

DAIMLER TRUCK

FY 2021

**Annual Results
Conference**
March 24, 2022

Martin Daum, CEO
Jochen Goetz, CFO



ISIN: DE 000 DTR0CK8
WKN: DTR0CK

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

FY2021 Annual Results Conference

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WE ARE BULLISH.
FOR ALL WHO KEEP THE WORLD MOVING.

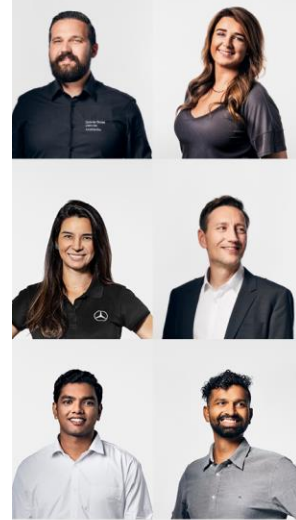


#ListedInFrankfurt



We are Daimler Truck.

For all who keep the world moving.



Strong position today

- Strong brands and teams in all regions
- Cutting-edge technologies
- Rock solid balance sheet

Clear strategic ambitions for value creation going forward

- Lead sustainable transportation
- Unlock profit and free cash flow potential



We consistently executed our strategic ambitions in 2021

Accelerating sustainable transportation

- Launch of Mercedes-Benz eActros series production
- eCitaro accounts for almost half of total market for electric city buses in Germany
- Start of fuel cell joint venture cellcentric
- Partnerships for charging and refueling networks for battery and hydrogen-powered vehicles in Europe and the U.S.
- Outsourcing of medium-duty diesel engines

Unlocking profit potential by active portfolio management

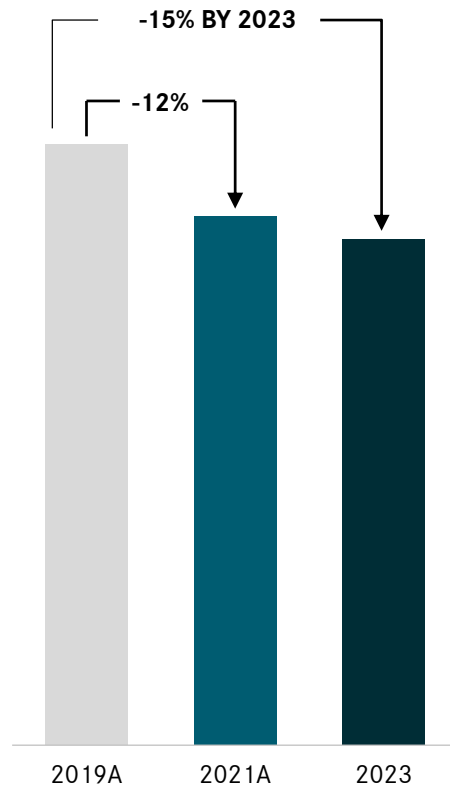
- Launch of new Western Star vocational trucks
- Launch of Mercedes-Benz coach for North America
- Streamlining existing Mercedes-Benz product range
- Sale of minibus business



We consistently executed our strategic ambitions in 2021

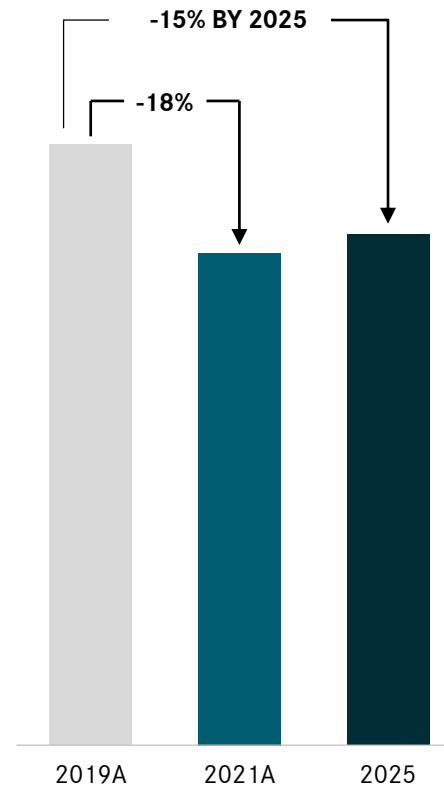
Fixed cost¹

Main driver for achievement of 2025 profitability ambitions



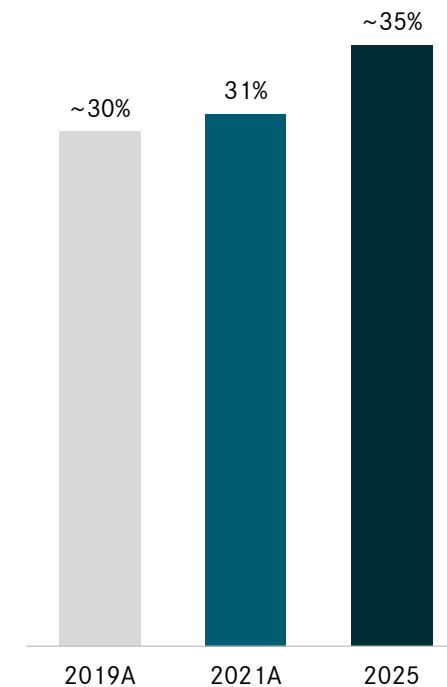
Capex^{1, 2} and R&D cost^{1, 3}

Capital allocation focused on future return on capital



Services share of revenue

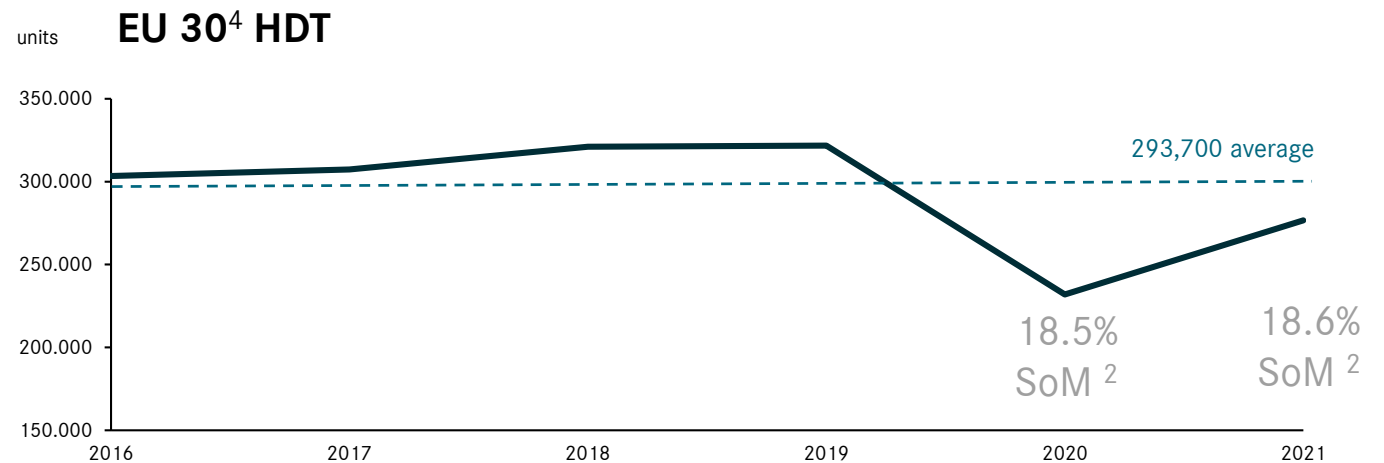
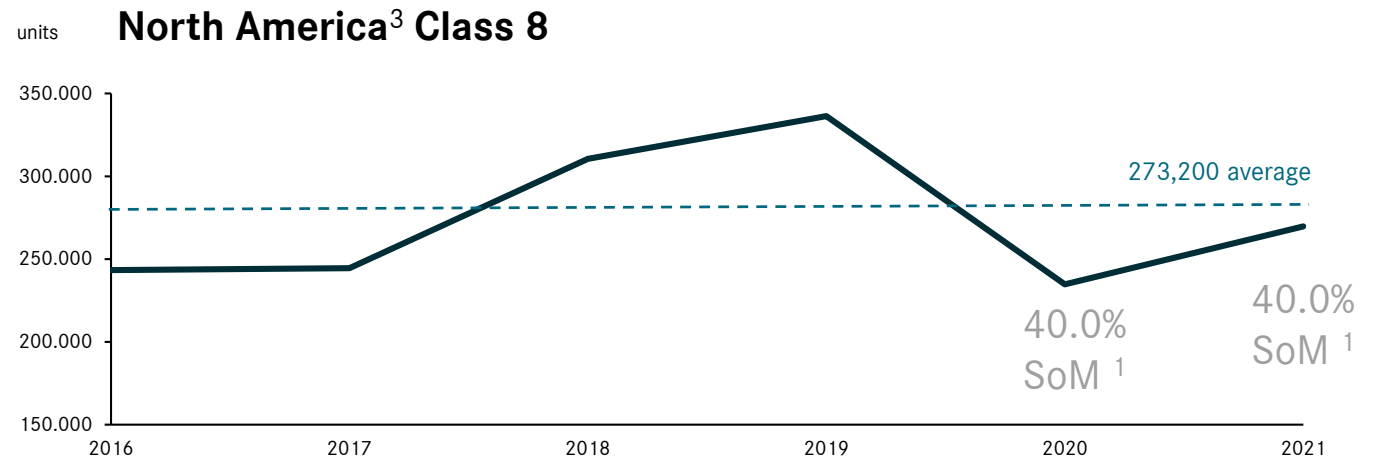
Increasing recurring revenue



¹ Industrial Business incl. reconciliation
² Investment in intangible assets and pp&e

³ Budget view: R&D incl. capitalized R&D

Key markets recovered in 2021 – due to constraints still below average



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

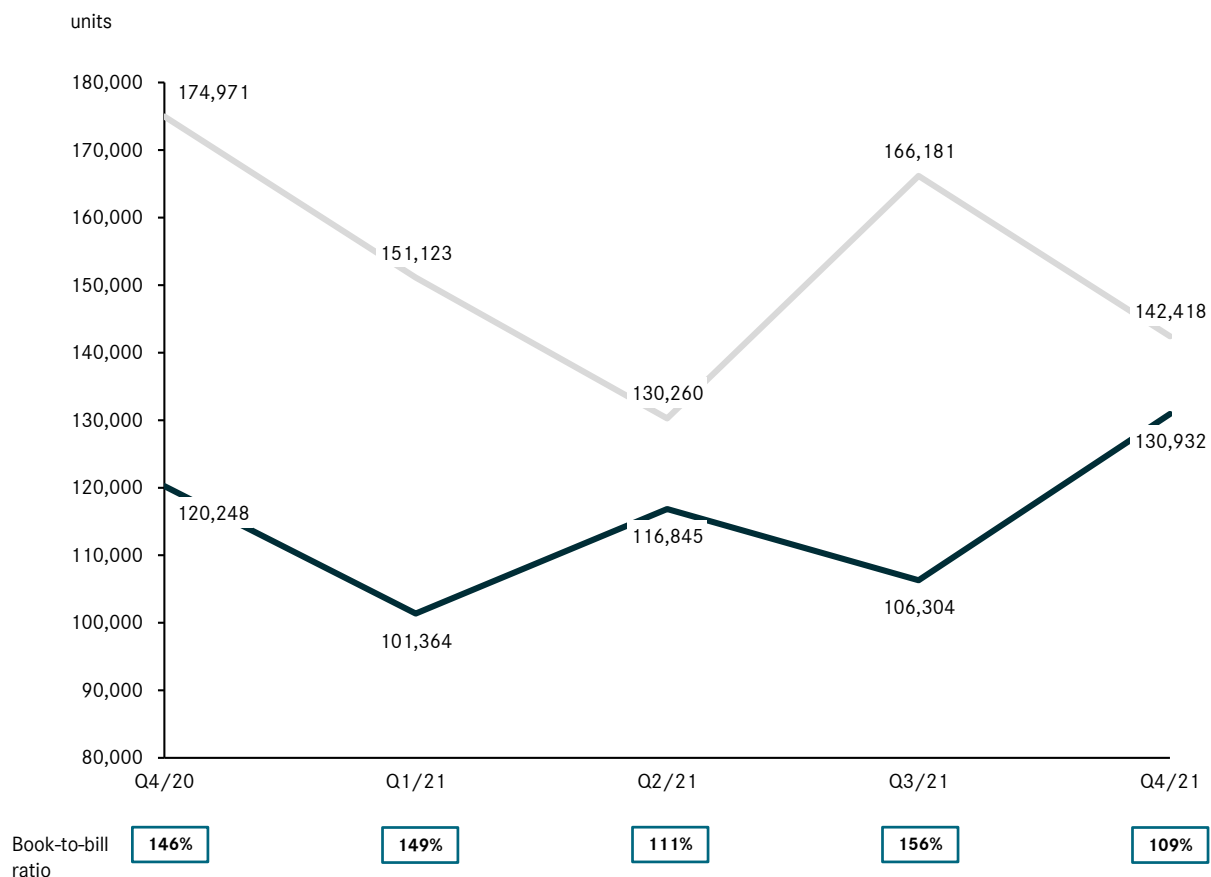
² Share of Market for Mercedes Benz (company internal analysis)

³ USA, Canada and Mexico

⁴ European Union, United Kingdom, Switzerland and Norway

Strong sales increase and extremely strong orders in 2021

Daimler Truck Group



Full year comparison: Group and business segments

units	2020			2021		
	Incoming orders	Group sales	Book-to-bill ratio	Incoming orders	Group sales	Book-to-bill ratio
Daimler Truck Group	430,467	378,290	114%	589,982	455,445	130%
Trucks North America	187,406	139,479	134%	192,500	162,156	119%
Mercedes-Benz	124,203	117,800	105%	216,724	141,331	153%
Trucks Asia	112,024	110,205	102%	172,999	143,411	121%
Daimler Buses	17,054	18,932	90%	19,468	18,736	104%
Reconciliation	-10,220	-8,126		-11,709	-10,189	

Zero-emission vehicle sales more than tripled in 2021

Zero-emission trucks & buses sold in 2020

193



Zero-emission trucks & buses sold in 2021

712

Despite headwinds we achieved strong results in 2021

- Strong aftermarket performance and used truck business
- Financial services strongly contributed with ramp-up in biggest markets
- Constraint costs and raw material inflation with negative impact, especially in the fourth quarter
- Achieved financial targets, despite challenging environment: Volumes, EBIT, Return on Sales, Free Cash Flow all in line with guidance



FY 2021

EBIT Group reported | adjusted
€ 3.36 bn. | € 2.55 bn.

ROS adjusted IB
6.1%

FCF IB
€ 1.56 bn.










EPS
€ 2.85

Net Industrial Liquidity
€ 6.02 bn.

We are on track to achieve our 2025 margin ambitions

ROS/ROE adjusted

- in % -

	Daimler Truck IB ¹	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services ²
2025 AMBITION						
	>10%	12%	10%	9%	7.5%	14%
	8 – 9%	9 – 10%	8 – 9%	7 – 8%	4 – 6%	10 – 12%
	6 – 7%	7 – 8%	5 – 7%	5 – 6%	2 – 4%	6 – 8%
2021	6.1%	9.2%	4.8%	7.2%	-2.4%	12.4%
2020	1.9%	7.3%	-1.7%	0.7%	1.9%	0.1%
2019	5.8%	11.5%	0.4%	2.3%	6.1%	12.4%

¹ Industrial Business incl. reconciliation

² after full ramp up; adjusted ROE

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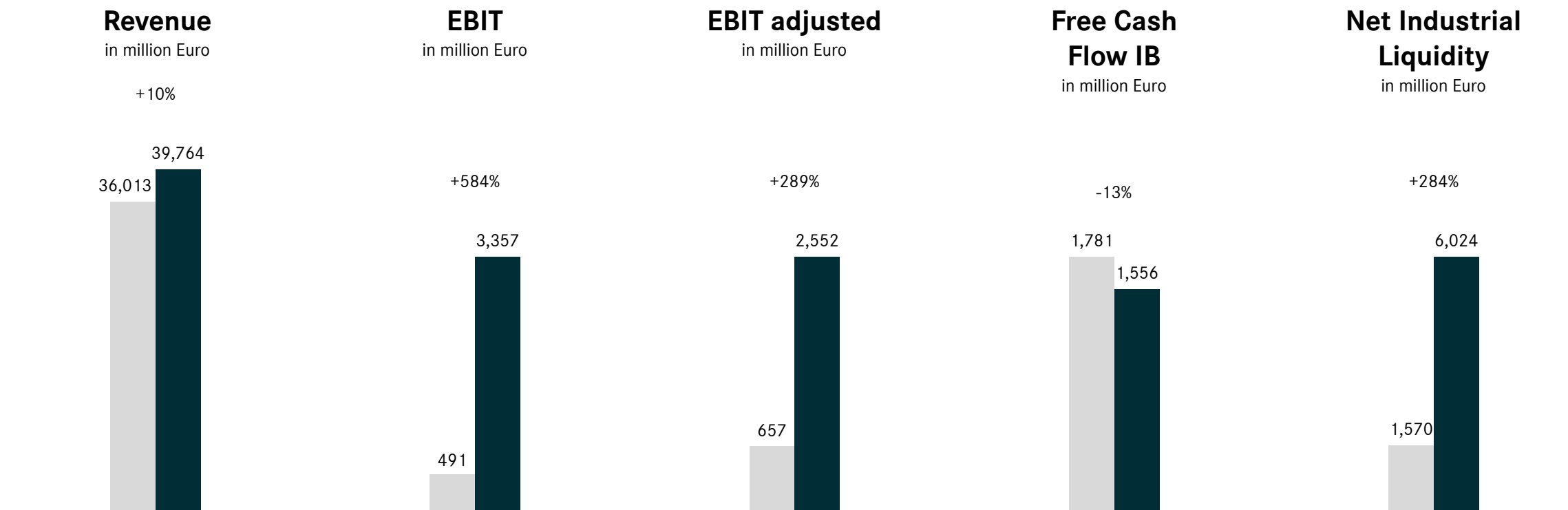
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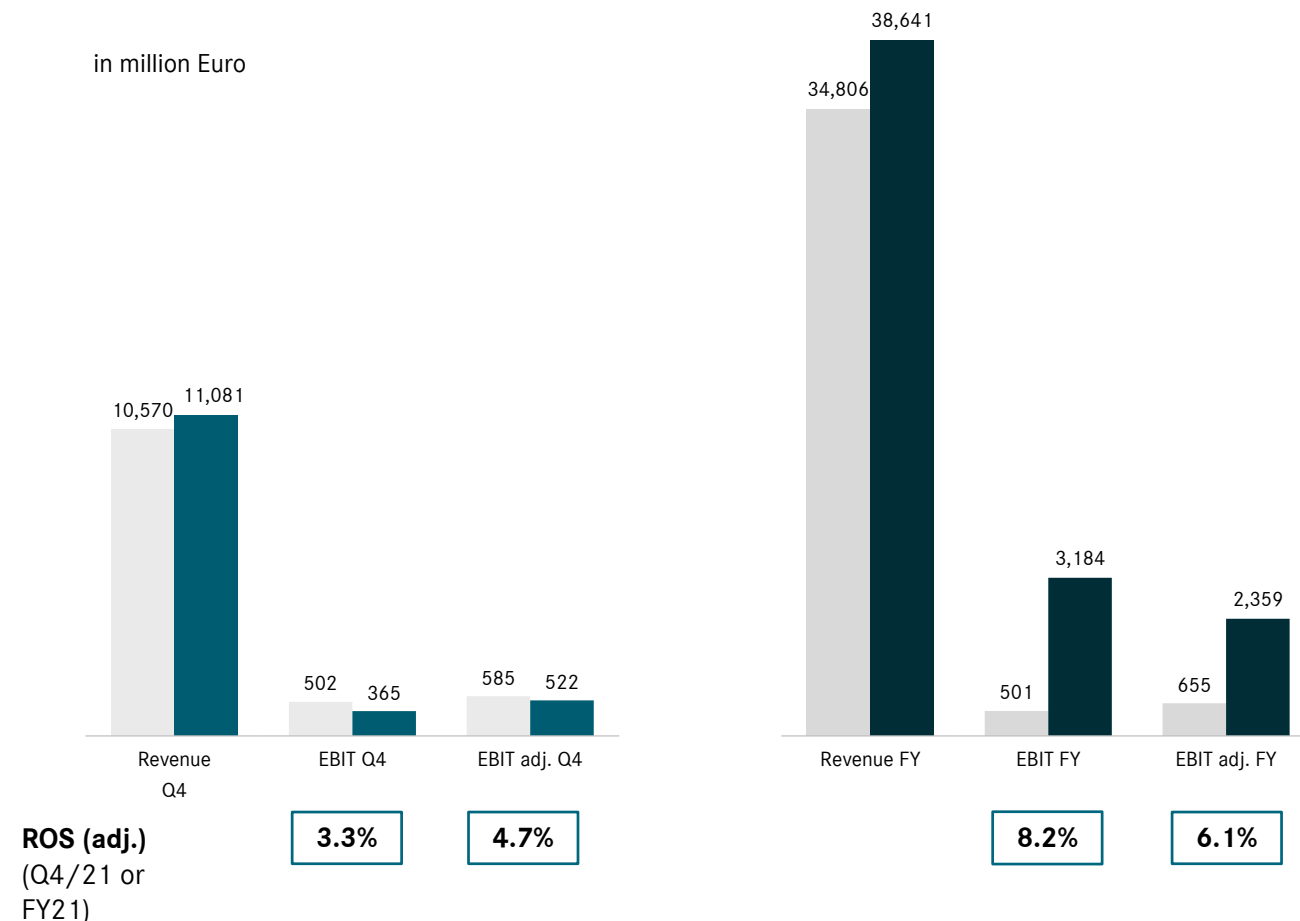


2021 key figures Group – strong progress



2021 Revenue and EBIT Industrial Business

Industrial Business



Highlights FY2021 vs. FY2020

- Strong recovery in truck sales translates into higher revenues partly offset by FX and ongoing weak Bus markets
- Significant headwinds in Q4 from raw material costs and production inefficiencies
- Recall in North America impacting Q4 results
- Positive contributions from used vehicle business and from aftersales
- Strong fixed cost discipline with material improvements every quarter

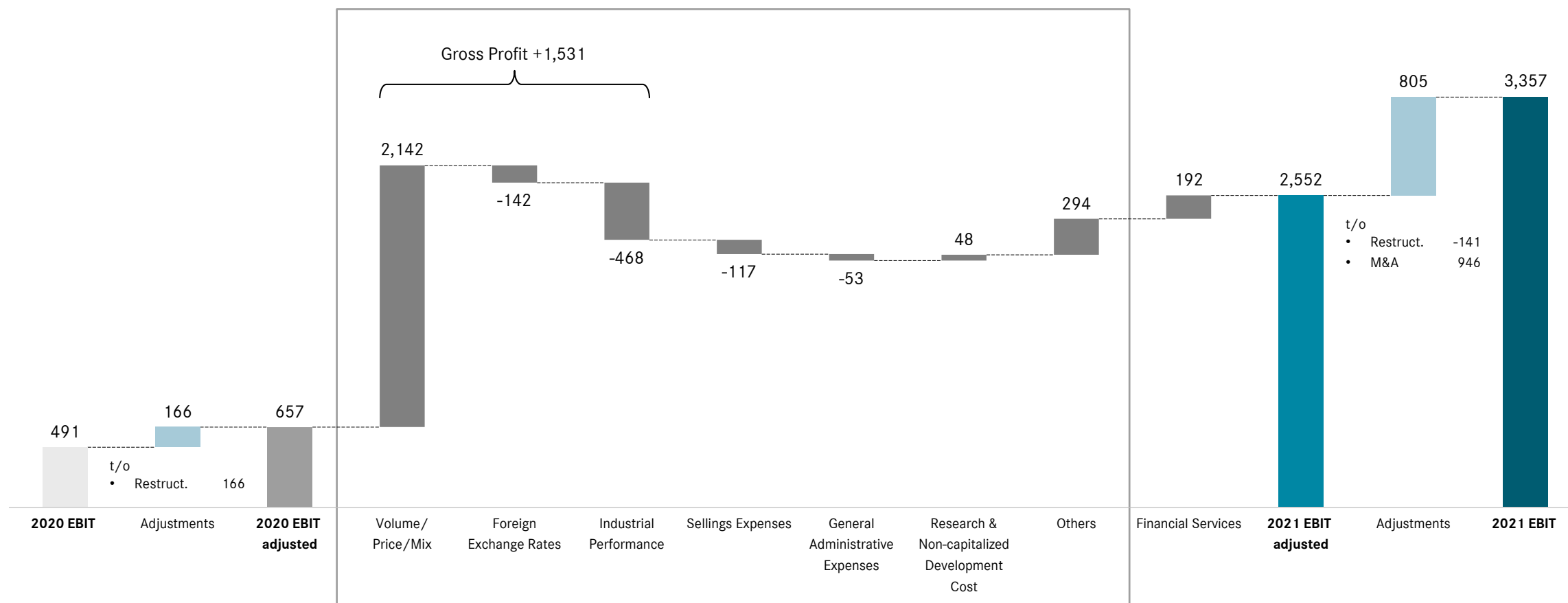
2021 EBIT Group

Highlights

- + Strong Group sales in 2021 supported by market recovery
- + Improved net pricing
- + Positive contributions from aftersales, used business and Financial Services
- + Positive one-time effects from valuation measures, in particular China
- Significant headwinds from increase in raw material prices and supply chain constraints

in million Euro

Industrial Business +1,704

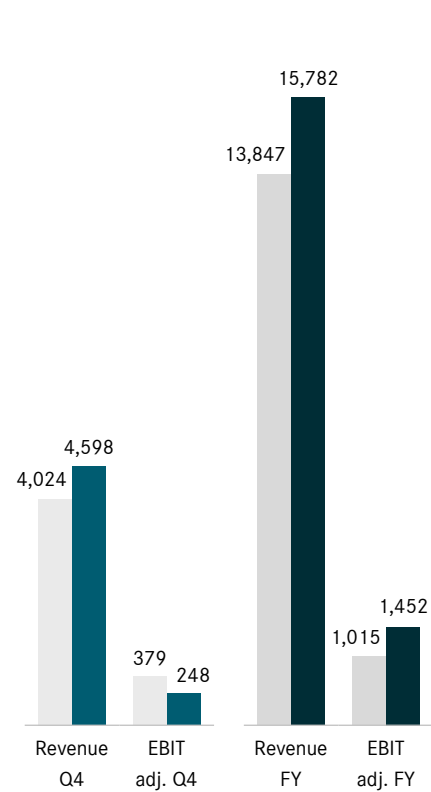


Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

2021 Revenue and EBIT Industrial Business by segment

in million Euro

Trucks North America

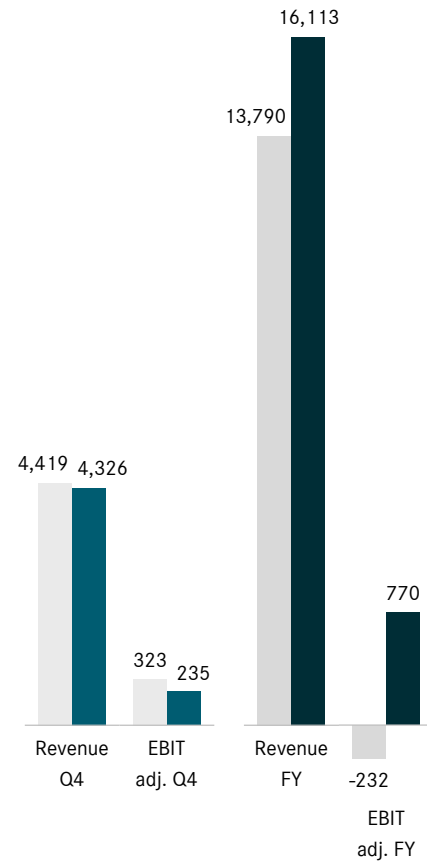


ROS adj.
(Q4/21 or
FY21)

5.4%

9.2%

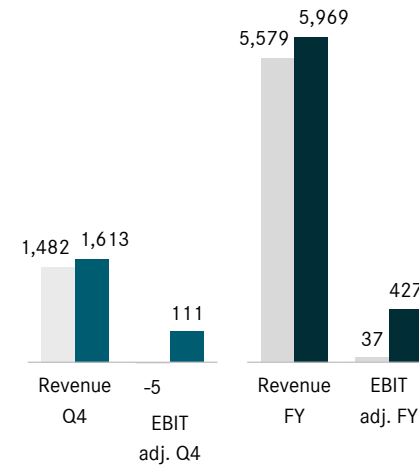
Mercedes-Benz



5.4%

4.8%

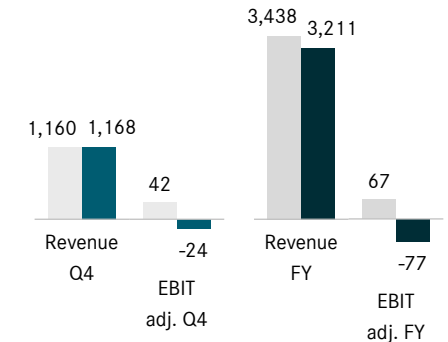
Trucks Asia



6.9%

7.2%

Daimler Buses

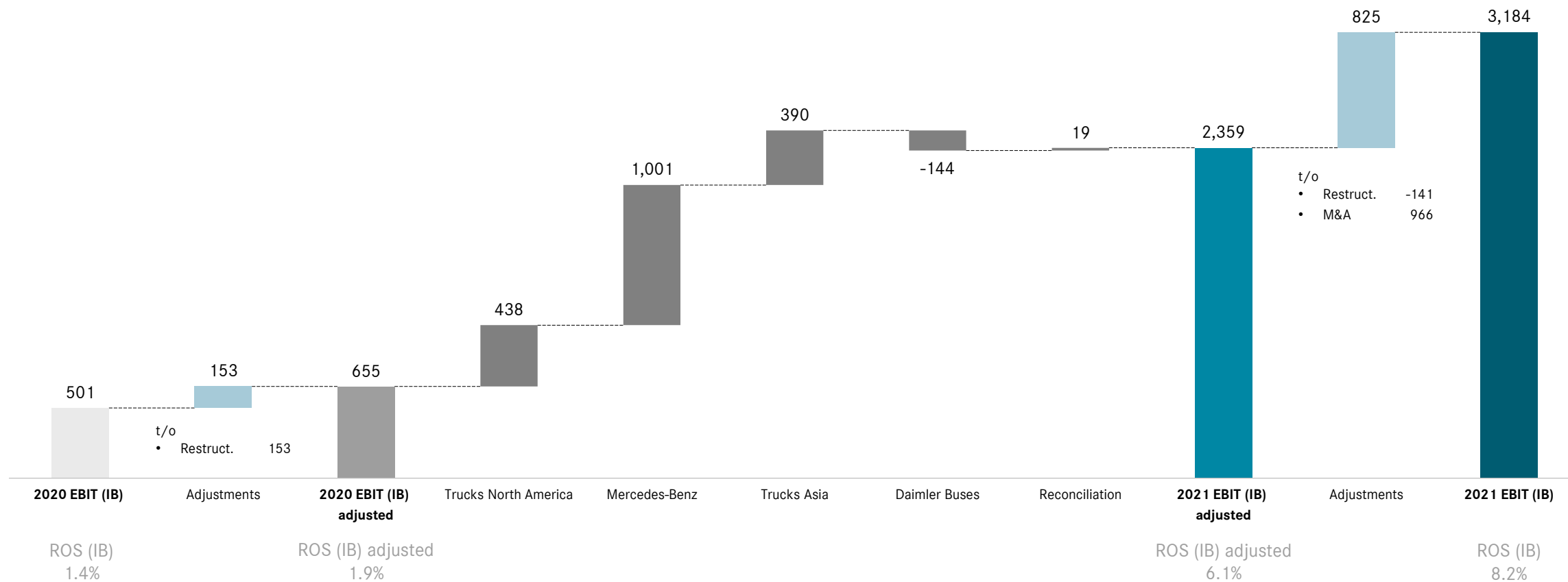


-2.1%

-2.4%

2021 EBIT Industrial Business

in million Euro



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2021 key figures Financial Services

New Business

in million Euro

+1%

5,708 5,767



Penetration Rate

in %

-3.1 pts

22.7%

19.6%



Contract Volume

in million Euro at end of period

+6%

15,914 16,866



EBIT adjusted

in million Euro

+10,940%

193



ROE adjusted

in %

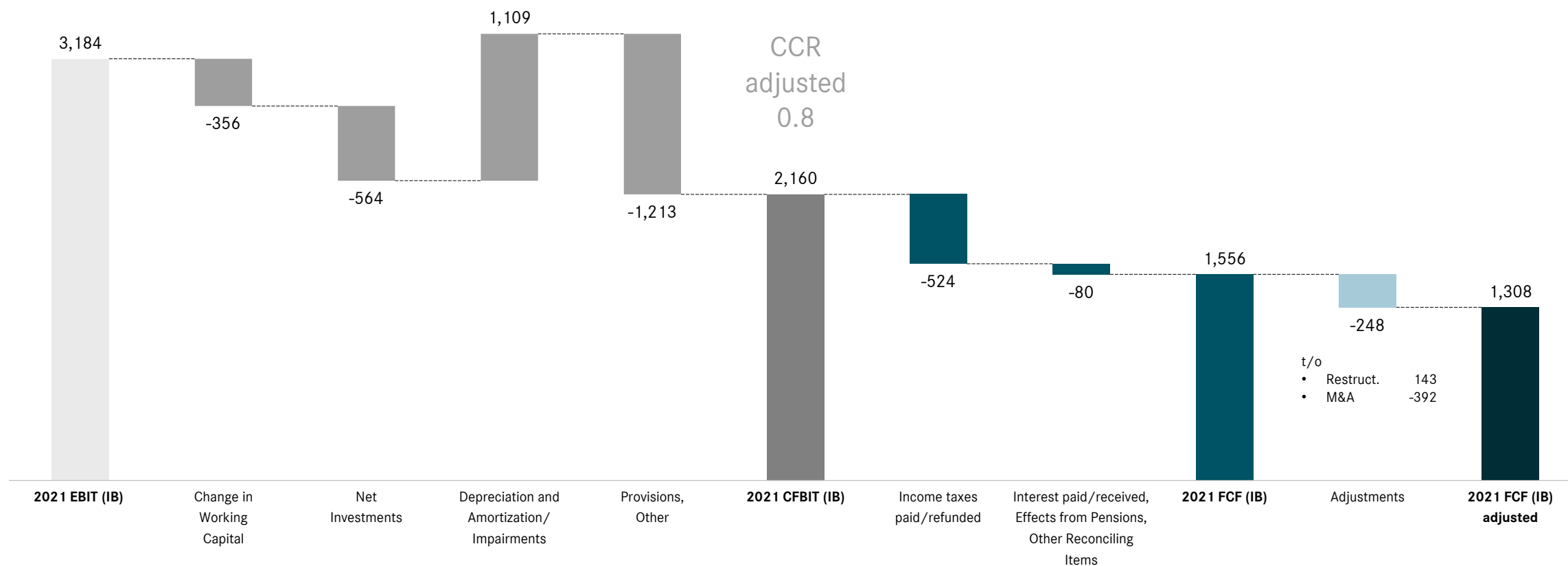
+12.3 pts

12.4%



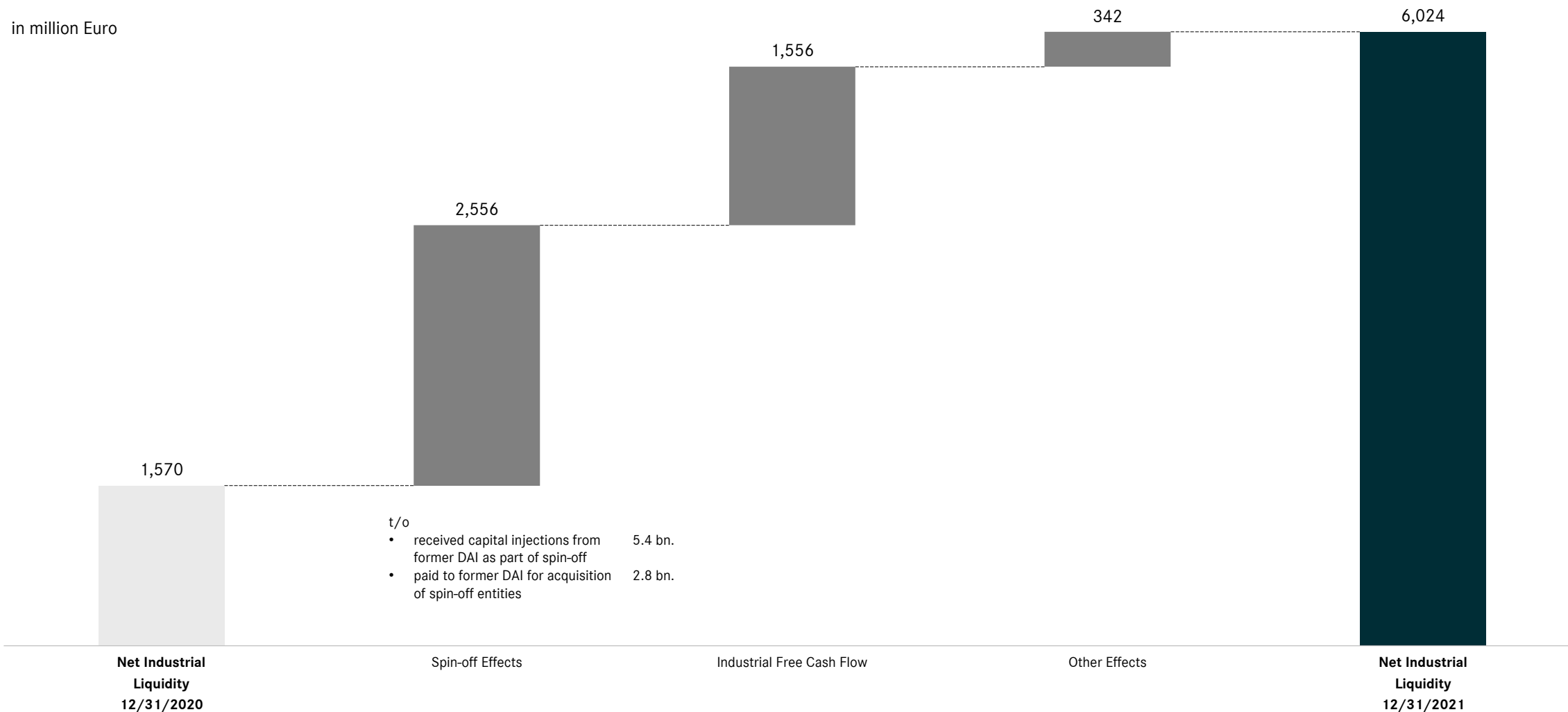
2021 Cash Flow Industrial Business

in million Euro



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End 2021 Net Industrial Liquidity – strong cash level



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Market assumptions 2022

Heavy Duty Truck Market¹

2022

North America²

255 – 295 k units

EU-30³

240 – 280 k units

Assumption

The macroeconomic conditions will continue to be comparatively favorable for the global demand for our vehicles in 2022. However, this outlook is subject to the further developments in the war in Ukraine and its impact on the global economy. It currently also looks as if the market distortions caused by the semiconductor-related supply bottlenecks will continue to impact the market. Therefore, we assume we will initially continue to face strained supply chains and bottlenecks for key upstream products for truck production. The further geopolitical as well as the COVID-19 pandemic development also harbor uncertainties.



¹ Source: Company estimate

² USA, Canada and Mexico

³ European Union, United Kingdom, Switzerland and Norway

Daimler Truck Group/Industrial Business assumptions 2022

Group

Revenue	€ 45.5 – 47.5 bn.
EBIT	slight decrease
EBIT adjusted	significant increase
Investment pp&e	slight increase
R&D cost¹	slight increase

IB

Unit Sales	500 – 520 k units
Revenue	€ 44 – 46 bn.
ROS adjusted	7 – 9%
FCF	on prior-year level

Assumption

The macroeconomic conditions will continue to be comparatively favorable for the global demand for our vehicles in 2022. However, this outlook is subject to the further developments in the war in Ukraine and its impact on the global economy. It currently also looks as if the market distortions caused by the semiconductor-related supply bottlenecks will continue to impact the market. Therefore, we assume we will initially continue to face strained supply chains and bottlenecks for key upstream products for truck production. The further geopolitical as well as the COVID-19 pandemic development also harbor uncertainties.



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

Daimler Truck segment assumptions 2022

	Unit Sales - in thousand units -	ROS/ROE adjusted - in % -
Trucks North America	175 – 195	10 – 12%
Mercedes-Benz	155 – 175	6 – 8%
Trucks Asia	140 – 160	3 – 5%
Daimler Buses	20 – 25	> 0%
Financial Services	€ 8 – 9 bn. ¹	5 – 7% ²

Assumption

The macroeconomic conditions will continue to be comparatively favorable for the global demand for our vehicles in 2022. However, this outlook is subject to the further developments in the war in Ukraine and its impact on the global economy. It currently also looks as if the market distortions caused by the semiconductor-related supply bottlenecks will continue to impact the market. Therefore, we assume we will initially continue to face strained supply chains and bottlenecks for key upstream products for truck production. The further geopolitical as well as the COVID-19 pandemic development also harbor uncertainties.



¹ New business

² ROE adjusted

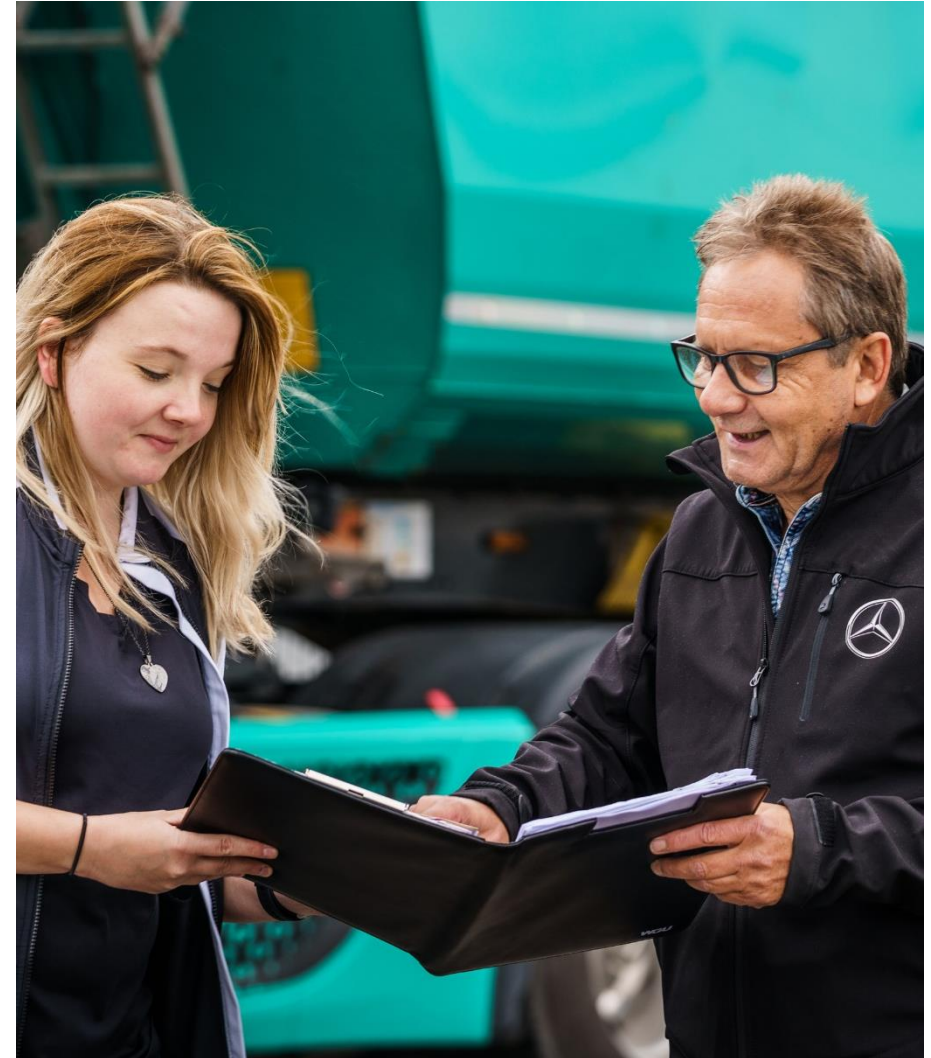
2022 Strategic priorities: Unlocking profit potential

Manage environment

- Take advantage of strong markets
- Fight risks related to supply chain and inflation, especially in Q1
- Monitor potential impact of war in Ukraine

Increase resilience

- Strict fixed cost control
- Grow services, for example by further ramping up our financial services



2022 Strategic priorities: Leading sustainable transportation



Accelerating zero emissions

- Launching heavy-duty truck Freightliner eCascadia, range up to 400 kilometers
- Launching refuse collection specialist Mercedes-Benz eEconic
- Launching next generation light truck FUSO eCanter, first introduced in 2017
- Launching electric bus chassis in Latin America, range up to 250 kilometers
- GenH2 Truck testing on public roads

Accelerating autonomous trucking

- Making great progress with partners Torc Robotics and Waymo
- Delivering autonomous-ready Freightliner Cascadia trucks
- Intensive testing on public roads
- Technology update in 2nd quarter



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For all who keep the world moving.

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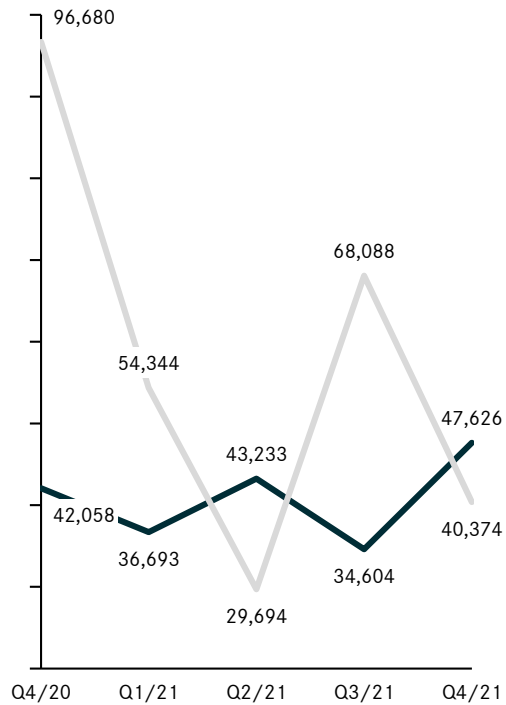
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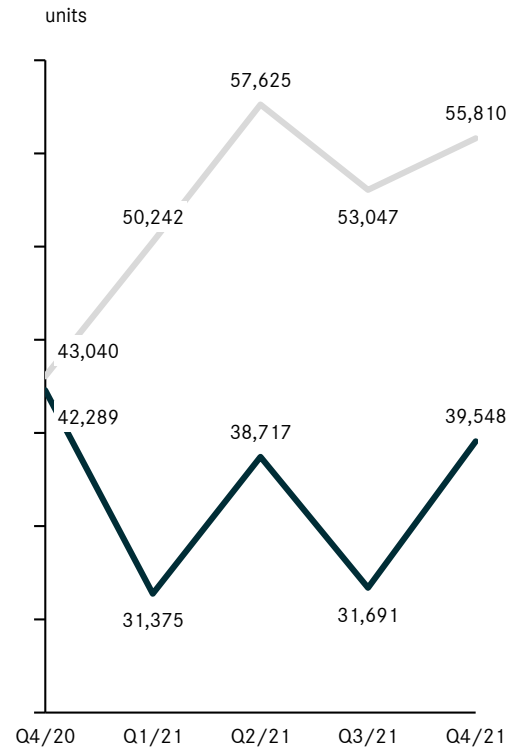
2021 Incoming Orders and Group Sales

Trucks North America



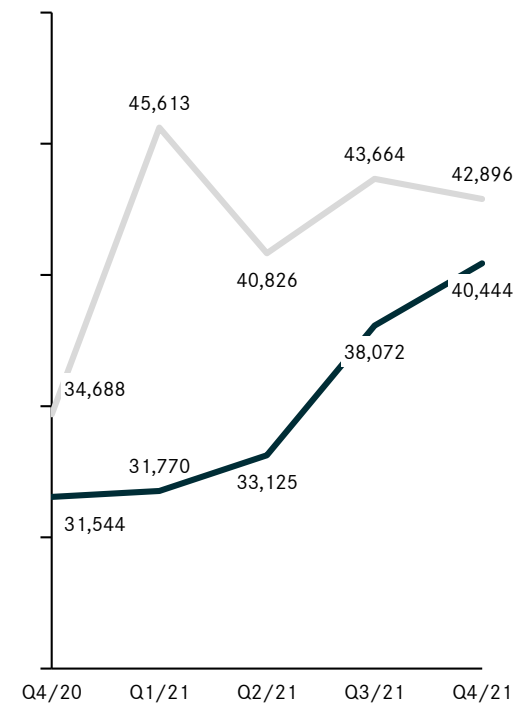
BTB RATIO: 230%, 148%, 69%, 197%, 85%

Mercedes-Benz



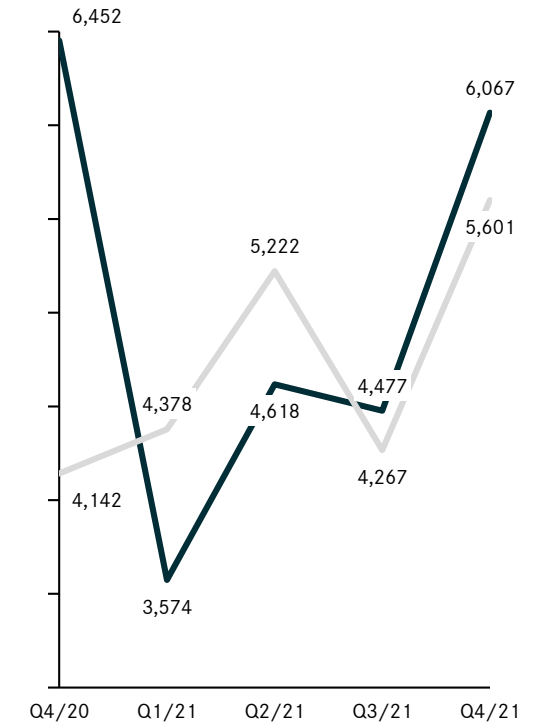
BTB RATIO: 102%, 160%, 149%, 167%, 141%

Trucks Asia



BTB RATIO: 110%, 144%, 123%, 115%, 106%

Daimler Buses



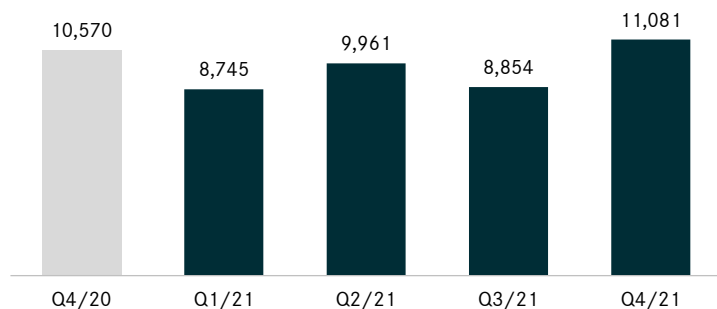
BTB RATIO: 64%, 122%, 113%, 95%, 92%

Group Sales Incoming Orders

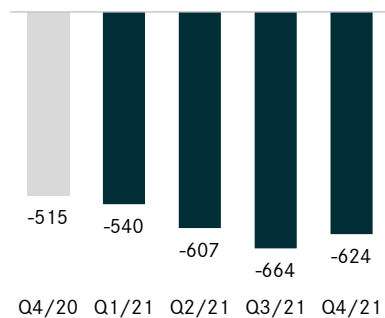
2021 IB Performance: Revenue by Segment

in million Euro

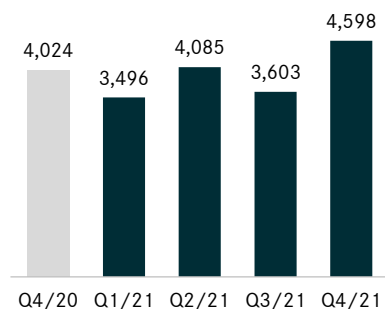
Daimler Truck Industrial Business



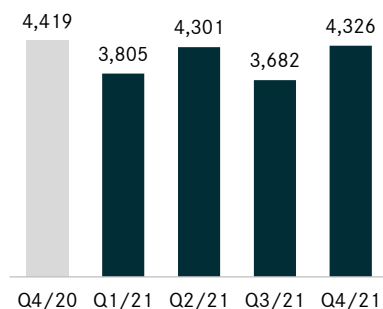
Reconciliation



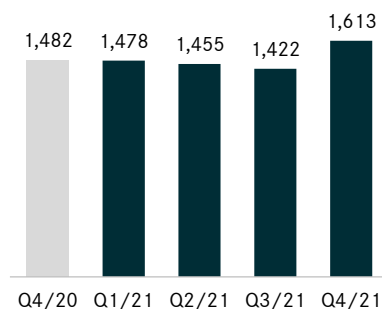
Trucks North America



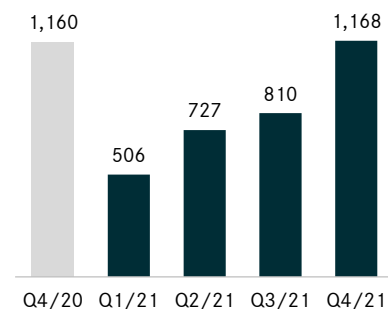
Mercedes-Benz



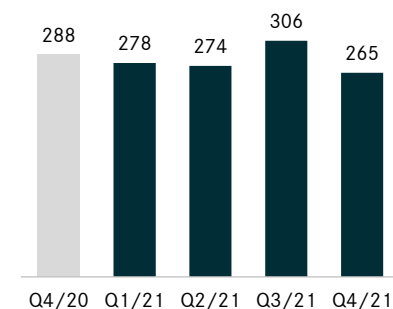
Trucks Asia



Daimler Buses



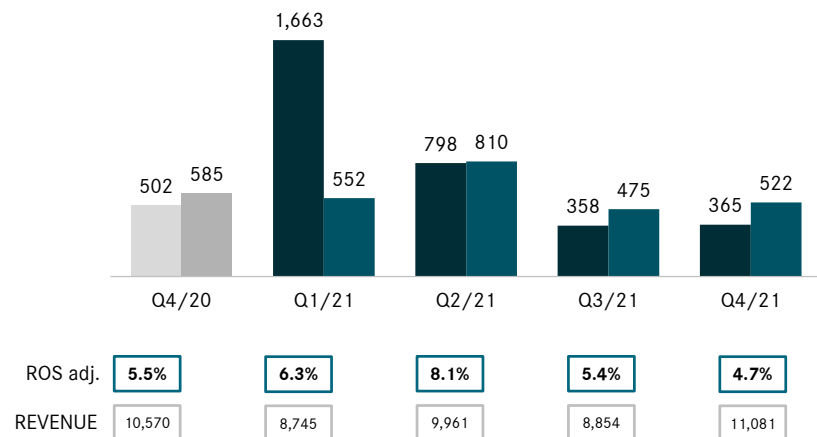
Financial Services



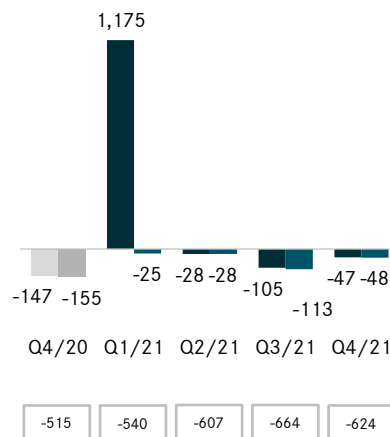
2021 IB Performance: EBIT by Segment

in million Euro

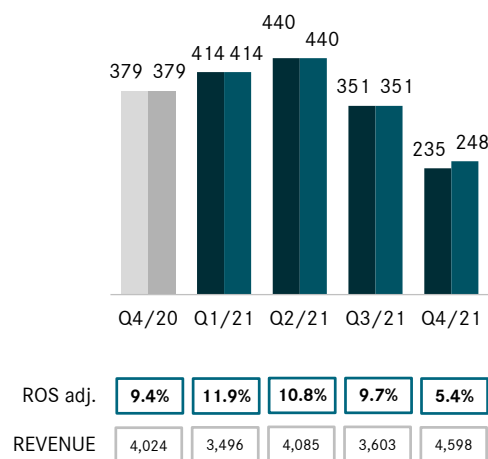
Daimler Truck Industrial Business



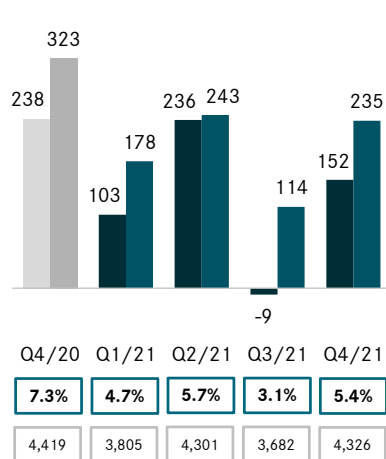
Reconciliation



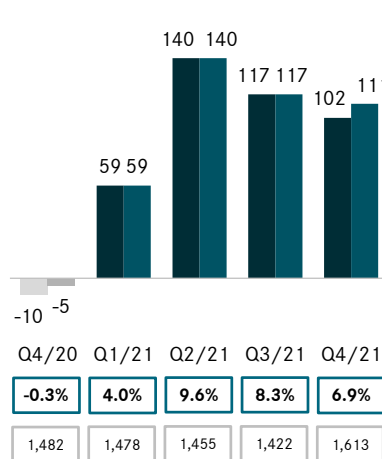
Trucks North America



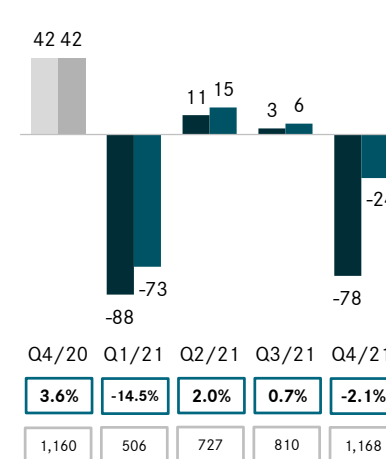
Mercedes-Benz



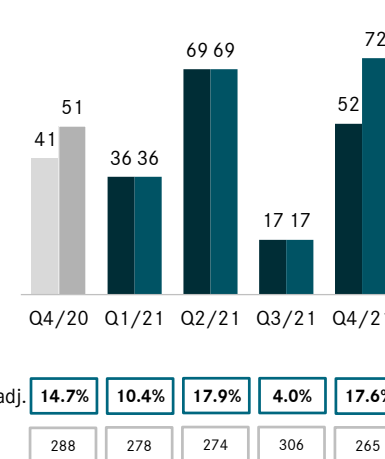
Trucks Asia



Daimler Buses



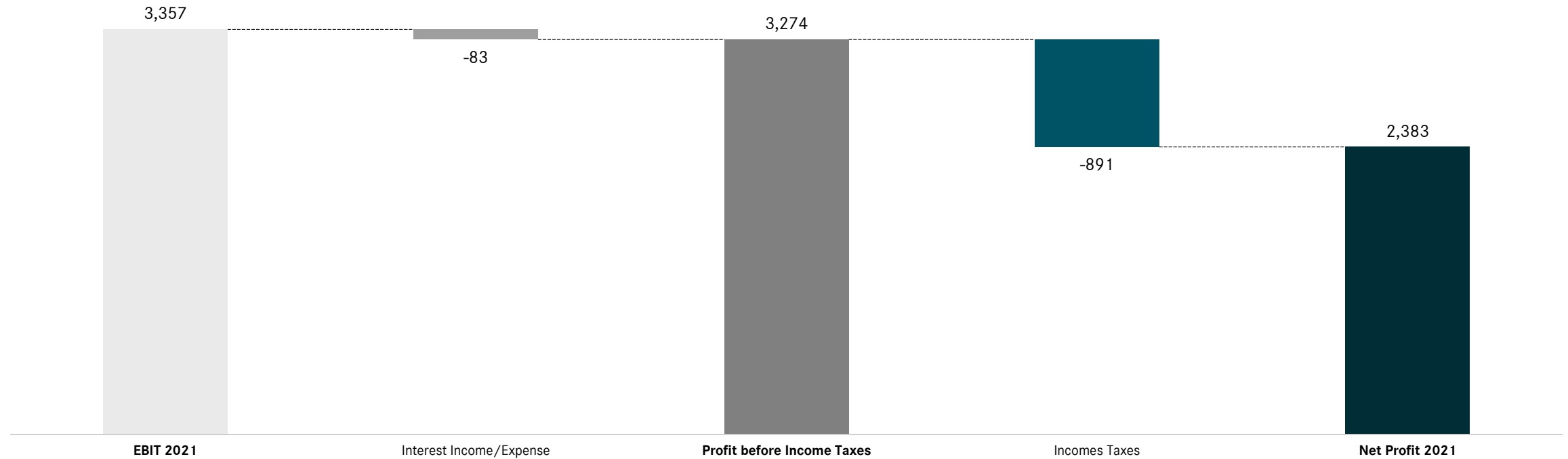
Financial Services



Legend: EBIT (dark blue), EBIT adjusted (light blue)

2021 Net Profit

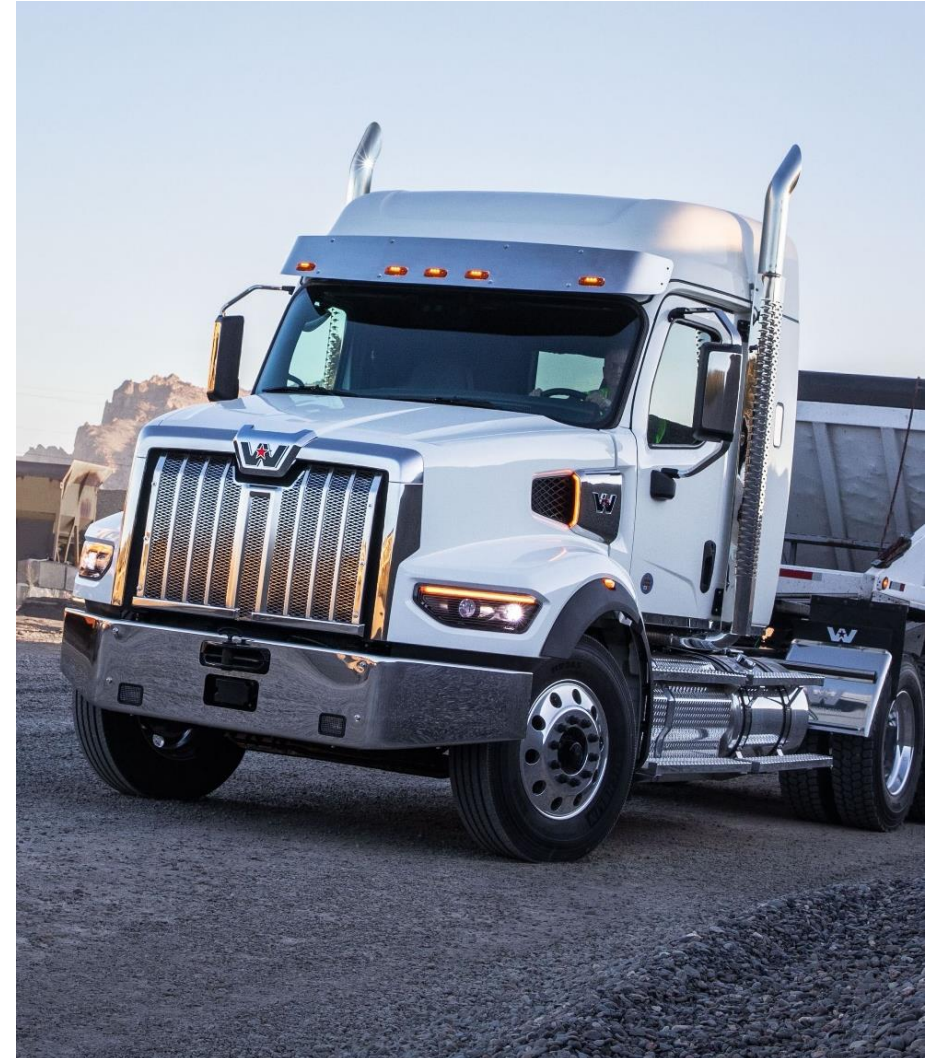
in million Euro



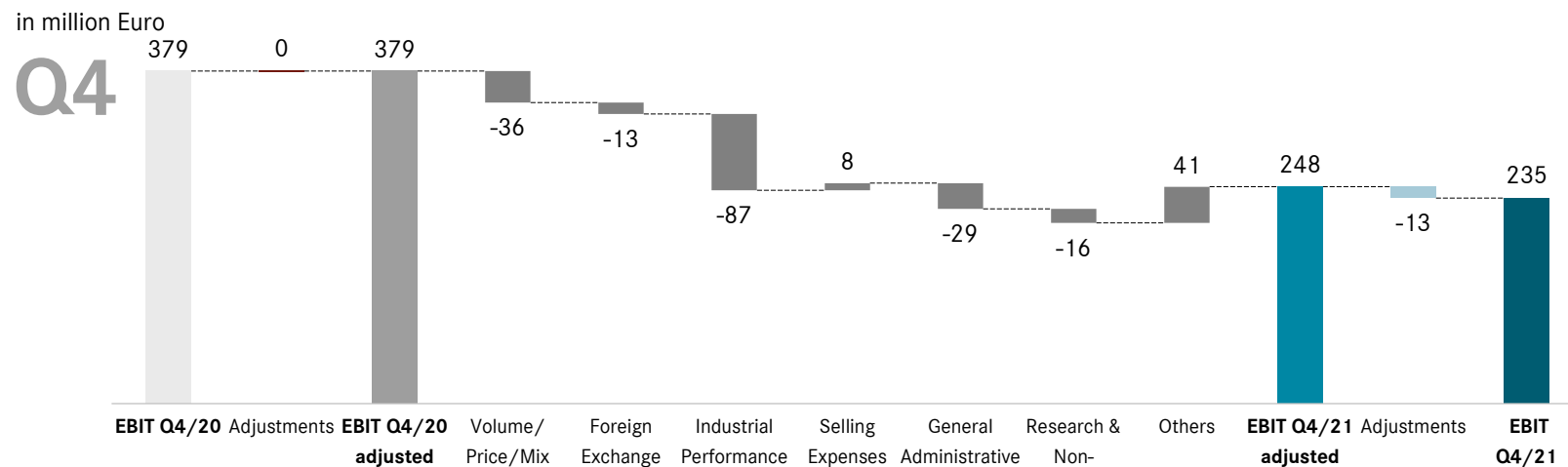
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Trucks North America: Highlights 2021

- Significant group sales increase vs FY 2020 despite supply constraints
- Constraint cost and warranty impacting Q4
- Aftermarket performance remains strong with record level daily parts sales
- Used trucks business leveraged strategic pricing and maintained high margins even with low inventories
- Introduction of Western Star 47X and 49X vocational trucks
- Ongoing focus on cash preservation measures, including strict inventory management
- Extension of technology partnerships

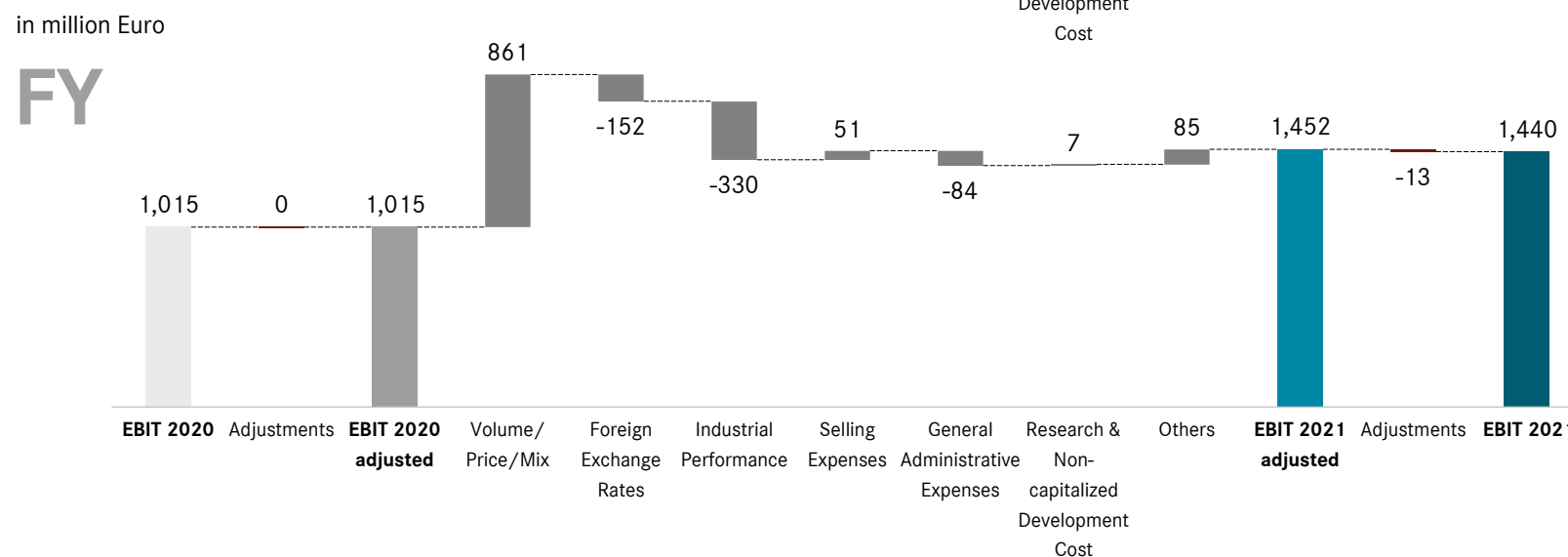


Trucks North America



Q4/2021 vs. Q4/2020

- + Increase in volumes
- + Favorable aftermarket and used truck performance
- Supply chain constraints impacted operational effectiveness in Q4
- Recall costs
- Fixed costs normalization after 2020 cost cutting measures



FY2021 vs. FY2020

- + Favorable 2021 mainly driven by strong group sales and strategic pricing
- + Aftermarket daily parts sales improved
- + Used trucks performance favorable despite low inventory
- Supply constraints drove increased costs related to production
- Higher material costs driven by raw material prices
- Fixed costs normalization after 2020 cost cutting measures

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Mercedes-Benz: Highlights 2021

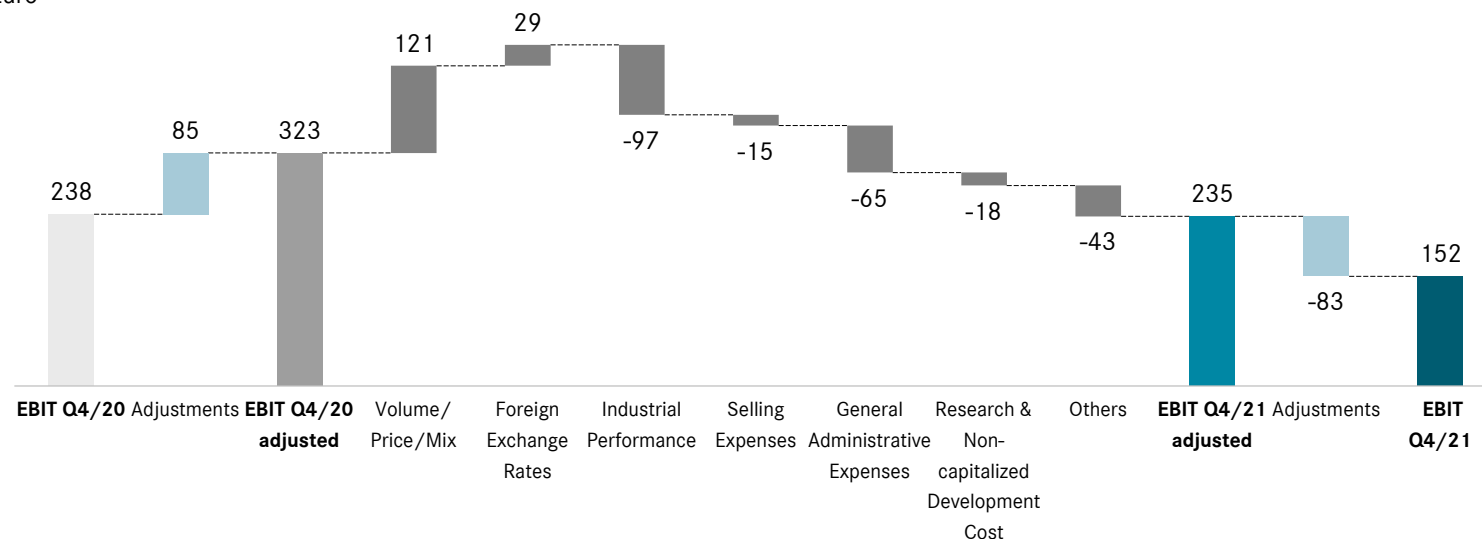
- Significant group sales increase despite supply constraints
- Aftersales business' growth and efficiency driving favorable development
- Used truck business back on track with a restrictive buyback policy and healthy stock level
- Major step towards CO₂-neutral road haulage with the successful start of the eActros series production
- Continued strict cost control and execution of restructuring on track to secure sustainable profitability
- Despite of supply constraints, ongoing strong focus on cash preservation measures including strict inventory management



Mercedes-Benz

in million Euro

Q4

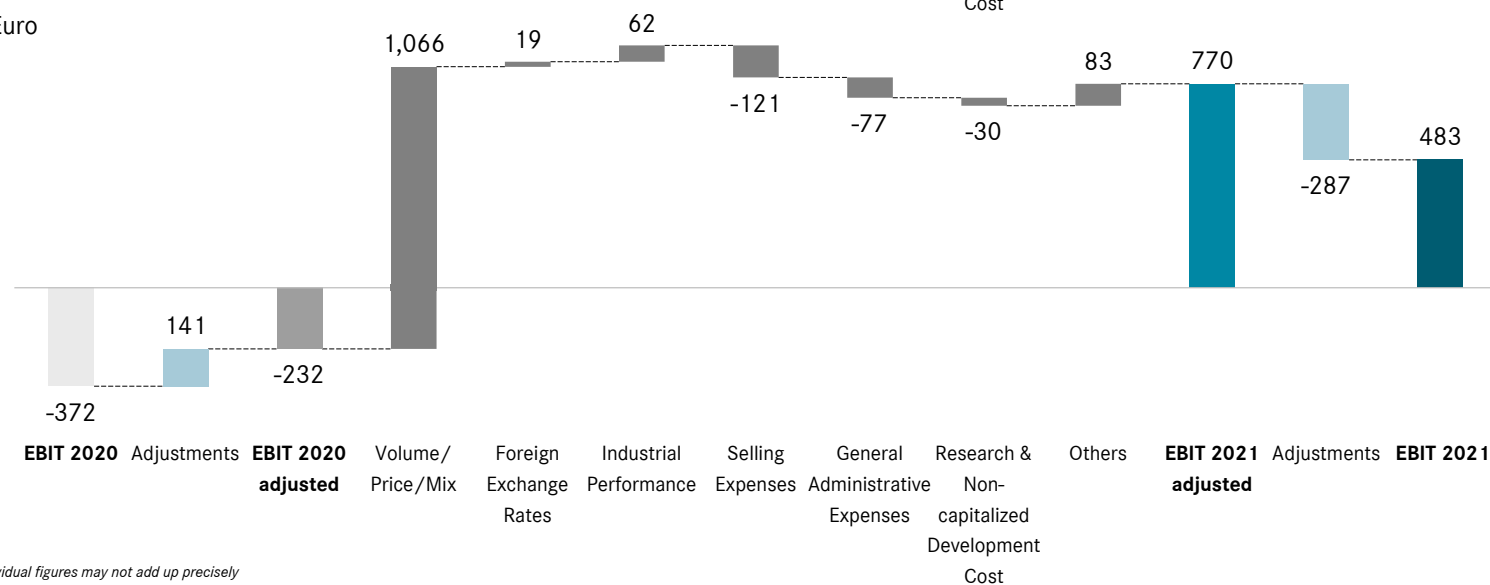


Q4/2021 vs. Q4/2020

- + Better aftersales performance in main European markets and in Brazil
- + Price increases partially compensated raw material cost increase and FX devaluation
- + Used truck market recovery due to constrained new truck market
- + Positive effects from valuation measures
- Supply constraints (semiconductor) as bottleneck for further sales increase
- Significant headwind from increase in raw material cost

in million Euro

FY



FY2021 vs. FY2020

- + Strong recovery in sales
- + Better aftersales performance in EU30 and in Brazil
- + Used truck business with improved residual value development and contributions
- + Positive effects from valuation measures
- + Price increases partially compensated raw material cost increase and FX devaluation
- Supply constraints as bottleneck on customer delivery
- Significant headwind from increase in raw material cost

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Trucks Asia: Highlights 2021

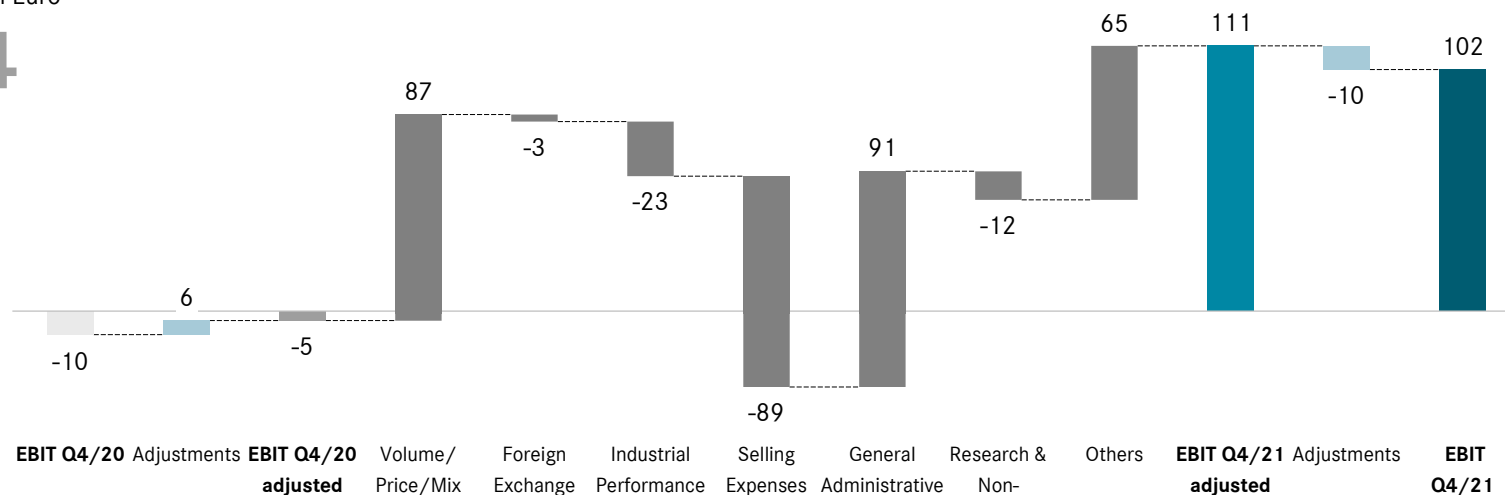
- Significant sales increase due to market recovery especially in international markets despite supply constraints
- Cost headwinds from raw material and constraint costs addressed by overall net pricing
- Timely and disciplined fixed cost steering keeping level of 2020
- Strong cash flow conversion mainly due to lower working capital level
- Positive one-time impact from China JV BFDA



Trucks Asia

in million Euro

Q4

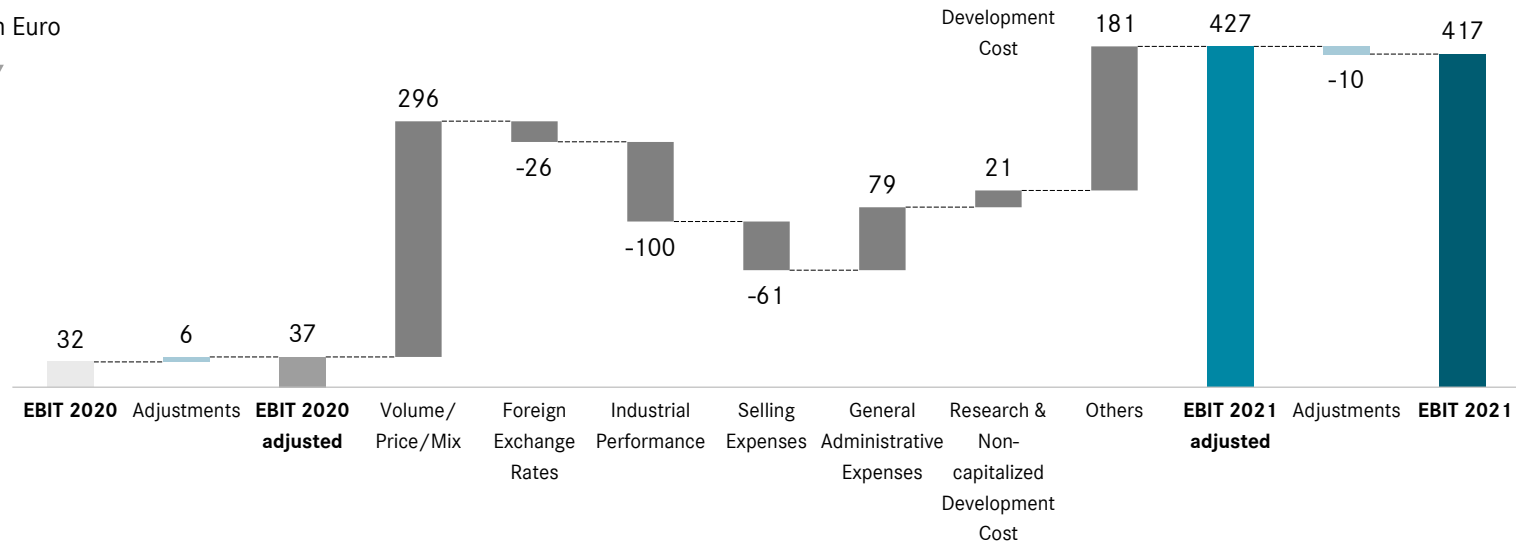


Q4/2021 vs. Q4/2020

- + Improvement from volume/mix mainly in Indonesia as well as overseas
- + Strong pricing in international markets, Indonesia, MENA and India
- Headwinds from raw material and constraint costs

in million Euro

FY



FY2021 vs. FY2020

- + Strong recoveries of international markets
- + Strong pricing in India & international markets compensating cost headwinds
- + Aftersales with recovery in both Japan, India as well as international markets
- + Positive one-time impact from reversal of BFDA impairment
- Headwinds from increases in raw material

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Daimler Buses: Highlights 2021

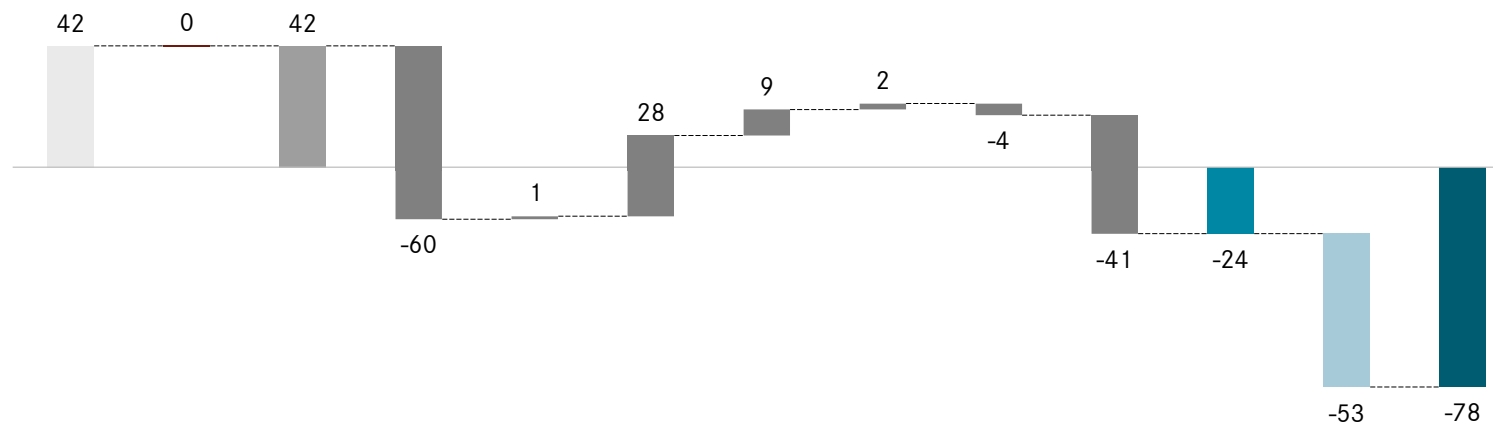
- Heterogeneous business development: stable city markets, coach segment in Europe still weak due to COVID-19 pandemic and market recovery from low level in Latin America
- Launch of Mercedes-Benz Tourrider to reconquer North American coach market
- More than 400 fully electric eCitaro handed over to customers
- Significant raw material increases could not be compensated via price increases due to market conditions
- Restructuring and fix cost restructuring on track



Daimler Buses

in million Euro

Q4

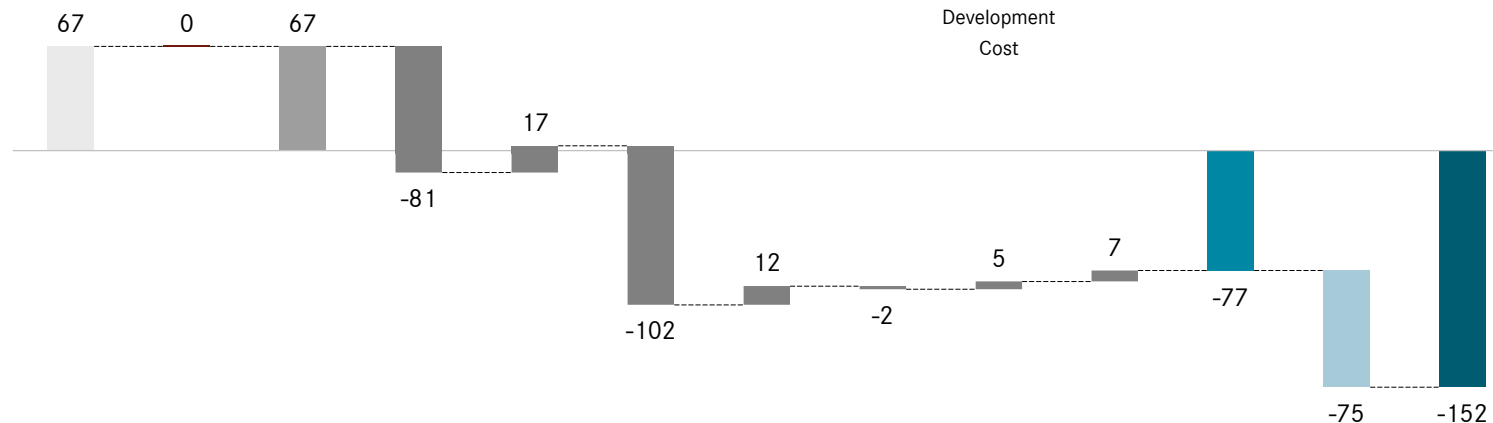


Q4/2021 vs. Q4/2020

- + Aftersales performance
- + Stringent fix cost management
- Volume & pricing in Europe
- Material cost

in million Euro

FY



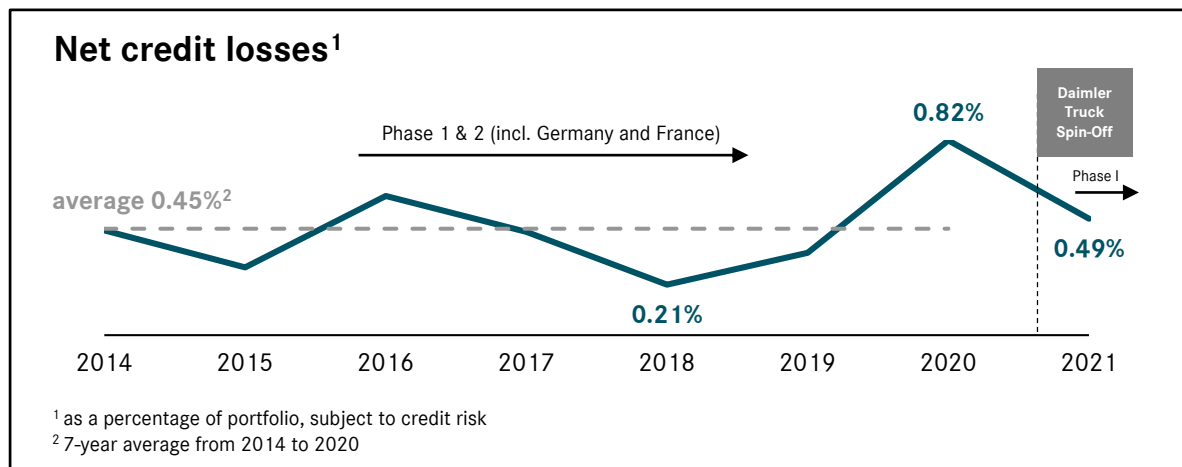
FY2021 vs. FY2020

- + Increased chassis volume Latin America
- + Aftersales performance
- + Stringent fix cost management
- Volume & pricing in Europe
- Material cost
- Capacity utilization in the European business system

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.

Financial Services: Highlights 2021

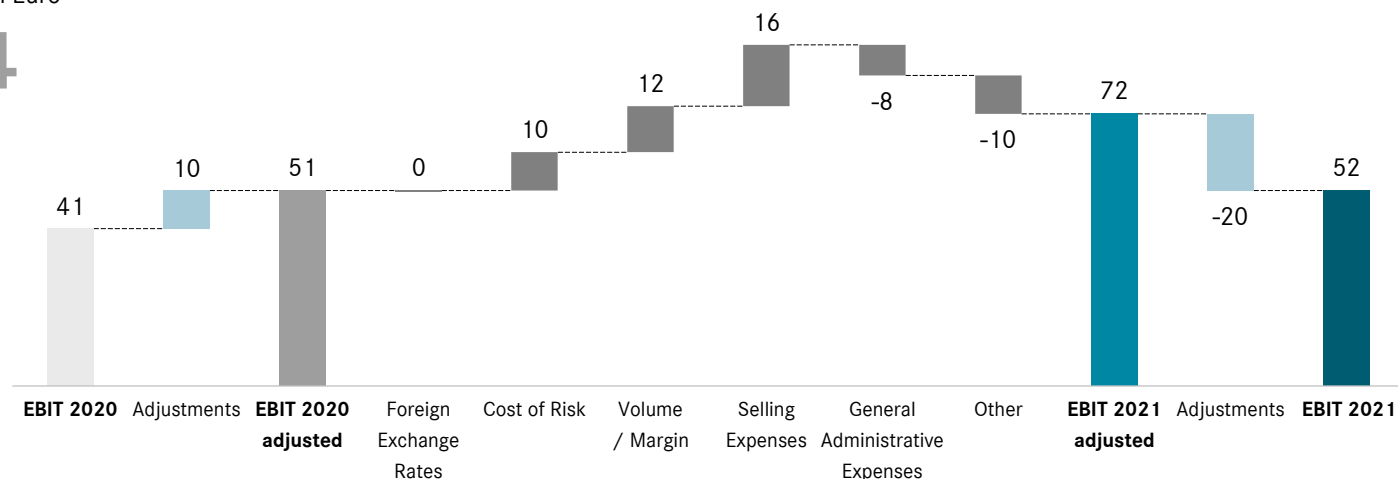
- Successful go-live of 7 phase 1 markets in December 2021
- Stable new business volume of € 5.8 bn.
- Portfolio increase mainly due to positive FX effects from USA and Canada
- Significant improvement in interest margin as well as Cost of Credit Risk decrease in North America after COVID-19 pandemic in 2020
- Normalization of cost situation



Financial Services

in million Euro

Q4

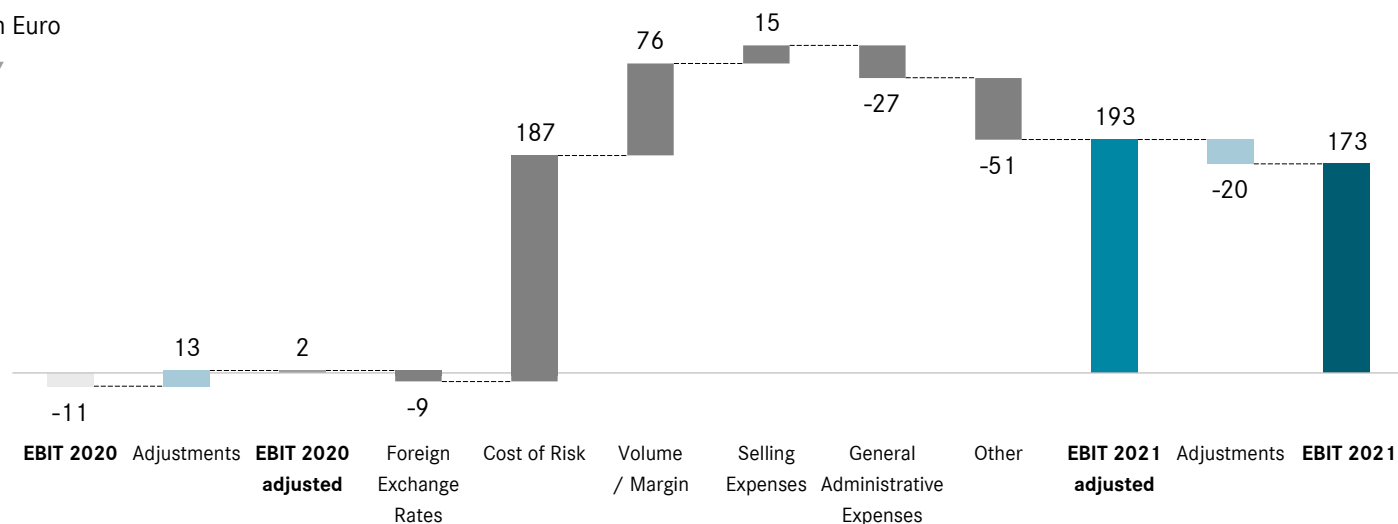


Q4/2021 vs. Q4/2020

- + Higher interest margin mainly in North America
- + Less non-recurring expenses for restructuring measures
- + Lower Cost of Credit Risk in USA
- Normalization of cost situation
- Non-recurring fee for the re-registration of vehicles in Australia

in million Euro

FY



FY2021 vs. FY2020

- + Higher interest margin mainly in North America
- + Significantly lower Cost of Credit Risk in North America after COVID-19 pandemic in 2020
- Normalization of cost situation
- Non-recurring fee for the re-registration of vehicles in Australia

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

	Dec 31, 2020	Sep 30, 2021	Dec 31, 2021
Group liquidity			
Cash and cash equivalents	1,663	1,475	7,244
Marketable debt securities and similar investments	5,841	4,368	138
Group Gross Liquidity	7,504	5,842	7,383
Total Financing Liabilities	-20,419	-18,788	-16,612
Group Net Debt	-12,915	-12,946	-9,230
Liquidity of the Industrial Business			
Cash and cash equivalents	1,556	1,430	6,904
Marketable debt securities and similar investments	5,812	4,329	99
Gross Liquidity of the Industrial Business	7,368	5,758	7,003
Financing liabilities (nominal)	-5,798	-4,748	-980
Net Liquidity of the Industrial Business	1,570	1,010	6,024
Pension Benefits			
Benefit Obligations	-8,555	-8,010	-7,951
Plan Assets	5,644	5,880	6,109
Funded Status	-2,911	-2,130	-1,842
Funding Ratio	66.0%	73.4%	76.8%

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

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, 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 governmental investigations or of investigations requested by governments and the outcome 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 or in the current Interim Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.