

Press release / Presse Info / Comunicado de imprensa / 新闻稿 / プレスリリース /
Comunicado de prensa / Communiqué de presse / Informacja prasowa

TRATON GROUP raises forecast for full-year 2023 following successful business performance in the first nine months

- ▶ Unit sales 15% higher year-on-year in the first nine months of 2023 at 249,500 vehicles
- ▶ Group's sales revenue up by a fifth to €34.2 billion
- ▶ Incoming orders down by a quarter at 189,600 vehicles due to demand returning to normal, especially in Europe, order acceptance remaining restrictive in North America, and pull-forward effects in South America in connection with the already introduced new emissions standard
- ▶ Adjusted operating result more than doubled to almost €3 billion
- ▶ Adjusted operating return on sales 3.9 percentage points higher at 8.6%
- ▶ TRATON GROUP raises forecast for the year: adjusted operating return on sales now expected to range between 7.5 and 8.5% following the previous forecast of 7.0 to 8.0%
- ▶ Net cash flow in the TRATON Operations business area now forecast at between €2.3 billion and €2.8 billion (previously €1.8 billion to €2.3 billion)

Munich, October 25, 2023 – The TRATON GROUP has delivered a strong performance in the first nine months of 2023 with significant increases in unit sales, sales revenue, operating result, and operating return on sales and is now raising its forecast for full-year 2023. The TRATON GROUP brands increased their unit sales by 15% to 249,500 (9M 2022: 217,100) vehicles from January until the end of September 2023. The supply situation improved in the first nine months of the year, making higher production volumes possible. Sales revenue grew 20% to €34.2 billion (9M 2022: €28.5 billion), driven by an increase in the new vehicles business across TRATON's Scania, MAN Truck & Bus, and Navistar brands. We also benefited from a positive market and product mix, better unit price realization, and an increase in the vehicle services business.

In Europe, in particular, uncertainty with regard to economic development and a more difficult financing environment led to demand returning to normal. Acceptance of new orders in North America remained restrictive due to the very high order backlog. The earlier introduction of new emissions regulations in Brazil, in particular, slowed down customer demand. All of these also meant that the TRATON GROUP's incoming orders declined by 26% to 189,600 (9M 2022: 256,200) vehicles from January until the end of September. The book-to-bill ratio, or the ratio of incoming orders to unit sales, was 0.8 (9M 2022: 1.2). This meant that unit sales were higher than incoming orders. Although order backlog declined, it remains at a very high level.

At €2,695 million (9M 2022: €609 million), the TRATON GROUP's operating result was up €2,086 million year-on-year. TRATON almost quadrupled its operating return on sales to 7.9% (9M

2022: 2.1%) in the first nine months of the year. Adjusted operating result rose by €1,582 million to €2,929 million (9M 2022: €1,347 million). Adjusted operating return on sales was 8.6% and thus 3.9 percentage points higher than in the comparative period (9M 2022: 4.7%). The year-on-year improvement is attributable to higher production capacity utilization, the increase in vehicle deliveries, and the associated decline in fixed costs in the TRATON Operations business area. We were able to offset the significantly higher prices for energy, raw materials, and other bought-in components by introducing price measures.

Christian Levin, CEO of the TRATON GROUP: “We have seen very positive developments in our business in the third quarter of this year, which is making us more optimistic for 2023 as a whole. Moreover, the TRATON GROUP is taking a lot of steps to drive the transition to sustainable transportation forward. We have only recently set up TRATON Charging Solutions, a new service entity that makes it easier for truck drivers to find the best charging location for their e-trucks. The recent opening of Scania’s first battery assembly plant in Södertälje, Sweden, was another historic moment for our Company. Electric commercial vehicles are no longer a vision of the future — they are here and now. Just look at MAN: its eTruck for long-haul transport will go on sale on October 30. Electric vehicles have long since become a part of Navistar’s lineup as well. The company’s legendary yellow school bus is not only a very safe way of getting children to school and back — it is now also an electric vehicle. And the e-Delivery truck from Volkswagen Truck & Bus is making it possible for customers like international brewery Ambev to supply its customers without damaging the environment. Our products are market-ready, and we are making sure that our factories are fit to handle the ramp-up in the production of electric vehicles. What we need now is for charging infrastructure and green energy to be expanded as soon as possible — and the full support of government authorities and policymakers.”

Dr. Michael Jackstein, CFO and CHRO of the TRATON GROUP: “We in the TRATON GROUP have had a very good third quarter. This is why we are now expecting adjusted operating return on sales to range between 7.5 and 8.5% for full-year 2023, having previously forecast it at 7.0 to 8.0%. The targets we set ourselves are ambitious — also because we are advancing how we are working together as a Group. Our financial services business is just one example. TRATON Financial Services is a strong Group backbone that allows us to offer tailor-made financial services to our brands and their customers. Navistar recently relaunched a service that offers customers better financing solutions for both new and used vehicles under the Navistar Financial umbrella. We want to continue our success over the rest of the year.”

Given the TRATON GROUP’s positive business performance in the first nine months of 2023, we are raising the forecast for key performance indicators published in the 2023 Half-Year Report. We are still expecting the TRATON GROUP’s unit sales and sales revenue to increase by 5 to 15% each. In our 2023 Half-Year Report, we forecast an adjusted operating return on sales of between 7.0 and 8.0% for the TRATON GROUP for fiscal year 2023. We are now raising our forecast to between 7.5 and 8.5%. We now expect adjusted operating return on sales in the TRATON Operations business area to range between 8.0 and 9.0%, following the previous forecast of 7.5 to 8.5%. We are confirming the adjusted operating return on sales forecast of 13.0 to 18.0% for

the TRATON Financial Services business area. For net cash flow in the TRATON Operations business area, the TRATON GROUP's Executive Board is raising the forecast range to between €2.3 billion and €2.8 billion. A range of €1.8 billion to €2.3 billion was previously expected.

The TRATON GROUP's financial key performance indicators:

	9M 2023	9M 2022	Change
TRATON GROUP			
Incoming orders	189,611	256,191	-26%
of which trucks	149,990	210,323	-29%
of which buses	21,095	25,572	-18%
of which MAN TGE vans	18,526	20,296	-9%
Unit sales	249,475	217,143	15%
of which trucks	207,078	181,717	14%
of which buses	22,502	20,689	9%
of which MAN TGE vans	19,895	14,737	35%
Sales revenue (€ million)	34,176	28,545	20%
Operating result (€ million)	2,695	609	2,086
Operating result (adjusted) (€ million)	2,929	1,347	1,582
Operating return on sales (in %)	7.9	2.1	5.8 pp
Operating return on sales (adjusted) (in %)	8.6	4.7	3.9 pp

	9M 2023	9M 2022	Change
TRATON Operations			
Sales revenue (€ million)	33,352	27,995	19%
Operating result (€ million)	2,981	1,240	1,741
Operating result (adjusted) (€ million)	3,113	1,474	1,639
Operating return on sales (in %)	8.9	4.4	4.5 pp
Operating return on sales (adjusted) (in %)	9.3	5.3	4.1 pp
Net cash flow (€ million)	2,403	-1,334	3,737
TRATON Financial Services			
Sales revenue (€ million)	1,158	933	24%
Operating result (€ million)	119	-286	405
Operating result (adjusted) (€ million)	221	218	3
Operating return on sales (in %)	10.3	-30.7	41.0 pp
Operating return on sales (adjusted) (in %)	19.1	23.3	-4.3 pp

Webcast for analysts and the press

A webcast to discuss the TRATON GROUP's results in the first nine months of 2023 will take place **from 9:00 a.m. until 10:00 a.m. on October 25** with the TRATON GROUP's CEO Christian Levin and its CFO and CHRO Dr. Michael Jackstein. The webcast will be in English. The presentation will be followed by a Q&A for analysts and then a second round of questions from journalists.

The event will be streamed here:

<https://www.webcast-eqs.com/register/traton-2023-9M/de>

A recording of the webcast will be available after the event.

Contact

Sacha Klingner

Head of External Communications

T +49 170 2250016

sacha.klingner@traton.com

TRATON

Page 5/5

Matthias Karpstein

Business Media Relations

T +49 172 3603071

matthias.karpstein@traton.com

TRATON SE

Hanauer Straße 26 / 80992 Munich / Germany

www.traton.com

With its brands Scania, MAN, Navistar, and Volkswagen Truck & Bus, TRATON SE is the parent and holding company of the TRATON GROUP and one of the world's leading commercial vehicle manufacturers. The Group's product portfolio comprises trucks, buses, and light-duty commercial vehicles. "Transforming Transportation Together. For a sustainable world.": this intention underlines the Company's ambition to have a lasting and sustainable impact on the commercial vehicle business and on the Group's commercial growth.

