

DAIMLER TRUCK



Interim Report Q3 2023

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Q3 Key Figures for the Group

A.01

Q3 Key Figures Daimler Truck Group

In millions of euros	Q3 2023	Q3 2022	% change
Unit sales	128,861	134,972	-5
Revenue	13,860	13,507	+3 ¹
Revenue of the Industrial Business ²	13,173	13,027	+1
EBIT	1,219	1,057	+15
EBIT of the Industrial Business	1,173	984	+19
Adjusted EBIT	1,340	1,273	+5
Adjusted EBIT of the Industrial Business	1,295	1,223	+6
Return on sales of the Industrial Business (in %)	8.9	7.6	-
Adjusted return on sales of the Industrial Business (in %)	9.8	9.4	-
Net profit (loss)	957	990	-3
Earnings per share (in euros)	1.13	1.17	-3
Free cash flow of the Industrial Business	1,088	592	+84
Adjusted free cash flow of the Industrial Business	1,194	669	+78
Net liquidity of the Industrial Business	7,685	7,530 ⁴	+25
Investments in property, plant and equipment	193	184	+5
Research and development expenditure	492	446	+10
of which capitalized	53	42	+24
Active workforce ³	104,594	104,729 ⁴	-

1 Adjusted for the effects of currency translation, revenue decreased by 3%.

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 excluding vacation employment as a full-time equivalent.

4 At December 31, 2022.

A.02

Share price performance of Daimler Truck Holding AG

in euros	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Closing prices XETRA				
High	31.37	32.90	33.00	34.21
Low	24.05	29.10	27.81	31.88
Quarter-end closing price	28.95	31.11	33.00	32.82
Number of shares outstanding at the end of the quarter (in thousands)	822,952	822,952	822,952	817,093

Q1-3 Key Figures for the Group

A.03

Q1-3 Key Figures Daimler Truck Group

In millions of euros	Q1-3 2023	Q1-3 2022	% change
Unit sales	385,921	365,219	+6
Revenue	40,940	36,162	+13 ¹
Revenue of the Industrial Business ²	39,008	34,975	+12
EBIT	3,718	2,592	+43
EBIT of the Industrial Business	3,573	2,310	+55
Adjusted EBIT	3,930	2,934	+34
Adjusted EBIT of the Industrial Business	3,769	2,767	+36
Return on sales of the Industrial Business (in %)	9.2	6.6	-
Adjusted return on sales of the Industrial Business (in %)	9.7	7.9	-
Return on capital employed of the Industrial Business (in %)	42.6	27.9	-
Net profit (loss)	2,757	2,211	+25
Earnings per share (in euros)	3.14	2.60	+21
Free cash flow of the Industrial Business	1,638	-91	-
Adjusted free cash flow of the Industrial Business	2,045	145	+1307
Net liquidity of the Industrial Business	7,685	7,530 ⁴	+25
Investments in property, plant and equipment	517	427	+21
Research and development expenditure	1,388	1,275	+9
of which capitalized	112	131	-15
Active workforce ³	104,594	104,729 ⁴	-

1 Adjusted for the effects of currency translation, the increase in revenue was 10%.

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 excluding vacation employment as a full-time equivalent.

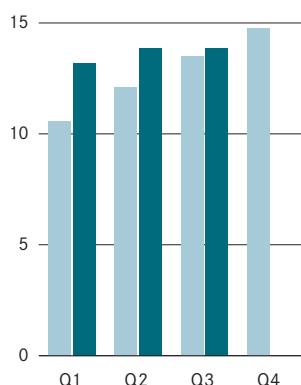
4 At December 31, 2022.

A.04

Key Figures Daimler Truck Group at quarterly level

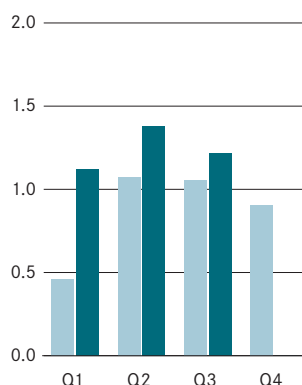
Revenue

In billions of euros



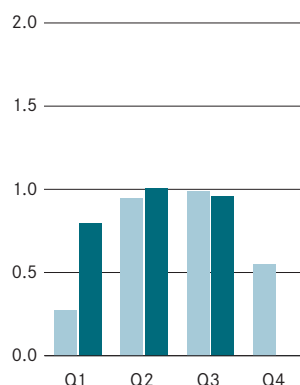
EBIT

In billions of euros



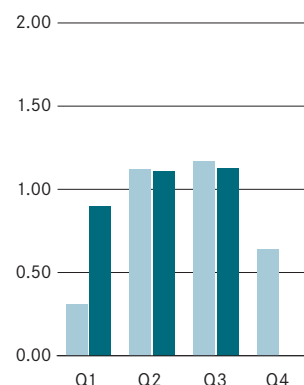
Net profit/loss

In billions of euros



Earnings per share

In euros



■ 2022
■ 2023

Q3 Key Figures for the Segments

A.05

Q3 Key Figures for the Segments

In millions of euros	Q3 2023	Q3 2022	% change
Trucks North America			
Unit sales	47,249	49,171	-4
Revenue	5,722	6,155	-7
EBIT	711	738	-4
Adjusted EBIT	711	738	-4
Return on sales (in %)	12.4	12.0	-
Adjusted return on sales (in %)	12.4	12.0	-
Investment in property, plant and equipment	38	35	+6
Research and development expenditure	172	144	+19
of which capitalized	10	0	-
Active workforce ¹	28,706	28,227 ²	+2
Mercedes-Benz			
Unit sales	40,077	42,305	-5
Revenue	5,430	5,153	+5
EBIT	452	270	+68
Adjusted EBIT	535	474	+13
Return on sales (in %)	8.3	5.2	-
Adjusted return on sales (in %)	9.9	9.2	-
Investment in property, plant and equipment	106	101	+4
Research and development expenditure	203	185	+10
of which capitalized	22	30	-27
Active workforce ¹	38,973	40,884 ²	-5
Trucks Asia			
Unit sales	38,052	41,535	-8
Revenue	1,659	1,676	-1
EBIT	45	42	+6
Adjusted EBIT	45	43	+3
Return on sales (in %)	2.7	2.5	-
Adjusted return on sales (in %)	2.7	2.6	-
Investment in property, plant and equipment	24	29	-17
Research and development expenditure	36	41	-12
of which capitalized	4	10	-63
Active workforce ¹	16,819	16,214 ²	+4
Daimler Buses			
Unit sales	6,789	6,283	+8
Revenue	1,189	941	+26
EBIT	70	20	+245
Adjusted EBIT	70	23	+202
Return on sales (in %)	5.9	2.2	-
Adjusted return on sales (in %)	5.9	2.5	-
Investment in property, plant and equipment	23	15	+55
Research and development expenditure	38	33	+15
of which capitalized	1	2	-54
Active workforce ¹	15,363	15,184 ²	+1
Financial Services			
Revenue	688	480	+43
EBIT	46	72	-36
Adjusted EBIT	45	50	-9
Return on equity (in %)	8.0	14.0	-
Adjusted return on equity (in %)	7.7	9.6	-
New business	3,141	2,548	+23
Contract volume	27,020	24,200 ²	+12
Active workforce ¹	1,818	1,770 ²	+3

1 This reflects the active workforce excluding vacation employment as a full-time equivalent.

2 At December 31, 2022.

Q1-3 Key Figures for the Segments

A.06

Q1-3 Key Figures for the Segments

In millions of euros	Q1-3 2023	Q1-3 2022	% change
Trucks North America			
Unit sales	146,758	136,772	+7
Revenue	17,500	15,889	+10
EBIT	2,169	1,648	+32
Adjusted EBIT	2,169	1,648	+32
Return on sales (in %)	12.4	10.4	-
Adjusted return on sales (in %)	12.4	10.4	-
Investment in property, plant and equipment	84	95	-11
Research and development expenditure	489	417	+17
of which capitalized	10	0	-
Active workforce ¹	28,706	28,227 ²	+2
Mercedes-Benz			
Unit sales	113,805	114,880	-1
Revenue	15,973	14,338	+11
EBIT	1,400	951	+47
Adjusted EBIT	1,520	1,327	+15
Return on sales (in %)	8.8	6.6	-
Adjusted return on sales (in %)	9.5	9.3	-
Investment in property, plant and equipment	309	221	+40
Research and development expenditure	534	516	+3
of which capitalized	64	98	-35
Active workforce ¹	38,973	40,884 ²	-5
Trucks Asia			
Unit sales	118,359	108,232	+9
Revenue	5,106	4,643	+10
EBIT	216	96	+124
Adjusted EBIT	216	104	+107
Return on sales (in %)	4.2	2.1	-
Adjusted return on sales (in %)	4.2	2.2	-
Investment in property, plant and equipment	59	70	-15
Research and development expenditure	127	141	-10
of which capitalized	18	24	-27
Active workforce ¹	16,819	16,214 ²	+4
Daimler Buses			
Unit sales	18,540	14,940	+24
Revenue	3,117	2,439	+28
EBIT	112	-67	-
Adjusted EBIT	112	-32	-
Return on sales (in %)	3.6	-2.7	-
Adjusted return on sales (in %)	3.6	-1.3	-
Investment in property, plant and equipment	54	30	+80
Research and development expenditure	121	103	+18
of which capitalized	4	8	-48
Active workforce ¹	15,363	15,184 ²	+1
Financial Services			
Revenue	1,932	1,187	+63
EBIT	145	282	-49
Adjusted EBIT	161	167	-3
Return on equity (in %)	8.5	20.2	-
Adjusted return on equity (in %)	9.4	11.9	-
New business	8,048	6,479	+24
Contract volume	27,020	24,200 ²	+12
Active workforce ¹	1,818	1,770 ²	+3

1 This reflects the active workforce excluding vacation employment as a full-time equivalent.

2 At December 31, 2022.

Interim Group Management Report

- Unit sales in the third quarter 2023 slightly below prior-year level
- Group revenue in the third quarter 2023 slightly above prior-year level
- Group-EBIT in the third quarter 2023 at €1,219 million with a significant increase compared to prior year and adjusted Group-EBIT in the third quarter 2023 at €1,340 million with a slight increase compared to prior year
- Net profit in the third quarter 2023 at €957 million at prior-year level
- Free cash flow of the Industrial Business in the third quarter 2023 at €1,088 million significantly above prior-year level
- At Group level, the guidance for the full year 2023 remains unchanged: Sales of 530 to 550 thousand units, revenue of €56 billion to €58 billion as well as EBIT and adjusted EBIT expected to increase significantly
- For the Industrial Business, adjusted return on sales remains at 8.5% to 10% and free cash flow is still expected to be a significant increase

Business Development

Overall the global economy stabilized in the first nine months of 2023. Among other aspects, robust growth in the US economy contributed to this.

The focus continued to be on the global development of inflation rates. In the USA, the overall inflation rate rose slightly to 3.7% at the end of the third quarter. The rate of core inflation (price increases excluding energy and food) in September remained at a high level of 4.1%. In the eurozone, total consumer prices rose by 4.3% at the end of the third quarter. The core inflation rate was 4.5% in September and thus also remained at a high level in the eurozone. With inflation still well above target, the Federal Reserve ("Fed") and the European Central Bank ("ECB") continued their restrictive course. In July, the Fed decided to raise interest rates again, although it refrained from a further increase in September. This meant that the key interest rate corridor rose to 5.25% - 5.50% within the third quarter. The ECB increased the main refinancing rate to 4.5% in two steps in the third quarter.

The truck market in the third quarter and in the course of 2023 continued to be characterized by high demand: The North American market for heavy-duty trucks (class 8) grew by nearly 6% in the third quarter compared to the same period of the previous year. The market volume in the first three quarters was around 16% above the level of the previous year. The market for heavy-duty trucks in the EU30 region (European Union, United Kingdom, Switzerland, Norway) was dynamic with a growth of more than 42% in the third quarter, also driven by the mandatory introduction of the smart tachograph version 2, which resulted in a pre-buy effect. Year to date, demand for heavy-duty trucks in this region increased by nearly 27%. However, the monthly offset must be taken into account: The intra-year values for the overall truck markets include the months of June, July and August for the third quarter and the months from January to August 2023 for the year to date.

Group sales slightly below prior year

In the third quarter of 2023, the Daimler Truck Group (hereinafter also referred to as "Daimler Truck" or "Group") sold 128,861 (Q3 2022: 134,972) vehicles worldwide. [↗ B.01](#)

The **Trucks North America** segment sold 47,249 (Q3 2022: 49,171) units in the third quarter of 2023. The slight decrease in unit sales was mainly due to bottlenecks at suppliers. Consequently, Trucks North America recorded a slight decrease in unit sales in the USA of 6% compared to the same quarter of the previous year. In contrast, unit sales in Mexico rose significantly by 10% to 3,237 units and in Canada slightly by 4% to 3,972 units.

In the third quarter of 2023, the **Mercedes-Benz** segment sold 40,077 (Q3 2022: 42,305) vehicles. The slight decrease in unit sales was mainly due to the introduction of the Euro VI emission standard in Latin America. In Brazil, our main market in Latin America, the Mercedes-Benz segment recorded a significant decrease of 43% to 4,765 units compared to the same quarter of the previous year. In contrast, unit sales in the EU30 region increased slightly by 6% to 24,198 units.

Unit sales in the **Trucks Asia** segment decreased by 8% to 38,052 trucks in the third quarter of 2023. The decrease in unit sales was mainly due to market developments in Indonesia as well as bottlenecks at suppliers. Compared to the same quarter of the previous year, Trucks Asia recorded a significant decrease in unit sales in Indonesia (-34%) and in the EU30 region (-23%). In contrast, Trucks Asia achieved a significant increase in unit sales in the regions of India by 65% to 6,208 units and Japan by 36% to 9,456 units.

Unit sales from our Chinese joint venture Beijing Foton Daimler Automotive Co., Ltd. ("BFDA"), to which trucks of the Auman brand and, since the fourth quarter of 2022, Mercedes-Benz trucks produced in China, contribute, showed a significant increase to 17,451 (Q3 2022: 13,172) units in the third quarter of 2023, when compared to the same period in the previous year. The improvement of unit sales was mainly due to the market development in China compared to the very low level of the prior year.

The **Daimler Buses** segment sold a total of 6,789 (Q3 2022: 6,283) units in the third quarter of 2023. The significant increase in unit sales resulted primarily from the market recovery in the EU30 region. Daimler Buses achieved a significant increase in unit sales in the EU30 region by 14% to 1,958 units compared to the same quarter in the previous year. In addition, Daimler Buses was able to significantly increase unit sales in Mexico by 51% to 1,001 vehicles. In contrast, Daimler Buses recorded a significant decrease in Brazil, our main market in Latin America, by 11% to 2,609 units compared to the same quarter of the previous year.

B.01

Unit sales¹

	Q3 2023	Q3 2022	% change
Daimler Truck Group	128,861	134,972	-5
Trucks North America	47,249	49,171	-4
Mercedes-Benz	40,077	42,305	-5
Trucks Asia	38,052	41,535	-8
Daimler Buses	6,789	6,283	+8

¹ The total of the segments does not correspond to group sales due to eliminations between the segments.

In the third quarter of 2023, the Financial Services segment concluded new financing and leasing contracts worldwide worth a total of €3.1 billion (+23%). Compared to the previous year, new business increased significantly in the Europe and South America region (+79%) and in Asia (+13%), while North America recorded slight growth (+6%). The contract volume at the end of September 2023 was €27.0 billion, which is above the level at the end of the previous year (+12%). This growth was due in particular to strong operating business in Europe and North America. Even adjusted for exchange rate effects and the portfolio of France and Germany, the contract volume increased (+10%).

Investments in property, plant and equipment of the Daimler Truck Group amounted to €193 million in the third quarter of 2023 (Q3 2022: €184 million).

Research and development expenditure including capitalizations of Daimler Truck amounted to €492 million in the third quarter of 2023 (Q3 2022: €446 million).

Important Events



Daimler Truck mourns the death of Chief Financial Officer Jochen Goetz

The Supervisory Board, Board of Management and employees of Daimler Truck received the news of the death of their Chief Financial Officer Jochen Goetz with shock and great sadness. Jochen Goetz died suddenly and unexpectedly in a tragic accident on August 5, 2023, at the age of 52. Until a successor for Jochen Goetz is named, Martin Daum, Chairman of the Board of Management of Daimler Truck Holding AG, will temporarily assume the role of Chief Financial Officer of Daimler Truck Holding AG and Daimler Truck AG.

95 eCitaro and e-infrastructure as a complete system for Den Haag

Daimler Buses will deliver at least 95 battery-electric solo and articulated Mercedes-Benz eCitaro and eCitaro G city buses to the city of Den Haag by 2024, together with the e-infrastructure required for their operation. Den Haag is not only the third largest city in the Netherlands, but also the seat of parliament and government of the Kingdom of the Netherlands and capital of the province of South Holland.

Capital Market Day 2023 in Boston

After its first year as an independent company, Daimler Truck Holding AG held its Capital Market Day 2023 in Boston (Massachusetts, USA). The main topics presented were an increase in the earnings outlook for 2023, confirmation of ambitions for 2025, a revised capital allocation framework including a share buyback program and the Company's commitment to achieving its 2030 sustainable growth targets. From the beginning of August 2023, Daimler Truck commenced buying back its shares on the open market. Own shares up to a value of €2 billion are intended to be acquired over a period of up to 24 months.

Daimler Truck, EnBW and the City of Wörth am Rhein establish a joint venture for a project of future importance: Sustainable heat generation through geothermal energy in Wörth

The partners want to jointly investigate the possibility of exploration, development, and extraction of environmentally friendly energy using geothermal heat at the Mercedes-Benz production site in Wörth. The joint venture for sustainable heat generation should make a decisive contribution to decarbonization in the region.

Daimler Truck publishes Green Finance Framework

With the publication of the "Green Finance Framework", the Company created the basis for the issuance of "green bonds" and the utilization of other green financing instruments. The proceeds raised are to be earmarked for financing sustainability projects, such as the development and manufacture of zero-emission trucks and buses and the generation of electricity and heat from renewable energy sources.

Cummins, Daimler Truck and PACCAR plan U.S. joint venture for battery cell production

Cummins subsidiary Accelera, Daimler Truck and PACCAR are partnering to accelerate and localize battery cell production and further expand the battery supply chain in the United States. The planned joint venture will produce battery cells for electric commercial vehicles and industrial applications. Total investment is expected to be in the range of \$2-3 billion for the 21-gigawatt hour factory.

Record order for Daimler Truck's FUSO: Approximately 900 all-electric eCanter for Yamato Transport in Japan

Japanese subsidiary Mitsubishi Fuso Bus and Truck Corporation announced the handover of the first FUSO Next Generation eCanter to Yamato Transport Co, Ltd. The all-electric truck is the first of approximately 900 vehicles ordered from FUSO – the largest single order of FUSO's light-duty electric truck eCanter to date. Deliveries of further vehicles to the customer will follow.

Mercedes-Benz GenH2 Truck breaks 1,000 kilometer mark with one tank of liquid hydrogen

With the #HydrogenRecordRun, Daimler Truck reaches another milestone in its hydrogen and battery-powered vehicles dual strategy. The prototype completed the journey from Wörth to Berlin fully loaded and with a gross vehicle weight of 40 tonnes under real-life conditions, without emitting any CO₂ during the journey.



Profitability, liquidity and capital resources, and financial position

In order 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 for the Daimler Truck Group, and additionally for “Industrial Business” and “Financial Services”. The Industrial Business and Financial Services separation presents a business perspective. The Industrial Business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, and the reconciliation. Financial Services corresponds to the Financial Services segment. The elimination of intra-Group transactions between the Industrial Business and Financial Services are allocated to the Industrial Business and are reported under 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 2023

The Daimler Truck Group’s **revenue** of €13.9 billion in the third quarter of 2023 was slightly above that of the same quarter in the prior year (Q3 2022: €13.5 billion). The revenue increase was primarily due to improved net pricing. The slight decrease in unit sales and the negative exchange rate development had a counteracting effect on consolidated revenue. ↗ **B.02**

At €10.9 billion (Q3 2022: €11.0 billion), the **cost of sales** was at the level of the prior-year quarter, due to a slight decrease in unit sales as well as an opposing increase in material costs. ↗ **B.02**

Selling expenses of €730 million (Q3 2022: €669 million) were slightly above the prior-year quarter, in particular due to inflation-related cost increases and expenses for restructuring measures. ↗ **B.02**

General administrative expenses increased to €658 million (Q3 2022: €559 million), mainly as a result of higher personnel and IT costs, particularly in connection with spin-off effects. ↗ **B.02**

Research and non-capitalized development costs increased to €439 million (Q3 2022: €404 million) due to higher investments in automated and zero-emission driving. ↗ **B.02**

Other operating income decreased to €124 million (Q3 2022: €173 million) in the third quarter of 2023. In the same period of the previous year, there was a special item arising from gain on bargain purchase due to the acquired financial services business. ↗ **B.02**

The **result from equity-method investments, net** in the third quarter of 2023 of minus €33 million was above that of the same quarter in the prior year (Q3 2022: minus €43 million). ↗ **B.02**

EBIT amounted to €1,219 million in the third quarter of 2023 (Q3 2022: €1,057 million) and was significantly above that of the same quarter in the prior year. The adjusted EBIT of the Daimler Truck Group of €1,340 million (Q3 2022: €1,273 million) was slightly above that of the same quarter in the prior year. ↗ **B.02**, ↗ **B.04**

In the third quarter of 2023, an expense of €290 million (Q3 2022: Expense of €55 million) was recognized under **income taxes**. The effective tax rate was 23.3% (Q3 2022: 5.3%). In the prior-year quarter, the effective tax rate was mainly influenced by a reversal of valuation allowances on deferred tax assets in the amount of €283 million. ↗ **B.02**

Net profit of €957 million was at the same quarter in the prior year (Q3 2022: €990 million). Of the net profit, €31 million (Q3 2022: €27 million) was attributable to **non-controlling interests**. The share of **net profit attributable to shareholders of Daimler Truck Holding AG** amounted to €925 million (Q3 2022: €964 million). **Earnings per share** amounted to €1.13 (Q3 2022: €1.17). [↗ B.02](#)

The calculation of earnings per share (basic and diluted) is based on an average number of outstanding shares of 820 million.

Table [↗ B.02](#) shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the Industrial Business and Financial Services for the third quarter of 2023.

B.02

Condensed Consolidated Statement of Income for three-month periods ended 30 September

	Daimler Truck Group		Industrial Business		Financial Services	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
In millions of euros						
Revenue	13,860	13,507	13,173	13,027	688	480
Cost of sales	-10,887	-10,987	-10,337	-10,633	-550	-355
Gross profit	2,973	2,520	2,835	2,394	138	125
Selling expenses	-730	-669	-698	-639	-32	-30
General administrative expenses	-658	-559	-599	-497	-60	-61
Research and non-capitalized development costs	-439	-404	-439	-404	-	-
Other operating income/expense	124	173	121	133	3	40
Result from equity-method investments, net	-33	-43	-33	-43	-	-
Other financial income/expense, net	-17	39	-17	42	-	-2
EBIT	1,219	1,057	1,173	984	46	72
Interest income/expense, net	27	-12	29	-11	-2	-1
Profit before income taxes	1,247	1,045	1,201	974	46	71
Income taxes	-290	-55	-272	-32	-18	-23
Net profit	957	990	930	942	28	48
thereof attributable to non-controlling interests	31	27				
thereof attributable to the shareholders of Daimler Truck Holding AG	925	964				
Earnings per share (in euros)						
based on profit attributable to the shareholders of Daimler Truck Holding AG						
Basic and diluted	1.13	1.17				

Table [↗ B.03](#) shows the composition of EBIT for the Industrial Business for the third quarter of 2023.

B.03

EBIT of the Industrial Business for three-month periods ended 30 September

	Industrial Business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
In millions of euros												
Revenue	13,173	13,027	5,722	6,155	5,430	5,153	1,659	1,676	1,189	941	-828	-898
Cost of sales	-10,337	-10,633	-4,590	-5,023	-4,205	-4,301	-1,375	-1,373	-976	-821	809	885
Gross profit	2,835	2,394	1,132	1,132	1,226	853	284	303	213	120	-17	-13
Selling expenses	-698	-639	-97	-102	-423	-358	-141	-153	-67	-59	30	33
General administrative expenses	-599	-497	-192	-179	-292	-200	-75	-68	-51	-36	11	-15
Research and non-capitalized development costs	-439	-404	-162	-144	-181	-155	-32	-30	-37	-31	-28	-44
Other income/expense	73	130	30	31	121	129	10	-10	12	27	-100	-47
EBIT	1,173	984	711	738	452	270	45	42	70	20	-104	-86

Segment EBIT for the third quarter of 2023

The **Trucks North America** segment was influenced by the following key factors compared with the third quarter of 2022:

- + Improved manufacturing and material efficiency
- Slightly decreased sales volume due to bottlenecks at suppliers
- Slight decrease in the aftersales business
- Inflation-related cost increases, in particular higher personnel costs

The **Mercedes-Benz** segment was influenced by the following key factors compared with the third quarter of 2022:

- + Improved net pricing
- Inflation-related cost increases, especially in logistic and energy costs as well as higher personnel costs
- Slight decrease in unit sales, in particular due to the introduction of Euro VI emission standard in Brazil
- Used vehicle market normalization

Adjustments for the **Mercedes-Benz** segment included:

- Expenses in connection with the spin-off of €60 million (Q3 2022: €42 million) (M&A transactions)
- Expenses in connection with the Russia-Ukraine war of 0 Mio. € (Q3 2022: €7 million) (M&A transactions)
- Expenses for personnel cost optimization programs of €24 million (Q3 2022: €155 million) (restructuring measures)

The **Trucks Asia** segment was influenced by the following key factors compared with the third quarter of 2022:

- + Improved net pricing
- + Improvement in the aftersales business
- Decreased sales volume, in particular due to market developments in Indonesia
- Increases in costs due to inflation and currency, in particular in material costs

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

- Expenses in connection with the Russia-Ukraine war of 0 Mio. € (Q3 2022: €1 million) (M&A transactions)

The **Daimler Buses** segment was influenced by the following key factors compared with the third quarter of 2022:

- + Significantly increased sales volume
- + Improved net pricing
- + Positive effects from exchange rates
- Inflation-related cost increases, in particular in material and energy costs as well as higher personnel costs

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

- Expenses for personnel cost optimization programs of €0 million (Q3 2022: €3 million) (restructuring measures)

The **Financial Services** segment was influenced by the following key factors compared with the third quarter of 2022:

- + Improved operating result due to a higher contract volume, in a market environment characterized by margin pressure and regionally heterogeneous risk cost development
- Slightly higher costs in Europe due to project-related expenses related to the acquired financial services business
- Negative effect from hyperinflation in the newly integrated market in Türkiye

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

- Income in particular in connection with the acquisition of the financial services business in the Europe and South America region in the amount of €2 million (Q3 2022: €23 million) and expenses in connection with the spin-off in the amount of €1 million (Q3 2022: €0 million) (M&A transactions)

The EBIT in **reconciliation** was minus €104 million (Q3 2022: minus €86 million). The adjustments of €38 million (Q3 2022: €31 million) in the third quarter of 2023 included expenses in connection with the spin-off as well as expenses due to the intended merger of Mitsubishi Fuso Truck & Bus Corporation and Hino Motors Ltd. (M&A transaction).

The reconciliation from EBIT to adjusted EBIT for the third quarter of 2023 is shown in table [7 B.04](#).

B.04

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

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Reconciliation	Daimler Truck Group
In millions of euros							
Q3 2023							
EBIT	711	452	45	70	46	-104	1,219
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	24	-	-	-	-	24
M&A transactions	-	60	-	-	-2	38	97
Adjusted EBIT	711	535	45	70	45	-66	1,340
Return on sales/return on equity (in %)	12.4	8.3	2.7	5.9	8.0	-	-
Adjusted return on sales/return on equity (in %)¹	12.4	9.9	2.7	5.9	7.7	-	-
Q3 2022							
EBIT	738	270	42	20	72	-86	1,057
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	155	-	3	-	-	158
M&A transactions	-	49	1	-	-23	31	59
Adjusted EBIT	738	474	43	23	50	-55	1,273
Return on sales/return on equity (in %)	12.0	5.2	2.5	2.2	14.0	-	-
Adjusted return on sales/return on equity (in %)¹	12.0	9.2	2.6	2.5	9.6	-	-

¹ 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 [7 B.05](#), [7 B.06](#), [7 B.07](#) and [7 B.08](#) show the earnings figures for the first nine months of 2023.

B.05

Condensed Consolidated Statement of Income for nine-month periods ended 30 September

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022
In millions of euros						
Revenue	40,940	36,162	39,008	34,975	1,932	1,187
Cost of sales	-32,096	-29,345	-30,584	-28,521	-1,513	-824
Gross profit	8,844	6,817	8,425	6,454	419	363
Selling expenses	-2,140	-2,139	-2,041	-2,055	-98	-84
General administrative expenses	-1,906	-1,411	-1,734	-1,258	-172	-153
Research and non-capitalized development costs	-1,276	-1,144	-1,276	-1,144	-	-
Other operating income/expense	377	503	380	343	-3	160
Result from equity-method investments, net	-80	-155	-80	-155	-	-
Other financial income/expense, net	-100	121	-99	125	-1	-4
EBIT	3,718	2,592	3,573	2,310	145	282
Interest income/expense, net	80	-35	82	-33	-2	-2
Profit before income taxes	3,798	2,557	3,655	2,277	144	280
Income taxes	-1,043	-346	-974	-303	-69	-43
Net profit	2,756	2,211	2,681	1,974	75	237
thereof attributable to non-controlling interests	176	68				
thereof attributable to the shareholders of Daimler Truck Holding AG	2,580	2,143				
Earnings per share (in euros)						
based on profit attributable to the shareholders of Daimler Truck Holding AG						
Basic and diluted	3.14	2.60				

Return on capital employed of the Industrial Business in the first nine months of 2023

The return on capital employed of the Industrial Business is calculated as the ratio of EBIT of the Industrial Business to the average operating capital employed (defined as the average operating net assets of the Industrial Business for the period under review). This comprises the operating assets less the operating liabilities of the Industrial Business. The average operating net assets are determined using quarter-end values.

To calculate the return on capital employed of the Industrial Business, EBIT of the Industrial Business is annualized. The return on capital employed was 42.6% in the first nine months of 2023 (Q1-3 2022: 27.9%) and resulted mainly from the significant increase in EBIT of the Industrial Business.

The calculation of the return on capital employed of the Industrial Business in the first nine months of 2023 is presented in table. ↗ **B.06**

B.06

Return on capital employed of the Industrial Business for nine-month periods ended 30 September

	Q1-3 2023	Q1-3 2022	% change
In millions of euros			
EBIT	3,573	2,310	+54
Intangible assets	2,775	2,783	-
Property, plant and equipment	7,720	7,818	-1
Inventories	10,426	10,554	-1
Trade receivables	4,503	4,463	+1
Other assets	6,254	6,221	+1
Operating assets¹	31,677	31,840	-1
Trade payables	-5,864	-5,523	+6
Other liabilities	-14,502	-14,530	-
Operating liabilities¹	-20,367	-20,052	+2
Operating net assets¹	11,311	11,788	-4
Average operating net assets	11,191	11,023	+2
Return on capital employed (in %)	42.6	27.9	-

¹ The operating net assets are calculated on the basis of the values at the end of each quarter. Liquidity as well as income taxes and pensions are not included in the calculation of the operating net assets.

B.07

EBIT of the Industrial Business for nine-month periods ended 30 September

	Industrial Business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022
In millions of euros												
Revenue	39,008	34,975	17,500	15,889	15,973	14,338	5,106	4,643	3,117	2,439	-2,688	-2,334
Cost of sales	-30,584	-28,521	-14,048	-13,148	-12,410	-11,662	-4,144	-3,805	-2,605	-2,159	2,624	2,254
Gross profit	8,425	6,454	3,452	2,741	3,563	2,676	962	838	512	280	-64	-81
Selling expenses	-2,041	-2,055	-301	-296	-1,183	-1,169	-450	-476	-200	-189	93	80
General administrative expenses	-1,734	-1,258	-596	-472	-780	-449	-233	-191	-149	-130	23	-16
Research and non-capitalized development costs	-1,276	-1,144	-479	-417	-470	-417	-109	-117	-117	-95	-102	-98
Other income/expense	199	312	93	92	269	311	46	42	66	70	-274	-203
EBIT	3,573	2,310	2,169	1,648	1,400	951	216	96	112	-67	-324	-318

B.08**Reconciliation EBIT to adjusted EBIT for nine-month periods ended 30 September**

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Reconciliation	Daimler Truck Group
In millions of euros							
Q1-3 2023							
EBIT	2,169	1,400	216	112	145	-324	3,718
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	18	-	-	-	-	18
M&A transactions	-	102	-	-	16	75	194
Adjusted EBIT	2,169	1,520	216	112	161	-248	3,930
Return on sales/return on equity (in %)	12.4	8.8	4.2	3.6	8.5	-	-
Adjusted return on sales/return on equity (in %)¹	12.4	9.5	4.2	3.6	9.4	-	-
Q1-3 2022							
EBIT	1,648	951	96	-67	282	-318	2,592
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	164	-	27	-	1	191
M&A transactions	-	212	8	8	-115	38	151
Adjusted EBIT	1,648	1,327	104	-32	167	-280	2,934
Return on sales/return on equity (in %)	10.4	6.6	2.1	-2.7	20.2	-	-
Adjusted return on sales/return on equity (in %)¹	10.4	9.3	2.2	-1.3	11.9	-	-

¹ 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

Cash flows from operating activities ↗ **B.09** resulted in cash inflows of €0.4 billion in the first nine months of 2023 (Q1-3 2022: cash outflow of €1.2 billion). Profit before income taxes was significantly higher than prior year. The positive development of the result was mainly due to ongoing improved net pricing within the automotive segments.

Cash flows from operating activities were however negatively impacted by the development in working capital in the first nine months of 2023. This was mainly due to an increase in finished goods resulting from a higher number of vehicles in the delivery process.

The increase in receivables from financial services, particularly due to new business in the Financial Services segment, had a negative effect on cash flows from operating activities.

In the reporting period, payments were made in respect of personnel cost-optimization programs arising from the agreed cost-cutting measures and socially responsible job reductions.

Cash flows from investing activities ↗ **B.09** resulted in a cash outflow of €1.5 billion (Q1-3 2022: €2.8 billion). The change in the first nine months of 2023 resulted mainly from the acquisition and sale of mutual funds as well as from additions to property, plant and equipment and intangible assets. In the prior period, the cash flows from investing activities included consideration paid to the Mercedes-Benz Group in connection with the acquired Financial Services business.

Cash flows from financing activities ↗ **B.09** resulted in a cash inflow of €5.1 billion (Q1-3 2022: €2.6 billion). The increase in the first nine months of 2023 resulted primarily from borrowing on the international money and capital markets and from issuing Asset-Backed-Securities ("ABS"). The bond issuances took place mainly in the USA, Netherlands, and Canada. Significant cash outflows were due to dividends paid to the shareholders of Daimler Truck Holding AG amounting to €1.1 billion and the commencement of the share buyback program during Q3 2023 of €0.2 billion.

B.09

Condensed Consolidated Statement of Cash Flows

	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022	Q1-3 2023	Q1-3 2022
In millions of euros						
Cash and cash equivalents at beginning of period	5,944	7,244	5,597	6,904	347	340
Profit before income taxes	3,798	2,557	3,655	2,277	144	280
Depreciation and amortization/impairments	839	854	826	818	13	36
Other non-cash expense and income and gains/losses on disposals of assets	130	218	100	368	30	-150
Change in operating assets and liabilities						
Inventories	-1,800	-2,113	-1,717	-2,106	-83	-7
Trade receivables	-113	-531	-287	-678	173	147
Trade payables	708	1,000	676	1,001	32	-1
Receivables from financial services	-2,398	-2,107	25	-	-2,423	-2,107
Vehicles on operating leases	-92	-19	206	143	-298	-162
Other operating assets and liabilities	368	-224	126	-309	242	85
Income taxes paid	-998	-878	-1,022	-942	24	64
Cash flows from operating activities	442	-1,243	2,589	573	-2,146	-1,816
Additions to property, plant and equipment and intangible assets	-675	-599	-656	-575	-19	-24
Net cash flows from acquisition of Financial Services business	-9	-1,702	-	-1,077	-9	-625
Investments in shareholdings and proceeds from disposal of shareholders	-147	-182	-145	-179	-2	-2
Acquisitions and disposal of marketable debt securities and similar investments	-734	-427	-735	-423	1	-4
Other	25	88	18	96	7	-8
Cash flows from investing activities	-1,541	-2,822	-1,518	-2,158	-22	-664
Change in financing liabilities	6,454	2,679	4,471	1,979	1,983	700
Dividend paid to shareholders of Daimler Truck Holding AG	-1,070	-	-1,070	-	-	-
Dividends paid to non-controlling interests	-90	-39	-90	-39	-	-
Acquisition of treasury shares	-196	-	-196	-	-	-
Transactions with the Mercedes-Benz Group	-	-23	-	21	-	-44
Internal equity and financing transactions	-	-	-81	-1,797	81	1,797
Cash flows from financing activities	5,098	2,617	3,034	163	2,065	2,454
Effect of foreign exchange-rate changes on cash and cash equivalents	38	235	38	222	-	13
Cash and cash equivalents at end of period	9,982	6,032	9,740	5,705	243	327

Free cash flow of the Industrial Business

The measure used by Daimler Truck to assess the financial strength of its industrial activities is the **free cash flow of the Industrial Business** ↗ B.10 which is derived from the disclosed 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. On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and which are mainly non-cash, are included in the free cash flow of the Industrial Business. In the prior period, the repayment of the then existing financing liabilities by the Daimler Truck Group, which were 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.

B.10

Free cash flow of the Industrial Business

	Q1-3 2023	Q1-3 2022	Change
In millions of euros			
Cash flows from operating activities	2,589	573	+2,016
Cash flows from investing activities	-1,518	-2,158	+640
Change in marketable debt securities and similar investments	735	423	+313
Right-of-use assets	-193	-58	-135
Net cash flows from acquisition of Financial Services business	-	1,077	-1,077
Other adjustments	25	52	-27
Free cash flow of the Industrial Business	1,638	-91	+1,729
Legal proceedings (and related measures)	-	-	-
Restructuring measures	175	127	+48
M&A transactions	232	110	+122
Adjusted free cash flow of the Industrial Business	2,045	145	+1,900

Other adjustments include cash flows which are reported as cash flows from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control. Additional adjustments include the Daimler Truck Headquarters allocation to Financial Services and miscellaneous adjustments to reflect the economic value of investments or divestments that are wholly or partially non-cash in nature.

In the first nine months of 2023, the **free cash flow of the Industrial Business** resulted in a cash inflow of €1.6 billion (Q1-3 2022: cash outflow of €0.1 billion). The increase in the first nine months of 2023 compared to the prior year was impacted by the following factors:

- + Significant higher earnings driven by positive revenue development
- + Significantly lower increase in working capital compared to the first nine months of 2022, mainly due to a relaxation of supply chains and with it, a significant reduction of unfinished goods inventories
- + Higher interest cash inflows due to increased liquidity compared to the prior year period and a stronger interest rate environment
- + Special contribution to the pension fund in the prior year
- Planned increased investment in plant and equipment, primarily due to transformation topics

For a more transparent presentation of the ongoing business, the Group identifies and reports an **adjusted free cash flow of the Industrial Business** ↗ B.10. The predominant part of the adjustments are a result of M&A transactions and restructuring measures, which increased slightly when compared to the first nine months of the year 2022. The adjusted free cash flow of the Industrial Business is a cash inflow of €2.0 billion (Q1-3 2022: €0.1 billion).

In addition to being derived on the basis of 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 from the CFBIT to the free cash flow of the Industrial Business includes taxes and interest paid. The other reconciling items are items attributable to the Industrial Business but for which the segments are not responsible, as well as eliminations between the segments.

Table ↗ B.11 shows the reconciliation of the CFBIT to the free cash flow of the Industrial Business.

B.11**Reconciliation from CFBIT to the free cash flow of the Industrial Business**

	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
CFBIT of the Industrial Business	1,378	875	2,472	1,012
Income taxes paid/refunded	-397	-322	-1,022	-942
Interest paid/received	137	25	250	30
Other reconciling Items	-31	14	-63	-192
Free cash flow of the Industrial Business	1,088	592	1,638	-91

The **CFBIT of the Industrial Business** is derived from EBIT and changes in operating assets and liabilities (“net assets”) and includes additions to right-of-use assets. In the prior year period, the repayment of the then existing financing liabilities by the Daimler Truck Group, which were 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.12](#) shows the composition of CFBIT for the Daimler Truck Industrial Business. Table [B.13](#) shows the reconciliation from CFBIT to **adjusted CFBIT** and the **adjusted cash conversion rate** for the Industrial Business.

In the first nine months of 2023, an adjusted cash conversion rate of 0.8 was achieved for the Industrial Business of the Daimler Truck Group. This is higher than the first nine months of 2022, which was 0.5.

B.12**CFBIT of the Industrial Business**

	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
EBIT	1,173	984	3,573	2,310
Change in working capital	23	-535	-1,327	-1,783
Net financial investments	-15	-238	-140	-179
Net investments in property, plant and equipment and intangible assets	-283	-205	-808	-533
Depreciation and amortization/impairments	272	277	826	818
Other	208	591	348	380
CFBIT	1,378	875	2,472	1,012

B.13**Reconciliation to adjusted CFBIT of the Industrial Business**

	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
CFBIT	1,378	875	2,472	1,012
Legal proceedings (and related measures)	-	-	-	-
Restructuring measures	7	5	175	127
M&A transactions	98	74	232	110
Adjusted CFBIT	1,484	953	2,879	1,248
Adjusted EBIT	1,295	1,223	3,769	2,767
Adjusted cash conversion rate¹	1.1	0.8	0.8	0.5

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

The **net liquidity of the Industrial Business** [↗ B.14](#) is calculated as the total amount of cash, cash equivalents as shown in the balance sheet, as well as marketable debt securities and similar investments included in liquidity management, less the currency-hedged repayment amounts of financing liabilities. To the extent that the Group's internal refinancing of the financial services business is provided by the companies in the Industrial Business, this amount is deducted when determining the net debt of the Industrial Business.

Compared with December 31, 2022, the net liquidity of the Industrial Business increased by €0.2 billion to €7.7 billion. The increase is mainly due to the positive free cash flow of the Industrial Business in the first nine months of 2023 of €1.6 billion. This was offset by the dividend payment of €1.1 billion in June 2023 to the shareholders of Daimler Truck Holding AG and the start of the share buyback program in the third quarter of 2023, resulting in a cash outflow of €0.2 billion.

The increase in liquidity and financing liabilities of the Industrial Business resulted primarily from the bond issuances in the USA, Netherlands and in Canada in anticipation of upcoming maturities of existing bonds.

B.14

Net liquidity of the Industrial Business

	Sept. 30, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	9,740	5,597	+4,143
Marketable debt securities and similar investments	1,863	1,092	+771
Liquidity	11,602	6,689	+4,913
Financing receivables/liabilities	-3,280	1,423	-4,702
Market valuation and currency hedges for financing liabilities	-638	-582	-56
Financing receivables/liabilities (nominal)	-3,917	841	-4,758
Net liquidity	7,685	7,530	+155

The **net debt of the Daimler Truck Group** [↗ B.15](#), which arises primarily from refinancing the leasing and sales-financing business increased by €2.2 billion compared with December 31, 2022 to €16.5 billion.

B.15

Net debt of the Daimler Truck Group

	Sept. 30, 2023	Dec. 31, 2022	Change
In millions of euros			
Cash and cash equivalents	9,982	5,944	+4,039
Marketable debt securities and similar investments	1,905	1,145	+760
Liquidity	11,888	7,089	+4,799
Financing liabilities	-27,769	-20,839	-6,929
Market valuation and currency hedges for financing liabilities	-638	-582	-56
Financing liabilities (nominal)	-28,406	-21,421	-6,986
Net debt	-16,519	-14,331	-2,187

Refinancing

In the third quarter of 2023, the Daimler Truck Group successfully issued **bonds** on the international money and capital markets of €2.5 billion. The benchmark bonds (bonds with high nominal volumes) issued in the third quarter of 2023 are shown in table [↗ B.16](#).

B.16

Benchmark issuances

Issuer	Volume	Month of Issuance	Maturity
Daimler Truck Finance North America LLC	US\$600 million	08.2023	08.2025
Daimler Truck Finance North America LLC	US\$500 million	08.2023	09.2028
Daimler Truck Finance North America LLC	US\$500 million	08.2023	09.2033
Daimler Truck Finance Canada Inc.	C\$300 million	09.2023	09.2026
Daimler Truck Finance Canada Inc.	C\$300 million	09.2023	09.2028

In addition, **Asset-Backed-Securities** ("ABS") with a total volume of \$0.6 billion (€0.6 billion) were successfully executed in the USA in the third quarter of the year.

Financial Position

Total assets increased from €64.0 billion in December 31, 2022 to €73.4 billion. Currency-adjusted, an increase of €9.5 billion was recorded. Currency translation had an insignificant negative effect. Financial Services accounted for €28.3 billion of total assets (December 31, 2022: €25.5 billion). At 55.3%, the share of current assets as a proportion of the balance sheet total is above the level of the previous year

(December 31, 2022: 50.6%). At 31.8% the share of current liabilities as a proportion of the balance sheet total is slightly below the level of the prior year (December 31, 2022: 32.8%).

Table [7 B.17](#) shows the Condensed Consolidated Statement of Financial Position for the Daimler Truck Group as well as the Industrial Business and Financial Services.

B.17

Condensed Consolidated Statement of Financial Position

	Daimler Truck Group		Industrial Business		Financial Services	
	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2023	Dec. 31, 2022
In millions of euros						
Assets						
Intangible assets	2,823	2,779	2,775	2,735	47	44
Property, plant and equipment	7,789	7,993	7,720	7,928	69	65
Equipment on operating leases	4,475	4,433	3,603	3,617	872	816
Receivables from financial services	25,126	22,425	-	-	25,126	22,425
Equity-method investments	1,040	1,073	1,040	1,073	-	-
Inventories	10,544	8,815	10,426	8,782	118	33
Trade receivables	4,761	4,682	4,503	4,260	258	422
Cash and cash equivalents	9,982	5,944	9,740	5,597	243	347
Marketable debt securities and similar investments	1,905	1,145	1,863	1,092	43	53
thereof current	1,862	1,124	1,862	1,092	-	32
thereof non-current	43	21	-	-	43	21
Other financial assets	1,560	1,505	778	702	782	803
Other assets	3,442	3,175	2,725	2,637	716	537
Total	73,446	63,969	45,172	38,424	28,274	25,545
Equity and liabilities						
Equity	21,967	20,606	19,603	18,388	2,364	2,218
Provisions	6,257	6,096	6,115	5,954	143	142
Financing liabilities	27,769	20,839	3,280	-1,422	24,489	22,262
thereof current	8,683	7,511	-4,012	-4,856	12,695	12,367
thereof non-current	19,085	13,328	7,292	3,433	11,793	9,895
Trade payables	5,945	5,317	5,864	5,267	81	50
Other financial liabilities	4,986	4,826	4,158	4,288	828	538
Contract and refund liabilities	4,119	3,811	4,119	3,811	-	-
Other liabilities	2,402	2,474	2,032	2,139	370	335
Total	73,446	63,969	45,172	38,424	28,274	25,545

The increase in total assets was primarily due to an increase in inventories, cash and cash equivalents, receivables from financial services and marketable debt securities and similar investments.

Intangible assets of €2.8 billion were at the prior-year level (December 31, 2022: €2.8 billion). The development costs capitalized in the first nine months of 2023 amount to €112 million (Q1-3 2022: €131 million) which represents a share of 8.1% (Q1-3 2022: 10.3%) of the Group's total research and development costs.

Property, plant and equipment (including right-of-use assets) amounted to €7.8 billion (December 31, 2022: €8.0 billion), slightly below the prior-year level. Investments in property, plant and equipment in the first nine months of 2023 increased to € 517 million (Q1-3 2022: €427 million). In our production and assembly sites, investments were made primarily in preparation for production of electric vehicles in order to support the transformation to zero-emission vehicles. Other key areas were investments in plant optimization and ongoing development of the existing product portfolio as well as the expansion of our sales and spare parts centers. In the first nine months of 2023, the German sites accounted for investments in property, plant and equipment of €249 million (Q1-3 2022: €154 million).

Equipment on operating leases and receivables from financial services increased to €29.6 billion (December 31, 2022: €26.9 billion), primarily due to new business. The share of the leasing and sales financing business of 40.3% of total assets was below that of the prior year (December 31, 2022: 42.0%).

Inventories increased from €8.8 billion to €10.5 billion. This was primarily due to an increase in finished goods resulting from a higher number of vehicles in the delivery process.

At € 10.0 billion, **cash and cash equivalents** were above the prior-year level (December 31, 2022: €5.9 billion). The increase resulted primarily from the inflow of funds from issuing several bonds in anticipation of upcoming maturities of existing bonds.

Marketable debt securities and similar investments increased to €1.9 billion (December 31, 2022: €1.1 billion) due to the acquisition of additional shares in money market funds and their positive price development.

On the equity and liabilities side of the balance sheet, there were increases in financing liabilities and equity.

The Group's **equity** increased from €20.6 billion as at December 31, 2022 to €22.0 billion. The largest impact resulted from the Group's net profit of €2.8 billion; partly offset by negative effects coming mainly from dividend payments to the shareholders of Daimler Truck Holding AG of €1.1 billion, the purchase of 5,859,363 shares for €0.2 billion as part of the share buyback program, and currency translation of €0.1 billion.

While total assets increased by 15%, equity increased by 7% compared to the prior year. The lower increase in equity is mainly due to the fact that there was no dividend distribution to the shareholders of Daimler Truck Holding AG in the prior year. Consequently, the Group's **equity ratio** of 29.9% was below that of the prior year (December 31, 2022: 32.2%); the equity ratio for the Industrial Business was 43.4% (December 31, 2022: 47.9%).

Financing liabilities increased to €27.8 billion (December 31, 2022: €20.8 billion). The increase was mainly due to borrowing on the international money and capital markets and due to issuing Asset-Backed-Securities ("ABS").

Further information on the reported assets, equity and liabilities of the Group is provided in the Consolidated Statement of Financial Position [7 C.03](#), the Consolidated Statement of Changes in Equity [7 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 2022 Annual Report as part of the combined management report on pages 135 to 149. In addition, we refer to the notes on forward-looking statements at the end of this interim group management report and to [Note 31](#). Legal Proceedings in the combined management report of our annual report for the year 2022 for further information on legal proceedings.

The remaining 2023 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. The war in Ukraine could escalate further and, in the worst case, spread to other countries. Such an expansion would pose a significant risk to Daimler Truck's market environment. Accordingly, the risks described in the 2022 Annual Report arising from legal and political conditions remain high and continue to be classified as having a medium probability of occurrence.

Inflation in the core USA and European markets remains high. The development of the economy in the 2023 financial year will also depend on further potential countermeasures by the Federal Reserve ("Fed") and the European Central Bank ("ECB"). Both a lack of or excessive intervention by the central banks could lead to significant distortions in the financial and sales markets.

The first nine months of 2023 were driven by strong demand and robust pricing. At the same time, overall global economic development has stabilized. Despite the stabilization in the global supply chains compared to the prior year, production and technology risks increased from medium to high compared to the previous quarter as a result of supplier delivery constraints in individual markets.

These events determine both the future performance of the global economy and Daimler Truck's business. The statement on the overall risk assessment made in the 2022 Annual Report as part of the combined management report remains valid.

Changes in risks and opportunities are continuously monitored, evaluated and, if appropriate, incorporated in the business plans during the year.

Outlook

We have raised our growth forecast for the global economy slightly from 2.0% to 2.5% compared to our outlook for 2023 in the combined management report of the 2022 Annual Report. However, persistently high inflation and the associated restrictive monetary policies of the central banks have a dampening effect on consumer and investment spending. Potential geopolitical risks could also have a negative impact on the real economy. We continue to expect local and sectoral bottlenecks in the supply chains.

For the eurozone, we expect slight economic growth of around 0.5% in 2023. Our inflation forecast for 2023 is still around 5.5%, so we assume that the European Central Bank (“ECB”) will continue to act restrictively in the future in order to lower inflation.

For the US economy, we currently expect growth up to 2.5% for 2023. Inflation here also remains above target, meaning that the US Federal Reserve’s (“Fed”) monetary policy is likely to have an ongoing dampening effect on overall economic demand. Our outlook for the inflation rate in 2023 is 4.0%.

The following table [↗ B.18](#) shows our current forecast key figures for the 2023 financial year.

B.18

Forecast Key Figures Daimler Truck

	2022 Combined Management Report Outlook for 2023	Q1/Q2 2023 Updated outlook for 2023	Q3 2023 Updated outlook for 2023	Explanations of the change in the outlook
Market for heavy-duty trucks				
North America - in thousands of units -	280 to 320	290 to 330	-	
EU30 - in thousands of units -	280 to 320	300 to 340	-	
Group				
Revenue	€55 bn. to €57 bn.	€56 bn. to €58 bn.	-	
EBIT	significant increase	-	-	
Adjusted EBIT	significant increase	-	-	
Investments in property, plant and equipment	on prior year level	slight increase	-	
Research and development expenditure (including capitalized)	on prior year level	slight increase	-	
Industrial Business				
Unit Sales ¹ - in thousands of units -	510 to 530	530 to 550	-	
Revenue	€53 bn. to €55 bn.	€54 bn. to €56 bn.	-	
Adjusted return on sales	7.5% to 9%	8.5% to 10%	-	
Free cash flow	slight increase	significant increase	-	
Trucks North America				
Unit sales - in thousands of units -	190 to 210	-	-	
Adjusted return on sales	10% to 12%	11% to 13%	-	
Mercedes-Benz				
Unit sales - in thousands of units -	150 to 170	155 to 175	-	
Adjusted return on sales	7% to 9%	8% to 10%	-	
Trucks Asia				
Unit sales - in thousands of units -	150 to 170	160 to 180	-	
Adjusted return on sales	3% to 5%	4% to 6%	-	
Daimler Buses				
Unit sales - in thousands of units -	20 to 25	-	-	
Adjusted return on sales	2% to 4%	3% to 5%	-	
Financial Services				
New business	€11 bn. to €12 bn.	-	€10 bn. to €11 bn.	• Decrease in unit sales and penetration rate in North and South America
Adjusted return on equity	9% to 11%	-	-	

¹ The total of the segments does not correspond to unit sales of the Industrial Business due to eliminations between the segments as well as rounding differences due to the disclosure of unit sale corridors.

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 utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in 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 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros					
Revenue	3	13,860	13,507	40,940	36,162
Cost of sales		-10,887	-10,987	-32,096	-29,345
Gross profit		2,973	2,520	8,844	6,817
Selling expenses		-730	-669	-2,140	-2,139
General administrative expenses	4	-658	-559	-1,906	-1,411
Research and non-capitalized development costs		-439	-404	-1,276	-1,144
Other operating income	5	148	203	456	669
Other operating expense	5	-24	-30	-79	-166
Profit/loss on equity-method investments, net	9	-33	-43	-80	-155
Other financial income/expense, net		-17	39	-100	121
Earnings before interest and taxes (EBIT)	19	1,219	1,057	3,718	2,592
Interest income		109	33	268	115
Interest expense		-82	-45	-188	-150
Profit before income taxes		1,247	1,045	3,798	2,557
Income taxes	6	-290	-55	-1,043	-346
Net profit		957	990	2,756	2,211
thereof profit attributable to non-controlling interests		31	26	176	68
thereof profit attributable to shareholders		925	964	2,580	2,143
Earnings per share¹ (in euros) for profit attributable to shareholders					
Basic and diluted		1.13	1.17	3.14	2.60

1 For information on the weighted average number of shares used in the earnings per share calculation, refer to Note 12. Equity.

Consolidated Statement of Comprehensive Income

C.02

	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
Net profit	957	990	2,756	2,211
Gains/losses on currency translation	79	418	-168	837
Gains/losses on debt instruments	-	-5	-	1
Gains/losses on derivative financial instruments	-17	25	-41	25
Items that may be reclassified to profit/loss	63	438	-209	863
Gains/losses on equity instruments	-11	-9	-9	-7
Actuarial gains/losses from pensions and similar obligations	135	134	160	1,187
Items that will not be reclassified to profit/loss	124	125	151	1,180
Other comprehensive income/loss, net of taxes	187	562	-58	2,043
thereof loss attributable to non-controlling interests, net of taxes	-2	2	-26	-16
thereof income/loss attributable to shareholders, net of taxes	188	560	-32	2,059
Total comprehensive income	1,143	1,552	2,698	4,254
thereof income attributable to non-controlling interests	30	28	150	52
thereof income attributable to shareholders	1,114	1,525	2,548	4,202

Consolidated Statement of Financial Position

C.03

	Note	Sept. 30, 2023	Dec. 31, 2022
In millions of euros			
Assets			
Intangible assets	7	2,823	2,779
Property, plant and equipment	8	7,789	7,993
Equipment on operating leases		4,475	4,433
Equity-method investments	9	1,040	1,073
Receivables from financial services	10	13,749	12,359
Marketable debt securities and similar investments		43	21
Other financial assets		812	828
Deferred tax assets		1,672	1,643
Long-term trade receivables		19	105
Other assets		406	364
Total non-current assets		32,826	31,598
Inventories	11	10,544	8,815
Trade receivables		4,742	4,577
Receivables from financial services	10	11,377	10,066
Cash and cash equivalents		9,982	5,944
Marketable debt securities and similar investments		1,862	1,124
Other financial assets		748	677
Other assets		1,364	1,168
Total current assets		40,619	32,371
Total assets		73,446	63,969
Equity and liabilities			
Share capital		823	823
Capital reserves		14,277	14,277
Retained earnings		7,550	5,847
Other reserves		-1,281	-895
Equity attributable to shareholders		21,369	20,052
Non-controlling interests		598	554
Total equity	12	21,967	20,606
Provisions for pensions and similar obligations	13	1,013	1,147
Provisions for other risks	14	2,835	2,743
Financing liabilities	15	19,085	13,328
Other financial liabilities		2,063	2,110
Deferred tax liabilities		88	65
Deferred income		953	1,000
Contract and refund liabilities		2,086	1,940
Other liabilities		26	53
Total non-current liabilities		28,148	22,386
Trade payables		5,945	5,317
Provisions for other risks	14	2,410	2,206
Financing liabilities	15	8,683	7,511
Other financial liabilities		2,923	2,716
Deferred income		576	655
Contract and refund liabilities		2,034	1,871
Other liabilities		760	701
Total current liabilities		23,330	20,977
Total equity and liabilities		73,446	63,969

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

Consolidated Statement of Cash Flows

C.04

	Q1-3 2023	Q1-3 2022
In millions of euros		
Profit before income taxes	3,798	2,557
Depreciation and amortization/impairments	839	854
Other non-cash expense and income	149	223
Gains (-)/losses (+) on disposals of assets	-18	-5
Change in operating assets and liabilities		
Inventories	-1,800	-2,113
Trade receivables	-113	-531
Trade payables	708	1,000
Receivables from financial services	-2,398	-2,107
Vehicles on operating leases	-92	-19
Cash outflows from the settlement of pre-existing relationships ¹	-	-118
Other operating assets and liabilities	368	-106
Income taxes paid	-998	-878
Cash flows from operating activities	442	-1,243
Additions to property, plant and equipment	-517	-427
Additions to intangible assets	-158	-172
Proceeds from disposals of property, plant and equipment and intangible assets	44	79
Cash flows from disposals of shareholdings	-7	-8
Net cash outflows from the acquisition of Financial Services business ¹	-13	-1,757
Net cash inflows from the acquisition of Financial Services business ¹	3	55
Investments in shareholdings	-140	-174
Acquisition of marketable debt securities and similar investments	-10,420	-2,213
Proceeds from sales of marketable debt securities and similar investments	9,685	1,786
Other	-19	9
Cash flows from investing activities	-1,541	-2,822
Change in financing liabilities	6,454	2,679
Dividend paid to shareholders of Daimler Truck Holding AG	-1,070	-
Dividends paid to non-controlling interests	-90	-39
Acquisition of treasury shares	-196	-
Transactions with the Mercedes-Benz Group	-	-23
Cash flows from financing activities	5,098	2,617
Effect of foreign exchange-rate changes on cash and cash equivalents	38	235
Net decrease in cash and cash equivalents	4,038	-1,213
Cash and cash equivalents at beginning of period	5,944	7,244
Cash and cash equivalents at end of period	9,982	6,032

¹ For further information, refer to Note 2. Business Combinations.

Consolidated Statement of Changes in Equity

C.05

In millions of euros	Share capital	Capital reserves	Retained earnings ¹	Other reserves	
				Currency translation	Items that may be reclassified to profit/loss Equity instruments/ debt instruments
Balance at January 01, 2022	823	14,277	1,886	-1,092	13
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	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Other changes	-	-	83	-	-
Balance at September 30, 2022	823	14,277	5,299	-239	8
Balance at January 01, 2023	823	14,277	5,847	-1,020	3
Net profit	-	-	2,580	-	-
Other comprehensive income/loss before taxes	-	-	236	-141	-7
Deferred taxes on other comprehensive income/loss	-	-	-77	-	-2
Total comprehensive income/loss	-	-	2,739	-141	-9
Dividends	-	-	-1,070	-	-
Acquisition of treasury shares	-	-	-81	-	-
Other changes	-	-	115	-	-
Balance at September 30, 2023	823	14,277	7,550	-1,160	-6

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

Derivative financial instruments	Treasury share reserve	Equity attributable to shareholders	Non-controlling interests	Total equity	
					In millions of euros
13	-	15,920	503	16,423	Balance at January 01, 2022
-	-	2,143	68	2,211	Net profit
23	-	2,191	-16	2,175	Other comprehensive income/loss before taxes
2	-	-131	-	-131	Deferred taxes on other comprehensive income/loss
25	-	4,202	52	4,254	Total comprehensive income/loss
-	-	-	-52	-52	Dividends
-	-	-	-	-	Acquisition of treasury shares
-	-	83	36	119	Other changes
37	-	20,205	539	20,744	Balance at September 30, 2022
122	-	20,052	554	20,606	Balance at January 01, 2023
-	-	2,580	176	2,756	Net profit
-59	-	30	-26	4	Other comprehensive income/loss before taxes
18	-	-62	-	-62	Deferred taxes on other comprehensive income/loss
-41	-	2,548	150	2,698	Total comprehensive income/loss
-	-	-1,070	-97	-1,167	Dividends
-	-196	-277	-	-277	Acquisition of treasury shares
-	-	115	-8	106	Other changes
81	-196	21,369	598	21,967	Balance at September 30, 2023

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

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", the "Daimler Truck Group" 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 is 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. Due to rounding, individual figures may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

The Interim Financial Statements were approved for publication by the Board of Management of Daimler Truck Holding AG on November 2, 2023. The Interim 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, 2022 ("2022 Consolidated Financial Statements") and should be read in conjunction with these. All accounting standards adopted by the EU and applicable from January 1, 2023 have been implemented in the Daimler Truck Group.

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.

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.

2. Business Combinations

In 2022, subsequent to the spin-off, the Daimler Truck Group acquired the following truck and bus-related Financial Services companies and Financial Services divisions from the Mercedes-Benz Group in connection with the so-called Phase 2 transactions (together also referred to as the “acquired Financial Services business”):

- Mercedes-Benz Broker Argentina S.A. and Mercedes-Benz Servicios S.A. including the shares in its subsidiary Mercedes-Benz Compañía Financiera Argentina S.A. with registered office in Argentina, Buenos Aires (“ARG”)
- Daimler Truck Financial Services Belgium SA/NV with registered office in Belgium, Brussels (“BEL”)
- Mercedes-Benz Trucks Financial Services Italia S.p.A. with registered office in Italy, Rome (“ITA”)
- Daimler Truck Financial Services Nederland B.V. with registered office in the Netherlands, Utrecht (“NL”)
- Mercedes-Benz Kamyon Finansman A.S. including the shares in its subsidiary Daimler Sigorta Aracilik Hizmetleri A.S. with registered office in Turkey, Istanbul (“TR”)
- Daimler Truck Financial Services España E.F.C., S.A.U. with registered office in Spain, Madrid (“ESP-FS”)
- Mercedes-Benz Renting, S.A. with registered office in Spain, Madrid (“ESP-RT”)
- Mercedes-Benz Financial Services UK Ltd. with registered office in the United Kingdom, Milton Keynes (“UK”)

With the acquisition of Financial Services companies, 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 determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of ARG and BEL were already completed by December 31, 2022.

The determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of NL, ITA and ESP-RT were completed by March 31, 2023. The finalization did not lead to any changes compared to December 31, 2022.

The determination of the purchase prices as well as the purchase price allocation including the valuation of the assets and liabilities of UK were completed by June 30, 2023. The finalization did not lead to any significant changes compared to December 31, 2022.

For TR and ESP-FS the determination of the purchase price was completed by June 30, 2023. For TR, this did not lead to any changes compared to December 31, 2022. The liability which had been unpaid as of December 31, 2022 was settled in Q2 2023. For ESP-FS, there was a change in the purchase price and the fair value of the pre-existing relationships as of September 30, 2023 compared to December 31, 2022. This did not lead to any material impact on the Consolidated Financial Statements as of September 30, 2023.

Table 7 C.06 presents the updated determination of the consideration transferred for ESP-FS as of September 30, 2023.

C.06

Consideration transferred for business combination ESP-FS

	ESP-FS
In millions of euros	
Purchase price of share deal transaction	15
Cash outflow for repayment of financing liabilities to the Mercedes-Benz Group	193
Less cash allocated for the settlement of pre-existing relationships	-44
Total consideration transferred	164
Paid by September 30, 2023	164
Cash acquired	-6
Net consideration transferred for the acquired Financial Services business by September 30, 2023	158

The purchase price allocation including the valuation of the assets and liabilities for TR and ESP-FS were finalized by September 30, 2023. The update as of September 30, 2023 did not result in any material changes compared to December 31, 2022.

Table 7 C.07 presents the updated allocation of the consideration transferred to the assets acquired and liabilities assumed measured at fair value as of the respective acquisition dates for UK, TR and ESP-FS.

C.07

Assets purchased and liabilities acquired at fair value

	UK	TR	ESP-FS
In millions of euros			
Intangible assets	5	-	-
Property, plant and equipment	-	1	-
Equipment on operating leases	225	-	2
Receivables from financial services	448	532	155
Trade receivables	1	2	-
Cash and cash equivalents	-	75	6
Other financial assets	-	14	11
Other assets	-	2	6
Total assets	678	626	180
Provisions	-	2	2
Financing liabilities	-	527	-
Trade payables	-	-	4
Other financial liabilities	-	34	1
Other liabilities	-	8	4
Total liabilities	-	571	11
Purchased net assets	678	56	169
Total consideration transferred (purchase price)	680	37	164
Goodwill (+) or gain on bargain purchase (-)	2	-19	-5

3. Revenue

Revenue presented 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 into two categories – type of products and services, and geographical regions – and presented in table **7 C.08**. The category type of products and services corresponds to the reportable segments as presented in **Note 19. Segment reporting**.

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

In the second quarter of 2022, revenue in accordance with IFRS 15 included revenue from a license agreement with Beijing Foton Daimler Automotive Co., Ltd. (“BFDA”), an at-equity valued financial investment of the Daimler Truck Group.

C.08

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								
Q3 2023								
Revenue according to IFRS 15	5,722	5,296	1,648	1,143	51	13,860	-779	13,081
Europe	45	3,574	92	769	27	4,507	-195	4,312
North America	5,589	310	22	115	7	6,043	-329	5,714
Asia	2	461	1,355	20	3	1,841	-172	1,669
Latin America ¹	30	653	44	207	5	939	-73	866
Other markets	56	298	135	32	9	530	-10	520
Other revenue	–	134	11	46	637	828	-49	779
Total revenue	5,722	5,430	1,659	1,189	688	14,688	-828	13,860
Q3 2022								
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 ¹	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

¹ Excluding Mexico.

Revenue for the nine-month periods ended 30 September

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q1-3 2023								
Revenue according to IFRS 15	17,487	15,566	5,068	2,963	157	41,241	-2,558	38,683
Europe	125	10,661	307	2,003	69	13,165	-749	12,416
North America	17,113	932	80	288	28	18,441	-1,004	17,437
Asia	5	1,484	4,172	51	11	5,723	-589	5,134
Latin America ¹	93	1,628	128	547	15	2,411	-185	2,226
Other markets	151	861	381	74	34	1,501	-31	1,470
Other revenue	13	407	38	154	1,775	2,387	-130	2,257
Total revenue	17,500	15,973	5,106	3,117	1,932	43,628	-2,688	40,940
Q1-3 2022								
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 ¹	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

¹ Excluding Mexico.

4. Functional costs

General administrative expenses

General and administrative expenses increased to €658 million in the third quarter of 2023 (Q3 2022: €559 million) and to €1,906 million in the nine-month period ended of 2023 (Q1-3 2022: €1,411 million), mainly due to higher personnel and IT costs.

5. Other operating income and expense

Other operating income in the third quarter of 2023 amounted to €148 million (Q3 2022: €203 million) and for the nine months of 2023 to €456 million (Q1-3 2022: €669 million). This included the income from the contribution-in-kind arising from the on-highway IP rights for the medium-duty Daimler truck engines at DEUTZ AG. The prior year was driven mainly by gain on bargain purchase 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 acquired financial services business. Refer to [Note 2. Business Combinations](#) for further details.

In the third quarter of 2023 other operating expense amounted to €24 million (Q3 2022: €30 million) and in the first nine months of 2023 to €79 million (Q1-3 2022: €166 million). Other operating expense also includes provisions for liability and litigation risks as well as regulatory proceedings.

6. Income taxes

Table [7 C.09](#) shows profit before income taxes, income taxes and the derived effective tax rate.

C.09				
Income taxes				
	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
Income before income taxes	1,247	1,045	3,798	2,557
Income taxes	-290	-55	-1,043	-346
Effective tax rate	23.3%	5.3%	27.4%	13.5%

In the third quarter of 2023, the recognition of taxes relating to prior periods had a decreasing effect on the effective tax rate.

In the first nine months of 2022, the effective tax rate was materially affected by the reversal of the valuation allowance on deferred tax assets of €393 million.

7. Intangible assets

The composition of intangible assets is shown in table [7 C.10](#).

C.10			
Intangible assets			
	Sept. 30, 2023	Dec. 31, 2022	
In millions of euros			
Goodwill (acquired)	689	674	
Development costs (internally generated)	805	760	
Other intangible assets ¹	1,328	1,345	
	2,823	2,779	

¹ Other intangible assets include acquired assets subject to amortization and assets with indefinite useful lives not subject to amortization.

Intangible assets include capitalized development costs in the third quarter of 2023 of €53 million (Q3 2022: €42 million) and in the first nine months of 2023 of €112 million (Q1-3 2022: €131 million). Amortization of capitalized development costs for the third quarter of 2023 amounted to €20 million (Q3 2022: €30 million) and in the first nine months of 2023 €74 million (Q1-3 2022: €90 million).

8. Property, plant and equipment

Property, plant and equipment as presented in the Consolidated Statement of Financial Position with a carrying amount of €7,789 million at September 30, 2023 (December 31, 2022: €7,993 million) includes right-of-use assets from lessee accounting.

Property, plant and equipment by category, excluding right-of-use assets, can be found in table [7 C.11](#).

C.11		
Property, plant and equipment (excluding right-of-use assets)		
	Sept. 30, 2023	Dec. 31, 2022
In millions of euros		
Land, buildings and leasehold improvements	2,598	2,649
Technical equipment and machinery	1,746	1,847
Other equipment, factory and office equipment	1,694	1,703
Advance payments relating to plant and equipment and construction in progress	635	642
	6,674	6,841

Table [7 C.12](#) shows the composition of the right-of-use assets.

C.12			
Right-of-use assets			
	Sept. 30, 2023	Dec. 31, 2022	
In millions of euros			
Land, buildings and leasehold improvements	1,065	1,109	
Technical equipment and machinery	11	5	
Other equipment, factory and office equipment	39	38	
	1,115	1,152	

9. Equity-method investments

Table [7 C.13](#) shows the carrying amounts and earnings of equity-method investments.

Table [7 C.14](#) presents key figures on interests in joint ventures accounted for using the equity-method in the Daimler Truck Group's Interim Consolidated Financial Statements.

cellcentric

In the first quarter 2023, the Daimler Truck Group and the Volvo Group made total capital contributions of €70 million to cellcentric GmbH & Co. KG ("cellcentric"), resulting in an increase in the Daimler Truck Group's equity investment of €35 million.

C.13

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

In millions of euros	Associated companies	Joint ventures	Joint operations	Total
At September 30, 2023				
Equity investment	123	901	16	1,040
Equity earnings (Q3 2023)	1	-35	1	-33
Equity earnings (Q1-3 2023)	8	-93	5	-80
At December 31, 2022				
Equity investment	120	934	19	1,073
Equity earnings (Q3 2022)	3	-49	3	-43
Equity earnings (Q1-3 2022)	11	-172	6	-155

C.14

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

In millions of euros	cellcentric ¹	BFDA ^{1,2}	Other ³	Total
At September 30, 2023				
Equity interest (in %)	50.0	50.0		
Equity investment	687	175	40	901
Equity earnings (Q3 2023)	-11	-21	-3	-35
Equity earnings (Q1-3 2023)	-34	-54	-6	-93
At December 31, 2022				
Equity interest (in %)	50.0	50.0		
Equity investment	686	234	14	934
Equity earnings (Q3 2022)	-12	-36	-1	-49
Equity earnings (Q1-3 2022)	-40	-61	-71	-172

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

2 Beijing Foton Daimler Automotive Co., Ltd ("BFDA").

3 Equity earnings in the first quarter 2022 included the impairment of Daimler KAMAZ Trucks Holding GmbH's equity investment of €71 million.

10. Receivables from financial services

Table [7 C.15](#) shows the composition of receivables from financial services.

C.15

Receivables from financial services

	Sept. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Gross carrying amount	11,576	14,075	25,651	10,264	12,707	22,971
Sales financing with customers	5,209	9,873	15,082	4,491	9,080	13,571
Sales financing with dealers	4,884	934	5,818	4,441	803	5,244
Finance lease contracts	1,483	3,269	4,751	1,332	2,824	4,156
Loss allowances	-199	-326	-526	-198	-348	-546
Net carrying amount	11,377	13,749	25,126	10,066	12,359	22,425

11. Inventories

Inventories are shown in table [7 C.16](#).

C.16

Inventories

	Sept. 30, 2023	Dec. 31, 2022
In millions of euros		
Raw materials and manufacturing supplies	2,067	1,901
Work in progress	3,102	2,744
Finished goods, parts and products held for resale	5,358	4,157
Advance payments to suppliers	18	13
	10,544	8,815

Inventories increased by €1,729 million at September 30, 2023, primarily due to an increase in finished goods resulting from a higher number of vehicles in the delivery process.

12. Equity

The individual components of equity and their development over the first nine months of 2023 and 2022 are presented in the Consolidated Statement of Changes in Equity [7 C.05](#).

Share capital

At September 30, 2023, the share capital of Daimler Truck Holding AG amounted to €822,951,882, as in the previous period. The share capital is divided into 822,951,882 no-par-value registered shares.

Dividend

The Annual General Meeting, held on June 21, 2023 authorized Daimler Truck Holding AG to pay €1,070 million (€1.30 per no-par-value registered shares entitled to dividend) to the shareholders from the 2022 distributable profit of Daimler Truck Holding AG and to carry forward the remaining

distributable profit of €292 million. The dividend was paid on June 26, 2023.

Treasury Shares

On July 10, 2023, the Board of Management and Supervisory Board of Daimler Truck Holding AG resolved to implement a share buyback program. From August 2, 2023, treasury shares with a value of up to €2 billion (excluding incidental acquisition costs) will be acquired on the stock exchange over a period of up to 24 months and subsequently cancelled by way of a capital reduction.

The share buyback program is based on the authorization by the Annual General Meeting of Daimler Truck Holding AG on November 5, 2021, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, own shares up to a maximum of ten percent of the share capital until October 31, 2026.

During the third quarter of 2023, as part of this program, 5,859,363 treasury shares were purchased for €196 million, and presented within the "Treasury Share" reserve.

At September 30, 2023, a short-term financial liability of €81 million has been recognized from the maximum purchase obligation of the current share buyback program, which has been deducted from the "Retained earnings" reserve.

Weighted average number of shares

Weighted average number of shares is calculated, (after weighting) by deducting the number of treasury shares from the number of shares in issuance, and is used for the earnings per share calculation.

Weighted average number of shares for the third quarter of 2023 is 819,839,577 and for the first nine months of 2023 is 821,914,447.

13. Pensions and similar obligations

Composition of provisions for pensions and similar obligations

The composition of provisions for pensions and similar obligations is shown in table [C.17](#).

C.17

Provisions for pensions and similar obligations

	Sept. 30, 2023	Dec. 31, 2022
In millions of euros		
Provision for pension benefits	459	591
Provision for other post-employment benefits	553	556
	1,013	1,147

Development of funded status

The funded status of pension obligations is shown in table [C.18](#).

C.18

Development of funded status

	Sept. 30, 2023	Dec. 31, 2022
In millions of euros		
Present value of the defined benefit obligations	-5,689	-5,903
Fair value of plan assets	5,314	5,360
Funded status	-375	-543
Actuarial loss due to asset ceiling	-2	-2
Net defined benefit liability	-377	-545
thereof presented in other assets	83	46
thereof presented in provisions for pensions and similar obligations	-459	-591

14. Provisions for other risks

Provisions for other risks are comprised as shown in table [C.19](#).

C.19

Provisions for other risks

	Sept. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	943	1,274	2,217	856	1,096	1,952
Personnel and social costs	1,004	634	1,639	892	677	1,569
Liability and litigation risks and regulatory proceedings	148	829	977	127	870	997
Other	314	98	412	331	100	431
	2,410	2,835	5,244	2,206	2,743	4,949

15. Financing liabilities

Table [C.20](#) shows the composition of the financing liabilities. In the nine-month period ended September 30, 2023, financing liabilities increased primarily due to the issuance of bonds amounting €5.5 billion.

In addition, Asset-Backed-Securities ("ABS") with a total volume of \$2.1 billion (€2.0 billion) were successfully issued in the USA.

C.20

Financing liabilities

	Sept. 30, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Notes/bonds	3,088	12,980	16,068	3,061	8,290	11,351
Commercial papers	94	-	94	-	-	-
Liabilities to financial institutions	3,777	3,165	6,942	3,237	2,812	6,049
Liabilities from ABS transactions	1,024	1,336	2,359	528	483	1,011
Lease liabilities	201	947	1,148	181	1,002	1,183
Loans, other financing liabilities	498	446	945	503	550	1,053
Non-controlling shareholdings (puttable instruments) in accordance with IAS 32 – Financial Instruments: Presentation	-	212	212	-	191	191
	8,683	19,085	27,769	7,511	13,328	20,839

16. Legal proceedings

As described in Note 31. Legal Proceedings of the 2022 Consolidated Financial Statements, Daimler Truck Holding AG and its subsidiaries are confronted with various litigations, claims and regulations (legal proceedings) which are related to a wide range of topics. There were no significant changes in the reporting period.

17. Other financial obligations

A construction contract entered into in 2023 increased the other financial obligations by €217 million as of September 30, 2023.

18. Financial instruments

Carrying amounts and fair values of financial instruments

Table 7 C.21 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 be viewed only as indicators of the prices that may actually be achieved on the market.

The fair values of the financial instruments were determined on the basis of market information available on the reporting date. The below mentioned methods and assumptions were used.

C.21

Carrying amounts and fair values of financial instruments

	Sept. 30, 2023		Dec. 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Financial assets				
Receivables from financial services	25,126	24,904	22,425	22,129
Trade receivables	4,761	4,761	4,682	4,682
Cash and cash equivalents	9,982	9,982	5,944	5,944
Marketable debt securities and similar investments	1,905	1,905	1,145	1,145
Recognized at fair value through other comprehensive income	321	321	351	351
Recognized at fair value through profit or loss	1,585	1,585	783	783
Measured at amortized cost	–	–	11	11
Other financial assets				
Equity instruments and debt instruments	275	275	292	292
Recognized at fair value through other comprehensive income	111	111	96	96
Recognized at fair value through profit or loss	164	164	196	196
Other financial assets recognized at fair value through profit or loss	7	7	29	29
Derivative financial instruments used in hedge accounting	133	133	197	197
Other financial receivables and miscellaneous other financial assets	992	992	818	818
	43,181	42,960	35,532	35,236
Financial liabilities				
Financing liabilities ¹	26,620	26,500	19,656	19,320
Trade payables	5,945	5,945	5,317	5,317
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	3	3	13	13
Derivative financial instruments used in hedge accounting	615	615	555	555
Miscellaneous other financial liabilities	4,368	4,368	4,258	4,258
Contract and refund liabilities				
Obligations from sales transactions	509	509	448	448
	38,061	37,940	30,247	29,911

1 The fair value as of December 31, 2022 has been adjusted due to an insignificant error.

Receivables from financial services

The fair values of receivables from financial services with variable interest rates are estimated to be equal to the respective carrying amounts, because the agreed-upon interest rates and those available in the market do not significantly differ. The fair values of receivables from financial services with fixed interest rates are determined on the basis of discounted expected future cash flows.

Other financial assets and liabilities

Other financial receivables and miscellaneous other financial assets and *Miscellaneous other financial liabilities* are carried at amortized cost. Due to predominantly short maturities and (in the case of the assets) the fundamentally lower credit risk of these financial instruments, it is assumed that the carrying amount is a reasonable approximation of fair values.

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.

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.

The increase in cash and cash equivalents in the first nine months of 2023 resulted primarily from inflow of funds from issuing several bonds in anticipation of upcoming maturities of existing bonds.

Marketable debt securities and similar investments increased compared to December 31, 2022 due to the acquisition of additional shares in money market funds and their positive price development.

Financing liabilities increased to €26.6 billion in the first nine months of 2023 (December 31, 2022: €19.7 billion) and are described in [Note 15. Financing liabilities](#).

Table [C.22](#) 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, the Group reviews the necessity for reclassification between the fair value hierarchies.

C.22

Measurement hierarchy of financial assets and liabilities recognized at fair value

	Sept. 30, 2023				Dec. 31, 2022			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Financial assets recognized at fair value								
Marketable debt securities	1,905	1,509	396	–	1,134	748	386	–
Recognized at fair value through other comprehensive income	321	43	278	–	351	44	307	–
Recognized at fair value through profit or loss	1,585	1,466	118	–	783	704	79	–
Equity instruments and debt instruments	275	153	21	101	292	171	22	99
Recognized at fair value through other comprehensive income	111	106	–	5	96	88	–	8
Recognized at fair value through profit or loss	164	47	21	96	196	83	22	91
Other financial assets recognized at fair value through profit or loss	7	–	7	–	29	–	29	–
Derivative financial instruments used in hedge accounting	133	–	133	–	197	–	197	–
	2,321	1,662	557	101	1,652	919	634	99
Financial liabilities recognized at fair value								
Financial liabilities recognized at fair value through profit or loss	3	–	3	–	13	–	13	–
Derivative financial instruments used in hedge accounting	615	–	615	–	555	–	555	–
	618	–	618	–	568	–	568	–

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

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

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

19. Segment reporting

Segment information for the third quarter and the nine-month period ended 2023, with respective comparative information, can be found in table [C.23](#).

C.23

Segment reporting

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q3 2023								
External revenue	5,699	4,849	1,516	1,128	668	13,860	-	13,860
Intersegment revenue	23	581	143	61	20	828	-828	-
Total revenue	5,722	5,430	1,659	1,189	688	14,688	-828	13,860
Segment profit/loss (EBIT)	711	452	45	70	46	1,324	-104	1,219
Q3 2022								
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

Segment reporting

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconciliation	Daimler Truck Group
In millions of euros								
Q1-3 2023								
External revenue	17,414	14,016	4,660	2,964	1,886	40,940	-	40,940
Intersegment revenue	86	1,957	446	153	46	2,688	-2,688	-
Total revenue	17,500	15,973	5,106	3,117	1,932	43,628	-2,688	40,940
Segment profit/loss (EBIT)	2,169	1,400	216	112	145	4,042	-324	3,718
Sept. 30, 2023								
Segment assets	7,981	15,466	5,512	3,816	28,274	61,050	501	61,551
Segment liabilities	6,848	10,001	1,964	2,583	25,910	47,305	-909	46,396
Q1-3 2022								
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
Dec. 31, 2022								
Segment assets	7,441	14,415	5,525	3,289	25,545	56,215	891	57,106
Segment liabilities	6,427	9,120	2,100	2,500	23,327	43,474	-463	43,011

Reconciliation

The reconciliation of the total segments' profit/loss (EBIT) to the Daimler Truck Group's EBIT is shown in table [C.24](#).

C.24

Reconciliation of the segments to the Consolidated Statement of Income

	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros				
Total segments profit/loss (EBIT)	1,324	1,143	4,042	2,910
Profit/loss on equity-method investments	-12	-13	-34	-42
Other business activities and corporate items	-92	-88	-290	-248
Eliminations	-1	15	-	-28
EBIT of the Group	1,219	1,057	3,718	2,592

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 2023, "Other business activities and corporate items" is comprised primarily of operational expenses of €155 million related to the Daimler Truck Group's autonomous driving business activities (Q1-3 2022: €139 million) and expenses from equity instruments measured at fair value through profit or loss of €36 million (Q1-3 2022: €47 million).

20. Transactions with related parties

Related parties (companies or persons) are deemed to be Mercedes-Benz Group entities, associated companies, joint ventures and subsidiaries not in the scope of consolidation, 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 the business relationships, refer to Note 38. Related party disclosures of the 2022 Consolidated Financial Statements.

Goods and services supplied between the Daimler Truck Group and related companies comprise transactions with the Mercedes-Benz Group, associated companies and joint ventures, and are shown in table [C.25](#).

Lease contracts with the Mercedes-Benz Group

For the sale of vehicles to Mercedes-Benz Group companies where the Daimler Truck Group is obliged to repurchase the vehicles, which are accounted for as a lease, the corresponding balances of residual-value guarantees at September 30, 2023 amounted to €1,177 million (December 31, 2022: €1,104 million). The related deferred income at September 30, 2023 amounted to €726 million (December 31, 2022: €735 million).

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.

C.25

Transactions with related companies

	Sales of goods and services and other income				Purchases of goods and services and other expenses			
	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022	Q3 2023	Q3 2022	Q1-3 2023	Q1-3 2022
In millions of euros								
Associated companies	34	60	124	136	3	5	9	11
thereof MFTBC investees ³	33	44	107	105	3	5	9	11
Joint ventures	107	128	341	596	14	16	30	81
thereof NAI ⁴	70	72	247	169	–	2	–	2
thereof BFDA ⁵	27	53	72	388	3	11	3	21
Mercedes-Benz Group ⁶	569	823	1,771	2,357	259	319	760	952

	Receivables ¹		Payables ²	
	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2023	Dec. 31, 2022
In millions of euros				
Associated companies	17	36	2	2
thereof MFTBC investees ³	16	21	2	2
Joint ventures	286	330	15	2
thereof NAI ⁴	70	72	–	–
thereof BFDA ⁵	211	254	2	–
Mercedes-Benz Group	291	411	1,842	1,826

1 Receivables comprise balance sheet items that result in cash inflows such as trade receivables, loans granted and other receivables. Receivables have been presented after total loss allowances of €1 million (December 31, 2022: €57 million).

2 Payables comprise liabilities that lead to potential future cash outflows such as trade accounts payable, residual-value guarantees, default risks from guarantees, financing liabilities, lease liabilities and other liabilities.

3 Associated companies of Mitsubishi Fuso Truck and Bus Corporation (“MFTBC”).

4 National Automobile Industry Company Ltd. (“NAI”).

5 Beijing Foton Daimler Automotive Co., Ltd. (“BFDA”).

6 In the third quarter 2023, Purchases of goods and services and other expenses include expenses for services received from the Mercedes-Benz Group of €119 million (Q3 2022: €157 million) and in the first nine months of 2023 in the amount of €406 million (Q1-3 2022: €442 million).

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, Stuttgart, for the period from January 1 to September 30, 2023 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 06, 2023


KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Pritzer
Wirtschaftsprüfer
[German Public Auditor]

Rohrbach
Wirtschaftsprüfer
[German Public Auditor]

Further Information

Information on the Internet

Specific information on our share and profitability development can be found on our website  www.daimlertruck.com 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.

 www.daimlertruck.com/en/investors

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.

 www.daimlertruck.com/en/investors/reports/financial-reports

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