

# Daimler Truck Strategy Day

May 20, 2021



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# AGENDA

- ▶ **INTRODUCTION** TRANSFORMING DAIMLER
- ▶ **DAIMLER TRUCK** UNLOCKING THE POTENTIAL
- ▶ **FINANCIALS** DELIVERING ON OUR AMBITIONS
- ▶ **NORTH AMERICA** FROM STRONG TO STRONGER
- ▶ **MERCEDES-BENZ** REBUILDING PROFITABILITY
- ▶ **TRUCKS ASIA** OPPORTUNITY AND GROWTH
- ▶ **TECHNOLOGY** LEADING THE WAY TO ZERO EMISSIONS
- ▶ Q&A



# INTRODUCTION TRANSFORMING DAIMLER

Ola Källenius



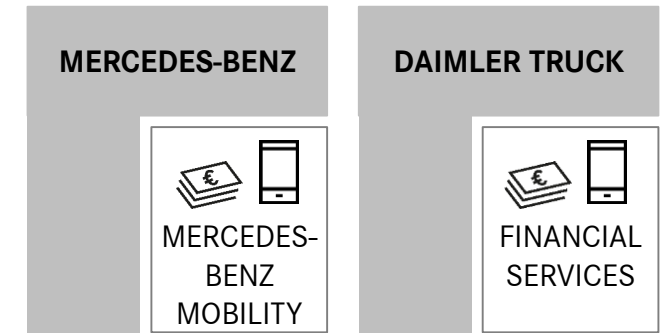
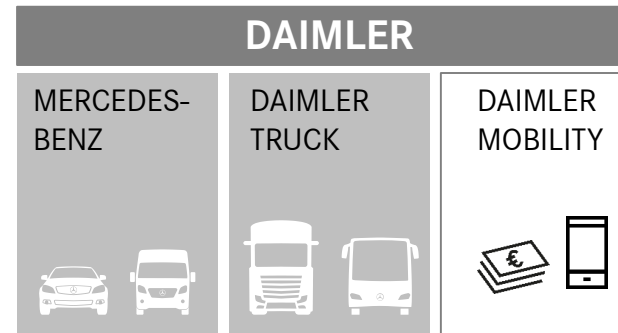
# SEPARATION OF DAIMLER INTO TWO PURE-PLAY COMPANIES

Driving value creation, greater focus and financial discipline



**TODAY**

**TOMORROW**



Schematic representation

# ON TRACK WITH TRANSACTIONAL AND OPERATIONAL SEPARATION

Significant progress made towards expected timeline

TRUE INDEPENDENT GOVERNANCE OF DAIMLER TRUCK	ATTRACTIVE FINANCIAL PROFILES FOR BOTH COMPANIES	PRIME LISTING FOR DAIMLER TRUCK
SPIN-OFF OF SIGNIFICANT MAJORITY STAKE	STRONG CAPITAL STRUCTURES	FRANKFURT LISTING TARGETED END 2021
INDEPENDENT GOVERNANCE	AMBITIOUS FINANCIAL TARGETS	DAX QUALIFICATION EXPECTED



# DAIMLER TRUCK

## UNLOCKING THE POTENTIAL

Martin Daum



# TIME TO UNLOCK THE POTENTIAL

Targeting higher financial performance as an independent company

## OUR STRENGTHS

- ▶ True global No.1
- ▶ Unmatched scale
- ▶ Powerful brands
- ▶ Technology leader
- ▶ North American powerhouse

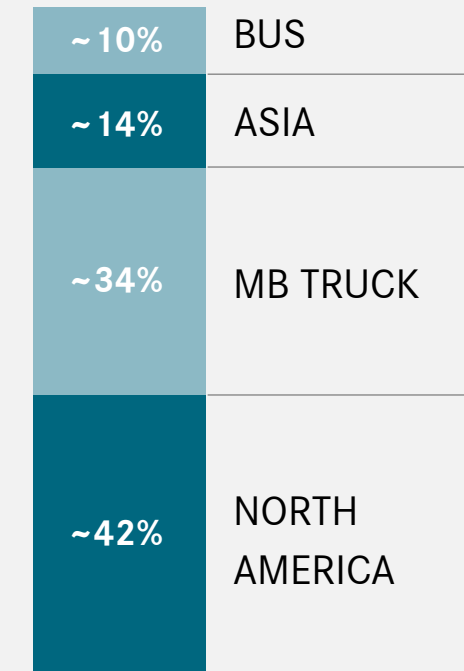
## OUR CHALLENGES

- ▶ Leveraging scale
- ▶ Regional inconsistency
- ▶ Profitability in Europe
- ▶ Performance in Asia
- ▶ Losses in Brazil

## OUR OPPORTUNITY

- ▶ New regional structure
- ▶ Target regional profit benchmarks
- ▶ ‘Pull’ synergies
- ▶ Deploy ZEV tech globally
- ▶ Grow profitability via mix, technology and services

## REVENUE SHARE 2019\*



\*before eliminations

**EVERY REGION MUST DELIVER**



# OUR MISSION AS AN INDEPENDENT COMPANY IS CLEAR

**RESET  
PROFITABILITY**

**LEAD THE WAY  
TO ZERO EMISSIONS**

**IN PURSUIT OF PROFIT  
AND TECHNOLOGY LEADERSHIP**



# RESET PROFITABILITY

Willing to take the hard decisions to create value for shareholders



## OUR STRATEGIC FINANCIAL GOALS

TARGET REGIONAL  
PROFIT  
BENCHMARKS

FOCUS ON  
HIGHEST RETURN  
SEGMENTS

LOWER  
BREAKEVEN TO  
MANAGE  
CYCLICALITY

SYSTEMATIC  
LOWERING OF  
FIXED AND  
VARIABLE COST

GROW  
SERVICES AND  
RECURRING  
REVENUES

NO EXCUSES:  
EVERY REGION  
MUST DELIVER

# LEAD THE WAY TO ZERO EMISSIONS

We are going 'all in' on zero-emission trucks to achieve technology leadership

## OUR STRATEGIC TECHNOLOGY GOALS

TECHNOLOGY  
PATH SET  
TO GET TO  
ZERO EMISSIONS

BUSINESS  
ROADMAP FOR  
ZEV IN PLACE

AMBITIOUS COST  
TARGETS FOR  
ZEV & TCO PARITY

IN-HOUSE TECH  
DEVELOPMENT  
AND RESOURCES  
PUSH

DEDICATED BEV  
TRUCK -  
MULTIPLE USE  
CASES

FCEV FOR RAPID  
FUELING AND  
LONG HAUL



# INFRASTRUCTURE REQUIRES A DUAL ZERO-EMISSION STRATEGY

Battery electric and fuel-cell electric – both technologies needed



## REVERSED SCALING EFFECTS

ZEV  
PENETRATION

LOW



HIGH



**LEVERAGING  
EXISTING ENERGY CAPACITIES**  
PLANNED HUB CHARGING

BEV: Easier to scale initially



**REFUELING EFFICIENCY AND  
H2 PRODUCTION**  
FLEXIBLE ON-DEMAND

FCEV: Works at scale with infrastructure

# DEDICATED LEADERSHIP TO UNLOCK THE POTENTIAL

## The Future Daimler Truck Management Team



**KARIN RÅDSTRÖM**

Head of Europe & Latin America



**HARTMUT SCHICK**

Head of Asia



**JOHN O'LEARY**

Head of North America



**STEPHAN UNGER**

Head of Financial Services



**ANDREAS GORBACH**

CTO



**JÜRGEN HARTWIG**

Head of Human Resources



**JOCHEN GOETZ**

CFO



**MARTIN DAUM**

CEO

# FINANCIALS

## DELIVERING ON OUR AMBITIONS

Jochen Goetz



# DAIMLER TRUCK: THE STARTING POINT

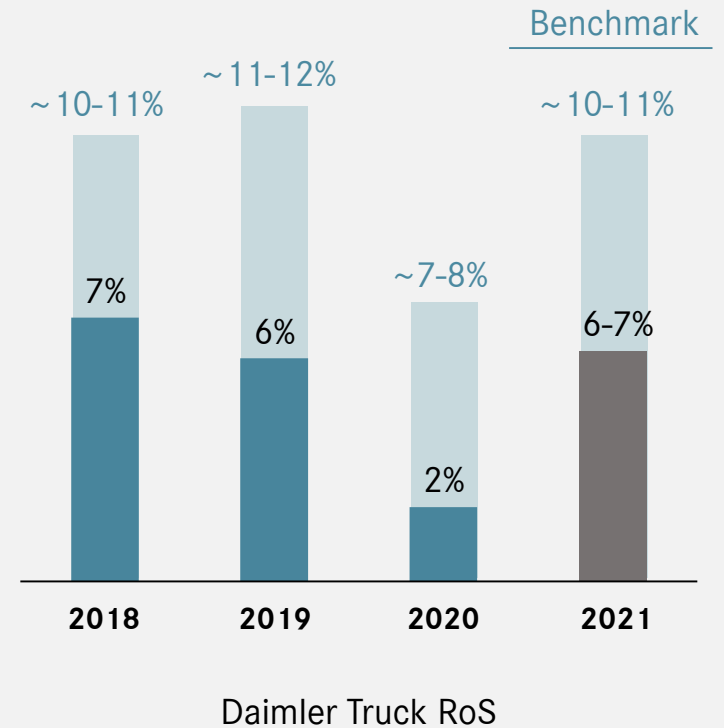
Financial performance needs improvement



## THE CHALLENGE: COST COMPETITIVENESS

- ▶ Global EBIT margin not competitive
- ▶ Profit leader in North America but problems in Europe, Brazil & Asia
- ▶ Greater volatility due to high fixed costs
- ▶ Essential to raise returns and generate shareholder value

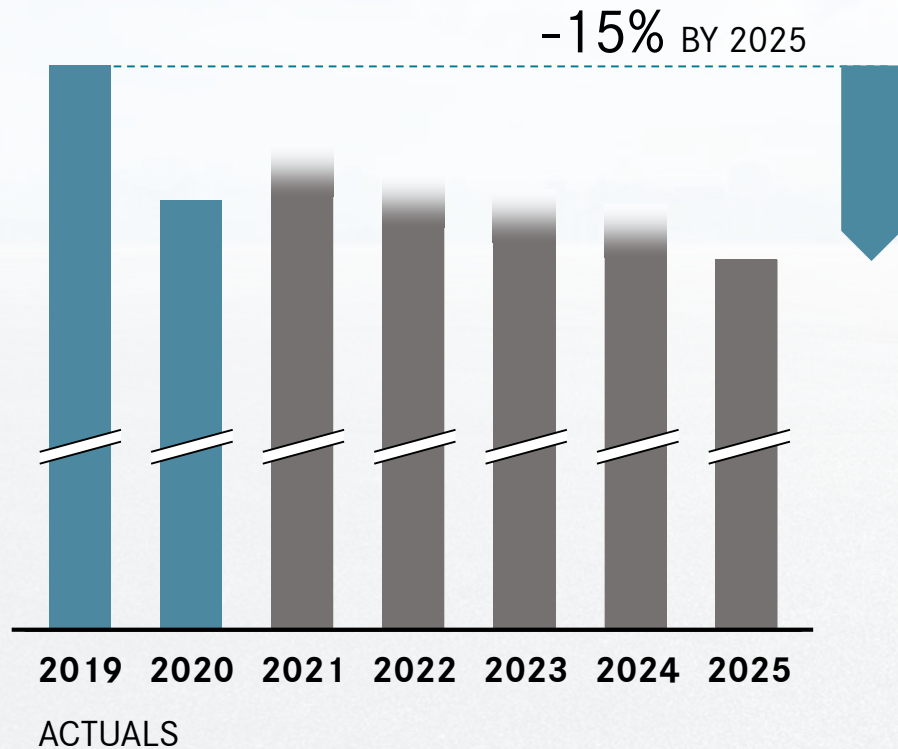
## OUR AMBITION: TARGET THE BENCHMARK



# PROGRESS IN 2020 – BUT NOT ENOUGH

Learn from 2020; make savings permanent; push further

## FIXED COST REDUCTION



## STRUCTURAL ACTIONS

- ▶ Personnel cost reduction target for Mercedes-Benz of €300M by 2022
- ▶ Process streamlining and complexity reduction
- ▶ Sustainable implementation of COVID-19 learnings
- ▶ Reduced external spending

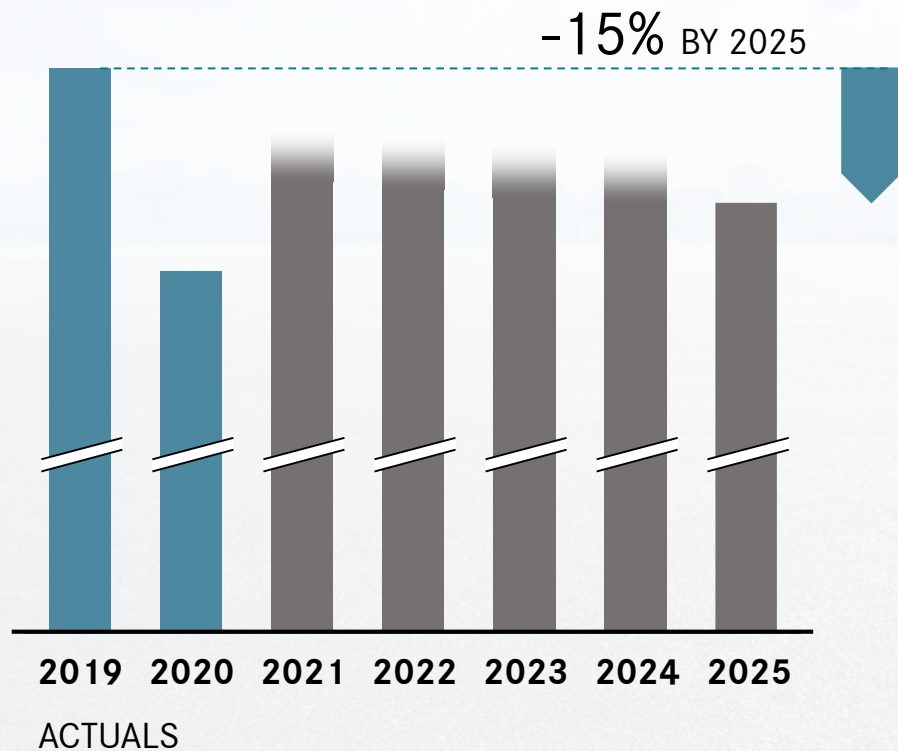




# SMARTER CAPITAL ALLOCATION ESSENTIAL

Greater focus on our most profitable segments and regions

## LOWER CAPEX AND R&D



## IMPROVE FOOTPRINT

- ▶ Focus on heavy duty in main regions
- ▶ Manage portfolio actively to focus and reduce complexity
- ▶ Reduce spending on ICE powertrain
- ▶ Standardize global EV architectures
- ▶ Implement absolute € budgets year by year for Capex and R&D (not % of sales targets)



Note: DT R&D capitalization policy results in very low net P&L uplift

# GROW SERVICES AND RAISE PROFITABILITY

Leverage technology to grow recurring revenues and reduce cyclicality

SERVICES TODAY

**~30%**

of Daimler Truck revenues

SERVICES 2030

**~50%**

of Daimler Truck revenues

<b>Traditional</b>	Spare parts	Reman	Dynamic service contracts	On-site maintenance	24h guarantee
<b>Financial</b>	Financing & Leasing	Insurance	Rental	Dynamic lease	Dynamic insurance
<b>Digital</b>	HMI	xOTA	MB uptime	Track & trace	Fleet Management
<b>Electric</b>	Battery management	Consulting	Charge management	Infrastructure	Battery 2 <sup>nd</sup> life
<b>Autonomous</b>	L4 chassis		Virtual driver		Hub operation

# NO EXCUSES: EVERY REGION AND UNIT MUST DELIVER

Systematic focus on financial performance across the five reporting segments

## TRUCKS NORTH AMERICA



**~42%** | 204k\*

MAINTAIN  
DOUBLE-DIGIT

## MERCEDES-BENZ TRUCKS



**~34%** | 138k\*

DRAMATICALLY  
IMPROVE

## TRUCKS ASIA



**~14%** | 150k\*

MAXIMIZE  
POTENTIAL

## DAIMLER BUSES



**~10%** | 33k\*

PROFIT POOL  
FOCUS

## FINANCIAL SERVICES



HIGH ROE  
BUSINESS

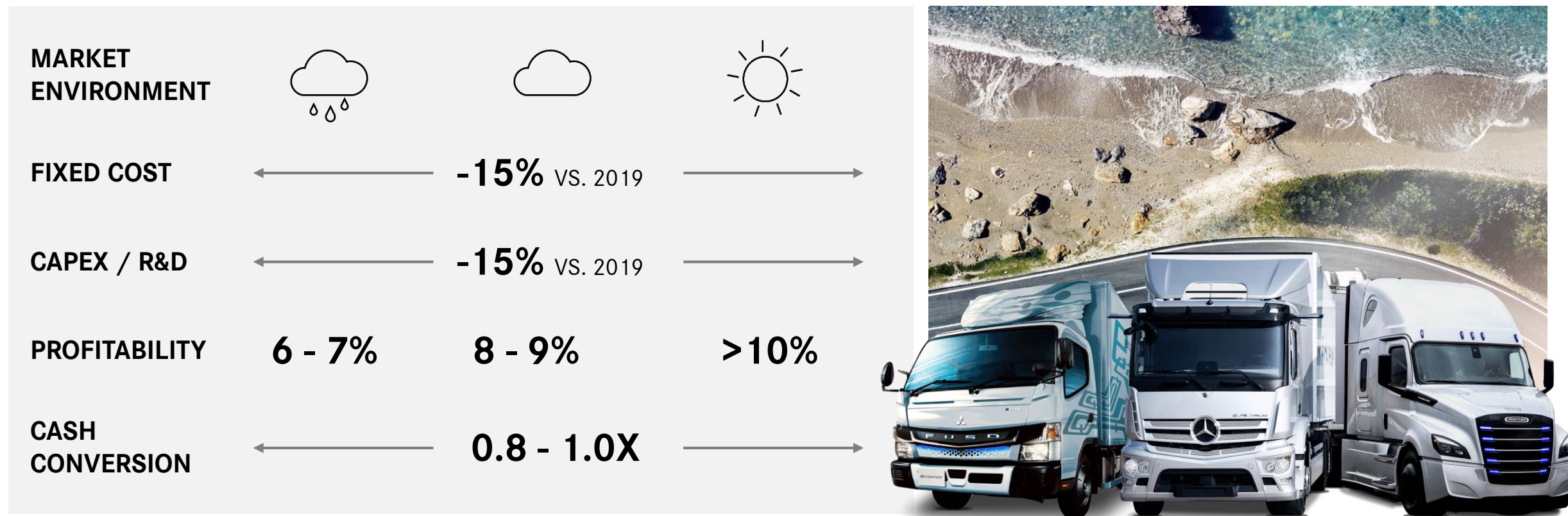


**FULL HISTORICS AND REGIONAL PROFIT TARGETS TO BE PROVIDED AHEAD OF LISTING**

\*2019 figures, revenue share (industrial, before eliminations), excluding China JV volumes

# OUR 2025 FINANCIAL AMBITIONS FOR DAIMLER TRUCK

Unlock potential; manage cyclical; fully reward shareholders



**FULL FINANCIAL TARGETS AND GUIDANCE TO BE PROVIDED AHEAD OF LISTING**

# TRUCKS NORTH AMERICA

FROM STRONG  
TO STRONGER

John O'Leary



# UNPARALLELED STRENGTH: THE NORTH AMERICAN SUCCESS STORY

Winning with a sophisticated and demanding customer base



On-Highway  
Large/Mega Fleets

**#1 / 58%**



On-Highway  
Small Fleets

**#1 / 33%**



Off-Highway  
Vocational

**#2 / 28%**

## KEY SUCCESS FACTORS THAT WILL CONTINUE TO MAKE US STRONG IN THE FUTURE

- ▶ Industry-leading, continuously updated technology
- ▶ Best-in-class production footprint
- ▶ World-class dealer network
- ▶ Uncompromised customer focus



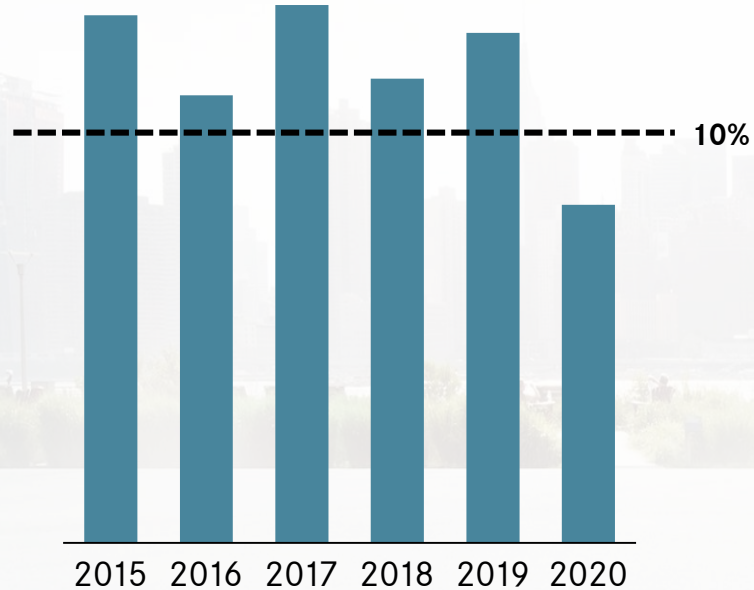
Rental  
Leasing  
Logistics



# BEHIND THE RESULTS, HARD WORK

Targeted, rigorously executed measures for sustained high performance

## INDUSTRY-LEADING MARGINS... DOUBLE-DIGIT PROFITABILITY



## ...DRIVEN BY INTENSE FOCUS ON PERFORMANCE

- ▶ Continued focus on **TECHNOLOGY LEADERSHIP**
- ▶ Non-negotiable **CUSTOMER FOCUS**
- ▶ Highest focus on rigorous **COST MANAGEMENT**
- ▶ **CASH-FOCUSED** business model
- ▶ Best-in-class **OPERATIONS AND FLEXIBLE** production
- ▶ Insatiable **DRIVE FOR IMPROVEMENT**

# HOW WE WILL CONTINUE TO WIN

New opportunities, new profit pools and relentless execution



## VOCATIONAL STRATEGY BOOSTING FUTURE GROWTH

- ▶ New dedicated platform 49X
- ▶ Overall market: 130k
- ▶ Our current share: 28%
- ▶ Dedicated organization to fight for #1



## AFTERMARKET FULL RANGE OF SERVICES

- ▶ 24hrs customer turnaround
- ▶ Strong Aftermarket network
- ▶ Increased focus on new service offerings and digital portfolio



## TECHNOLOGY PUSH EXPAND LEADERSHIP POSITION

- ▶ Accelerate ZEV strategy
- ▶ Drive industry towards zero emission trucking
- ▶ Industry-leading safety technology



# MERCEDES-BENZ

## REBUILDING PROFITABILITY

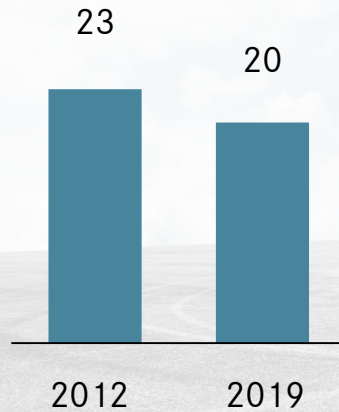
Karin Rådström



# EUROPEAN PERFORMANCE UNACCEPTABLE

Mercedes-Benz was once the benchmark

## MARKET SHARE [%]



2019 last representative year



PRODUCT RANKING

# 4



SALES RANKING

# 5



SERVICE RANKING

# 6

Results of a benchmark study 2020



**THE CHALLENGES: LACK OF CUSTOMER FOCUS AND COST COMPETITIVENESS**

# NEW CUSTOMER-FOCUSED STRATEGY

We need to raise our game to win back customer trust

## PRODUCT

- ▶ Involve customers in R&D process
- ▶ Focus on TCO improvements

## SALES

- ▶ Integrated offering of our portfolio
- ▶ Improve support for frontline
- ▶ Extend training and digitalization

## SERVICES

- ▶ Strengthen service network
- ▶ Optimize spare parts availability



# ACCELERATED PERFORMANCE INITIATIVES

Systematic plan to drive a European profit turnaround



## PERFORMANCE MANAGEMENT

- ▶ Multiple previous initiatives now in **one program**
- ▶ Program management: >6,000 cost items targeted
- ▶ Direct steering by Head of Mercedes-Benz Trucks

## PERFORMANCE TARGETS

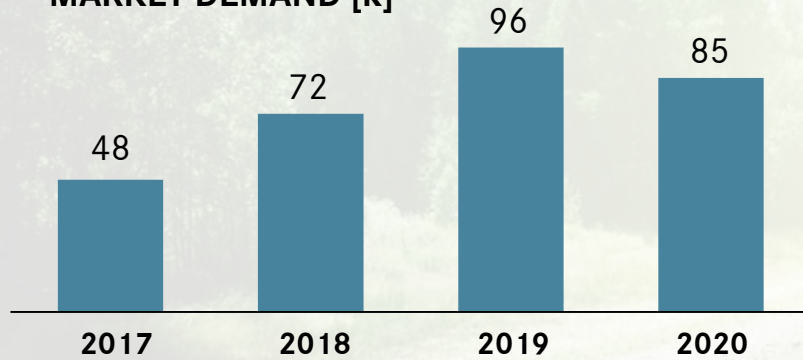
- ▶ Fixed cost reduction targeting regional benchmark
- ▶ €300M personnel cost program on track
- ▶ New manufacturing performance plan initiated

**TURNAROUND OBJECTIVE: DRAMATIC EBIT IMPROVEMENT**

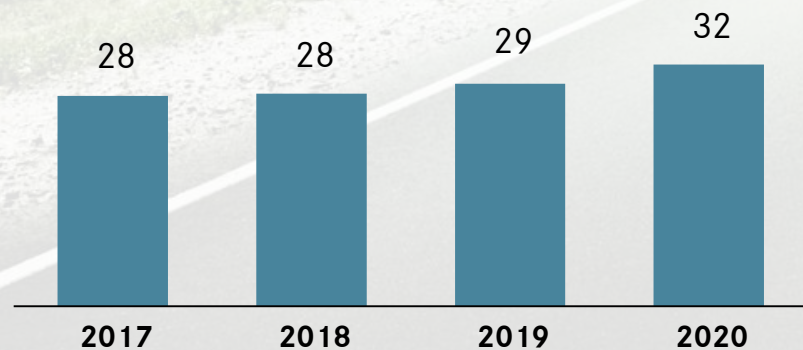
# BRAZIL: INTENSE RECOVERY PROGRAM

Comprehensive restructuring and product cost actions underway

MARKET DEMAND [k]



MARKET SHARE [%]



## THE CHALLENGE

- ▶ Market volume decline from peak
- ▶ Severe currency depreciation
- ▶ High dependency on imported parts

## OUR PLAN

- ▶ Reduce FX exposure: localize and exports
- ▶ Stringent fixed cost reduction
- ▶ White collar headcount down 10%

## PROGRESS

- ▶ New localized Actros with higher margins
- ▶ Strong traction as force in extra-heavy
- ▶ Cost reduction accelerating

# MERCEDES-BENZ TRUCKS: REBUILDING PROFITABILITY

- ▶ **NEW PERSPECTIVES**
- ▶ **REVISED STRATEGY**
- ▶ **TARGET BENCHMARK IN EUROPE**
- ▶ **FIX BRAZIL**
- ▶ **INTENSIFIED COST MANAGEMENT**
- ▶ **INTENSE CUSTOMER FOCUS**



# TRUCKS ASIA

## OPPORTUNITY AND GROWTH

Hartmut Schick



# DAIMLER TRUCK IN ASIA: OPPORTUNITY AND GROWTH

Strong technology, low cost production, clear growth potential

JAPAN

**42k** UNITS

MARGIN STABILITY



INDONESIA

**39k** UNITS

HIGH ROIC GROWTH



CHINA

**82k** UNITS (JV)

HIGH POTENTIAL



INDIA

**14k** UNITS

LOCAL TECHNOLOGY  
LEADER



Figures refer to 2019



# FUSO: MAXIMIZING THE POTENTIAL

Stable core business; high ROIC Asian operations; electric leader



## JAPAN

MAXIMIZE THE POTENTIAL

- ▶ Stable margins
- ▶ Very strong service revenues
- ▶ Reduced structural cost
- ▶ HD Fuel efficiency leader



## INDONESIA & OTHER

HIGH ROIC OPERATIONS

- ▶ Indonesian market leader
- ▶ Near 50% SoM
- ▶ Efficient JV structure
- ▶ Strong growth potential



## ELECTRIC LEADER

PIONEERING EV TECHNOLOGY

- ▶ 1<sup>st</sup> mover advantage
- ▶ Advanced battery/drivetrain
- ▶ 3<sup>rd</sup> Gen eCanter 2022
- ▶ Leverage technology globally

# LEVERAGING ASIAN FOOTPRINT TO GROW IN 'NEXT30' COUNTRIES

Pursuing profitable growth in new markets



- ▶ India: export and low cost, high value service hub
- ▶ China: leverage industry-leading supplier network
- ▶ Leverage full Daimler Truck portfolio for best local customer-fit
- ▶ Focus resources on high potential markets
- ▶ Double digit growth planned for next decade

# SET UP FOR SUCCESS IN CHINA

The time has come for 1<sup>st</sup> fully localized world-class Mercedes-Benz technology in China

## GROWTH OPPORTUNITY

INCREASED SIZE OF OUR TARGET SEGMENT

### ADVANCED TRUCK SEGMENT

~2%

2020

~20%

2030

- ▶ Tighter emission standards
- ▶ Higher safety standards
- ▶ Focus on fuel economy
- ▶ Focus on quality

## THE PATH AHEAD

NEW GAME-CHANGER FOR GROWTH

- ▶ SoP Q4 2022 with very high localization
- ▶ World-class quality and fuel efficiency
- ▶ Massive cost reduction
- ▶ More competitive pricing



# TECHNOLOGY LEADING THE WAY TO ZERO EMISSIONS

Andreas Gorbach



# TECHNOLOGY WILL DRIVE OUR CUSTOMERS' FUTURE SUCCESS

Maximizing return on truck investment



## KEY TECHNOLOGIES



**PROPULSION SYSTEM**



OPERATING SYSTEM/  
AUTONOMOUS

## VEHICLE & SERVICES



VEHICLE



SERVICES/  
DIGITIZATION

# CONVICTIONS DRIVING OUR PROPULSION SYSTEM STRATEGY

## WE WILL RAMP DOWN CURRENT ICE POWERTRAIN

Manage the ICE ramp-down while staying technology competitive

## WE ARE COMMITTED TO BOTH BEV & HYDROGEN SOLUTIONS

BEV and FCEV are complementary and both will be needed

## WE WILL MOVE RAPIDLY TO WIN THE PROPULSION TECHNOLOGY RACE

We have the right levers to accelerate ZEV



# ICE RAMPDOWN: ACTIVELY MANAGING THE END OF AN ERA

Partnering, scaling and ramp down of investment

TRANSITION TO ZEV  
WITHIN NEXT 10-15 YEARS

DIFFERENCES  
BY USE CASE, DISTANCE AND  
VEHICLE CLASS

REGULATIONS  
DIFFERING BY  
REGION

INFRASTRUCTURE  
AT EARLY STAGE

## OUR STRATEGIC LEVERS

**PARTNERING STAGE 1:**  
initiated for **MEDIUM DUTY**  
engines with Cummins

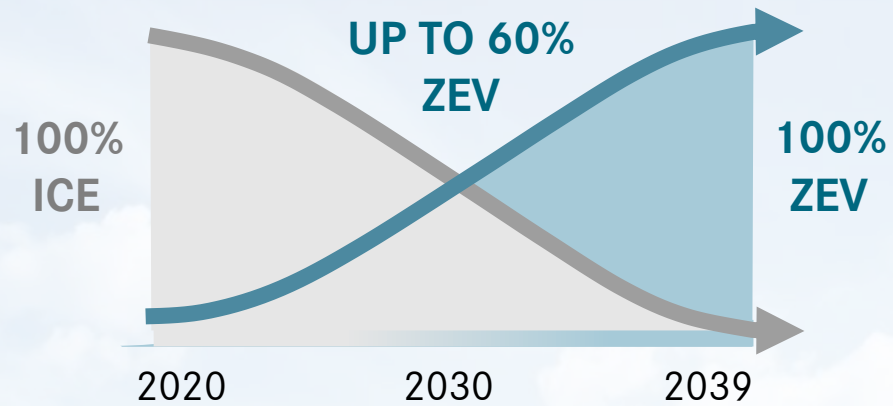
**PARTNERING STAGE 2:**  
actively seeking partners to  
share **HEAVY DUTY** development  
costs of EURVII et al.

**TRANSITIONING:**  
significantly reduce ICE spending;  
vast majority of R&D spending to be  
ZEV-focused by 2025



# THE TRANSITION TO ZEV

High potential variability in timing – but we are ready for any outcome



## DT KEY 2030 ASSUMPTIONS

- ▶ Governmental support incl. carbon pricing & infrastructure
- ▶ Zero emission PT cost driven down further
- ▶ H2 cost €4/kg, with infrastructure buildout
- ▶ Electricity cost: €0.15/kwh

## TCO OUTCOMES

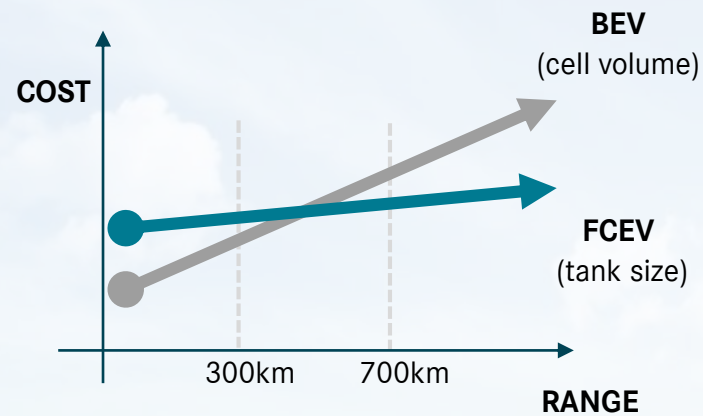
- ▶ Parity for BEV possible after 2025
- ▶ Parity for FCEV possible after 2027
- ▶ Significant variations likely by region



# ZEV TECHNOLOGY: BOTH BEV AND HYDROGEN WILL BE NEEDED

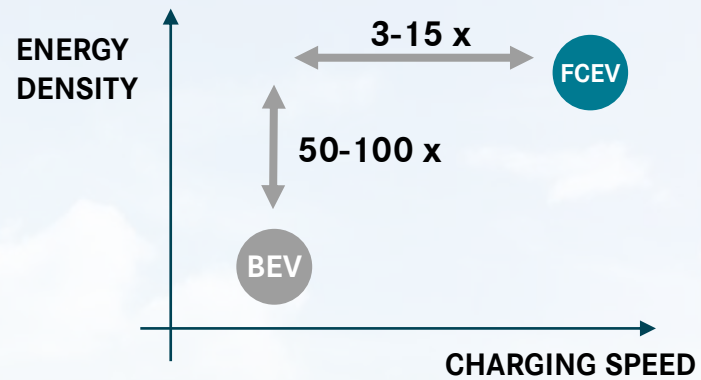
Three key factors drive our dual strategy

**COST PER RANGE:  
“THESE LINES MUST CROSS”**



**FCEV AND BEV  
BOTH WIN  
DEPENDENT ON RANGE**

**ENERGY DENSITY/CHARGING:  
“THESE LINES NEVER CROSS”**



**FCEV BEATS BEV  
IN CHARGING, RANGE  
AND PAYLOAD AT HIGH RANGE**

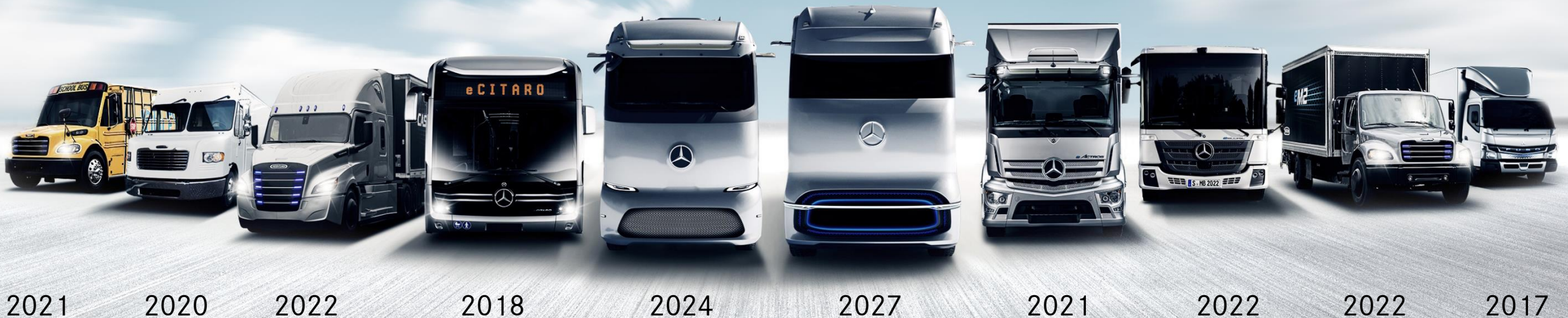
**GLOBAL ENERGY ECOSYSTEM:  
“WILL BE ESTABLISHED ANYWAY”**



**BOTH E-GRID AND H<sub>2</sub> ARE REQUIRED  
IN A CO<sub>2</sub>-NEUTRAL SOCIETY –  
INDEPENDENT OF TRUCKING**

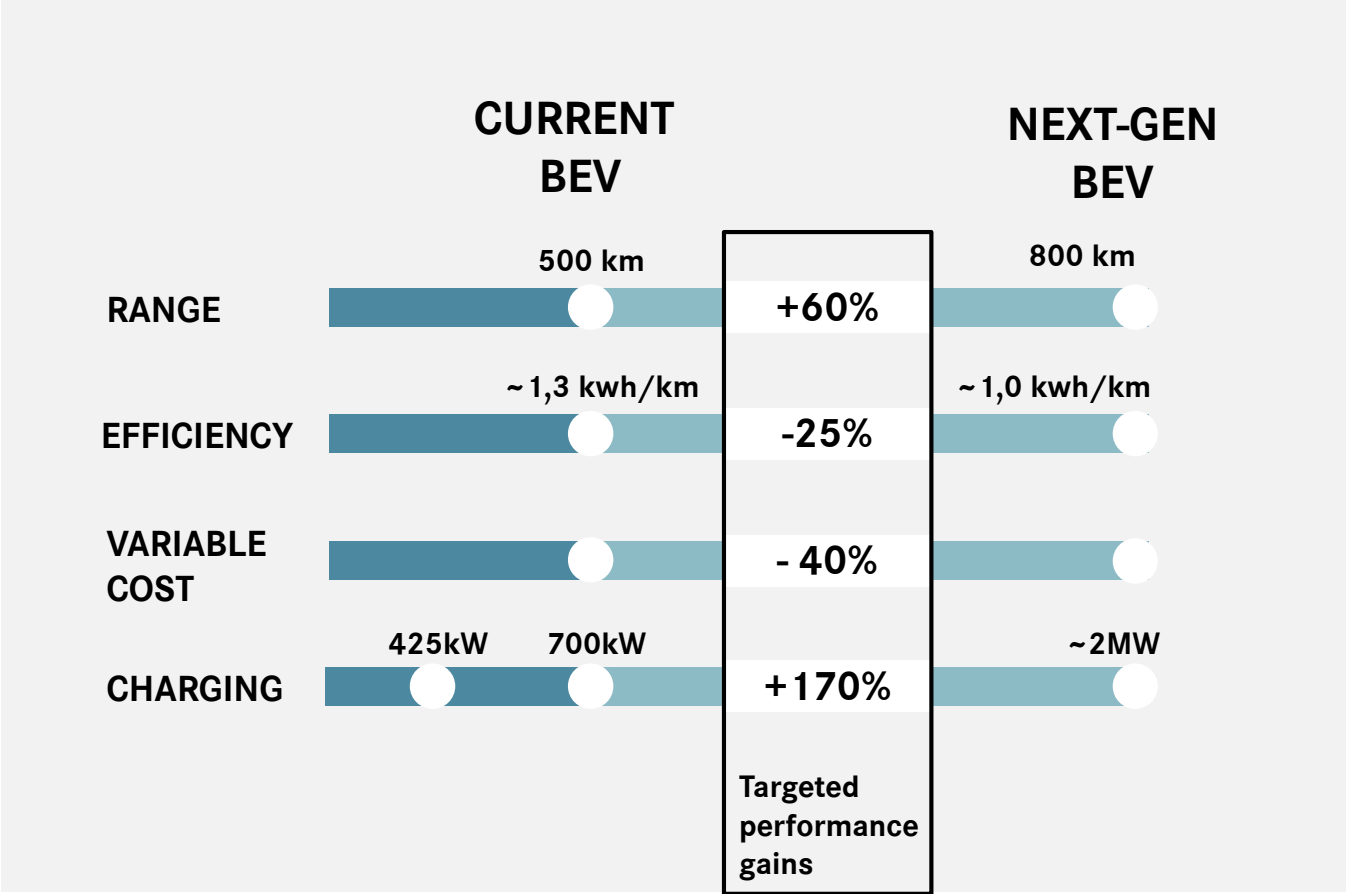
# WE WILL MOVE RAPIDLY TO WIN THE PROPULSION RACE

Committed to offering the strongest ZEV portfolio across all key segments and regions



# BEV TECHNOLOGY – READY TO GO

New BEV trucks about to hit the market; next-gen technology will leap further



# ACCELERATING BEV TECHNOLOGY

Key announcements today

## DAIMLER TRUCK E-DRIVE DEVELOPMENT



### R&D IN-HOUSE EXPERTISE

Bringing eDrive  
technology know-how  
and development  
in-house

## DAIMLER TRUCK BATTERY SYSTEM



### NEW CATL – DT ENHANCED CELL PARTNERSHIP

Developing the  
world's most  
sophisticated  
dedicated Truck cells

## DAIMLER TRUCK RAPID CHARGING



### DT CHARGING TECHNOLOGY WITH PARTNERS

Industry-leading  
charging technology  
infrastructure

## DAIMLER TRUCK NEXT-GEN E-TRUCK



### NEXT GEN ULTIMATE BEV TRUCK

Next eTruck generation  
to pursue ultimate  
performance  
~800km BEV range

# ANNOUNCING AN EXPANDED BATTERY PARTNERSHIP WITH CATL



Joint development of sophisticated truck-focused batteries and supply agreed beyond 2030



- ▶ CATL to supply batteries for Mercedes-Benz eActros LongHaul truck starting 2024
- ▶ Supply secured beyond 2030
- ▶ Truck dedicated: Superior ultra-long cycle life with fast-charging ability
- ▶ Joint design and development of next generation cell technology for the trucking industry
- ▶ Exploring future battery production concepts for Europe and North America

# BUILDING HIGH-POWER CHARGING IN NORTH AMERICA AND EUROPE

Our plan: supporting customers and kick-starting charging infrastructure

NORTH AMERICA WITH POWER ELECTRONICS

EUROPE WITH SIEMENS AND ENGIE/EVBOX

- ▶ 350kW coverage across our key markets
- ▶ Daimler developed, intelligent charging management
- ▶ Onsite consulting, installation and support



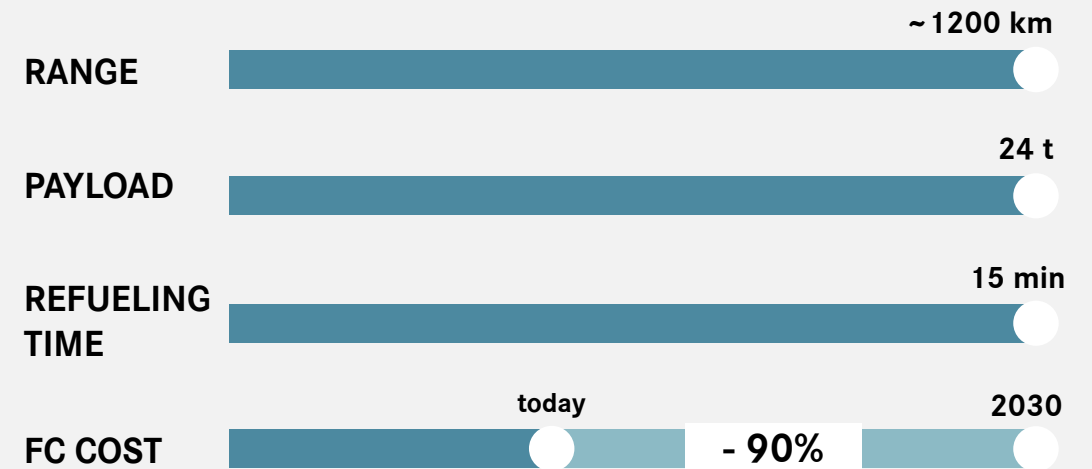
DEVELOPING MEGAWATT CHARGING AND EXPLORING PUBLIC INFRASTRUCTURE SOLUTIONS

# HYDROGEN AT THE CENTER OF OUR ZEV STRATEGY

GenH2 Truck with strong range and cost ambitions



## 2027 GENH2 TRUCK AMBITIONS ARE SET



# ACCELERATING FCEV TECHNOLOGY

Our key partnerships to deliver the future of hydrogen-powered transport

## FUEL CELL SYSTEMS



### CELLCENTRIC

“Develop, produce and commercialize FC systems for HD trucks in JV with Volvo Group. Gigafactory planned to start in 2026”

## LIQUID HYDROGEN REFUELING



### LINDE GROUP

“Jointly develop technology for liquid hydrogen refueling. First prototype station planned to go live in 2023”

## HYDROGEN INDUSTRY PUSH



### H2ACCELERATE

“Expedite mass market adoption of fuel cell trucks in Europe along with Volvo Group, IVECO, OMV, and Shell”

## NEW HYDROGEN CORRIDOR LAUNCHED



### SHELL

“Accelerate hydrogen-based transportation in Europe and develop an open standard for refueling”



# ANNOUNCING A EUROPEAN HYDROGEN CORRIDOR WITH SHELL

Kick-starting infrastructure with Rotterdam-Hamburg-Cologne



Shell  
Hydrogen



## DAIMLER AND SHELL KICK-START H2 REVOLUTION

- ▶ Technical and development collaboration
- ▶ ~ 1,200km freight corridor in place by 2025
- ▶ Shell to build H2 stations along corridor
- ▶ Daimler Truck to supply H2 trucks
- ▶ ~ 150 H2 stations and ~ 5,000 H2 trucks by 2030
- ▶ Leveraging H2Accelerate and open for partners

# TECHNOLOGY WILL DRIVE OUR CUSTOMERS' FUTURE SUCCESS

Maximizing return on truck investment



## KEY TECHNOLOGIES



PROPULSION SYSTEM



OPERATING SYSTEM/  
AUTONOMOUS

## VEHICLE & SERVICES



VEHICLE



SERVICES/  
DIGITIZATION

# OPERATING SYSTEM AT THE CORE OF THE VEHICLE

Software architecture as platform for our next generation trucks and service offerings



## WHAT WE DO

- ▶ In-house development of core elements
- ▶ Fewer compute units and reduced layers
- ▶ Delinked software cycles

## BENEFITS FOR CUSTOMERS

- ▶ Uptime: less and more efficient workshop visits driven by OTA
- ▶ Tailored digital service offering for our customers
- ▶ Seamless E2E integration

## BENEFITS FOR US

- ▶ Drive service revenues and customer loyalty
- ▶ Leverage big data for improved customer understanding
- ▶ Faster development cycles

## TRUCK OPERATING SYSTEM

Advanced Assistance Systems

Human-Machine Interface

Powertrain

Interior/Body Control

Connectivity

**MAJOR RELEASES: 2023 – 2025 – 2027**

# REDUNDANT CASCADIA AND AUTONOMOUS DRIVING TECHNOLOGY

Clear target: industry leading autonomous technology with our dual-track strategy



## WHAT WE DO

- ▶ Global partnership between industry leaders in trucking and in autonomous driving technology

## BENEFITS FOR CLIENTS

- ▶ Waymo's industry-leading autonomous driving technology available on a unique version of Freightliner Cascadia

## BENEFITS FOR US

- ▶ Strengthening of market position generating volume



- ▶ Pioneer in heavy-duty autonomous technology focusing on trucks as independent subsidiary of Daimler Truck AG

- ▶ Torc's virtual driver is optimized for the use case of hub to hub trucking and closely developed and tested with customers

- ▶ Laying the foundation for a new profit pool offering services beyond traditional scope of vehicle sales

**TWO PILLAR STRATEGY: ACCELERATE TECHNOLOGY AND PROVIDE OPTIONS TO CUSTOMERS**

# OUR MISSION AS AN INDEPENDENT COMPANY IS CLEAR

## RESET PROFITABILITY

- ▶ Intense focus on fixing Europe
- ▶ Target profit benchmarks in each region
- ▶ No excuses: every region must deliver
- ▶ Grow services rapidly
- ▶ Commitment to strong shareholder returns

## LEAD THE WAY TO ZERO EMISSIONS

- ▶ Seek cost and performance leadership
- ▶ Dual-track BEV and FCEV strategy
- ▶ Refocusing of R&D activities
- ▶ Kick-start infrastructure
- ▶ Sundown ICE with partners

## IN PURSUIT OF PROFIT AND TECHNOLOGY LEADERSHIP

