

DAIMLER TRUCK

Daimler Truck Holding AG

Investor Relations Release

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Daimler Truck with solid Group results in Q2; record margin in North America, stronger headwinds in Europe

- **Group revenue in Q2 of €13.3 billion (Q2 2023: €13.9 billion)**
- **Adjusted Group EBIT of €1.17 billion (Q2 2023: €1.43 billion)**
- **Adjusted return on sales in the Industrial Business at 9.3% (Q2 2023: 10.3%)**
- **Profitability impacted by non-cash impairment of €120 million in China business**
- **Record margins in segments Trucks North America and Daimler Buses, stronger headwinds for Mercedes-Benz in Europe**
- **Earnings per share: €0.93 (Q2 2023: €1.11)**
- **Outlook for the 2024 financial year updated**

Leinfelden-Echterdingen – In the second quarter, Daimler Truck Holding AG (Daimler Truck) faced increased headwinds in key regions, mainly in Europe and Asia. With €13.3 billion the Group's revenue is slightly below the previous year's second quarter (Q2 2023: €13.9 billion). Adjusted Group EBIT in the reporting period was €1.17 billion (Q2 2023: €1.43 billion). In the Industrial Business (IB), adjusted EBIT was €1.16 billion (Q2 2023: €1.36 billion). Adjusted return on sales (adj. ROS) in the IB was at 9.3% (Q2 2023: 10.3%). Free cash flow (FCF) of the IB decreased to minus €285 million (Q2 2023: €382 million), mainly driven by negative timing effects. The FCF in Q2 balances out with the strong cash flow performance in Q1 of €1.2 billion resulting in a half-year FCF of €928 million. Earnings per share in Q2 amounted to €0.93 (Q2 2023: €1.11). In line with the contraction of the truck markets, the Group's global sales in Q2 totaled 112,195 units (Q2 2023: 131,888). Sales of battery-electric vehicles grew by 69% to 648 vehicles (Q2 2023: 383).

As already disclosed Daimler Truck has fully impaired the at-equity book value of its China Joint Venture BFDA (Beijing Foton Daimler Automotive Co., Ltd.) due to the negative impact of the current market and economic situation in China. This had a negative one-time, non-cash impact on adj. EBIT of the segment Trucks Asia and the IB of €120 million in Q2. Excluding this one-time impact, the Q2 IB adj. ROS of 9.3% would amount to 10.2%. Without the full impact of the China business including the BFDA impairment, the Trucks Asia margin would have been around 4.7%.

Martin Daum, CEO of Daimler Truck: “Daimler Truck has delivered overall solid results on Group level in the second quarter. Leaving aside the negative one-time effect of the impairment in China, our adjusted Return on Sales for the Industrial Business would have been again double-digit. The segments Trucks North America and Daimler Buses have shown an excellent performance with record margins. However, demand in key truck markets particularly in Asia and Europe has weakened, giving us stronger headwinds. This is also reflected in our updated full-year guidance with an expected adjusted Return on Sales in the range of 8 to 9.5% for the Industrial Business. This does not satisfy us. We as a team will work very focused and diligently to turn 2024 into another good year for Daimler Truck.”

The segments Trucks North America and Daimler Buses further increased profitability delivering quarterly record results. The results of Trucks North America were supported by improved net pricing and favorable effects from the sales mix. In the Daimler Buses segment, significantly higher unit sales versus the previous year's level, improved net pricing and effects from the sales mix contributed to the overall positive results. The market environment in core truck markets in Europe became more challenging, resulting in increased headwinds for the segment Mercedes-Benz. Significantly lower unit sales particularly in the EU30 region, unfavorable effects from the sales mix and an underutilization in production led to overall declining results for Mercedes-Benz. Financial Services' results were driven by higher cost of risk in America mainly due to the freight recession.

Outlook updated

Daimler Truck has updated its full year guidance for the year 2024: For the current financial year, the Group is now expecting unit sales of 460 to 480 thousand units and revenue of €53 to €55 billion. EBIT is expected to be significantly below prior year's level. Adjusted EBIT is expected to be slightly below prior year's level.

For the Industrial Business, Daimler Truck expects a revenue of €50 to €52 billion and an adjusted ROS of 8% to 9.5%. The free cash flow of the Industrial Business is now expected to be on prior year level.

For Trucks North America, the Group is now expecting an adjusted ROS for the full year at the top end of the guidance range (11% to 13%). For the Mercedes-Benz segment, the adjusted ROS is now expected to be between 6% to 8% with sales of 120 to 135 thousand units. In the Trucks Asia segment, an adjusted ROS of 1.5% to 3.5% is now expected, due to the special item from the BFDA impairment, with sales of 120 to 140 thousand units. Daimler Truck now anticipates an adjusted ROS of 6.5% to 8.5% for the Daimler Buses segment. For Financial Services, the Group is now expecting a Return on Equity (ROE) between 6% and 8%, with new business of €10 to €12 billion.

Eva Scherer, CFO of Daimler Truck: “In North America we see a strong performance historically and versus our peers. This once more demonstrates our strength in this market. At Mercedes-Benz, a lot of efforts have been taken to improve our cost structure. However, we cannot be satisfied with the Q2 result. It is clear that we have to define and implement further

structural measures to optimize our cost base to become more resilient. Cash generation will continue to be a high focus in the second half of the year. We will ensure that our shareholders continue to benefit from the solid results on Group level with an attractive dividend and the ongoing share buyback program.”

Key Figures – Group and Segments

Key Figures - Group						
	Q2 2024	Q2 2023	+/-	HY 2024	HY 2023	+/-
Unit Sales	112,195	131,888	-15%	221,106	257,060	-14%
Revenue*	13,325	13,880	-4%	26,587	27,080	-2%
EBIT (adjusted)*	1,168	1,428	-18%	2,378	2,590	-8%
ROS (adjusted, IB)**	9.3	10.3		9.3	9.6	
Free Cash Flow (IB)*	-285	382		928	549	69%
Incoming Orders	92,569	96,936	-5%	198,376	219,871	-10%
Earnings per share (EPS) in €	0.93	1.11	-17%	1.92	2.01	-4%
Key Figures - Segments						
	Q2 2024	Q2 2023	+/-	HY 2024	HY 2023	+/-
Trucks North America						
Unit Sales	48,230	50,618	-5%	94,450	99,509	-5%
Revenue*	6,015	5,971	1%	11,823	11,778	0%
EBIT (adjusted)*	875	783	12%	1,599	1,458	10%
ROS (adjusted)**	14.5	13.1		13.5	12.4	
Mercedes-Benz						
Unit Sales	30,604	39,236	-22%	62,489	73,728	-15%
Revenue*	4,582	5,553	-17%	9,408	10,543	-11%
EBIT (adjusted)*	299	544	-45%	720	984	-27%
ROS (adjusted)**	6.5	9.8		7.7	9.3	
Trucks Asia						
Unit Sales	28,342	40,097	-29%	56,799	80,307	-29%
Revenue*	1,408	1,687	-16%	2,914	3,447	-15%
EBIT (adjusted)*	-82	90		-32	171	
ROS (adjusted)**	-5.8	5.4		-1.1	5.0	

Daimler Buses						
Unit Sales	6,648	6,181	8%	12,252	11,751	4%
Revenue*	1,266	978	29%	2,442	1,928	27%
EBIT (adjusted)*	115	33	250%	174	42	313%
ROS (adjusted)**	9.1	3.4		7.1	2.2	

Financial Services						
New Business*	2,985	2,507	19%	5,760	4,907	17%
Revenue*	829	632	31%	1,610	1,244	29%
EBIT (adjusted)*	12	65	-81%	63	116	-46%
Return on equity (adjusted)**	1.8	11.4		4.9	10.3	

*in millions of €
**in percent

Additional information and documents such as the Interim Report, Factbook as well as a detailed Q2 2024 disclosure on Daimler Truck's five reporting segments are available online in Daimler Truck's investor relations section:

<https://www.daimlertruck.com/en/investors/q2-2024-press>

Daimler Truck Share

Listed Entity: Daimler Truck Holding AG

ISIN: DE000DTROCK8

Ticker Symbol: DTG

Daimler Truck Level I ADR Program

Symbol: DTRUY

ISIN: US23384L1017

Further information on Daimler Truck Group (DTG) is available at:

<https://www.daimlertruck.com/en/investors>

Upcoming Investor Events:

An overview of upcoming events, roadshows or DTG's attendance at investor conferences can be found here: [Roadshow & Conferences](#)

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-optimisation 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.