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TRATON GROUP posts strong increase in unit sales, sales revenue, and operating return on sales in the first half of 2023

- ▶ Unit sales rose by 22% to 168,100 vehicles in the first six months of 2023 compared with the same period last year
- ▶ Group's sales revenue up 27% to €22.9 billion
- ▶ Incoming orders down 24% to 125,300 vehicles with continued restrictive order management and very high order backlog
- ▶ Adjusted operating return on sales 4.2 percentage points higher at 8.6%
- ▶ Adjusted operating result more than doubled to almost €2 billion

Munich, July 26, 2023 – The TRATON GROUP continued its strong performance in the first quarter of the year into the second and reported very positive developments in unit sales, sales revenue, and operating return on sales in the first half of 2023. The TRATON GROUP brands lifted their unit sales by 22% to 168,100 (H1 2022: 137,300) vehicles in the first six months of 2023. Unit sales in the first half of 2022 had been strongly impaired by the war in Ukraine. The supply situation continued to improve the first six months of the year, making higher production volumes possible. At the same time, logistics shortages still persist in certain areas. Sales revenue grew 27% to €22.9 billion (H1 2022: €18 billion), driven by the increase in the New Vehicles business across TRATON's Scania, MAN Truck & Bus, and Navistar brands, a positive market and product mix, better unit price realization, and growth in the Vehicle Services business.

The TRATON GROUP brands in Europe and North America continued to exercise caution in accepting orders as a result of the order backlog, which remained very high. Existing uncertainties with regard to further economic development and a more difficult financing environment also dampened growth. Additionally, order books in North America had largely not yet been opened for 2024, due among other things to future regulatory requirements, the precise design of which remained to be seen. The introduction of the new emissions regulations in Brazil, in particular, had an impact on customer demand in South America. The TRATON GROUP's incoming orders declined by 24% to 125,300 (H1 2022: 164,200) vehicles in the first half of the year. The book-to-bill ratio, or the ratio of incoming orders to unit sales, was 0.7 (H1 2022: 1.2). This meant that unit sales were higher than incoming orders, and although order backlog declined, it remains at a very high level.

At €1,800 million (H1 2022: €661 million), the TRATON GROUP's operating result was up €1,139 million year-on-year. Adjusted operating result rose by €1,176 million to €1,973 million (H1 2022: €798 million). The first half of 2023 includes expenses of €102 million in connection with

the disposal of Scania Finance Russia, which was completed in January, and €72 million in connection with the realignment of the Scania bus business. Expenses of €113 million attributable directly to the war in Ukraine had been recorded in the comparative period in particular. TRATON increased its operating return on sales by 4.2 percentage points to 7.9% (H1 2022: 3.7%) in the first six months of the year. Adjusted operating return on sales was 8.6% (H1 2022: 4.4%) and thus also 4.2 percentage points higher than in the comparative period. The year-on-year improvement is primarily attributable to higher production capacity utilization, increased vehicle deliveries, and the associated decline in fixed costs in the TRATON Operations business area. The significantly higher prices for energy, raw materials, and other bought-in components were offset by introducing price measures.

Christian Levin, CEO of the TRATON GROUP: “TRATON had a very successful first half of the year. Our adjusted operating return on sales of 8.6% is putting us within reach of our 9% target for 2024. Our brands delivered a strong performance in a highly uncertain environment and despite the fact that supply chains often remained unpredictable. However, we are also seeing transportation activity slow down in some markets. Inflationary pressures continue, and we are witnessing a significant increase in interest rates. With an adjusted operating return on sales of 13.4%, Scania performed at a very good level in the first half of the year and achieved a year-on-year improvement of well over 5 percentage points. Our MAN brand recorded a significant improvement in its operating return on sales in the first six months with 6.8%, confirming that it is on track for excellence. Parts of the production have now been relocated to Krakow, which means the restructuring program is in its final phase and clearly taking effect. MAN even recorded an adjusted operating return on sales of 7.7% in the second quarter — a strong result. The introduction of a stricter emissions regulation in Brazil caused customer demand in South America to taper off. It also resulted in a corresponding sharp decline in the unit sales of trucks at Volkswagen Truck & Bus. However, our VWTB brand proved that when the going gets tough, the tough get going, recording an operating return on sales of 9.3% and down only slightly year-on-year in the first six months.

Another thing making me optimistic for the years to come is the progress we are making in the field of electric mobility. MAN has secured important major customers for the launch of its battery electric long-haul truck in 2024 and already received over 500 pre-orders. Scania will follow the 2022 launch of its battery electric truck for regional operations with a long-haul truck, which it is bringing out this year. And we have worked together with Northvolt to show that the success of electric commercial vehicles will not be limited by their batteries. On the contrary: one set of batteries is enough to last a truck over 1.5 million kilometers — its entire lifetime.”

Dr. Michael Jackstein, CFO and CHRO of the TRATON GROUP: “Our Group is making great strides, and TRATON must continue to hold its ground in a highly uncertain business environment. Both our Vehicle Services business and our financial services play a key role here. Speaking of financial services: we have reached an important milestone by signing a framework agreement with Volkswagen Financial Services and Volkswagen Bank on the acquisition of key aspects of the global financial services business of MAN and VWTB. This takes us one step closer to offering our brands and their customers tailor-made financial solutions and will also make

TRATON Financial Services a key player in driving the transition to the sustainable transportation of tomorrow. It will allow us to improve our support, for example to customers switching to electric vehicles and open up opportunities for new business models like transport-as-a-service. This is another area where we intend to take the lead with TRATON Financial Services. Our financial services business delivered a very good performance in the first half of the year. Adjusted operating return on sales was 21.5% and thus at a high level.

In light of the strong performance in the first six months of the year, we are reiterating our forecast for fiscal year 2023 to the largest extent possible. We are still expecting the TRATON GROUP's unit sales and sales revenue to increase by 5 to 15% each. While we continue to expect adjusted operating return on sales in the TRATON Operations business area to range between 7.5 and 8.5%, we are now projecting a range of 13.0 to 18.0% for the TRATON Financial Services segment. Both the forecast range of 7 to 8% for the Group's adjusted operating return on sales and the outlook of €1.8 billion to €2.3 billion for net cash flow in the TRATON Operations business area remain unchanged. Given the strong performance seen over the course of the year so far, we currently expect to be able to close 2023 with both indicators approaching the upper end of their forecast range."

The TRATON GROUP's financial key performance indicators:

	H1 2023	H1 2022	Change
TRATON GROUP			
Incoming orders	125,258	164,213	-24%
of which trucks	98,246	135,578	-28%
of which buses	14,002	15,724	-11%
of which MAN TGE vans	13,010	12,911	1%
Unit sales	168,114	137,294	22%
of which trucks	139,843	115,115	21%
of which buses	14,848	12,894	15%
of which MAN TGE vans	13,423	9,285	45%
Sales revenue (€ million)	22,854	17,982	27%
Operating result (€ million)	1,800	661	1,139
Operating result (adjusted) (€ million)	1,973	798	1,176
Operating return on sales (in %)	7.9	3.7	4.2 pp
Operating return on sales (adjusted) (in %)	8.6	4.4	4.2 pp

	H1 2023	H1 2022	Change
TRATON Operations			
Sales revenue (€ million)	22,335	17,634	27%
Operating result (€ million)	2,025	797	1,228
Operating result (adjusted) (€ million)	2,097	869	1,229
Operating return on sales (in %)	9.1	4.5	4.6 pp
Operating return on sales (adjusted) (in %)	9.4	4.9	4.5 pp
Net cash flow (€ million)	1,754	-1,395	3,149
TRATON Financial Services			
Sales revenue (€ million)	737	609	21%
Operating result (€ million)	57	82	-25
Operating result (adjusted) (€ million)	158	146	12
Operating return on sales (in %)	7.7	13.4	-5.7 pp
Operating return on sales (adjusted) (in %)	21.5	24.1	-2.6 pp

Webcast for analysts and the press

A webcast to discuss the TRATON GROUP's results in the first half of 2023 will take place from **10:00 a.m. until 11:30 a.m. on July 26** 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 live here:
<https://www.webcast-eqs.com/register/traton-2023- H1/de>.

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

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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.

