

I V E C O • G R O U P



UNLIMITED PATHWAYS

CAPITAL MARKETS DAY — 14<sup>th</sup> MARCH 2024



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Financials shown in the next slides have been adjusted to reflect the carve-out of our Fire Fighting Business Unit since Iveco Group signed a definitive agreement for the transfer of its ownership. Certain figures contained in this presentation, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this presentation may not conform exactly to the total figure given.

Further information concerning Iveco Group, including factors that potentially could materially affect Iveco Group's financial results, is included in Iveco Group's reports and public filings under applicable regulations.



# GROUP PATHWAY

UNLIMITED PATHWAYS

GROUP PATHWAY

2023 results by Business Unit

IVECO • GROUP

Consolidated Revenues: €16.0bn Group Adj. EBIT: 6.1%

POWERTRAIN



Net Revenues: €4.3bn  
Adj. EBIT: 5.9%



COMPETITIVE ARENA<sup>1</sup>

CUMMINS, DEUTZ, VOLVO PENTA, WEICHAI, PERKINS, EPWT, ZF, DANA

2023 MARKET SHARE



2023 PROFITABILITY



BUS



Net Revenues: €2.3bn  
Adj. EBIT: 4.8%



BYD, MERCEDES BENZ, EBUSCO, MAN, SCANIA, SOLARIS, VOLVO



DEFENCE



Net Revenues: €1.0bn  
Adj. EBIT: 7.7%



ARQUUS, GENERAL DYNAMICS, OSHKOSH, RHEINMETALL



TRUCK



Net Revenues: €10.6bn  
Adj. EBIT: 5.8%



DAF, MAN, MERCEDES BENZ, RENAULT, SCANIA, VOLVO, VW COMM. VEHICLES



LCV<sup>2</sup>



MHDT<sup>3</sup>



FINANCIAL SERVICES



Portfolio: €6.9bn  
RoA<sup>4</sup>: 2.1%



DAIMLER TRUCK FS, PACCAR FINANCIAL, TRATON FS, VOLVO FS



Legend: ● Strong ● Performing

1. Major peers for Financial Services BU; 2. Between 3.50t-7.49t; 3. Strong market share in medium truck; 4. Return on Assets. Note: financials shown exclude Fire Fighting Business Unit since Iveco Group signed a definitive agreement for the transfer of its ownership.

## Synergies across the Group



United by shared values



One passionate and united team

ON STAGE TODAY



GERRIT  
MARX  
CEO

BUSINESS UNITS



SYLVAIN  
BLAISE  
POWERTRAIN



DOMENICO  
NUCERA  
BUS



CLAUDIO  
CATALANO  
DEFENCE



LUCA  
SRA  
TRUCK



SIMONE  
OLIVATI  
FINANCIAL  
SERVICES



THOMAS  
HILSE  
FIRE FIGHTING

SUPPORT & INDUSTRIAL FUNCTIONS



ANNA  
TANGANELLI  
FINANCE



MARCO  
LICCARDO  
TECHNOLOGY & DIGITAL



ANGEL R.  
LAGUNILLA  
MANUFACTURING



ANGELA  
QU  
SUPPLY CHAIN



FRANCESCO  
TUTINO  
HUMAN RESOURCES & IT

CORPORATE FUNCTIONS



GABRIELLA  
PORCELLI  
LEGAL & COMPLIANCE



MICHELE  
ZIOSI  
PUBLIC AFFAIRS &  
SUSTAINABILITY



FRANCESCO  
POLSINELLI  
COMMUNICATIONS



ALESSANDRA  
RAMORINO  
RISK & INTERNAL AUDIT

Empowering unlimited pathways for each Business Unit by 2028

POWERTRAIN



Reach double-digit margins and advance the energy transition



BUS



Lead European people transport industry and expand profitability



DEFENCE



Continue to innovate on a solid growth path



TRUCK



Maintain lead in LCV, advance MHDT margins



LCV<sup>1</sup> MHDT<sup>2</sup>

FINANCIAL SERVICES



Pioneer new services with a solid Capital foundation



INDUSTRY OUTLOOK



2028 MARKET SHARE



2028 PROFITABILITY



Accelerating into the future



TECHNOLOGICAL  
INNOVATION



FINANCIAL  
DISCIPLINE



STRATEGIC  
PARTNERSHIPS



SUSTAINABILITY  
LEADERSHIP

FOUR STRATEGIC PILLARS

## Our innovation journey



### ENERGY TRANSITION

Net zero carbon by 2040



Multi-propulsion approach for green mobility (bio-gas, H2, electricity, ...)

ePowertrain plant opened in Turin, 10k units produced since 2022

E-BENCH Test and Validation Lab recently inaugurated in France



### AI & SOFTWARE DEFINED VEHICLES

500k+ connected vehicles by 2030



>140k vehicles and >250k engines connected today

GATE ZEV pay-per-use model and digital service ecosystem

Driver Pal vocal driver assistant powered by GenAI in next-generation

Software & Analytics Lab using GenAI assistance for coding



### AUTONOMOUS DRIVING

Beyond Level 2+ technologies



PlusDrive system on-board IVECO S-Way

Level 2+ autonomous driving technologies currently under testing

GROUP PATHWAY

Extending DRIVE programme

Adj. Ebit Margin of Industrial Activities  
(€bn, %) 2019A-2028E



2021 Investor Day ambition

€0.5bn  
2019-2024

€0.5bn  
2024-2026

Key Contributors

Recovery of energy & raw material prices in 2024-2026

Sustain historical YoY procurement savings via supplier negotiations

Launch incremental effort on design-to-value and best-place-to-buy to unlock long-term value

Enhance DOT manufacturing continuous improvement programme

Note: financials shown exclude Fire Fighting Business Unit since Iveco Group signed a definitive agreement for the transfer of its ownership.



BAE SYSTEMS

FORD OTOSAN



HYUNDAI



Otokar



Partnering the  
'Iveco Group Way'



# Accelerating progress by working with partners

## Product technology, investments & know-how

**BAE SYSTEMS**

**FORD OTOSAN**



**Otokar**



## New markets & business models



## Service & energy ecosystem



## BAE SYSTEMS

Partnership agreement to co-develop Amphibious Vehicles for U.S. Marine Corps



## HYUNDAI

Distribution agreement for electric chassis-cab and Light Professional Vehicle  
Joint exploration of FCEV and EV solutions for trucks and buses

## FORD OTOSAN

Non-binding MoU to jointly develop a new heavy-duty truck cabin fully compliant with Direct Vision regulation

# Our sustainability journey



**Monitored KPIs**

- Scope 1 & 2 absolute CO<sub>2</sub> emissions in our plants** (vs 2019)
- Scope 3 CO<sub>2</sub> emissions from use of sold vehicles** per vehicle/km<sup>1</sup> (vs 2022<sup>2</sup>)
- Absolute CO<sub>2</sub> emissions from key suppliers** (vs 2022<sup>3</sup>)

**Year End 2023 vs. 2021 Investor Day Targets**



- New EU vehicles with ADAS** (L2) and advanced functions
- Employee injury frequency rate** (vs 2019)
- Dealership staff to complete **safety training** on product portfolio



- Water recycled** at Company plants worldwide
- New products designed** using **sustainability / recyclability** criteria
- Return of **recoverable cores of spare parts** sold



- Management positions held by **women**
- Net Promoter Score** (vs 2021)
- Key Partners** involved to **improve drivers' working conditions and life balance**



1. Based on a Well-to-Wheel approach; 2. Baseline updated and ambition improved vs 2021 Investors Day; 3. Baseline updated vs 2021 Investors Day; 4. Ambition improved vs 2021 Investors Day.

## Setting more ambitious sustainability targets



### CARBON FOOTPRINT

**Net Zero Carbon**  
by 2040

**100%**

of total electricity consumption from renewable sources by 2026

**-30%**

vs 2022 in absolute CO<sub>2</sub> emissions generated by major suppliers by 2030



### WORKPLACE AND PRODUCT SAFETY

Activities **proceeding on schedule** with targets confirmed



### LIFE CYCLE THINKING

**75%**

of industrial water recycled at Company plants worldwide by 2026



### INCLUSION AND ENGAGEMENT

**30%**

of office positions held by female office workers by 2028

### Gender Pay Equity

across the organisation certified by third party by 2026

**+25%**

in Net Promoter Score vs 2021 by 2026

## Key financial targets for 2028

### INDUSTRIAL ACTIVITIES



NET REVENUES GROWTH  
UP TO 5% CAGR 2023-2028



PROFITABILITY EXPANSION  
UP TO 3pp ADJ. EBIT MARGIN 2028 VS 2023



INDUSTRIAL FREE CASH FLOW  
>2X 2028 VS 2023

### IVECO GROUP



EARNINGS PER SHARE  
>2X ADJ. DILUTED EPS 2028 VS 2023



AVAILABLE LIQUIDITY  
STABLE AT 30-35% OF CONSOLIDATED REVENUES



Iveco Group monitors its operations through the use of several non-EU-IFRS financial measures. Iveco Group's management believes that these non-EU-IFRS financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess Iveco Group's financial performance and financial position. Management uses these non-EU-IFRS measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-EU-IFRS financial measures have no standardized meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

Iveco Group's non-EU-IFRS financial measures are defined as follows:

- Adjusted EBIT: EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events, that are infrequent in nature and not reflective of on-going operational activities.
- Adjusted Net Income (Loss): profit (loss) for the period, less restructuring costs, and non-recurring items, after tax.
- Adjusted Diluted EPS: Adjusted Net Income (Loss) attributable to Iveco Group N.V. divided by a weighted-average number of Common Shares outstanding during the period that takes into consideration potential Common Shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When Iveco Group provides guidance for Adjusted Diluted EPS, it does not provide guidance on an earnings per share basis, because the IFRS measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.
- Adjusted Income Taxes: income taxes less the tax effect of restructuring expenses and non-recurring items and non-recurring tax charges or benefits.
- Adjusted Effective Tax Rate (Adjusted ETR): is computed by dividing a) adjusted income taxes by b) profit (loss) before income taxes, less restructuring expenses and non-recurring items.
- Net Cash (Debt) and Net Cash (Debt) of Industrial Activities: Net Cash (Debt) is defined as total Debt plus Derivative liabilities, net of Cash and cash equivalents, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables. Iveco Group provides the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable EU-IFRS financial measure included in the Group's consolidated statement of financial position. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.
- Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- Available Liquidity: cash and cash equivalents, including restricted cash, undrawn medium-term unsecured committed facilities, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties), and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables.



Financials - The composition of our regions is as follow:

- Europe: member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine and Balkans.
- South America: Central and South America, and the Caribbean Islands.
- North America: United States, Canada and Mexico.
- Rest of the World: Continental Asia (including Türkiye and Russia), Oceania and member countries of the Commonwealth of Independent States, the African continent and Middle East.