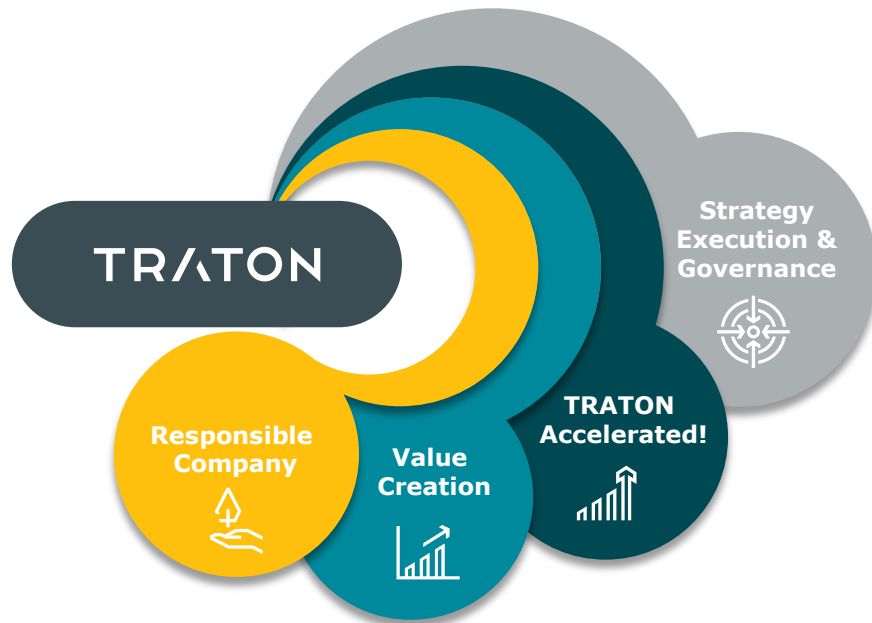




Strategy „TRATON Way Forward“

TRATON Way Forward

Full focus and commitment on execution along strategic framework



Responsible Company

Decarbonization & Circularity
People & Diversity
Governance & Ethics



Value Creation

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



TRATON Accelerated!

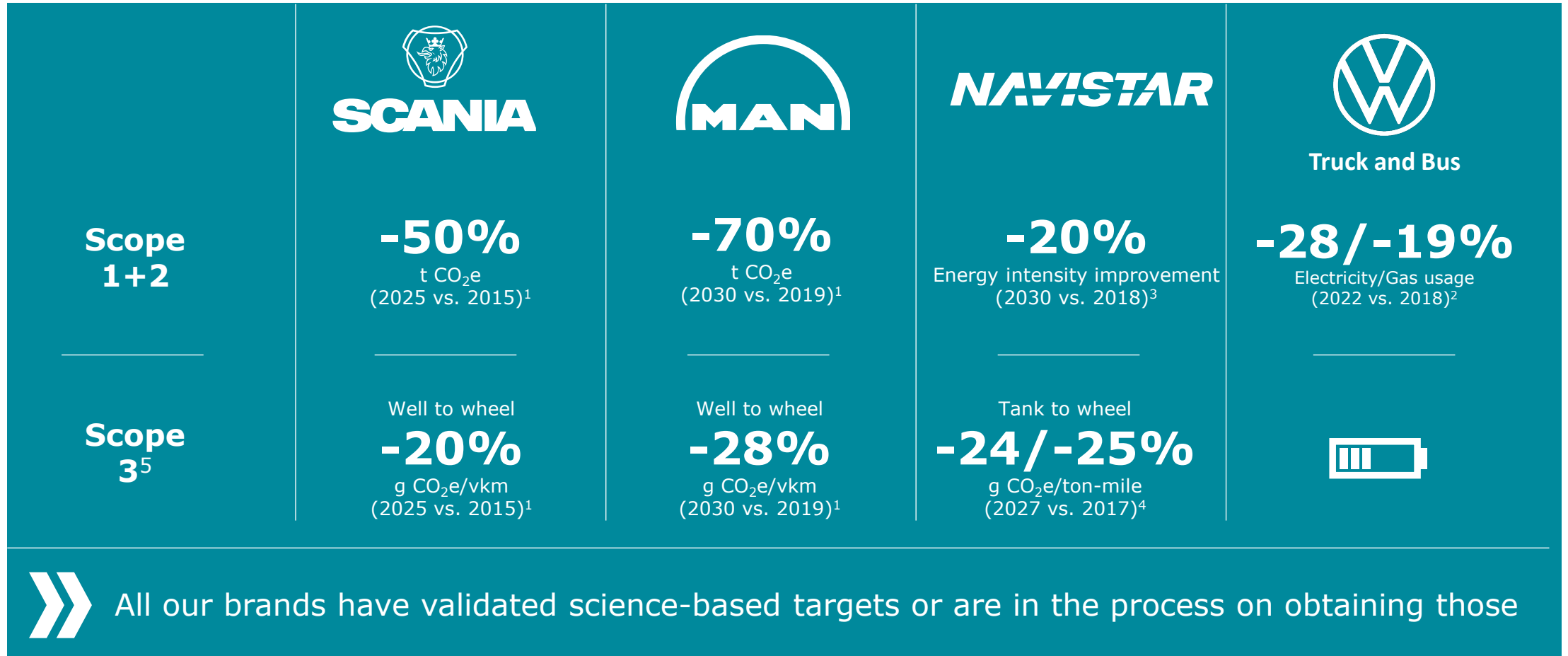
Business Model Expansion
Partnership Culture
Embrace Digital



Strategy Execution & Governance



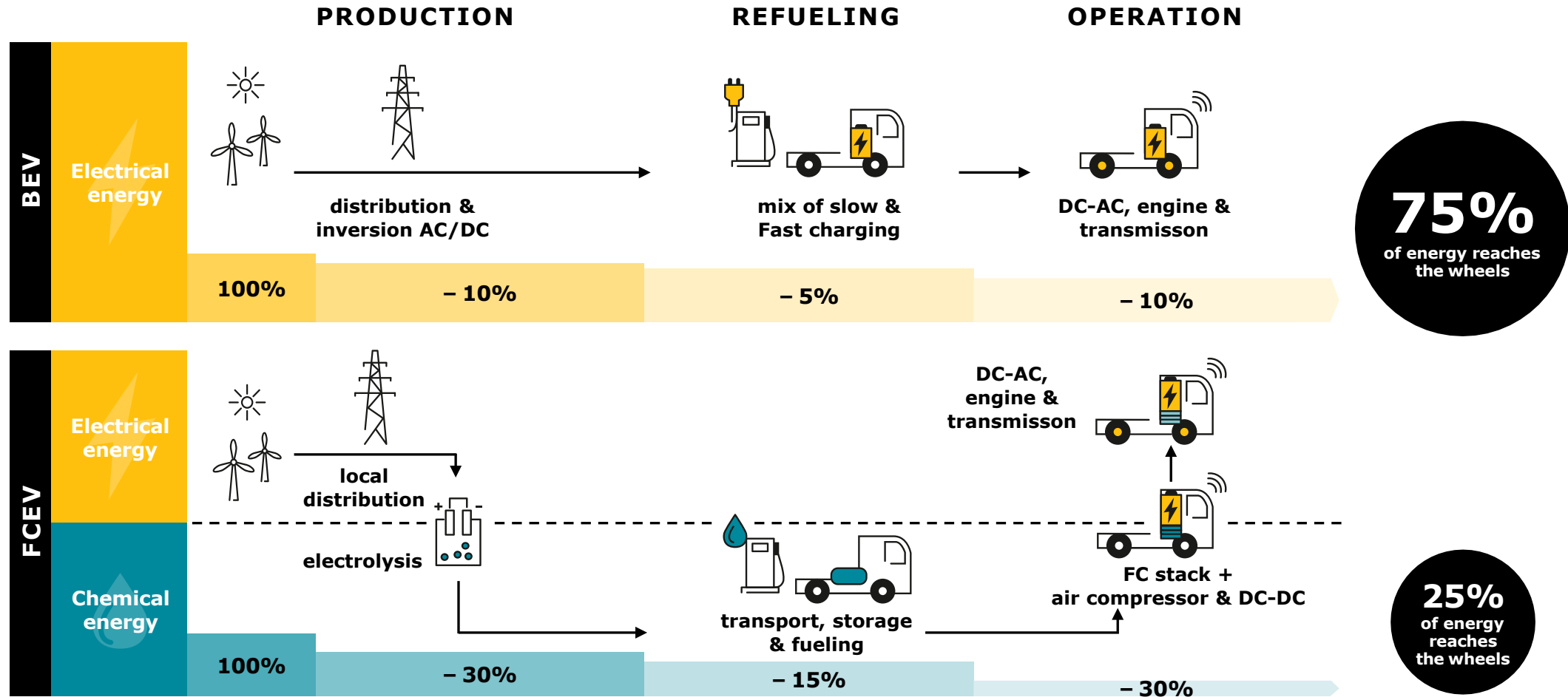
We are fully committed to the Paris Agreement



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



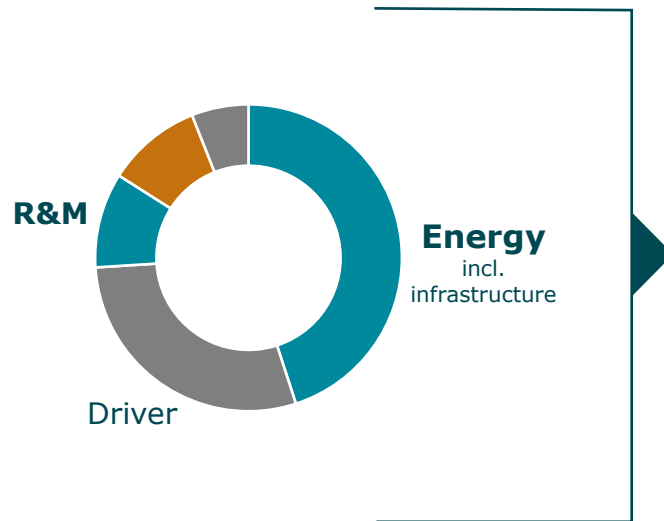
A comparison of system efficiency between BEVs and FCEVs



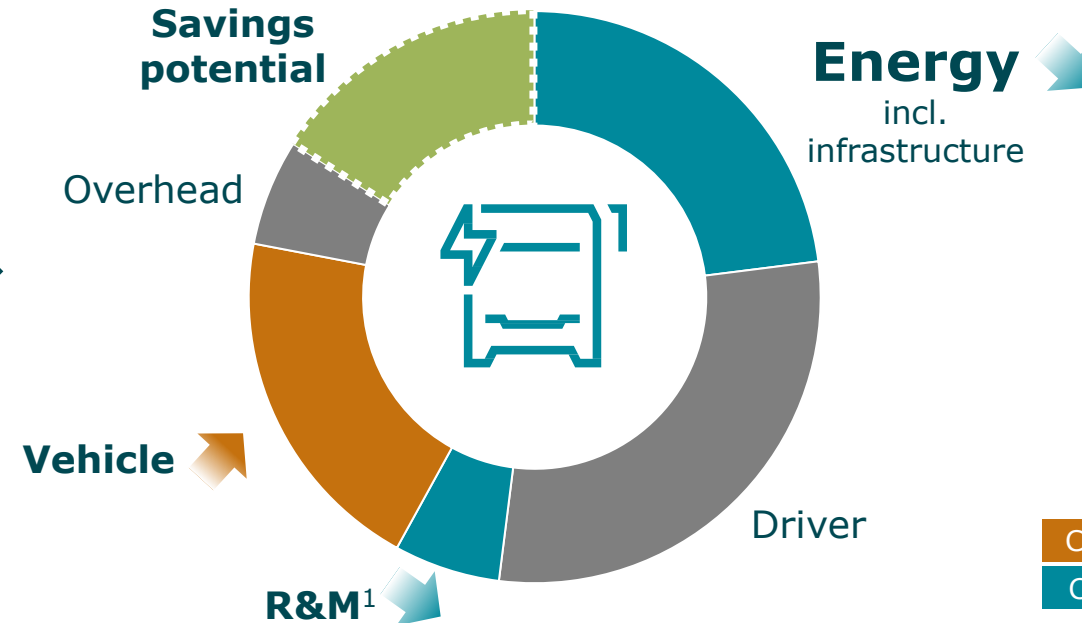


The cost distribution will change significantly with fully electric trucks

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

¹ Repair and Maintenance



High-performance charging network for Europe

DAIMLER
TRUCK

TRATON

VOLVO

>1,700

public charging points

€500 mn

investment (jointly)

- ▶ **Milence Joint Venture operational** since July 2022.
- ▶ **Organization ramped up**, experienced **management team in place**.
- ▶ Roll-out of **Europe's first large-scale public charging network** for heavy-duty trucks and coaches.
- ▶ Network will be **open and accessible** to all brands.
- ▶ Intended to **enhance customer confidence**.
- ▶ Supporting EU's **transformation to climate-neutral transportation**.



TRATON to continue path to decarbonization in 2023 with tangible steps in products, supplies and infrastructure

- ▶ Scania and Northvolt unveil green battery capable to power trucks for 1.5 million km.
- ▶ MAN prepares series production start of long-distance eTruck.
- ▶ First Scania 40-ton regional-haulage eTruck deliveries.
- ▶ VWTB started series production of e-Delivery truck.
- ▶ Scania and MAN progressing with battery assembly plants
- ▶ Scania and ABB E-mobility with first test in development of Megawatt Charging System.





Creating value for our stakeholders



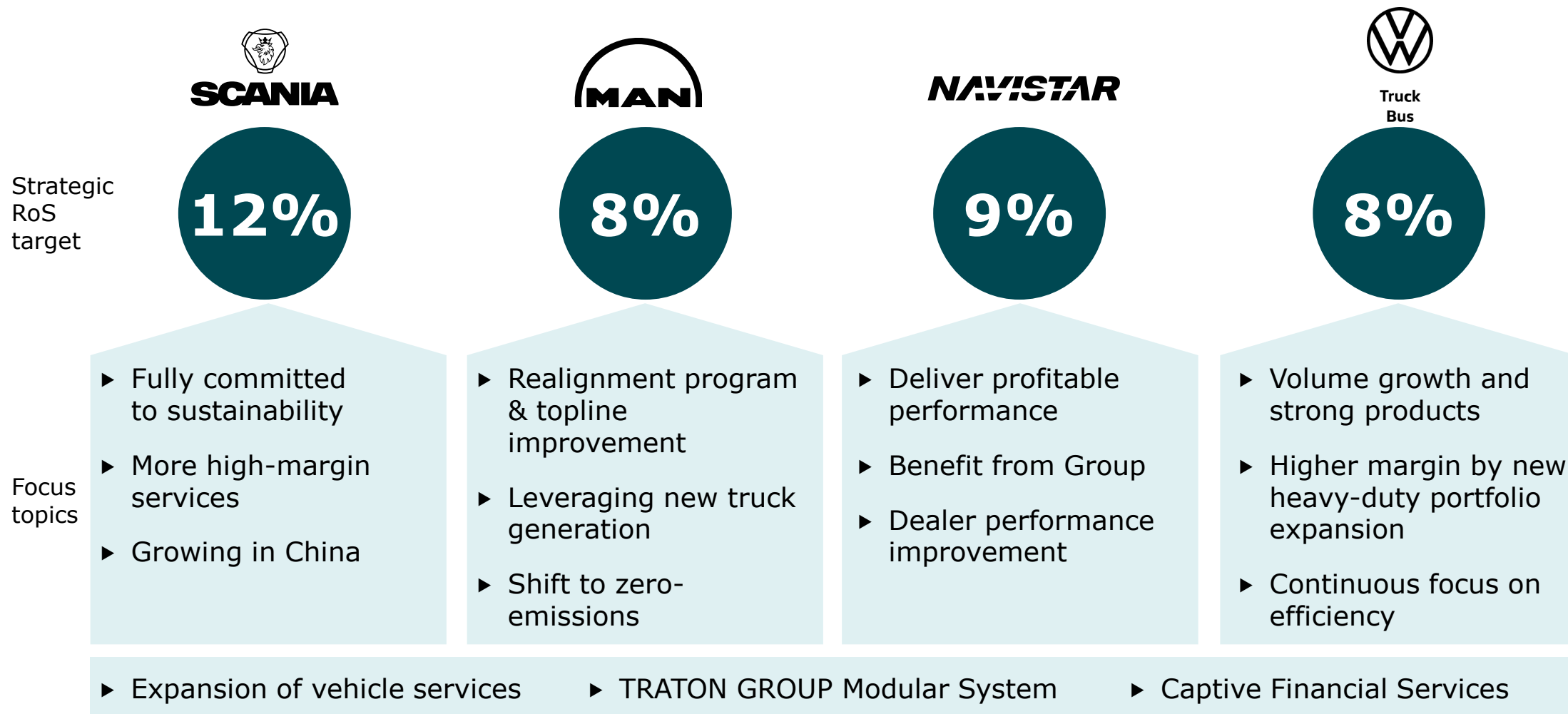
► Brand performance programs, brand cooperation and performance culture

► Integration of Navistar and realization of its full potential

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

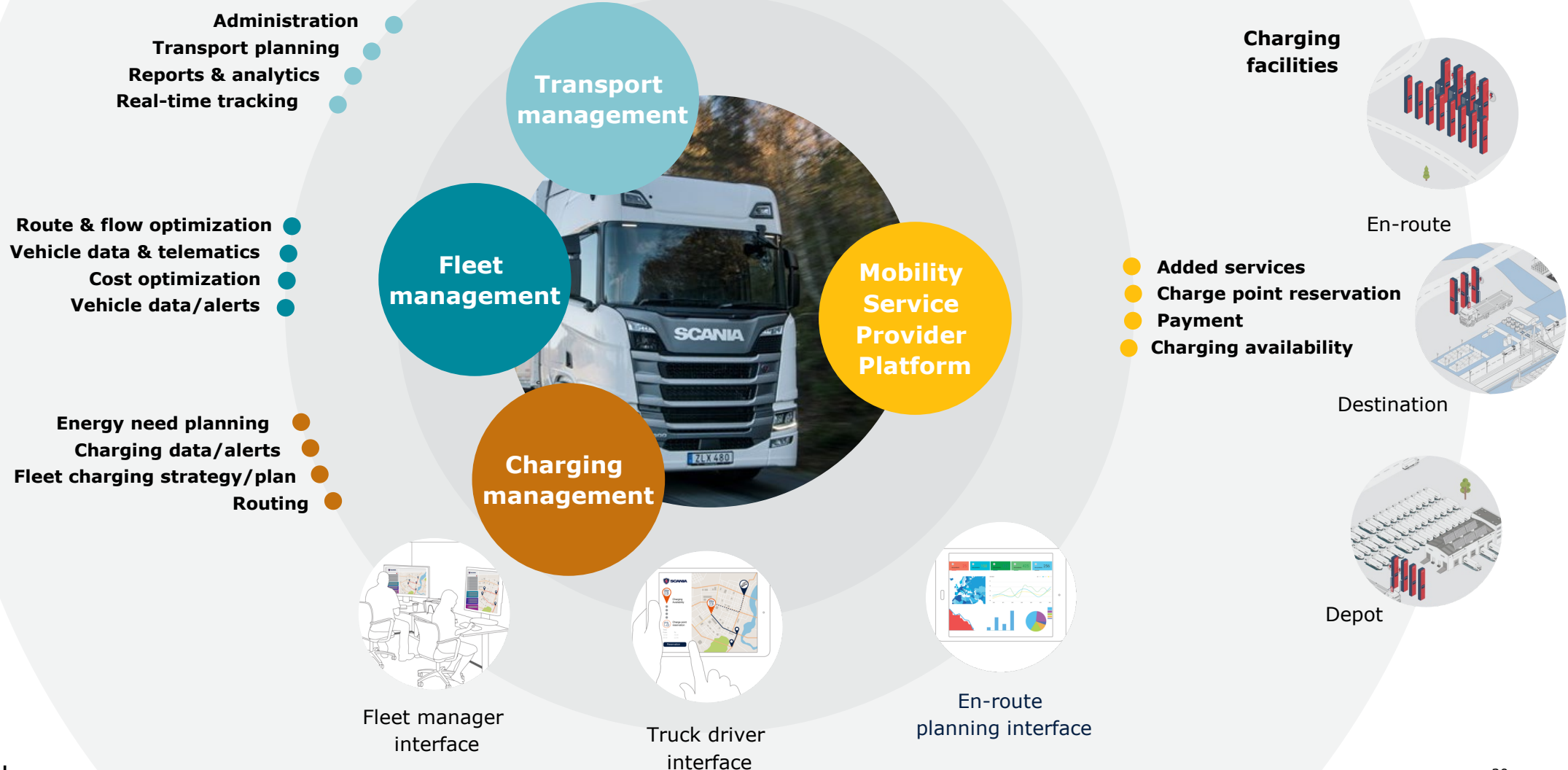


Targets for each of our brands



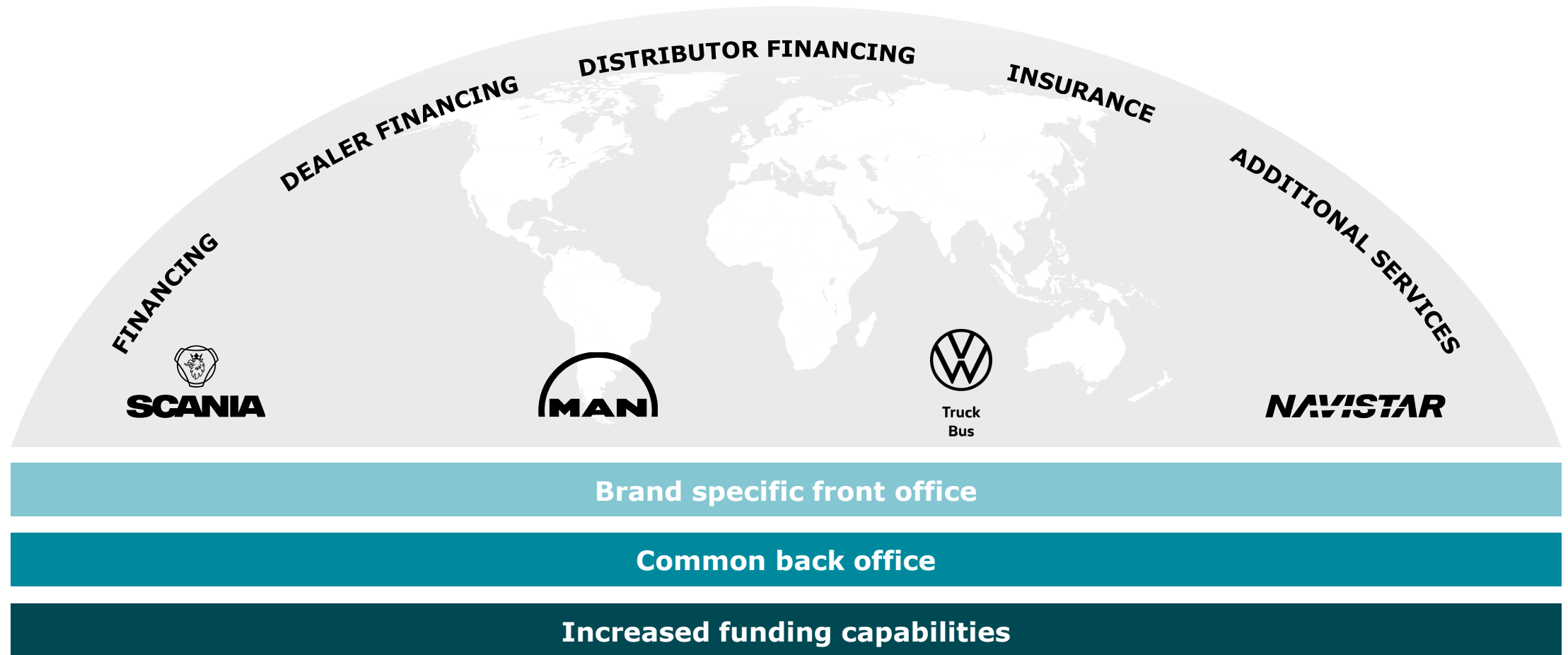


We build a solution ecosystem around our customer





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





Key milestones reached to establish global captive and integrated TRATON Financial Services business

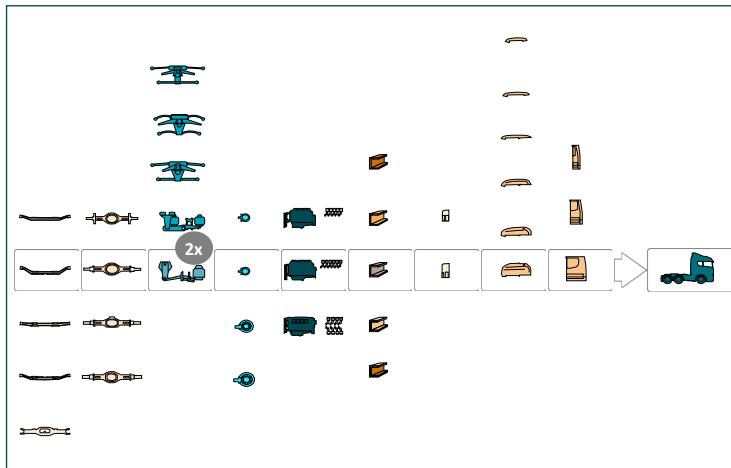


- ▶ Go-live of TRATON Financial Services and transfer of Scania FS effective April 1, 2023.
- ▶ Take-over of MAN and VWTB FS activities announced, stepwise market roll-out and integration to be completed by Q2 2025.
- ▶ Expansion of captive FS offering for Navistar from Q4 2023.
- ▶ One common backbone, while customers will benefit from brand-specific front offices.



Build-up of a TRATON Modular System based on Scania principles

Scania Bygglåda



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

» TRATON Modular System

We create **standardized Group interfaces**

Within Group: **Same need – identical solution**

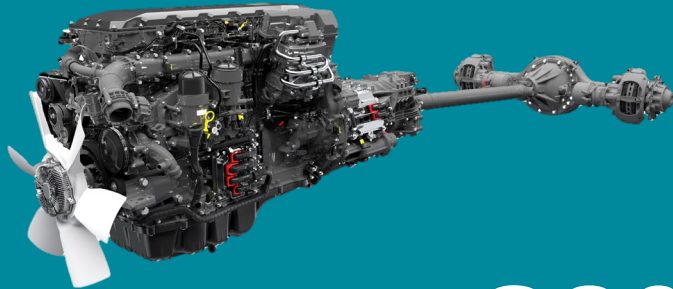
Differentiate via **balanced performance steps**



Common base engine (CBE) entering markets with strong benefits for customers and TRATON GROUP brands

No.1

The world's most sustainable powertrain
with a 13L common base engine (CBE)



60%

of the truck costs
are attributable to
the drivetrain

Over **80%**
common components
in the engine



2022



- ▶ 8% long-haulage fuel savings¹
- ▶ Ready for tomorrow's emissions standards
- ▶ Equipped for renewable fuels

2023



- ▶ Up to 15% gain in fuel efficiency²
- ▶ Better efficiency, reliability and sustainability
- ▶ Increased service and solution offerings

2024

...

2028

¹ Figure based on vehicle validation. ² Fuel economy comparison based on the first-generation International A26 engine to the new S13 Integrated Powertrain, together with the latest updates to the LT Series truck. Actual results may vary.



Key steps taken in 2022 in Group-wide implementation of the TRATON Modular System



- ▶ Highly competitive Scania Super launched based on Common Base Engine (CBE).
- ▶ Production ramp-up expected to accelerate throughout 2023.
- ▶ Key Group-wide development and major step to go common.
- ▶ Cross-brand Product Management and global Group R&D set up.



Roll-out of TRATON Modular System continues with particular focus on Navistar



- ▶ First deliveries of new International S13 Integrated Powertrain in H2 2023.
- ▶ New powertrain, based on CBE, combined with updated aerodynamics package.
- ▶ Offering up to 15% improved fuel efficiency¹ and enhanced uptime and services.
- ▶ Expansion and technological upgrade of Huntsville/Alabama site.

¹ Fuel economy comparison based on the first generation International A26 engine to the new S13 Integrated Powertrain, together with the latest updates to the LT Series truck. Actual results may vary.

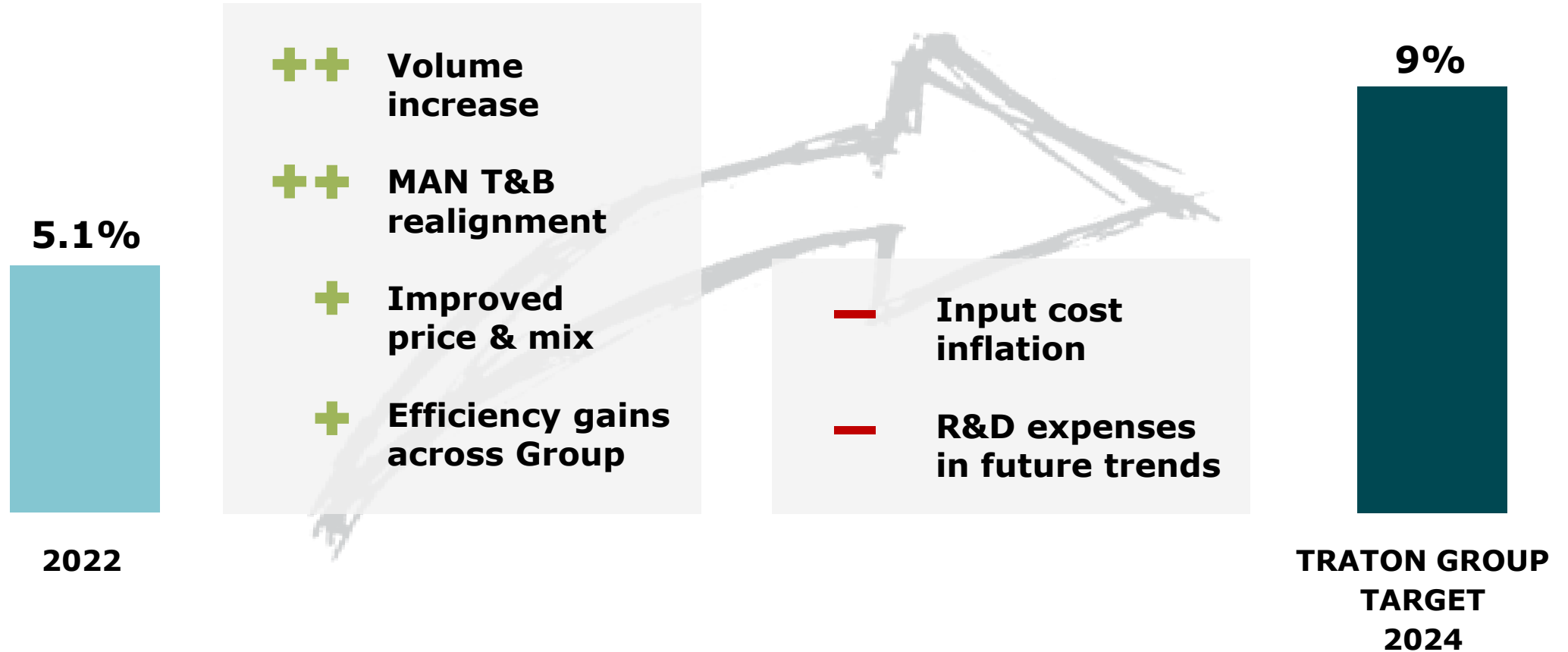


Implementing new steering philosophy to support roll-out of TRATON Modular System

- ▶ Establishment of Truck Board reflecting Group responsibilities for Research & Development, Procurement, Production & Logistics.
- ▶ New steering structure to strengthen collaboration, coordination and governance crucial for roll-out of TRATON Modular System.
- ▶ Intersection between brands and industrial operations lays foundation for sustainable value creation and synergies.



Stringent execution along clearly defined building blocks towards RoS target



Building blocks driving margin upside and earnings resilience

Volume, mix & pricing



Highly competitive products & services leading to volume increases and better price positioning & mix across the brands

MAN T&B realignment program



Improved fixed cost structure and increased productivity thanks to stringent execution of realignment program; progressing according to plan

Efficiency gains



Sharing R&D costs across the brands and leverage scale thanks to common key components (e.g. CBE) reducing complexity and cost per unit and improved customer value

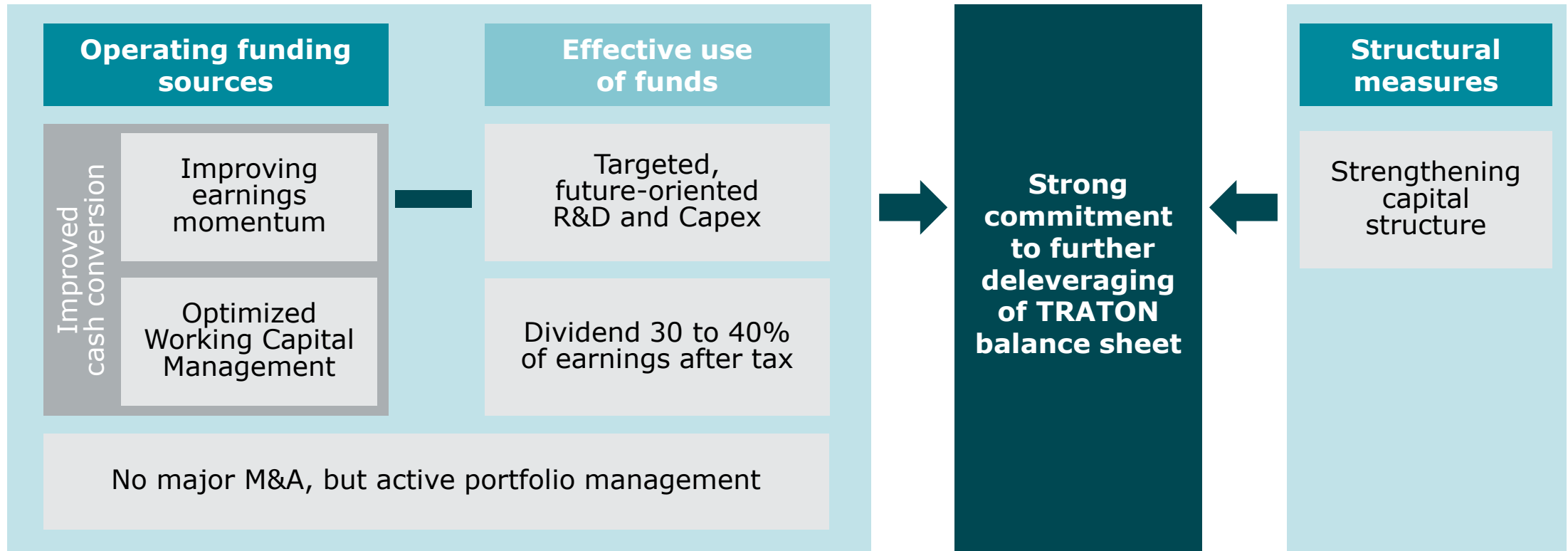
Earnings resilience



Sales revenue streams and cash flow less cyclical thanks to higher share of services business and financial services; diversified share in global profit pools and improved fix cost ratio

Significant self-help potential with strong focus on efficiency & execution

TRATON's capital framework – Focus on optimizing pillars to deleverage





Business Performance

Q2 2023



Very strong sales and earnings trajectory

Q2 2023



Incoming orders **56.8k** (-17%)



Unit sales **83.5k** (+20%)



Sales revenue **€11.7 bn** (+23%)



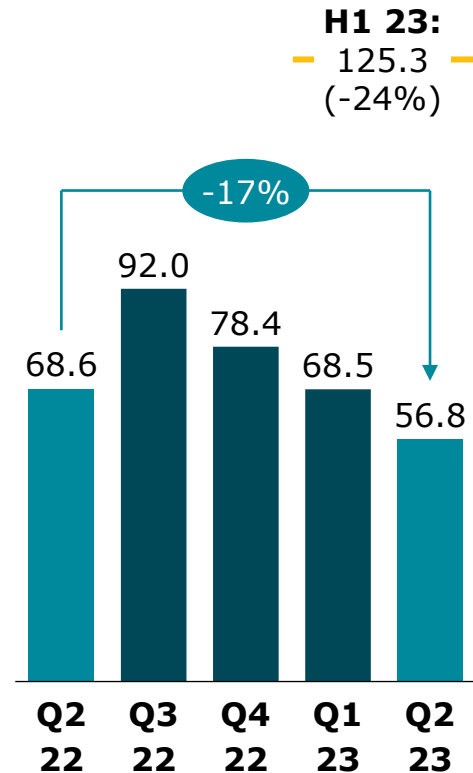
Adj. oper. result **€1,038 mn** (+€642 mn)

Adj. oper. RoS **8.9%** (+4.7 pp)

Continued restrictive order intake management, while production and unit sales increase strongly

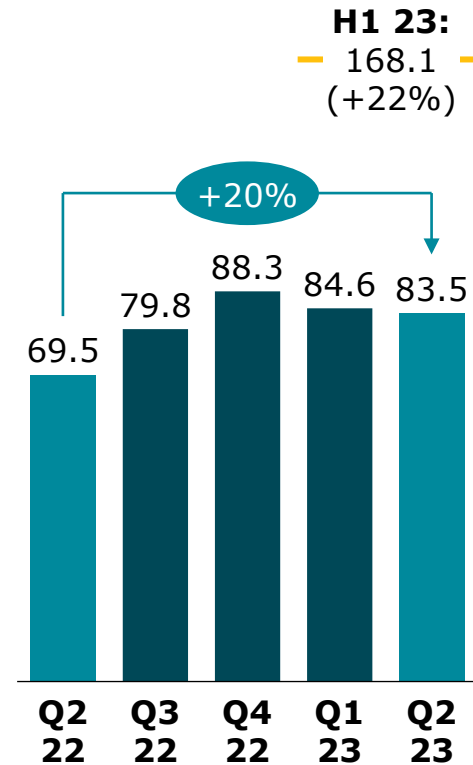
Incoming orders

(k units)



Unit sales

(k units)

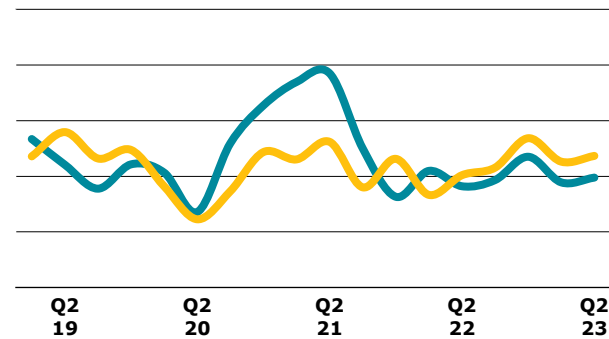


- **Incoming orders** lower YoY with book-to-bill at 0.7x.
- **Unit sales** up YoY, driven by improved supply chains and increased production levels.

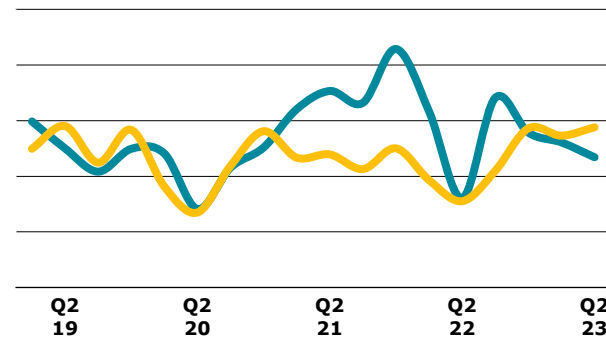
Order intake held back by active order book management, US book being not yet open for 2024 and Brazil weakness

Incoming orders & Unit sales

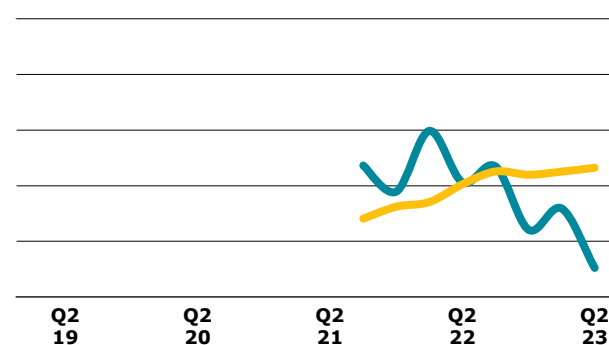
Scania Vehicles & Services



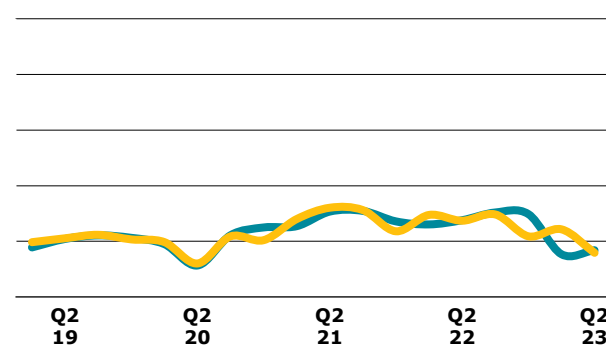
MAN Truck & Bus



Navistar Sales & Services



Volkswagen Truck & Bus

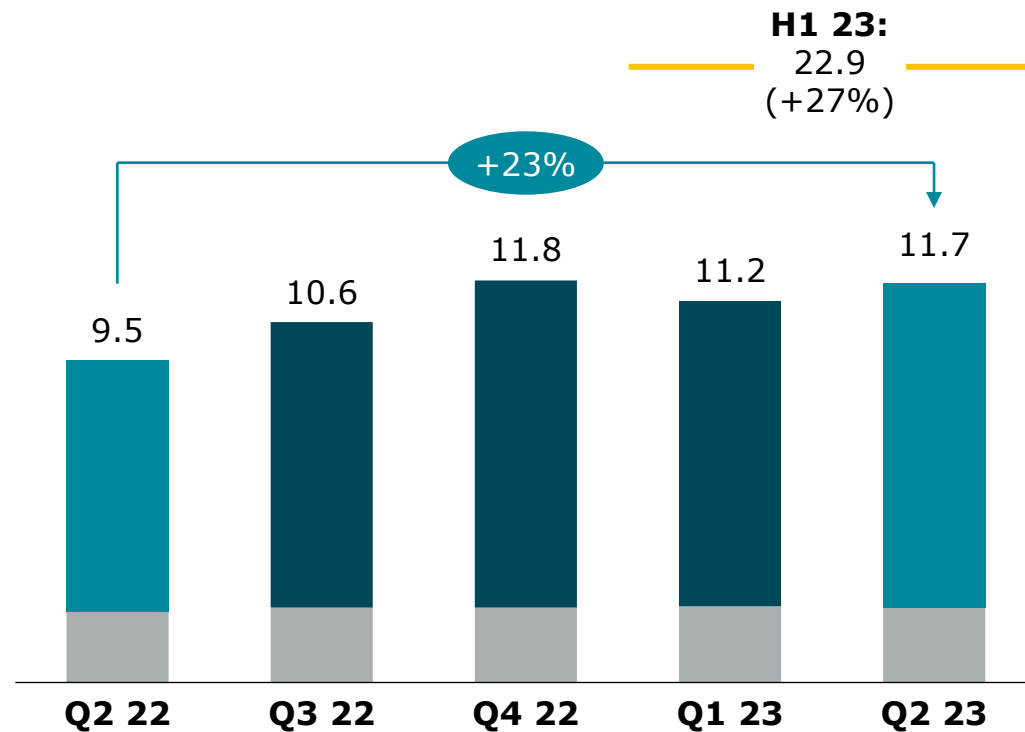


- **Scania** and **MAN** still with very long lead times - demand in Europe robust but dampened by economic uncertainty, lower freight activity and financing headwinds.
- **Navistar** order books in US for 2024 not yet fully open.
- **VWTB** affected by market weakness and emission regulation change in Brazil, but recently improved from lower base.

Substantial top-line growth due to higher new vehicle sales and increased Vehicle Services revenue

Sales revenue

(€ bn)



Vehicle Services business

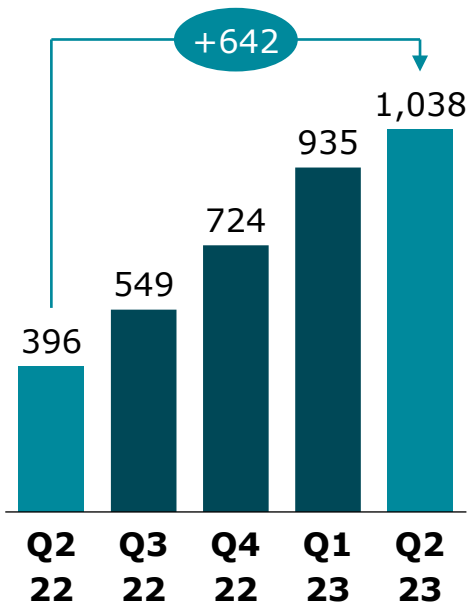
TR/TON

- **Sales revenue** increased to €11.7 bn in Q2, up by 23% compared to low prior-year basis.
- Strong volume growth, favorable market and product mix, better unit price realization and continued growth in Vehicle Services business driving topline performance.
- **Vehicle Services business** key to Group success.

Continued strong underlying earnings and margin growth

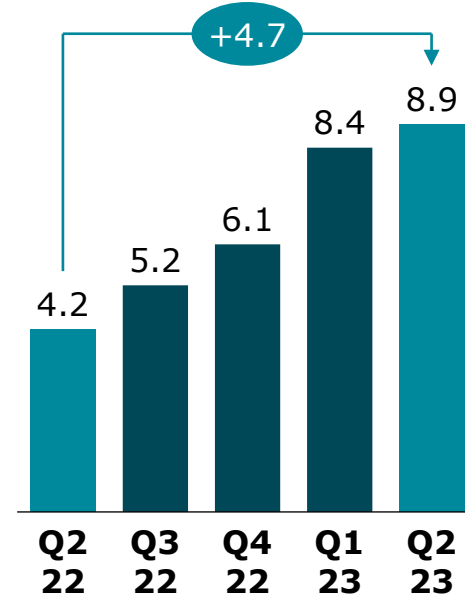
Adj. operating result (€ mn)

H1 23:
— 1,973 —
(+147%)



Adj. operating RoS (%)

H1 23:
— 8.6 —
(+4.2 pp)



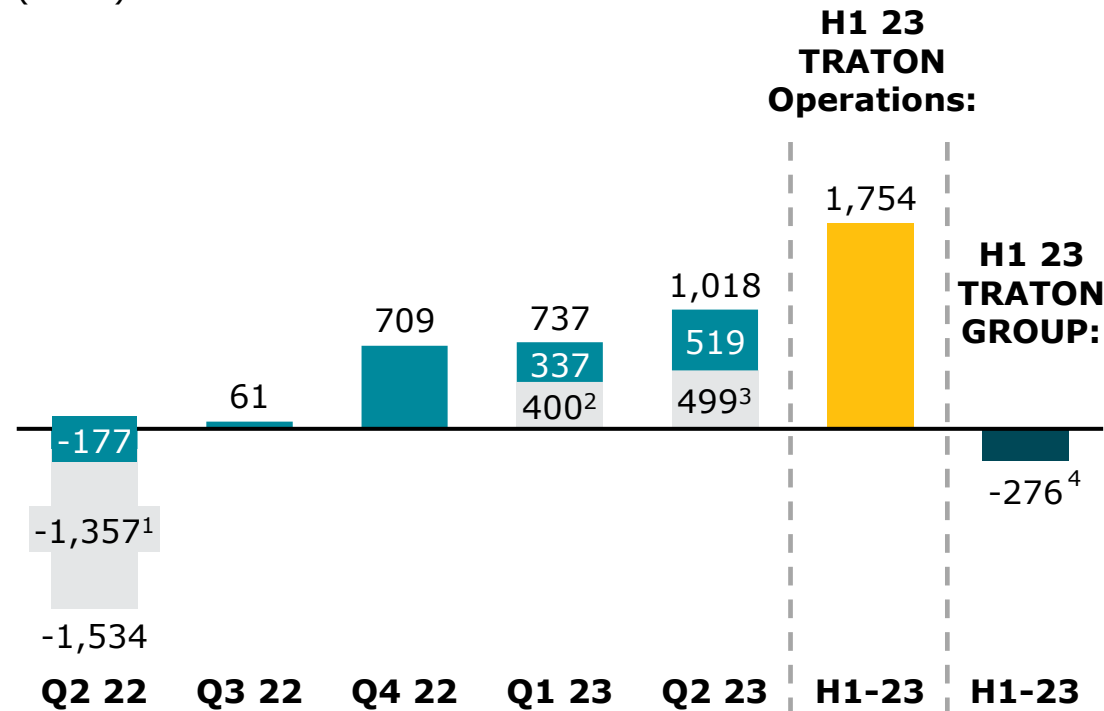
► **Adjusted operating result** and **profitability** more than doubled compared to prior year.

- Earnings benefited in particular from
- higher volumes and production capacity utilization resulting in better fixed cost absorption,
 - positive price/mix compensating input cost headwinds,
 - focus on cost management.

Improved net cash flow despite working capital headwinds, supported by one-time effects

Net cash flow TRATON Operations

(€ mn)



¹ €937 mn at Scania in connection with EU antitrust proceedings (incl. interest) and Navistar final payments totaling €420 mn following court approval of the "Profit Sharing Settlement Agreement" and "Krzysiak Action Settlement Agreement".

² Purchase price payment from the sale of the Scania Financial Services companies in Russia amounting to €400 mn.

³ Positive effect of €499 mn from the intragroup sale of the Scania Financial Services business to TRATON Financial Services. This transaction had no impact on net cash flow in the TRATON GROUP.

⁴ Thereof €1,754 m TRATON Operations, -€1,250 m TRATON Financial Services, -€781 m Corporate Items.

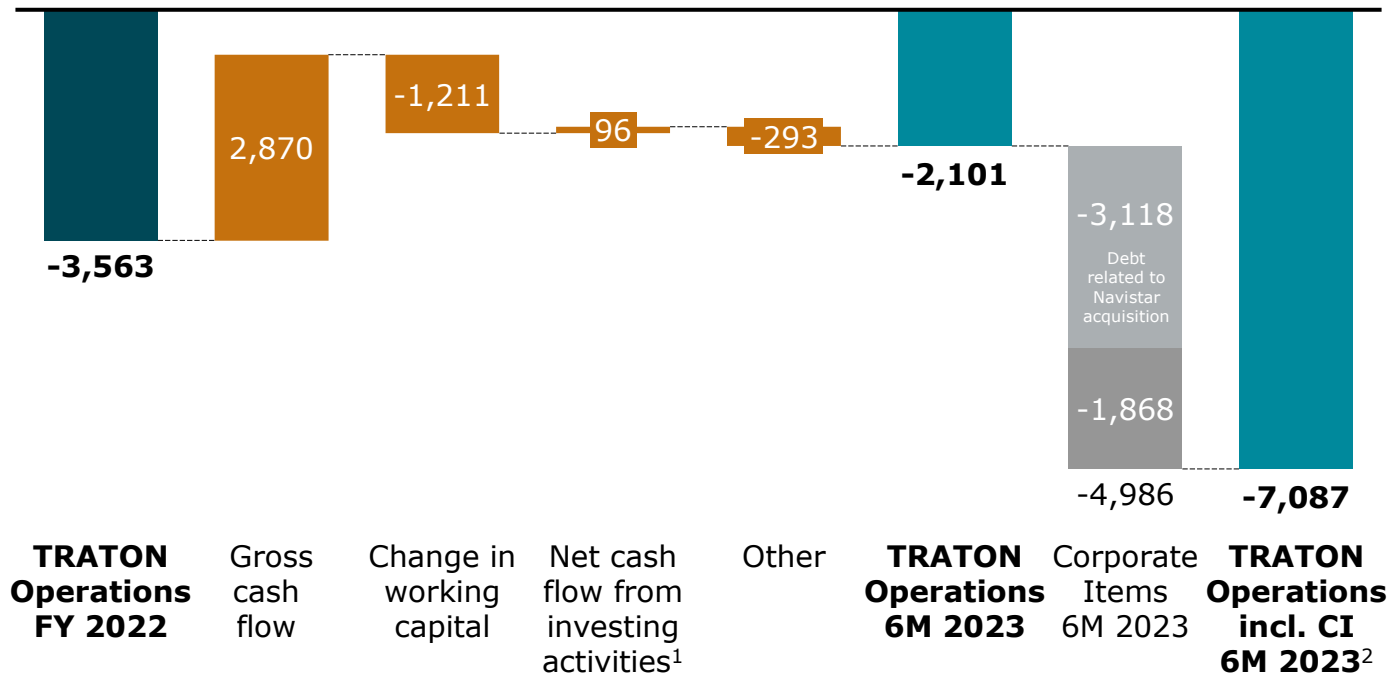
TRATON

- Positive **net cash flow** in particular driven by strongly improved operating performance.
- Positive underlying development supported by one-time cash effects.
- €1.2 bn **working capital** build-up in H1 23 mainly due to increased inventories, driven by higher production volumes and tight logistic capacities.

Net debt position improved in particular due to strong operating performance

Net financial debt bridge, 6M 2023

(€ mn)



- **Net debt** of TRATON Operations incl. Corporate Items reduced by €0.6 bn vs. year-end 2022 driven by
 - + strongly improved operating performance,
 - + proceeds from sale of Scania Finance Russia,
 - dividend payout (€350 mn),
 - further build-up of working capital.

¹ Including proceeds from sale of Scania Finance Russia (€400 mn in Q1 2023) and from intragroup sale of Scania Financial Services business to TRATON Financial Services (€499 mn in Q2 2023).

² No impact on net financial debt position of TRATON Operations incl. Corporate Items from intragroup sale of Scania Financial Services.

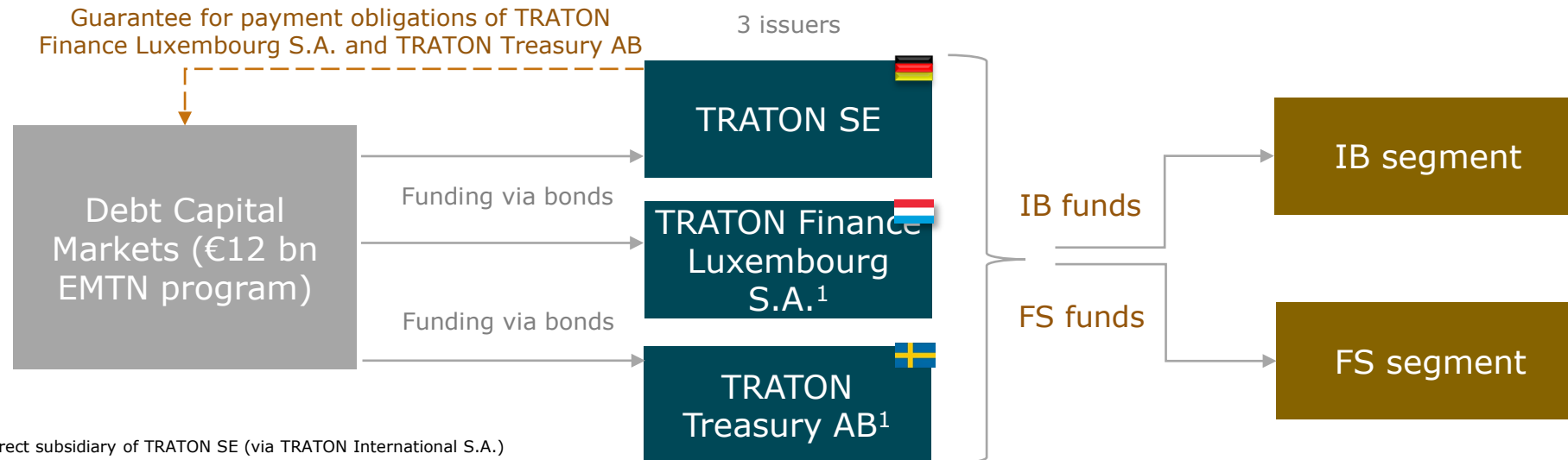
Debt & Rating



TRATON financing via debt capital markets

Simplified overview

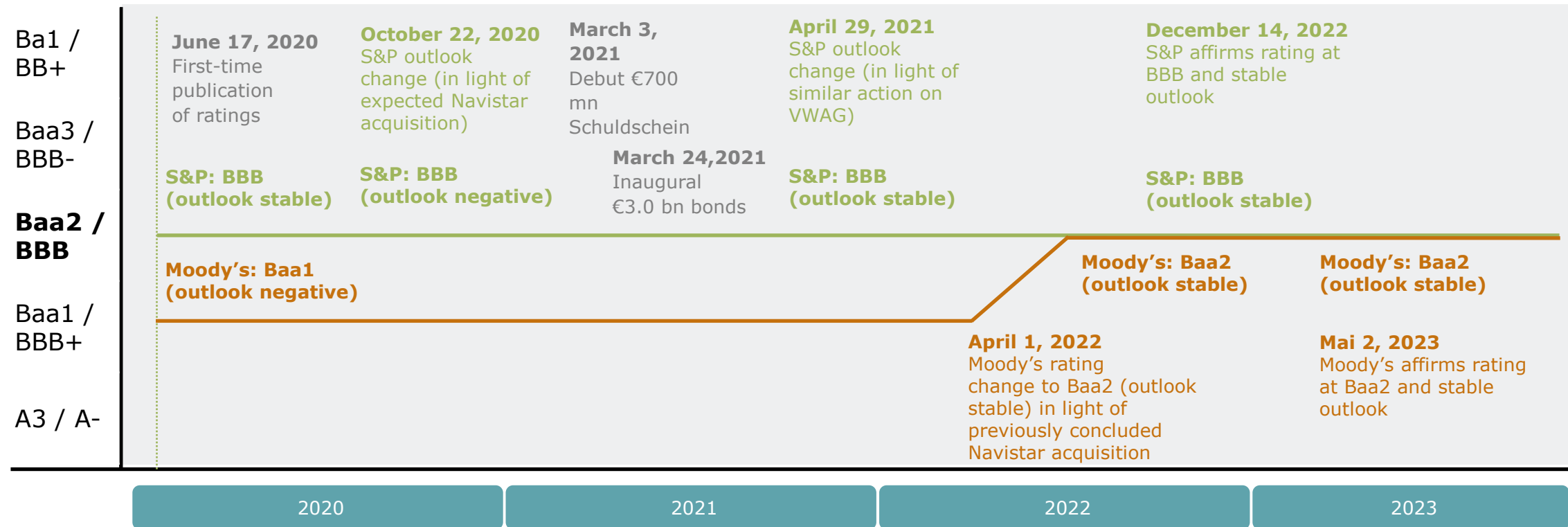
- TRATON Finance Luxembourg S.A. (TFL)¹, TRATON Treasury AB (TTAB)¹ and TRATON SE serve as issuers for the TRATON GROUP, with the payment obligations of TRATON Finance Luxembourg S.A. and TRATON Treasury AB being guaranteed by TRATON SE
 - IB issuances: Funds being transferred within the Group where required
 - FS issuances: Funds being transferred within the Group where required
- For an interim period, TFL is intended to serve as an issuer for Financial Services (incl. Nordic currencies) while going forward, TTAB is intended to take over FS issuances (in EUR and Nordic currencies)



¹ A 100% indirect subsidiary of TRATON SE (via TRATON International S.A.)

Development of TRATON SE credit ratings since introduction in 2020

Moody's with Baa2 stable outlook, S&P with BBB stable outlook



TRATON SE ESG Ratings



- ▶ In February 2023, the ESG-agency ISS ESG rewarded TRATON with “Prime” status and a **“C+” rating** (on a scale of A+ to D–) for its sustainable value creation efforts in the machinery sector.



- ▶ In February 2023, TRATON received an ESG **Risk Rating of 27.4** and was assessed to be at **medium risk** of experiencing material financial impacts from ESG factors.¹

¹ Copyright ©2021 Sustainalytics. All rights reserved. This section contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.



TRATON GROUP – Bonds outstanding

TRATON with well-tested access to the debt capital markets
€7.5 bn in bonds outstanding per June 30, 2023

Issuer	TRATON Finance Luxembourg S.A.													
Guarantor	TRATON SE (Ticker: 8TRA, Country: DE)													
Sustainability	TRATON SE features an ESG rating from ISS ESG (Prime, C+)													
Format	Senior Unsecured, Bearer, Classical Global Note													
Guarantor														
Ratings	Baa1 stable outlook (Moody's) / BBB stable outlook (S&P)							Baa2 stable outlook (Moody's) / BBB stable outlook (S&P)						
Issue Ratings	Baa1 stable outlook (Moody's) / BBB stable outlook (S&P)							Baa2 stable outlook (Moody's) / BBB stable outlook (S&P)						
	2021						2022			2023				
Issue Date	March 24, 2021	March 24, 2021	March 24, 2021	June 14, 2021	August 27, 2021	10 November 2021	January 21, 2022	May 17, 2022	November 22, 2022	January 18, 2023	May 16, 2023	May 16, 2023	June 13, 2023 (Tap)	June 21, 2023
Maturity	March 24, 2025	March 24, 2029	March 24, 2033	June 14, 2024	August 27, 2023	10 November 2024	July 21, 2023	February 17, 2024	November 22, 2025	January 18, 2025	May 16, 2028	September 16, 2025	January 18, 2025	January 21, 2026
Tenor	4 years	8 years	12 years	3 years	2 years	3 years	1.5 years	21 months	3 years	2 years	5 years	2 years 2 months	1 year 7 months	2 years 6 months
Amount	€1.0bn	€1.25bn	€750mn	€500mn	€300mn	€500mn	€300mn	€500mn	€600mn	€300mn	€500mn	€500mn	€200mn	€300mn
Coupon	0.125%	0.75%	1.25%	0.00%	3m EURIBOR +75bps	0.125%	3m EURIBOR +70bps	3m EURIBOR +85bps	4.125%	4.125%	4.25%	4.00%	4.125%	3m EURIBOR +100bps
Interest Payment	Annual	Annual	Annual	Annual	Quarterly	Annual	Quarterly	Quarterly	Annual	Annual	Annual	Annual	Annual	Quarterly
Offering Price	99,547	99,560	99,184	100,099	100,876	99,868	100.8228	100	99,784	99.818	99.938	99.710	99.061	99.632%
Re-offer Yield	0.239%	0.807%	1.324%	-0.033%	3M-EURIBOR +32bps	0.169%	3M-EURIBOR +0.16bps	3M-EURIBOR +85bps	4.203%	4.222%	4.264%	4.141%	4.733%	3m EURIBOR +115bps
Early Redemption	CoC put, 1-month par call, Clean-up call (80%), Tax call, M&A call (101%)	CoC put, 1-month par call, Clean-up call (80%), Tax call, M&A call (101%)	CoC put, 1-month par call, Clean-up call (80%), Tax call, M&A call (101%)	CoC put, 1-month par call, Clean-up call (80%), Tax call	Tax Call	Change of Control Put, Tax Call, 1m Par Call, Clean-up Call (80%)	Tax Call	Tax Call	CoC put, 1-month par call, Clean-up call, Tax call	CoC put, 1-month par call, Clean-up call, Tax call	Tax Call, 1m Par Call, Clean-up call (80%)	Tax Call, 1m Par Call, Clean-up call (80%)	CoC put, 1-month par call, Clean-up call, Tax call	CoC Put, Clean-up Call (80%), Tax Call
WKN	A3KNP8	A3KNP9	A3KNQA	A3KSGM	A3KT6Q	A3KYMA	A3KOPP	A3K5G1	A3LBGG	A3LC4C	A3LHK8	A3LHK7	A3LC4C	A3LKBD
ISIN	DE000A3KNP88	DE000A3KNP96	DE000A3KNQA0	DE000A3KSGM5	DE000A3KT6Q0	DE000A3KYMA6	DE000A3KOPP5	DE000A3K5G19	DE000A3LBGG1	DE000A3LC4C3	DE000A3LHK80	DE000A3LHK72	DE000A3LC4C3	DE000A3LKBD0
Denominations / Listing	€100 k + €100k, Regulated market of the Luxembourg Stock Exchange													

Note: As of 06-30-2023

TRATON GROUP – Debt maturity profile

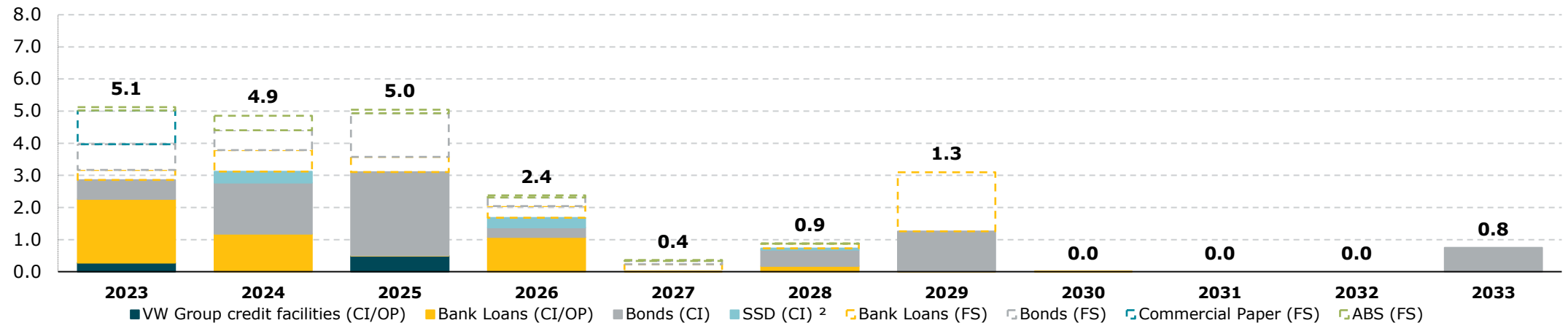
Maturity profile (€ bn)¹

Major financings

- €700m Schuldschein (tranches of 3y, 5y and 7y)
- Total of €7.5bn Bonds (tranches of 1.5y to 12y)
- €4.5bn syndicated RCF (undrawn)

Debt overview (€ bn)

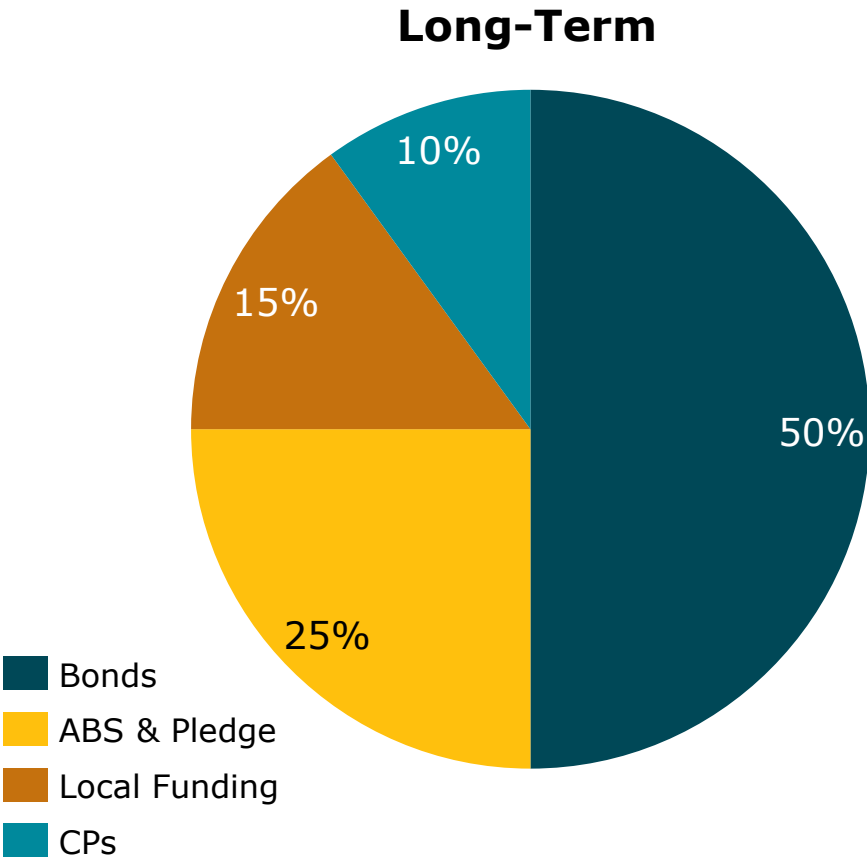
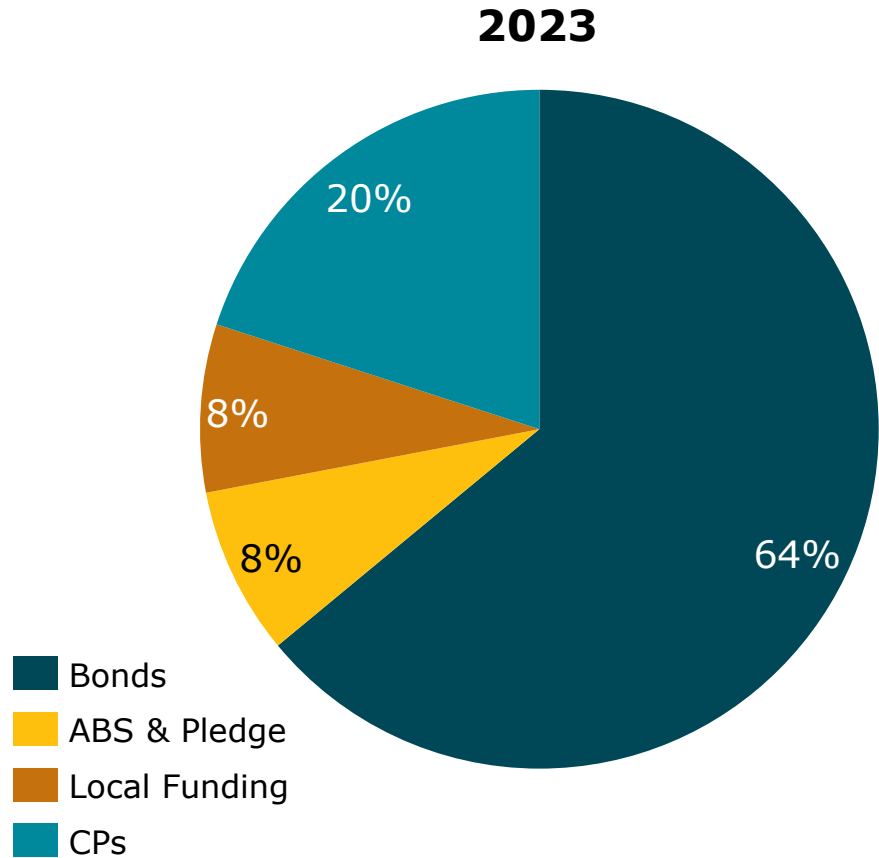
TRATON financial debt	20.4
thereof CI/OP	9.1
thereof FS	11.3
Leasing (IFRS 16)	1.2
TRATON financial debt (incl. leasing)	21.6



¹ Excluding €1.2 bn of IFRS 16 financial liabilities.

² SSD = Schuldscheindarlehen.

Envisaged TRATON Financial Services funding mix



Contacts

5

TRATON

Contact details



Thomas Paschen

Senior Investor Relations
Manager TRATON SE

thomas.paschen@traton.com
T +49 170 907 34 94



Börje Wigfeldt

Head of Group Treasury
TRATON SE

borje.wigfeldt@se.traton.com
T +46 8553 53792



Philipp Lotz

Head of Corporate Finance &
Financial Markets TRATON SE

philipp.lotz@traton.com
T +49 173 4216747



Carl Lundin

Head of TFS Treasury,
to become

carl.lundin@scania.com
T +46 7016 53660

Useful links

TRATON GROUP

[TRATON Website](#)

[Investor Relations Website](#)

[Newsroom](#)

[Reports & Presentations](#)

[Shares & Financial Figures](#)

[Events](#)

[Debt & Rating](#)

[Sustainability](#)

[Corporate Governance](#)

[Annual General Meeting](#)

[Financial Calendar](#)

[Contact & Services](#)

[Innovation Hub](#)

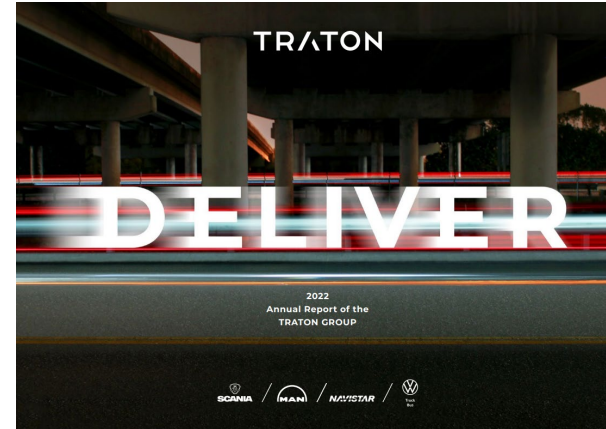
BRANDS

[Scania Newsroom](#)

[MAN Newsroom](#)

[Navistar Newsroom](#)

[VWTV Newsroom](#)



[2022 Annual Report](#)



[2023 Half-Year Financial Report](#)