

DAIMLER TRUCK

DAIMLER TRUCK FINANCIAL SERVICES
SOCIETE GENERALE – INVESTOR ROUNDTABLE
LONDON, 13TH OCTOBER 2022

Stephan Unger



FREIGHTLINER

FUSO

W
WESTERN STAR

Thomas
BUILT BUSES

BHARATBENZ

SETRA

Disclaimer

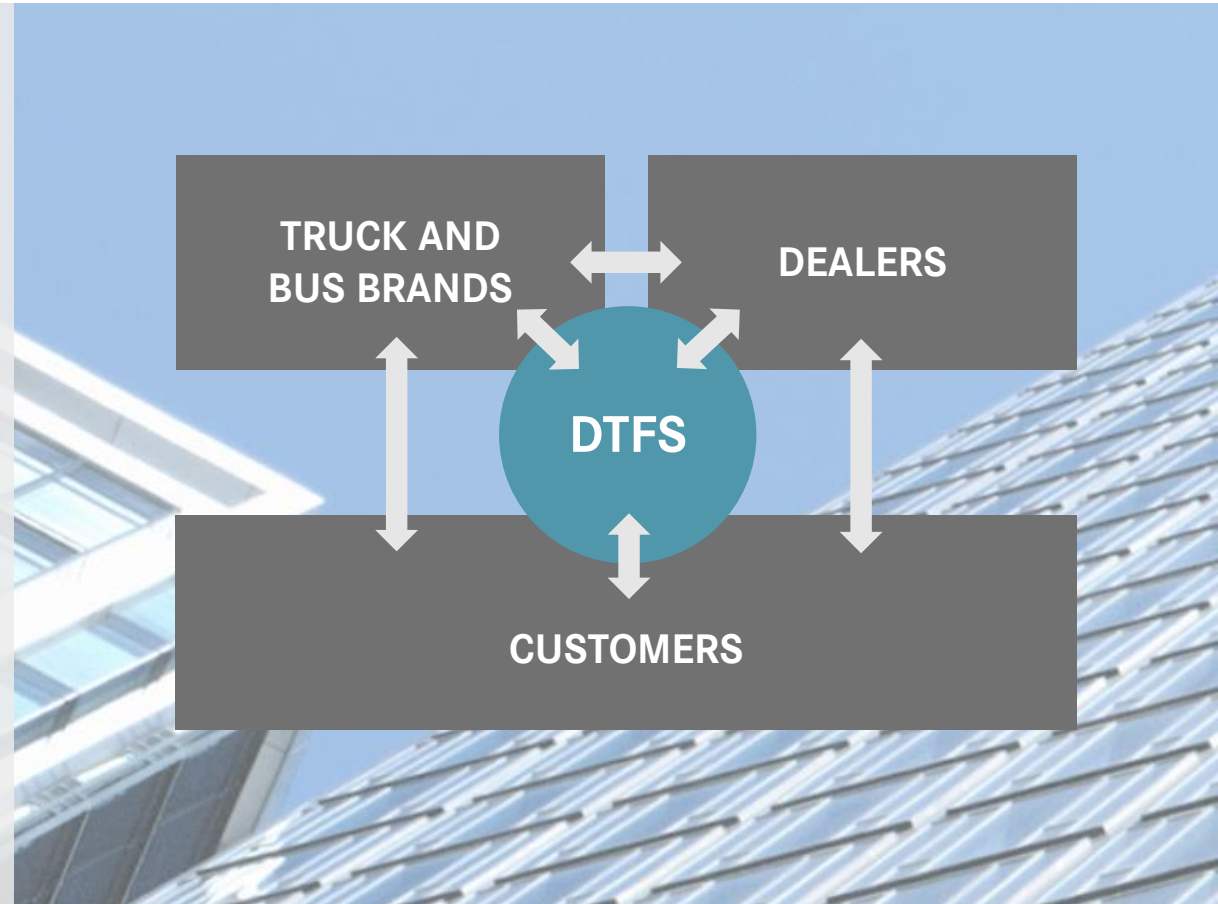
Forward-looking statements:

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-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 the current 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.

DRIVING ENDURING CUSTOMER RELATIONSHIPS

DAIMLER TRUCK FINANCIAL SERVICES IS POWERING

- ▶ Increased sales of trucks and buses
- ▶ Active lifecycle management of the vehicles
- ▶ More services around trucks and buses
- ▶ Contribution to profit and cash flow of Daimler Truck



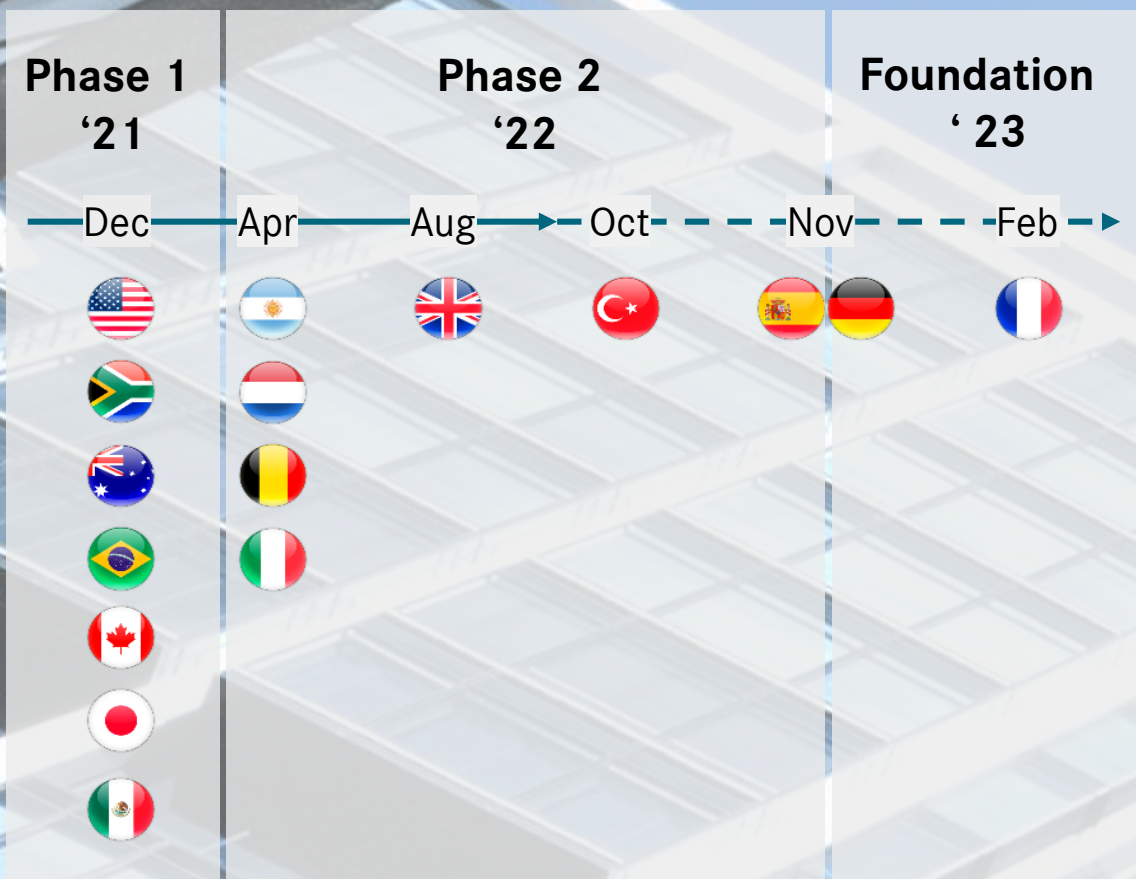
RECAP: TOP PRIORITIES 2022

- PEOPLE, CULTURE & COMMUNICATION
- GETTING THE BUSINESS ROLLING
- PHASE 2 MARKETS AND STANDARD IT SYSTEM
- NEW MARKETS
- SERVICE STRATEGY



DTFS FOUNDATION ACCORDING TO PLAN

Every 5th Daimler Truck / Bus financed or leased



Contract Volume

[in EUR bn]

21

+10%
in 2022

Contracts

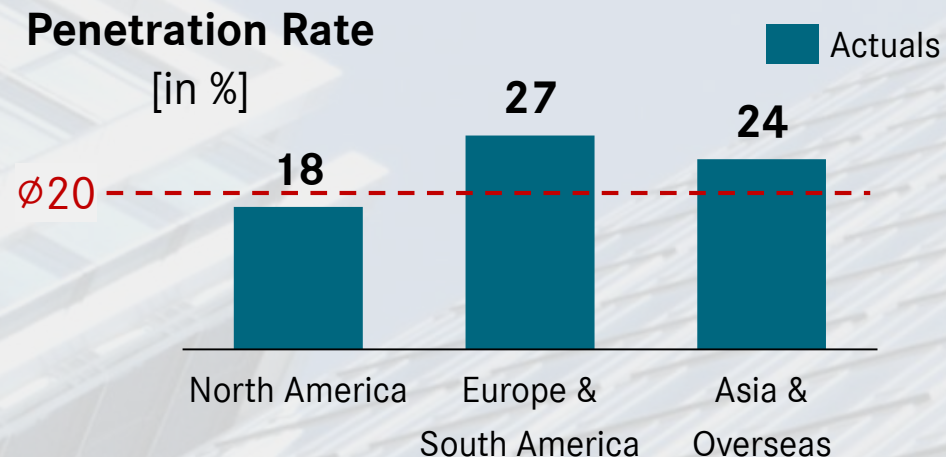
[in k-units]

390

+14%
in 2022

Penetration Rate

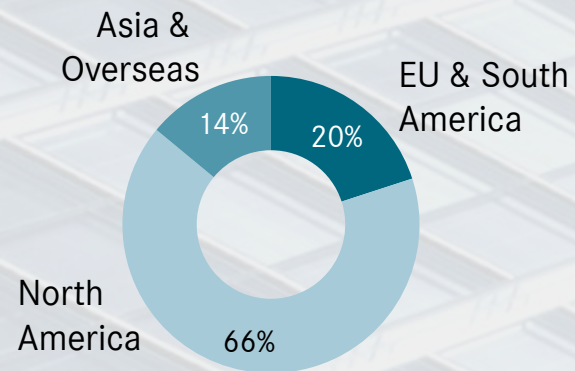
[in %]



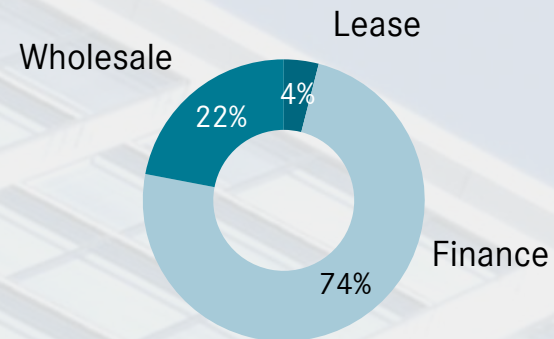
as of June 2022

INSIDE OUR PORTFOLIO

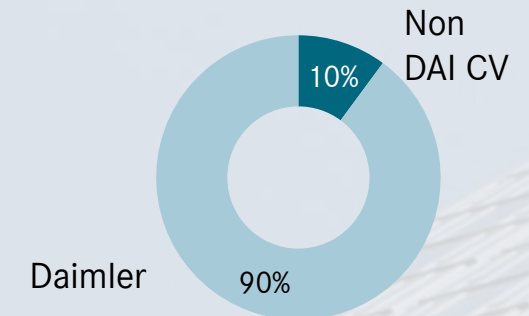
PORTFOLIO BY REGION



PORTFOLIO BY PRODUCT



PORTFOLIO BY ASSET



as of June 2022

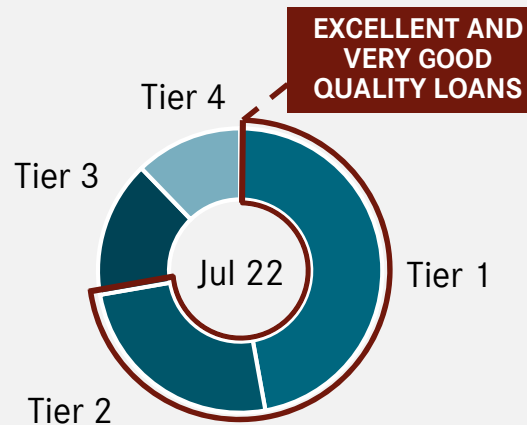
INSIDE OUR PORTFOLIO

Our Risk Management pays-off

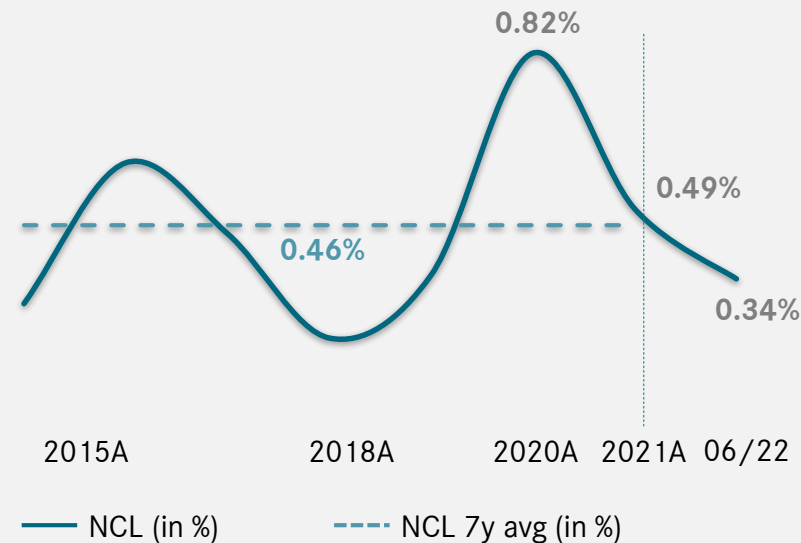
HIGH QUALITY ACQUISITIONS ...

QUALITY OF ACQUISITIONS

Expected losses %



NET CREDIT LOSSES %



... SUPPORTED BY CLEAR RISK GOVERNANCE



Majority of acquisitions with expected loss < 0.6%



Current Net Credit Losses below seven year avg. of 0.46%



Clear and proven risk governance based on 40+ years of successful operations

Note: Historical data represents DTFS (Phase I & II) markets.

DIVERSIFIED SOURCES OF FUNDING

Conservative capital structure based on solid “Investment Grade” credit rating and balanced funding mix in place

STRONG EQUITY RATIO ...

LEVERAGE

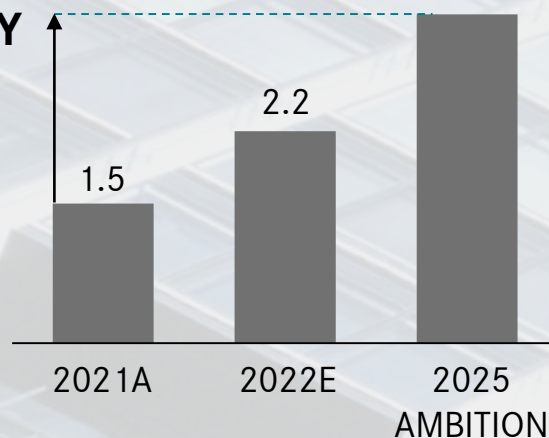
(Debt/Equity) ~10 → ~10

EQUITY RATIO

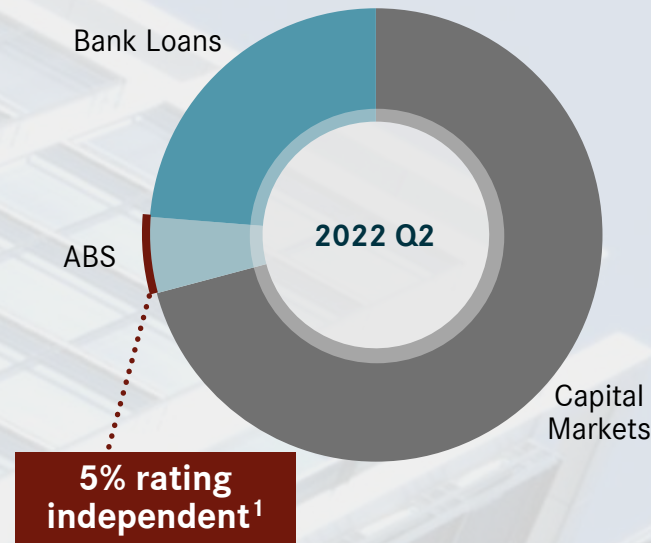
- in % - ~9 → ~9

EQUITY

- in bn. € -



... AND BALANCED FUNDING MIX WITH CLEAR FUNDING STRATEGY



CAPITAL MARKETS

Strengthen global footprint and use market opportunities

BANK LOANS

Deepen excellent bank relationships

ABS

Globally expand highly competitive ABS issuances

“GREEN”

Bonds and ABS

MATCHED LIQUIDITY, CURRENCY, INTEREST RATE AND COUNTRY FUNDING POLICY

¹Independent of Daimler Truck AG rating

DTFS ON TRACK TO ACHIEVE SUSTAINABLE PROFIT CONTRIBUTION FOR THE GROUP

ACTUALS 2021

5.8

New Business (in EUR bn)

17

Portfolio (in EUR bn)

41

Cost Income Ratio (in %)

193

EBIT adj. (in EUR mill)

12

Return on Equity adj. (in%)

YTD JUNE 2022

3.9

New Business (in EUR bn)

20.9

Portfolio (in EUR bn)

49

Cost Income Ratio (in %)

117

EBIT adj. (in EUR mill)

13.3

Return on Equity adj. (in%)

OUTLOOK 2022

9-11

Return on Equity adj. (in%)

UNPRECEDENT CHANGE – PROFOUND OPPORTUNITIES

➤ ZERO EMISSION



➤ CONNECTIVITY

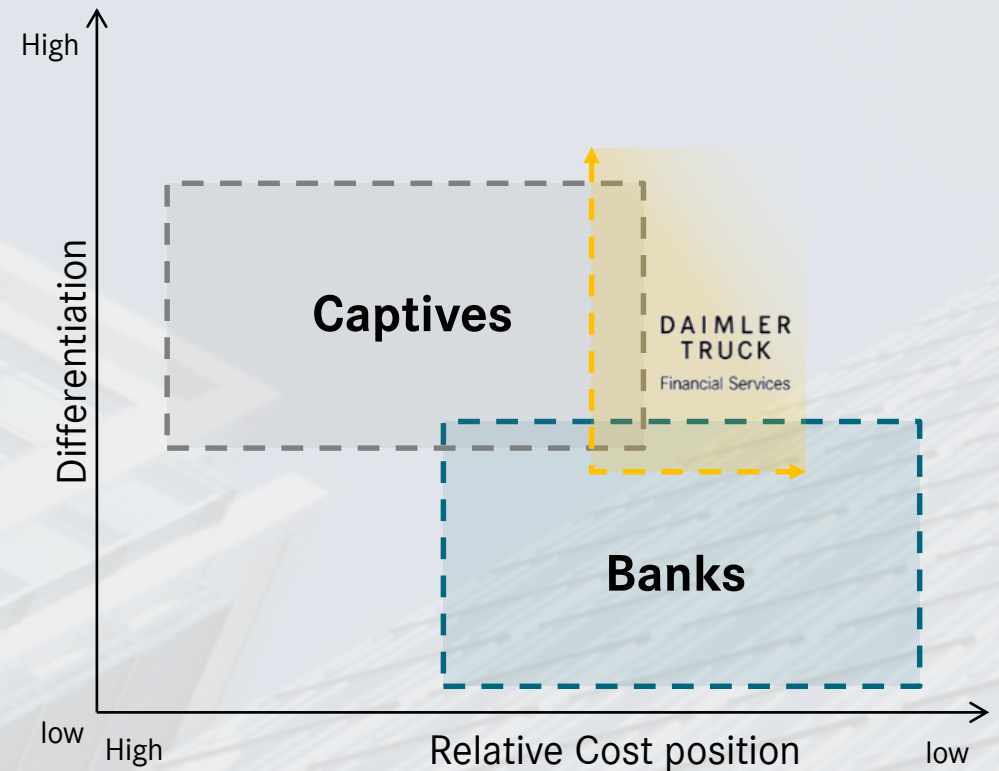
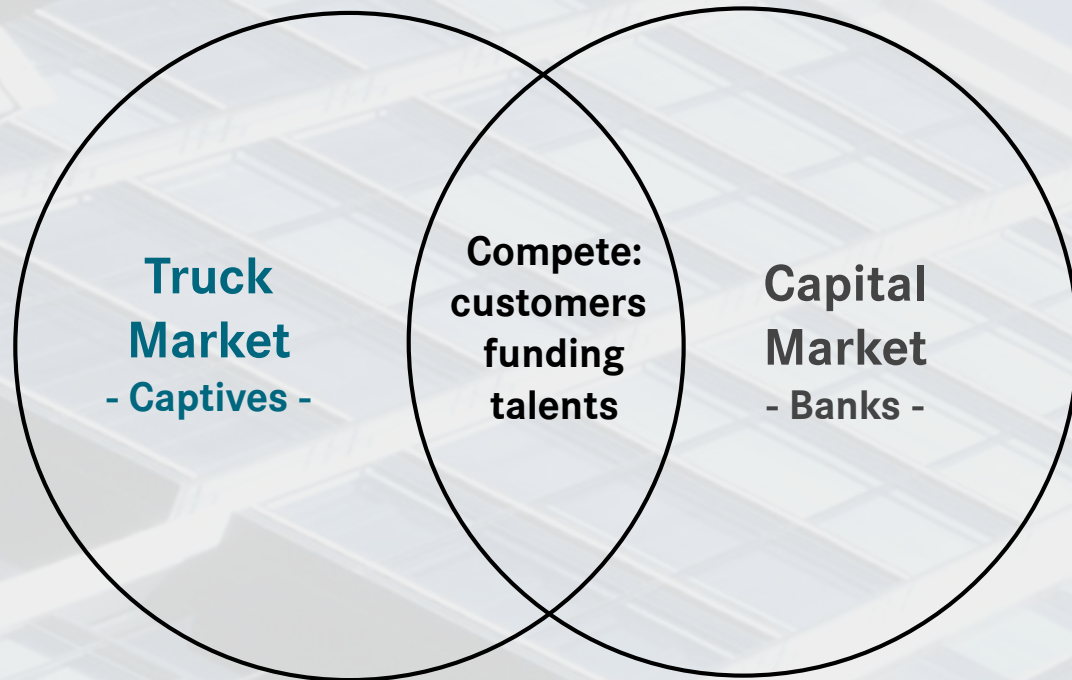


➤ EVOLVING SOLUTIONS



OUR STRATEGIC POSITION: 'Cost-leadership' compared to other captives and 'Service-differentiation' compared to banks

DTFS faces a bi-polar competitive situation...



FOUR MAIN PILLARS OF OUR SERVICE STRATEGY

ACCELERATE THE CORE

**GROW SERVICES &
SOLUTIONS**

EFFICIENT SETUP - SCALEABLE IT

PEOPLE

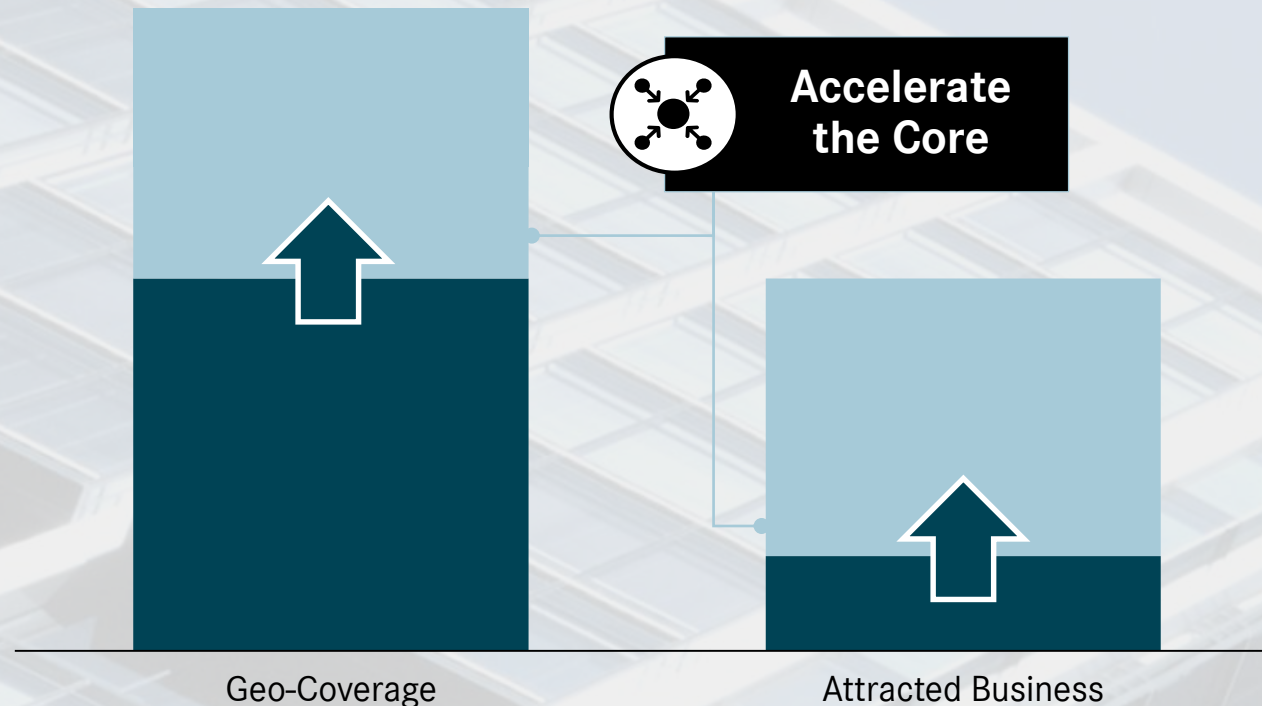


BUILDING ON SUCCESSFUL DT MARKETS PROVIDE GREAT OPPORTUNITIES TO ACCELERATE THE CORE

More markets, higher penetration

Trucks & Buses Sales/FS contracts

■ Current business ■ Potential



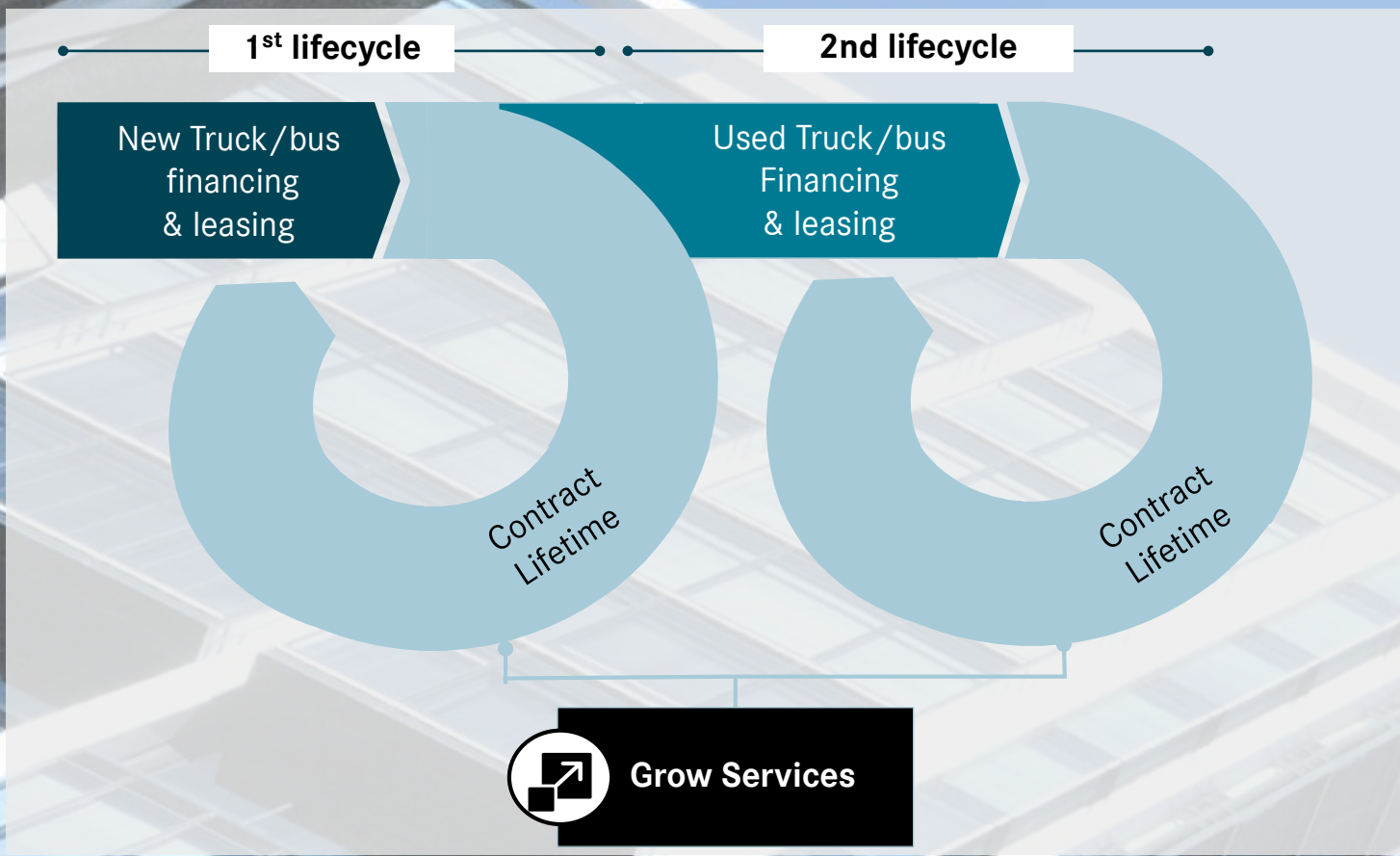
KEY INITIATIVES

- Integrate sales with Industrial Business
- Increase penetration in core business
- Extend F&L in adjacent fields
- Diversified funding
- ZEV



OFFERING MORE SERVICES ALONG THE LIFECYCLE

Increase value add and share of wallet



KEY INITIATIVES

- From bundled services to solutions
- Introduction of usage based products
- Data Management
- Insurance Partnership



CLEAR AND ATTRACTIVE FINANCIAL AMBITIONS

Profitability ambition of >14% RoE adjusted

CLEAR FINANCIAL AMBITIONS AND ATTRACTIVE RETURNS



*close gap to
best-in-class competitors*

PENETRATION RATE

- in % -

>30

PORTFOLIO

- in bn. € -

>30

ADJUSTED ROE

- in % -

>14

2025
AMBITION

EQUITY

Self-funded growth from 2025 onward

DIVIDENDS

>30% net payout-ratio targeted to industrial
business in steady-state operations



FINANCIAL SERVICES

DRIVING ENDURING
CUSTOMER
RELATIONSHIPS

