March 10th, 2023

# Daimler Truck increased Revenue, EBIT, adjusted Return On Sales and Free Cash Flow of the Industrial Business in 2022 and gives positive outlook for 2023

* **Successful first year as a listed company: Daimler Truck achieved financial targets for 2022 despite adverse supply chain conditions**
* **Demand environment remains strong: Incoming orders and order backlog at high levels**
* **Bottlenecks in the supply chains slowed further growth in 2022**
* **Strong improvement of adjusted EBIT by 55% to €3,959 million (2021: €2,552 million), revenue significantly increased by 28% to €50.9 billion (2021: €39.8 billion) due to strong demand for products and strong net pricing**
* **Adjusted return on sales (ROS) of the Industrial Business significantly increased to 7.7% (2021: 6.1%), free cash flow of the Industrial Business of €1,746 million (2021: €1,556 million); earnings per share (EPS) of €3.24 (2021: €2.85)**
* **First dividend as independent company: Proposal of €1.30 per share**
* **Positive outlook for 2023: Daimler Truck expects further increase of revenue, adjusted EBIT and free cash flow of the Industrial Business; sales volume on similar level as 2022**

Stuttgart/Leinfelden-Echterdingen – In its first full year as a listed company, Daimler Truck Holding AG (Daimler Truck) has successfully delivered on strategic ambitions - leading sustainable transportation and improving the overall profitability. The Group achieved its financial targets for 2022 and is positive for 2023 despite supply chain constraints and inflationary cost pressure. Daimler Truck benefitted from a robust demand in its key commercial vehicle markets and increased its unit sales, revenue, EBIT (Earnings before Interests and Taxes), industrial free cash flow and earnings per share. With 520,300 units, 14% more trucks and buses have been sold worldwide in 2022 compared to prior-year level (455,400 units) – underlining Daimler Truck's strong market position. While demand continued to be strong across core markets with order intake and order backlog remaining at high levels, bottlenecks in the supply chains continued to impact production. Supported by the significant growth in unit sales, strong net pricing, favorable exchange rates and a positive development of the services business, the Group’s revenue increased to €50.9 billion in 2022 (+28% compared to previous year: €39.8 billion).

2022 also showed a favorable development for earnings and return on sales. The adjusted EBIT rose by 55% to €3,959 million (2021: €2,552 million), the adjusted ROS of the Industrial Business was at 7.7% in 2022 (2021: 6.1%). Daimler Truck’s free cash flow of the Industrial Business increased by 12% to €1,746 million in the reporting year (2021: €1,556 million). Earnings per share (EPS) amounted to €3.24, up 14% compared to 2021. All in all, Daimler Truck delivered on the targets for 2022 for profitability and margin improvement despite headwinds due to supply chain bottlenecks.

**Successful first year as a listed company**

Daimler Truck made significant strategic progress across many areas during its first year as a listed company. Against the ambition to lead in sustainable transportation, a series of new products and services have been introduced. Several new zero emission vehicles (ZEV) were launched: The electric Freightliner eCascadia started into series production in North America as well as the Mercedes-Benz eEconic in Germany. At the IAA Transportation 2022, the battery-electric Mercedes-Benz eActros LongHaul won the prestigious “2023 Truck Innovation Award”. The series-production eActros LongHaul will have a range of around 500 kilometers on a single battery charge and will be capable of high-performance charging. Daimler Truck subsidiary Mitsubishi Fuso Truck and Bus Corporation (FUSO) unveiled the battery-electric Next-Generation FUSO eCanter both in Japan and Europe.

New products were also launched to service large profit pools: The next generation of the Setra TopClass and ComfortClass, the new Mercedes-Benz Tourrider, a touring coach specially developed for the North American market, and Daimler Truck North America’s all-new Western Star 57X long-haul truck. Daimler Truck also announced restructuring programs for both its Mercedes-Benz segment in Brazil and the Daimler Buses segment, underlying the importance for self-help measures to achieve profitability improvements by 2025. Daimler Truck also announced innovative partnerships including with high-tech machinery manufacturer Manz as well as infrastructure joint ventures in the two core regions of North America and Europe for battery-electric and hydrogen-powered commercial vehicles. Financial Services continued its ramp-up: The segment launched business operations in eight further countries and was active in 15 markets at year end. Daimler Truck successfully issued several bonds at the capital market, supporting the growth of Financial Services.

Martin Daum, Chairman of the Board of Management of Daimler Truck comments: "2022 was a very special year for us, a challenging year in many ways - yet above all a successful first year for Daimler Truck as an independent listed company. Our strong results show that we managed our environment very well, be it the impact of Russia-Ukraine war, ongoing supply chain constraints or high inflation. We have made strong progress towards unlocking our profit potential, and we have also made further important steps regarding our ambition to lead sustainable transportation and to tackle climate change.”

**Dividend**

For the 2022 financial year, the Board of Management and the Supervisory Board of Daimler Truck Holding AG will propose to the Annual General Meeting on 21 June 2023 a dividend payment of €1.30 per share.

**Group Outlook for 2023**

Despite ongoing difficult economic conditions in 2023, high energy prices and tension in some supply chains, Daimler Truck expects a robust development in important commercial vehicles sales markets. Reflecting the two major regions North America and Europe, the Group’s guidance estimates both heavy-duty truck markets in North America and Europe to amount between 280,000 and 320,000 units. Daimler Truck anticipates unit sales in 2023 in a range between 510,000 and 530,000 units.

The Group expects a significant increase of its revenue, ranging between €53 billion and €55 billion in the Industrial Business and between €55 billion and €57 billion on Group level. Daimler Truck is further expecting a significant increase of its adjusted EBIT. The adjusted ROS of the Industrial Business is anticipated to range between 7.5% and 9%. Daimler Truck expects the free cash flow of the Industrial Business to be higher in 2023 compared to the previous year.

Jochen Goetz, CFO of Daimler Truck: “With an adjusted EBIT of €4.0 billion we took a major step forward in a challenging market environment with supply constraints and inflation, achieving a record level of EBIT for the Group. We were also able to continue our strong cash conversion. We want to pay our first dividend and establish an attractive capital allocation policy. We are on a journey to benchmark profitability, but there is still a way to go, especially on costs given the inflationary pressures. Our outlook shows that we will continue our self-help measures to improve our financials.”

**Key Figures – Group and Segments**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | **Key Figures - Group**  |  |  |  |  |  |  |   |  |
|  |   |  | **Q4 2022** | **Q4 2021** | **+/-** | **FY 2022** | **FY 2021** | **+/-** |   |  |
|  |   | Unit Sales | 155,072 | 130,932 | +18% | 520,291 | 455,445 | +14% |   |  |
|  |   | Revenue\* | 14,783 | 11,345 | +30% | 50,945 | 39,764 | +28% |   |  |
|  |   | Adjusted EBIT\* | 1,025 | 594 | +73% | 3,959 | 2,552 | +55% |   |  |
|  |   | Adjusted ROS (IB)\*\* | 7.0 | 4.7 |  | 7.7 | 6.1 |  |   |  |
|  |   | Free Cash Flow (IB)\* | 1,836 | 907 | +102% | 1,746 | 1,556 | +12% |   |  |
|  |   | Incoming Orders | 137,135 | 142,418 | -4% | 522,837 | 589,982 | -11% |   |  |
|  |   | Earnings per Share (EPS) in € |   |   |   | 3.24 | 2.85 | +14% |   |  |
|   |   |   |   |   |   |   |   |   |   |   |
|  |   | **Key Figures - Segments** |  |  |  |  |  |  |   |  |
|  |   |  | **Q4 2022** | **Q4 2021** | **+/-** | **FY 2022** | **FY 2021** | **+/-** |   |  |
|  |   | **Trucks North America** |  |  |  |  |  |  |   |  |
|  |   | Unit Sales | 50,007 | 47,626 | +5% | 186,779 | 162,156 | +15% |   |  |
|  |   | Revenue\* | 6,150 | 4,598 | +34% | 22,039 | 15,782 | +40% |   |  |
|  |   | Adjusted EBIT\* | 731 | 248 | +195% | 2,379 | 1,452 | +64% |   |  |
|  |   | Adjusted ROS\*\* | 11.9 | 5.4 |  | 10.8 | 9.2 |  |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | **Mercedes-Benz** |  |  |  |  |  |  |   |  |
|  |   | Unit Sales | 51,489 | 39,548 | +30% | 166,369 | 141,331 | +18% |   |  |
|  |   | Revenue\* | 5,875 | 4,326 | +36% | 20,213 | 16,113 | +25% |   |  |
|  |   | Adjusted EBIT\* | 302 | 235 | +29% | 1,629 | 770 | +112% |   |  |
|  |   | Adjusted ROS\*\* | 5.1 | 5.4 |  | 8.1 | 4.8 |  |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | **Trucks Asia**  |  |  |  |  |  |  |   |  |
|  |   | Unit Sales | 47,735 | 40,444 | +18% | 155,967 | 143,411 | +9% |   |  |
|  |   | Revenue\* | 1,856 | 1,613 | +15% | 6,499 | 5,969 | +9% |   |  |
|  |   | Adjusted EBIT\* | 67 | 111 | -40% | 171 | 427 | -60% |   |  |
|  |   | Adjusted ROS\*\* | 3.6 | 6.9 |  | 2.6 | 7.2 |  |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | **Daimler Buses**  |  |  |  |  |  |  |   |  |
|  |   | Unit Sales | 9,101 | 6,067 | +50% | 24,041 | 18,736 | +28% |   |  |
|  |   | Revenue\* | 1,249 | 1,168 | +7% | 3,689 | 3,211 | +15% |   |  |
|  |   | Adjusted EBIT\* | 46 | -24 |   | 14 | -77 |   |   |  |
|  |   | Adjusted ROS\*\* | 3.7 | -2.1 |  | 0.4 | -2.4 |  |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | **Financial Services**  |  |  |  |  |  |  |   |  |
|  |   | New Business | 2,949 | 1,584 | +86% | 9,428 | 5,767 | +63% |   |  |
|  |   | Revenue\* | 572 | 265 | +116% | 1,759 | 1,122 | +57% |   |  |
|  |   | Adjusted EBIT\* | 26 | 72 | -64% | 193 | 193 |   |   |  |
|  |   | Adjusted Return on equity\*\* | 4.7 | 17.6 |  | 9.9 | 12.4 |  |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |   | \*in millions of € |   |   |   |   |   |   |   |  |
|  |   | \*\*in percent |   |   |   |   |   |   |   |  |
|  |   |   |   |   |   |   |   |   |   |  |
|  |  |  |  |  |  |  |  |  |  |  |

Additional information and documents (Annual Report incl. Sustainability Report, Capital Market Presentation, Factbook etc.) including a detailed full-year 2022 disclosure on Daimler Truck’s five reporting segments are available online in Daimler Truck’s investor relations section on the website:

 <https://www.daimlertruck.com/en/investors/arc23-press>

Daimler Truck Holding AG is listed in Germany's stock market index DAX. Daimler Truck Holding AG shares are traded on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the stock symbol DTG. The International Securities Identification Number (ISIN) is DE000DTR0CK8, the German Securities Identification Number (WKN) DTR0CK.

****Contact**:**

Jörg Howe, +49 160 8698000, joerg.howe@daimlertruck.com

Maximilian Splittgerber, +49 160 8607124, maximilian.splittgerber@daimlertruck.com

Thomas Hövermann, + 49 176 30984119, thomas.hoevermann@daimlertruck.com

Further information on Daimler Truck is available at:

**media.daimlertruck.com** and **daimlertruck.com**

**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/ in this Annual Report or in the current Interim 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 at a glance****

**Daimler Truck Holding AG ("Daimler Truck") is one of the world's largest commercial vehicle manufacturers, with over 40 main locations and more than 100,000 employees around the globe. The founders of Daimler Truck have invented the modern transportation industry with their trucks and buses a good 125 years ago. Unchanged to this day, the company's aspirations are dedicated to one purpose: Daimler Truck works for all who keep the world moving. Its customers enable people to be mobile and get goods to their destinations reliably, on time, and safely. Daimler Truck provides the technologies, products, and services for them to do so. This also applies to the transformation to CO2-neutral driving. The company is striving to make sustainable transport a success, with profound technological knowledge and a clear view of its customers' needs. Daimler Truck's business activities are structured in five reporting segments: Trucks North America (TN) with the truck brands Freightliner and Western Star and the school bus brand Thomas Built Buses. Trucks Asia (TA) with the FUSO and BharatBenz commercial vehicle brands. Mercedes-Benz (MB) with the truck brand of the same name. Daimler Buses (DB) with the Mercedes-Benz and Setra bus brands. Daimler Truck's new Financial Services business (DTFS) constitutes the fifth segment, the product range in the truck segments includes light, medium and heavy trucks for long-distance, distribution and construction traffic and special-purpose vehicles used mainly in the municipal and vocational sector. The product range of the bus segment includes city buses, school buses and intercity buses, coaches and bus chassis. In addition to the sale of new and used commercial vehicles, the company also offers aftersales services and connectivity solutions.**

****Glossary****

**Cash** **Flow**: The cash flow provides information about the financial strength of a company and is determined as the difference between cash inflow (e.g. from the payment for vehicles sold) and cash outflow (e.g. for the payment of open supplier invoices, employee salaries or investments). This figure is in the focus of the investor because it shows, how much liquid funds can be used to repay loans or to distribute to shareholders EBIT.

**EBIT** (earnings before interest and taxes) provides information about the profitability of a company and its segments. It is the difference between the operating income and the operating expenses and can be derived directly from the income statement.

**ROS (adj.):** The Return on Sales is calculated as the ratio of EBIT to revenues. As a relative figure, it shows how profitable a company is and is often used in comparison to other companies in the same industry.