

DAIMLER TRUCK

INVESTOR PRESENTATION

DAIMLER
TRUCK
Financial Services



November 2024

ISIN: DE 000 DTR0CK8
WKN: DTR0CK

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

Level I ADR Program
ISIN: US23384L1017

DAIMLER TRUCK AT A GLANCE

We are the largest manufacturer of trucks and buses in the world

Unit Sales

in k



526

2022: 521



Revenue

in bn. €



55.9

2022: 50.9



EBIT

in bn. €, adjusted



5.5

2022: 4.0



ROS¹

in %, adjusted






9.9

2022: 7.7



GLOBAL LEADER ACROSS SEGMENTS

Offering vehicles and financial services tailored to our customers' needs

MERCEDES-BENZ		TRUCKS NORTH AMERICA	TRUCKS ASIA	DAIMLER BUSES	FINANCIAL SERVICES
#1 EU-30 ¹ MDT/HDT	#2 BRAZIL MDT/HDT	#1 NORTH AMERICA Class 6-8	#3 JAPAN Trucks Total	#1 EU-30 Buses >8t	
Unit Sales: 159k Revenue: 21.6 bn. € EBIT: 2.2 bn. € ROS: 10.2%		Unit Sales: 195k Revenue: 23.5 bn. € EBIT: 2.9 bn. € ROS: 12.3%	Unit Sales: 161k Revenue: 7.1 bn. € EBIT: 0.3 bn. € ROS: 4.7%	Unit Sales: 26k Revenue: 4.6 bn. € EBIT: 0.2 bn. € ROS: 4.7%	Revenue: 2.7 bn. € EBIT: 0.2 bn. € ROE: 9.1%
					

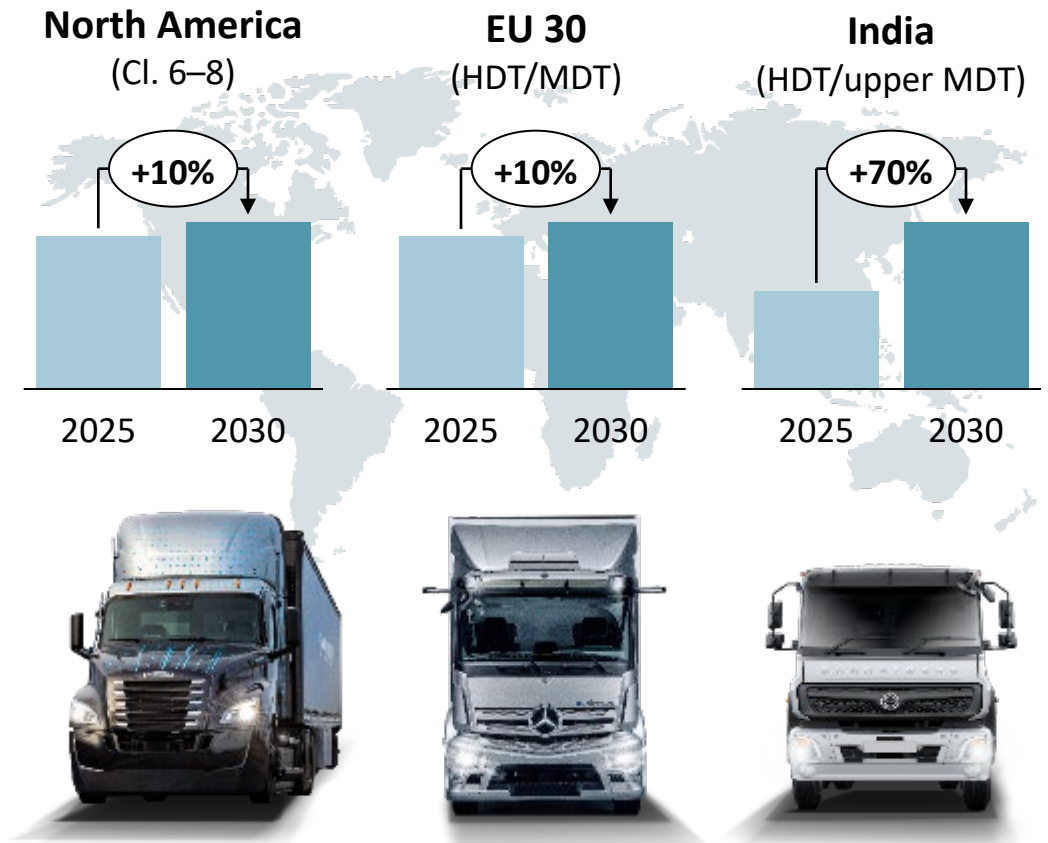
TRANSPORT IS THE BACKBONE OF OUR ECONOMY AND SOCIETY

Trucking remains a growth industry as global economy transitions to lower carbon

- ▶ Global transport volume has grown over the past years and will continue to grow ~2% p.a.
- ▶ Road transportation remains number one for long-haul and last mile distribution
- ▶ Truck industry has high barriers to entry – we benefit from our close customer relationship, our dealer network and broad portfolio
































WE ARE WELL POSITIONED AS ONE OF THE WORLD'S LARGEST COMMERCIAL VEHICLE MANUFACTURERS

CORE TRUCK MARKETS TO STAY ON A HIGH LEVEL, INDIA WITH SIGNIFICANT GROWTH POTENTIAL



PRODUCT & TECHNOLOGY OVERVIEW

We keep the world moving with global brands and products

DAIMLER TRUCK			H ₂
	<div></div> <p>Focus on captive high-margin heavy-duty ICE and partnership for medium-duty with Cummins</p>	<div> eActros 300/400</div> <div> eActros 600</div> <div> eEconic</div> <div></div>	<div> GenH2 Truck</div>
<div></div>		<div> eCitaro</div> <div> Chassis</div> <div></div> <div><div> eCitaro fuel cell</div><div></div></div>	
<div> </div>		<div> eM2</div> <div> eCascadia</div> <div><div> Custom Chassis eWalk-In Van</div><div> Jouley</div><div></div></div>	
<div>   BHARATBENZ</div>		<div> eCanter</div> <div> RIZON</div> <div> More to come!</div> <div></div>	

FOUR GLOBAL PLATFORMS TO CREATE SCALE & CUSTOMER VALUE

Leveraging commonality and partnerships whenever possible

POWER TO DRIVE

DIESEL



- MD: Exit with partner
- HD: Staying compliant (e.g. EURO 7) & competitive and consolidate volume (e.g. Deutz)

BEV



- One global cell and pack platform: covers >80% of HD and MD portfolio
- Flexible cell sourcing: e.g. partnership with CATL, JV with Cummins & Paccar (21 GWh factory as of 2027)
- Purpose-built chemistry and cell format: optimized for safety, longevity, cost
- Captive pack: optimized cell integration, modularity tailored for portfolio

HYDROGEN



FCEV

- Purpose-built fuel cell design, optimized for efficiency, longevity and high volume production
- cellcentric as 50:50 JV with Volvo - open for other customers

H2ICE

- ZEV option based on HD diesel – low cost, high payload, easy packaging

INTELLIGENCE TO DRIVE

SOFTWARE & ELECTRONICS



- 2024: Major updates of E/E architecture (safety, connectivity, HMI)
- 2027: Planned market entry in the U.S. for autonomous trucking
- End of decade: software defined E/E architecture with Daimler Truck Operating System

OUR ZEV VEHICLE PORTFOLIO WILL COVER THREE DIFFERENT TECHNOLOGIES

Different solutions are driven by customer needs

INNER-CITY TRANSPORT & LOCAL DISTRIBUTION



ON-HIGHWAY



VOCATIONAL



Battery Electric Vehicles

H₂

Fuel Cell Electric Vehicles

H₂

Combustion Engine

EMISSION REGULATION AND GOVERNMENT POLICIES DRIVE ADOPTION

Policymakers on all levels strongly push towards global CO2-neutrality

WINNING FORMULA

FACTOR 1
Product Offering

X

FACTOR 2
Infrastructure

X

FACTOR 3
Cost Parity

=

ZEV SUCCESS



PUSH FOR CO2-NEUTRALITY

**PARIS
AGREEMENT &
GLOBAL RACE TO
NET ZERO
BY LATEST 2050**

**EUROPEAN
GREEN DEAL:
-55% CO2
EMISSIONS
BY 2030**

**ADVANCED
CLEAN FLEET:
100% ZEV BY
2036 IN
CALIFORNIA**

**JAPAN:
CARBON
NEUTRALITY
BY 2050**

HOW WE IMPLEMENT OUR STRATEGY

We drive a technology agnostic, adjustable and scalable platform approach

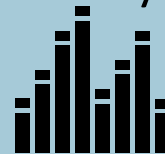
TECHNOLOGY AGNOSTIC

- ▶ Keep diesel competitive and clean
- ▶ Decarbonize with BEV and H2
- ▶ Customer decides which technology will prevail
- ▶ We are ready to back the right horse at anytime



STEPWISE INVESTMENTS

- ▶ BEV: Low first capacity commitment, flexible ramp-up steps
- ▶ FC: Joint venture cellcentric enables flexible capacity utilization
- ▶ H2ICE: Existing assets and similar technology enable flexible shift anytime



ECONOMIES OF SCALE

- ▶ Create commonality – develop once, deploy many times
- ▶ Expand and strengthen partnerships
- ▶ Increase volume, de-risk volume uncertainty and share invest



ACCELERATING TECHNOLOGICAL DEVELOPMENT

Strategic Partnerships in key ZEV technologies are reducing risks and costs

New JV with Accelera by
Cummins and PACCAR



Develop dedicated
truck battery cells



Offer Industry-leading
**depot charging
technology**



Initiate pan-European
high performance
**public charging
network**



Start **public charging
infrastructure** across the
U.S. for battery electric &
hydrogen fuel cell
vehicles



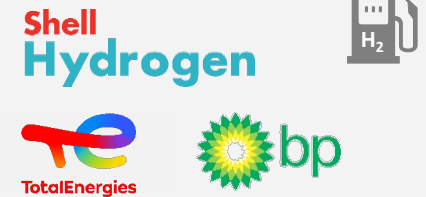
Develop, produce and
commercialize **fuel cell
systems** in joint venture
with Volvo Group



Develop technology
for **liquid hydrogen
refueling**



Accelerate **mass market
adoption of fuel cell
trucks** in Europe



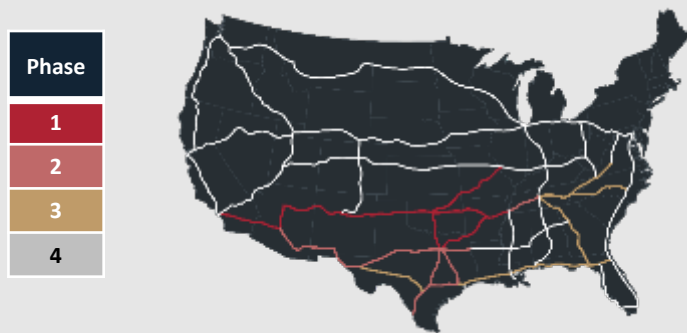
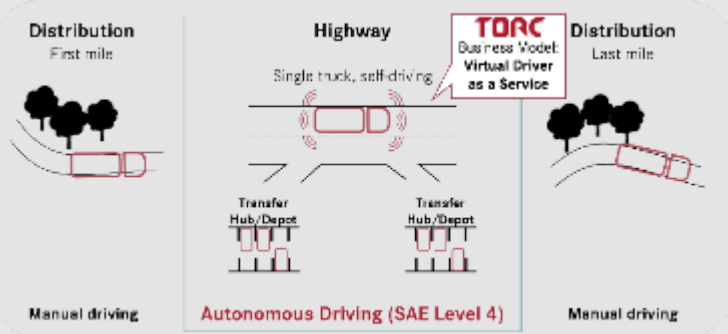
Establish **hydrogen
infrastructure** in
Europe and an open
standard for refueling

WE DELIVER AUTONOMOUS TRUCKS

Software driven virtual driver offers significant customer value and profit potential

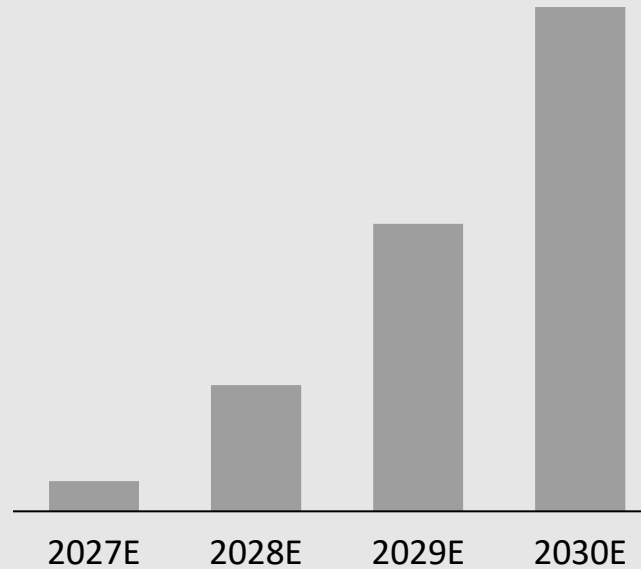
HUB-TO-HUB, PHASE 1 I-40

with scaling plan across US Southwest, then country-wide



MILES DEVELOPMENT

On-highway US hub-to-hub only
- in miles -



2027

MARKET ENTRY

>3 billion €

REVENUE POTENTIAL IN 2030

>1 billion €

EBIT POTENTIAL IN 2030

CAPTIVE SOLUTION - TORC IS MAKING SIGNIFICANT PROGRESS

On our way to delivering the best-in-class autonomous trucking solution

CAPTIVE SOLUTION



TORC

Pioneer in heavy-duty autonomous technology.

Fully integrated pure-play trucking product optimized for hub-to-hub and developed with customer feedback.

Daimler Truck foundation for a new profit pool.



Start of testing with industry first vehicle platform. Finalize production-intent hardware for commercial launch.



Expansion of Artificial Intelligence & Machine Learning capabilities via organic growth, upskilling and Algolux acquisition.



Two on-going pilots with major U.S. carriers and expanding scope to reefer trailers. 100% on-time-delivery!

SCHNEIDER



C.R.England

“AUTONOMOUS-READY” REDUNDANT FREIGHTLINER CHASSIS

OUR CAPITAL ALLOCATION FRAMEWORK SETS CLEAR USE-OF-CASH PRIORITIES

Focus on attractive return while investing in future value creation



- ▶ Based on Active Portfolio Management in most attractive businesses
- ▶ Pivot towards heavy-duty
- ▶ Monetizing of Diesel assets
- ▶ Increased funding priority for ZEV
- ▶ Strong partnerships where necessary

TRANSFORMING OUR BUSINESS AND DELIVERING A STEADY STREAM OF INCOME FOR OUR SHAREHOLDERS IN A CYCLICAL INDUSTRY

STRONG OPERATING CASH FLOW WITH SOLID BALANCE SHEET AS KEY PRIORITY

CAPEX AND R&D

TRANSFORMATIONAL INVESTMENTS

REGULAR CASH DIVIDENDS

OPPORTUNISTIC VALUE-CREATING M&A

SHARE BUYBACKS

EXECUTING OUR SHARE BUYBACK PROGRAM

Enhanced dividend policy and up to 2 billion € buyback

HIGH & LESS CYCLICAL
DIVIDEND PAYOUT

40–60%

Range to maintain a stable dividend
level even in tougher market
environments

SHARE BUYBACK PROGRAM
UP TO 2 BILLION €

EXECUTION
IN TWO TRANCHES

Started: November 2023
Executed by end of October 2024: 1.2 billion €

DURATION
TIME SPAN ~2 YEARS



SOLID LIQUIDITY & INVESTMENT-GRADE RATING

Upgrade by S&P to A- in June 2024

SOLID RATING

S&P: A-

Outlook: stable

Moody's: A3

Outlook: stable

in billion €	ACTUALS Dec 31, 2023	ACTUALS Sep 30, 2024
DAIMLER TRUCK		
Equity ratio	32%	30%
Gross liquidity	8.9	9.7
Funded status of pension obligations	- 0.6	- 0.5
Funding ratio	90%	93%
INDUSTRIAL BUSINESS		
Equity ratio	48%	46%
Net liquidity	8.3	6.5
FCF	1.1 (Q3/23)	0 (Q3/24)

"We expect Daimler Truck's operating performance to show resiliency in 2024-2025 despite demand normalizing. "
(S&P – Jun 11, 2024)

"The expectation of good margin level going forward combined with continuous very low leverage and history of positive free cash flow generation position Daimler Trucks' rating well in the A3 rating category" (Moody's – Apr 22, 2024)



TRANSFORMING FOR SUSTAINABLE GROWTH

We deliver our 2025 ambitions and further enhance profit and cash flow by 2030

2025

**DELIVER HIGHER PROFITABILITY
AND INCREASED RESILIENCE,
INCREASE SHAREHOLDER
REWARDS**

**LAY THE FOUNDATION FOR OUR
TRANSFORMATION**

2030

**FURTHER UPLIFT PROFITABILITY
AND FREE CASH FLOW**

**EXECUTE THE
TRANSFORMATION**



HOW WE WIN

We build our foundations on strong strategic pillars & a high-performance culture



#1 PROFITABILITY

Implementation
of our self-help
measures to increase
resilience

#2 SERVICES

Build recurring revenue
streams, increase
resilience and customer
lifetime value

#3 ZEV

Leverage our scale
with global platforms
for ICE and ZEV

#4 HEAVY-DUTY

Focus on heavy-duty
segment to increase
profitability

#5 AUTONOMOUS

Bring autonomous
trucks on the road to
enter high-margin
business

#6 ESG

ESG framework
drives sustainability
transformation

OUTLOOK 2025: WE REAFFIRM OUR FINANCIAL AMBITIONS

Self-help measures build greater resilience in a challenging environment

GROW SERVICES

- ▶ Translating our long-term customer relationships into recurring revenues to reduce cyclicalities and drive higher margins

KEEP STRICT FOCUS ON FIXED COST REDUCTION

- ▶ Confirmed relative ambitions despite inflationary environment
- ▶ Continuous Active Portfolio Management








FOCUS ON THE RIGHT INVESTMENTS

- ▶ Rightsized investments
- ▶ Focus investment in ZEV vehicle transformation and autonomous trucking
- ▶ Cooperation with partners



STRONG ROS IMPROVEMENT SINCE 2019

**ROS/ROE
adjusted**
in %

	<div>Daimler Truck IB¹</div> 	<div>Trucks North America</div> 	<div>Mercedes-Benz</div> 	<div>Trucks Asia</div> 	<div>Daimler Buses</div> 	<div>Financial Services²</div> 
2025 ambition in markets 	>10%	12%	10%	9%	8%	>14% ³
2023	9.9%	12.3%	10.2%	4.7%	4.7%	9.1%
2022	7.7%	10.8%	8.1%	2.6%	0.4%	9.9%
2021	6.1%	9.2%	4.8%	7.2%	-2.4%	12.4%
2020	1.9%	7.3%	-1.7%	0.7%	1.9%	0.1%
2019	5.8%	11.5%	0.4%	2.3%	6.1%	12.4%

¹ Industrial Business incl. reconciliation

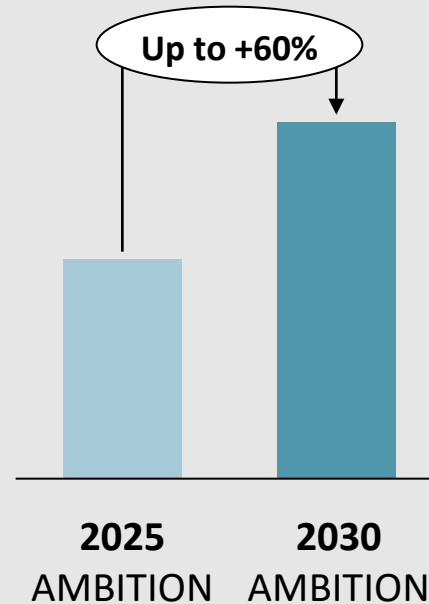
² ROE adjusted ³ after full ramp up

WE TRANSFORM TO ZERO EMISSIONS

The transformation to ZEV unlocks huge revenue potential



**TOTAL REVENUE
NEW VEHICLE IB**
in €



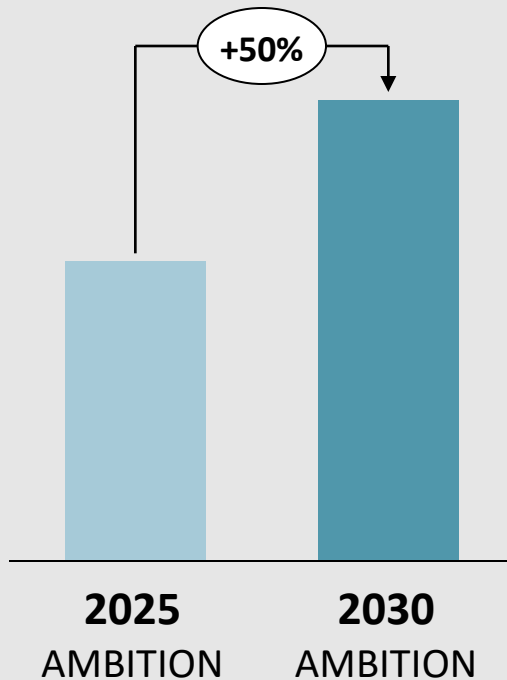
KEY LEVERS FOR REVENUE INCREASE

- ▶ ZEV trucks with high revenue potential
- ▶ BEV, FCEV and H2-ICE with higher average selling price than Diesel ICE
- ▶ Mix and penetration rates still uncertain
- ▶ Focus on heavy-duty growing market segment

SERVICE – WE FOCUS ON CUSTOMER NEEDS

Customer solutions will result in significant increase in customer lifetime value

SERVICE REVENUE
INDUSTRIAL BUSINESS
in €



~60%

SERVICES & PARTS

- ▶ Expanding parts portfolio
- ▶ Wider range of extended warranty and service contracts
- ▶ Global parts center Halberstadt, Germany
- ▶ Premium service network

~30%

ZEV ECOSYSTEM

- ▶ Charging station hardware
- ▶ Charging management system
- ▶ Installation and hardware services
- ▶ eConsulting

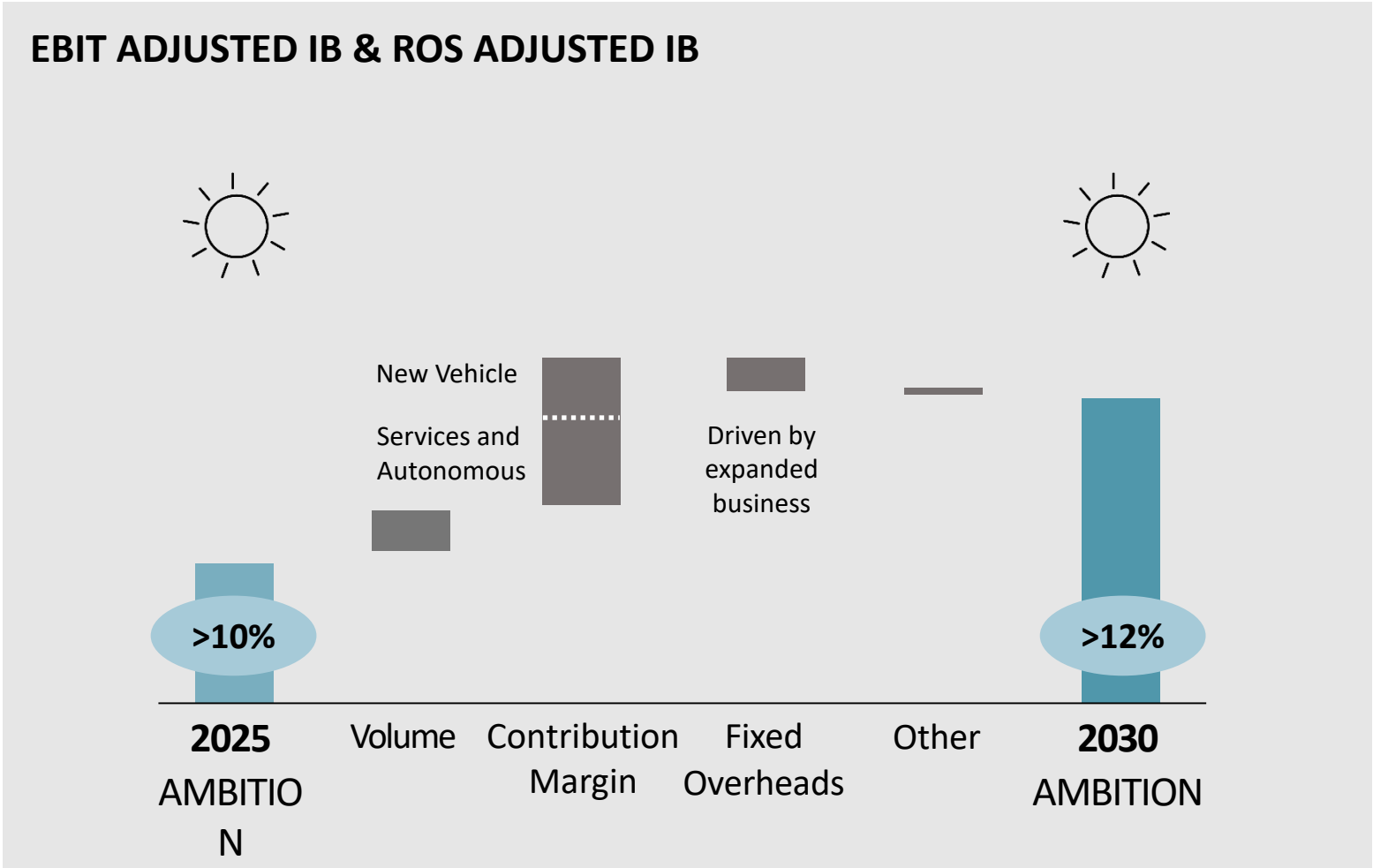
~10%

DIGITAL SERVICES

- ▶ Fleet management
- ▶ Vehicle utilization
- ▶ eCharge management
- ▶ Battery lifecycle management







SIGNIFICANT EBIT GROWTH AND HIGHER PROFITABILITY IN 2030

Significant growth driven by all levers



ALL THIS CONTRIBUTES TO A HIGHER PROFITABILITY AND RESILIENCE IN 2030

All segments drive 2030 ambition – ROS of >12% in sunny scenario

ADJUSTED ROS/ROE in %		HARDWARE/SERVICES					SOFTWARE	DTFS
		DAIMLER TRUCK (IB)	TRUCKS NORTH AMERICA	MERCEDES-BENZ	TRUCKS ASIA	DAIMLER BUSES	AUTONOMOUS	FINANCIAL SERVICES
2025		>10	12	10	9	8		>14
		8-9	9-10	8-9	7-8	4-6		10-12
		6-7	7-8	5-7	5-6	2-4		6-8
2030		>12	>12	>12	9	9		>17
		10-11	11-12	10-11	7-8	6-8	>30	13-15
		8-9	9-10	8-9	5-6	3-5		9-11

DAIMLER TRUCK INVESTOR RELATIONS

Our team is here to support you

Further information is available under www.daimlertruck.com/en/investors



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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-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/ in this Annual Report or in the current Interim 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.

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