

DAIMLER TRUCK

Q2 2022



Interim Results Call
August 11, 2022

Martin Daum, CEO
Jochen Goetz, CFO

ISIN: DE 000 DTR0CK8
WKN: DTR0CK

Bloomberg Ticker: DTG:GR
Reuters Ticker: DTGGe.DE

Q2 2022 Interim Results Call

01 | Highlights

02 | Financials

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Q2/22 Key Topics

- Continuing strong demand environment – order backlog remains on high level
- Unit sales +4% vs. Q2 2021 due to ongoing supply chain constraints
- Strong net pricing and aftersales performance
- Daimler Buses accelerating action on reducing German production cost: € 100 mn annualized savings
- Broadening our zero emission portfolio: Freightliner eCascadia in series production in North America and launch of eEconic in Europe
- Exciting new partnership in battery technology: investment in German high-tech machine manufacturer Manz
- Daimler Truck, the TRATON Group and the Volvo Group kick off their previously announced joint venture for charging infrastructure in Europe



Q2 2022

EBIT Group reported | adjusted
€ 1,074 mn. | € 1,010 mn.

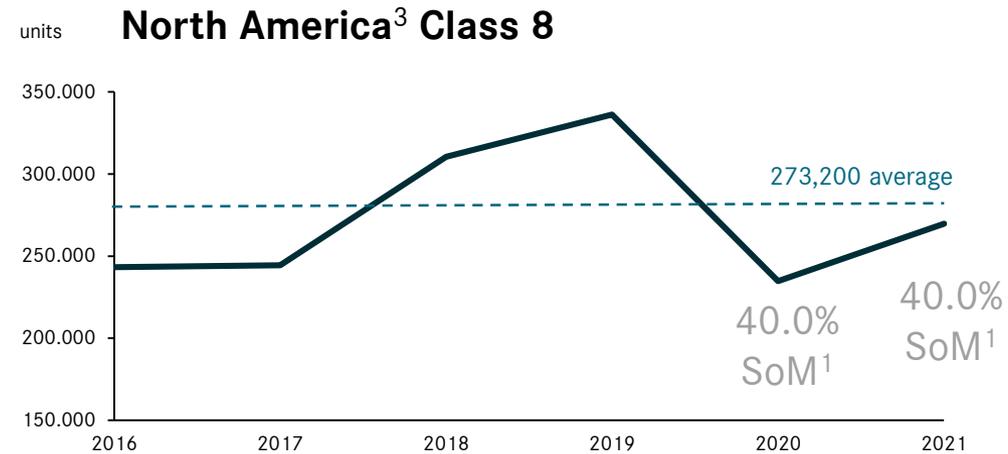
ROS adjusted IB
8.0%

EPS
€ 1.12

FCF IB
€ -756 mn.

Net Industrial Liquidity
€ 5.46 bn.

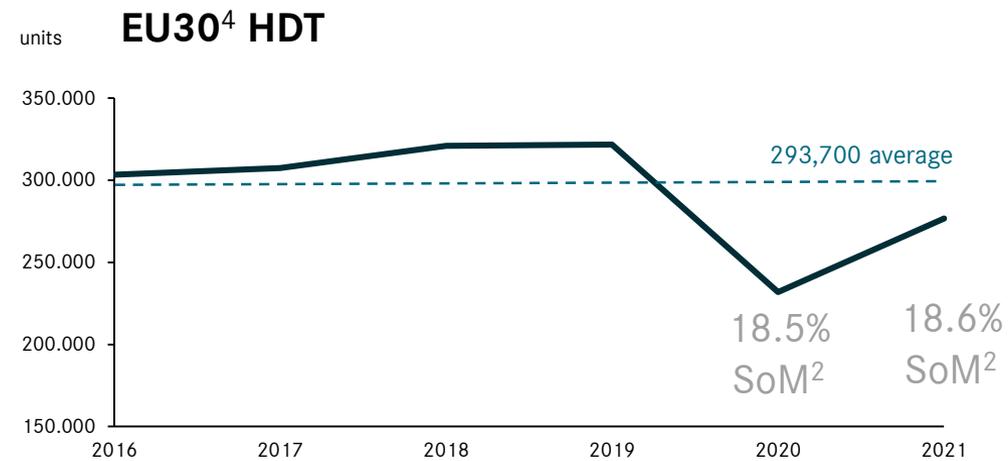
Positive SoM momentum



YTD⁵

110,855
total market units

41,0%
SoM¹



YTD⁵

122,287
total market units

19,3%
SoM²

¹ Share of Market for Freightliner, Western Star (company internal analysis)

² Share of Market for Mercedes Benz (company internal analysis)

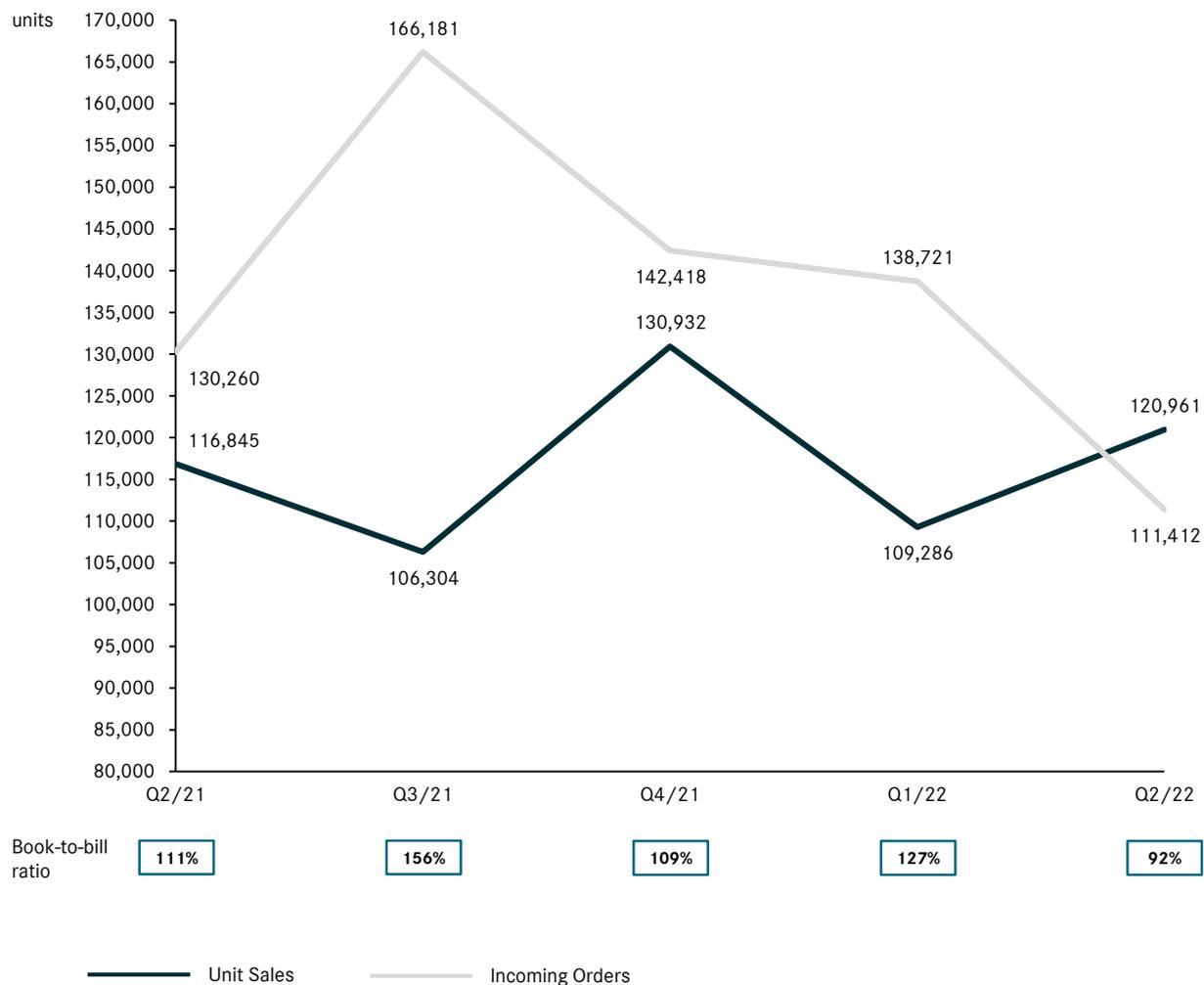
³ USA, Canada and Mexico

⁴ European Union, United Kingdom, Switzerland and Norway

⁵ YTD includes actuals January - May.

Q2/22 Incoming Orders and Unit Sales

Daimler Truck Group



Highlights

- Order backlog remains on high level
- Low book-to-bill ratio as US order book for 2023 not yet opened
- Restrictive order intake to ensure cost pass-through
- Recovery of bus markets visible in increasing orders

units	Q2/2021			Q2/2022		
	Incoming orders	Unit sales	Book-to-bill ratio	Incoming orders	Unit sales	Book-to-bill ratio
Daimler Truck Group	130,260	116,845	111%	111,412	120,961	92%
Trucks North America	29,694	43,233	69%	23,461	44,124	53%
Mercedes-Benz	57,625	38,717	149%	33,905	38,812	87%
Trucks Asia	40,826	33,125	123%	50,397	36,704	137%
Daimler Buses	5,222	4,618	113%	9,715	5,075	191%
Reconciliation	-3,107	-2,848		-6,066	-3,754	

Strong progress in zero-emission trucks and buses

Zero-emission trucks & buses ordered H1/21

308

Zero-emission trucks & buses sold in H1/21

128

Zero-emission trucks & buses ordered in H1/22

1,280

Zero-emission trucks & buses sold in H1/22

446



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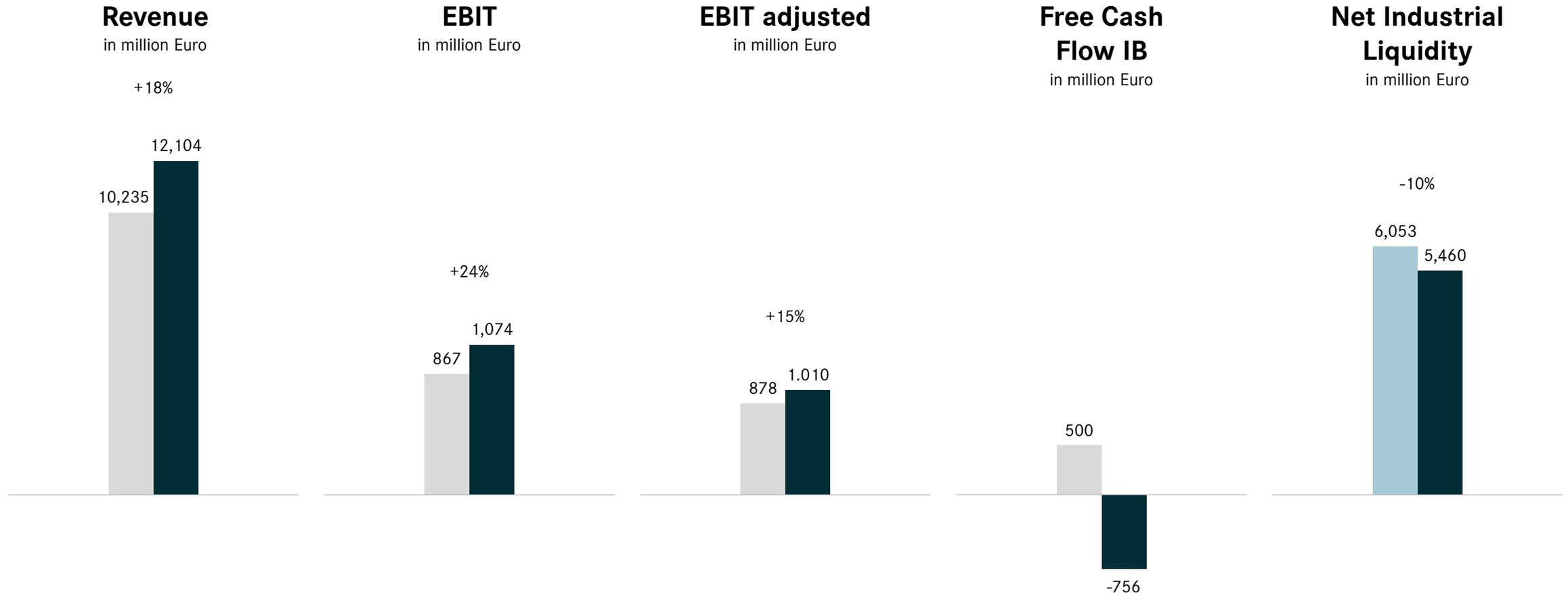
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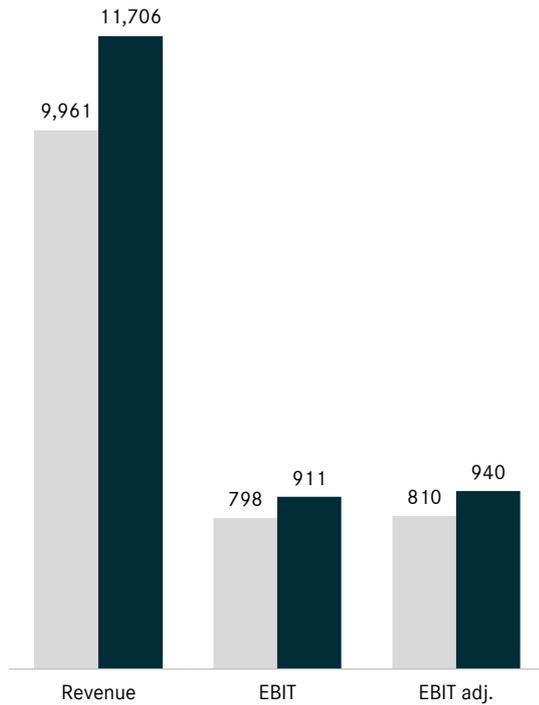
Q2/22 Key Figures Group



Q2/22 Revenue and EBIT Industrial Business

in million Euro

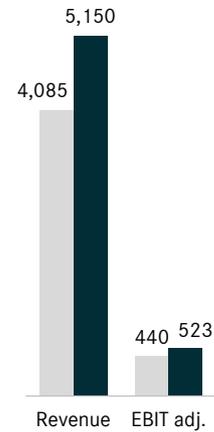
Industrial Business



ROS adj. Q2/22 (Q2/21)

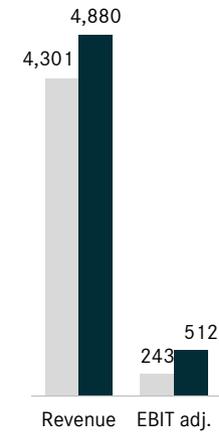
8.0% (8.1%)

Trucks North America



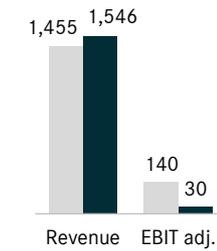
10.2% (10.8%)

Mercedes-Benz



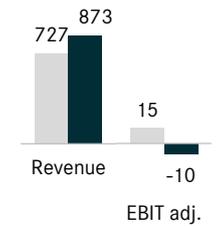
10.5% (5.7%)

Trucks Asia



1.9% (9.6%)

Daimler Buses



-1.2% (2.0%)

Q2/21A Q2/22A

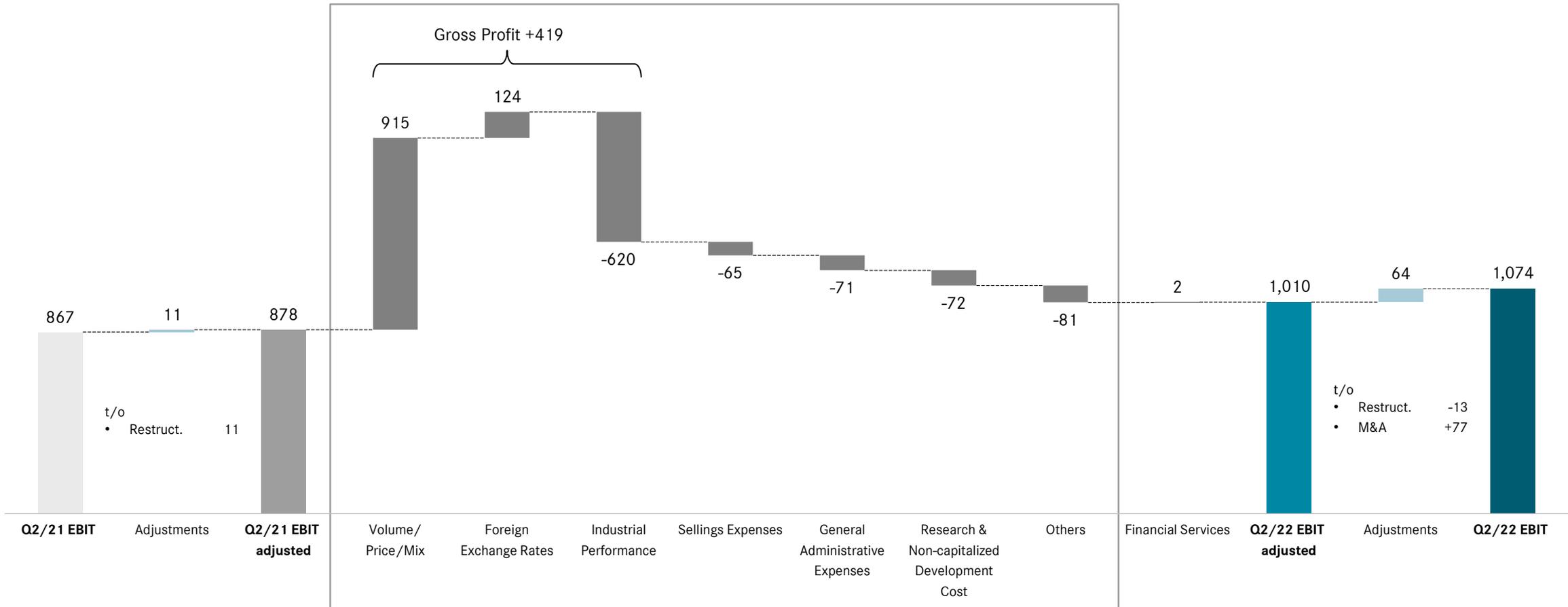
Q2/22 EBIT Group

Highlights

- + Net Pricing improvement and positive aftersales performance
- + Realization of license fees for localization of Mercedes-Benz trucks in China
- + Favorable FX development
- + Discounting of non-current provisions
- Higher raw material prices and ongoing supply chain constraints
- Negative valuation effect from participations (e.g. Proterra)

in million Euro

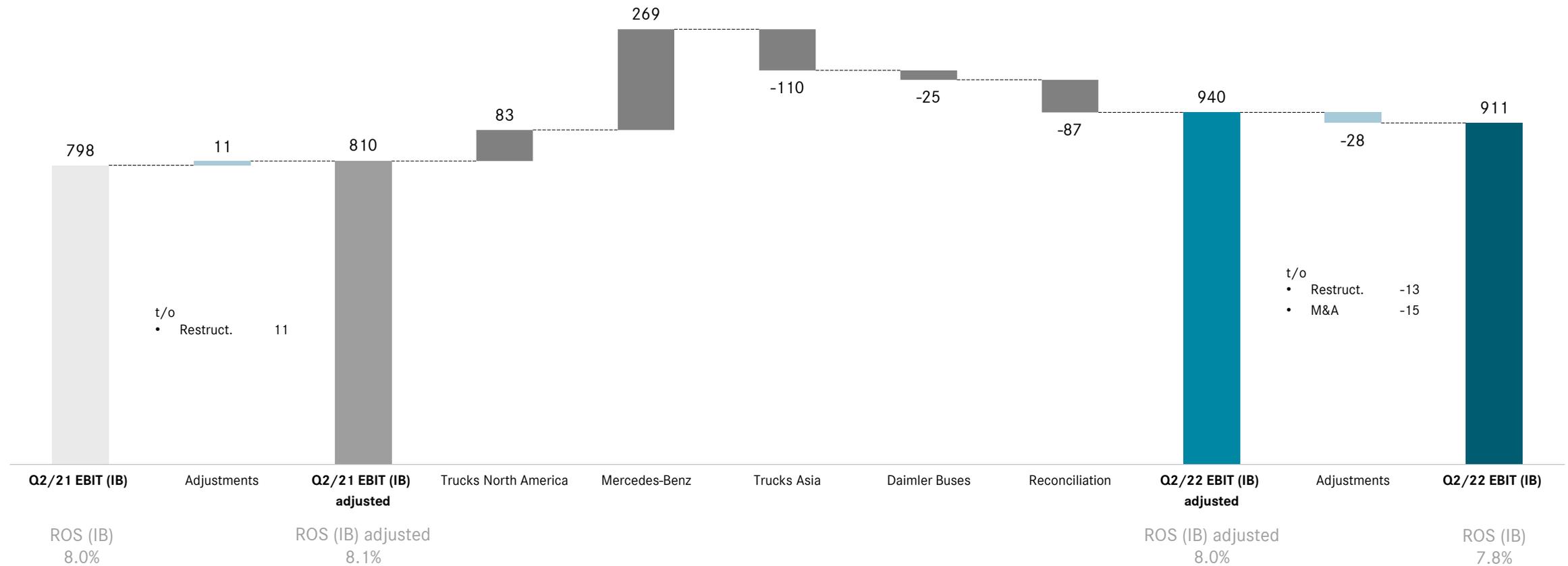
Industrial Business +130



Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

Q2/22 EBIT Industrial Business

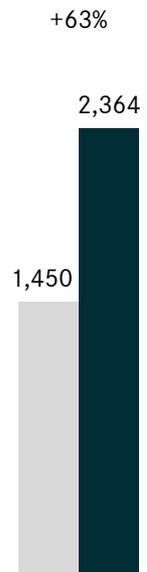
in million Euro



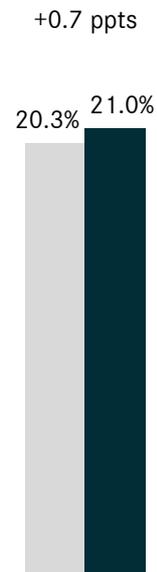
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Q2/22 Key Figures Financial Services

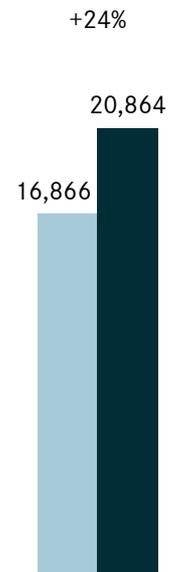
New Business in million Euro



Penetration Rate in %



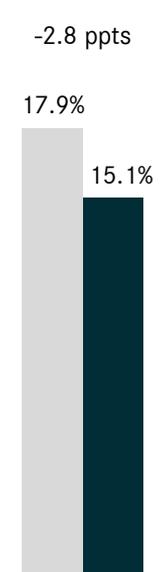
Contract Volume in million Euro at end of period



EBIT adjusted in million Euro



ROE adjusted in %



Q2/22 Cash Flow Industrial Business

Net Industrial Liquidity

at end of

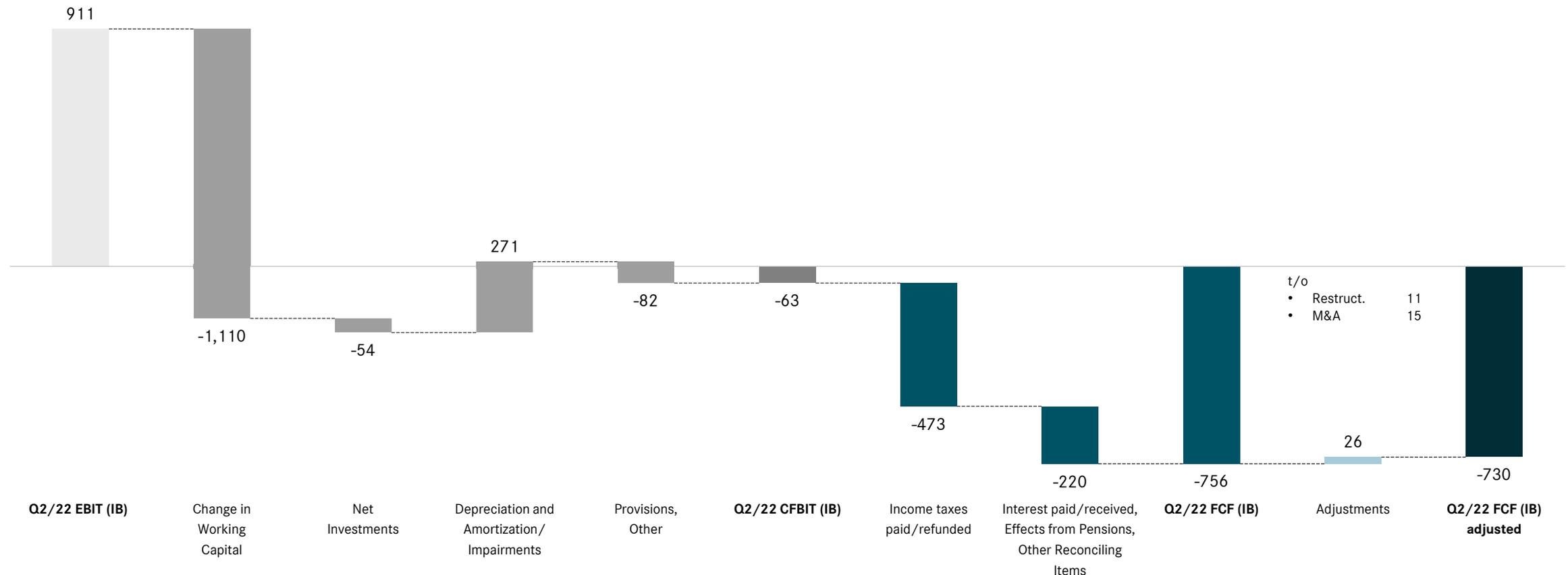
Q1/22

6.1 bn.

Q2/22

5.5 bn.

in million Euro



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Market Assumptions 2022

Heavy Duty Truck Market¹

2022

North America²

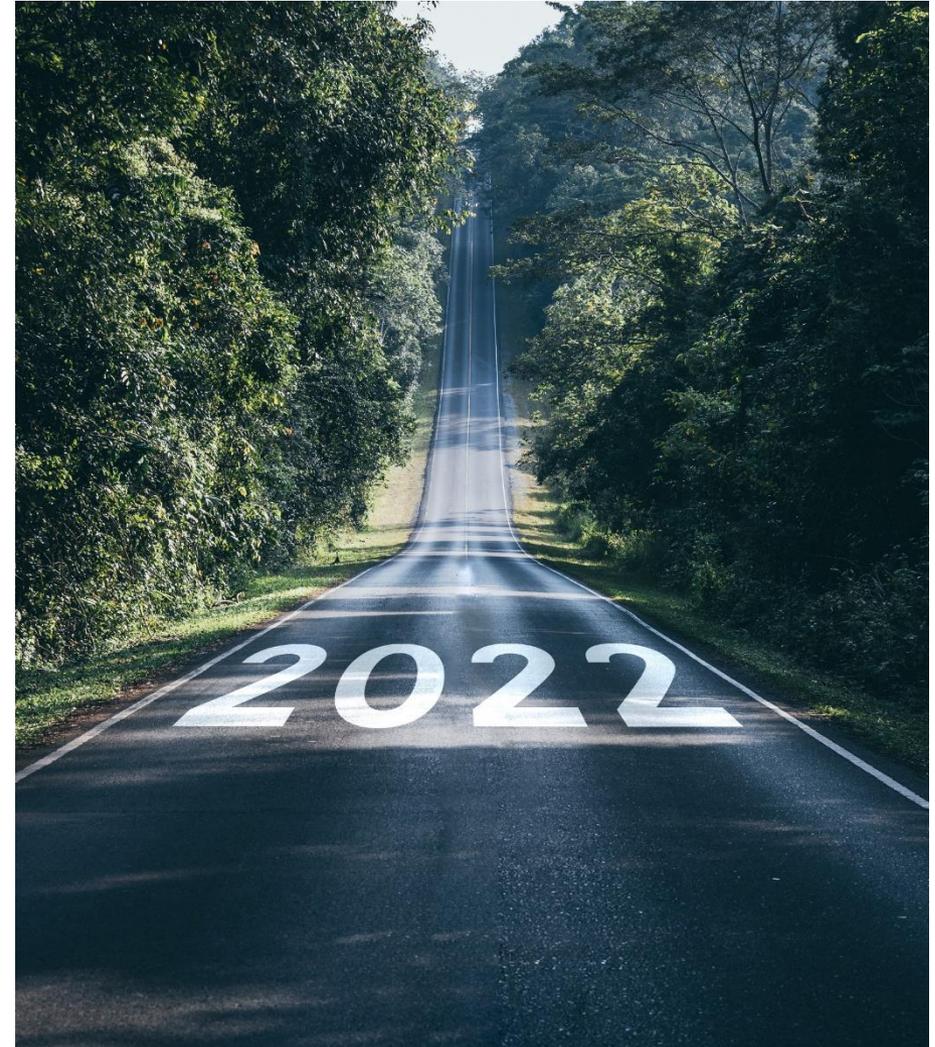
255 – 295 k units

EU30³

240 – 280 k units

Assumption

The outlook is especially subject to the further developments in the war in Ukraine and its impact on the global economy as well as the development of the very high inflationary pressure and the associated central-bank increases in interest rates. The further macroeconomic, geopolitical as well as the COVID-19 pandemic development also harbor an exceptional degree of uncertainty. However, we assume decreasing supply bottlenecks compared with the first half of the year and no production downtimes due to the availability of gas.



¹ Source: Company estimate

² USA, Canada and Mexico

³ European Union, United Kingdom, Switzerland and Norway

Daimler Truck Group/Industrial Business Assumptions 2022

Group

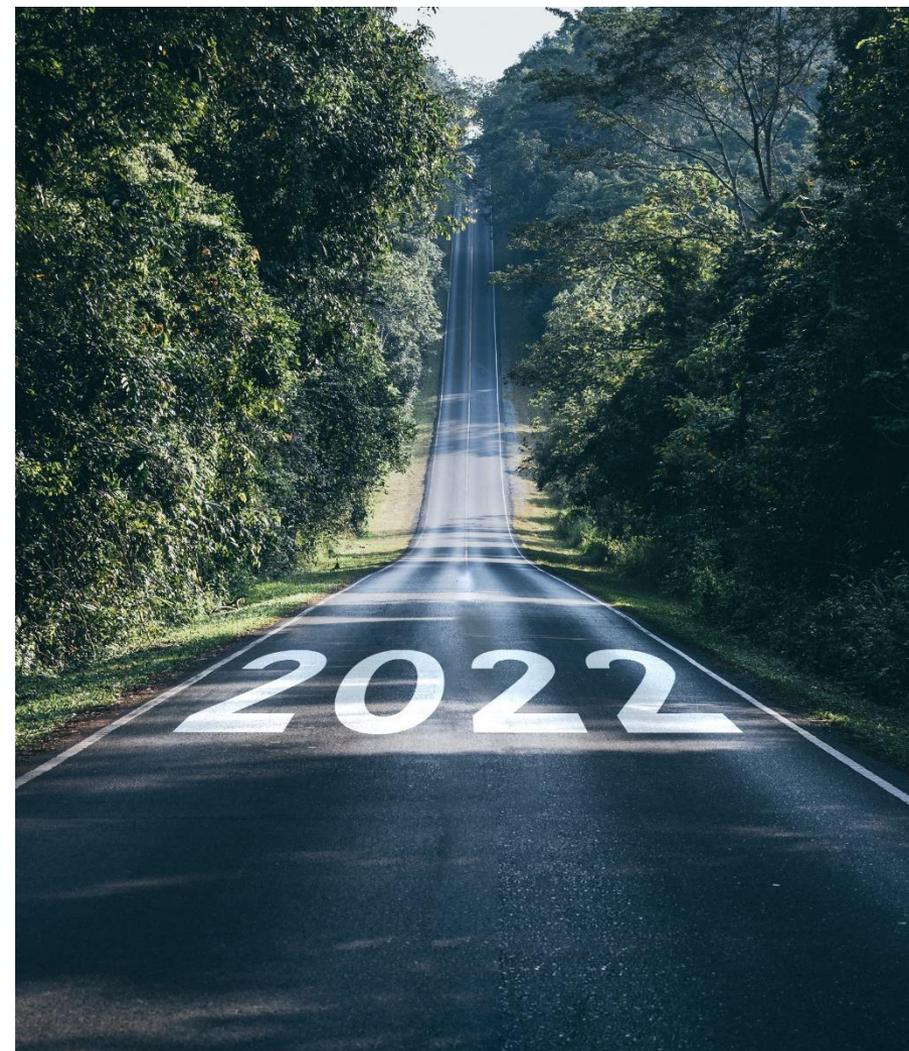
	FY 2021	Guidance 2022
Revenue	39.764 bn.	€ 48.0 – 50.0 bn.
EBIT	3.357 bn.	on prior-year level
EBIT adjusted	2.552 bn.	significant increase
Investment	762 mn.	slight increase
R&D cost¹	1.574 bn.	slight increase

IB

Unit Sales	455,445 units	500 – 520 k units
Revenue	38.641 bn.	€ 46.0 – 48.0 bn.
ROS adjusted	6.1%	7 – 9%
FCF	1.556 bn.	on prior-year level

Assumption

The outlook is especially subject to the further developments in the war in Ukraine and its impact on the global economy as well as the development of the very high inflationary pressure and the associated central-bank increases in interest rates. The further macroeconomic, geopolitical as well as the COVID-19 pandemic development also harbor an exceptional degree of uncertainty. However, we assume decreasing supply bottlenecks compared with the first half of the year and no production downtimes due to the availability of gas.



¹ Budget view: R&D incl. capitalized R&D

Daimler Truck Segment Assumptions 2022

	Unit Sales - in thousand units -		ROS/ROE adjusted - in % -	
	FY 2021	Guidance 2022	FY 2021	Guidance 2022
Trucks North America	162	175 - 195	9.2%	10 - 12%
Mercedes-Benz	141	155 - 175	4.8%	6 - 8%
Trucks Asia	143	140 - 160	7.2%	1 - 3%
Daimler Buses	19	20 - 25	-2.4%	> 0%
Financial Services	€ 6 bn. ¹	€ 9 - 10 bn. ¹	12.4% ²	9 - 11% ²

Assumption

The outlook is especially subject to the further developments in the war in Ukraine and its impact on the global economy as well as the development of the very high inflationary pressure and the associated central-bank increases in interest rates. The further macroeconomic, geopolitical as well as the COVID-19 pandemic development also harbor an exceptional degree of uncertainty. However, we assume decreasing supply bottlenecks compared with the first half of the year and no production downtimes due to the availability of gas.



Consistent execution of our strategic priorities in 2022



UNLOCKING PROFIT POTENTIAL

Increase resilience

- Continued focus on self-help measures including strict fixed cost control
- Further strengthen our service initiative
- Adjusted net pricing

Manage environment

- Monitor potential impact of geopolitical tensions
- Take advantage of strong markets
- Intelligent parts allocation

LEADING SUSTAINABLE TRANSPORTATION

Accelerating zero emissions

- Only CO₂-neutral city buses on offer in Europe by 2030
- Series production of Mercedes-Benz eEconic started at beginning of Q3
- GenH2 Truck testing on public roads
- Coming up: **Premiere of Mercedes-Benz eActros LongHaul at IAA Transportation in September**

Accelerating autonomous trucking

- Delivering autonomous-ready Freightliner Cascadia trucks to our partner Waymo
- Close collaboration of our independent subsidiary TORC Robotics with leading logistics companies

PEOPLE, CULTURE AND ESG

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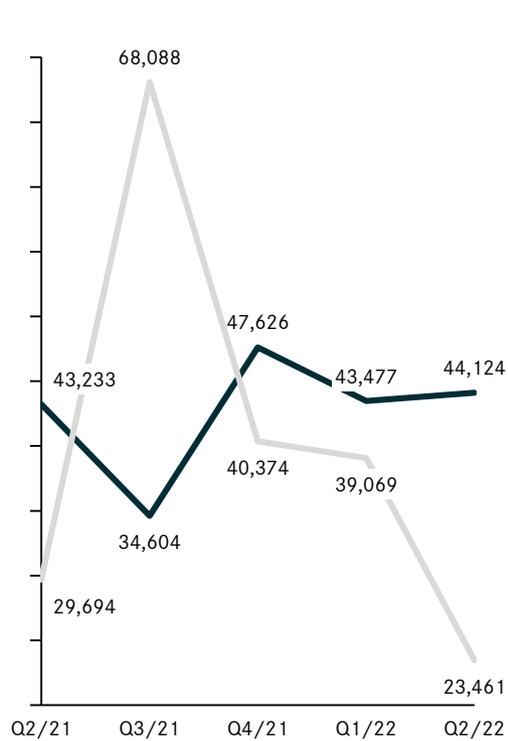
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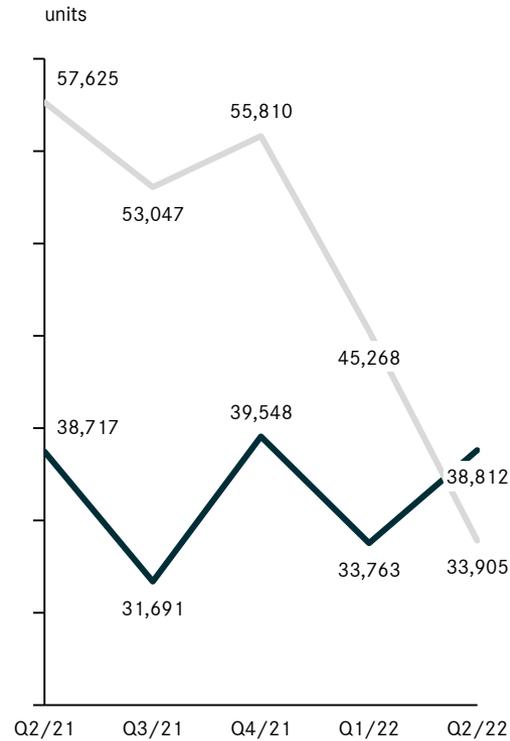


Q2/21 – Q2/22 Incoming Orders and Unit Sales by Segment

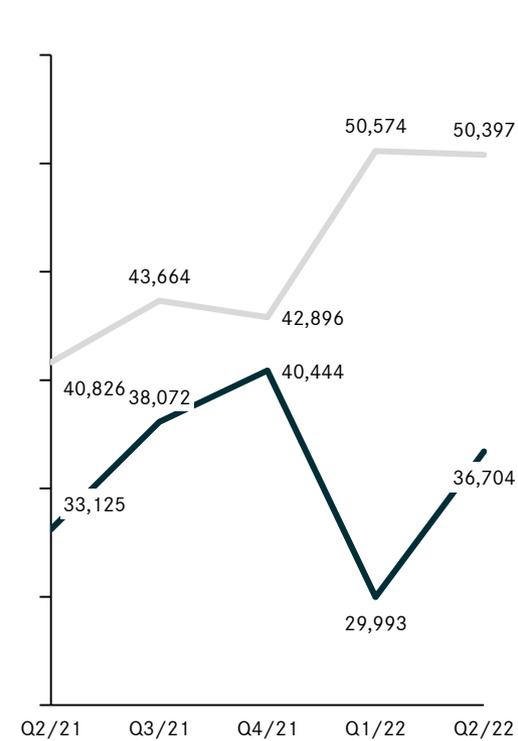
Trucks North America



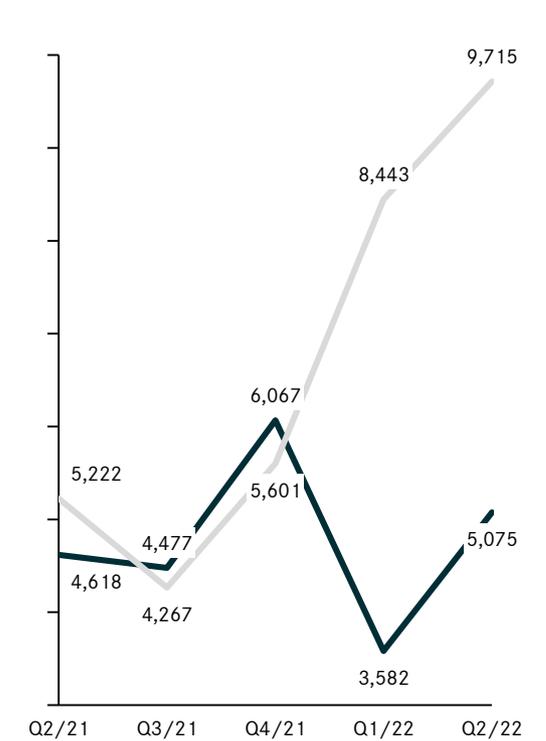
Mercedes-Benz



Trucks Asia



Daimler Buses



BTB RATIO **69%** **197%** **85%** **90%** **53%**

149% **167%** **141%** **134%** **87%**

123% **115%** **106%** **169%** **137%**

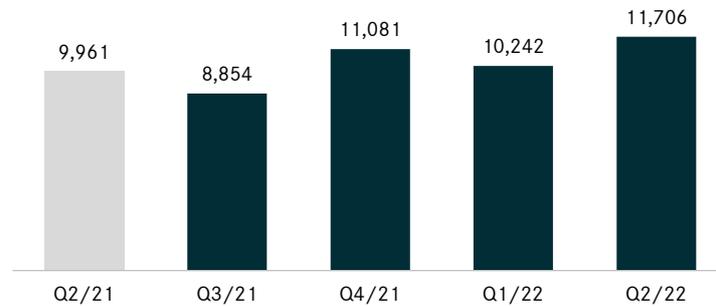
113% **95%** **92%** **236%** **191%**

— Unit Sales — Incoming Orders

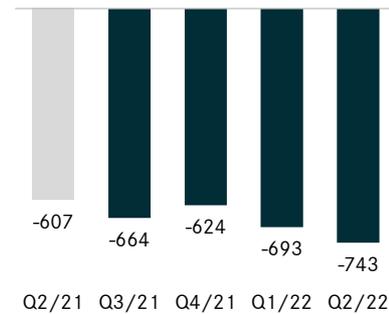
Q2/21 – Q2/22 IB Performance: Revenue by Segment

in million Euro

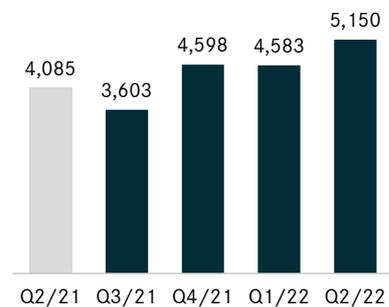
Daimler Truck Industrial Business



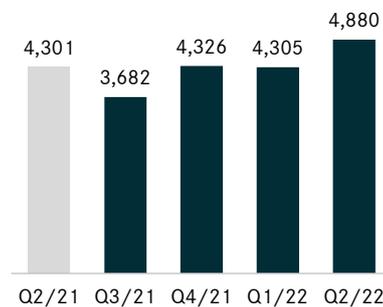
Reconciliation



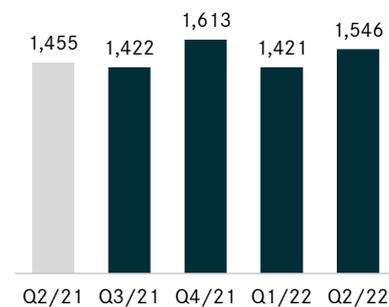
Trucks North America



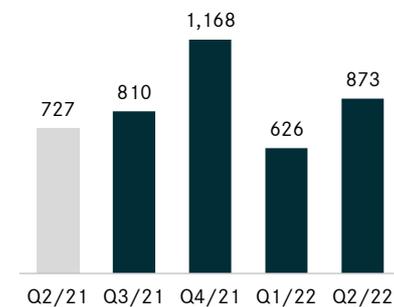
Mercedes-Benz



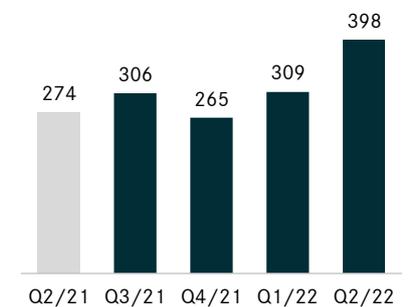
Trucks Asia



Daimler Buses



Financial Services

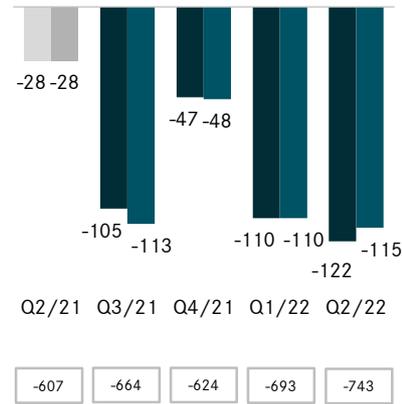
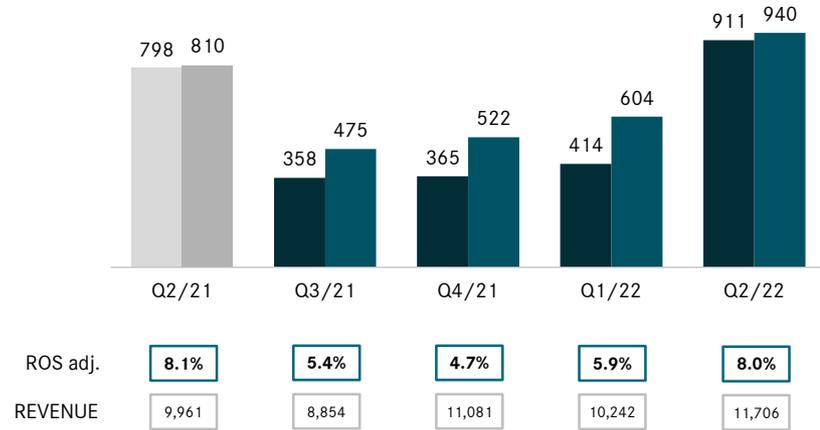


Q2/21 – Q2/22 IB Performance: EBIT by Segment

in million Euro

Daimler Truck Industrial Business

Reconciliation



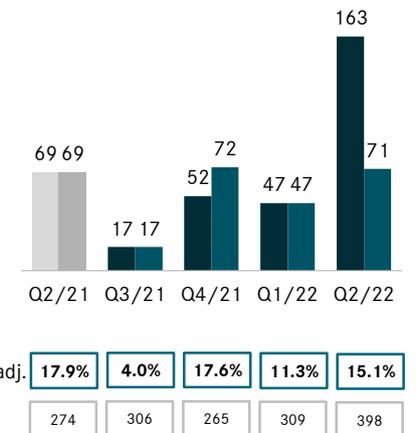
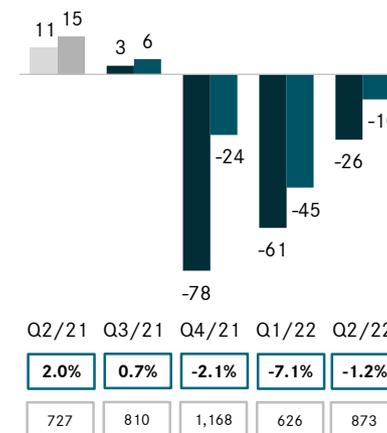
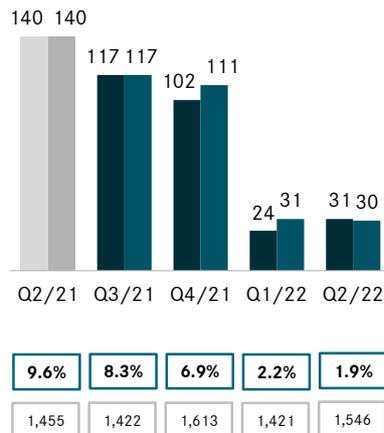
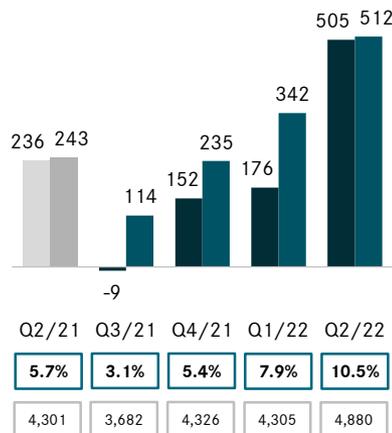
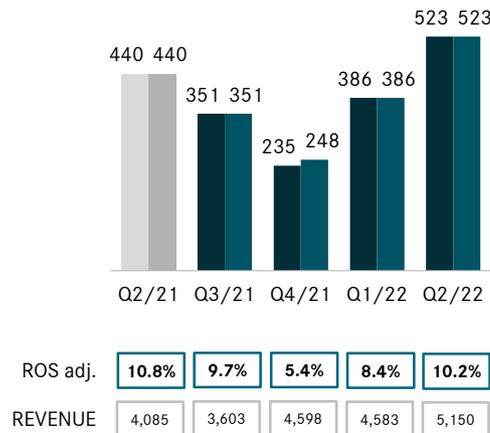
Trucks North America

Mercedes-Benz

Trucks Asia

Daimler Buses

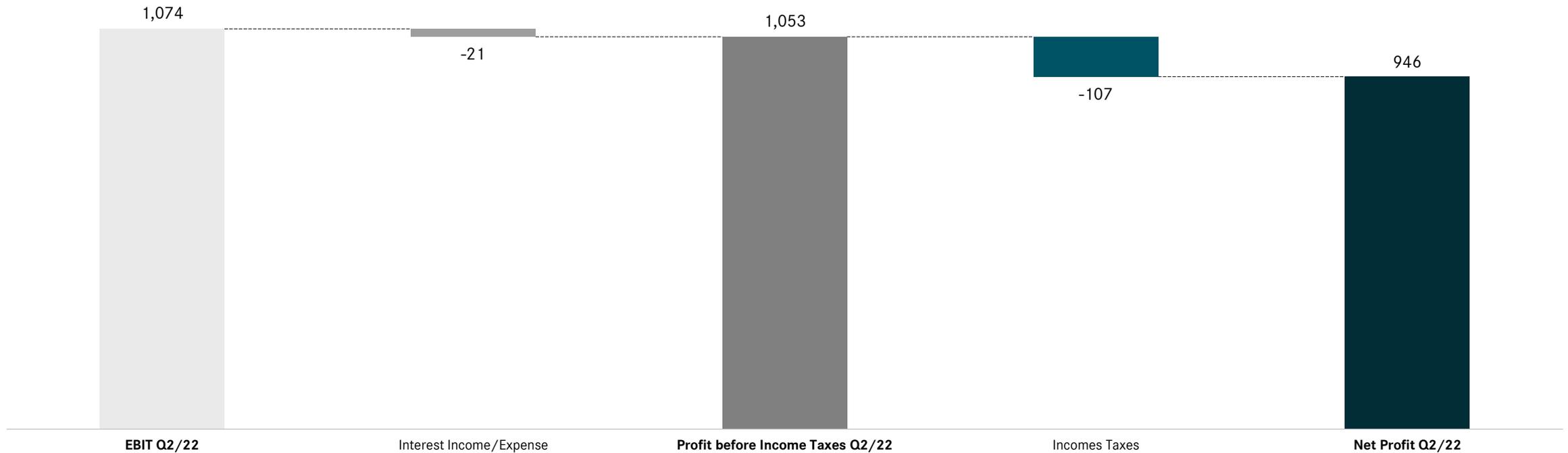
Financial Services



EBIT EBIT adjusted

Q2/22 Net Profit

in million Euro



Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

Q2/22 EBIT Trucks North America

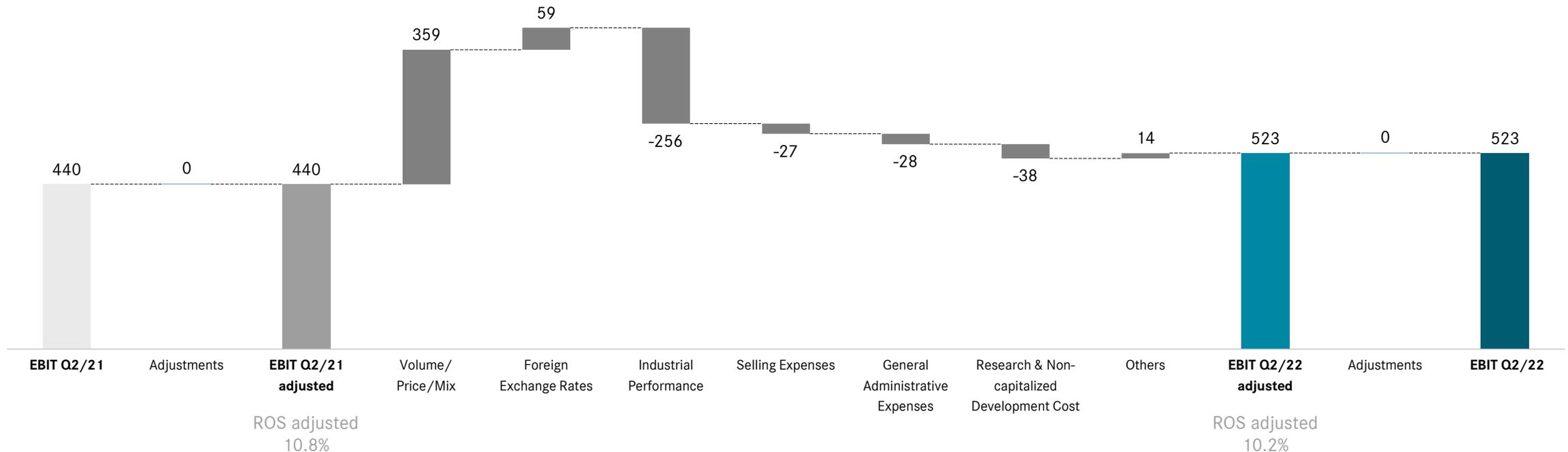
in million Euro

- + Net Pricing improvement
- + Favorable FX development
- + Favorable aftersales performance

- Higher raw material prices and ongoing supply chain constraints

Highlights

- Unit sales improvement despite continuing supply constraints
- Full realization of first surcharge and partial realization of second surcharge
- Aftermarket performance remains strong with record level daily parts sales
- Ongoing inefficiencies due to parts shortages, also contributing to rise in unfinished goods
- Continued focus on development of zero emission and autonomous vehicles as well as next generation of vocational trucks



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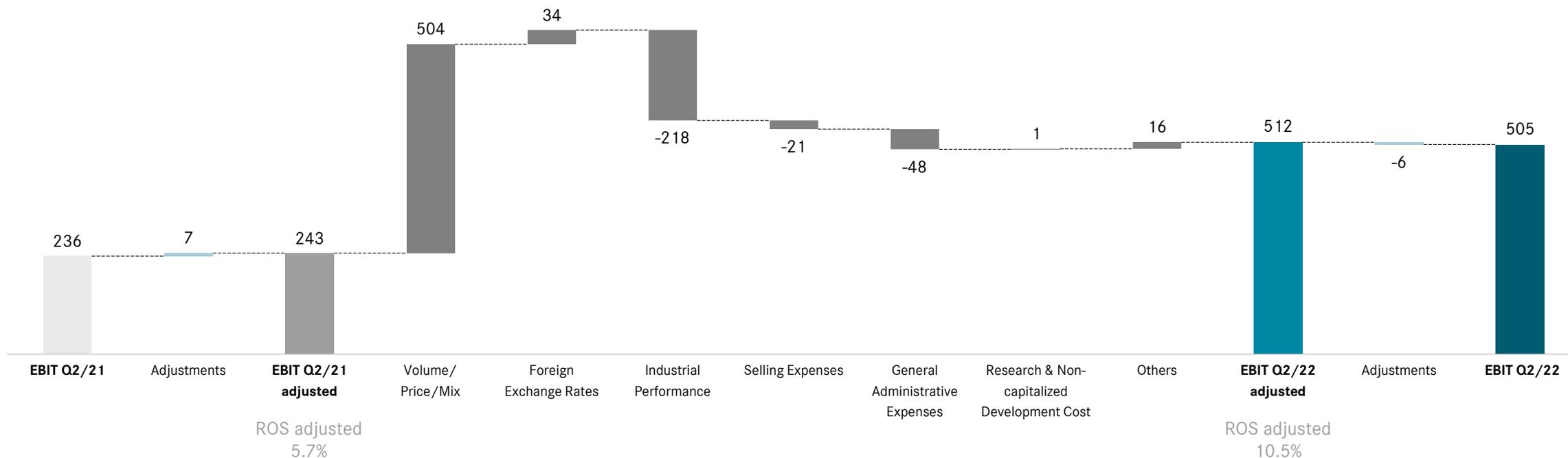
Q2/22 EBIT Mercedes-Benz

in million Euro

- | | |
|---|--|
| <ul style="list-style-type: none"> + Net pricing improvement + Favorable aftersales performance + Realization of license fees for localization of Mercedes-Benz trucks in China + Discounting of non-current provisions + Favorable FX development | <ul style="list-style-type: none"> - Higher raw material prices and ongoing supply chain constraints - Inflationary cost increases |
|---|--|

Highlights

- Ongoing strong momentum based on high transport activity in almost all markets
- Better pricing to successfully ease raising material cost as well as ongoing burden due to supply chain constraints
- High fleet utilization driving positive result from aftersales activities
- MB Actros for the Chinese market successfully achieved homologation; eEonic with start of series production in Q3 2022
- Final step completed to start an European charging infrastructure JV with Volvo Group and TRATON Group



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Q2/22 EBIT Trucks Asia

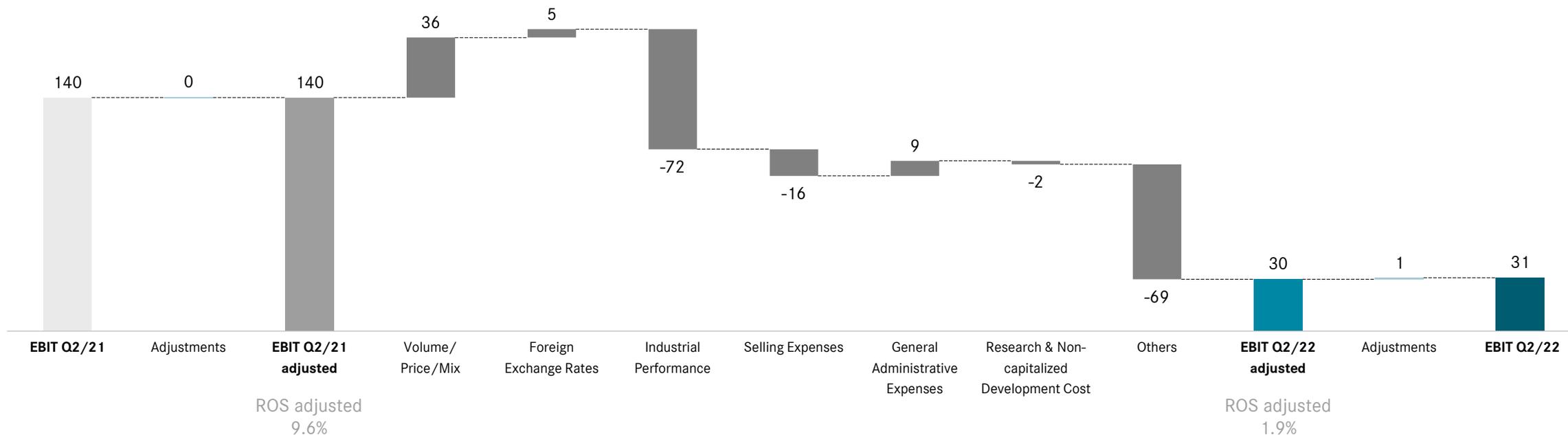
in million Euro

- + Sales growth mainly in International markets
- + Net Pricing improvement mainly in India and International markets
- + Favorable aftersales performance

- Negative BFDA at equity results
- Higher raw material prices and ongoing supply chain constraints
- Unfavorable country mix mainly coming from Japan due to parts allocation

Highlights

- China JV (BFDA) at equity result negative due to current market development and non-recurring one time effects in Q2/21
- Sales growth in mainly from International markets, however Japan affected by parts allocation leading to unfavorable mix
- Growing customer service business generating higher aftersales revenues
- Cost headwinds due to higher raw material prices and constraint cost



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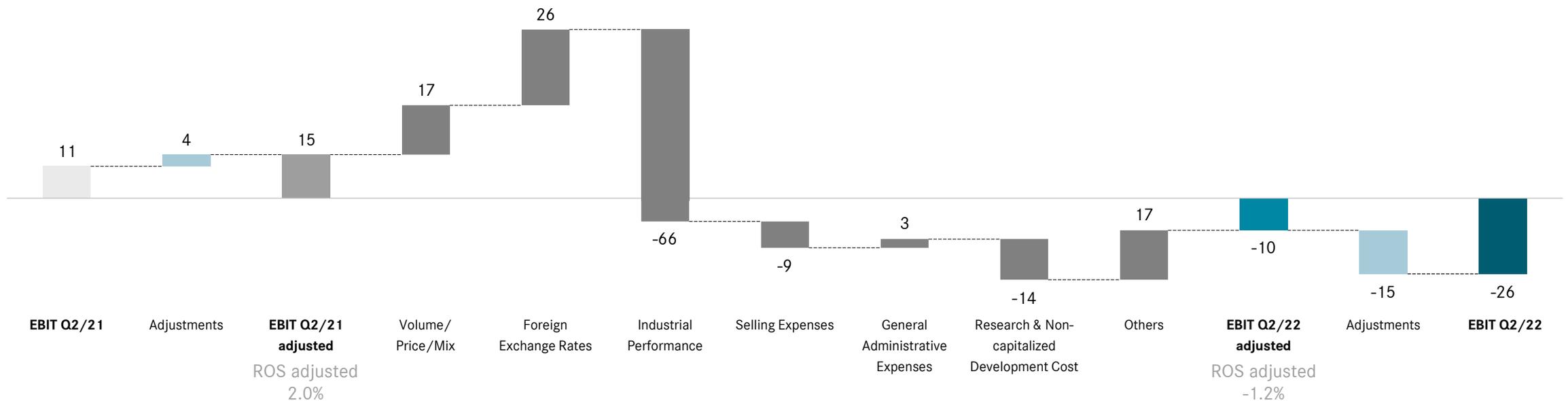
Q2/22 EBIT Daimler Buses

in million Euro

- | | |
|---|--|
| <ul style="list-style-type: none"> + Sales growth in Europe & Latin America + Favorable aftersales performance + Net Pricing improvement | <ul style="list-style-type: none"> - Higher raw material prices - Negative elimination effect (positive in Q2/21, no full year effect, negative counter effect in Q4/21) |
|---|--|

Highlights

- Strong market demand and increasing sales in Europe and in Latin America despite challenging supply chain
- Increasing coach sales supporting strict inventory management; start of series production of new coach generation in the Neu Ulm plant
- Improved pricing to counter steer further increasing raw material prices
- Increasing revenue and contribution from aftersales business
- Restructuring activities in Europe to reinstate competitiveness and investments in transformation accompanied by strict cost management



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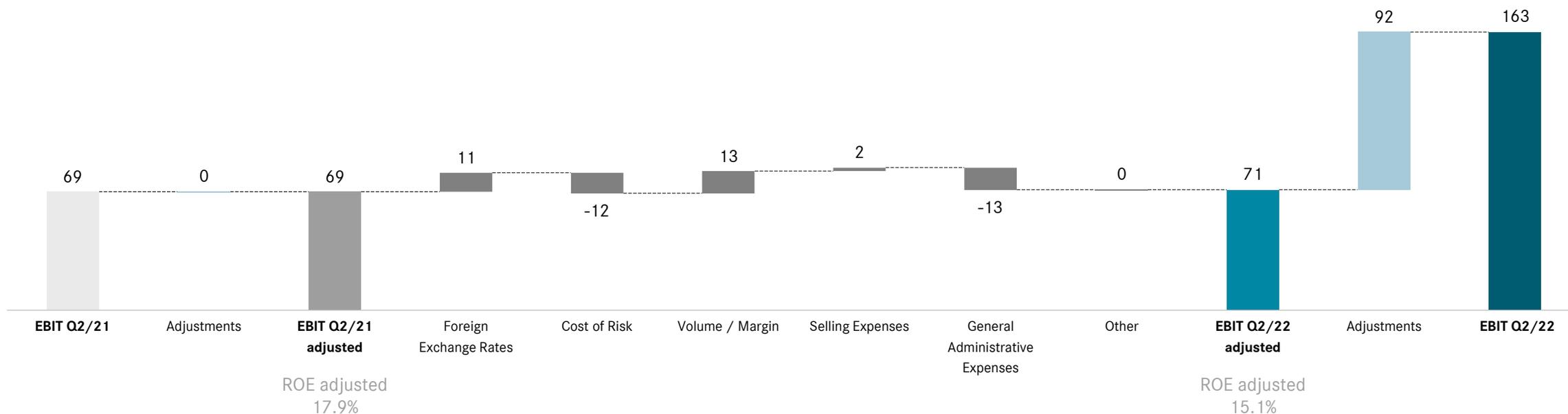
Q2/22 EBIT Financial Services

in million Euro

- | | |
|---|---|
| <ul style="list-style-type: none"> + Favorable FX development + Improved interest margin and higher contract volume due to additional markets | <ul style="list-style-type: none"> - Normalization of cost of risk - Higher G&A due to integration of additional markets as well as start-up cost |
|---|---|

Highlights

- Increased new business volume based on improved penetration rates and FX effects mainly in North America
- 12 out of 16 markets live – contract volume increase mainly due to positive FX effects in North America and new phase 2 markets
- Improved relative cost of risk situation due to normalization after COVID-19 despite weakening of macroeconomic outlook
- Funding advantage from North America portfolio refinancing leading to improved interest margin compensating increased costs due to additional markets and ramp-up costs



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Capital Structure

in million Euro

	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022
Group liquidity			
Cash and cash equivalents	7,244	6,851	5,699
Marketable debt securities and similar investments	138	173	592
Group Gross Liquidity	7,383	7,024	6,291
Total Financing Liabilities	-16,612	-17,108	-19,658
Group Net Debt	-9,230	-10,084	-13,367
Liquidity of the Industrial Business			
Cash and cash equivalents	6,904	6,598	5,454
Marketable debt securities and similar investments	99	124	542
Gross Liquidity of the Industrial Business	7,003	6,722	5,996
Financing liabilities (nominal)	-980	-669	-535
Net Liquidity of the Industrial Business	6,024	6,053	5,460
Pension Benefits			
Benefit Obligations	-7,951	-7,139	-6,167
Plan Assets	6,109	5,675	5,619
Funded Status	-1,842	-1,464	-548
Funding Ratio	76.8%	79.5%	91.1%

Definition of Guidance Sensitivities

Guidance KPI	Sensitivities	Definition
EBIT	significant decrease	above -15.0%
	slight decrease	-15.0% to -5.0%
	on prior-year level	-5.0% to 5.0%
	slight increase	+5.0% to +15.0%
Investments in pp&e	significant increase	above +15.0%
	significant decrease	above -15.0%
	slight decrease	-15.0% to -5.0%
	on prior-year level	-5.0% to +5.0%
R&D	slight increase	+5.0% to +15.0%
	significant increase	above +15.0%
	slight decrease	-15.0% to -5.0%
	on prior-year level	-5.0% to +5.0%
FCF IB	significant decrease	above -25.0%
	slight decrease	-25.0% to -10.0%
	on prior-year level	-10.0% to +10.0%
	slight increase	+10.0% to 25.0%
	significant increase	above +25.0%

Disclaimer

Forward-looking statements:

This document contains forward-looking statements that reflect our current views about future events. The words “aim”, “ambition”, “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilise our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes, or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.