

# DAIMLER TRUCK

# FY 2023



**Annual Results Conference**  
March 1, 2024

Martin Daum, CEO and Interim CFO  
Claus Bässler, Vice President Treasury & Tax, acting Head of Finance & Controlling

ISIN: DE 000 DTR0CK8  
WKN: DTR0CK  
ADR Program Symbol: DTRUY

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

# FY 2023 Annual Results Conference

01 Business Update

02 Financials

03 Outlook and Transformation

04 Appendix



# We achieved truly profitable growth in 2023

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**1**

percent  
**Unit Sales**  
growth

**10**

percent  
**Group Revenue**  
growth

**39**

percent  
**Group EBIT adj.**  
growth

**61**

percent  
**Free Cash Flow**  
**Industrial Business**  
growth

# We achieved record profitability in 2023

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**5.5**

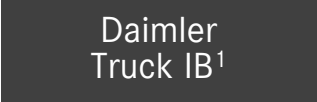





billion Euro  
**Group EBIT adj.**

**9.9**

percent  
**return on sales adj.  
Industrial Business**

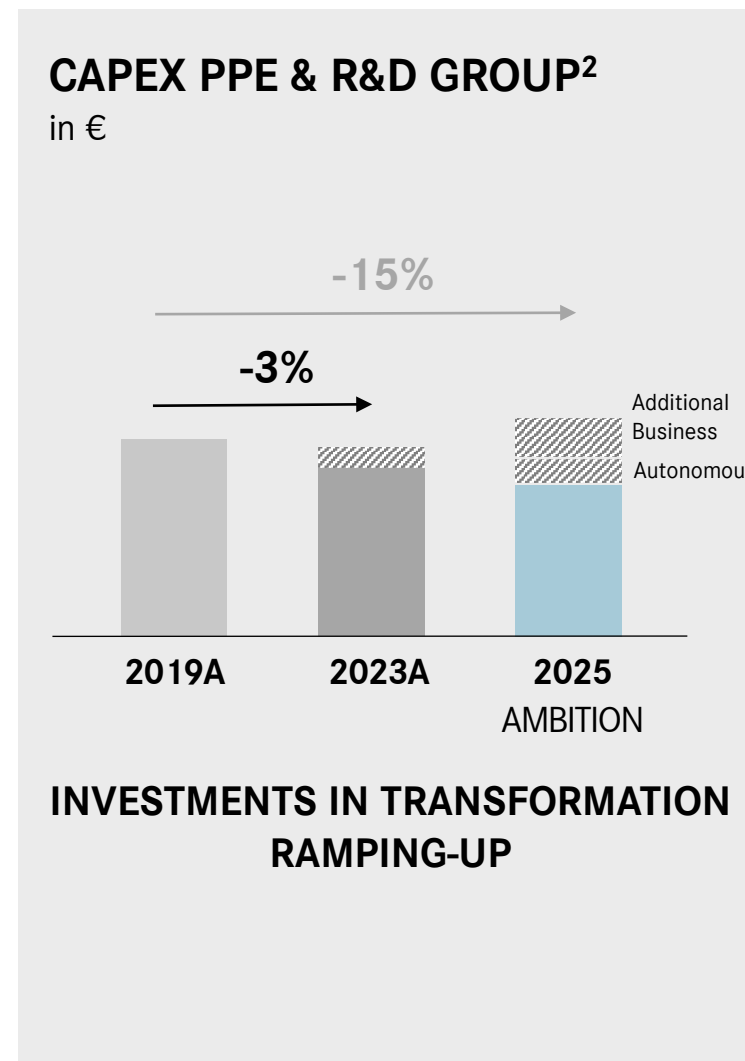
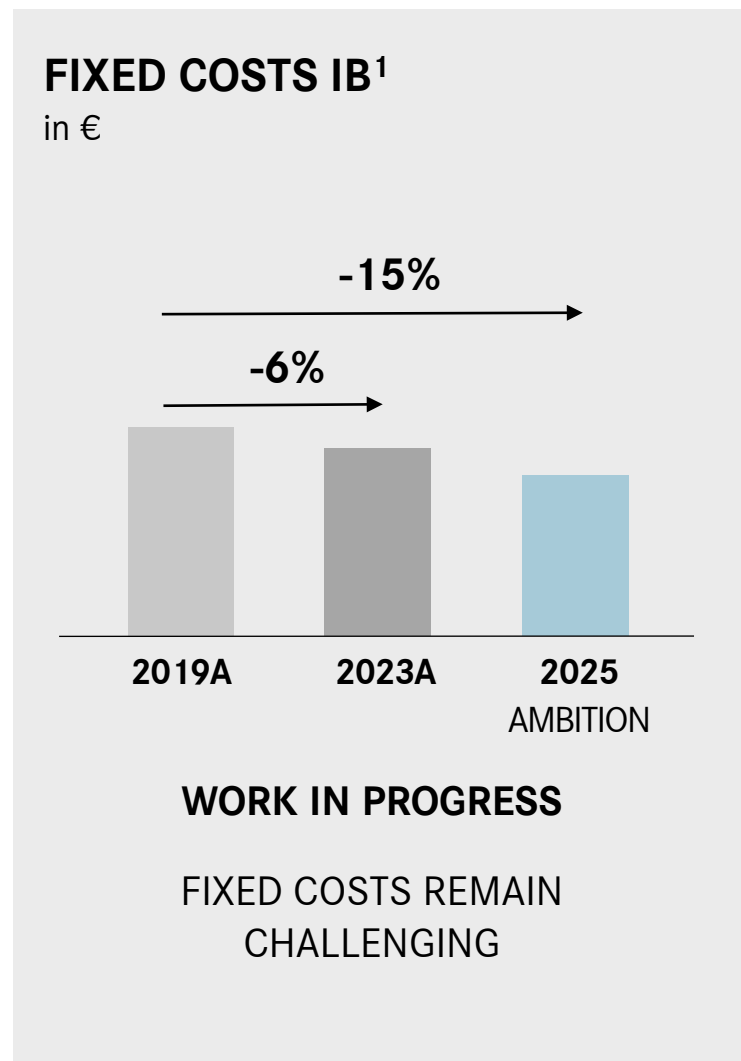
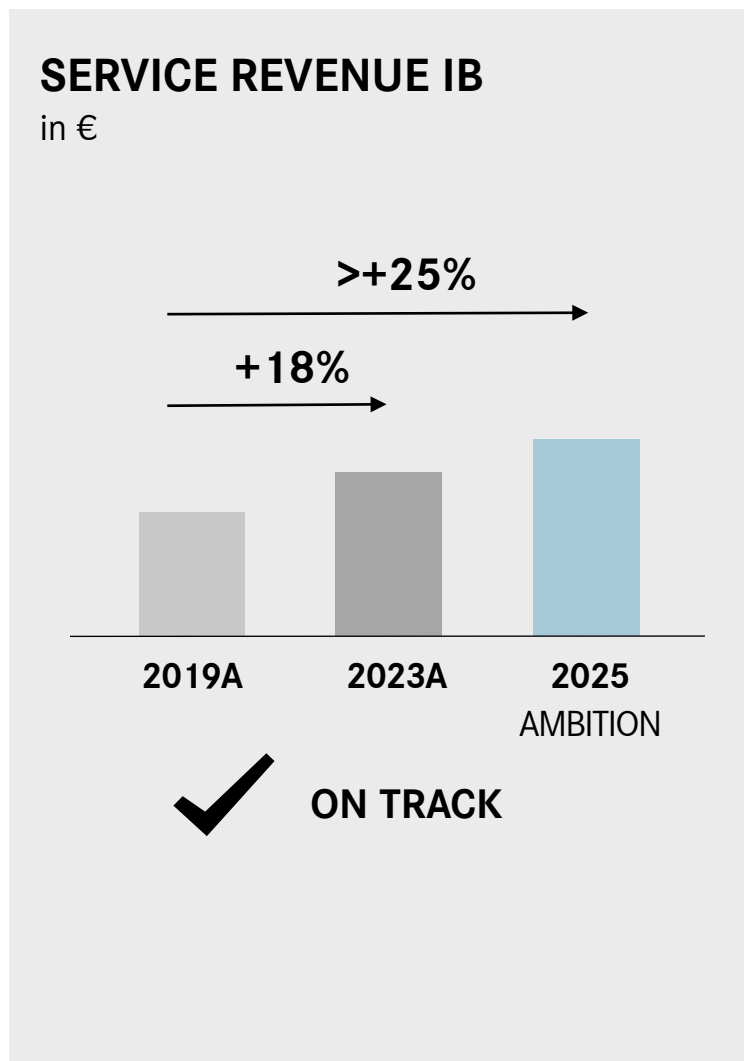
# We are on track to achieve our 2025 margin ambitions

## ROS/ROE adjusted

	 Daimler Truck IB <sup>1</sup>	 Trucks North America	 Mercedes-Benz	 Trucks Asia	 Daimler Buses	 Financial Services <sup>2</sup>
2025 ambition in markets	>10%	12%	10%	9%	8%	>14%
2023	9.9%	12.3%	10.2%	4.7%	4.7%	9.1%
2022	7.7%	10.8%	8.1%	2.6%	0.4%	9.9%
2021	6.1%	9.2%	4.8%	7.2%	-2.4%	12.4%
2020	1.9%	7.3%	-1.7%	0.7%	1.9%	0.1%
2019	5.8%	11.5%	0.4%	2.3%	6.1%	12.4%

<sup>1</sup> Industrial Business incl. reconciliation    <sup>2</sup> ROE adjusted

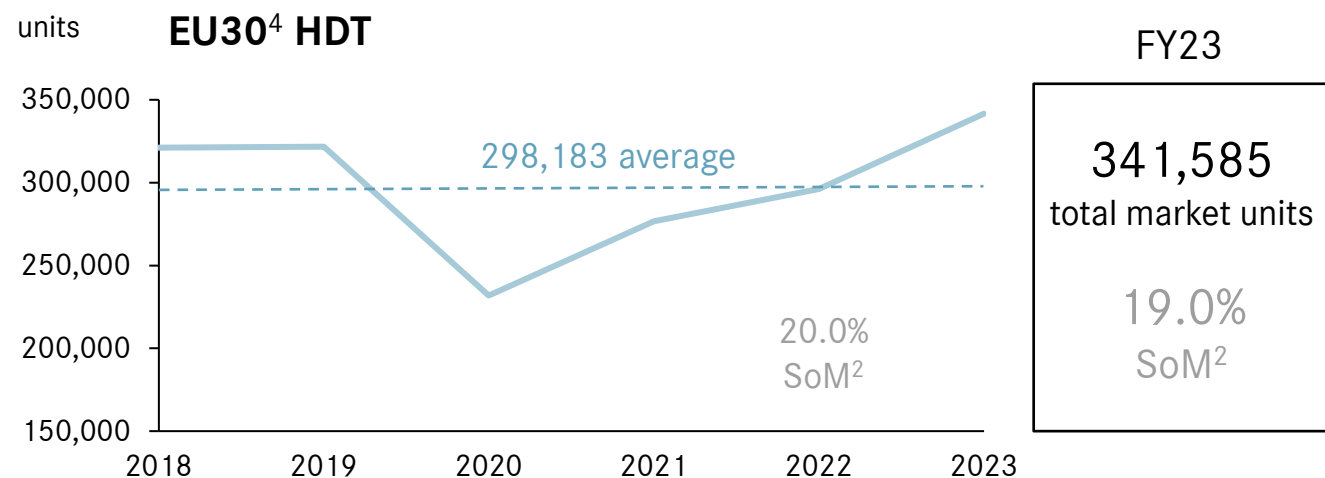
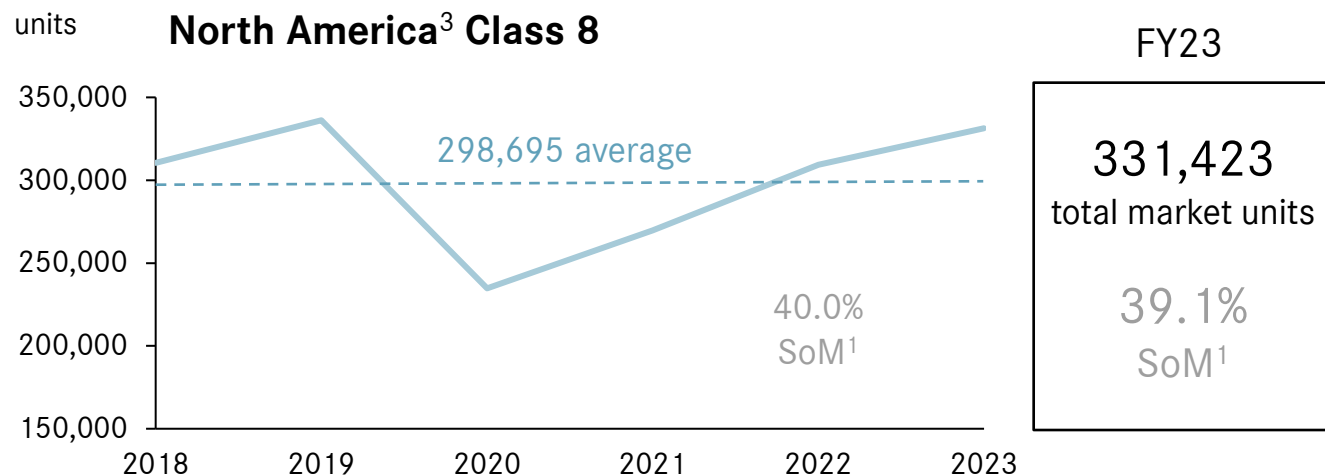
# We are continuously working on our self-help measures



<sup>1</sup> Industrial business incl. reconciliation excluding TORC, spin-off costs and excess inflation >2% based on 2019 FX

<sup>2</sup> Group excluding spin-off costs and TORC, w/o FX effects; 2023: -12% excl. additional business and excess inflation >2%

# 2023 HD markets in important regions on high levels



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

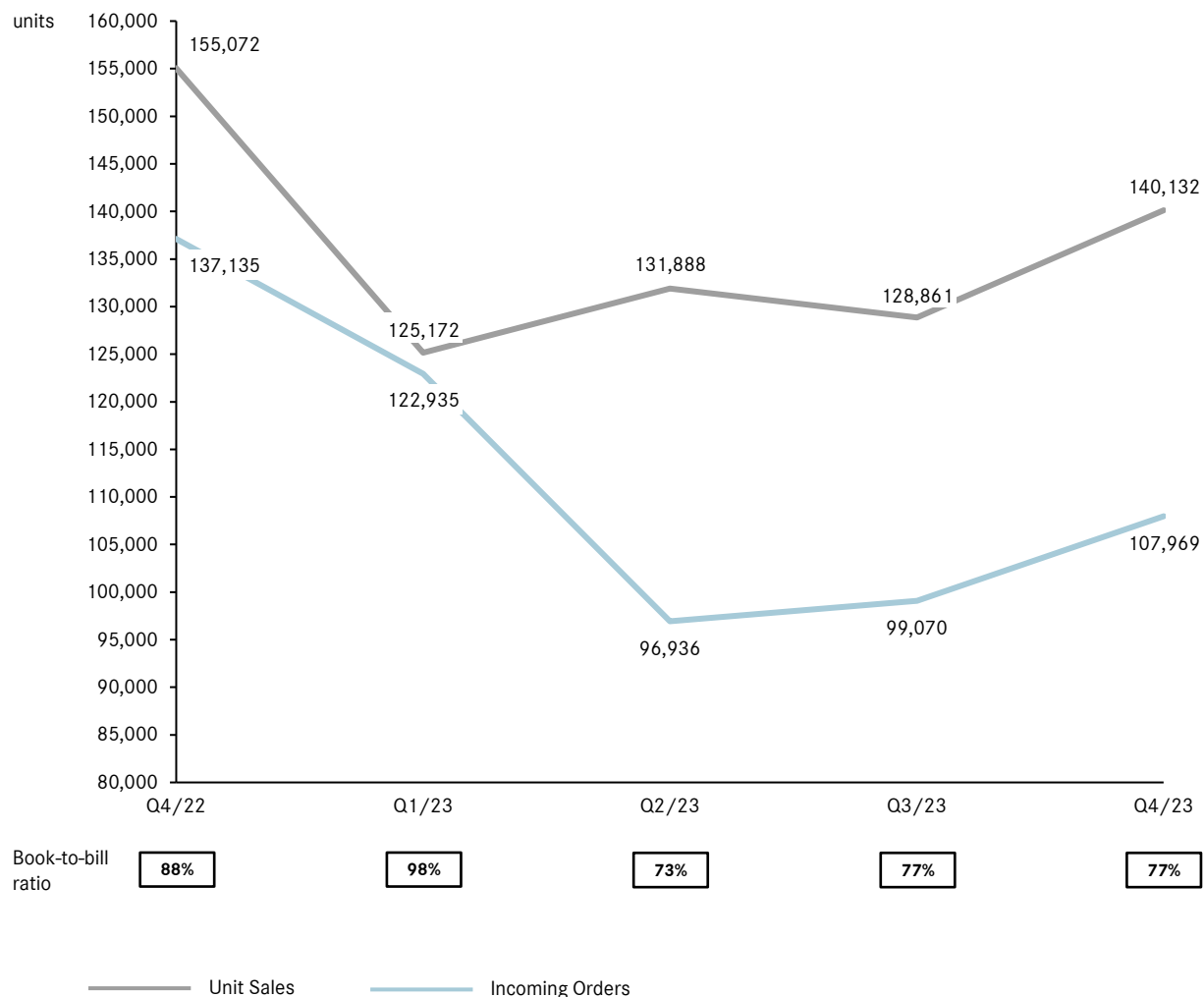
<sup>3</sup> USA, Canada and Mexico

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

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

# FY23 Incoming Orders and Unit Sales

## Daimler Truck Group



## Highlights

- Order backlog shows normalization in all regions
- North America: ongoing strong replacement demand for on-highway segment, strong demand for new vocational trucks – high quality order book
- Strong demand for Mercedes-Benz – Q4/23 book-to-bill ratio on prior year level

units	2022			2023		
	Incoming orders	Group sales	Book-to-bill ratio	Incoming orders	Group sales	Book-to-bill ratio
<b>Daimler Truck Group</b>	<b>522,837</b>	<b>520,291</b>	<b>100%</b>	<b>426,910</b>	<b>526,053</b>	<b>81%</b>
Trucks North America	176,228	186,779	94%	159,876	195,014	82%
Mercedes-Benz	141,511	166,369	85%	116,883	158,511	74%
Trucks Asia	191,229	155,967	123%	133,957	161,171	83%
Daimler Buses	31,541	24,041	131%	27,933	26,168	107%
Reconciliation	-17,672	-12,865		-11,739	-14,811	



# FY 2023

Annual Results  
Conference

**01** | Business Update

**02** | Financials

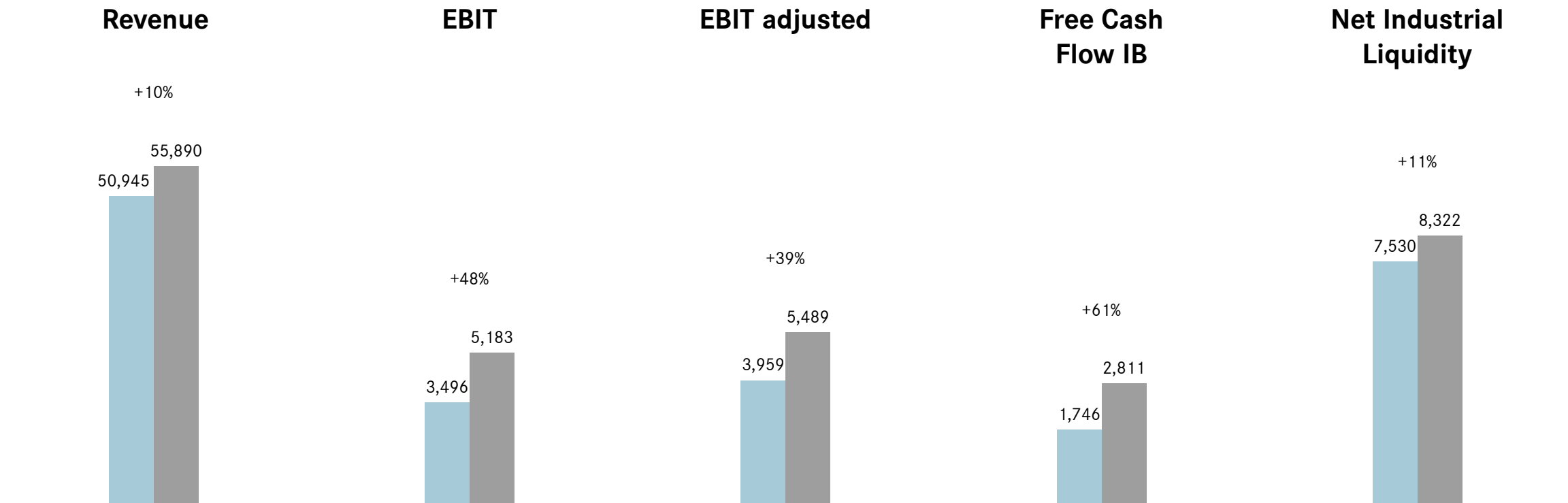
**03** | Outlook and  
Transformation

**04** | Appendix



# FY23 Key Figures Group

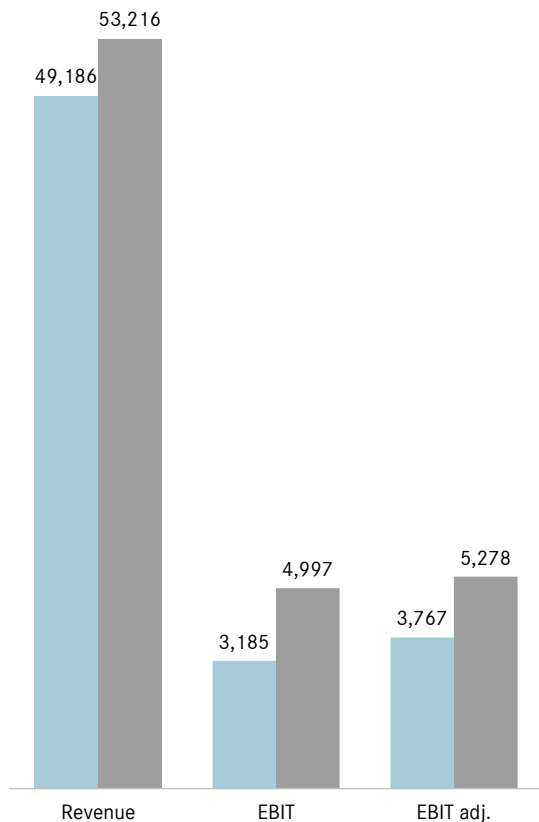
in million Euro



# FY23 Revenue and EBIT Industrial Business

in million Euro

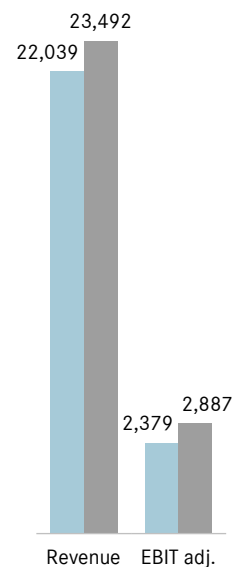
## Industrial Business



ROS adj. FY23 (FY22)

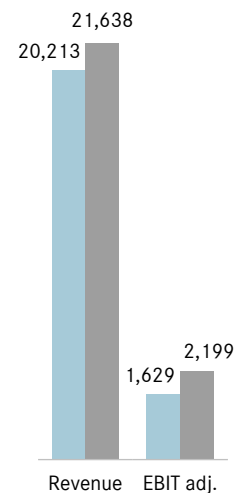
**9.9%** (7.7%)

## Trucks North America



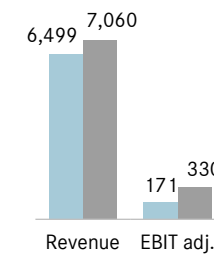
**12.3%** (10.8%)

## Mercedes-Benz



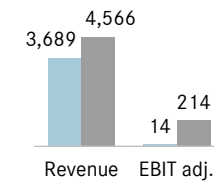
**10.2%** (8.1%)

## Trucks Asia



**4.7%** (2.6%)

## Daimler Buses



**4.7%** (0.4%)

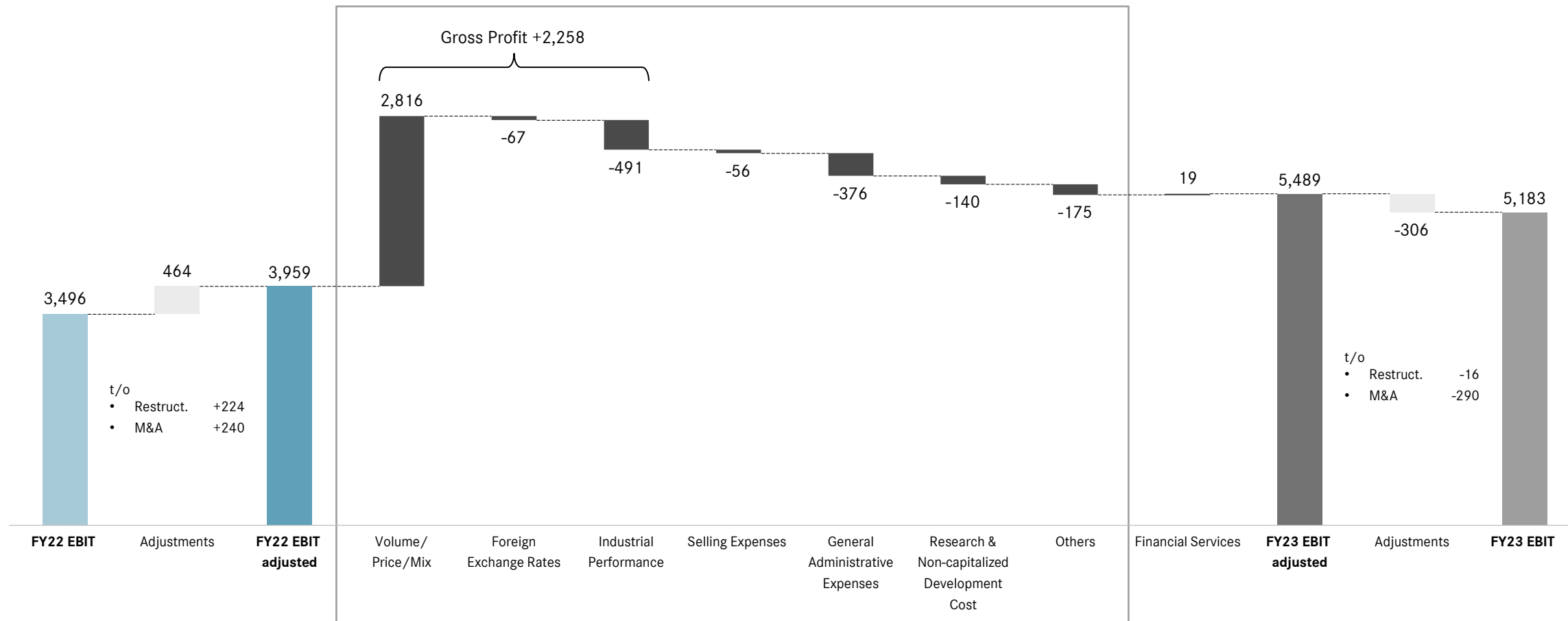
FY22A FY23A

# FY23 EBIT Group

in million Euro

- + Strong net pricing
- + Higher unit sales and positive product mix despite ongoing supplier bottlenecks and market decline in Brazil
- + Strong aftersales business
- Inflation related cost increases, especially in material costs, and higher personnel costs

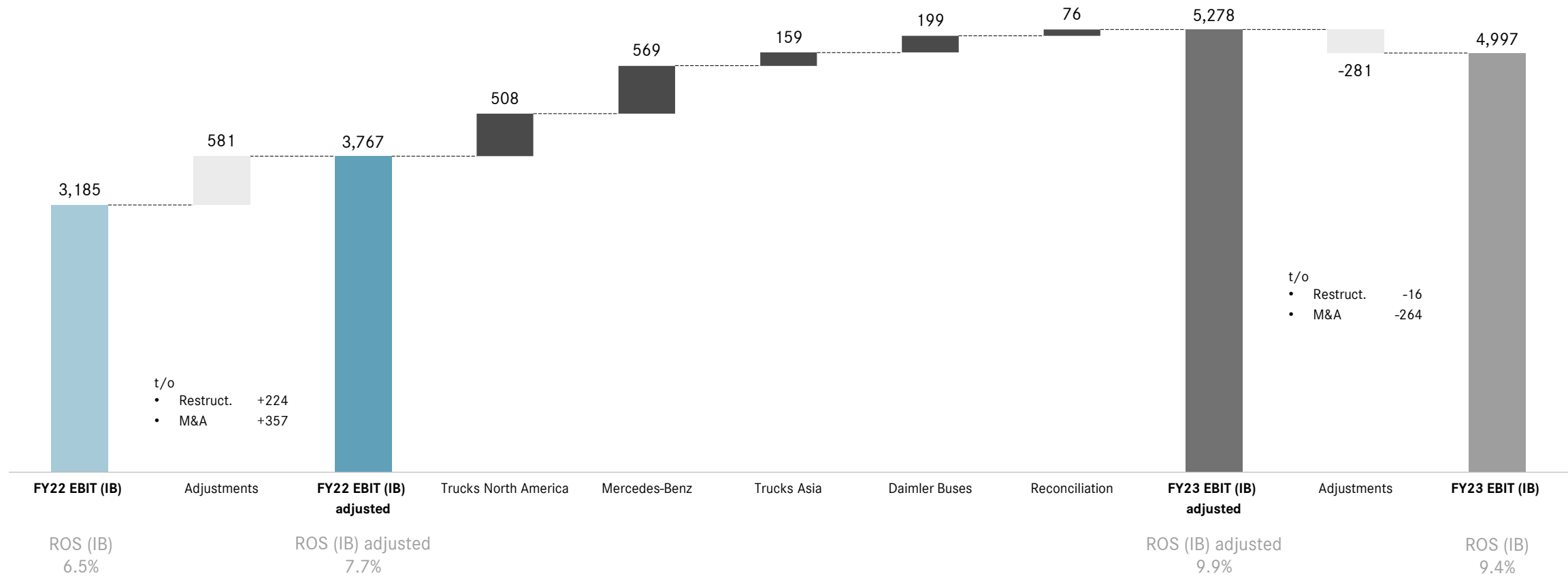
## Industrial Business +1,512



*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.*

# FY23 EBIT Industrial Business

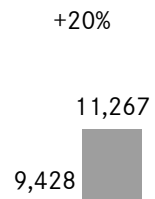
in million Euro



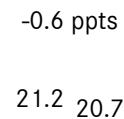
*Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.*

# FY23 Key Figures Financial Services

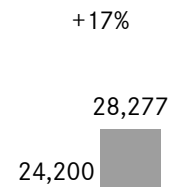
## New Business in million Euro



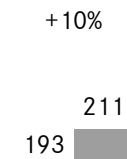
## Penetration Rate in %



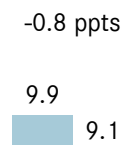
## Contract Volume in million Euro at end of period



## EBIT adjusted in million Euro



## ROE adjusted in %



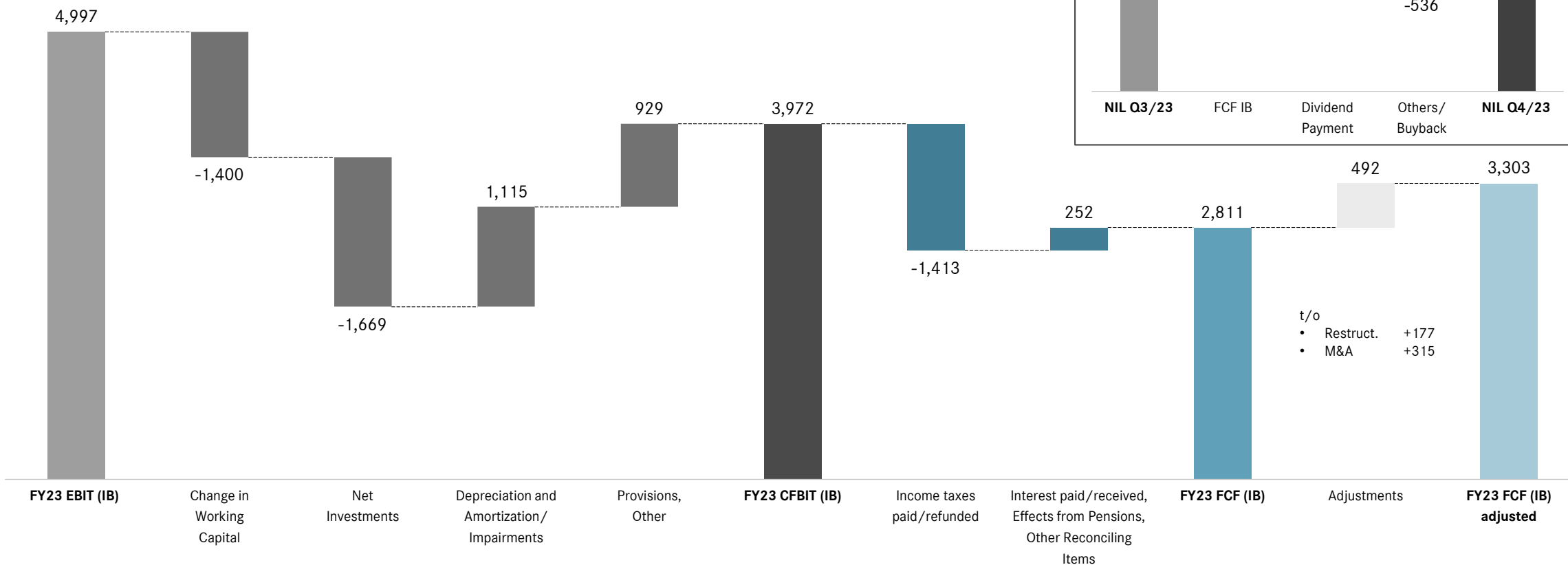
*Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.*

 FY22A  FY23A

# FY23 Cash Flow Industrial Business

in million Euro

**Cash Conversion  
Rate adjusted  
0.8**



## Net Industrial Liquidity (NIL)

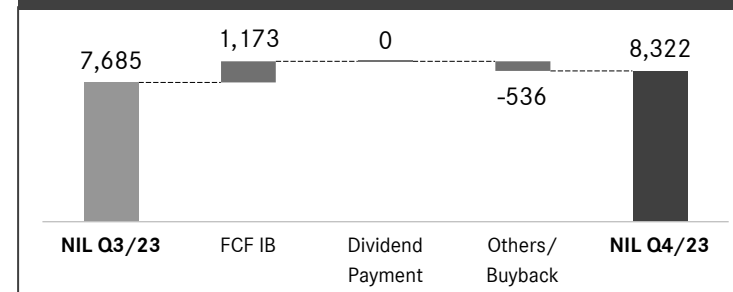
at end of

Q3/23

Q4/23

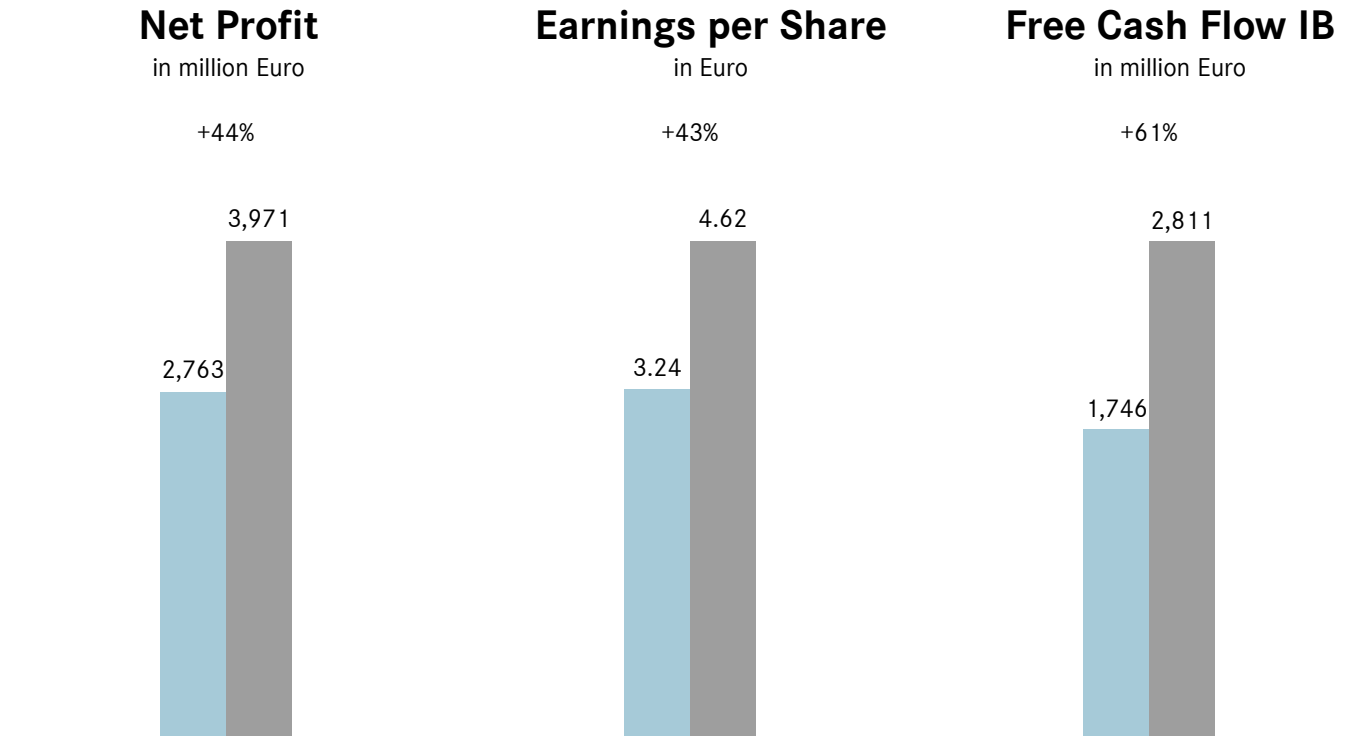
7.7 bn.

8.3 bn.



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.

# Dividend proposal



**1.90**

Euro  
dividend proposal  
(+46% vs. 2022)



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Annual Results  
Conference

**01** | Business Update

**02** | Financials

**03** | Outlook and  
Transformation

**04** | Appendix

#SENSINGWHATSAHEAD

# Market Assumptions 2024

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

2024

North America<sup>2</sup>

280 – 320 k units

EU30<sup>3</sup>

260 – 300 k units

### Assumption

The outlook is especially subject to further macroeconomic and geopolitical developments.



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

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

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

# Daimler Truck Group/Industrial Business Assumptions 2024

## Group

	FY 2023	Guidance 2024
<b>Revenue</b>	55.890 bn. €	55 – 57 bn. €
<b>EBIT</b>	5.183 bn. €	on prior-year level
<b>EBIT adjusted</b>	5.489 bn. €	on prior-year level
<b>R&amp;D cost<sup>1</sup> and Investment</b>	2.991 bn. €	slight increase

## IB

<b>Unit Sales</b>	526,053 units	490 – 510 k units
<b>Revenue</b>	53.216 bn. €	52 – 54 bn. €
<b>ROS adjusted</b>	9.9%	9 – 10.5%
<b>FCF</b>	2.811 bn. €	slight increase

### Assumption

The outlook is especially subject to further macroeconomic and geopolitical developments.



# Daimler Truck Segment Assumptions 2024

	Unit Sales in thousand units		ROS/ROE adjusted in %	
	FY 2023	Guidance 2024	FY 2023	Guidance 2024
<b>Trucks North America</b>	195	180 – 200	12.3	11 – 13
<b>Mercedes-Benz</b>	159	140 – 160	10.2	8.5 – 10.5
<b>Trucks Asia</b>	161	130 – 150	4.7	3 – 5
<b>Daimler Buses</b>	26	23 – 28	4.7	5 – 7
<b>Financial Services</b>	11 bn. € <sup>1</sup>	11 – 13 bn. € <sup>1</sup>	9.1 <sup>2</sup>	9 – 11 <sup>2</sup>

## Assumption

The outlook is especially subject to further macroeconomic and geopolitical developments.



# We consistently work towards our two strategic ambitions

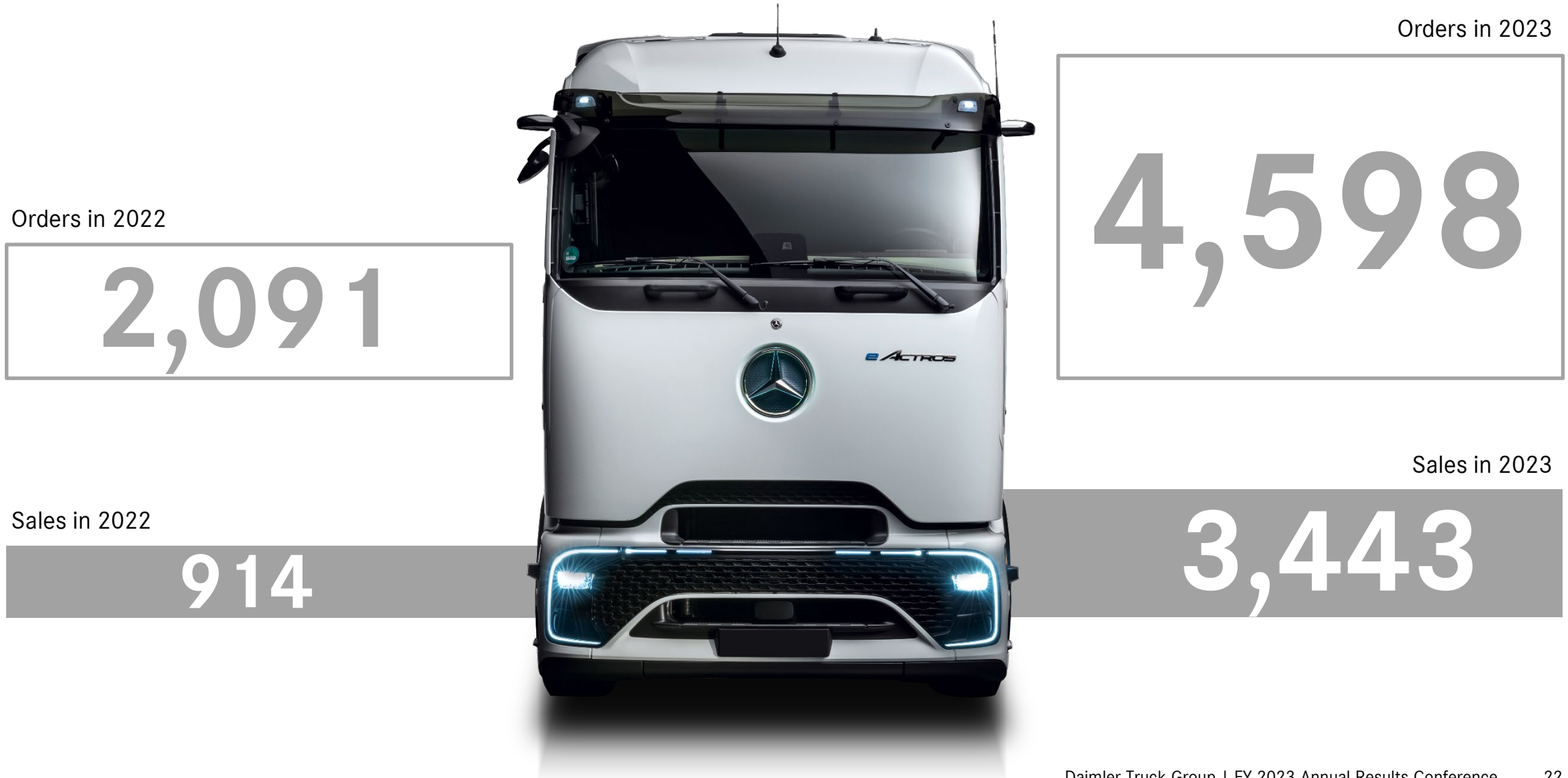


Lead  
profitability

Lead  
transformation

Daimler Truck

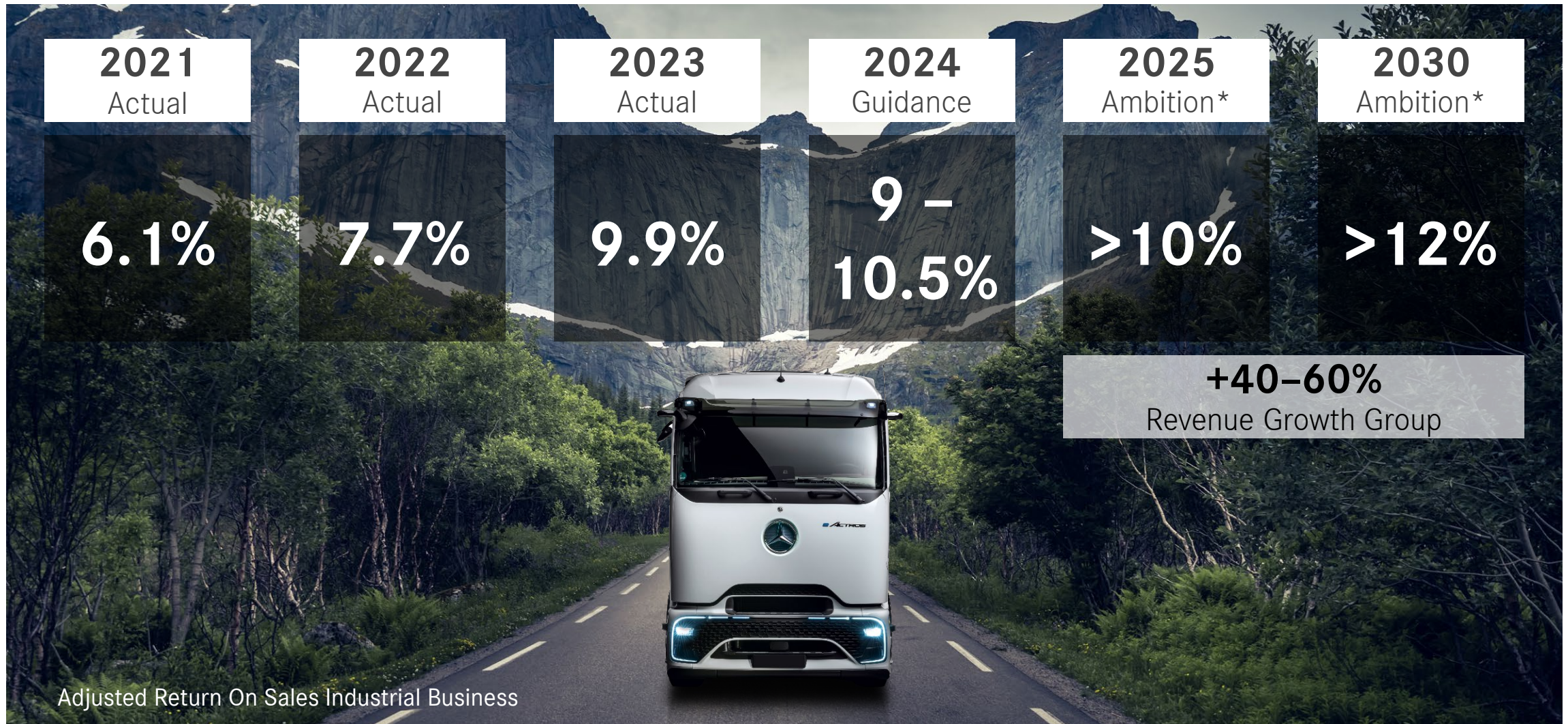
# Continued strong progress in zero-emission trucks and buses



# Daimler Truck ambition: New vehicles in Europe, North America and Japan CO<sub>2</sub>-neutral by 2039



# We are making great progress in unlocking our full profit potential



\* in good (sunny) market conditions



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Annual Results  
Conference

**01** | Business Update

**02** | Financials

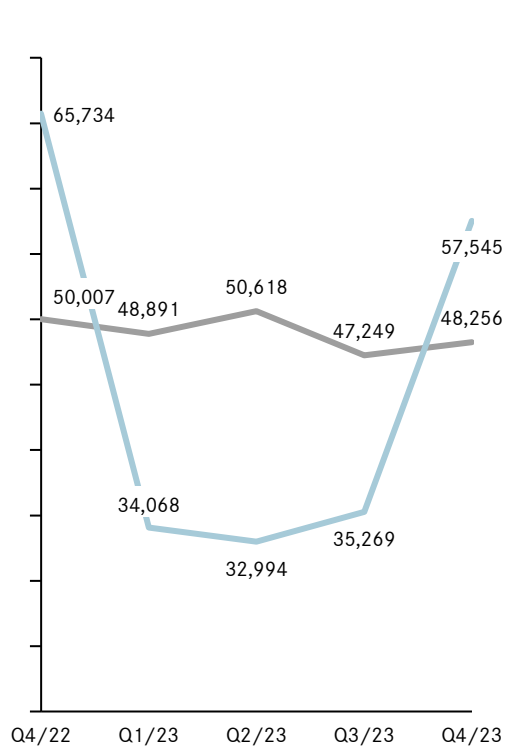
**03** | Outlook and  
Transformation

**04** | Appendix



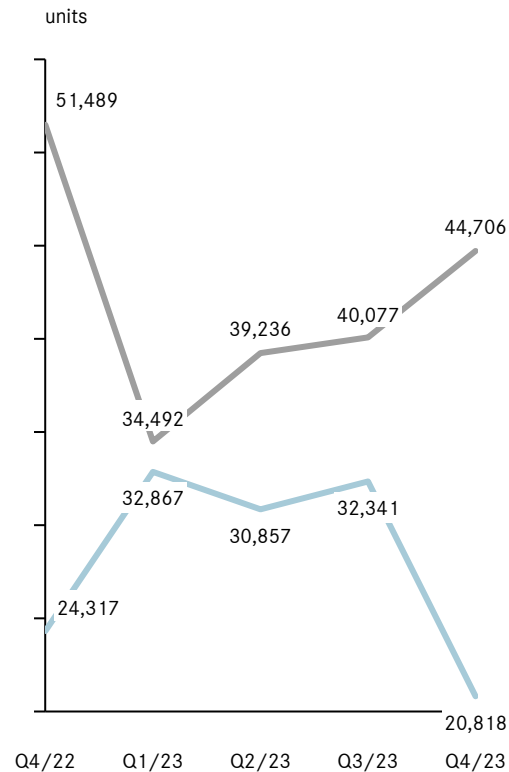
# Q4/22 – Q4/23 Incoming Orders and Unit Sales by Segment

## Trucks North America



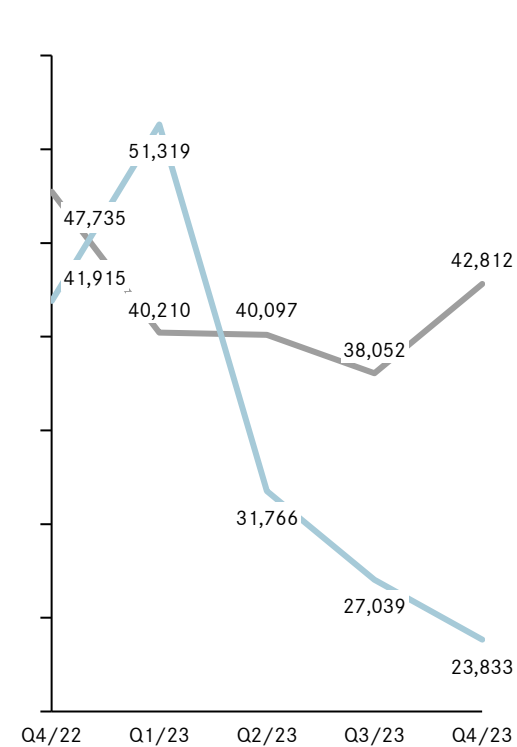
BTB RATIO: 131% (Q4/22), 70% (Q1/23), 65% (Q2/23), 75% (Q3/23), 119% (Q4/23)

## Mercedes-Benz



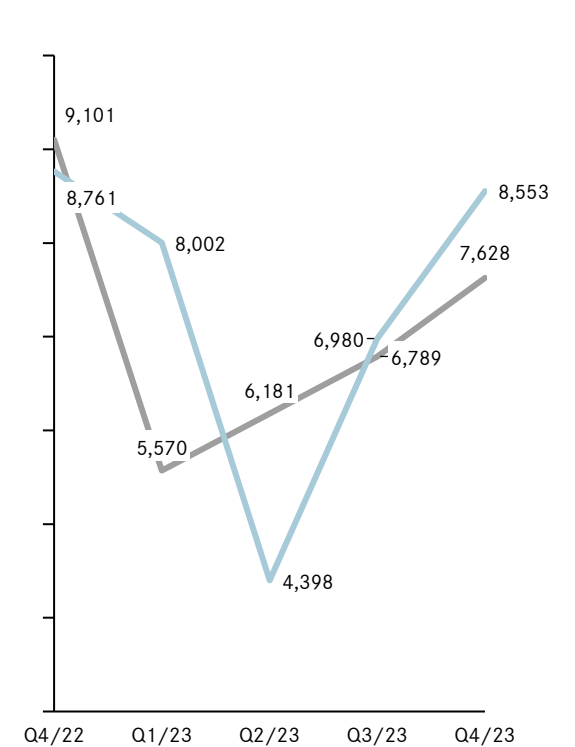
BTB RATIO: 47% (Q4/22), 95% (Q1/23), 79% (Q2/23), 81% (Q3/23), 47% (Q4/23)

## Trucks Asia



BTB RATIO: 88% (Q4/22), 128% (Q1/23), 79% (Q2/23), 71% (Q3/23), 56% (Q4/23)

## Daimler Buses



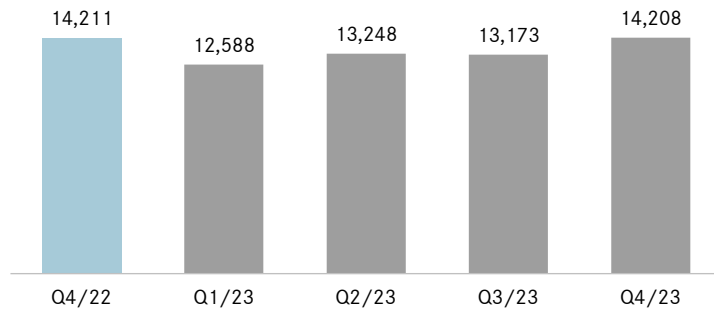
BTB RATIO: 96% (Q4/22), 144% (Q1/23), 71% (Q2/23), 103% (Q3/23), 89% (Q4/23)

Unit Sales (grey line), Incoming Orders (blue line)

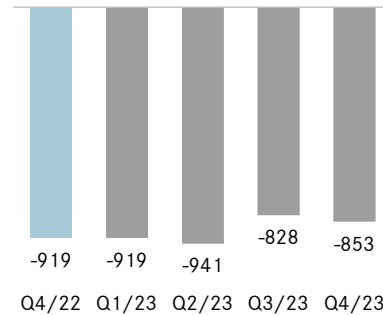
# Q4/22 – Q4/23 IB Performance: Revenue by Segment

in million Euro

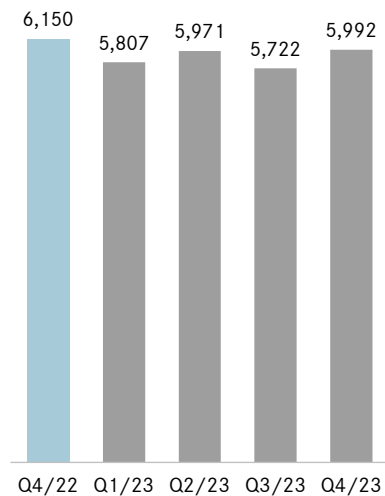
## Daimler Truck Industrial Business



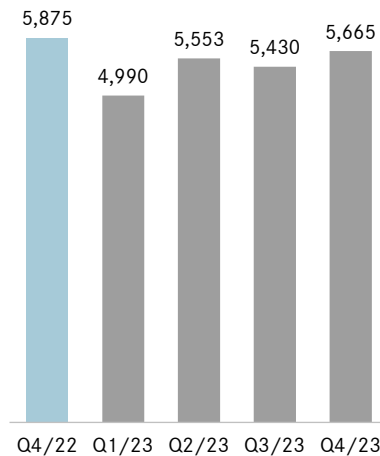
## Reconciliation



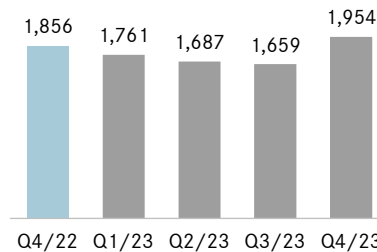
## Trucks North America



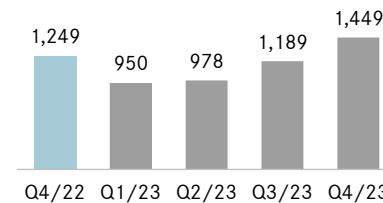
## Mercedes-Benz



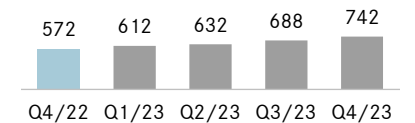
## Trucks Asia



## Daimler Buses



## Financial Services



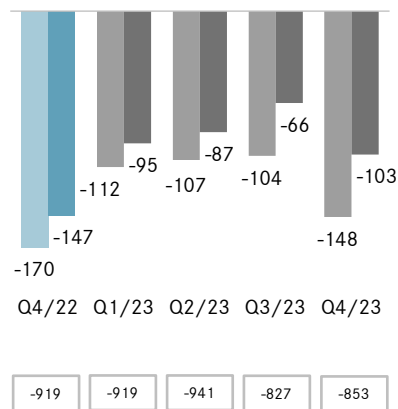
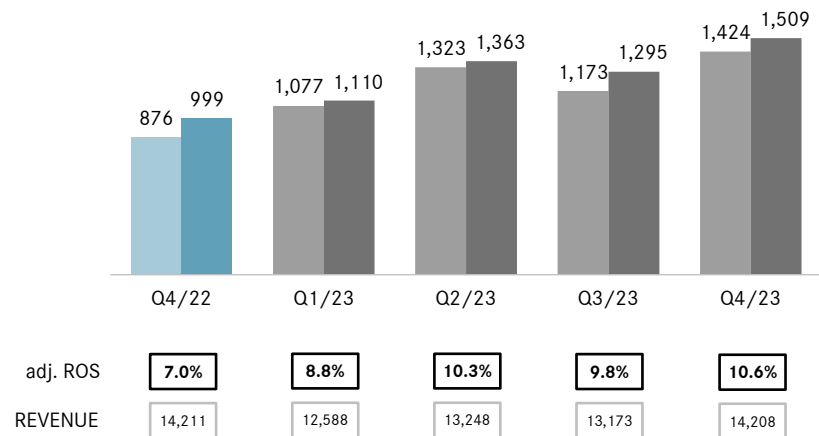
2022 Quarterly Revenue 2023 Quarterly Revenue

# Q4/22 – Q4/23 IB Performance: EBIT by Segment

in million Euro

## Daimler Truck Industrial Business

## Reconciliation



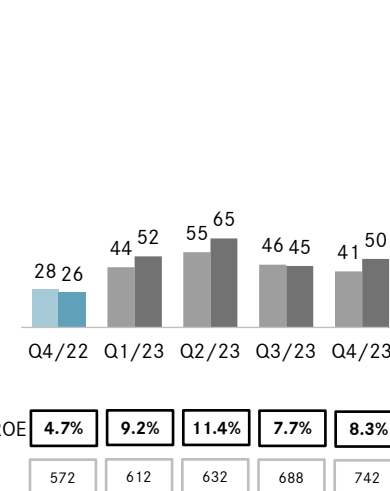
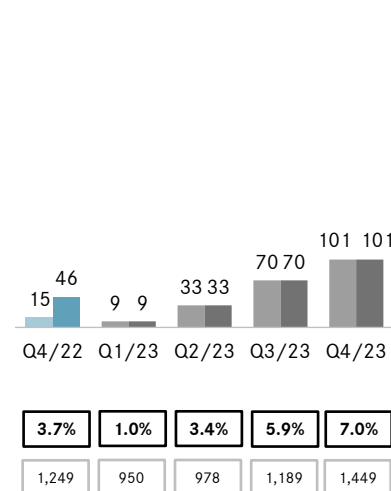
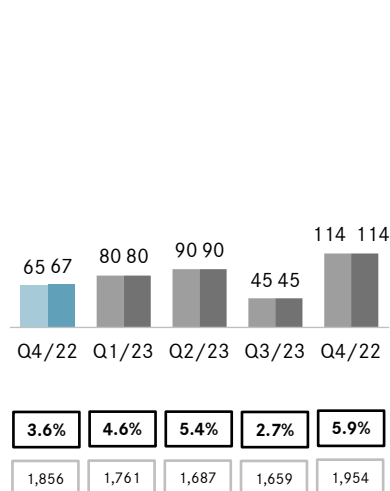
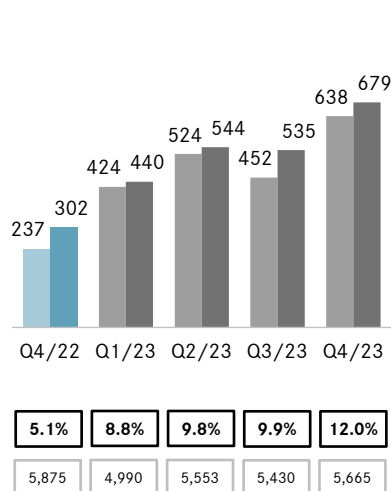
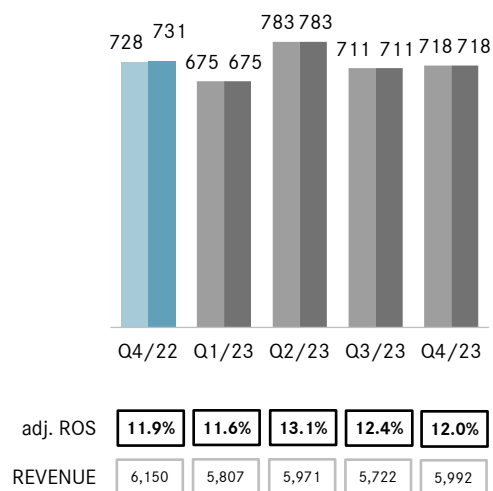
## Trucks North America

## Mercedes-Benz

## Trucks Asia

## Daimler Buses

## Financial Services

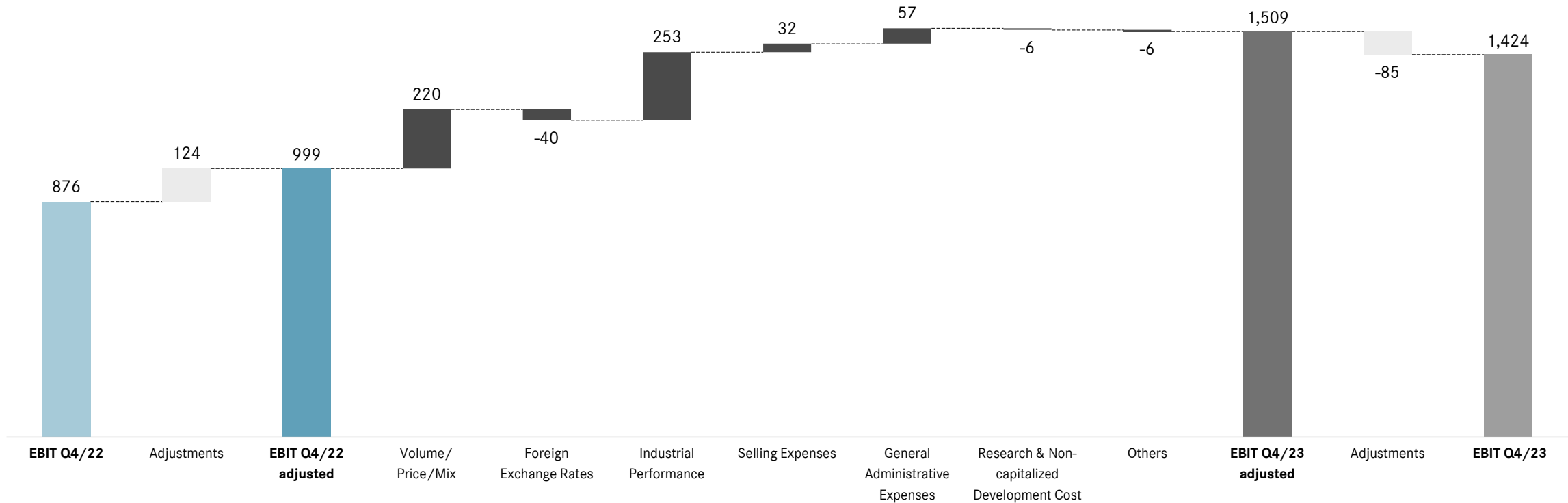


EBIT EBIT adjusted

# Industrial Business: Q4/23 EBIT

in million Euro

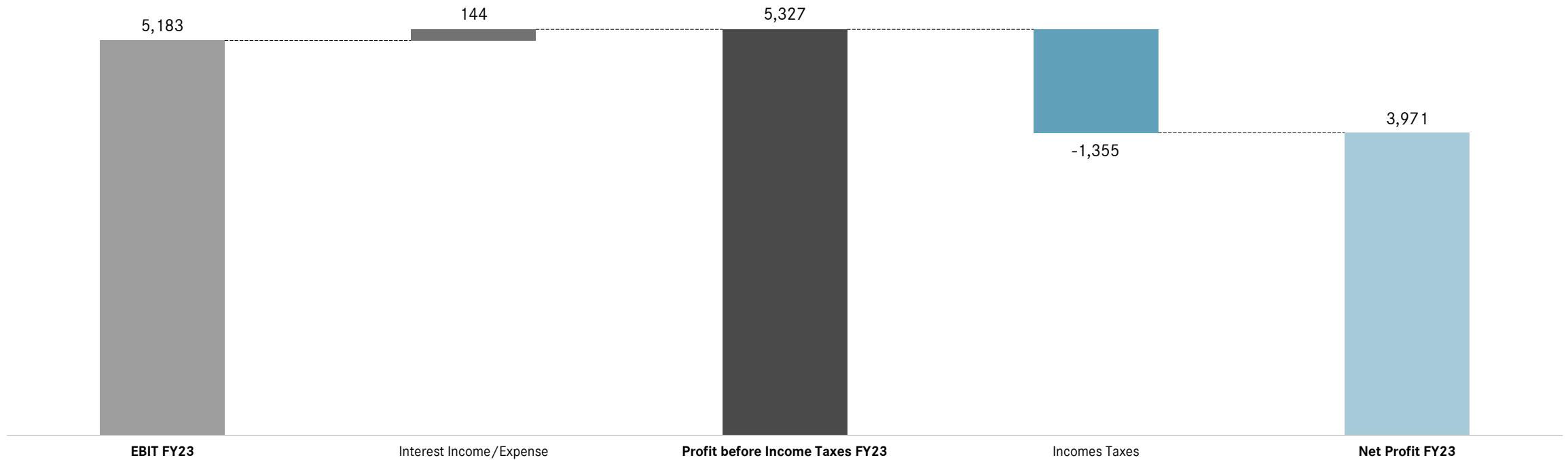
- + Strong net pricing
- + Favorable effects from warranty
- + Improved material cost efficiency
- Less unit sales and unfavorable product mix
- Slight decrease in the aftersales business



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# Group: Net Profit 2023

in million Euro



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# Group: Key Topics 2023

- Daimler Truck again with increased unit sales (+1%), despite supplier bottlenecks in important regions.
- Incoming orders and order backlog overall decreased due to normalization of demand, while at the same time ZEV units increased significantly.
- Strong enforcement of new pricing to offset cost headwinds.
- Successful and very well received Capital Market Day in Boston in July 2023 underlined our strong performance, our 2025 ambition and provided guidance for our 2030 ambition for the first time.
- Announced share buy-back program started successfully as planned in August 2023.
- Eva Scherer appointed as CFO with effect from April 1, 2024.
- Mercedes-Benz GenH2 Truck breaks 1,000 kilometer mark with one tank of liquid hydrogen.
- Cummins, Daimler Truck and PACCAR plan U.S. Joint venture for battery cell production.
- Mercedes-Benz Trucks celebrates world premiere of the battery-electric long-distance truck eActros 600.



**FY 2023**

reported | adjusted EBIT Group  
€5,183 m. | €5,489 m.

adjusted ROS IB  
9.9%

EPS  
€4.62

FCF IB  
€2,811 m.

Net Industrial Liquidity  
€8,322 m.

# Trucks North America: Key Topics 2023

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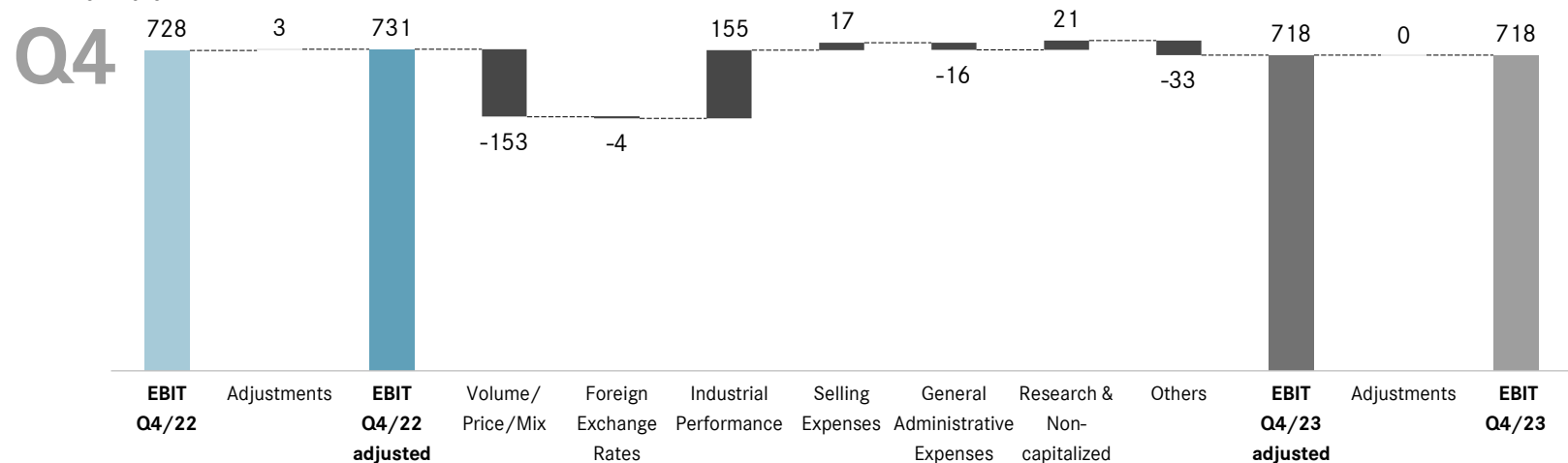
- 750,000th Truck produced at manufacturing plant in Mt. Holly: a M2 106 delivered to Miller Industries.
- FCCC delivered the first electric walk-in van MT50e to Penske Truck Leasing.
- Start of Series Production of Freightliner eM2 Battery Electric Trucks, the versatile battery electric truck for medium duty applications and begin of Strategic Partnership with Hexagon Purus for Battery Electric Freightliner eM2 for Vocational Applications.
- Expansion of DTNA service network as Love's Travel Stops and DTNA partner to serve our customers.
- Announcement of GREENLANE as the name of the high performance zero-emission public charging and hydrogen fueling network.





# Trucks North America: Q4/23 and FY23 EBIT

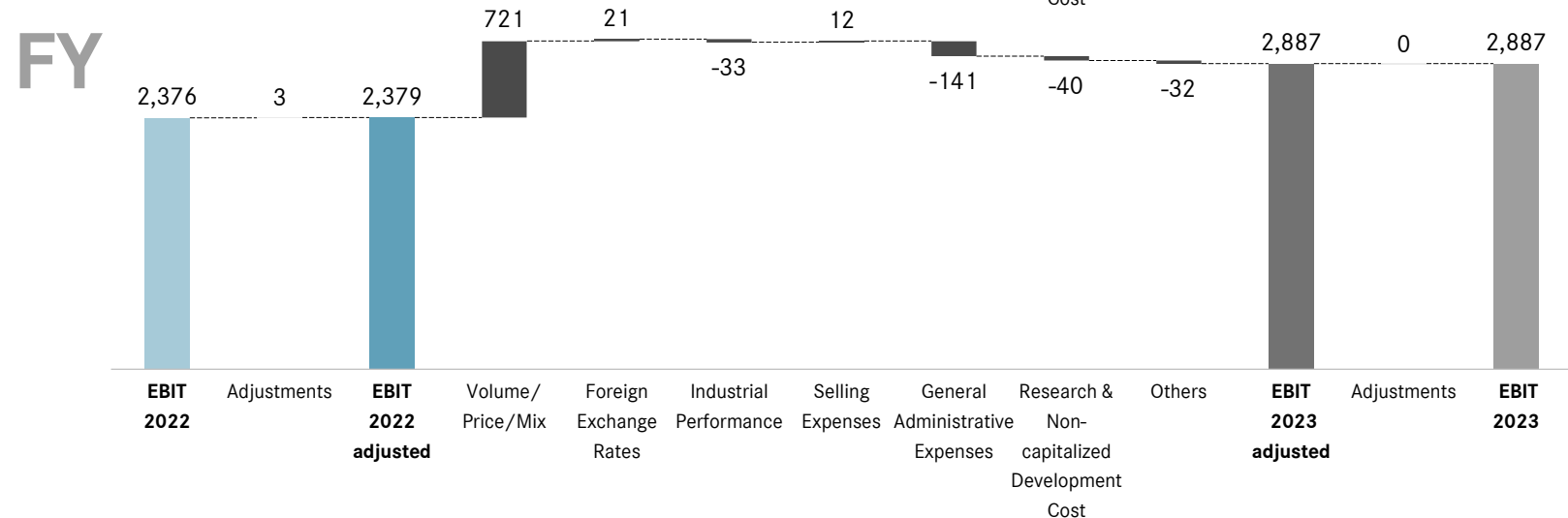
in million Euro



## Q4/2022 vs. Q4/2023

- + Positive pricing
- + Positive effects from warranty and improved material cost efficiency
- Lower sales volume due to supply constraints
- Inflation-related cost increases, especially personnel costs

in million Euro



## FY2022 vs. FY2023

- + Positive pricing
- + Increase in volume. However, limited by supply constraints
- + Improved material cost efficiency
- Continuation of supply chain interruptions causing production inefficiencies
- Inflation-related higher personnel costs

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# Mercedes-Benz: Key Topics 2023

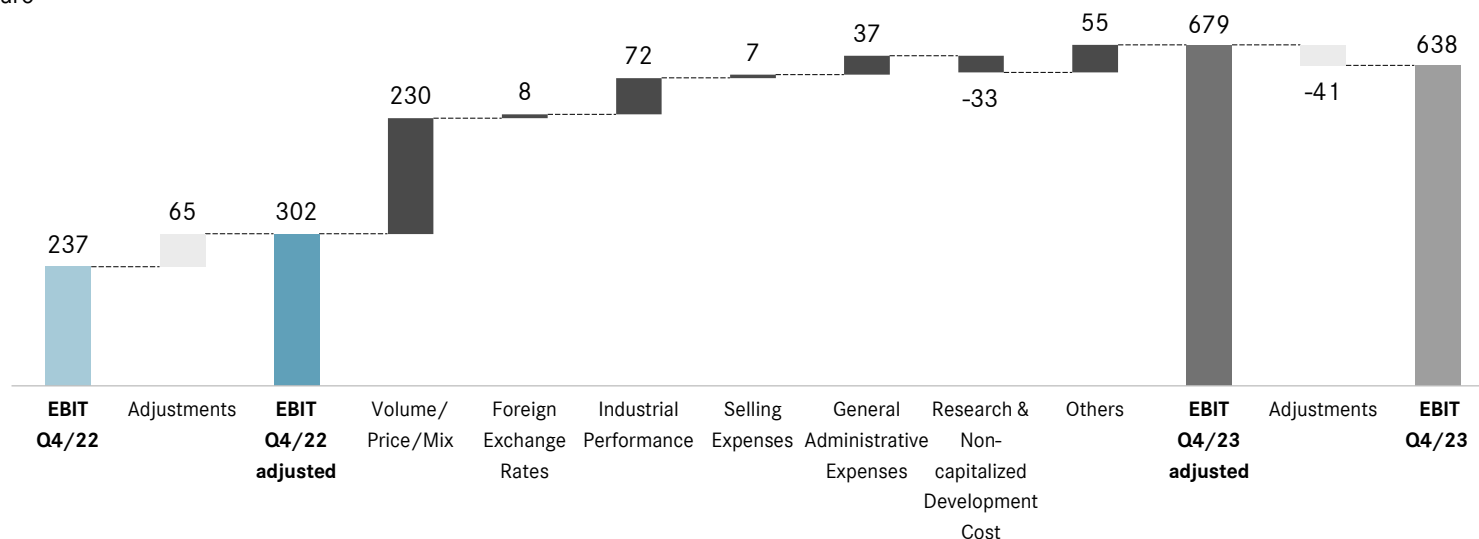
- Mercedes-Benz celebrates world premiere of gamechanger in long-haul transportation: the battery-electric long-haul eActros 600. This new heavy duty model defines new standards in road freight transport in terms of technology, sustainability, design and profitability for e-fleet operators.
- Strong focus on Sustainability at Mercedes-Benz Trucks biggest production site in Wörth am Rhein: Joint Venture with EnBW and the City of Wörth am Rhein for forward-looking project to investigate possibilities on sustainable heat generation through geothermal energy in Wörth.
- Groundbreaking in the city of Halberstadt: Mercedes-Benz Trucks restates its focus on customer service and high parts availability by starting construction of the new Daimler Truck Global Parts Center for the worldwide supply of spare parts.
- Hydrogen Record run: Mercedes-Benz Gen H2 Truck cracks 1,000 kilometer mark with one fill of liquid hydrogen.



# Mercedes-Benz: Q4/23 and FY23 EBIT

in million Euro

## Q4

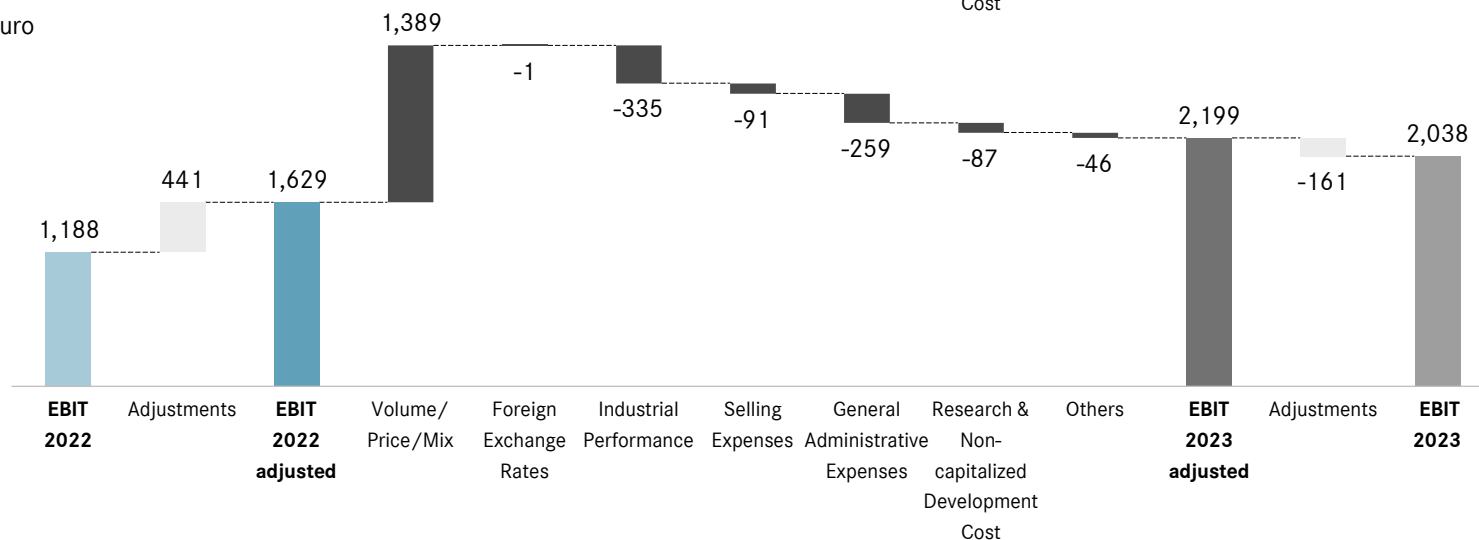


### Q4/2022 vs. Q4/2023

- + Strong price realization
- + Strong aftersales business
- Material cost increases
- Lower Brazilian volume as consequence of Euro 6 introduction
- Used market normalization

in million Euro

## FY



### FY2022 vs. FY2023

- + Strong Group Sales despite challenging supply constraints
- + Strong aftersales result from increased focus on customer experience
- Brazilian market at low level – Euro 6 emission regulations as the main driver
- Used market normalization

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.

# Trucks Asia: Key Topics 2023

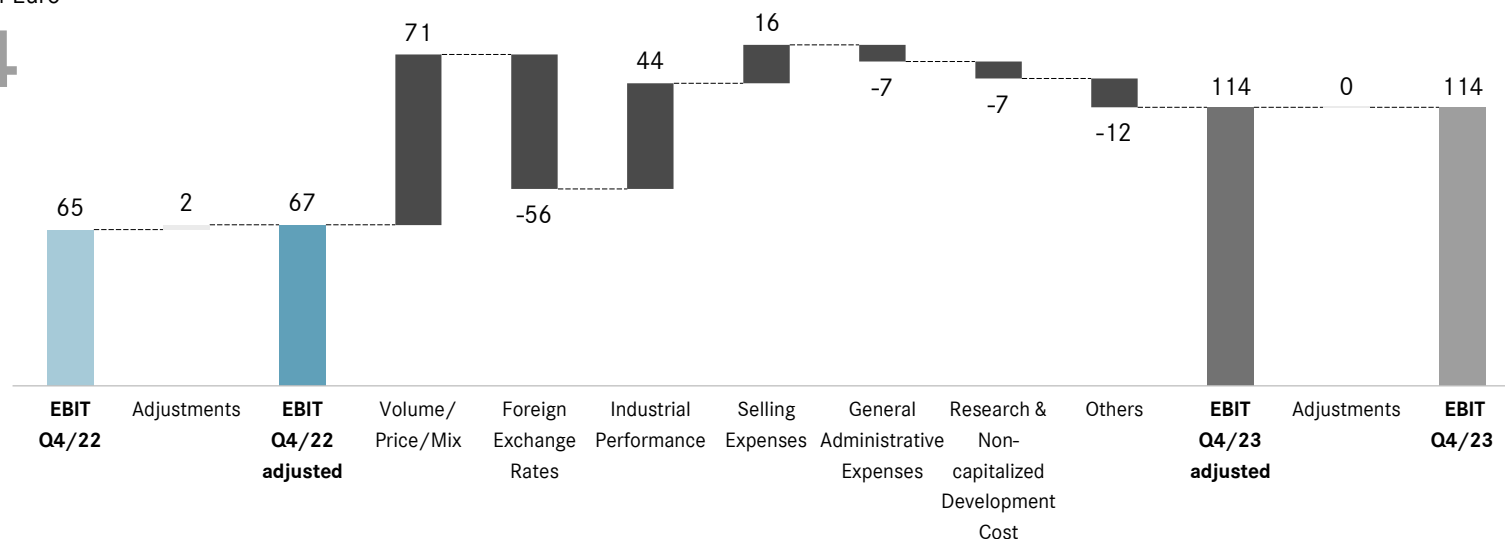
- Daimler Truck, Mitsubishi FUSO, HINO and Toyota Motor Corporation conclude an MoU on accelerating development of Advanced Technologies and integrating Mitsubishi FUSO and HINO Motors.
- Trucks Asia officially kicked off series production of the new generation eCanter Truck in Japan and its subsidiary plant in Tramagal, Portugal, and received a record order for the new eCanter of around 900 units for Yamato Transport in Japan.
- Mitsubishi FUSO unveiled the fully remodeled heavy-duty Super Great truck with focus on delivering improved economy, safety and comfort.
- Daimler Truck launches RIZON medium-duty electric trucks in the United States and has achieved full homologation there for this new electric truck brand.



# Trucks Asia: Q4/23 and FY23 EBIT

in million Euro

## Q4

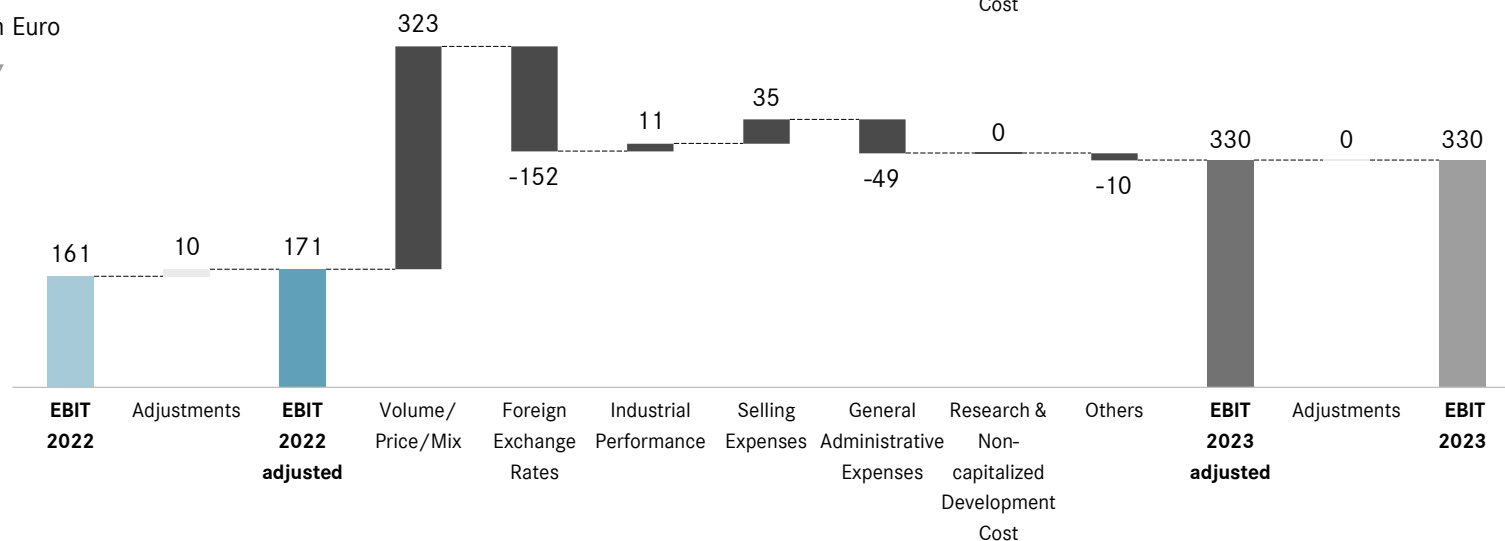


### Q4/2022 vs. Q4/2023

- + Positive net pricing
- + Improvement in aftersales business
- FX and inflation-related cost increases
- Decrease in sales volume due to market slowdown especially in Indonesia

in million Euro

## FY



### FY2022 vs. FY2023

- + Significantly improved net pricing
- + Improvement in aftersales business
- FX and inflation-related cost increases

*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.*

# Daimler Buses: Key Topics 2023

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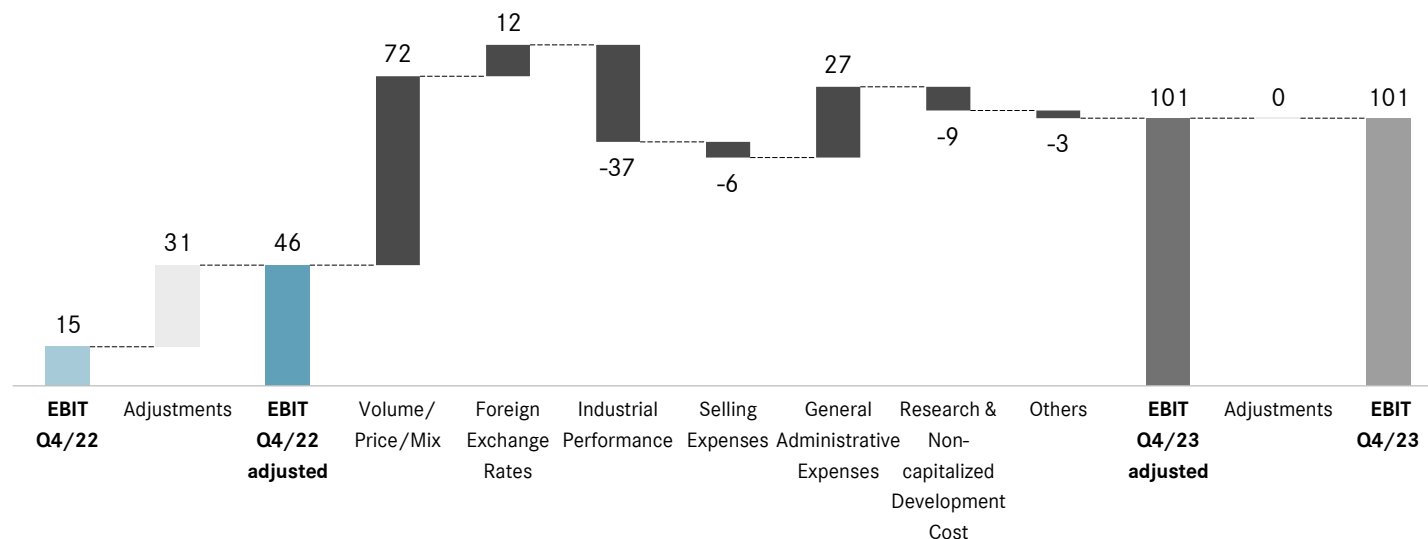
- Significantly higher global market demand – European coach segment recovering from low level (at 70% pre-Corona level).
- World premiere of the eCitaro fuel cell - the first series-production electric bus with fuel cell as a range extender.
- Presentation of newly developed Setra MultiClass 500 LE intercity buses.



# Daimler Buses: Q4/23 and FY23 EBIT

in million Euro

## Q4

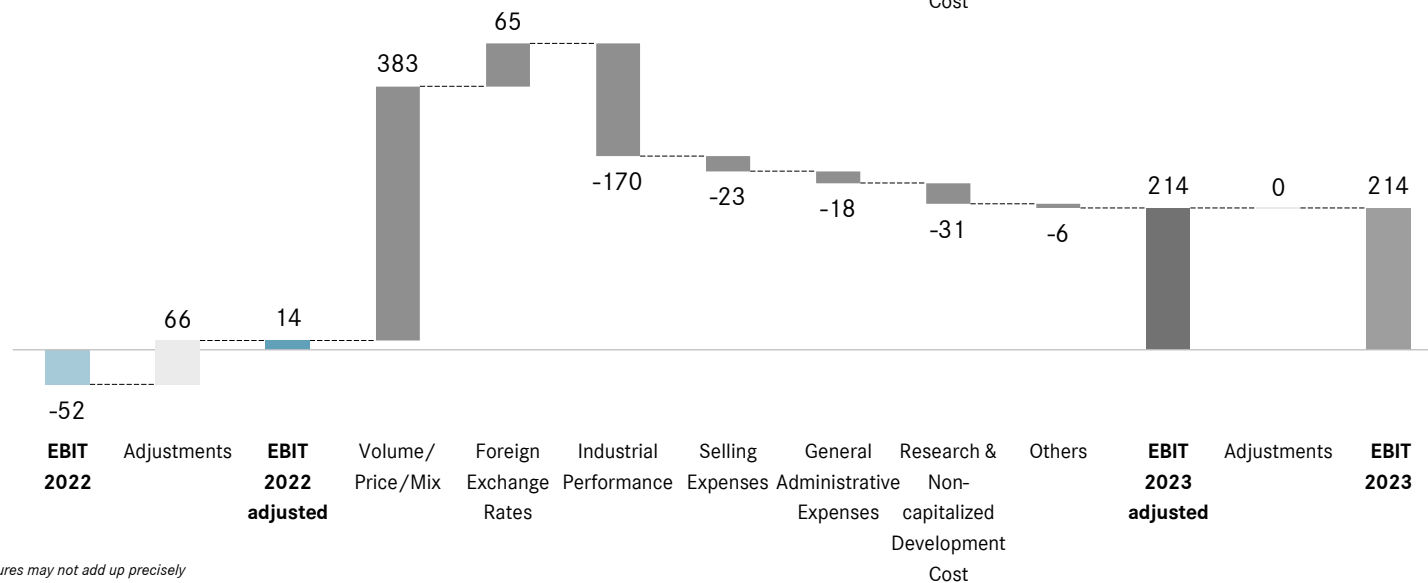


### Q4/2022 vs. Q4/2023

- + Significantly increased sales volume
- + Improved net pricing
- + Positive effects from FX
- Inflation-related cost increases, especially in material and personnel costs

in million Euro

## FY



### FY2022 vs. FY2023

- + Significantly higher unit sales
- + Improved net pricing
- + Increased contribution from the aftersales business
- + Positive effects from FX
- Inflation-related cost increases, especially in material and personnel costs

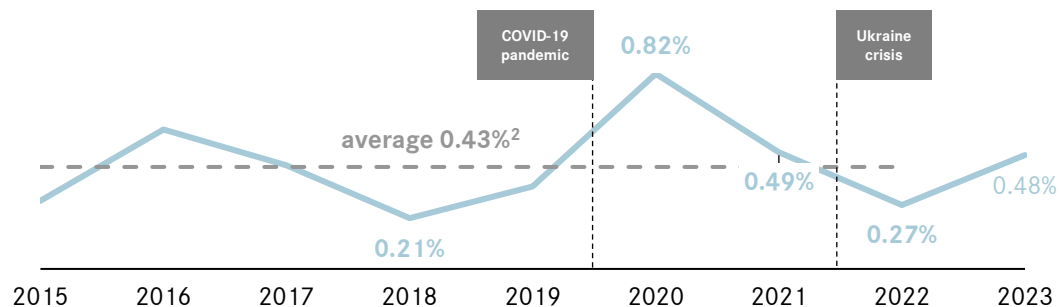
*Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.*

# Financial Services: Key Topics 2023

- Portfolio increased by €4 billion (+17%) mainly driven by the retail business in North America and major market ramp-ups in Europe as well as the wholesale business in all regions.
- Globally, in 2023 we had an overall balanced credit risk situation, with cost of credit risk below 8y-average, based on strong credit performance and pandemic recoveries in many markets.
- In March, Daimler Truck Financial Services established a new market in France.
- Go-live of DTFS payment solution (DT Pay) in the Netherlands, South Africa and Australia enabling customers leveraging payments as a highly effective customer interface.
- DTFS & Electrada develop Charging-as-a-Service solution for electric trucks and buses in the US.
- Cooperation with TrueNorth in the US in order to develop the insurance business.
- Project launch to set-up new Financial Services business in Poland, Czech Republic and Slovakia.



## Net credit losses<sup>1</sup>



<sup>1</sup> as a percentage of portfolio, subject to credit risk

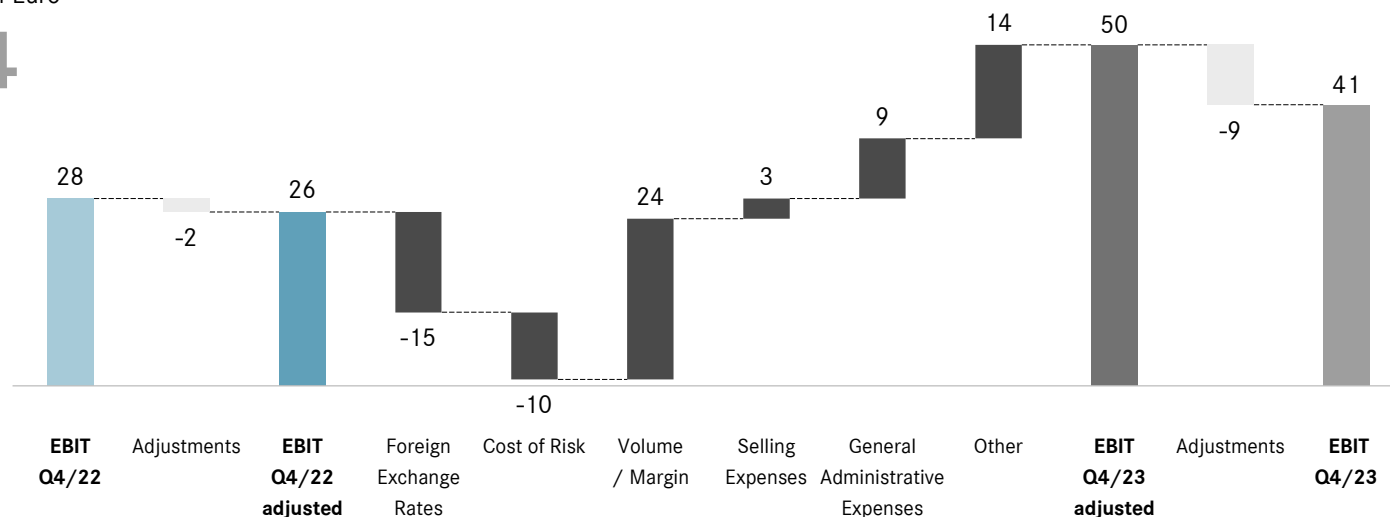
<sup>2</sup> 8-year average from 2015 to 2022



# Financial Services: Q4/23 and FY23 EBIT

in million Euro

## Q4

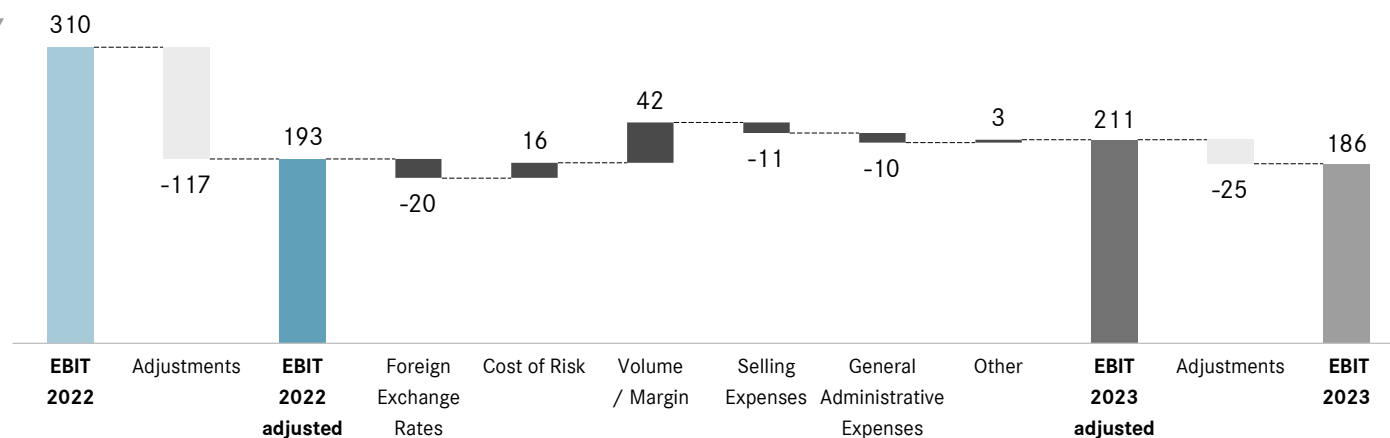


**Q4/2022 vs. Q4/2023**

- + Gross Profit driven by higher volume in all markets
- + Lower G&A / Selling expenses impacted by office relocation in USA in previous year

in million Euro

## FY



**FY2022 vs. FY2023**

- + Gross Profit positively impacted by lower cost of risk & positive volume effect
- Higher costs driven by full year of phase 2 markets & higher project spending in Europe

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

# Capital Structure

in million Euro

	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023
<b>Group liquidity</b>			
Cash and cash equivalents	7,906	9,982	7,067
Marketable debt securities and similar investments	1,621	1,905	1,808
<b>Group Gross Liquidity</b>	<b>9,528</b>	<b>11,888</b>	<b>8,875</b>
<b>Total Financing Liabilities</b>	<b>-25,381</b>	<b>-28,406</b>	<b>-26,096</b>
<b>Group Net Debt</b>	<b>-15,854</b>	<b>-16,519</b>	<b>-17,221</b>

## Liquidity of the Industrial Business

Cash and cash equivalents	7,660	9,740	6,722
Marketable debt securities and similar investments	1,598	1,863	1,764
<b>Gross Liquidity of the Industrial Business</b>	<b>9,258</b>	<b>11,602</b>	<b>8,487</b>
Financing liabilities (nominal)	-2,431	-3,917	-165
<b>Net Liquidity of the Industrial Business</b>	<b>6,827</b>	<b>7,685</b>	<b>8,322</b>

## Pension Benefits

<b>Benefit Obligations</b>	<b>-5,993</b>	<b>-5,689</b>	<b>-6,251</b>
<b>Plan Assets</b>	<b>5,464</b>	<b>5,314</b>	<b>5,654</b>
<b>Funded Status</b>	<b>-530</b>	<b>-375</b>	<b>-597</b>
Funding Ratio	91.2%	93.4%	90.4%

## Average number of shares outstanding

in millions; adjusted for treasury stocks

<b>basic</b>	<b>823</b>	<b>820</b>	<b>806</b>
<b>diluted</b>	<b>823</b>	<b>820</b>	<b>806</b>

# Definition of Guidance Sensitivities

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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%
Sum of investments in PP&E and R&D costs*	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%
FCF IB	slight increase	+5.0% to +15.0%
	significant increase	above +15.0%
	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%

\* Starting with the 2024 financial year, we summarize the outlook for investments in property, plant and equipment, and research and development expenditure (including capitalized development costs).

# 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.