Company Overview

August 2022

Accelerate the Impact of Sustainable Mobility

Watch the Video

NAVISTAR

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01

Company **Overview**

Executive Board

As of August 1, 2022

Mathias Carlbaum
President & CEO

Do Young (DY) Kim
EVP & CFO

Donna Dorsey
EVP, People & Culture

Michael Grahe
EVP, Operations

Göran Nyberg
EVP, Commercial Operations

Mark Hernandez
EVP, Manufacturing

Fabio Souza
EVP, Service Solutions

Click for more information

Board of **Directors**

As of July 1, 2022

Mathias Carlbaum

Navistar President & CEO

Christian Levin

Traton SE CEO, Scania CEO

Annette Danielski

Traton SE CFO

Dr. Klaus Schartel

Traton SE General Council, Head of Legal

Walter G. Borst

Navistar BOD Member

Jeffrey A. Dokho

UAW Director of Research

Navistar **Facts**

CORE BUSINESS:
Class 6-8 trucks and buses in U.S. and Canada

Largest Dealer and Service Network
in North America[a]

Primary business operations in:
- **U.S.**
- **Canada**
- **Mexico**
- **Brazil**

40%
of all school buses on the road today are our IC Bus® brand

#1 Brand in School Buses[b]

Headquarters:
Lisle, Illinois, U.S.

20%
of U.S. class 6 through 8 vehicles on the road today are an International® Truck

#2 Brand in Class 6/7[b]

#4 Brand in Class 8[b]

2021 total unit sales:
71,000

Worldwide employees:
14,500

a. Including service partnership with Love's Travel Stop and Speedco.
b. Based on 2021 on the road today by OEM. School buses include classes B, C and D.

Operational Footprint Reflects **North American Focus**

World Headquarters
Lisle, IL

Tulsa Bus Plant
Tulsa, OK

San Antonio Manufacturing Plant
Advanced Technology Center
San Antonio, TX

Escobedo Assembly Plant
Escobedo R&D Center
Escobedo, MX

eMobility Technology Center
Rochester Hills, MI

Proving Grounds
New Carlisle, IN

Springfield Assembly Plant
Springfield, OH

Huntsville Powertrain Plant
Huntsville, AL

Navistar Engine Plant
and Technical Center
Sao Paulo, BR

Navistar and TRATON

TRATON is the commercial truck & bus division of Volkswagen AG

Bringing Together Our Global Capabilities

- 400+ years of Engineering and Manufacturing excellence
- Leadership in innovative technologies across global markets
- Leveraging economies of scale, development resources and industry best practices

Sep 2016
TRATON (Volkswagen Truck and Bus) announces alliance with Navistar

Mar 2017
Strategic alliance begins

Jul 2021
TRATON acquisition of Navistar completes

Nov 2021
New management structure established

Mar 2022
Navistar unveils new strategy

2023
Navistar set to begin production of new, global powertrain in on-highway models

Navistar and TRATON

Optimize Cost Efficiency and Group Technology

Modularization

Reducing complexity through collaboration

Production Footprint Optimization

Driving conversion cost improvement

Collaborative R&D

Jointly working on globally applicable technologies

Global Purchasing Scale

Transitioning effective component spend

02

Navistar **Strategy**

Strategy at-a-glance

Sustainable Impact

Within the transport sector, our industry accounts for a significant percentage of total emissions. We accept responsibility for bending the curve on carbon emissions by driving change to advance sustainable solutions.

Foundation for Future

We are investing wisely in digitalization, zero emissions and autonomous solutions. We are creating new business models where it makes most sense for our customers. We are leveraging our resources to accelerate our progress on technologies.

Profitable Performance

Our number one priority is to become a healthy, well-rounded and profitable company. In partnership with our dealer network, we strive to offer the best holistic experience and solutions for our customers.

Culture & Leadership

We will be known for our strong culture, which guides every decision, every day. Each employee is empowered and trusted to make the right choices, embracing accountability for our long-term success.

Sustainable Impact

Our commitment

Goal to achieve 50% zero emissions new vehicle sales by 2030, 100% by 2040, and **carbon-neutral by 2050**

Establish **science-based targets** in 2023

Develop **circular business model** to maximize resources and minimize waste

Total Social Impact

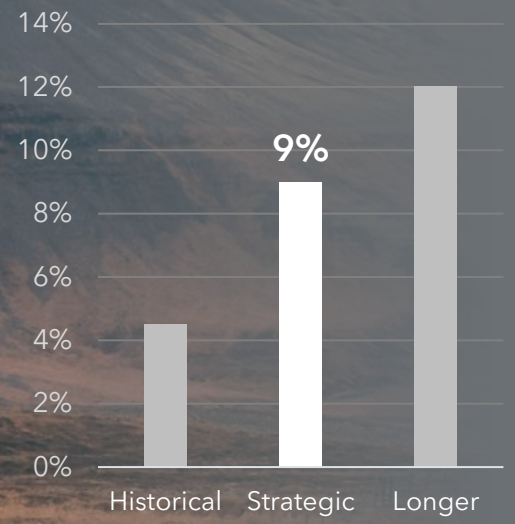
Positively impact education, equity, and environment

Diversity, Equity and Inclusion

Empower an inclusive environment for all stakeholders

Profitable Performance

Return on Sales



Building Blocks to Deliver Stronger Profitability:

01 New powertrain and zero-emissions offerings to grow customer satisfaction and profitability through value-based pricing

02 Dealer performance improvement through ownership rationalization and improved effectiveness

03 New service and solutions offerings that improve customer uptime

04 Cost efficiency improvement through leveraging the strength of the TRATON GROUP

05 Financial services expansion to meet demand for new technologies and business models

06 Market share recovery through offering new technologies, services and solutions

Foundation for Future

Unlocking New Business Models

Digitalization
Key strategic enabler

Zero-Emissions
50% of new vehicles sold by 2030

Autonomous
Cooperative future solution offerings

Common Group Components
Group-wide modularization

Culture and Leadership

Colleagues are empowered and trusted to make the right choices, embracing accountability for our long-term success.

03

Operating **Highlights**

Industry's Most **Comprehensive Product Line-Up**

LT SERIES

RH SERIES

HV SERIES

A26 ENGINE

LONESTAR

HX SERIES

CV SERIES

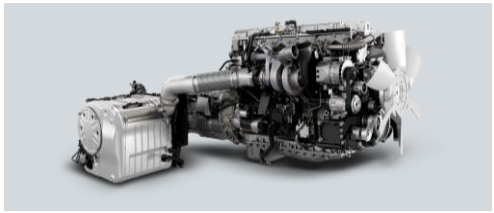
MV SERIES

eMV SERIES

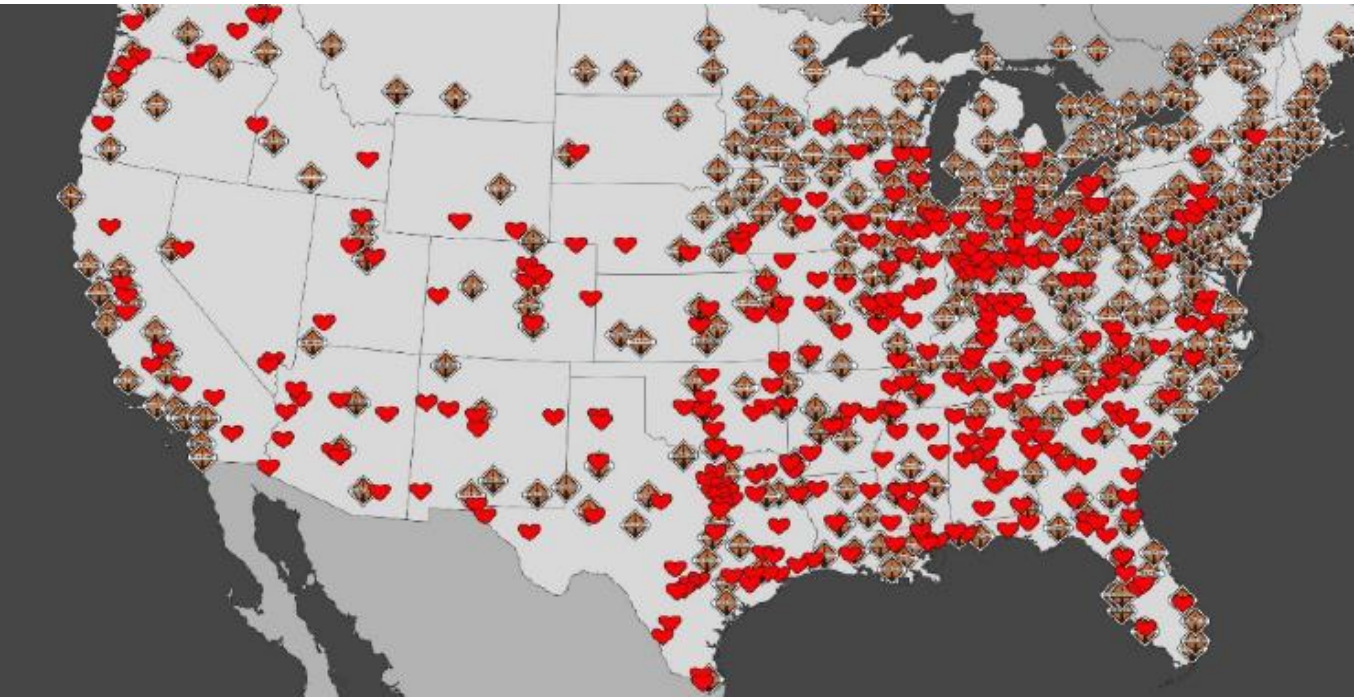
CE SERIES

eCE SERIES

S13 INTEGRATED POWERTRAIN



Largest Distribution and Service Network in North America



600 **Locations**
U.S./Canada combined

400 **Locations**
U.S./Canada combined

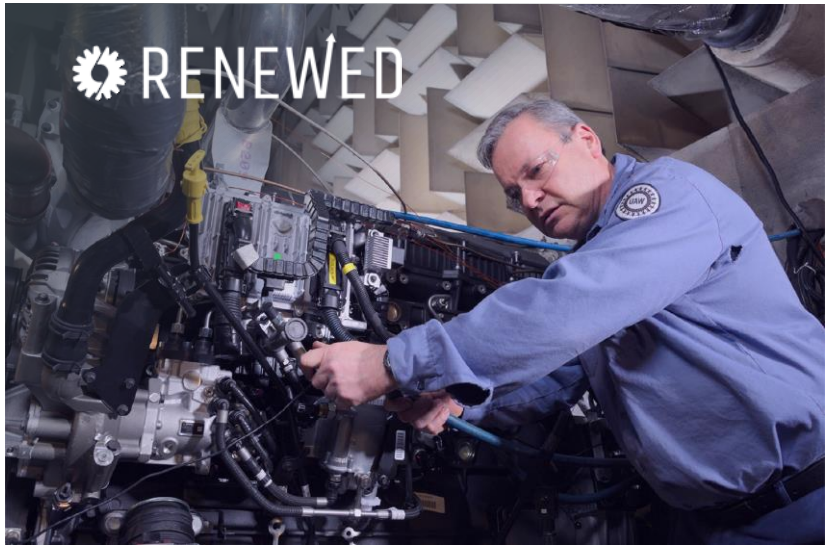
- Largest dealer network in North America
- 7,500 service bays and 8,500 technicians
- Love's service centers open 24/7

Positions us as an industry leader in uptime

Growing the **Parts Business**

Fleetrite

- All OEM aftermarket parts are quality approved
- Trusted partner for 50 years with 30+ authorized retail locations across North America



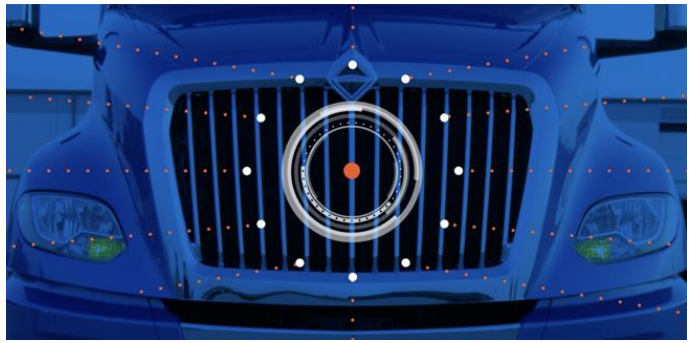
ReNEWeD

- Re-engineered OEM aftermarket parts are quality approved
- Supports a circular economy
- 10% of our parts revenue comes from remanufactured parts

Diamond Advantage

- High quality aftermarket parts for Class 2-5 diesel engines and engine components
- Distributed through Navistar's Parts Distribution Centers (PDCs) to warehouse distributors, diesel parts specialists and the International dealer network

OCC & **International 360**



OnCommand Connection – Advanced Remote Diagnostics

Features:

- Improved uptime and lowered total cost of ownership
- Monitors health and status of all-makes fleets
- Allows for seamless communication with the International dealer service network
- Enables subscriptions to 3rd party fleet management and compliance providers through factory-installed telematics device

International® 360 is our industry-leading service communications tool designed to accelerate the repair process, streamline communications within dealer service centers, and drive greater uptime

Features:

- Seamless communications with dealers and up-to-date repair status
- Complete VIN-based information: asset specs, complete parts catalog, remote health data, and more
- Online service request initiation and estimate approvals
- Complete service history, up-to-date campaign information, and engine calibration status - Integration with parts inventory systems shows which dealer locations have the parts you need on the shelf now.

The Foundation: NEXT 5Cs

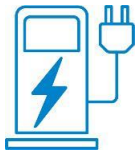
Supporting Our Customers through the Entire EV Lifecycle

CONSULTING
1

The consulting process includes evaluation of battery electric vehicle or hydrogen fuel cell electric vehicle requirements and efficiencies, route simulations, and education on all available funding sources, grants and tax incentives.

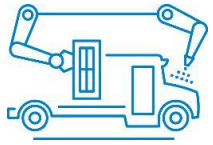
CHARGING
2

NEXT supports charging or refueling solutions that guarantee vehicle uptime through site planning and engineering, complete zero-emission electric vehicle (ZEV) charging kits for both AC and DC charger installations, installation and site management, charging or refueling equipment certification with vehicles and infrastructure financing.



CONSTRUCTING
3

Working with NEXT ensures that your vehicles are constructed by Navistar in world class production facilities.



CONNECTING
4

Leveraging data, we create a more connected network between fleets, dealers, charging, and customers. Navistar's OnCommand Connection creates customized vehicle health reports to maximize uptime while reducing overall cost of service and total cost of ownership (TCO).

CONSERVING
5

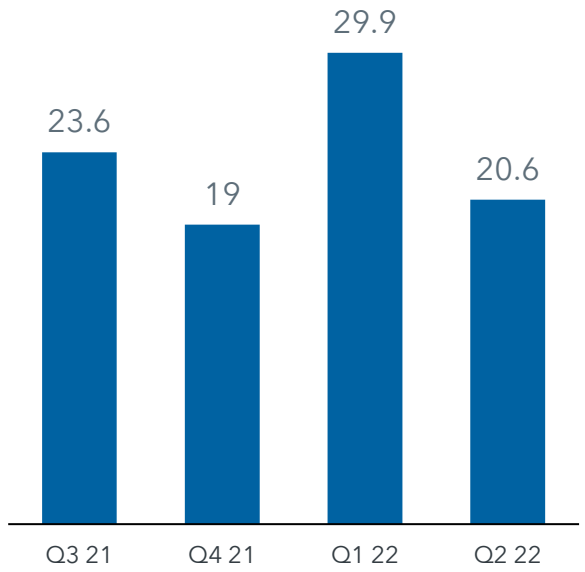
NEXT provides environmentally friendly options to advance end-of-life zero-emission vehicle battery reuse and recycling. Conserving solutions include: Recycling materials for use in new batteries, Repurposing batteries in stationary power back-up solutions and Remanufacturing/refurbishing batteries for use in other vehicle applications

04

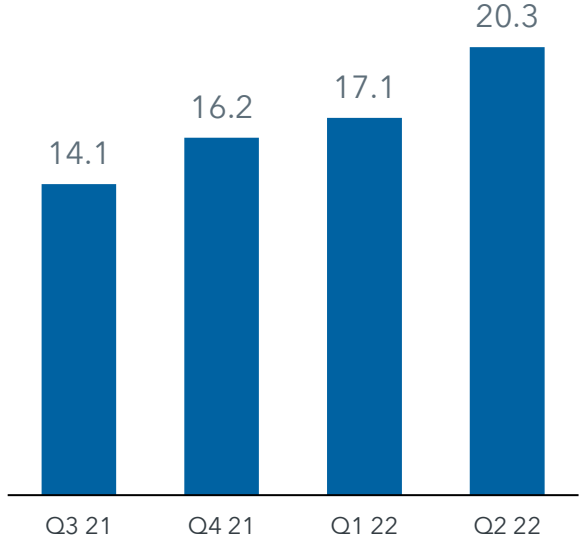
Financial **Highlights**

Navistar Manufacturing Operations – Key Figures

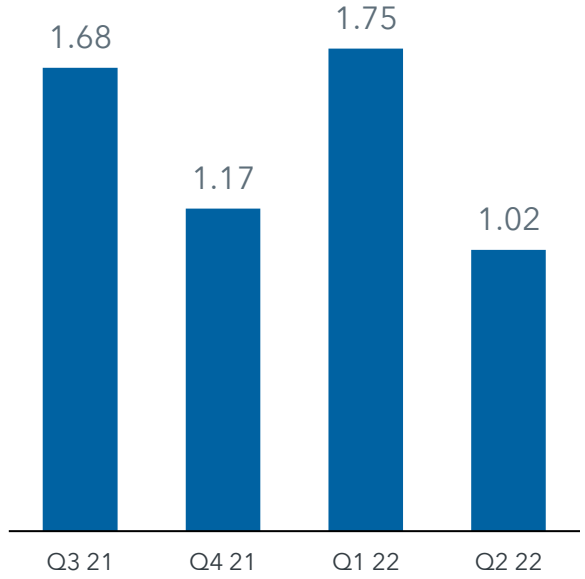
INCOMING ORDERS
(thousand units)



UNIT SALES
(thousand units)

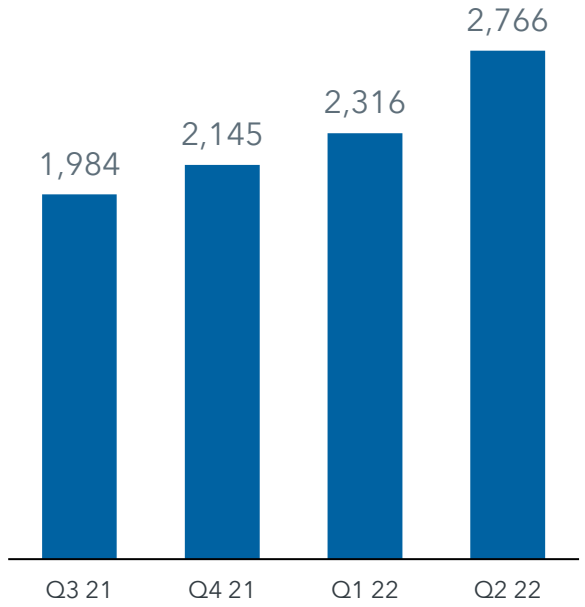


BOOK-TO-BILL
(ratio in units)

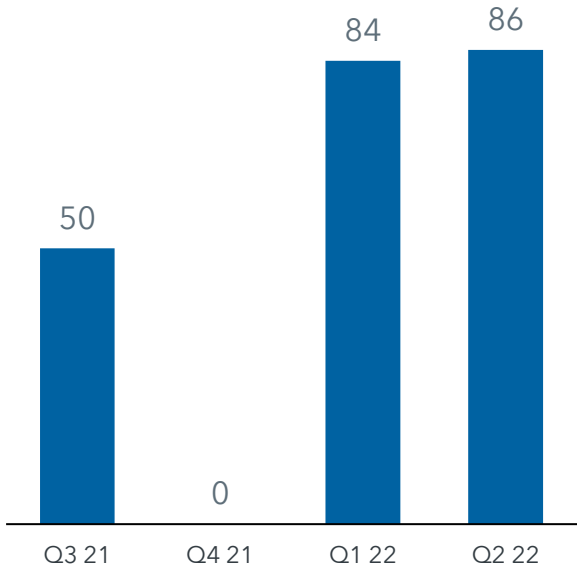


Navistar Manufacturing Operations – Key Figures

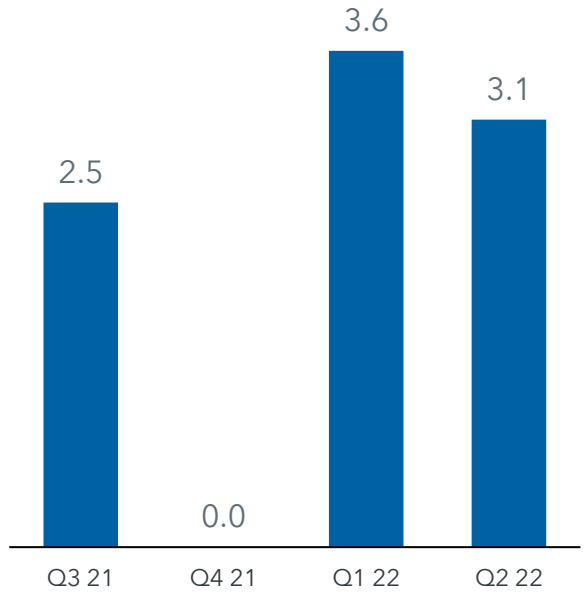
SALES REVENUE
($ millions)



OPERATING RESULT
($ millions)



RETURN ON SALES
(%)



Thank You