

TRATON CREDIT UPDATE PRESENTATION

An aerial photograph of a long, multi-span bridge crossing a large body of water. A white semi-truck is driving across the bridge. The surrounding landscape includes forested hills and islands in the distance under a cloudy sky.

AGENDA

1. Overview TRATON GROUP
2. Snapshot – financial performance
3. Financing & rating
4. Contact details

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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.

TRATON OVERVIEW

WE'RE A TRANSPORTATION POWERHOUSE ...

Four strong global brands under one roof



103,621

Employees worldwide¹



€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)



TRATON WAY FORWARD
— A LONG-TERM VISION FOR THE GROUP

 Responsible Company	- Decarbonization & Circularity - People & Diversity - Governance & Ethics
 Value Creation	- Performance-driven - Nascitar as part of TRATON family - TRATON goes China
 TRATON Accelerated!	- Business Model Expansion - Partnership Culture - Embrace Digital
 Strategy Execution	



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



SCANIA



... WITH FOUR STRONG GLOBAL BRANDS UNDER ONE ROOF



INTERNATIONAL

December 24 TRATON CREDIT UPDATE



Truck
Bus

THE BRANDS OF TRATON GROUP ARE CLEARLY POSITIONED ...



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

International 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

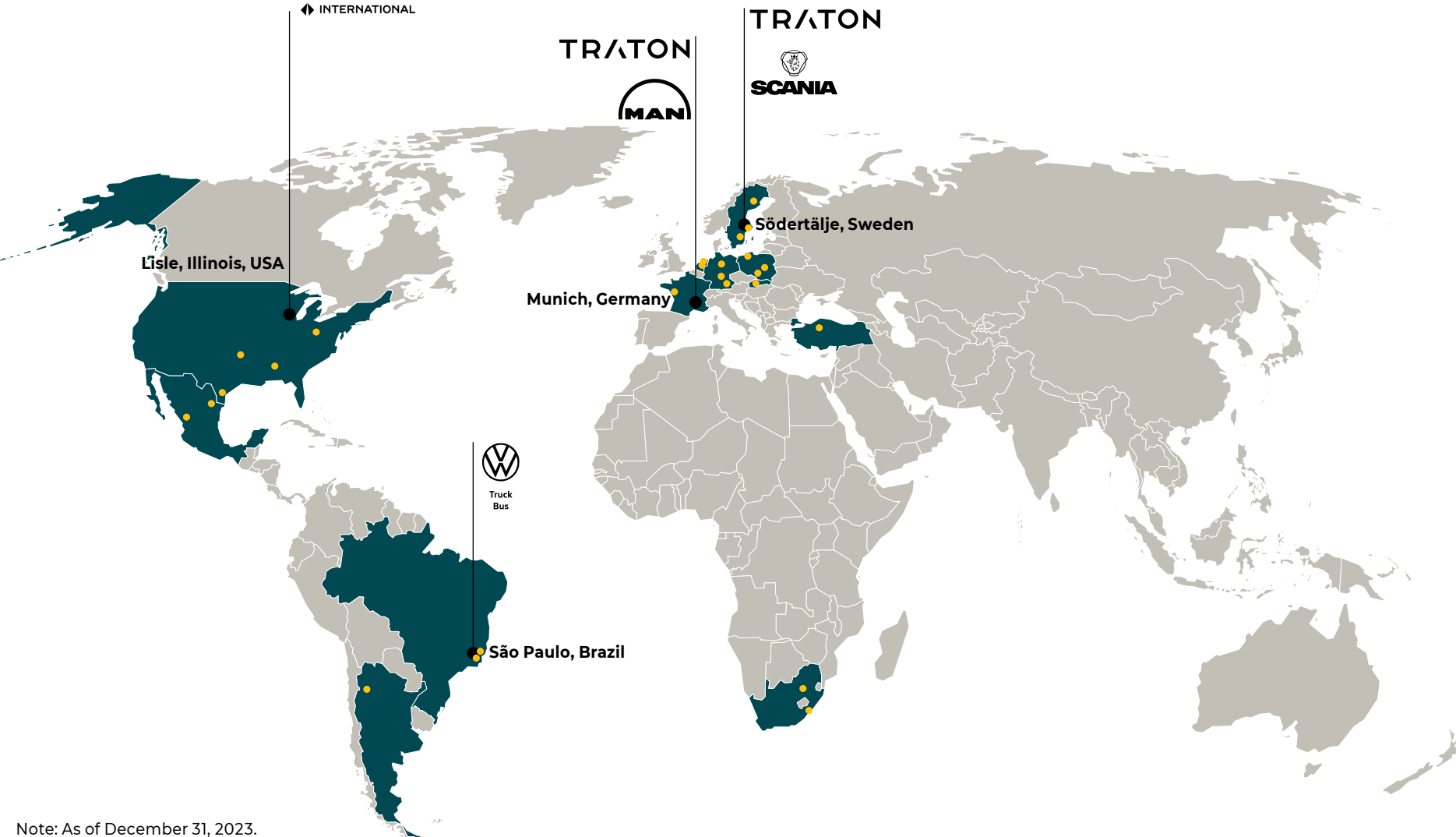


INTERNATIONAL



Home base			Europe and Brazil	Europe	North America	Brazil
Unit sales (k) FY 2023	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.

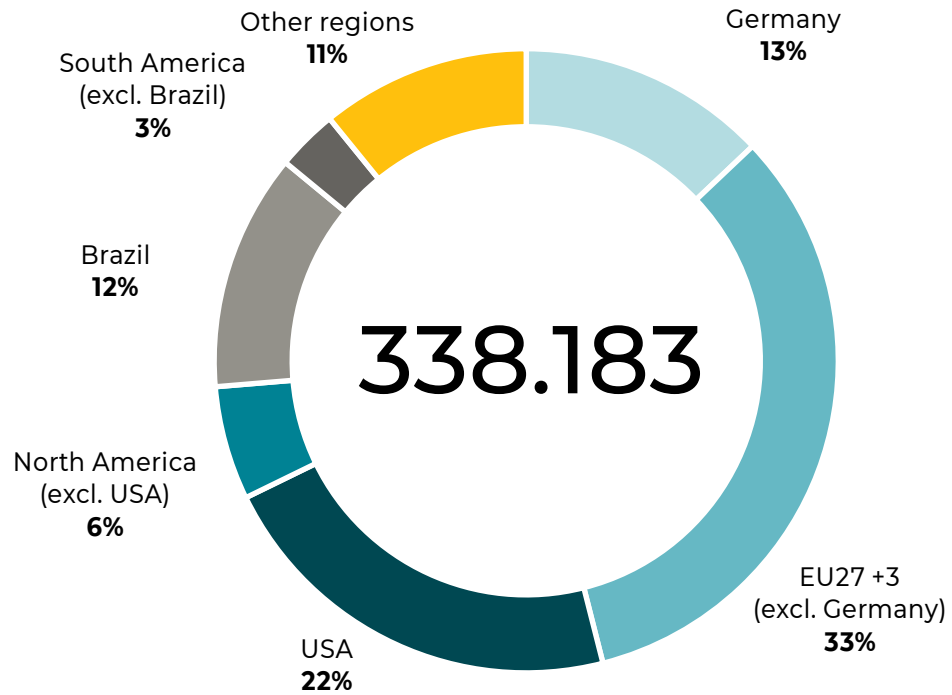
Production and assembly sites

33

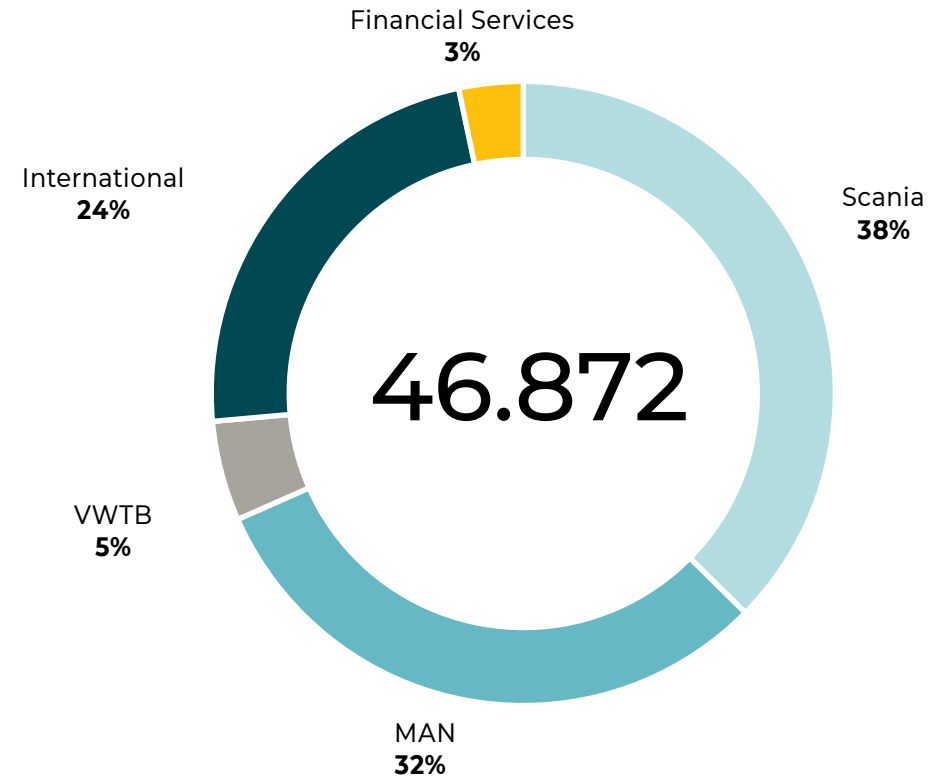
Note: As of December 31, 2023.

... A WELL-DIVERSIFIED REGIONAL AND BRAND MIX

Unit sales per region, FY 2023 (units)

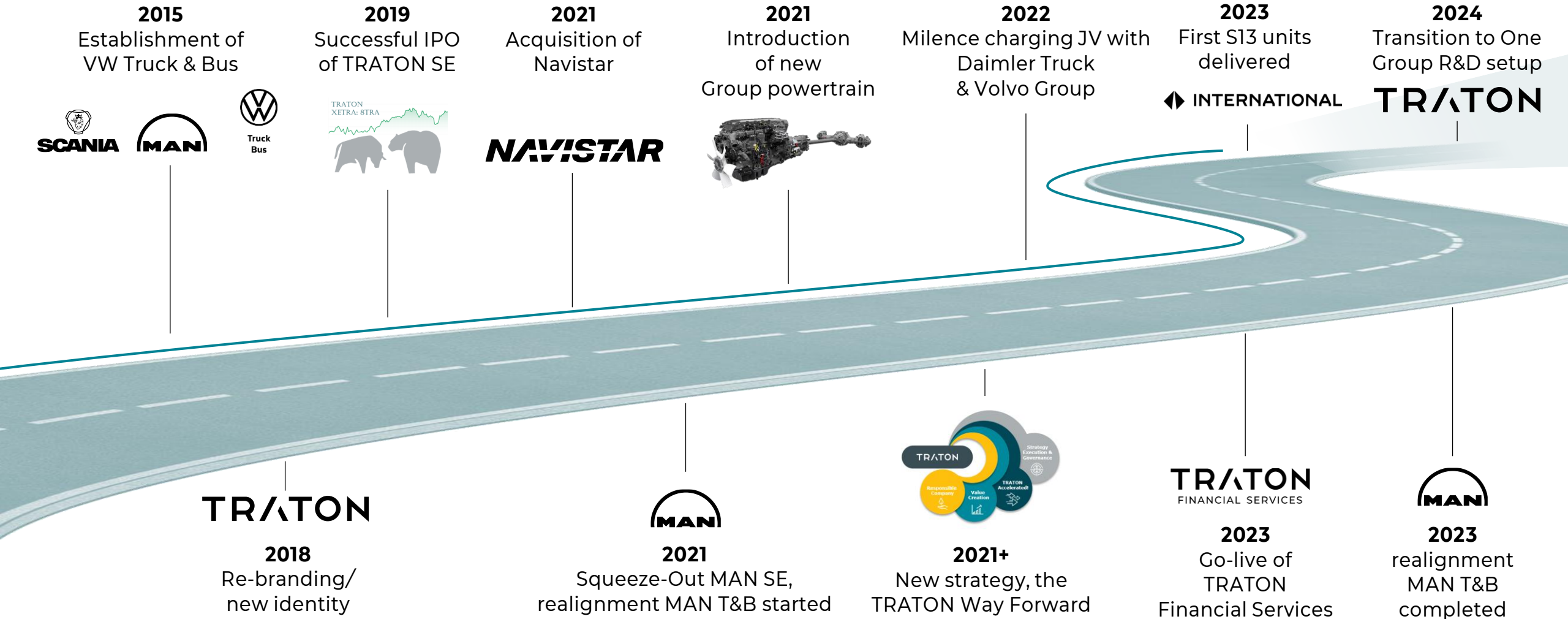


Sales revenue per brand, FY 2023 (€ mn)



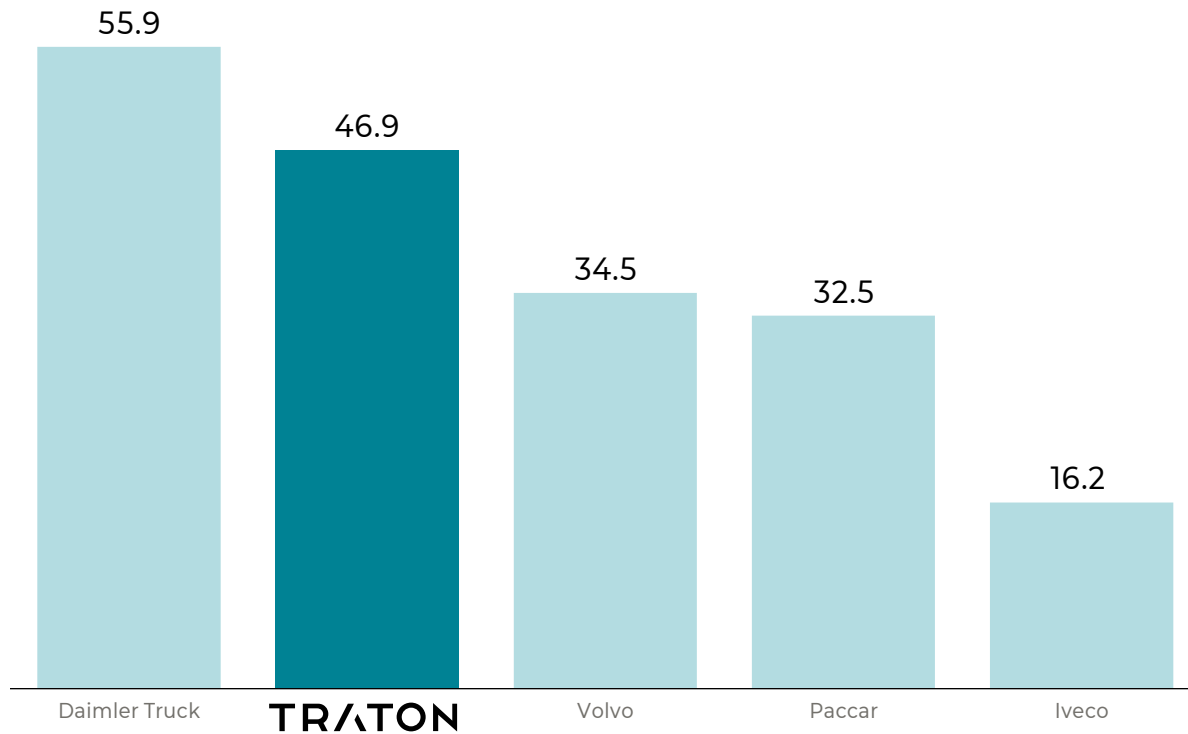
Note: TRATON sales revenue including FS, excl. consolidation and Corporate Items; rounding differences possible.

MAJOR MILESTONES ON OUR TRATON WAY FORWARD



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.



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



	Responsible Company	Decarbonization & Circularity People & Diversity Governance & Ethics	<ul style="list-style-type: none"> – Full commitment to the Paris Agreement – High-performance charging network for Europe with Milence – Continuation of path to decarbonization in 2023 with tangible steps in products, supplies & infrastructure
	Value Creation	Performance-driven International as part of TRATON family TRATON goes China	<ul style="list-style-type: none"> – 9% adjusted return on sales target for TRATON GROUP in 2024 – Committed to TRATONs brands strategic RoS targets – MAN re-alignment on track & Successful International integration – China representing one of the most important profit pools
	TRATON Accelerated!	Business Model Expansion Partnership Culture Embrace Digital	<ul style="list-style-type: none"> – Build-up of a solution ecosystem around customers – Set-up of global captive and integrated TRATON Financial Services business
	Strategy Execution		<ul style="list-style-type: none"> – Build-up of a TRATON Modular System based on Scania principles – Implementation of a new steering philosophy to support roll-out of TRATON Modular System

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

Q3 BRANDS ARE PREPARING FOR THE FUTURE WITH ENHANCED PRODUCTS AND SOLUTIONS OFFERING

Q3 2024 Highlights



Scania showcased at the IAA its **versatile range of** electric and biofuel **heavy trucks**, and launched new service portfolio “**Service 360**”



MAN presented at the IAA the new eTGL for light distribution transport and now offers a **complete portfolio of eTrucks** from 12 to 42 tons

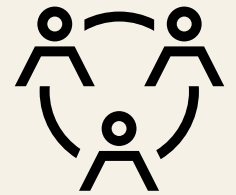
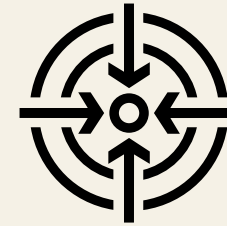
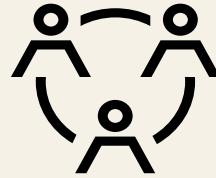


Navistar announced **rebranding to International**, aiming at positioning itself even more as a **solution provider** for customers



VWTB introduced new passenger transport solution with the **e-Volksbus**, homologation has already started

WHY TRATON IS AN ATTRACTIVE INVESTMENT



Resilience and strong competitive position due to **diversified regional and brand portfolio** in attractive global growth markets and profit pools

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**

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

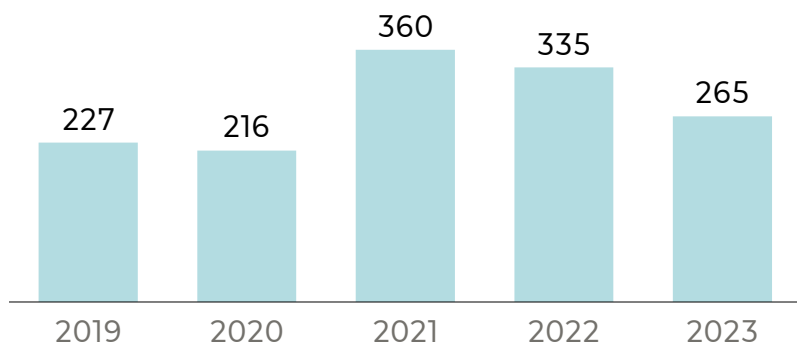
Clear **financial policy** and **commitment to execute on financial targets. Aim to de-lever TRATON industrial business** to enhance stand-alone capital structure

Strong support from **majority shareholder Volkswagen** (89.7% ownership), evidenced by **credit support for external ratings** (BBB stable and Baa2 positive by S&P / Moody's respectively)

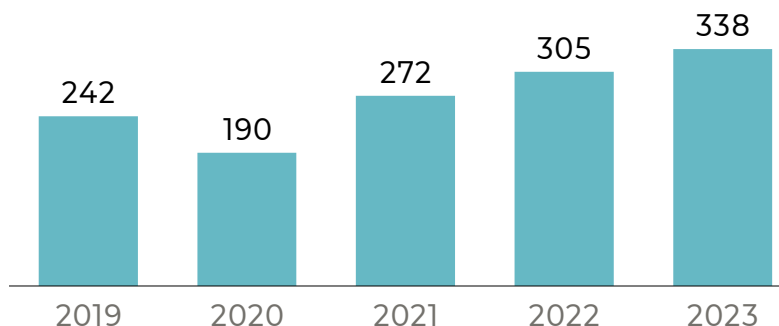
SNAPSHOT – FINANCIAL PERFORMANCE

ON A PROFITABLE GROWTH PATH WITH INCREASING SALES AND MARGINS

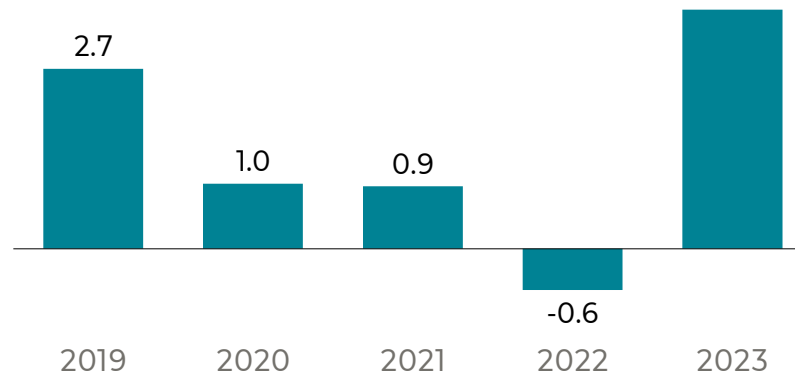
Incoming orders (k units)



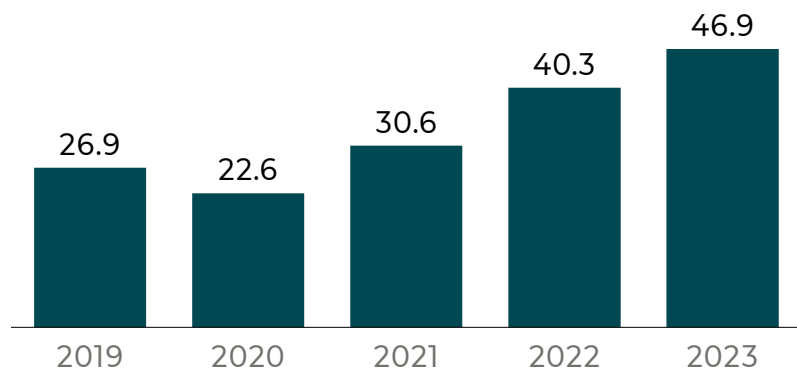
Unit sales (k units)



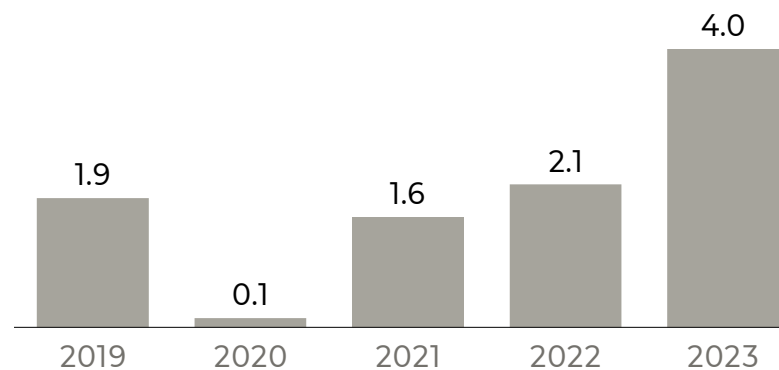
Net cash flow (TRATON Operations; € bn)



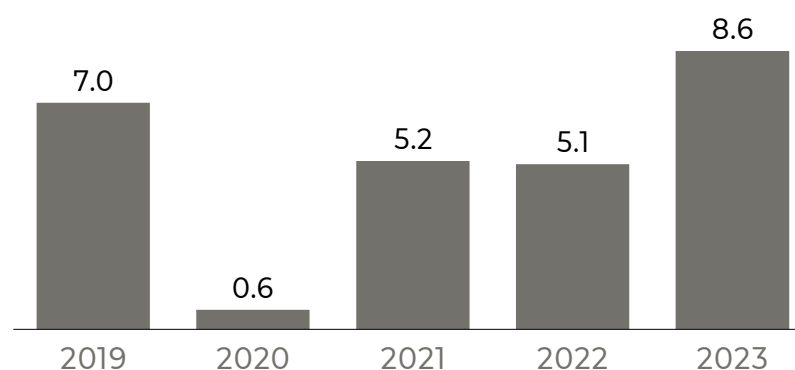
Sales revenue (€ bn)



Adjusted operating result (€ bn)



Adjusted return on sales (%)



Note: 2021 figures include Navistar/International only for second-half year due to consolidation from July 1, 2021. The net cash flow figures for 2019 were not adjusted to match the current structure of the TRATON Operations business area, but rather correspond to the structure prior to 2021 (Industrial Business).

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

TRATON's BEV highlights



Market launch of the new MAN eTruck



VWTB starts series production of e-Delivery truck



Scania's battery assembly starts operations



Milence opens first charging hub for heavy-duty vehicles

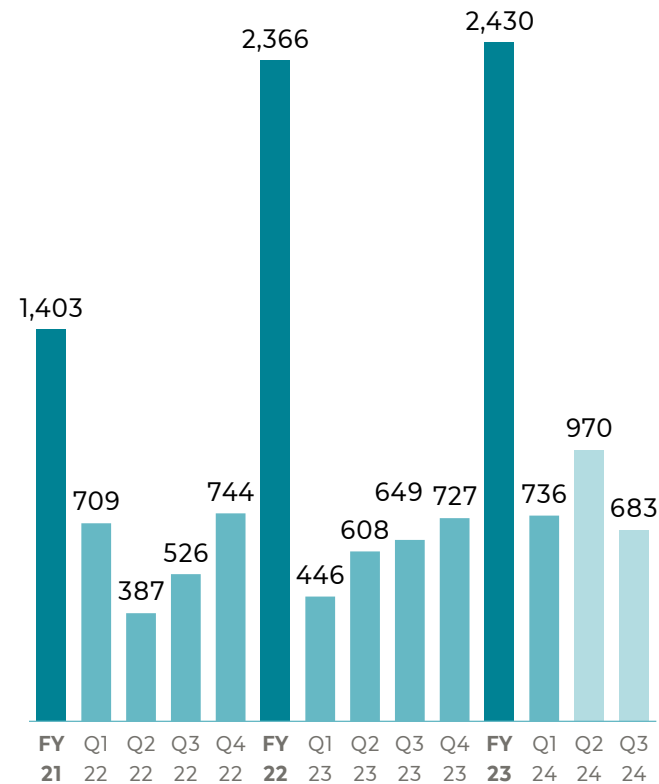


Scania establishes charging solution company Erinion

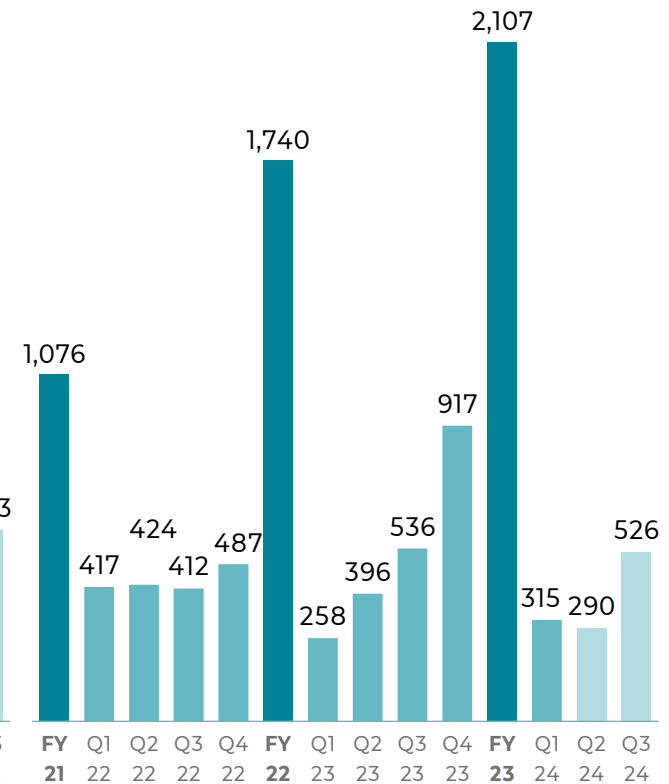


MAN and E.ON build public charging network in Europe

Incoming orders of fully electric vehicles (units)



Unit sales of fully electric vehicles (units)



GROWING UNIT SALES AND STABLE INCOMING ORDERS IN Q3

Europe:

- Weaker truck demand and unit sales, particularly in Germany
- Positive “IAA effect” on orders in September

USA:

- Decreasing demand for Class 8 on-highway trucks; demand for medium and severe trucks remains robust
- International with unit sales catch-up post mirror supply issue

South America:

- Strong unit sales for trucks due to favorable market environment, especially in Brazil
- Restricted order intake to ensure high quality software platform at Scania

Incoming orders & Unit sales (k units)



9M SALES REVENUE BENEFITING FROM MIX EFFECTS AND INTERNATIONAL'S CATCH-UP

— Strong **unit sales**, influenced by:

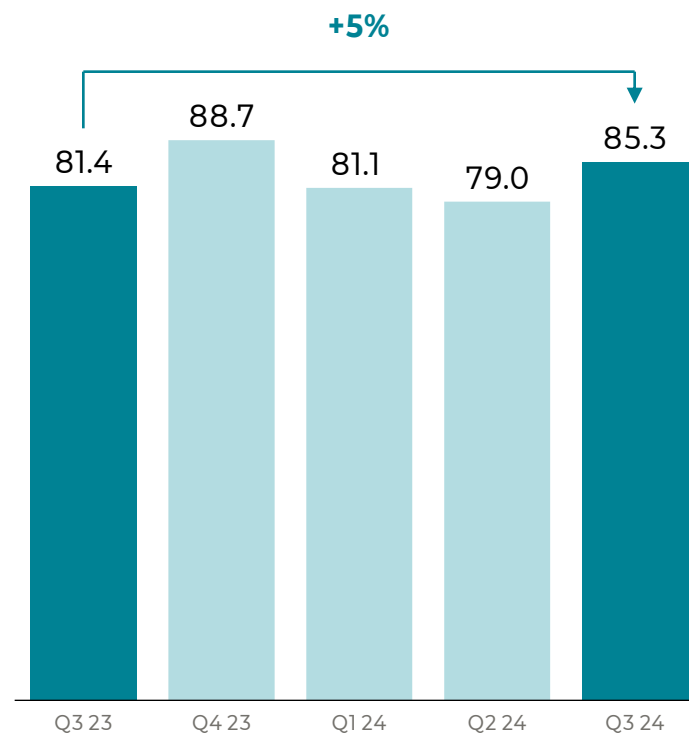
- Strong South American market, benefiting Scania and VWTB
- Unit sales / sales revenue catch-up at International post mirror supply issue
- More than offsetting lower MAN truck unit sales due to weak European markets

— **Sales revenue** benefited from:

- Favorable market, price and product mix
- Continued high customer demand for Vehicle Services business

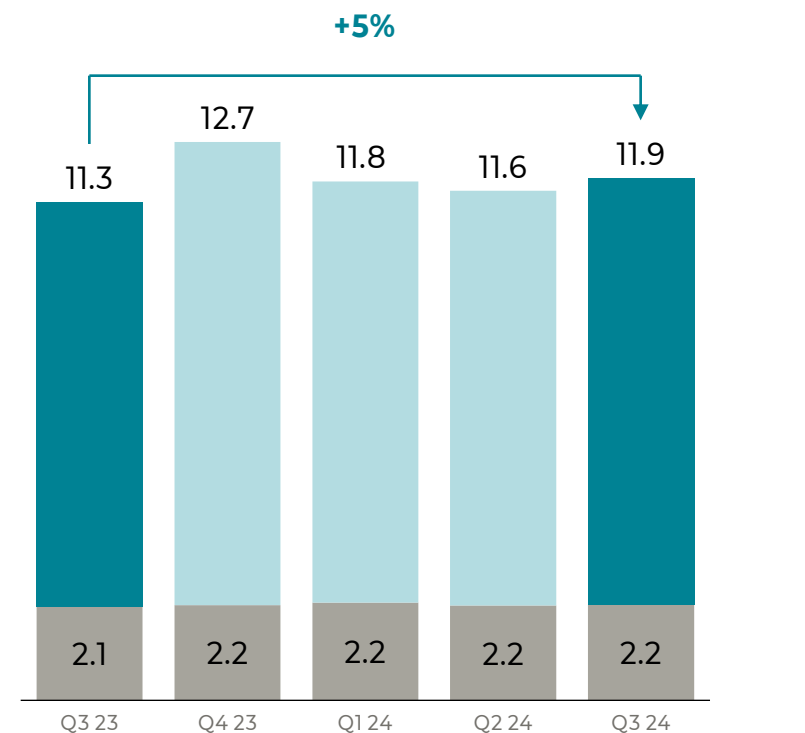
Unit sales (k units)

9M 24
245.4 (-2%)



Sales revenue (€ bn)

9M 24
35.3 (+3%)

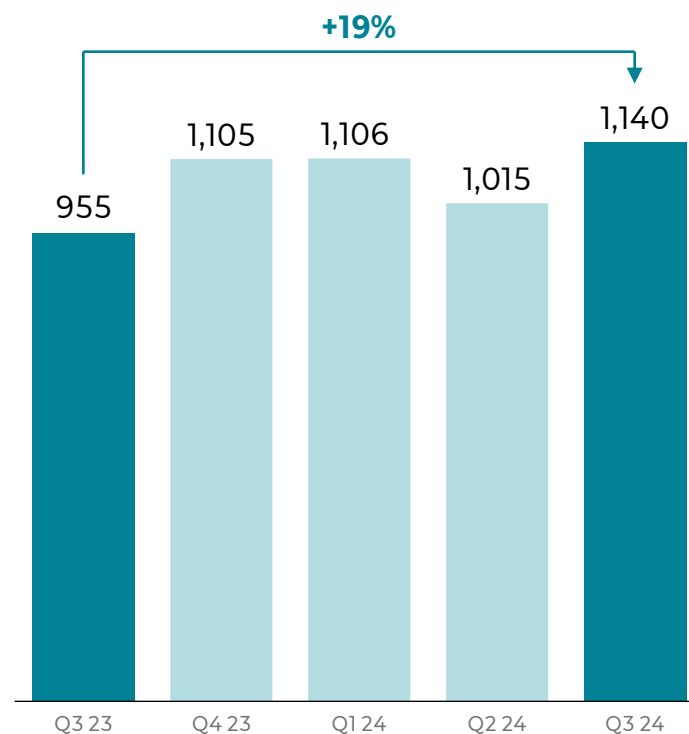


2024 MARGIN PEAK REACHED IN Q3

- Increased sales revenue per truck unit
- International with significant adj. RoS improvement vs. Q2 24 post mirror supply issue
- MAN adj. RoS down vs. Q2 24 with persistently weak market environment in Europe / Germany; but increased resilience due to realignment program
- Scania and VWTB slightly below Q2 24 levels

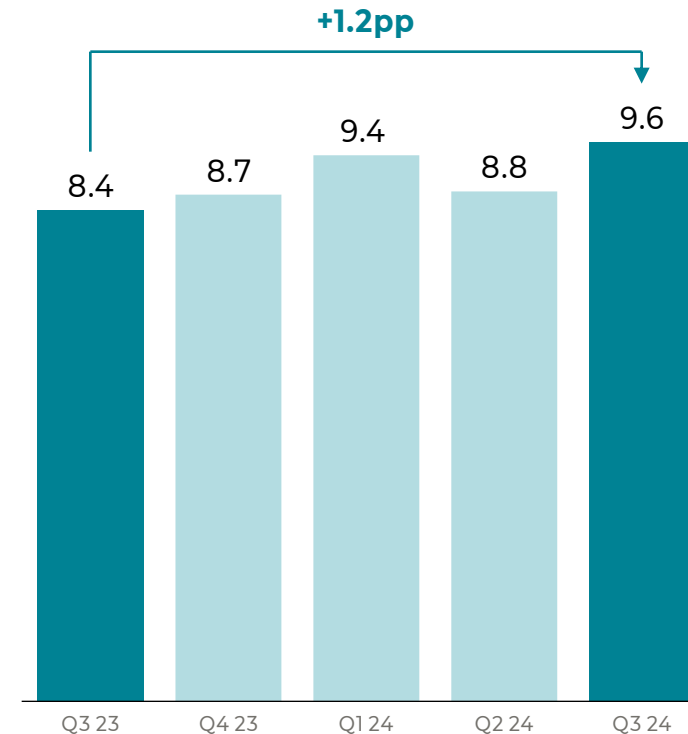
Adjusted operating result (€ m)

9M 24
3,261 (+11%)



Adjusted return on sales (%)

9M 24
9.3% (+0.7pp)

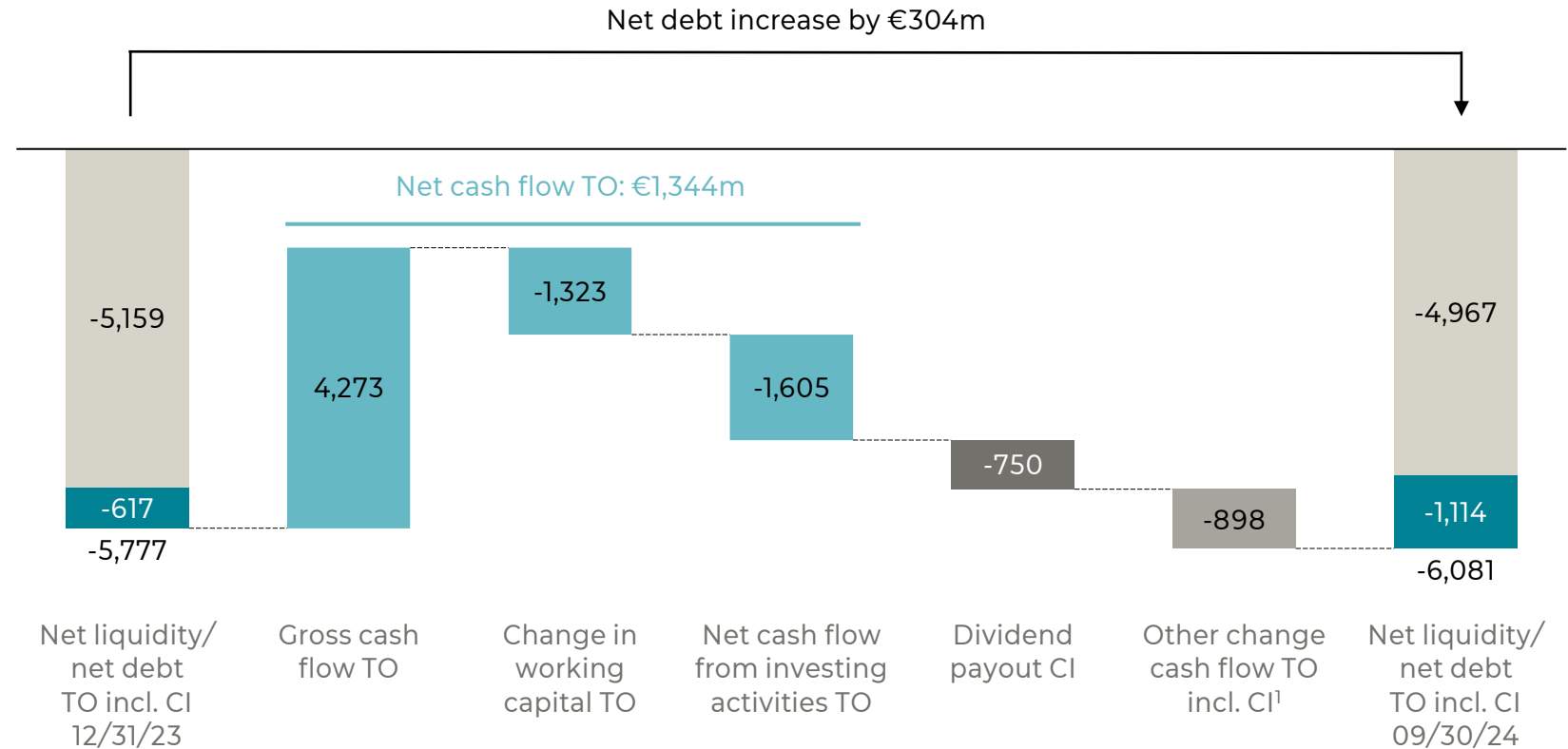


STEERING TOWARDS NET DEBT REDUCTION AT THE END OF 2024

- Net debt picture significantly improved vs. H1 24.
- Net debt of TRATON Operations (TO) incl. Corporate Items (CI) increased by €304 m vs. year-end 2023 mainly due to:
 - Working capital build-up of €1.3bn, mainly driven by increased inventories of €1.1bn; International's semi-finished inventories from mirror supply issue cleared
 - Investing cash flow, mainly driven by capex of €1.0bn
 - Dividend payout in Q2 24
 - Almost completely compensated by gross cash flow due to strong operating performance

Net liquidity/net debt bridge, 9M 24 (€ m)

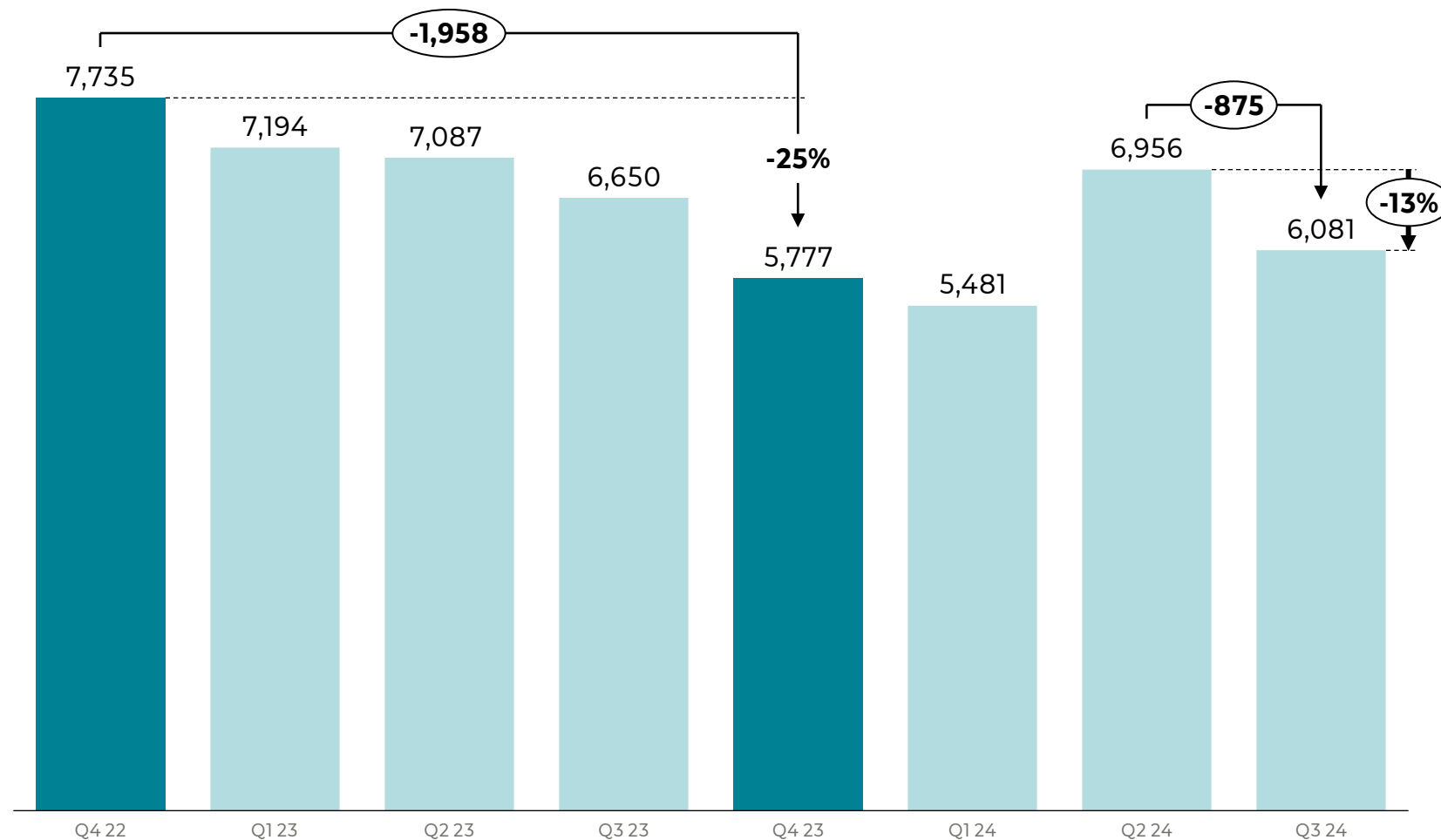
Net liquidity/net debt Corporate Items (CI)
Net liquidity/net debt TRATON Operations (TO)



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



TRATON NET FINANCIAL DEBT (TRATON OPERATIONS INCL. CORPORATE ITEMS)

- Net debt clearly on a decreasing path
- Mirror issue at International led to a negative special effect in Q2 24
- Q3 24 shows a significant decrease again mainly driven by the resolution of the mirror issue at International
- TRATON is back on track on the path to a net debt free position



FINANCING & RATING

TRATON FINANCING VIA DEBT CAPITAL MARKETS SIMPLIFIED OVERVIEW

	CP PROGRAM	EMTN PROGRAM	
Program size	EUR 2.5 billion	EUR 12 billion	
Established	September 2023	March 2021	
Issuance strategy	up to 1 yr EUR; SEK	<u>Private</u> 1 – 2 yrs EUR; flexible currencies	<u>Public</u> 2 – 6yrs EUR; GBP; SEK; CHF
Guarantor	<div style="display: flex; align-items: center; justify-content: center;">  </div>		
Frequent issuer	<div style="display: flex; align-items: center; justify-content: center;">  </div>		
Funding	Lean and efficient issuance structure. Funding of General Corporate purposes, in particular Financial Services refinancing and growth		
Credit rating TRATON SE	Short-term ratings available	Standard & Poor's Moody's Ratings supported by VW credit ratings	BBB (outlook stable) Baa2 (outlook positive)
ESG rating	ISS ESG has rewarded TRATON with “Prime” status and a “B-” rating (on a scale of A+ to D-) for its sustainable value creation efforts in the machinery sector (as of July 29, 2024)		

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

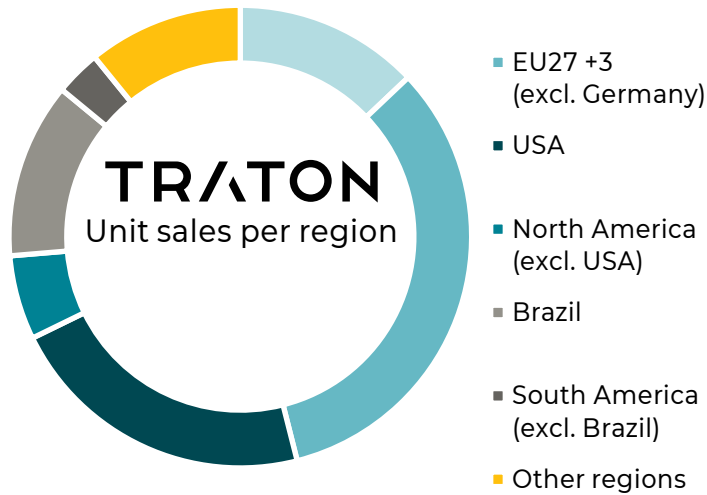
TRATON BACKED BY A STRONG SHAREHOLDER STRUCTURE



¹ As of December 31, 2023, TRATON SE's largest single shareholder was Volkswagen Finance Luxemburg S.A., a Volkswagen Group company, which holds 89.72% of the share capital.

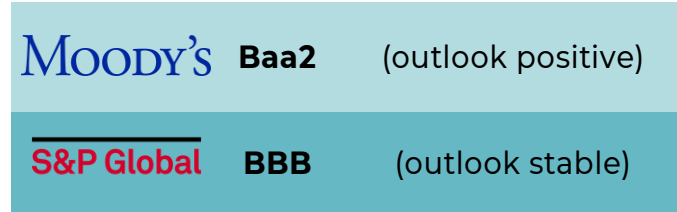
TRATON AS A STRONG CREDIT WITH STABLE RATING TRAJECTORY

- TRATON with well diversified and „**Satisfactory**“ **Business Risk Profile (BRP)** according to S&P, well in line with relevant truck peers



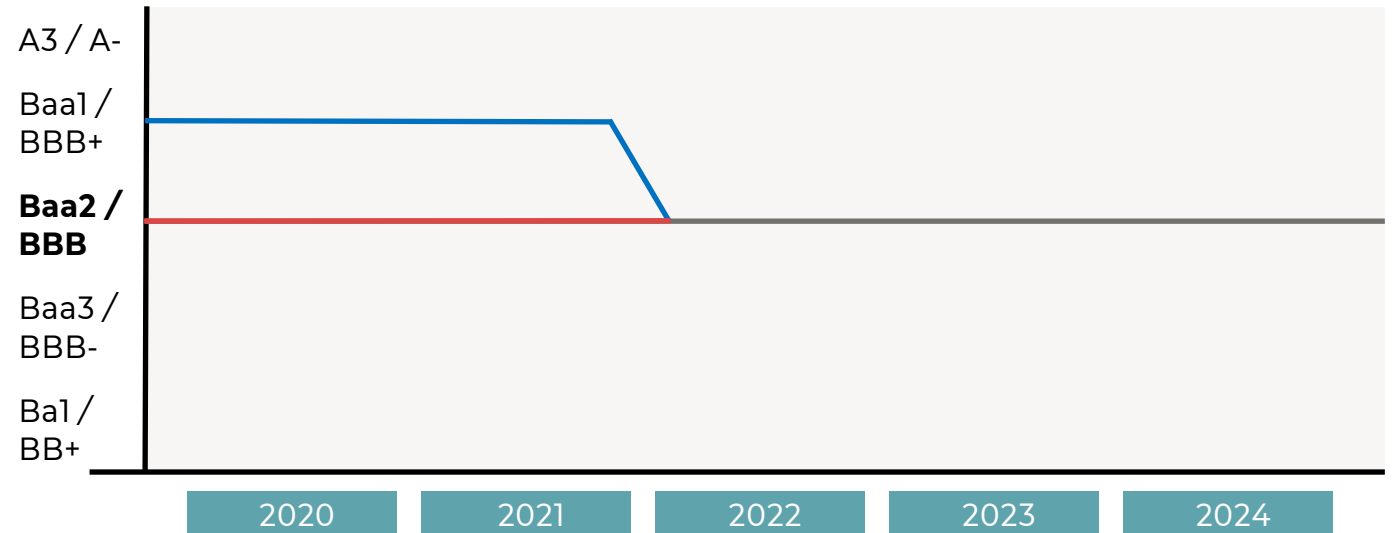
- S&P’s „**Significant**“ **Financial Risk Profile (FRP)** in clear focus with the aim to delever the TRATON industrial business segment

Development of TRATON SE credit ratings



TRATON with **strong rating track record** and **rating stability**:

- No rating change under S&P since the rating introduction in June 2020
- Moody's rating downgrade from Baa1 to Baa2 in April 2022 in light of the successfully concluded acquisition of International Motors (formerly Navistar). Outlook revised from stable to positive per March 2024



MANY DIFFERENTIATORS VERSUS VOLKSWAGEN AND PASSENGER CAR SECTOR

Business

- TRATON as **separate powerhouse for commercial vehicles** within the VW Group
- TRATON with its own truck brands transforming into a **highly synergetic & integrated group**, independently from VW
- **Independent governance**: Two-tier board structure with independence secured via supervisory board composition

Industry

- Passenger car vs truck **industry with different dynamics**
- **Truck sector cyclical, but less volatile** business model due to operational investment requirements by customers
- **Higher expectations for trucks** in terms of lifetime, annual runtime / mileage & transportation capacity
- **B2B not B2C**, therefore Truck as investment good with higher customer retention and TCO focus, yet smaller production volume

Rating


- TRATON **benefits from Volkswagen ratings** in light of the strategic importance of TRATON for VW (S&P) (rating umbrella)
- TRATON is however **not considered “Core” to VW** from a (S&P) rating perspective

Financing











- Independent Group Finance function
- TRATON with **own access to diversified funding via multiple channels** :
 - Stand-alone EUR 4.5 bn syndicated RCF, defining TRATON's 23 core relationship banks
 - Stand-alone debt capital market access via EUR 12 bn EMTN program
 - Proven track record in Schuldschein financing
 - Bilateral funding with external banking partners where required
- **In-house financing and cash pooling structures** within the holding and its brands

SUCCESSFULL DIVERSIFICATION OF TRATON DEBT CAPITAL MARKETS FUNDING SOURCES IN 2024

Bonds in 2023: 5 transactions with 10 tranches issued

Aggregate Volume (€ bn equivalent)	Market	Term (Ø years ²)	Publicity
3,219	 ¹	3.2	Public ¹

Bonds in 2024: 7 transactions with 14 tranches issued

Volume (mn in respective currency)	Market	Term	Publicity
GBP 450	 	5 years	Public
EUR 300		2 years	Private TAP
SEK 5.000	 	2 / 5 years	Public
EUR 1.250		3 / 6 years	Public
CHF 500	 	3 / 6 years	Public
EUR 500		2 years	Private
SEK 5.000		2 / 4 years	Public
Aggregate Volume (€ bn equivalent) 3,972		Term (Ø years ²) 4.5	

¹ All public transactions executed in the EUR market, 2 out of the 10 tranches listed as private transactions in SEK.

² Average term weighted by volume of the bonds issued.

TRATON ambitions:



Aim to **de-lever TRATON's industrial business** supports **enhanced TRATON stand-alone capital structure**, whereas existing and future **funding requirements in the Financial Services** business continues TRATON's need for **frequent capital market issuances**



Strengthen TRATON's presence as a **frequent issuer** in our relevant capital markets



Progressive **opportunistic diversification** into new markets



Engage with investors for an open dialogue and regular updates from the TRATON GROUP

TRATON GROUP – DEBT MATURITY PROFILE AS OF 30-SEP-2024

Major financings

- €350 mn Schuldschein outstanding (tranches of 5y and 7y)
- Total of €11.3 bn (equivalent) TFL² Bonds outstanding (tranches of 1.75y to 12y)
- €4.5 bn syndicated RCF undrawn

Debt overview (€ bn)³

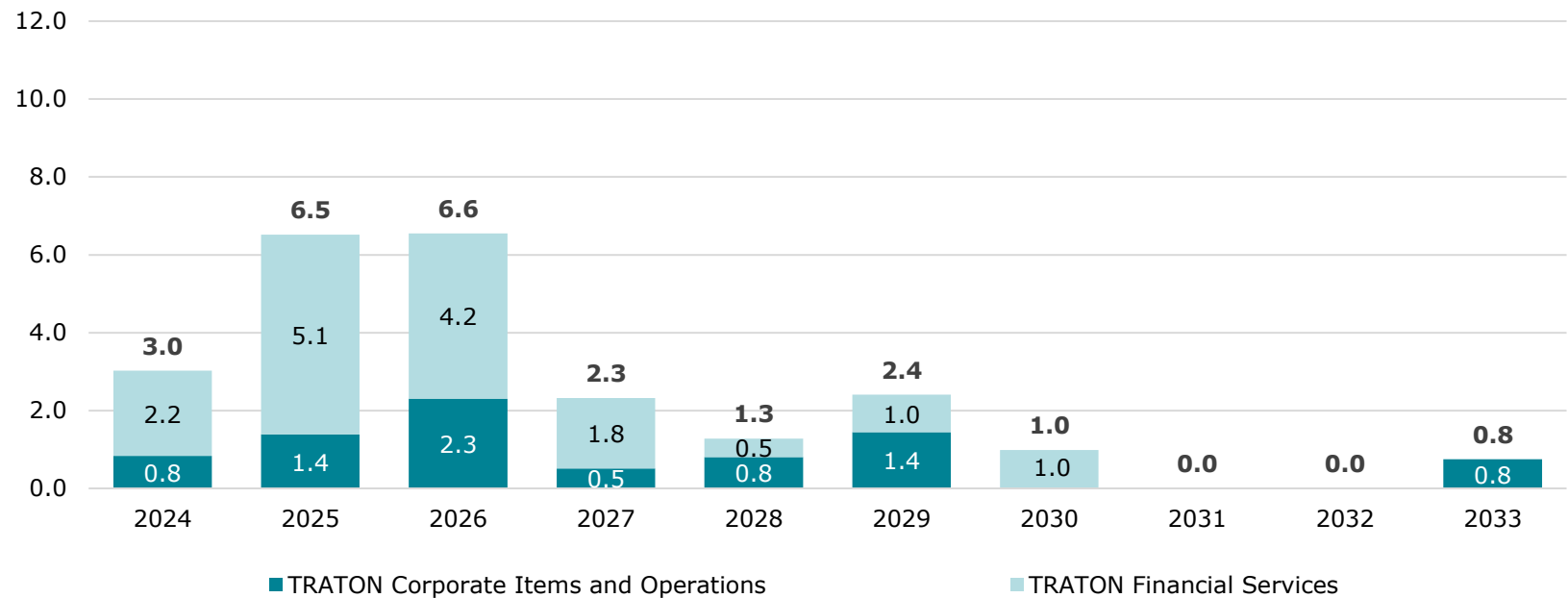
TRATON financial debt	23.8
thereof CI/OP	8.0
thereof FS	15.8
Leasing (IFRS 16)	1.1
TRATON financial debt (incl. leasing)	24.9

¹ Excluding €1.1 bn of IFRS 16 financial liabilities.

² TFL = TRATON Finance Luxembourg.

³ CI = Corporate Items, OP = TRATON Operations
FS = TRATON Financial Services.

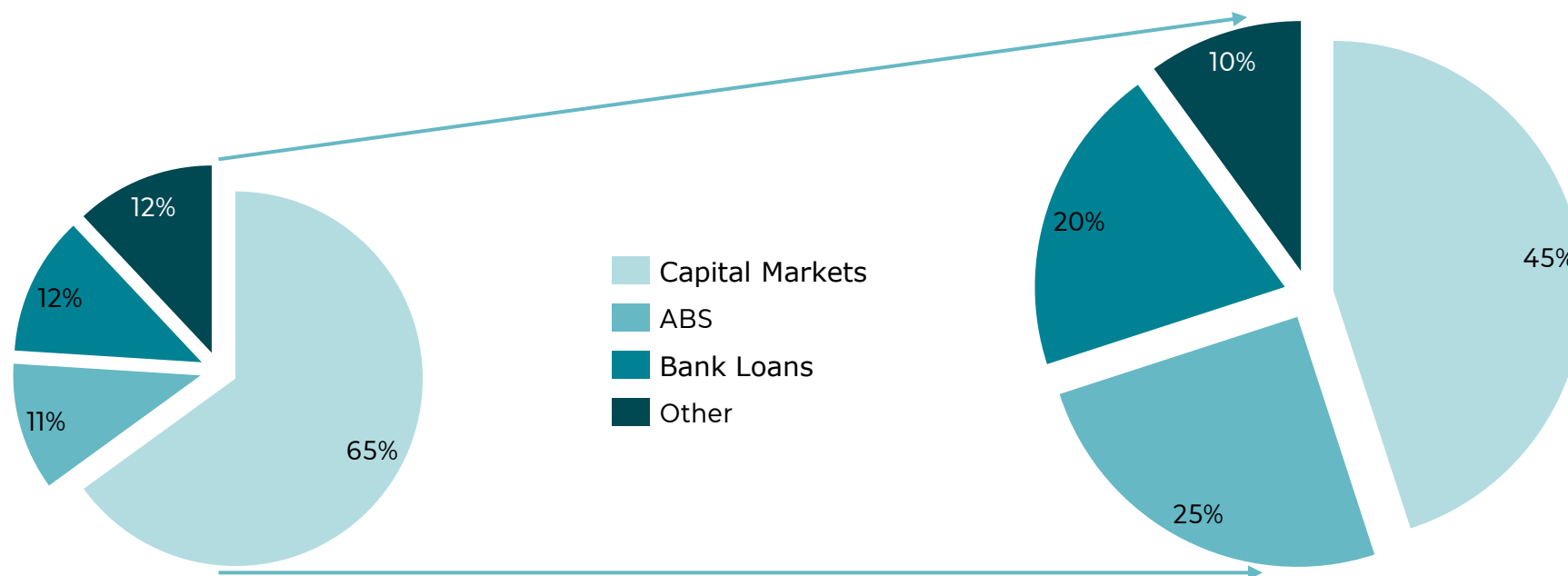
Outstanding debt and maturity profile (€ bn)¹



SUSTAINABLE TRATON FINANCIAL SERVICES FUNDING STRATEGY TO BE MORE COMPETITIVE AND RESILIENT FOR CUSTOMERS

TFS Funding Q3 2024

... strategic target funding



TRATON funding need is expected to increase in the upcoming years driven by Financial Services. Funding sources to be even more diversified in the future

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THANK YOU!

