

# DAIMLER TRUCK

# Q1 2023

**Interim Results Call**  
May 9, 2023

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Jochen Goetz, CFO



ISIN: DE 000 DTR0CK8  
WKN: DTR0CK

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

# Q1 2023 Interim Results Call

**01** | Highlights

**02** | Financials

**03** | Outlook

**04** | Appendix



# Q1/23 Key Topics

- Significant increase of unit sales and production due to an improvement in the supply chains
- Strong demand environment – order backlog remains on high level
- Pricing discipline offsetting cost headwinds, strong aftersales performance
- Mercedes-Benz Trucks to set up central logistics hub for the global supply of spare parts
- Daimler Truck North America’s eCommerce platform reaches \$1 billion in retail sales
- FUSO starts Next Gen eCanter production
- Daimler Buses restructuring – agreement with workers’ council achieved
- Daimler Truck Financial Services starts in France



**Q1 2023**

EBIT Group reported | adjusted  
€ 1,121 mn. | € 1,162 mn.

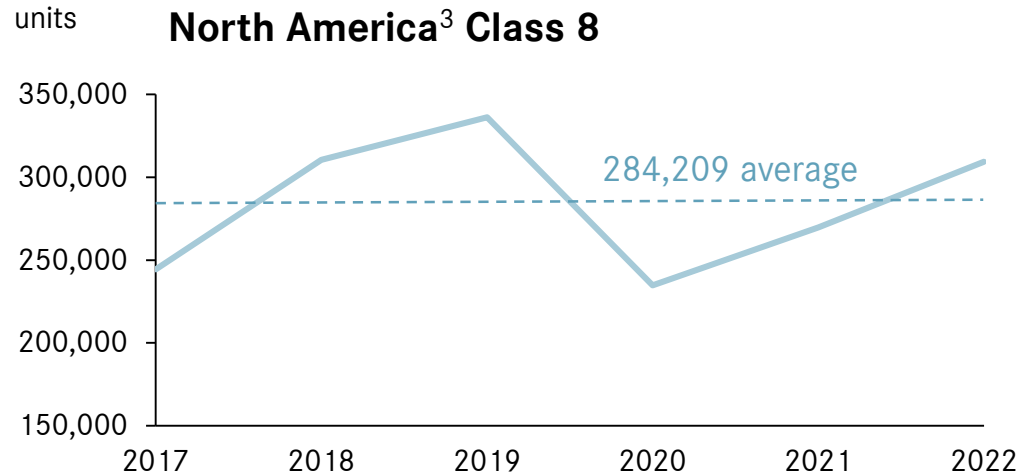
ROS adjusted IB  
8.8%

EPS  
€ 0.90

FCF IB  
€ 168 mn.

Net Industrial Liquidity  
€ 7,526 mn.

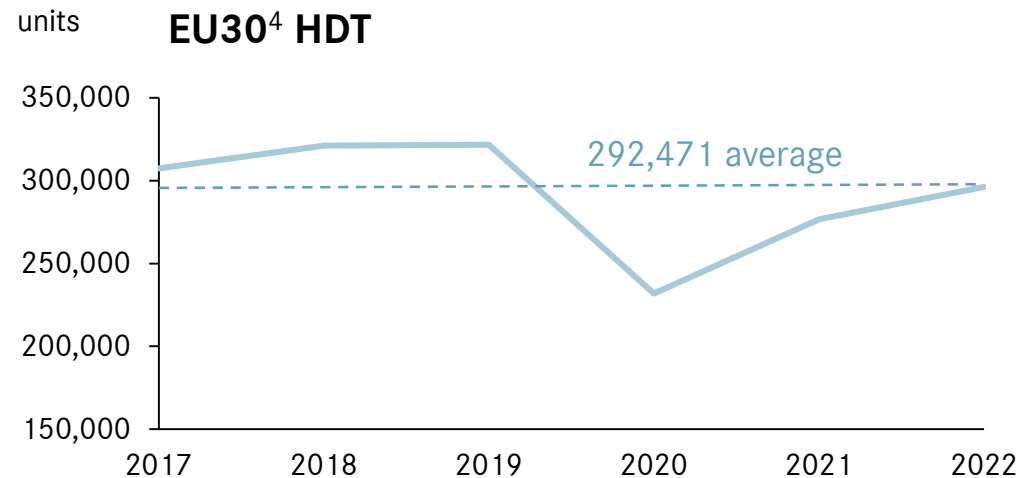
# Strong market shares in very solid markets



YTD<sup>5</sup>

48,771  
total market units

43.5%  
SoM<sup>1</sup>



YTD<sup>5</sup>

57,671  
total market units

17.8%  
SoM<sup>2</sup>



<sup>1</sup> Share of Market for Freightliner, Western Star (company internal analysis)

<sup>2</sup> Share of Market for Mercedes Benz (company internal analysis)

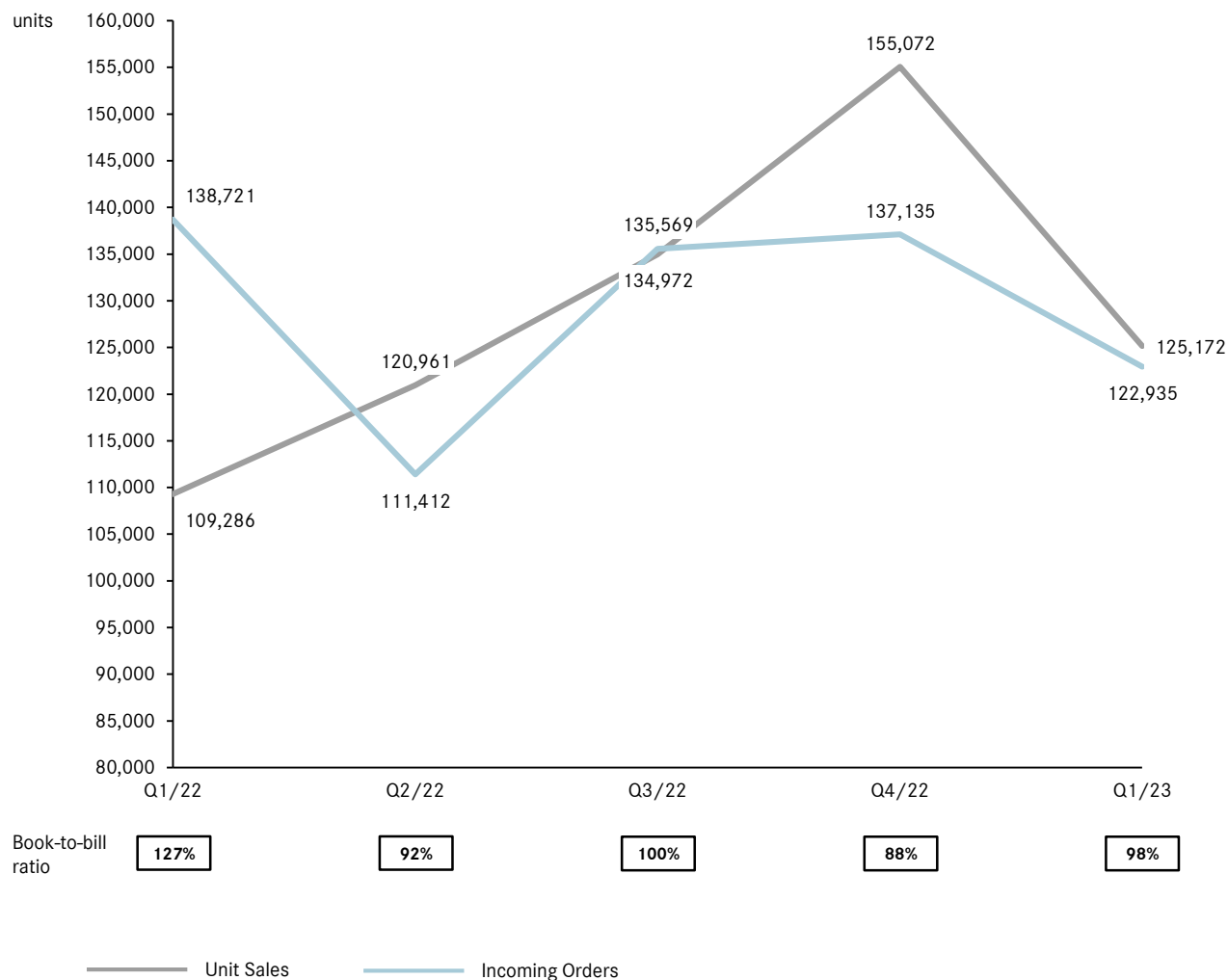
<sup>3</sup> USA, Canada and Mexico

<sup>4</sup> European Union, United Kingdom, Switzerland and Norway

<sup>5</sup> YTD includes actuals January - February

# Q1/23 Incoming Orders and Unit Sales

## Daimler Truck Group



## Highlights

- Ongoing strong replacement demand for on-highway segment, strong demand for vocational trucks
- High quality order book
- Order backlog remains on high level

units	Q1/2022			Q1/2023		
	Incoming orders	Group sales	Book-to-bill ratio	Incoming orders	Group sales	Book-to-bill ratio
<b>Daimler Truck Group</b>	<b>138,721</b>	<b>109,286</b>	<b>127%</b>	<b>122,935</b>	<b>125,172</b>	<b>98%</b>
Trucks North America	39,069	43,477	90%	34,068	48,891	70%
Mercedes-Benz	45,268	33,763	134%	32,867	34,492	95%
Trucks Asia	50,574	29,993	169%	51,319	40,210	128%
Daimler Buses	8,443	3,582	236%	8,002	5,570	147%
Reconciliation	-4,633	-1,529		-3,321	-3,991	

# Continuous progress in zero-emission trucks and buses

Orders YTD\* /22

619

Orders YTD\* /23

716

Sales YTD\* /22

163

Sales YTD\* /23

287



# Q1 2023 Interim Results Call

01 | Highlights

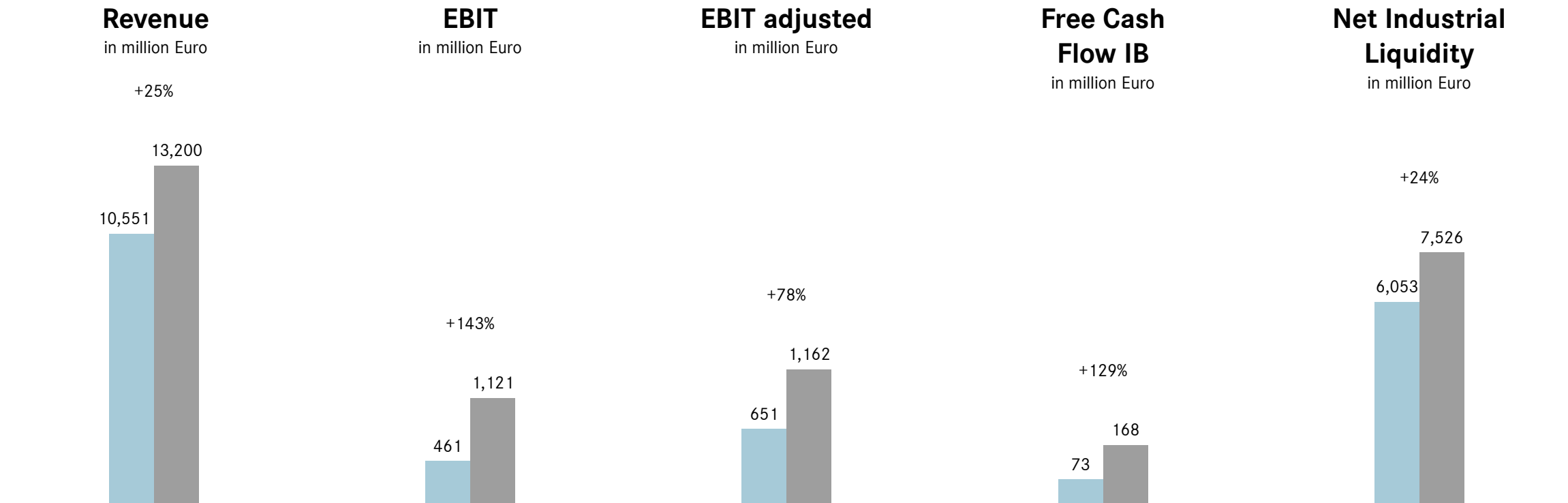
02 | Financials

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# Q1/23 Key Figures Group

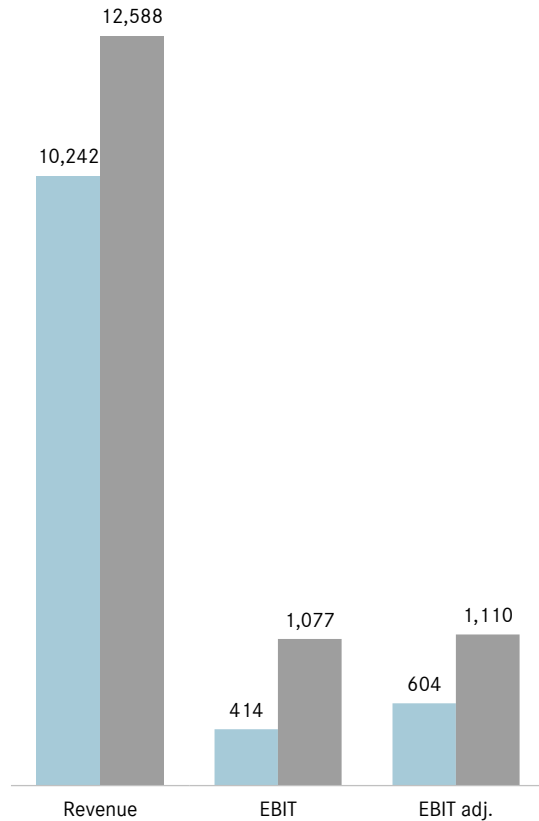




# Q1/23 Revenue and EBIT Industrial Business

in million Euro

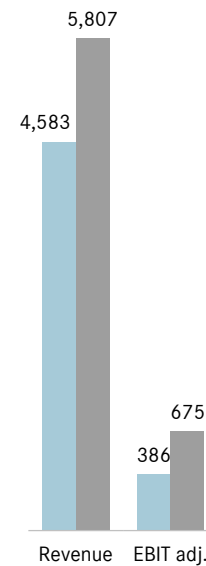
## Industrial Business



ROS adj. FY22 (FY21)

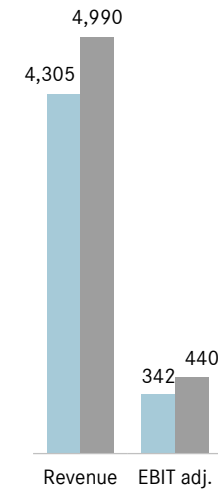
**8.8%** (5.9%)

## Trucks North America



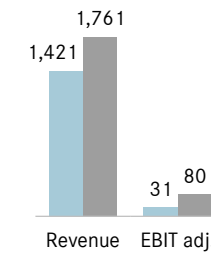
**11.6%** (8.4%)

## Mercedes-Benz



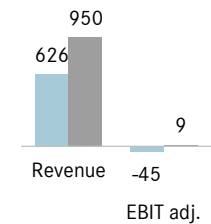
**8.8%** (7.9%)

## Trucks Asia



**4.6%** (2.2%)

## Daimler Buses



**1.0%** (-7.1%)

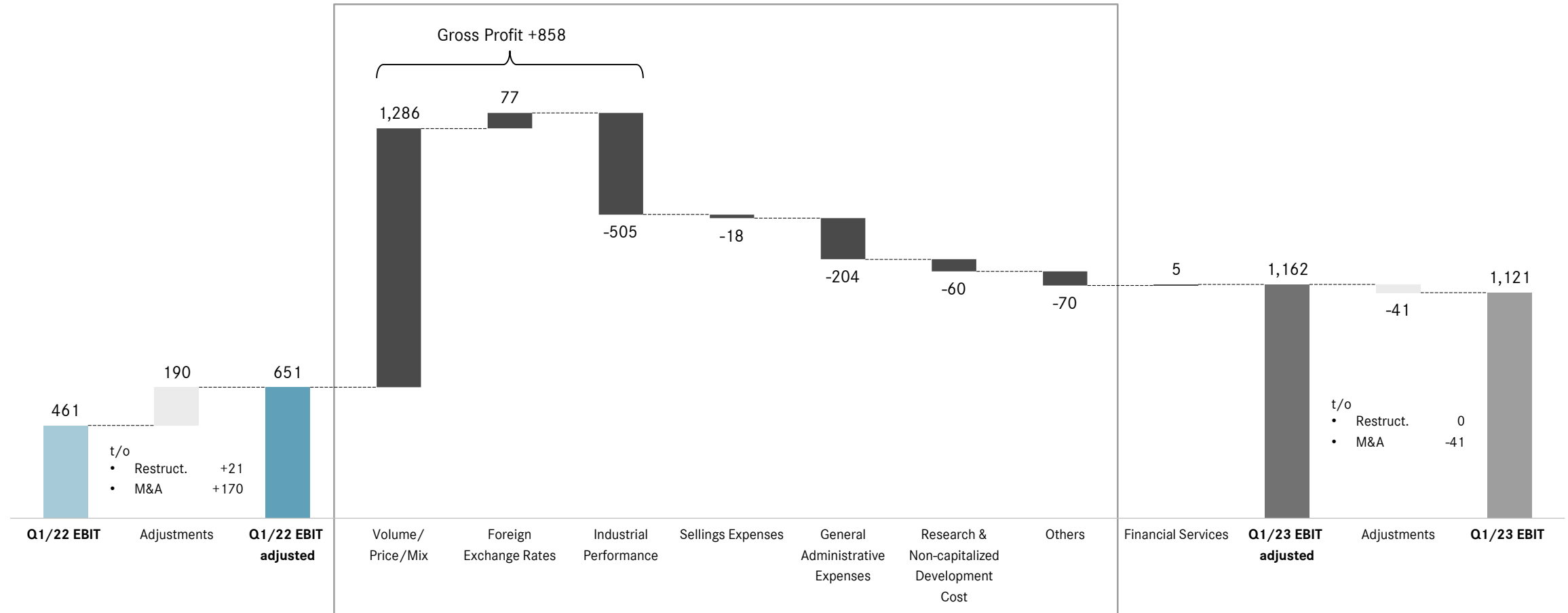
Q1/22A Q1/23A

# Q1/23 EBIT Group

- + Strong net pricing
- + Significant increase in unit sales
- + Strong aftersales business
- Headwinds from inflation, especially higher material costs

in million Euro

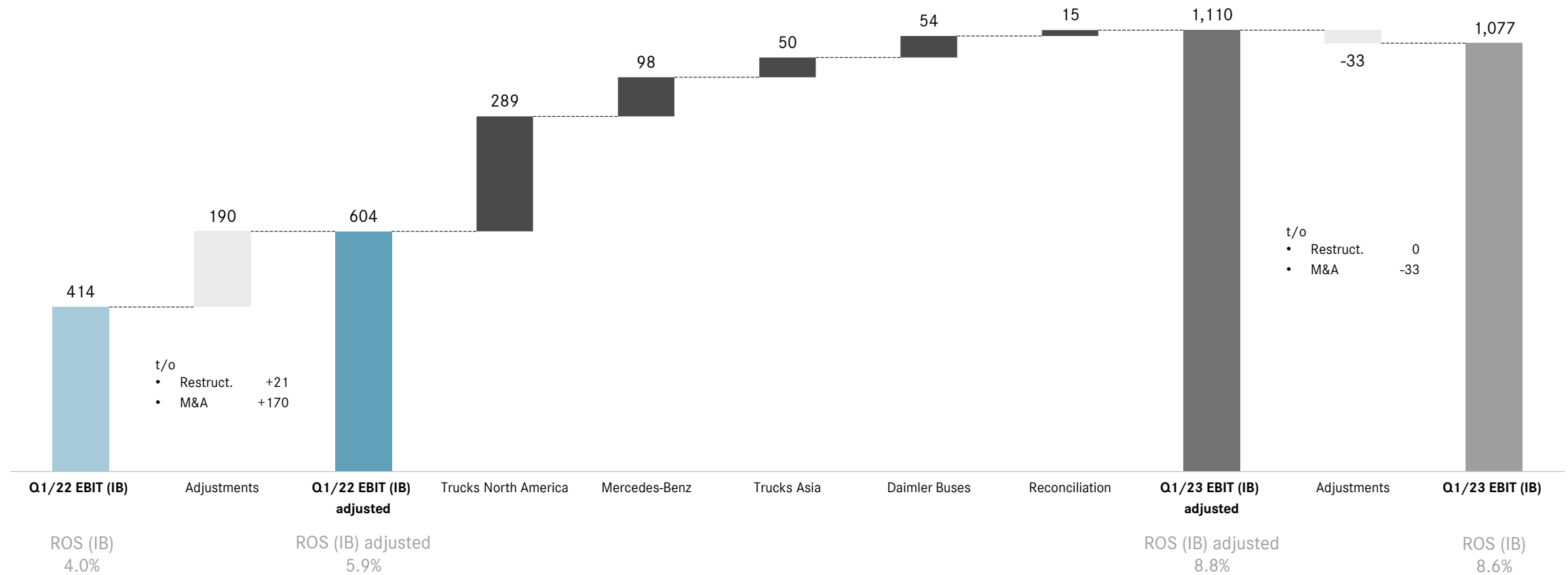
## Industrial Business +506



*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.*

# Q1/23 EBIT Industrial Business

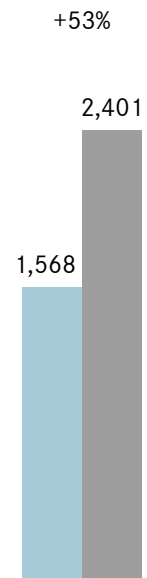
in million Euro



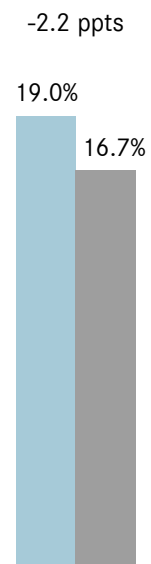
Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

# Q1/23 Key Figures Financial Services

**New Business**  
in million Euro



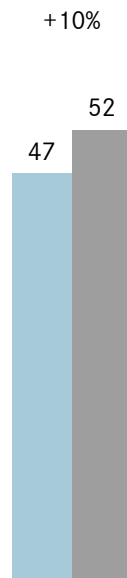
**Penetration Rate**  
in %



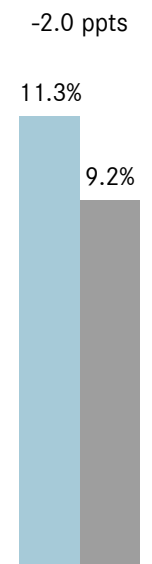
**Contract Volume**  
in billion Euro at end of period



**EBIT adjusted**  
in million Euro



**ROE adjusted**  
in %



# Q1/23 Cash Flow Industrial Business

## Net Industrial Liquidity

at end of

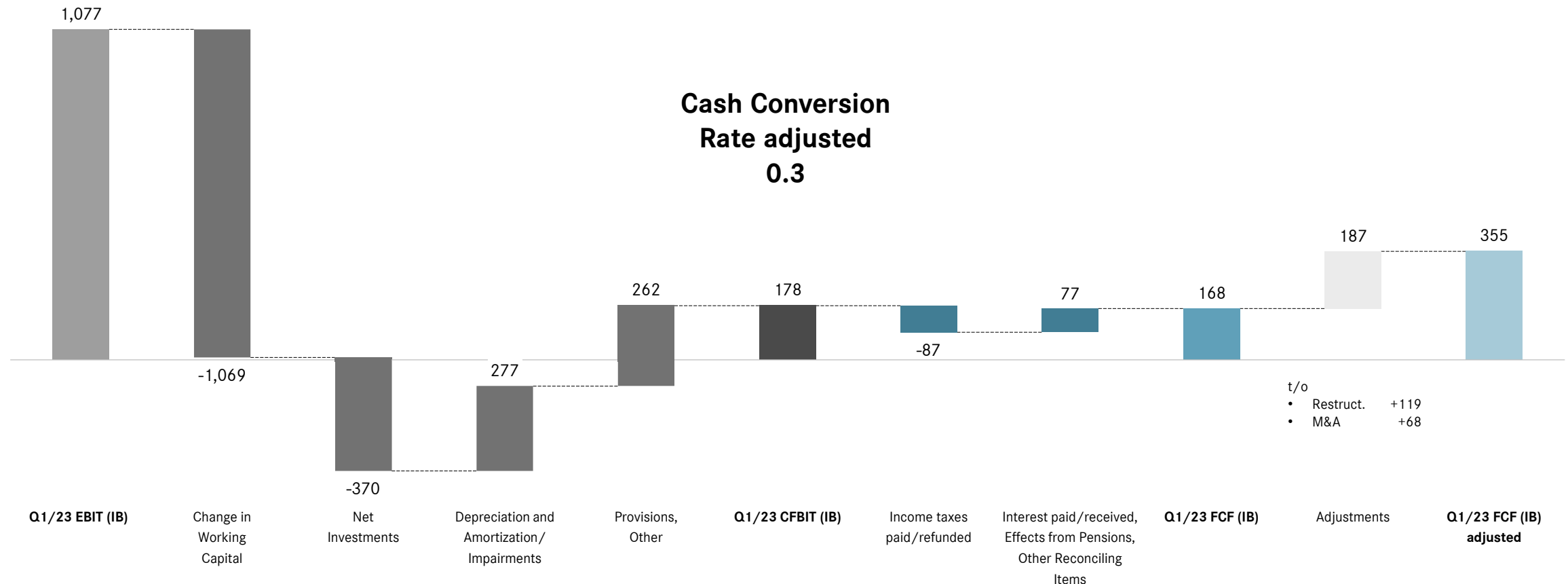
Q4/22

7.5 bn.

Q1/23

7.5 bn.

in million Euro



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# Market Assumptions 2023

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## Heavy Duty Truck Market<sup>1</sup>

**2023**

North America<sup>2</sup>

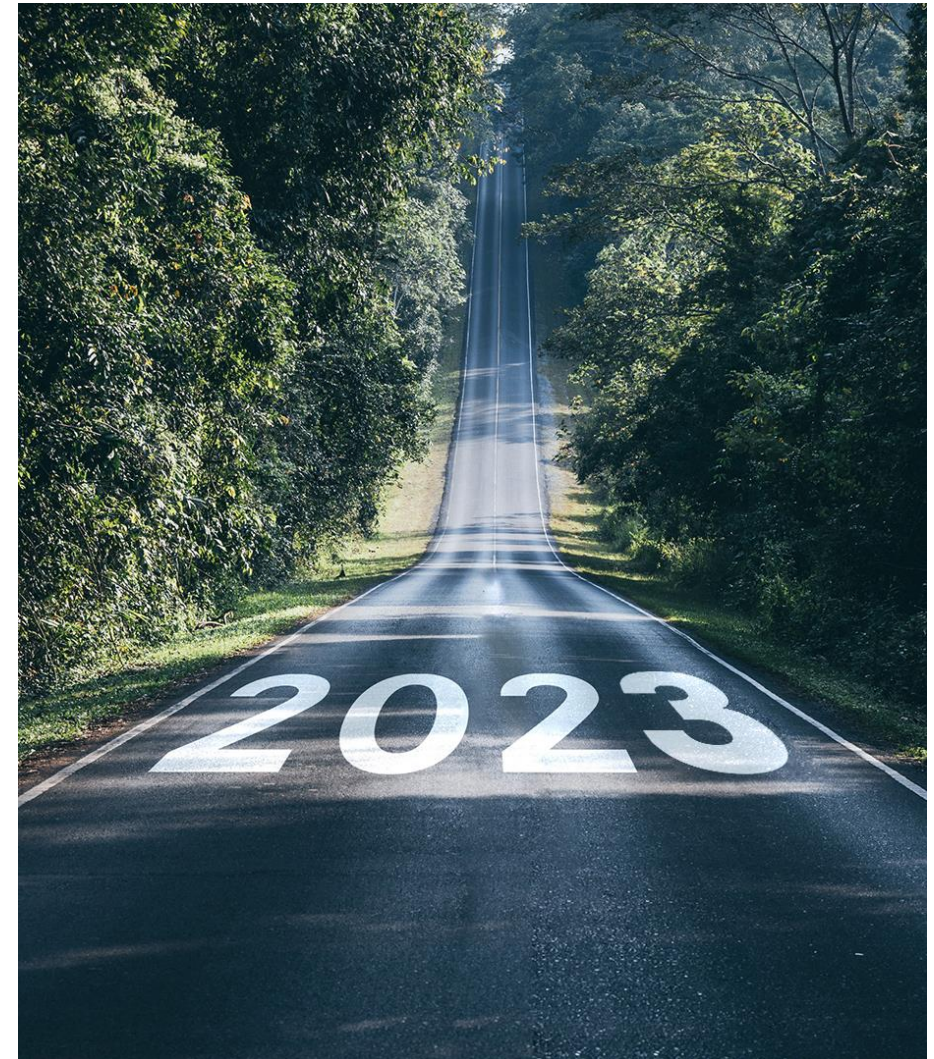
280 – 320 k units

EU30<sup>3</sup>

280 – 320 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 and geopolitical development also harbor an exceptional degree of uncertainty. We assume ongoing supply bottlenecks.



<sup>1</sup> Source: Company estimate

<sup>2</sup> USA, Canada and Mexico

<sup>3</sup> European Union, United Kingdom, Switzerland and Norway

# Daimler Truck Group/Industrial Business Assumptions 2023

## Group

	FY 2022	Guidance 2023
<b>Revenue</b>	50,945 mn. €	55 – 57 bn. €
<b>EBIT</b>	3,496 mn. €	significant increase
<b>EBIT adjusted</b>	3,959 mn. €	significant increase
<b>Investment</b>	898 mn. €	on prior year level
<b>R&amp;D cost<sup>1</sup></b>	1,785 mn. €	on prior year level

## IB

<b>Unit Sales</b>	520,291 units	510 – 530 k units
<b>Revenue</b>	49,186 mn. €	53 – 55 bn. €
<b>ROS adjusted</b>	7.7%	7.5 – 9%
<b>FCF</b>	1,746 mn. €	slight increase

### 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 and geopolitical development also harbor an exceptional degree of uncertainty. We assume ongoing supply bottlenecks.



<sup>1</sup> budget view: R&D incl. capitalized R&D



# Daimler Truck Segment Assumptions 2023

	Unit Sales in thousand units		ROS/ROE adjusted in %	
	FY 2022	Guidance 2023	FY 2022	Guidance 2023
<b>Trucks North America</b>	187	190 – 210	10.8%	10 – 12%
<b>Mercedes-Benz</b>	166	150 – 170	8.1%	7 – 9%
<b>Trucks Asia</b>	156	150 – 170	2.6%	3 – 5%
<b>Daimler Buses</b>	24	20 – 25	0.4%	2 – 4%
<b>Financial Services</b>	9 bn. € <sup>1</sup>	11 – 12 bn. € <sup>1</sup>	9.9% <sup>2</sup>	9 – 11% <sup>2</sup>

## 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 and geopolitical development also harbor an exceptional degree of uncertainty. We assume ongoing supply bottlenecks.



# Our strategic focus as independent Daimler Truck



UNLOCKING  
PROFIT POTENTIAL

LEADING  
SUSTAINABLE  
TRANSPORTATION

Daimler Truck

Save the date

# CAPITAL MARKET DAY

JULY 11, 2023

BOSTON



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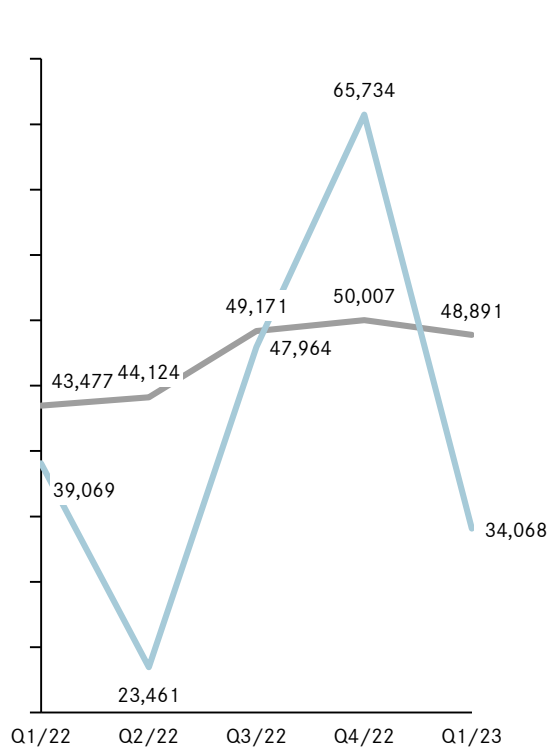
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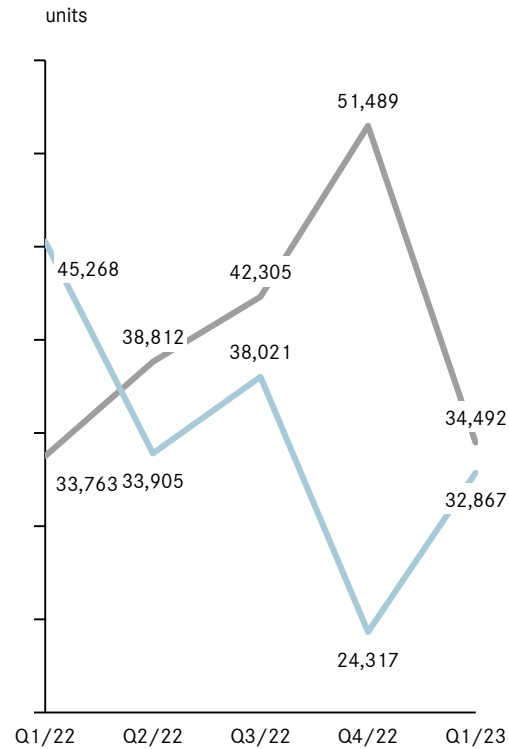


# Q1/22 – Q1/23 Incoming Orders and Unit Sales by Segment

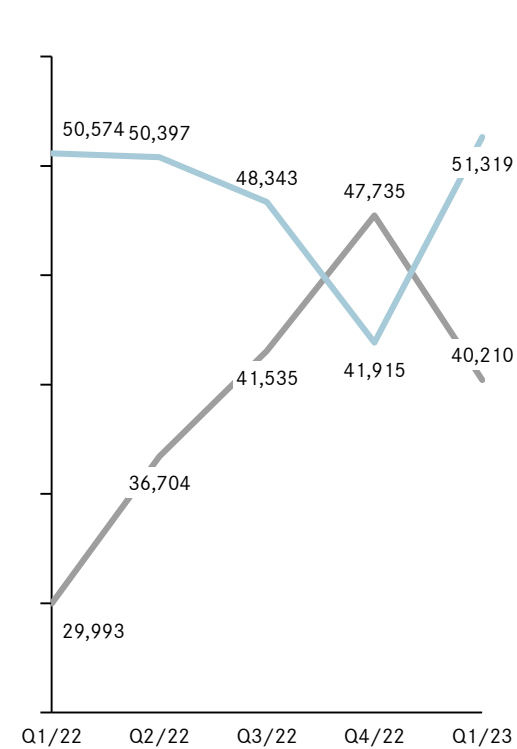
## Trucks North America



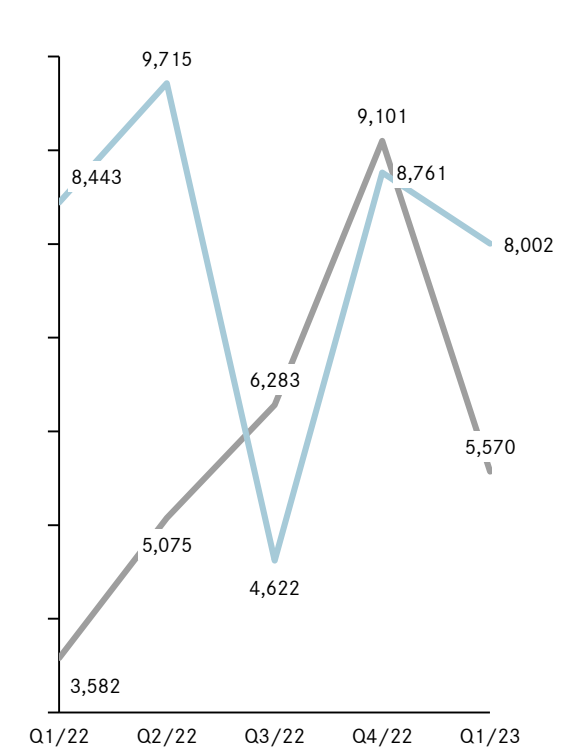
## Mercedes-Benz



## Trucks Asia



## Daimler Buses



BTB RATIO **90%** **53%** **103%** **131%** **70%**

**134%** **87%** **90%** **47%** **95%**

**169%** **137%** **116%** **88%** **128%**

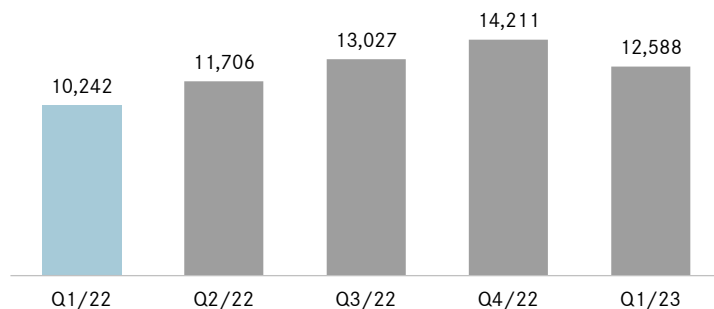
**236%** **191%** **74%** **96%** **144%**

Unit Sales Incoming Orders

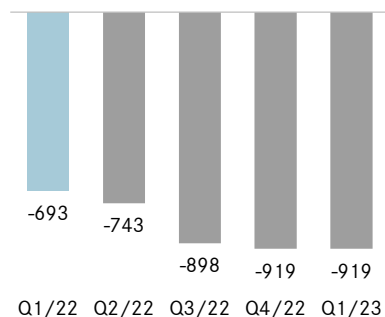
# Q1/22 – Q1/23 IB Performance: Revenue by Segment

in million Euro

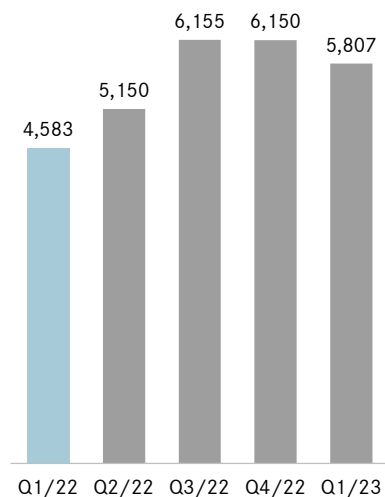
## Daimler Truck Industrial Business



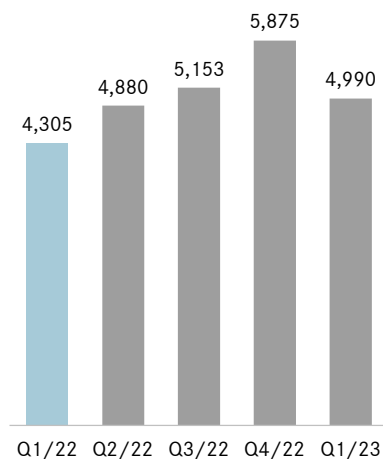
## Reconciliation



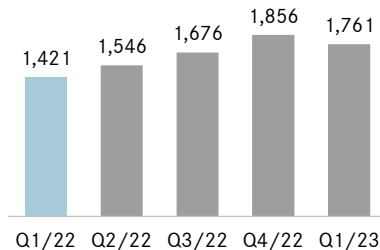
## Trucks North America



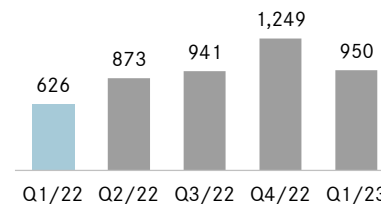
## Mercedes-Benz



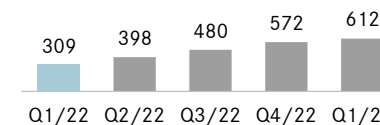
## Trucks Asia



## Daimler Buses



## Financial Services



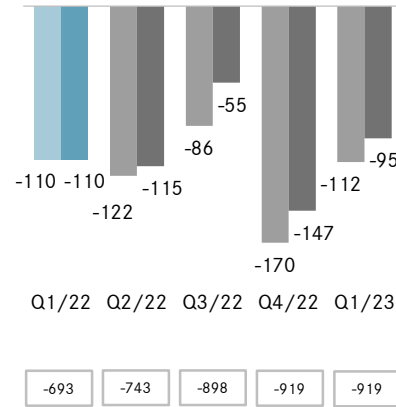
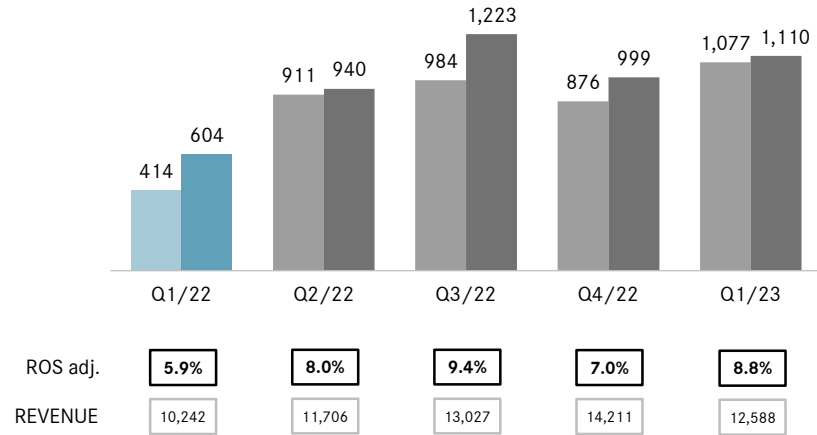
Revenue

# Q1/22 – Q1/23 IB Performance: EBIT by Segment

in million Euro

## Daimler Truck Industrial Business

## Reconciliation



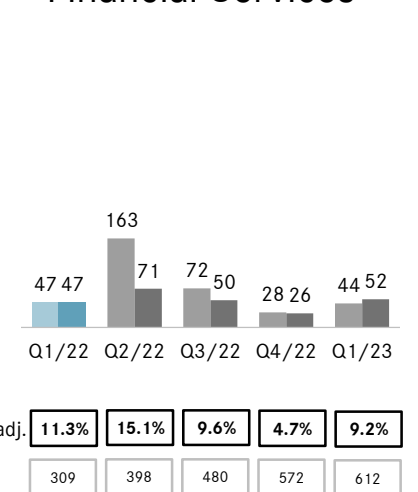
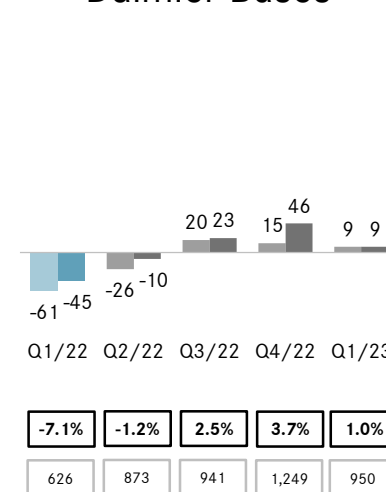
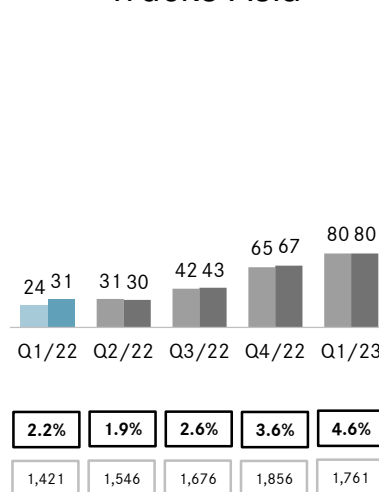
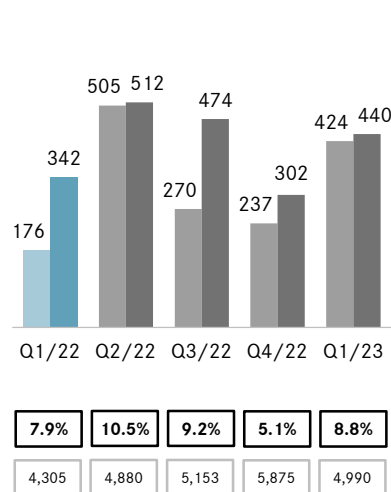
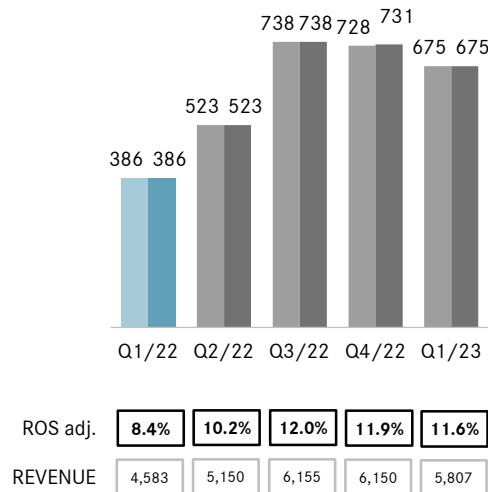
## Trucks North America

## Mercedes-Benz

## Trucks Asia

## Daimler Buses

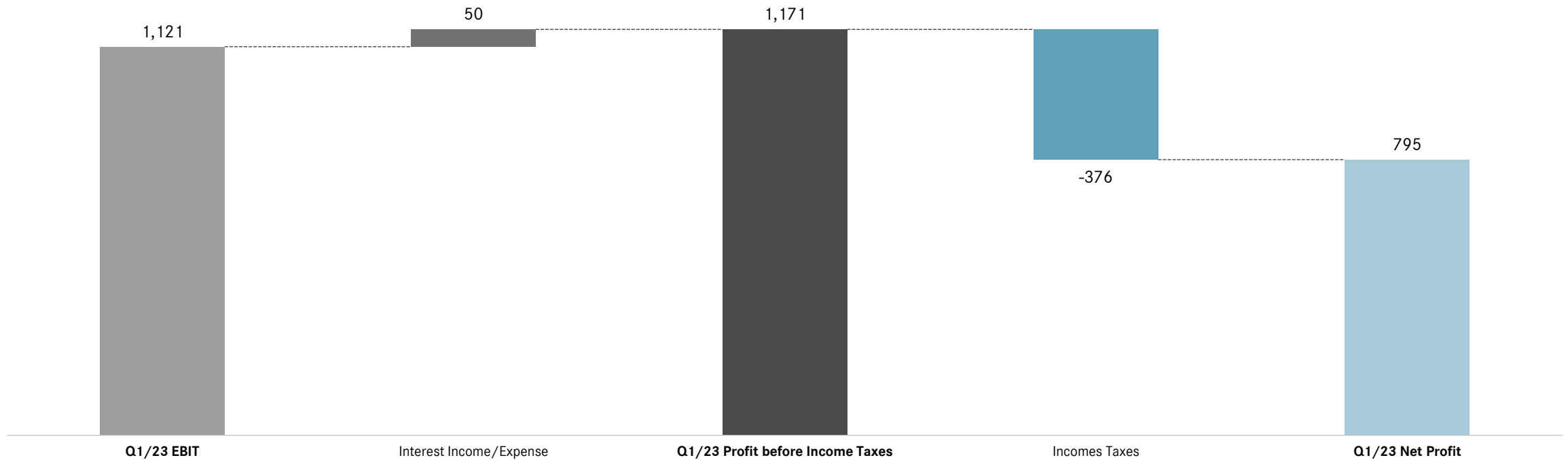
## Financial Services



EBIT EBIT adjusted

# Q1/23 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.*



# Q1/23 EBIT Trucks North America

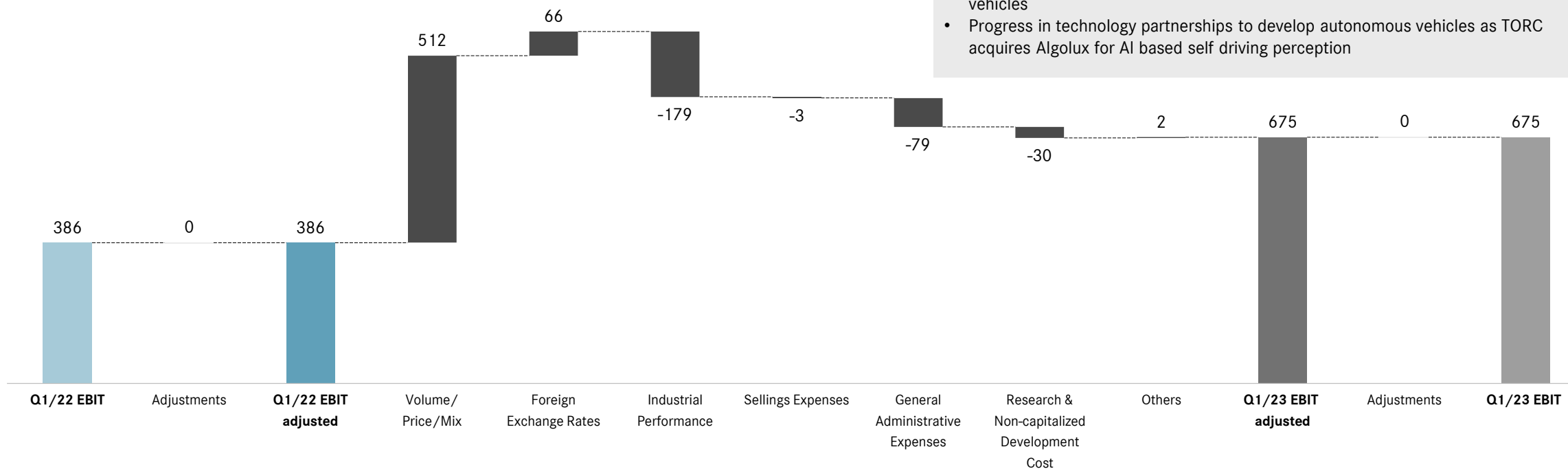
in million Euro

- + Increase in volume and continued realization of pricing surcharge to compensate rising material cost and inflationary effects in production
- + Strong aftermarket daily parts sales year over year

- Continuation of supply chain interruptions
- Inflation as well as higher personnel costs drives increased SG&A

## Key Topics

- 750,000<sup>th</sup> Truck produced at manufacturing plant in Mt. Holly an M2 106 delivered to Miller Industries
- Significant increase of unit sales compared to Q1/2022 and stable run rate vs Q4/2022 while supply chain was still interrupted. Sales converted into solid market share development
- Expansion of DTNA service network as Love's Travel Stops and DTNA partner to serve our customers
- Aftersales performance continuous to stay on high level
- FCCC delivered the first two electric MT50e to Penske Truck Leasing
- Continued investment focus on development of zero emission and autonomous vehicles
- Progress in technology partnerships to develop autonomous vehicles as TORC acquires Algolux for AI based self driving perception



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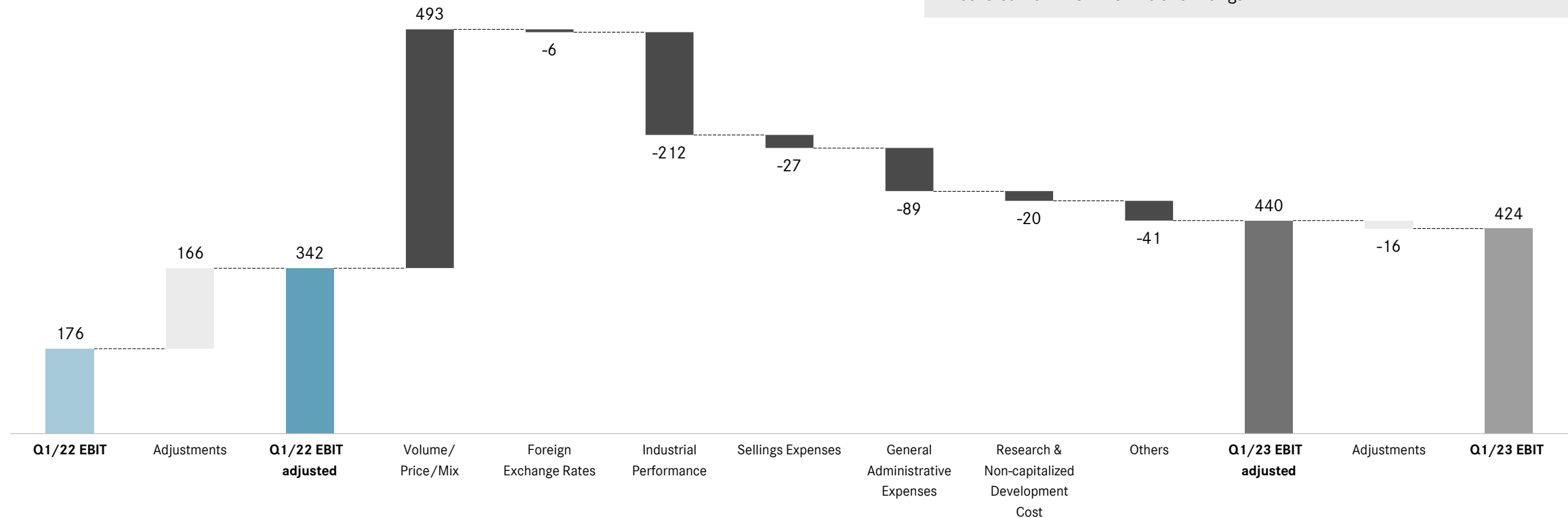
# Q1/23 EBIT Mercedes-Benz

in million Euro

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>+ Strong realization of pricing measures to counter higher material cost</li> <li>+ Strong aftersales result from increased focus on customer experience</li> <li>+ Strong used truck contribution backed by strong market demand</li> </ul> | <ul style="list-style-type: none"> <li>- Inflationary cost increases</li> <li>- Material costs remain at higher level</li> <li>- Brazilian market at low level after introduction of Euro 6 emission regulations</li> </ul> |
|---|---|

## Key Topics

- Slight increase of unit sales driven by strong demand in Europe.
- Aftersales performance, supported by continued customer focus, remains strong during the quarter
- Global Parts Center being built in Halberstadt, Saxony Anhalt, Germany to serve as the central logistic hub for optimized worldwide distribution of Mercedes Benz parts
- Successful testing of the battery electric heavy distribution truck. 3000 kms covered from the Artic Circle to Stuttgart



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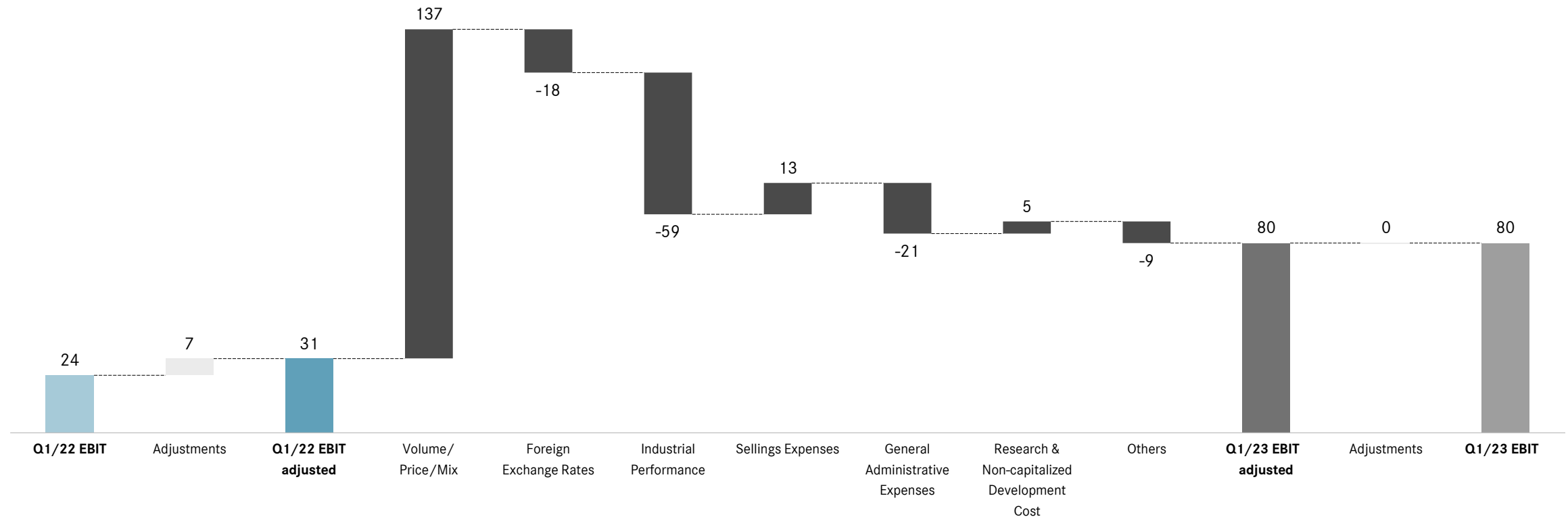
# Q1/23 EBIT Trucks Asia

in million Euro

- + Significant price increases mainly from India and international markets
  - + Positive sales growth especially in Indonesia, Japan and India
  - + Strong aftersales contribution in both Japan and international markets
- Headwinds from RM and constraints on cost especially in Japan

## Key Topics

- Incoming orders continues at 51k units leading to high level of order backlog
- Bharat Benz has strengthened its product offering for the Construction and Mining sector by introducing new 35T Tipper and 55T Trailer



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# Q1/23 EBIT Daimler Buses

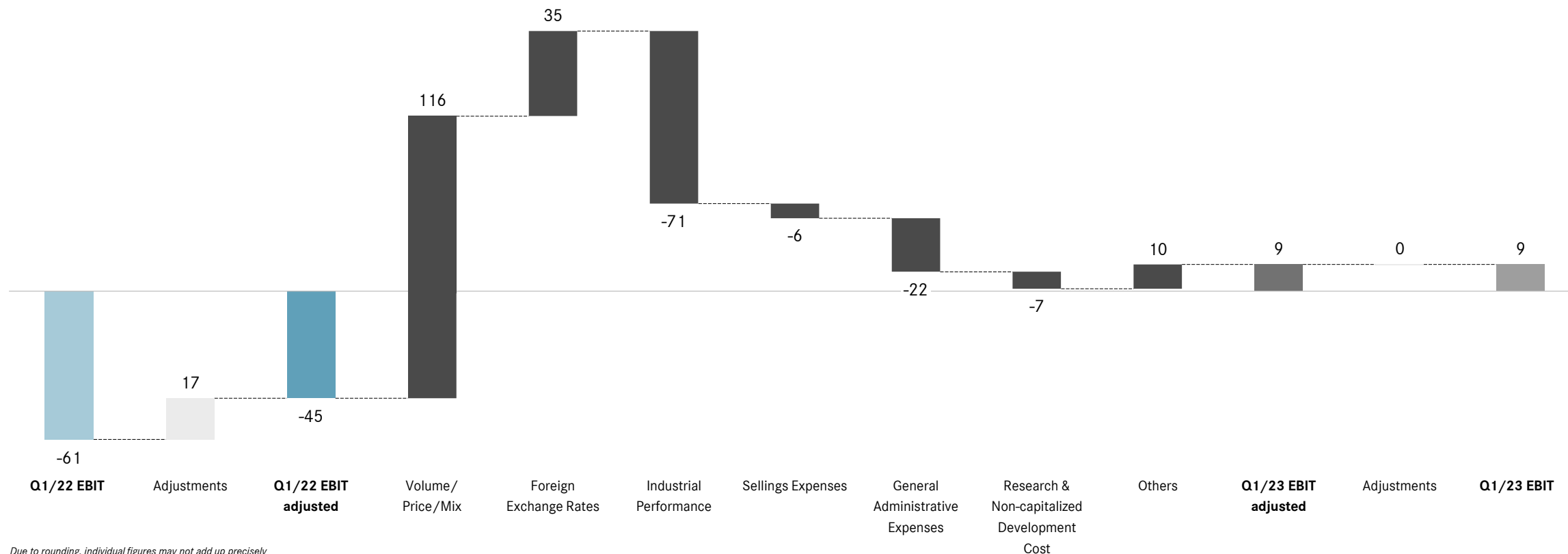
in million Euro

- + Significantly higher unit sales
- + Significant positive impact from net pricing and & strong contribution from aftersales
- + Favorable FX development

- Higher (Raw) material costs
- Headwind from inflationary cost increase (especially headwinds from variable/fixed manpower costs)

## Key Topics

- Significant increase in unit sales
- Ongoing recovery of European coach market and unit sales
- Improved net pricing to counter steer increasing material costs
- Strong performance of aftersales business



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# Q1/23 EBIT Financial Services

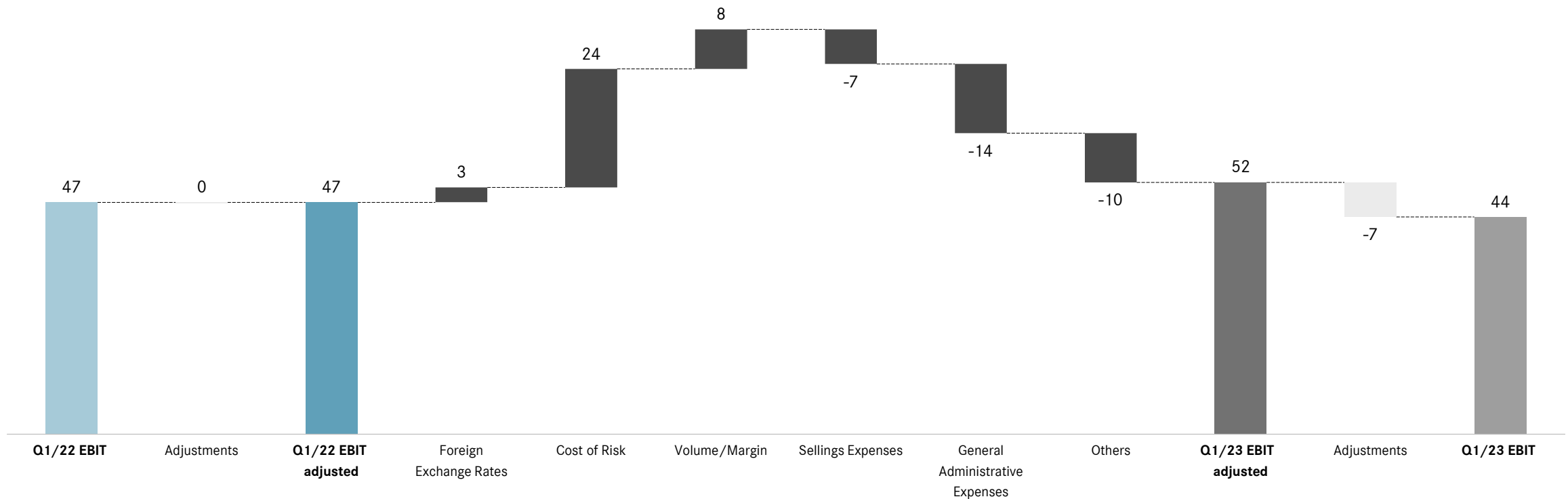
in million Euro

+ Gross profit driven by improved cost of risk situation and higher portfolio volume by additional phase 2 markets

- Higher G&A/selling expenses as baseline effect due to integration of phase 2 markets

## Key Topics

- Daimler Truck Financial Services starts in France
- Launch of insurance cooperation between DTFS and Marsh in the UK & Spain
- 16 out 16 markets live
- Contract volume increase to €24.5 bn. in Q1 2023 driven by new phase 2 markets and North America



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# Capital Structure

in million Euro

	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Group liquidity</b>			
Cash and cash equivalents	6,032	5,944	7,788
Marketable debt securities and similar investments	606	1,145	1,303
<b>Group Gross Liquidity</b>	<b>6,638</b>	<b>7,089</b>	<b>9,092</b>
<b>Total Financing Liabilities</b>	<b>-21,855</b>	<b>-21,421</b>	<b>-23,431</b>
<b>Group Net Debt</b>	<b>-15,218</b>	<b>-14,331</b>	<b>-14,339</b>
<b>Liquidity of the Industrial Business</b>			
Cash and cash equivalents	5,705	5,597	7,315
Marketable debt securities and similar investments	541	1,092	1,281
<b>Gross Liquidity of the Industrial Business</b>	<b>6,245</b>	<b>6,689</b>	<b>8,596</b>
Financing liabilities (nominal)	-86	841	-1,070
<b>Net Liquidity of the Industrial Business</b>	<b>6,159</b>	<b>7,530</b>	<b>7,526</b>
<b>Pension Benefits</b>			
<b>Benefit Obligations</b>	<b>-5,958</b>	<b>-5,903</b>	<b>-5,984</b>
<b>Plan Assets</b>	<b>5,399</b>	<b>5,360</b>	<b>5,438</b>
<b>Funded Status</b>	<b>-559</b>	<b>-543</b>	<b>-546</b>
Funding Ratio	90.6%	90.8%	90.9%

# Definition of Guidance Sensitivities

Guidance KPI	Sensitivities	Definition
EBIT	significant decrease	below -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	below -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	below -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

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## **Forward-looking statements**

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