

DAIMLER TRUCK



Interim Report Q2 2023

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Q2 Key Figures for the Group

A.01

Q2 Key Figures Daimler Truck Group

In millions of euros	Q2 2023	Q2 2022	% change
Unit sales	131,888	120,961	+9
Revenue	13,880	12,104	+15 ¹
Revenue of the Industrial Business ²	13,248	11,706	+13
EBIT	1,378	1,074	+28
EBIT of the Industrial Business	1,323	911	+45
Adjusted EBIT	1,428	1,010	+41
Adjusted EBIT of the Industrial Business	1,363	940	+45
Return on sales of the Industrial Business (in %)	10.0	7.8	-
Adjusted return on sales of the Industrial Business (in %)	10.3	8.0	-
Net profit (loss)	1,004	946	+6
Earnings per share (in euros)	1.11	1.12	-1
Free cash flow of the Industrial Business	382	-756	-
Adjusted free cash flow of the Industrial Business	496	-730	-
Net liquidity of the Industrial Business	6,827	7,530 ⁴	-9
Investments in property, plant and equipment	169	143	+18
Research and development expenditure	457	443	+3
of which capitalized	25	49	-48
Active workforce ³	104,272	104,729 ⁴	-

1 Adjusted for the effects of currency translation, the increase in revenue was 11%.

2 The Industrial Business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

3 This reflects the active workforce excluding vacation employment as a full-time equivalent.

4 At December 31, 2022.

A.02

Share price performance of Daimler Truck Holding AG

in euros	Q4 2022	Q1 2023	Q2 2023
Closing prices XETRA			
High	31.37	32.90	33.00
Low	24.05	29.10	27.81
Quarter-end closing price	28.95	31.11	33.00
Quarter-end number of shares (in thousands)	822,952	822,952	822,952

Q1-2 Key Figures for the Group

A.03

Q1-2 Key Figures Daimler Truck Group

In millions of euros	Q1-2 2023	Q1-2 2022	% change
Unit sales	257,060	230,247	+12
Revenue	27,080	22,655	+20 ¹
Revenue of the Industrial Business ²	25,836	21,948	+18
EBIT	2,499	1,535	+63
EBIT of the Industrial Business	2,400	1,326	+81
Adjusted EBIT	2,590	1,661	+56
Adjusted EBIT of the Industrial Business	2,474	1,544	+60
Return on sales of the Industrial Business (in %)	9.3	6.0	-
Adjusted return on sales of the Industrial Business (in %)	9.6	7.0	-
Return on capital employed of the Industrial Business (in %)	43.3	24.7	-
Net profit (loss)	1,799	1,221	+47
Earnings per share (in euros)	2.01	1.43	+41
Free cash flow of the Industrial Business	549	-683	-
Adjusted free cash flow of the Industrial Business	851	-524	-
Net liquidity of the Industrial Business	6,827	7,530 ⁴	-9
Investments in property, plant and equipment	324	242	+34
Research and development expenditure	896	829	+8
of which capitalized	59	89	-33
Active workforce ³	104,272	104,729 ⁴	-

1 Adjusted for the effects of currency translation, the increase in revenue was 18%.

2 The Industrial Business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

3 This reflects the active workforce excluding vacation employment as a full-time equivalent.

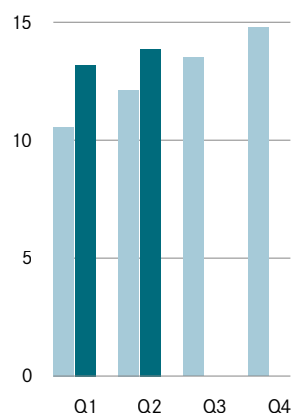
4 At December 31, 2022.

A.04

Key Figures Daimler Truck Group at quarterly level

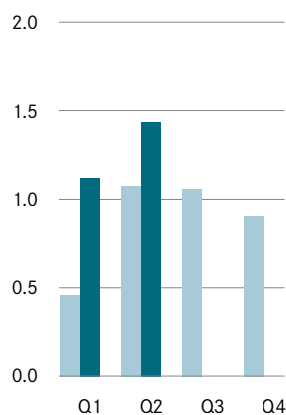
Revenue

In billions of euros



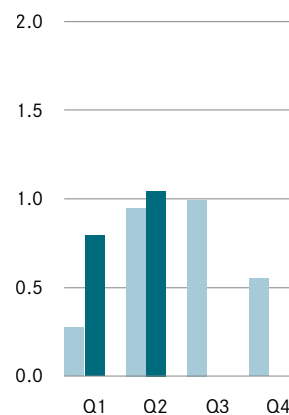
EBIT

In billions of euros



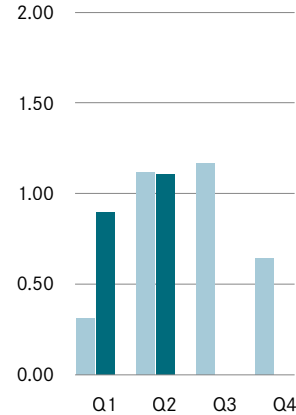
Net profit/loss

In billions of euros



Earnings per share

In euros



2022
2023

Q2 Key Figures for the Segments

A.05

Q2 Key Figures for the Segments

In millions of euros	Q2 2023	Q2 2022	% change
Trucks North America			
Unit sales	50,618	44,124	+15
Revenue	5,971	5,150	+16
EBIT	783	523	+50
Adjusted EBIT	783	523	+50
Return on sales (in %)	13.1	10.2	-
Adjusted return on sales (in %)	13.1	10.2	-
Investment in property, plant and equipment	29	27	+8
Research and development expenditure	159	145	+10
of which capitalized	-	-	-
Active workforce ¹	29,123	28,227 ²	+3
Mercedes-Benz			
Unit sales	39,236	38,812	+1
Revenue	5,553	4,880	+14
EBIT	524	505	+4
Adjusted EBIT	544	512	+6
Return on sales (in %)	9.4	10.4	-
Adjusted return on sales (in %)	9.8	10.5	-
Investment in property, plant and equipment	101	78	+30
Research and development expenditure	168	178	-6
of which capitalized	21	38	-44
Active workforce ¹	38,767	40,884 ²	-5
Trucks Asia			
Unit sales	40,097	36,704	+9
Revenue	1,687	1,546	+9
EBIT	90	31	+196
Adjusted EBIT	90	30	+203
Return on sales (in %)	5.4	2.0	-
Adjusted return on sales (in %)	5.4	1.9	-
Investment in property, plant and equipment	18	26	-29
Research and development expenditure	42	52	-19
of which capitalized	2	7	-75
Active workforce ¹	16,709	16,214 ²	+3
Daimler Buses			
Unit sales	6,181	5,075	+22
Revenue	978	873	+12
EBIT	33	-26	-
Adjusted EBIT	33	-10	-
Return on sales (in %)	3.4	-2.9	-
Adjusted return on sales (in %)	3.4	-1.2	-
Investment in property, plant and equipment	18	10	+77
Research and development expenditure	47	40	+18
of which capitalized	2	4	-38
Active workforce ¹	15,172	15,184 ²	-
Financial Services			
Revenue	632	398	+59
EBIT	55	163	-67
Adjusted EBIT	65	71	-8
Return on equity (in %)	9.6	34.9	-
Adjusted return on equity (in %)	11.4	15.1	-
New business	2,507	2,364	+6
Contract volume	25,443	24,200 ²	+5
Active workforce ¹	1,795	1,770 ²	+1

1 This reflects the active workforce excluding vacation employment as a full-time equivalent.

2 At December 31, 2022.

Q1-2 Key Figures for the Segments

A.06

Q1-2 Key Figures for the Segments

In millions of euros

Q1-2 2023

Q1-2 2022

% change

Trucks North America

Unit sales	99,509	87,601	+14
Revenue	11,778	9,733	+21
EBIT	1,458	909	+60
Adjusted EBIT	1,458	909	+60
Return on sales (in %)	12.4	9.3	-
Adjusted return on sales (in %)	12.4	9.3	-
Investment in property, plant and equipment	47	60	-22
Research and development expenditure	317	273	+16
of which capitalized	-	-	-
Active workforce ¹	29,123	28,227 ²	+3

Mercedes-Benz

Unit sales	73,728	72,575	+2
Revenue	10,543	9,185	+15
EBIT	948	681	+39
Adjusted EBIT	984	853	+15
Return on sales (in %)	9.0	7.4	-
Adjusted return on sales (in %)	9.3	9.3	-
Investment in property, plant and equipment	203	119	+71
Research and development expenditure	331	331	-
of which capitalized	42	69	-39
Active workforce ¹	38,767	40,884 ²	-5

Trucks Asia

Unit sales	80,307	66,697	+20
Revenue	3,447	2,967	+16
EBIT	171	54	+216
Adjusted EBIT	171	61	+181
Return on sales (in %)	5.0	1.8	-
Adjusted return on sales (in %)	5.0	2.0	-
Investment in property, plant and equipment	35	41	-14
Research and development expenditure	91	101	-9
of which capitalized	14	14	-1
Active workforce ¹	16,709	16,214 ²	+3

Daimler Buses

Unit sales	11,751	8,657	+36
Revenue	1,928	1,499	+29
EBIT	42	-87	-
Adjusted EBIT	42	-55	-
Return on sales (in %)	2.2	-5.8	-
Adjusted return on sales (in %)	2.2	-3.7	-
Investment in property, plant and equipment	31	15	+104
Research and development expenditure	83	70	+19
of which capitalized	3	6	-47
Active workforce ¹	15,172	15,184 ²	-

Financial Services

Revenue	1,244	707	+76
EBIT	99	210	-53
Adjusted EBIT	116	117	-1
Return on equity (in %)	8.7	23.8	-
Adjusted return on equity (in %)	10.3	13.3	-
New business	4,907	3,932	+25
Contract volume	25,443	24,200 ²	+5
Active workforce ¹	1,795	1,770 ²	+1

1 This reflects the active workforce excluding vacation employment as a full-time equivalent.

2 At December 31, 2022.

Interim Group Management Report

- Unit sales and Group Revenue in the first half of 2023 as well as in the second quarter 2023 significantly above prior-year level
- Group-EBIT in the first half of 2023 at €2,499 million as well as in the second quarter 2023 at €1,378 million and adjusted Group-EBIT in the first half of 2023 at €2,590 million as well as in the second quarter 2023 at €1,428 million with a significant increase compared to prior year
- Net profit in the first half of 2023 at €1,799 million as well as in the second quarter 2023 at €1,004 million slightly above prior year
- Free cash flow of the Industrial Business in the first half of 2023 at €549 million and in the second quarter 2023 at €382 million significantly above prior-year level
- Outlook 2023 as a whole, unit sales increased to between 530 and 550 thousand units and revenue to between €56 bn. and €58 bn., EBIT and adjusted EBIT remain at significant increase
- Adjusted return on sales of the Industrial Business increased to 8.5% to 10% and free cash flow of the Industrial Business raised to a significant increase

Business Development

Overall the global economy stabilized in the first half of 2023. Among other aspects, a slowly improving situation in the supply chains contributed to this compared to the prior year.

The focus continued to be on the global development of inflation rates. In the USA, core inflation rate (price increases excluding energy and food) remained at a high level. Core inflation was 4.8% at the end of the half-year, while overall inflation fell to 3.0% in June. The declining energy prices in particular contributed to this. In the eurozone, total consumer prices rose by 5.5% at the end of the half-year. The core inflation, also at 5.5% in June, remained equally high. With price pressure still well above target, the Federal Reserve ("Fed") and the European Central Bank ("ECB") continued their restrictive course in the first half of 2023. Even though the Fed paused raising interest rates in June, the key interest rate corridor rose to 5.0% - 5.25% in the first half of 2023. The ECB increased the main refinancing rate to 4.0% in June.

The development of the truck markets was characterized by continued high demand in the second quarter and throughout the first half of 2023: The North American market for heavy-duty trucks (class 8) grew by around 19% in the second quarter compared to the same period of the previous year. The market volume in the first half was nearly 24% above the level of the previous year. The market for heavy-duty trucks in the EU30 region (European Union, United Kingdom, Switzerland, Norway) was also dynamic with a growth of 13% in the second quarter. In the first half of the year, demand for heavy-duty trucks in this region increased by 18%.

Group sales significantly above that of the prior year

In the first half of 2023, the Daimler Truck Group (hereinafter also referred to as "Daimler Truck" or "Group") sold 257,060 (Q1-2 2022: 230,247) vehicles worldwide, of which in the second quarter of 2023 131,888 (Q2 2022: 120,961) units. ↗ **B.01**

In the first half of 2023, the **Trucks North America** segment recorded unit sales of 99,509 (Q1-2 2022: 87,601) units as well as in the second quarter of 2023 50,618 (Q2 2022: 44,124) units. The significant increase in unit sales in the first half of 2023 and also in the second quarter of 2023 was mainly due to a stable market demand. In the USA, we were able to increase our unit sales by 15% in the first half of 2023 compared to the same period in the prior year with 84,364 units. We also recorded a significant increase in unit sales in Mexico (+17%) and a slight increase in unit sales in Canada (+7%). Also in the second quarter of 2023, we recorded a significant increase in unit sales in the USA (+18%) and in Mexico (+8%). Unit sales in Canada remained at the level of the previous year's quarter with 4,269 units.

In the first half of 2023, the **Mercedes-Benz** segment sold 73,728 (Q1-2 2022: 72,575) vehicles, of which 39,236 (Q2 2022: 38,812) vehicles in the second quarter of 2023 and thus remained at the level of the prior-year period. Sales volume in the first half of 2023 and also in the second quarter of 2023 were driven mainly by strong market demand in Europe. In the EU30 region, we were able to significantly increase the unit sales by 13% to 43,371 units in the first half of 2023 when compared to the same period last year, of which 22,537 units were sold in the second quarter of 2023. On the other hand, in Brazil, our main market in Latin America, we recorded a significant decline in unit sales to 6,466 units in the first half of 2023 and to 4,373 units in the second quarter of 2023 due to the introduction of the Euro VI emission standard.

Unit sales in the **Trucks Asia** segment increased significantly by 20% to 80,307 trucks in the first half of 2023. This was mainly due to a strong market demand. We recorded a significant increase in unit sales of 9% to 40,097 trucks in the second quarter of 2023. We achieved a significant year-on-year increase in unit sales in the first half of 2023 in the regions of

India (+49%), EU30 (+45%), Japan (+40%) and Indonesia (+21%), of which in the second quarter of 2023 in the regions of India (+64%) and Japan (+44%). In Indonesia, we recorded a slight increase in unit sales of 6% to 10,785 units in the second quarter of 2023.

Unit sales from our Chinese joint venture Beijing Foton Daimler Automotive Co., Ltd. ("BFDA"), to which trucks of the Auman brand and, since the fourth quarter of 2022, Mercedes-Benz trucks produced in China, contribute, showed a significant increase to 36,208 (Q1-2 2022: 26,636) units in the first half of 2023 as well as 16,633 (Q2 2022: 10,848) units in the second quarter of 2023, when compared to the same period in the previous year. The improvement of unit sales was mainly due to the market development in China compared to the low level of the prior year.

In the first half of 2023, the **Daimler Buses** segment sold a total of 11,751 (Q1-2 2022: 8,657) units, of which in the second quarter of 2023 6,181 (Q2 2022: 5,075) units. The significant increase in unit sales in the first half of 2023 and in the second quarter of 2023, resulted mainly from the market recovery in the EU30 and Latin America regions. In the first half of 2023, we achieved a significant increase in unit sales in the EU30 region of 42% to 3,104 units and in the second quarter of 2023 by 16% to 1,637 units. In addition, we were able to significantly increase our unit sales in Brazil, our main market in Latin America, by 44% to 4,698 units in the first half of 2023 and by 15% to 2,298 units in the second quarter of 2023 compared to the same period last year. In Mexico, too, unit sales increased significantly by 50% to 1,604 vehicles in the first half of 2023 and by 87% to 997 vehicles in the second quarter of 2023.

B.01

Unit sales¹

	Q2 2023	Q2 2022	% change	Q1-2 2023	Q1-2 2022	% change
Daimler Truck Group	131,888	120,961	+9	257,060	230,247	+12
Trucks North America	50,618	44,124	+15	99,509	87,601	+14
Mercedes-Benz	39,236	38,812	+1	73,728	72,575	+2
Trucks Asia	40,097	36,704	+9	80,307	66,697	+20
Daimler Buses	6,181	5,075	+22	11,751	8,657	+36

¹ The total of the segments does not correspond to group sales due to eliminations between the segments.

In the first half of 2023, the **Financial Services** segment concluded new financing and leasing contracts with a total value of €4.9 billion (+25%). New business increased significantly in the regions of Europe and South America (+147%) and Asia (+24%), while North America recorded a moderate decline (-4%). Financial Services concluded new financing and leasing contracts totaling €2.5 billion in the second quarter of 2023. The contract volume was €25.4 billion at the end of June 2023 and was therefore slightly above the level at the end of the previous year (+5%). This growth was mainly due to strong operational business in Europe and Canada in the first half of 2023. Adjusted for exchange rates and adjusted for the portfolio of the Financial Services market in France, which was newly established in the first half of 2023, this also means a slight growth (+6%).

Investments in property, plant and equipment of the Daimler Truck Group amounted to €324 million in the first half of 2023 (Q1-2 2022: €242 million), to €169 million in the second quarter of 2023 (Q2 2022: €143 million).

Research and development expenditure including capitalizations of Daimler Truck amounted to €896 million (Q1-2 2022: €829 million) in the first half of 2023 and €457 million in the second quarter of 2023 (Q2 2022: €443 million).

Important Events

Daimler Truck collaborates with Siemens to build an integrated digital engineering platform

This new platform will enable Daimler Truck to explore the future of commercial vehicle innovation and optimize product development and lifecycle management of trucks and buses. It will be rolled out globally at all development centers and across all Daimler Truck brands and divisions.

60 years of Mercedes-Benz Trucks in Wörth: Truck plant starts its anniversary year

With an area of almost three million square meters, Wörth plant is the world's largest in the Mercedes-Benz Trucks production network. With around 10,000 employees, it is also the second-largest employer in Rhineland-Palatinate. In the 60 years since production began, more than 4.4 million trucks have been manufactured in Wörth - including around 790,000 Completely Knocked Down vehicle kits that are shipped to numerous overseas markets for final assembly on site.

Daimler Truck launches RIZON medium-duty electric trucks in the United States

Daimler Truck announced the launch of a line of electric trucks in the US market under the new brand name RIZON. The exclusive distributor Velocity Vehicle Group ("Velocity") will provide a comprehensive sales and service network. Daimler Truck Financial Services will support future RIZON customers with flexible financing options.

Touring the Alps with battery and hydrogen – CO₂-neutral trucks from Daimler Truck demonstrate their capabilities

Trucks from Daimler Truck that are CO₂-neutral in driving operation have successfully completed demo tours up to an altitude of 1,560 meters in the heart of Tyrol's Alpine landscape. Two prototype variants of the Mercedes-Benz GenH2 Truck with a hydrogen-based fuel cell drive and a near-production-level, battery-electric Mercedes-Benz eActros 300 Tractor for distribution haulage were deployed.

Daimler Truck unveils Freightliner eM2, extending portfolio of electric vehicles for the North American market

Daimler Truck North America ("DTNA"); US subsidiary of Daimler Truck and leading manufacturer of medium- and heavy-duty trucks in North America unveiled the series production of the all new, fully electric Freightliner eM2 for urban delivery applications. The eM2 is ready to order and will start production in autumn this year. With this new truck, DTNA is extending its lineup for series production electric vehicles for the North American market, accompanying the Freightliner eCascadia Class 8 tractor, the iconic electric school bus Jouley from Thomas Built Buses and the electric walk-in van platform FCCC MT50e.

Sustainable "Made in Europe": Daimler Truck subsidiary FUSO celebrates start of production of the Next Generation eCanter

Ceremonial production start of the Next Generation FUSO eCanter at the Mitsubishi Fuso Truck Europe plant in Tramagal, Portugal. The plant's production is on balance CO₂-neutral and relies on renewable energy sources. The Next Generation eCanter is now available in a total of 42 variants with six wheelbases and a gross vehicle weight of 4.25 to 8.55 tons. Depending on the wheelbase, three different battery packs are available: S, M and L. The batteries use lithium iron phosphate ("LFP") cell technology. These are characterized by a long service life and more usable energy.

World premiere at Global Public Transport Summit 2023: Mercedes-Benz eCitaro fuel cell – greater range thanks to fuel cell

At the Global Public Transport Summit 2023 in June, Daimler Buses showcased the first series-production electric bus with fuel cell as a range extender: the Mercedes-Benz eCitaro fuel cell. The new, zero-emission regular-service bus combines vast range with high passenger capacity. In the articulated bus variant, the eCitaro fuel cell can run for around 350 kilometers without having to recharge, offering space for up to 128 passengers.

Successful Annual General Meeting

The shareholders of Daimler Truck Holding AG approved all resolutions proposed by the management with a large majority – including the proposal for the first dividend payment in the Company's young history of €1.30 per share.

Daimler Truck, Mitsubishi Fuso, Hino and Toyota Motor Corporation conclude a Memorandum of Understanding

At the end of May Daimler Truck Holding AG, Mitsubishi Fuso Truck and Bus Corporation, Hino Motors Ltd. and Toyota Motor Corporation concluded a Memorandum of Understanding ("MoU") on accelerating the development of advanced technologies and merging FUSO and Hino in the form of a holding company. Details on the scope and the form of collaboration including the name, location, shareholding ratio and corporate structure of the new holding company are to be determined over the next months. At the time of reporting, no classification of non-current assets held for sale or discontinued operations has been made due to the current status of negotiations and the pending legal assessment.

Restructuring of locations of Mercedes-Benz Trucks in Brazil

In order to increase resilience and robustness, Mercedes-Benz Trucks made the decision to optimize its presence in Brazil and further reduce the cost base. Business activities in Campinas will be outsourced and relocated. As a result, the number of locations in Brazil will be reduced from three to two.

Profitability, liquidity and capital resources, and financial position

In order to provide a better insight into profitability, liquidity and capital resources, and financial position, the Condensed Consolidated Statement of Income, Condensed Consolidated Statement of Cash Flows, and Condensed Consolidated Statement of Financial Position are presented for the Daimler Truck Group, and additionally for “Industrial Business” and “Financial Services”. The Industrial Business and Financial Services separation presents a business perspective. The Industrial Business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, and the reconciliation. Financial Services corresponds to the Financial Services segment. The elimination of intra-Group transactions between the Industrial Business and Financial Services are allocated to the Industrial Business and are reported under reconciliation.

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

Profitability

Condensed Consolidated Statement of Income of the Daimler Truck Group in the first half of 2023

Revenue of the Daimler Truck Group amounted to €27.1 billion in the first half of 2023 and was significantly above that of the same period in the prior year (Q1-2 2022: €22.7 billion). Adjusted for positive exchange-rate effects, revenue was also significantly above that of the same period in the prior year. The increase in revenue of the Daimler Truck Group was primarily due to improved net pricing, increased unit sales of the automotive segments and improvement in the aftersales business. This was offset by the non-recurrence of income from the license agreement with Beijing Foton Daimler Automotive Co., Ltd. from the second quarter of 2022. ↗ **B.02**

At €21.2 billion (Q1-2 2022: €18.4 billion), the **cost of sales** was significantly higher than in the same period of the previous year, mainly due to the increased sales volume and higher material costs. ↗ **B.02**

Selling expenses decreased to €1,410 million (Q1-2 2022: €1,470 million) due to the special item in the prior-year period from the impairment of trade receivables in connection with the Russia-Ukraine war. ↗ **B.02**

General administrative expenses increased to €1,248 million (Q1-2 2022: €852 million), mainly as a result of higher personnel and IT costs, particularly in connection with spin-off effects. ↗ **B.02**

Research and non-capitalized development costs increased to €837 million (Q1-2 2022: €740 million) due to higher investments in automated and emission-free driving. ↗ **B.02**

Other operating income amounted to €254 million (Q1-2 2022: €330 million) in the first half of 2023. In the same period of the previous year, there was a special item arising from negative goodwill in the amount of €84 million due to the acquired financial services business. ↗ **B.02**

The **result from equity-method investments, net**, in the first half of 2023 of minus €48 million was above that of the same period in the prior year (Q1-2 2022: minus €112 million). This development was mainly due to the impairment of the carrying amount of equity-method investment of Daimler Kamaz Truck Holding GmbH in the first quarter of 2022. ↗ **B.02**

The **other financial income/expense, net** fell to minus €83 million in the first half of 2023 (Q1-2 2022: €82 million). This development was mainly due to the application of revised discount rates in the prior year.

EBIT amounted to €2,499 million in the first half of 2023 (Q1-2 2022: €1,535 million) and was significantly above that of the same period in the prior year. The adjusted EBIT of the Daimler Truck Group of €2,590 million (Q1-2 2022: €1,661 million) was also significantly above that of the same period in the prior year. [↗ B.05](#)

In the first half of 2023, an expense of €753 million (Q1-2 2022: Expense €291 million) was recognized under **income taxes**. The effective tax rate was 29.5% (Q1-2 2022: 19.2%). In the prior-year period, the effective tax rate was mainly influenced by a reversal of valuation allowances on deferred tax assets in the amount of €110 million. [↗ B.02](#)

Net profit of €1,799 million for the first half of 2023 was significantly above the prior-year's period (Q1-2 2022: €1,221 million). Of the net profit, €144 million (Q1-2 2022: €42 million) was attributable to **non-controlling interests**. The share of **net profit attributable to shareholders of Daimler Truck Holding AG** in the net profit amounted to €1,654 million (Q1-2 2022: €1,179 million). **Earnings per share** amounted to €2.01 (Q1-2 2022: €1.43). [↗ B.02](#)

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 823 million.

Table [↗ B.02](#) shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the Industrial Business and Financial Services for the first half of 2023.

B.02

Condensed Consolidated Statement of Income for six-month periods ended 30 June

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
In millions of euros						
Revenue	27,080	22,655	25,836	21,948	1,244	707
Cost of sales	-21,209	-18,358	-20,246	-17,889	-963	-469
Gross profit	5,870	4,297	5,589	4,059	281	238
Selling expenses	-1,410	-1,470	-1,344	-1,416	-66	-54
General administrative expenses	-1,248	-852	-1,136	-760	-112	-92
Research and non-capitalized development costs	-837	-740	-837	-740	-	-
Other operating income/expense	254	330	260	209	-5	120
Result from equity-method investments, net	-48	-112	-48	-112	-	-
Other financial income/expense, net	-83	82	-84	85	1	-2
EBIT	2,499	1,535	2,400	1,326	99	210
Interest income/expense, net	52	-23	54	-22	-1	-1
Profit before income taxes	2,551	1,512	2,454	1,304	98	209
Income taxes	-753	-291	-702	-271	-50	-20
Net profit	1,799	1,221	1,752	1,032	47	189
thereof attributable to non-controlling interests	144	42				
thereof attributable to the shareholders of Daimler Truck Holding AG	1,654	1,179				
Earnings per share (in euros) based on profit attributable to the shareholders of Daimler Truck Holding AG						
Basic and diluted	2.01	1.43				

Return on capital employed of the Industrial Business in the first half of 2023

The return on capital employed of the Industrial Business is calculated as the ratio of EBIT of the Industrial Business to the average operating capital employed (defined as the average operating net assets of the Industrial Business for the period under review). This comprises the operating assets less the operating liabilities of the Industrial Business. The average operating net assets are determined using quarter-end values. To calculate the return on capital employed of the Industrial Business, EBIT of the Industrial Business is annualized. The return on capital employed was 43.3% in the first half of 2023 (Q1-2 2022: 24.7%) and resulted mainly from the significant increase in EBIT of the Industrial Business.

The calculation of the return on capital employed of the Industrial Business in the first half of 2023 is presented in table.

➤ **B.03**

B.03

Return on capital employed of the Industrial Business for six-month periods ended 30 June

	Q1-2 2023	Q1-2 2022	% Change
In millions of euros			
EBIT	2,400	1,326	+81
Intangible assets	2,735	2,751	-1
Property, plant and equipment	7,700	7,708	-
Inventories	9,963	9,759	+2
Trade receivables	4,352	4,122	+6
Other assets	6,297	6,145	+2
Operating assets¹	31,046	30,486	+2
Trade payables	5,307	5,132	+3
Other liabilities	14,246	13,862	+3
Operating liabilities¹	19,553	18,994	+3
Operating net assets¹	11,492	11,492	-
Average operating net assets	11,087	10,714	+3
Return on capital employed (in %)	43.3	24.7	-

¹ The operating net assets are calculated on the basis of the values at the end of each quarter. The scope of treasury and income taxes (for example, liquidity and tax liabilities) are not included in operating net assets.

Table ➤ **B.04** shows the composition of EBIT for the Industrial Business for the first half of 2023.

B.04

EBIT of the Industrial Business for six-month periods ended 30 June

	Industrial Business		Trucks		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
In millions of euros												
Revenue	25,836	21,948	11,778	9,733	10,543	9,185	3,447	2,967	1,928	1,499	-1,860	-1,436
Cost of sales	-20,246	-17,889	-9,458	-8,125	-8,206	-7,361	-2,769	-2,432	-1,629	-1,339	1,815	1,367
Gross profit	5,589	4,059	2,320	1,609	2,337	1,823	678	535	299	160	-45	-68
Selling expenses	-1,344	-1,416	-205	-195	-761	-812	-309	-324	-132	-131	63	47
General administrative expenses	-1,136	-760	-404	-293	-488	-250	-157	-123	-98	-94	12	-1
Research and non-capitalized development costs	-837	-740	-317	-273	-289	-262	-77	-86	-80	-64	-74	-54
Other income/expense	128	182	64	61	149	182	36	53	53	41	-174	-156
EBIT	2,400	1,326	1,458	909	948	681	171	54	42	-87	-219	-232

Segment EBIT for the first half of 2023

The **Trucks North America** segment was influenced by the following key factors compared with the first half of 2022:

- + Significantly increased sales volume
- + Improved net pricing
- + Improvement in the aftersales business
- Inflation-related cost increases, especially in material costs and higher personnel costs

The **Mercedes-Benz** segment was influenced by the following key factors compared with the first half of 2022:

- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of the impairment in connection with the Russia-Ukraine war from the first half of 2022 (M&A transactions)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Decrease in sales market in Brazil due to the introduction of Euro VI emission standard
- Non-recurrence of positive effects from the license agreement with BFDA from the second quarter of 2022

Adjustments for the **Mercedes-Benz** segment included:

- Expenses in connection with the spin-off of €42 million (Q1-2 2022: €6 million) (M&A transactions)
- Gains from personnel cost optimization programs of €6 million (Q1-2 2022: Expenses of €10 million) (restructuring measures)

The **Trucks Asia** segment was affected by the following key factors compared with the first half of 2022:

- + Significantly increased sales volume, especially in the regions Indonesia, Japan and India
- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of the impairment in connection with the Russia-Ukraine war from the first half of 2022 (M&A transactions)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs

The **Daimler Buses** segment was influenced by the following key factors compared with the first half of 2022:

- + Significantly increased sales volume, especially in the regions EU30 and Latin America
- + Improved net pricing
- + Positive effects from exchange rates
- + Improvement in the aftersales business
- + Non-recurrence of expenses for personnel cost optimization programs from the first half of 2022 (restructuring measures)
- + Non-recurrence of expenses in connection with the sale of Minibus GmbH as well as the impairment in connection with the Russia-Ukraine war from the first half of 2022 (M&A transactions)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Higher research and development costs

The **Financial Services** segment was affected by the following key factors compared with the first half of 2022:

- + Improvement in the operating result from financing and leasing business due to a significantly higher contract volume, which more than compensated the decline in margins due to the significant increase in market interest rates
- + Lower credit risk costs, particularly in Europe and Mexico
- Higher cost base due to the integration of the newly added Phase 2 markets including spin-off related expenses
- Negative effects of hyperinflation in Turkey and Argentina

Adjustments for the **Financial Services** segment included:

- Expenses in particular in connection with the acquisition of the financial services business in the Europe and South America region in the amount of €12 million (Q1-2 2022: Income of €92 million) and expenses in connection with the spin-off in the amount of €6 million (Q1-2 2022: Expenses of €0 million) (M&A transactions)

The EBIT in **reconciliation** was minus €219 million (Q1-2 2022: minus €232 million). The adjustments of €37 million (Q1-2 2022: €7 million) in the first half of 2023 included expenses in connection with the spin-off (M&A transaction).

The reconciliation from EBIT to adjusted EBIT for the first half of 2023 is shown in table [↗ B.05](#).

B.05

Reconciliation EBIT to adjusted EBIT for six-month periods ended 30 June

	Trucks		Trucks Asia	Daimler Buses	Financial Services	Reconciliation	Daimler Truck Group
	North America	Mercedes-Benz					
In millions of euros							
Q1-2 2023							
EBIT	1,458	948	171	42	99	-219	2,499
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	-6	-	-	-	-	-6
M&A transactions	-	42	-	-	18	37	97
Adjusted EBIT	1,458	984	171	42	116	-182	2,590
Return on sales/return on equity (in %)	12.4	9.0	5.0	2.2	8.7	-	-
Adjusted return on sales/return on equity (in %)¹	12.4	9.3	5.0	2.2	10.3	-	-
Q1-2 2022							
EBIT	909	681	54	-87	210	-232	1,535
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	10	-	24	-	-	33
M&A transactions	-	163	7	8	-92	7	93
Adjusted EBIT	909	853	61	-55	117	-225	1,661
Return on sales/return on equity (in %)	9.3	7.4	1.8	-5.8	23.8	-	-
Adjusted return on sales/return on equity (in %)¹	9.3	9.3	2.0	-3.7	13.3	-	-

¹ In the Industrial Business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

Condensed Consolidated Statement of Income of the Daimler Truck Group in the second quarter of 2023

Revenue of the Daimler Truck Group in the second quarter of 2023 amounted to €13.9 billion and was significantly above that of the same quarter in the prior year (Q2 2022: €12.1 billion). Even when adjusted for positive exchange-rate effects, revenue was significantly above that of the same quarter in the prior year. The increase in revenue of the Daimler Truck Group was primarily due to improved net pricing as well as increased unit sales of the automotive segments. This was offset by the non-recurrence of income from the license agreement with Beijing Foton Daimler Automotive Co., Ltd. from the second quarter of 2022. [↗ B.06](#)

At €10.8 billion (Q2 2022: €9.7 billion), the **cost of sales** increased significantly compared to the same quarter of the previous year, mainly due to the increased sales volume and higher material costs. [↗ B.06](#)

Selling expenses of €729 million (Q2 2022: €703 million) were at a similar level as the prior-year quarter. [↗ B.06](#)

General administrative expenses increased to €652 million (Q2 2022: €482 million), mainly as a result of higher personnel and IT costs, particularly in connection with spin-off effects. [↗ B.06](#)

Research and non-capitalized development costs increased to €431 million (Q2 2022: €394 million) due to higher investments in automated and emission-free driving. [↗ B.06](#)

Other operating income decreased to €146 million (Q2 2022: €198 million) in the second quarter of 2023. In the same period of the previous year, there was a special item arising from negative goodwill in the amount of €84 million due to the acquired financial services business. [↗ B.06](#)

The **result from equity-method investments, net**, in the second quarter of 2023 of minus €29 million was below that of the same quarter in the prior year (Q2 2022: minus €17 million).

↗ **B.06**

EBIT amounted to €1,378 million in the second quarter of 2023 (Q2 2022: €1,074 million) and was significantly above that of the same quarter in the prior year. The adjusted EBIT of the Daimler Truck Group of €1,428 million (Q2 2022: €1,010 million) was also significantly above that of the same quarter in the prior year. ↗ **B.09**

In the second quarter of 2023, an expense of €377 million (Q2 2022: Expense of €107 million) was recognized under **income taxes**. The effective tax rate was 27.3% (Q2 2022: 10.2%).

In the prior-year quarter, the effective tax rate was influenced by a reversal of valuation allowances on deferred tax assets in the amount of €110 million. ↗ **B.06**

Net profit of €1,004 million for the second quarter of 2023 was slightly above the prior-year's quarter (Q2 2022: €946 million). Of the net profit, €87 million (Q2 2022: €24 million) was attributable to **non-controlling interests**. The share of **net profit attributable to shareholders of Daimler Truck Holding AG** in the net profit amounted to €917 million (Q2 2022: €922 million). **Earnings per share** amounted to €1.11 (Q2 2022: €1.12). ↗ **B.06**

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 823 million.

Table ↗ **B.06** shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the Industrial Business and Financial Services.

B.06

Condensed Consolidated Statement of Income for three-month periods ended 30 June

	Daimler Truck Group		Industrial Business		Financial Services	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
In millions of euros						
Revenue	13,880	12,104	13,248	11,706	632	398
Cost of sales	-10,784	-9,696	-10,291	-9,431	-494	-265
Gross profit	3,096	2,408	2,957	2,275	139	132
Selling expenses	-729	-703	-695	-673	-33	-30
General administrative expenses	-652	-482	-596	-428	-56	-53
Research and non-capitalized development costs	-431	-394	-431	-394	-	-
Other operating income/expense	146	198	143	82	4	115
Result from equity-method investments, net	-29	-17	-29	-17	-	-
Other financial income/expense, net	-22	64	-22	66	-	-1
EBIT	1,378	1,074	1,323	911	55	163
Interest income/expense, net	3	-21	4	-21	-1	-
Profit before income taxes	1,381	1,053	1,327	890	54	163
Income taxes	-377	-107	-350	-101	-27	-6
Net profit	1,004	946	976	789	27	157
thereof attributable to non-controlling interests	87	24				
thereof attributable to the shareholders of Daimler Truck Holding AG	917	922				
Earnings per share (in euros)						
based on profit attributable to the shareholders of Daimler Truck Holding AG						
Basic and diluted	1.11	1.12				

Table 7 B.08 shows the composition of EBIT for the Industrial Business for the second quarter of 2023.

B.08

EBIT of the Industrial Business for three-month periods ended 30 June

	Industrial Business		Trucks				Trucks Asia		Daimler Buses		Reconciliation	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
In millions of euros												
Revenue	13,248	11,706	5,971	5,150	5,553	4,880	1,687	1,546	978	873	-940	-743
Cost of sales	-10,291	-9,431	-4,760	-4,251	-4,285	-3,860	-1,338	-1,279	-817	-770	909	730
Gross profit	2,957	2,275	1,211	899	1,268	1,020	349	266	161	103	-32	-13
Selling expenses	-695	-673	-113	-107	-391	-365	-157	-152	-68	-72	34	23
General administrative expenses	-596	-428	-194	-163	-293	-146	-78	-64	-42	-44	12	-11
Research and non-capitalized development costs	-431	-394	-159	-145	-147	-141	-40	-45	-44	-36	-41	-28
Other income/expense	88	131	39	39	87	137	17	24	26	24	-80	-93
EBIT	1,323	911	783	523	524	505	90	31	33	-26	-107	-122

Segment EBIT for the second quarter of 2023

The **Trucks North America** segment was influenced by the following key factors compared with the second quarter of 2022:

- + Significantly increased sales volume
- + Improved net pricing
- Inflation-related cost increases, especially in material costs and higher personnel costs

The **Mercedes-Benz** segment was influenced by the following key factors compared with the second quarter of 2022:

- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of the impairment of trade receivables in connection with the Russia-Ukraine war from the second quarter of 2022 (M&A transactions)
- + Non-recurrence of expenses for personnel cost optimization programs from the second quarter of 2022 (restructuring measures)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Decrease in sales market in Brazil due to the introduction of Euro VI emission standard
- Non-recurrence of positive effects from the license agreement with BFDA from the second quarter of 2022

Adjustments for the **Mercedes-Benz** segment included:

- Expenses in connection with the spin-off of €26 million (Q2 2022: €6 million) (M&A transactions)
- Gains from personnel cost optimization programs of €6 million (Q2 2022: Expenses of €5 million) (restructuring measures)

The **Trucks Asia** segment was affected by the following key factors compared with the second quarter of 2022:

- + Significantly increased sales volume, especially in the regions Japan and India
- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of the impairment of trade receivables in connection with the Russia-Ukraine war from the second quarter of 2022 (M&A transactions)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs

The **Daimler Buses** segment was influenced by the following key factors compared with the second quarter of 2022:

- + Significantly increased sales volume, especially in the regions EU30 and Latin America
- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of expenses for personnel cost optimization programs from the second quarter of 2022 (restructuring measures)
- + Non-recurrence of expenses in connection with the sale of Minibus GmbH from the second quarter of 2022 (M&A transactions)
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Higher research and development costs

The **Financial Services** segment was impacted by the following key factors compared to the second quarter of 2022:

- + Slightly lower credit risk costs due to an improved risk environment in Mexico
- Slight decline in the operating result from financing and leasing business, despite a significantly higher contract volume, influenced by lower interest margins as a result of the significantly increased market interest rates as well as lower commission income
- Higher cost base due to the integration of the newly added Phase 2 markets and securing of business operations including the expenses in connection with the spin-off

Adjustments for the **Financial Services** segment included:

- Expenses in particular in connection with the acquisition of the financial services business in the Europe and South America region in the amount of €8 million (Q2 2022: Income of €92 million) and expenses in connection with the spin-off in the amount of €2 million (Q2 2022: Expenses of €0 million) (M&A transactions)

The EBIT in **reconciliation** was minus €107 million (Q2 2022: minus €122 million). The adjustments of €20 million (Q2 2022: €7 million) in the second quarter of 2023 included expenses in connection with the spin-off (M&A transaction).

The reconciliation from EBIT to adjusted EBIT for the second quarter of 2023 is shown in table [B.09](#).

B.09

Reconciliation EBIT to adjusted EBIT for three-month periods ended 30 June

	Trucks				Financial	Recon-	Daimler Truck
	North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Services	ciliation	Group
In millions of euros							
Q2 2023							
EBIT	783	524	90	33	55	-107	1,378
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	-6	-	-	-	-	-6
M&A transactions	-	26	-	-	10	20	56
Adjusted EBIT	783	544	90	33	65	-87	1,428
Return on sales/return on equity (in %)	13.1	9.4	5.4	3.4	9.6	-	-
Adjusted return on sales/return on equity (in %)¹	13.1	9.8	5.4	3.4	11.4	-	-
Q2 2022							
EBIT	523	505	31	-26	163	-122	1,074
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	5	-	8	-	-	13
M&A transactions	-	2	-1	7	-92	7	-77
Adjusted EBIT	523	512	30	-10	71	-115	1,010
Return on sales/return on equity (in %)	10.2	10.4	2.0	-2.9	34.9	-	-
Adjusted return on sales/return on equity (in %)¹	10.2	10.5	1.9	-1.2	15.1	-	-

¹ In the Industrial Business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

Liquidity and Capital Resources

Cash flows from operating activities ↗ **B.10** resulted in cash inflows of €0.3 billion in the first half of 2023 (Q1-2 2022: cash outflow of €1.5 billion). Profit before income taxes was significantly higher than prior year. The positive development of the result was mainly due to ongoing improved net pricing by the automotive segments, an increase in unit sales, and a positive development in the aftersales business.

Cash flows from operating activities were however negatively impacted by the increase in working capital in the first half of 2023. This was mainly due to an increase in finished goods due to a higher number of vehicles in the delivery process.

The increase in receivables from financial services, particularly due to new business in the Financial Services segment, had a negative effect on cash flows from operating activities.

In the reporting period, payments were made in respect of personnel cost-optimization programs arising from the agreed cost-cutting measures and socially responsible job reductions.

Cash flows from investing activities ↗ **B.10** resulted in a cash outflow of €1.0 billion (Q1-2 2022: €1.9 billion). The change in the first half of 2023 resulted mainly from the acquisition and sale of mutual funds as well as from additions to property, plant and equipment and intangible assets. In the prior period, the cash flows from investing activities included consideration paid to the Mercedes-Benz Group in connection with the acquired Financial Services business.

Cash flows from financing activities ↗ **B.10** resulted in a cash inflow of €2.8 billion (Q1-2 2022: €1.7 billion). The increase in the first half of 2023 resulted from borrowing on the international money and capital markets and from issuing Asset-Backed-Securities (“ABS”). The issue of bonds took place in the USA and in the Netherlands. In addition, dividends were paid to the shareholders of Daimler Truck Holding AG, which resulted in a cash outflow of €1.1 billion.

B.10

Condensed consolidated statement of cash flows

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
In millions of euros						
Cash and cash equivalents at beginning of period	5,944	7,244	5,597	6,904	347	340
Profit before income taxes	2,551	1,512	2,454	1,304	98	209
Depreciation and amortization/impairments	563	566	554	540	8	26
Other non-cash expense and income and gains/losses on disposals of assets	87	63	72	155	15	-92
Change in operating assets and liabilities						
Inventories	-1,390	-1,583	-1,342	-1,574	-48	-9
Trade receivables	58	-340	-164	-420	221	80
Trade payables	192	737	155	746	37	-9
Receivables from financial services	-1,307	-1,085	23	-	-1,330	-1,085
Vehicles on operating leases	-35	31	145	109	-180	-78
Other operating assets and liabilities	162	-775	-49	-712	211	-63
Income taxes paid	-585	-606	-625	-620	40	14
Cash flows from operating activities	295	-1,480	1,223	-472	-929	-1,008
Additions to property, plant and equipment and intangible assets	-429	-358	-418	-342	-10	-16
Net cash flows from acquisition of Financial Services business	-13	-1,220	-	-1,078	-13	-142
Investments in shareholdings and proceeds from disposal of shareholders	-132	53	-130	59	-2	-6
Acquisitions and disposal of marketable debt securities and similar investments	-453	-443	-474	-441	21	-2
Other	27	86	13	84	14	2
Cash flows from investing activities	-1,000	-1,882	-1,009	-1,718	9	-164
Change in financing liabilities	3,920	1,708	2,461	1,337	1,460	371
Transactions with the Mercedes-Benz Group	-	-23	-	21	-	-44
Dividend paid to shareholders of Daimler Truck Holding AG	-1,070	-	-1,070	-	-	-
Dividends paid to non-controlling interests	-86	-20	-86	-20	-	-
Internal equity and financing transactions	-	-	639	-741	-639	741
Cash flows from financing activities	2,765	1,665	1,944	596	820	1,069
Effect of foreign exchange-rate changes on cash and cash equivalents	-97	151	-96	143	-1	8
Cash and cash equivalents at end of period	7,906	5,699	7,660	5,454	247	245

Free cash flow of the Industrial Business

The measure used by Daimler Truck to assess the financial strength of its industrial activities is the **free cash flow of the Industrial Business** [↗ B.11](#) which is derived from the disclosed cash flows from operating and investing activities. The cash flows from the purchase and sale of marketable debt securities and similar cash investments included in cash flows from investing activities are eliminated, as these securities are classified as cash and cash equivalents and their change is therefore not part of the free cash flow of the Industrial Business. On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and which are mainly non-cash, are included in the free cash flow of the Industrial Business. In the prior period, the repayment of the then existing financing liabilities by the Daimler Truck Group, which were part of the consideration transferred for the acquired financial services business and was financed by the Industrial Business, is excluded, as these are not part of the operating activities of the Industrial Business.

B.11

Free cash flow of the Industrial Business

	Q1-2 2023	Q1-2 2022	Change
In millions of euros			
Cash flows from operating activities	1,223	-472	1,695
Cash flows from investing activities	-1,009	-1,718	709
Change in marketable debt securities and similar investments	474	441	34
Right-of-use assets	-149	-48	-101
Net cash flows from acquisition of Financial Services business	-	-1,078	1,078
Other adjustments	10	2,192	-2,182
Free cash flow of the Industrial Business	549	-683	1,232
Legal proceedings (and related measures)	-	-	-
Restructuring measures	167	122	45
M&A transactions	134	36	98
Adjusted free cash flow of the Industrial Business	851	-524	1,374

Other adjustments include cash flows which are reported as cash flows from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control. Additional adjustments include the Daimler Truck Headquarters allocation to Financial Services and miscellaneous adjustments to reflect the economic value of investments or divestments that are wholly or partially non-cash in nature.

In the first half of 2023, the **free cash flow of the Industrial Business** resulted in a cash inflow of €0.5 billion (Q1-2 2022: cash outflow of €0.7 billion). The increase in the first half of 2023 was impacted by the following factors:

- + higher earnings driven by positive revenue development
- + increase of IFRS 15 contract liabilities triggered by positive business development
- + significantly higher pension payments in the prior year period due to a special contribution to the pension fund
- an increase in working capital, with the increase in inventories and receivables partially compensated by higher payables
- a planned increase in investment in plant and equipment, primarily due to transformation topics

For a more transparent presentation of the ongoing business, the Group identifies and reports an **adjusted free cash flow of the Industrial Business** [↗ B.11](#). Most of the adjustments are a result of diverse restructuring and M&A activities, which increased only slightly when compared to the first half of 2022. The adjusted free cash flow of the Industrial Business is a cash inflow of €0.9 billion (Q1-2 2022: cash outflow of €0.5 billion).

In addition to being derived on the basis of published cash flows from operating and investing activities, the **free cash flow of the Industrial Business** can be derived from the cash flows before interest and taxes ("CFBIT"). The reconciliation from the CFBIT to the free cash flow of the Industrial Business includes taxes and interest paid. The other reconciling items are items attributable to the Industrial Business but for which the segments are not responsible, as well as eliminations between the segments.

Table [↗ B.12](#) shows the reconciliation of the CFBIT to the free cash flow of the Industrial Business.

B.12

Reconciliation from CFBIT to the free cash flow of the Industrial Business

	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
CFBIT of the Industrial Business	916	-63	1,094	137
Income taxes paid/refunded	-538	-473	-625	-620
Interest paid/received	-18	-20	113	6
Other reconciling items	21	-200	-32	-205
Free cash flow of the Industrial Business	382	-756	549	-683

The **CFBIT of the Industrial Business** is derived from EBIT and changes in operating assets and liabilities (“net assets”) and includes additions to right-of-use assets. In the prior period, the repayment of the then existing financing liabilities by the Daimler Truck Group, which were part of the consideration transferred for the acquired financial services business and was financed by the Industrial Business, is excluded, as these are not part of the operating activities of the Industrial Business.

Table [7 B.13](#) shows the composition of CFBIT for the Daimler Truck Industrial Business. Table [7 B.14](#) shows the reconciliation from CFBIT to **adjusted CFBIT** and the **adjusted cash conversion rate** for the Industrial Business.

In the first half of 2023, an adjusted cash conversion rate of 0.6 was achieved for the Industrial Business of the Daimler Truck Group. This is higher than the first half of 2022, which was 0.2.

B.13

CFBIT of the Industrial Business

	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
EBIT	1,323	911	2,400	1,326
Change in working capital	-282	-1,110	-1,351	-1,248
Net financial investments	-47	140	-125	59
Net investments in property, plant and equipment and intangible assets	-233	-194	-526	-328
Depreciation and amortization/impairments	277	271	554	540
Other	-122	-82	140	-212
CFBIT	916	-63	1,094	137

B.14

Reconciliation to adjusted CFBIT of the Industrial Business

	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
CFBIT	916	-63	1,094	137
Legal proceedings (and related measures)	-	-	-	-
Restructuring measures	49	11	167	122
M&A transactions	65	14	134	36
Adjusted CFBIT	1,030	-37	1,395	296
Adjusted EBIT	1,363	941	2,474	1,544
Adjusted cash conversion rate¹	0.8	-0.0	0.6	0.2

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

The **net liquidity of the Industrial Business** [↗ B.15](#) is calculated as the total amount of cash, cash equivalents as shown in the balance sheet, as well as marketable debt securities and similar investments included in liquidity management, less the currency-hedged repayment amounts of financing liabilities. The increase in liquidity resulted primarily from the inflow of funds from issuing bonds in the amount of €2.8 billion in the USA and in the Netherlands.

To the extent that the Group's internal refinancing of the financial services business is provided by the companies in the Industrial Business, this amount is deducted when determining the net debt of the Industrial Business. The increase in financing liabilities was mainly due to the refinancing of business activities via the money and capital markets. Compared with December 31, 2022, the net liquidity of the Industrial Business decreased by €0.7 billion to €6.8 billion. The decrease is mainly due to the dividend payment of €1.1 billion in the second quarter of 2023 to the shareholders of Daimler Truck Holding AG. This was offset by the positive free cash flow of the Industrial Business of €0.5 billion.

B.15

Net liquidity of the Industrial Business

	Jun. 30, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	7,660	5,597	2,063
Marketable debt securities and similar investments	1,598	1,092	507
Liquidity	9,258	6,689	2,569
Financing receivables/liabilities	-1,859	1,423	-3,282
Market valuation and currency hedges for financing liabilities	-572	-582	10
Financing receivables/liabilities (nominal)	-2,431	841	-3,272
Net liquidity	6,827	7,530	-702

The **net debt of the Daimler Truck Group** [↗ B.16](#), which arises primarily from refinancing the leasing and sales-financing business increased by €1.5 billion compared with December 31, 2022 to €15.9 billion.

B.16

Net debt of the Daimler Truck Group

	Jun. 30, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	7,906	5,944	1,963
Marketable debt securities and similar investments	1,621	1,145	476
Liquidity	9,528	7,089	2,438
Financing liabilities	-24,809	-20,839	-3,970
Market valuation and currency hedges for financing liabilities	-572	-582	10
Financing liabilities (nominal)	-25,381	-21,421	-3,961
Net debt	-15,854	-14,331	-1,522

Refinancing

In the second quarter of 2023, the Daimler Truck Group successfully issued **bonds** on the international money and capital markets of €1.2 billion. The benchmark bonds (bonds with high nominal volumes) issued in the second quarter of 2023 are shown in table [↗ B.17](#).

B.17

Benchmark issuances

Issuer	Volume	Month of Issuance	Maturity
Daimler Truck International Finance B.V.	€650 million	Jun. 2023	Jun. 2026
Daimler Truck International Finance B.V.	€500 million	Jun. 2023	Jun. 2029

In addition, **Asset-Backed-Securities** ("ABS") with a total volume of \$1.5 billion (€1.4 billion) were successfully executed in the USA in the second quarter of the year.

Financial Position

Total assets increased from €64.0 billion in December 31, 2022 to €68.6 billion. Currency-adjusted, an increase of €5.3 billion was recorded. Partly offsetting this, the increase includes a negative €0.6 billion effect from currency translation. Financial Services accounted for €26.5 billion of total assets (December 31, 2022: €25.5 billion). At 53.8%, the share of current assets as a proportion of the balance sheet total is

above the level of the previous year (December 31, 2022: 50.6%). At 32.6% the share of current liabilities as a proportion of the balance sheet total is slightly below the level of the prior year (December 31, 2022: 32.8%).

Table **7 B.18** shows the Condensed Consolidated Statement of Financial Position for the Daimler Truck Group as well as the Industrial Business and Financial Services.

B.18

Condensed Consolidated Statement of Financial Position

	Daimler Truck Group		Industrial Business		Financial Services	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
In millions of euros						
Assets						
Intangible assets	2,780	2,779	2,735	2,735	45	44
Property, plant and equipment	7,768	7,993	7,700	7,928	67	65
Equipment on operating leases	4,407	4,433	3,546	3,617	861	816
Receivables from financial services	23,711	22,425	-	-	23,711	22,425
Equity-method investments	1,058	1,073	1,058	1,073	-	-
Inventories	10,047	8,815	9,963	8,782	84	33
Trade receivables	4,562	4,682	4,352	4,260	211	422
Cash and cash equivalents	7,906	5,944	7,660	5,597	247	347
Marketable debt securities and similar investments	1,621	1,145	1,598	1,092	23	53
thereof current	1,598	1,124	1,598	1,092	-	32
thereof non-current	23	21	-	-	23	21
Other financial assets	1,494	1,505	837	702	657	803
Other assets	3,283	3,175	2,646	2,637	637	537
Total	68,637	63,969	42,095	38,424	26,542	25,545
Equity and liabilities						
Equity	21,070	20,606	18,767	18,388	2,303	2,218
Provisions	6,101	6,096	5,970	5,954	131	142
Financing liabilities	24,809	20,839	1,859	-1,422	22,950	22,262
thereof current	8,602	7,511	-3,540	-4,856	12,142	12,367
thereof non-current	16,208	13,328	5,399	3,433	10,809	9,895
Trade payables	5,393	5,317	5,307	5,267	86	50
Other financial liabilities	4,727	4,826	4,041	4,288	687	538
Contract and refund liabilities	4,066	3,811	4,066	3,811	-	-
Other liabilities	2,469	2,474	2,084	2,139	386	335
Total	68,637	63,969	42,095	38,424	26,542	25,545

The increase in total assets was primarily due to an increase in cash and cash equivalents, receivables from financial services and inventories.

Intangible assets of €2.8 billion were at the prior-year level (December 31, 2022: €2.8 billion). The development costs capitalized in the first half of 2023 amount to €59 million (Q1-2 2022: €89 million) which represents a share of 6.6% (Q1-2 2022: 10.7%) of the Group's total research and development costs.

Property, plant and equipment (including right-of-use assets) amount to €7.8 billion (December 31, 2022: €8.0 billion), slightly below the prior-year level. Investments in property, plant and equipment in the first half of 2023 increased to €324 million (Q1-2 2022: €242 million). In our production and assembly sites, investments were made primarily in preparation for production of zero-emission vehicles in order to support the transformation to electric vehicles. Other key areas were investments in plant optimization and ongoing development of the existing product portfolio as well as the expansion of our sales and spare parts centers. In the first half of 2023, the German sites accounted for investments in property, plant and equipment of €161 million (Q1-2 2022: €89 million).

Equipment on operating leases and receivables from financial services increased to €28.1 billion (December 31, 2022: €26.9 billion), primarily due to new business. The share of the leasing and sales financing business of 41.0% of total assets was below that of the prior year (December 31, 2022: 42.0%).

At € 7.9 billion, **cash and cash equivalents** were above the prior-year level (December 31, 2022: €5.9 billion). The increase resulted primarily from the inflow of funds from issuing several bonds.

Inventories increased from €8.8 billion to €10.0 billion. This is primarily due to an increase in finished goods resulting from a higher number of vehicles in the delivery process.

On the equity and liabilities side of the balance sheet, there were increases in financing liabilities and equity.

The Group's **equity** increased from €20.6 billion as at December 31, 2022 to €21.1 billion. The largest impact resulted from the Group's net profit of €1.8 billion; partly offset by negative effects coming mainly from dividend payments to the shareholders of Daimler Truck Holding AG of €1.1 billion and from currency translation of €0.2 billion.

While total assets increased by 7%, equity increased by 2% compared to the prior year. The lower increase in equity is mainly due to the fact that there was no dividend distribution to the shareholders of Daimler Truck Holding AG in the prior year. Consequently, the Group's **equity ratio** of 30.7% was below that of the prior year (December 31, 2022: 32.2%); the equity ratio for the Industrial Business was 44.6% (December 31, 2022: 47.9%).

Financing liabilities increased to €24.8 billion (December 31, 2022: €20.8 billion). The increase was mainly due to borrowing on the international money and capital markets and due to issuing Asset-Backed-Securities.

Further information on the reported assets, equity and liabilities of the Group is provided in the Consolidated Statement of Financial Position [↗ C.03](#), the Consolidated Statement of Changes in Equity [↗ C.05](#) and the related disclosure in the Notes to the Condensed Interim Consolidated Financial Statements.

Risk and Opportunity Report

The risks and opportunities that could have a material impact on the profitability, liquidity and capital resources, and financial position of the Daimler Truck Group, as well as detailed information on our risk and opportunity management system, were presented in our 2022 Annual Report as part of the combined management report on pages 135 to 149. In addition, we refer to the notes on forward-looking statements at the end of this interim group management report and to Note 31. Legal Proceedings in the combined management report of our annual report for the year 2022 for further information on legal proceedings.

The remaining 2023 financial year will continue to be fraught with great uncertainty, both for the global economy and for the business development of Daimler Truck, and will be materially influenced by the effects of the **Russia-Ukraine war**. The sanctions of the EU and the US remain in force. The war in Ukraine could escalate further and, in the worst case, spread to other countries. Such an expansion would pose a significant risk to Daimler Truck's market environment. Accordingly, the risks described in the 2022 Annual Report arising from legal and political conditions remain high and continue to be classified as having a medium probability of occurrence.

Inflation in the core USA and European markets remains high. The development of the economy in the 2023 financial year will also depend on further potential countermeasures by the Federal Reserve ("Fed") and the European Central Bank ("ECB"). Both a lack of or excessive intervention by the central banks could lead to significant distortions in the financial and sales markets.

The first half of 2023 was driven by strong demand and robust pricing. At the same time overall global economic development has stabilized. The stabilization in the global supply chains compared to the prior year contributed to this. Against this backdrop, production and technology risks are reduced from high to medium for the remainder of the financial year compared to the combined management report of the 2022 financial year.

These events determine both the future performance of the global economy and Daimler Truck's business. The statement on the overall risk assessment made in the 2022 Annual Report as part of the combined management report remains valid.

Changes in risks and opportunities are continuously monitored, evaluated and, if appropriate, incorporated in the business plans during the year.

Outlook

We have raised our growth forecast for the global economy slightly from 2.0% to 2.5% compared to our outlook for 2023 in the combined management report of the 2022 Annual Report. However, persistently high inflation and the associated restrictive monetary policies of the central banks have a dampening effect on consumer and investment spending. Potential risks from the banking sector could also have a negative impact on lending and thus on the real economy. For the second half of 2023, we continue to expect bottlenecks in the supply chains.

For the eurozone, we expect slight economic growth of around 0.5% in 2023. Although the calming of the energy markets should have a stabilizing effect, we assume that the European Central Bank (“ECB”) will continue to act restrictively in order to lower inflation. Our inflation forecast for 2023 is still around 5.5%.

For the US economy, we currently expect growth up to 2.0% for 2023. Inflation here also remains above target, meaning that the US Federal Reserve’s (“Fed”) monetary policy is likely to have an ongoing dampening effect on overall economic demand. Our outlook for the inflation rate in 2023 is 4.0%.

The following table [↗ B.19](#) shows our current forecast key figures for the 2023 financial year.

B.19

Forecast Key Figures Daimler Truck

	2022 Combined Management Report Outlook for 2023	Q1 2023 Updated outlook for 2023	Q2 2023 Updated outlook for 2023	Explanations of the change in the outlook
Market for heavy-duty trucks				
North America - in thousands of units -	280 to 320	-	290 to 330	
EU30 - in thousands of units -	280 to 320	-	300 to 340	
Group				
Revenue	€55 bn. to €57 bn. significant increase	-	€56 bn. to €58 bn.	• Increased unit sales expectation
EBIT	significant increase	-	-	
Adjusted EBIT	significant increase	-	-	
Investments in property, plant and equipment	on prior year level	-	slight increase	• Increased investment in transformation
Research and development expenditure (including capitalized)	on prior year level	-	slight increase	• Increased investment in transformation
Industrial Business				
Unit Sales ¹ - in thousands of units -	510 to 530	-	530 to 550	• Strong market demand • Improved situation in supply chains
Revenue	€53 bn. to €55 bn.	-	€54 bn. to €56 bn.	• Same explanation for Group revenue
Adjusted return on sales	7.5% to 9%	-	8.5% to 10%	• Increased unit sales • Improved net pricing • Improvement in the aftersales business
Free cash flow	slight increase	-	significant increase	• Same explanation for adjusted return on sales of the Industrial Business
Trucks North America				
Unit sales - in thousands of units -	190 to 210	-	-	
Adjusted return on sales	10% to 12%	-	11% to 13%	• Improved net pricing
Mercedes-Benz				
Unit sales - in thousands of units -	150 to 170	-	155 to 175	• Strong market demand
Adjusted return on sales	7% to 9%	-	8% to 10%	• Same explanation for adjusted return on sales of the Industrial Business
Trucks Asia				
Unit sales - in thousands of units -	150 to 170	-	160 to 180	• Strong market demand • Improved situation in supply chains
Adjusted return on sales	3% to 5%	-	4% to 6%	• Same explanation for adjusted return on sales of the Industrial Business
Daimler Buses				
Unit sales - in thousands of units -	20 to 25	-	-	
Adjusted return on sales	2% to 4%	-	3% to 5%	• Same explanation for adjusted return on sales of the Industrial Business
Financial Services				
New business	€11 bn. to €12 bn.	-	-	
Adjusted return on equity	9% to 11%	-	-	

¹ The total of the segments does not correspond to unit sales of the Industrial Business due to eliminations between the segments as well as rounding differences due to the disclosure of unit sale corridors.

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 utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor 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.

Consolidated Statement of Income

C.01

	Note	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros					
Revenue	3	13,880	12,104	27,080	22,655
Cost of sales		-10,784	-9,696	-21,209	-18,358
Gross profit		3,096	2,408	5,870	4,297
Selling expenses		-729	-703	-1,410	-1,470
General administrative expenses	4	-652	-482	-1,248	-852
Research and non-capitalized development costs		-431	-394	-837	-740
Other operating income	5	151	304	309	466
Other operating expense	5	-6	-106	-55	-136
Profit/loss on equity-method investments, net	9	-29	-17	-48	-112
Other financial income/expense, net		-22	64	-83	82
Earnings before interest and taxes (EBIT)	18	1,378	1,074	2,499	1,535
Interest income		79	23	158	82
Interest expense		-76	-44	-106	-105
Profit before income taxes		1,381	1,053	2,551	1,512
Income taxes	6	-377	-107	-753	-291
Net profit		1,004	946	1,799	1,221
thereof profit attributable to non-controlling interests		87	24	144	42
thereof profit attributable to shareholders		917	922	1,654	1,179
Earnings per share (in euros) for profit attributable to shareholders					
Basic and diluted		1.11	1.12	2.01	1.43

The accompanying Notes are an integral part of the Interim Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

C.02

	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
Net profit	1,004	946	1,799	1,221
Gains/losses on currency translation	-128	198	-248	419
Gains/losses on debt instruments	2	6	-	6
Gains/losses on derivative financial instruments	-5	7	-24	-
Items that may be reclassified to profit/loss	-132	211	-272	425
Gains/losses on equity instruments	-3	-2	3	2
Actuarial gains/losses from pensions and similar obligations	18	611	24	1,053
Items that will not be reclassified to profit/loss	16	609	27	1,055
Other comprehensive income/loss, net of taxes	-117	821	-245	1,481
thereof loss attributable to non-controlling interests, net of taxes	-18	-9	-24	-18
thereof income/loss attributable to shareholders, net of taxes	-99	830	-221	1,499
Total comprehensive income	887	1,767	1,554	2,702
thereof income attributable to non-controlling interests	69	15	120	24
thereof income attributable to shareholders	818	1,752	1,434	2,678

Consolidated Statement of Financial Position

C.03

	Note	Jun. 30, 2023	Dec. 31, 2022
In millions of euros			
Assets			
Intangible assets	7	2,780	2,779
Property, plant and equipment	8	7,768	7,993
Equipment on operating leases		4,407	4,433
Equity-method investments	9	1,058	1,073
Receivables from financial services	10	12,841	12,359
Marketable debt securities and similar investments		23	21
Other financial assets		869	828
Deferred tax assets		1,595	1,643
Long-term trade receivables		28	105
Other assets		375	364
Total non-current assets		31,744	31,598
Inventories	11	10,047	8,815
Trade receivables		4,534	4,577
Receivables from financial services	10	10,870	10,066
Cash and cash equivalents		7,906	5,944
Marketable debt securities and similar investments		1,598	1,124
Other financial assets		626	677
Other assets		1,312	1,168
Total current assets		36,893	32,371
Total assets		68,637	63,969
Equity and liabilities			
Share capital		823	823
Capital reserves		14,277	14,277
Retained earnings		6,518	5,847
Other reserves		-1,138	-895
Equity attributable to shareholders		20,479	20,052
Non-controlling interests		591	554
Total equity	12	21,070	20,606
Provisions for pensions and similar obligations	13	1,145	1,147
Provisions for other risks	14	2,799	2,743
Financing liabilities	15	16,208	13,328
Other financial liabilities		1,923	2,110
Deferred tax liabilities		97	65
Deferred income		946	1,000
Contract and refund liabilities		2,004	1,940
Other liabilities		54	53
Total non-current liabilities		25,176	22,386
Trade payables		5,393	5,317
Provisions for other risks	14	2,157	2,206
Financing liabilities	15	8,602	7,511
Other financial liabilities		2,804	2,716
Deferred income		586	655
Contract and refund liabilities		2,062	1,871
Other liabilities		787	701
Total current liabilities		22,391	20,977
Total equity and liabilities		68,637	63,969

The accompanying Notes are an integral part of the Interim Consolidated Financial Statements.

Consolidated Statement of Cash Flows

C.04

	Q1-2 2023	Q1-2 2022
In millions of euros		
Profit before income taxes	2,551	1,512
Depreciation and amortization/impairments	563	566
Other non-cash expense and income	117	70
Gains (-)/losses (+) on disposals of assets	-31	-7
Change in operating assets and liabilities		
Inventories	-1,390	-1,583
Trade receivables	58	-340
Trade payables	192	737
Receivables from financial services	-1,307	-1,085
Vehicles on operating leases	-35	31
Cash outflows from the settlement of pre-existing relationships ¹	-	-104
Other operating assets and liabilities	162	-671
Income taxes paid	-585	-606
Cash flows from operating activities	295	-1,480
Additions to property, plant and equipment	-324	-242
Additions to intangible assets	-105	-116
Proceeds from disposals of property, plant and equipment and intangible assets	47	65
Cash flows from disposals of shareholdings	-2	149
Net cash flows from acquisition of Financial Services business ¹	-13	-1,220
Investments in shareholdings	-130	-96
Acquisition of marketable debt securities and similar investments	-6,677	-1,492
Proceeds from sales of marketable debt securities and similar investments	6,224	1,049
Other	-20	21
Cash flows from investing activities	-1,000	-1,882
Change in financing liabilities	3,920	1,708
Transactions with the Mercedes-Benz Group	-	-23
Dividend paid to shareholders of Daimler Truck Holding AG	-1,070	-
Dividends paid to non-controlling interests	-86	-20
Cash flows from financing activities	2,765	1,665
Effect of foreign exchange-rate changes on cash and cash equivalents	-97	151
Net decrease in cash and cash equivalents	1,962	-1,546
Cash and cash equivalents at beginning of period	5,944	7,244
Cash and cash equivalents at end of period	7,906	5,699

¹ For further information, refer to Note 2. Business Combinations.

Consolidated Statement of Changes in Equity

C.05

In millions of euros	Share capital	Capital reserves	Retained earnings ¹	Other reserves	
				Currency translation	Items that may be reclassified to profit/loss Equity instruments/ debt instruments
Balance at January 01, 2022	823	14,277	1,886	-1,092	13
Net profit	-	-	1,179	-	-
Other comprehensive income/loss before taxes	-	-	1,259	437	9
Deferred taxes on other comprehensive income/loss	-	-	-206	-	-1
Total comprehensive income/loss	-	-	2,232	437	8
Dividends	-	-	-	-	-
Other changes	-	-	46	-	-
Balance at June 30, 2022	823	14,277	4,164	-655	21
Balance at January 01, 2023	823	14,277	5,847	-1,020	3
Net profit	-	-	1,654	-	-
Other comprehensive income/loss before taxes	-	-	44	-222	5
Deferred taxes on other comprehensive income/loss	-	-	-20	-	-3
Total comprehensive income/loss	-	-	1,678	-222	3
Dividends	-	-	-1,070	-	-
Other changes	-	-	63	-	-
Balance at June 30, 2023	823	14,277	6,518	-1,241	5

1 Retained earnings also include items that will not be reclassified to the Consolidated Statement of Income.

Derivative financial instruments	Equity attributable to shareholders	Non-controlling interests	Total equity	
				In millions of euros
13	15,920	503	16,423	Balance at January 01, 2022
-	1,179	42	1,221	Net profit
-3	1,702	-18	1,685	Other comprehensive income/loss before taxes
3	-204	-	-204	Deferred taxes on other comprehensive income/loss
-	2,678	24	2,702	Total comprehensive income/loss
-	-	-52	-52	Dividends
-	46	35	81	Other changes
13	18,644	510	19,154	Balance at June 30, 2022
122	20,052	554	20,606	Balance at January 01, 2023
-	1,654	144	1,799	Net profit
-36	-209	-24	-233	Other comprehensive income/loss before taxes
12	-11	-	-11	Deferred taxes on other comprehensive income/loss
-24	1,434	120	1,554	Total comprehensive income/loss
-	-1,070	-86	-1,156	Dividends
-	63	2	65	Other changes
97	20,479	591	21,070	Balance at June 30, 2023

The accompanying Notes are an integral part of the Interim Consolidated Financial Statements.

Notes to the Condensed Interim Consolidated Financial Statements

1. Principles and methods used in the Interim Financial Statements

General

The Interim Consolidated Financial Statements (“Interim Financial Statements”) of Daimler Truck Holding AG (hereinafter also referred to as “DTH” or the “Company”) and its subsidiaries (hereinafter also referred to as “Daimler Truck”, the “Daimler Truck Group” or the “Group”) have been prepared in accordance with Section 115 of the German Securities Trading Act (“Wertpapierhandelsgesetz” or “WpHG”) and International Accounting Standard (“IAS”) 34 – Interim Reporting.

The Interim Financial Statements comply with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

Daimler Truck Holding AG is a stock corporation organized under the laws of the Federal Republic of Germany. The Company is domiciled in Stuttgart and is entered in the Commercial Register of the District Court of Stuttgart under No. HRB 778600 with its business address at Fasanenweg 10, 70771 Leinfelden-Echterdingen, Germany.

The Interim Financial Statements are presented in euros. Amounts are stated in millions of euros, except where otherwise indicated. 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.

The Interim Financial Statements were approved for publication by the Board of Management of Daimler Truck Holding AG on July 28, 2023. The Interim Financial Statements have been reviewed by the Group’s auditors.

In the opinion of the management, the Interim Financial Statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the profitability, liquidity and capital resources, and financial position of the Group. All significant intercompany accounts and transactions have been eliminated.

Accounting policies

Unless otherwise stated, the Interim Financial Statements were prepared on the basis of the accounting policies of the audited and published IFRS Consolidated Financial Statements of Daimler Truck Holding AG and its subsidiaries at December 31, 2022 (“2022 Consolidated Financial Statements”) and should be read in conjunction with these. All accounting standards adopted by the EU and applicable from January 1, 2023 have been implemented in the Daimler Truck Group.

Economic influences and irregular expenditure

Results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full financial year.

Income taxes

The income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

2. Business Combinations

In 2022, subsequent to the spin-off, the Daimler Truck Group acquired the following truck and bus-related Financial Services companies and Financial Services divisions from the Mercedes-Benz Group in connection with the so-called Phase 2 transactions (together also referred to as the “acquired Financial Services business”):

- Mercedes-Benz Broker Argentina S.A. and Mercedes-Benz Servicios S.A. including the shares in its subsidiary Mercedes-Benz Compañía Financiera Argentina S.A. with registered office in Argentina, Buenos Aires (“ARG”)
- Daimler Truck Financial Services Belgium SA/NV with registered office in Belgium, Brussels (“BEL”)
- Mercedes-Benz Trucks Financial Services Italia S.p.A. with registered office in Italy, Rome (“ITA”)
- Daimler Truck Financial Services Nederland B.V. with registered office in the Netherlands, Utrecht (“NL”)
- Mercedes-Benz Kamyon Finansman A.S. including the shares in its subsidiary Daimler Sigorta Aracilik Hizmetleri A.S. with registered office in Turkey, Istanbul (“TR”)
- Daimler Truck Financial Services España E.F.C., S.A.U. with registered office in Spain, Madrid (“ESP-FS”)
- Mercedes-Benz Renting, S.A. with registered office in Spain, Madrid (“ESP-RT”)
- Mercedes-Benz Financial Services UK Ltd. with registered office in the United Kingdom, Milton Keynes (“UK”)

With the acquisition of Financial Services companies, there were already existing contractual relationships between the Daimler Truck Group as the acquirer and the acquired truck and bus-related Financial Services business (“pre-existing relationships”) in the context of the transfer of trucks/buses to the Financial Services companies for renting to end customers as well as from the assumption of opportunities and risks from residual values. These contractual relationships were terminated with the acquisition of the Financial Services companies.

The determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of ARG and BEL were already completed by December 31, 2022.

The determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of NL, ITA and ESP-RT were completed by March 31, 2023. The finalization has not led to any changes compared to December 31, 2022.

The determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of UK were completed by June 30, 2023. The finalization has not led to any significant changes compared to December 31, 2022.

For TR and ESP-FS the determination of the consideration transferred was completed by June 30, 2023. For TR, this has not led to any changes compared to December 31, 2022. The liability which had been unpaid as of December 31, 2022 was settled in Q2 2023. For ESP-FS, there was a change in the purchase price and the fair value of the pre-existing relationships in the first half of 2023 compared to December 31, 2022. This did not have any material impact on the Consolidated Statement of Income as of June 30, 2023. Table 7 C.06 presents the updated determination of the consideration transferred for ESP-FS as of June 30, 2023.

C.06

Consideration transferred for business combination ESP-FS

	ESP-FS
In millions of euros	
Purchase price of share deal transaction	15
Cash outflow for repayment of financing liabilities to the Mercedes-Benz Group	193
Less cash allocated for the settlement of pre-existing relationships	-46
Total consideration transferred	161
Paid by June 30, 2023	164
Cash acquired	-6
Net consideration transferred for the acquired Financial Services business by June 30, 2023	159

The purchase price allocation including the valuation of the assets and liabilities for TR and ESP-FS, however, has not yet been completed by June 30, 2023. The update as of June 30, 2023 did not result in any material changes compared to December 31, 2022.

Table 7 C.07 presents the updated, but partly still provisional, allocation of the consideration transferred to the assets acquired and liabilities assumed measured at fair value as of the respective acquisition dates for UK, TR and ESP-FS.

The purchase price allocations which are not yet final will be finalized within a period of one year after the corresponding acquisition dates.

C.07

Assets purchased and liabilities acquired at fair value (partly preliminary)¹

	UK	TR	ESP-FS
In millions of euros			
Intangible assets	5	-	-
Property, plant and equipment	-	1	-
Equipment on operating leases	225	-	2
Receivables from financial services	448	532	155
Trade receivables	1	2	-
Cash and cash equivalents	-	75	6
Other financial assets	-	14	11
Other assets	-	2	6
Total assets	678	626	180
Provisions	-	2	2
Financing liabilities	-	527	-
Trade payables	-	-	4
Other financial liabilities	-	34	1
Other liabilities	-	8	4
Total liabilities	-	571	11
Purchased net assets	678	56	169
Total consideration transferred (purchase price)	680	37	161
Goodwill (+) or gain on bargain purchase (-)	2	-19	-8

¹ The purchase price allocations for the acquisition of TR and ESP-FS are provisional, as the final purchase price allocations drawn up by an independent valuer are not yet available.

3. Revenue

Revenue presented in the Consolidated Statement of Income includes revenue from contracts with customers, and other revenue not in the scope of IFRS 15 – Revenue from Contracts with Customers.

Revenue from contracts with customers (according to IFRS 15) is disaggregated into two categories – type of products and services, and geographical regions – and presented in table [7 C.08](#). The category type of products and services corresponds to the reportable segments as presented in [Note 18. Segment reporting](#).

Other revenue primarily comprises revenue from the rental and leasing business, interest from the financial services business and effects from currency hedging.

In the second quarter of 2022, revenue in accordance with IFRS 15 included revenue from a license agreement with Beijing Foton Daimler Automotive Co., Ltd. (“BFDA”), an at-equity valued financial investment of the Daimler Truck Group.

C.08

Revenue for the three-month periods ended June 30

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q2 2023								
Revenue according to IFRS 15	5,964	5,480	1,676	930	52	14,102	-895	13,207
Europe	28	3,767	110	629	20	4,554	-288	4,266
North America	5,859	305	29	97	13	6,303	-337	5,966
Asia	2	503	1,377	13	4	1,899	-208	1,691
Latin America ¹	35	614	46	171	4	870	-55	815
Other markets	40	291	114	20	11	476	-7	469
Other revenue	7	73	10	48	580	718	-45	673
Total revenue	5,971	5,553	1,686	978	632	14,820	-940	13,880
Q2 2022								
Revenue according to IFRS 15	5,145	4,743	1,530	816	40	12,274	-711	11,563
Europe	42	2,789	112	585	8	3,536	-220	3,316
North America	4,991	279	29	53	12	5,364	-300	5,064
Asia	2	692	1,165	14	4	1,877	-129	1,748
Latin America ¹	47	816	56	147	5	1,071	-50	1,021
Other markets	63	167	168	17	11	426	-12	414
Other revenue	5	137	16	57	358	573	-32	541
Total revenue	5,150	4,880	1,546	873	398	12,847	-743	12,104

¹ Excluding Mexico.

Revenue for the six-month periods ended 30 June

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q1-2 2023								
Revenue according to IFRS 15	11,765	10,270	3,420	1,820	106	27,381	-1,779	25,602
Europe	80	7,087	215	1,234	42	8,658	-554	8,104
North America	11,524	622	58	173	21	12,398	-675	11,723
Asia	3	1,023	2,817	31	8	3,882	-417	3,465
Latin America ¹	63	975	84	340	10	1,472	-112	1,360
Other markets	95	563	246	42	25	971	-21	950
Other revenue	13	273	27	108	1,138	1,559	-81	1,478
Total revenue	11,778	10,543	3,447	1,928	1,244	28,940	-1,860	27,080
Q1-2 2022								
Revenue according to IFRS 15	9,720	8,904	2,949	1,380	73	23,026	-1,396	21,630
Europe	69	5,579	166	990	8	6,812	-377	6,435
North America	9,458	555	46	102	24	10,185	-584	9,601
Asia	4	1,008	2,367	25	9	3,413	-314	3,099
Latin America ¹	88	1,420	95	231	9	1,843	-94	1,749
Other markets	101	342	275	32	23	773	-27	746
Other revenue	13	281	18	119	634	1,065	-40	1,025
Total revenue	9,733	9,185	2,967	1,499	707	24,091	-1,436	22,655

1 Excluding Mexico.

4. Functional costs

General administrative expenses

General and administrative expenses increased to €652 million (Q2 2022 €482 million) in the second quarter of 2023 and to €1,248 million (Q1-2 2022 €852 million) in the first half of 2023, mainly due to higher personnel and IT costs.

5. Other operating income and expense

Other operating income in the second quarter of 2023 amounted to €151 million (Q2 2022: €304 million) and in the first half of 2023 amounted to €309 million (Q1-2 2022: €466 million). This included the income from the contribution-in-kind of the on-highway IP rights to the medium-duty Daimler truck engines to DEUTZ AG. The prior year was driven mainly by income from negative goodwill in the amount of €84 million and income from the termination of existing contractual relationships (pre-existing relationships) in the amount of €45 million due to the acquired financial services business. Please refer to [Note 2. Business Combinations](#) for explanations.

In the second quarter of 2023 other operating expense amounted to €6 million (Q2 2022: €106 million) and in the first half of 2023 to €55 million (Q1-2 2022: €136 million). Other operating expense also includes provisions for liability and litigation risks as well as regulatory proceedings.

6. Income taxes

Table [7 C.09](#) shows profit before income taxes, income taxes and the derived effective tax rate.

C.09				
Income taxes				
	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
Income before income taxes	1,381	1,053	2,551	1,512
Income taxes	-377	-107	-753	-291
Effective tax rate	27.3%	10.2%	29.5%	19.2%

In the second quarter and the first half of 2022, the effective tax rate was affected by a reversal of the valuation allowance on deferred tax assets.

7. Intangible assets

The composition of intangible assets is shown in table [7 C.10](#).

C.10		
Intangible assets		
	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Goodwill (acquired)	678	674
Development costs (internally generated)	771	760
Other intangible assets ¹	1,330	1,345
	2,780	2,779

¹ Other intangible assets include acquired assets subject to amortization and assets with indefinite useful lives not subject to amortization.

Intangible assets include capitalized development costs in the second quarter of 2023 of €25 million (Q2 2022: €49 million) and in the first half of 2023 of €59 million (Q1-2 2022: €89 million). Depreciation of capitalized development costs for the second quarter of 2023 amounted to €27 million (Q2 2022: €30 million) and in the first half of 2023 €54 million (Q1-2 2022: €60 million).

8. Property, plant and equipment

Property, plant and equipment as presented in the Consolidated Statement of Financial Position with a carrying amount of €7,768 million at June 30, 2023 (December 31, 2022: €7,993 million) includes right-of-use assets from lessee accounting.

Property, plant and equipment by category, excluding right-of-use assets, can be found in table [7 C.11](#).

C.11		
Property, plant and equipment (excluding right-of-use assets)		
	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Land, buildings and leasehold improvements	2,581	2,649
Technical equipment and machinery	1,757	1,847
Other equipment, factory and office equipment	1,675	1,703
Advance payments relating to plant and equipment and construction in progress	630	642
	6,644	6,841

Table [7 C.12](#) shows the composition of the right-of-use assets.

C.12		
Right-of-use assets		
	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Land, buildings and leasehold improvements	1,072	1,109
Technical equipment and machinery	13	5
Other equipment, factory and office equipment	38	38
	1,124	1,152

9. Equity-method investments

Table [7 C.13](#) shows the carrying amounts and earnings of equity-method investments.

Table [7 C.14](#) presents key figures on interests in joint ventures accounted for using the equity-method in the Daimler Truck Group's Interim Consolidated Financial Statements.

cellcentric

In the first quarter 2023, the Daimler Truck Group and the Volvo Group made total capital contributions of €70 million to cellcentric GmbH & Co. KG ("cellcentric"), resulting in an increase in the Daimler Truck Group's equity investment of €35 million.

C.13

Summary of carrying amounts and gains/losses on equity-method investments

In millions of euros	Associated companies	Joint ventures	Joint operations	Total
At June 30, 2023				
Equity investment	123	920	15	1,058
Equity earnings (Q2 2023)	2	-33	2	-29
Equity earnings (Q1-2 2023)	7	-58	4	-48
At December 31, 2022				
Equity investment	120	934	19	1,073
Equity earnings (Q2 2022)	6	-24	1	-17
Equity earnings (Q1-2 2022)	8	-123	3	-112

C.14

Key information on interests in joint ventures accounted for using the equity method

In millions of euros	cellcentric ¹	BFDA ^{1,2}	Other ³	Total
At June 30, 2023				
Equity interest (in %)	50.0	50.0		
Equity investment	698	185	37	920
Equity earnings (Q2 2023)	-13	-18	-2	-33
Equity earnings (Q1-2 2023)	-23	-32	-3	-58
At December 31, 2022				
Equity interest (in %)	50.0	50.0		
Equity investment	686	234	14	934
Equity earnings (Q2 2022)	-11	-14	1	-24
Equity earnings (Q1-2 2022)	-28	-25	-70	-123

1 No dividends were paid to the Daimler Truck Group in any of the presented periods.

2 Beijing Foton Daimler Automotive Co., Ltd ("BFDA").

3 Equity earnings in the first quarter 2022 included the impairment of Daimler KAMAZ Trucks Holding GmbH's equity investment of €71 million.

10. Receivables from financial services

Table [7 C.15](#) shows the composition of receivables from financial services.

C.15

Receivables from financial services

	Jun. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Gross carrying amount	11,078	13,175	24,253	10,264	12,707	22,971
Sales financing with customers	4,890	9,305	14,195	4,491	9,080	13,571
Sales financing with dealers	4,765	856	5,620	4,441	803	5,244
Finance lease contracts	1,424	3,014	4,438	1,332	2,824	4,156
Loss allowances	-209	-334	-542	-198	-348	-546
Net carrying amount	10,870	12,841	23,711	10,066	12,359	22,425

11. Inventories

Inventories are shown in table [7 C.16](#).

C.16

Inventories

	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Raw materials and manufacturing supplies	1,958	1,901
Work in progress	2,981	2,744
Finished goods, parts and products held for resale	5,095	4,157
Advance payments to suppliers	13	13
	10,047	8,815

Inventories increased by €1,232 million in the first half year of 2023, primarily due to an increase in finished goods resulting from a higher number of vehicles in the delivery process.

12. Equity

The individual components of equity and their development over the first half year of 2023 and 2022 are presented in the Consolidated Statement of Changes in Equity [7 C.05](#).

Share capital

At June 30, 2023, the share capital of Daimler Truck Holding AG amounted to €822,951,882, as in the previous period. The share capital is divided into 822,951,882 no-par-value registered shares.

Dividend

The Annual General Meeting, held on June 21, 2023 authorized Daimler Truck Holding AG to pay €1,070 million (€1.30 per no-par-value registered shares entitled to dividend) to the shareholders from the 2022 distributable profit of Daimler Truck Holding AG and to carry forward the remaining distributable profit of €292 million.

13. Pensions and similar obligations

Composition of provisions for pensions and similar obligations

The composition of provisions for pensions and similar obligations is shown in table [7 C.17](#).

C.17

Provisions for pensions and similar obligations

	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Provision for pension benefits	588	591
Provision for other post-employment benefits	558	556
	1,145	1,147

Development of funded status

The funded status of pension obligations is shown in table [7 C.18](#).

C.18

Development of funded status

	Jun. 30, 2023	Dec. 31, 2022
In millions of euros		
Present value of the defined benefit obligations	-5,993	-5,903
Fair value of plan assets	5,464	5,360
Funded status	-530	-543
Actuarial loss due to asset ceiling	-2	-2
Net defined benefit liability	-531	-545
thereof presented in other assets	57	46
thereof presented in provisions for pensions and similar obligations	-588	-591

14. Provisions for other risks

Provisions for other risks are comprised as shown in table

➤ C.19.

C.19

Provisions for other risks

In millions of euros	Jun. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Product warranties	885	1,216	2,101	856	1,096	1,952
Personnel and social costs	819	636	1,456	892	677	1,569
Liability and litigation risks and regulatory proceedings	141	851	992	127	870	997
Other	312	96	408	331	100	431
	2,157	2,799	4,956	2,206	2,743	4,949

15. Financing liabilities

Table ➤ C.20 shows the composition of the financing liabilities.

During the first half of 2023, financing liabilities increased primarily due to a €2.8 billion issuance of bonds on the international money and capital markets.

C.20

Financing liabilities

In millions of euros	Jun. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	3,003	10,440	13,443	3,061	8,290	11,351
Commercial papers	183	-	183	-	-	-
Liabilities to financial institutions	3,673	3,174	6,847	3,237	2,812	6,049
Liabilities from ABS transactions	911	1,089	2,001	528	483	1,011
Lease liabilities	181	973	1,154	181	1,002	1,183
Loans, other financing liabilities	443	531	974	503	550	1,053
Non-controlling shareholdings (puttable instruments) in accordance with IAS 32 – Financial Instruments: Presentation	207	-	207	-	191	191
	8,602	16,208	24,809	7,511	13,328	20,839

16. Legal proceedings

As described in Note 31. Legal Proceedings of the 2022 Consolidated Financial Statements, Daimler Truck Holding AG and its subsidiaries are confronted with various litigations, claims and regulations (legal proceedings) which are related to a wide range of topics. There were no significant changes in the reporting period.

17. Financial instruments

Carrying amounts and fair values of financial instruments

Table 7 C.21 shows the carrying amounts and fair values of the respective classes of the Group's financial instruments, excluding equity instruments measured at amortized cost and not in the scope of IFRS 9 – Financial Instruments, and lease liabilities.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market.

The fair values of the financial instruments were determined on the basis of market information available on the reporting date. The below mentioned methods and assumptions were used.

C.21

Carrying amounts and fair values of financial instruments

	Jun. 30, 2023		Dec. 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Financial assets				
Receivables from financial services	23,711	23,565	22,425	22,129
Trade receivables	4,562	4,562	4,682	4,682
Cash and cash equivalents	7,906	7,906	5,944	5,944
Marketable debt securities and similar investments	1,621	1,621	1,145	1,145
Recognized at fair value through other comprehensive income	242	242	351	351
Recognized at fair value through profit or loss	1,375	1,375	783	783
Measured at amortized cost	4	4	11	11
Other financial assets				
Equity instruments and debt instruments	296	296	292	292
Recognized at fair value through other comprehensive income	124	124	96	96
Recognized at fair value through profit or loss	172	172	196	196
Other financial assets recognized at fair value through profit or loss	21	21	29	29
Derivative financial instruments used in hedge accounting	161	161	197	197
Other financial receivables and miscellaneous other financial assets	861	861	818	818
	39,140	38,994	35,532	35,236
Financial liabilities				
Financing liabilities ¹	23,655	23,534	19,656	19,320
Trade payables	5,393	5,393	5,317	5,317
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	28	28	13	13
Derivative financial instruments used in hedge accounting	539	539	555	555
Miscellaneous other financial liabilities	4,160	4,160	4,258	4,258
Contract and refund liabilities				
Obligations from sales transactions	498	498	448	448
	34,274	34,153	30,247	29,911

¹ The fair value as of December 31, 2022 has been adjusted due to an insignificant error.

Receivables from financial services

The fair values of receivables from financial services with variable interest rates are estimated to be equal to the respective carrying amounts, because the agreed-upon interest rates and those available in the market do not significantly differ. The fair values of receivables from financial services with fixed interest rates are determined on the basis of discounted expected future cash flows.

Other financial assets and liabilities

Other financial receivables and miscellaneous other financial assets and *Miscellaneous other financial liabilities* are carried at amortized cost. Due to predominantly short maturities and (in the case of the assets) the fundamentally lower credit risk of these financial instruments, it is assumed that the carrying amount is a reasonable approximation of fair values.

Financing liabilities

The fair values of loans, commercial papers, notes/bonds and liabilities from ABS transactions are calculated as present values of the estimated future cash flows (taking account of credit premiums and credit risks). Market interest rates for the appropriate terms are used for discounting. Financing liabilities exclude lease liabilities.

Contract and refund liabilities

Contract and refund liabilities include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as short term. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to their carrying amounts.

The increase in cash and cash equivalents in the first half of 2023 resulted primarily from inflow of funds from issuing several bonds.

Financing liabilities increased to €23.7 billion in the first half of 2023 (December 31, 2022: €19.7 billion) and are described in

[Note 15. Financing liabilities.](#)

Table [7 C.22](#) provides an overview of the classification into measurement hierarchies of financial assets and liabilities recognized at fair value (according to IFRS 13 – Fair value measurement). At the end of each reporting period, the Group reviews the necessity for reclassification between the fair value hierarchies.

C.22

Measurement hierarchy of financial assets and liabilities recognized at fair value

	Jun. 30, 2023				Dec. 31, 2022			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Financial assets recognized at fair value								
Marketable debt securities	1,617	1,256	361	–	1,134	748	386	–
Recognized at fair value through other comprehensive income	242	23	219	–	351	44	307	–
Recognized at fair value through profit or loss	1,375	1,233	142	–	783	704	79	–
Equity instruments and debt instruments	296	179	21	96	292	171	22	99
Recognized at fair value through other comprehensive income	124	118	–	5	96	88	–	8
Recognized at fair value through profit or loss	172	60	21	91	196	83	22	91
Other financial assets recognized at fair value through profit or loss	21	–	21	–	29	–	29	–
Derivative financial instruments used in hedge accounting	161	–	161	–	197	–	197	–
	2,095	1,435	564	96	1,652	919	634	99
Financial liabilities recognized at fair value								
Financial liabilities recognized at fair value through profit or loss	28	–	28	–	13	–	13	–
Derivative financial instruments used in hedge accounting	539	–	539	–	555	–	555	–
	567	–	567	–	568	–	568	–

¹ Fair-value measurement is based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

² Fair-value measurement is based on inputs that are observable on active markets either directly (i.e., as prices) or indirectly (i.e., derived from prices).

³ Fair-value measurement is based on inputs for which no observable market data is available.

18. Segment reporting

Segment information for the second quarter and first half of 2023 compared to the second quarter and first half of 2022 can be found in table [↗ C.23](#).

C.23

Segment reporting

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q2 2023								
External revenue	5,961	4,839	1,532	931	617	13,880	-	13,880
Intersegment revenue	10	714	154	47	15	940	-940	-
Total revenue	5,971	5,553	1,686	978	632	14,820	-940	13,880
Segment profit/loss (EBIT)	783	524	90	33	55	1,485	-107	1,378
June 30, 2023								
Segment assets	7,578	15,359	5,370	3,589	26,542	58,438	659	59,097
Segment liabilities	6,464	9,451	1,951	2,492	24,239	44,597	-673	43,924
Q2 2022								
External revenue	5,123	4,372	1,376	844	389	12,104	-	12,104
Intersegment revenue	27	508	170	29	9	743	-743	-
Total revenue	5,150	4,880	1,546	873	398	12,847	-743	12,104
Segment profit/loss (EBIT)	523	505	31	-26	163	1,196	-122	1,074
December 31, 2022								
Segment assets	7,441	14,415	5,525	3,289	25,545	56,215	891	57,106
Segment liabilities	6,427	9,120	2,100	2,500	23,327	43,474	-463	43,011

Segment reporting

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q1-2 2023								
External revenue	11,715	9,167	3,144	1,836	1,218	27,080	-	27,080
Intersegment revenue	63	1,376	303	92	26	1,860	-1,860	-
Total revenue	11,778	10,543	3,447	1,928	1,244	28,940	-1,860	27,080
Segment profit/loss (EBIT)	1,458	948	171	42	99	2,718	-219	2,499
Q1-2 2022								
External revenue	9,681	8,116	2,724	1,440	694	22,655	-	22,655
Intersegment revenue	52	1,069	243	59	13	1,436	-1,436	-
Total revenue	9,733	9,185	2,967	1,499	707	24,091	-1,436	22,655
Segment profit/loss (EBIT)	909	681	54	-87	210	1,767	-232	1,535

Reconciliation

The reconciliation of the total segments' profit/loss (EBIT) to the Daimler Truck Group's EBIT is shown in table [C.24](#).

C.24

Reconciliation of the segments to the Consolidated Statement of Income

	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros				
Total segments profit/loss (EBIT)	1,485	1,196	2,718	1,767
Profit/loss on equity-method investments	-13	-12	-22	-29
Other business activities and corporate items	-94	-101	-198	-160
Eliminations	-	-8	1	-43
EBIT of the Group	1,378	1,074	2,499	1,535

The reconciliation comprises business activities for which the Group's headquarters is responsible. Transactions between the segments are eliminated in the context of consolidation.

In the first half of 2023, "Other business activities and corporate items" is comprised primarily of operational expenses of €106 million related to the Daimler Truck Group's autonomous driving business activities (Q1-2 2022: €80 million) and expenses from equity instruments measured at fair value through profit or loss of €23 million (Q1-2 2022: €45 million).

19. Transactions with related parties

Related parties (companies or persons) are deemed to be Mercedes-Benz Group entities, associated companies, joint ventures and subsidiaries not in the scope of consolidation, as well as persons who exercise a significant influence on the financial and business policy of the Daimler Truck Group. For further information regarding related parties and the nature of the business relationships, refer to Note 38. Related party disclosures of the 2022 Consolidated Financial Statements.

Goods and services supplied between the Daimler Truck Group and related companies comprise transactions with the Mercedes-Benz Group, associated companies and joint ventures, and are shown in table [C.25](#).

Lease contracts with the Mercedes-Benz Group

For the sale of vehicles to Mercedes-Benz Group companies where the Daimler Truck Group is obliged to repurchase the vehicles, which are accounted for as a lease, the corresponding balances of residual-value guarantees at June 30, 2023 amounted to €1,066 million (December 31, 2022: €1,104 million). The related deferred income at June 30, 2023 amounted to €704 million (December 31, 2022: €735 million).

Financial liabilities resulting from transactions with companies of the Mercedes-Benz Group include financial liabilities from sale and leaseback transactions where the sale does not satisfy the requirements of IFRS 15.

C.25

Transactions with related companies

	Sales of goods and services and other income				Purchases of goods and services and other expenses			
	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022	Q2 2023	Q2 2022	Q1-2 2023	Q1-2 2022
In millions of euros								
Associated companies	36	43	91	76	3	3	6	6
thereof MFTBC investees ³	30	34	74	61	3	3	6	6
Joint ventures	100	387	234	468	–	13	16	65
thereof NAI ⁴	83	54	178	97	–	–	–	–
thereof BFDA ⁵	10	330	45	335	–	9	–	10
Mercedes-Benz Group ⁶	622	735	1,201	1,535	335	335	501	633

	Receivables ¹		Payables ²	
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
In millions of euros				
Associated companies	13	36	2	2
thereof MFTBC investees ³	9	21	2	2
Joint ventures	291	330	11	2
thereof NAI ⁴	83	72	–	–
thereof BFDA ⁵	202	254	–	–
Mercedes-Benz Group	374	411	1,735	1,826

1 Receivables comprise balance sheet items that result in cash inflows such as trade receivables, loans granted and other receivables. Receivables have been presented after total loss allowances of €0 million (December 31, 2022: €57 million).

2 Payables comprise liabilities that lead to potential future cash outflows such as trade accounts payable, residual-value guarantees, default risks from guarantees, financing liabilities, lease liabilities and other liabilities.

3 Associated companies of Mitsubishi Fuso Truck and Bus Corporation ("MFTBC").

4 National Automobile Industry Company Ltd. ("NAI").

5 Beijing Foton Daimler Automotive Co., Ltd. ("BFDA").

6 In the second quarter 2023, Purchases of goods and services and other expenses include expenses for services received from the Mercedes-Benz Group of €186 million (Q2 2022: €156 million) and in the first half of 2023 in the amount of €288 million (Q1-2 2022: €285 million).

20. Events after the reporting period

Share buyback program

On July 10, 2023, the Board of Management and Supervisory Board of Daimler Truck Holding AG resolved to implement a share buyback program. It is expected that treasury shares with a value of up to €2 billion (excluding incidental acquisition costs) will be acquired on the stock exchange over a period of up to 24 months from the beginning of August 2023 and subsequently cancelled by way of a capital reduction. The share buyback program is based on the authorization by the Shareholders' Meeting of Daimler Truck Holding AG on November 5, 2021, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, own shares up to a maximum of ten percent of the share capital until October 31, 2026.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Leinfelden-Echterdingen, July 28, 2023

Martin Daum

Jochen Goetz

Karin Rådström

John O'Leary

Karl Deppen

Stephan Unger

Dr. Andreas Gorbach

Jürgen Hartwig

Auditor's Review Report

To Daimler Truck Holding AG, Stuttgart

We have reviewed the condensed interim consolidated financial statements of Daimler Truck Holding AG – comprising Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Notes to the Condensed Interim Consolidated Financial Statements – together with the interim group management report of the Daimler Truck Holding AG, for the period from January 1 to June 30, 2023 that are part of the semi annual financial report according to Section 115 WpHG [“Wertpapierhandelsgesetz “: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, July 31, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Pritzer
Wirtschaftsprüfer
[German Public Auditor]

Mokler
Wirtschaftsprüfer
[German Public Auditor]

Further Information

Information on the Internet

Specific information on our share and profitability development can be found on our website www.daimlertruck.com under the heading Investors. The annual and interim reports and the company financial statements of Daimler Truck Holding AG are and can be accessed there.

You can also find topical reports, presentations, an overview of various key figures, information on our share price and other services.

 daimlertruck.com/en/investors

For sustainability reasons, the annual and interim reports and the financial statements are not printed in hard copy. We make all annual and interim reports available online and as PDF files to download.

 daimlertruck.com/en/investors/reports/financial-reports

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