

DAIMLER TRUCK

Daimler Truck Holding AG

Investor Relations Release

August 11th, 2022

Daimler Truck continues profitable growth in Q2, confirms full-year Group guidance

- **Group sales slightly above prior year level: 120,961 units (Q2 2021: 116,845 units)**
- **Significant increase in revenue: € 12.1 billion (Q2 2021: € 10.2 billion)**
- **Adjusted Group EBIT increases to € 1.010 billion (Q2 2021: € 878 million)**
- **Adjusted Return on Sales in Industrial Business of 8.0 % (Q2 2021: 8.1 %)**
- **Continuing strong demand environment, order backlog remains on high level**
- **Company confirms Group guidance for 2022 and segments Mercedes-Benz, Trucks North America and Daimler Buses, adjusts guidance for segments Trucks Asia and Daimler Truck Financial Services**

Leinfelden-Echterdingen – Despite ongoing supply chain constraints and headwinds from raw material prices Daimler Truck Holding AG ("Daimler Truck") continued its profitable growth path in Q2, increasing unit sales, revenue and adjusted EBIT (EBIT adj.). The company was able to increase its Group unit sales year-on-year to 120,961 units in Q2 2022 (+ 4 %, Q2 2021: 116,845 units). Supported by positive unit sales, improved net pricing and higher contributions from aftersales business as well as positive effects from exchange rates (FX), Group revenue significantly rose by 18 % to € 12.1 billion (Q2 2021: € 10.2 billion). Daimler Truck sees a continued strong demand environment. The order backlog remains on a high level.

Group EBIT (adj.) increased by 15 % to € 1,010 million in the reporting period (Q2 2021: € 878 million). In the Industrial Business, EBIT (adj.) of € 940 million was around 16 % higher than in the same period of the previous year (€ 810 million). The adjusted Return on Sales (RoS adj.) aggregates to 8.0 % (Q2 2021: 8.1 %).

Martin Daum, CEO of Daimler Truck: "We are in the middle of our first year as an independent company and I'd like to take the opportunity to give a big 'Thank You' to our global Daimler Truck team for what we have accomplished so far. With an EBIT of one billion Euros in the

second quarter, our results and achievements are a strong foundation to build on. Now we want to keep this positive momentum for the second half of the year.”

Jochen Goetz, CFO of Daimler Truck: “Given the ongoing challenges with the supply chain, raw materials and energy prices we can be satisfied with our Q2 results. Our financial targets for 2022 remain unchanged. However, the current year will continue to be demanding especially on the cost side. Therefore we will stay focused on execution in all segments.”

Mercedes-Benz segment with positive special effects

The Mercedes-Benz segment achieved an EBIT (adj.) of € 512 million and a RoS (adj.) of 10.5 % including two positive special effects. One of these positive special effects is a one-time non-cash EBIT impact of approx. € 160 million from an earlier than anticipated recording of license income for the localization of Mercedes-Benz trucks in China. Daimler Truck had previously entered into a technology license agreement with its joint venture Beijing Foton Daimler Automotive (BFDA) in the context of localizing Mercedes-Benz trucks for the Chinese market. The license agreement includes the use of defined intellectual property from Mercedes-Benz Trucks Research & Development by BFDA. In addition to the licenses, increased interest rates have resulted in another positive valuation effect from discounting of non-current liabilities.

Segments Trucks North America, Financial Services with positive contributions

Trucks North America achieved an EBIT (adj.) of € 523 million and a RoS (adj.) of 10.2 %, realizing – as expected – a much stronger second quarter with an almost balanced price/cost development. Financial Services is reporting an increased EBIT (adj.) of € 71 million due to improved interest margin in North America and improved relative cost of risk situation, leading to an adjusted Return on Equity (RoE adj.) of 15.1 %. The segment Trucks Asia was heavily impacted by considerable supply chain constraints and negative effects from our Chinese joint venture BFDA due to the depressed Chinese market. Daimler Buses had a slightly negative contribution to the Group’s overall performance, due to low demand in the coach segment.

Daimler Truck is reporting a Free Cash Flow (FCF) of minus € 756 million in Q2 (Q2 2021: € 500 million), driven by a higher inventory mostly due to ongoing constraints in the supply chain and driver shortage affecting finished trucks delivery to customers, a € 250 million contribution to the Pension Fund as part of the spin-off and significant cash taxes effective in Q2.

Outlook 2022

Daimler Truck’s outlook assumption considers that the overall macroeconomic conditions will continue to be comparatively favorable for the global demand in commercial vehicles for the second half of 2022. However, supply and not demand is still the limiting factor. Daimler Truck continues to expect its revenue on Group level to be in the range between € 48.0 to 50.0 billion in 2022. The outlook for the RoS adjusted for the Industrial Business Daimler Truck remains unchanged between 7 and 9 %. The full year 2022 outlook for the segments Mercedes-Benz, Trucks North America and Daimler Buses remain unchanged compared to Q1.

For the Trucks Asia segment the full-year guidance on the adjusted Return on Sales (RoS adj.) is updated to 1 – 3 % (previously 3 – 5 %). The segment Daimler Truck Financial Services is now expecting a higher Return on Equity for the full year 2022 of 9 – 11 % (previously 5 – 7 %).

Daimler Truck's 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, geopolitical as well as the COVID-19 pandemic development also harbor an exceptional degree of uncertainty. However, Daimler Truck is assuming decreasing supply bottlenecks compared with the first half of the year and no production downtimes due to the availability of gas.

The terms EBIT (adj.), RoS (adj.), RoE (adj.), FCF are defined on page 43 of the Daimler Truck Annual Report 2021.

Additional information and documents (Interim Report, Capital Market Presentation, Factbook etc.) including a detailed Q2 disclosure on Daimler Truck's five reporting segments are available online in Daimler Truck's investor relations section:

<https://www.daimlertruck.com/investors/q2-2022-press.html>

Forward-looking statements:

This document contains forward-looking statements that reflect our current views about future events. The words "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 towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization 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 this 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.

Daimler Truck Share

Listed Entity: Daimler Truck Holding AG

ISIN: DE000DTR0CK8

Ticker Symbol: DTG

Daimler Truck Level I ADR Program

Symbol: DTRUY

ISIN: US23384L1017

Further information on Daimler Truck Group (DTG) is available at:
www.daimlertruck.com/investors

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If you have any questions, please contact the Investor Relations Team:
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Upcoming Investor Events:

An overview of upcoming events, roadshows or DTG's attendance at investor conferences can be found here: [Roadshows & Conferences](#)