
Daimler Truck Group

Factbook for Capital Market Day (11-Nov-2021)

Important information

In this factbook (together with the Daimler Truck Capital Market Day presentation dated November 11, 2021 and any additional or supplementary materials, the "Materials") the "Company" means Daimler Truck Holding AG. Prior to the proposed spin-off transaction, the Daimler trucks and buses business ("Daimler Trucks & Buses") and the related financial services business ("Daimler Trucks Financial Services") did not exist as a separate group, but formed part of a larger group of companies controlled by Daimler AG. The separation and formation of an independent group has been and will be executed in two phases: The first phase includes reorganization measures and transfers of certain legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services to Daimler Truck AG and to subsidiaries of Daimler Truck AG which have already occurred prior to the date of the proposed spin-off transaction or will have been completed by December 1, 2021 (the "Phase 1 Transactions"). Following the Phase 1 Transactions, the following steps will occur: (i) a spin-off by absorption (Abspaltung zur Aufnahme) under the German Transformation Act (Umwandlungsgesetz), (ii) a hive-down by absorption (Ausgliederung zur Aufnahme) under the German Transformation Act, and (iii) a stand-alone ordinary capital increase against contribution in kind ((i), (ii) and (iii) together, the "Demerger Transactions"). The second phase includes reorganization measures and transfers of certain remaining legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services that will be implemented in 2022. The legal entities and operations of Daimler Trucks & Buses and Daimler Trucks Financial Services which are subject to the Phase 1 Transactions are referred to collectively as the "Daimler Truck Business" (and together with the Company, the "Group"). In case of statements or information relating to the time upon and after the effective date of the Demerger Transactions, the "Group" refers to the Company and its consolidated subsidiaries.

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The Materials do not purport to contain all information required to evaluate the Company or the Group and/or its financial position. The Materials contain certain audited financial information from the combined financial statements of the Daimler Truck Business prepared by Daimler AG and Daimler Truck AG in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union as of and for the fiscal years ended December 31, 2020, 2019 and 2018 (the "Audited Combined Financial Statements") which were audited in accordance with International Standards on Auditing. The Materials also contain certain unaudited financial information from the unaudited condensed interim combined financial statements of the Daimler Truck Business as of and for the nine months ended September 30, 2021 (the "Unaudited Condensed Interim Combined Financial Statements"), and, together with the Audited Combined Financial Statements, the "Combined Financial Statements") as prepared in accordance with IFRS applicable to interim financial reporting (IAS 34) as adopted by the European Union. Certain financial information in the Materials is unaudited and is not included in or derived from the Combined Financial Statements. Certain financial information (including percentages) in the Materials has been rounded according to established commercial standards. In addition, the Company is currently still in the process of establishing capital markets readiness. As a result, some of the financial and/or operational information set forth in this document remains subject to change and/or completion. Certain financial data included in this Presentation consists of non-IFRS financial measures, which the Group regards as alternative performance measures ("APMs") within the meaning of the ESMA Guidelines. These non-IFRS financial measures, or APMs, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. For an explanation of these APMs and certain other terms, please refer to tab "CMD Glossary and Definitions".

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Daimler Truck Group

Key Figures and Ratios

1. Key Figures and Ratios Group

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Revenue	43,700	46,244	36,013	25,154	28,418
EBIT	2,734	2,792	491	(53)	2,940
Net profit (loss)	1,839	1,750	(131)	(499)	2,265
t/o Profit (loss) attributable to shareholders of Daimler Truck AG	1,808	1,731	(143)	(503)	2,242
Investment PP&E	1,221	1,130	796	445	344
Depreciation and Amortization/Impairments*	1,160	1,320	1,335	990	882
t/o Amortization on capitalized development costs	226	220	225	170	153
Research and development costs	1,589	1,738	1,530	1,145	1,139
t/o Research and non-capitalized development costs	1,509	1,662	1,423	1,075	991
t/o Capitalized development costs	80	76	107	70	147
<i>Capitalization ratio in %</i>	<i>5.0 %</i>	<i>4.4 %</i>	<i>7.0 %</i>	<i>6.2 %</i>	<i>12.9 %</i>
Research and development costs (EBIT view)	(1,734)	(1,882)	(1,648)	(1,245)	(1,144)
t/o Research and non-capitalized development costs	(1,509)	(1,662)	(1,423)	(1,075)	(991)
t/o Amortization on capitalized development costs	(226)	(220)	(225)	(170)	(153)
Active Workforce Group**	97,593	99,021	98,280	n/a	101,550
Trucks North America	23,463	23,603	22,859	n/a	26,076
Mercedes-Benz	40,728	41,757	40,982	n/a	41,300
Trucks Asia	15,340	14,869	15,642	n/a	15,986
Daimler Buses	15,324	15,824	15,585	n/a	14,972
Financial Services	1,387	1,387	1,387	n/a	1,392

* Depreciation and amortization including amortization on capitalized development costs and right-of-use assets, excluding depreciation on leased assets.

** Including items that cannot be allocated to any segment.

2. Key Figures and Ratios Industrial Business

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Unit Sales	548,140	521,545	378,290	258,042	324,149
Revenue	42,500	44,853	34,806	24,236	27,561
Adj. EBIT	2,524	2,600	655	70	1,837
<i>Adj. RoS</i>	<i>5.9 %</i>	<i>5.8 %</i>	<i>1.9 %</i>	<i>0.3 %</i>	<i>6.7 %</i>
Adj. CFBIT	1,654	2,393	2,502	916	627
<i>Adj. Cash Conversion Rate (CCR)*</i>	<i>0.7</i>	<i>0.9</i>	<i>3.8</i>	<i>13.0</i>	<i>0.3</i>
Adj. Free cash flow	930	1,478	1,781	534	94

*Adj. CCR equals adj. CFBIT divided by adj. EBIT.

Daimler Truck Group

Key Figures and Ratios

3. Key Segment Data

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Mercedes Benz					
Unit Sales	148,807	144,806	117,800	75,511	101,944
Revenue	16,724	16,806	13,790	9,372	11,788
Adj. EBIT	524	72	(232)	(554)	534
Adj. RoS	3.1 %	0.4 %	(1.7)%	(5.9)%	4.5 %
North America					
Unit Sales	192,515	203,965	139,479	97,421	114,530
Revenue	17,080	19,370	13,847	9,823	11,185
Adj. EBIT	1,821	2,237	1,015	636	1,205
Adj. RoS	10.7 %	11.5 %	7.3 %	6.5 %	10.8 %
Asia					
Unit Sales	188,860	152,805	110,205	78,661	102,953
Revenue	6,744	6,638	5,579	4,097	4,355
Adj. EBIT	328	154	37	42	316
Adj. RoS	4.9 %	2.3 %	0.7 %	1.0 %	7.2 %
Buses					
Unit Sales	28,133	29,763	18,932	12,480	12,669
Revenue	4,383	4,644	3,438	2,277	2,043
Adj. EBIT	295	284	67	24	(53)
Adj. RoS	6.7 %	6.1 %	1.9 %	1.1 %	(2.6)%
DTFS					
Revenue	1,200	1,391	1,207	919	858
Adj. EBIT	210	192	2	(50)	121
Book equity value	1,468	1,637	1,338	1,457	1,713
Adj. RoE	13.8 %	12.4 %	0.1 %	(4.3)%	10.4 %
Reconciliation Revenue	(2,431)	(2,605)	(1,848)	(1,334)	(1,811)
Daimler Truck Group Revenue	43,700	46,244	36,013	25,154	28,418
Reconciliation EBIT adj.	(444)	(147)	(232)	(78)	(165)
Adj. Daimler Truck Group EBIT	2,734	2,792	657	21	1,958

Daimler Truck Group

Share of Market

1. Market Shares (based on IHS Markit data)

In %	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Mercedes Benz					
EU30* HDT/MDT	20.5 %	19.8 %	19.6 %	-	-
Trucks North America					
North America** Class 8	36.7 %	37.0 %	36.8 %	-	-
North America** MDT	19.9 %	17.0 %	17.3 %	-	-
North America*** Class 6-8					

* European Union, United Kingdom, Switzerland and Norway.

** USA, Canada and Mexico.

2. Market Shares (company internal analysis)

In %	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Mercedes Benz					
EU30* HDT/MDT	n/a	20.0 %	19.5 %	19.3 %	20.0 %
Trucks North America					
North America** Class 8	n/a	38.8 %	40.0 %	39.5 %	40.1 %
North America** Class 6-7	n/a	32.9 %	32.4 %	33.9 %	35.3 %
North America*** Class 6-8					

* European Union, United Kingdom, Switzerland and Norway.

** USA, Canada and Mexico.

Daimler Truck Group

Combined Financial Statements

1. Combined Statement of Income of Daimler Truck Business

In €m	Group				
	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Revenue	43,700	46,244	36,013	25,154	28,418
Cost of Sales	(35,445)	(37,596)	(30,531)	(21,622)	(23,126)
Gross Profit	8,255	8,648	5,482	3,532	5,292
Selling Expenses	(2,745)	(3,001)	(2,625)	(1,885)	(1,924)
General administrative expenses	(1,502)	(1,686)	(1,472)	(1,060)	(1,143)
Research and non-capitalized development costs	(1,509)	(1,662)	(1,423)	(1,075)	(991)
Other operating income	660	797	726	511	1,753
Other operating expense	(471)	(214)	(200)	(80)	(245)
Profit/loss on equity-method investments, net	41	(2)	47	34	138
Other financial income/expense, net	5	(88)	(44)	(30)	60
Earnings before interest and taxes (EBIT)	2,734	2,792	491	(53)	2,940
Interest income	74	131	62	50	38
Interest expense	(257)	(292)	(219)	(156)	(107)
Profit before income taxes	2,551	2,631	334	(159)	2,871
Income taxes	(712)	(881)	(465)	(340)	(606)
Net profit/ loss	1,839	1,750	(131)	(499)	2,265
<i>thereof profit attributable to non-controlling interests</i>	31	19	12	4	23
<i>thereof profit/loss attributable to Daimler Truck Shareholders</i>	1,808	1,731	(143)	(503)	2,242

Daimler Truck Group

Combined Financial Statements

2. Combined Statement of Financial Position of Daimler Truck Business

In €m	Group			
	Dec, 31, 2018	Dec, 31 2019	Dec, 31 2020	YTD
				Sep 30, 2021
Assets				
Intangible assets	1,772	1,839	1,682	1,650
Property, plant and equipment	7,008	8,619	7,879	7,612
Equipment on operating leases	4,213	4,143	3,746	3,506
Equity-method investments	527	547	534	1,385
Receivables from financial services	8,401	9,334	8,318	8,479
Marketable debt securities and similar investments	2	2	27	33
Other financial assets	680	827	804	522
Deferred tax assets	1,612	1,109	1,258	1,098
Other assets	410	529	328	337
Total non-current assets	24,625	26,949	24,576	24,622
Inventories	7,725	7,551	6,278	8,492
Trade receivables	4,449	4,061	3,487	3,473
Receivables from financial services	7,989	9,345	6,951	6,696
Cash and cash equivalents	548	1,094	1,663	1,475
Marketable debt securities and similar investments	2,910	4,727	5,814	4,334
Other financial assets	410	601	448	725
Other assets	1,316	1,039	772	1,000
Total current assets	25,347	28,418	25,413	26,195
Total assets	49,972	55,367	49,989	50,817
Equity and liabilities				
Invested equity attributable to Daimler Group	9,642	10,617	9,703	11,556
Other components of equity	(715)	(766)	(1,478)	(1,038)
Invested equity attributable to non-controlling interests	405	494	483	494
Total equity	9,332	10,345	8,708	11,012
Provisions for pensions and similar obligations	2,463	3,178	3,530	2,752
Provisions for other risks	2,382	2,485	2,568	2,576
Financing liabilities	10,046	11,495	8,744	7,746
Other financial liabilities	2,159	2,169	2,030	1,783
Deferred tax liabilities	78	95	99	82
Deferred income	1,391	1,374	1,283	1,194
Contract and refund liabilities	1,544	1,790	1,639	1,774
Other liabilities	22	11	31	33
Total non-current liabilities	20,085	22,597	19,924	17,940
Trade payables	3,851	3,058	3,043	3,720
Provisions for other risks	1,851	1,781	1,719	1,941
Financing liabilities	9,341	11,801	11,805	11,079
Other financial liabilities	3,042	3,338	2,274	2,496
Deferred income	736	709	665	642
Contract and refund liabilities	1,262	1,253	1,295	1,415
Other liabilities	472	485	556	572
Total current liabilities	20,555	22,425	21,357	21,865
Total equity and liabilities	49,972	55,367	49,989	50,817

Daimler Truck Group

Combined Financial Statements

3. Combined Statement of Cash Flows of Daimler Truck Business

In €m	Group				
	Dec, 31, 2018	Dec, 31 2019	Dec, 31 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Cash and cash equivalents at beginning of period	883	548	1,094	1,094	1,663
Profit before income taxes	2,551	2,631	334	(159)	2,871
Depreciation and amortization/impairments	1,160	1,320	1,335	990	882
Other non-cash expense and income and gains/losses on disposals of assets	(120)	-	(61)	(62)	(1,408)
Change in operating assets and liabilities					
Inventories	(989)	199	870	(290)	(2,105)
Trade receivables	(296)	435	350	594	58
Trade liabilities	882	(863)	(138)	257	620
Receivables from financial services	(1,794)	(1,849)	1,438	1,277	701
Vehicles on operating leases	(175)	98	339	377	255
Other operating assets and liabilities	318	131	318	(131)	(132)
Dividends received from equity-method investments	18	12	9	6	12
Income taxes paid	(677)	(854)	(607)	(323)	(485)
Cash used for/provided by operating activities	876	1,270	4,170	2,536	1,269
Additions to intangible assets	(132)	(133)	(139)	(94)	(172)
Additions to property, plant and equipment	(1,221)	(1,130)	(796)	(445)	(344)
Proceeds from disposals of property, plant and equipment and intangible asset	78	59	108	94	89
Acquisition of businesses	-	(153)	(64)	(64)	-
Proceeds from the disposal of shares in Daimler Truck Fuel Cell GmbH & Co. K	-	-	-	-	634
Investments in shareholdings	(26)	(41)	(31)	(24)	(135)
Proceeds from disposals of shareholdings	2	56	8	7	136
Acquisition of marketable debt securities and similar investments	(2,511)	(4,127)	(2,593)	(1,633)	(1,290)
Proceeds from sales of marketable debt securities and similar investments	1,353	2,355	1,152	771	2,976
Other	(270)	(113)	3	(92)	48
Cash used for investing activities	(2,727)	(3,227)	(2,352)	(1,480)	1,942
Change in financing liabilities	2,395	2,008	(517)	(786)	(2,266)
Dividends paid to non-controlling interests	(75)	(18)	-	-	(27)
Dividends paid to Daimler Group	(593)	(985)	(14)	(1)	(6)
Other transactions with Daimler Group	(215)	1,488	(604)	207	(1,106)
Cash used for/provided by financing activities	1,512	2,493	(1,135)	(580)	(3,405)
Effect of foreign exchange rate changes on cash and cash equivalents	4	10	(114)	(127)	6
Cash and cash equivalents at end of period	548	1,094	1,663	1,443	1,475

Daimler Truck Group

Industrial Business

1. Summary Income Statement

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Incoming orders (units)	619,202	429,280	430,467	255,496	446,818
Unit Sales	548,140	521,545	378,290	258,042	324,149
Revenue	42,500	44,853	34,806	24,236	27,561
Cost of sales	(34,648)	(36,609)	(29,490)	(20,781)	(22,572)
Gross profit	7,851	8,244	5,316	3,455	4,988
Selling expenses	(2,622)	(2,869)	(2,512)	(1,802)	(1,841)
General administrative expenses	(1,358)	(1,529)	(1,349)	(971)	(1,041)
Research and non-capitalized development costs	(1,509)	(1,662)	(1,423)	(1,075)	(991)
Others	161	416	469	393	1,704
EBIT	2,524	2,600	501	(0)	2,819
<i>RoS (%)</i>	<i>5.9 %</i>	<i>5.8 %</i>	<i>1.4 %</i>	<i>(0.0)%</i>	<i>10.2 %</i>
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	(153)	(71)	(116)
M&A transactions	-	-	-	-	1,098
Adj. EBIT	2,524	2,600	655	70	1,837
<i>Adj. RoS (%)</i>	<i>5.9 %</i>	<i>5.8 %</i>	<i>1.9 %</i>	<i>0.3 %</i>	<i>6.7 %</i>

2. Summary Cash Flow Statement

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
EBIT of Industrial Business	2,524	2,600	501	(0)	2,819
Change in working capital	(513)	(121)	1,083	730	(1,375)
Net financial investments	(24)	(138)	(78)	(69)	672
Net investments in property, plant and equipment and intangible assets	(1,294)	(1,440)	(869)	(507)	(503)
Depreciation and amortization/impairments	1,096	1,305	1,318	985	706
Other	(135)	186	546	(223)	(1,138)
CFBIT of Industrial Business	1,654	2,393	2,502	916	1,181
FCF of Industrial Business	930	1,478	1,781	534	649
CFBIT of Industrial Business	1,654	2,393	2,502	916	1,181
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	-	-	(130)
M&A transactions	-	-	-	-	684
Adj. CFBIT of Industrial Business	1,654	2,393	2,502	916	627
<i>Adj. Cash conversion rate *</i>	<i>0.7</i>	<i>0.9</i>	<i>3.8</i>	<i>13.0</i>	<i>0.3</i>
* Ratio of adj. CFBIT to adj. EBIT.					
FCF of Industrial Business	930	1,478	1,781	534	649
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	-	-	(130)
M&A transactions	-	-	-	-	684
Adj. FCF of Industrial Business	930	1,478	1,781	534	94

Daimler Truck Group

Mercedes-Benz

1. Key Figures and Ratios

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Incoming orders (units)	159,279	128,837	124,203	81,163	160,528
Unit Sales	148,807	144,806	117,800	75,511	101,944
Revenue	16,724	16,806	13,790	9,372	11,788
Cost of sales	(14,237)	(14,563)	(12,320)	(8,627)	(9,975)
Gross profit	2,487	2,243	1,471	745	1,813
EBIT	524	72	(372)	(610)	330
<i>RoS (%)</i>	<i>3.1 %</i>	<i>0.4 %</i>	<i>(2.7)%</i>	<i>(6.5)%</i>	<i>2.8 %</i>
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	(141)	(56)	(95)
M&A transactions	-	-	-	-	(109)
Adj. EBIT	524	72	(232)	(554)	534
<i>Adj. RoS (%)</i>	<i>3.1 %</i>	<i>0.4 %</i>	<i>(1.7)%</i>	<i>(5.9)%</i>	<i>4.5 %</i>

Daimler Truck Group

Trucks North America

1. Key Figures and Ratios

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Incoming orders (units)	257,515	120,790	187,406	90,726	152,126
Unit Sales	192,515	203,965	139,479	97,421	114,530
Revenue	17,080	19,370	13,847	9,823	11,185
Cost of sales	(13,889)	(15,668)	(11,542)	(8,281)	(9,127)
Gross profit	3,191	3,702	2,305	1,542	2,057
EBIT	1,821	2,237	1,015	636	1,205
<i>RoS (%)</i>	<i>10.7 %</i>	<i>11.5 %</i>	<i>7.3 %</i>	<i>6.5 %</i>	<i>10.8 %</i>
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	-	-	-
M&A transactions	-	-	-	-	-
Adj. EBIT	1,821	2,237	1,015	636	1,205
<i>Adj. RoS (%)</i>	<i>10.7 %</i>	<i>11.5 %</i>	<i>7.3 %</i>	<i>6.5 %</i>	<i>10.8 %</i>

Daimler Truck Group

Trucks Asia

1. Key Figures and Ratios

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Incoming orders (units)	184,062	158,767	112,024	77,336	130,469
Unit Sales	188,860	152,805	110,205	78,661	102,953
Unit sales BFDA* - Beijing Foton Daimler Automotive Co. Ltd. (Auman Trucks)	103,364	86,214	126,446	99,550	95,615
Revenue	6,744	6,638	5,579	4,097	4,355
Cost of sales	(5,379)	(5,278)	(4,548)	(3,303)	(3,453)
Gross profit	1,365	1,360	1,031	794	902
EBIT	328	154	32	42	316
<i>RoS (%)</i>	4.9 %	2.3 %	0.6 %	1.0 %	7.2 %
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	(6)	-	-
M&A transactions	-	-	-	-	-
Adj. EBIT	328	154	37	42	316
<i>Adj. RoS (%)</i>	4.9 %	2.3 %	0.7 %	1.0 %	7.2 %

* not consolidated

Daimler Truck Group

Daimler Buses

1. Key Figures and Ratios

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
Incoming orders (units)	28,612	30,017	17,054	12,912	13,632
Unit Sales	28,133	29,763	18,932	12,480	12,669
Revenue	4,383	4,644	3,438	2,277	2,043
Cost of sales	(3,517)	(3,720)	(2,906)	(1,900)	(1,799)
Gross profit	866	923	532	378	244
EBIT	295	284	67	24	(74)
RoS (%)	6.7 %	6.1 %	1.9 %	1.1 %	(3.6)%
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	-	-	(6)
M&A transactions	-	-	-	-	(15)
Adj. EBIT	295	284	67	24	(53)
Adj. RoS (%)	6.7 %	6.1 %	1.9 %	1.1 %	(2.6)%

Daimler Truck Group

Financial Services

1. Key Figures and Ratios

In €m	FY 2018	FY 2019	FY 2020	YTD	
				Sep 30, 2020	Sep 30, 2021
New business (in €)	6,296	6,809	5,708	4,053	4,184
Penetration rates (in %)	23	22	23	23	19
Contract volume (end of period)	17,050	19,558	15,914	16,198	15,848
Revenue	1,200	1,391	1,207	919	858
EBIT	210	192	(11)	(52)	121
<i>RoE (%)</i>	<i>13.8 %</i>	<i>12.4 %</i>	<i>(0.7)%</i>	<i>(4.5)%</i>	<i>10.4 %</i>
Legal proceedings and related measures	-	-	-	-	-
Restructuring measures	-	-	(13)	(3)	-
M&A transactions	-	-	-	-	-
Adj. EBIT	210	192	2	(50)	121
<i>Adj. RoE (%)</i>	<i>13.8 %</i>	<i>12.4 %</i>	<i>0.1 %</i>	<i>(4.3)%</i>	<i>10.4 %</i>
Equity*	1,468	1,637	1,338	1,457	1,713

* Year-end figure.

Daimler Truck Group

Key Figures and Ratios

1. Group Liquidity

In €m	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	YTD	
				Sep 30, 2021	illustrative Sep 30, 2021*
Group liquidity					
Cash and cash equivalents	548	1,094	1,663	1,475	
Marketable debt securities and similar investments	2,912	4,729	5,841	4,368	
Group gross liquidity	3,460	5,823	7,504	5,842	-6,800
Total financing liabilities	(19,308)	(23,224)	(20,419)	(18,788)	
Group net debt	(15,848)	(17,401)	(12,915)	(12,946)	

2. Industrial Liquidity

In €m	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	YTD	
				Sep 30, 2021	illustrative Sep 30, 2021*
Liquidity of the industrial business					
Cash and cash equivalents	475	1,045	1,556	1,430	
Marketable debt securities and similar investments	2,912	4,716	5,812	4,329	
Gross liquidity of the industrial business	3,387	5,761	7,368	5,758	
Financing liabilities (nominal)	(3,872)	(5,423)	(5,798)	(4,748)	
Net liquidity of the industrial business	(485)	338	1,570	1,010	-5,200

* Actual YTD September 30, 2021 adjusted for the effects of capital and liquidity funding measures, remaining purchase price payments in relation Wave 1 transactions and certain other measures relating to the spin-off, all taken or to be taken after September 30, 2021, but prior to the spin-off date; does not include operating cash flow of Q4 2021 and effects related to refinancing financial liabilities at Daimler Truck Financial Services.

3. Pension benefits

In €m	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	YTD
				Sep 30, 2021
Pension benefits				
Benefit obligations	(6,629)	(7,793)	(8,555)	(8,010)
Plan assets	4,757	5,293	5,644	5,880
Funded status	(1,872)	(2,500)	(2,911)	(2,130)
<i>Funding ratio</i>	<i>71.8 %</i>	<i>67.9 %</i>	<i>66.0 %</i>	<i>73.4 %</i>

Daimler Truck Group

Assumptions & Guidance

1. Assumptions Heavy Duty Truck Market

	2021	2022
North America	Significant increase	On prior year level
EU30	Significant increase	On prior year level

2. Group and Industrial Business

In €bn	2021	2022
Revenue	37bn to 39bn	Significant increase
EBIT	3.4 to 3.8	Slight decrease
Adj. EBIT	2.3 to 2.7	Significant increase
Adj. RoS IB	6% to 8%	7% to 9%
FCF IB	1.5 to 2.0	Slight decrease
Investment PP&E	0.9 to 1.0	On prior-year level
R&D costs	1.5 to 1.7	Slight increase

3. Segments

	2021
Trucks North America	
Unit sales	160k to 170k
Adj. RoS	9% to 11%
Mercedes-Benz	
Unit sales	140k to 150k
Adj. RoS	4% to 6%
Trucks Asia	
Unit sales	140k to 150k
Adj. RoS	6% to 8%
Daimler Buses	
Unit sales	17k to 18k
Adj. RoS	-4% to -2%
DTFS	
New Business (in €bn)	5 to 6
Adj. RoE	5% to 7%

Daimler Truck Group

CMD Glossary and Definitions

1. CMD Glossary and Definitions

Term	Definition
"Industrial Business", or "IB"	Collectively, the Group's reporting segments Mercedes-Benz, Trucks North America, Trucks Asia and Daimler Buses (the "Automotive Segments"), as well as Reconciliation.
Reconciliation	The reconciliation includes other business activities and investments, in particular in the area of autonomous driving. Moreover, functions and services provided by the Daimler Truck Business' headquarters as well as by other companies of the Daimler Truck Business not allocated to the segments are included. In addition, the reconciliation includes projects managed by headquarters as well as eliminations.
Capex	Payments for intangible assets and property, plant and equipment, as far as such payments do not relate to capitalized borrowing costs or goodwill as presented in the combined statement of cash flows in the Group's Combined Financial Statements.
"Contribution margin"	Marginal profit, calculated as revenue minus variable cost.
"OTA"	Over-the-air.
Earnings before Interest and Taxes ("EBIT") for the Group, the Industrial Business and each segment	EBIT for the Group, the Industrial Business and each segment comprises gross profit, selling and general administrative expenses, research and non-capitalized development costs, other operating income/expense, and the profit/loss on equity-method investments, net, as well as other financial income/expense, net for the Group, the Industrial Business and each segment, respectively. EBIT for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Adjusted Earnings before Interest and Taxes ("Adj. EBIT", or "EBIT Adjusted") for the Group and each segment	Adj. EBIT for the Group and each segment is based on EBIT as adjusted to exclude significant results for legal proceedings and related measures, restructuring measures and M&A transactions that are not expected to occur on a regular recurring basis for the Group and each segment, respectively.
Adj. EBIT for the Industrial Business	Adj. EBIT for the Industrial Business is the sum of Adj. EBIT of the Automotive Segments and Reconciliation. Adj. EBIT for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Return on Sales ("RoS" or "Return on Sales") for the Industrial Business and each Automotive Segment	RoS for the Industrial Business and each Automotive Segment is EBIT for the Industrial Business or each Automotive Segment, as applicable, divided by revenue for the Industrial Business or the respective Automotive Segment, as applicable. RoS for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Adjusted Return on Sales ("Adj. RoS", "Return on Sales (adjusted)", "Adjusted return on sales" or "RoS Adjusted") for the Industrial Business (in such case sometimes referred to "RoS Adjusted (IB)") and each Automotive Segment	Adj. RoS for the Industrial Business and each Automotive Segment is Adj. EBIT for the Industrial Business or each Automotive Segment divided by revenue of the Industrial Business or each Automotive Segment, respectively. Adj. RoS for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Return on Equity ("RoE") for the Financial Services segment	RoE for the Financial Services segment is calculated as EBIT for the Financial Services segment divided by the average equity for the Financial Services segment. For the periods until December 31, 2020, average equity is defined as the average of the equity for the Financial Services segment at the beginning of the period and at the end of the period. From January 1, 2021, average equity is defined as the average of the quarterly average equity for each period. For each interim period, the EBIT for the Financial Services segment used for the calculation of the RoE is annualized.
Adjusted RoE ("Adj. RoE") for the Financial Services segment	Adj. RoE for the Financial Services segment is Adj. EBIT for the Financial Services segment divided by average equity for the Financial Services segment. For the periods until December 31, 2020, average equity is defined as the average of the equity for the Financial Services segment at the beginning of the period and at the end of the period. From January 1, 2021, average equity is defined as the average of the quarterly average equity for each period. For each interim period, the Adj. EBIT for the Financial Services segment used for the calculation of the RoE is annualized.
Free cash flow ("FCF", "Free Cash Flow" or "FCF (IB)") for the Industrial Business	FCF for the Industrial Business is defined as the sum of cash provided by operating activities, cash used for investing activities, changes in marketable debt securities and similar investments, right-of-use assets, and other adjustments for the Group or the Financial Service segment, as applicable. The cash flows from sales and purchases of marketable debt securities and similar investments included in cash flows from investing activities are deducted, as those securities are allocated to liquidity. On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from the change in lessee accounting and are largely non-cash items, are included. FCF for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment. Technically, FCF for the Industrial Business is calculated as FCF of the Group minus FCF of the Financial Services segment.
Adjusted FCF ("Adj. FCF", or "FCF Adjusted") for the Industrial Business	Adj. FCF for the Industrial Business is based on FCF for the Industrial Business as adjusted to exclude significant cash payments for legal proceedings and related measures, restructuring measures and M&A transactions that are not expected to occur on a regular recurring basis. Adjusted FCF for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.

Daimler Truck Group

CMD Glossary and Definitions

Cash flow before Interest and Taxes (" CFBIT " or "Cash flow before Interest and Taxes (CFBIT)") for the Industrial Business	CFBIT for the Industrial Business is defined as EBIT for the Industrial Business adjusted for change in working capital, net financial investments, net investments in PP&E and intangible assets, depreciation and amortization/impairments and other for the Industrial Business. CFBIT for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment. Technically, CFBIT for the Industrial Business is calculated as CFBIT of the Group minus CFBIT of the Financial Services segment.
Adjusted CFBIT (" Adj. CFBIT ", "Adjusted Cash flow before Interest and Taxes (CFBIT)", or "CFBIT Adjusted") for the Industrial Business	Adj. CFBIT for the Industrial Business is defined as CFBIT for the Industrial Business adjusted to exclude significant cash payments for legal proceedings and related measures, restructuring measures and M&A transactions that are not expected to occur on a regular recurring basis. Adj. CFBIT for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Adjusted Cash Conversion Rate (" Adj. CCR ", "Cash conversion" or "CCR Adjusted") for the Industrial Business	Adj. CCR for the Industrial Business is the ratio of Adj. CFBIT for the Industrial Business to Adj. EBIT for the Industrial Business.
Investments in PP&E (or "Investment PP&E") for the Group	Investments in PP&E for the Group include the additions to property, plant and equipment as presented in the combined statement of cash flows in the Combined Financial Statements.
Research and development costs (or "R&D Cost" or "R&D") for the Group	Research and development costs for the Group includes the research and non-capitalized development costs as presented in the combined statement of income in the Combined Financial Statements as well as the capitalized development costs for the Group.
Capitalization ratio for the Group	Capitalization ratio for the Group is defined as the ratio of capitalized development cost for the Group to Research and development costs for the Group.
Research and development costs for the Industrial Business	Research and development costs for the Industrial Business include the research and non-capitalized development costs as presented in the combined statement of income in the Combined Financial Statements as well as the capitalized development costs for the Industrial Business. Research and development costs for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Research and development costs for the Group (EBIT view)	Research and development costs (EBIT view) for the Group includes research and non-capitalized development costs as presented in the combined statement of income in the Combined Financial Statements as well as amortization on capitalized development costs for the Group.
"Equity"	The Equity of the Financial Services segment, the Industrial Business or the Group, as applicable.
Equity ratio for the Group, Industrial Business and Financial Services segment (also referred to as "Equity ratio")	Equity ratio for the Group, Industrial Business and Financial Services segment is defined as the equity of the Group, Industrial Business or Financial Services segment, respectively, divided by the assets of the Group, Industrial Business or Financial Services segment respectively. Technically, equity for the Industrial Business is calculated as equity of the Group minus equity of the Financial Services segment. Equity ratio for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Group gross liquidity (or "Gross liquidity")	Group gross liquidity is defined as the sum of cash and cash equivalents and marketable debt securities and similar investments as presented in the combined statement of financial position in the Combined Financial Statements.
Illustrative Group gross liquidity	Illustrative Group gross liquidity is defined as Group gross liquidity adjusted for the effects of future capital and liquidity funding measures, remaining purchase price payments in relation Wave 1 transactions and certain other measures relating to the spin-off, all taken or to be taken after September 30, 2021, but prior to the spin-off date. Illustrative Group gross liquidity does not include operating cash flow of Q4 2021 and effects related to refinancing financial liabilities at Daimler Truck Financial Services.
Leverage	Leverage is defined as the sum of current and non-current financing liabilities for the Financial Services segment divided by equity for the Financial Services segment.
Group net debt	Group net debt is defined as Group gross liquidity minus the sum of current and non-current financing liabilities as presented in the combined statement of financial position in the Combined Financial Statements and market valuation and currency hedges for financing liabilities.
Gross liquidity of the Industrial Business	Gross liquidity for the Industrial Business is defined as the sum of cash and cash equivalents for the Industrial Business and marketable debt securities and similar investments for the Industrial Business. Gross liquidity for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
"Net liquidity for the Industrial Business", or "Net liquidity"	Net liquidity for the Industrial Business is defined as Gross liquidity for the Industrial Business minus the sum of current and non-current financing liabilities for the Industrial Business and market valuation and currency hedges for financing liabilities for the Industrial Business. Net liquidity for the Industrial Business includes the impact of Reconciliation for the Group without allocating any Reconciliation amounts to the Financial Services segment.
Illustrative net liquidity for the Industrial Business	Illustrative net liquidity for the Industrial Business is defined as net liquidity for the Industrial Business adjusted for the effects of future capital and liquidity funding measures, remaining purchase price payments in relation Wave 1 transactions and certain other measures relating to the spin-off, all taken or to be taken after September 30, 2021, but prior to the spin-off date. Illustrative net liquidity for the Industrial Business does not include operating cash flow of Q4 2021 and effects related to refinancing financial liabilities at Daimler Truck Financial Services.
"Funded status", or "Funded status of pension obligations"	Funded status is defined as the present value of the defined benefit obligations and fair value of plan assets as presented in the Combined Financial Statements.
Funding ratio	Funding ratio is defined as the fair value of plan assets divided by the present value of the defined benefit obligations.

Daimler Truck Group

CMD Glossary and Definitions

New business (Financial Services)	New business represents the amount financed (Leasing & Finance contracts) in any given period by DTFS with third parties.
Penetration rate (Financial Services)	This line item is the percentage of Daimler vehicle units that have been leased or financed to retail customers in the respective segment by Financial Services out of the retail sales.
Contract volume (Financial Services)	This line item shows the amount of contracts of all booked lease, finance and dealer financing assets at the end of the reporting period.
Service share	Today's service share is based on 2019. % refers to revenue from services of the Industrial Business and Financial Services plus leasing installments from finance leases (numerator) divided by the total of a) new vehicle revenues from the Industrial Business minus b) additions to Financial Services finance and operating leases plus c) the numerator.
