

# DAIMLER TRUCK



Interim Report Q1 2023

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# Q1 Key Figures for the Group

## A.01

### Key figures Daimler Truck Group

In millions of euros	Q1 2023	Q1 2022	% change
Unit sales	125,172	109,286	+15
Revenue	13,200	10,551	+25 <sup>1</sup>
Revenue of the Industrial Business <sup>2</sup>	12,588	10,242	+23
EBIT	1,121	461	+143
EBIT of the Industrial Business	1,077	414	+160
Adjusted EBIT	1,162	651	+78
Adjusted EBIT of the Industrial Business	1,110	604	+84
Return on sales of the Industrial Business (in %)	8.6	4.0	-
Adjusted return on sales of the Industrial Business (in %)	8.8	5.9	-
Net profit (loss)	795	275	+189
Earnings per share (in euros)	0.90	0.31	+189
Free cash flow of the Industrial Business	168	73	+129
Adjusted free cash flow of the Industrial Business	355	206	+72
Net liquidity of the Industrial Business	7,526	7,530 <sup>4</sup>	-
Investments in property, plant and equipment	155	99	+56
Research and development expenditure	440	386	+14
of which capitalized	34	40	-15
Active workforce <sup>3</sup>	104,255	101,600 <sup>4</sup>	+3

1 Adjusted for the effects of currency translation, the increase in revenue was also 25%.

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

# Q1 Key Figures for the Segments

## A.03

### Q1 Key figures for the Segments

In millions of euros	Q1 2023	Q1 2022	% change
<b>Trucks North America</b>			
Unit sales	48,891	43,477	+12
Revenue	5,807	4,583	+27
EBIT	675	386	+75
Adjusted EBIT	675	386	+75
Return on sales (in %)	11.6	8.4	-
Adjusted return on sales (in %)	11.6	8.4	-
Investment in property, plant and equipment	18	33	-46
Research and development expenditure	158	128	+23
of which capitalized	-	-	-
Active workforce <sup>1</sup>	29,221	27,074 <sup>2</sup>	+8
<b>Mercedes-Benz</b>			
Unit sales	34,492	33,763	+2
Revenue	4,990	4,305	+16
EBIT	424	176	+141
Adjusted EBIT	440	342	+29
Return on sales (in %)	8.5	4.1	-
Adjusted return on sales (in %)	8.8	7.9	-
Investment in property, plant and equipment	102	41	+149
Research and development expenditure	163	152	+7
of which capitalized	21	31	-32
Active workforce <sup>1</sup>	39,408	40,636 <sup>2</sup>	-3
<b>Trucks Asia</b>			
Unit sales	40,210	29,993	+34
Revenue	1,761	1,421	+24
EBIT	80	24	+241
Adjusted EBIT	80	31	+160
Return on sales (in %)	4.6	1.7	-
Adjusted return on sales (in %)	4.6	2.2	-
Investment in property, plant and equipment	17	15	+11
Research and development expenditure	49	49	-
of which capitalized	12	7	+78
Active workforce <sup>1</sup>	16,222	15,777 <sup>2</sup>	+3
<b>Daimler Buses</b>			
Unit sales	5,570	3,582	+55
Revenue	950	626	+52
EBIT	9	-61	-
Adjusted EBIT	9	-45	-
Return on sales (in %)	1.0	-9.8	-
Adjusted return on sales (in %)	1.0	-7.1	-
Investment in property, plant and equipment	13	5	+159
Research and development expenditure	37	31	+20
of which capitalized	1	2	-59
Active workforce <sup>1</sup>	15,062	14,960 <sup>2</sup>	+1
<b>Financial Services</b>			
Revenue	612	309	+98
EBIT	44	47	-6
Adjusted EBIT	52	47	+10
Return on equity (in %)	7.9	11.3	-
Adjusted return on equity (in %)	9.2	11.3	-
New business	2,401	1,568	+53
Contract volume	24,529	24,200 <sup>2</sup>	+1
Active workforce <sup>1</sup>	1,787	1,303 <sup>2</sup>	+37

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 in Q1 at 125,172 (Q1 2022: 109,286) units significantly above prior-year level
- Revenue in Q1 at €13.2 billion (Q1 2022: €10.6 billion)
- Group EBIT in Q1 at €1,121 million (Q1 2022: €461 million); adjusted Group EBIT of €1,162 million (Q1 2022: €651 million)
- Net profit in Q1 at €795 million (Q1 2022: €275 million)
- Free cash flow of the Industrial Business in Q1 at €168 million (Q1 2022: €73 million)
- For 2023 as a whole, unit sales of 510 to 530 thousand units, revenue of €55 bn. to €57 bn. and a significant increase in EBIT is confirmed
- Adjusted return on sales of the Industrial Business of 7.5% to 9% and a slight increase in free cash flow of the Industrial Business is confirmed

## Business Development

The global economy stabilized in the first quarter of 2023. The recovery of the Chinese economy after lifting the zero-COVID policy at the end of 2022, falling energy prices in global markets and the stabilization in the global supply chains compared to the same quarter last year contributed positively to this.

In the USA, the rate of core inflation (price increases excluding energy and food) remained at a high level in the first quarter, while it continued to rise in the eurozone. The Federal Reserve ("Fed") and the European Central Bank ("ECB") therefore continued their restrictive policies in the first quarter. Even some problems in the banking sector did not stop central banks from continuing to fight inflation with further increases in key interest rates.

In the first quarter of 2023, the gross domestic product ("GDP") in the eurozone rose by 1.3% compared to the same period of the previous year. The US economy grew 1.6% on a year-on-year basis in the first quarter, while China's GDP increased significantly at 4.5% year-on-year.

The development of the truck markets in the first quarter of 2023 was characterized by continued high demand: The North American market for heavy-duty trucks (Class 8) grew by more than 32%. The market for heavy-duty trucks in the EU30 region (European Union, United Kingdom, Switzerland, Norway) also showed a very dynamic start in 2023 with a growth of 26% compared to the same quarter of the previous year.

### Group sales significantly above that of the prior year

In the first quarter of 2023, the Daimler Truck Group (hereinafter also referred to as "Daimler Truck" or "Group") sold 125,172 (Q1 2022: 109,286) vehicles worldwide. [➔ B.01](#)

In the first quarter of 2023, the **Trucks North America** segment recorded unit sales of 48,891 (Q1 2022: 43,477) units. The significant increase in unit sales was mainly due to a stable market demand and a slowly improving situation in supply chains. In Mexico, unit sales increased by 29% compared to the same quarter in the prior year with 2,946 units sold. Both Canada (+19%) and the USA (+12%) recorded a significant increase in unit sales.

The **Mercedes-Benz** segment sold 34,492 (Q1 2022: 33,763) vehicles in the first quarter of 2023. The slight increase in unit sales was mainly due to improved supply chains in the EU30 region, where unit sales increased by 19% to 20,834 units. In contrast, in Brazil, our main market in Latin America, we recorded a significant decrease in unit sales of 70% to 2,093 units due to introduction of the Euro VI emission standard.

Unit sales in the **Trucks Asia** segment increased significantly by 34% to 40,210 trucks in the first quarter of 2023, mainly due to strong market demand and an improved situation in supply chains. We achieved a significant increase in unit sales in Indonesia with 9,535 (Q1 2022: 6,608) trucks, in India with 7,319 (Q1 2022: 5,251) trucks and in Japan with 9,184 (Q1 2022: 6,716) vehicles.

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 19,575 (Q1 2022: 15,788) units, when compared to the same quarter in the previous year. The improvement of unit sales was mainly due to the market recovery in China from the low level of the prior year.

In the first quarter of 2023, the **Daimler Buses** segment sold 5,570 (Q1 2022: 3,582) units. The significant increase in unit sales resulted mainly due to market recovery in the EU30 region, where a significant increase in unit sales by 89% to 1,467 units occurred and in Brazil, our main market in Latin America, by 87% to 2,400 units. In addition, we were able to increase our unit sales in Mexico by 13% to 607 units compared to the prior year.

**B.01****Unit sales<sup>1</sup>**

	Q1 2023	Q1 2022	% change
Daimler Truck Group	125,172	109,286	+15
Trucks North America	48,891	43,477	+12
Mercedes-Benz	34,492	33,763	+2
Trucks Asia	40,210	29,993	+34
Daimler Buses	5,570	3,582	+55

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

In the first quarter of 2023, the **Financial Services** segment concluded new financing and leasing contracts with a total value of €2.4 billion (+53%). Due to the new markets added in 2022, new business in the Europe and South America region increased particularly strongly (+269%). In addition, both the North America (+15%) and Asia (+23%) regions recorded significant increases. At the end of March 2023, the contract volume was €24.5 billion was above the level at the end of the previous year (+1%). This growth can be attributed to the expansion of business in all regions. Even adjusted for exchange rate effects, the contract volume grew compared to the end of the previous year (+2%).

**Investments in property, plant and equipment** of the Daimler Truck Group amounted to €155 million in the first quarter of 2023 (Q1 2022: €99 million).

**Research and development expenditure** including capitalizations amounted to €440 million in the first quarter (Q1 2022: €386 million).

## Important Events

### **Mercedes-Benz Trucks sets up central logistics hub for the global supply of spare parts**

As the heart of Daimler Truck's global supply of spare parts, a completely new logistics hub, the Global Parts Center, will be built in Halberstadt, Saxony-Anhalt. The new logistics hub will deliver up to 300,000 different items to almost 3,000 vehicle dealers in over 170 countries around the world. The start of construction is planned for 2023. It is planned that the Global Parts Center will operate CO<sub>2</sub>-neutrally from inception.

### **Daimler Truck is taking efficiency to the next level: The Freightliner SuperTruck II**

Daimler Truck North America ("DTNA") revealed the Freightliner SuperTruck II in Las Vegas. The concept vehicle was developed as part of the SuperTruck program co-funded by the U.S. Department of Energy, which aims to reduce emissions in road freight transport. As part of the SuperTruck program, DTNA engineers carry out research in next-generation heavy-duty commercial truck technologies.

### **Daimler Truck and DEUTZ agree to collaborate on medium-duty and heavy-duty diesel engines**

Daimler Truck has entered into a cooperation with DEUTZ, where DEUTZ acquired the on-highway IP rights to medium-duty Daimler Truck engines for further independent development, including for off-road use, for example in agriculture or in construction machinery. In addition, DEUTZ acquired the license rights to further develop heavy-duty Daimler Truck engines and sell them independently. As compensation, Daimler Truck received shares from a non-cash share issue. Daimler Truck now holds 4.19% in DEUTZ AG's share capital. In addition, a cash payment was agreed.

### **FUSO Canter celebrates its 60th anniversary**

FUSO, the Japanese subsidiary of Daimler Truck and one of Asia's leading commercial vehicle manufacturers, is celebrating the 60th anniversary of its Canter light truck. Since its market launch in 1963, more than 4.5 million FUSO Canters have been produced worldwide. Today, the globally popular FUSO Canter is represented in more than 90 markets.

### **Daimler Truck Financial Services starts in France**

Daimler Truck Financial Services completed its initial global rollout with the commencement of operations in France and is now doing business in 16 markets worldwide. The company started in December 2021 in seven countries and opened business in nine additional markets in only 15 months. With a contract volume of €24.5 billion, Daimler Truck Financial Services is one of the world's largest financial services providers for commercial vehicles.

### **Daimler Buses introduces recently developed Setra Low Entry inter-city buses**

The completely redeveloped Setra MultiClass 500 LE sets new standards in Low Entry inter-city buses. The MultiClass 500 LE range includes public transport bus models with lengths from 10.51 to 14.52 meters, with two or three axles. They cover applications ranging from peri-urban to long-distance inter-city transport in sparsely populated regions.

### **eActros 300 as a tractor unit in field test: From the Arctic Circle to Stuttgart**

Development and test engineers from Mercedes-Benz Trucks subjected the eActros 300 to field tests covering a distance of around 3,000 kilometers. At temperatures of down to minus 25 degrees Celsius, the focus was not only on handling on icy and snow-covered roads, but also on the starting behaviour and cold protection of the drive components, software and interfaces. The eActros is scheduled to go into series production as a tractor unit in the fall of this year.



The most aerodynamic Freightliner truck of all time: The Freightliner SuperTruck II.

# 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 quarter of 2023

**Revenue** of the Daimler Truck Group amounted to €13.2 billion in the first quarter of 2023 and was significantly above that of the same quarter in the prior year (Q1 2022: €10.6 billion). Adjusted for positive exchange-rate effects, unit sales were also 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, increased unit sales of the automotive segments and improvement in the aftersales business. [↗ B.02](#)

At €10.4 billion (Q1 2022: €8.7 billion), the **cost of sales** was significantly higher than in the same quarter of the previous year, mainly due to the increased unit sales volume and higher material costs. [↗ B.02](#)

**Selling expenses** decreased to €681 million (Q1 2022: €767 million) due to the special effect in the prior-year quarter from the impairment of trade receivables in connection with the Russia-Ukraine war. [↗ B.02](#)

**General administrative expenses** increased to €595 million (Q1 2022: €370 million), mainly as a result of higher personnel and IT costs. [↗ B.02](#)

**Research and non-capitalized development costs** increased to €405 million (Q1 2022: €346 million) due to higher investments in automated and emission-free driving. [↗ B.02](#)

**Other operating income** amounted to €107 million (Q1 2022: €132 million) in the first quarter of 2023. This included income from the equity consideration arising from the sale of on-highway IP rights to medium-duty Daimler Truck engines to DEUTZ AG. [↗ B.02](#)

The **profit on equity-method investments, net**, in the first quarter of 2023 of minus €19 million was above that of the same quarter in the prior year (Q1 2022: minus €95 million). This development was mainly due to the impairment of the carrying amount of equity-method investment of Daimler Kamaz Truck Holding GmbH (“DKTH”) in the first quarter of 2022. [↗ B.02](#)

**EBIT** amounted to €1,121 million in the first quarter of 2023 (Q1 2022: €461 million) and was significantly above that of the same quarter in the prior year. The adjusted EBIT of the Daimler Truck Group of €1,162 million (Q1 2022: €651 million) was significantly above that of the same quarter in the prior year. [↗ B.02](#)

In the first quarter of 2023, an expense of €376 million (Q1 2022: Expense €184 million) was recognized under **income taxes**. The effective tax rate was 32.1% (Q1 2022: 40.1%).



In the prior-year's quarter, permanent differences and the non-recognition of deferred tax assets on temporary differences increased the effective tax rate. [↗ B.02](#)

**Net profit** of €795 million for the first quarter of 2023 was significantly above the prior-year's quarter (Q1 2022: €275 million). Of the net profit, €58 million (Q1 2022: €18 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 €737 million (Q1 2022: €257 million). **Earnings per share** amounted to €0.90 (Q1 2022: €0.31). [↗ 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. Table [↗ B.03](#) shows the composition of EBIT for the Industrial Business.

## B.02

### Condensed Consolidated Statement of Income

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
In millions of euros						
Revenue	13,200	10,551	12,588	10,242	612	309
Cost of sales	-10,425	-8,662	-9,955	-8,459	-470	-203
<b>Gross profit</b>	<b>2,775</b>	1,889	<b>2,633</b>	1,784	<b>142</b>	106
Selling expenses	-681	-767	-649	-743	-32	-24
General administrative expenses	-595	-370	-539	-331	-56	-39
Research and non-capitalized development costs	-405	-346	-405	-346	-	-
Other operating income/expense	107	132	116	127	-9	5
Profit/loss on equity-method investments, net	-19	-95	-19	-95	-	-
Other financial income/expense, net	-61	18	-60	19	-1	-1
<b>EBIT</b>	<b>1,121</b>	461	<b>1,077</b>	414	<b>44</b>	47
Interest income/expense, net	50	-2	50	-1	-1	-1
<b>Profit before income taxes</b>	<b>1,171</b>	459	<b>1,127</b>	413	<b>44</b>	46
Income taxes	-376	-184	-352	-170	-24	-14
<b>Net profit</b>	<b>795</b>	275	<b>775</b>	243	<b>20</b>	32
thereof attributable to non-controlling interests	58	18				
thereof attributable to the shareholders of Daimler Truck Holding AG	737	257				
<b>Earnings per share (in euros)</b> based on profit attributable to the shareholders of Daimler Truck Holding AG						
Basic and diluted	0.90	0.31				

## B.03

### EBIT of the Industrial Business

	Industrial Business		Trucks		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
In millions of euros												
Revenue	12,588	10,242	5,807	4,583	4,990	4,305	1,761	1,421	950	626	-920	-693
Cost of sales	-9,955	-8,459	-4,697	-3,874	-3,921	-3,501	-1,432	-1,153	-812	-568	907	637
<b>Gross profit</b>	<b>2,633</b>	1,784	<b>1,110</b>	710	<b>1,069</b>	803	<b>329</b>	269	<b>137</b>	57	<b>-13</b>	-55
Selling expenses	-649	-743	-91	-88	-370	-448	-152	-173	-64	-58	29	24
General administrative expenses	-539	-331	-210	-130	-195	-103	-79	-59	-56	-49	-	10
Research and non-capitalized development costs	-405	-346	-158	-128	-142	-121	-37	-42	-36	-28	-33	-26
Other income/expense	37	51	24	23	61	45	20	28	27	17	-95	-63
<b>EBIT</b>	<b>1,077</b>	414	<b>675</b>	386	<b>424</b>	176	<b>80</b>	24	<b>9</b>	-61	<b>-112</b>	-110

### Segment EBIT for the first quarter of 2023

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

- + Improved net pricing
- + Improvement in the aftersales business
- + Non-recurrence of the impairment losses in connection with the Russia-Ukraine war from the first quarter of 2022 (adjusted as M&A transaction)
- Inflation-related cost increases, especially in material costs and higher personnel costs
- Decrease in sales market in Brazil due to the introduction of Euro VI emission standard

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

- Expenses in connection with the spin-off of €16 million (Q1 2022: €161 million) (M&A transaction)

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

- + Significantly increased sales volume, especially in the regions Indonesia, Japan and India
- + Improved net pricing
- + Improvement in the aftersales business
- Increased material costs

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

- + Significantly increased sales volume, especially in the region EU30 and Latin America
- + Improved net pricing
- + Positive effects from exchange rates
- + Improvement in the aftersales business
- Inflation-related cost increases, especially in material costs and higher personnel costs

The following key developments took place at the **Financial Services** segment:

- + Improvement in the operating result from financing and leasing business due to a higher contract volume
- + Lower credit risk costs, particularly in Europe and Mexico
- Higher cost base due to the integration of the newly added markets
- Negative effects of hyperinflation in Turkey and Argentina

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

- Expenses primarily related to the acquisition of the Financial Services business in the Europe & South America region in the amount of €7 million (previous year €0 million) (M&A transaction)

The EBIT in **reconciliation** was minus €112 million (Q1 2022: minus €111 million). The adjustments of €17 million (Q1 2022: €0 million) in the first quarter of 2023 included expenses in connection with the spin-off (M&A transaction).

The reconciliation from EBIT to adjusted EBIT is shown in table

➤ **B.04.**

**B.04**

**Reconciliation EBIT to adjusted EBIT for the three-month period ended 31 March**

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Recon- ciliation	Daimler Truck Group
In millions of euros							
<b>Q1 2023</b>							
<b>EBIT</b>	<b>675</b>	<b>424</b>	<b>80</b>	<b>9</b>	<b>44</b>	<b>-112</b>	<b>1,121</b>
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	-	-	-	-	-	-
M&A transactions	-	16	-	-	7	17	41
<b>Adjusted EBIT</b>	<b>675</b>	<b>440</b>	<b>80</b>	<b>9</b>	<b>52</b>	<b>-95</b>	<b>1,162</b>
<b>Return on sales/return on equity (in %)</b>	<b>11.6</b>	<b>8.5</b>	<b>4.6</b>	<b>1.0</b>	<b>7.9</b>	<b>-</b>	<b>-</b>
<b>Adjusted return on sales/return on equity (in %)<sup>1</sup></b>	<b>11.6</b>	<b>8.8</b>	<b>4.6</b>	<b>1.0</b>	<b>9.2</b>	<b>-</b>	<b>-</b>
<b>Q1 2022</b>							
<b>EBIT</b>	386	176	24	-61	47	-111	461
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	5	-	15	-	-	21
M&A transactions	-	161	7	1	-	-	170
<b>Adjusted EBIT</b>	386	342	31	-45	47	-111	651
<b>Return on sales/return on equity (in %)</b>	8.4	4.1	1.7	-9.8	11.3	-	-
<b>Adjusted return on sales/return on equity (in %)<sup>1</sup></b>	8.4	7.9	2.2	-7.1	11.3	-	-

<sup>1</sup> 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.05** in the first quarter of 2023 amounted to €0.3 billion (Q1 2022: €0.1 billion). Profit before income taxes was significantly higher than prior year. The positive development of the result was mainly due to the continued improved net pricing of 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 quarter of 2023. This was mainly due to an increase in finished goods due to higher production activity, as well as the increase in trade receivables. The increase in trade payables, on the other hand, slightly compensated for the negative effect.

The increase in receivables from financial services, mainly due to new business, 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.

**The cash flows from investing activities** ↗ **B.05** resulted in a cash outflow of €0.4 billion (Q1 2022: cash outflow of €0.2 billion). The change in Q1 2023 resulted mainly from the acquisition and sale of mutual funds.

### B.05

#### Condensed consolidated statement of cash flows

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
In millions of euros						
<b>Cash and cash equivalents at beginning of period</b>	<b>5,944</b>	7,244	<b>5,597</b>	6,904	<b>347</b>	340
Profit before income taxes	<b>1,171</b>	459	<b>1,127</b>	413	<b>44</b>	46
Depreciation and amortization/impairments	<b>281</b>	272	<b>277</b>	269	<b>4</b>	3
Other non-cash expense and income and gains/losses on disposals of assets	<b>18</b>	102	<b>-3</b>	94	<b>21</b>	8
Change in operating assets and liabilities						
Inventories	<b>-956</b>	-1,012	<b>-942</b>	-1,014	<b>-14</b>	2
Trade receivables	<b>-205</b>	270	<b>-474</b>	170	<b>269</b>	100
Trade payables	<b>390</b>	769	<b>348</b>	707	<b>42</b>	62
Receivables from financial services	<b>-625</b>	-446	<b>18</b>	-	<b>-643</b>	-446
Vehicles on operating leases	<b>-45</b>	31	<b>80</b>	50	<b>-126</b>	-19
Other operating assets and liabilities	<b>387</b>	-202	<b>227</b>	-284	<b>160</b>	83
Income taxes paid	<b>-124</b>	-184	<b>-87</b>	-147	<b>-36</b>	-37
<b>Cash flows from operating activities</b>	<b>291</b>	60	<b>571</b>	257	<b>-280</b>	-197
Additions to property, plant and equipment and intangible assets	<b>-203</b>	-157	<b>-197</b>	-148	<b>-6</b>	-9
Investments in shareholdings and proceeds from disposal of shareholders	<b>-82</b>	-82	<b>-82</b>	-82	<b>-</b>	-
Acquisitions and disposal of marketable debt securities and similar investments	<b>-159</b>	-10	<b>-181</b>	-9	<b>21</b>	-1
Other	<b>23</b>	60	<b>11</b>	57	<b>13</b>	3
<b>Cash flows from investing activities</b>	<b>-422</b>	-189	<b>-449</b>	-182	<b>28</b>	-7
Change in financing liabilities	<b>2,095</b>	-303	<b>1,836</b>	-197	<b>259</b>	-106
Transactions with the Mercedes-Benz Group	<b>-</b>	-21	<b>-</b>	23	<b>-</b>	-44
Dividends paid to non-controlling interests	<b>-76</b>	-20	<b>-76</b>	-20	<b>-</b>	-
Internal equity and financing transactions	<b>-</b>	-	<b>-121</b>	-259	<b>121</b>	259
<b>Cash flows from financing activities</b>	<b>2,019</b>	-344	<b>1,639</b>	-454	<b>380</b>	110
Effect of foreign exchange-rate changes on cash and cash equivalents	<b>-44</b>	80	<b>-43</b>	73	<b>-1</b>	7
<b>Cash and cash equivalents at end of period</b>	<b>7,788</b>	6,851	<b>7,315</b>	6,598	<b>473</b>	253

The cash flows from financing activities [↗ B.05](#) resulted in a cash inflow of €2.0 billion (Q1 2022: cash outflow of €0.3 billion). The change compared with Q1 2022 resulted mainly from borrowing on the international money and capital markets in the amount of €1.7 billion. Debt financing was provided by issuing bonds in the USA. In addition, the issuance of commercial papers led to a cash inflow of €0.2 billion.

## B.06

### Free cash flow of the Industrial Business

	Q1 2023	Q1 2022	Change
In millions of euros			
Cash provided by operating activities	571	257	+314
Cash used for investing activities	-449	-182	-267
Change in marketable debt securities and similar investments	181	9	+172
Right-of-use assets	-120	-21	-99
Other adjustments	-14	10	-25
<b>Free cash flow of the Industrial Business</b>	<b>168</b>	<b>73</b>	<b>+95</b>
Legal proceedings (and related measures)	-	-	-
Restructuring measures	119	111	+8
M&A transactions	68	22	+46
<b>Adjusted free cash flow of the Industrial Business</b>	<b>355</b>	<b>206</b>	<b>+149</b>

### 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.06](#) which is derived from the published 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. Conversely, the effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the Industrial Business.

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 quarter of 2023, the **free cash flow of the Industrial Business** resulted in a cash inflow of €0.2 billion (Q1 2022: €0.1 billion). The increase in the first quarter of 2023 was impacted by the following factors:

- + higher profitability, driven by positive revenue development attributable to improved net pricing, increased unit sales in the automotive segments, and a positive development in the aftersales business.
- a significant increase in working capital due to higher production activity and increased receivables. Higher trade payables had a compensating effect.
- higher factoring activity at the end of the 2022 financial year compared to the prior year led to a reduction in free cash flow in the first quarter of 2023.
- as planned, capital expenditure on plant and equipment was significantly higher than in the same period of the prior year.

For a more transparent presentation of the ongoing business, the Group identifies and reports an **adjusted free cash flow of the Industrial Business** [↗ B.06](#). Most of the adjustments are a result of restructuring activities, which increased only slightly when compared to the same quarter of the previous year. The adjusted free cash flow of the Industrial Business led to a cash inflow of €0.4 billion (Q1 2022: € 0.2 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, as well as eliminations between the segments. The other reconciling items are items attributable to the Industrial Business but for which the segments are not responsible. Table [↗ B.07](#) shows the reconciliation of the CFBIT to the free cash flow of the Industrial Business.

**B.07****Reconciliation from CFBIT to the free cash flow of the Industrial Business**

	Q1 2023	Q1 2022
In millions of euros		
<b>CFBIT of the Industrial Business</b>	<b>178</b>	200
Income taxes paid/refunded	-87	-147
Interest paid/received	130	25
Other reconciling Items	-53	-5
<b>Free cash flow of the Industrial Business</b>	<b>168</b>	73

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. Table [7 B.08](#) shows the composition of CFBIT for the Daimler Truck Industrial Business. Table [7 B.09](#) shows the reconciliation from CFBIT to **adjusted CFBIT** and the **adjusted cash conversion rate** for the Industrial Business.

An adjusted cash conversion rate of 0.3 was achieved for the Industrial Business of the Daimler Truck Group. This is lower than the prior year, which was 0.6.

**B.08****CFBIT**

	Industrial Business	
	Q1 2023	Q1 2022
In millions of euros		
<b>EBIT</b>	<b>1,077</b>	414
Change in working capital	-1,069	-137
Net financial investments	-78	-82
Net investments in property, plant and equipment and intangible assets	-292	-134
Depreciation and amortization/impairments	277	269
Other	262	-130
<b>CFBIT</b>	<b>178</b>	200

**B.09****Reconciliation CFBIT to adjusted CFBIT**

	Industrial Business	
	Q1 2023	Q1 2022
In millions of euros		
<b>CFBIT</b>	<b>178</b>	200
Legal proceedings (and related measures)	-	-
Restructuring measures	119	111
M&A transactions	68	22
<b>Adjusted CFBIT</b>	<b>365</b>	332
<b>Adjusted EBIT</b>	<b>1,110</b>	604
<b>Adjusted cash conversion rate<sup>1</sup></b>	<b>0.3</b>	0.6

<sup>1</sup> The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

The **net liquidity of the Industrial Business** [7 B.10](#) 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 €1.7 billion in the USA.

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 capital markets. Overall, net liquidity of the Industrial Business remained at the same level as December 31, 2022.

**B.10****Net liquidity of the Industrial Business**

	Mar. 31, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	7,315	5,597	+1,718
Marketable debt securities and similar investments	1,281	1,092	+190
<b>Liquidity</b>	<b>8,596</b>	6,689	+1,907
Financing receivables/liabilities	-547	1,423	-1,970
Market valuation and currency hedges for financing liabilities	-523	-582	+59
<b>Financing receivables/liabilities (nominal)</b>	<b>-1,070</b>	841	-1,911
<b>Net liquidity</b>	<b>7,526</b>	7,530	-4

The net debt for the Group of €14.3 billion, which arises primarily from refinancing the leasing and sales-financing business, remained constant compared to December 31, 2022.

### ➤ B.11

#### B.11

##### Net debt of the Daimler Truck Group

	Mar. 31, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	7,788	5,944	+1,844
Marketable debt securities and similar investments	1,303	1,145	+158
<b>Liquidity</b>	<b>9,092</b>	<b>7,089</b>	<b>+2,002</b>
Financing liabilities	-22,908	-20,839	-2,069
Market valuation and currency hedges for financing liabilities	-523	-582	+58
<b>Financing liabilities (nominal)</b>	<b>-23,431</b>	<b>-21,421</b>	<b>-2,010</b>
<b>Net debt</b>	<b>-14,339</b>	<b>-14,331</b>	<b>-8</b>

### Refinancing

In the first quarter of 2023, the Daimler Truck Group successfully issued **bonds** on the international money and capital markets of €1.7 billion. The benchmark bonds (bonds with high nominal volumes) issued in the first quarter of 2023 are shown in table ➤ B.12.

#### B.12

##### Benchmark issuances

Issuer	Volume	Month of Issuance	Maturity
Daimler Truck Finance North America LLC	650 Mio. US\$	Jan. 2023	Jan. 2025
Daimler Truck Finance North America LLC	650 Mio. US\$	Jan. 2023	Jan. 2026
Daimler Truck Finance North America LLC	500 Mio. US\$	Jan. 2023	Jan. 2028

## Financial Position

**Total assets** increased from €64.0 billion in December 31, 2022 to €67.2 billion. Currency-adjusted, an increase of €3.8 billion was recorded. Partly offsetting this, the increase includes a minus €0.5 billion effect from currency translation. Financial Services accounted for €25.8 billion of total assets (December 31, 2022: €25.5 billion). At 53.2%, 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 33.2% the share of current liabilities as a proportion of the balance sheet total is also above the level of the prior year (December 31, 2022: 32.8%).

Table **7 B.13** shows the Condensed Consolidated Statement of Financial Position for the Daimler Truck Group as well as the Industrial Business and Financial Services.

### B.13

#### Condensed Consolidated Statement of Financial Position

	Daimler Truck Group		Industrial Business		Financial Services	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
In millions of euros						
<b>Assets</b>						
Intangible assets	2,765	2,779	2,721	2,735	45	44
Property, plant and equipment	7,908	7,993	7,842	7,928	67	65
Equipment on operating leases	4,416	4,433	3,516	3,617	900	816
Receivables from financial services	22,851	22,425	-	-	22,851	22,425
Equity-method investments	1,090	1,073	1,090	1,073	-	-
Inventories	9,673	8,815	9,627	8,782	46	33
Trade receivables	4,857	4,682	4,700	4,260	156	422
Cash and cash equivalents	7,788	5,944	7,315	5,597	473	347
Marketable debt securities and similar investments	1,303	1,145	1,281	1,092	22	53
thereof current	1,281	1,124	1,281	1,092	-	32
thereof non-current	23	21	-	-	22	21
Other financial assets	1,517	1,505	866	702	651	803
Other assets	3,078	3,175	2,515	2,637	563	537
<b>Total</b>	<b>67,247</b>	<b>63,969</b>	<b>41,472</b>	<b>38,424</b>	<b>25,775</b>	<b>25,545</b>
<b>Equity and liabilities</b>						
Equity	21,228	20,606	18,971	18,388	2,257	2,218
Provisions	6,124	6,096	5,991	5,954	133	142
Financing liabilities	22,908	20,839	547	-1,422	22,361	22,262
thereof current	8,129	7,511	-3,981	-4,856	12,110	12,367
thereof non-current	14,779	13,328	4,528	3,433	10,251	9,895
Trade payables	5,634	5,317	5,544	5,267	90	50
Other financial liabilities	4,854	4,826	4,255	4,288	599	538
Contract and refund liabilities	4,000	3,811	4,000	3,811	-	-
Other liabilities	2,498	2,474	2,164	2,139	334	335
<b>Total</b>	<b>67,247</b>	<b>63,969</b>	<b>41,472</b>	<b>38,424</b>	<b>25,775</b>	<b>25,545</b>



The increase in total assets was primarily reflected 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 quarter of 2023 amount to €34 million (Q1 2022: €40 million) which represents a share of 7.7% (Q1 2022: 10.4%) in the Group's total research and development activities.

**Property, plant and equipment** (including right-of-use assets) amount to €7.9 billion (December 31, 2022: €8.0 billion), slightly below the prior-year level. Investments in property, plant and equipment increased from €99 million to €155 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 quarter of 2023, the German sites accounted for investments in property, plant and equipment of €77 million (December 31, 2022: €38 million).

**Equipment on operating leases and receivables from financial services** increased to €27.3 billion (December 31, 2022: €26.9 billion), primarily due to new business and exchange-rate effects. The share of the leasing and sales financing business of 40.5% of total assets was below that of the prior year (December 31, 2022: 42.0%).

At € 7.8 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 bonds in the amount of €1.7 billion.

**Inventories** increased from €8.8 billion to €9.7 billion. This is due to an increase in finished goods due to higher manufacturing activity.

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

The Group's **equity** increased from €20.6 billion as at December 31, 2022 to €21.2 billion. The largest impact resulted from the Group's net profit of €0.8 billion; partly offset by the effect from currency translation of minus €0.1 billion.

While total assets increased by 5%, equity increased by 3% compared to the prior year. Consequently, the Group's **equity ratio** of 31.6% was below that of the prior year (December 31, 2022: 32.2%); the equity ratio for the Industrial Business was 45.7% (December 31, 2022: 47.9%).

**Financing liabilities** increased to €22.9 billion (December 31, 2022: €20.8 billion). The increase was mainly due to borrowing on the international money and capital markets in the amount €1.7 billion.

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 Annual Report 2022 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 excessive intervention by the central banks could lead to significant distortions in the financial and sales markets.

The first quarter of 2023 was driven by strong demand and at the same time overall global economic development has stabilized. Continued high demand in the truck markets over the rest of the year could have a positive impact on Daimler Truck's earnings, which is why the probability of occurrence of the general market opportunity changed from low to medium. In addition, a further easing in the global supply chains could also have a positive effect on the earnings of Daimler Truck, which is why the probability of occurrence of the production and technology opportunity has also changed from low to medium.

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

Although the Chinese economy recovered more quickly than expected at the beginning of the year, our growth forecast for the global economy remains at the level of 2%, in line with our outlook for 2023 in the combined management report of the 2022 Annual Report. The 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 eurozone, we expect slight economic growth up to 1% 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 now around 5.5%.

For the US economy, we currently expect growth of around 1% 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 4.5%.

The following table [↗ B.14](#) shows our current forecast key figures for the 2023 financial year.

### B.14

#### Forecast key figures Daimler Truck

	2022 Combined Management Report Outlook for 2023	Q1 2023 Updated outlook for 2023	Explanations of the change in the outlook
<b>Market for heavy-duty trucks</b>			
North America - in thousand of units -	280 to 320	-	
EU30 - in thousand of units -	280 to 320	-	
<b>Group</b>			
Revenue	€55 bn. to €57 bn.	-	
EBIT	significant increase	-	
Adjusted EBIT	significant increase	-	
Investments in Property, plant and equipment	on prior year level	-	
Research and development expenditure (including capitalized development costs)	on prior year level	-	
<b>Industrial Business</b>			
Unit Sales - in thousand of units -	510 to 530	-	
Revenue	€53 bn. to €55 bn.	-	
Adjusted return on sales	7.5% to 9%	-	
Free cash flow	slight increase	-	
<b>Trucks North America</b>			
Unit sales - in thousand of units -	190 to 210	-	
Adjusted return on sales	10% to 12%	-	
<b>Mercedes-Benz</b>			
Unit sales - in thousand of units -	150 to 170	-	
Adjusted return on sales	7% to 9%	-	
<b>Trucks Asia</b>			
Unit sales - in thousand of units -	150 to 170	-	
Adjusted return on sales	3% to 5%	-	
<b>Daimler Buses</b>			
Unit sales - in thousand of units -	20 to 25	-	
Adjusted return on sales	2% to 4%	-	
<b>Financial Services</b>			
New business	€11 bn. to €12 bn.	-	
Adjusted return on equity	9% to 11%	-	

**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	Q1 2023	Q1 2022
In millions of euros			
Revenue	3	13,200	10,551
Cost of sales		-10,425	-8,662
<b>Gross profit</b>		<b>2,775</b>	1,889
Selling expenses	4	-681	-767
General administrative expenses	4	-595	-370
Research and non-capitalized development costs		-405	-346
Other operating income	5	156	162
Other operating expense	5	-49	-30
Profit/loss on equity-method investments, net	9	-19	-95
Other financial income/expense, net		-61	18
<b>Earnings before interest and taxes (EBIT)</b>	<b>18</b>	<b>1,121</b>	461
Interest income		80	59
Interest expense		-30	-61
<b>Profit before income taxes</b>		<b>1,171</b>	459
Income taxes	6	-376	-184
<b>Net profit</b>		<b>795</b>	275
thereof profit attributable to non-controlling interests		58	18
thereof profit attributable to shareholders		737	257
<b>Earnings per share (in euros) for profit attributable to shareholders</b>			
Basic and diluted		0.90	0.31

# Consolidated Statement of Comprehensive Income

## C.02

	Q1 2023	Q1 2022
In millions of euros		
<b>Net profit</b>	<b>795</b>	275
Gains/losses on currency translation	-120	221
Gains/losses on debt instruments	-1	-
Gains/losses on derivative financial instruments	-18	-7
<b>Items that may be reclassified to profit/loss</b>	<b>-139</b>	214
Gains/losses on equity instruments	5	4
Actuarial gains/losses from pensions and similar obligations	5	442
<b>Items that will not be reclassified to profit/loss</b>	<b>10</b>	446
<b>Other comprehensive income/loss, net of taxes</b>	<b>-129</b>	660
thereof loss attributable to non-controlling interests, net of taxes	-7	-9
thereof income/loss attributable to shareholders, net of taxes	-122	669
<b>Total comprehensive income</b>	<b>666</b>	935
thereof income attributable to non-controlling interests	51	9
thereof income attributable to shareholders	615	926

# Consolidated Statement of Financial Position

## C.03

In millions of euros	Note	Mar. 31, 2023	Dec. 31, 2022
<b>Assets</b>			
Intangible assets	7	2,765	2,779
Property, plant and equipment	8	7,908	7,993
Equipment on operating leases		4,416	4,433
Equity-method investments	9	1,090	1,073
Receivables from financial services	10	12,442	12,359
Marketable debt securities and similar investments		23	21
Other financial assets		879	828
Deferred tax assets		1,537	1,643
Long-term trade receivables		56	105
Other assets		346	364
<b>Total non-current assets</b>		<b>31,462</b>	<b>31,598</b>
Inventories	11	9,673	8,815
Trade receivables		4,801	4,577
Receivables from financial services	10	10,409	10,066
Cash and cash equivalents		7,788	5,944
Marketable debt securities and similar investments		1,281	1,124
Other financial assets		638	677
Other assets		1,195	1,168
<b>Total current assets</b>		<b>35,785</b>	<b>32,371</b>
<b>Total assets</b>		<b>67,247</b>	<b>63,969</b>
<b>Equity and liabilities</b>			
Share capital		823	823
Capital reserves		14,277	14,277
Retained earnings		6,621	5,847
Other reserves		-1,022	-895
<b>Equity attributable to shareholders</b>		<b>20,699</b>	<b>20,052</b>
Non-controlling interests		529	554
<b>Total equity</b>	12	<b>21,228</b>	<b>20,606</b>
Provisions for pensions and similar obligations	13	1,149	1,147
Provisions for other risks	14	2,760	2,743
Financing liabilities	15	14,779	13,328
Other financial liabilities		1,948	2,110
Deferred tax liabilities		56	65
Deferred income		956	1,000
Contract and refund liabilities		1,982	1,940
Other liabilities		60	53
<b>Total non-current liabilities</b>		<b>23,690</b>	<b>22,386</b>
Trade payables		5,634	5,317
Provisions for other risks	14	2,215	2,206
Financing liabilities	15	8,129	7,511
Other financial liabilities		2,906	2,716
Deferred income		592	655
Contract and refund liabilities		2,018	1,871
Other liabilities		834	701
<b>Total current liabilities</b>		<b>22,329</b>	<b>20,977</b>
<b>Total equity and liabilities</b>		<b>67,247</b>	<b>63,969</b>

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

# Consolidated Statement of Cash Flows

## C.04

	Q1 2023	Q1 2022
In millions of euros		
Profit before income taxes	1,171	459
Depreciation and amortization/impairments	281	272
Other non-cash expense and income	50	116
Gains (-)/losses (+) on disposals of assets	-32	-14
Change in operating assets and liabilities		
Inventories	-956	-1,012
Trade receivables	-205	270
Trade payables	390	769
Receivables from financial services	-625	-446
Vehicles on operating leases	-45	31
Other operating assets and liabilities	387	-201
Income taxes paid	-124	-184
<b>Cash flows from operating activities</b>	<b>291</b>	<b>60</b>
Additions to property, plant and equipment	-155	-99
Additions to intangible assets	-48	-58
Proceeds from disposals of property, plant and equipment and intangible assets	31	38
Cash flows from disposals of shareholdings	-7	-8
Investments in shareholdings	-75	-74
Acquisition of marketable debt securities and similar investments	-2,644	-422
Proceeds from sales of marketable debt securities and similar investments	2,484	412
Other	-7	22
<b>Cash flows from investing activities</b>	<b>-422</b>	<b>-189</b>
Change in financing liabilities	2,095	-303
Transactions with the Mercedes-Benz Group	-	-21
Dividends paid to non-controlling interests	-76	-20
<b>Cash flows from financing activities</b>	<b>2,019</b>	<b>-344</b>
Effect of foreign exchange-rate changes on cash and cash equivalents	-44	80
<b>Net decrease in cash and cash equivalents</b>	<b>1,844</b>	<b>-393</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,944</b>	<b>7,244</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,788</b>	<b>6,851</b>



# Consolidated Statement of Changes in Equity

## C.05

In millions of euros	Share capital	Capital reserves	Retained earnings <sup>1</sup>	Other reserves	
				Currency translation	Items that may be reclassified to profit/loss Equity instruments/ debt instruments
<b>Balance at January 1, 2022</b>	823	14,277	1,886	-1,092	13
Net profit	-	-	257	-	-
Other comprehensive income/loss before taxes	-	-	475	230	5
Deferred taxes on other comprehensive income/loss	-	-	-33	-	-1
Total comprehensive income/loss	-	-	699	230	4
Dividends to Non-controlling interests	-	-	-	-	-
Other changes	-	-	13	-	-
<b>Balance at March 31, 2022</b>	823	14,277	2,598	-862	17
<b>Balance at January 1, 2023</b>	823	14,277	5,847	-1,020	3
Net profit	-	-	737	-	-
Other comprehensive income/loss before taxes	-	-	10	-113	5
Deferred taxes on other comprehensive income/loss	-	-	-5	-	-1
Total comprehensive income/loss	-	-	742	-113	4
Dividends to Non-controlling interests	-	-	-	-	-
Other changes	-	-	32	-	-
<b>Balance at March 31, 2023</b>	823	14,277	6,621	-1,133	7

<sup>1</sup> 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	<b>Balance at January 1, 2022</b>
-	257	18	275	Net profit
-10	700	-9	691	Other comprehensive income/loss before taxes
3	-31	-	-31	Deferred taxes on other comprehensive income/loss
-7	926	9	935	Total comprehensive income/loss
-	-	-20	-20	Dividends to Non-controlling interests
1	14	33	47	Other changes
7	16,860	525	17,385	<b>Balance at March 31, 2022</b>
<b>122</b>	<b>20,052</b>	<b>554</b>	<b>20,606</b>	<b>Balance at January 1, 2023</b>
-	<b>737</b>	<b>58</b>	<b>795</b>	Net profit
<b>-26</b>	<b>-124</b>	<b>-7</b>	<b>-131</b>	Other comprehensive income/loss before taxes
<b>8</b>	<b>2</b>	-	<b>2</b>	Deferred taxes on other comprehensive income/loss
<b>-18</b>	<b>615</b>	<b>51</b>	<b>666</b>	Total comprehensive income/loss
-	-	<b>-76</b>	<b>-76</b>	Dividends to Non-controlling interests
-	<b>32</b>	-	<b>32</b>	Other changes
<b>104</b>	<b>20,699</b>	<b>529</b>	<b>21,228</b>	<b>Balance at March 31, 2023</b>

# 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 prepared and authorized for publication by the Board of Management of Daimler Truck Holding AG on May 8, 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 together.

### IFRS issued, EU endorsed and initially adopted in the reporting period

In May 2017, the International Accounting Standards Board ("IASB") published the standard IFRS 17 – Insurance Contracts. The standard was adopted by the EU in November 2021. IFRS 17 replaces IFRS 4 – Insurance Contracts. It creates more transparency and comparability with regard to the approach, measurement, presentation and disclosure of insurance contracts with the insurer. IFRS 17 is mandatory for reporting periods beginning on or after January 1, 2023. The application of IFRS 17 does not have any significant impact on the profitability, liquidity and capital resources, and financial position of the Group.

### IFRS issued, but not yet adopted

The expected impact of new and amended standards and interpretations effective for periods beginning after December 31, 2022 are disclosed in the 2022 Consolidated Financial Statements. The Daimler Truck Group does not voluntarily early adopt any of the new or amended standards and interpretations.

### 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:

- 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 S.A./N.V. 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 Espana 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”).

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.

For UK and TR, the valuation of assets and liabilities as at March 31, 2023 did not result in any significant changes compared to December 31, 2022. The determination of the values for the consideration transferred was completed for both companies. Table 7 C.06 presents the updated, but still provisional, allocation of the consideration transferred to the assets acquired and liabilities assumed measured at fair value as of the respective acquisition dates.

The determination of the purchase price as well as the purchase price allocation including the valuation of the assets and liabilities of ESP-FS are unchanged compared to December 31, 2022 and have not yet been completed.

The external valuation reports that are still open will be finalized within a period of one year after the corresponding acquisition dates.

### C.06

#### Assets purchased and liabilities acquired at fair value (preliminary)

	UK	TR
In millions of euros		
Total assets	678	626
Total liabilities	0	571
<b>Purchased net assets</b>	<b>678</b>	<b>56</b>
Total consideration transferred (purchase price)	680	37
<b>Goodwill (+) or gain on bargain purchase (-)</b>	<b>2</b>	<b>-19</b>

### 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 [C.07](#). 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.

#### C.07

##### Revenue

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q1 2023</b>								
Revenue according to IFRS 15	5,801	4,790	1,744	890	54	13,279	-884	12,395
Europe	52	3,320	105	605	22	4,104	-266	3,838
North America	5,665	317	29	76	8	6,095	-338	5,757
Asia	1	520	1,440	18	4	1,983	-209	1,774
Latin America <sup>1</sup>	28	361	38	169	6	602	-57	545
Other markets	55	272	132	22	14	495	-14	481
Other revenue	6	200	17	60	558	841	-36	805
Total revenue	5,807	4,990	1,761	950	612	14,120	-920	13,200
<b>Q1 2022</b>								
Revenue according to IFRS 15	4,575	4,161	1,419	564	33	10,752	-685	10,067
Europe	27	2,790	54	405	–	3,276	-157	3,119
North America	4,467	276	17	49	12	4,821	-284	4,537
Asia	2	316	1,202	11	5	1,536	-185	1,351
Latin America <sup>1</sup>	41	604	39	84	4	772	-44	728
Other markets	38	175	107	15	12	347	-15	332
Other revenue	8	144	2	62	276	492	-8	484
Total revenue	4,583	4,305	1,421	626	309	11,244	-693	10,551

<sup>1</sup> Excluding Mexico.

### 4. Functional costs

#### Selling expenses

Selling expenses decreased to €681 million (Q1 2022: €767 million) due to the special effect in the first quarter of 2022 from the impairment of trade receivables in connection with the Russia-Ukraine war.

#### General administrative expenses

General administrative expenses increased to €595 million (Q1 2022: €370 million), mainly as a result of higher personnel and IT costs.

### 5. Other operating income and expense

Other operating income in the first quarter of 2023 amounted to €156 million (Q1 2022: €162 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.

In the first quarter of 2023 other operating expense amount to €49 million (Q1 2022: €30 million). Other operating expense also includes provisions for liability and litigation risks and regulatory proceedings.

## 6. Income taxes

Table [7 C.08](#) shows profit before income taxes, income taxes and the derived effective tax rate.

<b>C.08</b>		
<b>Income taxes</b>		
	Q1 2023	Q1 2022
In millions of euros		
Income before income taxes	1,171	459
Income taxes	-376	-184
Effective tax rate	32.1%	40.1%

In the first quarter of 2023, the recognition of taxes relating to prior periods had an increasing effect on the effective tax rate.

In the first quarter of 2022, income taxes were significantly influenced by the increase in permanent differences and the non-recognition of deferred tax assets on temporary differences.

## 7. Intangible assets

The composition of intangible assets is shown in table [7 C.09](#).

<b>C.09</b>		
<b>Intangible assets</b>		
	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Goodwill (acquired)	662	674
Development costs (internally generated)	768	760
Other intangible assets <sup>1</sup>	1,335	1,345
	2,765	2,779

<sup>1</sup> Other intangible assets include assets subject to amortization and assets with indefinite useful lives not subject to amortization.

Intangible assets include capitalized development costs in the first quarter of 2023 of €34 million (Q1 2022: €40 million). Depreciation of capitalized development costs for the first quarter of 2023 amounts to €27 million (Q1 2022: €30 million).

## 8. Property, plant and equipment

Property, plant and equipment as presented in the Consolidated Statement of Financial Position with a carrying amount of €7,908 million at March 31, 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.10](#).

<b>C.10</b>		
<b>Property, plant and equipment (excluding right-of-use assets)</b>		
	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Land, buildings and leasehold improvements	2,612	2,649
Technical equipment and machinery	1,807	1,847
Other equipment, factory and office equipment	1,696	1,703
Advance payments relating to plant and equipment and construction in progress	597	642
	6,712	6,841

Table [7 C.11](#) shows the composition of the right-of-use assets.

<b>C.11</b>		
<b>Right-of-use assets</b>		
	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Land, buildings and leasehold improvements	1,155	1,109
Technical equipment and machinery	4	5
Other equipment, factory and office equipment	38	38
	1,196	1,152

## 9. Equity-method investments

Table [7 C.12](#) shows the carrying amounts and earnings of equity-method investments.

Table [7 C.13](#) 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 of 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.12

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

In millions of euros	Associated companies	Joint ventures	Joint operations	Total
<b>At March 31, 2023</b>				
Equity investment	125	945	21	1,090
Equity earnings (Q1 2023)	5	-26	2	-19
<b>At December 31, 2022</b>				
Equity investment	120	934	19	1,073
Equity earnings (Q1 2022)	2	-99	2	-95

### C.13

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

In millions of euros	cellcentric <sup>1</sup>	BFDA <sup>1,2</sup>	Other <sup>3</sup>	Total
<b>At March 31, 2023</b>				
Equity interest (in %)	50.0	50.0		
Equity investment	712	218	15	945
Equity earnings (Q1 2023)	-10	-15	-1	-26
<b>At December 31, 2022</b>				
Equity interest (in %)	50.0	50.0		
Equity investment	686	234	14	934
Equity earnings (Q1 2022)	-17	-11	-71	-99

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 of 2022 includes the impairment of Daimler KAMAZ Trucks Holding GmbH's equity investment of €71 million.

## 10. Receivables from financial services

Table [7 C.14](#) shows the composition of receivables from financial services.

### C.14

#### Receivables from financial services

In millions of euros	Mar. 31, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Gross carrying amount	10,624	12,778	23,402	10,264	12,707	22,971
Sales financing with customers	4,728	9,124	13,852	4,491	9,080	13,571
Sales financing with dealers	4,516	819	5,335	4,441	803	5,244
Finance lease contracts	1,380	2,835	4,215	1,332	2,824	4,156
Loss allowances	-215	-336	-551	-198	-348	-546
Net carrying amount	10,409	12,442	22,851	10,066	12,359	22,425

## 11. Inventories

Inventories are shown in table [7 C.15](#).

### C.15

#### Inventories

	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Raw materials and manufacturing supplies	1,767	1,901
Work in progress	2,933	2,744
Finished goods, parts and products held for resale	4,964	4,157
Advance payments to suppliers	9	13
	<b>9,673</b>	<b>8,815</b>

Inventories increased by €858 million in the first quarter of 2023, primarily due to an increase in finished goods resulting from higher production activity.

## 12. Equity

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

### Share capital

At March 31, 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

At the Annual General Meeting, scheduled for June 21, 2023, a motion will be made to distribute €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.16](#).

### C.16

#### Provisions for pensions and similar obligations

	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Provision for pension benefits	589	591
Provision for other post-employment benefits	560	556
	<b>1,149</b>	<b>1,147</b>

### Development of funded status

The funded status of pension obligations is shown in table [7 C.17](#).

### C.17

#### Development of funded status

	Mar. 31, 2023	Dec. 31, 2022
In millions of euros		
Present value of the defined benefit obligations	-5,984	-5,903
Fair value of plan assets	5,438	5,360
Funded status	-546	-543
Actuarial loss due to asset ceiling	-1	-2
Net defined benefit liability	-548	-545
thereof presented in other assets	41	46
thereof presented in provisions for pensions and similar obligations	-589	-591

## 14. Provisions for other risks

Provisions for other risks are comprised as shown in table [7 C.18](#).

### C.18

#### Provisions for other risks

	Mar. 31, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	851	1,188	2,040	856	1,096	1,952
Personnel and social costs	915	599	1,514	892	677	1,569
Liability and litigation risks and regulatory proceedings	127	875	1,002	127	870	997
Other	322	99	421	331	100	431
	<b>2,215</b>	<b>2,760</b>	<b>4,975</b>	<b>2,206</b>	<b>2,743</b>	<b>4,949</b>



## 15. Financing liabilities

During the first quarter of 2023, financing liabilities increased primarily due to a €1.7 billion issuance of bonds on the international money and capital markets.

Table [7 C.19](#) shows the composition of the financing liabilities.

### C.19

#### Financing liabilities

In millions of euros	Mar. 31, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	3,045	9,768	12,813	3,061	8,290	11,351
Commercial papers	184	–	184	–	–	–
Liabilities to financial institutions	3,568	2,894	6,462	3,237	2,812	6,049
Deposits in the direct banking business	323	458	781	326	479	805
Liabilities from ABS transactions	458	403	861	528	483	1,011
Lease liabilities	191	1,039	1,230	181	1,002	1,183
Loans, other financing liabilities	170	217	387	178	71	249
Non-controlling shareholdings (puttable instruments) in accordance with IAS 32 – Financial Instruments: Presentation	190	–	190	–	191	191
	<b>8,129</b>	<b>14,779</b>	<b>22,908</b>	7,511	13,328	20,839

## 16. Legal proceedings

As described in note 31 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.20 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.20

#### Carrying amounts and fair values of financial instruments

	Mar. 31, 2023		Dec. 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
<b>Financial assets</b>				
Receivables from financial services	22,851	22,565	22,425	22,129
Trade receivables	4,857	4,857	4,682	4,682
Cash and cash equivalents	7,788	7,788	5,944	5,944
Marketable debt securities and similar investments	1,303	1,303	1,145	1,145
Recognized at fair value through other comprehensive income	262	262	351	351
Recognized at fair value through profit or loss	1,040	1,040	783	783
Measured at amortized cost	2	2	11	11
<b>Other financial assets</b>				
Equity instruments and debt instruments	302	302	292	292
Recognized at fair value through other comprehensive income	131	131	96	96
Recognized at fair value through profit or loss	171	171	196	196
Other financial assets recognized at fair value through profit or loss	27	27	29	29
Derivative financial instruments used in hedge accounting	154	154	197	197
Other financial receivables and miscellaneous other financial assets	863	863	818	818
	<b>38,144</b>	<b>37,858</b>	35,532	35,236
<b>Financial liabilities</b>				
Financing liabilities	21,678	22,512	19,656	20,322
Trade payables	5,634	5,634	5,317	5,317
<b>Other financial liabilities</b>				
Financial liabilities recognized at fair value through profit or loss	30	30	13	13
Derivative financial instruments used in hedge accounting	467	467	555	555
Miscellaneous other financial liabilities	4,357	4,357	4,258	4,258
<b>Contract and refund liabilities</b>				
Obligations from sales transactions	457	457	448	448
	<b>32,623</b>	<b>33,457</b>	30,247	30,913

### 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.

Table [7 C.21](#) 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.21

### Measurement hierarchy of financial assets and liabilities recognized at fair value

	Mar. 31, 2023				Dec. 31, 2022			
	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>
In millions of euros								
Financial assets recognized at fair value								
Marketable debt securities	1,302	1,019	282	–	1,134	748	386	–
Recognized at fair value through other comprehensive income	262	21	241	–	351	44	307	–
Recognized at fair value through profit or loss	1,040	998	41	–	783	704	79	–
Equity instruments and debt instruments	302	187	21	94	292	171	22	99
Recognized at fair value through other comprehensive income	131	122	–	8	96	88	–	8
Recognized at fair value through profit or loss	171	64	21	86	196	83	22	91
Other financial assets recognized at fair value through profit or loss	27	–	27	–	29	–	29	–
Derivative financial instruments used in hedge accounting	154	–	154	–	197	–	197	–
	1,784	1,206	484	94	1,652	919	634	99
Financial liabilities recognized at fair value								
Financial liabilities recognized at fair value through profit or loss	30	–	30	–	13	–	13	–
Derivative financial instruments used in hedge accounting	467	–	467	–	555	–	555	–
	497	–	497	–	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 first quarter of 2023 compared to the first quarter of 2022 and as of March 31, 2023 compared to December 31, 2022 can be found in table [C.22](#).

### C.22

#### Segment reporting

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q1 2023</b>								
External revenue	5,754	4,328	1,612	905	601	13,200	-	13,200
Intersegment revenue	53	662	149	45	11	920	-920	-
Total revenue	5,807	4,990	1,761	950	612	14,120	-920	13,200
Segment profit/loss (EBIT)	675	424	80	9	44	1,232	-112	1,121
<b>March 31, 2023</b>								
Segment assets	7,679	15,310	5,595	3,424	25,775	57,782	593	58,375
Segment liabilities	6,556	9,635	2,040	2,461	23,518	44,209	-525	43,684
<b>Q1 2022</b>								
External revenue	4,558	3,744	1,348	596	305	10,551	-	10,551
Intersegment revenue	25	561	73	30	4	693	-693	-
Total revenue	4,583	4,305	1,421	626	309	11,244	-693	10,551
Segment profit/loss (EBIT)	386	176	24	-61	47	572	-111	461
<b>December 31, 2022</b>								
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

#### Reconciliation

The reconciliation of the total segments' profit/loss (EBIT) to the Daimler Truck Group's EBIT is shown in table [C.23](#).

### C.23

#### Reconciliation of the segments to the Consolidated Statement of Income

	Q1 2023	Q1 2022
In millions of euros		
Total segments profit/loss (EBIT)	1,232	572
Profit/loss on equity-method investments	-9	-17
Other business activities and corporate items	-103	-59
Eliminations	1	-35
EBIT of the Group	1,121	461

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 quarter of 2023, "Other business activities and corporate items" is comprised primarily of operational expenses of €47 million related to the Daimler Truck Group's autonomous driving business activities (Q1 2022: €36 million) and expenses from equity instruments measured at fair value through profit or loss of €25 million (Q1 2022: €12 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.24](#).

### 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 March 31, 2023 amount to €1,063 million (December 31, 2022: €1,104 million). The related deferred income at March 31, 2023 amount to €702 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.24

#### Transactions with related companies

In millions of euros	Sales of goods and services and other income		Purchases of goods and services and other expenses		Receivables <sup>1</sup>		Payables <sup>2</sup>	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Associated companies	54	33	3	3	24	36	1	2
thereof MFTBC investees <sup>3</sup>	44	28	3	3	21	21	1	2
Joint ventures	134	81	16	52	360	330	3	2
thereof NAI <sup>4</sup>	94	43	2	-	117	72	-	-
thereof BFDA <sup>5</sup>	35	5	7	-	240	254	-	-
Mercedes-Benz Group <sup>6</sup>	579	800	166	298	436	411	1,676	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 €8 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 first quarter of 2023, Purchases of goods and services and other expenses include expenses for services received from the Mercedes-Benz Group of €101 million (Q1 2022: €129 million).

# 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 March 31, 2023 that are part of the quarterly 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, May 8, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Pritzer  
Wirtschaftsprüfer

Mokler  
Wirtschaftsprüfer

# Further Information

## Information on the Internet

Specific information on our share and profitability development can be found on our website [www.daimlertruck.com](http://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](http://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](http://daimlertruck.com/en/investors/reports/financial-reports)

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