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TRATON GROUP delivers robust performance and strong third quarter in a challenging environment

- ▶ **Incoming orders from January to September down 5% year-on-year at around 256,200 vehicles as a result of restrictive order acceptance**
- ▶ **TRATON GROUP's unit sales 11% higher year-on-year in the first nine months of 2022 at around 217,100 vehicles**
- ▶ **Sales revenue up by just under a third to €28.5 billion**
- ▶ **Adjusted operating result slightly higher after nine months at €1,347 million thanks to strong third quarter**
- ▶ **TRATON GROUP benefits from strong growth in the service business and entry into the North American market with Navistar integration**

Munich, October 28, 2022 – The TRATON GROUP delivered a strong performance in the third quarter of 2022 and posted robust overall growth in the first nine months of the year in what remains a challenging environment. In the period from January until September 2022, the TRATON GROUP's unit sales rose by 11% to 217,100 vehicles despite the six-week production stop at MAN Truck & Bus and the delays in delivering some vehicles caused by supply chain and logistics bottlenecks. The Group's sales revenue grew 32% to €28.5 billion. TRATON saw significantly positive effects from its price and product mix as well as the continued strong growth in the service business, which made a considerable contribution to the Company's success with a share of 22% of total revenue. Moreover, TRATON is reaping the rewards of its successful strategy to expand its global footprint by entering the North American market with its US subsidiary, Navistar. The TRATON Financial Services segment lifted its sales revenue by 37% to €933 million in the first nine months of 2022, thus also playing a part in this positive development.

At around 256,200 vehicles, incoming orders in the first nine months of 2022 were down 5% year-on-year. Due to high order backlogs accompanied by long delivery times caused by limited components availability, MAN Truck & Bus, Navistar, and especially Scania were highly restrictive in their acceptance of truck orders. This approach also aims to ensure that the Company takes adequate measures to account for the continued increase in costs, especially for raw materials, energy, bought-in components, and logistics services. The TRATON Operations business area posted a book-to-bill ratio (the ratio of incoming orders to unit sales) of 1.2, after a figure of 1.4 in the prior-year period.

The TRATON GROUP's adjusted operating result grew slightly year-on-year to €1,347 million despite substantial effects from supply bottlenecks and the associated lower capacity utilization, as well as the production stop at MAN. Price adjustments and positive effects in the product and market mix offset the negative impact of the increased prices for raw materials, energy, and primary products. Adjustments of €738 million were made in the first nine months of 2022,

primarily in connection with the war in Ukraine. This figure also includes losses in connection with the sale of business activities in Russia, which was announced in September 2022. The adjustments of €681 million made in the prior-year period related to the repositioning of MAN.

Christian Levin, CEO of the TRATON GROUP: "Our current lead times for orders are reaching up to a year. Because our order backlog is so high, we have become restrictive in our order acceptance. At the same time, customer demand remains strong as their fleets get older and transportation capacity continues to be sought after. Right now, our customers are even placing orders for twelve months down the line. The whole Group has delivered a robust performance in what remains a challenging environment. We are making great strides when it comes to modularization and the exchange of state-of-the-art technology between our brands. Navistar launched the CBE, the Group-wide powertrain, in August. Scania already uses this extremely efficient 13-liter engine, and MAN will bring it to market in 2024. The conversations I had at the IAA Transportation are also making me optimistic. Customers showed a lot of interest in the new battery electric trucks that Scania and MAN presented in Hanover. You can tell that from our order book: our customers ordered well over 1,600 electric vehicles in the first nine months. And their interest will keep on growing once the development of charging infrastructure gains momentum."

Battery electric commercial vehicles cannot become the mainstream solution for long-haul transportation and do so quickly, unless fast-charging infrastructure is established as soon as possible. The TRATON GROUP reached a milestone in this area with the foundation of its joint venture together with Daimler Truck and the Volvo Group. Right now, there are hardly any charging points for electric heavy-duty trucks or buses that can be accessed by the public. The joint venture intends to establish and run at least 1,700 green energy charging points in Europe over the next five years.

Annette Danielski, CFO of the TRATON GROUP: "The supply chain and logistics situation is continuing to pose challenges, but we are tackling these challenges head on. We are making real progress in restoring our production to its normal level. We were largely able to offset the significantly higher prices for energy, raw materials, and other bought-in parts as well as for logistics services through higher vehicle prices. We are still expecting a substantial increase in the TRATON GROUP's unit sales of all vehicles, including MAN TGE vans, in 2022. We are also still anticipating a very sharp increase in sales revenue overall. We additionally confirm our forecast for the adjusted operating return on sales, which we expect to range between 5.0 and 6.0%. At the same time, our market environment remains extremely uncertain, which is why we are keeping a very close eye on political and economic risks — so that we can act quickly."

The TRATON GROUP's forecast for fiscal year 2022 also contains earnings effects from the Navistar purchase price allocation. However, it remains impossible to predict the effects of the continuing supply chain bottlenecks, possible energy shortages, and the further course of the war in Ukraine with sufficient certainty. Therefore, the risk remains that as these issues evolve, they may have a negative impact on the TRATON GROUP's business activities. Moreover, negative effects may still arise if the COVID-19 situation were to deteriorate once more, bringing with it further supply chain difficulties.

The TRATON GROUP's key financial performance indicators:

Units	9M 2022	9M 2021	Change
TRATON GROUP			
Incoming orders	256,191	268,317	-5%
of which trucks	210,323	230,531	-9%
of which buses	25,572	13,323	92%
of which MAN TGE vans	20,296	24,463	-17%
Unit sales	217,143	195,422	11%
of which trucks	181,717	166,816	9%
of which buses	20,689	12,586	64%
of which MAN TGE vans	14,737	16,020	-8%
TRATON GROUP			
Sales revenue (€ million)	28,545	21,670	32%
Operating result (€ million)	609	641	-32
Operating result (adjusted) (€ million)	1,347	1,322	25
Operating return on sales (in %)	2.1	3.0	-0.8 pp
Operating return on sales (adjusted) (in %)	4.7	6.1	-1.4 pp
TRATON Operations			
Sales revenue (€ million)	27,995	21,302	31%
Operating result (€ million)	1,240	838	402
Operating result (adjusted) (€ million)	1,474	1,519	-45
Operating return on sales (in %)	4.4	3.9	0.5 pp
Operating return on sales (adjusted) (in %)	5.3	7.1	-1.9 pp
Net cash flow (€ million)	-1,334	152	-1,486
TRATON Financial Services			
Sales revenue (€ million)	933	683	37%
Operating result (€ million)	-286	178	-465
Operating result (adjusted) (€ million)	218	178	39
Return on equity (in %)	-23.5	17.6	-41.1 pp

Press call

A press call to discuss the TRATON GROUP's results in the first nine months of 2022 will take place **from 11:30 a.m. until 12:15 p.m. on October 28** with the TRATON GROUP's CEO Christian Levin and its CFO Annette Danielski. The call will be in English.

Participants can pre-register here to receive the dedicated dial-in details for the call:

<http://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=6978753&linkSecurityString=811458b25>

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With its brands Scania, MAN, Volkswagen Truck & Bus, Navistar, and RIO, TRATON SE is one of the world's leading commercial vehicle manufacturers. Its offering comprises light-duty commercial vehicles, trucks, and buses. The Group aims to reinvent transportation — with its products, its services, and as a partner to its customers. For TRATON, sustainable economic growth always includes treating people and nature with respect. The People, Planet, and Performance triad will shape the future of our Company.