

# DAIMLER TRUCK



*Dear Shareholders,*

As Daimler Truck Holding AG enters its fourth full year as an independent company, we can reflect on remarkable progress compared to where the company came from. The financial year 2024 yielded solid results with revenues reaching 54.1 billion euros, three percent down from 2023. Adjusted Group EBIT of 4.7 billion euros was solid and supported by strong performance of Daimler Truck North America and Daimler Buses.

Fiscal year 2024 was predominantly the year of change in the Board of Management team: Eva Scherer was appointed CFO on April 1<sup>st</sup>. Karin Rådström was named President and CEO as of October 1<sup>st</sup>. The generational change was continued by the Supervisory Board appointing Achim Puchert as CEO of the Mercedes-Benz Trucks segment as of December 1<sup>st</sup>. Long-term CEO Martin Daum, who led the company into its standalone setup and soon into the DAX40, left the Managing Board December 31<sup>st</sup>. During his tenure, Martin fundamentally shaped the company and developed it into a strong global player in the commercial vehicle market. His dedication to the greater good of the company and its people deserves utmost respect and gratitude.

The new leadership was quick and decisive in driving change by optimizing its operations going forward. The businesses in India and China were merged into the Mercedes-Benz Trucks segment, effective January 1<sup>st</sup>, 2025, strengthening responsibility and accountability for the underlying trucks platform. In Japan, negotiations around the potential merger between Daimler Truck's Mitsubishi FUSO business and Hino Motors, a subsidiary of Toyota Motor Corporation, were accelerated. The result could be a strong, reliable and sustainable business partner supporting its customers and partners even stronger in fulfilling their business and mobility services going forward.

Management also quickly addressed the weaknesses in Europe and particularly in Germany. In order to significantly optimize the support, service quality and growth of the European and especially German operations, the Board has announced its intent to evaluate the current structures and processes. Discussions on aspiration and approach are ongoing with the General Works Council.

The management is keen on addressing the opportunities and challenges of the business on a global scale. While the underlying conditions of the truck and bus business are well intact, geo-political tensions – like increasing trade conflicts – and weakening geo-economic factors create significant uncertainties for economies, industries, and companies alike. This brings me to some topics I would like to highlight for the upcoming Annual General Meeting:

# 1

## INCREASING RESILIENCE AND COMPETITIVENESS

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Recent geo-political developments have increased volatility and adverse impact on global supply chain resilience. This poses a significant challenge to the company and its management for flexibility and agility, which needs to be addressed to secure robust productivity. Innovation and process efficiency as well as customer service excellence are three crucial elements to ensure long-term competitiveness.

While the company has done a great job to create value for the stakeholders, there is still quite a value potential by catching up with leading competitors' margins in the mid/long term. A proactive approach is an important step towards a lean and effective operating model and builds a solid foundation for the future.

# 2

## IDENTIFYING GROWTH OPPORTUNITIES

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Daimler Truck has grown its top line over the cycle and made progress in several areas like vocational trucks in North America, the recovery of buses as well as innovating in eMobility with its award-winning eActros 600. The task for the newly formed Board of Management is to identify and pursue growth opportunities with good and sustainable profit pools. Identifying and capitalizing on these growth drivers is essential to ensure the company's sustained competitiveness and value creation. Expect to hear more during the Capital Market Day July 8<sup>th</sup> in Charlotte, NC, USA.

# 3

## ADJUSTING THE SUPERVISORY BOARD REMUNERATION LEVELS

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The (re-)election of shareholder representatives for the Supervisory Board is due at the AGM in 2026. The current remuneration structure of the Supervisory Board members is essentially based on the resolution of the General Meeting of Daimler AG in 2017. Following the spin-off and with its first own AGM, Daimler Truck adopted this structure with a notable reduction in overall remuneration given the smaller size of the spin-company. In order to provide a competitive base for the elections in 2026, the Board had a benchmark analysis conducted by hkp, a 3<sup>rd</sup> party compensation expert. Baseline was the DAX40 companies. Not surprisingly, the analysis brought forward some significant gaps, especially for ordinary Board members as well as the Audit Committee. Base remuneration of Chair and Vice Chair will remain on current levels. Thus, the company proposes to its shareholders at the AGM 2025 to adjust the remuneration proportionally, effective January 1<sup>st</sup>, 2026.

## 4 ORGANIZING ANNUAL GENERAL MEETINGS AND SHAREHOLDER INTERACTION

At the upcoming AGM, it is proposed to grant Daimler Truck the option to hold Annual General Meetings virtually for the following five years, fully supporting and adhering to shareholder rights. This authorization request is intended to create maximum flexibility, but it does not preclude Daimler Truck from holding in-person general meetings in the coming years. While the virtual setup reduces significant costs and time commitments, increases the security, and does not limit shareholder rights, we are also aware of the ongoing requests surrounding the format of these meetings.

Given that Daimler Truck has never had an in-person AGM yet, which makes it hard to soundly argue pros and cons, I will encourage the Board of Management to consider hosting a physical one in the upcoming years for true comparison and objective evaluation purposes.

## 5 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

While the Board of Management and Supervisory Board are aware that certain parts of the globe and thus, shareholders and governments, have taken different stances in some parts of what has been called “ESG”, the company continues to act upon international standards and serving its customers, shareholders, employees and the society well. Prudent governance, environmental care, free of ideology but filled with practicality, as well as caring about people inside and outside the company remain some of our diligent tasks.

Dear shareholders, we look back to a successful and especially an eventful year. And we look forward to even greater years to come. Together with my colleagues on the Supervisory Board, I am eager to continue Daimler Truck’s journey towards value creation for our shareholders by serving our customers well, excite our employees by boosting innovation and empowerment, fostering competitiveness and growth. Thus, we will act for the greater good of a global society.

I look forward to engaging with you at this year’s Annual General Meeting on May 27<sup>th</sup>, 2025.

*Bert legends,  
for Heiner*

