

# DAIMLER TRUCK

# Q2 2023

## Interim Results Call

August 1, 2023

Martin Daum, CEO  
Jochen Goetz, CFO



ISIN: DE 000 DTR0CK8  
WKN: DTR0CK

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



# Q2 2023 Interim Results Call

**01** | Highlights

**02** | Financials

**03** | Outlook

**04** | Appendix





# Capital Market Day recap: Transforming for sustainable growth

**2023**

**8.5–10%**

ADJUSTED ROS IB

**UP TO 2 BILLION €**

SHARE BUYBACK  
OVER ~2 YEARS

**2025**

**>10%**

ADJUSTED ROS IB

**2030**

**>12%**

ADJUSTED ROS IB

**+40–60%**

REVENUE GROWTH GROUP 2025 TO 2030

**HOW WE WIN**

Implementation of  
self-help measures

Active Portfolio Management

Using growth opportunities

Winning ZEV strategy  
and technology

Dual technology strategy  
with batteries and hydrogen

Build-up global platforms  
and partnerships



# Q2/23 Key Topics

- Daimler Truck and Toyota Motor Corporation sign Memorandum of Understanding on intention to combine businesses of Mitsubishi Fuso Truck and Bus Corporation and Hino Motors
- Restructuring of Mercedes-Benz Trucks in Brazil: as business activities in Campinas will be outsourced and relocated, number of locations in Brazil will be reduced from three to two
- Increase of unit sales and production due to improved supply chains
- Solid demand environment – incoming orders and order backlog as expected impacted by not yet fully opened order books
- Daimler Truck presents medium-duty electric truck of the RIZON brand and the Freightliner eM2 for the US market
- World premiere at the Global Public Transport Summit 2023: Mercedes-Benz eCitaro fuel cell – longer range thanks to the fuel cell



**Q2 2023**

reported | adjusted EBIT Group  
€1,378 m. | €1,428 m.

adjusted ROS IB  
10.3%

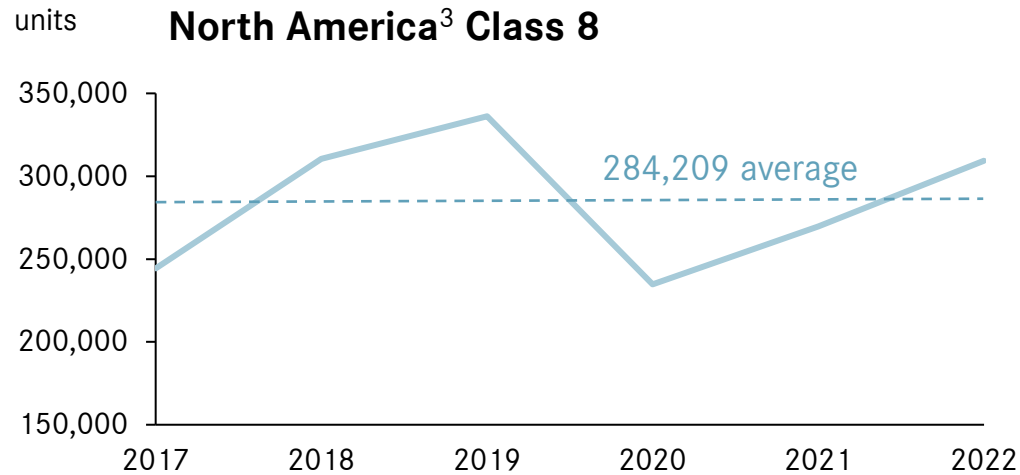
EPS  
€1.11

FCF IB  
€382 m.

Net Industrial Liquidity  
€6,827 m.



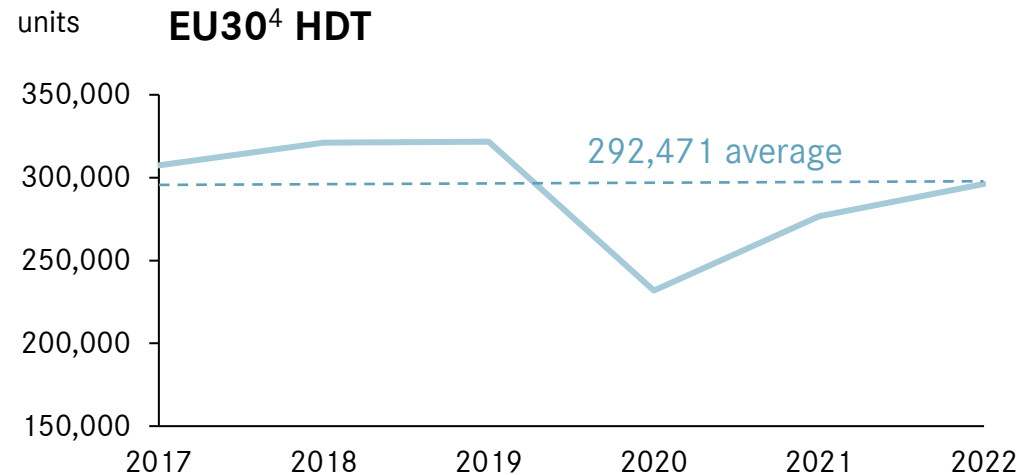
# Continued solid market demand



YTD<sup>5</sup>

**137,166**  
total market units

**41.0%**  
SoM<sup>1</sup>



YTD<sup>5</sup>

**144,251**  
total market units

**18.5%**  
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)

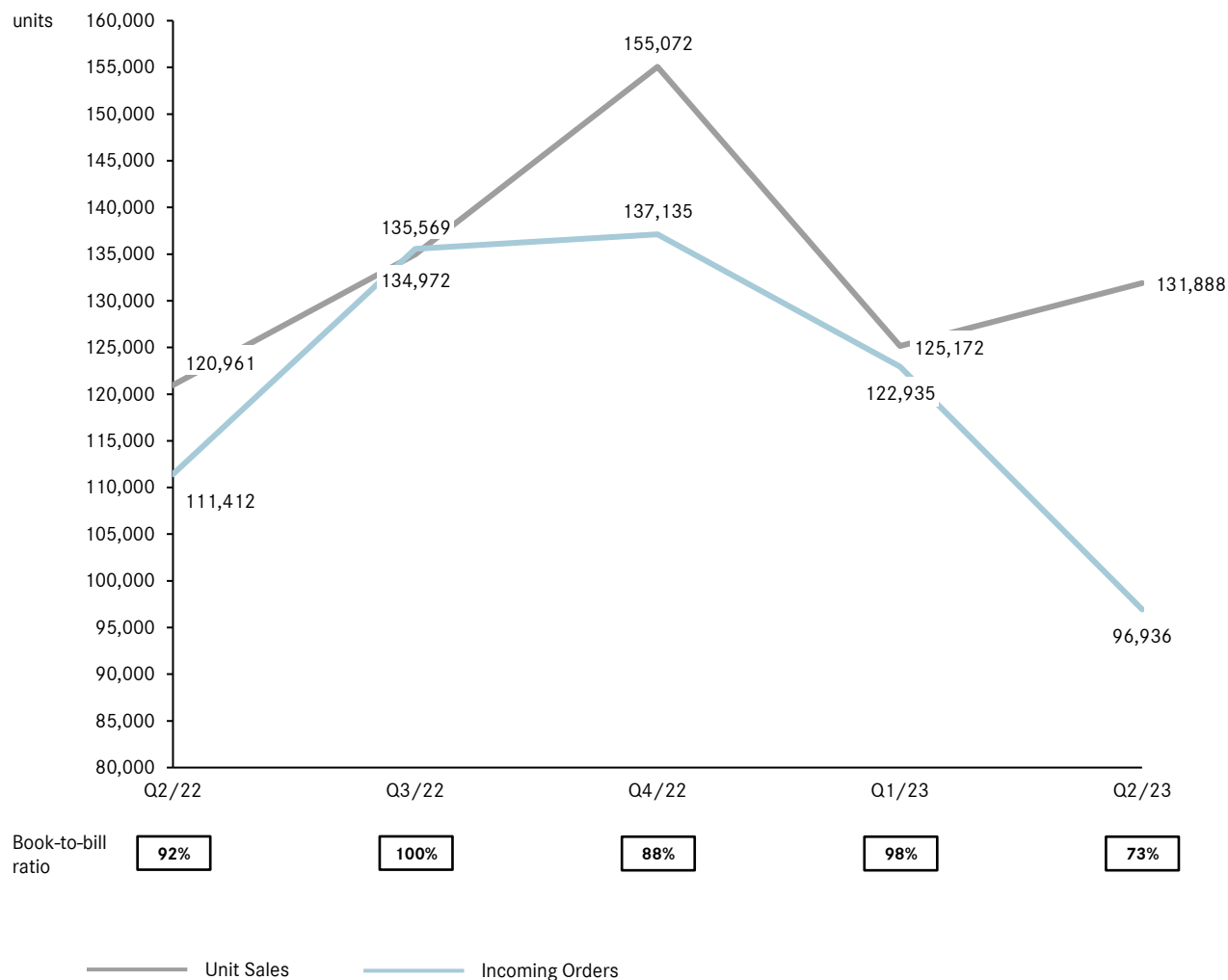
<sup>3</sup> USA, Canada and Mexico

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

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

# Q2/23 Incoming Orders and Unit Sales

## Daimler Truck Group



## Highlights

- Incoming orders still impacted by not yet fully opened order books
- Order backlog decreasing but remains on high level above average

units	Q2/2022			Q2/2023		
	Incoming orders	Group sales	Book-to-bill ratio	Incoming orders	Group sales	Book-to-bill ratio
<b>Daimler Truck Group</b>	<b>111,412</b>	<b>120,961</b>	<b>92%</b>	<b>96,936</b>	<b>131,888</b>	<b>73%</b>
Trucks North America	23,461	44,124	53%	32,994	50,618	65%
Mercedes-Benz	33,905	38,812	87%	30,857	39,236	79%
Trucks Asia	50,397	36,704	137%	31,766	40,097	79%
Daimler Buses	9,715	5,075	191%	4,398	6,181	71%
Reconciliation	-6,066	-3,754		-3,079	-4,244	

# Continuous progress in zero-emission trucks and buses



\* January - June



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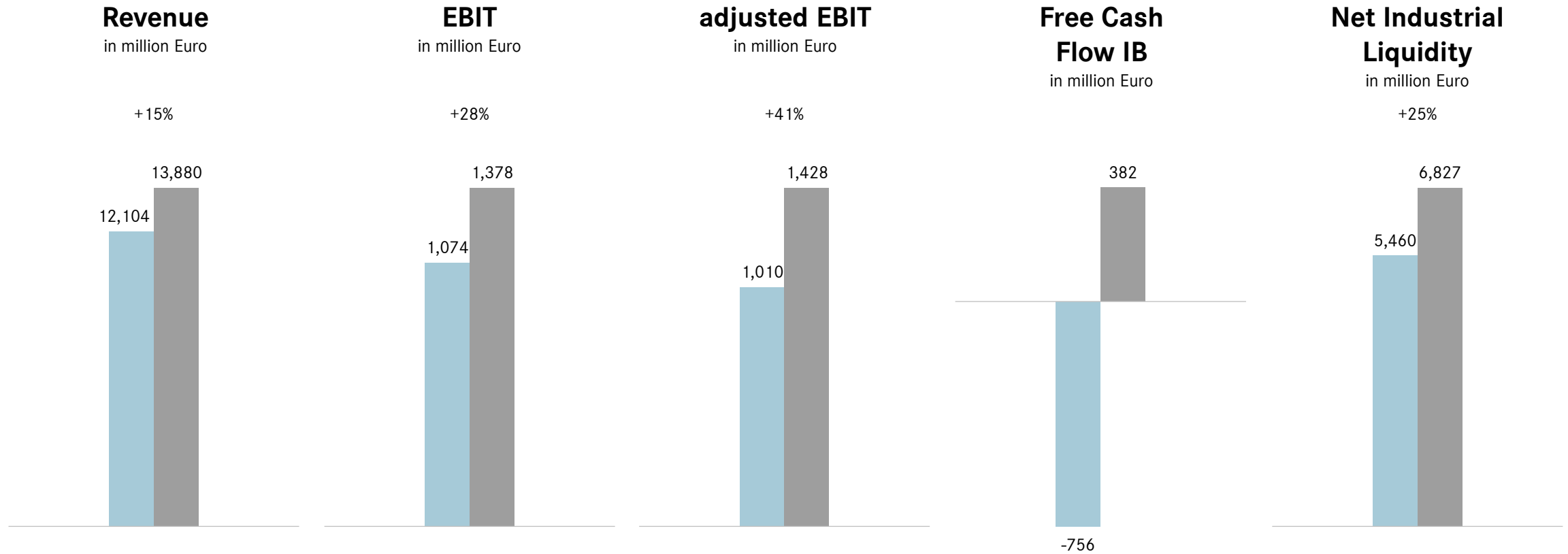
03 | Outlook

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# Q2/23 Key Figures Group

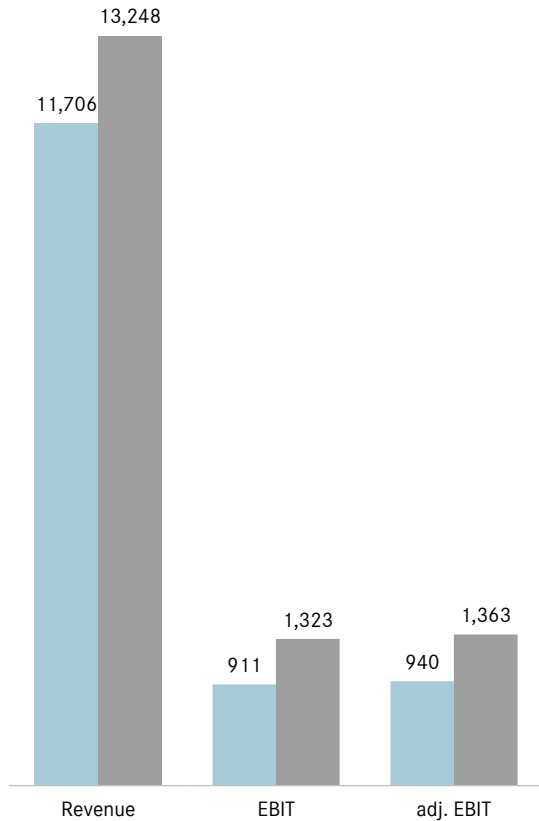




# Q2/23 Revenue and EBIT Industrial Business

in million Euro

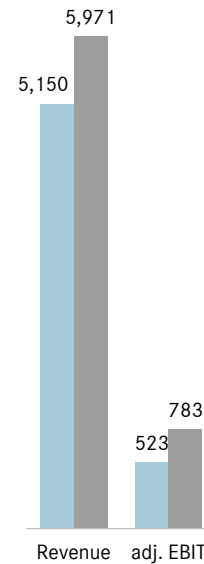
## Industrial Business



adj. ROS (Q2/22) Q2/23

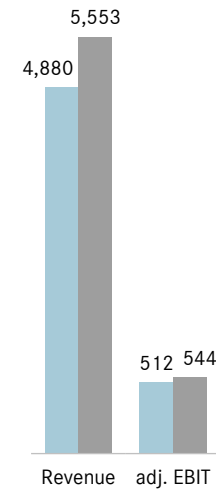
(8.0%) 10.3%

## Trucks North America



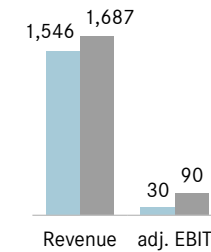
(10.2%) 13.1%

## Mercedes-Benz



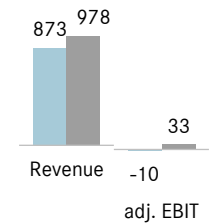
(10.5%) 9.8%

## Trucks Asia



(1.9%) 5.4%

## Daimler Buses



(-1.2%) 3.4%

Q2/22A Q2/23A

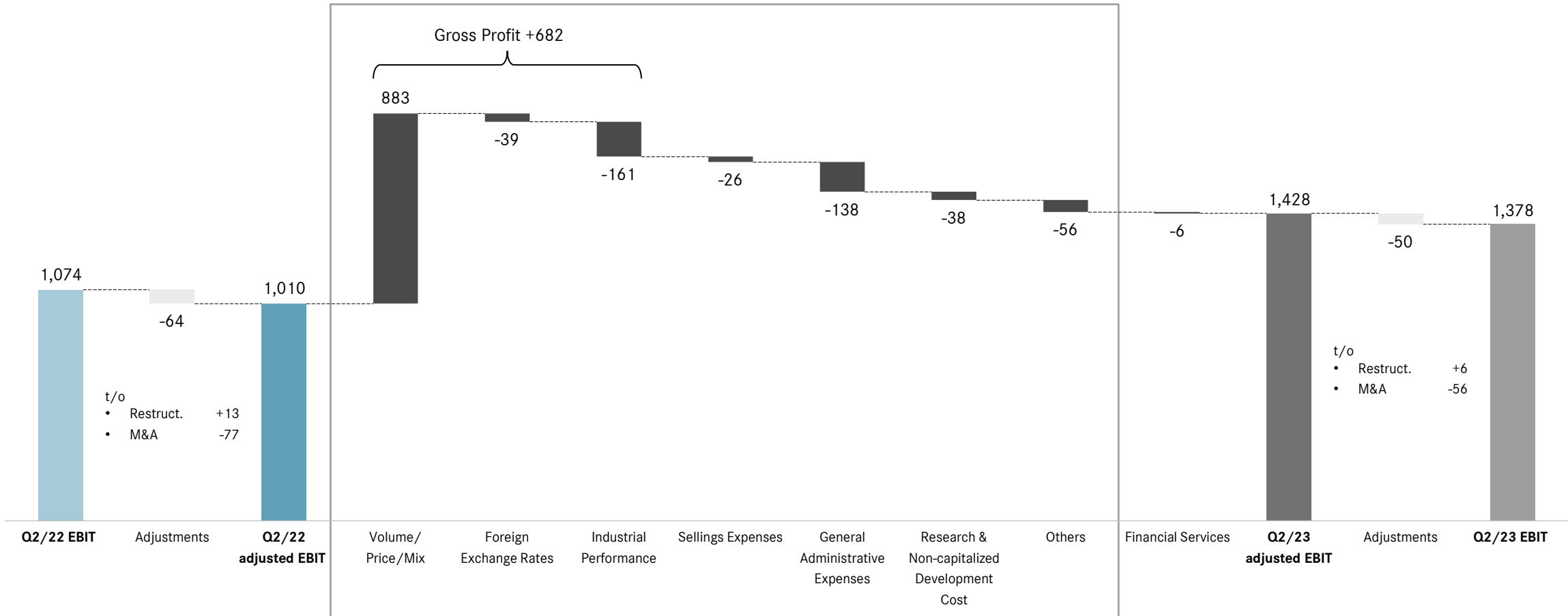


# Q2/23 EBIT Group

- + Strong net pricing
- + Significant increase in unit sales and favorable product mix
- + Improvement in the aftersales business
- Inflation related cost increases, especially in material and energy costs as well as higher personnel costs
- Non-recurrence of positive effects from the license agreement with BFDA from the second quarter of 2022

in million Euro

## Industrial Business +424

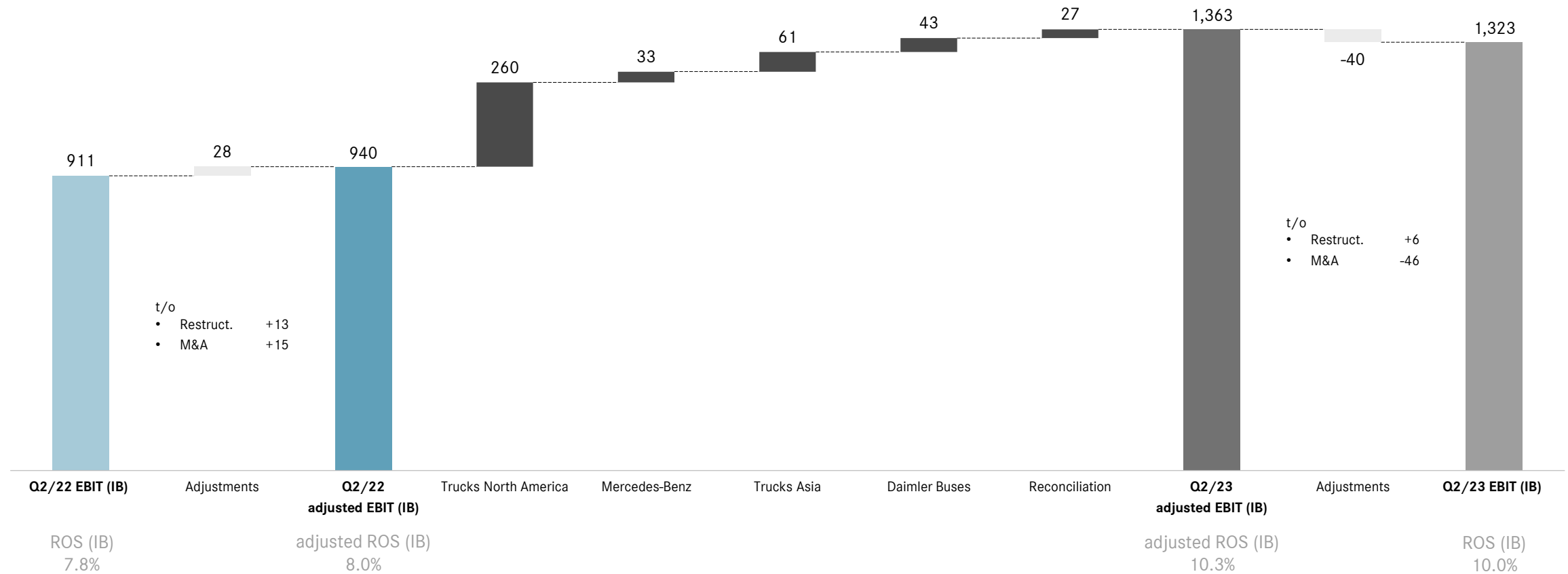


*Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.*



# Q2/23 EBIT Industrial Business

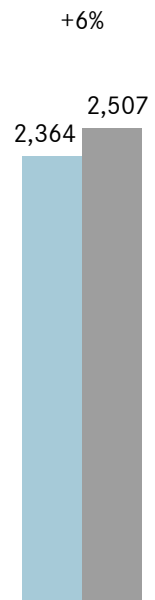
in million Euro



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# Q2/23 Key Figures Financial Services

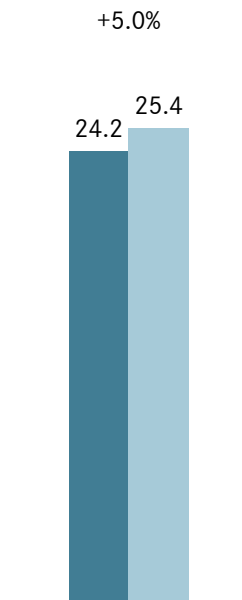
**New Business**  
in million Euro



**Penetration Rate**  
in %



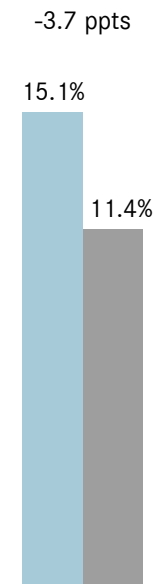
**Contract Volume**  
in billion Euro at end of period



**adjusted EBIT**  
in million Euro



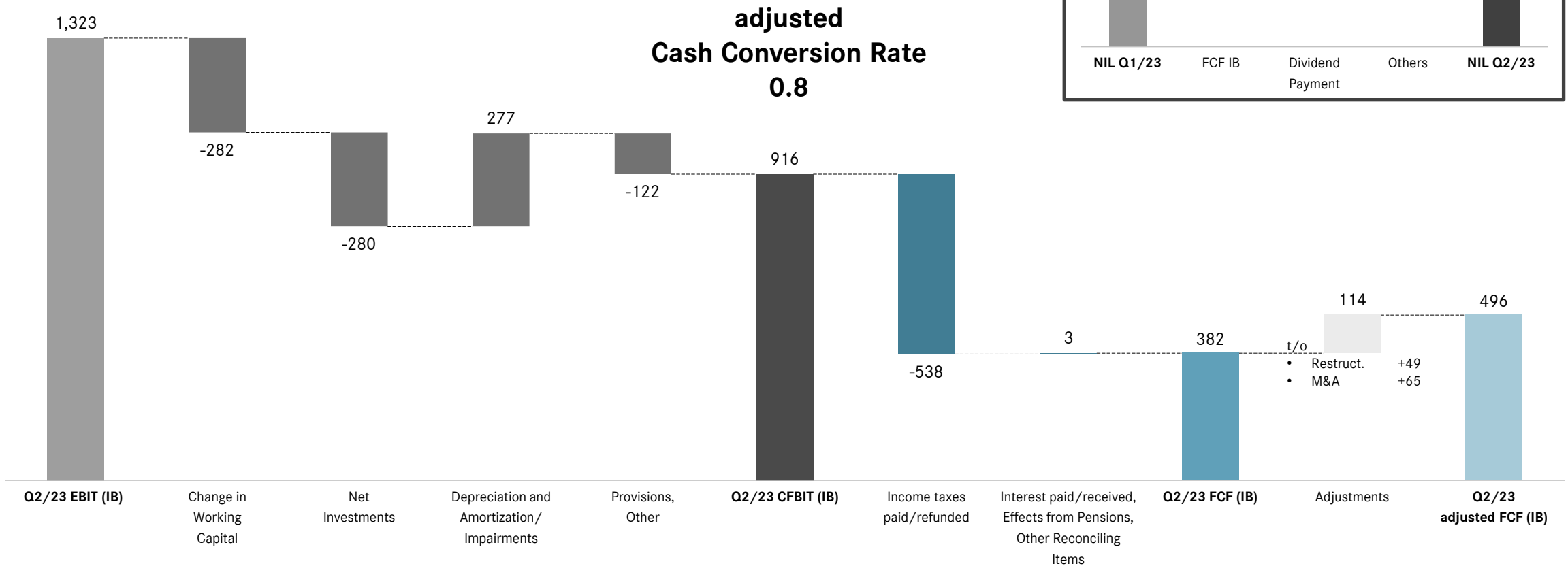
**adjusted ROE**  
in %





# Q2/23 Cash Flow Industrial Business

in million Euro



## Net Industrial Liquidity (NIL)

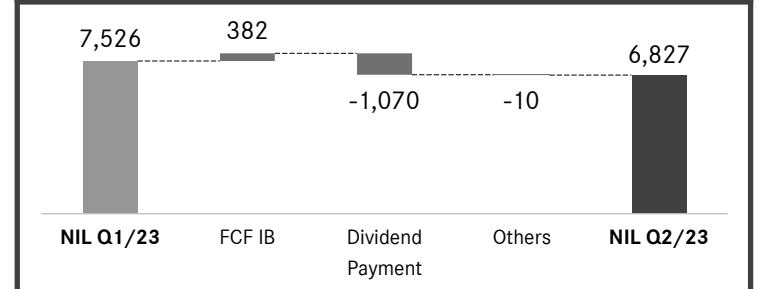
at end of

Q1/23

7.5 bn.

Q2/23

6.8 bn.



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# Market Assumptions 2023

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

2023

North America<sup>2</sup>

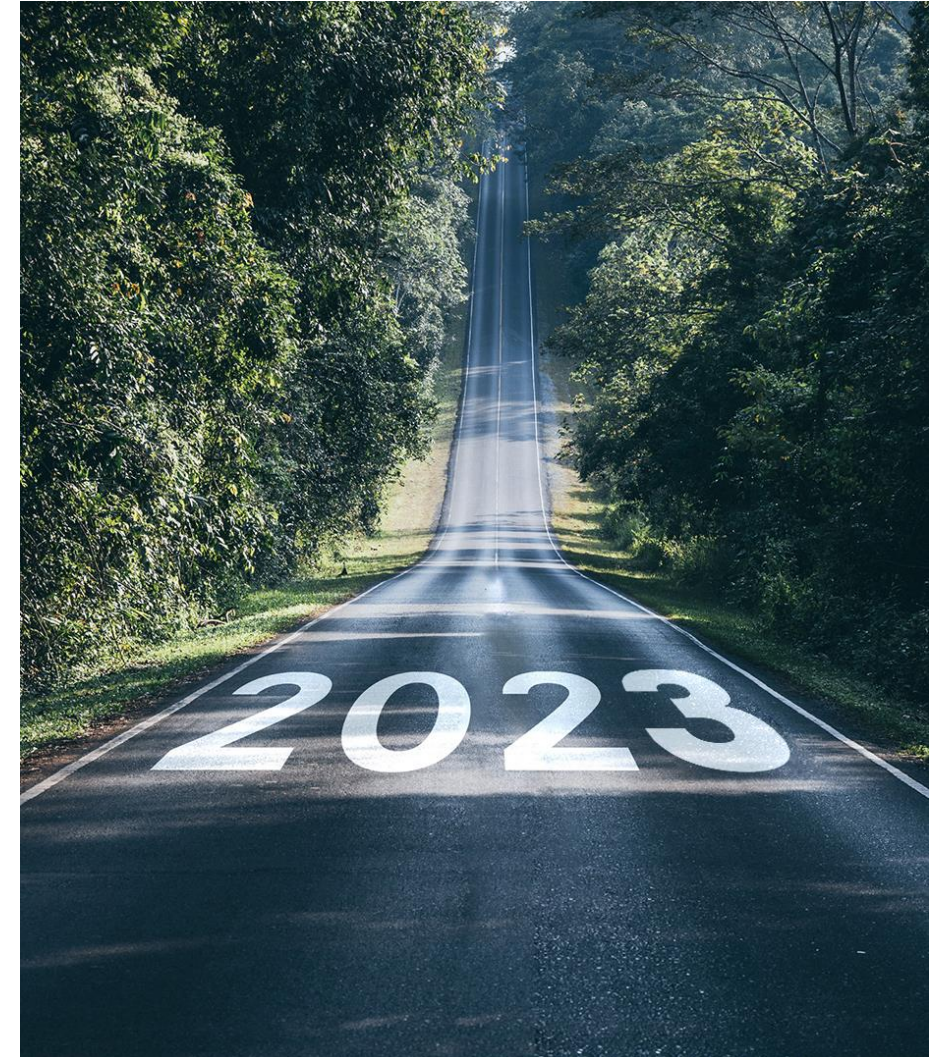
290 – 330 k units

EU30<sup>3</sup>

300 – 340 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

Update on July 10, 2023



# Daimler Truck Group/Industrial Business Assumptions 2023

## Group

	FY 2022	Guidance 2023
<b>Revenue</b>	50,945 m. €	<b>56 – 58 bn. €</b>
<b>EBIT</b>	3,496 m. €	significant increase
<b>adjusted EBIT</b>	3,959 m. €	significant increase
<b>Investment</b>	898 m. €	<b>slight increase</b>
<b>R&amp;D cost<sup>1</sup></b>	1,785 m. €	<b>slight increase</b>

## IB

<b>Unit Sales</b>	520,291 units	<b>530 – 550 k units</b>
<b>Revenue</b>	49,186 m. €	<b>54 – 56 bn. €</b>
<b>adjusted ROS</b>	7.7%	<b>8.5 – 10%</b>
<b>FCF</b>	1,746 m. €	<b>significant increase</b>

### 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.





# Daimler Truck Segment Assumptions 2023

	Unit Sales in thousand units		adjusted ROS/ROE in %	
	FY 2022	Guidance 2023	FY 2022	Guidance 2023
<b>Trucks North America</b>	187	190 – 210	10.8%	<b>11 – 13%</b>
<b>Mercedes-Benz</b>	166	<b>155 – 175</b>	8.1%	<b>8 – 10%</b>
<b>Trucks Asia</b>	156	<b>160 – 180</b>	2.6%	<b>4 – 6%</b>
<b>Daimler Buses</b>	24	20 – 25	0.4%	<b>3 – 5%</b>
<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.

<sup>1</sup> new business

<sup>2</sup> adjusted ROE

  Update on July 10, 2023



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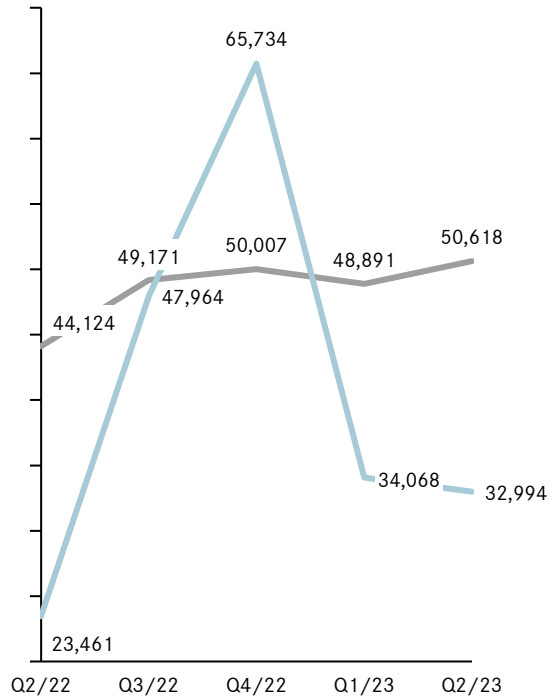
04 | Appendix



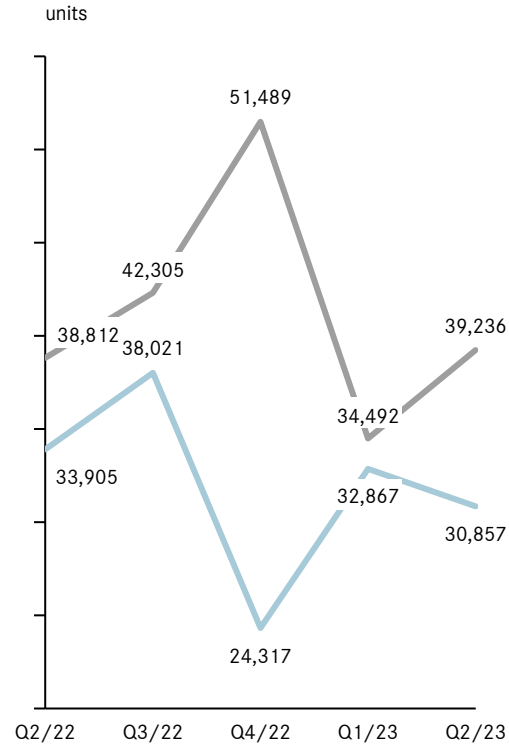


# Q2/22 – Q2/23 Incoming Orders and Unit Sales by Segment

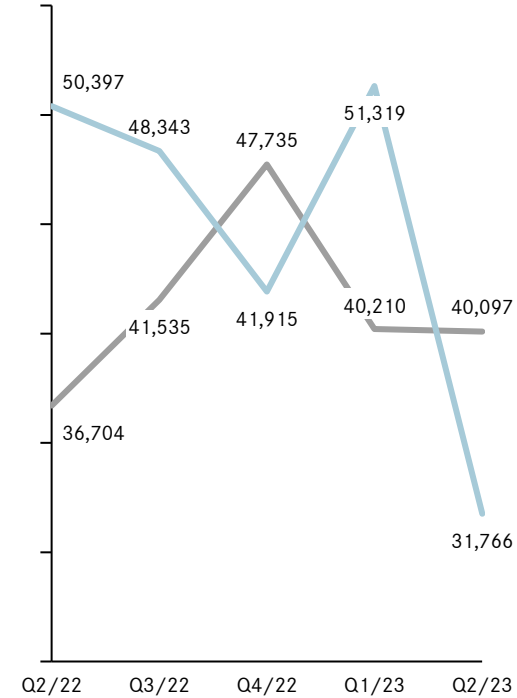
## Trucks North America



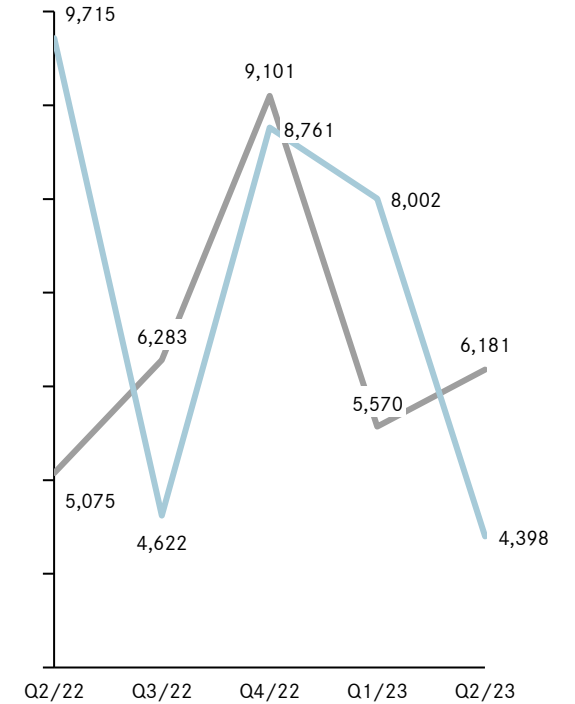
## Mercedes-Benz



## Trucks Asia



## Daimler Buses



BTB RATIO **53%** **103%** **131%** **70%** **65%**

**87%** **90%** **47%** **95%** **79%**

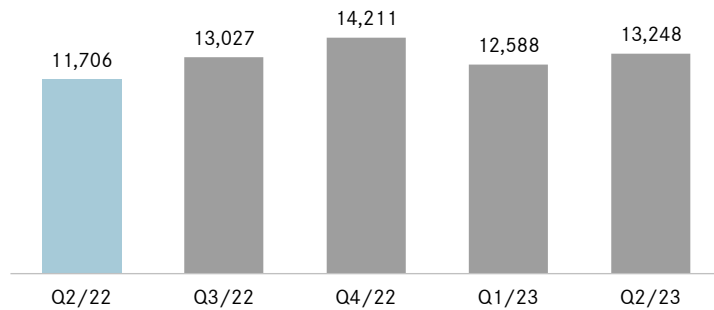
**137%** **116%** **88%** **128%** **79%**

**191%** **74%** **96%** **144%** **71%**

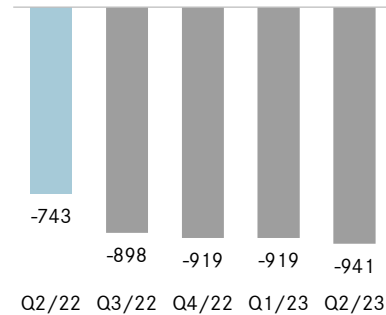
# Q2/22 – Q2/23 IB Performance: Revenue by Segment

in million Euro

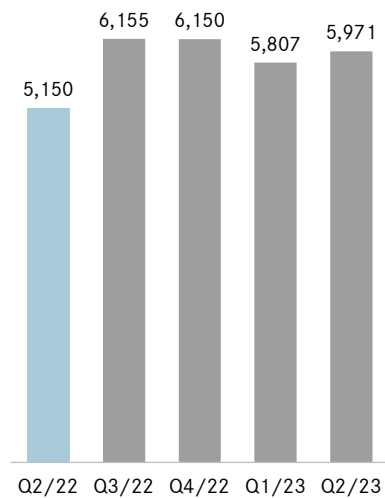
## Daimler Truck Industrial Business



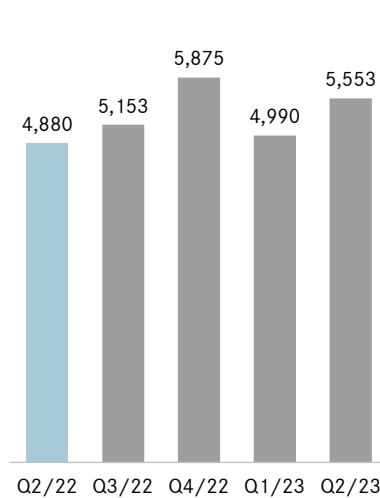
## Reconciliation



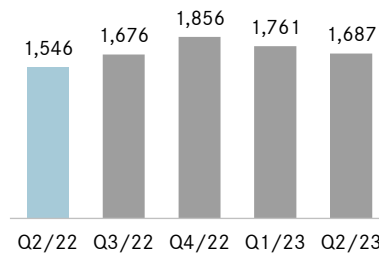
## Trucks North America



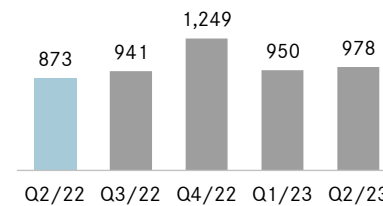
## Mercedes-Benz



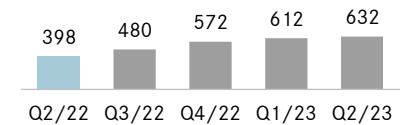
## Trucks Asia



## Daimler Buses



## Financial Services



Revenue

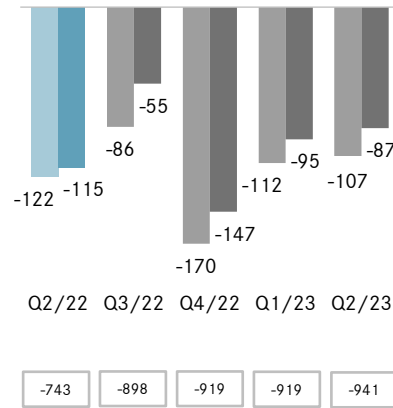
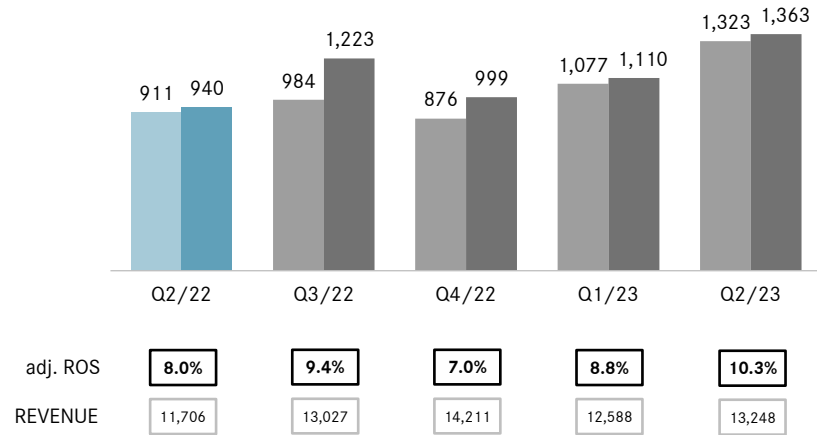


# Q2/22 – Q2/23 IB Performance: EBIT by Segment

in million Euro

## Daimler Truck Industrial Business

## Reconciliation



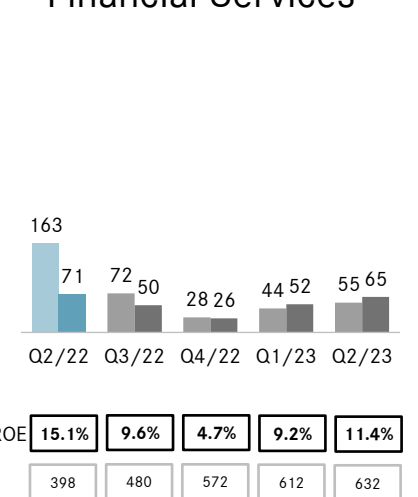
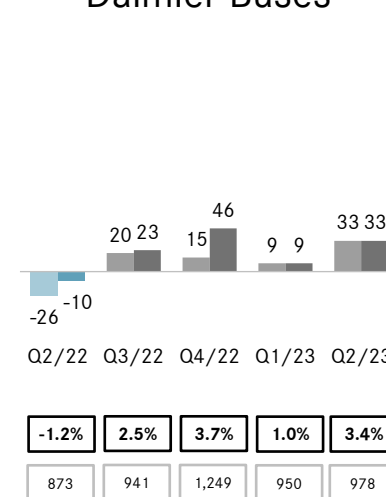
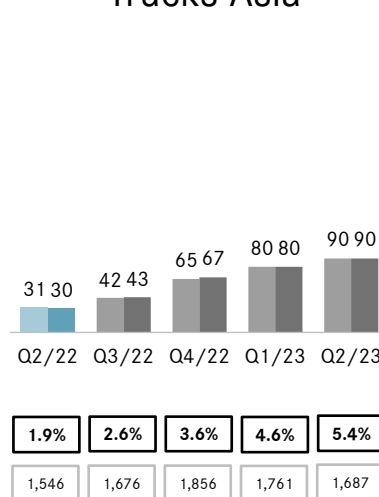
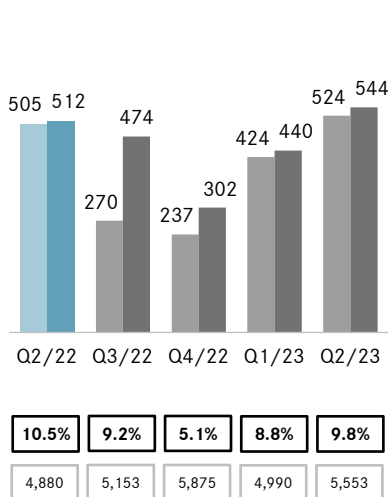
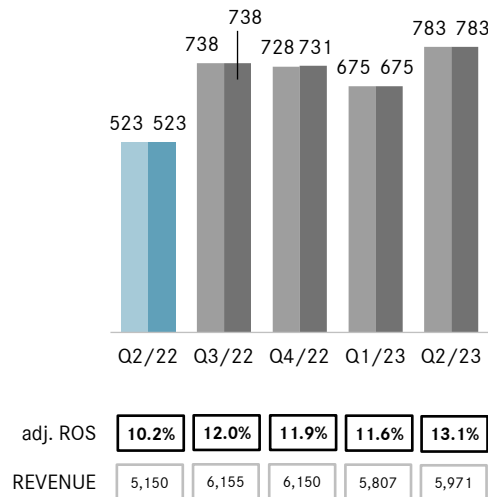
## Trucks North America

## Mercedes-Benz

## Trucks Asia

## Daimler Buses

## Financial Services

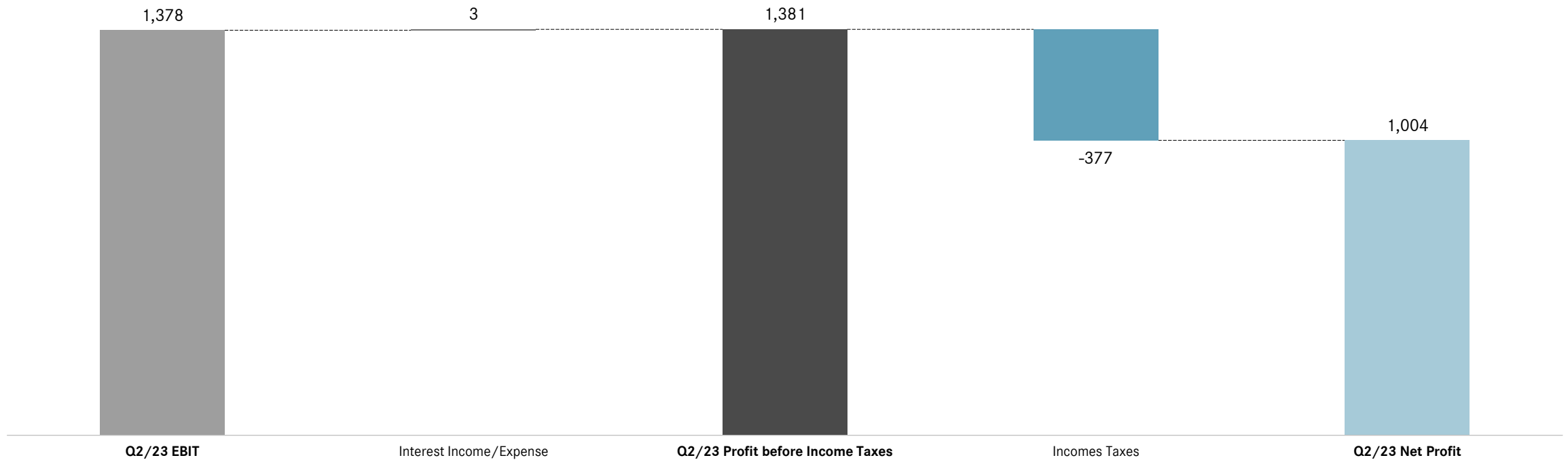


EBIT adjusted EBIT

# Q2/23 Net Profit

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in million Euro



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# Q2/23 EBIT Trucks North America

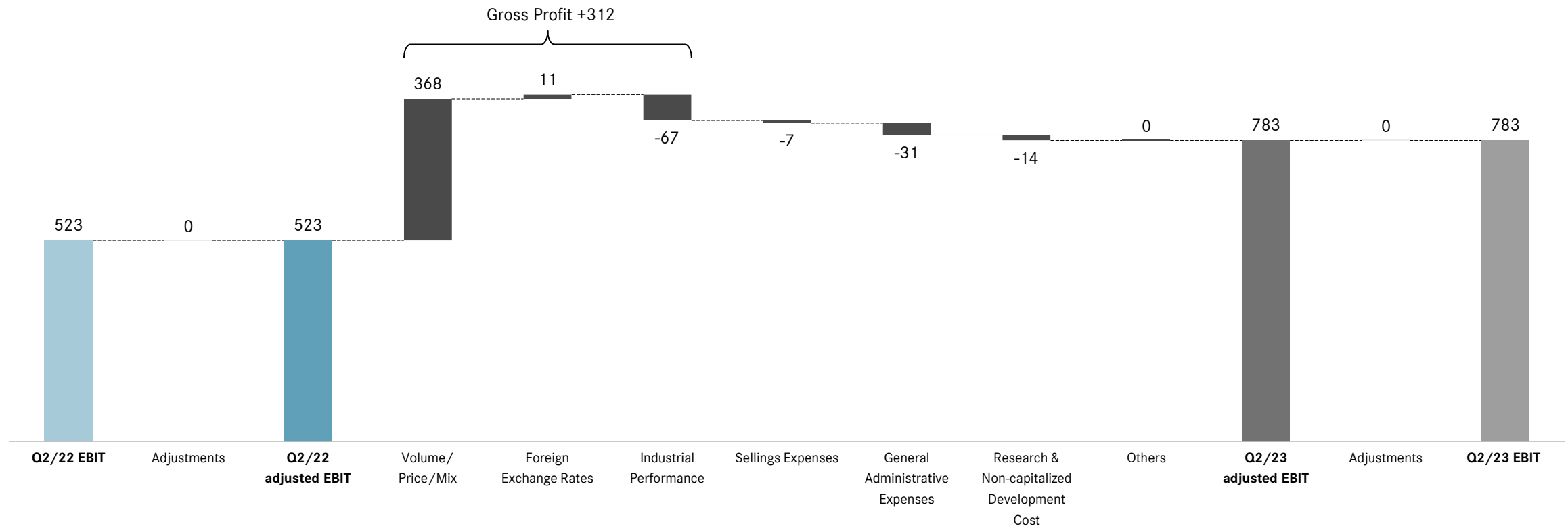
in million Euro

- + Significantly increased sales volume
- + Improved net pricing

- Continuation of supply chain interruptions
- Inflation-related cost increases, especially in material costs and higher personnel costs

## Key Topics

- Unveiling of the Freightliner eM2, the versatile battery electric truck for medium duty applications.
- Detroit Reman Plant in Hibbing, Minnesota breaks ground on facility expansion.
- Progress in technology partnerships with announcing GREENLANE as the name for all high performance zero emission public charging and hydrogen fueling network.



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# Q2/23 EBIT Mercedes-Benz

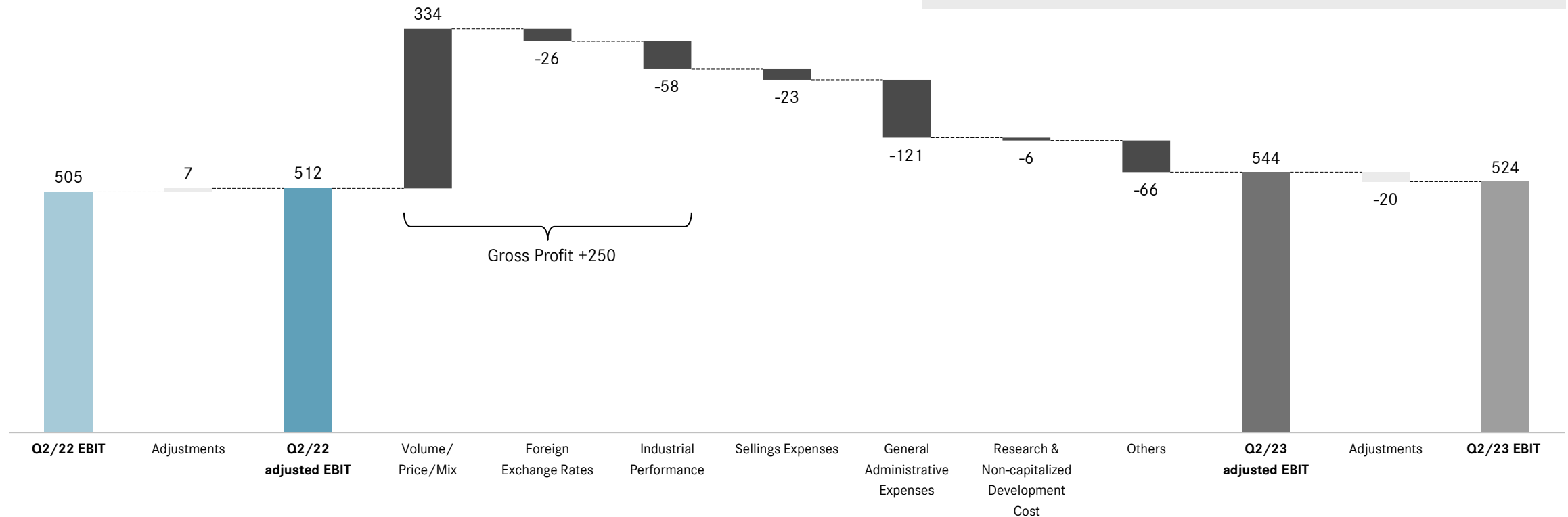
in million Euro

- + Improved net pricing
- + Improvement in the aftersales business

- Continuation of supply chain interruptions
- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Decrease in sales market in Brazil due to the introduction of Euro VI emission standard
- Non-recurrence of positive effects from the license agreement with BFDA from the second quarter of 2022

## Key Topics

- Restructuring of Mercedes-Benz Trucks in Brazil: as business activities in Campinas will be outsourced and relocated, number of locations in Brazil will be reduced from three to two.
- This spring, we toured the Alps with prototypes of our Mercedes-Benz fuel cell truck, demonstrating that we are making good progress on the road to series production.
- New eActros 600 intended to be the most economical long-haul truck in comparison to conventional trucks.



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# Q2/23 EBIT Trucks Asia

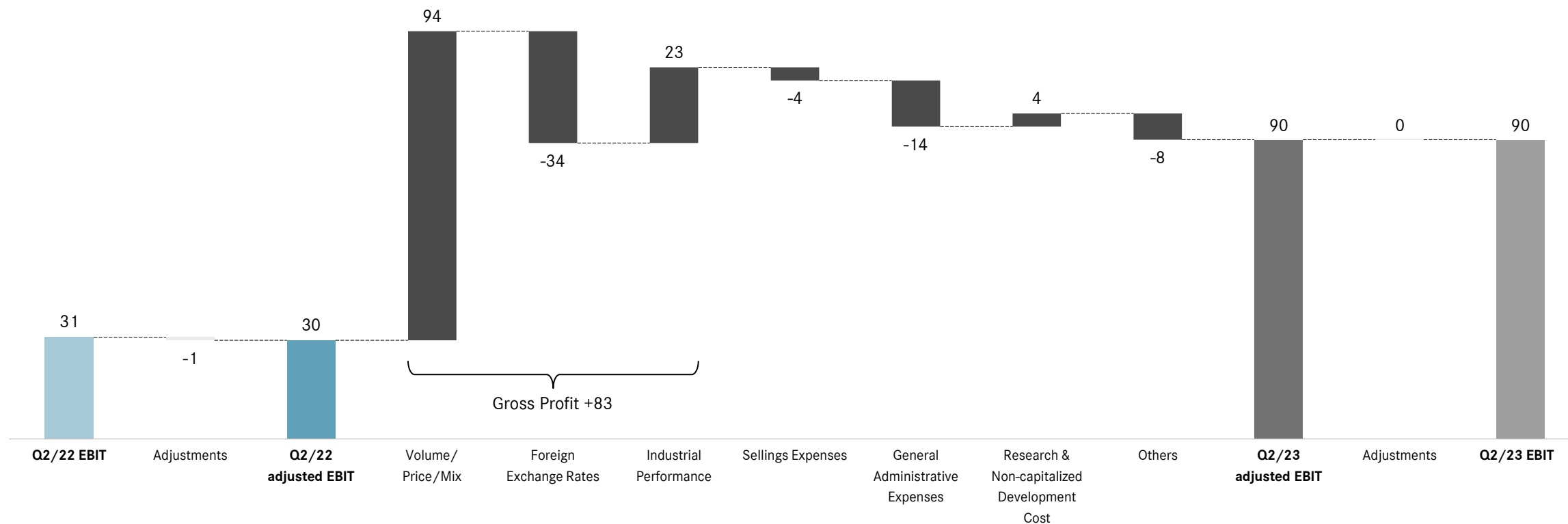
in million Euro

- + Significantly increased sales volume, especially in the regions Japan and India
- + Improved net pricing in Japan, India and Indonesia
- + Improvement in the aftersales business in both Japan and international markets
- + Positive industrial performance due to lower constraint cost despite increases in raw materials

- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs

## Key Topics

- Daimler Truck, Mitsubishi FUSO, HINO and Toyota Motor Corporation conclude an MoU on accelerating development of advanced technologies and integrating Mitsubishi FUSO and HINO Motors.
- Mitsubishi FUSO has officially kicked off series production of the new eCanter Truck and its subsidiary plant in Tramagal, Portugal.
- Daimler Truck presents medium-duty electric truck of the RIZON brand for the US market.



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# Q2/23 EBIT Daimler Buses

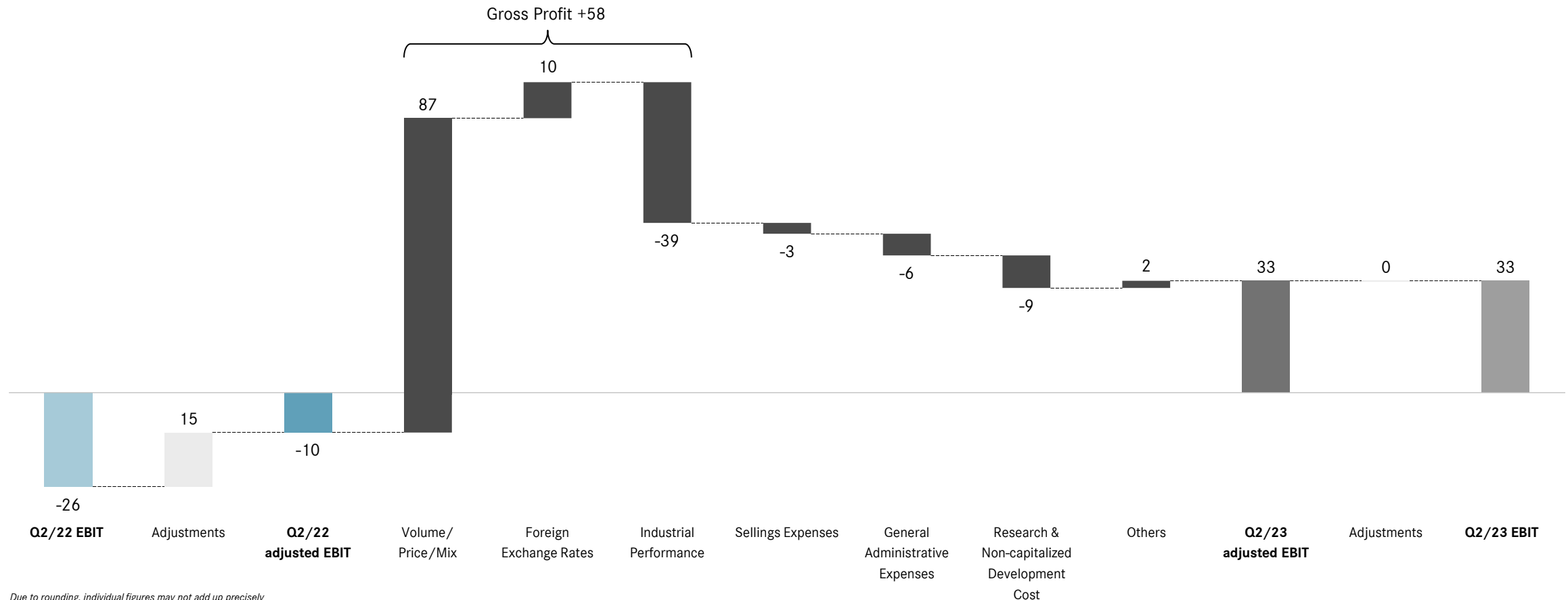
in million Euro

- + Significantly increased sales volume, especially in the regions EU30 and Latin America
- + Improved net pricing
- + Improvement in the aftersales business

- Inflation-related cost increases, especially in material and energy costs as well as higher personnel costs
- Higher research and development costs

## Key Topics

- Significantly higher global market demand – European Coach segment recovering from low level.
- World premiere of the eCitaro fuel cell – the first series-production electric bus with fuel cell as a range extender.



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# Q2/23 EBIT Financial Services

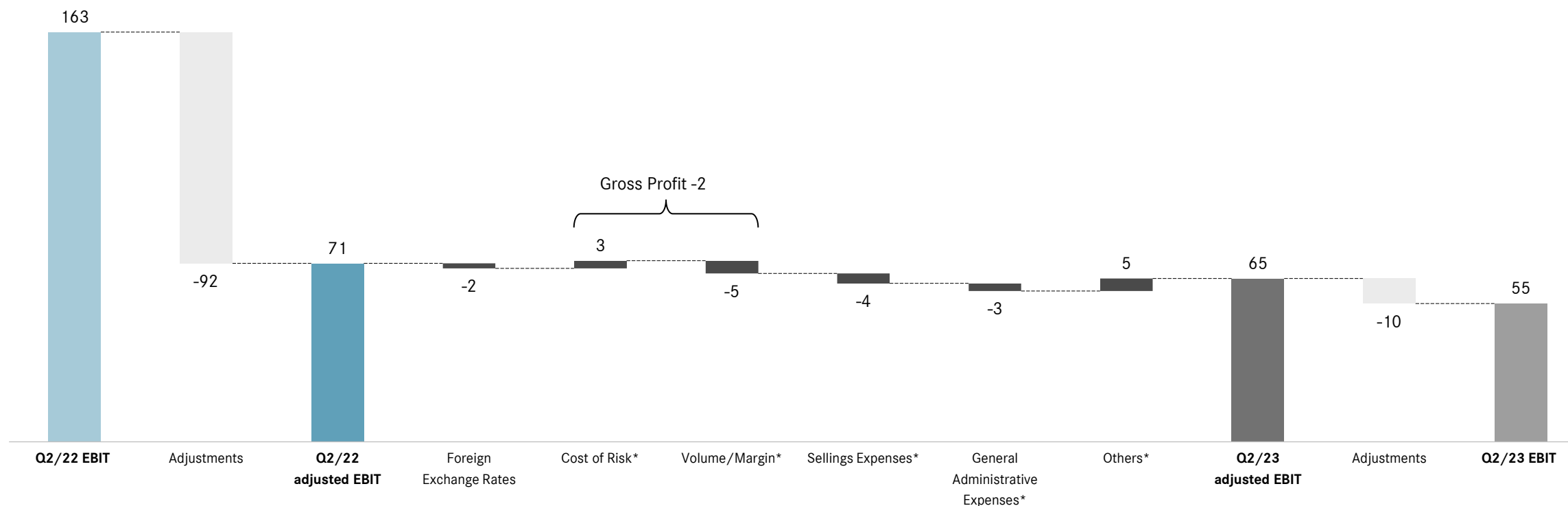
in million Euro

+ Slightly lower credit risk costs due to an improved risk environment in Mexico

- Higher cost base due to the integration of the newly added Phase 2 markets and securing of business operations including the expenses in connection with the spin-off

## Key Topics

- Go-live of DTFS payment solution (DT Pay) in the Netherlands.
- Integration of new phase 2 markets lead to increased new business volume of €2.5 bn.
- Penetration rates decreasing due to weak new business in the US and ramp-up in Germany and France.
- Contract volume increase to €25.4 bn. in Q2/23 driven by newly added phase 2 markets.



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\*excluding FX effects

# Capital Structure

in million Euro

	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023
<b>Group liquidity</b>			
Cash and cash equivalents	5,944	7,788	7,906
Marketable debt securities and similar investments	1,145	1,303	1,621
<b>Group Gross Liquidity</b>	<b>7,089</b>	<b>9,092</b>	<b>9,528</b>
<b>Total Financing Liabilities</b>	<b>-21,421</b>	<b>-23,431</b>	<b>-25,381</b>
<b>Group Net Debt</b>	<b>-14,331</b>	<b>-14,339</b>	<b>-15,854</b>
<b>Liquidity of the Industrial Business</b>			
Cash and cash equivalents	5,597	7,315	7,660
Marketable debt securities and similar investments	1,092	1,281	1,598
<b>Gross Liquidity of the Industrial Business</b>	<b>6,689</b>	<b>8,596</b>	<b>9,258</b>
Financing liabilities (nominal)	841	-1,070	-2,431
<b>Net Liquidity of the Industrial Business</b>	<b>7,530</b>	<b>7,526</b>	<b>6,827</b>
<b>Pension Benefits</b>			
<b>Benefit Obligations</b>	<b>-5,903</b>	<b>-5,984</b>	<b>-5,993</b>
<b>Plan Assets</b>	<b>5,360</b>	<b>5,438</b>	<b>5,464</b>
<b>Funded Status</b>	<b>-543</b>	<b>-548</b>	<b>-530</b>
Funding Ratio	90.8%	90.9%	91.2%



# 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.