

DAIMLER TRUCK

Daimler Truck Holding AG

Investor Relations Release

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Daimler Truck significantly increases sales, revenue and net profit in 2021, on track to achieve financial ambitions

- **Clear focus on overall profitability**
- **Despite headwinds: Daimler Truck achieved financial targets for 2021**
- **Significant increase in unit sales, revenue and net profit due to recovery in most important markets and progress in cost reduction measures**
- **Supply constraints slowed further growth in 2nd half of 2021**
- **Strong demand environment: Incoming orders on a high level, order backlog on record level**
- **Daimler Truck expects increase in group sales, revenue, return on sales in 2022**

Stuttgart – Daimler Truck Holding AG (“Daimler Truck”) successfully kept its focus on working to improve its overall profitability in 2021. With its approach of a strict fixed cost discipline the company achieved its financial targets for 2021 despite significant supply chain headwinds. Daimler Truck benefitted from an overall economic recovery in the most important commercial vehicle sales markets in the financial year 2021 and significantly increased its unit sales, revenue and net profit. With 455,400 units, 20% more trucks and buses have been sold worldwide in 2021 compared to prior-year level (378,300 units). The company gained advantage from a recovery in its most important markets, especially in the first half of 2021. While demand remained strong across core markets during the second half, supply constraints slowed production and limited volume growth especially for heavy duty vehicles in North America and Europe.

Supported by the overall significant growth in unit sales volume, the company’s revenue increased to € 39,8 billion in 2021 (+ 10% compared to previous year: € 36,0 billion). Supported by a very strong demand environment and driven by all segments Daimler Truck’s incoming orders for 2021 in the industrial business have mounted to 590,000 units, a plus of 37% compared to prior year (430,500 units). Even more important, 2021 also showed a

favorable development for earnings and Return on Sales (RoS) driven by strong sales, an improved net pricing and cost reduction measures.

The adjusted EBIT (earnings before interests and taxes) significantly rose to € 2,552 million (previous year: € 657 million). The adjusted RoS of the Industrial Business in 2021 was at 6.1% versus previous year's RoS adjusted of 1.9%. The Free Cash flow of the Industrial Business amounted to € 1,556 million in the reporting year (2020: € 1,781 million). All in all, Daimler Truck delivered on the targets for cost reduction and margin improvement. Simultaneously Daimler Truck faced headwinds by the effect that the supply chain constrains predominantly affected the Group's highly profitable truck portfolio in North America and Europe.

Group Outlook for 2022

Daimler Truck currently assumes that the economic conditions in our most important markets continue to normalize and that neither the COVID-19 pandemic nor the war in Ukraine will have a negative impact on the general market development. Despite a strong demand, bottlenecks in the semiconductor industry and ongoing supply constraints will continue to impact sales mainly in the first half. Reflecting the two major regions North America and Europe, the company's guidance estimates the North American market to be between 255,000 and 295,000 units and the European market to be between 240,000 and 280,000 units. For its industrial business Daimler Truck anticipates an increase in unit sales to a range between 500,000 and 520,000 units in 2022. The company expects a significant increase in its revenue on group level in 2022 to a range between € 45.5 and € 47.5 billion. Regarding its EBIT adjusted Daimler Truck is also expecting a significant increase. Regarding the Return on Sales (RoS) adjusted for the Industrial Business Daimler Truck is expecting to come out between 7 and 9%.

"In these dramatic weeks, our thoughts are with the people in Ukraine and we hope that this war will end soon. Shortly after the war began, we decided to completely suspend our business in Russia until further notice. At the same time, we are supporting charitable organisations in their Ukraine aid efforts as well as numerous private initiatives by our employees, for which I would like to express my gratitude," said Martin Daum, Chairman of the Board of Management of Daimler Truck

Daimler Truck assumes that the supply chains for Daimler Truck will not be affected significantly by the war. The one-time expenses resulting from the discontinuation of the business in Russia will be considered outside the operating result in the first quarter. The currently foreseeable operational effects, such as the halted Russia business as well as the currently incurred higher raw material and energy costs, are included in the guidance for 2022.

„When looking back at the past year from a business perspective I can clearly say: 2021 was an extraordinary year for Daimler Truck and I am very proud of what our global team got accomplished. Despite headwinds due to COVID-19 and supply chain shortages we achieved

our financial targets. On top of that, our spin-off from Mercedes-Benz Group AG was a historic step that we managed very successfully. Since this week we are a proud new member of the stock market index DAX. Looking at 2022, we will focus on the factors we have in our own hands to further unlock our profit potential and lead sustainable transportation. We're fully committed to make our first year as an independent company a successful one for Daimler Truck." says Martin Daum, Chairman of the Board of Management of Daimler Truck.

Jochen Goetz, CFO of Daimler Truck: "In 2021 we improved our profitability significantly. This was driven by increased sales volumes and an improved used and aftersales business, while higher raw material costs and supply chain constraints had negative effects. Replacing COVID-19 driven one time cost effects with structural improvement in 2021 was also a major achievement. Going forward, we remain fully committed to the profitability ambitions we've set for 2025 and we continue to intensively work on all strategic levers to achieve them. In 2022, we expect to increase our adjusted return on sales again and to hereby make another step towards our 2025 ambitions. Given the uncertainty about the further course of the COVID-19 pandemic, the ongoing challenges on the supply chain and the potential impact of the Ukraine war on the global economy it is important to emphasize that we start 2022 with a strong financial position."

In 2021, the research and development expenditure of Daimler Truck of € 1,574 million remained on previous year's level (€ 1,530 million). Daimler Truck continued its practice of focused and efficient R&D investments and concentrated its efforts on fields of innovations the company deems fit to support the strategic path to sustainable and locally emission free transportation. Other areas of focus included autonomous transportation and the development of successor generations for existing products.

Daimler Truck emphasized its ambition to reduce R&D and CapEx (capital expenditures) by 15% until 2025 compared to the 2019 level despite the need for increased investment in ZEV (zero emission vehicle) technologies. Consequently the company strictly applied its capital allocation process focusing on future returns on capital as well as transformation ambitions. In 2021, Daimler Truck already reduced our R&D and CapEx by 18% compared to 2019. Reduction of ICE (internal combustion engine) related investments had a head start compared to the required ramp-up of ZEV investments, hence the 15% reduction ambition remains valid for 2025.

Leading company in the transport industry - for 125 years

The founders of Daimler Truck started the modern transportation industry with their trucks and buses a good 125 years ago. Today, the company is one of the largest commercial vehicle manufacturers with a global reach, with over 40 production facilities worldwide and approximately 100,000 employees. Daimler Truck aims to achieve a double-digit return on sales in its industrial business by 2025, assuming strong market conditions. Daimler Truck's business activities are structured into five reporting segments for which the company has formulated concrete ambitions. For example, Daimler Truck is specifically targeting an adjusted return on sales of 12% for the Trucks North America (TN) segment. For the

Mercedes-Benz (MB) segment, the target is 10% adjusted return on sales, for the Trucks Asia (TA) segment 9% and for the Daimler Buses (DB) segment 7.5%. With Financial Services as a fifth segment, the company is targeting an adjusted return on equity of 14%.

Additional information and documents (Annual Report, Capital Market Presentation, Fact Book etc.) including a detailed FY2021 disclosure on Daimler Truck's five reporting segments are available online in Daimler Truck's investor relations section:

<https://www.daimlertruck.com/investors/arc22/>

Daimler Truck has been listed in Germany's stock market index, the DAX, since March 21st. Daimler Truck 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.

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

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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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Upcoming Investor Events:

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