

DAIMLER TRUCK

INVESTOR PRESENTATION

DAIMLER
TRUCK
Financial Services



March 2024

ISIN: DE 000 DTR0CK8
WKN: DTR0CK

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

Level I ADR Program
ISIN: US23384L1017

DAIMLER TRUCK AT A GLANCE

We are the largest manufacturer of trucks and buses in the world

Unit Sales

in k



526

2022: 521



Revenue

in bn. €



55.9

2022: 50.9



EBIT

in bn. €, adjusted



5.5

2022: 4.0



ROS¹

in %, adjusted









9.9

2022: 7.7



GLOBAL LEADER ACROSS SEGMENTS

Offering vehicles and financial services tailored to our customers' needs

MERCEDES-BENZ		TRUCKS NORTH AMERICA	TRUCKS ASIA	DAIMLER BUSES	FINANCIAL SERVICES
#1 EU-30 ¹ MDT/HDT	#2 BRAZIL MDT/HDT	#1 NORTH AMERICA Class 6-8	#3 JAPAN Trucks Total	#1 EU-30 Buses >8t	
Unit Sales: 159k Revenue: 21.6 bn. € EBIT: 2.2 bn. € ROS: 10.2%		Unit Sales: 195k Revenue: 23.5 bn. € EBIT: 2.9 bn. € ROS: 12.3%	Unit Sales: 161k Revenue: 7.1 bn. € EBIT: 0.3 bn. € ROS: 4.7%	Unit Sales: 26k Revenue: 4.6 bn. € EBIT: 0.2 bn. € ROS: 4.7%	Revenue: 2.7 bn. € EBIT: 0.2 bn. € ROE: 9.1%
					

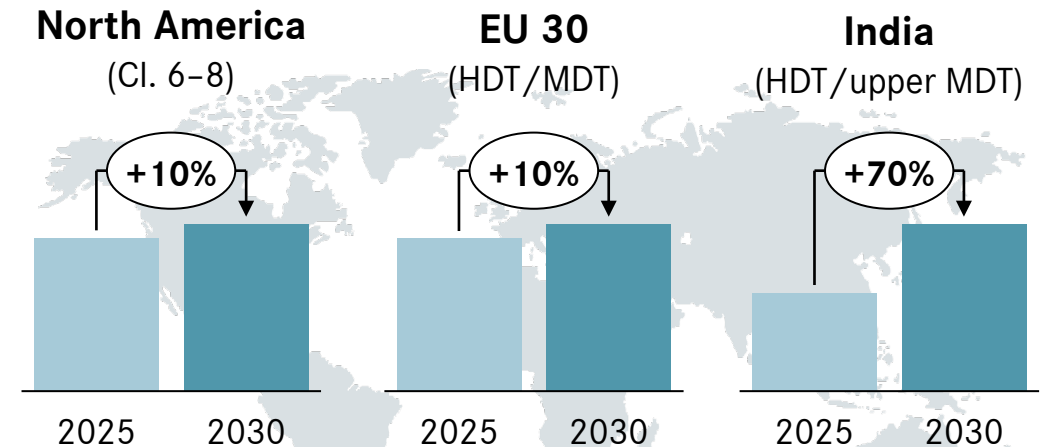
TRANSPORT IS THE BACKBONE OF OUR ECONOMY AND SOCIETY

Trucking remains a growth industry as global economy transitions to lower carbon

- ▶ Global transport volume has grown over the past years and will continue to grow ~2% p.a.
- ▶ Road transportation remains number one for long-haul and last mile distribution
- ▶ Truck industry has high barriers to entry – we benefit from our close customer relationship, our dealer network and broad portfolio
































WE ARE WELL POSITIONED AS ONE OF THE WORLD'S LARGEST COMMERCIAL VEHICLE MANUFACTURERS

CORE TRUCK MARKETS TO STAY ON A HIGH LEVEL, INDIA WITH SIGNIFICANT GROWTH POTENTIAL



PRODUCT & TECHNOLOGY OVERVIEW

We keep the world moving with global brands and products

DAIMLER TRUCK			H_2
		 eActros 300/400  eActros 600  eEconic 	 GenH2 Truck
 		 eCitaro  Chassis   eCitaro fuel cell 	
  	<p>Focus on captive high-margin heavy-duty ICE and partnership for medium-duty with Cummins</p>	 eM2  eCascadia  Custom Chassis eWalk-In Van  Jouley 	
  		 eCanter  RIZON  <p>More to come!</p>	

DECARBONIZATION REQUIRES A TRANSITION WITH DIESEL

Staying competitive and compliant in a consolidated portfolio

CREATING CUSTOMER VALUE

- ▶ Global rollout of latest generation heavy-duty Diesel platform completed – another efficiency push

FINAL EVOLUTION IN THE MAKING

- ▶ Staying the fuel economy champion
- ▶ Compliance with future emission regulations

CREATING SCALE

COMMONALITY

- ▶ One heavy-duty Diesel platform for all Daimler Truck brands
- ▶ H2-ICE as possible additional zero emission technology

PARTNERSHIP

- ▶ Captive medium-duty disinvestment
- ▶ Heavy-duty localization
- ▶ Heavy-duty volume consolidation



TO DERIVE TARGET TECHNOLOGIES, DIFFERENT PERSPECTIVES ARE REQUIRED

Dual strategy with BEV and H2 is the right answer

SYSTEM VIEW

TECHNICAL VIEW

All transportation tasks could be solved with either battery or H2 – with significant tradeoffs

BATTERY



HYDROGEN

H₂

CUSTOMER VIEW

Depending on customer use cases and ecosystem, BEV or H2 is the better fit

RANGE



RECHARGING



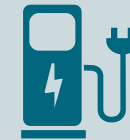
TOTAL COST OF OWNERSHIP



INFRASTRUCTURE VIEW

A decarbonized world needs both: local electric grids and global H2 trade

ENERGY AVAILABILITY



ONLY COMBINATION OF BATTERY-ELECTRIC AND HYDROGEN-BASED DRIVE TECHNOLOGIES ENSURES THE FUTURE OF TRANSPORTATION AND OPTIMAL CUSTOMER SOLUTIONS



OUR ZEV VEHICLE PORTFOLIO WILL COVER THREE DIFFERENT TECHNOLOGIES

Different solutions are driven by customer needs

INNER-CITY TRANSPORT & LOCAL DISTRIBUTION



ON-HIGHWAY



VOCATIONAL



 Battery Electric Vehicles

H_2 Fuel Cell Electric Vehicles

H_2 Combustion Engine

ACCELERATING TECHNOLOGICAL DEVELOPMENT

Strategic Partnerships in key ZEV technologies are reducing risks and costs

New JV with Accelera by
Cummins and PACCAR



Develop dedicated
truck battery cells



Offer Industry-leading
**depot charging
technology**



Initiate pan-European
high performance
**public charging
network**



Start **public charging
infrastructure** across the
U.S. for battery electric &
hydrogen fuel cell vehicles



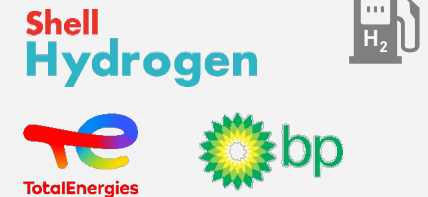
Develop, produce and
commercialize **fuel cell
systems** in joint venture
with Volvo Group



Develop technology
for **liquid hydrogen
refueling**



Accelerate **mass market
adoption of fuel cell
trucks** in Europe



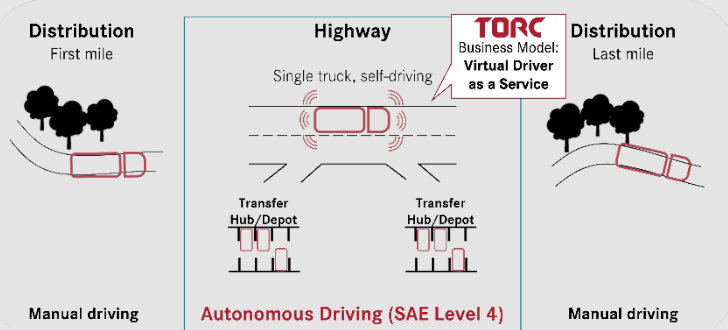
Establish **hydrogen
infrastructure** in
Europe and an open
standard for refueling

WE DELIVER AUTONOMOUS TRUCKS

Software driven virtual driver offers significant customer value and profit potential

HUB-TO-HUB, PHASE 1 I-40

with scaling plan across US Southwest, then country-wide



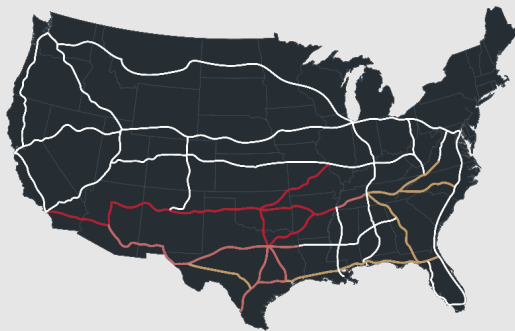
Phase

1

2

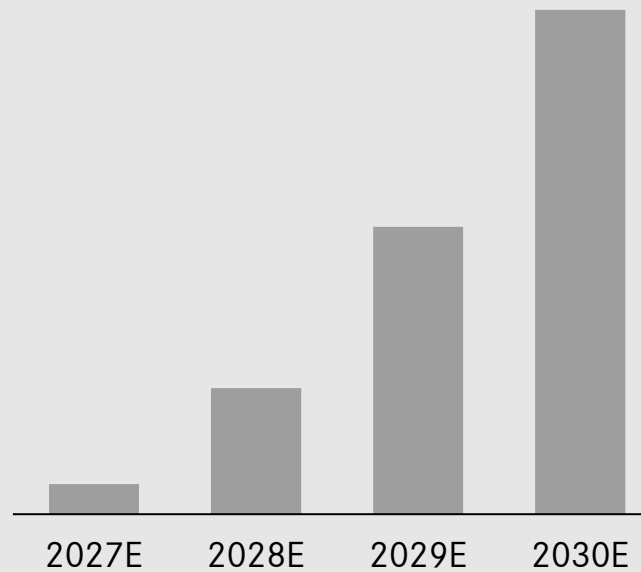
3

4



MILES DEVELOPMENT

On-highway US hub-to-hub only
- in miles -



2027

MARKET ENTRY

>3 billion €

REVENUE POTENTIAL IN 2030

>1 billion €

EBIT POTENTIAL IN 2030

CAPTIVE SOLUTION - TORC IS MAKING SIGNIFICANT PROGRESS

On our way to delivering the best-in-class autonomous trucking solution

CAPTIVE SOLUTION



TORC

Pioneer in heavy-duty autonomous technology.

Fully integrated pure-play trucking product optimized for hub-to-hub and developed with customer feedback.

Daimler Truck foundation for a new profit pool.



Start of testing with industry first vehicle platform. Finalize production-intent hardware for commercial launch.



Expansion of Artificial Intelligence & Machine Learning capabilities via organic growth, upskilling and Algolux acquisition.



Two on-going pilots with major U.S. carriers and expanding scope to reefer trailers. 100% on-time-delivery!



C.R. England

“AUTONOMOUS-READY” REDUNDANT FREIGHTLINER CHASSIS

OUR CAPITAL ALLOCATION FRAMEWORK SETS CLEAR USE-OF-CASH PRIORITIES

Focus on attractive return while investing in future value creation



- ▶ Based on Active Portfolio Management in most attractive businesses
- ▶ Pivot towards heavy-duty
- ▶ Monetizing of Diesel assets
- ▶ Increased funding priority for ZEV
- ▶ Strong partnerships where necessary

TRANSFORMING OUR BUSINESS AND DELIVERING A STEADY STREAM OF INCOME FOR OUR SHAREHOLDERS IN A CYCLICAL INDUSTRY

STRONG OPERATING CASH FLOW WITH SOLID BALANCE SHEET AS KEY PRIORITY

CAPEX AND R&D

TRANSFORMATIONAL INVESTMENTS

REGULAR CASH DIVIDENDS

OPPORTUNISTIC VALUE-CREATING M&A

SHARE BUYBACKS

EXECUTING OUR SHARE BUYBACK PROGRAM

Enhanced dividend policy and up to 2 billion € buyback

HIGH & LESS CYCLICAL
DIVIDEND PAYOUT

40–60%

Range to maintain a stable dividend level even in tougher market environments

SHARE BUYBACK PROGRAM
UP TO 2 BILLION €

EXECUTION
UP TO TWO TRANCHES
STARTED AUG 2, 2023

DURATION
TIME SPAN ~2 YEARS



SOLID LIQUIDITY & INVESTMENT-GRADE RATING

We have a rock-solid balance sheet

SOLID RATING

S&P: BBB+

Outlook: positive

Moody's: A3

Outlook: stable

in billion €	ACTUALS Dec 31, 2022	ACTUALS Dec 31, 2023
DAIMLER TRUCK		
Equity ratio	32%	31%
Gross liquidity	7.1	8.9
Funded status of pension obligations	- 0.5	- 0.6
Funding ratio	91%	90%
INDUSTRIAL BUSINESS		
Equity ratio	48%	48%
Net liquidity	7.5	8.3
FCF	1.7	2.8

“Over the past two years, Daimler Truck recorded a clear margin improvement, particularly at Mercedes-Benz, showing that it is delivering targeted cost savings while benefitting from higher cost absorption, supported by growing volumes..” (S&P – Oct 12, 2023)

“The [Q2 23] announcements reflect the ongoing favorable environment in the truck market and Daimler Truck's progress in raising its margins to levels more appropriate to its leading market position, as credit positive. Daimler Truck increased its full-year 2023 guidance on the back of a strong operating performance driven by stabilizing supply chains, a stronger core market, robust pricing and a strong after-sales business performance.” (Moody's – Jul 21, 2023)



TRANSFORMING FOR SUSTAINABLE GROWTH

We deliver our 2025 ambitions and further enhance profit and cash flow by 2030

2025

**DELIVER HIGHER
PROFITABILITY AND
INCREASED RESILIENCE,
INCREASE SHAREHOLDER
REWARDS**

**LAY THE FOUNDATION FOR
OUR TRANSFORMATION**

2030

**FURTHER UPLIFT
PROFITABILITY AND FREE
CASH FLOW**

**EXECUTE THE
TRANSFORMATION**



HOW WE WIN

We build our foundations on strong strategic pillars & a high-performance culture



#1 PROFITABILITY

Implementation of our self-help measures to increase resilience

#2 SERVICES

Build recurring revenue streams, increase resilience and customer lifetime value

#3 ZEV

Leverage our scale with global platforms for ICE and ZEV

#4 HEAVY-DUTY

Focus on heavy-duty segment to increase profitability

#5 AUTONOMOUS

Bring autonomous trucks on the road to enter high-margin business

#6 ESG

ESG framework drives sustainability transformation

OUTLOOK 2025: WE REAFFIRM OUR FINANCIAL AMBITIONS

Self-help measures build greater resilience in a challenging environment

GROW SERVICES

- ▶ Translating our long-term customer relationships into recurring revenues to reduce cyclicity and drive higher margins

KEEP STRICT FOCUS ON FIXED COST REDUCTION

- ▶ Confirmed relative ambitions despite inflationary environment
- ▶ Continuous Active Portfolio Management

FOCUS ON THE RIGHT INVESTMENTS

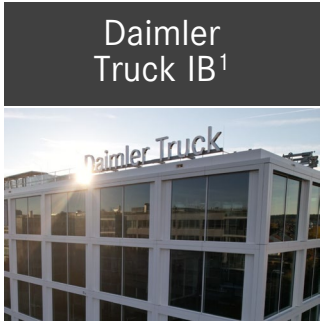




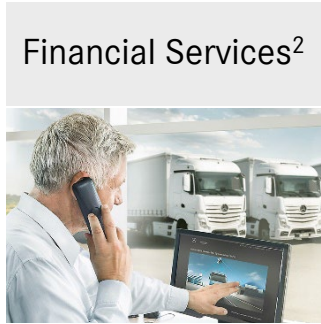
- ▶ Rightsized investments
- ▶ Focus investment in ZEV vehicle transformation and autonomous trucking
- ▶ Cooperation with partners



WE ARE ON TRACK TO DELIVER ON 2025 AMBITION

ROS of >10% within reach

**ROS/ROE
adjusted**
in %

						
2025 ambition in markets	>10%	12%	10%	9%	8%	>14%³
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%

¹ Industrial Business incl. reconciliation

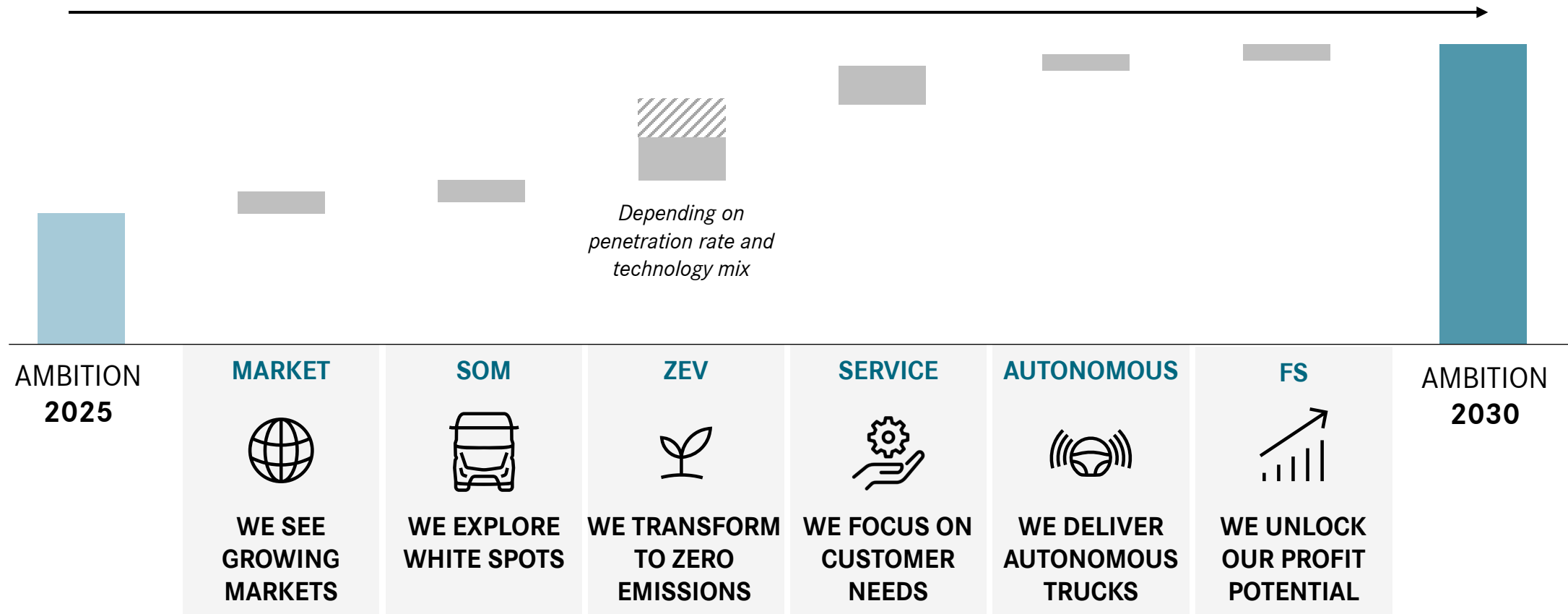
² ROE adjusted ³ after full ramp up

SIGNIFICANT REVENUE GROWTH OPPORTUNITIES TO 2030

With strong foundations in place, increased emphasis on exploiting new growth

TOTAL REVENUE GROUP

~+40-60%



WE TRANSFORM TO ZERO EMISSIONS

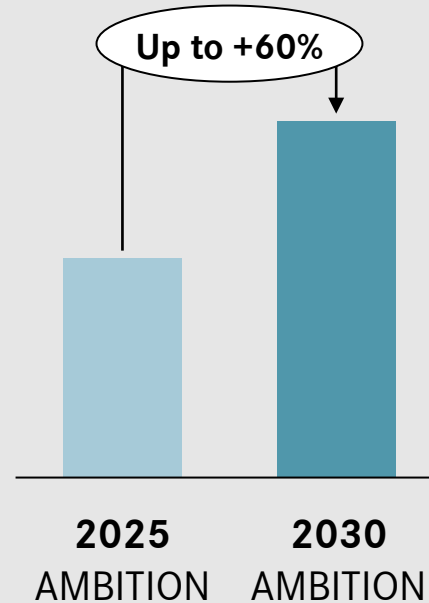
The transformation to ZEV unlocks huge revenue potential



TOTAL REVENUE

NEW VEHICLE IB

in €



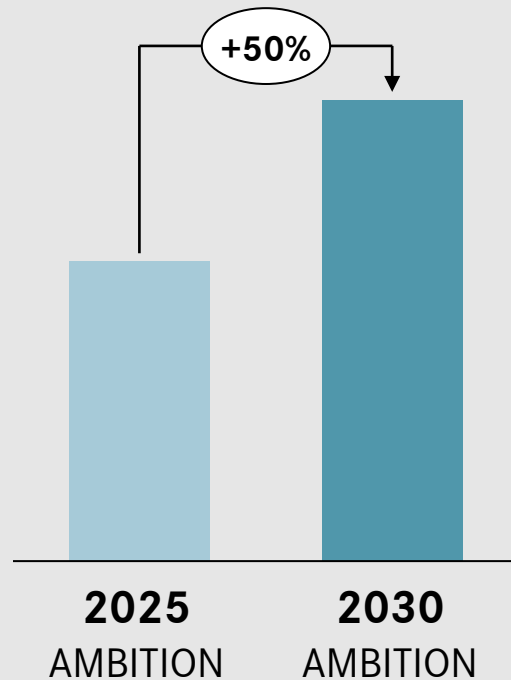
KEY LEVERS FOR REVENUE INCREASE

- ▶ ZEV trucks with high revenue potential
- ▶ BEV, FCEV and H2-ICE with higher average selling price than Diesel ICE
- ▶ Mix and penetration rates still uncertain
- ▶ Focus on heavy-duty growing market segment

SERVICE – WE FOCUS ON CUSTOMER NEEDS

Customer solutions will result in significant increase in customer lifetime value

SERVICE REVENUE INDUSTRIAL BUSINESS in €



~60%

SERVICES & PARTS

- ▶ Expanding parts portfolio
- ▶ Wider range of extended warranty and service contracts
- ▶ Global parts center Halberstadt, Germany
- ▶ Premium service network

~30%

ZEV ECOSYSTEM

- ▶ Charging station hardware
- ▶ Charging management system
- ▶ Installation and hardware services
- ▶ eConsulting

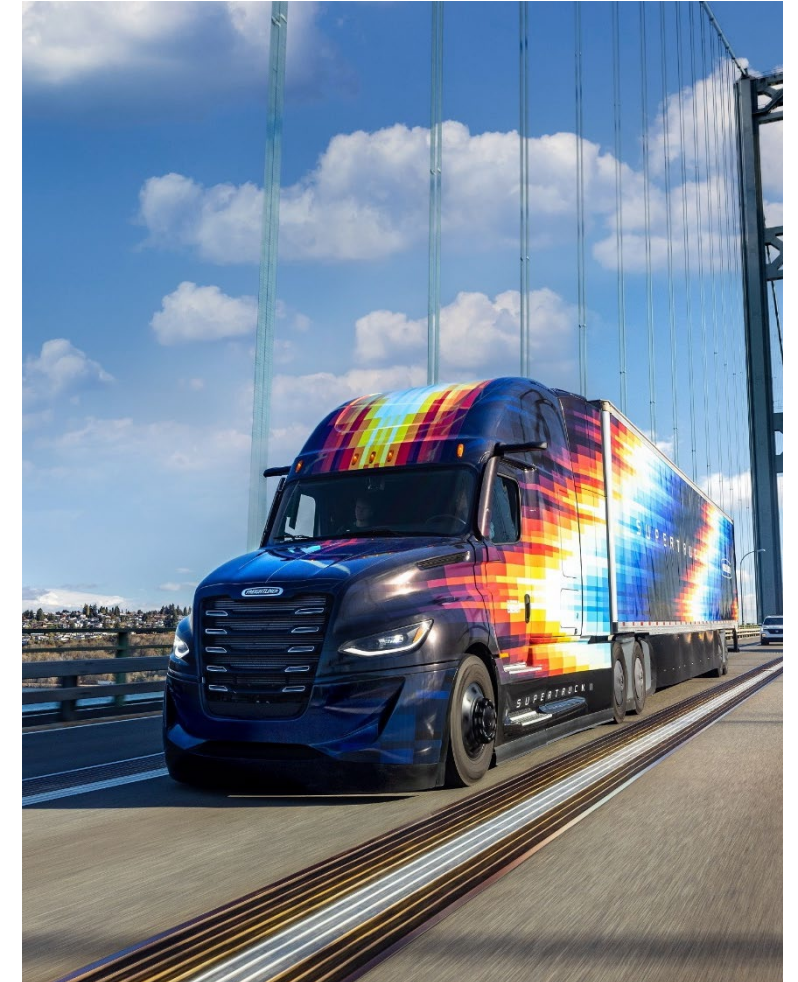
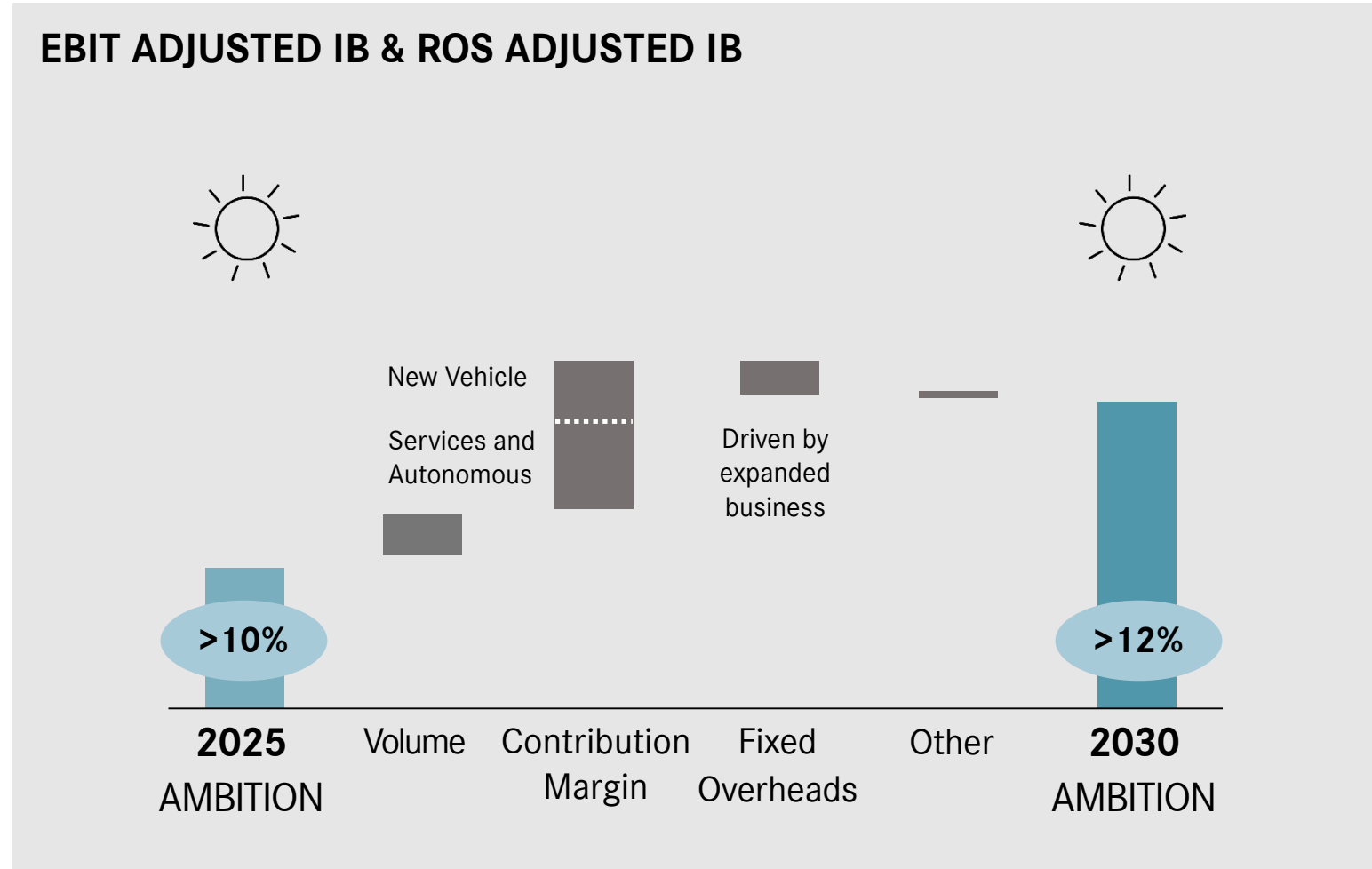
~10%

DIGITAL SERVICES

- ▶ Fleet management
- ▶ Vehicle utilization
- ▶ eCharge management
- ▶ Battery lifecycle management







SIGNIFICANT EBIT GROWTH AND HIGHER PROFITABILITY IN 2030

Significant growth driven by all levers



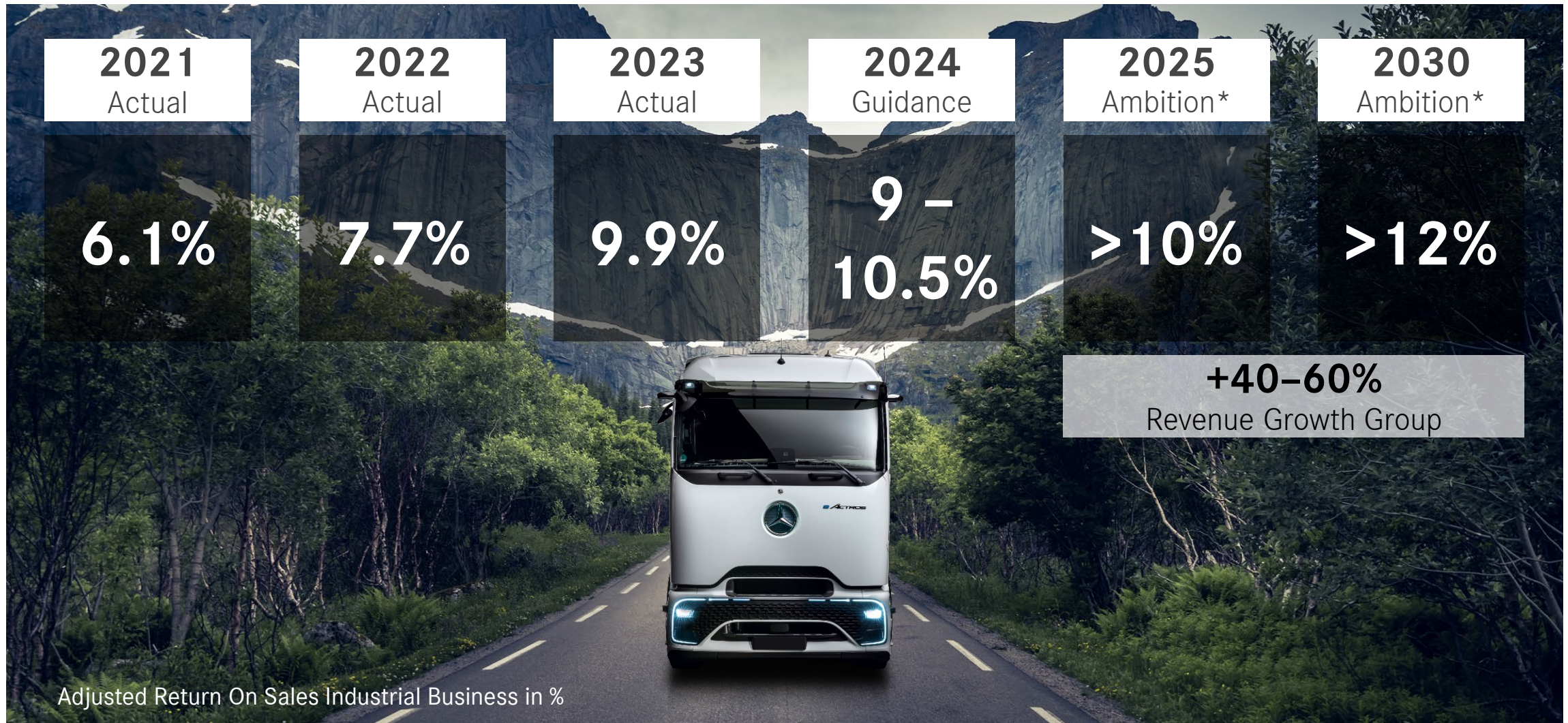
ALL THIS CONTRIBUTES TO A HIGHER PROFITABILITY AND RESILIENCE IN 2030

All segments drive 2030 ambition – ROS of >12% in sunny scenario

ADJUSTED ROS/ROE in %		HARDWARE/SERVICES				SOFTWARE	DTFS
		DAIMLER TRUCK (IB)	TRUCKS NORTH AMERICA	MERCEDES-BENZ	TRUCKS ASIA	DAIMLER BUSES	AUTONOMOUS
2025		>10	12	10	9	8	>14
		8-9	9-10	8-9	7-8	4-6	10-12
		6-7	7-8	5-7	5-6	2-4	6-8
2030		>12	>12	>12	9	9	>17
		10-11	11-12	10-11	7-8	6-8	13-15
		8-9	9-10	8-9	5-6	3-5	9-11

TRANSFORMING FOR SUSTAINABLE GROWTH

We are making great progress in unlocking our full profit potential



* in good (sunny) market conditions

DAIMLER TRUCK INVESTOR RELATIONS

Our team is here to support you

- Further information is available under www.daimlertruck.com/en/investors
- FY 2023 Disclosure Presentation, Annual Report 2023, and our Factbook are available at the [Daimler Truck Investor Relations website](#)



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DISCLAIMER

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

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