

DAIMLER TRUCK

Q3 2023

Interim Results Call

November 7, 2023

Martin Daum, CEO, additionally responsible for Finance and Controlling
Claus Baessler, Vice President Treasury & Tax, acting head of Finance & Controlling



ISIN: DE-000 DTR0CK8
WKN: DTR0CK

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

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Q3/23 Key Topics

- Slight decrease of unit sales (-5%) and production (-7%) due to bottlenecks with suppliers and market developments in Brazil and Indonesia
- Decrease in incoming orders and order backlog as demand normalizes due to lower catch-up effect, while at the same time ZEV orders increased significantly
- Strong price position offsets cost headwinds
- Cummins, Daimler Truck, PACCAR and the technology partner Eve plan U.S. Joint venture for battery cell production
- Record order for Daimler Truck's FUSO: Around 900 all-electric Next Generation eCanter for Yamato Transport in Japan
- Presentation of the Mercedes-Benz eActros 600, a battery-electric truck with a range of 500 kilometers
- Successfully completed the Record Run of our fuel cell truck covering more than 1,000 kilometers with one fill of liquid hydrogen



Q3 2023

reported | adjusted EBIT Group
€1,219 m. | €1,340 m.

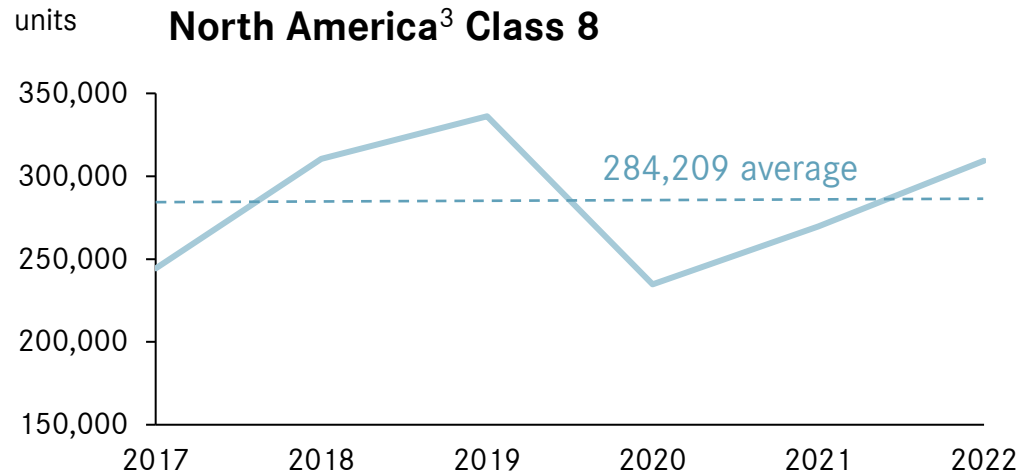
adjusted ROS IB
9.8%

EPS
€1.13

FCF IB
€1,088 m.

Net Industrial Liquidity
€7,685 m.

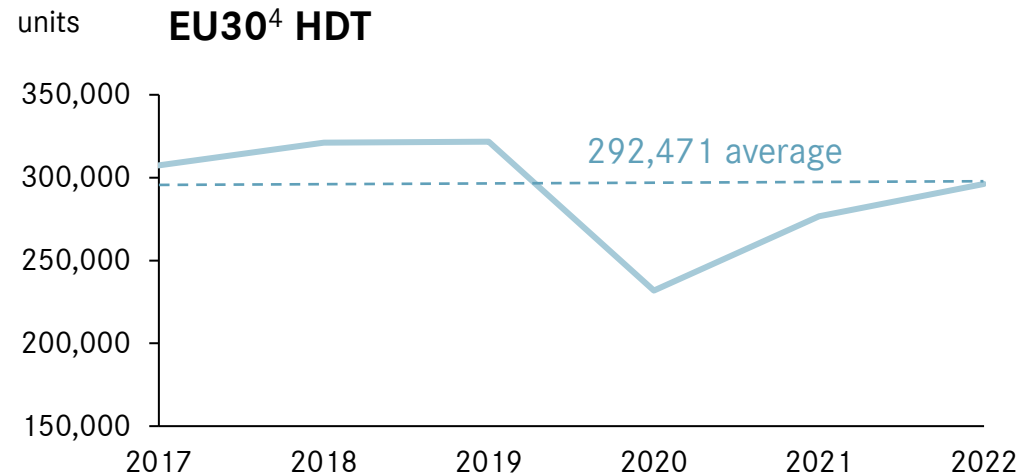
Continued solid market demand



YTD⁵

222,829
total market units

40.1%
SoM¹



YTD⁵

241,130
total market units

18.8%
SoM²



¹ Share of Market for Freightliner, Western Star (company internal analysis)

² Share of Market for Mercedes Benz (company internal analysis)

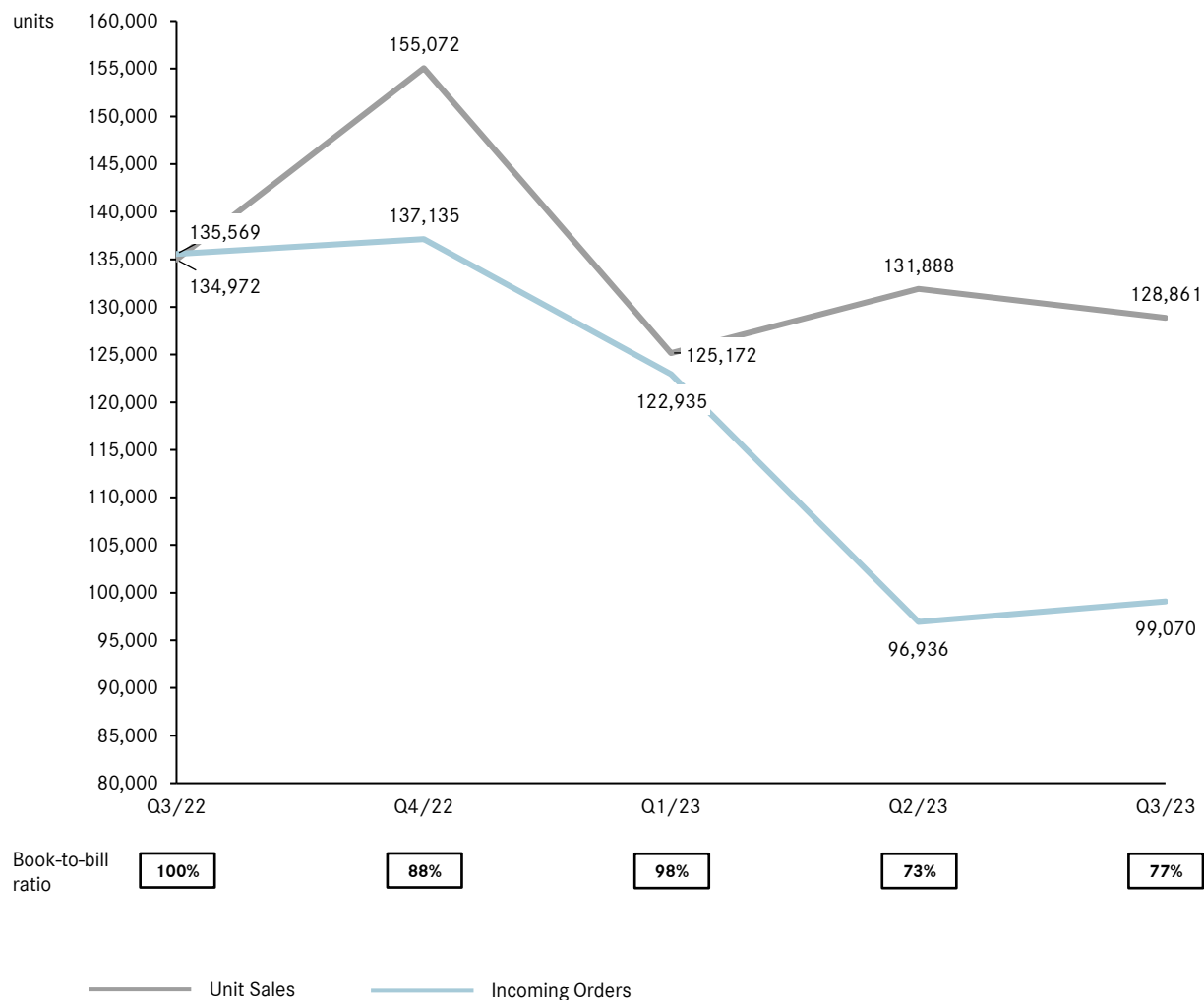
³ USA, Canada and Mexico

⁴ European Union, United Kingdom, Switzerland and Norway

⁵ YTD includes actuals January - August

Q3/23 Incoming Orders and Unit Sales

Daimler Truck Group



Highlights

- Incoming orders below prior year level as demand normalizes
- Normalization of lead times due to decreasing backlog

units	Q3/2022			Q3/2023		
	Incoming orders	Group sales	Book-to-bill ratio	Incoming orders	Group sales	Book-to-bill ratio
Daimler Truck Group	135,569	134,972	100%	99,070	128,861	77%
Trucks North America	47,964	49,171	98%	35,269	47,249	75%
Mercedes-Benz	38,021	42,305	90%	32,341	40,077	81%
Trucks Asia	48,343	41,535	116%	27,039	38,052	71%
Daimler Buses	4,622	6,283	74%	6,980	6,789	103%
Reconciliation	-3,381	-4,322		-2,559	-3,306	

Continuous progress in zero-emission trucks and buses

Orders YTD* /22

1,705

Orders YTD* /23

3,598



Unit Sales YTD* /22

624

Unit Sales YTD* /23

1,161

* January - September

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Q3/23 Key Figures Group

Revenue

in million Euro

+3%

13,507 13,860

EBIT

in million Euro

+15%

1,057 1,219

adjusted EBIT

in million Euro

+5%

1,273 1,340

Free Cash Flow IB

in million Euro

+84%

592 1,088

Net Industrial Liquidity

in million Euro

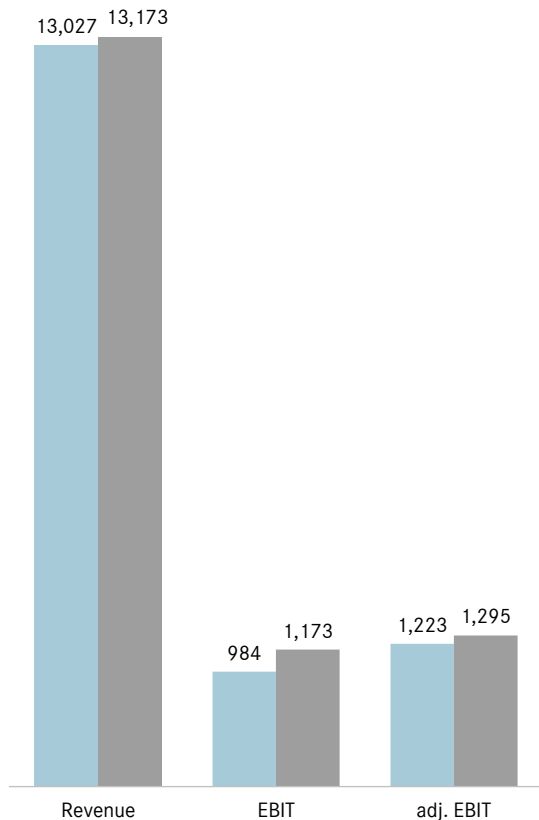
+25%

6,159 7,685

Q3/23 Revenue and EBIT Industrial Business

in million Euro

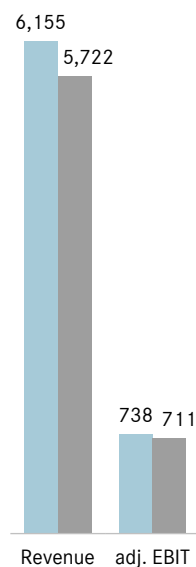
Industrial Business



adj. ROS (Q3/22) Q3/23

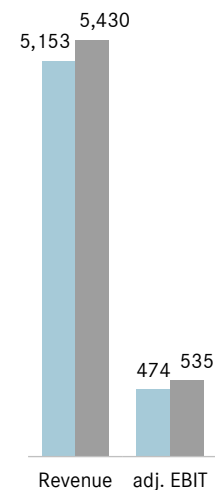
(9.4%) **9.8%**

Trucks North America



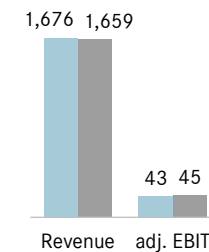
(12.0%) **12.4%**

Mercedes-Benz



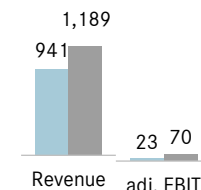
(9.2%) **9.9%**

Trucks Asia



(2.6%) **2.7%**

Daimler Buses



(2.5%) **5.9%**

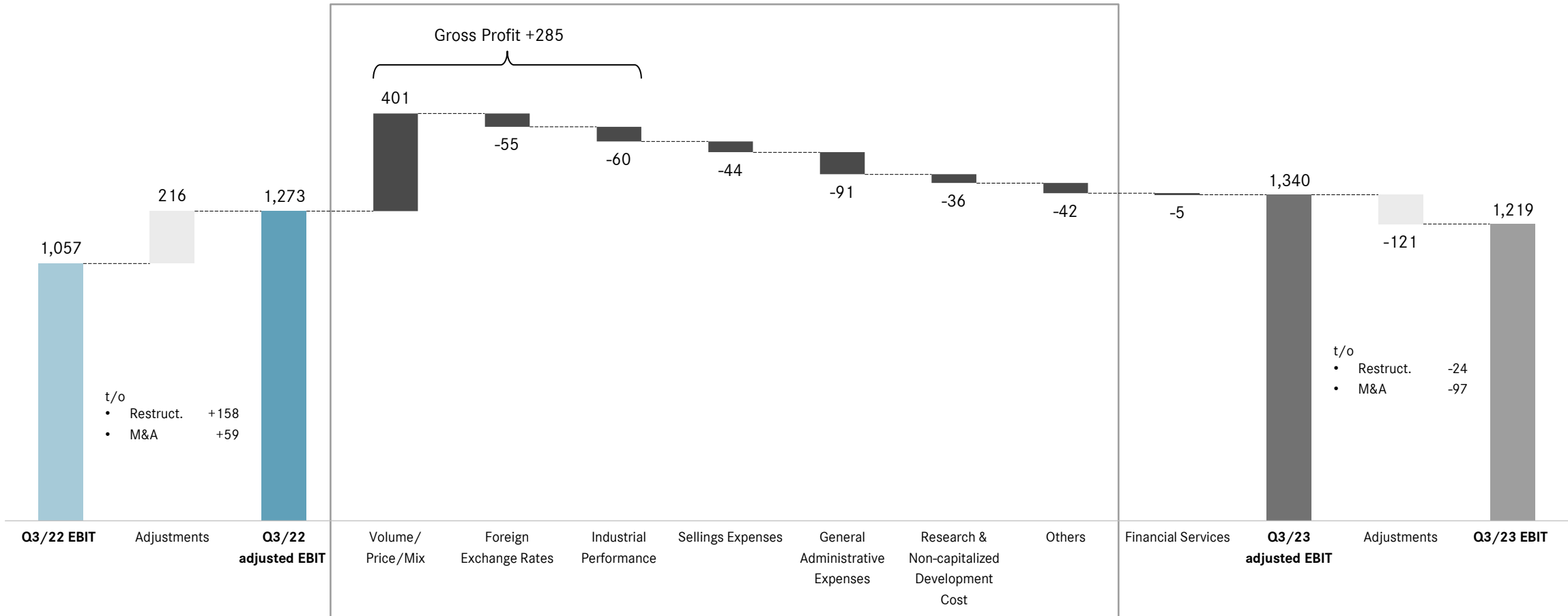
Q3/22A Q3/23A

Q3/23 EBIT Group

- + Strong net pricing
- Inflation-related cost increases, especially in material costs and higher personnel costs
- Slight decrease in unit sales

in million Euro

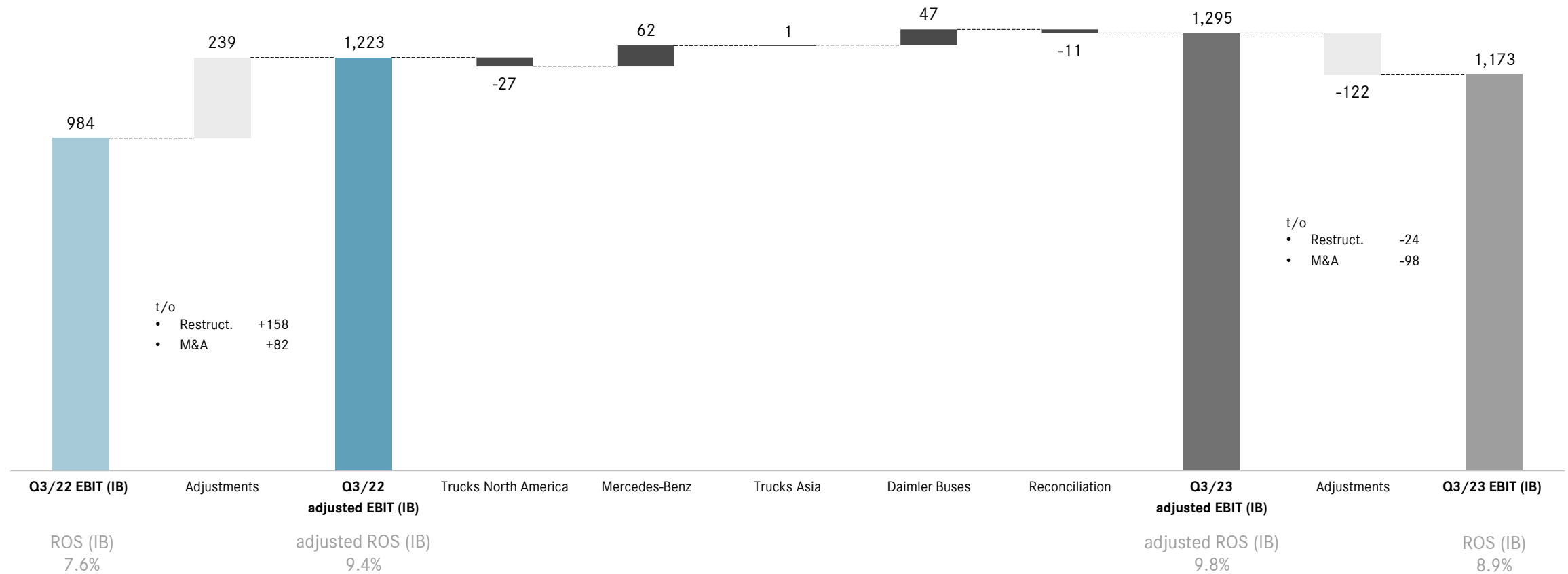
Industrial Business +72



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.

Q3/23 EBIT Industrial Business

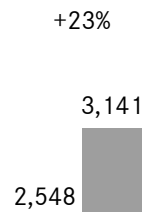
in million Euro



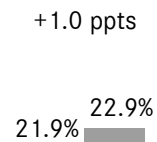
Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

Q3/23 Key Figures Financial Services

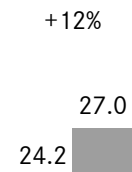
New Business
in million Euro



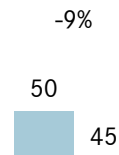
Penetration Rate
in %



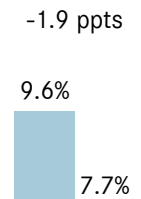
Contract Volume
in billion Euro at end of period



adjusted EBIT
in million Euro



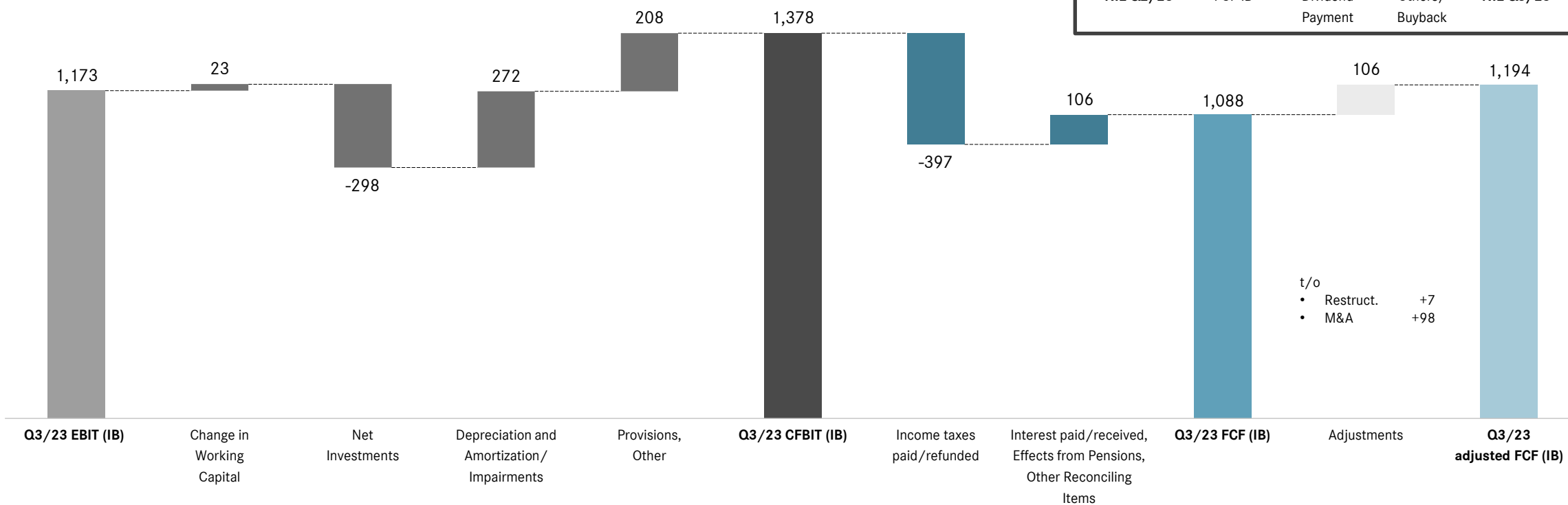
adjusted ROE
in %



Q3/23 Cash Flow Industrial Business

in million Euro

**adjusted
Cash Conversion Rate
1.1**



Net Industrial Liquidity (NIL)

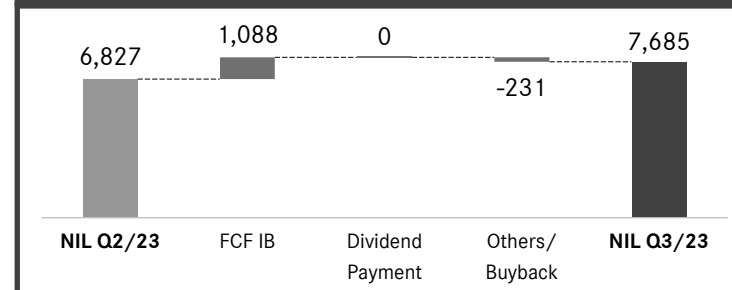
at end of

Q2/23

6.8 bn.

Q3/23

7.7 bn.



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Market Assumptions 2023

Heavy Duty Truck Market¹

2023

North America²

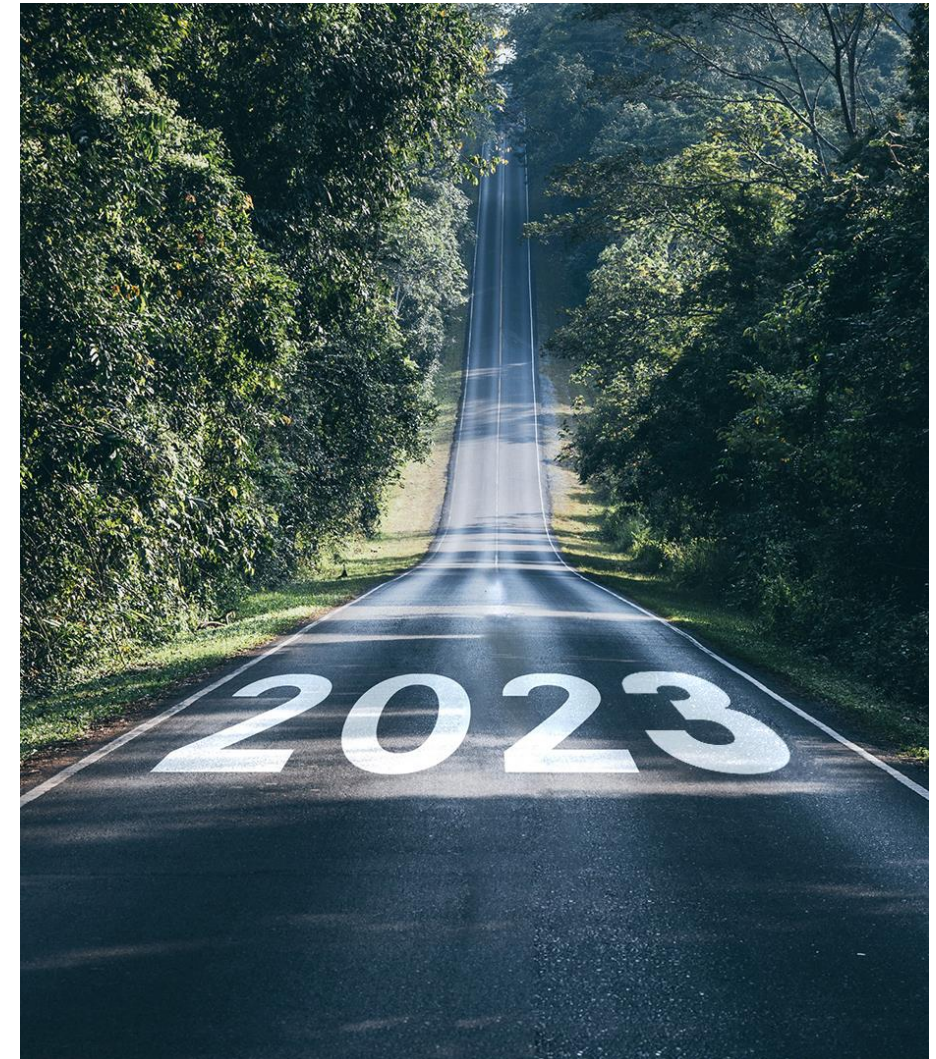
290 – 330 k units

EU30³

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.



¹ Source: Company estimate

² USA, Canada and Mexico

³ European Union, United Kingdom, Switzerland and Norway

Daimler Truck Group/Industrial Business Assumptions 2023

Group

	FY 2022	Guidance 2023
Revenue	50,945 m. €	56 – 58 bn. €
EBIT	3,496 m. €	significant increase
adjusted EBIT	3,959 m. €	significant increase
Investment	898 m. €	slight increase
R&D cost¹	1,785 m. €	slight increase

IB

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

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.



¹ budget view: R&D incl. capitalized R&D

Daimler Truck Segment Assumptions 2023

	Unit Sales in thousand units		adjusted ROS/ROE in %	
	FY 2022	Guidance 2023	FY 2022	Guidance 2023
Trucks North America	187	190 – 210	10.8%	11 – 13%
Mercedes-Benz	166	155 – 175	8.1%	8 – 10%
Trucks Asia	156	160 – 180	2.6%	4 – 6%
Daimler Buses	24	20 – 25	0.4%	3 – 5%
Financial Services	9 bn. € ¹	10 – 11 bn. € ¹	9.9% ²	9 – 11% ²

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.



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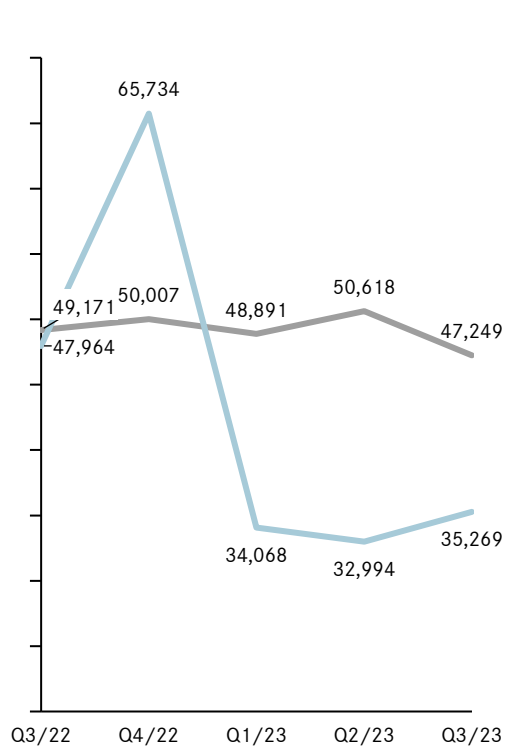
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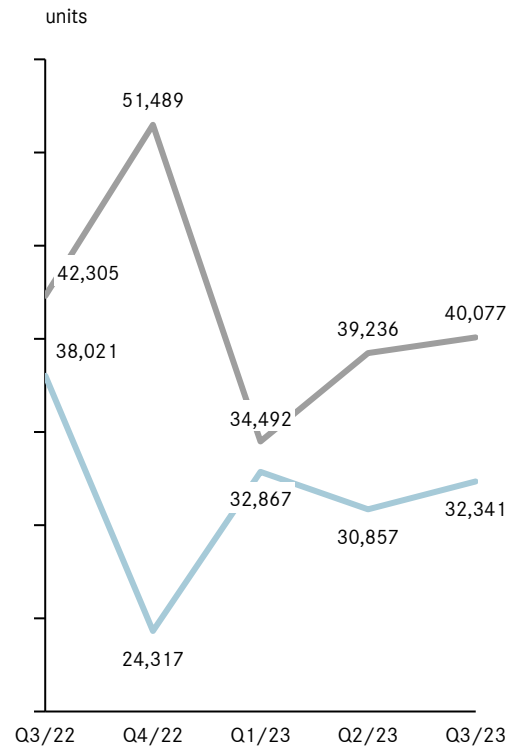
Q3/22 – Q3/23 Incoming Orders and Unit Sales by Segment

Trucks North America



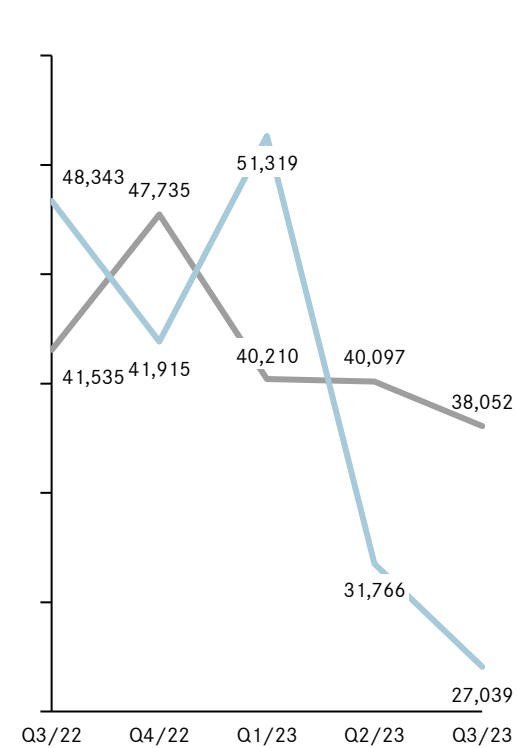
BTB RATIO: 98% (Q3/22), 131% (Q4/22), 70% (Q1/23), 65% (Q2/23), 75% (Q3/23)

Mercedes-Benz



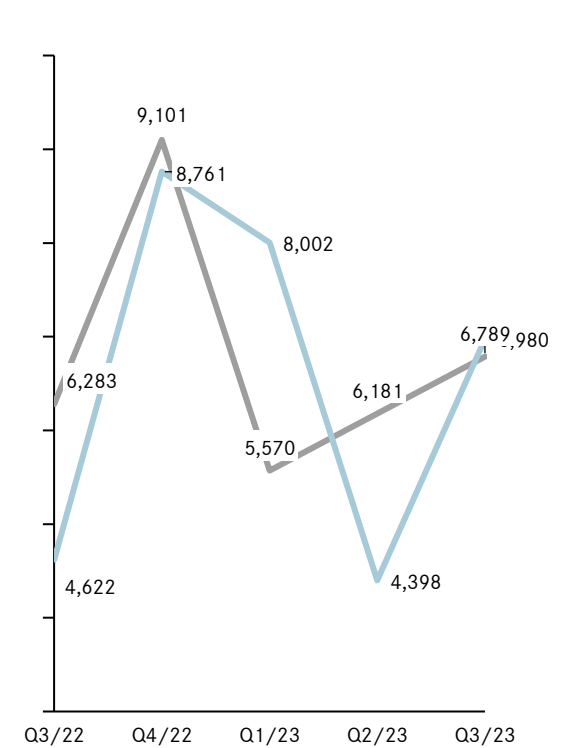
BTB RATIO: 90% (Q3/22), 47% (Q4/22), 95% (Q1/23), 79% (Q2/23), 81% (Q3/23)

Trucks Asia



BTB RATIO: 116% (Q3/22), 88% (Q4/22), 128% (Q1/23), 79% (Q2/23), 71% (Q3/23)

Daimler Buses



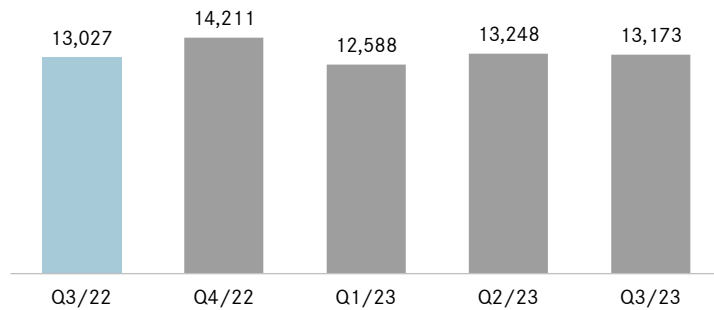
BTB RATIO: 74% (Q3/22), 96% (Q4/22), 144% (Q1/23), 71% (Q2/23), 103% (Q3/23)

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

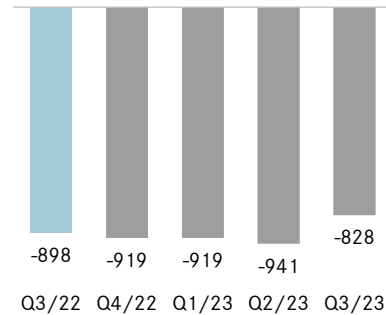
Q3/22 – Q3/23 IB Performance: Revenue by Segment

in million Euro

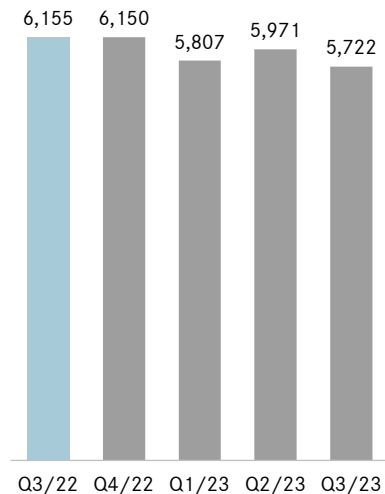
Daimler Truck Industrial Business



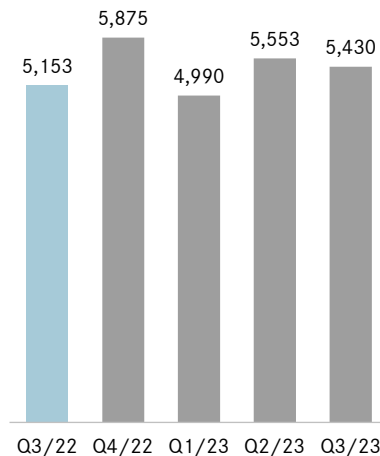
Reconciliation



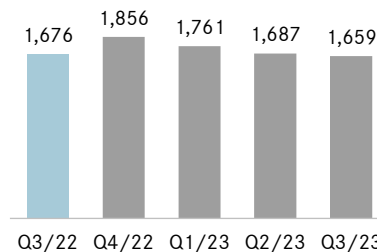
Trucks North America



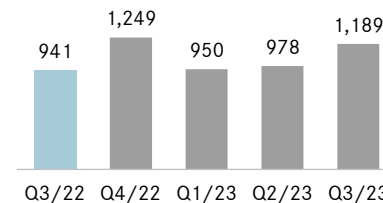
Mercedes-Benz



Trucks Asia



Daimler Buses



Financial Services



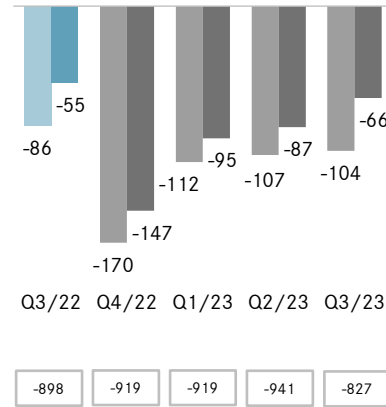
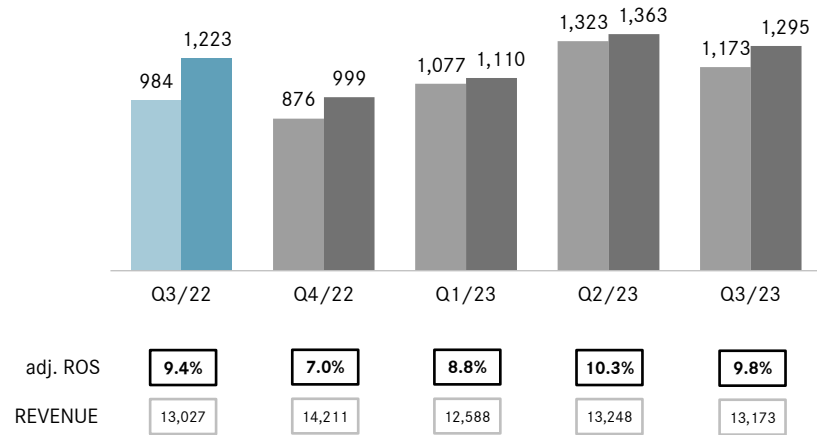
Revenue

Q3/22 – Q3/23 IB Performance: EBIT by Segment

in million Euro

Daimler Truck Industrial Business

Reconciliation



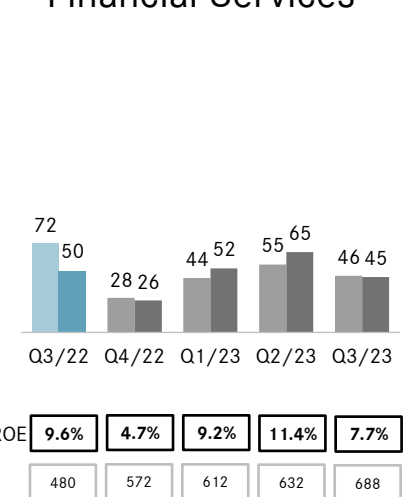
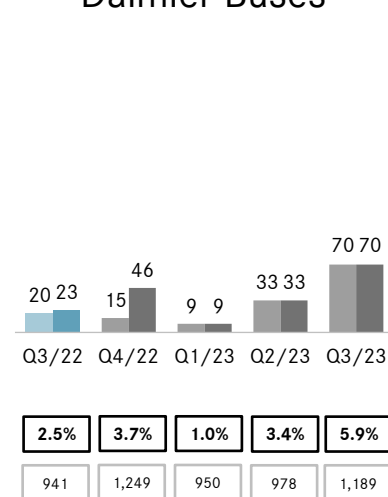
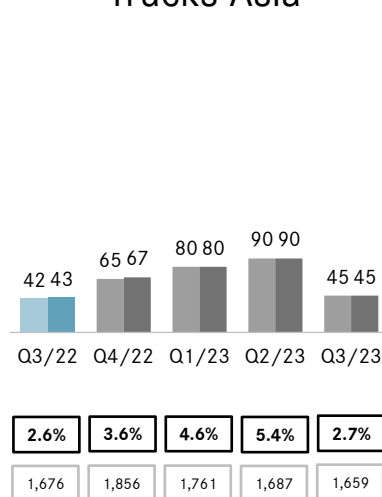
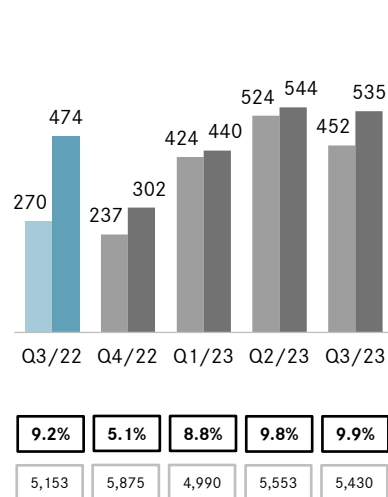
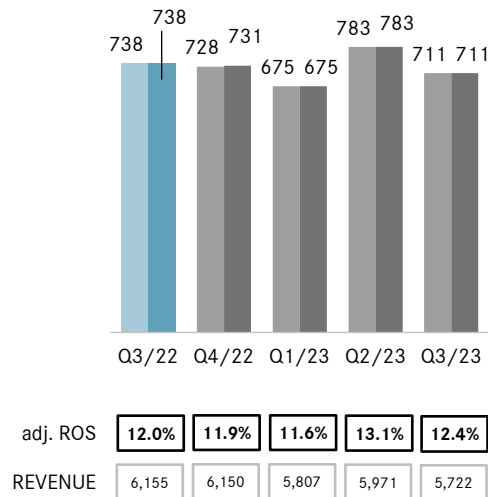
Trucks North America

Mercedes-Benz

Trucks Asia

Daimler Buses

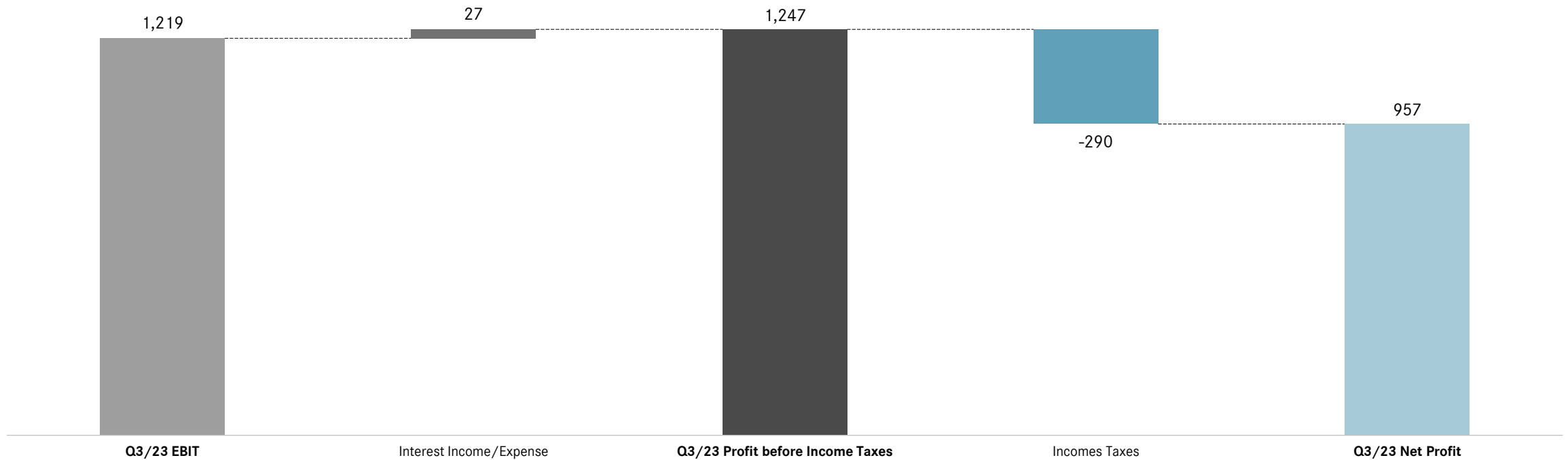
Financial Services



EBIT adjusted EBIT

Q3/23 Net Profit

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.

Q3/23 EBIT Trucks North America

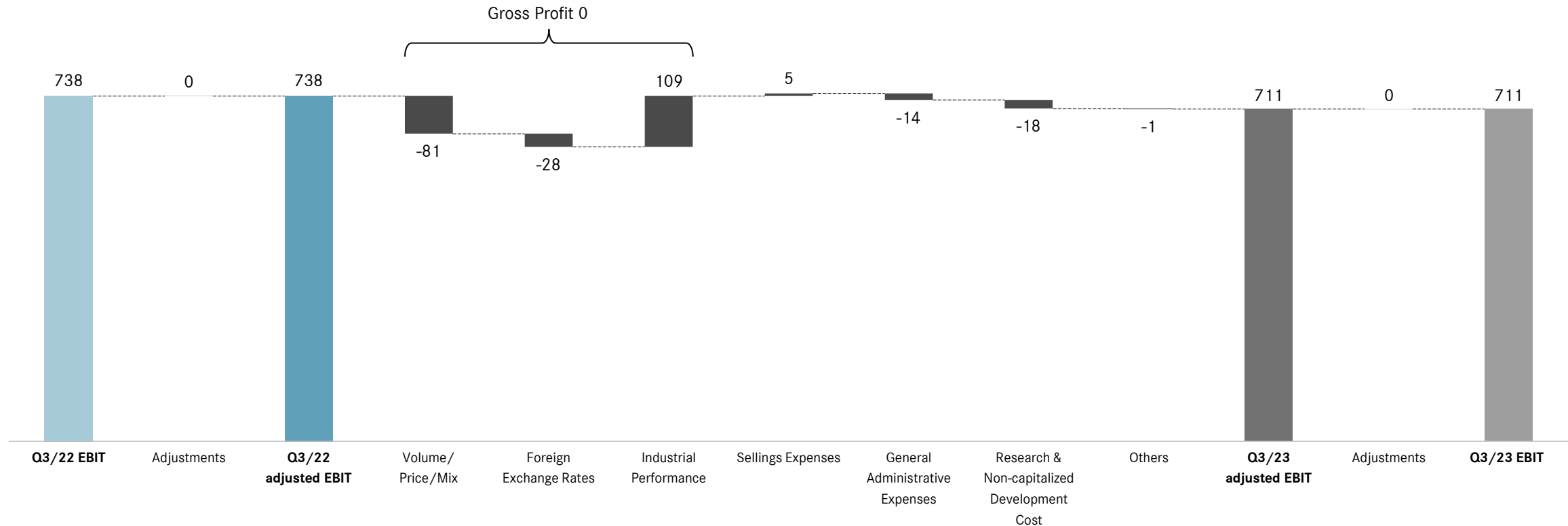
in million Euro

+ Improved manufacturing and material efficiency

- Lower sales volume due to bottlenecks with suppliers
 - Slight decrease in the aftersales business
 - Inflation-related cost increases, especially personnel costs

Key Topics

- Ongoing shortages in the supply chain have substantially constrained production output.
- Joint Venture announced to advance battery cell production in the United States.
- Powertrain unit Detroit commemorates 85 years of manufacturing excellence.
- Extension of DTNA parts distribution network with new redistribution center in Indiana.



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Q3/23 EBIT Mercedes-Benz

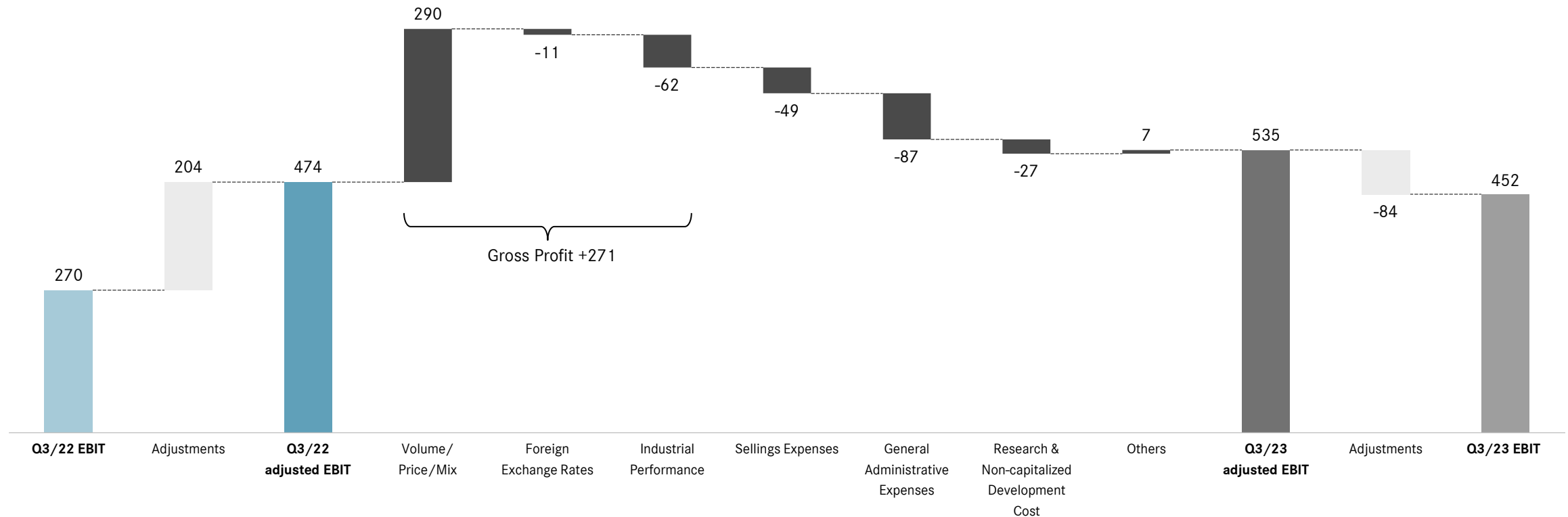
in million Euro

+ Improved net pricing

- Inflation-related cost increases, especially in logistic and energy costs as well as higher personnel costs
- Slight decrease in unit sales, especially due to the introduction of Euro VI emission standard in Brazil
- Used vehicle market normalization

Key Topics

- Focus on sustainability in plant Wörth: Joint Venture with EnBW and the City of Wörth am Rhein established to investigate possibilities on extraction of renewable energy through geothermal heat.
- Groundbreaking in the city of Halberstadt: Mercedes-Benz Trucks starts construction of the new global logistics hub for the worldwide supply of spare parts.



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Q3/23 EBIT Trucks Asia

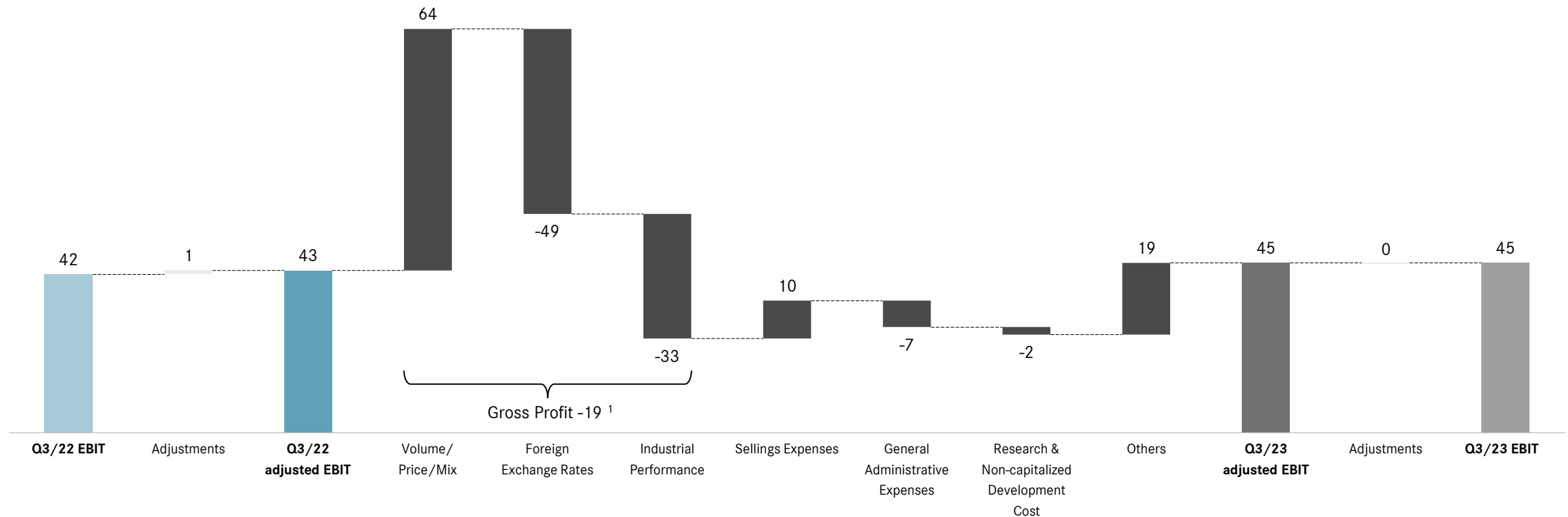
in million Euro

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

- Decreased sales volume, especially due to market development in Indonesia
- Increases in costs due to inflation and currency, in particular in material costs
- China market still reflecting challenging environment

Key Topics

- Mitsubishi FUSO started delivery of eCanter orders of approx. 900 units received from Yamato Transport (Japan).
- New light-duty and medium-duty FUSO models have been presented at the largest automotive tradeshow in Indonesia.



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¹ including negative translation effect JPY/EUR

Q3/23 EBIT Daimler Buses

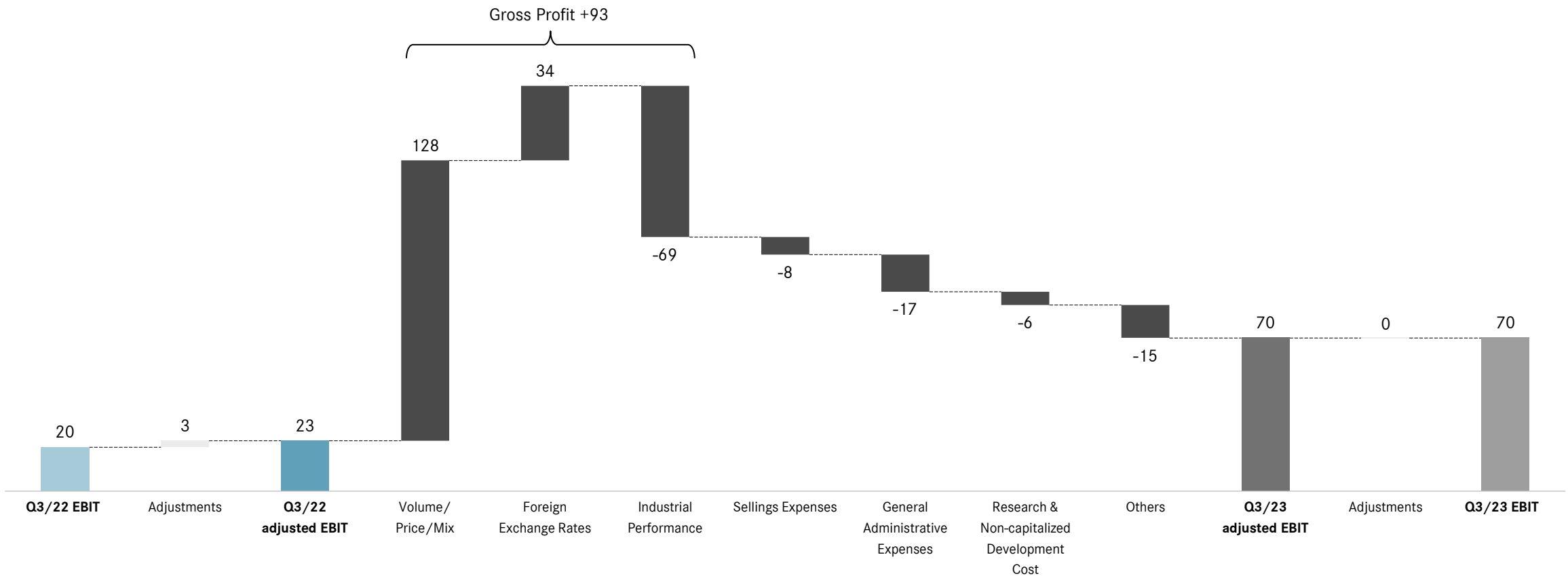
in million Euro

- + Significantly increased sales volume
- + Improved net pricing
- + Positive effects from exchange rates

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

Key Topics

- Ongoing recovery of European coach market.
- New Mercedes-Benz coach on the road – first deliveries of the evolved Mercedes-Benz Tourismo.



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Q3/23 EBIT Financial Services

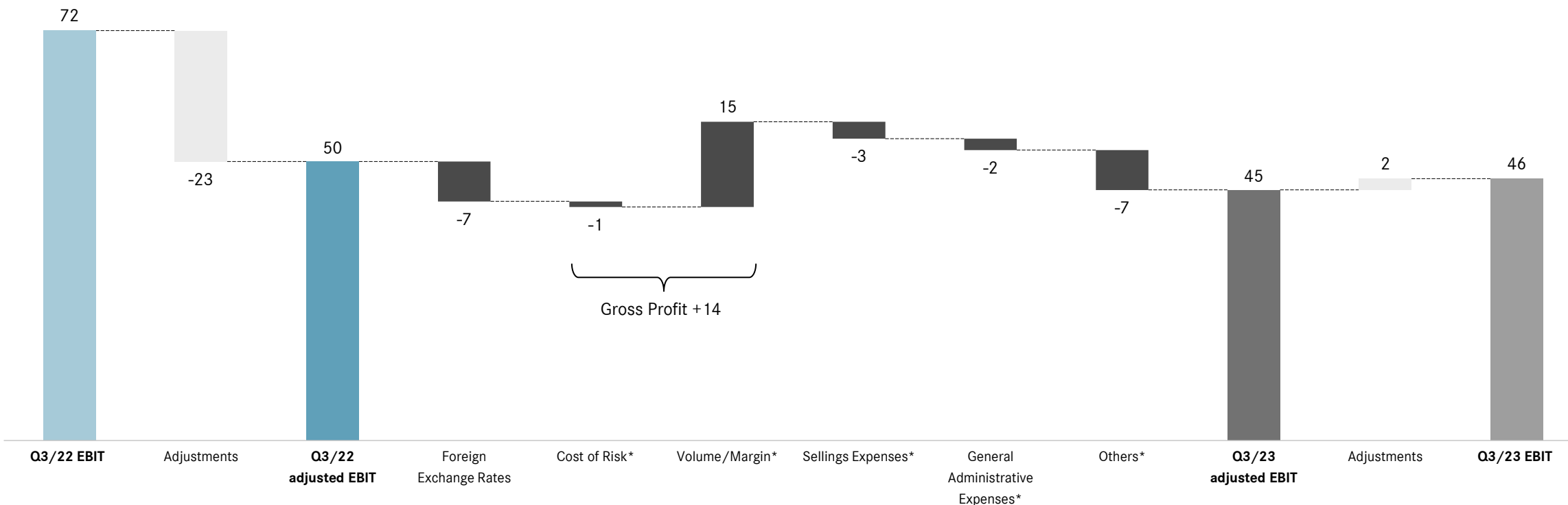
in million Euro

+ Improved operating result due to a higher contract volume, in a market environment characterized by margin pressure and regionally heterogeneous risk cost development

- Slightly higher costs in Europe due to project-related expenses related to the acquired financial services business
 - Negative effects of hyperinflation in connection with the integration of the market in Türkiye

Key Topics

- Project launch to set up business in Poland, Czech Republic and Slovakia.
- Integration of Turkey & Ramp-up Germany and France lead to increased new business volume of €3.1 bn.
- Improved overall Penetration rate driven by catching up penetration rates in North America & Brazil.
- Contract volume increase to €27.0 bn. in Q3 2023 mainly driven by newly added markets in Europe and solid business in North America.



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*excluding FX effects

Capital Structure

in million Euro

	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023
Group liquidity			
Cash and cash equivalents	7,788	7,906	9,982
Marketable debt securities and similar investments	1,303	1,621	1,905
Group Gross Liquidity	9,092	9,528	11,888
Total Financing Liabilities	-23,431	-25,381	-28,406
Group Net Debt	-14,339	-15,854	-16,519
Liquidity of the Industrial Business			
Cash and cash equivalents	7,315	7,660	9,740
Marketable debt securities and similar investments	1,281	1,598	1,863
Gross Liquidity of the Industrial Business	8,596	9,258	11,602
Financing liabilities (nominal)	-1,070	-2,431	-3,917
Net Liquidity of the Industrial Business	7,526	6,827	7,685
Pension Benefits			
Benefit Obligations	-5,984	-5,993	-5,689
Plan Assets	5,438	5,464	5,314
Funded Status	-548	-530	-375
Funding Ratio	90.9%	91.2%	93.4%

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

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.