

DAIMLER TRUCK

Q3 2022

Interim Results Call
November 11, 2022

Jochen Goetz, CFO



ISIN: DE 000 DTR0CK8
WKN: DTR0CK

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

Q3 2022 Interim Results Call

01 | **Highlights**

02 | **Financials**

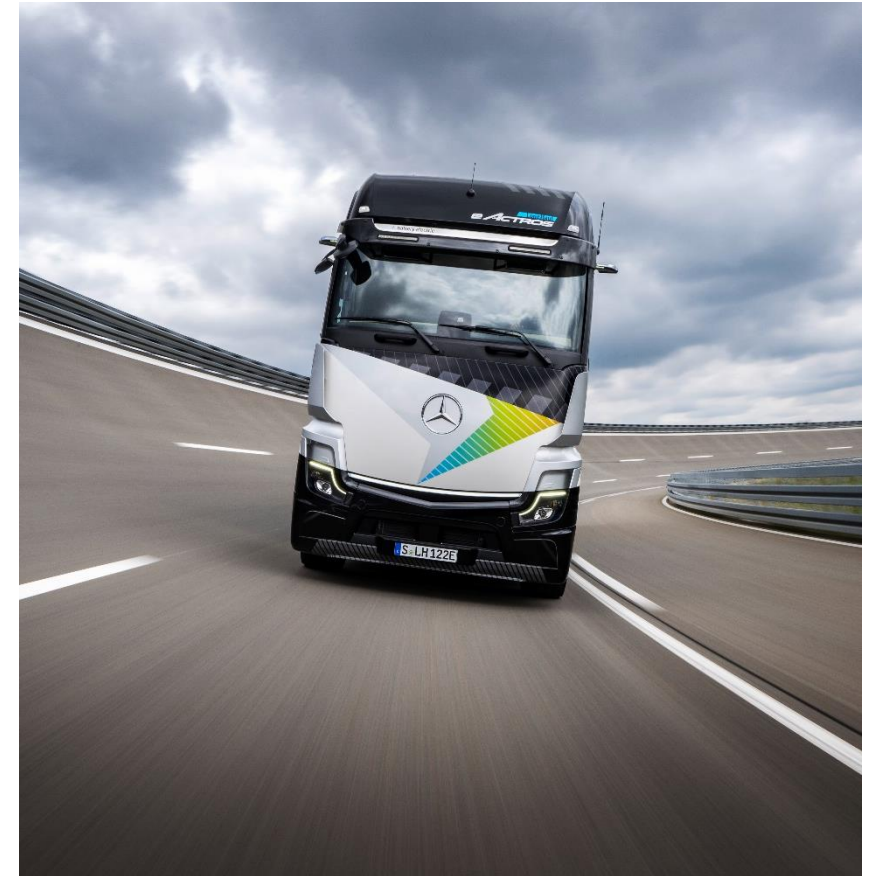
03 | **Outlook**

04 | **Appendix**



Q3/22 Key Topics

- Continuing strong demand despite challenging macro environment
- Production rises sharply over the course of the year despite ongoing supply constraints
- Significant topline growth driven by increased unit sales, disciplined pricing realization and continuing strong aftersales performance
- Leading North American business with benchmark market share performance and continual strength
- Foundation for future growth: “2023 Truck Innovation Award” for eActros LongHaul, Western Star 57x on-highway truck introduced and next generation FUSO eCanter, Setra TopClass and ComfortClass presented, local production of MB Actros started in China
- Ongoing focus on self-help measures with active portfolio management: restructuring in Brazil, optimization of production footprint Bus in Europe



Q3 2022

EBIT Group reported | adjusted
€ 1,057 mn. | € 1,273 mn.

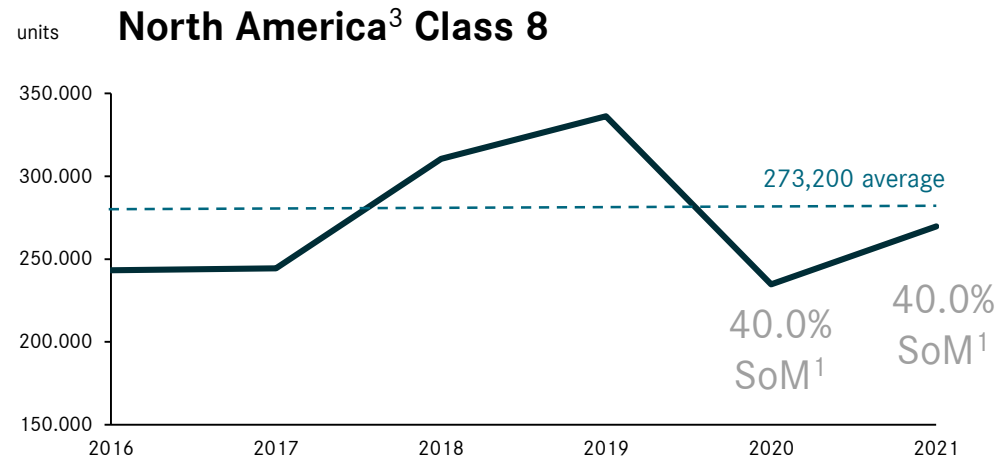
ROS adjusted IB
9.4%

EPS
€ 1.17

FCF IB
€ 592 mn.

Net Industrial Liquidity
€ 6.16 bn.

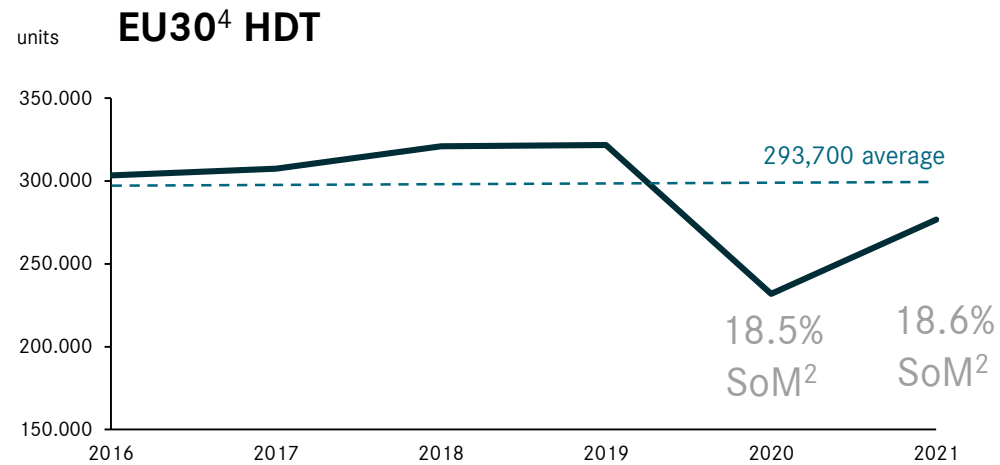
Positive SoM momentum



YTD⁵

191,731
total market units

40,7%
SoM¹



YTD⁵

190,357
total market units

19,6%
SoM²

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

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

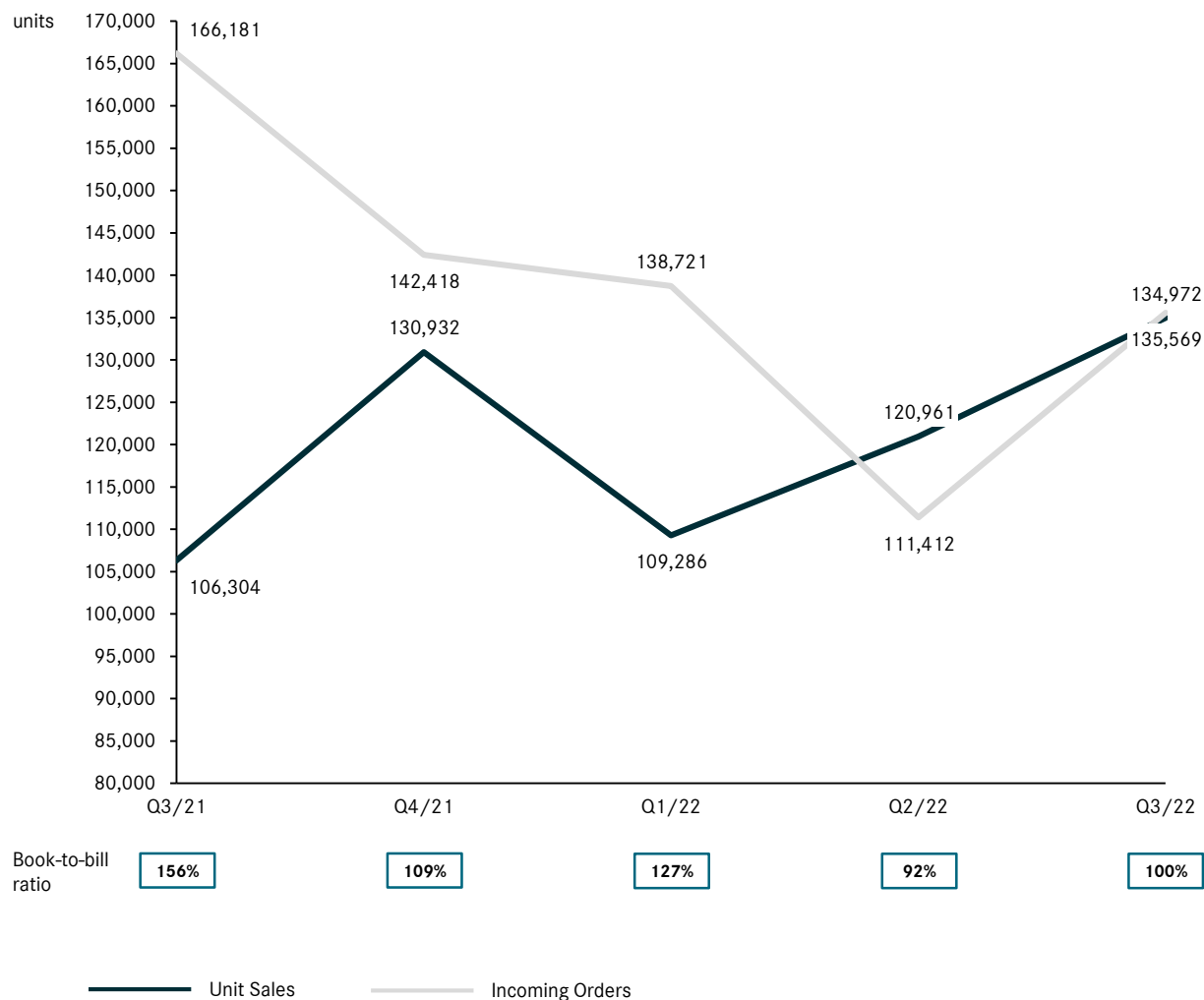
³ USA, Canada and Mexico

⁴ European Union, United Kingdom, Switzerland and Norway

⁵ YTD includes actuals January – August.

Q3/22 Incoming Orders and Unit Sales

Daimler Truck Group



Highlights

- Order backlog remains on high level
- Opening of 2023 order book in North America in September
- Restrictive order intake to ensure cost pass-through

units	Q3/2021			Q3/2022		
	Incoming orders	Unit sales	Book-to-bill ratio	Incoming orders	Unit sales	Book-to-bill ratio
Daimler Truck Group	166,181	106,304	156%	135,569	134,972	100%
Trucks North America	68,088	34,604	197%	47,964	49,171	98%
Mercedes-Benz	53,047	31,691	167%	38,021	42,305	90%
Trucks Asia	43,664	38,072	115%	48,343	41,535	116%
Daimler Buses	4,267	4,477	95%	4,622	6,283	74%
Reconciliation	-2,885	-2,540		-3,381	-4,322	

Strong progress in zero-emission trucks and buses

Zero-emission trucks & buses
ordered YTD* /21

497

Zero-emission trucks & buses
sold in YTD* /21

308



Zero-emission trucks & buses ordered in YTD* /22

1,705

Zero-emission trucks & buses sold in YTD* /22

624

Q3 2022 Interim Results Call

01 | Highlights

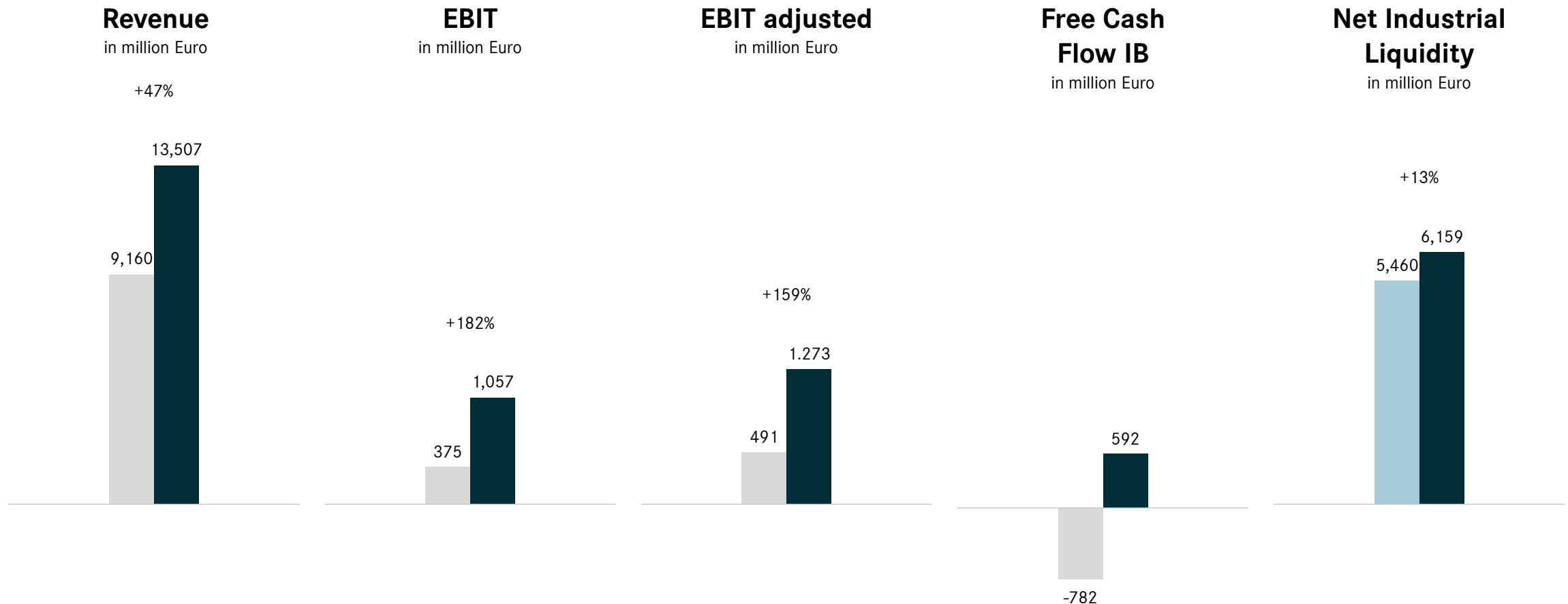
02 | Financials

03 | Outlook

04 | Appendix



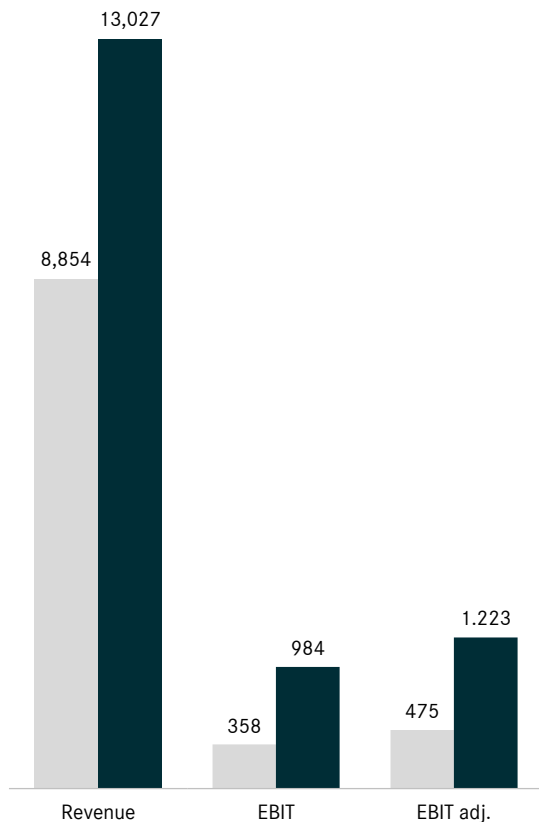
Q3/22 Key Figures Group



Q3/22 Revenue and EBIT Industrial Business

in million Euro

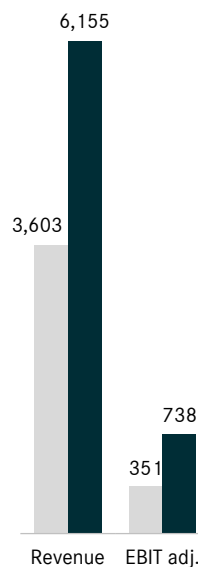
Industrial Business



ROS adj. Q3/22 (Q3/21)

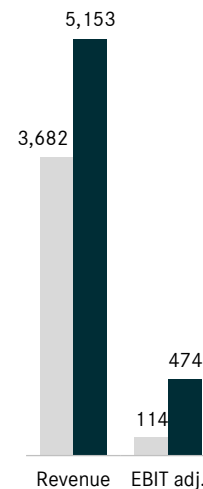
9.4% (5.4%)

Trucks North America



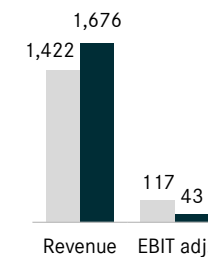
12.0% (9.7%)

Mercedes-Benz



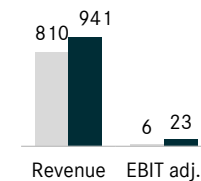
9.2% (3.1%)

Trucks Asia



2.6% (8.3%)

Daimler Buses



2.5% (0.7%)

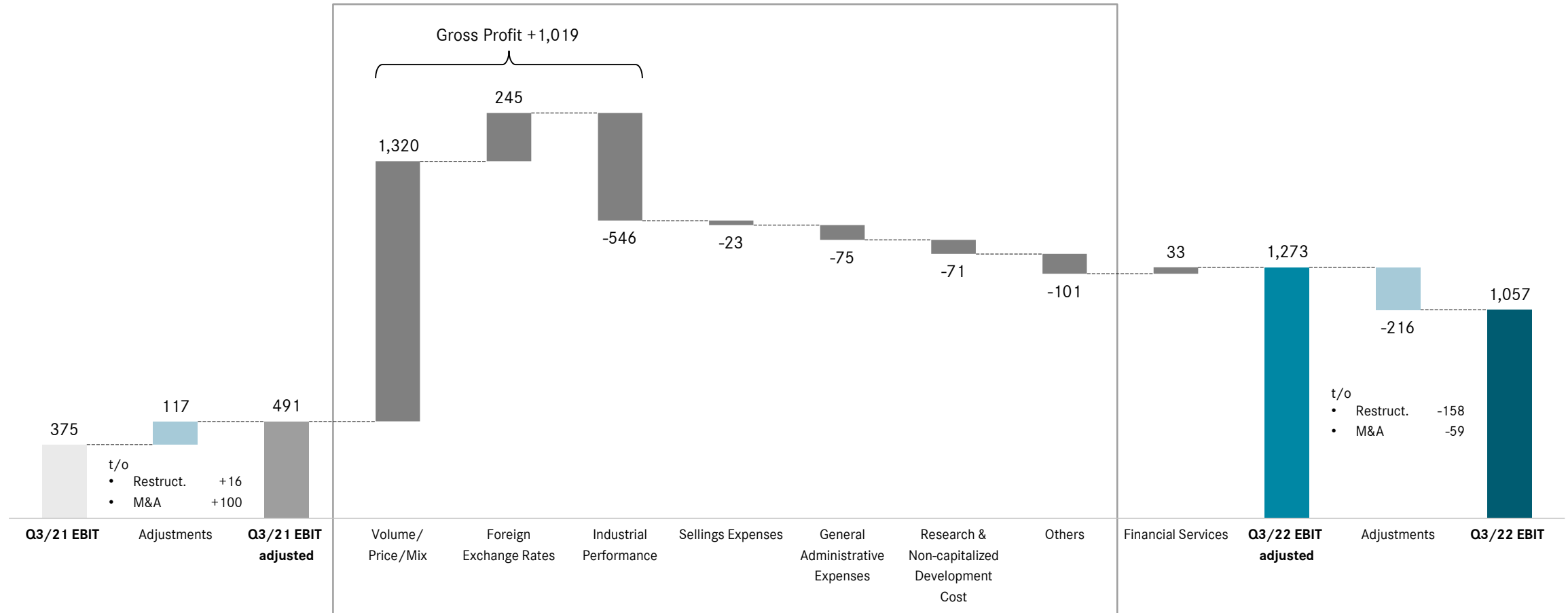
Q3/21A Q3/22A

Q3/22 EBIT Group

- + Strong net pricing
- + Significant increase in unit sales and improved mix
- + Favorable FX development
- Higher raw material prices and headwinds from inflation
- Negative impact from 'Others'

in million Euro

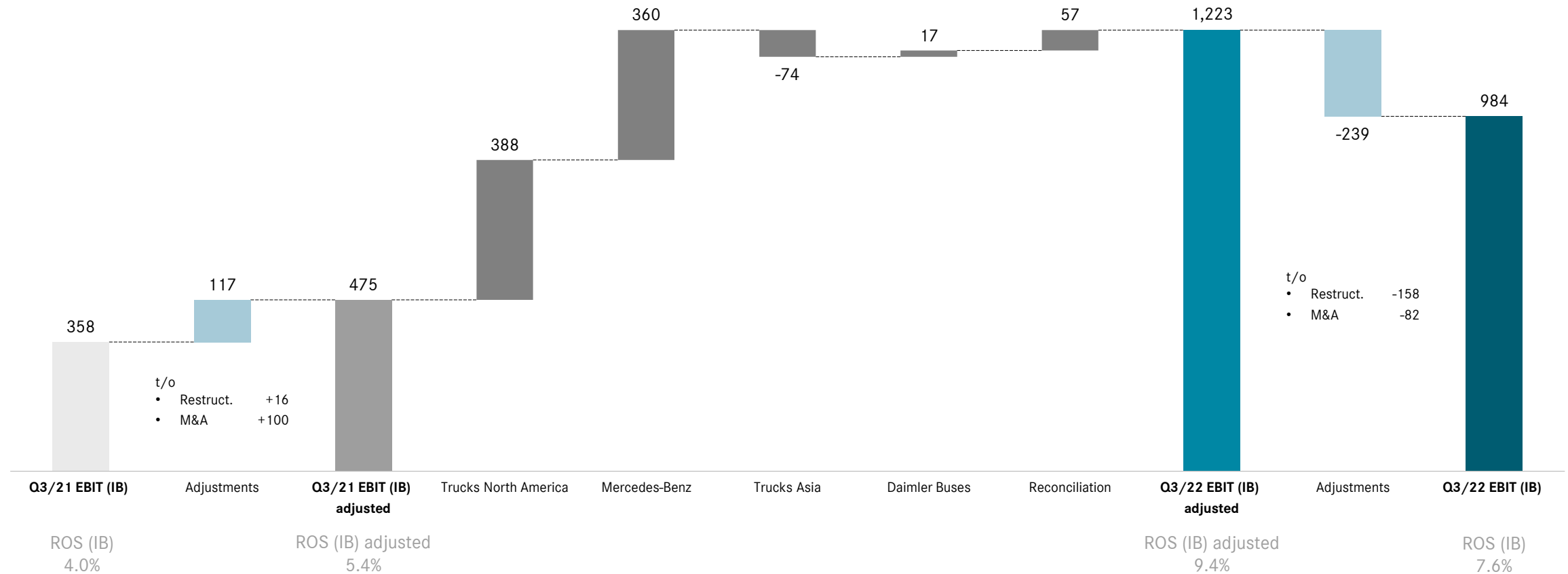
Industrial Business +749



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.

Q3/22 EBIT Industrial Business

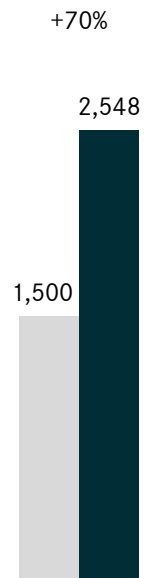
in million Euro



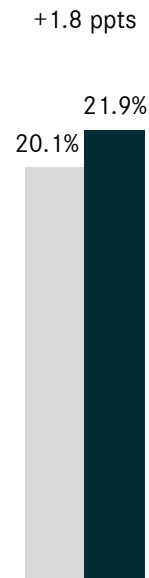
Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

Q3/22 Key Figures Financial Services

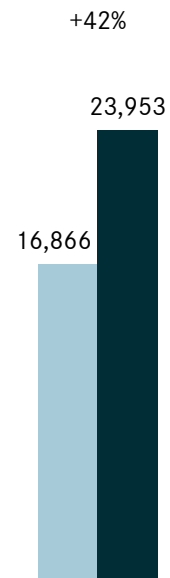
New Business
in million Euro



Penetration Rate
in %



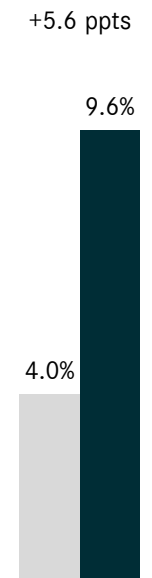
Contract Volume
in million Euro at end of period



EBIT adjusted
in million Euro



ROE adjusted
in %



Q3/22 Cash Flow Industrial Business

Net Industrial Liquidity

at end of

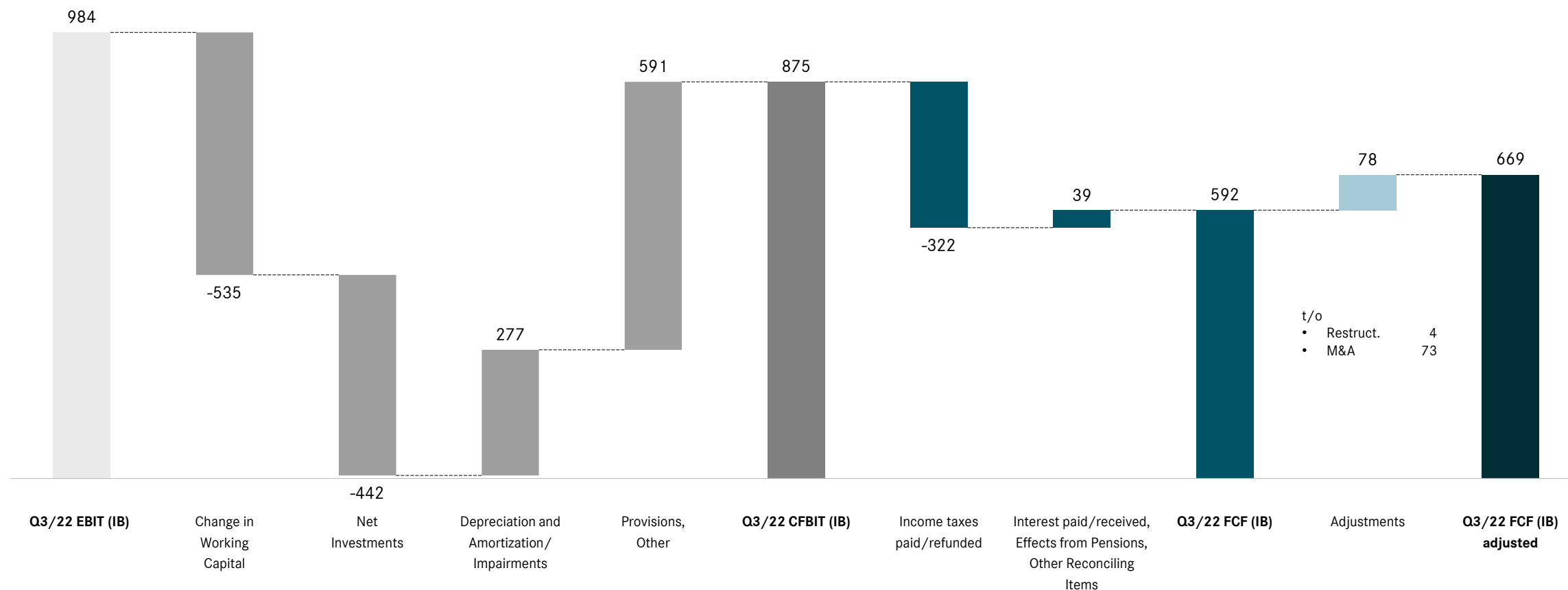
Q2/22

5.5 bn.

Q3/22

6.2 bn.

in million Euro



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

Q3 2022 Interim Results Call

01 | Highlights

02 | Financials

03 | Outlook

04 | Appendix



Market Assumptions 2022

Heavy Duty Truck Market¹

2022

North America²

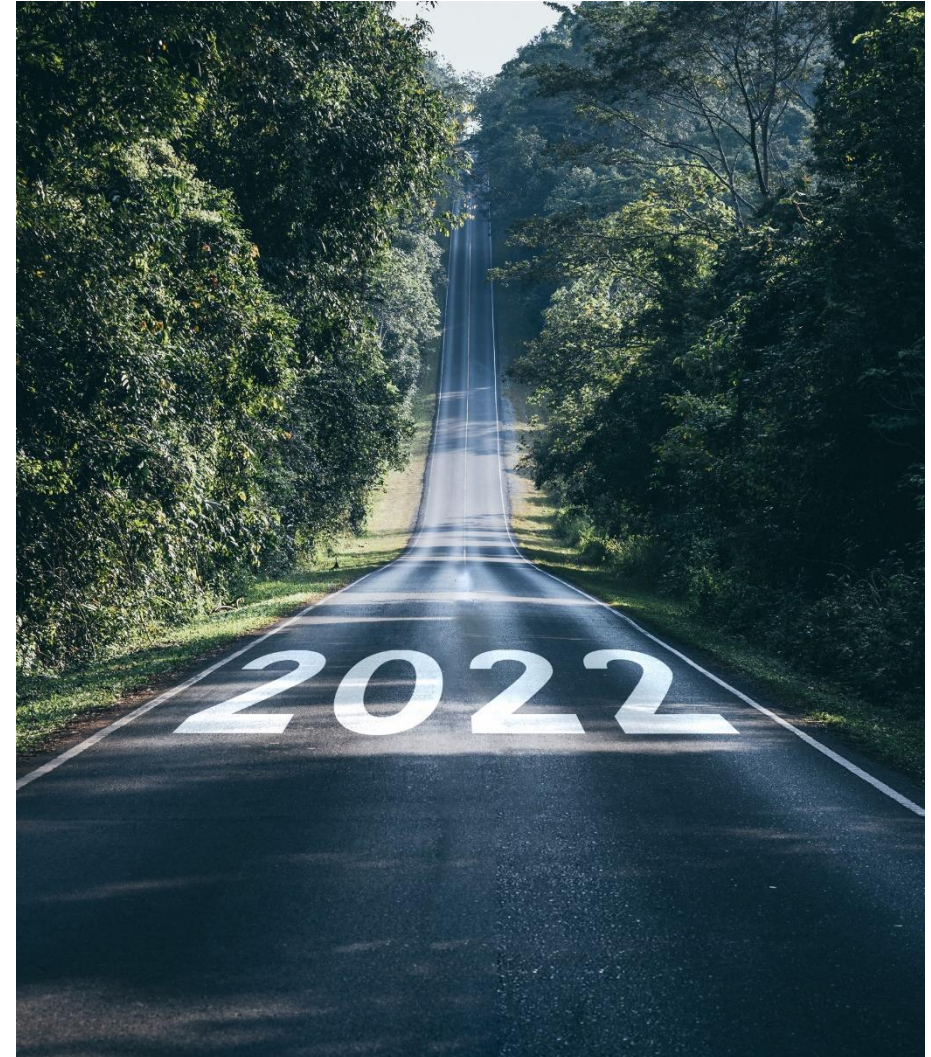
255 – 295 k units

EU30³

260 – 300 k units

Assumption

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



¹ Source: Company estimate

² USA, Canada and Mexico

³ European Union, United Kingdom, Switzerland and Norway

 Update

Daimler Truck Group/Industrial Business Assumptions 2022

Group

	FY 2021	Guidance 2022
Revenue	39.764 bn.	€ 50.0 – 52.0 bn.
EBIT	3.357 bn.	slight increase
EBIT adjusted	2.552 bn.	significant increase
Investment	762 mn.	slight increase
R&D cost¹	1.574 bn.	slight increase

IB

Unit Sales	455,445 units	500 – 520 k units
Revenue	38.641 bn.	€ 48.0 – 50.0 bn.
ROS adjusted	6.1%	7 – 9%
FCF	1.556 bn.	on prior-year level

Assumption

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



Daimler Truck Segment Assumptions 2022

	Unit Sales - in thousand units -		ROS/ROE adjusted - in % -	
	FY 2021	Guidance 2022	FY 2021	Guidance 2022
Trucks North America	162	175 – 195	9.2%	10 – 12%
Mercedes-Benz	141	155 – 175	4.8%	7 – 9%
Trucks Asia	143	140 – 160	7.2%	1 – 3%
Daimler Buses	19	20 – 25	-2.4%	> 0%
Financial Services	€ 6 bn. ¹	€ 9 – 10 bn. ¹	12.4% ²	9 – 11% ²



Assumption

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

Consistent execution of our strategic priorities in 2022+



UNLOCKING PROFIT POTENTIAL

Manage environment

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

Increase resilience

- Continued focus on self-help measures including strict fixed cost control
- Further strengthen our services
- Continuous active portfolio management

LEADING SUSTAINABLE TRANSPORTATION

Accelerating zero emissions

- Eight CO₂-neutral truck and bus models in series production in the Americas, Europe and Asia
- Only CO₂-neutral city buses on offer in Europe by 2030
- GenH2 Truck testing on public roads

Accelerating autonomous trucking

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

PEOPLE, CULTURE AND ESG

Q3 2022 Interim Results Call

01 | Highlights

02 | Financials

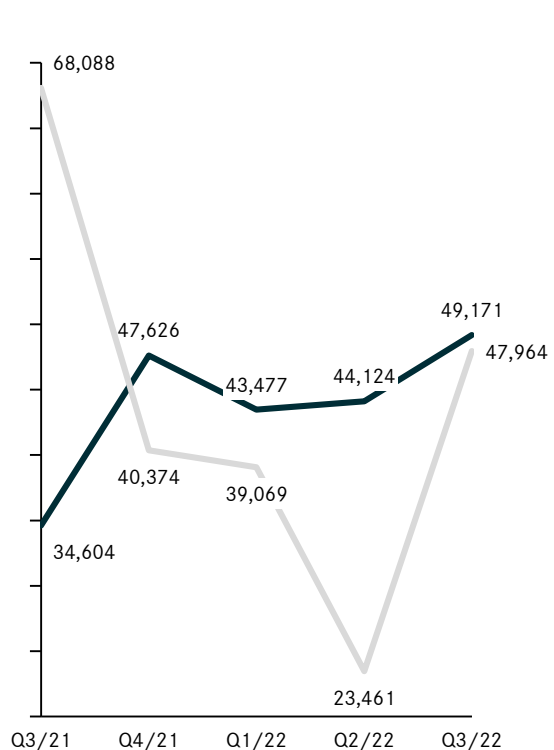
03 | Outlook

04 | Appendix

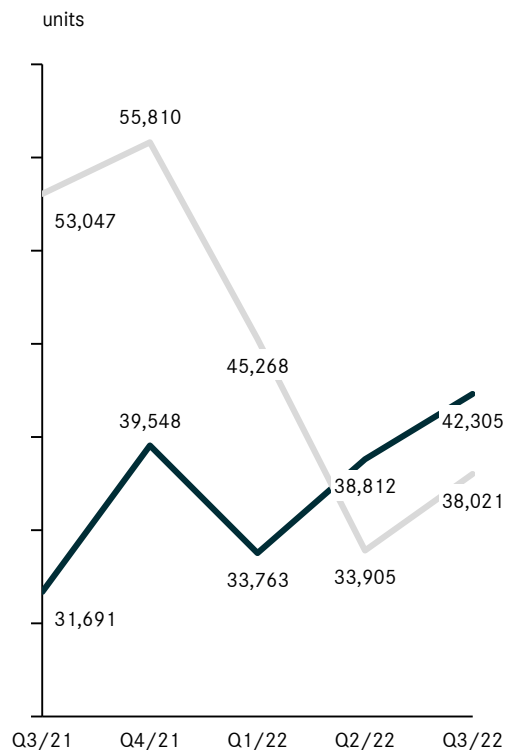


Q3/21 - Q3/22 Incoming Orders and Unit Sales by Segment

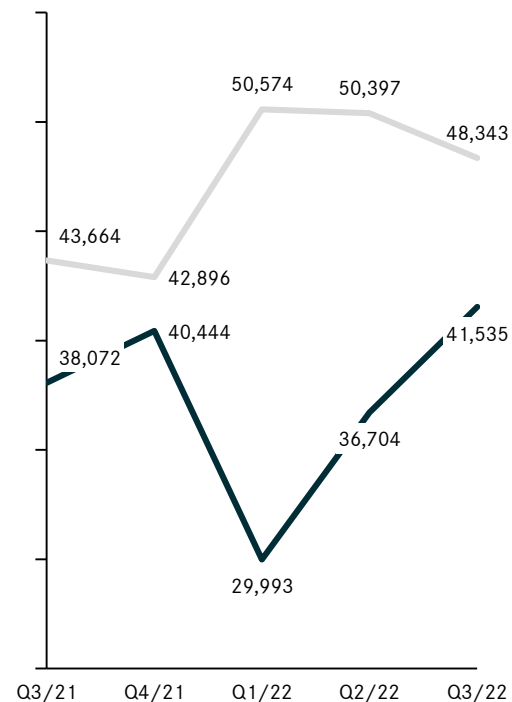
Trucks North America



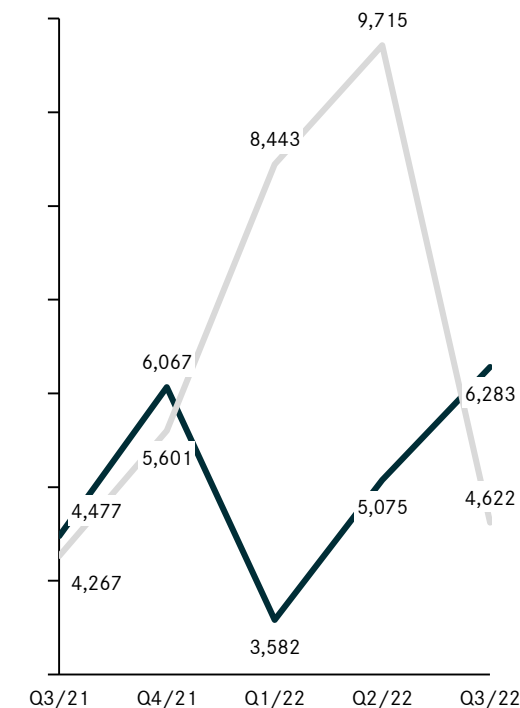
Mercedes-Benz



Trucks Asia



Daimler Buses



BTB RATIO

197% 85% 90% 53% 103%

167% 141% 134% 87% 90%

115% 106% 169% 137% 116%

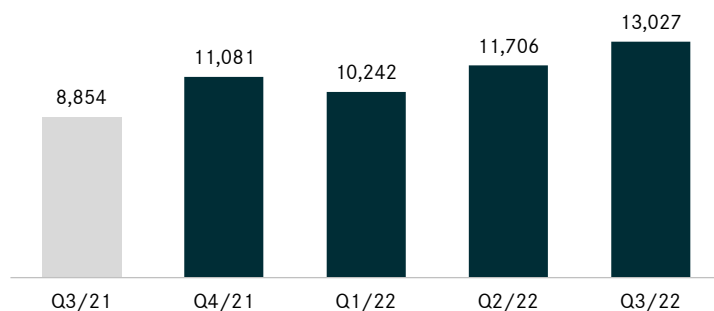
113% 95% 92% 236% 74%

Unit Sales Incoming Orders

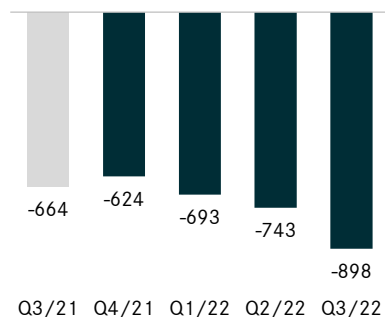
Q3/21 – Q3/22 IB Performance: Revenue by Segment

in million Euro

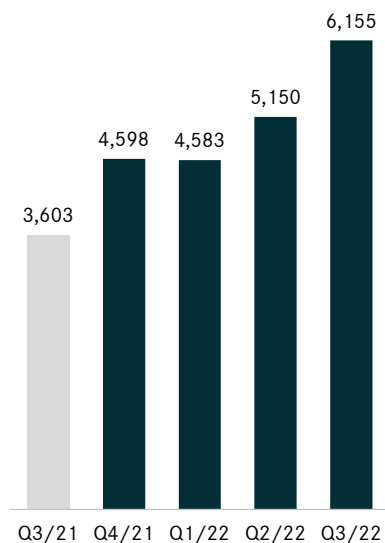
Daimler Truck Industrial Business



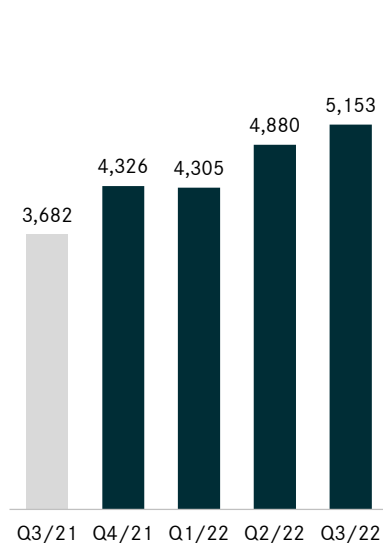
Reconciliation



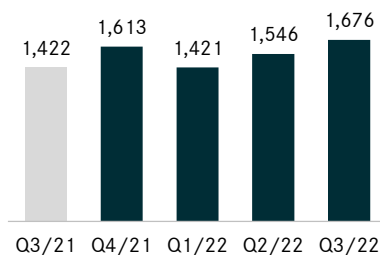
Trucks North America



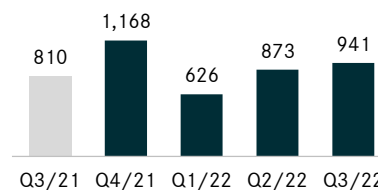
Mercedes-Benz



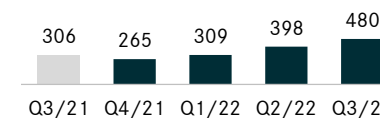
Trucks Asia



Daimler Buses



Financial Services



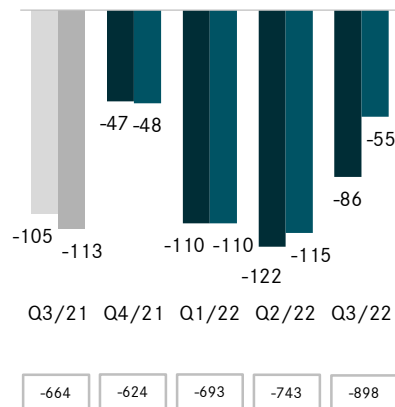
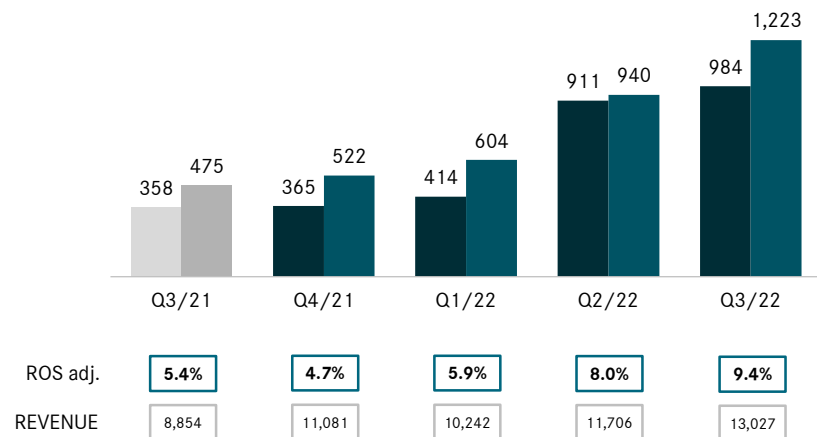
Revenue

Q3/21 – Q3/22 IB Performance: EBIT by Segment

in million Euro

Daimler Truck Industrial Business

Reconciliation



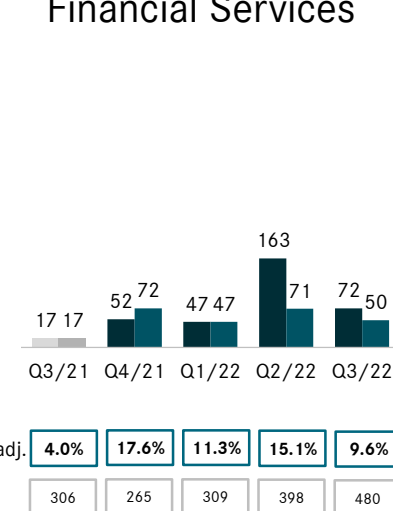
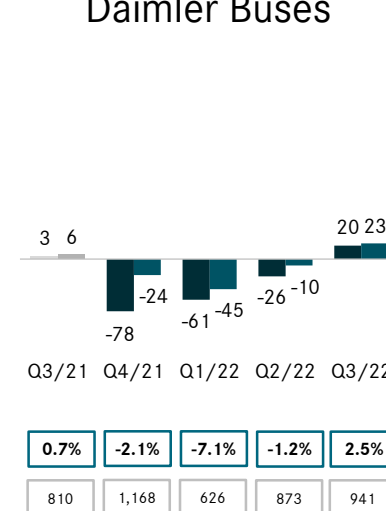
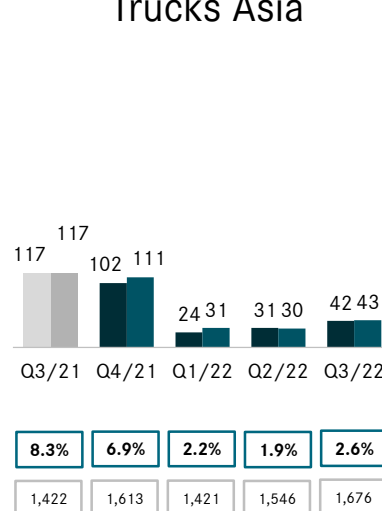
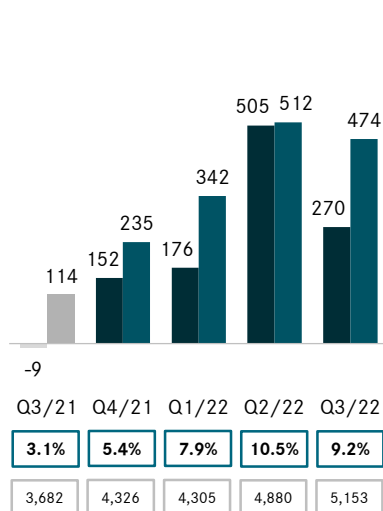
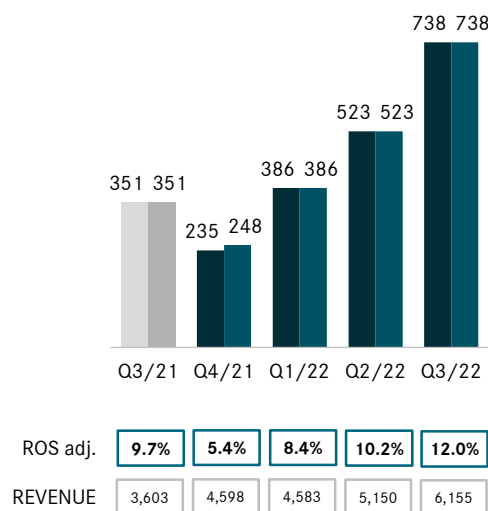
Trucks North America

Mercedes-Benz

Trucks Asia

Daimler Buses

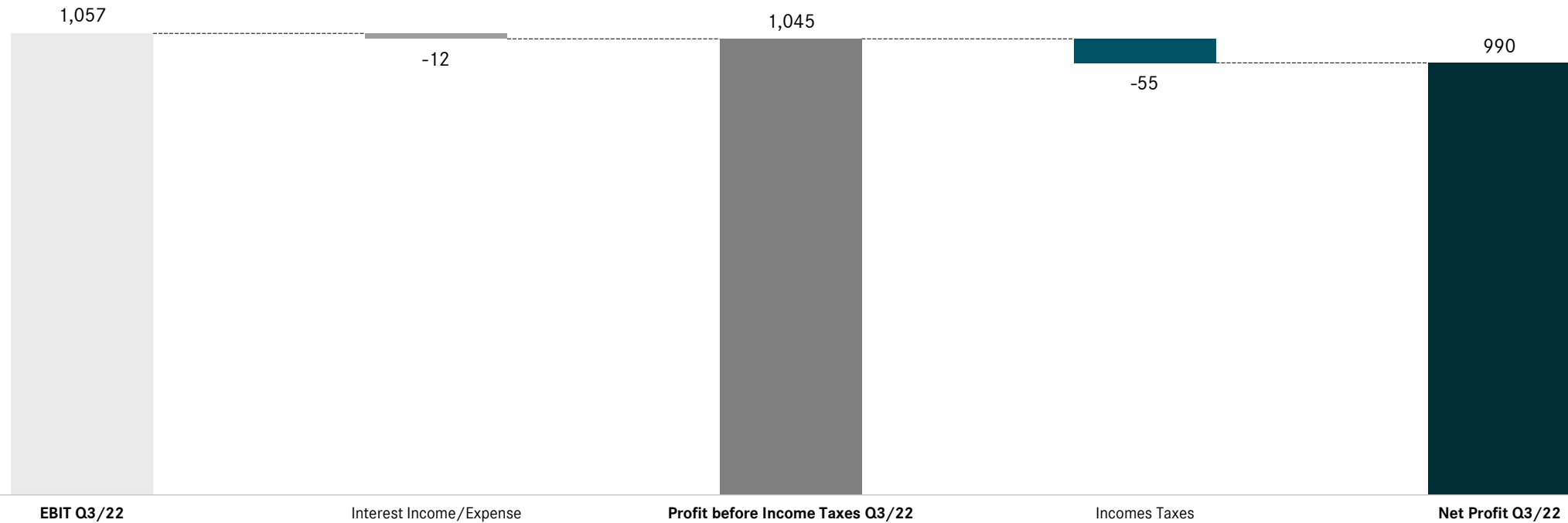
Financial Services



EBIT EBIT adjusted

Q3/22 Net Profit

in million Euro



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

Q3/22 EBIT Trucks North America

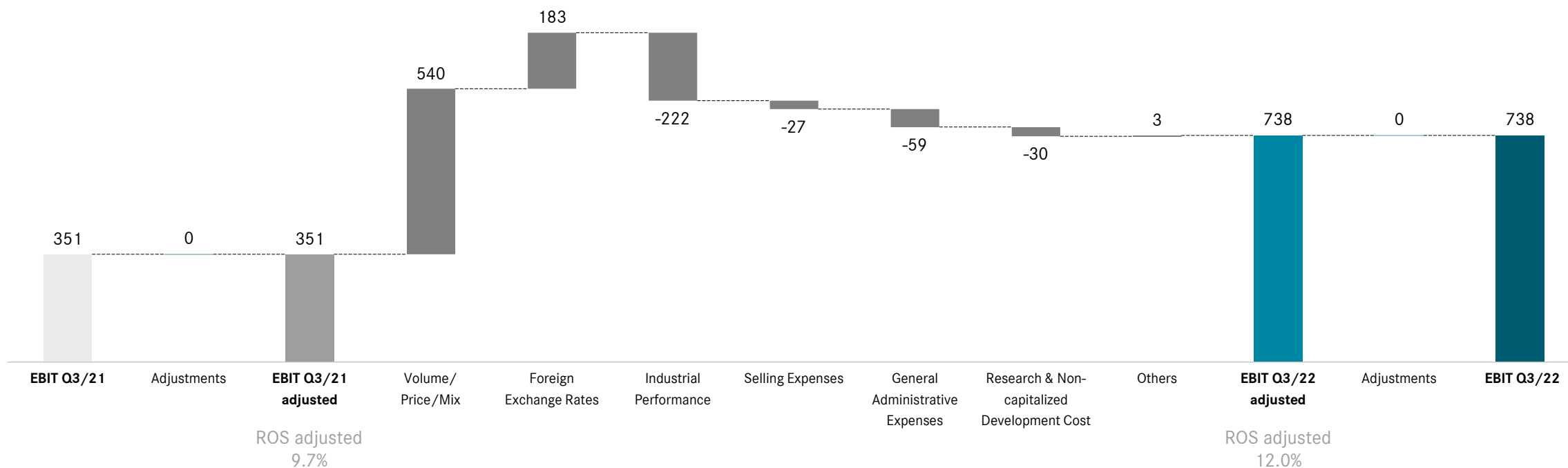
in million Euro

- + Strong net pricing
- + Significant increase in unit sales and improved mix
- + Strong aftersales business
- + Favorable FX development

- Significant material costs continue due to supply chain constraints
- Headwinds from inflation as well as higher manpower costs

Key Topics

- Q3/22 Group sales improvement YoY and solid ramp up QoQ despite continuing supply constraints
- Aftermarket performance remains strong with record level daily parts sales reflecting the intense fleet utilization
- Launch of new on-highway Western Star truck and continuous focus on next generation of vocational trucks and development of zero emission and autonomous vehicles
- QoQ New Truck margin improvement by strong realization of pricing surcharge compensating rising material cost and inflationary headwinds
- Opening of 2023 order book resulting in strong order intake in September



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.

Q3/22 EBIT Mercedes-Benz

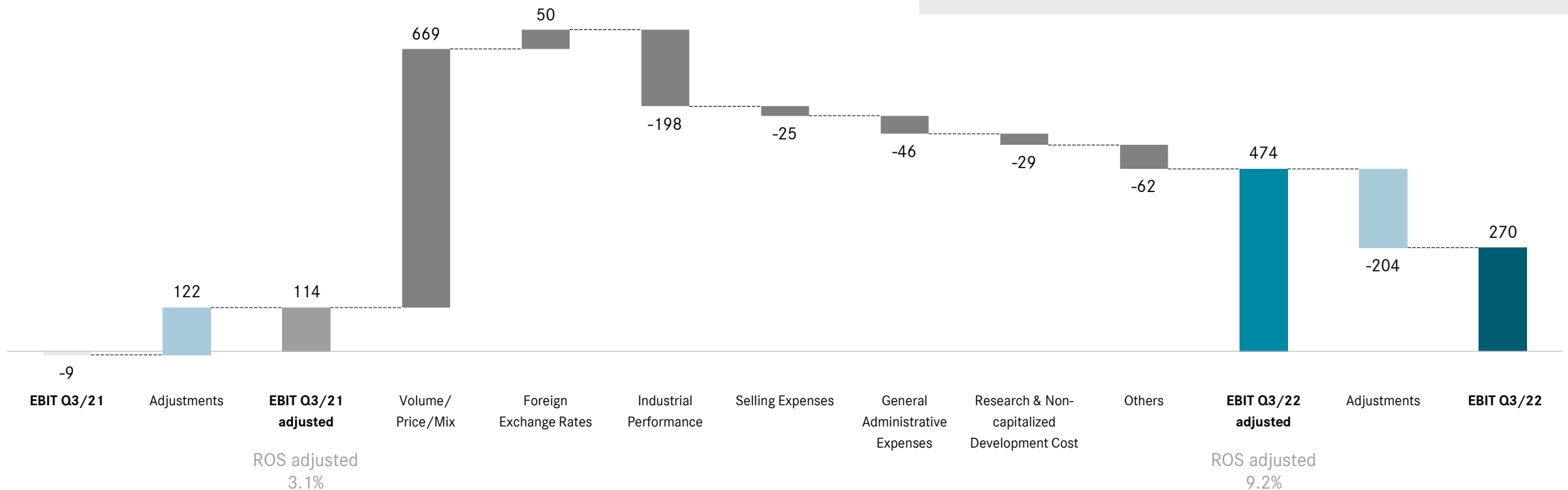
in million Euro

- + Strongly improved net pricing and optimized discounts
- + Significant increase in unit sales and improved mix

- Headwind from inflationary pressure and material cost increase
- Negative impact from 'Others' due to positive participation effects in Q3/21

Key Topics

- Despite ongoing supply chain constraints, a further increase of sales volume and Aftersales revenue was achieved
- Consequent execution of changes in contribution margin steering as main lever to compensate for further rising material cost and steadily increasing inflationary pressure
- Brazilian operations are set to be restructured to concentrate in its core manufacturing business. Negotiations with the Union still ongoing
- 2023 Innovation Award for the eActros LongHaul unveiled by Mercedes-Benz supported by very positive customer feedback; series production planned for 2024



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.

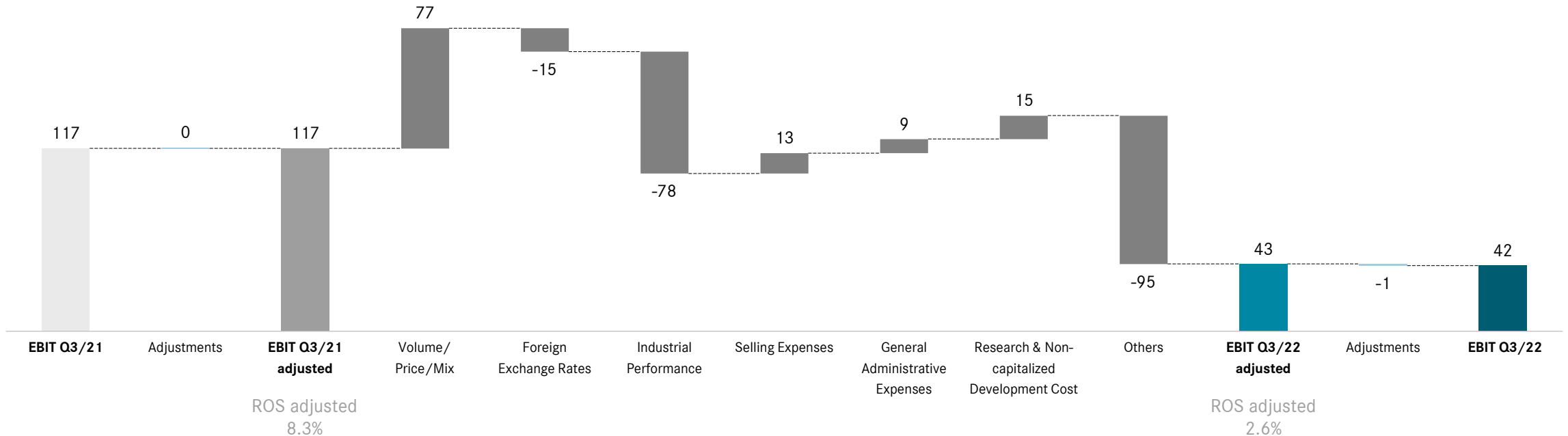
Q3/22 EBIT Trucks Asia

in million Euro

- | | |
|--|--|
| <ul style="list-style-type: none"> + Improved net pricing + Increase in unit sales + Strong aftersales business | <ul style="list-style-type: none"> - Negative BFDA at equity result - Increases in raw material prices and production inefficiencies |
|--|--|

Key Topics

- China JV (BFDA) at equity result negative due to current challenging market situation
- On-going cost headwinds from raw material and supply chain constraints. Countermeasures from price increases in Q3/22 successfully implemented especially in India and international markets
- Strong market demand in Indonesia and other international markets leading to sales growth in Q3/22 while parts allocation limits sales in Japan and India
- Aftersales with strong performance in both Japan and international markets
- Presentation of next generation FUSO eCanter during World Premiere in Japan and at IAA Transportation 2022.
- Realization of SoP of locally produced Mercedes-Benz Actros in China JV (BFDA)



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.

Q3/22 EBIT Daimler Buses

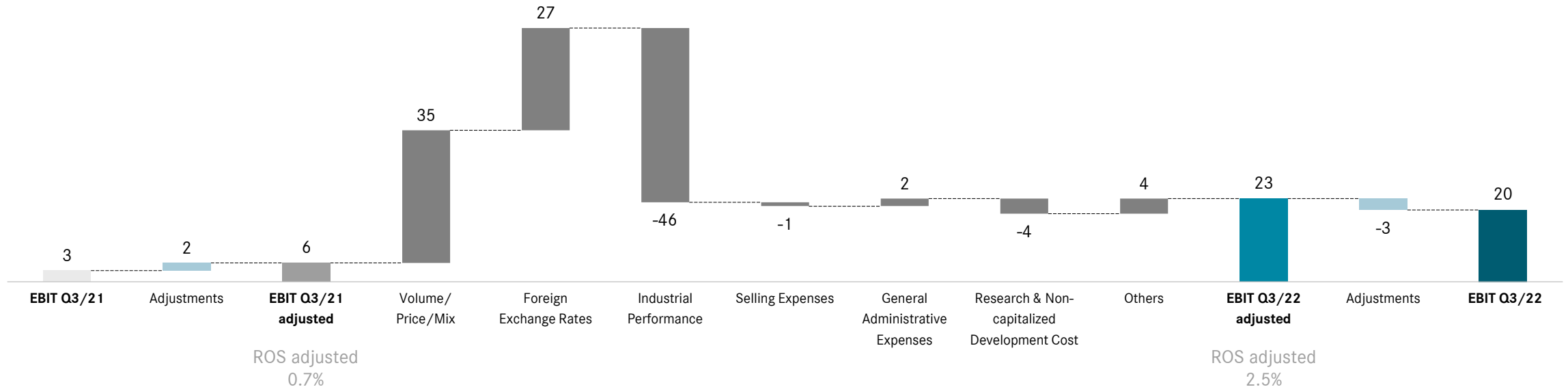
in million Euro

- + Favorable FX development
- + Growth in aftersales business
- + Net pricing improvement

- Higher raw material cost
- High inflationary cost effects

Key Topics

- Stable market and sales in Europe especially in line segments (City and Interurban) despite challenging supply chain
- Slow recovery of coach sales from very low level leading to completion of stock clearance (new and used coaches)
- Strong market demand and increasing sales in Latin America
- Increasing revenue and contribution from aftersales business
- Improved pricing to counter steer high raw material prices
- Restructuring activities in Europe and investments in transformation accompanied by constant cost management



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.

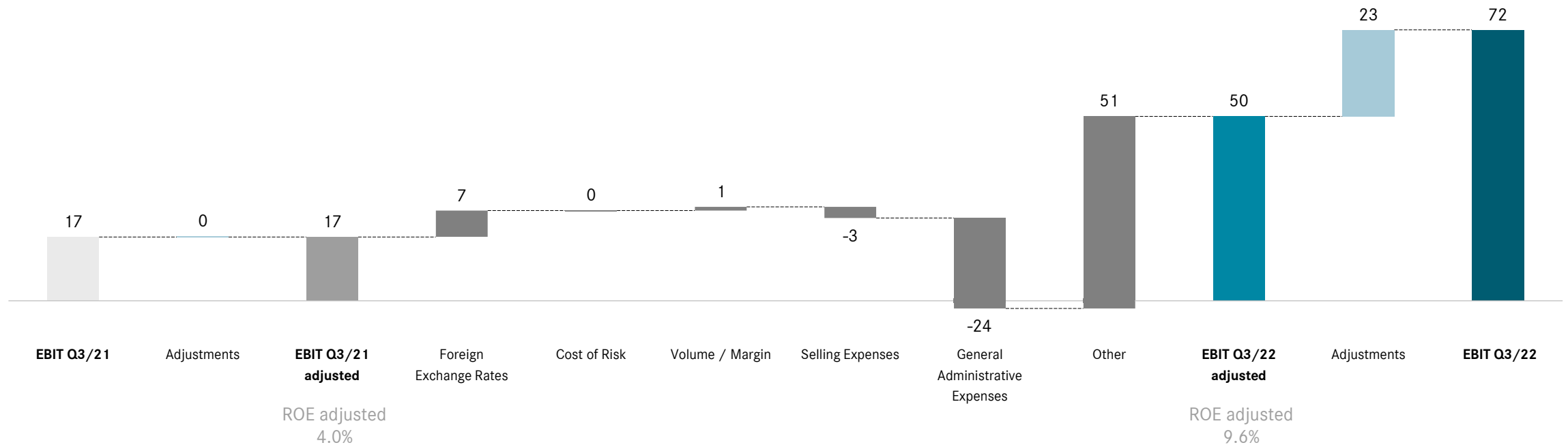
Q3/22 EBIT Financial Services

in million Euro

- + Favorable FX development
 + 'Other' driven by non-recurring goodwill amortization related to Athlon in 2021
- Higher G&A due to integration of phase 2 markets

Key Topics

- Two successful go lives in the UK and Turkey
- Improved penetration rate and additional phase 2 markets leading to increased new business volume
- Contract volume increase mainly due to positive FX effects in North & South America and new phase 2 markets
- Higher contract volume leading to increased interest result despite challenging macroeconomic environment
- Improved relative Cost of Risk situation and low net credit losses



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.

Capital Structure

in million Euro

	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022
Group liquidity			
Cash and cash equivalents	6.851	5,699	6,032
Marketable debt securities and similar investments	173	592	606
Group Gross Liquidity	7.024	6.291	6.638
Total Financing Liabilities	-17.108	-19.658	-21.855
Group Net Debt	-10.084	-13.367	-15.218
Liquidity of the Industrial Business			
Cash and cash equivalents	6.598	5.454	5.705
Marketable debt securities and similar investments	124	542	541
Gross Liquidity of the Industrial Business	6.722	5.996	6.245
Financing liabilities (nominal)	-669	-535	-86
Net Liquidity of the Industrial Business	6.053	5.460	6.159
Pension Benefits			
Benefit Obligations	-7.139	-6.167	-5.958
Plan Assets	5.675	5.619	5.399
Funded Status	-1.464	-548	-559
Funding Ratio	79.5%	91.1%	90.6%

Definition of Guidance Sensitivities

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

Disclaimer

Forward-looking statements:

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