

# DAIMLER TRUCK



Interim Report  
Q3 2022

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# Q3 Key Figures for the Group

## A.01

### Key figures Daimler Truck Group

In millions of euros	Q3 2022	Q3 2021	% change
Unit sales	134,972	106,304	+27
Revenue	13,507	9,160	+47 <sup>1</sup>
Revenue of the industrial business <sup>2</sup>	13,027	8,854	+47
EBIT	1,057	375	+182
EBIT of the industrial business	984	358	+175
Adjusted EBIT	1,273	491	+159
Adjusted EBIT of the industrial business	1,223	475	+157
Return on sales of the industrial business (in %)	7.6	4.0	-
Adjusted return on sales of the industrial business (in %)	9.4	5.4	-
Net profit/loss	990	214	+363
Earnings/loss per share (in €)	1.17	0.25	+368
Free cash flow of the industrial business	592	-782	-
Adjusted free cash flow of the industrial business	669	-865	-
Net liquidity of the industrial business	6,159	6,024 <sup>4</sup>	+2
Investments in property, plant and equipment	184	155	+19
Research and development expenditure	446	397	+13
of which capitalized	42	61	-31
Active workforce <sup>3</sup>	105,423	99,849 <sup>4</sup>	+6

1 Adjusted for the effects of currency translation, revenue increased by 36%.

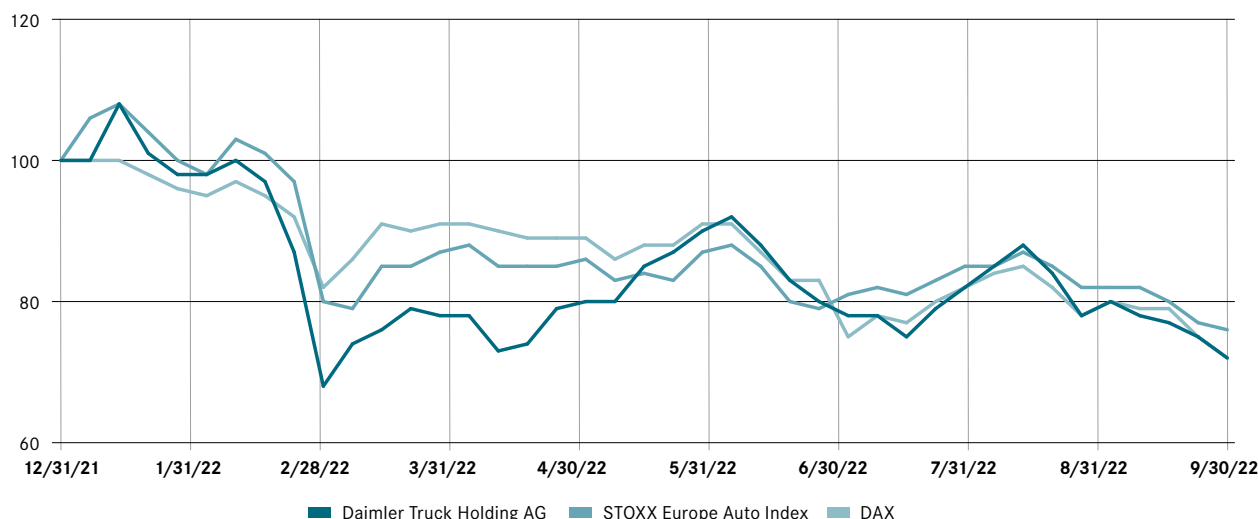
2 The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

3 This reflects the active workforce as a full-time equivalent.

4 At December 31, 2021.

## A.02

### Share price index



# Q1-3 Key Figures for the Group

## A.03

### Key figures Daimler Truck Group

In millions of euros	Q1-3 2022	Q1-3 2021	% change
Unit sales	365,219	324,513	+13
Revenue	36,162	28,418	+27 <sup>1</sup>
Revenue of the industrial business <sup>2</sup>	34,975	27,561	+27
EBIT	2,592	2,940	-12
EBIT of the industrial business	2,310	2,819	-18
Adjusted EBIT	2,934	1,958	+50
Adjusted EBIT of the industrial business	2,767	1,837	+51
Return on sales of the industrial business (in %)	6.6	10.2	-
Adjusted return on sales of the industrial business (in %)	7.9	6.7	-
Net profit/loss	2,211	2,265	-2
Earnings/loss per share (in €)	2.60	2.72	-4
Free cash flow of the industrial business	-91	649	-
Adjusted free cash flow of the industrial business	145	95	+53
Net liquidity of the industrial business	6,159	6,024 <sup>4</sup>	+2
Investment in property, plant and equipment	427	344	+24
Research and development expenditure	1,275	1,139	+12
thereof capitalized development costs	131	147	-11
Active workforce <sup>3</sup>	105,423	99,849 <sup>4</sup>	+6

1 Adjusted for the effects of currency translation, revenue increased by 20%.

2 The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

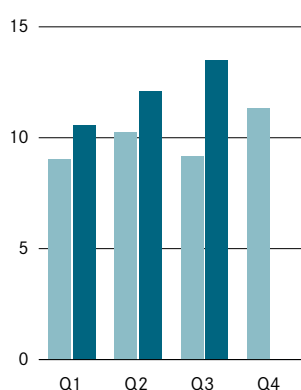
3 This reflects the active workforce as a full-time equivalent.

4 At December 31, 2021.

## A.04

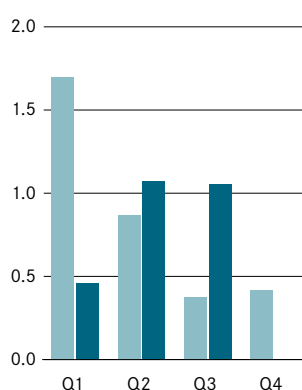
### Revenue

In billions of euros



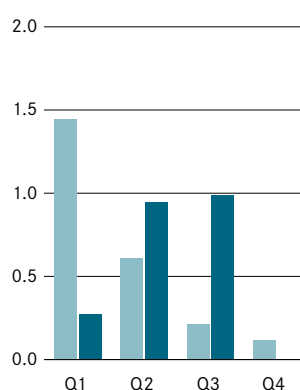
### EBIT

In billions of euros



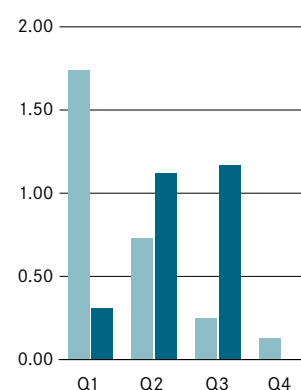
### Net profit/loss

In billions of euros



### Earnings per share

In euros



2021  
2022

# Q3 Key Figures for the Segments

## A.05

	Q3 2022	Q3 2021	% change
In millions of euros			
<b>Trucks North America</b>			
Unit sales	49,171	34,604	+42
Revenue	6,155	3,603	+71
EBIT	738	351	+111
Adjusted EBIT	738	351	+111
Return on sales (in %)	12.0	9.7	-
Adjusted return on sales (in %)	12.0	9.7	-
Investment in property, plant and equipment	35	35	-
Research and development expenditure	144	116	+24
of which capitalized	-	2	-
Active workforce <sup>1</sup>	27,926	25,930 <sup>2</sup>	+8
<b>Mercedes-Benz</b>			
Unit sales	42,305	31,691	+33
Revenue	5,153	3,682	+40
EBIT	270	-9	-
Adjusted EBIT	474	114	+316
Return on sales (in %)	5.2	-0.2	-
Adjusted return on sales (in %)	9.2	3.1	-
Investment in property, plant and equipment	101	95	+6
Research and development expenditure	185	167	+11
of which capitalized	30	40	-25
Active workforce <sup>1</sup>	41,970	40,327 <sup>2</sup>	+4
<b>Trucks Asia</b>			
Unit sales	41,535	38,072	+9
Revenue	1,676	1,422	+18
EBIT	42	117	-64
Adjusted EBIT	43	117	-63
Return on sales (in %)	2.5	8.3	-
Adjusted return on sales (in %)	2.6	8.3	-
Investment in property, plant and equipment	29	14	+107
Research and development expenditure	41	61	-33
of which capitalized	10	16	-38
Active workforce <sup>1</sup>	16,365	15,865 <sup>2</sup>	+3
<b>Daimler Buses</b>			
Unit sales	6,283	4,477	+40
Revenue	941	810	+16
EBIT	20	3	+498
Adjusted EBIT	23	6	+304
Return on sales (in %)	2.2	0.4	-
Adjusted return on sales (in %)	2.5	0.7	-
Investment in property, plant and equipment	15	10	+50
Research and development expenditure	33	30	+10
of which capitalized	2	3	-33
Active workforce <sup>1</sup>	15,176	14,861 <sup>2</sup>	+2
<b>Financial Services</b>			
Revenue	480	306	+57
EBIT	72	17	+335
Adjusted EBIT	50	17	+198
Return on equity (in %)	14.0	4.0	-
Adjusted return on equity (in %)	9.6	4.0	-
New business	2,548	1,500	+70
Contract volume	23,953	16,866 <sup>2</sup>	+42
Active workforce <sup>1</sup>	1,567	1,245 <sup>2</sup>	+26

<sup>1</sup> This reflects the active workforce as a full-time equivalent.

<sup>2</sup> At December 31, 2021.

# Q1-3 Key Figures for the Segments

## A.06

	Q1-3 2022	Q1-3 2021	% change
In millions of euros			
<b>Trucks North America</b>			
Unit sales	136,772	114,530	+19
Revenue	15,889	11,185	+42
EBIT	1,648	1,205	+37
Adjusted EBIT	1,648	1,205	+37
Return on sales (in %)	10.4	10.8	-
Adjusted return on sales (in %)	10.4	10.8	-
Investment in property, plant and equipment	95	73	+30
Research and development expenditure	417	331	+26
of which capitalized	-	2	-
Active workforce <sup>1</sup>	27,926	25,930 <sup>2</sup>	+8
<b>Mercedes-Benz</b>			
Unit sales	114,880	101,783	+13
Revenue	14,338	11,788	+22
EBIT	951	330	+188
Adjusted EBIT	1,327	534	+148
Return on sales (in %)	6.6	2.8	-
Adjusted return on sales (in %)	9.3	4.5	-
Investment in property, plant and equipment	221	188	+18
Research and development expenditure	516	506	+2
of which capitalized	98	103	-5
Active workforce <sup>1</sup>	41,970	40,327 <sup>2</sup>	+4
<b>Trucks Asia</b>			
Unit sales	108,232	102,967	+5
Revenue	4,643	4,355	+7
EBIT	96	316	-70
Adjusted EBIT	104	316	-67
Return on sales (in %)	2.1	7.2	-
Adjusted return on sales (in %)	2.2	7.2	-
Investment in property, plant and equipment	70	57	+23
Research and development expenditure	141	158	-11
of which capitalized	24	32	-25
Active workforce <sup>1</sup>	16,365	15,865 <sup>2</sup>	+3
<b>Daimler Buses</b>			
Unit sales	14,940	12,669	+18
Revenue	2,439	2,043	+19
EBIT	-67	-74	+9
Adjusted EBIT	-32	-53	+40
Return on sales (in %)	-2.7	-3.6	-
Adjusted return on sales (in %)	-1.3	-2.6	-
Investment in property, plant and equipment	30	24	+25
Research and development expenditure	103	90	+14
of which capitalized	8	11	-27
Active workforce <sup>1</sup>	15,176	14,861 <sup>2</sup>	+2
<b>Financial Services</b>			
Revenue	1,187	858	+38
EBIT	282	121	+133
Adjusted EBIT	167	121	+38
Return on equity (in %)	20.2	10.4	-
Adjusted return on equity (in %)	11.9	10.4	-
New business	6,479	4,184	+55
Contract volume	23,953	16,866 <sup>2</sup>	+42
Active workforce <sup>1</sup>	1,567	1,245 <sup>2</sup>	+26

<sup>1</sup> This reflects the active workforce as a full-time equivalent.

<sup>2</sup> At December 31, 2021.

# Interim Group Management Report

- Unit sales in Q3 at 134,972 (Q3 2021: 106,304) units above prior-year level
- Revenue in Q3 at €13.5 billion (Q3 2021: €9,2 billion)
- Group EBIT in Q3 of €1,057 million (Q3 2021: €375 million); adjusted Group EBIT of €1,273 million (Q3 2021: €491 million)
- Net profit in Q3 of €990 million (Q3 2021: €214 million)
- Free cash flow in the industrial business of €592 million in Q3 (Q3 2021: minus €782 million)
- For 2022 as a whole, continued unit sales of between 500 and 520 thousand units expected, revenue forecast increased to €50 – 52 billion, slight increase in EBIT expected
- Return on sales of 7% – 9% and free cash flow at prior-year level expected in the industrial business

## Business Development

After the global economy started the year with positive signs, the Russia-Ukraine war had a negative impact on the global economy and capital markets since the Russian invasion on February 24, 2022. In addition, fossil fuels and raw materials, which Russia and Ukraine are important producers of, have become significantly scarcer, particularly in the eurozone. The additional price pressure resulting from rising energy prices weighed on both companies and private households and accelerated the rise in inflation rates observed since the middle of last year. The European Central Bank reacted to this development and raised the key interest rate in two steps in the third quarter. In light of the high inflation rates in the third quarter, the US Federal Reserve also continued on its course of restrictive monetary policy by raising the federal funds rate. The general uncertainty about the length and possible outcome of the war, the high inflation rates and the more restrictive monetary policy in many regions weighed on the investment and consumer climate as well as financial markets. In addition, the ongoing zero-COVID policy in China restrained the growth of the global economy. The deteriorating economic conditions had a negative impact on global economic growth from the second quarter of 2022 (👁 Outlook).

The development of the truck markets was not significantly influenced in the third quarter and to date in 2022 by the Russia-Ukraine war and the exacerbated economic conditions. Rather, bottlenecks in the supply chains continued to have a negative effect on truck production, meaning that demand could not always be fully met. The North American market for heavy-duty trucks (Class 8) grew by 18% in the third quarter. As a result, the market volume in the first three quarters was 6% above the prior-year level. The market for heavy-duty trucks in the EU30 region (European Union, United Kingdom, Switzerland, and Norway) was above prior-year level both in the third quarter (+9%) and to date this year (+3%).

### Unit sales significantly above prior year's level

In the third quarter of 2022, the Daimler Truck Group (hereinafter also referred to as "Daimler Truck" or the "Group") sold 134,972 vehicles (Q3 2021: 106,304) worldwide ↗ **B.01**.

The **Trucks North America** segment sold 49,171 trucks (Q3 2021: 34,604) in the third quarter of 2022. The increase in unit sales was due to continuing strong demand. In Mexico, our unit sales increased by 50.2% year on year with 2,931 units in the third quarter. Furthermore, there was a significant year on year increase in unit sales in Canada (+37.2%) and the USA (+44.1%).

In the third quarter of 2022, the **Mercedes-Benz** segment sold 42,305 vehicles (Q3 2021: 31,691). Despite the bottlenecks in the supply chains, the increase in unit sales was mainly due to market recovery in the EU30 region. Our unit sales in the EU30 region increased significantly by 76.5% to 22,828 units in the third quarter. In contrast, unit sales declined significantly by 19.9% to 8,395 units in Brazil, our main market in Latin America.

Unit sales in the **Trucks Asia** segment increased by 9.1% to 41,535 units in the third quarter of 2022. The increase in unit sales was due to markets outside Japan. In Indonesia, we sold 12,203 units representing an increase of 11.5%. In the EU30 region, we recorded a significant increase in unit sales of 52.5% to 3,162 units compared with the prior-year level.

Unit sales of Auman trucks, which we produce in China in our joint venture Beijing Foton Daimler Automotive Co., Ltd. ("BFDA"), remained at the low prior-year level with 13,172 units (Q3 2021: 13,174).

In the third quarter of 2022, the **Daimler Buses** segment sold 6,283 units (Q3 2021: 4,477). The increase in unit sales resulted primarily from stronger market demand in Brazil, our main market in Latin America. With 2,917 units, we sold 112.9% more chassis there. In Mexico too, we achieved an increase in unit sales of 7.1% to 661 units. In contrast, we sold 1.4% less overall in the EU30 region with 1,716 units. This development was also influenced by bottlenecks in the supply chains.

**B.01****Unit sales<sup>1</sup>**

	Q3 2022	Q3 2021	% change
Daimler Truck Group	134,972	106,304	+27.0
Trucks North America	49,171	34,604	+42.1
Mercedes-Benz	42,305	31,691	+33.5
Trucks Asia	41,535	38,072	+9.1
Daimler Buses	6,283	4,477	+40.3

<sup>1</sup> The total of the segments does not correspond to unit sales due to eliminations between the segments.

The **Financial Services** segment concluded new financing and leasing contracts totalling €2.5 billion (+69.9%) worldwide in the third quarter of 2022. Compared with the prior year, new business increased significantly in the regions of North America (+63.5%) as well as Europe and South America (+146.5%), while Asia recorded lower growth (+25.8%).

At the end of September 2022, the contract volume amounted to €24.0 billion and thus significantly above the prior year's level (+51.1%). On the one hand, this growth can be attributed to positive exchange-rate trends in North and South America. Adjusted for exchange-rate effects, contract volumes stabilized, however, with growth of 34.0%. On the other hand, the growth was due to the inclusion of the new Phase 2 markets in Europe and South America (Argentina, Belgium, the Netherlands and Italy in April 2022, the Spanish rental company in May 2022, United Kingdom in August 2022 and Turkey on September 30, 2022). Adjusted for exchange-rate effects and the portfolio of these markets, this means a growth of 16.2%.

**Investments in property, plant and equipment** of the Daimler Truck Group amounted to €184 million in the third quarter of 2022 (Q3 2021: €155 million).

**Research and development expenditure** including capitalization of Daimler Truck amounted to €446 million in the third quarter (Q3 2021: €397 million).



## Important Events

### **Daimler Truck, TRATON GROUP and Volvo Group kick off European high-performance charging infrastructure joint venture**

Daimler Truck, TRATON Group and Volvo Group completed the final step towards forming the previously announced joint venture for the development of charging infrastructure in Europe. The new joint venture is expected to make an important contribution to the European Union's Green Deal and thus to climate-neutral freight transport by 2050. The plan is to offer at least 1,700 high-performance green energy charge points and to set up and operate them near highways and logistics hubs in Europe.

### **Electric in series production: The Mercedes-Benz eEconic rolls off the production line at the Wörth plant**

Daimler Truck is accelerating the electrification of its vehicle fleet: The Mercedes-Benz eEconic for municipal use has gone into series production at the Wörth site in the southern Rhineland-Palatinate. Thus, the second model of the battery-electric Mercedes-Benz trucks will roll off the production line in Wörth, following the series launch of the eActros for urban distribution haulage in October 2021.

### **Daimler Truck Financial Services starts business in the United Kingdom and Turkey**

Daimler Truck Financial Services has launched its business in the United Kingdom and Turkey and will now be supporting customers of trucks and buses as a financial partner. The national companies of Daimler Truck Financial Services are set to play a key role in the promotion of electric drives in the transport sector in the future with leasing and financing solutions. In the future, the national companies will also arrange special insurance packages for truck and bus customers.

### **Daimler Truck introduces all-new Western Star 57X long-haul truck in North America**

Daimler Truck North America presented the all-new Western Star 57X long-haul truck in the US. The iconic truck offers a striking front-end design and characteristic chrome look and is the latest family member of the X-Series product family. The all-new 57X is designed primarily for customers who travel on long-distance routes, especially in the small-fleets segment or as owner operators.

### **Daimler truck subsidiary FUSO unveils the Next Generation e-Canter**

Daimler Truck subsidiary Mitsubishi Fuso Truck and Bus Corporation (MFTBC, "FUSO") unveiled the all-new next-generation model of the all-electric light-duty truck FUSO eCanter in Japan. Following the world premiere in Japan, the European premiere of the Next Generation eCanter took place at the IAA Transportation 2022 in Hanover. Production will start in 2023. FUSO will also launch the new vehicle in further markets in the coming years.

### **World premiere for the next generation of Setra TopClass and ComfortClass**

The next generation of the Setra ComfortClass stands for a versatile bus concept that meets the highest requirements in terms of economy, safety and flexibility. The exclusive Top-Class models take coach travel to a new level. Maximum long-distance comfort, individual luxury and technical excellence combine to create a true travel experience.

### **Mercedes-Benz buses: Right of way for the transformation to electromobility**

Daimler Buses is vigorously pressing ahead with the transformation to e-mobility with buses in cities and metropolitan areas. The Mercedes-Benz eCitaro celebrated its premiere with NMC 3 high-performance batteries at the IAA Transportation 2022 in Hanover. Daimler Buses also announced the launch of the eCitaro Range Extender with fuel cell for 2023.

### **Mercedes-Benz Trucks presents the eActros LongHaul for long-distance transport for the first time at the IAA Transportation 2022 in Hanover**

Following the market launch of the eActros for heavy-duty distribution transport in 2021, Mercedes-Benz Trucks has now ignited the next stage for battery-powered heavy-duty long-haul transport. The company presented the eActros LongHaul for the first time at the IAA Transportation 2022 in Hanover. Readiness for series production of the eActros LongHaul is planned for 2024 with a range of around 500 kilometers per charging process. The truck was awarded the "2023 Truck Innovation Award", a renowned industry prize for particularly innovative trucks awarded by the "International Truck of the Year" jury. The jury consists of 25 experienced specialist journalists from important international media from Europe and other countries.

### **Daimler Truck reaches important milestone in China with the start of local production of Mercedes-Benz trucks for the Chinese market**

Beijing Foton Daimler Automotive ("BFDA"), the joint venture of Daimler Truck and Foton Motor, celebrated the first locally produced Mercedes-Benz trucks at its new production site in Huairou, Beijing. With the start of series production, Daimler Truck is opening a new chapter in China. Ten years after the start of business operations in China, BFDA is further expanding its presence and leveraging potential for profitable growth. Trucks manufactured under the Auman brand are still produced and marketed in China.

## Profitability, Liquidity and Capital Resources, and Financial Position

To provide a better insight into profitability, liquidity and capital resources, and financial position, the Condensed Consolidated Statement of Income, Condensed Consolidated Statement of Cash Flows, and Condensed Consolidated Statement of Financial Position are presented, in addition to the Daimler Truck Group, for the “industrial business” and for “Financial Services”. The industrial business and Financial Services separation represent a business perspective. The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia, Daimler Buses, as well as the reconciliation. Financial Services corresponds to the Financial Services segment. The eliminations of intra-group transactions between the industrial business and Financial Services are allocated to the industrial business and are reported in the reconciliation.

Due to rounding, individual amounts may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

## Profitability

### Condensed Consolidated Statement of Income of the Daimler Truck Group in the third quarter of 2022

The **revenue** of the Daimler Truck Group amounted to €13.5 billion in the third quarter of 2022 and was significantly above the figure for the same quarter in the prior year (Q3 2021: €9.2 billion). Adjusted for positive exchange-rate effects, revenue was also significantly above that of the same quarter in the prior year. The increase in revenue of the Daimler Truck Group resulted primarily from the improved net pricing obtained in the automotive segments, advantageous exchange rates (in particular the US dollar) and a significant increase in unit sales.

**Functional costs** were above the prior year’s level mainly due to higher material costs, a significant increase in unit sales, exchange-rate effects as well as additional costs and inefficiencies due to bottlenecks in the supply chains. In addition, functional costs increased due to expenses for personnel cost-optimization programs and expenses in connection with the spin-off.

In the third quarter of 2022, the increase in **income from other operating results** of €70 million, mainly resulted from the acquisition of truck and bus-related Financial Services companies (hereinafter also jointly referred to as “acquired financial services business”) from Mercedes-Benz Group.

The **at-equity result** in the third quarter of 2022 of minus €43 million (Q3 2021: €15 million) was below that of the same quarter in the prior year. This development is mainly due to the negative earnings contribution of the joint venture BFDA, which was due to a significant market decline and the positive special effect in the amount of €75 million from the reversal of impairment losses of the joint venture in Q3 2021.

**EBIT** amounted to €1,057 million in the third quarter of 2022 (Q3 2021: €375 million) and was therefore significantly higher than in the same quarter in the prior year. The adjusted EBIT of the Daimler Truck Group amounted to €1,273 million (Q3 2021: €491 million), also significantly up on the prior-year quarter. The reconciliation of EBIT to adjusted EBIT is shown in table [B.04](#).

**Interest income/expense, net** amounted to minus €12 million in the third quarter of 2022 (Q3 2021: minus €21 million).

In the third quarter of 2022, **income taxes** included an expense of €55 million (Q3 2021: €139 million). The effective tax rate was 5.3% (Q3 2021: 39.5%). In the third quarter of 2022, the effective tax rate was materially influenced by a reversal of the impairment of deferred tax assets of €283 million.

**Net profit** of €990 million was significantly higher than in the prior-year period of €214 million. Of this, profit of €27 million is attributable to **non-controlling interests** (Q3 2021: €8 million). The share of **net profit attributable to shareholders of Daimler Truck Holding AG** in the net profit amounted to €964 million (Q3 2021: €207 million). **Earnings per share** amounted to €1.17 (Q3 2021: €0,25).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 823 million.

Table [7 B.02](#) shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the industrial business and Financial Services. Table [7 B.03](#) shows the composition of EBIT for the industrial business.

**B.02**

Condensed Consolidated Statement of Income for the three-month period ended September 30	Daimler Truck Group		Industrial Business		Financial Services	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
In millions of euros						
Revenue	13,507	9,160	13,027	8,854	480	306
Cost of sales	-10,987	-7,501	-10,633	-7,304	-355	-197
<b>Gross profit</b>	<b>2,520</b>	<b>1,659</b>	<b>2,394</b>	<b>1,550</b>	<b>125</b>	<b>109</b>
Selling expenses	-669	-648	-639	-624	-30	-24
General administrative expenses	-559	-361	-497	-328	-61	-34
Research and non-capitalized development costs	-404	-335	-404	-335	-	-
Other operating income/expense, net	173	103	133	137	40	-34
Profit/loss on equity-method investments, net	-43	15	-43	15	-	-
Other financial income/expense, net	39	-58	42	-57	-2	-1
<b>EBIT</b>	<b>1,057</b>	<b>375</b>	<b>985</b>	<b>358</b>	<b>72</b>	<b>17</b>
Interest income/expense, net	-12	-21	-11	-19	-1	-
<b>Profit/loss before income taxes</b>	<b>1,045</b>	<b>353</b>	<b>974</b>	<b>337</b>	<b>71</b>	<b>17</b>
Income taxes	-55	-139	-32	-123	-23	-17
<b>Net profit/loss</b>	<b>990</b>	<b>214</b>	<b>942</b>	<b>215</b>	<b>48</b>	<b>-</b>
thereof profit attributable to non-controlling interests	27	8				
thereof profit/loss attributable to shareholders	964	207				
<b>Earnings/loss per share (in euros)</b> for profit/loss attributable to shareholders						
<b>Basic and diluted</b>	<b>1.17</b>	<b>0.25</b>				

**B.03**

EBIT of the industrial business for the three-month periods ended September 30	Industrial business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
In millions of euros												
Revenue	13,027	8,854	6,155	3,603	5,153	3,682	1,676	1,422	941	810	-887	-664
Cost of sales	-10,632	-7,304	-5,023	-2,971	-4,301	-3,175	-1,373	-1,104	-821	-706	875	653
<b>Gross profit</b>	<b>2,395</b>	<b>1,550</b>	<b>1,132</b>	<b>632</b>	<b>853</b>	<b>507</b>	<b>303</b>	<b>318</b>	<b>120</b>	<b>104</b>	<b>-13</b>	<b>-11</b>
Selling expenses	-638	-624	-102	-75	-358	-342	-153	-165	-59	-59	33	16
General administrative expenses	-498	-328	-179	-120	-200	-114	-68	-77	-36	-38	-15	22
Research and non-capitalized development costs	-404	-335	-144	-115	-155	-126	-30	-45	-31	-27	-44	-23
Other income/expense	130	95	31	28	129	68	-10	85	27	22	-47	-108
<b>EBIT</b>	<b>984</b>	<b>358</b>	<b>738</b>	<b>351</b>	<b>270</b>	<b>-9</b>	<b>42</b>	<b>117</b>	<b>20</b>	<b>3</b>	<b>-86</b>	<b>-105</b>

### Segment EBIT for the third quarter of 2022

The **Trucks North America** segment was affected by the following key factors compared with the third quarter of 2021:

- + Improved net pricing
- + Positive effects from exchange rates
- + Improvement in the aftersales business
- + Significantly increased sales volume due to high demand
- Increased material costs
- Increased fixed costs due to inflation and higher personnel costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains

The **Mercedes-Benz** segment was affected by the following key factors compared with the third quarter of 2021:

- + Improved net pricing
- + Improvement in the aftersales business
- + Significantly increased sales volume due to high demand
- + Positive effects from exchange rates
- Increased material costs
- Expenses for personnel cost-optimization programs

Adjustments for the **Mercedes-Benz** segment primarily include:

- Expenses for personnel cost-optimization programs of €155 million (Q3 2021: €13 million) (restructuring measure)
- Expenses in connection with the spin-off in the amount of €42 million (M&A transaction)
- Expenses in connection with the Russia-Ukraine war of €7 million (M&A transaction)

The **Trucks Asia** segment was affected by the following key factors compared with the third quarter of 2021:

- Negative effect of the equity result from the joint venture BFDA due to the significant market decline as well as the discontinuation of the positive special effect in Q3 2021 from the reversal of impairment losses of the joint venture
- Increased material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains
- + Increased sales volume, especially in Indonesia and the EU30 region
- + Improved net pricing, especially in markets outside Japan
- + Improvement in the aftersales business

Adjustments for the **Trucks Asia** segment include:

- Expenses in connection with the Russia-Ukraine war of €1 million (M&A transaction)

The **Daimler Buses** segment was affected by the following key factors compared with the third quarter of 2021:

- + Significantly increased sales volume in Brazil
- + Positive development of the aftersales business and improved net pricing
- + Positive effects from exchange rates
- Increased material costs

Adjustments for the **Daimler Buses** segment include:

- Expenses for personnel cost-optimization programs of €3 million (Q3 2021: €2 million) (restructuring measure)

The **Financial Services** segment was affected by the following key factors compared with the third quarter of 2021:

- + Discontinuation of the non-recurring impairment of goodwill in the prior year
- + Increased earnings due to higher contract volumes in connection with the inclusion of the acquired Financial Services business and growth in the existing markets
- + Income related to acquisitions of the Financial Services business included in the adjustments
- + Favorable exchange rates, especially in North and South America
- Higher expenses in connection with the newly acquired financial services business and the safeguarding of business operations

Adjustments for the **Financial Services** segment include:

- Earnings in connection with the acquisition of the Financial Services business in the amount of minus €23 million (Q3 2021: €0 million) (M&A transaction)

The EBIT of the **reconciliation** amounts to minus €86 million (Q3 2021: minus €105 million). The adjustments in the third quarter of 2022 in the amount of €31 million (Q3 2021: minus €8 million) include expenses in connection with the spin-off (M&A transaction)

The reconciliation of EBIT to adjusted EBIT is shown in table  
 ↗ **B.04.**

## B.04

### Reconciliation EBIT to EBIT adjusted for the three-month periods ended September 30

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Recon- ciliation	Daimler Truck Group
In millions of euros							
<b>Q3 2022</b>							
<b>EBIT</b>	<b>738</b>	<b>270</b>	<b>42</b>	<b>20</b>	<b>72</b>	<b>-86</b>	<b>1,057</b>
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	155	-	3	-	-	158
M&A transactions	-	49	1	-	-23	31	59
<b>Adjusted EBIT</b>	<b>738</b>	<b>474</b>	<b>43</b>	<b>23</b>	<b>50</b>	<b>-55</b>	<b>1,273</b>
<b>Return on sales/return on equity (in %)</b>	<b>12.0</b>	<b>5.2</b>	<b>2.5</b>	<b>2.2</b>	<b>14.0</b>	-	-
<b>Adjusted return on sales/ return on equity (in %)<sup>1</sup></b>	<b>12.0</b>	<b>9.2</b>	<b>2.6</b>	<b>2.5</b>	<b>9.6</b>	-	-

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Recon- ciliation	Daimler Truck Group
In millions of euros							
<b>Q3 2021</b>							
<b>EBIT</b>	<b>351</b>	<b>-9</b>	<b>117</b>	<b>3</b>	<b>17</b>	<b>-105</b>	<b>375</b>
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	13	-	2	-	1	16
M&A transactions	-	109	-	-	-	-9	100
<b>Adjusted EBIT</b>	<b>351</b>	<b>114</b>	<b>117</b>	<b>6</b>	<b>17</b>	<b>-113</b>	<b>491</b>
<b>Return on sales/return on equity (in %)</b>	<b>9.7</b>	<b>-0.2</b>	<b>8.3</b>	<b>0.4</b>	<b>4.0</b>	-	-
<b>Adjusted return on sales/ return on equity (in %)<sup>1</sup></b>	<b>9.7</b>	<b>3.1</b>	<b>8.3</b>	<b>0.7</b>	<b>4.0</b>	-	-

<sup>1</sup> In the industrial business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

Tables [B.05](#), [B.06](#) and [B.07](#) show the earnings figures for the first nine months of 2022.

### B.05

Condensed Consolidated Statement of Income for the nine-month period ended September 30	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021
In millions of euros						
Revenue	36,162	28,418	34,975	27,561	1,187	858
Cost of sales	-29,345	-23,126	-28,521	-22,572	-824	-554
<b>Gross profit</b>	<b>6,817</b>	<b>5,292</b>	<b>6,454</b>	<b>4,989</b>	<b>363</b>	<b>304</b>
Selling expenses	-2,139	-1,924	-2,055	-1,841	-84	-82
General administrative expenses	-1,411	-1,143	-1,258	-1,041	-153	-102
Research and non-capitalized development costs	-1,144	-991	-1,144	-991	-	-
Other operating income/expense, net	503	1,508	343	1,505	160	3
Profit/loss on equity-method investments, net	-155	138	-155	138	-	-
Other financial income/expense, net	121	59	125	61	-4	-2
<b>EBIT</b>	<b>2,592</b>	<b>2,940</b>	<b>2,310</b>	<b>2,819</b>	<b>282</b>	<b>121</b>
Interest income/expense, net	-35	-69	-33	-67	-2	-2
<b>Profit/loss before income taxes</b>	<b>2,557</b>	<b>2,870</b>	<b>2,277</b>	<b>2,752</b>	<b>280</b>	<b>119</b>
Income taxes	-346	-606	-303	-559	-43	-47
<b>Net profit/loss</b>	<b>2,211</b>	<b>2,265</b>	<b>1,974</b>	<b>2,193</b>	<b>237</b>	<b>72</b>
thereof profit attributable to non-controlling interests	68	24				
thereof profit/loss attributable to shareholders	2,143	2,242				
<b>Earnings/loss per share (in euros)</b> for profit/loss attributable to shareholders						
<b>Basic and diluted</b>	<b>2.60</b>	<b>2.72</b>				

### B.06

EBIT of the industrial business for the nine-month period ended September 30	Industrial business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021
In millions of euros												
Revenue	34,975	27,561	15,889	11,185	14,338	11,788	4,643	4,355	2,439	2,043	-2,334	-1,810
Cost of sales	-28,522	-22,572	-13,148	-9,127	-11,662	-9,975	-3,805	-3,453	-2,159	-1,799	2,243	1,782
<b>Gross profit</b>	<b>6,454</b>	<b>4,989</b>	<b>2,741</b>	<b>2,057</b>	<b>2,676</b>	<b>1,813</b>	<b>838</b>	<b>902</b>	<b>280</b>	<b>244</b>	<b>-81</b>	<b>-28</b>
Selling expenses	-2,054	-1,841	-297	-218	-1,170	-1,054	-477	-448	-190	-174	80	53
General administrative expenses	-1,258	-1,041	-472	-379	-449	-341	-191	-231	-130	-120	-16	30
Research and non-capitalized development costs	-1,144	-991	-417	-329	-417	-404	-117	-126	-95	-79	-98	-53
Other income/expense	312	1,704	92	74	311	316	42	220	70	55	-203	1,041
<b>EBIT</b>	<b>2,310</b>	<b>2,819</b>	<b>1,648</b>	<b>1,205</b>	<b>951</b>	<b>330</b>	<b>96</b>	<b>316</b>	<b>-67</b>	<b>-74</b>	<b>-318</b>	<b>1,043</b>

**B.07****Reconciliation EBIT to EBIT adjusted for the nine-month period ended September 30**

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Reconciliation	Daimler Truck Group
In millions of euros							
<b>Q1-3 2022</b>							
<b>EBIT</b>	<b>1,648</b>	<b>951</b>	<b>96</b>	<b>-67</b>	<b>282</b>	<b>-318</b>	<b>2,592</b>
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	164	-	27	-	1	191
M&A transactions	-	212	8	8	-115	38	151
<b>Adjusted EBIT</b>	<b>1,648</b>	<b>1,327</b>	<b>104</b>	<b>-32</b>	<b>167</b>	<b>-280</b>	<b>2,934</b>
<b>Return on sales/return on equity (in %)</b>	<b>10.4</b>	<b>6.6</b>	<b>2.1</b>	<b>-2.7</b>	<b>20.2</b>	<b>-</b>	<b>-</b>
<b>Adjusted return on sales/ return on equity (in %)<sup>1</sup></b>	<b>10.4</b>	<b>9.3</b>	<b>2.2</b>	<b>-1.3</b>	<b>11.9</b>	<b>-</b>	<b>-</b>

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Reconciliation	Daimler Truck Group
In millions of euros							
<b>Q1-3 2021</b>							
<b>EBIT</b>	<b>1,205</b>	<b>330</b>	<b>316</b>	<b>-74</b>	<b>121</b>	<b>1,043</b>	<b>2,940</b>
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	95	-	6	-	15	116
M&A transactions	-	109	-	15	-	-1,223	-1,098
<b>Adjusted EBIT</b>	<b>1,205</b>	<b>534</b>	<b>316</b>	<b>-53</b>	<b>121</b>	<b>-165</b>	<b>1,958</b>
<b>Return on sales/return on equity (in %)</b>	<b>10.8</b>	<b>2.8</b>	<b>7.2</b>	<b>-3.6</b>	<b>10.4</b>	<b>-</b>	<b>-</b>
<b>Adjusted return on sales/ return on equity (in %)<sup>1</sup></b>	<b>10.8</b>	<b>4.5</b>	<b>7.2</b>	<b>-2.6</b>	<b>10.4</b>	<b>-</b>	<b>-</b>

<sup>1</sup> In the industrial business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

## Liquidity and Capital Resources

The **cash flows from operating activities** ↗ **B.08** resulted in a cash outflow of €1.2 billion in the first nine months of 2022 (Q1-3 2021: cash inflow of €1.3 billion). Adjusted for the special effect from the sale of 50% of cellcentric GmbH & Co. KG (“cellcentric”), profit before income taxes was higher than the prior year. The positive development of the result is mainly due to the improved net pricing of the automotive segments, an advantageous exchange-rate (in particular the US dollar) and a significant increase in unit sales.

The increase in inventories was mainly due to bottlenecks in the supply chains, as well as a high number of vehicles in the delivery process. This, as well as the increase in trade receivables compensated by the increase in trade payables, contributed to a negative change in working capital of €1.6 billion (Q1-3 2021: €1.4 billion).

The decline in cash flows from operating activities was also due to the increase in receivables from financial services. The positive development of the portfolio led to significantly higher receivables from financial services, which more than offset repayments from the current portfolio.

Prior to the acquisition of the financial services business, there were already existing contractual relationships (“pre-existing relationships”) between the Daimler Truck Group as the acquirer and the acquired financial business in the context of financing and leasing transactions for trucks and buses. Fulfillment of the pre-existing relationships at fair value led to cash outflows of €0.1 billion. These are reported in the cash flows from operating activities and allocated in full to the Financial Services segment.

In addition, the allocation of €0.3 billion to pension funds in Germany and increased tax payments, particularly in the USA, had a negative impact on the cash flows from operating activities.

In the reporting period, payments were made for personnel cost-optimization programs resulting from the agreed cost-cutting measures and socially responsible job reductions.

The **cash flows from investing activities** ↗ **B.08** resulted in a cash outflow of €2.8 billion (Q1-3 2021: cash inflow of €1.9 billion). The decrease resulted on the one hand from the fact that, until the spin-off in December 2021, Daimler Truck was still in cash pooling with the Mercedes-Benz Group. On the other hand, in connection with the acquired financial services business, cash in the amount of €1.7 billion was transferred to the Mercedes-Benz Group as consideration in 2022.

In addition, the sale of 50% of cellcentric to the Volvo Group had a significant impact on cash flows in the first nine months of 2021 and resulted in a cash inflow of €0.6 billion.



## B.08

Condensed statement of cash flows	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021
In millions of euros						
<b>Cash and cash equivalents at beginning of period</b>	<b>7,244</b>	1,663	<b>6,904</b>	1,556	<b>340</b>	107
Profit before income taxes	<b>2,557</b>	2,871	<b>2,277</b>	2,752	<b>280</b>	119
Depreciation and amortization/impairments	<b>854</b>	882	<b>818</b>	836	<b>36</b>	46
Other non-cash expense and income and gains/losses on disposals of assets	<b>218</b>	-1,408	<b>368</b>	-1,436	<b>-150</b>	28
Change in operating assets and liabilities						
Inventories	<b>-2,113</b>	-2,105	<b>-2,106</b>	-2,105	<b>-7</b>	-
Trade receivables	<b>-531</b>	58	<b>-678</b>	111	<b>147</b>	-53
Trade payables	<b>1,000</b>	620	<b>1,001</b>	619	<b>-1</b>	1
Receivables from financial services	<b>-2,107</b>	701	<b>-</b>	<b>-</b>	<b>-2,107</b>	701
Vehicles on operating leases	<b>-19</b>	255	<b>143</b>	215	<b>-162</b>	40
Other operating assets and liabilities	<b>-224</b>	-120	<b>-309</b>	-152	<b>85</b>	32
Income taxes paid/refunded	<b>-878</b>	-485	<b>-942</b>	-431	<b>64</b>	-54
<b>Cash flows from operating activities</b>	<b>-1,243</b>	1,269	<b>573</b>	409	<b>-1,816</b>	860
Additions to property, plant and equipment and intangible assets	<b>-599</b>	-516	<b>-575</b>	-512	<b>-24</b>	-4
Net cash flows from the acquisition of Financial Services business	<b>-1,702</b>	-	<b>-1,077</b>	-	<b>-625</b>	-
Investments in and proceeds from disposal of other shareholdings	<b>-182</b>	635	<b>-179</b>	635	<b>-2</b>	-
Acquisitions and disposal of marketable debt securities and similar investments	<b>-427</b>	1,686	<b>-423</b>	1,693	<b>-4</b>	-7
Other	<b>88</b>	137	<b>96</b>	139	<b>-8</b>	-2
<b>Cash flows from investing activities</b>	<b>-2,822</b>	1,942	<b>-2,158</b>	1,955	<b>-664</b>	-13
Change in financing liabilities	<b>2,679</b>	-2,266	<b>1,979</b>	-1,448	<b>700</b>	-818
Transactions with the Mercedes-Benz Group	<b>-23</b>	-1,112	<b>21</b>	-1,335	<b>-44</b>	223
Dividends paid to non-controlling interests	<b>-39</b>	-27	<b>-39</b>	-27	<b>-</b>	-
Internal equity and financing transactions	<b>-</b>	<b>-</b>	<b>-1,797</b>	315	<b>1,797</b>	-315
<b>Cash flows from financing activities</b>	<b>2,617</b>	-3,405	<b>163</b>	-2,496	<b>2,454</b>	-909
Effect of foreign exchange-rate changes on cash and cash equivalents	<b>235</b>	6	<b>222</b>	4	<b>13</b>	2
<b>Cash and cash equivalents at end of period</b>	<b>6,032</b>	1,475	<b>5,705</b>	1,430	<b>327</b>	45

**Cash flows from financing activities** ↗ **B.08** resulted in a cash inflow of €2.6 billion (Q1-3 2021: cash outflow €3.4 billion). The change compared with the first nine months of 2021 is mainly the result of funds raised on the international money and capital markets in the amount of €4.1 billion. Debt financing was provided by issuing bonds in the US, Canada and the Netherlands. Cash inflows were reduced by repayments to external banks in the first nine months of 2022.

In addition, the decrease in payments due to transactions with the Mercedes-Benz Group prior to the spin-off had a positive effect on cash flows from financing activities in the comparative period. In 2022, this led to a cash outflow of €23 million (Q1-3 2021: €1.1 billion).

**B.09****Free cash flow of the industrial business**

In millions of euros	Q1-3 2022	Q1-3 2021	Change
Cash provided by operating activities	573	409	+164
Cash used for investing activities	-2,158	1,955	-4,113
Change in marketable debt securities and similar investments	423	-1,693	+2,116
Right-of-use assets	-58	-45	-13
Net cash flows from acquisition of Financial Services businesses	1,077	-	+1,077
Other adjustments	52	23	+29
<b>Free cash flow of the industrial business</b>	<b>-91</b>	649	-740
Legal proceedings (and related measures)	-	-	-
Restructuring measures	127	130	-3
M&A transactions	110	-684	+794
<b>Adjusted free cash flow of the industrial business adjusted</b>	<b>145</b>	95	+50

**Free cash flow of the industrial business**

The measure used by Daimler Truck for the financial strength of its industrial activities is the **free cash flow of the industrial business** [↗ B.09](#), which is derived from the reported cash flows from operating and investing activities. The cash flows from the purchase and sale of marketable debt securities and similar cash investments included in cash flows from investing activities are eliminated, as these securities are classified as cash and cash equivalents and their change is therefore not part of the free cash flow of the industrial business. The repayment of the existing financing liabilities by the Daimler Truck Group, which is part of the consideration transferred for the acquired financial services business and was financed by the industrial business, is excluded, as these are not part of the operating activities of the industrial business. Conversely, the effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the industrial business.

Other adjustments include the payment flows to be reported in cash flows from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control. Other adjustments also include the Daimler Truck headquarters allocation to financial services and miscellaneous adjustments to reflect the economic amount of investments or divestments that are wholly or partially non-cash in nature.

In the first nine months of 2022, the **free cash flow of the industrial business** resulted in a cash outflow of €0.1 billion (Q1-3 2021: cash inflow €0.6 billion). The decline in the first nine months of 2022 was influenced by the following factors:

- Negative development of working capital due to the increase in inventories, on the one hand due to a high number of vehicles in the delivery process, on the other hand due to bottlenecks in the supply chains
- M&A transactions from the fuel cell joint venture, cellcentric, in 2021
- Special allocation to the pension fund
- Higher income tax payment
- + Positive effect on the liquidity situation owing to a good business performance

For a more transparent presentation of the ongoing business, we have identified and reported an **adjusted free cash flow of the industrial business** [↗ B.09](#). In the adjustments from M&A transactions in the prior year, positive effects were realized from the sale of shares in cellcentric to the Volvo Group; effects from the Focus project had a positive impact in the current year. Additional adjustments resulted from restructuring measures, primarily from the Focus and Stream projects. In the first nine months of 2022, the adjusted free cash flow of the industrial business resulted in a cash inflow of €0.1 billion (2021: cash inflow €0.1 billion).

In addition to the derivation from the published cash flows from operating and investing activities, the **free cash flow of the industrial business** can be derived from the cash flows before interest and taxes ("CFBIT"). The reconciliation of CFBIT to free cash flow of the industrial business also includes taxes and interest paid. In addition to the eliminations between the segment, the other reconciliation items include items that are attributable to the industrial business but for which the segments are not responsible. Table [↗ B.10](#) shows the reconciliation of the CFBIT to the free cash flow of the industrial business.

**B.10****Reconciliation from CFBIT to the free cash flow of the industrial business**

In millions of euros	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
<b>CFBIT of the Industrial Business</b>	<b>875</b>	-613	<b>1,012</b>	1,181
Income taxes paid/refunded	-322	-171	-942	-431
Interest paid/received	25	-15	30	-44
Other reconciling items	14	17	-192	-57
<b>Free cash flow of the industrial business</b>	<b>592</b>	-782	<b>-91</b>	649

The **CFBIT of the industrial business** is derived from EBIT and changes in operating assets and liabilities (“net assets”) and also includes additions of right-of-use assets. The repayment of the existing financing liabilities by the Daimler Truck Group, which is part of the consideration transferred for the acquired financial services business and was financed by the industrial business, is excluded, as these are not part of the operating activities of the industrial business. Table [B.11](#) shows the

composition of the CFBIT for the Daimler Truck industrial business. Table [B.12](#) shows the reconciliation of CFBIT to **adjusted CFBIT** and the **adjusted cash conversion rate** for the industrial business.

An adjusted cash conversion rate of 0.5 was achieved for the industrial business of the Daimler Truck Group in the first nine months of 2022. This is slightly higher than the prior year’s value of 0.3.

## B.11

### CFBIT

#### Industrial business

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
<b>EBIT</b>	<b>984</b>	357	<b>2,310</b>	2,819
Change in working capital	<b>-535</b>	-1,187	<b>-1,783</b>	-1,375
Net financial investments	<b>-238</b>	45	<b>-179</b>	672
Net investments in property, plant and equipment and intangible assets	<b>-205</b>	-204	<b>-533</b>	-503
Depreciation and amortization/impairments	<b>277</b>	279	<b>818</b>	836
Other	<b>591</b>	97	<b>380</b>	-1,268
<b>CFBIT</b>	<b>875</b>	-613	<b>1,012</b>	1,181

## B.12

### Reconciliation to CFBIT adjusted

#### Industrial business

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
<b>CFBIT</b>	<b>875</b>	-613	<b>1,012</b>	1,181
Legal proceedings (and related measures)	-	-	-	-
Restructuring measures	<b>5</b>	9	<b>127</b>	130
M&A transactions	<b>74</b>	-92	<b>110</b>	-684
<b>Adjusted CFBIT</b>	<b>953</b>	-696	<b>1,248</b>	627
<b>Adjusted EBIT</b>	<b>1,223</b>	475	<b>2,767</b>	1,837
<b>Cash conversion rate adjusted<sup>1</sup></b>	<b>0.8</b>	-1.5	<b>0.5</b>	0.3

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

The **net liquidity of the industrial business** [↗ B.13](#) is calculated as the total amount as shown in the balance sheet of cash, cash equivalents as well as marketable debt securities and similar investments included in liquidity management, less the currency-hedged nominal amounts of financing liabilities.

To the extent that the Group's internal refinancing of the financial services business is provided by the companies of the industrial business, this amount is deducted in the calculation of the net debt of the industrial business. Compared with December 31, 2021, the net liquidity of the industrial business increased by €0.1 billion to €6.2 billion.

Net debt at Group level, which primarily results from refinancing the leasing and sales-financing business, increased compared with December 31, 2021 by €6.0 billion to €15.2 billion [↗ B.14](#).

### B.13

#### Net liquidity of the industrial business

In millions of euros	Sept. 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	5,705	6,904	-1,199
Marketable debt securities and similar investments	541	99	+442
<b>Liquidity</b>	<b>6,245</b>	<b>7,003</b>	<b>-758</b>
Financing receivables/liabilities	561	-966	+1,527
Market valuation and currency hedges for financing liabilities	-647	-14	-633
<b>Financing liabilities (nominal)</b>	<b>-86</b>	<b>-980</b>	<b>+894</b>
<b>Net liquidity</b>	<b>6,159</b>	<b>6,024</b>	<b>+135</b>

### B.14

#### Net debt of the Daimler Truck Group

In millions of euros	Sept. 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	6,032	7,244	-1,212
Marketable debt securities and similar investments	606	139	+467
<b>Liquidity</b>	<b>6,638</b>	<b>7,383</b>	<b>-745</b>
Financing liabilities	-21,209	-16,599	-4,610
Market valuation and currency hedges for financing liabilities	-647	-14	-633
<b>Financing liabilities (nominal)</b>	<b>-21,856</b>	<b>-16,613</b>	<b>-5,243</b>
<b>Net debt</b>	<b>-15,218</b>	<b>-9,230</b>	<b>-5,988</b>

### Refinancing

In the third quarter of 2022, the Daimler Truck Group successfully issued a **bond** on the international money and capital markets with two tranches of CAD 0.8 billion, the funds of which were received by the Daimler Truck Group in September. This benchmark bond (high nominal volume bond) is shown in table [↗ B.15](#).

In addition, Daimler Truck has a syndicated **credit line** from an international banking consortium in place since August 2021 for an initial total of €18.0 billion. Of this amount, €5.0 billion is attributable to a revolving credit line, which had not been utilized as of the reporting date. €13.0 billion relate to bridge financing as part of the spin-off from Mercedes-Benz Group AG. In accordance with the contract, the bridge financing was reduced to €0.3 billion by means of capital measures in December 2021 as well as in April and September 2022. The remaining amount of €0.3 billion was fully utilized as of the reporting date of September 30, 2022.

In September 2022, Daimler Truck AG concluded a **revolving credit line** in the amount of €1.0 billion with a group of international banks. This credit line has a term of 24 months and includes an option to increase from which the loan amount can be topped up by up to €500 million during the first 18 months of the term. The credit line was not drawn down as of the reporting date of September 30, 2022.

### B.15

#### Benchmark issuances

Issuer	Volume	Month of emission	Maturity
Daimler Trucks Finance Canada Inc.	600 Mio. C\$	09.2022	09.2025
Daimler Trucks Finance Canada Inc.	200 Mio. C\$	09.2022	09.2027

## Financial Position

Compared with December 31, 2021, **total assets** increased from €54.8 billion to €65.4 billion. The increase includes €3.9 billion in effects from currency translation and after adjusting for currency effects, an increase of €6.7 billion was recorded. Of total assets, €25.1 billion was attributable to Financial Services (prior year: €17.9 billion). Current assets

account for 51.8% of the balance sheet total, slightly higher than in the prior year (December 31, 2021: 51.0%). Current liabilities amount to 30.5% of the balance sheet total, thus slightly below than in the prior year (December 31, 2021: 31.6%).

Table [7 B.16](#) shows the Condensed Consolidated Statement of Financial Position for the Daimler Truck Group as well as the industrial business and Financial Services.

### B.16

#### Condensed statement of financial position

	Daimler Truck Group		Industrial business		Financial Services	
	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2022	Dec. 31, 2021
In millions of euros						
<b>Assets</b>						
Intangible assets	2,816	2,700	2,783	2,688	33	12
Property, plant and equipment	7,907	7,860	7,818	7,784	89	76
Equipment on operating leases	3,987	3,542	3,191	3,294	796	248
Receivables from financial services	22,401	16,098	–	–	22,401	16,098
Equity-method investments	1,132	1,369	1,132	1,369	–	–
Inventories	10,643	7,793	10,554	7,783	89	10
Trade receivables	4,695	3,962	4,463	3,647	232	315
Cash and cash equivalents	6,032	7,244	5,705	6,904	327	340
Marketable debt securities and similar investments	606	139	541	99	65	40
thereof current	584	105	541	99	43	6
thereof non-current	22	34	–	–	22	34
Other financial assets	1,591	1,360	1,074	897	517	463
Other assets	3,592	2,733	3,068	2,409	524	324
<b>Total</b>	<b>65,402</b>	<b>54,800</b>	<b>40,329</b>	<b>36,874</b>	<b>25,073</b>	<b>17,926</b>
<b>Equity and liabilities</b>						
Equity	20,744	16,423	18,583	14,858	2,161	1,565
Provisions	6,195	7,161	6,057	7,047	138	114
Financing liabilities	21,209	16,599	-561	966	21,770	15,633
thereof current	5,909	5,479	-6,680	-3,185	12,589	8,664
thereof non-current	15,300	11,120	6,119	4,151	9,181	6,969
Trade payables	5,599	4,359	5,523	4,243	76	116
Other financial liabilities	5,307	4,300	4,623	3,887	684	413
Contract and refund liabilities	3,943	3,419	3,943	3,419	–	–
Other liabilities	2,405	2,539	2,161	2,453	244	85
<b>Total</b>	<b>65,402</b>	<b>54,800</b>	<b>40,329</b>	<b>36,874</b>	<b>25,073</b>	<b>17,926</b>

Under assets, an increase in equipment on operating leases, receivables from financial services and inventories is recorded whereas cash and cash equivalents were below the prior-year level.

**Intangible assets** of €2.8 billion were slightly above the prior-year level (December 31, 2021: €2.7 billion). The development costs capitalized in the first nine months of 2022 amount to €131 million (Q1-3 2021: €147 million) which is equivalent to a share of 10.3% (Q1-3 2021: 12.9%) in the Group's total research and development activities.

**Property, plant and equipment** (including right-of-use assets) amount to €7.9 billion (December 31, 2021: €7.9 billion), thus on prior-year level. Investments in property, plant and equipment increased from €344 million to €427 million. At the Group's production and assembly plants, investments were primarily made in new technologies (zero-emission vehicles), the further development of existing products and the expansion of sales structures. In the first nine months of 2022, the German sites accounted for investments in property, plant and equipment of €154 million (Q1-3 2021: €158 million).

**Equipment on operating leases and receivables from financial services** increased to €26.4 billion (December 31, 2021: €19.6 billion). This is mainly due to the Financial Services business acquired from the Mercedes-Benz Group, but also due to new business and effects from currency translation. The share of leasing and sales financing business of 40.4% of total assets therefore was above that of the prior year (December 31, 2021: 35.8%).

**Equity-method investments** fell to €1.1 billion (December 31, 2021: €1.4 billion). On the one hand, the decline was due to the impairment of the equity investment of the shareholding in the Russian joint venture Daimler Kamaz Truck Holding GmbH. The Daimler Truck Group has decided to discontinue all business activities in Russia until further notice. On the other hand, the elimination of revenues at Group level reduced the carrying amount of the investment in the Chinese joint venture BFDA. This elimination took place in connection with a technology licensing agreement for the localization of Mercedes-Benz trucks for the Chinese market.

**Inventories** increased from €7.8 billion to €10.6 billion. The increase was mainly due to the bottlenecks in the supply chain as well as a high number of vehicles in the delivery process.

**Cash and cash equivalents** decreased from €7.2 billion to €6.0 billion due repayments of loans to banks.

With regard to equity and liabilities there were increases in equity, financing liabilities and trade payables, while provisions were below the prior-year level.

Compared with December 31, 2021, the Group's **equity** increased from €16.4 billion to €20.7 billion. Positive effects were due to the Group's net profit of €2.2 billion, the effects of currency translation of €0.8 billion and actuarial gains from defined-benefit pension plans of €1.2 billion.

Whereas equity and liabilities increased by 19.3%, equity increased by 26.3% compared with the prior year. The Group's **equity ratio** of 31.7% was therefore above the level of the prior year (December 31, 2021: 30.0%); the equity ratio for the industrial business was 46.1% (December 31, 2021: 40.3%).

At €6.2 billion **provisions** were below the prior year's level (December 31, 2021 €7.2 billion). In particular, provisions for pensions and similar obligations decreased, primarily as a result of the significant increase in actuarial interest rates.

**Financing liabilities** increased from €16.6 billion to €21.2 billion. The change was mainly due to the refinancing of the Financial Services business acquired from the Mercedes-Benz Group in the reporting period. Refinancing was achieved through borrowings on the capital markets and bilateral bank loans.

**Trade payables** of €5.6 billion were above the prior year (December 31, 2021: €4.4 billion). The increase was related to higher order and production volumes.

Further information on the assets presented in the Consolidated Statement of Financial Position and on the Group's equity and liabilities is provided in the Consolidated Statement of Financial Position [↗ C.03](#), the Consolidated Statement of Changes in Equity [↗ C.05](#) and the related disclosure in the Notes to the Condensed Interim Consolidated Financial Statements.

## Risk and Opportunity Report

The risks and opportunities that could have a material impact on the profitability, liquidity and capital resources, and financial position of the Daimler Truck Group, as well as detailed information on our risk and opportunity management system, were presented in our Annual Report 2021 as part of the Combined Management Report on pages 95 to 109. In addition, we refer to the notes on forward-looking statements at the end of this interim group management report and to [Note 19](#) of the Interim Consolidated Financial Statements for further information on legal proceedings.

The remaining 2022 financial year will continue to be fraught with great uncertainty, both for the global economy and for the business development of Daimler Truck, and will be materially influenced by the effects of the **Russia-Ukraine war**. The sanctions of the EU and the US remain in force. Accordingly, the risks described in the Annual Report 2021 remain high due to legal and political conditions and continue to be classified as having a medium probability of occurrence.

**Inflation** in the core markets of the US and Europe is at a high level as a result of the Russia-Ukraine war, among other factors. The further course of the economy in the 2022 financial year also depends on potential further countermeasures by the Federal Reserve and the European Central Bank. Both non-intervention and strong intervention by central banks can lead to significant upheavals in the financial and sales markets. In response to inflation, Daimler Truck implemented price adjustments. Measures taken by the central banks to date have taken place at a different pace. As a result, the exchange rates in the major markets of the Daimler Truck Group were more volatile and impacted the results achieved from the foreign Group companies outside the eurozone.

These events will determine both the further performance of the global economy and the business development of Daimler Truck. The statement made on the overall risk assessment as part of the Combined Management Report in the Annual Report 2021 remains valid.

Changes in risks and opportunities are continuously monitored, evaluated and, if appropriate, taken into account in planning during the year.

## Outlook

The Russia-Ukraine war, the COVID-19-related lockdowns in China and the sharply increasing consumer prices worldwide are weighing on global economic growth, with the result that we expect growth for 2022 as a whole to be significantly lower at 2.5% than in the prior year (+5.9%).

In front of the backdrop of the economic interdependence between Russia and the eurozone and its dependence on Russian oil, gas and coal exports, the eurozone is particularly affected by the Russia-Ukraine war. Nevertheless, we are currently expecting economic growth of around 3% for the eurozone this year. Due to the increased energy prices, our inflation forecast for the eurozone for 2022 is around 8.5% and therefore at an exceptionally high level.

The outlook for the US economy is also deteriorating due to the high inflation rates and the more restrictive monetary policy environment so that we currently expect growth of only just over 1.5% for 2022. Similarly, the inflation rate is expected to reach a very high level of around 8%.

The following table [↗ B.17](#) shows our key forecasts for the 2022 financial year. The 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. Overall, however, we forecast that there will be no production downtimes due to the availability of gas and that we will significantly increase our unit sales in the fourth quarter compared with the prior quarters of this year.



## B.17

### Forecast key figures Daimler Truck

	2021 Combined Management Report  Outlook for 2022	Q1/Q2 2022  Updated outlook for 2022	Q3 2022  Updated outlook for 2022	Explanations of the change in the outlook
<b>Market for heavy-duty trucks</b>				
North America - in thousands of units -	255 to 295	-	-	
EU30 - in thousands of units -	240 to 280	-	260 to 300	
<b>Group</b>				
Revenue	45.5 to 47.5 bn €	48.0 to 50.0 bn €	50.0 to 52.0 bn €	<ul style="list-style-type: none"> <li>• Improved net pricing</li> <li>• Positive effects from exchange-rate developments</li> </ul>
EBIT	slight decrease	at prior year level	slight increase	<ul style="list-style-type: none"> <li>• Slight EBIT increase due to adjusted revenue forecast</li> </ul>
EBIT (adjusted)	significant increase	-	-	
Investment in property, plant and equipment	slight increase	-	-	
Research and development expenditure (including capitalized development costs)	slight increase	-	-	
<b>Industrial business</b>				
Unit sales - in thousands of units -	500 to 520	-	-	
Revenue	44.0 to 46.0 bn €	46.0 to 48.0 bn €	48.0 to 50.0 bn €	<ul style="list-style-type: none"> <li>• Analogous to the disclosures on Group revenue</li> </ul>
Return on sales (adjusted)	7% to 9%	-	-	
Free Cash Flow	at prior year level	-	-	
<b>Trucks North America</b>				
Unit sales - in thousands of units -	175 to 195	-	-	
Return on sales (adjusted)	10% to 12%	-	-	
<b>Mercedes-Benz</b>				
Unit sales - in thousands of units -	155 to 175	-	-	
Return on sales (adjusted)	6% to 8%	-	7% to 9%	<ul style="list-style-type: none"> <li>• Improved margin, especially in the new vehicle business</li> </ul>
<b>Trucks Asia</b>				
Unit sales - in thousands of units -	140 to 160	-	-	
Return on sales (adjusted)	3% to 5%	1% to 3%	-	
<b>Daimler Buses</b>				
Unit sales - in thousands of units -	20 to 25	-	-	
Return on sales (adjusted)	> 0%	-	-	
<b>Financial Services</b>				
New business	8 to 9 bn €	9 to 10 bn €	-	
Return on equity (adjusted)	5% to 7%	9% to 11%	-	

**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.

# Consolidated Statement of Income

## C.01

	Note	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros					
Revenue	3	13,507	9,160	36,162	28,418
Cost of sales		-10,987	-7,501	-29,345	-23,126
<b>Gross profit</b>		<b>2,520</b>	1,659	<b>6,817</b>	5,292
Selling expenses		-669	-649	-2,139	-1,924
General administrative expenses		-559	-361	-1,411	-1,143
Research and non-capitalized development costs		-404	-335	-1,144	-991
Other operating income	4	203	162	669	1,753
Other operating expense	4	-30	-59	-166	-245
Profit/loss on equity-method investments, net	9	-43	15	-155	138
Other financial income/expense, net		39	-58	121	60
<b>Earnings before interest and taxes (EBIT)</b>	22	<b>1,057</b>	374	<b>2,592</b>	2,940
Interest income		33	10	115	38
Interest expense		-45	-30	-150	-107
<b>Profit before income taxes</b>		<b>1,045</b>	354	<b>2,557</b>	2,871
Income taxes	5	-55	-140	-346	-606
<b>Net profit</b>		<b>990</b>	214	<b>2,211</b>	2,265
thereof profit attributable to non-controlling interests		26	7	68	23
thereof profit attributable to shareholders		964	207	2,143	2,242
<b>Earnings per share (in euros)</b>					
for profit attributable to shareholders	23				
<b>Basic and diluted</b>		<b>1.17</b>	0.25	<b>2.60</b>	2.72

# Consolidated Statement of Comprehensive Income

## C.02

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
<b>Net profit</b>	<b>990</b>	214	<b>2,211</b>	2,265
Gains/losses on currency translation	<b>418</b>	285	<b>837</b>	458
Gains/losses on debt instruments	<b>-5</b>	-1	<b>1</b>	-
Gains/losses on derivative financial instruments	<b>25</b>	10	<b>25</b>	-10
<b>Items that may be reclassified to profit/loss</b>	<b>438</b>	294	<b>863</b>	448
Actuarial gains/losses from pensions and similar obligations	<b>134</b>	97	<b>1,187</b>	750
Gains/losses on equity instruments	<b>-9</b>	-2	<b>-7</b>	-2
<b>Items that will not be reclassified to profit/loss</b>	<b>125</b>	95	<b>1,180</b>	748
<b>Other comprehensive income, net of taxes</b>	<b>562</b>	389	<b>2,043</b>	1,196
thereof loss attributable to non-controlling interests, after taxes	<b>2</b>	4	<b>-16</b>	-3
thereof income attributable to shareholders, after taxes	<b>560</b>	385	<b>2,059</b>	1,199
<b>Total comprehensive income</b>	<b>1,552</b>	603	<b>4,254</b>	3,461
thereof income attributable to non-controlling interests	<b>28</b>	11	<b>52</b>	20
thereof income attributable to shareholders	<b>1,524</b>	592	<b>4,202</b>	3,441

# Consolidated Statement of Financial Position

## C.03

	Note	Sept. 30, 2022	Dec. 31, 2021
In millions of euros			
<b>Assets</b>			
Intangible assets	6	2,816	2,700
Property, plant and equipment	7	7,907	7,860
Equipment on operating leases	8	3,987	3,542
Equity-method investments	9	1,132	1,369
Receivables from financial services	10	12,468	8,943
Marketable debt securities and similar investments		22	34
Other financial assets	11	837	706
Deferred tax assets		1,924	1,388
Other assets		403	309
<b>Total non-current assets</b>		<b>31,496</b>	<b>26,851</b>
Inventories	12	10,643	7,793
Trade receivables		4,695	3,962
Receivables from financial services	10	9,933	7,155
Cash and cash equivalents		6,032	7,244
Marketable debt securities and similar investments		584	105
Other financial assets	11	754	654
Other assets		1,265	1,036
<b>Total current assets</b>		<b>33,906</b>	<b>27,949</b>
<b>Total assets</b>		<b>65,402</b>	<b>54,800</b>
<b>Equity and liabilities</b>			
Share capital		823	823
Capital reserves		14,277	14,277
Retained earnings		5,299	1,886
Other reserves		-194	-1,066
<b>Equity attributable to shareholders</b>		<b>20,205</b>	<b>15,920</b>
Non-controlling interests		539	503
<b>Total equity</b>	13	<b>20,744</b>	<b>16,423</b>
Provisions for pensions and similar obligations	14	1,188	2,471
Provisions for other risks	15	2,681	2,645
Financing liabilities	16	15,300	11,120
Other financial liabilities	17	2,376	1,802
Deferred tax liabilities		55	68
Deferred income	18	998	1,111
Contract and refund liabilities		2,080	1,785
Other liabilities		52	31
<b>Total non-current liabilities</b>		<b>24,730</b>	<b>21,033</b>
Trade payables		5,599	4,359
Provisions for other risks	15	2,326	2,045
Financing liabilities	16	5,909	5,479
Other financial liabilities	17	2,931	2,498
Deferred income	18	627	664
Contract and refund liabilities		1,863	1,634
Other liabilities		673	665
<b>Total current liabilities</b>		<b>19,928</b>	<b>17,344</b>
<b>Total equity and liabilities</b>		<b>65,402</b>	<b>54,800</b>

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

# Consolidated Statement of Cash Flows

## C.04

	Q1-3 2022	Q1-3 2021
In millions of euros		
Profit before income taxes	2,557	2,871
Depreciation and amortization/impairments	854	882
Other non-cash expense and income	223	-775
Gains (-)/losses (+) on disposals of assets	-5	-633
Change in operating assets and liabilities		
Inventories	-2,113	-2,105
Trade receivables	-531	58
Trade payables	1,000	620
Receivables from financial services	-2,107	701
Vehicles on operating leases	-19	255
Cash outflows from the settlement of pre-existing relationships	-118	-
Other operating assets and liabilities	-106	-120
Income taxes paid	-878	-485
<b>Cash flows from operating activities</b>	<b>-1,243</b>	<b>1,269</b>
Additions to property, plant and equipment	-427	-344
Additions to intangible assets	-172	-172
Proceeds from disposals of property, plant and equipment and intangible assets	79	89
Proceeds from the disposal of shares in Daimler Truck Fuel Cell GmbH & Co. KG <sup>1</sup>	-	634
Cash flows from disposals of shareholdings	-8	136
Net cash outflows from the acquisition of Financial Services business <sup>2</sup>	-1,757	-
Net cash inflows from the acquisition of Financial Services business <sup>2</sup>	55	-
Investments in other shareholdings	-174	-135
Acquisition of marketable debt securities and similar investments	-2,213	-1,290
Proceeds from sales of marketable debt securities and similar investments	1,786	2,976
Other	9	48
<b>Cash flows from investing activities</b>	<b>-2,822</b>	<b>1,942</b>
Change in financing liabilities	2,679	-2,266
Transactions with the Mercedes-Benz Group	-23	-1,112
Dividends paid to non-controlling interests	-39	-27
<b>Cash flows from financing activities</b>	<b>2,617</b>	<b>-3,405</b>
Effect of foreign exchange-rate changes on cash and cash equivalents	235	6
<b>Net decrease in cash and cash equivalents</b>	<b>-1,213</b>	<b>-188</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,244</b>	<b>1,663</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,032</b>	<b>1,475</b>

1 Daimler Truck Fuel Cell GmbH & Co. KG changed its name to cellcentric GmbH & Co.KG after the acquisition of 50% of the shares by the Volvo Group.

2 In connection with the Phase 2 Transactions, the Daimler Truck Group purchased some truck and bus-related financial services companies as well as a financial service business (together hereinafter also referred to as the "Acquired Financial Services Business") from the Mercedes-Benz Group.

# Consolidated Statement of Changes in Equity

## C.05

In millions of euros	Share capital	Capital reserve	Invested equity attributable to the Mercedes-Benz Group <sup>1</sup> / Retained earnings <sup>2</sup>	Other reserves	
				Currency translation	Items that may be reclassified in profit/loss  Equity instruments/ debt instruments
<b>Balance at January 1, 2021</b>	-	-	9,703	-1,525	19
Net profit	-	-	2,242	-	-
Other comprehensive income/loss before taxes	-	-	913	461	-3
Deferred taxes on other comprehensive income/loss	-	-	-163	-	1
Total comprehensive income/loss	-	-	2,992	461	-2
Dividends to Non-controlling interests	-	-	-	-	-
Transactions with Mercedes-Benz Group <sup>1</sup>	-	-	-1,167	-	-
Other	-	-	28	-	-
<b>Balance at Sept. 30, 2021</b>	-	-	<b>11,556</b>	<b>-1,064</b>	<b>17</b>
<b>Balance at January 1, 2022</b>	<b>823</b>	<b>14,277</b>	<b>1,886</b>	<b>-1,092</b>	<b>13</b>
Net profit	-	-	2,143	-	-
Other comprehensive income/loss before taxes	-	-	1,319	853	-4
Deferred taxes on other comprehensive income/loss	-	-	-132	-	-1
Total comprehensive income/loss	-	-	3,330	853	-5
Dividends to Non-controlling interests	-	-	-	-	-
Other	-	-	83	-	-
<b>Balance at Sept. 30, 2022</b>	<b>823</b>	<b>14,277</b>	<b>5,299</b>	<b>-239</b>	<b>8</b>

1 Until the spin-off on December 9, 2021, the net assets attributable to the Daimler Truck companies within the Mercedes-Benz Group were reported as invested equity. Daimler Truck companies' transactions with the Mercedes-Benz Group's companies recognized directly in equity were reported separately. After the spin-off, the invested equity was divided up in accordance with the legal structure and the articles of incorporation of Daimler Truck Holding AG as the Daimler Truck Group's parent company; transactions with the companies of the Mercedes-Benz Group recognized in equity are reported as transactions with shareholders in the item Other changes.

2 Retained earnings also include items that will not be reclassified to the Consolidated Statement of Income.

Derivative financial instruments	Equity attributable to shareholders	Non-controlling interests	Total equity	
				In millions of euros
28	8,225	483	8,708	<b>Balance at January 1, 2021</b>
-	2,242	23	2,265	Net profit
-10	1,361	-3	1,358	Other comprehensive income/loss before taxes
-	-162	-	-162	Deferred taxes on other comprehensive income/loss
-10	3,441	20	3,461	Total comprehensive income/loss
-	-	-26	-26	Dividends to Non-controlling interests
-	-1,167	-	-1,167	Transactions with Mercedes-Benz Group <sup>1</sup>
-9	19	17	36	Other
<b>9</b>	<b>10,518</b>	<b>494</b>	<b>11,012</b>	<b>Balance at Sept. 30, 2021</b>
<b>13</b>	<b>15,920</b>	<b>503</b>	<b>16,423</b>	<b>Balance at January 1, 2022</b>
-	2,143	68	2,211	Net profit
<b>23</b>	<b>2,191</b>	<b>-16</b>	<b>2,175</b>	Other comprehensive income/loss before taxes
<b>2</b>	<b>-131</b>	<b>-</b>	<b>-131</b>	Deferred taxes on other comprehensive income/loss
<b>25</b>	<b>4,202</b>	<b>52</b>	<b>4,254</b>	Total comprehensive income/loss
-	-	-52	-52	Dividends to Non-controlling interests
-	83	36	119	Other
<b>37</b>	<b>20,205</b>	<b>539</b>	<b>20,744</b>	<b>Balance at Sept. 30, 2022</b>



# Notes to the Condensed Interim Consolidated Financial Statements

## 1. Principles and methods used in the Interim Financial Statements

### General

The Interim Consolidated Financial Statements ("Interim Financial Statements") of Daimler Truck Holding AG (hereinafter also referred to as "DTH" or the "Company") and its subsidiaries (hereinafter also referred to as "Daimler Truck" or the "Group") have been prepared in accordance with Section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG) and International Accounting Standard ("IAS") 34 – Interim Reporting.

The Interim Financial Statements comply with the International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Daimler Truck Holding AG is a stock corporation organized under the laws of the Federal Republic of Germany. The Company is domiciled in Stuttgart and entered in the Commercial Register of the District Court of Stuttgart under No. HRB 778600 with its business address at Fasanenweg 10, 70771 Leinfelden-Echterdingen, Germany.

The Interim Financial Statements are presented in Euros. Amounts are stated in millions of Euros, except where otherwise indicated. Rounding differences may arise when individual amounts or percentages are added together.

The Interim Consolidated Financial Statements were prepared and authorized for publication by the Board of Management of Daimler Truck Holding AG on November 10, 2022. The Interim Consolidated Financial Statements have been reviewed by the Group's auditors.

In the opinion of the management, the Interim Financial Statements reflect all adjustments (i.e., normal recurring adjustments) necessary for a fair presentation of the profitability, liquidity and capital resources, and financial position of the Group. All significant intercompany accounts and transactions have been eliminated.

### Accounting policies

Unless otherwise stated, the Interim Financial Statements were prepared on the basis of the accounting policies of the audited and published IFRS Consolidated Financial Statements of Daimler Truck Holding AG and its subsidiaries at December 31, 2021 ("2021 Consolidated Financial Statements") and should be read in conjunction.

### IFRS issued, EU endorsed and initially adopted in the reporting period

No new standards or other amendments and improvements to standards have been adopted that are mandatory for fiscal year beginning on January 1, 2022 and are expected to have a material impact on the net assets, financial position and results of operations of the Group.

### IFRS issued, but not yet adopted

The impact of new and amended standards and interpretations effective for periods beginning after December 31, 2021 are disclosed in the 2021 Consolidated Financial Statements. Daimler Truck does not voluntarily apply any of the new or amended standards and interpretations prematurely.

### Economic influences and irregular expenditure

Results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full financial year.

In the first nine months of 2022 the Group incurred expenses from cost-optimization programs in connection with the measures agreed with the General Works Council of Mercedes-Benz Group AG in December 2019 to reduce costs and reduce jobs in a socially responsible manner. The expenses were primarily attributable to the Mercedes-Benz and Daimler Buses segment.

The Group also recorded a provision for a constructive obligation in connection with the transformation plan announced by Mercedes-Benz do Brasil Ltda. (Brasil) in September 2022 to restructure certain internal activities and thus reduce costs and approx. 2200 jobs in a socially responsible manner. The expenses were primarily attributable to the Mercedes-Benz segment.

In the third quarter of 2022, expenses from these programs amounted to €158 million (Q3 2021: €17 million).

In the first nine months of 2022, expenses from these programs amounted to €191 million (Q1-3 2021: €116 million).


### Income taxes

The income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

### Significant events and transactions during the reporting period

Russia has been at war with Ukraine since the end of February 2022 (“Russia-Ukraine War”). On February 27, 2022, the Group decided to suspend all its business activities in Russia until further notice. As a result of the Russia-Ukraine War, trade receivables of €99 million have been impaired, recognized in selling expenses. In the third quarter of 2022, an impairment on inventories of €17 million was carried out. Additionally, an impairment test was performed on February 28, 2022, on the joint venture Daimler KAMAZ Trucks Holding GmbH (“DKTH”), a joint venture with Russian truck manufacturer KAMAZ. This resulted in an impairment of the equity investment of €71 million to €0 million, presented in the Mercedes-Benz segment. The situation remained unchanged in the third quarter.

### Consolidated Group

In connection with the Phase 2 transactions, the Daimler Truck Group acquired further companies from the Mercedes-Benz Group. Please refer to  [Note 2. Business combinations](#).

## 2. Business combinations

### Acquisition of truck and bus-related Financial Services companies and business units from Mercedes-Benz Group

In connection with the Phase 2 transactions, the Daimler Truck Group purchased the following truck and bus-related Financial Services companies as well as Financial Services business units (together hereinafter also referred to as the “Acquired Financial Services Business”) from Mercedes-Benz Group in the second and third quarter of 2022:

As of the acquisition date on April 1, 2022, the Daimler Truck Group acquired 100% of the shares in the financial services companies Mercedes-Benz Broker Argentina S.A. and Mercedes-Benz Servicios S.A.U including the shares in its subsidiaries Mercedes-Benz Compañía Financiera Argentina S.A. with registered office in Argentina, Buenos Aires, Daimler Truck Financial Services Belgium S.A./N.V. with registered office in Brussels, Belgium (hereinafter also referred to as “BEL”), Mercedes-Benz Trucks Financial Services Italia S.p.A. with registered office in Italy, Rome (hereinafter also referred to as “ITA”), Daimler Truck Financial Services Nederland B.V. with registered office in the Netherlands, Utrecht (hereinafter also referred to as “NL”) and, as of September 30, 2022, Mercedes-Benz Kamyon Finansman A.S. with registered office in Istanbul, Turkey (hereinafter also referred to as “TR”). The above stated share deal transactions constitute business combinations (together hereinafter also referred to as “share deal transactions”) within the meaning of IFRS 3 “Business Combinations”. Due to materiality aspects, the information on the business combinations in Argentina regarding Mercedes-Benz Servicios S.A.U, including the shares in its subsidiary Mercedes-Benz Compañía Financiera Argentina S.A., as well as Mercedes-Benz Broker Argentina S.A. is presented below on an aggregated basis (hereinafter also referred to as “ARG”).

In addition, as of the acquisition date of May 6, 2022, the Daimler Truck Group acquired the truck and bus-related Financial Services business unit of Mercedes-Benz Renting, S.A., headquartered in Madrid, Spain in an asset deal (hereinafter also referred to as “ESP”) and as of acquisition date of August 1, 2022, in another asset deal, the truck and bus-related Financial Services business unit of Mercedes-Benz Financial Services UK Ltd., headquartered in the United Kingdom, Milton Keynes (hereinafter also referred to as “UK”). These acquisitions also constitute a business combination within the meaning of IFRS 3 “Business Combinations”.

With the above transactions, the Daimler Truck Group is strengthening its focus on truck and bus-related leasing and financial services in Europe and South America.

Before the acquisition, there were already existing contractual relationships between the Daimler Truck Group as the acquirer and the acquired truck and bus-related financial services business (“pre-existing relationships”) in the context of the transfer of trucks/buses to the Financial Services companies for renting to end customers as well as from the assumption of opportunities and risks from residual values. These contractual relationships were terminated with the acquisition of the Financial Services companies. The fair value at the time of acquisition was €118 million. The fair value of the pre-existing relationships was measured using the discounted cash flow method. This resulted in other operating income of €63 million, which was recognized in the Consolidated Income Statement of the first nine months of 2022 and allocated in full to the Financial Services segment. This amount corresponds to the lower of the termination amount and the value of the non-market component of the contracts. Existing assets and liabilities of the Daimler Truck Group as the acquirer were also taken into account.

As part of the spin-off agreement from 2021, valuation mechanisms were defined for determining the purchase prices. These include, among other aspects, the preparation of external valuation reports, some of which are not final as of the reporting date. The finalization of these external valuation reports and the associated possible purchase price adjustments are planned for the fourth quarter. No material purchase price adjustments are expected from this.

Table [7 C.06](#) below shows the fair values of each major group of preliminary consideration transferred in respect of the acquired Financial Services business at the respective acquisition dates.

**C.06****Consideration transferred in business combinations (preliminary)**

	ARG	BEL	ITA	NL	ESP	UK	TR	Total
In millions of euros								
Purchase prices of share deal transactions and asset deal transactions <sup>1</sup>	7	2	18	46	192	694	29	<b>988</b>
Repayment of financing liabilities to the Mercedes-Benz Group <sup>2</sup>	-	80	601	396	-	-	-	<b>1,077</b>
Less cash allocated for the settlement of pre-existing relationships	-	-12	-5	-3	-83	-14	-	<b>-118</b>
<b>Total consideration transferred (preliminary purchase price)</b>	<b>7</b>	<b>70</b>	<b>614</b>	<b>439</b>	<b>109</b>	<b>680</b>	<b>29</b>	<b>1,946</b>
Paid until Sept. 30, 2022	7	70	614	439	109	534	23	<b>1,794</b>
Cash acquired	-10	-	-2	-6	-	-	-75	<b>-93</b>
<b>Net Payout until Sept. 30 2022</b>	<b>-3</b>	<b>70</b>	<b>612</b>	<b>433</b>	<b>109</b>	<b>534</b>	<b>-52</b>	<b>1,702</b>

1 The purchase prices for ARG, BEL, NL and ITA are already final.

2 The redeemed financing liabilities are also to be considered final.

As part of the purchase price allocation, the measurement at fair value of the assets purchased and liabilities acquired using the discounted cash flow method led, in addition to the recognition of intangible assets relating to customer relationships and software, in particular to the recognition of the purchased leasing portfolio (receivables from financial services and leased assets) and of goodwill. Badwill from acquisitions at a price below fair value was directly recognized in the Consolidated Statement of Income.

The main assumptions made in the context of the purchase price allocation related to the development of revenue and margins in the corporate planning of the acquired truck and bus-related Financial Services business, expected margin from the credit and leasing portfolios, assumptions on future customer behavior and cost of capital.

Table [7 C.07](#) presents the preliminary allocation of the consideration transferred to the assets purchased and liabilities acquired measured at fair value at the respective acquisition dates.

**C.07****Assets purchased and liabilities acquired at fair value (preliminary)**

	ARG	BEL	ITA	NL	ESP	UK	TR	Total
In millions of euros								
Intangible assets	1	-	-	3	-	5	-	<b>9</b>
Property, plant and equipment	-	-	-	-	-	-	-	-
Equipment on operating leases	-	8	18	97	95	228	-	<b>446</b>
Receivables from financial services	94	69	642	337	-	439	534	<b>2,115</b>
Trade receivables	1	6	-	13	-	-	2	<b>22</b>
Cash and cash equivalents	10	-	2	6	-	-	75	<b>93</b>
Other financial assets	1	-	-	-	3	-	14	<b>18</b>
Other assets	7	1	6	1	1	-	4	<b>20</b>
<b>Total assets</b>	<b>114</b>	<b>84</b>	<b>668</b>	<b>457</b>	<b>99</b>	<b>672</b>	<b>629</b>	<b>2,723</b>
<b>Provisions</b>	-	-	-	-	-	-	2	<b>2</b>
Financing liabilities	68	-	-	-	-	-	532	<b>600</b>
Trade payables	-	5	-	4	-	-	-	<b>9</b>
Other financial liabilities	10	1	-	12	2	-	34	<b>59</b>
Other liabilities	4	1	2	6	2	-	8	<b>23</b>
<b>Total liabilities</b>	<b>82</b>	<b>7</b>	<b>2</b>	<b>22</b>	<b>4</b>	-	<b>576</b>	<b>693</b>
<b>Purchased net assets</b>	<b>32</b>	<b>77</b>	<b>666</b>	<b>435</b>	<b>95</b>	<b>672</b>	<b>54</b>	<b>2,031</b>
<b>Total consideration transferred (preliminary purchase price)</b>	<b>7</b>	<b>70</b>	<b>614</b>	<b>439</b>	<b>109</b>	<b>680</b>	<b>29</b>	<b>1,946</b>
<b>Goodwill (+) or acquisition at a price below fair value (-) (preliminary)</b>	<b>-25</b>	<b>-7</b>	<b>-52</b>	<b>4</b>	<b>14</b>	<b>8</b>	<b>-25</b>	<b>-83</b>

Table 7 C.08 presents the contractually agreed gross amounts of receivables from financial services acquired and trade receivables, as well as the best estimate of the contractual cash flows at the respective acquisition dates, which are expected to be irrecoverable.

The business combinations of BEL, ITA, ARG and TR resulted in an acquisition at a price below fair value in the amount of €109 million and were recognized as other operating income in the Consolidated Statement of Income for the first nine months of 2022. The acquisition at a price below fair value resulted primarily from the expected lower profitability of the companies in connection with the market-standard equity position.

The allocation of the purchase price and the pre-existing relationships is preliminary. The final allocation of the purchase price will be determined after a detailed analysis of the commercial data and assumptions of the financial planning to determine the fair value of all assets purchased and liabilities acquired. As certain information is not yet available or discussions are ongoing, simplified measurement parameters are currently applied for the measurement of existing pre-existing relationships and the purchase price allocation with regard to leasing or financing-related assets and liabilities as well as intangible assets. The purchase price allocation will be completed within one year.

Table 7 C.09 shows the amount of revenue and profit after tax generated of the transactions from the acquisition date to September 30, 2022 recognized in the Consolidated Income Statement for the first nine months of 2022.

The pro forma revenue and pro forma net income after tax that would have been recognized in the Consolidated Statement of Income in the first nine months of 2022 if the business combinations had already taken place on January 1, 2022 would amount to €377 million and €4 million. In determining these amounts, management assumed that the preliminary fair value adjustments made at the acquisition date would also have been effective in the event of an acquisition on January 1, 2022.

Table 7 C.10 shows the respective pro forma components of the acquired Financial Services business from January 1, 2022 until the acquisition date in the above-mentioned pro forma revenues and pro forma consolidated profit after tax.

The acquired financial services business was fully integrated into the existing Financial Services segment.

## C.08

### Gross contractual amounts and best estimate of cash flows expected to be irrecoverable

	ARG	BEL	ITA	NL	ESP	UK	TR	Total
In millions of euros								
Contractual gross amounts	97	76	668	354	–	443	555	<b>2,193</b>
Related cash flows expected to be uncollectible	1	1	27	4	–	4	19	<b>56</b>

## C.09

### Revenues and profit/loss after tax generated between acquisition date and Sept. 30, 2022

	ARG	BEL	ITA	NL	ESP	UK	TR	Total
In millions of euros								
In millions of euros	22	8	21	30	32	21	–	<b>133</b>
Profit/loss after tax	-2	1	3	4	-4	-2	-7	<b>-8</b>

## C.10

### Pro forma components of pro forma revenues and pro forma net profit after tax from January 1, 2022 until acquisition date

	ARG	BEL	ITA	NL	ESP	UK	TR	Total
In millions of euros								
Pro forma revenues (pro rata)	8	4	9	23	22	73	105	<b>244</b>
Pro forma consolidated profit/loss after tax (pro rata)	2	–	–	1	–	-12	21	<b>12</b>

### 3. Revenue

Revenue disclosed in the Consolidated Statement of Income includes revenue from contracts with customers and other revenue not in the scope of IFRS 15 – Revenue from Contracts with Customers.

Revenue from contracts with customers (according to IFRS 15) is disaggregated by the two categories – type of products and services, and geographical regions – and presented in table **7 C.11**. The category type of products and services corresponds to the reportable segments as presented in **6 C** Note 22. Segment reporting.

Other revenue primarily comprises revenue from the rental and leasing business, interest from the financial services business and effects from currency hedging.

Revenue in accordance with IFRS 15 includes revenue from the second quarter of 2022 in the Mercedes-Benz segment from a license agreement with Beijing Foton Daimler Automotive Co., Ltd. (“BFDA”), an at-equity valued financial investment of the Daimler Truck Group (see **6 C** Note 24. Transactions with related parties).

#### C.11

##### Revenue for the three-month periods ended September 30

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q3 2022</b>								
Revenue according to IFRS 15	6,137	5,022	1,670	903	50	13,782	-864	12,918
Europe	56	3,159	112	615	16	3,958	-260	3,698
North America	5,986	320	44	63	10	6,423	-357	6,066
Asia	2	440	1,271	11	4	1,728	-161	1,567
Latin America	35	858	72	181	7	1,153	-75	1,078
Other markets	58	245	171	33	13	520	-11	509
Other revenue	19	131	6	37	430	623	-34	589
Total revenue	6,156	5,153	1,676	940	480	14,405	-898	13,507

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q3 2021</b>								
Revenue according to IFRS 15	3,602	3,525	1,412	759	53	9,351	-639	8,712
Europe	19	2,104	70	602	–	2,795	-187	2,608
North America	3,475	296	8	44	34	3,857	-307	3,550
Asia	2	262	1,132	11	3	1,410	-119	1,291
Latin America	45	666	29	85	3	828	-26	802
Other markets	61	197	173	17	13	461	0	461
Other revenue	2	157	10	51	254	474	-26	448
Total revenue	3,604	3,682	1,422	810	307	9,825	-665	9,160

## Revenue for the nine-month period ended September 30

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q1-3 2022</b>								
Revenue according to IFRS 15	15,857	13,926	4,619	2,283	123	36,808	-2,260	34,548
Europe	125	8,738	278	1,605	24	10,770	-637	10,133
North America	15,444	875	90	165	34	16,608	-941	15,667
Asia	6	1,448	3,638	36	13	5,141	-475	4,666
Latin America	123	2,278	167	412	16	2,996	-169	2,827
Other markets	159	587	446	65	36	1,293	-38	1,255
Other revenue	32	412	24	156	1,064	1,688	-74	1,614
Total revenue	15,889	14,338	4,643	2,439	1,187	38,496	-2,334	36,162

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q1-3 2021</b>								
Revenue according to IFRS 15	11,183	11,343	4,339	1,862	101	28,828	-1,780	27,048
Europe	67	7,348	151	1,388	0	8,954	-522	8,432
North America	10,834	821	61	110	57	11,883	-842	11,041
Asia	11	806	3,424	41	7	4,289	-321	3,968
Latin America	105	1,695	95	261	8	2,164	-92	2,072
Other markets	166	673	608	62	29	1,538	-3	1,535
Other revenue	2	445	16	181	757	1,401	-31	1,370
Total revenue	11,185	11,788	4,355	2,043	858	30,229	-1,811	28,418

## 4. Other operating income and expense

**Other operating income** in the third quarter of 2022 amounted to €203 million (Q3 2021: €162 million) and in the nine-month period ended of 2022 to €669 million (Q1-3 2021: €1,753 million).

In March 2021, other operating income included the gain from the loss of control of cellcentric GmbH & Co. KG ("cellcentric") resulting in a positive effect on earnings of €1,215 million, of which €624 million is accounted for by the remeasurement of the 50% share in cellcentric that is held by the Daimler Truck Group.

Other operating income included the income due to recognition of goodwill in the amount of €109 million and income from the termination of existing contractual relationships (pre-existing relationships) in the amount of €63 million due to the acquisition of the Financial Services business.

In the third quarter of 2022 **other operating expense** amounted to €30 million (Q1-3 2021: €59 million) and in the nine-month period ended of 2022 to €166 million (Q1-3 2021: €245 million).

Other operating expense also includes provisions for liability and litigation risks and regulatory proceedings.

## 5. Income taxes

Table [7 C.12](#) shows profit before income taxes, income taxes and the derived effective tax rate.

<b>C.12</b>				
<b>Income Taxes</b>				
	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
Income/loss before income taxes	1,045	354	2,557	2,871
Income taxes	-55	-140	-346	-606
Effective tax rate	5.3%	39.5%	13.5%	21.1%

In the first nine months 2022, the effective tax rate was materially affected by the reversal of the full valuation allowance on deferred tax assets of € 393 million (Q1-2 2022: € 110 million), which mainly results from the change in the assessment of the recoverability of deferred tax assets and the reduction of temporary differences from provisions for pensions and similar obligations in the German tax group.

In the first nine months 2021, the effective tax rate was reduced due to the formation of the fuel cell joint venture cellcentric. The income from that transaction was only subject to a deferred tax expense for corporate income tax (15.825% including the German solidarity surcharge).

## 6. Intangible assets

The composition of intangible assets is shown in table [C.13](#).

### C.13

#### Intangible assets

	Sept. 30, 2022	Dec. 31, 2021
In millions of euros		
Goodwill (acquired)	717	634
Development costs (internally generated)	754	714
Other intangible assets <sup>1</sup>	1,345	1,352
	<b>2,816</b>	2,700

<sup>1</sup> Other intangible assets include assets subject to amortization and assets with indefinite useful lives not subject to amortization.

Intangible assets include development costs capitalized in the third quarter of 2022 of €42 million (Q3 2021: €61 million) and in the first nine months of 2022 of €131 million (Q1-3 2021: €147 million). Depreciation of capitalized development costs for the third quarter of 2022 amount to €30 million (Q3 2021: €51 million) and in the first nine months of 2022 to €90 million (Q1-3 2021: €153 million).

## 7. Property, plant and equipment

Property, plant and equipment as shown in the Consolidated Statement of Financial Position with a carrying amount of €7,907 million as of September 30, 2022 includes right-of-use assets from lessee accounting (December 31, 2021: €7,860 million).

Property, plant and equipment by category, excluding right-of-use assets, can be found in table [C.14](#).

### C.14

#### Property, plant and equipment (excluding right-of-use assets)

	Sept. 30, 2022	Dec. 31, 2021
In millions of euros		
Land, buildings and leasehold improvements	2,654	2,590
Technical equipment and machinery	1,886	1,873
Other equipment, factory and office equipment	1,706	1,607
Advance payments relating to plant and equipment and construction in progress	552	581
	<b>6,798</b>	6,651

Table [C.15](#) shows the composition of the right-of-use assets.

### C.15

#### Right-of-use assets

	Sept. 30, 2022	Dec. 31, 2021
In millions of euros		
Land, buildings and leasehold improvements	1,068	1,166
Technical equipment and machinery	5	3
Other equipment, factory and office equipment	35	40
	<b>1,108</b>	1,209

## 8. Equipment on operating leases

As at September 30, 2022, the carrying amount of equipment on operating leases was €3,987 million (December 31, 2021: €3,542 million).

The material changes in the third quarter of 2022 and in the first nine months 2022 can be found in the following table [C.16](#):

### C.16

#### Overview Additions and Disposals Equipment on operating leases

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
Additions	420	238	1,082	735
Carrying amount of additions due to business combinations (Fair Value)	228	0	446	0
Net disposals	178	138	565	474
Depreciation	198	163	503	522


Additions due to business combinations represent the Financial Services business acquired from Mercedes-Benz Group.

## 9. Equity-method investments

Table [7 C.17](#) shows the carrying amounts and gains/losses on equity-method investments.

Table [7 C.18](#) presents key figures on interests in joint ventures accounted for using the equity method in the Daimler Truck Group's Consolidated Financial Statements.

For the change in the carrying amount of BFDA, see

 [Note 24](#). Transactions with related parties

### cellcentric

In the first nine months of 2022, the Daimler Truck Group and the Volvo Group provided capital contributions totaling €170 million to cellcentric, resulting in an increase in the Daimler Truck Group's equity investment of €85 million.

### Commercial Vehicle Charging Europe BV

In the third quarter of 2022, the Daimler Truck Group together with Volvo Group and TRATON Group, founded the joint venture CVCharg for the construction and operation of a European high-performance charging infrastructure for battery-powered trucks and coaches.

The joint venture is held in equal shares by the three parties and is included in the consolidated financial statements under the equity method. CVCharg-related activities are not assigned to a reportable segment, but rather to the reconciliation in segment reporting. The equity-method carrying amount at Daimler Truck Group as of September 30, 2022 amounted to €4 million.

### C.17

#### Summary of carrying amounts and gains/losses on equity-method investments

	Associated companies	Joint ventures	Joint operations	Total
In millions of euros				
<b>At September 30, 2022</b>				
Equity investment	126	987	19	1,132
Equity earnings (Q3 2022)	3	-49	3	-43
Equity earnings (Q1-3 2022)	11	-172	6	-155
<b>At December 31, 2021</b>				
Equity investment	120	1,233	16	1,369
Equity earnings (Q3 2021)	-45	59	1	15
Equity earnings (Q1-3 2021)	-34	168	4	138

### C.18

#### Key figures on interests in joint ventures accounted for using the equity method

	cellcentric <sup>1</sup>	BFDA <sup>1</sup>	Other <sup>3</sup>	Total
In millions of euros				
<b>At September 30, 2022</b>				
Equity interest (in %)	50	50		
Equity investment	698	274	15	987
Equity result (Q3 2022)	-12	-36	-1	-49
Equity result (Q1-3 2022)	-40	-61	-71	-172
<b>At December 31, 2021</b>				
Equity interest (in %)	50.0	50.0	-	-
Equity investment	654	474	105	1,233
Equity result (Q3 2021)	-15	63	11	59
Equity result (Q1-3 2021)	-32 <sup>2</sup>	150	50	168

1 No dividends were paid to the Daimler Truck Group in any of the presented periods.

2 The figures for the equity result relate to the period of March 1 to September 30, 2021.

3 At September 30, 2022, including the impairment of DKTH's at-equity investment of €71 million.



## 10. Receivables from financial services

Receivables from financial services are presented in table

[↗ C.19.](#)

### C.19

#### Receivables from financial services

In millions of euros	Sept. 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Gross carrying amount	10,115	12,815	22,930	7,278	9,218	16,496
Sales financing with customers	4,670	9,254	13,924	3,481	6,989	10,470
Sales financing with dealers	4,176	901	5,077	2,858	722	3,580
Finance lease contracts	1,269	2,660	3,929	939	1,507	2,446
Loss allowances	-182	-347	-529	-123	-275	-398
Net carrying amount	9,933	12,468	22,401	7,155	8,943	16,098

## 11. Other financial assets

Other financial assets presented in the Consolidated Statement of Financial Position was comprised as shown in table

[↗ C.20.](#)

Other financial assets recognized at fair value through profit or loss relate exclusively to derivative financial instruments which are not used in hedge accounting.

Further information on other financial assets is provided in

[🔍 Note 21.](#) Financial instruments.

### C.20

#### Other financial assets

In millions of euros	Sept. 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Equity instruments and debt instruments	-	474	474	-	482	482
Recognized at fair value through other comprehensive income	-	101	101	-	85	85
Recognized at fair value through profit or loss	-	217	217	-	244	244
Measured at amortized cost	-	156	156	-	153	153
Derivative financial instruments used in hedge accounting	62	135	197	42	21	63
Other financial assets recognized at fair value through profit or loss	86	-	86	3	2	5
Other financial receivables and miscellaneous other financial assets	606	228	834	609	201	810
	754	837	1,591	654	706	1,360

## 12. Inventories

Inventories are shown in table [C.21](#).

### C.21

#### Inventories

	Sept. 30, 2022	Dec. 31, 2021
In millions of euros		
Raw materials and manufacturing supplies	1,923	1,314
Work in progress	3,867	2,642
Finished goods, parts and products held for resale	4,839	3,832
Advance payments to suppliers	14	5
	<b>10,643</b>	<b>7,793</b>

The increase in inventories was mainly due to supply chain bottlenecks, as well as a high number of vehicles in the delivery process.

## 13. Equity

The individual components of equity and their development over the first nine months of 2022 are presented in the Consolidated Statement of Changes in Equity [C.05](#).

### Share capital

At December 31, 2021, Mercedes-Benz Group AG held a 35.00% interest in the share capital of Daimler Truck Holding AG, of which 6.57% was held indirectly via Mercedes-Benz Verwaltungsgesellschaft für Grundbesitz mbH, Schönefeld, a wholly-owned subsidiary of Mercedes-Benz-Group AG.

In January 2022, Mercedes-Benz Group AG transferred 4.99% of the shares held directly in Mercedes-Benz Pension Trust e.V. and included them in the pension plan assets. As of September 30, 2022 the voting share held by Mercedes-Benz Group AG, excluding the voting rights arising from these shares and including the existing shares held by Mercedes-Benz Verwaltungsgesellschaft für Grundbesitz mbH, is 30.01%.

### Dividend

The Annual General Meeting on June 22, 2022 resolved not to distribute a dividend to shareholders for financial year 2021.

### Other equity components

Other equity components include, among others, changes in the scope of consolidation, resulting from the first time consolidation of Daimler Trucks Asia Taiwan Ltd.

## 14. Pensions and similar obligations

### Composition of provisions for pensions and similar obligations

Table [C.22](#) shows the composition of provisions for pensions and similar obligations.

### C.22

#### Composition of provisions for pensions and similar obligations

	Sep 30, 2022	Dec 31, 2021
In millions of euros		
Provision for pension benefits	612	1,850
Provision for other post-employment benefits	576	621
	<b>1,188</b>	<b>2,471</b>

### Development of funded status

The funded status of pension obligations is shown in table [C.23](#). The decrease in the present value of defined benefit obligations resulted especially from the significant increase in discount rates.

### C.23

#### Development of funded status

	Sep 30, 2022	Dec 31, 2021
In millions of euros		
Present value of the defined benefit obligation for pension benefits	-5,958	-7,951
Fair value of plan assets	5,399	6,109
Net defined benefit liability	-559	-1,842
thereof recognized in other assets	53	8
thereof recognized in provisions for pensions and similar obligations	-612	-1,850

## 15. Provisions for other risks

Provisions for other risks are comprised as shown in table

➔ C.24.

### C.24

#### Provisions for other risks

In millions of euros	Sep 30, 2022			Dec 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Product warranties	890	1,039	1,929	811	877	1,688
Personnel and social costs	791	631	1,422	689	800	1,489
Liability and litigation risks and regulatory proceedings	139	930	1,069	201	869	1,070
Other	506	81	587	344	99	443
	<b>2,326</b>	<b>2,681</b>	<b>5,007</b>	<b>2,045</b>	<b>2,645</b>	<b>4,690</b>

## 16. Financing liabilities

Table ➔ C.25 shows the composition of the financing liabilities.

### C.25

#### Financing liabilities

In millions of euros	Sept. 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	1,059	11,024	12,083	470	6,837	7,307
Liabilities to financial institutions	3,857	2,339	6,196	4,016	2,225	6,241
Deposits in the direct banking business	306	544	850	191	361	552
Liabilities from ABS transactions	309	77	386	501	250	751
Lease liabilities	174	962	1,136	174	1,061	1,235
Loans, other financing liabilities	204	144	348	127	177	304
Non-controlling shareholdings (puttable instruments) in accordance with IAS 32 – Financial Instruments:						
Presentation	–	209	209	–	209	209
	<b>5,909</b>	<b>15,300</b>	<b>21,209</b>	<b>5,479</b>	<b>11,120</b>	<b>16,599</b>

## 17. Other financial liabilities

The composition of other financial liabilities is shown in table [C.26](#).

Financial liabilities measured at fair value through profit or loss relate to derivative financial instruments, which are not related to hedge accounting.

Miscellaneous other financial liabilities include various financial obligations such as liabilities from residual-value guarantees, liabilities from wages and salaries, accrued interest expenses and deposits received.

Further information on other financial liabilities is provided in [Note 21](#). Financial instruments.

### C.26

#### Other financial liabilities

In millions of euros	Sept. 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Derivative financial instruments used in hedge accounting	40	712	752	–	17	17
Financial liabilities recognized at fair value through profit or loss	66	–	66	3	–	3
Miscellaneous other financial liabilities	2,825	1,664	4,489	2,495	1,785	4,280
Liabilities from residual value guarantees	767	1,455	2,222	874	1,574	2,448
Liabilities from wages and salaries	659	43	702	554	40	594
Accrued interest expenses	399	–	399	138	–	138
Deposits received	342	25	367	289	26	315
Other	658	141	799	640	145	785
	2,931	2,376	5,307	2,498	1,802	4,300

## 18. Deferred income

The composition of deferred income is shown in table [C.27](#).

The decline was mainly due to the deferral of revenues received from sales with residual value guarantees at companies in the industrial business segment. The settlement of the pre-existing relationships in the context of the acquisition of Financial Services business from the Mercedes-Benz Group led to a reduction of this item by €68 million.

### C.27

#### Deferred income

In millions of euros	At Sept. 30, 2022			At December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Deferral of revenues received from sales with residual-value guarantees	548	975	1,523	623	1,085	1,708
Deferral of advance rental payments received from operating lease arrangements	25	2	27	6	3	9
Other deferred income	54	22	76	35	23	58
	627	998	1,625	664	1,111	1,775

## 19. Legal proceedings

The subsidiaries of Daimler Truck Holding AG (especially Daimler Truck AG) are confronted with various legal proceedings, claims as well as governmental investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, dealer, supplier and other contractual relationships, intellectual property rights (including but not limited to patent infringement actions), warranty claims, as well as antitrust matters (including actions for damages). If the outcome of such legal proceedings is negative for the Daimler Truck Group or such legal proceedings are settled, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Legal proceedings and related settlements may have an impact on the Group's reputation.

The Group generally records warranty provisions in its financial statements based on past experience and known claims, but such provisions may not be adequate for any liability ultimately incurred as a result of potential vehicle defects. In addition, defective products, product liability claims, warranty claims, product recalls and other similar issues could damage the Group's reputation.

### **Antitrust law proceedings (including actions for damages)**

Mercedes-Benz Group AG, under the former name Daimler AG the former parent entity of Daimler Truck AG, was subject to an antitrust proceeding initiated by the European Commission. In July 2016, the European Commission issued a settlement decision against Daimler AG (now known as Mercedes-Benz Group AG) and four other European truck manufacturers for their participation in anti-competitive behavior in violation of European antitrust rules with regard to pricing and passing on the costs of compliance with strict emission rules for trucks.

Following the settlement decision by the European Commission, legal actions, class actions and other forms of legal redress for damages by direct and indirect truck customers have been filed or initiated in several jurisdictions. Damage claims could result in substantial liabilities for the Daimler Truck Group as well as significant costs expended for defense measures, which may have a material adverse effect on its operations and liquidity and capital resources.

The Daimler Truck Group takes appropriate legal remedies to defend itself.

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (paragraph 92), no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed, so as not to prejudice the Group's position.

### **Accounting estimates and management judgments relating to all legal proceedings**

The Daimler Truck Group recognizes provisions for pending and threatened litigation to the extent that an obligation is probable and its amount can be determined with sufficient accuracy. These provisions are included in the Interim Consolidated Financial Statements and are based on estimates. Contingent liabilities in connection with legal proceedings are disclosed in the Interim Consolidated Financial Statements if they can be measured. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. It is therefore possible that amounts accrued may prove to be insufficient after the conclusion of some of these proceedings or that the Daimler Truck Group may be required to make payments in legal proceedings for which no provisions have been recognized or contingent liabilities disclosed. Uncertainty exists with regard to the amounts or due dates of possible cash outflows. Although the final result of any such proceedings could materially affect the Daimler Truck Group's operating results and cash flows for a particular reporting period, the Daimler Truck Group believes that it should not exert a sustained influence on the Group's profitability, liquidity and capital resources or financial position.

## 20. Other financial obligations

### Phase 2 transactions

As part of the demerger agreement, the Daimler Truck Group has committed to purchase the business of certain Phase 2 entities from the Mercedes-Benz Group in order to complete the reorganizational measures (see [Note 2. Business combinations](#)). The transactions will take place in the form of share deals or asset deals, at market value or fair value. A preliminary valuation of the consideration (purchase price) to acquire the remaining outstanding shares or net assets of the Phase 2 companies not yet transferred was performed, with a preliminary expected total purchase price of €0.1 billion. In addition, as part of the determination of the transaction structure of certain outstanding Phase 2 transactions, it was agreed that the Daimler Truck Group will redeem existing loans of the companies to be acquired with the Mercedes-Benz Group in the amount of €0.2 billion.

For a list of Phase 2 entities and expected transfer dates, refer see table [C.28](#).

### C.28

#### Phase 2 – Reorganizational measures

Phase 2 company	Country	Transaction type	Expected acquisition date
Mercedes-Benz Financial Services España, E.F.C., S.A. <sup>1</sup>	Spain	Share Deal	Q4 2022
Mercedes-Benz Retail, S.A.	Spain	Share Deal	Q4 2022
Mercedes-Benz Slovakia s.r.o.	Slovakia	Asset Deal	Q1 2023
Mercedes-Benz Sosnowiec Sp. z o.o.	Poland	Asset Deal	Q1 2023
Mercedes-Benz Warszawa Sp. z o.o.	Poland	Asset Deal	Q1 2023
Sandown Motor Holdings (Pty) Ltd	South Africa	Share Deal	Q4 2022

<sup>1</sup> The Financial Services business operations will be locally demerged by the Mercedes-Benz Group to newly established entities, which will be subject to acquisition via share deals by the Daimler Truck Group.

## 21. Financial instruments

Table [C.29](#) shows the carrying amounts and fair values of the respective classes of the Group's financial instruments, excluding equity instruments measured at amortized cost and not in the scope of IFRS 9 – Financial Instruments, and lease liabilities.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market.

The fair values of the financial instruments were calculated on the basis of market information available on the reporting date. The following methods and premises were used:

### Marketable debt securities and similar investments and Other financial assets and liabilities

*Marketable debt securities* are recognized at fair value through other comprehensive income or at fair value through profit or loss. Similar investments are measured at amortized cost and are not included in the measurement hierarchy, as their carrying amounts are a reasonable approximation of fair value due to the short terms of these financial instruments and the fundamentally low credit risk.

Daimler Truck AG acquired 9.08% of the shares in Manz AG in Q3 2022 amounting to €31 million. These are recognized at fair value through other comprehensive income.

*Equity instruments* are recognized at fair value through other comprehensive income or at fair value through profit or loss. The Group does not generally intend to sell its equity instruments which are presented at September 30, 2022. Equity instruments held at amortized cost and not in the scope of IFRS 9 have been excluded.

Marketable debt securities and equity instruments recognized at fair value were measured using quoted market prices at the end of the reporting period. If quoted market prices are not available for these debt and equity instruments, fair value measurement is based on inputs that are either directly or indirectly observable in active markets. Fair values are calculated using recognized financial valuation models such as discounted cash flow models or multiples.

*Other financial assets and liabilities recognized at fair value through profit or loss and liabilities* relate to derivative financial instruments not used in hedge accounting. These financial instruments as well as *derivative financial instruments used in hedge accounting* comprise:

- Derivative currency hedging contracts; the fair values of cross-currency interest rate swaps are determined on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using market interest rates appropriate to the remaining terms of the financial instruments. The valuation of currency forwards is based on market quotes of forward curves;
- Derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments.
- Derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices with consideration of forward premiums and discounts and default risks.

#### **Financing liabilities**

The fair values of loans, commercial papers, notes/bonds and liabilities from ABS transactions are calculated as present values of the estimated future cash flows (taking account of credit premiums and credit risks). Market interest rates for the appropriate terms are used for discounting. Financing liabilities exclude lease liabilities.

#### **Other financial liabilities**

*Financial liabilities recognized at fair value through profit or loss* comprise derivative financial instruments not used in hedge accounting. For information regarding these financial instruments as well as derivative financial instruments used in hedge accounting, refer to the above under marketable debt securities and similar investments, other financial assets.

#### **Contract and refund liabilities**

*Contract and refund liabilities* include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as short term. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to their carrying amounts.

Table [7 C.30](#) provides an overview of the classification into measurement hierarchies of financial assets and liabilities recognized at fair value (according to IFRS 13 – Fair value measurement). At the end of each reporting period, Daimler Truck reviews the necessity for reclassification between the fair value hierarchies.

**C.29****Carrying amounts and fair values of financial instruments**

	Sept. 30, 2022		Dec. 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
<b>Financial assets</b>				
Receivables from financial services	22,401	22,207	16,098	16,173
Trade receivables	4,695	4,695	3,962	3,962
Cash and cash equivalents	6,032	6,032	7,244	7,244
Marketable debt securities and similar investments	606	606	139	139
Recognized at fair value through other comprehensive income	529	529	116	116
Recognized at fair value through profit or loss	57	57	14	14
Measured at amortized cost	20	20	9	9
<b>Other financial assets</b>				
Equity instruments and debt instruments	318	318	329	329
Recognized at fair value through other comprehensive income	101	101	85	85
Recognized at fair value through profit or loss	217	217	244	244
Other financial assets recognized at fair value through profit or loss	86	86	5	5
Derivative financial instruments used in hedge accounting	197	197	63	63
Other financial receivables and miscellaneous other financial assets	834	834	810	810
	<b>35,169</b>	<b>34,975</b>	<b>28,650</b>	<b>28,725</b>
<b>Financial liabilities</b>				
Financing liabilities	20,072	19,859	15,364	15,445
Trade payables	5,599	5,599	4,359	4,359
<b>Other financial liabilities</b>				
Financial liabilities recognized at fair value through profit or loss	66	66	3	3
Derivative financial instruments used in hedge accounting	752	752	17	17
Miscellaneous other financial liabilities	4,489	4,489	4,280	4,280
<b>Contract and refund liabilities</b>				
Obligations from sales transactions	464	464	353	353
	<b>31,442</b>	<b>31,229</b>	<b>24,376</b>	<b>24,457</b>



**C.30****Measurement hierarchy of financial assets and liabilities recognized at fair value**

	Sept. 30, 2022				Dec. 31, 2021			
	Total	Level 1 <sup>1</sup>	Level <sup>2</sup>	Level 3 <sup>3</sup>	Total	Level 1 <sup>1</sup>	Level <sup>2</sup>	Level 3 <sup>3</sup>
In millions of euros								
<b>Financial assets recognized at fair value</b>								
Marketable debt securities	586	47	538	1	130	33	96	1
Recognized at fair value through other comprehensive income	529	46	483	-	116	33	83	-
Recognized at fair value through profit or loss	57	1	55	1	14	-	13	1
Equity instruments and debt instruments	318	171	22	125	329	185	20	124
Recognized at fair value through other comprehensive income	101	73	-	28	85	76	-	9
Recognized at fair value through profit or loss	217	98	22	97	244	109	20	115
Other financial assets recognized at fair value through profit or loss	86	-	86	-	5	-	5	-
Derivative financial instruments used in hedge accounting	197	-	197	-	63	-	63	-
	<b>1,187</b>	<b>218</b>	<b>843</b>	<b>126</b>	<b>527</b>	<b>218</b>	<b>184</b>	<b>125</b>
<b>Financial liabilities recognized at fair value</b>								
Financial liabilities recognized at fair value through profit or loss	66	-	66	-	3	-	3	-
Derivative financial instruments used in hedge accounting	752	-	752	-	17	-	17	-
	<b>818</b>	<b>-</b>	<b>818</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>

1 Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2 Fair value measurement based on inputs that are observable in active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 Fair value measurement based on inputs for which no observable market data is available.

## 22. Segment reporting

Segment information for the third quarter and the nine-month period ended 2022 as well as the third quarter and the nine-month period ended 2021 can be found in table [C.31](#).

### C.31

#### Segment reporting

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
<b>Q3 2022</b>								
External revenue	6,120	4,525	1,498	899	465	13,507	-	13,507
Intersegment revenue	36	628	178	41	15	898	-898	-
Total revenue	6,156	5,153	1,676	940	480	14,405	-898	13,507
Segment profit/loss (EBIT)	739	270	42	20	72	1,143	-86	1,057
<b>Sept. 30, 2022</b>								
Segment assets	8,329	14,793	5,579	3,471	25,073	57,245	1,484	58,729
Segment liabilities	6,845	9,283	1,973	2,245	22,912	43,258	-166	43,092
<b>Q3 2021</b>								
External revenue	3,584	3,187	1,314	772	303	9,160	-	9,160
Intersegment revenue	20	495	108	38	4	665	-665	-
Total revenue	3,604	3,682	1,422	810	307	9,825	-665	9,160
Segment profit/loss (EBIT)	351	-9	118	4	17	481	-107	374
<b>December 31, 2021</b>								
Segment assets	6,385	13,127	5,731	3,282	17,926	46,451	1,300	47,751
Segment liabilities	5,674	8,357	1,987	2,240	16,361	34,619	290	34,909
In millions of euros								
<b>Q1-3 2022</b>								
External revenue	15,801	12,641	4,222	2,339	1,159	36,162	-	36,162
Intersegment revenue	88	1,697	421	100	28	2,334	-2,334	-
Total revenue	15,889	14,338	4,643	2,439	1,187	38,496	-2,334	36,162
Segment profit/loss (EBIT)	1,648	951	96	-67	282	2,910	-318	2,592
<b>Q1-3 2021</b>								
External revenue	11,116	10,390	4,106	1,954	851	28,417	1	28,418
Intersegment revenue	69	1,398	249	89	7	1,812	-1,812	-
Total revenue	11,185	11,788	4,355	2,043	858	30,229	-1,811	28,418
Segment profit/loss (EBIT)	1,205	330	316	-74	121	1,898	1,042	2,940

## Reconciliation

The reconciliation of the total segments' profit/loss (EBIT) to the Daimler Truck Group's EBIT is as shown in table [7 C.32](#).

### C.32

#### Reconciliation of the segments to the Consolidated Statement of Income

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
Total segments' profit/loss (EBIT)	1,143	481	2,910	1,898
Profit/loss on equity-method investments	-13	-16	-42	-34
Other operating income	-	-	-	1,215
Other business activities and corporate items	-88	-77	-248	-127
Eliminations	15	-14	-28	-12
EBIT of the Group	1,057	374	2,592	2,940

The reconciliation comprises business activities for which the Group's headquarters is responsible. Transactions between the segments are eliminated in the context of consolidation.

In the nine-month period ended 2021, other operating income includes the gain from the loss of control of cellcentric GmbH & Co. KG ("cellcentric"), resulting in a positive effect on earnings of €1,215 million.

In the nine-month period ended 2022, Other business activities and corporate items is comprised primarily of operational expenses of €139 million related to the Daimler Truck Group's autonomous driving business activities (Q1-3 2021: €76 million).

## 23. Earnings per share

The calculation of basic and diluted earnings per share is based on net profit attributable to shareholders of the Daimler Truck Group. As a newly listed company, there are no dilutive

effects on the shares. For the third quarter of 2022, the profit attributable to shareholders of the Daimler Truck Group (basic and diluted) amounts to €964 million (Q3 2021: €207 million) and €2,143 million in the first nine months of 2022 (Q1-3 2021: €2,242 million). The weighted-average number of shares outstanding (basic and diluted) corresponded to the total number of shares issued after the execution of the demerger agreement and amount to 822,951,882 for which the result is calculated.

These 822,951,882 include 50,000 shares that are entitled to dividends for financial year 2021 and are held completely by the Mercedes-Benz Group.

The same number of shares was used to calculate earnings per share for the respective periods. There are currently no instruments outstanding or planned with a potential dilutive effect on the earnings per share.

Table [7 C.33](#) shows the numerator and the denominator for the calculation of earnings per share.

### C.33

#### Earnings per share

	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
In millions of euros				
Consolidated profit/loss attributable to shareholders	964	207	2,143	2,242
In millions of shares				
Weighted average number of shares outstanding – basic and diluted	823	823	823	823
Earnings per share – basic and diluted	1.17	0.25	2.60	2.72

## 24. Transactions with related parties

Related parties (companies or persons) are deemed to be Mercedes-Benz Group entities, associated companies, joint ventures and non-consolidated subsidiaries, as well as persons who exercise a significant influence on the financial and business policy of the Daimler Truck Group. For further information regarding related parties and the nature of these business relationships, please see the disclosures in the 2021 Consolidated Financial Statements, Note 39. Transactions with related parties.

The deliveries and services between the Daimler Truck Group and related parties are listed in table [C.34](#).

### Lease contracts with the Mercedes-Benz Group

For the sale of vehicles to Mercedes-Benz Group companies by which the Daimler Truck Group is obliged to repurchase the vehicles, which are accounted for as a lease. The corresponding liabilities from residual-value guarantees as of September 30, 2022 amounted to €1,248 million (December 31, 2021: €1,393 million). Deferred income as of September 30, 2022 amounted to €767 million (December 31, 2021: €902 million).

For lease transactions where Financial Services leases passenger vehicles to third-party customers, which were previously acquired from external dealers, the Mercedes-Benz Group issued residual-value guarantees. As of September 30, 2022, the residual-value guarantees issued by the Mercedes-Benz Group to Financial Services with respect to the capitalized leased passenger cars (leased out to end customers under operating leases) amounted to €65 million (December 31, 2021: €47 million). Residual-value guarantees issued by the Mercedes-Benz Group to Financial Services where passenger cars were leased out to customers under a finance lease amounted to €78 million (December 31, 2021: €60 million).

In addition, up until the spin-off, the Daimler Truck business provided the Financial Services companies, which are still part of the Mercedes-Benz Group, with credit risk guarantees for the default risk in respect of customers. This requires the issuer to make specified payments to reimburse the holder for a loss it incurs because its customers fail to make payments when due. Financial liabilities due to Mercedes-Benz Group companies as of September 30, 2022 amounted to €3 million (December 31, 2021: €32 million).

The corresponding off-balance-sheet amounts for the financial liabilities resulting from credit risk guarantees issued to the Mercedes-Benz Group as of September 30, 2022 amounted to €29 million (December 31, 2021: €32 million).

In the second quarter, a financial liability for a default risk of an external customer in the amount of €15 million with the Mercedes-Benz Group was redeemed.

Financial liabilities resulting from transactions with companies of the Mercedes-Benz Group include financial liabilities from sale and leaseback transactions where the sale does not satisfy the requirements of IFRS 15.

### Guarantees

The Mercedes-Benz Group has issued letters of credit and guarantees in favor of the Daimler Truck Group and its customers.

As of September 30, 2022, the guarantees issued by the Mercedes-Benz Group amounted to €344 million (December 31, 2021: €582 million).

Guarantees issued by the Daimler Truck Group in favor of the Mercedes-Benz Group, associates and joint ventures amounted to €92 million as of September 30, 2022 (December 31, 2021: €100 million).

### Transfer of Phase 2 legal entities and operations from the Mercedes-Benz Group

Following the performance of the demerger agreement in 2021, there will be further transfers of certain companies and business units from the Mercedes-Benz Group to the Daimler Truck Group in 2022. Truck and bus-related leasing portfolios and dealer-end customer financing will be acquired via asset deals or share deals. The effects of these transfers are not included in table [C.34](#).

For more information, see [Note 2. Business combinations](#).

### Contributions to plan assets

Daimler Truck Pension Trust e.V. administers the plan assets to secure pension obligations in Germany on a fiduciary basis and is therefore a related party of the Daimler Truck Group. Daimler Truck AG bears insignificant expenses and provides services for the company. Under the demerger agreement from 2021, Daimler Truck AG contributed €166 million and EvoBus GmbH €100 million to Daimler Truck Pension Trust e.V. in the first nine months of 2022.

### License agreement with BFDA

In October 2020, the Daimler Truck Group concluded a technology license agreement ("TLA") with the joint venture BFDA in connection with the localization of Mercedes-Benz trucks for the Chinese market. This agreement includes the use of certain intellectual property rights by BFDA for the localization of Mercedes-Benz H6 technology in exchange for a license fee totaling €318 million.

Daimler Truck AG transferred the final technical product documentation in the second quarter of 2022 and thus fulfilled the obligation under the TLA. This therefore led to revenue recognition of the license fee (€318 million) and an increase in receivables from BFDA as an affiliated company.

At Group level, this transaction is a downstream transaction with a joint venture. Therefore, an elimination was recorded, which reduced revenue in the Mercedes-Benz segment and the equity-valued investment in the Trucks Asia segment. After elimination, the positive effect in EBIT of the Mercedes-Benz segment and the Daimler Truck Group amounted to €159 million in the second quarter of 2022.

### C.34

#### Related party relationships

In millions of euros	Sales of goods and services and other income				Purchases of goods and services and other expenses			
	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021	Q3 2022	Q3 2021	Q1-3 2022	Q1-3 2021
Associated companies	60	94	136	248	5	12	11	37
thereof KAMAZ PAO <sup>3</sup>	-	54	-	154	-	9	-	27
thereof MFTBC investees	44	39	105	93	5	3	11	9
Joint ventures	128	102	596	285	16	6	81	13
thereof DKTH <sup>5</sup>	1	63	34	203	-	3	49	6
thereof National Automobile Industry Company Ltd.	72	36	169	77	2	-	2	1
thereof BFDA	53	3	388	4	11	-	21	-
Mercedes-Benz Group <sup>4</sup>	822	985	2,357	2,800	319	479	952	1,403

In millions of euros	Receivables <sup>1</sup>		Payables <sup>2</sup>	
	Sep 30, 2022	Dec 31, 2021	Sep 30, 2022	Dec 31, 2021
Associated companies	33	21	2	2
thereof KAMAZ PAO <sup>3</sup>	-	-	-	-
thereof MFTBC investees	19	16	2	2
Joint ventures	407	87	2	13
thereof DKTH <sup>5</sup>	-	53	-	-
thereof National Automobile Industry Company Ltd.	90	22	-	-
thereof BFDA	310	3	-	-
Mercedes-Benz Group <sup>4</sup>	473	739	2,088	2,530

1 Receivables comprise balance sheet items that result in cash inflows. These include trade receivables, loans granted and other receivables. Receivables include impairment losses totaling €59 million, of which €48 million are due to DKTH (no impairment loss due to DKTH was recognized as of December 31, 2021).

2 Liabilities comprise balance sheet items that lead to potential future cash outflows. They include trade accounts payable, residual value guarantees, default risks from guarantees, financing liabilities, lease liabilities and other liabilities.

3 The Group transferred its equity-method investment in KAMAZ PAO to Mercedes-Benz Group AG on September 21, 2021, effective on September 28, 2021. Since the spin-off, KAMAZ PAO has therefore no longer been a related company for the Daimler Truck Group. For Q3 2021, the Consolidated Statement of Income reflected all transactions with KAMAZ PAO up to the transfer date. The receivables and payables reported from December 31, 2021 and the Income Statement for Q3 2022 no longer include any balances and transactions with KAMAZ PAO.

4 Thereof expenses for services received from the Mercedes-Benz Group in the third quarter of 2022 of €157 million (Q3 2021: €121 million) and in the first nine months of 2022 in the amount of €442 million (Q1-3 2021: €379 million).

5 Business activities with DKTH were discontinued on February 27, 2022 until further notice. In the third quarter of 2022, trade and other expenses received from DKTH included impairment losses on trade receivables in the amount of €0 million (Q3 2021: €0 million) and €48 million in the first nine months of 2022 (Q1-3 2021: €0 million).

## 25. Events after the reporting period

### **Changes in the group of companies due to M&A transactions**

Beginning of November 2022 the Daimler Truck Group acquired Daimler Truck Financial Services Spain for €0.2 billion in connection with Phase 2 transactions as part of a share deal. This share deal represents a business combination as defined by IFRS 3 Business Combinations.

# Auditor's Review Report

To Daimler Truck Holding AG, Stuttgart

We have reviewed the condensed interim consolidated financial statements of Daimler Truck Holding AG – comprising Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Notes to the Condensed Interim Consolidated Financial Statements – together with the interim group management report of the Daimler Truck Holding AG, for the period from January 1 to September 30, 2022 that are part of the quarterly financial report according to Section 115 WpHG [“Wertpapierhandelsgesetz“: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, November 10, 2022

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# Further Information

## Information on the Internet

Specific information on our stocks and Profitability development can be found on our website

 [Website](#)

under the heading Investors. The Annual and Interim reports and the company Financial Statements of Daimler Truck Holding AG are and can be accessed there.

You can also find topical reports, presentations, an overview of various key figures, information on our share price and other services.

 [Website](#)

For sustainability reasons, the Annual and Interim Reports and the Financial Statements are not printed in hard copy. We make all Annual and Interim Reports available online and as PDF files to download.

Daimler Truck Holding AG  
70771 Leinfelden-Echterdingen  
Tel. +49 711 8485 0  
Fax +49 711 8485 2000

 [daimlertruck.com](http://daimlertruck.com)

**Investor Relations**  
Fax +49 711 177 901 342 2  
[ir@daimlertruck.com](mailto:ir@daimlertruck.com)



